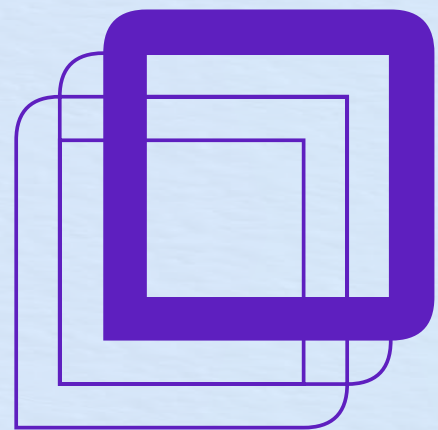


The Blueprint for **AI Leadership**

It's personal, not just technical



A global
research report | 2026



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Foreword

AI has entered a decisive new phase. Across industries, organizations are no longer asking whether AI can create value; they are asking how quickly, responsibly and effectively that value can be scaled across the enterprise.

The Blueprint for AI Leadership makes clear that the AI race will not be won by technology alone. Models, platforms, data and architecture matter deeply, but they are only part of the story. The real differentiator is increasingly personal: how leaders set direction, how people build trust in AI, how roles evolve and how organizations create the confidence, capability and culture needed to work alongside intelligent systems.

The findings point to a widening divide between AI Leaders and AI Followers. Leaders are not defined by technology adoption alone, but by their ability to connect AI investments to measurable business outcomes, modernize the foundations that support scale and build cultures where people are empowered to work confidently alongside intelligent systems. They recognize that AI transformation is not just a technical program, but a human and organizational one.

For enterprises, the implications are profound. AI exposes weaknesses in fragmented data, legacy architecture and outdated ways of working. But it also creates an opportunity to build organizations that are more adaptive, resilient and future-ready. The shift toward Agentic AI will only intensify this need, requiring stronger governance, clearer accountability and a renewed focus on human judgment.

At HCLTech, we believe the next era of enterprise advantage will belong to organizations that put people at the center of AI transformation. Winning the AI race is not only about building smarter systems; it is about building organizations that are ready to use them wisely.

The opportunity is immense. The time to act with clarity, confidence and purpose is now.

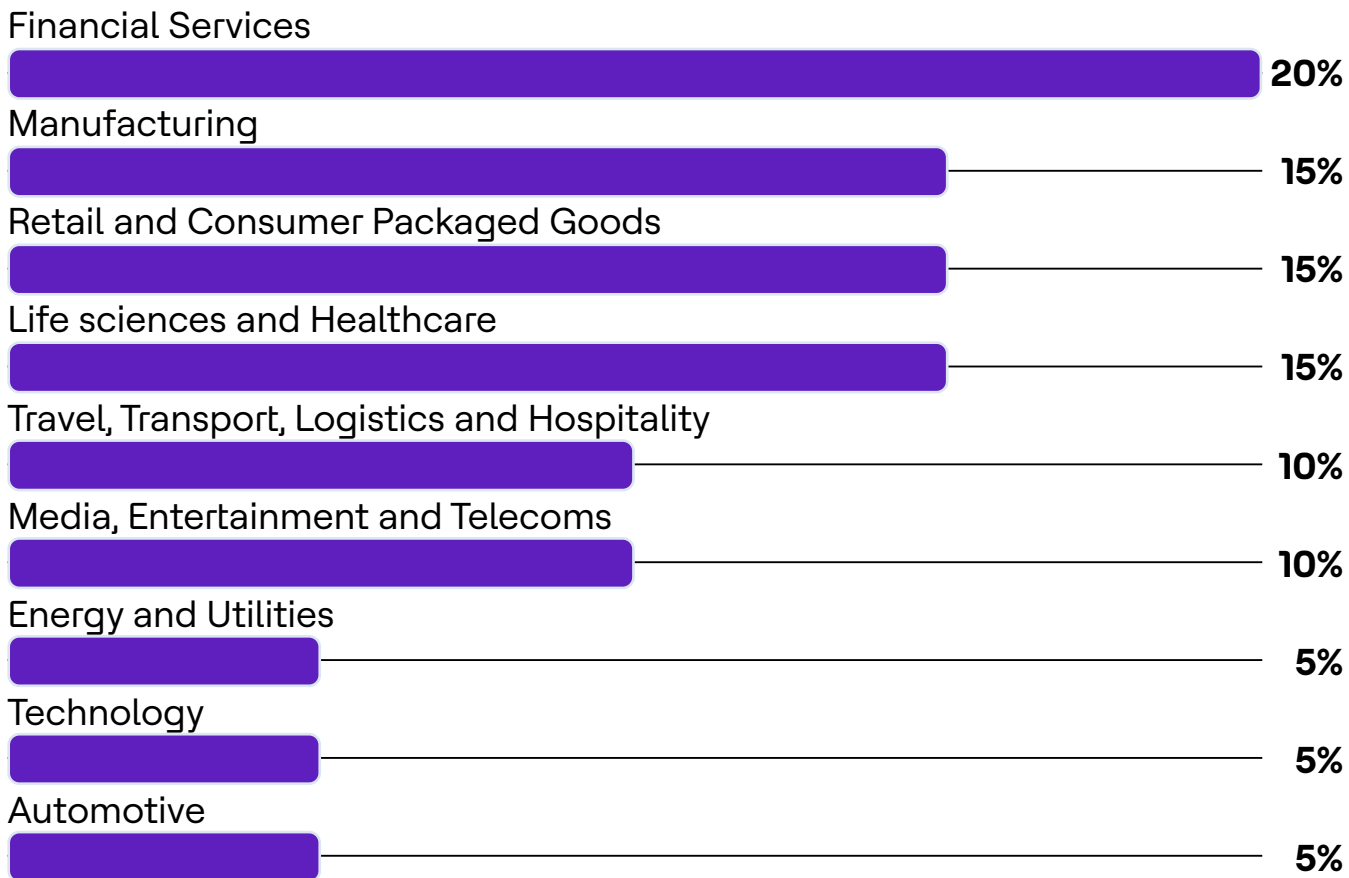


Pawan Vadapalli,
Corporate Vice President
and Global Head,
Digital Business Services,
HCLTech

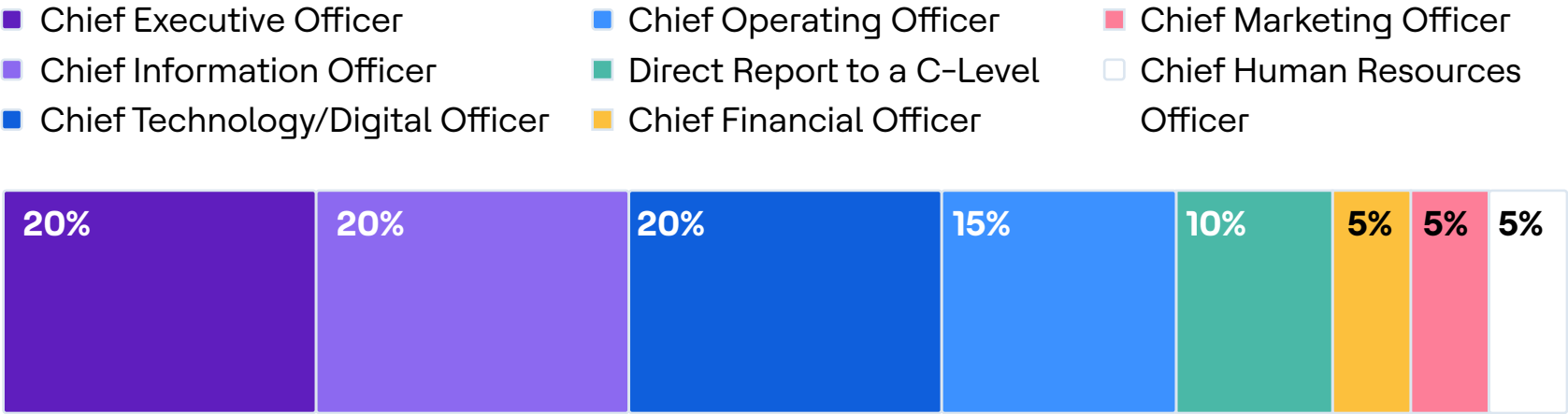
Research methodology

In the first quarter of 2026, HCLTech partnered with Raconteur to conduct a global quantitative research survey of 500 decision-makers at enterprise-sized organizations. The goal was to better understand the state of AI adoption across the business landscape: where momentum is building, where organizations are falling short, how AI is reshaping different layers of the enterprise—from the chip to the glass—and what the winners are doing differently.

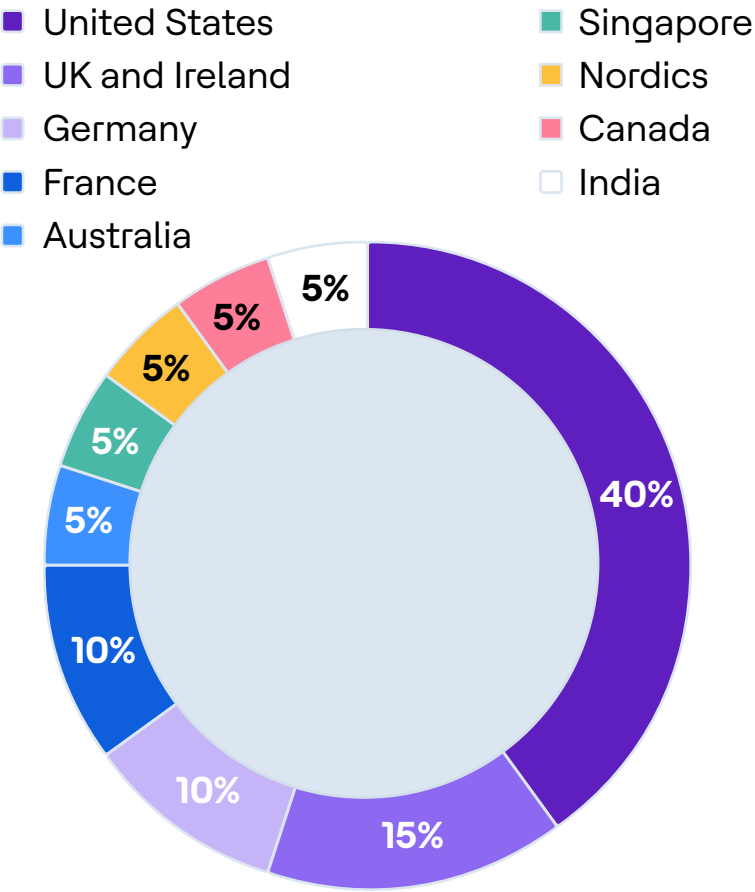
Industry



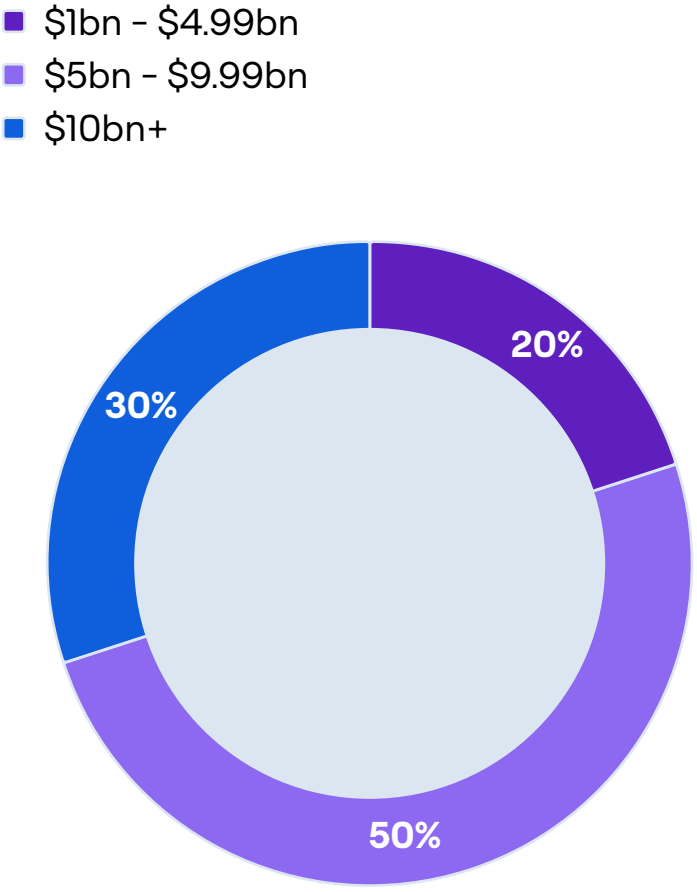
Job role



Region



Annual revenue



Executive summary

Who's really winning the AI race?

Enterprise AI has moved beyond isolated experimentation within individual functions and is increasingly being embedded across core business processes, enterprise applications and day-to-day workflows. As adoption scales, organizations are beginning to realize tangible gains in productivity, decision-making and customer experience.

It's clear that the benefits of AI are no longer in question. HCLTech's research finds that 90% of organizations believe GenAI and Agentic AI are already having either a major or at least some impact on operational workflows and process efficiency, as well as on data accessibility (91%) and knowledge access and productivity enablement (90%). A majority of respondents (59%) also believe that investing in AI is essential to remaining competitive.

