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Together makes progress

**Illuminating the Future
of AI in Irish Business**



Foreword

Artificial Intelligence is no longer a distant vision—it is a powerful force reshaping the way Irish businesses operate, innovate, and compete on the global stage. As we stand at this pivotal moment, Ireland is uniquely positioned to lead in AI value realisation, driven by a vibrant ecosystem, strong leadership, and a culture that embraces innovation and continuous learning.

At Deloitte Ireland, we have witnessed firsthand the remarkable progress organisations are making in embedding AI strategically to unlock new value, enhance customer experiences, and drive operational excellence. Yet, this journey is not without its challenges. Navigating complex ethical considerations, bridging talent gaps, establishing robust governance frameworks

and understanding how to drive value from the technology are essential steps to ensure AI delivers sustainable and responsible growth.

This report celebrates the achievements of Irish enterprises and offers a clear view of the road ahead. It is a call to action for leaders to harness AI not just as a technology, but as a transformative enabler of business growth and societal progress. By investing in people, fostering transparency, and aligning AI initiatives with core values, Irish organisations can secure a competitive edge that lasts well into the future.

Together, we can illuminate the path forward — turning AI's promise into tangible success for businesses, communities, and the wider economy.



EMMANUEL ADELEKE
PARTNER
AI & DATA
DELOITTE IRELAND

Executive Summary

Organisations across sectors are embracing AI not merely as a tool but as a strategic imperative to enhance operational efficiency, drive innovation, and transform customer engagement. This report explores the current state of AI adoption in Irish enterprises, highlighting the opportunities, challenges, and financial implications that accompany this transformative journey.

Irish businesses demonstrate a robust commitment to embedding AI within their core strategies, with many reporting significant improvements in decision-making, productivity, and customer experiences. This enthusiasm is matched by increasing investments, signaling confidence in AI's potential to deliver competitive advantages.

Yet, the path to successful AI integration is complex. Organisations face hurdles including implementation challenges, talent shortages, and concerns around transparency and data security. These barriers underscore the need for strong governance frameworks, strategic leadership, and a culture of continuous learning to foster trust and maximise AI's benefits.

Financially, expectations for AI-driven returns remain optimistic but require realistic assessment and improved measurement mechanisms. Aligning investments with clear strategic objectives and establishing robust analytics frameworks will be critical to translating AI initiatives into tangible business value.

This report serves as both a snapshot of AI's current impact in Ireland and a call to action for leaders to strategically navigate the evolving AI landscape. By addressing challenges head-on and investing in people, processes, and technology, Irish organisations can unlock AI's full potential and secure a sustainable competitive edge in the digital era.



Introduction

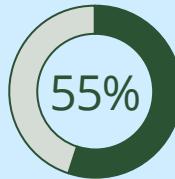
This report is based on a comprehensive survey commissioned by Deloitte to explore the adoption and impact of Artificial Intelligence (AI) within large private sector enterprises across Europe and the Middle East. The research focused on understanding how AI—including Generative AI—is embedded in core business operations, the scale of related investments, and the frameworks used to measure AI performance. The data presented here derive from a quantitative study targeting senior leaders in organisations with annual revenues exceeding \$500 million and more than 1,000 employees. Among the over 1,500 respondents surveyed, this report highlights insights from 105 senior leaders of large enterprises in Ireland.

Ireland is emerging as a clear leader in AI adoption and value realisation within the EMEA region. The country stands out with one in

four Irish firms appointing a Chief AI Officer, surpassing the 19% average across 15 surveyed countries and ranking second only to Belgium. Irish companies are also at the forefront of formalising AI governance, with 81% integrating AI into their corporate vision, the highest proportion among the countries surveyed. Investment in AI is both sustained and accelerating, with nearly half of Irish organisations reporting a return on investment within two years and over half achieving ROI greater than 41%. Looking ahead, 91% of Irish firms plan to increase AI spending in the next 12 months, reflecting strong C-suite leadership, which drives 30% of AI use case identification. This momentum underscores Ireland's transition from AI exploration to execution, delivering tangible business impact and reinforcing its position as a mature and responsible AI market in Europe.

