2025

AI Trends Report

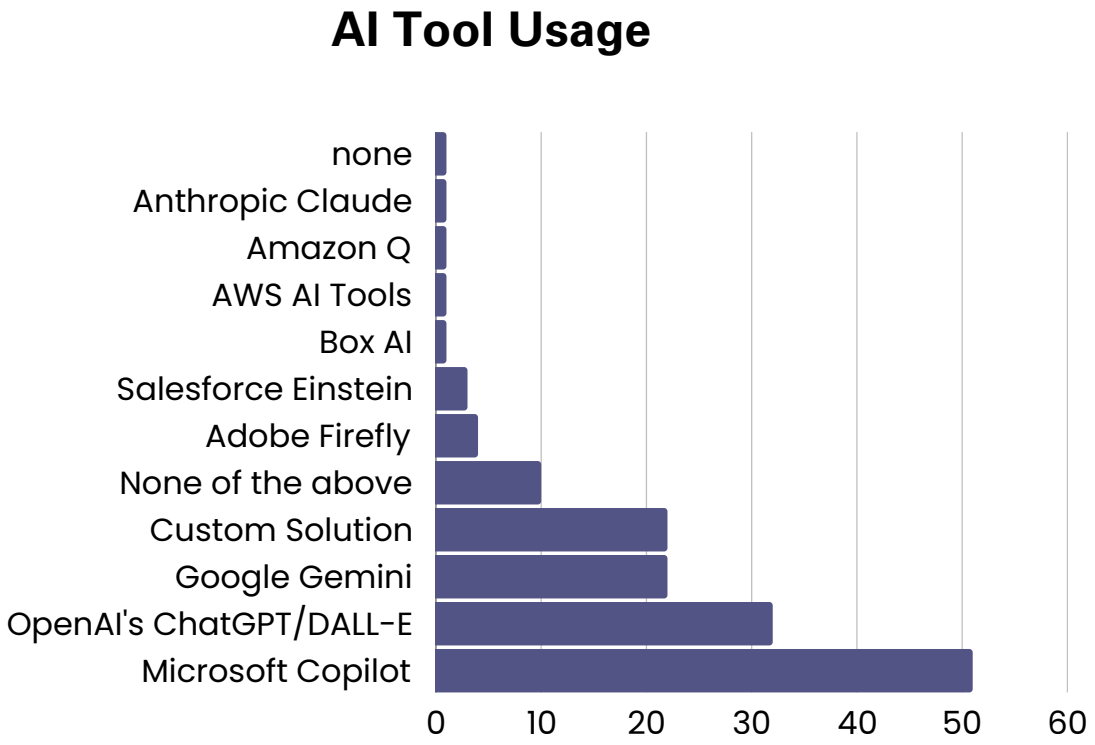
State of AI in the Enterprise

This report, based on the Burwood Group's IT Survey for 2025, provides **5** actionable insights for Business and IT leaders to inform their 2026 AI strategy.

burwood group, inc.

1. Microsoft Copilot Leads Enterprise AI Adoption

Microsoft Copilot is the most widely leveraged AI tool among the organizations surveyed.



67.4%

of respondents reported using Microsoft Copilot, indicating a strong preference for i**ntegrated, off-the-shelf solutions** that can be easily deployed within existing enterprise ecosystems.

