

## State of the Market Report: Enterprise Software and Digital Workflows, Q3 2025

A quarter-in-review of key vendor moves, enterprise buyer plans, market opportunities, and predictions.

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This is a “companion” report to the market dataset within Futurum’s interactive visualization dashboard, where users can filter and drill down further into complete market details - see [app.futurumgroup.com](https://app.futurumgroup.com).

### Key Points

- **Market Overview:** The enterprise software and digital workflows market remains remarkably resilient, posting strong growth and profitability even amid global economic headwinds such as trade tensions, geopolitical conflicts, and higher interest rates. Demand is being driven by organizations’ accelerated digital transformation initiatives, particularly their eagerness to harness generative and agentic AI, automation, and advanced integration technologies.
- **Key Trends and Players:** The market’s leading platform vendors—Microsoft, Salesforce, Oracle, SAP, Adobe, ServiceNow, Zendesk, and Zoho—will set the tone, not only through their sheer scale and investment in AI-driven enhancements but also through the ecosystems they foster via app marketplaces and API-first architectures. Newer entrants to AI workflow automation, including Make, n8n, and Zapier, are growing, though none at a pace to take on the major players.
- **Future Outlook:** The blurring of traditional category boundaries, exemplified by CRM platforms embedding data-platform capabilities and IT workflow suites adopting customer-experience features, will continue, driven largely by the incorporation of agentic technology that enables data, insights, and actions to be initiated and carried out within the application of the user’s choosing, leveraging data from wherever it lives within the enterprise environment. This leads to considerable overlap between major SaaS vendors, which will create duplication, bring integration issues, and enable more options for customers as to which vendor will serve as their primary automation platform.

## Recommendations

Based on the revenue and spending trends highlighted in the report, vendors should:

1. Continue to migrate customers from on-premises deployments to cloud-hosted, subscription-based models—enabling more frequent updates, tighter security, and predictable recurring revenue.
2. Experiment with offering consumption-based and outcome-linked pricing structures to better align costs with delivered value as agentic AI continues to proliferate.
3. Demonstrate the tangible business outcomes of their latest features, ensuring that their platforms serve not just as point solutions but as comprehensive “single panes of glass” that orchestrate human, augmented, and autonomous agents across every facet of the enterprise. Vendors need to provide or support metrics, including productivity improvement, velocity, or speed of execution improvements, to show the tangible benefits versus yet another productivity tool.

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## Overview

The Enterprise Software and Digital Workflows market continues to grow, despite myriad issues that have created economic uncertainty in the broader markets around international trade, inter-country wars and conflicts, and the relatively high (compared with a few years ago) interest rate environment.

These factors have not really impacted the fortunes of many large enterprise software vendors, which continue to post solid revenue and profitability figures. Driven by their customers' digital transformation efforts – along with the desire to ensure that they are able to integrate and utilize new technology, namely generative AI, automation, and the current technological belle of the ball, agentic AI – demand for new technology is surging among enterprise, mid-market, and even SMB organizations.

From the vendor's perspective, there is continuing effort to shift customers who are using on-premise versions of its software to a cloud-based version, which enables easier administration for maintenance, improved security, and the ability to more frequently introduce technological updates, as well as the ability to drive recurring revenue. However, even this model, where customers are charged a per-user, per-month seat license fee model, is starting to give way to more flexible and value-linked consumption, per-interaction, and outcome-based pricing.

Traditional software categories are increasingly seeing feature overlap, particularly as CRM vendors implement data platform technology, and back-end IT workflow management software incorporates CRM technology. Furthermore, the increasing use of advanced integration technology is enabling users to interact with software not only from within an application itself, but within other applications via two-way APIs.

The use of generative AI is also impacting the way customers interact with software, enabling users to query data, generate or format reports, and even design workflows using natural language, instead of requiring developers to customize the application.

Despite the excitement around these new technological capabilities, vendors are continuing to be scrutinized, particularly around the efficacy and ease of use of these new features and functions. Pricing and the delivery of a strong return on investment will also continue to be front and center for vendors that increasingly are competing not just as point solutions within a specific software category, but as a platform that can serve as a master control center or single pane of glass for all human, augmented, and agentic workflows.

Customers also don't want to pay for subscriptions to multiple, overlapping AI automation tools, which can quickly add up, particularly as the number of AI tools and users increase.