However, even as these investments accelerate, the research points to a clear divergence in how organizations are converting those investments into business value. **AI Leaders**, who represent 18% of the sample, are maximizing ROI not simply by using AI

to reduce costs, but by applying it to drive growth, innovation and improved customer experience.

AI Followers, by contrast, represent 60% of the sample. While they are realizing returns from AI investments across business functions, they significantly trail Leaders in the higher-value use cases that are reshaping operating models and competitive advantage.

This gap is especially visible in the adoption of agentic and autonomous systems. AI Leaders are four times more likely than Followers to scale these capabilities, reinforcing how unevenly organizations are moving from functional AI deployment to enterprise-wide transformation.

This reveals a broader structural and operational challenge. While many organizations generate value from AI, a persistent gap remains between what they expect AI to deliver and what they can realistically achieve. This is particularly visible in commercial outcomes, where only 18% of organizations report AI significantly impacting revenue generation. This gap

is not only technical, spanning data, architecture and enterprise applications, but also personal, reflecting shortcomings in leadership alignment, ownership and the ability to drive change.

The winners are not simply those deploying more models or launching more pilots, but those using AI to redesign the enterprise itself. In that sense, AI advantage is becoming less about feature-level augmentation and more about structural reinvention: how humans, agents, workflows, systems and data operate together as a single, harmonized model.

Efficiency and transformation

Many organizations currently measure the ROI of AI investment primarily through process speed and efficiency improvements (28%) or cost savings and productivity gains (23%). These indicators suggest that much of AI's value is still assessed through a transactional lens, providing only a partial view of its broader impact, particularly in areas such as revenue growth, product

innovation and long-term competitiveness. Such a narrow lens can limit the ability to unlock AI’s full value. “You can focus on efficiency-driven AI or you can focus on transformation,” says Sadagopan Singam, EVP and Global Head, Enterprise Platforms and Edge Services, Digital Business Services, HCLTech. “Efficiency-driven AI is about process automation, whereas transformative AI is about reimaging and redesigning the processes themselves.”

The goal, he argues, is to reach a state of orchestrated intelligence by aligning business goals with AI, embedding continuous workforce learning and balancing AI capabilities with governance and accountability. “These are the key factors separating Leaders and Followers. If all of them are in place, then you’re actually creating a self-reinforcing loop that feeds more success.”

This is the crucial distinction between productivity and advantage. Productivity is local: a task is completed faster, a report is generated more quickly and a support response is drafted with less effort. Advantage is systemic: decisions improve, workflows compress, exceptions are handled better and the enterprise begins operating with a different rhythm, quality and resilience. One is an efficiency gain; the other is a moat.

Larger organizations appear better positioned to make progress toward this state. While they may face legacy challenges, they are also more likely to have the resources to address foundational requirements—such as security

and data discipline—while simultaneously advancing multiple AI initiatives. In fact, firms with revenues exceeding \$10B are almost seven times more likely to report that AI ROI significantly exceeds expectations and are more likely to be driven by clearly defined use cases.

AI initiatives, however, are typically distributed across multiple functions and enterprise systems rather than owned centrally, including technology and infrastructure (76%), data and analytics (74%) and operations (47%). While this reflects AI’s cross-functional relevance, it also creates risks. Without clear leadership and alignment to business goals, accountability can become fragmented, slowing decision-making and diluting impact.

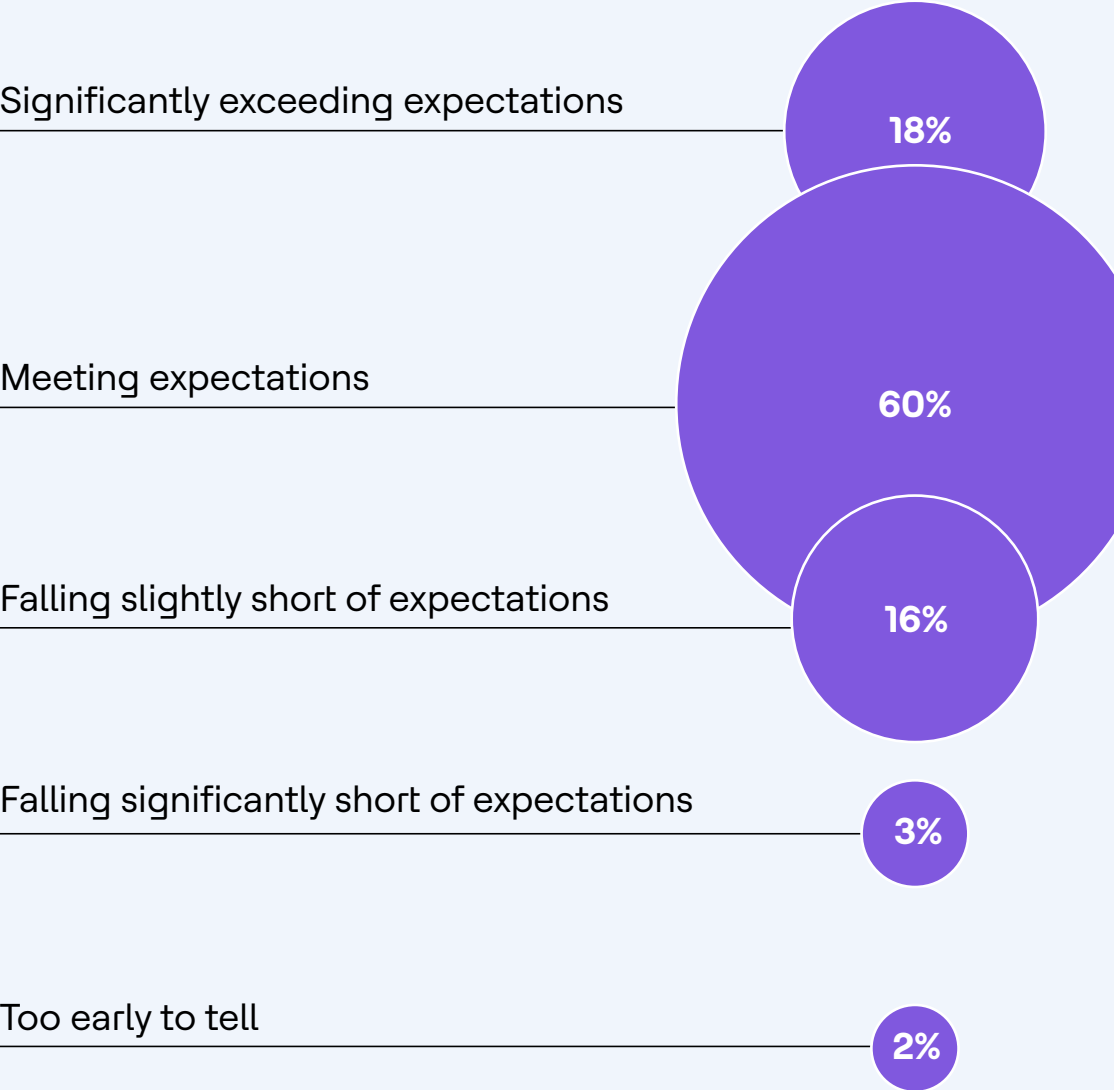
Running the right race

Smaller organizations are not excluded from success. Those that address structural challenges and focus on enterprise-wide transformation rather than isolated use cases can still generate significant value. “It’s not only about the size of the organizations,” says Singam. “It’s also about where and how they want to apply AI.”

In practice, many firms operate with different definitions of success. “Organization A may call something a success while organization B may view the same outcome as a failure,” he notes. “So organizations shouldn’t get too obsessed with how to win, because winning is completely subjective.”

Most organizations say their AI investments are meeting ROI expectations – however almost one-in-five say ROI is significantly exceeding their initial expectations

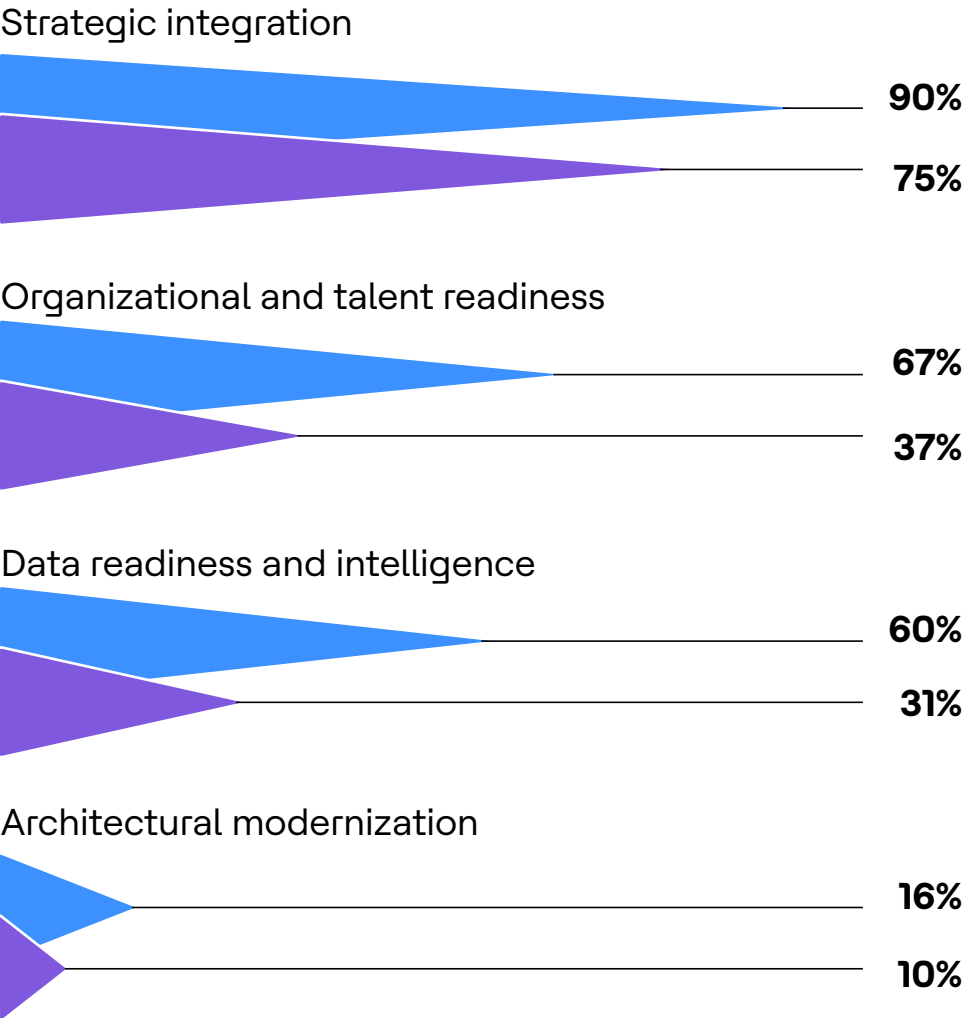
To what extent is your function realizing the expected ROI on its AI investments?



Investment falls as AI adoption moves from strategy to deeper organizational layers

For each of the following areas of AI adoption, do you feel your organization is investing at the level required to be successful? [sufficient investment]

■ AI Leaders ■ AI Followers



Despite these differences, however, the barriers to scaling AI are widely shared.

At a structural level, legacy systems continue to limit organizations’ ability to scale AI effectively, while integration complexity, technical debt and vendor lock-in further compound these challenges, particularly for those operating on fragmented technology foundations.

Organizational readiness adds a second layer of constraint. Leaders are significantly more likely than Followers to believe they are investing sufficiently in organizational and talent readiness (67% vs. 37%), highlighting a clear divide in how prepared organizations feel to support AI-driven change.

Workforce-related challenges are frequently cited, but the findings suggest they are less decisive. Instead, progress appears to be shaped more by structural limitations and uneven organizational readiness than by employee resistance alone. Where organizations begin to diverge is in how they respond to these constraints.

This is where the idea of a full-stack reboot becomes essential. AI Leaders are not just modernizing one layer of the stack. They are progressively rewiring the full enterprise suite: data and semantics, process definitions, application estates, interoperability, governance models, talent design and workflow orchestration. In other words, they are asking not how AI can sit on top of the business, but what parts

“

The AI adaption with an angle to save cost is a bad step medium to long term. Agentic AI hasn’t reached to a stage where it can replace actual human-to-human task to enable cost saving from headcount perspective. There is a difference between efficiency and cost savings. With the emergence of AI, the danger is to confusing efficiency with cost savings.

Rahul Bakaya,
Chief Growth Officer,
Property Dollar

“

Efficiency-driven AI focuses on process automation, whereas transformative use of AI reimagines and redesigns processes themselves. The former is local and results in quick wins. But the latter is systemic and creates a self-reinforcing loop that feeds on itself, driving more success.

Sadagopan Singam,
EVP and Global Head, Enterprise
Platforms and Edge Services,
Digital Business Services,
HCLTech

of the business must be rebooted so AI can become operationally intrinsic.

AI Leaders also tend to adopt more distributed ownership models, moving beyond “HiPPO” (Highest Paid Person’s Opinion) decision-making. Their ability to orchestrate AI across complex technical and organizational environments is a key differentiator. As Singam notes, while a single enterprise AI platform may be ideal, “organizations very rarely get there today, so the ability to orchestrate multiple platforms is important.”

