Global **C-suite** Series

32nd edition

CEO Study

5 mindshifts to supercharge business growth

Move from productivity
to performance with agentic AI

IBM

IBM Institute for Business Value

About the study

This study is part of the 32nd edition of the IBM Institute for Business Value (IBM IBV) C-suite Study series. For the 2025 CEO Study, IBM IBV, in cooperation with Oxford Economics, surveyed 2,000 CEOs from 33 geographies and 24 industries in the first quarter of 2025. In addition to survey responses, insights were drawn from numerous client conversations, including a series of CEO interviews conducted between February and April 2025. These conversations focused on business priorities, leadership, technology, talent, partnering, regulation, industry disruption, and enterprise transformation.

The cover concept, most of the imagery, and the figures in this report were developed using generative AI.

IBM IBV designers used Adobe Firefly to iterate on the cover image concept, then created the final image manually. Designers also translated each of the “mindshifts” into prompts, then used these prompts within Adobe Firefly to generate imagery that inspired the basis and structure for each mindshift. We’ve used this marker throughout to identify AI-generated images: AI

Overall, the efficiency gained by integrating these tools into the design process is as follows:

Concept—3 weeks to 1.5 days

Imagery—2 weeks to 3 days

Figures—1 week to 1 day

Contents

In unpredictable times, leverage is everything

We're living in a world of ambiguity, and leadership decisions become much more important. What makes today's situation different from previous disruptions is how many variables are in flux. If there are 10 things CEOs generally care about, it used to be that maybe three or four needed to be addressed at any one time. Today, all 10 are on the table.

Times of uncertainty reveal the strengths and weaknesses in organizations and tend to create winners and losers—the winners are the ones who are willing to take an honest look at their business, make hard decisions to right size, evaluate where technology can create competitive advantage, and to take risks.

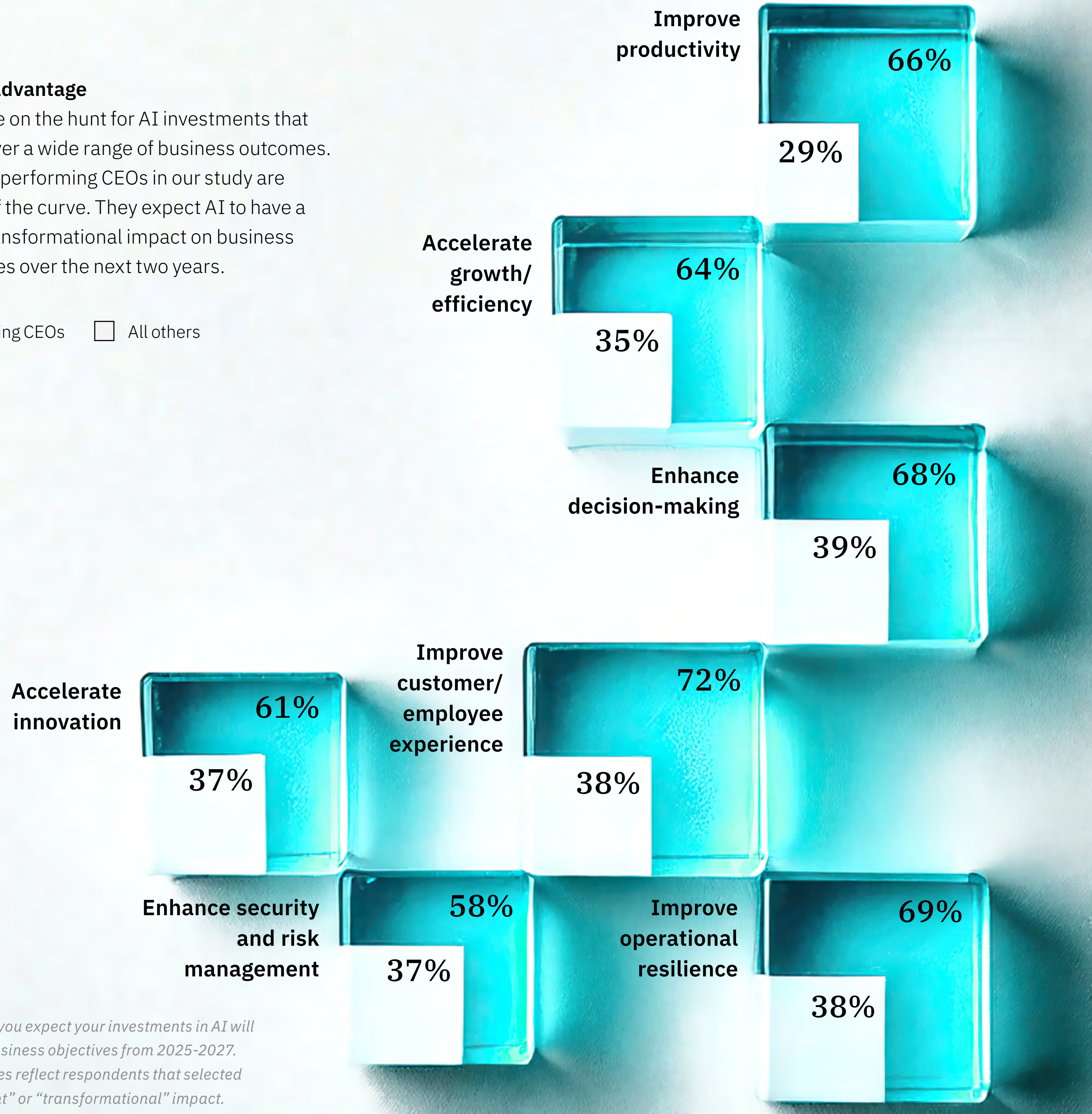
At this point in time, AI can take on many of the routine tasks that had burned out high-value people. AI can run your infrastructure more efficiently than ever, freeing your people to find new ways to use technology to gain competitive advantage. It's no longer a question of *whether* to use AI—but *where* AI will give you the greatest lift and how you should redeploy your people to accelerate growth.

As AI adoption accelerates, creating greater efficiency and productivity gains, the ultimate pay-off will only come to CEOs with the courage to embrace risk as opportunity, meaning: focus on what you can control, especially when there is so much you can't. When the business environment is uncertain, using AI and your enterprise data to identify where you have leverage is a competitive advantage. Today's leaders who aren't leveraging AI and their own data to move forward are making a conscious business decision not to compete.

Gary Cohn
Vice Chairman, IBM

The AI advantage
CEOs are on the hunt for AI investments that will deliver a wide range of business outcomes. The top-performing CEOs in our study are ahead of the curve. They expect AI to have a more transformational impact on business objectives over the next two years.

Leading CEOs   All others



Q: Impact you expect your investments in AI will have on business objectives from 2025-2027. Percentages reflect respondents that selected "significant" or "transformational" impact.

Turn **turbulence** into **opportunity**

They say change is the only constant
—but it’s never been quite *this* constant.

Trade wars are shaking stock markets. Geopolitical turmoil has gone from intensifying to destabilizing. M&A markets have stalled. Global recession looms. And those are just today’s headlines.

Business news is also churning through the latest tech advancements. First it was AI, then generative AI and AI assistants. Now it’s agentic AI and artificial general intelligence (AGI) that can, in theory, mimic the cognitive capacity of the human brain. Soon we’ll be hearing about embodied and physical AI. And whatever comes next.

“AI is evolving so quickly every day that we should ride this wave and move forward.”

Miki Tsusaka, President, Microsoft Japan

Before organizations can stabilize around one innovation, something new sends them spinning. It’s no wonder CEOs and the organizations they lead are dizzy.

But, no matter the pace of change and depth of disruption, leaders still need to push their organizations forward—finding new avenues to efficiency and more direct paths to growth. In this complex environment, it’s not always clear how CEOs can keep their organizations standing strong and focused on the future.

The IBM Institute for Business Value (IBM IBV) 2025 CEO Study offers a roadmap. Our survey of 2,000 CEOs from 24 industries and 33 geographies, conducted from February to April 2025, demonstrates the need to radically shift mindsets. Based on CEO responses to more than 150 questions about innovation, technology, leadership, partnerships, and talent, we’ve uncovered insights that can help organizations think about productivity, growth, and speed-to-market in new ways.

Our research shows us that drastic change is needed to cut through the uncertainty and unpredictability. Prepare yourself to take decisive and sometimes painful action, even when you have no idea what’s waiting around the bend.

The good news is: CEOs don't need to be clairvoyant.

Technology promises to help them make smarter, better decisions that drive growth and stakeholder value. AI agents, in particular, offer predictive capabilities that let teams see the impact of change before they lift a finger. This autonomous, adaptive, and self-iterating technology is already dramatically changing how businesses operate. 61% of CEOs say their organization is actively adopting AI agents and preparing to implement them at scale.

Despite slow progress with scaling AI overall, CEOs aren't reining in their vision for tech transformation. Instead, they're doubling down on the strategies they believe will help them identify opportunities and drive growth faster without reducing productivity. But what type of investments will that require?

Will those investments drive ROI? How can CEOs spur reinvention that will strengthen the organization—without slowing it down?

As disruption destroys old ways of working, CEOs have little choice but to step into the void. In an unprecedented time, they have the chance to pioneer a new frontier. It's unnerving but also exhilarating. Rather than constantly reacting, CEOs can capitalize on disruption by using AI tools to forecast the future more accurately—and more comprehensively—to make risk-taking less risky. They can cut through chaos with courage and a cool head.

> "Pessimists sound smart, but optimists make money. I think there are opportunities when there are market dislocations, and if you feel like you have an information advantage, you should lean into risk."

