



2026 State of Business-Driven Technology Report: **AI Business Reality Check**



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Executive Summary

Business and technology leaders are hyper focused on extracting measurable results from AI investments. As organizations shift from experimenting with AI's capabilities to full operational deployment, our 2026 report taps into the most respected research from the last year to dive into what factors are driving this evolution, what persistent implementation challenges stand in the way, and where businesses are finding success.

- **AI is now the #1 budget priority across industries**
- **Highest-value adoption remains in CX, automation, analytics**
- **Security, governance, and data quality are scaling barriers**
- **Use cases now drive AI decisions (not technology)**

\$2.5T

Gartner's
projected AI
spend in 2026

88%

of organizations report
regular AI use according
to McKinsey.

60%

of workers are equipped
with sanctioned AI tools
according to Deloitte

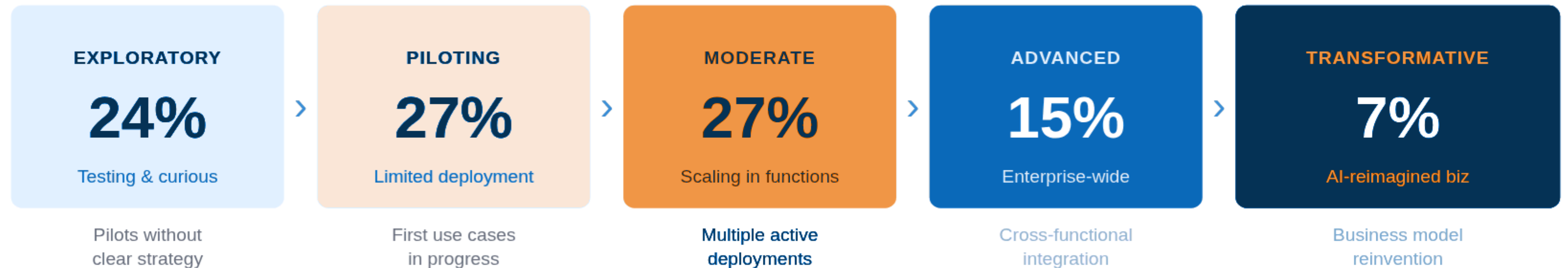
76%

of organizations moved
beyond the AI exploratory
phase in our 2025 survey.



2026 State of AI Adoption

AI adoption maturity scale — % of organizations at each stage



AI's real-world business impact is rising fast, with 25% of leaders now reporting transformative effect on their companies—more than double from a year ago. Yet only 30% of organizations are redesigning key processes around AI, and 37% report using AI at only a surface level with little or no change to underlying business processes. ([From Ambition to Activation: Organizations Stand at the Untapped Edge of AI's Potential, Reveals Deloitte Survey](#))

Only 11% of organizations have agents in production despite 38% piloting them, and 42% are still developing their strategy while 35% have no strategy at all. ([Deloitte Tech Trends 2026](#))

Xcelacore's 2025 survey found that 76% of companies had moved beyond the exploratory phase. In 2026, this trend holds strong with an uptick in organizations moving into piloting and moderate AI implementation phases ([Xcelacore 2025 State of Business-Driven Technology Report](#)).

