

THE AI



DISCONNECT

Why Structure, **NOT**
Spending is the Key to ROI

transparency

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THE GENIE IS WELL AND TRULY OUT OF THE BOTTLE.

You can't open a browser or sit in a board meeting these days without hearing about AI. It's no longer a futuristic buzzword; it's the engine driving the next wave of business evolution.

The pressure on IT leaders is immense. The board wants innovation, your teams want better tools to do their jobs, and the market demands you move faster than ever.

EVERYONE IS **TALKING ABOUT AI** BUT HOW MANY ARE ACTUALLY GETTING IT RIGHT?

Despite the rush to adopt, there's a widespread feeling of being stuck. Pilots aren't scaling into production.

Proving a return on investment feels like guesswork. And your security and compliance teams are, quite rightly, getting nervous.

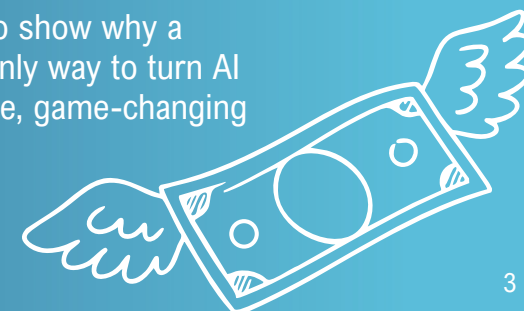
This is the great disconnect:

The hype around AI versus the difficult reality of making it work.

The truth is, unmanaged AI usage is surging, creating a Wild West scenario inside many organisations.

But what if we told you that success with AI isn't about how much money you throw at it?

It's about the scaffolding you build around it. This report uses new, independent data to show why a structured, holistic approach is the only way to turn AI from a risky experiment into a reliable, game-changing business asset.



WHERE WE ARE NOW: THE HYPE, THE HOPE, AND THE HEADACHE

Before we get into the nitty-gritty of our own research, let's take a step back and look at the landscape we're all standing on. It's pretty crowded, isn't it?

THERE'S NO DENYING THE APPETITE FOR AI IS MASSIVE.

It's the shiny new thing that promises to fix everything from coding bottlenecks to customer service queues. And the optimism is real, a huge

87%

of organisations believe AI will give them a competitive edge.

That's nearly everyone in the room agreeing that if you're not on the AI train, you're going to be left at the station.

BUT HERE'S WHERE THE RECORD SCRATCHES.

While the ambition is sky-high, the reality of getting there is proving to be a bit of a headache. We're seeing a classic case of eyes being bigger than our stomachs (or our infrastructure). Despite the enthusiasm, a staggering

99%

of organisations admit they have challenges in scaling and operationalising AI.

That is basically everyone. If you're struggling to get your pilot project out of the sandbox and into the wild, take comfort: you are definitely in the majority.



SO, WHY THE DISCONNECT? WHY IS SOMETHING WE ALL WANT SO HARD TO ACTUALLY DO?

IT COMES DOWN TO TWO BIG HURDLES: PEOPLE AND PLUMBING.

On the people side, we're facing a skills gap that feels more like a

CANYON

**Only
33%**

of leaders believe they have sufficient AI skills and talent in-house.

We're all trying to build the future, but two-thirds of us are looking around wondering who actually holds the blueprint.



Then there's the plumbing, the infrastructure. You can have the best AI strategy in the world, but if your data estate is a mess or your cloud environment isn't ready, you're not going anywhere fast.

In fact 56%

of executives believe their organisation doesn't have the proper infrastructure to support their desired AI workloads.

WE'RE IN A UNIQUE MOMENT.

The will is there, the budget is increasingly there, but the **"how"** is still a bit fuzzy for most. We're all bought into the destination, but the map to get there is still being drawn.

That's exactly why we conducted this research.

We wanted to look past the **87%** who believe in the competitive edge of AI, and find the ones who are actually sharpening it. We wanted to see what separates the strugglers from the scalars.

METHODOLOGY:

THE WHO, WHAT, AND WHY

We set out to find the **truth** behind these statistics, and why AI adoption is posing such a challenge for so many organisations. We wanted to go beyond the existing data and understand the real story, from IT leaders across industries.

