

FROM ECC TO S/4HANA

The Executive Modernization Decision Guide

When to move, what to preserve, and how to choose the right SAP Cloud ERP path

BUILT FOR EXECUTIVES EVALUATING AN EXISTING SAP ECC ENVIRONMENT

A fact-based guide for CFOs, COOs, CIOs, and transformation leaders at growth-focused mid-market companies. The objective is not to manufacture urgency. It is to help leadership distinguish lifecycle pressure from a true business case, separate valuable complexity from inherited complexity, and choose a transition path that fits the future operating model.

Prepared by Navigator Business Solutions
October 2026

The decision is not whether ECC is old. It is whether the current ERP model is still the right one.

SAP ECC remains deeply capable. For many companies, it continues to execute finance, manufacturing, procurement, inventory, sales, and distribution reliably. That matters. A modernization decision should not begin by dismissing a system that may have run the business successfully for years.

At the same time, SAP has established a clear lifecycle horizon. Mainstream maintenance for qualifying SAP ECC Business Suite 7 core applications continues through the end of 2027, with optional extended maintenance through the end of 2030 at a premium of two percentage points on the maintenance basis.^[1]

That lifecycle creates a reason to decide. It does not, by itself, create a business case to transform. The stronger business case emerges when the cost, complexity, or constraints of preserving the current operating model begin to outweigh the value of preserving it.

38%^[1]

2026 SAPinsider respondents citing end of maintenance as a migration driver

30%^[1]

citing the need for updated systems and processes to support changing market requirements

26%^[1]

citing cost reduction plus greater flexibility and scalability

THE CORE EXECUTIVE QUESTION

If you were designing the company's ERP environment today, knowing what you know now, how much of the current ECC environment would you intentionally recreate?

FOUR DECISIONS FORM THE MODERNIZATION JOURNEY

Decision	Executive question	What it determines
1. Why move?	What has changed in the business, economics, or lifecycle that makes active evaluation rational?	Whether modernization belongs on the active agenda.
2. Does ECC still fit?	How much labor, latency, complexity, and change cost surround processes that technically work?	Whether the status quo remains fit for the next stage.
3. What should survive?	Which processes, data, customizations, integrations, and structures still create value?	System conversion, selective transition, or new implementation.
4. Public or Private?	Which cloud operating model can support the future requirements without preserving unnecessary complexity?	SAP Cloud ERP Public Edition or SAP Cloud ERP Private.

What this guide does not assume

- ECC is not automatically a bad system because it is old.
- S/4HANA does not automatically create a business transformation.
- Public Edition is not simply the product for smaller companies.
- Private Edition is not simply ECC hosted in the cloud.
- Customization is not inherently bad. Unnecessary customization is the problem.
- A maintenance deadline can establish urgency to decide without proving that immediate transformation is economically justified.



CONTENTS

01

Why move from ECC at all?

The business case, timing triggers, legitimate reasons to wait, and the economics of continuing ECC.

02

ECC works. Why change?

A business fitness test for labor, latency, complexity, and the cost of change.

03

ECC to S/4HANA is not just an upgrade

How system conversion, selective transition, and new implementation change what survives.

04

SAP Cloud ERP Public vs. Private

The operating-model decision, Public fit framework, and the complexity test.

A

Executive discussion guide

The most useful questions for CFO, COO, CIO, and cross-functional leadership.

Why move from ECC at all?

Lifecycle pressure matters. Business triggers, economics, and the future operating model matter more.

CHAPTER THESIS

The ECC maintenance horizon creates a reason to make a decision. It does not, by itself, create a business case for transformation.

1.1 Start with the lifecycle facts, without turning them into a scare tactic

SAP provides mainstream maintenance for qualifying SAP ECC Business Suite 7 core applications, including the latest three enhancement packages of SAP ERP 6.0, through the end of 2027. Customers that need more time can elect optional extended maintenance from 2028 through 2030 at a premium of two percentage points on the maintenance basis. SAP has also committed to keeping at least one S/4HANA release in maintenance through 2040.^[1] There are third party service options available to those executives that choose to extend their use of SAP ECC, one such company is Remidy Street.

The accurate executive message is therefore not “ECC stops working in 2027.” Nor is it “you must be off ECC by 2027.” The stronger message is that the support economics and product lifecycle are changing, so every ECC customer needs a deliberate plan even if that plan includes a rational period of waiting.

1.2 The business case is broader than the maintenance deadline

SAPinsider surveyed 296 SAP community members between December 2025 and March 2026. Sixty percent of respondents were in North America, and the revenue mix included a meaningful mid-market population. The 2026 findings show that the maintenance horizon remains the largest individual driver, but it is far from the only one.^[2]

2026 migration driver	Respondents	Executive interpretation
End of maintenance requires S/4HANA transition	38%	A lifecycle reason to decide.
Updated systems/processes for changing market needs	30%	The operating model is changing.
Reduce system/infrastructure costs; improve flexibility/scalability	26%	The economics or adaptability of the current environment are under pressure.
Increase end-to-end operational visibility	22%	Management needs faster, more connected information.
Access generative AI and other innovation	20%	Innovation strategy is becoming part of ERP strategy.
Better support users with innovative solutions	20%	User productivity and process experience matter.
Re-engineer processes or correct poor prior configuration	19%	The project is partly about fixing inherited design.
Harmonize and centralize ERP model/structure	18%	Standardization has become a strategic objective.

