

NTT DATA Business Solutions

Transformation Study 2025

What managers wish
they had known earlier



The study

In a structured survey, 909 managers from 14 countries shared experiences from their latest transformation.

What challenges encountered during their transformation surprised the respondents? What would they do differently today? Were the targeted objectives achieved, and if not, why not? The results of 909 surveys can help you better plan your transformation and avoid mistakes that others have already made.



To aid readability, we use the generic masculine throughout this study. Female and other gender identities are explicitly included.



Dear reader,

The big 2025 Transformation Study is finally here! And it once again provides many interesting insights, which I was already very excited to learn about. With this being the fourth study in as many years, I asked myself the following questions: Are there any new trends? Do large companies today have different motivations for undertaking an IT transformation? What new “pain points” are there?

In fact, the focus of companies has definitely shifted over the last few years: Where only recently they have primarily been attempting to manage the consequences of the pandemic and the inflation caused by the energy price crisis, their attention now seems to be on other aspects: The primary purpose of an IT transformation is to make the company's organization future-proof. The move to the cloud is certainly benefitting from this shift – even more so than in previous years.

On the other hand, surprisingly little has changed when it comes to the subject of data quality. Many companies are still disappointed and concerned about the poor quality of their data. Here, the figures have remained constant over the last four years. This could prove problematic for those of you who are planning to make increased use of artificial intelligence.

After all, its added value depends largely on the quality of the data with which it is “fed.” The persons responsible should therefore also use their IT transformation to improve the quality of their data.

The steady increase in the number of respondents who consider their transformation goals to have been fully achieved is very encouraging. This is undoubtedly the result of the broad attention that IT transformation is receiving in the trade press or at conferences and trade fairs. This study also plays an important part in this development.

Therefore, if you are planning to embark on a transformation or are already in the midst of one, I recommend that you read the 2025 Transformation Study. Not only will you learn where opportunities lie, but you will also be able to identify problems and challenges. Moreover, it will help you to avoid mistakes that others have made before you.

With that in mind, I hope you enjoy reading this year's study!

Jan Gilg

CRO & President, SAP Americas and Global Business Suite, Member of the Extended Board

Structure of the 2025 Transformation Study

Leveraging the experience of others

What does it look like in practice when companies move their data and processes from existing IT systems to more modern, innovative and powerful systems? The 2025 Transformation Study by Natuvion and NTT DATA Business Solutions provides an insight into this.

The study gives well-founded, descriptive statements about the transformation practices of companies, from which experiences and tips are derived that can also help others in their transformation projects. The results of 909 surveys in different industries and countries provide CEOs, CIOs, IT decision-makers, and other transformation managers with a valuable guide. This should help them better plan their upcoming transformations, avoid typical mistakes, and thus best achieve the individual goals of their transformation projects.

What do we mean by transformation? In corporate IT, transformation refers to a profound and strategically planned change in the IT landscape with the goal of exploiting new technological opportunities, increasing efficiency, and enabling digital business models. For many companies, this is not just about introducing new systems and technologies, but also about realigning processes, structures, data, and work culture. This change always involves a migration, i.e. the technical relocation of systems and data.

In designing the questionnaire, the questions were assigned to different categories to represent the common thread of the survey:



Category 1: Motivation

In the first section of the 2025 Transformation Study, we wanted to know why the companies initiated the transformation. We asked what goals the companies had set for themselves. At the end of this section, we wanted to know what the consequences would have been if the transformation had not been carried out.



Category 2: Preparation

In the section on project preparation, we established the framework conditions that describe the project approach and its scope. This includes questions about the methodology of the project approach, the time frame, and the maximum tolerable business interruption. We also asked whether the platform or the ERP provider was changed in the course of the transformation and how old the systems used were before the transformation. Following on from this, we asked about the biggest challenges encountered in the planning phase as well as the budget size of the project.



Category 3: Implementation

This category addresses the organizational, procedural, and technical measures that were of particular importance during the transformation process. We also wanted to know whether the use of artificial intelligence was a driver for the transformation. To determine how companies handle internal/business partner data, we also collected information about the migration path, the role of data protection in the project, and the use of tests and quality assurance measures.



Category 4: Experience

In this category, the study participants were asked about their experiences with budgets and scheduling as well as the challenges and successes of the transformation process. Based on this, we determined how the experiences gained will influence future transformation projects and what need for change arises from this.



Category 5: Requirements for the future

In the final category, the participants answered questions about methods, systems, and technologies that can make the transformations easier, more flexible, and faster in the future.

Selection of study participants

Timing of the IT transformation

As part of the 2025 Transformation Study, 909 managers of both small- and medium-sized (SMEs) and large companies were selected by a market research company and surveyed anonymously. All respondents indicated that they were either currently implementing a transformation project or had completed one within the last two years. We conducted the survey in February/March 2025.



Number of employees

More than 75% of respondents work in companies with more than 1,000 employees. Almost 19% of all survey participants are IT decision-makers from companies with more than 10,000 employees.

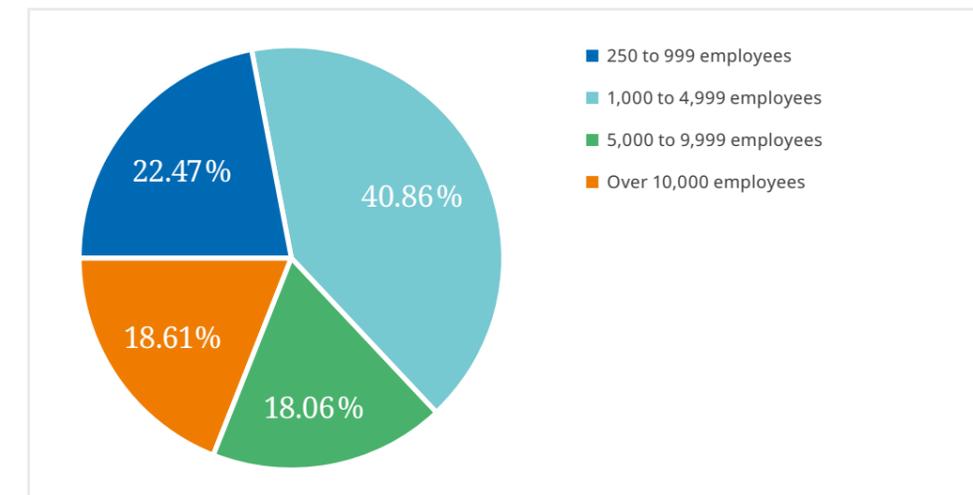


Figure 1: Number of employees from the respondent's organization

Sales turnover

77% of the participants came from organizations with a turnover of more than 350 million euros. Almost 34% of participants are represented in the next highest category, with sales of 1 billion euros. This distribution clearly shows that the focus of this study is on larger SMEs as well as big corporations. This is due to the fact that an IT transformation project only reaches the scope and complexity that is of particular interest for this study as of a specific company size.

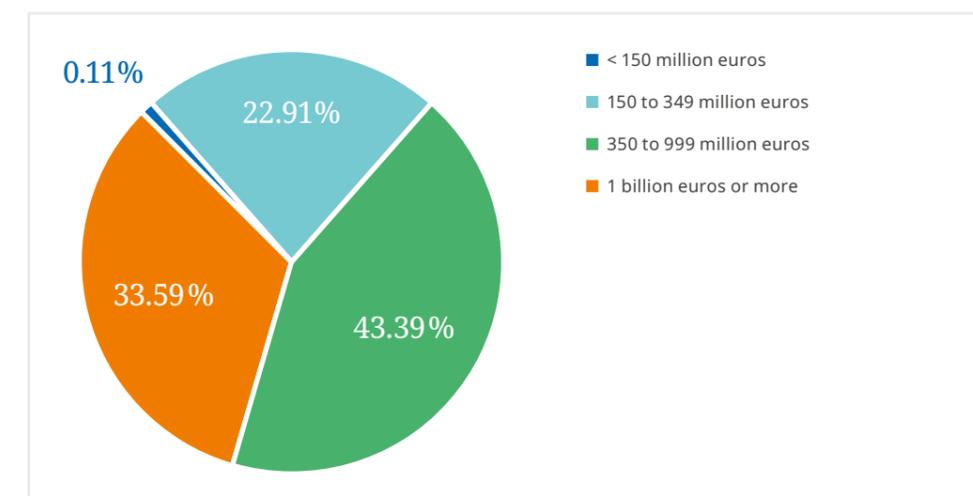
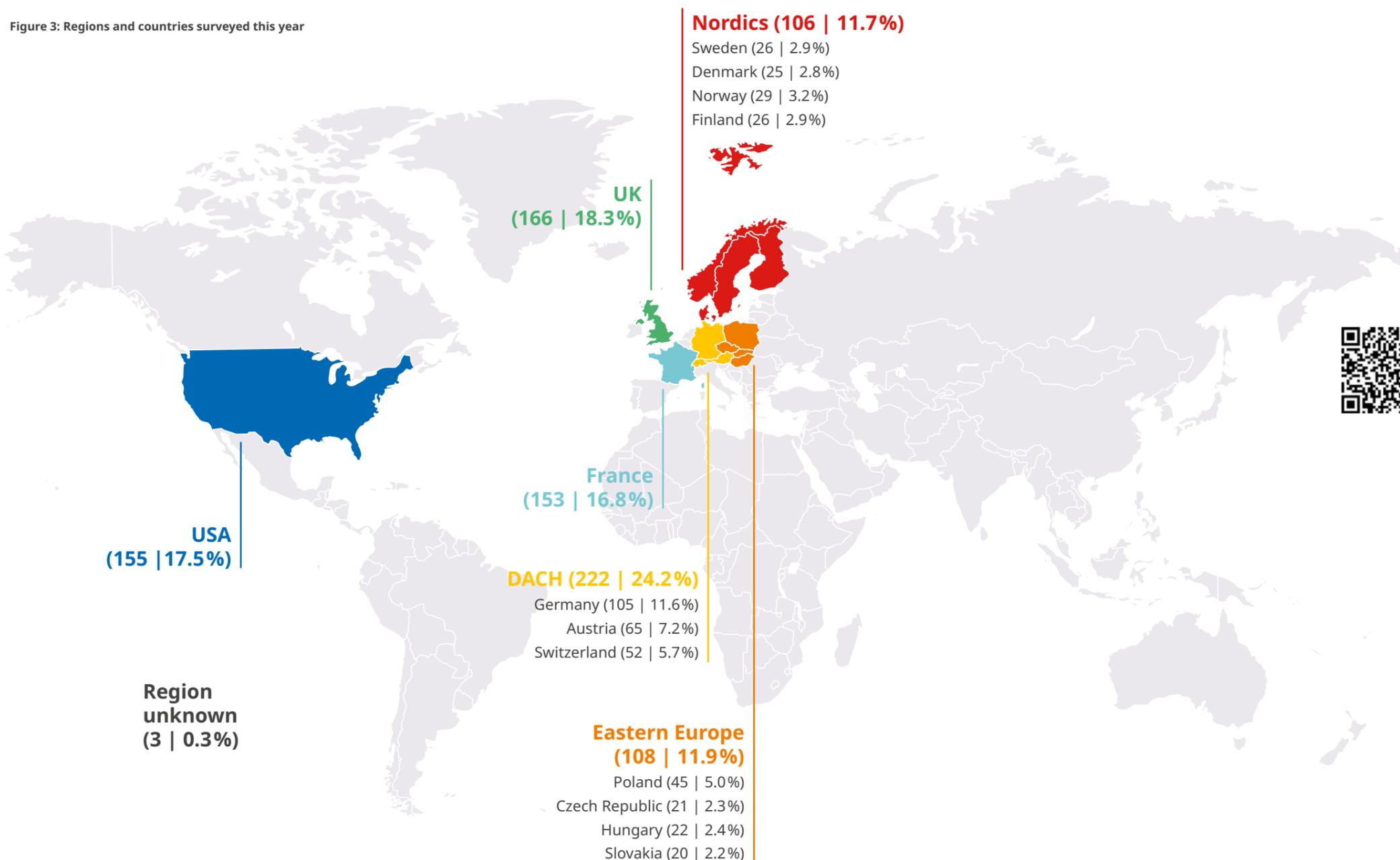


Figure 2: Turnover of the respondent's organization

Figure 3: Regions and countries surveyed this year



Sectors

Unlike in the 2024 Transformation Study, this time we received too few samples in some industry segments to be able to draw reliable conclusions regarding industry behavior during transformations. In the 2024 Transformation Study, we surveyed approximately 400 more managers. If you are particularly interested in typical industry behavior during IT transformations, we advise you to take a look at the 2024 Transformation Study.

<https://global.nttdata-solutions.com/transformation-study-2024>

Contacts

One third of the managers surveyed came from top management (board of directors or executive management). Almost 39% were department heads and more than 27% were team leaders. Among companies with a turnover of more than 1 billion euros, the proportion of board members or executive directors surveyed was 36%, while among SMEs (turnover of 350 million to 1 billion euros) the number was 35%. In the sales segment between 150 million and 349 million euros, the proportion of team leaders (33.7%) was slightly higher than in the other sales areas.

Regions and countries

With this study, we set out to re-survey relevant regions from the previous year's study in order to both identify trends and gain new insights. This year, we again surveyed IT decision-makers in the DACH region, Scandinavia, the USA, UK, and France, and also included four other countries from Eastern Europe: Poland, Hungary, Slovakia, and the Czech Republic. Because the sample size in these countries is sometimes very small, we have grouped them together as the Eastern Europe region. In each of the regions mentioned (in bold), we have collected a sample of at least 75 to a maximum of 200 survey participants. A total of 909 IT decision-makers from companies with a minimum turnover of 150 million euros were surveyed.

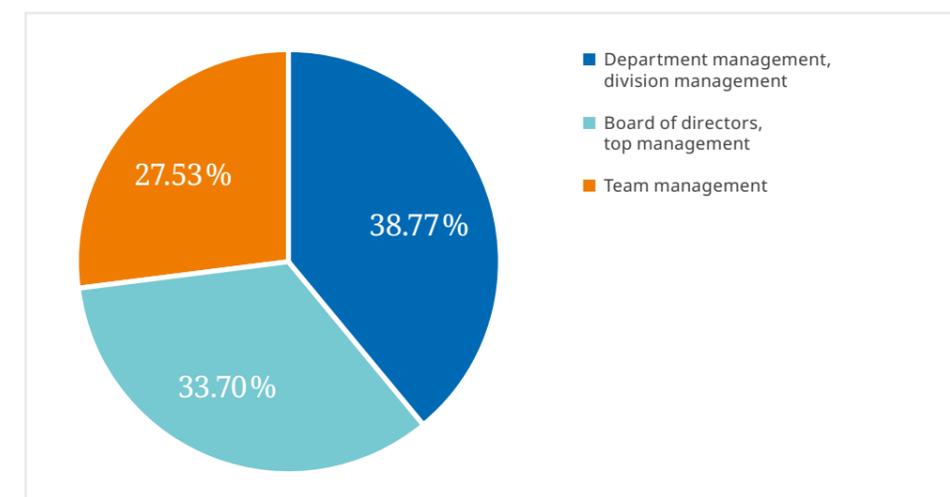


Figure 4: Respondent's role in the organization.

Category 1

Motivation for the transformation

Reasons for the IT Transformation

Unlike in 2023 and 2024, we see the “introduction of new technologies such as AI” as the main reason for transformations in 2025. While the motives for IT transformation in recent years were still concrete, current business reasons such as organizational optimization, cost reduction, acquisitions, or the sale of parts of the company, the current study shows that companies have moved much more toward future-oriented topics. This may be due to the fact that the coronavirus pandemic (the

survey covers transformations completed in the last two years) and the explosion in energy prices due to the war in Ukraine had a major influence on transformation goals in the survey years of 2022, 2023, and 2024. By way of example, cost reduction was still ranked second among the motivating factors for IT transformation in 2023, during and after the pandemic. In 2024 and now also in 2025, this motivation is located closer to the middle. Even organizational adjustments, which ranked first in previous studies, has dropped into the lower places.

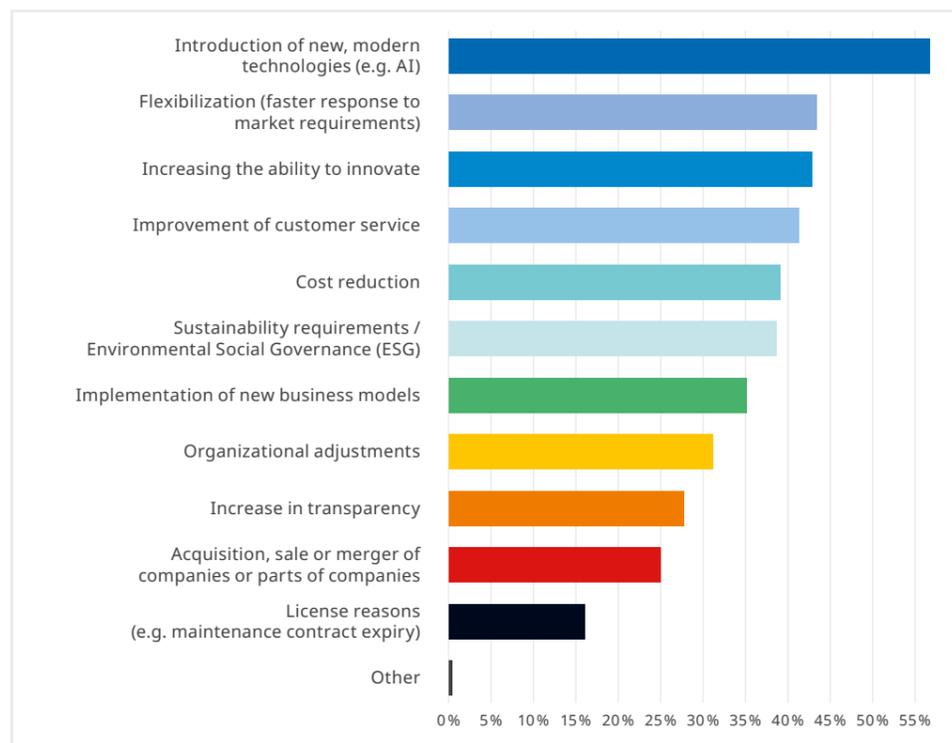


Figure 5: Why was the transformation process started in your company?

