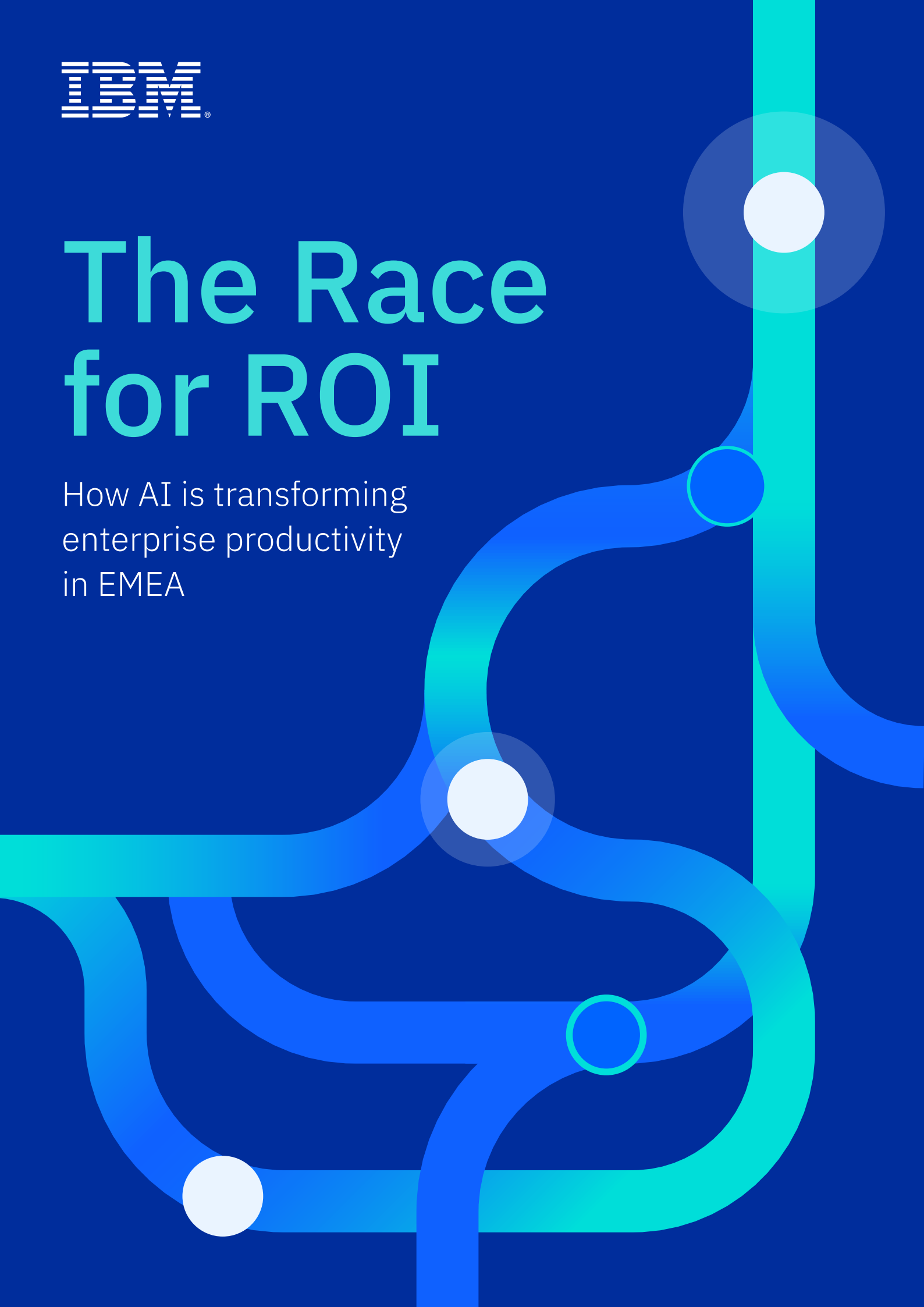


The Race for ROI

How AI is transforming enterprise productivity in EMEA

Contents

Foreword

Rethinking what AI Means for Business

Ana Paula Assis, Senior Vice President and Chair, EMEA and Growth Markets, IBM

Increasing productivity is an urgent priority for enterprises looking to boost growth, innovation and competitiveness. Artificial Intelligence (AI) is the greatest force multiplier for productivity the world has ever seen, causing businesses and governments to invest billions in AI deployments.