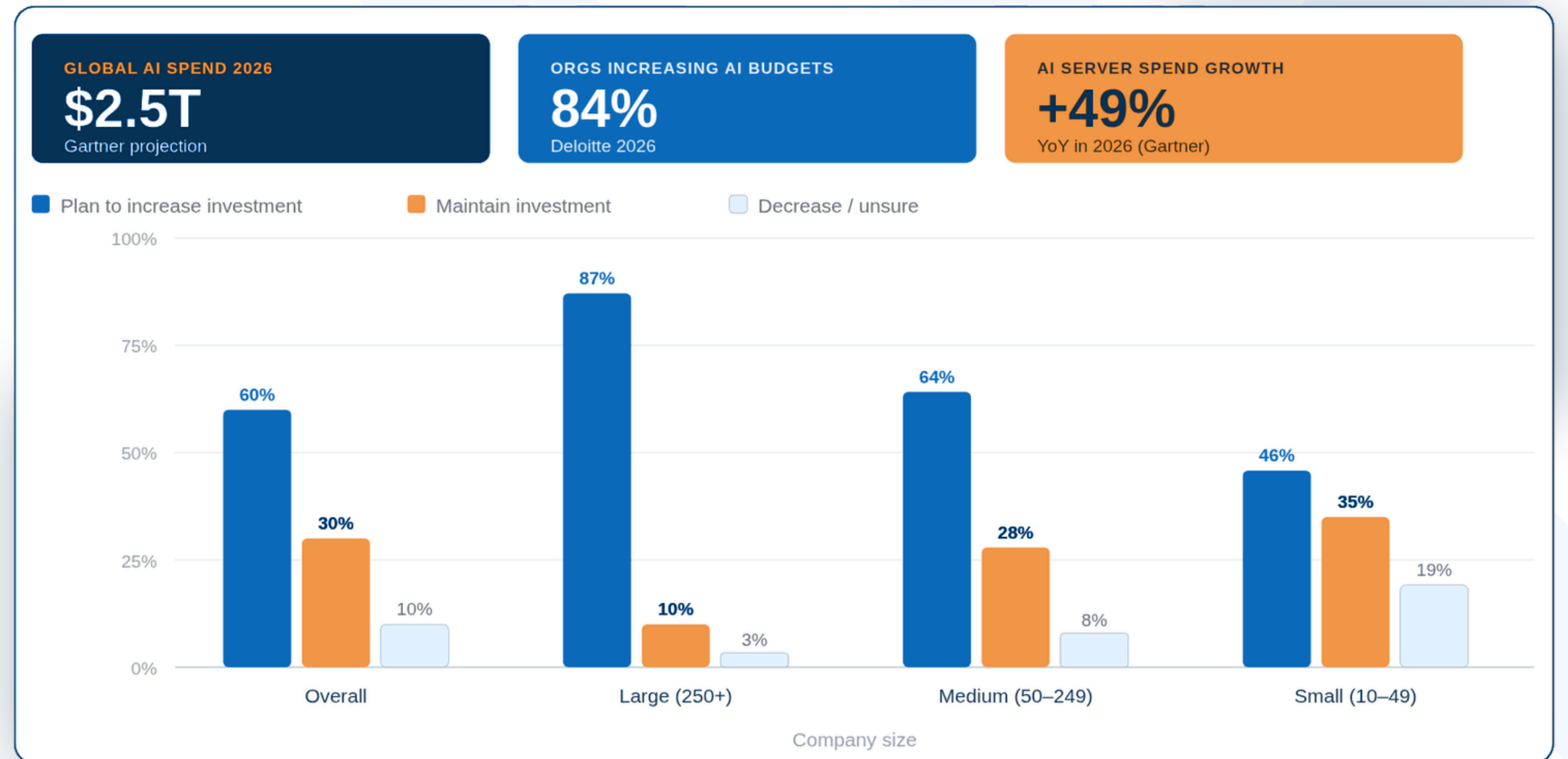


2026 AI Investment Trajectory

Building AI foundations is driving a 49% increase in spending on AI-optimized servers for 2026, representing 17% of total AI spending ([Gartner Says Worldwide AI Spending Will Total \\$2.5 Trillion in 2026](#)).

84% of organizations are increasing their AI investments, and 78% of leaders report greater confidence in the technology ([Deloitte's The State of AI in the Enterprise](#)).

In 2025, 60% of organizations planned to increase AI investment—the strongest growth trajectory of any technology category surveyed ([Xcelacore 2025 State of Business-Driven Technology Report](#)).





What's driving AI investment?

Major 2026 drivers:

- Operational efficiency
- Customer experience at scale
- Revenue enablement + new digital products

Why This Matters:

- These drivers align directly with our [2025 findings](#) that 73% of business and technology leaders prioritized increasing operational efficiency as their primary motivation for technology implementation for the next 1-2 years
- According to [Deloitte](#), 66% of organizations report productivity and efficiency gains as the leading benefit from enterprise AI adoption





What Industries Are Leading in AI?

Financial Services/FinTech

- Highest AI adoption rate (85%) in moderate to advanced implementation ([Xcelacore 2025](#))
- Projected AI investments across banking, insurance, capital markets, and payments expected to reach \$97 billion by 2027 ([World Economic Forum & Accenture's AI in Financial Services](#))

Technology/Software

- Leading in DevOps implementation (78%), AI-powered testing and QA (67%), cloud-native development (82%), and multi-cloud strategies (38% vs. 6% overall) xcelacore ([Xcelacore 2025](#))
- Common early applications include IT service desk automation, technical triage, and knowledge management ([McKinsey State of AI 2025](#))

Healthcare/Life Sciences

- GenAI is becoming a top C-suite priority Gartner ([Gartner](#))
- Healthcare demonstrates extreme cybersecurity specialization (82%), reflecting regulatory pressure alongside AI adoption momentum ([Xcleacore 2025](#))

Hospitality

- Hospitality leads in customer experience enhancements (87%) and conversational AI/chatbot adoption (74%), with a stronger focus on mobile application development (63% vs. 27% overall) ([Xcelacore 2025](#))



Industry Leaders VS Laggards

INDUSTRIES

Leaders

FinTech · Software/Tech · Hospitality

AI ADOPTION RATE

80–85%

Moderate to advanced implementation across the org

PRODUCTION DEPLOYMENT

78–80%

AI actively running in multiple business functions

VS

INDUSTRIES

Laggards

Manufacturing · B2B Suppliers · Education · Gov't

AI ADOPTION RATE

28–58%

Mostly exploratory or early piloting stage

PRODUCTION DEPLOYMENT

18–38%

Most initiatives remain in proof-of-concept phase

KEY GAPS BETWEEN LEADERS AND LAGGARDS

57pts

Adoption rate gap (85% vs 28%)

3x

More likely to have C-suite AI ownership

110%

More revenue growth for digitally mature B2B firms



2026's Biggest AI Challenges

Despite rapid AI adoption across industries, business and technology leaders are navigating a complex set of challenges—from merging gaps between piloting and production, to mounting pressure around governance, talent readiness, and return on investment. While confidence in AI is at an all-time high, that optimism coexists with the sobering reality that most organizations are still building the foundational infrastructure, skills, and organizational alignment needed to scale AI effectively. The challenges outlined in this section are not unique to any one industry and addressing them is what separates organizations that extract lasting value from AI from those that remain perpetually stagnant in the pilot phase.



Revenue growth remains just an aspiration for most

74%

of organizations hope for future revenue growth through AI vs. only 20% already doing so, according to Deloitte



Key Challenges

The Scaling Gap

- Two-thirds of organizations remain in testing or proof-of-concept phases without a clear strategy for large-scale adoption ([McKinsey](#))
- AI integration and adoption ranked as the #1 business challenge for the next 1–2 years, cited by 30% of business technology leaders ([Xcelacore 2025](#))

Governance, Risk, & Compliance

- Top AI concerns include data privacy and security, topping the list at 73%, followed by legal, intellectual property, and regulatory compliance at 50% ([Deloitte](#))
- Gartner predicts that "death by AI" legal claims will exceed 2,000 in 2026 due to insufficient AI risk guardrails [Gartner](#)

The Talent & Skills Gap

- The AI skills gap is seen as the biggest barrier to integration. Education was the #1 way companies adjusted their talent strategies due to AI ([Deloitte](#))
- [Gartner](#) predicts that by 2027, 75% of hiring processes will include certifications and testing for workplace AI proficiency

