

The Adoption Gap

Why 89% of companies run AI, 6% can find it in earnings, and what separates the two at every scale from \$1M to \$1B+

September 2026

CHAPTER 1

Executive Summary

AI adoption is saturated. 89% of organisations now use it regularly in at least one function. 37% can attribute any earnings impact to it. 6% can attribute more than five points — and both of those numbers are flat year on year, against rising spend.

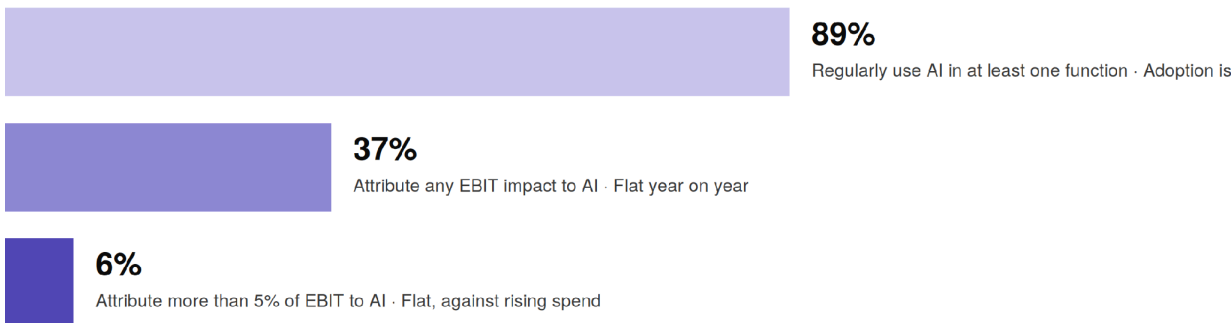
The gap is not model quality. The companies capturing earnings impact are around three times more likely to have rebuilt the workflow around the AI rather than bolting AI onto the workflow they had. **The constraint was never the model. It is whether anyone will make the decision to change the process the model sits inside.**

That is the studio’s thesis in one line, and it is the same thesis that governs our operating-partner work: AI does not rescue an undisciplined operation — it brings the breakdown forward. On a governed estate the gains compound. On an ungoverned one, the same tooling industrialises the decay. Discipline is the product; the tooling is downstream of it.

Three findings organise this report. The curve is a data curve, not an AI curve: at every scale the binding constraint is whether the systems of record agree with each other. The interface is the illusion: buyers purchase the visible layer, which is cheap, and skip the data and integration layers, which are slow, expensive and decisive. And the mid-market is falling behind on the part that matters: **above \$1B revenue, 40% of organisations are scaling agents inside at least one function, up from 27%. Below \$1B the figure is flat at 22%, and the gap is widening.**

EXHIBIT 1 The adoption funnel — saturated at the top, flat at the bottom

THE ADOPTION FUNNEL



McKinsey State of AI 2026 · 1 719 respondents · 97 countries · attribution by executives · not audited accounts

CHAPTER 2

The Interface Illusion

Ask an executive to describe their AI programme and they will name the interface — the copilot, the chatbot, the agent. It is the only part of the estate anyone can see, and it is the cheapest part. The programme lives or dies underneath it.

EXHIBIT 2 The seven layers of every AI estate

THE SEVEN LAYERS OF EVERY AI ESTATE

7 Interface & agents	What every buyer describes	cheap, fast, visible
6 Governance	Environments, permissions, deployment rules	
5 Measurement	Where hours-saved should become P&L	
4 Build layer	Apps, automations, internal tools	
3 Model layer	The part everyone argues about	
2 Integration & operational data	Where pilots go to die	slow, expensive
1 Data foundation & systems of record	What makes everything above possible	

Every enterprise AI estate is the same seven layers. What changes with scale is how many of them are deliberate rather than accidental. Failed programmes buy layer 7 and skip layers 1 and 2, then conclude the model was not good enough.

A Worked Example from the Public Record

Heineken’s estate, as described in the group’s own reporting and a Microsoft customer story published in December 2025, is instructive precisely because the sequence ran bottom-up. A group data platform connecting more than 70 operating companies came first. A build layer took five years and 7,500 internal builders, producing over 10,000 applications and 42,000 automation flows on top of SAP as the system of record. Governance was retrofitted under pressure — tiered environments, enforced sharing limits, deployment pipelines — and became the thing that made scale possible. The agents arrived last, and are the only part anyone describes.

