Investec

The Agentic Revolution: Enterprise Software on the road to Autonomy

- Investec Whitepaper

OUT OF THE ORDINARY

Investec Foreword

At Investec Software, we have worked with a lot of clients that shaped Enterprise Software. With decades of transaction experience across Business Process Management, Automation, Workflow and adjacent fields, one of our core focuses lies in the layer of the Enterprise Software stack that will be most transformed by autonomy - where orchestration, intelligence, and value creation converge.

Long before agentic AI became a headline term, we saw its foundations being laid by the companies we advised, and it is now that the industry reaches a pivotal moment. This gives us a unique perspective on the future of Enterprise Software, and we are aspiring to leverage this position to support the next generation of software leaders.

Agentic Themed Transactions

eagle eye acquired UNTIE NOTS	ALLOCATE sale to Hg	SILVERLINK sale to ALCIDION	Postlight sale to NTT DATA	kainos IPO LONDON STOCK EXCHANGE	gcp acquired Robiquity
Loyalty software	HR & payroll software	Healthcare software	Digital engineering & data intelligence	DX and Workday software	Intelligent automation services
ActiveOps IPO AIM	blueprism sale to SS&C	zest sale to fpe	* INVUS funding bizagi	* SUMMIT PARTNERS funding SIGNAVIO	* Apax funding SIGNAVIO
Workforce optimisation	Digital workforce automation group	Workflow and HR self-service	Business process management and automation	Business process management	Business process management

** Respective deals have been advised by current Investec employees in former roles*

Executive Summary

Enterprise Software is on the cusp of its most profound transformation since the shift to the cloud. The next, already strongly emerging wave is agentic AI: systems that reason, plan, and act autonomously. The Autonomous Enterprise is no longer science fiction—it is fast becoming an achievable horizon.

This view is echoed by leading research desks: Goldman Sachs sees agentic AI expanding the software market by over 10%, Morgan Stanley calls it a new value layer redefining SaaS efficiency, and Citi Research envisions an enterprise powered by autonomous agents within CRM, ERP, and BI.

Together, this early but growing body of research reinforces a single conclusion: the next structural evolution in enterprise software will be built around autonomous systems that not only assist humans but execute, learn, and govern within defined business objectives. We take this a step further, identifying that agentic AI requires not a bolt-on integration but a fundamental re-architecture of the enterprise software stack—and we provide evidence that this transformation is already underway.

This is further evidenced by investors already pricing in the disruptive potential of AI-native models, rewarding companies that create the building blocks that enable true autonomy into their core architectures and products.

What is Agentic AI in Enterprise Software

Agentic AI refers to software systems capable of understanding goals, reasoning over context, and autonomously executing tasks across applications and data environments. Unlike predictive or assistive AI, agentic systems combine perception, reasoning, planning, and action in closed feedback loops.

- The overall Enterprise Software segment looks healthy with growth, margin and multiples having normalised and poised for growth.

- AI premiums are already visible: companies built for agents command valuation multiples roughly 30% higher than traditional SaaS peers, as investors re-rate software markets—median SaaS valuations sit around 6.7× ARR (vs. 4.7× long-term), while AI-native firms consistently trade above 8.0×, reflecting expectations of structurally higher growth and defensibility.
- Business Process Management segment (BPM) sends mixed signals though, with strong historic and expected growth but multiples not reflecting the growth prospects and margin potential of the sector.
- Our market insight and research based on historic and current mandates in the BPM space indicates that there is an increasing battle and insecurity among the future role of BPM as a potential area for disruption, with a very urgent need to successfully evolve into Agentic BPM (ABPM), the orchestration layer that enables agents to manage processes end-to-end.
- Traditional SaaS providers must transform or risk being bypassed in the agent-driven economy, a shift of valuation metrics and redefinition of KPIs is already underway.
- The shift also creates white space for vendors operating near the BPM core and for new entrants that master the enabling layers of agentic AI — from orchestration and governance to frictionless end-user delivery.
- Next to the usual US incumbents, European and German champions are uniquely positioned — but must act decisively.
- Sovereignty concerns may play to the advantage of Europe and create opportunity as well as strong incumbents in the European and particularly German Business Process space, serving primarily industries that are very process heavy.

Our thesis: The future of Enterprise Software goes beyond incremental AI add-ons — it is a re-architecting around agents. The winners will master context, orchestration, outcome-based economics, and the governance of autonomous systems. And most importantly the ultimate agentic software delivery to the end user, which is going to be orders of magnitude more complex than delivering just software.

