
The key to ERP ROI and an AI advantage: CPM transformation

A strategic guide to modernizing legacy planning and consolidation software, maximizing ERP ROI, and ensuring AI-readiness

Executive summary

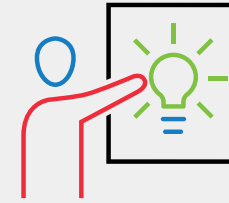
Large enterprises are under pressure to modernize their finance tech stacks. ERP transformation has understandably captured the focus of many enterprises, and with good reason: replacing an ERP system is no small feat and often takes years to successfully implement.

The thing is, **the ERP isn't the only system in immediate need of transformation.**

Major providers, like Oracle and SAP, are expiring support for their legacy planning and consolidation platforms. The result is that over the next few years, enterprises around the world will be overhauling their corporate performance management (CPM) software strategy.

Industry experts and finance leaders now recognize that upgrading to an AI-powered, modern finance platform before or in parallel with an ERP replacement is the smartest move. Doing so not only accelerates finance transformation, but also maximizes the ROI of the new ERP by laying a solid data foundation that enables finance teams to embrace AI.

If you're re-evaluating core finance processes, don't stop at the ERP. CPM transformation connects strategy to execution by guiding decisions, accelerating processes, and maximizing the ROI of your ERP transformation.



The key to ERP ROI? Begin with **the end in mind.**

- ✓ The goal of finance transformation is to create a data ecosystem where information flows seamlessly between the ERP and CPM while laying the groundwork for AI.
- ✓ Outdated systems don't just slow progress. They block it.
- ✓ The only way to achieve ERP success is to reevaluate your tech stack as a whole: Implementing the CPM and ERP together.

Maximize ERP transformation ROI: Let CPM lead the way



Gartner warns that, by 2027, **over 70% of recently implemented ERP initiatives will fail** to fully meet their original business goals. Transforming your CPM first keeps strategy and execution aligned by guiding decisions and ensuring your ERP investment delivers.

To set your financial transformation up for success, **it's important to be aware of several common pitfalls** that primarily occur when ERP and CPM replacements are implemented separately.

Scope creep, blown budgets, and deadline overruns

“Three-fourths of ERP transformation projects fail to stay on schedule or within budget, and two-thirds have a negative return on investment.”

([McKinsey, 2019](#))

In ERP and CPM migrations, scope creep often occurs when business units request additional reporting capabilities, new compliance features, or extended historical data mid-project. These changes introduce added complexity, increase testing demands, and strain governance structures, quickly extending project timelines and inflating budgets.

To mitigate these risks, it's essential to conceptualize ERP and CPM together from the outset, with the ERP as the operational backbone and the CPM as the strategic engine. This concurrent approach helps maintain scope discipline, ensures that testing phases reflect real-world scenarios, and ultimately supports a more successful and sustainable transformation.

Hidden dependencies

“Research indicates that the lifetime cost of a significant [ERP] customization typically ranges from 2 to 5 times its initial development cost, with this multiplier increasing as the system ages.”

([International Journal of Computer Applications, 2025](#))

Custom code, undocumented integrations, manual workarounds: ERPs, planning tools, and consolidation systems have different architectures and hidden complexities that make a simple “lift and shift” impossible. When migrating or integrating new systems, teams often must rebuild business logic, data mappings, and compliance rules from the ground up.

Failing to identify these dependencies and test system compatibility early can delay or even derail transformation projects, especially with systems like the ERP and CPM, which are tightly connected. Choosing compatible platforms from the outset is critical to success.

Maximize ERP transformation ROI continued

Internal resistance to change

In a study of 2,400 ERP implementations, 42% of failures were due to “inadequate change management.”

[\(Godlan, 2025\)](#)

Legacy finance systems often contain years of customization. Migrating to modern CPM platforms can feel disruptive for teams who have invested significant time mastering these legacy environments. The shift to standardized, automated processes may raise concerns about losing familiar workflows and the value of prior training investments.

However, transformation does not mean starting from scratch. Existing business logic, such as allocation rules, consolidation methods, and planning models, can be mirrored in the new system.

Knowledge of reporting cycles, compliance workflows, and approval hierarchies is essential for validating processes in the new solution. IT and finance teams should work together on a new data architecture for the ERP that aligns with the management needs of the CPM.

