



KING GLOBAL EXECUTIVE INSIGHTS

THE AI EXECUTION GAP

Why adoption is rising faster than measurable business value - and how leaders can convert experimentation into enterprise performance.

KING GLOBAL CONSULTING INC.

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AI Investment Is Accelerating Faster Than AI Value

The central management challenge is no longer access to artificial intelligence. It is converting access into repeatable economic value. Spending, availability and experimentation are rising quickly; operating integration, measurement and financial returns are not keeping pace.

\$2.7T

2026 AI SPENDING

Global forecast.

19.8%

U.S. BUSINESS USE

National rate, May.

56%

NO FINANCIAL GAIN

CEOs reporting
neither.

12%

DUAL BENEFIT

Both revenue and
cost.

28%

ROI SUCCESS

I&O use cases.

FOUR EXECUTIVE CONCLUSIONS

- The technology market is scaling rapidly: Gartner forecasts worldwide AI spending will rise 49.5% to \$2.7 trillion in 2026.
- Adoption remains highly uneven. Large and knowledge-intensive firms use AI at substantially higher rates than the national business average.
- The value gap is operational, not merely technical. Narrow pilots, weak data, fragmented ownership and poor workflow integration suppress returns.
- Organizations that embed AI across products, decisions and day-to-day processes are materially more likely to report financial benefits.

KING GLOBAL CONCLUSION

AI does not create enterprise value simply because employees have access to it. Value appears when leaders redesign work, govern deployment and measure business outcomes.

Sources: Gartner (Sept. 16, 2026); PwC 29th Global CEO Survey; U.S. Census Bureau; Gartner I&O survey.

The Investment Curve Is Steeper Than the Return Curve

AI has become a major capital-allocation category across infrastructure, software and services. Yet the expanding spend pool has not produced equally broad financial returns.

WORLDWIDE AI SPENDING FORECAST

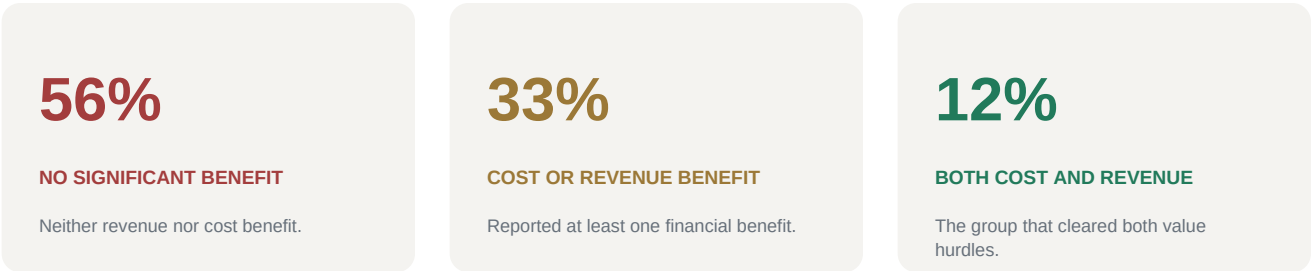


2025 base is implied by the 2026 forecast growth rate and rounded to one decimal place.

RATE OF CHANGE

Gartner forecasts 49.5% year-over-year growth in total worldwide AI spending. The estimate spans infrastructure, software, services and embedded capabilities.

CEO-REPORTED FINANCIAL OUTCOMES FROM AI



The 12% reporting both benefits are included within the broader 33% reporting at least one benefit; the figures should not be summed.

