avanade

Avanade Trendlines

AI Value Report 2025

Mid-market organizations have high hopes for return on AI investment, despite hard questions about people, data and technology

AI Value
The gap between expectation and reality

AI is shaping the future of organizations of all sizes, in all sectors. And mid-market organizations—renowned for speed, innovation and resilience—are charging ahead. Cost-conscious and growth-focused, these organizations may have less capital than larger competitors, but that doesn't mean they're short on ambition.

Organizations are diving into AI with confidence, with most pumping up budgets and expecting up to a fourfold return on investment (ROI) within 12 months.

The outlook for ROI hinges on productivity and cost savings, with 84% believing that AI investments aim to replace employees. However, it's clear that the AI value equation is still being figured out—with few measuring value in this way and half working on the business case.

The urgency to create value is palpable—85% worry their organization will fall behind if they do not fast track AI. This need for speed is reflected in how organizations are implementing AI, with most taking an approach that is out-of-the-box or isolated to specific functions. At the same time, the desire to accelerate is compromised by essential AI groundwork across people, data and tech.

As AI increasingly becomes part of everyday work, we anticipate a shift in workforce dynamics. Instead of a passive tool to be 'used', AI will become a proactive member of the team. Understanding the new relationship between workers and AI, including the social and emotional impacts, will be key to building trust.

The question of how to determine which decisions AI can autonomously handle is becoming critical. A striking majority are trusting AI to make decisions, even though only a third fully trust the results.

There is a growing need to distinguish between human and AI-generated value, while ensuring that the right guardrails are in place to teach AI to "forget" outcomes with unintended bias or unethical facts.

Our report explores insights from 4,100 decision makers across 10 countries and 9 industries about their AI aspirations for 2025. As many forge forward, we see a striking tension between the desire for fast value and the reality of tackling foundational challenges in workforce dynamics, data quality and governance. Leaders can't ignore critical human considerations while ensuring that data and technology are set up for AI success.

Executive summary

Research approach

$500M – $5BN	**4,100**	**10**	**9**	**4**
annual revenues of mid-market organizations surveyed	decision makers surveyed	countries represented: around the globe	major global industries sharing perspectives	employee levels across organizations, from the C-Suite to specialists

Key findings

Optimism for AI value 4X For every $1 spent on AI, 59% expect up to 4X return in under 12 months

Need for speed 85% Worry they risk losing competitive edge by not moving fast with AI
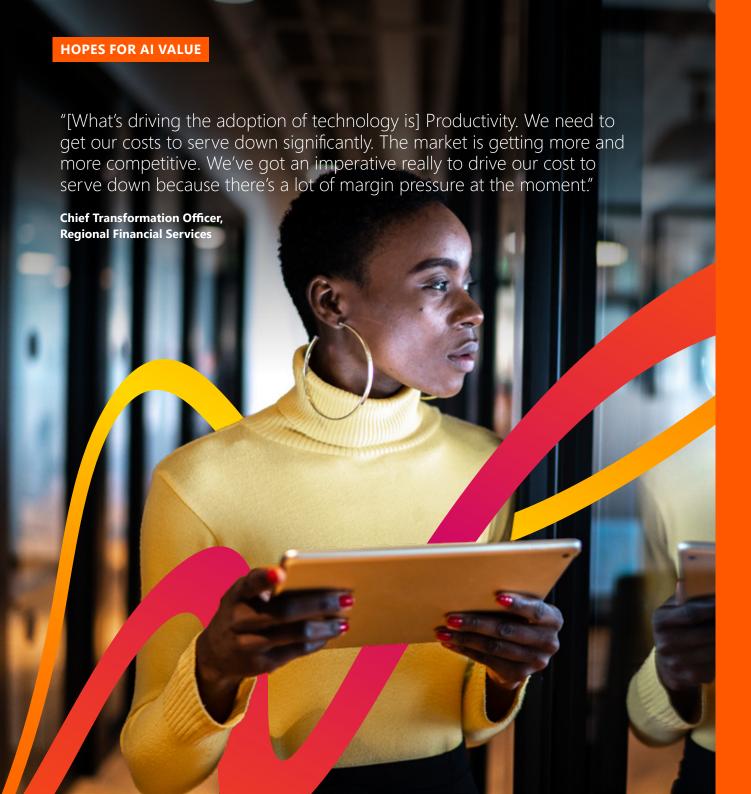
ROI hinges on productivity 84% Say AI investment is to replace employees for cost savings

Essential AI groundwork still needed 48% Are still developing a business case and 44% are stuck at proof-of-concept stage

Explore this report

"[What's driving the adoption of technology is] Productivity. We need to get our costs to serve down significantly. The market is getting more and more competitive. We've got an imperative really to drive our cost to serve down because there's a lot of margin pressure at the moment."

**Chief Transformation Officer,
Regional Financial Services**

Hopes for AI value
Could bottom line focus limit topline growth?