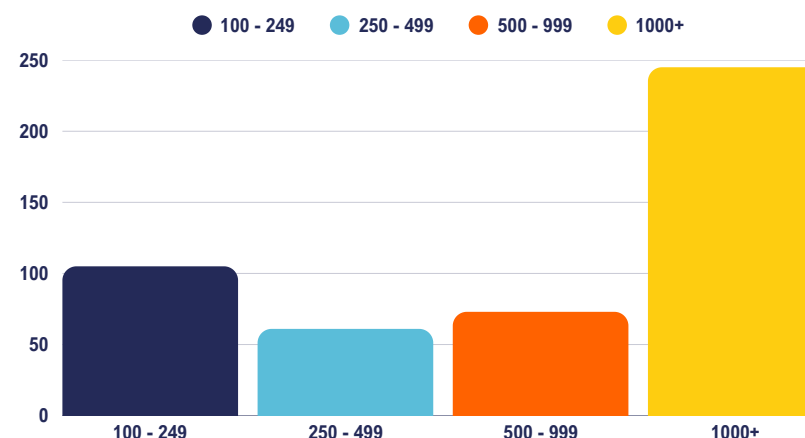
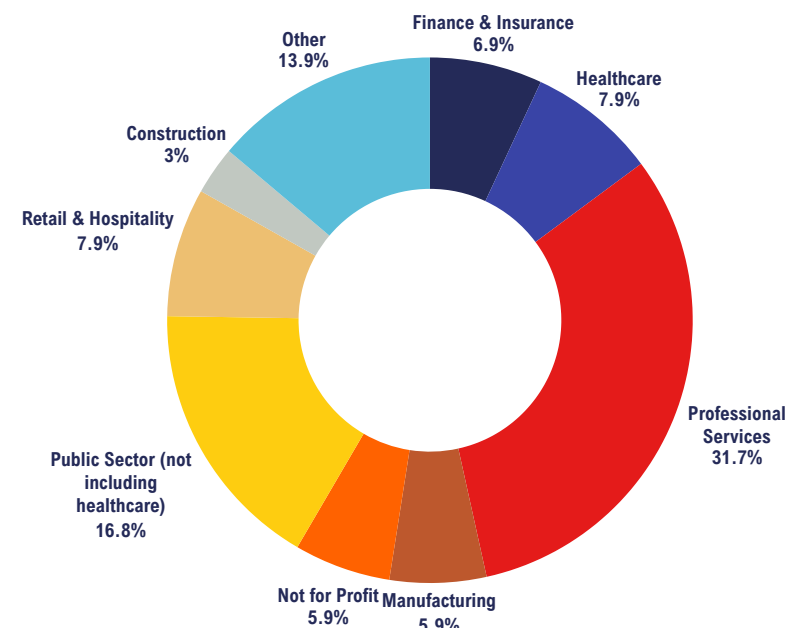
Our approach to this research is grounded in our core values and commitment to **CUTTING THROUGH THE HYPE** and offering straightforward advice with zero spin, hard sell or exaggerated claims.



So, we partnered with **YouGov**, a global public opinion and data company, to survey over 500 UK IT leaders and decision-makers from organisations with 100 – 1000+ UK employees.

We spoke to IT leaders from organisations across key sectors including Professional Services, Nonprofits, Financial Services (FSI), Health, and the Public Sector. Our goal was simple: to move past the anecdotes and provide a data-backed roadmap for organisations looking to harness AI's true power securely and effectively.

We weren't looking for guesses. We were looking for the secrets to success and the warning signs of failure.



AI IS ON THE AGENDA (AND IN THE BUDGET)

THE FINANCIAL COMMITMENT TO AI IS REAL.

For UK businesses, AI has officially graduated from a side-of-desk research project to a formal, funded line item on the balance sheet.

