



The Future of SAP Transformation Public Cloud

A decision-focused perspective on Public Cloud ERP transformations.

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Executive overview

SAP Public Cloud ERP, powered by S/4HANA Public Cloud, is increasingly seen as the foundation for scalability, efficiency, and digital innovation. Yet many organizations find it challenging to realize its full value. Not because of technology limitations but because transformations are still approached as implementations rather than as changes in how the organization operates and adopts new ways of working.

Public Cloud ERP typically requires that organizations operate as an integrated system, where decisions, processes, and data are inherently interconnected. In practice, this proves challenging. Fit-to-standard erodes under pressure, adoption is treated as a downstream activity, and fragmented governance allows legacy behavior to reenter the core.

Leading organizations often take a different approach. **They recognize that Public Cloud ERP is not won through implementation but through adoption and consistent steering.** By enforcing standardization, embedding governance, and actively managing value realization, they help create a scalable foundation that can support sustained business outcomes.

While this publication addresses Cloud ERP transformation more broadly, the perspectives and examples in later sections focus specifically on SAP S/4HANA Public Cloud.

Increasingly, the question is not whether Public Cloud ERP works but whether organizations are prepared to lead, govern, and adopt it at scale.

“

The challenge is often not only technical but also organizational. It's aligning ambition, accountability, and speed in a way that keeps the business moving forward with confidence.”

- Matthijs Bruins, Partner SAP Advisory



The reality leaders face today

Understanding the structural challenges
behind Public Cloud ERP transformation

The pressure to move

Many organizations are under increasing pressure to scale faster, operate more efficiently, and respond to continuous technological change. Expectations around data-driven decision-making, automation, and AI continue to rise, while business leaders are expected to deliver measurable value in shorter time frames with fewer resources. At the same time, regulatory demands, cost pressures, and the need for resilience are adding further complexity to how organizations operate. Yet many organizations continue to rely on ERP landscapes designed for a different era. Over time, these environments have often become increasingly complex because of customization, fragmentation, and inconsistent data structures. What once enabled flexibility can now constrain scalability, slow down decision-making, and limit the ability to adopt new capabilities at speed. As a result, a growing gap is emerging between what organizations aim to achieve and what their underlying systems are able to support.

What many organizations overlook

The primary constraint is often not technology but how Cloud ERP is positioned¹

Most organizations approach Cloud ERP as a system transition rather than a shift in how the business operates. As a result, discussions focus on migration, tooling and implementation timelines. However, Cloud ERP typically requires that organizations standardize processes and rethink how they operate, scale and make decisions. At the same time, many organizations struggle to move from experimentation to scaled impact, often held back by fragmented and legacy technology landscapes. When Cloud ERP is treated as an IT initiative instead of a business transformation, its full value may not be fully realized.

Standardization is typically required, but organizations continue to optimize for flexibility

Public Cloud ERP, on the other hand, is built on standard processes, yet many organizations continue to prioritize flexibility and customization. Instead of simplifying their landscape, they attempt to replicate legacy complexity in an environment that is designed for standardization. This creates trade-offs between speed, scalability and control, which can slow down transformation rather than accelerate it.

The promise of speed and innovation remains out of reach

While organizations invest in transformation, many struggle to realize the expected value. ERP programs often take longer than planned and may exceed budgets or fall short of initial objectives. At the same time, initiatives such as AI remain stuck in pilot phases, often due to fragmented data and inconsistent processes. This creates increasing pressure to deliver faster results with fewer resources, while dealing with rising costs and uncertainty. Without a more standardized and scalable foundation, the desired value can remain difficult to achieve in practice.

“**Many organizations are investing in cloud, while still operating largely as before.**”

¹ Source: [KPMG Global Tech Report 2026](#)

Patterns observed across industries

Pattern 1 – Ambition is high, execution remains uneven¹

Many organizations are rapidly increasing their investments in digital technologies and have clear ambitions to scale. However, while strategies are often funded and supported, many organizations face challenges in execution. Only a limited share appears to have fully scaled their capabilities, while a significant portion remains stuck between ambition and implementation.

Pattern 2 – Legacy systems slow down the shift to scalable platforms²

Organizations are accelerating digital transformation and adopting cloud-based ecosystems. However, legacy core systems often remain a major constraint. Around 60% of executives indicate that legacy environments can limit their ability to capture full value from new technologies, leading to digital debt and slowing down scalability.

Pattern 3 – Foundations consume budget, limiting transformation³

A significant portion of technology budgets is still allocated to maintaining existing systems. Over 40% of organizations spend heavily on maintenance, while only a limited share is directed toward transformation. As a result, organizations may miss opportunities to invest in modernization and innovation because of technical debt and cost pressures.

Why current approaches may fall short

Too much focus on technology, not enough on operating model

Many organizations still approach ERP and cloud transformation primarily as a technology initiative rather than a fundamental shift in how the business operates. The focus is often on system selection, migration, and implementation timelines, while less attention is given to redesigning processes, governance structures, and decision-making frameworks. As a result, new cloud platforms are introduced without aligning the broader operating model. This can lead to fragmented execution, limited standardization, and reduced ability to fully leverage the scalability and flexibility that cloud environments are designed to enable.

