

From Legacy to SaaS: Building a Sustainable Path for Enterprise System Modernisation in Higher Education

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Higher educational institutions are modernising enterprise systems, taking varied, incremental approaches to cloud adoption that balance innovation, risk and the need to preserve critical legacy investments.

Introduction

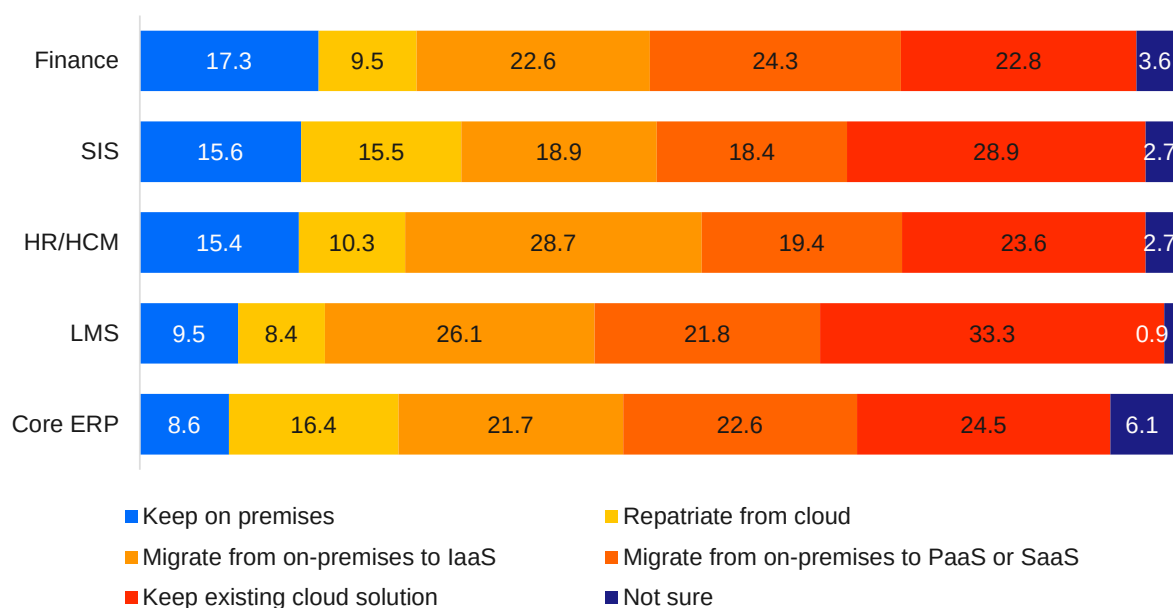
Since early 2020, higher educational institutions around the world have been on an accelerated digital transformation journey. The shift to online learning and operations during the pandemic forced institutions to expedite modernisation and cloud migration for mission-critical applications. In the years since, evolving business and operating models, changing student expectations, enrolment shifts, economic and political pressures, IT staffing challenges and funding uncertainty have continued to push institutions to transform.

At the centre of these institutional transformation efforts are core enterprise systems. Each institution has charted its own modernisation pathway based on cloud maturity, strategic priorities, risk tolerance, funding constraints and institutional requirements, with many taking an incremental approach that balances innovation, risk and long-term sustainability. According to IDC's 2025 *Industry AI and Cloud Path Survey*, 30–50% of institutions have moved their enterprise resource planning (ERP), finance, human resources (HR) and student information systems (SIS) to the cloud; another 50% are planning to move these systems to the cloud in the next 18 months (see Figure 1).

Figure 1

Plans for mission-critical cloud applications in higher education

Q. What are your organisation's deployment plans for each of these systems in the next 18 months?



n = 115 higher education

Source: IDC's *Industry AI and Cloud Path Survey*, August 2025

Despite pressure to adopt SaaS offerings for core enterprise applications, institutions are taking a range of approaches to system modernisation. Approximately half of those planning to move core systems to the cloud in the next 18 months are opting for infrastructure as a

service (IaaS); others are moving toward platform-as-a-service (PaaS) or SaaS models. Some institutions continue to invest in on-premises environments, while others are reassessing earlier cloud decisions. In short, there is no one path to the cloud in higher education. Institutions are focusing on the approach that works best for them given their strategic goals, priorities and challenges, and what they believe will set them up for future success.