Underestimated security & controls

43% of organizations report difficulty integrating cloud security tools with existing security infrastructure, which should raise alarm bells when modernizing one system but not the other.

[\(ZipDo, 2025\)](#)

When an organization moves its ERP or CPM technology to the cloud, both systems rely on shared data, user roles, and security frameworks. If only one is modernized, or if they're transformed separately, the business is exposed to several risks:

- Compliance gaps can emerge when access controls, encryption standards, and audit trails differ between the old and new environments.
- Legacy IT controls designed for on-prem systems may no longer function properly in the cloud, creating vulnerabilities in data flows between systems.
- Misaligned security models can lead to unauthorized access or gaps in audit visibility.

Transforming both systems together helps eliminate these risks by establishing a single, consistent security framework that protects data, users, and workflows across the ERP and CPM.

Insufficient data foundation for AI

58% of finance functions are using AI, up 21 points from the previous year.

[\(Gartner, 2024\)](#)

AI is taking tech stacks by storm and finance is no exception. Leaders are already implementing predictive forecasting, anomaly detection, and close acceleration, but solid data foundations must exist before teams can fully take advantage of AI-based functionality and its future evolutions, like Agentic AI.

Outdated tech blocks transformation and AI adoption. When ERPs and CPMs are misaligned due to conflicting hierarchies, accounts, entity structures, lineage, and rules, there is no data foundation for reliable AI outputs.

Establishing AI readiness starts and ends by creating a data ecosystem across platforms that establishes a data foundation for AI training.

The bottom line: ERP and CPM transformation should happen at once

Finance-driven requirements guide ERP success.

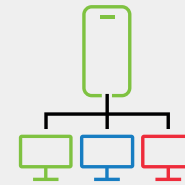
ERP systems manage transactional and operational data and are critical to driving operational execution. CPMs are designed to manage core financial processes while enabling strategic decision-making, planning, disclosure, and performance management. It's essential to remember that these systems don't operate in isolation. They're vital cogs in a much larger machine: your finance technology stack.

When CPM transformation guides an ERP replacement project, you set up the whole tech stack for success while laying the foundation for the adoption of transformative technology like AI.

CPM implementations are imminent for many organizations.

Many legacy CPM users will have to rebuild their CPM systems in the near-term anyway. Widely adopted core systems, like SAP BPC, SAP BFC and Oracle HFM, are approaching the end of maintenance. The companies using them will be imminently forced into a transformation in order to avoid costly custom development among other things.

Transformation succeeds when **strategy and operations move in sync** — and when CPM outcomes are envisioned from the very beginning.



“Consider first establishing a common layer that brings together disparate data and cross-functional teams to better manage performance and drive profitability: [corporate] performance management.”

([PwC, 2024](#))

That's why we recommend:

- ✓ Addressing your ERP and CPM transformations as a single, unified initiative; and
- ✓ Involving both IT and finance so technical execution is grounded in real business needs, enabling better governance, faster adoption, and more effective testing cycles.

Stronger together: The case for transforming your ERP and CPM in tandem

By seeing ERP and CPM transformation as inherently interlinked, you can avoid the common pitfalls of failed transformation projects. The best time to implement a CPM? **Before or during your ERP migration, not after.** Here's why:

- 1 | AI readiness and more effective automation:** When CPM and ERP systems have tightly aligned hierarchies, rules, structures, data lineage, and accounts, finance gains a foundation of accurate historical training data that accelerates AI adoption today and scales with emerging innovation. With an aligned ERP-CPM data ecosystem in place, finance teams are set up to both embrace and maximize the potential of AI-based finance tech for forecasting, anomaly detection, consolidation, planning, reporting, analysis — and more.
- 2 | Scope management:** Implementing a CPM during the ERP migration gives you a more realistic view of what the overall transformation must achieve. When CPM requirements are defined in parallel, you can set clearer boundaries, avoid scope creep, and ensure that both projects reinforce rather than conflict with each other. Deferring CPM until after ERP often leads to overlooked functional needs that require costly redesign later.
- 3 | Design coherence and fewer ERP surprises:** When ERP charts of accounts and data structures are aligned with CPM financial KPIs, such as profitability, working capital, and ESG, there is far less risk of rework later. If CPM transformation is deferred until after ERP transformation, the ERP data model, chart of accounts, and process design can constrain planning, consolidation, ESG and tax reporting for years. A “CPM-in-parallel” approach clarifies what the ERP must deliver on day one — and vice versa.
- 4 | Time-to-value and faster ROI:** ERP transformations can take years to deliver measurable benefits, which can be demotivating for teams. CPM transformations, by contrast, can deliver predictive forecasting and management reporting in months, not years, giving finance teams quick wins and tangible ROI while ERP modernization continues.