Organizations are bullish, with most expecting up to fourfold returns within 12 months and making AI a top priority.

Our insights reveal a tension between a need to cut costs and clear desire for AI to generate growth, suggesting the AI value equation is still being figured out.

Confidence reflected in investment

Organizations are embracing AI enthusiastically, with many increasing their budgets and anticipating up to a fourfold return on investment (ROI) within a year.

Over the next 12 months, 60% will make AI a top IT priority and 53% expect to increase budgets for generative AI by up to 25%.
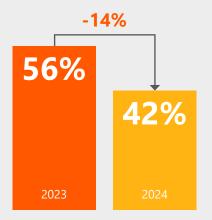
AI investment and ROI in 2025

60%
making AI a top IT priority

up to **4X** return
is expected by 59% for every $1 spent on AI copilots and agents

53%
expect to increase budgets for gen AI by up to 25%

Counting on headcount

ROI expectations are laser focused on productivity, with 84% agreeing that AI investments aim to replace employees to save costs. This cost-saving mindset is heightened by a year-on-year decline in those expecting to increase headcount due to AI.

Although headcount reductions are believed to be a key reason for investing in AI, few measure its impact this way. Just 9% are measuring AI ROI based on the number of reinvested or saved human positions. Instead, 69% are using productivity gains and operational improvements as their primary AI success metrics and value drivers.

Decline in expectations that AI will create more roles

-14%

56%
2023

42%
2024

AI value, hanging in the balance?

84%

Agree AI investment is to replace employees to save costs

But just 9% are measuring value in this way

#1

Priority to integrate AI with processes to create new revenue streams

Despite productivity being the leading metric to measure value

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Is productivity really being prioritized above growth?

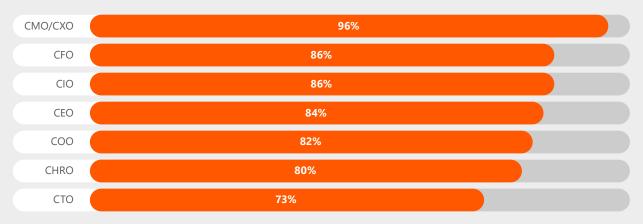Our research reveals two intriguing contradictions in decision makers' perceptions of AI value:

1. Nearly half expect ROI to come from productivity, while stating the top priority is to create new revenue streams.

2. The vast majority say AI investments are to cut employees and save costs, but few are actively measuring this outcome.

Since productivity gains usually lead to doing the same tasks quicker, will some miss out on AI's potential to reinvent and enhance competitiveness? Or will productivity savings create headroom for innovation? Answering these questions will require a longer-term view—but a strategic roadmap remains elusive. Nearly half (48%) are working on a business case and 44% are stuck in proof of concepts.
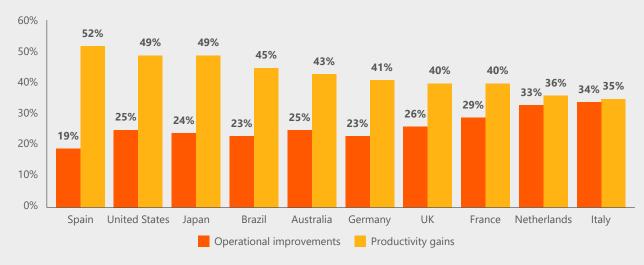
Linking AI value to cost savings and efficiency

How C-suite roles compare: % who agree that AI investments are to cut employees to save costs

Role	%
CMO/CXO	96%
CFO	86%
CIO	86%
CEO	84%
COO	82%
CHRO	80%
CTO	73%

Question: Do you think your organization is investing in technologies like AI colleagues and agents to replace employees for the purpose of cost savings and efficiencies? Respondents asked to agree or disagree on a scale of 1–4.

Primary metrics organizations are using to measure value from AI

Country	Operational improvements	Productivity gains
Spain	19%	52%
United States	25%	49%
Japan	24%	49%
Brazil	23%	45%
Australia	25%	43%
Germany	23%	41%
UK	26%	40%
France	29%	40%
Netherlands	33%	36%
Italy	34%	35%

Question: What is the primary way your company is currently measuring ROI from technology tools such as AI? Respondents given a choice of eight options including revenue, experience, productivity gains and operational improvements.

