THE 2026 ERP Report

PANORAMA CONSULTING GROUP

Introduction

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

This year's report highlights the continued normalization of AI-enabled ERP ecosystems, a continued emphasis on business intelligence, and a shift from traditional ERP implementations toward technology-enabled business transformation.

At the same time, organizations are facing cost overruns, schedule overruns, and an increasing pressure to demonstrate faster time-to-value in uncertain economic conditions.

The 2026 ERP Report offers valuable lessons for executives seeking to align technology investments with business outcomes while proactively identifying and addressing implementation risks.

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Respondent Overview

Jan 2025 – Jan 2026
Data Collection Timeframe

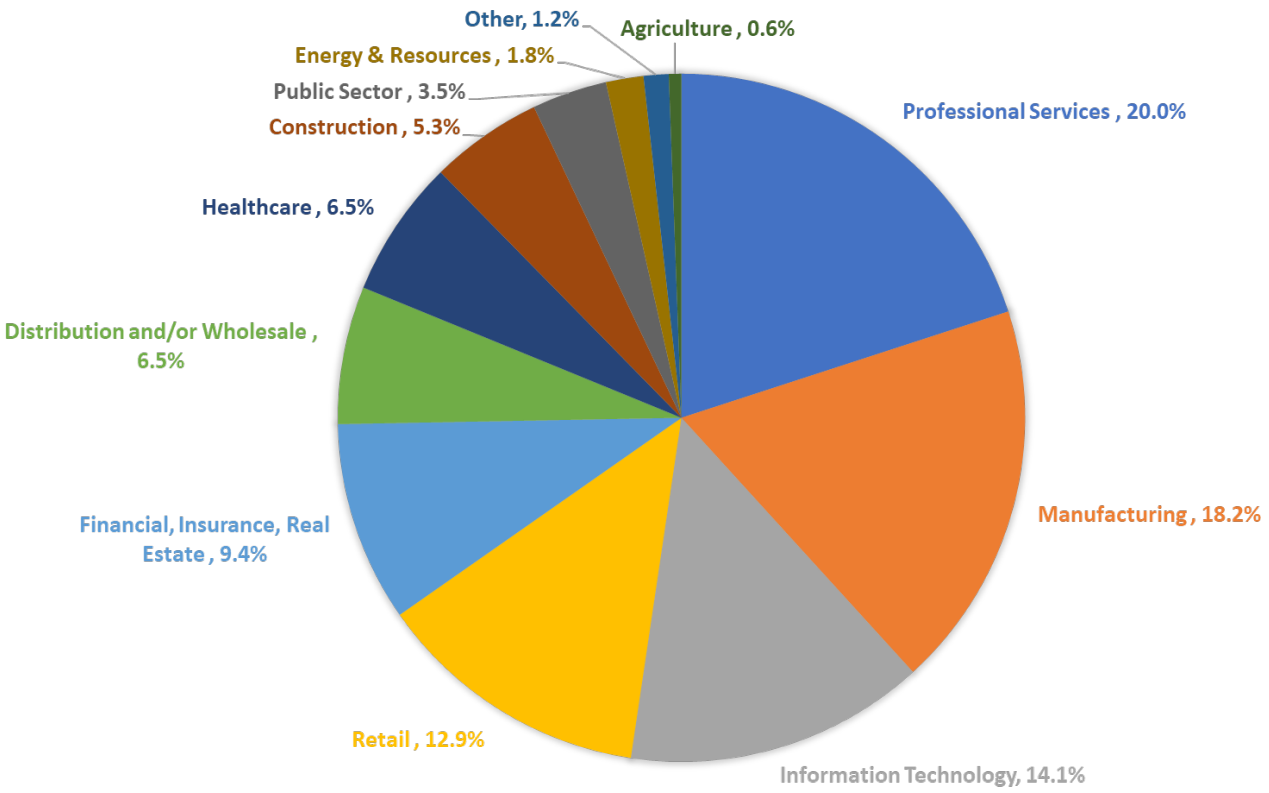
170
