ERP Market Report: Spend, Trends, & Opportunities in 2024

HGInsights®

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The State Of Enterprise Resource Planning In 2023

Elizabeth Cholawsky, CEO, HG Insights®

Amongst all the IT products and solutions HG has monitored over the last thirteen years, Enterprise Resource Planning (ERP) systems have evolved into one of the most critical and enduring. According to HG's data, 1.4 million companies are projected to spend $183 billion on ERP software over the next 12 months. The global market has grown by over 8% since 2022 — across geographies, company revenues and sizes.[1] Over half of IT decision-makers (53%) said ERP was an investment priority.[2]

Whether it's for cost savings measures, optimizing performance metrics, or improving efficiencies in business transactions — ERP solutions represent a large segment of the total IT spend: $171.7 billion out of a projected total global software spend of $1.02 trillion in 2023, or 16.8%.

The largest share of this market spend is on Customer Relationship Management (CRM), which HG Insights taxonomy includes in the ERP market.* HG data indicates that companies will spend $40.5 billion on CRM products in 2023, accounting for one of every five dollars spent in the ERP category.

To give you a holistic picture of the ERP vendor landscape, HG Insights has developed this latest market report. Inside, you'll find a breakdown of the overall ERP market as well as spend, trends and leading vendors in all eight subcategories.

ELIZABETH CHOLAWSKY
CEO, HG Insights

More information on HG taxonomies is available in "Getting to the Numbers" on page 4
Sources: [1] Gartner [2] Oracle Netsuite

Getting to the Numbers

HG Insights uses advanced data science to process billions of unstructured digital documents to produce the world's most sophisticated technology installation information, IT spend, contract intelligence, and intent data.

To provide our industry-leading IT spend insights, HG Insights leverages a data-driven approach to IT spend projections, overlaid with a consensus-based forecasting component, in order to generate reliable data at the individual account level and rolling up to the market level. HG's approach is informed by myriad internal and external data sets and inputs, and triangulated against vendor data and the publicly-stated positions of credible data providers.

The HG spend model provides enterprise spend only. HG's model is initially broken down into internal and external spend. Internal spend represents spend for a company's own IT department, generally on staffing and maintenance. External spend represents spend through third-party vendors, on hardware, software, services, and communications.

Beyond the internal and external spend segmentation, HG reports on its top-level technology categories, and segments further into more than 130 spend categories. The model distributes spend cleanly through these spend categories, meaning there is no duplication of spend across multiple spend classes.

It is worth noting that ERP is a broad area and there may not be consistency in how different vendors and providers of Technology Intelligence interpret it. For example, HG Insights' taxonomy includes CRM solutions under ERP (putting overall spend at approximately $182B), whereas other vendors will have different taxonomies and ways of categorizing these areas of spend. When considering spend data from different providers it is important to consider the degree of taxonomical and definitional consistency.

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HG Insights uses **advanced data science** to process billions of unstructured digital documents to produce the world's most sophisticated:

- TECHNOLOGY INSTALLATION INFORMATION
- IT SPEND
- CONTRACT INTELLIGENCE
- CONTEXTUAL INTENT DATA

Introduction

Enterprise resource planning (ERP) is one of the most established IT categories, with the first similar systems making their debut in the 1960s – in hardware form – for material requirements planning. ERP systems have come a long way since those first iterations (and since the software boom), evolving into one of the most critical and sticky IT products that any company will purchase in its lifetime.

Modern ERP software enables organizations to manage a wide range of day-to-day operations activities such as accounting, procurement, compliance and risk, supply chain, project management, manufacturing, distribution, and more. By tracking all this information and data in one centralized hub, the organization can achieve better transparency, create more efficient workflows, and make data-driven decisions.

As the ERP market continues to evolve, some vendors aim to be an all-in-one solution and cover many areas, while others specialize to try and capture more spend in one subcategory. Across the market, growth is being driven by an increase in the number of SMEs, the drive to improve operational efficiencies, and the understanding of competitive advantages to be gained by adopting cloud-based ERP.

To give you a holistic picture of the ERP vendor landscape, HG Insights has developed this latest market report. Inside, you'll find a breakdown of the overall ERP market as well as spend, trends, and leading vendors in all eight subcategories.

*Gartner is forecasting an 8% increase in ERP spend. While this is focused on a more narrowly defined area of spend than the HG ERP budget category covers, the scale of projected growth is comparable with the trajectory of ERP spending seen in HG's model.

MARKET AT A GLANCE:

$183 BILLION
projected spend on ERP over the next 12 months

Source: HG Insights

8% GROWTH
of ERP software market in 2022

Source: Gartner*

Chapter 1: Size of the ERP Market

Total ERP Spend by Region

AMER
North America:
$78.7 Billion

EMEA
Europe, the Middle East and
Africa: **$44.4 Billion**

APAC
Asia-Pacific:
$59.9 Billion
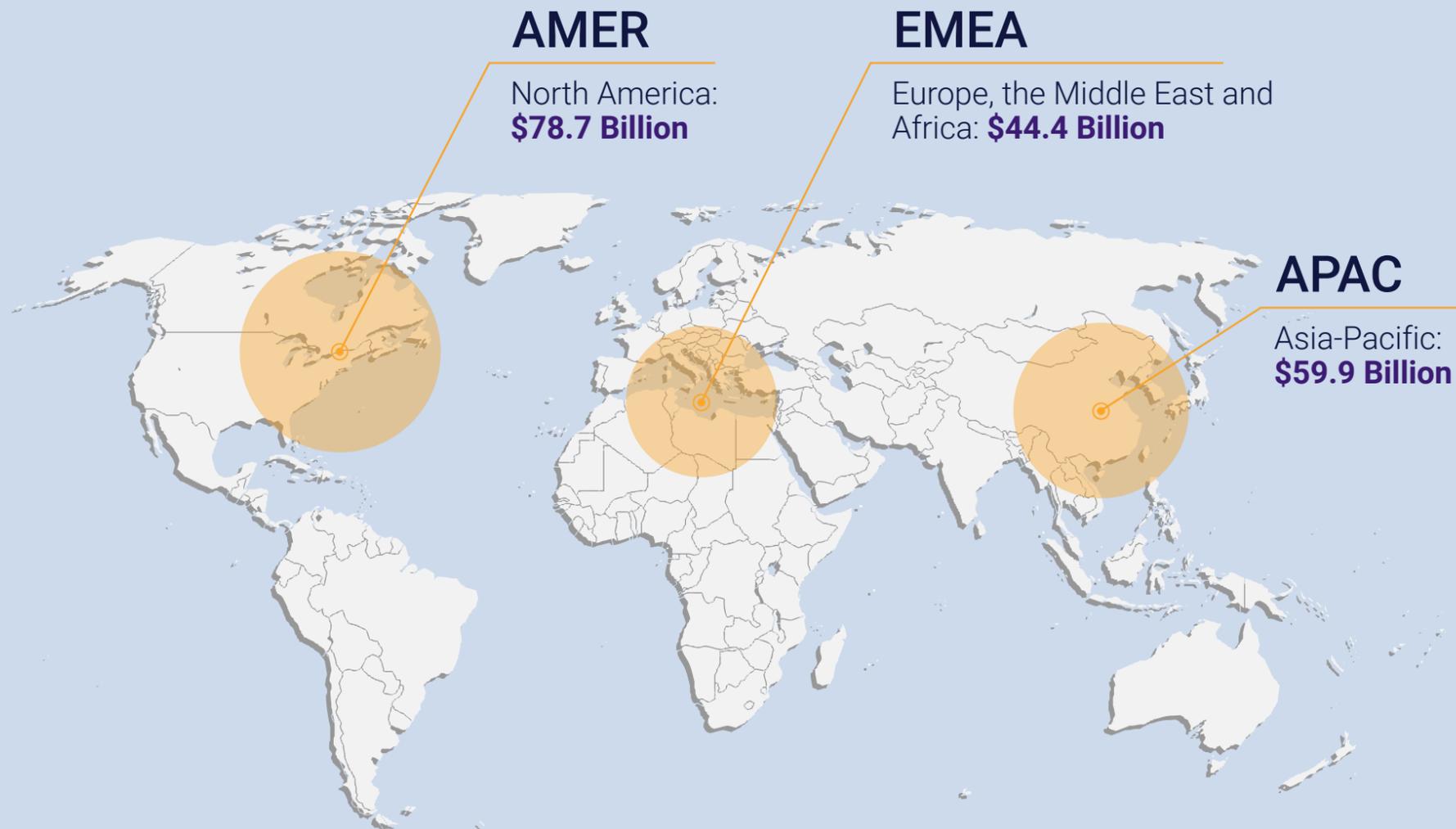
Source: HG Insights data

