Global AI Pulse

Q1 2026

From adoption to orchestration:
What separates AI leaders at scale

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Foreword

Over the past two years, organizations have moved rapidly from experimenting with AI to deploying it across the business. Investment is up. Ambition is high. And belief in AI's potential is no longer in doubt. What *is* now coming into focus, clearly and decisively, is that execution, not experimentation, is the real differentiator.

The inaugural *Global AI Pulse* reveals a widening gap between organizations that are adopting AI and those that are translating it into sustained enterprise value. A small but growing group is pulling ahead. These organizations are moving beyond isolated use cases to fundamentally reimagining how work gets done — how decisions are made, how workflows operate and how value is created. They are not simply adding AI to existing processes. They are aligning operating models, governance, data, and talent in ways that allow AI to scale responsibly and deliver measurable outcomes.

For many leaders, the question has shifted from *whether* to invest in AI to *how* to orchestrate it across the enterprise. As AI becomes more embedded into everyday operations, complexity rises. Systems must work together. Risk and accountability must be actively managed. And the workforce must be ready.

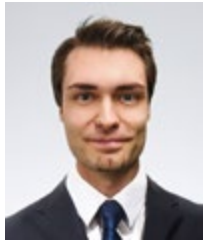
Without these foundations, organizations risk scaling activity rather than impact.

Trust sits at the center of this next phase. The organizations making the most progress recognize that there is no agentic future without governance that can keep pace. Transparency, security and human oversight are not constraints on innovation, but enablers of scale. Responsible AI is no longer a parallel conversation. It is a prerequisite for sustained advantage.

The *Global AI Pulse* is designed to track this shift from deployment to orchestration as it unfolds. Each quarter, we will explore how leaders across industries and regions are navigating the practical realities of scaling AI, where they are encountering friction, and what separates those turning investment into advantage from those still searching for results. The message from this first edition is clear: the next era of AI advantage will be defined less by the tools organizations choose and more by how effectively they rewire themselves to put AI to work.

We hope the insights that follow help sharpen leaders' focus on what comes next and support the speed, ambition, and responsibility this moment demands.

Priya Emmanuel
Global Head of the aIQ Program and Regional AI Lead for the Americas
KPMG in the US



Benedikt Höck
Regional AI Lead for EMEA
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Simon Benson
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Executive summary

Artificial intelligence is scaling rapidly across the enterprise, but enterprise performance is not yet keeping pace with the scale of investment. While 95 percent of organizations surveyed report having an AI strategy, only 8 percent report established return on investment. These front-runners are showing the way on how to deliver meaningful and measurable enterprise-wide value with AI. Sixty-four percent already report meaningful business value, highlighting a gap between ambition and realized value.

Organizations are moving beyond experimentation, with 39 percent now scaling AI or driving adoption organization-wide. Investment remains strong, with organizations planning to invest an average of US$186 million over the next 12 months.[1] Within this expanding landscape, a distinct group — approximately 11 percent — is beginning to separate from the pack, not through greater investment or broader deployment, but through how they integrate AI into how the enterprise operates.

This analysis draws on KPMG's first Global AI Pulse, a global survey of 2,110 senior executives across 20 countries, territories and jurisdictions and 8 sectors, including C-suite leaders and their direct reports from large organizations. The study examines how organizations are deploying AI, where constraints are emerging and what distinguishes those beginning to realize value at scale.

Enterprise-wide performance remains uneven despite continued investment. Few organizations demonstrate the ability to consistently measure and scale value across the enterprise.

The widening gap between leaders and laggards is not simply driven by safe access to tools, data, and driving usage, although many see these as key challenges. Learning from the AI leaders, unlocking value requires enterprises to be designed to operate with AI as an orchestrated, enterprise-wide system.

At this stage, performance depends on how effectively organizations embed AI into the enterprise as an operating capability. As AI agents become more widely deployed across workflows, value depends on three factors:

- The shift from pilots to AI-enabled operating models that integrate workflows, data and decision-making
- Governance embedded as a prerequisite for scale, enabling trust, control and coordination
- Workforce capability distributed across the enterprise to support AI-enabled execution

These factors form the foundation of orchestration: the ability to operate AI as a coordinated, enterprise-wide system.

AI leaders translate investment into measurable enterprise value by operating AI across workflows, aligning it to business outcomes and coordinating it across systems as part of an integrated operating model. Increasingly, this includes deploying and orchestrating agentic AI across functions, often ahead of fully established enterprise-wide ROI.

These organizations demonstrate distinct advantages. They are more likely to use AI to drive growth rather than cost reduction, report higher confidence in measuring business impact, show stronger workforce readiness and invest more heavily in the foundational capabilities required to scale performance.

For most organizations, this shift has not yet taken place. AI adoption continues to expand without corresponding changes to how the enterprise operates. Investment increases activity, but performance remains uneven, despite many organizations already reporting meaningful value.

The constraint is not access to technology, but the ability to operate AI at scale.

[1] Average reflects a weighted mean based on reported planned investment across respondents, adjusted for sample representation by organization size and region.

The data points to a clear relationship. As organizations progress in AI maturity, confidence in workforce capability and the ability to measure impact increase sharply, and so does realized value. **Organizations that are confident in their talent pipeline are nearly four times as likely to report meaningful business outcomes (77 percent vs 20 percent),** reinforcing the relationship between workforce readiness and AI-driven performance.

1 The problem isn't AI. It's the enterprise.

The barriers to scale are well known: data privacy and cybersecurity (42 percent), data quality (34 percent) and regulatory uncertainty (31 percent). These reflect deeper misalignment across the enterprise.

As AI extends across workflows and functions, the requirements change. Data needs to move across systems. Governance should operate consistently. Workflows should align and decision-making should be coordinated across teams. Performance must be captured beyond individual KPIs and incentives.

Most organizations are not structured to operate this way at scale.

Data remains fragmented. Governance is applied inconsistently. Workflows do not align. Decision-making is not coordinated. Reward structures reflect legacy ways of working.

Governance shifts from a control mechanism to a prerequisite for execution. Without it, AI cannot scale beyond isolated deployments.

Until these constraints are addressed, scaling AI will continue to generate activity without sustained performance.

2 AI adoption is converging. Execution is fragmenting.

Organizations in the Americas are pulling ahead, with 35 percent reporting enterprise-scale deployment, compared to 22 percent in EMEA and 23 percent in ASPAC. At the same time, different models of human-AI collaboration are emerging. In the Americas, 41 percent of organizations expect human-led control, while in ASPAC, 38 percent anticipate more AI-led coordination.

Regional differences shape how AI is deployed, governed and integrated into enterprise operations, reinforcing a more fragmented operating environment.

For global organizations, this creates an operating constraint. AI cannot be scaled through a single model. It must operate across environments that are increasingly divergent.

The challenge shifts from expansion to coordination.

3 AI capability is accelerating faster than enterprise readiness.

Expectations for AI capability are rising rapidly. Eight in ten organizations expect systems capable of human-level reasoning within five years, requiring organizations to assess their three-to-five-year roadmaps now, with increasing emphasis on autonomy across workflows.

Organizations are investing accordingly: 58 percent report investment in infrastructure, 50 percent in security and more than 40 percent across transformation, innovation and workforce capability. Investment continues despite patchy returns, reflecting confidence in AI's long-term value.

Differences across regions, shifting regulations, and changing approaches to human-AI collaboration are creating environments where there isn't a one-size-fits-all approach.

A new divide is emerging between organizations that can operationalize AI at scale and those that continue to invest without the structures required to support it.

4 Why enterprise structure will likely determine who captures AI value.

Enterprise structure will determine how effectively AI is translated into sustained performance.

Organizations that continue to layer AI onto existing ways of working may see diminishing returns. Those that redesign how the enterprise operates — aligning governance, data, workforce capability and execution — are better positioned to translate AI into sustained performance.

The ability to coordinate AI across the enterprise is emerging as a defining capability. Leading organizations are beginning to achieve this through operating models that connect workflows, decision-making and systems.

Organizations that do not align the enterprise around AI may continue to increase activity without consistently improving outcomes.

5 How leaders can close the gap between AI investment and value.

Organizations beginning to realize value from AI are building the capability to operate it as a coordinated system across the enterprise.

Three shifts define this transition:

- From deployment to AI-enabled operating models, aligning workflows, data and decision-making across the enterprise.
- From governance as oversight to governance as an enabler of scale, embedding trust, risk management and accountability into how AI systems operate.
- From workforce experimentation to workforce readiness, equipping teams to work alongside AI agents and support AI-enabled execution.

Organizations that make these shifts will likely be better positioned to translate AI into sustained performance. Those that do not face a widening gap between investment and value.

6 Success depends on how effectively organizations embed AI, including agents, into the enterprise as an operating capability that is widely deployed across workflows.

To close the gap, other companies can take three actions:

- Accelerate the shift from pilots and driving adoption to AI-enabled operating models that integrate workflows, data, and decision-making.
- Embed trust and governance as a prerequisite and accelerator of success to transform at scale, with speed, control, and coordination.
- Build workforce capability and engagement across the enterprise to support AI-enabled execution, with the people at the center of the journey.

Key findings

These key metrics reflect a widening gap between AI execution, capability and realized enterprise performance.

Commitment to AI is widespread

US$186M

Global average planned AI investment[2]

ASPAC leads **(US$245M),** followed by Americas **(US$178M)** and EMEA **(US$157M)**

Organizations have an AI strategy

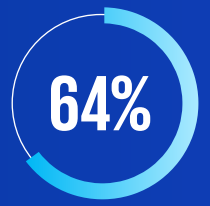
Growing share of companies are trying to scale enterprise-wide

53% Americas

45% EMEA

43% ASPAC

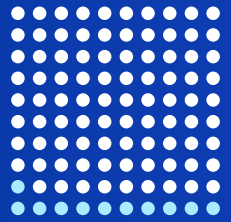
Value is emerging but not uniform



Organizations reporting meaningful AI business value

Organizations with established AI ROI

Performance is concentrated



11%

Organizations identified as AI leaders

82% vs 62%

AI leaders vs non-leaders reporting meaningful business value

68% vs 22%

Organizations report some vs high confidence in their AI talent pipeline

Execution remains the bottleneck

54% remain in the early stages of their AI journey

26% Organizations advancing toward multi-agent or coordinated AI systems

75% Executives expressing concern about AI-related risk and security

AI capability timelines are accelerating

Expect human-level AI within 5 years

[2] Average reflects a weighted mean based on reported planned investment across respondents, adjusted for sample representation by organization size and region.

Contents

Introduction

Artificial intelligence is entering a new phase of enterprise adoption, increasingly defined by the ability to scale and operationalize it across the organization.

Over the past several years, AI has moved from a frontier capability to a core enterprise priority. Organizations have invested in tools, data and talent, and many have deployed AI across functions and workflows. AI is now embedded in how work gets done.

A small group of organizations is beginning to move ahead. These organizations are not simply expanding AI use. They are restructuring how the enterprise operates to support it, integrating workflows, aligning decision-making and embedding governance and workforce capability into execution. As a result, they are better positioned to translate AI investment into sustained performance.

This report examines what AI Leaders are doing differently and how others can learn from their success.

The findings highlight a shift in how AI should be managed. As AI agents are deployed more broadly across workflows, scaling AI depends on operating it as an orchestrated, enterprise-wide system.

For the purposes of this report, coordination refers to how AI operates across workflows and decisions in execution, while orchestration refers to the enterprise-level capability to design, integrate and govern these systems at scale.

This depends on three conditions:

- Moving from pilots to AI-enabled operating models that integrate workflows, data and decision-making
- Embedding governance as a prerequisite for scale, enabling trust, control and coordination
- Building workforce capability to support AI-enabled execution

These elements should be aligned to enable AI to function as an integrated system across the enterprise.

The report is structured in five chapters:

Chapter 1 examines the gap between AI adoption and enterprise value

Chapter 2 explores the characteristics of organizations beginning to achieve measurable returns

Chapter 3 analyzes the structural constraints that limit scaling

Chapter 4 considers how regional and sector differences are shaping divergent paths to scale

Chapter 5 looks ahead to the next phase of AI and the gap between technological capability and organizational readiness

Collectively, these findings underscore a central challenge: building the enterprise capability required to operate AI at scale.

Chapter 1

Scaling AI is not translating into enterprise value

The gap between AI activity and enterprise value is widening.

Nearly 40 percent of organizations surveyed are scaling AI or driving adoption across the enterprise, as investment accelerates and use cases continue to expand. In many organizations, AI is now embedded across functions and workflows.

Approximately two-thirds of organizations (64 percent) report that AI is delivering meaningful business value. However, this expansion is not translating into quantifiable enterprise-wide outcomes.

The dividing line is whether organizations can measure and scale that value across the enterprise.

The gap is not driven by a lack of access to technology or investment. It reflects the difficulty of operating AI as an orchestrated, enterprise-wide capability. As AI agents are deployed more broadly across workflows, this challenge becomes more pronounced, requiring organizations to move beyond isolated use cases toward integrated operating models supported by governance and workforce capability.

Running these individual use cases has become more accessible. Operating them across systems, workflows and decision-making environments remains significantly more complex.

Maturity is advancing

Organizations continue to progress along the AI maturity curve. More than half (54 percent) remain in early stages, focused on research, experimentation, or strategic planning, while nearly 40 percent have moved into scaling and adoption.

This progression is not consistently translating into enterprise outcomes.

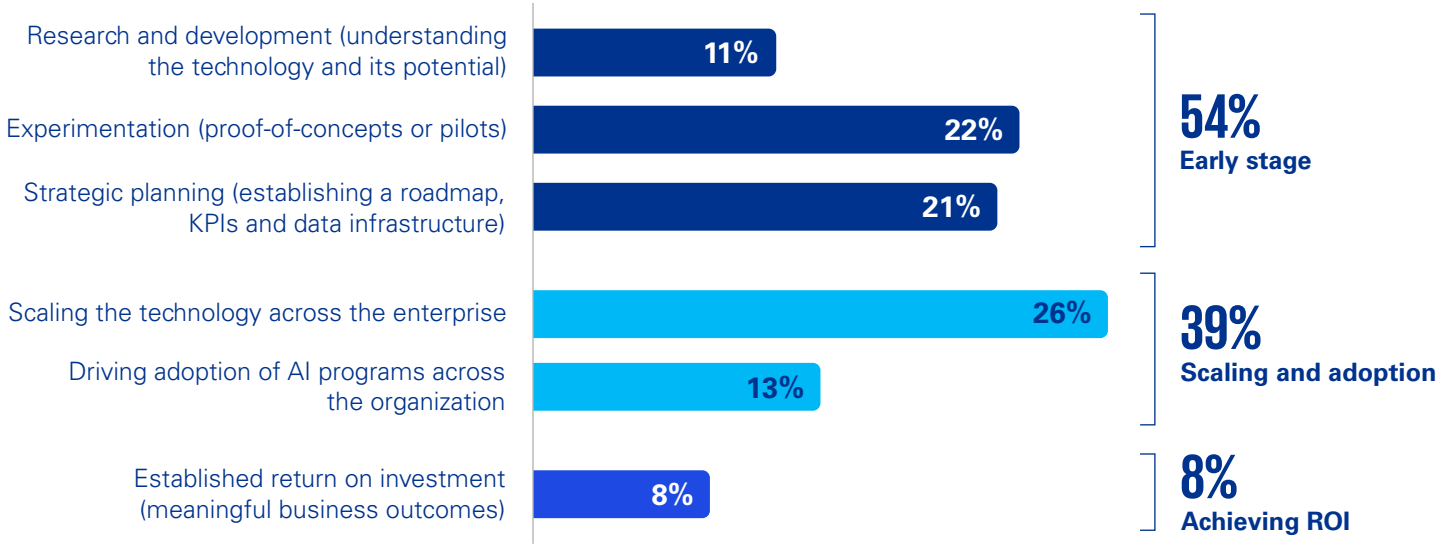
Despite a growing share of organizations reaching more advanced stages, only 8 percent are realizing measurable enterprise value. Maturity alone is not a reliable indicator of performance.

A distinct group of organizations is emerging within these more advanced stages. Their performance reflects a difference in how AI is operated across the enterprise.

These organizations embed AI into workflows, integrate it across systems and orchestrate it as part of a broader operating model. Increasingly, this includes the ability to deploy and manage agentic AI (AI agents capable of acting autonomously across workflows) systems across functions, rather than limiting their use to isolated applications.

Others, including organizations at similar stages of maturity, remain constrained by fragmented deployments and limited coordination across systems and workflows. As a result, progression along the maturity curve does not consistently lead to scalable impact.

