HFS

HORIZONS REPORT

SAP S/4HANA Transformation Services, 2026

An assessment of the leading service providers in SAP S/4HANA

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Excerpt for KPMG

"SAP S/4HANA transformation is the most consequential and often the most costly program on enterprise roadmaps right now. The investment is real, the complexity is routinely underestimated, and too many programs are still measured by go-live dates rather than business outcomes. With AI reshaping both delivery and operations, the bar for what "good" looks like is rising fast. Providers that bring genuine domain depth, clean-core discipline, and outcome accountability will define the next chapter of this market."

"The pressure to complete SAP S/4HANA transformations has never been higher as enterprises want to enhance agility and maximize the benefits of AI for their stakeholders. However, it is crucial for providers to deliver the value and outcomes of their decades-long customization, leveraging the right accelerators, tools, and frameworks through innovative commercial models. That should help them make decisions faster and drive value seamlessly without disrupting their operations."

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1 Introduction and research methodology

Introduction

- The acceleration of AI adoption, expanding regulatory demands, and the need for sustainable, adaptive business models are forcing organizations to modernize the very systems that run their enterprises. SAP S/4HANA sits at the center of this reinvention for most of the Global 2000. This study examines how service providers are helping clients transform their SAP environments into intelligent, composable, and future-ready digital cores.
- The ***HFS Horizons: SAP S/4HANA Transformation Services, 2026*** report is designed to assess vendor capabilities, innovation, and value potential across the value chain based on a range of dimensions to understand the ***why, what, how, and so what*** of their service offerings across three distinct horizons:
  - **Horizon 1:** The ability to digitize and optimize specific enterprise resource planning (ERP) functions for efficiency, speed, and cost reduction. Focused on technical modernization and process digitization. Core skills in migration, configuration, and AMS. Limited industry IP or co-innovation. Adoption of RISE/GROW frameworks and agile delivery and early investment in talent, automation, and process mining.
  - **Horizon 2:** Horizon 1 + enablement of the **OneOffice** model through end-to-end enterprise transformation, spanning finance, supply chain, customer service, and HR. Enables OneOffice alignment across enterprise functions. Strong industry accelerators and compliance frameworks, deep integration with RISE/GROW and hyperscaler ecosystems. Operates co-innovation labs with SAP and clients and uses automation and AI to optimize transformation outcomes.
  - **Horizon 3:** Horizon 2 + the ability to drive **OneEcosystem** impact through multi-party collaboration, integrating SAP, hyperscalers, independent software vendors (ISVs), and industry bodies to co-create new digital and sustainability business models. Co-innovates with SAP on BTP, Joule, and industry cloud solutions, industry-specific IP, and platforms extending composable ERP, AI-first delivery, and data fabric for predictive decisioning. Also includes the ability to deliver measurable business, ESG, and customer experience/product experience (CX/PX) outcomes.
- The report evaluates the capabilities of service providers, including global system integrators, consulting firms, domain-specific, and niche SAP implementation players, across the HFS SAP S/4HANA services value chain.
- It highlights the value-based positioning of each participant across the three distinct Horizons. It also includes detailed profiles of each service provider, outlining their provider facts, strengths, and development opportunities.
- The report is global in scope and offers insights for enterprises of all shapes and sizes, service providers providing SAP S/4HANA transformation services, and ecosystem partners navigating the transition.

The HFS SAP S/4HANA Transformation Services value chain, 2026

Assessment and strategy	Planning and design	ERP transformation	Managed services
• Industry-specific transformation roadmaps (aligned to ESG, compliance, CX/PX outcomes) • AI-enabled process mining and benchmarking (automated fit-gap, value mapping) • Business case development tied to RISE and GROW offerings • Operating model redesign (shared services, GCCs, AI-led processes) • Change management and workforce enablement (AI copilots, Joule-driven adoption)	• Preconfigured industry cloud templates and SI-owned accelerators/IP (co-innovation with SAP) • Modular ERP architecture for composability and extensibility (via SAP BTP, hyperscaler ecosystems) • Security and compliance embedded into design (zero trust, regulatory packs) • Outcome-based delivery models (commercial structuring, value-led contracts) • Data foundation alignment (master data, data fabric, real-time insights via SAP Datasphere)	• Cloud-native deployment aligned to RISE/GROW frameworks • GenAI-enabled code remediation and extension modernization • Accelerated migration with factory models, automation, and reusable IP • End-to-end integration with SAP ecosystem (BTP, Signavio, SAP Joule) and hyperscaler services • Agile/DevOps-based delivery with prebuilt observability and resilience features	• Proactive managed services (predictive monitoring, self-healing, AI-driven ops) • Continuous innovation through co-developed SAP solutions, industry-specific IP packs • FinOps + GreenOps (cloud cost + carbon optimization) • UX and productivity transformation (SAP Joule, AI copilots, experience layer enhancements) • Business outcome tracking via value dashboards (ROI, agility, CX, ESG metrics)

Enabling technologies

GenAI, copilots, and agentic AI frameworks | SAP BTP extensions | Intelligent automation (RPA + orchestration) | Advanced analytics | Cybersecurity and compliance | Sustainability enablers

Horizontal IT processes

ERP modernization and extension | Cybersecurity | Foundational data modernization | Ecosystem orchestration

KPIs

ROI | Agility | Speed to value | ESG impact | Productivity | Resilience | CX and PX outcomes

Sources of data

This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the service capabilities of participating organizations covered in our study. The sources are as follows:

Briefings and information gathering

HFS conducted detailed **briefings** with each SAP S/4HANA transformation service provider.

Each participant submitted an RFI with SAP practice data and **supporting information** aligned to the assessment methodology.

Reference checks

We conducted reference checks with **26 active clients and 23 active partners** of the study participants via surveys and interviews.

HFS Pulse

Each year, HFS fields multiple demand-side surveys with detailed vendor questions.

