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Enterprise Shift: From Legacy Models to AI-First Platforms

AI is remaking enterprise software. Traditional vendors, AI startups and hyperscalers are converging, competing and collaborating at the same time. Providers that don't move fast will be left behind.

Why it matters

Three forces are colliding to reshape the market:

Incumbents are under pressure. ERP, CRM and SCM markets are being upended. Incumbent providers must evolve their roadmaps rapidly or cede ground to AI-native startups drawing venture capital.

Customers demand outcomes, not licenses. They want integrated, outcome-driven solutions with openness, interoperability and pricing transparency that no single provider can deliver alone.

Data is the new differentiator. Enterprise context and proprietary data are the foundation of trusted AI and the primary force driving competitive convergence.

The 5 shifts

01 Applications → Experiences and Platforms

From: Rigid systems burdened by technical debt and outdated interfaces

To: Scalable, AI-powered platforms built for agentic workflows where customers and partners can extend core capabilities

The risk of standing still: Vendors that bolt AI onto legacy architecture without rethinking the entire application design will fall behind a new wave of AI-native competitors.

02 Walled Gardens → Open Ecosystems

From: Siloed data locked down by single providers — where only that vendor captures the benefit

To: Connected data with open interoperability, enabling partners and customers to build richer, AI-powered experiences

The risk of standing still: No single provider has all the data customers need. Locking it down drives customers away faster in the AI era.

03 Complementary Partners → Competitive Partners

From: Static, clearly defined partner roles

To: Dynamic co-innovation where the partner/competitor line shifts customer by customer

The risk of standing still: Providers that don't deeply understand their value proposition within each customer's ecosystem risk being displaced by more agile collaborators.

> "Adding AI onto existing processes is a trap."
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04 Process Automation → Delivered Outcomes

From: AI layered onto existing, calcified business processes

To: AI-reimagined workflows built from the ground up — delivering breakthrough business outcomes

The risk of standing still: Incremental AI additions create a widening capability gap vs. AI-native competitors that design for outcomes first.

05 Consumption-Driven → Value-Driven Pricing

From: Rigid, user-based SaaS subscription models

To: Flexible, consumption- or outcome-based pricing tied directly to delivered business value with the predictability customers need to scale AI adoption

The risk of standing still: Traditional pricing shows signs of strain as enterprise customers grow more cost-conscious. Providers already moving to hybrid models — coupling user-based pricing with consumption-oriented licensing — are gaining ground.

What providers must do

Open up.

Build ecosystem relationships that prioritize openness and interoperability over closed, proprietary approaches.

Reprice for value.

Align pricing and delivery models for AI to actual usage and delivered value — with the transparency and predictability customers need to scale.

Own your data advantage.

Leverage unique enterprise data as a strategic asset. Identify complementary partners who amplify it.

Bottom line

Providers won't win by adding AI to what already exists. They'll win by reimagining applications as platforms, treating data as a competitive asset and building ecosystems — even alongside competitors.

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