Our perspective

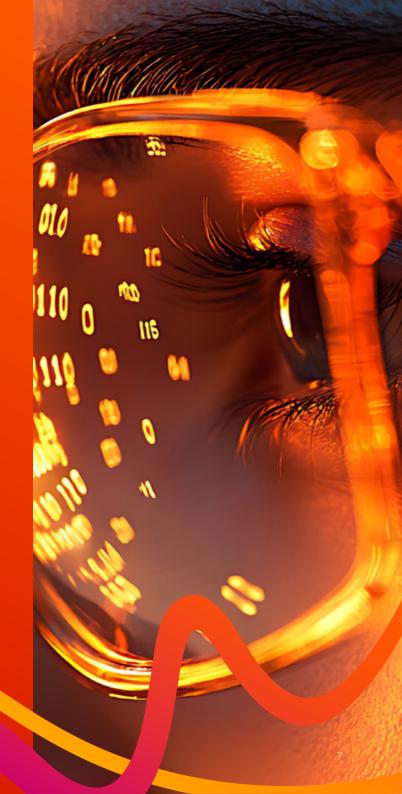### AI without a vision stunts value

While the attraction of cost savings is tempting, this overly narrow focus distracts from AI's transformational potential. Our data shows that 30% are crafting their visionary AI strategy and nearly half are looking to shape a business case—suggesting a need to draw breath and cut through the hype around short-term gratification. This demands a solid vision and investment case for AI, alongside a thoughtful approach which avoids the allure of quick wins over long term gain.

Redefine productivity

Solving for productivity takes more than switching on technology or headcount cuts. Sustaining productivity gains requires rethinking how we value work in all its forms. Equally, if organizations plan to reduce headcount, this further reinforces the need for a human touch to handle the transition. AI should push us to become more human in how we treat employees who are displaced or redeployed.

Measure what you value

We advise a holistic approach when evaluating the anticipated value from AI. Leaders should not rely solely on headcount savings as the 'hero KPI'—especially since so few are calculating AI ROI based on the number of human roles retained or reallocated. Equally, the very definition of productivity will need to adapt, as we face major shifts in how work is done and what adds value. New metrics will likely replace the more traditional ways we have measured productivity.

"I don't think companies can afford to delay in implementation of using AI tools or they're just going to fall way behind."

**VP, Engineering,
Automotive Tier 1 Supplier**

Rapid AI returns
Closing the expectation-reality gap

Organizations are under pressure to move fast, with many accelerating through an 'out-of-the-box' approach.

At the same time, the desire for speed is compromised as most grapple with essential AI groundwork across people, data and tech.

While there is a desire to accelerate, organizations need to pace themselves and balance both the near- and longer-term implications for AI.

'A little bit of AI' in many places

When it comes to how AI is being implemented, 81% are using it out-of-the-box or isolated to specific functions. This points to a potentially haphazard approach that scatters AI in various areas, but without a cohesive strategy. Those farthest along their AI journeys are choosing out-of-the-box solutions, with over half (52%) opting for this approach.
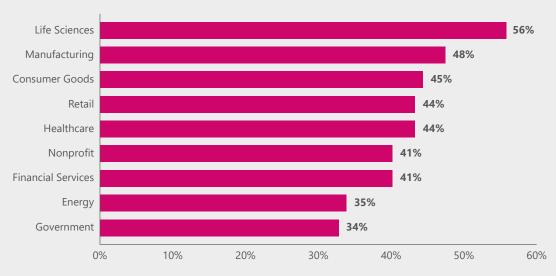
A need for speed

Decision makers have a clear sense of urgency—with 85% worried they risk losing their competitive edge if they don't accelerate AI adoption. From an industry perspective the urgency is most strongly felt by those in Healthcare, with 95% either agreeing or strongly agreeing. Our data also highlights that front-office functions—including sales and marketing—show the highest levels of anxiety that their organization risks falling behind.

Additionally, whether ROI comes in the form of topline growth or bottom-line savings, organizations want to see results quickly. Those investing in AI copilots and agents expect to see a return within 6-12 months (40%) and an additional 27% are only comfortable waiting three to six months.
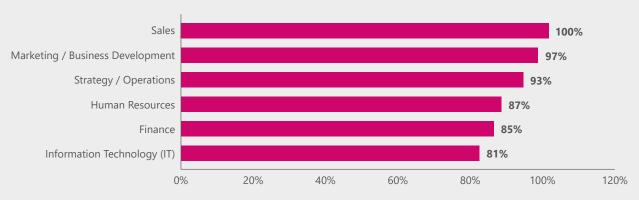
Organizations are forging ahead with AI implementation

Industry view: What % of respondents are implementing AI out-of-the-box?

Industry	%
Life Sciences	56%
Manufacturing	48%
Consumer Goods	45%
Retail	44%
Healthcare	44%
Nonprofit	41%
Financial Services	41%
Energy	35%
Government	34%

Question: What is your organizational approach to leveraging AI technology? Respondents asked to select from a list including out-of-the-box and custom solutions.

What % of functions agree they are at risk of falling behind by not moving fast enough with AI?

Function	%
Sales	100%
Marketing / Business Development	97%
Strategy / Operations	93%
Human Resources	87%
Finance	85%
Information Technology (IT)	81%

Question: To what extent do you agree or disagree with the statements: We are at risk of losing our competitive edge through not implementing AI quickly enough Respondents asked to agree or disagree on a scale of 1–4, chart shows those who agree or strongly agree.