The Agentic AI question

The shift toward Agentic AI will further test organizational readiness. According to Singam, this transition will intensify competitive divergence. “It will be winner takes all: What is the ideal human-to-agent ratio? What are the best metrics for measuring this?”

Overall, confidence in AI’s transformative potential is high. Yet in many organizations, AI remains concentrated in areas where technical and workforce foundations are already strong, delivering incremental gains rather than systemic change. These gains are often measured using metrics that fail to capture AI’s full impact on growth and competitiveness.

As Agentic AI scales, this measurement challenge will become more acute. Counting usage, tokens and isolated productivity gains will not be enough. The more meaningful questions will be sharper: are workflows

now more reusable, has decision-making improved, are cycle times compressing without control breakdowns, has institutional memory accumulated, do acquisitions integrate more quickly and has the enterprise become easier to change rather than harder? Positive answers to these questions signal a structural edge.

The organizations most likely to pull ahead share clear characteristics: sustained investments in architectural modernization, robust data foundations, strong leadership alignment and cultures that naturally empower employees to use, challenge and extend AI capabilities. These attributes enable organizations to move beyond efficiency gains and use-case expansion to a third stage: AI-driven relevance, where intelligence is embedded directly into enterprise applications, workflows and operating models.

Importantly, Followers are not locked into their current position. “The winner of tomorrow is going to be a Follower who’s agitated about the gap,” says Singam. “With sufficient self-awareness and decisive action, organizations can still close the gap and potentially leapfrog today’s Leaders.”

Key takeaways

- Enterprise AI is delivering real results, but mostly incremental gains. True transformation requires reimagining workflows, not just automating them.
- A growing divide separates AI Leaders, who tie investment to clearly defined use cases, from Followers still stuck in reactive implementation mode.
- Measuring ROI through cost savings and efficiency alone misses the bigger picture. AI-driven relevance means inventing entirely new business models.
- Technical barriers like integration complexity and legacy debt remain persistently under-addressed, while employee resistance is less of an obstacle than many organizations assume.
- Successful adoption depends as much on culture, leadership and workforce upskilling as it does on data and underlying architecture.
- The gap between Leaders and Followers will only widen as Agentic AI matures, but self-aware and decisive Followers can still leapfrog today’s Leaders if they act now.

Lead from the front

While most organizations are experimenting with AI, one of the clearest points of divergence lies in how organizations define and pursue value from AI. Among AI Leaders, 73% say adoption is driven by clearly defined use cases and measurable outcomes, compared with 22% of Followers.

This gap is not just a matter of clarity; it reflects a fundamental difference in how organizations approach AI. For Leaders, value is defined upfront and used to guide investment, prioritization and execution. For Followers, value is often more loosely defined, emerging only through market pressure rather than being shaped from the outset.

This distinction underpins the ability to scale. Where value is clearly articulated, AI initiatives are more likely to gain traction, secure sponsorship and translate into measurable business impact.

For many organizations, this is where the gap begins – and leadership behavior plays a critical role in translating strategic intent into execution. When leadership is visible, vocal and able to connect AI initiatives clearly to business outcomes, organizations move faster, experiment more effectively and scale promising initiatives. Where this is absent, initiatives that show genuine promise often struggle to gain sustained traction.

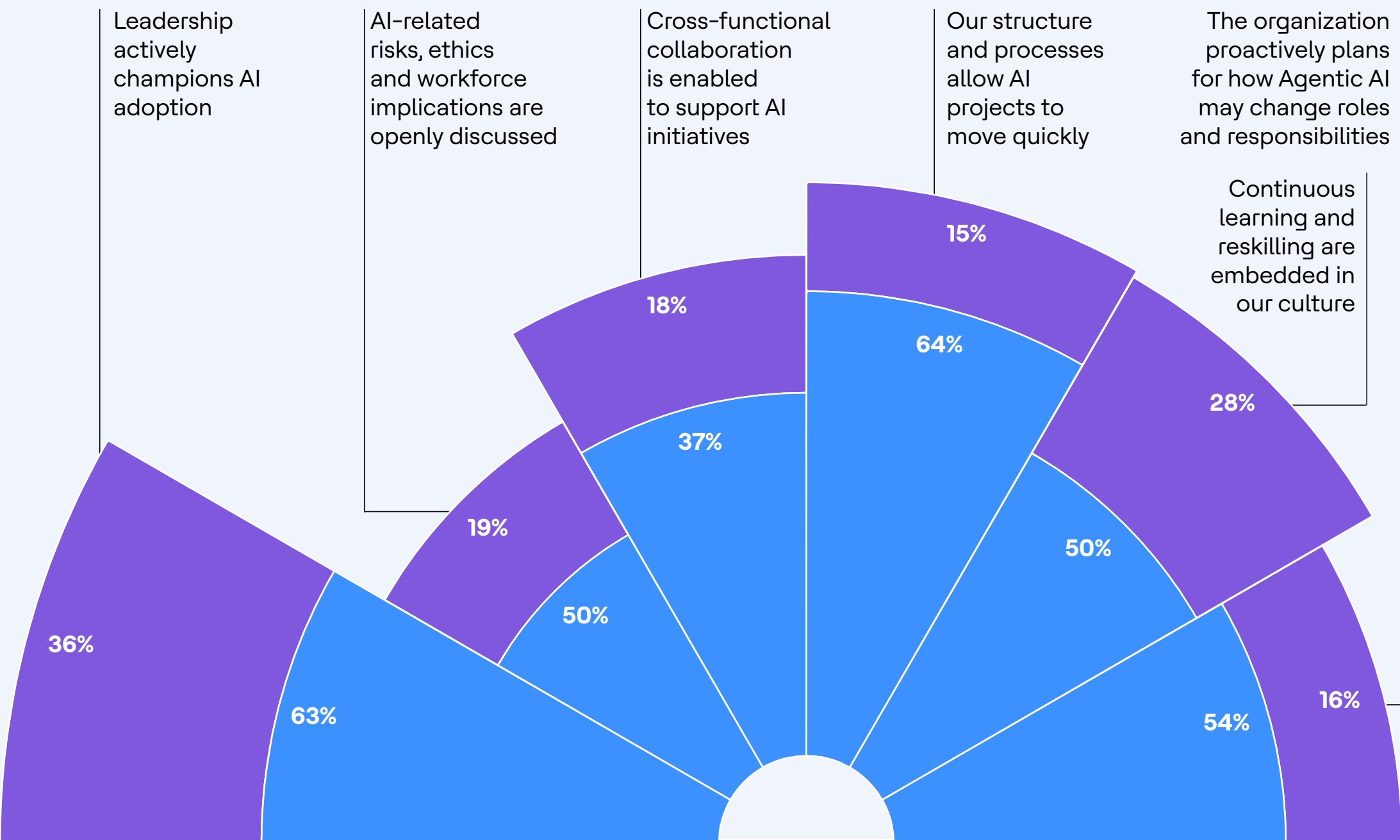
Among AI Leaders, 63% say senior leadership actively champions AI adoption, compared to just 36% of AI Followers. This visible sponsorship does more than signal intent; it helps align priorities, unlock investment and create the conditions for AI initiatives to move beyond isolated pilots. Where leadership is less engaged, AI efforts are more likely to remain fragmented, with weaker links to business outcomes and limited momentum.



Organizations seeing the biggest benefits of AI-driven change are those actively embedding AI adoption at leadership level, into ways of working and as a cultural identity. This is enabling them to quickly translate strategy into day-to-day execution

To what extent do you agree with the following statements about your organization’s AI adoption practices?

■ AI Leaders ■ AI Followers



Leaders are more proactive in preparing for workforce impact, with 54% planning for how Agentic AI will reshape roles, compared with just 16% of Followers. This enables them to anticipate change and embed AI more effectively, rather than reacting to disruption as it occurs.

AI Leaders are also four times more likely than Followers to operate within structures and processes that allow AI projects to move quickly across the organization, an approach that prioritizes agility over hierarchy. This means promising pilots are less likely to stall while awaiting cross-functional sign-offs or extended governance cycles.

While leadership support for AI may exist conceptually among Followers, true ownership of key initiatives is often less clearly defined and the links to business outcomes are less explicit. “AI strategy fails when you have fundamentally siloed conversations in which all the aspects of the enterprise fail to come together,” says Praveen Bhat, EVP and Global Head, SAP, Digital Business Services, HCLTech. Leaders also need to tie AI initiatives clearly to business outcomes, not just operational efficiency. “You may be running certain things faster, but is it creating any impact on your dollar and end-customer value? Maybe not.”

Bhat also emphasizes that AI adoption must be driven from the top down. Without senior leadership ownership, it is unlikely to receive the priority required to scale. In some organizations, the absence of



AI does not create enterprise value by scaling models alone; it creates value when every AI initiative is tied to a measurable business outcome. The real mandate is not to ask, 'How fast can we scale AI?' but 'How intentionally can we scale impact?'

Paul Villanova,
System Director,
Consumer Product & Engineering,
CommonSpirit Health

sustained engagement is masked by a proliferation of strategy documents, steering committees and published principles. While these can create the appearance of momentum, they do not necessarily translate into meaningful progress.

"Leaders in the organization who sell the benefits of AI must have a clear grasp of the infrastructure story, including the costs, constraints and gaps between what AI systems promise and what they can actually deliver in a specific organizational context," notes Sebastian Reiche, Professor of Managing People in Organizations at IESE Business School.

Bridging the functional readiness divide

Rather than a simple readiness gap, the data points to a more structural constraint: the maturity of core enterprise applications is limiting organizations' ability to adopt and integrate AI. The most significant bottlenecks sit within systems that underpin core business operations, particularly ERP (35%), finance (32%) and supply chain (26%), where legacy architectures and tightly coupled processes make integration more difficult.

By contrast, functions such as CRM (20%) and product development and innovation tools (20%), where systems are typically more modular and already closer to customer-facing use cases, are less likely to act as constraints. This suggests that organizations are making

faster progress in areas where AI can be layered onto existing workflows, but face greater friction where deeper integration into core systems is required.

Differences between AI Leaders and Followers are present but less pronounced than in other areas. Leaders report slightly fewer constraints across most systems, particularly in supply chain (17% vs. 29%) and finance (24% vs. 37%), indicating a greater ability to navigate or modernize complex environments. However, the overall pattern remains consistent: the biggest barriers to scaling AI are not at the edge, but at the core of the enterprise.

The implication is that scaling AI is less about extending use cases and more about addressing the limitations of underlying systems. Organizations may be able to generate value in isolated functions, but without modernizing the applications that support core operations, embedding AI at scale remains difficult.

This is reflected in how AI is currently being applied. Organizations are more comfortable with AI that assists or augments human work – such as content generation or customer experience optimization – than with deploying more autonomous systems. While Agentic AI is attracting significant attention, fewer than half (45%) say they are using it effectively for workflow automation and orchestration, rising to 71% among Leaders but just 44% of Followers.

Despite these structural constraints, confidence is expected to rise across all functions over the next three years, including those critical to deploying autonomous systems. This reflects a broader pattern seen between Leaders and Followers: while Leaders are far more confident in managing ongoing AI-driven change today, Followers believe they will be able to do so within the same timeframe.