For this study, we leveraged our fresh-from-the-field HFS Pulse study data featuring **202 enterprise leaders.**

Other data sources

Public information such as news releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

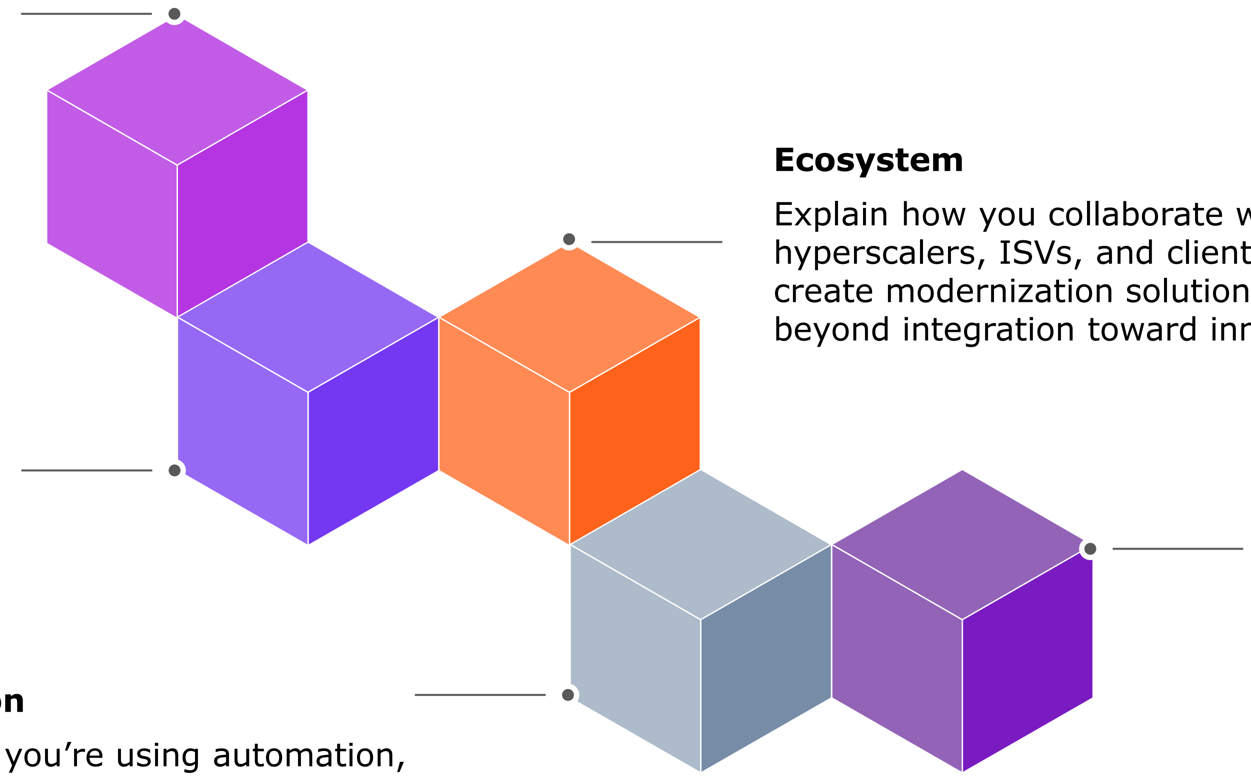
Vision around the role of SAP S/4HANA Transformation

The future of enterprise apps

Describe how your roadmap redefines the application landscape toward composability, AI-native architectures, and future business model enablement.

Transformation

Clarify how your approach goes beyond infrastructure shifts to address architecture, engineering culture, service delivery, and business alignment.



Ecosystem

Explain how you collaborate with hyperscalers, ISVs, and clients to co-create modernization solutions at scale beyond integration toward innovation.

Outcome mindset

Going beyond operational KPIs, demonstrate how your modernization programs drive resilience, agility, stakeholder experience (CX, PX), and measurable business growth.

Innovation

Show how you're using automation, GenAI, agentic AI, and other emerging technologies, not just for enablement, but for continuous reinvention and differentiation.

Horizons assessment methodology: The best service providers for SAP S/4HANA Transformation Services, 2026

This research evaluates the capabilities of service providers across a range of dimensions to understand the **why, what, how,** and **so what** of their service offerings in SAP S/4HANA services. Our assessment is based on inputs from clients and partners, augmented with analyst perspectives. The following illustrates how we assess your capabilities.

Distinguishing Supplier characteristics

Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why? **(25%)**	Strategy for SAP S/4HANA services, vision for the future, and alignment to business outcomes Offerings aligned to top problem statements in ERP transformation Differentiators — why companies work with you	• Focus on technical migration and ERP optimization • Limited linkage to industry context or true transformation vision	• Horizon 1 + enablement of the OneOffice model of end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience • Enablement of RISE/GROW with SAP and organizational alignment • Clear industry lens but limited co-innovation	• Horizon 2 + ability to drive OneEcosystem impact via collaboration across multiple organizations to drive completely new sources of value • Co-innovation with SAP (accelerators, IP, Joule/BTP extensions) • Vision linked to business models, data-driven decisioning, sustainability outcomes, reinvention, industry platforms, and ESG outcomes
Execution and innovation capabilities: The What? **(25%)**	Breadth and depth of services across the SAP S/4HANA services value chain and delivery differentiation Approach to and strength of ecosystem partners Industry-specific innovation and IP AI and agentic frameworks around SAP or embedded in services	• Functional execution expertise (configuration, migration, Application Management Services [AMS]) • Industry-neutral talent • Tactical delivery (fit-gap, cutover) • Limited automation/IP	• Horizon 1 + comprehensive coverage across the value chain • Industry-aligned delivery talent • Use of automation accelerators and hyperscaler integration	• Horizon 2 + AI-embedded delivery (SAP Joule, GenAI copilots) • Strong vertical accelerators and compliance packs, and domain data models • Integration of analytics and SAP Datasphere into operations • Advanced co-innovation with SAP and ecosystem • Outcome-based execution models
Go-to-market strategy: The How? **(25%)**	Nature of investments in your SAP business (M&A, non-M&A, R&D) Co-innovation and collaboration approaches with customers and partners including creative commercial models Customer targeting approach — roles, segmentation, geography	• Investments aligned to functional ERP services • Tactical GTM roles and geo-specific focus • SAP reseller/implementation partnership only	• Horizon 1 + investments aligned to enterprise-wide S/4HANA transformation • Strategic co-sell motions with SAP • Broader segmentation and commercial agility	• Horizon 2 + GTM with ecosystem partners (SAP + ISVs + hyperscalers) • Co-creation frameworks with clients and SAP • Commercial innovation (value-based models, transformation-as-a-service) • Participation in SAP product co-development/SAP Store assets • Executive-level partnerships
Market impact: The So What? **(25%)**	Scale of SAP S/4HANA services — revenue, clients, outcomes Proven outcomes showcasing value delivered to enterprises through ERP transformation Voice of the customer and partners	• Proven functional scale but limited to ERP ops • Evidence of cost takeout, isolated client references	• Horizon 1 + scale proven through enterprise transformation programs • Strong CX and PX references • Top marks for agility and speed to deploy	• Horizon 2 + scale + measurable outcomes tied to ROI, agility, ESG, CX/PX • Demonstrated value dashboards or benchmarks • Global brand impact with board-level endorsements • Ecosystem-level transformation outcomes