Chapter 1: Leveraging AI for Operational Efficiency and Innovation

AI is making a significant impact in Irish organisations, notable benefitting improvements in decision-making and governance, driving performance metrics, and the enhancement of customer engagement.



Decision-making and governance



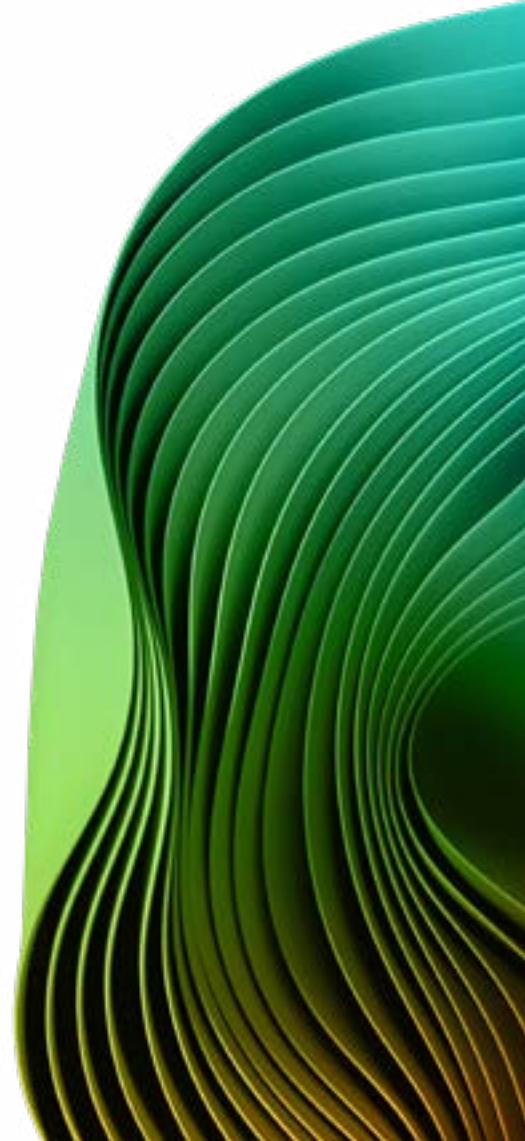
KPIs and performance metrics



Customer engagement

AI is fundamentally transforming how Irish organisations operate and innovate. Our research of Irish organisations reveals a strong commitment to integrating AI, emphasizing its role in decision-making, customer engagement, and productivity. A significant 55% of respondents believe AI has improved decision-making and governance in their organisations. This data-centric approach is fostering a culture where key performance indicators (KPIs) and metrics are increasingly AI-enabled, supporting rapid and informed decisions, 89% of participants recognising the importance of KPIs and performance metrics driven by AI [Q2].

Customer engagement is another area where AI is making a tangible impact. Nearly half (45%) of organisations report enhanced customer experiences and deeper engagement models through AI-driven insights, enabling personalised services that meet evolving consumer demands.



Productivity gains are evident, with 50% of respondents noting functional efficiency improvements and cost reductions attributable to AI [Q21]. Employee productivity benefits from AI support are reported by 46%, and 48% see task-specific efficiency as a key benefit [Q21] reflecting AI's role in simplifying workflows and augmenting human capabilities.

Innovation is also being catalysed by AI. 44% of participants believe AI significantly contributes to service improvement, 43% recognise AI as a key driver in new product development, and while 53% assert it greatly enhances customer experiences underscoring its role in maintaining competitiveness. [Q31]



31% of respondents cite IT as having the most use cases for AI, followed by Cyber Security at 20% [Q3]. Areas like HR and Finance report lower engagement, at 7% and 5% respectively [Q3].



The expansion of AI use cases remains uneven. IT and Cyber Security functions lead in AI adoption, while areas such as HR and Finance lag behind, presenting opportunities for broader AI integration.

A critical enabler for sustaining these gains is investment in training and skill development. Building organisational expertise ensures that employees can effectively leverage AI technologies, unlocking further value.

KEY TAKEAWAYS

- Embed AI to enhance decision-making and governance.
- Leverage AI for personalised and improved customer engagement.
- Drive productivity through AI-enabled workflows.
- Expand AI use cases beyond technology-centric functions.
- Foster a culture of continuous learning and skill development.
- Harness AI as a catalyst for innovation and new product development.