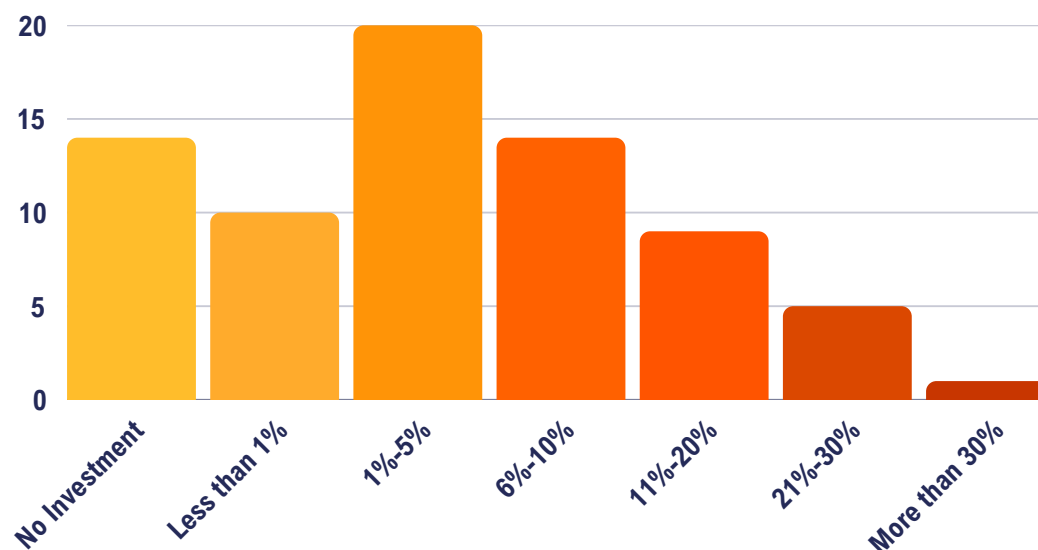
Our data paints a clear picture:

59% of respondents now have formal AI investment outlined in their IT budget.

This isn't just pocket change for a few experiments; it's serious capital being allocated to make things happen with the majority of respondents budgeting up to **30%** of their annual IT spend on AI.

The money is on the table.

Even more telling is that **71%** of organisations are prioritising AI in their IT strategy. This number signals a clear, strategic drive for adoption that goes beyond just funding. The will to change is present, and leadership is making the necessary resources available.



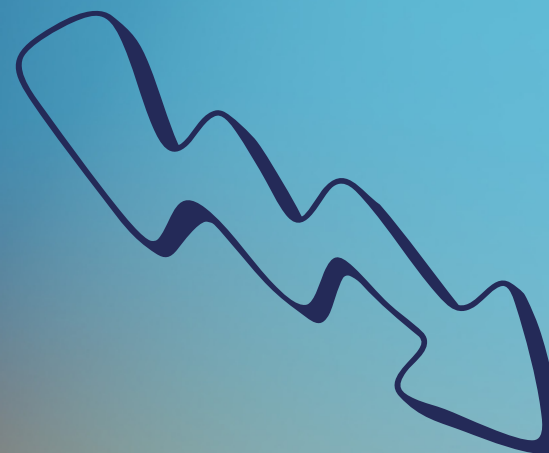
SO, WHERE IS THIS INVESTMENT AND FOCUS GOING?

The most popular uses our research found for AI are:

- IT and cybersecurity
- Data analysis and Business Intelligence
- Customer service and support

With the financial commitment there, it seems, on paper at least, UK enterprise is perfectly positioned and ready to launch into a new era of AI-driven success.

THE THREE MAJOR CHALLENGES



BUT WHERE DOES IT ALL FALL DOWN?

We found **three key** challenges present regardless of industry, budget or chosen platform.

1.

**THE DISCONNECT
BETWEEN PLANS
AND ACTIONS**

2.

**THE GROWING
CLOUD OF
SHADOW AI**

3.

**PILOT PERIL AND
THE SNAIL'S PACE
OF DEPLOYMENT**

THE GREAT DISCONNECT: PLANS VS. ACTION

HERE'S THE FIRST MAJOR WARNING SIGN OUR RESEARCH UNCOVERED.

Everyone wants AI, but very few have a clear road map to get there. There's a massive disconnect between the desire to use AI and the readiness to deploy it.

Despite AI being a priority, an astonishing **80%** of organisations surveyed don't have a structured roadmap or strategy for AI adoption.