INTERPRETATION

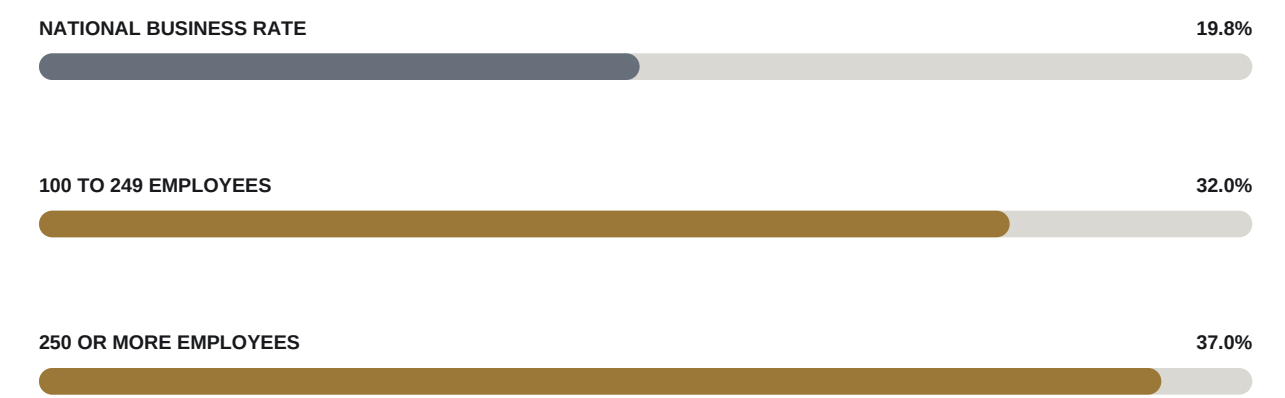
The value gap should not be read as evidence that AI is economically weak. It indicates that acquisition is occurring faster than organizational redesign, measurement and scale.

Sources: Gartner, Worldwide AI Spending Forecast, Sept. 16, 2026; PwC 29th Global CEO Survey, Jan. 19, 2026.

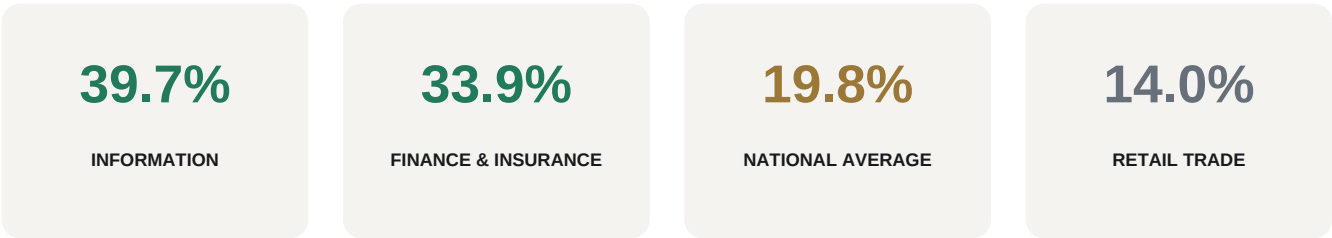
AI Use Is Dividing by Size and Sector

National averages conceal a widening implementation divide. Larger businesses and knowledge-intensive sectors are deploying AI at significantly higher rates than smaller firms and operating sectors.

AI USE BY FIRM SIZE



SELECTED SECTOR ADOPTION RATES



MANAGEMENT IMPLICATION

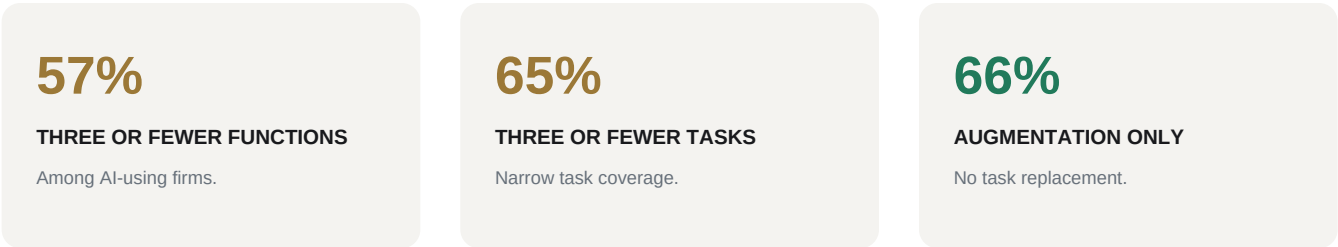
The competitive gap will not come from access to the same tools. It will come from how quickly organizations build repeatable use cases, trusted data, trained teams and governed workflows.