Phase of the AI journey across organizations



Which of the following best describes the phase your organization is in its AI journey? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

The value gap

Nearly **40%** of organizations are scaling AI or driving adoption across the enterprise, yet only 8 percent report established return on investment.

This gap reflects a challenge in translating deployment into coordinated, enterprise-wide performance.

A distinct group of AI leaders is emerging

Approximately

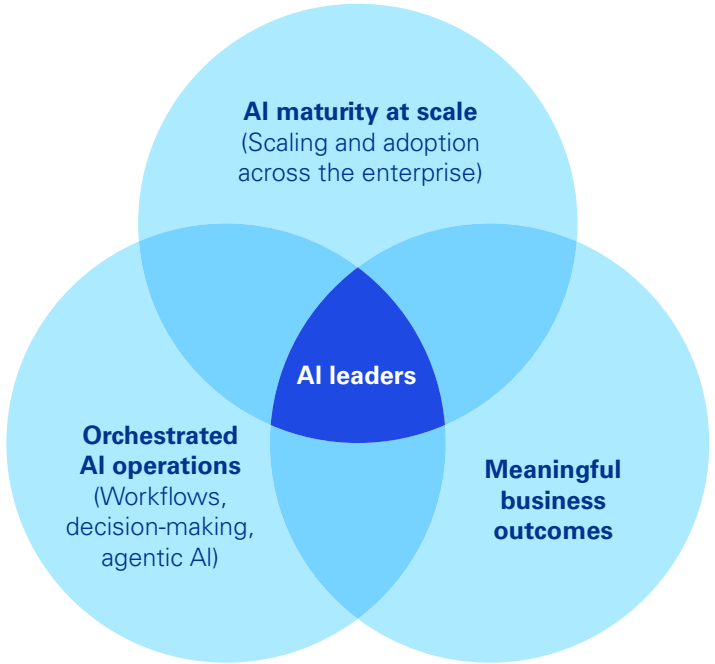
11%

of organizations are demonstrating the ability to translate AI into measurable outcomes at scale.

These organizations are defined not only by advanced maturity, but by how they operate AI across the enterprise. They integrate AI into workflows, align it with decision-making and orchestrate it across systems as part of a broader operating model.

Increasingly, this includes the ability to deploy and manage agentic AI systems across functions, moving beyond isolated use cases toward coordinated, enterprise-wide execution.

AI leaders combine three capabilities: scaling AI maturity, delivering measurable business value and operating AI across workflows at scale. While each capability is measured independently, AI leaders represent the subset of organizations that combine these elements to operate AI as a coordinated, enterprise-wide system.



AI leaders are defined by the combination of scale, measurable value and orchestrated execution; missing any one limits enterprise impact.

> “The first Global AI Pulse results reinforce that spending more on AI is not the same as creating value. Leading organizations are moving beyond enablement, deploying AI agents to reimagine processes and reshape how decisions and work flow across the enterprise. But ultimately, there is no agentic future without trust and no trust without governance that keeps pace. The findings make clear that sustained investment in people, training and change management is what allows organizations to scale AI responsibly and capture value.”

Steve Chase
Global Head of AI and Digital Innovation
KPMG International

Investment figures are strong. Execution is not keeping pace.

Organizations are committing significant capital to AI, with average planned investment reaching US$186 million over the next 12 months. In many cases, this investment extends across infrastructure, security, workforce capability and transformation initiatives.

Organizations are increasing activity without consistently improving performance.

This pattern is evident even in more advanced markets. In the Americas, where 35 percent of organizations report scaling AI across the enterprise, the gap between deployment and value realization remains. At the same time, regional investment levels vary significantly, with ASPAC organizations reporting the highest planned investment (US$245 million), followed by the Americas (US$178 million) and EMEA (US$157 million).

The challenge is not the level of investment. It is how effectively organizations can connect these investments across systems, workflows and decision-making. This reflects a broader system constraint, where operating models, governance and workforce capability are not aligned to support orchestrated execution.

AI is entering a new phase: from deployment to coordinated execution.

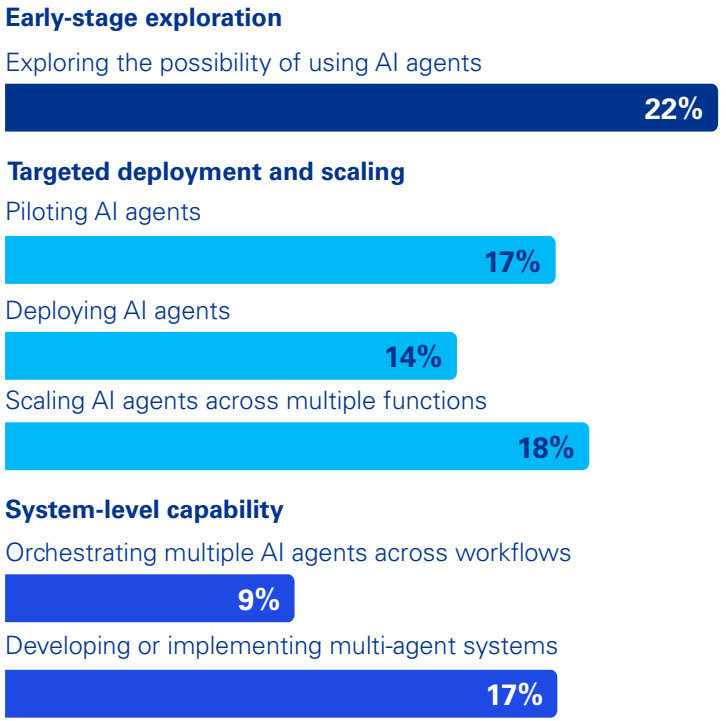
A more fundamental shift is underway. AI is moving from individual tools and use cases within functions to systems that operate across workflows, teams and decision-making environments.

AI agents are accelerating this transition. They introduce the ability to automate tasks, interact across systems and operate with increasing autonomy. However, as these capabilities expand, so does the complexity of managing them.

The data reflects this shift. While 22 percent of organizations remain in early exploration, a growing share are advancing into deployment: 17 percent are piloting AI agents, 14 percent are deploying them and 18 percent are scaling them across multiple functions. At the more advanced end of the spectrum, 17 percent are developing multi-agent systems, yet only 9 percent have reached coordination across workflows. When including organizations developing or implementing multi-agent systems and broader coordination capabilities, this rises to approximately one-quarter (26 percent), indicating that orchestration is emerging but remains at an early stage.

Many organizations are advancing agent deployment, but far fewer are able to orchestrate these systems across workflows in a way that supports consistent, enterprise-wide performance. As a result, expanding agent capability does not consistently translate into coordinated execution at scale.

Organizational engagement with AI agents



In what capacity is your organization engaging with AI agents? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

A new divide is emerging

The gap is between organizations deploying AI and those operating it as an enterprise system.

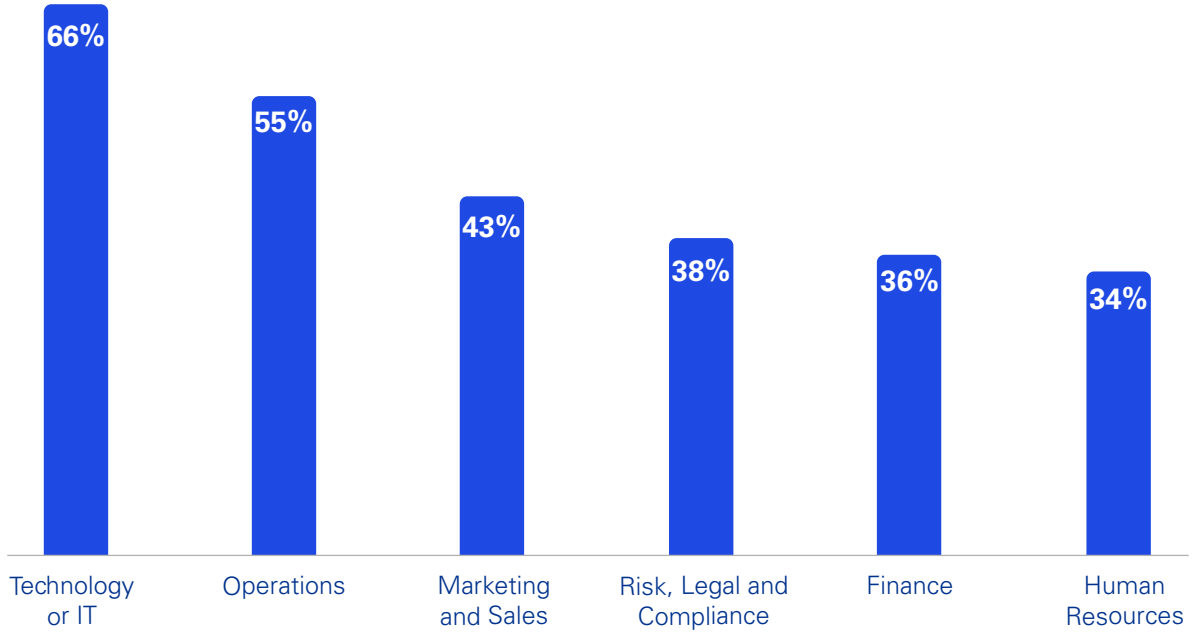
“The challenge is no longer where to apply AI. It is how to drive transformation and operate it across the enterprise. Organizations that fail to align systems, workflows and governance will continue to generate activity without sustained performance.”

Benedikt Höck
Regional AI Lead for EMEA
KPMG in Germany

AI agents are widespread, but not yet orchestrated

Agentic AI is now embedded broadly across the enterprise, within technology (66 percent) and operations (55 percent) and growing adoption across customer, risk and corporate functions.

Functions deploying agentic AI



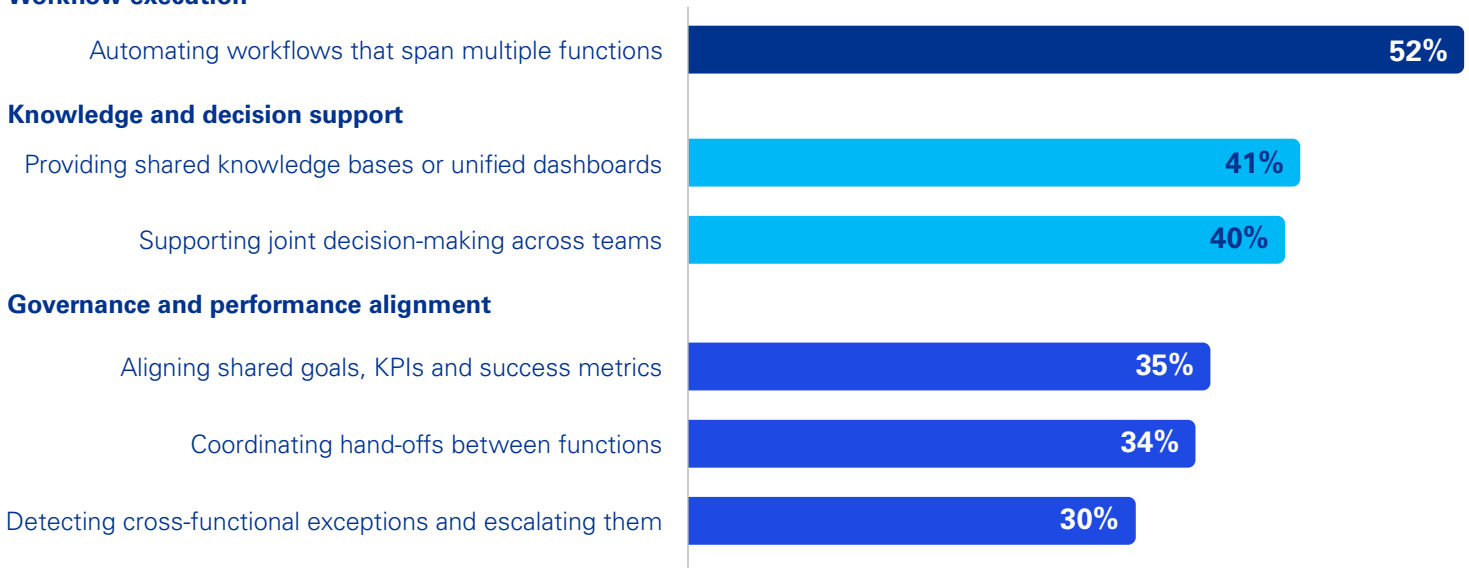
Which functions have deployed agentic AI into their workflows? n=1588
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

This breadth reflects a shift in how AI is used. It is now embedded in how work is executed across the enterprise.

Organizations are beginning to extend AI beyond functional use cases toward cross-functional coordination. More than half (52 percent) are using AI to automate workflows that span multiple functions, while 41 percent are enabling shared knowledge environments and 40 percent are supporting joint decision-making across teams. A smaller but growing share are using AI to align goals and KPIs (35 percent), coordinate hand-offs (34 percent) and detect and escalate exceptions across workflows (30 percent).

Adoption remains strongest in operations and core technology functions, with broader uptake across both front and back-office areas. However, the data suggests that while organizations are making progress in connecting workflows, they are earlier in aligning these functions into an orchestrated, enterprise-wide system.

How AI agents facilitate cross-functional collaboration



In which ways are AI agents facilitating collaboration across functions within your organization? n=1588
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

These patterns indicate a transition from task-level efficiency toward coordination across workflows and functions. Most organizations continue to operate AI within their individual functions limiting interoperability and constraining the ability to scale more complex, agent-driven systems.

However, this transition remains incomplete.

While coordination is advancing, the capabilities required to manage it are not keeping pace. As AI systems become more interconnected, demands on governance, accountability and operating models increase. Many organizations have yet to establish the structures required to support this level of coordination.

As AI systems become more interconnected, demands on

governance, accountability and operating models increase.

Strategic implication: Build an integrated operating model or stall at scale

Expanding AI use cases is not sufficient to drive enterprise value.

As organizations extend AI across functions, the limitations of fragmented deployment are becoming harder to ignore. Systems remain disconnected. Workflows operate in isolation. Decision-making is not coordinated across the enterprise. In this environment, additional investment increases activity, but performance does not follow.

AI leaders are redesigning how the enterprise operates to support AI, embedding it into workflows, aligning governance and enabling orchestration across systems and teams. This is what allows them to translate AI investment into measurable performance.

For others, the gap is widening.

The advantage is shifting to organizations that can operate AI as an integrated, enterprise-wide capability, aligning operating models, governance and workforce capability to support coordinated execution. Those that cannot will continue to scale activity without scaling value.

> “AI is scaling faster than most organizations can absorb. Without redesigning how the enterprise operates, that acceleration will increase complexity faster than it creates value.”
>
> **Priya Emmanuel**
> Global Head of the aIQ Program and Regional AI Lead for the Americas
> KPMG in the US

Chapter 2

The new divide: From deployment to enterprise-wide orchestration

Findings from this study point to a distinct group of organizations pulling ahead in enterprise AI.

These organizations are able to translate AI investment into measurable value at scale and operate AI across the enterprise.

Their advantage is not simply that they are further along. It is how they are structured. AI leaders align operating models, governance and workforce capability to support AI as an orchestrated, enterprise-wide system.

They integrate AI across workflows, align it to business outcomes and embed it into how the enterprise operates. Increasingly, this includes orchestrating agentic AI systems across functions and decision-making environments.

They also approach AI differently. They prioritize growth over cost reduction, invest more in governance and trust and place greater emphasis on human-AI collaboration. They measure outcomes across revenue, workforce and risk, and use those insights to guide how AI is deployed and scaled.

What separates these organizations is not how much AI they have deployed, but how effectively they run it across the enterprise.

AI leaders orchestrate AI. Others deploy it.

- **Orchestrators** — Organizations that orchestrate workflows, data and decision-making across functions as part of an integrated enterprise system.
- **Operators** — Organizations that deploy AI in isolated use cases without the structures required to scale.

Orchestrators embed AI into how the enterprise operates. Operators layer AI onto existing ways of working.

AI is not an efficiency play. It is a growth strategy.

AI leaders prioritize revenue growth through new products, services and AI-enabled experiences (33 percent vs 28 percent). They also place greater emphasis on human-AI collaboration (33 percent vs 27 percent), governance (31 percent vs 26 percent) and trust and security (32 percent vs 25 percent).

By contrast, non-leaders prioritize cost reduction (32 percent vs 25 percent) and productivity-focused automation.

The generally higher scores across all priorities also indicate that AI leaders are pursuing a broader portfolio of opportunities in parallel than non-leaders, which increases the value-potential.

