



Closing the ERP Value Gap to Enable AI-Ready Operations

Introduction

Cloud ERP was meant to transform operations and enable AI-driven innovation. Instead, many organizations are left managing growing operational complexity and fragmentation with manual workarounds.

The impact is measurable: **70-80% of ERP programs underdeliver on ROI.**¹ Or, in other words, only a minority of organizations feel their ERP meets their expectations.

The ERP Value Gap

There is a disconnect between what cloud ERP promised and what it is delivering.

Rather than enabling standardized, scalable operations, many ERP environments still struggle with fragmented processes, delayed reporting cycles, and customization debt that slows access to new Oracle capabilities.

Additionally, AI is increasingly integral to ERP functionality and should unlock powerful capabilities, yet most systems lack the stability to realize the full potential. As a result, the ERP value gap continues to widen, and the majority of organizations feel consequences far beyond ERP system performance.

¹ <https://www.gartner.com/en/information-technology/topics/enterprise-resource-planning>

The Organizational Impact

It isn't just a technical issue. ERP underperformance has a direct business impact that affects organizations in two ways: eroding operational value and limiting future innovation capabilities.

 Eroding operational value <i>Day-to-day inefficiencies and operational cost</i>	 Limiting future capability <i>Impact on modernization, innovation and business agility</i>
Pressure on finance teams to resolve reconciliation and reporting issues	Customizations delay Oracle updates, Redwood UX and AI adoption
Manual workarounds increase dependency on spreadsheets and shadow processes	Automation initiatives struggle to scale beyond siloed, isolated use cases
Misaligned processes cause delays and errors that impact confidence in automation	Business change becomes slower and more resource-intensive to execute
Manual effort around audit and compliance needed to limit risk	Mergers, divestitures, and TSA separation become more complex to manage
Rising support overheads that increase the long-term cost of ERP operations	Legacy ERP complexity limits operational scalability and flexibility

The impact of poor ERP integration can easily snowball. It begins as operational inefficiencies that organizations learn to work around. Over time, those same issues prevent businesses from fully realizing the value of their ERP investment and utilizing the AI capabilities built into the platform. Additionally, during periods of significant business change – carve-outs, mergers and acquisitions – ERP underperformance undermines business decisions and makes remediation imperative.

The Bottom Line

By 2027, 62% of cloud ERP spend will be directed toward AI-enabled solutions.²

AI-enabled functionality isn't a 'nice-to-have' feature. It's structural. This means that stand-alone remediation isn't enough to fix technical inefficiencies.

The interdependency between stable ERP systems and AI-enabled functionality means that tackling them separately limits both business performance and ROI. Instead, to fully realize their value, remediation must be addressed in tandem with a robust AI strategy.

This approach creates a strong operational foundation that enables organizations to fully exploit the AI innovation central to Oracle's ERP systems and translate expanding AI-powered ERP capabilities into ongoing operational value.



This POV covers:

- Why ERP remediation is a business issue, not just a technical one
- Addressing the root causes of underperforming ERP systems
- Using AFSA methodology (Assess, Fix, Stabilize, Automate) to drive continuous value
- Real-world case studies showing remediation in practice
- How to make AI adoption in ERP applications seamless and value-driven

² <https://www.gartner.com/en/newsroom/press-releases/2026-02-24-gartner-predicts-embedded-ai-in-cloud-erp-applications-will-drive-a-30-percent-faster-financial-close-by-2028>



Recognize the Symptoms: Why Systems Underperform

ERP should be the beating heart of an organization. It should be the foundation for AI-enabled operations across every business function from finance to fulfillment. But, if it doesn't integrate and flow effectively across business functions, it cannot deliver its full potential.

In practice, most ERP performance issues fall into four connected areas. While the symptoms vary between organizations, the underlying causes are consistent.

Functional and design challenges: The tech tail wags the dog

Many ERP environments suffer from a disconnect between business requirements and system configuration that becomes a catalyst for operational friction and a barrier to AI-enabled workflows.



Process misalignment

Poor workflow design creates bottlenecks and inefficient close and reporting processes.



