

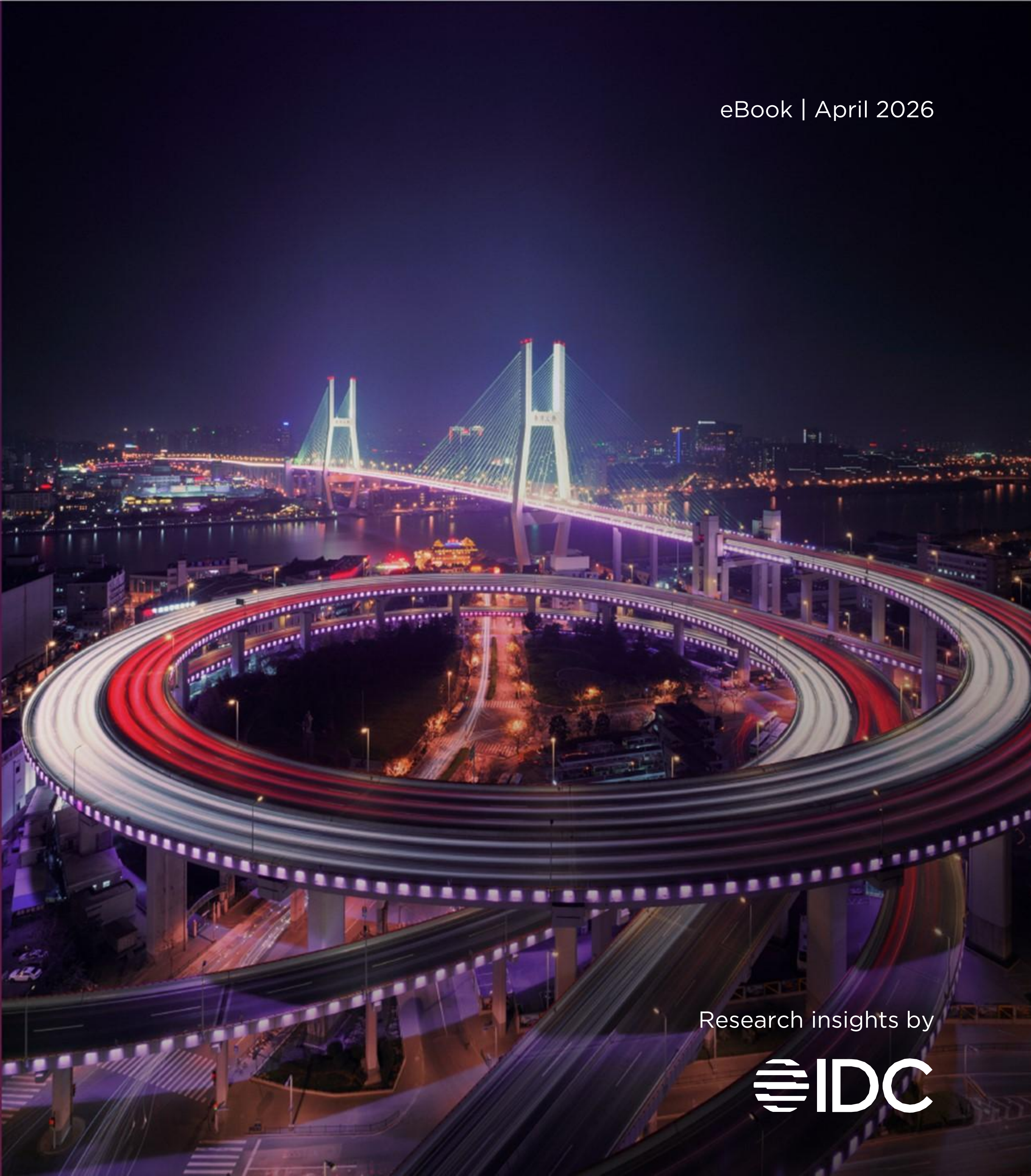


North America

CIO Playbook 2026

The Race for Enterprise AI

eBook | April 2026



Research insights by



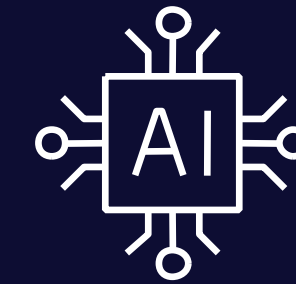
Introduction

Artificial intelligence (AI) is advancing at a rapid pace, reshaping industries and redefining how value is created across the global economy. IDC research shows enterprises accelerating their transition toward becoming truly AI-fueled organizations. From private companies seeking to elevate customer experiences to public sector institutions improving citizen services, the opportunities to apply AI for meaningful outcomes continue to expand. Building on last year's "AI-nomics" theme, which emphasized ROI and the business case for initial AI investments, this year's focus reflects an increased sense of urgency and momentum: **The Race for Enterprise AI**.

Even with strong momentum, many organizations still struggle to integrate new AI technologies and operating models in ways that maximize business impact across different functional areas. CIOs face critical decisions around data sovereignty, cybersecurity, and the selection of appropriate AI deployment models—whether private, public, or hybrid cloud—to balance performance, control, and risk. Early adopters are extending their lead by pursuing a holistic, enterprise-wide approach to AI strategy, governance, and deployment.

This CIO Playbook is designed to support IT leaders as they navigate this pivotal moment, particularly with the advent of Agentic AI. It provides insight into emerging adoption patterns, highlights lessons learned from peers, and offers practical guidance for advancing your organization's AI maturity. In an environment where competitive advantage increasingly depends on the effective use of AI, the race is on—and CIOs play a decisive role in setting the pace and shaping the outcome of their enterprise's AI journey. The need to act has never been greater, those who move swiftly and strategically will be in a leadership position to define the next era.

Definitions of AI Types



PREDICTIVE AI

Analyzes large data sets to uncover long-term behavioral patterns for forecasting.



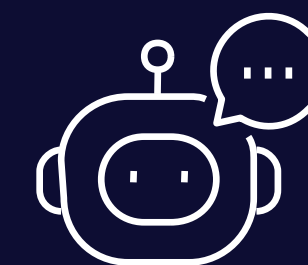
INTERPRETIVE AI

Analyzes unstructured data—such as language, images, and event streams—to uncover patterns and derive insights.



GENERATIVE AI (GenAI)

Creates new content or code by leveraging existing content or code as a foundation, using Large Language Models (LLMs).



AGENTIC AI

Uses machine learning and deep learning techniques to exhibit agency—setting goals, making decisions, and taking actions through the perception-reasoning-action loop.

Key Findings

The Race for Enterprise AI is Reshaping the CIO Agenda



AI is now the core driver of business reinvention

Organizations are treating AI as the strategic engine for transforming business models, operations, and employee productivity and efficiency. CIOs play a pivotal role in translating this ambition into enterprise-wide reality.



AI adoption is expanding across the business

Functions beyond IT are embracing AI to solve problems, automate work, and accelerate insight. This growing momentum across teams reinforces the need for unified platforms, shared standards, and strong partnerships between IT and business leaders to move at the speed the business requires.



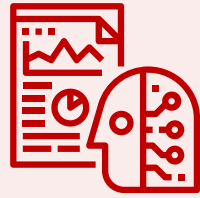
Scaling AI demands both modern foundations and trusted practices

As AI becomes embedded in every workflow, organizations must strengthen infrastructure, data readiness, and governance. The proliferation of agentic and generative AI makes responsible AI frameworks, which ensures security, transparency, and sustained innovation, pivotal and renders their adoption a necessity.



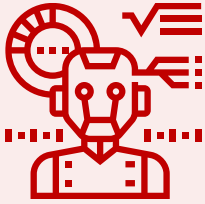
CIO Strategic Imperatives (1/2)

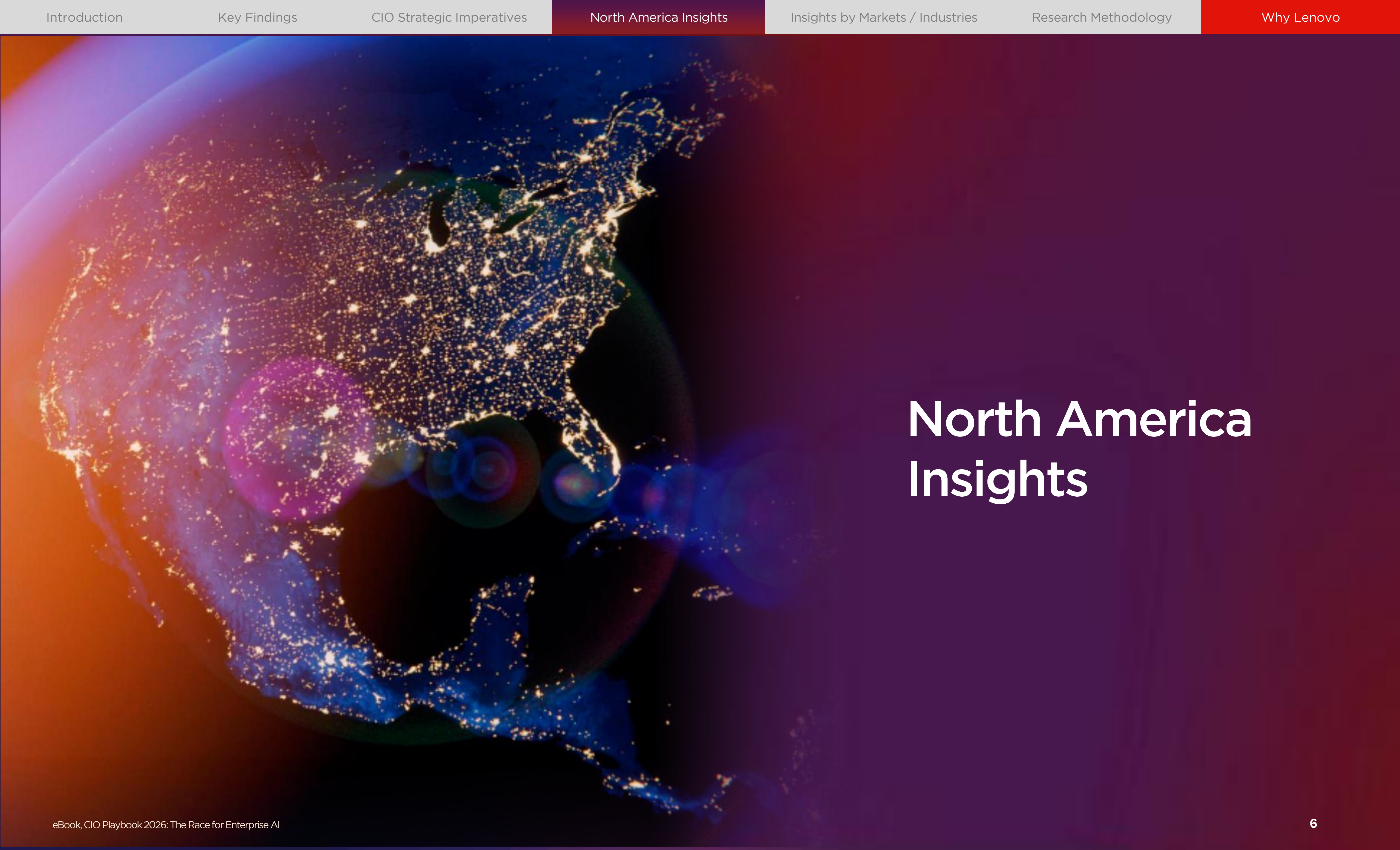
Here are some key insights from IDC’s research involving 900 IT and business decision makers (ITBDMs) in the US and Canada, along with considerations for CIOs for 2026:

Insights		Considerations for CIOs for 2026
1	 Business Priorities AI as the Engine for Business Reinvention In 2026, “Enhancing/innovating/reinventing our business with AI” rises to the #1 business priority in North America, overtaking productivity and profit growth. This signals a fundamental shift: organizations now view AI as the primary lever for transformation and competitive advantage.	• CIOs should champion AI as a core driver of business model innovation, working closely with business leaders to identify and prioritize high-impact use cases. • In partnership with their business counterparts, CIOs should explore how AI can be integrated into core workflows and reimagine processes to unlock new revenue streams and market opportunities. • Regular measurement and communication of business outcomes will help maintain executive buy-in while fostering a culture of experimentation will accelerate AI adoption and value realization.
2	 AI Adoption / Implementation Proliferation of AI Beyond IT to Deliver Enterprise-Wide Value In 2025, most organizations moved beyond the initial stages of AI implementation into piloting or wide-spread adoption. Business areas such as marketing, finance, and sales are the leading departments planning to expand their AI initiatives year over year. 94% of organizations expect positive ROI from AI, with an average return of US\$2.74 for every dollar invested.	• CIOs should enable and support AI adoption across all business units by providing shared platforms, tools, and best practices. • Focusing deployments on areas with proven value will maximize impact. • Facilitating cross-functional collaboration and investing in training will build AI literacy and confidence throughout the organization. • Tracking and communicating both financial and non-financial returns will help build momentum and support for further AI investments.
3	 AI Investment Modernizing to Scale AI Capabilities 96% of organizations plan to increase AI investment in the next 12 months, with spending growth averaging +15%. Infrastructure remains the #1 AI investment priority, but agentic and Generative AI solutions are rising rapidly, reflecting the need for scalable, secure, and high-performing platforms that enable advanced AI deployments.	• CIOs should continue investing in modern, scalable infrastructure that supports both current and future AI workloads. • Evaluating platforms for performance, security, and flexibility is critical to supporting diverse AI use cases across the enterprise. • Partnering with vendors who offer integrated infrastructure and solution stacks will enable more seamless deployment. • Aligning infrastructure investments with a clear AI roadmap will ensure readiness for rapid innovation and growth.

CIO Strategic Imperatives (2/2)

Here are some key insights from IDC’s research involving 900 IT and business decision makers (ITBDMs) in the US and Canada, along with considerations for CIOs for 2026:

Insights		Considerations for CIOs for 2026
4	 AI Trust Accountability, Alignment, and Control are Non-Negotiable Only 20% of organizations have comprehensive AI governance frameworks; 64% are still developing policies. Top trust concerns include lack of responsible AI knowledge and application, and shadow AI risks.	• CIOs must accelerate the development and enforcement of comprehensive AI governance policies that address security, privacy, and data sovereignty. • Proactively implementing responsible AI practices and transparent decision-making will help address trust concerns and build stakeholder confidence. • Regularly reviewing and updating governance frameworks is necessary to keep pace with evolving risks and regulations, while educating stakeholders on responsible AI principles will ensure sustainable adoption and long-term success.
5	 Agentic AI AI Agents Are Here, Rewarding Those Ready to Adopt Agentic AI is here but less than 30% of organizations say it is significantly used. Adoption interest is strongest in cybersecurity, customer service, and quality management, with operational efficiency and innovation of new products and services as top drivers.	• CIOs should develop a structured approach to Agentic AI use cases, ensuring collaboration between IT and business teams to maximize impact. • Investing in platforms and tools that enable effective monitoring, control, and optimization of Agentic AI deployments is essential. • Prioritizing use cases that deliver measurable business outcomes will help demonstrate value, while preparing the organization for the cultural and process changes required to scale Agentic AI safely and effectively for long-term success.



North America Insights

Business Priorities

AI as the Engine for Business Reinvention

Organizations in 2026 are on a mission to drive innovation and business reinvention through AI. As AI maturity accelerates, priorities are shifting. Last year’s top goal of improving customer experience and satisfaction has dropped four spots from #1. At the same time, pressure to demonstrate ROI remains, with revenue and profit growth holding the #2 priority spot year over year. Improving employee productivity moves up two spots to #3, underscoring the link between employee engagement and business transformation.

Business Priorities – North America		2025	2026	YoY Change
	Enhancing/innovating/reinventing our business with AI	N/A	1	New for 2026
	Increasing revenues & profit growth	2	2	=
	Improving employee productivity	5	3	+2
	Driving digital business innovation	8	4	+4
	Improving customer experience & satisfaction	1	5	-4

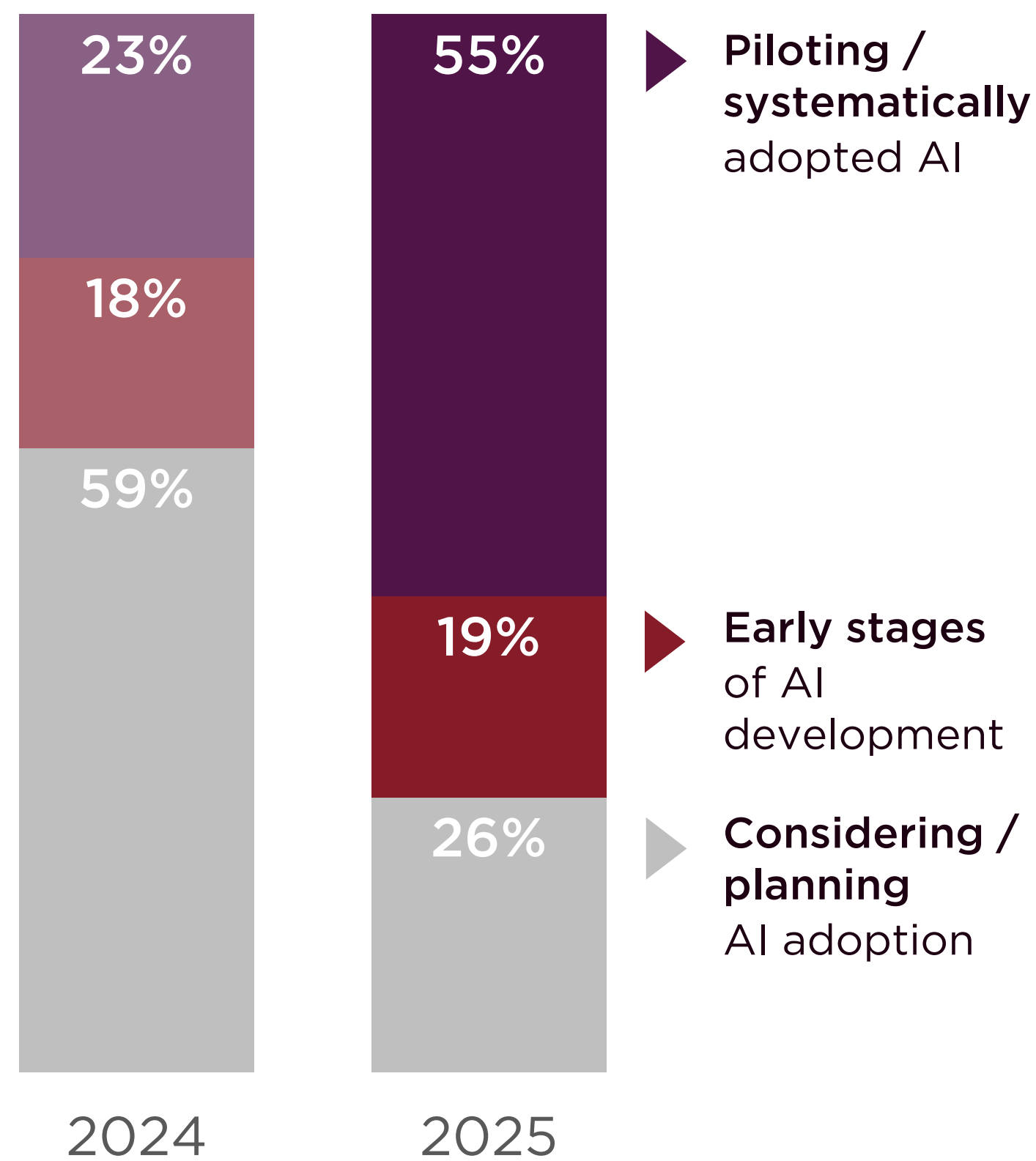


AI Adoption & Implementation

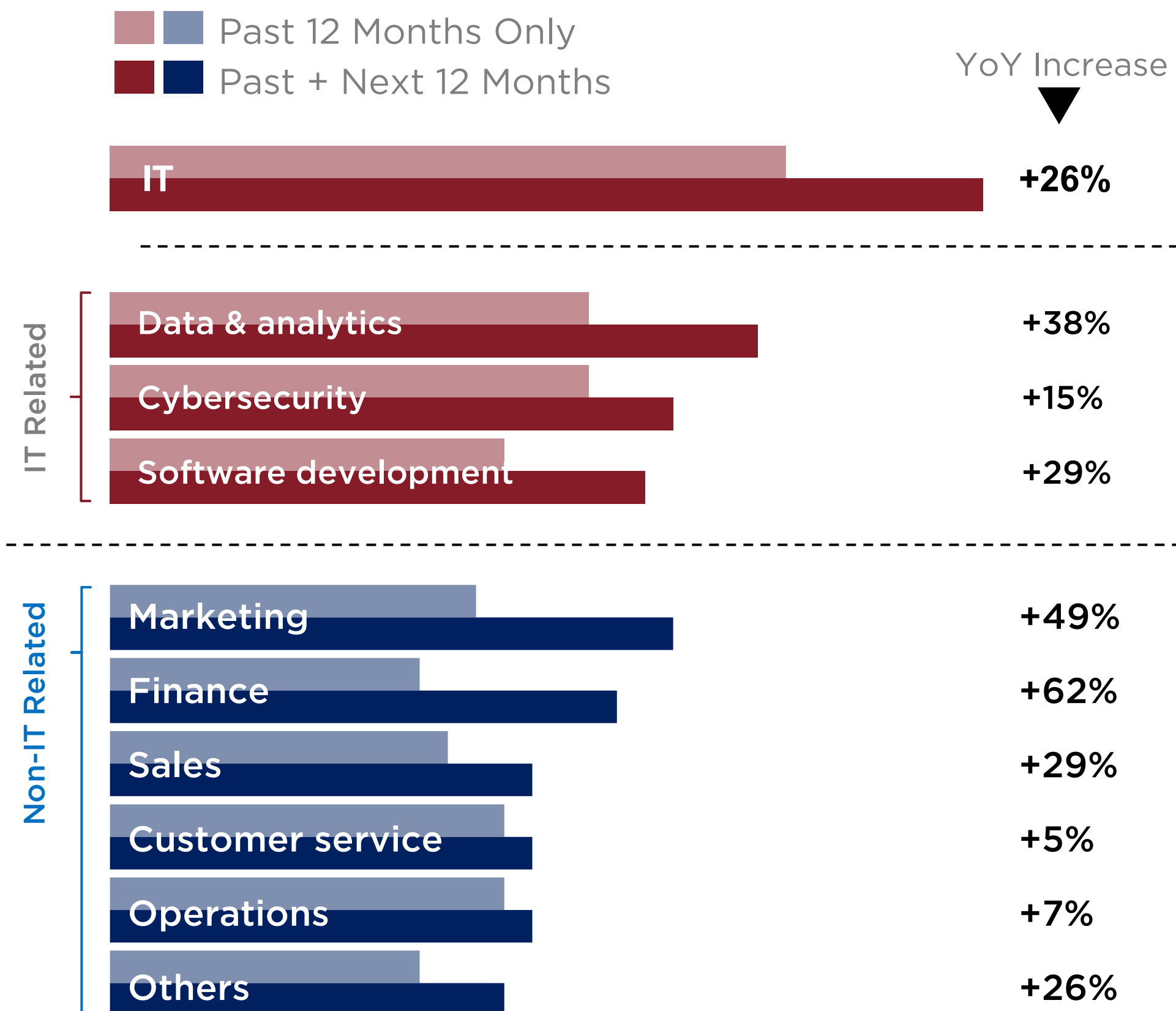
The Proliferation of AI Beyond IT

AI is becoming a business-wide imperative. Year over year, the number of organizations piloting or systematically deploying AI has doubled, and more than half have moved beyond early stages of AI development. The technology function remains a critical area to apply AI; however, lines of business such as customer service, marketing, and operations are highlighted as great candidates outside of IT. These functions top the list for non-IT areas where AI has already been implemented or will be implementing in the next 12 months.