Executive summary (1/2)

Enterprises are moving beyond ERP migration toward business-led SAP transformation. The market is now defined by cloud ERP adoption under RISE and GROW, clean-core architectures with SAP BTP extensibility, AI-infused delivery and operations, and industry-specific transformation roadmaps that tie SAP investments to measurable business outcomes.

1	**The SAP S/4HANA transformation services**	HFS Research assessed 25 global service providers across value propositions, execution and innovation capabilities, go-to-market strategies, and market impact criteria. The 12 Horizon 3 leaders are Accenture, Capgemini, Cognizant, Deloitte, EY, HCLTech, IBM, Infosys, KPMG, NTT DATA, TCS, and Wipro. These providers consistently executed, migrated and transformed the SAP ECC environment to S/4HANA with all the enterprise IT applications, infusing AI, GenAI, and agentic AI through innovative platforms and flagship IP to drive enterprise outcomes by leveraging OneEcosystem.
2	**Migration is table stakes. The market is now competing on what comes after**	The ability to go live on S/4HANA no longer differentiates. The competitive question is what follows: working capital released, close cycles shortened, and supply chains made resilient. Most programs today are still measured on IT milestones: go-live date, custom code count, and system uptime. The gap between technical delivery and business value is where the market is being won and lost.
3	**Big changes are expected in the enterprise IT ecosystem**	Around 90% of 202 large enterprises plan to change their IT service providers and delivery models, including applications, cloud, and cybersecurity. Additionally, 74% aim to update their strategy and consulting to leverage emerging technologies, reduce technical debt, and improve process standardization. This big demand side shift is accelerating the SAP S/4HANA adoption.
4	**Differentiation is narrowing to industry depth, data readiness, and ecosystem reach**	Generic SAP delivery scale no longer differentiates at the top of the market. Providers are separating through preconfigured industry templates, sustainability and EAM IP, SAP Business Data Cloud readiness, and multi-party ecosystems spanning hyperscalers, ISVs, and testing specialists. Most of the Horizon 3 providers have more than 20 industry-specific solutions. Manufacturing leads with 31% of SAP transformations, followed by retail and CPG with 28% across 118 SAP case studies reviewed by the providers.

Executive summary (2/2)

5	**AI is embedded in the build. In live ERP operations, it is mostly still on the roadmap**	Providers have genuinely integrated GenAI and copilots into migration, testing, and code remediation. Productivity gains in the build phase are measurable. Joule in production mission-critical processes (finance, procurement, supply chain decisions) is a different story: blocked by data quality gaps, EU AI Act governance requirements, and explainability constraints. Most enterprises sit at AI maturity levels 1–2.
6	**Clean core is the mandate. Two decades of customization are the reality**	The architectural direction is settled with fit-to-standard ERP, BTP-first extensibility, integration modernization. Executing it against 200–400 custom developments per enterprise is not. Data quality and legacy ABAP debt consistently rank harder to resolve than the migration itself. SAP's extended maintenance window (standard end 2027, premium to 2030) is actively enabling deferral in regulated sectors.
7	**Outcome-linked models are advancing. Genuine risk transfer remains structurally thin**	Buyers are pushing hard for commercial models tied to business KPIs. Outcome-linked pricing is the universal demand, but 75% of current contracts remain fixed-price or T&M. Benefit realization from S/4 programs arrives 6–18 months post go-live, which is misaligned with board reporting cycles. The market is responding from T&M toward milestone-based, managed capacity, and IP-led pricing. But real gain-sharing is rare: Capgemini's CCEP deal and IBM's 50/50 AI savings model are exceptions, not templates.
8	**Voice of the customer**	Across 26+ enterprise clients, providers receive strong kudos for SAP S/4HANA domain depth, delivery reliability, collaboration, and talent quality, with average scores strongest in value proposition at 8.3/10. However, client critics show that innovation remains the biggest concern: innovation capabilities score lowest at 7.4 on average, with a wide 3.0-point gap between bottom and top quartile providers, reinforcing client asks for stronger AI/GenAI, BTP skills, test automation, industry IP, governance, and outcome-based transparency.
9	**Voice of the partner**	Across responses from more than 23 technology partners, the SAP providers are viewed slightly more favorably, with average scores clustered between 8.4 and 8.7 and strongest kudos around SAP domain expertise, industry accelerators, co-selling, governance, AI-powered innovation, and global delivery scale. Partner critics point to the need for sharper ecosystem differentiation (including GTM strategy and execution), highlighting the need for stronger agentic AI, vertical solutions, reusable assets, joint IP commercialization, demand generation, delivery consistency, and talent retention.

Twenty-five service providers were evaluated in this report

accenture
Atos
birlasoft
Capgemini
Coforge
cognizant
Deloitte.
DXC
EY Shape the future with confidence
FUJITSU
HCLTech
Hitachi Digital Services
IBM
Infosys®
ITC INFOTECH Business-friendly Solutions
KPMG
LTM
MINDSPRINT
Mphasis The Next Applied
NTT DATA
pwc
tcs TATA CONSULTANCY SERVICES
TECH mahindra
wipro
YASH® Technologies More than what you think.

Note: All service providers are listed alphabetically.