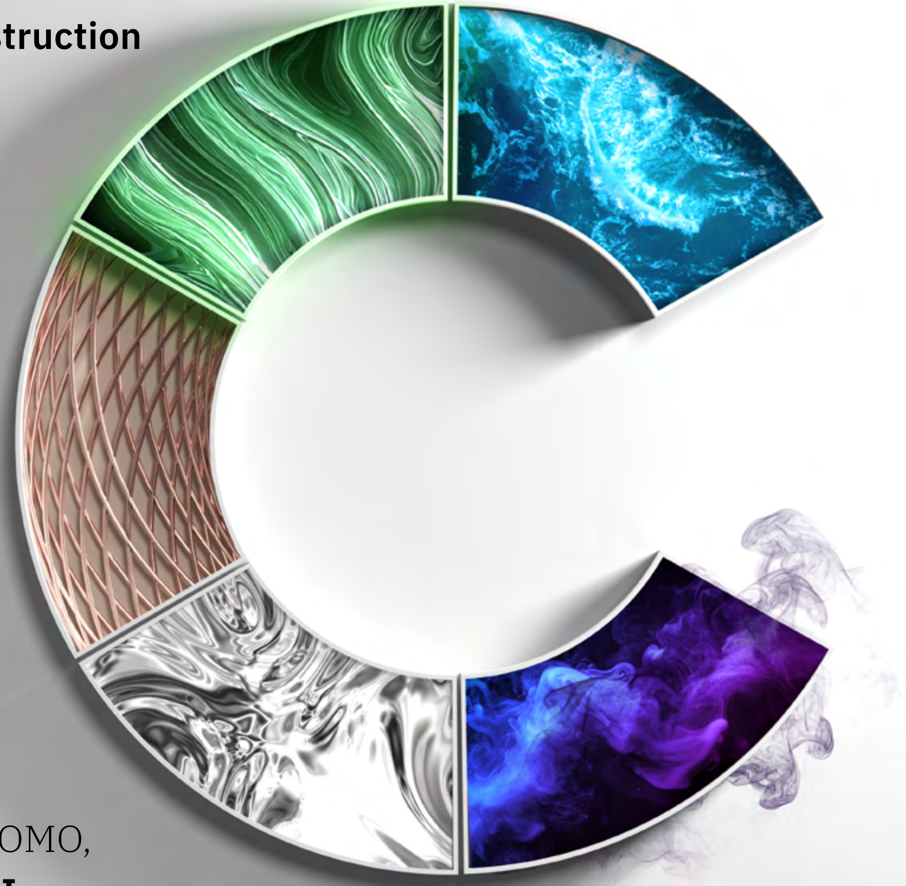
Stephen J. Rich, Chairman, CEO, and President, Mutual of America Financial Group

What follows is a roadmap CEOs can use to bring this vision to life.

Activate these five mindshifts to create clarity in crisis—and supercharge your organization's growth.

Make **courage** your core

Embrace AI-fueled **creative destruction**



Cultivate a vibrant **data environment**

Ignore the FOMO, **lean into ROI**

Borrow the **talent** you can't buy

Top CEO priorities

Predictability is the new currency
As AI rewrites the rules, CEOs who can accurately forecast market shifts, customer behavior, and operational outcomes will be the ones calling the shots.

2023	2024	2025
1 **Productivity or profitability**	1 **Product and service innovation**	1 **Forecast accuracy**
2 Technology modernization	2 Technology modernization	2 **Productivity or profitability**
3 Customer experience	3 Cybersecurity and data privacy	3 **Product and service innovation**
4 Cybersecurity and data privacy	4 **Forecast accuracy**	4 Cybersecurity and data privacy
5 Environmental sustainability	5 **Productivity or profitability**	5 Customer experience
6 **Product and service innovation**	6 Customer experience	6 Talent recruiting and retention
7 Market share growth	7 Market share growth	7 Technology modernization
8 Marketing and sales effectiveness	8 Scalability of service delivery	8 Environmental sustainability
9 Scalability of service delivery	9 Marketing and sales effectiveness	9 Ecosystem and partnerships
10 Business model innovation	10 Talent recruiting and retention	10 Supply chain performance
11 Talent recruiting and retention	11 Environmental sustainability	11 Scalability of service delivery
12 Supply chain performance	12 Business model innovation	12 Marketing and sales effectiveness
13 Ecosystem and partnerships	13 Supply chain performance	13 Diversity and inclusion
14 Diversity and inclusion	14 Diversity and inclusion	14 Market share growth
15 **Forecast accuracy**	15 Ecosystem and partnerships	15 Business model innovation

AI

Top CEO challenges

Volatility has CEOs rethinking everything
Operational issues, including supply chain performance and talent recruiting and retention, have gained urgency as CEOs try to navigate disruption while driving growth.

Rank	2023	2024	2025
1	Environmental sustainability	**Business model innovation**	**Supply chain performance**
2	Cybersecurity and data privacy	Productivity or profitability	**Talent recruiting and retention**
3	Technology modernization	Scalability of service delivery	**Business model innovation**
4	**Talent recruiting and retention**	Marketing and sales effectiveness	Scalability of service delivery
5	Diversity and inclusion	Forecast accuracy	Marketing and sales effectiveness
6	Forecast accuracy	Environmental sustainability	Environmental sustainability
7	Ecosystems and partnerships	Diversity and inclusion	Forecast accuracy
8	Market share growth	Cybersecurity and data privacy	Productivity or profitability
9	Marketing and sales effectiveness	**Supply chain performance**	Product and service innovation
10	**Business model innovation**	**Talent recruiting and retention**	Diversity and inclusion
11	Customer experience	Market share growth	Cybersecurity and data privacy
12	Product and service innovation	Technology modernization	Ecosystem and partnerships
13	Productivity or profitability	Ecosystem and partnerships	Technology modernization
14	**Supply chain performance**	Product and service innovation	Customer experience
15	Scalability of service delivery	Customer experience	Market share growth

What sets leading CEOs apart?

The Luminary CEO

To succeed in the face of unprecedented uncertainty, CEOs need good intel, responsive teams—and nerves of steel. We've identified a group of top-performing CEOs, representing 14% of our global dataset, that outperform in terms of financial performance, core capabilities, and AI investments.

Here are six critical capabilities and characteristics that allow these leading CEOs to deliver better business outcomes.

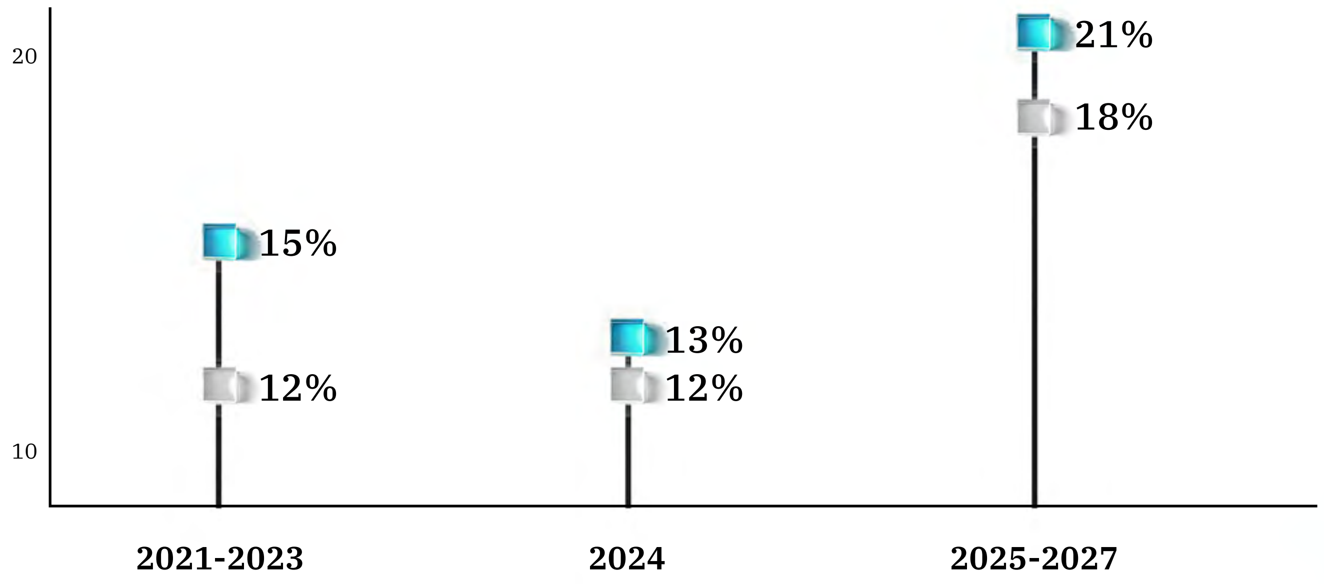
- **Connected**
  Business functions are highly integrated, relying on end-to-end workflows across the organization
- **Decisive**
  Quick and decisive action enables success in uncertain environments
- **Responsible**
  Have a robust framework for navigating and complying with emerging AI related regulations
- **Future-focused**
  Budgets for investments in AI and other emerging technologies
- **Informed**
  Have assessed the potential impact of generative AI on their workforce
- **Unimpeded**
  Able to quickly adopt new technologies, processes, and vendors to drive innovation and remain competitive

Driving growth amidst disruption

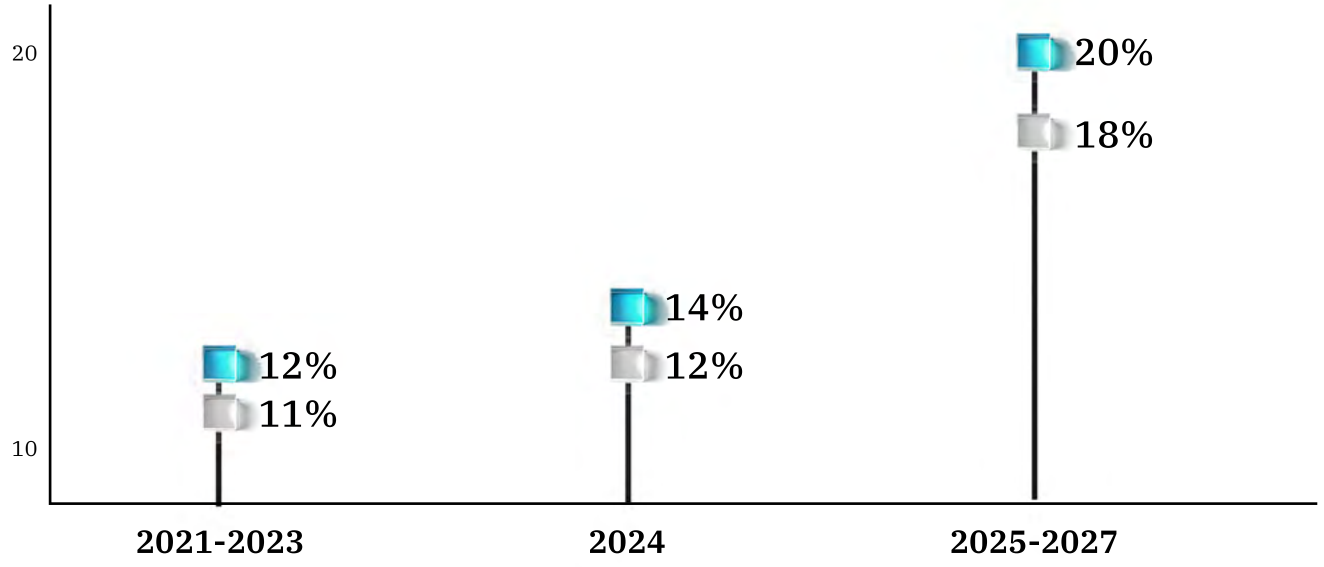
Top-performing CEOs deliver better business outcomes. The CEOs in this year's leader group run organizations that have outperformed the competition in annual revenue growth and operating margin since 2021.