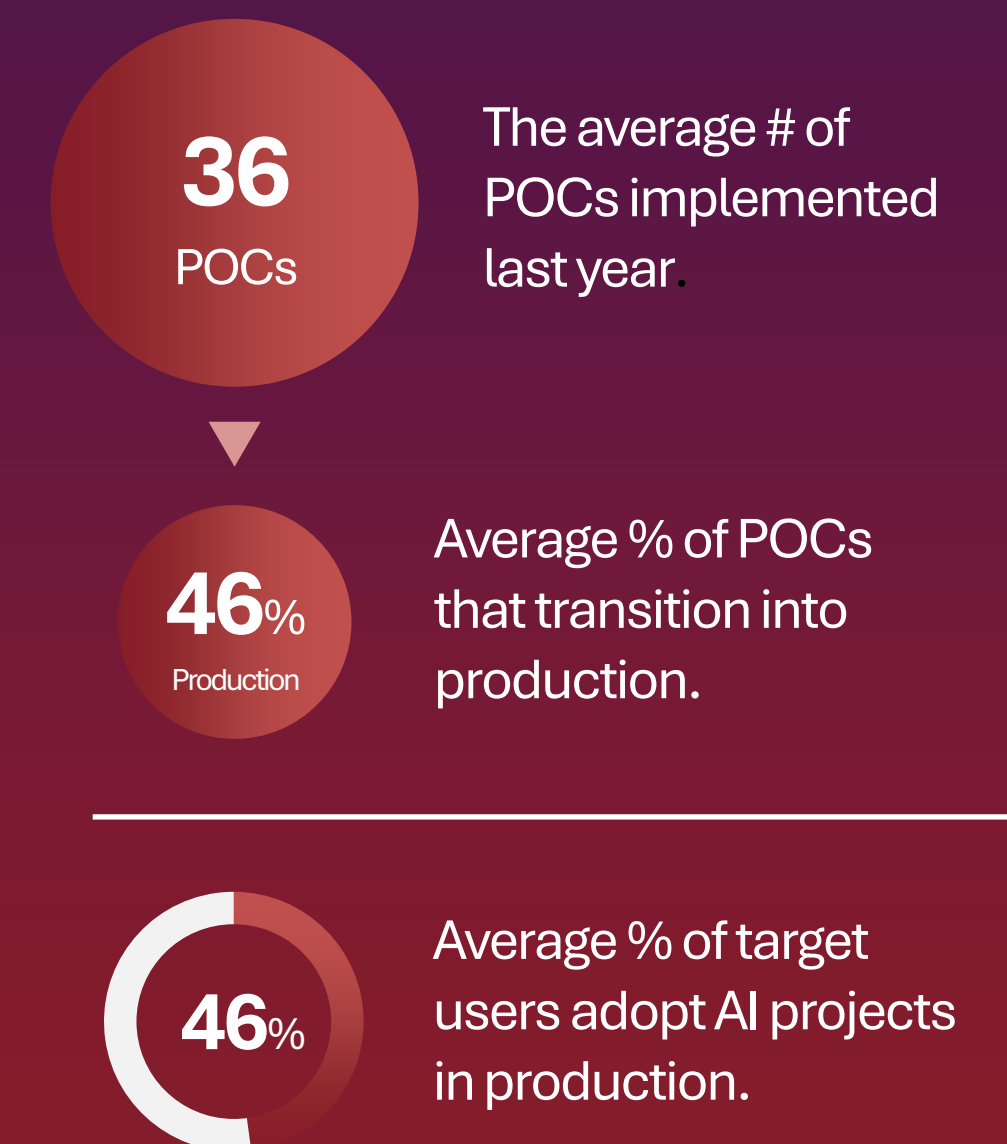
AI Adoption Status



AI Implementation by Business Area: past year & next year



AI Implementation

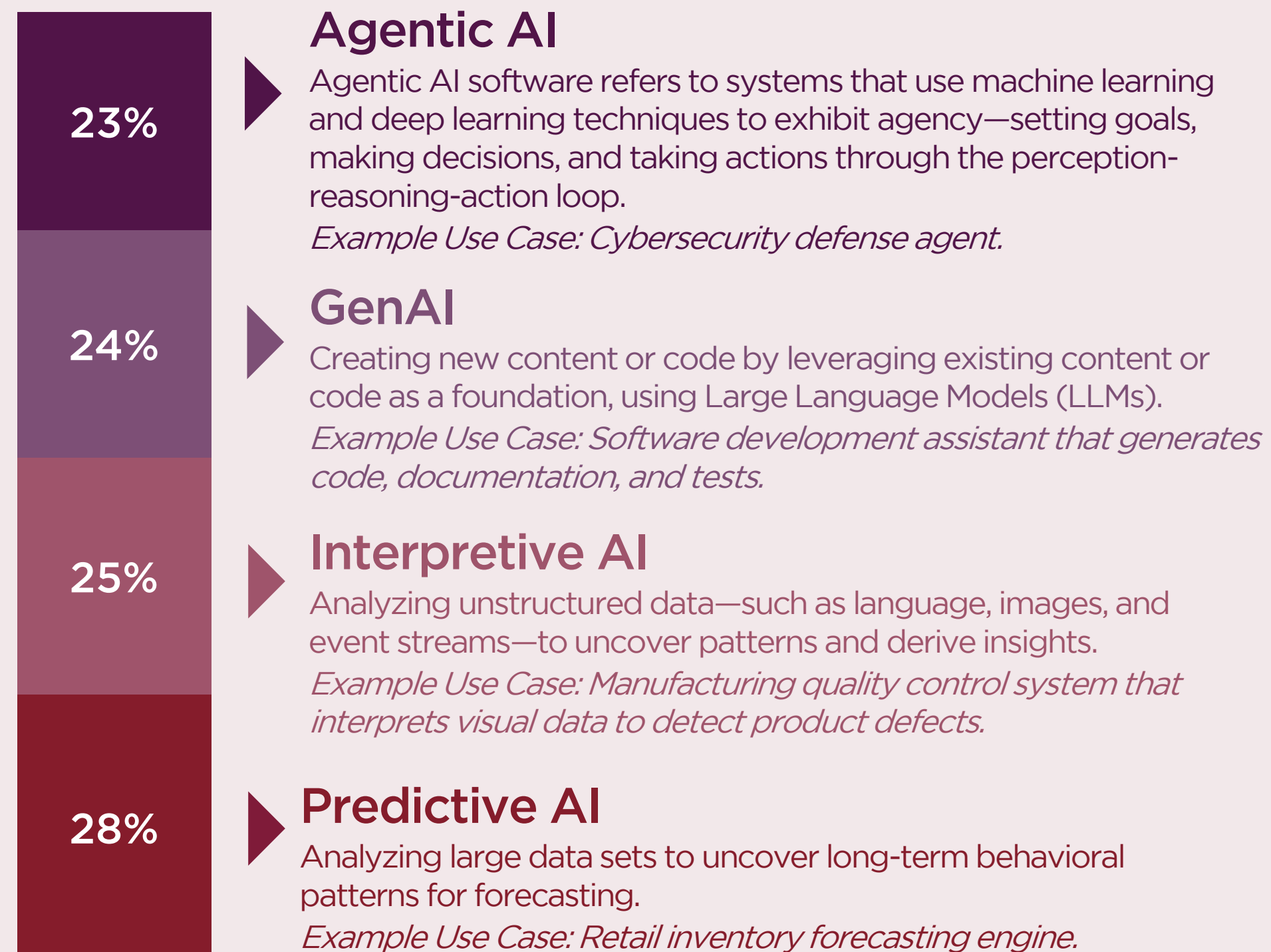


AI Investment

Modernizing to Scale AI Capabilities

96% of surveyed organizations plan to increase their investment in AI over the next 12 months, with an average spending growth of approximately **+12%**.

Spending Distribution by AI Type for the Next 12 Months



Nearly all respondents said they plan to increase investment in AI over the next 12 months, with an average increase in spend of 15%. Newer AI types like Agentic AI and Generative AI are capturing the attention of businesses, but spending is expected to be similar across categories. The #1 AI investment priority is to deploy and support AI infrastructure. CIOs recognize that technology infrastructure is critical to effectively running AI models, platforms, applications, and agents. A strong foundation is needed for organizations to realize the full value of AI technology and have confidence that they are operating reliably and securely.

AI Investments Priorities in the Next 12 Months

- 1  Deploying and supporting AI Infrastructure
- 2  Generative AI development, deployment, & applications/solutions
- 3  AI agent development, deployment, & applications/solutions
- 4  Data quality & governance improvements
- 5  AI-driven process automation



AI Returns

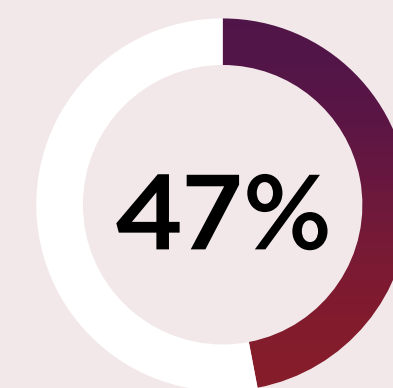
AI Delivers Financial Returns and Business Benefits

Expectations that AI will generate measurable returns are significant. On average, organizations expect to generate US\$2.74 for every dollar invested in AI projects. Currently, IT leads are delivering positive AI returns, but as adoption expands, positive returns should broaden across business functions. Beyond financial benefits, organizations also point to improved customer experience, increased employee engagement, and improved decision-making speed or effectiveness as top benefits realized from AI initiatives.

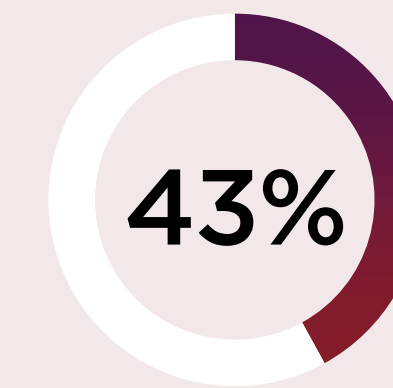
94% of surveyed organizations anticipate a positive return on investment (ROI) from their AI initiatives.

On average, these organizations expect to generate **US\$2.74** in value for every dollar invested in AI projects.

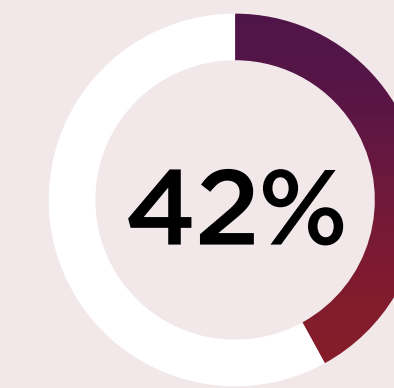
Top Non-Financial Benefits Realized from AI Initiatives



Improved customer experience



Increased employee engagement or satisfaction



Improved decision-making speed or effectiveness

Top Business Areas where AI has Shown Positive Returns

- 1  IT
- 2  Data & analytics
- 3  Cybersecurity
- 4  Software development
- 5  Customer service

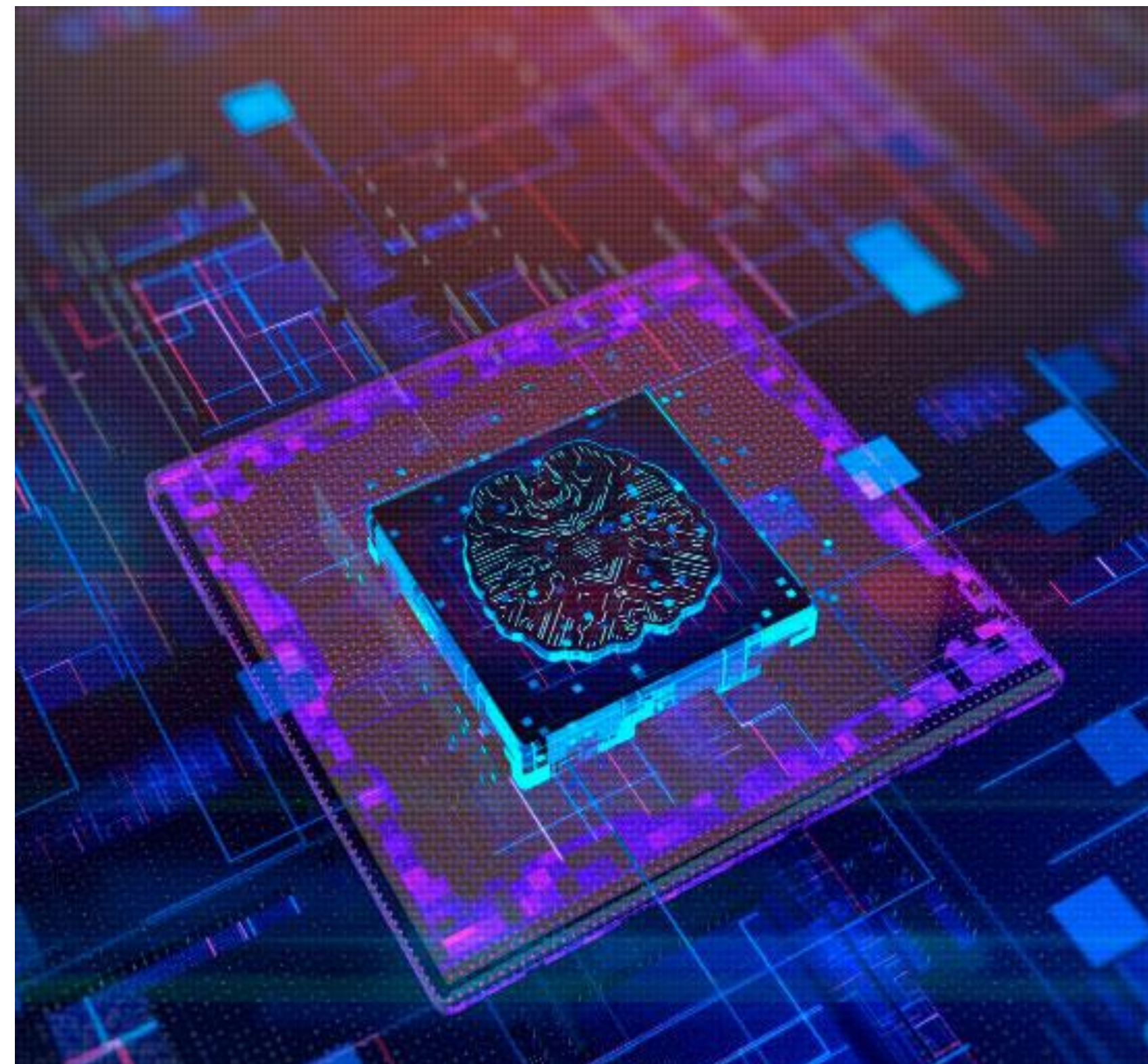
Spotlight Quote

"We show the return on [AI projects] every quarter. We track how much we spent, the time invested, and the percentage of team time used. Not everything has a dollar value, but soon we'll be able to say, for example, we saved 50% on a particular product because AI helped us find a better reason to buy or distribute it."

— CIO of a US-based infrastructure & safety services organization

AI Success & Scale

Skills, Business-Aligned use cases, and Trusted Partners Remain Challenges



Successful AI implementation requires alignment across people, processes, and technology. Organizations must invest in workforce transformation by upskilling employees to build internal AI expertise and readiness. Without broad adoption, technology investments stall and fail to deliver value. Equally important is the rigor to align technology to business objectives. Organizations must be clear about what they are trying to achieve with AI and ensure it matches the objectives and strategy more broadly. Lastly, CIOs must find trusted technology partners to help them navigate an increasingly complex AI landscape.

Critical Success Factors for AI Implementation in Organizations

- 1  Employee training/upskilling to build internal AI expertise
- 2  Clearly defined AI use cases aligned to business objectives
- 3  Trusted AI partners and strong vendor collaboration
- 4  Effective human-AI collaboration for optimized workflows
- 5  Access to data/information across hybrid IT infrastructure and devices

Spotlight Quote

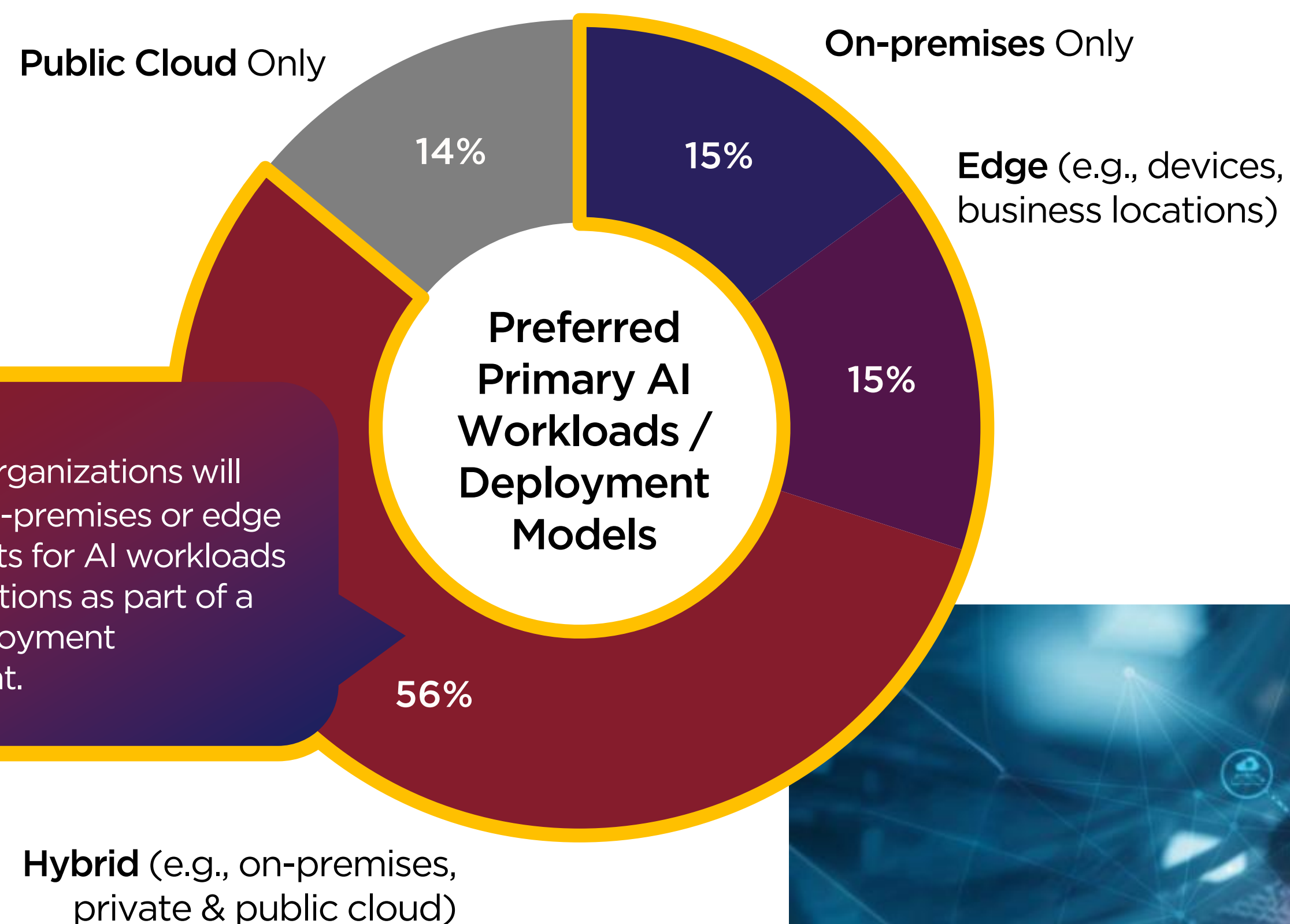
"The most obvious challenge is cost. For example, new laptops have powerful chips embedded in them. It's going to keep on getting more expensive, at least in the short term. The second challenge is the training needed. There is a different chip set in the computer to help run higher performance models. It will help some people, but others won't even realize it. It will be a challenge to determine who gets access to that first. Who's going to get those laptops with those new chip sets and use them effectively?"

— CIO of a US-based infrastructure & safety services organization

AI Infrastructure

Hybrid AI for Scalable, Secure Enterprise Workloads

Only 15% of organizations say their primary AI deployment model is public cloud only. Rather, 86% of organizations prefer to leverage on-premises and/or edge deployments for AI workloads as part of a hybrid deployment environment. Ensuring data privacy, compliance, security, and the flexibility to customize and optimize infrastructure are making hybrid and edge deployment models more attractive, driving organizations to favor these approaches over fully public cloud solutions. As global demand for digital and AI sovereignty grows, these considerations remain central to AI infrastructure decisions.



Key Drivers for On-Premises AI Workload Deployment

- 1 Ensuring data privacy, regulatory compliance, and security protocols
- 2 Implementing advanced security strategies/measures to address emerging threats
- 3 Flexibility to customize & optimize infrastructure
- 4 Greater control over operations & data
- 5 Challenges in managing cloud environments



AI Devices / Inferencing

AI for End-User Productivity: AI Devices and Edge Inferencing

Organizations are making the deployment of AI devices for productivity and local inferencing the #1 IT investment priority in 2026. IDC predicts that by 2027 half of enterprise PC purchases will have on-device AI agents and that the focus of AI models will shift from training to inferencing, requiring most enterprises to deploy distributed edge infrastructure. CIOs must partner with business leaders to identify which users will most effectively leverage the benefits. They should also work to understand application requirements in order to minimize latency and maximize the responsiveness of AI-driven workflows.

Survey Insights

“Deploying AI devices to enhance productivity & local inferencing” is the **#1 ranked** IT investment priority for the next 12 months.

IDC Predictions

By 2027, **50% of enterprise PC purchases will shift to models with on-device AI agents**. These agents will work in hybrid mode (on-device and cloud), enhancing productivity, security, and autonomy.

Source: IDC FutureScape: Worldwide Connected Devices 2026 Predictions

By 2027, as the focus of AI shifts from training to inferencing, **80% of enterprises will deploy distributed edge infrastructure** to improve the latency and responsiveness of AI applications.

Source: IDC FutureScape: Worldwide Digital Infrastructure 2026 Predictions



AI Trust

Accountability, Alignment, and Control are Non-Negotiable

Only 20% of organizations report having a comprehensive framework for AI governance, risk, and compliance. Without clear policies and guidelines addressing security, data protection, and privacy, scaling AI introduces significant enterprise risk, which can erode customer trust and reputation. Lack of responsible AI and shadow AI risks have emerged as the foremost concerns in enterprise AI initiatives. CIOs must lead the development of robust AI governance models that align with corporate risks, meet ethical standards, and safeguard data across all business functions. At the same time, they must move quickly to reinforce their leadership and establish governance that prevents departments from implementing AI solutions without the appropriate oversight.