The number worth stealing is not an AI number. A product team of five administers more than 8,000 environments. That is a governance result — and it is the reason the AI layer can exist at all.

The commercially useful version of the insight: every buyer describes their programme by naming the interface. The first diagnostic question is always what sits underneath it.

CHAPTER 3

Why the Returns Don’t Arrive

Four-fifths of users report feeling more productive. Two-thirds of organisations cannot find the productivity in the accounts. That is not a measurement failure. It is what happens when time is saved inside a process that was never rebuilt.

The saved hour returns to the process that produced it. It is absorbed by the next task in the same queue, and never converts into fewer people, faster cash or better price. The mechanism is the same one that produces the delivery discount in vertical software: value absorbed invisibly into an unchanged structure. The accounts measure what was spent; the loss sits in what was absorbed.

The 6% who do capture earnings impact are not distinguished by better models or bigger budgets. They are roughly three times more likely to have fundamentally redesigned the workflow, and three times more likely to be scaling agents inside a single function rather than across a demo. **The differentiator is operating discipline, and it is external, published evidence — not this firm’s opinion.**

EXHIBIT 3 The market in eight numbers · McKinsey State of AI 2026 · external

Measure	2026	Read
Regularly use AI in at least one function	89%	Saturated. Adoption is no longer a differentiator
Scaling AI across the enterprise	44%	Up from 38%. Spreading sideways
Report improved individual productivity	80%	People feel faster
Attribute any EBIT impact	37%	Flat year on year. Finance does not feel it
Attribute more than 5% of EBIT	6%	Flat, against rising spend
\$1B+ firms scaling agents	40%	Up from 27%. Accelerating
Sub-\$1B firms scaling agents	22%	Flat. The gap is widening
Say AI operating costs constrain deployment	20%	Token spend is now a budget line

Fielded 4 May to 8 June 2026; 1,719 respondents across 97 countries, weighted by contribution to global GDP. Attribution by executives, not an audit of accounts — which is the evidentiary standard of the entire category, and part of why the earnings number is stuck. A margin movement that survives a quality-of-earnings read is the bar this firm builds to, and the bar the delivered figures in Chapter 6 are classed against.

The Diligence View

For the reader who diagnoses rather than owns: an AI estate is now a diligence item, and most estates fail the same way. Hours-saved dashboards with no baseline. Adoption metrics self-reported by the people who built the thing being measured. Token spend with no forecast. Shadow tools carrying customer data. And no answer to the classification question the regulation now requires. The finding usually arrives in a sale process — the one moment the seller cannot act on it. The same analysis, run two years earlier, is a different instrument.

Ask the management team which P&L line the AI programme moved. The pause is the finding.

CHAPTER 4
The Curve by Scale

What actually gets deployed, how it fails, and where the money is — by stage. Companies below roughly \$1M buy courses and templates, not engagements; the curve starts where a data layer becomes possible.

EXHIBIT 4 The curve, stage by stage · stages after the published ten-stage scaling roadmap; revenue bands are a modelled mapping

Stage	What is deployed	How it fails	Where the money is
PRIORITIZE \$1–5M · 10–25 people	Consumer AI seats, a notetaker, AI features inside tools already owned. No data layer, no owner	Tool sprawl with no system of record; a data-protection exposure nobody has priced	Proposal and content velocity; deflecting the easiest third of support. Shows up as the founder's evenings, not as margin
PRODUCTIZE \$5–15M · 25–60	The first custom build — and the first encounter with the real constraint	The pilot works and never scales, because the data it needs sits in four systems that do not reconcile. Misdiagnosed as a model problem; the vendor gets changed	Cost-to-serve in support and sales-cycle compression. The first tier where a number can be defended
OPTIMIZE \$15–50M · 60–150	The platform decision — the one that sets the next five years of cost	Three teams on three stacks: no shared auth, observability or evaluation. The first serious token-spend surprise	The first tier where AI can move a margin line rather than produce an anecdote — and the first with enough money to waste
CATEGORIZE \$50–150M · 150–500	Agents move from adjacent to the workflow into the workflow	Governance arrives as a brake and the shadow stack returns — or the platform is excellent and unadopted, because the operating model never changed	Headcount avoidance in high-volume functions; cycle time on revenue-critical paths. Engagements underwritable against a P&L line
SPECIALIZE \$150M–1B · 500–5,000	Citizen development at scale, held by a small central team	Measurement theatre: dashboards of self-reported hours that never reconcile to the P&L	The governance model itself — harder to achieve and worth more than any single agent in the estate
CAPITALIZE \$1B+ · 5,000+	Everything above, plus proprietary data as the differentiator	The distance between centre and edge: an excellent group platform while an operating company still runs the month on a spreadsheet	Only two lines reliably reach EBIT: cost-to-serve in functions carrying real headcount, and pricing. Everything else is absorbed productivity

