

SAP S/4HANA Transformation: Why Only 8% Finish on Time, and How to Lead One That Works

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An independent consulting report by Salman Shaik. Most S/4HANA transformations miss their plan because of decisions about scope, process and people, not because of technology; this report shows the evidence and a consulting approach to fix it.

Executive summary

Only 8% of completed S/4HANA transformations finish on schedule, and the main causes are organisational. SAP ends mainstream support for its old ERP system, ECC, at the end of 2027. About 35,000 companies run ECC, and only 39% had licensed the successor by the end of 2024.

What goes wrong. 65% of completed projects went over budget and 65% report serious quality gaps. The most-named barriers are too much scope (78%) and people planned too late (75%). Only one of the six main barriers, data migration, is technical.

Why it matters beyond IT. S/4HANA changes how finance closes the books, how sales books orders, how plants plan production and how warehouses ship. One wrong entry in one department now shows up in another department the same day.

What works. Change management is the strongest lever in the evidence: projects with excellent change management meet their objectives 88% of the time, against 13% with poor change management.

The recommended approach combines SAP's own method (SAP Activate) with structured change management, in five moves:

1. **Leadership decides first:** business case, scope and one accountable owner before the build.
2. **People are planned first:** key users freed up, weekly training, and a culture where asking for help is normal.
3. **Departments talk daily:** short cross-functional updates so problems surface before they spread.
4. **Scope is sequenced:** do the core first, park what can wait, and do each wave fully rather than everything halfway.
5. **Progress is measured:** adoption and process KPIs, not only go-live dates.

1. The problem: a fixed deadline and a slow market

Every ECC customer has to move to S/4HANA or leave SAP, and most have not started.

SAP ends mainstream maintenance for ECC at the end of 2027 and extended maintenance at the end of 2030, at a fee two percentage points higher ([SAP](#)). A paid transition option runs to 2033, and since 13 October 2026 possibly to 2035, but only for customers who move to SAP's private cloud edition by 2030 ([SAP](#)).

Measure	Value	Source
ECC customers worldwide	about 35,000	Gartner, end of 2024 (The Register)
ECC customers with an S/4HANA licence	34% (Q2 2023) → 39% (Q4 2024)	Gartner (The Register)
German-speaking ECC users planning to finish by 2027	37%	DSAG Investment Report 2026 , 198 companies
North American users live or actively switching	about 60%	ASUG, 173 members (The Register)

The licensed share grew by about three points a year. A licence is a contract, not a running system, so the share of finished migrations is lower still. Around 20,000 companies will compete for the same experienced consultants in the same few years. The DSAG chairman already said in 2024 that there were not enough consultants and integrators, booked months or years ahead ([Born City](#)).

The core problem for this report: companies must run one of the largest change programmes of the decade under deadline pressure, with scarce expert capacity, and most completed projects already miss their plan.

2. Research approach

This is a desk study of official and primary sources, analysed in Excel and Power BI and combined with established consulting frameworks.

Main question: Why do so many SAP S/4HANA transformations stall, and how should a company lead one so that people adopt the new system?

Sub-questions

1. Which departments does S/4HANA change, and how does that differ by sector?
2. How far along is the market, and how do completed projects end?
3. What are the main barriers, and which are organisational rather than technical?

4. What do people need to adopt the system, and what is leadership's role?

5. Which consulting approach turns these findings into a plan?

Source	Type	What it gives	Sample
SAP News Center	Vendor, official	Maintenance deadlines and the transition option	n/a
DSAG Investment Report 2026	User group (Germany, Austria, Switzerland)	Adoption and migration plans	198 companies
ASUG research	User group (North America)	Status, cost overruns, barriers	208 and 173 members
Horváth study	Consultancy survey	Budget, schedule and quality outcomes	200 companies, >€200m sales
Gartner via The Register	Analyst, reported by media	Installed base and licence share	about 35,000 customers
Prosci	Change management research	Effect of change management on success	2,600+ practitioners
SAP Learning: SAP Activate	Vendor method	Implementation phases and fit-to-standard	n/a

Analysis. I put every number into one dataset with its source, then grouped each barrier into one of five dimensions: scope, leadership, process, data and people. The Power BI dashboard shows the adoption trend, the project outcomes and the barriers by dimension. The example company in section 4 is fictional; it shows how the published findings play out inside one organisation.