The figures from the 2025 survey show that companies are devoting more attention to topics that will make their organization fit for the future. In first spot, with almost 57% and a long way ahead of second place, is the “introduction of new, modern technologies such as AI.” AI applications and all the amazing possibilities that they offer are the great topics of our times. User numbers are growing exponentially, and so is the media presence. Platforms such as ChatGPT are now accessible to everyone. According to the Federal Statistical Office, in Germany alone almost 50% of large companies with 150 or more employees use AI-generated data every day (see Federal Statistical Office, 2024). The companies surveyed clearly attribute great importance to preparing themselves for these new opportunities.

“Increased flexibilization (faster response to market requirements)” came in second place with 43.4%, closely followed by “increasing the ability to innovate” with 42.8%. The last point has continuously climbed the ladder in terms of motivation for transformation over the last three surveys, presumably attributable to the need of companies to ensure their competitiveness and to the fact that this increase in speed also brings with it greater corporate resilience, meaning that companies are able to respond to crises more quickly. While “increasing the ability to innovate” was still in eighth place (out of eleven) in 2023, it rose to fifth position in 2024 before finally making it onto the podium this year by taking home third place.



” Those who focus on high-quality data migration at an early stage will not only gain systemic clarity, but will also create the basis for training AI with real, organically grown data and using it strategically.

Alexander Steffan,
Partner, A.T. Kearney GmbH

The subject of sustainability compliance has also jumped to sixth place after 2023 and 2024 (then ranked ninth out of eleven): For 38.7% of all companies, this was a motivation for IT transformation. Despite critical voices, compliance with EU directives is thus becoming more of a focus – not least because the threat of sanctions remains a serious issue for most companies.

Looking at all regions of the study, it is interesting to see that “introduction of new technologies” was ranked first across all locations. In the DACH region, the order of the individual topics is consistent with the average ranking of the global results. In Eastern Europe, cost reduction as a goal of IT transformation finds itself in second place with 36.1%. The situation is similar in the four Nordics countries. In this case, however, the gap between the “introduction of new technologies” in first place and cost reduction (52.8%) is very small. In Scandinavia, the topic of sustainability in particular has made a big leap, rising from sixth place in 2024 to third place in 2025 (51.9%).

France shows the same ranking in the top two places as the global average, only that “improvement of customer service” is in third place with 26.1% and cost reduction in fourth with 25.5%. The data from the USA is particularly interesting. Here, as everywhere else, the “introduction of new technologies” is in first place, but unlike in all other regions, “increasing the ability to innovate” comes in second place by a large margin (51.6%), with customer service ranked third with 51%.

Looking at the results in terms of company size, it is striking that the “introduction of new technologies” ranks first across all sales categories – albeit with different percentages:

- 150–349 million euros in turnover = 49.5%
- 350–999 million euros in turnover = 53.8%
- More than 1 billion euros in turnover = 65.6%.

Cost reduction ranks second, particularly in the smallest and largest turnover classes, demonstrating that these organizations are motivated by the cost aspect of IT transformation.

What would have happened without the transformation?

We asked the managers what they thought would have happened if they had not embarked on the transformation. The first three results are very close together: In first place is “costs would rise” (37.00%). “Capacity and performance problems” (36.8%) finished second, while “incompatibility with the latest technologies” (36.6%) came in third. Fourth place (“Reduced flexibility/responsiveness,” 34.7%) and fifth place (“loss of competitiveness,” 34.3%) are also very close together.

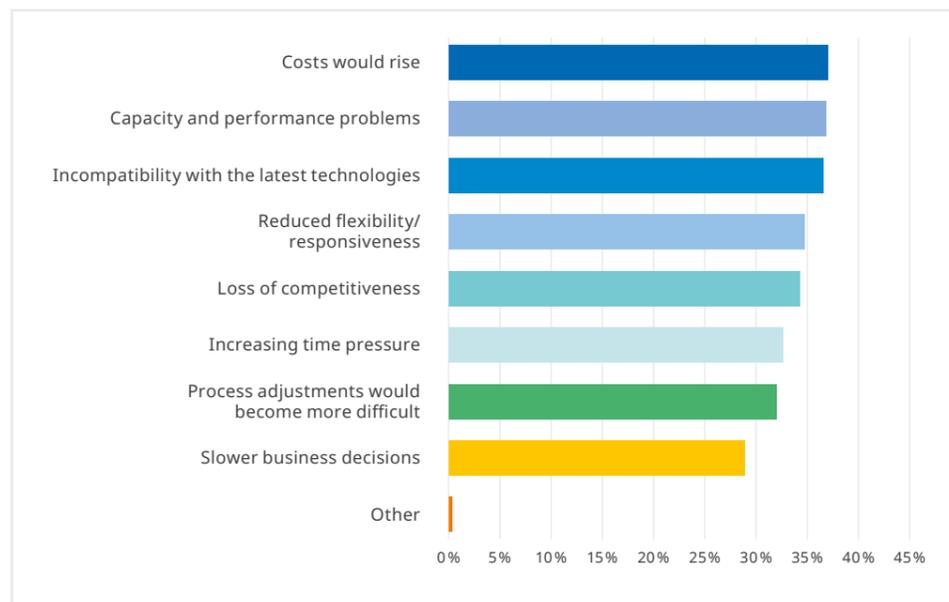


Figure 6: What would have happened if you had not carried out the transformation?

The picture is markedly different when looking at company size. In companies with sales of 150–349 million euros, respondents were primarily driven by the fear of “capacity and performance problems” (36.1%). In this segment, “loss of competitiveness” (33.6%) ranks second in the assessment of what would have happened if the IT transformation had not taken place.

“Reduced flexibility/responsiveness” (33.2%) follows very close behind in third place. In the 350–999 million euro segment, the picture is somewhat different. In this case, the respondents mostly feared they would become “incompatible with the latest technologies” (38.6%) without the transformation. “Capacity and performance problems” (36.7%) and cost increases (35.8%) ranked second and third in this turnover segment. In the 1 billion euro and above segment, respondents clearly expected that “costs would rise” (43.3%) if the transformation project had not been initiated. Ranked second was “loss of competitiveness” (36.7%) along with “incompatibility with the latest technologies” and “capacity and performance problems” (both 36.7%).

Differences in the responses to this question were not limited to the three sales categories. The situation was also assessed differently across the various regions:

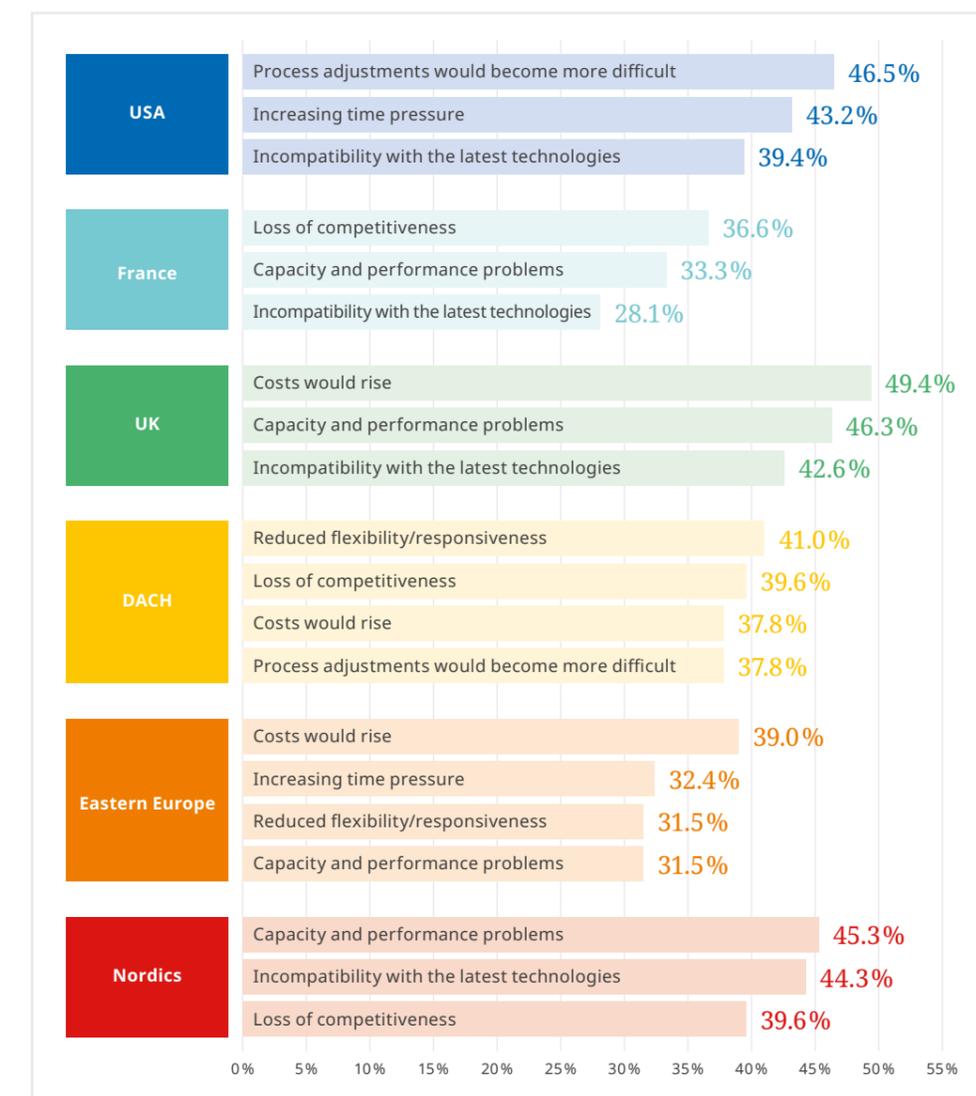


Figure 7: What would have happened if you had not carried out the transformation? (By region)



”

The risks that companies face without IT transformation are economically measurable and strategically highly relevant: cost explosion, performance issues, and technology incompatibility. However, the different priorities by company size, which are clearly apparent in the study results, also show that transformation cannot be a standard process. For us, this is not merely the reflection of an opinion or prevailing mood, but a clear indicator for the future. Transformation represents an investment in future viability and competitive strength. Those who do not take action today will lose market share tomorrow.

Norbert Rotter, CEO of NTT DATA Business Solutions
and EVP of NTT DATA, Inc.

Category 2

Preparation

How much time was planned for the transformation at the time?

In addition to goals and budget, scheduling is also a decisive factor in the decision-making process. We asked the study participants how much time they had planned for their IT transformation.

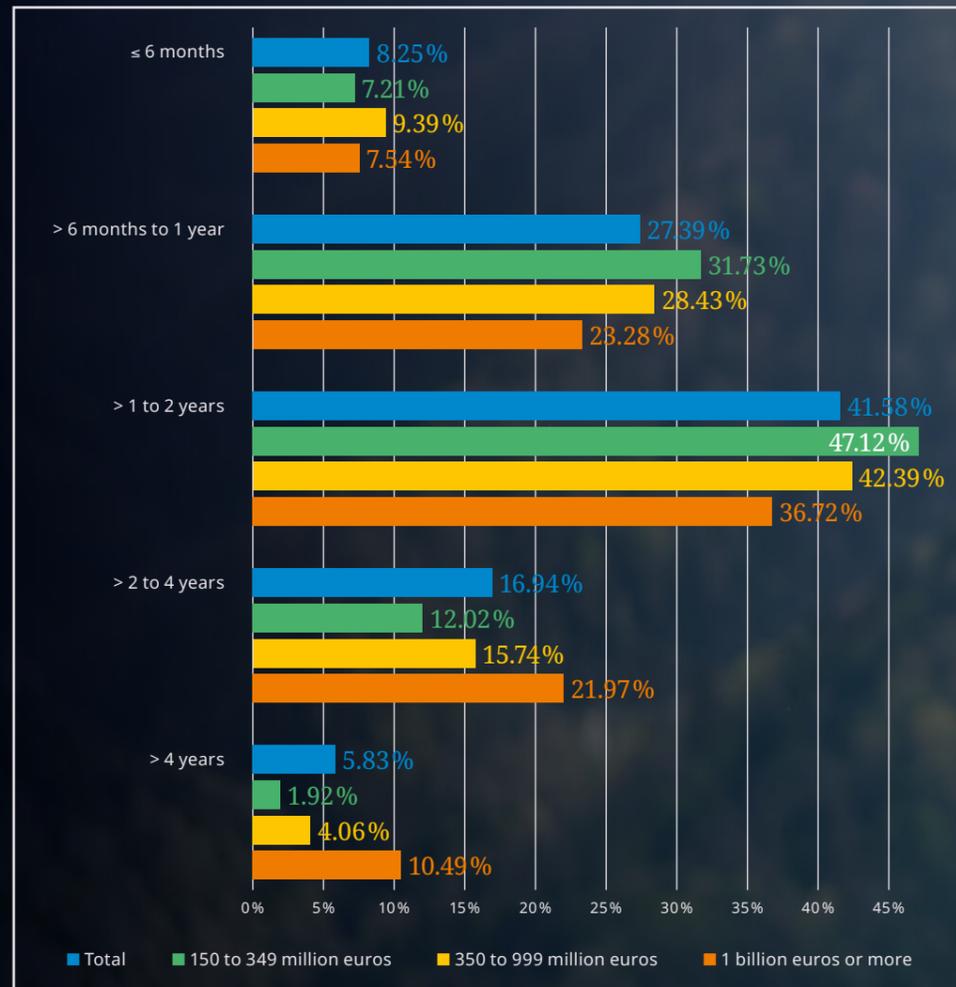


Figure 8: How much time was planned for the transformation at the time?



64% of companies stated they had planned more than one year. This represents an increase of 6 percentage points over the 2024 Transformation Study in this area, compared to only 51% in the 2023 Transformation Study. A respectable 22.7% planned more than two years. The “six months or less” segment has shrunk by half to 8.3%.

From these figures, we can conclude that the managers in the companies have understood that an IT transformation is a complex and time-consuming project. The distribution across the three sales segments was to be expected. 13.9% of the 150–349 million euro segment planned for more than two years. In the 350–999 million euro segment, this figure rises to 19.8%. Among large companies with turnover exceeding one billion euros, almost a third has planned more than two years for their transformation (32.5%).

If we compare the regions, France is the only country where almost a third of projects were planned over two years. The answers “2–4 years” and “over 4 years” also have the second highest response rates.

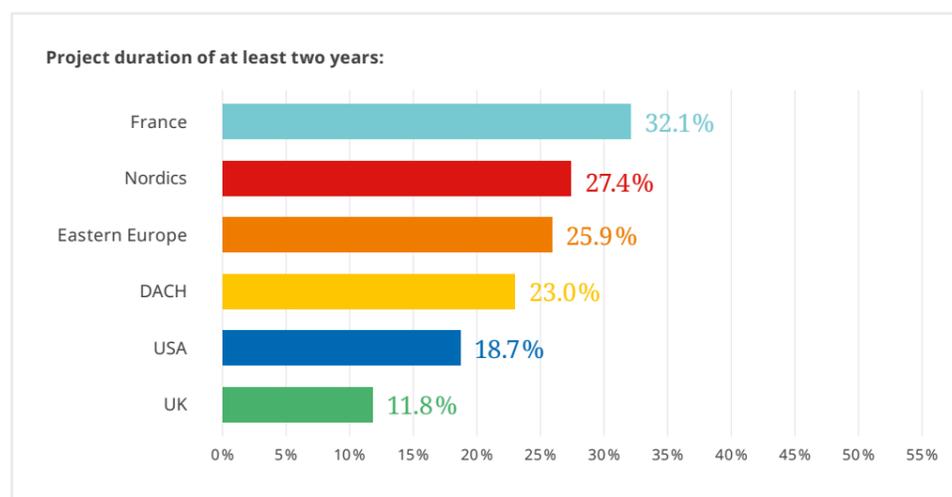


Figure 9: Project duration in the individual regions

Taking stock: What’s going on in my systems?

To better understand the hurdles and challenges companies faced when planning their project, we asked them about the three biggest difficulties they encountered during planning. Unsurprisingly – given that this response has always been very near the top in previous years (second place in 2024) – “analyzing the existing IT landscape and data (detailed inventory analysis)” is ranked highly with 38.6%. This year, however, it beat the runner-up by a wide margin of 12 percentage points. This shows that both the quality of the data and the number of IT systems have a significant impact on the technical and time requirements of a migration.

In addition, the increasing relevance of AI has brought the importance of data quality even more to the forefront. The market and transformation experience have grown. It is now common knowledge that comprehensive analysis of data sets forms the foundation of any transformation. To avoid failure, it is advisable to bring experts on board at this early stage. This is because deriving the right steps for the transformation from the inventory analysis presents companies with an immense challenge.