IBM's own transformation story shows what is possible: $3.5B of measurable and financially reportable productivity gains from AI and automation in two years.

We know from our own experience that scaling AI successfully across the whole enterprise demands more than great technology. It requires a cross company focus on improving AI literacy to remove fear and enable an understanding of what AI is – and what it is not. It demands enterprise AI solutions that are fit for purpose and embedded into core operations. Nobody needs trillion-parameter, generic models. They need efficient, cost-effective AI that is tailored for use cases that matter.

So, how much progress are enterprises making with AI-powered productivity? How many organizations are already seeing results? If so, where and what was the impact? Where are AI investments being prioritized and what are the expectations for returns on those investments (ROI)? How are enterprises using AI to go beyond basic automation and transform entire business models?

We recently asked 3,500 senior leaders from 10 countries in EMEA to find out. Our research, conducted with Censuswide, reveals where organizations across the region are gaining, where they are falling short, and five takeaways for achieving ROI faster.

Introduction

AI-Powered Productivity That Matters

In 2024, productivity growth in Europe continued to stagnate below 1%, leaving many organizations struggling to stay competitive.[1]

AI presents a transformative opportunity to reverse this trend. It is estimated that by 2030, AI has the potential to boost global productivity growth by up to 3% annually, adding an estimated $4 trillion in value to the global economy.[2]

Crucially, the benefits of AI-powered productivity extend beyond efficiency gains.

It enables businesses to augment human intelligence and potential, accelerate innovation, and focus on more impactful, value-generating opportunities.

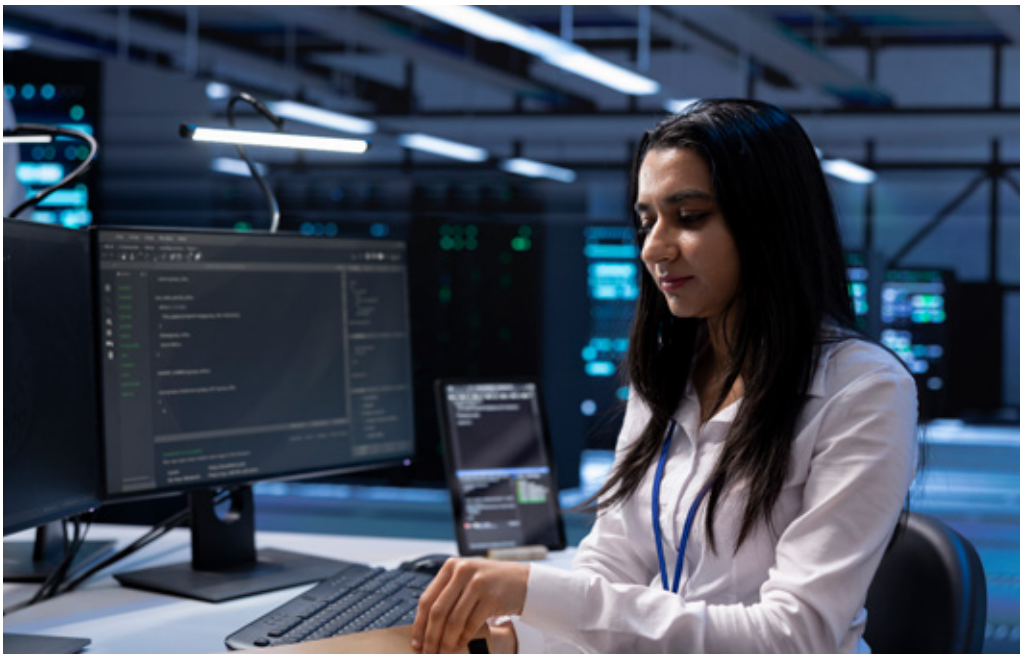
Across EMEA, forward-thinking organizations are already moving beyond tactical deployment to adopt AI as a strategic enabler embedded into their operational fabric. For example, 32% of senior leaders across EMEA say they're already redesigning entire value streams around AI capabilities rather than just automating existing steps. And, 36% have changed their operating model to speed up innovation cycles to achieve the productivity gains they want to deliver through AI. Further opportunities are on the horizon, with 92% confident in achieving measurable ROI from AI agents and tools within the next two years.

