

A decorative graphic consisting of a grid of diagonal stripes. The stripes are dark blue and set against a lighter blue background, creating a sense of movement and depth.

AI Engine Room

2026 INDUSTRY REPORT
CHANGE MAKERS CLUB
IN PARTNERSHIP WITH



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Synopsis

This report examines the steps senior executives are taking within their organisations to integrate and scale AI to reduce cost and generate revenue.

With insights from leaders across financial services, pharma, energy, healthcare, and data driven organisations, this report provides a comprehensive overview of where organisations sit on their AI journey, their intended direction, and the challenges shaping progress.

A rounded mix of perspectives is presented from senior executives across risk, strategy, finance, technology, operations, and data functions, reflecting how AI adoption intersects across organisations. Where appropriate, contributors and quotes have been anonymised to preserve confidentiality.

“ Only 12% of CEOs report both cost reduction and revenue growth from AI. [PwC, 2026] ”

“ 70% of AI initiatives fail due to people and process related issues. [BCG, 2025] ”

“ Reaping value from AI investments requires mastering the tensions between talent and tech or risking an AI productivity drop of 40%. [EY, 2025] ”

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Cisco, a global leader in technology, is not just building the infrastructure for the AI future; it's actively living it. Through its "Cisco on Cisco" initiative, the company is demonstrating how to integrate AI across every facet of its business – from empowering its workforce and redesigning workflows to optimizing IT operations and enhancing customer experiences.

Cisco's intelligent solutions enable organisations to connect, secure, and automate their operations, making processes and working life for their employees smarter and more accessible. With a focus on AI-ready infrastructure, responsible AI practices, and a culture of continuous learning, Cisco is committed to supporting its customers and businesses to leverage AI to drive innovation, efficiency, and growth.

Topic Overview

AI ENGINE ROOM

“ High performers are generating more than 5% of EBIT from AI, and they are nearly three times as likely as others to fundamentally redesign their workflows in their deployment of AI. ”

[McKinsey, 2025]

With cost management top of the agenda for 2026, senior executives are looking at AI as a positive opportunity to rethink and restructure their teams. The best in class have fundamentally redesigned the way they operate, achieving a 35% boost in productivity [EY, 2025].

But there's an elephant in the room; when you scale AI, you have to resolve a number of thorny questions. Do you reskill or re-hire? Do you have an outcome driven business case? How will transformation impact your personal brand? Who will you partner with?

With only 39% of AI initiatives currently delivering any EBIT impact [McKinsey 2025], it's clear the road ahead is not smooth sailing. Join us as we unpick the issues and identify the best path forward.

#1 Experimentation to Execution

ISOLATED INNOVATION TOWARD ENTERPRISE INTEGRATION

Artificial intelligence has reached a structural inflection point. The first wave of generative and agentic AI introduced widespread experimentation as organisations explored use cases and tested new capabilities. Many invested in tools, built internal expertise, and launched pilots. The focus is now shifting toward execution and integration as businesses seek measurable outcomes from earlier investments.

“ 2025 was a turning point for operations. Gen AI and agentic AI moved from experimentation to enterprise impact, reshaping how organisations boost productivity, accelerate innovation, and build resilience.”

[McKinsey, 2026]

The transition reflects a broader evolution in enterprise technology. The question is no longer whether AI can create value. Leaders are now focused on embedding AI into operational workflows, governance models, and long-term strategy. Scaling requires organisations to rethink how systems connect, how decisions are made, and how responsibility is distributed across teams.

#1 Experimentation to Execution

USE CASE TO OPERATING MODEL MINDSET

“ We’re seeing production use cases grow quickly, but embedding them into end-to-end flows across the organisation is where the real work sits. ”

[Roundtable Executive]

SYSTEM FRAGMENTATION

Early adoption is often focused on isolated projects designed to demonstrate value quickly. While this approach helps organisations learn, it also creates fragmented ecosystems that struggle to scale across functions.

COMBINING CAPABILITIES

The current shift is moving away from siloed solutions toward structured operating models built around reusable platforms. Instead of reinventing processes for each initiative, organisations are developing shared capabilities that can be applied across multiple workflows.

