

Intelligence Advantage

Who Controls the Data, Shapes the Future.





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NEWSLETTERS · EYE ON AI

An MIT report that 95% of AI pilots fail spooked investors. But it's the reason why those pilots failed that should make the C-suite anxious

BY JEREMY KAHN

August 21, 2025 at 12:57 PM EDT

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An MIT study that found that 95% of AI pilot projects fail spooked the stock market this week, driving the shares of many tech companies sharply lower. But the reasons for the failures the research highlighted were less about the underlying tech and more about the poor choices companies are making in using it.

PHOTO ILLUSTRATION BY GETTY IMAGES

The GenAI Divide

STATE OF AI IN BUSINESS 2025

3.3 THE SHADOW AI ECONOMY: A BRIDGE ACROSS THE DIVIDE

Takeaway: While official enterprise initiatives remain stuck on the wrong side of the GenAI Divide, employees are already crossing it through personal AI tools. This "shadow AI" often delivers better ROI than formal initiatives and reveals what actually works for bridging the divide.

Behind the disappointing enterprise deployment numbers lies a surprising reality: AI is already transforming work, just not through official channels. Our research uncovered a thriving "shadow AI economy" where employees use personal ChatGPT accounts, Claude subscriptions, and other consumer tools to automate significant portions of their jobs, often without IT knowledge or approval.

The scale is remarkable. While only 40% of companies say they purchased an official LLM subscription, workers from over 90% of the companies we surveyed reported regular use of personal AI tools for work tasks. In fact, almost every single person used an LLM in some form for their work.

Exhibit: the shadow AI economy, employee usage far outpaces official adoption



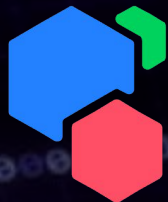
MIT NANDA



Theme #1 ***Data is King***

Theme #2 ***Adoption***

Theme #3 ***Governance***



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2025

Our Avengers



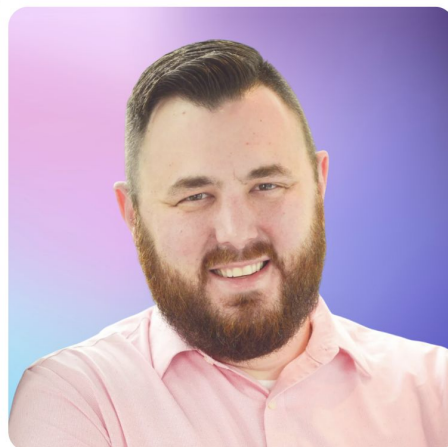
Rob Hoyle

Chief People & Technology Officer



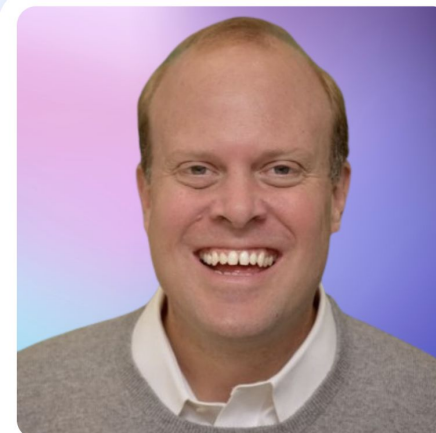
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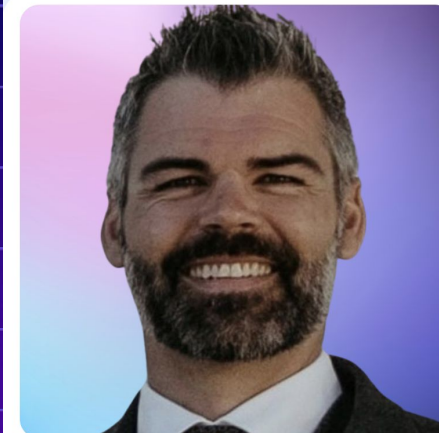
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SVP of Digital & IT



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Matt Edwards

Chief Customer Officer



Theme 1

Data is King.



Theme 2

Adoption

Empowering Employees and Members with AI



Theme 3

Governance

Balancing Innovation with Trust and Security



Hyper-Personalized Banking *Driven by AI*

amazon

NETFLIX

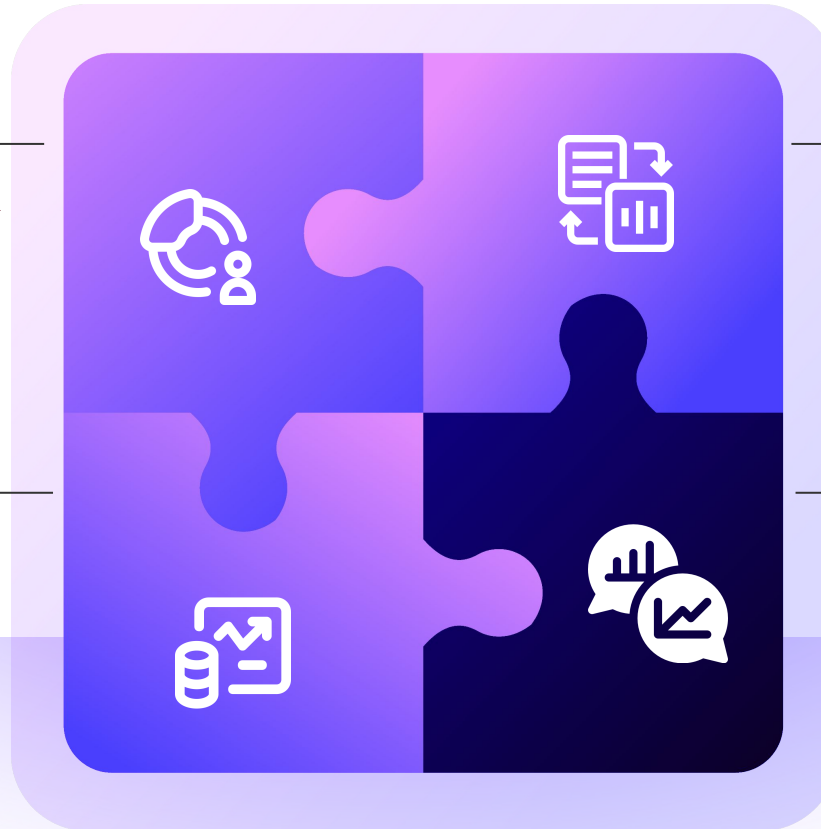
Data is Crucial for Building Hyper-Personalized Banking

Demographic Data

experian. TransUnion^{tu} EQUIFAX

Financial Data

fiserv. jack henryTM FIS



Transaction Data

fiserv. stripe adyen

Conversation Data

eltropy / CCaaS

Conclusion

Strong *Data Foundation* is Non-Negotiable

“AI is about Empowering People, Not Replacing them”

People-centric AI builds trust, drives adoption, and creates lasting impact.

Balance Innovation with Risk & Trust

The future belongs to institutions that innovate **boldly but responsibly**.

Q&A

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