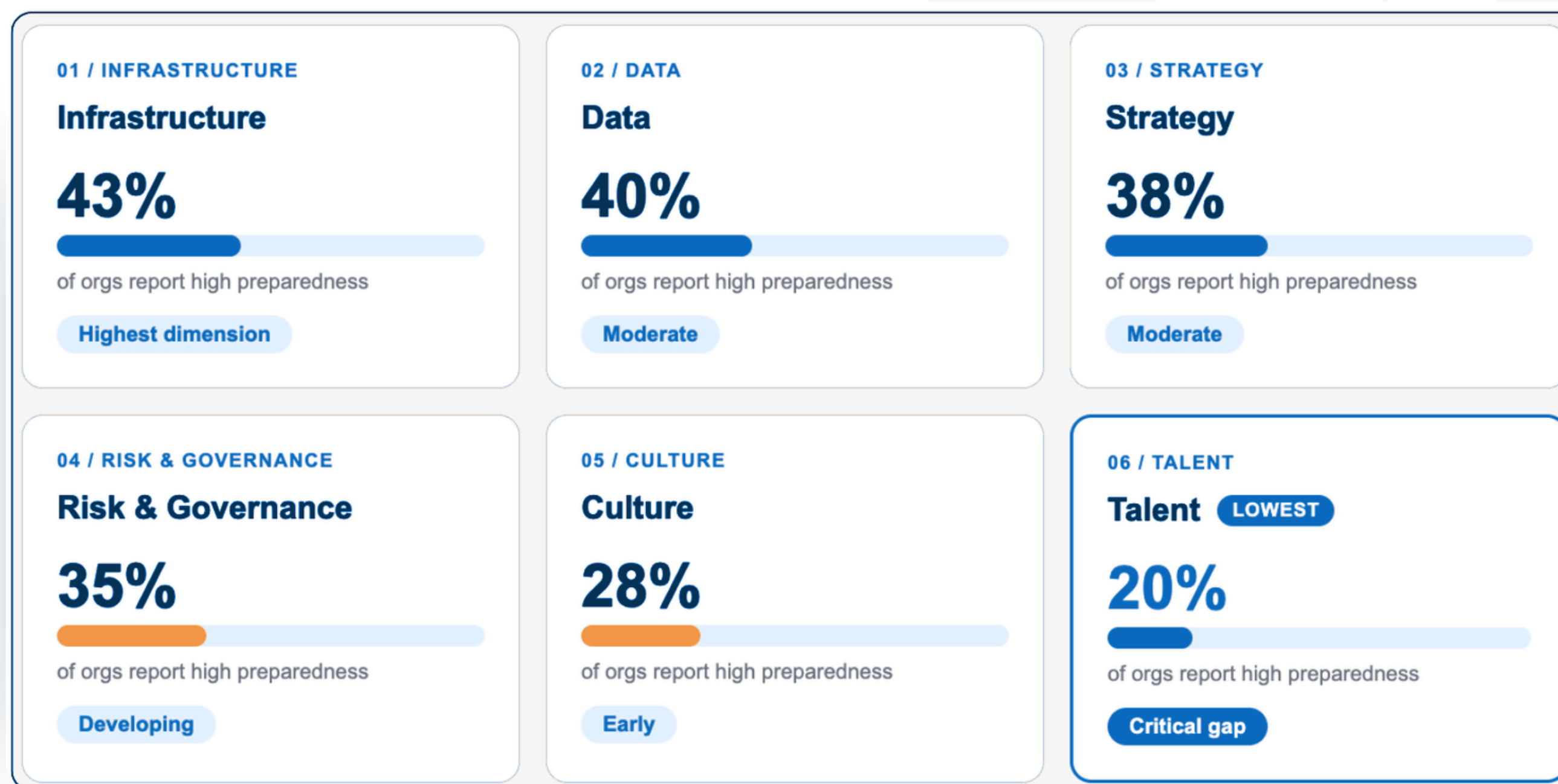
Infrastructure & Data Readiness

- Perceptions of high preparedness have shifted down for technical infrastructure (43%), data management (40%), and talent (20%) compared to the prior year ([Deloitte](#))
- Hybrid cloud dominates at 48%; cost management and security compliance are top cloud adoption challenges ([Xcelacore 2025](#))



Preparedness Scorecard

Percent of organizations reporting high preparedness in each dimension



Key Insights:

- Talent preparedness has declined year-over-year and sits 23 points below infrastructure—the widest gap between any two dimensions.
- All six dimensions declined compared to the prior year, signaling that AI is scaling faster than organizations' ability to support it.

Figures represent the percentage of organizations self-reporting "high" preparedness in each dimension. All figures are overall averages sourced directly from [Deloitte State of AI in the Enterprise 2026](#). Strategy, Risk/Governance, and Culture figures are directional estimates consistent with Deloitte's published data range; Infrastructure (43%), Data (40%), and Talent (20%) are explicitly verified.



Most Common AI Use Cases in 2026

In 2026, the most successful organizations are exploring which use cases deliver the fastest path to measurable impact. Across industries, a clear hierarchy has emerged: conversational AI and intelligent automation continue to dominate adoption, while more sophisticated applications like agentic workflows, predictive analytics, and AI-enhanced software development are rapidly closing the gap. We're examining not just what use cases are the most popular, but how quickly organizations are shifting from customer-facing chatbots and rule-based automation toward systems that can reason, plan, and act autonomously. The following use cases represent both the current state of deployment and leading indicators of where enterprise AI is headed next.

