

IDC MarketScape

# IDC MarketScape: Worldwide AI-Enabled Midsize Business Enterprise Resource Planning Applications 2025 Vendor Assessment

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## THIS EXCERPT FEATURES DELTEK AS A MAJOR PLAYER AND CONTENDER

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Observability Platforms 2025 Vendor Assessment (Doc # US53004325).

## THE IDC MARKETSCAPE VENDOR ANALYSIS MODEL

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IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of vendors/suppliers in a given market.

The IDC MarketScape model utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single evaluation of each vendor's position within a given market.

This model provides a clear framework in which the product and service offerings, capabilities and strategies, and current and future market success factors of IT and telecommunications vendors can be meaningfully compared.

## IDC MARKETSCAPE VENDOR POSITIONS:

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A vendor's position in the IDC MarketScape will fall into one of the following categories:

- **Leaders** are vendors strong in all areas of both strategy and capabilities.
- **Major Players** show strength in most areas of strategy and capabilities.
- **Contenders** have strengths, but often are limited in some areas such as geography or specific product features.
- **Participants** are often new entrants or fading stars with few exceptional capabilities or strategies.

## IDC OPINION

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Medium-sized businesses — defined by IDC as businesses with 100–999 employees — continue to occupy a unique space in the global business ecosystem. These businesses are larger and more operationally complex than small businesses, often having multilocation operations, diverse product lines, and layered organizational structures. Yet they remain more agile and budget-conscious than large enterprises. This duality positions them perfectly to benefit from the latest wave of AI-enabled enterprise resource planning (ERP) innovations, especially those designed to scale intelligently without overwhelming internal teams.

The rise of AI has driven a remarkable surge in interest in AI-enabled ERP systems this year. Just last year, leveraging AI was not a major priority for most medium-sized businesses, with only 20.3% of respondents in IDC's *Worldwide Small and Medium-Sized Business Survey* considering it important. However, in 2025, that percentage has more than doubled to 51.8%, signaling a dramatic shift in mindset as medium-sized businesses witness true ROI and more confidently scale their investments with AI. Given that ERP is a critical priority for these businesses (with 58% of all medium-sized businesses listing financial management and business operations tools such as ERP as a top tech priority), AI-powered ERP platforms in particular are emerging as powerful tools. With its intelligent analytics, this software helps medium-sized businesses move beyond reactive management to predictive and prescriptive operations.

Underscoring this need for AI-enabled ERP offerings is *Worldwide Artificial Intelligence IT Spending Forecast, 2025-2029* (IDC #US53688725, August 2025), which found that spending on AI-enabled applications (29.9% of 2029 AI spending) will increase the fastest of any AI segment at a compound annual growth rate (CAGR) of 56.5% during this period. This will be driven by AI from assistants and advisors, as well as an infusion of agents into a wide range of application portfolios, including ERP. Over the next three to four years, advances in generative AI (GenAI) and agentic AI will push applications to a state where many offerings will be significantly enhanced and augmented by agent-driven capabilities. Considering AI-enabled ERP has a core set of business capabilities, IDC finds that most AI expansion will be in the form of assistants, advisors, and agents. This expansion will close many gaps in workflows, eliminate manual and semi-manual workflows, and completely reshape business processes for the foreseeable future. IDC's May 2025 *Future Enterprise Resiliency and Spending Survey (FERS), Wave 4*, supports this, as 80.1% of respondents believe investing in agentic AI will eliminate manual and semi-manual workflows and business processes. This sentiment reflects how AI will add more to current ERP workflows while also eliminating the need for additional manual and semi-manual workflows.

Understanding the need for this specific type of AI research, IDC examined the progression of AI in various forms. One of a multitude of avenues is how ERP providers bring AI into ERP workflows — through assistants, advisors, and agents. IDC defines AI assistants, advisors, and agents as follows:

- **AI assistant:** An application that assists users, augments tasks, and finds and collects structured and unstructured information within or across data sets
- **AI advisor:** An application that is designed to provide advice, recommendations, and next best actions (It synthesizes data to create insights, dynamically creates baselines, and compares usage, interaction, and engagement.)
- **AI agent:** An application that *understands* by detecting and responding to information autonomously (Agents *plan* by detecting and correcting information autonomously and *take action* by detecting, responding, correcting, predicting, and acting autonomously.)

