PANORAMA
CONSULTING GROUP

The 2025 ERP Report

Introduction

Every year, our ERP Report analyzes the latest trends, challenges, and outcomes associated with enterprise software projects.

This year's report highlights how businesses are evolving their technology strategies by prioritizing cloud-based solutions and emerging technologies, like artificial intelligence (AI).

At the same time, organizations are facing ongoing challenges in the realm of managing data and addressing organizational silos.

Whether you're embarking on an ERP implementation or a digital transformation, *The 2025 ERP Report* offers valuable lessons for enabling data-driven decision-making.

Table of Contents

Respondent Overview

Jan 2024 – Jan 2025
Data Collection Timeframe

150.5
Median Number of Software Licenses Purchased

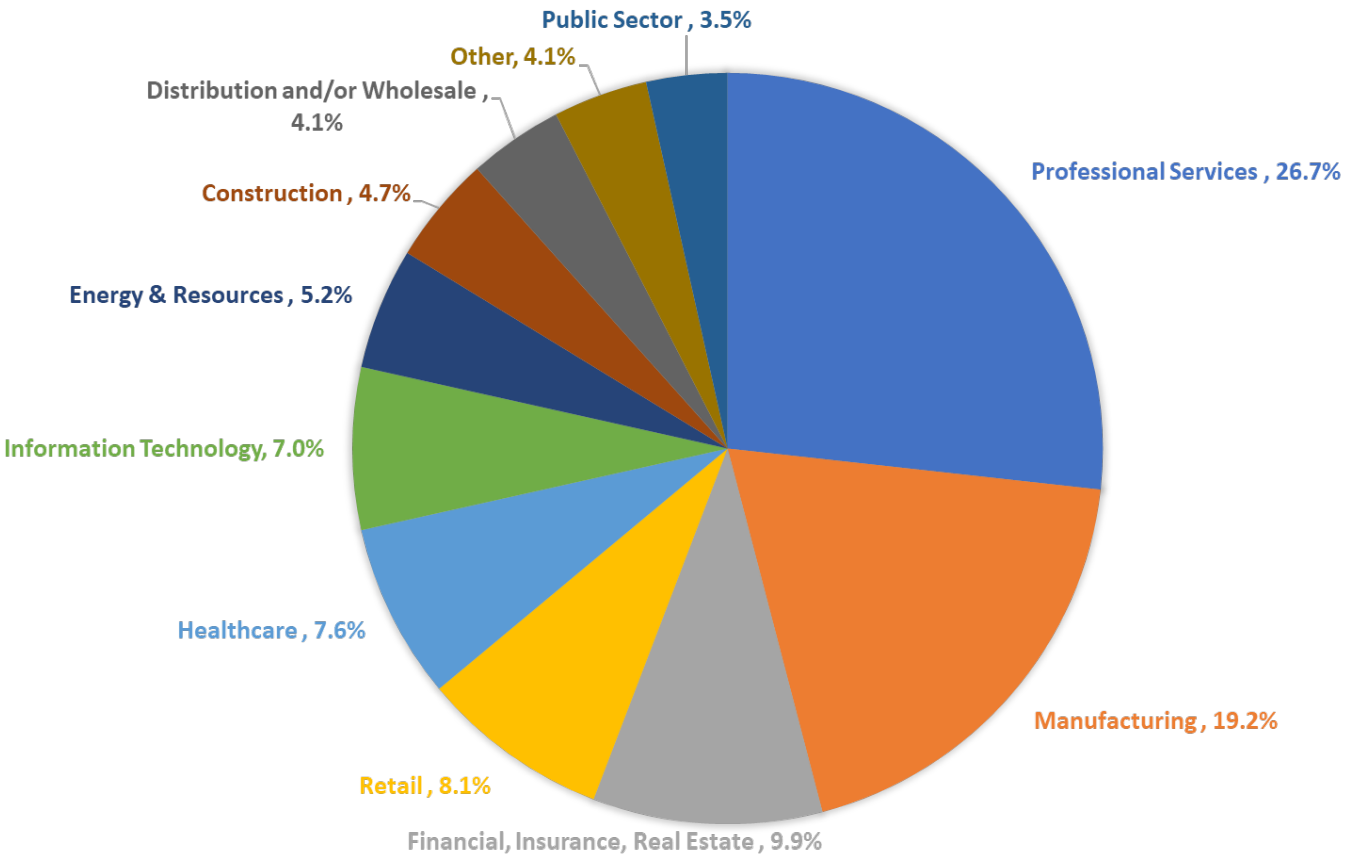
172
Number of Respondents

55.2%
Percentage of Multinational Organizations

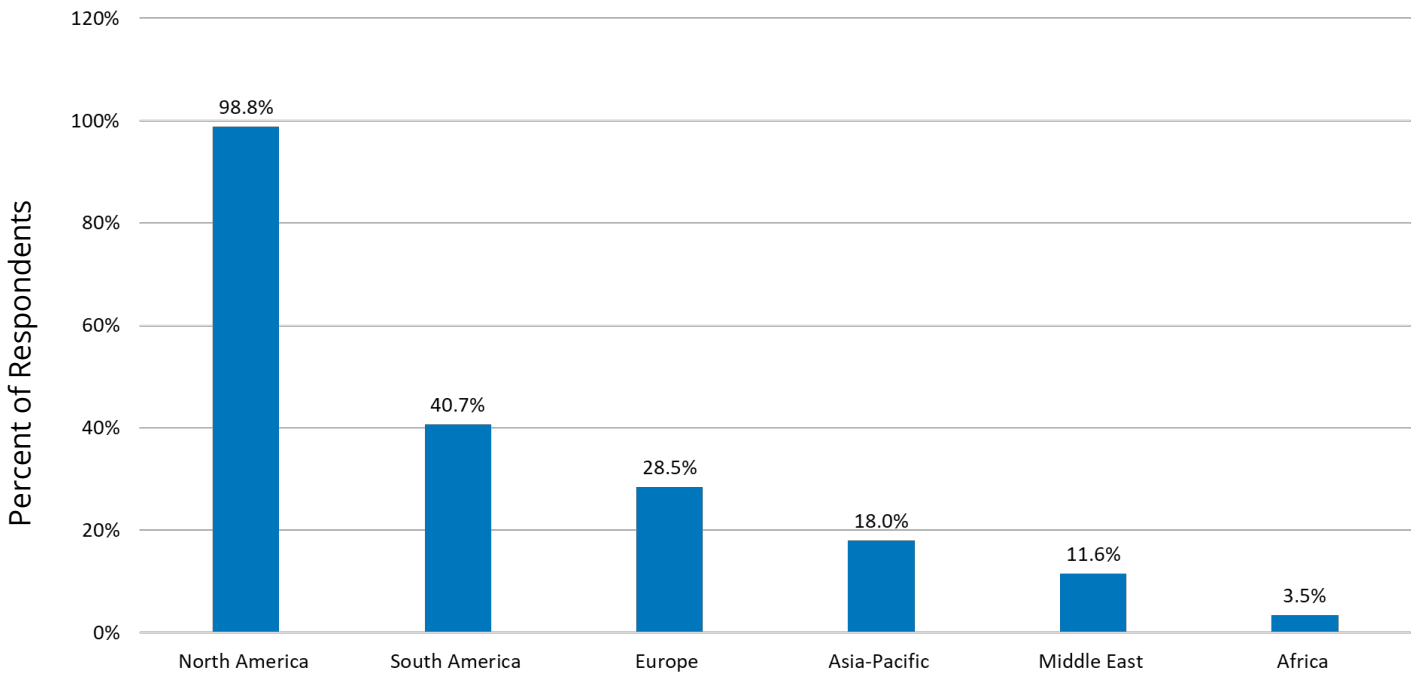
$400.5 million
Median Annual Revenue

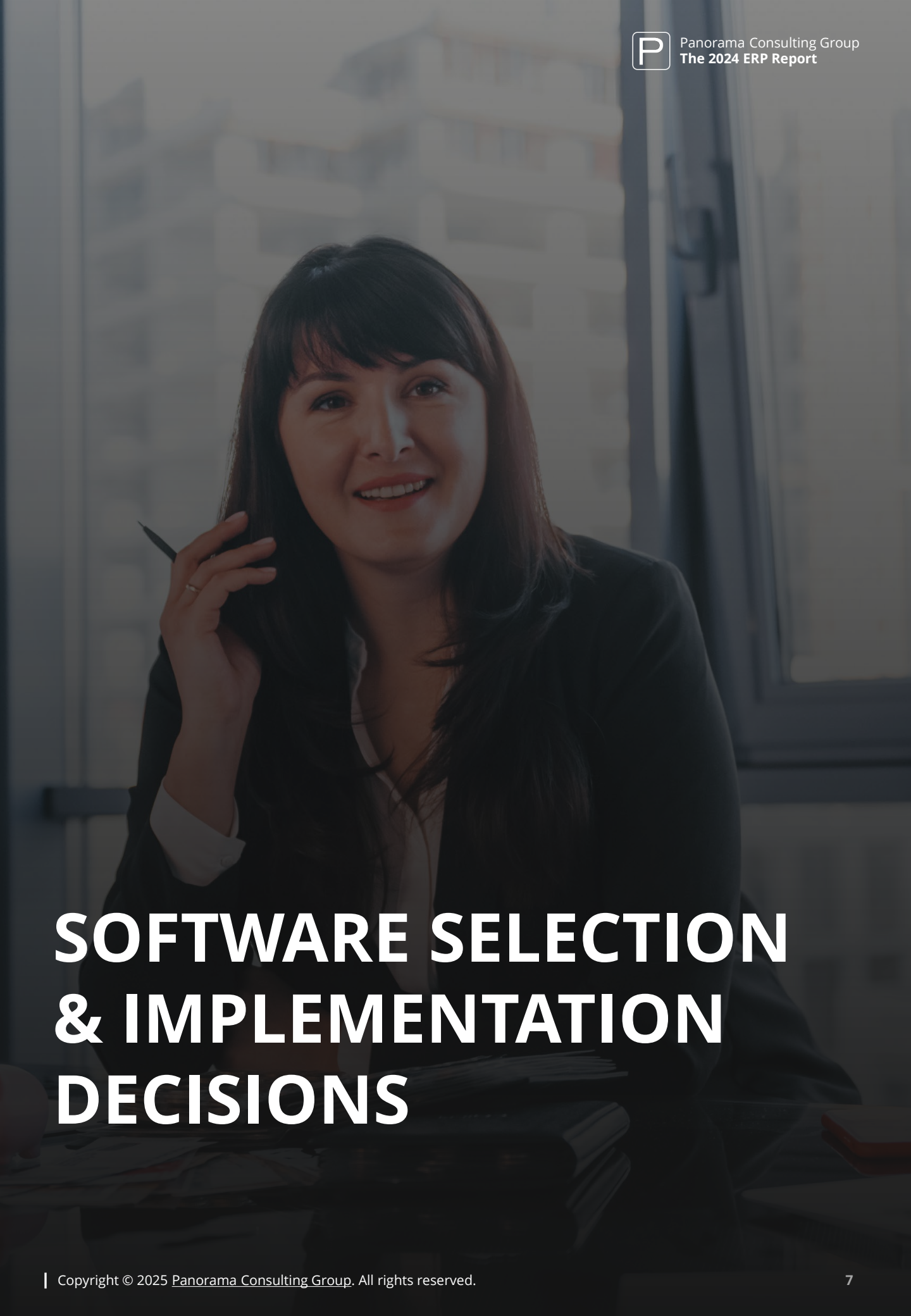
750.5
Median Number of Employees

Industry Breakdown



Geographies Where Companies Have at Least One Location





SOFTWARE SELECTION & IMPLEMENTATION DECISIONS

Understanding the Enterprise Software Vendor Landscape

Panorama Consulting categorizes ERP systems into Tiers based on factors such as target organization size, vendor revenue, target number of users, and other factors, such as functional complexity:

Tier I

These systems are designed for enterprises with more than $750 million in annual revenue. Most enterprises of this size are complex, either due to complex operational processes or complexity in their entity structure and consolidation needs. Tier I applications address multiple industries and scalability.

EXAMPLES

SAP S/4HANA, Oracle Fusion Cloud ERP, Infor CloudSuite

Upper Tier II

These systems typically serve small to midsized organizations with $250 million to $750 million in annual revenue. Organizations of this size may encompass multiple industries and multiple business units.

EXAMPLES

Microsoft Dynamics 365 Finance, IFS Cloud, Sage X3, Epicor Kinetic, DELMIAworks, Microsoft Dynamics 365 Supply Chain Management

Lower Tier II

These systems typically serve small to midsized organizations with $10 million to $250 million in annual revenue. These organizations usually represent only one industry and have a single entity to manage.

EXAMPLES

NetSuite ERP, SYSPRO, Acumatica, Rootstock

Tier III

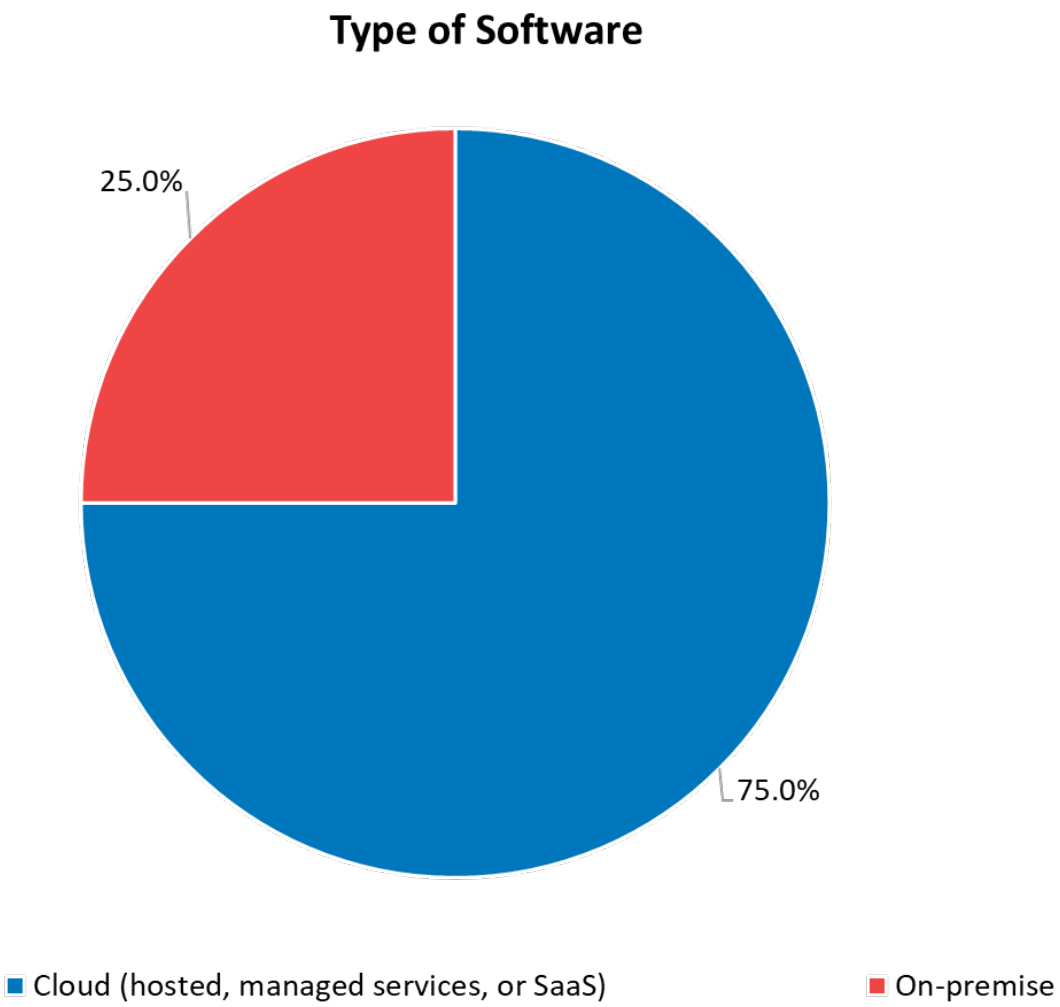
There are hundreds of software providers in this tier serving mostly smaller organizations. However, there are also some very robust point solutions with niche functionality that are often used to supplement a larger ERP system.