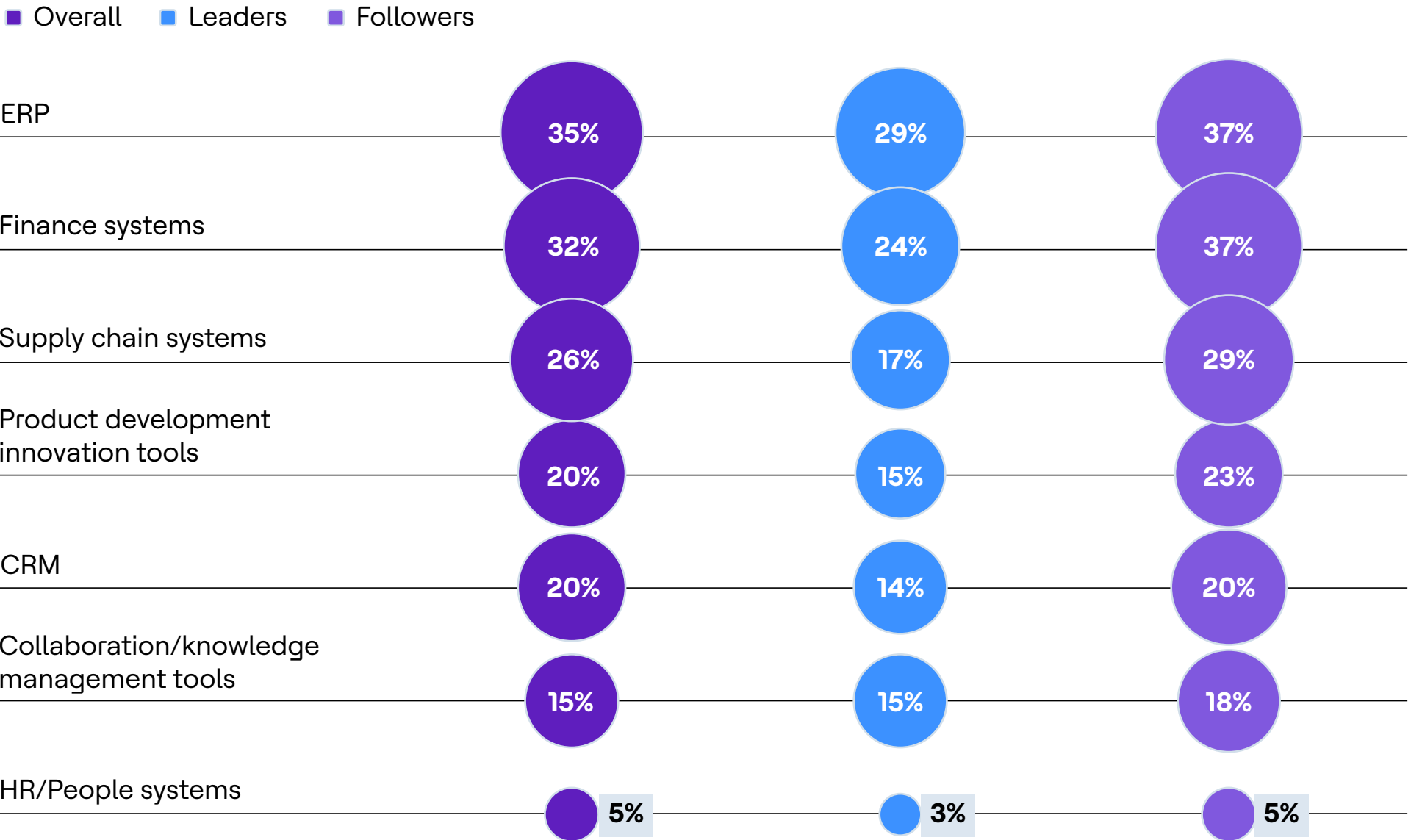
This suggests a familiar dynamic, one in which ambition is advancing faster than capability and reinforces the risk that progress toward more autonomous, enterprise-wide AI may be constrained by underlying readiness. As organizations move beyond assisted use cases toward more autonomous systems, confidence begins to falter, particularly around governance and optimization.

“Many organizations are uncomfortable delegating critical decisions to AI without stronger controls, transparency and governance in place,” says Daniel Meyer, Chief Technology Officer at Camunda. “In industries like financial services, where customer experience, data privacy and regulation are paramount, firms simply do not have the confidence to extend AI beyond low-stakes tasks.”

This reinforces the role of leadership in determining how confidently AI is deployed at scale. Many organizations will need to strengthen governance frameworks, but without better visibility into how AI

Organizations making the fastest progress with AI are those facing fewer constraints from core enterprise systems, while Followers remain more limited by legacy environments

To what extent do differences in AI maturity across your core enterprise applications limit your organization’s ability to adopt or integrate AI and Agentic AI? [Strongly limits only]





When leadership is visible, vocal and able to connect AI initiatives clearly to business outcomes, organizations move faster, experiment more effectively and scale promising initiatives. Where this is absent, initiatives that show genuine promise often struggle to gain sustained traction.

Praveen Bhat,
EVP and Global Head, SAP,
Digital Business Services,
HCLTech

is operating across the business, progress is likely to be limited.

"It may sound obvious, but you can't govern what you can't see," says Meyer. "Yet many organizations continue to deploy AI systems with little visibility into how they are actually used or how decisions are reached."

Creating the right culture

To raise employee confidence in using AI, leadership will also need to enhance collaboration between technical and business teams. "Leaders in the organization should invest in establishing liaison roles, drawing on people with the cultural and technical range to bridge the strategic and operational levels," says Reiche.

Leadership also needs to create a culture that allows AI enthusiasm and talent to flourish. "Technology or data alone is not going to solve things," says Bhat. "Without talent that is completely excited about this whole prospect of AI-enabled work, you are not going to run the entire mile."

AI Leaders already recognize that employee trust is built through transparency, robust governance and clear commitments around how AI decisions are made, reviewed, challenged and adopted. Where these commitments are in place, organizations tend to see higher levels of employee confidence and, in turn, greater willingness to deploy AI across higher-stakes workflows.

"You don't want AI to be an autopilot; it has to be a co-pilot," says Bhat. "It's an evolution of people's roles, not a depreciation of them."

Translating this value into consistent, enterprise-wide impact, however, requires coordination. Orchestration remains the critical layer between AI capability and measurable enterprise value, with leadership playing a central role in enabling it. "CIOs and CTOs are being asked to demonstrate ROI," says Meyer.

Bhat adds that the CFO must also be central to AI strategy, given their ability to connect investment to business value. "The moment you position AI as a business driver, you need to have the CFO at center stage."

Ultimately, leadership determines whether AI initiatives translate into enterprise-wide impact or remain confined to isolated pilots. Yet even where leadership and value alignment are in place, scaling AI ultimately depends on whether organizations can build the workforce capabilities required to sustain it.

The human edge

The research suggests that confidence in workforce preparedness for AI-driven roles is high among the majority of organizations, with 79% very or somewhat prepared to train and upskill employees for operational changes driven by Agentic AI.

Yet at the same time, only 33% currently have a comprehensive organization-wide retraining strategy or plan for upskilling employees; nearly two-thirds say it is defined but limited in scope. In other words, while workforce AI enablement is widely recognized as important, this is not consistently translating into action at scale.

Organizations are equally confident in their ability to adapt recruitment and onboarding processes (79% very or somewhat prepared) and to orchestrate work through a blend of humans and agents (80% very or somewhat prepared). However, confidence drops when it comes to managing role redesign, redeployment and consistent adoption at scale. This points to a persistent gap between belief and capability.

“Confidence without strategy is a form of organizational wishful thinking. It’s comfortable in the short term but

creates significant risk as AI capabilities mature and workforce requirements evolve,” says Lester Lam, EVP and Global Head, Advisory and Consulting, Digital Business Services, HCLTech.

Confidence in managing AI-driven change remains limited. Only 27% of organizations say they are very confident today, with a stark divide between Leaders and Followers reinforcing how uneven preparedness remains. While Leaders are significantly more confident than Followers, many organizations expect this gap to narrow within three years. Such optimism raises a critical question: are organizations assessing AI returns based on their ability to execute today or on expectations of future readiness?

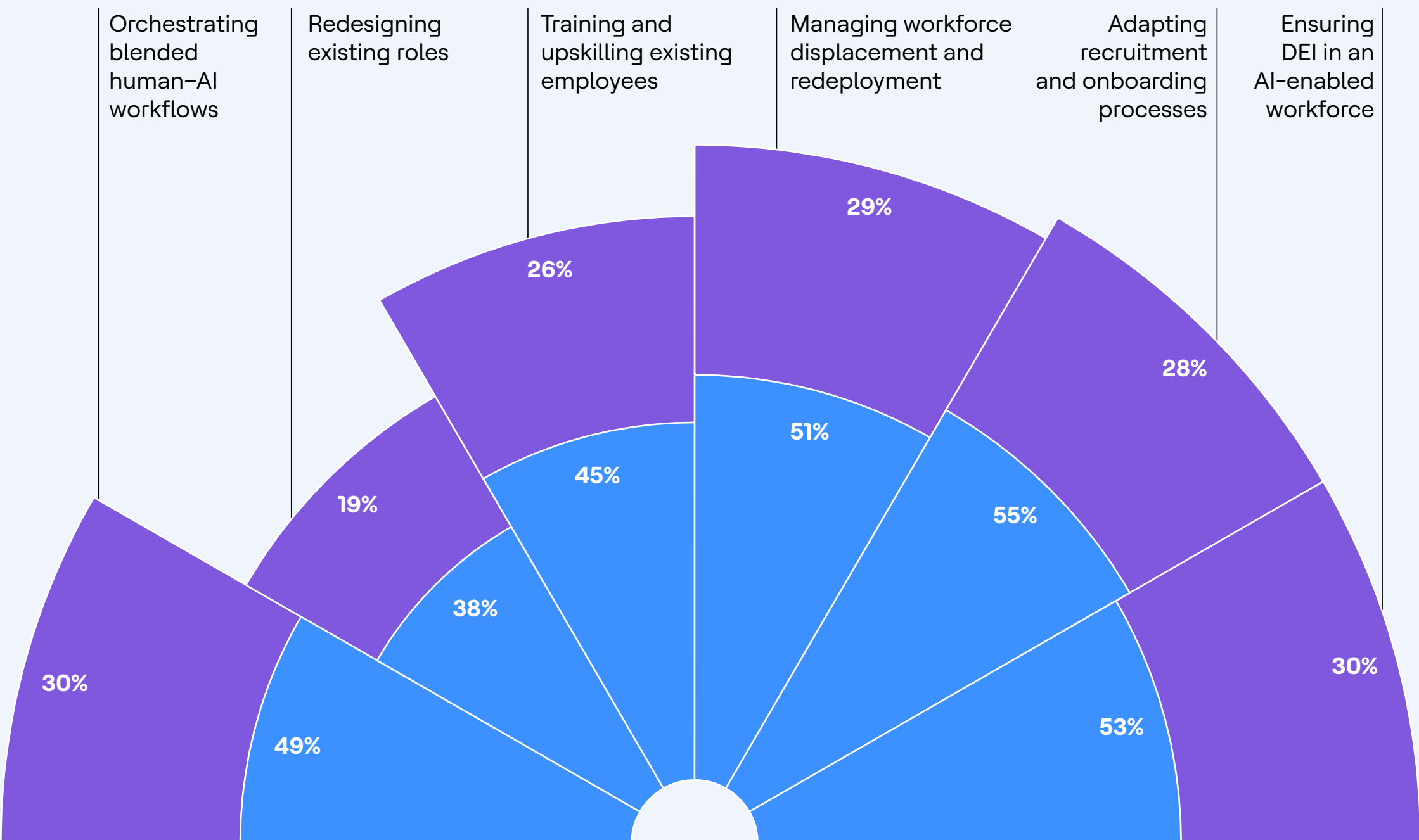
The disconnect between confidence and workforce capability is further emphasized by the gap between AI Leaders and AI Followers. For example, 93% of Leaders have a comprehensive strategy for retraining or upskilling employees, compared with just 20% of Followers. “AI Leaders are treating upskilling as a strategic priority with commensurate investment,” says Lam. “They’ve made substantial commitments of time, money and executive



Leaders are significantly more prepared than Followers for complex workforce changes brought about by Agentic AI

How prepared is your organization for the following workforce changes expected from Agentic AI?

■ AI Leaders ■ AI Followers



attention to ensure dedicated learning time is built into work schedules, not just optional evening courses.”

AI Followers, by contrast, tend to treat workforce development as a periodic HR initiative rather than embedding it within organizational structures, with only 24% prepared to manage continuous organizational changes driven by AI, compared to 52% of AI Leaders. “Upskilling efforts that are disconnected from how performance is evaluated or how work is organized will always underperform, because employees correctly read that the capability being developed is not actually required to succeed in their current role,” says Reiche.

The problem is compounded by the fact that Followers are three times less likely than Leaders to encourage employees to experiment with AI tools and new ways of working. Reiche’s own work points to a set of structural features that distinguish those organizations that successfully embed capability development. These organizations organize work in ways that generate learning as a natural byproduct, for example, through role rotation, peer feedback and giving employees genuine agency over how their work is configured.

They also treat alignment between work design, performance management and incentives as a coherent system. Crucially, they approach AI literacy not simply as a technical training challenge, but as a work design challenge. Organizations should define what each role looks like when augmented by AI and then build

development programs around that reality rather than focusing on generic tool adoption.

Closing the capability gap

For AI Followers, the window to close this capability gap is beginning to narrow. The research shows that Leaders are already as far ahead on skills as they are on technology. In many cases, this is because they have already built the workforce infrastructure—including development systems, experimentation cultures and role redesign capabilities—necessary to convert AI investment into a sustained, compounding advantage.

Followers who are struggling to build workforce capabilities may also be focusing on weaker or misdiagnosed barriers to adoption. Conventional narratives often frame AI workforce challenges as a resistance problem, portraying employees as reluctant to adopt new tools or unwilling to change. The research, however, does not support this view.

In reality, the dominant barrier is a skills shortage, cited by 47% of organizations. At first glance, this suggests a workforce struggling to keep pace with AI—but the evidence points elsewhere. Employee resistance is cited by just 20% of organizations, with leadership misalignment ranking higher at 29%.

Attracting and retaining AI-proficient talent ranks as a top challenge for 38% of Leaders. Logic suggests we’d

see a much higher percentage of Followers who rank finding and keeping top talent as a major challenge, yet significantly fewer (just 26%) actually do. This reveals an important shift: as organizations approach AI maturity, the primary workforce challenge is no longer building baseline capabilities but rather competing for specialized talent—and Followers just aren’t there yet.

Insufficient training programs are cited by 30% of Followers as a top barrier, compared with just 15% of Leaders. This further reinforces that Followers are not being held back by resistant employees, but by the absence of the development infrastructure that Leaders have already established.

