

Market Share Analysis: ERP Software, Worldwide, 2022

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Initiatives: [Technology Market Essentials](#)

The 2022 ERP software market grew 8% to a market size of \$44 billion in total software revenue. Most providers saw revenue growth due to new business, expansion sales and higher-than-normal renewal price increases.

Overview

Key Market Findings

- ERP providers received a boost from new business won during the latter half of 2021 and for higher-than-normal renewal price increases in 2022. The cloud business model — which was already predominant in human capital management (HCM) — is also now significant in financial management, which helped top-line market growth.
- When converting revenues into U.S. dollars for comparison, vendors with a home reporting currency of euro and Great British Pound (GBP) had a weaker growth performance due to the currency conversion headwind, which disguised their real performance in their home currency.
- Human capital management was the strongest segment within ERP, driven by organizations investing in new technology to aid talent attraction and retention efforts.

Vendor Performance Highlights

- SAP declined –4% in ERP revenue, due to the strength of the U.S. dollar. In euros (SAP's reporting currency), SAP grew 8% driven by SAP S/4HANA and other product momentum.
- Workday grew ERP revenue 23% and is now the clear No. 2 by revenue size driven by new customer wins and expanded wallet share among existing customers of HCM and the financial management system (FMS).
- Oracle grew ERP revenue 7% due to new customer growth for Oracle NetSuite and Oracle Fusion Cloud ERP, while it also sustained recurring revenue from existing on-premises and cloud customers.
- UKG grew ERP revenue 16% due to increased cross-sell activity between the former Ultimate Software and Kronos product divisions, along with revenue resulting from acquired businesses in 2022.
- Sage had flat ERP revenue due to the strength of the U.S. dollar. In GBP (Sage's reporting currency), Sage grew revenue by 12%, driven by new customers for cloud financial management and cloud services attached to on-premises products.

Market Share Data

Gartner's definition of enterprise resource planning (ERP) software broadly includes the categories of:

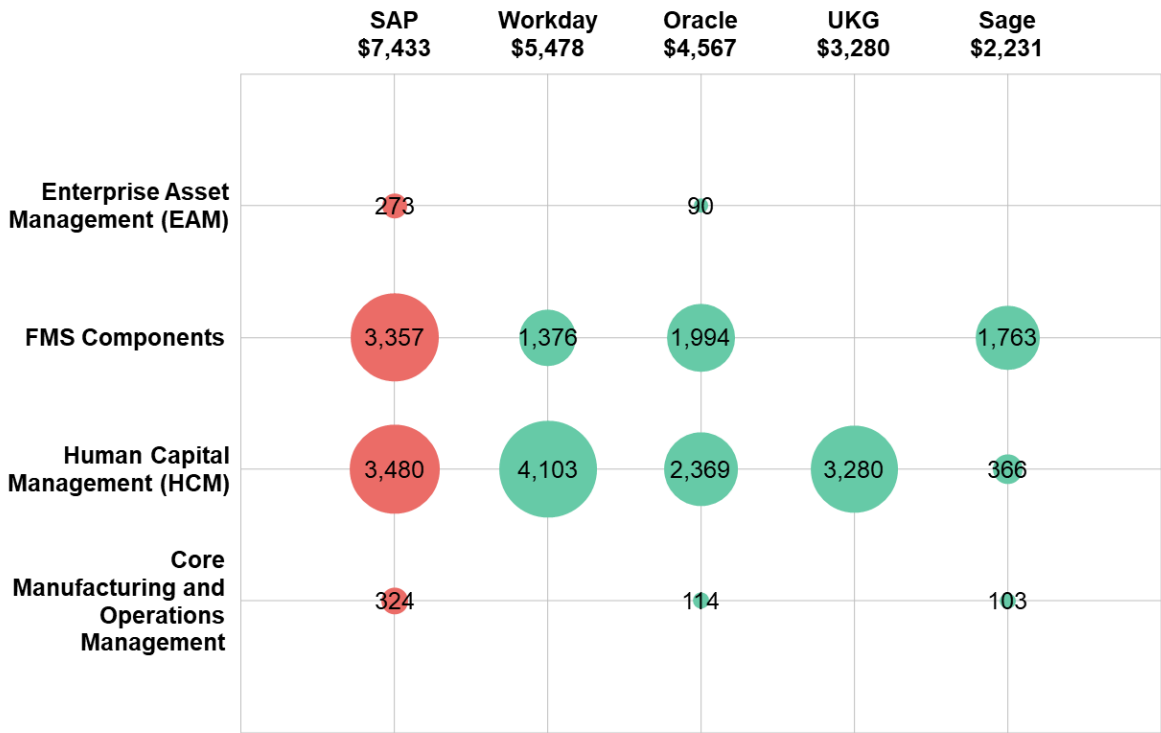
- Administrative ERP, which includes financial management system (FMS) software and HCM software.
- Operational ERP, which includes core manufacturing and operations software, and enterprise asset management (EAM) software.