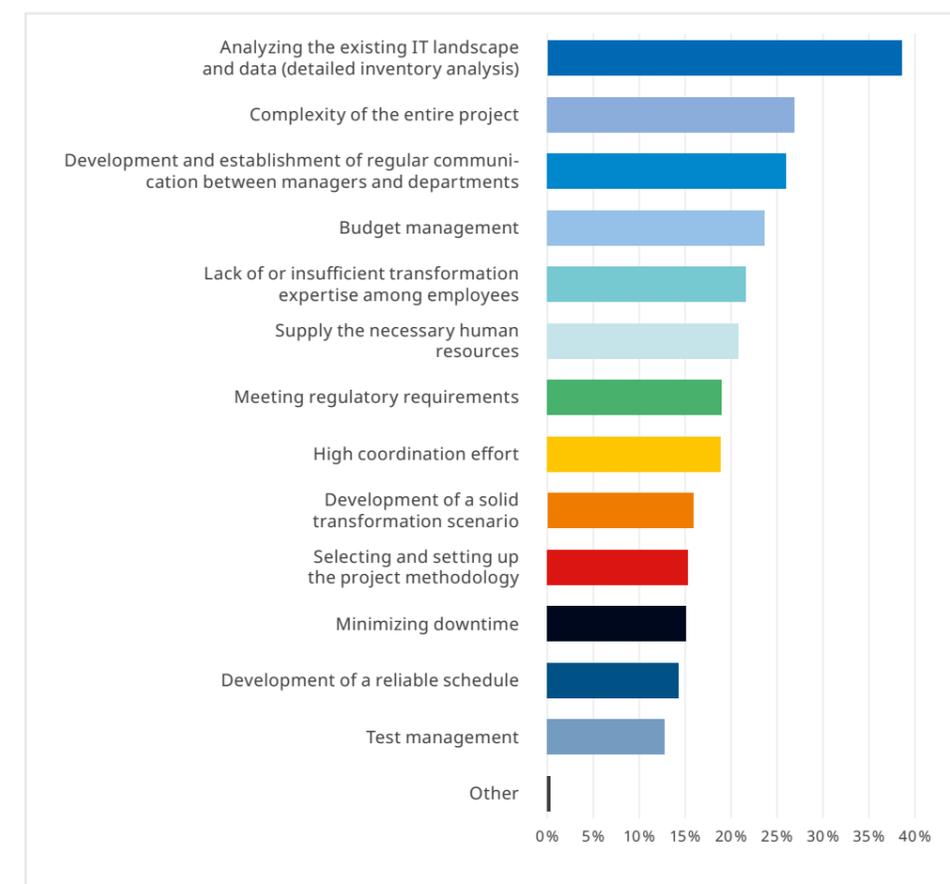


Figure 10: What were your three biggest planning challenges?

In second place with 26.9% is “complexity of the entire project,” a very popular answer that also placed among the top three in the two previous studies. As we will see in the other questions, customers hope to gain access to new technologies such as artificial intelligence through their transformation. However, this makes IT transformation even more complex. A rather surprising result is “development and establishment of regular communication between managers and departments” following closely in third place with 26%. While this is less surprising for those who have already observed the steady increase in change-related topics in our studies, it also demonstrates that the IT landscape is becoming increasingly complex. To the same extent, managers in companies recognize that change management and good communication are key to success.

The country analysis shows that the main planning challenges are essentially similar across the board. Only in the DACH region did “supply the necessary human resources” reach second place with 32%. In the average for all countries, this challenge ranks sixth with 23.4%. In general, it can be seen that more companies in Europe are stopping and no longer pursuing individual projects and instead favoring standardization and public cloud approaches.

How long is your window for business disruptions?

Every transformation involves business interruptions – some shorter, some longer. We asked the companies: “What is the maximum duration of business interruption that a transformation can cause in your company without generating noticeable effects?”

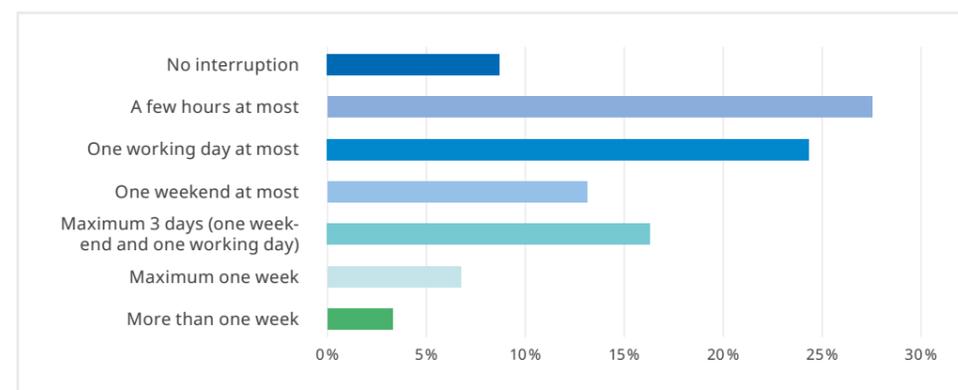


Figure 11: What is the maximum duration of business interruption that a transformation can cause in your company without generating noticeable effects?

8.7% of the companies surveyed cannot afford any interruption to their business. This figure ranged from 6.6% for the Nordics to 11.8% in France. In this context, the assessment of team leaders compared to management is rather interesting: Team leaders were more likely (+5.5%) to state that they cannot cope with any interruption than company management.

Among the sectors that cannot afford any disruption, “state authorities or institutions” ranked first with 45%, closely followed by the financial sector (44%) and energy suppliers (38%). As expected, large companies with a turnover exceeding 1 billion euros were the least likely to accept business interruptions (13.8%).

How old were the transformed systems?

In contrast to many other questions, little has changed with regard to the age of the transformed systems in 2025. At first glance, the value for systems that are five years or younger appears very high at 20.3%. However, mergers or company sales usually necessitate the transformation of data to other systems. 37% of the transformed systems were older than ten years, while some 11% were even older than 16 years.

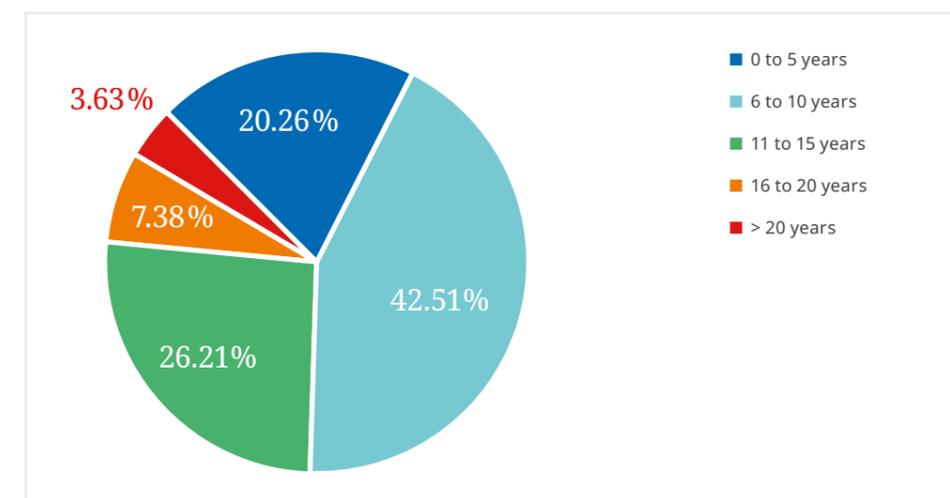


Figure 12: How old were the replaced/transformed IT systems?

In the country comparison, the USA (31%) and the Eastern European countries (34.3%) have the fewest systems older than ten years. France accounted for the highest proportion of systems older than ten years with 53.6%.

What role did data protection play in the transformation project?

More than 60% of the study participants rated the role of data protection as a positive additional benefit. Almost 34% claimed that data protection was one of the drivers of their transformation. Data protection has thus played an important role in the transformation project for 94% of respondents, and this is particularly true for the Nordics.

The increasing legal requirements and concerns about the protection of personal data highlight the importance of this topic. This is particularly evident in the USA, where the importance of data protection is increasing significantly. Here, only 2% say that data protection was not decisive in their transformation project. However, there has been a sharp increase in the number of those claiming that data protection was among the key drivers (37.4%) for the transformation. This equates to second place among all countries surveyed. A uniform federal data protection law still does not exist in the USA. In recent years, however, a number of US states have discussed and, in some cases, enacted comprehensive data protection laws. Other states intend to follow suit. Against this background, this top value is certainly understandable. Many companies are preparing for or need to implement stricter data protection regulations in order to continue exchanging data with companies both nationally and internationally.

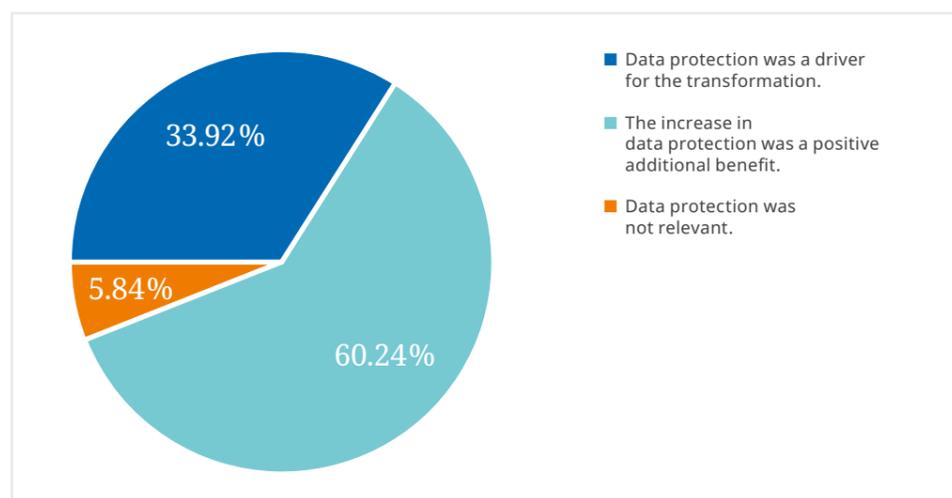


Figure 13: What role did data protection play in your transformation project?

It is worth noting that – as in previous years – top management rates the role of data protection higher than the rest of managers. In the comparison of company sizes, all organizations surveyed consider data protection to be equally important.

What role did the introduction and use of AI play?

This question saw one of the biggest shifts from last to this year's study: In 2024, only a quarter of all respondents confirmed that AI was a key driver of their transformation. This year, the figure has jumped to 39.4%. The proportion of companies that claimed last year that AI played no part in their transformation project was reduced by almost half in the 2025 survey (from 21.1% to 11.5%). We expect this number to drop dramatically in the coming years.

Overall, almost 90% of respondents wish to adequately prepare themselves for the new possibilities offered by this technology. Once again, top management is significantly more likely (45.8%) than other leaders to state that AI was a key driver of the transformation.

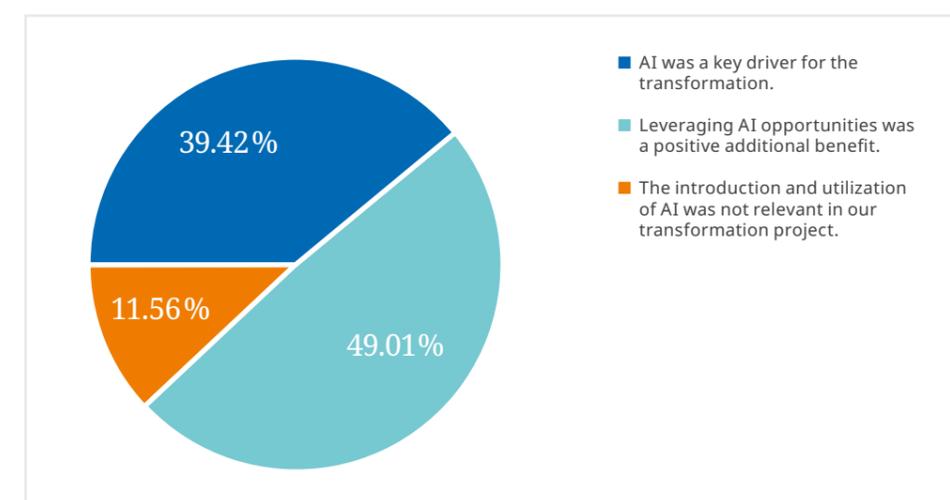


Figure 14: What role did the introduction and use of artificial intelligence (AI) play in your transformation project?

There is no doubt that the sustained media presence has given the topic considerable traction. The figures show that AI is making great inroads into corporate practice. We therefore expect a continued strong increase in this topic's relevance in the coming years. With 49.5%, DACH leads the field among the countries and regions that see AI as a key driver for their transformation. Eastern Europe ranks last with 24.1%, not least because the region also accounted for the highest figure (15.7%) among those who said that AI played no role at all in their project.



”

AI only delivers real added value with excellent data. Anyone who wants to invest now, should first ensure high data quality.

Holger Strotmann,
CEO of Nativion GmbH

”

In data migration, AI is a real game changer: Our projects show that effort and costs can be reduced by up to two thirds – while simultaneously improving data quality by up to 40 percent.

Patric Dahse,
CEO of Nativion GmbH



Did the transformation involve an ERP vendor switch?

In the context of a transformation, companies are faced with the challenge of modernizing their business processes and technologies in order to better meet customer needs and remain competitive. Here, the ERP system plays a central role by enabling the automation of business processes and the integration of data and systems. Due to the challenges inherent in transformation processes, 50.44% of companies across all 14 countries carried out a full or partial change of ERP provider.

As in all previous studies, the managers and department heads surveyed in the USA were particularly willing to change. 58% stated that they had changed their vendor in whole or in part. The situation was very different in the DACH region: Here, only just under 41% changed their ERP provider. In the UK, the figure was even lower at 37.6%. It also appears that the larger a company is, the less likely they are to switch ERP provider.

Changing ERP vendors as part of an IT transformation is a scenario that more and more companies are considering – especially in the case of mergers, carve-outs, system replacements, or the introduction of modern cloud technologies. The reasons for this include technological innovation (moving from on-premises to cloud), cost reduction (licensing, maintenance, and operating costs), business fit (better support for industry-specific requirements), consolidation (of multiple ERP systems following a merger or acquisition), or compliance and security (new regulatory requirements or security concerns).

The increasing number of vendor changes suggests that new technologies and cloud approaches are weakening customer loyalty: It appears that many companies no longer trust the current vendor to solve the aforementioned challenges. What is interesting here is that those who rated the introduction of AI as a key driver for their transformation are also significantly more likely to switch vendors. This makes one thing clear: The use and deployment of AI solutions is a crucial competitive advantage for ERP vendors.

Switch or stick: who has the easier transformation?

Why does a company change ERP vendor, either fully or partially? The usual reason is that they are not entirely satisfied. We wanted to know how the transformation went for the two different parties. The figures clearly demonstrate that, on average, those who stayed with their existing vendor experienced fewer budget and time overruns. As already mentioned in the previous chapter, companies that stick with the current provider are more than twice as likely to stay on schedule. Even when exceeding the original schedule by at least 20%, customers who stay with their existing ERP provider are 19% better off than their colleagues working with new or partially new systems.

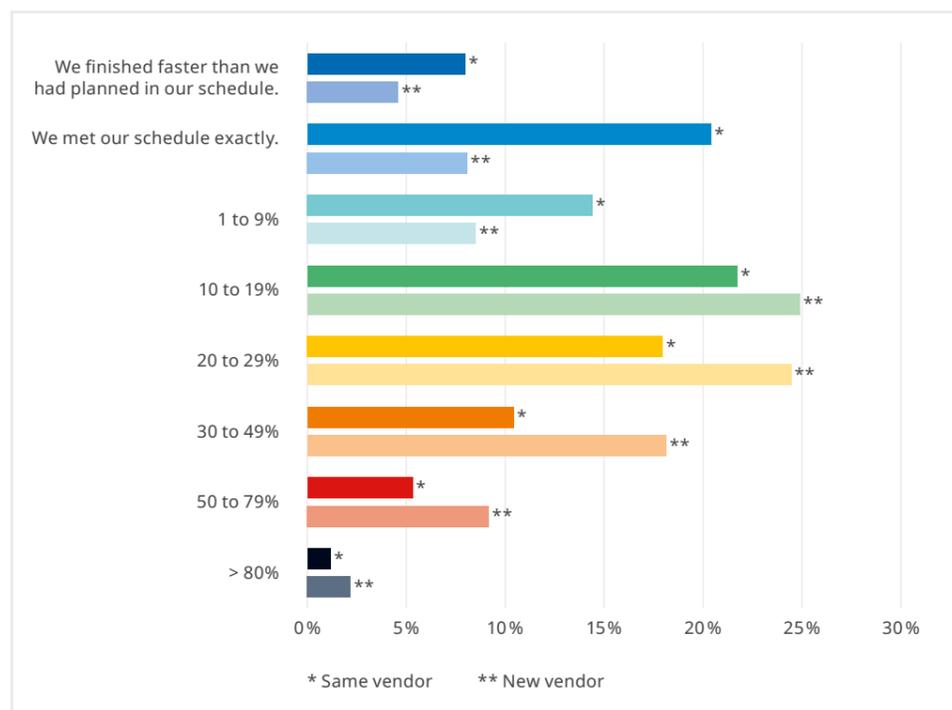


Figure 15: Comparison of deviations in project scheduling with and without a vendor change.