CONTROL AT SCALE

Developing strong architectures allows teams to deploy AI consistently while maintaining governance and operational control. This reflects a growing recognition within our group that scaling AI is less about new tools and more about developing the infrastructure to enable continuous adoption.

“ It’s about reusable patterns and ecosystems; integration layers and identity propagation become essential once you start scaling. ”

[Roundtable Executive]

“ The highest performing organisations stand out for thinking beyond incremental efficiency gains: they treat AI as a catalyst to transform their organizations, redesigning workflows and accelerating innovation. ”

[McKinsey, 2025]

#2 Approaches to Scaling

GOVERNANCE WITH DEPLOYMENT



As AI becomes integrated into business processes, governance shifts from oversight to design principle. Organisations increasingly recognise that governance cannot be added after deployment. It must shape how solutions are developed from the beginning. This is particularly the case with executives working in regulated industries such as pharma and financial services.

With clearer visibility into AI's potential to improve efficiency and drive revenue, participants emphasised the need to fully understand how emerging technologies reshape governance models and compliance requirements.

“Automation in regulated environments requires governance frameworks built into how solutions are designed and deployed.”

[Roundtable Executive]

“As you scale new technologies, governance structures need to evolve alongside innovation to manage risk effectively.”

[Roundtable Executive]

Security considerations evolve in parallel. Identity management expands beyond human authentication to include automated entities interacting with sensitive systems. Monitoring approaches must reflect this expanded ecosystem while maintaining transparency and accountability.

#2 Approaches to Scaling

DEVELOPING INFRASTRUCTURAL READINESS

Many organisations face a growing readiness gap between ambition and infrastructure capability.

Only 34% of companies report that their IT infrastructure is fully adaptable and scalable enough to support evolving AI demands. [Cisco, 2025].

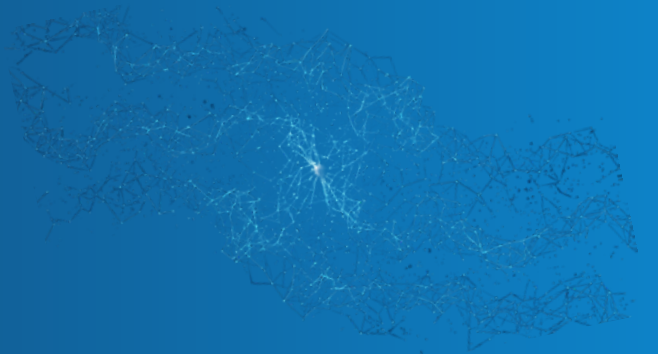
Therefore, becoming AI-ready requires infrastructure designed for continuous data access and secure interoperability to be successful at scale. Infrastructure must evolve alongside AI adoption so that systems can support increasing workloads and more autonomous decision-making.

Organisations that treat infrastructure as a strategic layer create stronger conditions for scaling beyond pilots and embedding AI into core operations.

“ Strong data governance determines whether initiatives move beyond pilots into sustainable production environments. ”

[Mariana Montalvão Reis, Data Management Principal, Experian]

Data infrastructure plays a central role in this transition. AI systems depend on access to structured, high-quality information across multiple sources. To avoid being outpaced by competitors, leaders stressed that there is a balance to navigate between data quality and executing at speed. Ensuring controlled access creates the foundation required for scaling adoption responsibly.





“ Our new world of work is brimming with possibilities in automation, data analysis, artificial intelligence and other emerging technologies. But technology is only as good as the people using it every day. ”

[PwC 2025]

#3 Barriers to Overcome

CONSEQUENCES OF AI

Even when AI delivers value, there are new risks and responsibilities that a few attendees highlighted. Socially, organisations are navigating shifting workforce structures and a concern is raised about responsibility around potential disruptions this may cause.

Externally, AI adoption carries reputational considerations as organisations place greater reliance on automated outputs in customer-facing and decision-making contexts. Errors or unintended responses can impact brand trust and may carry serious consequences within regulated industries.

Environmental implications are emerging as AI workloads increase, prompting organisations to consider energy usage and sustainability as part of infrastructure planning.

