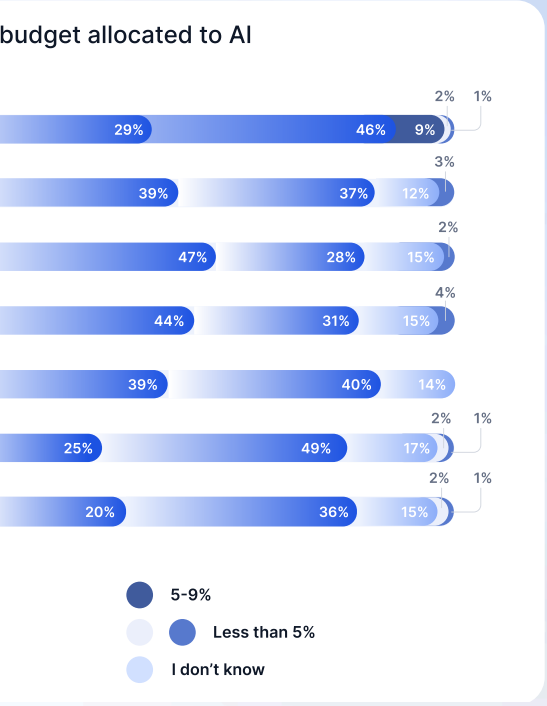
Practical Insights from AI Leaders

The insights and data provided in this report are for informational purposes only.



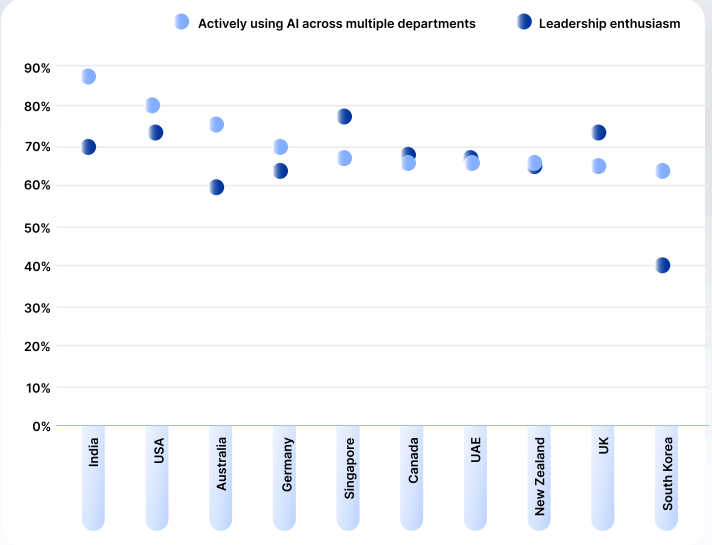


TABLE OF CONTENTS

Foreword

We're entering a new era where AI is no longer a question of if, but how fast and how far.

In the past year, AI has crossed a threshold. What was once experimental is now operational. It's powering real impact—from transforming service delivery and automating workplace tasks to accelerating decisions and shaping new business models.

At Kore.ai, we believe this is more than a tech shift—it's a mindset shift. It's about reimagining how work gets done, how people interact with systems, and how businesses scale intelligence across every function. But transformation doesn't happen in isolation. It requires insights from those on the front lines: the leaders building, implementing, and navigating AI across the enterprise.

This is why we commissioned global research, capturing the voices of over 1,000 senior leaders across industries and regions. What we found is clear: organizations aren't just investing in AI—they're re-architecting around it. Yet, challenges remain: data quality, scaling barriers, talent gaps, and the cost of deploying LLMs at scale.

This report cuts through the noise and delivers practical, real-world insights. From build vs. buy decisions and use cases that work to talent strategies and vendor selection, it offers a map of where AI is today—and where it needs to go next.

Whether you're an AI optimist, a cautious adopter, or somewhere in between, we are confident this research will offer you the clarity and confidence to move forward with purpose.

Let's reimagine the business with AI. Together.

~ Raj Koneru
Founder and CEO, Kore.ai

About the report

Practical insights from AI Leaders – 2025 represents our research findings on how enterprise AI leaders think about AI, their primary use cases, challenges, success metrics, and planning for future AI. Researched by Paradoxes and supported by Kore.ai, this report offers a global perspective on how leading organizations are operationalizing AI—reshaping business models, accelerating innovation, and creating competitive advantage.

Based on insights from AI leaders across industries and regions, this report focuses on what's top of mind: the priorities, investments, and talent strategies driving the next phase of AI adoption.

Whether you're just getting started with AI or planning to scale AI across your organization, this report delivers the practical insights needed to lead with confidence.

Based on insights across industries and regions, this report focuses on what's top of mind: the priorities, investments, and talent strategies driving the next phase of AI adoption. Whether you're deploying initial pilots or refining an enterprise-wide AI strategy, this report delivers the intelligence needed to lead with confidence in an era defined by transformation.

In this paper, you'll discover:

- Where and how AI is being used across departments
- The top use cases in different industries delivering measurable impact
- The AI technologies enterprises are adopting—and why
- How leaders are choosing between building vs. buying AI tools and solutions
- What matters most when selecting AI vendors or platforms
- The biggest AI challenges companies face today—and what they've learned
- How talent and skills are evolving to keep pace
- Where AI budgets are headed next
- What's changing in AI strategies for 2025 and beyond

Key findings

1 AI is making inroads in every function, but the readiness lags

AI is now embedded across the enterprise, with 71% of companies actively using or piloting AI across departments like customer service, IT, HR, finance, operations, and marketing. Yet, only 30% report being fully prepared, pointing to critical gaps in data, infrastructure, and talent.

2 AI is used in workplace, business process automation & orchestration, and for customer service

Process orchestration is the top use case, accounting for 44%. AI in the workplace follows at 31%, with enterprises deploying it to enhance employee productivity. AI for customer service claims 24% and is being adopted to deliver better and faster support.

3 Buy-over-build is the dominant strategy

The vast majority—72%—prefer purchasing and customizing AI solutions over building them internally. Trust and reputation lead vendor evaluations, with model output quality, efficiency, and integration cited as top decision factors.

4 Initial success is high, but scaling is tough

The study revealed that 93% consider their initial AI implementations (pilots) successful, however, scaling is constrained due to concerns over data privacy and regulatory compliance, LLM costs, and AI talent shortage.

5 The human-AI collaboration is the next frontier

AI success is increasingly tied to AI expertise and employees' ability to collaborate with AI. Most companies plan to upskill or hire for data analysis and AI interaction roles, acknowledging that technical infrastructure alone won't drive future gains.

In short, the use of AI in the enterprise has entered a new phase—moving from experimentation to operationalization, but realizing its full value requires a renewed focus on readiness, scalable infrastructure, responsible governance, and a workforce empowered to work alongside intelligent systems.

Key definitions for clarity

AI Platform: A foundational infrastructure that provides the core capabilities needed to build, deploy, manage, and scale AI models, agents, and applications. It includes tools for data integration, model training, orchestration, monitoring, and governance — often with support for multimodal input, agentic workflows, and APIs for integration. Think of it as the operating system for enterprise AI.

Examples: Kore.ai Agent Platform, Google Vertex AI, Microsoft Azure AI, AWS Bedrock.

AI Solutions: Pre-built or customizable end-to-end offerings that solve specific business problems using AI. These may include multiple components like bots, workflows, models, UI elements, and integrations, and are often built on top of a platform. Think of them as ready-to-use AI toolkits for functional or industry-specific use cases.

Examples: AI-powered customer service automation, HR onboarding assistants, claims processing workflows, or IT support solutions.