Number of Respondents

56.5%
Percentage of Multinational Organizations

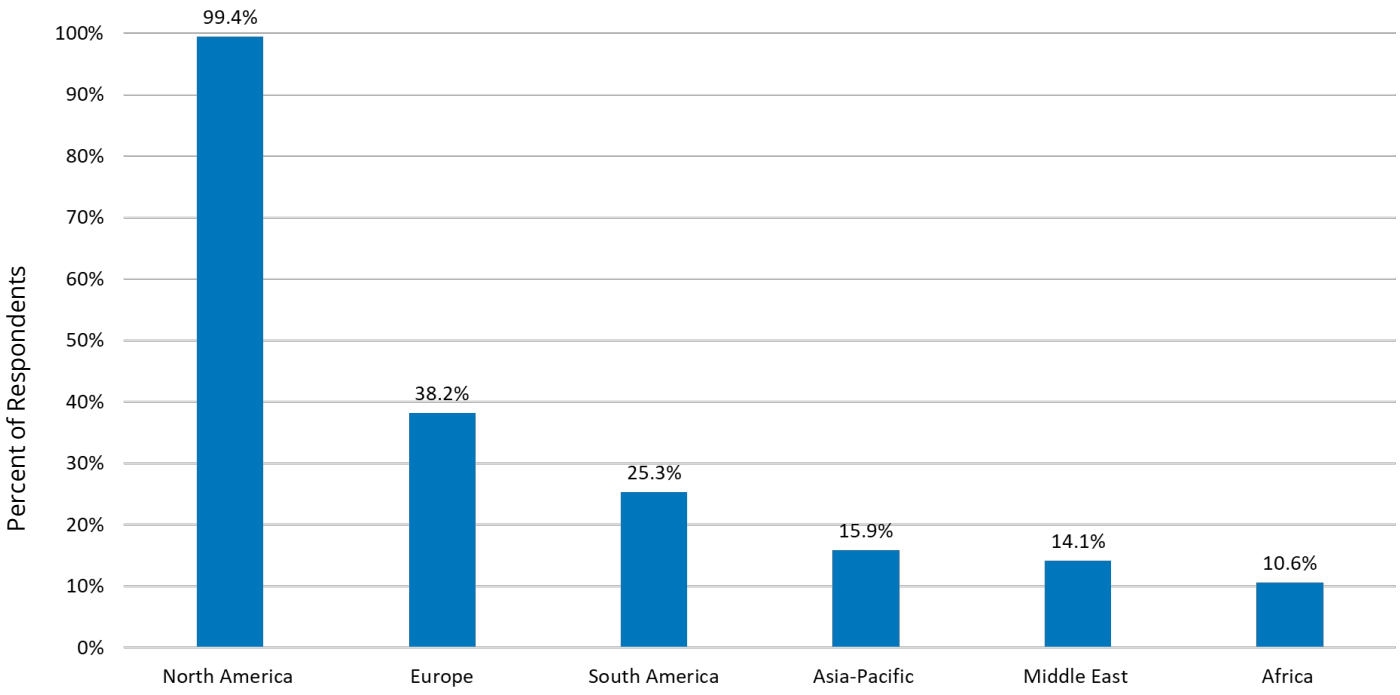
$200.5 million
Median Annual Revenue

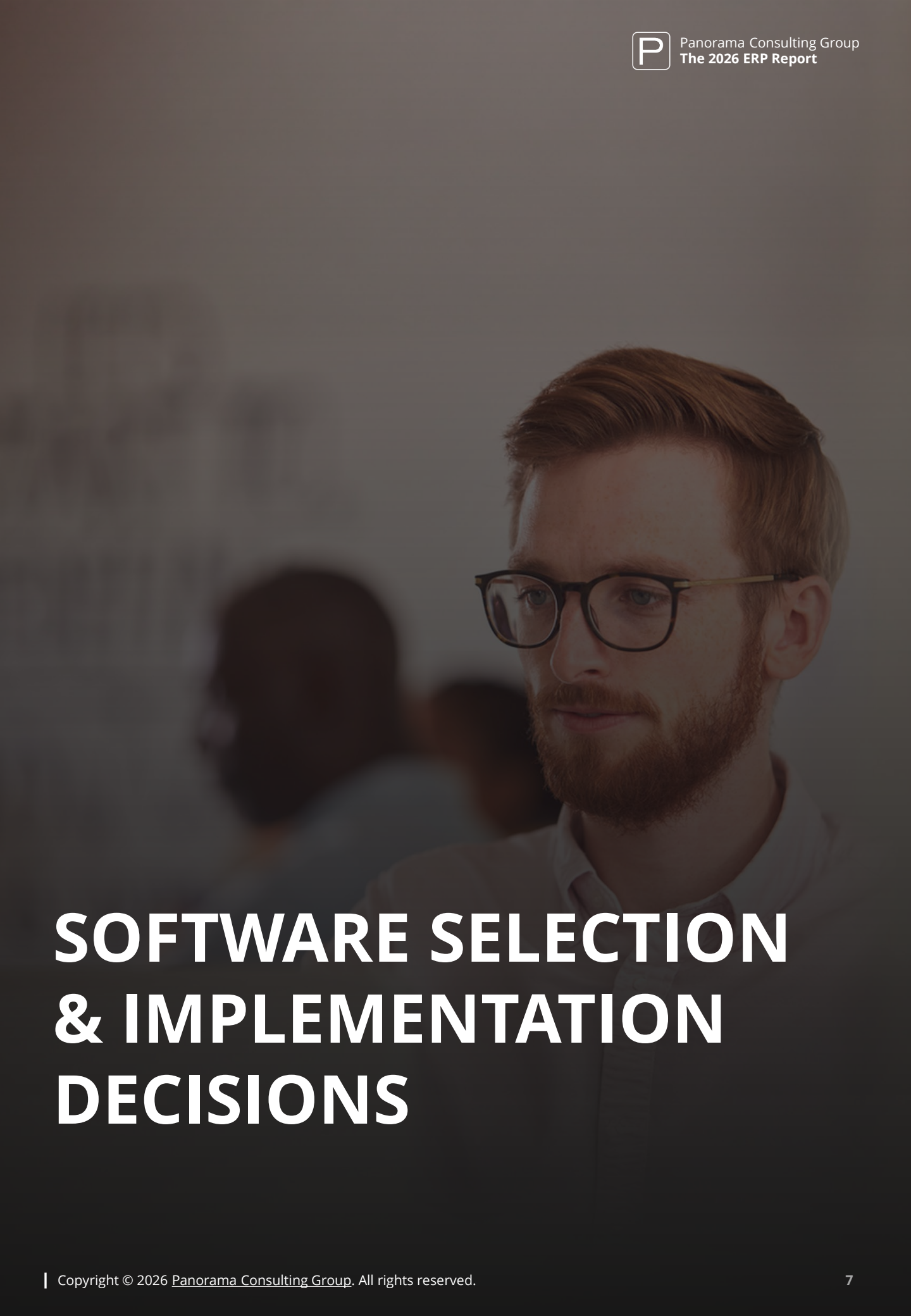
9 months
Median Project Timeline

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, 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, Priority ERP

Tier III

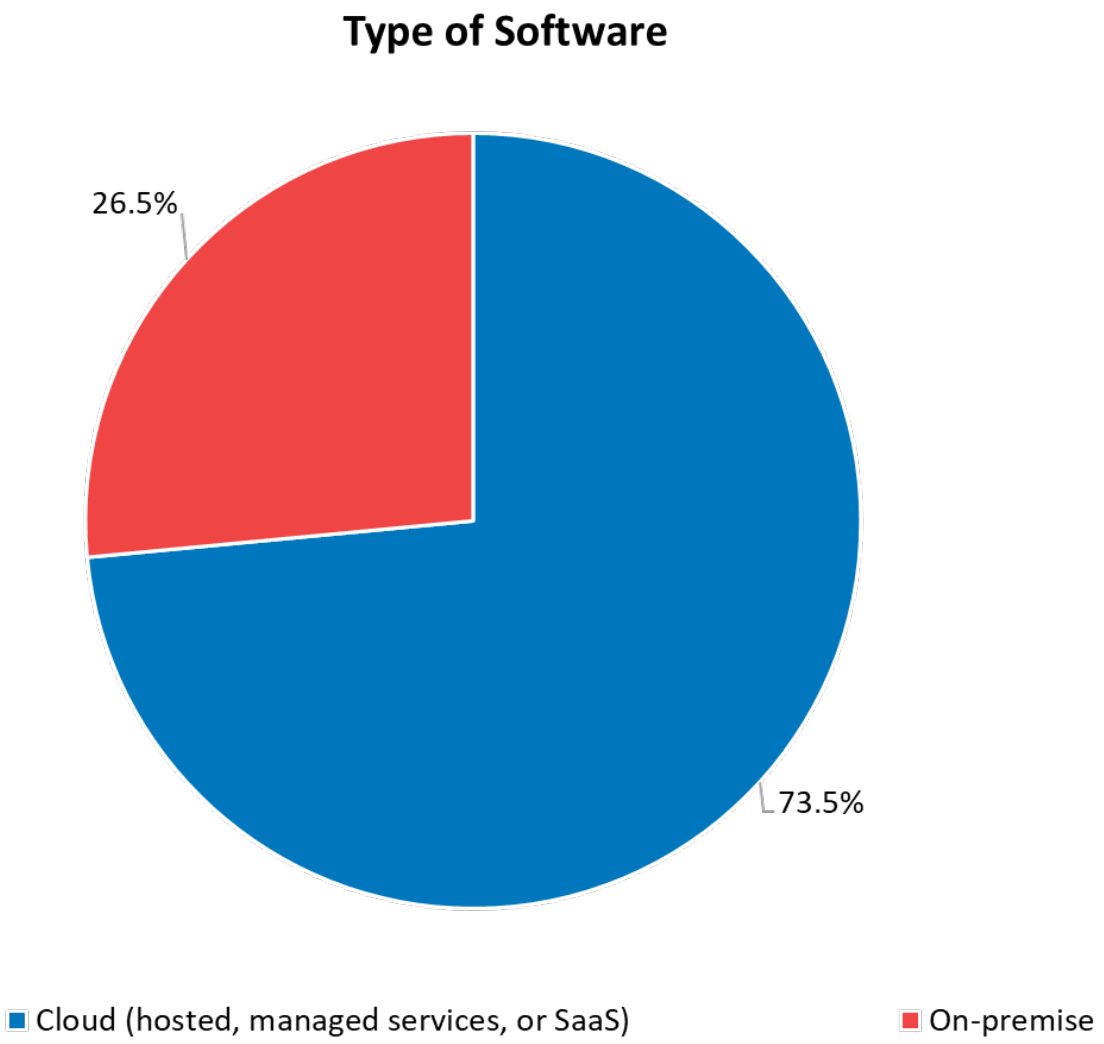
There are hundreds of software providers in this tier serving mostly smaller organizations. However, there are also some very robust point solutions with niche functionality that are often used to supplement a larger ERP system.

EXAMPLES

Aptean, ECI, ASC

Deployment & Hosting Decisions

Cloud adoption remains steady year-over-year. From our experience, some of the deciding factors for organizations that choose cloud software are vendor roadmaps, support timelines, and long-term innovation.