The commercial seam sits at the Optimize and Categorize stages: revenue, a real data problem and a budget — but no platform team and no governance model. Above them, the large caps build their own. Below them, nobody can fund it. That seam is who this studio builds for.

CHAPTER 5

What Changes Underneath: The Next Three Years

Generation cost has collapsed. Verification cost has not. Everything in this chapter follows from that asymmetry — and it is a forecast, labelled as one.

The craft of writing code is declining; the craft of building software is compounding. As generation approaches free, most defects stop being coding defects and become intake defects — the system built the wrong thing correctly. Which moves the scarce work upstream: written intent, priced boundaries, acceptance criteria. The intake is the product.

Review moves the same direction. Line-level human review is already uneconomic in greenfield agentic work; in regulated vertical software it survives longer, then consolidates upward. The gate does not disappear — it moves to architecture, invariants and acceptance, where a human owns

intent and machines verify execution. Hand-written unit tests decline; machine-run verification against executable specifications grows. The cost of correctness relocates; it does not vanish.

“Good code” survives as an economic property, not a style. Entangled code burns model context and widens blast radius: agents pay for structure in tokens what humans paid in hours. And delivery cost shifts from payroll toward compute — one organisation in five already reports token spend as a deployment constraint.

EXHIBIT 5 What changes, and when · forecast

Now	Through 2027	2027–2029
Line review dying in greenfield agentic work; verification the cost centre; intake defects dominate	Agent fleets standard under thin senior direction; the economic definition of seniority converges on holding intent under pressure	Agents verify agents; artifact-level human review uneconomic; the gate consolidates at architecture and acceptance
Ungoverned 2025–26 adoption compounding invisibly	Comprehension debt surfaces: velocity decay, incident rates, failed technical diligence	Remediation tooling improves sharply; the cost of fixing bloated estates falls

The dated prediction from the companion report stands: **enterprise codebases bloated on undisciplined AI adoption reach a structural bottleneck by approximately mid-2027** — not as a cliff, but as velocity decay, rising incident rates and failed diligence, surfacing roughly twelve months behind the 2025–26 adoption wave.

One honest consequence cuts against our own interest, so it belongs in print: models are getting materially better at repairing what earlier models bloated. The window in which disciplined remediation is scarce — and therefore expensive — runs roughly 2026 to 2028. After that the fix gets cheaper. What never compresses is the organisational half: decision rights, boundary pricing, accountability for the number, and the governance that makes an estate auditable. Install the discipline while the fix is scarce; keep the discipline because it is the part no model erodes.

CHAPTER 6

The Governed Model

Any team can ship AI-written code fast. Very few can ship code the next hire will maintain, the next auditor will sign off on, and the next model release will not render obsolete. The difference is five guard-rails and a gate.

Why the Category Sells the Wrong Layer

The adoption gap persists for a structural reason, not a technical one: almost everyone selling into it is paid on the wrong layer. Model vendors monetise seats and tokens — their unit of success is usage, not earnings impact. Implementation agencies monetise builds and pilots — layer 7 is the fastest thing to demo and the easiest to invoice, while the data and integration layers stretch timelines and thin margins. Consultancies are paid for the roadmap, and then for the next roadmap. Nobody is acting in bad faith; everybody is acting rationally.

Nobody in the category is compensated on whether the workflow was redesigned. That is why 89% became 37% became 6% — and why the numbers are flat while spend rises.