Inefficient configurations

COA misalignment and subledger configuration gaps create a need for manual reconciliation.



Manual rework

Non-standard processes result in duplicated effort, manual journals, and limit operational visibility.

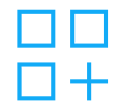


Technical and integration challenges: Customization as a false economy

Customizations are often introduced to improve ERP usability. Yet, over time, they create complexity that makes ERP environments harder to modernize and separate during structural business change.

Data challenges: ERP systems are only as good as the data that fuels them

Data is the lifeblood of AI-enabled ERP systems, making quality essential. Where this is missing, the impact is undermined trust in reporting and limited operational value.



Customization debt

Legacy customizations duplicate Oracle functionality and increase maintenance and support overhead.



Integration complexity

Inefficient API patterns and inconsistent integrations slow Oracle updates, Redwood UX adoption, and AI capability rollouts.



Carve-out constraints

Fragmented and highly customized systems complicate mergers, divestitures, and TSA separation requirements.



Master data inconsistency

Inconsistent master data reduces reporting accuracy across finance and operational processes and impacts trust.



Historical data debt

Poor data migration continues affecting transactions, reporting, and downstream processes.

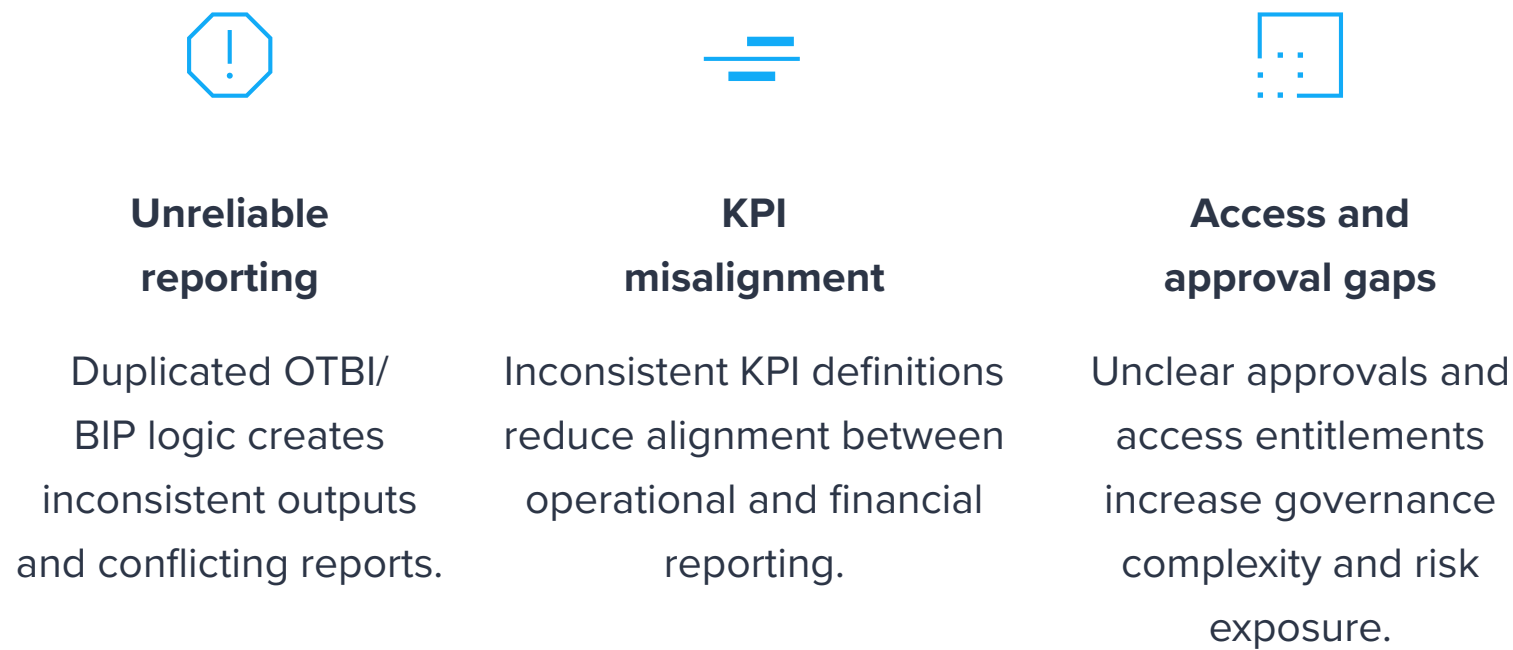


SL-GL reconciliation gaps

Unclear reconciliation paths increase audit effort and reduce confidence in financial reporting.