Figure 1. Maturity Gap

Many organizations cluster in 'vision without traction'; closing the execution gap is the real challenge

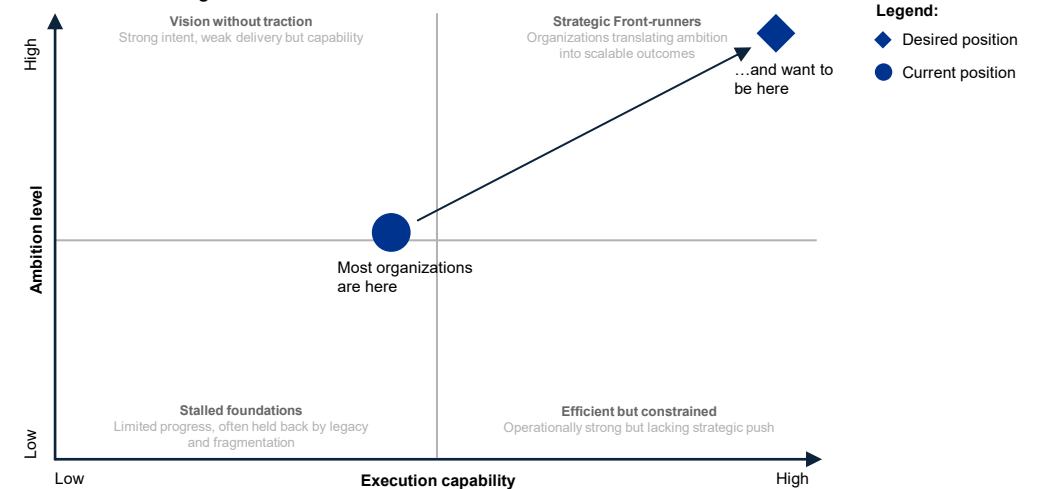
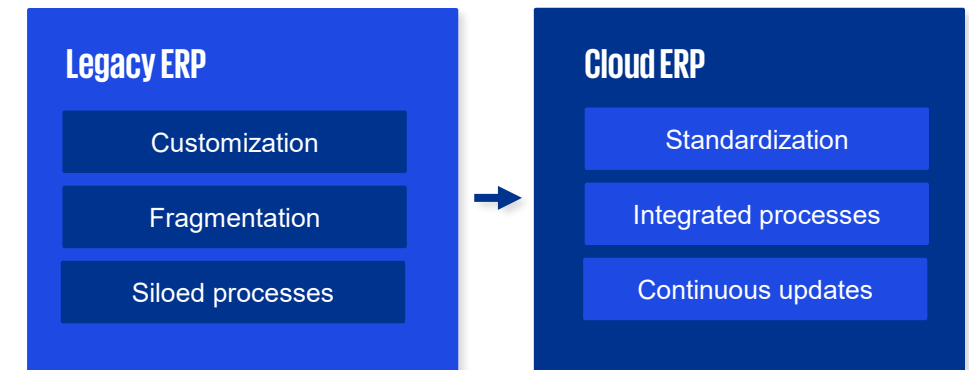


Figure 2. Legacy ERP vs. Cloud ERP



¹ Source: [KPMG Global Tech Report 2026](#)

² Source: [KPMG Global Tech Report 2026 ENR](#)

³ Source: [KPMG Global Tech Report 2026 Financial Services](#)

Customization and complexity undermine scalability

Customization often remains one of the most persistent barriers in ERP transformations. To accommodate specific business requirements, organizations continue to replicate legacy processes within new cloud environments. While this may reduce short-term disruption, it introduces significant complexity, increases implementation effort, and drives up both initial and ongoing costs.

Over time, this complexity can limit the ability to adopt standard updates, slows down innovation cycles, and creates dependencies that are difficult to unwind. Organizations may find themselves locked into highly tailored solutions that are expensive to maintain and difficult to scale. Instead of simplifying the landscape, transformation efforts risk reinforcing the very constraints they aim to solve, which can result in delayed value realization and potentially reduced return on investment.

Figure 3. *Value erosion in ERP transformations*

Complexity reduces realized value over time through delays, rework, and structural inefficiencies.

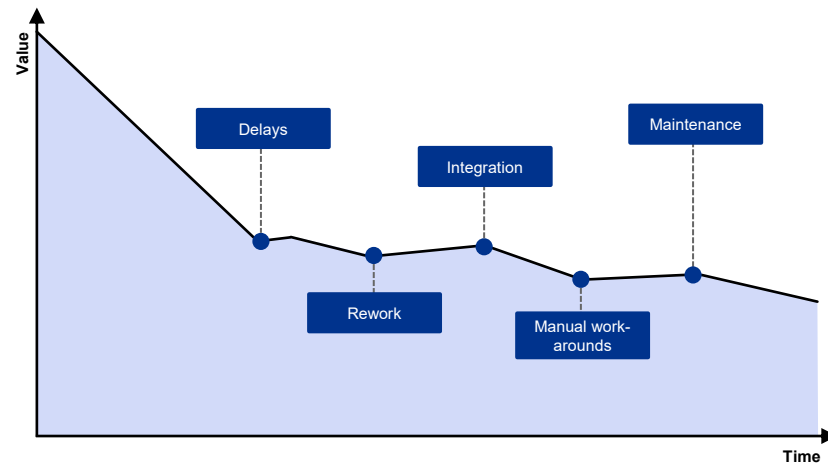
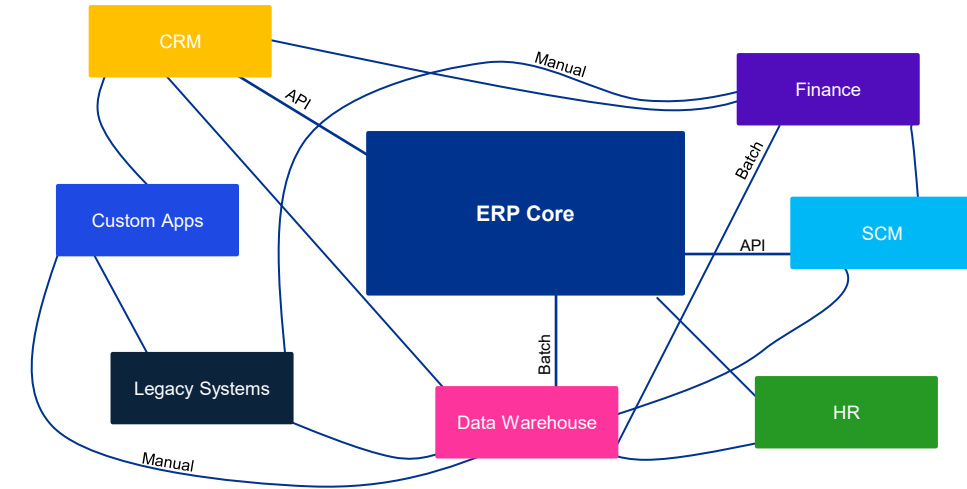


Figure 4. *Complex ERP integration landscape*

Multiple integration patterns and legacy dependencies limit scalability and speed. A mix of APIs, batch processes, and manual work-arounds creates structural complexity.



