IFS

The CIO's Guide to Legacy ERP Modernization in Manufacturing

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With many solutions soon to become legacy with limited or no support, CIOs for manufacturing companies face a defining technology and business decision:

1. Do nothing and run the risk of being seriously compromised.
2. Commit to a costly, multi-year migration from their existing solution to its modern cloud counterpart.
3. Consider a more flexible, cost-efficient modernization strategy.

This decision is about more than just technology – for the CIO it's about reducing technical debt, safeguarding cybersecurity and compliance, enabling data-driven operations, and increasing delivery velocity. CIOs must weigh time-to-value, risk, and architectural flexibility to support enterprise-wide innovation without locking the business into an expensive, inflexible commitment.

The Challenge: A Complex and Costly Commitment

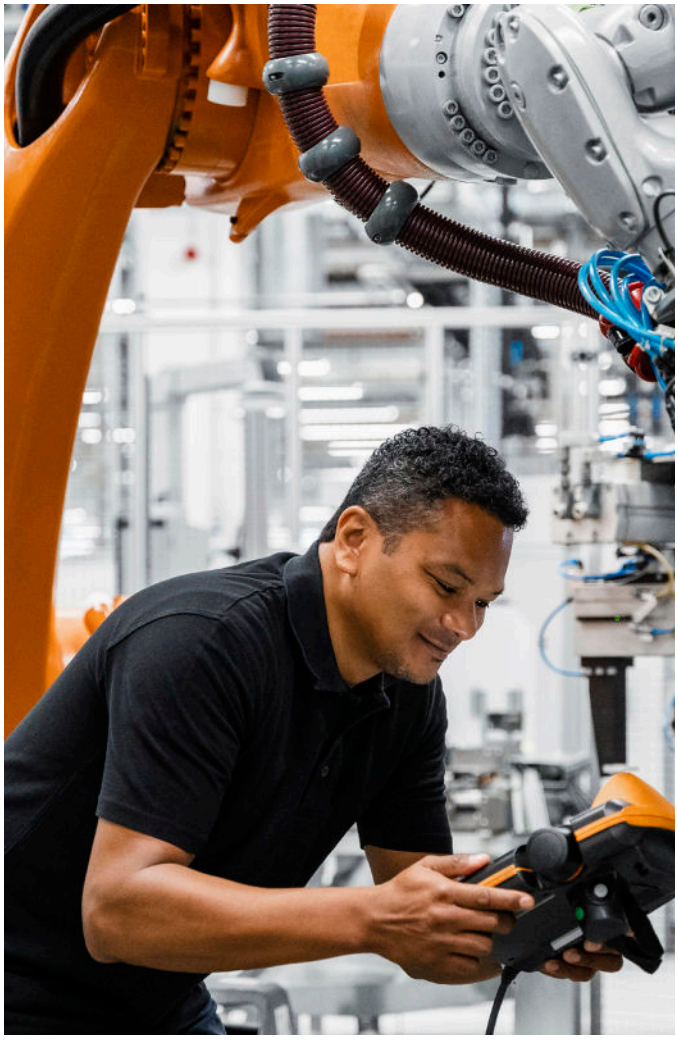
- **Prolonged Implementation Cycles:** Many migrations span 2 to 4 years, tying up IT and business stakeholders and delaying value delivery to plants, supply chain, and customers.
- **Escalating Costs**: Upfront spend on licensing, infrastructure, partner services, and retraining rises quickly. Indirect costs include change windows, competing priorities, and the opportunity cost of delaying digital programs.
- **Limited Flexibility:** Closed ecosystems and prescriptive roadmaps hinder integration with MES, WMS, APM, analytics, and data platforms required for composable architectures.
- **Operational Disruption:** Rebuilding processes and integrations from the ground up increases risk to business continuity and stretches already constrained engineering and security teams.

The result? A transformation that consumes budgets and bandwidth while slowing innovation—limiting the ability to invest in data platforms, AI, and continuous improvement.

The Opportunity: Modernize Without Compromise

Purpose-built for manufacturers, IFS Cloud enables CIOs to modernize their enterprise platform with greater flexibility, faster time-to-value, and less disruption.

- Modernize at your own pace and sequence–aligning to value streams and domain roadmaps.
- Leverage an open, cloud-native architecture designed for integration, extensibility, and scale.
- Use built-in AI and automation to accelerate outcomes without bolt-ons.
- Partner with a vendor whose roadmap is guided by customer outcomes–not locked-in commitments.



Why Legacy ERP Migration May Not Fit Your Manufacturing Future

For manufacturers on legacy ERP, migration is often framed as inevitable. CIOs and technology leaders are reassessing whether these programs truly enable innovation, interoperability, and ROI in a data-driven, AI-enabled manufacturing landscape.