## The State of the Market

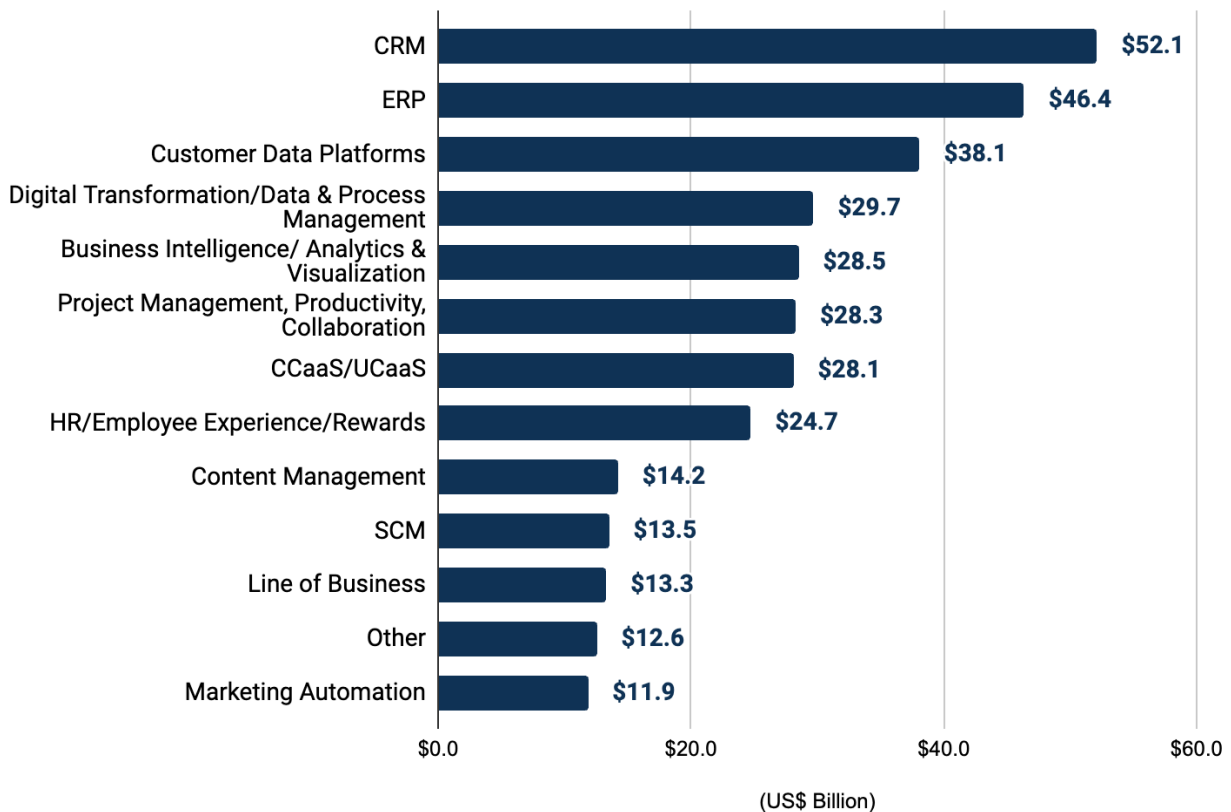
Notably, several key players continue to lead today's enterprise software market, in terms of revenue and market share. These vendors typically are enterprise software platform vendors, providing a common platform upon which applications with different functions are provided, but with hooks that enable seamless data and workflow management.

Increasingly, these vendors are offering generative AI and/or agentic AI technology, either using their own models, third-party and open-source models, or a combination of approaches, to enhance the functionality, ease of use, and efficiency of their respective platforms. AI and agentic AI, in particular, are being used as incentives for enticing on-premise, legacy customers to shift to subscription-based SaaS models that allow greater flexibility, improved collaboration, better upgrade cycles, and faster innovation. These tools also must provide customers with a choice in LLMs they prefer to use since the LLM market both changes quickly (new models) and there are no apparent winners.

These platforms are increasingly interconnected, forming ecosystems that integrate third-party applications through marketplaces and app stores, further extending the functionality and value of core software offerings. Despite the advent of low-code/no-code and vibe- and natural-language coding tools, there are still plenty of opportunities for third-party integration partners and consultants to partner with vendors to handle implementation, customization, and maintenance tasks.

All told, the current market landscape for enterprise software is robust, with each category of applications generating more than \$10 billion in annual revenue.

Figure 1: 1H 2025 Market Revenue by Application (2024 Revenue; in US\$ Billion)



Source: Futurum Research, July 2025

This ecosystem approach to software delivery continues to amplify the value of enterprise applications, creating a market that has space for both large platform vendors, such as Microsoft, Salesforce, Oracle, SAP, and Adobe, and hundreds of niche or smaller vendors. The large vendors, of course, are a good barometer of the current state of the market, and whose investments, new product features, and pricing approaches tend to define the terms of engagement for the rest of the market.