INSIGHTS

According to HG Insights, companies are projected to spend a total of **$183 billion** on ERP software in the next year. As shown in our recent comprehensive **IT Spend Report**, ERP applications make up the largest software subcategory by spend, accounting for **17.9%** of software spend and **5%** of overall IT spend.

The AMER region is currently the largest for ERP providers, comprising **43%** of the ERP market. However, APAC comes in second with about **one-third** (32.7%) of ERP spending and is growing at a quick pace, driven by rising ERP adoption among startups and SMEs, manufacturing growth, and increased investment in the region by ERP providers.

Chapter 1: Size of the ERP Market

ERP Market Subcategories

Customer Relationship Management Applications
$40.5 Billion Global Spend

Financial Applications
$38.5 Billion

Human Capital Management
$32.0B

Sourcing and Procurement
$21.3B

Project & Portfolio Management
$20.1B

Supply Chain Management Applications
$12.4B

Manufacturing Product Life Cycle Management
$12.4B

Distribution Management
$5.7B

Source: HG Insights data

INSIGHTS

We divide the ERP market into eight subcategories: Customer Relationship Management Applications, Financial Applications, Human Capital Management, Sourcing and Procurement, Project and Portfolio Management, Supply Chain Management Applications, Manufacturing Product Life Cycle Management and Distribution Management.

Customer Relationship Management (CRM) applications and Financial Applications make up the largest subcategories, with **22.2%** and **21%** of total ERP spend, respectively. It's worth noting that there is crossover between categories, with some vendors offering one tool that covers more than one area or multiple tools across the ERP category.
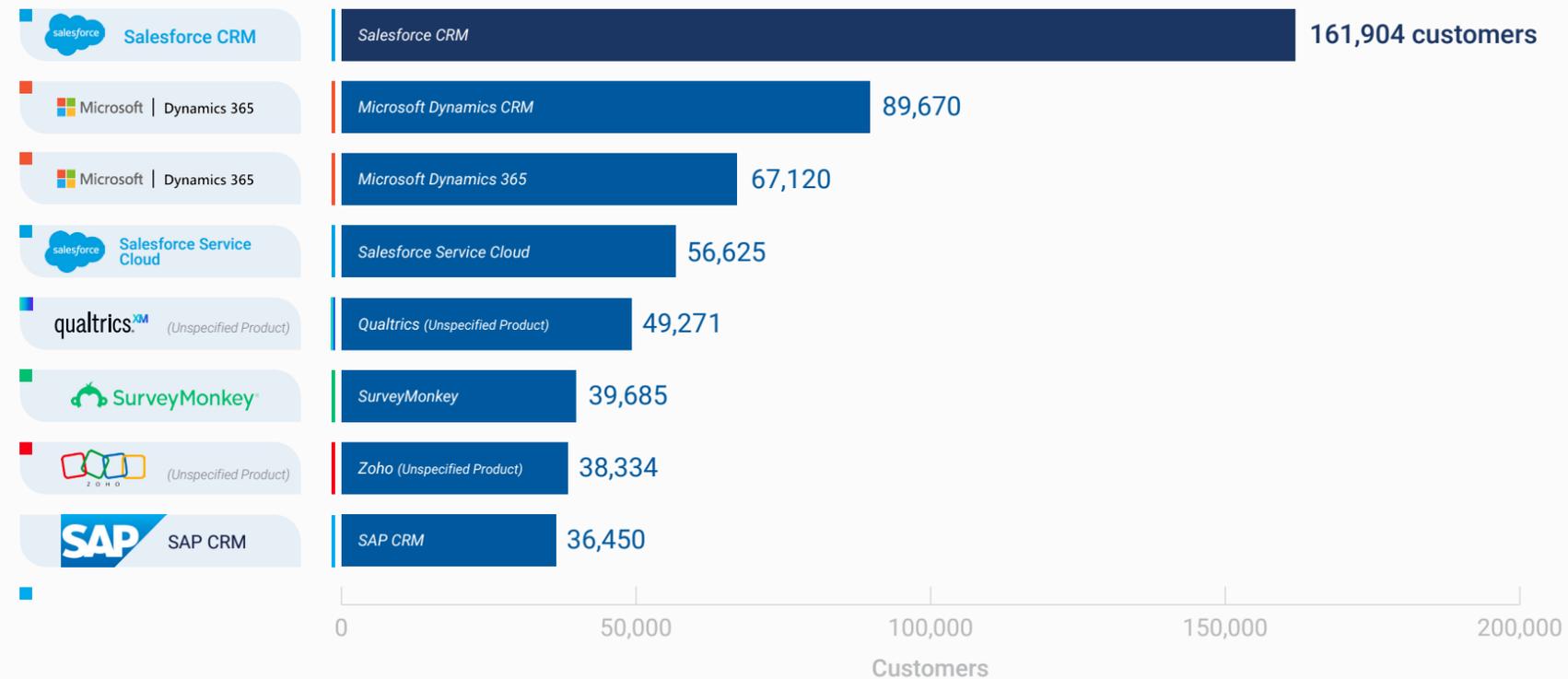
Leading CRM Products by Customer Count

Product	Customers
Salesforce CRM	161,904 customers
Microsoft Dynamics CRM	89,670
Microsoft Dynamics 365	67,120
Salesforce Service Cloud	56,625
Qualtrics (Unspecified Product)	49,271
SurveyMonkey	39,685
Zoho (Unspecified Product)	38,334
SAP CRM	36,450

Source: HG Insights data

INSIGHTS

HG data indicates that companies will spend **$40.5 billion** on CRM products over the next 12 months, accounting for one of every five dollars spent in the ERP category. In HG's taxonomy, spend on Sales & Marketing products sits outside of CRM.