The underlying structural challenge

The core challenge is often not technology but structural misalignment. Most organizations are trying to adopt cloud-native platforms, while still operating within legacy ways of working.

Traditional ERP environments were built around customization, control, and functional silos. In contrast, Public Cloud ERP platforms are designed around standardization, continuous updates, and integrated, cross-functional processes. When these two worlds are combined without redesigning the operating model, friction can emerge. Organizations end up forcing modern platforms into legacy structures, which can limit scalability, slow down decision-making, and reduce the value of the transformation. Instead of enabling agility, the cloud becomes constrained by outdated principles.

The decision leaders face

Public Cloud ERP is increasingly positioned as the foundation for scalability, speed, and digital capabilities. Yet for many, value may remain difficult to realize in practice. Not because of the platform itself but because transformation often adds complexity rather than removing it. In some cases, instead of becoming simpler and more agile, additional layers can be introduced around the core, slowing progress and potentially limiting impact. This growing gap between ambition and realization is where transformations lose momentum.

Legacy constraints limit scalability and slow growth

Organizations are increasingly outgrowing their current ERP systems. Legacy environments not only struggle to support scale but can also slow down the deployment of new capabilities and can constrain digital transformation.

While the challenges are often framed as technical limitations, their impact is felt across the entire organization. They shape how leaders make decisions, allocate resources, and drive performance. As a result, these constraints translate directly into tangible business outcomes for different leadership roles.

What this means for...

CIO/CTO

(and IT leadership)

Difficulty deploying new capabilities due to legacy constraints

Increasing technical debt and integration complexity

Slower release cycles and reduced agility

CFO

Rising costs that may be driven by inefficiencies and rework

Limited return on transformation investments in some cases

High uncertainty around long-term cost structures

COO

(and operations leadership)

Growth can be constrained by system limitations rather than market demand

Slower time-to-market for new products and services

Increasing reliance on manual work-arounds to scale

Barriers

Legacy ERP environments can constrain scalability, slow innovation, and increase complexity. Growth can be limited not just by technology but also by legacy processes, integrations, and ways of working.



Legacy ERP systems that may not scale with business growth



Slower deployment of new capabilities



Legacy can actively hinder digital transformation



Overreliance on customizations to replicate legacy processes



High disruption and cost of replacement and re-implementation

Enablers

Unlocking growth typically requires simplification, standardization, and scalable platforms. Organizations can create value by reducing complexity and redesigning how they operate.



Adopting scalable, cloud-native ERP platforms



Standardizing processes instead of replicating legacy ways of working



Reducing customizations in the ERP core



Modular architecture to enable faster deployment of capabilities



Clear prioritization of core system modernization at leadership level

“Organizations often have no trouble adopting AI but may find it difficult to translate it into measurable, scalable value.”

What's next?

Organizations may need to move beyond technology-led transformation and focus on simplifying how they operate. The priority is not on replacing systems but on reducing complexity and enabling scale through standardization and clear architectural choices:

- Shift from customization to standardization.
- Simplify the ERP core and reduce complexity.
- Enable modular, scalable architectures.
- Move toward continuous delivery and updates.

AI is not yet delivering on its promise

Organizations are investing heavily in AI to unlock efficiency, insight, and new growth opportunities. Yet for many, impact often remains limited, as AI initiatives remain experimental, with unclear value and slow adoption at scale.

While the challenges are often framed as technical limitations, their impact can be felt across the entire organization. They shape how leaders make decisions, allocate resources, and drive performance. As a result, these constraints translate directly into tangible business outcomes for different leadership roles.

Many organizations approach AI as a series of isolated initiatives rather than embedding it into core processes and decision-making. As a result, use cases can remain disconnected from the workflows where value is created. This can limit scalability and may prevent AI from translating into consistent, organization-wide impact.

What this means for...

CIO/CTO

(and IT leadership)

AI initiatives can remain stuck in pilots and proofs of concept

Challenges scaling use cases across the organization

Increasing complexity from disconnected tools and data

CFO

Unclear ROI and difficulty justifying continued investment

High costs without corresponding business impact

Limited visibility on value realization

COO

(and operations leadership)

Limited operational impact despite AI investments

Fragmented use cases without end-to-end process improvement

Difficulty embedding AI into day-to-day operations

Barriers

AI adoption is often not limited by the technology itself but by the underlying ERP and data foundation it depends on. Without the right data foundations, operating model, and governance, AI can struggle to move beyond isolated use cases.



Many AI initiatives stuck in pilots without scaling



Unclear or unproven return on investment



Fragmented data and lack of integration



Shortage of skills to operationalize AI



Lack of alignment between business and technology

Enablers

Realizing AI value typically requires a strong ERP and data foundation. The challenge is not experimentation but scaling AI through structural readiness and execution.



Embedding AI into core business processes



Strengthening data foundations and integration



Focusing on high-impact, scalable use cases

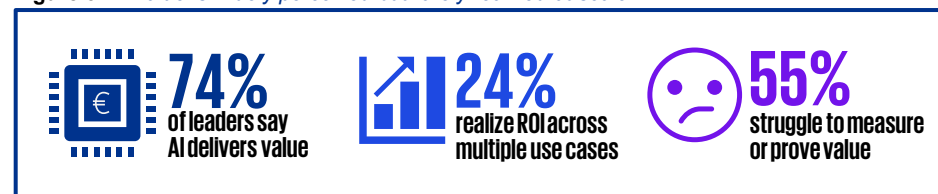


Aligning business and technology ownership



Building capabilities to operationalize AI at scale

Figure 5. AI value is widely perceived but rarely realized at scale



Source: [KPMG Global Tech Report 2026](#), n = 2500

What's next?

