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SEPTEMBER 8, 2025 BY CHRIS NEWMARKER



Zimmer Biomet (NYSE: ZBH) has sued Deloitte in the Supreme Court of the State of New York in Manhattan, claiming in a lawsuit that the British accounting and consulting firm falsely sold the ortho device giant on an enterprise resource planning (ERP) software system that ended up costing tens of millions of dollars to fix.



The mounting challenges from what ZB describes as a botched ERP system caused it to **reduce its full-year 2024 guidance** when Q3 earnings came out in October last year.

ZB said in its complaint that the company was barely operational through the third quarter of 2024, unable to ship or receive product, issue invoices, or generate basic sales reporting.

"While litigation is never our first choice, Deloitte strung us along with repeated false assurances, both before the contract and before the system go-live," Zimmer Biomet General Counsel Chad Phipps told *MassDevice* in an emailed statement. "This is not the conduct we expect nor tolerate from our business partners, and we intend to hold Deloitte accountable for its actions, which not only seriously disrupted our business, but also put patient care at risk."

Deloitte, in its own statement, said: "We are deeply committed to our clients, regret that Zimmer Biomet has chosen to embark on this path, and will defend ourselves vigorously against this meritless claim."

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Filed on Sept. 4, ZB's lawsuit accuses Deloitte of falsely assuring the Warsaw, Indiana–based company that it had the skills, experience, implementation methodology, tools, and accelerators necessary to successfully deliver cloud-based SAP S/4HANA ERP software from the company SAP SE.

According to Zimmer Biomet, Deloitte drew on trust from over 25 years of successful collaboration to convince company officials that replacing the company's legacy system with SAP SE's software would save it \$197–316 million over 10 years.

The lawsuit complaint claims that the Deloitte team was incompetent and unqualified, with the \$94 million in fees running 36% over what Deloitte had represented. The new ERP was supposed to save hundreds of millions of dollars for Zimmer Biomet's operations in North America and Latin America, but ZB says it was instead a severely flawed system limited to North America.

The complaint goes on:

“That botched system finally went live in North America on July 4, 2024, after numerous postponements and delays. Thereafter, when issues began to surface, Deloitte discounted their significance, assuring Zimmer Biomet they were the typical hiccups commonly experienced following an S/4 launch. But as the months passed, the problems worsened, eventually causing massive disruption to Zimmer Biomet's operations and global supply chain, halting the shipment of critical medical devices to doctors and patients, and inflicting more than \$172 million in damages on Zimmer Biomet. Only through an extraordinary internal effort was Zimmer Biomet able to prevent even more extensive damage to its business and customer relationships. ... Deloitte's implementation of S/4 for Zimmer Biomet was a disaster.”

By July 1, 2025, Zimmer Biomet notified Deloitte by letter that it had breached the work order and agreement, according to ZB's complaint, which claimed Deloitte waited for over six weeks before abruptly canceling all of its contracts with the company.

Zimmer Biomet demanded ongoing termination assistance services until the end of the year. To avoid further operational disruptions, the company had to pay outstanding invoices and prepay to receive the extra assistance.

ZB said Deloitte "relied heavily on an offshore team in India over which the onshore team on site at Zimmer Biomet maintained little oversight or control," and that the India team had "constant" turnover "such that the project was never supported by a consistent, qualified, or stable Deloitte team."

ZB's lawyers said Deloitte "change-ordered Zimmer Biomet to death" with 51 change orders for an additional \$23 million in fees above the \$69 million contract price. Those change orders would not have been needed had Deloitte sized and scoped the project appropriately, ZB said in its lawsuit.

Zimmer Biomet is claiming at least \$173 million in damages, including the \$94 million in fees paid to Deloitte, an additional \$15 million invoiced as Deloitte unsuccessfully sought to fix its own mistakes, and ZB's own \$72 million in additional post-go-live costs.