This chart shows the ten leading CRM products in terms of customer count. Salesforce, which holds two of the top ten spots with its CRM and Service Cloud offerings, is widely credited as the first enterprise SaaS company worldwide. Its cloud-based CRM software launched in 1999.

Size of Customer Base for G2 Leaders in CRM Category

Leading CRM Products by Customer Count

Sorted in order of **G2 score,** which ranks providers based on *market presence* and *user satisfaction.*

| #1	#2	#3	#4	#5	#6	#7	#8	#9
Salesforce	HubSpot	Monday.com Sales	SAP SE CRM	Zoho CRM	Freshsales by Freshworks	Pipedrive	Oracle NetSuite	Microsoft Dynamics
43,907 customers	17,494 customers	299 customers	16,010 customers	1,563 customers	428 customers	1,610 customers	11,088 customers	30,514 customers
4.3 USER RATING	4.4 USER RATING	4.6 USER RATING	4.1 USER RATING	4.0 USER RATING	4.5 USER RATING	4.2 USER RATING	4.0 USER RATING	0 USER RATING
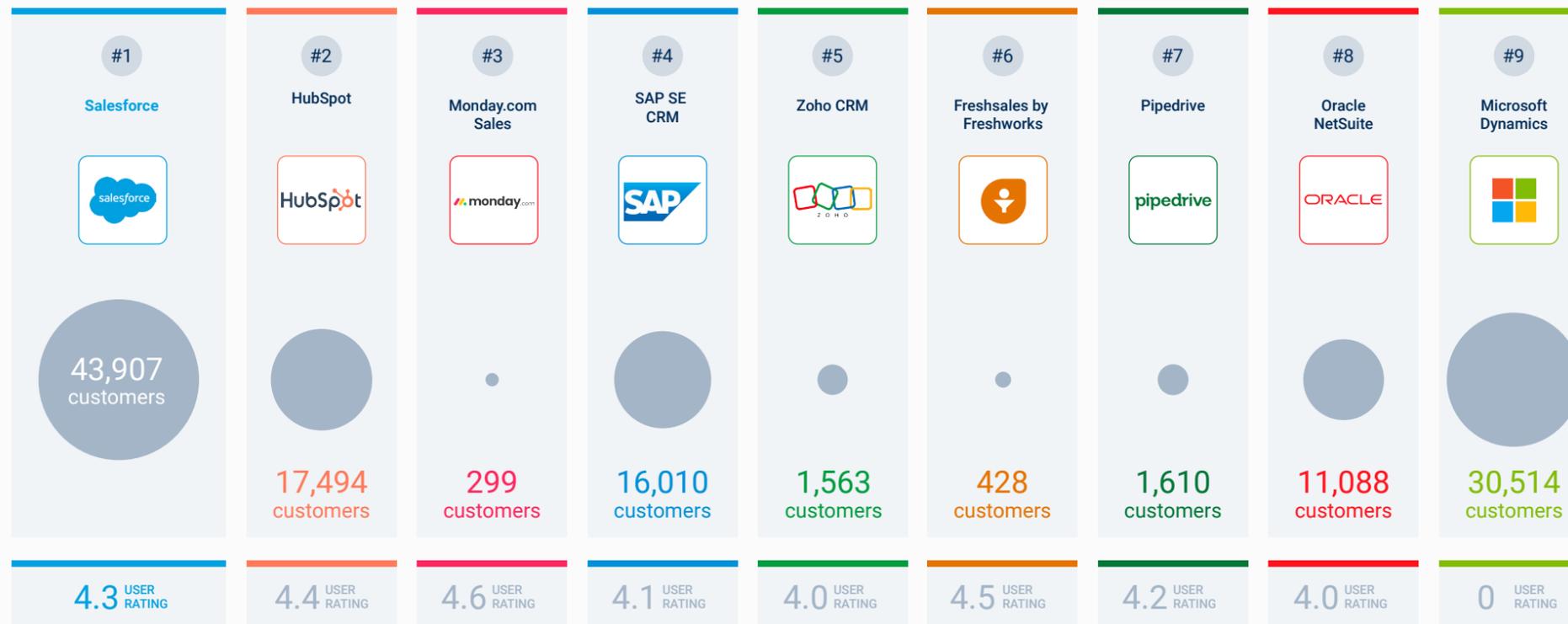
Source: HG Insights data

INSIGHTS

The **G2 Grid® for CRM Software** ranks providers based on Market Presence and User Satisfaction. The companies that rank highly on both attributes are known as Leaders, while vendors with high market presence but lower user satisfaction are known as Contenders.

This chart shows nine CRM Leaders and Contenders, along with their G2 user rating and size of customer base according to HG's data. Vendors are sorted here by their G2 score*.

* G2 score: "This score is based on reviews gathered from our user community, as well as data aggregated from online sources and social networks. A unique algorithm is applied to this data to calculate the Satisfaction and Market Presence scores in real time."

Chapter 3: Finance Application Vendors in Focus

Leading Finance Application Vendors

Vendor	Customers
SAP SE	106,142 customers
Intuit, Inc.	98,611
SAP Concur	88,227
Sage Group PLC	81,295
Oracle Corporation	73,451
Bloomberg LP	71,678
American Express Company	51,337
Thomson Reuters Corporation	46,489
BlackLine, Inc.	42,792
Microsoft Corporation	37,571

