



MIGRATION PERFORMANCE · RESEARCH

Why 60% of SAP Migrations Blow Their Budget

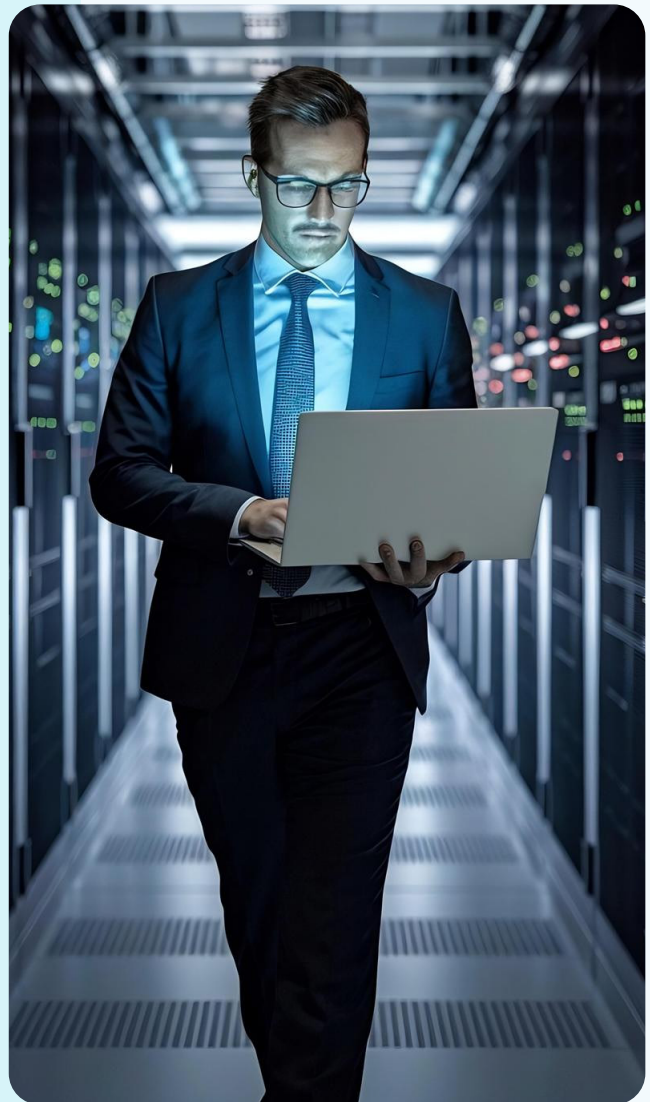
and What the Successful 40% Did Differently

Most SAP migrations don't fail because of bad technology. They fail because of bad governance, underestimated scope, and decisions made under time pressure that erode quality at every stage. The 40% that succeed aren't smarter — they're more deliberate.

60% over budget or delayed
vs 40% on track

Research from ISG, published in CIO magazine in February 2026, found that nearly 60% of SAP migrations fall behind schedule and budget. A separate Horváth study of 200 SAP user companies found that only 8% completed their S/4HANA migration on schedule — with the average project running 30% longer than planned and more than 60% exceeding budget.

Nearly two-thirds of organizations completing migration report severe quality deficiencies afterward. And less than one in five companies actually implements new processes and technologies during the migration — nearly half make few or no changes, essentially lifting a legacy operating model onto a new platform and calling it transformation.



The Root Cause Isn't What Most CIOs Think

When migrations go wrong, the instinct is to look for a technical culprit. But ISG research is unambiguous — governance failures, not technical failures, are the primary cause of overruns. The specific culprits that recur across failed programs:

1

Scope expansion mid-transformation

The project starts with a defined boundary. Stakeholders see the migration as an opportunity to solve every adjacent problem. Scope grows incrementally until the program is carrying two to three times its original surface area.

2

Poorly managed data transition

ECC systems accumulate decades of redundant, inconsistent, and legacy-format data. Organizations consistently underestimate the time required for cleansing — and the problem surfaces only during testing, when it's most expensive to fix.

3

A blueprint that gets revised rather than fixed

Early design decisions made without sufficient landscape clarity get revisited repeatedly. Each revision resets downstream work. Programs that allow design instability in the first third almost always pay for it in the final third.

4

Lack of clear governance

No single decision owner. Executive sponsors who attend status calls but don't resolve blockers. Steering committees that defer hard calls until the decisions make themselves — usually at the worst possible moment.

5

Change management cut under pressure

When time pressure mounts, change management is consistently the first workstream reduced. The result: a technically successful go-live that users don't adopt. Research by the Prosci Institute finds that 75–80% of ERP projects fail due to poor change management.