2 Market dynamics

Top challenges that enterprises face due to outdated SAP ERP are no longer just technical debt; they directly affect cost-to-serve, speed-to-market, control, and the ability to scale AI and new revenue models

Customization debt and fragile cores

Custom code, local variations, and tightly integrated process logic make every S/4HANA change a unique effort. This results in longer upgrade cycles, more extensive testing, delayed global template rollouts, and a structurally higher total cost of ownership (TCO)

Fragmented integration and middleware sprawl

Outdated PI/PO estates and point-to-point interfaces create cutover risk and operational fragility, leading to slower onboarding, weaker end-to-end visibility, and higher risk of order, billing, or supply-chain disruption during transformation

Weak clean-core discipline

Many enterprises still struggle to choose what belongs in the ERP core versus BTP, resulting in over-customization and poor upgrade readiness. That reduces upgradeability, increases regression risk, and turns regulatory, channel, and product changes into recurring cost instead of reusable innovation

Data and reporting bottlenecks

Master data inconsistencies, siloed reporting, and fragmented analytics landscapes limit real-time planning, compliance, and AI scalability. Poor data foundations directly suppress business performance and impact decision making

Skills, adoption, and operating model gaps

Even after go-live, low usage, training gaps, weak super-user networks, and shortages in BTP and AI skills slow value capture. The business impact is high support dependency, slower close cycles, inconsistent template use, and delayed ROI

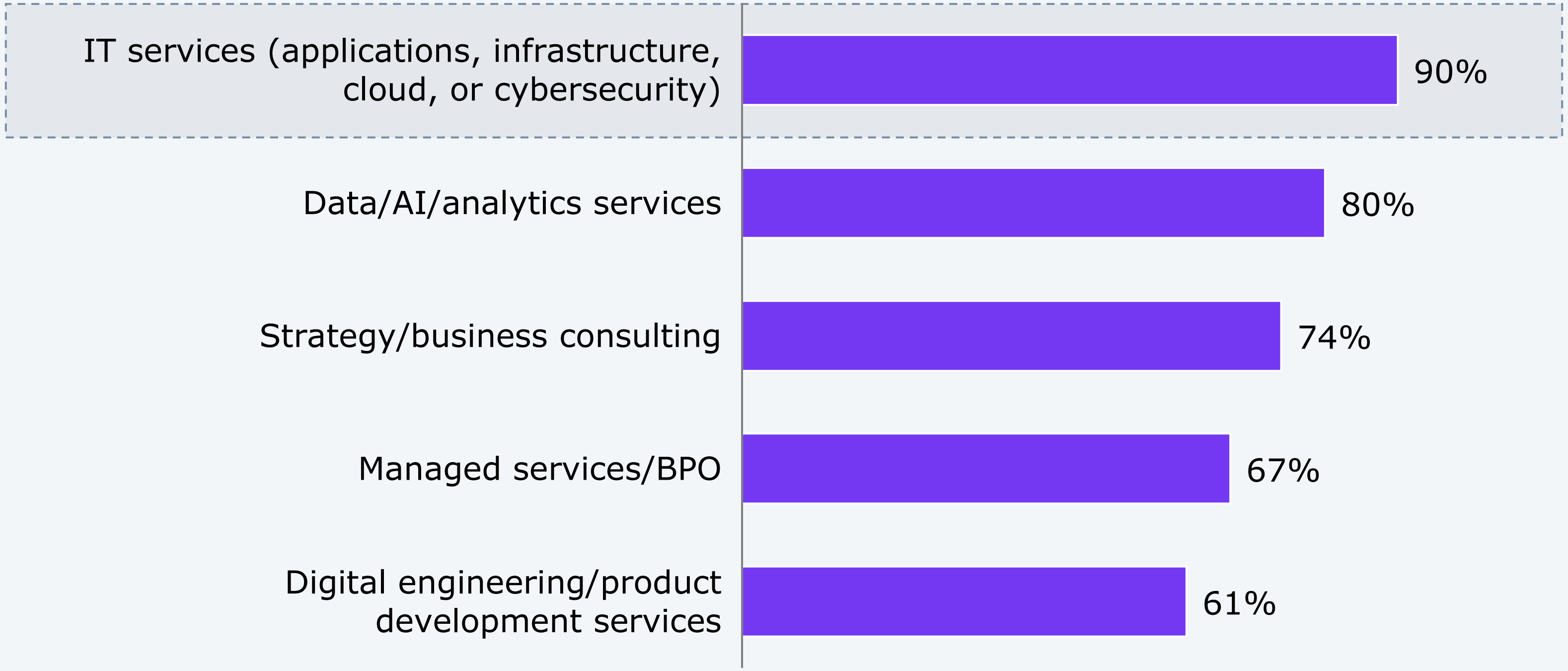
Limited ability to scale AI and new business models

Without modern data foundations, process transparency, and governed extensibility, Joule, Business AI, automation, and new digital services remain hard to industrialize

Source: HFS Research, May 2026

Large enterprises are expected to leverage AI and other innovative technologies to accelerate migration and build cloud infrastructure

Which of the following categories will change in the provider mix, scope, or delivery model over the next 24 months?



Key drivers

- End of ECC maintenance by 2027 (with premium for select customers by 2030)
- Clean core and technical debt reduction, enabling agility
- AI, GenAI, Joule, and agentic process enablement increase productivity
- Real-time data, analytics, and SAP Business Data Cloud readiness for better decision making
- Process standardization and business simplification of the operations

Sample: 202 major enterprise decision-makers; total does not add to 100% due to multiple selection options
Source: HFS Research Pulse, 2026

Different verticals, different realities: Manufacturing leads on every dimension, while BFSI and automotive are still finding their SAP story