Stronger together: The case for transforming your ERP and CPM in tandem continued

- 5 **Risk reduction:** Selecting and implementing a CPM often exposes gaps in controls, lineage, and data granularity that must be addressed in ERP design and migration plans. Identifying these issues early prevents downstream technical problems that would otherwise require costly rework.
- 6 **Rejuvenating teams and supporting change management:** ERP implementations are long journeys, often spanning five years. During this time, many things can change. Staff turnover, shifting leadership priorities, and waning sponsorship can all slow progress. Implementing a CPM, especially one with low or no-code configuration, gives teams quick wins in reporting, process efficiency, and ROI that help rejuvenate enthusiasm and sustain momentum.

If your ERP overhaul is already in motion: Navigating CPM decisions mid-ERP transformation

Already deep into an ERP migration?
Choose an CPM platform that is ERP-agnostic.

What does ERP-agnostic mean?

ERP-agnostic CPMs are designed to integrate with any ERP, not just one vendor.

Defining qualities of ERP-agnostic CPM software:



- ✓ **Open architecture**
- ✓ **Scalable data model**
- ✓ **No-code /low-code configuration**
- ✓ **Consistent performance**

What good looks like: Your CPM software requirements checklist for a seamless ERP integration and AI-readiness

Here are the top functional and technical requirements to consider when selecting a CPM solution, regardless of your ERP implementation journey.

Functional requirements

- ❑ **Unified consolidation & planning:** Coverage across financial close, consolidation, planning, disclosure management, tax, ESG, and analysis ensures actuals-to-plan/report coherence, fewer reconciliations, and faster cycles.
- ❑ **Built-in regulatory content:** Look for pre-built functionality supporting applicable regulatory requirements such as BEPS Pillar Two, CSRD, Solvency II, lease accounting, tax provisioning, operational transfer pricing, and any other relevant regulatory frameworks.
- ❑ **Intuitive, business-friendly user experience:** Prioritize a familiar Excel-like interface, guided workflows, in-platform collaboration tools, dynamic data, a central data hub, pre-built templates and calculation logic, and a configurable, rule-based engine.
- ❑ **Explainable AI automation:** Leading platforms embed AI throughout the solution, supporting capabilities like forecasting, outlier and anomaly detection, data mapping, narrative reporting, scenario modeling, and analytics.
- ❑ **Integrated disclosure:** Expedite reporting and disclosure with GenAI supported narrative reporting, dynamic reports that update with the latest data, and automated iXBRL filings. Look for solutions with APIs so regulatory outputs and downstream analytics don't rely on spreadsheets and point tools.

Technical requirements

- ❑ **Open architecture:** An open API framework enables a bi-directional flow of data between the ERP and CPM. Pre-built connectors support multi-ERP environments while minimizing brittle integration code.
- ❑ **Scalable data model:** A flexible data model maps, transforms, and normalizes data structures from any source.
- ❑ **Rule-based engine:** A rules designer with reusable logic allows users to independently add entities, KPIs, and reporting structures without rebuilds or heavy code customizations. It also centralizes dimensions, hierarchies, and business rules in the CPM, independent of the ERP.
- ❑ **Low-code/no-code configuration:** Low/no-code configuration allows finance and business users to adjust models, workflows, and rules without IT intervention.
- ❑ **Security, roles, and audit trails:** Automated governance ensures compliance with IT security protocols and regulatory requirements.
- ❑ **Central data hub:** Dynamic data flows from a single source into filings and reports without the need for manual data exports.
- ❑ **Powerful data processing:** In-memory technology and optimized data models enable CPMs to process large volumes of financial data quickly. This leads to accelerated consolidation, planning, reporting, faster closes, and real-time insights for timely decision-making.