1. Setting the Scene: Why the Autonomous Enterprise matters now

Enterprise Software is entering its deepest transformation since the cloud era. The rise of agentic AI - systems that can reason, plan, and act across complex workflows — is beginning to rewire both the economics and the competitive dynamics of the sector. The idea of the Autonomous Enterprise is no longer distant: it is becoming tangible.

- BPM, as the coordination layer linking ERP, CRM, HCM, and Finance, faces direct competition from AI-native orchestration systems — yet it also provides the structural foundation they depend on. Markets are differentiating sharply: vendors tied to static workflow engines are losing relevance, while those embedding process mining, semantic orchestration, and adaptive policy layers are gaining ground. BPM is currently crystallizing as the transition layer, providing opportunities but also risks.

- Thereby, the BPM perimeter is being challenged on multiple fronts: RPA, workflow automation, and low-code/no-code platforms are converging toward orchestration, eroding the boundaries that once defined process management. Each comes from a different angle—RPA from task execution, low-code from developer enablement, BPM from governance and compliance—creating overlap and pressure across categories. This convergence is reshaping BPM into the connective tissue of enterprise automation. Lastly, Hyperscalers and U.S. SaaS are increasing focus on orchestration. Microsoft, AWS, and Google are embedding agent orchestration into their AI platforms, aiming to subsume BPM’s role directly into productivity suites and cloud layers. At the same time, automation specialists like UiPath, ServiceNow, Appian, and Pegasystems are repositioning themselves as orchestration backbones. The battle is global — and the margin for error in Europe is thin.

Point of View: The winners in this revolution will not be those layering AI features onto legacy SaaS. They will be the firms willing to re-architect entirely around agents: shifting from seats to outcomes, from static workflows to dynamic orchestration, from human-driven processes to continuously optimizing systems.

This matters because it changes the game on multiple axes:

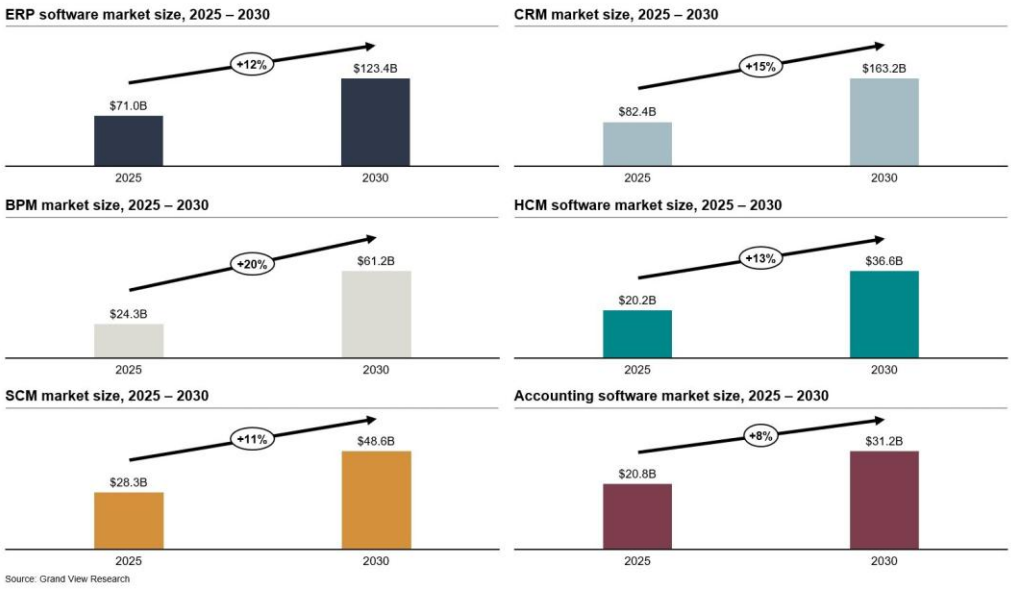
- **Marginal cost collapse**: Continuous automation reduces incremental delivery cost. As agents operate without human bottlenecks, scale efficiency improves, and gross margins expand autonomously over time.
- **Real-time responsiveness**: Decision cycles compress from hours to seconds. Agents observe, reason, and act continuously, enabling live process optimization and faster enterprise reflexes.
- **Outcome-based value capture**: Economic value shifts from seat-based usage to measurable outcomes-process completions, savings, or revenue lift. Pricing models evolve around delivered results, not licenses.
- **System leverage**: Trust, autonomy, and ecosystem scale reinforce each other. Transparent governance accelerates adoption; reduced human oversight scales profitability; open orchestration layers and SDKs attract third-party innovation, compounding network effects.
- **Data moat intensification**: Proprietary process intelligence becomes the durable advantage. Systems that learn from context and history create self-reinforcing performance loops that are difficult to replicate.