We're seeing fewer junior roles as AI augments early career work, which raises questions about how organisations sustain the future talent pipeline. [Roundtable Executive]

Nearly all organisations report financial losses tied to AI risks, including flawed outputs and compliance failures. [EY, 2025]

#3 Barriers to Overcome

PROVING VALUE TO SCALE

“Scaling can require investment before full value is visible, which may create tension between experimentation and financial discipline.”

[Mathew Pearce, CFO, HSBC]

The inability to predict or measure the value of AI is a growing investment hurdle for many. Only 32% are measuring the value from AI initiatives but 80% say the urgency to demonstrate tangible ROI has risen sharply in the past six months **[Cisco, 2025]**.

“One of the challenges with AI is that the value does not show up in a single place. You might see efficiency gains in one function, risk reduction in another, and better decision making somewhere else. Traditional ROI models are not designed to capture that.”

[Roundtable Executive]

Decision making complexity increases as multiple stakeholders assess risk, investment priorities, and operational impact. As ideas move through stages of evaluation, ownership becomes less clear and initiatives risk losing momentum. This feeling was echoed by multiple participants:

“I can define the opportunity, but decisions sit across multiple functions, which means progress depends on alignment rather than a single owner.”

[Sachin Patil, Finance Business Partner, Haleon]

“Turning emerging technology into commercial value requires alignment across teams, processes, and leadership priorities.”

[Ammer Ishaque, Head of Commercial IT, Digital & AI, AstraZeneca]

#3 Barriers to Overcome

SHAPING A CULTURE OF AI ENABLEMENT

Leaders highlighted that success depends on positioning AI as an enabler rather than a replacement. Clear communication around outcomes helps reduce fear around job displacement and encourages employees to view AI as a tool that enhances performance and supports better decision-making. Building confidence requires involving teams early in workflow redesign and demonstrating practical value through real use cases.

Discussions reinforced the importance of developing internal champions who drive adoption across functions. When employees understand how AI supports their work and feel empowered to experiment responsibly, resistance decreases and scaling becomes more achievable.

Across the discussion, leaders described a dual shift. Organisations are becoming more data-driven through evolving architecture and integration layers, while recognising that the capability and engagement from the teams using AI plays a major role in determining the success of initiatives. Enterprise transformation therefore requires organisations to operate as both data-driven and people-led.

“Adoption does not come from the technology itself. You need people inside the organisation who understand the opportunity and can bring others along.”

[Stu Higgins, AI Strategic Advisor, Cisco]

“What matters is not only enabling people to use tools but ensuring they understand boundaries and feel confident escalating concerns.”

[Inga Lukseviciute, Chief Compliance Officer, Blumont Annuity]

“ AI readiness has become the ultimate differentiator — not because it guarantees innovation, but because it makes innovation repeatable. Only 13% of organisations currently demonstrate system-wide readiness across strategy, infrastructure, data, governance, talent and culture. And it’s the most AI-ready organizations that are setting the pace and delivering sustained value. ”

[Cisco, 2025]

Conclusion



AI adoption is entering a new phase defined by execution rather than experimentation. Organisations have explored the technology and built initial capabilities and the focus is now shifting towards how AI can deliver at scale. Increasingly, AI is seen as a positive opportunity to rethink and restructure operating models, aligning people and processes with deployment. This represents both a technical and cultural challenge. There is also a leadership recognition that success often hinges on your people and their buy-in. Therefore enabling employees to use and experiment responsibly with AI is key to delivering value through sustaining successful adoption.

Across the discussion, leaders from different departments and industries recognised they were facing many of the same challenges. Momentum is shaped by how effectively organisations align decision-making with execution, and by how successfully AI becomes embedded into everyday workflows rather than remaining a separate innovation stream.

While many organisations are piloting and refining AI use cases across multiple functions, confidence in scaling these into sustained programmes is still developing. Questions remain around output reliability and investment risk. As a result, there is growing emphasis on robust governance frameworks, validation processes and clear accountability to ensure AI initiatives deliver measurable impact.