Source note: SAPinsider 2026 ERP Migration and Transformation Benchmark. The survey population spans a broad range of SAP organizations and should be treated as directional evidence, not a direct forecast for any individual company.^[2]

1.3 Six triggers tend to make the modernization discussion real

Trigger	What leadership should investigate
AI and automation are strategic priorities	The organization is discovering that AI readiness depends on structured processes, accessible data, clear master data, and an architecture that can support automation.
The business has materially changed	Revenue growth, new plants, acquisitions, new channels, or international expansion have moved beyond the design assumptions of the original ECC environment.
The company is about to make a significant ECC investment	Infrastructure, major custom development, warehouse integration, reporting modernization, or remediation creates the question of whether the business is investing twice.
Leadership wants operating-model standardization	Multiple entities or plants run materially different versions of the same nondifferentiating process.
The cost of preserving complexity is rising	Custom code, interfaces, specialist support, regression testing, and workarounds are making change more expensive.
Management needs answers faster	The business event occurs in ERP, but the trusted decision still requires several systems, spreadsheets, people, and time.

1.4 The economics of continuing ECC are more useful than the “cost of doing nothing”

“Cost of doing nothing” is usually the wrong phrase. A company that stays on ECC is not doing nothing. It is choosing to maintain infrastructure, integrations, support knowledge, custom code, and existing business processes while deferring implementation cost and organizational disruption.

The true financial comparison is not S/4HANA versus today's ECC maintenance bill. It is transformation versus the multiyear cost of operating, extending, and eventually replacing ECC over the same planning horizon.

Five economic buckets to model

Economic bucket	Examples to quantify	Why it matters
1. Direct technology economics	Maintenance, hosting, database, Basis/admin, custom-code support, add-ons, integration support, upgrade projects.	Establishes the real cost of the current architecture.
2. Cost of operating around ECC	Reconciliations, spreadsheet reporting, duplicate entry, manual order intervention, interface failures, reporting labor.	Captures cost that sits outside the SAP invoice.
3. Cost of preserving complexity	Unused custom code, overlapping reports, brittle interfaces, historical process variants.	Separates necessary complexity from inherited complexity.
4. Deferred business value	Close effort, expedite cost, inventory exposure, order exceptions, margin visibility, process automation.	Connects ERP to measurable operating outcomes without assuming the technology alone creates them.
5. Strategic option value	New plants, acquisitions, international growth, new channels, AI, automation.	Tests how economically the current architecture can support the business plan.

IMPORTANT DISCIPLINE

Modernization may reduce categories of technical debt and process friction, but that does not mean S/4HANA is automatically cheaper in the near term. A credible business case must include implementation, subscription, internal resources, data, integration, testing, training, change management, and the cost of disruption.

1.5 When waiting is rational

A sound modernization strategy must make room for the conclusion that the company should not transform immediately. Waiting can be rational when it creates more value than it destroys.

- The business case has not yet been established beyond SAP lifecycle pressure.
- Another enterprise transformation is consuming the same business experts and creates unacceptable sequencing risk.
- The organization lacks process owners and subject matter experts who can make design decisions.
- Master-data problems should be addressed before a major migration is launched.
- The target architecture is not yet clear, including whether the objective is preservation or redesign.
- ECC still supports the future strategy well and the company has a credible, funded transition plan.

1.6 The modernization paradox

The longer a company plans to remain on ECC, the more likely the business is to request new integrations, channels, workflows, reports, or automation during the waiting period. Leadership can then face a difficult question: how much should we invest in an architecture we already intend to replace?

MODERNIZATION PARADOX

The closer an organization gets to replacing ECC, the harder it becomes to justify major improvements to ECC, but the business does not stop changing while it waits.

1.7 The trigger framework: when to move from roadmap to active evaluation

Signal	Move to active evaluation when...	Evidence to collect
Lifecycle horizon	The transition timeline is beginning to constrain options.	Current release, desired go-live, maintenance strategy, preparation lead time.
Major ECC investment	Material spend is planned on an environment intended for replacement.	Project roadmap, infrastructure, integrations, development, upgrade costs.
Growth / structural change	A new plant, entity, acquisition, channel, or geography would replicate current design.	Three- to five-year business strategy.
Process standardization	Leadership wants fewer ways of performing the same nondifferentiating process.	Process variation by site/entity.
Custom-code burden	Change is slowed or made expensive by inherited logic.	Usage, business ownership, maintenance cost, remediation requirements.
Workarounds	The organization increasingly operates around ERP.	Spreadsheets, reconciliations, duplicate entry, manual intervention.
Decision latency	Executive or operational questions require lengthy assembly before answers are trusted.	Question-to-answer time and systems involved.
AI / automation	Innovation goals expose data, process, and integration constraints.	Data quality, standardization, integration readiness.

