Executive Summary

AI Priorities Survey

From hype to reality: AI adoption gains traction in 2025

As AI fever breaks, enterprises are digging into the real work of implementation and organizational change management.

CIO

Foundry an IDG, Inc. company

The initial frenzy around AI has cooled somewhat as reality sets in and companies counter the usual headwinds surrounding technology adoption and deployment. Yet while early experimentation and ad hoc projects level out, AI maturity is rising as businesses launch targeted use cases at enterprise scale.

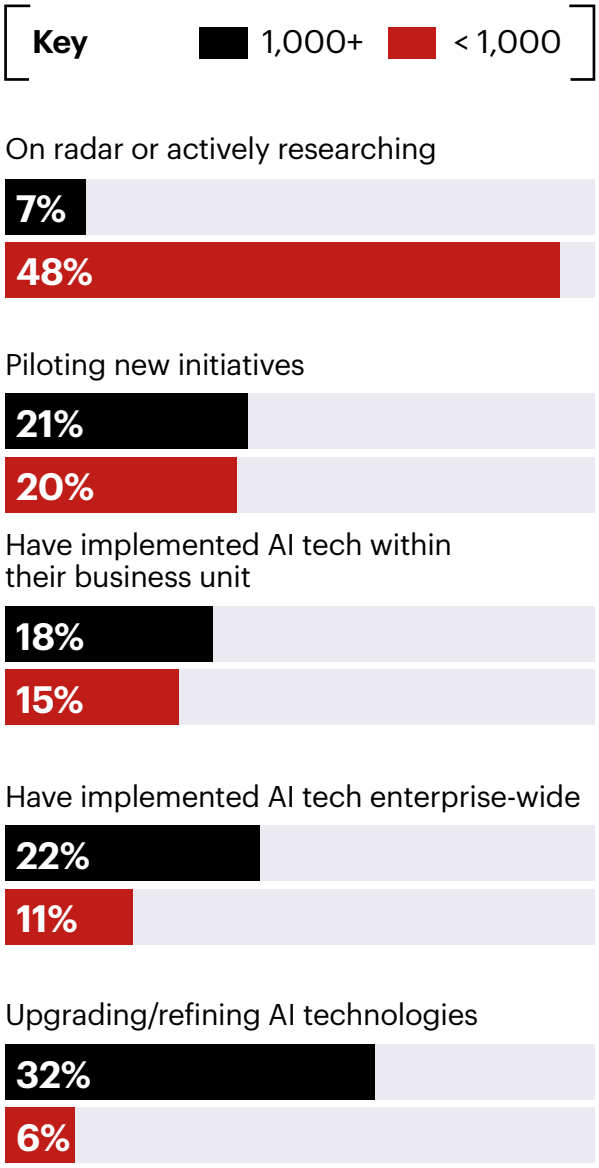
Foundry's second annual 2025 AI Priorities Survey, which queried 902 global respondents about their AI strategies and plans, laid to rest the notion that this technology is a passing fad. Companies across the board put stock in AI as a transformational force that will change how businesses operate and people work—even if that transition has yet to wholly crystalize. This year's respondents expect AI and Generative AI (GenAI) to be infused into mainstream hardware and software—an indicator that the novelty has worn off and the capabilities are no longer viewed as distinct, but rather an integral part of modern technology offerings.

As expectations normalize, companies are being practical about the challenges ahead as they ramp up use of AI. On-going concerns about security and privacy, coupled with lingering questions over ethical AI use and governance risks, signal the scale of change management and organizational hurdles companies still need to tackle. On the technical side, the shortage of skilled AI talent, security concerns, and the complexity of integrating AI into the existing IT technology stack are all issues enterprises are working through as they move ahead with their AI roadmaps.

Slow, but steady AI adoption

While the number of companies exploring or piloting AI is down from last year, those implementing more formalized initiatives is on the upswing. Forty-one percent of companies surveyed said AI was either on their radar screen or they were actively researching the technology, down from 50% in 2023; 21% said they were piloting new AI initiatives, which is also down from the prior survey, at 24%. Smaller companies (under 1,000 employees) were far more likely to be in the research stage (48%)

Activity around artificial intelligence



compared to only 7% of large firms. Those in the government (56%), manufacturing (44%), and financial services (41%) sectors were still heavily entrenched in early AI exploration as were APAC respondents (51%) compared to other regions.