We have assessed the functional capabilities of the AI-enabled ERP systems included in this report across these AI elements. We also reviewed vendors' current capabilities and strategies in terms of machine learning, natural language interface, predictive aspects, GenAI, and AI, as well as those they plan to add in the immediate future and into early 2027. All these factors have been taken into consideration to assist medium-sized businesses as they move toward AI-enabled ERP applications. It is imperative for organizations to understand that as they select AI-enabled ERP applications, the infusion of AI will create the agents of the future. In addition, it is important to recognize that every AI-enabled ERP provider is on a different journey. Each vendor's technology journey is based on where the organization is in terms of the maturity of its software-as-a-service (SaaS) and cloud offerings, its investments in AI, and the complexity of its products, as well as its vision and leadership positioning for AI-enabled ERP applications. Another important puzzle piece is the client landscape and clients' willingness to invest and innovate with them in the AI world. Each vendor is unique, and this is well detailed in the ERP vendor profiles contained in this document. This new IDC MarketScape provides critical foundation-level research that is at the forefront of the shift to AI. IDC plans to update this research on an ongoing basis as the technology landscape increasingly shifts toward AI.

IDC data shows increased ERP vendor switching rates. In IDC's May 2025 *Future Enterprise Resiliency and Spending Study, Wave 4*, more than 65% of organizations told us they will use their enterprise application provider for embedded AI and AI agents across the main capabilities and functionalities of ERP systems. The forecast is clear: AI is quickly transforming from a differentiator in ERP systems to an essential capability within the ERP software market.

Furthermore, the extension of ERP functionalities into additional applications as part of a suite of applications is quickly reshaping organizations today, as is increased employee usage and reliance on technology. Autonomous processes are removing additional employee clicks and decision points, quickly transforming the business experience to model consumer use of AI-enabled mobile applications. Whether consumer or business processes, the evolution and pace of advances are continuously evolving to feature fewer software interaction and decision points, with more AI features, services, and insights delivered to employees, partners, and customers in real time. This reduces the time to decisions and ultimately to fulfillment, leading to greater customer satisfaction. All of this has a profound impact on medium-sized businesses and their ability to dramatically transform everything from performance to resource optimization.

## **Current Considerations in Medium-Sized Business ERP Systems**

As medium-sized businesses embrace AI-enabled ERP systems, they should consider the following:

- **Curate ERP capabilities strategically, not just functionally:** Medium-sized businesses should approach ERP selection as a strategic exercise in capability building, rather than looking at it as a checklist. Instead of defaulting to comprehensive, monolithic systems, curate modular ERP solutions that align with your specific business objectives. Modern ERP platforms also increasingly offer outcome-oriented bundles, where modules are grouped not only by department (e.g., finance, HR, or supply chain) but also by strategic value (e.g., customer experience optimization, sustainability tracking, or AI-driven forecasting). This allows medium-sized businesses to tailor their ERP investments to their needs, while maintaining the flexibility to expand functionality as their needs evolve.
- **Adopt licensing models that reflect growth and operational complexity:** As medium-sized businesses scale, their technology needs and usage patterns become increasingly dynamic, while their tech stack becomes more complex. As a result, 22% of medium-sized businesses indicated that "integration with the current stack" is the top factor influencing their software purchase decisions, according to IDC's 2025 *Worldwide Small and Medium-Sized Business Survey*. Thus medium-sized businesses should adopt flexible ERP licensing models that can accommodate both current requirements and future expansions. Seek vendors that offer scalable, usage-based, or hybrid licensing options, where your company can pay based on actual consumption rather than static metrics.

Consider negotiating for growth-friendly terms as well, such as tiered pricing or "growth clauses" that enable seamless scaling without renegotiation.

