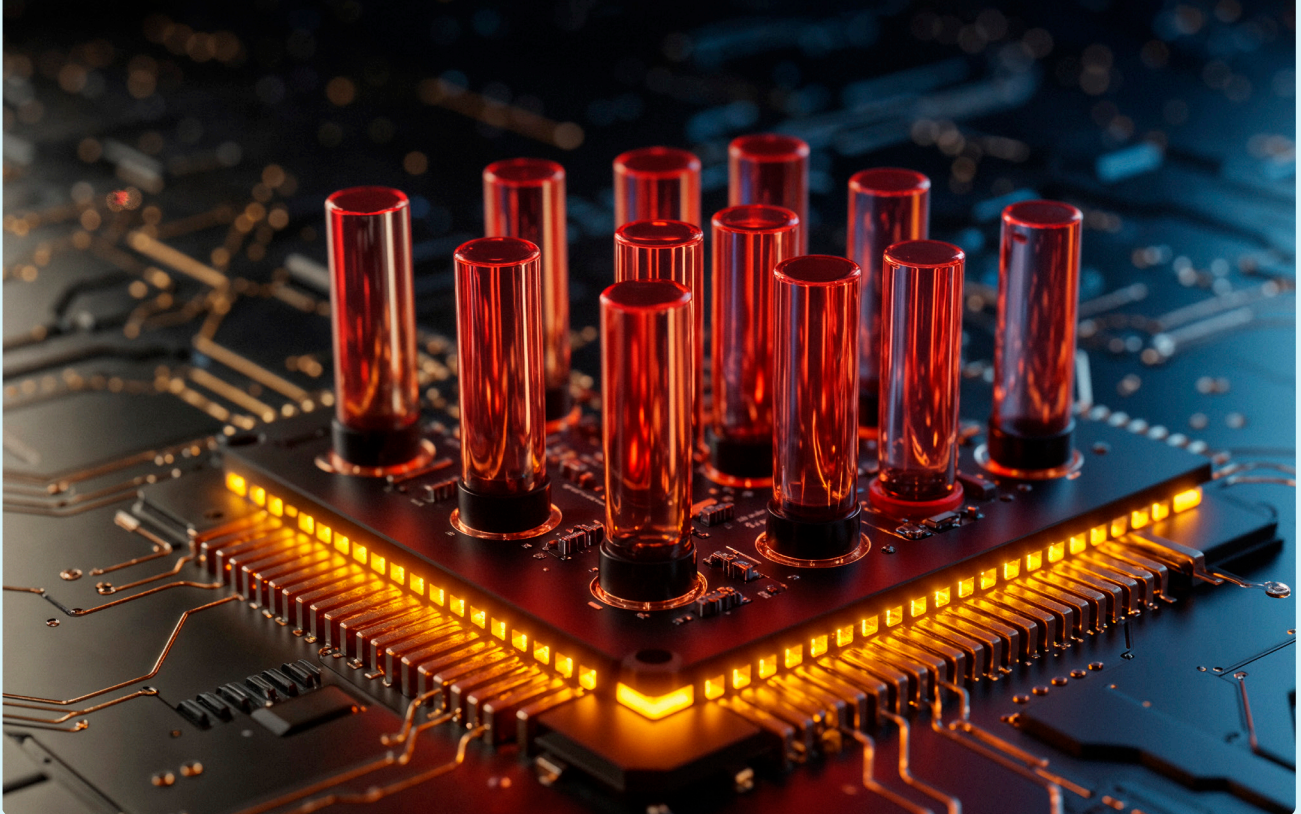




**Why Legacy ERP Is Costing
Semiconductor/High tech Companies More
Than They Think?**

Introduction: The 2025 Semiconductor/High tech Race Is On

The Semiconductor/High tech industry in 2025 is at the heart of global innovation. From powering AI workloads to enabling electric vehicles and next-gen consumer devices, chips have become the currency of progress. Yet, while the front end of the industry—design, R&D, and fabrication—pushes boundaries, the back end often lags. Many Semiconductor/High tech companies are still shackled by legacy ERP systems—built decades ago.