Organizations may need to move beyond experimentation and focus on scaling AI where it can drive real business impact. The priority is often not more use cases but fewer, with clearer value, stronger integration, and full adoption across the organization:

- Shift from pilots to scaled deployment.
- Strengthen data and integration foundations.
- Focus on value-driven use cases.
- Build capabilities to operationalize AI.

Adoption is often the real bottleneck

Organizations invest in Public Cloud ERP to simplify, standardize, and scale. While the technology enables this shift, many struggle to embed it into day-to-day operations and to consistently apply new ways of working.

While Public Cloud ERP enables standardization and simplification, value is typically realized when new ways of working are consistently adopted across the organization. In practice, organizations often focus on implementation milestones rather than sustained adoption and behavioral change, which can leave systems underutilized in day-to-day operations.

Adoption is typically not a one-time activity but requires continuous alignment between business and IT, supported by clear ownership and governance. Without this, teams may fall back to familiar ways of working, limiting the impact of standardization. This creates a gap between expected and realized value, where efficiency gains may remain theoretical rather than tangible, and becomes visible in the performance of different leadership roles.

What this means for...

CIO/CTO

(and IT leadership)

Systems are live but underutilized

Continuous change cycles require ongoing alignment

Difficulty managing adoption across units

CFO

Investments are made, but benefits lag behind

Value realization depends on actual usage

Limited visibility on adoption-driven performance

COO

(and operations leadership)

Processes are redesigned but not consistently followed

Limited ownership in business teams

Expected efficiency gains are not realized

Barriers

Technology alone typically does not drive transformation. Without adoption, even the most standardized platform may not deliver its intended value.



Limited business ownership and engagement



Resistance to standardized processes



Lack of training and change management



Insufficient alignment between IT and business



Focus on go-live instead of long-term adoption

Enablers

Driving value from Public Cloud ERP typically requires embedding it into the organization – not just implementing it.



Strong business ownership and accountability



Focus on adoption from day one



Continuous training and enablement



Clear governance and decision-making



Monitoring usage and performance

The challenge is increasingly not only implementing Public Cloud ERP. It is also driving adoption and behavioral change across the organization.

What's next?

Organizations need to shift their focus from implementation to sustained adoption as the primary driver of value. This requires a structural shift in ownership, governance, and capability building, where business teams take the lead in driving adoption, supported by IT.

- Prioritize adoption over go-live.
- Embed new ways of working.
- Align business and IT ownership.
- Continuously monitor and improve usage.

Our structured path forward

From fragmented initiatives to a coherent,
risk-driven approach

Our expert view

What leading organizations do differently

Leading organizations often treat Public Cloud ERP as a disciplined operating model rather than a system implementation. They make explicit choices, apply them consistently, and create organizational alignment around a small set of clear principles.

Value is typically not positioned as a one-time justification at the start but as a continuous reference point for decision-making. Leaders actively steer changes against the business case, helping to ensure that priorities remain aligned with measurable outcomes. Ownership of value typically sits with the business and is reinforced throughout the transformation.

These organizations recognize that sustained success is often determined less by technology and more by organizational behavior. Adoption, standardization, and the ability to move away from legacy patterns shape whether the platform delivers on its promise.

S/4HANA Public Cloud therefore represents a shift in how organizations operate and decide. Value emerges through consistent execution and the disciplined adoption of new ways of working.

They actively manage value throughout the transformation

Leading organizations treat the business case as an ongoing steering mechanism throughout the transformation life cycle. Value is continuously referenced in decision-making, ensuring that changes remain aligned with the intended outcomes.

Governance structures are used to maintain this alignment. Initiatives are assessed on their contribution to value, creating clarity on priorities and reinforcing focus as the transformation progresses.

They embed accountability for value realization in the business

A defining characteristic is where ownership of value sits. Rather than remaining a central or abstract construct, accountability is placed within the business. Clear KPIs are linked to expected outcomes, making value realization tangible and observable in day-to-day operations.

This ownership ensures that benefits such as efficiency, automation, and scalability are actively pursued and sustained beyond delivery milestones.

Leading organizations not only define the business case up front but also actively steer against it during the transformation.

- Matthijs Bruins, Partner SAP

They typically enforce standardization through disciplined decision-making

Leading organizations treat fit-to-standard as the default way of working and apply it consistently across the business. Clear leadership choices and explicit accountability create alignment, even when trade-offs become uncomfortable. Over time, this consistency turns principles into predictable outcomes.

Flexibility is applied deliberately rather than implicitly. Deviations are typically introduced selectively, where they support measurable business value. The core remains standardized, while differentiation is applied with intent based on clean core principles. Standardization is therefore not a limitation but a conscious design choice.

They embed governance and tooling as part of the operating model

Governance typically provides the structure through which decisions are validated and alignment is maintained throughout the transformation. Rather than existing alongside delivery, it is integrated into how work is governed and steered.

Supporting tooling reinforces this structure by enabling traceability and end-to-end visibility. Together, governance and tooling can create control, transparency, and coherence, preventing fragmentation as the organization scales.

“Standardization is not a constraint but a prerequisite for speed and reliability.”

SAP Public Cloud ERP as a suite-level strategy

Leading organizations treat SAP Public Cloud ERP not as a one-time system replacement but as a modular platform that supports long-term business strategy.

The ERP serves as a stable foundation that allows new capabilities to be seamlessly connected. This shifts the focus from delivering a system to enabling continuous business innovation, while preserving coherence at the core.

What they do differently:

- They use ERP as a foundation, not the end state.
- They expand capabilities modularly across the platform (e.g. customer experience, manufacturing, data, AI).
- They recognize that different leadership behavior is required – faster decision-making, clear ownership of standards, and strong sponsorship of change.
- They reduce complexity by architectural choices.