Cloud migration for core enterprise systems is challenging, risky, costly and complex. To ensure long-term success with cloud migration, incremental modernisation strategies offer a pragmatic solution. Defined as a methodical, step-by-step, long-term strategic approach to modernising ERP or SIS systems, incremental cloud modernisation is about balancing stability in the short term to enable sustainable innovation over time. An example of this approach includes moving existing platforms to cloud infrastructure (IaaS) and then progressively modernising data, processes, user experience and integrations. An institution would then move to SaaS when its priorities, funding and organisational readiness align, enabling it to minimise disruption, preserve mission-critical customisations, and gradually embrace new innovations. For higher educational leaders, understanding the evolving enterprise system market, cloud readiness requirements and modernisation pathways is essential to making informed decisions that balance innovation with institutional stability.

Benefits of an intentional approach to cloud ERP and SIS modernisation

Institutions have pursued digital transformation with urgency, but the transition to cloud-based enterprise systems has often been constrained by extensive customisations, resource limitations and the complexity of change management. In some cases, institutions move to the cloud before they are fully prepared, leading to prolonged implementations or outcomes that fail to deliver meaningful operational or experiential improvement. Notably, the most consequential failures are often not highly visible project breakdowns, but rather implementations that technically succeed while delivering limited value to students, faculty and staff.

IDC research and client discussions indicate that some institutions are reassessing earlier cloud migration decisions and, in certain cases, returning workloads to on-premises environments. These decisions are often driven by higher-than-expected costs, unclear return on investment, or user dissatisfaction with functionality and outcomes. While repatriation may provide short-term operational stability, it can have lasting organisational consequences, including increased change fatigue, reduced confidence in transformation initiatives, and greater caution toward future modernisation efforts.

While it is important that colleges and universities around the world continue to push the bounds of innovation, a more incremental and intentional approach to cloud modernisation may prove more successful in the long term. An example of an incremental strategy includes the following steps:

- **Move infrastructure to the cloud.** This approach helps to free up data centre capacity while shifting security and maintenance work to cloud providers, giving IT staff time to focus on higher-value activities and strategic work.

- **Modernise core applications.** With security and maintenance work offloaded to cloud providers, IT teams can refocus on modernising their applications to be optimised for cloud infrastructure.
- **Invest in data preparation, process improvement and application rationalisation.** By taking the time for these tasks, institutions can simplify the process of migrating to cloud-enabled or SaaS offerings by proactively removing technical barriers that often delay, hinder, or prolong migrations.
- **Transition to SaaS.** Institutions that emphasise cloud readiness by taking time and space to prepare for migration and chart a strategic path are positioned well to transform their operations, make informed and strategic SaaS transformation decisions, and see a return on investment for cloud migration.

The key for industry leaders is how to determine whether their institutions are ready for this transformation and to chart the best path for their situation.

Assessing cloud transformation readiness

To determine cloud readiness and the best fit approach, institutions must ask themselves:

- Is a cloud-based ERP and SIS transition the right strategy? An organisation is prepared to move down this path if it has:
 - **Defined short- and long-term business challenges and strategic opportunities.** Before making the investment, higher educational leaders must clearly outline the key business challenges that they are facing in the short and long term and then prioritise based on risk.
 - **Articulated a clear rationale for cloud adoption.** Defining the "why" behind cloud migration helps institutions to align technical and non-technical stakeholders, establish realistic expectations, and anchor implementation decisions to measurable outcomes rather than technology alone.
 - **Mapped how a cloud-based system will help to address key business challenges and advance strategic priorities.** Institutions should clearly articulate how cloud capabilities, such as improved agility, reduced operational overhead, or enhanced analytics, directly support their most pressing strategic challenges. This alignment is essential for building organisational buy-in and guiding implementation decisions.
 - **Considered a range of alternative scenarios to determine whether there is a more cost-effective or impactful path to achieving strategic goals.** By outlining key challenges and prioritising based on risk, educational leaders can draw up a series of options to address the most pertinent challenges. For example, if an institution is struggling with rapidly declining enrolments, perhaps a new enrolment management solution should take priority.
- Does the institution have the capacity to lead a cloud-based ERP and SIS transition? An organisation is equipped to move forward if it has:
 - **Transitioned administrative or major cloud-based software systems to the cloud previously.** Without cloud migration experience, institutions will experience significant implementation challenges with cloud ERP and SIS. Start smaller,

understand best practices, and develop some lessons learned, then consider moving to a cloud-based SIS.