How AI priorities differ between AI leaders and non-leaders

AI priority	AI leaders	Non-leaders
Revenue growth (new products, services, AI-enabled experiences)	**33%**	**28%**
Cost reduction (structural efficiency)	**25%**	**32%**
Human-AI collaboration and fluency	**33%**	**27%**
Responsible AI and governance	**31%**	**26%**
Trust and security	**32%**	**25%**

Which of the following best describes your organization's AI priorities? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

AI leaders measure ROI with more confidence

Nearly half of AI leaders report being very confident in tracking revenue impact (48 percent vs 27 percent), with similar gaps across profitability (50 percent vs 28 percent), decision-making (49 percent vs 32 percent) and risk (45 percent vs 25 percent).

This reflects a fundamental difference in capability between leaders and others that we expected to see.

However, the data also suggests that the capability gap is broader than just cost and revenue. AI leaders are also more confident in measuring other aspects of employee performance and quality, learning, and development.

Organizations with this broad capability are better at scaling what really works and more likely to bring their people along in the journey.

Confidence in measuring AI-driven outcomes (% very confident)

Metric	AI leaders	Non-leaders
Revenue generated	48%	27%
Improved profitability	50%	28%
Decision-making speed and accuracy	49%	32%
Employee performance and quality of work	51%	28%
Employee AI learning and development	46%	26%
Risk mitigation and compliance	45%	25%

How confident are you in your organization's ability to measure ROI across these metrics? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

AI fails at scale when it stays in use cases

As AI agents scale, the challenge shifts from deployment to orchestration.

Multi-agent systems are being developed (39 percent vs 15 percent), orchestrated across workflows (24 percent vs 7 percent) and scaled across multiple functions (38 percent vs 16 percent). These capabilities enable AI to operate across workflows, teams and decision points, rather than within isolated use cases.

Agentic AI capability by AI leader status

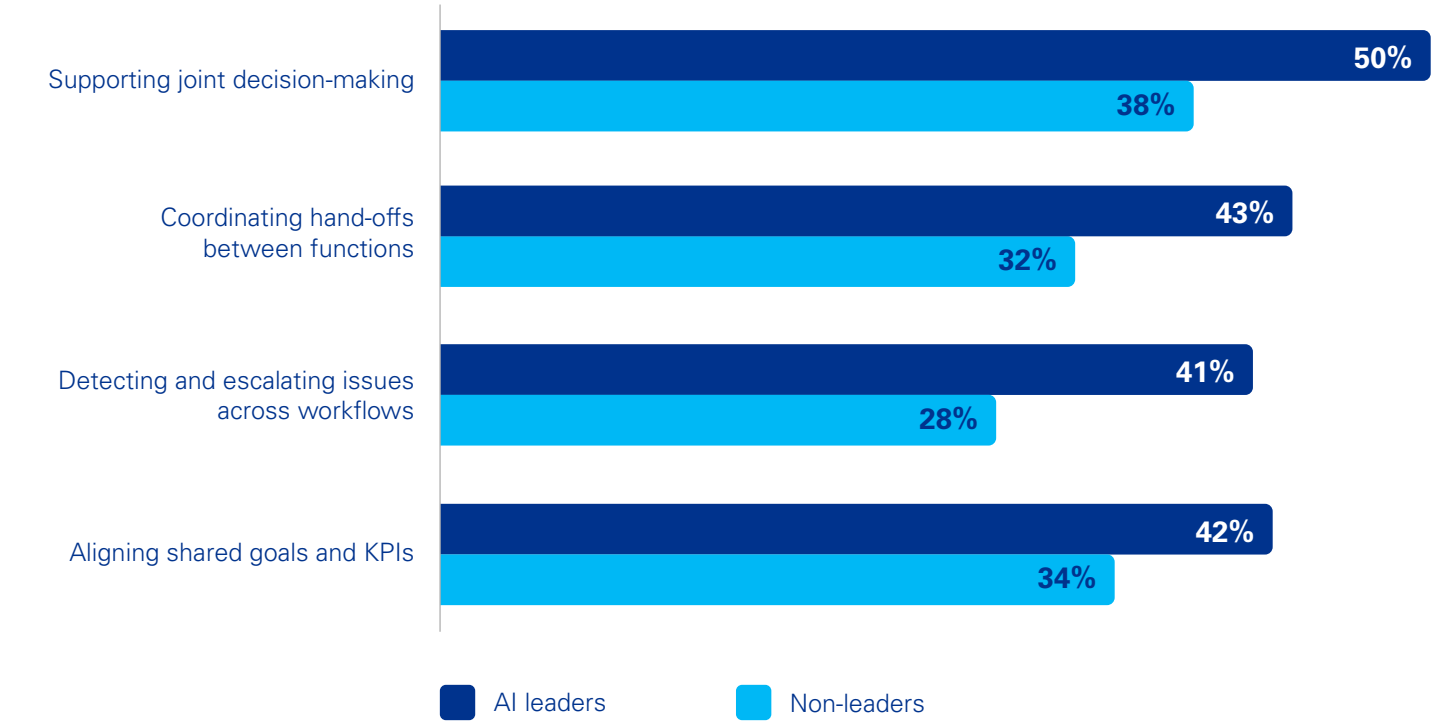
Capability	AI leaders	Non-leaders
Developing or implementing multi-agent systems	39%	15%
Orchestrating AI across workflows	24%	7%
Scaling AI across multiple functions	38%	16%

In what capacity is your organization engaging with AI agents? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

The same pattern is visible in how work is coordinated. AI is used to support joint decision-making (50 percent vs 38 percent), coordinate hand-offs between functions (43 percent vs 32 percent) and detect and escalate issues across workflows (41 percent vs 28 percent).

This is where scale breaks down. Without orchestration, AI remains fragmented across systems and functions, limiting its ability to deliver enterprise-wide impact.

Cross-functional coordination enabled by AI



In which ways are AI agents facilitating collaboration across functions? n=1588
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Scaling AI breaks without integrated systems

The difference becomes most visible in how organizations build the systems required to scale AI.

Leading organizations are not funding isolated pilots or experimental use cases. They are investing in the integrated capabilities required to operate AI at scale. This includes infrastructure (71 percent vs 57 percent), security (67 percent vs 48 percent) and risk and compliance (43 percent vs 33 percent), alongside stronger board-level engagement (89 percent vs 76 percent) and deeper expertise (45 percent vs 20 percent).

These investments enable how AI is integrated, governed and operated across the enterprise.

Organizations that have already achieved return on investment show the same pattern. They invest more heavily in infrastructure (74 percent vs 65 percent vs 51 percent), cybersecurity (65 percent vs 55 percent vs 44 percent) and transformation initiatives, including innovation (56 percent), transformation (54 percent) and customer experience (53 percent).

They are also less constrained by operational pressures. For example, 54 percent report workload pressures as no concern, compared to 31 percent of early-stage organizations.

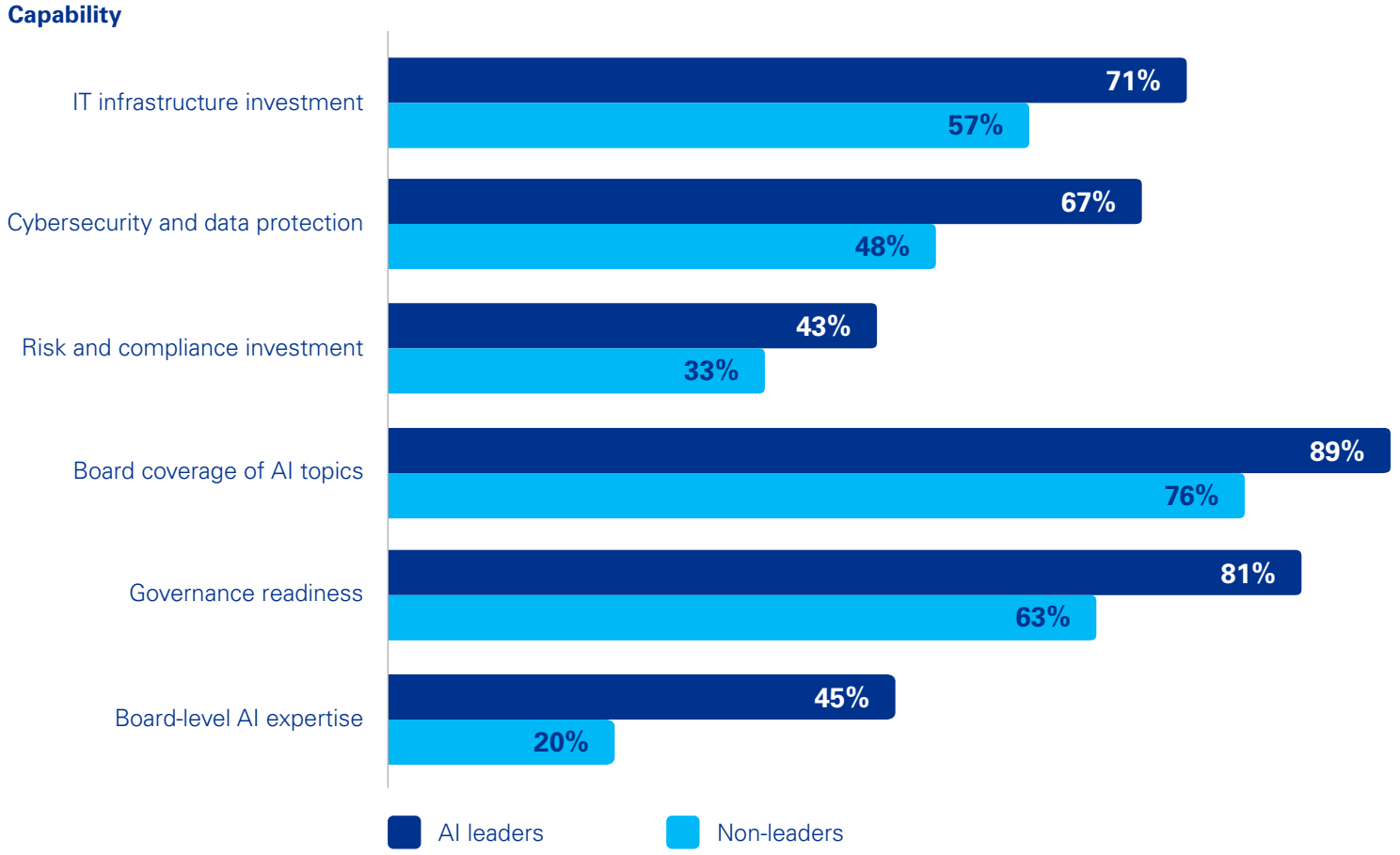
This is the shift from experimentation to system design. AI is built into how the enterprise operates, not layered onto it.

Organizations that underinvest in these systems remain constrained. AI expands in scope but not in impact.

The governance gap is equally striking: 81 percent of AI leaders report having the capabilities and governance in place to manage AI risk at scale, compared to 63 percent of non-leaders. This suggests that governance maturity is not simply a byproduct of scale — it is a condition that enables it. Organizations that embed governance into how AI operates, rather than applying it after deployment, are better positioned to extend AI across workflows with consistency and control.

> “Governance separates organizations that scale AI from those that stall. Eighty-one percent of AI leaders report readiness to manage AI risk — because they built governance into the system, not around it.”
>
> **Samantha Gloede**
> Global Head of Risk Services and Global Trusted AI Leader
> KPMG International

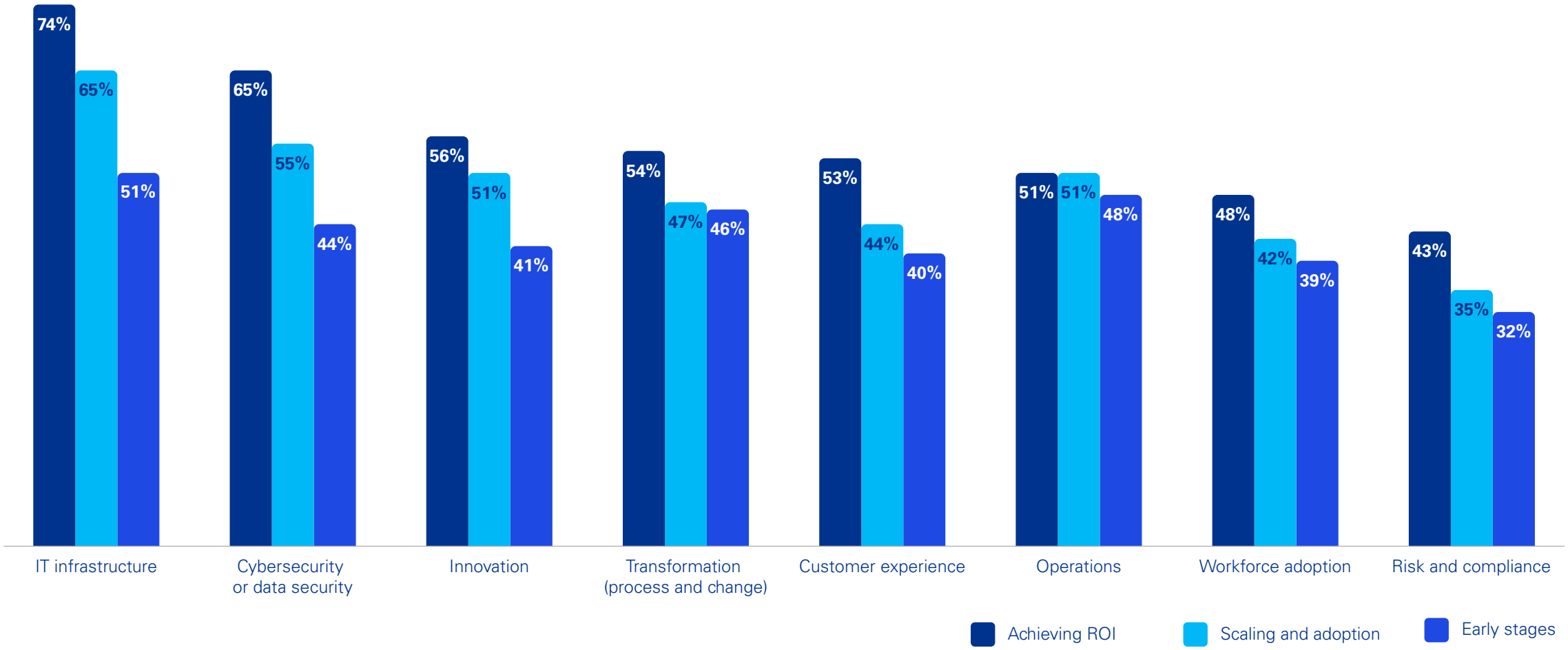
Investment and governance maturity by AI leader status



In which of the following areas will your organization allocate its AI budget? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Where organizations are investing to scale AI

Organizations achieving ROI are not just investing more. They are investing differently, with a clear bias toward the foundational capabilities required to operate AI at scale.



In which of the following areas will your organization allocate its AI budget? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

What separates organizations that scale AI from those that stall

Organizations that achieve measurable returns from AI do not simply deploy more use cases. They operate AI differently across the enterprise.

They:

- **Redesign how work is executed**, embedding AI into workflows, decision-making and cross-functional processes rather than layering it onto existing structures.
- **Build governance into execution**, integrating risk, trust and accountability into how AI systems operate, not applying them after deployment.
- **Equip the workforce to operate AI**, enabling teams to work alongside AI agents in increasingly automated and coordinated environments.
- **Orchestrate AI as a system**, aligning data, infrastructure and measurement to translate activity into sustained enterprise performance.

Strategic implication: The shift from deployment to orchestration is now decisive

The dividing line is whether AI can be run as an orchestrated, enterprise-wide system.

Organizations achieving meaningful returns are not expanding use cases. They are changing how the enterprise operates. Operating models are restructured. Governance is built into execution. Workforce capability is developed to support AI at scale. Together, this creates the capability to orchestrate AI across the enterprise.

For others, progress slows. AI continues to expand across the organization, but remains fragmented. Systems do not connect. Workflows are not coordinated. Decision-making is not aligned.

The result is predictable. Activity increases. Performance does not. Over time, the gap between investment and value widens.

Chapter 3

Why scaling AI breaks without structural alignment

Enterprise operating models are not designed to support the level of integration and coordination AI now requires.

Pilots and individual use cases can generate localized value. At scale, AI must operate across systems, workflows and functions.

This exposes system-level constraints. Data is fragmented, governance is applied after deployment and dependencies across systems and workflows introduce friction that limits execution at scale. Only a small share of organizations (12 percent) are prioritizing external AI ecosystems, limiting their ability to scale AI beyond internal workflows and coordinate across partners, platforms and third-party capabilities.