Leading CEOs   All others

Average annual revenue/budget growth



Average annual operating margins



What sets leading CEOs apart?

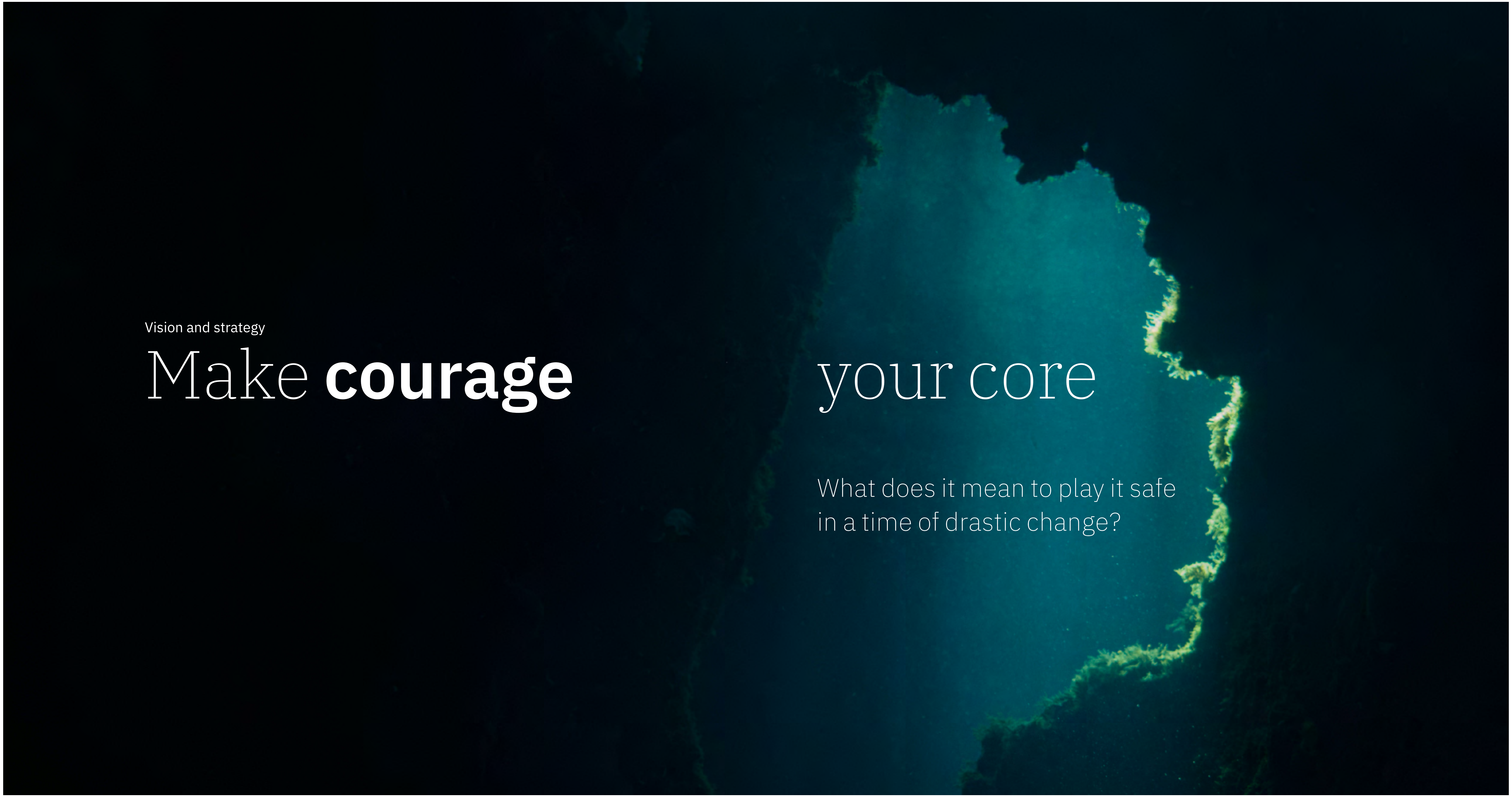
A class above the rest
The leading CEOs in our study say their organizations outperform in several key areas that drive responsiveness, resilience, and competitive advantage.

	Leading CEOs	All others	Gap
Developing enterprise strategy	63%	42%	+49%
Executing enterprise strategy	74%	57%	+29%
Talent development and retention	63%	43%	+47%
Enterprise data	56%	40%	+42%
Innovation	62%	52%	+20%
Partnership/ecosystem development	65%	49%	+33%
Brand reputation	59%	42%	+40%

"Culturally it's important to set a tone. It's about encouraging people to take chances and telling them it's a strategic priority for the company to be more nimble and more agile than anybody else we compete with."

Tom Hogan, CEO, Cellebrite

Q: 1. Rate the effectiveness of your organization in the following areas: "developing enterprise strategy" and "executing the enterprise strategy." Percentages reflect "effective" and "highly effective" responses. 2. How does your organization's performance compare to similar organizations related to "talent development and retention" and "enterprise data" over the past three years? Percentages reflect "outperformed" and "significantly outperformed" responses. 3. How would your closest competitor rate your organization's performance compared to similar organizations related to "innovation," "partnership/ecosystem development," and "brand reputation" over the past the years? Percentages reflect "leading" and "significantly leading" responses.



Vision and strategy

Make **courage** your core

What does it mean to play it safe in a time of drastic change?

For most CEOs in our study, the safest course, paradoxically, is to be bold: 64% say they'll have to take more risk than their competition to maintain a competitive advantage.

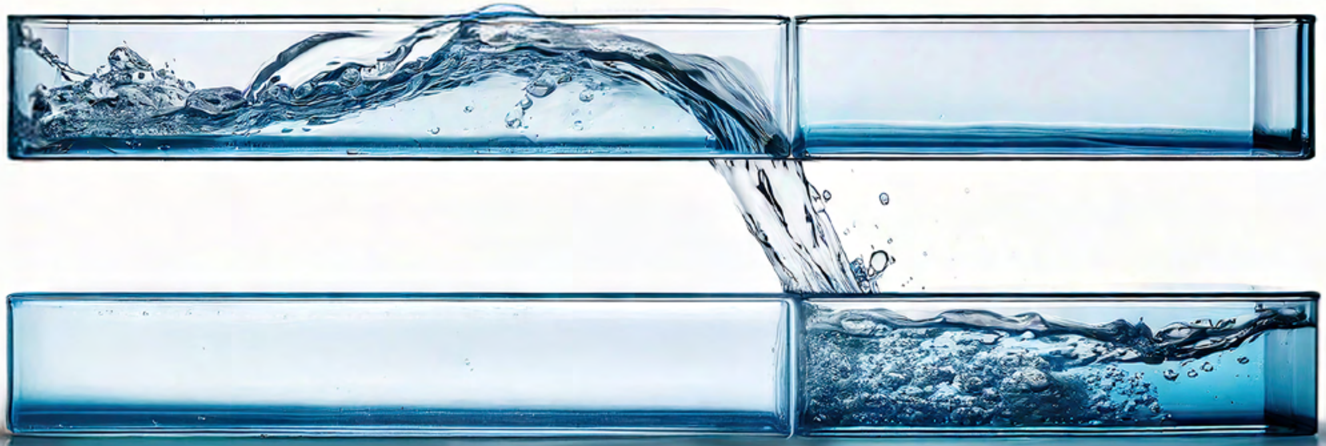
The power and potential of AI is pushing organizations to transform faster, even if they're not sure what exactly what that entails. 64% of CEOs say the risk of falling behind drives them to invest in some technologies before they have a clear understanding of the value they bring to the organization.

Move fast, don't break anything

CEOs want tech investments that strike the right balance between speed and stability.

64%

of CEOs say the risk of falling behind drives them to invest in some technologies before they have a clear understanding of the value they bring to the organization.



But only

37%

say it's better to be fast and wrong than right and slow when it comes to technology adoption.

But taking risks doesn't mean being reckless—only 37% of CEOs say that, when it comes to technology adoption, it's better to be fast and wrong than right and slow. Rather, taking smart risks means building teams with the courage to experiment—to learn, to speed up or slow down, to fail, and to keep moving forward. It means making small bets on innovation that enable bigger bets later on.

While speed remains essential, so does brand trust. Looking to the future, 65% of CEOs say establishing and maintaining customer trust will have a greater impact on their organization's success than any specific product and service features. And, across industries, customer loyalty is the key differentiating factor that drives ROI.[1]

> "The traditional approach of executing tech transformations through rigid control processes, fixed cost, scope, and timelines has proven ineffective for technology projects in banks. You have to trust and empower smart individuals without knowing the full specification of what you're going to get and in what time frame."

Sam Everington, CEO, Engine by Starling

So, how can CEOs take risks that result in more wins than losses? How can they embrace the small failures that enable innovation without damaging the customer relationships that deliver stakeholder value for the long term?

Right now, the most courageous CEOs are building and reinforcing a strong core. An organization's core is what keeps teams focused on shared outcomes as they race to transform. It's also the source of flexibility—what lets large enterprises pivot quickly without losing balance. CEOs in our study agree that leadership is integral to this stable core, with 69% saying their organization's success is directly tied to maintaining a broad group of leaders with a deep understanding of strategy and the authority to make critical decisions.

Dynamic technology, including AI-powered systems, is another key component of core strength. When everyone has access to the same real-time information—and can simulate how a change in one area might affect others—it's easier to be brave and take the right risks. CEOs can build momentum, making aggressive moves with confidence, while avoiding disruption-induced whiplash.