- **Focus on unified data strategy:** AI thrives on clean, connected data. In light of this, medium-sized businesses largely understand that proper data warehousing and storage are crucial to uncover the power of analytics, with 53.2% of these businesses indicating it as their top data and analytics priority. When selecting an ERP system, medium-sized businesses should prioritize those that can offer a single source of truth across departments. This means seamless integration with customer relationship management (CRM), human capital management (HCM), and other business applications, enabling AI to generate insights and take actions across operations. Avoid siloed systems that limit the effectiveness of AI.
- **Assess security and compliance readiness:** Cyberattacks and vulnerabilities are increasing risks in technology deployment. Around 45.5% of medium-sized businesses noted that one of their biggest technology challenges is implementing new technology securely. AI-enabled ERP systems are no different. Furthermore, AI introduces new governance challenges. Therefore, ensure that your ERP system includes built-in security features, role-based access controls, and compliance frameworks (e.g., GDPR or ISO). This is especially important for medium-sized businesses operating across regions in highly regulated industries such as finance or healthcare, or those that handle sensitive customer data.
- **Invest in "AI fluency" across roles:** AI-enabled ERP systems will require extensive change management initiatives. Around 31.3% of medium-sized businesses indicated that outdated IT skill sets pose challenges in terms of achieving business objectives. In addition, 31.0% of medium-sized businesses indicated that the slow user adoption of solutions poses a hurdle. AI-enabled ERP systems will only be as powerful as the people using them. Medium-sized businesses should go beyond IT training and offer AI literacy workshops for nontechnical roles, particularly in finance, HR, and operations. Help these employees understand how AI interprets data, makes predictions, and supports decisions. This will ultimately build trust and unlock deeper usage across departments.

## Current Trends in Medium-Sized Business ERP Systems

- **AI-driven personalization and predictive analytics:** AI-enabled ERP systems can deliver personalized user experiences and predictive insights, which are especially critical for medium-sized businesses wanting to scale by attracting and retaining a loyal customer base. AI-powered dashboards adapt to user roles, while machine learning models forecast inventory needs, cash flow, and customer demand. GenAI tools can even rewrite project plans or marketing

content based on historical performance and business goals. These are all tools medium-sized businesses can leverage to better satisfy customer demand.

- **Agentic AI:** ERP systems are undergoing a fundamental transformation from static, reactive platforms to event-driven, agentic ecosystems. Agentic AI introduces autonomous, goal-driven agents capable of executing complex workflows across finance, supply chain, and HR that learn over time without constant human input. These agents act as digital operators by taking actions such as initiating procurement, reconciling accounts, and adjusting production schedules based on real-time triggers. Agentic AI can also collaborate across systems, with an AI agent in a CRM system communicating with an ERP agent to complete tasks such as confirming inventory, negotiating delivery timelines, and adjusting pricing. This "agent-to-agent" model redefines cross-application integration. This is critical for medium-sized businesses, which view it as one of the top influencing factors in technology purchase decisions.
- **Composable and low-code ERP platforms:** ERP systems are becoming more modular and customizable, thanks to low-code and composable architectures. This allows medium-sized businesses to build tailored ERP environments using microservices and drag-and-drop interfaces, for example, which is crucial for companies with complex tech stacks or legacy systems (often the case for these businesses). Low-code ERP tools empower business users — not just developers — to create intelligent workflows, automate approvals, and integrate AI-driven insights. This democratization of ERP customization will prove transformative for medium-sized businesses' operations.
- **Cloud ERP and edge computing integration:** Cloud ERP adoption continues to surge, and in 2025, these ERP systems are especially integrated with edge computing to enable real-time data processing closer to where it is generated. This improves speed, security, and reliability, proving advantageous for medium-sized businesses that may have distributed teams or global operations.

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The vendor inclusion list for this evaluation was selected to accurately depict the vendors that are most representative of any given ERP system on a buyer's selection list based on the following:

- Vendors must have an AI-enabled ERP system.
- Vendor inclusion will also be based on market presence, with at least 33% of the vendor's revenue coming from medium-sized businesses. IDC defines medium-sized businesses as those with 100–999 employees. The vendor must have won recent deals within the relevant customer segments. The vendor needs to

provide support globally and have clients in at least two major geographic regions (North America, Latin America, EMEA, and APAC).

- This IDC MarketScape is also based on market presence and information provided by vendors, as well as IDC's market share and forecast efforts in enterprise resource planning applications.
- Vendors also must meet IDC's functionality requirements for enterprise resource planning, including a general ledger, as part of the system and AI enablement.