1. Project Complexity & Time-to-Value

- **Multi-Year Timelines:** 24–48 months of cross-functional effort delays platform modernization and value delivery.
- **Disruptive Rebuilds:** Re-engineering custom workflows, integrations, and security models requires extensive rework and change management.
- **Innovation Bottlenecks**: Core teams focus on ERP delivery while analytics, AI, and customer projects stall.

2. Technology Constraints

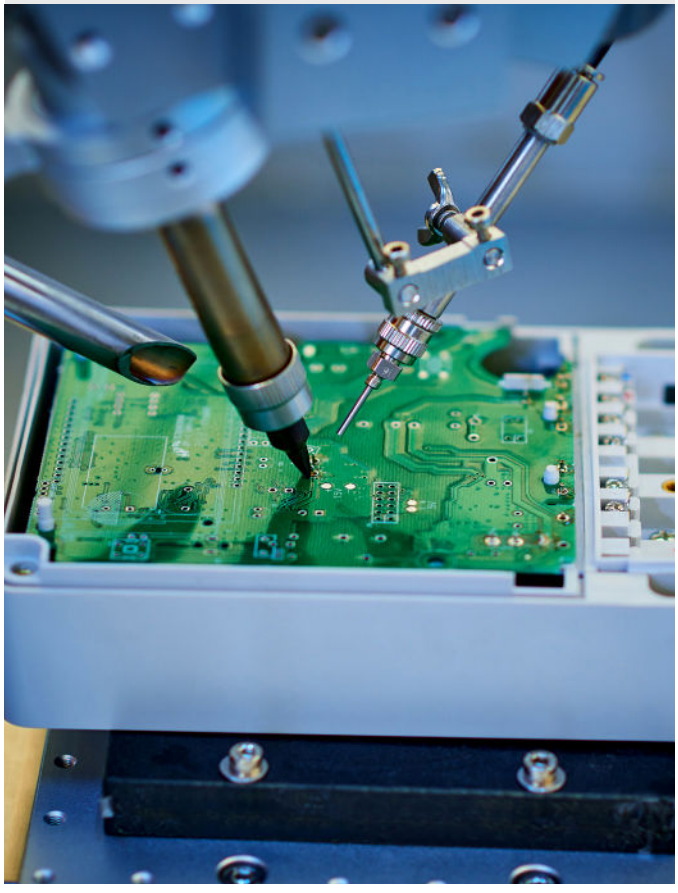
- **Monolithic Design:** Tight coupling across modules makes best-of-breed adoption and domain-driven design difficult.
- **Specialist Dependency:** Reliance on scarce certifications raises delivery risk and cost.
- **Vendor Ecosystem Lock-in:** Infrastructure, data, and licensing choices can limit cloud and integration flexibility.

3. Cost Overruns & Hidden Risks

- **Rising TCO:** Subscriptions, custom development, integration layers, and data egress can inflate run costs.
- **Contractual Lock-ins:** Long-term terms reduce leverage once onboarded.
- **Migration Ambiguities:** Data conversion, identity/SSO, and interface replication introduce delays and cost variability.

4. Missed Innovation Windows

- **Gated Innovation:** Access to advanced capabilities (e.g., AI/ML, event-driven automation) may lag or require extra licensing.
- **Integration Limits:** Composable strategies are harder when extensibility is constrained by proprietary tech.
- **Slow to Experiment, Slow to Pivot:** Rigid architectures impede pilots, partnerships, and rapid response to market shifts.



Why CIOs Are Turning to IFS Cloud

1. Purpose-Built for Manufacturing

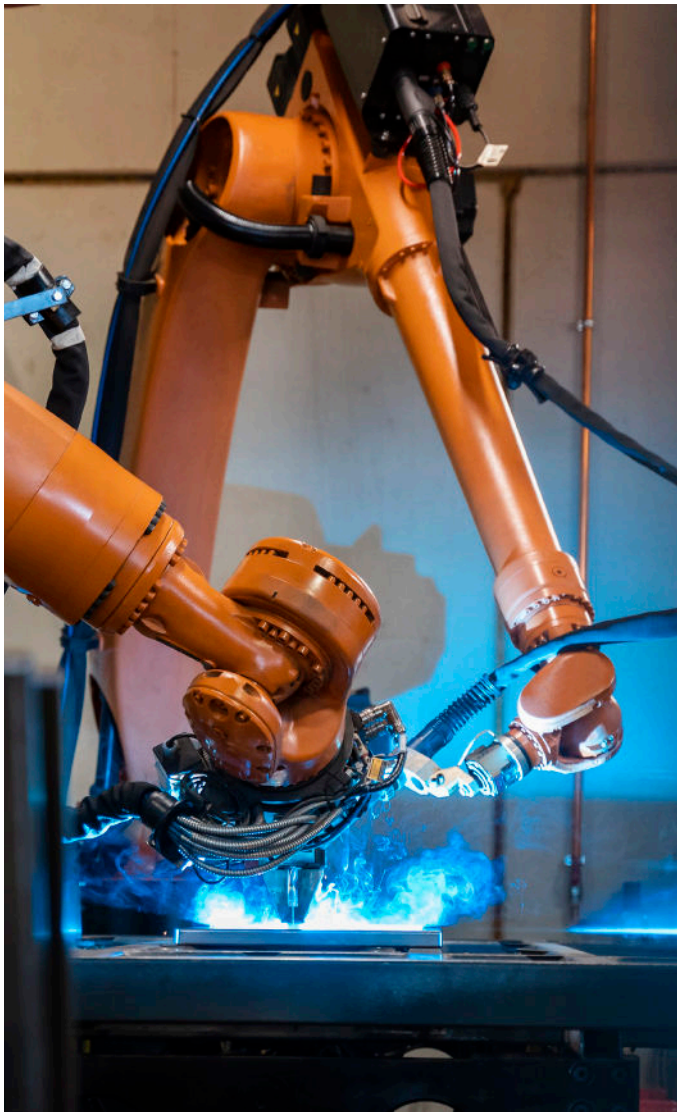
- IFS Cloud aligns with manufacturing realities–from discrete to process, MTS to ETO.
- **Industry-Specific Capabilities:** Production planning, quality, shop-floor control, and supply chain orchestration with fewer heavy customizations.
- **Unified Platform:** ERP, EAM, and FSM in a consistent experience.
- **Composable Architecture:** Deploy only what you need today (MRP, MES integration, aftermarket) and scale as you evolve.