Organizational Approach to AI Governance, Risk, & Compliance



Top AI Trust Concerns

- 1 Knowledge / application of Responsible AI
- 2 Lack of Responsible AI
- 3 Shadow AI risks
- 4 Loss of data sovereignty
- 5 Poor data quality

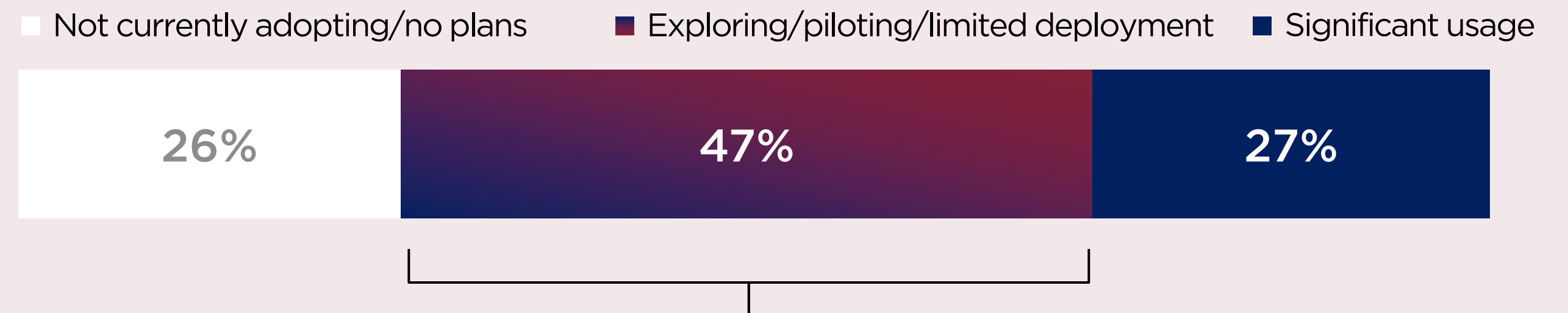
Agentic AI (1/2)

AI Agents Are Here, Rewarding Those Ready to Adopt

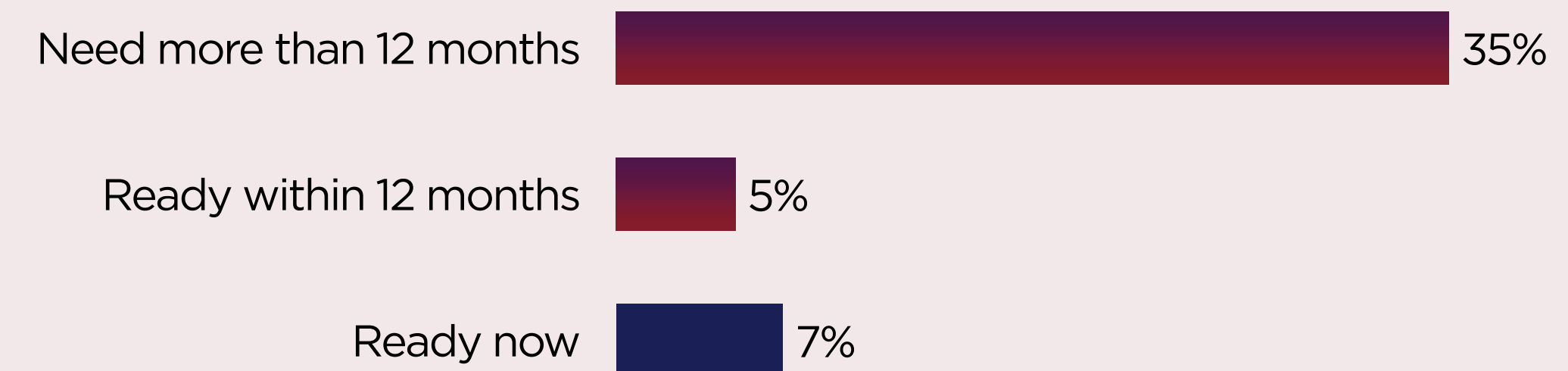
Agentic AI technology is here, yet only 27% of organizations have deployed Agentic AI at scale. Most are still exploring, piloting, or testing out limited deployment, and 35% expect to need more than 12 months to be ready for full implementation. Unlike Generative AI, Agentic AI demands deeper process redesign to realize value. Workflows must be standardized, monitored, and in some cases completely restructured to deliver the intended outcomes, making proactive process governance and cross-functional collaboration imperative for CIOs seeking to drive successful Agentic AI adoption.



Agentic AI: Adoption and Implementation Readiness



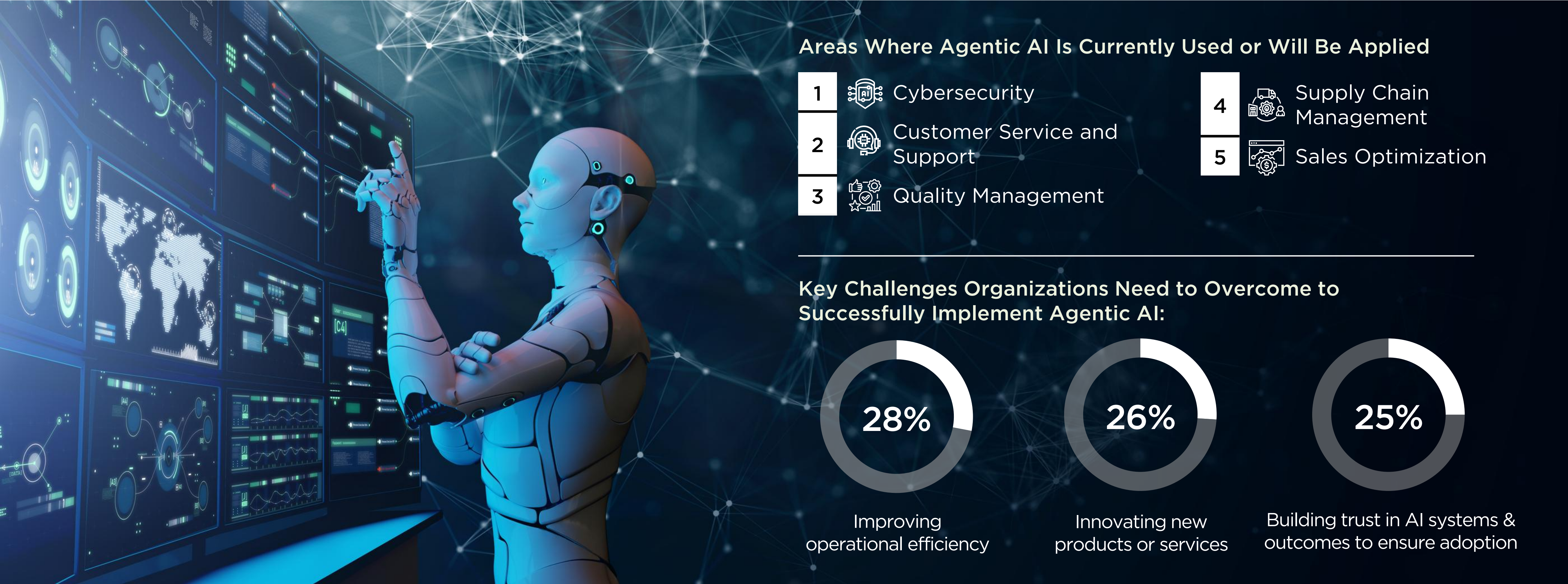
Timeline Needed for Scaled Agentic AI Implementation



Agentic AI (2/2)

Delivering Outcomes with Agentic AI

Organizations are finding strong potential for Agentic AI in areas like cybersecurity, customer service, and quality management. These domains have well-defined processes and structured workflows, making them ideal candidates for automation and agents. Today, the driver for adoption is operational efficiency. As the technology matures and organizations advance in their adoption journey, organizations may shift toward financial outcomes including revenue growth and profitability. For CIOs it's key to set realistic expectations for the business and balance speed with secure deployment.

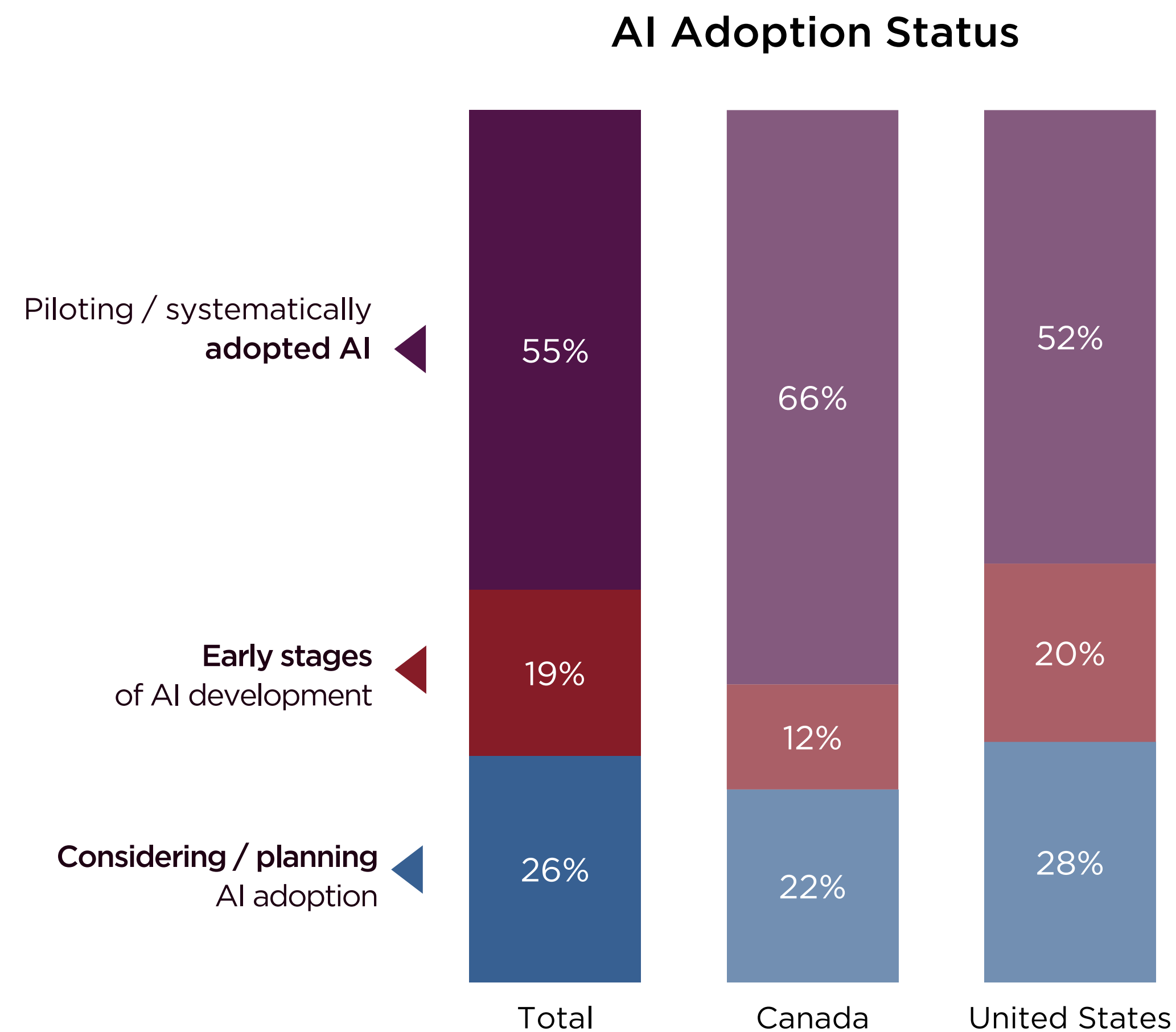




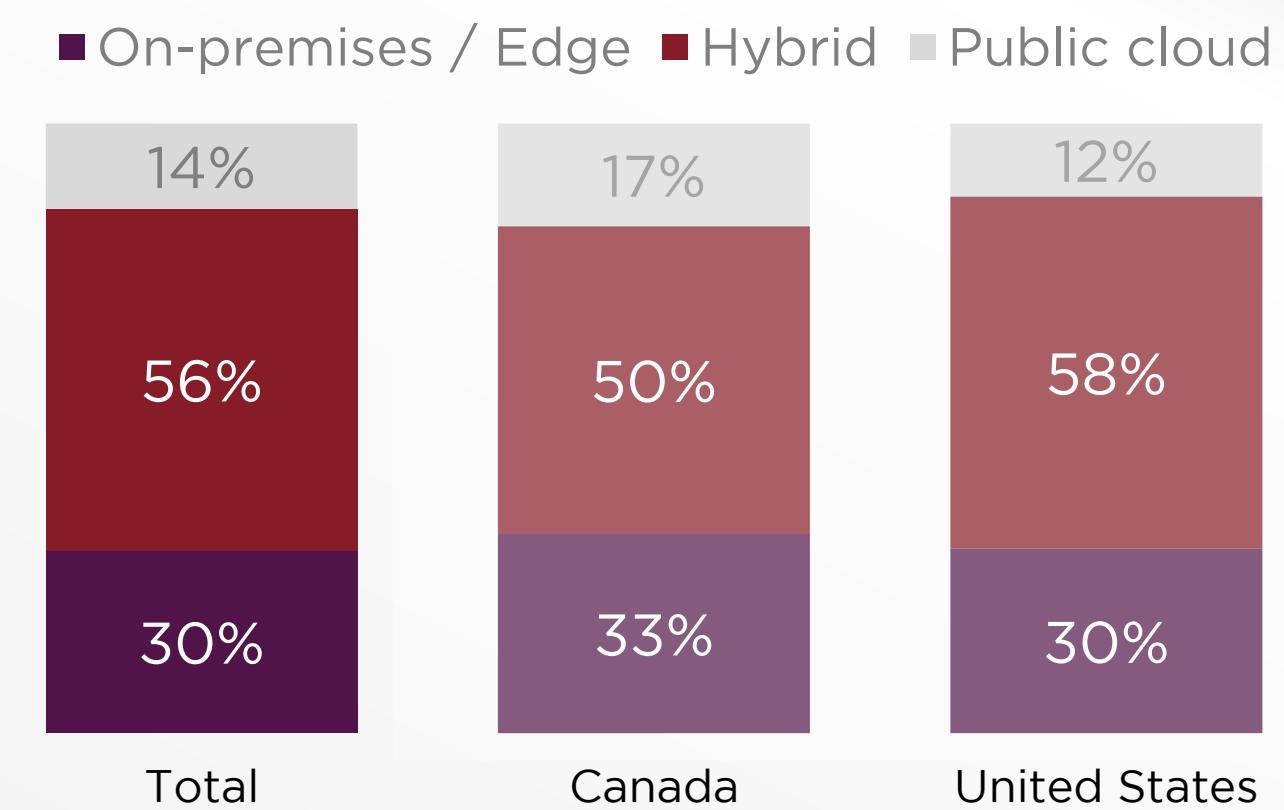
Insights by Markets

Markets Overview

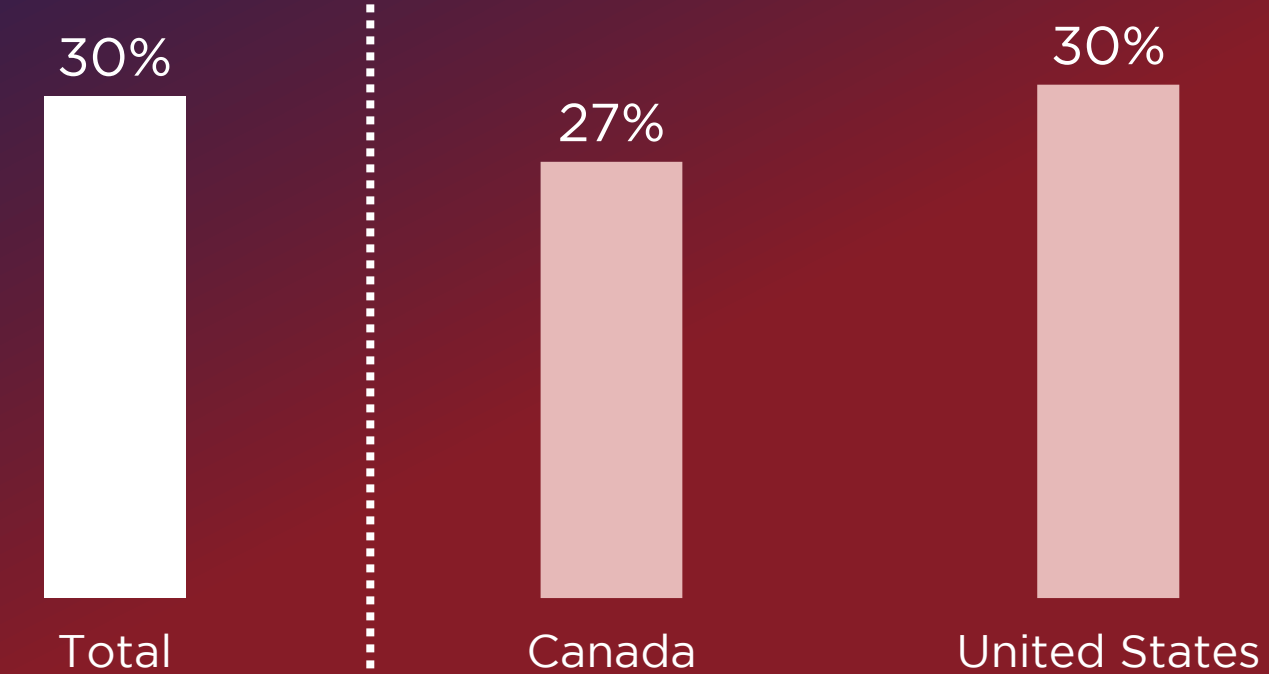
Across North America, AI adoption reflects a mix of advanced leaders and areas that are still building foundational capabilities, driven by differences in digital maturity, regulation, and investment capacity. Organizations across countries are prioritizing hybrid and edge deployments to retain data sovereignty and operational control while gradually moving from piloting to scaling AI. There is growing interest in more advanced Agentic AI that can operate with greater independence and support more complex tasks. Organizations are starting to think beyond basic use cases and pilots, even though the level of readiness and speed of adoption still vary across the US and Canada.



Preferred Primary AI Workloads / Deployment Models



Focusing on Agentic AI in the Next 12 Months

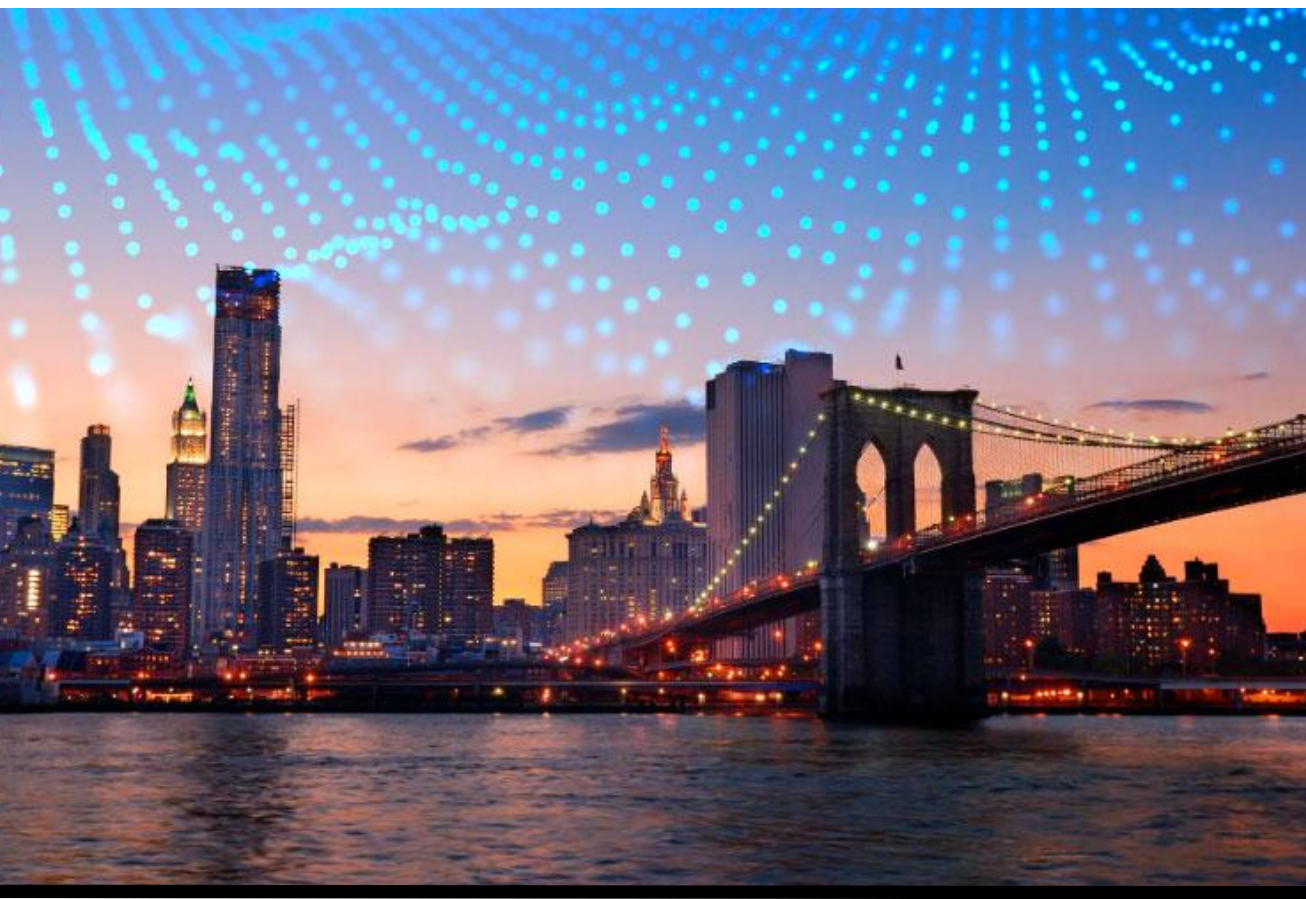
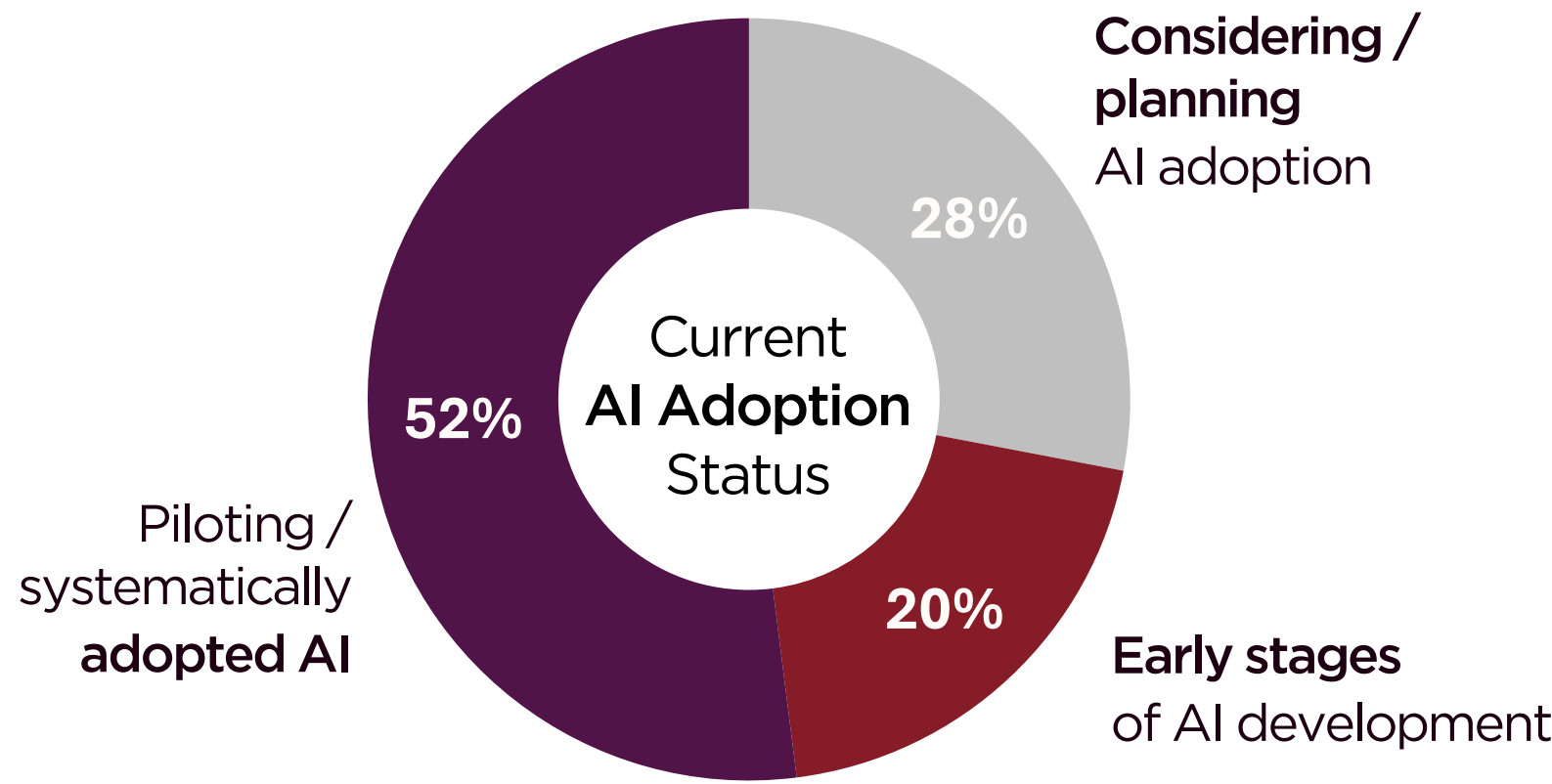


United States Overview (1/2)

In the United States, the top 3 business priorities for 2026 line up with the overall North American results. There is a notable proportion who are only considering or planning AI adoption, but more than half say they are piloting or have systematically adopted AI. AI security, trust, & transparency tools are the #1 AI investment priority. As geopolitical tensions rise, questions around security and sovereignty are top of mind for CIOs, especially with the uncharted areas of AI. While positive returns have been shown in IT and related areas, CIOs should move beyond IT to the drive value across the enterprise.