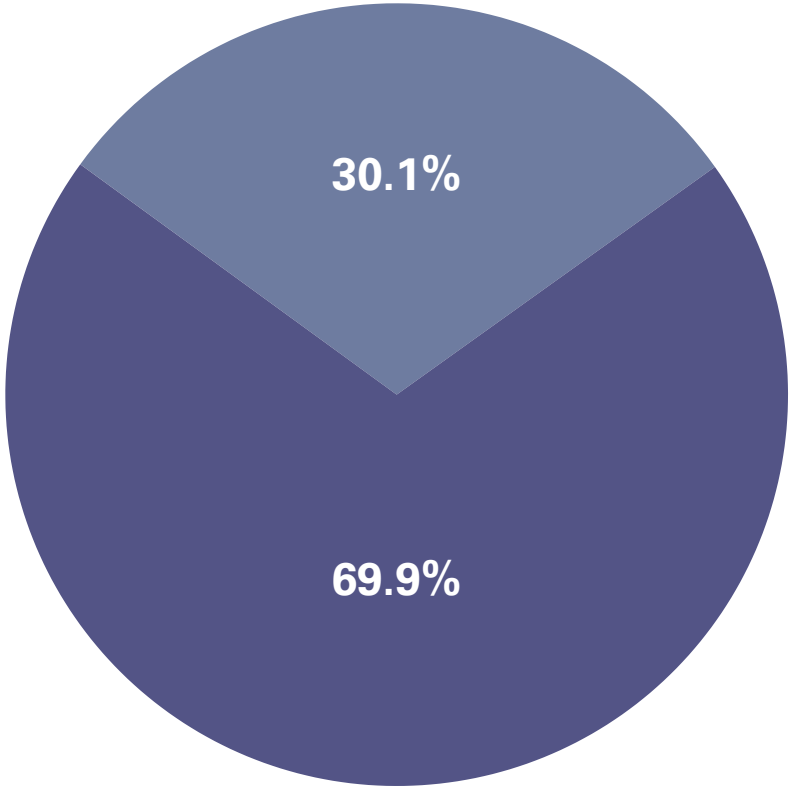
43.5%

are using OpenAI's ChatGPT/DALL-E, making it the second most adopted tool amongst respondents.

This suggests a dual strategy where enterprises use a tightly integrated platform leader (Microsoft) alongside leading general-purpose models (OpenAI/Google).

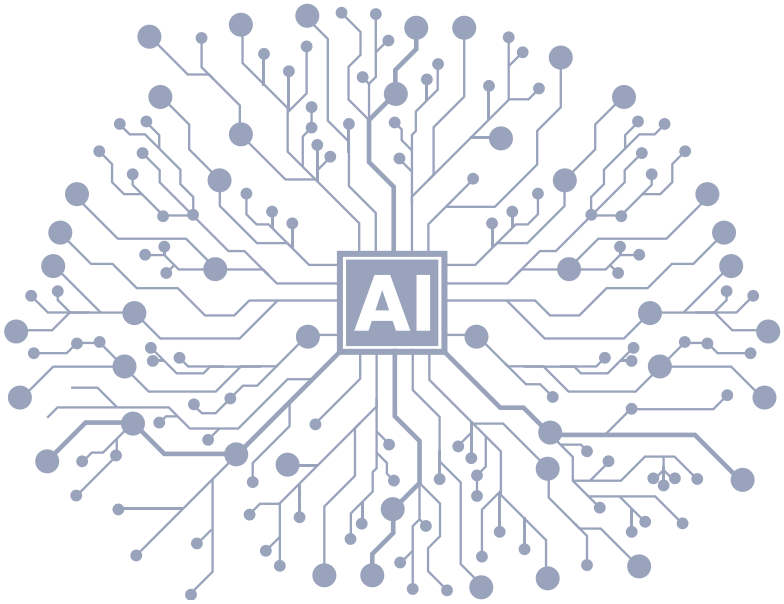
Recent data from October 2025 places Microsoft Copilot with a notable market share, challenging the long-standing dominance of OpenAI's ChatGPT. The surge in Copilot's market presence is largely attributed to its seamless integration within the Microsoft 365 suite, providing a low-friction entry point for enterprises already on the platform.

Microsoft Copilot Adoption



Did Not Adopt Microsoft Copilot

Adopted Microsoft Copilot



CIO Insight

For CIOs, this suggests that adopting a platform-centric approach, rather than a piecemeal one, is a viable strategy for scaling AI. Prioritizing tools that integrate seamlessly with your current software stack can reduce implementation friction and accelerate time-to-value.

Statistical Significance

With a **95%** confidence interval of **57.8%** to **77.0%**, the survey's finding that Copilot is a market leader is not a random fluctuation and represents a strong, true trend in the enterprise space.

2. Most Organizations Are Still in the Early Stages

The survey reveals that the majority of organizations are in the exploratory or piloting phases of AI adoption. The majority of organizations are still in the initial phase of AI adoption. Only 14.3% have widespread adoption. 54.3% of organizations are classified as being in the early stages of exploring, piloting, or having a limited adoption.

