endava

AI and the Digital Shift:

Reinventing the Business Landscape

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Artificial intelligence is here to stay.

No longer seen as a concept for the future, or even a nice-to-have, AI has become one of the main driving forces behind a seismic digital shift that is having a profound impact on the way organisations approach digital transformation.

As businesses worldwide leverage AI to automate processes, optimise operations and unlock new opportunities, we surveyed 350 business and technology leaders to explore their views on the digital shift, how they are navigating it today and what they expect for the future.

By reading this report, you'll gain valuable insights on a range of topics, including:

- How the digital shift is reshaping core business models
- The barriers and concerns holding companies back from fully leveraging AI's potential
- The most impactful AI use cases driving success
- The skills businesses need to unlock AI's full potential
- The risks of inaction – and why AI will soon be indispensable

With AI set to become a business necessity in the next few years, organisations must take proactive steps to stay ahead of the curve. This report provides the insights and strategies needed to embrace AI confidently and effectively.

The impact of AI

How has the digital shift impacted core business models?

98%[1]

of respondents say AI has affected their core business model in the past two years

AI is already reshaping the business and technology landscape as we know it.

Almost all (98%)[1] respondents say AI has affected their core business model in some way in the past two years.

Among those we surveyed, the top responses highlighted a stronger digital focus (58%), an increased use of technology for automating roles and processes (57%) and a commitment to upskilling workers in digital areas (56%).

Meanwhile, almost 2 in 5 (37%) respondents say that their business is now exploring new markets, while almost a quarter (24%) go as far as to say that their organisation's mission or purpose has changed as a result of the digital shift.

The findings also reveal a perception gap: 63% of technology leaders see their organisation as more digitally focused, compared to 56% of business leaders. Technology leaders tend to take a hands-on approach to AI adoption and digital maturity benchmarking. In contrast, business leaders – who focus on overall impact – may perceive their organisation as less digitally advanced if they have not yet seen a tangible return on investment.

What our experts say

"AI will fundamentally transform everything we do in business. Beyond basic efficiencies, it will deliver better planning and strategic insights, optimise operations in entirely new ways and provide far more tailored customer experiences. There's a feeling of "we've got to hurry up and get on the train" right now, but the key to using AI and new technologies successfully isn't just early adoption – it's understanding clear business use cases and being able to measure success properly."

Seth Clifford
Global SVP, Head of AI Product Strategy, Endava
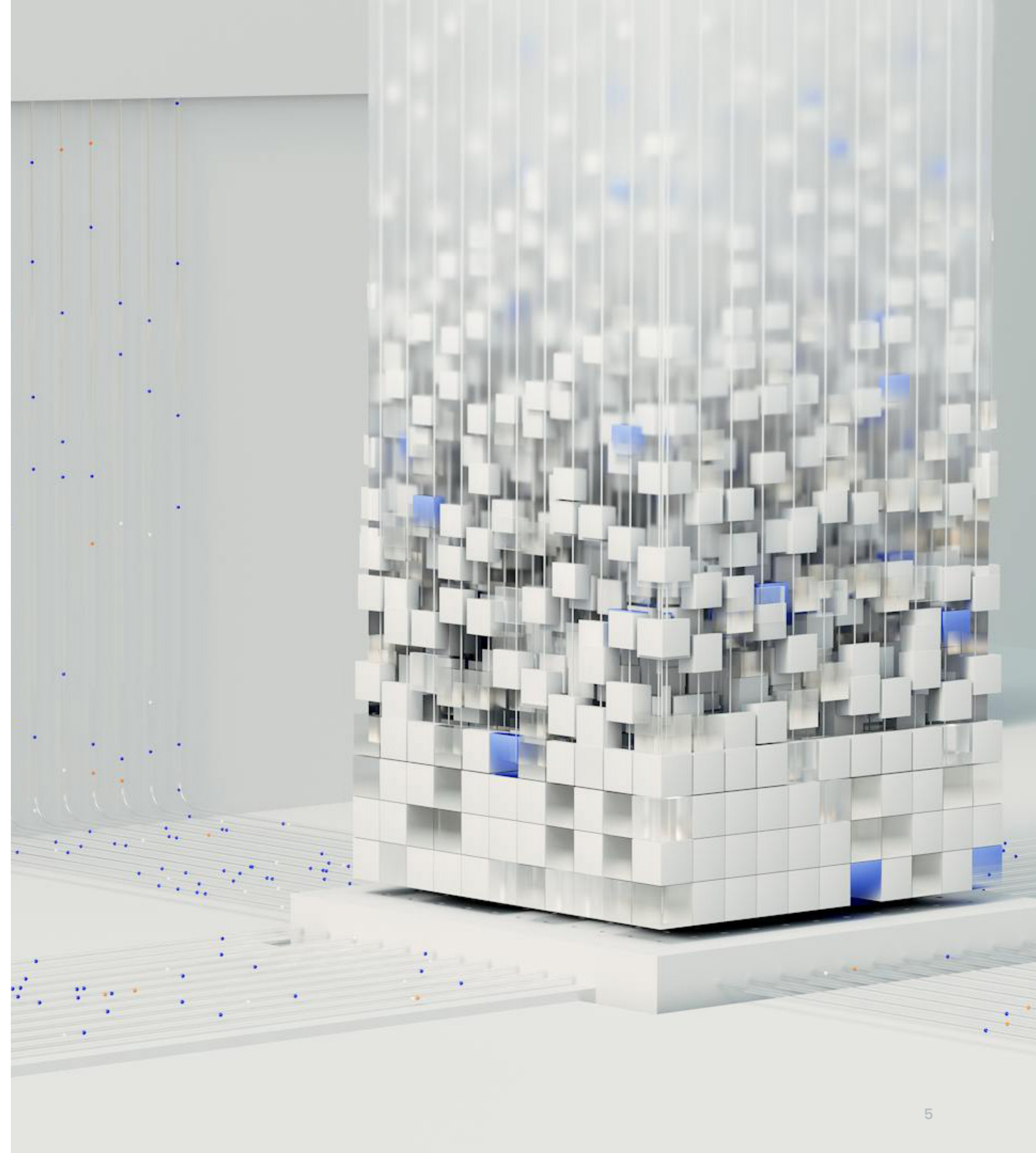
Notes

[1] Reverse of 'The digital shift has not impacted our core business model in the past two years'.

Thriving in the age of AI

Are businesses ready to get the most from AI?

Integrating AI into a business requires careful planning, strategy and preparation to ensure success. Steps towards this might include upskilling workforces, ensuring data quality, aligning AI adoption with business goals and assessing ethical and compliance considerations.

As part of our research, we explored business and technology leaders' perceptions of how well this is going within their organisation.

The data shows that AI's recent accessibility is prompting businesses to act and adapt quickly to the digital shift. This is evidenced by the fact that high percentages of respondents rated their organisation's long and short-term AI preparedness as either good or excellent[1], while very few gave this a poor or very poor rating.[2]

How do you rate the following in your business, in reference to AI?

Preparedness in the short term
68%
8%

Preparedness in the long term
71%
7%

● Respondents who gave this aspect of their business an **excellent or good[1] rating** in reference to AI
● Respondents who gave this aspect of their business an **poor or very poor[2] rating** in reference to AI

What these findings suggest is that businesses understand the risks of not embracing the digital shift and are building the foundations from which to benefit from AI now and in future.
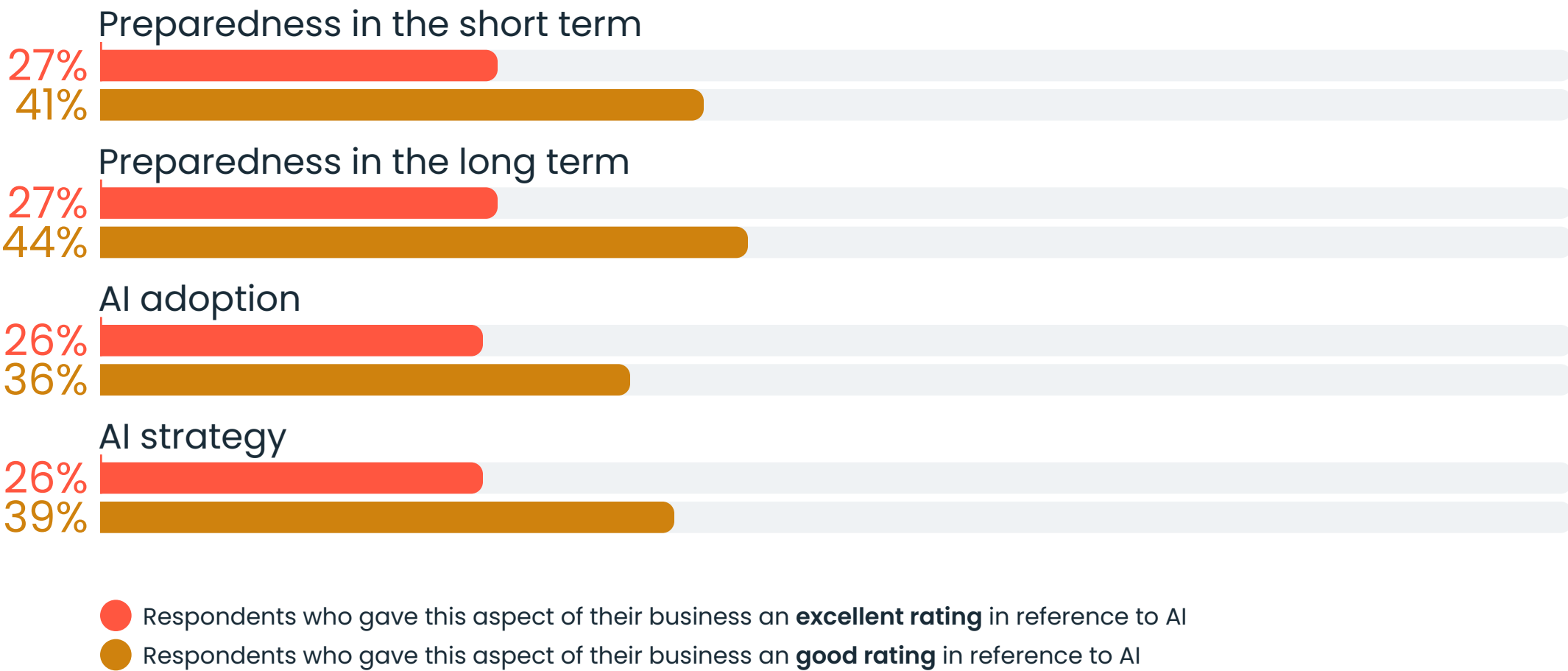
At the same time, the research shows that businesses are making strides when it comes to adoption and factoring AI into their business strategy.

