



WHITE PAPER

Pricing Control Cannot Wait Until After S/4HANA Go-Live

Why deferring pricing costs more than it saves — and how manufacturers and distributors can simplify the core, govern pricing decisions, and protect margin during S/4HANA transformation.

A joint white paper by PricingWorks and Zilliant

For C-level executives, commercial excellence & pricing leaders, and IT leaders



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Executive Summary

WHY DEFERRING PRICING COSTS MORE THAN IT SAVES

“We’ll migrate our pricing procedures 1:1 first — and optimize later.” In steering committees across European manufacturing and distribution, this is one of the most common decisions we hear. It looks like the low-risk choice. In practice, it means paying twice — once to migrate and test legacy pricing logic, and again to replace it — while the margin upside of modern pricing waits for years.

SAP S/4HANA remains a strong system for price determination and transaction processing [1][2]. But over 10 to 20 years, many companies have loaded their pricing procedures with tasks an ERP was never designed to own: segmentation, price strategy, simulation, deal guidance and governance. Carrying that logic forward unchanged runs against SAP’s own clean core principles [3][4].

OUR CENTRAL THESIS

Pricing control cannot wait until after S/4HANA go-live.

Not because pricing optimization would be technically impossible later — but because the decisions that shape it are made during the transformation: pricing processes, master data, governance, interfaces and system architecture. Addressed only after go-live, adaptation effort, change costs and organizational hurdles rise significantly. And an unexamined 1:1 migration of historically grown pricing logic often contradicts the clean core principles of a modern SAP architecture.

Deferring these decisions is not the neutral option. It is the expensive one — act now to unlock margin.

Zilliant gives enterprises control over pricing at scale, helping teams execute pricing consistently and confidently.

KEY TAKEAWAYS

- 1. Waiting has a price.** A 1:1 migration wastes resources, adds delays, raises IT customization and performance cost — and postpones the opportunity to reduce annual margin loss that can range from 2.65% to 17.10% of revenue [10].
- 2. Pricing is a scope reduction for IT, not an additional project.** Moving pricing intelligence side-by-side shrinks what must be migrated, tested and maintained in the core.
- 3. A dedicated pricing platform does not replace SAP.** SAP remains the system of record. Zilliant gives enterprises control over pricing at scale through governed workflows, visible pricing logic and explainable AI — integrated with SAP through standard interfaces [7][8].
- 4. You can start without overloading the program.** A phased path — assess, design, pilot, scale — aligns with the S/4HANA phases and delivers measurable results before full rollout.

HOW TO READ THIS PAPER

If you are ...	Your key question	Start with
C-level executive (CEO, CFO, CDO)	Why should we fund pricing now alongside S/4HANA and our AI and transformation agenda?	Chapters 1, 5, 6, 8
Commercial excellence / pricing leader	How do we secure the pricing capability we need for the next decade?	Chapters 3, 4, 5, 7
IT leader (CIO, head of SAP)	How does this reduce our migration scope, cost and risk?	Chapters 1, 2, 5, 6

1 The Cost of Waiting

A ONCE-IN-A-DECADE WINDOW

With mainstream maintenance for SAP Business Suite 7 ending in 2027 and optional extended maintenance running until the end of 2030 [12], most SAP customers are in the middle of their S/4HANA program or preparing for it. These programs tie up budgets, key users and management attention for years. SAP describes custom code migration as a multi-step effort of analysis, adaptation and clean-up [4][5]; independent advisors name custom code, data migration, process complexity and testing among the main cost drivers [6].

According to the valantic SAP Study 2026, around 70 percent of the companies surveyed in the German-speaking region are already in the implementation or operation phase of S/4HANA [14]. The study also shows how much the migration strategy matters: brownfield approaches largely preserve existing processes and custom developments, while greenfield or selective approaches are chosen when a company wants to modernize processes and clean up historically grown structures. The choice determines how much transformation potential is realized — and how flexibly the company can respond to new requirements later [14].

“Those who only migrate modernize their IT. Those who transform modernize the company.”

valantic SAP Study 2026 (translated from German) [14]

Under program pressure, pricing is nevertheless often treated as configuration to be carried over — and scheduled for “after go-live”. Transformation does continue after go-live, as valantic rightly points out [14]. But the architecture decisions that determine how far it can go are made before: after go-live come hypercare, stabilization and the next rollout wave, and the window in which pricing gets budget, program attention and IT capacity closes.