It is important to understand, that categories in Enterprise Software are unevenly exposed. Understanding vulnerability and their agentic potential is important as many are complements by AI and some compete with AI, the distinction is hard but important.

2. Market Size, Momentum & Valuation Shifts

The Enterprise Software Market

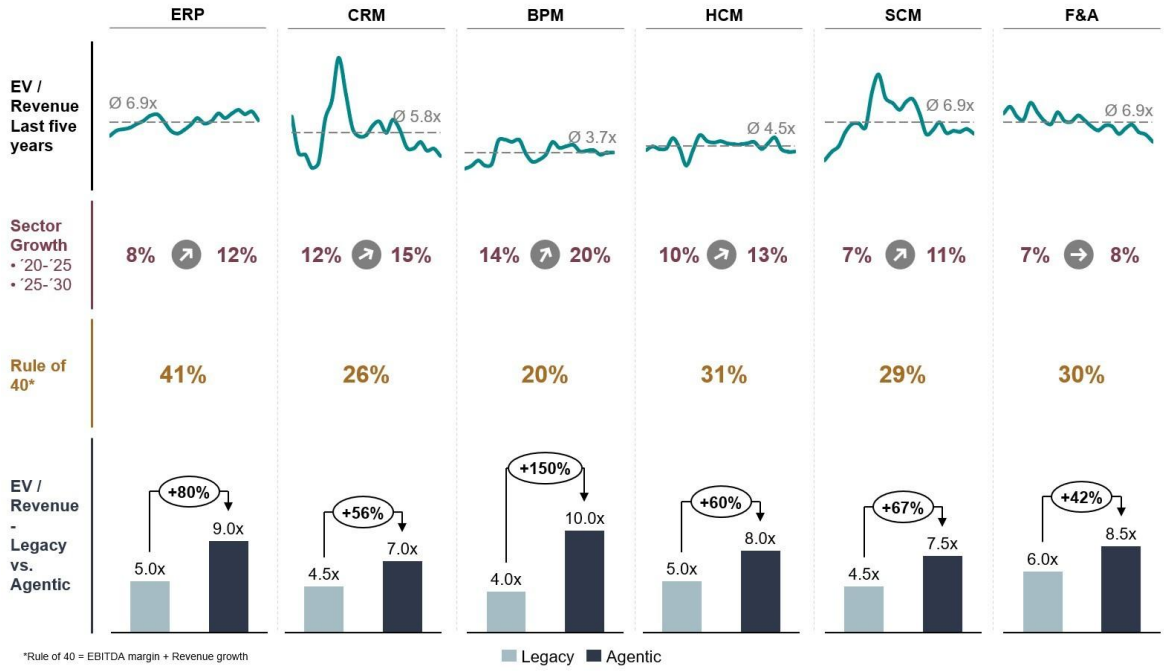
The global Enterprise Software market, valued at $247 billion in 2025, is projected to nearly double to $464.2 billion by 2030, reflecting a strong ~13.5% CAGR. Within this landscape, ERP with today $71 billion and CRM $82.4 billion remain the largest segments, driven by digital transformation and integrated AI capabilities. However, the most dynamic growth is expected in Business Process Management (BPM), which is forecasted to expand by ~20% CAGR to $61.2 billion, signaling a shift toward orchestration and autonomy in workflows. Supply Chain Management (SCM) and Human Capital Management (HCM) also show robust growth at 11% and 13% CAGR, respectively, as enterprises prioritize resilience and workforce optimization. In contrast, Accounting software grows more modestly at 8%, indicating maturity and commoditization. The pattern suggests that segments enabling process intelligence and agentic automation (BPM, CRM, ERP) will capture disproportionate value.



The broader Enterprise Software market (SaaS + on-prem) is outpacing overall IT growth, fueled by AI infusion and digital transformation. Look closer, and you'll see more than meets the eye — segments like BPM and CRM are accelerating fastest, reshaping workflows and value creation.