The root cause isn't technical failure. The organizations that consistently overrun are the ones that started execution before they finished thinking.

What the Successful 40% Do Differently

Across hundreds of SAP implementations, a clear pattern emerges among organizations that deliver on time and on budget. Here is what distinguishes them:

AREA	THE 60% - What Goes Wrong	THE 40% - What They Do Instead
Assessment	Skip or compress readiness assessment to accelerate timeline. Start implementation with assumed landscape clarity.	Invest in a structured assessment before committing to a path. Treat it as a separate phase with its own deliverables.
Custom Code	Carry forward all customizations by default. No time to assess — assume everything is needed.	Use SAP's Custom Code Migration Advisor to identify retire vs. extend candidates. Right-size scope before implementation begins.
Data Strategy	Treat data migration as a technical task, not a business process. Discover quality issues during testing.	Start data profiling and cleansing during assessment. Assign business ownership to data domains. Build quality gates into the workflow.
Governance	Steering committee reviews milestones but doesn't hold decision authority. Scope changes approved informally.	Executive sponsor with genuine authority. Formal change control on scope. Weekly escalation path that actually functions.
Migration Path	Default to brownfield because it "sounds conservative." Discover that it carries forward operational dysfunction.	Select greenfield, brownfield, or bluefield based on actual business process redesign ambition — not risk perception alone.
Change Mgmt	Training delivered in the two weeks before go-live. Users revert to spreadsheets and shadow systems.	Change management starts at assessment. Super users engaged in design. Adoption metrics tracked as primary KPIs.
Partner Selection	Select partner on rate card or relationship. Discover capability gaps mid-implementation.	Evaluate on relevant industry experience, data migration methodology, and go-live track record.

The “Lift-and-Shift” Trap

Perhaps the most expensive mistake in the 60% cohort is migrating to S/4HANA while replicating the processes, workarounds, and operational habits of ECC. The platform changes; the business does not.

WATCH OUT FOR THIS PATTERN

Less than one in five organizations implementing S/4HANA actually redesigns processes during migration. Nearly half make few or no changes. The result: a company that has paid for a transformation and received an infrastructure upgrade — with 6-24 months of unrealized value sitting on the platform, waiting for a follow-on program that may never get funded.

The organizations that extract genuine value from S/4HANA — faster close cycles, real-time operational visibility, AI-assisted decisioning via Joule — are the ones that treated migration as a business redesign exercise with technology as the enabler.



A Word on the Clean Core Imperative

The 40% who succeed understand something the 60% often discover too late: carrying custom ABAP code from ECC into S/4HANA doesn't just create technical debt — it locks you out of SAP's innovation roadmap.

WHAT HIGH PERFORMERS DO

Successful organizations use the migration as a forcing function to rationalize their custom code footprint. Extensions that must survive are moved to SAP's Business Technology Platform (BTP) as side-by-side extensions, preserving a clean core while maintaining business-critical differentiation. This decision, made early in assessment, has outsized impact on every subsequent phase of the program.

What This Means If You're Evaluating a Migration Now

The difference between the 40% and the 60% is not luck, budget, or company size. It is the quality of thinking that precedes execution. Specifically:

1

Assess before you commit

Know your actual custom code volume, data quality posture, and integration landscape before signing an implementation SOW. The assessment is not overhead — it is the work that makes the implementation financeable and defensible.

2

Separate migration approach from migration destination

The question of greenfield vs. brownfield vs. bluefield should be driven by your process redesign ambition, not timeline anxiety or risk aversion.

3

Build governance before you need it

The governance structure that saves a program is the one built at inception, not the one assembled in response to a crisis at month fourteen.

4

Treat change management as a delivery workstream, not a support function

It is not optional. It is a parallel track with its own milestones, owners, and go/no-go criteria.

5

Select your partner on execution evidence

Ask specifically: what percentage of their S/4HANA go-lives were on time? What is their approach to data migration governance? What does their hypercare model look like post-go-live?

Accrete Has the Track Record That Matters

We've delivered S/4HANA implementations on time and on budget — and we can show you specifically how. Let's talk about what your migration actually looks like.



Contact us at: accrete@acnsol.com/+1 877-849-5838

USA

#211 Suite 100, 22722
29thDr SE, Bothell, WA

India

The Iconic Corenthum 1st & 2nd floor,
Sector 62, Noida

South Africa

609 Lanseria Corporate Estate,
Falcon Lane, Lanseria, Gauteng