

TRENDS REPORT

Agentic AI Is Rising And Will Reforge Businesses That Embrace It

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Summary

Enterprises are all rushing to take advantage of the opportunity to reinvigorate their business processes with agentic systems. This report establishes core definitions and explains the current state of agentic systems, how they are being acquired or composed by enterprises, and the state of use cases to which these agentic systems are being applied.

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Enough Of Agent-Washing; Agentic AI Is The Real Story

AI agents have seized the attention of business leaders and technologists alike, and enterprises are rushing to understand and apply their potential. But the real story is not merely the AI agents, but the agentic AI systems that sit behind them and orchestrate them together (see Figure 1). Building agentic AI into software systems across the enterprise will form the foundation of new knowledge economies and markets. Agentic AI is different because of its unique combination of capabilities that take it beyond existing approaches to automation and insights. What [distinguishes agentic AI](#) is that it can plan strategically, reason through complex scenarios, collaborate between different components, and leverage external tools to achieve objectives with remarkable autonomy. This is because agentic AI comprises:

Systems of foundation models, rules, architectures, and tools which enable software programs to flexibly plan and adapt to resolve goals by taking action in their environment, with increasing levels of autonomy.

Vendors have adopted jargon that conflates all kinds of AI agents with agentic AI. This has resulted in traditional process automation tools, predictive analytics systems, standalone large language models, and retrieval augmented generation systems being referred to as AI agents when they alone don't possess the capabilities of planning, adapting, and actioning that agentic AI delivers (see Figure 2). While each of these technologies contributes valuable capabilities to the modern enterprise technology stack, agentic AI is distinct from them:

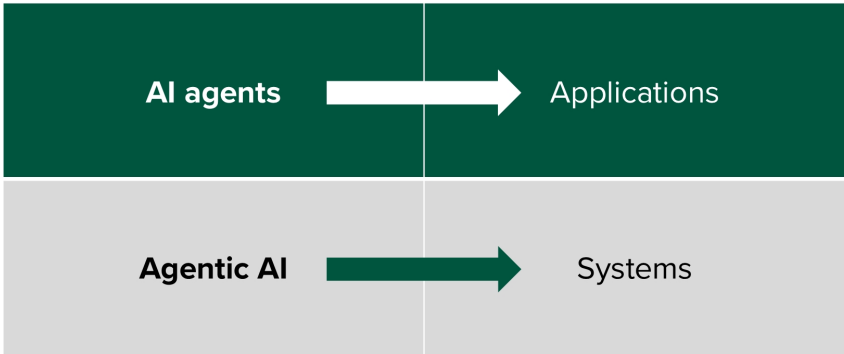
- **Process automation tools lack adaptability and intelligence.** Traditional process automation systems like robotic process automation (RPA) and digital process automation (DPA) operate within clearly defined parameters to execute repetitive tasks in structured environments. They excel at executing predetermined rules and procedures, making them highly efficient for standardized operations like data entry, file management, or transaction processing. However, they lack the

adaptability and intelligence that characterizes agentic AI. For example, an RPA system might efficiently process invoices following a strict set of rules, but agentic AI can flexibly handle exceptions, learn from new scenarios, and dynamically adjust its approach based on changing circumstances. This distinction becomes particularly evident with unstructured data or variable business conditions, where agentic AI can demonstrate greater flexibility, unmatched by traditional automation systems.

