PART TWO

Return on investment: the key commercial question

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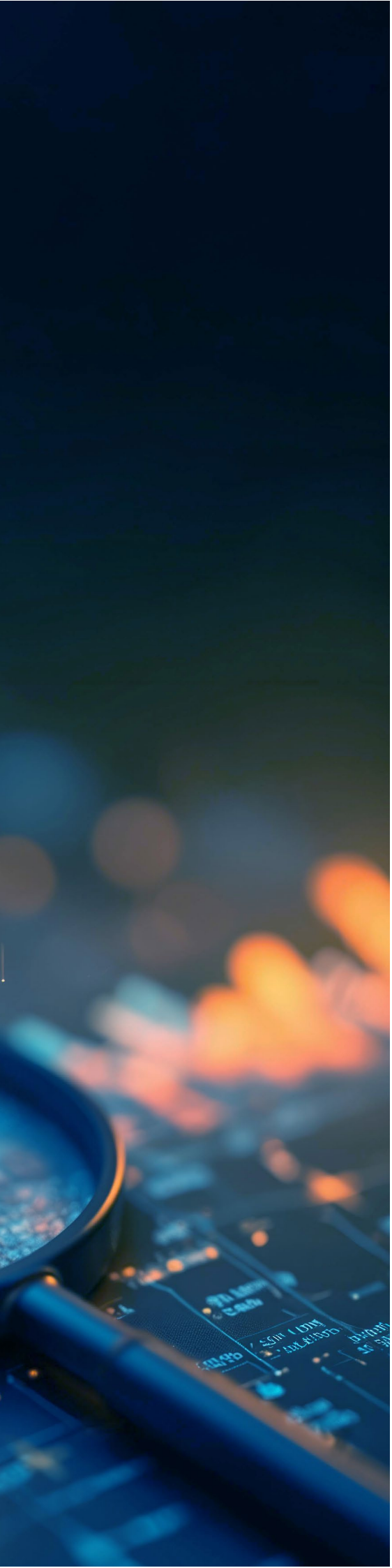


Where the return question now sits

The second defining finding of our survey concerns return on investment. 69% of larger businesses remain actively concerned with how to get a measurable return from the AI solutions they have already procured. After more than two years of intensive enterprise adoption of AI across cloud-delivered services, copilots, integrated security tooling and data infrastructure, that level of unresolved concern is among the most commercially significant findings emanating from the survey. Throughout this part of the report, when we refer to value capture or return on investment, we mean the demonstrable gap between what an organisation has paid for an AI deployment and the measurable improvement in revenue, cost, productivity or risk that the deployment has actually produced. The data shows that gap is large: only 11% of larger organisations report a positive return to date and 42% expect to wait up to two years more for one.

That concern reflects a wider European pattern. Research from AWS for its Unlocking Europe 2026 report found that 58% of organisations across Europe remain at the basic stage of AI adoption, using AI primarily for incremental improvements rather than transformation. The data from our survey confirms what AWS sees across the continent; most organisations have begun the journey, but the value step from incremental productivity gains to genuine operational transformation has yet to be experienced at scale.

The figure should prompt a hard look at the AI contracts already signed. Many enterprise AI agreements concluded over the past three years transferred risk to the buyer while leaving the return question undefined. Standard terms placed responsibility for outcomes, integration and downstream compliance on the customer, while vendor obligations were limited to availability commitments and capped contractual liabilities that bore no relationship to the operational dependency the customer had built around the product. Those contracts now have to be reopened for two reasons that compound each other; (i) the buyer side has matured commercially and is no longer willing to carry that risk allocation; and (ii) the regulatory perimeter has shifted decisively, with the EU AI Act, DORA, NIS 2 and the Data Act each introducing requirements that many existing contracts do not adequately address. Renegotiation has therefore become both a commercial and a regulatory exercise.