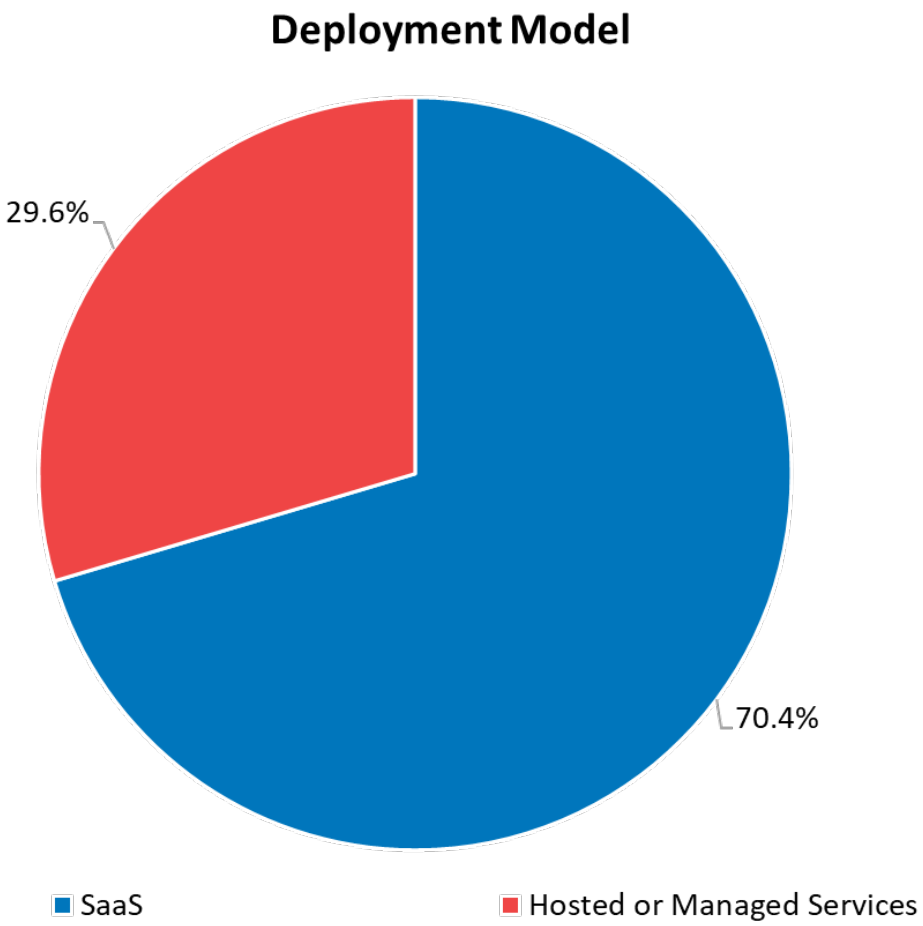


In terms of vendor roadmaps, an increasing number of ERP vendors are ending support for their on-premise models.

For example, Epicor recently announced that all new features for Kinetic, Prophet 21, and BisTrack will be developed exclusively for the Epicor Cloud—and after each product's final on-premises release, no new features will be developed for on-premise versions.

Organizations had a Strong Preference for SaaS Deployment

SaaS adoption also remains strong. SaaS ERP shifts responsibility for system maintenance and upgrades to vendors, reducing customers' infrastructure and upgrade burden.



Yet, along with those benefits comes risk. Our ERP consultants always tell clients that SaaS ERP increases the importance of internal governance. SaaS environments introduce frequent updates, evolving functionality, and embedded security frameworks that require clear ownership and oversight. If governance is not clearly defined in a SaaS model, post-go-live friction can escalate quickly.

For example, after go-live, an organization may discover that no one clearly owns security roles, reporting standards, or change requests. As SaaS updates introduce new features and workflows, users may submit ad hoc access requests or create "shadow" reports—eroding the standardization the SaaS model was intended to provide.

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.

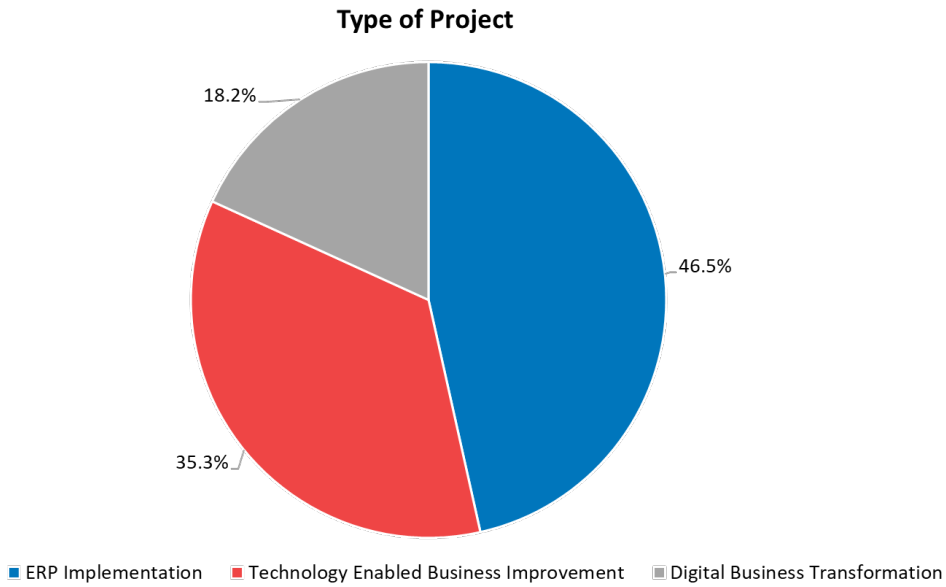
3. In an **ERP implementation**, organizations typically improve their processes to fit the industry pre-configurations of their new enterprise solutions.

There was a year-over-year increase in organizations choosing technology-enabled business transformation, but a decrease in organizations choosing ERP implementation.

The ubiquitous nature of AI has moved businesses' focus to reformulating business models, value creation, and customer engagement. This shift reframes ERP from a back-office efficiency tool into a strategic platform that supports predictive planning and agile operations.

For example, AI-powered ERP systems enable organizations to anticipate demand shifts and dynamically adjust production—transforming ERP from a system of record into a system of foresight.

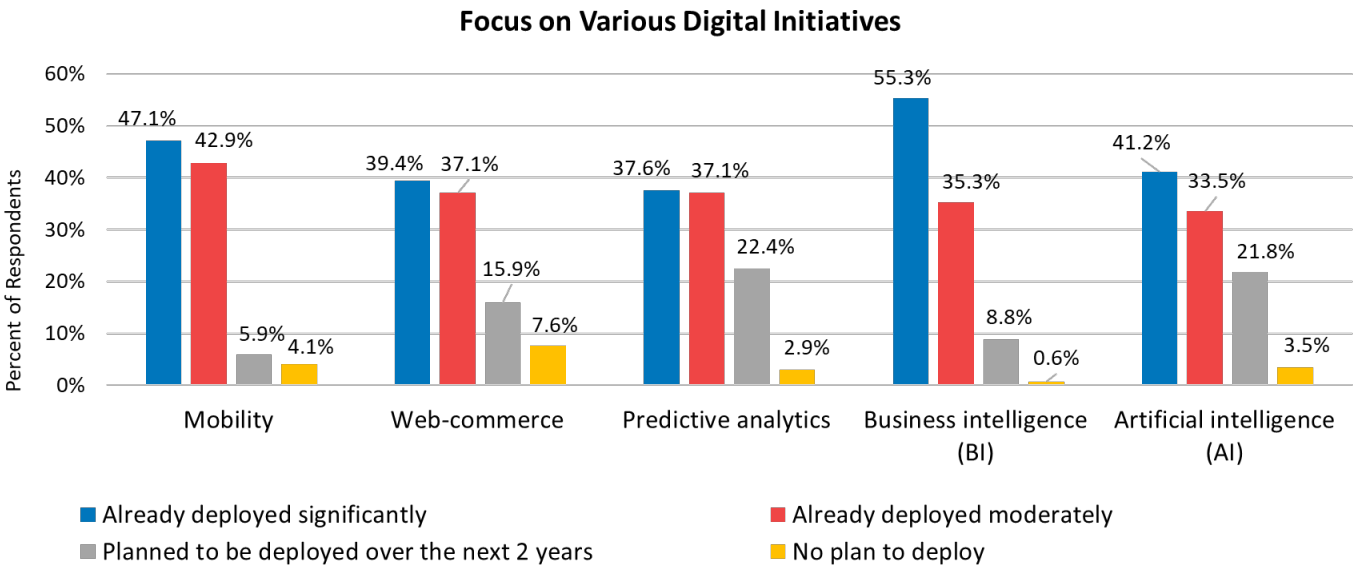
We recently worked with a mid-market manufacturing company in which leadership initiated an ERP selection to address chronic forecasting errors and inventory volatility. The client explicitly included demand planning and forecasting in scope during selection. This shifted the selection from a feature comparison to a validation of predictive planning capabilities.