These technologies can be purchased separately, in different combinations or as a complete ERP suite.

Figure 1 shows the 2022 revenue for the top five vendors in the ERP software market by size of ERP subsegment. (See Notes 1 and 2 for Gartner's market share methodology.)

Figure 1. Top Five ERP Vendor Revenue, Worldwide, 2022

Top Five ERP Providers, Worldwide, 2022
Revenue (Millions of U.S. Dollars)



Source: Gartner (May 2023)
Note: The value and size of the bubbles represent 2022 revenue (millions of U.S. dollars), and the color coding represents positive or negative year-over-year change. A green bubble represents positive change and a red bubble represents negative change.
ID: 789026

Table 1 shows the top 10 ERP software vendors worldwide, ranked by total software revenue in 2022.

Table 1: ERP Market Share, Worldwide, 2022 (Millions of Dollars)

(Enlarged table in Appendix)

| Rank | Vendor | 2021 Revenue | 2022 Revenue | 2021 Share | 2022 Share | 2022 Revenue Growth |
|------|----------------------|-----------------------|-----------------------|------------|------------|---------------------|
| 1 | SAP | 7,713 (€6,520) | 7,433 (€7,068) | 19% | 17% | -4% (€8%) |
| 2 | Workday | 4,473 | 5,478 | 11% | 13% | 22% |
| 3 | Oracle | 4,273 | 4,567 | 11% | 10% | 7% |
| 4 | UKG | 2,823 | 3,280 | 7% | 7% | 16% |
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| 6 | Visma | 1,513 (NOK 12,997) | 1,617 (NOK 15,541) | 4% | 4% | 7% (NOK 20%) |
| 7 | Infor | 1,428 | 1,439 | 4% | 3% | 1% |
| 8 | Cornerstone OnDemand | 810 | 1,024 | 2% | 2% | 26% |
| 9 | Microsoft | 1,005 | 1,012 | 2% | 2% | 1% |
| 10 | Ceridian | 713 | 908 | 2% | 2% | 27% |
| | Other Vendors | 13,654 | 14,766 | 34% | 34% | 8% |
| | Total | 40,626 | 43,757 | 100% | 100% | 8% |

Note: Numbers may not add up to totals shown due to rounding. For vendors who do not report in U.S. dollars we have provided a local currency view. Please see the Exchange Rates tab in [Market Share: Enterprise Resource Planning, Worldwide, 2022](#) for exact conversion rates used for 2021 and 2022.
GBP = Great British Pound; NOK = Norwegian Krone

Source: Gartner (August 2023)

Core Manufacturing and Operations Segment

Please note that Gartner has modified the definition of the manufacturing and operations subsegment with core manufacturing and operations management remaining within ERP, while the remainder of manufacturing and operations management is now a subsegment of the supply chain management (SCM) market. When comparing the size of the ERP market versus that of last year's report, there is a reduction in size of approximately 12% for the total ERP market. This is attributed to the near 80% reduction of the prior manufacturing and operations management subsegment. Major vendors within the top 10 by size of revenue impacted include SAP, Oracle, Sage, Infor, Visma and Microsoft.

Overall Market Segment Performance Analysis

The ERP market grew 8% from \$41 billion in 2021 to \$44 billion in 2022, with most providers posting single to double-digit annual growth. The year 2022 was characterized by a number of key trends that are illustrated in the following sections.

