

# THE CLOUD-FIRST, AI-FIRST MANDATE: WHY BUSINESS LEADERS SHOULDN'T WAIT



Businesses face mounting pressure from changing markets, rising customer expectations, and rapid technology shifts. With SAP ECC support ending in 2027, migrating to SAP S/4HANA is no longer optional, it's a strategic move. This transition, powered by cloud and AI, enables real-time data, automation, and agility, helping organizations build a digital core for smarter, faster decisions.



Keeping up in today's business world is no small feat. Customers expect more, markets keep changing, and technology moves faster than ever. For companies still running on legacy systems like SAP ECC, it's getting harder to keep up. With [SAP ECC support ending in 2027](#), switching to SAP S/4HANA is a smart and timely move.

This shift isn't happening in isolation. It's part of a broader transformation, driven by the convergence of cloud computing and artificial intelligence (AI) that is reshaping how businesses operate, compete, and grow. And SAP S/4HANA sits right at the center of it all.

## Why cloud + AI = The future of ERP

Cloud and AI are considered the foundation for modern business. Cloud gives you scalability, flexibility, and speed. AI brings intelligence, automation, and predictive power. Together, they unlock new possibilities across every function, from finance and supply chain to customer experience and decision-making.

Older systems like SAP ECC weren't built for today's fast-moving, tech-driven world. They're often rigid, don't talk well

to other systems, and can be tough to upgrade or integrate with newer technologies. And with support for ECC ending in 2027, businesses face more risks like security issues and falling behind. That's why moving to its successor SAP S/4HANA makes sense. It's designed for the cloud, ready for AI, and helps businesses work smarter, thanks to its real-time data, automation, and flexibility to grow and adapt.

With platforms like SAP S/4HANA, organizations can build a digital core that's designed to adapt and scale with changing business needs. It brings together real-time data processing, embedded analytics, and automation capabilities that help teams make faster, more informed decisions. Whether it's improving demand forecasting, managing cash flow more efficiently, or responding to supply chain disruptions in real time, modern enterprise resource planning (ERP) systems enable smarter operations. The unified data model helps break down silos, and the modular architecture makes it easier to innovate without adding complexity.

Speaking to Infosys, Tarang Puranik, executive vice president, global service offering head (SAP) and head, Europe, Infosys said: "Cloud and AI are no longer optional — they're strategic imperatives. The organizations that move



early are redefining how they operate and compete, while those that delay risk falling behind. Success depends on purposeful transformation and the right expertise to lead it.”

## SAP migration: From IT initiative to boardroom priority

SAP migration has moved out of the IT backroom and into the boardroom. According to the [SAPinsider Benchmark Report](#), 57% of organizations say the end of SAP ECC maintenance is their top reason for migrating. But it is not just about compliance. Leaders are using this moment to rethink how their organizations operate, modernize reporting, and build smarter, more agile enterprises.

Take [one of the Philippines’ largest conglomerates](#), for example. With businesses spanning retail, transportation, food, and petrochemicals, its legacy systems had become a bottleneck. Fragmented processes, aging infrastructure, and siloed data were not only slowing things but also limiting the company’s ability to adapt and grow.

To address this, the company teamed up with Infosys to lead a full-scale SAP S/4HANA transformation on Microsoft Azure. It used the opportunity to streamline operations across business units, roll out a unified general ledger, and bring in real-time, role-based analytics to support faster, smarter decision-making.

Results were faster financial closing, a 30% reduction in off-contract spending, and improved enterprisewide visibility. By moving to the cloud and standardizing core processes, it unlocked agility, accountability, and speed.

And it is not alone. Organizations across industries are approaching migration with care and strategy. In fact, [84% are prioritizing minimal disruption during the transition, and 76%](#) are actively seeking partners with deep SAP S/4HANA experience.