Business Intelligence 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 had the most focus on business intelligence, with 55.3% stating that they deployed it significantly.



With increasing uncertainty and volatility in the macro-economic environment, C-level teams are looking for more real-time data and the ability to forecast based on rapidly changing assumptions. Business intelligence enables earlier insight into where results are diverging from forecast and allows organizations to model how changes in demand, costs, or supply constraints could affect performance.

In Panorama projects, executives note additional reasons for implementing BI, including:

- ERP reporting delays
- Inconsistent metrics
- Cross-functional disputes undermining confidence in decision-making

BI becomes a way to regain control and standardize interpretation.

The Focus on Web-Commerce Decreased Year-Over-Year

Compared to last year's report, there has been a decrease in organizations deploying web-commerce significantly (from 59.9% to 39.4%).

This might suggest that many organizations have already addressed core digital sales requirements in prior projects. This was a high-priority project of the past because COVID-era disruption forced companies to create or expand digital sales channels quickly.

Artificial Intelligence Remains Widely Deployed

While the data show that AI continues to be adopted as part of ERP projects and other digital initiatives, the year-over-year difference is minimal

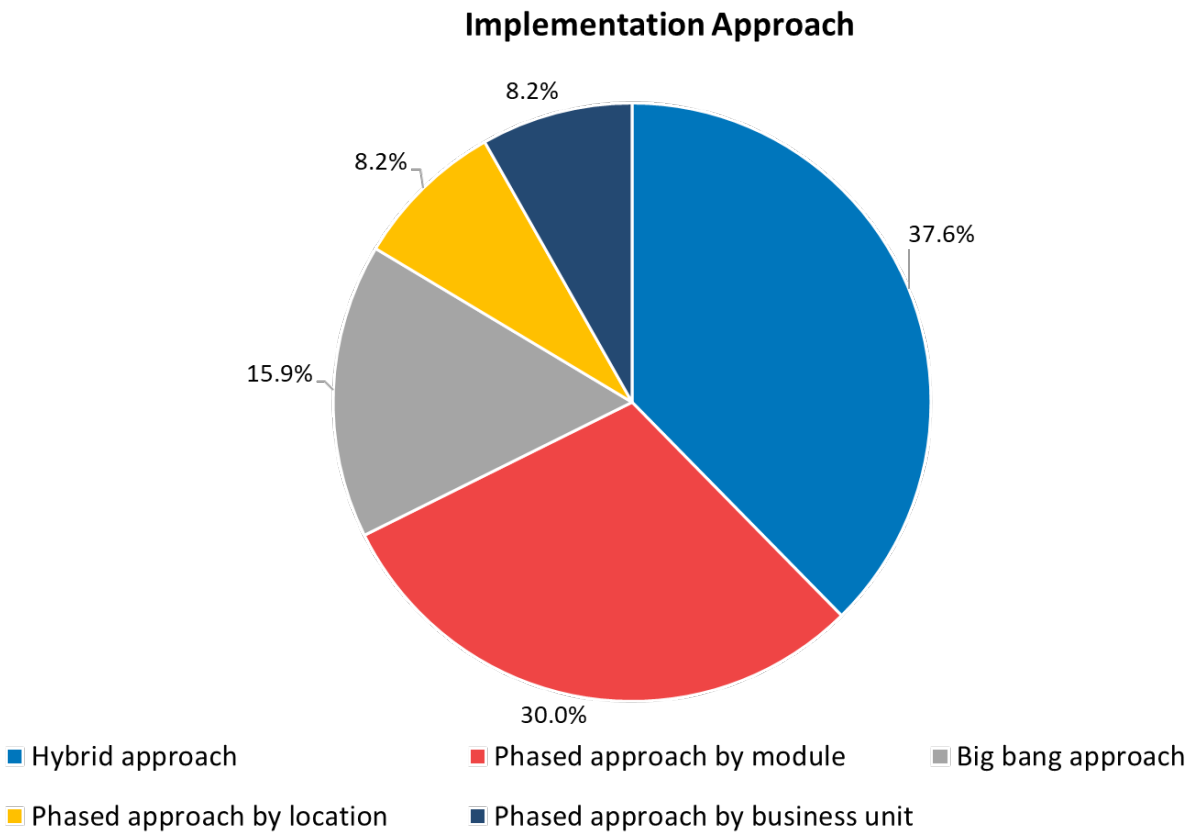
This might suggest AI is moving from experimentation to normalization. Many organizations that initially adopted AI for pilot projects—such as Anomaly detection—may now be integrating those capabilities more tightly into planning and reporting.

In Panorama projects, leaders are evaluating AI not as a standalone initiative but as an enhancement to existing initiatives related to demand planning, budgeting, forecasting, and operational decision-making. This holistic approach is what our AI readiness consultants typically recommend. It ensures AI is grounded in data readiness, governed properly, and aligned to business KPIs.

Project Approach

More than a quarter of organizations used a hybrid implementation approach, rather than purely phased or purely big bang.

Organizations using a hybrid approach combine multiple rollout strategies rather than applying a single, uniform model across the enterprise.