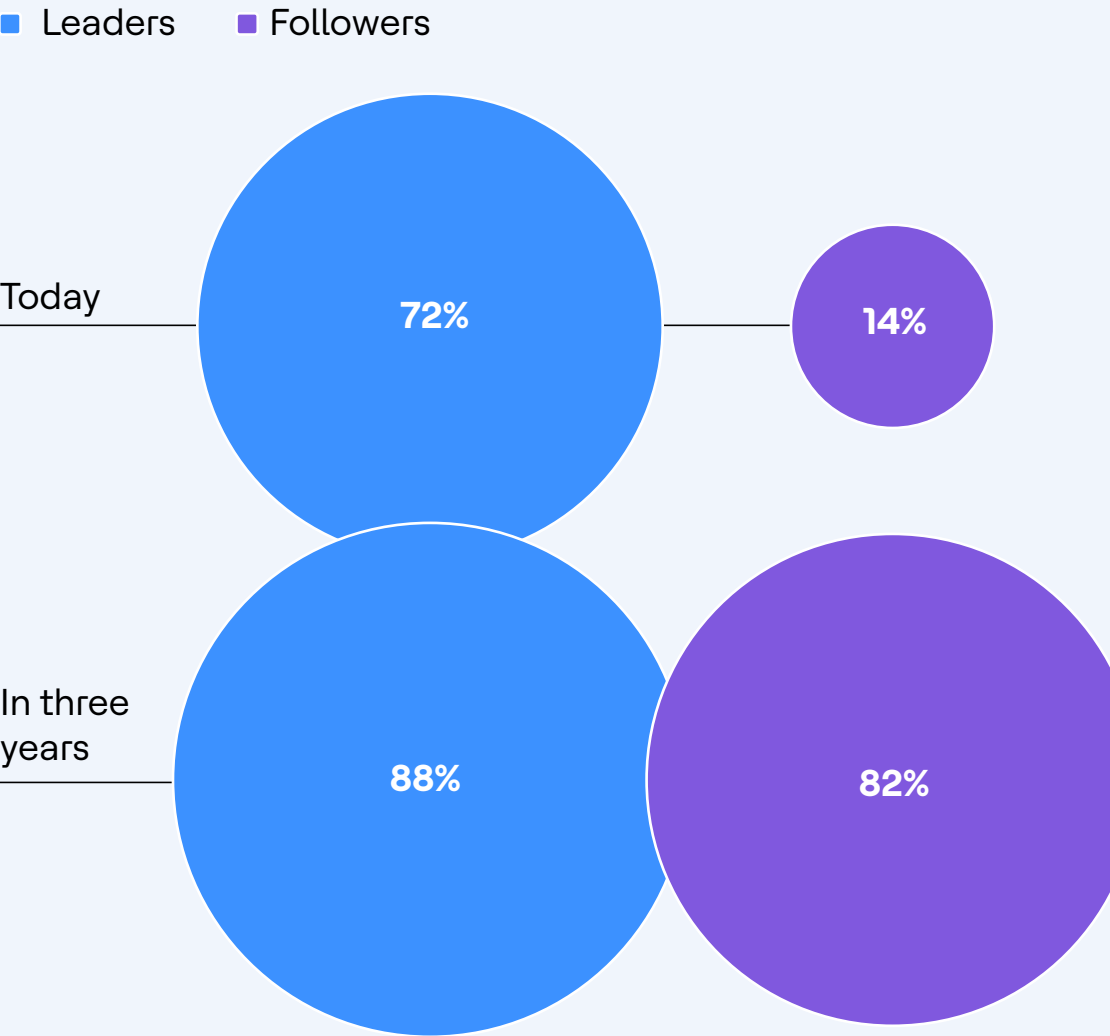
“AI’s transformational potential isn’t realized when you implement AI systems. It’s realized when people throughout your organizations know how to leverage those systems effectively, can identify new opportunities for AI application and are comfortable working in AI-augmented ways,” says Lam. “The technology is necessary but not sufficient.”

Reiche reinforces this point: “Employee resistance as a narrative is indeed convenient, but it is incomplete.” Workers are often more willing to adapt than assumed, particularly when they are empowered to shape how tools are integrated into their roles and can see a clear vision of how their work will evolve.

In many cases, deeper structural issues are at the root

Leaders are confident managing AI-driven change, while Followers expect to catch up within three years – suggesting a gap between ambition and execution

How confident are you that your organisation can manage AI-driven change on an ongoing basis today and in three years time?





Employee resistance as a narrative is indeed convenient, but it is incomplete. Workers are often more willing to adapt than assumed, particularly when they are empowered to shape how tools are integrated into their roles and can see a clear vision of how their work will evolve. In many cases, deeper structural issues are at play.

Sebastian Reiche,
Professor of People Management,
IESE Business School



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Lester Lam,
EVP and Global Head, Advisory and Consulting,
Digital Business Services,
HCLTech

of this gap. The dominant model of work design, in which tasks are centrally defined and assigned, is ill-suited to the dynamic reconfiguration that AI integration demands. "That model produces clarity and control, but it is very poorly suited," Reiche explains.

When AI is introduced, organizations must rethink what roles are for, how work flows between people and systems and where human judgment adds value. These are fundamentally questions of work design, yet many organizations lack both the frameworks and the operational habits to address them effectively.

Upskilling for the autonomous era

Addressing this challenge is becoming increasingly urgent. While less than 10% of today's enterprise AI capability is autonomous, that percentage is expected to rise sharply over the next three years across several operational functions, including technology, infrastructure, data and analytics.

A clear gap remains between Leaders and Followers in preparing for this shift to autonomous systems, particularly in managing workforce displacement (38% of Leaders say they are very prepared vs. just 19% of Followers) and redesigning existing roles (51% vs. 29%).

Governance, oversight and the ability to challenge autonomous systems will become critical capabilities for employees. These skills will not emerge organically;

they will need to be deliberately developed. Even today, readiness for AI governance sits at just 43% across surveyed organizations, well behind readiness to deploy or maintain AI systems.

"Organizations cannot govern what they do not understand," says Reiche. "Building a workforce capable of meaningful AI oversight requires, first, that people working alongside autonomous systems have enough understanding of how those systems operate to know when something is wrong."

If AI systems are treated as black boxes and employees are expected simply to execute outputs, governance capabilities will remain limited. By contrast, when work is designed so that employees actively interrogate outputs, flag anomalies and contribute to system refinement, oversight becomes embedded in day-to-day operations.

Beyond individual capability, organizations will also need to invest in roles that operate at the interface between AI systems and human context. As Reiche notes, these roles require contextual judgment, ethical reasoning and the ability to challenge system outputs. Each is a capability that must be explicitly designed and developed.

Without the right workforce skills and a culture of continuous learning, AI initiatives are likely to remain promising but limited. Where workforce systems are deliberately redesigned to integrate learning, oversight and adaptation, organizations are far more likely to translate AI investment into sustained, enterprise-wide impact.

Fixing the data reality



As organizations move from building AI readiness to scaling it in practice, attention is shifting to a more fundamental constraint: the state of their data.

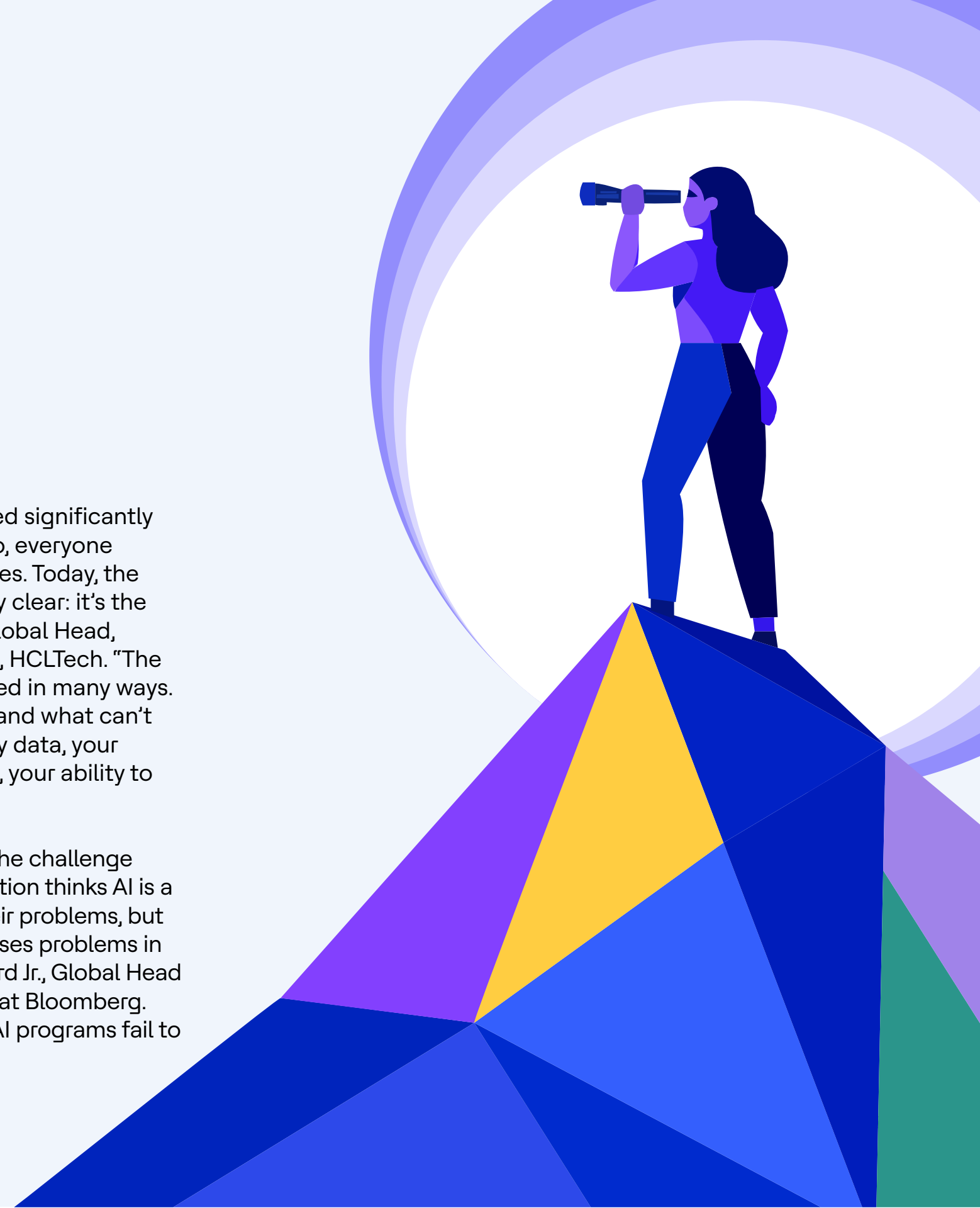
Once AI initiatives expand beyond pilots, gaps in data quality, accessibility and governance become increasingly difficult to ignore. AI is only as powerful as the data it runs on, yet a growing divide is emerging between organizations that have built strong data foundations and those that have not. Leaders are eight times more likely than Followers to express confidence in their data foundations when supporting GenAI initiatives (74% vs. 9%), a gap that is increasingly shaping which organizations can scale AI and which remain stuck in pilot mode.

This disparity is also reflected in performance outcomes, suggesting that data maturity is becoming a key marker of which organizations can turn AI ambition into business value.

From AI ambition to data reality

The conversation around AI has shifted significantly in recent years. “A couple of years ago, everyone was focused on the models themselves. Today, the differentiator has become abundantly clear: it’s the data,” says Nagaraj Sastry, SVP and Global Head, Data and AI, Digital Business Services, HCLTech. “The technology has become commoditized in many ways. But what hasn’t been commoditized and what can’t be easily replicated is your proprietary data, your institutional knowledge and, crucially, your ability to leverage it.”