Customers axis: 0, 20,000, 40,000, 60,000, 80,000, 100,000, 120,000
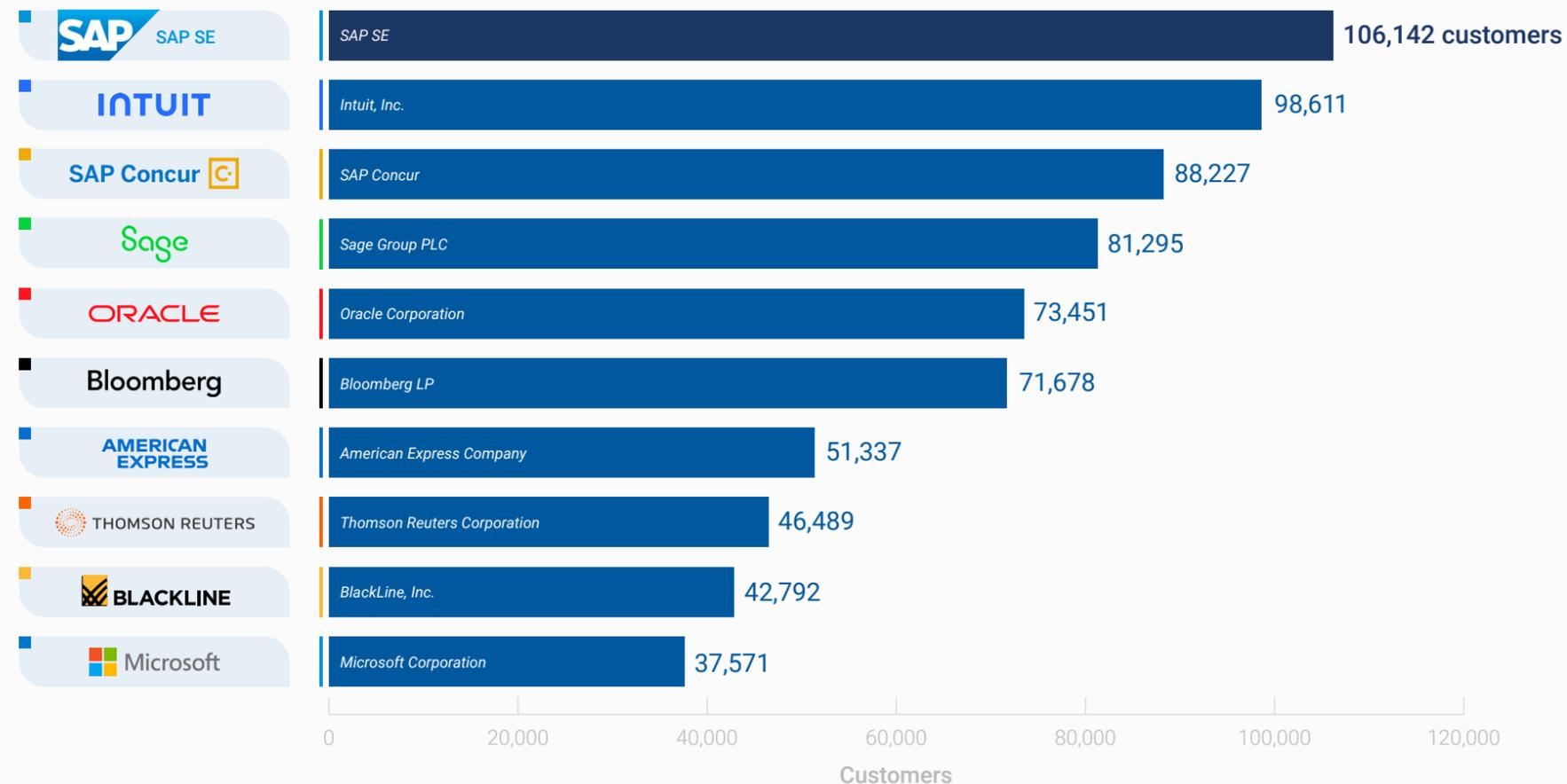
Source: HG Insights data

INSIGHTS

HG projects a total of **$38.5 billion** in spending on finance applications over the next 12 months, making up **21%** of the total ERP market.

This chart shows the ten leading finance application vendors in terms of customer count. Like Salesforce in the CRM category, SAP holds two of the top ten spots with its SE and Concur products, with nearly **200K** customers total.

Leading Human Capital Management Vendors

indeed — 22,611 | 20,002 | 24,265 | 13,107 | 5,843 | **85,828** *Total customers*

SAP SAP SE — **69,527**

ADP — **63,934**

workday — **54,346**

CompTIA — **39,047**

CareerBuilder — **37,675**

JazzHR — **37,185**

Linked in — **33,387**

Company Size by Employee Range
- 1 to 49 *employees*
- 50 to 199
- 200 to 1,000
- 1,001 to 5,000
- 5,001 and above

| Total customers

Customer Count (0 — 20,000 — 40,000 — 60,000 — 80,000 — 100,000)
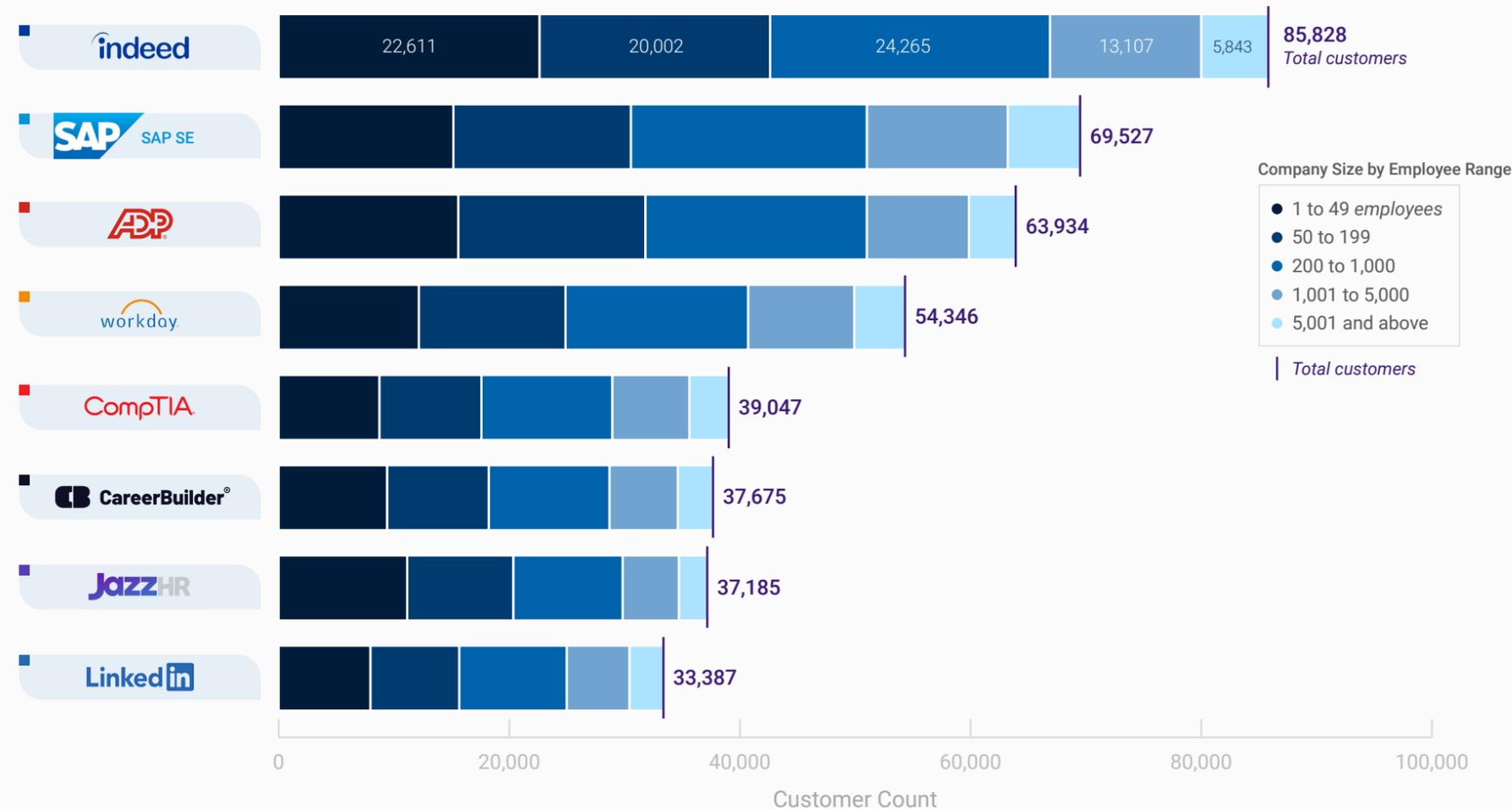
Source: HG Insights data

INSIGHTS

Human Capital Management (HCM) software packages cover a wide range of tasks, from recruitment and talent management to reporting and compliance. Indeed has the largest customer base of any HCM vendor with nearly **89,000** buyers – over **20%** of the total buyers illustrated here. (Note that customer count data is not indicative of revenue, and many of these vendors – like Workday – are some of the fastest-growing and most successful businesses in 2023.)