Note: adoption rates reflect different business populations and survey dates. They should be read as directional evidence, not identical measures.

Source: U.S. Census Bureau, Business Trends and Outlook Survey, data through May 3, 2026.

Most Adoption Is Still Narrow

Firm-level adoption is only the first layer. The more important question is how broadly AI is integrated across functions, worker tasks and operating investments.



MOST COMMON BUSINESS FUNCTIONS AMONG ADOPTERS



WHAT THE EVIDENCE SUGGESTS

- Many organizations are using AI, but across too few functions and too few recurring tasks to create enterprise-wide economics.
- The Census working paper reports a positive correlation between commercial performance and broader functional, task-level and operational integration.
- Worker-task adoption can occur without formal firm strategy, while formal adoption can occur without meaningful worker use. Alignment is the missing layer.

Source: U.S. Census Bureau, The Microstructure of AI Diffusion, Working Paper CES-26-25, April 2026.

Why AI Initiatives Stall Before Value Appears

Failed AI programs rarely fail because the model is insufficiently sophisticated. They fail because scope, data, process ownership, adoption and measurement are not designed as one system.

OBSERVED FAILURE SIGNALS

20%**FAIL OUTRIGHT**

I&O AI use cases.

38%**SKILLS GAP**

Cited after setbacks.

38%**DATA FAILURE**

Quality or availability.

01 POORLY DEFINED BUSINESS CASE

The tool is selected before the economic problem is quantified.

02 PILOT ISOLATION

AI remains outside the systems and workflows employees use every day.

03 FRAGMENTED OWNERSHIP

Business, technology, data, legal and finance operate without one accountable sponsor.

04 UNREALISTIC AUTOMATION

Leaders expect immediate autonomy in complex, unpredictable processes.

05 MEASUREMENT AFTERTHOUGHT

No baseline exists for time, cost, quality, revenue or risk before deployment.

The management problem is not adoption. It is coordinated execution.

AI must be treated as an operating-model transformation, not a software installation.

Source: Gartner, AI Projects in Infrastructure and Operations Stall Ahead of Meaningful ROI Returns, April 7, 2026.

Higher Performers Build Foundations Before Scale

The organizations generating both cost and revenue gains are not simply spending more. They are deploying AI more deeply and supporting it with governance, integration and leadership alignment.

3x

MORE LIKELY TO REPORT MEANINGFUL FINANCIAL RETURNS

PwC reports that organizations with strong AI foundations - including responsible-AI frameworks and integration-ready technology environments - are three times more likely to report meaningful returns.

SIX CHARACTERISTICS OF AI VALUE LEADERS

1

BUSINESS-LED PRIORITIES

Use cases begin with measurable operating or customer outcomes.

2

WORKFLOW EMBEDDING

AI sits inside the systems and processes where decisions occur.

3

TRUSTED DATA

Data quality, permissions and access are managed before scale.

4

EXECUTIVE SPONSORSHIP

A senior owner resolves conflicts and protects focus.

5

CROSS-FUNCTIONAL DELIVERY

Operations, technology, finance, legal and risk share accountability.

6

CONTINUOUS MEASUREMENT

Teams track adoption, quality, economics and risk together.

Sources: PwC 29th Global CEO Survey; Gartner I&O AI ROI survey.

The AI Value Conversion System

King Global recommends a six-stage operating loop that connects technology selection to economic outcomes. Each stage must produce evidence before the organization commits additional capital or expands scope.

01**BASELINE**

Measure current time, cost, quality, volume and risk.

02**PRIORITIZE**

Rank use cases by value, feasibility, adoption and risk.

03**REDESIGN**

Rebuild the workflow, decision rights and human checkpoints.

04**ENABLE**

Prepare data, tools, integrations, training and support.

05**GOVERN**

Set permissions, controls, accountability and escalation.