Business Priorities for 2026

- 1
-  Enhancing/innovating/reinventing our business with AI
- 2
-  Increasing revenues & profit growth
- 3
-  Improving employee productivity
- 4
-  Improving customer experience & satisfaction
- 5
-  Driving digital business innovation

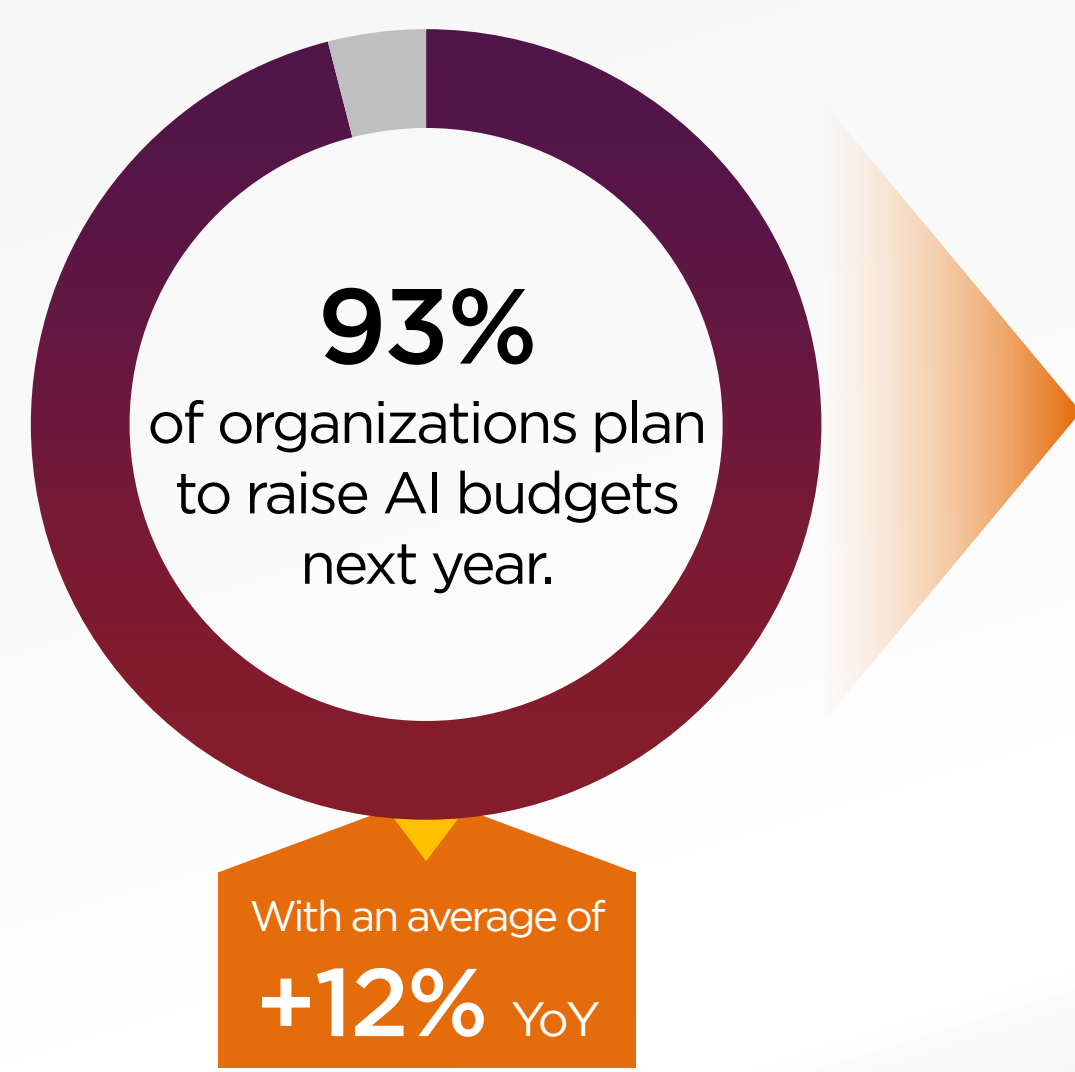


94% of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.70** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1
-  IT
- 2
-  Data & analytics
- 3
-  Cybersecurity
- 4
-  Customer service
- 5
-  Software development



AI Investments Priorities for the next 12 months

- 1
-  AI security, trust & transparency tools
- 2
-  Deploying AI devices
- 3
-  Attracting & retaining AI talent
- 4
-  External AI consulting & other third-party AI services
- 5
-  AI-driven process automation

United States Overview (2/2)

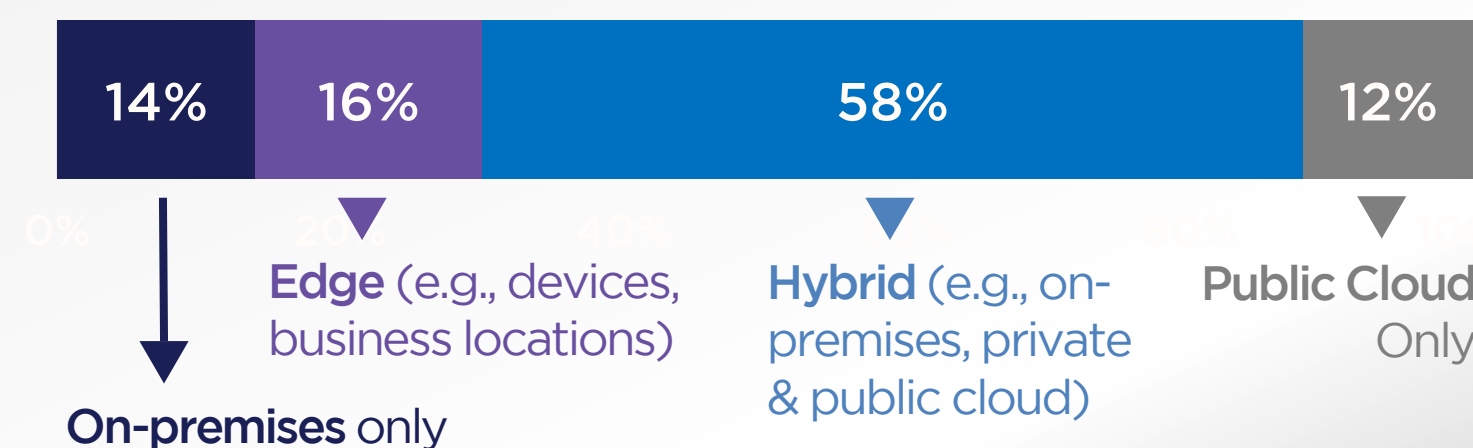
Only 12% of organizations in the United States prefer public cloud only as their primary deployment model for AI workloads. Data privacy, security, and regulatory compliance is the top driver for on-premises AI workload deployment. CIOs in the country have a lot of work to do on building AI trust. Only 21% have a comprehensive approach to AI governance, risk, and compliance. Overcoming AI trust concerns will be key for embracing Agentic AI and its benefits.

Technology Foundations

“Deploying AI devices to enhance productivity & local inferencing”

is the **#1 ranked** IT investment priority for the next 12 months.

Preferred Primary AI Workloads / Deployment Models

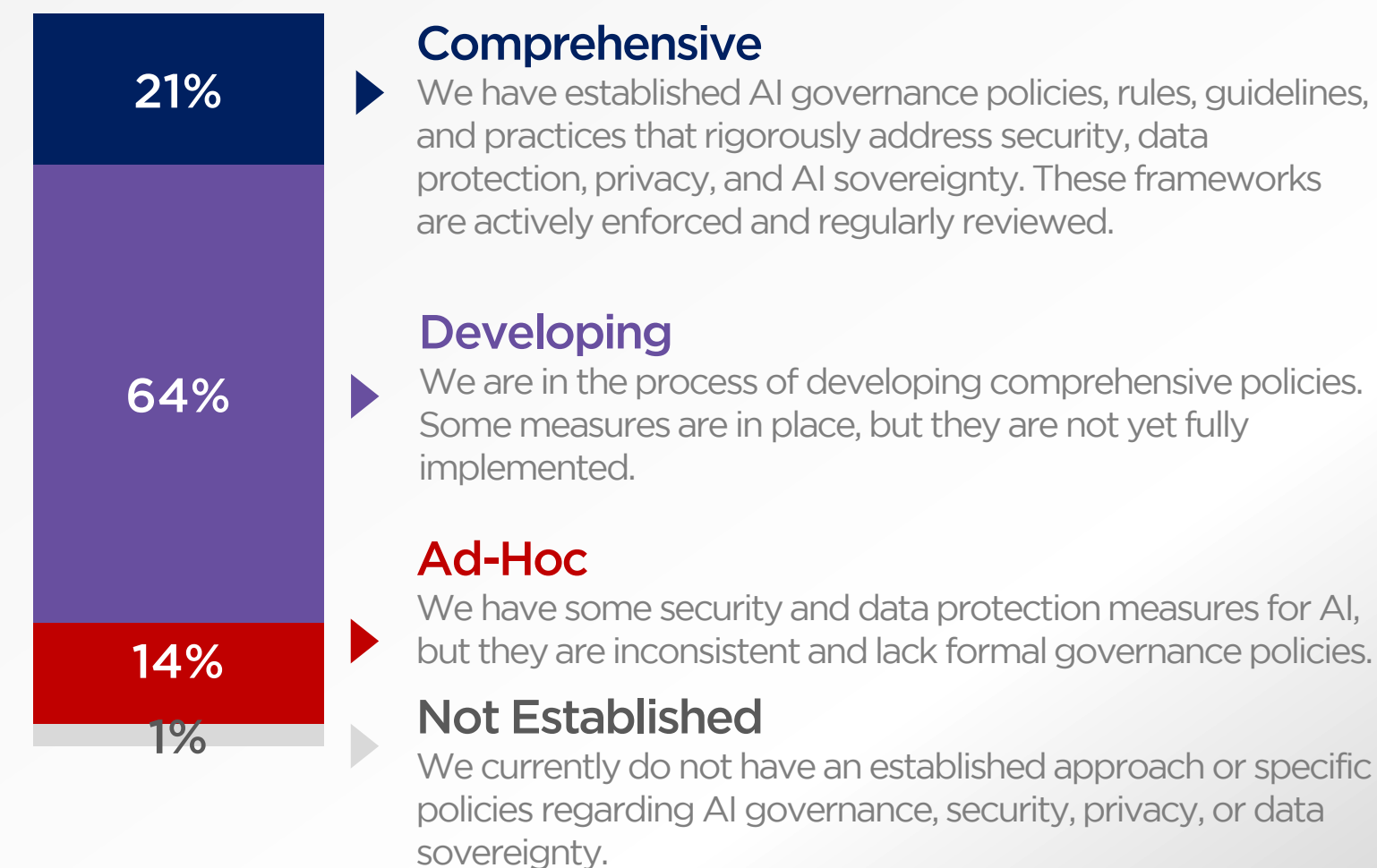


Key Drivers for On-Premises AI Workload Deployment

- 1 Ensuring data privacy, regulatory compliance, and security protocols
- 2 Challenges in managing cloud environments
- 3 Low latency for real-time processing

Building AI Trust

Approach to AI Governance, Risk, & Compliance



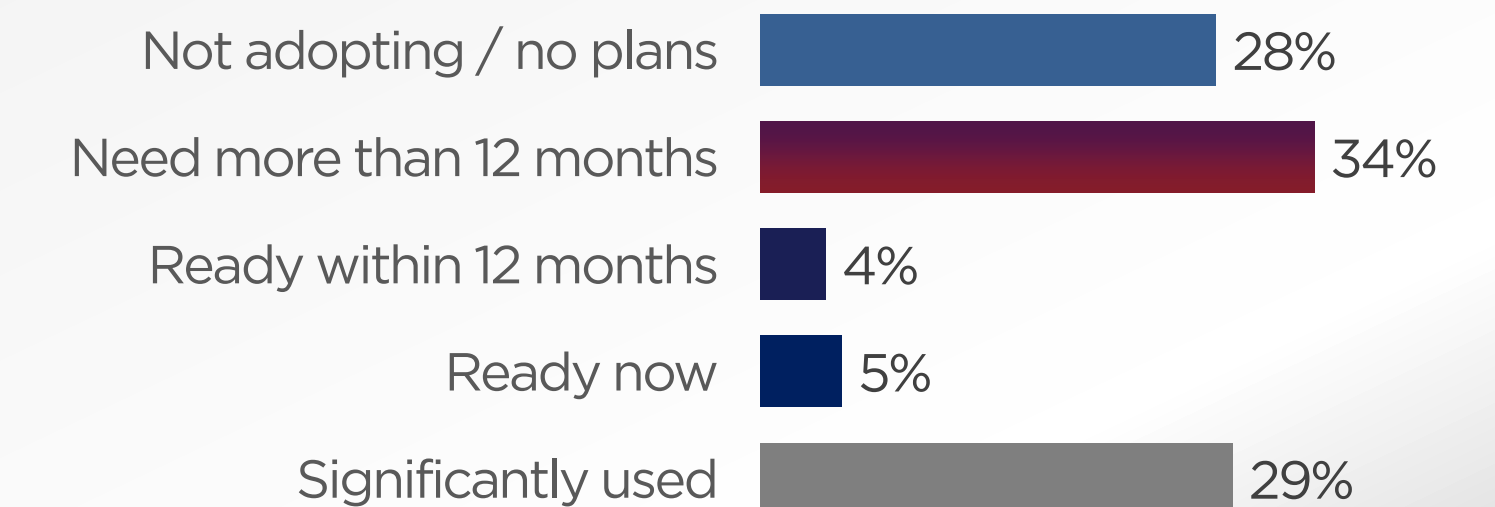
Top AI Trust Concerns

- 
- 1 Lack of Responsible AI
 - 2 Lack of transparency
 - 3 Inaccuracies

The Agentic Future

30%
of organizations will be focusing on Agentic AI in the next 12 months

Readiness for Scaled Agentic AI Implementation



Canada Overview (1/2)

In Canada, organizations have made AI and related technologies a top priority for 2026, with two of their three leading business priorities centered on innovation in this area. They are elevating Generative AI development, deployment, and applications as their #1 AI investment priority and 66% of the respondents say they are piloting or have systematically adopted AI. Work is still required to expand beyond IT and IT-related functions to show returns for AI investments enterprise wide.

Business Priorities for 2026

- 1

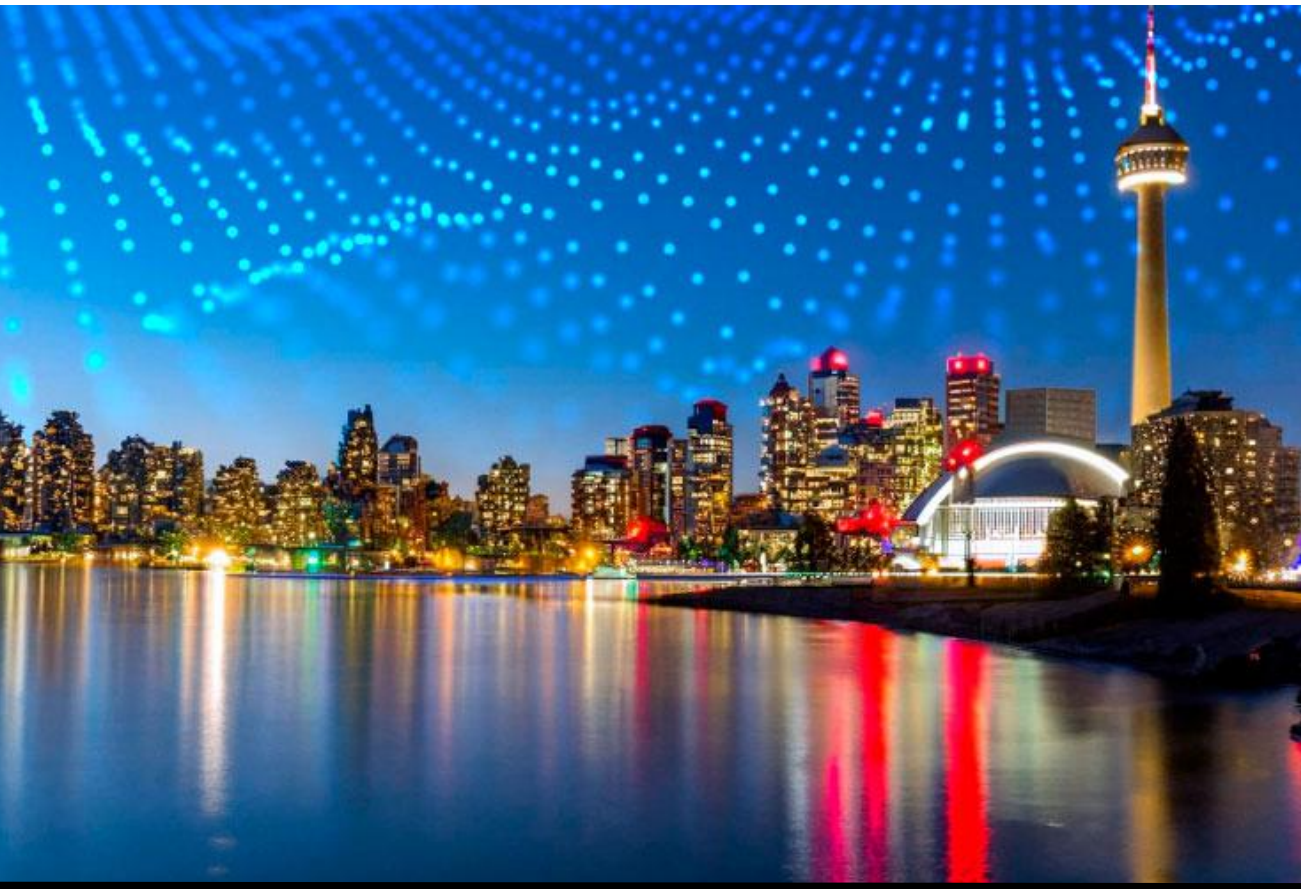
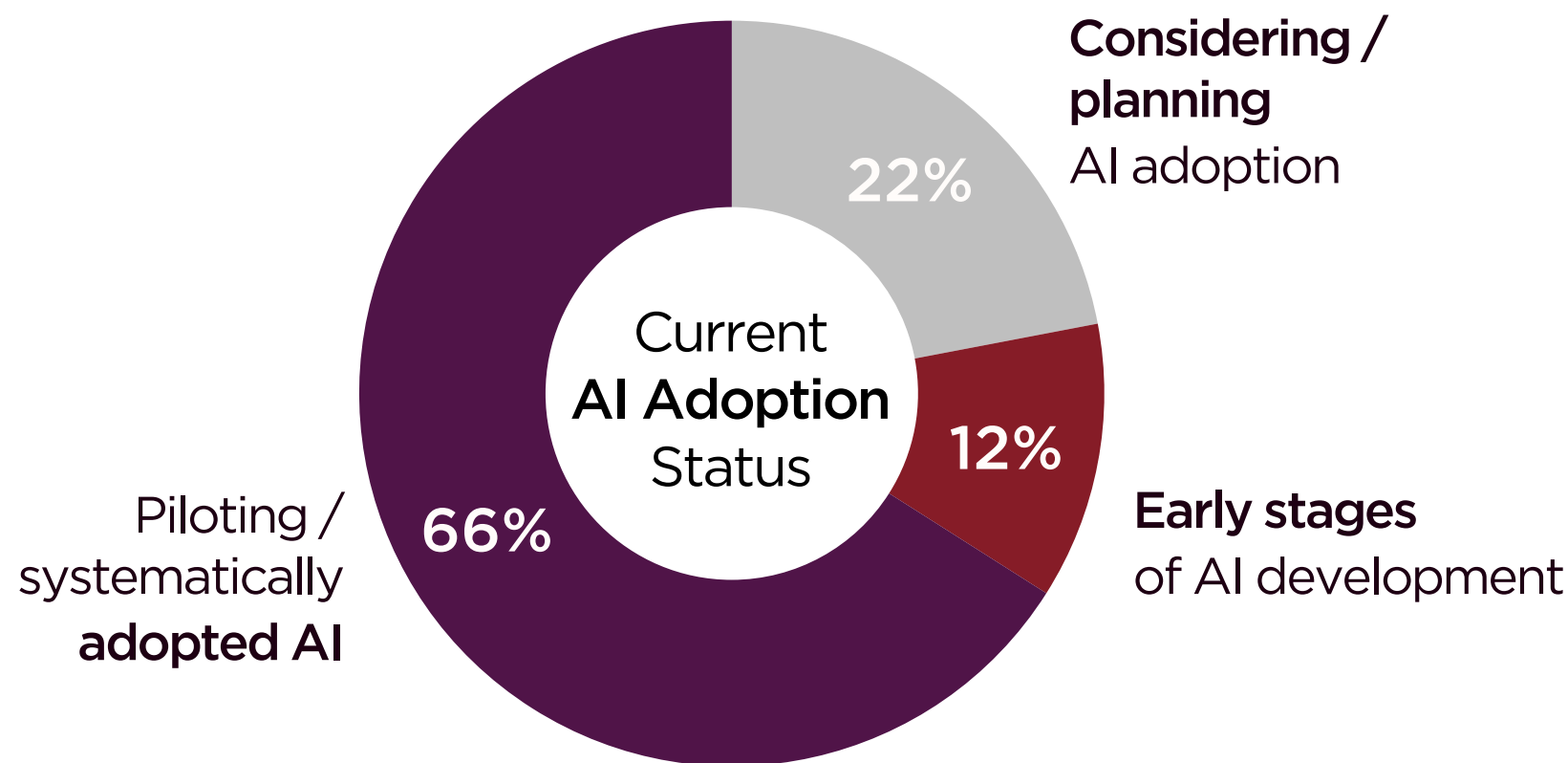
 Enhancing/innovating/reinventing our business with AI
- 2

 Driving digital business innovation
- 3

 Optimizing supply chain/inventory
- 4

 Increasing revenues & profit growth
- 5

 Reducing business risk & cyber threats



97%

of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **CA\$2.87** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