3. Which departments S/4HANA changes, by sector

Finance changes in every sector; the other heavy changes follow where each sector makes its money. S/4HANA puts finance and operations on one shared data model, so a booking in sales, production or the warehouse lands in finance immediately. That removes reconciliation work, but it also means a mistake in one department is visible everywhere at once.

Sector	Most affected departments	What changes for them	Published example
Manufacturing	Production planning, procurement, quality, maintenance, finance	Material planning, production orders, quality checks and costing run on one system	Midsize metal products maker on S/4HANA Public Cloud (SAPinsider)
Consumer goods	Supply chain, plants, sales, finance	Many plants and countries moved onto one template	Haribo: 16 plants in 10 countries; shipments slipped in 2018 (TechRepublic)
Retail	Merchandising and pricing, inventory, stores, supply chain, finance	Stock valuation, replenishment and pricing follow SAP's standard logic	Lidl cancelled its SAP retail project in 2018 after keeping its own valuation method (Consultancy.uk)
Pharma and life sciences	Quality, batch management, supply chain, regulatory, finance	Batch tracking and validated processes must be re-tested and documented	n/a
Utilities and energy	Billing, customer service, asset maintenance, finance	Meter-to-cash and maintenance of networks and plants	n/a
Banks and insurers	Finance, controlling, regulatory reporting, procurement, HR	Group reporting and the monthly close; core banking usually runs on other systems	n/a

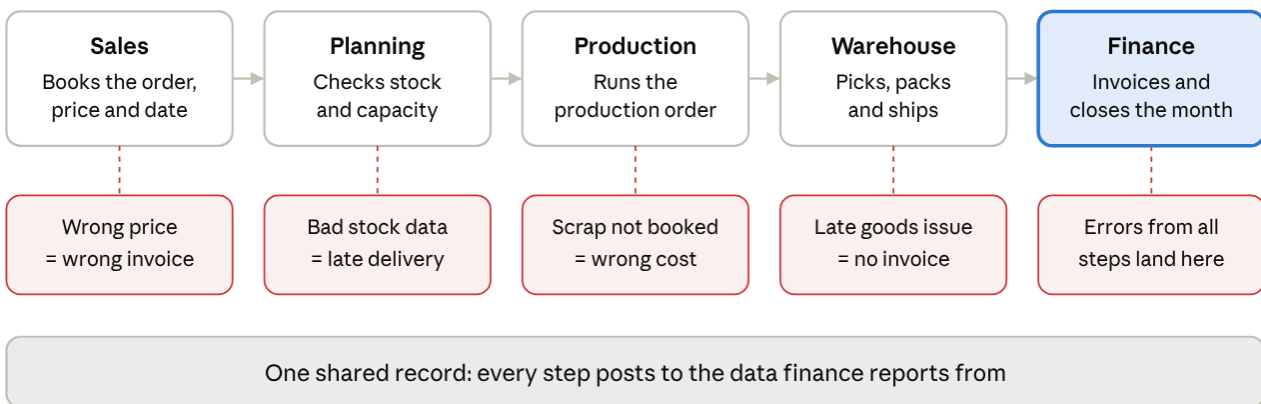
What this means for planning. The departments in the middle column are where training, key users and testing time must go. In manufacturing that is the plant floor, not only the finance office.

4. Example company: one order, five departments

At a manufacturer, one customer order passes through five departments, and on S/4HANA each of them writes to the same record. To make the findings concrete, take Alpina Components AG, a fictional Swiss industrial supplier: CHF 800 million in revenue, 2,400 employees, three plants, still on ECC.