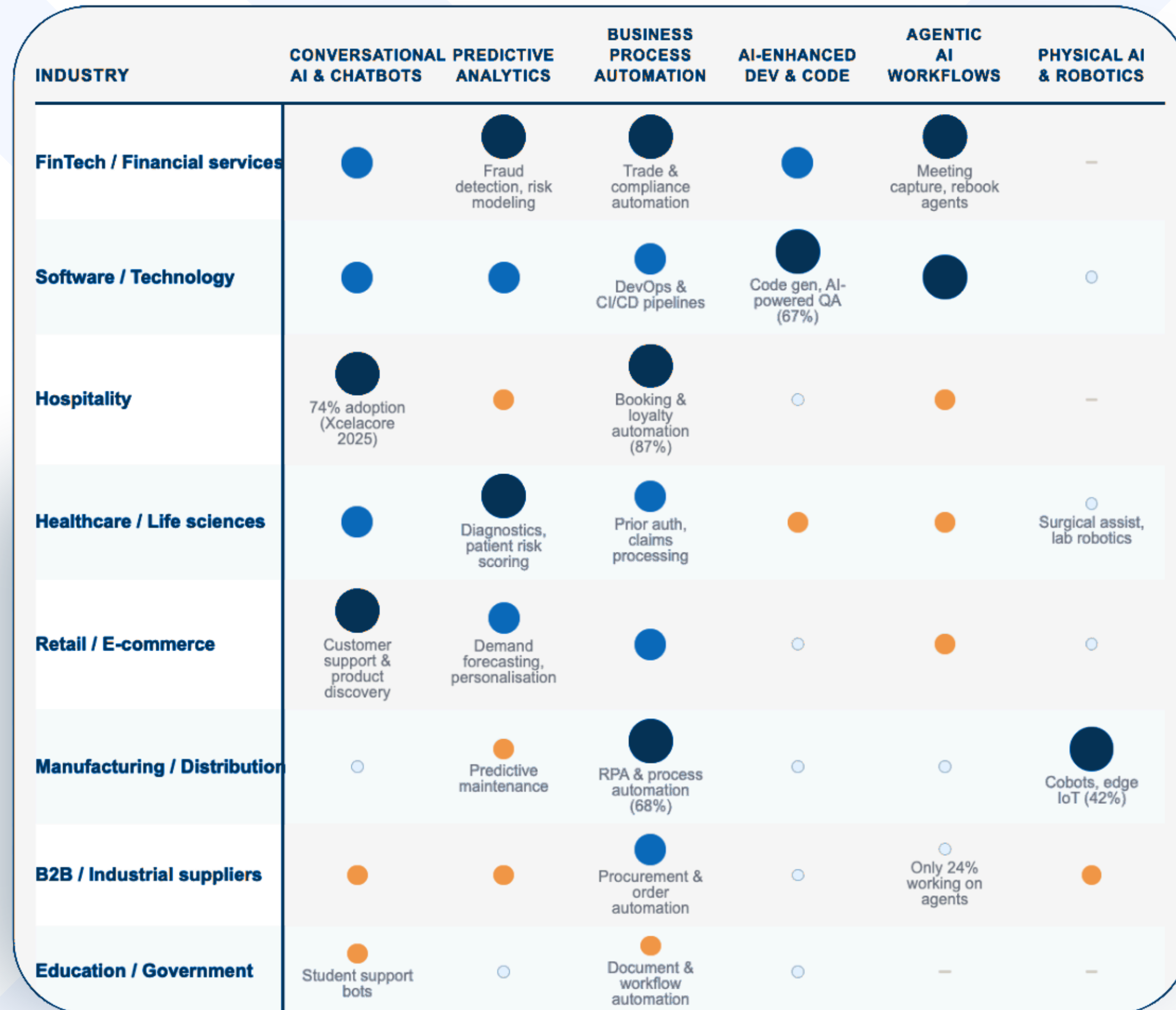




By Industry

Key Insights:

- Business Process Automation is the most consistently adopted use case across industries.
- Conversational AI is the most cross-industry use case
- Agentic AI demonstrates the biggest divide with a dominance in FinTech and Tech and minimal adoption in Manufacturing and B2B





Conversational AI & Customer Service

Specific Use Case Examples:

- Amazon's AI-powered customer service chatbot
- ServiceNow uses conversational AI in IT service management
- Microsoft's Copilot uses conversational AI to enhance everyday work tools and productivity

Key Insights:

- Conversational AI/chatbots are the most widely adopted at 58%, followed by generative AI for code development at 42 (Xcelacore 2025)
- Gartner forecasts that by 2027, self-service & live chat will surpass phone & email as top customer service channels, with agent assist technologies on track for 73% organizational adoption





