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OPENING REMARKS

LOOKING AHEAD TOGETHER: A NEW CHAPTER FOR ERP TODAY

This year closes on a momentous note for ERP professionals—and for this magazine. Across the ecosystem, 2025 was the year cloud ERP, AI, and data integrity stopped being slideware and became non-negotiable foundations of how enterprises actually run.

This issue also marks a new beginning for ERP Today, and for me personally. Stepping into the editor-in-chief role brings both excitement and responsibility. This community sits at the heart of modern enterprise operations, and our coverage must be as rigorous as the systems you manage. My goal is to make ERP Today the publication you look forward to each quarter—where the stories are sharp, honest, and grounded in the realities ERP professionals face—while our digital channels keep pace with you, covering critical and breaking developments in real time.

Our cover story drops you into SAP's Experience Centers and the fully productive S.Mart Store in Walldorf, a 24/7 autonomous retail environment running on the same SAP platforms it showcases. It is a living lab where customers co-design end-to-end processes, test AI-enabled scenarios, and feel what a "clean core" means when it drives real inventory, payments, and returns—just one of several deep dives in this issue into how vendors are making transformation tangible.

From there, we head to Las Vegas, where our Oracle AI World coverage cuts through the hype around generative AI. IBM-led sessions make a blunt point: AI only scales when disciplined architectures, governed data fabrics, and ERP foundations are already in place. That theme echoes across other features in this edition exploring readiness, operating models, and multi-agent futures.

> ERP TRANSFORMATION SUCCEEDS WHEN THE UNDERLYING DATA FOUNDATION IS COHERENT, ACCESSIBLE, AND GOVERNED.

Data integrity emerges as another defining theme. In "Data Integrity is the New ERP Mandate," we look at manufacturers tackling the "hidden factory" of paper processes and siloed systems, and how semantic layers, virtualization, and decommissioning strategies are delivering a governed source of truth without ripping out core ERP—alongside coverage of sustainability, talent, and architecture that traces the same arc from fragmentation to coherence.

This is also a fresh chapter for ERP Today's newsroom. Content Director Tarsilla Moura joins to deepen our focus on AI, governance, and enterprise architecture, while Senior Editors Adam Pittman and Chris Vavra bring frontline perspectives on cybersecurity, manufacturing modernization, and industry-led ERP innovation. Together, we will challenge assumptions, ask braver questions, and celebrate those turning ERP from systems of record into systems of intelligence—across every issue and every story we publish.

Rachel Williams, Editor-in-Chief, ERP Today

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EXECUTIVE TOOLBOX

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Connected Construction
ERP Without the Bottlenecks

How three mid-market firms used Acumatica to cut friction, surface real-time data, and empower front-line teams.

BY RACHEL WILLIAMS
with reporting by Robert Holland

Cloud ERP is more than just a finance upgrade for construction and field service companies; it is becoming the operating system for resilience, real-time decisions, and lean growth. Across three recent ERP

Today Expert Exchange conversations with leaders at Tester Construction, Tech Electronics, and Carlson LaVine Construction, it became clear that moving to Acumatica was less about swapping systems and more about stripping out bureaucracy, unlocking frontline insights, and preparing for an AI-driven future.

Resiliency in a Volatile Market

Tester Construction's Acumatica journey began in the aftermath of COVID-19, when paper files, remote servers, and dial-in QuickBooks proved painfully inadequate for a suddenly remote world. That crisis forced a rethink of back-office processes, pushing

the company to digitize reviews, scan documents, and streamline workflows so project teams could keep "building beautiful projects" while finance stabilized the operation, Tester's CFO Jay Feinman explained.

Four years on, Feinman describes a fundamentally different finance engine: real-time data fed directly

into Excel, tight controls that prevent silent deletions, and a month-end close measured in days rather than weeks. With stronger controls on cost codes, reconciliations, and review steps, the team trusts the figures they see and spends far less time putting out fires, enabling earlier visibility into margin risks and market shifts.

Turning Integration into True Connection

Tech Electronics went live on Acumatica after realizing that integrated systems were masking a maze of indirect costs and delays. Project managers emailed warehouses to confirm materials, managers chased finance for basic numbers, and every report came with caveats about overnight batches and missing transactions.

For CEO Manish Chandrak, those signals showed the company was not truly connected. Employees were filling system gaps with email, spreadsheets, and shared folders, while customers waited days for answers that should have been instant. By moving to a single connected data platform, Tech Electronics cut duplicate licensing, eliminated many manual aggregation exercises, and began surfacing the same real-time information to the field, the back office, and leadership.

Empowering Frontline Teams Without Losing Control

At Carlson LaVine, Executive Director Matt Shamp explained that Acumatica's "maximum flexibility"

forced a shift in mindset. Frontline managers could finally shape their own reports and views instead of waiting on IT. Shamp describes the change as moving from static PDF reporting to "live data that's malleable," where managers filter, pivot, and build what they need in-house.

That democratization of configuration required new governance, not less responsibility. Carlson LaVine invested heavily in role design during implementation,

setting clear boundaries on access and data entry so business users could experiment safely while finance and leadership protected integrity, security, and compliance.

Lean Operations, Faster Closes, Happier Projects

All three organizations report tangible operational benefits from moving to a cloud-native, connected ERP.

Tester Construction has reduced back-office headcount while improving the speed and quality of reconciliations, enabling daily bank recommendations, streamlined account payable, and the ability to turn around owner reports within 24 hours. Those efficiency gains allow the company to lower some fees and support open-book reporting without adding administrative burden. On the project side, automated invoice notifications mean field teams spend more time building and less time chasing paperwork. Superintendents and project managers are prompted by email to review and approve bills, can drill into documents from anywhere, and can immediately tell subcontractors whether payment is delayed by funding, insurance, or compliance status.

At Carlson LaVine, flexible reporting has supported a lean staffing model and more direct client relationships by eliminating layers between the customer and the people doing the work.

> **"If you know it's wrong today, you just have to rip off the Band-Aid."**
> — Jay Feinman, CFO, Tester Construction

Designing for Users, Not Silos

A common thread across the three episodes is the insistence that ERP transformation is a business project, not an IT upgrade.

Tech Electronics deliberately structured design sessions around cross-functional teams, with a consulting partner bringing finance, operations, and field service expertise into the same room and a mandate to simplify and automate rather than re-create legacy departmental handoffs. Leadership involvement proved critical to resisting the gravitational pull of old processes. Chandrak describes actively rejecting four-step workflows that simply mirrored functional silos, insisting instead that a single role own an end-to-end task

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wherever the connected system made that possible.

Both Tech Electronics and Carlson LaVine emphasize that without this kind of user-centric, cross-department design, organizations risk turning a modern ERP into yet another bottleneck.

Future-Proofing for AI and IoT

Looking ahead, these leaders see the ERP decisions they are making today as the foundation for the next decade of automation, AI, and IoT. Tech Electronics, deeply embedded in building automation, already connects signals from internet-enabled devices such as alarms, HVAC systems, and security cameras into its ERP so that a detected issue can automatically generate a case tied to the correct contract and customer.

Chandrak expects ERP workflows to change radically within a few years as AI takes over much of the clicking, routing, and anomaly detection that currently absorbs human time. In that world, the companies with the biggest advantage will be those that already have clean, unified, well-structured data in a truly connected system and a vendor that offers contemporary interfaces, open APIs, and a clear innovation roadmap. ■

> **"There's no point in making such a big investment and making the shift if you're going to replicate everything that you did and the way you did it."**
> — Manish Chandrak, President and CEO, Tech Electronics

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WHAT THIS MEANS FOR ERP INSIDERS

- **Connected ERP shifts construction finance from recordkeeping to real-time operational control.** Across the three companies, moving to Acumatica allowed finance teams to shorten close cycles, improve data confidence, and surface issues earlier in the project lifecycle. When ERP systems deliver trustworthy, real-time information, finance leaders can move beyond historical reporting and play a more active role in margin management, risk identification, and pricing decisions.

- **Frontline access to shared data reduces friction across projects and customer interactions.** Giving project managers and superintendents direct visibility into invoices, inventory, and payment status eliminates informal workarounds that slow response times and introduce errors. When the field, back office, and leadership all work from the same data set, organizations can reduce delays, simplify approvals, and respond to customers with greater confidence.

- **A unified ERP foundation prepares mid-market firms for AI-driven operations.** By standardizing data models and streamlining workflows today, these organizations are positioning ERP as a hub that can orchestrate automation, surface insights, and respond to signals from connected devices. As AI becomes embedded in day-to-day operations, companies that have already embraced a connected ERP will be better equipped to adapt quickly—whether the next disruption comes from technology, regulation, or market volatility.

Data Integrity is the New ERP Mandate

Having a unified foundation for ERP matters now more than ever.

BY CHRIS VAVRA

Data integrity is a defining success factor for modern ERP programs. As organizations accelerate their digital initiatives, expand data estates, and adopt cloud analytics platforms, ensuring operational, financial, and customer information has become a strategic differentiator. Without reliable data, the promises of automation, AI-driven insights, predictive operations, and cross-functional reporting collapse.

Across the manufacturing, distribution, and service sectors, organizations are coming to the same simple truth: ERP transformation succeeds when the underlying data foundation is coherent, accessible, and governed. Today's data integrity agenda goes beyond cleansing master records. Enterprises must modernize how data is connected, retained, and distributed across business units without resorting to expensive rip-and-replace ERP initiatives. The effects, when done right, go well beyond the datasets.

Silos, Paper Processes, 'Hidden Factory'

The data integrity challenge is most visible on the shop floor. Despite decades of ERP investment, many industrial organizations still rely on manual processes that are paper-based and siloed. SAPinsider research shared during a manufacturing webinar revealed 79% of factory operators still depend on handwritten checklists or offline workflows. This fragmentation produces the "Hidden Factory," which consists of non-value-added activities, delays, data entry errors, and inconsistent reporting that erodes profitability.

Experts from CAI Software and Hubbell Incorporated emphasized during the webcast that while manufacturers have a lot of data, the information is often unstructured or untrustworthy. As a result, supervisors are managing symptoms rather than root causes. Without real-time overall equipment effectiveness (OEE), downtime analysis, or reliable work-center metrics, organizations reinforce reactive firefighting instead of being proactive.

Creating trustworthy data starts with Stage 1 digital foundations focused on visibility and accurate real-time capture to establish consistent reporting across the platform. The goal is to ensure everyone operates from a single source of truth based on fact-driven decision-making.

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Governing Data Without 'Replatforming'

Large enterprises with diversified system landscapes face an even more complex integrity challenge. A US-based steel manufacturer recently confronted this reality as it attempted to harmonize data across multiple systems. Rather than undertake a system overhaul, the company adopted CData Virtuality as a semantic layer to unify data access across cloud, on-premises, and application sources.

ERP transformation succeeds when the underlying data foundation is coherent, accessible, and governed.

By virtualizing data instead of physically moving it, the organization eliminated months-long integration cycles. Reporting workflows that previously depended on manual extracts and case-by-case data preparation were automated. Finance gained consistent cross-divisional reporting. Sales regained trust in historical performance data. Production bonus calculations became real-time. AI-driven safety applications began receiving accurate inputs. Most importantly, the executive team gained unified visibility into global performance for the first time.

This transformation required more than new technology; it demanded a cultural reset. Through collaborative design workshops and executive alignment efforts, teams embraced a shared view of data as a strategic asset. The manufacturer established a future-ready foundation capable of supporting new divisions, real-time streaming, and change data capture enhancements without altering core ERP systems.

Integrity Through Managed Data

Data integrity also suffers when organizations hold onto legacy ERP landscapes longer than they should. Enterprises often maintain decades-old SAP and non-SAP systems solely to preserve historical records, but these platforms become expensive, insecure, and difficult to audit. Maintaining this legacy is important because it has sensitive historical data, but they also must adhere to modern data retention and privacy regulations. Centralizing the historical data from these systems through decommissioning into a modern, managed archive simplifies governance and ensures compliance.

Successful decommissioning follows a methodical, three-phase approach that provides a structured path forward.

• **Phase 1: Analysis and retention definition.** This involves analyzing data within the legacy system to define clear retention policies. It precisely identifies the data that must be preserved to meet specific requirements, which helps companies avoid unnecessary migration of obsolete information.

• **Phase 2: Data extraction and consolidation.** The platform connects to legacy applications and other sources to extract the required data, documents, and their original business context. This information is then consolidated into a single, secure, and accessible historical data archive to help ensure continuity.

• **Phase 3: System decommissioning.** Once all necessary historical data is securely archived and validated, the organization can decommission the legacy system and terminate the associated software licenses. This action ends any associated costs and eliminates the security and compliance risks related to the old system. ■

WHAT THIS MEANS FOR ERP INSIDERS

• **Integrity drives measurable efficiency gains.** Technology leaders will see day-to-day workflows shift from manual data preparation toward automated, self-service access models. Companies such as the steel manufacturer demonstrate ROI measured in faster reporting cycles, eliminated rework, and months-to-minutes integration acceleration.

• **Market momentum favors unified data layers**. As semantic layers, virtualization platforms, and decommissioning solutions gain traction, ERP professionals will increasingly operate in hybrid environments spanning SAP, Oracle, Microsoft, and cloud data platforms. Daily responsibilities will include evaluating providers based on governance controls, integration flexibility, metadata transparency, and real-time performance.

• **Adoption success requires disciplined implementation.** Case studies show how cultural alignment, iterative workshops, and operator-to-executive visibility are critical for trustworthy data operations. Expect to prioritize cross-functional governance bodies, invest in foundational data models, and lead structured decommissioning programs that reduce technical debt while modernizing reporting and analytics capabilities.

Creating Supply Chain Value Through Analytics and AI

How analytics and AI are forging the future of supply chain management networks.

BY CHRIS VAVRA

The supply chain management sector has been subjected to a lot of hype related to AI. There has been extensive talk about autonomous networks, automated planning, and faster decisions than ever before. Like so many promises, the value is not coming from the technology itself, but rather by embedding analytics and AI into operations.

Converging intelligent automation, embedded analytics, and human expertise is helping supply chains shift roles and reengineer workflows to create possibilities that were unavailable in traditional systems.

AI's Benefits as Value Engine

One of the more persistent challenges in supply chain environments is the volume of repetitive tasks such as status checks, availability questions, and coordination emails. These tasks, while not complicated, consume a lot of time that could be better spent on more complex tasks.

In a recent 4flow webinar, experts emphasized the path to meaningful AI begins with solving these problems. Companies should be asking which operational inefficiencies take up too much time and can be automated.

For example, digital assistants powered by natural language processing are demonstrating measurable gains in areas like transportation visibility and customer service. By summarizing emails, retrieving shipment statuses, and resolving routine questions, these tools can accelerate response times by up to 30%.

This frees up supply chain professionals to handle tasks such as managing exceptions, addressing disruptions, and optimizing workflows. This supports a broader message: AI creates value by elevating human work rather than replacing it. Organizations that succeed are positioning AI as an enabler of judgment, not a substitute for it.

Organizations that succeed are positioning AI as an enabler of judgment rather than a substitute.

Turning Planners into Strategic Storytellers

While AI is helping supply chain teams reclaim time, analytics are transforming what planners can do with the free time they now have. For a long time, planning was a linear process: generate a plan, execute it, then analyze performance later. However, with technologies such as SAP Integrated Business Planning (IBP) embedding analytics directly into planning workflows, the old model is being replaced by a simultaneous "plan and analyze" loop.

This shift is fundamentally redefining the supply chain planner's role. Kenton Harman, senior director of digital supply chain in the SupplyChainPaths practice at CloudPaths, argued that planners should be strategic storytellers. They need to understand the context behind the plan instead of being entirely focused on the numbers.

Embedded analytics enable planners to visualize the impact of their assumptions in real time, understand trade-offs, and communicate insights to executives. Instead of providing spreadsheets, planners now produce higher-quality plans that have narrative, context, and foresight for the intended audience.

A compelling example illustrates this shift: An adopter of SAP IBP's Analytics Stories discovered a previously overlooked revenue opportunity because planners were able to visualize emerging patterns in their demand and supply data. The insight was not hidden due to lack of intelligence—it was hidden because traditional tools could not reveal it. Within six months, this analytics-driven approach reshaped the organization's entire sales and operation planning (S&OP), strengthening alignment between planners and leadership and elevating the planner's role from executor to strategist.

Expanding Visibility, Prioritization, Resilience

One of the greatest operational values AI provides is the ability to help organizations navigate the constant disruptions facing modern supply chains. Risk rating models and intelligent prioritization engines help managers determine which disruptions matter most, where attention is needed, and what implications may occur downstream.