This is compounded by the fact that **81%** report a lack of clarity, structure, or strategy in their implementation. Without a roadmap with clear objectives and goals, investment quickly turns into waste.



This leads to the part that will keep compliance officers awake at night; the governance gap.

We found that a **MASSIVE 66%** of organisations don't have AI security and governance policies in place and **LESS THAN A THIRD** have an AI use policy.

This leaves organisations wide open to **data leakage, regulatory breaches, and devastating reputational damage.**

To make matters worse, IT leaders are often pushing this boulder uphill.

The directive comes from the top **"WE NEED AI!"**, but the active support to make it happen safely and effectively is often missing.

ONLY 27% report that leadership is fully supportive of their AI implementation. This misalignment, high priority but low support and strategy, is the root of the friction so many IT teams are feeling.

THE RUNAWAY TRAIN OF SHADOW AI

HERE'S THE REALITY:

your employees aren't waiting for IT to finalise the perfect roadmap.

They are finding and using tools that make their lives easier right now. This has created a visibility crisis.

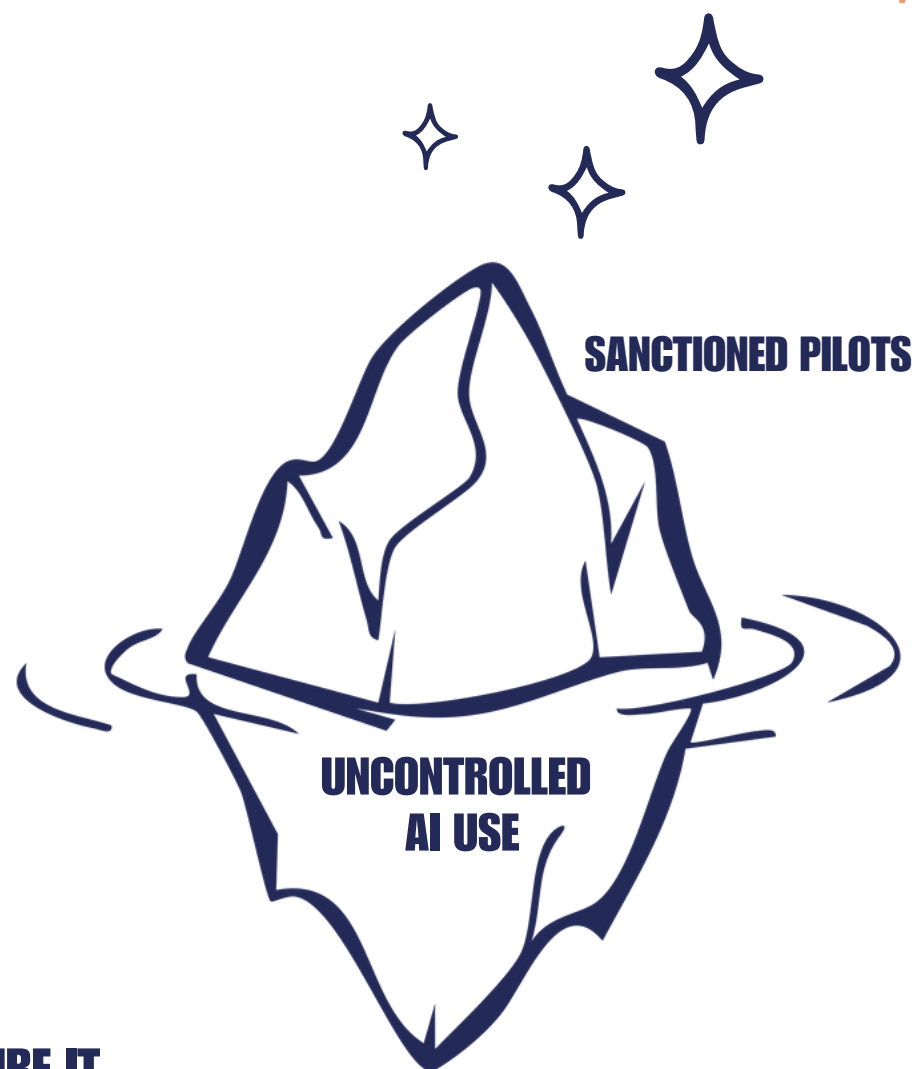
Our data reveals that **68%** of organisations are not confident they know where AI is being used across their business. Think of it like an iceberg. You only see the officially sanctioned pilots above the water. The vast majority of AI use is happening under the surface, in the shadows.