For many organizations, this is where the challenge becomes most visible. “Every organization thinks AI is a magic tool that’s going to solve all their problems, but it’s really a magnifying glass that exposes problems in their underlying data,” says Marvin Ward Jr., Global Head of Data Management and Operations at Bloomberg. Despite continued investment, many AI programs fail to

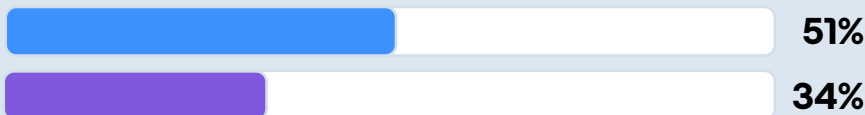


Leaders are more likely to trust AI to guide decisions via predictive, strategic and CX insights than Followers are

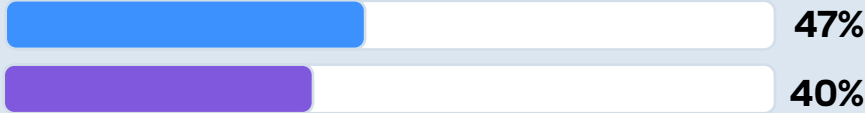
How confident are teams across your organization in acting on the data and AI-generated insights available to them? [High confidence only]

■ Leaders ■ Followers

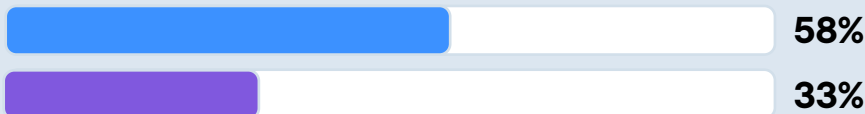
Strategic and executive insights



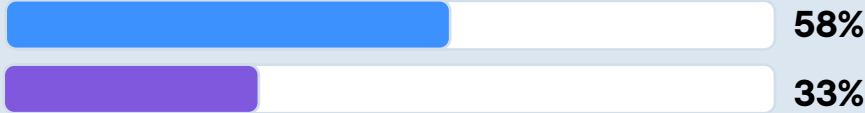
Operational performance recommendations



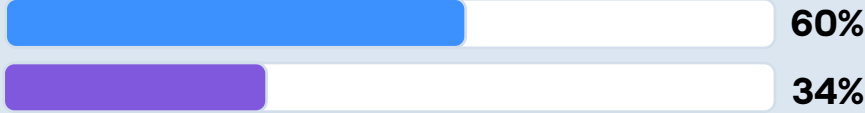
Risk, compliance and anomaly detection



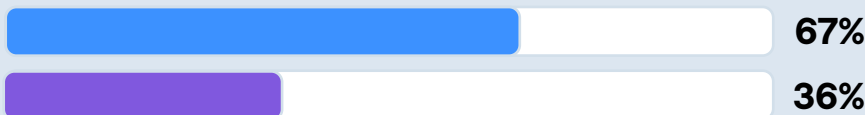
Customer experience insights



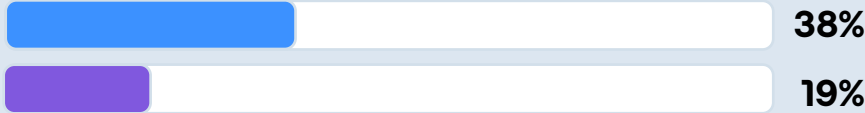
Data quality and reliability signals



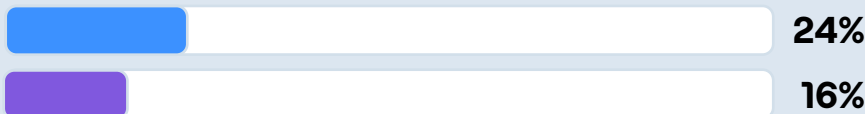
Predictive and forward-looking forecasts



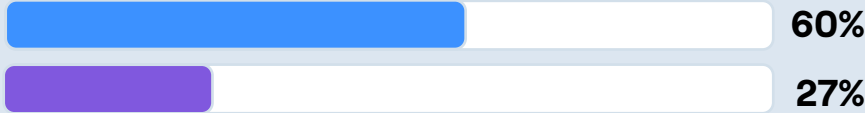
Automated decision outputs



Agent-initiated actions



Productivity and workforce optimization insights



move beyond proof of concept. The research points to a common underlying cause: fragmented data ecosystems.

These environments are often the result of years of decentralized decision-making, leaving organizations with siloed datasets, inconsistent definitions and limited interoperability. The barriers, however, are not purely technical. “Data has historically been treated as a departmental asset,” says Sastry. “Each group has built systems optimized for their specific needs, but they’ve created a fragmented landscape that’s genuinely difficult to unify.”

Trust is another critical constraint. Organizations frequently lack confidence in the accuracy, completeness and timeliness of shared data, while internal dynamics can actively discourage collaboration. At the same time, legacy infrastructure compounds the issue. Many systems were not designed to interoperate, creating integration challenges that are complex and costly to resolve. The result is a data environment that remains ill-equipped to support enterprise-scale AI. As Ward Jr. notes, “AI has drastically lowered the barrier for users to query an organization’s data. This makes data interoperability a must-have and this is where many organizations struggle.”

Even where organizations successfully generate insights from AI, the ability to translate them into action remains uneven. Many say their confidence is highest when AI is used to support operational performance recommendations (38%), predictive forecasting (38%)

and productivity optimization insights (31%). However, this confidence drops as organizations move closer to automation: just 22% express high confidence in automated decision-making and only 17% in agent-initiated actions. What emerges is that many organizations are comfortable using AI to inform decisions, but far fewer trust it or have the data foundations required to operationalize those decisions at scale.

What distinguishes AI Leaders

Against this backdrop, AI Leaders stand apart not because they have access to better models, but because they have invested earlier and more systematically in their data foundations. “These organizations did not wait for AI to become a priority before addressing data challenges. Instead, they invested in infrastructure, governance and quality over time,” says Sastry.

Leaders treat data as a managed product, with clear ownership, defined standards and lifecycle management. 51% of AI Leaders have clear ownership and accountability for data-driven AI decisions, while only 27% of AI Followers do. Data is curated for reuse rather than generated for one-off applications. Leading organizations invest in data observability, enabling continuous monitoring of quality and real-time detection of issues, ensuring that confidence in AI systems is grounded in confidence in the data that feeds them.

Architecture plays a critical role in the success of

Leaders who prioritize interoperability and scalability over isolated solutions, whether through modern platforms or distributed models such as data mesh. Equally important is discoverability. Investments in metadata and data cataloging make it easier for teams to find, understand and use data across the organization. As Ward Jr. explains, “Firms must make explicit investments in their metadata to tie together relevant data across domains.”

There is also a human dimension that organizations must get right. AI Leaders invest in data literacy beyond technical teams, establish clear stewardship models and create forums for collaboration between data producers and consumers, ensuring that data is not only accessible but actively used across the organization.

In turn, this is reflected in how data is shared. AI Leaders are far more likely to operate in environments where data can move across teams and functions: nearly half (46%) report having a fully established, responsible and trust-based data-sharing culture, compared with a fifth (21%) of Followers. This does not mean granting unrestricted access but rather developing a culture in which data is well understood and therefore easier to use consistently across domains. As Ward Jr. notes, “Data without borders is actually more about data consistency than governance and security.”

This consistency is a critical piece of any organization’s ability to scale AI. The most valuable use cases require



Every organization thinks AI is a magic tool that’s going to solve all their problems, but it’s really a magnifying glass that exposes problems in their underlying data. AI has drastically lowered the barrier for users to query an organization’s data. This makes data interoperability a must-have and this is where many organizations struggle.

Marvin Ward Jr.,
Global Head of Data Management & Operations,
Bloomberg



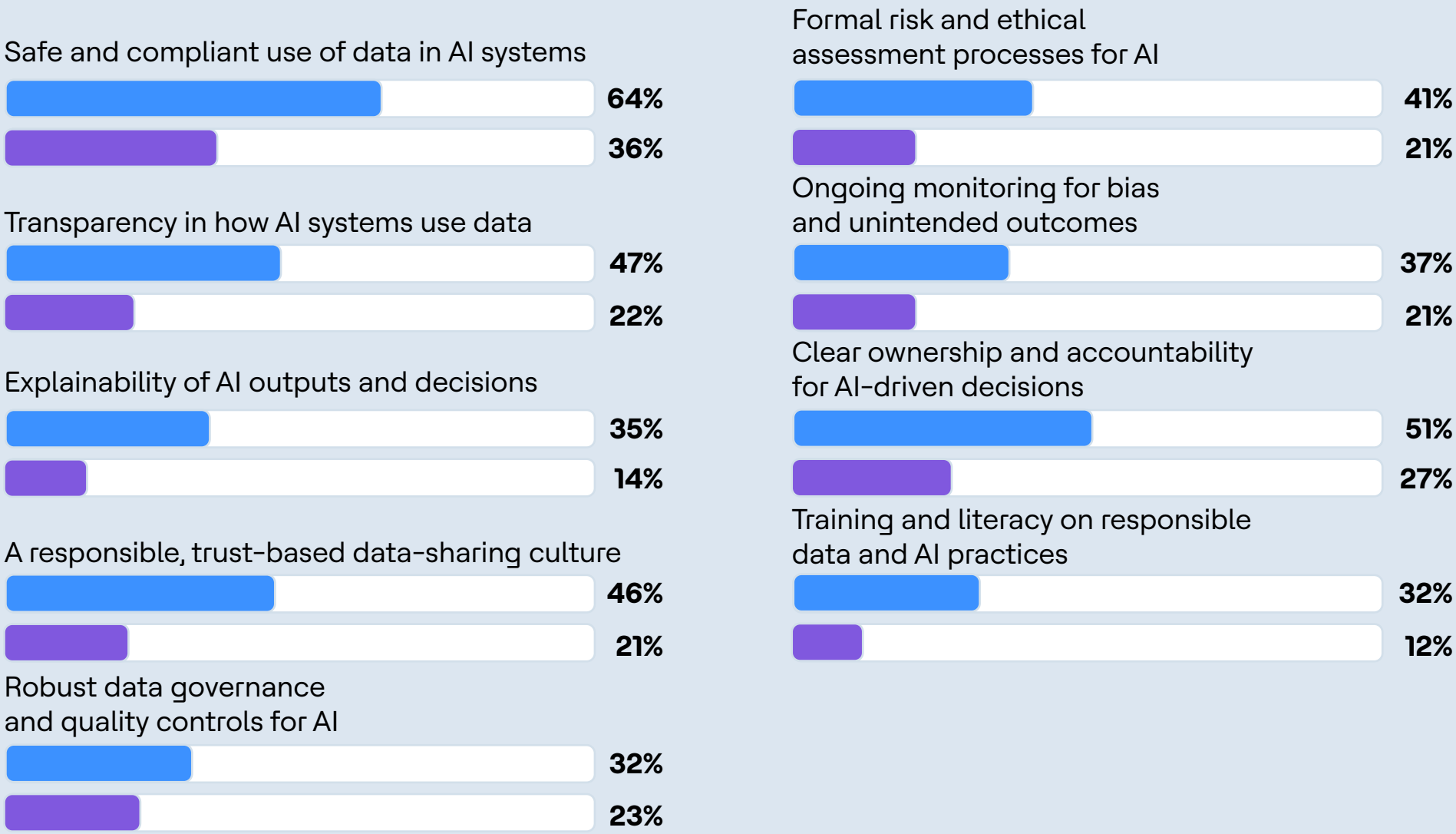
The technology has become commoditized in many ways. But what hasn’t been commoditized and what can’t be easily replicated is your proprietary data, your institutional knowledge and, crucially, your ability to leverage it. But if your organization operates with a mindset of data hoarding, you’ll never realize the full potential of enterprise AI.

Nagaraj Sastry,
SVP and Global Head, Data and AI,
Digital Business Services,
HCLTech

While responsible AI practices are not yet fully established, Leaders have made the biggest headway when it comes to safe usage and accountability in AI systems

How well established are the following practices for ensuring the responsible use of data in AI across your organization? [Fully established only]

■ Leaders ■ Followers



combining data from multiple functions, including customer intelligence, operational optimization and risk modeling. Without the ability to connect these domains, AI remains limited to narrow, localized applications.

Crucially, culture underpins all of this. “You can have the most sophisticated technology stack in the world, but if your organization operates with a mindset of data hoarding, you’ll never realize the full potential of enterprise AI,” says Sastry. Creating this culture requires deliberate leadership action. Incentives must be aligned with enterprise-wide outcomes, encouraging teams to share and contribute data rather than retain control.

It also requires new ways of working, with cross-functional collaboration embedded into organizational processes and supported by data communities and centers of excellence. Trust must be built at multiple levels—technical, organizational and cultural—so that teams have confidence in data quality, clarity on how it will be used and assurance that their contributions will be recognized.

Governance as an enabler, not a constraint
As organizations seek to scale AI, governance becomes increasingly important, particularly in the context of GenAI, where risks are more visible and more complex. “Governance isn’t the enemy of innovation, it’s what makes sustainable innovation possible,” says Sastry.

While safe and compliant data use is relatively well established among Leaders (64%), the capabilities

that make AI trustworthy at scale remain less mature. Only a third of Leaders say that the explainability of AI outputs (35%) and training and literacy on Responsible AI practices (32%) are well established. Both measurements drop to less than one in six for Followers. Effective governance, therefore, extends beyond basic compliance to ensuring that data is accurate and well-structured while embedding transparency, accountability and safeguards into AI systems.

For organizations seeking to close the gap between AI ambition and data readiness, the path forward is rarely linear. “The first question to ask is: what’s actually blocking you today?” says Sastry. For some, the issue is visibility: understanding what data exists and where it resides. For others, it is legacy infrastructure that cannot support modern AI workloads. In many cases, governance gaps either introduce risk or restrict access.

The research highlights a clear disconnect. While strategic integration is widely recognized as critical to AI success, just one-third believe they are investing sufficiently in the foundations required to enable it. Nearly half (49%) cite data-related challenges as a barrier, while 47% point to technology limitations. In other words, many organizations understand what matters but are underinvesting in the systems required to deliver it. As Ward Jr. explains, infrastructure, governance and culture must be addressed together: “Think of this like a three-legged stool.”

Data readiness, like change management, is not a one-off initiative but an ongoing organizational capability. “Many organizations are still treating AI initiatives like traditional IT projects,” says Sastry. “But AI doesn’t work that way. It requires continuous refinement.”

Each improvement reinforces the next. Better governance enables faster decisions, improved architecture increases accessibility and greater accessibility drives usage—generating feedback that further improves quality. In this way, organizations that succeed will treat data not as a prerequisite to AI, but as the foundation on which it continuously evolves.