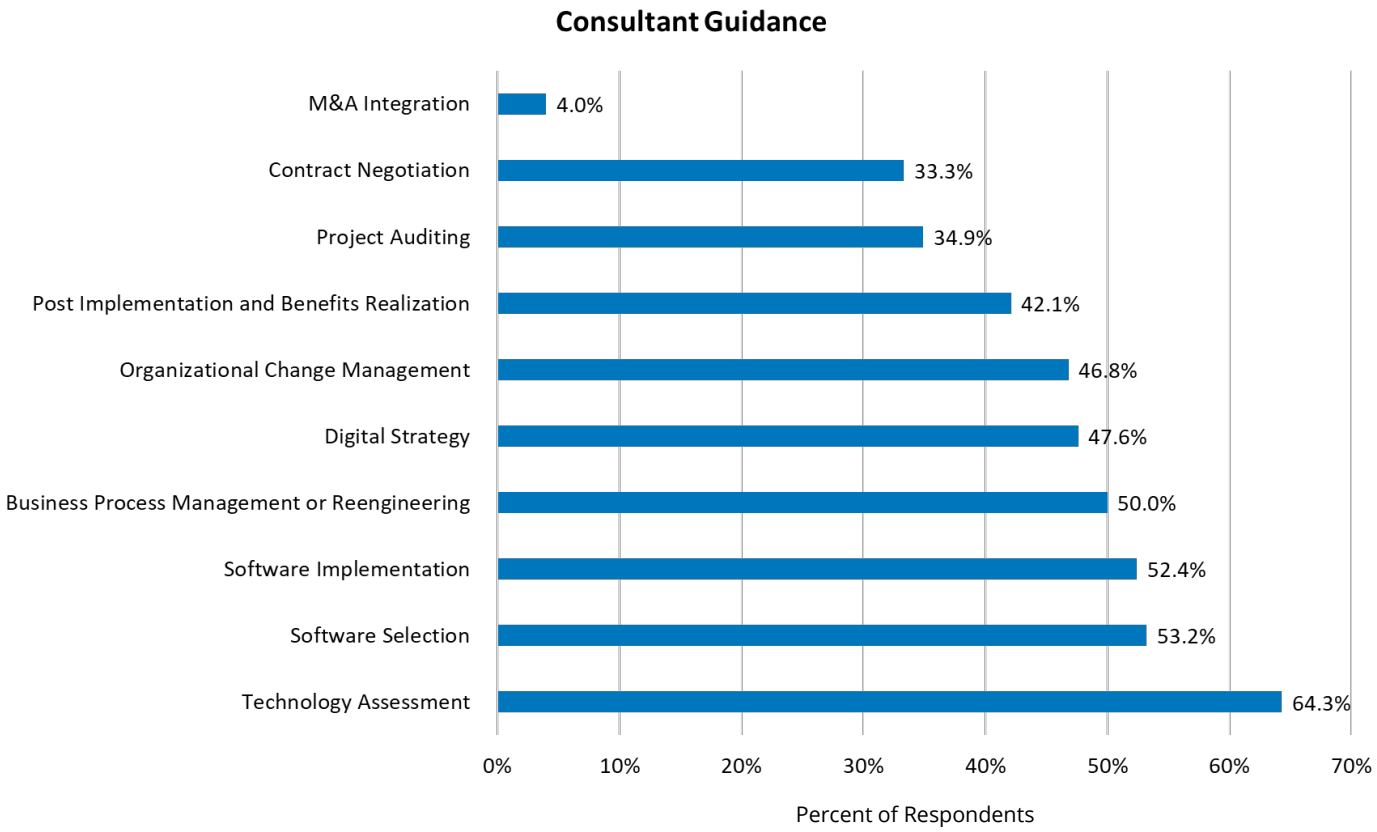


Hybrid ERP deployments align closely with what Panorama sees in multi-entity and multinational clients. Clients that use a hybrid approach typically combine elements of big-bang and phased deployment—going live with core modules or a pilot entity in a big bang, while sequencing additional locations, business units, or functions over time.

Today's economic environment makes risk, cash-discipline and speed-to-value the priority, and a hybrid rollout is the best compromise: it lets organizations protect revenue-critical operations, show early ROI, preserve cash, and control risk while still pushing transformation forward.

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.



Today, ERP decisions involve broader ecosystems that encompass analytics platforms, AI tools, integration middleware, and industry-specific add-ons. Organizations are seeking technology assessments not just for ERP fit but for architectural coherence.

For example, an organization may want validation of whether ERP-native AI capabilities are sufficient or whether a separate data and integration layer is needed to support cross-system reporting and automation.

Proactively Identifying ERP Project Risks

There was a year-over-year increase in the percentage of organizations that sought guidance for project auditing.

This suggests that organizations are intervening earlier when warning signs appear. Rather than waiting for failure, leaders are using audits to recalibrate scope, governance, and vendor performance mid-stream.

Panorama often engages in mid-stream ERP audits when executives sense drift. Clients view these audits as a way to reassess the project without triggering a full recovery or restart.

In a major U.S. city, an implementation was stopped mid-flight and the city engaged Panorama to perform an assessment and audit. We found that the city had paid for work that was billed as complete but, in reality, was not fully completed. Our recommendations emphasized tightening execution discipline through organizational readiness criteria and establishing a defined post-production support model before moving forward.

The Real Challenge Begins After the Vendor Is Chosen

Process and change-oriented services are growing faster year-over-year than pure selection support.

- Business Process Management: 40.4% → 50.0%
- Organizational Change Management: 38.4% → 46.8%
- Post Implementation & Benefits Realization: 28.3% → 42.1%

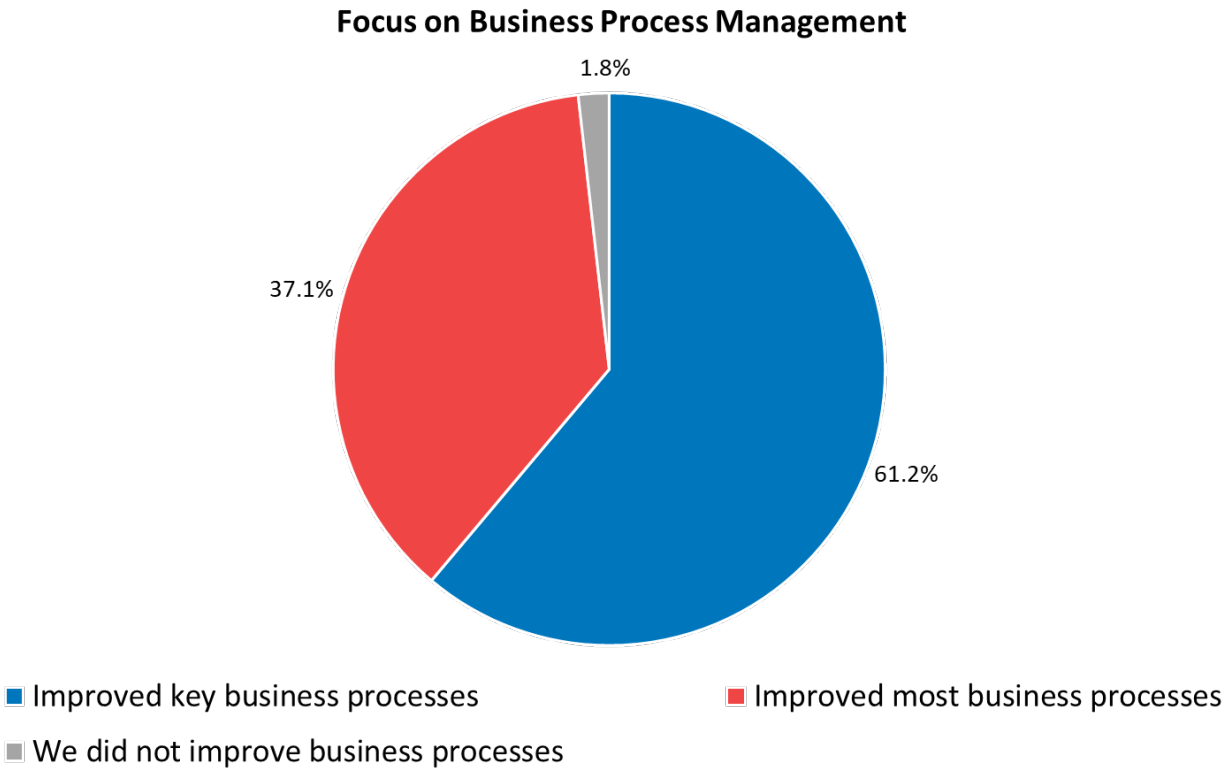
When it comes to cloud, SaaS, and modular ERPs, many vendors can meet baseline functionality requirements. Instead, ERP issues are most often related to unclear process ownership, poor user adoption, and lack of strategic alignment around project goals.

While vendor selection matters, the real challenge is making the organization operate differently once the new system is in place.

PEOPLE & PROCESS DECISIONS

Business Process Management

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



This may reflect more realistic expectations about internal capacity. Rather than attempting enterprise-wide change, organizations may be prioritizing bottleneck processes that directly affect cash flow, compliance, or customer service.

Focusing on the handful of high-impact process improvements can provide organizations a faster time to value, while reducing risk and cost and creating repeatable blueprints.

In contrast, trying to fix everything at once is expensive and slow, which can impede user adoption, especially in uncertain economic times.