Yet the outlook is far from consistent. While some organizations are fundamentally reshaping their operations and scaling AI to unlock its full potential, smaller enterprises and public-sector entities often struggle to achieve comparable gains.

As AI's potential grows, who is successfully leveraging it to drive productivity and innovation, and how can these benefits be democratized to foster growth throughout EMEA?

[1] *https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Productivity_trends_using_key_national_accounts_indicators*

[2] *https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier*



Tangible Impact of AI on Productivity

The indicators are promising: two-thirds (66%) of senior business leaders across EMEA report that AI has already delivered significant productivity improvements for their organizations. Notably, only a small fraction (2%) of respondents indicated they have yet to see, or don't expect, any meaningful impact from AI within the next two years.

For businesses still waiting to realize productivity improvements, the outlook remains optimistic. Close to one in four (23%) senior leaders surveyed stated they anticipate substantial gains in productivity by integrating AI over the coming 24 months.

However, the research reveals a marked disparity. Larger organizations (1,001– 5,000 employees) are leading the charge, with 72% reporting significant AI- driven productivity enhancements. Small to medium-sized enterprises (SMEs), meanwhile, are struggling to keep pace. Only 55% of businesses with fewer than 250 employees report similar outcomes.

2/3 of senior EMEA leaders say **AI has driven significant productivity gains**

Case Study

Al Rajhi Capital, one of the leading financial services companies in the Middle East, looked to modernize its infrastructure in an increasingly digital-first world.

The company embarked on a journey with IBM to unify its platforms, enhance operational efficiency and deliver a superior customer experience.

Using IBM's AI for business solutions, the company developed a new 'super app' to aggregate all investment services—brokerage, asset management and investment banking—into a unified, user-friendly interface.

As a result, business volume has surged by 40% on the brokerage side since the launch of the app, while customer onboarding for asset management has increased by 1,000%, thanks to the streamlined digital processes.

72% of senior leaders in the banking and financial services sector say AI has already driven significant operational productivity improvements across our organization (vs EMEA average of 66%).

The top three benefits they're already experiencing include:

- **Increased operational efficiency - 59%** (slightly higher than EMEA average of 55%)
- **Enhanced decision making & knowledge sharing - 55%** (higher than EMEA average of 50%)
- **Augmented workforce capabilities - 47%** (on a par with EMEA average of 48%)

25% of senior leaders in banking and finance say “developing company strategy” is one of the areas where they are seeing the greatest AI driven productivity gains.

However, across the sector, the top three areas where they’re seeing the greatest benefit include:

- **Customer service - 37%**
- **Software development / computer engineering - 33%**
- **Client or account management - 31%**

Priority areas for focusing AI investment to improve productivity in the next two years, according to banking and financial services leaders across EMEA, are:

- **Increasing operational efficiency - 52%**
- **Enhancing decision-making - 44%**
- **Enhancing risk mitigation and compliance - 41%**

26% of senior leaders in the banking and financial sector say they’re already achieving their current financial/cost savings ROI goals thanks to AI (vs EMEA average of 20%).

Meanwhile, 94% of senior leaders in the sector say they’re confident that AI agents will deliver measurable ROI for their organization within the next two years.

Data is based on the responses of 853 senior leaders in the banking and financial sector across EMEA.

AI as a Strategic Enabler

Progressive organizations are shifting their expectations of AI – from a tool designed to improve efficiency, to an opportunity to reimagine and transform core processes and business models.

Among those senior leaders who reported significant productivity improvements from AI, nearly a quarter (24%) felt these had fundamentally altered their business models. Again, this proportion is higher in larger organizations, with 26% of entities employing over 1,000 employees citing such outcomes, compared to 21% of smaller operations.