2. Accelerated Time-to-Value

- Preconfigured templates and agile methods help go live in months, not years.
- Proven migration frameworks minimize downtime across production, inventory, and logistics.
- **Built for Change:** Pivot quickly with reshoring, sustainability mandates, or supply volatility–without replatforming.

3. Intelligence Embedded in Every Workflow

- Built-in AI for predictive maintenance, intelligent scheduling, and demand forecasting–no bolt-ons required.
- **Real-Time Visibility:** Role-based analytics across lines, warehouses, and supplier networks.
- **End-to-End Control:** From capital projects to service, maintain observability and governance.



4. Strategic Clarity for IT

- Predictable SaaS economics with modular deployment reduce surprises.
- **No Vendor Lock-In:** Retain control over roadmap, integrations, and data.
- Enable data and AI strategies while improving security posture and compliance.

IFS Cloud isn't just an ERP; it's a platform to modernize core operations while enabling data, AI, and integration strategies across the enterprise.

Recommendations & Next Steps for Manufacturing Leaders

1. Assess the Fit: Is IFS Cloud Right for Your Enterprise Architecture?

- Run a Rapid Fit Assessment covering current ERP footprint, integration landscape, security and identity patterns, and cloud strategy.
- Map data reuse, migration options, and operating model impacts (platform engineering, DevOps, support).
- Outcome: A tailored fit report with scope, risks, and time-to-value potential.

> **IFS understood our integration and security needs faster than any other vendor."**
> CIO, Pharma Manufacturer

2. Compare Time-to-Value, TCO, and Risk

- Use an IFS comparison framework to evaluate licensing, services, infrastructure, and support alongside run costs and egress.
- Assess timeline and the load on IT, security, and business SMEs.
- Estimate ROI in technology and business terms: delivery velocity, incident reduction, integration simplification, and improved analytics adoption.

> **IFS Cloud gave us faster time-to-value and more predictable outcomes than any legacy roadmap could offer."**
> CIO, Global Manufacturing Group

Engage in a Business Value Workshop

- Identify high-impact use cases across manufacturing value streams (AI-enabled planning, predictive maintenance, intelligent automation).
- Build a phased modernization plan aligned to enterprise architecture and domain roadmaps.
- Clarify governance for data, integration, security, and change management.

As a manufacturing CIO, your ERP decision isn't just about replacement—it's about enabling a modern, secure, and composable digital core for the business. Choose flexibility, intelligence, and strategic freedom.

Contact IFS today

About IFS

IFS is the world's leading provider of Industrial AI and enterprise software for hardcore businesses that make, service, and power our planet. Our technology enables businesses which manufacture goods, maintain complex assets, and manage service-focused operations to unlock the transformative power of Industrial AI™ to enhance productivity, efficiency, and sustainability.

IFS Cloud is a fully composable AI-powered platform, designed for ultimate flexibility and adaptability to our customers' specific requirements and business evolution. It spans the needs of Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), Supply Chain Management (SCM), and Field Service Management (FSM). IFS technology leverages AI, machine learning, real-time data and analytics to empower our customers to make informed strategic decisions and excel at their Moment of Service™.

IFS was founded in 1983 by five university friends who pitched a tent outside our first customer's site to ensure they would be available 24/7 and the needs of the customer would come first. Since then, IFS has grown into a global leader with over 7,000 employees in 80 countries. Driven by those foundational values of agility, customer-centricity, and trust, IFS is recognized worldwide for delivering value and supporting strategic transformations. We are the most recommended supplier in our sector. Visit ifs.com to learn why.

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