This lack of visibility translates to an almost complete loss of control.

A tiny **8%** of respondents say they have complete control of where AI is used in their business.

WHEN YOU DON'T KNOW WHERE IT IS, YOU CAN'T SECURE IT, GOVERN IT, OR MANAGE IT.

This isn't about policing employees; it's about protecting the business. Shadow AI is a symptom of unmet needs. But the consequences of this chaos are serious; sensitive company data being pasted into public LLMs, potential copyright infringements, and duplicated costs from multiple, unmanaged subscriptions.



STUCK IN THE PILOT TRAP



Moving from a demo to a live in production tool is proving to be the hardest step for many. Organisations are getting stuck in a cycle of endless pilots that never quite deliver.

WHILE 44% ARE IN THE PILOT STAGE, ONLY 32% SAY AI IS FULLY OPERATIONALISED IN ONE OR MORE DEPARTMENTS.

Because these tools aren't scaling, they aren't paying off. CFOs are starting to ask the tough questions about what the business is actually getting for its AI spend.

It's no surprise, then, that only **34%** of leaders are satisfied with the ROI from their AI deployments.

This creates a crisis of confidence, with just **25%** confident that AI is having a positive impact on their business.

WHAT'S STOPPING THEM FROM SCALING?

The top barriers are:

- Data privacy and security concerns
- A lack of a clear strategy
- A lack of technical expertise

You can't build a skyscraper on a shaky foundation. The lack of structure we identified earlier is the direct cause of this stagnation.

SECRETS TO SUCCESS WITH AI

THIS IS THE PIVOT.

We compared the organisations that took a structured approach with those that didn't. The difference isn't just marginal; it's **night and day**.

So, what do we actually mean by a structured approach?

In short, it's about swapping guesswork for a game plan.

A structured approach means you start with a clear goal (your strategy), build the right foundations to support it (your data and tech), and set some simple rules to keep you safe and consistent (your governance).

CHAOS VS. CONTROL

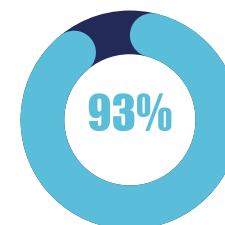
Among organisations with a structured approach, **95%** are confident they know where AI is used.

For those with no structure, a shocking **93%** are not confident they know where AI is being used.

Structure acts like a floodlight, banishing the shadows and giving you control.

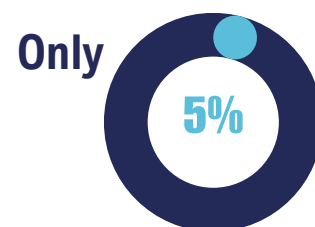
HOW CONFIDENT ARE YOU THAT YOU KNOW WHERE AI IS BEING USED ACROSS YOUR ORGANISATION?

UNSTRUCTURED:



of those without structure are not confident they know where AI is used.

STRUCTURED:



Only lack confidence.

ROI AND IMPACT

With a structured approach, **76%** are satisfied with their ROI, while with no structure, **59%** are unable to determine any ROI at all.

When you have a plan, you can measure success. When you don't, you're just guessing with the company's money. This translates directly to impact, where **85%** of structured organisations are confident AI is having a positive impact, compared to a mere **7%** of unstructured ones.

HOW SATISFIED ARE YOU WITH THE RETURN ON INVESTMENT (ROI) YOU'VE SEEN FROM IMPLEMENTING AI?

UNSTRUCTURED:  **59%**
couldn't even determine their ROI

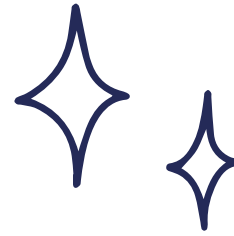
STRUCTURED:  **76%**
are satisfied with their ROI

HOW CONFIDENT ARE YOU THAT AI IS HAVING A POSITIVE IMPACT ON YOUR ORGANISATION?