How do you rate the following in your business, in reference to AI?

AI adoption
62%
11%

AI strategy
65%
8%

● Respondents who gave this aspect of their business an **excellent or good[1] rating** in reference to AI
● Respondents who gave this aspect of their business an **poor or very poor[2] rating** in reference to AI

The findings are encouraging. However, a closer look reveals that when it comes to AI preparedness, adoption and strategy, respondents were more likely to rate their business as good rather than excellent. Not only does this suggest that something is holding many businesses back from fully embracing AI, it also indicates that many business have some way to go on their AI journey before they can be sure of securing an all-important competitive edge.

How do you rate the following in your business, in reference to AI?

Preparedness in the short term
27%
41%

Preparedness in the long term
27%
44%

AI adoption
26%
36%

AI strategy
26%
39%

● Respondents who gave this aspect of their business an **excellent rating** in reference to AI
● Respondents who gave this aspect of their business an **good rating** in reference to AI
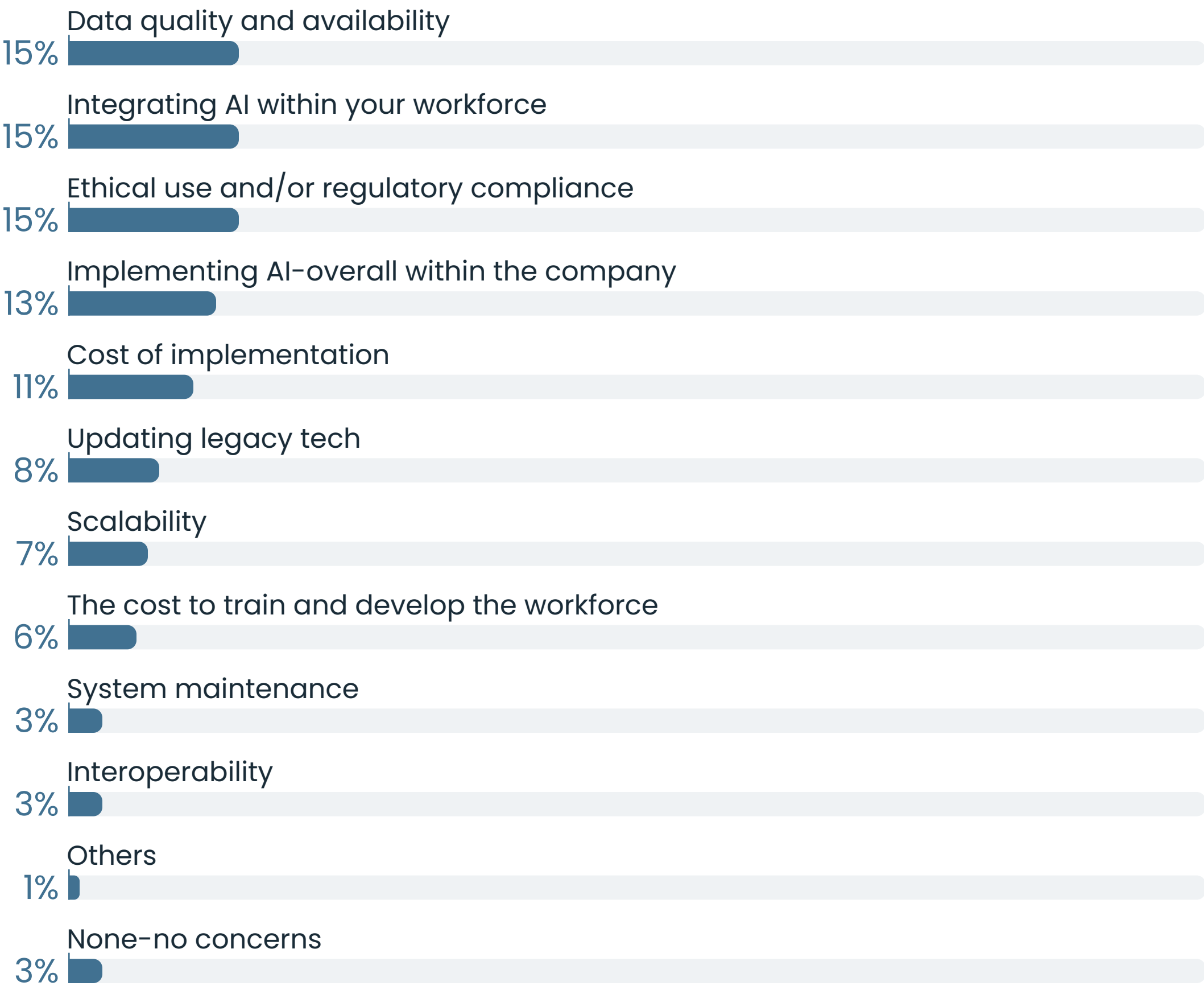
Concerns over AI implementation

The research highlights that while organisations are open to AI, uncertainty over its implementation is widespread.

In fact, just 3% of respondents say they have zero concerns about AI implementation being on the horizon, meaning just about everyone sees bumps in the road ahead.

Meanwhile, when asked to name their biggest concern over future AI implementation, business and technology leaders were most likely to cite data quality and availability (15%) and integrating AI within workforces (15%).

The diverse set of responses to this question clearly demonstrates what a multifaceted and complex process integrating AI into business can be. It also shows that no two businesses are the same when it comes to the challenges they face on their AI journey, highlighting the need for tailored guidance.

What, if anything, is your number one concern with AI implementation on the horizon?

Data quality and availability
15%

Integrating AI within your workforce
15%

Ethical use and/or regulatory compliance
15%

Implementing AI-overall within the company
13%

Cost of implementation
11%

Updating legacy tech
8%

Scalability
7%

The cost to train and develop the workforce
6%

System maintenance
3%

Interoperability
3%

Others
1%

None-no concerns
3%

What our experts say

"With any disruptive new technology, there are always risks and concerns that need to be taken into consideration. However, it is imperative that organisations quickly find ways to introduce AI in safe and controlled ways that can be monitored and used to build learnings. The sooner they identify these parts of the business and start experimenting, the clearer it will become what frameworks, monitoring and processes flows will need to exist to safely embrace AI."

Scott Harkey
Chief Strategy Officer, Endava
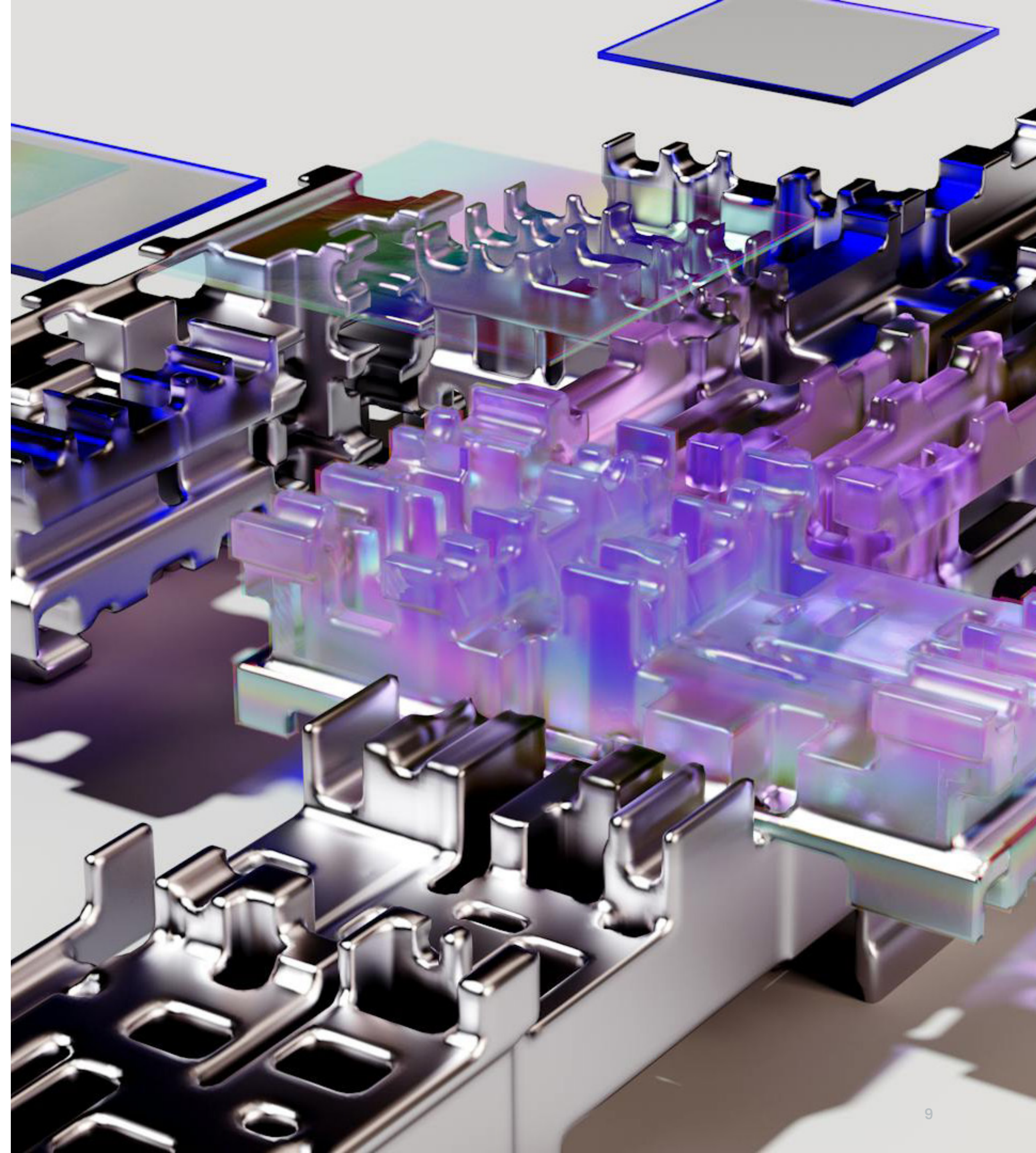
The ethical implications of AI

The research highlights that ethical considerations surrounding AI play on the minds of the majority of the business and technology leaders we surveyed.