1

 IT

2

 Data & analytics

3

 Cybersecurity

4

 Customer service

5

 Software development

AI Investments Priorities for the next 12 months

1

 Generative AI development, deployment, & applications/solutions

2

 Data quality & governance improvements

3

 Deploying and supporting AI Infrastructure

4

 Deploying AI devices

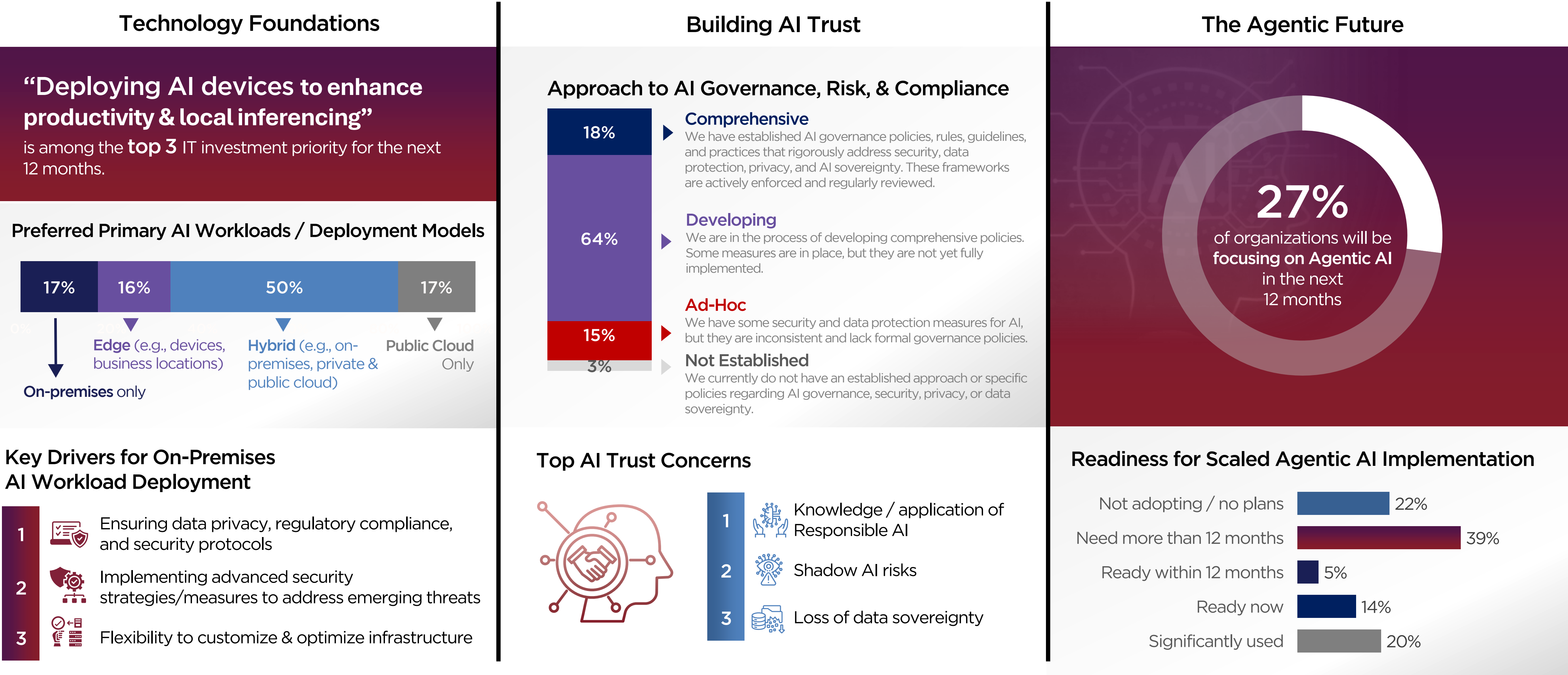
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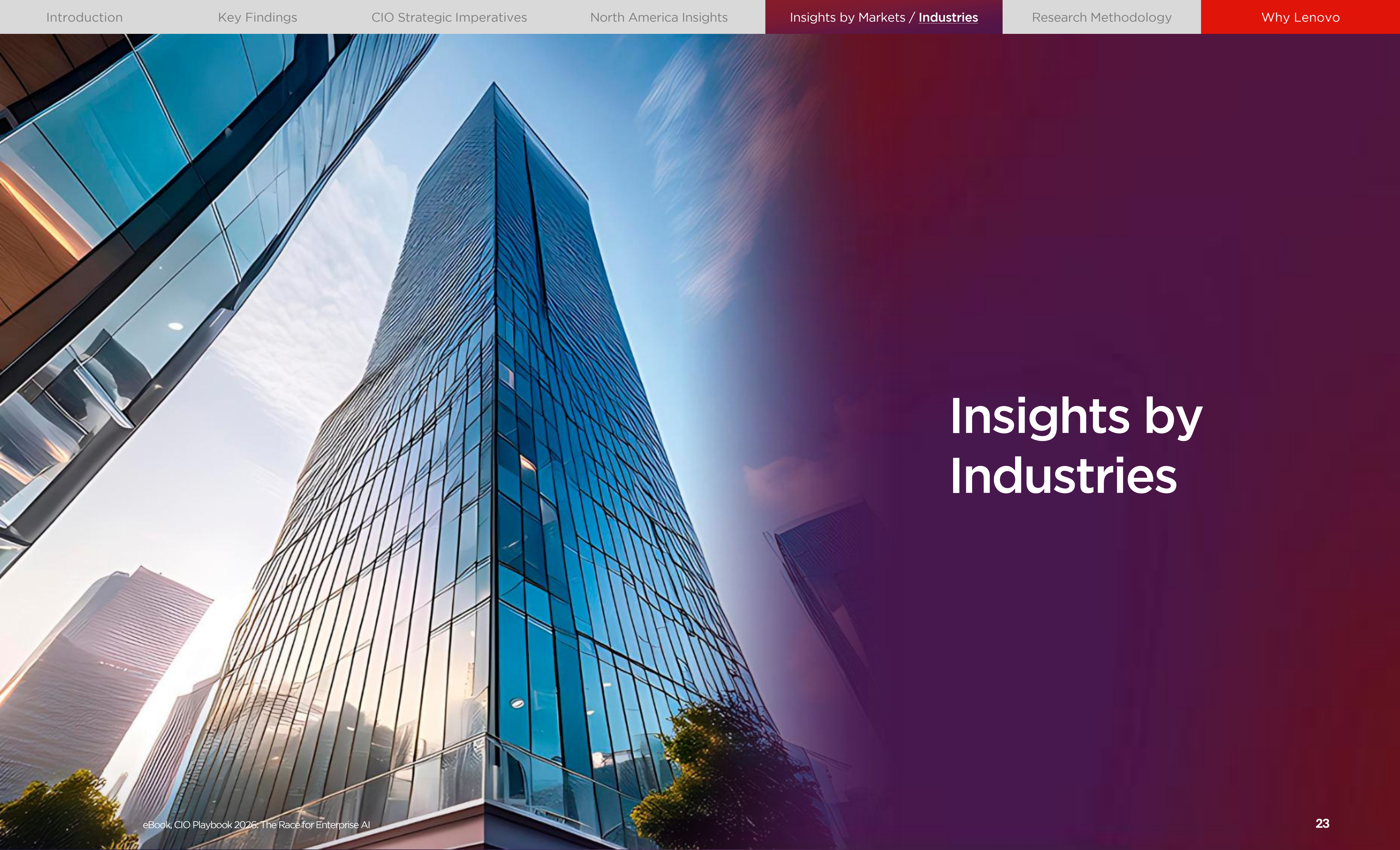
 Attracting & retaining AI talent



Canada Overview (2/2)

Only 17% of organizations in Canada prefer public cloud only as their primary deployment model for AI workloads. Data privacy, security, and regulatory compliance is the top driver for on-premises AI workload deployment. Only 18% have a comprehensive approach to AI governance, risk, and compliance. Overcoming AI trust concerns will be key for embracing Agentic AI and its benefits. Currently only 20% say they significantly used Agentic AI, and nearly 40% say they need more than 12 months to prepare.

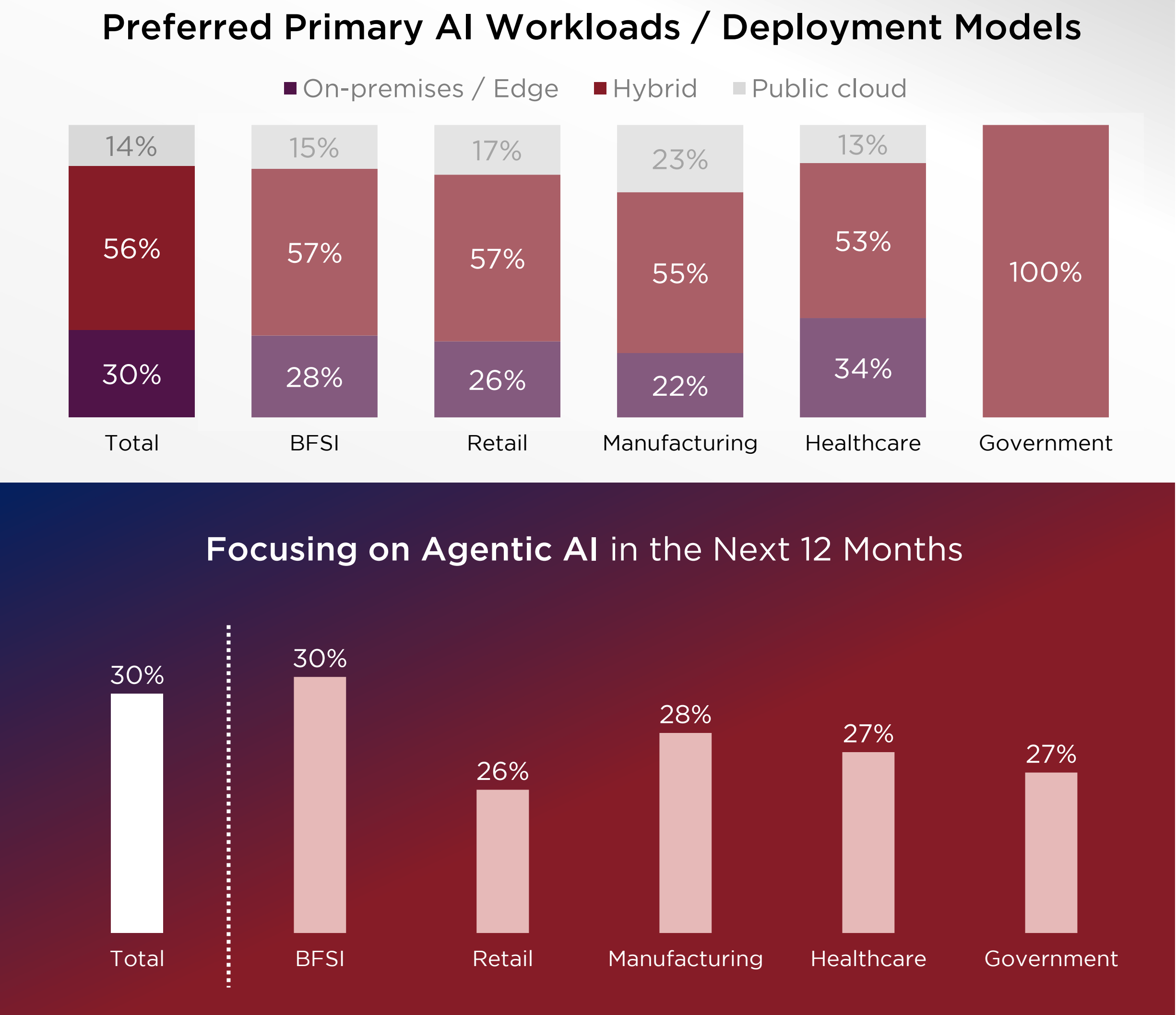
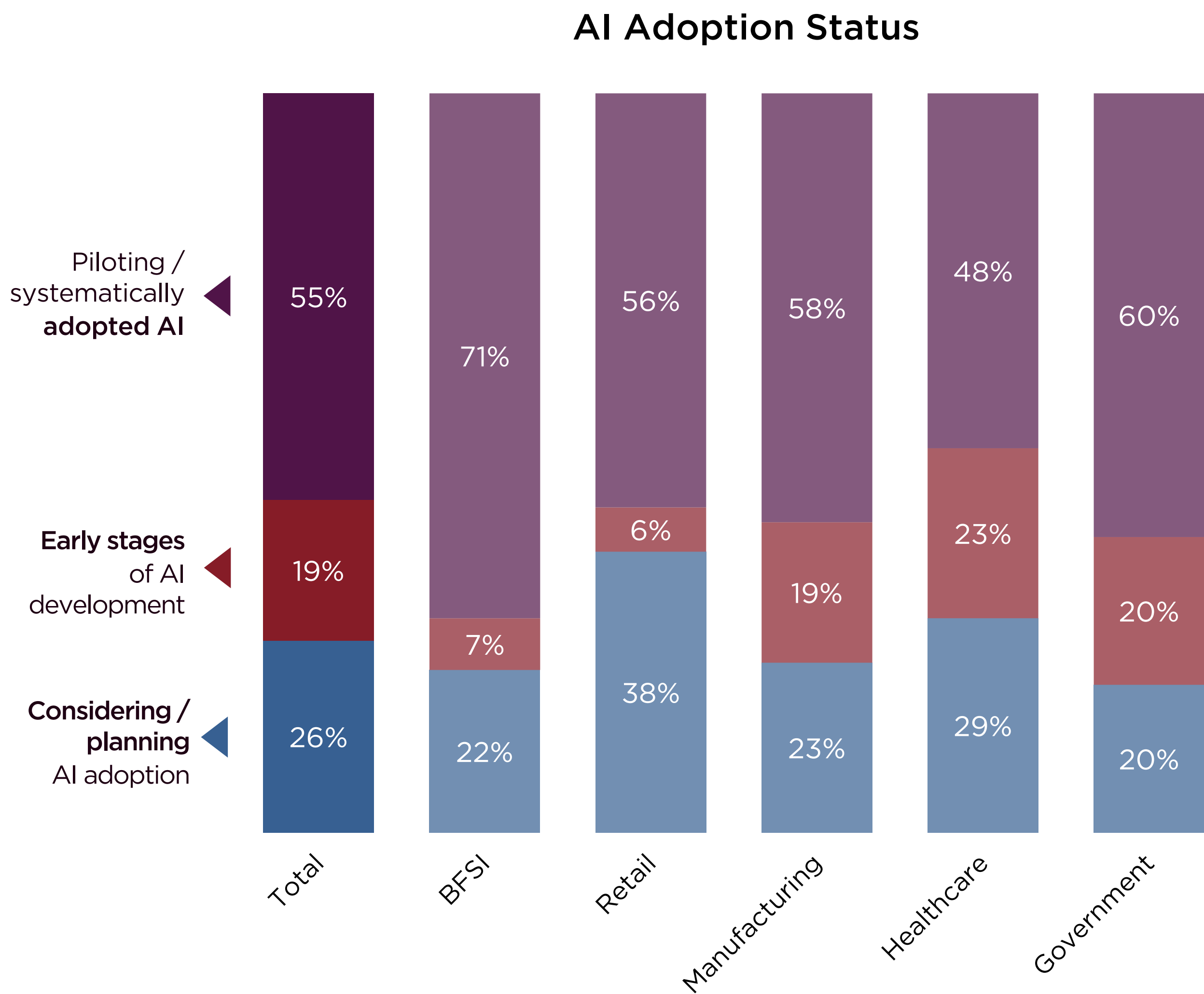




Insights by Industries

Industries Overview

Across industries in North America, AI adoption has moved beyond experimentation toward more structured and scaled use, but maturity levels remain uneven. Most industries are balancing the need for innovation with concerns around control, security, and integration, explaining the continued preference for hybrid and edge-oriented deployment models. At the same time, there is a clear shift in mindset toward more autonomous and agent-based AI, signaling growing confidence in AI's ability to support complex, end-to-end business processes rather than just isolated individual use cases.

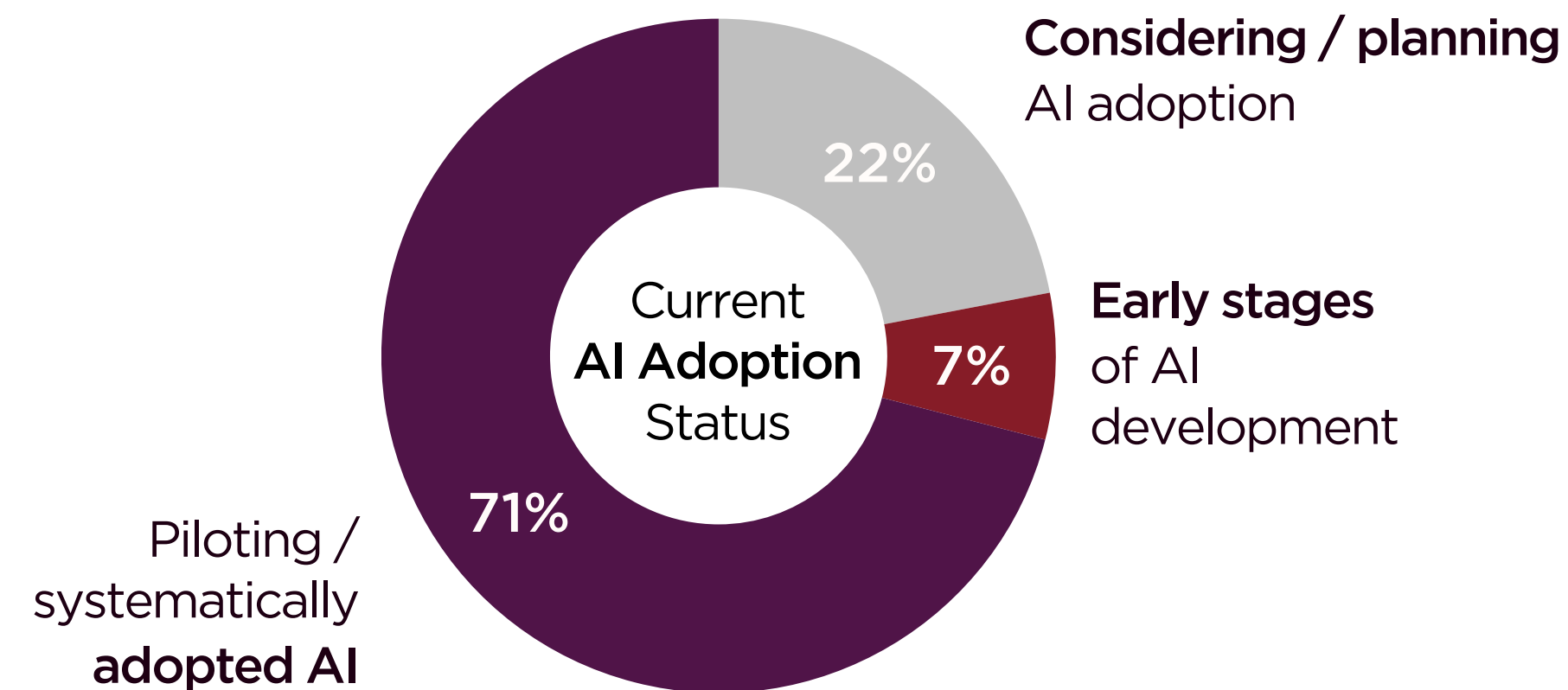


BFSI Overview (1/2)

The banking, financial services, and insurance sector is ahead of the curve on AI adoption, with 71% of organizations saying they are piloting or have systematically adopted AI compared to the overall average of 55%. AI is helping transform fraud detection, risk management, and delivering hyper-personalized customer experiences. 98% of firms expect positive ROI from AI investments, driving an increase in AI budgets next year by an average of 12%. Business leaders are prioritizing employee productivity and increasing revenues and profit growth.

Business Priorities for 2026

- 1  Improving employee productivity
- 2  Increasing revenues & profit growth
- 3  Driving digital business innovation
- 4  Improving customer experience & satisfaction
- 5  Improving regulatory compliance



98% of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.48** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1  IT
- 2  Cybersecurity
- 3  Customer service
- 4  Data & analytics
- 5  Finance

100% of organizations plan to raise AI budgets next year.

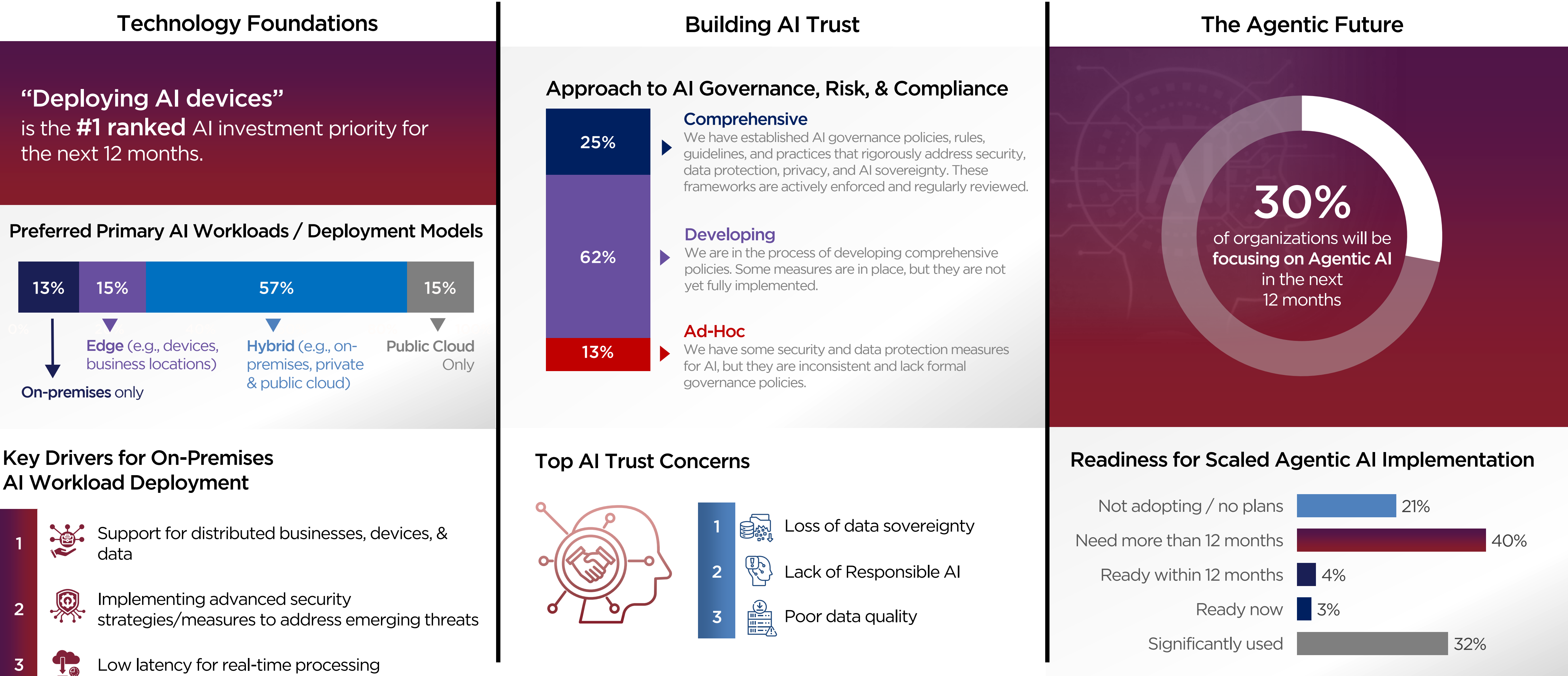
With an average of **+12%** YoY

AI Investments Priorities for the next 12 months

- 1  Deploying AI devices
- 2  Attracting & retaining AI talent
- 3  Data quality & governance improvements
- 4  Deploying and supporting AI Infrastructure
- 5  Generative AI development, deployment, & applications/solutions

BFSI Overview (2/2)

For BFSI organizations, rolling out AI devices is a top AI investment priority. Most organizations prefer hybrid setups, balancing cloud and on-premises deployments. Keeping data private, meeting strict regulations, and maintaining strong security are non-negotiable in a highly regulated industry. 75% of organizations are still figuring out the best way to manage AI governance, risk, and compliance. As Agentic AI becomes more prominent, getting this right will only become more important.



Retail Overview (1/2)

Retailers are prioritizing data quality and governance improvements as their top AI priority. This AI-driven modernization sets the foundation for delivering real-time insights, predictive analytics, and personalized engagement. However, while 96% anticipate positive ROI from their AI initiatives, nearly 40% say they are only at the stage of considering or planning for AI adoption. AI has the potential to transform the entire order life cycle, optimizing inventory management and fulfillment decisions. Retailers must move beyond investments in the technology functions and scale AI across the enterprise.