Understanding what drives this shift is key for founders and investors navigating the next era of autonomy in Enterprise Software.

Overview of key software segment market valuations:



But growth is not the same as security. Categories differ sharply in their exposure to agentic AI disruption:

Enterprise Software valuations have moderated amid macro uncertainty and elevated interest rates, redirecting investor attention from pure growth to profitability, cash generation, and operational resilience. Multiples are likely to recover selectively — favoring segments where structural growth drivers remain intact and autonomy creates defensible moats.

Within this landscape, ERP, CRM, and BPM stand out as mission-critical categories transitioning toward agentic architectures. Rule-of-40 analysis highlights ERP vendors as margin leaders, while BPM and CRM players trade profitability for reinvestment — depressing near-term valuations but positioning them for upside as automation and AI lower cost-to-serve.

Legacy BPM solutions face steep discounts; static workflows have become brittle in contrast to agentic, self-adapting orchestration layers. CRM remains relatively resilient, supported by AI-driven personalization and engagement, while ERP incumbents must accelerate their shift toward autonomy to prevent long-term margin compression.

Looking ahead, BPM and CRM represent the most dynamic mix of growth potential and disruption risk — drawing renewed attention from strategic investors and hyperscalers. The next valuation premium will likely accrue to those proving to be “agentic-ready” platforms.

The Battle Lines

Here lies the red line: ERP, CRM, HCM, SCM, and Finance each face adjacent risk - agents augment, extend, or automate within their domains. BPM may face direct substitution risk. Its core value proposition, orchestrating workflows across systems, is now the very function agents natively perform, dynamically and without pre-coded workflows.

The market has already begun to separate winners and losers: CRM enjoys premium valuations because AI looks additive; ERP multiples remain cautious but stable; HCM and SCM attract solid growth capital. In contrast, BPM valuations for legacy players are under pressure, with investors rewarding agentic-ready pivots and pricing transition risk more aggressively.

The SaaS Maturity Trap

Core SaaS markets are hitting saturation. Customer acquisition costs keep rising, features blur across competitors, and growth relies more on sales muscle than innovation. Workflow automation — through bots, rules, or RPA — has not solved the problem. These tools are brittle, costly to maintain, and break whenever processes shift.

This is the maturity trap: incumbents keep layering incremental features while the true frontier moves on. The next wave is AI-native orchestration that can live without pre-coded workflows. SaaS vendors that fail to escape the trap risk irrelevance; those that pivot can redefine themselves as orchestration backbones in the age of the autonomous enterprise. In turn recurring revenues or SaaS revenues will evolve into autonomous recurring revenues, a new category that is yet to be properly priced by investors and the market.

3. BPM in the Line of Fire

Business Process Management (BPM) is the category most directly threatened by agentic AI. BPM's core purpose — orchestrating workflows across systems — can now be performed by agents that interpret goals, plan dynamically and adapt in real time, without pre-coded workflows. While most categories face adjacent automation risk, BPM faces direct substitution: its foundational function is being replicated and extended by agentic systems.

Why BPM is exposed:

- **Direct threat:** Agents natively execute orchestration (goal-driven planning, dynamic routing) that BPM engines were designed to coordinate.
- **Architectural weaknesses:** Static workflow engines, heavy middleware dependence, poor UX and weak lock-in historically made BPM slow to scale and easier to replace.
- **Neighbouring sub-segments:** Low-code/no-code, automation, and workflow vendors will aggressively attack flanks left by legacy players, reshaping competitive dynamics.
- **Competitive pressure:** Hyperscalers are embedding agent orchestration in productivity suites; AI-first startups and process-mining vendors are moving into execution; ERP/CRM vendors are folding orchestration into their stacks.

Threat creates Opportunity — BPM as the Natural Foundation for Agentic AI

The same forces that define success in the delivery layer now determine the fate of BPM. As orchestration becomes intelligent, adaptive, and user-driven, BPM's traditional strength in coordinating structured workflows risks obsolescence unless it evolves. Yet the same vulnerabilities that expose legacy BPM, static workflows, rigid integrations, limited delivery reach, also position it uniquely to lead.