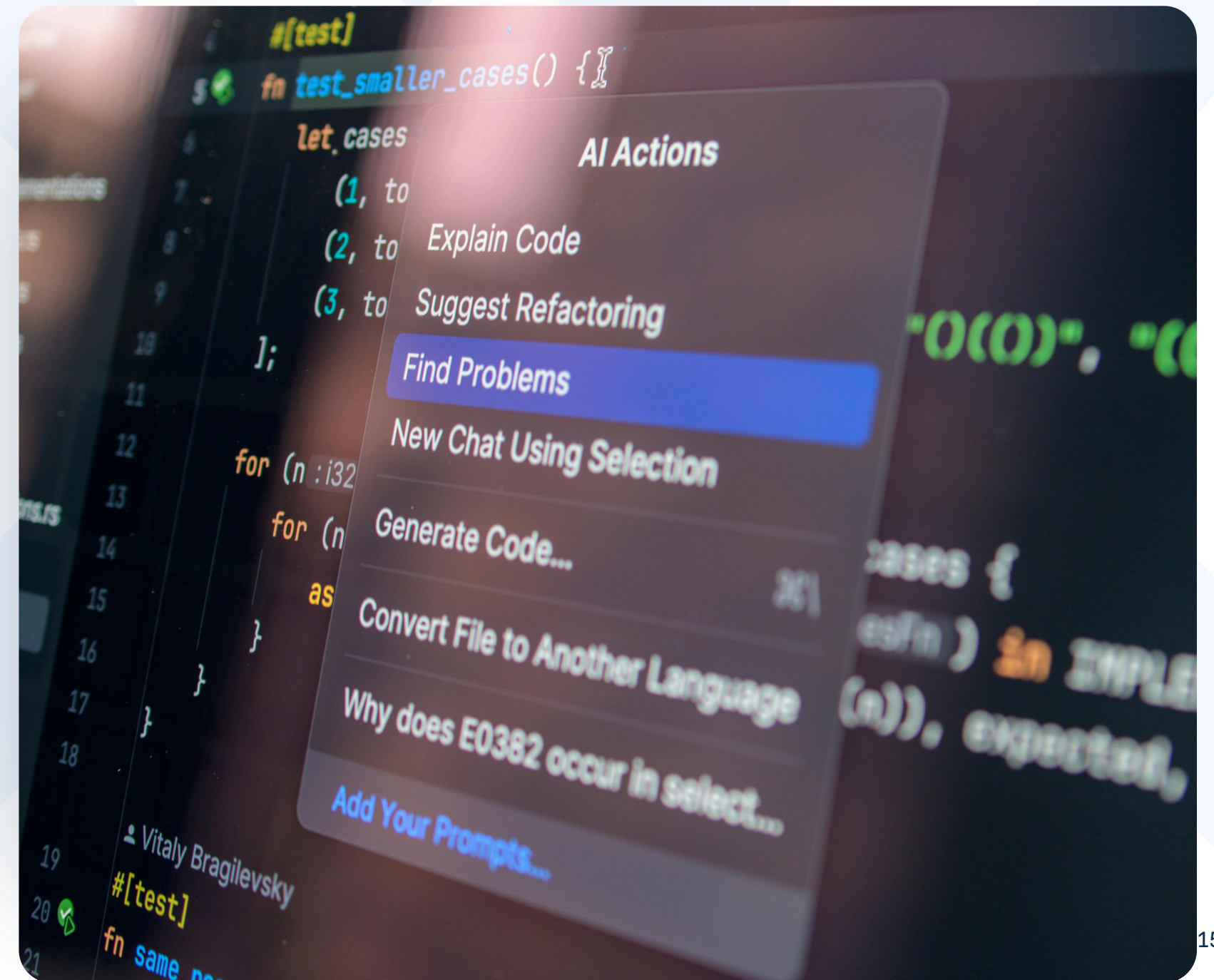
AI-Enhanced Software Development

Specific Use Case Examples:

- [GitHub Copilot](#) uses AI to help developers code faster
- [Jira](#) incorporates AI tech to assist in development planning
- [DeepCode](#) uses AI to scan code for issues

Key Insights:

- AI-enhanced application development is the standout leader in software development priorities, with organizations recognizing that embedding intelligence directly into applications is no longer optional but essential for competitive advantage ([Xcelacore 2025](#)).





Business Process Automation

Specific Use Case Examples:

- Siemens uses RPA to process large volumes of invoices
- AT&T leverages automation to improve customer support
- Amazon uses automation in fulfillment workflows

Key Insights:

- 52% of business technology leaders reported active implementation of business process automation initiatives, particularly in Financial Services (83%), Hospitality (87%), and Technology (72%) (Xcelacore 2025)





Predictive Analytics & Decision-Making

Specific Use Case Examples:

- Walmart leverages predictive models to anticipate demand
- Kaiser Permanente uses predictive models to reduce hospital readmissions
- PayPal uses predictive analytics to analyze transactions for fraude in realtime

Key Insights:

- AI high performers are much more likely than peers to report use in marketing and sales, strategy and corporate finance, and product and service development (McKinsey)





Agentic AI Workflows

Specific Use Case Examples:

- Amazon uses AI agents to screen and hire employees
- Ramp uses AI Agents to automate expense management and financial workflows
- Mayo Clinic is experimenting with AI-assisted care workflows and monitoring

Key Insights:

- Enterprises are deploying autonomous AI agents across multiple functions — including a financial services company building agents to automatically capture meeting actions and track follow-through, and an air carrier using agents to help customers rebook flights and reroute bags (Deloitte)





Physical AI & Industrial Automation

Specific Use Case Examples:

- Amazon relies on mobile robots in fulfillment centers and assist human employees
- John Deere builds AI-powered, autonomous tractors
- Intuitive Surgical enables precision robotic surgery

Key Insights:

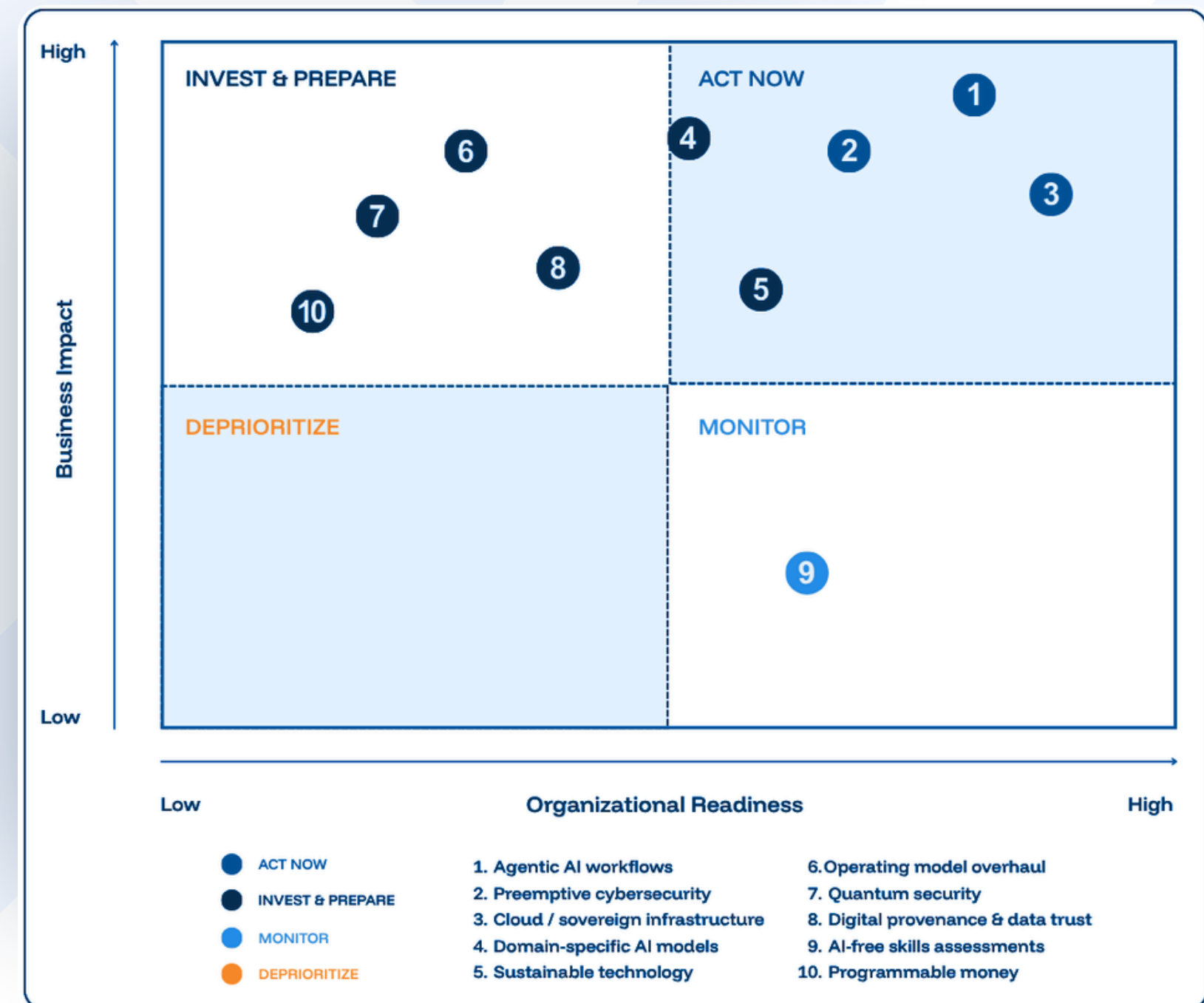
- Physical AI applications are expanding broadly, with intelligent security systems and smart monitoring (21%), collaborative robotics (20%), and digital twins (19%) expected to have the biggest long-term impact (Deloitte)