EXAMPLES

Aptean, ECI, ASC

Deployment & Hosting Decisions

Cloud adoption remains high, reflecting the continued pivot away from traditional IT architectures toward cloud-first models.

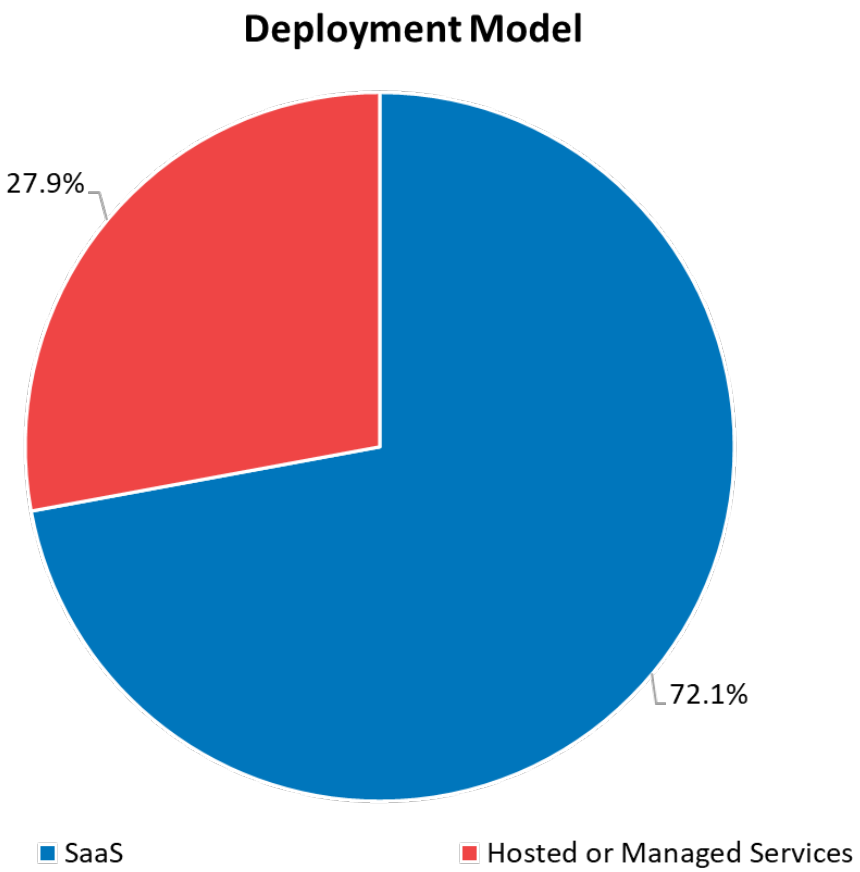


In a rapidly changing business environment, organizations are prioritizing solutions that enable quick adjustments to market demands, evolving customer expectations, and supply chain disruptions.

Organizations are also responding to the pressure of staying technologically current. Cloud environments often make it easier to adopt emerging technologies such as artificial intelligence, machine learning, and advanced analytics.

Organizations had a Strong Preference for SaaS Deployment

The strong SaaS preference within cloud deployments signals a continued demand for rapid scalability, simplified maintenance, and lower upfront costs.



SaaS solutions enable organizations to move away from high CapEx models, allowing more nimble financial management—especially critical for mid-market firms with constrained IT budgets.

Furthermore, the SaaS advantage of faster deployment aligns with the drastically reduced project timeline (9 months vs. 15.5 months in last year's report), possibly indicating that organizations are achieving value realization faster than before.

Additionally, the preference for SaaS may reflect a more profound cultural shift: businesses increasingly value tools that align with a distributed workforce and dynamic operational environments. This evolution suggests that the future of ERP is not just about cloud computing; it's about leveraging SaaS ecosystems to drive continuous innovation.

Type of Project

Our study focused on three different types of IT projects:

1. **Digital business transformation** is a business-focused project that typically involves the creation of new digital business models.

2. **Technology-enabled business improvement** is a business-focused project where the organization details specific business goals and then determines how technology fits into the picture.

3. In an **ERP implementation**, organizations typically improve their processes to fit the industry pre-configurations of their new enterprise solutions.

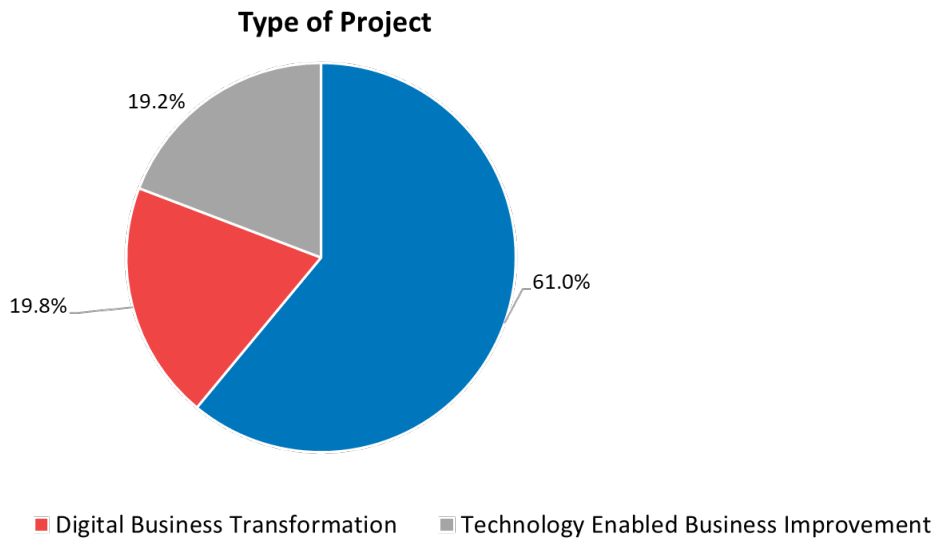
Among these three types of projects, there was a strong preference for ERP implementations.

With 50.4% of organizations opting for ERP implementations in last year's report, and 61% pursuing ERP implementations most recently, it appears that companies are increasingly focused on stabilizing core business processes rather than chasing transformative ambitions.

This trend could reflect economic uncertainty, where pragmatic investments in proven solutions take precedence over riskier, future-focused projects.

A deeper factor here could be talent shortages, especially for professionals skilled in managing end-to-end business transformations.