Those at the point of implementing AI technology within a business unit inched up, at 16% this year compared to only 13% of respondents in the 2023 survey. While only 8% of companies reported implementing AI at the enterprise-scale in the inaugural 2023 AI Priorities survey, that number nearly doubled to 15% this year, significantly higher among high-tech and financial services companies (21%) and those with over 1,000 employees (21%). Companies in Latin America were significantly ahead (26%) of their global peers when it comes to rolling out AI initiatives at enterprise scale.

IT and customer service business units were front runners in completing AI deployments (both at 17%) followed closely by marketing (14%). Purchasing (35%), finance (31%), and HR (29%) departments were most likely to say they had no plans for AI. Companies in the high-tech industry were further along in their AI journey, having completed projects across every major department compared to other sectors, as were respondents in Latin America.

Given where AI use is gaining traction within organizations, it makes sense that the preponderance of production-grade applications is targeting customer service and productivity use cases. Chatbots (25%), content generation and optimization (23%), and natural language processing (NLP) (21%) are the AI-enabled technologies furthest

along in implementation cycles among all-size respondents this year although smaller companies with less than 1,000 employees were lagging with NLP applications, at 17%.

AI-enabled automation (27%) and smart virtual assistants (26%) are the top technologies in pilot stage while AI robotics, computer vision, and AI-enabled PCs generated the least amount of interest at this point in time.

Overall, respondents were bullish on the potential outcomes for AI use. More than half (59%) were confident that AI-infused products will create better business outcomes. Sixty-one percent expect GenAI to significantly improve product development and design processes while 60% believe GenAI will enable employees to refocus on high-value tasks. At the same time, however, 53% anticipate that AI capabilities can and will lead to workforce reductions—a trend that has both good and bad ramifications.

AI use cases target employee productivity, customer service

AI continues to play a major role in improving employee productivity, a business objective cited by 51% of respondents compared to 48% in the 2023 survey. While the initial Foundry AI Priorities survey revealed more business enthusiasm for AI to drive competitive advantage and enable innovation and new product development (43% versus 32% this year), those business objectives took a back seat this period to use of AI to improve customer support or services, at 37% and comparable to 2023.

61%

say their organization anticipates that GenAI will significantly improve product development and design processes.

Healthcare and manufacturing companies were extremely bullish on AI's potential to improve employee productivity (67% and 59% respectively) while those in the healthcare (49%) and financial services

Top 3 business objectives driving AI investments in 2025

- Improving employee productivity **(68%)**
- Improving customer support or services **(55%)**
- Enabling innovation/new product development **(54%)**

Current overall use cases for AI applications

- Data analytics
- Employee productivity
- Customer service
- Process automation
- Cybersecurity

sectors (47%) were looking to AI to raise the bar on customer service. Latin American respondents were more apt to see AI's value for fueling new product development and innovation (37% compared 32% overall) while those in North America were predisposed to leveraging AI for expanding revenue opportunities—30% compared to 28% overall.

In the education sector, the need for real-time information was the No. 1 business objective for AI, cited by 17% compared to 7% overall. For companies in the high-tech space, the priority for AI was speed of development (10% vs. 7% overall). Improving productivity with AI was the top business objective for both large companies with over 1,000 employees (21%) and smaller players with sub-1,000 employees (25%).

Similar to the initial Foundry AI Priorities survey, data analytics took top billing for AI use cases, at 59% this year compared to 57% in 2023. Employee productivity was not far behind, at 55% this year and up a point from past research. While use of AI for process automation was the third-ranked use case in 2023, at 53%, it now lags customer service applications, which were cited by nearly half of this year's respondents (48%) compared to only 42% in 2023. AI-enabled customer service implementations were a top mandate across a range of industries, including retail (66%), financial services (64%), and healthcare (63%).

For healthcare companies, customer service is one of many use cases where the sector is more convinced of AI's value compared to other industries. Healthcare players were leading other industries in pursuing AI use cases across the board, including in areas like data analytics (77%), employee productivity (67%), process automation (65%), and cybersecurity (44% compared to 35% overall).

Latin America was the frontrunner compared to other regions in AI use cases in areas such as data analytics (65%), customer service (56%), and process automation (63%). EMEA companies took the lead pursuing AI use cases for employee productivity (57%), while companies in the APAC region were behind on leveraging AI for nearly every business use case compared to other regions.

86%

of ITDMs expect their spending on AI projects or products to either increase or stay the same in 2025.