Emerging Trends

While AI dominates the strategic agenda, a broader set of emerging trends is quietly reshaping the competitive landscape. From the rapid rise of agentic AI and domain-specific models to the structural disruption of antiquated productivity tools, the trends in this section represent both immediate priorities and forward thinking bets. Some demand action in the next 12 months while others require deliberate monitoring and early investment. Each has the potential to fundamentally alter how businesses operate, compete, and create value. Our Impact vs. Readiness Matrix maps each trend against organizational readiness and business impact, giving leaders a practical lens for deciding where to invest attention and resources first.





What's Next

\$58B Productivity Tools Disruption

Gartner predicts that through 2027, generative AI and AI agent use will create the first true challenge to mainstream productivity tools in 35 years, prompting a \$58 billion market shake-up as value shifts toward agentic, intent-based experiences ([Gartner](#))

Sovereign AI

Sovereign AI is increasingly important, with 77% of companies now considering country of origin in vendor decisions and over 80% treating it as a strategic planning priority ([Deloitte](#))

Domain-Specific AI Models

CIOs and CEOs are demanding more business value from AI, but generic large language models often fall short for specialized tasks — domain-specific language models fill this gap with higher accuracy, lower costs, and better compliance for targeted business needs ([Gartner](#))

Operating Model Overhaul

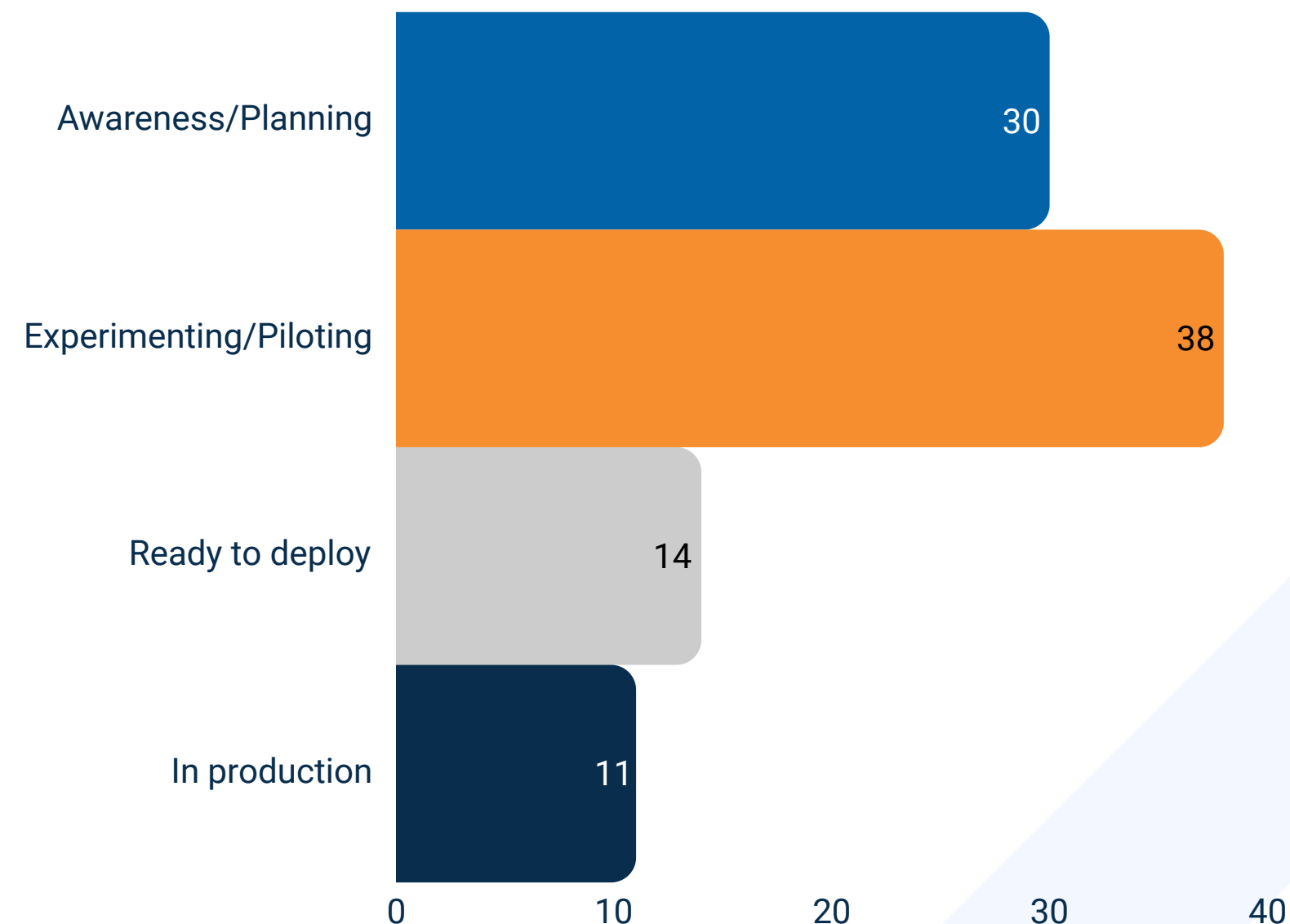
Only 1% of IT leaders report no significant operating model changes underway—new roles such as AI collaboration designers, edge AI engineers, and prompt engineers are emerging while CIOs evolve from tech strategists to AI evangelists and orchestrators ([Deloitte](#))



Emerging AI Technology: Agentic AI

Agentic AI

% of organizations at each phase



What is Agentic AI?