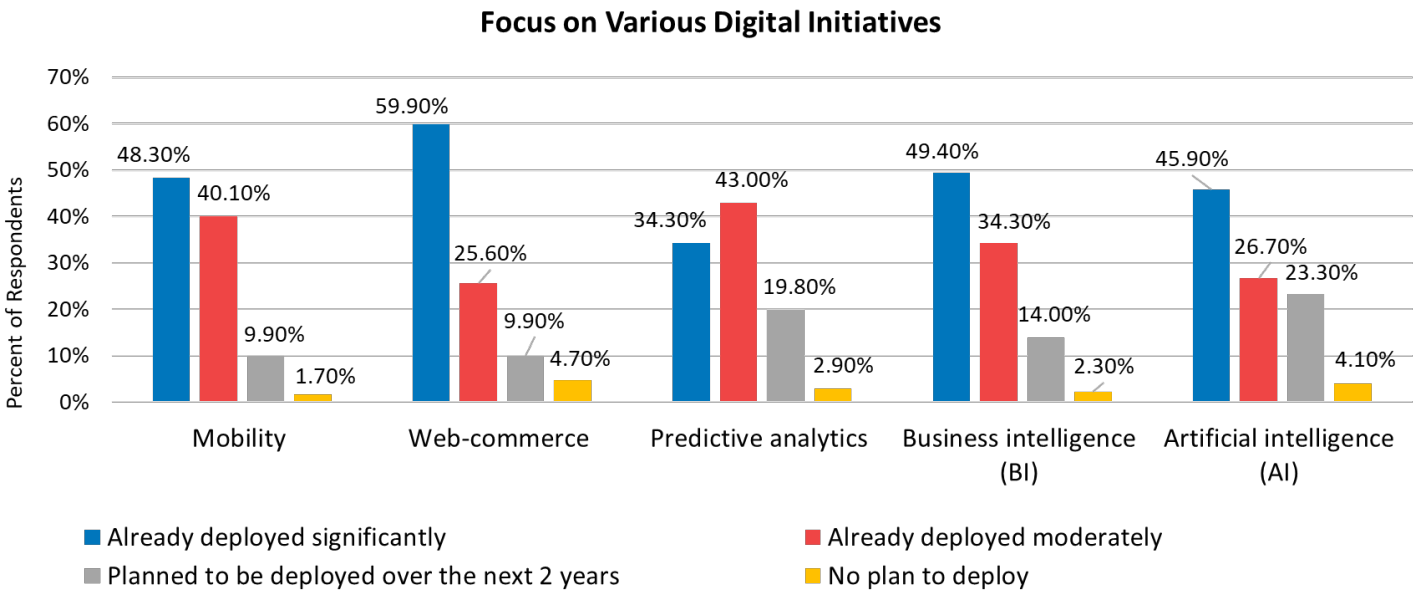
While a more defined approach might feel safer from a resource perspective, such a templated approach may not provide the competitive advantages offered by a more ambitious transformation.



Web-Commerce was a Popular Digital Initiative

We asked respondents which initiatives they had deployed, or were planning to deploy, as part of their project.

As seen below, organizations were most likely to deploy web-commerce, with 59.9% stating that they deployed it significantly.



The prominence of web-commerce among digital initiatives highlights the enduring importance of customer-centric strategies. With Amazon setting the standard for hyper-personalization and omnichannel growth, more organizations are recognizing that traditional ERP systems are not enough to enable that same customer experience.

Instead, organizations are implementing modern ERP systems and ensuring seamless integration with CRM, e-commerce platforms, and digital marketing tools.

Artificial Intelligence Adoption Outpaced Predictive Analytics

Compared to last year's report, there has been an increase in organizations deploying AI either significant or moderately (from 53.4% to 72.6%). This reflects a growing maturity in both the technology itself and organizations' readiness to embrace it.

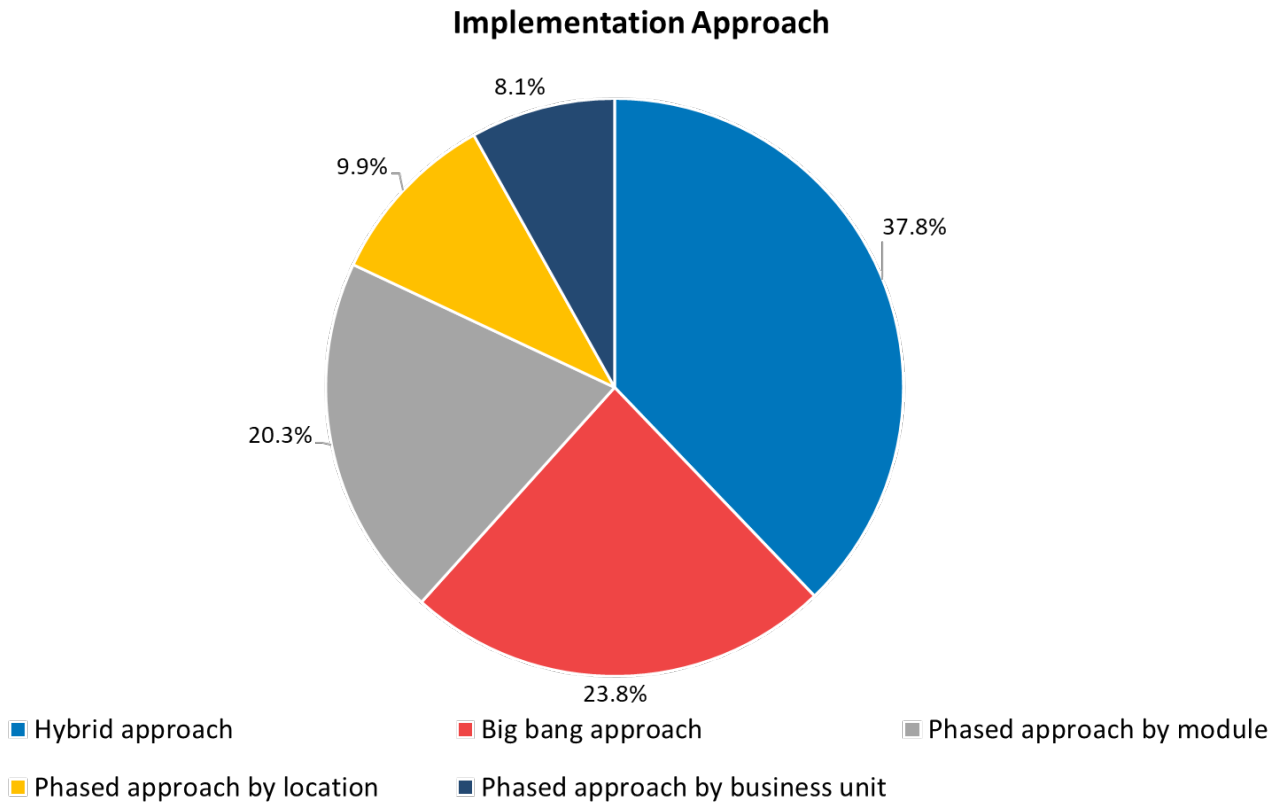
However, the relatively slow adoption of predictive analytics (falling behind all others in significant deployment by more than 10%) illustrates the typical trajectory of AI adoption. Adoption often begins with automation and chatbots (lower barriers to entry), and over time, some organizations develop the data maturity and integration capabilities required for predictive analytics.

Many organizations are still grappling with the foundational work of centralizing data, building trust in AI insights, and developing the cultural and technical competencies needed to make data-driven decisions.

Project Approach

Less than a quarter of organizations used a big bang implementation approach.

In a big bang implementation, the organization goes live with all modules and offices at the same time.