By transforming into an Agentic BPM (ABPM):

BPM	ABPM
• **Architectural position** already above ERP, CRM, HCM, SCM, Finance, coordinating cross-system processes	• **Operating layer for agents** running end-to-end processes with goal-based orchestration
• **Process-Centric DNA** executes processes while ERP stores data, CRM tracks customers, HCM manages people	• **Embed autonomous and dynamic execution** with self-healing via real-time decisions and exception handling
• **Flexibility & Adaptability** adapts workflows instead of hard-coded rules, enabling continuous orchestration	• **Continuous learning** as process-mining feedback turns corrections into training data
• **Cross-System Integration** bridges silos today and can move from scripted links to true cross-app flow	• **Semantic orchestration** replacing fragile connectors across APIs, UIs, and data
• **Compliance & Governance** provides audit trails and oversight, safe base to extend with AI	• **Explainable autonomy** with action provenance on who, why, and outcome plus built-in compliance
• **User Delivery Layer** defines user task flows, ready for conversational, multi-modal delivery	• **Embedded agent experiences** in Teams, Slack, Outlook, Salesforce so AI is felt at the point of work

Source: Investec research

Agentic BPM must strive to unify reasoning, learning, and delivery into a single orchestration layer. It must interpret intent, coordinate across ERP, CRM, and SCM through semantic understanding, and extend into the delivery layer where users work, turning process intelligence into visible action. The delivery layer is the new customer of agentic AI infrastructure and the proving ground for adoption and value. BPM vendors face a clear choice: remain middleware or become the control plane owning the strategic layer where intelligence meets execution.

4. Winning the user: The delivery layer will make Agentic AI truly organic

Agentic AI will be won where agents meet people — at the delivery layer. Success depends on both solid architecture and infrastructure as well as a seamless user experience. Without reliable orchestration, data, and governance foundations, even elegant interfaces fail. Without trust, speed, and clarity, users and hence corporates will not adopt.

The delivery layer connects all building blocks and allows to turn adoption into enterprise ROI.

If the thesis holds and the delivery layer becomes the decisive battlefield, then mastering its full architecture — the technical, human, and organizational enablers that unlock its potential — is essential to understanding where the next wave of value will concentrate. By mapping what drives superior delivery-layer performance, one can identify the subsegments and product categories best positioned to capture disproportionate returns. The process is already underway, as these core pillars have already provided birth to very successful software challengers.

A superior delivery layer is defined by the following key dimensions of performance and adoption readiness.

Five core categories enabling delivery-layer superiority:

Core categories	Key functionality	Leaders	Challengers (EU)
Native Integration	Embeds AI into existing workflows via enterprise integration platforms, semantic connectors, and secure identity management. Bridges ERP, CRM, SCM, and Finance through APIs or UI automation, meeting users where they work while preserving context and enabling seamless cross-system orchestration.	SAP, MuleSoft, okta, zapier, ORACLE, Moveworks, workato	Lovable, n8n, make, PIMCORE, Monite, cisbox, WIDAS, enventa, sycor, babelforce, MACH, onventis, FOCONIS, elastic, nlumio, TAXDOO
Intuitive Interface & UX Differentiation	Delivers consumer-grade experiences through conversational AI, voice, and multi-modal interfaces that replace forms. In-app guidance and contextual nudges reduce training time. Fast, consistent copilot interfaces drive daily adoption, increase first-time-right rates, and ensure new workflows stick.	Microsoft, Harvey, INTERCOM, glean, walkme, Adobe, Copilot	Parloa, simplifier, rexx systems, Circula, Staffbase, compleet, userlane, OMNEVO, Userlike, RASA, HR WORKS, connect, COGNIGY, WorkMotion, HERO
Trusted Autonomy & Governance	Provides transparent explainability showing data sources, rules, and goals behind every decision. Built-in compliance with automated audit trails and policy enforcement. Human-in-the-loop controls with approval gates and overrides protect regulated processes while enabling controlled autonomy scaling.	IBM, fiddler, servicenow, workday, Arthur, data iku, scale	DataGuard, HAWK:AI, cleverso, heynata, Rencore, kertos, HYPE, PERBILITY, GFOS, SEP, nexos
Intelligent Orchestration	Enables agents to detect triggers, learn patterns, tag exceptions, and execute multi-step workflows autonomously. Coordinates specialized agents for complex goals. Semantic engines understand business intent, adapting to context and routing decisions based on meaning versus rigid rules.	UiPath, PEGA, aws, appian, LangChain, Adept, Relevance AI, Humanloop	BRYTER, blueprism, deepse, bizagi, workist, Candis, ENGINSIGHT, wandelbots, QITS, JobRouter, shyftplan
Continuous Intelligence	Uses process mining to detect bottlenecks in real-time. RLHF infrastructure captures corrections to retrain agents, transforming static flows into self-improving systems. Tracks cycle time, cost, quality, and reliability to prove ROI and enable outcome-based pricing models.	CISCO, SIERRA, snowflake, Hebbia, OBSERVE, celonis, ABB, databricks, Weights & Biases	MOSTLY AI, NYLINE, Ingentis, jedox., grayleg, moss, checkmk, tis, BILLWERK+, odoscope, acodis, hsbcad, Hypatos, sifflet, ibo, KNIME