This kind of decision intelligence helps change supply chain workflows from reactive to strategic control. Teams can gain a clearer sense of which issues have the highest business impact, giving them a competitive advantage.

However, capitalizing on this potential requires closing the persistent talent gap between data scientists and operational experts. Optimization models can only deliver value if they are infused with business reality, and operational insights only scale when translated into analytical frameworks. Organizations need translators who understand the dimensions of supply chain design. Partners such as 4flow play this bridging role, ensuring AI models reflect real-world processes and enabling end users to interpret model outputs confidently.

Native, Not Add-Ons

Both sets of insights point toward the same future: By 2030, leading supply chains will operate as integrated ecosystems where AI, analytics, planning, and execution flow together. Data will not be cleansed as an afterthought; analytics will not be bolted onto planning tools; and AI will not be deployed on a case-by-case basis. Instead, intelligence will be native to processes, continuously embedded in decision chains, and integral to how supply chain professionals work.

At the 2025 Automation Fair in Chicago, a key theme for the future of manufacturing was to go from automation to autonomy. Rockwell Automation CEO Blake Moret said a key part of this process is simplifying the complex and using AI to bring everything together in as simple a form as possible. With the right data and systems, this can become a day-to-day reality for supply chain management teams. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **ERP vendors should prioritize embedded intelligence.** There is a shift toward AI-driven operational automation. Meaningful value emerges when AI eliminates low-value, repetitive tasks, allowing humans to focus on higher-level decision-making. For ERP vendors and system integrators (SIs), the shift demands modernization roadmaps that treat AI as an operational core, emphasizing intelligent work orchestration.

- **Embedded analytics is redefining planner roles.** This is pushing ERP ecosystems toward narrative-driven decision environments. By merging planning and analysis into a simultaneous loop, platforms like SAP IBP shift planners from transactional execution to strategic storytelling. ERP systems must increasingly support contextualized insights, scenario modeling, and executive-ready narratives within the workflow itself.

- **The ERP industry is shifting.** ERP modernization must emphasize resilience as a foundational design principle by using intelligent prioritization and decision intelligence. Vendors and SIs must embed risk-aware models while addressing the talent gap between data science and operations. This signals a future in which AI, analytics, and data quality as embedded, continuous capabilities support autonomous decisions and partner ecosystems.

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The New SAP Defense

Zero Trust networks, unified risk management, and SAP-certified monitoring tools form the backbone of modern enterprise protection.

BY JOE PEREZ AND ADAM PITMAN

SAP systems have long been the backbone of enterprise operations. As organizations migrate to SAP S/4HANA and adopt hybrid-cloud architectures, these platforms are becoming the central engine of the intelligent enterprise—integrating finance, supply chain, manufacturing, and HR across increasingly complex environments.

The stakes of a security breach have never been higher. Every integration multiplies the attack surface, from third-party applications to cloud-based analytics. Traditional perimeter defenses leave critical gaps, while siloed compliance practices create blind spots across business-critical systems.

Security for SAP environments now requires a layered approach rooted in Zero Trust, supported by Unified Risk Management (URM) and strengthened by modern security tools. This model addresses both technical vulnerabilities and organizational risks as SAP landscapes evolve into interconnected digital cores.

Security-Driven Networking Extends Zero Trust

Traditionally, enterprises relied on perimeter-based security to protect SAP systems. Firewalls, VPNs, and basic access controls were sufficient when SAP landscapes were on-premises and isolated. Today, that model no longer addresses insider threats, compromised privileged accounts, lateral movement, or the expanded attack surface introduced by hybrid and cloud integrations.

Zero Trust principles—where every user, device, and session is continuously verified—help close these gaps. Security-driven networking extends Zero Trust across SAP environments by providing visibility, segmentation, and real-time policy enforcement across on-premises and cloud components.

Cybersecurity teams often rely on integrated networking and security solutions to operationalize this approach. FortiGate Next-Generation Firewalls (NGFWs) enforce segmentation, inspect sessions, and protect SAP application servers, databases, and Fiori interfaces, reducing lateral movement and enforcing least-privilege access. FortiManager complements this with centralized policy orchestration and network oversight, enabling consistent enforcement across SAP systems.

Fortinet further extends Zero Trust with FortiWeb Cloud to protect SAP Fiori and web interfaces from OWASP-classified attacks, and FortiCASB to provide visibility into connected SaaS services. Together, these solutions establish a secure networking foundation for modern SAP environments.

Application-Level GRC with URM

Network security alone is not enough. Organizations must also govern what happens inside SAP applications.

> **AI is increasingly becoming a fundamental architectural element within SAP landscapes, influencing how systems automate, connect, and scale.**

Application-level risk spans user permissions, transactional activity, configuration changes, and data access. Left unmanaged, these risks can lead to privilege misuse, Segregation-of-Duties (SoD) conflicts, and unauthorized access to sensitive data.

When governance, risk, and compliance (GRC) processes operate in silos, organizations face inconsistent policies and blind spots across SAP and non-SAP systems. URM addresses this by integrating GRC activities across enterprise applications and centralizing oversight.

Pathlock Application Access Governance consolidates user access and role management across enterprise systems, enforcing consistent SoD policies and reducing privilege creep. Pathlock Cybersecurity Application Controls extend this with continuous monitoring of configuration changes, code, and data interactions, while Pathlock SAP Access Risk Analysis provides real-time visibility into access conflicts and sensitive permissions.

Operationalizing URM gives cybersecurity teams a holistic perspective on application-level threats, turning fragmented data into actionable insight and proactive, enterprise-wide risk management.

SAP-Native Add-On for Full-Stack Protection

As organizations modernize SAP landscapes, fragmented security stacks struggle to keep pace with hybrid environments spanning S/4HANA, cloud, and legacy systems. Disconnected tools can slow response times and obscure high-risk areas.

Layer Seven's Cybersecurity Extension for SAP consolidates application-level protections into a single SAP-certified add-on. Installed directly on SAP ECC, S/4HANA, BW, or GRC systems, it provides rapid visibility into vulnerabilities without requiring additional infrastructure.

Continuous monitoring of user activity, configuration changes, and custom code execution allows teams to detect anomalies early, streamline compliance reporting, and prioritize remediation through intelligent risk scoring. For organizations modernizing SAP landscapes, Layer Seven transforms application security from a reactive task into a strategic enabler that complements Zero Trust and URM practices. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **Security-driven networking makes Zero Trust practical at scale.** By continuously validating every user, device, and session, organizations can prevent insider threats, enforce least-privilege access, and stop lateral movement across SAP landscapes. Integrated solutions like Fortinet provide unified visibility, segmentation, and policy control across on-premises and cloud environments. For cybersecurity leaders, investing in these tools means they can modernize SAP securely, maintain consistent governance, and confidently support complex hybrid and cloud deployments.

- **Unified GRC platforms make compliance a strategic advantage.** Integrating GRC activities across SAP and non-SAP systems allows organizations to detect privilege conflicts, SoD violations, and anomalous activity before they escalate. Tools like those from Pathlock provide consolidated access governance, continuous monitoring, and real-time risk analysis, giving security teams a holistic view of application-level threats. This enables proactive, enterprise-wide risk management, reduces blind spots, and turns compliance from a reactive burden into a driver of operational efficiency.

- **Consolidated SAP security drives efficiency and resilience**. Layer Seven's Cybersecurity Extension consolidates patching, monitoring, compliance, and threat detection into a single SAP-certified solution. Continuous monitoring, intelligent risk scoring, and seamless integration streamline remediation and compliance reporting, reducing exposure across SAP and connected systems. This unified approach transforms application security from a reactive task into a proactive enabler, supporting consistent policies, faster response, and enterprise-wide resilience during SAP modernization and cloud adoption.

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Andre Bechtold

EXCLUSIVE INTERVIEW

SAP's Experience Mind

SAP's Andre Bechtold turns experience centers, live stores, and unified learning into a new blueprint for customer-centric, AI-ready transformation.

BY RACHEL WILLIAMS, WITH REPORTING BY ROBERT HOLLAND AND PHOTOS BY WOLFRAM SCHEIBLE

ANDRE BECHTOLD

The first hint that SAP's Experience Centers are no longer "nice showrooms" but engines of transformation is that Andre Bechtold now calls himself a retailer. In Walldorf, SAP's first fully productive S.Mart Store, developed in partnership with Aramark over four months and launched in April 2025, runs on the same systems it showcases. SAP employees buy real goods around the clock so the company can feel the pain and prove the value of its software in practice, not on slides, as described in SAP's own S.Mart Store overview and joint announcement with Aramark.

For Bechtold, who leads Experience Centers, industry strategy, and Learning at SAP, the point is simple: If SAP expects customers to put their core business on its platforms, it must live those processes end to end itself. In sn exclusive interview with Bechtold, he explains: "We want to produce something together with a customer in the model factory, ship it to the store, sell it there, and handle returns—as our own customer," describing the next evolution of Experience Centers as real laboratories for complex industry scenarios.

The timing is strategic. Research highlighted by Qualtrics' XM Institute indicates that by 2025, 89% of businesses expected to compete primarily on customer experience rather than product or price, and that increasing customer retention by just 5% can boost profits by up to 95%.

From Showroom to Living Lab

SAP's Experience Centers recently received an award from the Association of Briefing Program Managers, but Bechtold insists the real story is what happens next. What began as polished demo environments has become a continuously evolving network of physical and virtual spaces where SAP co-creates tangible, industry-specific use cases with customers and partners.

The S.Mart Store in Walldorf is the clearest proof of that shift. SAP notes that the original S.MART concept, unveiled in 2022 as a smart-store showcase, has now been reimagined as a fully operational 24/7 autonomous retail environment on the Walldorf campus.

SAP and Aramark's 2025 announcements credit Aramark as the operating partner and name technology partners including Diebold Nixdorf, VusionGroup, C2RO, payfree, Lenovo, Intel, and Adyen. What they created is a store that customers gain entry to through the S.Mart Grocery App which generates a personal Store Access QR Code that is shown at the door. Once inside, the tech advancements continue via the use of an RFID checkout, computer vision for personalization and theft prevention, digital temperature monitoring, and automated stockout detection to let employees complete purchases in under 50 seconds, with no on-site staff.

This shift forces SAP to confront the pain and value of its products in day-to-day retail operations, from replenishment and merchandising to returns. Retail was a deliberate starting point because everyone understands how a grocery basket or fashion purchase works. "Consumer products and retail are always a little bit easier," Bechtold says, because visitors can immediately connect their own experiences to SAP processes and software. The bigger ambition, he adds, is to take the same end-to-end approach into more complex domains such as semiconductors, high tech, life sciences, energy, and utilities.

Industry-First, Platform-Always

Behind the theatrics of model factories and smart stores sits a deliberate architectural philosophy. Bechtold frames it as starting with standard horizontal processes on SAP's cloud ERP and Business Technology Platform, then layering in precisely focused, industry-specific extensions where they will generate future value rather than recreating customizations from the past.

"First we think about the process from here to there," he says. "Then we decide where standard is enough and where a vertical extension will matter in two, five, or 10 years." That discipline is critical in process-heavy industries such as chemicals, mining, and utilities, where regulatory constraints, technical sovereignty, and safety considerations make change both urgent and risky.

AI now plays a prominent role in those conversations. In Experience Centers, AI is not positioned as an abstract platform feature but as a concrete optimizer for industry processes—from predicting demand and reducing waste to steering maintenance, compliance, or water usage—according to Bechtold. SAP underlined this direction at its SAP Connect event in October 2025, where it announced that WalkMe, acquired earlier in the year, is now embedded across all SAP Customer Experience solutions to guide users through complex workflows in real time and drive continuous adoption.

Bechtold's team uses the Experience Centers as neutral ground to prototype AI-enabled scenarios with customers, test their appetite for new operating models, and feed proven patterns back into SAP's industry roadmaps.

Water, Climate, the Next Frontier

One of the most striking examples of that roadmap-first mindset is water. Bechtold describes water management as "maybe the next big thing," citing the combined pressures of climate change, uneven distribution, and water-intensive industries such as mining.

In newer SAP locations such as India, where water scarcity is a daily concern, his team is exploring how SAP's portfolio can help increase efficiency across sourcing, treatment, reuse, and distribution.

That means looking beyond utilities into industrial water use, then designing Experience Center scenarios that show how data-driven optimization can reduce waste and improve resilience. The work is still in research and design, but Bechtold sees the potential to make water a flagship example of SAP's ability to marry sustainability and operational excellence.

Turning Customers into Co-Designers

The Experience Centers are also changing how SAP talks to its customers. Installed-base clients still sometimes arrive expecting two days of PowerPoint and product pitch, but leave, Bechtold says, surprised by a different dynamic: The conversation starts with their industry, their key processes, and their outcomes. Only later do they ask which product sits behind each scenario.

That reversal is more than theatrics. By building demos as realistic, cross-product process flows, Bechtold's team finds friction points and usability gaps that would be invisible in traditional feature-led demos, then feeds those insights back to product teams. In effect, Experience Centers act as a continuous usability lab, revealing where SAP can simplify flows, reduce clicks, tighten integration, and tell more intuitive stories through UX.

The approach works particularly well with net-new customers who still think of SAP as a monolithic ERP and a set of disjointed line-of-business tools. When they see the breadth of the portfolio in a single, concrete industry story—often delivered in an environment where internal satisfaction scores exceed 90%, according to Bechtold—many recalibrate their assumptions about cost, capability, and time-to-value.

Learning as a Strategic Product

If Experience Centers are SAP's front stage for customer engagement, learning is the backstage infrastructure that makes the performance repeatable. Bechtold's operational scope spans product and solution learning, certification, and enablement for SAP employees, partners, and customers, and he has pushed to unify what were once separate tracks into a single, modular learning journey.

"Not a showroom—a co-innovation space running real business."

The logic is direct: Everyone touching a customer, from SAP sales and services to partners and student talent, should speak the same language and work from the same demo systems, content, and best practices. That has meant collapsing duplicate demo landscapes, aligning curricula across audiences, and embedding the SAP Discovery Center's best-practice use cases directly into learning paths instead of treating them as optional extras.

Consistency is essential when release cycles are measured in weeks and customers expect cloud innovation to land without disruption. A certification that is two years old may still provide valid foundations, but without continuous learning around tools such as SAP Business Data Cloud, SAP Signavio, SAP Cloud ALM, and WalkMe, professionals risk making outdated recommendations that undermine transformation projects.

Students, Talent, and the Boredom Problem

One of the most revealing insights in Bechtold's portfolio came from a simple question to working students and interns in the Experience Centers: Are your SAP university courses engaging? "Most of them told me it's super boring," he recalls. They did not want generic training; they wanted real industry use cases like the ones they saw in the Experience Centers.

SAP formalized this shift in November 2024 when it launched SAP Learning Hub, student edition. According to SAP's own FAQs for the program, actively enrolled students receive full access to the Learning Hub course portfolio, two free global certification attempts, unlimited live expert sessions with SAP instructors, and 12 months of renewable access to cloud-based practice systems, provided they verify enrollment with a university email and SheerID.

Because SAP certifications have a defined validity period and now require recurring assessments, students who certify during their studies can take those credentials straight into job applications with partners or SAP itself. Bechtold's team is reworking content to be more tangible and narrative-driven, encouraging students to build on SAP technologies rather than other cloud platforms. For those interested in sales or pre-sales careers, SAP mirrors Experience Center setups in training locations and teaches not only product knowledge but also customer-centric storytelling—how to explain business value, not just features and functions.

Enterprise Architects, Composable Futures

As customers move to cloud ERP, modular suites, and AI-infused platforms, enterprise architects have become some of the most critical and overloaded roles. Recognizing this, SAP launched a major initia-

ANDRE BECHTOLD

“Adoption starts the day we prototype together, not at go-live.”

tive to build new enterprise architect training and certifications in close collaboration with services teams and product experts, according to Bechtold.

He calls enterprise architecture “one of the most complex roles,” especially for installed-base customers transforming heavily customized landscapes while trying to keep the core clean and move toward composable architectures. The new curricula emphasize not just tool proficiency but also reference architectures and concrete examples from the Experience Centers, such as the retail reference landscape behind the S.Mart Store.

Modularity is central here too. Learning paths are structured so early-career professionals and students can gain entry-level knowledge that later stack into full enterprise architect certifications, shortening the journey while maintaining rigor. SAP is also pushing partners to bring their enterprise architects up to the same knowledge level as internal services teams, closing the gap that has historically plagued joint projects.