One order crosses five departments; any mistake reaches finance

Alpina Components AG (fictional): order-to-cash on S/4HANA. Red boxes: what goes wrong at each step



order-to-cash at a fictional manufacturer · 5 departments

On the old system, each department kept its own data and finance reconciled the differences at month-end. On S/4HANA there is nothing in between: a wrong price in sales or a goods issue posted late in the warehouse shows up in finance the same day. That is the benefit of the new system, and it is also why departments that never had to coordinate now must.

What it means for Alpina's people

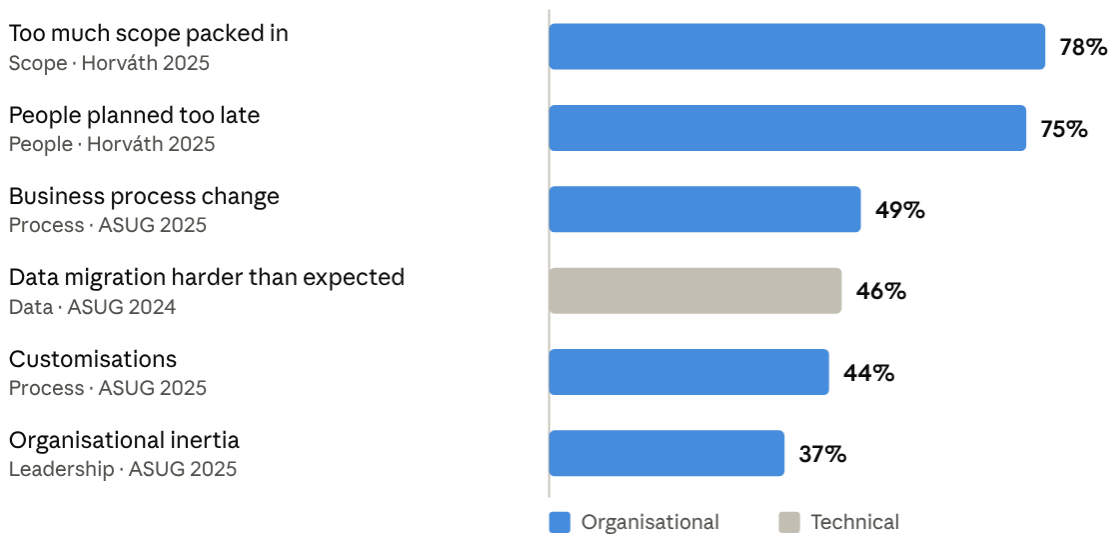
- **Sales and finance** agree on one set of customer and price data, owned by named people.
- **Planning and production** work from the same stock and capacity figures, so a late booking on the shop floor changes the plan for everyone.
- **The warehouse** becomes part of the financial close: shipping late now delays invoicing.
- **Every department** needs key users who understand both their own steps and the step after theirs.

5. Why projects stall

Most S/4HANA projects miss their plan, and the reasons are mostly organisational. Of the companies Horváth surveyed, 65% went over budget, 65% report strong or very strong quality gaps, and only 8% of completed projects finished on schedule. On average projects ran 30% longer than planned. In North America, 49% of ASUG members already live said costs exceeded the original budget, with consulting fees as the biggest surprise.

Five of six barriers are organisational; only data migration is technical

Share of companies naming each barrier. 5 of 6 are about scope, people, process or leadership.



Horváth 2025 (200 companies), ASUG 2024 (208) and 2025 (173); surveys differ, values not additive

The two most-named barriers, too much scope and people planned too late, are decisions taken before the build starts. Process change and customisation are two sides of one choice: change the way you work to fit the standard, or bend the software to fit the old way. Only data migration is a technical problem, and even that is mostly about planning enough time and people for it.