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Moving fast while tackling AI foundations

Decision makers clearly want to move fast with AI. But there is tension between this need for speed and the careful deliberation needed for the long run. Technology considerations are an obvious place to start—over 90% have accelerated IT modernization and cloud adoption—but fundamental people and data principles cannot be ignored.

Human factors: Workforce readiness remains a challenge, as organizations may not yet have adequate training, long-term learning programs supported by visible leadership, nor involvement across the entire organization. A notable 79% plan to grow investment in AI training and fluency, recognizing that people need the knowledge and tools to work alongside AI. Moreover, 77% are focusing on change management to ensure AI supports both new and existing ways of working. However, AI training is not a blanket policy, with 51% choosing to roll out responsible AI training to specific departments.
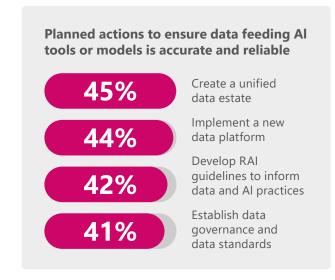
Keeping pace with responsible AI: our year-on-year trends point to a 9% decline in those who state they have a complete set of guidelines in place for responsible AI (RAI) – just 39% of mid-market organizations have these. And only 26% completely trust the outputs of AI, down from 48%. This may reflect the struggle to keep pace with changing regulations and the ongoing need to re-evaluate, update or embed RAI guidelines as AI is used more widely. As a result, 42% plan to develop RAI guidelines to ensure that the dat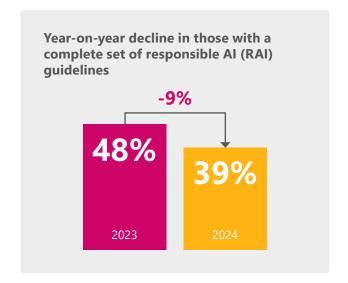a feeding their AI tools and models is accurate and reliable, highlighting the importance of ethical concerns and transparency in AI.

Data considerations: Getting data fit for purpose can be a major hurdle for mid-market organizations wanting to put AI into action. Top concerns include overcoming complexity of integrating AI with existing systems and safeguarding data security and privacy. For the second year running, data and analytics platforms top respondents' investment priorities to ensure data is secure and fit for AI.

Are organizations keeping pace with responsible AI?

Responsible AI training

51%
Require it for **specific** departments

26%
Require it for **all** employees

18%
Have training available but **don't** require employees to do it

Planned actions to ensure data feeding AI tools or models is accurate and reliable

45% Create a unified data estate

44% Implement a new data platform

42% Develop RAI guidelines to inform data and AI practices

41% Establish data governance and data standards

Year-on-year decline in those with a complete set of responsible AI (RAI) guidelines

-9%

48% 2023

39% 2024

Our perspective

Are you prioritizing people and organizational AI fluency?

AI is transforming workplaces, but successful adoption requires prioritizing people over technology. The human implications should not be underestimated—AI fluency is an imperative for the whole organization, not just a handful of departments, roles or experience levels.

Upskilling and training is also critical, because although respondents are optimistic, relatively few feel ready for AI. An organization's strategy should be its AI strategy, acting as a 'north star' for leaders to decide where to adopt technology today and how to reinvent for the future. Instead of putting 'a little bit of AI' into various areas—which could dilute its impact, overwhelm teams or lead to rework further down the road—it helps to create a cohesive roadmap that delivers economies of scale across functions. Additionally, responsible AI frameworks mitigate risks like bias, security issues and unwanted AI divides with an inclusive approach that considers digital skills for all employees.

Our own Avanade experience with Microsoft Copilot indicates that trust in AI increases with training and experience. Employees can be suspicious of leaders' motivations as they experiment with AI if they don't feel involved in the process. Empowering all employees to use AI improves adoption and advocacy—both for the individual and the organization. It's for these reasons that
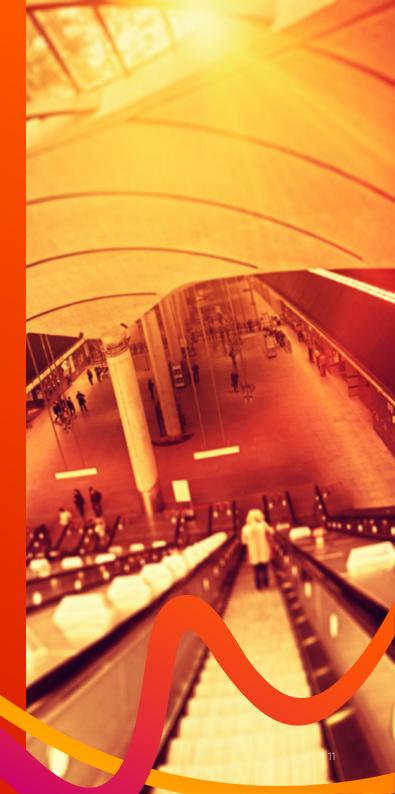
we invested in programs such as Disrupt Avanade and our School of AI, to equip all Avanade employees—not just technologists—with valuable skills to navigate generative AI, responsible AI and prompt engineering.