1.8 Topic 1 conclusion

Move when the cost, complexity, or constraints of preserving the current operating model begin to outweigh the value of preserving it.

The maintenance horizon establishes the need for a plan. The business trigger establishes the reason to act. The business case establishes whether the value of action is greater than the value of waiting. Only then should product and implementation choices take center stage.

ECC works. Why change?

A stable ERP can be reliable and still be accumulating labor, latency, complexity, and a high cost of change.

CHAPTER THESIS

A stable, well-designed ECC environment is an asset. The modernization question begins when “works” is defined too narrowly as successful transaction processing.

2.1 Transactional fitness is not the same as business fitness

ECC can be exceptionally good at transactional fitness: processing sales orders, purchase orders, goods movements, production orders, invoices, financial postings, costing, inventory, and planning. Business fitness is a broader test. It asks whether the ERP environment supports rapid change, process standardization, operational visibility, automation, growth, and an economically sustainable technology model.

Fitness dimension	Executive question
Reliability	Does the environment consistently execute critical transactions?
Functional fit	Does it support how the company needs to operate?
Process efficiency	How much human effort surrounds the transaction?
Information	How quickly can management get a trusted answer?
Adaptability	How difficult and expensive is meaningful business change?
Economics	What does the full ERP ecosystem cost to operate and enhance?
Strategic fit	Does the architecture support

2.2 Hidden ERP friction appears in four forms

Labor

People reconcile, compile, check, transfer, interpret, or manually intervene.

Latency

Answers eventually arrive, but later than the business needs them.

Complexity

Multiple systems, customizations, and interfaces are required to produce the outcome.

Change cost

The process works today, but changing it is disproportionately expensive.

HIDDEN ERP FRICTION

The labor, latency, complexity, and cost of change surrounding a process that technically works.

2.3 Four metrics make the “ECC works” discussion measurable

Metric	What it measures	Example
Workaround Tax	Human and application effort required outside the core transaction.	Reconciliation spreadsheets, manual allocations, exception lists, duplicate entry.
Decision Latency	Time from business event to trusted decision and action.	Margin question to trusted answer; shortage event to supervisor action.
Change Tax	Cost and lead time of implementing a meaningful business change.	New workflow, new plant integration, new channel, new regulatory requirement.
Preservation Value	How much of today's ERP design leadership would knowingly rebuild.	Processes, custom logic, integration, reports, data structures.

2.4 What S/4HANA structurally changes

Finance: the Universal Journal

SAP S/4HANA records actual financial accounting and controlling data in the Universal Journal, ACDOCA. SAP describes the Universal Journal as common line-item persistence across General Ledger, Asset Accounting, Controlling, Profitability Analysis, Material Ledger, and related finance structures. Because financial and management accounting use the same underlying journal entries, certain FI/CO reconciliation requirements are eliminated by design.^[9]

The executive implication is not “S/4 automatically closes faster.” It is that S/4 provides a different financial data architecture that can reduce structural reconciliation and support more direct profitability analysis. Whether a particular customer gains value depends on how much reconciliation, replication, and reporting complexity exists today.

Operational analytics: reduce the distance from transaction to insight

S/4HANA embedded analytics uses Core Data Services views against transactional data and is designed primarily for operational analytics. SAP describes the approach as enabling users to move between analytical and transactional applications without first replicating every operational data set into a separate analytical system.^[10]

This does not eliminate the need for enterprise analytics, historical data platforms, or planning systems. It changes what can be analyzed directly in the operational ERP workflow.

Planning: MRP Live

S/4HANA includes MRP Live, a HANA-optimized planning run that processes receipts and requirements within database procedures, reducing data transfer and improving performance. SAP also explicitly notes that MRP Live does not support every classic MRP scenario, including certain lot-sizing and forecast-based planning approaches.^[11]

That balance matters. A manufacturer whose overnight MRP is trusted and operationally sufficient may have little reason to change on planning performance alone. A manufacturer whose planners spend the day working around stale results may have a different business case.

2.5 Process-level diagnostics for Finance and Operations

Process	Healthy ECC looks like...	Hidden friction looks like...	What to measure
Financial close	Predictable close, limited manual reconciliation, trusted numbers.	Close workbooks, manual accruals, FI/CO reconciliation, late adjustments.	Close days, Finance hours, manual journals, reconciliation count.
Margin reporting	Finance can explain customer/product/channel profitability quickly.	Multiple reports, spreadsheet transformation, separate reconciliations.	Question-to-answer time, systems and people involved.
Order-to-cash	Customer commitments are reliable and exceptions are controlled.	Manual re-promising, shortage spreadsheets, allocation workarounds.	Promise-date changes, backorders, manual ATP intervention.
Inventory	System inventory is trusted and operationally usable.	Different definitions of availability, adjustments, external tracking.	Inventory accuracy, adjustments, external reports.
MRP / planning	Planners trust system recommendations.	External shortage lists, frequent overrides, expedites.	Runtime, frequency, overrides, expedites, schedule changes.
Procure-to-pay	Approvals and exceptions move efficiently.	Email approvals, buyer follow-up, invoice exceptions.	Requisition-to-PO time, invoice-to-approval time, touches.

