# AI integration in ERP software surges as enterprises seek clearer vendor strategies



Artificial intelligence (AI) technology is increasingly becoming a pivotal element in enterprise resource planning (ERP) software, as highlighted by a recent survey of ERP professionals conducted by Panorama Consulting Group in Denver. The survey reveals a marked rise in AI deployment within organisations, climbing from 53.4% to 72.6% since 2024, signalling growing integration of AI capabilities into business operations.

Despite this surge, interest among customers remains cautiously optimistic, with many expressing a desire to see tangible results before committing significant investments in the latest AI enhancements. Chris Devault, senior manager of client services at Panorama, emphasised the need for clarity from ERP vendors. Speaking to TechTarget, he noted, “Customers want to understand what the capabilities are and what the AI vision is.” Devault further explained that while certain applications of AI, such as automating routine financial processes, are advancing with clear vendor strategies, other areas like manufacturing and distribution still generate questions. Specifically, customers seek assurance that vendors are actively investing in research and development and have a defined roadmap for AI's integration within ERP systems. “There’s an understanding that it’s still in the very early stages for use and leverage within ERP right now,” Devault added.

Beyond process improvements, AI is also influencing the ERP software selection journey. Larger vendors are incorporating AI-driven tools to assist potential customers in digital discovery, guiding them through system configurations and dependencies, as Devault described. Despite these advancements, many customers do not yet prioritise AI as a decisive factor when choosing ERP solutions but remain keenly interested in understanding how vendors plan to leverage AI capabilities.

Independent consultancy ERP Advisors Group, based in Lakewood, Colorado, echoes this sentiment. Shawn Windle, founder and managing principal of the group, told TechTarget that the heightened AI capabilities embedded in ERP systems have prompted more rigorous enquiries from customers regarding vendors’ AI strategies. He cited a notable example of a multibillion-dollar oil field services company utilising an older SAP ERP version, which refuses to adopt AI features without clear demonstrations of how AI can streamline essential tasks such as daily ticketing or invoicing.

Windle illustrated the problem: “They have people in all their offices who are doing manual checking to see if they did the invoicing correctly per the contract. Sales is being impacted because their invoicing is wrong, even though there are five people looking over an invoice before it gets sent, so this [process] should be automated.” This example underscores the practical benefits that AI-enabled automation, including robotic process automation (RPA) and machine learning, could bring to reduce manual errors and improve operational efficiency, especially for small and medium-sized businesses (SMBs).

Historically, Windle noted, such advanced automation technologies were predominantly accessible to large organisations that could afford specialised software like UiPath. He observed a shift in expectations, with new ERP offerings now increasingly embedding these capabilities, spurring SMBs to upgrade their systems. “These organisations are expecting it in their new ERP, and they're going to be willing to upgrade on them,” he remarked.

While the widespread adoption of agentic AI—systems capable of autonomous decision-making and action—is still considered distant for most firms, especially SMBs, there is growing acceptance of the need to engage with AI strategies in enterprise applications to remain competitive. Windle commented, “For the long-term benefits of the AI, the education of the market is there, and customers are saying they've got to do something about this or their competitive advantage is going to be impacted.”

Larger enterprises maintaining major ERP systems on-premises are also starting to view AI-driven efficiencies as a key motivator to transition to cloud-based ERP platforms. According to Windle, “All of the major vendors have legacy customer bases that now are starting to look at AI — if they're still on-premises — and saying they have to do something for that. For those that didn't go to the cloud yet, we're going to see a mass exodus off of legacy platforms and onto cloud-based, next-generation architecture systems.”

The evolving landscape of AI within ERP software highlights a growing interplay between vendor innovation and customer demand. Organisations seek to understand how AI can automate complex processes and enhance operational efficiency, while vendors continue to develop and articulate their AI strategies amidst an early but accelerating phase of technological adoption.

Source: [Noah Wire Services](https://www.noahwire.com)

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