Take the example of [a global leader in automated storage solutions](#) that faced limitations due to its legacy systems while preparing for global expansion. To overcome these constraints, the company partnered with Infosys and SAP to adopt a cloud-first approach using RISE with SAP. This helped streamline operations across geographies and build a unified digital core.

The company focused on change management to keep teams aligned, engaged, and ready for the shift. The company achieved better decision-making through real-time data access, enhanced scalability to support global

growth, and deeper customer engagement, driven by more responsive and integrated systems.

## The competitive divide: Movers vs. delayers

The numbers tell a clear story about where organizations stand on SAP S/4HANA migration. [Around 34%](#) have already completed their migration, while 41% are actively planning to make the move before the 2027 deadline. But 18% are likely to miss the deadline, and 7% have no plans to migrate at all. This divide highlights a growing gap between digital leaders who are future-proofing their operations and those who risk falling behind due to delays and indecision.

Companies that have already made the move are seeing real benefits: Streamlined operations, better compliance, and improved data visibility. Those delaying are facing rising costs, longer timelines, and increased risk of disruption. The report found that 62% cite high project costs as a barrier, and 55% worry about extended timelines.

Meanwhile, AI adoption is gaining momentum across SAP environments. [A SAP survey](#) found that 96% of organizations have executive mandates to explore or implement AI, and 69% are already using [SAP Business AI](#). Crucially, 96% see AI adoption as directly tied to cloud migration — reinforcing the need for a unified strategy.

## What leaders should do now

This convergence of AI and cloud, paired with the urgency of SAP S/4HANA migration, presents a pivotal moment for business leaders. It is a chance to prepare their companies to succeed in a data-driven, AI-enabled future. With structured enterprise data and intelligent automation capabilities, platforms like SAP S/4HANA offer more than operational efficiency. They lay the groundwork for innovation, agility, and resilience. Organizations that take this step now will be better ready to reimagine how they operate, make decisions, and deliver value.

## Strategic recommendations for organizations

- **Start the migration journey now**  
Waiting until the last minute to migrate increases the risk of business disruption and limits the time available for thoughtful planning. Starting early allows organizations to manage change gradually, test thoroughly, and ensure continuity across operations.

- **Make AI part of your core systems**

AI can do a lot, from improving forecasts to automating tasks and helping teams make smarter decisions. But to get real value, it needs to be built into core business systems, and not added on top as a layer. When AI is embedded into ERP processes, it helps shift operations from reactive to proactive, especially in key areas like finance, supply chain, and customer service.

- **Adopt a cloud-first mindset**

Cloud platforms offer the flexibility and scalability needed to adapt quickly to changing business needs. Moving to the cloud enables faster innovation, easier integration, and better access to real-time data.

- **Mobilize cross-functional teams**

ERP transformation affects every part of the business, so it shouldn't be led by IT alone. Involving teams from finance, operations, procurement, and beyond ensures that migration aligns with broader business goals and delivers value across the board.

- **Focus on data quality and governance**

AI and analytics are only as good as the data behind them. Investing in data quality — especially master and transactional data — helps ensure that insights are accurate, reliable, and actionable.

- **Choose a transformation partner with relevant experience**

Migration is complex, and the stakes are high. The right partner brings technical expertise, industry knowledge, proven frameworks, and a clear roadmap. This helps organizations move with confidence and avoid common pitfalls.

## Final thoughts

True digital transformation is how businesses use technology to stay relevant and grow. The divide is becoming clearer: Companies that have already made the shift are seeing real benefits — better visibility, faster insights, and more streamlined operations. Those holding back are facing growing risks, from outdated processes to falling short of customer expectations. The longer the delay, the harder it becomes to catch up.

What matters now is purposeful action. Businesses need to invest in scalable technologies, build internal alignment, and choose partners who understand the complexity of change — not only from a systems perspective, but from a business and people standpoint. Because in the end, transformation is less about tools and more about leadership, clarity of vision, and the willingness to evolve.

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