When asked to name the top productivity benefits, over half of respondents (55%) credit AI with increasing operational efficiency. An additional 50% highlight improved decision-making and knowledge-sharing, while 48% say that AI is augmenting workforce capabilities, enabling employees to focus on higher-value work.

of EMEA senior leaders plan to **use AI to accelerate innovation**

This evolution demonstrates that AI is increasingly being viewed as a strategic enabler of business change.

How? Senior leaders say they are using or planning to use AI to redesign entire value streams around AI capabilities, rather than just automating existing steps (75%). This includes overhauling organizational org charts to include AI agents as permanent team members (74%), the development of AI-driven command centres that manage end-to-end business processes with minimal human intervention (75%) and evolving from linear value chains to AI-enabled platforms that connect multiple stakeholders (76%).

In addition to this, organizations are looking to transform reactive resource management into predictive optimization (77%) and transition from periodic risk assessments to continuous AI-powered monitoring that identifies and mitigates risks (79%).

But this isn't just about creating efficiencies and minimizing risk, this business model transformation is also fueling creativity. For example, 78% of senior leaders across EMEA say they're already using or planning to use AI to speed up innovation cycles (78%), such as using AI to simulate scenarios, test hypotheses, and identify promising directions.

Crucially, these productivity benefits are shaping broader business strategies. Amongst EMEA business leaders who are seeing improvements, a quarter identified "developing company strategy" as an area where they are seeing the greatest productivity gains from AI.

55% of public-sector leaders report **significant AI productivity benefits** vs. the EMEA average of 66%

Is the Public Sector Keeping Pace?

While the private sector is already harnessing the productivity rewards offered by AI, our findings suggest that public-sector entities are struggling to keep pace.

Among public-sector leaders surveyed, of which there were 293 who participated, 55% reported that AI had already driven significant productivity improvements within their organizations, notably lower than the EMEA cross-sector average of 66%.

Looking ahead, the adoption curve appears slower. One in four (26%) public-sector respondents predict productivity gains over the next two years, while a further 16% expect incremental changes, limited to specific use cases or departments.

Several barriers are slowing progress, including budget limitations (68%), talent or expertise shortage (66%), the challenge of scaling solutions beyond pilot programs (66%) and internal misalignment on AI strategy (63%).

This is paired with one of the biggest hurdles of inadequate data infrastructure or data fragmentation (70%), which limits AI's ability to deliver actionable insights.

Addressing these issues will be essential to unlocking AI's full potential across the region's public-sector operations.

Case Study

The City of Helsinki has partnered with IBM Consulting to co-create a digital assistant network to provide faster, more flexible customer experiences. To support over 38,000 employees - delivering everything from healthcare to housing and infrastructure - the multi-chatbot combines capabilities and data from six healthcare and social services to handle up to 300 customer contacts per day in Finnish, Swedish and English. This gives employees more time to devote to helping patients and other citizens.

55% of senior leaders in this sector say AI has already driven significant operational productivity improvements across our organization (vs EMEA average of 66%).

The top three benefits they're already experiencing include:

- **Increased operational efficiency - 54%** (on a par with EMEA average of 55%)
- **Enhanced decision making & knowledge sharing - 47%** (on a par with EMEA average of 50%)
- **Augmented workforce capabilities, and IT modernization and optimization, joint third at 45%** (vs EMEA average of 48%)

Case Study

Protecting sensitive information with AI-powered data masking

Lidingö stad Municipality together with their project colleagues in the municipalities of Kungsbacka, Skövde, Vara, and Skara as part of the Vinnova-funded project Rätt till insyn (eng. Right to Access) uses generative AI to successfully streamline its data masking process. This enables the organization to protect, improve and ensure compliance with Sweden's transparency laws. Using IBM watsonx.ai and IBM Watson Natural Language Understanding, Lidingö stad Municipality achieved a 50% reduction in processing time for public document requests.

25% of senior leaders in the public sector say "developing company strategy" is one of the areas where they are seeing the greatest AI driven productivity gains.