The disciplined approach inverts the economics. A defined scope and an end date, so there is no annuity to protect. Data and integration before agents, because that is where the earnings sit. Governance built to stay with the client, not with us. And a gate on everything that ships, because the estate has to survive the next auditor and the next model release — not the demo.

EXHIBIT 6 Five guard-rails — the failure each one answers

Failure mode	Guard-rail
Models recommend deprecated infrastructure	A curated golden-path infrastructure context
Teams default to the most expensive model	Tiering rules with spend visibility
Agents re-implement functions that already exist	Enforced reuse and token-efficiency gates
Knowledge stays locked in long-tenured staff	An AI-mapped codebase; every change carries its plan
Ungoverned, invisible LLM spend	One managed control surface for models, prompts and tools

Sequence matters more than tooling: data and integration first, governance before scale, agents last — the order the public-record example in Chapter 2 ran, and the reverse of the order failed programmes buy. Every output that reaches production passes a gate; this report attaches no per-engineer multiple and no operator-to-agent ratio, because cadence is the number a buyer can verify.

EXHIBIT 7 Where the discipline has held · classes as marked

Engagement	Outcome
Regulated trading platform (firm engagement)	€600,000 a year of planned team expansion avoided, against a €1M+ annual budget (realised, cost avoided against a plan)
Prior operating engagement (group unnamed)	Flagship platform modernised and released at month 18 after three failed rebuild attempts (realised); release cadence 6x against the sector norm — two production releases a month, four development releases a day (operational); monthly hosting down ~80% on a comparable load, on a greenfield product (operational)

CHAPTER 7

The European Overlay: Attribution, Obligations, Funding

Three things a European deployer’s advisers keep asking for in one place: how to make the impact attributable, what the regulation already requires, and where the subsidy sits. This chapter is written to be forwarded. Regulatory and funding positions are stated as at September 2026 and verified per country at engagement.

Making It Attributable

The reason two-thirds of organisations cannot find AI in the accounts is that nobody set up the accounts to find it. The method is not sophisticated; it is merely disciplined. A baseline measured before deployment, per use case, on one named P&L line. An owner for each deployment, by name, accountable for that line. The line measured, not the hours — self-reported time saved is testimony, and finance does not book testimony. And a quarterly review that retires what moved nothing.

Hours returned is a feeling. A margin movement has a line number.

The Obligations Already Running

The AI Act’s duties arrive in phases, and the 2026 omnibus agreement moved some of them — which is precisely why a dated summary is worth quoting. As at September 2026:

EXHIBIT 8 EU AI Act — the position for a mid-market deployer, September 2026

In force	What it requires
Since Feb 2025	Prohibited practices banned; the AI-literacy duty — staff using AI systems must be trained for the use, and it applies to deployers, not only vendors
Since Aug 2025	General-purpose model obligations on providers; national authorities and the penalty framework in place
Since 2 Aug 2026	General application, and the Article 50 transparency duties: users told when they are interacting with AI, synthetic content labelled. Enforcement powers live — fines to €35M or 7% of turnover at the top of the scale
Deferred by the omnibus	Substantive high-risk obligations moved to Dec 2027 (Annex III) and 2028 (product-embedded). Deferred is not cancelled: implementation runs 12–18 months, so the clock is effectively now for anyone running AI in hiring, credit or essential services

Two regimes sit alongside and do not defer: GDPR still governs the data every model touches — legal basis, impact assessments, transfers — and the Data Act has applied since September 2025. The first compliance task is not paperwork; it is classification. An estate map that cannot say which systems fall where under the Act is the same accidental estate that cannot find its earnings impact. One exercise answers both.