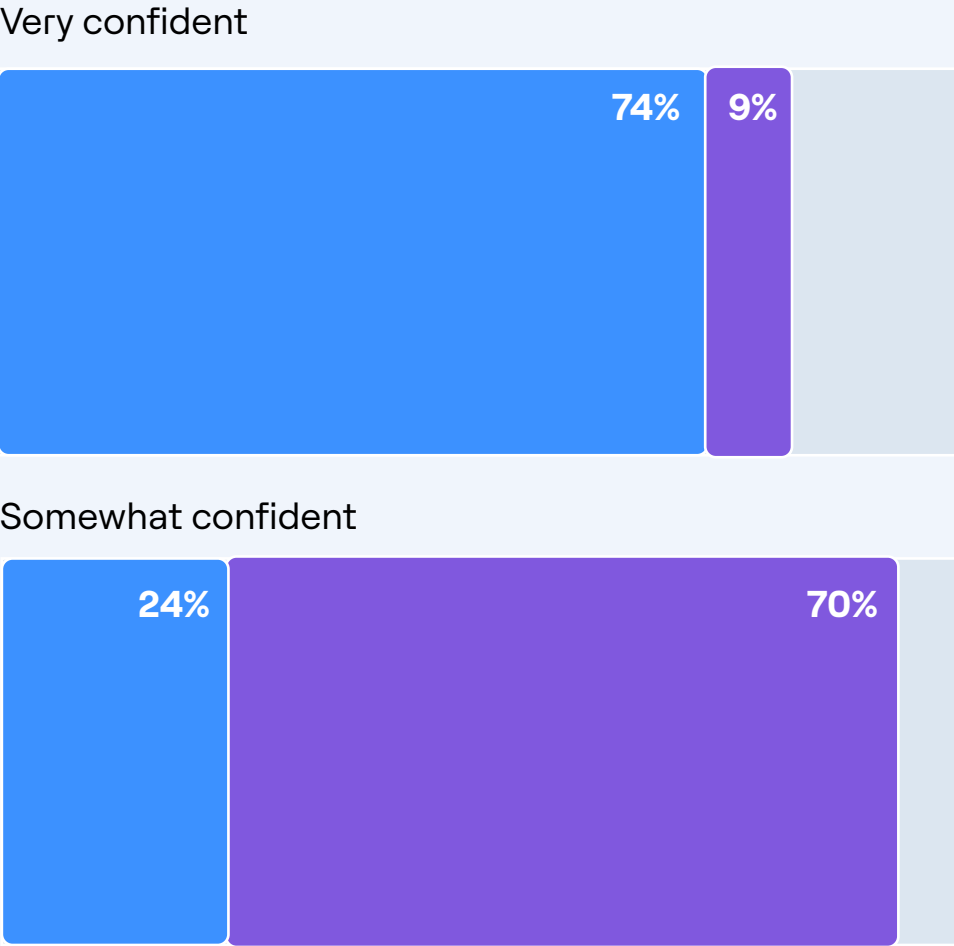
For business leaders, the priority areas of focus should be strengthening governance, improving accessibility and building a mature culture in which data is shared, trusted and strategically managed. Without trusted, accessible and well-governed data, even the most advanced AI initiatives will struggle to move beyond experimentation.

That said, strong data foundations alone are not enough. As organizations attempt to operationalize AI at scale, they must confront the challenge of whether their underlying architecture can support it.

Confidence in data foundations is divided today, with Leaders far ahead of Followers despite widespread optimism for the future

How confident are you that your organization’s data foundations (quality, accessibility and governance) can support GenAI and Agentic AI workloads now and over the next three years?

■ Leaders ■ Followers



Modernizing at scale

While data foundations are a critical enabler of AI, they are only part of the equation. Many organizations find that scaling AI also depends on the capacity of their architecture to support it. Unlike data initiatives, which can often be addressed incrementally, modernizing enterprise architecture requires a more fundamental shift: away from infrastructure and application estates that are built for a different era of computing and toward environments designed for flexibility, interoperability and continuous change.

“Legacy technology constrains innovation,” says Mandy Lamb, Head of Value-Added Services at Visa Europe. “It limits how fast organizations can move, how much they can scale and how confidently they can experiment.”

Still, most organizations remain distant from this model. In fact, just 11% consider their architecture to be very ready for AI adoption. At the same time, only 10% say they are investing sufficiently in architectural modernization to close that gap. This reveals a clear disconnect: While most organizations recognize their architecture is not ready for AI, very few are investing at the level required to address the shortcomings.

The challenge, therefore, lies not just in recognizing the need for architectural change, but in executing it. Nearly

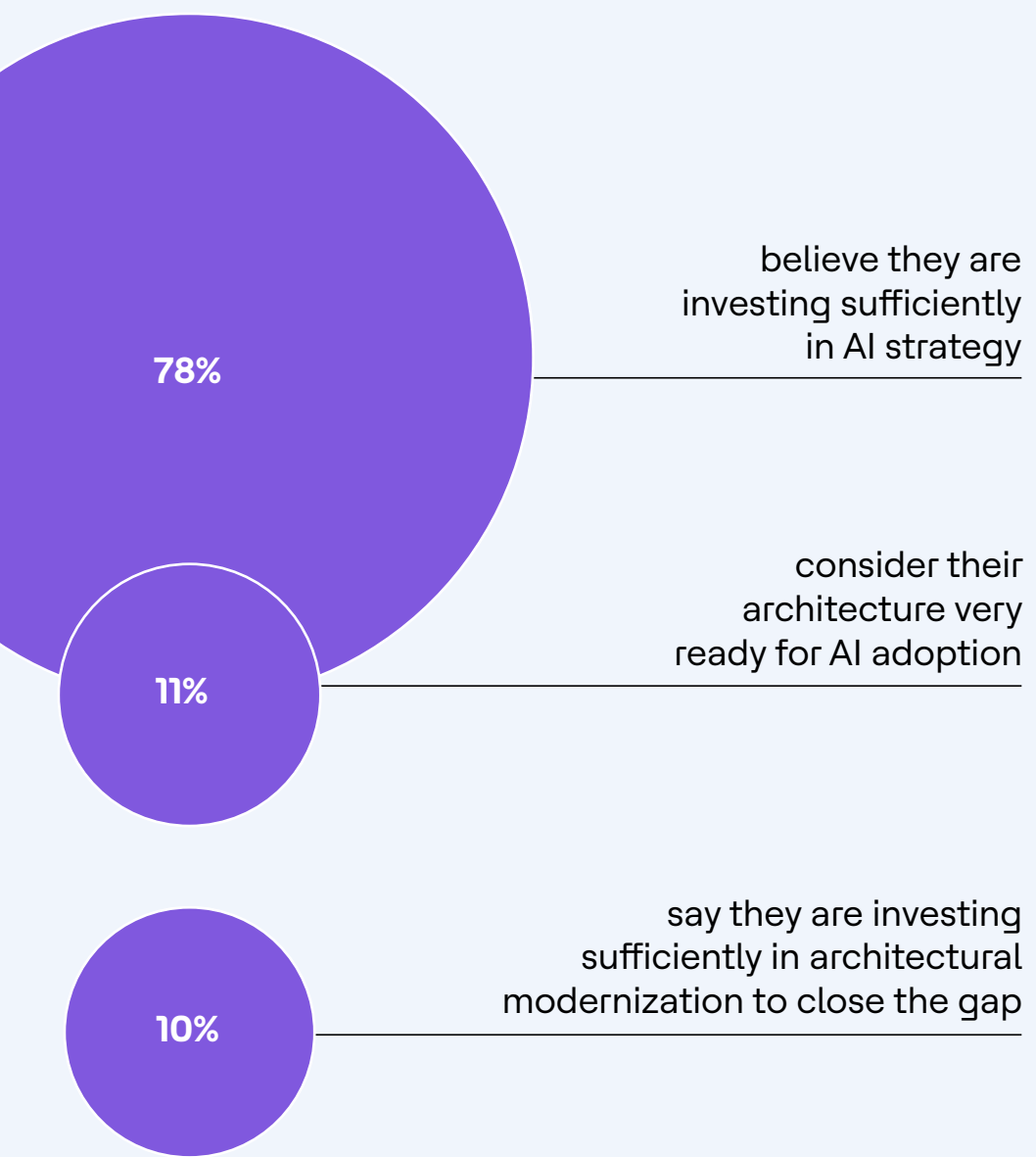
half of organizations (47%) cite technology limitations as a reason for underinvestment in architecture. Budget constraints (31%) and, to a lesser extent, talent shortages further compound the challenge, with the latter more pronounced among Leaders than Followers.

These findings suggest that architectural modernization is not simply underfunded but structurally difficult to deliver within the constraints of existing technology environments. Against this backdrop, organizations report that GenAI-ready architectures are further constrained by practical challenges, including integration complexity (29%), technical debt (25%) and vendor lock-in (22%). Together, these factors create a compounding effect in which the very systems organizations need to modernize are also the ones that prevent that modernization.

The wider research reflects this tension. Organizations appear to be prioritizing more visible, strategic aspects of AI adoption, such as integration and use-case development, while underinvesting in the underlying infrastructure required to support them. The result is a widening divide between organizations able to modernize their environments and those with ambitious AI strategies but limited ability to execute them.



Organizations recognize that their architectures are not yet ready for AI adoption, but most are still investing in AI strategy faster than they are building the foundations to execute it



When architecture becomes the bottleneck

For many organizations, the ambition to scale AI is running up against systems and enterprise applications that were never designed for it. But this challenge appears to intensify as organizations become more advanced in their AI journeys. AI Leaders are more likely than Followers to cite legacy systems and technical debt as a barrier to adoption and scale, at 34% compared with 20%.

This suggests a paradox of AI maturity: the further organizations progress, the more exposed they become to the limitations of their existing technology estates. Leaders may already have captured the more immediate efficiency gains from AI. As they move toward higher-value use cases – embedding AI into workflows, decision-making and enterprise transformation – legacy architectures become harder to work around.

“This paradox is pervasive,” says Chris Pickard, Executive Vice President, Digital Business Services, HCLTech. “Large enterprises built their technology estates over decades to support transactional processing, reporting and operational efficiency. Those systems excel at what they were designed for but struggle with what AI demands.”

These environments were built for stability and efficiency, not adaptability. They are often tightly coupled and difficult to change, limiting how data can move across the organization. “Many enterprises are still running systems that were never designed to

interoperate. They’re dealing with inconsistent data definitions, incompatible formats and integration patterns built for a different era,” says Pickard.

Even organizations leading the way in AI adoption often find themselves constrained by their existing architecture. “The paradox exists because AI progress is often visible at the surface with pilots and proofs of concept, while the underlying foundations remain unchanged,” says Lamb.

This constraint is most visible at the application layer, where core business systems lock data and processes into rigid structures that are difficult to extend with AI. As a result, many organizations are able to generate AI-driven insights but struggle to operationalize them at scale.

This challenge is also reflected in how organizations perceive broader barriers to AI adoption. More than half (56%) cite legacy systems and technical debt as major constraints, highlighting how deeply embedded these limitations remain across the enterprise.

Pickard sees this pattern consistently across large enterprises. “Leaders who expect to layer AI onto existing estates discover that meaningful adoption requires more fundamental architectural evolution than anticipated,” he says. In effect, progress at the edge can mask stagnation at the core.

Organizations overcoming this challenge take a different approach. They focus not only on building new capabilities, but on the conditions that make those capabilities sustainable. “Leaders recognize that scalable AI depends on getting the basics right first: interoperability, modularity and trust,” says Lamb. This is reflected in how they prioritize investment and sequence modernization efforts over time.

Rethinking modernization

Against this backdrop, the concept of AI-ready infrastructure is becoming a priority, but it is often misunderstood. Pickard describes this as a shift toward more composable architecture. “Scaling AI requires an architecture that makes compute, data and controls composable, so organizations can assemble production-grade AI solutions quickly without rebuilding everything each time,” he says.

This composability increasingly extends beyond infrastructure into the application layer, allowing organizations to reconfigure business processes and workflows as AI capabilities evolve. However, achieving this state requires more than new technology—it demands deliberate, sustained modernization of the core.

“The balance comes from refusing a false choice,” says Pickard. “We don’t need to finish modernization before we innovate, but we do need to modernize on purpose.” Rather than pursuing large-scale transformation programs in a single sweep, organizations are increasingly adopting a staged approach. They decouple innovation

from the legacy core, creating environments where AI can be developed and deployed quickly while modernizing critical constraints in parallel. “Each modernization increment unlocks multiple AI use cases. Those use cases then fund the next wave,” explains Pickard.

Lamb sees a similar trend, enabled by cloud native and API-based technologies. “Modernization no longer has to mean a single, high-risk transformation. Leaders can prioritize the areas where change will have the biggest impact first,” she says.

However, infrastructure alone is not the full story. Technical debt is closely tied to organizational structures and ways of working. “The biggest trap is treating modernization as a translation exercise. If we move legacy systems without redesigning them, we don’t eliminate debt, we just replatform it,” says Pickard.

Much of this technical debt sits in the seams of organizations, from fragmented ownership to enterprise applications that encode processes in ways that are difficult to adapt or scale. “AI exposes this brutally. If the enterprise can’t explain how a process works or where authoritative data lives, AI initiatives inherit that confusion,” he says.