06**MEASURE**

Track realized economics and feed evidence into the next cycle.

DECISION RULE

Do not scale because a pilot is impressive. Scale when the workflow is adopted, the economics are verified and the risks remain controlled.

A 90-Day Path From Experimentation to Evidence

The first 90 days should not attempt enterprise-wide transformation. The objective is to establish a repeatable system that produces one verified operating result and a disciplined pipeline for what comes next.

DAYS 1-15

ESTABLISH THE BASELINE

- Inventory current AI use and shadow adoption.
- Select one measurable workflow.
- Document baseline cost, time, quality and risk.

DAYS 16-30

DESIGN THE BUSINESS CASE

- Score use cases for value and feasibility.
- Assign an executive owner and process owner.
- Define success, stop and escalation thresholds.

DAYS 31-60

DEPLOY INSIDE THE WORKFLOW

- Integrate data and existing systems.
- Train the operating team and managers.
- Run controlled production tests with human review.

DAYS 61-90

VERIFY AND SCALE

- Compare results with the baseline.
- Validate cost, quality, adoption and risk.
- Scale, revise or stop based on evidence.

END-OF-CYCLE EVIDENCE PACKAGE

One verified use case | documented baseline and result | adoption evidence | control assessment | scale recommendation | next-priority backlog

The Executive AI Value Scorecard

A credible AI program requires a scorecard that connects usage to operating performance and financial outcomes. Adoption is an input. Value is the result.

CORE METRICS

DIMENSION	METRIC	EXECUTIVE QUESTION
ADOPTION	Active users / eligible users	Is the workflow being used?
CYCLE TIME	Minutes or days per completed unit	Is work moving faster?
QUALITY	Accuracy, rework or approval rate	Is output improving?
UNIT COST	Total cost per completed unit	Are savings economically real?
CAPACITY	Volume completed per employee	Is productive capacity expanding?
REVENUE	Conversion, retention or revenue per user	Is growth improving?
RISK	Exceptions, overrides and incidents	Are controls holding?
REALIZED ROI	$(\text{Verified benefit} - \text{total cost}) / \text{total cost}$	Did the initiative create value?

MEASUREMENT DISCIPLINE

Baseline before deployment. Measure during production. Validate benefits with finance. Count full costs, including integration, data, training, governance and change management.

The Winners Will Build an Operating Advantage

KING GLOBAL PERSPECTIVE

AI is becoming cheaper to access and easier to deploy. That means access itself will not remain a durable competitive advantage. The advantage will belong to organizations that repeatedly convert new capabilities into faster decisions, stronger customer outcomes, lower unit costs and controlled execution.

1

START WITH ECONOMICS

Define the business outcome before selecting the tool.

2

REDESIGN THE WORK

Do not automate a broken or ambiguous process.

3

BUILD FOR ADOPTION

Place AI inside the workflow and train the people accountable for it.

4

GOVERN THE SYSTEM

Control data, permissions, decisions and escalation.

5

SCALE VERIFIED VALUE

Expand only after the economics and operating controls are proven.

FINAL CONCLUSION

The AI gap is no longer between adopters and non-adopters. It is between organizations that use AI and organizations that know how to operate with it.

SELECTED SOURCES

Gartner, Worldwide AI Spending Forecast (Sept. 16, 2026); PwC, 29th Global CEO Survey (Jan. 19, 2026); Federal Reserve, Monitoring AI Adoption in the U.S. Economy (Apr. 3, 2026); U.S. Census Bureau, AI Use at U.S. Businesses (May 26, 2026); U.S. Census Bureau, The Microstructure of AI Diffusion, CES-26-25 (Apr. 2026); Gartner, AI Projects in I&O Stall Ahead of Meaningful ROI Returns (Apr. 7, 2026); Federal Reserve Governor Michael S. Barr, speech on AI and productivity (July 14, 2026).

METHOD NOTE

Figures come from surveys and forecasts with different populations, definitions and reference periods. Comparisons are used to show direction and operating implications, not to imply identical measurement bases. This report is for general business education and strategic discussion.