Organizations are attempting to scale AI without aligning operating models, governance and workforce capability to support it.

As a result, AI expands in scope without a corresponding increase in impact.

AI does not scale on its own

Scaling breaks when alignment is missing across data, workflows, governance and teams, preventing systems from operating consistently across the enterprise. AI expands in use, but not in impact.

> Investment is not the constraint — 95 percent of organizations have an AI agent strategy and the average is committing US$186 million over the next 12 months. Yet only 8 percent have translated that into measurable returns. The bottleneck is the enterprise itself."

Simon Benson
Regional AI Lead for ASPAC
KPMG Australia

What works in pilots breaks at scale

AI adoption typically begins in contained environments such as proofs of concept, pilots or function-specific deployments. In these environments, integration is limited and ownership is contained.

As organizations extend AI across workflows and functions, the requirements change. Systems should be integrated across functions. Data should move across environments. Decisions must be coordinated across teams. Accountability must be clearly defined.

What works in isolation breaks under interdependence. This transition is reflected in the data. Over one-third of organizations report challenges scaling AI across teams and functions (36 percent) and a similar share struggle to move beyond individual use cases (37 percent).

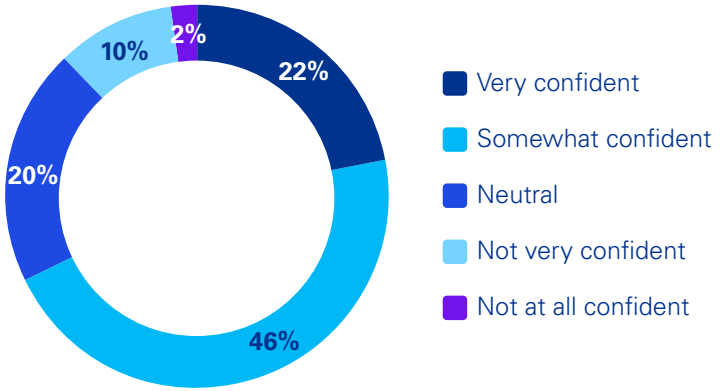
For many organizations, this becomes a breaking point. Progress slows not because of a lack of ambition or investment, but because the capabilities required to scale are different from those required to experiment.

Workforce capability limits execution beyond pilots

Scaling AI depends on how effectively execution can extend beyond centralized teams.

While many organizations are experimenting with AI tools, workforce readiness remains uneven. Only 22 percent of organizations report being very confident in their ability to meet the needs of an AI-enabled workforce, with a further 46 percent somewhat confident.

Confidence in AI talent pipeline



How confident are you that your current talent pipeline can meet the needs of an AI-enabled workforce? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

As AI agents become more embedded in workflows, the role of the workforce shifts from execution to coordination, requiring capability to manage interdependencies across systems and decisions. Scaling requires moving from centralized expertise to distributed capability across functions.

Without this shift, AI remains concentrated within pockets of the organization, limiting its ability to scale and sustain impact.

Clear accountability, aligned incentives and integrated decision-making are required to manage dependencies, coordinate workflows and sustain performance.

Scaling fails when data, workflows, governance and teams are not aligned

Organizations do not struggle with a single barrier to scaling AI. They struggle with aligning multiple interdependent capabilities required to operate it as a system.

Systems fail to support coordination at scale

Scaling AI does not fail for a single reason. It breaks where systems do not operate together.

Organizations surveyed point to data privacy (42 percent), cybersecurity (42 percent), data quality (34 percent) and regulatory uncertainty (31 percent) as barriers to scaling AI, with a further 24 percent identifying gaps in risk management and governance. At the same time, a significantly larger share of executives — three-quarters (75 percent) — express broader concern around AI-related risk and security, indicating that perceived exposure extends beyond the most immediate operational barriers.

These are not isolated technical challenges. They reflect how AI systems operate across the enterprise. Data is fragmented, governance is applied inconsistently and accountability is not clearly defined across workflows.

As AI expands across systems, weaknesses in one area reinforce friction in others. Data cannot move reliably across environments. Governance slows execution rather than enabling it. Integration becomes more complex as dependencies increase.

Scaling requires a systematic approach

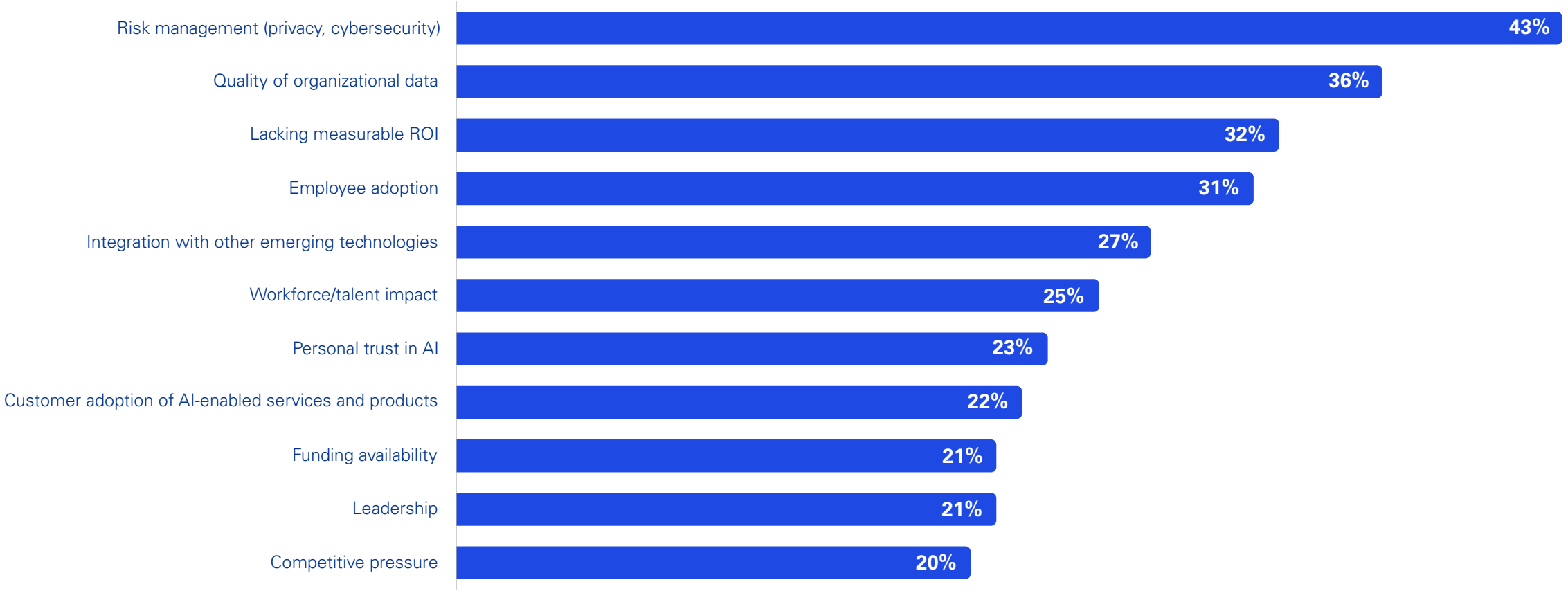
What risks do you believe will be the greatest barriers to successfully meeting the goals of your AI strategy? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

These constraints become more visible as AI systems scale.

Risk management is already the most frequently cited challenge organizations expect to face in the next 12 months (43 percent), alongside data quality (36 percent), measurable return on investment (32 percent), employee adoption (31 percent) and integration challenges (27 percent).

These are not independent issues. They point to a common underlying constraint: systems are not designed to operate AI consistently across data, workflows and decision-making at scale.

Biggest challenges facing AI strategy in the next 12 months
(Percent ranking each in top 3)



Which of the following do you expect to be the biggest challenges to your AI strategy in the next 12 months? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

At scale, these constraints compound

Operating models do not define clear ownership across systems. Governance is not embedded into how AI is executed. Data remains difficult to integrate and standardize across environments. Workforce capability is uneven, limiting execution beyond centralized teams.

The result is predictable. Systems do not connect. Workflows are not coordinated. Decision-making is fragmented.

AI expands across the enterprise, but does not operate as a system.

Strategic implication: Redesign how the enterprise runs AI or scaling will stall

Scaling AI depends on more than adoption and investment. It requires structuring the enterprise to operate AI as an integrated, enterprise-wide system.

As AI systems, and increasingly AI agents, become embedded across workflows, organizations are managing interdependent systems that should operate consistently across functions, decisions and environments.

Operating models determine how AI is integrated into workflows and decision-making. Governance determines whether AI can operate with consistency, trust and control. Workforce capability determines whether AI can be executed beyond centralized teams.

When these elements are developed in isolation, they create friction. Systems do not integrate, governance slows execution and workforce adoption lags.

Organizations that align these elements are able to operate AI as an enterprise capability. They align systems, workflows and decision-making in a way that allows AI to scale with consistency and impact.

The implication is structural. Scaling AI requires redesigning how the enterprise operates.

Organizations that fail to make this shift will continue to increase investment and activity without improving outcomes. Those that align operating models, governance and workforce capability will likely be positioned to translate AI into sustained enterprise performance as systems become more capable, more autonomous and more deeply embedded across the enterprise.

Scaling fails when systems do not align

Organizations do not face a single barrier to scaling AI. They face multiple interdependent constraints across data, governance, operating models and workforce capability.

When these elements are not aligned, coordination breaks down and scale does not translate into impact.

Chapter 4

Scaling AI in a fragmented world: Adapting to divergence

AI adoption is accelerating globally. The ability to scale it is diverging.

Organizations are progressing along a similar path from experimentation to deployment. But as AI becomes embedded across workflows — and as AI agents take on a more active role in execution — the challenge shifts from adoption to coordinating execution at scale across systems and workflows.

AI agents are already being deployed across core functions, including technology (66 percent), operations (55 percent) and marketing and sales (43 percent), with more than half of organizations using them to automate cross-functional workflows.

This shift is not unfolding uniformly. In the Americas, 35 percent of organizations report scaling AI across the enterprise, compared to 22 percent in EMEA and 23 percent in ASPAC.

But the divergence is not only in scale. It is in how AI is being operationalized. The Americas lead in enterprise-wide deployment. ASPAC shows earlier signals of coordinating execution, particularly in using AI agents to manage workflows and support cross-functional decision-making. EMEA reflects a more cautious progression shaped by regulatory and governance complexity.

The Americas lead in deploying AI agents across functions, while ASPAC is moving more quickly toward orchestration, using agents to coordinate decisions, route workflows and align activity across teams.

Organizations are not scaling AI in a single way. They are developing different models of execution, with different implications for performance, control and speed.

The result is a widening gap between AI activity and enterprise performance across regions. Scaling AI now depends on how effectively organizations align operating models, governance and workforce capability within these divergent conditions.

Regional differences in maturity are leading to performance gaps

This divergence becomes more visible when looking at how organizations progress along the AI maturity curve.

Organizations in the Americas are further along, with 35 percent scaling AI across the enterprise, compared to 23 percent in ASPAC and 22 percent in EMEA. They are also slightly more likely to report established ROI (9 percent vs 8 percent in ASPAC and 6 percent in EMEA).

In contrast, organizations in EMEA and ASPAC remain more concentrated in earlier stages. In EMEA, nearly half are still in experimentation (24 percent) or strategic planning (23 percent), with similar patterns in ASPAC (21 percent in both stages).

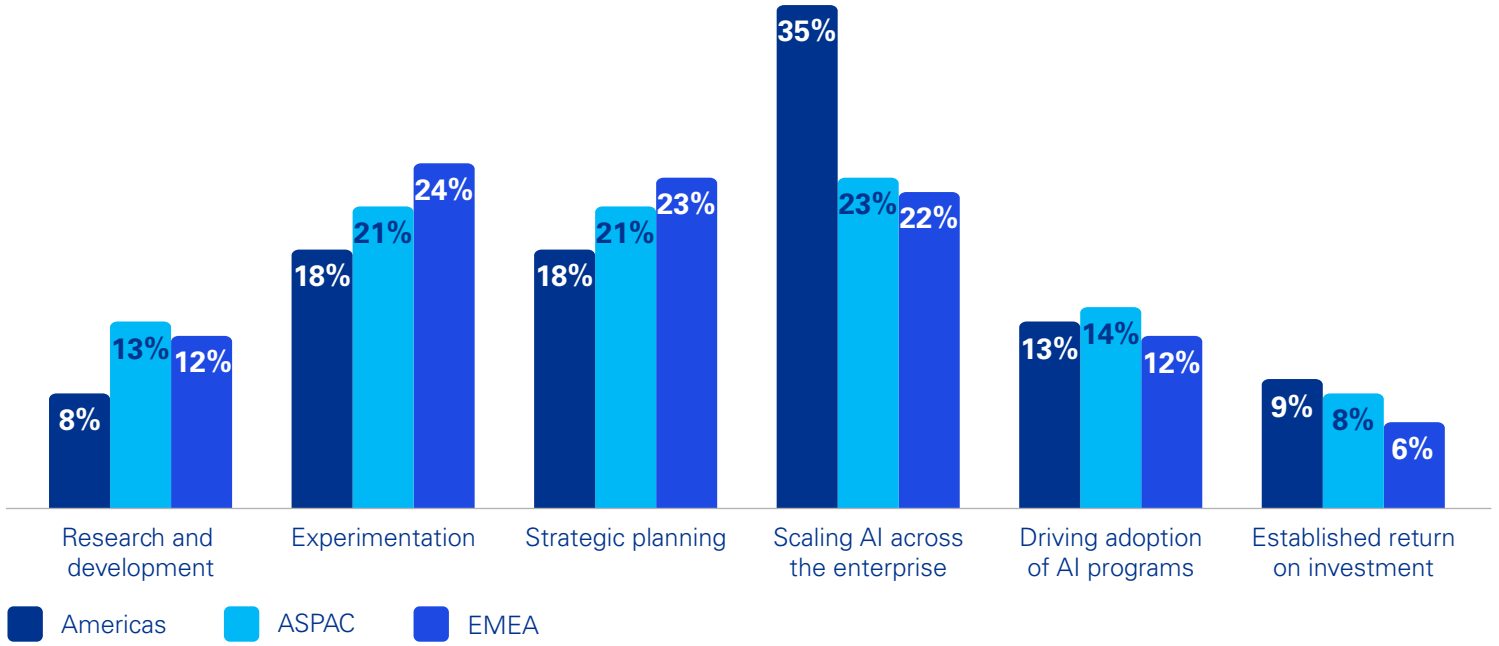
This is not simply a lag in adoption. It reflects a difference in how organizations are translating AI deployment into enterprise performance.

The Americas are further ahead in scaling deployment across the enterprise. But as AI systems become more interconnected, maturity is increasingly defined by the ability to coordinate across workflows — not just deploy individual use cases.

This helps explain a second pattern. While ASPAC trails in overall scaling, it is showing earlier signals of orchestration, particularly in how AI is used to coordinate decisions and workflows across functions.

Organizations are progressing through the same stages, but along different paths. Global AI strategies cannot assume a consistent maturity curve. Scaling requires operating across regions that are advancing at different speeds — and developing different models of execution.

Regional distribution of organizations across AI maturity stages



Which of the following best describes the phase your organization is in its AI journey? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Models of human-AI collaboration are diverging

Regional differences are not only shaping how AI is deployed. They are defining how work is organized between humans and AI systems.

As AI agents become more embedded across workflows, organizations are making different choices about how decision-making and control are distributed.

In the Americas, organizations are more likely to maintain human-led control, with 41 percent indicating that humans will manage and direct AI agents. AI supports execution, but accountability remains centralized.

In contrast, ASPAC shows a stronger shift toward AI-led coordination, with 38 percent expecting AI agents to take lead roles in managing projects, compared to 30 percent in EMEA and 23 percent in the Americas.