Courage doesn't come from certainty. It comes from confidence: knowing you have the right information, talent, and resources to deliver on the organization's growth strategy, even as your teams navigate the unknown.

Consider the traditionally rigid budgeting process. 59% of our CEO respondents lament that when unexpected changes occur, their organization struggles to balance funding for existing operations and investment in innovation. In fact, 67% of CEOs say they need more budget flexibility to take advantage of digital opportunities that drive long-term growth and innovation.

Bringing a fearless mindset to the allocation of capital means building the flexibility to respond to disruption quickly and strategically, balancing incremental change with large-scale transformation. Ultimately, it's a question of trust. By designing interconnected systems, processes, and architectures with clearer objectives in mind, CEOs can remove the red tape that obstructs transformation. They can empower teams to pursue brave business strategies—without sacrificing cost-efficiency.

> "You need to be able to push your thinking, even without time for rigorous analysis, through to the implications and the solutioning much faster, so you can be a guide to others who need to act and operate quickly."

Carla Vernón, CEO, The Honest Company

What to do

1

Get rid of "good enough."

Inspire teams to think bigger with the boldness of your ambitions. Cut through complexity by setting goals so sharp that everyone understands them—and silos must crumble to meet them. Break big-picture transformation into manageable chunks to build momentum for massive change.

2

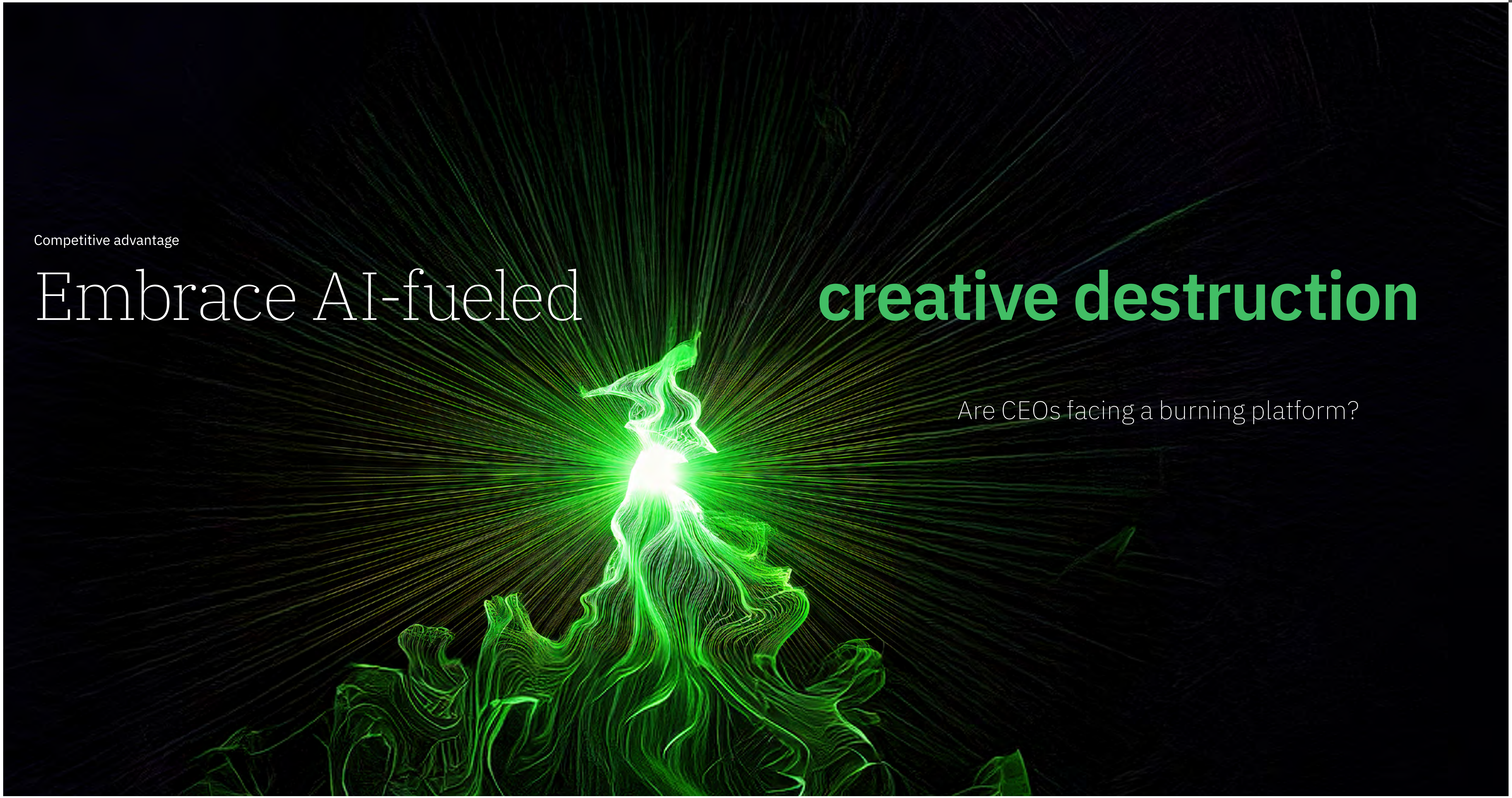
Create innovation liquidity.

Connect the dots between today's business demands and the future talent, tech, and other resources that will be required to meet them. Seed transformation through earmarked investment. Fund the innovations that have the greatest potential to drive long-term growth. Make real-time adjustments as needs change and shift budgets accordingly.

3

Expect imperfection.

Don't over-optimize your budgeting process or technical infrastructure for today's business environment. Prioritize adaptability over efficiency to avoid painting your business into a corner. Arm teams with tools that help them visualize how changes in one area could affect others. Track the domino effect each change has on the organization's reputation, customer relationships, and employee engagement to improve models, inform future decision-making, and avoid surprises.



Competitive advantage

Embrace AI-fueled **creative destruction**

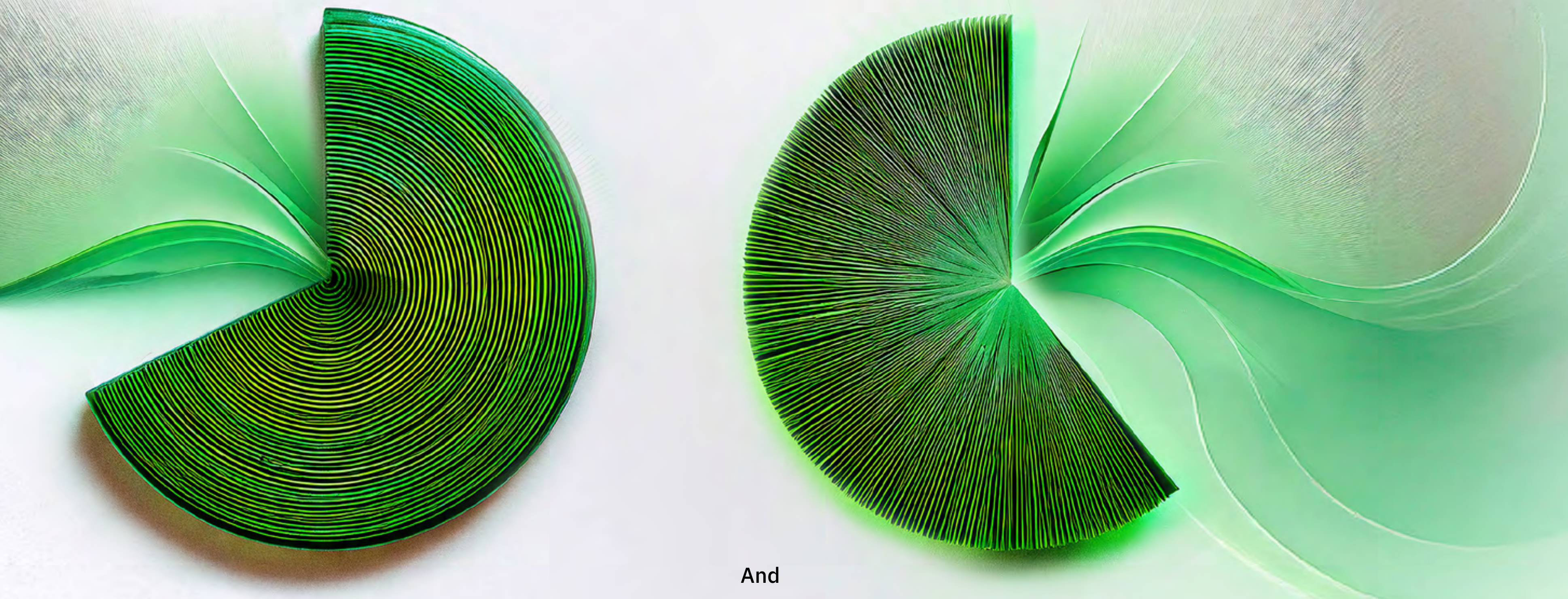
Are CEOs facing a burning platform?

Old game, new rules

CEOs say AI redefines the competitive landscape.

68%

of CEOs say AI changes aspects of their business that they consider core.



And

61%

say competitive advantage depends on who has the most advanced generative AI.

AI

Maybe, but while fire can be devastating and destructive, it can also be a source of new life. It can jumpstart an ecosystem, clearing away weeds and activating dormant seeds. When the smoke clears, a new season of growth begins.

This analogy holds true with AI.

As it spreads, it's burning away outdated habits that suffocate growth. While it's unclear what exactly will emerge from the ashes, this reset makes room for fresh ideas to flourish.

This is happening in real time, with 68% of CEOs saying AI changes aspects of their business that they consider core. They're rethinking everything—from the products and services they offer to how they run their business. And this creative destruction is redefining entire markets.

Manufacturers aren't just making things anymore. They're retooling their operations to become software companies—developing AI-powered predictive maintenance solutions that optimize product performance and customer outcomes. Retailers aren't just selling products. They're asking their teams to sell experiences—making AI-enabled immersive and personalized engagement essential.

> "In tech, you either grow or you die. And to grow in our business, given the pace of change in the world, you have to innovate."

Tom Hogan, CEO, Cellebrite

This has huge implications for long-term growth strategies. When a company's business model is in flux, planning five years out seems impossible. CEOs feel pressure to focus on what will prepare them for the next major disruption—which is never more than a few months away.