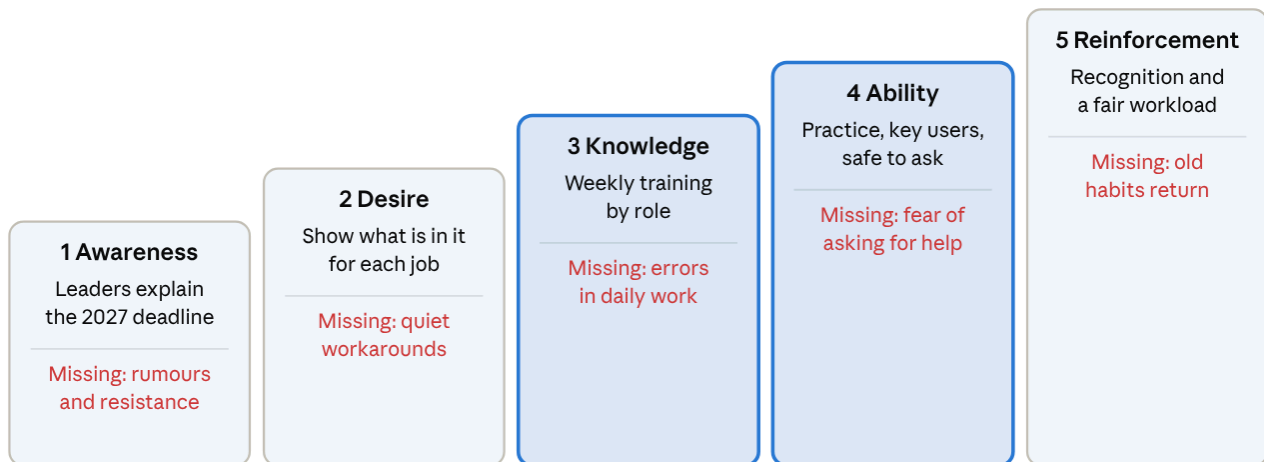
The published cases show the same pattern. Lidl kept its own inventory valuation method, customised SAP around it and cancelled after seven years. Haribo moved 16 plants in 10 countries from old regional systems, and supermarket shipments slipped. Kingfisher, owner of B&Q, asked SAP to prove the business value of upgrading, was not convinced, and stayed on ECC with third-party support ([The Register](#)).

6. People: adoption, training and wellbeing

A system only creates value when people use it the new way, and change management is the strongest lever for that. Prosci's research with more than 2,600 change practitioners found that projects with excellent change management met or exceeded their objectives 88% of the time, against 13% with poor change management, about seven times more often ([Prosci](#)).

People adopt a new system in five steps; skipping one stalls the rest

Prosci's ADKAR model applied to S/4HANA. Top: what the company does. Bottom: what happens if it is missing



ADKAR model (Prosci) applied to S/4HANA · 5 steps

The steps build on each other. Training (step 3) is wasted on people who do not understand why the change is happening (step 1). Practice (step 4) fails when people are afraid to admit they are stuck. That is why training and a safe culture belong together.

Why it is not a choice any more. For employees, S/4HANA is not an optional tool. Once ECC is switched off, the new system is the only way to book an order, close the month or ship a pallet. People who are not trained in time do not simply work more slowly; they block the next department.

A training rhythm that works (proposal for Alpina)

Who	Format	Rhythm
All affected staff	Short "why and what changes for me" session	Once at the start, then at every wave
End users	Hands-on training in their own process, in a test system	Weekly from 8 weeks before go-live
Key users (one per team)	Deep training, then they coach their colleagues	Weekly, plus open question time
Managers	How to lead the change and support their teams	Monthly
Everyone after go-live	Floor support and a daily question slot	Daily for the first 4 to 6 weeks

Wellbeing is part of the plan, not an extra. The months around go-live mean double work: the old job plus learning the new system. Without relief, motivation drops and mistakes rise, which is exactly when a shared data model is least forgiving.

7. Leadership: decide, explain, support

Leadership owns the three decisions that cause most failures: why, how much, and who. In the Horváth study, lack of decision-making and repeated revision loops are among the main reasons for delay, and 37% of ASUG members name organisational inertia as a barrier. These are leadership problems before they are project problems.