Do you trust AI with your data?

A solid data strategy—defining how data is collected, stored, managed, analyzed and used—is the foundation of successful AI. A major difficulty we come across is how to harmonize and prepare data from various systems and formats—including unstructured text, images and audio—so that AI can analyze and interpret it.

We also see far too many organizations using AI to make decisions, while simultaneously not being fully confident in the results or underpinning data. This lack of trust, and associated risk, will leave organizations further exposed as AI technologies gain traction in an increasing number of processes.

Though there's eagerness to advance with AI, each organization must progress at its own rate. For instance, early adopters may move faster than those in highly regulated sectors. Leaders should set their own pace for AI adoption and adjust their strategies and investments accordingly.

"I think we still need the human in the loop. We also need humans to understand that it is a tool that can be used to help them save time, do their job better...I've had team members ask me, 'Is this going to replace me?' No. What it's going to do is give you more time to do your job even better. While AI and machine learning are advancing with exploratory testing, they are still emerging and maturing."

SVP of Software Quality Engineering, Regional Financial Services

Welcome AI to the team
Leaders see a changing work dynamic

AI is becoming a proactive member of the team, working alongside employees, automating processes and saving time.

Decision makers are embracing shifts in how AI copilots and agents work together with humans to create new value—and how best to measure this.

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AI brings new value to the workplace

While productivity and efficiency are top of mind, there is clear optimism for the potential of gen AI tools such as Microsoft Copilot and agents to go beyond functional tasks and create new value. Over half (53%) expect to increase their budgets for gen AI projects by up to 25% in 2025. This isn't a case of humans versus machines, but about combining their unique strengths to work together better.
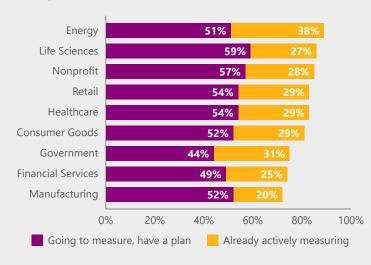
Measuring AI agents' performance

AI agents are already proving their worth as examples of "machine coworkers", with 28% measuring the contributions of AI capabilities like Microsoft Copilot, and 53% planning to do so in the next 12 months. The top three ways organizations are measuring or plan to measure performance are: improved processes (e.g. cost to serve), improved decision accuracy and increased revenues or profits.

Making the grade

More than half give their AI agents an "A Grade" for their performance today. Higher-ranked employees in the C-Suite and Board members are more impressed than senior and mid-level management, with 60% at the highest level giving an A grade, compared to less than half (44%) of more junior managers.
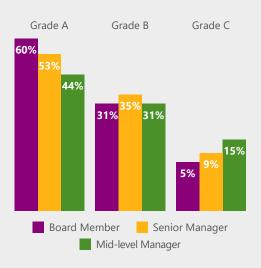
The potential of AI in the workplace

How industries are measuring the contributions of AI copilots in 2025

Industry	Going to measure, have a plan	Already actively measuring
Energy	51%	38%
Life Sciences	59%	27%
Nonprofit	57%	28%
Retail	54%	29%
Healthcare	54%	29%
Consumer Goods	52%	29%
Government	44%	31%
Financial Services	49%	25%
Manufacturing	52%	20%

■ Going to measure, have a plan ■ Already actively measuring

Question: By the end of 2025 how do you anticipate your organization will measure the performance and contribution of generative AI colleagues like Microsoft Copilot?

How different roles grade AI

	Grade A	Grade B	Grade C
Board Member	60%	31%	5%
Senior Manager	53%	35%	9%
Mid-level Manager	44%	31%	15%

■ Board Member ■ Senior Manager ■ Mid-level Manager

Question: how would you grade your AI colleagues at your organization today? Respondents asked to grade A–F, chart shows respondent split by role type.

AI copilots and agents—what are they?

Copilot: AI assistant that responds to end user prompts and requests.

Agent: Software entity that can make decisions and act based on information in their specific domain of expertise, by using custom-made or self-generated tools within their boundaries.

Multi-agent: Multiple agents that act on behalf of users and are empowered to make autonomous decisions and work collectively to complete tasks.

