

# The 2026 AI Strategy Brief

Everyone is spending on AI. Most are getting little back. Here is why, and what the leaders are doing differently.

Start with the paradox of the year. The want is enormous and accelerating: enterprise spending on generative AI more than tripled in a single year, from \$11.5 billion in 2024 to \$37 billion in 2025, and is set to roughly double again in 2026 (Menlo Ventures; BCG). Roughly seven in ten CEOs call AI a top investment priority, and by industry estimates half believe their own standing depends on getting it right (KPMG; BCG). And yet the returns are not there. By industry estimates 56% of CEOs report no financial benefit from AI so far, and only 12% saw both revenue and cost gains (PwC, 2026), while an MIT study found roughly 95% of enterprise generative-AI pilots delivered no measurable return (MIT, 2025). **Record spend. Record priority. Flat returns.** That is not a technology problem. It is a strategy problem, and it is solvable.

## Follow the evidence

**\$11.5B → \$37B**

enterprise generative-AI spending in a single year, the fastest category expansion on record.

Menlo Ventures, 2025

**56% / 12%**

of CEOs report no financial benefit from AI; only 12% saw both revenue and cost gains.

PwC Global CEO Survey, 2026

**~95%**

of enterprise generative-AI pilots delivered no measurable P&L return.

MIT Project NANDA, 2025

The instinct is to blame the models, or the vendors, or the team. The evidence points somewhere else. The models work. The pilots prove capability. What fails is the translation from capability to result, and one number explains it.

## The clue most leaders miss

Here is the finding that reframes the whole 2026 agenda. 88% of organizations now use AI, but only 6% clear McKinsey's high-performer bar: significant value, material to earnings. And the high performers are nearly three times as likely as everyone else to have fundamentally redesigned how the work flows around the technology (McKinsey, 2025). Read plainly: most companies are bolting AI onto the way they already run, and getting the return that bolting-on earns, which is close to nothing. The tool made individuals a little faster. The work stayed exactly where it was. **Adoption is not transformation. The gap is not between companies that use AI and companies that don't. It is between companies that rebuilt the work and companies that layered AI on top of it.**

Step back, because this is the strategic call of the year, and it is binary. You can keep buying tools and seats and pilots, and keep getting the bolt-on return. Or you can rebuild how the work runs so AI runs it, which is the only path the evidence connects to real value.

**The winners in 2026 are not the companies that adopted AI. They are the companies that rebuilt the operating model underneath it.**

The tools are commoditizing; every competitor gets the same ones. The operating model is the part that is yours, and the part that pays.

**AI does the work. You keep the margin.**

Not AI bolted onto how you run today. A business rebuilt so AI runs the work.

# Where the return is actually hiding

Five places the value shows up when you rebuild the work instead of bolting AI on. Each has its own briefing in this series.

The return does not come from AI in the abstract. It shows up in five specific places, the five pressure points where a mid-market business either compounds or slides. These are the five conversations we have with leaders, and each one has its own brief.

THE PRESSURE POINT	WHAT IT IS COSTING YOU	WHAT AN AI-NATIVE REBUILD TAKES BACK
<b>The Software Tax</b>	The hours and headcount spent operating software instead of running the business.	The operating labor comes off the P&L. AI does the work in the systems; your people direct it.
<b>The Capacity Ceiling</b>	Output capped by human hours, in a market where you cannot hire your way out.	The routine work leaves your team's desks. Same team, more done, expertise captured before it retires.
<b>The Leaky Bucket</b>	Winning expensive new customers while the ones you have quietly churn.	A continuous retention machine at your scale. The cheapest growth there is, kept.
<b>Flying Blind</b>	Decisions made on fragmented, late, untrusted data, and AI pilots that stall on it.	A live, governed operating picture. Fix the foundation, and the AI on top finally holds.
<b>Moat Inversion</b>	A five-person AI-native team sliding between you and your customer.	Your expert judgment becomes the interface the customer meets first. Offense, not defense.

Each pressure point is a separate brief in the AI for Executives series, with its own evidence and a tailored estimate for your business.

**The one decision underneath all five.** Every pressure point resolves to the same choice: bolt AI onto the way you run today, and get the bolt-on return, or rebuild the operating model so AI runs the work. The evidence is one-directional. The value follows the rebuild, not the tool. And the window is not open indefinitely: the gap between the companies that scale AI and the ones that stall widens every quarter (WEF; PwC, 2026), because a rebuilt business compounds intelligence the bolt-on business cannot import later.

## Adoption is not transformation. The rebuild is.

The tools are the same for everyone. The operating model is what pays, and what is yours.

### Where should your 2026 AI strategy start?

Start an Operations Briefing: a 60-minute conversation. We listen to which of the five pressure points is costing you most, share what we have seen in similar operations, and decide together where a rebuild pays back first. No pitch. Reply and we will set it up.

AI for Executives is a briefing series from XSparks for leaders making AI pay off. Ask us for the brief on any of the five pressure points, or for **The 2026 AI Strategy**, the full ebook this series is drawn from: the frameworks, the diagnostics, the board pack, and the evidence, in one document.

ABOUT THE FIRM

# About XSparks

XSparks is a **Global AI Transformation Firm** built for mid-market enterprises that need AI to work in production. We take responsibility for outcomes, not just delivery. We fix the data, redesign the workflow, build the agents, and run them in production, composing your platforms, the wider AI ecosystem, and our own technology and methodology into one working system: the AI Operating Model (AIOM). The result is AI that delivers measured outcomes, in your operations, in your industry.

## How we are different

- 01** **Accountable for outcomes, not just delivery.** We report the value every quarter and sign it as the operator. No AI theater, and no outcomes left anecdotal.
- 02** **We stay through Operate.** Most firms stop at the pilot. The return is produced after go-live, so we run the system with you, with humans in and on the loop, quarter after quarter.
- 03** **One operating model, not point tools.** We rebuild how the work runs so AI runs it, and instrument the value across six components: cost reduction, revenue growth, time savings, capacity gain, quality improvement, and risk reduction.

METHODOLOGY

**Think. Build. Operate.**

FIRST WORKING SYSTEM

**4 to 6 weeks**

ENGAGEMENT MODEL

**Outcome-accountable**

Start an Operations Briefing: a 60-minute conversation. We listen to where the pressure is, share what we have seen in similar operations, and decide together whether there is a fit.



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