Chapter 5: Sourcing & Procurement Vendors in Focus

Leading Sourcing & Procurement Vendors

Vendor	Customers
SAP SE	75,118 customers
DocuSign, Inc.	57,768
Coupa Software, Inc.	40,182
Oracle Corporation	31,685
JAGGAER, LLC	12,957
Conga	11,740
Manhattan Associates, Inc.	10,238
Salesforce.com, Inc.	9,777
Ivalua, Inc.	9,320
GEP	8,586

Customers (x-axis: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000, 70,000, 80,000)
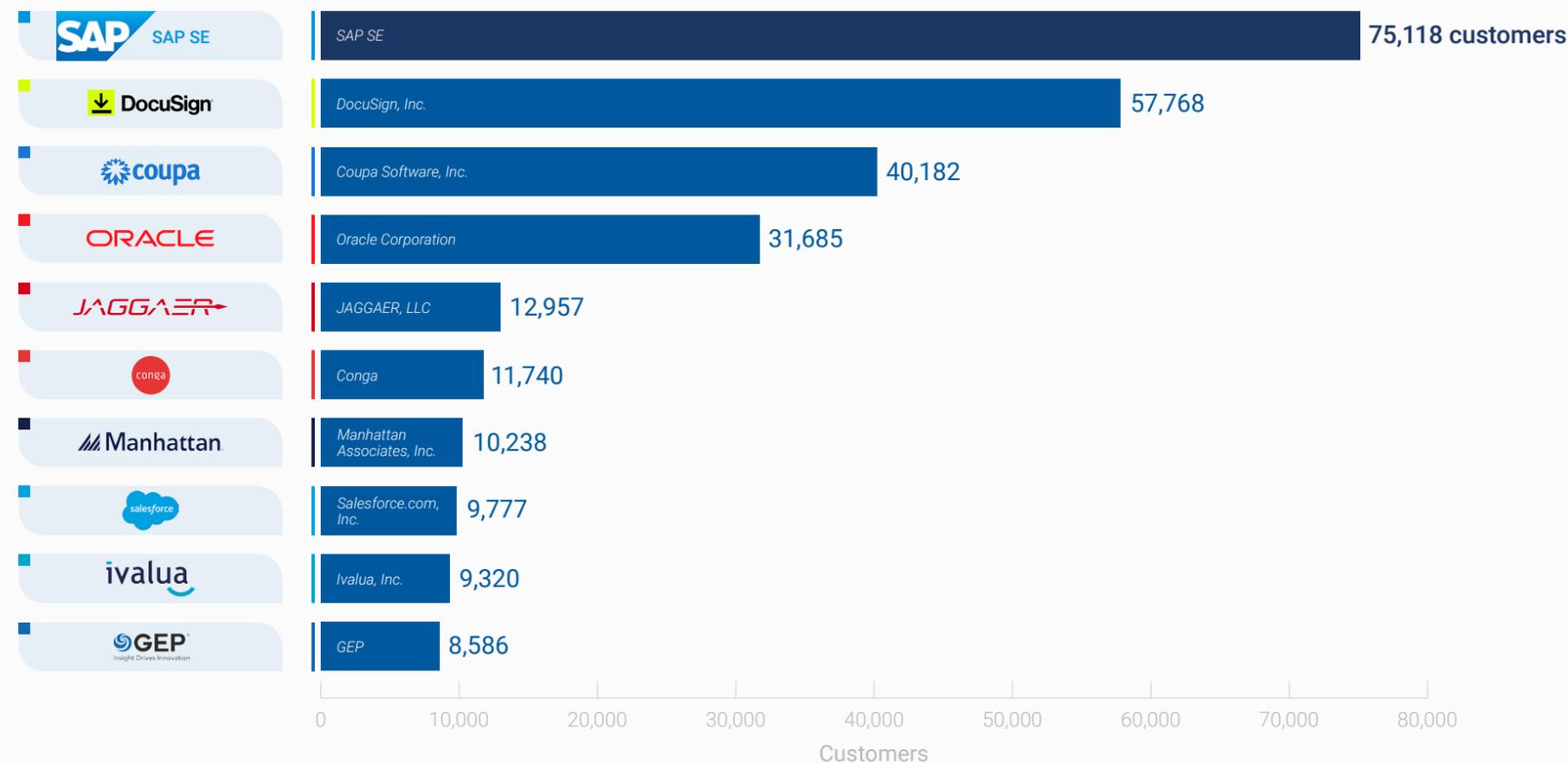
Source: HG Insights data

INSIGHTS

According to HG data, spending on sourcing and procurement software will reach **$21.3 billion** on CRM products over the next 12 months, accounting for **11.6%** of total ERP spend.

The leading Sourcing and Procurement vendor by customer count is Germany-based SAP, with an HG-verified customer base of **75K**.

Sourcing and Procurement is a function that can be leveraged to uncover savings opportunities during difficult economic periods; however, the vendors behind these systems have faced challenges of their own in the last few years. Nearly all of the vendors in this list underwent significant layoffs in 2022 or 2023.