Machine coworker: Inclusive of copilots, agents and extending into robots, these coworkers are capable of simultaneous translation and multi-modal processing. They can also learn, interact and offer human-like feedback.
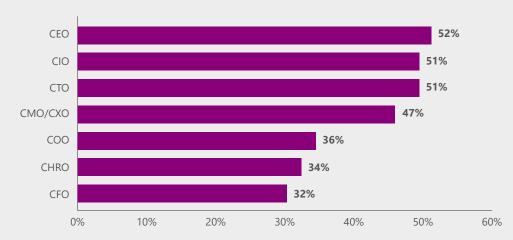
Social and emotional impact of AI

Decision makers acknowledge that human employees cannot be overlooked in the wake of AI. Accelerating employee adoption and improving quality of work was the second most cited priority for driving value from AI.

However, this perspective should not eclipse what makes us human at work—for example our desire for a sense of belonging, engagement and collaboration. Only 40% feel very confident in their organization's ability to manage the emotional and social dynamics of employees working alongside AI.

Cultural, contextual and environmental differences may be a factor affecting trust in leadership's handling of AI: less than a third (29%) of employees working for organizations in Japan feel a high level of confidence, whereas the majority (60%) in Brazil hold the utmost confidence in leaders' ability to manage these human-AI dynamics.
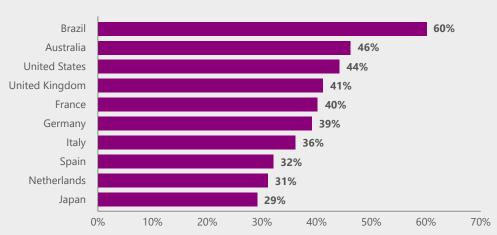
Can leadership manage the socio-emotional aspects of AI?

Role-by-role: % of respondents who feel very confident in their leadership to manage emotional and social aspects of working with AI

Role	%
CEO	52%
CIO	51%
CTO	51%
CMO/CXO	47%
COO	36%
CHRO	34%
CFO	32%

Question: How confident are you in your organization's leadership to manage the emotional and social aspects (e.g., sense of belonging, engagement, and collaboration) of human employees working with AI colleagues?

Country-by-country: % of respondents who feel very confident in their leadership to manage emotional and social aspects of humans working with AI

Country	%
Brazil	60%
Australia	46%
United States	44%
United Kingdom	41%
France	40%
Germany	39%
Italy	36%
Spain	32%
Netherlands	31%
Japan	29%

Question: How confident are you in your organization's leadership to manage the emotional and social aspects (e.g., sense of belonging, engagement, and collaboration) of human employees working with AI colleagues?.

Our perspective

Process and task reinvention

Whenever new technology comes along, the first approach is to adopt and fit it into the current ways that we work. For instance, not long ago, Skype was just used to make phone calls over the internet—and has since evolved as a central part of work for many. With the advance of AI agents, organizations will need to double down on process and task reinvention. We believe AI's real value will come from this more fundamental reinvention—not just from shaving time off existing tasks, but redefining the productivity equation itself.

AI as a coworker—not a tool

Instead of thinking of AI agents and broader machine coworkers as "tools", consider how they ignite greater creativity, collaboration or productivity across teams. This mindset will take us beyond the passive "use" of AI into new dimensions of interaction and autonomy. When humans and AI come together in multiplayer teams, a more expansive outlook will open the door to entirely new ways of working.

AI value for employees

Investing in employee experience drives productivity, engagement, and innovation—which in turn leads to better customer experience and business outcomes. Our experience with Microsoft 365 Copilot for Sales shows that AI can reduce workload. But the real benefits are less about time saved and more about freeing up sellers to do what they love and do best: delighting clients by finding new ways to add value.

"When our sellers can reduce the time spent on sifting through multiple channels to find what matters with Copilot for Sales, we can be more focused so that we can deliver with clients and drive our business strategy faster."

Global Business Lead, Avanade

"I do think [AI] has to be able to unlearn and forget because it's very likely to learn wrong things or inaccurate things, which we are already seeing in the commonly accessible AI right now. Just like a person, when you learn a bad habit, it's really difficult to go back."

**Principal Program Manager,
Industrial Manufacturer**

AI value depends on trust
What are the hard questions facing mid-market organizations?

The question of how to determine which decisions AI can autonomously handle is becoming critical.

A striking majority are trusting AI to make decisions, even though only a third fully trust the results.

There is a growing need to distinguish between human and AI-generated value, while ensuring that the right guardrails are in place to teach AI to "forget" outcomes with unintended bias or unethical facts.

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Spot the difference between AI and human contribution

There is a growing need to distinguish between human and AI-generated value, with 78% expressing concern about human achievements being attributed to technology like AI.
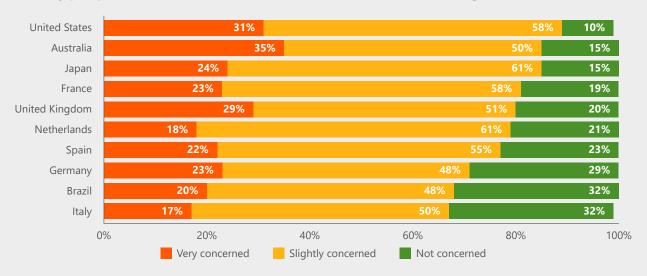
Only 33% are very confident that their leadership can reliably differentiate between AI and human-generated work or ideas, raising questions about how performance reviews will differentiate between those who leverage AI and those who do not. With possibility comes responsibility, and we must consider the fair distribution of privilege and power when adopting AI.