In a volatile economic, competitive, and consumer landscape, CEOs of large enterprises need to think like they run a start-up. They must continually envision the next, best version of their operation—because what got them to where they are today won't get them where they want to go tomorrow. As AI changes everything, success will no longer come from simply doing the same things better. The winners will be leaders who embrace creative destruction as a way to bring their vision to life.

Pushing to the front of the pack requires big changes to the business model, the operating model, the organization's innovation mindset, and how it measures success. It demands striking a delicate balance between optimizing what works—and burning down what doesn't to make room for something new.

While AI isn't a silver bullet, it will play a central role in this process: 61% of CEOs say competitive advantage depends on who has the most advanced generative AI. A critical element in capitalizing on this moment—without squandering resources and breaking the bank—is using the right AI model for every job.

As fierce competition sends AI model costs plummeting, CEOs can gain a cost-effective advantage by adopting smaller models populated with specific enterprise data whenever possible. These models often deliver better quality AI outputs while using less energy and compute power. This informs smarter, more targeted risk-taking as CEOs transform their operations—supporting a controlled AI burn that can foster healthy long-term growth and deliver stakeholder value.

AI agents can help with this process by giving CEOs the intel they need to make these difficult decisions. They can analyze information from across the enterprise and make recommendations about what should stay and what should go. They have a perspective that is often more holistic and objective than any single business leader can get on their own. This helps CEOs spur healthy destruction that's both creative *and* data-driven.

> "AI reform is not just about one product, but about changing the business process itself and providing new product value to customers. It's not about narrowcasting as in the past, but about how to transform the entire company."

Miki Tsusaka, President, Microsoft Japan

What to do

1 Think like a start-up.

Be willing to break with the past. Lean into what you want your business to look like in three years—even if it seems impossible today. Take a product development approach to transformation, encouraging teams to quickly adopt new strategies, measure their success, and then iterate based on what they've learned to avoid executing on outdated long-term plans.

2 Avoid model lock-in.

Promote a model-agnostic approach to AI development. Encourage teams to experiment with alternative models, compare model performance, and select the most effective and efficient model for each task, rather than defaulting to large, complex models. Adopt open-source AI technologies to encourage interoperability and retain the freedom to tailor models to business needs.

3 Design an AI-centric insight engine.

Clearly outline how AI assistants and agents should operate—and who is responsible for validating their work. Establish metrics and monitoring systems to assess AI effectiveness and create a culture of accountability. Determine where it's appropriate for AI to automate decision-making and where AI should play a support role, helping humans better understand all of their options before they make mission-critical calls.

The **state of AI**

AI is big business
CEOs expect their near-term AI investments to grow twice as fast as they did last year.

○ 2024-2026 ● 2025-2027

Q: By what percentage do you expect your investment in the following areas to change in the next two years?

Lighting the fire
CEOs must encourage collaboration and thoughtful risk-taking to spark innovation.

Top barriers to innovation

1 Organizational silos/lack of collaboration
2 Aversion to risk/disruption
3 Lack of expertise/knowledge
4 Lack of clear innovation strategy
5 Limited budget/financial resources
6 Inadequate technology
7 Insufficient or poorly integrated data

AI

The right tool for every job
CEOs expect hybrid cloud and generative AI to deliver different business outcomes. They want AI to enhance decision-making and cloud to accelerate efficiency and growth.

Hybrid cloud		Generative AI	
Accelerate growth/ efficiency	50%	43%	Enhance decision-making
Enhance security and risk management	48%	43%	Improve operational resilience
Improve productivity	48%	43%	Improve customer and/or employee experience
Accelerate innovation	48%	40%	Accelerate innovation
Improve operational resilience	48%	40%	Enhance security and risk management
Enhance decision-making	45%	39%	Accelerate growth/ efficiency
Improve customer and/or employee experience	44%	34%	Improve productivity

Q: Impact you expect your investments in artificial intelligence (AI) or hybrid cloud will have on business objectives over the next two years. Percentages reflect respondents that selected "significant" or "transformational" impact.

The **state of AI**

	Not investing	Piloting and experimentation	Efficiency and cost savings	Growth and expansion
2024	24%	47%	26%	3%
In one year	10%	20%	52%	18%
In two years	0%	13%	38%	49%
In five years	0%	3%	30%	67%

Q: How would you characterize the primary objective of your investments in generative AI?

The AI growth imperative

CEOs are pursuing an aggressive growth agenda with generative AI—but their progress has been slower than expected. Last year, more than two-thirds of the CEOs we surveyed said they expected to move beyond AI pilots by 2025. But this year, 60% say they are still in the piloting phase. Overall, organizations seem to be treading water. Just over half of CEOs now say they expect to drive growth with AI in the next five years, down from 67% last year.

Today	Not investing	Piloting and experimentation	Efficiency and cost savings	Growth and expansion
2025	11%	60%	22%	7%
In one year	0%	33%	51%	15%
In two years	0%	21%	39%	40%
In five years	0%	0%	45%	55%

Case study

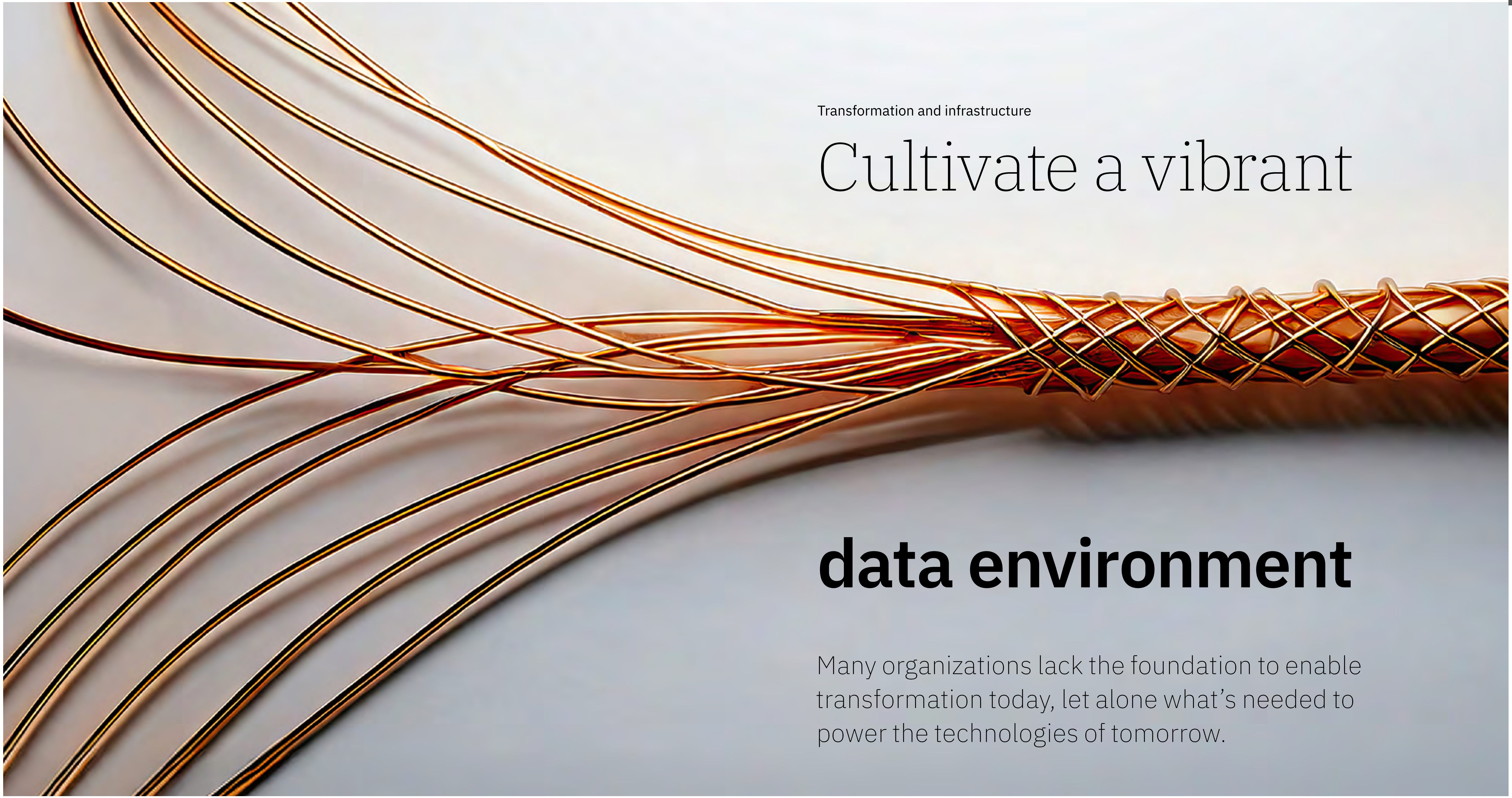
Helping clients transform core business processes with AI agents[2]

Agentic AI can assist with regulatory submissions by drafting fact-based, traceable technical documents.

IBM Consulting is already working with enterprises across industries to build and implement agentic solutions to transform their business operations.

For one global life sciences company, that work has been aimed at transforming a critical end-to-end process to bring products to market faster. It worked with IBM Consulting to apply generative AI and agentic AI to accelerate a key element of that process—content generation for regulatory submissions. Its industry-pioneering, good practice (GxP)-validated solution brings together a series of agents in a workflow to generate a first draft of technical documentation that's fact-based and traceable to clinical sources that human experts can review and finalize.

Clients like these rely on IBM to keep pace and foresee where AI innovations are headed next, while having the expertise they need right now to get business value from AI agents and their existing technology investments.



Transformation and infrastructure

Cultivate a vibrant **data environment**

Many organizations lack the foundation to enable transformation today, let alone what's needed to power the technologies of tomorrow.

In fact, half of CEOs admit that the pace of recent investments has left them with disconnected, piecemeal technology across the organization.

How can they address that as quickly and cost-effectively as possible?

Start with data. If CEOs get their data environment right, they can accelerate change, impact, and stakeholder value.