Leading Project & Portfolio Management Vendors

| Vendor	Customers
Atlassian Pty Ltd	149,299 customers
Microsoft Corporation	125,360
Oracle Corporation	68,160
SAP SE	38,896
Planview, Inc.	32,242
Adobe, Inc.	30,305
The Apache Software Foundation	25,831
Wrike, Inc.	23,955
Monday.com, Ltd.	23,533
Airtable	22,734
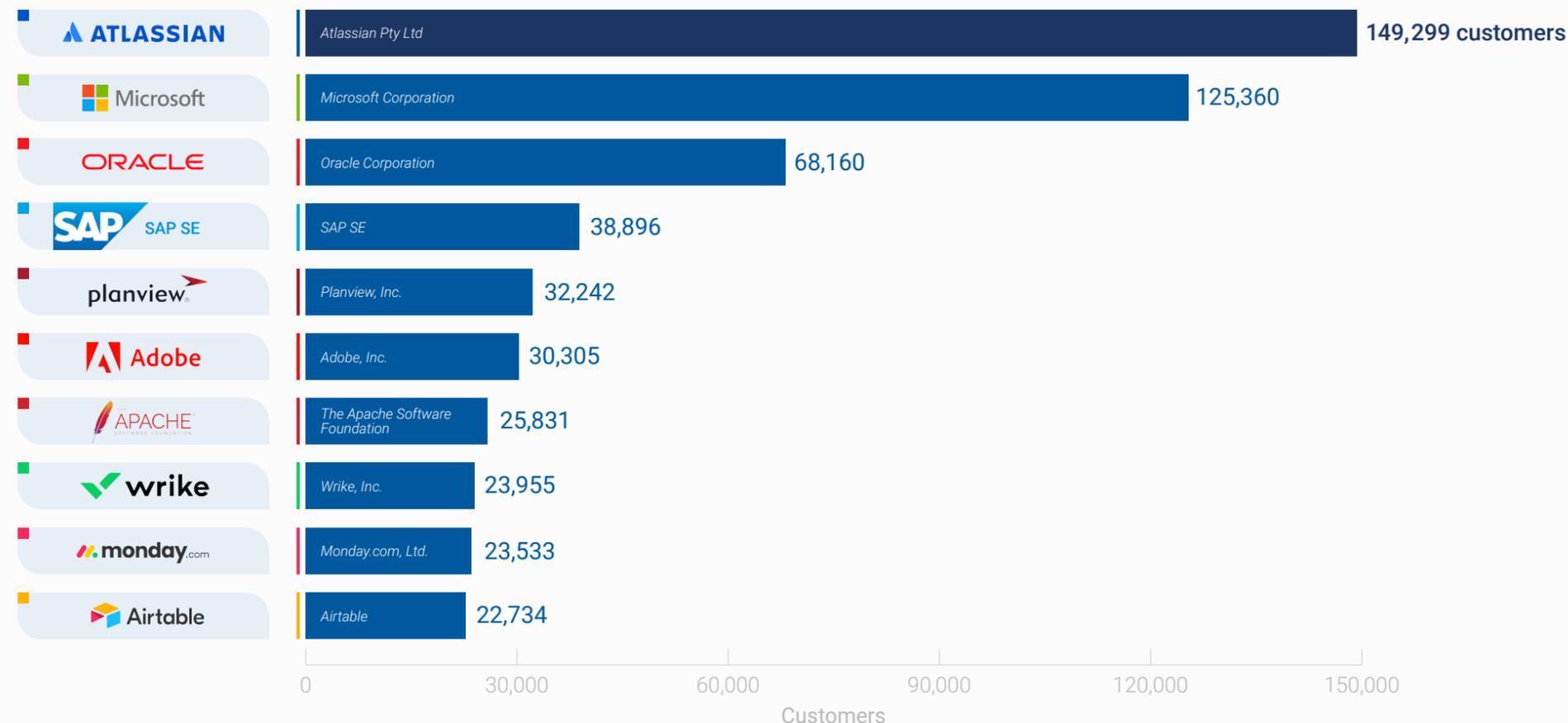
Customers

Source: HG Insights data

INSIGHTS

HG data estimates that software buyers will spend **$21.1 billion** on Project and Portfolio Management tools over the next 12 months, **11%** of the total ERP category.

In terms of customer count, Atlassian and Microsoft dwarf the other vendors in this category, with **149K** and **125K** customers, respectively. This comes out to about **half** of all customers served by this set of providers.

Leading Supply Chain Management Applications Vendors

Vendor	Customers
SAP SE	82,289 customers
Oracle Corporation	40,351
Blue Yonder, Inc.	32,856
Conga	14,151
Manhattan Associates, Inc.	12,551
Infor, Inc.	11,579
Salesforce.com, Inc.	11,518
Kinaxis, Inc.	10,113
Avetta, LLC	9,886
Aspen Technology, Inc.	9,718

Customers (axis: 0 – 20,000 – 40,000 – 60,000 – 80,000 – 100,000)
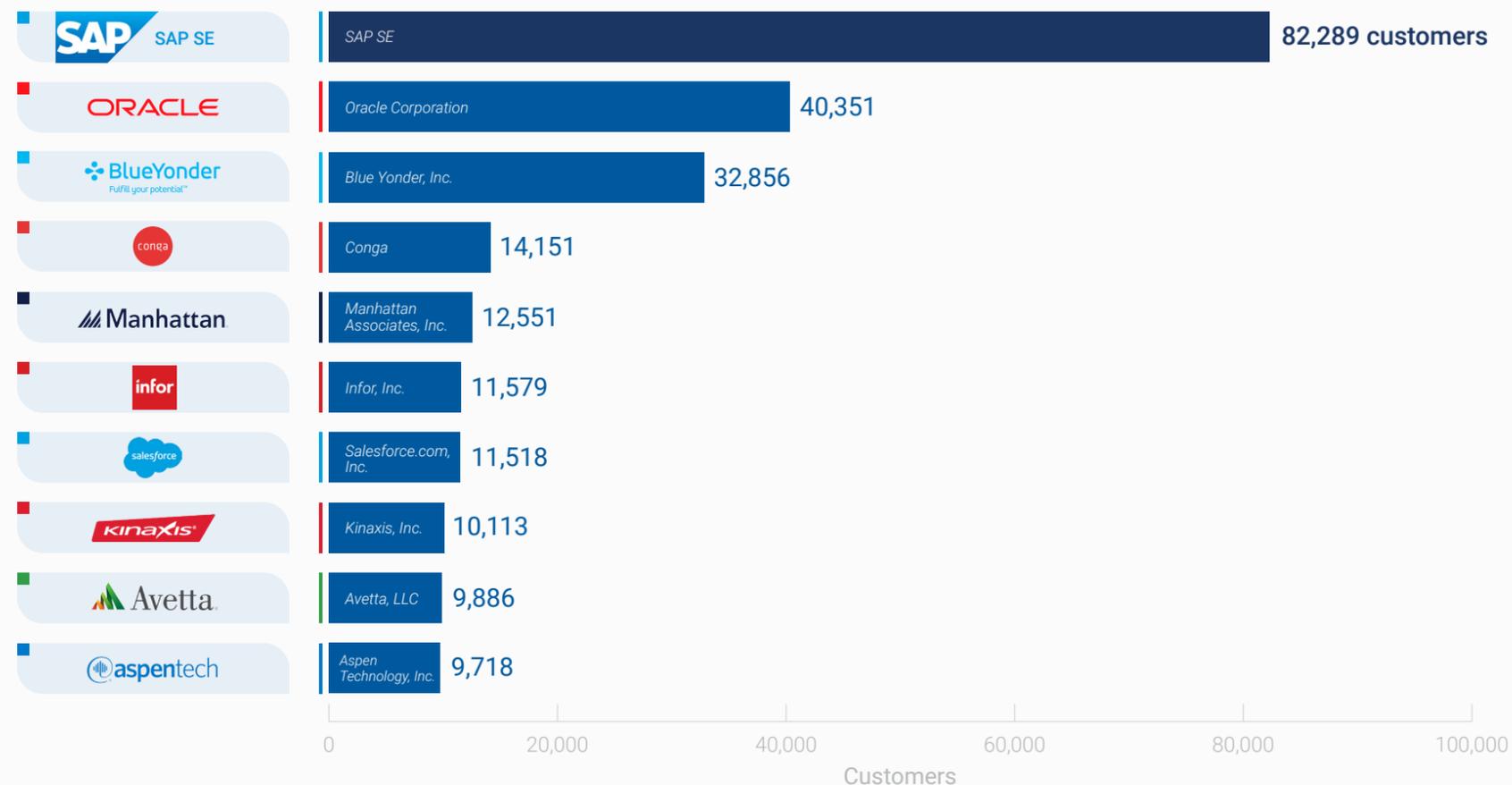
Source: HG Insights data