By standardizing the core and extending through native cloud capabilities, organizations simplify their landscape, can reduce long-term cost, and create a scalable basis for continuous innovation.

Practice in action

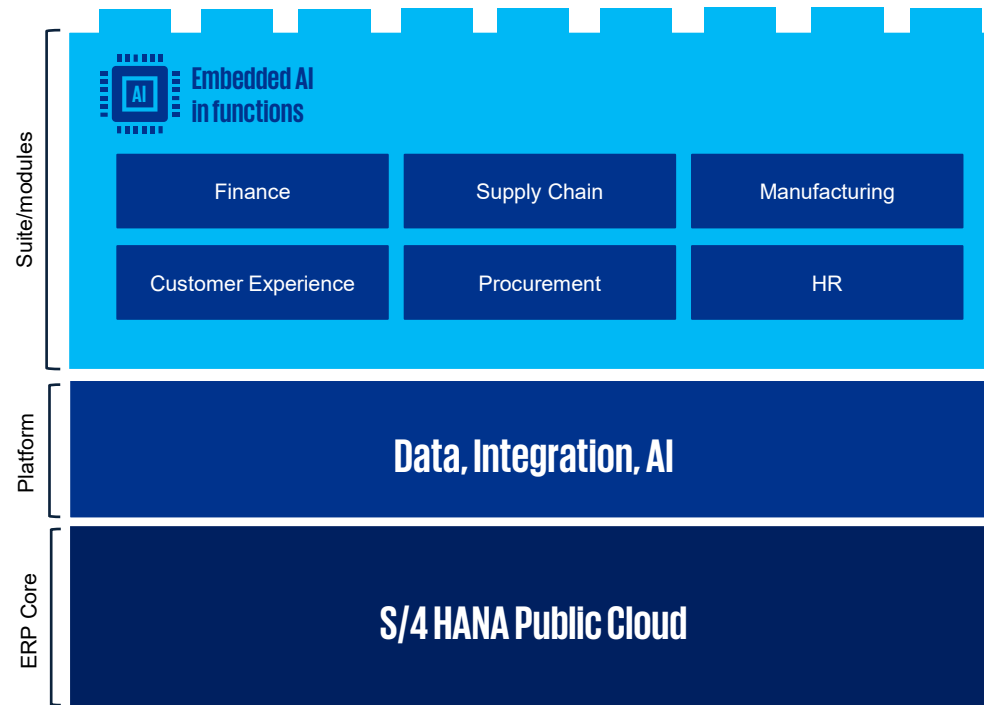
A mid-sized international organization adopted SAP Public Cloud ERP as a platform for transformation. After establishing SAP Public Cloud ERP as a foundation, capabilities were expanded incrementally as the business matured.

Standard functionality was used to simplify operations, align global processes, and strengthen the data foundation before further expansion.

The shift was not to the cloud itself but to a platform that evolves with the business. These choices come together in a suite-level view of SAP Public Cloud ERP, where a standardized core enables modular expansion and sustained value realization (see Figure 4 on the next page).

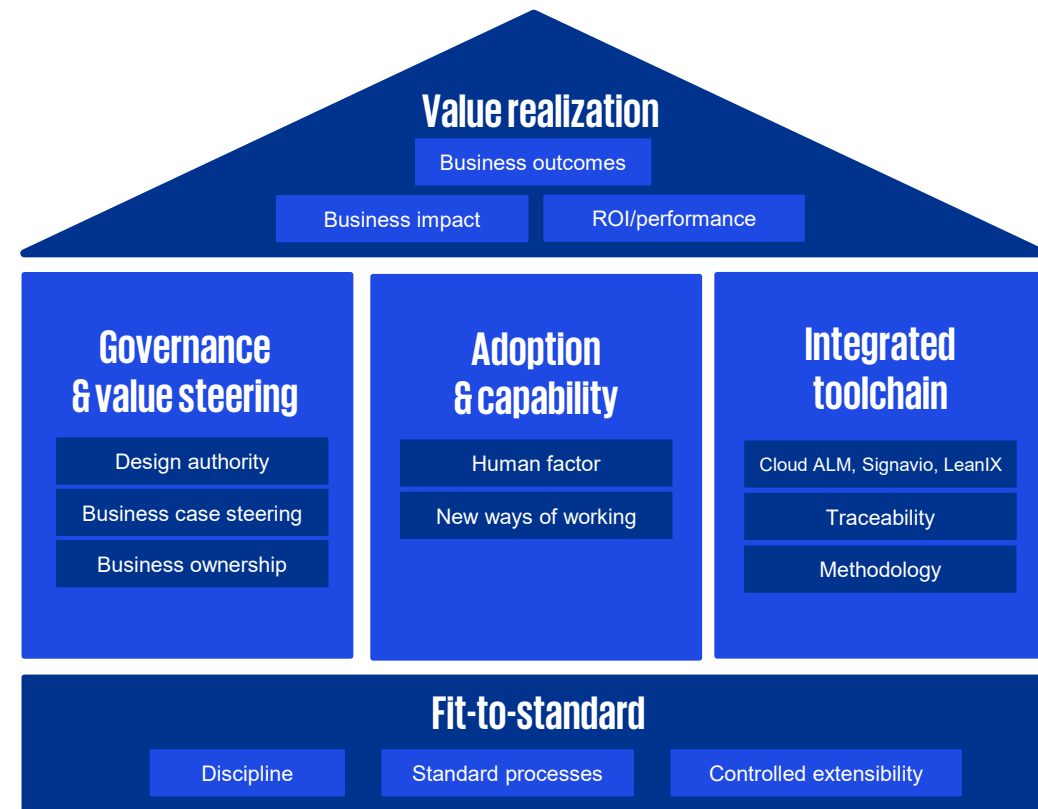
Figure 6. SAP Public Cloud ERP as a business suite strategy

Treating SAP Public Cloud ERP as a suite-level strategy shifts the focus from system replacement to capability expansion. The core remains standardized, while value is created through modular extensions on a shared platform.