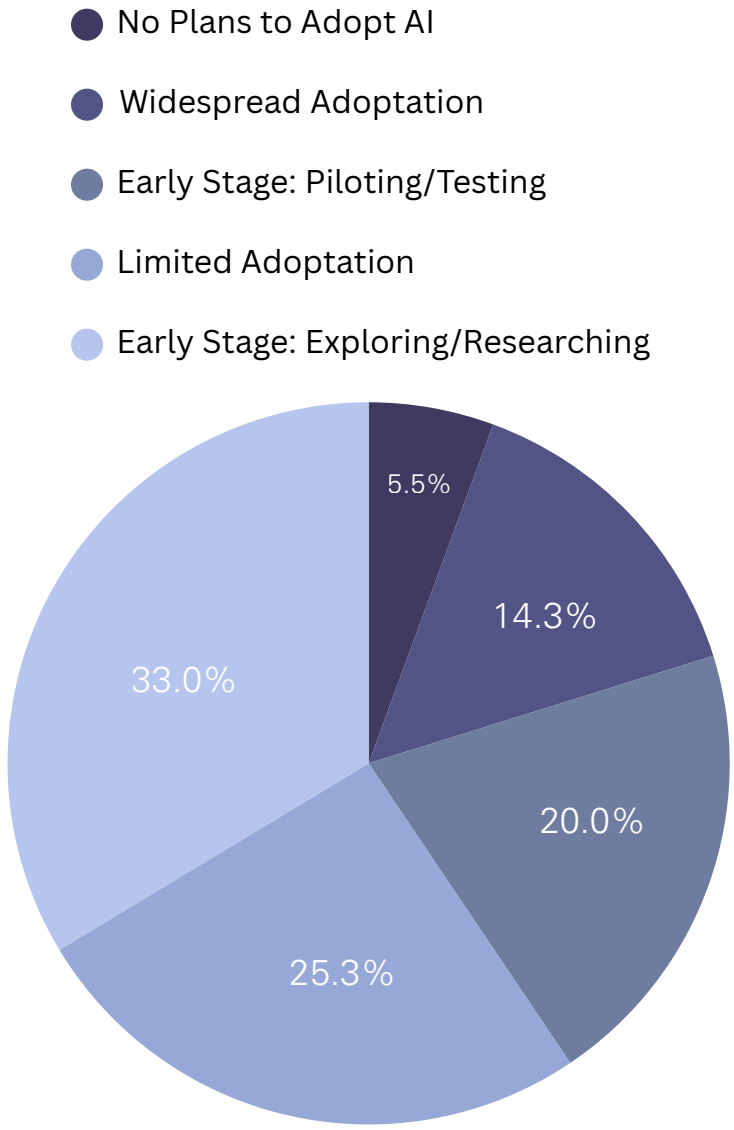
CIO Insight

This data suggests that the market for enterprise AI is still maturing, and many organizations are taking a cautious, iterative approach.

For CIOs, this means there is still time to build a foundational strategy that positions the organization for future growth. The focus for 2026 should be on moving from proof-of-concept projects to scalable, value-driven initiatives.

Statistical Significance: The 95% confidence interval of 55.5% to 74.9% for data privacy concerns indicates a strong and statistically significant trend. This finding should be a top priority for CIOs in their 2026 planning.

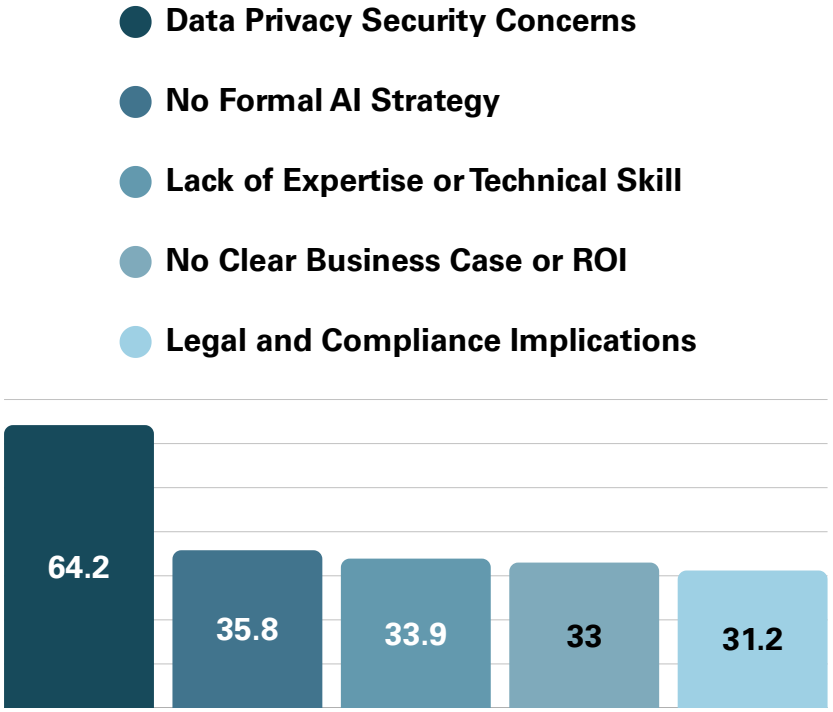
Organization's Current Stage of Adoption



3. Data Privacy and Security Are the Top Hurdles

Top 5 Primary Reasons Preventing AI Adoption

Percentage of Respondents (%)



Statistical Significance: The **95%** confidence interval of **55.5%** to **74.9%** for data privacy concerns indicates a strong and statistically significant trend. This finding should be a top priority for CIOs in their 2026 planning.

64.2%

of respondents cited concerns about **data privacy and security** as the single most significant barrier to AI adoption.

67%

of respondents selected **multiple barriers** to AI adoption. 38% of respondents selected 3 or more barriers.