Reporting and security gaps: Risk exposure, an unintended consequence

Reporting and governance issues often emerge gradually as ERP environments evolve, but create inconsistencies that impact risk across the organization.



The challenges organizations face when it comes to their ERP systems is never a singular issue. Rather, it’s the combination of fragmented processes, technical complexity, and inconsistent governance that impacts every facet of the business.

That’s why effective ERP remediation cannot be treated as a purely technical fix. It requires a business-centric approach in combination with a robust AI strategy. This allows organizations to address ERP issues in a way that maximizes operational impact and builds a modern, adaptable environment aligned with business needs.



Remediate the Root Causes: Define a Strategic Reset

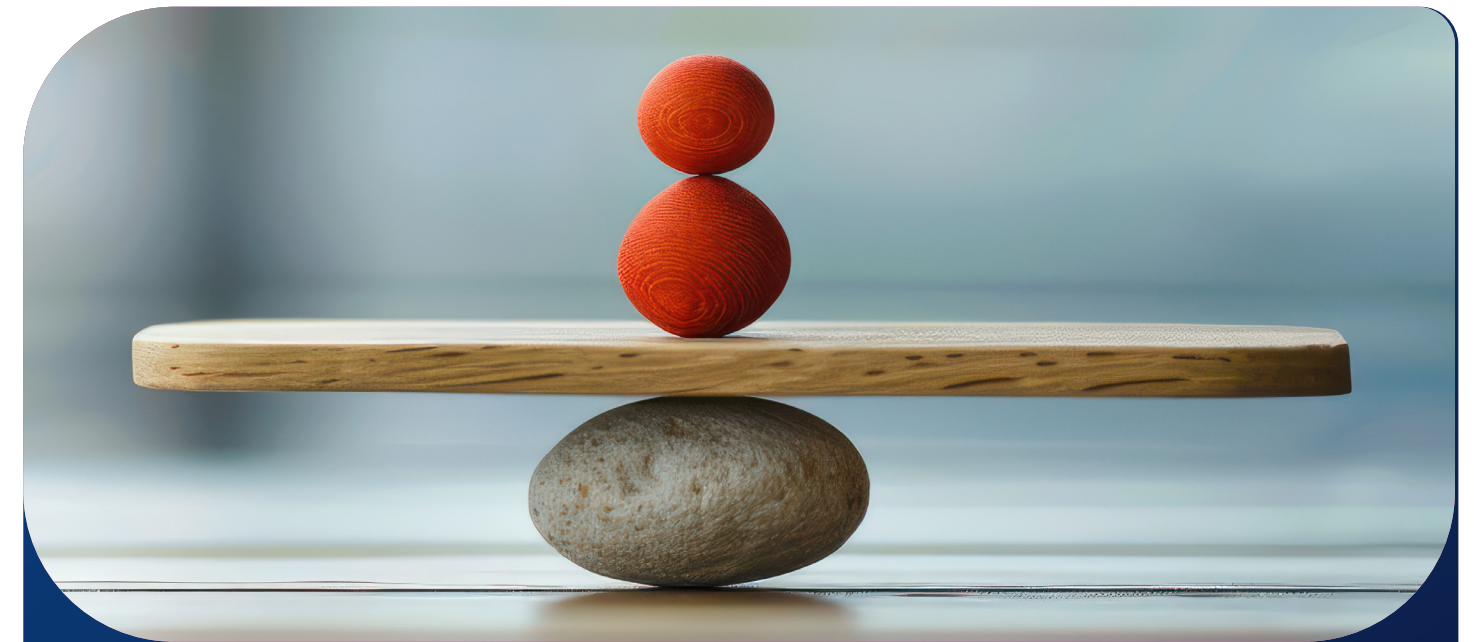
So, what does a business-centric approach to combined ERP remediation and AI strategy look like?