Source: Investec research

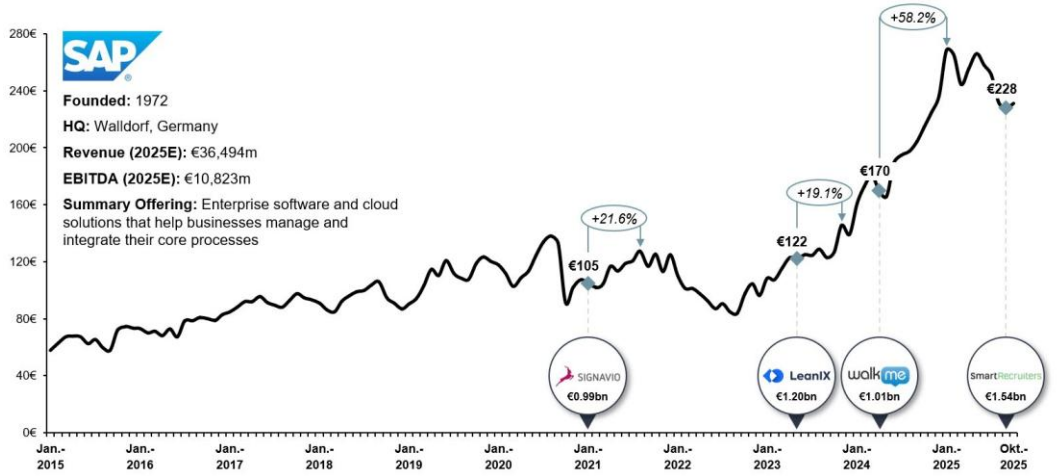
Owning orchestration alone is insufficient, vendors must combine a trustworthy agent runtime with seamless delivery and governance. Expect M&A and consolidation to accelerate getting the building blocks and plumbing in place, enable vendors excel delivery at scale.

5. *Taking a close look SAP's Blueprint - The Joule Architecture*

SAP's trajectory exemplifies how incumbents can translate structural risk into architectural control, a pattern likely to define the next decade of Enterprise Software evolution. It may hence be an early example of one of the largest software vendors executing its agentic-AI shift.

SAP has moved from ERP vendor to potential enterprise orchestration platform by acquiring capability layers that, once assembled, form the basis of a unified agentic architecture. SAP's approach shows how disruption risk can be turned into strategic advantages.

SAP´s spree-of-acquisition strategy on Agentic AI is appreciated by capital markets:



Source: SAP

Recent SAP Acquisition Chronology and Strategic Fit

- **Signavio (2021):** Acquired process-mining and process-data capabilities — the "ground truth" of enterprise workflows that agents require.
- **LeanIX (2023):** Enterprise-architecture mapping that provides a blueprint for agents to navigate heterogeneous application landscapes.
- **WalkMe (2024):** Digital adoption and UI/UX layer to secure the last mile between automation and human workflows.
- **SmartRecruiters (2025, pending):** Vertical testbed (HR or HCM) to prove end-to-end orchestration in people-centric processes.

Each acquisition fills a distinct architectural gap — process data, topology mapping, user adoption, and vertical orchestration — enabling SAP to assemble an end-to-end agentic stack.

The SAP Joule Architecture consists of four core components: Copilot, a conversational interface that enables seamless human–agent dialogue; Agents, specialized executors designed for domains such as finance, HR, and supply chain; Studio, a low-code environment for building and customizing these agents; and the Knowledge Graph, which serves as the connective tissue providing business context and coherence across all interactions.

Together these components position SAP to offer a runtime where agents plan, execute and learn across enterprise systems.