True to its name, Agentic AI has the capability to function independently. This AI technology consists of machine learning models that replicate complex, human-like problem solving. Requiring little supervision, AI agents have the capacity to tackle multi-step problems and are well suited for streamlining financial processes, cybersecurity strategies, IT support, and more.

Predicted percentage
of adoption in 2 years

74%

[Deloitte's Tech Trends 2026](#)

[Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026, Up from Less Than 5% in 2025](#)

[McKinsey's The state of AI in 2025: Agents, innovation, and transformation](#)



2026 Technology Trends Beyond AI

While AI dominates the headlines, business leaders in 2026 are navigating a broader technology landscape. These technology trends are reshaping enterprise strategy independently of and often in direct support of AI initiatives.

Urgency tiers:

Act Now: Strategic priority for 2026

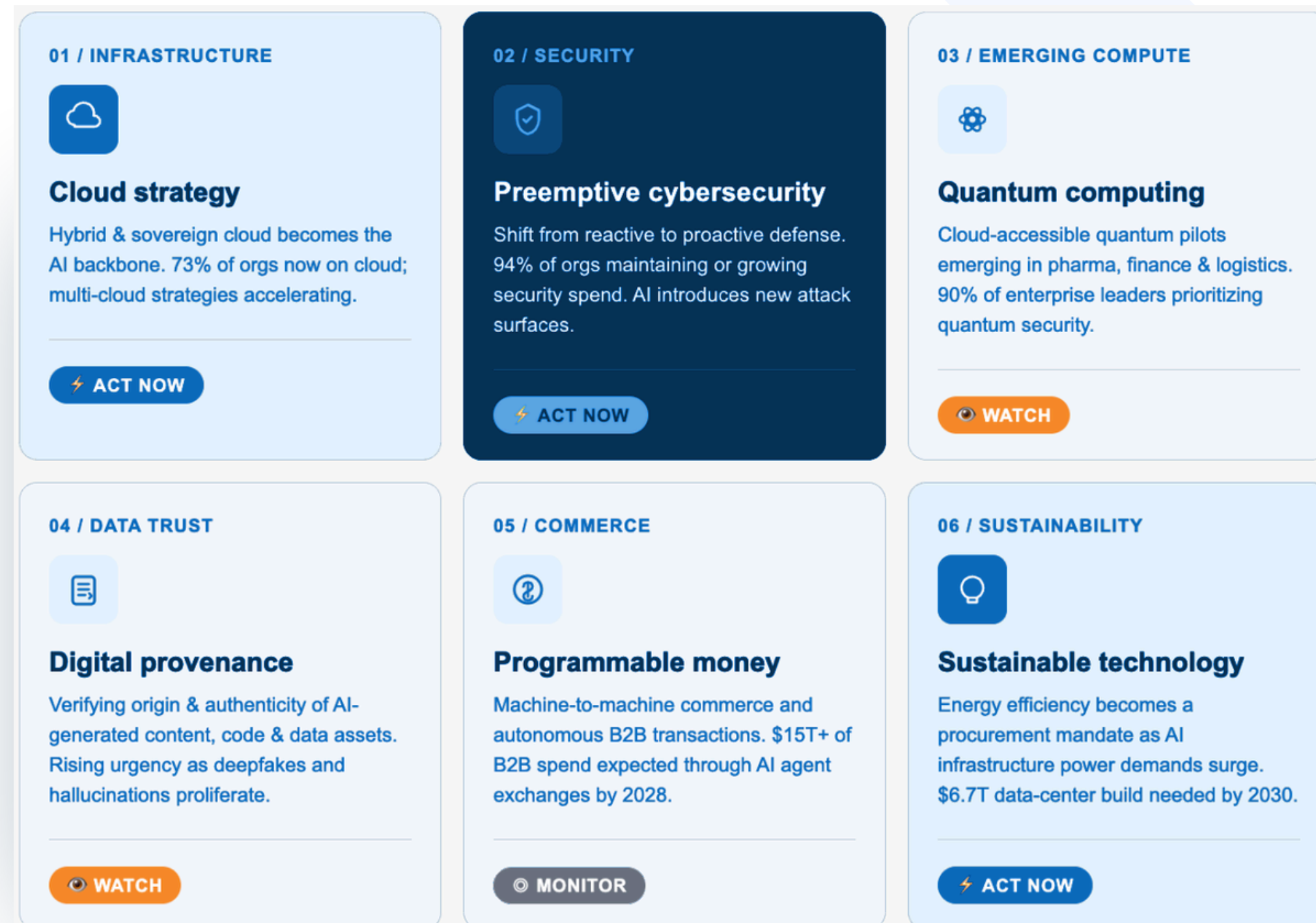
Cloud Strategy, Cybersecurity, Sustainable Technology