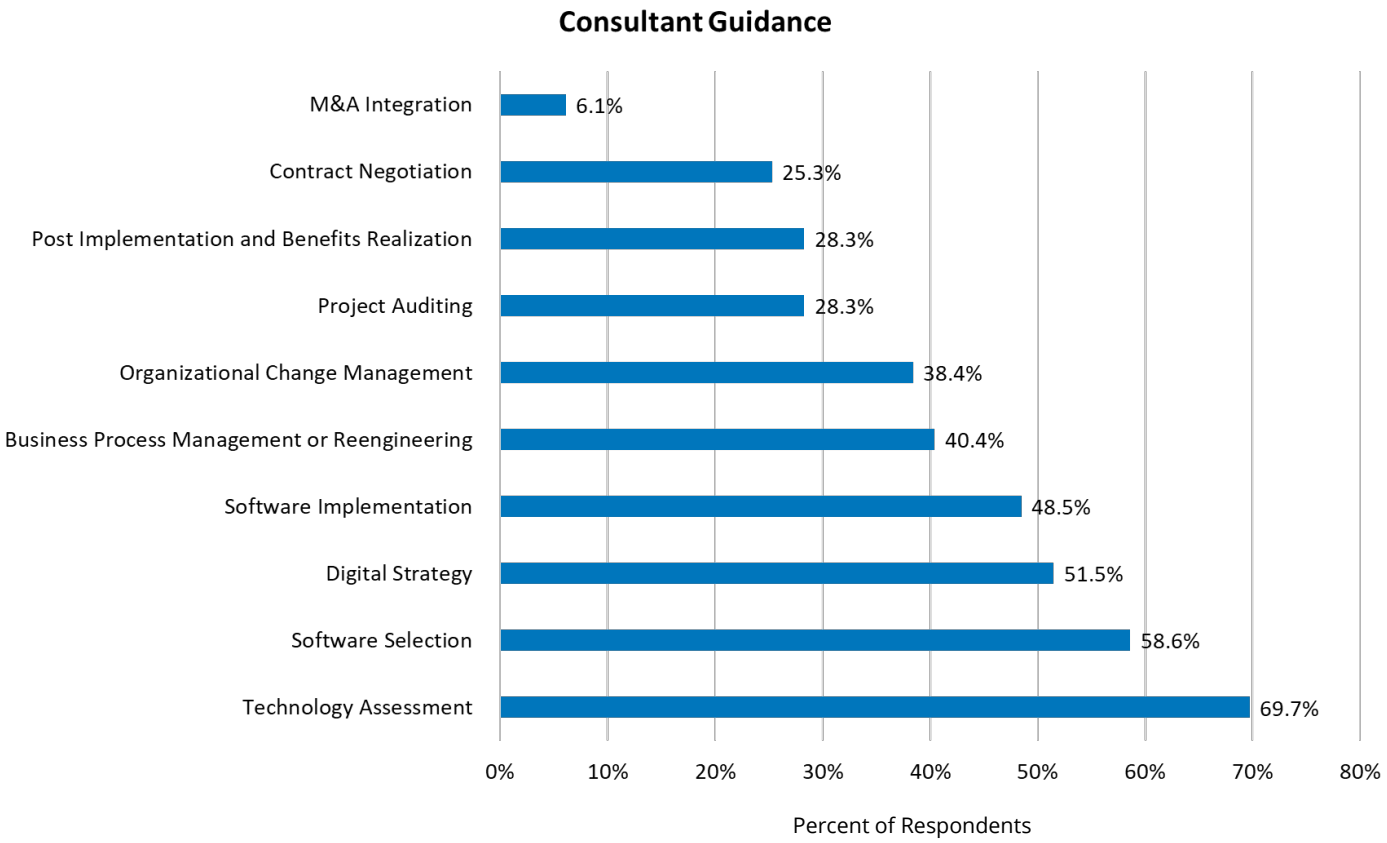
A big bang rollout is a common approach for projects involving only one or two business units. However, more than half of respondent organizations were multinational, so that could explain why most respondents opted for a phased or hybrid approach.

For global organizations, a big bang implementation entails risks, such as widespread operational disruptions and increased chances of system outages affecting global operations.

On the other hand, a hybrid or phased approach would allow these organizations to iterate their implementations while tailoring their deployment to the complexities of individual business units or geographies.

Third-Party Guidance

Of those who sought third-party guidance, the most common type of guidance sought was technology assessment guidance, which is consistent with last year's report.



The strong preference for technology assessment guidance may reflect the increasing importance of aligning IT strategy with long-term objectives as the complexity of ERP solutions grows.

ERP systems are no longer standalone solutions but integral components of a broader digital ecosystem. As a result, the role of technology assessments has expanded beyond evaluating ERP software to include integration requirements, data strategy, and the overall technology stack.

Overlooked Cost Considerations

Only 25.3% of organizations sought guidance for contract negotiations. Organizations' hesitation to engage in these services may reflect a lack of awareness about the long-term implications of poorly structured agreements.

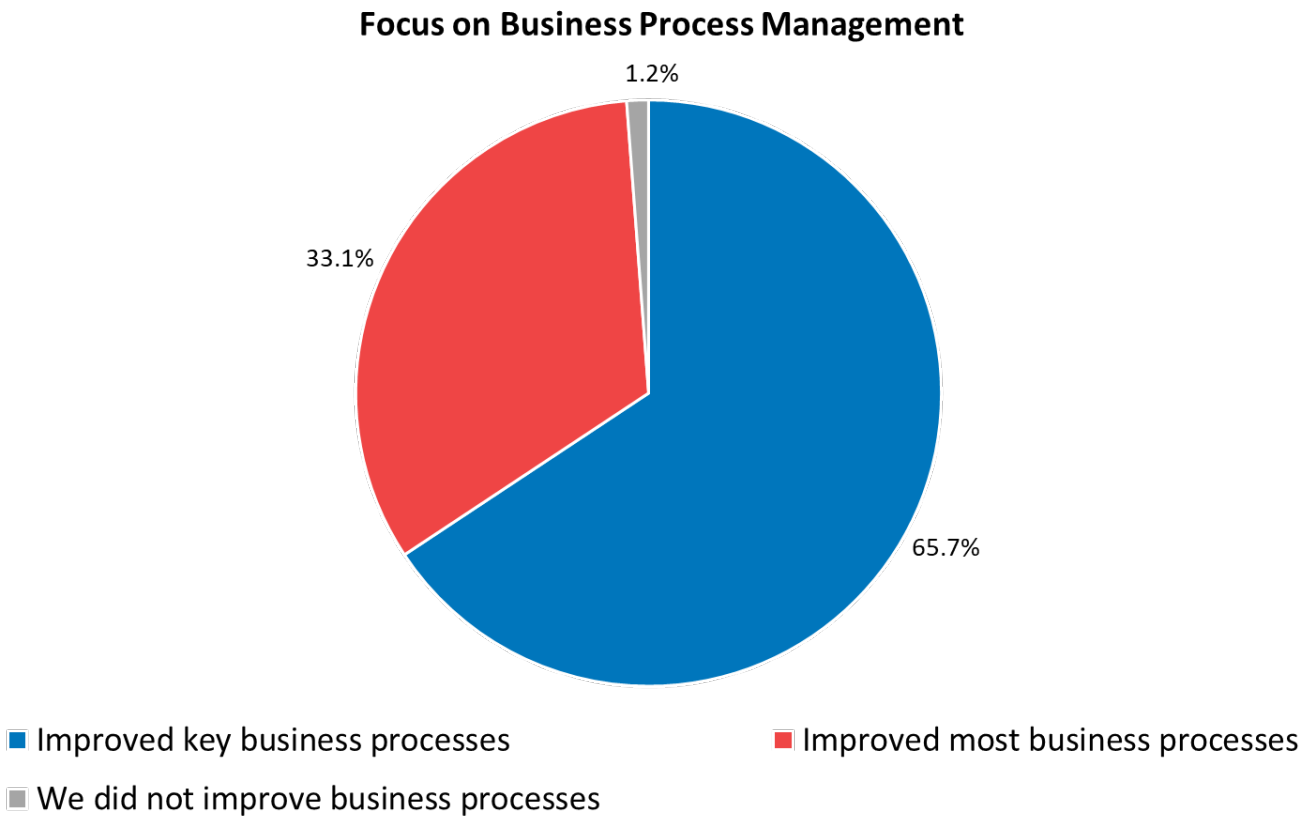
Software contracts are often complex and riddled with hidden costs related to licensing, ongoing maintenance, upgrades, and more.

Working with an independent ERP consultant can deliver significant cost savings when it comes to understanding and negotiating the total cost of ownership. Truly independent advisors have no financial ties, partnerships, or incentives linked to specific ERP vendors, which allows them to approach vendors from a position of strength, securing favorable terms that enable increased ROI.

PEOPLE & PROCESS DECISIONS

Business Process Management

More than half of organizations improved key business processes, as opposed to most processes or no processes.



This reflects a strategic, incremental approach to ERP-driven change. Organizations seem to be cherry-picking high-impact processes that yield quicker ROI while building organizational momentum for broader improvements down the road.

This preference may also be influenced by broader industry trends, such as vendors increasingly using pre-configured industry templates and nudging businesses toward selective process optimization rather than comprehensive redesign.