Despite the momentum, companies appeared to be slightly less satisfied with their AI progress compared to the 2023 survey. For example, respondents that were very satisfied with AI use for fraud detection applications dropped to 30% from 37% this year even though it remained the top-ranked use case. Use of AI for cybersecurity, which was one of the bright spots in 2023, sank from 37% reporting high satisfaction with implementations to 22% this year. Personalization and segmentation, the application with the highest satisfaction rates among 2023 respondents at 39%, fell to only 20% this year. Healthcare (57%) and high-tech companies (43%) were most content with their progress on AI-enabled fraud detection while AI-enabled supply chain management applications, No. 2 ranked for overall satisfaction in this year's survey at 26%, hit high notes with high-tech firms (42%) and Latin American respondents (50%).

Companies credit a number of factors for gaining headway on AI adoption. Availability of tools was the biggest reason, cited by 44% of respondents, higher among high-tech players (52%) and North American respondents (48%). While AI talent is still difficult to find, greater access to critical skillsets is fueling AI use, cited by 39%, followed by direction from executive leadership (37%). The services industries were most likely to cite competitive pressure (48%) as a factor for accelerating AI use compared to only 36% overall.

AI spending remains robust

Since the last Foundry AI Priorities survey, the trend has shifted to dedicated budgets for AI projects, cited by nearly half (49%) of respondents compared to only 36% in 2023. As with the prior survey, larger companies were more likely to earmark specific budget to AI implementations, 60% compared to smaller shops (39%). Companies in the financial services (60%) and high-tech (58%) sectors gravitated towards dedicated AI budgets as did respondents in Latin America (89%) and EMEA (63%).

Those with dedicated budgets allocated an average of 23% of overall IT spend to AI projects or products. Fewer respondents expect budget increases (53% compared to 61% in 2023), while a third expect investment to stay the same. Companies in the services sector (65%) and the North American region (59%) were more likely to anticipate budget hikes. The average

IT is working cross functionally to adopt AI-enriched products. Most often, they work with:

- Customer service **(50%)**
- Research and development **(40%)**
- Marketing **(29%)**
- Production **(27%)**
- Finance controlling **(26%)**

expected increase for AI budgets was 20%, higher among high-tech companies, at 25%.

IT is taking an active role in various stages of the AI technology purchase process. Twenty-eight percent of respondents credited IT with helping to determine technical requirements for AI-related products and services while a quarter said IT helped in the evaluation process. Nearly a quarter (22%) of respondents said IT authorized or approved AI purchases and recommended or selected vendors. IT departments were far more likely to take an active role across every phase of the AI purchase process amongst Latin American respondents.

IT departments are also actively collaborating with their business counterparts to advance the AI agenda. Half of respondents said IT was in close collaboration with customer service departments on AI initiatives followed by research and development (40%) and marketing (29%). IT organizations in the healthcare segment were likely to work with HR on AI initiatives, at 30%, while manufacturers looked for help from IT to advance AI for production use cases (38%).

Skills, governance remain critical challenges

Even as organizations move forward on the AI journey, a multitude of hurdles—many typical of any major technology initiative—are impeding progress. IT integration issues related to governance, maintenance, and security remains the biggest challenges, cited by 47% of respondents, yet down slightly from the 50% who flagged them in 2023. Determining ROI is another major obstacle, called out by 38% of

98% of IT decision-makers report challenges with implementing new AI initiatives, such as:

- Lack of in-house expertise for deployment
- Business justification
- Competing priorities within the business

respondents and higher among North American respondents (43%). Lack of in-house expertise for design and deployment of AI systems remains an on-going issue, cited by 37% of respondents, but again, substantially less than 2023 when half flagged AI skills as an inhibitor.

Explainable AI and AI in cybersecurity are areas where most need to develop skills and expertise, cited by 61% of respondents, with AI automation not far behind, at 60%. Organizations were most satisfied with their GenAI skill sets (33%) followed by responsible and ethical AI (31%) and AI automation (30%). Taking an industry lens, financial services respondents were most lacking explainable AI skills (69%) while education needed to work on AI in cybersecurity (64%), manufacturing on AI in automation (68%), and healthcare on AI and personalization (70%).

Only 46% think their organization currently has the right data and tech in place to enable effective AI.

Beyond lack of skills, ethics and responsible AI usage continues to hamper AI adoption plans. Companies are struggling most with data privacy, cited by 44% and higher among high-tech (51%) and healthcare companies (53%). Security (37%), transparency and explainability (27%), and accountability and responsibility (25%) are other considerations organizations are struggling to address.

