



5 key challenges when migrating to SAP's S/4HANA

SAP's super-fast software for handling big data and real-time analytics, called S/4HANA (which stands for Simple, 4th generation High Performance Analytic Appliance) is now used in thousands of companies, from PayPal to Merck to the U.S. Army.

However, based on [SAP Insiders's 2021 Migration Benchmark Report](#), 53% of SAP Enterprise Resource Planning (ERP) customers have not completed their migration to S/4HANA, with 23% not even having a plan. SAP ends support for its current ERP [in 2027](#), so what's holding organizations back even with a looming deadline? The complexity to deliver migration on time and budget when the stakes are this high.

A combination of custom and legacy code currently bridging together internal and existing systems pose significant challenges. Existing approaches are not well documented, and the people who worked on it have most likely left the organization. With various product lines and geographies, ERP implementation will also differ, creating additional pitfalls in the form of unscalable customizations.

Take the example of Haribo and Lidl. The gummy bear creator couldn't fulfill orders and [lost 25% in revenue in 2018](#) due to disruptions in their supply chain caused by migrating to S/4HANA. Similarly, German grocer Lidl spent [\\$573 million over seven years](#) before pulling the plug on their SAP migration and reverting back to their internal solution.

Below, we outline five major challenges you may face when implementing S/4HANA and guidance on how you can overcome them.

1. Poorly-documented legacy processes

Before jumping into the new, it's crucial to understand the now. For any migration, the first step is to evaluate existing processes. Start identifying existing customized applications that are mandatory for the business. But, more importantly, establish which applications can be left behind.

Think about it as decluttering before you move into a new house. This is where the need for standardization pops up. You don't want to take your existing problems to the new platform. Ensure time is spent on benchmarking to see what's working and what's not.

2. Company-wide alignment

It's not just the CIO who needs to deliver the migration. It's a team effort, which requires the entire business to be on board and align with the objectives. As with any change, there can be resistance from employees, which needs to be managed from the start.

You just need one poorly-defined process to create a domino effect



resulting in failure. At Lidl, it was their insistence on sticking to their record keeping; their inventory systems were based on the price they paid for goods, compared to the industry standard of the retail price of goods sold. Customization for this led to a cascade of implementation problems. Combine this with a high turnover of IT executives at Lidl, and you have a recipe for disaster.

3. Migrating existing data

Migrating existing data is arguably the most complex part of the whole process. Do you migrate with a lift and shift approach, rip and replace all systems, or just pick the approach on an application by application basis?

What's required for each of these approaches is different. Starting from scratch gives you an opportunity to stop technical and process debt moving forward. It creates the maximum efficiency and flexibility, creating the opportunity for your team to build a modern infrastructure with a connected ecosystem. This approach also requires the most effort, driving new forms of working across the business with the addition of new tools.

4. No guardrails to help

BCG estimates that [70% of digital transformation](#) projects don't meet desired outcomes. Failing to create business value is common, but so is reputational damage resulting from an application outage mid migration or fines for failing to meet regulatory requirements.

The failure to deliver outcomes is due to the lack of enforced guardrails



that create control in S/4HANA implementations. Governance takes a back seat and there is no process to put the train back on track. Imagine a world where every task is tracked to create an audit trail on its own. If we want to reduce risk, we have to create governance within our implementations from day one.

5. Manual tooling to deliver change

Migrating to S/4HANA is well beyond the capabilities provided by the spreadsheets and project management tools that are widely used today. Having to send emails and make calls to give and receive updates, or redistributing plans manually as things change, means you're spread too thin to make any impact. And if something does go wrong, reacting quickly becomes impossible.

Organizations need to find tools that connect their teams, processes, and technology. For better planning, they should list every task, assign an owner, and mark dependencies. They need to create a single source of truth, integrating all their software into one ecosystem.

Think about the communications that are manually sent to teams informing them of progress. With thousands of tasks to complete, adding automations to remove repeatable tasks has the potential to save hundreds of hours.

Runbooks can orchestrate your S/4HANA implementation to perfection, [find out how Cutover delivers risk-free implementations.](#)