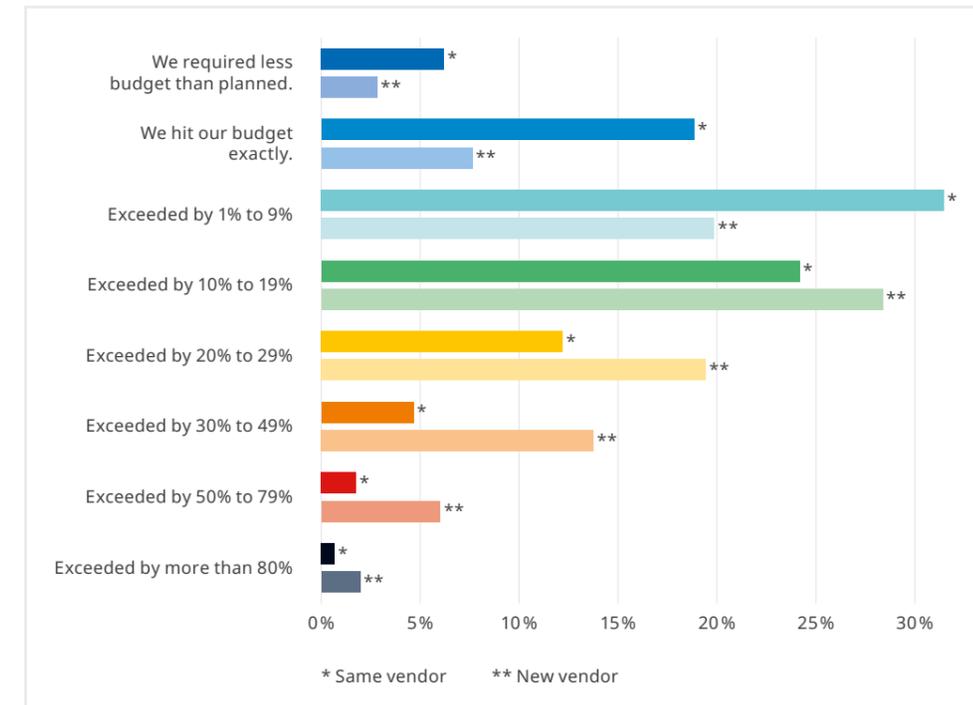


Figure 16: Comparison of budget overruns with and without a vendor change.

What does a change of vendor mean for the transformation?

The 2025 Transformation Study cannot answer whether switching providers is worthwhile in the long term. However, the transformation is certainly a burden for all those who have opted for a new vendor. 25% of those who stayed with their existing vendor managed to stay within budget. In contrast, only 10.48% of those who changed provider were able to achieve this.

The figures for budget overruns are similarly clear. The proportion of overruns amounting to at least 20% is less than half as high among customers who stay with their existing provider than for those who introduced a new service provider. The figures show even more dramatically what effect a new vendor has on overstressing the transformation budget if we look at the numbers for those who exceeded their budget by at least 30%. In this case, customers who stick with their existing vendor account for 7.1%, while switchers report a figure of 21.84%, a good three times as many.

Category 3

Implementation

Take everything with you, clean up, or start over?

Transitioning to a new system also requires choosing an appropriate transformation strategy. This has an impact on the success of the project because it usually involves complex decisions. It is important to carefully weigh the advantages and disadvantages of the various migration methods in order to select the one that is best suited to the company.

Respondents had the choice of migrating all existing processes and data to the new system (brownfield approach) or starting from scratch (greenfield approach). Organizations opting for the brownfield approach are typically looking to complete

their migration project as quickly as possible. Other options included selective data transition as well as a combination of brownfield or greenfield with selective data migration. With these approaches, the customer has the option of a fresh start and, at the same time, the opportunity to take tried-and-tested processes and data models with them.

On average, 30.2% of managers surveyed in the 14 countries chose the brownfield method. A quarter, however, opted for a fresh start. This is roughly in line with the results from 2023. While 2024 saw the greenfield approach coming out on top for the first time, the previous order has been restored this year.

In our daily practice, we are also witnessing the trend that a pure greenfield approach appears too complex and time-consuming for many companies. Many use the brownfield approach, although it is certainly not the best choice in many cases. The vast majority (45%) only want to take parts of their system with them or leave parts of it behind. This is almost the same figure as in 2024. Selective data migration was chosen by a quarter of the study participants. A combination of selective data migration using the brownfield or greenfield approach was chosen by 19.1% (sometimes referred to as "Brownfield+" or "Greenfield+").

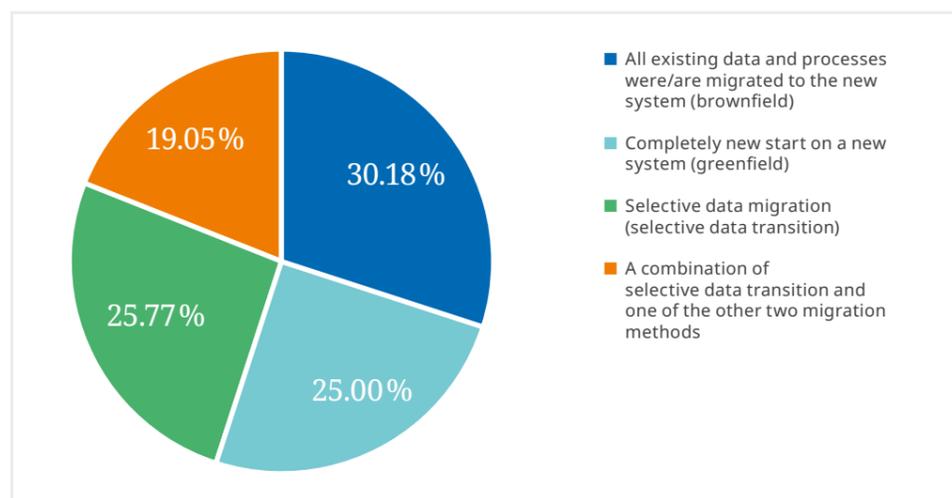


Figure 17: Which method best describes your migration strategy?

From our daily practice we know that very few transformation projects start entirely from scratch. The figures impressively confirm this. Three quarters of all companies surveyed transfer parts or all of their data to the new system. 45% opt for a comprehensive analysis and, as a result, only take parts of their existing data and processes with them.

Expected, but still interesting, is the relationship between the age of the system to be migrated and the chosen migration method. One thing is clearly evident: The younger the system, the more popular the brownfield approach is. This is understandable for systems that were updated only a few years ago. After all, data quality and processes will often have been revised during this process. In this case, transferring all processes and data appears to be the simplest and fastest method. Consequently, if you carry out a purely technical update without any innovations, you also invest the least amount of money.

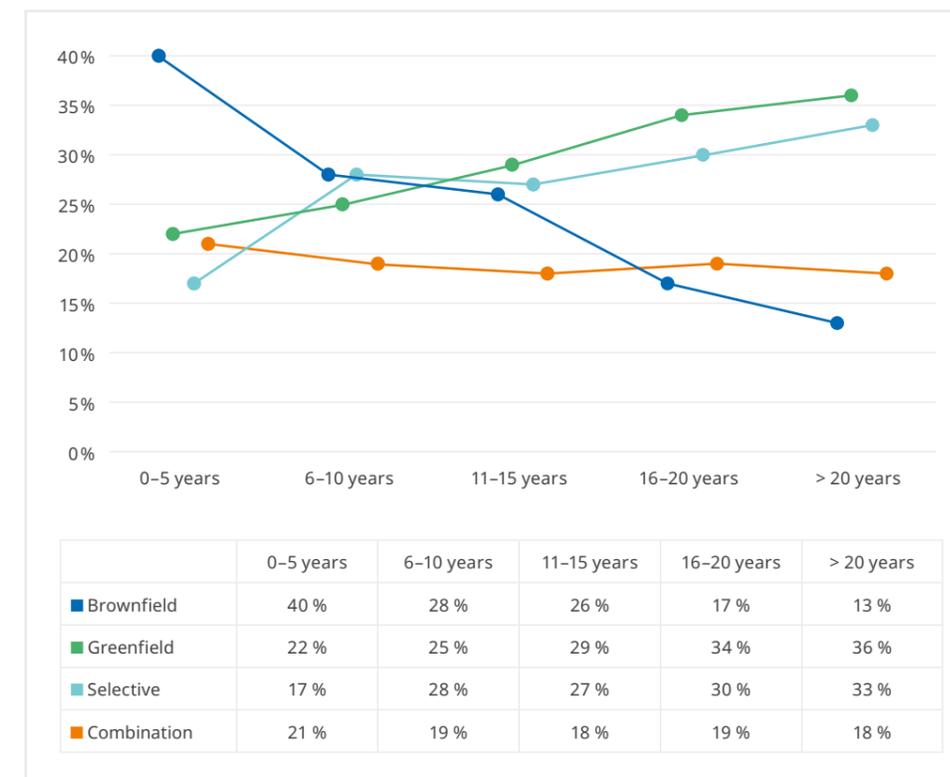


Figure 18: The migration method depends on the age of the system to be migrated.

Brownfield methods are popular in the USA (34.2%), UK (37%), DACH region (34.6%), and Nordics (34%). The number one method in France is the greenfield approach, with an impressive 45.8%. In the international comparison of this study, however, France also has the oldest systems undergoing transformation. Meanwhile, selective or hybrid data migration is most popular among companies with sales of more than one billion euros.

Did the transformation involve a change in operating model (in whole or in part) to the cloud?

In the digital age, cloud services have become indispensable in IT departments, and many companies are migrating their applications to cloud platforms. While in the previous surveys (2023 and 2024), a similar number of companies (55.9% in 2024) used the transformation to introduce more cloud services, this year's survey showed an increase of almost 10%. Leading the way in the adoption of cloud services as part of a transformation are the UK with 73% and the USA with 68.4%. The USA has always been one of the leaders in this area since the study began, and this year is no different. This is hardly surprising, if we consider that the top goals of North Americans are to increase their ability to innovate and improve customer service. Eastern Europeans are more reserved in this regard, returning a figure of 54.6%. At 68%, the turnover segment of 350-999 million euros is most strongly represented in this question on cloud adoption.

Why are you using more cloud services today?

We asked the study participants why they introduced more cloud services. Unsurprisingly, “faster and easier access to technical innovations (e.g. AI, automation)” was ranked first with 49.1%. This is very much in line with the number one goal for the transformation: “introduction of new, modern technologies” (56.7%). Interestingly, the second most popular answer to the question of why companies are investing more in the cloud is exactly the same as that given by 6.7% of those who are avoiding the cloud. These respondents believe they can achieve “higher data security” (37.6%) with the cloud or, conversely, by avoiding the cloud altogether. This is closely followed by “greater flexibility / faster customization options.” This point is also near the top of the list of reasons for the transformation, coming in second with 43.4% (figure 5).

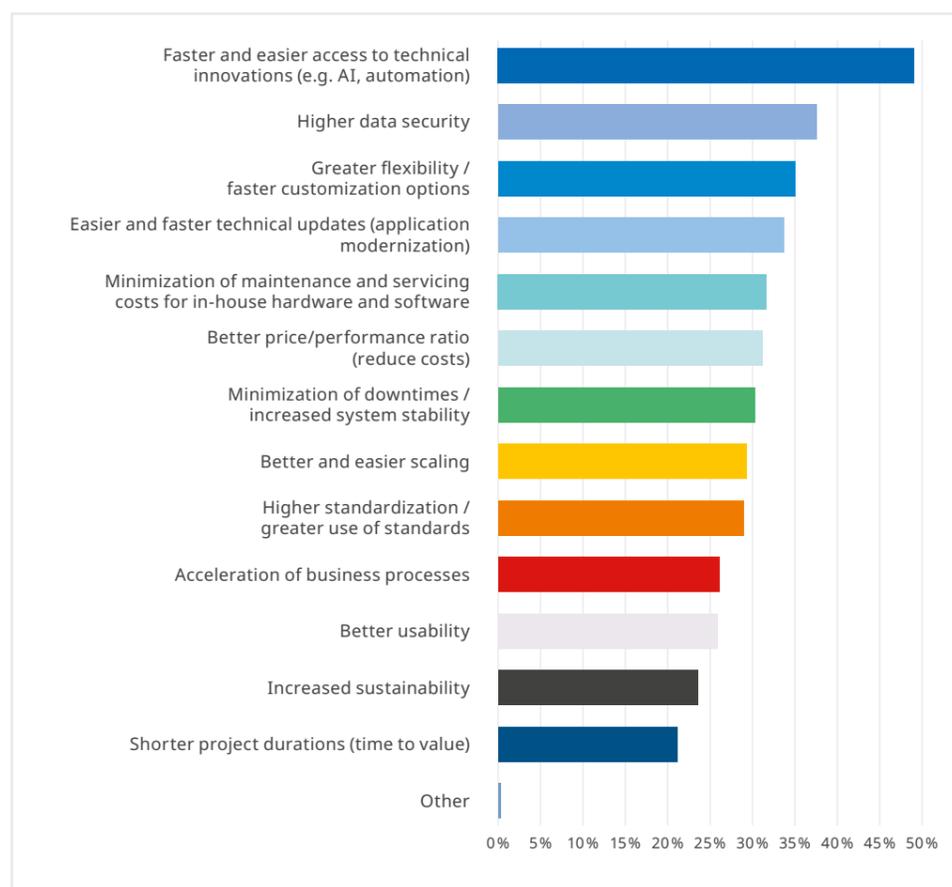


Figure 19: Why are you using more cloud services today?

Contrary to the average response, higher data security is the number one reason for moving to the cloud in the UK. In France, it is “better price/performance ratio,” which shares the top spot with “faster and easier access to technical innovations.” Otherwise, “faster and easier access to technical innovations (e.g. AI, automation)” takes first place in all regions.

Why are you using fewer cloud services?

We asked those who responded to the above question that they use fewer cloud services why they have chosen this path. Data protection is given as the number one reason. 39.8% of those who forego cloud services do so because they believe they can ensure better data protection with their own IT infrastructure. Interestingly, this is also the number one reason why the rest of the respondents are moving to the cloud.

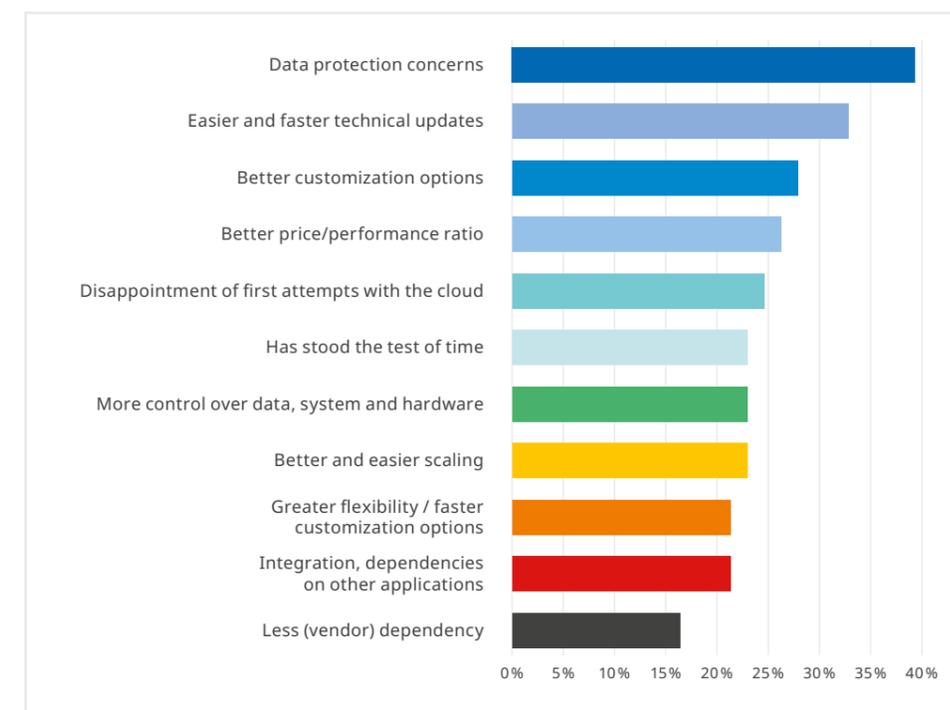


Figure 20: Why don't you run your applications in the cloud?

Ranked second is “easier and faster technical updates” with 32.8%, while “better customization options” (27.9%) is the third most popular reason why organizations are shying away from the cloud. “Better price/performance ratio” (26.2%) and “disappointment in first attempts with the cloud” follow in fourth and fifth place.

Sprint or schedule?

When it comes to managing large projects, there is no right or wrong. Rather, the project management method needs to fit the project. After all, different challenges require different methods. For example, agile project management is gaining more and more popularity in large IT projects. The main difference between traditional waterfall and agile methods can be summarized as follows: The waterfall approach focuses on forward planning, while the agile approach supports higher requirements in terms of adaptability and commitment. The agile method has two core elements: teamwork and time. Instead of creating a schedule for a large software development project, the agile method breaks the project down into numerous, rapidly deliverable parts.