These outdated platforms, once vital for business operations, now quietly erode competitiveness. As market volatility, global supply chain challenges, and regulatory scrutiny intensify, the cost of inaction becomes increasingly unsustainable.

Legacy ERP: Still Common, Still Costly

A 2025 Gartner study found that more than half of Semiconductor/High tech companies continue to operate on ERP platforms over 10 years old. These systems, often heavily customized and inflexible, struggle to keep pace with today's demands for real-time insight, supply chain agility, and regulatory responsiveness.

While some companies persist with the “if it ain’t broke, don’t fix it” mentality, the reality is these legacy systems are broken—just quietly. Their inefficiencies, hidden costs, and inability to scale are increasingly becoming a liability for growth-focused Semiconductor/High tech firms.

The True Cost of Legacy ERP

1. Maintenance Drains IT Budgets

Legacy ERP systems require constant patching, custom code upkeep, and support from dwindling pools of specialized talent. IDC reports that companies running outdated ERP spend up to **75% of their IT budget** on just maintaining the status quo—leaving little room for innovation or modernization.

2. Missed Innovation Opportunities

When systems can’t support end-to-end visibility or real-time data, decision-making suffers. One mid-tier chipmaker reported **\$30M in lost revenue** due to demand planning mismatches—an outcome of siloed data and slow reporting cycles tied to their legacy ERP.

3. Regulatory Risk Exposure

With increasing focus on compliance (think ITAR, REACH, and export control regulations), legacy ERP platforms often lack the agility to adapt to evolving requirements, resulting in delayed reporting, manual audits, and heightened risk exposure.

Why Modern ERP—Especially SAP—Changes the Game

SAP S/4HANA and its cloud-based deployments have become the go-to ERP solution for Semiconductor/High tech firms aiming to modernize. Here’s why:

Real-Time Analytics for Precision Decisions

SAP S/4HANA uses in-memory computing, allowing CXOs and planners to see across operations instantly—from wafer yield to customer demand—helping optimize everything from fab utilization to pricing strategies.

End-to-End Supply Chain Visibility

SAP integrates seamlessly across logistics, manufacturing execution, and partner ecosystems, offering predictive planning capabilities. This is critical in a world where geopolitical tensions can disrupt global chip supply overnight.

Financial Forecasting and Compliance

With embedded AI and advanced analytics, companies can model financial scenarios quickly and stay ahead of compliance mandates without relying on spreadsheets or manual interventions.

Scalability and Cloud Agility

SAP's modular, cloud-native architecture means companies can scale globally without the drag of re-coding systems or relying on legacy infrastructure.

Real-World Impact: A Case in Point

Overview: A leader in display Semiconductor/High tech s, faced limitations with its on-premises ERP system, which was expensive to maintain and lacked integration capabilities.

Solution: The company adopted the RISE with SAP offering, including SAP S/4HANA Cloud Private Edition and SAP Business Technology Platform (SAP BTP), to modernize its ERP landscape.



Outcomes:



Consolidated business processes into a connected and consistent experience across business lines.



Enhanced data management and analytics capabilities.



