

The New ERP Value Equation

How AI is changing the economics of enterprise transformation and what leaders should expect from AI-assisted delivery.

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The New ERP Value Equation

How AI is changing the economics of enterprise transformation and what leaders should expect from AI-assisted delivery.

AI has changed more than the speed of transformation projects; with the right approach, it reshapes the possibilities entirely. Some long-standing constraints no longer apply.

Others remain unchanged.

What follows details the trends and considerations any enterprise leader should weigh before their next program begins. They are drawn from HSO's market insights and experience across more than 7,500 projects in over 60 countries, alongside analyst research from Forrester.



Key Insights



With AI-assisted delivery, the entire end-to-end implementation lifecycle timeline can be accelerated.

Requirements, extraction, configuration, build, integration, data migration documentation, testing, project management, and support can be AI assisted to reduce delivery timeframes, but enterprise leaders can and should be looking for more than speed.



Go-live is no longer the only measure of success.

Leaders no longer need to wait for go-live to see improvements in productivity, processes, and AI capabilities.



Interrelated variables determine how much value enterprise transformation delivers, and when.

AI-assisted delivery, relevant expertise, industry intelligence - and an AI-ready foundation of core principles, data quality, governance, and security - can amount to meaningful gains that begin during implementation.



What characterizes the most successful programs has not changed.

The principles of success drawn from HSO's experience across more than 7,500 projects still apply. AI–assisted delivery helps reduce implementation risk and increases the probability of a successful outcome when those principles are applied





What Changed, and What It Exposes

For three decades, the duration of enterprise transformation programs could not be separated from the realities mapped out on paper and managed by human effort: requirements gathered and documented, processes detailed, specifications drafted, configurations built, tests scripted.

Methodologies changed considerably over the same period—waterfall to agile, agile to various hybrids—but the underlying math did not, because translating business knowledge into working software required hands-on human effort.

With AI, that math no longer holds. Requirements can be extracted from recordings; documentation can be generated and reviewed. Test cases can be produced automatically. Work that required weeks can now be turned around in days. Repeated and compounding across a delivery timeline, it can amount to significant time savings with a proficient partner.

> **However, the most consequential effect of AI-assisted transformation is what these efficiencies reveal and what they make room for.**

Implementation effort was never the sole obstacle between an organization and a working platform. It was simply the most visible.

As ERP investments continue to expand—a point detailed in the snapshot that follows—a clear understanding of the obstacles and opportunities will separate effective projects from those that move more quickly toward a go-live that doesn't deliver.

The State of ERP Investments

A snapshot of increasing ERP investments and the conditions that shape returns.



EXPANDING ERP ADOPTION & INVESTMENT

77% of enterprise application software decision-makers report their organization is adopting ERP. **38% describe their ERP as implemented and currently expanding.**



ARE SATISFIED WITH THE SOFTWARE ITSELF

More than 80% of decision-makers with ERP **report satisfaction with their primary vendor** - while cost, deployment, and modernization challenges remain persistent.[1]



PURSUE PROCESS STANDARDIZATION

50% of enterprise application software decision-makers report their organization pursues process standardization; **43% pursue data cleansing and harmonization.**[4]



REPORT COMPLEXITY IN THE ESTATE

Half of ERP adopters rate customization, platform integrations, and overall scope of ERP functionality as complex.[1]



TOTAL COST OF OWNERSHIP

Four in five estimate total cost of ownership under $5 million; **4% estimate $20 million or more.** [2]



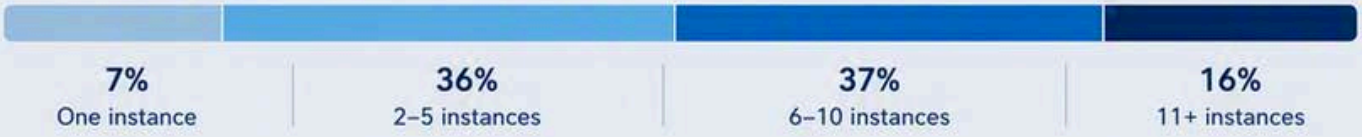
DATA AND SECURITY COMPLEXITY

65% of ERP adopters rate data accuracy and consistency as complex; 64% say the same of security and compliance. [3]



MULTI-INSTANCE ESTATES

89% of organizations operate multiple ERP instances.[1]



Past a few instances, governance, cost attribution, and the meaning of shared data become organization-wide problems.