According to the results, over 4 in 5 (83%) respondents agree[3] that organisations have a moral obligation to use AI responsibly and ethically, while just over 7 in 10 (71%) respondents agree[3] that there should be stricter regulations on the development and deployment of AI technologies. What's more, just over 1 in 5 (21%) respondents cite ethical concerns as one of the biggest challenges their organisation faces in implementing and scaling AI solutions.

Business and technology leaders are also feeling under pressure to demonstrate the value of AI. In fact, over half (53%) of those we surveyed agree[3] that they are concerned that if AI projects or initiatives fail, the stakeholders/board at their organisation will lose faith in AI and what it can achieve. Meanwhile, almost a fifth (18%) of respondents are also finding a lack of clear ROI to be one of the biggest challenges their organisation faces in implementing and scaling AI solutions.
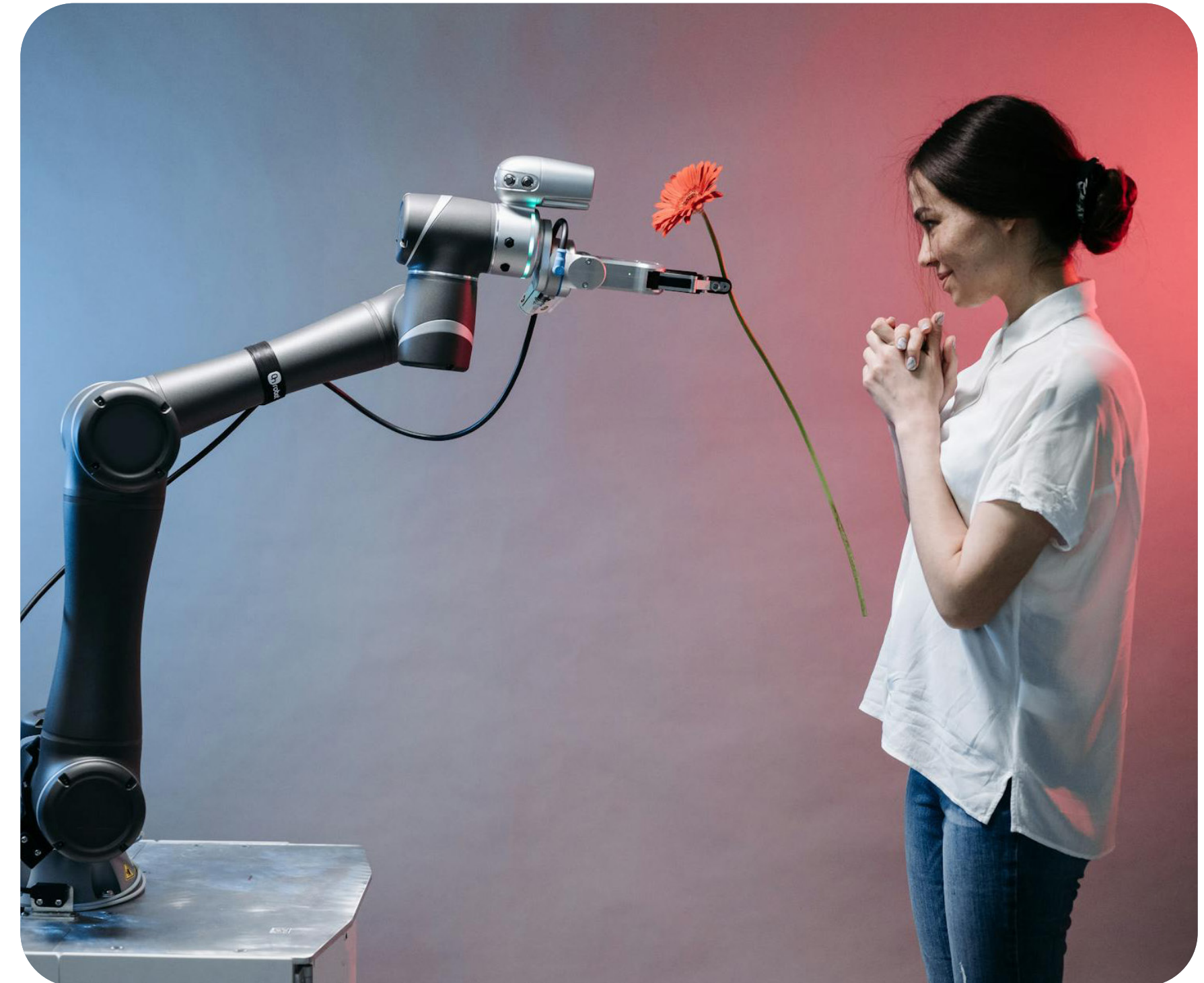
Split priorities

The findings shed light on business and technology leaders' differing agendas when it comes to AI.

According to the data, technology leaders surveyed are most likely to say their number one concern with AI implementation on the horizon is data quality and availability (23%).

On the other hand, business leaders surveyed are most likely to have reservations about the ethical use of AI and/or regulatory compliance (16%).

Technology leaders
say their top
concern with AI
implementation is
**data quality
and availability**

Business leaders
say their top
concern is the
**ethical use of AI
and regulatory
compliance**

Notes

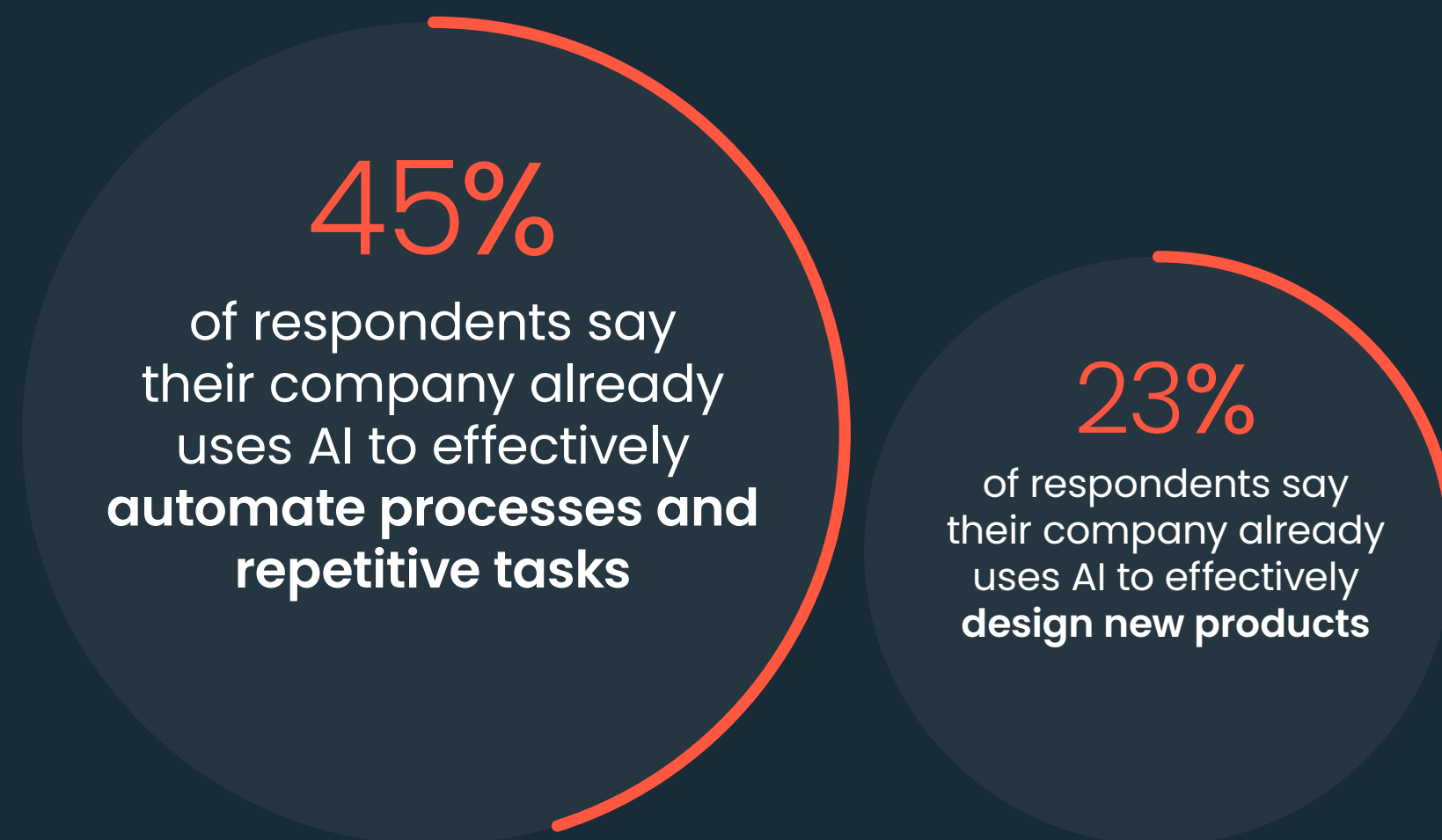[1] 'Excellent' and 'Good' responses combined.