2.6 CFO, COO, and CIO define “works” differently

Executive	“ECC works” often means...	The deeper question
CFO	We produce accurate financials and our controls work.	How much effort does it take to produce, reconcile, and explain trusted financial information?
COO	Orders ship, production runs, and inventory moves.	How much intervention is required when reality deviates from the plan?
CIO	The platform is stable, understood, and supportable.	How expensive is it to change when the business changes?

CFO diagnostic questions

- How much work does Finance perform after the transaction is already in SAP?
- If the CEO asks why gross margin moved last month, how is that answer produced?
- How much time does Finance spend reconciling rather than analyzing?
- How many versions of profitability exist across Finance, Sales, and Operations?
What happens to Finance complexity when the company adds another entity?
- Which controls, reports, and financial processes work so well that you would knowingly recreate them?

COO diagnostic questions

- How many places do people look before making an operational decision?
- How much of production planning happens after MRP?
- How trustworthy is the promise date?
- How much inventory is being held because management does not fully trust planning?
- How quickly does the organization detect, understand, and act on an exception?
- Where has process variation among plants or sites become expensive?

CIO diagnostic questions

- How expensive is change, not just how expensive is ECC?
- How much custom code is actually used and valuable?
- How concentrated is institutional knowledge?
- Which applications around ECC are strategic, and which exist primarily to compensate for the current architecture?
- How much effort goes into upgrades and regression testing?
- What are we planning to spend on ECC before we leave it?

2.7 When “ECC works” supports waiting rather than immediate transformation

If ECC is reliable, processes are efficient, customization is justified, reporting satisfies management, integrations are manageable, costs are acceptable, limited structural change is expected, and leadership has a credible transition plan, continuing ECC for a period can be rational. The key is to distinguish an intentional, funded transition plan from simple deferral.

2.8 Topic 2 conclusion

Reliability is not the same as fitness. An ERP can run reliably while becoming increasingly expensive to change.

The strongest modernization candidates are often not companies with failing ERP systems. They are companies where the core transactions still work while the surrounding labor, latency, complexity, and change tax are rising. That is a more specific and defensible reason to evaluate S/4HANA than simply labeling ECC “legacy.”

ECC to S/4HANA is not just an upgrade

The transition path determines how much of today becomes tomorrow. The transformation ambition is a separate decision.

CHAPTER THESIS

An ECC-to-S/4HANA program is partly a technology transition and partly a decision about how much of the company's accumulated operating model deserves to survive.

3.1 Three ideas that should not be mixed together

Decision layer	What it means	Examples
Deployment model	Where and how the future S/4HANA environment operates.	SAP Cloud ERP Public Edition; SAP Cloud ERP Private.
Transition approach	How the company gets from ECC to the target.	System conversion; selective data transition; new implementation.
Business transformation	How much the company intends to change how it operates.	Process standardization, organization, data, workflows, roles, reporting, controls.

SAP explicitly states that Public Edition supports new implementation only. System conversion and selective landscape transformation are available for Private Edition, while Private Edition can also be implemented new.^[3]

3.2 The three transition paths

Path	Executive interpretation	Primary advantage	Primary risk
System Conversion	Preserve first, then improve.	Protects investments in data, processes, configuration, and custom code.	Preserves unnecessary complexity along with valuable capability.
Selective Data Transition	Keep the good, change the rest.	Allows selected history, configuration, entities, or structures to move while others change.	Optionality can create technical and scope complexity.
New Implementation	Design the future first, then decide what deserves to come forward.	Creates the greatest freedom to standardize, clean data, and redesign.	Higher decision and change burden, or the risk of simply rebuilding the old world.

SAP's current transition guidance describes new implementation, system conversion, and selective data transition as distinct approaches. New implementation is associated with re-engineering around SAP Best Practices and a clean starting point, while system conversion retains more existing data, processes, and custom code.^[4]

3.3 Brownfield reduces change. It does not eliminate change.

A system conversion starts much closer to the existing ECC system, but S/4HANA includes data-model and functional changes that still require remediation. Business Partner, finance architecture, custom-code impacts, add-on compatibility, interfaces, and simplification items all require planning and testing. The executive benefit is continuity, not immunity from change.

3.4 “Can we carry it forward?” and “Should we carry it forward?” are different questions

Technical teams naturally focus on whether a customization, integration, report, or data structure can survive the transition. Leadership should ask a second question: does it deserve another decade of investment? A technically successful conversion can preserve something the business would never choose to build today.

DECISION FUNNEL FOR CUSTOM CODE

Exists → Used → Needed → Differentiating. Only after an object reaches “Needed” should technical remediation investment become automatic.