It needs to take the form of a deliberate reset. One that **stabilizes** critical processes, **optimizes** core design and data, and **futureproofs** the system for continuous improvement. Focusing on these three strategic priorities is central to driving maximum impact now and preparing the organization for what comes next.

AI readiness

“Embedded AI in cloud ERP applications will drive a 30% faster financial close by 2028”, but not if ERP potential is locked away by implementation.³

However, businesses must not fall into the trap of treating AI-readiness as a follow-on step after remediation. For Oracle users, this is already a live concern, with AI deeply embedded in critical ERP functions.



ERP remediation without an AI focus cannot fully address the challenges users face. Equally, AI adoption without a stable ERP foundation will not scale. To deliver lasting value, remediation and AI strategy need to be approached symbiotically, with AI readiness built into every stage of the remediation process. This is the mindset that underpins successful transformation projects.

And that's where the ERP foundation matters most. The data and integration layers are the most critical points of failure for AI-powered ERP functionality, so how should they be addressed as part of a strategic reset?

³ <https://www.gartner.com/en/newsroom/press-releases/2026-02-24-gartner-predicts-embedded-ai-in-cloud-erp-applications-will-drive-a-30-percent-faster-financial-close-by-2028>

Stabilize: Restore Reliable Operations



Once these processes are more reliable, organizations can achieve consistent performance with predictable reporting cycles and reduced reliance on manual intervention. In turn, this gives organizations a stable baseline that supports AI functionality and lays the foundation for further improvement.

The first priority is to restore reliability across core ERP processes to support AI-enabled functionality and reduce operational disruption. For many organizations, underperforming ERP systems create inefficiencies that show up in reconciliation gaps, reporting delays, manual workarounds, and declining confidence in system performance. Effective remediation addresses these root causes so the ERP environment can become a dependable foundation for day-to-day operations.

Key stabilization priorities

- Resolve SL–GL reconciliation gaps and close blockers
- Streamline Month End Close (MEC) process and including reporting
- Address high-severity incidents and system performance constraints
- Reduce manual intervention across reporting and finance processes
- Improve reliability across critical operational workflows

Optimize: Simplify and Standardize ERP



Moving to a standardized ERP environment drives improvements across the organization, from process consistency to data handling. It creates a clean, scalable model for seamless AI integration while giving businesses the agility to avoid structural changes being hampered by ERP constraints.

With stabilized operations in place, focus can shift towards optimization to drive improved, consistent results across business processes.

Many ERP environments evolve over time through customizations that fragment workflows and result in inconsistent governance structures. Systems need to be standardized, and historical data debt addressed so it stops acting as a blocker to Oracle's pipeline of updates and enhanced functionality.

Key optimization priorities

- Standardize around Oracle out-of-the-box functionality
- Strengthen data governance and eliminate historical data debt
- Reduce customization debt and workflow complexity
- Improve KPI alignment and reporting consistency
- Increase organizational agility to manage change, including mergers and divestitures

Futureproof: Continuous AI-Ready Modernization



At this stage of the strategic reset, organizations are already utilizing many of the capabilities offered by Oracle. The key is to make continuous progress while staying aligned with current and future business priorities. Seeing remediation as an ongoing process not only minimizes the ERP value gap, it creates an operational environment designed to keep it closed.

A standardized ERP foundation gives organizations the platform they need to adopt Oracle updates, Redwood UX functionality, and emerging AI capabilities with greater confidence. They can then focus on continuous modernization: improving day-to-day operations through automation and further AI integration, while maintaining the agility needed to support structural business change.

Key futureproofing priorities

- Enable orchestrated reconciliations, proactive monitoring and auto-replays
- Introduce continuous compliance through control catalogs and evidence automation
- Improve resilience across quarterly Oracle update cycles with automated regression testing
- Build scalable governance frameworks that support ongoing modernization and operational change
- Establish a roadmap for continued AI adoption fully aligned to business priorities

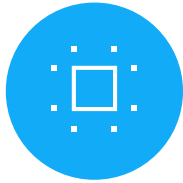


Operationalize Remediation: Close the Value Gap with the AFSA Methodology

Together, the stabilize, optimize, and futureproof phases provide a strategic framework for prioritizing ERP remediation with AI-readiness embedded throughout. The next step is turning that strategy into execution: defining the capabilities, governance, and delivery approach needed to move from assessment to measurable improvement.