- **Predictive analytics and ML can anticipate but not execute.** Predictive analytics and machine learning systems excel at identifying patterns and generating forecasts by processing vast amounts of data to predict future trends, detect anomalies, and classify information with remarkable accuracy. However, these capabilities are limited to the analytical domain and lack the crucial ability to autonomously act on or adapt based on changing objectives. Agentic AI, by contrast, integrates analytical capabilities with autonomous decision-making and action execution. In a retail context, while a predictive analytics system might forecast seasonal demand patterns, agentic AI could autonomously adjust inventory levels, modify pricing strategies, and coordinate with suppliers to optimize the entire supply chain ecosystem. This demonstrates a level of operational intelligence that goes far beyond mere prediction to act, plan, and adapt.
- **LLMs can understand and plan but not act.** The distinction between agentic AI and standalone LLMs represents the most nuanced comparison, as LLMs often serve as fundamental components of agentic AI. LLMs demonstrate remarkable capabilities in natural language processing, generation, and understanding, but alone, they lack the ability to act within their environment. Agentic AI integrates LLM capabilities within a broader framework that includes strategic planning, tool utilization, and autonomous action execution. This integration enables not only the understanding of tasks, planning, and communication, but also the capability to initiate actions, coordinate multiple tasks, and persistently pursue objectives over time. For example, while an LLM might excel at drafting an email or analyzing a document, agentic AI can manage entire projects, coordinating multiple stakeholders, adjusting plans based on feedback, and actively working toward defined goals with minimal human intervention.
- **RAG-based architectures lack planning, reasoning, and adaptability.** Retrieval-augmented generation (RAG) is one of the most commonly adopted architectures to integrate the power of foundation models into enterprise applications, and it's often conflated with agentic AI. RAG systems can perform sophisticated searches into existing knowledge repositories and vector databases and can use natural

language to synthesize retrieved information into new formats for a user, but most stop there — they don't include significant capabilities for planning or reasoning across information, nor do they include abilities to take adaptable action within enterprise environments. Some agentic applications may leverage RAG within agentic loops (sometimes described as agentic RAG), but RAG pipelines on their own are not agentic.

Figure 1
AI Agents And Agentic AI: The Applications And The Systems



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Figure 2
Understanding Key Differences Between Agentic AI And Other Approaches

Feature	Process automation (RPA/DPA)	Predictive analytics and ML	Standalone LLMs	RAG-based architectures	Agentic AI
Core capability	Rule-based execution of repetitive tasks in structured environments.	Pattern identification, forecasting, and classification based on historical data.	Natural language processing, generation, and understanding.	Information retrieval and synthesis using natural language.	Autonomous decision-making, action execution, and adaptation to achieve goals.
Adaptability	Low. Operates within clearly defined parameters; struggles with unstructured data and variability.	Limited. Primarily focused on analytical insights; does not adapt analytical approach based on goals.	Limited. Primarily focused on language tasks; does not adapt to a changing physical or digital environment.	Moderate. Can adapt search queries, but lacks broader planning and action capabilities.	High. Adapts to changing circumstances, learns from new scenarios, and handles exceptions.
Action taking	Executes predefined actions based on rules.	Provides insights but does not act upon them; can trigger other software systems.	No autonomous action. Can generate text, but can't interact with external systems or environments.	Limited. Primarily retrieves and synthesizes information.	Autonomous action execution. Can initiate actions, coordinate tasks, and pursue objectives.
Planning	No planning capability. Follows predefined procedures.	No planning capability. Focuses on analysis and prediction.	Limited planning within the scope of language tasks, but no broader strategic planning.	Limited planning; primarily focused on information retrieval.	Strategic planning and task coordination capabilities.
Integration	Typically integrated with enterprise systems	Can integrate with data storage and business applications.	Often forms a component within agentic AI, but can also work as standalone.	Incorporated within enterprise applications, often as part of a larger system, like agentic AI.	Can integrate with LLMs, RAG, and other tools.
Reasoning	Limited to no reasoning. Can follow rules.	Can reason statistically based on data, but lacks adaptability.	Reasoning within language and conversation, but limited by environment.	Can reason about what information to retrieve.	Reasoning across multiple steps and complex information.
Orchestration	Limited to a single workflow.	Limited to analyzing current data and trends, can't orchestrate beyond analytics.	Limited orchestration within a conversational setting.	Limited orchestration within finding relevant information to pull.	Orchestrates multiple tasks, tools, and stakeholders to achieve a large goal.
Example	Processing invoices according to a set of rules.	Forecasting seasonal demand patterns in retail.	Drafting an email or analyzing a document.	Answering a question by searching a knowledge base and summarizing relevant information.	Managing a supply chain, adjusting inventory and pricing, and coordinating with suppliers dynamically.

