

BREAKING THE BUNDLE: AGENTIC AI IS TRANSFORMING THE ENTERPRISE-SOFTWARE STACK, AND IT CREATES AN OPPORTUNITY FOR EMERGING TECH ECONOMIES



DISRUPTIVE BUSINESS TECHNOLOGIES

often follow a particular cycle: Early promise of transformative possibilities, followed by a disappointing trough in the adoption phase, culminating in a breakthrough phase that generates significant payoffs.

The big question now is whether artificial intelligence will follow the same cycle. Our contention in this article is that the big payoffs will come only after organizations fully realize that agentic AI has permanently redefined the enterprise-software stack, and that the orchestration layer is now decisive.

Some believe we are already seeing an AI post-adoption trough. Nearly eight in 10 companies now use generative AI, yet a similar share report **no meaningful bottom-line impact**, despite increasingly costly investments in computational capacity, usage, and training.

Software development, customer operations, and content production have indeed been transformed, yet across the broader economy, measured productivity has yet to reflect the scale of the investment.

All of this leaves executives and investors with a truly massive question: is the AI payoff actually coming, and what might be standing in its way?

The answer is that the payoff is real, but gated. The models and the compute are already in hand; what stays scarce is the organizational capacity to absorb them. The investment that pays off from here is in the capacity to reorganize around AI. The economies and

enterprises least encumbered by legacy systems are best positioned to build that capacity first.

AI REDEFINES SOFTWARE—AND NOW THE BUNDLE IS COMING APART

For the past three decades, enterprise software has bundled three main components:

1. Data, such as customer records and invoices
2. Workflow, such as the approvals and business rules
3. User experience, the forms and dashboards people actually touch

These three were bundled together for a simple reason: as long as people did the work, the data, the business rules, and the interface had to travel together as one system a person could navigate by hand. But this software arrangement was never structured for what AI can now do. AI agents can increasingly take over the workflow and the user experience, the layers where employees spend their time. An agent asked to find the best opportunities and prepare the outreach simply does it, updating the system of record in the background while the human never even opens it.

As a result, agentic systems are tearing the traditional enterprise-software bundle apart at the seams. What incumbents are left defending is the system of record, a far narrower position than owning the whole stack. And this is a shift with profound consequences for the future of AI value creation.

ABOUT THE AUTHOR

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THE SHIFT FROM SYSTEMS OF RECORD TO SYSTEMS OF ACTION

One way to illustrate this transition is by looking at a particular feature of the traditional enterprise-software landscape. Under this paradigm, certain dominant players controlled specific functional systems. SAP owned procurement, Salesforce owned sales, Workday owned HR, each a self-contained stack.

The real question in the age of increasingly sophisticated agentic AI is not whether such agents replace, say, SAP, but who owns the orchestration layer, the centralized digital system that automates and coordinates SAP, Salesforce, Workday, and other critical software applications.

In an agentic enterprise, the most valuable position is this orchestration layer, the system of action through which work actually gets done. Whoever owns it holds the decisive control point in the stack. Consider what closing a single customer order now involves: an agent draws the account history from Salesforce, confirms pricing and availability in SAP, and records the booking in the finance system—compressing into seconds a sequence that once moved through several people and applications. The orchestration layer is where that sequence is directed and governed, and whoever owns it owns the point at which the work is actually done. The platforms beneath that layer will still have value, and may still generate real profits, but they are no longer the true strategic fulcrum that they had been in the old system of record.

The platforms that are most threatened are those whose economics rest on processing workflow through structured data. Software more broadly is largely untouched.

Traditional customer-relationship management (CRM) is the most exposed at the workflow layer: once an agent runs the prospecting, sequencing, and outreach, the application people log into becomes a system of record they rarely open. This shift is already visible in how vendors charge. Leading vendors have begun [shifting agent pricing away from the per-seat](#)

[license model](#) (a “seat” being one licensed human user), [and toward consumption](#), charging per agent action rather than per human user—a tacit admission that the value of the interface itself is eroding.

Yet that exposed interface still sits on top of a valuable asset. The proprietary customer data beneath—interaction histories, entitlements, consent and pricing records—remains strategically valuable, and often becomes more so as the foundational layer for the work of AI agents.