AFSA is a modular and structured methodology designed to deliver value at every stage of the ERP remediation process. It focuses on guiding organizations toward full AI-readiness at every step, ensuring the foundation for optimized ERP performance.



Assess: Discovery and Planning

Assessment begins with a discovery process designed to minimize disruption to operational teams.

The assessment focuses on core ERP value drivers including Configurations, Chart of Account (COA) and enterprise structure analysis, subledger-GL reconciliation, data integrity, integrations, controls and reporting consistency.

As part of a low-touch approach, automated diagnostics, SME-led benchmarking and industry checklists are used to surface inefficiencies and process weaknesses across the ERP environment. It also assesses where stability is limiting AI-powered functionality to ensure remediation focused on unlocking AI value at every stage.

By analyzing ERP configurations, integrations, and data directly, organizations can quickly identify operational, reporting, and governance risks, creating a strong basis for the next remediation step.



Outcome

- Faster diagnostics with minimal disruption to business teams
- Clear, system-led visibility into issues across finance, data, and operations
- Alignment on priorities through a data-backed remediation roadmap, baseline KPIs, and risk register
- A structured foundation for remediation, stabilization, and AI readiness
- Data integrity and migration strategy



Fix: Design and Remediation

The 'fix' phase focuses on redesigning ERP configurations, integrations, and controls to remove inefficiencies and align environments more closely with Oracle best practices.

Customizations that duplicate standard Oracle functionality or limit upgrade readiness are rationalized to reduce complexity and improve long-term maintainability.

At the same time, organizations must establish cleaner data models, integration catalogs and configuration standards, addressing the data challenges that impact AI adoption as well as scalability and operational resilience.

To reduce the implementation effort and speed up delivery, use pre-built accelerators and jumpstart kits built for Oracle-specific environments. This accelerates standardization, addressing legacy data challenges and customizations that act as blockers to AI adoption and ERP ROI.



Outcome

- Reduction in operational inefficiencies and manual workarounds
- Faster remediation delivery through standardized design approaches
- AI-readiness that enables AI capabilities to be adopted at scale
- A simplified and standardized ERP environment that can cope with structural change e.g. carve outs, divestitures, and mergers
- Improved system scalability and readiness for Oracle updates



Stabilize: Enablement and Optimization

Stabilization on a practical level focuses on improving ERP performance and supporting AI adoption in business processes and ensuring reliable execution across reporting, close and high-volume operational processes.

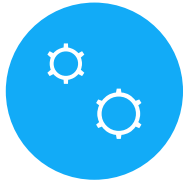
It addresses both systems and behaviors to achieve more reliable operations and improved long-term process discipline. At this stage, the focus is on implementing governance frameworks, control matrices and stabilization KPIs to control and optimize processes.

Organizations can also use this stage of the process to strengthen user adoption through role-based training, UAT support and enablement assets designed to reduce shadow processes and improve consistency in how ERP systems are used across the business.



Outcome

- Increased user adoption of standard ERP functionality
- Reduced shadow processes and manual workarounds
- Stabilized operations that drive 25-40% cycle time reduction across finance and operations
- Improved accuracy for 100% SL-GL alignment
- Streamlined Month End Close and reporting processes



Automate: Governance and Continuous Improvement

Automation extends ERP remediation beyond one-time fixes and makes it part of an ongoing AI adoption strategy. It introduces continuous monitoring, AI expansion, testing, and reporting across core operations. These capabilities improve resilience during ongoing change, reduce manual effort, and make upgrades more efficient.

Automated testing frameworks and monitoring tools help teams detect issues earlier, manage quarterly update cycles with greater confidence, and maintain consistent process performance. At the same time, governance is strengthened through embedded controls, audit evidence generation, and performance dashboards that provide real-time visibility into risk.