AI, Knowledge Foundations, Trust

Bechtold is candid about AI’s double-edged nature in learning and enablement. On one hand, he uses AI daily for research, briefing preparation, and summarization. On the other, he warns that without a strong foundational understanding, people will struggle to distinguish between trustworthy insights and hallucinations.

The answer, in his view, is to anchor AI-enabled learning experiences in authoritative content sources. For SAP topics, that means ensuring large language models are grounded in SAP-owned content and curated learning assets, so that personalized learning paths, summaries, and recommendations reflect the company’s latest thinking rather than random web content. That does not remove the need for human judgment, but it shifts AI from risky shortcut to reliable accelerator.

This AI-led approach also shapes how SAP supports different learning preferences and demographics worldwide. Whether a learner prefers interactive e-learning, classroom instruction, hybrid formats, or short-form mobile content common in markets like China, the underlying digital content is consistent and modular, ensuring that what is taught in one format aligns with what is offered in another.

Partners, Clean Core, Shared Accountability

For Bechtold, aligning partners around the same knowledge and practices as SAP is not a governance nicety; it is a survival requirement. Customers do not differentiate between a partner mistake and an SAP mistake when projects go off the rails; in both cases, SAP’s reputation suffers.

SAP has responded by designing enablement programs with partner organizations from the ground up, tying certifications and proven experience to the partner’s competency framework and access to certain categories of projects. Crucially, partners now share the same demo landscapes and learning content as SAP employees, helping reduce disconnects that once appeared between sales promises, pre-sales demos, and implementation realities.

The clean-core principle sits at the center of this collaboration. For large, complex legacy customers, partner architects are expected to understand SAP’s tools, methodologies, and transformation patterns for programs such as RISE with SAP, rather than defaulting to bespoke customization that undermines upgradeability and innovation. For mid-market customers, the emphasis is on keeping things as standard and simple as possible, avoiding over-engineered deployments that obscure value.

Adoption, Trial-and-Buy, Real Value

Adoption sits at the junction of Experience Centers, learning, and partner execution. Cloud business models depend on renewals; renewals depend on customers actually using what they have bought and seeing tangible outcomes. Bechtold rejects the idea that adoption and net-new customer acquisition are competing priorities. In his view, successful adoption stories provide the references and proof points that make net-new deals easier.

His team has connected prototyping closely with learning. In many engagements, particularly with net-new customers, SAP spins up a cloud ERP sandbox, loads customer data, co-defines key use cases, and prototypes the future solution together over several months. That “trial-and-buy” model means customers are learning how to use the system while it is being tailored to their needs, and when the license deal is signed, the prototype can go productive with minimal disruption.

ERP is not a simple SaaS app; wrong configurations can be expensive to reverse. Close support during prototyping reduces that risk while accelerating adoption, as users move into production already familiar with the environment they have helped shape. In the S.Mart Store and other Experience Center scenarios, that same principle applies internally: SAP’s own teams adopt and stress-test the solutions first, making benefits and pitfalls far more than theoretical slides—an approach the S.Mart materials emphasize in positioning SAP itself as an internal reference customer. ■

Learn more about SAP

The Cloud Velocity Trap for Testing

Carl Andrews, CEO of Original Software, on why old testing habits are killing new ERPs.

The weekend before go-live after a major ERP migration is rarely peaceful. For CIOs and IT leaders, it is often a period of nervous anticipation as they wait to see whether months of labor and millions of dollars will yield a seamless Monday morning or a disastrous halt to production.

According to industry statistics, the odds are not favorable. More than 70% of ERP migrations fail to meet their original objectives, and the culprit is rarely the software itself. Instead, failure often stems from a key misunderstanding of the unglamorous but essential discipline of testing."From my perspective, it's not so much that testing goes wrong, but that testing is more of an afterthought," says Carl Andrews, CEO of testing and quality assurance (QA) provider Original Software.

In an interview with ERP Today, Andrews unpacks why modern cloud migrations are exposing the cracks in traditional QA strategies and why the industry's rush toward AI might be premature if the foundations are not fixed first.

The Frequency Shift

Historically, organizations operating on-premises ERPs, such as legacy SAP ECC environments, lived by a comfortable, sedate cadence. During that time, organizations performed a significant upgrade—and the requisite testing—every few years. These were large and meticulously planned events that were executed then forgotten until the next cycle. However, Cloud ERP disrupted that cadence entirely.

"With today's cloud ERP, that frequency of change is totally different," Andrews notes. The shift to SaaS and cloud-native environments means updates happen continuously. If a business retains the old-world mentality of waiting until the last minute to test, they are walking into a trap. "By the time it gets round to testing, it's too late and the project inevitably slips or, in some cases, worst," he warns.

By the time it gets round to testing, it is too late and the project inevitably slips.

CARL ANDREWS, CEO OF ORIGINAL SOFTWARE

Andrews adds that this creates a dangerous friction. "Leaders under pressure to deliver on time and under budget are tempted to take shortcuts on QA. But in a modern ecosystem, a shortcut is often a dead end," he says.

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The Spaghetti Ecosystem

The complexity of the modern IT landscape compounds the risk, as an ERP system no longer sits in isolation. It is connected to upwards of 50 other critical business applications, from CRMs to legacy green-screen apps.

"One small change in one system or application might break a business process, and without that end-to-end test, you might not know until it's too late," Andrews explains.

This is where the human element becomes vital. Teams could fail to understand the gap between how the old system worked and how the new one must work. "When organizations cut corners on documenting these processes, they lose the institutional knowledge required to verify that the business can actually function on Day 1," Andrews adds.

AI: Helper, Not Holy Grail

Inevitably, the conversation turns to AI. The industry hype suggests AI should be able to sweep in, write all the tests, and fix the bugs with a single click.

Andrews is quick to temper those expectations. "There is no 'magic red button' you can press to get all your testing done in one go," he says. "AI doesn't inherently know a company's unique business processes or how its myriad systems integrate. That knowledge resides with the Subject Matter Experts (SMEs) who know the workflows inside and out."

However, once that human foundation of documenting and understanding processes is laid, AI shifts from hype to a powerful accelerator. For example, Original Software uses AI to visually spot the difference in automated regression tests and identify changes between software versions that the human eye might miss.

"It's a massive time-saver," Andrews notes. "We've seen results with recent businesses where they multiplied the tests they can run by 10 once they move to automation."

The QA Team's Future

Does this mean the end of the human tester? Not yet, says Andrews, who views AI's current role as augmentation rather than replacement.

"By offloading the laborious data crunching and regression checking to algorithms, human SMEs are free to return to their actual day jobs instead of being pulled into endless testing cycles," Andrews explains. "In one case, this shift allowed one of our customers to return six full-time employees to their primary roles, saving the business in excess of £100,000 per year." That is the equivalent of over $130,000.

Andrews believes the future of testing lies in speed, and the goal for companies like Original Software is to take organizations from low testing maturity to high maturity in weeks, not years. As ERP vendors continue to push businesses toward the cloud, the volume of change will only increase. "The organizations that survive will be the ones that stop treating testing as a checkbox at the end of a project and start treating it as a continuous, strategic discipline," he concludes. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **Risk perception within organizations often needs recalibration.** Many CIOs aim for zero risk, but project timelines suggest otherwise. Achieving a safe go-live requires treating testing as an essential activity rather than an afterthought or expendable budget line item. The frequency of change in Cloud ERP environments demands a continuous testing strategy. Effective testing should begin during the planning phase of an ERP migration, not just before deployment.

- **Documentation is the precursor to automation.** Automation cannot proceed without a thorough understanding of existing processes. Prior to adopting advanced tools, Andrews recommends organizations having their SMEs manually test and document current business processes. This creates the dual benefit of building a library of training materials for new staff and providing the precise roadmap required to build reliable automated tests later.

- **Reliance on a "Magic Red Button" mindset can be misleading.** AI functions as a force multiplier rather than a complete strategy. It performs well in areas such as parsing release notes, prioritizing changes, and completing visual regression tasks, but it still depends on human oversight to confirm correct system behavior. ERP Insiders must get the basics right, then use AI to scale capacity—not to fix a broken process.

— Learn more about Original Software

What Enterprises Must Build

Before AI Can Deliver

A look inside the sessions at Oracle AI World, where customer stories drove home that real AI impact begins with data discipline, governance, and ERP foundations built for scale.

BY CRAIG POWERS AND TARSILLA MOURA

Walking through the halls of Oracle AI World in Las Vegas this year, it was easy to get swept up in the usual showcase of flashy demos and broad-strokes keynotes about AI-powered reinvention. Cutting through the noise, IBM emerged as a counterweight to the hype, reminding enterprises that meaningful AI impact does not begin with models or agents, but with the discipline to build the right foundations.

At several sessions led by IBM, the message was clear: AI innovation may be urgent, but it will not succeed without baked in preparation, planning, processes, and the operational maturity to support AI at scale. Rather than promising overnight breakthroughs, IBM's perspective reframed the week's discussions around what must be true inside an organization before any of the promised intelligence can deliver outcomes.

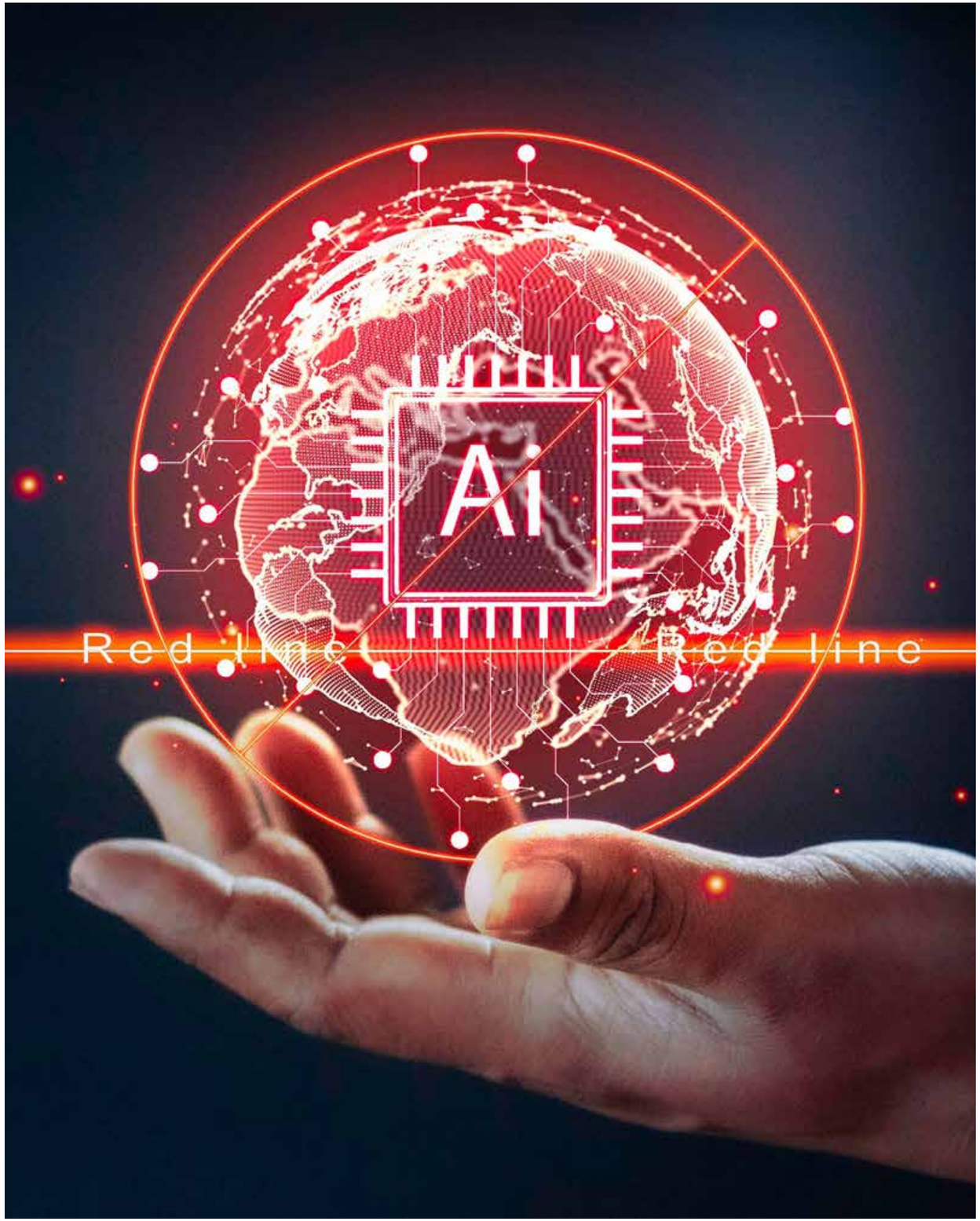
Clean Core, Clear Data, Readiness

As ERP Today reports, only 31% of digital transformations succeed, as initiatives often falter when data, processes, and architecture are not ready. One of the early IBM-led sessions at the conference, "From cloud to competitive edge: Rethinking Oracle for AI success," illustrated this point. The case of Education First, presented by its CFO and CIO alongside IBM's global Oracle offering lead, showed how even with significant investment in SaaS and Oracle Cloud, outcomes hinge on how the technology is aligned with the organization's business architecture, governance, and operating models. IBM's role ensured those elements worked in concert, turning the existing cloud platform into an engine for transformation rather than assuming the platform alone would deliver value.

AI succeeds only when organizations build the foundations for intelligence to operate with reliability and impact.

Education First's leaders detailed how they modernized their data fabric, unified financial and operational data, and established a single source of truth using Oracle Fusion Applications with IBM's help. Such steps were key in reversing the odds of failure and establishing a robust ERP foundation to support analytics as well as emerging AI and automation capabilities.

The takeaway for ERP and enterprise-application teams? Scalable AI



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adoption depends on strong underlying systems. Clean data, a unified core, and aligned business processes can help ensure that new intelligence enhances well-structured workflows rather than magnify existing complexity. IBM grounded this principle in its decades-long partnership with Oracle, which includes L4 delivery status, joint engineering work across Oracle Cloud Infrastructure (OCI), and the integration of IBM's Granite models with OCI. Together, these elements form the technical basis that many Oracle customers rely on when moving from experimentation to operational AI.

The Agentic AI Advantage

Later in the week, the session "Agentic AI with real ROI: Fuel performant agents with IBM Granite Models and OCI" shifted the discussion from readiness to what enterprise-scale AI can look like once that foundation is in place. IBM emphasized that deploying one or two generative models is not enough. Enterprises must consider orchestrating a portfolio of agents, each specializing in different functions, and integrate them with business processes and hybrid-cloud infrastructure. This is where IBM's own models (Granite) and environments (watsonx) are paired with OCI to create the architecture to support this scale.

This combination matters because multi-agent systems need to be coordinated components that interact with finance, HR, procurement, customer service, supply chain, and more. IBM explained how its governance workflows and controls extend across these agents, using watsonx orchestration to monitor decisions, manage handoffs, and apply consistent policy across domains. This approach—tying model governance to the operational reality of ERP systems—ensures that AI agents will behave predictably in regulated or high-impact processes.

To help organizations operationalize this complexity, IBM linked these agentic concepts back to its Consulting Advantage Model. IBM outlined how its architectural blueprints and governance frameworks map directly onto Oracle Fusion Applications, giving enterprises a structured way to integrate agents into cross-functional workflows without disrupting core operating models. Rather than treating agent deployment as an experimental add-on, IBM positioned it as a continuation of foundational design work that ensures agents can scale, reuse each other's capabilities, and remain auditable over time.

This is a clearer picture of how Oracle Fusion and IBM are approaching multi-agent AI: Oracle Fusion provides the infrastructure and application fabric, while IBM supplies the model layer, orchestration logic, and governance backbone for those agents to operate with consistency. For ERP leaders, this matters because domains cannot be treated as isolated islands. AI agents trained for one workflow must be aligned with others. The preparation work is the difference between experimentation and enterprise adoption.

Enterprises must master data, governance, and architectural discipline before AI can truly scale.

Realities of AI-Enabled Applications

Two other sessions drove home how preparation manifests in functional domains.

In the session, "A proven framework to build agile supply chains," IBM and Oracle noted only 6% of organizations claim full end-to-end supply chain visibility, highlighting the wide preparation gap. The session discussed how IBM and Oracle Fusion Applications are helping organizations build integrated planning, execution, and responsiveness capabilities by first remaking the data foundation, business rules, and supply chain architecture before integrating AI-powered tools.