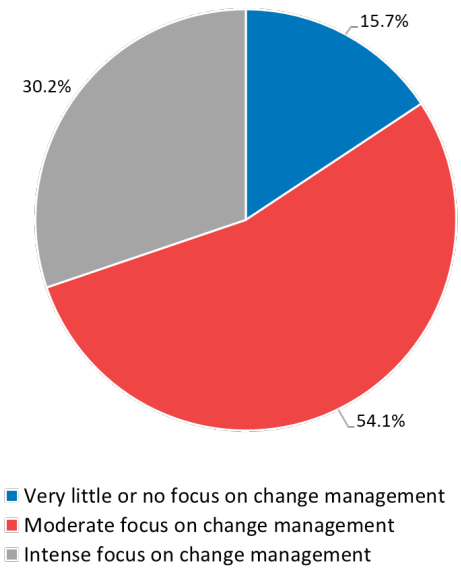
Organizational Change Management

Any time an organization experiences a major shift, some employees will be eager to embrace the change, while others will be hesitant to let go of the familiar.

How can a company get everyone on the same page? The answer is organizational change management (OCM). This is the recommended approach for preparing employees and other stakeholders for new processes and technology.

Unfortunately, less than a third of organizations reported an intense focus on OCM.

Focus on Organizational Change Management



In our experience, anything less than an intense focus on OCM is often insufficient to counter the inevitable resistance from employees when asked to abandon their familiar workflows.

This is even true in smaller organizations. A moderate focus on change management may still be no match for the complexities of user adoption.

For example, if an organization overlooks the importance of OCM activities like change reinforcement, it might struggle to drive lasting behavior change beyond initial training sessions.

Success Story

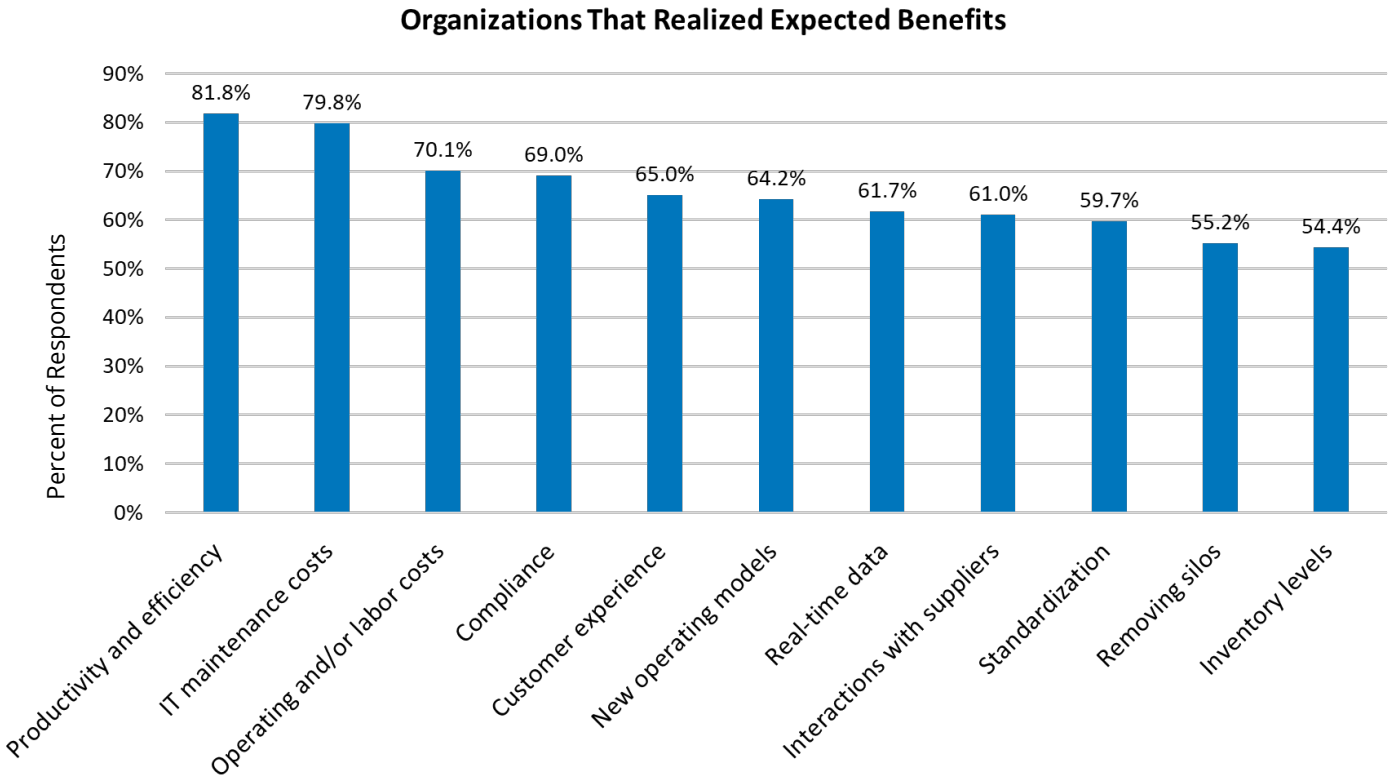
A Texas-based government agency evaluating ERP software recognized that employee resistance would pose a major risk to implementation success. Panorama Consulting developed a tailored OCM plan that included strategies to ensure effective communication, training, and reinforcement. With Panorama's support, the organization reduced resistance and promoted a smooth transition to Microsoft Dynamics 365.

PROJECT RESULTS

Benefits Realization

Organizations should quantify how they expect new technology to improve their business. This gives them performance metrics to track throughout the project.

Every benefit category in our survey was attainable to over half of the respondents who anticipated these benefits. This was true of everything from compliance-related benefits to benefits related to operating and labor costs.



→ Achievable Efficiency

Of the respondents that have had at least one phase live for at least a year, the expected benefits that were most commonly realized to the extent expected were those related to productivity and efficiency.

This could be a result of several factors shaping modern ERP implementations:

- The widespread adoption of SaaS (Software as a Service) models
- Faster implementations enabled by cloud-based solutions
- Modern systems designed around industry best practices

The widespread adoption of SaaS (Software as a Service) models: These models offer more frequent updates, standardized processes, and improved usability. They also require less customization, allowing organizations to benefit from built-in best practices that enhance operational efficiency right out of the box.

Faster implementations enabled by cloud-based solutions: Cloud solutions and more agile implementation methodologies allow organizations to see productivity gains sooner. Rather than waiting for lengthy, multi-year rollouts, companies can implement core functionality in phases, driving early wins and momentum.

Modern systems designed around industry best practices: These systems can quickly streamline processes and reducing inefficiencies. By leveraging pre-configured workflows, organizations can more easily improve day-to-day operations.

→ Organizational Silos Remain

The expected benefits that were least commonly realized to the extent expected were those related to removing silos.

While ERP systems can improve efficiency within specific teams, achieving enterprise-wide synergy requires a more strategic approach.

In our ERP Project Recovery practice, we have seen a persistent challenge in fostering enterprise-wide collaboration and data integration. In other words, many ERP implementations are still failing to address the root causes of siloed operations. These include causes such as:

- Misaligned KPIs
- Inconsistent data governance
- Lack of cross-functional communication strategies