96%

of IT leaders have difficulty addressing ethical implications when implementing AI technologies in IT systems and processes.

Governance issues continue to hamper AI adoption and success, but companies are moving in a positive direction. Almost half of those surveyed (46%) feel confident their organizations have the right data and technology in place to enable effective AI, significantly higher among financial services (55%) and retail (61%) firms. Organizations also feel they have the GenAI juggernaut under control: Half of those surveyed said they have a policy or system in place to monitor GenAI, and 34% are comfortable that their firm is advancing GenAI at the right cadence.

Building AI maturity

As organizations work through these challenges, they are taking proactive steps to build AI maturity. AI education is critical, and the majority (70%) of respondents confirmed a need to align on and communicate how AI will impact the design and delivery of products and services.

Many companies are adding new roles within IT to support AI, the most prominent

IT organizations are seeking new roles to support AI:

- Machine leaning engineers
- Deep learning engineers
- Prompt engineers
- Data scientists
- AI researchers

being data scientists (26%), AI chatbot developers (21%), and machine learning engineers (20%). Chief AI officers are less prominent, cited by only 16% of overall respondents, but far more prevalent among high-tech companies (24%) and those in the Latin America (40%) and EMEA (28%) regions. Smaller companies were less likely to have added any of these new roles to their roster while larger companies are actively creating and filling AI-related positions across the board.

On the tools front, nearly half (48%) of respondents are investing in new tools to build AI capabilities internally as part of a plan to address challenges with 40% confirming plans to make those critical investments within the next 12 months. Companies are specifically turning to AI to address critical development challenges—nearly half (49%) are using AI for code generation and code completion.

One of the biggest shifts surrounding AI is that organizations no longer see the technologies as separate and distinct, but rather as an integral part of IT solutions going forward. For example, 45% of this year's respondents expect AI enhancements to be part of existing solutions without having to incur additional charges, higher among those in the education sector, at 56%. Forty-two percent said they were willing to pay a premium for AI-enabled solutions that meet their specific needs, but again, expect the technology to be part of their solution portfolio. Almost half (47%) said they would be willing to pay a premium for AI-enabled products from vendors.

For some solutions, embedded AI features are accelerating purchase plans, including security (39%), productivity and collaboration tools (36%), and marketing and sales software (28%). AI-enabled capabilities are fast-tracking the purchase of the full spectrum of applications for larger firms as well as for respondents in the EMEA and Latin American regions. The addition of AI features currently have no impact on purchase plans for HR (40%), ERP (38%), or infrastructure management (38%) solutions.

Interest in AI is making companies reconsider and expand the circle of vendor relationships. Forty-four percent of survey respondents have engaged with between one and three new vendors

88%

of ITDMs say they have engaged with at least one new vendor in the past year due to the expansion of AI-enabled tech

as a result of their AI interest, and more than half (52%) expect that relationship to continue in the upcoming year. Sixty-one percent of overall respondents said they expect to keep adding new vendors over the next year as AI technologies become more widely available. The majority of respondents (59%) have a preference for vendor-provided AI-enabled end user computing and productivity tools over developing their own AI products.

Industry-specific AI capabilities are another trend gaining favor. Nearly a quarter of respondents (74%) are warming to the idea of industry-specific AI vendors or products given the complexity of deployment. In fact, 68% of overall respondents said they would be more likely to consider industry-specific AI technologies, significantly higher among healthcare (79%) and high-tech (73%) companies. More than half of respondents (58%) were convinced that industry-specific AI products and vendors would deliver better results for their organization compared to generic AI offerings with marginal differences between small (under 1,000 employees) at 56% and larger (over 1,000 employees) at 62%.

In conclusion

Unbridled enthusiasm for AI may have tempered, but organizations remain fully committed to the technology's potential for improving employee productivity, enhancing customer service, and optimizing operations. Now the real work of implementation and change management begins as AI's soaring promise is harnessed to achieve tangible and positive outcomes that drive business forward.