Teaching AI to forget

AI's ability to learn comes with a sting in the tail—an ability to learn misguided or unethical facts and norms, and to access information that may later be identified as belonging to someone else. This leads to an important question: do you have systems in place for when AI needs to forget or unlearn something it has accessed or produced? In this light, it's comforting to know that organizations are focusing on teaching AI to "forget," with 96% planning to fine-tune or retrain AI models by the end of 2025 to omit or unlearn certain knowledge. An important question for leaders to consider: who is the guardian to set up the triggers or parameters to determine when it's time for AI to forget, and what to forget?
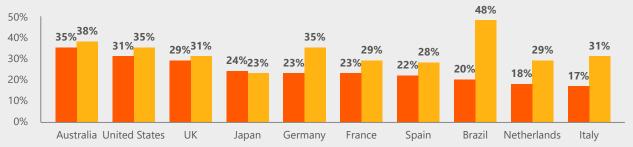
AI or human – who takes credit?

Country perspectives: Level of concern about human achievements being attributed to AI

Country	Very concerned	Slightly concerned	Not concerned
United States	31%	58%	10%
Australia	35%	50%	15%
Japan	24%	61%	15%
France	23%	58%	19%
United Kingdom	29%	51%	20%
Netherlands	18%	61%	21%
Spain	22%	55%	23%
Germany	23%	48%	29%
Brazil	20%	48%	32%
Italy	17%	50%	32%

Question: How concerned are you about human-generated outcomes and achievements at your organization being attributed to technology like AI?

Country perspectives: Confidence in leaders' ability to distinguish AI from human-generated work

Country	Very concerned	Very confident
Australia	35%	38%
United States	31%	35%
UK	29%	31%
Japan	24%	23%
Germany	23%	35%
France	23%	29%
Spain	22%	28%
Brazil	20%	48%
Netherlands	18%	29%
Italy	17%	31%

■ Very concerned about human-generated outcomes and achievements at their organization being attributed to technology like AI

■ Very confident that leaders in their organization can distinguish the outcomes of AI-generated work and ideas compared to human-generated work and ideas

Question: How confident are you that your organizations' leaders can distinguish the outcomes of AI-generated work and ideas compared to human-generated work and ideas? Chart shows respondent split by respondents' countries.
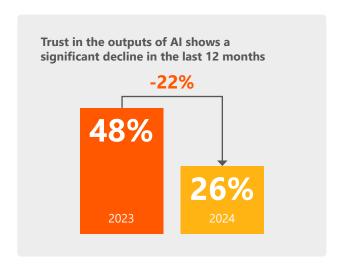
Trust in AI's decisions

A striking 96% are using AI to make decisions, with nearly a third (29%) trusting it with potentially high-risk decisions. But with only 26% fully trusting the results, a significant decline in the last 12 months, are organizations putting too much faith in AI?
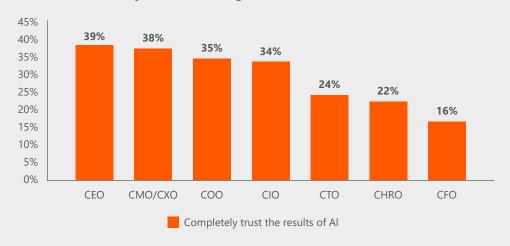
This underlying tension between trust and decision making is especially interesting in the context of data: concern about data quality is called out as organizations' top reason for limiting employee usage or access to generative AI tools.

The question of how to determine which decisions AI can autonomously handle is becoming increasingly critical, especially in the light of data quality concerns which further complicate AI adoption. Some 85% of leaders are concerned about employees being properly involved and informed about AI's decision making in their organizations. This highlights the need to set guardrails for responsible generative AI decision making until these issues are adequately addressed.
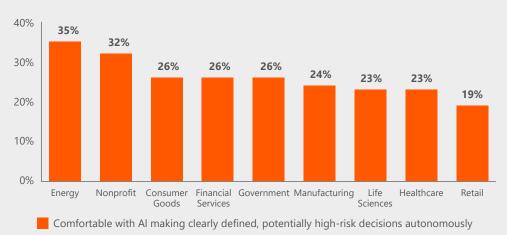
Trust in the outputs of AI shows a significant decline in the last 12 months

-22%

48% 2023

26% 2024

How does trust compare across roles and industries?