CIO Insight

Overcoming the data privacy barrier requires a multi-pronged approach. CIOs should focus on creating a secure, governed "AI sandbox" where employees can experiment with tools without risking sensitive data. This includes establishing clear usage policies and investing in private, on-premise, or vendor-managed solutions with robust security controls.

4. Lack of Formal Strategy Is a Major Roadblock

35.8% of respondents indicated that a lack of a formal AI strategy is a primary reason preventing adoption or expansion.

This barrier is closely linked to the lack of a clear business case and executive sponsorship, as a strategy is the key to aligning AI projects with business goals and securing buy-in from leadership.

CIO Insight

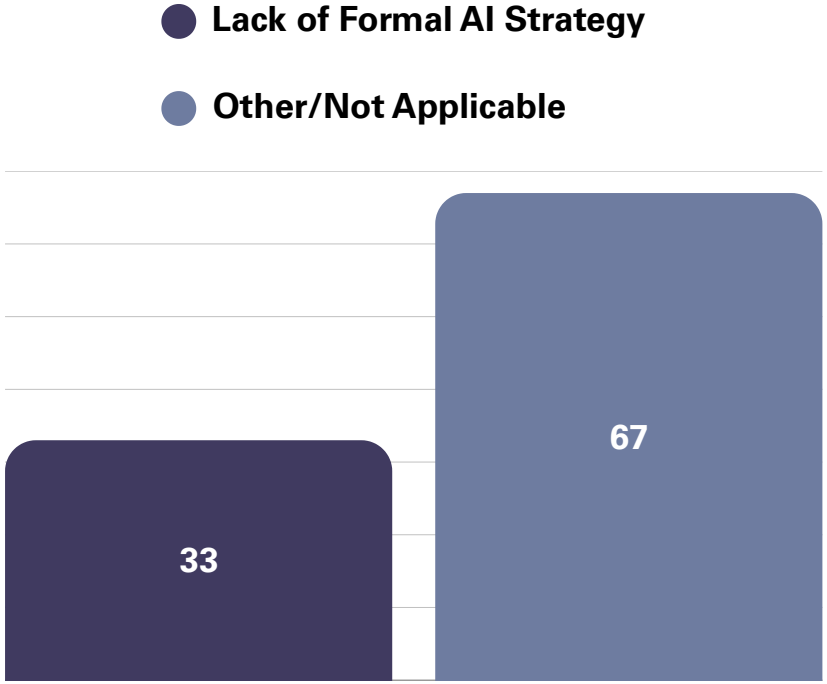
A formal AI strategy is the essential blueprint for a successful AI journey. Without one, organizations risk disjointed efforts, wasted resources, and a failure to demonstrate ROI. In 2026, CIOs should prioritize the development of a comprehensive strategy that defines use cases, establishes governance, and outlines a clear path to value.

Statistical Significance: The **95%** confidence interval for this finding is **24%** to **43.4%**. While a wide range, it still points to a noteworthy challenge that many CIOs must address as they seek to formalize their AI plans.

5. ROI and Business Case Are Not Always Clear

Respondent Citing Lack of Formal AI Strategy

Percentage of Respondents (%)



While the hype around AI is high, many organizations are struggling to quantify the tangible benefits and make a financial justification for large-scale investments.

33% of the respondents as a key barrier mentioned that the lack of a clear business case or ROI.

Insight

Successful AI projects begin with a clear business problem. CIOs should work closely with business unit leaders to identify specific challenges—such as automating routine tasks or enhancing data analysis—and then develop AI pilot programs with measurable KPIs. Starting small and demonstrating a clear return on investment is crucial for securing the funding and support needed to scale.

Statistical Significance: The **95%** confidence interval is **25.1%** to **44.5%**. This wide range indicates that while it's a relevant challenge, it's not as universally cited as data privacy concerns.

About the Respondents

This report is based on a survey of technology leaders and professionals, including individuals from both the private and public sectors.

The respondents hold a variety of senior and mid-level roles, including **CIOs**, **Directors**, **VPs**, and **Senior Managers**, primarily within IT and cybersecurity.

Geographic Footprint

The respondents are based across the United States, with a notable concentration from various states, including Illinois, California, Texas, Maryland, and Tennessee. This broad geographic spread provides a representative snapshot of IT leadership perspectives from across the country.

Industries Represented

The survey's participants come from a diverse range of industries, with a strong representation from sectors that are both data-intensive and have a high need for technology integration. The most prominent industries include:

- **Higher Education:** Many respondents are from major universities and colleges, such as the University of Maryland, University of Notre Dame, University of Wisconsin-Madison, and Baylor University. Their roles often relate to research technology, enterprise security, and IT management.
- **Healthcare:** Several participants are from hospitals and healthcare systems. These professionals are primarily focused on digital workplace, security, and infrastructure.
- **Manufacturing and Financial Services:** The survey also includes respondents from key players in the manufacturing sector and financial services.