Addressing this requires more integrated, cross-functional ways of working, with teams operating closer to both data and products. When culture and infrastructure evolve together, organizations are better positioned to reduce technical debt and unlock AI at scale.



Legacy technology constrains innovation. It limits how fast organizations can move, how much they can scale and how confidently they can experiment. Modernization no longer has to mean a single, high-risk transformation. Leaders can prioritize the areas where change will have the biggest impact first.

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Chris Pickard,
EVP, Digital Business Services,
HCLTech

Building from the foundations up

For organizations earlier in their AI journeys, the temptation is to layer new capabilities onto existing systems. But this approach rarely delivers sustainable results.

“The most expensive mistake is letting pilot convenience define long-term architecture,” says Pickard.

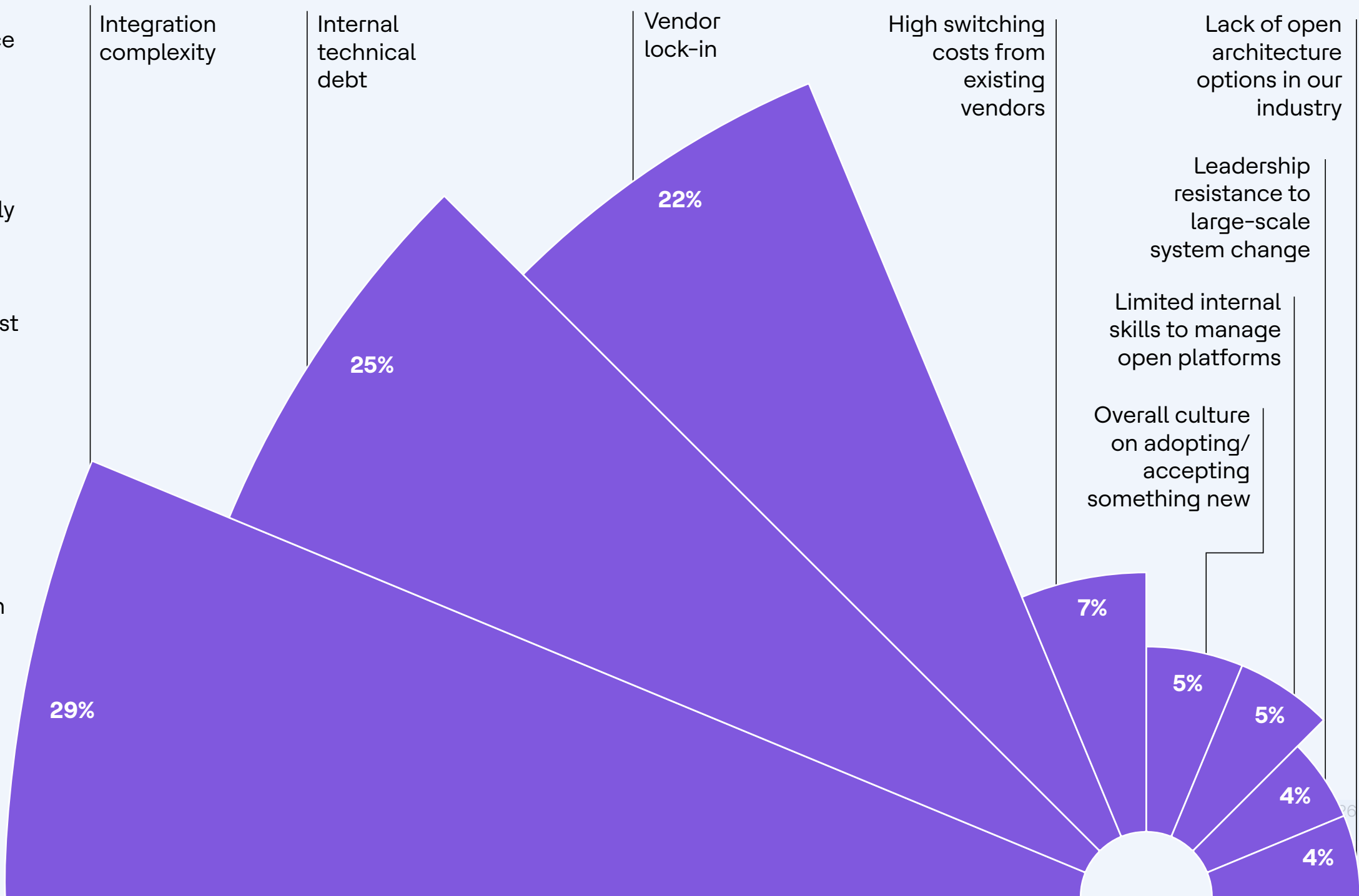
Instead, organizations need to stabilize and modernize the core. That means ensuring data is reliable and well governed, systems are modular and interoperable and that governance frameworks are established early. “Early decisions set the slope of your future,” he says.

The organizations successfully scaling AI are not those with the most advanced models, but those with the most adaptable environments. By modernizing architecture, strengthening core foundations and evolving the way they work, they are removing the constraints that have historically limited progress.

For others, the challenge is becoming more urgent. As AI adoption accelerates, the gap between Leaders and Followers is widening, not just in adoption, but in the ability to scale AI into core operations. Bridging that gap will depend not on adding more technology, but on building an architecture and application environment capable of carrying AI into core business processes and operations at scale.

Organizations’ biggest barriers to more open, GenAI-ready architectures are rooted in technical complexity rather than cultural resistance

Which barriers make it difficult for your organization to adopt more open, GenAI-ready architectures?



The AI leadership manifesto

AI has moved beyond experimentation. Across industries, organizations are moving from pilots and proofs of concept to confronting a more fundamental challenge: scaling AI into a core business capability.

At this stage, the dividing line is no longer adoption – it's execution. Most organizations have proven that AI can deliver value in isolated use cases. Far fewer have translated that potential into sustained, enterprise-wide impact.

This gap is not explained by investment in or access to technology alone. Instead, it reflects the extent to which an organization's leadership, workforce capability, data and architecture are aligning around a common objective. In many cases, the difference between organizations that scale AI and those trapped in perpetual piloting comes down to a fundamental orientation. Leaders often treat AI as a business transformation, while Followers treat it as a technology experiment.

For leadership, the question is no longer whether to invest in AI, but how to make it deliver. And to that end, how an organization answers four key questions defines the difference between experimentation and enterprise capability.





Are you connecting AI to measurable business outcomes?

The organizations that scale AI most effectively do not treat it as a standalone innovation agenda. They anchor it in clearly defined business outcomes, aligning use cases to the metrics the business already prioritizes, such as revenue growth, cost efficiency, customer retention and operational performance.

When AI is framed as a business initiative or as a driver of revenue growth, margin improvement, customer satisfaction or competitive differentiation, it naturally commands more attention and resources.

This is often the point at which initiatives begin to stall. Where value is loosely defined or disconnected from core business priorities, AI remains confined to experimentation. Activity increases, but impact remains limited.

In this sense, what differentiates Leaders is not just their ability to deploy AI, but their ability to tie it directly to business outcomes. Followers, on the other hand, too often scope initiatives narrowly and execute them in relative isolation with a lack of connective tissue linking experiments to a coherent outcome.

This discipline changes how AI is deployed. Instead of being layered onto the business, it becomes embedded

within the enterprise applications and workflows where value is created. The focus shifts from what AI can do to what it should deliver.

The conclusion is clear. Organizations should narrow their focus to a small number of high-impact use cases and define success in terms that the business already measures. AI initiatives that are not tied to clear financial or operational outcomes should be deprioritized in favor of those that can demonstrate tangible value.



Is cultural debt preventing your workforce from scaling AI?

Clarity determines where AI should be applied. Workforce capability determines whether it can be sustained.

Many organizations are confident that they can prepare their people for AI-driven change. Far fewer have translated that confidence into comprehensive, organization-wide retraining strategies, redesigned roles or the operating structures needed to support adoption at scale. The result is a persistent gap between belief and capability.

This gap is not simply a skills issue. It also reflects a form of cultural debt: deeply embedded ways of working built for stability, control and predictable execution, but poorly suited to the experimentation, adaptation and human-machine collaboration that AI requires. In many

organizations, roles remain too rigid, learning remains too episodic and performance systems continue to reward existing ways of working even as leaders ask employees to adopt new ones.

For Leaders, workforce enablement is not treated as a periodic HR initiative. It is embedded into how work is organized, how performance is evaluated and how employees are encouraged to experiment with AI in real workflows. They recognize that AI literacy is not simply a technical training challenge, but a work design challenge. People need to understand not only how to use AI tools, but how their roles, decisions and responsibilities change when those tools become part of day-to-day work.

Followers, by contrast, often mistake confidence for readiness. They may recognize the importance of upskilling, but their efforts remain limited in scope, disconnected from incentives or detached from how work actually gets done. In these environments, AI adoption is too easily framed as an employee resistance problem, when the deeper constraints are often the absence of development infrastructure, leadership alignment and role clarity.

This distinction will become more important as autonomous AI expands. Employees will need to do more than operate systems. They will need to interrogate outputs, challenge decisions, identify anomalies and exercise judgment where human context still matters.

These capabilities will not emerge organically. They must be deliberately built into roles, workflows and learning systems.

This is where workforce strategy becomes inseparable from AI strategy. Organizations should define what each role looks like when augmented by AI, align upskilling with performance and work design and confront the cultural debt that prevents experimentation, learning and adaptation from becoming part of everyday work. Without this, AI may be implemented, but it will not become a sustained enterprise capability.

3 Is your data foundation enabling AI or exposing its limits?

Data remains the most widely recognized dependency in AI, but also one of the most persistently underestimated.

Many organizations enter AI initiatives assuming their data environments are sufficient. It is only when they attempt to scale that gaps in quality, accessibility and governance become visible. In this sense, AI does not solve data problems—it exposes them. The gap between what leaders believe about their data estate and what AI teams discover when they try to use it can quickly become an all-too-real constraint.

Those successfully scaling AI take a different approach. They treat data as an enterprise asset rather than a

byproduct of systems and processes. They invest in governance, standardization and accessibility over time, creating environments where data can be reliably reused across functions.

The distinction is not simply technical—it's personal. In environments where data is fragmented or closely held within functions, AI remains localized. Where it is shared, trusted and actively managed, AI is far more likely to scale. The priority for organizations should not be pursuing more data but making existing data more usable. They should focus on strengthening governance, standardization and accessibility, treating data as a shared enterprise asset rather than a collection of siloed resources.

4 Is your architecture empowering AI-driven transformation or holding it back?

Even as data improves, architecture often lies in wait as the next constraint. AI places fundamentally different demands on enterprise systems. It requires interoperability across applications, fluid data movement across domains and the ability to embed intelligence into workflows that were never designed to support it. Legacy environments, often optimized for stability and efficiency, struggle to meet these requirements.

In many cases, these constraints reflect accumulated technical debt: legacy systems, fragmented

architectures and integration patterns that were never designed for AI at scale. The result is a growing disconnect between ambition and execution. Organizations can develop AI capabilities at the surface, but struggle to embed them into core operations.

Most enterprises can buy tools and hire talent but scaling AI is not just about adding new capabilities—it's about removing the constraints that prevent those capabilities from working at scale. Leaders must make hard trade-offs, funding the foundations before the big wins are visible, standardizing patterns even when teams prefer autonomy and enforcing governance without slowing innovation to a crawl.

Simply put, modernization is unavoidable, but also inherently difficult and costly. It requires new investment and new technologies, of course, but also coordinated changes to existing systems, processes and ways of working that have evolved over time. Yet without the discipline to turn scattered AI activity into something cumulative, organizations can end up with pockets of AI excellence but an enterprise unable to scale it.

Organizations that are making progress take a more deliberate approach. They prioritize the areas where architectural change will unlock the greatest value, adopt more composable models and align modernization efforts with business priorities. Without this, AI's potential remains peripheral, capable of generating insight but unable to drive meaningful change.

Leaders should resist the temptation to layer AI onto existing systems without addressing underlying constraints. Instead, they should prioritize targeted modernization and focus investment on the parts of the architecture that will unlock the greatest business value. Doing so sequences change in a way that supports both innovation and long-term scalability.

Turning ambition into advantage

Together, these questions point to a broader shift. The primary challenge in scaling AI is not related to your technology but to your operating model.

Though in reality, the barriers to scaling AI are rarely isolated. They reflect a combination of technical debt and cultural debt—legacy systems on one hand and legacy ways of working on the other—alongside fragmented data environments and misaligned operating models. Addressing one without the others rarely delivers sustained progress.

The organizations pulling ahead are not those with the most advanced models, but those that have aligned the conditions required to make those models effective. They connect AI to measurable outcomes. They build trust across the workforce. They strengthen data foundations rather than working around existing limitations. And they modernize architecture in ways that enable, rather than constrain, progress.

For business leaders, two priorities must stand out. First, confront the cultural debt that limits AI adoption by redesigning roles, incentives and learning systems around AI-augmented work. Second, ensure leadership commitment is visible and sustained, not just stated, while putting humans at the center of this AI-driven transformation.

These actions do not guarantee success. But they create the credibility and momentum on which broader transformation depends.

Ultimately, the question is no longer whether AI will reshape the enterprise. It is whether business leaders are prepared to reshape their organizations around it.



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