Outcome-linked | Milestone/hybrid | Fixed/T&M dominant | Bespoke/tactical

Industry	Transformation focus	Business KPIs in play	Commercial reality	HFS' observation
Manufacturing (31% of use cases) (Outcome-linked)	• Full-stack transformation including clean core migration, • AI-assisted delivery • Green Ledger carbon accounting. • Only vertical with consistent depth	• Operational efficiency gain • Value reinvested • CO2 reduction • Data migration effort reduction; • SDLC effort reduction via AI coding	• Milestone-based → outcome-linked success fee • Success fee tied to KPIs • AMS as subscription post go-live • BOT models emerging	• The only vertical where outcome-linking is real, not aspirational. • Sets the benchmark the rest of the market is trying to copy
Retail/CPG (28% of use cases) (Milestone/hybrid)	• RISE migration with CPG reference model, • IBP/demand sensing, trade promotion automation, revenue growth management • Master data quality is the controlling constraint	• Efficiency gains • Procurement cost reduction • AI-driven forecast accuracy	• Self-funded transformation model • Managed service AMS standard post go-live • Bulk of market still T&M outside flagship programs	• CCEP is the reference for every vendor quote, but few have replicated • CPG-specific trade promo and deduction customizations actively resist clean core
Energy and utilities (14% of use cases) (Fixed/T&M dominant)	• IS-U migration to S/4HANA Utilities • Renewable asset management, Green Ledger carbon accounting (nascent) • ESG reporting is the primary innovation wedge	• Cost saving plus false claim reduction • High data availability • Reduction of implementation effort	• Multi-year managed service/outsourcing contracts. • No credible outcome-linked models in practice despite widespread aspirational language	• IS-U migration remains the unresolved structural problem • Green Ledger/ESG is the growth wedge but not yet battle-tested at scale
Lifesciences /healthcare (8% of use cases) (Bespoke/tactical)	• GxP-validated S/4HANA migrations, batch management • Clinical supply chain rationalization	• Increase in revenue recognition • Build/realize effort cut • Quality improvement	• Fixed-price with mandatory validation scope • IP licensing • Outcome-linking structurally incompatible due to regulatory unpredictability	• GxP validation is the defining constraint • Clean core is aspirational; compliance-first is the operating reality
Financial services (5% of use cases) (Bespoke/tactical)	• Finance transformation (IFRS 9/17, Basel IV, Group Reporting) • Treasury modernization • GCC rationalization • Engagements are narrow and tactical, not enterprise-scale	• AI-led cost savings committed	• Bespoke multi-year AMS/outsourcing • Still predominantly T&M for transformation	• SAP's weakest vertical story • No S/4HANA mandate for core banking • AI commitment is the only real stake in the ground

Sample: 118 SAP S/4HANA Case studies from providers based on vertical
Source: HFS Research, 2026

Evolving enterprise expectations and pain points

	Demand side – Enterprise expectations	Supply side – Provider offerings	Key pain points to address
AI-assisted SAP transformation and run operations	Clients want AI to accelerate fit-to-standard analysis, documentation, code remediation, testing, and ticket resolution with clear guardrails and human oversight.	Providers are deploying Joule, SAP Business AI, AI code explainers, migration copilots, test generators, and AI-led AMS platforms.	• Tool maturity is uneven. • Governance, explainability, and IP controls remain concerns. • Many solutions are not yet fully embedded into live delivery pipelines.
Clean-core ERP plus BTP extensibility	Buyers want a standardized digital core, better UX, and a clear path to extend and integrate without rebuilding technical debt.	Vendors are emphasizing BTP Integration Suite, Build, CAP/BTP ABAP, custom-code assessment, fit-to-standard, and clean-core advisory.	• Deciding what stays in core versus BTP is difficult. • Legacy interfaces and local exceptions complicate the model. • Clean-core discipline can break under delivery pressure.
Cloud ERP adoption through RISE, GROW, and two-tier models	Enterprises want faster migration, lower transition risk, and deployment choices that reflect process maturity, geography, and business growth plans.	Providers are packaging brownfield, greenfield, bluefield, selective-data-transition, and two-tier approaches with accelerators, templates, and factory models.	• Deployment-path choices remain complex. • Coexistence with legacy systems is hard. • Cutover risk, localization, and change fatigue are persistent issues.
Data modernization and governed AI data	Clients expect harmonized master data, real-time reporting, and a governed data foundation for analytics, automation, and AI.	Most providers are building around Datasphere, SAC, Business Data Cloud, BW modernization, MDG, and data migration or integration frameworks.	• Data ownership is often unclear. • Migration and dual-write issues persist. • Compliance, residency, and data-quality problems still slow down value realization.
Operating model, talent, and value realization	Buyers want trained users, transparent KPIs, ongoing run-and-change support, and commercial models tied more closely to outcomes.	Providers are responding with academies, customer training models, super-user programs, right-shore delivery, AI-led AMS, command centers, and flexible pricing.	• Skills scarcity, low adoption, unclear post-go-live ownership, and weak linkage between ERP transformation and business outcomes continue to undermine programs.

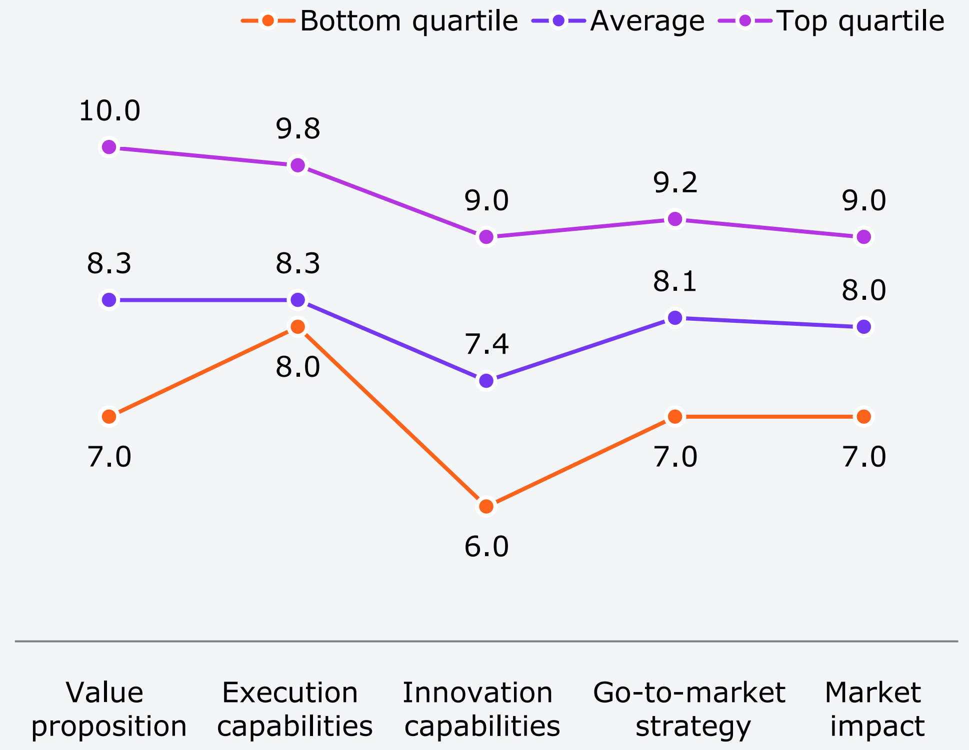
Source: HFS Research, May 2026

Clients want deeper innovation and stronger execution from SAP S/4HANA transformation providers