The Landscape: AI-Readiness as a Primary Driver

A future-forward ERP is becoming a prerequisite for growth as this "central nervous system" of an enterprise faces increasing pressure to move in step with the pace of AI, according to Forrester analysis on what leaders hope to achieve with ERP programs.[5]

"Aging systems that are often functionally fragmented with traditional on-premises infrastructures and incapable of supporting AI-driven workflows are now a liability, constraining agility and inflating total cost of ownership. This urgency makes ERP modernization a critical investment priority for organizations seeking operational resilience, productivity, and growth."

—Forrester, The Enterprise Resource Planning Solutions Landscape, Q1 2026

AI- enabled resilience is among three core reasons that technology and operations leaders implement ERP offerings today:



Accelerate financial & operational performance



Embed AI-driven automation for resilience

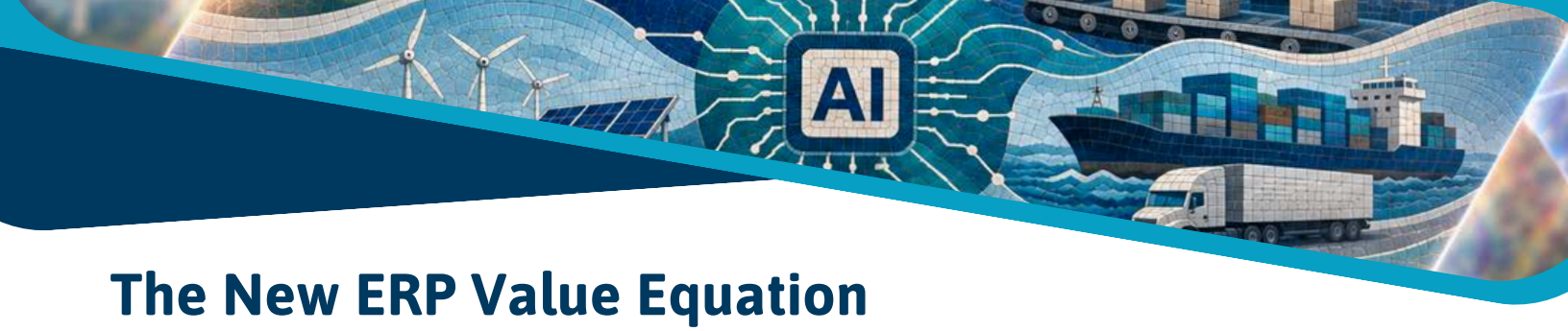


Enable industry-specific agility at scale

Each of those emerging expectations depends on platform delivery that is intentionally AI-infused, from beginning to end.

A future-ready implementation requires a future-focused delivery method.

An implementation that reaches go-live without AI capabilities has, in effect, delivered an outdated generation of a platform on a modern timeline.



The New ERP Value Equation

20-30%

HSO's delivery leadership estimates potential timeline reductions of 20% to 30% where this model is applied, depending on size, scope, and the organization's own speed and capacity.

A future-focused delivery method rests on four interrelated variables.

1. AI-ASSISTED DELIVERY

What changes: Digital consultants absorb repeatable work across workshops, requirements, backlog, documentation, configuration, build, integration, data integration testing, support, project administration, risk identification.

2. HUMAN EXPERTISE, TARGETED AND AMPLIFIED

What changes: That capacity is directed toward architecture, process redesign, governance, change management, and business outcome optimization. That means teams can focus more on measurable value, such as productivity, process improvement, adoption, and growth rather than repeatable implementation activities.