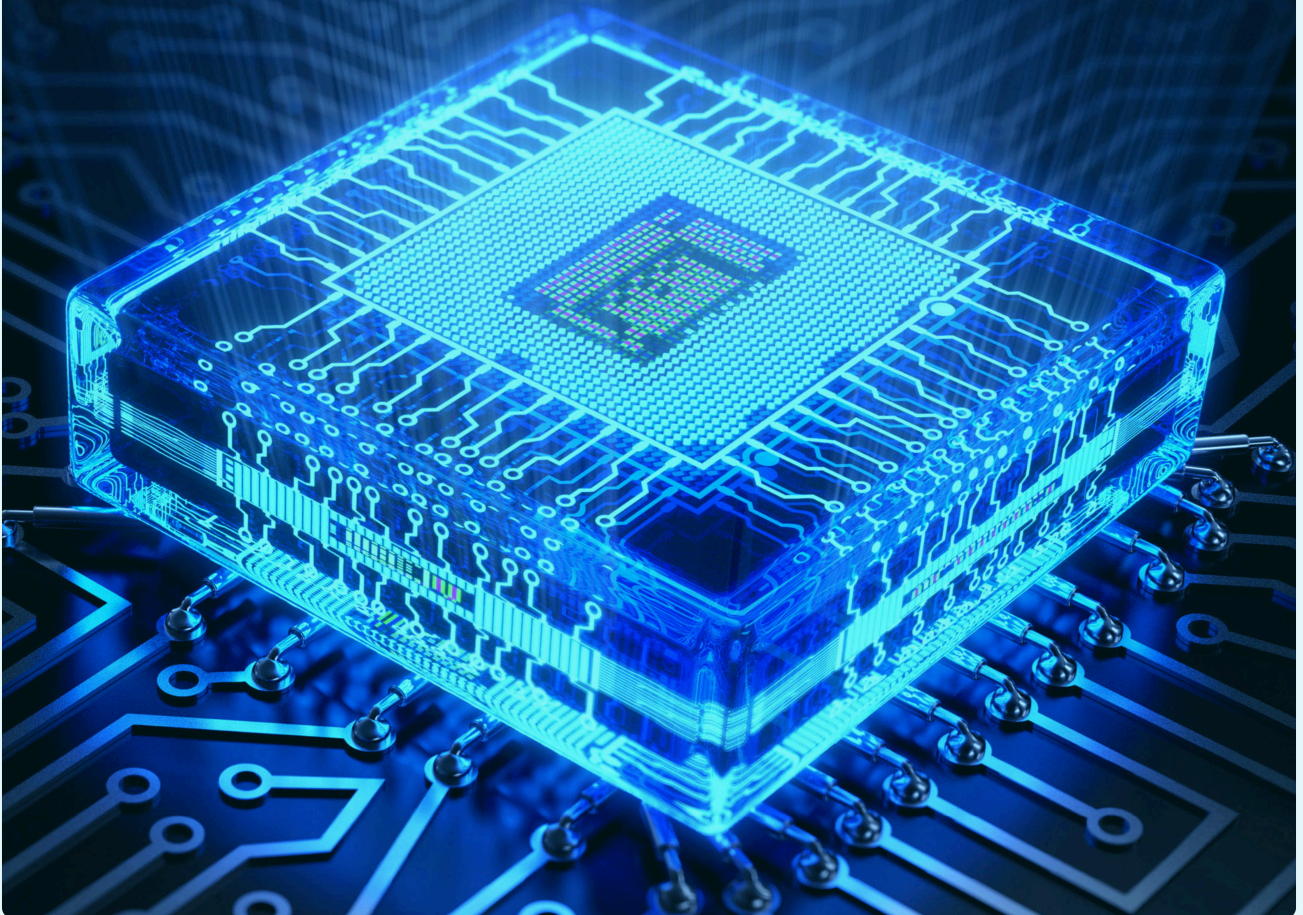
Accelerated business innovation with accurate and timely business insights.

Conclusion: Rethink ERP as a Strategic Priority

In the Semiconductor/High tech industry, speed, agility, and data-driven insight are not just nice-to-haves—they're business imperatives. Legacy ERP systems may not be visibly breaking, but they are silently holding your company back.

The cost of doing nothing? Millions in lost revenue, operational drag, and compromised competitiveness.

For CXOs, the path forward is clear: Reassess your ERP strategy. Modernize with SAP. Future-proof your enterprise.



Time to Reassess: ERP as a Strategic Asset

For Semiconductor/High tech leaders, the ERP platform is no longer a back-office tool. It's the nervous system of the business. In 2025, with volatile demand, constrained supply chains, and rising compliance burdens, outdated ERP systems are liabilities—costing far more than maintenance dollars.

If your ERP system can't support real-time analytics, global scale, or rapid adaptation, it's time to ask: **What is it really costing you?**



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