Business Priorities for 2026

- 1

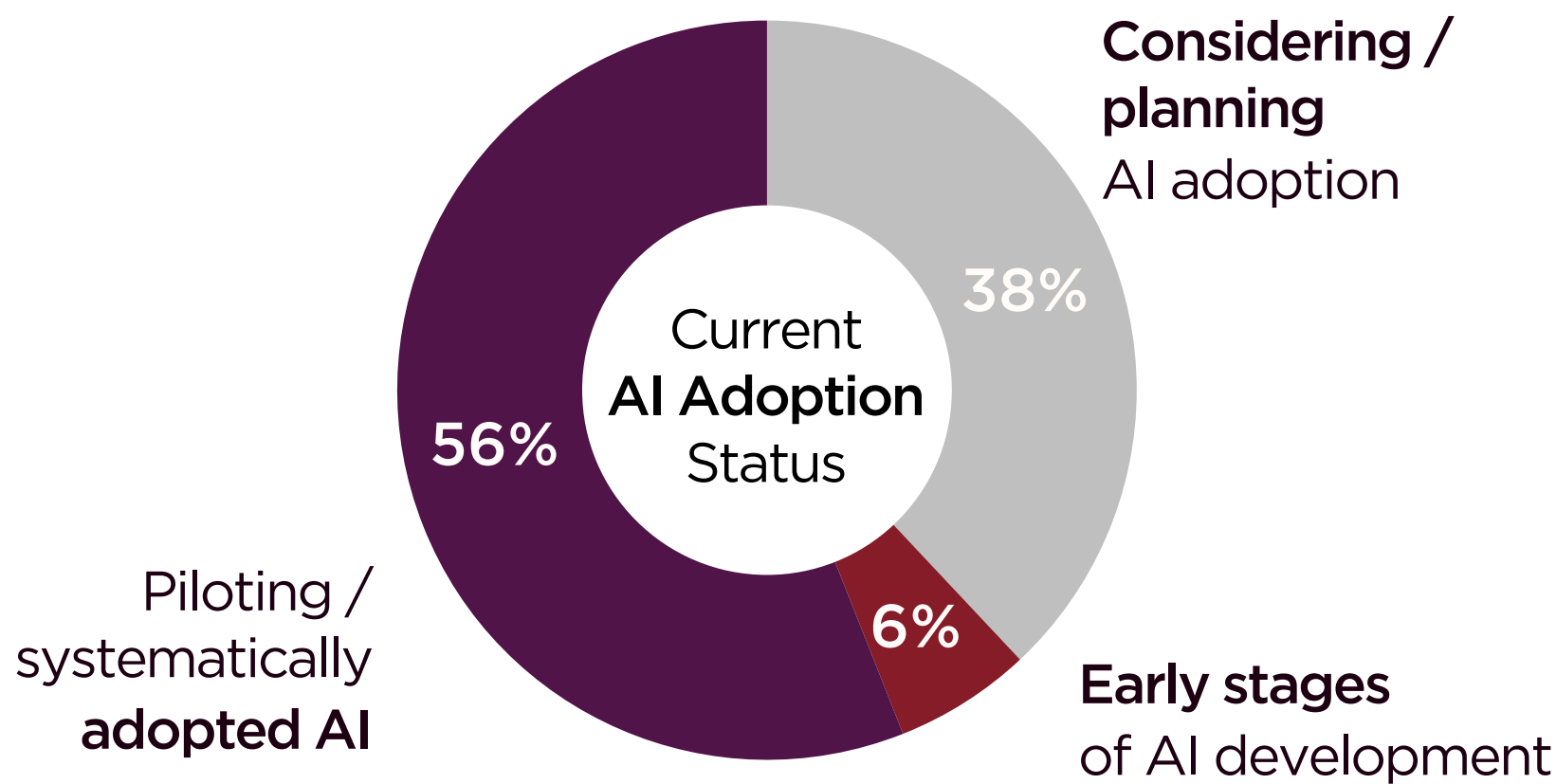
 Driving digital business innovation
- 2

 Enhancing/innovating/reinventing our business with AI
- 3

 Improving employee productivity
- 4

 Increasing revenues & profit growth
- 5

 Improving regulatory compliance



96%

of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.81** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1

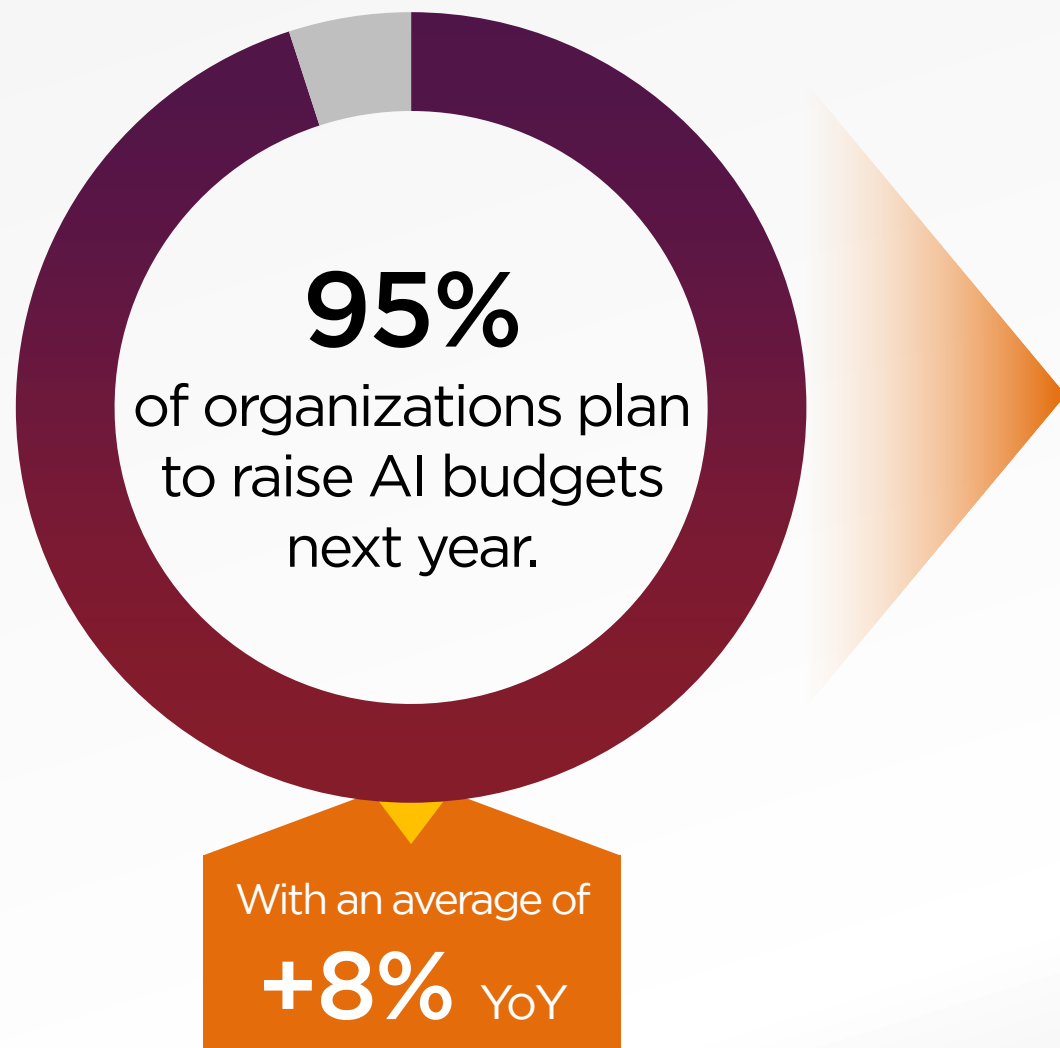
 IT
- 2

 Cybersecurity
- 3

 Data & analytics
- 4

 Operations
- 5

 Marketing



AI Investments Priorities for the next 12 months

- 1

 Data quality & governance improvements
- 2

 Deploying AI devices
- 3

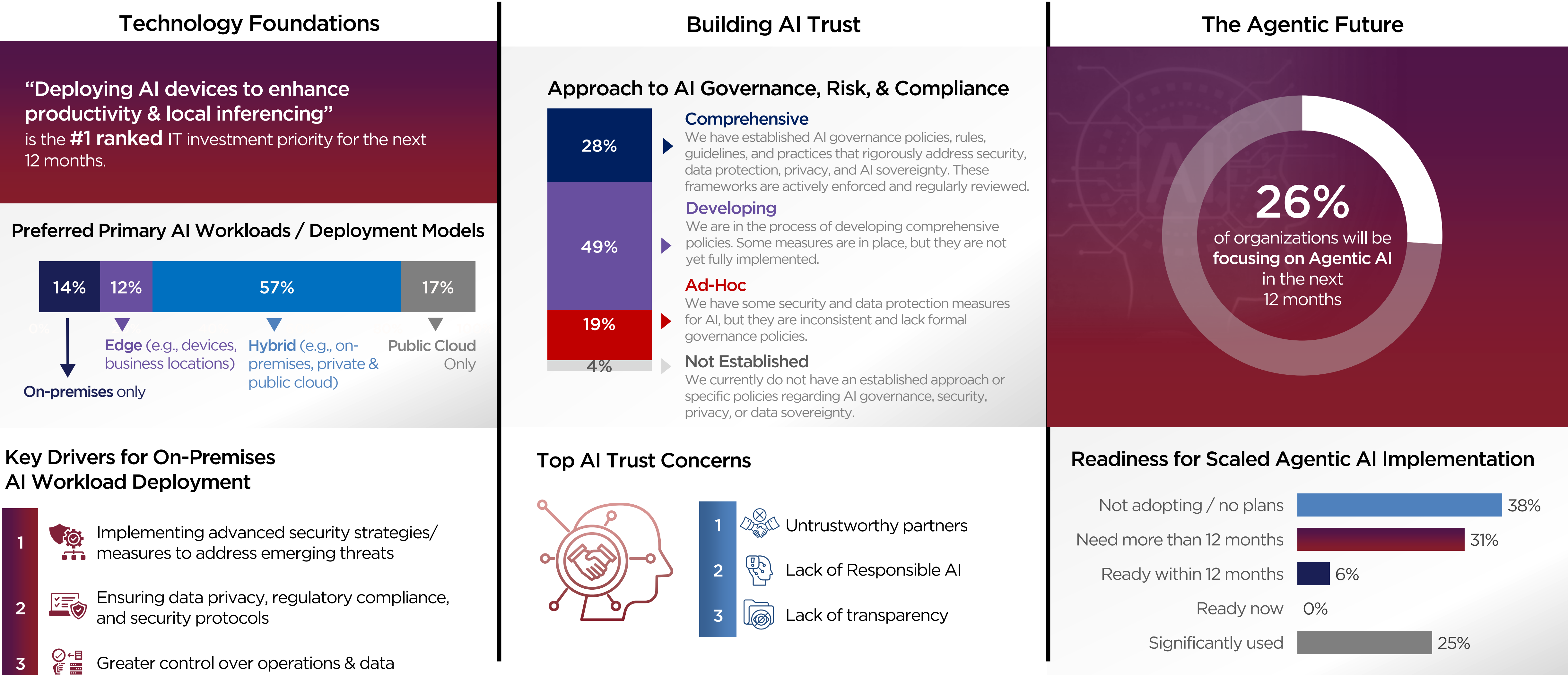
 AI-driven process automation
- 4

 AI integration with devices, infrastructure, & enterprise systems
- 5

 Attracting & retaining AI talent

Retail Overview (2/2)

Only 1 in 4 retail organizations say they are significantly using Agentic AI in their business. Agentic AI is set to transform ecommerce, with agents guiding customers through product discovery and recommendations. To effectively leverage this technology, retailers must build a robust and comprehensive approach to AI governance, risk, and compliance. Additionally, they must overcome their AI trust concerns and allocate time to increase their readiness for scaled Agentic AI implementation.



Manufacturing Overview (1/2)

Manufacturing organizations are prioritizing AI agent development and deployment as their AI priority. Today, manufacturing-specific AI use cases focus on process automation, predictive maintenance, and quality management. The use of agents can augment human workers and provide protocols and reference documents to reduce error and improve efficiency. While early success has been observed in IT and tech-adjacent functions, increasing revenues and profits, as well as reinventing the business with AI, will require expanding into core operational processes.

Business Priorities for 2026

- 1

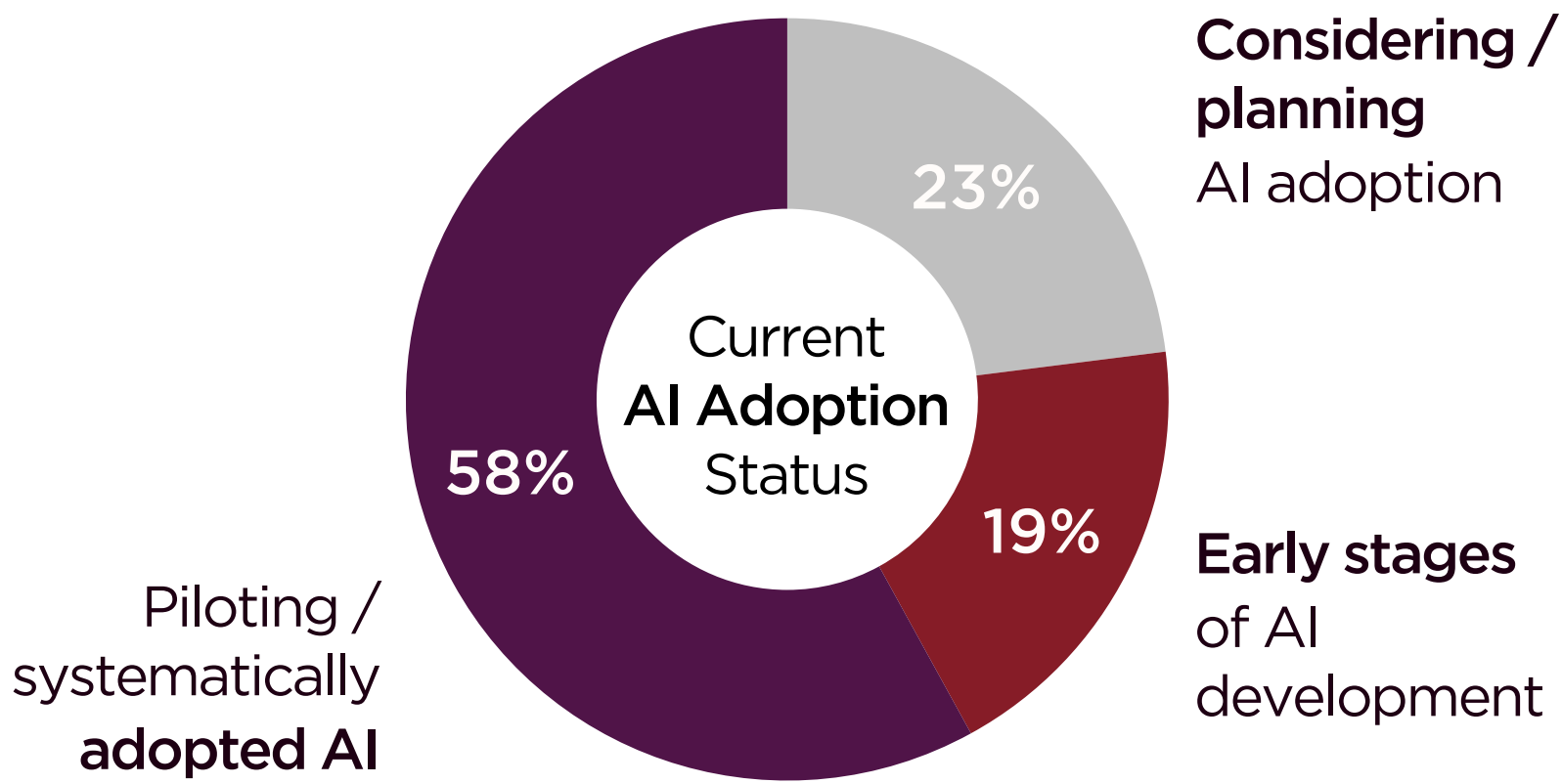
 Increasing revenues & profit growth
- 2

 Enhancing/innovating/reinventing our business with AI
- 3

 Improving employee productivity
- 4

 Enhancing decision-making
- 5

 Decreasing or managing costs (e.g., moving from CAPEX to OPEX)



93%

of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.52** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1

 IT
- 2

 Data & analytics
- 3

 Cybersecurity
- 4

 Software development
- 5

 Customer service



AI Investments Priorities for the next 12 months

- 1

 AI agent development, deployment, & applications/solutions
- 2

 Deploying and supporting AI Infrastructure
- 3

 Generative AI development, deployment, & applications/solutions
- 4

 Internal AI training (including non-IT staff)
- 5

 On-premise AI infrastructure

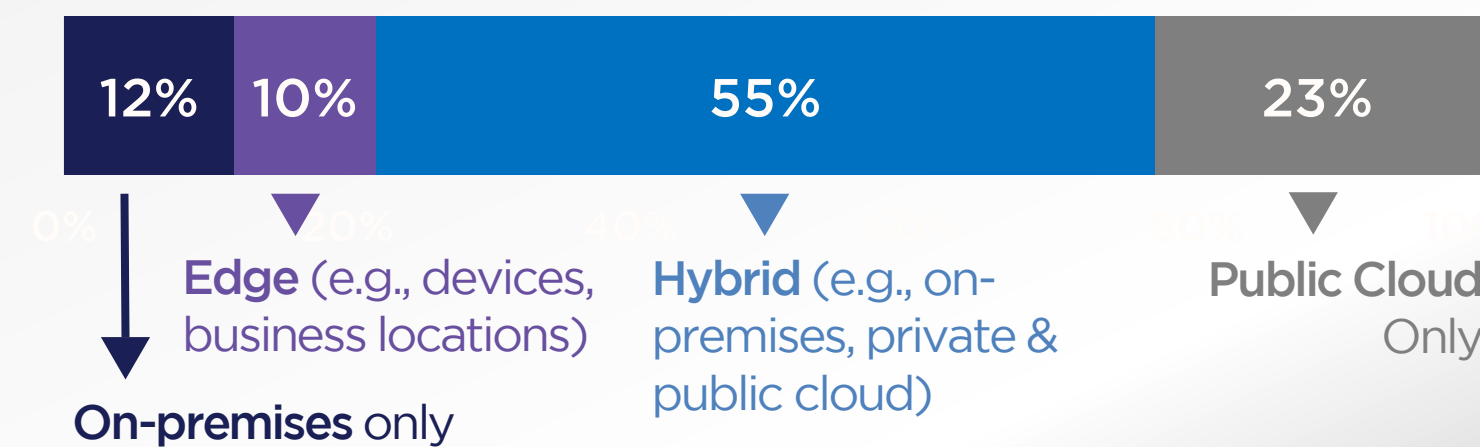
Manufacturing Overview (2/2)

Manufacturing organizations will face significant challenges in preparing for Agentic AI adoption. Processes in this sector are often lengthy and complex, requiring extensive integrations for successful implementation. According to the data, 34% of manufacturers estimate more than 12 months to be ready for Agentic AI, while 23% have no plans to adopt it. Governance, risk, and compliance remain critical gaps, with less than one-fifth reporting a comprehensive approach. Despite the challenges, manufacturers stand to gain a lot from AI-driven transformation.

Technology Foundations

“Deploying AI devices to enhance productivity & local inferencing” is the **#1 ranked** IT investment priority for the next 12 months.

Preferred Primary AI Workloads / Deployment Models

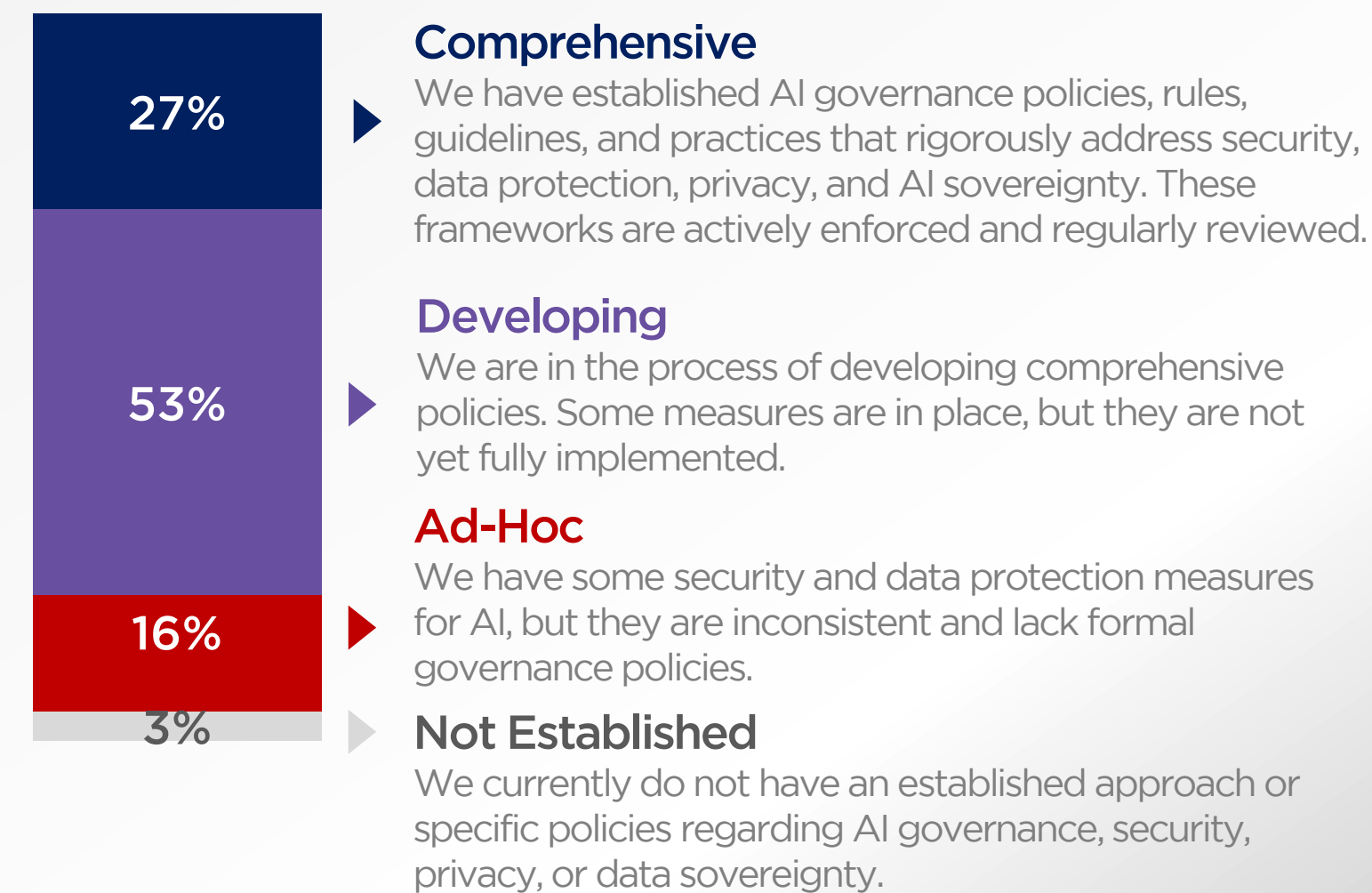


Key Drivers for On-Premises AI Workload Deployment

- 1 Ensuring data privacy, regulatory compliance, and security protocols
- 2 Greater control over operations & data
- 3 Flexibility to customize & optimize infrastructure