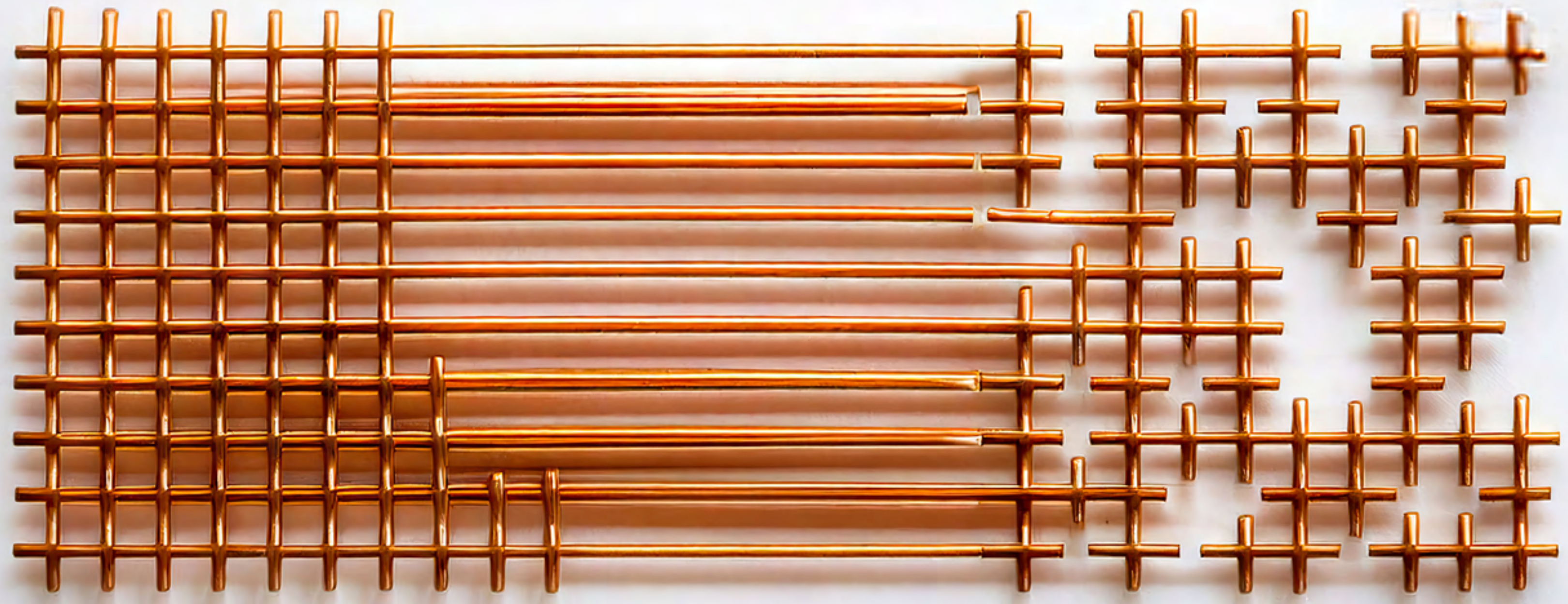
Most CEOs already recognize that data is an urgent priority: 68% say integrated enterprise-wide data architecture is critical to enable cross-functional collaboration and drive innovation, while 72% say leveraging their organization’s proprietary data is key to unlocking the value of generative AI.

> “Data as a single source of truth that everybody can see has been transformational for partnerships. Not only for eliminating challenges and disputes but for identifying opportunities for improvement, including new services and new lines of business.”

Tamara Vrooman, CEO, Vancouver Airport Authority (YVR)

AI needs a data lifeline
Disconnected data limits the potential of AI-driven business reinvention.

72%
of CEOs say proprietary data is key to unlocking the value of generative AI.



But
50%
say their organization has disconnected technology due to the pace of recent investments.

But not enough organizations have effectively integrated the data that runs through their operations, like a root system supporting a forest. Not all data must be centralized—data can be anywhere—but if it's properly identified, structured, and governed, it can supercharge growth.

What does that look like?

It could mean using sales information to train AI agents to customize inventory stock and store layouts for specific retail locations based on local consumer demand. Or using historical employee expense data to train AI agents to make or change bookings based on individual employee travel needs and preferences, while also suggesting routes and reservations that reduce costs. Or IT leaders could train AI agents to monitor and manage cloud-based workloads to optimize for energy- and cost-efficiency.

"The organization of an enterprise must be lean, efficient, and flexible, but it needs strong data support as its foundation."

Anonymous Chairperson, Industrial Manufacturing, China

"You have to really go back to basics. You have to re-engineer all the stuff you take for granted. You have to say, 'We need to look at completely overhauling who our suppliers are; how we sponsor and create new supply chains.' All of those things are on the table now."

David Scaysbrook, Co-Founder and Managing Partner, Quinbrook Infrastructure Partners

The journey to success with AI agents requires a willingness to pause (at least for a moment) and take stock of your organization's technology estate. You need to assess where your web of technology is strong enough to support growth—and where it's failing to feed the organization the data it needs to thrive.

Regardless of where they're starting from today, CEOs must create a solid tech foundation to fuel AI adoption at scale. Rather than being limited by past technology investments, they need to build the flexibility that will help them take successful strategic risks without compounding technical debt.

What to do

1

Master the basics.

Prepare for a world shifting away from static dashboards and reports into more conversational and predictive AI-fueled insights. Identify the different data sources available across the organization and assess their current state, flagging gaps and weaknesses. If you're still struggling with the fundamentals, start by creating a unified view of organizational data—something much more democratized than the control tower approach—with self-service data capabilities, data virtualization, and integration across systems of record.

2

Plug your people into the datastream.

Create a data fabric that makes it possible to integrate AI agents and assistants into daily operations—automating routine tasks, augmenting human decision-making, and supporting high-value work. Establish a data quality framework that ensures accuracy, completeness, and consistency. Use a cloud-native data platform that enables real-time collaboration across silos and makes data more accessible, no matter where it resides. Establish a data access and security framework that ensures data is protected and access is restricted to authorized personnel.

3

Teach AI agents—then become the student.

Develop a training framework that provides AI assistants and agents with the necessary data and information to automate end-to-end workflows. Help them understand the unique aspects of your organization, including ethical considerations, security and privacy policies, and desired customer experience outcomes. Establish a feedback loop that allows AI assistants and agents to provide feedback and suggestions to improve data quality and accessibility, as well as business processes.

Case study

Acing the US Open digital experience[3]

For two weeks at the end of summer, nearly one million people make the journey to Flushing, New York, to watch the best tennis players in the world compete in the US Open Tennis Championships. But more than 15 million global tennis fans follow the tournament through the US Open app and website.

> "The digital experience of the US Open is of enormous importance to our global fans, and therefore to us. That means we need to constantly innovate to meet the modern demands of tennis fans, anticipating their needs, but also surprising them with new and unexpected experiences."

Kirsten Corio, Chief Commercial Officer, United States Tennis Association

AI models transform data into insight

To help the US Open stay on the cutting edge of customer experience, IBM Consulting worked closely with the United States Tennis Association (USTA) to develop generative AI models that transform tennis data into insights and original content on the US Open app and website.

For example, Match Reports are AI-generated post-match summaries that are designed to get fans quickly up to speed on the action from around the tournament. AI Commentary adds AI-generated, spoken commentary to match highlights. And SlamTracker–the premier scoring application for the US Open–features AI-generated match previews and recaps.

"The AI models built with watsonx do more than enhance the digital experience of the US Open," says Kirsten Corio, Chief Commercial Officer, USTA. "They also scale the productivity of our editorial team by automating key workflows."

The IBM team worked with multiple AI models to develop the new features. These large language models already understand language, but they needed to be trained, or "tuned," on tennis data in order to translate US Open action into sentences and summaries.

"Foundation models are incredibly powerful and are ushering in a new age of generative AI," says Shannon Miller, a Partner at IBM Consulting. "But to generate meaningful business outcomes, they need to be trained on high-quality data and develop domain expertise. And that's why an organization's proprietary data is the key differentiator when it comes to AI."

Innovation

Ignore FOMO,

lean into ROI

Groundbreaking proofs-of-concept make headlines and give outsiders FOMO—fear of missing out—but they don’t always drive business results.

Over the past three years, CEOs say only 25% of AI initiatives have delivered expected ROI—and only 16% have scaled enterprise-wide.

To transcend the hype, successful CEOs prioritize ROI-focused innovation. Today, 65% of CEOs say their organization leans into AI use cases based on ROI—and 68% say their organization has clear metrics to measure innovation ROI effectively.

This focus on data-driven implementation is helping organizations move the needle with their AI investments. In 2025, Chief AI Officers report an average AI ROI of 14%, as many AI programs move beyond pilot programs to larger implementations at scale.[4] So far, organizations have focused on making improvements in areas where traditional AI already made big gains, such as IT and customer service.

But where should CEOs focus their efforts after the low-hanging fruit has been picked?

CEOs in our study say their top priority for the next three years is improving forecast accuracy—predicting business outcomes to inform more stable strategic plans–which is up from fourth place last year. The key, then, is investing in innovations that help teams respond to market shifts.

> "AI has been business needs-driven to ensure that we can start small and scale—that we can test its adoption, get people working on it, and then scale it across our operations."

Tamara Vrooman, CEO, Vancouver Airport Authority (YVR)

Redefining AI ROI

Cost reduction is only part of the equation.

65%

of CEOs say they prioritize AI use cases based on ROI.

But only

52%

say their generative AI investments are delivering value beyond cost reduction.

That may require a longer time horizon for measuring ROI—and a broader set of metrics to define it. From greater customer satisfaction and retention to fewer security breaches and compliance penalties to new opportunities for cross-selling or upselling, AI can move the needle in many areas that influence business outcomes. For example, 51% of executives expect AI-driven automation to improve customer experience in 2026, up from just 16% in 2024.[5]

If CEOs only talk about productivity they've lost the plot. By investing in where this technology is headed, organizations can do more to outpace the competition. This requires avoiding the temptation to buy every shiny new toy and staying focused so you can consistently improve systems that do the most to drive growth.

"The issue that we're confronting at the moment is, what is the customer pain point as power prices rise due to tariff-induced cost increases? Achieving the same rate of return on investment in new projects is more challenging now, because we're focused on customer reaction to price inflation."

David Scaysbrook, Co-Founder and Managing Partner, Quinbrook Infrastructure Partners

"While navigating a changing landscape, we have managed to find financial resources to invest in innovations such as AI—which do not immediately show up in ROI—and set up an innovation quota."