However, across the sector, the top three areas where they're seeing the greatest benefit include:

- **Customer service - 32%**
- **Client or account management - 28%**
- **Joint third - Software development/ computer engineering and purchasing of IT, telecoms or technology products - 27.5%**

Priority areas for AI investment to improve productivity in the next two years, according to public sector leaders across EMEA include:

- **Increasing operational efficiency - 55%**
- **Enhancing risk mitigation and compliance - 42%**
- **Enhancing decision-making - 41%**

13% of senior leaders in the public sector say they're already achieving their current financial/cost savings ROI goals thanks to AI (vs EMEA average of 20%).

Meanwhile, 86% of senior leaders in the sector say they're confident that AI agents will deliver measurable ROI for their organization within the next two years.

Data is based on the responses of 293 senior leaders in the public sector across EMEA

AI investments delivering faster payoffs

The findings suggest that AI-driven investments in productivity are beginning to pay off. Approximately one in five EMEA senior leaders say that their organization is already achieving its current ROI goals from AI initiatives, with an additional 40% expecting to reach them within a year. In total, almost 60% anticipate tangible returns on their AI investments in under 12 months.

The core metrics where ROI goals have already been met including financial cost savings (20%), employee time savings (25%), increased revenue (22%), enhanced employee satisfaction (23%), and improved customer satisfaction (21%).

Importantly, optimism in AI's future remains strong. Further productivity benefits are anticipated from the progressive roll-out of AI Agents, with 92% of EMEA senior leaders expressing confidence that this technology will deliver measurable ROI within the next two years.

When it comes to prioritizing AI investments, half (51%) of all EMEA senior leaders say their primary focus is on increasing efficiency to drive productivity.

This comes ahead of enhancing decision-making capabilities (42%) and IT modernization initiatives (40%). At the more tactical end of the spectrum, activities such as marketing and content creation (34%), personalization and task automation (36%) are positioned lower on leaders' list of priorities.

92% of EMEA leaders are **confident AI agents will deliver ROI in two years**

Elevating Employee and Customer Experiences

AI and automation are reshaping workplaces across EMEA, unlocking employee potential by freeing up time for more valuable activities. When asked about tasks teams are engaging in more frequently, senior leaders cited driving innovation and new ideas (39%), followed by strategic planning (36%), engaging in creative work (33%), and advancing ESG initiatives (31%).

AI is also opening up important opportunities for workforce transformation. Over one in four (28%) respondents reported that AI is driving job creation, while more than a third (37%) are prioritizing inclusive AI workforce initiatives.

of EMEA businesses are prioritizing inclusive AI workforce transformation

From an employee engagement perspective, EMEA senior leaders clearly recognize AI's potential to enhance team productivity. Key focus areas include AI-powered knowledge management (42%) and learning experiences (38%), both aimed at building a more dynamic and informed workforce.

AI is also transforming customer engagement strategies. Organizations are leveraging AI to strengthen customer relationships through virtual assistants (39%), fraud detection and prevention (38%), and behavior prediction and analysis (38%).

There were some interesting sector variations on where organizations are focusing AI productivity efforts. For example, in the banking and financial sector 46% of senior leaders said creating intelligent virtual assistants that become trusted advisors to customers was a key area of focus vs the EMEA average of 39%.

Looking specifically at energy & utilities, 40% said they're focusing AI productivity improvements on personalized content creation and delivery versus EMEA average of 36%, while 38% of senior leaders in this sector said their focus is on sentiment analysis for customer feedback and management versus the EMEA average of 31%.

