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Closing the GenAI Divide

What separates successful GenAI adopters from stalled experiments–and how to improve your chances of success.

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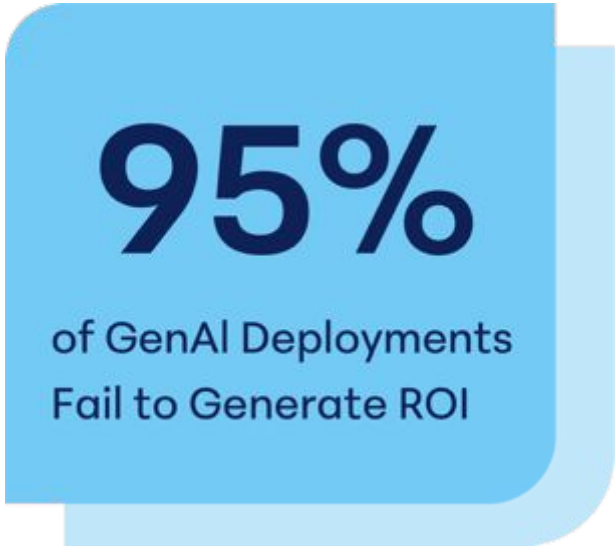
Introduction

Four years into the GenAI era, the story remains the same: AI offers massive potential but is exceedingly difficult to operationalize. A recent benchmark report from MIT confirms this reality, revealing a growing divide between enterprises experimenting with GenAI and those scaling it into measurable outcomes. **MIT found that 95% of organizations report no significant return from GenAI, while the remaining 5% are extracting millions of dollars in value.**[1]

As it turns out, it's not the technology holding companies back. In most cases, the problem is how companies are approaching deployments: Most fail due to disjointed workflow integration, lack of contextual learning, and misalignment with day-to-day operations.

This presents both a challenge and opportunity for technology leaders, whose success increasingly depends on moving beyond experimentation and turning AI into measurable business outcomes.

In this eBook, we'll explore what's causing the GenAI divide and why it continues to widen. We'll also examine what successful companies are doing differently with GenAI, and some practical ways to close the gap.



GenAI adoption by the numbers

- Nearly eight in 10 companies report using GenAI— just as many report no significant bottom-line impact.[2]
- 43% of data leaders point to data quality, completeness and readiness as the biggest obstacles for GenAI initiatives. 45% believe that concerns over the responsible use of AI prevent them from demonstrating business value.[3]
- 91% of middle market firms have adopted GenAI. 25% of companies using GenAI say it's fully integrated across their core operations or workflows, while 43% say it's integrated across some operations and workflows. And among respondents who have experienced AI implementation issues, 41% expressed concerns about data quality.[4]
- 60% of organizations have evaluated enterprise-grade AI platforms, but just 20% have reached the pilot stage, and only 5% have reached production.[5]

The GenAI divide refers to the gap between organizations actively using IT-sanctioned GenAI tools, and those that have translated them into measurable profit and loss (P&L) impact.

This divide persists despite the proliferation of tools like ChatGPT and Copilot, which are now widely used by individuals across all industries. While these tools enhance individual productivity, they have no impact on P&L performance. Meanwhile, teams are quietly rejecting custom and vendor-sold AI tools, leading to wasted resources and opportunities.

- At one end of the divide, companies are experimenting without impact—spinning up pilots, testing GPT-powered apps, and running data experiments that fail to connect to customer or employee outcomes. For example, managers may implement tools that help team members work faster but have no impact on the bottom line—making them difficult or impossible to justify to senior leadership.

- At the other end of the divide, organizations are executing in silos—deploying AI tools without integrating them into workflows, compliance frameworks, or CX initiatives. This has caused a thriving shadow AI economy, where employees are widely using accounts like ChatGPT or Copilot to automate work beyond the oversight of IT.

The result? Innovation theater. Leaders can say, "We're doing AI," but they can't prove ROI.

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Why Companies Struggle with GenAI

According to MIT, the core barrier to scaling GenAI isn't infrastructure, talent, or regulation. The problem is that most AI tools are unable to learn and adapt over time. In addition, they don’t integrate well into existing workflows and processes.

There are three consistent reasons why AI initiatives fail:

1. **Misaligned strategy:** AI projects often focus on features, not outcomes. Organizations tend to approach GenAI as a technology initiative, instead of a business transformation. They deploy tools based on capabilities, without first defining outcomes that they are meant to improve. As a result, there is a disconnect between the technical success of an AI project and its business impact.

2. **Poor adoption:** The shadow economy thrives because sanctioned tools often fail to meet employee needs. Simply put, workers prefer tools that are easy to use, and effective. As MIT explains, “A significant number of workers already use AI tools privately, reporting productivity gains, while their companies' formal AI initiatives stall. This shadow usage creates a feedback loop: Employees know what good AI feels like, making them less tolerant of static enterprise tools.”