The interface loses its seat-based value even as the data estate beneath it becomes more central. Financial enterprise-resource planning (ERP) is better defended, bound as it is to compliance and audit standards that are more easily automated than replaced. Human-relations platforms sit somewhere in between.

The bottom line here is that the enterprise is increasingly organized around software that directs agents to perform work, with the human role further limited to little more than the supervision of exceptions. The exposure and valuation realities explained here are reflections of that underlying phenomenon.

THE MISSING ASSET IS ABSORPTION CAPACITY

Owning the orchestration layer takes more than the right technology. Whether a company can claim that position at all depends on a capability the market has consistently overlooked. In this new paradigm, in which old bundling models are obsolete and the stewardship of the orchestration layer takes on paramount importance, the asset that decides who can actually own that layer has been significantly undervalued.

That asset is organizational absorption capacity: the data readiness; the governance and decision rights; the security and controls; and the operating-model redesign that together determine whether a company can build its own system of action at all.

This capacity can be measured, if only as a proxy, by how quickly an organization moves a new AI capability from deployment into production workflow—and how much of that capability ends up as work actually →

→ performed and value booked, rather than pilots that stall.

To state it another way: the right yardstick for the AI age is “return on absorption,” the velocity at which an economy converts raw compute into bottom-line GDP growth. For investors, that reframes the target: the marginal dollar earns more by funding the organizational capacity to absorb AI than by buying additional compute, because absorption is what turns that spend into returns.

While investors have already financed the machines, what will determine the success of those investments is whether they now finance the organizational reinvention that makes those machines pay.

The advantage goes to those who can develop an absorption capacity that is fundable, repeatable, and durable, so that each round of investment makes the next one pay. Currently, that absorptive capacity is not being financed at anything close to the scale of the compute it is meant to activate.

Capital and talent are already converging on this layer. But the money tells you little about where the value will settle. The question for investors is which position in the stack captures it, and which players have earned the right to own it. The contenders arrive from different starting points.

Incumbents push down from the application layer they already occupy, with Microsoft, ServiceNow, and Palantir extending established footprints toward orchestration. Frontier labs press in from the model layer, as OpenAI and Anthropic drive agents directly into enterprise workflows. More specialized players are assembling the layer from various component parts. The greatest rewards will accrue to whoever controls the orchestration layer itself. The players above and below it may earn real profits, but the strategic high ground belongs to the layer in between.

A FINAL OBSERVATION: WHY THE GULF (AND OTHER EMERGING TECH MARKETS) MAY BE IDEALLY POSITIONED TO REWRITE THE RULES

The transformations described in this article may represent a significant opportunity for economies outside the traditional tech-leadership hubs of North America, Western Europe, and East Asia.

Legacy economies are constrained by their own past investments. Decades of software spending have created switching costs and inertia, and reinvention means writing off billions in assets. That legacy debt acts as an anchoring tax on corporate productivity.

Some Gulf states and other emerging tech centers enjoy relative freedom from that weight, compared to mature Western or East Asian markets. The gap shows up directly in IT budgets. Legacy-heavy incumbents routinely spend **60 to 80 percent of their IT budgets** simply maintaining existing systems, rather than building new ones; players without that inherited estate can direct the same capital toward building the new stack from the start.

This could give them a potential leapfrogging opportunity, enabling newer players to design AI-native operating models from the ground up, owning the orchestration layer without the accumulated bureaucracy that slows companies from more established markets.

There is already a precedent: India, lacking the legacy banking and identity systems of wealthier economies, built its **digital public infrastructure** from scratch—a national digital identity, a real-time payments network that now carries the large majority of the country’s retail transactions, and a consent-based layer for sharing data—leapfrogging incumbents still tethered to decades-old systems.

The same opening exists in the agentic enterprise. Economies unburdened by legacy can treat the governed orchestration layer as native infrastructure from the outset. This advantage won’t manifest itself automatically. →

Each of these is an investable asset, vital to the

next phase of economic productivity. For sovereign capital with a decade-long horizon, such investments in truly updated AI models—grounded in the new realities of orchestration and agentic systems, and liberated from the constraining assumptions of legacy systems—could generate returns that are every bit as transformative as the technologies that made them possible in the first place. ■

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