- **Evaluated and mapped existing business processes across core administrative systems to identify operational/workflow bottlenecks and inform process improvement decisions.** Some business processes are mission critical and must remain in place, while others are ineffective processes anchored by past decisions that continue to slow productivity and decision-making. For some institutions, a move to the cloud can also spark long-overdue business process standardisation and reengineering. However, this benefit is only realised when institutions clearly distinguish between processes that are genuinely mission critical and those that reflect historical workarounds. Attempting to make these determinations during an active SaaS deployment significantly increases risk. Sorting out which are mission critical and which need to be transformed in advance of vendor selection and cloud migration efforts can reduce implementation roadblocks and improve return on investment for modernisation. Institutions can also realise significant process-improvement benefits when approaching process changes from a business-problem perspective rather than a purely business-process-simplification standpoint. An example of this includes shifting from a focus on streamlining transfer credit processing to a focus on building processes that ensure that awarded transfer credits accurately represent course offerings and prepare students for the courses that they need to take to complete their degree.
- **Documented and agreed on a long-term, cloud-based ERP and SIS transition strategy that clearly articulates a vision for the future.** Documenting a cloud-based SIS transition strategy that articulates a future-state vision clearly will help to keep the effort on track. Importantly, the strategy must consider implementation complexities and should include risk management plans. It is also necessary to have a complete understanding of the on-premises system and how it fits into the broader IT ecosystem (e.g., customisations and integrations), as well as existing technical debt, to ensure that the transition does not lead to major unforeseen disruptions and that the transformation minimises or eliminates technical debt.
- **Obtained executive sponsorship and a line of authority or created a decision-making structure.** Executive sponsorship is critical for moving the cloud transition along. The buck stops with the executive sponsor, as it is their job to make informed decisions in a controlled time frame and to make executive decisions when difficult roadblocks emerge or when a shift in strategy/direction is required.
- **Established the ERP and SIS transition as a campuswide initiative, with each department head taking ownership of implementation in their function.** Cloud-based ERP and SIS transitions are supported by IT but not led by IT. Technology leaders can map solutions to each function's needs, but they do not thoroughly understand the core business processes that drive operations in each department. Each department leader must take ownership of implementation in their function, including future-state visioning and business process reengineering.
- **Confirmed that it has human resources and technical skills to transition to and operate in a cloud environment (and/or has documented plans to hire, reskill and upskill as needed).** The team will need new tools and skills to execute a cloud-based SIS transition and operate in the cloud. As the on-premises application

sunsets, IT teams will have to restructure and reskill. Business process redesign and system modernisation require sustained, full-time engagement from key institutional resources. Attempting to execute these initiatives alongside normal operational responsibilities significantly increases the risk of delays, burnout and diminished outcomes.

- **Gained a complete picture of the time and resource investments required for transitioning to a cloud-based ERP and SIS.** Understanding the costs associated with a cloud transition is important, as they stretch far beyond the price of the product itself. For example, there are human resources (e.g., training/upskilling and burnout) and staffing costs (e.g., backfilling roles or repurposing IT staff) that must be accounted for. In addition, there will be unexpected delays or obstacles that prolong the project timeline, adding to implementation costs. There are also additional costs associated with change management and implementation support that institutions often fail to consider. Institutional leaders must have a plan in place to address these planning and implementation challenges before work begins.
- **Made time and space to thoughtfully consider go-forward plans.** Teams may be eager to start a cloud implementation or keep the effort moving once in motion. However, it is important to create space early on to evaluate methodologies, define requirements, brainstorm new ideas, and define best practices for cloud migrations to chart an effective path forward. During the implementation, it is also important to maintain time and space to regroup, define challenges and opportunities, and iterate. Remaining agile and adaptive throughout the process can go a long way in ensuring implementation success.

Successfully working through these questions can set institutions up for success before leveraging the cloud for mission-critical systems, ultimately saving time and money.

Considering TCS and Oracle PeopleSoft

For many higher educational institutions, Oracle PeopleSoft remains a critical system of record, supporting student administration, financial operations, and human capital management, even as many institutions set themselves up for long-term cloud transformation. Tata Consultancy Services (TCS) offers a comprehensive suite of intellectual property assets designed to support higher educational institutions in modernising their PeopleSoft environments and preparing for future cloud and SaaS transitions.