Toshiaki Sumino, CEO, Dai-ichi Life Insurance Company

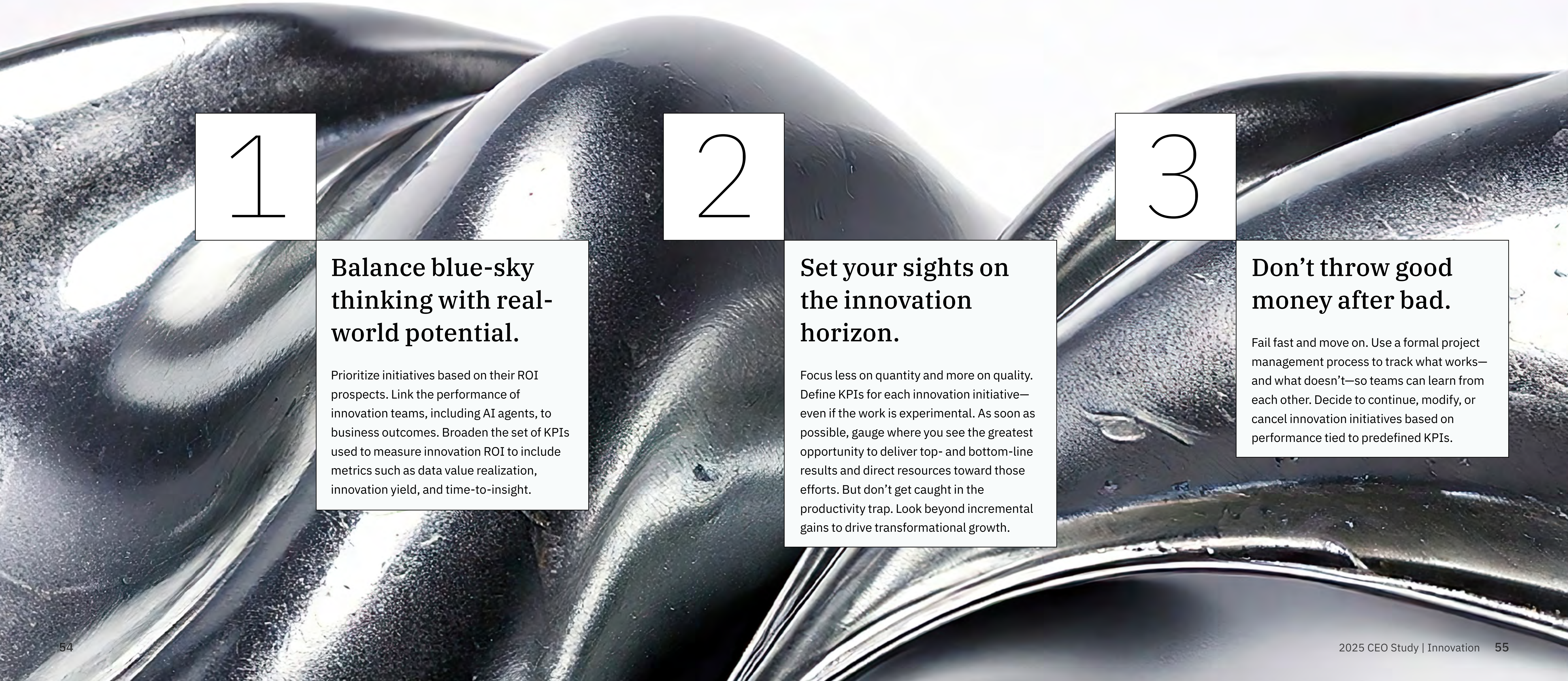
CEOs are optimistic about their ability to deliver value with AI.

85% expect a positive ROI for scaled AI efficiency and cost savings investments by 2027, and 77% expect to see a positive ROI for projects that highlight scaled AI growth and expansion.

Yet, there are several barriers to watch, from a lack of collaboration across silos to aversion to risk and disruption. These challenges can create a mindset of incrementalism rather than substantive growth. In fact, only 52% of CEOs say their organization is realizing value from generative AI beyond cost reduction.

CEOs who keep relying on existing business, operating, and governance models are stuck in the past. In today's wildly disruptive environment, that may be the biggest risk of all.

What to do



1

Balance blue-sky thinking with real-world potential.

Prioritize initiatives based on their ROI prospects. Link the performance of innovation teams, including AI agents, to business outcomes. Broaden the set of KPIs used to measure innovation ROI to include metrics such as data value realization, innovation yield, and time-to-insight.

2

Set your sights on the innovation horizon.

Focus less on quantity and more on quality. Define KPIs for each innovation initiative—even if the work is experimental. As soon as possible, gauge where you see the greatest opportunity to deliver top- and bottom-line results and direct resources toward those efforts. But don’t get caught in the productivity trap. Look beyond incremental gains to drive transformational growth.

3

Don’t throw good money after bad.

Fail fast and move on. Use a formal project management process to track what works—and what doesn’t—so teams can learn from each other. Decide to continue, modify, or cancel innovation initiatives based on performance tied to predefined KPIs.

Case study

Arizona Department of Child Safety (DCS) simplifies processes with gen AI[6]

Arizona DCS manages complex processes as part of its mission to protect children, reunify families, ensure safe living environments, and prevent unnecessary trauma.

In the past, the department struggled to manage complex casework and keep up with constantly evolving policies. Furthermore, manual processes slowed decision-making, leading to inefficiencies and delays.

To make sure process changes were handled with care and consideration, Arizona DCS partnered with IBM Consulting and applied a phased approach specifically tailored to meet the distinctive demands of DCS operations. The Arizona DCS transformation and modernization resulted in improved central registry classification, virtual assistant support for policy changes, and streamlined development processes that reduce workload and increased productivity.

Virtual assistant for policy changes and information access

Arizona DCS faced issues in keeping the caseworkers current with the policy changes and procedural updates on the Program Policy portal, a tool created to provide information and answer questions about policies. The complexity of policy documents and other accessibility issues led to inefficiencies in information retrieval and comprehension, resulting in lost productivity and challenging compliance efforts.

An AI-powered virtual assistant was created to simplify the process of accessing and understanding policy documents. This virtual assistant is now live and providing these benefits:

– Enhanced user experience via intuitive interface offers seamless navigation and access to policy documents for DCS professionals.

– Swift search and retrieval facilitate quick, precise search and retrieval of policy information in response to user inquiries.

– Simplified policy language for clear explanations helps minimize the likelihood of policy violations.

– Increased productivity and reduced review time for policy alterations.

(continued)

DevOps integration for enhanced development and productivity

Arizona DCS was challenged to handle roadblocks in its process, as product owners and business analysts were managing additional responsibilities supporting case workers. The time-consuming process to create user stories and acceptance criteria delayed task development, impacted project timelines, and decreased productivity across teams.

After detailed design and planning, the team worked to integrate a gen AI tool to generate and refine features, user stories, acceptance criteria, and test cases. Additional benefits for Arizona DCS include:

– Productivity gains with a 40% increase allow more efficiency.

– Accelerated development timelines enable faster delivery of projects and features.

– Gen AI-driven development empowers the team without requiring extensive technical expertise and effectively managing risks.

– Streamlined development processes reduce workload and prove the potential of AI to transform the way teams work and deliver projects together.

AI builder for streamlined processing

Processing thousands of documents related to casework each month was a significant challenge for Arizona DCS. The existing process was time-consuming and inefficient.

To solve this, the team implemented a mechanism to read documents that automatically prefills forms. With the power of AI Builder, the team has significantly improved the efficiency of document processing for achieving multiple benefits:

– Reduced processing time frees up resources for more critical tasks.

– Automated uploading of multiple documents reduces document upload time by 500%.

– Streamlined document processing saves time and resources for providers and DCS staff.

> "IBM Consulting team helped us implement key Microsoft gen AI solutions that have significantly improved the efficiency of caseworkers, enabling them to focus on what really matters—helping families."

Frank Sweeney, Chief Information Officer, Arizona DCS

Talent and partnerships

Borrow the talent you can't buy

Generative AI—along with AI assistants and agents—are creating new jobs faster than companies can fill them.

CEOs say 31% of the workforce will require retraining or reskilling within three years. And 54% say they're hiring for roles related to AI that didn't even exist a year ago.

Leaders need to get creative to stay staffed up.

67% of CEOs say that differentiation depends on having the right expertise in the right positions with the right incentives. Many are adopting a "build, buy, bot, borrow" approach.

They're looking to reskill the talent they already have (build), hire the talent they need (buy), and add AI assistants and agents to workflows wherever they can (bot), with 65% of CEOs saying they'll use automation to address skill gaps.

But our data shows that CEOs also expect to rely on partners to borrow what they can't find another way. Fortunately, many of the scarce high-end skills and capabilities they need already exist within their ecosystem. Accounting firms, for instance, haven't historically needed a deep bench of AI experts. But as the CEOs of these firms reinvent their business models, and AI agents become more integrated into accounting workflows, outside partners can provide the cutting-edge tech expertise the in-house team lacks.

The dynamic talent puzzle
CEOs must fill talent gaps as fast as they appear.