[2] 'Poor' and 'Very poor' responses combined.

[3] 'Strongly agree' and 'Somewhat agree' responses combined.

AI use cases and benefits

How are businesses already benefiting from AI?

45%

of respondents say their company already uses AI to effectively **automate processes and repetitive tasks**

23%

of respondents say their company already uses AI to effectively **design new products**

Despite concerns over AI implementation, AI is already being put to good use across organisations.

According to our findings, businesses are already deploying the technology to effectively automate processes and repetitive tasks (45%), optimise processes and logistics (41%) and improve customer service (39%).

Meanwhile, almost 2 in 5 (38%) business and technology leaders surveyed say their company already uses AI to conduct data analysis and insights effectively and almost 2 in 5 (37%) say it uses AI to improve detection (e.g. security and fraud) effectively.

On the contrary, the data highlights that many businesses aren't yet at the point of leveraging AI for true creative innovation. In fact, survey respondents were least likely to say that their company already uses AI to design new products (23%) effectively.

What these findings indicate is that while AI is ready to assist humans when it comes to routine tasks, it has not yet evolved to the extent that it is considered a match for human creativity.

How well are organisations integrating AI?

The findings highlight that businesses could benefit from support when integrating AI into their operations.

Currently, just over three quarters (77%) of survey respondents say their organisation integrates AI within its workforce to drive innovation and productivity effectively[1].

However, just under 3 in 10 (29%) say their organisation does this very effectively, while almost 1 in 5 (19%) technology and business leaders surveyed say their organisation does not integrate AI within its workforce to drive innovation and productivity effectively[2], indicating that many could use a helping hand.

According to the data, technology leaders are more confident that their organisation is getting the most from AI than their counterparts in business teams.

Almost 9 in 10 (86%) of those we surveyed say their organisation integrates AI within its workforce to drive innovation and productivity effectively[1], while just under three quarters (74%) of business leaders surveyed say the same.

What our experts say

"AI's problem-solving potential can be unlocked by raising average capability and turbocharging superstars. First, enhance creative phases with AI tools for research, concept generation and AI-driven feedback. Second, maximise top performers by identifying what makes them exceptional, scaling their strengths and automating lower-value tasks so they can focus on the most impactful work."

Gavin Jackson
SVP Data and AI, Endava

Notes

[1] 'Very effectively' and 'Somewhat effectively' responses combined.

[2] 'Not effectively at all' and 'Not too effectively' responses combined.

The role of skills and people

Is a talent gap stopping businesses from unlocking the full potential of AI?

The research highlights that building a workforce with a strong AI skillset is critical for ensuring it is successfully integrated across organisations.

However, this is an area in which many organisations would benefit from support.

According to the survey results, a lack of skilled AI talent (41%) is the top biggest challenge being faced by organisations when implementing and scaling AI solutions.

What are the biggest challenges your organisation faces in implementing and scaling AI solutions, if any?

Lack of skilled AI talent
41%

Data quality and availability
35%

Insufficient or outdated infrastructure
29%

Integration with existing systems
29%

Escalating costs post pilot
23%

Ethical concerns
21%

Lack of clear ROI
18%

Legal concerns (e.g. new legislation)
18%

Slow ROI
13%

None – do not face any challenges
5%

Others
1%

Meanwhile, respondents say that one of the biggest barriers that is currently hindering the progress of digital transformation is a lack of skilled talent, an obstacle that organisations are striving to overcome by training their existing workforce.
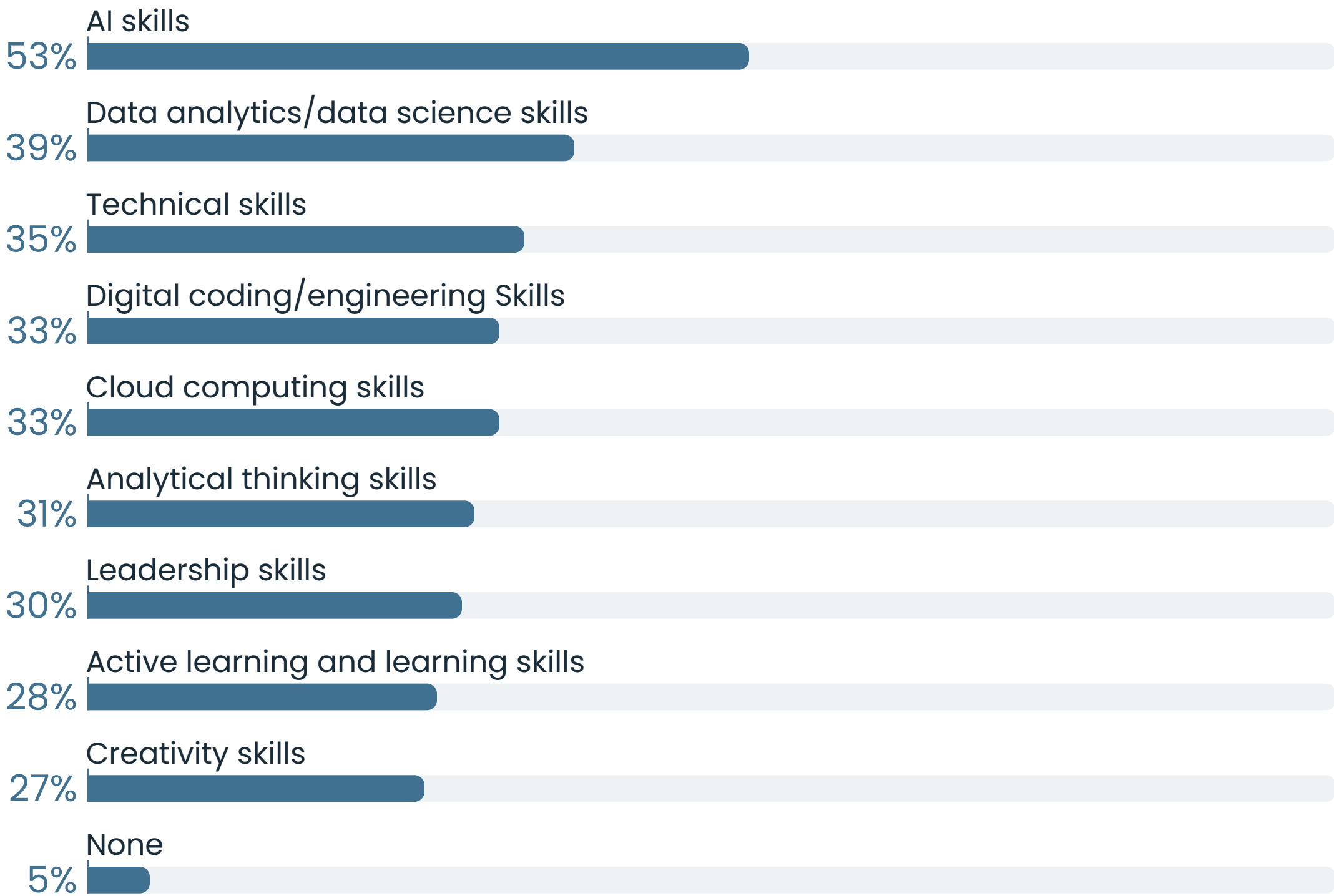
Top three biggest barriers to organisations' digital modernisation efforts

1. 44% Data security concerns
2. 36% Lack of skilled talent
3. 34% Budget constraints
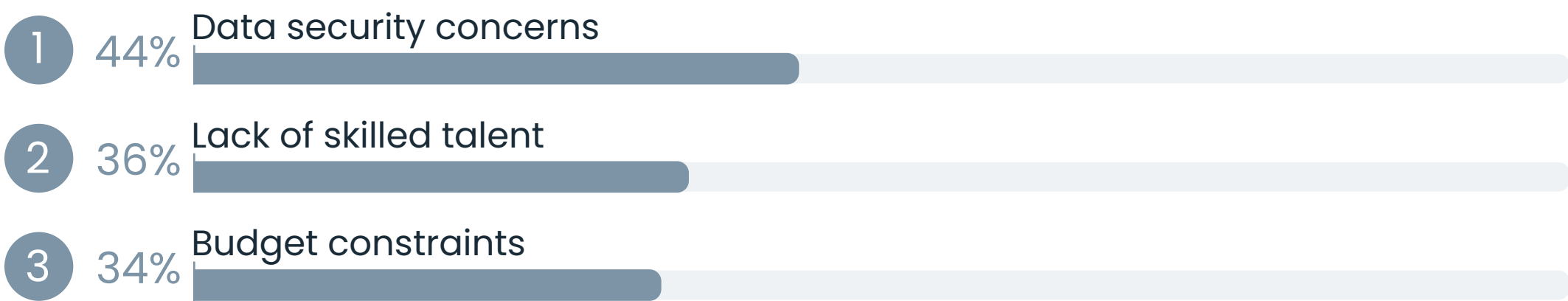
According to the data, almost 3 in 5 (56%) business and technology leaders surveyed say they have been upskilling workers in digital areas in the past two years as a result of the digital shift, with AI skills being seen as most crucial for organisations to thrive.

However, as shown by the chart below, AI skills alone will not be enough to ensure that businesses can succeed in the digital age. In fact, a wide digital skillset that includes data analytics/data science skills (39%), technical skills (35%) and digital coding/engineering skills (33%) will be necessary for futureproofing digital operations.