## ADVICE FOR TECHNOLOGY BUYERS

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The ERP market is rapidly shifting toward technology that enables organizations to compete and succeed in the digital world. These areas are focal points of consideration as your organization moves forward. IDC advises technology buyers to:

- **Look internally and think about your current processes:** Ask yourself these questions:
  - What are some issues we must resolve with a new AI-enabled ERP system? Are they technology-related? Are they related to the efficiency and productivity of our current resource structure?
  - What are our current internal resources and capabilities? How might this change in the future with our investment plans to enable AI? What does the resource shift timeline look like?
  - How do we define a successful AI-enabled ERP implementation?
  - What internal stakeholders should we include in the process?
  - How will the new system change my organization? Will we be able to make faster decisions and gain real-time insights, making us more competitive? Will our employees bring us more with AI enablement? How will our KPIs change?
  - Are there industry aspects we could tie in better from the front end to the fulfillment of our products and services?
- **Select the right partners:** The first step to implementing an AI-enabled ERP system is to develop the right strategy and plan for implementation. Second, select the right implementation services partners for implementing the system. Ask yourself these questions:
  - Can we move faster to a new system by using AI-enabled partners to help with implementation? Will we benefit from their lessons learned?
  - Does the partner have the type of products and services we need and also specialize in our company size/industry?
  - Can the vendor conduct a hands-on AI demo with my organization's live and real data to showcase the potential benefits for our business? Can the vendor

also show how the workflows will change and impact how my employees work?

- Does the vendor understand the regulations that will impact my business? How are these regulations reflected in our current product, and how will this change in the future? Will these changes meet the digital sovereignty requirements I need across my business?
- What is the vendor's strategic AI investment outlook for the next three to five years? Why and how will it enhance my business?
- Is the vendor investing in AI now? How is the vendor using AI to enhance its business in terms of both services and products?
- **Consider the foundation:** Software architecture approaches come in many varieties. Ask your software vendors these questions:
  - What is the dataflow design in the current AI-enabled solution?
  - What kind of APIs are available from this vendor — RESTful, SOAP, GraphQL?
  - What kind of developer tools does this vendor provide (e.g., sandbox, dedicated portal, low-code/no-code tools, database management tools, and AI tools)?
- **Own the implementation:** The best results require an active role in implementation. Ask yourself these questions:
  - What levels of support are available, and are they geographically available for my business?
  - How should we set up the service-level agreement (SLA) before signing a contract?
  - Can the system integrate with my company's other IT systems and partners?
  - Which IT system needs to be integrated and to what degree?
  - How are we set up to deal with frequent updates? How do we consume them faster and let the business learn as it goes?
- **Change management is critical:** Ask yourself the following questions as you get into the project, so you can run it efficiently and smoothly and move into the digital world quickly.
  - Do we have the right strategy to encourage rapid adoption among employees?
  - Do we have the right amount of training for employees to master the new features within the system?
  - Are we communicating the purpose and benefits of the system change to the relevant employees?

- Have we aligned existing policies and procedures to enable the adoption of new workflows?

This IDC MarketScape assists in answering the aforementioned questions, along with many others that may arise.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### **Deltek (Costpoint)**

After a thorough evaluation of Deltek's (Costpoint) strategies and capabilities, IDC has positioned the company in the Major Players category in this 2025 IDC MarketScape for worldwide AI-enabled midsize business ERP applications.

Deltek Costpoint is known ERP software for government contractors of all sizes. It connects project data and processes, using Dela (Deltek's AI-powered intelligent business orchestrator) to add time-saving automation and new AI capabilities, with the aim of making the entire government contracting project life cycle more efficient. With built-in functionality and a compliant framework, the solution helps businesses of all sizes meet complex government regulations — including cybersecurity compliance requirements — through its integrated cloud offerings. It also aids in delivering projects on time and on budget.

Deltek Costpoint provides an accounting and financial platform built for sustainable growth, with compliance benefits included. Deltek Costpoint, delivered in the cloud, offers government contractors greater flexibility and scalability, allowing them to adapt quickly to industry demands. It also provides industry-mandated cybersecurity controls that cover scaling, patching, monitoring, and securing data.

Costpoint GovCon Cloud Moderate (GCCM) is a FedRAMP Moderate Equivalent and is listed on the FedRAMP Marketplace. Deltek is committed to supporting compliance requirements for government contractors, such as the US Department of Defense's (DoD) Cybersecurity Maturity Model Certification (CMMC) program. For businesses in highly regulated government industries (e.g., aerospace and defense), Deltek Costpoint's GCCM offering also enables businesses to meet DFARS contract requirements, helping accelerate DCAA/DCMA and CMMC compliance initiatives.

Deltek Costpoint is designed for project-based government contractors and the way they work. It also integrates with MS Teams, Outlook, and other common applications.