WHAT WE SEE IN PRACTICE: FOUR KINDS OF WASTE

As a pricing consultancy and Zilliant Gold Partner, PricingWorks regularly joins S/4HANA programs mid-flight. Where pricing is migrated without a true business process and IT redesign, we consistently observe:

Resources	Custom routines, Z-programs, user exits and condition tables are analyzed, remediated and regression-tested — even when the business already knows the logic will be replaced.
Delays	Pricing touches every quote, order and invoice. Overly complex procedures become a critical path in integration and user acceptance testing.
IT cost & performance	Deep access sequences, custom logic and large condition record volumes are carried into the new core, driving customization effort, maintenance and response times.
Missed P&L	Every year of “optimize later” is a year without price optimization. Zilliant’s 2024 Global B2B Benchmark Report finds that companies experience annual margin loss of 2.65% to 17.10% due to sub-par pricing practices [10].

TWO OPTIONS — ONE DECISION

	A: Migrate 1:1, optimize later	B: Redesign pricing within the program
Logic migrated	All legacy pricing logic, including obsolete rules	Only what SAP should execute — lean and standard

	A: Migrate 1:1, optimize later	B: Redesign pricing within the program
Test effort	Full regression of legacy pricing — and again after redesign	Once, on the lean target design
Clean core	Custom pricing logic carried into the new core	Pricing intelligence side-by-side, core stays clean
Time to margin	After hypercare and stabilization	Pilot results during the program
Budget	Two projects, two change cycles, two trainings	One integrated business case

COST-OF-DELAY ARITHMETIC — ILLUSTRATIVE

For a company with **€1 billion** in revenue, every percentage point of margin improvement is worth **€10 million EBIT per year**. The documented Zilliant case of a 134-basis-point seller margin lift [11] would equal **€13.4 million per year** at that scale. Postponing optimization by 18 to 24 months after go-live therefore forgoes a double-digit million amount — before counting the cost of migrating and testing pricing logic twice.

Replace these assumptions with your own revenue, margin potential and go-live timeline.

2 Why Pricing Procedures Became So Complex — and What Clean Core Changes

A POWERFUL TECHNIQUE, STRETCHED OVER TWO DECADES

SAP describes its condition technique as a “powerful and flexible mechanism” that determines how prices, discounts, surcharges, taxes and freight are calculated in sales documents [1]. Pricing procedures, condition types, access sequences and condition tables make it highly configurable [1][2] — which is precisely why it has been used for everything. Each new market, channel, key account or initiative added a layer:

List price → region → industry → discount group → customer segment → sales channel → contract logic
→ project conditions → special discounts → manual adjustments → **quote price**

The result: hundreds of condition types, in larger organizations hundreds of thousands of condition records, long access sequences, custom routines, Z-programs — and pricing logic that only a handful of experts fully understand. Technically, most of it can be migrated. **The real question is whether it should be.**

FROM PRACTICE: REDESIGNING PRICING DURING S/4HANA

A published SAP consulting case illustrates the pattern [15]. Multiple condition types, manual price adjustments, customer-specific agreements and promotional campaigns had led to inconsistent pricing decisions, **billing disputes and slower order processing**. Instead of migrating the old logic, the company redesigned its pricing architecture within S/4HANA: a standardized pricing procedure, reusable condition types, automated discount determination and pricing governance controls. The result: simpler pricing management, better pricing consistency and billing accuracy, less manual intervention and stronger governance [15].

The lesson: even where pricing stays entirely in SAP, a redesign during the migration pays off — in order-to-cash quality as well as in IT effort. A dedicated pricing platform takes the next step by adding optimization, simulation and deal guidance on top of a lean execution core.

CLEAN CORE: CONSEQUENCES FOR PRICING

SAP's clean core approach keeps the ERP core close to standard: fewer modifications, standardized processes, extensions built side-by-side on released APIs, and clean data [3]. For pricing, this means:

- **Keep the condition technique lean and standard** — fewer condition types, short access sequences, no business logic hidden in custom routines.
- **Move pricing intelligence side-by-side** — strategy, segmentation, optimization, simulation and guidance belong in a dedicated platform.
- **Let SAP execute** — SAP receives list prices, net prices or price bands and applies them reliably in quote, order and invoice.