Building AI Trust

Approach to AI Governance, Risk, & Compliance



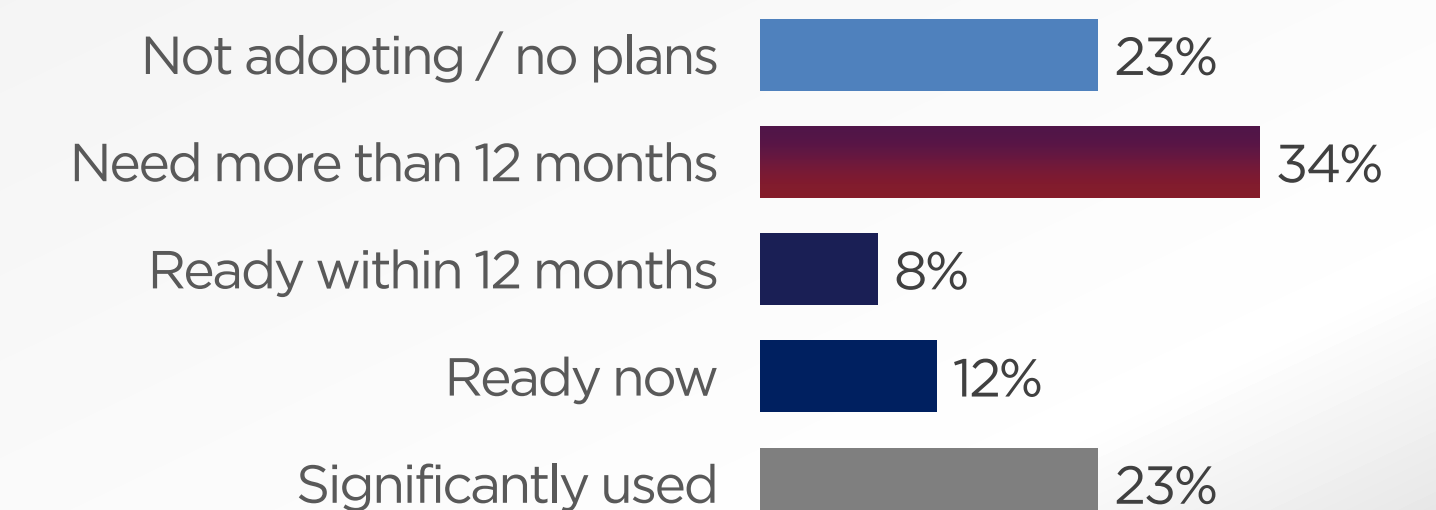
Top AI Trust Concerns

- 
- 1 Poor data security
 - 2 Lack of transparency
 - 3 Untrustworthy partners

The Agentic Future

28% of organizations will be focusing on Agentic AI in the next 12 months

Readiness for Scaled Agentic AI Implementation

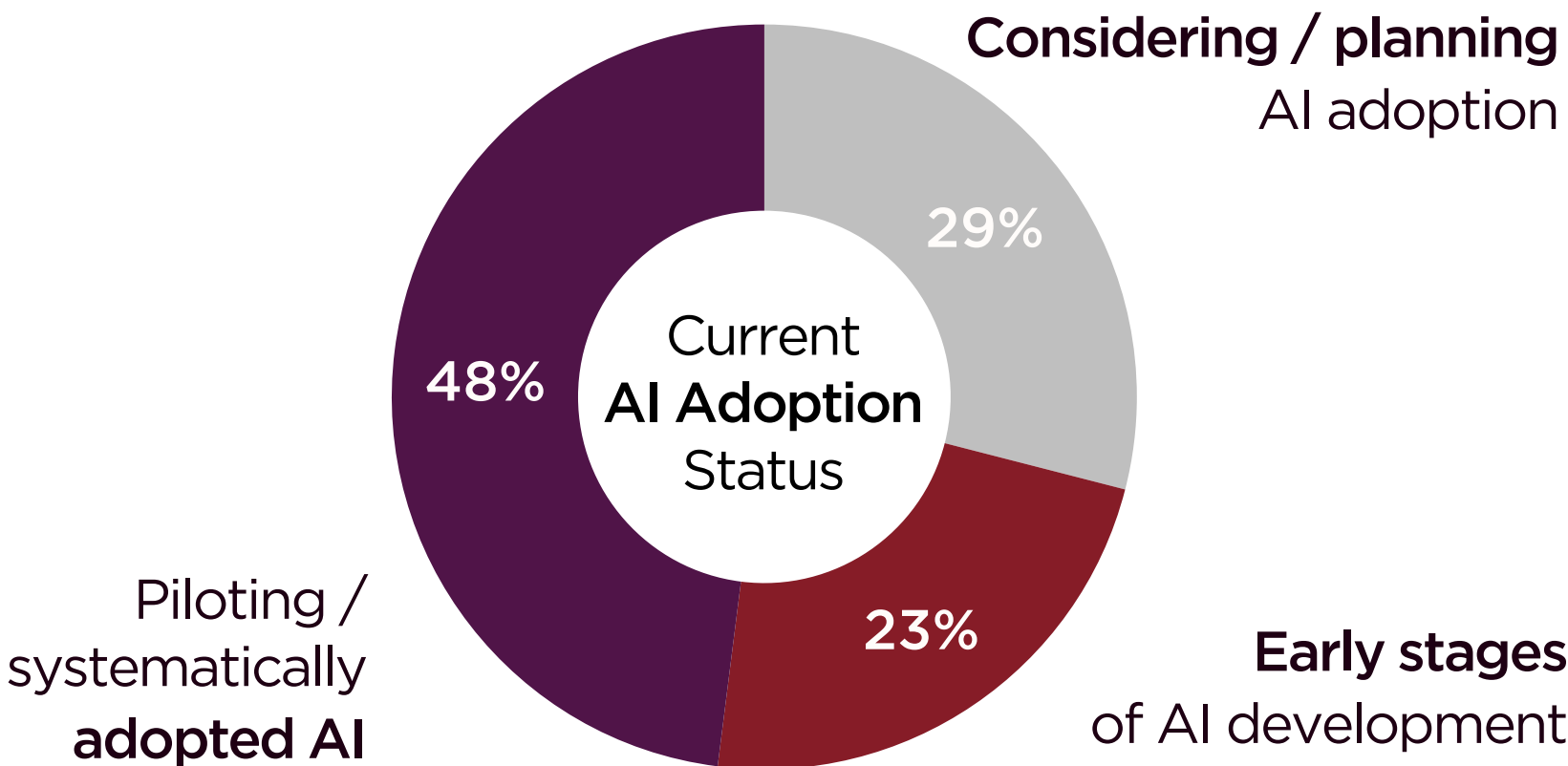


Healthcare Overview (1/2)

The healthcare industry lags the overall market average on AI adoption. AI use cases in healthcare are vast, for example, ambient vital sign monitoring to enable continuous patient monitoring, virtual nursing assistants to improve patient education, and patient digital twins to simulate disease progression and consider treatment responses. To unlock the possibilities, organizations must invest in AI initiatives. 92% of healthcare respondents anticipate a positive ROI from their AI initiatives and 99% plan to raise AI budgets next year. However, regulatory, ethical, and governance considerations must be top of mind for business leaders in this sector.

Business Priorities for 2026

- 1
-  Enhancing/innovating/reinventing our business with AI
- 2
-  Driving digital business innovation
- 3
-  Enhancing decision-making
- 4
-  Optimizing supply chain/inventory
- 5
-  Increasing revenues & profit growth

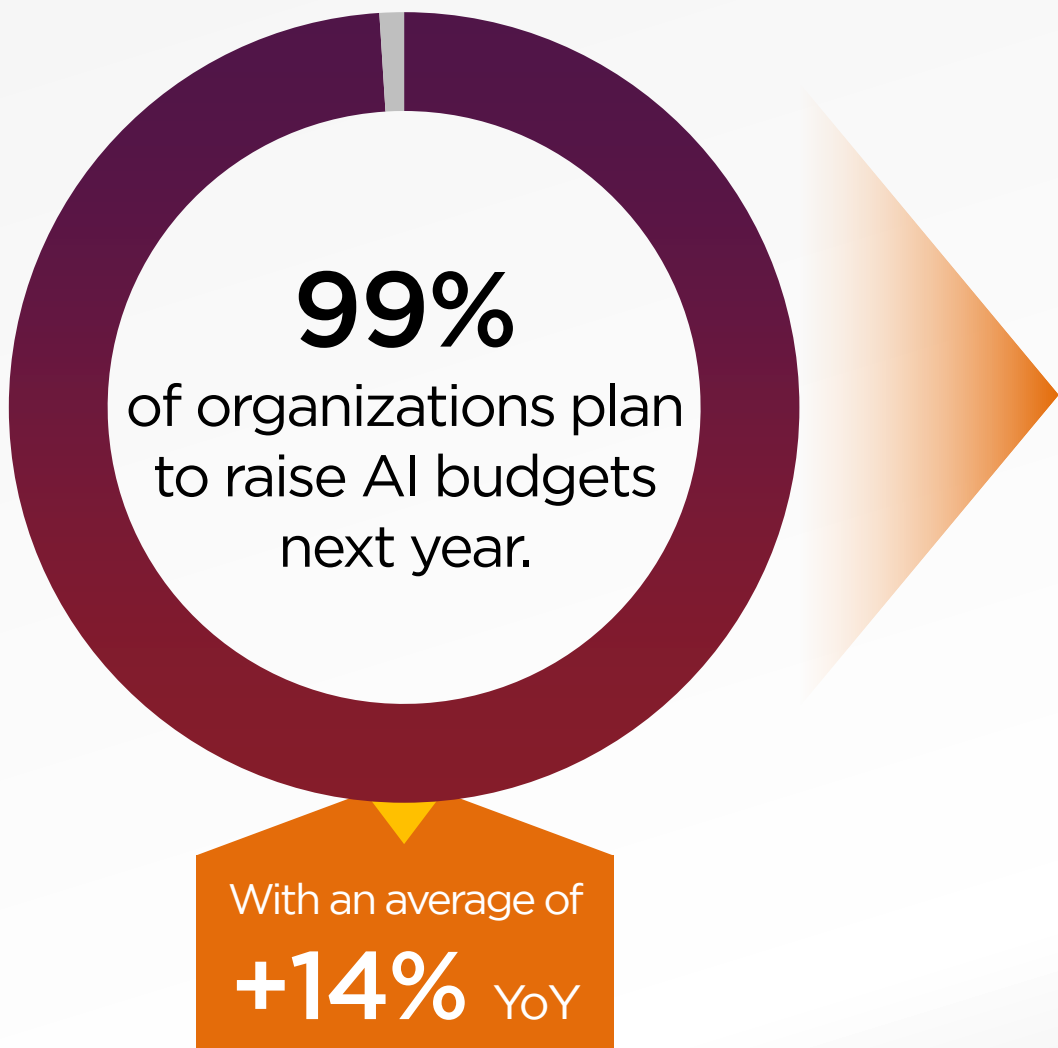


92% of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.82** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1
-  IT
- 2
-  Cybersecurity
- 3
-  Engineering/R&D
- 4
-  Data & analytics
- 5
-  Software development



AI Investments Priorities for the next 12 months

- 1
-  AI security, trust & transparency tools
- 2
-  AI pilot programs & POCs
- 3
-  Data quality & governance improvements
- 4
-  Generative AI development, deployment, & applications/solutions
- 5
-  Public cloud AI services

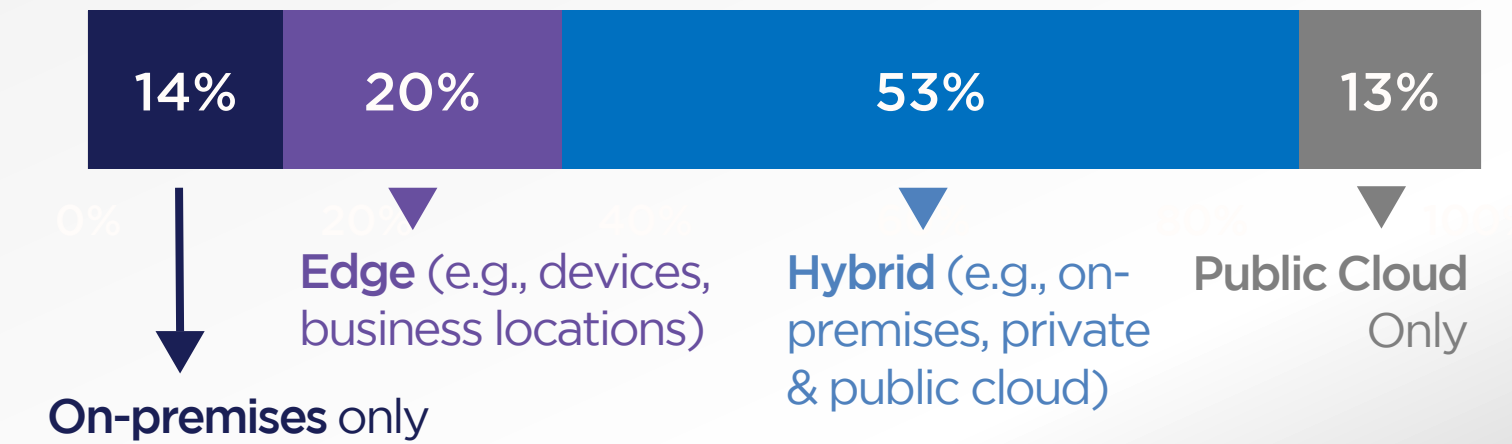
Healthcare Overview (2/2)

Currently, only 23% of healthcare organizations say they have a comprehensive approach to AI governance, risk, and compliance, which means there is a lot of work left to do on this front. Healthcare organizations deal with highly sensitive information like patient records, as well as, high stakes risks, like health outcomes. Incorporating Agentic AI will need to be done with extra caution in mission-critical functions.

Technology Foundations

Close to **1 in 4** government bodies highlighted that **“Deploying AI devices to enhance productivity & local inferencing”** is a key IT investment priority for the next 12 months.

Preferred Primary AI Workloads / Deployment Models



Key Drivers for On-Premises AI Workload Deployment

- 1
-
- Support for distributed businesses, devices, & data
- 2
-
- Greater control over operations & data
- 3
-
- Implementing advanced security strategies/measures to address emerging threats

Building AI Trust

Approach to AI Governance, Risk, & Compliance



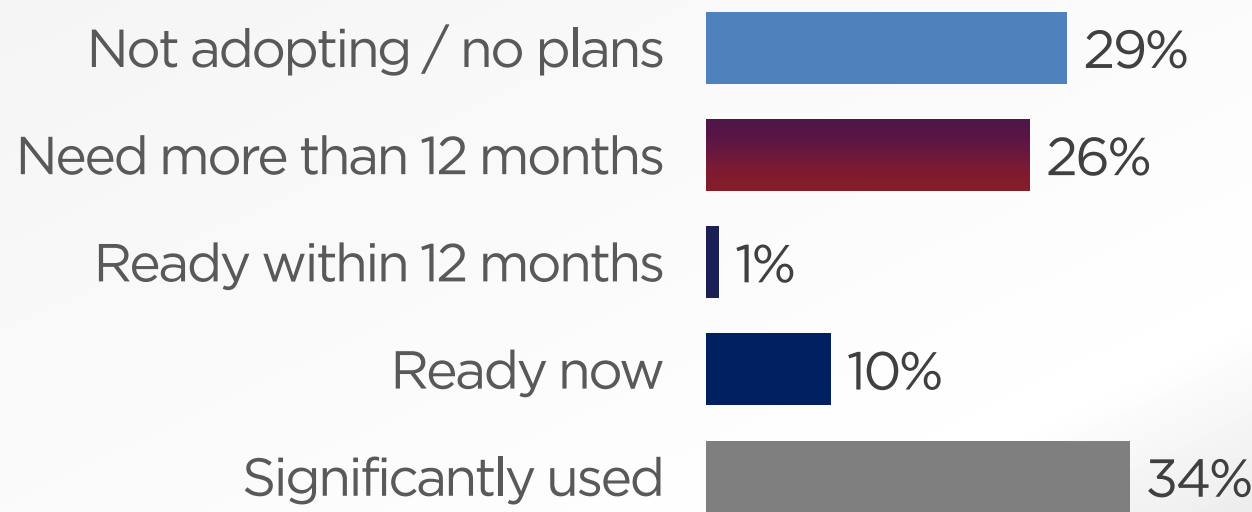
Top AI Trust Concerns

-
- 1
-
- Knowledge / application of Responsible AI
- 2
-
- Loss of data sovereignty
- 3
-
- Shadow AI risks

The Agentic Future



Readiness for Scaled Agentic AI Implementation



Government Overview (1/2)

The top priority for government organizations is innovation and reinvention with AI. Beyond this, their top AI investment priority is data quality and governance improvements. With a mandate to serve the public, it will be critical for government organizations to invest in secure and reliable AI tools and systems. Nearly all government respondents plan to boost AI investment next year, averaging a significant 18% increase year over year. Beyond IT, positive returns on AI investments have been observed in administration and strategy offices.

Business Priorities for 2026

- 1

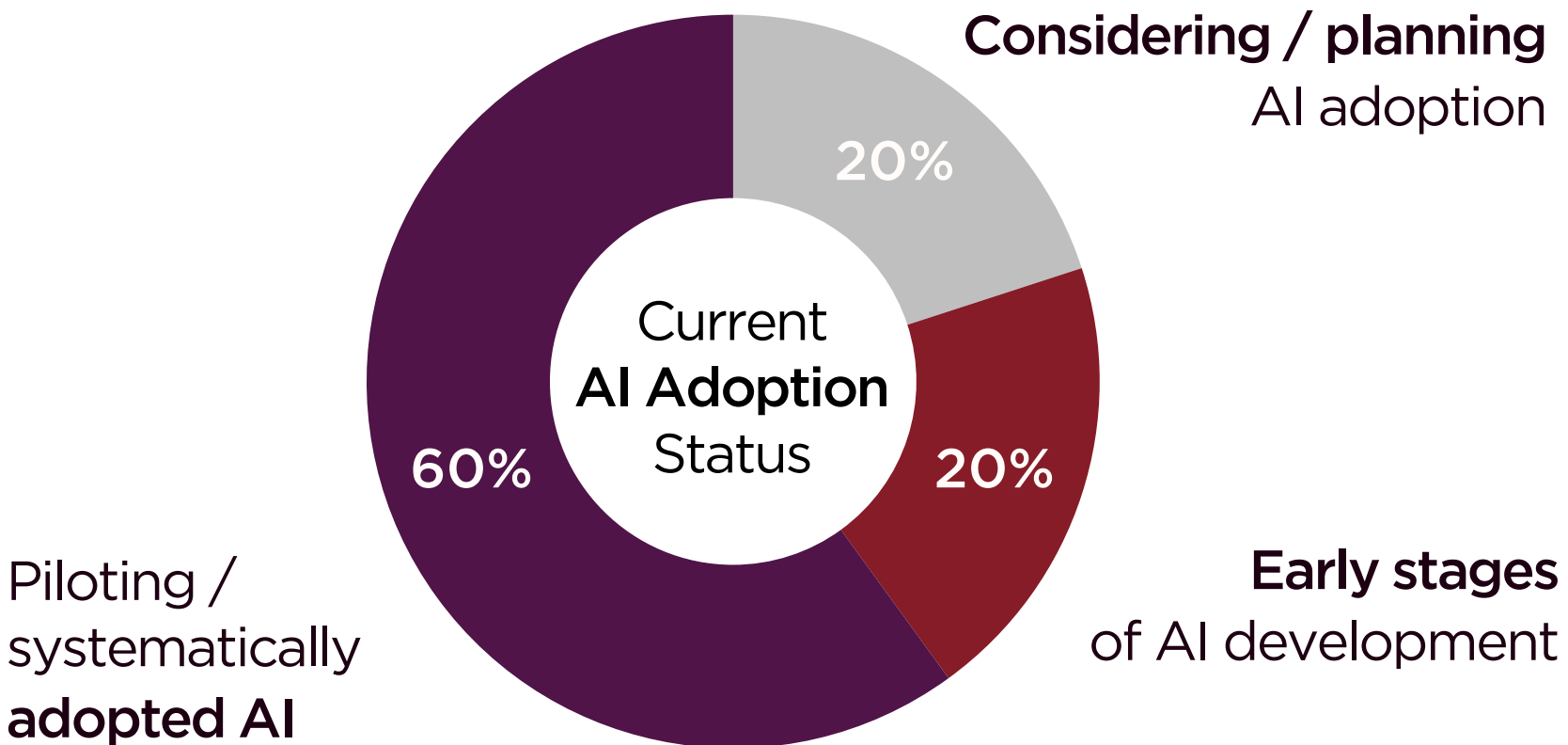
 Enhancing/innovating/reinventing our business with AI
- 2

 Optimizing supply chain/inventory
- 3

 Improving customer experience & satisfaction
- 4

 Driving digital business innovation
- 5

 Improving regulatory compliance



87%

of surveyed organizations anticipate a **positive return** on investment (ROI) from their AI initiatives.

On average, organizations expect to generate **US\$2.79** in value for every dollar invested in AI projects.

Top Business Areas where AI has Shown Positive Returns

- 1

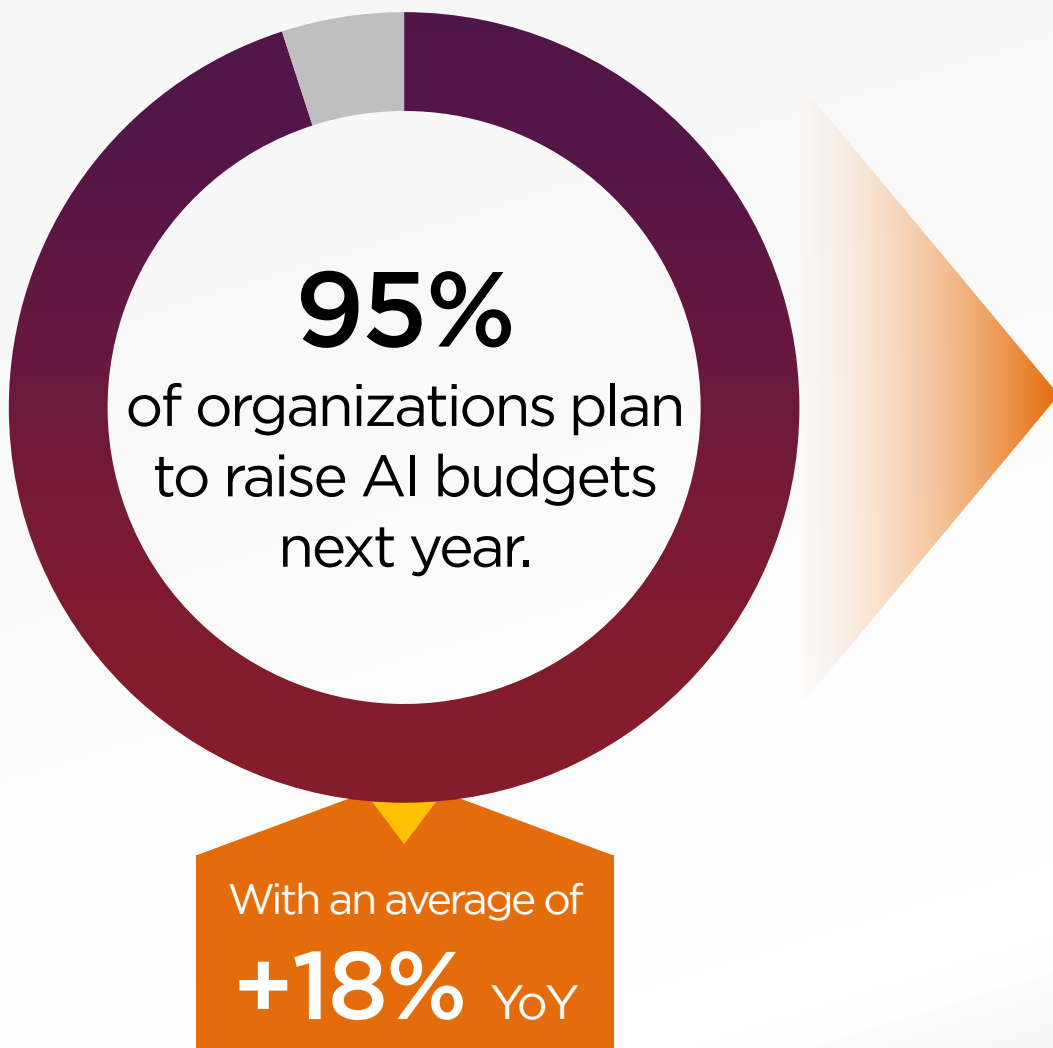
 IT
- 2

 Administration
- 3

 Industry specific LOB
- 4

 Strategy/senior executive
- 5

 Facilities



AI Investments Priorities for the next 12 months

- 1

 Data quality & governance improvements
- 2

 Generative AI development, deployment, & applications/solutions
- 3

 Internal AI training (including non-IT staff)
- 4

 AI-driven process automation
- 5

 Public cloud AI services

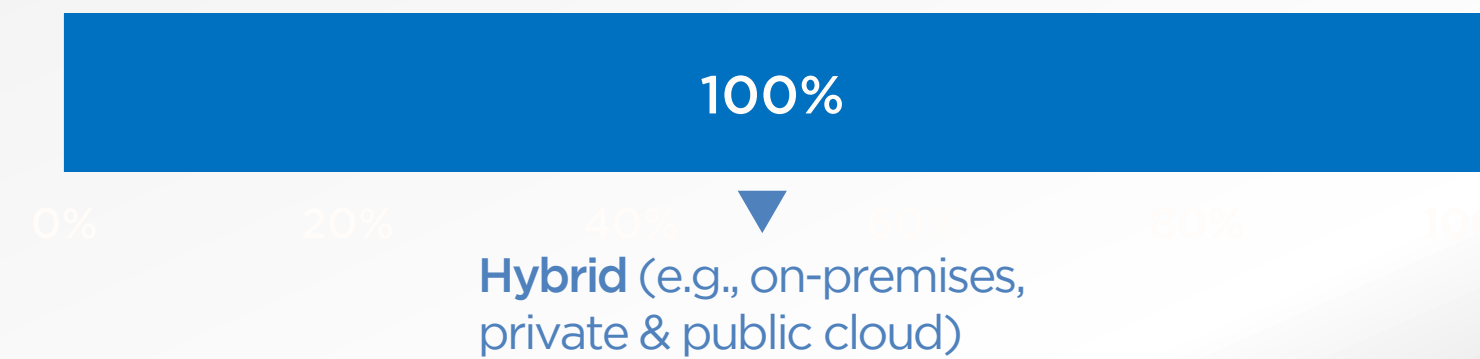
Government Overview (2/2)

Today, only 17% of government organizations are leveraging Agentic AI in a meaningful way, and 37% say they need over a year to feel prepared. Even more concerning is that only 15% have a comprehensive approach to AI governance, risk, and compliance. Governments operate under intense public scrutiny where ethical and efficient practices are non-negotiable. A lapse in effective AI governance can erode citizen trust. CIOs must assemble teams with the right skills to overcome AI trust concerns and embrace this cutting-edge technology.

Technology Foundations

Close to **1 in 4** government bodies highlighted that **“Deploying AI devices to enhance productivity & local inferencing”** is a key IT investment priority for the next 12 months.