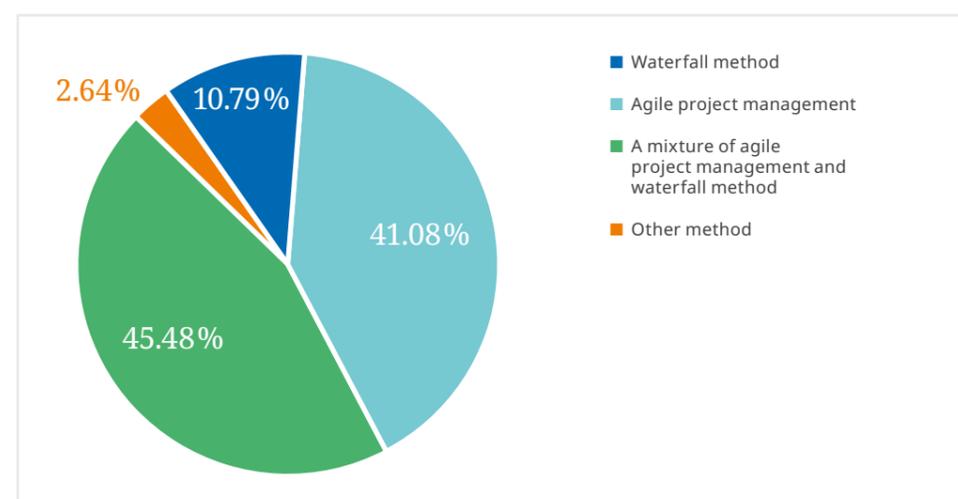


Figure 21: What project management methods did you use to plan, implement, and manage your transformation?

We wanted to know which method the respondents used to organize their transformation project. At least 86% of respondents used agile project methods to some extent. Of these, 45.5% primarily employed a mix of agile project management and the waterfall method, while the remaining 41% relied purely on agile project management. Only 10.8% of the transformation projects were organized exclusively using the waterfall method. These results show a clear trend toward an agile approach, since such large-scale projects are not always predictable. The high figures for hybrid project management are understandable as a transformation usually has a beginning and, above all, a clearly defined end. The hybrid approach in particular has now established itself as the first choice for transformation projects.

The USA leads the way in hybrid project management with 60%. The DACH region (49.6%) and UK (48.2%) follow by some distance. The countries of Eastern Europe are by far the least likely to use hybrid project management (30.6%). With 53.3%, France is the country that relies most often on purely agile project management. Eastern Europeans use the traditional waterfall method the most (19.4%).

Was the project management method changed during the transformation project?

We asked this question for the first time in the 2025 Transformation Study. We wanted to know whether the respondents relied on the same project management method from start to finish, or changed during the course of the project. In 35.5% of cases, the original approach was retained. Hybrid project management accounted for 46.3% and agile project management for 41.5%.

On the other hand, 22.9% of respondents switched from an agile approach to a hybrid one. 17.7% switched from the waterfall to the agile method. 13% moved from an agile approach to plan-based project management, while 10.4% swapped the waterfall method for the hybrid approach. The probability of adapting the project management method during the course of the project is therefore around 65%. This is one more reason to think carefully about the appropriate methodology in advance. In principle, however, switching to a hybrid approach is understandable in a project with milestones.



We made a conscious decision to keep only what has proved successful. For us, the hybrid approach was the right compromise between innovation and efficiency.



Michael Fichtner, CIO, FC Bayern Munich

Category 4

Experiences

Were the transformation goals achieved?

What is a measure of the success of a transformation?
Goal achievement! What goals did companies set themselves for their transformation and did they achieve them? 31% said no. They achieved their goals only partially (29.4%) or not at all (1.2%).

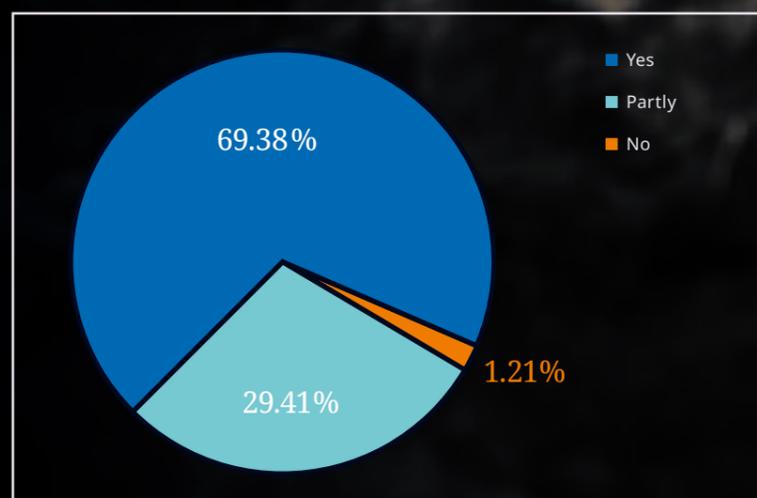


Figure 22: Have you achieved your goals through the transformation?

Looking only at board members and executive directors, these respondents are much more likely (76.8%) to claim that they have achieved all their targets. Conversely, department heads (72.5%) and group leaders (56%) are much less euphoric in their assessment of the situation.

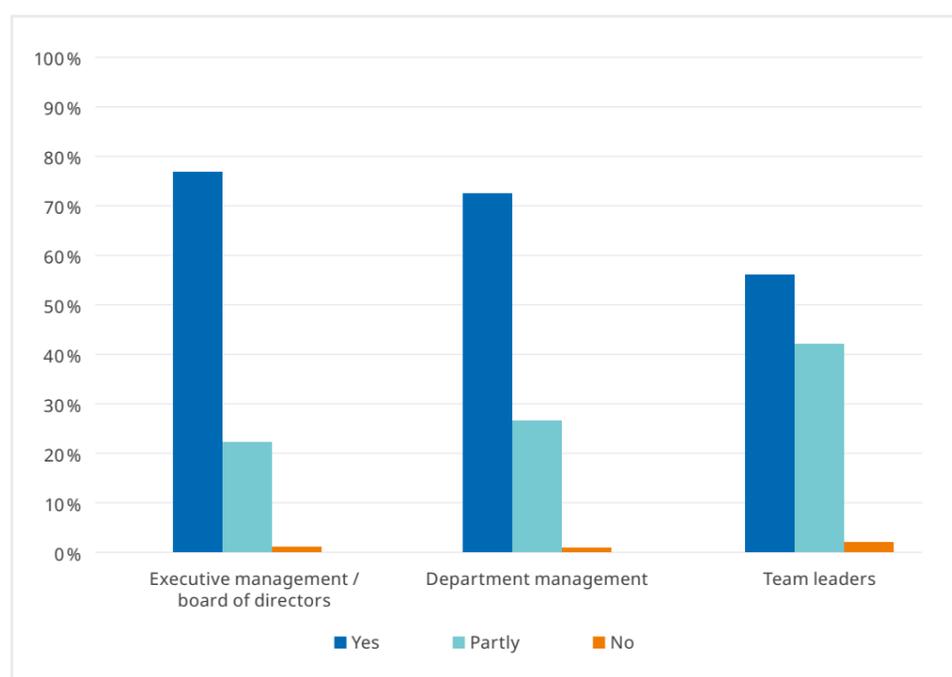


Figure 23: Evaluation of goal achievement by company role.

The regional comparison is also very interesting: At 75%, the Americans report the highest rate of goal achievement, while the French have the lowest with 57%.

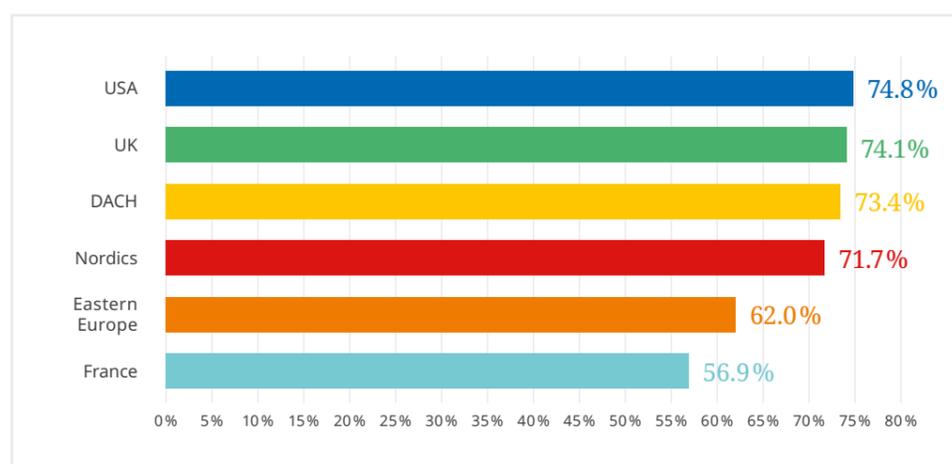


Figure 24: Evaluation of goal achievement by region.

It is interesting to compare the figures for those who achieved their objectives with those who did not. It is striking that those who rated the analysis and a sound inventory as a critical part of their transformation more highly are also more likely to say that they have achieved all their goals. This once again highlights the importance of a solid, informed, and comprehensive preparation for a transformation. We have already drawn attention to the importance of housekeeping projects in the run-up to a transformation. The above results serve as further evidence of this thesis. It is also worth noting that 36% of those who claim to have fully achieved their transformation goals conducted the transformation using the brownfield method (i.e. bringing all data and processes with them). Among those who stated that they had not fully achieved their transformation goals, the proportion of brownfield migrations was just 17.3%.

It is striking that the proportion of those who claim to have achieved all their transformation goals has been steadily increasing in the last four surveys: from 2022 with 51% (this study essentially focused exclusively on Central Europe) to the value of the current 2025 study with 69.4%. This may be due to the ever-growing range of experts and tools but also to the steadily increasing amount of information on IT transformations published in the trade press.

What did it cost?

Of great interest is the difference between what was originally planned for the transformation and the actual values. In this chapter, we are mainly looking at the financial component. How much more was actually spent than was originally planned for the transformation? For this purpose, we asked the study participants how much budget they invested in the transformation. The most frequently reported value, with 18%, was 5–10 million euros. 52.5% of respondents were in the range of 2 to 20 million euros. 18.4% spent at least 20 million euros on their transformation project! 19% of all companies with more than 1 billion in sales had to invest more than 50 million euros. Only 29% had to invest less than 2 million. We can see from the figures for this year's study that significantly higher budgets were required than in previous years. Two effects come into play here: Firstly, this year's sample includes more companies with a higher number of employees and higher sale figures. Secondly, we see that the price of transformations is rising. This is due, on the one hand, to a tighter market for transformation experts and, on the other, to the price increase of recent years.

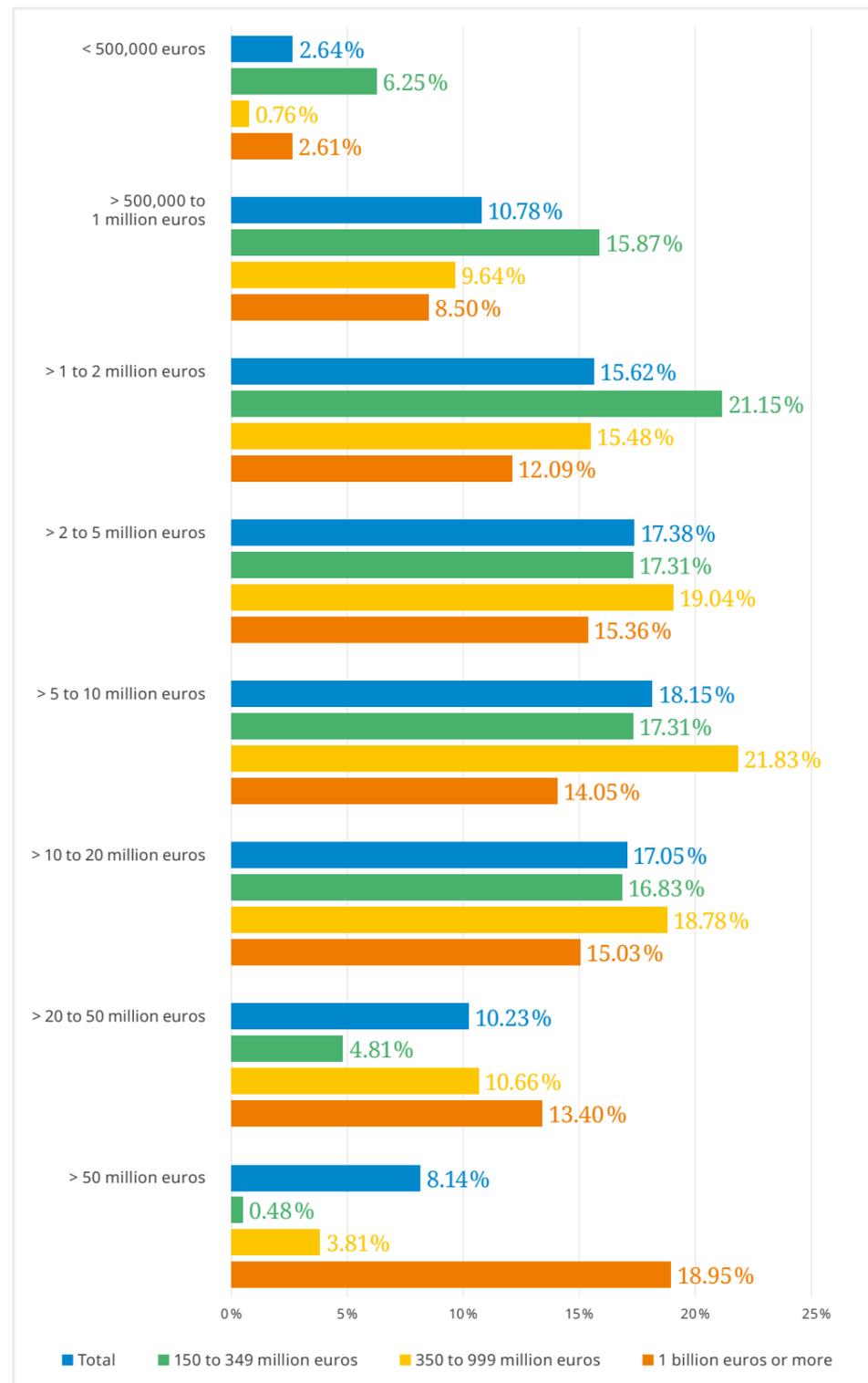


Figure 25: What is a rough estimate of the total budget for your transformation project? (Including personnel, training, license costs, consultant costs, change management, etc.)

Plan versus reality

The comparison between planning and reality is rather interesting at this point. We asked the study participants by what percentage they exceeded their budget target. More than 82% stated that they did not stick to their planned budget.

56.5% of respondents said that they had exceeded their budget by at least 10%, while 30% had exceeded it by 20% or more. For budget overruns of more than 30%, the figure was 14.3%. This is slightly lower in all categories than in the last sample from 2024. There was a slight increase (approx. 2%) in the figures for those companies that remained within budget (17.6%). It is striking that those who pursued the greenfield approach were less likely to stick to their budget (11.9%) than those who opted for the brownfield method (23%). Selective data transformation lies in the middle of the two approaches with 17.4%. Looking at the regions, the most budget overruns of at least 20% are reported in Eastern Europe (39.8%), followed by the USA (34.2%), and France (34%). The data in the sales clusters confirm what are witnessing in daily practice: The larger the company, the larger the relative budget overruns. This rule also applies to overruns of the planned project duration.

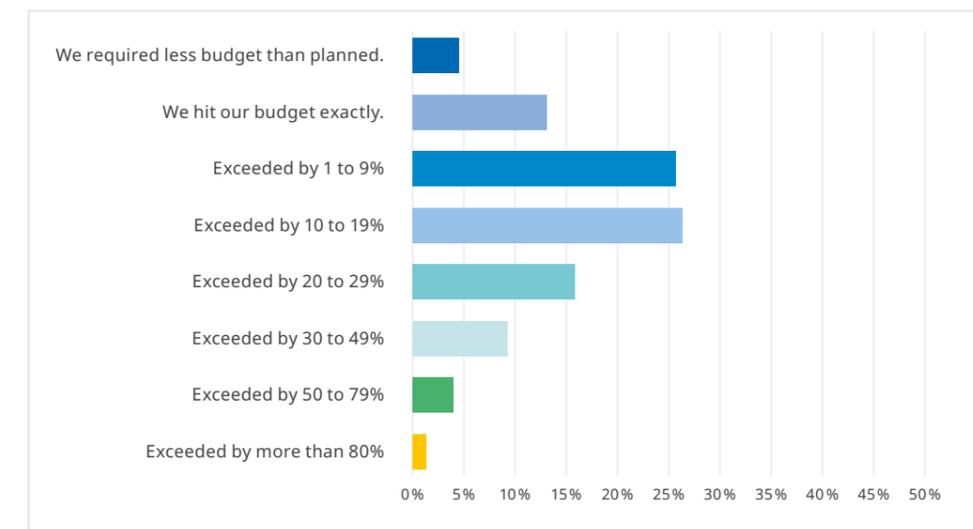


Figure 26: How far did you exceed your budget?

It is interesting to note that with an initially high budget, the final budget overrun increases in proportion. This may be due, among other things, to the fact that transformation projects with high initial budgets also have a significantly higher degree of complexity, which can predictably lead to greater complications than smaller projects.

How much longer did the project take than planned?

After asking the managers how much time they had planned for their IT transformation, it was only logical for us to establish whether they stayed on schedule. Once again, the trend toward a decrease in time overruns over the years under review is clearly evident. This is certainly also due to the fact that this year's survey clearly shows companies already planning more time for their IT transformation. Nevertheless, 44.8% of respondents still exceeded their target planning by at least 20%. Last year it was more than half a percentage point more. 23.6% of respondents exceeded their schedule by at least 30%. In 2024, the figure was 24.4%. A not insignificant 10% exceeded their planned timescale by at least 50%. With a rate of 28.5%, overruns of at least 30% are significantly more common among large companies (sales of more than one billion euros) than with companies in the 350–999 million euro segment (23.6%). Companies in the smallest sales segment of the study (150–349 million euros) are least likely (16.3%) to exceed their schedule by more than 30%.