New Business Growth

While the conditions for new customer growth did become more challenging as the year progressed, 2022 was still a reasonable year for landing new customers for most providers. (Year-over-year new customer disclosures in 2022 were generally less than those announced in 2021 for many providers). This was driven by system modernization efforts as well as efforts to consolidate the ERP landscape for efficiency and agility. All of which helped create opportunities for ERP providers to win net new business and “brownfield” business (customers investing significantly in migrating to a new platform from their current provider).

New Business Revenue Boost From 2021

Most providers saw an uptick in sales through the second half of 2021, as much of the world started to open following the COVID-19 pandemic lockdowns. Most contracting situations require an initial payment, but because many deals were signed during the second half of the year, the full annualized amount in a subscription software deal was not recognizable until 2022. Therefore many providers benefited from a delayed revenue impact from prior year deals.

Price Increases Contribute to Growth

Most providers have a pricing uplift associated with software maintenance and subscription agreements. However, in 2022, Gartner observed a higher-than-normal uplift as tech providers sought to balance their own rising costs due to inflation. Moreover, some providers also exercised and inserted annual price increases within a subscription term length. (This is a change to the previous policy of keeping prices constant within a subscription and uplifting upon renewal). Given the size of typical subscriptions and annual maintenance contracts, this increase alone helped to provide additional market growth — despite an uncertain economic period in 2022.

Non-U.S.-Based Vendor Performance Better Than First Glance

Within the top five vendors, non-U.S.-dollar-reporting vendors appear to have revenue declines or muted performances. However, this was due to the strength of the U.S. dollar when converting reported values into U.S. dollars. In their home currencies, both SAP and Sage posted solid positive growth. This phenomenon extends to many other non-U.S.-dollar-reporting vendors within Gartner’s market share, which means that total market growth in local currency terms was more than the overall headline rate of 8% in 2022.

Human Capital Management Outpaced Other ERP Markets

Human capital management was the most robust ERP submarket with 12% growth in 2022. Growth was propelled by the SaaS business model, which markedly accelerates at scale and end-user demand to invest in technologies reset, plus adjust to the need for talent agility and effectiveness.

Financial management meanwhile was not too far behind in revenue due to end users investing in digital finance initiatives to reduce the cost of running a finance operation and to find greater financial efficiencies. Similar to HCM, FMS providers have begun to add machine learning and AI into key tasks in financial management, in order to help customers be more effective and accurate without needing more headcount (for example, with period end closing). All of which provides an incentive for end customers to migrate from older platforms that do not have these capabilities.

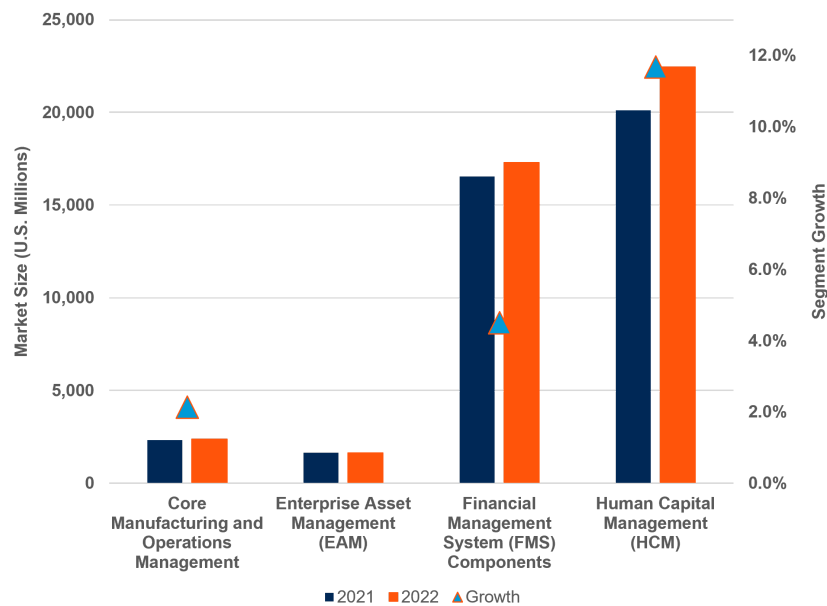
While core manufacturing and enterprise asset management did not significantly grow in 2022, they remained stable due to the mission-critical functionality provided to product and asset-intensive industries.