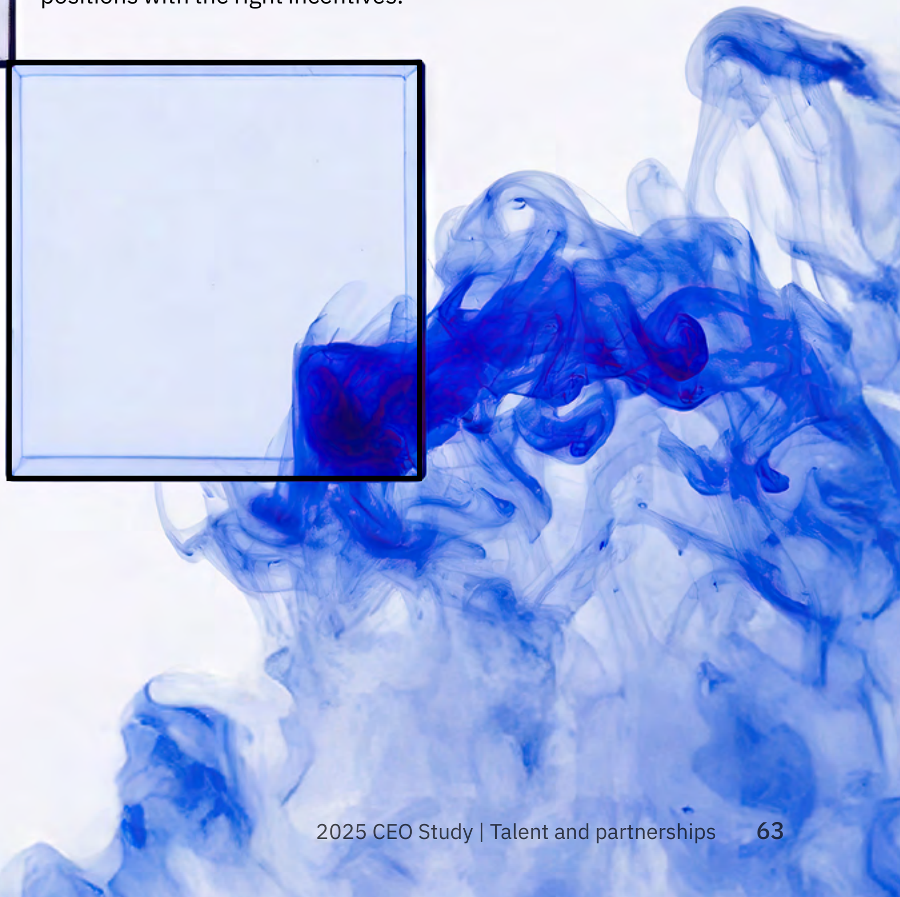
67%

of CEOs say differentiation depends on having the right expertise in the right positions with the right incentives.

But

31%

of the workforce will require retraining and/or reskilling over the next three years.



CEOs increasingly see the value of broadening the scope of their most valuable tech partnerships. In fact, 57% of CEOs say outsourcing non-core activities provides strategic advantages, even if it means relinquishing some control. The CEOs in our study acknowledge that outsourcing comes with risk. To manage that risk, 66% say their strategy is to concentrate on fewer, higher quality partnerships for the future.

"As the demands of the times shift, we must also reform our talent structure ... To cope with uncertainty, we must cultivate a circle of allies. In turbulent waters, a lone boat capsizes easily, but a fleet can sail far."

Aiqing Yang, CEO, JA Solar

"How do we set our people up for the future? We feel it's by giving them the confidence to use AI in different situations as part of their own development."

Tamara Vrooman, CEO, Vancouver Airport Authority (YVR)

Picking the right partners requires some soul searching. CEOs need to rethink how they manage the technical aspects of their business now considered core and how to safeguard control over areas of competitive advantage. The tradeoff is clear: Only by making trusted partners more central to their business will they find new ways to fuel the innovation today's uncertain environment demands.

What to do

1

Know your weaknesses—and stack your strengths.

Use AI tools for job analysis and skill assessments to identify your most severe AI skills gaps. Put your best tech talent on your most valuable strategic initiatives. Build an AI board that blends technical and business skills to drive real change. Give them the mandate and authority to look at the bigger picture and work across functional silos—and have them report directly to you.

2

Strengthen your core partnerships.

Define the roles and responsibilities of each party and outline the terms and conditions of the partnership, including the scope of work, payment terms, and intellectual property rights. Provide partners with access to the organization's systems, processes, and people. Participate in joint planning, decision-making, and problem-solving to keep core partners aligned with the organization's goals and objectives. Continuously evaluate how and why you are partnering, keeping shared values top of mind.

3

Use borrowed talent to shake up the status quo.

Bring people with a growth mindset—and technical expertise—into the fold to accelerate change. Make borrowed talent feel at home by helping them understand the role they play in driving business outcomes. Steep them in the organization's culture, values, and goals by providing orientation, training, and support as if they were your own employees.

Will relying too heavily on AI lead to a loss of human touch, potentially damaging customer relationships and reputation?

AI systems can lead to significant job displacement, as ation replaces human workers in certain industries. This d to social and economic disruption, as well as increased inequality and decreased consumer spending power.

service can lead to a lack of transparency and accountability, customers to escalate issues or receive meaningful support.

ment and deployment of AI systems can be costly and time-quiring significant investments in infrastructure, talent, and training, which may not be feasible for all organizations.

The use of AI in customer service can lead to a lack of transparency and accountability,

making it difficult for customers to escalate issues or receive meaningful support.

Tune out **the static**

Keeping your organization standing strong in the face of constant disruption is exhausting. Plugging in a new system or platform isn’t enough. But the promise of agentic AI can help CEOs tune out the static and focus on tailoring solutions to meet the needs of their organization, enabling innovation, and achieving real ROI.

e of AI in cybersecurity can create new vulnerabilities, as AI systems can be exploited by hackers and cyber criminals, potentially leading to even more devastating attacks.

Will relying too heavily on AI lead to a loss of human touch, potentially damaging customer relationships and reputation?

e reliance on AI for data analysis can lead to a lack of critical king and skepticism, as humans may be too willing to accept AI-generated results without questioning their validity

This can lead to social and economic disruption, as well as sed inequality and decreased consumer spending power.

as humans may be too willing to accept AI-generated results without questioning their validity.

By shifting mindsets to embrace data-fueled and people-powered agentic AI, and taking an intentional approach to managing risk, leaders can stay focused on delivering business value, even as disruption tries to pull them in a dozen directions. Experienced partners can help CEOs avoid common pitfalls, lead a smooth transition, and optimize performance to fuel long-term growth.

Intentional risk-taking, an AI-first mindset, and holistic tech integration are positioning leaders who can navigate uncertainty on the inside track. Don’t be left behind.

Research and methodology

The IBM Institute for Business Value (IBM IBV), in cooperation with Oxford Economics, conducted a global survey in the first quarter of 2025. The survey targeted CEOs or the most senior executives from organizations worldwide, with a total sample size of 2,000 respondents. At least 500 participants are from companies also involved in parallel COO and CMO surveys to ensure cross-functional insights. The study spanned 33 geographies, maintaining proportional geographic representation. It included leaders from 24 industries, such as manufacturing, retail, IT services, and government, and features a mix of publicly traded (68%) and privately held organizations (32%). In addition to survey responses, insights were drawn from numerous client conversations, including a series of CEO interviews conducted between February and April 2025.

The study covered several key areas, including demographics, organizational performance, strategic priorities, and innovation challenges. The survey also explored how companies manage change, adopt technology like AI and cloud, and make decisions. Additionally, it assessed leadership approaches, talent strategies, and cultural readiness for transformation, as well as collaboration efforts and regulatory concerns.

The analysis of the 2025 CEO Survey includes a robust mix of quantitative, qualitative, and deep learning analytical methods to uncover meaningful insights. Quantitative analysis begins with descriptive statistics—such as means and frequency distributions— to summarize key themes and technology adoption rates across the sample.

Cross-tabulations are employed to explore variations by industry, geographic region, and company size, helping to surface distinct patterns and trends. For questions repeated across survey waves, trend analysis is conducted to track year-over-year shifts.

To deepen the understanding of relationships within the data, advanced analytics were applied, including correlation analysis, correspondence analysis, regression analysis, and neural networks to examine links between technology adoption and business outcomes.

As part of this analytics approach, a two-step clustering method was deployed to segment organizations based on six theoretically grounded variables critical to digital transformation: operational responsiveness, cross-functional integration, AI regulatory preparedness, budget flexibility for emerging technologies, workforce AI impact assessment, and innovation barriers from legacy systems. These variables were selected through both theoretical and empirical justification—first, for their alignment with key digital transformation constructs, and second, due to their significant intercorrelations and demonstrable associations with financial KPIs such as revenue growth and profitability.

The two-step clustering algorithm was chosen for its ability to automatically determine the optimal number of clusters while efficiently handling Likert-scale data. The analysis revealed distinct organizational groupings characterized by varying levels of technological maturity, strategic alignment, and readiness for AI adoption, providing a nuanced framework to assess digital transformation progress.

Geographies	Count	Column %
Australia	80	4%
Brazil	80	4%
Canada	80	4%
Chile	30	2%
China	110	6%
Colombia	30	2%
Denmark	40	2%
Egypt	20	1%
France	80	4%
Germany	100	5%
Hong Kong	20	1%
India	100	5%
Indonesia	30	2%
Ireland	30	2%
Italy	70	4%
Japan	110	6%
Malaysia	40	2%
Mexico	60	3%
Netherlands	40	2%
Philippines	40	2%
Qatar	20	1%
Saudi Arabia	40	2%
Singapore	60	3%
South Africa	40	2%
South Korea	50	3%
Spain	60	3%
Sweden	40	2%
Switzerland	40	2%
Taiwan	40	2%
Thailand	40	2%
UAE	40	2%
United Kingdom	100	5%
United States	240	12%
Sample size	**2,000**	

Industries	Count	Column %
Automotive OEMs	40	2%
Automotive Suppliers	80	4%
Banking—Financial Markets	80	4%
Banking—Retail / Consumer	100	5%
Banking—Wholesale / Business	60	3%
Chemicals	80	4%
Consumer Products	120	6%
Consumer—Retail	120	6%
Electronics	80	4%
Energy and Utilities	100	5%
Government—Federal	100	5%
Government—State / Provincial	80	4%
Healthcare Payer	20	1%
Healthcare Provider	80	4%
Industrial Products	100	5%
Information technology services (including IT consulting)	80	4%
Insurance	100	5%
Life Sciences / Pharmaceuticals	80	4%
Manufacturing (excluding Industrial Products)	140	7%
Media and Entertainment	60	3%
Petroleum (including Oil and Gas)	100	5%
Telecommunications	120	6%
Transportation	40	2%
Travel	40	2%
Sample size	**2,000**	

Regions	Count	Column %
ANZ (Australia)	80	4%
ASEAN	210	11%
India	100	5%
South Korea	50	3%
Europe	470	24%
Greater China	170	9%
Japan	110	6%
LATAM	200	10%
MEA	160	8%
UKI	130	7%
North America	320	16%
Sample size	**2,000**	

Company type*	Count	Column %
Publicly traded	1,233	68%
Privately held	587	32%
Sample size	**1,820**	

**Does not include government respondents.*

IBM Institute for Business Value

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IBM Corporation
New Orchard Road
Armonk, NY 10504

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