UNSTRUCTURED:  **ONLY 7%**
were confident

STRUCTURED:  **85%**
are confident

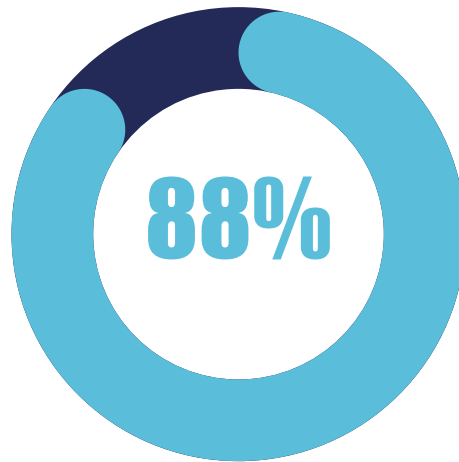
LEADERSHIP BUY-IN



EXECUTIVES BACK PLANS, NOT JUST EXPERIMENTS.

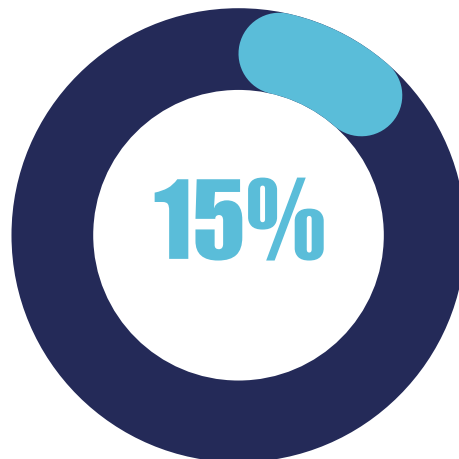
A clear structure gives leadership the confidence they need to champion and fund AI initiatives properly.

STRUCTURED:

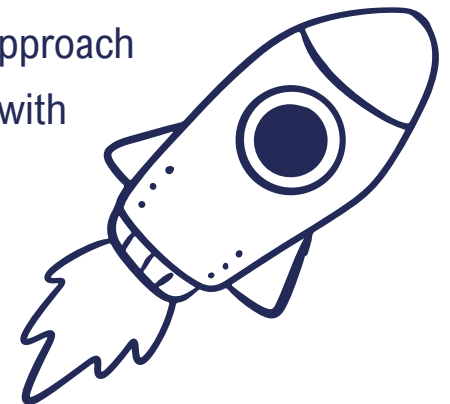


of organisations with structure have supportive leadership, with **58%** actively championing AI initiatives.

UNSTRUCTURED:



of organisations without a structured approach say their leadership is fully supportive with **38% ACTIVELY RESISTANT** to further development.



THE ANATOMY OF SUCCESS

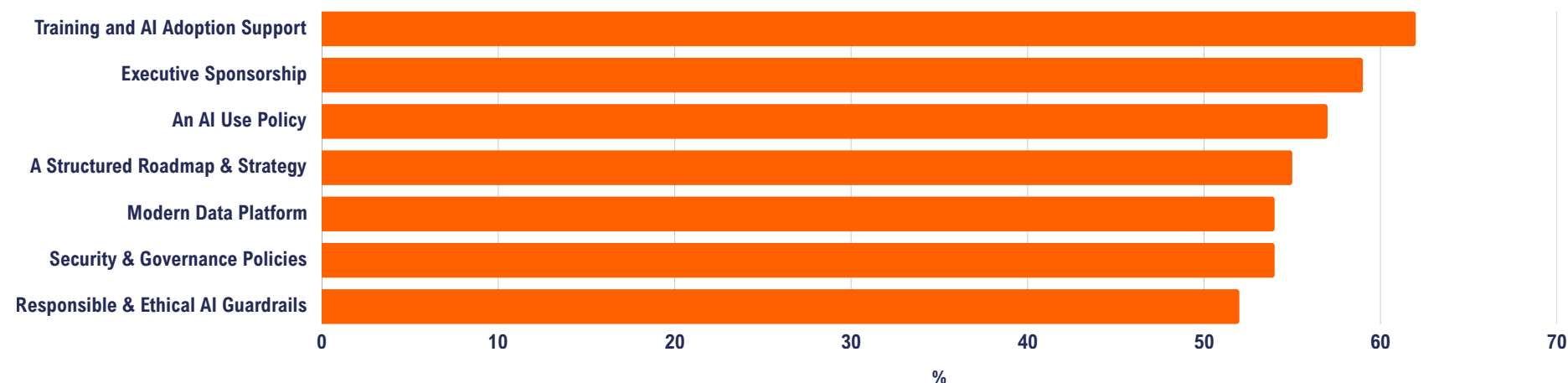
THE EVIDENCE IS UNDENIABLE. A STRUCTURED APPROACH DOESN'T SLOW YOU DOWN; IT IS THE ONLY WAY TO SPEED UP AI DEPLOYMENT SAFELY.