What the C-suite says about trusting the results of AI

	CEO	CMO/CXO	COO	CIO	CTO	CHRO	CFO
	39%	38%	35%	34%	24%	22%	16%

■ Completely trust the results of AI

Question: Do you trust the outputs of generative AI? Chart shows respondent split by respondents' role types.

How trust in AI decisions varies across industries

Energy	Nonprofit	Consumer Goods	Financial Services	Government	Manufacturing	Life Sciences	Healthcare	Retail
35%	32%	26%	26%	26%	24%	23%	23%	19%

■ Comfortable with AI making clearly defined, potentially high-risk decisions autonomously

Question: Do you trust the outputs of generative AI? Chart shows respondent split by respondents' role types.

Our perspective

Making AI forget

As more and more data is added to foundational AI models, vulnerabilities and data quality pose significant risks. In additional to increased technical complexity, governance is both more difficult and more important to implement. For example, the regulatory "right to be forgotten" becomes very difficult to define or enforce when inferential AI outputs (AI conclusions based on previous learning) can remain even after the data they are based on has been removed. Who owns what data—and deserves to benefit from it—is also increasingly unclear. Leaders should assess what AI-accessible data is truly theirs and consider techniques to help AI "forget" information, without having to retrain it from scratch.

What is your risk tolerance?

The mid-market does not yet fully trust the outcomes of AI, yet some continue to operate without safety nets. Many are still busy implementing governance and guardrails, yet already permit AI to make high-risk decisions autonomously. All this while 94% think that the ability to secure sensitive data for AI will be the make or break for organizational reputation.

Meanwhile, a lack of guidelines and a communication chasm between leaders and their teams can undermine trust in AI—limiting adoption and slowing time to value. For rapid-yet-safe and measured AI progress, we recommend that leaders assess their risk thresholds: specifically, what is an acceptable risk level? This will differ across business functions, industries and geographies in terms of evolving regulatory requirements and market implications. But assessing your risk threshold will help to set realistic AI boundaries and expectations in alignment with organizational values.

Creating a safe space for innovation and mistakes

A safe space fosters innovative thinking with reduced risk. We recommend leaders build a sandbox environment where users can experiment with AI on non-critical tasks to safely explore AI capabilities and collaboration. This requires a supportive experimentation culture to also be in place, underpinned by psychological safety. Leaders can encourage exploration—within the boundaries of responsible AI guidelines or regulatory compliance—by sharing examples across the organization, reinforcing the value of taking calculated risks to get the most value from AI. We also recommend setting up an employee feedback system to foster a culture of open communication and continuous learning. This builds trust among teams and shortens the time from innovation to competitive advantage.

Mind the AI value gap
5 questions for mid-market organizations to ask now

1 How might your workforce embrace AI and confidently increase value for stakeholders?

2 What modernizations are needed to ensure your tech systems are flexible and secure enough to make the most of AI advancements?

3 How might you deploy AI to align with both human and organizational values?

4 How are you addressing the social and emotional impacts of AI?

5 Where have you set clear AI risk thresholds and governance structures for each business function?

How we created this report

This report was a collaborative effort by teams across Avanade. It combines inputs from primary research with our hands-on experience of AI on Microsoft—across technology, data, responsible AI, experiences, advisory, industry, sales and marketing.

Survey methodology

Avanade commissioned independent market research firms **McGuire Research Services** and **Vanson Bourne** to undertake research to understand the mid-market's experience in developing and implementing AI solutions and emerging technologies.

Across the two separate research projects, a total of **4,100** IT decision makers and senior business decision makers outside of IT were interviewed in August and September 2024, across Australia, Brazil, France, Germany, Italy, Japan, Netherlands, Spain, UK, and US. Respondents worked for organizations with $500M to $5bn global annual revenue in these industries: Banking, Consumer Goods, Energy, Government, Healthcare, Life Sciences, Manufacturing, Nonprofit and Retail.

The interviews were conducted online and were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

Avanade—the leading innovator with AI on Microsoft

Avanade helps organizations of all sizes reach their full potential by unlocking the power of Microsoft. We've been at the forefront of developing AI solutions in collaboration with Microsoft for nearly a decade. As an early adopter and part of Microsoft's Early Access Program, we bring unique experience of AI technology before it hits the market.

In 2024, Avanade and Accenture were named Microsoft's first ever Global Business Transformation Partner of the Year for Copilot, recognizing our leading expertise in shaping AI solutions that bring value to organizations around the world.

Learn more at www.avanade.com

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Avanade is the world's leading expert on Microsoft. Trusted by over 5,000 clients worldwide, we deliver AI-driven solutions that unlock the full potential of people and technology, optimize operations, foster innovation and drive growth. As Microsoft's Global SI Partner we combine global scale with local expertise in AI, cloud, data analytics, cybersecurity, and ERP to design solutions that prioritize people and drive meaningful impact. We champion diversity, inclusion, and sustainability, ensuring our work benefits society and business. Learn more at www.avanade.com