The valantic study confirms the logic: companies that consistently rely on standard processes and move extensions to the SAP Business Technology Platform are more agile in the long run and adopt new releases and innovations faster [14]. It recommends an architecture guideline that defines what remains in the standard, where differentiation happens through side-by-side extensions, and how custom developments are governed [14]. Applied to pricing, the answer is clear: **price execution** stays in the standard, **pricing intelligence** differentiates side-by-side, and **custom pricing routines** are reduced and governed.

Clean core and a dedicated pricing platform are not competing ideas. They are two sides of the same architectural principle.

3 Which Pricing Tasks Really Belong in the ERP?

The goal is not to take pricing away from SAP — it is to assign each task to the system built for it.

ERP — SAP S/4HANA System of Record	Pricing Platform — e.g., Zilliant System of Pricing Intelligence
Price determination and calculation in quote, order and invoice	Price strategy and price-setting logic
Lean condition and contract management	Customer and product segmentation
Execution of discounts, rebates and surcharges	Price optimization and explainable AI price recommendations
Storage of list prices, net prices and price bands	Scenario simulation and price-change impact analysis
Billing, accounting, tax and freight	Price waterfall, leakage and deal analytics

Transactional audit trail

Deal guidance, approval workflows and pricing governance

SAP should execute pricing reliably. Zilliant helps the business govern, explain, and improve the pricing decisions SAP executes.

ILLUSTRATIVE EXAMPLE

Instead of maintaining 500,000 condition records, 150 price lists and 30 access sequences in the ERP, the pricing platform calculates target prices, price bands and guidance — and returns only list prices, net prices and sales conditions to SAP.

4 Target Picture: Pricing as a Business Capability

In the target architecture, pricing becomes a business capability owned by the commercial organization rather than a collection of IT customizing objects.

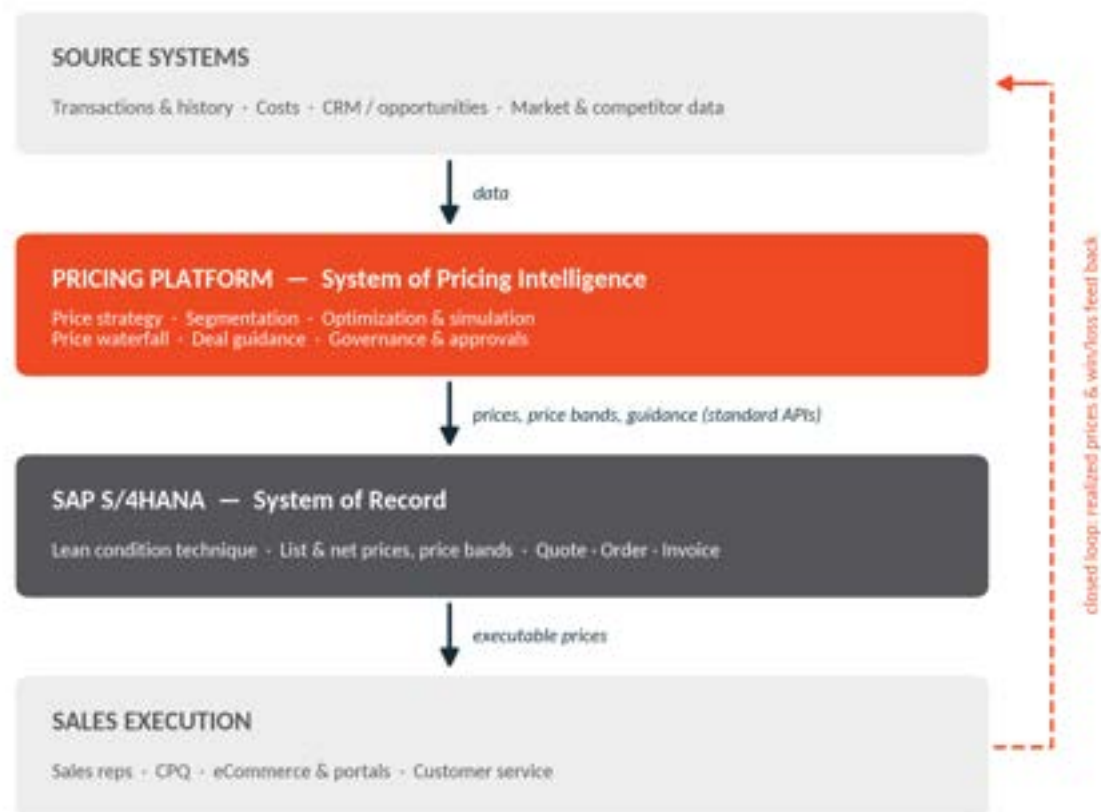


Figure 1: The pricing platform as system of pricing intelligence alongside SAP S/4HANA as system of record.