What leaders have to do

1. **Decide the why.** A business case in plain words: what gets better for customers, staff and the business. 95% of legacy users say building this case is hard, which is exactly why it cannot be skipped.
2. **Explain the urgency honestly.** Staying on ECC is no longer a free choice: support ends in 2027, and every year of delay costs extra fees and scarcer consultants. People accept a change they understand far more easily than one they are told about.
3. **Free people up.** Key users cannot learn a new system and run the old business at full load. Leaders take work off their desks, or the project waits for them.
4. **Support without judgement.** Weekly training only works if people feel safe to say "I don't understand this yet". A manager who mocks a question teaches the whole team to stay quiet. Silent people build workarounds, workarounds become silos, and silos become the bottlenecks that stall the go-live. Harvard professor Amy Edmondson calls the opposite *psychological safety*: a team climate where asking for help carries no penalty.
5. **Look after wellbeing.** Go-live months mean double work, overtime and frustration. Leaders plan for it: realistic workloads, visible thanks, and a clear end date for the extra load.

One owner, one design authority. A transformation needs one accountable executive and a small design authority that decides process questions within days. Every week a question stays open, the build either stops or guesses.

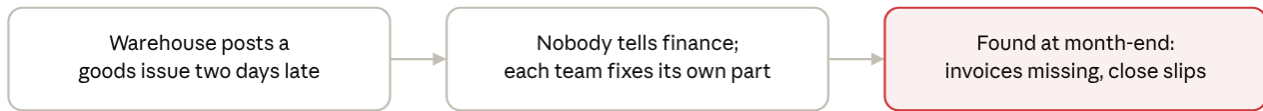
8. Cross-functional working: daily updates

When departments share one data model, they must also share one daily picture of what is going wrong. S/4HANA removes the buffer between departments, so a small problem in one team becomes another team's problem within hours. The cheapest protection is a short daily update across the departments that hand work to each other.

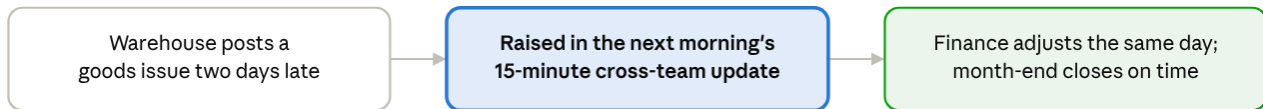
A daily cross-team update catches problems in a day, not at month-end

Illustrative example at Alpina: the same late booking, with and without a daily update

Without daily updates: the problem travels silently



With daily updates: the problem is shared within a day



illustrative scenario · before and after a daily cross-team update

How to run it

- **Who:** one team lead or key user from each department in the same process, for example sales, planning, warehouse and finance for order-to-cash. Managers choose these people at the start of the adoption phase.
- **When:** every morning, 15 minutes, during the build, testing and the first weeks after go-live.
- **Three questions:** what changed since yesterday, what is blocked, and what could affect a neighbouring department.
- **Rule:** report a problem early, even if it is small or your own. Nobody is blamed for raising an issue; people are only blamed for hiding one.
- **Output:** a shared issue list with an owner and a date for each item, visible to all departments.

This turns transparency into a routine instead of a personality trait, and it stops the silos that section 7 warned about.