Next, the session "Beyond the buzz: Harnessing the power of Gen AI in HR" tackled payroll, manual processes, and compliance. Legacy systems and disconnected applications force organizations into reactive mode; the path forward requires creating unified HR platforms, defining rules around generative AI use, and ensuring real-time insights rather than batch-reports. Again, IBM emphasized that AI tools are powerful, but only once they sit on structured, well-governed data platforms.

Governance and the Human Element

One of the most consistent themes across the event was governance. In a world eager to talk innovation, the question turns quickly to "Is this safe? Is it accurate?" In IBM-led discussions, governance was not framed abstractly. IBM tied it directly to the assets it brings to Oracle Fusion customers, starting with how the Consulting Advantage Model enables AI integration without compromising compliance or auditability.

Speakers also pointed to the governance features built into the Granite models. Because Granite was developed with transparent data practices, tunable behaviors, and policy-based controls, the models can operate as agents in regulated environments with less risk of drift or unpredictability. Those controls become even more important inside watsonx, where governance workflows track lineage and evaluate outputs before applying enterprise policies consistently across multi-agent systems.

IBM connected these governance capabilities to the work on ContextForge, which enables agents to select the right context, knowledge base, or task handler automatically. For Oracle Fusion customers, this means governance extends across multiple agents as they coordinate decisions across the ERP system. And in supply chain and HR—two domains where IBM already has established frameworks—governance determines how AI recommendations influence planning, compliance, and workforce decisions.

That means ERP leaders should consider treating AI adoption not as a vendor

INSIGHTS FROM THE GROUND

These moments from the session rooms captured what end users are actually doing, struggling with, and learning as they bring AI into ERP-connected environments.

IBM Case Study

IBM operates a supply chain supported by 20+ interconnected systems, making traditional "lift and shift" automation insufficient.

Before deploying AI, IBM's team eliminated unnecessary work and simplified processes to remove manual friction points.

AI agents were introduced only after this simplification—agents now democratize data access, respond to natural-language questions, and surface insights without dashboards or reports.

IBM reported $316 million in cost savings over three years, alongside major reductions in inventory losses.

AI adoption drove cultural change: the company saw a new generation of supply chain talent attracted by AI-enabled roles.

Decision cycles accelerated as teams learned to sense, decide, and act faster, supported by continuously improving agents.

IBM frames 2024 as the year AI became embedded in daily operations; the current state is projected as agents taking on more complex tasks autonomously.

DirecTV Case Study

DirecTV is building an entirely new tech stack and supply chain platform on a deadline that requires go-live by July 2026.

The transformation is anchored in a definition of supply chain agility: responsiveness, flexibility, visibility, and speed of change.

DirecTV inherited a tangled ecosystem across CRM, logistics, ERP, and supplier networks, and cited unifying these as a major early challenge.

The company's AI strategy begins with a unified data fabric as the enabler to forecast improvements, AI simulations, and real-time supplier collaboration.

AI is being used for scenario testing before operational decisions are made, supporting a shift from responsive to predictive operations.

DirecTV is overhauling its success metrics: measuring scenario-building speed, activation performance, demand–supply alignment, and agent-adoption levels.

A key insight shared: AI agents' success depends not only on outputs, but on how often humans need to override their decisions.

Verisk Case Study

Verisk is replacing a 26-year-old on-premises PeopleSoft system with Oracle Fusion Cloud Enterprise Resource Planning (ERP) and Oracle Fusion Cloud Human Capital Management (HCM) across finance and HR.

The shift is CFO-sponsored, driven by cost-reduction mandates, KPI improvement, and the need for standardized processes in a highly regulated environment.

With Oracle Fusion Applications live, Verisk now has core HR and finance data in a single, unified ecosystem, enabling new AI-driven value opportunities.

The organization is building a multi-year roadmap, combining platform capabilities, process efficiencies, and agentic AI; 2026 is the target for broader deployment.

Verisk is treating AI adoption as a governance-first journey, requiring architecture reviews, business-unit alignment, and C-suite approval.

Use cases span error correction, predictive analytics, variance analysis, and proactive fraud detection, each handled as a mini-program with strict ROI criteria.

Verisk is evaluating conversational agents from Oracle, IBM, and internal teams, noting that impact is as much about upgrading workforce capability as cost savings.

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call-out for "we can do generative," but as a structured program with controls. IBM explained the goal of agentic AI is to elevate human work, not replace it, which in turn makes governance and oversight essential. Without that foundation, the risk is not just failed ROI, but failed trust.

Where Transformation Goes Next

Taken together, the customer-led sessions at Oracle AI World showed a unified progression across industries, with each organization tackling data quality, governance, and operating models before scaling AI. From those discussions, the following threads leading to the next phase of AI-enabled ERP transformation dominated:

AI readiness continues to outweigh AI experimentation; the case studies presented across Education First, Verisk, DirecTV, and IBM reinforced that strong data foundations and aligned business processes remain essential prerequisites for successful adoption.

Multi-agent architectures emerging across finance, HR, and supply chain demand enterprise discipline, with cross-domain workflows and controls becoming central to scale.

The longstanding Oracle-IBM partnership served as a reminder that hybrid cloud alignment and coordinated vendor ecosystems are increasingly critical to delivering practical, end-to-end innovation.

Governance considerations are becoming a focal point for organizations as they seek to manage new risks around auditability, regulatory compliance, and model oversight.

While generative AI offers speed and automation, the supply chain and HR discussions made clear that these benefits matter only when accompanied by visibility and control.

IBM's roadmap adds another dimension to this trajectory. Its forthcoming custom agent, built on ContextForge and the IBM Consulting Advantage Model Context Protocol servers, aims to match tasks automatically with the appropriate assistant, agent, or document collection, supporting scale as organizations move beyond pilots into live operations. This direction aligns with a broader industry shift: ERP environments are evolving from systems of record into systems of intelligence, in which AI agents operate as embedded, components of core processes.

The overarching takeaway is that the era of broad, exploratory AI projects is transitioning into one centered on value, scale, and trust. Innovation now depends less on novel models and more on organizational readiness, architectural coherence, and disciplined execution. For enterprises modernizing ERP systems or integrating AI into operational domains, the foundation laid today will determine the capacity to operationalize AI tomorrow. ■

Learn more about Oracle + IBM

WHAT THIS MEANS FOR ERP INSIDERS

• **Integration discipline determines whether AI can operate reliably inside ERP systems.** The sessions at Oracle AI World demonstrated that enterprises advancing fastest on AI are those stabilizing core data structures and aligning business architecture before deploying agents or generative capabilities. IBM's work with Oracle Fusion customers shows how unified operating models, governed data fabrics, and consistent process standards form the conditions in which multi-agent systems can function without creating operational risk. For ERP stakeholders, the implication is: AI maturity will increasingly track the quality of integration, not the quantity of added features.

• **Governance architecture is a strategic differentiator in AI-enabled ERP modernization.** IBM's Consulting Advantage Model, Granite's embedded control features, watsonx governance workflows, and ContextForge orchestration collectively highlight how governance now determines the ceiling of AI adoption inside enterprise applications. These capabilities reflect a broader trend toward embedding policy, auditability, and safety into the model layer itself rather than treating governance as an add-on. As multi-agent systems begin influencing mission-critical workflows, ERP leaders will increasingly judge providers and partners by the sophistication of their governance stack.

• **Ecosystems anchored in engineering alignment are setting the pace for AI deployment.** The Oracle-IBM partnership illustrates how AI transformation accelerates when platform and services strategies are built in tandem. The joint Granite+OCI architecture shown at Oracle AI World signals a market shift toward vertically integrated AI capabilities that extend from infrastructure to workflow orchestration. For ERP providers and enterprise architects, this reflects how future competitiveness will depend on partnerships that merge application intelligence with cloud performance and synchronize platform innovation with enterprise-grade delivery.

Cloud Overhaul

Amey Completes Cloud ERP Overhaul with SAP S/4HANA and NTT DATA Business Solutions

TARSILLA MOURA

Amey, a UK-based infrastructure and engineering services company, has completed a large-scale ERP cloud migration. Under its modernization project, the company has moved from a 20-year-old SAP ECC system to SAP S/4HANA Cloud, Private Edition, hosted on Google Cloud Platform. According to a November 12 media statement from NTT DATA Business Solutions UK&I, the migration was delivered on time and on budget as part of Amey's broader technology modernization program.

The implementation reportedly establishes a cloud-first foundation that supports Amey's data, finance, procurement, and supply chain operations across its UK infrastructure services, which include transportation networks, utilities, and public services. The company's goal is to better its operational agility and apply AI-enabled processes to areas such as resource planning and project execution.

Amey partnered with NTT DATA Business Solutions, which used a standardized conversion methodology through its SAP S/4HANA Technical Conversion Centre of Excellence. The approach emphasized automation, preconfigured solutions, and testing through Tricentis tools to validate core business processes and minimize disruption.

The project also delivered data quality improvements using Natuvion solutions, removing more than 100 redundant company codes to create a more efficient ERP environment and lower infrastructure costs. Additionally, Amey and NTT DATA Business Solutions conducted a pilot exploring the use of generative AI for highway safety to test how the platform's potential can support future innovation.

Both organizations plan to continue collaboration through a long-term transformation roadmap that includes expanded SAP Fiori adoption, enhanced accounts receivable management, integration of SAP Business Data Cloud, and sustainability tools such as Green Ledger. ■

WHAT THIS MEANS FOR ERP INSIDERS

• **Complex ERP transitions are becoming more predictable**. Amey's migration illustrates how established organizations with long-standing SAP ECC environments are completing full-scale transitions to SAP S/4HANA Cloud. It reflects a growing reliance on factory-style, automation-based conversion models to control cost and risk during complex cloud migrations.

• **Data readiness is emerging as a critical success factor.** The project also highlights the importance of data readiness as a driver of post-migration efficiency. Streamlining company codes and removing obsolete data allowed Amey to achieve performance and cost improvements at go-live—a practice increasingly seen as essential to ERP modernization.

• **Automation and testing are redefining project assurance.** For organizations planning similar programs, the use of automated conversion and advanced testing tools such as Tricentis may serve as reference points for balancing transformation speed with operational stability. Amey's inclusion of a generative AI pilot further signals that companies are beginning to integrate advanced technologies into ERP initiatives early in their modernization cycles rather than as secondary projects.

TESTING, TRANSFORMATION, AND THE RACE TO AI-READY ERP IN 2025

BY TARSILLA MOURA

IN 2025, CLOUD MIGRATION BECAME THE FOUNDATION FOR AI READINESS, AUTOMATION, AND SMARTER ERP OPERATIONS.

In 2025, the conversation around cloud migration shifted from why to how. According to SAPinsider's 2025 research report on SAP S/4HANA deployment, for instance, 31% of the organizations who responded to the survey have transitioned to SAP S/4HANA, while another 27% are in implementation. Additionally, 54% of respondents said they plan to incorporate AI or generative AI capabilities into their SAP S/4HANA deployment.

If 2024 was the year cloud ERP became non-negotiable, 2025 was the year organizations learned how hard—and how rewarding—successful cloud migration can be. Across ERP Today's coverage, cloud migration was explored through real-world transformations at companies like Gap and 24 Hour Fitness as well as global ERP vendors SAP, Oracle, and Unit4.

The year's reporting surfaced three clear themes:

- The need for strong testing and quality assurance at every stage of migration
- The growing importance of cloud ecosystems and vendor partnerships for a competitive edge
- The recognition that cloud readiness and AI readiness are now inseparable.

This review outlines what organizations learned in 2025 and what ERP end users should prepare for in 2026.

Testing Took Center Stage

One of the most consistent lessons of 2025 was that testing and validation are now central to a successful cloud migration strategy.

In the second quarter of the year, ERP Today reported that traditional manual testing methods are being replaced with continuous, automated validation cycles. That level of automation throughout the migration process reportedly reduces errors and provides the quality assurance needed for critical ERP workloads. Opkey's partnership with Gap highlights this well, as it showed how automation accelerated both testing and confidence: Gap reduced migration downtime and validated critical finance workflows in record time.

Similarly, under-tested integrations remain one of the top causes of post-migration system outages. Investing early in test automation and data validation has achieved faster, more stable go-lives this year. Organizations also learned that test readiness is a core part of business risk management.

Ecosystem Partnerships Shaped the Market

Cloud migration in 2025 was also defined by strategic alliances, particularly among hyperscalers and ERP providers.

The Oracle and Amazon Web Services (AWS) enhanced partnership showed the power of co-engineering in multi-cloud adoption. By enabling Oracle database services to run on AWS infrastructure, the two giants opened new hybrid deployment pathways for customers wary of being locked in with a single vendor. In essence, the partnership gave customers more flexibility and reduced dependency on a given provider.

Meanwhile, Unit4's expansion of cloud migration services showed how mid-market ERP providers are evolving from software suppliers to managed service partners. Unit4's investment in managed transition and vertical-specific migration programs reflected a maturing SaaS economy. Vendors are expanding their roles and helping smaller organizations modernize with less disruption.

Cross-vendor momentum was also highlighted during SAP Sapphire 2025 and SNP's Transformation World event. SNP and SAP's growing partnership shows how data migration is the foundation of modernization, not the final step. Enterprises are moving toward real-time analytics and AI-powered decision support. Cloud migration is increasingly about collaboration, interoperability, and shared accountability across providers.

AI Readiness Redefined 'Cloud First'

Perhaps the most transformative takeaway from 2025 was that cloud migration is increasingly about preparing for AI.

At SAP Sapphire 2025, nearly every keynote tied cloud migration to AI enablement. SAP Private Cloud Edition through the RISE methodology, for example, was positioned both as a route to SAP S/4HANA and as the foundation for integrating agentic AI and real-time data processing. Speaking on AI-powered cloud migration, Mercedes-Benz CIO Cathey Lehman said: "We're leveraging AI across our entire value chain. We've deployed our internal ChatGPT-like solution, and we're excited to expand with SAP's Joule and Business AI stack."

Oracle's collaboration with AWS also reflected this trend, connecting database modernization directly to generative-AI readiness. By enabling new deployment models, Oracle positioned its customers to scale AI workloads and analytics more efficiently. And for Unit4, SaaS adoption was explicitly linked to delivering "people-centric AI," where automation and predictive analytics improved user experience as much as employee productivity and operational efficiency.

Across major players, 2025 marked the point where cloud migration became the foundation for AI integration.

Compliance, Continuity Still Matter

While innovation dominated headlines, 2025 also reminded ERP leaders of the governance side of modernization.

As early as January, Oracle warned enterprises that legacy governance, risk, and compliance (GRC) tools are expiring faster than their migration timelines. Cloud migration now requires parallel investments in security, auditing, and policy automation, as organizations are being forced to adopt new, cloud-native GRC tools to maintain auditability and control.

Similarly, Opkey's State of Cloud & ERP Operations Report 2025 emphasized operational resilience is the true benchmark for success. That means ensuring migration while systems remain stable through continuous updates, multi-region redundancy, and zero-downtime maintenance.

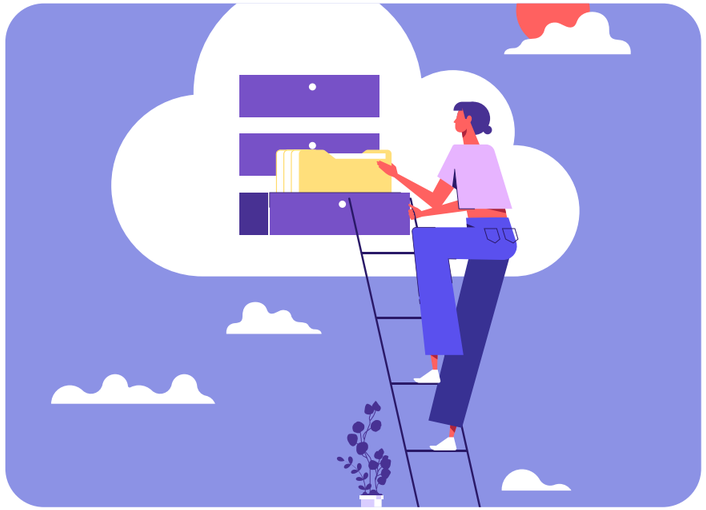
Looking Ahead to 2026

As 2025 closes, the cloud migration wave is far from over. The next stage will focus on intelligence, automation, and resilience. Looking ahead to 2026, ERP Today expects three trends to dominate:

1. Predictive migration tools that use AI to analyze system dependencies, automate recommendations, and reduce downtime.
2. Continuous upgrades that merge migration and maintenance into a single process.
3. Integrated governance platforms that bring together compliance, security, and data quality.