Organizational Change Management

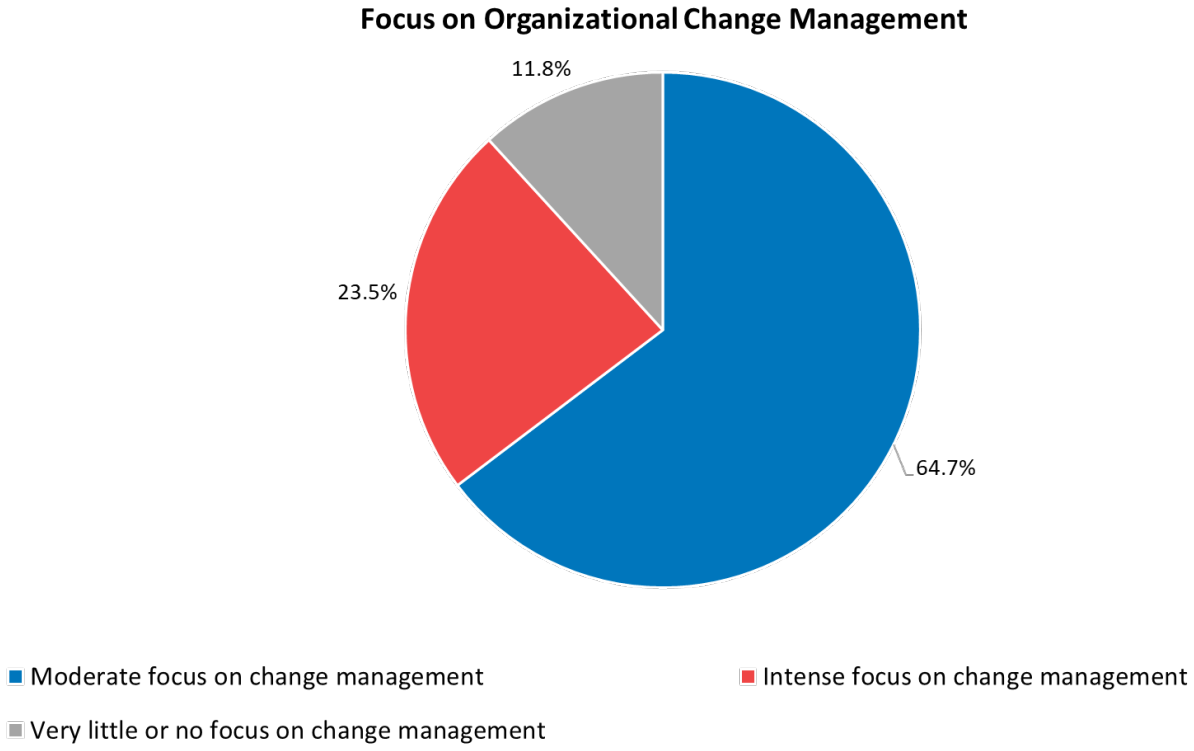
Any time an organization experiences a major shift, some employees will be eager to embrace the change, while others will be hesitant to let go of the familiar.

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 quarter of organizations reported an intense focus on OCM.

Respondent organizations may be underestimating the cumulative impact of concurrent digital initiatives, assuming employees will adapt organically after repeated improvement cycles.

If employees are absorbing frequent changes, such as SaaS-driven changes (new features and UI updates), the cumulative change load creates fatigue. Any new initiative on top of this requires an intense focus on change management in order to prevent training gaps, inconsistent adoption, and workarounds.

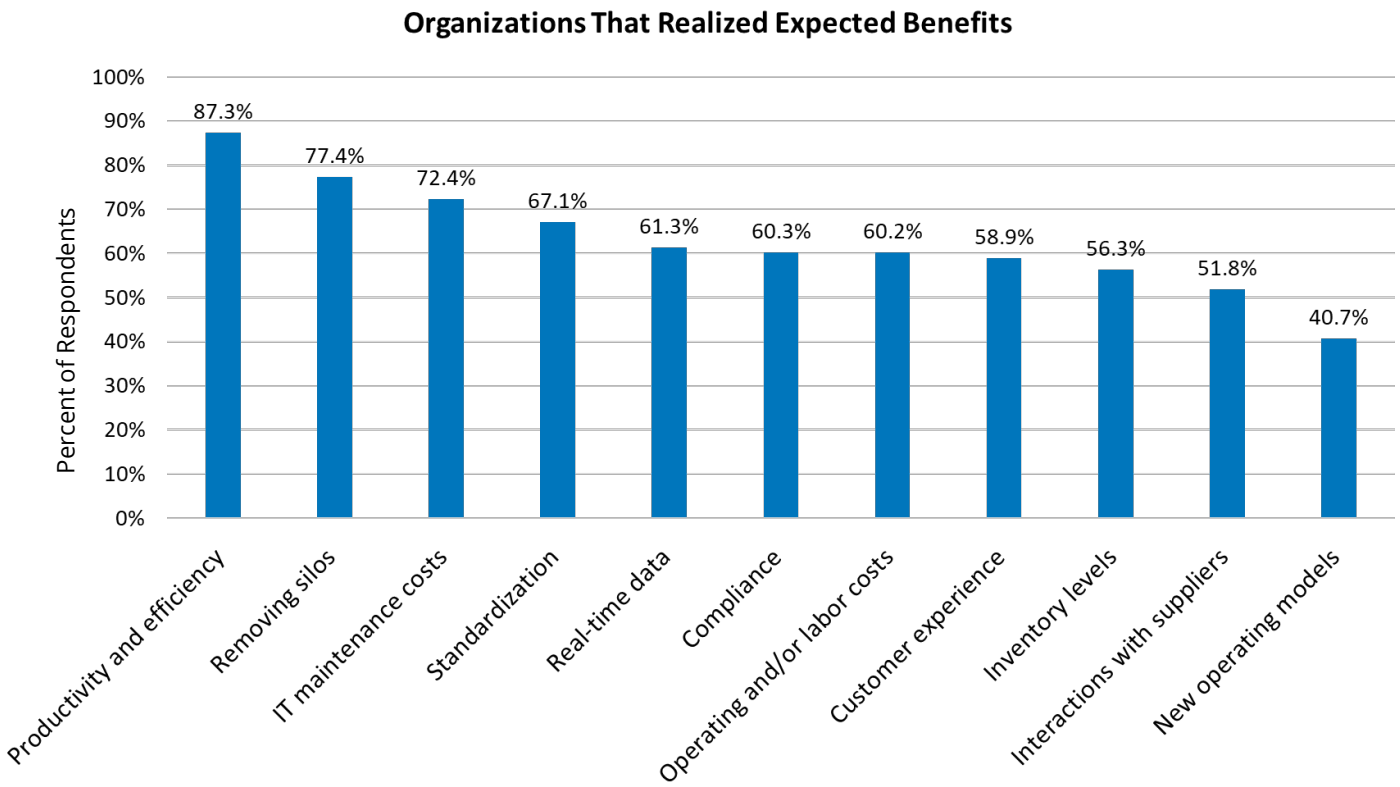


PROJECT RESULTS

Benefits Realization

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

Most of the benefit categories in our survey were attainable to over half of the respondents who anticipated these benefits.



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.

These benefits are more likely to be realized because processes that directly affect revenue, cash, margin, and strategic objectives often receive the most executive attention, clearer success metrics, and stronger enforcement during implementation.

The Challenges of Changing Operating Models

Benefits related to new operating models were the most difficult to realize.

Operating-model change is broad, slow, and systemic, so its benefits are diffuse, hard to attribute and take longer to land than focused process fixes.

This is true even for organizations that take a proactive, strategic approach, and it is even more true for organizations with leadership inertia around defining new decision rights, incentives, and performance metrics.

We often see efficiency benefits dominate executive attention to the point that leaders prioritize making existing processes run faster rather than changing how decisions are governed or measured. This leads organizations to preserve legacy approval structures and performance metrics—sacrificing broader, long-term operating model benefits.

Improving Decision-Making by Removing Silos

A single, trusted view of customers, inventory, finance, and suppliers can reduce guesswork and rework. Breaking down silos is a key component of achieving this single source of truth, enabling leaders to make decisions based on updated, consistent reports.

The percentage of organizations that realized benefits related to “removing silos” increased year-over-year from 55.2% to 77.4%.