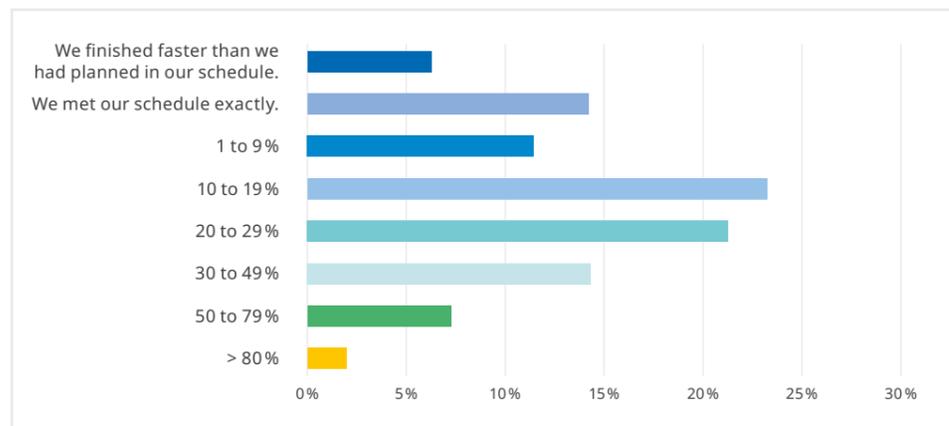


Figure 27: How much longer did the project take than planned?

In comparison with other countries, the UK met its schedule in 22% of cases, closely followed by the DACH region with 19.8%. France (28.1%), Eastern Europe (27.8%), and the USA (27.7%) were the most likely to overrun by at least 30%. When it comes to overruns of at least 50%, France leads the way with 12.4%, followed by the USA with 11.6%.

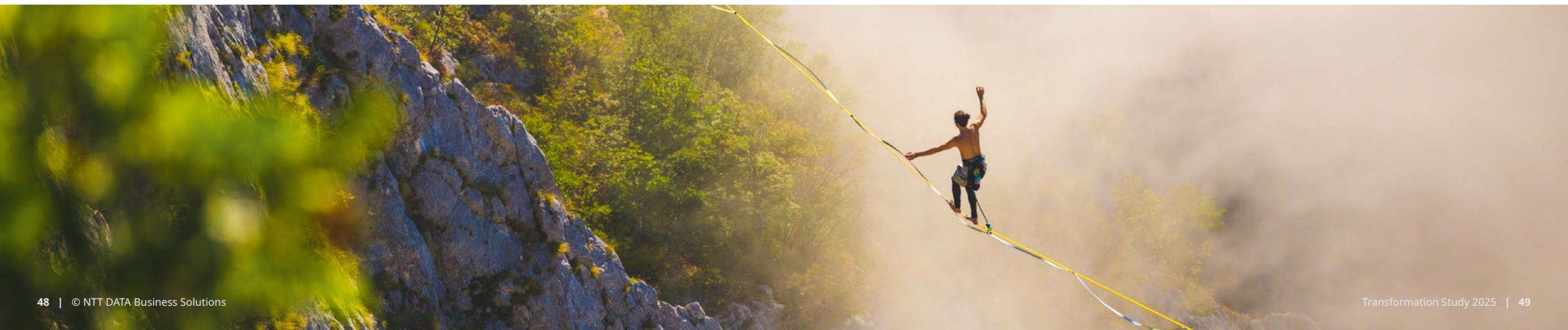
Anyone who believes that those who allocate more time to their transformation are also less likely to exceed their schedule is very much mistaken. The following table clearly shows that the more time is planned, the longer the overrun is likely to be.

Proportion of overruns of at least 30% compared to the original plan

Schedule	Percentage
< 6 months	14.7%
6 months – 1 year	16.5%
1–2 years	19.8%
2–4 years	37.0%
> 4 years	57.7%

Figure 28: Proportion of schedule overruns

This clearly illustrates that very few schedules (20.4%) work as planned. Almost 80% of respondents fail to stay on schedule. This serves as an important reminder that goals and their implementation planning should be discussed with experienced transformation experts before getting to work!



Do companies that stay with their vendor have an advantage?

We were interested to know whether companies that stay with their original vendor exceed their planned schedule more often than those that fully or partially switch to a new provider. The answer is as clear as it is understandable: Companies that switch vendors are much less than half as likely to keep within their budget. Companies that changed vendors during their transformation overrun their schedule by at least 20% in 53.9% of cases. For companies that stayed with their existing provider, the figure is just 34.9%.

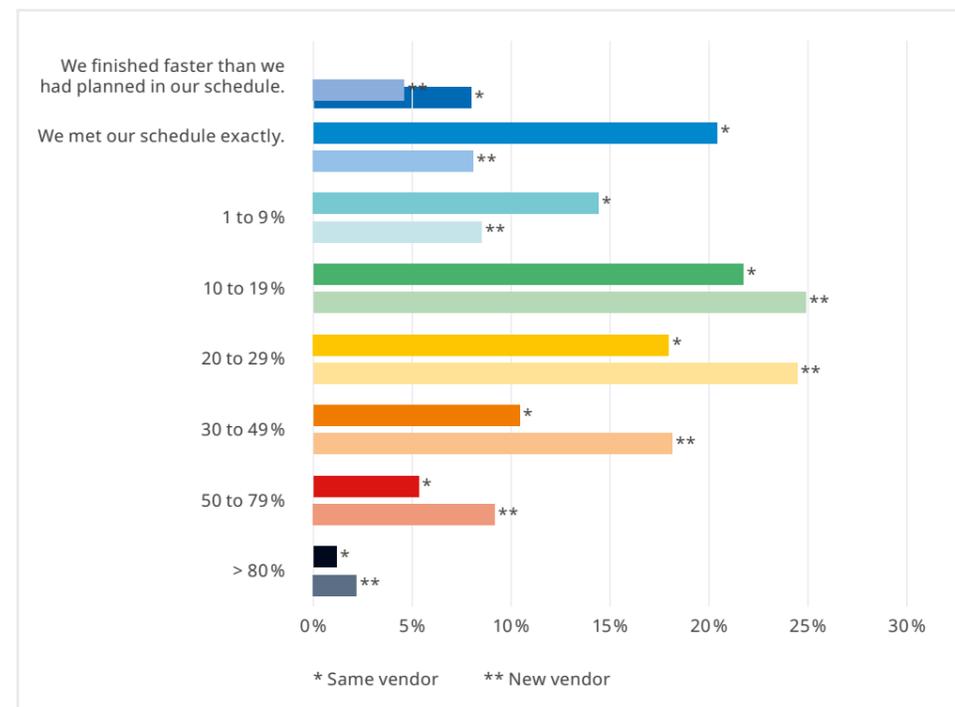


Figure 29: Comparison of deviations in project scheduling with and without a vendor change.

Which technical measures were of decisive importance in the transformation process?

We wanted to know what technical measures companies judged to be crucial to the success of their transformation project. The most frequently mentioned stumbling block on the path to modern and up-to-date IT systems is obviously system and data security, closely followed by data quality. As a result, “increase system and data security” jumped from second place last year to first place in this year’s study. This development is understandable if we consider the ever-increasing number of cyberattacks that companies are experiencing.

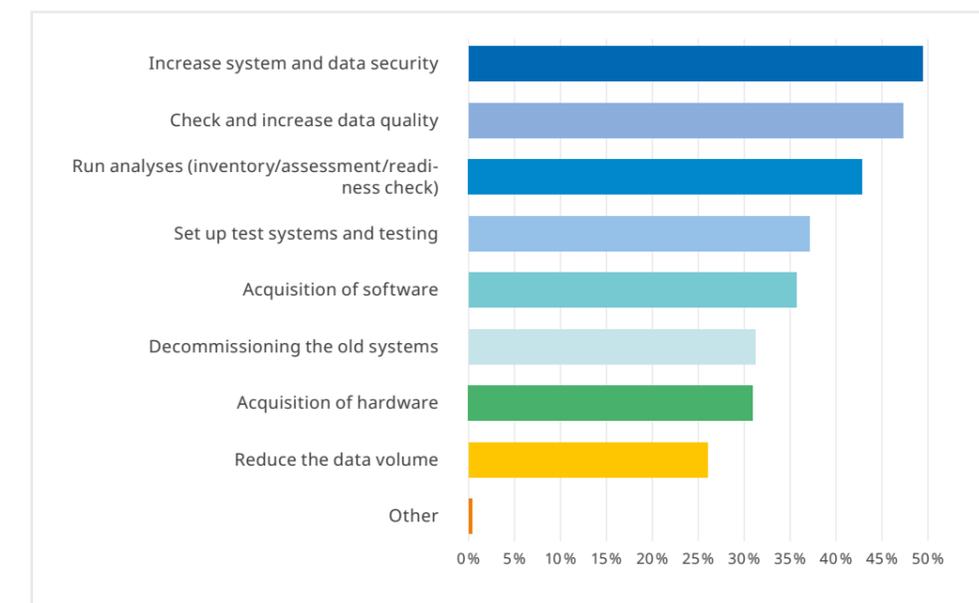


Figure 30: Which technical measures were of decisive importance in the transformation process?

It is no secret, however, that data maintenance is often neglected in everyday business. In a high-profile Central European survey conducted in 2023, 41% of companies reported that their day-to-day work noticeably suffers from poor data quality. The results of our study confirm how far-reaching the consequences of poor data hygiene are: 47% of respondents stated that reviewing and improving data quality played a crucial role in the transformation process. In the UK, this measure is the runaway leader with 66.7%. The creation of transparency through analyses and inventories of the data landscape is among the top three this year – as it has been in all previous editions of the study.

The results impressively demonstrate the importance of housekeeping projects conducted as part of a transformation. Such projects involve the comprehensive analysis and inventorying of data as well as its cleansing and quality enhancement.

It is interesting and understandable that reviewing and improving data quality was a particular focus for those who chose the brownfield method for their project, with 58.1% choosing this point as the most important technical measure in their transformation project. Another relevant point is that those respondents who reported that they had not achieved or only partially achieved their transformation goals rated the performance of analyses or inventories significantly lower (35.6%) than those who had attained their original objectives (46.1%). This allows us to conclude that the more extensive housekeeping activities were carried out in advance, the greater the success of the transformation.



Which organizational measures were of decisive importance in the transformation process?

The technical measures are supplemented by organizational measures. Here, too, we wanted to know what the companies ultimately perceived as decisive for the success of the project. The successful implementation of complex transformation processes requires the development of new skills that do not exist in many companies since large transformation projects are rarely undertaken. It is not surprising, therefore, that skills development ranks first (41.3%). In fact, it has topped the lists for the last four years. Second place also confirms what is a common thread running through this year's study: establishing communication channels between all parties and departments (39.3%) is clearly a priority. Third place continues this pattern, with high importance being attached to the introduction of cross-departmental reporting and project management (37.2%). Optimizing project management follows closely with 37%. This is the most striking leap compared to the figures from the 2024 Transformation Study, when this point still ranked mid-table with 20%.

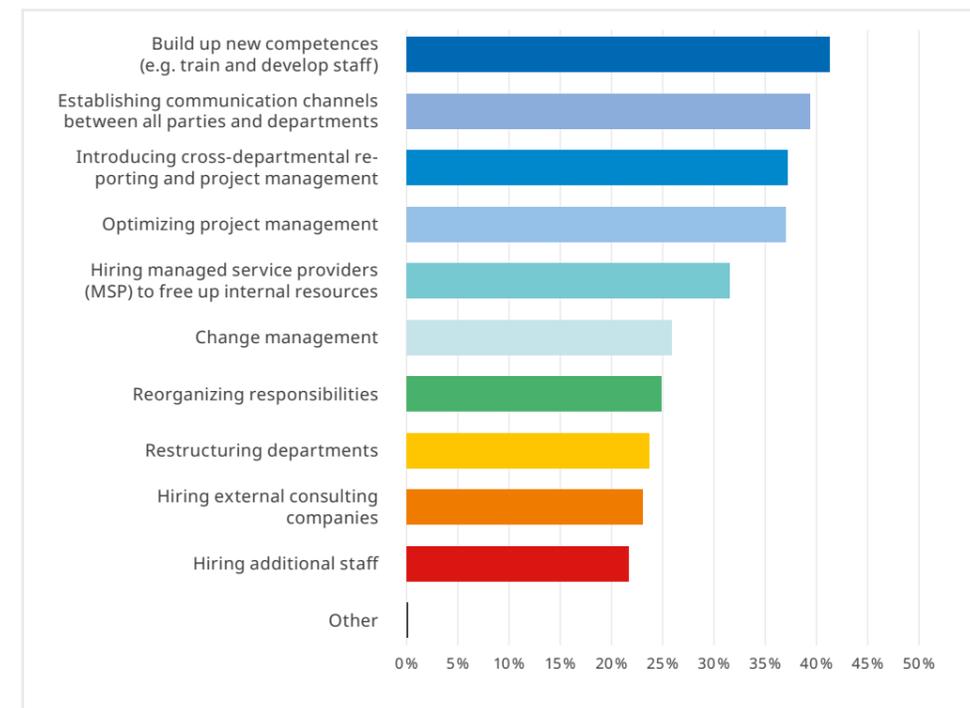


Figure 31: Which organizational measures were of decisive importance in the transformation process?

What challenges surprised leaders during their transformation?

We wanted to understand which challenges the respondents had absolutely not anticipated. For the fourth year in a row, data quality is ranked as one of the top three surprises (second place last year) for transformation leaders with 25.2%. This is actually a contradiction in terms – at least for all those familiar with this study. Deciding which data needs to be kept and which can be discarded clearly remains a major problem. The second biggest surprise is the lack of employee acceptance with 23%. This figure reflects the need for change management in the course of a transformation process, the acceptance of which should be of paramount importance from an early stage of the project. In third place, with 22.4%, we find another top four candidate from last three studies: lack of experience with the management of large projects (first place in 2024).

Managers in the USA were most frequently surprised by the lack of employee acceptance (27.7%) as well as the lack of stability/continuity of the project participants. Everywhere else (France 23.5%, UK 30.3%, Eastern Europe 26%, and Nordics 33%), poor data quality was the biggest surprise. Only in the DACH region did the shortage of resources rank first in the list of unpleasant surprises. Resource scarcity in the event of unplanned project changes had finished third for three years in a row. In 2025, however, the topic seems less relevant for all regions and is ranked fourth for the first time. The shortage of experts in the market seems to be alleviating somewhat.

If we look at the results by company size, the topic of project and change management seems to be a much more frequent cause of unpleasant surprises in SMEs. The larger the companies, the more they appear to struggle with poor data quality. This suggests that smaller companies mainly encounter issues with planning and expertise, whereas large companies tend to struggle with data quality and the associated test management.

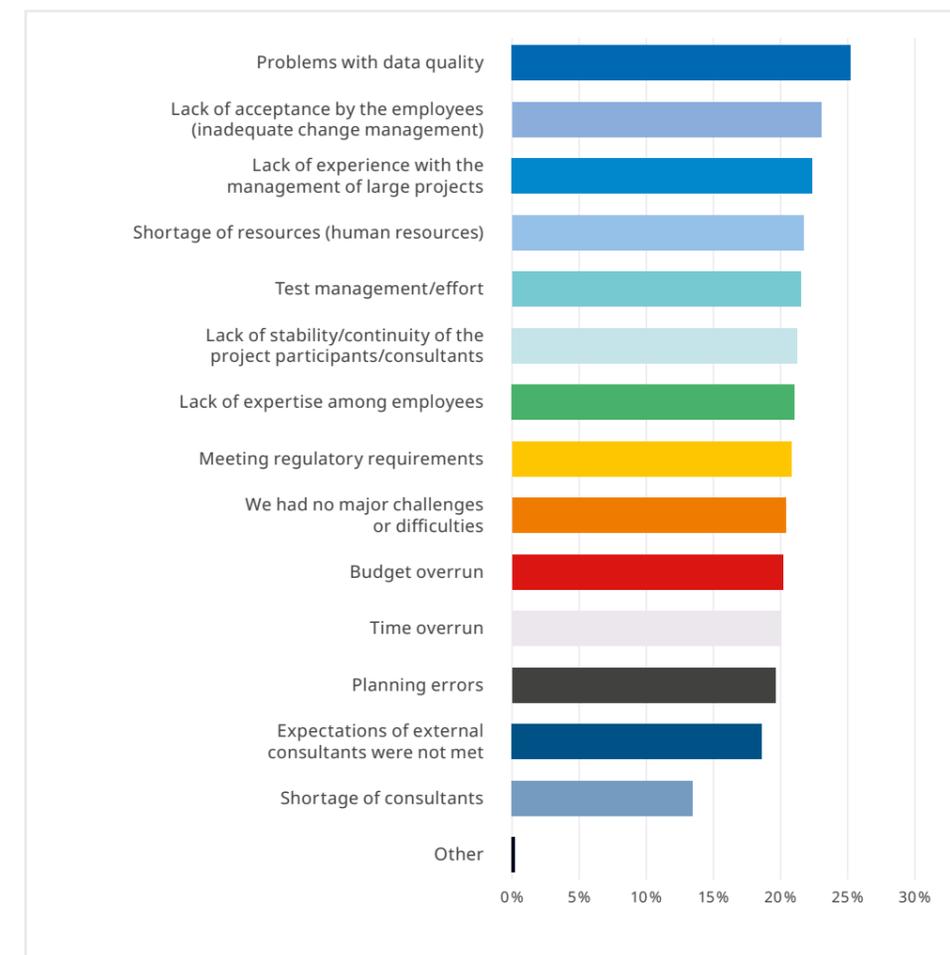


Figure 32: What challenges and difficulties surprised you during the transformation process?