Preferred Primary AI Workloads / Deployment Models



Key Drivers for On-Premises AI Workload Deployment

- 1

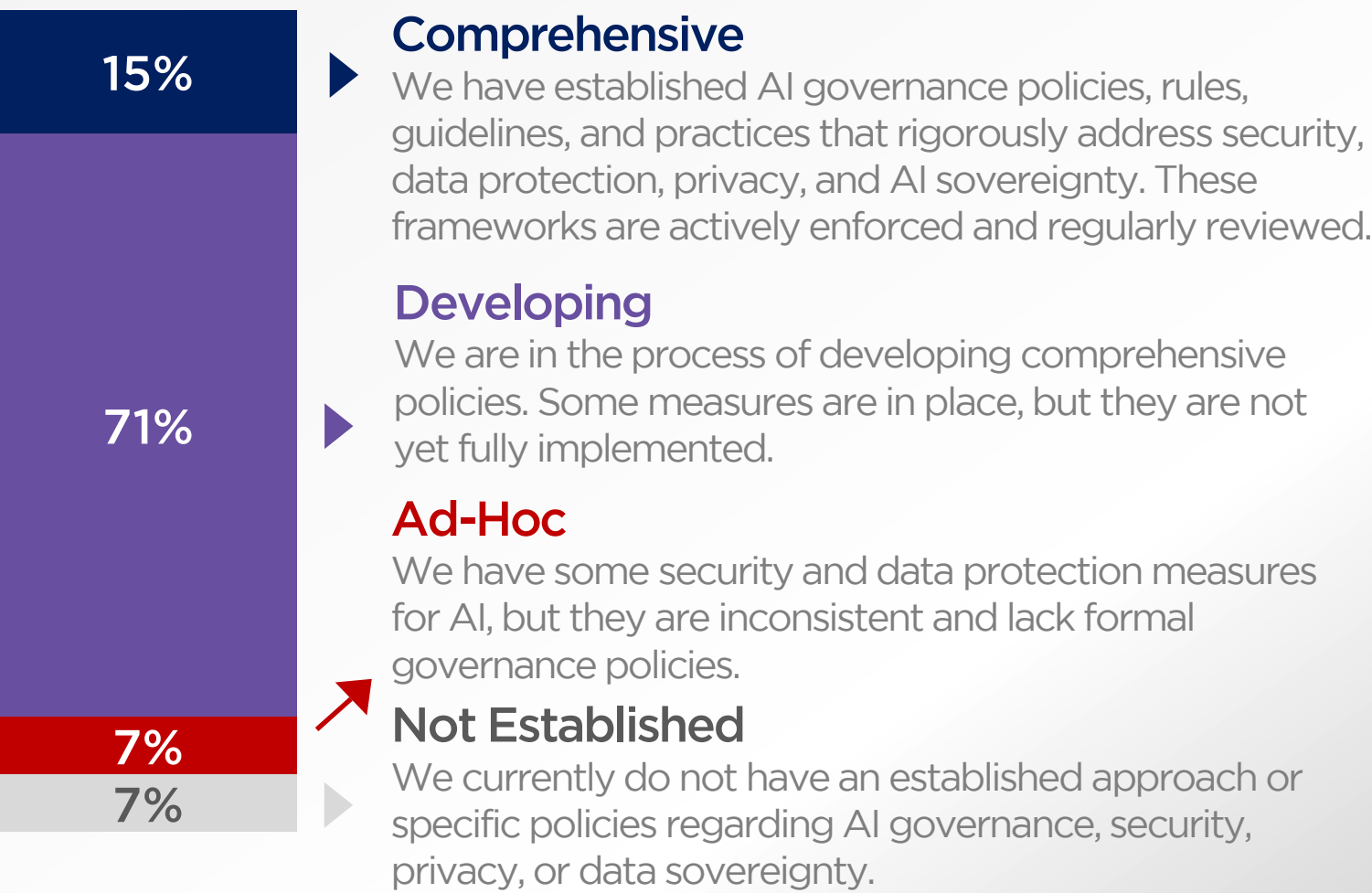
Flexibility to customize & optimize infrastructure
- 2

Ensuring data privacy, regulatory compliance, and security protocols
- 3

Support for distributed businesses, devices, & data

Building AI Trust

Approach to AI Governance, Risk, & Compliance



Top AI Trust Concerns

-
- 1

Knowledge / application of Responsible AI
- 2

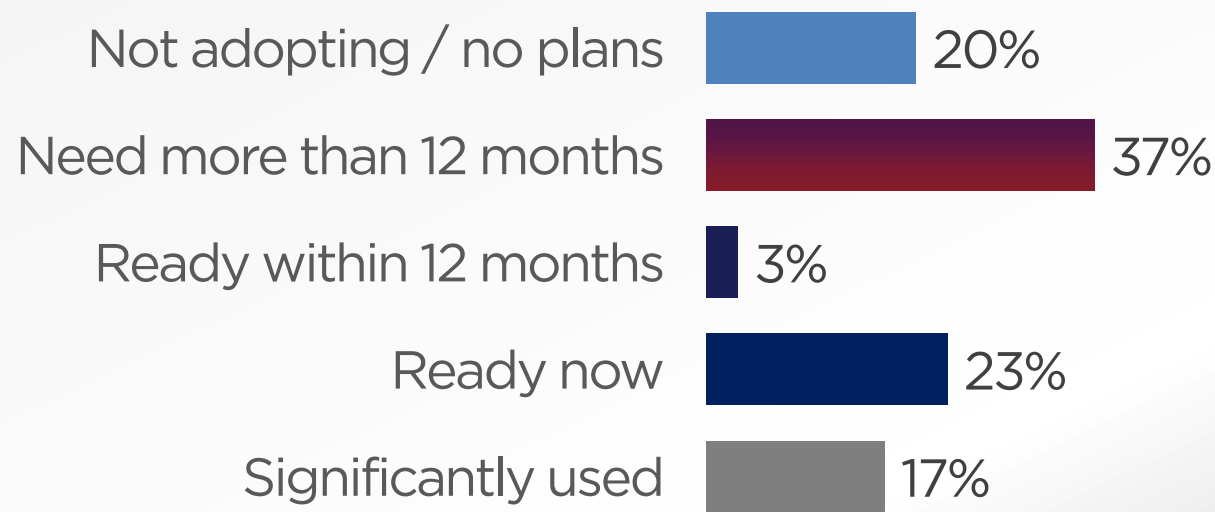
Poor data quality
- 3

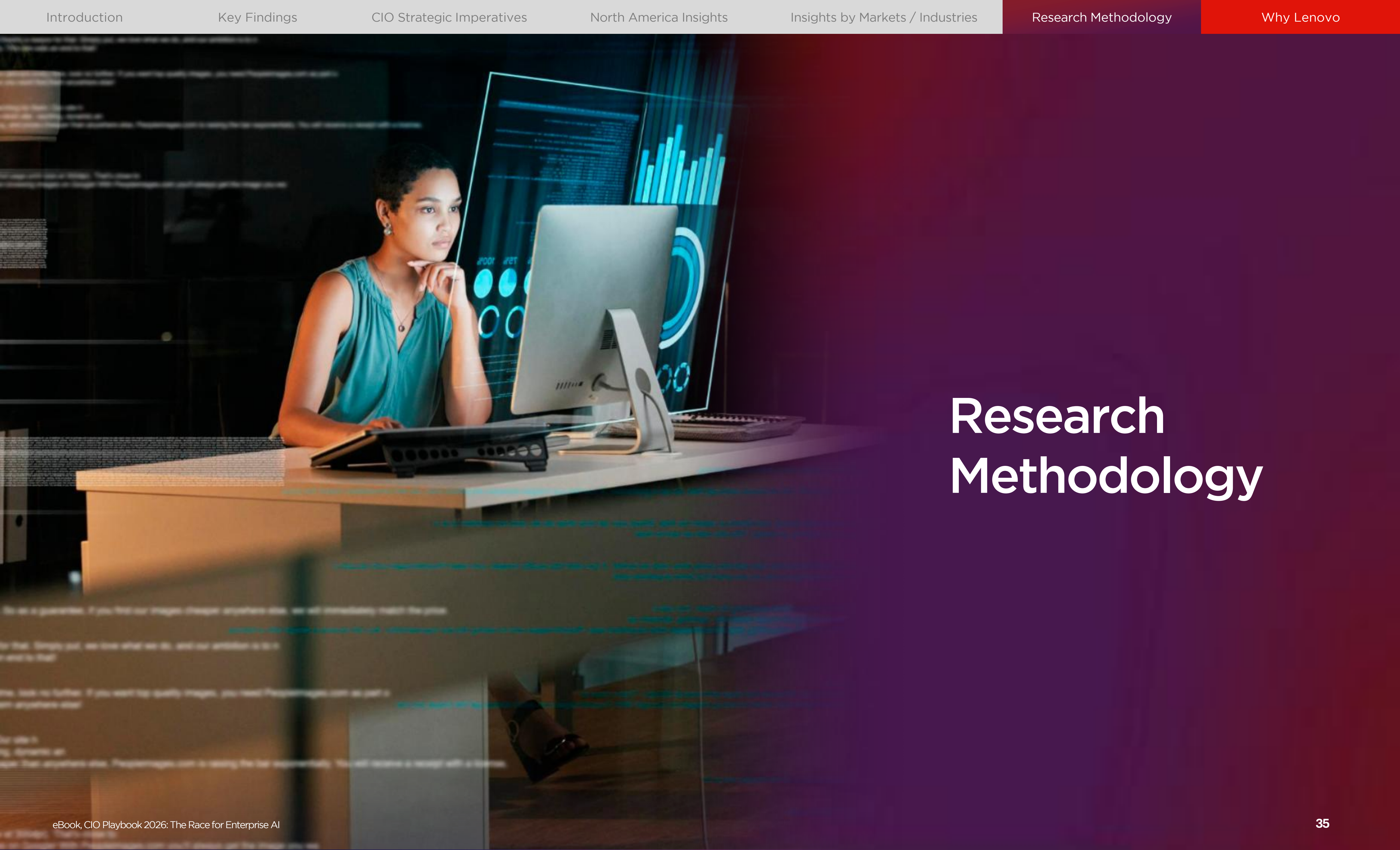
Non-compliance

The Agentic Future



Readiness for Scaled Agentic AI Implementation





Research Methodology

CIO Playbook 2026 Research Methodology

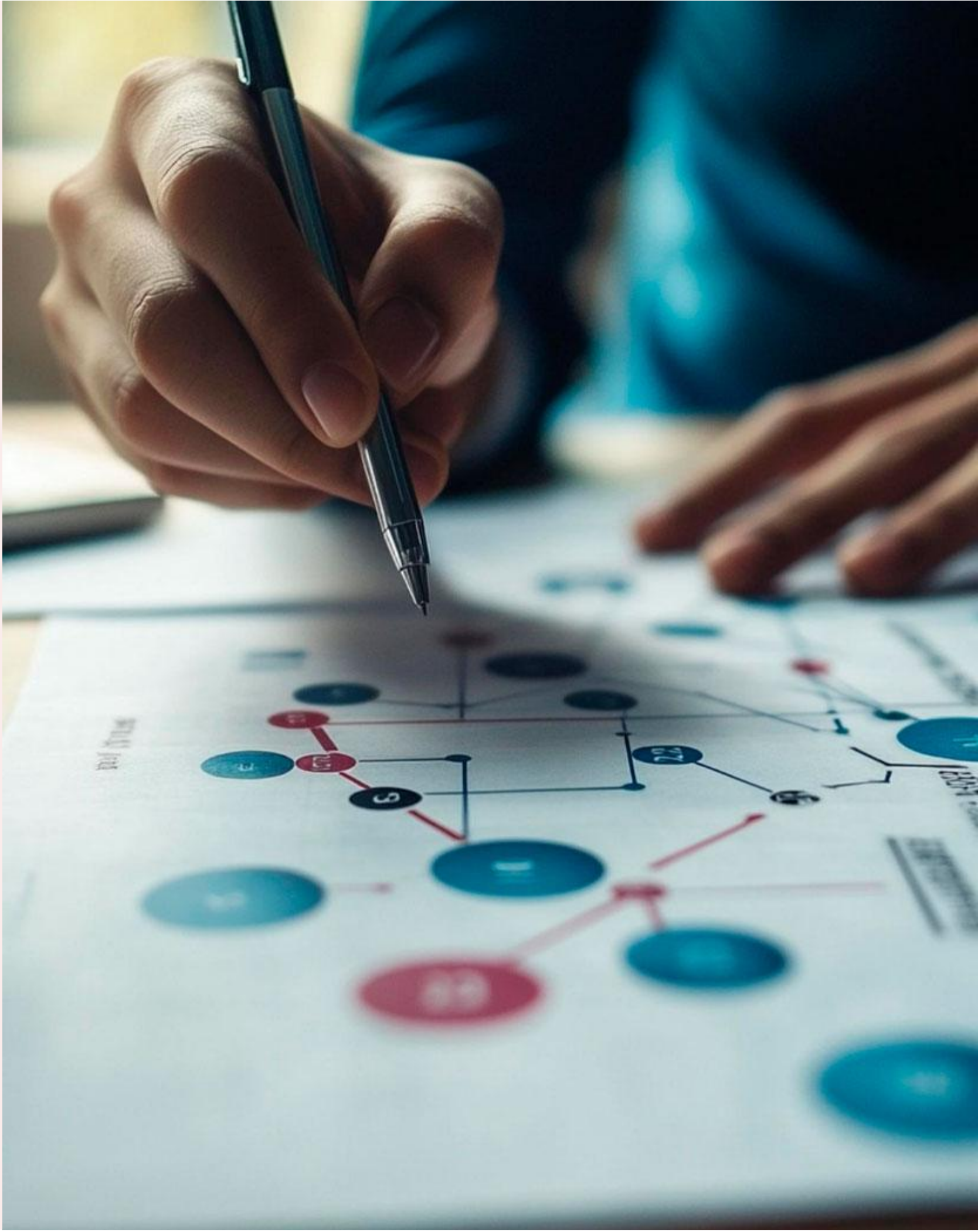
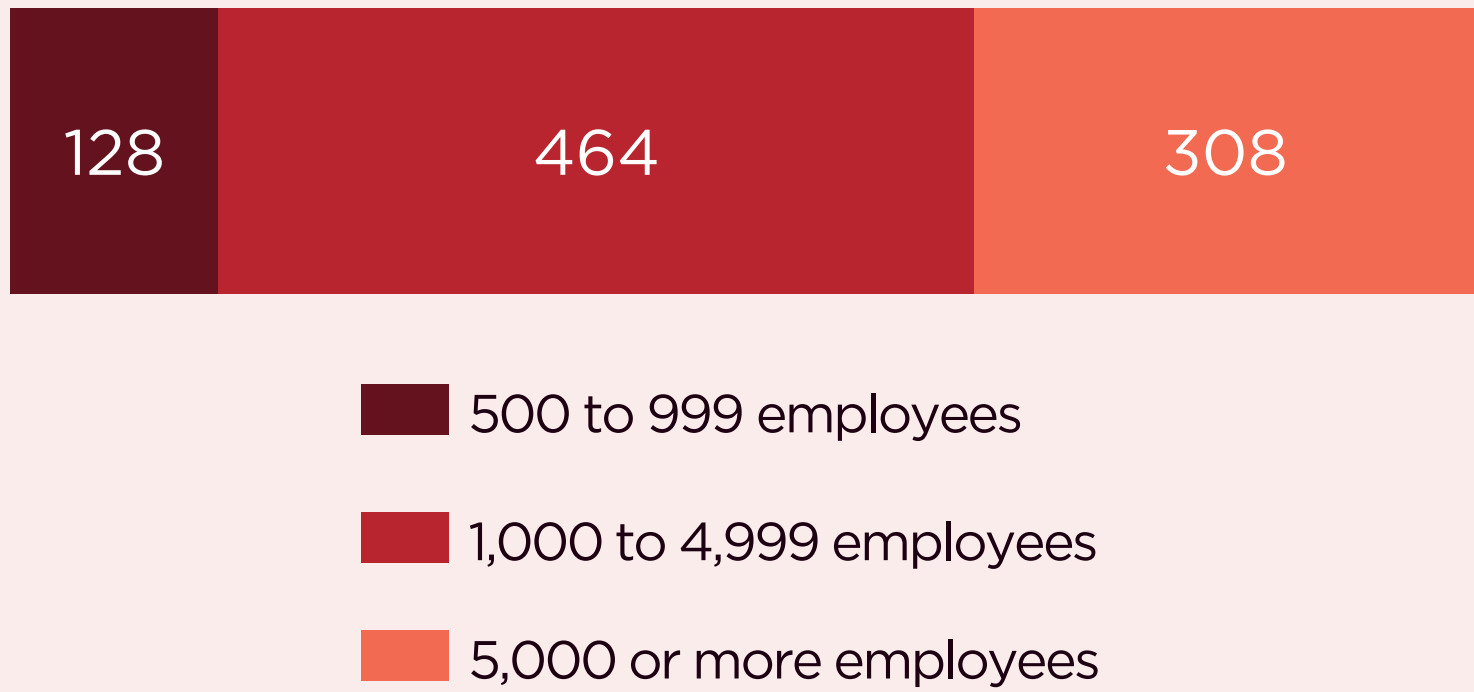
The playbook was developed based on 900 respondents, with the following sampling breakdown:

Markets Covered		Sample Size
United States		700
Canada		200
Industries Covered		Sample Size
 BFSI		135
 Retail		81
 Manufacturing		83
 Healthcare		83
 Government		60
 Others		458

 Sampling by Organization Role



 Sampling by Employee Size



Shaping the Future of Enterprise AI Together: CIO Imperatives and Lenovo's Impact



The CIO Agenda: 2026 Strategic Imperatives		Lenovo's Role in Enabling These Imperatives
1	 Business Priorities AI as the Engine for Business Reinvention - AI is moving beyond incremental gains and is fundamentally reshaping how organizations create value. - CIOs must now embed intelligence across workflows, decisions, and customer experiences, supported by unified infrastructure and scalable deployment models that enable continuous innovation.	Lenovo delivers full-stack AI capabilities required for rapid innovation and enterprise-wide deployment: - Lenovo's full-stack portfolio – comprising AI-enabled, AI-ready, and AI-optimized devices, infrastructure, software, solutions, services and open partner ecosystem – reduces deployment friction and accelerates outcomes for enterprises. - End-to-end Lenovo engineering ensures secure, high-quality AI devices and infrastructure solutions. - Lenovo's unified hybrid architecture enables intelligence to run wherever data resides for efficiency and new revenue models.
2	 AI Adoption / Implementation Proliferation of AI Beyond IT to Deliver Enterprise-Wide Value - AI is moving from isolated IT projects to enterprise-wide transformation. - To drive impact across all functions, organizations must simplify integration, enhance cross-functional alignment, and adopt repeatable frameworks.	Lenovo enables organizations to move beyond isolated IT AI projects to enterprise-wide transformation by delivering simplified integration, cross-functional alignment, and repeatable frameworks. Repeatable AI frameworks accelerate adoption from first use case to enterprise scale. Cross-functional alignment programs ensure AI initiatives land consistently across the business. AI adoption and change management services drive employee engagement and responsible AI practices.
3	 AI Investment Modernizing to Scale AI Capabilities - Scaling AI requires modern, energy-efficient hybrid infrastructure that supports high-performance workloads wherever data resides. - CIOs must deploy devices and optimize hybrid environments—across client, edge, and cloud—to meet growing demands and enable real-time AI operations.	Lenovo equips enterprises with next-gen hybrid infrastructure designed to handle AI workloads, ensuring scalable performance with optimized energy and cost efficiency. 80+ AI-ready platforms optimized for real-time AI Inferencing, efficient AI training, AI development. Lenovo Neptune® liquid cooling 6th Generation enables energy efficient, sustainable, high-density compute. 650+ world records across key AI and HPC benchmarks.
4	 AI Trust Governance and Security: A Non-Negotiable Factor for AI - As AI becomes mission-critical, governance, privacy, and regulatory compliance are essential to building trust and scaling responsibly. - Organizations must secure data, devices, and infrastructure end-to-end to close governance gaps and ensure safe innovation.	Lenovo strengthens enterprise trust by combining secure hybrid architectures, AI-ready infrastructure & devices, and verified supply chain practices that safeguard data and support compliant AI deployment: Lenovo ThinkShield delivers end-to-end security to protect your people, devices, and data—wherever and whenever work happens. ISO22301 and ISO20243 certifications ensure business continuity and traceability. Lenovo Trusted Supplier Program guarantees a secure, auditable AI supply chain.
5	 Agentic AI The Coming Wave of Autonomous AI Agents - Agentic AI is emerging as the next frontier in productivity and automation, but most organizations are not ready to scale autonomous systems. - Success will depend on resilient infrastructure, responsible deployment practices, and preparing the workforce for AI-augmented operations.	Lenovo helps organizations supercharge productivity by making it possible to securely deploy enterprise-grade agents in just minutes – without the need for technical expertise. - The Lenovo xIQ Agent Platform enables governed, scalable agent deployment across devices, edge, and cloud for rapid automation and ROI. - Reusable agent templates & AI Library streamline creation of personal, and enterprise agents tailored to industry and functional workflows. - All solutions are validated, tested, and integrated, supporting both vertical and horizontal use cases for Agentic AI implementations.

Accelerate enterprise value with the Lenovo Hybrid AI Advantage™

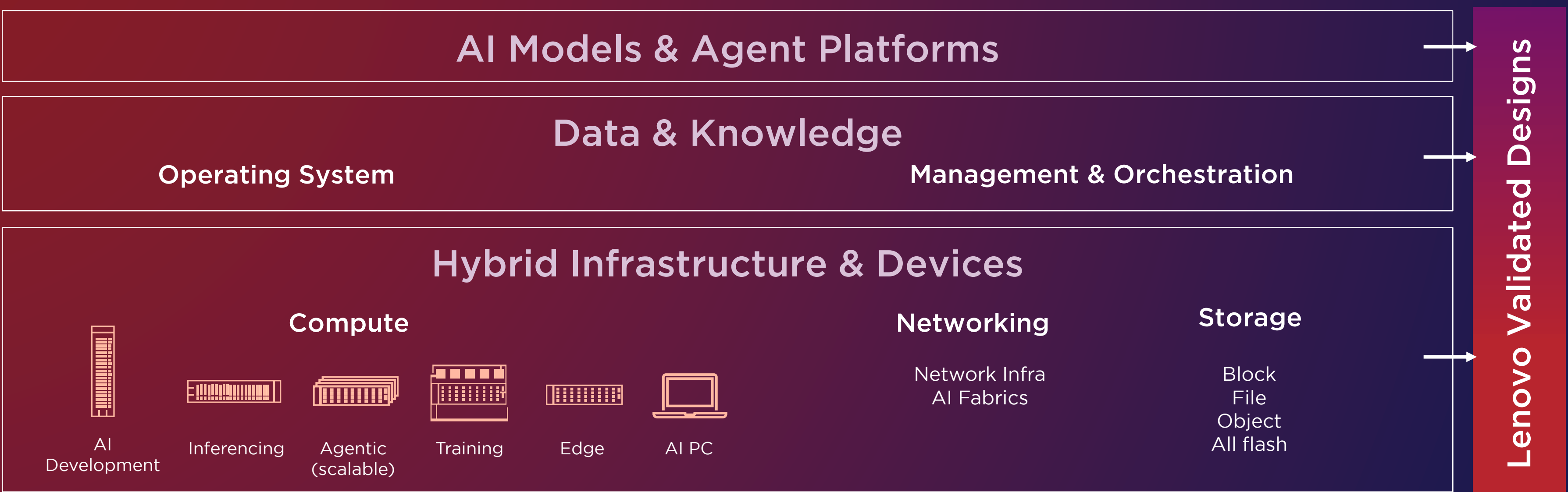
Lenovo AI Library

Customizable personal and enterprise AI agents & use cases



Lenovo Hybrid AI Factory

Technical elements of AI integrated for performance, security, and control



Lenovo Hybrid AI Services

Lenovo modular services and flexible financing options to accelerate value from AI use cases

+

Our global partner & ISV ecosystem

Global innovation driven by **18 R&D centers**, **30+ manufacturing sites**, and **~US\$1.3B in annual R&D investment**, enabling rapid and secure delivery of AI solutions.