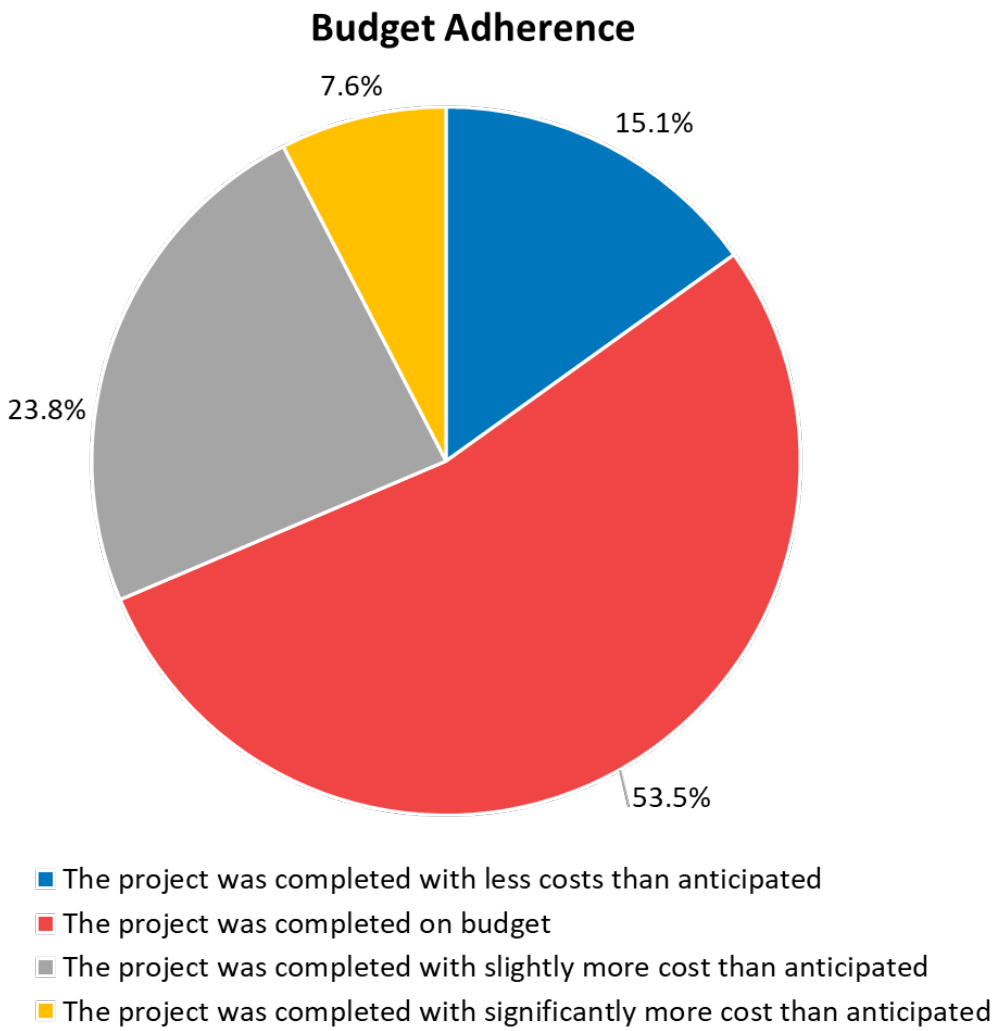
The minimal focus on organizational change management mentioned earlier may explain why so many respondent organizations haven't addressed these issues from a people-centric perspective.

To successfully remove silos, organizations need to go beyond technical integration and focus on creating a unified vision for data and workflows that aligns cross-functional teams.

Project Cost

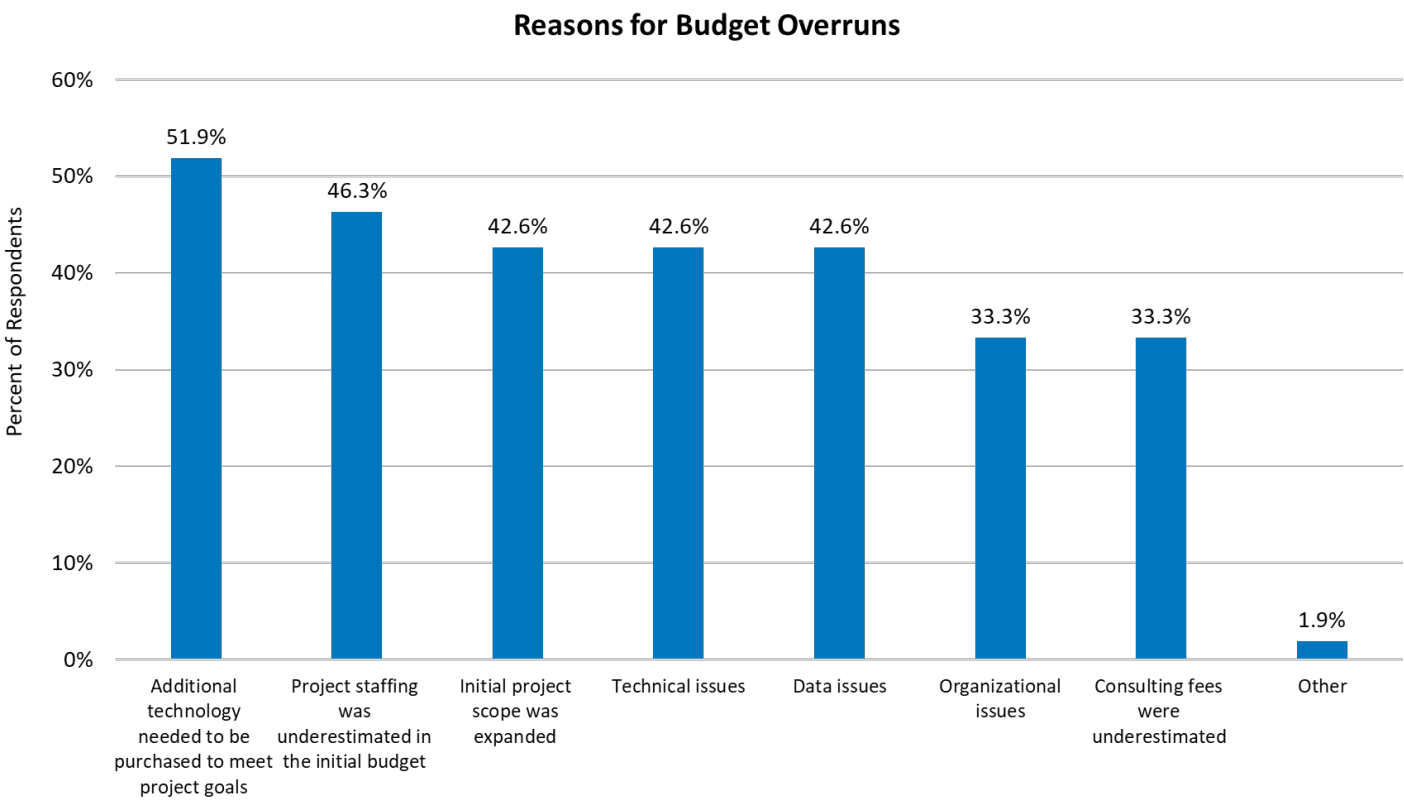
The cost of an enterprise software project can be difficult to estimate. There are many activities organizations overlook, which can lead to unexpected costs and budget overruns.

More than half of organizations in our study stayed within their expected budget. The median project cost was $450,000.



Additional Technology Needs Contributed to Budget Overruns

Of those who were over budget, the most common reason was the unexpected need for additional technology.



While initial budgets may account for standard implementation costs, many organizations eventually discover that achieving their desired capabilities requires additional technology investments.