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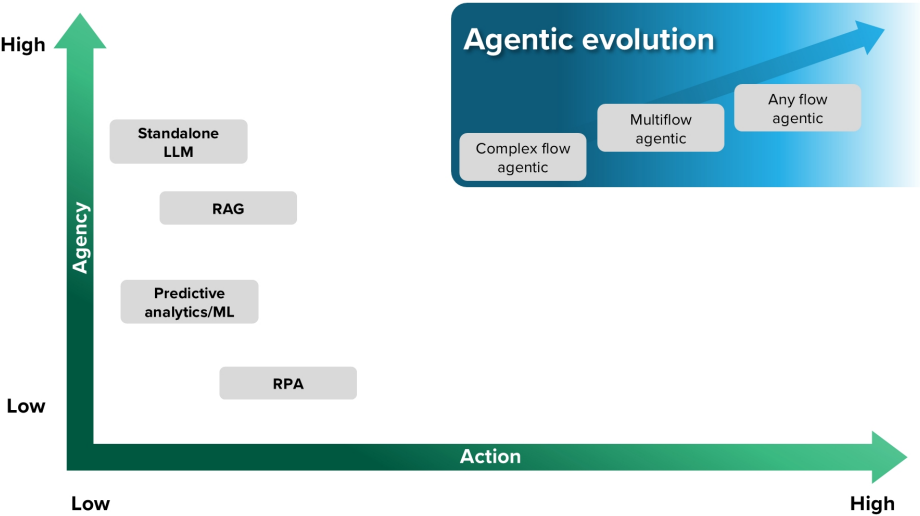
Agentic AI Begins To Enable Adaptiveness And Flexibility, With Some Caveats

True agentic AI systems demonstrate a high degree of autonomy, actively orchestrating and managing the pathways necessary for executing programs or workflows with precision and intent. These systems can navigate and execute multistep processes with minimal human oversight by coordinating diverse models, data sources, and tools and applying these mechanisms holistically. Today's agentic AI can't achieve an enterprisewide level of broad-based autonomy and agency because of limitations on integrations, security, and explainability — but it's evolving along that path. Today we see agentic AI manifesting as (see Figure 3):

- **Complex-flow agentic AI that enables use cases that need flexibility.** This is the first type of agent to truly use agentic AI to support planning and task execution. Using the context and tools presented to them, these systems choose how to execute a control flow based on their goals. Importantly, traditional automation takes part in controlling and orchestrating the end process. For example, Taskade advertises itself as an AI-powered work management tool, offering users the ability to build a workflow to access agents as needed, such as research, project planning, or to-do list tracking. These agents support each of their discrete workflows but are managed by traditional automation. The agents can modify actions based on explicit feedback instrumented into the system, allowing it to handle more complex and varied tasks than traditional automation can.
- **Multiflow agentic AI will coordinate multiple use cases for more strategic value.** As systems mature, multiple systems using agentic AI will operate as specialized independent entities that communicate, negotiate, and collaborate in real time. For instance, an agentic AI could pull information from sales records, summarize them, then assemble them into a prospecting list. It then reaches out to a marketing platform to select visual assets and generate copy using foundation models, then pushes that content back to the sales platform where an agent decides on the best contact method and launches the campaign. The reality of this aspiration is underwhelming today, but we are seeing rapid improvement. We expect to see multiflow agentic AI with advanced reasoning over the next few years in production in enterprise deployments.
- **Any-flow agentic AI will eventually offer holistic enterprise decisions.** The vision of a mature agentic AI is multiple ecosystems of agents acting independently and with increasing autonomy on behalf of companies, employees, and customers. These systems will allow holistic communication across multiple data tenancies

and enterprise environments and won't be restricted to a single vendor's garden or enterprise's architecture. Achieving these interfaces will need to overcome major obstacles. The first is a lack of standardization: Different vendors build their agents on disparate technology stacks, and no universal protocol currently exists — beyond descriptive APIs — to facilitate communication among agents. The second is motivation: By offering pre-packaged agent workflows that leverage proprietary client data, application-specific workflows, and their own data stacks, vendors can create tighter lock-in within their ecosystems. Currently, this reduces the incentive to develop a common, industrywide framework for agent-to-agent interactions. We expect to see numerous attempts at this in the coming year, and no single standard in the short term.