3.5 Greenfield is not automatically transformational

A new S/4HANA system can still reproduce old workflows, approvals, reports, organizational structures, and process exceptions. Greenfield describes how the system starts. It does not guarantee that leadership will change how the company operates.

Technology modernization does not guarantee operating-model modernization.

3.6 The executive path-selection matrix

Decision dimension	System Conversion	Selective Transition	New Implementation
Strategic objective	Continuity / technical modernization	Targeted transformation	Operating-model reset
Current processes	Work well	Some should remain, some redesign	Significant redesign needed
Org structure	Future-ready	Targeted harmonization	Major redesign
Master data	Good	Valuable but needs transformation	Significant cleanup / restructure
Custom code	Valuable and maintained	Mix of valuable and obsolete	Mostly undesirable or replaceable
History	Full continuity important	Selected history important	Limited productive-history requirement
ERP landscape	One principal system	Consolidation / restructuring	Clean consolidated architecture
Standardization appetite	Low to moderate	Selective	High
Change capacity	Limited to moderate	Strong	Strong
Primary philosophy	Protect what works	Keep the good, change the rest	Do not recreate the past

3.7 Five conditions can override the rest of the matrix

1. **Critical functionality:** if the target architecture cannot support a business-critical requirement economically and reliably, other preferences become secondary.
2. **Historical transactional continuity:** if users genuinely need extensive native history in the productive ERP, that can strongly influence the transition path.
3. **System consolidation:** a one-to-one conversion does not solve a multi-system operating-model problem.
4. **Organizational readiness:** the theoretically ideal future-state design can fail if the company cannot supply business ownership and decision capacity.
5. **Genuine differentiated customization:** if custom functionality creates measurable competitive value and cannot be reasonably recreated another way, preservation becomes more important.

3.8 Migration approach and transformation ambition are two different axes

A company can preserve a great deal technically and still transform business processes. It can also start from a clean technical environment and reproduce much of the old operating model. This is why “brownfield versus greenfield” is an incomplete transformation discussion.

	Low business redesign	High business redesign
High technical preservation	Primarily technical conversion	Convert while deliberately redesigning selected processes
Low technical preservation	New system that largely recreates old operating practices	True operating-model redesign

3.9 Topic 3 conclusion

Do not start by asking brownfield or greenfield. Start by deciding what you are unwilling to carry into the next decade.

The right transition path follows from the business objective, preservation value, data requirements, organizational design, landscape complexity, and capacity for change. Only after those decisions are clear should leadership decide which SAP cloud deployment model best supports them.

SAP Cloud ERP Public vs. Private

Not a company-size decision. A choice about preservation, functional fit, extensibility, standardization, and lifecycle control.

CHAPTER THESIS

SAP S/4 Public Edition and Private Edition are not simply two hosting choices for the same ERP. They represent different operating models for how the core is configured, extended, upgraded, and governed.

4.1 Start with the architectural difference

Public Edition is SAP's SaaS cloud model with stronger architectural guardrails, SAP-managed release timing, controlled configuration, and cloud-ready extensibility. Private Edition provides a dedicated environment with broader S/4HANA functional scope, full Customizing, greater preservation options, classic ABAP compatibility, and more control over major upgrade timing.

SAP's current offering comparison describes Public Edition as having a smaller but continuously expanding functional scope relative to S/4HANA, while Private Edition provides functional scope and upgrade flexibility comparable to S/4HANA. SAP currently releases a new Private Edition version every two years and provides seven years of maintenance for that release.^[5]

4.2 The most important hard rule for an ECC customer

Public Edition is new implementation only. If the customer requires an ECC system conversion or selective landscape transformation, Private Edition is the applicable cloud target. Private Edition can support system conversion, selective transition, or new implementation.^[3]

4.3 Public Edition can be customized, but the method is intentionally bounded

Public Edition supports key-user extensibility, developer extensibility using cloud-ready ABAP, and side-by-side extensions. Key-user tools can add custom fields, logic, CDS views, reports, and other supported enhancements where the underlying application is extensible. Developer extensibility allows upgrade-stable custom ABAP code using the Public Edition development model.^[6]

The key boundary is the ABAP language and object-access model. SAP documents Standard ABAP as available in Private Edition but not in Public Edition, while ABAP for Cloud Development and key-user ABAP are available in both.^[7]

INCORRECT TO SAY “PUBLIC CANNOT BE CUSTOMIZED”

Public Edition allows meaningful customization and extension, but deliberately constrains how extensions interact with the ERP core. Private Edition provides a broader boundary and therefore places more responsibility on governance.