9. Speed: slow and right, or fast and broken?

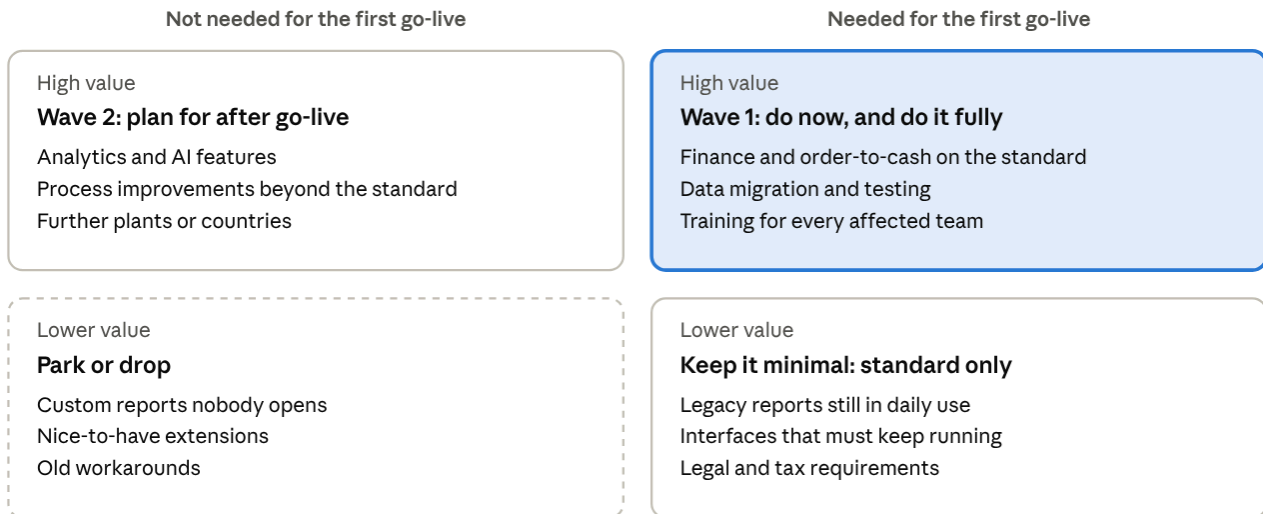
The fastest safe route is neither a big rush nor endless perfection: it is a smaller first wave, done fully. Packing too much into the transformation is the most-named barrier (78%), and projects already run 30% longer than planned. Looking back, companies say they would plan more time (46%), a higher budget (41%) and a tighter scope (30%) (Horváth, reported by [The Sign-Off Table](#)).

Big bang or waves. A big bang moves everything at once: one cutover, but every risk lands on the same weekend. A phased rollout moves one process, plant or country per wave: more cutovers, but each one is smaller and the team learns from the last. For a midsize

company with several plants, waves are usually the safer choice; for a small company with one site, one well-prepared cutover can be simpler.

Do the core fully first; plan, minimise or park the rest

Sorting the scope by value and by whether the first go-live needs it



prioritisation matrix · example items for a manufacturer

How to prioritise. Put every scope item into one of the four boxes. Wave 1 gets the full effort: people, testing and training. Items that can wait are written down and parked, not started halfway. Doing two things fully beats doing five things halfway, because a half-finished process still has to be supported, trained and fixed after go-live.

The three starting routes split almost evenly in the Horváth study: greenfield, a redesign from scratch (37%); brownfield, a technical conversion of the existing system (33%); and selective, a mix of both (31%). The right one depends on how far the old processes are from SAP's standard.

10. The consulting approach

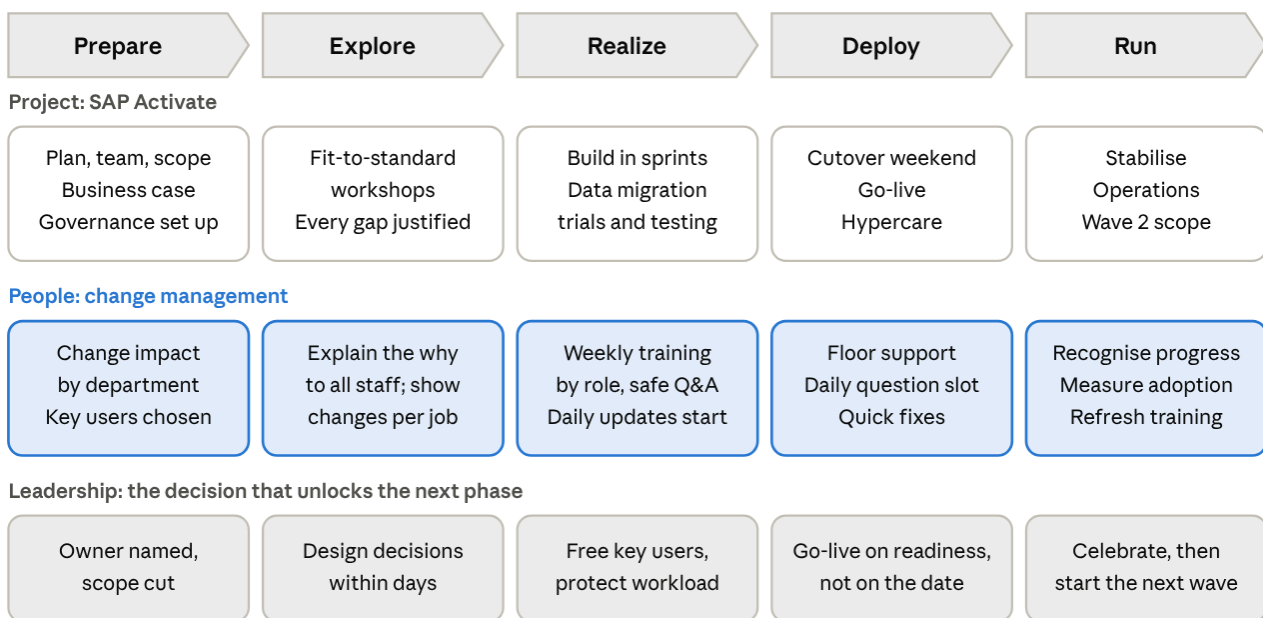
The approach runs three workstreams in parallel through SAP's own five phases: the project, the people and the leadership decisions. Consultants bring a method that most companies use only once a decade. The frameworks below are the ones SAP projects commonly rely on; the value is in combining them.