About the survey

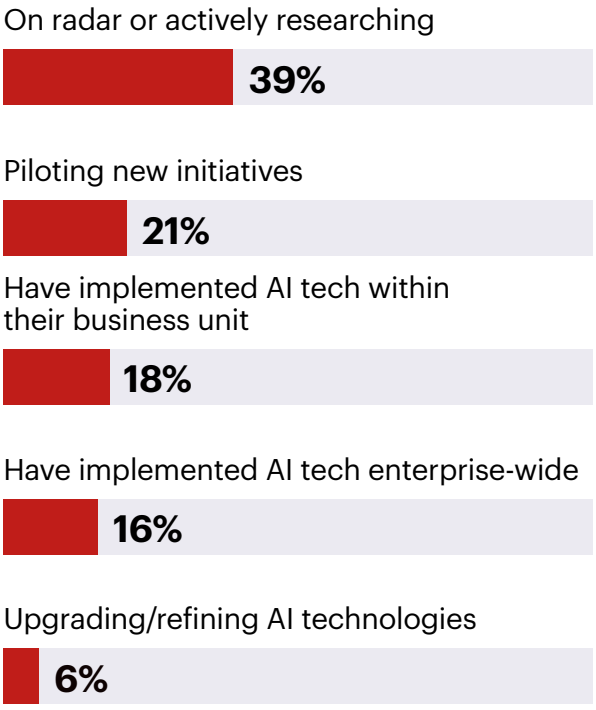
Foundry's 2025 AI Priorities survey is the second year of this research and was conducted to gain a better understanding of how organizations are leveraging AI and generative AI, specifically looking at their investment and implementation levels, use cases, measures of success and challenges. The survey was fielded throughout August 2024 and is based on the responses of 902 global IT decision-makers who have AI and generative AI plans.

Regional key takeaways

Explore the key research findings from North America, Latin America, Europe, and Asia-Pacific. Contact us to dive deeper into the regional results.

North America

Where are IT buyers in North America on their AI journey?



Top use cases for AI applications

- Data analytics **(60%)**
- Employee productivity **(58%)**
- Customer service **(51%)**

Budgets

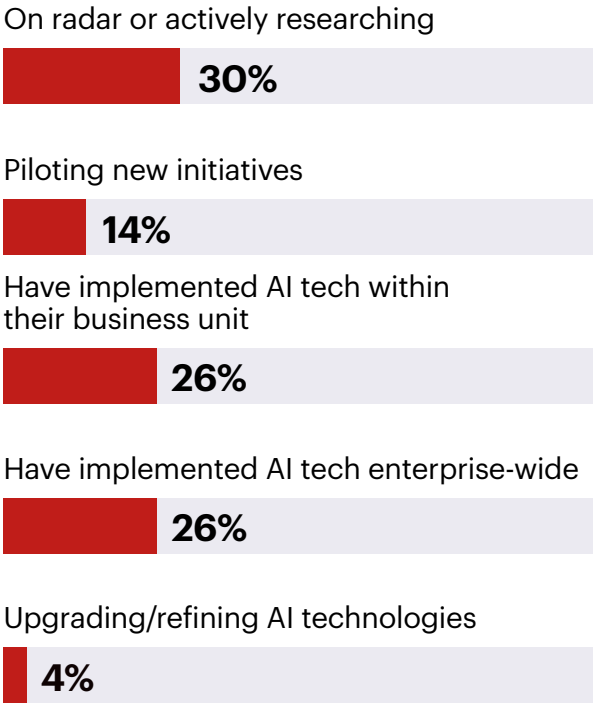
- **44%** of ITDMs in North America say that their company had a dedicated technology budget for AI projects or products this past year.
- **59%** expect their spending on AI projects or products to increase in 2025.
- **60%** of respondents in NA anticipate adding new vendors in 2025 as a result of the growing availbility of AI-enabled technology.
- **70%** say they are more likely to consider industry-specific AI technologies.

ITDMs in North America say their organizations are seeking new roles to support AI such as:

- Deep learning engineers
- Machine learning engineers
- Data scientists

Latin America

Where are IT buyers in Latin America on their AI journey?