## Company Breakdown

### #1. Microsoft

**Market Position:** Microsoft continues to be a leading vendor in the enterprise software market, with its Dynamics 365 suite that integrates CRM, ERP, and customer service functions. The company's Copilot generative AI agents are not only increasing the functionality and ease of use of core Microsoft products, but also enabling users to integrate other applications and data

sources that are required to help run major organizations. Further, in Q2 2025, the company began rolling out Microsoft 365 Copilot Search, an AI-powered universal search experience tightly integrated into the Microsoft 365 Copilot app, which enables customers to query across all Microsoft 365 and third-party data sources with semantic understanding to drive more relevant results, while then being able to seamlessly transition into Copilot Chat for deeper exploration or follow-up actions.

Analysis: Microsoft continues to demonstrate leadership within the enterprise software market, particularly around its use of Copilot to connect applications and data sources. End users can also use Microsoft Power Automate to automate workflows across Microsoft 365 apps and platforms without requiring the aid of developers. The vendor continues to demonstrate its willingness to embrace the heterogeneity of the enterprise application space, striking deals with other large vendors, such as SAP, to enable SAP Business Suite Cloud ERP and SAP Business Technology Platform (BTP) packages on Azure Marketplace.

Microsoft's commitment to open standards, including Model Context Protocol and Agent2Agent Protocol, ensures customers can access data and services from a variety of sources, avoiding lock-in to just Microsoft's ecosystem.

Microsoft also announced a zero-copy sharing connector to enable seamless data flow between SAP BDC and Azure Databricks, providing enterprise customers with unified, scalable ERP and data analytics in the cloud.

## #2. Salesforce

Market Position: Salesforce currently leads the enterprise apps market, particularly in CRM, marketing automation, and customer service management. The company has established itself as a leading voice around the use of agentic AI through its Agentforce offerings, and is focusing heavily on enabling these new agentic tools to help users connect and use data held within disparate applications on the Salesforce platform within a common workspace, such as Slack.

Analysis: Salesforce – CEO Marc Benioff in particular – is a leading voice around the transformational nature of AI agents, which Salesforce is trying to deliver through Agentforce. While the dramatic impact of Agentforce is still a work in progress, particularly when it comes to true agentic workflows that incorporate automation, reasoning, and actioning or decisioning driven by agents, it's clear that customers are embracing the concept of agents. Salesforce is also doing the necessary work to connect its disparate clouds (Data Cloud, Sales Cloud, Marketing Cloud, Commerce Cloud, Service Cloud, etc.) together so that Agentforce can work across all facets of a company's business, as well as externally via APIs.

### #3. Oracle

**Market Position:** Despite being better known for its networking, database, and cloud offerings, Oracle is a strong player in the enterprise apps market, particularly in ERP and back-office systems. The company's use of its own technology, from infrastructure to AI models, sets it apart from many other vendors, which must acquire this technology from other third parties.

**Analysis:** Oracle's Fusion applications are particularly well-positioned in the market, as they are able to access the strong data foundation provided via Oracle's database and cloud infrastructure, as well as the company's AI models and compute power. Oracle continues to have an advantage in delivering generative AI services to customers, as it can leverage its own compute and can embed the technology into its applications (and NetSuite) without charging additional fees, a bonus for organizations seeking immediate or short-term ROI from AI.

Oracle has the added advantage of having a customer base very familiar with its data platforms and products – giving end users and technical staff access to data sources across the organization, stored in Oracle products.

### #4. SAP

**Market Position:** SAP, known for its ERP systems, has expanded its cloud offerings and is a leader in enterprise resource planning. The SAP Customer Experience (CX) suite integrates CRM and ERP functionalities, helping the company compete against traditional CRM vendors, and the company's utilization of generative AI through its Joule offering reinforces its position as a vendor that can support legacy and modern enterprises.

**Analysis:** SAP is increasingly positioning its cloud-based software offerings as being embedded with AI, and by extension, capable of employing AI agents. The company's historical strength in understanding process data and data flows provides the company with credibility in the market, especially in scenarios that link physical and operational work to digital monitoring, management, analysis, and control.

Based on our briefing with SAP, I believe SAP will adopt a conservative approach to transitioning from forms-based to natural language AI agent-based application development and interaction.