Chapter 2: Financial Impact and ROI of AI Adoption

The financial landscape of AI adoption in Ireland is characterised by both ambition and caution. The survey results indicate that Irish organisations have a notably positive and somewhat more immediate outlook on the impact of AI initiatives compared to the global average. Currently, 17% of respondents in Ireland report that AI is already positively affecting their business models, compared to 11% globally. Additionally, 14% of Irish organisations expect to see positive effects within the next year, slightly higher than the 12% seen across all markets. Although a greater share of respondents across the markets surveyed (61%) expect AI benefits within 1 to 3 years, Ireland's higher overall figure of 73%, which includes those already seeing positive effects reflects stronger confidence and a more mature stage of AI adoption. This indicates that Irish organisations are adopting AI initiatives earlier and anticipate realising their

value more quickly than the average across these markets. [Q1].

Investment strategies currently show a relatively even distribution across three approaches: internal development (33%), vendor procurement (38%), and a balanced build-and-buy strategy (28%). This near one-third split suggests that organisations are still exploring the best path forward. Given the somewhat early stage of AI adoption, time will reveal which strategy ultimately proves most effective. The optimal approach will likely depend on specific use cases and the organisation's capability to implement and scale AI solutions successfully. [Q15]

Budget allocations for AI are substantial, with over half of organisations (51%) dedicating 11-20% of their technology budgets to AI, exceeding the global average of 41% [Q17].

Despite high expectations for return on investment, many anticipating ROI in the +21% to +40% range [Q26], only 1% of organisations effectively track revenue generated from AI. This disconnect highlights an urgent need for improved measurement frameworks to assess AI's true financial contribution.

Organisations prioritise risk reduction (47%) and cost savings (42%) as key metrics, while revenue uplift receives less emphasis (37%). Productivity gains are consistently measured, indicating a focus on operational benefits. [Q30]

To realise sustainable financial success, organisations must align AI investments with clear financial objectives and develop robust analytics to track outcomes accurately.

KEY TAKEAWAYS

- Choose AI solutions that fit your organisation by balancing capability and use case before deciding to build or buy.
- Allocate sufficient budgets to support impactful AI projects.
- Establish frameworks to measure AI's financial impact, including revenue tracking.
- Align AI initiatives with risk, cost, and revenue metrics.
- Manage expectations realistically to avoid over-optimism.



Chapter 3: Navigating Barriers and Challenges in AI Adoption

While Irish organisations exhibit strong leadership commitment to AI, with 25% appointing Chief AI Officers, significant barriers impede seamless adoption.

