

# The AI Illusion: Why Most Firms Are Still at Step One

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**Many organisations claim to be doing AI, but most are still operating at the earliest stages of maturity with isolated tools, fragmented workflows and limited operational integration.**



Everyone says they're "doing AI".

But scratch the surface, and many organisations are still doing something far narrower:

- staff using chat tools
- isolated pilots
- clever demos
- productivity experiments

Useful? Yes.

Transformational? Usually not.

Recent survey data suggests only a quarter of organisations have integrated AI into real workflows, and even fewer have a centralised AI platform operating across the business.

That should not surprise anyone paying attention.

Because using AI and operationalising AI are two very different things.

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## Chat AI Is Useful — But It Has a Ceiling

Let's be fair.

Chat-style AI tools can create genuine value:

- drafting communications
- summarising documents
- research support
- coding assistance
- brainstorming ideas

That's real productivity gain.

But it is usually individual productivity, not enterprise transformation.

A chatbot helping one employee write faster is helpful.

An AI capability embedded into invoicing, supply chain planning, customer service triage, fraud detection, or workforce scheduling?

That's where material enterprise value starts.

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## Why So Many Firms Stay in Chat Mode

Because it is the easiest path.

Chat tools often require:

- no integration
- limited governance
- no process redesign
- little change management
- minimal data clean-up

You can deploy them quickly and show visible usage.

Boards like that.

Vendors love that.

Employees often enjoy it.

But easy adoption is not the same as strategic maturity.

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## The Real Barrier Isn't AI. It's the Organisation.

Most companies are not blocked by the model.

They are blocked by:

- fragmented data
- manual workarounds
- unclear ownership
- legacy workflows
- weak governance

- poor decision rights

You cannot simply place agents or automation on top of organisational disorder and expect elegant outcomes.

You usually get faster disorder.

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## Agents Sound Better Than They Often Are

There is a lot of noise around AI agents.

Some of it justified.

Some of it marketing theatre.

Yes, agents can eventually:

- receive tasks
- make decisions
- route approvals
- trigger actions
- work across systems

But when deployed badly, they can also:

- automate mistakes
- scale bad decisions
- create accountability gaps
- increase operational risk

A slow human process can be inefficient.

A fast broken automated process can be expensive.

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## The Maturity Model Most Companies Miss

AI maturity is not:

- Level 1 = Chatbot
- Level 2 = Agent
- Level 3 = AGI fantasyland

Real maturity looks more like this:

### 1. Individual Productivity

Employees use AI tools safely and sensibly.

### 2. Team Enablement

Shared use cases, approved tools, measured outcomes.

### 3. Process Integration

AI embedded into repeatable workflows.

### 4. Enterprise Platforming

Governed models, reusable services, common controls, measurable ROI.

### 5. Continuous Operating Model

AI becomes part of how the company runs.

Most firms are somewhere between 1 and 2.

And that's okay — as long as they know it.

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## What CIOs Should Be Asking Right Now

Instead of:

“What AI tool should we buy next?”

Ask:

- Where does work currently slow down?
- Which decisions are repetitive and rules-based?
- Where is margin leaking through manual effort?
- What data is reliable enough to automate against?
- Who owns the risk when AI gets it wrong?

Those questions lead to value.

Tool shopping rarely does.

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## The Uncomfortable Truth About Enterprise AI

Many organisations are not behind on AI.

They are behind on:

- data discipline
- process design
- governance maturity
- operating model clarity

AI simply reveals it.

Chat tools can be a useful start.

But if your entire AI strategy is people typing prompts into browser windows, you're not transforming the business.

You're improving stationery.

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