So, how do you build this game-changing structure?

The answer is to stop treating AI as a series of one-off, disconnected projects. It's time to treat it like a factory production line - repeatable, scalable, governed, and designed for impact. We call this the **AI Factory**. The successful organisations in our survey pointed to a clear set of components that form the blueprint for this factory.



THE MAJORITY OF SUCCESSFUL RESPONDENTS LIST THE FOLLOWING AS VERY IMPACTFUL ON THEIR AI IMPLEMENTATIONS:



Building this structure doesn't mean moving slowly. It means moving with

"SAFE SPEED".

Using a sprint-based approach, you can build the foundation and then iterate, delivering value quickly and securely.

THE ANATOMY OF SUCCESS

PERCENTAGE OF RESPONDENTS WHO RATED EACH FACTOR AS “VERY IMPACTFUL”
ON THEIR AI IMPLEMENTATIONS

THE FUEL

People & Skills - 62%

You can't just drop new tech on people and walk away. Success requires robust training and adoption support to empower your teams.

THE DRIVER

Executive Sponsorship - 59%

You need active leadership that doesn't just approve budgets but champions the vision.

THE GUARDRAILS

Governance - 54%

Strong security and governance policies aren't red tape; they are the safety gear that allows you to move at speed, safely.

Ethical AI Guardrails - cited by 52% are a key part of this.

THE ENGINE

Strategy & Roadmap - 55%

A clear plan that aligns AI initiatives directly with business goals is non-negotiable.

THE FOUNDATION

Data & Platform - 54%

If your data is a mess, your AI will be too. A modern, clean, and accessible data platform and infrastructure is essential.



THE AI FACTORY

Transparency's AI Factory was created to help businesses move from AI hype to AI impact. Built on deep Microsoft expertise, AI Factory delivers a structured, repeatable approach to making AI work for your organisation - quickly, securely, and at scale.

HERE'S HOW IT WORKS:

1. STRATEGY & DISCOVERY

Start with a clear AI vision. No guesswork, just targeted workshops that turn ambition into a practical plan built for your business.

2. STRONG FOUNDATIONS

Lock down your data, security, and governance from day one. With rock-solid Azure landing zones, you get speed minus the risk.

3. AI READY ROADMAP

Prioritise what matters. Map out quick wins and big-impact projects so ROI comes early and progress never stalls.

4. SPRINT-BASED DELIVERY

Go live in weeks, not years. Build, test, and scale at pace with agile sprints and expert hands working right beside yours.

5. ONGOING SUPPORT & IMPROVEMENT

AI Factory keeps delivering. Continuous monitoring, optimisation, and responsible AI practices ensure your solutions stay sharp and evolve with you.