3. **Fragmented platforms:** Siloed point solutions create more complexity instead of simplicity. Organizations tend to struggle when AI tools aren’t integrated into workflows and remain isolated within individual user environments or departments. To learn and improve over time—and ensure accuracy—GenAI systems require shared data and a single source of truth that connects insights from across the organization.

Mid-market vs. Enterprise Customers

Both mid-market organizations and enterprises are struggling with AI governance and security, according to the latest Telarus Tech Trends Report.[6]

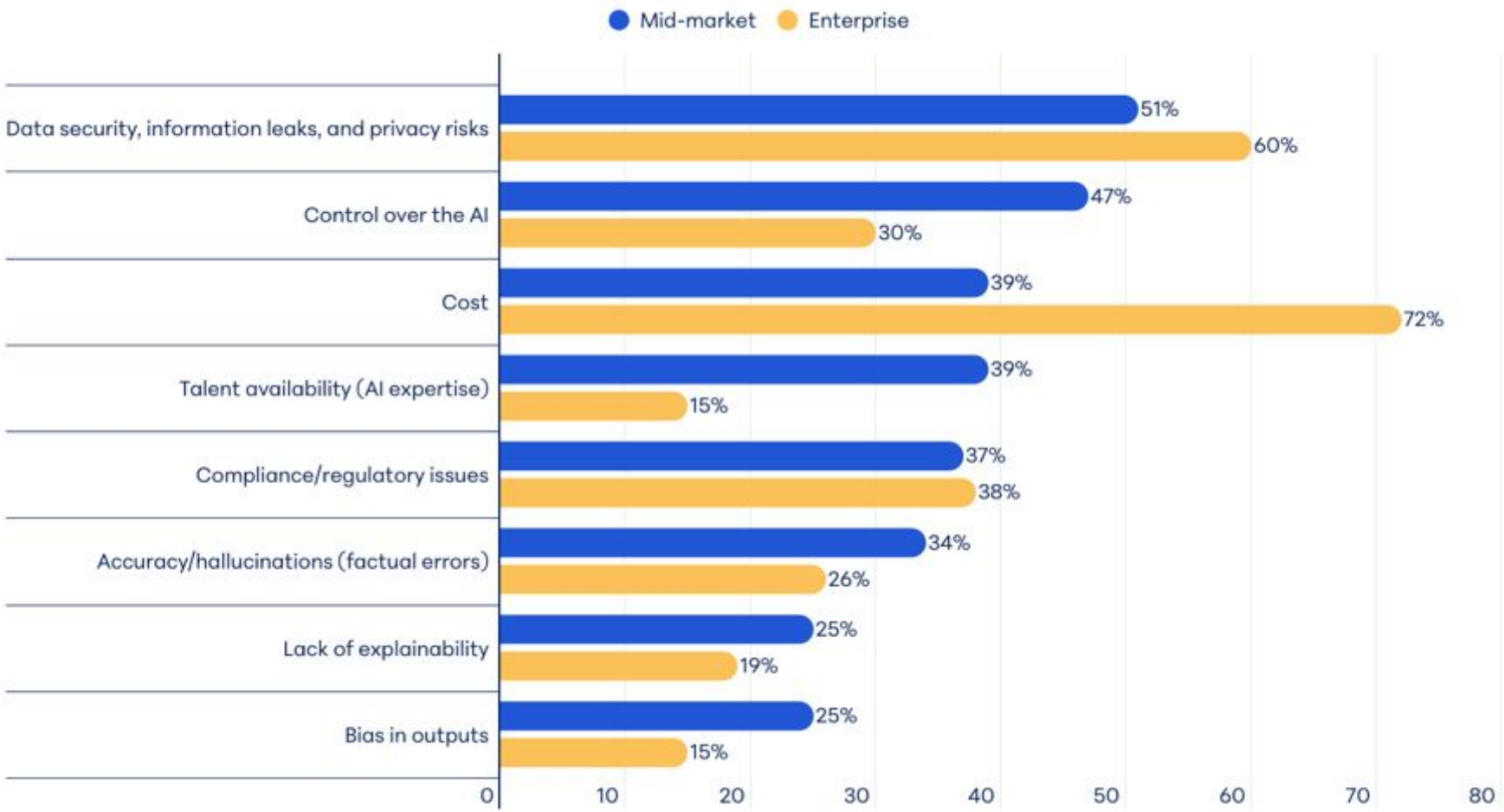
- Large enterprise customers are more likely to require assistance with non-generative AI and ML, as well as GenAI and agents. They are also more likely to cite cost as a barrier to AI.