Client kudos

- Deep SAP S/4HANA domain and industry expertise
- Strong delivery execution and reliability
- Collaborative, proactive customer engagement
- Flexible and responsive to feedback
- Quality talent with functional knowledge
- Strong project management capabilities
- Committed to customer success outcomes
- Good SAP and hyperscaler partnerships
- Scalable execution and global capability
- Cost-competitive and transparent

Assessment score



Client critics

- Strengthen AI, automation, and GenAI capabilities
- Deepen BTP and emerging technology skills
- Improve test automation and quality assurance
- Better onboarding and talent retention
- Build industry-specific IP and solutions
- Improve communication and governance
- Strengthen project planning and timelines
- Develop digital manufacturing expertise
- Drive cost transparency and outcome-based models
- Expand thought leadership and innovation

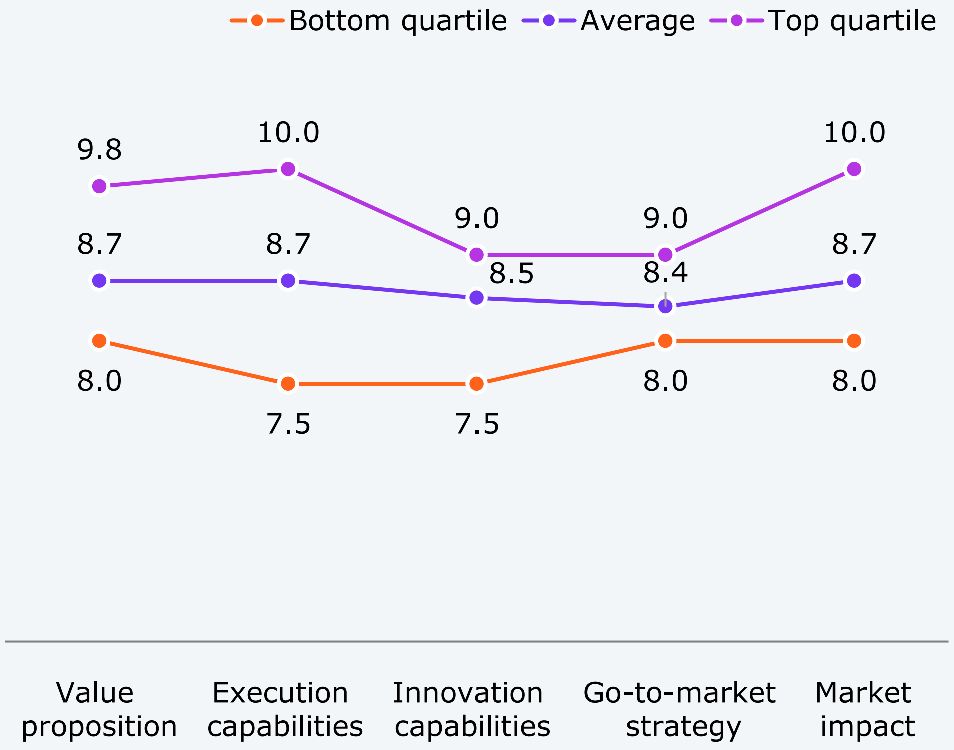
Sample: 26+ enterprise clients engaged with SAP S/4HANA transformation providers
Source: HFS Research, May 2026

Partners are expected to fill innovation gaps and enhance GTM strategy for better client outcomes

Partner kudos

- Deep SAP and S/4HANA domain expertise
- Strong industry-aligned accelerators
- Collaborative and proactive engagement
- Strong GTM and co-selling capability
- AI-powered innovation and transformation
- Global delivery scale and reach
- High delivery quality and speed
- Strong governance and risk management
- Business-led transformation approach
- Committed to end-to-end client success

Assessment score



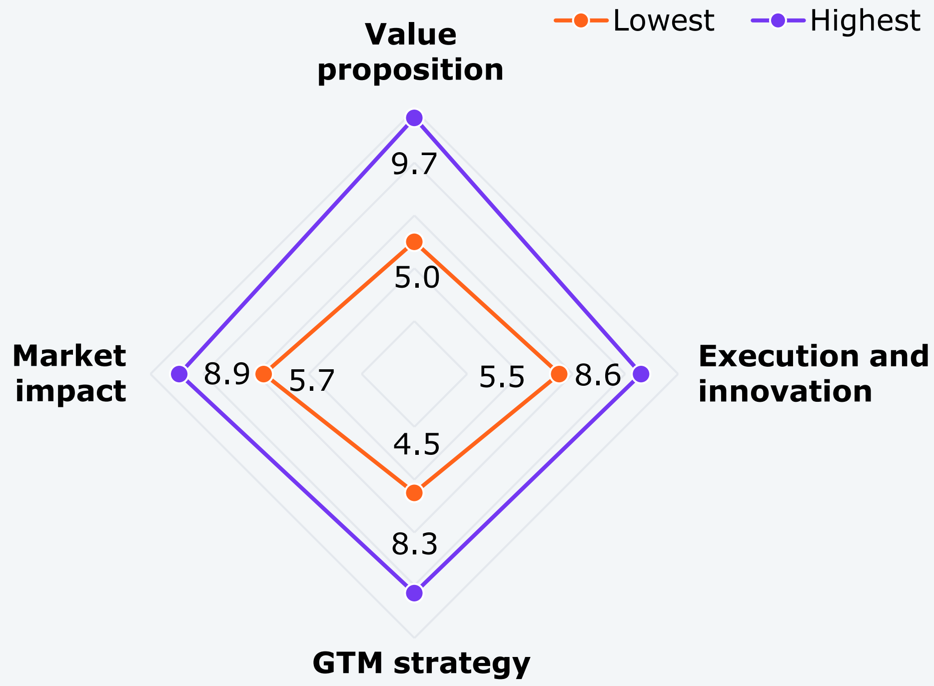
Partner critics

- Invest more in agentic AI and GenAI for SAP
- Build stronger vertical/industry solutions
- Improve scalability of delivery and talent
- Drive joint IP commercialization
- Focus more on the corporate segment
- Strengthen GTM visibility and demand generation
- Improve consistency across delivery teams
- Build more reusable packaged assets
- Innovate beyond core familiar areas
- Retain and develop talent better