PRICE CHANGES WITHOUT AN ERP PROJECT

Pricing changes can move at market speed, without turning every update into an ERP project.



Figure 2: From IT-driven change requests to business-owned, governed price updates.

PROVEN IN SAP LANDSCAPES

SAP lists Zilliant as a partner solution [7], and Zilliant documents integration scenarios with SAP ERP and S/4HANA, SAP CPQ and SAP Commerce Cloud [8][9]. As a Zilliant Gold Partner, PricingWorks implements these integrations with a focus on stable data flows, clear ownership and measurable adoption in daily sales execution.

5 What This Means for You

A pricing decision in an S/4HANA program touches three agendas at once. Each has a different stake — and a different reason not to wait.

FOR C-LEVEL EXECUTIVES CEO · CFO · CDO — budget and investment decisions

What's at stake	A multi-year, multi-million S/4HANA investment that on its own delivers no margin uplift — competing with digital and AI initiatives for scarce budget.
Key message	Pricing is one of the fastest routes to a measurable P&L return from the transformation. The lever acts on every transaction, and — unlike many AI initiatives whose value is hard to attribute — price guidance can be measured deal by deal. Successful S/4HANA programs define value cases instead of managing only scope and timeline [14] — pricing is the most direct value case available.
KPIs to steer	EBIT margin · price realization · payback period · migration and run cost avoided
Ask your program	<i>“Which part of our S/4HANA budget is spent preserving pricing logic we intend to replace?”</i>

FOR COMMERCIAL EXCELLENCE & PRICING LEADERS SVP · VP · Director of Pricing

What's at stake	Once the new core is live, the next realistic window to change pricing architecture may be years away. Until then, price changes stay IT-dependent and slow.
Key message	Now is when pricing gets budget, program attention and IT capacity. Use it to secure the target design, a clear ownership model, and a platform that gives commercial teams autonomy with guardrails for segmentation, optimization, and deal guidance.
KPIs to steer	Price realization and leakage · discount variance · time-to-price-change · quote turnaround · guidance adoption · win rate
Ask your program	<i>“Does our S/4HANA blueprint reflect the pricing requirements of the next five years — or those of the last twenty?”</i>

FOR IT LEADERS CIO · Head of SAP / Enterprise Applications

What's at stake	Scarce budget and capacity, a growing migration scope, long-term maintenance and clean core compliance.
Key message	Moving pricing intelligence side-by-side reduces what IT must migrate, test and maintain. It is a scope reduction for the core, delivered through standard interfaces — not an additional ERP project.
KPIs to steer	Condition types, access sequences and custom objects in scope · pricing test cases · pricing change requests per year · upgrade effort · runtime
Ask your program	<i>“How many of our pricing custom objects would we still build if we started from scratch today?”</i>

6 Five Reasons to Wait — and Why They Don't Hold

What we hear	What we see in practice
"We don't have budget for another initiative right now."	The budget is already being spent — on migrating and testing legacy pricing logic. Redirecting part of it to target design avoids paying twice — and early margin results can fund the next phases and help finance the S/4HANA program itself.
"It adds risk to the S/4HANA program."	A leaner pricing procedure reduces test scope and critical-path risk. The platform runs side-by-side via standard interfaces, and a pilot can run outside the program's critical path.
"Our key users and IT have no capacity."	Most pricing design work sits with commercial teams, not SAP developers. PricingWorks brings implementation capacity; typical engagements run 8 to 24+ weeks depending on scope and integration [13].
"We can still do it in SAP later."	For level 1–2 requirements, possibly (see chapter 7). But every custom routine added later works against clean core, and optimization, simulation, and explainable AI guidance for deals and pricing decisions are not part of the condition technique itself.
"Sales won't adopt new prices."	Adoption is a design task, not a reason to wait. With executive sponsorship, transparent guidance, and a deliberate enablement program, one global foodservice distributor embedded pricing guidance into daily selling and achieved more than 80% adoption, 50% fewer below-floor transactions, and a 134-basis-point seller margin lift [11].