Critical success factors: foundations for successful transformation

Successful Public Cloud ERP transformations are typically not driven by technology alone but by a set of foundational conditions that influence whether value is realized. These critical success factors work together as an integrated system that helps shape how decisions are made, executed, and sustained over time.



Lessons from real transformations

Real-world S/4HANA Public Cloud transformations show a consistent pattern: The challenge is not the technology itself but how organizations apply principles, govern decisions, and embed new ways of working. Across implementations, similar issues emerge as structural patterns that directly influence whether value is realized.

Lesson 1: Fit-to-standard requires active leadership, not just alignment

In theory, fit-to-standard was broadly accepted across the organization. Leadership had defined the principle and communicated it clearly. In practice, this proved insufficient.

In practice, business owners and key users revert to familiar ways of working when faced with new processes. Deviations are still introduced as new requirements, even when fit-to-standard has been formally agreed. Discussions shift away from value and toward preserving existing processes.

Fit-to-standard typically needs to be embedded in governance, not just communication. Deviations should typically be rejected or clearly justified through a clear business case, and leadership should consistently enforce these decisions.

State of control: Fit-to-standard is typically no longer debated. Deviations are rare, explicit, and value driven. Decision-making focuses on trade-offs rather than exceptions, and the ERP core remains stable over time.

“Business owners tend to fall back on their own familiar processes... leadership needs to enforce the principles and push back.”

- Erik Wals, Principal SAP

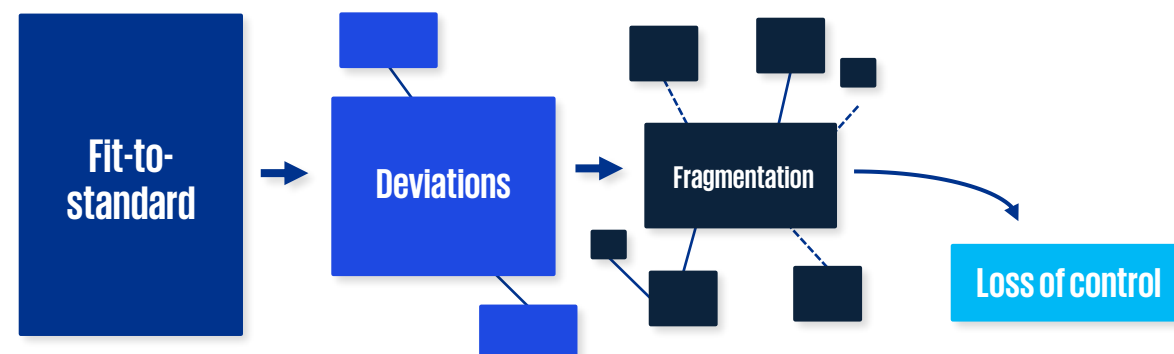
Lesson 2: Without integrated governance, fragmentation breaks the transformation

Implementations typically do not fail due to technical limitations but due to a lack of structured, end-to-end governance. As a result, it often becomes difficult to clearly answer what had been built, what had been tested, or what actually worked end to end. This can lead to a common failure pattern: **local progress without global control**.

In practice, requirements, designs, and progress are managed in separate tools or files without a single source of truth. We see that teams operate in silos, each tracking their own scope and status, without an integrated view. And that organizations lack end-to-end traceability, making it impossible to understand how individual components connect into a working process. Governance typically needs to be end to end, not fragmented by team or workstream. A single source of truth for requirements, status, and documentation is generally considered essential, and tooling such as Cloud ALM becomes foundational rather than optional.

State of control: There is one version of the truth. Leaders have end-to-end visibility across scope, decisions, and progress, enabling predictable outcomes rather than local optimization.

Figure 7. From fit-to-standard to fragmentation and loss of control



Lesson 3: Adoption often fails without up-front capability building

The biggest source of resistance was not intentional pushback but a lack of understanding. Adoption can fail when people don't have the right level of knowledge.

This reveals a fundamental issue: Without understanding the system, users may not be able to make informed decisions. As a result, discussions are not about value, but about reverting to familiarity.

In practice, key users lack sufficient knowledge of the system and standard processes when they enter the transformation. New stakeholders are introduced late, without the necessary context or training. Workshops become reactive, with participants defaulting to 'how we have always worked' rather than evaluating what works best.

Adoption typically starts before implementation, not at go-live. Key users should be trained early and exposed to standard processes, with a strong focus on self-enablement and hands-on experience.

The underlying lesson: Designed processes and actual behavior converge.

Teams work within the standard by default, and adoption becomes visible in daily operations rather than measured after go-live.

