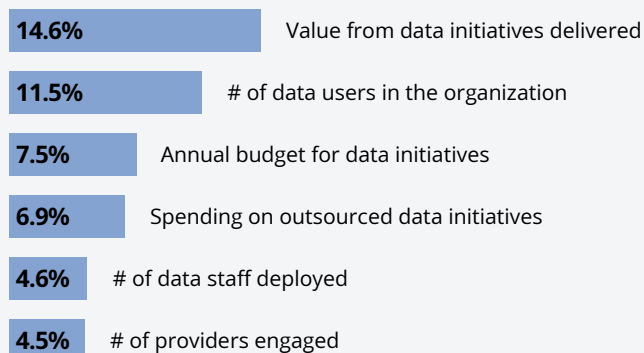# ISG Market Lens™
Data and AI Programs Study

Data is **the** IT Growth Area

- While overall IT budgets are flat, investments in data and AI continue at pace – see chart.

- Enterprises expect to increase spending on data initiatives alongside staffing to support new projects, incl. via managed service providers.

- The business expectation is that the value delivered from data initiatives will grow at twice the pace of investment.

Expected Changes in the Next 2 Years

Value	Description
14.6%	Value from data initiatives delivered
11.5%	# of data users in the organization
7.5%	Annual budget for data initiatives
6.9%	Spending on outsourced data initiatives
4.6%	# of data staff deployed
4.5%	# of providers engaged

Enterprises Need to Solve for Complexity

Data Consistency & Governance Challenges

Technology systems, app portfolios and organizational silos all add to the complexity of data management. Enterprises understand data's potential value, but they are also aware of the cost and security pressures involved. Centralized governance is seen as critical to AI success, but less than half say they have a consistent data structure and over a third believe the cost of harmonizing data management outweighs the benefits.

Percentage Agreeing

%	Statement
76%	Data is an appreciating asset. We should continue to invest in maintaining it.
78%	Centralized data governance allows us to deliver more efficient insights.
65%	Managing complexity hinders our ability to use data and AI more than a lack of innovation.
43%	We successfully created a consistent data structure across our entire business.

5 Largest Funded Data Initiatives in 2025

Investments Focus on Unlocking Value

Insights and efficiency gains through AI are two of the critical data investment priorities for 2025 (see chart for top 5). Investments in security, integration and data quality support these goals. Highlighting the scale of the challenge, enterprises cited productivity and data quality as the two key areas where business expectations were often not currently being met.

Largest Funded Data Initiatives

| Rank	Initiative	%
#1	Business value from insights reporting	55%
#2	Data security and access rights	54%
#3	Data integration, ETL and APIs	53%
#4	Productivity gains from data and AI	50%
#5	Data quality, validation and cleansing	43%

Note: Respondents selected their top 5 in order

Main Barriers to Reaching Full Production

Talent Availability Delays Success

Across most data categories, generative AI initiatives are running in over half of firms, but most haven't made it past trial stage. Access to talent is highlighted as the main barrier – i.e. shortage of AI skills, ability to hire and upskilling existing employees. Enterprises struggle to find talent to bridge technical AI skills with business domain expertise and drive desired outcomes.

Top Barriers

%	Barrier
26%	Talent
21%	Systems
20%	Investment
15%	Coordination
10%	Processes
7%	Tools
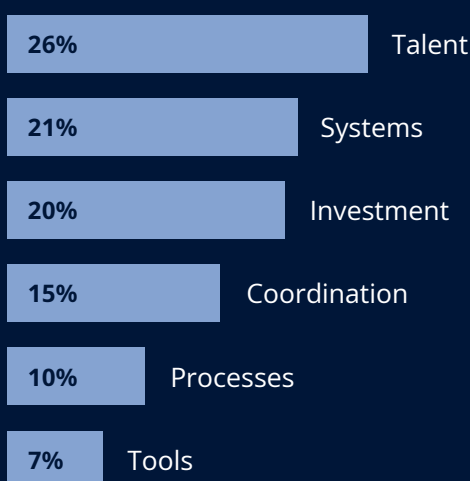
281 executives in G2000 companies interviewed from N. America and Europe.

82% board-level (incl. CIO, CEO, COO, CTO, CDO) and **18% IT roles** (e.g. Apps/Ops VPs).

Contact us to find out more about this study. If your organization needs help navigating the technologies, processes and culture needed to refocus your initiative, ISG can help.