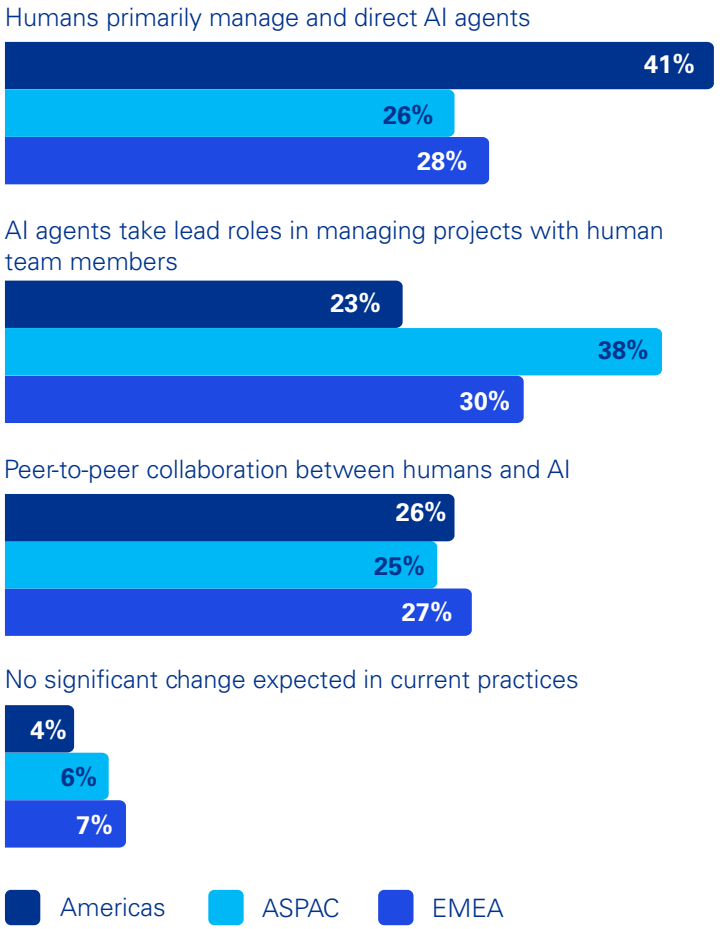
EMEA reflects a more balanced model, with no single approach dominating: 30 percent expect AI-led coordination, 28 percent favor human-led control and 27 percent anticipate peer-to-peer collaboration.

These differences are not incremental. They reflect fundamentally different models of execution: who decides, who acts and how work is coordinated.

This has direct operating implications. These models determine how decisions are made, how accountability is assigned and how effectively organizations execute across workflows at scale.

Organizations are not only scaling AI differently. They are defining different ways of working.

Expectations for human-AI collaboration by region



Which of the following best describes your expectations for AI agent-human collaboration in the workplace over the next 2 to 3 years? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Governance is consistent in principle, not in practice

At a high level, organizations report similar levels of confidence in their ability to govern AI. Approximately 64 percent in the Americas and EMEA, and 68 percent in ASPAC, indicate they have the capabilities and governance in place to manage AI-related risks.

However governance operates under fundamentally different conditions across regions.

Regulatory environments vary widely, from fragmented and evolving requirements to highly structured and prescriptive regimes. Expectations around data privacy, accountability and oversight differ accordingly. As AI systems — and increasingly AI agents — operate across workflows and jurisdictions, governance must adjust in real time.

The issue is not whether governance exists. It is whether it operates effectively under real conditions at scale.

Organizations that treat governance as a static framework encounter friction as they scale. Controls applied after deployment slow execution, limit interoperability across systems and constrain the ability to operate across markets.

Organizations that embed governance into system design operate differently. They define common principles for data access, model oversight, accountability and risk management, while allowing for local adaptation in how those controls are implemented.

Governance is not a control layer. It is part of how AI systems operate at scale.

Perceived readiness for AI governance by region
(Percentage who agree or strongly agree in readiness)

To what extent do you agree or disagree with the statement:
My organization has the capabilities and governance in place to manage the risks of AI as it scales (e.g. security, privacy, ethics, compliance and operational risk). n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Sector dynamics shape how AI is deployed, governed and scaled

In addition to regional variation, sector dynamics shape how organizations scale AI.

Each sector operates under a different combination of regulatory pressure, performance pressures (including margin constraints and competing investment priorities), operational complexity and workforce readiness. These conditions determine where organizations encounter friction as they move from deployment to enterprise-wide execution.

These differences are structural. They reflect fundamentally different starting points for scaling AI.

Despite this, a consistent pattern emerges. Scaling depends on how effectively organizations align operating models, governance and workforce capability within the context of their industry.

As AI scales, execution increasingly extends beyond the enterprise, requiring coordination across platforms, partners and sector ecosystems.

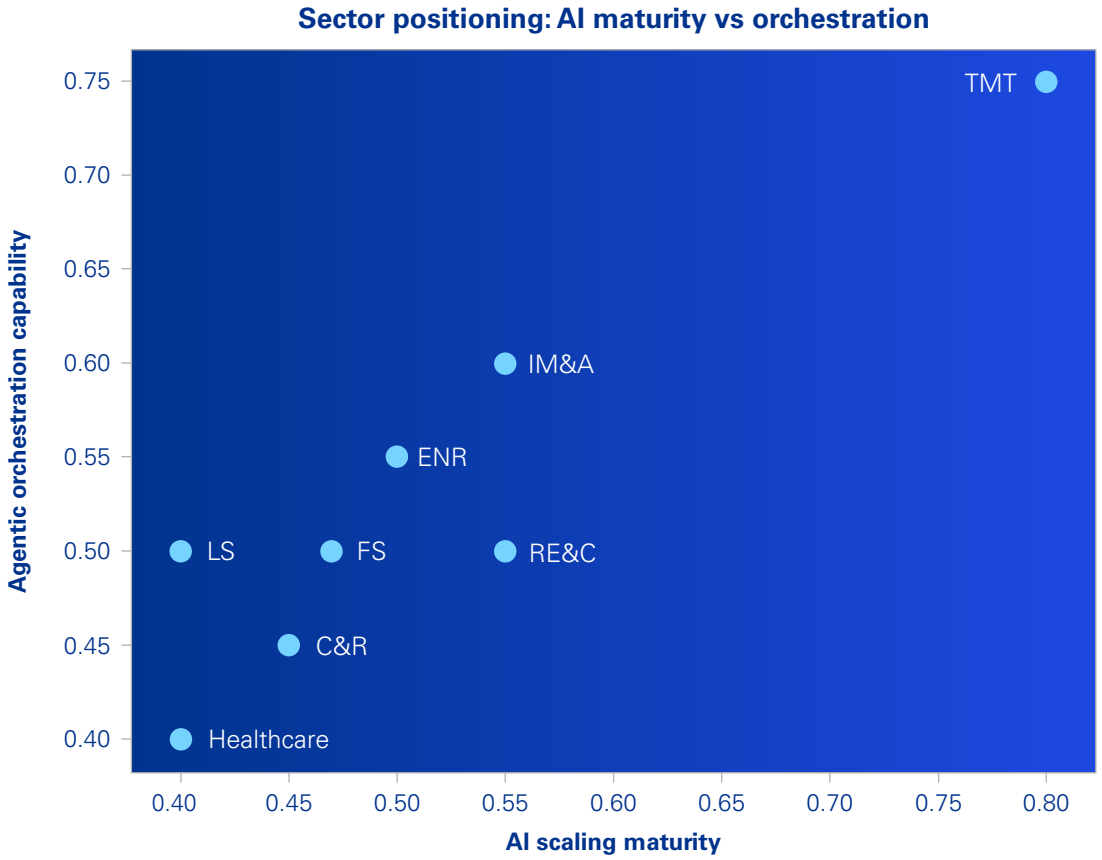
This analysis examines eight sectors:

- Technology, Media and Telco (TMT)
- Financial Services (FS)
- Industrial Manufacturing and Automotive (IM&A)
- Consumer and Retail (C&R)
- Healthcare
- Life Sciences (LS)
- Energy and Natural Resources (ENR)
- Real Estate and Construction (RE&C)

> “Across sectors, the message we are hearing from clients is remarkably consistent. AI adoption is accelerating, but performance is not keeping pace. The challenge is not access to technology or investment. It is how organizations are connecting these capabilities across the enterprise as part of a more integrated system. In a more complex environment, those that are aligning transformation — across operations, risk and workforce — are better positioned to convert momentum into measurable outcomes.”
>
> **Regina Mayor**
> Global Head of Clients and Markets
> KPMG International

How sectors compare in scaling AI and orchestrating execution

Positioning reflects AI maturity and agentic coordination capability across sectors



Sectors are not progressing along a single path to scale. They are separating along two dimensions: deployment and execution.

TMT operates at the frontier, combining enterprise-scale deployment with more advanced execution across workflows. Financial Services operates within tightly regulated conditions, with orchestration more constrained by compliance complexity — despite strong deployment across core functions.

Industrial Manufacturing and Automotive, and Energy and Natural Resources are advancing in both dimensions but remain limited by infrastructure and integration challenges. Consumer and Retail shows a more pronounced gap, with deployment progressing ahead of the ability to coordinate execution at scale.

Healthcare and Life Sciences remain earlier in both dimensions, reflecting deeper structural constraints around regulation, trust and workforce readiness.

Scaling AI is defined by how effectively execution is coordinated across systems, functions and workflows.

How AI scaling capability differs by sector

Sectors are not constrained by the same factors.

TMT is operating at the highest level of maturity, supported by the strongest governance readiness (77 percent) and workforce capability across sectors. Financial Services is advancing deployment within tightly regulated conditions, though governance readiness (61 percent) and workforce capability remain more constrained.

Workforce readiness emerges as the most consistent constraint. Even in sectors with strong investment and deployment, such as Consumer and Retail and Energy and Resources, gaps in workforce capability continue to limit execution at scale.

Governance strength does not guarantee execution speed. Financial Services operates within demanding regulatory and compliance requirements that continue to shape the pace at which AI can scale. TMT, by contrast, is able to move faster by embedding governance directly into system design.

Scaling AI is not determined by a single capability. It depends on how operating models, governance and workforce capability align within the constraints of each sector.

Sectors are not constrained equally in scaling AI

Sector	Scaling maturity	Governance readiness	Workforce readiness	Primary constraint
Technology, Media and Telco (TMT)	High	High	High	Managing complexity at scale
Financial Services (FS)	Medium	Medium-high	Medium	Regulatory and compliance constraints
Industrial Manufacturing and Automotive (IM&A)	Medium	Medium-high	Medium	Legacy infrastructure and system integration
Consumer and Retail (C&R)	Medium	Medium	Low	Workforce adoption and execution at scale
Healthcare	Medium	Low-medium	Low	Clinical risk, trust and workforce adoption
Life Sciences (LS)	Low-medium	Medium	Low	Data complexity and regulatory approval cycles
Energy and Natural Resources (ENR)	Medium-high	Medium	Low	Infrastructure constraints and sustainability trade-offs
Real Estate and Construction (RE&C)	Medium-high	Medium	Low	Data fragmentation and limited system integration

Based on analysis of Global AI Pulse: Q1 2026 data, including sector-level responses on AI maturity, governance readiness, workforce confidence. Healthcare and Life Sciences are analyzed separately to reflect differences in operating models and regulatory environments. n=2110. KPMG International, April 2026.

TMT combines the highest average investment (US$245M) with strong performance across maturity, governance and workforce readiness. Other sectors with high levels of investment, such as Energy and Natural Resources (US$188M) and Industrial Manufacturing and Automotive (US$180M), do not show the same level of scaling or ROI.

The gap is most visible in Energy and Natural Resources, where high investment and strong workflow automation coexist with only 4 percent reporting established ROI.

Workforce readiness emerges as the most consistent constraint. Even in Financial Services, where 27 percent are scaling AI across the enterprise, only 16 percent report being very confident in workforce capability. In Consumer and Retail and Energy and Natural Resources, this gap continues to limit execution at scale.

At the same time, agentic AI is advancing unevenly. TMT leads in the development of multi-agent systems (21 percent), followed by Industrial Manufacturing and Automotive (19 percent). Energy and Natural Resources and Real Estate and Construction show stronger agent scaling across functions (23 and 22 percent respectively), while other sectors remain earlier in orchestrating AI across workflows.

AI maturity, investment, governance, workforce and agentic AI by sector

Sector	Planned AI investment (US$M, mean)	Scaling AI across enterprise	Driving adoption of AI programs	Established ROI	Governance readiness	Workforce readiness (very confident)	Workforce readiness (somewhat + very)	Deploying AI agents	Scaling AI agents across functions	Orchestrating AI agents across workflows	Developing multi-agent systems
Consumer & Retail	158	23%	14%	10%	58%	19%	64%	16%	18%	7%	16%
Energy & Natural Resources	188	27%	13%	4%	63%	14%	67%	15%	23%	8%	11%
Financial Services	172	27%	10%	6%	61%	16%	64%	10%	18%	7%	15%
Healthcare	121	22%	10%	6%	56%	16%	57%	12%	16%	11%	15%
Life Sciences	166	18%	22%	3%	53%	11%	59%	20%	8%	14%	16%
Industrial Manufacturing & Automotive	180	22%	15%	5%	67%	20%	71%	15%	20%	11%	19%
Real Estate & Construction	140	27%	13%	12%	54%	15%	67%	12%	22%	5%	18%
Technology, Media & Telco	245	30%	14%	9%	77%	33%	77%	14%	20%	11%	21%

AI maturity/ROI: Which of the following best describes the phase your organization is in its AI journey?
Planned investment: How much in US dollars does your organization plan to invest in AI over the next 12 months?
Governance readiness: My organization has the capabilities and governance in place to manage the risks of AI as it scales.
Workforce readiness: How confident are you that your current talent pipeline can meet the needs of an AI-enabled workforce?
Agentic AI deployment and scaling: In what capacity is your organization engaging with AI agents?
n=2110 across the sector banner unless otherwise noted.
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

AI agents are automating workflows faster than they are coordinating decisions

AI agents are already playing a central role in coordinating work across functions. The strongest adoption is in automating workflows, with Energy and Natural Resources (63 percent), Life Sciences (62 percent) and Industrial Manufacturing and Automotive (55 percent) leading.

However, more advanced capabilities to coordinate decisions and workflows remain less developed. Supporting joint decision-making, aligning shared goals and detecting cross-functional exceptions lag behind automation across most sectors.

This gap is visible across sectors. In Energy and Natural Resources, workflow automation is high (63 percent) but exception detection remains limited (25 percent). In Life Sciences, automation is similarly strong (62 percent) but goals alignment lags (23 percent).

TMT and Industrial Manufacturing and Automotive show more balanced capability across coordination dimensions, including stronger performance in aligning goals and managing cross-functional workflows. Real Estate and Construction, while lower in overall maturity, shows relatively higher activity in exception detection (34 percent), suggesting more reactive coordination patterns.

The implication is that most organizations are still in the early stages of orchestration. AI agents are being used to automate tasks and workflows, but not yet consistently to coordinate decisions, manage dependencies or align execution across functions.

Scaling AI will depend on closing this gap. Organizations that move beyond automation toward coordinated, cross-functional execution will be better positioned to operate multi-agent systems at scale.

AI agents facilitating coordination across functions

Sector	Automating workflows across functions	Supporting joint decision-making	Providing shared knowledge/dashboards	Coordinating hand-offs	Aligning shared goals and KPIs	Detecting cross-functional exceptions
Consumer & Retail	47%	44%	49%	34%	36%	29%
Energy & Natural Resources	63%	36%	34%	45%	32%	25%
Financial Services	52%	39%	45%	30%	33%	29%
Healthcare	41%	49%	45%	36%	35%	26%
Life Sciences	62%	39%	42%	26%	23%	29%
Industrial Manufacturing & Automotive	55%	42%	41%	28%	32%	30%
Real Estate & Construction	44%	36%	44%	26%	30%	34%
Technology, Media & Telco	50%	39%	38%	37%	41%	32%

In which ways are AI agents facilitating collaboration across functions within your organization? Base: n=1588 (filtered base: organizations engaging with AI agents/relevant to cross-functional collaboration)
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

AI is delivering value across sectors — but not all value reflects scalable performance

AI is now delivering measurable business value across all sectors, with most reporting meaningful impact from current deployments. TMT leads at 75 percent, followed by Real Estate and Construction (67 percent) and Energy and Natural Resources (63 percent).