Core manufacturing and operations remains a consistently slower growing market due to the generally more extensive product and implementation requirements and long planning cycles needed. This situation has not been helped by the cautionary macro environment which naturally curtails many end customers from committing to significant long-term investments. A similar situation exists with enterprise asset management, where in general, many providers do not yet offer all the features from a cloud solution, which a complex asset-intensive customer needs.

Figure 2. ERP Size and Growth by ERP Technology Segment

Top Five ERP Vendor Revenue, Worldwide, 2022

Revenue (Millions of U.S. Dollars)



Source: Gartner (August 2023)
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Gartner

ERP Provider Response to Russian Invasion of Ukraine

In response to the Russian invasion of Ukraine that began on 24 February 2022 and was ongoing at the time of this publication, many technology providers have suspended or wound down their business interest in Russia and Belarus. While Russia and Belarus were not significant in terms of revenue contribution overall to ERP — the ERP market size for Russia was around \$440 million in 2021. There was still a negative impact on ERP revenues, which were deliberately written off. The actual amount varies depending on provider with mostly the larger international providers affected. For example, Oracle (for all products including ERP) recognized \$248 million in fiscal year 2022 (ending May 2022), but for the remainder of the 2022 calendar year (May to December) business activities ceased.¹

Top Vendors Analyzed

SAP

SAP registered a decline when viewed in U.S. dollars, but in SAP's reporting currency (euro), ERP revenue grew 8%. Key contributors to SAP's 2022 performance include the following:

- Gartner estimates over 2,400 customer sales for SAP S/4HANA (SAP's latest generation ERP platform). See [Quick Answer: What Is the Level of Adoption of SAP S/4HANA in 1Q23?](#)
- Its 33% increase in cloud revenue to €12.5 billion, with a 91% increase for S/4HANA Cloud revenue to €2 billion. ²
- Reduction in EMEA revenue due to SAP winding down its business in Russia and Belarus. This equated to a reduction of around €220 million for 2022. ³

Workday

Workday posted 22% revenue growth resulting in \$5.4 billion in software revenue for calendar year 2022. Workday is now clearly established as the second largest ERP provider and the No. 1 native cloud ERP provider by revenue with over 10,000 customers across all products (see [Market Share: Enterprise Application Software as a Service, Worldwide, 2022](#)). Key contributors to Workday's 2022 performance include:

- Addition of over 350 new large and midsize customers for core HCM and finance leading to a customer count of over 4,450 customers in the calendar year 2022.
- Larger deal sizes due to expanded product offerings and platform services, with the financial services segment now contributing over \$1 billion in annual recurring revenue.
- Full year cross and upsell contribution from the acquisitions made during calendar year 2021 of VNDLY (contingent labor management), Zimit (quotation management) and Peakon (employee engagement).

Oracle

Oracle grew ERP revenue by 7% to an estimated \$4.5 billion in cloud and on-premises software revenues. Key contributors to Oracle's performance in the 2022 calendar year include:

- Migration of Oracle Fusion Cloud ERP and Oracle NetSuite to Oracle's second generation cloud infrastructure (which provided additional region availability) reduced scheduled downtime, and increased choice of deployment option for customers with enhanced data residency needs.
- Growth in the Oracle Fusion Cloud ERP customer base to over 10,000 customers in addition to a still significant on-premises revenue and customer base.
- Oracle NetSuite (a cloud-native ERP suite) added over 4,000 customers to finish the year with over 33,000 customers. New products (which were acquired from existing partners and relaunched in 2022) include workforce scheduling and a configure price quote module.

UKG

UKG grew 16% in 2022 to an estimated \$3.3 billion in total software revenue. Key contributors to UKG's 2022 performance include:

- Revenue uplifts resulting from the migration of Workforce Central and other heritage products to UKG Pro Workforce Management/UKG Dimensions.
- Increased cross-sell activity due to tighter product integration and go-to-market motions between the former Ultimate Software and Kronos product divisions to new and existing customers.
- New go-to-market positioning and offering for time and attendance with payroll for large organizations beginning to be sold and adopted in North America.

Sage

Sage registered a flat revenue performance in U.S. dollars. However, in Sage's home reporting currency (GBP), Sage grew revenue by 12%. Key contributors to Sage's 2022 performance include:

- Cloud-native revenue grew 38% to £530 million (\$428 million) from £384 million (\$273 million) in fiscal year (FY) 2021 driven by new customers, existing customer migrations, and a strong performance from Sage Intacct.
- New business and existing customer business expansion remained relatively robust, despite the inflationary cost pressures which are more pronounced for small and midsize businesses.