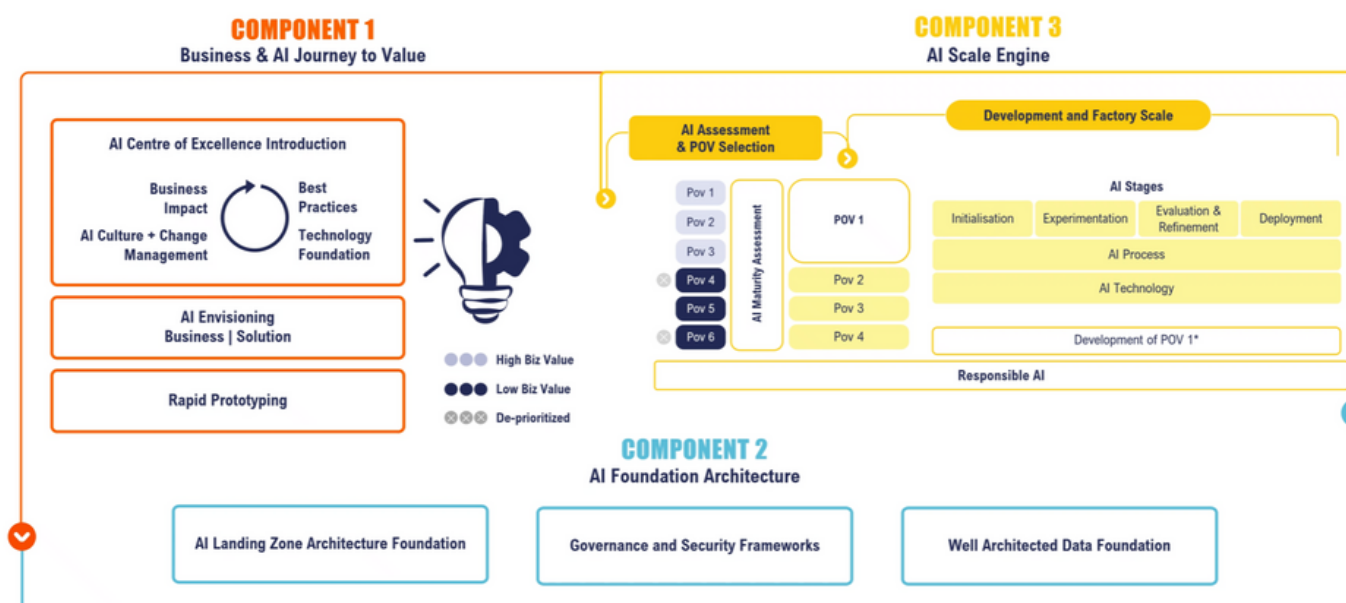
THE AI FACTORY

WHY AI FACTORY WORKS

- ✓ Fast, measurable outcomes, no more waiting months for value
- ✓ Governance and security baked in from the start
- ✓ Scalable model for ongoing, sustainable AI adoption
- ✓ Flexible and tailored to your business needs

Turn AI from hype into habit.
That's the power of the AI Factory.

AI FACTORY FLOW



STOP EXPERIMENTING, START STRUCTURING

THE EVIDENCE FROM OUR RESEARCH IS UNDENIABLE.

The pervasive problems of shadow AI, stalled projects, poor ROI, and security risks, all stem from a single root cause: a lack of structure.



MONEY ALONE DOESN'T BUY SUCCESS.

The **'JUST USE AI'** approach, driven by hype and unmanaged experimentation, is actively creating risk and wasting budget.

A structured, holistic approach is not just a nice-to-have; it is the essential ingredient for turning your AI ambitions into reality. It's how you move from unmanaged risk to strategic advantage.

THE QUESTION IS NO LONGER IF YOU SHOULD ADOPT AI, BUT HOW.

The answer is clear:

It's time to take control. Build your AI Factory.

Embrace a structured approach to unlock the security, ROI, and transformative impact you've been waiting for.

READY TO TURN THE LIGHTS ON?

You didn't get into this business to spend your days worrying about shadow AI or trying to explain to the board why the latest AI pilot is still stuck on the runway. You want to build things that matter.

YOU WANT TO SEE THE IMPACT. WE GET IT.

That's why we built the AI Factory, to help you cut through the noise and get straight to the good stuff.

If you're ready to move from **"WHAT IF"** to **"WHAT'S NEXT"**, we should talk. Whether you need a sense-check on your current strategy or you're ready to start building your own AI Factory, our team is here to help you move fast and stay safe.

Let's discover, design, and deliver genuine transformation together.

BOOK YOUR AI FACTORY DISCOVERY SESSION TODAY