7 Decision Criteria: When Is SAP Enough?

Not every company needs a dedicated pricing platform. This maturity model helps position your organization honestly.

Level	What it looks like	Typically sufficient when ...
1 SAP Standard	List prices, standard discounts, few condition types, manual price maintenance	Limited portfolio and customer base, low price volatility, mostly list- or cost-plus pricing
2 Advanced SAP Pricing	Extended condition technique, custom routines, contract and project pricing, BI reporting	Moderate complexity, stable markets, strong in-house SAP pricing expertise — watch the clean core risk
3 Dedicated Pricing Platform	Segmentation, optimization, explainable AI guidance, simulation and governance in the platform; SAP executes	Large, complex portfolios; volatile costs; negotiation-heavy sales; margin pressure; multiple channels

You have likely outgrown SAP-only pricing if price updates take weeks and require IT, sales reps negotiate without transparent, explainable guidance, no one can quickly explain where margin leaks along the price waterfall, or your pricing procedure is among the most expensive migration objects.

8 Start Now — Without Overloading the Program

Acting now does not mean a big-bang pricing project on top of S/4HANA. A phased path runs alongside the program and produces decision-ready results early. It also reflects what the valantic study identifies as common

success factors of S/4HANA programs: a clear business sponsor, measurable value cases, platform thinking with AI scenarios considered from the start, and deliberate investment in change management and enablement [14].

Phase	In the S/4HANA program	What happens — and what you get
0 Assess	Discover / Prepare	Pricing Fitness Check: inventory of pricing logic and its SAP footprint, transaction-based analysis of which condition types and exceptions are actually used, value assessment, quick wins. Output: business case and go/no-go.
1 Design	Explore — before build	ERP/platform split, integration and governance design. Output: lean pricing procedure and reduced migration scope.
2 Pilot	Realize — first wave	One business unit, region or product line priced with the platform. Output: measurable margin and adoption results.
3 Scale	Deploy / Run — rollout waves	Rollout with the S/4HANA waves; legacy logic decommissioned. Output: full value, clean core.

QUICK ASSESSMENT — CONSIDER THESE QUESTIONS

Complexity	How many condition types, access sequences and custom routines are in migration scope — and which still reflect today's pricing strategy?
Performance	Where do pricing calls slow down quotes, orders or billing runs — and how fast is your condition record volume growing?
Governance	Who can change prices and discounts, how is it approved — and can you measure price realization at deal level?
Scalability	Can your pricing absorb new channels, markets or volatile cost inputs — and how long does a portfolio-wide price update take?

An affirmative or uncertain answer to several of these questions indicates that a pricing architecture review belongs in your S/4HANA program — now, not after go-live.

Conclusion

DON'T JUST MIGRATE PRICING — REDESIGN IT

There is no universal answer to whether pricing should live entirely in SAP or partly in a dedicated pricing platform. But the S/4HANA migration is the right moment to make that architecture decision deliberately — instead of carrying existing pricing logic forward by default and paying for it twice.

Companies that redesign pricing can simplify their SAP transformation, support clean core, strengthen governance, give sales teams the autonomy to act within clear commercial guardrails, and achieve sustainable margin improvement.

Your next step: a Pricing Fitness Check for your S/4HANA program — delivered by PricingWorks with Zilliant. Contact us at pricingworks.io or zilliant.com.

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About PricingWorks

PricingWorks is a B2B pricing consultancy that helps European companies transform pricing strategy, capabilities and performance. Our team of practitioners combines more than 30 years of collective pricing experience in manufacturing and industrial markets.

We don't just advise — we deliver results, and we stay until pricing works in daily execution: from Pricing Fitness Check and vendor-neutral software selection to implementation, analytics & AI, negotiation enablement and interim pricing management. As a Zilliant Gold Partner, we integrate pricing software into SAP landscapes.

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About Zilliant

Zilliant helps B2B enterprises execute pricing consistently, confidently, and at scale. Governed workflows, visible pricing logic, and explainable AI give commercial teams greater control over pricing decisions while helping leaders protect margins and respond faster to change.

Built for complex, contract-heavy manufacturing and distribution environments, Zilliant connects pricing strategy to execution across pricing, sales, and finance. Companies can manage price changes, improve price realization, reduce leakage, and give sales teams guidance they can understand and act on.

Learn how to make pricing your power at zilliant.com.

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