For ERP insiders, the lesson from 2025 is cloud migration is not a one-time project, but a continuous process of improvement. ERP innovation will be defined not by how fast organizations move to the cloud, but by how intelligently they evolve once they get there. ■

IN 2025, CLOUD MIGRATION BECAME THE FOUNDATION FOR AI READINESS, AUTOMATION, AND SMARTER ERP OPERATIONS.



TESTING, PARTNERSHIPS, AND CONTINUOUS VALIDATION EMERGED AS PILLARS OF SUCCESSFUL CLOUD MIGRATION.

WHAT THIS MEANS FOR ERP INSIDERS

- **Testing is strategic, not just technical**. Automated, continuous testing now defines successful migration programs. Vendors and clients alike need to treat validation as a business safeguard, not an IT checkbox.
- **Ecosystem alignment is a differentiator.** The Oracle-AWS partnership and SAP-SNP collaboration showed that interoperability is winning over exclusivity. ERP leaders are choosing partners, not just platforms.
- **Cloud migration leads to better AI integration.** Organizations are not moving to the cloud just for scalability. They are doing it to unlock AI, analytics, and agentic workflows. Enterprises that modernize now will be better positioned

ERP AI INTEGRATION

FROM PROMISE TO PERFORMANCE IN 2025

ERP systems matured in 2025 by better integrating AI and shifting from automating tasks to enabling informed actions.

BY TARSILLA MOURA

End users in 2025 stopped seeing AI as a futuristic buzzword for enterprise planning. What had long been pitched as a future differentiator finally began delivering measurable operational benefit this year. According to ERP Today's reporting on the manufacturing sector, 82% of companies increased technology budgets specifically to build AI-ready ERP capabilities. It is a clear sign that competitive pressure is now tied directly to intelligent automation and decision support.

At the same time, ERP vendors shifted strategies. Rather than layering AI on top of long-standing workflows, they redefined the role ERP plays inside the business. ERP systems now extend beyond recording what has happened to guiding users toward what should happen next. From mid-market players outlining "assist, advise, act" frameworks to large vendors positioning ERP as an AI-first solution, AI has evolved from a feature into the core of how ERP delivers operational value.

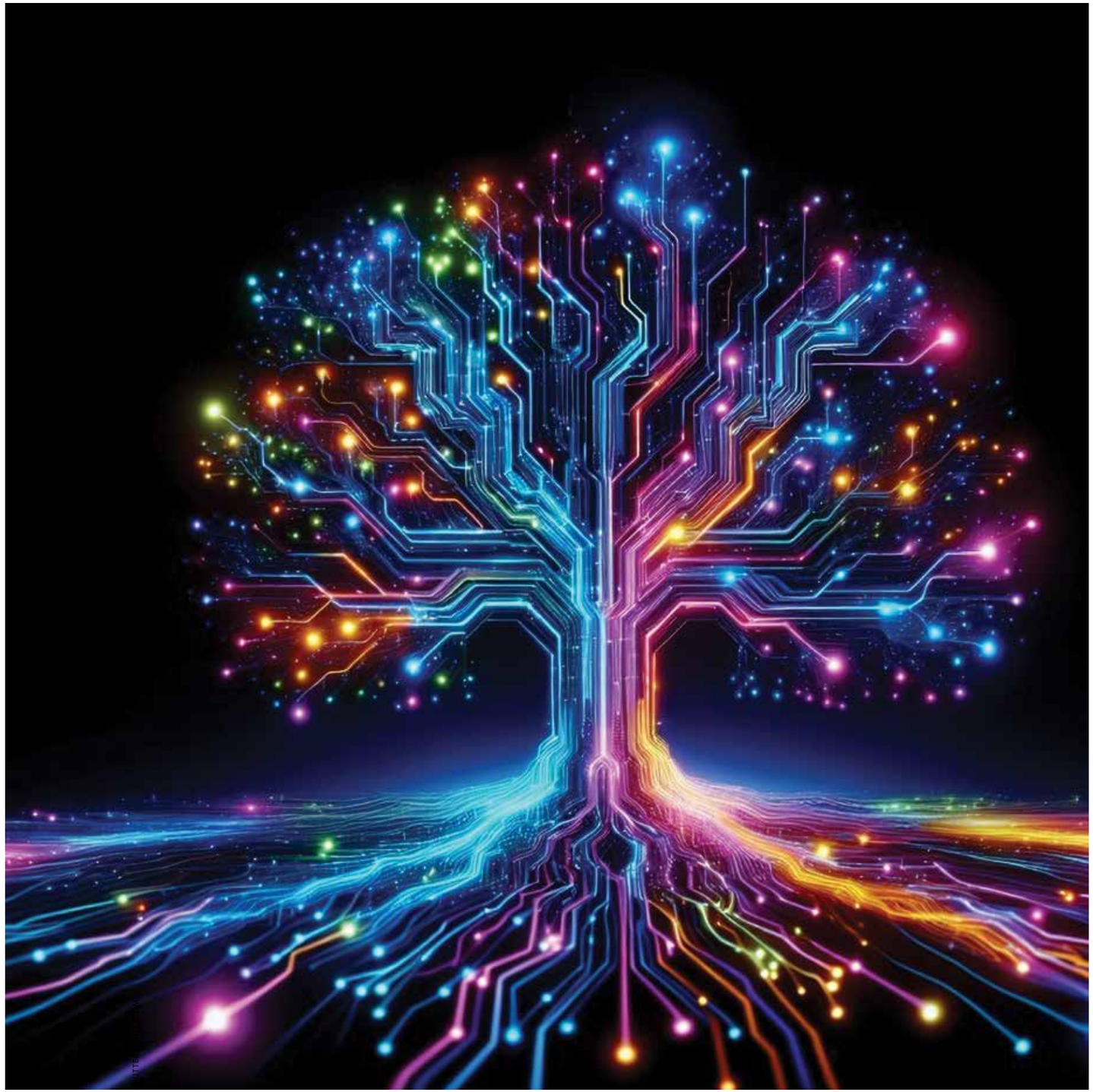
This year's trends made it clear that organizations realizing value treated AI adoption as an operational and a governance shift. They understood that automating decisions demands the same rigor as automating transactions. Here is how AI in ERP moved from promise to performance through four drivers that shaped the market in 2025:

- Vendor strategy positioning ERP as the system where AI creates business value
- User experience transforming as conversational and agentic interactions replace traditional navigation
- Gaps in execution maturity showing how readiness determines which AI investments deliver outcomes
- Operational responsibility shifting as AI decision-making requires new governance and confidence controls.

AI is redefining how ERP operates today. The priority heading into 2026 is not simply to scale adoption, but to mature the structures that ensure AI improves performance without compromising trust.

Vendor Strategy Shifted

In 2025, ERP vendors reshaped their positioning around AI. Enterprise providers spoke openly about reorienting their platforms around intelligence-led operations. In interviews and product briefings, senior leaders described ERP not as an adminis-



trative system but as the place where AI can interpret business context, anticipate changes, and guide users toward the next best action. The emphasis moved from process automation and compliance to decision quality, speed, and resilience.

No longer just a feature that enhances the platform, AI now justifies having the platform in the first place. Automation can reduce effort, but AI can elevate performance. An ERP system must therefore guide end users through scenarios, highlight risks before they materialize, and surface opportunities while decisions are still fluid.

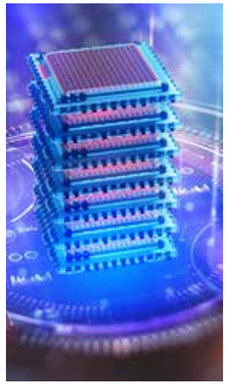
ERP Today's coverage also showed how quickly mid-market vendors internalized this shift. Throughout the year, providers presented AI-first roadmaps with workflows designed around intelligence from the outset. Unit4 illustrated this with a maturity model built on "assist, advise, act," positioning AI as a partner in operational decision-making rather than simply a tool for task reduction. This framing resonated because it translated AI adoption into a sequence that organizations could execute: start by supporting the user, progress to informed recommendations, and ultimately allow the system to complete actions on the organization's behalf.

This reframing pushed decision makers to reexamine ERP's role in governance and productivity. Vendors set new expectations: improved insight quality, reduced process latency, and the ability to operate at enterprise speed even during disruption. ERP now competes on intelligence. With the market aligning around this vision, ERP buyers enter 2026 asking a new question—not which ERP will automate best, but which ERP will decide best.

User Experience Transformed

Another development in 2025 was a shift in how users interacted with ERP systems. Conversational access and embedded AI assistants began functioning in live environments, changing the basic expectations of how ERP can be leveraged. Historically, users needed deep process knowledge to locate transactions and assemble insight from data. That burden is fading. Users increasingly issue requests in natural language, and systems interpret intent, execute steps, and confirm results.

ERP Today's Sapphire coverage offered tangible examples of this transition. Agent-based automation surfaced exceptions to planners before they initiated any search, prompting early intervention. Vendors also showcased generative capabilities able to translate large data sets into concise explanations of causes, risks, and recommended actions. What previously required dashboards, filters, and reports now is delivered as guidance at the moment when decisions need to be made.



AI IN ERP SHOWED BUSINESS VALUE, BUT SUCCESS DEPENDS ON READINESS, DATA QUALITY, AND OPERATIONAL DISCIPLINE.

As insight moved closer to action, the structure of work also changed. Teams spent less time collecting data and more time evaluating outcomes and validating judgments. Decisions accelerated not because users worked faster, but because systems eliminated delays between recognizing a problem and responding to it. ERP Today documented multiple scenarios where AI-driven recommendations replaced static processes, allowing parameters such as supplier disruption or demand variability to dynamically influence workflows.

With ERP becoming less visible to users but more influential in their daily work, new expectations emerge. When systems proactively suggest, execute, or escalate, the user's responsibility shifts from task completion to oversight. In other words, accountability still matters. Effective use of AI-driven ERP depends on understanding how the system reaches its conclusions and when human intervention is needed. This marks a fundamental change in the human–system relationship, and it places new expectations on leaders to ensure confidence in the decisions AI generates.

Execution and Readiness Merged

As AI capability expanded, execution maturity became the clearest determinant of business impact. Organizations that prepared for AI as a change in operations (rather than a feature rollout) saw the strongest outcomes. Those already operating in the cloud, with aligned data structures and clear ownership of processes, were able to embed intelligence into planning and execution cycles with ease.

Others struggled to progress beyond pilot stages. Deployments stalled when ERP data lacked coherence across functions or when automated guidance conflicted with entrenched workflows. In these cases, AI did not expose flaws in technology as much as lack of preparedness in governance and accountability. The difference between value realized and value anticipated came down to whether leaders treated AI as a workflow enhancement or a shift in how decisions are made and measured.

ERP Today's transformation coverage highlighted the need for preparation across multiple dimensions: data quality and integration, clarity about when AI augments judgment versus takes primary responsibility for the decision, and alignment on who owns outcomes. Those that framed AI adoption within this lens advanced quickly; those that treated AI as a technical upgrade faced rework and hesitation.

This divide will deepen as AI continues to reveal operational gaps. In 2025, that revelation became a forcing function for ERP leaders to standardize data, simplify processes, and strengthen cross-functional governance before expanding autonomous capabilities any further.

Operational Responsibility Shifted

ERP has long been accountable for data accuracy and process compliance. In 2025, it became accountable for performance outcomes as well. Agentic AI—highlighted in supply chain and service operations coverage—began to act directly, not merely prompting users for approval. Systems responded to conditions dynamically, adjusting plans or routing work while situations were still unfolding.

This development raised strategic questions documented in ERP Today interviews, such as:

- How are decisions reviewed when humans did not make them?
- What constitutes a "business-approved" risk tolerance for model-driven actions?
- Which roles are responsible for retraining or overriding automated behavior?

Organizations that invested in guardrails such as clear escalation paths, auditability of model decisions, and transparency into the rationale behind recommendations advanced automation with confidence. Meanwhile, others had to slow deployment to preserve oversight.

The shift is subtle but deeply felt. ERP is no longer a passive system invoked by the business; it is an active participant in running the business. That requires leaders who are prepared to manage digital judgment, not just digital workflow.

ERP's AI Shift: A Business Performance Imperative

Decidedly, 2025 marked a turning point in ERP evolution. AI integration matured from isolated proofs of concept to operational capabilities with measurable influence on enterprise performance. ERP Today's reporting throughout the year showed:

- Vendors reimagining ERP as a decision engine
- Users engaging less in navigation and more in judgement
- Technical readiness dictating progress
- Governance structures adapting to maintain trust in automated actions.

These changes position ERP at the center of business execution. As organizations head into 2026, acceleration alone cannot define AI strategy. Leaders must reinforce accountability, transparency, and performance measurement in step with expanding intelligence. Companies prepared both architecturally and culturally will turn AI progress into operational advantage.

Looking to 2026, three priorities stand out:

- Copilot-embedded ERP workflows moving from dashboards to live operational support
- Composable ERP architectures enabling plug-in specialized AI modules without full platform upgrades
- Enhanced governance and explainability ensuring transparency, auditability, and ethical compliance.

With AI reshaping ERP faster than many expected, successful AI integration demands this mindset shift: ERP is not a system to modernize, but a system that continuously modernizes the business. ■

WHAT THIS MEANS FOR ERP INSIDERS

• **The shift to AI-first ERP means the competitive edge now comes from how well the system can guide decisions.** The focus heading into 2026 is not which platform automates the most workflows, but which one improves judgment and resilience under pressure. Due diligence must focus on how AI evaluates scenarios, escalates risk, and ensures oversight when recommendations become automated actions. AI readiness is a business capability; clean data structures, cloud operating models, and shared accountability are now prerequisites for ROI.

• **Agentic ERP is changing daily work fast.** ERP Today coverage showed AI interventions surfacing disruptions and prompting corrective actions before users intervened, whether through SAP's agentic workflows or Oracle's supply chain AI agents. Conversational access, proactive exception handling, and agent-led automation mean less time navigating screens and more time validating the right call. Training must now cover when to trust automation and when to challenge it. Trust grows when end users understand why the system recommended a path; ERP leaders should ask vendors how explainability and escalation are built into their design.

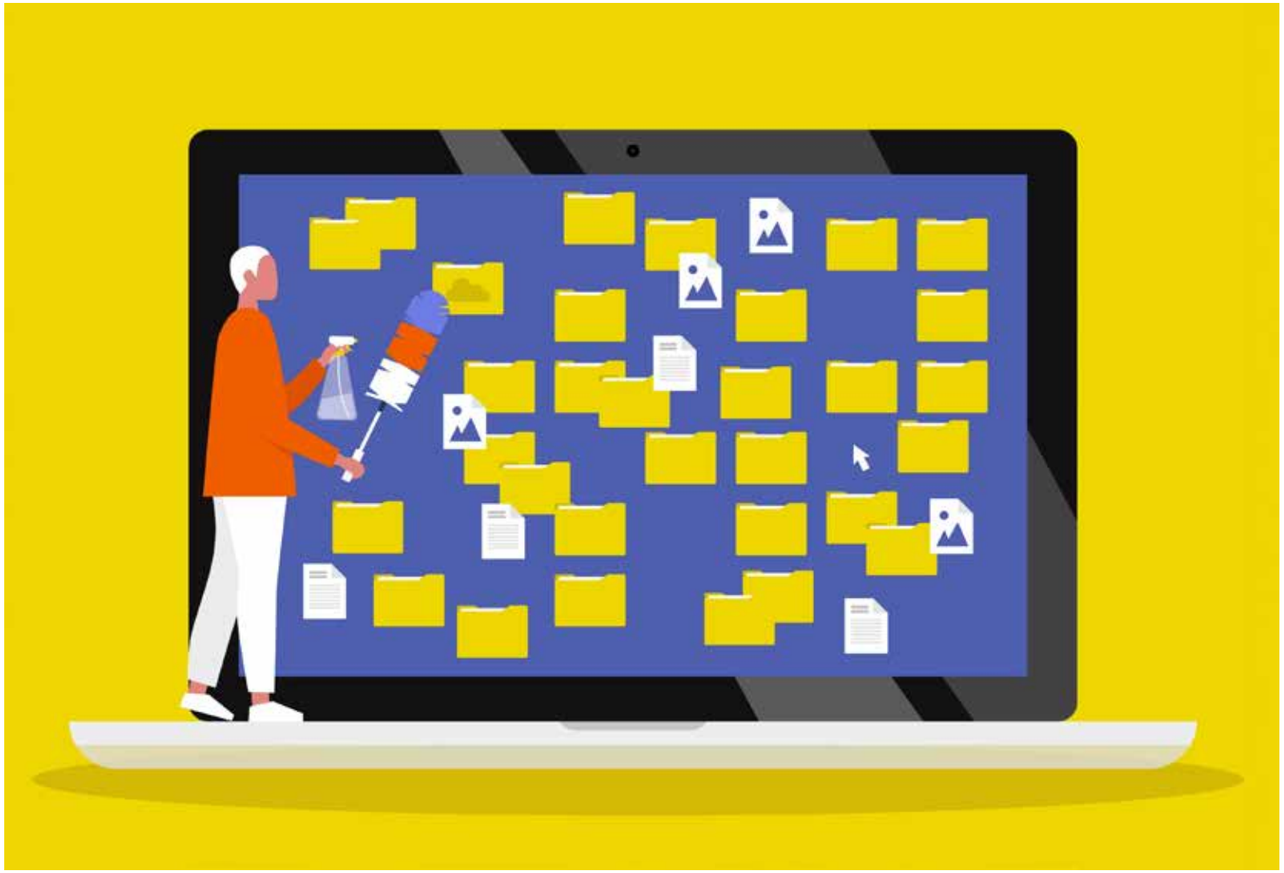
• **Discipline around testing, data, and governance is the new differentiator.** Transformation leaders learned in 2025 that readiness determines returns. ERP Today stories on automated testing and the urgency around cloud-native GRC reinforced one message: AI amplifies the state of the estate it enters. Strong data foundations and continuous validation produce momentum, while fragmented processes and audit gaps slow everything down. Heading into 2026, success depends on control and confidence; on the ability to scale AI-enabled ERP without losing stability or accountability.