We looked at the challenges that most surprised those companies that claim not to have fully achieved their transformation goals. It is striking that data quality also leads the way in this group with 25.4%. More interesting, however, are the runners-up, with surprisingly high time overruns taking second place (25.5%) before unexpected planning errors in third position (24.6%). This once again highlights the importance of robust and comprehensive analysis, evaluation, and planning.

” It’s all about the data! No less than 80% of companies state that data quality was the key success factor. Without a clean data architecture and migration, the added value of an end-to-end transformation remains unattainable.



Cay-Bernhard Frank, Partner, A.T. Kearney GmbH

What were the most important success factors in the transformation?

In a surprise for the study team of 2025, “continuity in the project team” climbed to first place this year with 33.1%, where previously this point had appeared in the upper mid-range of responses. This may be because some companies have compensated for the shortage of consultants by utilizing a majority of external consultants. In these cases, project communication is rarely easier and fluctuation within the team is also higher.

When it comes to success factors, transformation expertise has always been rated very highly since the transformation study first began. Having finished top in 2024, it was overtaken by “continuity in the project team” this year with a margin of just 0.11%. Similarly to recent years, this issue affects one third of all companies in the latest study. “Transparency of all data” was ranked first in 2023, second in 2024, and dropped to third place in 2025. Building up expertise in your own data and processes is once again an important aspect of professional preparation for an IT transformation. This is one of many further examples highlighting the importance of a preliminary project in which the foundation for the migration strategy is laid by means of a comprehensive analysis.



Figure 33: What were the most important success factors in the transformation process?

In the USA, transformation expertise was the most important success factor for transformations conducted in the country, accounting for 42.6%. This point also took first place in France, but in this case with just 30.1%. The UK identified “continuity in the project team” (44.4%) as the most important success factor in the transformation process. The Eastern European countries (29.6%) saw things similarly. The only outlier was the Nordics. This region believes that timing was the most important success factor in the transformation process. Looking specifically at the responses of board members, executive directors, and department heads, the prevailing opinion is that management commitment was the decisive success factor. Team leaders ranked “continuity in the project team” as the most important factor, just ahead of transformation experience.

Managers of smaller companies (sales of 150–349 million euros) believe that “continuity in the project team” was the decisive factor in their transformation. SMEs (turnover of 350–999 million euros) attribute the greatest importance to “expertise and documentation of previous systems” along with the familiar factor of transformation experience. For the large companies, the ranking was not as close: For companies in the highest sales category, “transformation expertise/experience” is of paramount importance.

” Successful business transformations require a high degree of managerial skill, rigor, and a feeling for people.



Bernd Krakau, COO & Member of the Executive Board, Komm.ONE (AöR)

What part of the transformation project did the respondents underestimate the most?

Last year's number one in this category was overtaken this year by the topic of technical implementation. 33.8% underestimated this aspect the most. Following close behind with 31.8% was "organizing communication between departments and divisions." Project planning ranks third with almost 30%, just ahead of testing (27.9%) and the provision of resources (26.5%). Interestingly, the values for those who acknowledge that they have not fully achieved their goals are almost identical to those who did. The order is also the same.

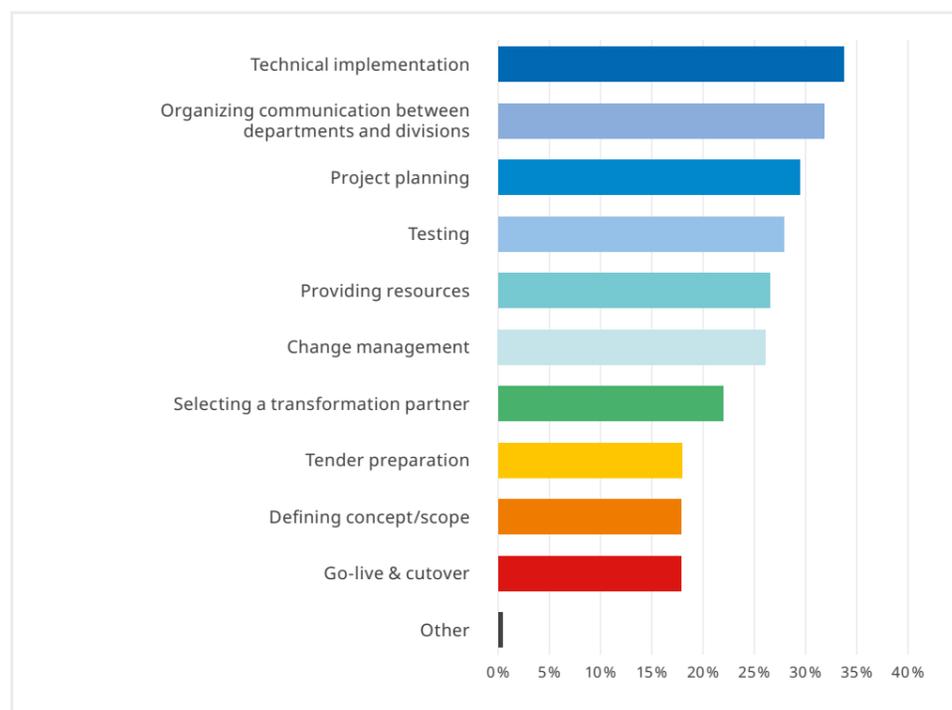


Figure 34: Which part of your transformation project did you underestimate the most?

The analysis of responses by company size proves even more interesting: Companies in the 150–350 million turnover segment were the most likely to underestimate project planning (33.65%). Technical implementation and testing are tied in second place (both 31.3%). Third place goes to "organizing communication between departments and divisions" (28.37%). For companies with sales of 350–999 million euros, first place (35.5%) and second place (35%) are in line with the global average. Only third place ("providing resources" at 29.2%) differs from all the other groups. In the case of large companies, the only difference can be found in second place. Large companies clearly underestimate change management (30.5%) significantly more often than companies with turnover of up to 349 million euros (18.8%) and slightly more often than companies in the 350–999 million euro sales cluster.

Did the go-live have to be postponed?

One question included in the study since last year was whether the companies had to postpone their go-live. In 2024, just under 60% confirmed a delay in the go-live date. This year the number is already 10% less. This is consistent with many other results from this study, which confirm that companies are already somewhat better prepared for this mammoth task than they were in 2022. Go-live had to be postponed most frequently in France (69.9%). The Eastern European countries are in second place with 64.8%. The Nordics come third (57.6%). They are followed by the DACH region (43.2%), the USA (33.5%), and the UK (31.5%), with France in last place with 30.1%.

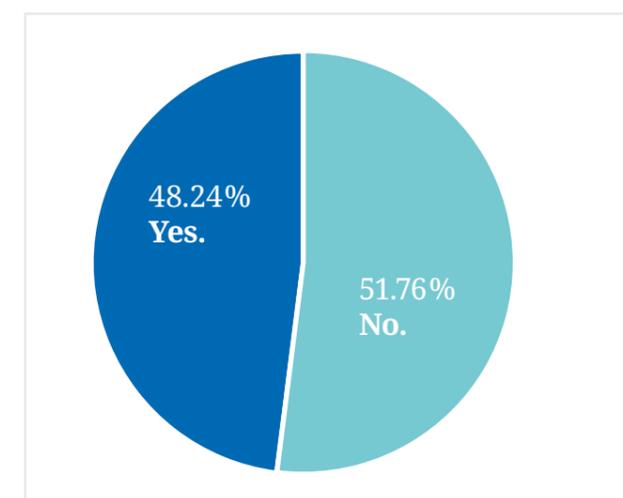


Figure 35: Did you have to postpone your go-live?

A look at the three migration methods is very interesting in this case: In terms of which method accounted for the most postponements, the greenfield approach is at the top of the pile. Almost 63% of those who opted for this method had to postpone their go-live. The brownfield approach had significantly fewer postponements with 44.5%. The fewest delays were encountered with selective data migration or a hybrid approach (43%).

A brief look at the company sizes is less interesting. In this case, the frequency of postponements was virtually the same for all sizes of companies. The relevant deviations were a maximum of 1.5% from the average.

” Transformation means thinking across divisions – but a consensus needs to be found quickly. Transformation requires leadership with the necessary will to make decisions.



Frank Reitmajer, Board Member, EnBW Ostwürttemberg DonauRies AG

Category 5

Requirements

What would respondents do differently today if they had to do it all over again?

One of the most interesting questions in the study concerns the lessons learned from the transformation experiences. The importance of communication is one of the most significant findings throughout the study. It is not surprising, therefore, that respondents would primarily optimize communication between the various divisions and departments (35.2%). In the previous studies, the topics “plan more resources” and “start working on it earlier” were at the top of the list. In this year’s study, these positions are occupied by “optimize communication” and “focus more on the most important processes that need to run after the migration” (32.9%). The risk of getting bogged down in projects of this magnitude is very high. It is a comprehensible learning process to focus significantly more in order to reach milestones more quickly. Last year’s winner took third place, with “plan more time” achieving 31.4%. Since the very first transformation study, this topic has always occupied one of the top three places. This shows once again that transformations, although noticeably improved, are still underestimated by many companies.

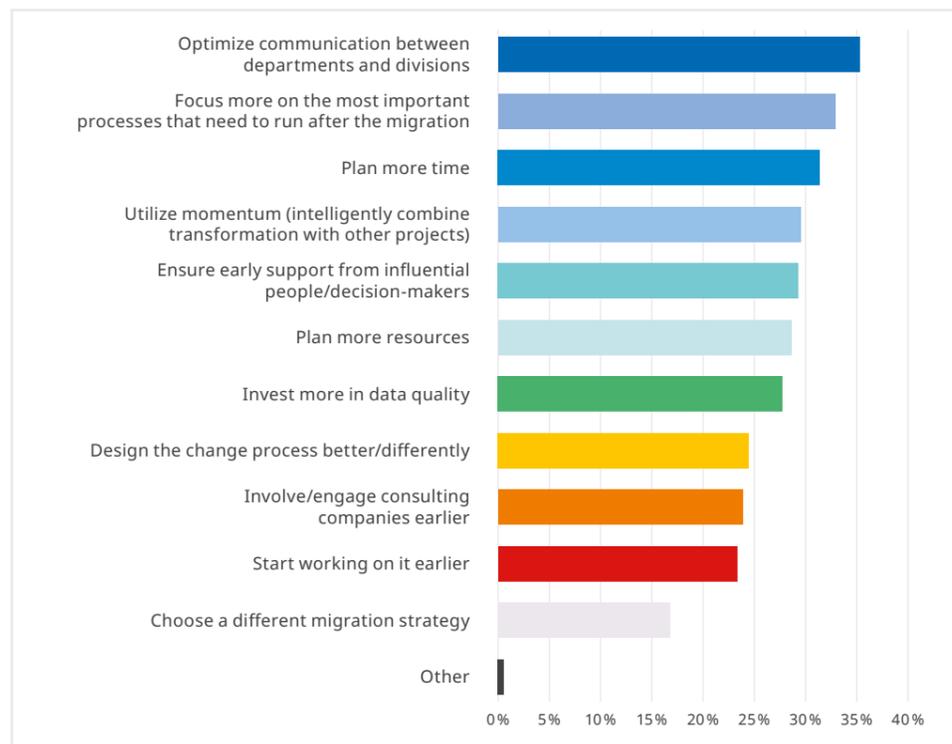


Figure 36: What would you do differently today as part of the transformation process?

A comparison of company sizes reveals that the most important lesson learned by the relatively small companies (sales of 150–349 million euros) from the past transformation is that they need to plan more time.

Among companies with sales in excess of 350 million euros, the most common finding is that communication between departments and divisions has to be optimized. For large companies (more than 999 million euros in sales), “plan more resources” (34.4%) is second and “plan more time” (33.8%) third. It seems that larger companies are at greater risk of underestimating the transformation process than comparatively smaller organizations.

A look at the country results:

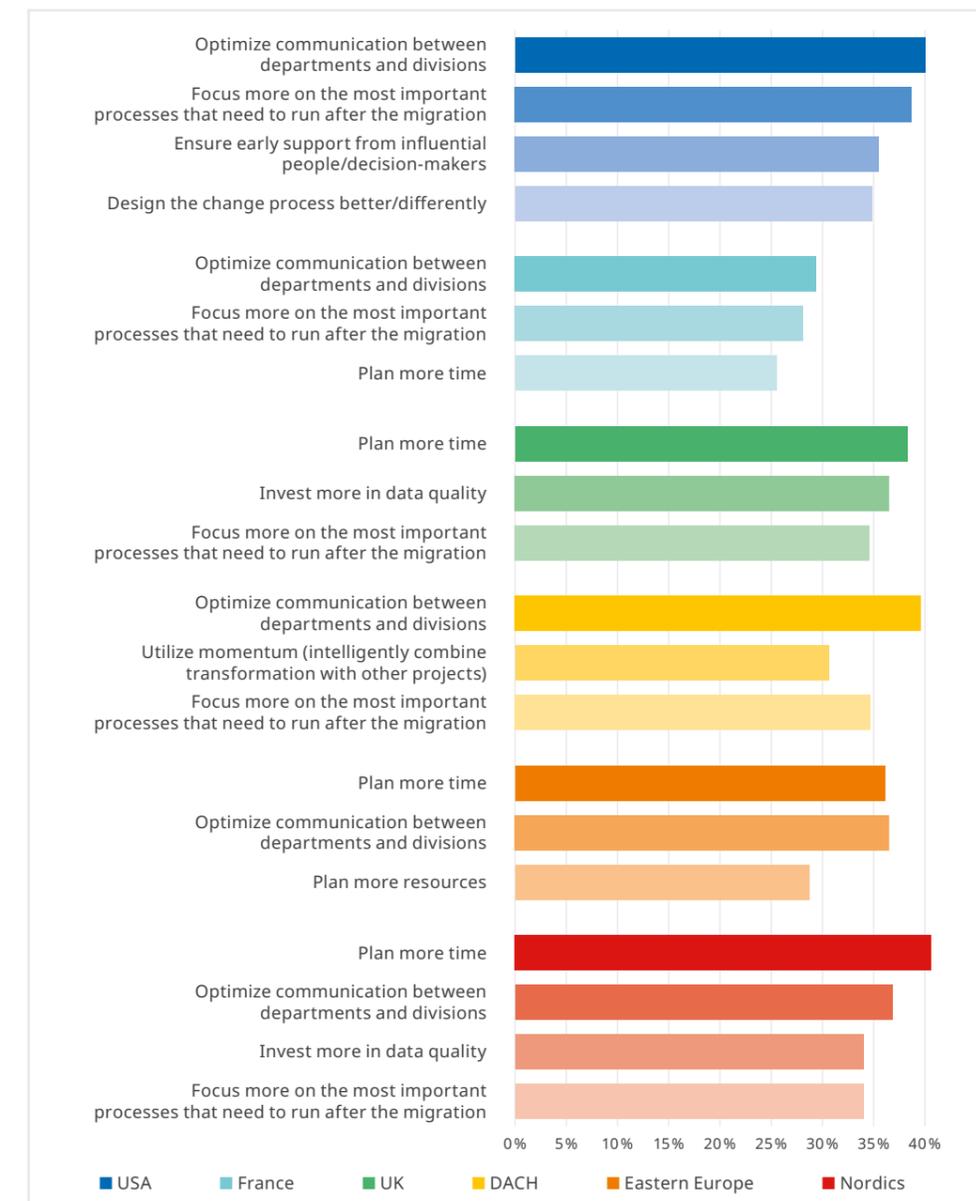


Figure 37: Insight into the transformation process in the regions

What was the most important result of the transformation project?

After learning all the details about the transformation process from the study participants, we wanted to know what result of this journey was most important to the respondents. Unfortunately, the question is not comparable to a similar question from 2024, because it was conceptually redesigned and expanded. For 26.5% of respondents, the most important result of their transformation is the increased efficiency. Only 19.7% rated “increased ability to innovate” as an important result. Higher flexibility was ranked third.

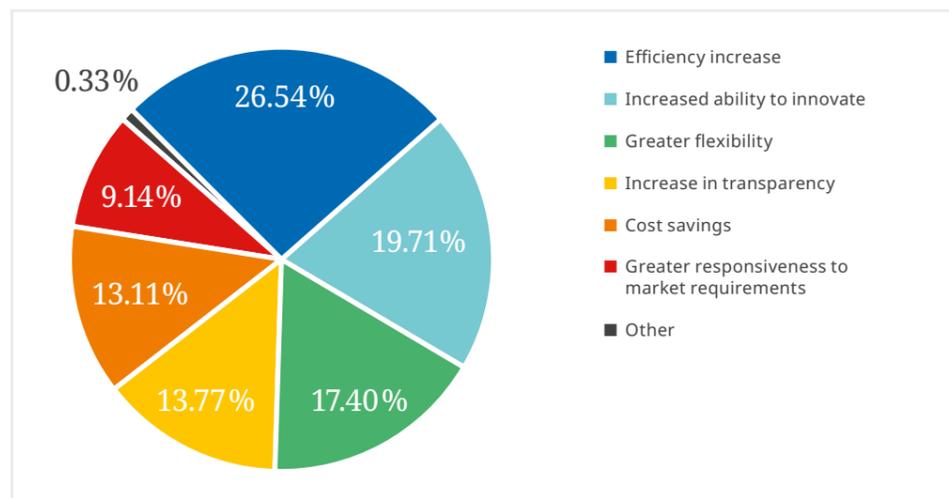


Figure 38: What was the most important result/success of your project?