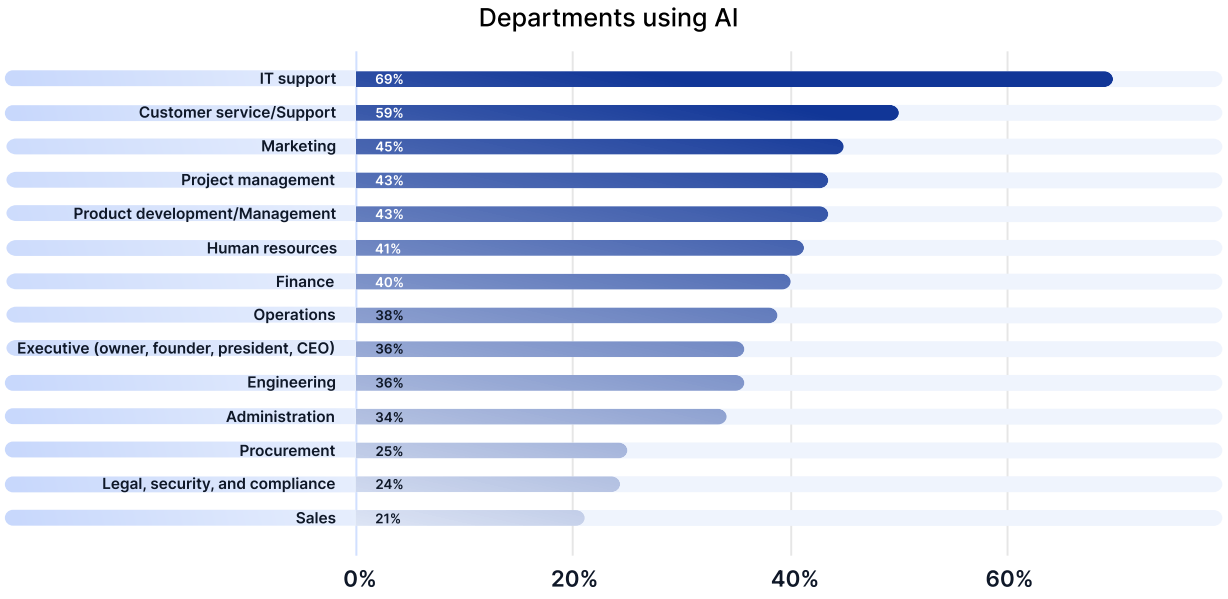
AI Apps: Lightweight, often standalone user-facing applications that use AI to perform a focused task or interaction. These can be web, mobile, or chat-based apps that leverage AI for functionality, often built from solutions or directly on the platform. Think of them as the end-user experience layer of AI.

Examples: A voice assistant app for banking, an AI assistant for tech support, and a personalized shopping assistant.

AI is actively used across multiple departments

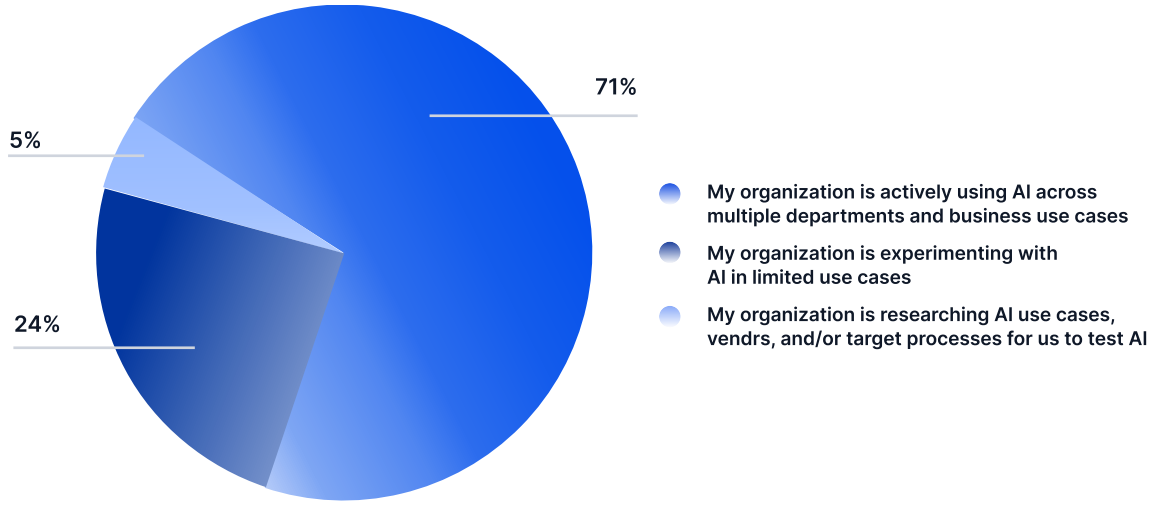
The use of AI is widespread within organizations and is now considered a core driver for digital transformation. While IT support and customer service departments continue to be the top adopters of AI, the marketing department is in the top three in AI adoption. Other departments such as product development, HR, operations, finance, and engineering have also seen good adoption of AI, while administration, procurement, legal, or sales have moderate adoption or have experimented with AI. Overall, AI is actively used or experimented with across the organization.

71% of enterprise leaders surveyed report active use of AI across multiple departments in their organization.



Which departments at your organization are currently using AI? n1029

Current AI usage

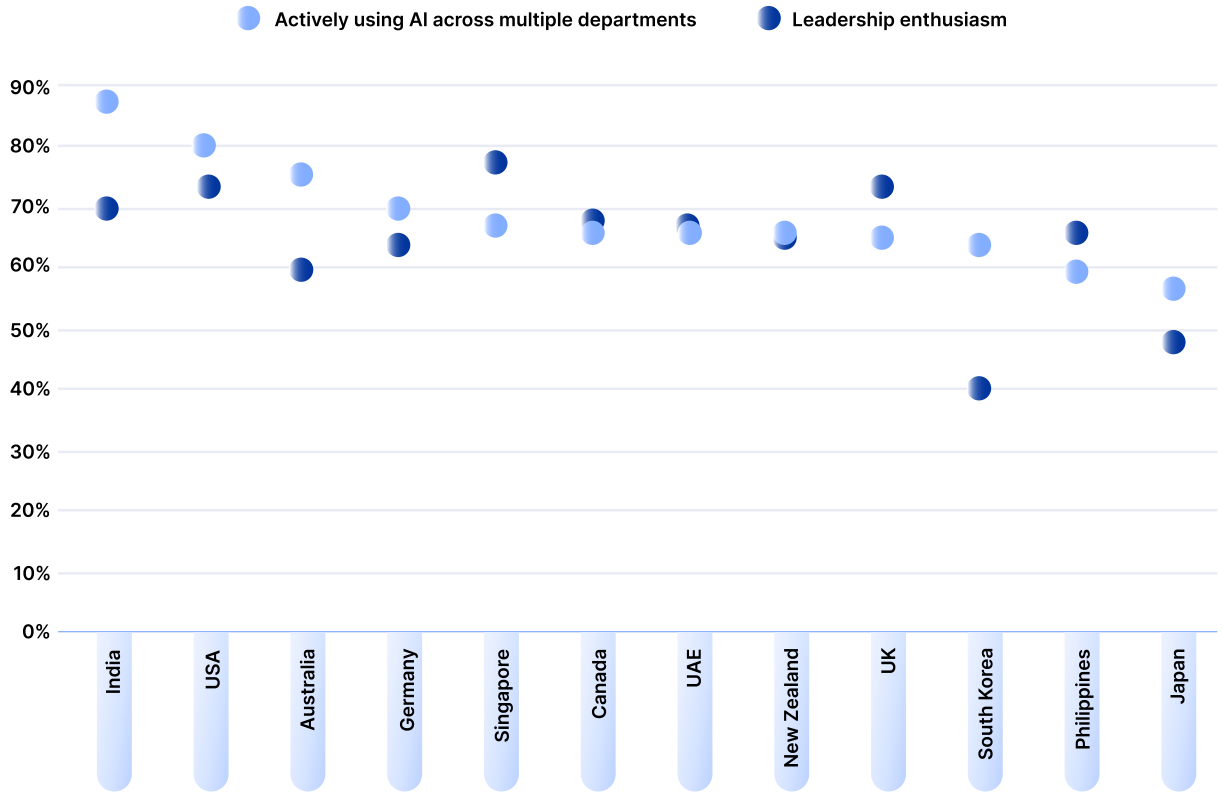


Which of the following statements best describes your organization's use of AI? n1029

This expansion marks a pivotal moment: Many functions within organizations are trying to reimagine their operations with AI. This indeed is a positive sign for AI adoption.

The United States, Germany, Australia, and India are leading the charge, both in departmental usage and executive advocacy. In contrast, South Korea, Japan, and the Philippines trail behind, reflecting a slightly lower level of enthusiasm in the leadership. These regional differences indicate the importance of executive enthusiasm in accelerating adoption.

AI use & AI leadership enthusiasm by country



Which of the following statements best describes your organization's use of AI? n1029

Which of the following statements best reflects executive leadership sentiment at your organization toward adopting AI? n1029

Overall, participants report high levels of usage and enthusiasm for the use of AI in the workplace, with the majority having deployed AI across multiple departments. This broad reach across geographic and departmental lines indicates both the importance and opportunity of incorporating AI in enterprises.