4.4 Upgrade cadence is an operating-model choice

Public Edition currently delivers two major upgrades each year, in February and August. SAP pushes the release to the customer landscape, with test systems upgraded first so customers can perform regression testing before development and production are upgraded.^[8]

Private Edition operates differently. SAP currently provides a new major software release every two years, with seven years of maintenance for each release and planned feature packs in the first two years. The customer has materially more control over when major upgrades are adopted within the maintenance lifecycle.^[5]

Operating choice	Public Edition	Private Edition
Release timing	SAP-controlled semiannual major releases	Customer-controlled adoption within maintenance policy
Customer discipline	Continuous regression testing and release management	Upgrade planning, governance, and periodic larger change
Risk if poorly governed	Release readiness becomes a recurring operational burden	Innovation can be deferred and future upgrade scope can grow

4.5 Public vs. Private should not be decided by company size

A \$900M manufacturer can be a strong Public candidate if its future processes fit Public scope, leadership wants a new standardized implementation, and differentiation can be handled within the supported extension model. A \$150M manufacturer can be a poor Public candidate if critical functionality depends on specialized industry capabilities, strategic classic ABAP, incompatible add-ons, or a lifecycle model that requires more release control.

Necessary business complexity matters more than revenue. Historical ERP complexity should not automatically be treated as a business requirement.

4.6 The Public Edition Fit Framework

Decision dimension	Green for Public	Investigate	Red for Public
Transition	New implementation desired	Transformation intent unclear	System conversion required
ECC preservation	Little must survive	Mixed preservation value	Substantial preservation required
Functional fit	Critical scope fits	Gaps need detailed validation	Critical unsupported capability
Standardization	High appetite	Selective	Low appetite / recreate ECC
Classic ABAP	Can retire or redesign	Some important code	Strategic dependency must survive
Extensibility	Cloud extension model fits	APIs/extension points need validation	Unrestricted extension required
Add-ons	Retire / replace / Public-compatible	Needs analysis	Critical incompatible add-on
History	Open items and balances sufficient	Mixed user requirements	Extensive native history required
Release cadence	Accepted	Testing / blackout concerns	Timing model unacceptable
Integration	Supported APIs and patterns fit	Complex landscape	Unsupported technical dependency
Change capacity	Strong	Constrained	Unable or unwilling to redesign

This is intentionally not a scoring model. One critical Red condition can outweigh ten Greens. Functional fit, required system conversion, an incompatible strategic add-on, or an unavoidable technical requirement can determine the architecture by itself.

4.7 Five true Public Edition knockout conditions

1. A required ECC system conversion. Public Edition does not support it.
2. A critical business capability that cannot be supported in Public Edition, through an appropriate SAP cloud service, or through an economically reasonable extension.
3. Strategic legacy/custom technology that is incompatible with Public architecture and must be preserved.
4. A release-control requirement that is genuinely incompatible with the Public SaaS lifecycle.
5. This is not always a technical prohibition, but it is often a strong economic reason to prefer Private.

4.8 Complexity should trigger discovery, not disqualification

Public Edition currently supports substantial discrete manufacturing, manufacturing planning and execution, multi-entity finance, group reporting, intercompany processing, warehouse management, and cloud extensibility. The existence of manufacturing plants, 3PL relationships, EDI, ecommerce, MES, multiple entities, or international operations is not by itself a reason to choose Private.

For example, SAP's current Public Edition documentation includes manufacturing capabilities spanning production engineering, planning, execution, and quality. Public Edition also includes Group Reporting for consolidated reporting and intercompany processing across company codes.^{[12][13]}

4.9 The Complexity Test

1. Is it real? Does the business actually use and require the capability?
2. Is it valuable? Does it create business value, satisfy regulation, or protect genuine differentiation?
3. Is it standard now? Can current Public Edition support the requirement without recreating the old solution?
4. If not standard, where should it live? In a cloud extension, a specialized application, or Private Edition?

When you hear...	A useful follow-up question
“We have several plants.”	What is genuinely different among the plants?
“We are make-to-order.”	What is unusual about your MTO model beyond standard planning and execution?
“We use a 3PL.”	Which transactions, data, and exception processes are exchanged with the 3PL?
“We need EDI.”	Which business documents, trading partners, volumes, and current integration dependencies?
“We have MES.”	How tightly is MES coupled to ECC internals versus supported business interfaces?
“We have complex warehouses.”	Which warehouse processes require advanced automation or specialized WMS capability?
“We have many legal entities.”	How standardized does leadership want Finance, intercompany, and reporting to become?
“We have thousands of Z objects.”	How many are used, needed, and differentiating?

4.10 When Private is the better strategic choice, not the fallback

Private Edition is the stronger architecture when preservation creates real business value. That can include mature operating processes, strategic classic ABAP, critical partner add-ons, extensive historical continuity, highly specialized functionality, or a need for materially greater control over major release timing.

SAP explicitly recognizes that Private Edition customers may need classic ABAP because existing business processes depend on it and because not every private-cloud capability has a released API that would enable an immediate move to the pure ABAP Cloud extension model.^[14]

THE GOVERNANCE TRADEOFF

Public makes some forms of technical debt harder to create because the architecture enforces stronger boundaries. Private provides greater freedom, which is valuable when the business needs it and risky when governance simply recreates yesterday's complexity.

4.11 Topic 4 conclusion

Public Edition is not “ERP Lite.” Private Edition is not the fallback for companies that failed Public qualification.