Building the North Star with a fallback layer of value

SAP's acquisition strategy operates on two axes: a forward bet on becoming the orchestration core for autonomous enterprise operations, and a pragmatic reinforcement of its current stack. Each acquisition advances the agentic architecture while securing near-term competitiveness. Signavio and LeanIX supply process and system intelligence that feed both autonomous and traditional ERP layers. Joule functions as the agentic interface, enabling contextual, conversational execution while enhancing current UX.

This dual logic ensures resilience: if full autonomy materializes, SAP leads; if adoption lags, the portfolio still yields structural gains in efficiency, integration, and competitive positioning. In essence, SAP is future proofing its platform while reinforcing its present.

Key areas to mitigate challenges and double-down on the Joule vision

Given SAP's massive bet on agentic AI, it is unlikely the company will stop its M&A push here. The most pressing need is to de-risk integration, drive Joule's adoption and execution, with following areas standing out:

- Data governance & compliance to win trust in regulated markets.
- Security & identity to avoid the "black box" perception.
- Execution runtime to secure the last mile of automation.
- These elements create a secure foundation; additional vertical AI models and developer ecosystems will follow once the foundation is proven.

Successfully mastering this would allow SAP to both mitigate disruption risks and capture the valuation premium currently enjoyed by AI-native enterprise platforms. Moreover, it opens the door to directionally transforming recurring revenues into autonomous revenues over time, a trajectory already visible among agentic frontrunners such as ServiceNow and UiPath, where market valuation levels and metrics are yet to be established.

6. The next 5 years: 2030 Vision & Strategy

By 2030 agentic AI will move beyond copilots to become true co-workers, running many enterprise processes end-to-end. A small number of orchestration backbones will dominate, while vertical marketplaces will emerge for plug-and-play agents in finance, HR and supply chain. Work will shift toward human–agent symbiosis: people will focus on supervision, governance and design rather than transaction execution. The winners will not be those racing to launch models, but those building trustworthy, transparent and configurable systems.

2030 Agentic AI Predictions:

- **Doubling of the global software market value:** 20% of autonomous revenues suffices as autonomy scales like code: running virtually forever at near-zero cost, unlocking perpetual productivity and reshaping the economics of software.
- **"Chief Agent Officer" will be a mainstream C-suite role:** Within five years, a significant share of large enterprises will appoint an executive responsible for agent governance, configuration and ethics.
- **Open agent marketplaces will erode vendor lock-in:** Companies will increasingly source specialised agents (recruiting bots, cash-flow agents, compliance bots) from marketplaces, reducing reliance on single-vendor stacks.
- **Agents will drive the majority of system activity:** By 2030, agents — not humans — will account for most API calls and automated transactions; humans will supervise dashboards and exception handling.
- **Agent productivity will become a standard macro metric:** National and international statistical agencies will start reporting "agent workforce equivalents" alongside traditional labour metrics.

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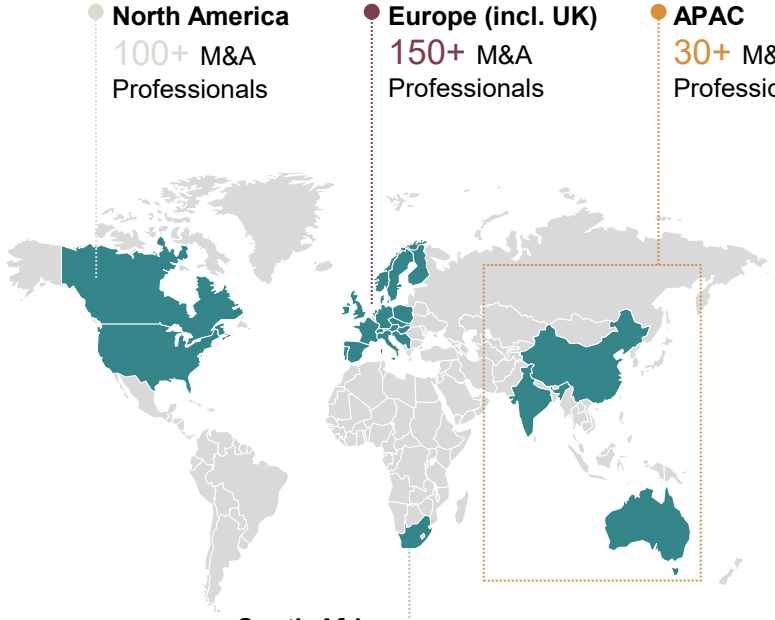

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