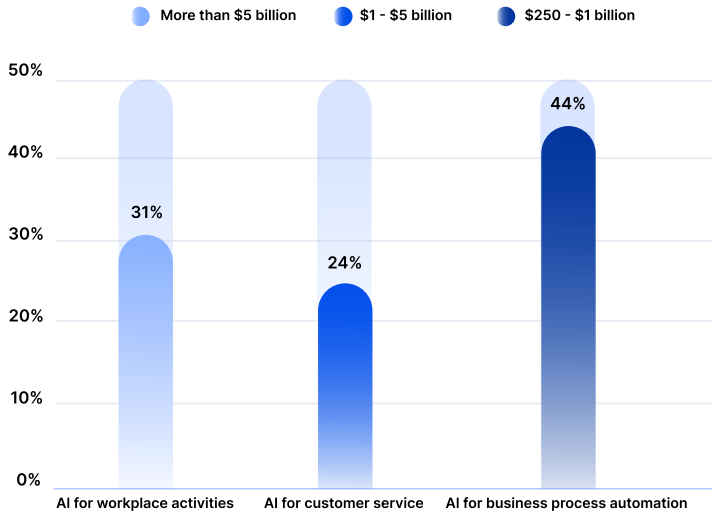
The implications are that companies are looking to rapidly develop AI strategies, invest in training across departments and roles, and adapt their organizational structures to leverage AI effectively to realize value from AI and stay ahead of their competition.

Driving the AI agenda

AI is becoming a core part of enterprise strategy, with a focus on use cases that drive clear operational value. The most common applications include improving employee productivity (e.g., information discovery, content and idea generation, analytics, task automation), business process automation (e.g., compliance, risk management, workflow automation), and customer support and self-service.

While current adoption is fairly balanced—**32% in workplace, 34% in process, and 33% in customer service**—when asked about importance, organizations ranked process automation highest (44%), followed by workplace use cases (31%), and customer service (24%).

Most important AI use cases



Of the use cases you're currently applying AI to, which is currently the most important to your organization? Select all that apply. n1029

When we look at sector-specific trends, in technology and software, and financial services sectors, the emphasis is on AI-driven insights and analytics, underlining the strategic importance of data as a competitive differentiator. Retail, healthcare, and business services are placing greater focus on AI-enabled customer engagement, while technology and software, financial services, business services, and retail are leading in use cases related to search and information discovery.

Top AI use cases by industry

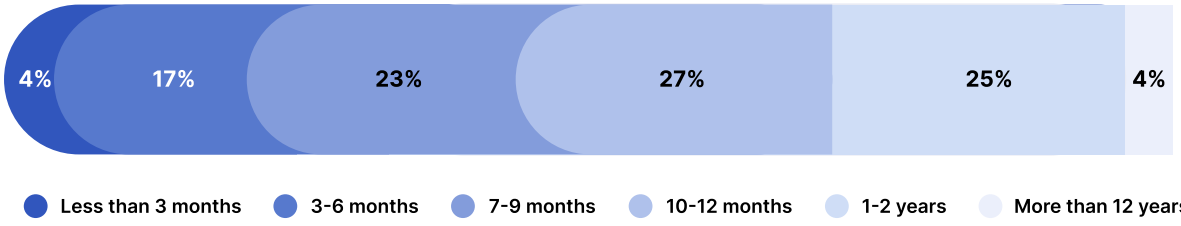
Top use case by industry	Tech and software	Financial services	Retail	Business services	Healthcare	Manufacturing	Other
Analytics and insights	77%	72%	67%	64%	67%	61%	64%
Customer service & support/ Chatbota	67%	66%	77%	75%	69%	60%	61%
Process automation	66%	59%	63%	66%	53%	62%	59%
Search/ information discovery	64%	66%	71%	62%	58%	55%	53%
Content generation,text, video, image	62%	53%	62%	49%	53%	61%	53%
Virtual assistants	56%	58%	67%	36%	60%	54%	50%
Content summerization	56%	56%	61%	43%	55%	48%	47%
Workflow	55%	56%	56%	47%	56%	51%	51%
Translation	52%	52%	51%	51%	42%	52%	42%
Idea generation	50%	53%	56%	45%	44%	54%	45%
Personalization	44%	45%	46%	40%	25%	42%	34%

25% 77%

In which of the following areas is your organization using AI? Select all that apply. n1029

For leaders shaping their organization's AI roadmap, the early momentum around automation, support, insights, and productivity offers a clear path forward. However, these initiatives are not instantaneous—most require **7 to 12 months** to reach maturity, reinforcing the need for disciplined planning, resource allocation, measurement, and executive oversight.

AI implementation duration



How long is your typical AI project implementation? n1029

From a technology standpoint, Generative AI, Prompt Engineering, Model Training, LLMs, and Conversational AI are the most advanced in terms of enterprise deployment, with many organizations moving from experimentation to production and scale. These technologies are now seen as reliable enablers for early-stage AI programs. Meanwhile, emerging capabilities such as Multi-Modal AI, and Retrieval-Augmented Generation (RAG), and Agentic AI are gaining momentum, driven by high levels of experimentation and proof-of-concept activity.

Current state of AI technology use

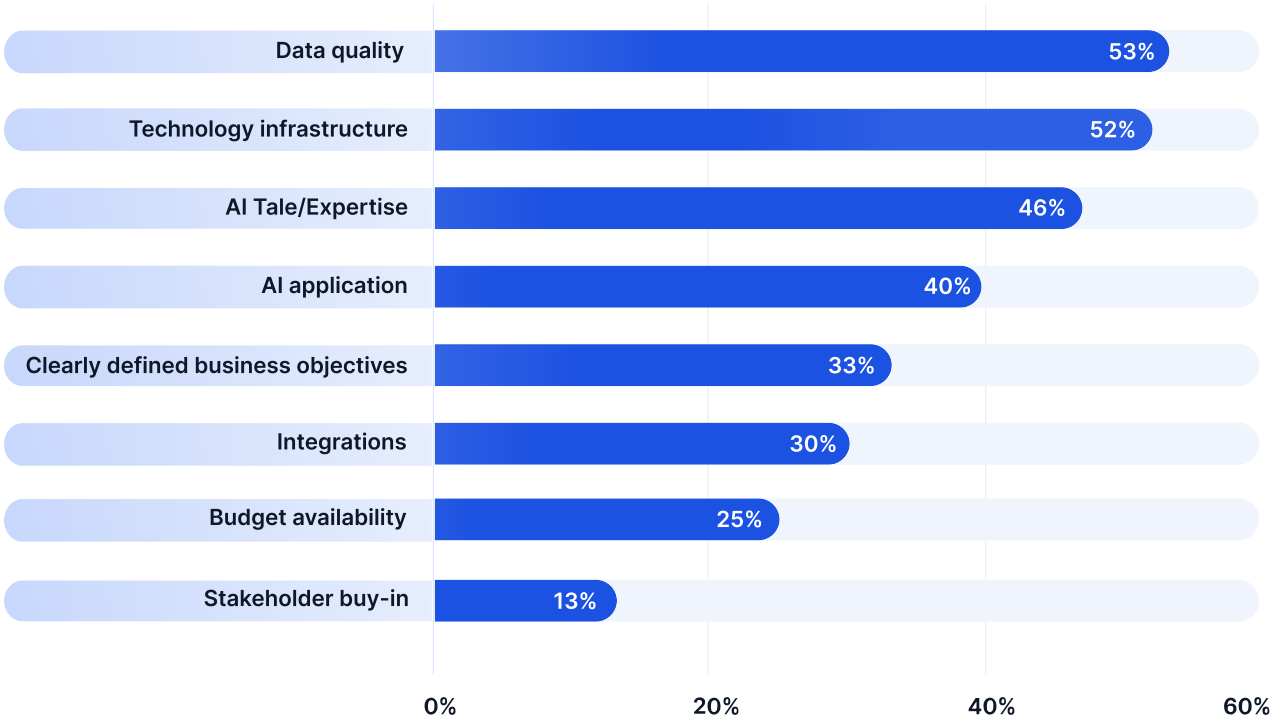
	Generative AI	Conversational AI	Machine learning algorithms	Large/ Small language models	Agentic AI	Model training	Prompt Engineering	Multi-model AI	Retrival augmented generation	NLP techniques
5- Scaling	27%	25%	19%	18%	17%	17%	16%	15%	15%	15%
4- In Production	25%	24%	26%	25%	19%	26%	24%	21%	21%	23%
3- Piloting/POC	16%	16%	18%	19%	18%	20%	18%	20%	18%	16%
2- Experimenting / Trying	17%	20%	20%	20%	22%	20%	23%	24%	25%	21%
1- Exploring / Reasearching	14%	13%	15%	14%	18%	15%	14%	16%	15%	14%
No involvement	1%	2%	2%	4%	5%	2%	4%	4%	6%	7%

For each of the AI technologies below, indicate which best reflects your organization's current position. n1029

AI readiness

When evaluating readiness to deploy AI at scale, responses suggest that organizations are focused on enablers that directly support execution. **Data quality, technology infrastructure, AI talent, and AI applications** are viewed as more essential elements of AI readiness compared to the broader strategic factors, such as business alignment, budget planning, and stakeholder buy-in.