INSIGHTS

Buyers are projected to spend **$12.4 billion** on Supply Chain Management applications over the next 12 months. When looking purely at customer base size, SAP is the clear leader, with over **2x** the customer count of the next leading provider, Oracle.

Although these are the top ten providers by customer count in this subcategory, there are plenty of other exciting vendors to keep an eye on. The G2 rankings for supply chain management software feature a number of providers not listed here, including GMDH Streamline, Coupa, and Solvoyo.

Leading Manufacturing Product Lifecycle Management Vendors

Vendor	Customers
Siemens AG	31,787 customers
PTC, Inc.	18,736
SAP SE	15,113
Infor, Inc.	7,360
Siemens Industry Software, Inc.	6,232
MasterControl, Inc.	6,198
Rockwell Automation, Inc.	5,844
Oracle Corporation	4,204
Dassault Systemes SE	4,178

Customers (x-axis: 0, 5,000, 10,000, 15,000, 20,000, 25,000, 30,000, 35,000)

(Unspecified Product)

Source: HG Insights data
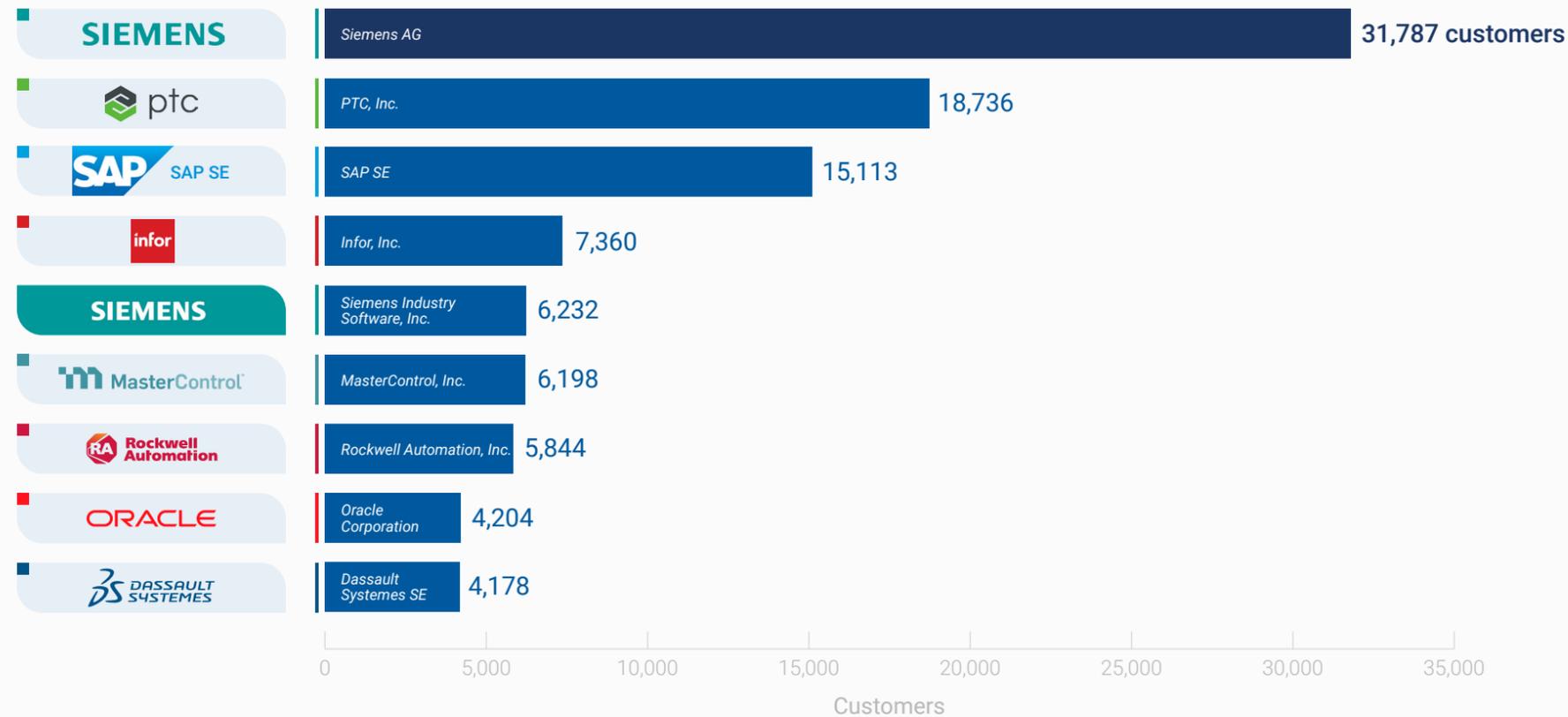
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HG data indicates that the manufacturing Product Lifecycle Management (PLM) subcategory is about the same size as Supply Chain Management applications, with a projected **$12.4 billion** over the next 12 months.

The ten leading manufacturing PLM providers can be seen in this chart. Looking only at customer count, there are three main groupings: Siemens, the clear leader, with about **32K** customers; the next three vendors – SAP, MIT, and PTC – in the **15K to 19K** range; and the rest of the providers with **7K** customers or less.