Public Edition becomes the right answer when the future operating model fits the standardized cloud core, genuine differentiation can be supported through the available extension and integration model, and leadership values leaving unnecessary ECC complexity behind more than preserving it. Private Edition becomes the right answer when preservation, functional depth, specialized customization, historical continuity, or greater lifecycle control creates more value than the constraints of a standardized SaaS core.

A decision sequence executives can use

The order of the questions matters. Product choice should come after business objective, preservation value, and transition strategy.

The nine-step decision hierarchy

- 01 Define the future operating model**
What should be materially different after the program?
- 02 Establish why action belongs on the agenda now:**
What business event, economic issue, or lifecycle constraint creates the trigger?
- 03 Measure current-state friction**
Workaround Tax, Decision Latency, Change Tax, and Preservation Value.
- 04 Decide what deserves to survive**
Processes, data, organizational structures, custom logic, integrations, and history.
- 05 Determine the required transition approach:**
System conversion, selective transition, or new implementation.
- 06 Evaluate Public Edition fit**
Functional capability, extension model, history, release cadence, and standardization appetite.
- 07 Choose**
Public or Private based on future requirements, not company-size stereotypes.
- 08 Build the business case**
Using a multiyear comparison of status quo, transformation cost, benefits, and risk.
- 09 Sequence the program**
Around organizational readiness and value realization, not simply the fastest technical go-live.

Four principles to carry into every ECC modernization discussion

Principle	What it means in practice
1. Give ECC credit where it works	Do not create urgency by insulting a platform that may still execute the business reliably.
2. Challenge assumptions, not executives	Translate objections into facts to investigate rather than positions to overcome.
3. Preserve differentiation, not history for its own sake	Standardize commodity processes and protect complexity only where it creates measurable value.
4. Choose the future architecture before reproducing the old one	The closer the company gets to replacement, the more consequential each new ECC investment becomes.

Executive discussion guide

A practical set of questions for leadership workshops before product selection.

CFO: establish financial friction and economic value

- How many business days does close require, and what prevents it from closing one day earlier?
- How much Finance effort occurs after the transaction is already in SAP?
- If the CEO asks why margin changed, how many systems and people are needed before the answer is trusted?
- How many versions of profitability exist across Finance, Sales, and Operations?
- What happens to Finance complexity when another entity, plant, or acquisition is added?
- Which current controls, reporting structures, and financial processes would you deliberately recreate?
- What are the five- to seven-year economics of continuing ECC compared with transformation?

COO: establish operating friction and exception latency

- Before a supervisor releases an important production order, what information must be verified and where?
- How much planning work happens after MRP runs?
- How often do customer promise dates change after Operations reviews supply?
- How much inventory is intentionally strategic versus held because the business does not trust planning?
- How long from a shortage, quality issue, or schedule disruption to a person with authority taking action?
- Which site-to-site process differences create competitive value, and which simply create cost?
- If a new plant opened tomorrow, which current processes would you intentionally reproduce?

CIO: establish change economics and architecture risk

- What did the last five meaningful business changes cost in time, testing, development, and integration effort?
- How much of the custom estate is actually used, owned, and differentiating?
- Which pieces of the environment depend on one or two people who hold critical institutional knowledge?
- Which surrounding applications are strategic, and which exist mainly to compensate for the current ERP architecture?
- How difficult are upgrades and regression testing today?
- What significant ECC investments are planned before the eventual transition?
- Which parts of the future architecture require classic ABAP, deep Customizing, or release timing control?

Cross-functional workshop: eight questions before choosing a path

1. What do we want to be materially different after the transition?
2. Which parts of ECC would we deliberately build again?
3. Which parts would we never intentionally recreate?
4. What historical transactional information truly needs to remain inside the productive ERP?
5. How much custom functionality still creates measurable business value?
6. Do today's organizational and master-data structures represent tomorrow's business?
7. How much process change can the organization realistically absorb?
8. Are we preserving a successful system, selectively restructuring it, or designing a new operating model?

A useful starting point for active evaluation

Workstream	Initial output
Business case	Current-state TCO, upcoming ECC investment, process economics, value hypotheses, transformation cost.
Process fitness	Workaround Tax, Decision Latency, Change Tax, and process-standardization opportunities.
Technical fact base	Readiness checks, custom-code usage, add-ons, integrations, data volumes, and critical dependencies.
Preservation map	Retain / replace / redesign / retire by process, customization, integration, and data domain.
Transition choice	System conversion, selective transition, or new implementation.
Public fit	Green / Investigate / Red by critical capability and operating-model requirement.

Modernize deliberately, not defensively

The goal is not to get off ECC as quickly as possible. The goal is to arrive at an ERP operating model that the business would still choose a decade from now.

An ECC customer faces a real lifecycle decision, but the strongest modernization programs do not begin with the deadline. They begin with the business. What has changed? Where is the current architecture creating friction? What deserves to survive? What complexity genuinely differentiates the company? How much transformation can the organization absorb?

Those questions create a rational path to S/4HANA. They also make the Public versus Private decision clearer. Public Edition can be a powerful reset when the company wants standardization, a clean starting point, and cloud guardrails. Private Edition can be the better architecture when preservation, functional depth, historical continuity, or greater technical and lifecycle control creates real value.

