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AI EXECUTIVE SUMMARY

The ambition–execution gap is widening

SUMMARY

Across every dimension of AI transformation, there's a gap between what leaders say and what organizations actually do. Executives are expressing confidence, budgets are rising, and strategies are being refreshed at speed. Yet day-to-day reality is uneven adoption, shallow integration, and fragmented security and governance foundations. Together, these disconnects reveal why AI progress feels both inevitable and stalled, and why the next phase of AI transformation depends on translating overconfidence into capability.

DOMAIN 1: STRATEGIC ALIGNMENT & GOVERNANCE

Strategy is outpacing substance. Nearly half of executives update their AI strategies continuously, but only 51% of those update metrics to match. Cross-functional ownership has risen to 63% (up from just 5% in 2023), yet accountability remains scattered, with 38% pushing decisions to business units and 18% outsourcing them. With fragmented metrics and accountability, many organizations risk mistaking activity for progress.

> ***"Most organizations still treat AI as a technology strategy, not as business transformation. The priority now is to connect AI to strategy, governance, and culture to close the gap between ambition and impact."***
>
> **Tamarah Usher**, Senior Director, AI Strategy and Innovation

DOMAIN 2: TECHNOLOGY & DATA

Legacy systems are holding AI back. More than half of organizations still run most core applications on legacy systems. While 76% are investing in modernization, only 34% have an enterprise-wide mandate to fully re-platform and 42% admit their roadmaps are only partial. Most efforts still focus on system migration—just 42% say they have the robust data foundations needed for AI impact. Until modernization is fully funded and finished, companies will stay locked in tactical gains while enterprise transformation remains out of reach.

DOMAIN 3: SECURITY, PRIVACY, RISK & ETHICS

Half of companies move ahead without safety mechanisms in place. Only 50% run audits or ethics boards, and just 42% monitor for bias, drift, or lineage. The rest rely on fragmented oversight—29% at the business-unit level, 9% with vendors, and nearly one in 10 still have no AI risk controls at all. Without stronger safeguards and shared accountability, companies gamble with safety as they scale adoption.

KEY STATS

91%

plan to increase AI investments in 2026, yet only 39% track ROI

95%

of leaders are comfortable using AI in decisions, but 29% say it's moving faster than they can keep up

only

23%

see competitors as disruptive

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DOMAIN 4: EXPERIENCE & PROCESS

Pilots don't scale—processes do. More than half of companies (56%) are redesigning workflows to automate or hand off tasks to AI. Yet impact is still limited: just 21% of use cases scale enterprise-wide, and only 28% embed AI into end-to-end workflows. The gains so far are tangible—62% report less manual work, 41% faster decisions, and 38% higher-quality outputs—but they remain incremental. Real transformation will require radically reimagining processes, not retrofitting AI into existing ones.

DOMAIN 5: WORKFORCE & ORGANIZATION TRANSFORMATION

Confidence exceeds capability: 67% of leaders and employees say they can keep pace with AI, but 55% cite skill gaps as the top barrier to value, and only 20% rate upskilling as "very effective." Workforce disruption is already underway: 45% are creating new AI roles and 36% are consolidating roles, but only 23% expect a net reduction in the next 12 months. The risk is clear—without reskilling, organizations risk the adaptability needed to lead in an AI-driven marketplace.

DOMAIN 6: BUSINESS & CUSTOMER VALUE

Productivity is table stakes; disruption is the bet. AI spend keeps rising: 91% plan to invest more in 2026 (up from 82% in 2025), and 68% expect returns within two years. Yet only 39% track ROI, creating pressure for quick wins while leaving longer-term impact uncertain. Most leaders still frame AI in terms of efficiency (76%) or differentiation (86%), while fewer see reinvention (48%) or tie it to evolving customer strategy (30%). The result: AI progress remains largely inward-facing, while true disruption—the kind customers notice—remains out of reach.

CLOSING THE GAP

Leaders talk a big game about AI, but results aren't keeping pace. Bridging this gap requires aligning ambition to impact:

1. **Turn overconfidence into capability.** Confidence is soaring, but enablement lags. Reskilling at scale is the only way to close the talent divide.
2. **Modernize without compromise.** Legacy systems are AI's silent constraint. Break free from modernization debt and fund data foundations to fuel real transformation.
3. **Stop retrofitting; start redesigning.** Most gains are still incremental. Transformation comes from reimagining processes, not bolting AI onto old systems.
4. **Invest beyond efficiency.** Efficiency keeps you afloat; differentiation buys time. The real risk is being blindsided by competitors already moving on reinvention.

Sources: Data from Slalom's Global AI Insights Survey (August 2025)

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You can't declare disruption—you have to deliver it. When the results are tallied, AI progress will be measured in outcomes, not optimism.

Learn more about Slalom's approach to AI here.

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