In short

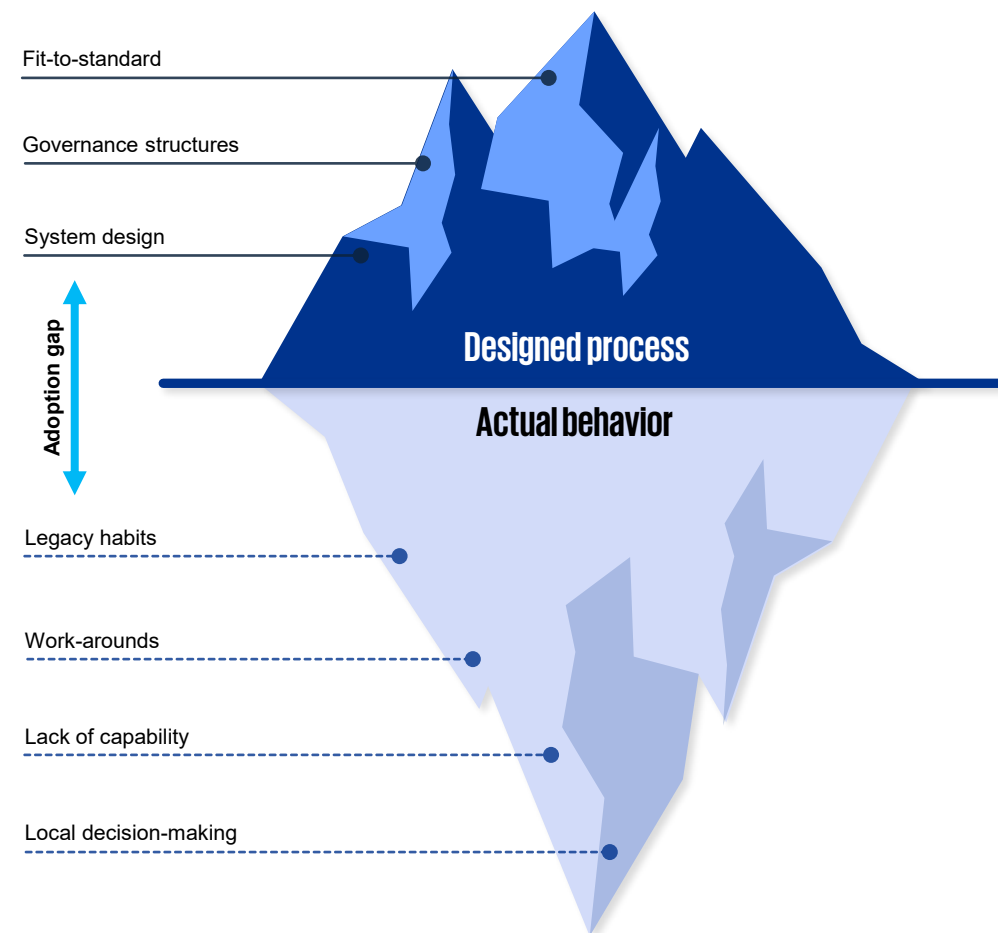
These lessons highlight a clear pattern. The technology itself typically does not fail, nor does the implementation fail due to functionality. The breakdown occurs in three areas: principles are not forced, governance is fragmented, and capabilities are not developed.

This leads to one outcome:

A system that works but an organization that does not adapt.

Figure 8. *The adoption gap between design and reality*

Transformations do not fail in design but in the gap between defined processes and actual behavior in the organization. The gap between process and behavior determines success.



What leaders should do now

From intention to enforceable execution. S/4HANA Public Cloud delivers value primarily when leaders make explicit choices and consistently enforce them. The difference between stalled transformations and scalable outcomes is not technology but leadership discipline.

Immediate priorities for leadership

S/4HANA Public Cloud typically requires collective leadership discipline. Scalable transformations are usually built on a small set of shared priorities that leadership aligns on and consistently upholds throughout execution. These priorities provide clarity in decision-making and prevent drift as pressure increases.

- **Standardization typically outweighs local optimization**
Enterprise scale and predictability take precedence over local preferences.
- **Adoption is often more critical than implementation**
Value is realized through consistent usage, not system delivery.
- **Value typically takes precedence over scope**
Scope, speed and flexibility are weighed against their contribution to business outcomes. The business case remains a living reference point.
- **Discipline as a source of momentum**
Progress is sustained through consistency. Leaders prioritize decisions that reduce noise and rework, even when acceleration is tempting.

Alignment is expressed through consistent application rather than agreement. When leadership operates from this shared stance, individual mandates reinforce one another, and execution becomes predictable rather than reactive.

CIO/CTO

(and IT leadership)

- **Enforce fit-to-standard as an architectural principle**
Keep the core clean. Extensions should be controlled, modular, and placed outside the core.
- **Establish one integrated governance model and toolchain**
One design authority, one source of truth, full traceability (e.g., Cloud ALM). Fragmentation is often one of the greatest risks.
- **Design for continuous change, not one-off delivery**
Public Cloud ERP requires cadence: updates, releases, and adoption cycles should be structurally embedded.
- **Actively prevent technical debt in the cloud**
Poor decisions migrate forward. The CIO should recognize and block legacy behavior even when it appears faster.
- **Align architectural decisions with business value**
Technical choices should be directly traceable to scalability, cost control, and adoption.

Sustain architecture, prevent fragmentation

S/4HANA Public Cloud requires architectural discipline. Structural exceptions should be actively controlled to keep the core stable and scalable.

CFO

- **Tie funding to realized value, not delivery milestones**
Avoid steering solely on go-live or scope completion. Release funding based on demonstrable adoption of and realized business KPIs.
- **Make customization a financial exception, not a design choice**
Any deviation from standard typically requires a quantified value case, including life cycle cost impact and clear exit criteria. Lack of proven value may limit or delay funding decisions.
- **Actively manage the run-cost trajectory**
Public Cloud ERP is typically expected to lead to declining operational costs over time. Rising run costs may signal growing complexity and require immediate intervention.
- **Anchor value realization in financial metrics**
Explicitly link process standardization to cost reduction, margin improvement, or working capital impact. Without financial landing, value remains theoretical.
- **Intervene early when value erodes**
Late correction compounds losses. When adoption lags or scope expands without value, the CFO should step in.

Protect value, control cost, enforce discipline

S/4HANA Public Cloud is a structural decision on how cost, value, and investment are governed over time.

COO

(and operations leadership)

- **Mandate standard processes as the operating model**
Variation can limit scale. Standard processes are typically leading rather than optional. Local optimization without enterprise value should be limited or addressed.
- **Own end-to-end process performance**
The COO typically owns how processes actually run – not just how they are designed. Work-arounds and exceptions signal failed adoption.
- **Prioritize adoption over redesign**
Redesign without consistent usage delivers no results. Focus on behavior, training, and compliance in daily operations.
- **Deliberately reduce operational complexity**
Fewer interfaces, fewer manual steps, fewer exceptions. Every layer of complexity slows scale and increases risk.
- **Hold leaders accountable for execution discipline**
Deviations are leadership issues, not IT issues. Consistency under pressure determines success.

Enable scale, reduce operational friction

Daily operations are designed to be simpler and more predictable, enabling scale without increasing complexity.