Kieran McCorry of Microsoft Ireland, points to where the bigger opportunity actually lies, and where the obstacle for Irish SMEs really sits:

> *For many indigenous Irish companies, particularly smaller organisations, the biggest barrier to progress isn't scepticism about AI, it's uncertainty about how to get started and where the return will come from. That's a real shame, because the evidence suggests the prize is bigger for them than for anyone else. Recent Trinity College Dublin research with Microsoft Ireland found that SMEs who invest in AI are more than twice as likely as large organisations to report significant productivity gains, 18% versus 8%. The returns are compelling; the challenge is getting off the starting line.*
>
> **Kieran McCorry,** National Technology Officer, Microsoft Ireland

What renegotiation looks like in practice

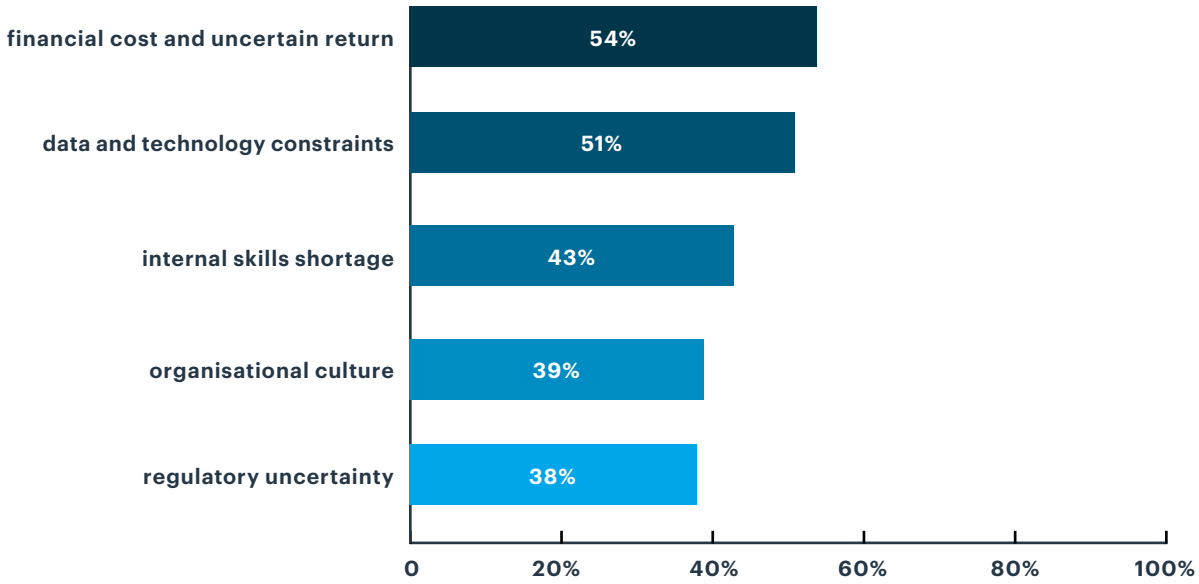
The organisations now extracting return from those investments share a common pattern. They are renegotiating first-generation agreements at renewal, embedding outcome-based metrics into service definitions and tightening vendor obligations on transparency, documentation, change control and the right to receive compliance evidence required under the EU AI Act, Data Act, NIS 2 and DORA. They are challenging the restrictions on subcontracting and model substitution that allow vendors to alter the underlying technology stack without consent. They are securing exit rights, portability commitments and continuity support that protect against strategic lock-in. In practice, this might mean: a financial services organisation embedding a contractual right to substitute the underlying foundation model if performance falls below an agreed benchmark; a healthcare organisation tying part of an AI vendor's fee to documented diagnostic accuracy improvements; or a retailer linking AI agent compensation to a measurable conversion uplift on their e-commerce platform. These are the practical mechanics of value capture in the current cycle.

The economics of AI contracts are also changing in ways that should reward buyers prepared to negotiate. A growing number of vendors are moving to charging models in which the fees of an AI agent or automation system relate directly to its measurable usefulness, rather than to seat counts or token consumption that bear no necessary relationship to the value being delivered. That shift aligns vendor incentives with customer outcomes, and it gives boards a defensible answer to the value question that the survey has placed at the centre of the 2026 agenda and beyond.

Large organisations like Adobe are now using outcome-based pricing for new agentic AI suites. The model charges customers based on what the agents actually deliver rather than on traditional seats, tokens or API calls. For example, fees can be linked to the number of advertising campaigns completed by AI agents for travel and lodging companies. The direction of travel for the broader market is now clear.