Figure 3
Agentic AI Will Evolve Toward More Agency And Broader Actions



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Fortune Will Favor The Bold: Architect Your Agentic AI Future Across Roles

The adoption of agentic AI is a competitive necessity. And while there are still challenges around testing and securing these systems, early adopters will establish and build a lead, while laggards will decelerate and risk obsolescence. Enterprises that fail to grasp the importance of agentic AI will waste investments on rigid non-agentic automation instead of transformative agentic AI. Leaders must develop clear AI

strategies, progressively integrate on agentic AI, and continuously evolve their capabilities. All leaders must recognize that adopting agentic AI will not be a complete redesign of their applications and processes tomorrow — but the impacts of agentic AI will be felt by all, and each role's place in this new landscape will be different and evolve over time. Every role needs to start acting now, but carefully:

- **Chief executive officers: Architect the “autonomous enterprise.”** For CEOs, agentic AI represents more than just an efficiency play — it signals a fundamental shift in how enterprises compete, operate, and deliver value. The winners of the AI age will not merely be the fastest adopters but those who redesign their business models to harness agentic AI as a strategic differentiator. They can drive step-change improvements in productivity, customer engagement, and decision-making, but their real power lies in enabling new revenue streams, reshaping industries, and unlocking exponential scale. CEOs must champion AI transformation from the top, ensuring alignment across technology, operations, and business strategy. This requires bold investments in AI capabilities, a workforce reskilling agenda, a culture that embraces AI-driven experimentation, and strong AI governance to manage issues of trust, bias, and compliance.
- **Line of business leaders: Select business cases for metrics and modularity.** In early stages, there are many tempting use cases that seemingly provide significant value, but their scope is far beyond what has actually been built, deployed, and proven in the enterprise. Business leaders who want to get started with agentic AI shouldn't invent new workflows or use cases, exciting as that may be. Focus on use cases with known and easily capturable metrics — both for ongoing operations and for outcomes. Additionally, because both the underlying technologies and their applications are still evolving, select use cases with evolution and modularity in mind. Build pragmatically for today, but be prepared for rapid and dramatic shifts in technology capability over the medium term.
- **Technology leaders: Prepare for transitional stages and establish foundations.** Recognize that today's gap between the promise and the realization of agentic AI is temporary. Within the next three years, agents will be trusted to control and manage a significant portion of enterprise processes. Process orchestration is critical to reach the agentic milestone and must be defined in your architecture. Ensuring proper interaction will be a challenge, often leading to inefficiencies and conflicts. Agentic capabilities with higher levels of autonomy where a model controls the orchestration will take time to evolve. Therefore, prepare for a transitional stage of process control for the next several years.

- **Data leaders: Build the foundations of agentic memory and security.** High quality data is the key ingredient for any AI, and agentic AI makes data even more essential. For agentic AI, it's essential to use tools like metadata and knowledge graphs to understand and manage the memory context. Agentic AI will also rely on robust structures for data validation, lineage, and auditing to provide a basis for establishing and growing trust between agentic AI and humans, as well as between different agentic AI systems in the future. AI tools and platforms are making this task easier: Data teams today can leverage foundation models to help generate data definitions, documentation, synthetic datasets for privacy or testing purposes, and more.
- **Security leaders and AI governance leaders: Be innovators yourselves.** Agentic AI presents a tremendous opportunity to businesses but a tremendous challenge to leaders tasked with using AI responsibly and managing its security and risk because many of the supporting frameworks and tools aren't in place yet. This challenge also presents an opportunity for security and governance leaders to drive AI innovation and business lift. Risk leaders must ground agentic AI with rigorous testing, simulation, and validation practices to make them more secure and accurate. Many of the challenges around interoperability extend to questions around how to properly manage access controls, sensitive data, and other essential enterprise interconnects. Additionally, AI governance leaders must ensure that reasoning and decisioning processes are transparent to maintain accuracy and avoid compounding errors. This is where much of the engineering effort will be, and it may be a big barrier to success. Like all aspects of AI, this space is moving quickly, and security and responsible AI leaders must also innovate to support the resilience needed.

Supplemental Material

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