Most important areas for AI readiness



When determining the AI readiness of your organization, what areas are the top three in importance? n1029

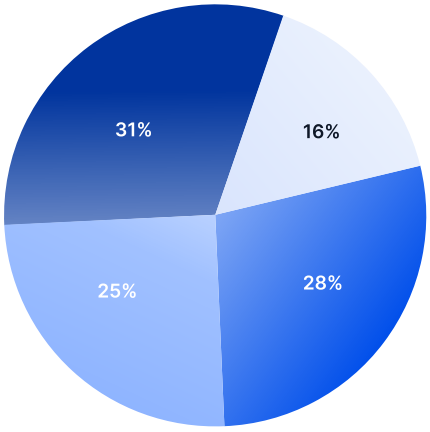
Chapter 4

Build or buy- decision fueled by readiness and the road ahead

As AI becomes a critical component of enterprise strategy, organizations are making deliberate choices about how they source and scale their AI solutions or Apps.

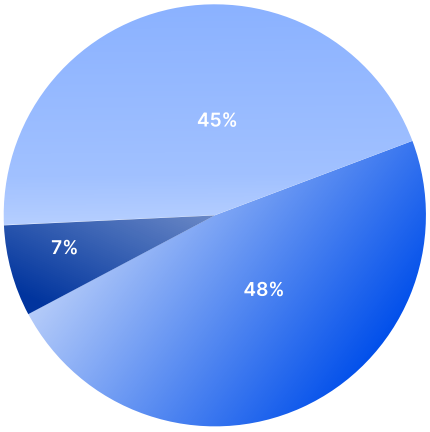
Enterprises are leaning toward simplicity over complexity when adopting AI.
About **one-quarter (25%) favor holistic third-party solutions they can customize, while 31% prefer vendor solutions they can use out-of-the-box. Fewer than 30% pursue fully custom-built AI solutions, and only 16% choose to integrate best-of-breed solutions.**

Preference for AI solution/apps



- We prefer purchasing best of bread AI products and integrating together cross-team alignment
- We prefer to build own AI solutions
- We prefer to purchase holistic third-party AI solutions and customize them
- We prefer to purchase holistic third-party AI solutions and use out-of-the-box

AI tooling preference



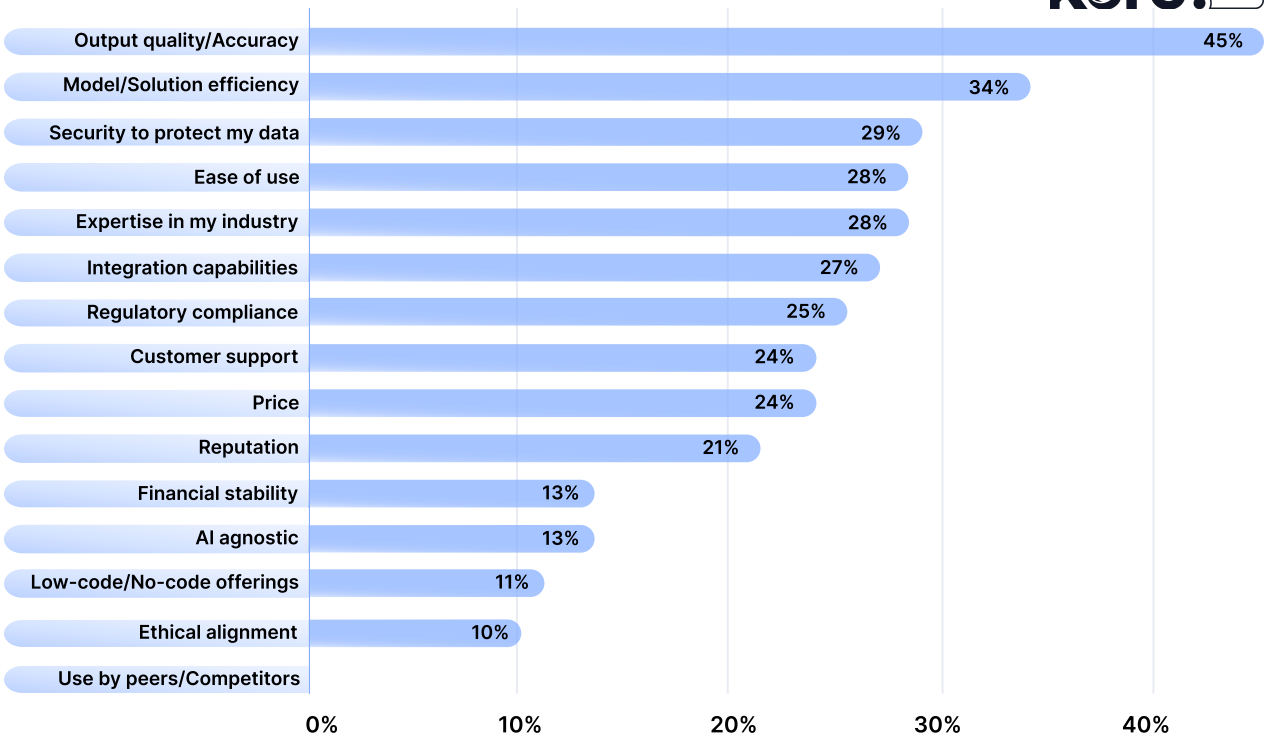
- Hybrid enterprise AI application tooling
- No code/low code tool
- Open source tools with complete control

Which of the following best reflects your organization's preferred type of AI solutions? n1029

Which best reflects your preferred AI tools? n1029

Hybrid AI Tooling - The one that offers a combination of no-code/pro-code options

Regarding AI development tooling preferences, AI leaders show an inclination towards tooling that offers flexibility and control. Hybrid enterprise AI tools (48%) and open source tools (45%) are favored over pure no-code/low-code tools (7%), indicating a desire to have control and ability to customize for enterprise-specific needs.



When selecting AI tech vendors, what are the top five most important criteria you consider? n1029

When it comes to AI tech vendor selection, it is shaped by performance and reliability above all. **Output quality and accuracy, solution efficiency, data security, ease of use, domain expertise, and integration capabilities are the top decision criteria.** Notably, Pricing ranks lower, highlighting the high perceived value of reliable, performant AI.

Across industries, output quality consistently tops the list of priorities, with additional nuances by sector:

- **Technology and software firms** place greater weight on model efficiency.
- **Healthcare organizations** prioritize regulatory compliance.
- **Business services** focus equally on output quality and data protection.

Vendor evaluation criteria

Industry	Output quality /Accuracy	Model efficiency	Ease of use	Expertise in my industry	Integration capabilities	Data protection	Customer support	Reputation	Price	Regulatory compliance	Financial stability
Retail	10	8	7	8	10	9	8	7	9	10	6
Tech and software	9	9	7	5	8	6	3	6	7	8	9
Manufacturing	9	6	7	8	9	3	3	10	9	8	6
Healthcare	9	5	5	6	6	10	7	9	9	8	4
Financial services including wealth management	8	6	5	3	8	9	8	7	7	10	5
Business services (consulting,tax, accounting, etc.)	6	3	7	5	8	7	9	6	4	3	4

When selecting AI tech vendors, what are the top five most important criteria you consider? n1029

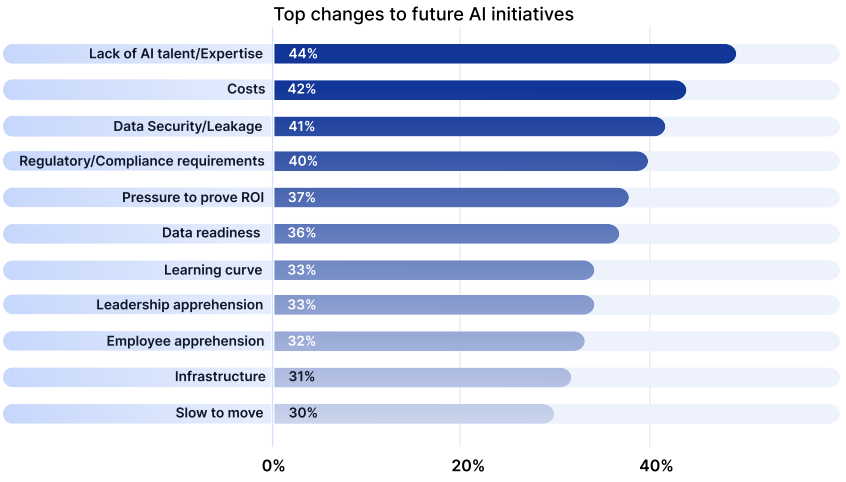
As organizations move beyond experimentation toward real-world deployment, the spotlight is shifting to operational excellence. In this new phase, the choice of AI technology and vendor partnerships could be a strategic imperative.