“ The energy, curiosity, and commitment shown by leadership from the top down shapes change; mindset and culture determine whether transformation succeeds. ”

[Sarah Walker, Chief Executive, Cisco UK&I]

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www.changemakersclub.com

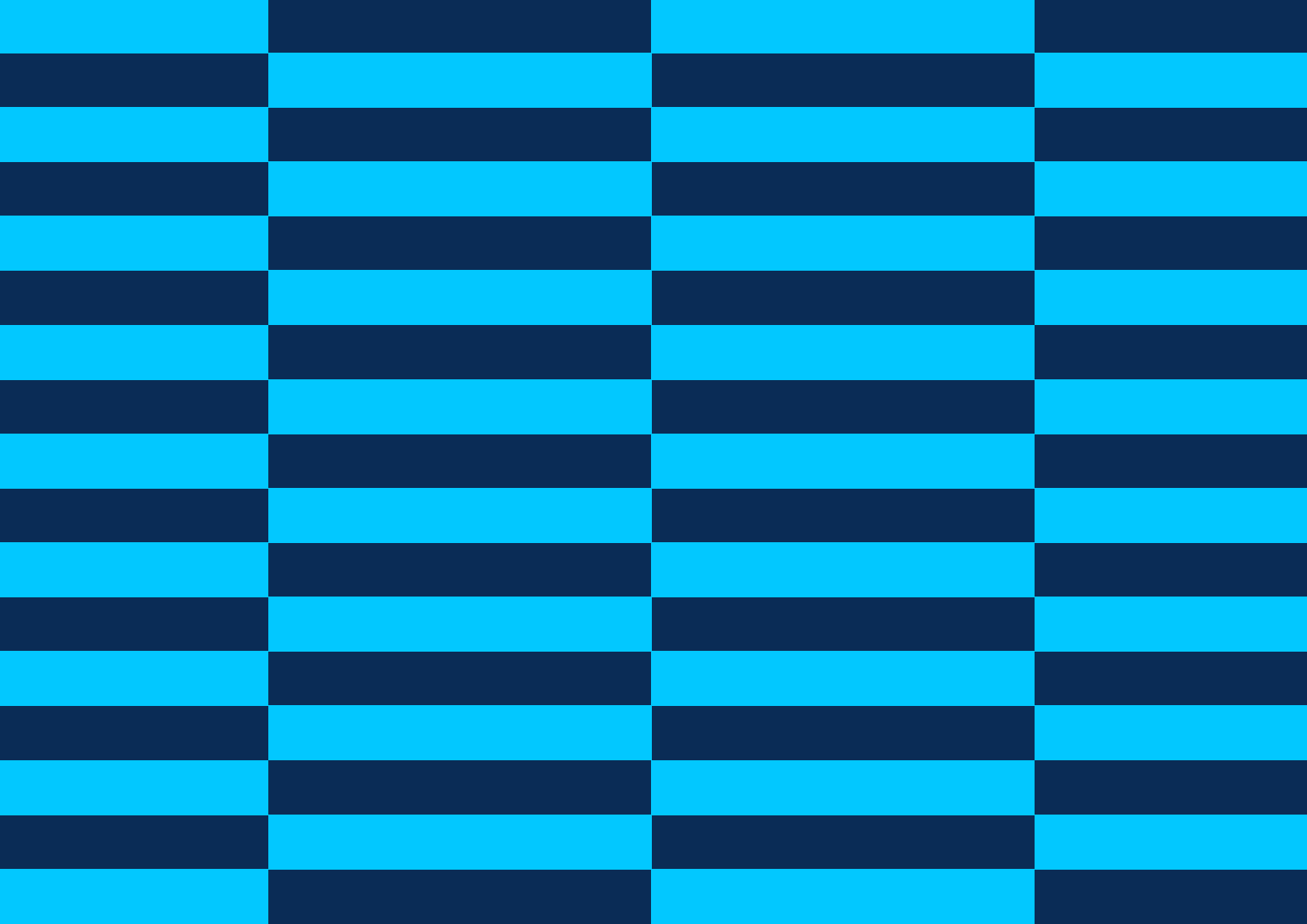


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