What skills and capabilities are you currently missing that you believe will be needed to thrive in the future, if any?

| Skill	Percentage
AI skills	53%
Data analytics/data science skills	39%
Technical skills	35%
Digital coding/engineering Skills	33%
Cloud computing skills	33%
Analytical thinking skills	31%
Leadership skills	30%
Active learning and learning skills	28%
Creativity skills	27%
None	5%

What our experts say

"Given the expected demand, there is a significant shortage of data and AI talent, particularly those with the experience to structure an effective solution. So, attracting this scarce talent is crucial. Data and AI professionals want to work on projects that will have an impact, so it is vital not only to invest in AI but also to position it clearly as a driver for change. Ensure you have a clear AI strategy aligned with your business ambitions and be vocal about your plans to drive impact."

Richard Pugh
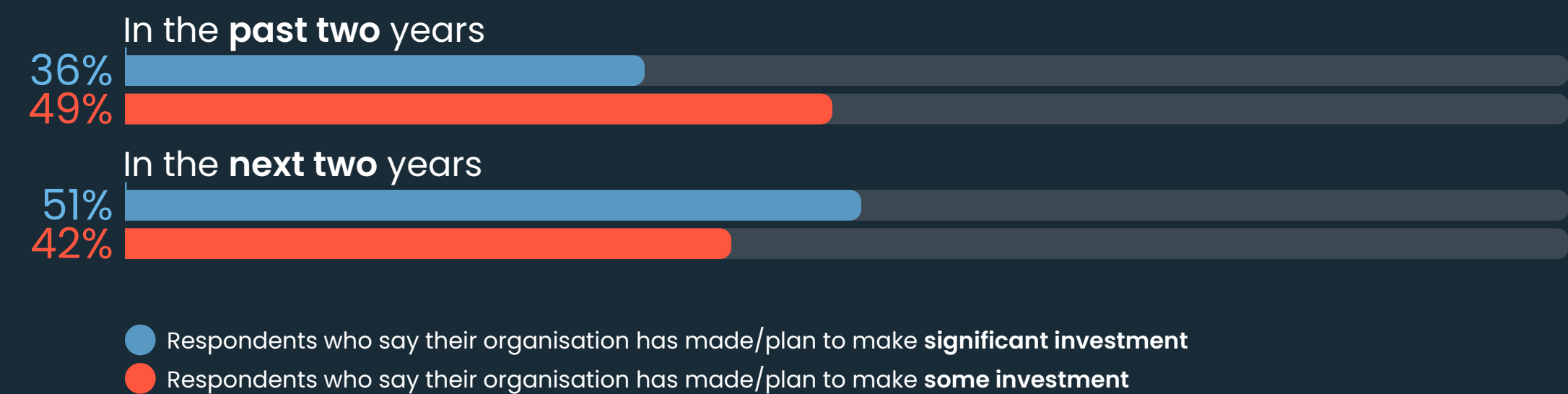Global SVP, Head of Data and AI
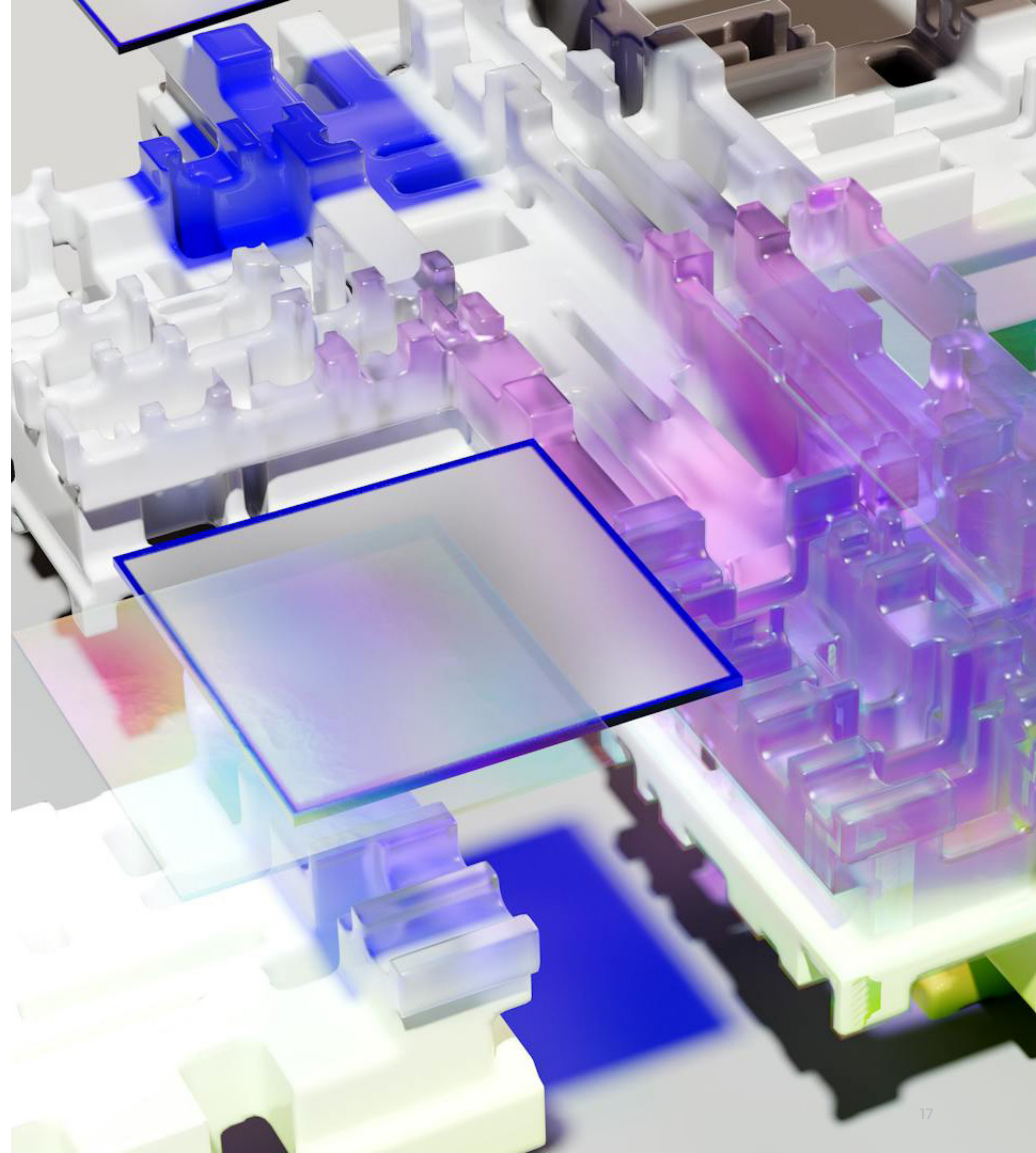
Digital
modernisation

Are businesses investing in digital modernisation?

To succeed in a digital-first world, businesses are now tasked with enhancing the efficiency and agility of their systems through a process of digital modernisation.

This is a key focus for investment, despite various perceived barriers such as data security concerns (44%) and legacy systems (28%).

To what extent has your organisation invested in digital modernisation[1] in the past two years or planning to invest in the near future?

In the **past two** years
36%
49%

In the **next two** years
51%
42%

● Respondents who say their organisation has made/plan to make **significant investment**
● Respondents who say their organisation has made/plan to make **some investment**

The research indicates that businesses are already allocating budget to digital modernisation and expect this to become more of an investment priority in future.

Investing in digital modernisation is a crucial step towards thriving in the age of AI given that this technology can only be as effective as the systems, data and technology infrastructure that support it. The fact that many respondents (44%) report[2] that their organisation has already experienced AI fatigue due to inadequate preparation and modernisation of core systems is proof of this.
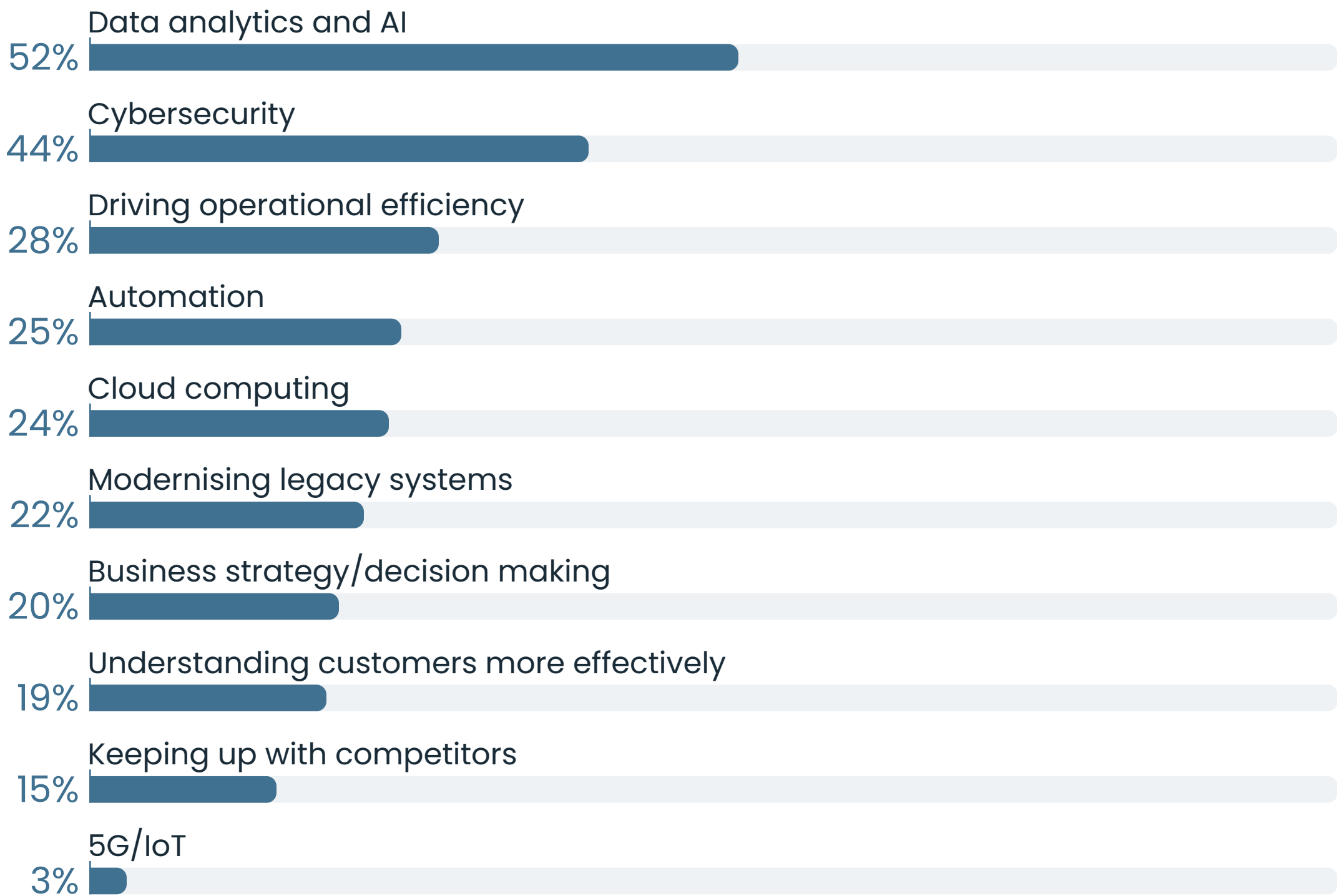
Key areas for investment