Case Study

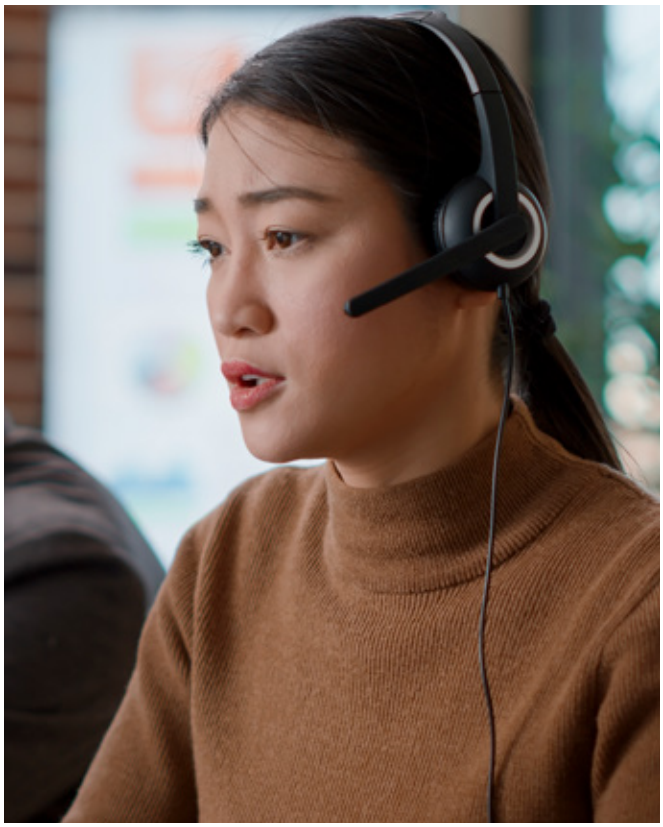
Nedgia, Naturgy Group's gas distributor, partnered with IBM Consulting to build a generative-AI contact center that embeds intelligent virtual agents across its phone and digital channels.

The new system understands complex requests, routes conversations to specialized bots, and automates tasks such as scheduling mandatory inspections and providing real-time meter readings. This has cut waiting times by helping to resolve most queries instantly, while freeing up human agents for higher-value support.

70% of senior leaders in the energy & utilities sector say AI has already driven significant operational productivity improvements across our organization (vs EMEA average of 66%).

The top three benefits they're already experiencing include:

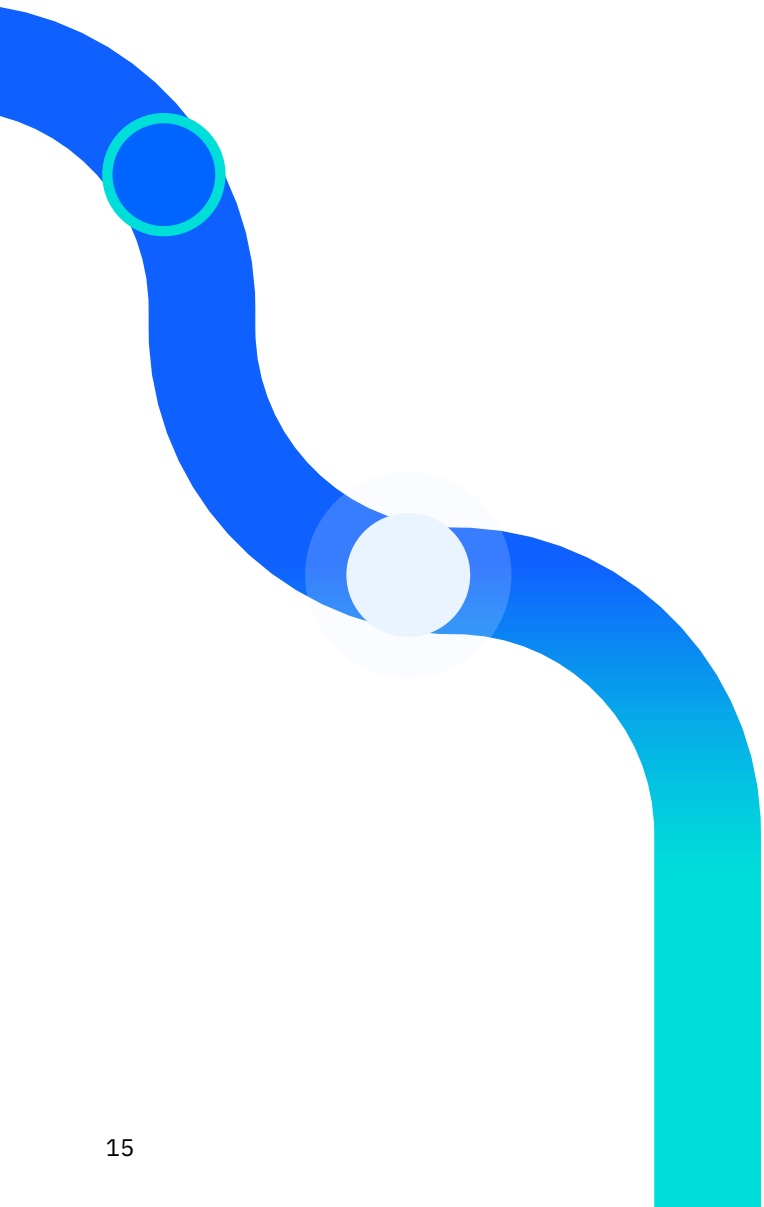
- **Increased operational efficiency - 64%** (higher than EMEA average of 55%)
- **IT modernization and optimization - 53%** (higher than EMEA average of 46%) and **Enhanced decision-making and knowledge sharing 53%** (on a par with EMEA average of 50%)
- **Augmented workforce capabilities- 51%** (vs EMEA average of 48%)