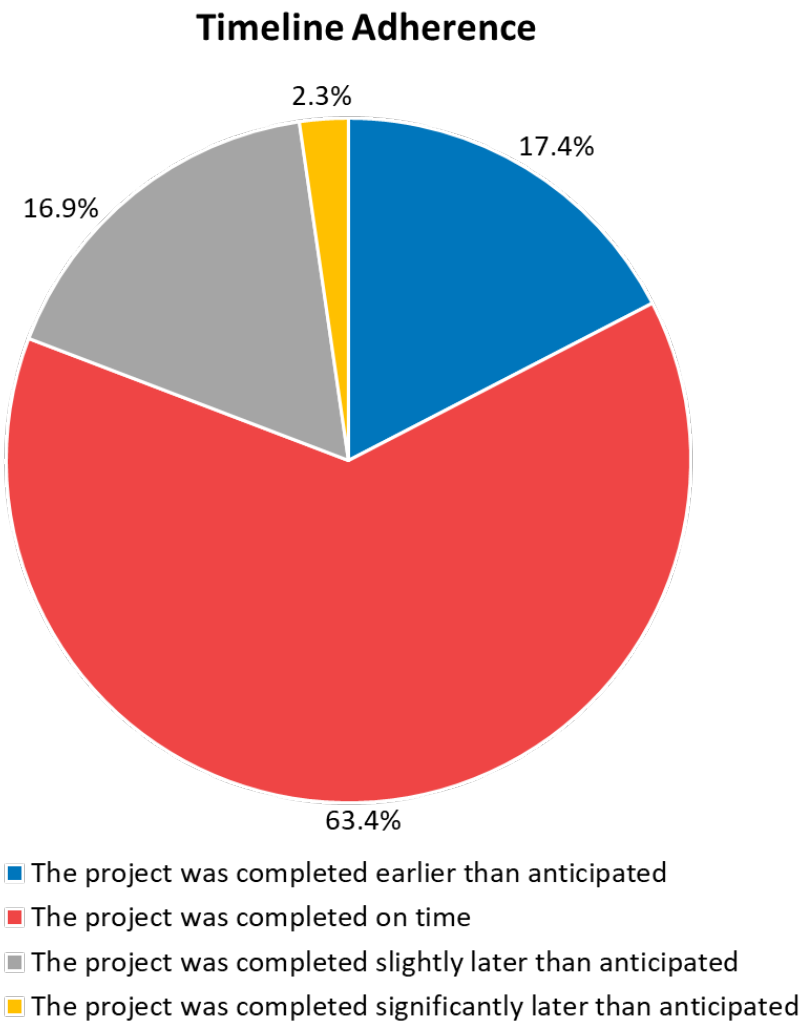
This is especially true as businesses opt for advanced features like predictive analytics and enhanced customer-facing platforms. These capabilities frequently require third-party solutions and expanded integration efforts.

Without a thorough assessment of technology dependencies and licensing considerations organizations risk underestimating both the financial and resource commitments required to meet evolving project goals.

Project Duration

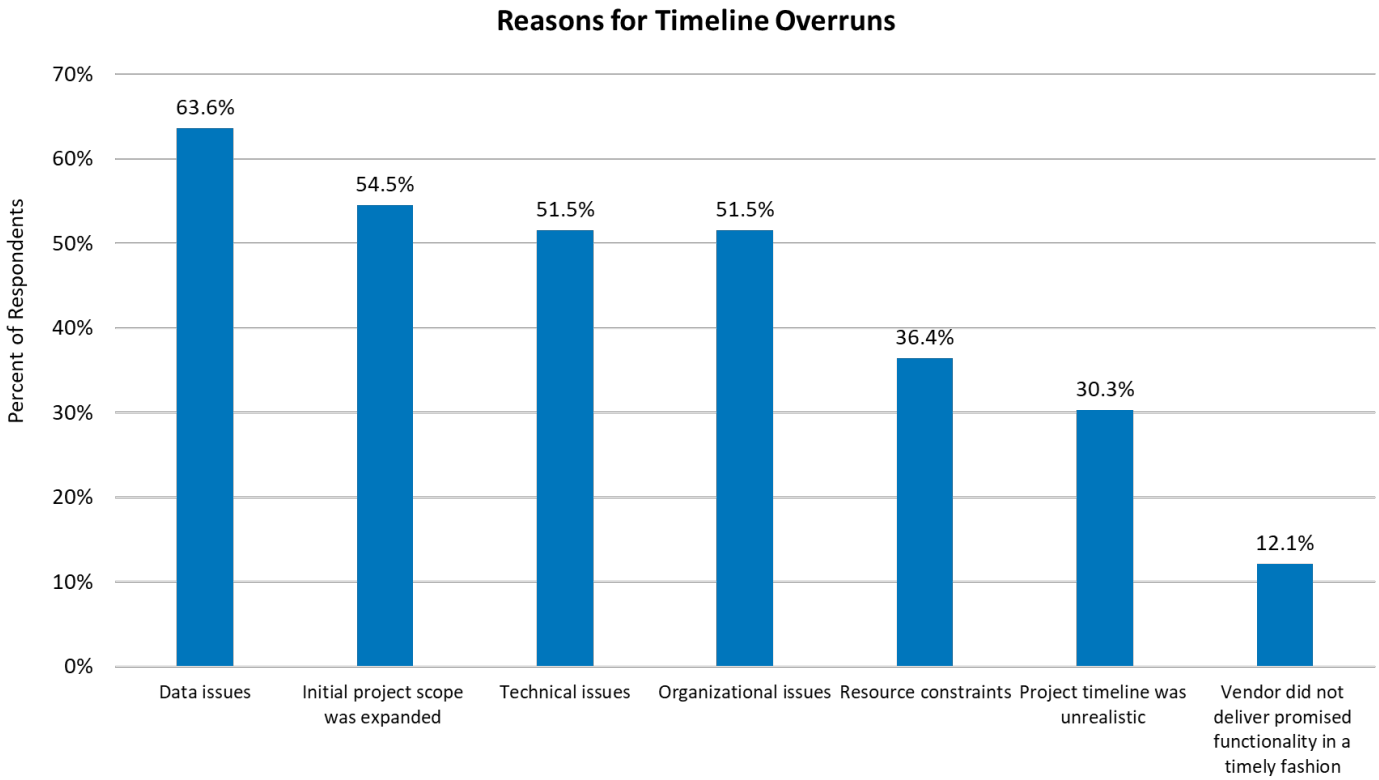
A project timeline is dependent on many factors, such as the number of modules implemented and the degree of software customization.

More than three-quarters of organizations completed their project within the expected timeline. The median project timeline was 9 months.



Data Issues Led to Timeline Overruns

Of those who were over schedule, the most common reason was data issues. These typically include issues related to data integrity, consistency, and accuracy.



In last year's report, the most common reason for timeline overruns was resource constraints. The shift in this year's report reflects the increasing complexity of managing and integrating business data, as more organizations implement modern digital platforms, like AI, eCommerce, and IoT systems.

Organizations are often unprepared for the effort required to clean, migrate, and standardize data for modern systems. This effort involves regular data audits, clear data governance protocols, and a data migration plan with adequate validation and testing phases.

Success Story

A manufacturer operating multiple U.S. plants and two facilities in Mexico faced significant challenges due to a fragmented ERP landscape. This resulted in inefficient manual processes and a lack of operational and financial visibility. The client partnered with Panorama Consulting to replace its disparate systems with a unified ERP platform (IFS). Pre-implementation activities focused on addressing data integration issues, including standardizing data across facilities and improving data accuracy. The new ERP system is expected to enhance reporting capabilities and provide real-time visibility into key metrics.

Conclusion

While the widespread adoption of cloud-based solutions continues to provide organizations with greater flexibility and scalability, success ultimately hinges on more than just technology selection. Effective data management, system integration, and IT strategy alignment play critical roles in determining project outcomes.

As businesses continue to navigate emerging trends, like the use of AI and predictive analytics, they must consider proven strategies for deriving long-term value from their technology investments. Panorama's ERP consultants can help your organization embrace innovation while ensuring data integrity and aligning technology with business goals.

Click the Button Below to Schedule Your **Free Consultation**
With an ERP Systems Expert Today!

FREE CONSULTATION

About Panorama Consulting Group

Panorama Consulting Group is an independent, niche consulting firm specializing in business transformation and ERP system implementations for mid- to large-sized private- and public-sector organizations worldwide. One-hundred percent technology agnostic and independent of vendor affiliation, Panorama offers a phased, top-down strategic alignment approach and a bottom-up tactical approach, enabling each client to achieve its unique business transformation objectives by transforming its people, processes and technology.

Panorama's Services

(click to learn more)

- ERP Selection
- ERP Implementation
- ERP Contract Negotiation
- Cloud Migration
- Digital Strategy
- Technology Assessment
- AI Readiness and Enablement
- Change Management
- Business Process Management
- M&A Integration
- Project Auditing & Recovery
- Software Expert Witness

(If viewing this in Adobe Acrobat, please follow these instructions to enable external links: https://helpx.adobe.com/acrobat/using/allow-or-block-links-internet.html)

Click the Button Below to Schedule Your **Free Consultation**
With an ERP Systems Expert Today!

FREE CONSULTATION