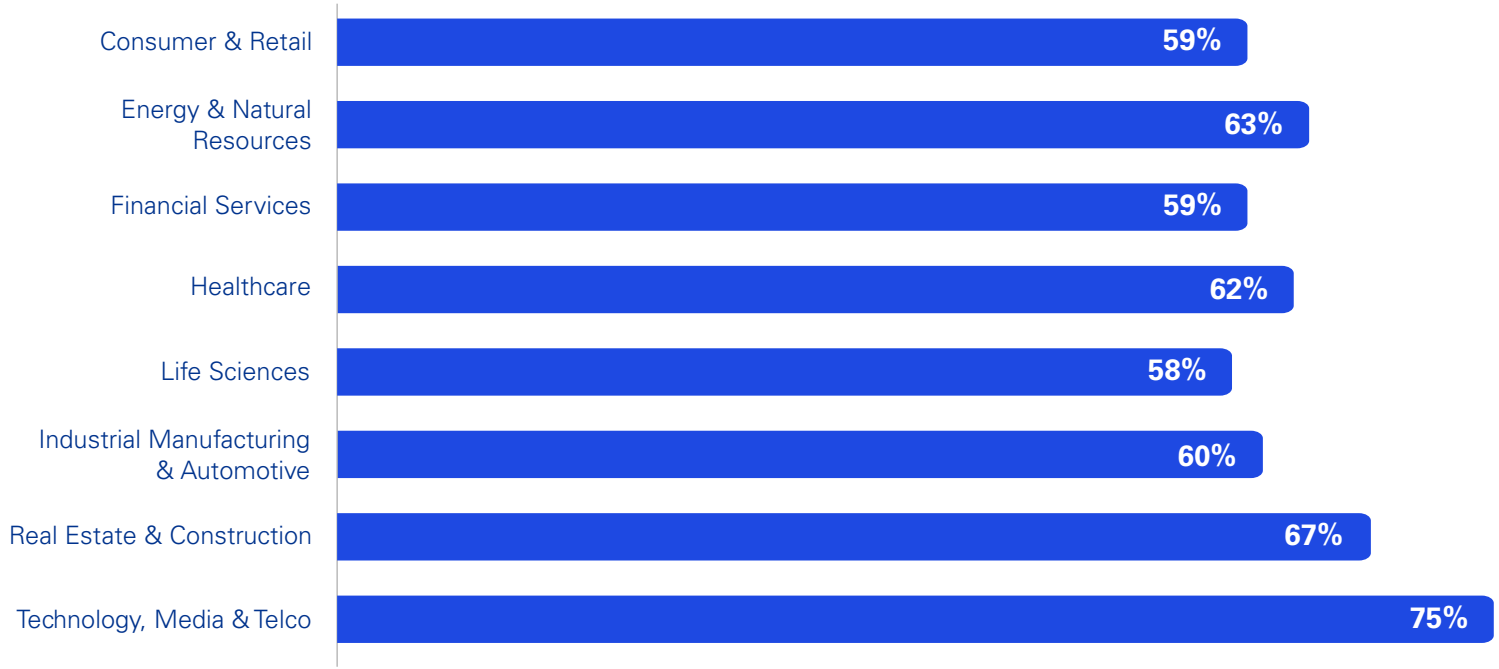
However, reported value does not fully reflect the ability to scale. In sectors such as Energy and Natural Resources and Industrial Manufacturing and Automotive, strong performance is driven by productivity gains and operational efficiency, often within specific functions or workflows.

In contrast, sectors such as Healthcare and Life Sciences report moderate value, reflecting more constrained deployment environments shaped by regulatory complexity and trust requirements.

The variation highlights a broader pattern. Value is being realized, but it is not yet consistently operating at the enterprise level. In many cases, it remains concentrated within functions rather than extending across the enterprise.

Scaling AI will depend on moving from localized gains to coordinated, enterprise-wide performance.

AI is currently delivering meaningful business value



AI is currently delivering meaningful business value for my organization. n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Sector spotlights

The patterns across investment, workforce readiness, governance and agentic AI are not uniform. Each sector is constrained by a different combination of factors, shaping how AI is deployed, scaled and translated into performance.

In some sectors, the primary challenge is coordination across complex systems. In others, it is regulatory constraint, workforce capability or data fragmentation. These differences determine not only the pace of scaling, but how AI is executed across systems and workflows.

The following sector spotlights illustrate how these dynamics manifest in practice — and where organizations are encountering the greatest barriers to scaling AI.

Technology, Media and Telco (TMT)

TMT sets the pace for how AI scales across the enterprise.

Organizations report the highest planned AI investment at US$245M,[3] alongside strong scaling maturity, with 30 percent scaling AI across the enterprise and 75 percent reporting meaningful business value. AI is embedded directly into products, platforms and customer experiences, shaping how value is created and delivered.

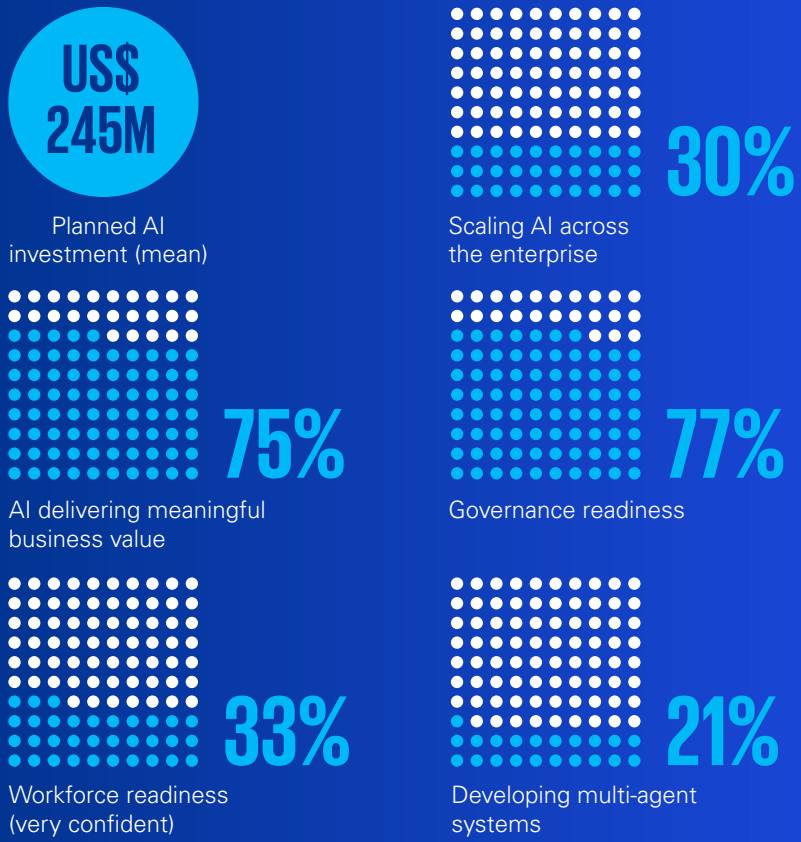
Operating models are shifting toward AI-native systems, where agentic AI orchestrates workflows, decisions and interactions across the enterprise. Workforce readiness is the highest across sectors, with 33 percent very confident and 77 percent somewhat or very confident in workforce capability.

Governance is more embedded into how these systems operate: 77 percent report readiness to manage AI risks, enabling organizations to scale AI with speed and control rather than treating governance as a constraint.

The constraint is complexity. As AI becomes embedded across products and ecosystems, maintaining consistency, trust and control across interconnected systems becomes more difficult.

TMT is not only leading in adoption. It is defining the conditions under which AI operates across industries.

TMT leads across all dimensions of AI scaling



Sector-level analysis across AI maturity, governance readiness, workforce confidence and agentic AI deployment. n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

[3] Investment figures reflect survey-reported averages and are not directly comparable to public disclosures from large technology firms, which often represent significantly higher levels of investment.

Technology

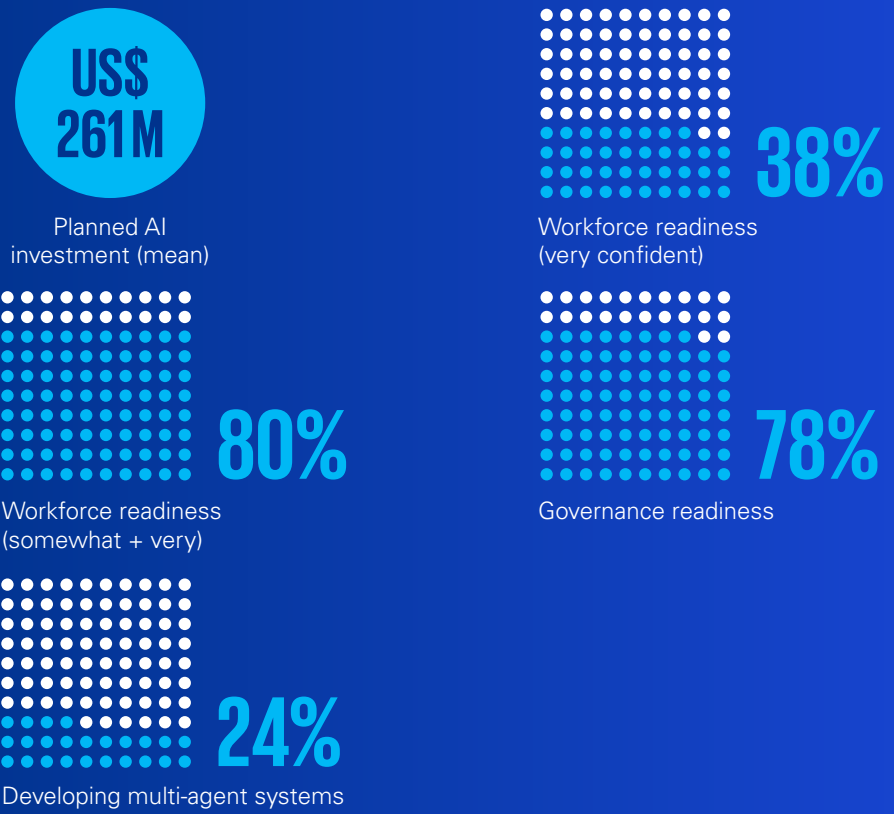
AI-native architectures are emerging as the operating model advantage.

Within technology specifically, higher levels of investment and workforce readiness are translating into earlier movement beyond deployment toward coordinated execution of AI across workflows and systems. Planned investment remains elevated, but the differentiator is capability. Thirty-eight percent report being very confident in workforce readiness, with 80 percent somewhat or very confident, enabling sustained execution rather than isolated use cases.

This is beginning to show in system design. Twenty-four percent of technology organizations report developing multi-agent systems, signaling a shift from single-model deployment toward orchestrated architectures embedded across platforms and developer environments. Governance readiness at 78 percent further supports this, reducing friction in scaling AI across core systems.

The result is an operating model advantage. AI is not being layered onto workflows — it is being integrated into how systems are built and orchestrated. This positions technology firms to iterate faster, standardize AI-enabled capabilities and define the infrastructure that other sectors increasingly depend on.

Technology sub-sector: AI as core infrastructure



Sector-level analysis across AI maturity, governance readiness, workforce confidence and agentic AI deployment.
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Financial Services (FS)

Regulatory complexity defines the ceiling for how AI scales in Financial Services.

AI adoption is advancing within tightly constrained operating conditions: 27 percent of organizations are scaling AI across the enterprise and 59 percent report meaningful business value. AI is embedded across core domains, including fraud detection, underwriting, credit risk and customer operations.

Agentic systems are emerging, with 10 percent deploying AI agents and 18 percent scaling them across functions, supporting decision-making and workflow automation.

Regulation and compliance sit at the center of this system. Sixty-one percent report readiness to manage AI risks, reflecting the complexity of operating within highly regulated environments. Workforce readiness remains a limiting factor, with only 16 percent very confident in their ability to support AI-enabled execution.

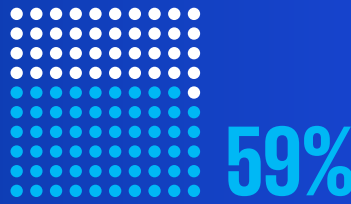
Sub-sectors are evolving along distinct paths. Wealth and asset management prioritize decision augmentation and personalization, where explainability is critical. Commercial banking is focused on operational efficiency, risk management and integration across legacy systems. Insurance is using AI to design frictionless customer experiences across claims and underwriting, with a focus on customization and speed.

The constraint is not adoption. It is the ability to operationalize governance without slowing execution. Fragmentation across data, infrastructure and regulatory environments limits coordination across systems.

This creates a structural tension. Organizations that prioritize control risk slowing decision-making. Those that prioritize speed increase exposure. Competitive advantage can come from resolving this tension.

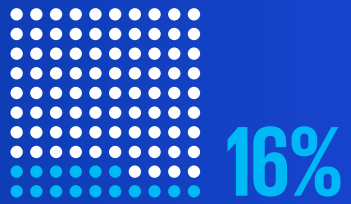
Financial Services: scaling leadership, workforce constraint

27%
Scaling AI across the enterprise

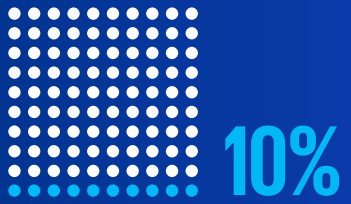


59%
AI delivering meaningful business value

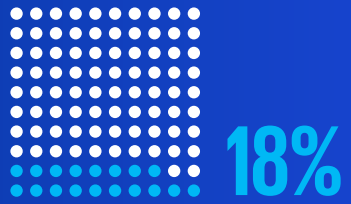
61%
Governance readiness



16%
Workforce readiness (very confident)



10%
Deploying AI agents



18%
Scaling AI agents across functions

Sector-level analysis across AI maturity, governance readiness, workforce confidence and agentic AI deployment.
n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Industrial Manufacturing and Automotive (IM&A)

AI is scaling through operations, but value remains concentrated in productivity gains.

Organizations report 22 percent scaling AI across the enterprise and 60 percent delivering meaningful business value, driven by use cases in production systems, supply chains and asset management. Performance gains are measurable and immediate, particularly in efficiency and reliability.

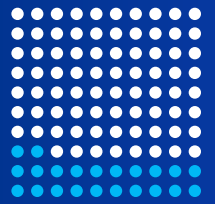
Agentic AI is advancing across operational environments, with 20 percent scaling AI agents across functions and 19 percent developing multi-agent systems, supporting coordination across production, maintenance and logistics. Workforce readiness is relatively strong, with 20 percent very confident and 71 percent somewhat or very confident in workforce capability.

Despite this progress, value remains concentrated in productivity gains. Extending AI across design, production and service introduces coordination challenges across physical and digital systems.

The constraint is integration. Legacy infrastructure, fragmented data and workforce capability gaps limit the ability to connect systems end-to-end. Compared to TMT, where AI operates in digital environments, manufacturing must align AI with physical systems, increasing operational complexity and interdependencies across systems.

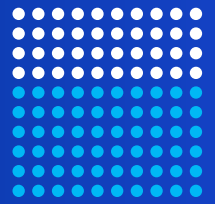
Without integration across these environments, value remains localized. Scaling AI requires redesigning operating models to support end-to-end system coordination.

Manufacturing: operational strength, integration constraint



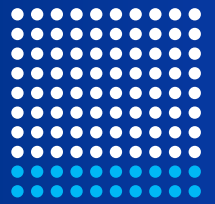
22%

Scaling AI across the enterprise



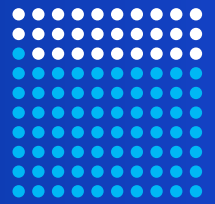
60%

AI delivering meaningful business value



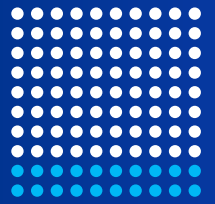
20%

Workforce readiness (very confident)



71%

Workforce readiness (somewhat + very)



20%

Scaling AI agents across functions

19%

Developing multi-agent systems

Sector-level analysis across AI maturity, workforce readiness and agentic AI deployment. n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Automotive

Zeroing in on lifecycle coordination as the next frontier for scaling AI.

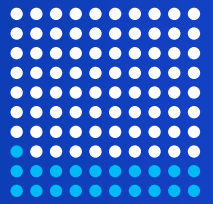
Within automotive specifically, AI adoption is advancing across engineering, manufacturing and supply chain, supported by relatively strong workforce and governance readiness. Twenty-one percent report high confidence in workforce readiness, with 72 percent somewhat or very confident — in line with the broader Manufacturing and Industrial sector.

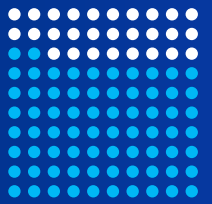
System-level coordination is also progressing. Twenty percent report developing multi-agent systems, close to the cross-sector leading edge. Governance readiness at 71 percent positions the sector well to scale AI across safety-critical and regulated environments.

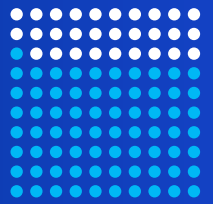
The remaining constraint is lifecycle integration. While individual domains — engineering, production, supply chain — are advancing, coordinating AI across the full product lifecycle introduces complexity across physical and digital systems. Those that align these interconnected domains can compress development cycles and unlock speed as a competitive advantage.