Sample: 23+ technology partners part of SAP S/4HANA transformation ecosystem for SIs
Source: HFS Research, May 2026

SAP providers demonstrated effective execution and innovation, yet their value propositions and go-to-market strategies lag

The overall score of the SAP S/4HANA providers



Overall service provider score → **Highest: 8.4** **Lowest: 5.5**

Best practices that we have seen across all four parameters

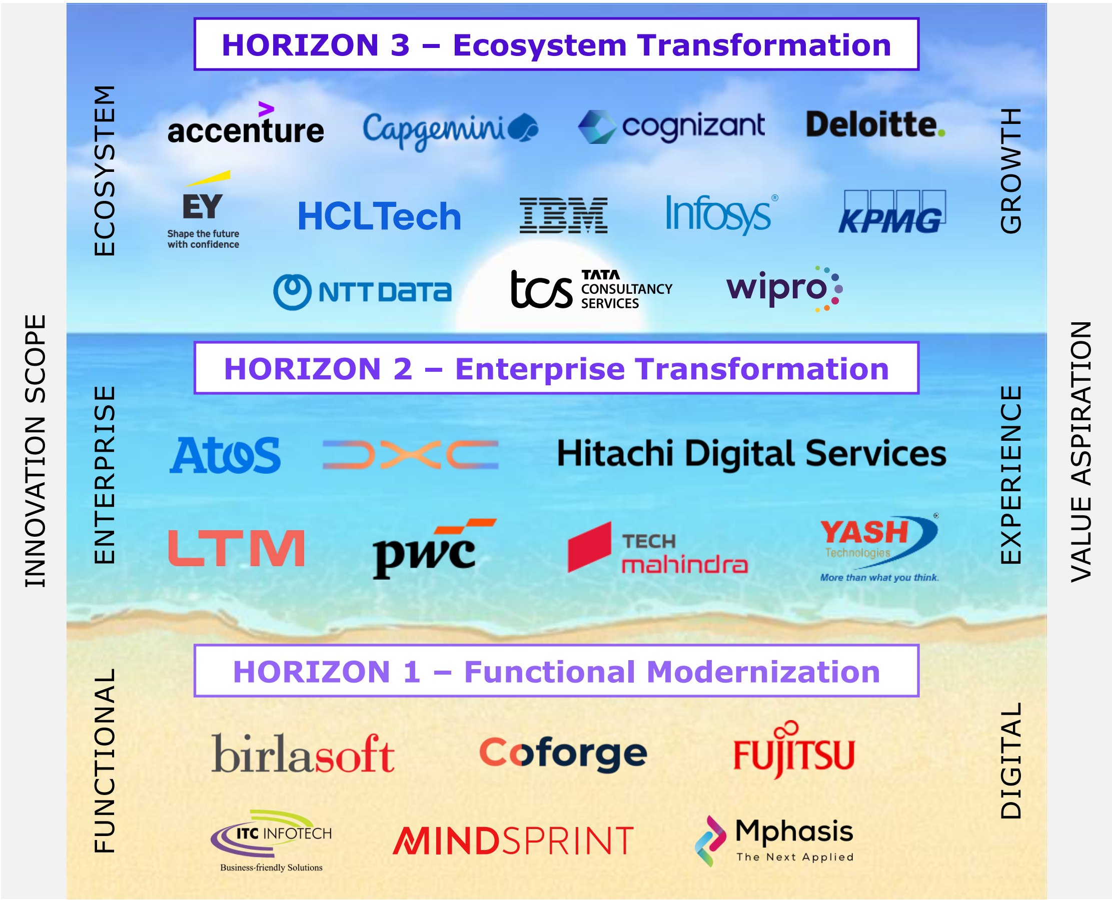
- **Value proposition:** Leaders view S/4HANA as a business transformation platform rather than just an ECC replacement. Best practices include value baselining, process redesign, KPI ownership, data readiness, and adherence to clean-core principles before executing technology. For instance, Capgemini employs its Digital Acceleration Navigator (DAN) to align ambition, roadmap, execution, adoption, and KPI tracking.
- **Execution and innovation:** Horizon 3 players stand out through industrialized delivery rather than one-off projects, utilizing integrated SAP toolchains, factory models, automated migration/testing, AI-assisted SDLC, clean-core governance, and BTP-based extensibility. An example is HCLTech's AIForce. SAP, which leverages BTP for ITSM automation, operational automation, business/industry AI, and SDLC use cases.
- **GTM strategy:** Leader GTM models are ecosystem and industry-led, typically anchored on RISE/GROW, SAP BTP, Business AI/Joule, Business Data Cloud, hyperscalers, and specialist ISVs. Infosys pairs RISE/GROW advisory, clean-core, Signavio, BTP extensions, Topaz AI, Cobalt cloud, and more than 125 ecosystem partners into a platform-centric GTM.
- **Market impact:** SAP S/4HANA leaders show impact through a combination of scale, referenceability, repeatable IP, SAP validations, and measurable business outcomes. For instance, Cognizant cites more than 400 global S/4HANA clients, RISE validation, SAP GSSP/Gold status, Business AI-certified solutions, and over 50 technical and industry solutions.

Sample: 25 Service providers' score based on the assessment criteria
Source: HFS Research, May 2026

3 Horizons profiles: SAP S/4HANA Transformation services, 2026

HFS Horizons for SAP S/4HANA Transformation Services, 2026

Welcome to our ***HFS Horizons: SAP S/4HANA Transformation Services*** study. Horizons are HFS Research's vendor evaluation research vehicle designed to assess vendor capabilities, innovation, and value potential across the value chain based on a range of dimensions to understand the **why, what, how, and so what** of their service offerings in three distinct horizons:



Note: All service providers within a Horizon are listed alphabetically
Source: HFS Research, 2026

Horizon 3: Ecosystem transformation

Horizon 3 service providers demonstrate:

- Horizon 2 + the ability to drive **OneEcosystem** impact through multi-party collaboration, integrating SAP, hyperscalers, ISVs, and industry bodies to co-create new digital and sustainability business models.
- Co-innovation with SAP on BTP, Joule, and industry cloud solutions, industry-specific IP and platforms extending composable ERP, AI-first delivery and data fabric for predictive decisioning to deliver measurable business, ESG, and CX/PX outcomes.