Framework	What it is	What it solves
SAP Activate	SAP's implementation method: Prepare, Explore, Realize, Deploy, Run	A shared plan and vocabulary for the project

Framework	What it is	What it solves
Fit-to-standard	Workshops that show the standard process first; every gap must prove its business value	Customisation, process change
Clean core	Keep the SAP core standard; put extensions outside it	Future upgrades, cost of ownership
ADKAR (Prosci)	Five steps a person goes through to adopt a change	Adoption, training, resistance
Kotter's 8 steps	Urgency, coalition, vision, quick wins, anchoring the change	Leadership and momentum
Design authority and RACI	One small group that decides; clear owners for each process	Slow decisions, unclear ownership
Hypercare	Intensive support in the first weeks after go-live	Early errors, user confidence

Every SAP Activate phase needs a matching people step and a leadership decision

The recommended consulting approach: SAP's method, change management and leadership run in parallel



recommended approach · SAP Activate phases × 3 workstreams

What consultants know that companies often do not

- **The standard is a strategy.** Every customisation is paid for again at every upgrade.
- **Decisions are the critical path.** A question that stays open for a week costs a week.

- **People set the speed.** The project cannot move faster than the key users who know the processes.
- **Go-live is a business decision.** It should be taken on readiness criteria, such as trained users and clean data, not on a date fixed a year earlier.

11. Recommendations and KPIs

Seven recommendations, each tied to the barrier it removes and a number that shows whether it works.

#	Recommendation	Barrier it removes	KPI to track
1	Write a one-page business case and name one accountable executive	No business case, slow decisions	Open design decisions older than 10 days
2	Migrate the core first; park everything that can wait	Too much scope (78%)	Share of scope items delivered per wave
3	Adopt SAP standard processes; justify every customisation by value	Process change (49%), customisation (44%)	Number of approved customisations
4	Treat data migration and testing as a workstream from day one	Data migration (46%)	Data error rate per trial migration
5	Free key users and run weekly training with safe question time	People planned late (75%)	Training attendance and key-user confidence score
6	Hold daily 15-minute cross-functional updates in the build and hypercare	Silos, late surprises	Issues raised before vs after they hit another department
7	Measure adoption after go-live, not just the go-live date	Inertia (37%), quality gaps (65%)	Transactions done in the standard process; support tickets per user

Priority for the first 90 days: recommendations 1, 2 and 5. They cost little, they are leadership decisions, and they address the two most-named barriers.

Limits and sources

Limits. This is a desk study. The surveys differ in region, sample and definitions, so their percentages are never added together. Horváth is a consultancy and DSAG and ASUG are user groups, so each number names its publisher. Gartner's report is paywalled; its figures come from The Register's reporting. Published cases lean towards dramatic failures. The example company is fictional and illustrative. Lidl's project ran on SAP's older retail system, not S/4HANA.

Sources

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