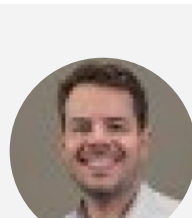
According to the lawsuit complaint, "Zimmer Biomet struggled (and still struggles) to plan or meet production schedules, fill orders, and ship and deliver products to customers on time. Deloitte's S/4 system still suffers from significant defects, functionality gaps and other issues to this day."

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Chris Newmarker is the executive editor of WTW Media life science's news websites and publications including MassDevice, Medical Design & Outsourcing and more. A professional journalist of 18 years, he is a veteran of UBM (now Informa) and The Associated Press whose career has taken him from Ohio to Virginia, New Jersey and, most recently, Minnesota. He's covered a wide variety of subjects, but his focus over the past decade has been business and technology. He holds bachelor's degrees in journalism and political science from Ohio State University. Connect with him on [LinkedIn](#) or email at cnewmarker@wtwhmedia.com.

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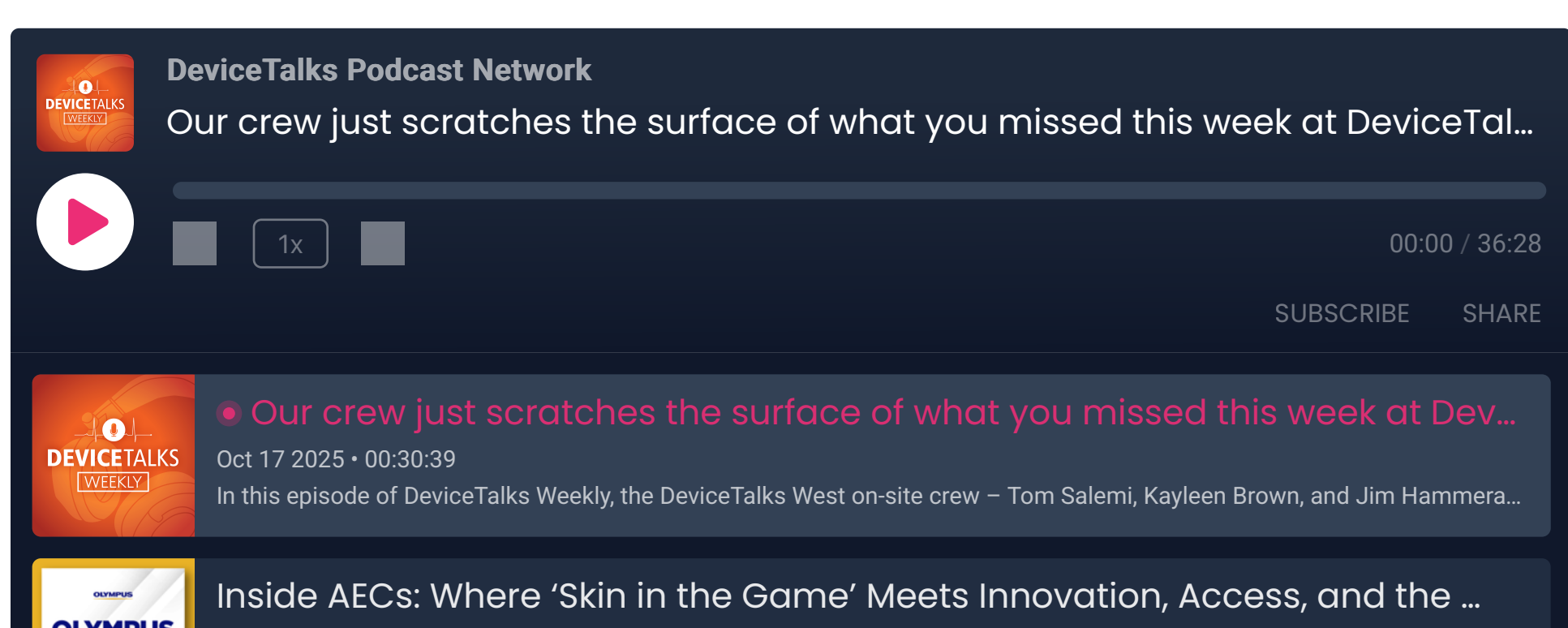


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