Horizon 2: Enterprise transformation

Horizon 2 service providers demonstrate:

- Horizon 1 + enablement of the **OneOffice** model through end-to-end enterprise transformation, spanning finance, supply chain, CX, and HR.
- OneOffice alignment across enterprise functions, strong industry accelerators and compliance frameworks, and deep integration with RISE/GROW and hyperscaler ecosystems.
- Ability to operate co-innovation labs with SAP and clients and use automation and AI to optimize transformation outcomes.

Horizon 1: Functional digital transformation

Horizon 1 service providers demonstrate:

- The ability to digitize and optimize specific ERP functions for efficiency, speed, and cost reduction.
- A focus on SAP transformation services and process digitization; core skills in migration, configuration, and AMS; limited industry IP or co-innovation; adoption of RISE/GROW frameworks; agile delivery; and early investment in talent, automation, and process mining.

4 KPMG profile: SAP S/4HANA Transformation services, 2026

KPMG: A Big Four SAP player differentiated by early Joule adoption and the Powered Enterprise methodology, now converting the GSSP status into market momentum

Strengths

- **Value proposition:** KPMG's business-led SAP transformation is anchored on its Powered Enterprise, target operating model, risk/compliance, tax, finance, and industry depth. It is a strong fit for complex S/4HANA, RISE/GROW, and compliance-heavy and regulated transformations.
- **Execution:** KPMG's 7,000+ SAP consultants, RISE with SAP Validated Gold partner status, and SAP-enabled transformation experience in 25+ countries demonstrate its execution ability.
- **Innovation:** KPMG is the first and largest partner to pilot SAP Joule for Consultants KPMG Velocity, and Workbench (multi-agent AI platform with 50 deployed agents). It was an early adopter of Joule Studio and a featured partner in its public launch, giving it a large set of industry customized AI Agents for SAP clients.
- **Go-to-market:** KPMG is the first Big Four firm organized along client industry lines, with sector-specific Powered Enterprise variants across energy and utilities, life sciences, manufacturing, BFSI, federal government, and higher education. The Opkey strategic alliance for automated SAP testing extends its reach, and the SAP partnership provides a unified global GTM framework.
- **Outcomes:** KPMG implemented an SAP S/4HANA private cloud with a European logistics company, resulting in standardized processes and scalable growth. A global biotech company implemented S/4HANA across 200 L3 processes in an FDA-validated environment. A global mining company realized 95% touchless invoice efficiency via the SAP Business Network.

Development opportunities

- **Value proposition:** KPMG's SAP practice is materially smaller than peers.
- **Execution:** The federated member firm model creates delivery variability on multi-country SAP rollouts. KPMG is actively consolidating smaller member firms into larger regional clusters, which should improve consistency. However, it needs to demonstrate uniform delivery quality across geographies as GSSP-level engagements increase.
- **Innovation:** KPMG's Velocity and Joule adoption are strong. However, providing more evidence of IP deployment, particularly successful implementations with measurable productivity benchmarks, can enhance innovation visibility.
- **GTM:** The GSSP status is recent. KPMG must convert it into visible market momentum through joint SAP references, RISE/GROW wins, hyperscaler bundles, and industry co-sell motions.

Practice snapshot

- **SAP professionals:** 7,300+
- **SAP S/4HANA certified:** 3,600 (estimated)
- **SAP revenue:** Not disclosed
- **SAP partnership:** 25+ years
- **Partner type:** Gold; RISE with SAP Validated Partner

Transformation footprint

- **SAP S/4HANA transformations:** Not disclosed
- **SAP competencies:** 9
- **SAP Accelerator packages:** 20
- **SAP industry solutions:** 20
- **SAP R&D spending:** Not disclosed

% of clients by major geography and vertical

Not disclosed

Partnerships

Hyperscalers: Azure, AWS, Google Cloud
Strategic partners: Opkey, SAP Fioneer, Signavio, LeanIX, Celonis, ServiceNow, Workday, Tricentis, Syniti, Fivetran/Snowflake
Data ecosystem alliances with the likes of Databricks and Microsoft for broader AI, data, and cloud ERP work

Key clients

SAP clients: Not disclosed
Key clients: Discordia, Liberty Utilities, Ellucian, Newmont Corporation, Vårgrønn, Puget Sound Energy, Enagás Renovable, KNAPP AG, Dole Asia Company Limited, Matco Chemicals, Happilo, Marino

Global operations and resources

CoEs and delivery/innovation centers: SAP CoE within the KPMG Delivery Network for enterprise applications
Locations: In 142 countries across EMEA, Americas, Asia Pacific

Flagship internal IP

- **Powered Enterprise (preconfigured SAP S/4HANA)**
- **KPMG Velocity**
- **KPMG Workbench (50 AI agents, ISO 42001)**
- **Powered Evolution (SAP AMS methodology)**
- **KPMG Target Operating Model**
- **Trusted AI framework, Joule for Consultants adoption**

5 HFS Research authors

HFS Research authors

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Hansa Iyengar leads the banking, financial services (BFS), and IT services research practice at HFS Research. She focuses on delivering practical, forward-looking insights that help BFS leaders navigate change across financial services and on providing critical analyses of service provider strategies, enabling buyers to make more informed sourcing and partnership decisions.

Hansa brings more than 15 years of expertise in deep enterprise technology and IT services. She has led global research portfolios on competitive intelligence, digital transformation, and market trend analysis for technology and telecom enterprises. With a track record of authoring influential thought leadership, she is known for her sharp strategic thinking, enterprise-first perspective, and commitment to cutting through hype to deliver insights that matter.

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Srini Vaddepalli is a practice leader and analyst at HFS Research, specializing in global business services, the manufacturing industry, and global capability centers. With more than 17 years of experience across service providers (Capgemini), analyst firms (ISG), and enterprise organizations (Eastman Chemical), Srini brings a comprehensive perspective on information technology (IT) services.

He collaborates with key stakeholders to derive actionable insights from strategic storytelling to support smart decision-making. He examines the impacts of AI, automation, and data analytics across various sectors. He analyzes markets at the intersection of services and software in the enterprise environment.

Srini holds a commerce degree and a dual master's in library and information science and MBA (marketing). He also completed a Business Analytics Executive Education Program at IIM Bangalore.

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