A set up for success: What to do before you begin a finance transformation

A successful financial transformation project goes far beyond selecting the right technology. It requires a strategic, well-coordinated approach that aligns people, processes, and platforms. Set yourself up for success by following these best practices:

- 1 Define a “North Star” and management reporting metrics:** First, codify a business-led vision. What decisions need to be faster or better? Which KPIs matter most? And what cycle time and accuracy targets will define success? Then, put a CPM in place early to serve as that North Star, providing the framework and metrics that guide ERP scope and design choices as the transformation unfolds over years. This ensures strategy stays connected to execution from day one.
- 2 Select ERP and CPM together:** Finalize CPM vendor selection (or at least create a shortlist) before your ERP design freeze. Starting with the corporate performance model clarifies critical ERP design elements, such as your chart of accounts, dimensions, and reporting requirements. The result is reduced risk and accelerated Day 1 value.
- 3 Re-engineer only critical custom code:** Avoid replicating all legacy customizations. Instead, leverage standard CPM features to replace non-essential custom logic. Focus on critical business rules that truly differentiate your processes, and consult with your implementation partner to strike the right balance between code and standard configuration.
- 4 Establish a Center of Excellence (CoE):** Create a CPM CoE to drive governance, adoption, and continuous improvement. The CoE should manage training, updates, and support, and act as a strategic advisor for expanding use cases over the long term.
- 5 Promote a “what’s in it for us?” mindset:** Above all, you need user buy in. Help users understand the personal and team-level benefits of the new system. Link improvements in efficiency, visibility, and collaboration to employee experience and strategic goals. AI-based capabilities support change management and adoption by both executing and accelerating repetitive daily tasks.
- 6 Blend training with hands-on adoption:** Combine formal vendor-led training with practical workshops to understand best practices, learn how to expand the new CPM technology over time, and reinforce the how and why behind your streamlined processes.

The CCH® Tagetik difference: A modern, intelligent CPM platform for today — and ten years from now

CCH Tagetik combines deep domain expertise with a modern, innovative CPM platform built for the evolving needs of the Office of Finance.

With over 20 years of proven experience and consistent recognition from leading analysts, CCH Tagetik has helped hundreds of global enterprises replace legacy systems like SAP BFC, BPC and Oracle HFM. Its ERP-agnostic architecture, prebuilt financial and regulatory content, application of advanced AI technology, and intuitive, no-code interface empower finance teams to accelerate implementation, reduce complexity, and drive adoption.

CCH Tagetik AI puts finance at leading-edge of what's possible.

By leveraging objective AI, machine learning, genAI, and agentic AI technologies, our Expert AI interprets intent, automates tasks, and accelerates decision-making across the entire financial lifecycle, from data collection to disclosure.

CCH Tagetik integrates with any and every ERP.

CCH Tagetik integrates with Oracle, SAP, and Microsoft environments thanks to its open architecture. Since the platform is ERP-agnostic, IT teams will be pleased to learn CCH Tagetik fits lock and key into any existing applications and environments.

Why choose CCH Tagetik?

By choosing CCH Tagetik to replace your legacy CPM system, you give your teams the planning and consolidation functionality, AI-based automation, and financial intelligence to:

- **Lower risk and close the books faster:** Get financials closed and consolidated accurately and at speed, without data chaos slowing you down
- **Scale with confidence:** Support growth with enterprise-grade security, governance, and high performance powered by an in-memory data engine
- **Produce sharper, more agile plans:** See every outcome clearly and build best-case scenarios with precision and flexibility
- **Access AI-driven efficiency:** Free your team to focus on decisions, not data management with AI that accelerates consolidation, planning, reporting, and data management
- **Be audit-ready and fully compliant:** Stay ahead of evolving regulations, including ESG and BEPS Pillar Two, with transparency and controls built for auditors, not rework

The CCH® Tagetik difference: **See it in action**



The proof is in our customers' success.

These leading companies
broke free from legacy
finance systems



Learn how Sulzer
modernized Finance with
CCH Tagetik

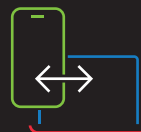


Learn how we address common replacements

Outdated legacy systems were built for back then. CCH Tagetik's intelligent CPM platform is built for what's next.



SAP BPC Replacement



SAP BFC Replacement



Oracle HFM Replacement



CCH® Tagetik
by Wolters Kluwer

Whether you're just starting your transformation or mid-way through upgrading your ERP, CCH Tagetik provides the foundation, flexibility, and confidence to move forward.

Moving beyond legacy CPM software isn't a matter of 'if', it's 'when'.

Start your transformation with CCH Tagetik today.

[Learn more →](#)



CCH® Tagetik
by Wolters Kluwer