According to the results, organisations are most likely to be prioritising data analytics and AI (52%), cybersecurity (44%) and driving operational efficiency (28%) when it comes to their technology investments.

However, the findings reveal competing priorities across businesses, pointing to a lack of joined up strategy for digital modernisation, which is cited as one of the biggest barriers to digital modernisation efforts (27%).

For example, 55% of technology leaders surveyed say their organisation prioritises cybersecurity for technology investments, while under 2 in 5 (38%) business leaders surveyed say the same.

Meanwhile, just over 3 in 10 (31%) business leaders surveyed say their organisation prioritises driving operational efficiency, while just over 1 in 5 (21%) technology leaders surveyed say the same.

What, if any, are the key areas your organisation prioritises for technology investments (digital modernisation)?

Data analytics and AI
52%

Cybersecurity
44%

Driving operational efficiency
28%

Automation
25%

Cloud computing
24%

Modernising legacy systems
22%

Business strategy/decision making
20%

Understanding customers more effectively
19%

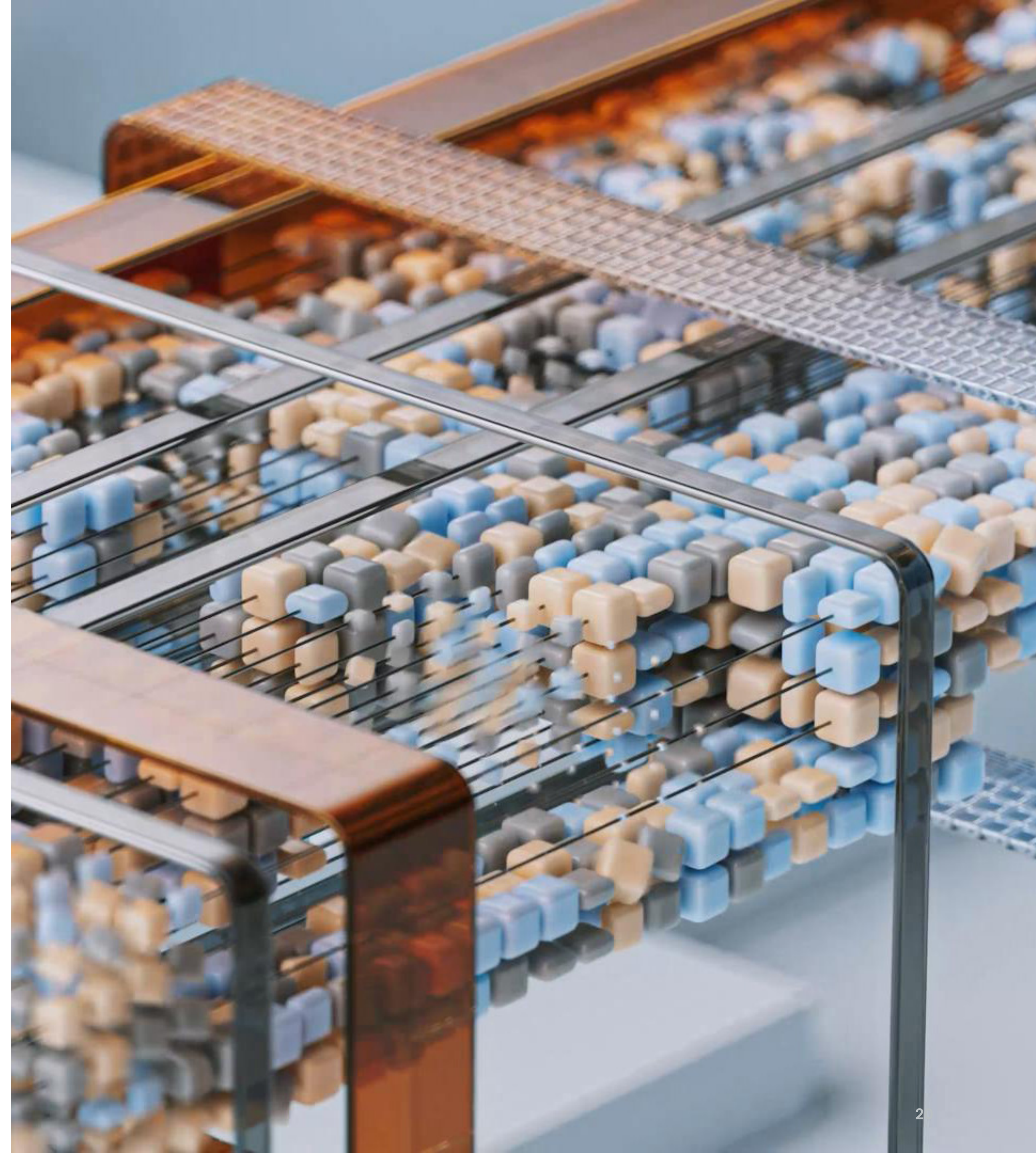Keeping up with competitors
15%

5G/IoT
3%

What our experts say

"Many customers start their AI journey by identifying where AI can enhance decision-making, automate tasks or improve user experience within a specific process. This approach drives impact but relies on real-time data access. For many organisations, legacy core systems do not provide this level of access or responsiveness, making core modernisation essential to fully leverage AI."

Scott Harkey
Chief Strategy Officer, Endava

Notes

[1] The original question wording shown to respondents was 'To what extent has your organisation invested in the past two years or planning to invest in the near future?'. As the survey was largely focused on digital modernisation, we have implied that respondents are referring to digital modernisation investments.

[2] 'Strongly agree' and 'Somewhat agree' responses combined.

The risk of inaction

What are the risks of not embracing AI?

Falling behind competitors
17%

Workforce becoming outdated/left behind
17%

Not being able to keep up with changing customer demands
14%

More susceptible to cyberattacks
14%

Inefficiencies resulting in wasted time
12%

Reduced profitability
11%

Inability to do anything actionable with data
6%

Our services becoming redundant
5%

No risk
3%

Our research set out to assess whether or not businesses are ready to thrive in a new digital age. One in which an AI-powered digital shift has totally transformed the business and technology landscape.

The data has highlighted that while businesses are open to this change, various challenges have so far prevented them from diving in head-first.

