CARLAVIA GROUP / EXECUTIVE INSIGHTS

SAP S/4HANA TRANSFORMATION

Greenfield, Brownfield or Selective Transformation?

An executive decision guide to balancing business value, investment, delivery risk and sustainable operating economics.

FOR CFOs, CIOs, CEOs AND TRANSFORMATION LEADERS

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01 Executive perspective

SAP S/4HANA migration is not simply an IT upgrade. It is a capital allocation and operating-model decision that affects process design, data quality, risk, business continuity and the future cost of change.

The right strategy is the one that meets defined business objectives at an acceptable balance of investment, risk and long-term value. The newest system or broadest redesign is not automatically the best outcome.

Start with five board-level questions

• Which business capabilities and measurable outcomes justify the programme?

• Which existing processes create value, and which should be redesigned?

• How much business disruption, financial exposure and execution risk are acceptable?

• What historical data, regulatory controls and operational dependencies must be preserved?

• What operating model and total cost will remain after go-live?

Separate two decisions

Transformation path: Brownfield, Greenfield or Selective Transformation determines what is converted, redesigned and migrated.

Deployment and commercial model: SAP cloud, hosting and commercial arrangements such as RISE with SAP should be evaluated separately, including service boundaries, accountability, contract terms and exit conditions.

02 Three approaches, three different outcomes

BROWNFIELD / CONVERT AND OPTIMISE

Convert the existing SAP landscape while retaining much of the configuration, transaction history and established process design. Often appropriate where business processes remain effective and continuity matters. It still requires code remediation, simplification analysis and testing.

GREENFIELD / REDESIGN AND REIMPLEMENT

Implement a new S/4HANA environment, emphasising fit-to-standard processes and selected data migration. Attractive where the operating model requires substantial change, but with greater process design, adoption and transition demands.

SELECTIVE TRANSFORMATION / PRESERVE AND RESHAPE

Combine selected retention and redesign across processes, entities and historical data. Relevant to consolidations, acquisitions and carve-outs, but requires rigorous mapping, reconciliation and feasibility assessment.

03 Executive comparison matrix

Decision criterion	Brownfield	Greenfield	Selective
Process redesign	Targeted	High potential	Selected scope
Historical data	Broad retention	Selected migration	Selected retention
Legacy custom code	Remediate / retain	Reassess / rebuild	Selective treatment
Change impact	Often lower	Often higher	Scope-dependent
Consolidation	More constrained	Possible	Strong candidate
Risk and cost	Landscape-dependent	Scope-dependent	Data-dependent

Directional characteristics, not universal rankings. Validate against the actual landscape, scope, data, deployment constraints and operating model.

04 What each executive needs to know

CFO / INVESTMENT DISCIPLINE

Assess cash flow, five-to-seven-year TCO, benefit timing, implementation contingencies, business disruption and the cost of retaining technical debt. Distinguish evidenced savings from aspirational benefits.

CIO / ARCHITECTURE AND SUSTAINABILITY

Assess SAP Readiness Check findings, simplification items, custom-code usage, interfaces, data quality, cybersecurity, resilience, clean-core options and the future application operating model.

COO / CONTINUITY AND ADOPTION

Assess process ownership, standardisation opportunities, operational controls, business testing, training, cutover readiness and productivity impact.

Governance principle: Make the choice through joint business and IT decision rights, with common assumptions and explicit acceptance criteria.

05 Build a defensible business case

Compare each feasible approach on the same scope and time horizon. A cheaper conversion can retain costly complexity; a more ambitious redesign can consume capital without delivering proportionate benefits.

One-time investment

External and internal programme teams; process design; migration tooling; data cleansing; integration and code remediation; testing; training; cutover; stabilisation.

Recurring operating economics

SAP licensing and subscriptions; infrastructure; support and AMS; SAP Centre of Excellence; enhancements; release governance; ongoing technical debt.

Business value

Retired applications and interfaces; improved controls; reduced manual work; faster reporting; lower cost to serve; measurable process performance.

Downside scenarios

Late cutover, additional data effort, business disruption, lower adoption, delayed benefits and increased ongoing support costs.

Illustrative weighted decision scorecard

Criterion	Illustrative weight
Business value and process fit	25%
Five-to-seven-year TCO	20%
Delivery and cutover risk	20%
Data and controls feasibility	15%
Architecture and maintainability	10%
Organisational readiness	10%

Score options consistently from 1 to 5. Adjust weights to your organisation. The scorecard structures debate; it does not replace due diligence.

06 Three illustrative scenarios

A. Stable manufacturing enterprise

One established ECC landscape, broadly effective processes and a strong requirement for continuity. Initial candidate: Brownfield, subject to custom-code, data and lifecycle-cost analysis.

B. Acquisition-led group consolidation

Multiple ERP instances, inconsistent master data and complex financial consolidation. Initial candidates: Selective Transformation and Greenfield, compared on entity scope, data transfer and future process standardisation.

C. Business model redesign

Legacy ERP processes constrain automation, scalability and operating-model change. Initial candidate: Greenfield, with selective alternatives considered where valuable processes and data should be preserved.

These are hypothetical illustrations, not Carlavia client references.

07 Delivery: five accountable decision gates

1. Assess — Business objectives, process fit, technical landscape, data, controls and readiness.

2. Decide — Feasible scenarios, business case, target architecture, roadmap and accountable sponsorship.

3. Design — Target processes, migration and integration design, controls, acceptance criteria and operating model.

4. Deliver — Build, test, reconcile, rehearse cutover, manage risk and obtain business acceptance.

5. Operate — Stabilise, transfer knowledge, govern change, monitor benefits and optimise SAP TCO.

08 Boardroom approval checklist

• Have we quantified the business outcomes and assigned benefit owners?

• Have we compared technically feasible migration options on identical assumptions?

• Do we understand custom code, interfaces, data quality and historical-data obligations?

• Are security, controls, reconciliations and regulatory requirements addressed?

• Have we modelled five-to-seven-year TCO and downside scenarios?

• Are business ownership, governance, programme leadership and assurance defined?

• Have we rehearsed cutover and established operational acceptance criteria?

• Is the SAP CoE or AMS operating model planned before go-live?

How Carlavia can help

Assess: SAP landscape and business-readiness assessment. Decide: Independent migration strategy, business case and roadmap. Deliver: Accountable SAP programme and workstream leadership, implementation and assurance. Operate: SAP AMS, Centre of Excellence and continuous improvement.

Continue the discussion

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This document provides an executive decision framework, not a technical feasibility conclusion or fixed cost estimate. Specific SAP maintenance, deployment and commercial terms should be verified against current vendor documentation.