Together, these capabilities create a more resilient ERP environment: one that supports ongoing improvement today and provides a stronger foundation for AI-driven operations.



Outcome

- AI-enabled finance operations across reporting, reconciliation, and decision-making
- 70-80% automated regression test coverage
- Predictable, low risk quarterly update cycles
- Continuous compliance through automated controls and audit evidence generation
- Self-improving ERP environment to support ongoing optimization and AI adoption

The ERP value gap comes from how ERP systems are implemented, not from the systems themselves. By working through the AFSA methodology, organizations unlock value at every stage and systematically close the gap. The combined ERP remediation + AI strategy approach leaves them positioned to realize the existing benefits of cloud-ERP systems and capitalize on the continuous pipeline of AI-powered capabilities delivered by Oracle.

Result: Unlock Future-Ready ERP with Sutherland

Most partners will fix your ERP or help you build an AI strategy. Sutherland's ERP remediation approach does both, deliberately, simultaneously, and backed by 25 years of Oracle-specific experience behind every decision:

- **Business-led:** Low-touch, cost-effective ERP transformation for greenfield and brownfield implementations. Sutherland supports operational and structural business change, including ERP separation, transition, and full-scope TSA delivery.
- **Oracle-Specific:** Pre-built tools including CloudTestr, Robility®, AI solutions for business processes, and JumpStart Kits are optimized for Oracle environments. Sutherland's experience allows faster stabilization of ERP operations.
- **AI-ready:** Sutherland's alignment with Oracle streamlines updates and remediation initiatives, enabling organizations to fully utilize embedded automation and AI capabilities throughout every stage of ERP remediation.
- **CloudTestr (QaaS) Solution:** Leveraging Sutherland marquee near touchless testing automation solution which significantly brings down testing phase timelines with assured quality

Our deep understanding of how Oracle ERP systems have evolved and how businesses operate is key to delivering remediation with AI-strategy built in to optimize outcomes while reducing disruption. It's an approach with a proven track record across multiple industries.

How Sutherland turns ERP from operational constraint to AI-ready, scalable foundation

Fortune 500 healthcare leader:

Automated ERP regression testing with CloudTestr for a 72% reduction in testing effort and cycle time.



Global oil and gas major:

Modernized fragmented ERP operations improving process alignment and achieving an 89% reduction in automated provisioning time.



Leading environmental solutions provider:

Implemented a scalable ERP operating model across more than 20 plants, reducing operational costs by 20%.



ERP Remediation as a Mindset Shift

ERP remediation is not a one-time fix. Nor is it the prequel to AI-adoption. Instead, they form a combined, ongoing process designed to deliver continuous benefits for organizations.

This approach enables a much-needed shift from reactive, piecemeal ERP problem-solving to continuous AI-focused improvement, regularly evaluating design, data, and processes to close the ERP value gap.

By working methodically with Sutherland, organizations can standardize and prepare ERP environments for what comes next. The potential value of ERP is no longer eroded by operational friction or limited by fragmented processes, data, and integrations. Instead, Cloud ERP becomes a way to improve existing processes and take advantage of future AI functionality that delivers a clear operational advantage.

With this mindset, ERP stops being a technical headache. It is a business-centric initiative that becomes a catalyst for efficiency and AI transformation at every stage.



Artificial Intelligence. Automation. Cloud Engineering. Advanced Analytics.
For Enterprises, these are key factors of success. For us, they're our core expertise.

We work with global iconic brands. We bring them a unique value proposition through market-leading technologies and business process excellence. At the heart of it all is Digital Engineering Services – the foundation that powers rapid innovation and scalable business transformation.

We've created 363 unique and independent inventions, 250 of which are AI-based and rolled up under several patent grants in critical technologies. Leveraging our advanced products and platforms, we drive digital transformation at scale, optimize critical business operations, reinvent experiences, and pioneer new solutions, all provided through a seamless "as-a-service" model.

For each company, we provide new keys for their businesses, the people they work with, and the customers they serve. With proven strategies and agile execution, we don't just enable change – we engineer digital outcomes.