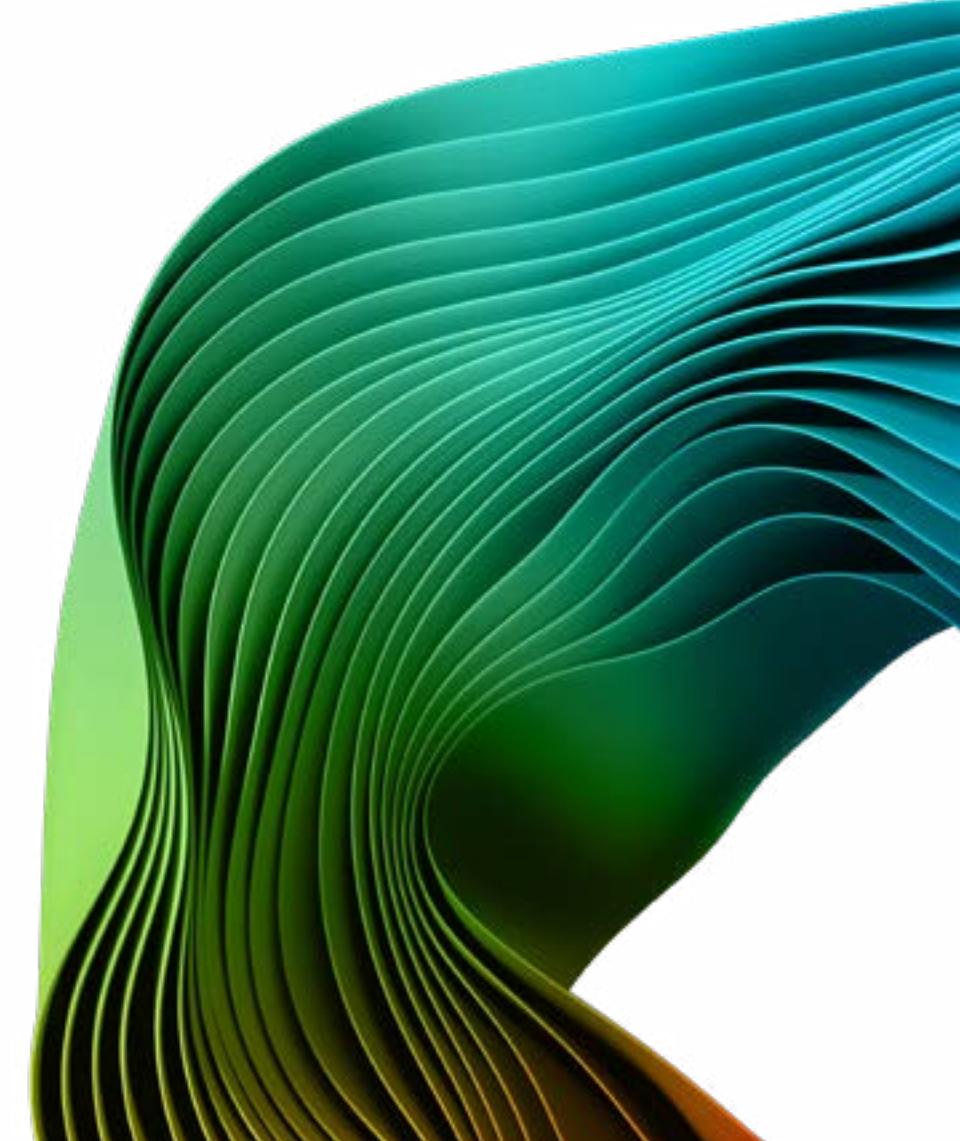
Among the 105 senior leaders surveyed from Irish organisations, concerns around AI and data sovereignty—such as where models and data are hosted—emerged as the most significant obstacle, cited by 40% of respondents.

Implementation challenges and shifting costs or economic factors across technology were also prominent barriers, each reported by 33% of organisations. Additionally, 30% highlighted inadequate technology infrastructure and data issues as a key challenge.

25% percent of respondents identified a lack of technical talent and skills as a barrier. While this remains a notable challenge, it is lower than

the 29% average observed across all surveyed markets, highlighting Ireland's relatively strong technology-enabled workforce. Building on Ireland's proven track record of adapting to shifting technological demands, this suggests that with focused investment in training and education, Irish organisations are well placed to close skill gaps and effectively address future AI challenges. [Q16]

Concerns about AI transparency and appropriate usage are pronounced, with 36% citing these as a reason why employees are not adopting approved AI tools, higher than the average of 27% across the markets surveyed [Q9]. This indication of mistrust affects employee engagement and slows adoption. Data security and intellectual property protection are also major concerns (28%), necessitating robust governance frameworks.



Despite these challenges, optimism remains high regarding agentic AI technologies, with 89% believing in their potential to support personalised employee skill development. [Q14]

To overcome barriers, organisations must foster transparency, strengthen governance, and invest in talent development. Clear communication and cohesive implementation strategies will bridge gaps between leadership ambitions and workforce readiness.

KEY TAKEAWAYS

- Prioritise data security and compliance frameworks.
- Strengthen AI leadership with collaborative teams beyond executive roles.
- Address implementation challenges through structured project management.
- Invest in technical skill development and continuous training.
- Enhance transparency and governance to build employee trust.
- Increase financial commitment to AI aligned with strategic goals.



Chapter 4: Summary and Strategic Recommendations



While Ireland is emerging as a strong leader in AI adoption within the EMEA region, demonstrating robust investment, governance, and leadership commitment, the journey towards fully realising AI's transformative potential remains ongoing. The relatively balanced distribution of investment strategies between internal development, vendor procurement, and hybrid approaches reflects a market still in exploration mode, adapting to diverse organisational needs and capabilities.