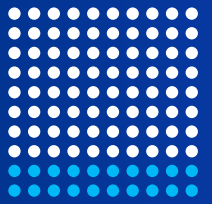
Automotive sub-sector: AI as core infrastructure

US$ 153M
Planned AI investment (mean)


21%
Workforce readiness (very confident)


72%
Workforce readiness (somewhat + very)


71%
Governance readiness


20%
Developing multi-agent systems

Sector-level analysis across AI maturity, governance readiness, workforce confidence and agentic AI deployment. n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Consumer and Retail (C&R)

AI is transforming customer experience and operations, but compared to the other sectors, scale is constrained by execution at the front line.

Consumer and Retail organizations report 23 percent scaling AI across the enterprise and 59 percent delivering meaningful business value, with investment focused on personalization, pricing and supply chain optimization. AI is deployed across distributed environments, including field salesforce, stores, channels and customer interactions.

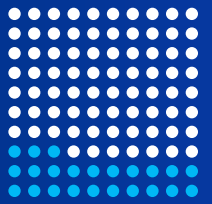
Execution happens at the edge. Organizations are investing in dynamic pricing, demand forecasting and front-line automation, with 47 percent automating workflows across functions and 49 percent enabling shared knowledge through dashboards and data platforms.

Workforce readiness remains uneven. Only 19 percent report being very confident in their ability to support AI-enabled execution, one of the lowest levels across sectors, and capability varies significantly across front-line environments.

The constraint is consistency. Data fragmentation across omnichannel environments and uneven workforce adoption limit the ability to scale AI across locations and channels.

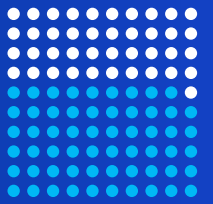
Without consistent execution, AI improves individual interactions but fails to deliver system-wide performance. Scaling depends on building workforce capability and aligning it with AI-enabled workflows across locations and channels.

Consumer and Retail: distributed execution, workforce constraint



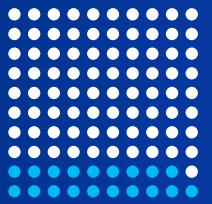
23%

Scaling AI across the enterprise



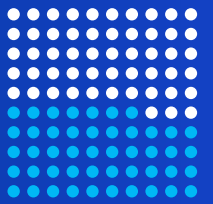
59%

AI delivering meaningful business value



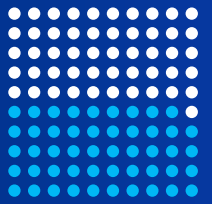
19%

Workforce readiness (very confident)



47%

Automating workflows across functions



49%

Providing shared knowledge/dashboards

Sector-level analysis across AI maturity, workforce readiness and cross-functional AI usage. n=2110 (n=1588 for agent-related metrics)
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Healthcare

AI holds significant potential, but scaling is constrained by trust and clinical risk.

Organizations report 22 percent scaling AI across the enterprise and 62 percent of organizations overall delivering meaningful business value, with applications across clinical workflows, administration and patient operations. AI is increasingly used to support decision-making, with 49 percent enabling joint decision-making across teams and 45 percent providing shared knowledge through dashboards and data platforms.

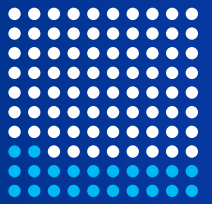
Despite this progress, governance and workforce readiness remain constrained. Only 56 percent report readiness to manage AI risks and just 16 percent are very confident in workforce capability, reflecting the high stakes of clinical environments.

The constraint is trust in high-risk clinical environments. AI systems directly influence patient outcomes, requiring high levels of accuracy, explainability and accountability.

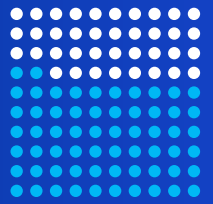
Workforce adoption is cautious, and decision-making remains tightly controlled. Without confidence in these systems, AI will continue to be applied in support roles rather than scaled across core clinical workflows.

Scaling depends on embedding trust, governance and workforce capability into system design, not layering them on after deployment.

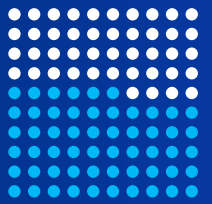
Healthcare: value potential constrained by trust and workforce



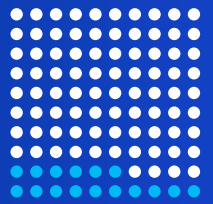
22%
Scaling AI across the enterprise



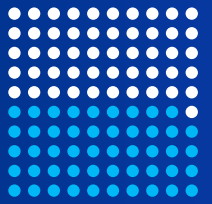
62%
AI delivering meaningful business value



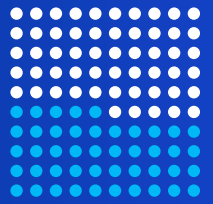
56%
Governance readiness



16%
Workforce readiness (very confident)



49%
Supporting joint decision-making



45%
Providing shared knowledge/dashboards

Sector-level analysis across AI maturity, governance readiness, workforce confidence and cross-functional AI usage. n=2110 (n=1588 for agent-related metrics)
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Life Sciences (LS)

AI is advancing through research and development, but scaling remains uneven.

Organizations report 18 percent scaling AI across the enterprise, the lowest across sectors, but strong forward momentum, with 22 percent driving AI programs. AI is applied across drug discovery, clinical trials and regulatory processes, where it supports data-intensive workflows and accelerates analysis.

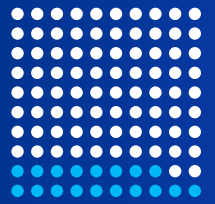
Agentic AI is emerging, with 20 percent deploying AI agents. The ability to coordinate workflows across functions remains limited, with only 8 percent scaling agents across functions.

Governance and data complexity shape how AI is deployed. Only 53 percent report readiness to manage AI risks, reflecting the challenges of operating within highly regulated approval environments.

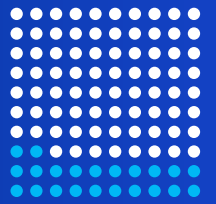
The constraint is speed within regulated systems. While AI can accelerate discovery and analysis, regulatory requirements and approval cycles slow the ability to scale these capabilities across the full value chain.

Organizations that can align data, governance and operating models to accelerate decision-making within these constraints may define the next phase of performance.

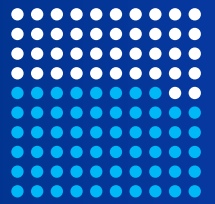
Life Sciences: strong adoption, slower scaling



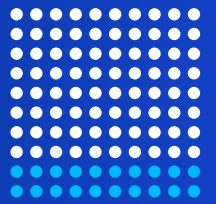
18%
Scaling AI across the enterprise



22%
Driving adoption of AI programs

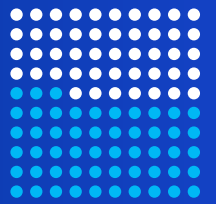


58%
AI delivering meaningful business value



20%
Deploying AI agents

8%
Scaling AI agents across functions



53%
Governance readiness

Sector-level analysis across AI maturity, governance readiness, workforce confidence and agentic AI deployment.
n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Energy and Natural Resources (ENR)

AI is advancing operational efficiency, but scaling is constrained by infrastructure and trade-offs.

Organizations report relatively strong progress, with 27 percent scaling AI across the enterprise and 63 percent delivering meaningful business value. Investment levels are high, with planned spending averaging US$188M, reflecting the importance of AI in optimizing asset performance, system reliability and operational efficiency.

AI is being applied across complex, capital-intensive environments, with 63 percent automating workflows across functions, one of the highest rates across sectors. This supports coordination across operational systems, maintenance and supply networks.

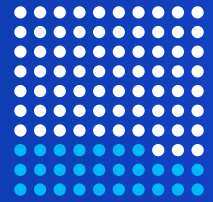
Despite this, workforce readiness remains limited, with only 14 percent very confident in their ability to support AI-enabled execution. At the same time, established ROI remains low at 4 percent, indicating that investment and activity are not consistently translating into performance.

The constraint is alignment. Infrastructure limitations, sustainability considerations and workforce capability gaps create competing priorities that slow scaling.

Without alignment across these dimensions, AI expands operational activity but fails to deliver consistent, enterprise-wide impact. Scaling will likely require more standardized, enterprise-wide AI platforms to enable coordination across systems and simplify adoption across the workforce.

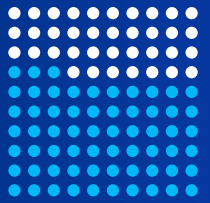
Energy and Natural Resources: investment and automation, limited ROI

Planned AI investment (mean)



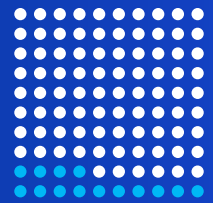
27%

Scaling AI across the enterprise



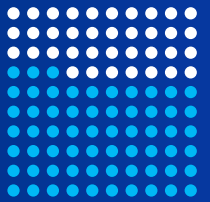
63%

AI delivering meaningful business value



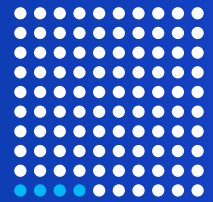
14%

Workforce readiness (very confident)



63%

Automating workflows across functions



4%

Established ROI

Sector-level analysis across AI maturity, workforce readiness and cross-functional AI usage. n=2110 (n=1588 for agent-related metrics)
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Real Estate and Construction (RE&C)

AI adoption is progressing, but scaling is constrained by foundational gaps.

Organizations report 27 percent scaling AI across the enterprise and 67 percent delivering meaningful business value, but performance remains uneven. AI is applied across planning, modeling, project management and asset operations, often within isolated workflows.

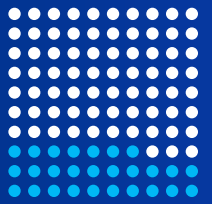
Workforce readiness is limited, with only 15 percent very confident in their ability to support AI-enabled execution. Coordination across projects and stakeholders remains limited, with only 26 percent coordinating hand-offs across functions and just 5 percent orchestrating AI agents across workflows, the lowest across sectors.

Data fragmentation further limits scale. Projects operate across disconnected systems, with inconsistent data standards and limited integration across the value chain.

The constraint is foundational. Without consistent data, integrated systems and workforce capability, AI remains fragmented and opportunistic rather than systemic.

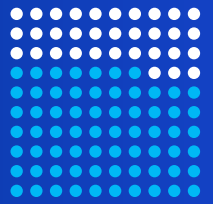
Without investment in these foundations, the gap with more advanced sectors will likely continue to widen.

Real Estate and Construction: uneven progress, limited foundations



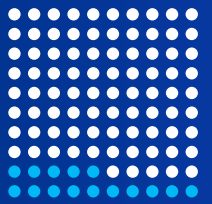
27%

Scaling AI across the enterprise



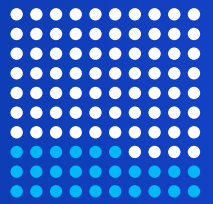
67%

AI delivering meaningful business value



15%

Workforce readiness (very confident)



26%

Coordinating hand-offs across functions

5%

Orchestrating AI agents across workflows

Sector-level analysis across AI maturity, workforce readiness and cross-functional AI usage. n=2110 (n=1588 for agent-related metrics)
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

Global scale introduces a new operating tension

As AI systems become more integrated across workflows, scaling them across regions introduces complexity across regulatory, operational and workforce environments. The challenge is how AI operates across these fragmented regulatory, operational and workforce environments.

AI systems and increasingly AI agents, do not operate in isolation. They depend on coordination across data, workflows and decision-making. As these systems extend across regions and sectors, differences in regulation, infrastructure and workforce readiness become more pronounced.

This creates a fundamental operating tension.

Organizations should balance:

- Consistency, to ensure interoperability, governance and control across systems
- Flexibility, to adapt to regional and sector-specific conditions

Neither extreme scales. Fully centralized models struggle to adapt to local regulatory and operational realities.

Fully decentralized models create fragmentation, limiting the ability to coordinate systems across the enterprise.

The challenge is structural. Scaling AI globally requires operating models that define what is standardized and what is adapted.

Core platforms, data architecture and governance principles must remain consistent to support system-level coordination. Deployment models, workflows and execution must adapt to local conditions, reflecting differences in regulation, infrastructure and workforce capability.

This balance becomes more critical as AI systems become more autonomous and more interconnected. Without it, organizations slow execution through over-standardization or create fragmentation through excessive decentralization.

Strategic implication: Design for divergence. Operate as a system

Global AI strategies should be built for divergence.

Standardization alone cannot support scale. Organizations should look to define which elements of their AI systems remain globally consistent and where adaptation is required across regions and sectors.

This requires alignment across operating models, governance and workforce capability. Global consistency enables coordination across systems. Local adaptation enables execution within specific regulatory and operational environments.

Organizations that treat these elements independently create friction. Systems fail to integrate, governance slows deployment and workforce adoption remains uneven.

Organizations that align them operate AI as a integrated, enterprise-wide system, even across fragmented conditions.

The advantage will likely go to those that can scale AI coherently across regions while adapting execution to local realities.

In this environment, orchestration extends beyond the enterprise. It becomes the ability for coordinate execution across AI systems, workflows and decision-making in fragmented operating conditions.

Chapter 5

The next phase: Outpace organizational readiness

AI is entering a new phase where scaling is expected and capability is advancing faster than enterprise readiness.

AI is becoming embedded in how work is executed, decisions are made, and systems are coordinated. As this shift accelerates, organizations are moving beyond deployment toward redesigning how the enterprise operates.

Expectations for AI capability are rising rapidly. At the same time, many organizations have not yet built the operating models, governance and workforce capability required to support AI.

This creates a growing structural tension. Investment and ambition are accelerating ahead of execution capability.

This gap is not static. As AI systems become more capable and autonomous, the requirements to operate them increase disproportionately. Organizations that have not aligned their operating models, governance and workforce capability may find the gap widening — not stabilizing — over time.

Expectations for AI capability are accelerating

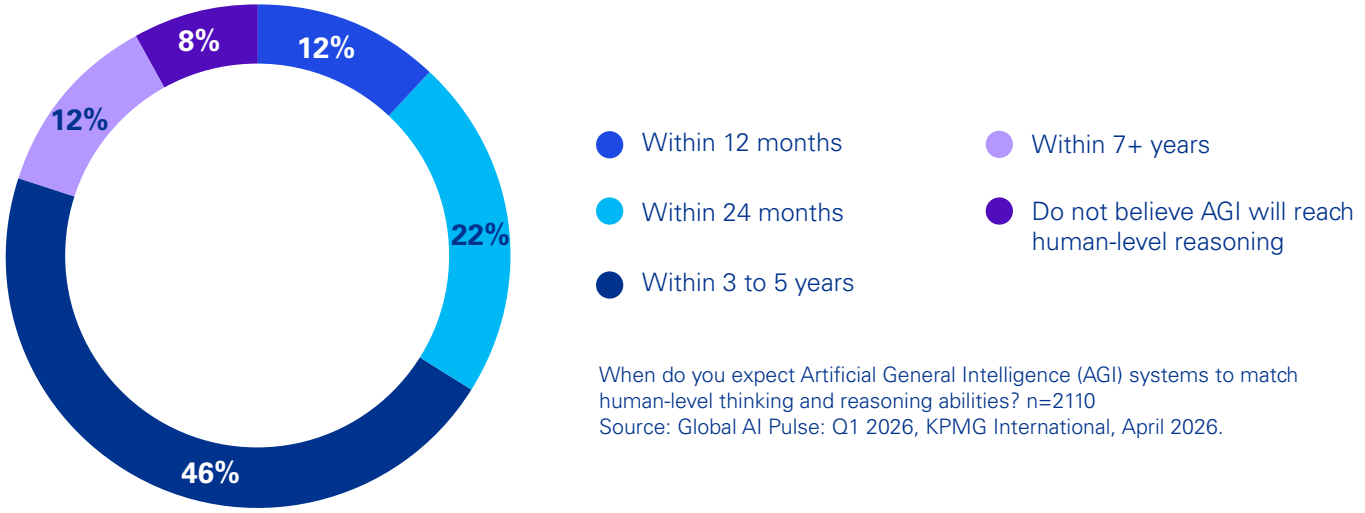
Executives are simultaneously managing the orchestration of AI agents while preparing for a step change in what AI systems can do.