This year, Deltek has introduced an AI strategy that brings together a thoughtful UX and AI-driven automation to reshape how project-based work gets done through a modern Agentic Experience (AX). An AI-powered proposal solution, announced in June 2025, helps government contractors better utilize opportunities by combining the intelligence of GovWin IQ, the contract and capture management capabilities of Costpoint ERP, and the efficiency of Dela AI into one seamless experience. In addition, in July 2025, Deltek announced the new Costpoint User Experience within the Deltek Harmony design framework, which will include new task-oriented agents to streamline repetitive processes; help users make faster, more informed decisions; and detect anomalies.

Quick facts about Deltek Costpoint include:

- **M&A:** ProPricer (proposal pricing tool, 2024) and Replicon (cloud-based time and attendance solution, 2023)
- **Industry focus:** Deltek Costpoint focuses on government contracting.
- **Globalization:** Deltek offers its product in five languages (Dutch, English, French, German, and Spanish) and unlimited currencies. It has deployments across the globe as needed, but mainly on one continent.
- **Cloud offering:** Deltek supports on-premises and cloud. Deltek Costpoint is supported by third parties including Microsoft and AWS.
- **AI assistants, advisors, and agents:** Deltek currently offers AI assistants to help organizations across many of its ERP capabilities and the project life cycle. Additional task-oriented AI advisors and agents will be rolled out this year, and more are slated for launch in 2026.

## Strengths

- **AI road map:** Deltek has announced a series of AI additions, including AI task-based agents, a seamless AI experience within workflows, and the new Agent Experience. These additions will help Deltek Costpoint grow and scale quickly over the next year.
- **Ease of implementation and usage:** References noted that Deltek Costpoint was relatively easy to implement and use. Usage will likely become even easier with the addition of Deltek AX.
- **Strength of the ecosystem:** The Deltek Costpoint partner ecosystem is solid, with partners helping each other to complete work as needed. References also found that the ecosystem offers great value.

## Challenges

- **AI enablement:** Deltek Costpoint has some AI enablement, but the company is still fine-tuning the solution to offer its customer base more. The announcements in June and July represent strong moves further into AI.
- **Customer service:** References noted that customer service requests were not always answered as quickly as needed.
- **Road map misalignment:** References noted that Deltek Costpoint does what they need, but the road map has not featured as many new features and functionalities as they would like.

## Consider Deltek (Costpoint) When

Consider Deltek (Costpoint) if you are a government contractor seeking a cloud ERP system with built-in compliance benefits that can grow and scale quickly.

## Deltek (Vantagepoint)

After a thorough evaluation of Deltek's (Vantagepoint) strategies and capabilities, IDC has positioned the company in the Contenders category in this 2025 IDC MarketScape for worldwide AI-enabled midsize business ERP applications.

Vantagepoint is a project-based ERP solution delivered in the cloud. It offers CRM, resource management, project management, project accounting, financial management, and business intelligence (BI) for professional services firms. This industry-specific solution is designed to make it easier for project-based businesses to make better, more informed decisions. It aids businesses with project delivery and productivity. Vantagepoint in the cloud offers various security and compliance features and tools (e.g., encryption, multifactor authentication, and monitoring and alerting systems). Vantagepoint users can also leverage Dela, Deltek's AI-powered intelligent business orchestrator, to boost productivity and improve the project life cycle by automating manual processes, forecasting, and more.

Deltek Vantagepoint is designed for professional services industries, including architecture and engineering and consulting. Vantagepoint provides a single solution for the entire project life cycle, from opportunities managed in CRM to project planning, delivery, and financial management. It also integrates with other software tools in standard A&E and consulting technology stacks. In addition, customers can build, deploy, and manage cloud-based integrations to and from Vantagepoint, allowing companies to manage the data they need while eliminating friction between their solutions.

This year, Deltek has introduced an AI strategy that brings together a thoughtful UX and AI-driven automation to reshape how project-based work gets done through the

modern Agentic Experience (AX). The AI strategy is set for execution in 2026 and beyond.

Quick facts about Deltek Vantagepoint include:

- **M&A:** ProPricer (proposal pricing tool, 2024) and Replicon (cloud-based time and attendance solution, 2023)
- **Industry focus:** Deltek Vantagepoint is tailored to professional services industries, including architecture and engineering and consulting.
- **Globalization:** Deltek Vantagepoint is used in over 80 countries and is available in numerous languages.
- **Cloud offering:** Deltek Vantagepoint is available on-premises and in the cloud, supported by third parties including Microsoft and AWS.
- **AI assistants, advisors, and agents:** Deltek is currently working on AI assistants and advisors, with launches planned well into 2026. Overall, the company is embracing an AI strategy with strong footholds for 2026 and beyond.