3. INDUSTRY INTELLIGENCE

What changes: Established industry patterns, products, and operating models replace blank-page design when delivery partners bring enterprise-ready, industry-vetted innovations to the table alongside trusted Microsoft platforms.

4. AN AI-READY FOUNDATION

Especially as organizations seek agentic capabilities, organizations cannot afford to skim over foundational work: clean core principles, data quality, governance, and security. At the same time, the implementation should identify agentic and AI-enabled opportunities to deliver value from the start. A higher bar is now in order because agents multiply whatever variance or risks a system already carries

Together, these variables amount to what organizations can now expect from the right partner: Value that starts before go-live and keeps compounding after it.

The Equation in Action

Powering Ambition

A European logistics company set out to build one of the most advanced data and AI platforms in its industry.

Getting there meant working through layers of alignment across acquisitions. Multiple logistics companies were merged together, each with its own systems, data structures, and reporting models. Operational data sat in silos, customers received limited data, and planning and performance steering across the group were nearly impossible.

The challenge was designing a generic data model, reusable components, and scalable solutions supporting both operations and analytics across multiple locations, all while continuing to run critical processes for customers.

Working alongside HSO, the company built a Logical Data Platform on Microsoft Fabric, accelerated with HSO's DnA Accelerator. The result is a unified enterprise data foundation enabling analytics, AI readiness, and faster time-to-value. The platform runs on a central operational datastore in Microsoft Azure, with Purview for governance, Power BI for analytics, Entra for access, Copilot for AI-driven analysis, and Azure Integration Services connecting operations, customers, and a portal with integrated track-and-trace.



The Equation in Action

Powering Ambition

With HSO's innovations and industry expertise, the program started with executing an established approach rather than working through iterations from scratch. It proved to be the exact head start they needed for their industry: speed, but speed in the right direction.

The result is a foundation the business can expand with every new milestone. New warehouses, new customers, and new acquisitions draw on existing dashboards, integrations, and data definitions.

Integration is now a repeatable capability instead of a challenge. With a composable architecture and a generic data model, the logistics leader can onboard new acquired companies, plug-and-play, and deploy existing solutions instantly. It has fundamentally changed how quickly the company's leaders can achieve their goals for growth.



The Equation in Action

Agentic ERP with Compounding Returns

A global premium food and retrail brand sells specialty products through more than 180 boutiques across 70 countries. That's alongside wholesale, B2B, and digital commerce, with millions of customers enrolled in its loyalty program. The path to growth was agentic. The starting conditions were not.

Order entry ran on printed emails, manual data, and more than 25 different PDF formats. Customer Service spanned chat, voice, social, and email, without a unified view of a customer across channels. Handwritten vendor payment checks created delays and financial risk.

Working with HSO and Microsoft, the organization built on core business applications, including Dynamics 365, to expand agentic capabilities and connect customer service, AI, and ERP. A new purchase order entry agent, triggered by email, can interpret PDFs and unstructured inputs using AI Document Intelligence and Azure OpenAI. Automated checks validate pricing, product availability, and credit rules against ERP before an order is created. High-confidence orders process speedily; exceptions route to humans. Service moved to a unified omnichannel model with Copilot-assisted support and sentiment analysis.



The Equation in Action

Agentic ERP with Compounding Returns

The architecture was governed from the outset—monitoring, cost controls, and governance built on Microsoft rather than assembled around agents afterward.

A quick sampling of the results, running beyond transformation implementation: Order-to-cash now runs roughly

20× FASTER | **95%** ACCURACY

"HSO's closeness to Microsoft was a major factor in our choice. But beyond that, we were impressed that they were really international. Knowing that HSO not only have global reach but also localized teams on the ground in key locations that we also operate is incredibly beneficial to us."