Top use cases for AI applications

- Data analytics **(65%)**
- Process automation **(63%)**
- Customer service **(56%)**

Budgets

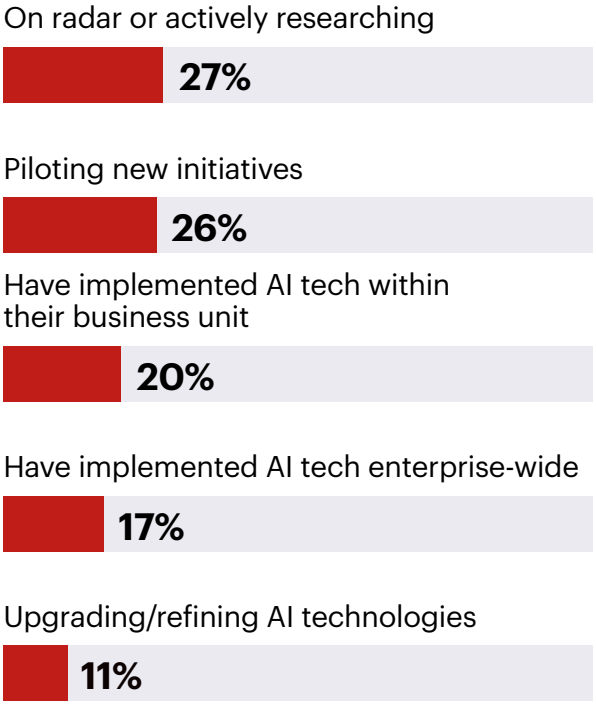
- **89%** of ITDMs in LATAM say that their company had a dedicated technology budget for AI projects or products this past year.
- **43%** expect their spending on AI projects or products to increase in 2025.
- **88%** of respondents in LATAM anticipate adding new vendors in 2025 as a result of the growing availability of AI-enabled technology
- **77%** are more likely to consider industry-specific AI technologies.

ITDMs in LATAM say their organizations are seeking new roles to support AI such as:

- AI writers
- Data scientists
- Deep learning engineers

EMEA

Where are IT buyers in EMEA on their AI journey?



Top use cases for AI applications

- Employee productivity **(57%)**
- Data analytics **(51%)**
- Customer service **(49%)**

Budgets

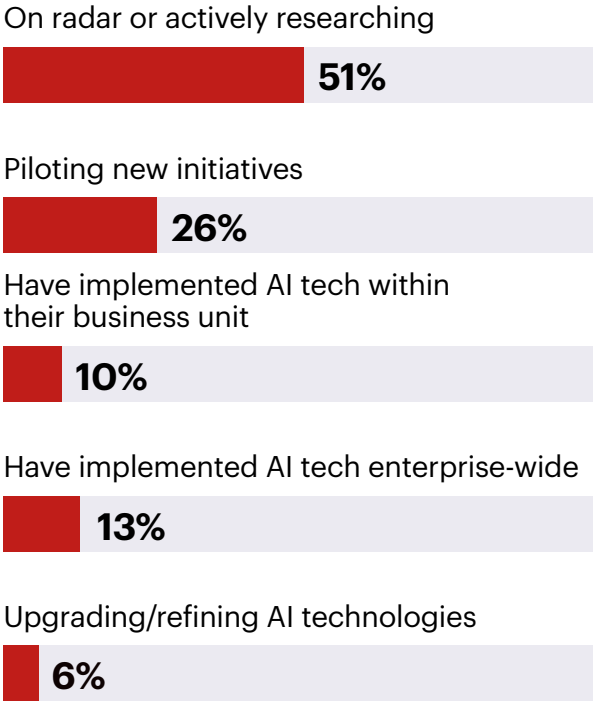
- **63%** of ITDMs in EMEA say that their company had a dedicated technology budget for AI projects or products this past year.
- **47%** expect their spending on AI projects or products to increase in 2025.
- **68%** of respondents in EMEA anticipate adding new vendors in 2025 as a result of the growing availability of AI-enabled technology
- **67%** are more likely to consider industry-specific AI technologies.

ITDMs in EMEA say their organizations are seeking new roles to support AI such as:

- Machine learning engineers
- NLP (Natural Language Processing) engineers
- AI researchers

APAC

Where are IT buyers in APAC on their AI journey?



Top use cases for AI applications

- Data analytics **(59%)**
- Employee productivity **(52%)**
- Process automation **(45%)**

Budgets

- **40%** of ITDMs in APAC say that their company had a dedicated technology budget for AI projects or products this past year.
- **54%** expect their spending on AI projects or products to increase in 2025.
- **56%** of respondents in APAC anticipate adding new vendors in 2025 as a result of the growing availability of AI-enabled technology
- **63%** are more likely to consider industry-specific AI technologies.

ITDMs in APAC say their organizations are seeking new roles to support AI such as:

- Prompt engineers
- Machine learning engineers
- Deep learning engineers

Examining the marketplace

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- State of the CIO

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- Cloud Computing
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- Partner Marketing

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