- Expanded penetration of cloud connected products and services (Sage Business Cloud) to Sage on-premises customers.

Mergers and Acquisitions

The following details some of the merger and acquisition activity that occurred in 2022 that impacts the ERP software market. (Note this is not an exhaustive list.) Some acquisitions made by providers in the ERP market have not been listed if the acquired assets are considered additive to areas other than ERP.

- UKG acquired SpotCues, Interboro Systems, Ascentis and Quorbit in 2022.
- Sage acquired Brightpearl, Futrli, Lockstep Network in 2022.
- Cornerstone OnDemand acquired EdCast, SumTotal Systems in 2022.

Evidence

- ¹ [United States Securities and Exchange Commission, Form 10-K, Oracle Corporation.](#)
- ² [SAP Announces Q4 and Fiscal Year 2022 Results.](#)
- ³ [SAP Annual Report on Form 20-F, 2022.](#)

Acronym Key and Glossary Terms

| | |
|------|--|
| AI | artificial intelligence |
| EAM | enterprise asset management |
| EMEA | Europe, the Middle East and Africa |
| EPM | Enterprise Performance Management (Oracle) |
| ERP | enterprise resource planning |
| FMS | financial management system |
| FY | fiscal year |
| GBP | Great British Pound |
| HCM | human capital management |
| HR | human resources |
| ISV | independent software vendor |
| NOK | Norwegian Krone |
| SaaS | software as a service |
| SCM | supply chain management |
| SI | systems integrator |

Note 1: Currencies and Exchange Rates

Vendors with headquarters outside the U.S. generally base and judge their annual performance in their home currency rather than the U.S. dollar. Yet for the purposes of comparison, Gartner uses the U.S. dollar. Gartner collects market share data for individual vendors in the vendor's local currency. Data reported in currencies other than the U.S. dollar is converted to U.S. dollars for the purposes of cross-country comparisons and aggregation using average exchange rates. The impact of exchange rate changes can include the following:

- Vendor growth measured in U.S. dollars may differ from the vendor growth measured in the currency in which the vendor reports.

- Occasionally, exchange rate changes may have an influence on market share positions, in which one vendor gets a beneficial effect of exchange rate changes and another suffers an adverse effect.
- Changes in exchange rates for the current year compared to the prior year mean that, when measured in U.S. dollars, growth rates for revenue accrued in a foreign currency differ from growth rates that are shown in U.S. dollars.

Note 2: Total Market Growth Reporting

We have made adjustments so that the overall market growth trends are still reflected accurately. More details regarding this approach will be detailed in the upcoming Market Definitions and Methodology research for each market.

Document Revision History

[Market Share Analysis: ERP Software, Worldwide, 2021 - 9 August 2022](#)

[Market Share Analysis: ERP Software, Worldwide, 2020 - 22 April 2021](#)

[Market Share Analysis: ERP Software, Worldwide, 2019 - 26 May 2020](#)

[Market Share Analysis: ERP Software, Worldwide, 2018 - 9 May 2019](#)

[Market Share Analysis: ERP Software, Worldwide, 2017 - 22 June 2018](#)

[Market Share Analysis: ERP Software, Worldwide, 2016 - 9 June 2017](#)

[Market Share Analysis: ERP Software, Worldwide, 2015 - 29 April 2016](#)

[Market Share Analysis: ERP Software, Worldwide, 2014 - 6 May 2015](#)

[Market Share Analysis: ERP Software, Worldwide, 2013 - 5 May 2014](#)

[Market Share Analysis: ERP Software, Worldwide, 2012 - 7 May 2013](#)

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Market Share: Enterprise Resource Planning, Worldwide, 2022](#)

[Market Share: All Software Markets, Worldwide, 2022](#)

[Market Share: Enterprise Application Software as a Service, Worldwide, 2022](#)

[Forecast: Enterprise Application Software, Worldwide, 2021-2027, 2Q23 Update](#)

Market Definitions and Methodology: Software

Update: Gartner to Revise Its Software Market Segmentation

Quick Answer: What Is the Level of Adoption of SAP S/4HANA in 1Q23?

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