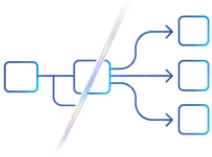
What Hasn't Changed

Across HSO's experience with digital transformation projects in over 60 countries, tried-and-true principles provide the groundwork for successfully deploying agents within AI & data programs—now incorporated into HSO's AI-native delivery.



People first.

Start with the people doing the work, not only those directing it. This begins with considering where skilled team members spend their days on tasks beneath their ability, where workflows are fragile, where critical knowledge exists only in someone's head. Set a human performance baseline before redesigning workflows, or there is no meaningful way to judge whether an agent is delivering.



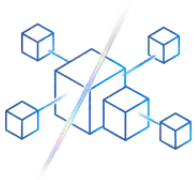
Process next.

Redesign the end-to-end flow before deploying anything into it. A broken process copied into a better system produces the same result faster. Choose what to address on value and effort, not on what is easiest to automate.



Then the data foundation.

Build the data platform before the applications, so that when agents launch they have a connected foundation to operate from. Focus initial data quality investment on the processes that matter most, while broader data governance work continues in parallel.



Then the architecture.

Connected cloud architecture is what moves AI from isolated wins to enterprise-wide impact. It is also the layer that determines whether the first success can be repeated.

Beyond Speed

Delivery speed will soon become abundant in the market as a selling point. Before long, it will describe most partners and distinguish almost none of them.

On its own, it is an incomplete basis for a business case. A shorter program is an input. It becomes an outcome only if the time recovered is refocused on work that produces greater value.



> "What's the meaningful output of speed? If it's just to re-implement what an organization has today, that's not progress. That's not going to make a modern business."
>
> —Paul Jones, HSO AI Global Transformation Lead

That is the question behind tightened timelines. A program that only arrives sooner—with the same flaws beneath the surface and without expertise rerouted to optimization and architecture—has saved time but changed nothing.

Instead, leaders considering transformation partners can look for where value is added and whether the program moves them toward AI-native operations.





Value Starts Now

The old equation worked on paper but didn't produce revolutionary progress. Consultants, documentation, testing, customization, and time carried an organization to go-live. Measurable value was expected to arrive at some point afterward, if at all. The exercise of modernizing or implementing a platform became an unavoidable part of operations, not a value driver.

The new equation resolves differently. AI-assisted delivery, human expertise amplified, industry intelligence, and AI-readiness amount to an outcome that runs circles around the outdated approach: value that starts before go-live and continues to compound after that milestone.

This is what HSO rebuilt its delivery model to produce.

With HSO's AI-native delivery model across the Microsoft Cloud, digital consultants tackle repeatable work while HSO's industry and Microsoft experts concentrate on architecture, process redesign, governance, change, and adoption. Programs run shorter and more predictably, and organizations reach go-live on a platform already equipped with agents and prepared for more.

Together with our AI operating system, this approach connects our people, digital consultants, delivery methods, industry IP, and agents across the delivery lifecycle—while providing the security, governance, and lifecycle needed to deploy and scale AI responsibly.

References

[1] Forrester Research, Inc., *Enterprise Resource Planning Market Insights, 2026,* May 21, 2026, drawing on Forrester's Enterprise Applications Software Survey, 2025. Base: enterprise application software decision-makers.

[2] Forrester Research, Inc., Enterprise Resource Planning Market Insights, 2026, May 21, 2026. Estimate covers initial investment, implementation, and operating costs for up to a 10-year period.

[3] Forrester Research, Inc., The Top Trends Shaping ERP, 2026, drawing on Forrester's Enterprise Applications Software Survey, 2026. Base: enterprise application software decision-makers whose organizations are adopting ERP software.

[4] Forrester Research, Inc., The Top Trends Shaping ERP, 2026. Base: enterprise application software decision-makers.

[5] Forrester Research, Inc., The Enterprise Resource Planning Solutions Landscape, Q1 2026, January 14, 2026.

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Next Steps



HSO's AI-Native Delivery

Custom AI Agent Development Services

AI in Action: Customer Success Stories