Top challenges to AI scaling

While 93% of respondents agreed on their pilot project's success, the most cited barriers for AI scaling are the shortage of AI talent, costs associated with LLMs, data security & compliance, and pressure to prove business value. Safeguarding proprietary, first-party data is essential—not only to meet regulatory and internal governance standards but to build trust in AI outcomes. In response to another question *(What type of data is most important for you to use with your AI solutions)*, 56% of respondents preferred first-party structured or unstructured data over 3rd party data.

The top challenges organizations face when implementing new AI initiatives are talent shortages, cost pressures, data security concerns, and regulatory compliance needs.

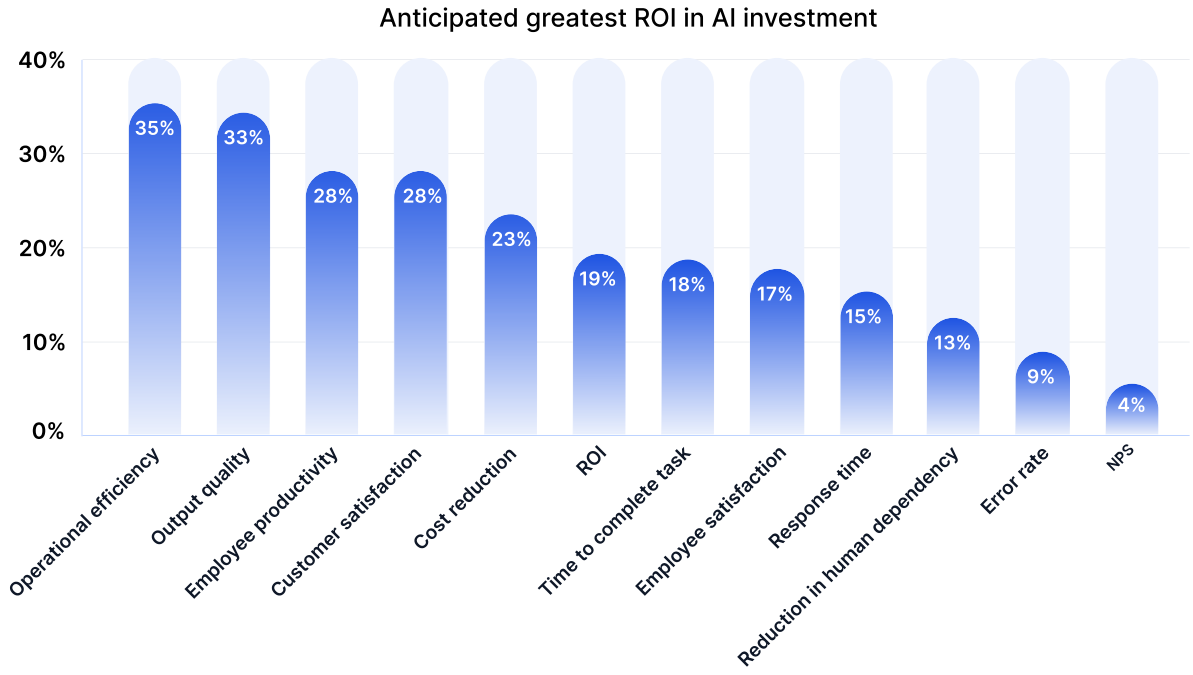
While vendor pricing isn't the primary factor when selecting an AI provider, **the ongoing token-based costs associated with LLM usage is rated the second topmost challenge** for scaling AI projects.



When it comes to ROI, the key indicators are operational efficiency, output quality, improvement in employee productivity, customer satisfaction, and time-to-completion. This seems to reflect a focus on efficiency, speed of business, and quality across the organization.

Furthermore, these efficiency-led metrics translate directly into cost reduction, accelerated time to value, and improved ROI, making them the foundation for strategic decisions around continued AI investment.

AI metrics (KPIs) for success

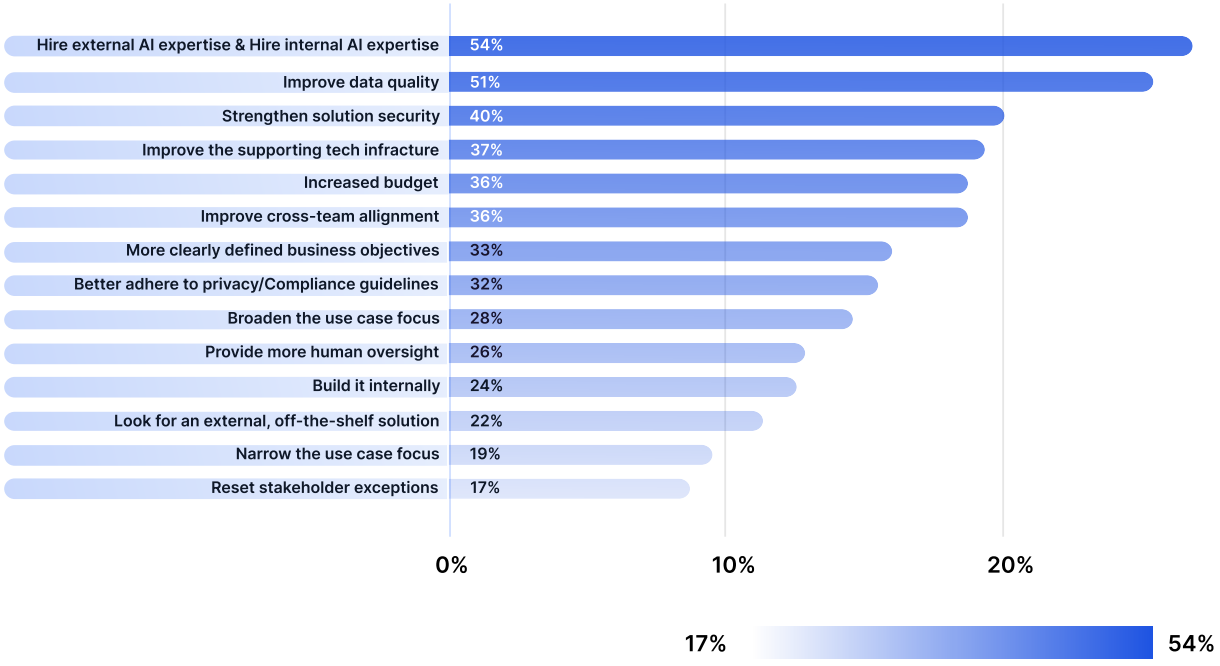


What are the top three metrics your organization uses to measure the success of AI implementations? n1029

Learnings from AI projects to date

As AI adoption matures across industries, enterprises are taking a closer look at what's needed to scale beyond pilots and early implementations. Based on lessons learned from initial AI deployments, **four critical areas emerge at the forefront**: AI talent, Data quality, AI solution security, and tech infrastructure.

Top changes to future AI initiatives



Looking back on the AI projects your organization has implemented so far, what changes to future AI projects would you make? Select all that apply. n1029

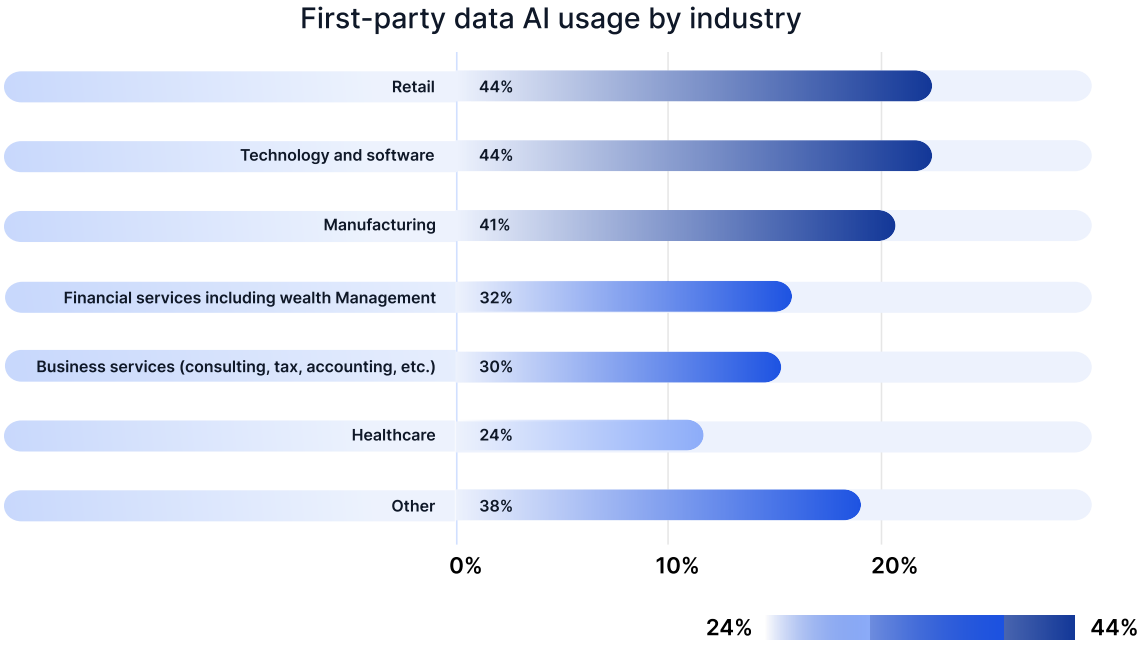
1 Data quality is imperative for AI success

Notably, first-party data (as voted by 56% of respondents) is viewed as the cornerstone of most AI initiatives. Yet, without the right AI tools, processes, and expertise, this valuable asset often remains underutilized. Data science teams will be instrumental in operationalizing this data—ensuring it is clean, contextual, and AI-ready.