Watch: Invest in readiness, pilot in 2026-2027

Quantum Computing, Digital Provenance

Monitor: Horizon trend worth tracking but too early to commit

Programmable Money





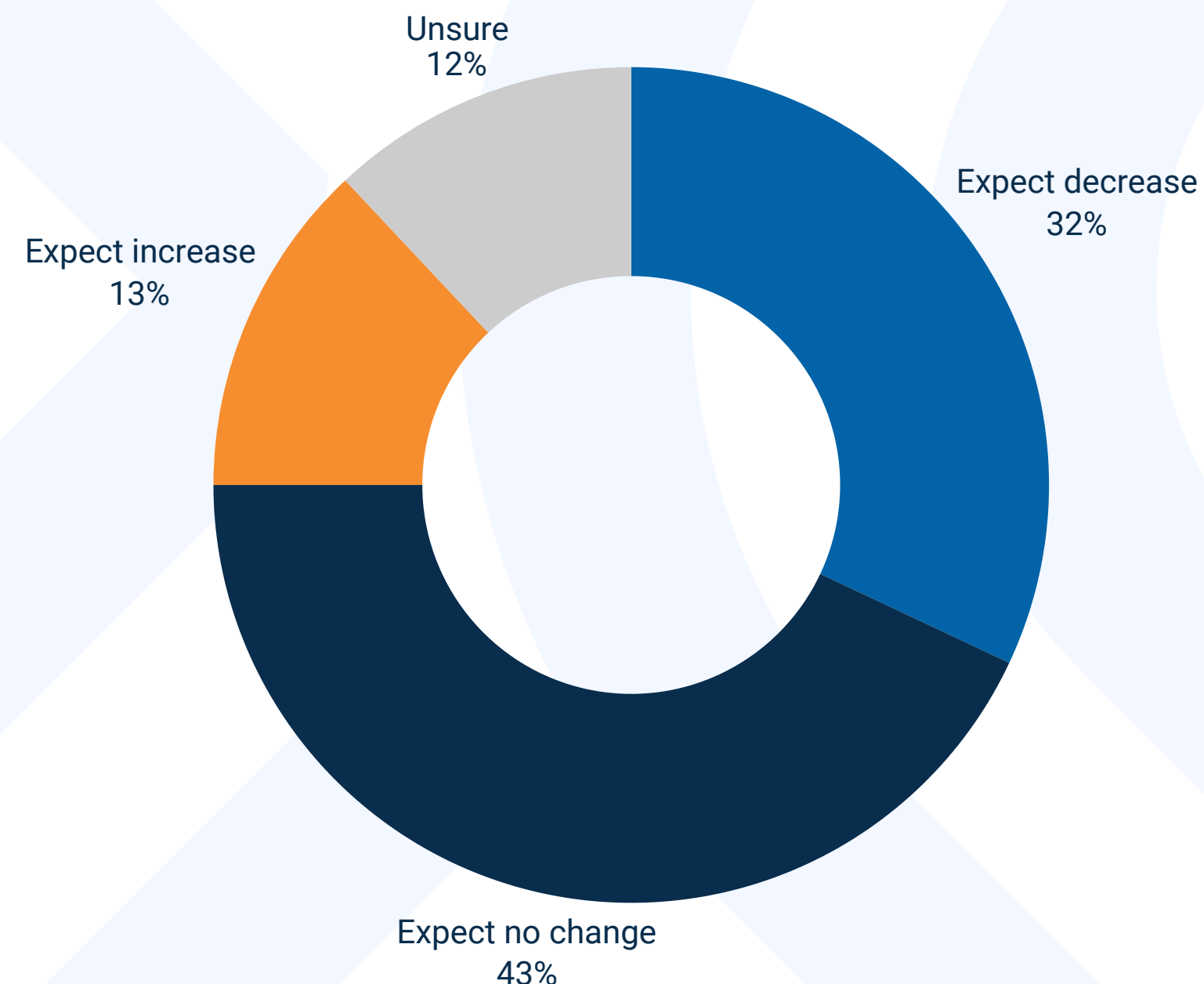
Workforce Implications

AI innovation will become increasingly responsible for both role displacement and creation. Organizations and individuals will need to adapt to a restructured labor market defined by how well potential employees can supervise and collaborate with AI systems.

With many implications at play, Gartner warns that the atrophy of critical-thinking skills due to generative AI use will push 50% of global organizations to require "AI-free" skills assessments through 2026. ([Gartner Strategic Predictions for 2026](#))

Our [2025 survey](#) uncovered that >60% of business-driven tech decisions, like AI-driven workforce decisions, are made at the C-suite/Exec level—reinforcing the idea that technology strategy is now core business strategy.

2026 Workforce Impact Expectations





Conclusion

The time for viewing AI as an experiment has come to a close. Across industries, the organizations pulling ahead have made a deliberate commitment to moving from ambition to activation. They are redesigning workflows, preemptively building governance frameworks, investing in talent as aggressively as they invest in infrastructure, and working to ensure that foundational technologies like cloud, cybersecurity, data trust, and sustainable infrastructure are strong enough to support the scale of transformation ahead. For organizations still finding their footing, the gap is wide but not insurmountable. The maturity data in this report shows that the majority of businesses are still in the early and moderate stages of implementation, which means the opportunity to differentiate through deeper, more intentional adoption remains very much alive.

Recommended Action Areas:

- **Move pilots into production and set a measurable target for the % of AI experiments entering production within 12 months**
- **Redesign workflows, don't just layer AI on top of existing processes**
- **Build governance infrastructure before scaling agentic systems**
- **Address the talent gap through structured AI proficiency programs**
- **Adopt hybrid implementation models to bridge internal expertise gaps**
- **Align AI investments with measurable business KPIs (efficiency, revenue, customer experience)**
- **Invest in non-AI foundational infrastructure (cloud modernization, cybersecurity, data trust) to enable sustainable AI scaling**



About Xcelacore

Matching business objectives and requirements with AI-powered technology strategies, Xcelacore's focus is the design and implementation of AI and technology solutions that drive businesses forward. Our experts provide a unique blend of business, technology, and marketing leadership that helps our clients navigate technology investments and implementation, increase ROI, and enable scalable and sustainable growth.



Reduce Costs



Accelerate Innovation



Drive Growth

Our Services:

- **Artificial Intelligence**
- **Cloud Development + Devops**
- **Custom Software Development**
- **QA Testing + Automation**
- **IT Staff Augmentation**
- **Robotic Process Automation**
- **E-commerce**
- **Platforms + Integrations**
- **Cybersecurity Testing**
- **WordPress Development + Maintenance**