- IDC found that just 36% of enterprises mandate GenAI awareness training across their organizations, highlighting a significant skills gap.[7]

Mid-market organizations are implementing AI tools at a much faster pace and moving more quickly from pilots to full deployments. Telarus found that 36% have structured AI initiatives and early governance frameworks, compared to 23% of enterprises. In addition, 26% report their AI initiatives are fully integrated with business objectives and governance frameworks, versus just 6% of enterprises.

- According to MIT, top-performing mid-market companies are migrating to full rollouts within 90 days, while enterprises typically take nine months or longer. They are also more concerned with in-house talent availability and expertise, maintaining control over AI, accuracy/ hallucinations, and output bias.

Concerns with Managing AI Adoption: Mid-Market vs. Enterprise



Source: 2025-26 Telarus Tech Trends Report (www.telarus.com/techtrends)

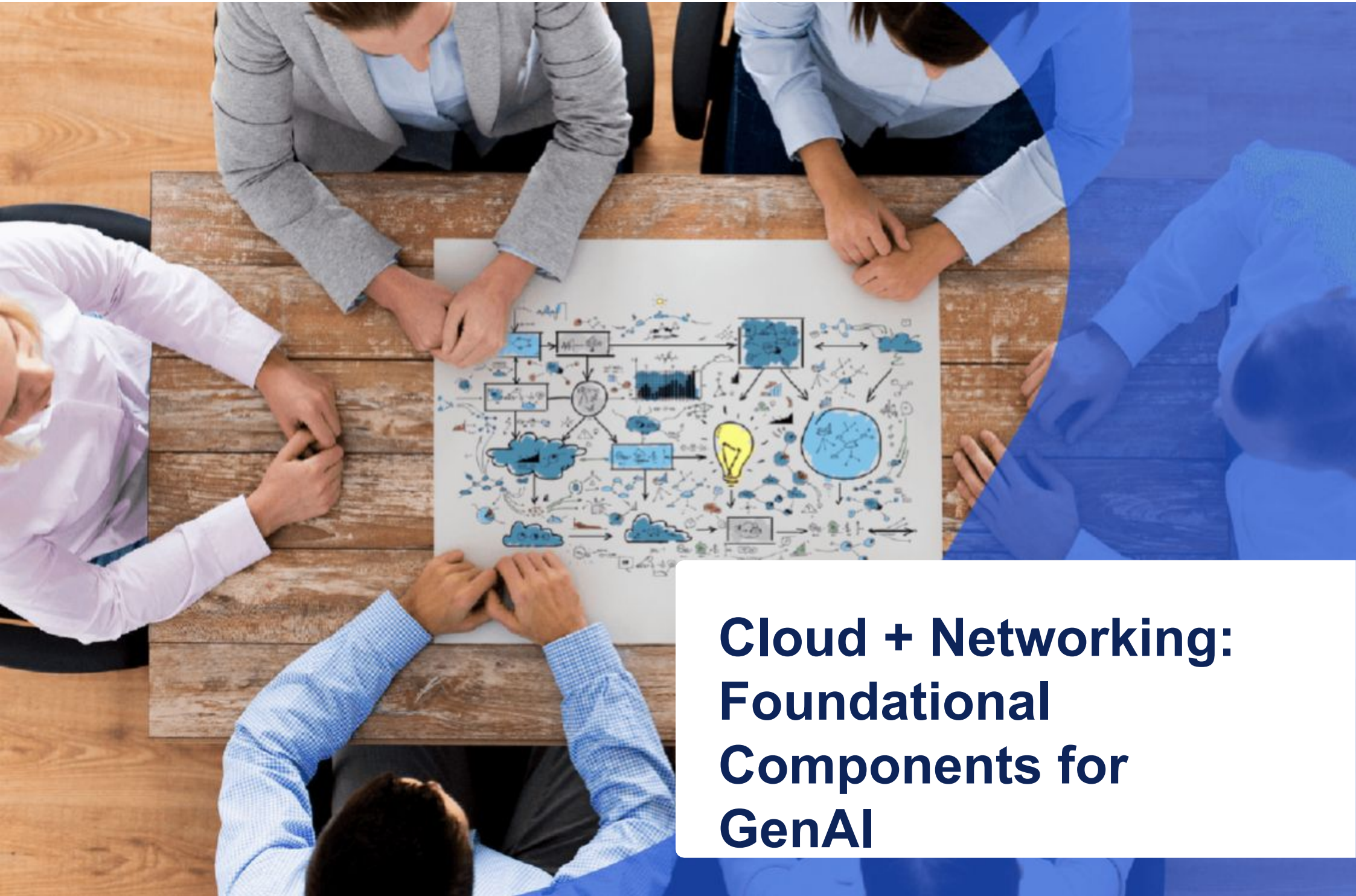
The Secret to GenAI Success

What differentiates the 5% of companies generating real ROI with GenAI from the rest of the pack?