Over half of the respondents identify **data quality** as a top area for improvement. For AI to deliver on its promise—whether in automation, analytics, or personalization—it needs high-quality, well-structured first-party data. In contrast, inconsistent or incomplete data remains one of the biggest obstacles to scaling impact.

Industries like **retail, manufacturing, and technology** are doubling down on first-party data, recognizing its role in enabling differentiated, AI-driven experiences. Meanwhile, regulated sectors such as **healthcare, financial services, government, and business services** are placing greater focus on secure handling of client and third-party data, reflecting their compliance-first priorities over personalization-driven strategies.

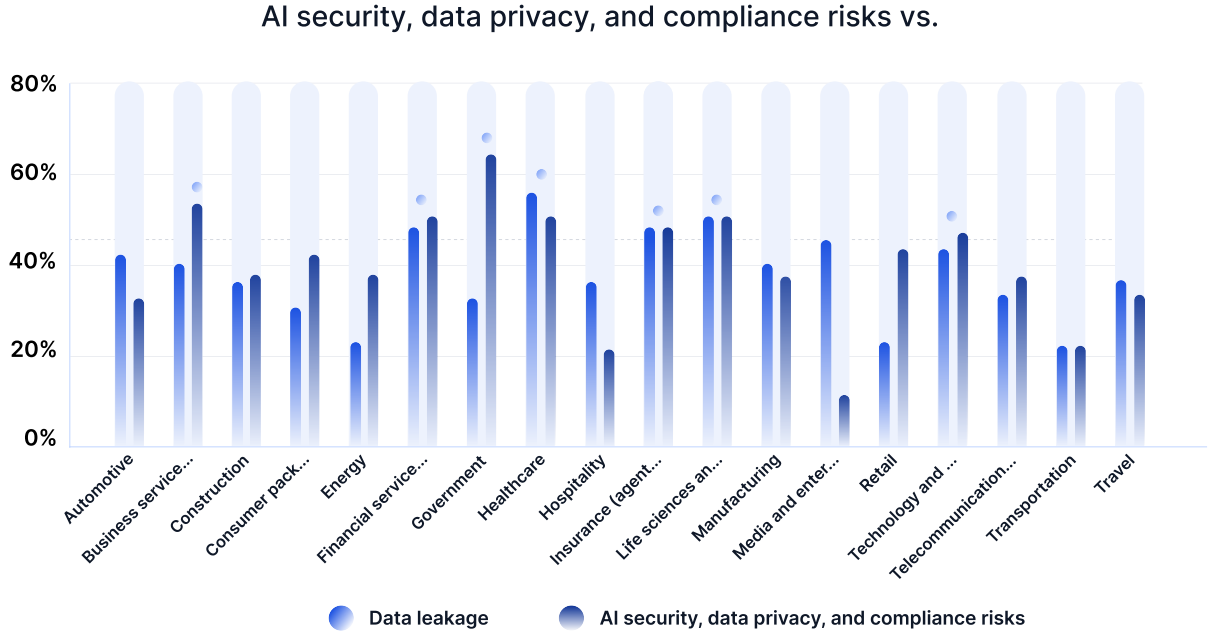
Focus on secure handling of client and third-party data, reflecting their compliance-first priorities over personalization-driven strategies.



What type of data is most important for you to use with your AI solutions within the next 12 months? n1029

2 Security and data privacy are non-negotiable

As AI systems become more deeply integrated into enterprise operations, security has emerged as a critical concern. In fact, **40% of organizations cite solution security and data privacy as top priorities** for future AI implementations. This underscores rising worries about data leakage, exposure of proprietary information, and the risks associated with third-party AI tools and models.



The integration of large language models and third-party AI platforms amplifies the need for clear governance frameworks and trusted AI architectures.

3 Technology infrastructure is a strategic foundation

At the same time, many enterprises are coming to terms with the fact that their existing IT infrastructure isn't built for AI. To meet the demands of compute-heavy, data-integrated AI workloads, organizations are now actively modernizing their tech stacks. Early adopters understand that infrastructure isn't just an enabler—it's a strategic foundation. Without it, AI can't scale across departments or deliver enterprise-grade value.

4 AI talent is a make-or-break for AI success

While two-thirds of organizations acknowledge a need to strengthen AI expertise, they remain split on how to get there, debating between hiring external talent or upskilling from within. This reflects a larger strategic dilemma: how to scale AI sustainably while preserving control over intellectual property, workflows, and business priorities. Regardless of the path, one thing is clear—AI talent is a crucial factor for AI success.

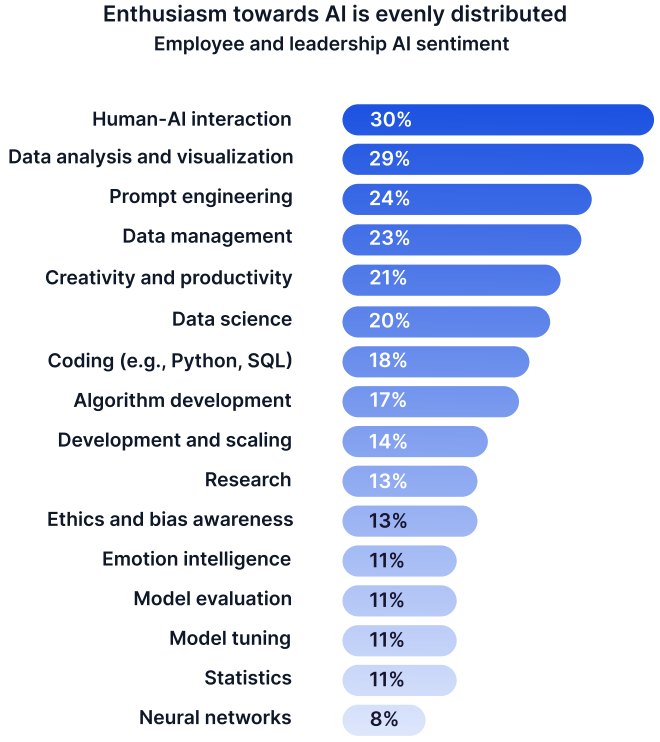
Chapter 7

Navigating the future of AI talent

The evolution of enterprise AI hinges not just on technology, but on the caliber and composition of the talent driving it. Organizations must strategically invest in increasing their internal AI expertise, whether through hiring new employees or upskilling existing ones to address AI-related challenges, including improving data quality, technology infrastructure, and system security.

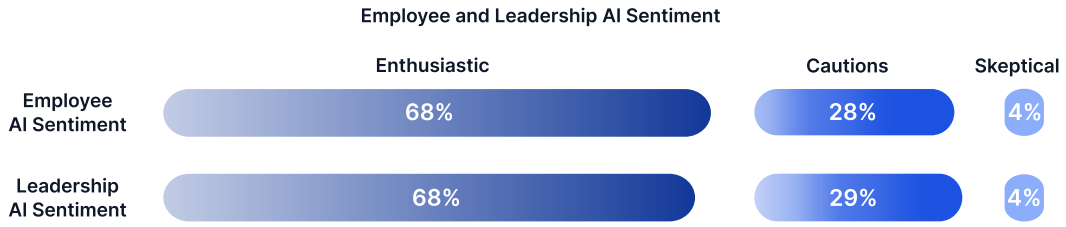
From the 1,029 respondents, **human-AI interaction** and **data analysis and visualization**, and **Prompt Engineering** emerged as the top-priority skills for the AI-powered future.