Challenges such as implementation complexities, talent shortages, and concerns around transparency and data security highlight areas requiring continued focus and innovation. However, the strong momentum, evidenced by high C-suite engagement and ambitious spending plans, positions Irish enterprises well to navigate

these hurdles. Ultimately, the future success of AI in Ireland will depend on aligning strategic objectives with clear measurement frameworks, fostering a culture of continuous learning, and tailoring AI adoption to specific use cases and organisational strengths. As the AI landscape evolves, time will reveal which strategies prevail, but the current trajectory signals a promising path towards sustainable competitive advantage and digital leadership.

The following strategic recommendations synthesise insights from the findings of the survey and help to guide organisations towards successful AI adoption:

Embed AI Strategically Across Functions:

Expand AI use beyond IT and Cyber Security into HR, Finance, and other domains to maximise organisational impact.

Foster a Data-Driven Culture: Leverage AI-enabled analytics for informed decision-making and continuous performance measurement.

Invest in People and Skills: Develop comprehensive training programmes to close technical skill gaps and empower employees to harness AI effectively.

Balance Build and Buy Approaches: Adopt a hybrid strategy for AI solution development to enhance flexibility and innovation capacity.

Enhance Financial Measurement: Implement robust frameworks to track AI's contribution to revenue, cost savings, and risk reduction, aligning expectations with outcomes.

Strengthen Governance and Transparency:

Establish clear policies addressing AI ethics, data security, and transparency to build trust and facilitate adoption.

Increase and Align Investment: Allocate sufficient budgets to AI initiatives, ensuring resources match strategic ambitions and operational needs.

Promote Cross-Functional Collaboration:

Break down silos to foster innovation and optimise AI applications across business units.

By adopting these recommendations, Irish organisations can navigate the complexities of AI adoption, unlocking transformative benefits that drive operational excellence, financial performance, and sustained competitive advantage in an increasingly AI-driven world.



Conclusion and Call to Action

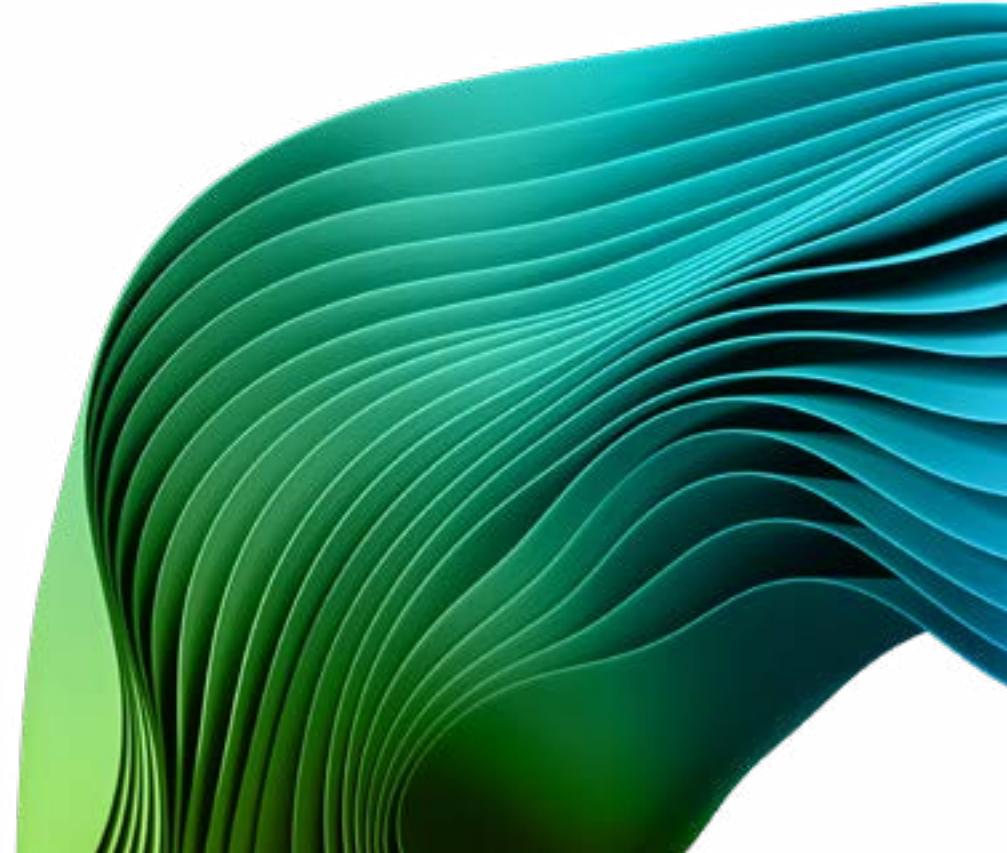
Ireland's leadership in AI adoption is a testament to the vision, commitment, and innovation of its business community. Yet, the journey towards fully realising AI's transformative potential is a collective endeavour that extends beyond individual organisations. To sustain momentum and maximise impact, collaboration across industry, government, academia, and the wider technology ecosystem is essential.