The objective is not to move ECC. It is to decide what the business should carry forward, what it should leave behind, and which S/4HANA operating model gives leadership the best foundation for the next stage of growth.

About Navigator Business Solutions

Navigator Business Solutions helps growth-focused companies evaluate, implement, and operate SAP Cloud ERP. We work with finance, operations, IT, and transformation leaders to establish the business case, validate process and architecture fit, and select the SAP path that best supports the future operating model.



www.nbs-us.com | (801) 642-0123 | info@nbs-us.com

Research notes and primary references

Key SAP product documentation and current benchmark research used in this guide.

[1] SAP Support Portal, Innovation Commitment for SAP S/4HANA until 2040; Business Suite 7 maintenance strategy. <https://support.sap.com/en/release-upgrade-maintenance/maintenance-information/maintenance-strategy/s4hana-business-suite7.html>

[2] SAPinsider, ERP Migration and Transformation 2026 Detailed Findings, March 2026. Survey of 296 SAP community members. <https://sapinsider.org/wp-content/uploads/2026/03/0326-ERP-Migration-and-Transformation-Findings-Deck-Final.pdf>

[3] SAP Learning, Transitioning to SAP S/4HANA Cloud. Public Edition new implementation only; Private Edition supports conversion and selective transition. https://learning.sap.com/courses/practicing-clean-core-extensibility-for-sap-s-4hana-cloud/transitioning-to-sap-s-4hana-cloud_aa888600-4e9c-4e70-8665-5b7f7753c819

[4] SAP Learning, Customer Transition Paths to SAP S/4HANA Cloud Private Edition. https://learning.sap.com/courses/implementing-sap-s-4hana-cloud-private-edition/describing-the-customer-transition-paths-to-sap-s-4hana-cloud-private-edition_b8aa0951-21d6-44d0-b9f5-81cd24b2b8bb

[5] SAP Help Portal, Offering Comparison for SAP S/4HANA Cloud Public Edition, Private Edition, and SAP S/4HANA. https://help.sap.com/docs/SAP_S4HANA_CLOUD_PE/b89b8b9026e1456bb2a1df7c0d59c937/1485d139460246d2a4b936c0bb0ca272.html

[6] SAP Help Portal, Key User Extensibility and Developer Extensibility for SAP S/4HANA Cloud Public Edition. https://help.sap.com/docs/SAP_S4HANA_CLOUD/0f69f8fb28ac4bf48d2b57b9637e81fa/3ccb50e724b045508fea8b2cf1774b2b.html

[7] SAP Help Portal, Cloud-Optimized ABAP Language and available ABAP language versions by product. <https://help.sap.com/docs/abap-cloud/abap-cloud-background-concepts-and-overview/cloud-optimized-abap-language>

[8] SAP Help Portal, SAP S/4HANA Cloud Public Edition Upgrade Timeline, version 2608.
https://help.sap.com/docs/SAP_S4HANA_CLOUD/55a7cb346519450cb9e6d21c1ecd6ec1/076da842605b4105b6adfbf325695941.html

[9] SAP Learning, Discussing the Universal Journal.
https://learning.sap.com/courses/outlining-cost-management-and-profitability-analysis/discussing-the-concept-of-the-universal-journal_f62cf151-5562-44f5-8ff6-df16fb232e94

[10] SAP Learning, Describing SAP S/4HANA Embedded Analytics.
https://learning.sap.com/courses/analytics-with-sap-solutions/describing-sap-s-4hana-embedded-analytics_a41e48ea-c96c-4149-80d1-2aac9f092d1f

[11] SAP Learning, Planning Using MRP Live.
<https://learning.sap.com/courses/consumption-based-planning-and-forecasting-in-sap-cloud-erp/planning-selected-materials-interactively>

[12] SAP Help Portal, Manufacturing in SAP S/4HANA Cloud Public Edition, version 2608.
https://help.sap.com/docs/SAP_S4HANA_CLOUD/a376cd9ea00d476b96f18dea1247e6a5/5c00965653691e5ee10000000a4450e5.html

[13] SAP Help Portal, Group Reporting in SAP S/4HANA Cloud Public Edition, version 2608.
https://help.sap.com/docs/SAP_S4HANA_CLOUD/90c07e91c7a64f328be3fd6b48955b13/c27c73226dac4e07ac8aa59a45f92fd8.html

[14] SAP Help Portal, Clean Core Extensibility and ABAP-Based Extensions for Private Edition and on-premise. <https://help.sap.com/docs/abap-cloud/developer-guide-from-classic-abap-to-abap-cloud/clean-core-extensibility-and-abap-based-extensions>

RESEARCH CAUTION

Benchmark statistics describe survey respondents, not guaranteed outcomes for any individual company. Product capabilities and SAP release policies continue to evolve. Detailed solution fit should be validated against the customer's current requirements, country scope, add-ons, integrations, and the applicable SAP release documentation at the time of evaluation.