Most relevant AI talent skills



What AI skills will be most relevant in the future? Pick your top 3. n1029

Enthusiasm toward AI is evenly distributed

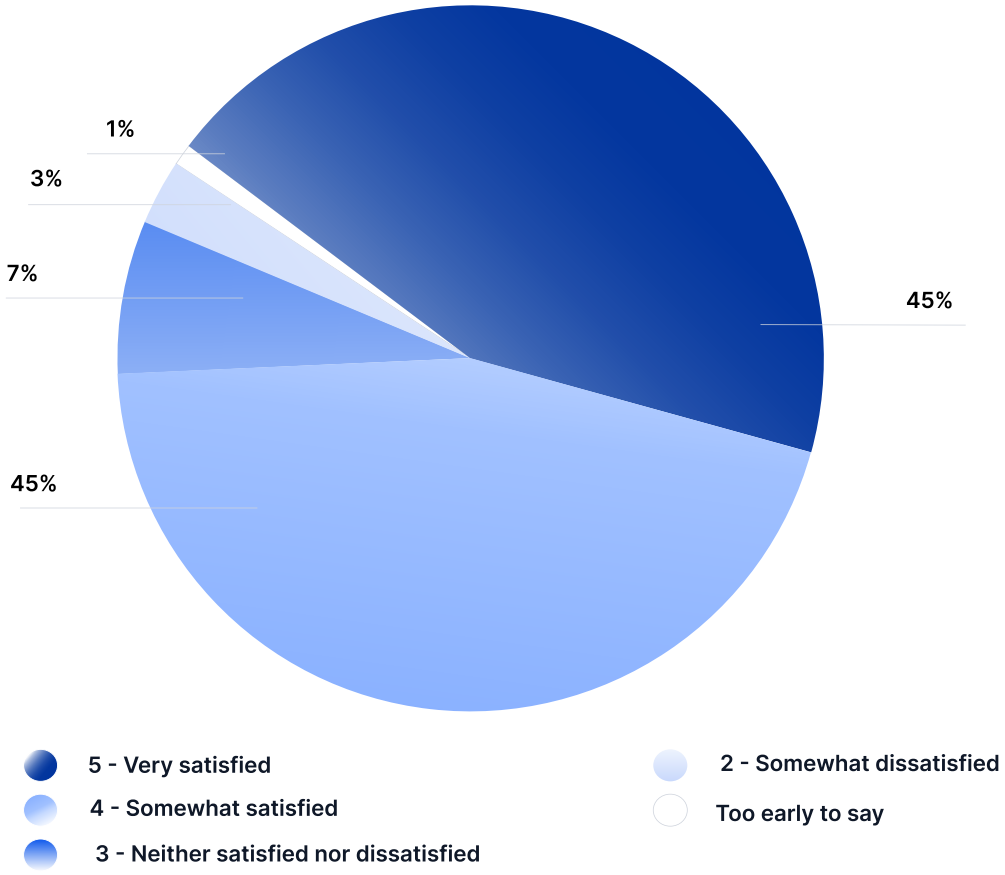


Which of the following statements best reflects overall sentiment at your organization toward using AI? n1029

Notably, both employees and executive leadership express comparable levels of optimism about AI. This can pave the way for a cohesive AI culture across organizational levels.

Given high enthusiasm, increasing internal knowledge and expertise seems a reasonable ask. In the event specific AI expertise cannot be developed in-house, most (90%) are confident in their organization's ability to both recruit and retain AI talent.

AI talent recruitment and retention satisfaction

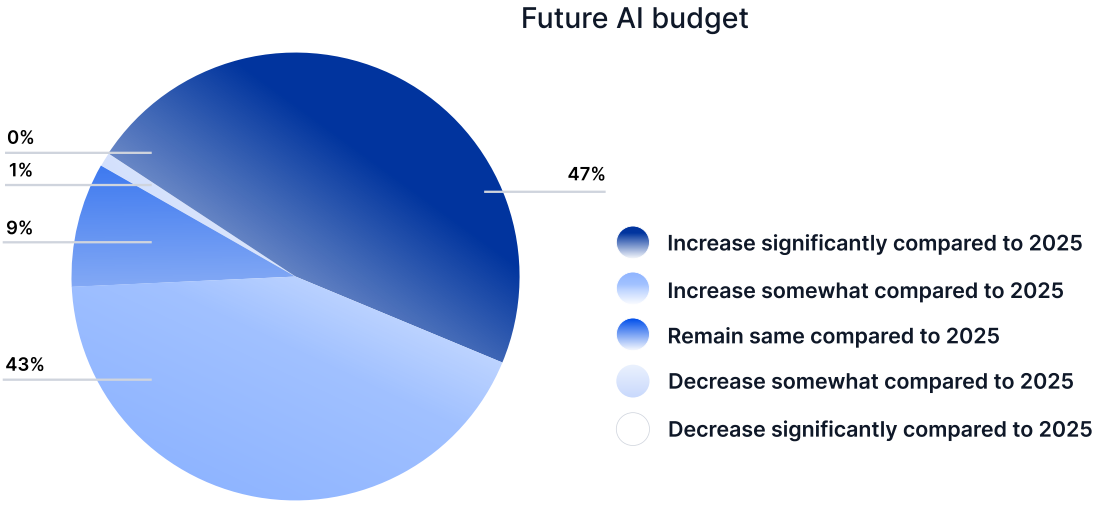


On a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied, how do you rate your organization's ability to attract and retain AI talent? n1029

AI investment Priorities in 2025 and Beyond

1 AI investments to grow in the next 12 months

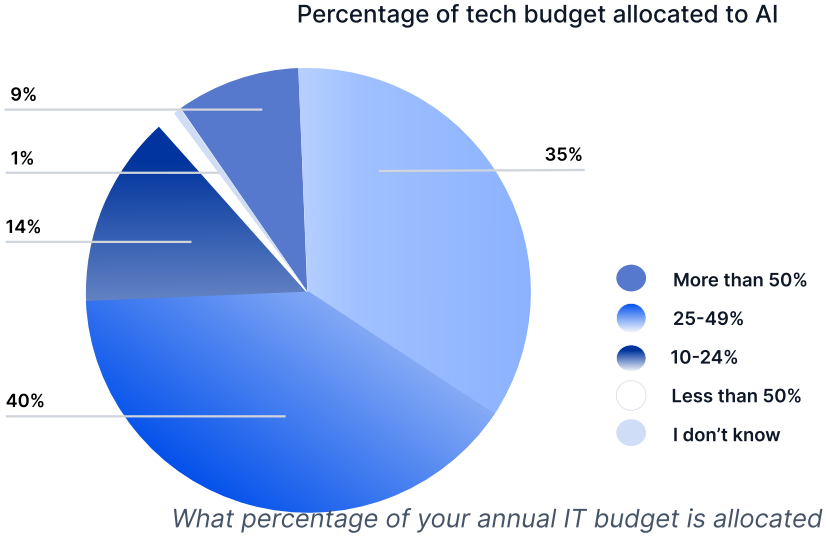
9 out of 10 respondents report that they plan to increase their AI investments in 2025, with budgets scaling in both size and ambition.



How do you anticipate your AI budget will change over the next three years? n1026

According to the research:

- **90% of enterprises plan to grow their AI budgets** over the next three years.
- Three-quarters of organizations are allocating 10-49% of their total tech spend to AI initiatives
- **9% of respondents** are dedicating **more than half of their IT budgets** to AI initiatives.