Companies making the fastest progress with GenAI share several distinct characteristics: They scale efficiently, invest deliberately, and build robust external partnerships to streamline implementation. The key is their ability to tailor solutions to specific business processes and outcomes, ensuring every AI deployment is directly linked to ROI—not just innovation for its own sake.

A critical shift is emerging in how best-in-class leaders deploy GenAI across an organization. Instead of limiting AI to customer-facing functions, they strategically target back-office, operations, and finance—areas often overlooked, yet ripe for process transformation and cost savings. This cross-functional approach is vital: Successful GenAI adoption aligns with broader business goals, clear objectives, and a culture of continuous improvement, not departmental silos.

Winning organizations also look beyond traditional sales and marketing applications, extending GenAI into back-office and finance functions—areas that often yield stronger returns and greater cost savings.



Cloud + Networking: Foundational Components for GenAI

The cloud has emerged as the backbone of GenAI, powering AI-native workloads and data-intensive applications. Companies also require intelligent network infrastructure to ensure cloud systems run securely, efficiently, and with minimal latency. Together, cloud and networking enable GenAI to scale—linking data, models, and users.

Considering this, GenAI leaders typically have strong cloud and networking foundations in place, with operational maturity across the following areas:

- **Data privacy and compliance** with the latest encryption and access controls, and alignment with global frameworks like GDPR and HIPAA. **AI model and data security** with real-time monitoring and zero-trust architectures to prevent data leakage, model theft, and prompt injection attacks.
- **Optimized infrastructure** with the right networking and hardware components in place to ensure low latency and optimal performance.

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Quick Tips for Improving GenAI Success Rates

Organizations typically see stronger results when they align AI tools with specific business outcomes.

For example, rather than searching for a general AI tool for cybersecurity, it's often more effective to start with an internal assessment, and ask the following questions:

- *How many dedicated security workers do you have?*
- *Have you had any recent cybersecurity issues?*
- *How much time and cost would it save if you could detect, contain, and recover from cyber incidents in hours instead of days?*

Asking these types of questions, and working with a technology advisor, can help to quickly source solutions from GenAI suppliers—and discover how various technologies can provide real-time threat detection, automated remediation, and predictive analytics that anticipate attacks before they occur.

Here are some additional tips to consider when deploying GenAI solutions:

- **Integrate AI into workflows:** AI must live where employees already work. For example, AI is a great fit for UCaaS, CCaaS, and CRM platforms that employees are already familiar with.
- **Build platforms, not pilots:** Disparate point solutions contribute heavily to GenAI failure rates. The better approach is to utilize well-established platforms that are scalable and adaptable. It's also worth noting that internal GenAI deployments succeed just 33% of the time, while external partnerships have a 67% success rate.[8] The right partner will accelerate ROI without giving up strategic control.
- **Align AI with governance & risk:** Compliance issues, security blunders, and output bias can lead to costly AI setbacks. In fact, about half of IT buyers cite data security and privacy risks as key concerns with AI adoption.[9] Organizations should therefore be selective when working with suppliers and choose to work with partners who build AI responsibly and offer built-in controls for regulated industries.
- **Focus on AI readiness:** Deploying GenAI is a big initiative that requires careful planning and consideration. IT leaders can improve outcomes by conducting AI readiness assessments and, focusing on strategic alignment, data and infrastructure readiness, processes and governance, and overall business impact.

Pro Tip: Start by defining GenAI success. The definition of GenAI success tends to vary across roles, teams, and industries. It's essential to align early in the consultation process, establish a unified approach ROI, and document your specific goals and expectations.

How Technology Advisors Help Close the Gap

GenAI is still evolving, meaning companies are in uncharted territory as they experiment with different solutions. As a result, they're leaning heavily on experts for guidance. This is especially true in the mid-market, where 96% of IT buyers say they are open to meeting with new technology advisors.

By partnering with technology advisors, organizations gain access to impactful supplier recommendations and trusted engineers.

- **Turn AI into real business impact**, by accessing proven solutions—not just point solutions or the latest services.
- **Work with trusted outcome translators** with demonstrated success moving deployment from AI pilots to AI-powered outcomes.
- **Streamline vendor selection** by quickly identifying trusted suppliers who specialize in the latest AI tools and integrations.

Conclusion: GenAI is About Outcomes

At the end of the day, there is no magic formula for GenAI. Success requires understanding and defining business outcomes, and achieving them through deliberate, well-aligned deployments. Organizations that try to do AI in silos will continue spinning their wheels and experiencing little to no ROI.

Technology advisors can help chart a path through the GenAI divide and unlock real business impact. Trusted technology advisors enable organizations to be more intentional with each deployment and build more resilient, integrated tech stacks that deliver GenAI at scale.

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