35% of senior leaders in the energy & utilities sector say AI has already driven significant operational productivity improvements across our organization (vs EMEA average of 66%).

The top three benefits they're already experiencing include:

- **Developing company strategy - 35%**
- **Software development/computer engineering - 34%**
- **Sustainability/energy management - 33%**



Priority areas for focusing AI investment to improve productivity in the next two years, according to energy & leaders across EMEA include:

- **Increasing operational efficiency - 55%**
- **Enhancing decision-making - 51%**
- **Accelerating innovation and R&D - 47%**

26% of senior leaders in the energy & utilities sector say they're already achieving their current financial/cost savings ROI goals thanks to AI (vs EMEA average of 20%).

Meanwhile, 94% of senior leaders in the sector say they're confident that AI agents will deliver measurable ROI for their organization within the next two years.

Data is based on the responses of 247 senior leaders in the Energy & Utilities sector across EMEA

Prioritizing Choice and Interoperability

Openness, interoperability, and flexibility are critical priorities for all types of organizations adopting AI. A majority of respondents (87%) emphasized the importance of maintaining control over AI systems and data. Additionally, 85% said they valued having the flexibility to choose and adapt AI solutions or providers as needs evolve, underscoring the demand for customizable and future-ready AI frameworks.

Similarly, senior leaders stressed the importance of openness and transparency. Ensuring the technology operates ethically and responsibly (85%), AI outcomes are consistent and in line with the company's ethical framework (84%) and the ability to govern the AI system to ensure regulatory compliance (86%) were all identified as critical. This underscores the demand for customizable and future-ready AI risk and governance.

Unlocking the Full Strategic Potential of AI

AI is reshaping the future of productivity across EMEA, offering businesses powerful technology to innovate, grow, and build resilience. This research reveals a promising outlook, with 66% of leaders already recognizing significant gains and 92% expecting measurable ROI from AI agents within the next two years. Yet, challenges persist, particularly for smaller businesses and public-sector entities where resource limitations, strategic misalignment, and scaling difficulties often hinder progress.

To accelerate ROI from AI, enterprise leaders should focus on five key priorities:

1. Establish an effective operating model for AI:

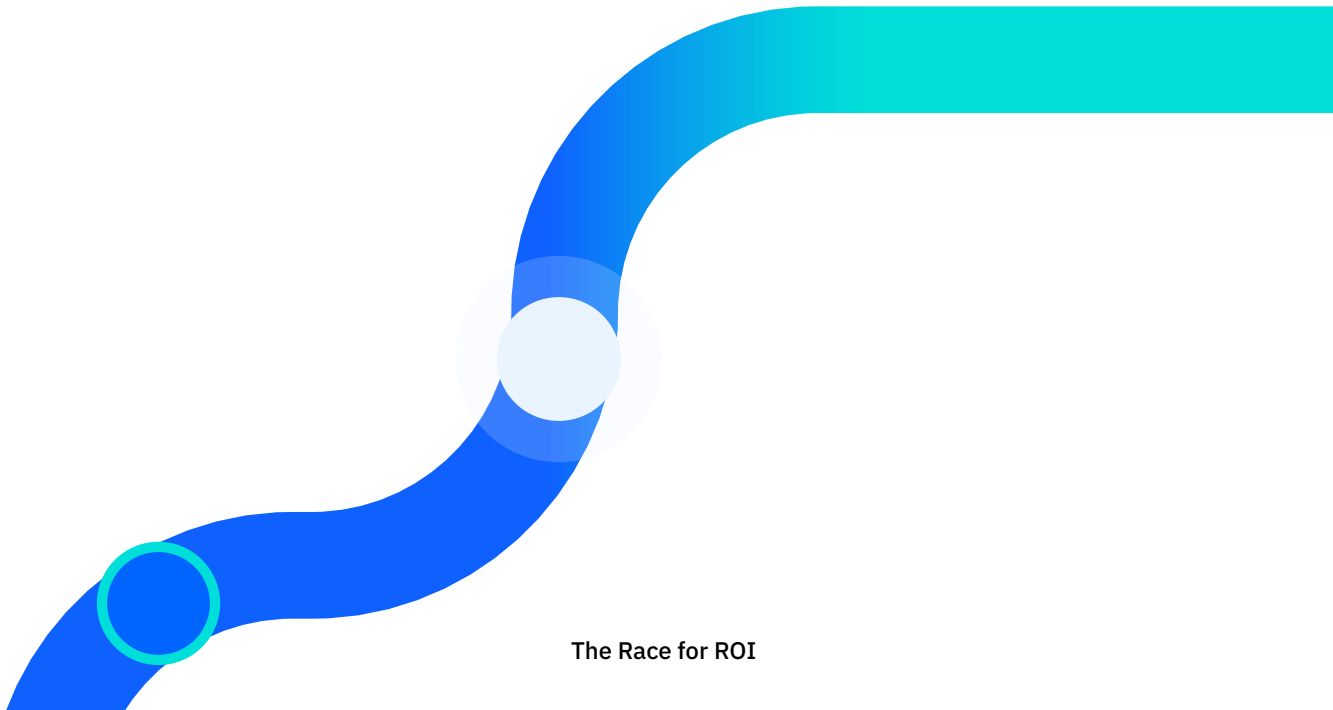
Establishing a common and universally understood approach for AI transformation across the organization, such as a federated or hub-and-spoke model, along with clear ownership, is crucial for delivering return on investment.

2. Cultivate AI literacy and a culture of innovation, from the Board to entry-level:

In the coming years, AI tools will become increasingly embedded in organizations, but will only add value when applied to the right areas. Knowledge of how and why to use these tools across teams and functions will help the organization to adapt and thrive as AI capabilities and the opportunities they create continue to evolve.

3. Get comfortable with uncertainty and rapid change:

We are moving into a world of AI everywhere. AI tools will be embedded and procured into every interaction layer - whether it is the search engine we use, the device we interact with or the companies we engage with. Success in this era means developing a culture that embraces change and uncertainty, and enables rapid, purposeful innovation.



4. Understand the risks around AI deployment:

As with any technology, AI must be applied with caution and a detailed understanding of regulatory, reputational and operational risks. Enterprises should apply AI governance tooling to monitor and mitigate potential risks, such as unauthorized data sharing and unwanted bias.

5. Establish a cross company “AI Board” to mitigate risk:

The AI Board’s role is to define ethical principles and risk appetite and review higher risk AI use cases before they are implemented. This, combined with increased AI literacy, will give business units a high level of autonomy to implement AI use cases with confidence.

For enterprises, AI offers tremendous potential for strategic transformation and many organizations in EMEA are starting to see results. Focusing on these strategic levers will help them continue this momentum.

Research Methodology

This report is based on a survey conducted by IBM in partnership with Censuswide in September 2025, involving over 3,500 senior business leaders (aged 25+) across France, Germany, Italy, Netherlands, Poland, Saudi Arabia, Spain, Sweden, UAE and the UK. Respondents were drawn from organizations which currently use AI tools, representing a range of industries, including Finance, Public Sector, Retail, Telecoms, and Energy.

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