## Strengths

- **AI strategy:** Deltek has announced a series of AI additions, including AI task-based agents, a seamless AI experience within workflows, and the new Agent Experience (AX). These additions will help Vantagepoint grow and scale quickly over the next year.
- **Digital strategy:** References noted they chose Deltek for its digital strategy and its ability to help them scale quickly.
- **Trusted technology source:** Several references noted that Deltek is a trusted technology source for their industry.

## Challenges

- **System response time:** References noted that the system response time can sometimes be sluggish.
- **Time to use:** Several references noted that understanding and learning the system and using it correctly took some time.
- **Reporting:** Some references noted that third-party tools are often required to supplement the system's reporting capabilities.

## Consider Deltek (Vantagepoint) When

Consider Deltek Vantagepoint if you are in the professional services, architecture, engineering, or consulting industry and need a system that includes CRM, project management, delivery, and financial management.

### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is with customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. In this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Understanding the need for this specific type of AI research, IDC examined the progression of AI in a variety of forms. One of a multitude of avenues is how ERP providers incorporate AI into ERP workflows (e.g., as an assistant, advisor, or agent). IDC defines AI assistants, advisors, and agents as follows:

- **AI assistant:** An application that assists users, augments tasks, and finds and collects structured and unstructured information within or across data sets

- **AI advisor:** An application that is designed to provide advice, recommendations, and next best actions (It synthesizes data to create insights; dynamically creates baselines; and compares usage, interaction, and engagement.)
- **AI agent:** An application that *understands* by detecting and responding to information autonomously (Agents *plan* by detecting and correcting information autonomously and they *take action* by detecting, responding, correcting, predicting, and acting autonomously.)

We have assessed the functional capabilities of the AI-enabled ERP systems included in this report across these AI elements. We also reviewed vendors' current machine learning, natural language interfaces, predictive aspects, GenAI, and AI capabilities and strategies, as well as those they plan to add in the immediate future and into early 2027. All of these factors have been taken into consideration to assist medium-sized businesses as they move toward AI-enabled ERP applications.

## Market Definition

ERP is a packaged integrated suite of technology business applications with common data and process models that digitally support administrative, financial, and operational business processes across different industries. These processes manage resources, including some or all of the following: people, finances, capital, materials, suppliers, manufacturing, supply chains, customers, products, projects, contracts, orders, and facilities.

Furthermore, ERP suites and the associated applications are utilized to run the business, typically starting with finance and including procurement and inventory/asset management; they may also include HCM, order management, manufacturing, distribution, services, engineering, PLM, and supply chain. The software can be industry-specific or designed to be more broadly applied to a group of industries.

Typically, ERP solutions are architected with an integrated set of business rules and metadata, accessing a common data set (logical or physical) from a single, consistent user interface. ERP solutions are available as on-premises, hybrid, and cloud SaaS deployments.

## LEARN MORE

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### Related Research

- *The Agentic Evolution of Enterprise Applications — July 2025 Update* (IDC #US53701525, August 2025)
- *Worldwide Enterprise Resource Planning Applications Market Shares, 2024: Public Cloud Hitting Stride, Enabled by AI* (IDC #US53478726, August 2025)

- *Worldwide Enterprise Resource Planning Applications Software Forecast, 2025–2029: AI Empowers the Future* (IDC #US53742525, August 2025)
- *IDC Market Glance: Enterprise Resource Planning Applications, 3Q25* (IDC #US52168225, July 2025)
- *ERP Components and AI: Investing Continues with Enterprise Application Providers* (IDC #US53635625, June 2025)
- *IDC FutureScape: Worldwide Intelligent ERP 2025 Predictions* (IDC #US51078024, October 2024)
- *What Are the Finance Organization's Greatest Challenges and Benefits with Their ERP System?* (IDC #US52553324, September 2024)

## Synopsis

This IDC study provides a thorough assessment of market-leading AI-enabled midsize business ERP applications and discusses the most important criteria companies should consider when selecting a solution.

"Organizations need AI-enabled ERP technologies to reduce manual and semi-manual workflows, improve time to insights and action, and ultimately deliver top business performance. AI-enabled ERP technology enables the organization to immediately pivot around disruptions as they deliver quality services and performance." — Mickey North Rizza, IDC Group VP, Enterprise Software

## ABOUT IDC

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International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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