A similar picture emerges across the regions: increased efficiency ranks first among the most important IT transformation outcomes in the USA (34.2%), France (23.5%), UK (31.5%), DACH region (28.8%), and Nordics (27.4%). Only in Eastern Europe do efficiency gains and cost reduction share first place with 18.5%. However, the top four most important successes (second place: increased flexibility, third place: increased efficiency, fourth place: increased innovative capacity) in this region are all close together (17.7–18.5%). The picture for company sizes was rarely consistent. Essentially, all companies are within the average of the overall figures.

We asked the 119 respondents who cited cost savings as their most important success in which areas they were able to reduce costs. 42.9% realized the cost savings primarily by reducing their IT infrastructure. 39.1% achieved cost savings by harmonizing the entire systems. 33.7% were able to reduce costs by reducing in-house development.

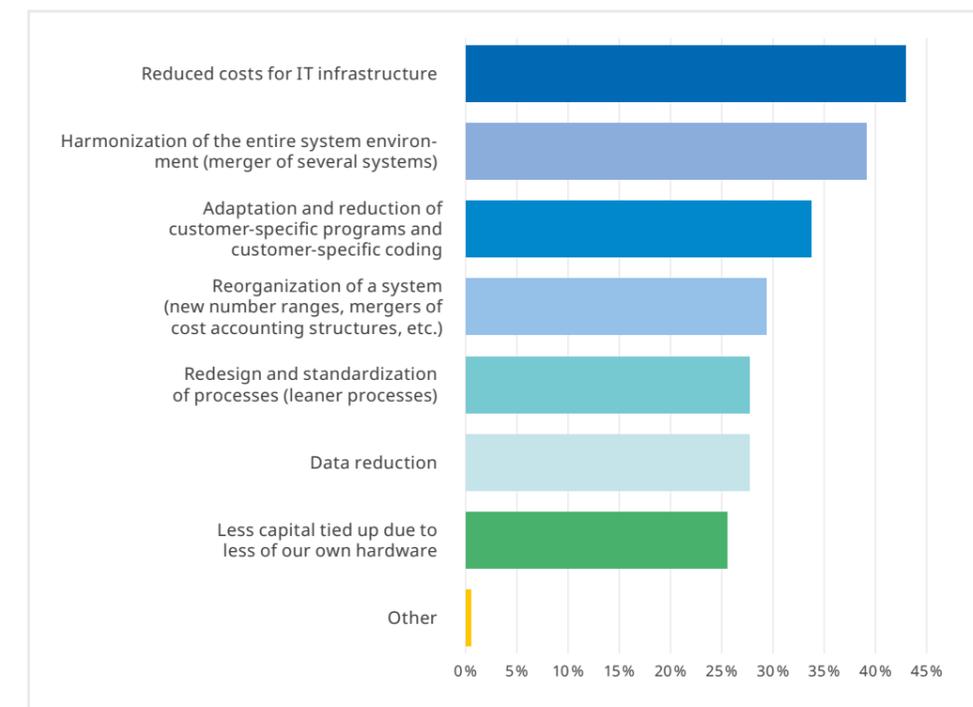
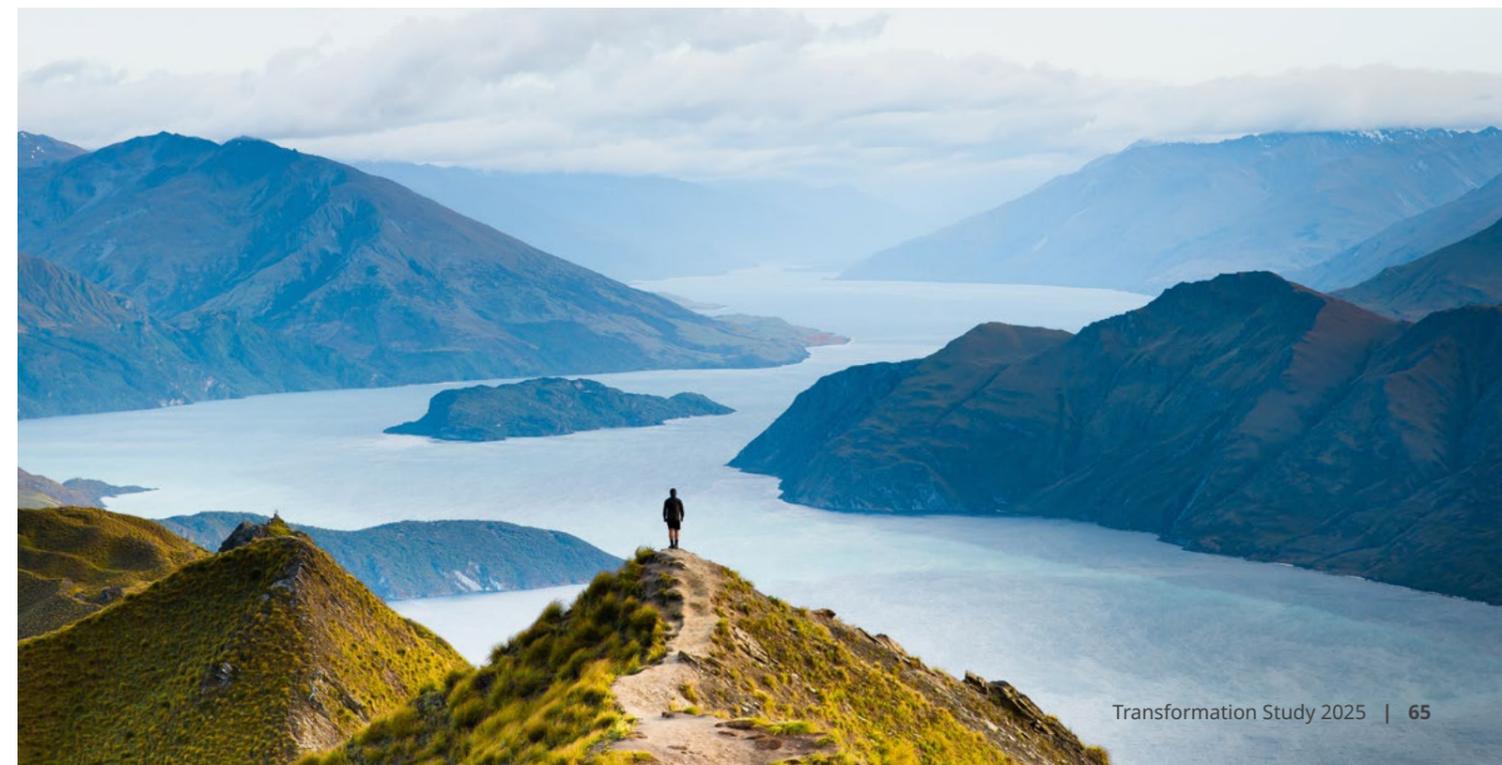


Figure 39: Where did you actually achieve cost reduction effects?



Conclusion of the 2025 Transformation Study

Overview of the seven most important findings

In 2022, the Transformation Study was conducted for the first time in Germany, Austria, and Switzerland. In 2023, Nativion and NTT DATA Business Solutions internationalized the study. After receiving considerable attention from customers and the trade press, NTT DATA Business Solutions, NTT DATA, and Nativion decided to further develop the study in 2024 – and with great success!

We have leveraged the expertise gained from the internationalization of the study for the latest 2025 edition. The study design was improved once more, and the sample was again significantly optimized and further internationalized. The result is that 909 IT decision-makers and top managers from 15 countries took part in the survey in January 2025.

It is important to understand here that we always look back two years or more in the transformation study. The study participants completed a major IT transformation in the past two years. This means that questions and answers on planning and implementation date back two years or more.



1. Managers want to future-proof their organizations. AI and new technologies are the most important drivers

Unlike in 2023 and 2024, we see in 2025 for the first time that AI is a key driver for transformation. The study results of recent years still showed concrete business reasons as the motivation for transformation: organizational optimization, cost reduction, acquisitions, and sales of companies or parts of companies. In contrast, the current study shows that companies have become increasingly focused on future issues.

The coronavirus pandemic and the explosion in energy prices certainly had a major impact on the results of the studies conducted in 2022, 2023, and 2024. In 2023, for example, the topics of “organizational adjustments” and “cost reduction” were ranked first and second among the reasons for IT transformation during and after the pandemic. This reason is now only found in the middle of the pack.

Currently, almost 57% cite the introduction of new modern technologies as the reason for the transformation. That puts this motivation in first place by an impressive margin of more than 13 percentage points. In second place we find “faster response to market requirements”, with “increasing the ability to innovate” finishing third. All of these topics indicate that managers want to make their organizations more resilient to crises.

The figures are even more impressive when it comes to the role played by AI in the transformation process. There was an increase of 63 percentage points in this year’s sample. When asked why companies are using more cloud platforms, almost 50% of respondents also answered that they want faster and easier access to technological innovations such as AI.

2. Poor data quality is still the biggest burden for transformation

All four transformation studies impressively demonstrate that companies struggle with their data quality. And even though this problem should be well known, the numbers never seem to change. In some cases, they are even rising. Currently, almost half of all respondents (47%) attest to the crucial importance of this issue in their transformation process. For the fourth time in a row, poor data quality is among the top three unpleasant surprises in the transformation process, and this time even takes first place with over a quarter of the respondents. At the same time, it is clear that the larger the companies are, the more they struggle with data quality. This is because the complexity and number of data formats and sources generally increase with the size of the business.



3. Data is the central value-creating factor

The widespread use of AI is at a turning point. The fundamental prerequisite for its successful application is high-quality data. As a result, AI and data quality are high on managers' agendas. This is also confirmed by the latest transformation study, in which large proportions of top management (46%) rated AI as the key driver for their transformation. The future, therefore, is not about the question of "who has the best software?". Instead, it is about "who has the best, most relevant, and most trustworthy data – and knows how to use it?"

Thanks to cloud platforms and low-code tools, companies can build their own solutions faster – without in-depth software development. In addition, standard software has become more powerful. Successful providers such as SAP, Microsoft, Salesforce, and Google now offer comprehensive standard solutions with open interfaces, extensibility, and regular update cycles. Compared to in-house developments, standard solutions enable a significantly faster time-to-market – which is crucial in a dynamic, competitive environment.

This is confirmed by the results of the study, in which the use of cloud services continues to increase significantly. Participants cite faster access to technical innovations as the main reason for moving to the cloud. This is also in line with the top three IT transformation goals of this year's survey: introduction of new modern technologies (57%), flexibility (43%), and increased innovative capacity (43%). Just a few years ago, and against the backdrop of the coronavirus pandemic and high inflation as a result of the Ukraine war, "cost reduction" and "supporting reorganizations" were the top transformation goals.

Innovation is thus shifting to the use of data and workflows, rather than focusing on the code itself. Many large companies (e.g. in the context of SAP S/4HANA transformations) are deliberately abandoning in-house developments in order to harmonize data processes. The focus is on master data quality, data model design, and reporting – not on software functions. This is also impressively confirmed by the 2025 Transformation Study, with 47.3% answering the question "Which technical activities were of decisive importance in the transformation process?" with: increasing data quality. For the question "What would you do differently today?", the second most popular response with 33% was "focus more on the most important processes that need to run after the migration." Data has become a crucial raw material, while software is the tool – but not the central competitive factor. Data is the new software!

4. Understanding of the topic of transformation is increasing – companies are preparing better

When we started the first transformation study in 2022, one thing quickly became clear: Most companies underestimate the task, are often unsure how to accomplish it, do not have enough qualified staff, do not plan their budget and time correctly, or have frequently had to postpone the go-live. As a result, a large proportion of respondents judged their transformation to be unsuccessful.

These problems have by no means disappeared in recent years. Nevertheless, it is clear that the numbers are slowly improving. The intensive discussion of IT transformation topics in the trade press, at events and conferences, as well as the more extensive range of consulting services and transformation expertise appear to have increased understanding. A key indicator of this is the annual question of whether companies have fully achieved their IT transformation goals. In 2022, the figure was 51%, but this has risen steadily over the last four surveys to now 69%.

This improved assessment is evident in the budget and time approach: In both cases, the 2025 sample showed more generous planning. Budget and time overruns have also decreased slightly. The answers to the question "What would you do differently today?" are also very interesting. In previous years, "more generous scheduling" was at the top of the list. Over the course of the four study years, this point has now slipped to third place. We are also seeing fewer go-live postponements.

Even though IT transformation remains a challenge, we can draw the following conclusion from the numbers: More and more companies understand that a transformation is a very complex and time-consuming project that requires not only systematic preparation and additional resources but also, and perhaps most importantly, a partner with the necessary expertise.

5. Better communication is a key success factor for transformation

Anyone involved in transformation projects knows that change management is a key discipline. What has not been made clear in the study so far is that one aspect of change management obviously requires very special attention: communication.

When asked what the biggest planning challenge was, the respondents in this year's transformation study ranked the development and establishment of regular communication in third place for the first time. When asked which organizational measures were of decisive importance in the context of their IT transformation, the establishment of communication channels between all parties and departments ranked second with almost 40%. Most underestimated, according to the respondents, was the communication between departments and the organization of divisions (second place with 31.8%). When asked what they would do differently next time, "optimize communication between departments and divisions" was the clear winner with 35.2%.

Communication is thus perceived as a decisive success factor for IT transformations. Digitalization is only partly a technological problem, and it is people who remain the truly important success factor in transformative situations. They account for more than 50% of success. This is because digitalization means speed and, at the same time, disruptive change. Both are unsettling for employees. In this regard, our study, like many others, confirms that comprehensive, good, and regular communication with all stakeholders is absolutely critical to success.

6. Housekeeping remains a key success factor in the transformation

Anyone who is moving house is forced to take stock: What do I have? What needs to come with me? What can go? The situation is no different for companies that want to adapt their processes or introduce new systems and platforms. The experiences of the participants in all four transformation studies since 2022 confirm that these technical tasks are crucial for the success of an IT transformation.

In this year's survey, 43% of respondents were convinced that "conducting analyses," "taking stock," "assessment," and "readiness check" were critical to the success of their IT transformation. When asked what difficulties companies faced during planning, analyzing the existing IT landscape was the undisputed number one with 38.6%.

At this point, we can only strongly recommend that managers bring in real IT transformation experts, since one of the truly critical points in the project is to draw the right conclusions from the analyses. The importance of the inventory analysis and the improvement of data quality in the transformation process is also highlighted by the extent to which companies struggled with the quality of their data in the project. The fact that companies that prioritize inventory and analyses in their projects at an early stage are more likely to achieve all transformation goals than companies that do not impressively demonstrate the high relevance of housekeeping activities.



7. Cost drivers in the transformation are Greenfield migrations and vendor switching

It's a question as old as the history of data migration: Which method makes most sense? Start from scratch, or take all or part of your data with you and leave behind what is no longer needed? This decision depends on many different factors. In many cases, the switch from a maintenance-intensive, modified system with multiple customer-specific add-ons to a standard system from the software manufacturer is the motivation for a greenfield approach.

It is well known that greenfield projects take longer and consume more budget. An interesting result of the 2025 Transformation Study shows that these projects also appear to be less predictable. For example, respondents who chose to make a new start were only half as likely to meet their planned budget. In addition, the go-live had to be postponed significantly more often when using the Greenfield approach (63%) than, for example, with Brownfield projects (44.5%). An on-time go-live was most likely with selective data migration or a hybrid approach (only 42% delays).

It seems understandable that changing vendors during the transformation process is more complicated. This is also where, comparatively, Greenfield migrations most commonly occur. However, it is interesting to note that those who switch providers are much less than half as likely to meet their planned budget. The proportion of those who exceeded their budget by more than 30% is also three times higher among those who chose to switch. In contrast, customers who stay with their existing provider are more than twice as likely to stay on schedule during their transformation. It should also be noted, however, that those who switch vendors are almost 10% more likely to achieve all of their transformation goals.



We Transform. SAP® Solutions into Value

We understand the business of our customers and know how to successfully lead companies into the future. At NTT DATA Business Solutions, we drive innovation: from consulting and implementation to managed services and beyond. With a focus on SAP and a strong partner network, we continuously improve solutions and technologies to make them work for companies – and their employees.

You can use our services in over 30 countries, and we have helped thousands of companies become even more efficient and productive in our 30 years of existence. Our more than 16,700 experts around the world are ready to support you on your journey toward becoming an intelligent enterprise – wherever you want to start!



Nativion is a digital moving company. It does not transport desks, filing cabinets, or chairs. Nativion moves business-critical data and processes from one technology platform to another – smoothly and cost-effectively. Nativion experts are called upon whenever SMEs and large companies want to modernize, optimize, separate, merge, or restructure their IT systems. This exclusive technical transformation expertise enables Nativion customers to leverage their data and processes at all times on the most advanced and innovative technologies. The Nativion Group, which is Inc. 5000 and FT 1000 listed, has for the past four years experienced some of the most dynamic growth of any software and IT consulting company in Europe.

Nativion's experts are supported in the transformation of data by the proprietary Nativion DCS software. Nativion is a founding member of the SAP S/4HANA Selective Data Transition Engagement community.

 **Our free newsletter is available at:**
www.nativion.com/newsletter

Do you have questions about digital transformation?
Feel free to get in touch!

NTT DATA Business Solutions AG
www.nttdata-solutions.com

Nativion GmbH
info@nativion.com
www.nativion.com