Leading Distribution Management Vendors

Vendor	Customers
SAP SE	58,553 customers
Oracle Corporation	20,274
Blue Yonder, Inc.	6,103
IBM Corporation	5,739
Lytx, Inc.	4,696
PROS, Inc.: 4,077	
BluJay Solutions, Ltd.: 4,046	
Omnitracs, LLC: 3,832	
Swisslog Holding AG: 3,264	
ShipStation, Ltd.: 2,983	

Customers axis: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000
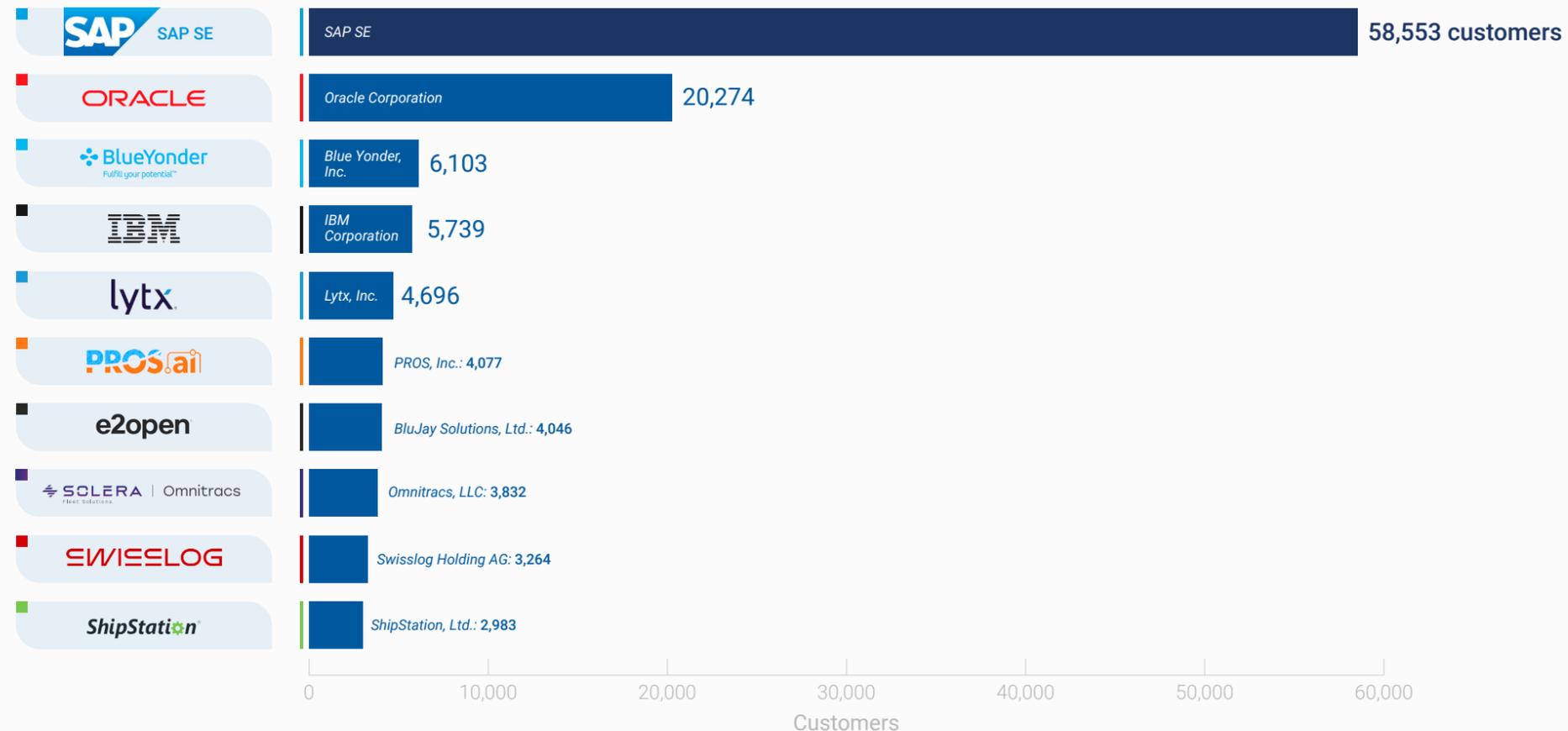
Source: HG Insights data

INSIGHTS

Even as the smallest ERP subcategory, the Distribution Management market is substantial, with HG data showing **$5.7 billion** in projected over the next 12 months.

SAP captures over half (**51.6%**) of the customers served by the leading ten providers. SAP is also the only vendor to be present on the leading vendors list by customer count for **all** the subcategories in this report.

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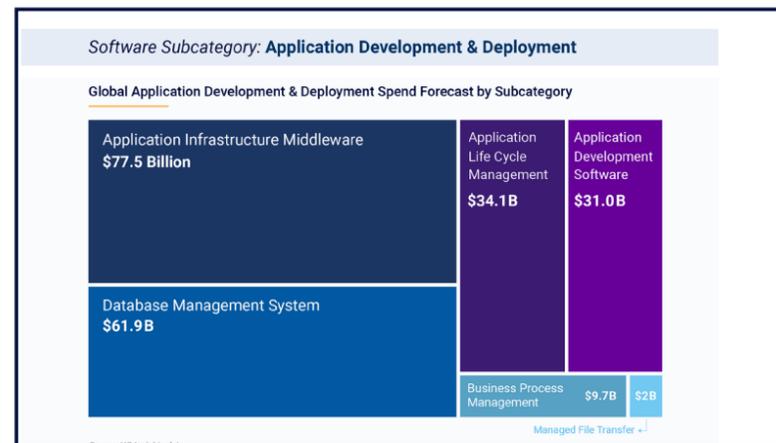
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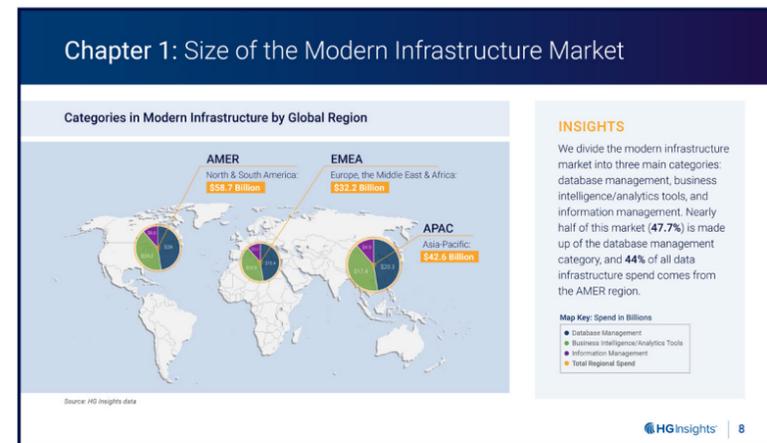
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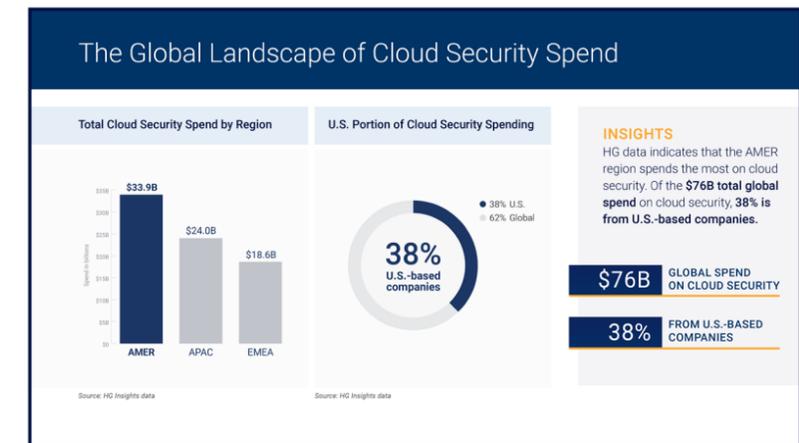
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