The Money on the Table

European deployers fund AI adoption twice — once in the P&L and once in taxes already paid — and most claim only the first. The routes, in the order a mid-market company should check them:

EXHIBIT 9 Funding routes for AI adoption · position at September 2026, verify per country

Route	What it provides
European Digital Innovation Hubs	Subsidised advisory and test-before-invest across every EU region, co-funded nationally — the free first step before any build
Digital Europe deployment grants	50% of eligible costs on standard grants, up to 75% on SME-support topics; mostly consortium-based, with AI-focused calls running through 2027
AI Factories	Subsidised GPU compute for SMEs and startups, no consortium required
National R&D instruments	Rolling tax credits on development work — examples in force: 36% payroll credit (NL), 25–35% (DE), 30% plus a subsidised AI diagnostic covering 40% of its cost (FR). Every market differs; check before the project starts, not after

One rule governs all of it. The grant should fund the layers nobody can see — the data foundation, the integration, the governance — and the audit that maps them. A grant that buys another interface subsidises the 37%. Funding follows the same sequence the estate does.

CHAPTER 8

The Starting Move: The Estate Audit

Do not begin with a model comparison or a pilot. Begin by exposing what the estate actually is. It takes a day.

Map everything currently running against the seven layers of Exhibit 2, and mark each layer deliberate or accidental. Then answer three questions in writing. What sits underneath each interface anyone names? Do the systems of record agree with each other — and if not, where do they disagree? And for every workflow an agent is meant to enter: who owns redesigning that workflow, by name?

Most companies can complete the layer map in an afternoon and cannot answer the third question at all — which is itself the finding. An estate with an accidental data layer and no workflow owner will convert AI spend into the 37%, not the 6%.

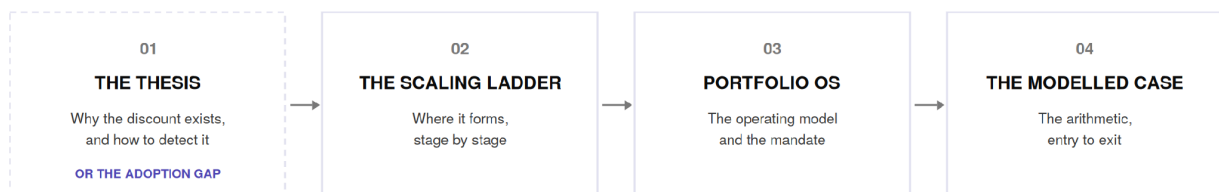
NEXT STEP: BOOK A STUDIO AUDIT

Bring the layer map, or build it with us. The audit returns the estate as it is, the seam where earnings impact is available, and the governed route to it — with a defined scope and an end date.

The operating thesis behind this report — why discipline is the product and tooling is downstream — is set out in the companion documents at renaissance.tech/research.

EXHIBIT 10 Where this document sits

THIS DOCUMENT · THE ADOPTION GAP · ALTERNATE ENTRY — for AI and studio readers, it stands in for step 01



Read in either direction: the ladder locates the stage; the thesis prices it; the operating model resolves it; the case shows the arithmetic.

Precision beats power. Alignment beats scale. Truth beats urgency.

About the figures. Every figure carries one of three classes on this report's claims: delivered (verifiable against records), modelled (calculated against a stated baseline), or external (published third-party data, source named). The classes are never summed. Market figures in Chapters 1, 3 and 4 are external and self-reported by their respondents; the revenue bands in Exhibit 4 are a modelled mapping onto the published stage definitions. Delivered figures in Exhibit 7: the two firm engagements are attributed to Re-In-Essence; the prior operating engagement is stated without naming the group, its sponsor or its customers. Chapter 5 is forecast. Chapter 7's regulatory and funding positions are stated as at September 2026, summarise the published instruments without constituting legal or tax advice, and are verified per jurisdiction at engagement. Full bases: a separate evidence note, available on request.

A Renaissance Group company.

Sources. Market data: McKinsey, The State of AI 2026 (fielded 4 May–8 June 2026; 1,719 respondents, 97 countries). Estate example: Heineken N.V. annual reporting; Microsoft customer story, December 2025. Code structure: GitClear, The Maintainability Gap: AI Code Quality in 2026 (623M analysed changes). Developer productivity: METR, July 2025 (arXiv:2507.09089) and 2026 revision. Scaling stages after Acquisition.com's published \$100M scaling roadmap, re-expressed; revenue bands modelled, not sourced. Regulation: Regulation (EU) 2024/1689 (AI Act) and the 2026 omnibus agreement on high-risk applicability dates; GDPR; the Data Act. Funding: Digital Europe Programme work programme and EDIH network materials; national scheme parameters as published August–September 2026.

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