However, further findings do show that business and technology leaders understand the risks of inaction, and the likelihood that this will result in their business lagging behind more tech-empowered organisations. In fact, survey respondents are most likely to say that falling behind competitors (17%) and workforces becoming outdated/left behind (17%) are the most significant risks of not embracing AI in their industry.
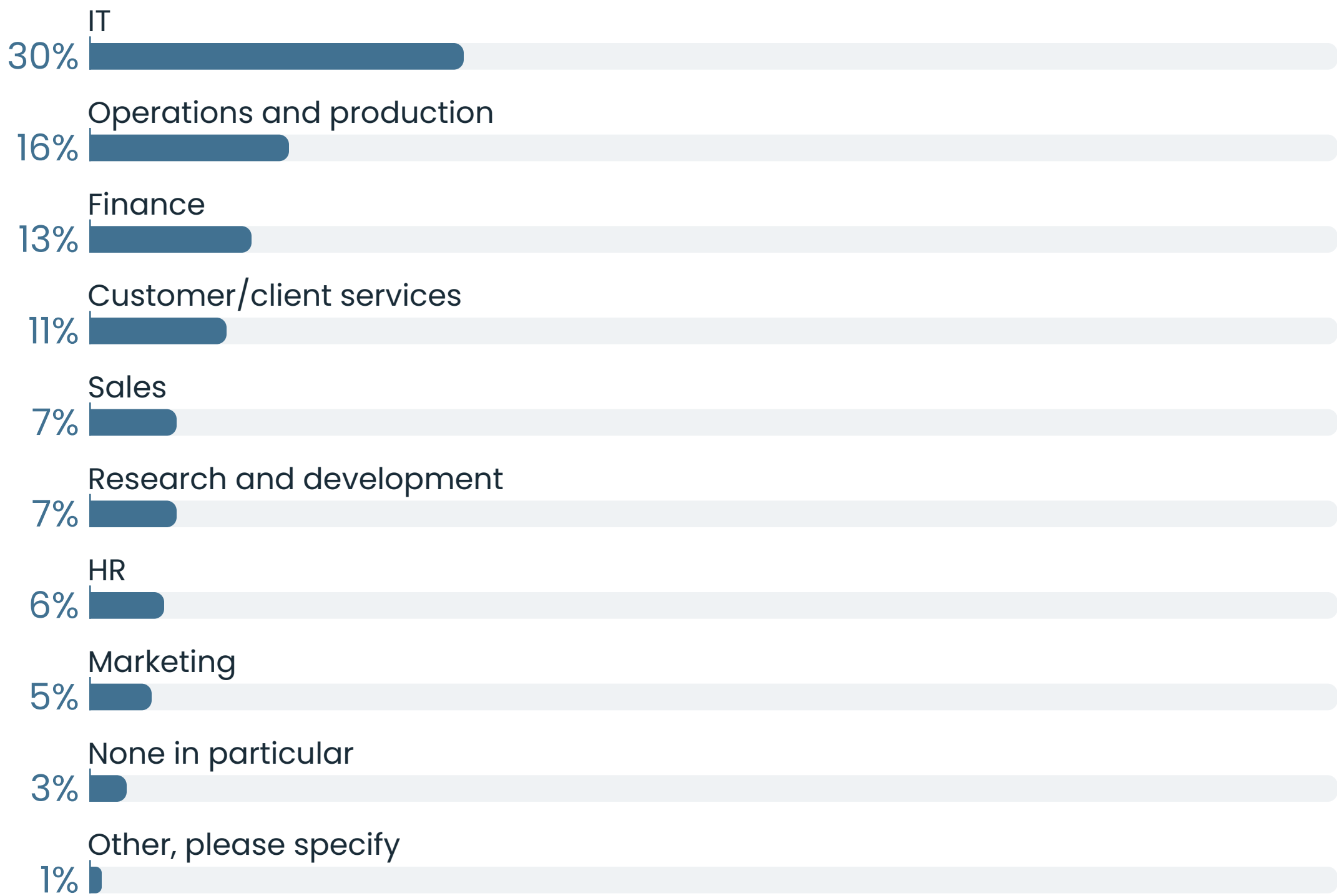
Which departments are most at risk from not embracing AI?

Respondents also believe that some departments would be more at risk than others should their organisation fail to successfully adopt AI.

The findings show some notable differences in business and technology leaders' views, further highlighting a disconnect that may be preventing organisations from unlocking the full potential of AI.

Almost 3 in 5 (58%) technology leaders surveyed say IT departments are most at risk if AI is not adopted, while under 1 in 5 (17%) business leaders surveyed say the same. Meanwhile, business leaders surveyed are significantly more likely than technology leaders to say that finance departments are most at risk if AI is not adopted (18% vs 4%).

Which department of your business, if any, is most at risk if AI is not fully adopted?

Department	%
IT	30%
Operations and production	16%
Finance	13%
Customer/client services	11%
Sales	7%
Research and development	7%
HR	6%
Marketing	5%
None in particular	3%
Other, please specify	1%

What our experts say

"Business leaders need to understand the urgency and imminent impact of AI and engage in critical conversations supported by experts in the AI field around its potential impact on their industry. Organisations need to modernise their estate to take advantage of new capabilities. In the coming years, we're likely to see a 'survival of the nimblest' environment, with the winners being those able to more rapidly leverage disruptive capabilities. At the same time, organisations need to experiment with emerging AI capabilities, typically against high-value tactical use cases, so they build vital knowledge."
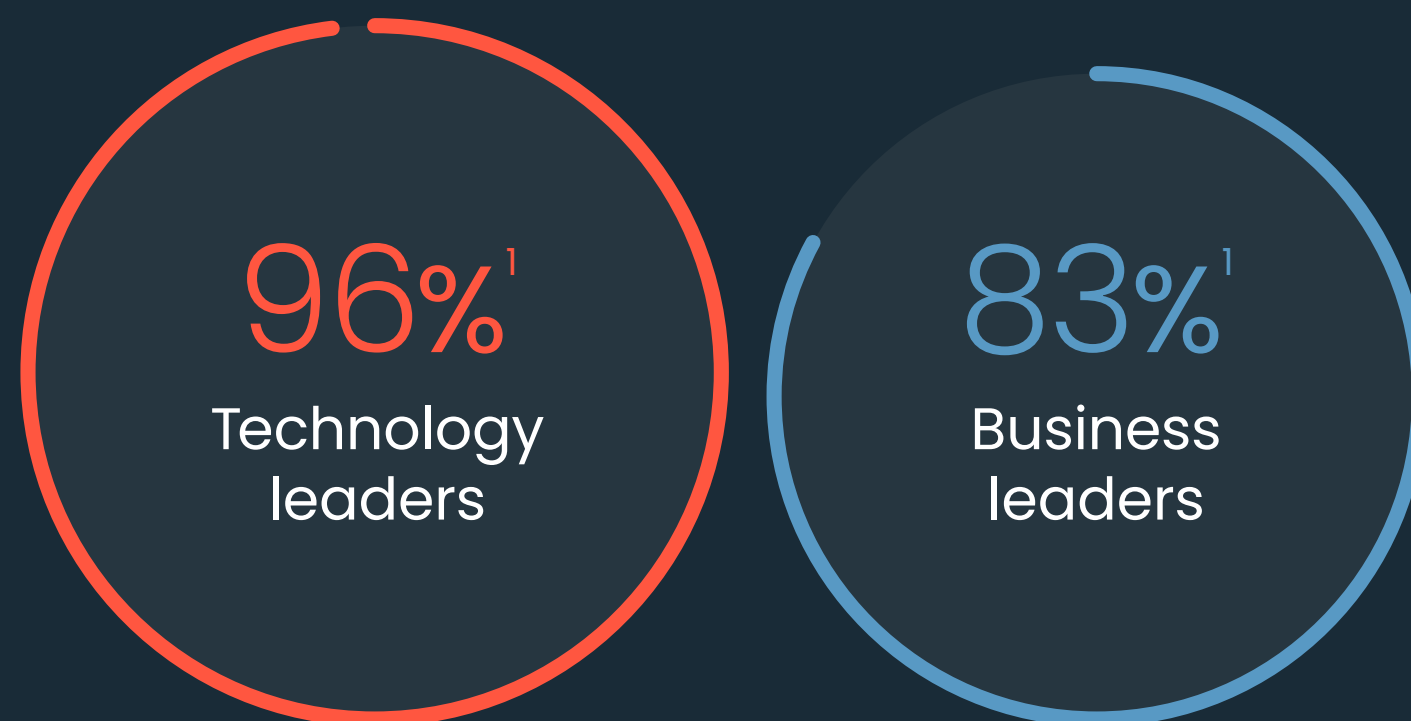
Richard Pugh
Global SVP, Head of Data and AI, Endava

What's next for AI adoption?

Are businesses confident in their AI strategies?

How confident are you that your organisation's AI strategy will enable it to outperform competitors in the next 3 years?

The findings reveal that organisations would benefit from support to help them take their AI implementation to the next level.

Overall, businesses are confident (87%)[1] in their AI strategies.

However, a closer look at the data indicates that guidance from a trusted technology partner would boost business and technology leaders' confidence. In fact, currently under 2 in 5 (38%) of those we surveyed say they are very confident that their AI strategy will enable it to outperform competitors in the next three years, highlighting an opportunity for them to seek support.

Technology leaders (96%) may be more likely than business leaders (83%) to say they are confident[1] in their AI strategies. However, even they would also benefit from support as just 42% say they are very confident in their organisation's AI strategy.

96%[1]
Technology leaders

83%[1]
Business leaders

What our experts say

"Only 38% of companies feel their AI strategy will enable them to outperform competitors. At a time when the pace of development is accelerating, this is concerning, leading organisations to seek support from partners. When selecting a technology partner, it is critical to choose a company with a track record of successful delivery, measured in business outcomes rather than proof of concepts. Speak with customers about their experience, focus on technical interviews with those who will lead teams and look for validation from key market players."
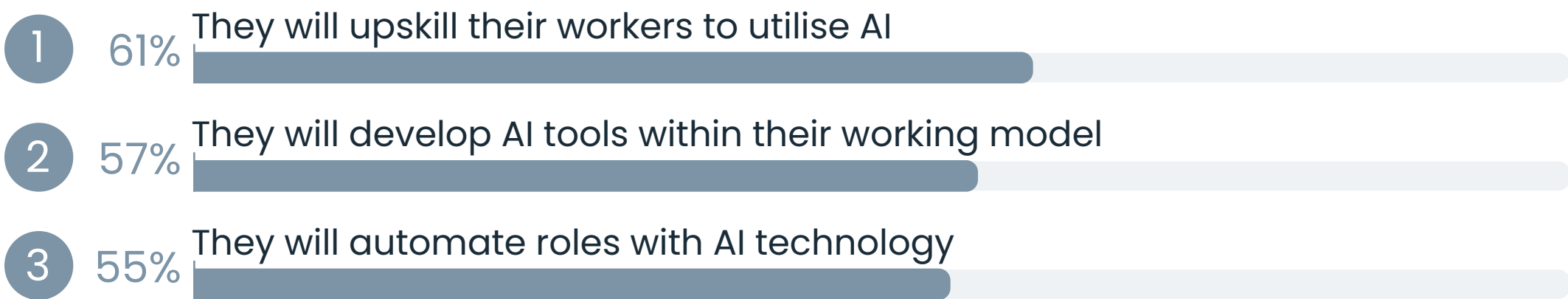
Richard Pugh
Global SVP, Head of Data and AI, Endava

Core business models reimagined

Almost all (97%) respondents believe their core business model will change in the next two years as a result of AI.[2]

Surveyed respondents are most likely to believe that AI will change their organisation's core business model in the following ways in the next two years:

1. 61% They will upskill their workers to utilise AI

2. 57% They will develop AI tools within their working model

3. 55% They will automate roles with AI technology

Meanwhile, just over 3 in 10 (31%) respondents believe their organisation will expand into new markets in the next two years as a result of AI, while the same percentage (31%) believe their organisation will focus on a specific USP to differentiate from their competitors.