### #5. Adobe

**Market Position:** Adobe is a leader in digital marketing and customer experience management. From its Creative Cloud suite, which targets content creators, to its Marketing Cloud, which provides tools for customer journey mapping and outbound omnichannel personalization, Adobe has the capability and capacity to support major brands.

**Analysis:** Adobe has been focusing heavily on both the technical capabilities of its Creative Cloud suite of products for creators, as well as its Adobe Experience Platform, which serves as a customer data platform that can be used to drive better CX. The company's launch of AEP Agent Orchestrator provides support for agentic AI solutions that are purpose-built to deliver targeted and immersive experiences, with Adobe's data governance and regulatory compliance built in. This safe and guardrailed approach to providing agentic AI helps to further underscore the company's positioning as a commercially safe and viable partner across the entire marketing and sales content supply chain.

## #6. ServiceNow

**Market Position:** ServiceNow's focus on workflow automation and customer service management is being augmented by the company's move into front-end CRM technology. The company's long history in workflow automation is a major differentiator in the market, compared with vendors that typically do not have experience with end-to-end workflow orchestration.

**Analysis:** ServiceNow's specialization in service management and workflow automation sets it apart as a leader in managing operational efficiency and improving customer service. As the company pushes into the front-end CRM and CX space, it is leaning into agentic technology to automate repetitive tasks and assist humans across an entire business process.

## #7. Zendesk

**Market Position:** Zendesk is a leader in customer support and service automation, particularly in ticketing systems and helpdesk software. The company is focused on enabling both fully digital automated resolutions and augmenting human support agents through its platform. The company is introducing outcome-based pricing, which lets users pay for its service only when the software enables a successful resolution to a specific task or issue, a key differentiator in the marketplace, compared with other vendors that use seat-license and consumption-based pricing approaches.

**Analysis:** Zendesk's focus on resolving issues quickly and efficiently through automation and AI is based around the company's experience handling service requests for a wide variety of companies. The company's confidence is reflected in its shift to outcome-based pricing. To be successful with this approach, Zendesk will need to clearly demonstrate the guardrails and conditions of what constitutes a resolution, but if they're able to do that, they should be able to win prospects that are seeking to closely link software spending to value delivered.

That said, if Atlassian can truly move beyond the ITSM service desk environment, they have a very strong AI platform that could make them a formidable competitor to Zendesk, even beyond what they are today.



## #8. Zoho

**Market Position:** Zoho offers a comprehensive suite of tools for SMBs, including CRM and marketing automation, at an affordable price point. The company's Zia agent is designed to enable the use of generative AI across the entire platform, which encompasses more than 50 discrete applications.

**Analysis:** Zoho continues to occupy a niche position in the market, offering enterprise-grade technology and capabilities without the big-company pricing. The company's Zoho Payments, a native processing system built right into its wider financial product suite, is further evidence that the company is enabling its platform to serve all facets of a company's business, from CRP to ERP, and now, to payments. Most notably, while Zoho is holding the line on pricing, it is building a reputation for embedding robust security and governance controls across its platform, which is table stakes for any vendor seeking to serve mid-market and enterprise customers.

## Methodology

The revenue figures presented in this report are derived from a combination of:

1. **Cloud SaaS Revenue:** Subscription-based revenue generated from cloud-hosted applications such as CRM, ERP, and marketing automation tools.
2. **Legacy On-Premise Revenue:** Revenue from traditional software licenses and maintenance contracts remains significant for vendors such as Oracle and SAP.

This report focuses more on mainline LOB (line-of-business) software, such as CRM, ERP, and customer service management tools, which are essential for running core business operations. However, personal productivity software tools such as Office 365, which are not always classified as enterprise applications, are also included in this analysis.

## Conclusion

Despite global economic uncertainty, the enterprise software and digital workflows market likely will continue to show strength, powered by a continuing focus on digital transformation and the adoption of generative/agent AI, automation, and advanced integration.

We expect vendors will continue to innovate, not only in terms of adding features and functionality, but with pricing and partnership models as they seek to eliminate any perceived or real advantage to building apps internally, or simply building more integrations with legacy applications.

CIOs and other decision-makers are clearly focused on deriving value from their software investments. Ultimately, vendors that focus on reducing time to value and improving bottom-line ROI as a direct result of their software offerings will succeed in the market.

Customers, as well as vendors, have to balance the trade-offs of new innovations and fast innovation movers in this market, considering the investments already made in the current generation of automation tools. Vendors with the best-developed and communicated transition or evolutionary path can gain an advantage over their competitors.

The complete data and additional reports are available via subscription to the Futurum Intelligence Platform - see: <https://app.futurumgroup.com/>

## About Us

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