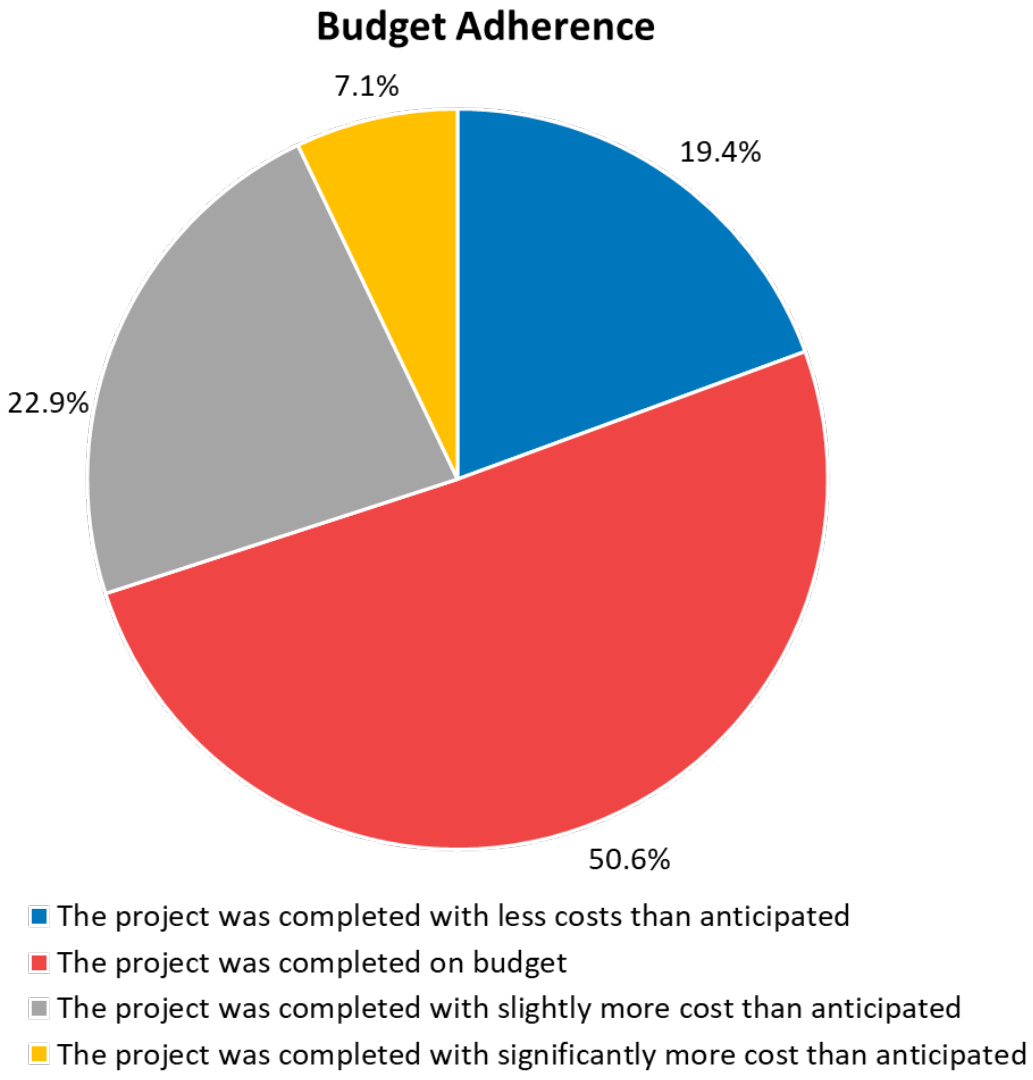
This may suggest that silo reduction is a lagging benefit of earlier ERP investments. Cross-functional alignment typically emerges only after master data governance, reporting standards, and decision ownership have had time to stabilize.

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.

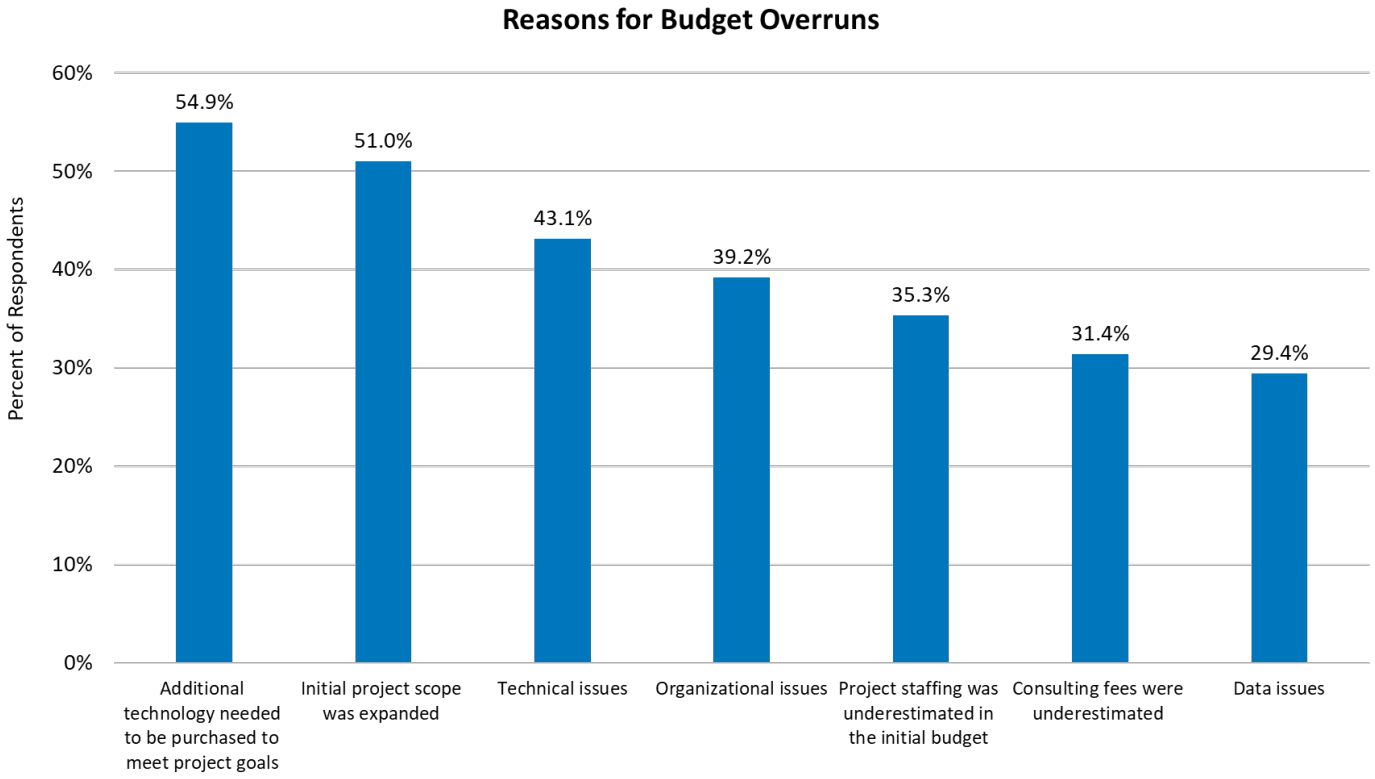
More than a quarter of organizations reported that their project was over budget.

As organizations gain clarity on what modern ERP software actually enables, expectations can rise faster than original budgets.



Additional Technology Needs Contributed to Budget Overruns

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



Unexpected technology needs are often a result of poor system selection. Organizations discover fatal misfits late in the project, so they turn to additional technology, scope expansion, and custom builds.

Since BI was a top initiative among respondents, it's possible that many organizations are needing additional tooling for data pipelines, governance, and reporting layers.

For example, an organization might need to add a governed analytics layer because they didn't realize that their chosen ERP system's native reporting won't meet executive dashboard needs at scale, especially across multiple entities and data sources.