How to start the journey

Successful S/4HANA Public Cloud transformations are often shaped from the very beginning by a small number of deliberate leadership choices. From day one, leading organizations tend to prioritize business value over technical delivery, standardization over flexibility, and alignment over speed.

These choices create a clear reference point for teams. Decisions are typically made against shared principles, governance is typically present from the start, and adoption is treated as an integral part of the transformation rather than a downstream activity. This helps establish consistency early and prevents fragmentation as scale and pressure increase.

Leadership often plays a decisive role in setting this tone. More than defining direction, leaders actively reinforce the principles behind the transformation, make explicit trade-offs, and apply them consistently over time.

This requires clarity on what is nonnegotiable, visible alignment across teams, and early intervention when deviation emerges. Above all, it requires the discipline to prioritize long-term value and coherence over short-term convenience, especially when pressure mounts.



Anchor the transformation in business value, not technology

Start with a clear view on why the transformation matters. Define the business outcomes up front and use them to guide decisions throughout the journey.



Position fit-to-standard as the default from day one

Establish standardization early as a nonnegotiable principle. Avoid reopening discussions on legacy ways of working once direction is set.



Secure leadership alignment and commitment

Ensure that leadership actively supports and reinforces key principles. Without consistent direction from the top, deviation will quickly emerge.



Define governance before scaling decisions

Put structures in place to guide decisions, validate deviations, and maintain alignment across teams. Governance is not an afterthought but a prerequisite.



Start with a focused scope and prove the concept

Begin with a contained part of the organization to demonstrate that the standard works in practice. Use this as a reference point to build confidence and momentum.



Invest early in adoption and capability building

Prepare the organization to work differently, not just to use a new system. Focus on enabling people, not just delivering technology.



Design for expansion, not for completion

Treat the initial implementation as a foundation. Make deliberate choices that allow for future extension and avoid creating new integration complexity.

Where to focus investment and attention

Successful S/4HANA Public Cloud transformations are often shaped by how leaders direct investment and attention. The difference is not how much is spent but how deliberately leaders allocate resources across the areas that drive long-term value. These investment choices are leadership signals. Overinvestment or neglect in any of these areas can directly shape long-term value.

1. Strengthening the core

The core functions as a long-term asset that requires consistent attention. Standardization, governance, and a clean data foundation influence whether the system remains scalable over time. The pressure to accommodate local needs will always be present, but exceptions at the core introduce complexity that compounds. Leadership typically sets the tone by reinforcing the integrity of the core, especially when trade-offs emerge.

2. Expanding capabilities with intent

Expansion is where the system evolves with the business. S/4HANA Public Cloud is most effective when approached as a platform rather than a one-time implementation. Capabilities are added modularly, with each decision aligned to the broader architecture. The focus shifts from how quickly to expand to how expansion contributes to long-term coherence and value.

3. Enabling adoption and value realization

Value is typically realized through how the organization works with the system. Investment that remains concentrated on delivery milestones often leaves adoption underdeveloped. Capability building, training, and value tracking determine whether expected benefits materialize in practice. Leadership attention moves from delivery toward usage, outcomes, and behavioral change.

Investment is not a fixed allocation but a steering mechanism. Directing attention and resources toward the core, expansion, and adoption shapes whether the transformation delivers scalable and sustained value.

What success looks like

Success in S/4HANA Public Cloud transformations is not defined by delivery milestones but by how the organization operates after go-live. It typically becomes visible in behavior, decision-making, and governance.

Consistent decision-making

Decisions are guided by clear principles rather than local preferences. Trade-offs are made deliberately, with alignment across teams.

Standard as the default

Teams work within the standard without continuously revisiting earlier choices. Deviations are limited, explicit, and justified.

Governance that is actively applied

Governance is not only defined but visible in how decisions are made and validated over time.

Adoption embedded in daily work

Users follow the intended processes in practice rather than reverting to legacy ways of working.

Success cannot always be fully prescribed or replicated through a fixed set of steps. It typically emerges from consistent leadership, aligned decision-making, and the discipline to reinforce principles over time. Without that, even well-designed transformations tend to drift.

In summary: SAP Public Cloud ERP is not only won through implementation but through adoption and consistent steering.

SAP Public Cloud ERP is often approached as a technology or ERP implementation. In practice, its success largely depends on people. Value is typically realized when new ways of working are consistently adopted and when leadership remains disciplined in steering, enforcing decisions, and course-correcting to prevent fragmentation. SAP S/4HANA Public Cloud represents a shift toward operating as an integrated system, where decisions, processes, and data are inherently interconnected. The technology itself is generally not the limiting factor. A key factor is whether leaders consistently protect the standard, actively intervene when adoption breaks down, and resist exceptions that reintroduce legacy complexity. Without sustained leadership discipline, organizations recreate fragmentation. Even on a modern cloud platform.

Key takeaway 1

Standardization is a strategic choice, not a technical constraint

Fit-to-standard is not an implementation principle but a leadership discipline. When exceptions are tolerated under pressure, complexity can reenter the core and scale benefits erode.

Key takeaway 2

Value is typically realized through adoption, not go-live

Success is not only defined at deployment but in daily operations. Only when standard processes are consistently followed do efficiency gains, cost reduction, and scalability materialize.

Key takeaway 3

Governance and decision-making determine the outcome

S/4HANA Public Cloud typically does not fail due to technology but due to inconsistent decisions. One design authority, one governance model, and one source of truth are generally considered essential to protect value and control complexity.

Key takeaway 4

SAP Public Cloud ERP is a platform, not an end state

Leading organizations treat SAP Public Cloud ERP as a long-term foundation, not an end state. They keep the core clean, expand capabilities deliberately, and continuously steer on adoption and business value.

Meet the authors

The authors support organizations beyond implementation.

Their focus is on protecting the core, enabling scale, and ensuring adoption translates into sustained business value.



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We help organizations move beyond implementation, focusing on sustained adoption and creating value from SAP transformations.

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