SNP GLOBAL

Shedding Data Baggage for a Leaner SAP Cloud

Why the SAP cloud ERP journey must begin with a data reckoning.

BY ROBERT HOLLAND AND RADHIKA OJHA



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The promise of migrating to SAP Cloud ERP Private (previously RISE with SAP) is compelling. It represents a decisive path to the cloud, a strategic leap towards streamlined processes, reduced IT complexity, and enhanced business agility. For many organizations, this move entails a vision of a clean, intelligent enterprise core that is free from past technological debt.

However, this journey to a clean digital core begins with a transparent and honest assessment of the organization's existing data. The reason for this important assessment is best illustrated by the example of moving into a new, minimalist smart home, yet insisting on bringing every piece of clutter from the old, overstuffed attic. The old furniture clashes with the new architecture, and its sheer volume prevents the home from functioning as designed.

Many companies fall into a similar trap in their migration to SAP Cloud ERP Private. They invest in the robust, modern architecture of SAP S/4HANA, only to add decades' worth of accumulated, un-curated, and often irrelevant data. As a result, the promised agility from migration remains elusive, costs spiral unexpectedly, and the project's complexity soars.

The Hidden Costs of Data Baggage

In the on-premises world, the cost of storing old data was a relatively linear and predictable expense. However, in the cloud, data volume and system complexity are primary cost drivers, particularly within hyperscaler environments such as AWS, Microsoft Azure, or Google Cloud. Therefore, every gigabyte of redundant or obsolete data that an organization migrates, incurs a recurring cost for storage, computing, and licensing. This slowly erodes the total cost of ownership (TCO) benefits that the business sought to achieve with the migration.

Beyond the direct financial impact, this data baggage introduces friction into the transformation:

- Project risk and duration: Migrating unnecessary data increases the technical complexity and timeline of a SAP Cloud ERP Private (RISE with SAP) project. Additionally, the testing, validation, and cutover phases become more challenging.
- Performance degradation: Bloating a new SAP S/4HANA Cloud Private Edition environment with historical data that isn't required for daily operations can lead to sluggish performance. This constrains the very business processes the organization aims to accelerate.
- Compliance and security hurdles: Legacy data is often a minefield of outdated information subject to complex retention and privacy regulations. Moving it without proper governance is a significant compliance risk.

Therefore, a genuine transformation requires a more intelligent, deliberate approach.

A Lifecycle Approach to Data Transformation

This is where a strategic approach, through platforms like SNP Kyano, becomes essential. Kyano reframes the transformation journey into three logical phases: Foundation, Move, and Manage. While Kyano Foundation provides the crucial upfront system analysis and data-driven planning, Kyano Move executes the flexible, near-zero downtime migration itself. Kyano Manage ensures the long-term health and efficiency of the SAP landscape.

Moreover, Kyano Manage introduces a continuous data lifecycle discipline to the transformation process. It empowers companies to prepare for a clean start in the cloud by systematically addressing the data problem before, during, and after the migration. By integrating this capability into a SAP Cloud ERP Private (RISE with SAP) project, companies can significantly reduce migration effort, cloud costs, and overall project risk.

A genuine transformation requires a more intelligent, deliberate approach.

Making Data Lean, Compliant, and Accessible

At the heart of Kyano Manage lies a component called Kyano Datafridge, which is a certified solution designed for the intelligent archiving and decommissioning of SAP legacy systems. Its methodology is elegant in its simplicity and powerful in its execution.

First, before the cloud migration, it automates the process of archiving historical data. This process of running tests and validating data ensures only the most relevant, clean, and legally compliant information is earmarked for the new SAP S/4HANA environment. The impact is incredible, with businesses achieving a data volume reduction of 30-70% before moving a single byte to the cloud.

Second, it addresses the question of what to do with the old systems, as leaving legacy applications running just in case is a costly and risky strategy. Kyano Datafridge enables the complete and compliant decommissioning of these systems. Data is moved to a secure, structured archive platform with automated retention guidelines, ensuring audit-proof access for the future. Crucially, this process doesn't leave business users in the dark.

Perhaps the most compelling feature is that Kyano Datafridge provides long-term access to this archived data via the familiar SAP GUI. This aspect eliminates the need to maintain the expensive legacy system while ensuring that users who need to look up historical orders or financial records can do so without disruption. It's the ideal strategy for any organization navigating complex carve-outs, mergers, or global system consolidations.

An Uncluttered Future

In conclusion, if migrating to SAP Cloud ERP Private (RISE with SAP) is the vehicle for an organization's digital transformation, Kyano Manage is the fuel required to make the journey a success. By tackling the data problem head-on, organizations move beyond simply lifting and shifting their old landscape and its inherent problems to the cloud. They are actively curating a lean, cost-effective, and agile environment built for the future.

By integrating an intelligent data management strategy into your transformation project, organizations can implement their transformation more quickly and securely, while also managing data sustainably in the long term. The journey to the cloud is an opportunity for a fresh start. The most successful organizations will be those that seize the chance to leave the clutter behind. ■

RAISING STAKES

BY TARSILLA MOURA

FOR CLOUD-DATA SOVEREIGNTY, ENTERPRISE ARCHITECTURE

A CLOUD-RUN AI PLATFORM ON-PREMISES IS REDEFINING HOW ENTERPRISES BALANCE SOVEREIGNTY, SCALE, AND ERP-ADJACENT AUTOMATION.

Amazon Web Services (AWS) is introducing its own on-premises AI factory, bringing cloud innovation and control directly into customer facilities and reshaping how organizations run AI alongside their ERP systems.

The new AWS AI factories, announced at the 2025 AWS re:Invent, install Nvidia GPUs, AWS Trainium chips, high-speed networking, storage, and security into customers' existing data centers. The factories also are wrapped with managed services like Amazon Bedrock and SageMaker so organizations can develop and deploy AI applications at scale without building their own GPU data center from scratch.

AWS described the offering as a dedicated AI infrastructure that "operates like a private AWS Region" inside the customer facility, giving low-latency access to compute, storage, and AI services while helping meet security, sovereignty, and regulatory requirements.

The Sovereignty Bottleneck

AWS is addressing a specific pain point: Enterprises handling sensitive data have been stuck choosing between expensive on-premises hardware or cloud deployments that run into sovereignty and compliance limits.

Network World reports that AI factories extend the AWS Outposts model to AI, installing dedicated hardware and software on-premises so customers can run AI and agentic applications without crossing data-residency red lines. AWS CEO Matt Garman framed it as a private AWS region that uses the customer's existing space and power while maintaining cloud-like elasticity, a response to mounting data sovereignty pressures. A tech industry analyst quoted called it "arguably AWS's most significant move in the sovereign AI landscape," while cautioning that commitments may resemble Oracle's Dedicated Region model with multi-year, high minimum spend.

AWS is not alone. Oracle has already added Nvidia processors to Cloud@Customer, Microsoft is bringing Nvidia GPUs into Azure Local, and Google Distributed Cloud also ships managed GPU stacks. Other examples include the Sage AI Factory and the recently announced Deutsche Telekom and NVIDIA partnership to build one in Europe.

Nvidia, Dell, and HPE have their own AI factory or private cloud for AI offers, all chasing the role of default on-premises AI platform.

AI Factory Explained

Nvidia's own glossary defines an AI factory as a specialized computing infrastructure that manages the whole AI lifecycle from data ingestion through training, fine-tuning, and high-volume inference, where the "product" is intelligence measured by token throughput that drives decisions and automation.

In a complementary view, Harvard Business School professors Marco Iansiti and Karim Lakhani described AI factories as interconnected pipelines of data sources, machine learning (ML) algorithms, experiments, and software that create a virtuous cycle between user engagement, data collection, prediction, and continuous improvement.

A March 2025 Nvidia blog puts that abstraction into tangible terms, describing AI factories as purpose-built data centers optimized for AI reasoning workloads, tightly integrating GPUs, high-performance networking, storage, and orchestration so organizations can "manufacture intelligence at scale" rather than run isolated pilots.

Computer Weekly draws an important line between two flavors of AI factory. Sovereign AI factories are national-scale investments, often using Nvidia's "AI as national infrastructure" framing. Enterprise AI factories, by contrast, focus on producing many smaller automations using templates and standard processes, which helps control costs and reduces the need for large, complex data-engineering projects. Duncan Anderson, formerly CTO of IBM Watson AI, characterized enterprise AI factories as ideal for "large volumes of small AI work" that can often rely on point-to-point data integrations rather than heavy upfront data engineering, reducing the hurdle for incremental automation around existing systems.

Crucially for ERP leaders, enterprise AI factories are not pitched as replacements for systems of record. They sit alongside systems like Oracle, SAP, and Salesforce, with AI agents and automations handling tasks around them rather than displacing them. AI factories focus on discrete processes and standardized outputs, while ERP continues to own core transactional integrity and canonical data models. That puts AI factories in the same orbit as ERP, but on a different layer, where they automate decisions, recommendations, and workflow steps around the transaction backbone rather than replacing it.

Running an internal AI factory demands data engineers, ML and cloud infrastructure specialists, risk and ethics expertise, and strong IT security capabilities. Only a small minority of organizations reportedly have in-house skillsets at that level.

Factory-Scale AI for ERP

McKinsey & Co frames AI factories as operating models as much as infrastructure steps. Moving from bespoke, siloed AI experiments to an "industrialized AI factory" requires standardized, automated MLOps pipelines that let teams churn out "race-ready, risk-compliant, reliable models" and embed them into core processes and customer journeys. That model relies on reusable data products, modular pipelines, and shared monitoring, which align closely with how ERP systems already think about canonical data, shared services, and process governance.

Nvidia's AI factory narrative adds a geopolitical and infrastructure layer, highlighting national and enterprise investments from EU-backed AI factories to telecommunication players building them for upskilling and sustainability. It pitches full-stack blueprints and "validated designs" for enterprises to raise AI factories on premises or in the cloud in weeks.

AWS AI Factory Impact on ERP

AI factories from AWS arrive at that playing field as a cloud-provider-managed version of the same idea, tightly integrated with Bedrock, SageMaker, and Trainium.

For ERP-heavy organizations in regulated sectors, AWS AI factories effectively move the AI development and inference plant into the same physical footprint as the ERP core. Sensitive data can stay in existing data centers and jurisdictions, while AI workloads still use AWS services and Nvidia's full-stack software without bespoke integration of GPUs, storage, and networking. Per Network World, the factories combine the on-premises control of AWS Outposts with the broader service catalog of AWS Local Zones, promising both low-latency access to ERP data and a wider palette of AI and agentic services.

ORGANIZATIONS ARE SHIFTING FROM ISOLATED EXPERIMENTS TO A REPEATABLE SYSTEM FOR PRODUCING DECISIONS, AUTOMATIONS, AND MEASURABLE INTELLIGENCE AT SCALE.

That positions AWS as one of several competing "factory as a service" providers, but with the benefit of its two decades of cloud operations and native integration into the broader AWS ecosystem.

The net effect is having an AI layer become a distinct, industrialized platform that runs beside ERP systems yet is managed like a cloud service. That has direct implications for how organizations think about data architecture, integration, security, and day-to-day operations. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **Sovereign-ready AI platforms will become standard companions of ERP cores.** As AWS, Nvidia, and others ship AI factories into customer data centers, ERP vendors and system integrators will need clear patterns for running AI agents, copilots, and decisioning services in these environments while keeping systems of record authoritative. Reference architectures that position AI factories as adjacent intelligence plants rather than ERP replacements will be critical in regulated and public sector settings.

- **Industrialized AI will favor ERP teams that can supply clean, reusable data products.** The perspectives above that focused on repeatable "small AI work" point toward standardized data and pipelines as the foundation of value. ERP product and platform leaders who integrate stable, governed data products and process events into AI factories will be better positioned than those who treat AI integrations as one-off point projects around each module.

- **AI factories will reshape skills, governance, and risk postures around ERP programs.** AI factories concentrate decision automation around core business processes, expanding the tools and services in play but also potential security vulnerabilities. That raises the bar for roles spanning data engineering, ML operations, security, and risk within ERP-centric transformations, making centralized governance of AI models, agents, and automations a shared concern across ERP, cloud, and security teams.

Why SAP Change Still Stalls

New Basis Technologies Index Reveals Speed as Top Concern for SAP Change Managers

BY ADAM PITMAN

Can you implement SAP change without disrupting business as usual? It is a question many change managers are prepared to answer. Their chief worry is speed and whether they can make an SAP change before it impacts a business process.

That concern is why most enterprises avoid making SAP changes altogether. According to a new study by Basis Technologies, the SAP Change Management Index 2025, 84% of respondents reported their organizations avoid SAP changes because they fear business disruption.

It is a valid concern, but organizations are now using new solutions to overcome the challenge. Martin Metcalf, CEO of Basis Technologies, said SAP change managers who adopt intelligent tools and workflows are redefining the opportunity cost. "With intelligent change management, they can understand change readiness across systems and teams, apply global insights to their specific business context, create blueprints in minutes rather than months, spot problems before they happen, and get change right at the first time of asking," he explained.

New Goals, Old Challenges for SAP Change Managers

Basis Technologies partnered with Censuswide to survey more than 200 SAP change managers who use one or both of SAP ERP and SAP S/4HANA in the UK, US, and Germany. The Index focused on how managers responsible for SAP change view their work.

More than half said their roles have become more strategic: 54% reported their roles evolved from troubleshooting to driving transformation through communications, training, and engagement. These roles are traditionally associated with strategic business leadership, which means SAP change managers have found they have new touchpoints across business, IT, and HR teams, along with stress points tied to aligning stakeholders to achieve business goals.

Accordingly, the SAP Change Management Index 2025 found legacy issues have impacted managers' ability to embrace the new role functions. When asked what challenges were most common, SAP change managers reported the following:

- Starting from scratch every time (46%)
- Months needed to gather requirements (44%)
- Inability to scale change management (42%)
- Zero visibility on what others have tried (40%).

> **The pace of change keeps rising—SAP teams must bridge the gap between what they know and what their tools allow them to do.**
>
> **MARTIN METCALF**
> CEO OF BASIS TECHNOLOGIES

Despite this, 93% of respondents said they believed their teams had the skills to manage SAP change.

That suggests SAP change managers know how to implement strategic initiatives but given their organizations' hesitancy to make SAP changes (84%), not all are equipped with the resources and tools needed to deliver that change at the speed of business.

Shift Toward AI-Assisted Change Management

Robert Holland, vice president and research director of SAP Insider, said, "The difference today is that the pace of change continues to increase." Holland has found that some leaders do not have the skillset to support investment into AI, while "most organizations are planning to either outsource [SAP S/4HANA migration] or leverage experts and consultants to assist with solution deployment, business case development, change management, knowledge sharing, and optimizing workflows."

He concluded, "Organizations must find a way to bridge these gaps and more effectively manage change in their SAP environments." AI adoption has emerged as a strong favorite for SAP change managers.