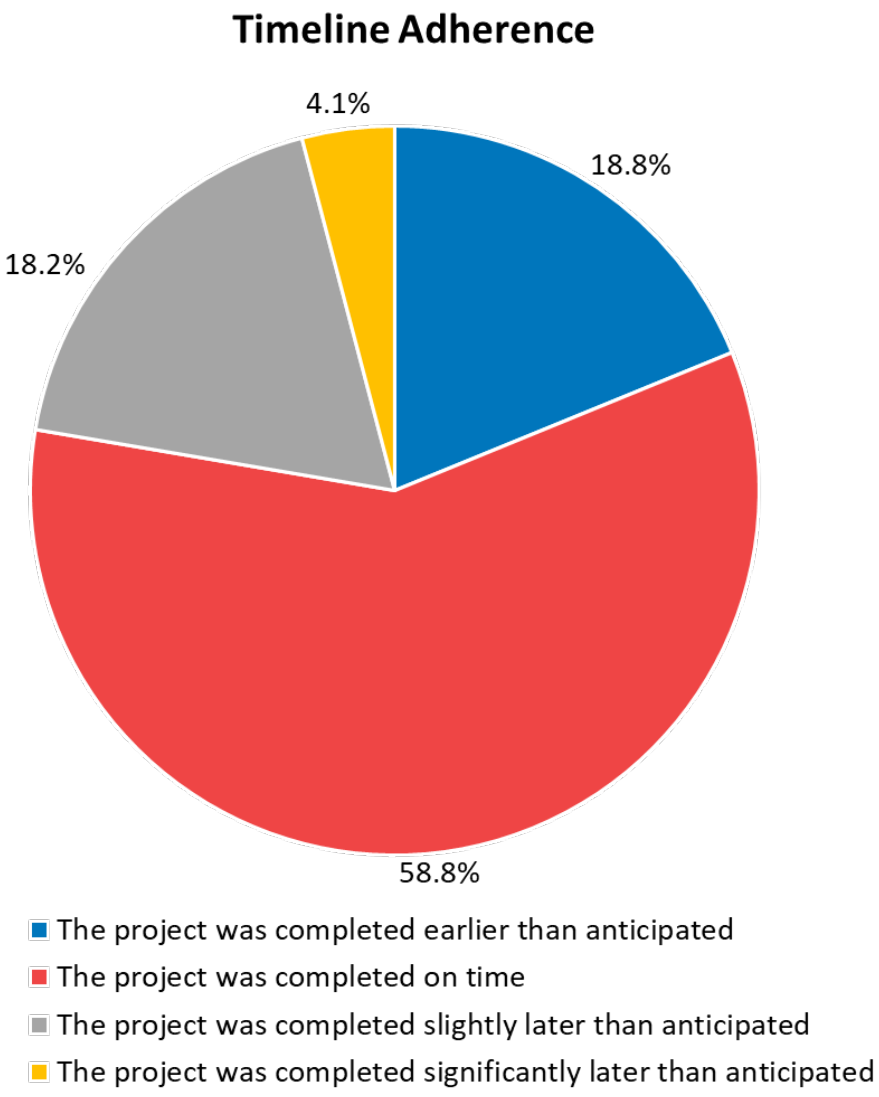
This is why it's essential to work with an independent ERP consultant, like Panorama Consulting Group. With no financial ties to software vendors, independent advisors prioritize long-term architectural fit over license sales.

Project Duration

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

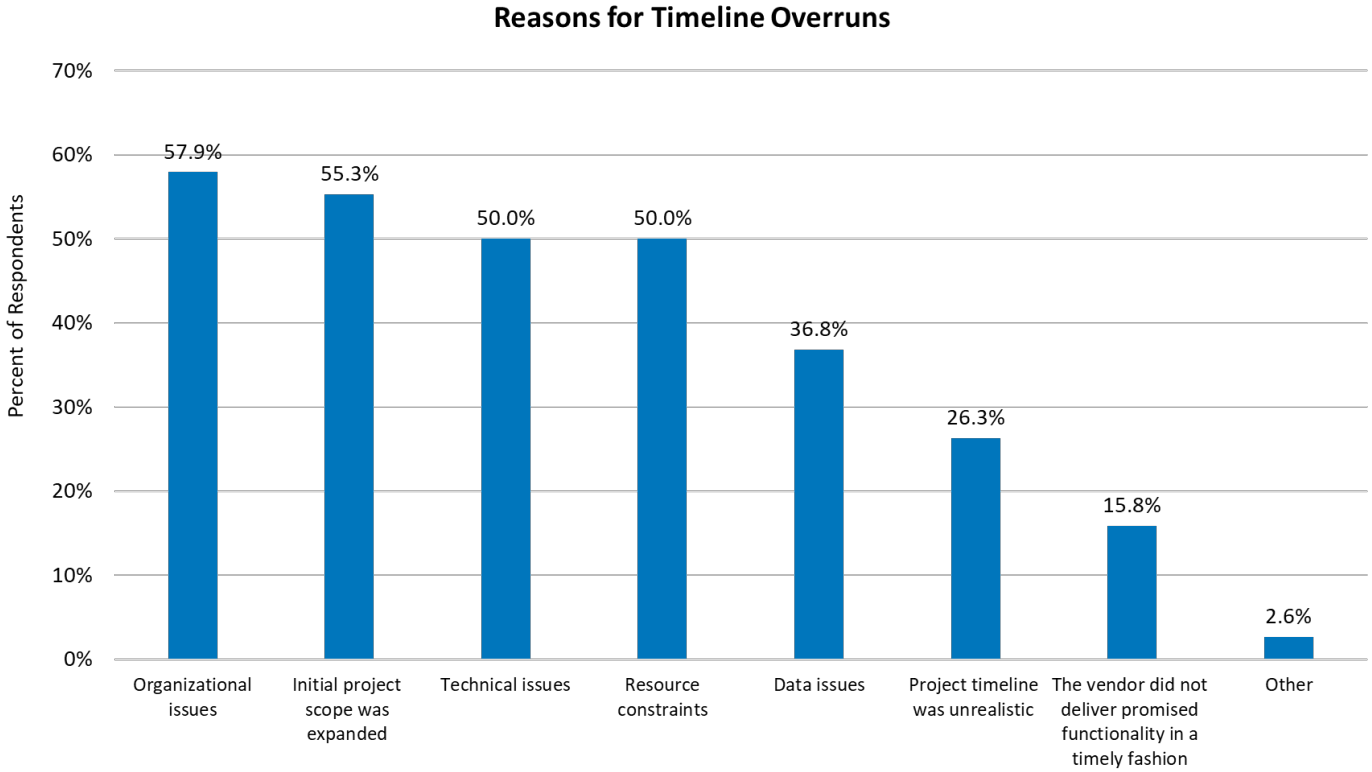
Almost a quarter of organizations reported that their project was over schedule.

While technical execution may proceed as planned, other project aspects often trail behind (e.g., approvals, sign-offs, and cross-functional alignment). This can extend timelines even without increasing scope.



Organizational Issues Led to Timeline Overruns

Of those who were over schedule, the most common reason was organizational issues. This can include issues related to governance, resistance to change, process redesign, and more.



As mentioned earlier, many organizations are not investing heavily in organizational change management, so resistance to process redesign and standardization becomes more likely. This can show up as delayed sign-offs, prolonged design workshops, and extended stabilization periods.

For example, process owners might resist standardization (e.g., common chart of accounts), which triggers schedule overruns related to repeated design revisits.

In our experience, one of the top contributors to schedule overruns is poor vendor performance and partner misalignment. Our ERP project recovery team has seen recurring issues related to delayed vendor deliverables, unplanned change orders, and unclear ownership between the SI and vendor.

It's important to engage an ERP auditing team to oversee project controls and delivery milestones before misalignment turns into schedule overruns. Panorama's ERP auditing team regularly provides project health checks and implementation audits to clients wanting to identify root causes and realign governance, scope, and vendor accountability.

Conclusion

While cloud adoption and AI capabilities continue to enable real-time analytics and predictive planning, success hinges on data readiness and organizational alignment.

Clear process ownership and rigorous change management also play critical roles in determining project outcomes.

As businesses navigate economic uncertainty and expanding digital ecosystems, they must balance innovation with realistic readiness for change. Panorama's independent ERP consultants can help you assess organizational readiness, align stakeholders around measurable business outcomes, and maximize long-term ERP value. Contact us below to get started.

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
- AI Readiness and Enablement
- Supply Chain Management
- Organizational Change Management
- Business Process Management
- M&A Integration
- Project Auditing & Recovery
- Software Expert Witness

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