One-third of organizations (33 percent) expect AI systems capable of human-level reasoning within the next two years, with a further 46 percent anticipating this within three to five years. In total, eight in ten organizations expect this level of capability within five years.

These expectations are already shaping enterprise strategy. Organizations are preparing for systems that can reason, act and coordinate across workflows with increasing autonomy.

With 80 percent of organizations expecting human-level AI within the next five years, organizations will need to reassess their three-to-five-year operating and investment roadmaps as the gap between what technology can do and what they can operationalize continues to widen.

Global expectations for Artificial General Intelligence (AGI) timeline



When do you expect Artificial General Intelligence (AGI) systems to match human-level thinking and reasoning abilities? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

The readiness gap is widening

Organizations are preparing for increasingly autonomous, enterprise-integrated systems, but many lack the capability required to operate them at scale.

Investment is shifting toward future capability, but not yet aligning

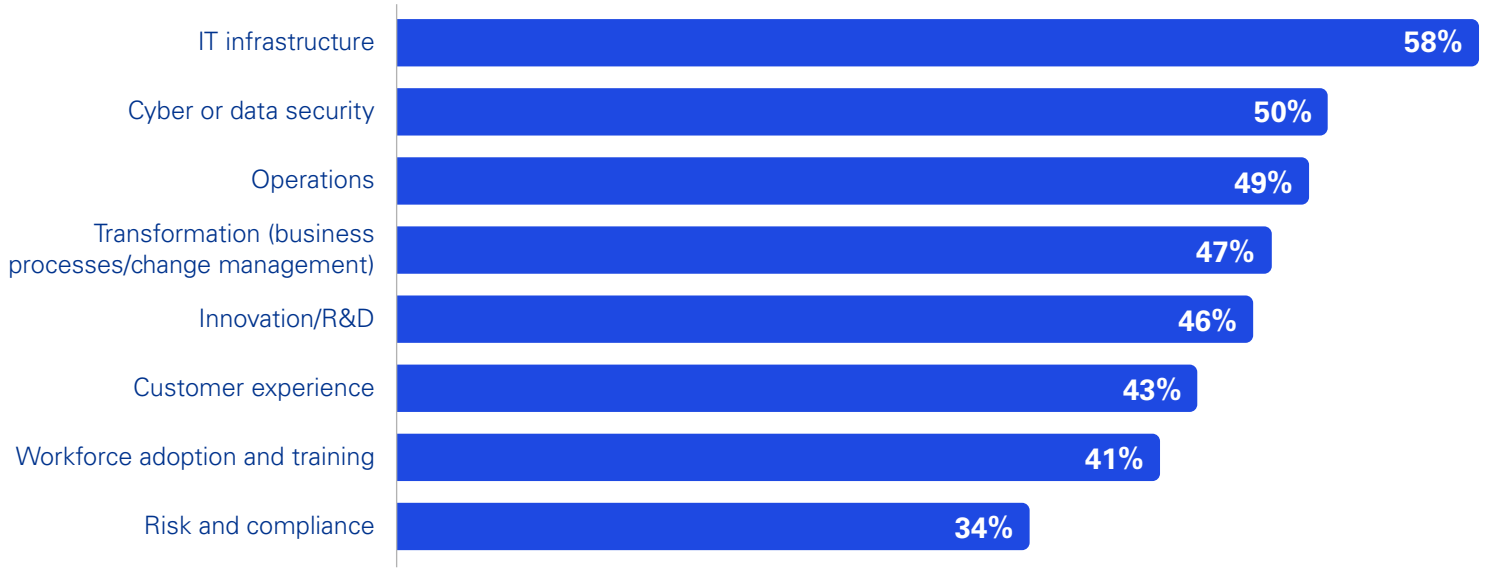
Organizations are directing investment toward the capabilities required to support more advanced AI systems.

A majority are prioritizing foundational areas: 59 percent report investing in IT infrastructure, while 50 percent are allocating budget to cybersecurity and data security. Close to half are investing in operations (49 percent) and business transformation (47 percent), reflecting a shift toward enabling enterprise-wide change.

Investment spans the enterprise. Customer experience (43 percent) and innovation (46 percent) reflect front-office priorities focused on growth. Risk and compliance (34 percent) reflect middle-office requirements tied to governance and control. Infrastructure, operations and transformation anchor the back office.

These patterns reflect an understanding that scaling AI requires more than deploying tools. It requires building the systems and capabilities to support it.

Areas in which organizations are allocating AI investment



In which of the following areas will your organization allocate its AI budget? n=2110
Source: Global AI Pulse: Q1 2026, KPMG International, April 2026.

The next phase will reshape how the enterprise operates

As AI systems become more capable and autonomous, their role within the enterprise expands.

AI moves beyond supporting individual tasks to coordinating workflows, enabling decision-making and managing interdependencies across systems and teams. This introduces a different set of operating requirements across the enterprise.

Operating models should support coordination across functions. Governance should operate within systems rather than around them. Workforce design should shift to support execution in environments where AI plays an active role.

Organizations will likely need to define:

- How decision-making authority is distributed between humans and AI
- How accountability is maintained across increasingly autonomous systems
- How workflows are coordinated across functions and technologies
- How performance is measured when AI is embedded across the enterprise

This transition moves from deploying AI within the enterprise to redesigning the enterprise to operate with it.

Strategic implication: Build for what AI is becoming — not what it is today

The next phase of AI rewards organizations that are structurally prepared to operate more capable and autonomous systems.

Advancing capability increases the demands placed on the enterprise. Systems should coordinate across workflows, decisions and environments. Execution depends on alignment across operating models, governance and workforce capability.

Without alignment across governance, data, workforce capability and operating models, increasing AI capability amplifies complexity faster than organizations can absorb it.

Building readiness requires aligning these elements as a system. Operating models should enable coordination across workflows. Governance should be embedded into how systems operate. Workforce capability must extend across the enterprise to support execution in AI-enabled environments.

Organizations that make this shift can translate accelerating AI capability into sustained performance and competitive advantage.

Organizations that do not build the enterprise required to operate AI will likely continue to scale activity without improving outcomes.

Building readiness requires aligning these elements as a system. Operating models should enable coordination across workflows. Governance should be embedded into how systems operate. Workforce capability should extend across the enterprise to support execution in AI-enabled environments.

From adoption to coordinated execution: What leaders do differently

Building the enterprise required to scale AI

Artificial intelligence is entering a new phase of enterprise impact.

What began as a technology transformation is reshaping how organizations operate, make decisions and create value. For leaders, deployment is no longer the constraint. The ability to translate AI into sustained performance depends on how the enterprise is designed to support it.

Scaling AI depends on building the conditions to operate it as a coordinated, enterprise-wide system.

1 AI operates as an enterprise system

Expanding AI through isolated deployments supports early progress but does not scale.

Sustained impact depends on integrating AI across workflows, aligning it with decision-making and embedding it into how work is executed across the enterprise.

This means:

- AI is integrated into end-to-end workflows, not layered onto them
- Systems and teams are coordinated rather than operating independently
- AI activity is aligned to enterprise-level outcomes, not local optimization

Without this shift, AI remains fragmented and its impact constrained.

2 Measurement is embedded into how AI operates

The ability to measure impact determines whether AI activity translates into performance.

Measurement is embedded into how AI systems operate, guiding where AI is scaled, how performance is assessed and how decisions are made.

This includes:

- Clear linkage between AI activity and business outcomes
- Consistent performance metrics applied across functions
- Visibility into impact as systems operate, not after the fact

Without embedded measurement, organizations expand activity without improving performance.

3 Workforce capability extends across the enterprise

Scaling AI depends on execution beyond specialist teams.

As AI becomes embedded in workflows, the role of the workforce shifts toward coordination, oversight and decision-making in AI-enabled environments.

This requires:

- Capability distributed across functions, not concentrated in specialist teams
- Roles and workflows redesigned to incorporate AI into execution
- Confidence in AI-supported decision-making across the enterprise

Without this shift, AI remains localized and uneven in its impact.

4 Governance is embedded into system design

Governance becomes a condition for scale as AI systems become more integrated and autonomous.

It operates within systems, enabling alignment, accountability and control in real time.

This includes:

- Clear ownership of AI-driven decisions
- Risk and compliance integrated directly into workflows
- Governance models designed as part of system architecture

Embedding governance enables scale with consistency and control. Without it, integration slows and risk increases.

5 AI is designed for global and organizational complexity

Scaling AI introduces structural complexity across regions, sectors and operating environments.

Organizations balance consistency and flexibility across systems.

This requires defining:

- What is standardized globally, including platforms, data architecture and governance principles
- What is adapted locally, including workflows, decision rights and deployment models

This balance determines whether AI operates as a coherent system or fragments regions, functions and systems. Organizations that manage this complexity effectively can be better positioned to scale AI across increasingly diverse environments.

Conclusion : What will define the next cohort of AI leaders

Artificial intelligence has moved beyond adoption. Execution now determines value.

Organizations have deployed AI rapidly across the enterprise. Investment is accelerating, use cases are expanding and expectations continue to rise. The ability to translate that momentum into sustained business value remains uneven.

This gap reflects a shift in how the enterprise operates. AI is reshaping how work gets done across the enterprise.

The findings in this report point to an inflection point. Organizations realizing value are those that align the enterprise around AI. They integrate systems, embed governance, build workforce capability and coordinate execution across functions.

For others, the challenge is intensifying. As AI systems become more capable and autonomous, the demands placed on the enterprise increase. Without the structures required to support them, additional investment expands activity without improving outcomes.

The environment for scaling AI is also becoming more complex. Regional divergence, regulatory variation and evolving models of human and AI collaboration are introducing conditions that do not follow a single path to scale. AI must be coordinated within the enterprise and across increasingly fragmented environments.

This marks the next phase of AI.

Competitive advantage will likely be determined by how effectively organizations operate AI as a system — aligning the enterprise to support it, adapting to changing conditions and sustaining performance over time.

The requirement is clear. Organizations that do not build the enterprise required to operate AI will not convert it into sustained performance.

Organizations realizing value are those that

align the enterprise around AI.

They integrate systems, embed governance, build workforce capability and coordinate execution across functions.

How KPMG can help

KPMG works with organizations to help close the gap between ambition and value, helping design AI-enabled operating models, embed governance and risk frameworks and build the workforce capabilities needed to scale.

KPMG Velocity: helping organizations change smarter and move faster

KPMG Velocity provides AI-enabled products and services through a platform ecosystem for organizational change. It integrates our insights, methods, expertise, capabilities and data with advanced technology, to help clients build and operate intelligent, agile and resilient enterprises, capable of sustaining the next level of growth and value creation.

01 Evolve the enterprise

KPMG supports clients in rethinking and redesigning their operating models to embed AI at the core. This includes:

- Establishing modern technology foundations powered by AI and data.
- Redesigning enterprise functions for AI enablement.
- Orchestrating agile operating models and intelligent ecosystems.
- Preparing the workforce through transformation and continuous learning.

02 Build trust

Underpinned by a Trusted AI framework, KPMG Velocity harnesses the power of AI and ensures that AI deployments align with principles of ethics, transparency, fairness and accountability. KPMG helps organizations build not only smart AI systems, but also trustworthy and compliant ones, especially critical in regulated or reputationally sensitive environments.

03 Embed agentic AI capabilities

AI is not an add-on; it's embedded in everything KPMG delivers.

- KPMG agents: Pre-built, purpose-designed AI agents that can be deployed within client organizations to augment decision-making, automate processes or deliver continuous services.
- Intelligent support and recommendation engines: Embedded in delivery workflows to enhance efficiency, quality and speed.

04 Enable sector-specific ecosystems

KPMG Velocity enables sector-specific ecosystems with alliances such as Google Cloud, Microsoft, Oracle, Salesforce, SAP, ServiceNow and Workday, to create industry-specific transformation solutions. KPMG Velocity provides prepackaged, sector-aligned journeys (e.g. in healthcare, digital banking, human services) that can accelerate time to value while enabling strategic differentiation.

05 Futureproof through innovation

KPMG Velocity helps establish modernized technology foundations that unlock rapid AI innovation and value to accelerate deployment of AI solutions. You can achieve a robust, agile and cost-effective infrastructure for advanced AI, transforming your technology stack into a strategic asset for continuous innovation and sustained competitive advantage.

The next phase of AI is already underway. Wherever you are on your journey, KPMG is ready to help you lead it, with clarity, confidence and momentum.

Global AI Pulse methodology

This is the first of a quarterly series being conducted with a global reach.

Sample design

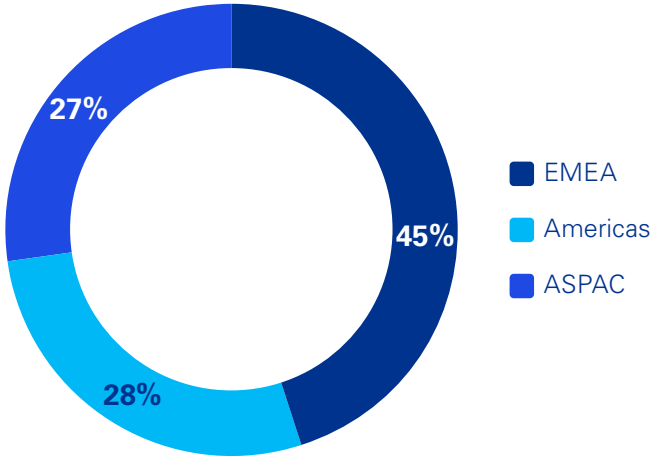
The survey was conducted among n=2,110 C-suite and senior business leaders working in organizations with annual revenues of at least US$100M.

Participants completed the survey online between 19 February and 17 March 2026, across 20 countries, territories and jurisdictions in the Americas, EMEA and ASPAC.

Respondent profile

Respondents represented a mix of **20+ industries and sectors**, including technology, financial services, manufacturing, professional services, healthcare and public sector.

- **Geographies:** sampling across major global regions, including North America, Europe, Asia-Pacific and Latin America.



Analytical definitions

For the purposes of this survey:

- **AI maturity** refers to the phase an organization reports being in along its AI journey, from early research to established ROI.
- **Agentic AI engagement** assesses the degree to which organizations are implementing or scaling AI agents and multi-agent systems.
- **AI leaders** are defined as organizations in the **top two maturity stages** *and* the **top three categories of agent deployment**.

This combined definition reflects organizations that are both **AI-mature** and **actively advancing agentic AI leadership.**

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Steve is the Global Head of Artificial Intelligence (AI) and Digital Innovation at KPMG International and Vice Chair of AI and Digital Innovation for KPMG in the US. A member of the US Management Committee, he leads the firm's strategy to build and deploy cutting-edge AI solutions, helping clients navigate a new era of technological change. In his current role, he also oversees KPMG's strategic alliances, serving as the firm's Alliance Leader for Google, and directs the firm's AI transformation program, KPMG aIQ.

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Priya Emmanuel leads KPMG's global aIQ program and serves as the Regional AI Lead for the Americas, shaping how organizations move from AI adoption to sustained enterprise value. Her focus is on aligning operating models, governance, people, and execution so that as AI scales, it strengthens performance and trust across the business. With over 20 years of experience at the intersection of business, technology, and transformation, Priya has led complex, enterprise-wide change programs across AI, data, cloud and digital platforms. Her work emphasizes integration, accountability, and measurable outcomes, ensuring that as new AI-enabled solutions are deployed, leaders actively drive workforce adoption by reshaping how work gets done — enabling AI to accelerate business.

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Benedikt Höck is the Regional Head of AI for EMA. In this role, he is responsible for the AI go-to-market agenda, oversees the portfolio of AI services, and drives the implementation and responsible adoption of generative AI. As a Partner in Management Consulting, he supports clients end-to-end in their AI transformation journey — from defining AI and business strategies to implementing high-impact use cases. His work ensures secure and responsible AI adoption through Trusted AI, with a strong focus on customer and employee centricity.

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Simon has over 28 years' experience at a global and local level with a focus on his clients' transformation and the delivery of large technology transformational initiatives. Along with being the Regional AI Lead for ASPAC, he has previously led KPMG Australia's Transformational team within the Consulting division and handles the delivery of large-scale business and IT transformation programs within the Australian marketplace. Simon leads programs across a range of different industries and sectors, including Government, Retail and Consumer Goods. Recent years have seen Simon engage closer with Alliance partners in the market to deliver impressive results for KPMG clients.

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At KPMG, every idea starts with human ingenuity. KPMG professionals combine their insight and creativity with AI tools, applying them thoughtfully and responsibly under the KPMG Trusted AI framework to develop imagery and content.

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