The five barriers to scaling AI

The principal challenges to scaling AI identified in this year's survey are:



These are best understood as the enabling conditions for value capture rather than as obstacles to it. They are the operational factors that determine whether the contractual and governance work translates into measurable performance. Each is moving at a different speed and the order in which they resolve will shape which organisations extract value first.

Skills and the AI champions

An emerging pattern is that those who do best with new technology are the ones who encourage their staff to play with it and discover its capabilities. That route leads to AI champions emerging within the organisation. Provided organisations have proper guardrails and internal policies in place, staff feel safe exploring the technology for efficiencies in their own work. The combination of permission and protection produces deployment-ready capability faster than any external training programme can deliver in the same period.

The wider European data underlines the stakes. AWS's Unlocking Europe 2026 research found that 81% of organisations expect AI skills to be important in their industry over the next five years, and that AI literacy is expected to be relevant to over half of all jobs (53%). The skills shortage identified in this survey is not a transitional issue. It is a permanent feature of the operating environment, and the organisations treating internal capability building as a core organisation activity will be the ones positioned to absorb the next wave of change.

Sasha Rubel of AWS frames the same point in language that should be familiar to anyone who has watched a deployment falter for want of internal advocates:

> *Having individuals inside organisations - fast adopters who help others in their adoption - that's crucial. So, it is really important to identify champions inside organisations who can act as internal AI ambassadors.*

Sasha Rubel, Head of AI and Generative AI Policy, EMEA, Amazon Web Services

The wider data confirms how much work remains. Internal skills shortage was identified as a key concern by 43% of organisations, and the IBEC skills survey published in January 2026 found that 82% of organisations in Ireland are grappling with critical skills gaps as digital demands accelerate. The pattern reinforces why the AI champions approach matters in practical terms: it scales internal capability through the workforce that is already in place, rather than depending on external recruitment in a labour market that has tightened in every direction at once.

Thomas Kinsella of Tines makes a related observation about the practical reasons organisations delay engagement:

> *AI technology will become much more widespread, and quickly. There is hesitation in many companies because they do not know where to start and have no internal model for the kind of structured experimentation that the more advanced adopters have already moved through.*

Thomas Kinsella, Co-Founder and CCO, Tines

AI and the workforce

67% of larger companies cite workforce impact and talent strategy as a key consideration when it comes to AI implementation, suggesting that boards are starting to grasp that enterprise AI is a workforce technology/tool before it is anything else. Every significant deployment changes how people work, what they are accountable for and what skills they need to remain productive. The organisations treating workforce impact as the leading edge of their AI strategy, with literacy programmes, employment law and talent acquisition addressed as a single integrated workstream, will avoid the most expensive mistakes of this cycle.

Thomas Kinsella of Tines emphasises that the wider workforce can absorb AI faster than the survey data suggests:

> *On staff shortages, it is always hard to find people at the cutting edge of a new technology, but it does not take a huge amount of investment or specialist skill for the broader workforce to begin contributing meaningfully. AI technology will be transformative for everyone, with most people able to pick it up quickly and add value to their lives and to their companies once they have permission to begin.*
>
> **Thomas Kinsella,** Co-Founder and CCO, Tines

Sasha Rubel of AWS draws a useful distinction between the two ends of that spectrum, and the framing has begun to enter the language that boards now use when discussing their own technology strategy:

> *Adopting AI for productivity and efficiency gains that are quick wins, like an internal chatbot, and advanced adoption which puts AI at the centre of the business, where AI leads to more strategic reinvention and operational transformation.*
>
> **Sasha Rubel,** Head of AI and Generative AI Policy, EMEA, Amazon Web Services

Organisations now face a binary decision on AI value capture: (i) either organisations lean into the efficiencies AI brings to enhance the productivity of their employees and grow the organisation; or (ii) reduce their workforce by relying more on AI and become leaner organisations. Recent reports of AI-related job losses, comments from Taoiseach Micheál Martin on the impact the Irish Government expects AI to have on jobs, and ESRI research suggesting 7% of Irish jobs are at risk in the short to medium term, all point to something happening in the market. The models made available since early January 2026 have changed the dial, and the debates leading to these decisions are already happening in boardrooms.

AI is advancing so fast that its impact on the economy may occur before the data gives us confirmation of it happening. Those organisations who have done the hard work of preparing for this vast, digital transformation and putting the right frameworks in place will be best placed to capture the value of the major changes which are coming.