TCS's portfolio is built around incremental modernisation strategies for PeopleSoft customers. TCS's deep expertise in managed services, automation and AI integration, coupled with Oracle PeopleSoft's extended support through 2037, ensures that institutions can modernise in stages. The approach emphasises a strategic phased modernisation that preserves critical investments and institutional knowledge, while unlocking new capabilities through solutions like Oracle PeopleSoft's Fluid UI, advanced process automation, and the TCS AI WisdomNext generative AI (GenAI) platform. This approach empowers institutions to enhance user experience, operational efficiency and student outcomes, without sacrificing stability.

TCS AI WisdomNext is a modular platform designed for industry-specific enterprise adoption and customised for the education industry. It aggregates multiple GenAI and cloud services into a unified interface, offering solution blueprints and centralised governance with robust guardrails. TCS AI WisdomNext enables integration with Oracle's PeopleSoft (via on-premises or cloud infrastructure), allowing institutions to layer AI-driven features directly onto their existing systems. The platform supports over 50 use cases, including early warning models for student success, invoice automation, budget forecasting and campus analytics.

TCS's PeopleSoft Centre of Excellence provides end-to-end support, continuous training and access to a deep bench of certified experts. The solution architecture enables integration of PeopleSoft and TCS AI WisdomNext on Oracle Cloud Infrastructure, supporting user experience improvements, analytics, AI-driven insights and compliance. Institutions benefit from incremental innovation, rapid deployment of new features, and a tailored roadmap that aligns with their unique needs and readiness. By combining Oracle's commitment to long-term platform stability with TCS's deployment methodologies and automation capabilities, higher educational institutions can modernise at their own pace, maximise ROI, and build sustainable paths to cloud modernisation for PeopleSoft customers.

Challenges

Higher education is in a difficult transition period, defined by a perfect storm of enrolment challenges, funding shifts, political pressure, evolving student expectations and rapid advances in emerging technologies. Institutions need to modernise their business models and operations, but many are constrained by limited human capital, as well as the technological and financial resources needed to transform. Institutions must also balance the need for stability and innovation, especially when considering high-cost, long-term transformation investments, such as cloud ERP and SIS migrations. TCS and Oracle are well positioned to support industry leaders through these complex decisions, but face two key challenges. The first will be helping institutions to build the business case for high-risk cloud transformations as they struggle to balance competing priorities across administration, academics, student success and research. The second and more critical challenge will be in mapping cost-effective, phased implementation strategies unique to each institution's needs and readiness and effectively guiding institutional leaders through long-term transformation efforts amid ongoing change and increasingly uncertain futures.

Conclusion

Higher educational institutions face mounting pressures to modernise their enterprise systems. However, there is no single path to cloud modernisation for ERP and SIS; instead, institutions are finding success by working with partners to chart a deliberate, incremental approach that balances innovation with institutional stability.

To support a successful, incremental approach to cloud modernisation for ERP and SIS, institutions should consider the following steps:

- **Assess institutional readiness and define strategic objectives:** Conduct a thorough evaluation of business challenges, strategic priorities and current IT landscape. Clearly articulate the reasons for modernisation and the desired future state, ensuring alignment across leadership and stakeholders.
- **Map and rationalise business processes and data:** Review and document existing business processes and data flows. Identify mission-critical customisations and legacy processes that should be retained or re-engineered. Clean up data to reduce technical debt and streamline future migrations.
- **Develop a phased modernisation roadmap:** Create a plan that prioritises incremental improvements, such as moving to cloud infrastructure (IaaS) before full SaaS adoption, while allowing time for process improvement, application rationalisation, and stakeholder engagement.
- **Build capacity and secure executive sponsorship:** Ensure that the institution has the necessary skills, resources, and governance structures in place. Invest in staff training, backfill key roles as needed, and establish clear executive sponsorship to drive decision-making and manage change.
- **Engage trusted partners and continuously evaluate progress:** Select vendors and partners with proven expertise in higher education cloud modernisation. Leverage their support for implementation, change management, and ongoing optimisation, and regularly review progress to adapt the roadmap as institutional needs evolve.

By following these steps, institutions can modernise at their own pace, minimise risk, and position themselves for sustainable success in an increasingly digital and competitive higher education landscape.

Institutions are focusing on the approach that works best for them given their strategic goals, priorities, and challenges, and what they believe will set them up for future success.

About the IDC analyst



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Matthew Leger is a senior research manager on IDC's Government Insights team, where he oversees the Worldwide Education Digital Strategies research programme. Mr. Leger's research focuses on key IT and digital transformation trends, as well as emerging solutions impacting how primary, secondary and higher education services are delivered.

Message from the sponsor

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For more information, visit: tcs.com/what-we-do/industries/education



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