Irish enterprises should look to deepen partnerships with educational institutions to nurture the next generation of AI talent and to invest in continuous upskilling programmes that keep pace with evolving technologies. Policymakers and regulators must work hand-in-hand with businesses to create clear, ethical, and forward-looking frameworks that foster trust and enable innovation while safeguarding data privacy and security.

Furthermore, industry leaders should champion cross-sector collaboration to share best practices, develop common standards, and co-create AI solutions that address Ireland's unique economic and social challenges. By building a vibrant, inclusive AI ecosystem, Ireland can accelerate innovation, attract global investment, and position itself as a beacon of responsible AI leadership on the international stage.

The choices made today will shape Ireland's digital future. Together, through shared vision and coordinated action, Irish organisations can unlock AI's full potential—driving sustainable growth, enhancing competitiveness, and delivering lasting value for businesses, employees, and society at large.

Deloitte stands ready to support this collaborative journey, partnering with you to navigate complexity, harness opportunity, and build a thriving AI-powered Ireland.



Partner with Deloitte to Unlock AI's Full Potential

As Irish organisations continue to navigate the complexities of AI adoption, Deloitte stands ready to support every step of the journey with our full end-to-end capabilities. From strategy development to execution, we combine deep industry expertise with cutting-edge technology to help you harness AI responsibly, effectively, and sustainably.

Trustworthy AI: We prioritise ethical AI practices, ensuring transparency, fairness, and compliance with evolving regulations. Our frameworks help build trust among stakeholders and embed governance that safeguards your organisation's reputation and data integrity.

AI Fluency and Leadership Programmes: We empower your leadership and workforce with tailored training and development programmes

designed to build AI fluency across all levels. By fostering a culture of continuous learning, we help your teams confidently leverage AI to drive innovation and operational excellence.

Strategic AI Consulting: Our experts collaborate with you to identify high-impact AI use cases aligned with your business goals. We guide you through investment decisions, build-versus-buy strategies, and performance measurement frameworks to maximise ROI and manage risks effectively.

Cybersecurity and Data Protection: In an era where data is critical, our cybersecurity specialists ensure your AI initiatives are underpinned by robust security measures. We help protect sensitive information and intellectual property while enabling safe and compliant AI deployment.

End-to-End Delivery: From initial AI readiness assessments and pilot projects to scaling AI solutions across functions, Deloitte offers a seamless journey. Our multidisciplinary teams integrate technology, process optimisation, change management, and analytics to embed AI deeply and sustainably within your organisation.

By partnering with Deloitte, Irish businesses can accelerate their AI transformation with confidence, unlocking new value and securing a competitive edge in the digital era. Reach out to us to explore how we can tailor our services to your unique challenges and ambitions, turning AI potential into tangible business success.

Contact us

Emmanuel Adeleke

Partner, Artificial Intelligence and Data
Deloitte Ireland

Martin Mannion

Partner, Technology & Transformation
Deloitte Ireland

Nicola Flannery

Partner, Digital Trust and Privacy
Deloitte Ireland

Lynn Guilbaud

Partner, Technology & Transformation
Deloitte Ireland



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