Comparing the views of business and technology leaders reveals a further possible disconnect between the two groups. Almost 7 in 10 (68%) technology leaders surveyed say they believe AI will change their core business model in the next two years as they will upskill their workers to utilise AI, while fewer business leaders (58%) say the same, once again hinting at competing priorities.

What our experts say

"To innovate with AI, leaders must understand operations. Generative AI is already in use, officially or not, so it is essential to identify where it adds value and scale its impact. Rethink product development from the ground up. If you were starting today with minimal support, how would AI shape operations? Start-ups across all industries already take this approach. Efficiency also fuels innovation, as automating tasks frees your best people to focus on what matters most."

Gavin Jackson
SVP Data and AI, Endava

Will AI become essential for businesses to survive?

In short, yes.

Not only do businesses recognise that AI offers true business value, but many believe that in just a few short years organisations will not be able to function without it.

For example, almost 3 in 5 (63%) respondents agree[3] that they view AI as a tool to create disruptive competitive advantage, while almost three quarters (74%) agree[3] that they view it as a tool to maintain industry standards.

What's more, on average, survey respondents believe that AI will become indispensable to their organisation's survival in the next four and a half years[4], while over 3 in 5 (62%) say this will happen within the next five years[5] and 1 in 9 (11%) respondents say this is already the case.

However, three quarters (75%) of respondents agree[3] that digital transformation must pre-empt AI in order to successfully integrate into systems.

On average, respondents believe AI will become indispensable to their organisation's survival by

2030 [4]

Business and technology leaders align on the need for digital modernisation

Despite their differing perceptions of AI and the digital shift, business and technology leaders do see eye to eye when it comes to the importance of core modernisation.

In fact, high percentages of both technology (79%) and business (74%) leaders agree[1] that digital transformation must pre-empt AI in order to successfully integrate this into business systems.

The fact that business and technology leaders are in alignment when it comes to the necessity for digital modernisation is great news for businesses, whose efforts to reach their potential in the digital age are more likely to prove successful when driven by a clear and joined up strategy.

What our experts say

"Get your hands dirty! The amazing thing about generative AI is that tools like ChatGPT have made it accessible to people at all skill levels. The more you explore where AI adds value in your own work, the better equipped you'll be to apply it within your organisation and maximise its impact. Don't wait for the AI revolution to impact you – become part of driving it!"

Scott Harkey
Chief Strategy Officer, Endava

Notes

[1] 'Very confident' and 'Somewhat confident' responses combined.

[2] Reverse of 'I do not believe AI will change our core business model in the next two years.'

[3] 'Strongly agree' and 'Somewhat agree' responses combined.

[4] Average calculated from the mean years excluding the respondents who say that AI is already indispensable to their organisation's survival.

[5] 'Less than a year', '1-2 years' and '3-5 years' responses combined.

Businesses are on the road to a smarter, more competitive future in the AI era. But there's still work to be done.

AI is at the core of a major digital shift that is reshaping business models and driving digital transformation across industries.

Our research has revealed that businesses recognise AI's value and are making strides when it comes to preparing for and adopting the technology, despite challenges surrounding data quality, ethical concerns and a widening talent gap.

With AI expected to become indispensable to businesses well within the next decade, organisations must now align business and technology strategies with a view to modernising both their digital infrastructure and workforce to stay competitive in an AI-driven future.
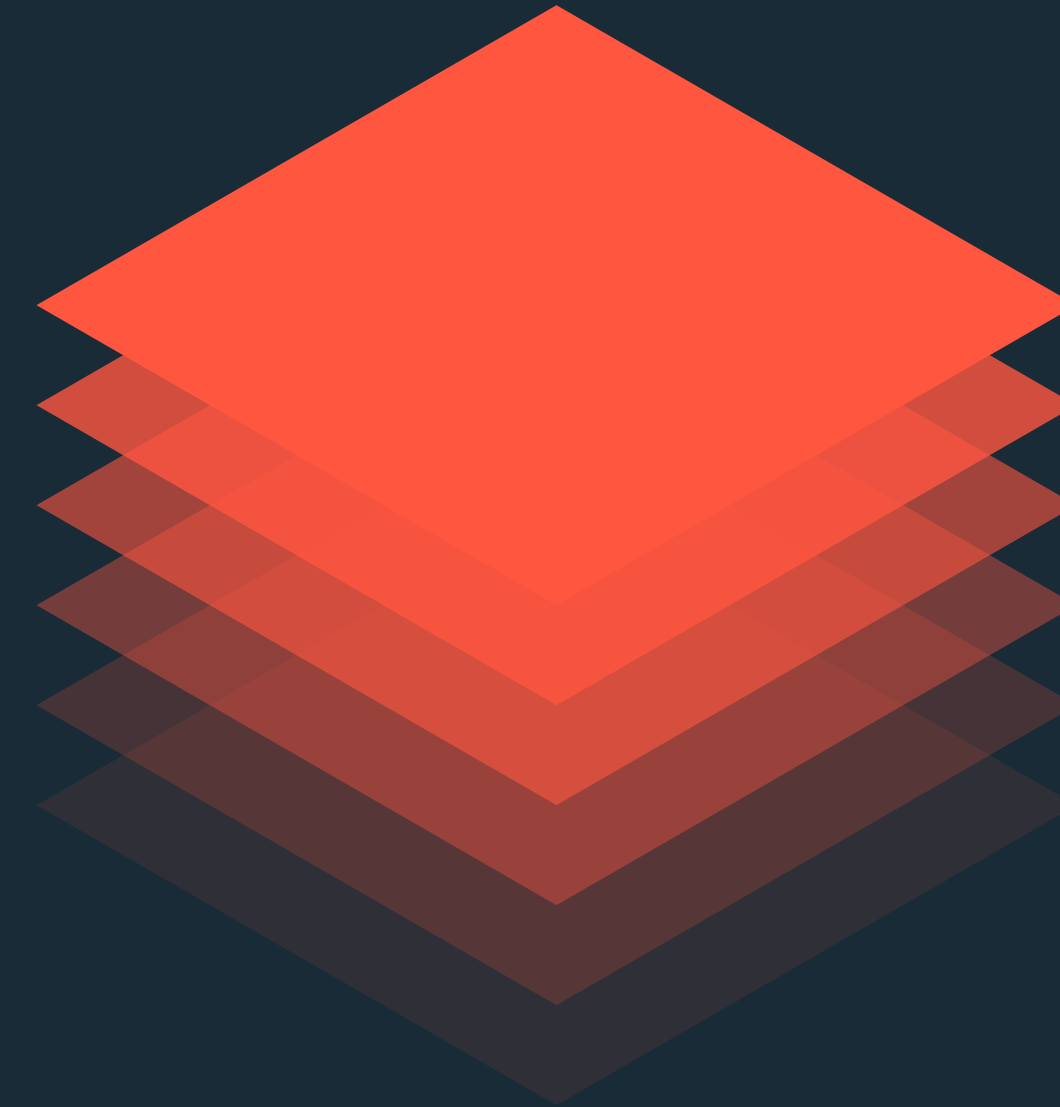
Key takeaways

#1 AI is reshaping core business models. Almost all businesses have been affected by the digital shift in the last two years, particularly when it comes to leveraging technology to automate roles and processes and upskilling workers in digital areas.

#2 Businesses are on their way to embracing AI, but challenges remain. Various factors including the ethical use of AI and a widening digital skills gap are holding businesses back from fully committing to the technology.

#3 AI is already delivering value at a basic level, but future possibilities are endless. Businesses are already benefiting from AI by leveraging it to automate processes and repetitive tasks, as well as to conduct data analysis. At present, organisations are less likely to be using AI to design new products. However, as AI capabilities evolve and business's confidence in the technology grows, we anticipate a move towards using AI to complement human creativity in order to drive innovation.

#4 The talent gap is a major roadblock to AI integration. A lack of skilled AI talent is the number one challenge being faced by organisations when implementing and scaling AI solutions, while a lack of skilled talent is considered one of the biggest barriers to organisations' digital modernisation efforts. Businesses are overcoming this issue by upskilling their workforce in digital areas, especially AI.

#5 Technology and business teams have differing views on how their business is responding to the digital shift. The findings repeatedly show that each group has a different perspective on their organisation's AI readiness, the challenges they are facing and the risks involved with not fully embracing the technology. In order for businesses to truly thrive in the AI era, both technology and business leaders will need to align to ensure that AI integration efforts are not hindered by competing priorities.

#6 AI will soon be indispensable. Business and technology leaders predict that AI will become essential for business' survival by 2030. Companies that fail to integrate the technology risk falling behind competitors, losing efficiency and struggling to meet evolving customer demands.

About Endava

We are a next-generation technology services partner, enabling our customers to accelerate growth, tackle complex challenges and thrive in evolving markets. With an AI-native approach, we embed intelligence into every aspect of delivery – helping organisations boost efficiency, drive innovation and stay competitive.

Our AI-enabled delivery framework integrates cutting-edge technology with deep industry expertise. Underpinned by core modernisation, it empowers businesses to augment intelligence, streamline operations and achieve lasting impact.

Beyond delivering solutions, we transfer knowledge. Every engagement equips our customers with the skills and strategic insights to harness AI, modernise core systems and build AI-first capabilities – enabling them to adapt, scale and shape what's next.

Reach out to us to explore how we can help you.

About the research

Endava partnered with Censuswide to carry out a survey of 350 senior business and technology leaders (aged 25+) in companies with 1,000+ employees in the following markets:

- UK
- Netherlands
- USA
- Germany
- Australia
- Singapore
- UAE

The data was collected between 22.01.2025–03.02.2025.

Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.