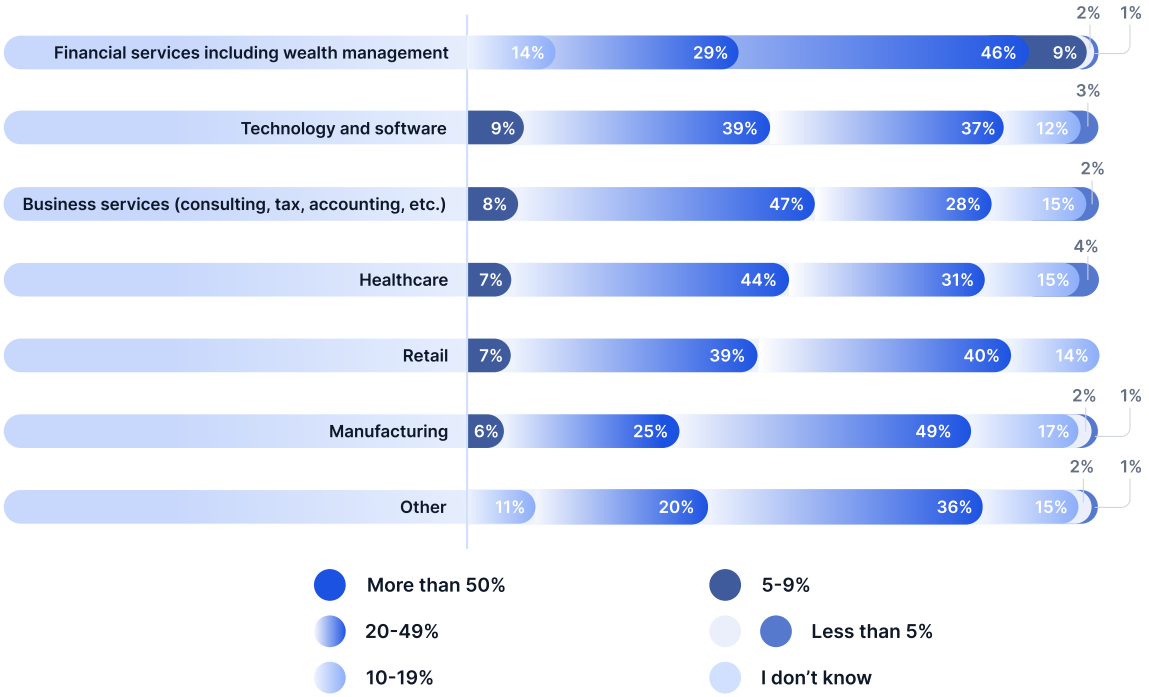


What percentage of your annual IT budget is allocated to AI initiatives? n1026

2 Financial services and tech companies to lead the pack

Financial services and tech and software companies show the highest rates of investing over 50% of their tech budget in AI technology, suggesting the high levels of confidence that their investments will pay off. Business services and healthcare are most likely to invest between 20 and 49% in AI. Those in manufacturing seem to be the most conservative when it comes to AI spending, with most investing under 25% of their tech budget in AI.

Percentage of tech budget allocated to AI



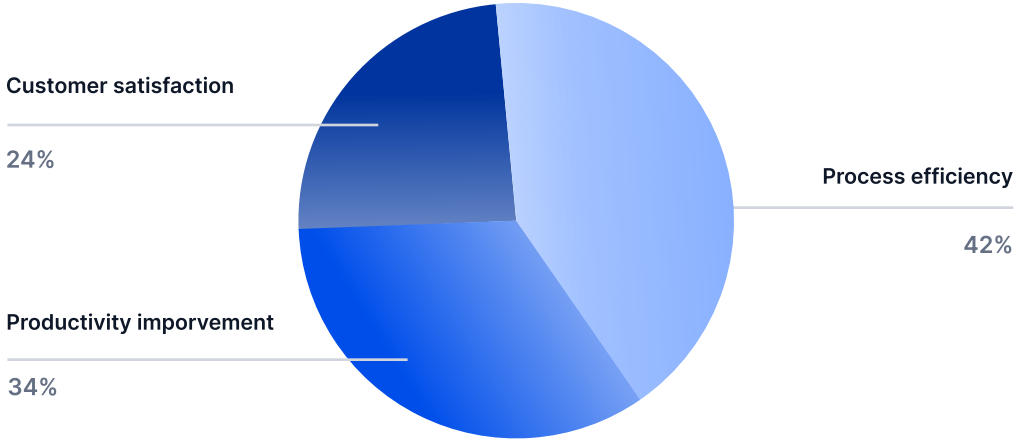
What percentage of your annual IT budget is allocated to AI initiatives? n1026

3 Workplace-related use cases to see growing investment

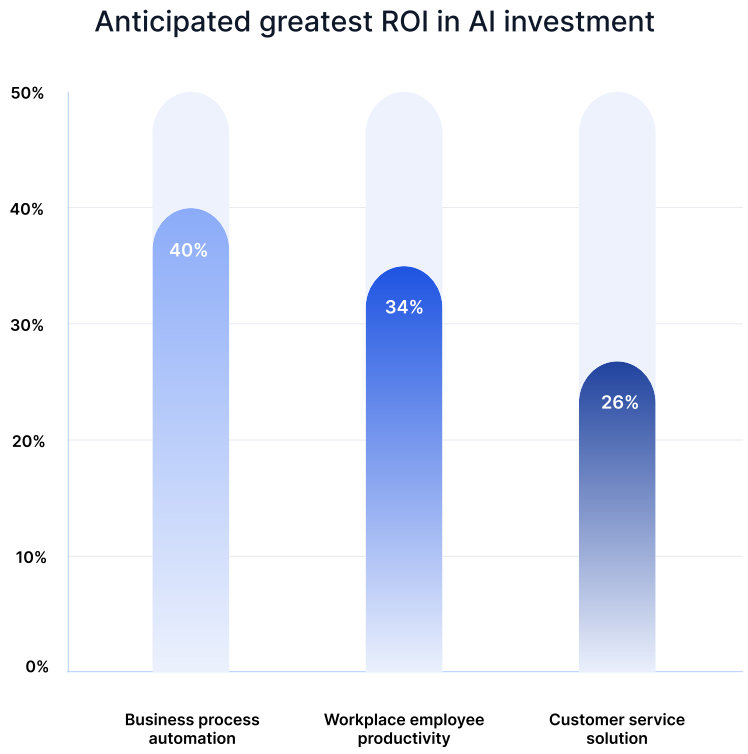
The research shows employee productivity and process automation are set to receive the largest share of AI investment in 2025, prioritizing use cases that promise tangible impact on productivity, efficiency, and insight generation. These are also the areas where organizations expect the highest return on investment over the next two to three years.

Over half of respondents identified work-related AI applications, including productivity solutions and advanced analytics, as their top investment areas. These categories are viewed not only as cost-efficiency levers but as catalysts for unlocking new levels of employee performance and decision-making.

AI Investments use case categories in 2025-26



Please stack rank, in order from largest to smallest, where you're investing your AI budget in 2025 by dragging your area with the largest investment into the first position, the second largest into the second position, etc. n1029



Looking forward, where do you anticipate the greatest ROI for AI in your organization over the next 2 - 3 years? n1029

Looking ahead

AI adoption is no longer confined to early use cases or specific industries—it's rapidly expanding across workplace, process, and customer service functions. As adoption grows, so do the challenges. Organizations are now focused on **improving data quality** to make first-party data usable by various LLMs, and **bridging talent gaps** to effectively integrate AI tools with legacy systems. The goal: unlock insights, boost productivity, safeguard customer data, and ensure compliance. Despite these hurdles, most enterprises are doubling down on AI, with increased investments planned, particularly in **AI for business process automation and workplace-related use cases and functions.**

Research methodology

Inside the minds of global AI decision-makers: what 1,000+ leaders told us about enterprise AI

In March 2025, **Kore.ai partnered with Paradoxes, Inc**. to conduct a comprehensive global study on the state of AI in the enterprise, examining top-of-mind questions for scaling with AI, from **executive outlooks** and **real-world use cases to adoption strategies, build vs. buy decisions,** and the **criteria shaping vendor and technology choices**. It also looks ahead, uncovering the emerging challenges, talent gaps, and investment priorities shaping the next wave of AI transformation.

The survey gathered insights from **over 1,000 senior business and technology leaders across 12 countries**, including the U.S., UK, Germany, UAE, India, Singapore, Philippines, Japan, Korea, Australia, and New Zealand. Participants represented senior executives from large enterprises, each with over 1,000 employees and $250M+ in annual revenue, that were actively exploring or implementing AI initiatives.

About Kore.ai

Kore.ai is a leading provider of agentic AI with over a decade of experience in helping enterprises realize business value. The Company provides strong business solutions leveraging AI for workplace, process automation, and customer service use cases. These are built on a comprehensive agent platform that brings together autonomous agents, sophisticated enterprise knowledge retrieval, intelligent agent orchestration, and no-code/pro-code tools. Kore.ai takes an agnostic approach to AI models, data, cloud infrastructure, and applications, giving customers freedom of choice. Trusted by over 450 Global 2000 companies, Kore.ai is helping the navigation of AI. Visit Kore.ai to learn more.

Kore.ai business solutions

AI for Service

Automate and elevate customer interactions across voice and digital channels. This includes our homegrown Voice Gateway, Kore.ai Contact Center (XO CC AI), Agent Assist, Quality Management and Compliance, and Campaigns.

AI for Work

Enhance employee productivity and streamline internal workflows. This offering includes an AI Assistant with orchestration capabilities, prebuilt AI Agents for ITSM and HR, and recruiting.

AI for Process

Automate knowledge-intensive tasks within any business process, improving compliance, reducing reliance on human experts, and ensuring consistency.

Agent Platform

An enterprise-grade, multi-agent orchestration infrastructure used to build, deploy, and manage sophisticated agentic applications at scale. Built on a decade of proven AI innovation, the platform enables businesses to create and coordinate AI agents with customizable autonomy—ranging from guided agents to fully autonomous systems—allowing enterprises to tailor solutions to their specific business needs.

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