According to SAP change managers surveyed in the SAP Change Management Index 2025:

- 59% will use AI to automate manual aspects of change management
- 53% will use AI to align with SAP's Joule capabilities
- 50% will use AI to analyze change with trend pattern data.

These findings show a shift toward data-informed, AI-assisted change management in SAP environments. While legacy challenges remain, the use of intelligent automation and predictive analytics signals that SAP change managers are finding new ways to move from reactive execution to proactive leadership. ■

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WHAT THIS MEANS FOR ERP INSIDERS

• Change management cannot move fast enough. The SAP Change Management Index 2025 shows managers believe they have the skills but lack the tools and resources needed to execute without disrupting normal business operations. That reflects a gap between capability and confidence that holds some businesses back from achieving higher levels of efficiency and competitiveness.

• Intelligent Change Management (ICM) is a turning point. As SAP change managers evolve their roles from reactive implementation to engagement across a wider range of stakeholders, ICM has become a necessity. ICM allows change managers to leverage their expertise to drive continuous improvements across their SAP environments at the speed businesses increasingly require.

• AI-powered tools are closing the capability-confidence gap. Solutions like Klario and ActiveControl from Basis Technologies help SAP change managers turn their environments into a competitive advantage. These tools address the legacy issues managers flagged as constraints in the Index, allowing them to focus on higher-value roles, such as strategy development and implementation.

LESSONS FROM INETUM'S COBORG FRAMEWORK

A WAVE OF GENERATIVE AI INVESTMENT IS FLOODING THE MARKET, YET MOST ENTERPRISES REMAIN STUCK IN PILOTS THAT NEVER SCALE.

BY TARSILLA MOURA

Everyone wants to "do something with AI," but few organizations are seeing results. Despite an estimated $30–40 billion invested globally in generative AI, a recent MIT study found 95% of projects fail to deliver value. It also found 74% of companies struggle to scale AI beyond pilots, while 30% abandon proofs of concept altogether. MIT called it the "GenAI Divide," Forbes reports.

Too often, initiatives meant to elevate business performance remain stalled experiments because of a lack of alignment. Many organizations test Generative AI tools like ChatGPT and Copilot without a clear strategy for how those tools connect to business goals. The result? Fragmented pilots, limited adoption, and little measurable ROI.

That is the "AI adoption paradox" that Inetum, a European digital services provider operating in 19 countries, aims to solve with COBORG™. Drawing on its long-standing focus on data and AI and third-party recognition of its capabilities, Inetum positions itself to support more collaborative approaches to AI development. The Cognitive Brain of Your Organization, or COBORG™, is a proprietary integrated AI framework designed to move companies beyond ambition to real-world impact.

AI SUCCEEDS WHEN ORGANIZATIONS REPLACE PILOT-DRIVEN EXPERIMENTATION WITH CLEAR GOALS, TRUSTED FRAMEWORKS, AND A CULTURE READY TO ADOPT INTELLIGENT WORKFLOWS

Why AI Adoption Stalls

Enterprise AI adoption does not fail because of a lack of technology. The challenges lie with a lack of structure. Several recurring pain points keep projects from scaling. They include:

- **Hallucinations and trust issues.** AI models can produce convincing yet inaccurate results, undermining confidence and increasing compliance risks.
- **Unclear human roles.** Employees often question where human judgment adds value when AI systems take over decision-making tasks.
- **High upfront costs.** Data readiness, integration, and infrastructure investments feel daunting without a clear or immediate ROI.
- **Cultural resistance.** Without change management driving employee engagement, even the most advanced AI tools face low adoption.

Organizations struggling with these barriers are stuck in pilot purgatory. Many make the mistake of testing AI in isolation without linking pilots to strategic goals, leaving value and operational impact unrealized.

COBORG: The Missing Link

Developed to bridge the gap between experimentation and execution, COBORG combines a practical methodology with modular design and automation to help organizations scale adoption and ensure responsible deployment within weeks instead of years.

At its core, COBORG merges five transformation pillars: business, IT, data, time, and people. These pillars are supported by the following suite of intelligent accelerators to convert AI theory into results:

- Entropy-based assessment quantifies variability in workflows to determine where AI should take decisions versus where humans must make decisions.
- AI safety package reduces hallucinations by up to 70% through multi-model validation and guardrails that strengthen trust and explainability.
- Data lineage accelerator automatically maps enterprise data flows, improving traceability and cutting data-preparation costs by about 40%.
- Agentic factory, a low-code environment for deploying domain-specific AI agents and adapters, enables implementation within weeks.
- Human-in-the-loop design ensures ethical oversight and accuracy by combining automation with human validation.

Each element reflects Inetum's belief that AI value begins with focus and trust. Together, they help users avoid pilot purgatory and align AI with business goals.

Inetum's Role: Technology Meets Culture

Technology alone, without people, does not evolve a business. Knowing this, Inetum positions itself as a technology integrator, architect, and partner in cultural transformation. Its approach combines technical depth with change enablement to make AI adoption fast and confident, transparent and responsible, and most of all human centric.

WHAT THIS MEANS FOR ERP INSIDERS

- **AI governance is becoming an ERP imperative.** Inetum's COBORG framework shows that successful AI adoption depends on the same governance and accountability principles that have long underpinned ERP systems. As generative AI becomes embedded in core ERP platforms, leaders will need clear data lineage, explainability, and risk controls to ensure automation strengthens rather than destabilizes business operations.
- **Human roles must stay central in automation strategy.** COBORG's human-in-the-loop design reinforces that AI value increases when people remain part of the decision-making chain. For ERP-driven organizations, maintaining defined human oversight—particularly in finance, supply chain, and compliance processes—will be critical to sustaining trust, accuracy, and cultural buy-in.
- **Scalable impact requires more alignment, not more experimentation.** Inetum's focus on linking AI to measurable business goals reflects a broader shift ERP leaders should heed. Pilots and proofs of concept must give way to integrated, outcome-based deployments where AI improves process efficiency, decision speed, and customer value across the ERP infrastructure.

THE REAL UNLOCK FOR ENTERPRISE AI ISN'T MORE MODELS, IT'S ALIGNMENT OF STRATEGY, GOVERNANCE, DATA, AND PEOPLE.

Kathy Quashie, EVP and CEO of Inetum Growing Markets, frames it this way: "AI isn't just a tech upgrade—it's a cultural shift. Success with AI isn't about deploying tools; it's about embedding AI thinking into every decision, every collaboration, and every customer experience. European businesses will not succeed by simply investing in AI; they will succeed with AI when they embrace this transformation as a business-wide mandate, not just a CIO task. Those who do will accelerate change, unlock growth, and lead in a competitive global market. AI won't just power processes—it will redefine success."

Dr. Bippin Makoond, SVP Global Practice Manager, Data and AI, and Global Head of Innovation at Inetum, echoes the point from an operational lens: "The biggest barrier to enterprise AI adoption isn't algorithms—it's ambiguity. COBORG tackles this by giving teams the confidence to work with AI through a framework that blends science, governance, and human insight. Our goal is to make AI safe, scalable, and transformative. AI should empower—not overwhelm. Success with AI means moving beyond technology to foster trust, clarity, and creativity in how organizations solve problems and design experiences. When creativity meets intelligence, businesses unlock new possibilities and reimagine what's achievable."

Early implementations of COBORG show this balance at work, with 10 to 15 high-impact use cases identified, thousands of employees trained in AI-augmented workflows within weeks, and around 30% budget optimization through smarter prioritization of initiatives. Plus, Inetum clarifies the boundary between human judgment and reliance on automation, helping organizations maintain a sense of control rather than competition.

The Goal: Positive Customer Impact

COBORG is already being applied across sectors to translate AI ambition into tangible outcomes. Example use cases include:

Data lineage automation that improves transparency and auditability for regulated industries.

Workflow optimization that reduces repetitive tasks and speeds decision cycles.

Chat2Value that turns everyday collaboration tools into engines of structured documentation and backlog generation.

These applications show how enterprises can connect AI directly to operational performance, lowering costs, increasing trust, and accelerating deployment.

COBORG demonstrates that AI success depends as much on people and culture as on algorithms and data. By embedding trust, clarity, and structure into every stage of adoption, Inetum helps enterprises move from experimentation to building AI into the fabric of their operations. In a market overflowing with AI hype, Inetum's approach stands out for its clear directive: "Think Small, Act AI," and embed intelligence into your culture today. ■

Learn more about Inetum

When Systems Hit Their Limits

The lessons manufacturers learn when their systems are tested

BY CHRIS VAVRA

ERP systems are entering a new phase in their evolution, one defined less by transactional recordkeeping and more by proactive disruption management. As manufacturers modernize their environments, ERP shifts from a system of documentation to a system of interpretation. This transformation helps mitigate difficult situations such as downtime or unexpected complications that push systems to the limit, highlighting their resilience.

"ERP systems are evolving from traditional, transaction-driven tools into platforms that give teams clearer insight into what's happening across operations," says Chris Lloyd, chief solutions technology officer at Syspro. "The next ERP generation won't replace human judgment but will enhance it with real-time context, modular architectures, and AI-enabled intelligence that raise organizational responsiveness."

Supply Chain Challenges as Opportunities

Increasing supply chain uncertainty where agility and visibility outweigh pure production volume drives this shift. "Recent years have exposed the fragility of global supply networks, from cybersecurity concerns to logistics constraints and inconsistent consumer demand," says Syspro CEO Jaco Maritz.

These challenges are forcing manufacturers to re-think their operating models and supply chains. "The ERP implication is significant: Legacy implementations built for predictable, linear processes must now support continuous sensing, collaborative partner interaction, and rapid scenario evaluation," Maritz says. "Companies adjusting their ERP strategies are prioritizing real-time information flows and integrated risk signals to avoid lagging indicators that hamper decision-making."

Legacy ERP built for predictable processes must support continuous sensing and rapid scenario evaluation as supply chains grow more volatile.

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Stress testing ERP performance during peak periods such as the holiday season or other seasonal pushes has become an important indicator of whether modernization efforts are delivering the intended resilience.

"The earliest signs of strain appear when real-time processes begin to slow—delayed order acknowledgments, lagging inventory updates, or longer cycle times in high-volume workflows," says Dan Abramson, SVP of sales, Americas, at Syspro. "These minor degradations often compound quickly when demand spikes, revealing where the ERP environment lacks necessary elasticity."

Abramson says the most effective organizations are those that treat ERP as a live operational system to avoid downtime.

Rethinking ERP Architecture, Analytics

To reduce fragility, manufacturers are rethinking ERP architecture itself. Lloyd says many firms are shifting to modular, scalable models and often adopting containerized deployment techniques to isolate and adjust system components as demand fluctuates.

"This modularity not only improves performance consistency but also enables organizations to adopt new features, AI services, or integration layers without destabilizing core processes," Lloyd says. "Just as importantly, it strengthens alignment between IT and operations, ensuring the ERP reflects real business workflows rather than historical assumptions."

The earliest signs of stress surface in real-time workflows, revealing where ERP environments lack elasticity.

Predictive analytics and observability tools are becoming essential as ERP evolves into a platform for real-time operational intelligence.

"Analytics will play an increasingly important role in helping manufacturers understand what's happening across their environments and where attention is needed," Lloyd says. He notes that organizations will rely more on tools that evaluate data on demand patterns, operational trends, and process behavior before they become issues.

"The most important consideration is ensuring the data is reliable and consistent because both analytics and AI depend on accurate information," Lloyd adds. "When those foundations are in place, teams can respond faster and with greater confidence."

These developments indicate ERP's future lies in proactive orchestration rather than reactive processing. This shift, already common in other areas of manufacturers, can help organizations prepare for the next disruption or stress test. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **ERP's evolution toward proactive disruption management is redefining modernization priorities.** There has been a decisive shift from transactional ERP to real-time interpretive systems designed to handle volatility. For ERP vendors and system integrators, this elevates the importance of architectures that surface integrated risk signals, operational context, and early warning indicators.

- **Continuous sensing and elasticity are critical for next-generation ERP systems.** Manufacturers' stress-test experiences reveal that operational strain emerges first in real-time workflows, highlighting gaps in system responsiveness. ERP leaders should prioritize elastic scaling, integrated signal flows, and orchestration capabilities.

- **Modular ERP architectures and trustworthy data foundations are enablers of resilience.** The shift toward containerized, modular deployments reflects a broader industry movement to decouple capabilities, adopt AI services safely, and align technology with real business workflows. The data provided must be consistent because everything that follows is dependent on it.

CYBERSECURITY, MEET DIGITAL SOVEREIGNTY

From regulation to infrastructure, the EU's push for digital sovereignty is turning cybersecurity into a core operating principle for enterprises.

BY ADAM PITMAN

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The drive for digital sovereignty in the European Union (EU) is reshaping cybersecurity. Over the past decade, the digital sovereignty initiative has evolved from abstract, values-based statements to practical concerns regarding the speed and scope of implementation.

As regulations take full effect, business leaders are rethinking cybersecurity—how they secure data, manage third-party dependencies, and embed governance.

Cybersecurity is becoming a more visible and strategically important discipline that integrates legal, operational, and technical perspectives. This redefines how cybersecurity professionals work in the EU, influencing global best practices and establishing a new regulatory model that may inspire other countries in their own reforms.

A New Paradigm

Historically, cybersecurity initiatives have largely been driven by the need to protect sensitive and proprietary data in high-value solutions like ERP systems. However, EU digital sovereignty regulations have increasingly transformed it into a mandatory discipline, with policymakers prioritizing control over data, systems, and digital services within the EU.

The Cybersecurity Act, for example, introduced auditable, EU-wide security standards, matched with certification schemes that demonstrate compliance. More recently, the Cyber Resilience Act (CRA) made cybersecurity a mandatory part of manufacturing and service delivery.

These regulations, among others, have reshaped cybersecurity in the EU and established mandates that define a new way of working for professionals, including:

- Lifecycle-embedded security integrating design, deployment, updates, and decommissioning into ongoing responsibilities
- Jurisdictional awareness ensuring daily tasks and strategic decisions align with EU legal frameworks and digital sovereignty regulations
- Infrastructure alignment directing attention toward the critical systems and networks being protected
- Proactive risk management identifying and mitigating threats and vulnerabilities before incidents occur
- Collaborative governance coordinating efforts across internal units, external vendors, and regulators to maintain accountable, auditable security practices.

AS SOVEREIGN CLOUD INFRASTRUCTURE TAKES SHAPE, CYBERSECURITY HAS BECOME A STRATEGIC DIFFERENTIATOR THAT IS SETTING GLOBAL BENCHMARKS.

These principles not only inform how professionals work, they drive demand

for dedicated infrastructure, tools, and capabilities. This demand has, in turn, necessitated investment from cloud and enterprise providers that seek to establish digitally sovereign environments for professionals ready to embrace the new paradigm.

The Market Response

As EU regulations take hold, leading cloud and enterprise providers are investing in the infrastructure, capabilities, and partnerships required for digital sovereignty.

Currently, Oracle has announced plans to invest €2.58 billion ($3 billion) in EU cloud and AI infrastructure, while AWS has committed €7.8 billion ($9 billion) to expand its cloud footprint in Europe. SAP, meanwhile, has earmarked more than €20 billion ($23 billion) for an integrated sovereign-cloud platform that combines infrastructure, applications, and AI under EU governance

SAP's larger investment reflects the breadth and depth of its stack: it must ensure every layer—from infrastructure and applications to data management, AI, and industry-specific solutions—meets requirements for EU sovereign.

As cloud providers establish sovereign infrastructure in the EU, best practices are trending toward clearly defined data boundaries and vertically integrated security controls. This puts cybersecurity at the forefront due to the critical role infrastructure now plays.

For example, SAP's EU-based data centers and cloud regions create controlled environments where data, applications, and AI remain under EU jurisdiction. Cybersecurity teams can more readily embed protections across the full system lifecycle, turning infrastructure into a platform for continuous operational security.

EU DIGITAL SOVEREIGNTY HAS TRANSFORMED CYBERSECURITY FROM A DEFENSIVE FUNCTION INTO A LIFECYCLE-EMBEDDED, AUDITABLE DISCIPLINE.

New security-by-design frameworks, monitoring tools, and cross-border partnerships give teams real-time visibility and control, letting them manage risks more proactively. Meanwhile, strategic partnerships with regulators and vendors establish shared practices and workflows, enabling teams to coordinate governance across internal and external stakeholders, while contributing to collaborative governance structures.

Impact Beyond Europe

EU-sovereign infrastructure helps cybersecurity teams move from a reactive, compliance-focused posture to a more proactive, strategic, and self-sufficient security paradigm. Its impact will likely be felt beyond Europe in the years to come.

Foreign-headquartered companies that serve the EU market are already investing in local infrastructure, tools, and partnerships to comply with stricter regulatory standards. This creates a tipping point for broader adoption: EU-aligned practices may spread because they are effective, cost-efficient, or beneficial to customers.

Companies that already employ cybersecurity staff in the EU for regulatory compliance may find it more efficient to centralize security operations there. This would allow businesses to reduce cross-border data hurdles while extending EU-standard practices to less regulated markets abroad.

Alternatively, companies that ensure lifecycle-integrated security could find it not only meets EU audit requirements but differentiates products in other markets. This can simplify production in global sourcing hubs, lower supply chain risk, and build trust with new customers in emerging foreign markets.

The so-called "Brussels Effect" goes further.

When the General Data Protection Regulation (GDPR) took effect in 2018, it exposed businesses worldwide to the impact of extraterritorial legislation. Since then, several major markets have adopted laws echoing GDPR data-protection principles.

Now, EU regulations are formalizing an approach to cybersecurity that integrates legal, operational, and technical knowledge into workflows. Countries modernizing their digital governance laws are likely to adopt elements of this model, especially around data-flow documentation, risk assessments, and locally governed systems.

Meanwhile, integrated governance regimes are attractive to governments that view digital sovereignty as a strategic asset or digital economies as growth engines. Business leaders need to prepare for legislation that integrates security throughout a product's lifecycle, enforces jurisdictional awareness, and aligns critical infrastructure with national interests.

Supply-chain transparency also appears set to expand beyond targeted, sector-specific interventions in select European markets. A more widely enforceable mandate would make supply-chain visibility and third-party oversight core elements of risk management for cybersecurity teams, whether others adopt new regulations based on the EU model or not.

As these regulations take shape, EU cybersecurity principles—lifecycle-integrated security, jurisdictional awareness, and infrastructural alignment—are likely to become international benchmarks. ■

SAP'S DIGITAL SOVEREIGNTY PLAY

INVESTMENT AREA	CYBERSECURITY FEATURES
Cloud infrastructure	The SAP Sovereign Cloud portfolio provides EU cloud regions and data centers built with secure-by-design architecture, network segmentation, and encryption.
On-site-hosting	SAP Sovereign Cloud On-Site provides SAP-operated infrastructure in customer-owned or selected data centers with full audit and control of physical and logical access.
Enterprise applications	SAP has integrated platforms, business applications, and services with lifecycle security, identity management, and compliance monitoring.
AI services	SAP EU AI Cloud integrates SAP infrastructure with third-party AI under EU jurisdiction, including monitoring, access control, and data security.
Partnership ecosystem	Partnering with cloud providers, AI vendors, and others to create an EU-compliant network for shared standards and information exchange.

EU DIGITAL SOVEREIGNTY LEGISLATION

	2019	2022	2023	2024
LEGISLATION	**Cybersecurity Act (June 27, 2019)**	**Data Governance Act (June 23, 2022)**	**NIS2 Directive (Dec 14, 2022)**	**Digital Operational Resilience Act (Jan 16, 2023**)
CYBERSECURITY IMPACT	Created uniform security baselines that push vendors to meet auditable standards.	Reinforced the need for trusted data-handling with clear safeguards and auditability.	Elevated cybersecurity by mandating controls, reporting, and accountability.	Embed ICT risk management, strengthening end to end operational security.

	2023	2024	2024
LEGISLATION	**Data Act (Dec 13, 2023)**	**AI Act (Aug 1, 2024)**	**Cyber Resilience Act (Dec 10, 2024)**
CYBERSECURITY IMPACT	Enforced secure shared data flows, increasing the importance of strong access controls and system-level protections.	Defined cybersecurity role in AI development and use, providing protections against misuse and data leakage.	Moved cybersecurity toward continuous oversight to manage risks proactively across their entire digital ecosystem.

WHAT THIS MEANS FOR ERP INSIDERS

• **Cybersecurity has become more visible.** EU digital sovereignty transforms cybersecurity into an operational discipline that ERP teams must integrate across design, deployment, and governance. Enterprises are moving towards a unified framework for secure, consistent system operations as a result. This shift creates clearer expectations for how data flows are documented, how systems are maintained, and how risk is managed across interconnected ERP environments.

• **Infrastructure has become a strategic differentiator** The market is reorganizing around platforms that treat security as a built-in advantage. Cloud providers are building sovereign environments that give ERP leaders predictable data boundaries and vertically integrated security controls. These investments accelerate the move toward lifecycle-embedded security, allowing ERP teams to design systems that meet regulatory requirements while reducing cross-border complexity.

• **EU standards are becoming international benchmarks.** Enterprise technology is beginning to standardize around EU-driven security and data-governance norms. ERP programs operating across regions will increasingly follow EU-aligned governance, documentation, and infrastructure models. This creates a path toward unified security practices that reduce fragmentation, streamline global operations, and strengthen trust with

Lessons from Black Friday

Black Friday may be the clearest measure of whether ERP systems can operate as real-time control centers or collapse into bottlenecks.

BY CHRIS VAVRA

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Black Friday is the ultimate stress test for ERP systems. Manufacturers and retailers use it to determine whether platforms are architected for real-time operational control or simply functioning as transactional record-keepers. As they confront unprecedented spikes in order volume, supply chain volatility, and constantly shifting consumer demand, the ability of ERP systems to handle issues has emerged as a defining measure of whether they are ready.

"Black Friday exposes whether an ERP is truly built for real-time control," says Dan Abramson, SVP at Syspro. "Systems that can't surface issues instantly create bottlenecks, significantly slowing operations at a time when every second counts. The manufacturers that thrive are those that use ERP as an early-warning system to act faster than the market can affect them."

Organizations that excel under extreme demand are the ones that can see what's coming and act quickly to maintain operations.

Peak periods also expose common failure modes that signal the architectural and workflow adjustments. According to JP van Loggerenberg, chief customer officer at Syspro, even a single disruption can ripple across operations. "Manufacturers and distributors need real-time telemetry and visibility across production, supply chain, and factory-floor systems," he says. "Organizations that excel under high demand are those that can see what's coming, predict and act quickly, and keep processes moving smoothly while maintaining control over operations and working capital."

Keeping ERP System Accurate, Efficient

Inventory accuracy, long recognized as a chronic pain point, becomes a direct test of operational intelligence during high-volume events. "Any blind spot in multi-node fulfillment, whether upstream at a supplier or downstream in distribution, can lead to stockouts or delays," Loggerenberg says. "Real-time supply chain visibility and embedded traceability give manufacturers and distributors the control they need over stock levels, production health, and distribution."

Accurate and actionable data, he adds, can turn peak-season pressure into operational confidence. Black Friday also reveals the growing importance of data governance as a pillar of ERP stability. At the same time, cybersecurity risk has increased as almost everything is connected to the internet.

"Temporary systems, seasonal staff and remote connections further increase risk," Loggerenberg says. "Governance gaps show up as operational disruptions and can damage brand and customer loyalty. The most impactful practices combine zero-trust principles with regular audits of remote access and endpoint security."

Building on Black Friday Lessons

Using the post-Black Friday review as a way to examine what worked and what did not in an ERP system is an essential ritual for successful companies.

"After the rush, the focus should shift from output to insight," Abramson says. "Manufacturers need to audit where visibility broke down, where supplier or internal bottlenecks emerged, and how temporary systems performed."

Abramson adds the lessons learned from any Black Friday mishaps should translate into operational resilience. Teams that learn from their mistakes, he says, will be ready for any challenges that come their way. ■

WHAT THIS MEANS FOR ERP INSIDERS

- **Real-time operational control is a defining benchmark for modern ERP scalability.** Peak-demand events such as Black Friday separate systems built for proactive visibility from those confined to transactional processing. This shift signals clear implications for vendors and integrators: Product roadmaps must prioritize real-time telemetry, predictive disruption detection, low-latency data flows, and architectures that sustain rapid decision cycles across manufacturing and retail operations.

- **Data integrity and governance are equally critical for ERP stability.** High-volume periods expose inventory blind spots, multi-node fulfillment gaps, and governance weaknesses that degrade performance and elevate cybersecurity risk. ERP vendors and retailers need to embed stronger data governance, traceability, zero-trust security principles, and audit-ready controls directly into cloud architectures and integration strategies.

- **Continuous post-event analysis is essential to ERP modernization.** Structured post-Black Friday evaluations reveal where visibility failed and where workflows, suppliers, or temporary systems created bottlenecks. This provides a roadmap for modernization initiatives and helps manufacturers and retailers make better decisions on scalability, partner alignment, systems integration, and operational readiness for volatile demand cycles.

ENGINEERING THE FUTURE OF TAX WITH OCI AND VERTEX

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How Black & Veatch Modernized Tax Compliance

BY SUSAN GALBERAITH

Black & Veatch engineers have been leading the way in delivering engineering, procurement, consulting, and construction for over a century. Their trusted and sustainable water, power, and industrial expertise help clients solve their toughest infrastructure challenges. As the company expanded globally, managing thousands of projects across hundreds of global jurisdictions, the complexity of procurement and tax compliance grew exponentially.

The Challenge: Global Complexity Strains Legacy Systems

Black & Veatch continued to see global tax mandates intensify and digital compliance become a board-level priority. The company's existing tax solution was creating bottlenecks in performance, scalability, and integration. It was time to modernize its legacy tax infrastructure. The goals: support global growth, reduce downtime, and meet evolving regulatory demands. As the business moved into new markets, IT faced mounting pressure to:

- Ensure high availability and uptime,
- Support real-time integration,
- Scale tax operations to meet multi-jurisdictional compliance requirements, and
- Empower tax with analytic capabilities to be even more strategic.

To meet these challenges, Black & Veatch launched a digital transformation initiative focused on finance, HR, and procurement. Central to this effort was the migration from a heavily customized version of Oracle E-Business Suite to Oracle Cloud ERP, which was deployed in Oracle Cloud Infrastructure (OCI).

Black & Veatch chose OCI for its scalable, secure, and high-performance cloud platform and ability to manage enterprise workloads. As part of the Oracle ERP migration, the company transitioned the on-premises tax engine to the cloud, leveraging the Vertex Accelerator for Oracle Cloud ERP.

"The ease of adopting and moving to the cloud is what was most impressive to me. Within three months, I'm already seeing improvements in reporting and other tax processes."

— **CLIFFORD YEAGER,** APPLICATION PORTFOLIO MANAGER, BLACK & VEATCH

The Solution: Vertex Accelerator, Vertex O Series

ROI timing was critical for Black & Veatch; it wanted to accelerate the time-to-value for the project. The Vertex Accelerator for Oracle Cloud ERP allowed the team to set up the Vertex tax engine faster and quickly get started. The Vertex prebuilt integration supports advanced tax management with a robust UI that simplifies onboarding, automates data mapping, and enables real-time testing.

The Accelerator ensures:

- Accurate tax determination using location and product taxability logic,
- Automated configuration and rule setup, and
- Real-time transaction monitoring and reporting.

When Black & Veatch migrated to Oracle Cloud ERP running on OCI, the company also migrated to Vertex's solutions for Oracle Cloud, integrated through the Accelerator for Oracle Cloud ERP. This transition not only enhanced tax automation and performance but also aligned seamlessly with the company's broader cloud-first IT strategy.

"The ease of adopting and moving to the cloud is what was most impressive to me, and the fact that within three months I'm already seeing improvements in reporting and other tax processes," says Clifford Yeager, application portfolio manager at Black & Veatch. "We like the reports. We like the tax solution. We can now mature on this application."

Built on a trusted foundation, Vertex solutions on OCI's enterprise-grade architecture provided the performance, scalability, and security needed to support global tax operations. Vertex O Series provided the robust global tax controls needed to meet Black & Veatch's growing international project base. See The Value Equation: Vertex O Series on OCI (Diagram 1, page 62). Working with Capgemini and Vertex, Black & Veatch was also able to customize workflows to ensure seamless data flow across intercompany transactions.

Migrating to Vertex solutions on OCI enabled the IT team to deliver a modern tax platform that is ready for the future of tax. It is also closely aligned with Black & Veatch's 110-year history and commitment to delivering innovation and human infrastructure projects that shape the fabric of organizations. This transformation resulted in:

- Automated global tax updates and compliance reporting,
- Increased accuracy in tax determination, including complex intercompany transactions, and
- A complete, highly customized Oracle Cloud ERP migration and Vertex O Series migration on time.

The Power of Partnership

The strategic partnership between Oracle and Vertex gave IT leaders at Black & Veatch confidence in the long-term viability of the solution. Vertex, an Oracle Partner Network (OPN) member for over 30 years, offers validated integrations with Oracle Cloud ERP and Oracle E-Business Suite. Oracle itself uses Vertex for global tax, which supports the reliability and scalability of the integration.

With this strong relationship in place, Black and Veatch's IT team knew innovation roadmaps would consistently be aligned. The deep integration between Oracle ERP systems and Vertex tax solutions gave them the ability to automate indirect tax determination and tax processes across the enterprise.

This long-term commitment to the partnership made it clear they could count on:

- More prebuilt connectors for Oracle ERP and other platforms as they evolve,
- Continuous performance tuning and cloud-native optimization, and
- Shared roadmap visibility.

The Value Equation: Vertex O Series on OCI

VERTEX O SERIES	ORACLE CLOUD INFRASTRUCTURE
• Financial System Integration: Vertex seamlessly integrated with Oracle Cloud ERP and other systems to provide centralized tax control and visibility. • Tax Updates: All tax updates are managed by Vertex across the ever-changing tax rules and rates for the 12,000+ taxing jurisdictions across the US and globally. • Native Cloud Solution: Vertex O Series reduced time and cost spent on system maintenance related to tax processes. • Security & Access: Role-based access enabled effective control of tax processes and data visibility. Audit logs helped ensure SOX compliance. Federated security and single sign-on (SSO) enhanced protection. • Data Governance: Vertex solutions automate the update and maintenance of tax rates and rules, while delivering more granular tax data post determination, providing more accurate application of tax to every transaction. • Self-Service Access to Product Knowledge: Vertex Copilot generative AI enables real-time responses to product questions streamlining implementation and maintenance and saving IT time.	• 99.99% Uptime SLA: OCI's high availability zones and fault-tolerant architecture ensured uninterrupted tax calculation and reporting, even during peak transaction periods. • Elastic Scalability: The IT team could dynamically scale Vertex workloads based on seasonal demand and geographic expansion. • Integrated Security and Compliance: Built-in security controls and automated patching would help ensure meeting stringent data privacy and regulatory requirements. • Streamlined DevOps and Automation: Native OCI tools allow IT teams to automate deployment, monitoring, and updates to reduce operational overhead.

Why the Black & Veatch Story is Important

By standardizing on Vertex O Series integrated with Oracle Cloud ERP on OCI, Black & Veatch has replaced fragmented legacy tax infrastructure with a unified, automated platform that scales for global growth. The combination of prebuilt integration, enterprise-grade cloud reliability, and always-current tax content has reduced operational risk while improving accuracy and visibility across thousands of projects and jurisdictions.

Tax is a strategic cloud workload. Treating global tax as a first-class workload on OCI shows how specialized engines like Vertex O Series can sit alongside core ERP to support complex, multi-jurisdiction operations without sacrificing performance or control. For ERP and product leaders, this shows the value of tightly integrated, cloud-native tax services that can scale with global program demands rather than relying on custom, brittle extensions.

Prebuilt accelerators change ERP transformation dynamics. The Vertex Accelerator for Oracle Cloud ERP demonstrates how prebuilt integrations, configuration automation, and real-time testing can compress time-to-value in large ERP migrations. For systems integrators and enterprise architects, this is a model where accelerators and validated connectors are central to de-risking complex moves off legacy estates and aligning project timelines with business expectations.

Ecosystem partnerships shape ERP roadmaps. The long-standing collaboration between Oracle and Vertex, combined with OCI's platform capabilities, highlights how ecosystem depth influences ERP buyers' confidence in long-term tax, compliance, and performance outcomes. This use case signals that validated integrations, shared roadmaps, and cloud-optimized joint solutions are becoming decisive factors in platform and partner selection. ■

T Systems

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Drive your SAP transformation on our RISE-certified European private cloud for data sovereignty, and with our end-to-end SAP expertise, from SAP S/4HANA transformation to managed operations.

Picture generated with AI

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