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AI in the middle market: High satisfaction, limited enterprise adoption

Driving AI impact with governance, measurement, workforce readiness and integration

RSM Middle Market AI Survey 2026:
U.S. and Canada

Think big or fall behind. That has been the prevailing AI message to organizations of all sizes and industries. But that message wasn't built for the middle market.

Middle market organizations have taken a pragmatic approach to artificial intelligence—investing where returns are clear and use cases are visible. That approach has accelerated adoption, but it has also created a new constraint: Organizations are optimizing for what is easy to prove, not what is required to scale impact.

An overwhelming majority of respondents (86%) to RSM's Middle Market AI Survey said they have integrated AI into their operations. Over half (58%) plan to invest $1 million or more this fiscal year, and 97% said they're satisfied with AI's performance in delivering business value.

But there is a problem underneath those numbers. Organizations are not measuring transformation or enterprise impact. They are measuring whether early use cases worked. In essence, many organizations are declaring success based on isolated wins rather than scaled outcomes.

"What I hear from clients is that they don't know where to go next," says Ana Minter, RSM US consulting AI go-to-market leader. "The challenge is how to operationalize AI beyond isolated wins. That means prioritizing issues, figuring out how AI can solve them and then executing on those ideas."

Only 36% have AI fully embedded across core processes. Among those who conducted AI pilots in the prior two years, about half (51%) described the success of those pilots as moderate or limited—and among those respondents, data quality issues (53%) and integration challenges (47%) were the leading reasons.

Which brings the satisfaction rate back into focus. Although 97% is a striking figure, achieving satisfaction is not the same as making a significant impact. The reasons behind this survey response point more to preparations than outcomes. When asked why they were satisfied with their AI solutions in delivering business value, respondents' top three responses were having a clear strategy (41%), choosing the right technology (40%) and having sufficient infrastructure (38%).

"Buying an AI solution is not a strategy or a road map. Leaders need to ask tough questions. Are you thoughtfully deploying it? Are you training your people? Are you focused on customer experience? How are you measuring it? There's so much that goes into a true strategy and blueprint for success."

Ana Minter, Consulting AI Go-to-Market Leader, RSM US

Middle market organizations have built a foundation. Whether that foundation can support what comes next is a different question, and not one the survey alone can answer.

The underlying issue is not the technology—it is the operating model. Data challenges, governance gaps, fragmented pilots and limited measurements are not obstacles. They are symptoms of organizations that have not yet evolved how work gets done, how decisions are made and how AI is embedded into core processes.

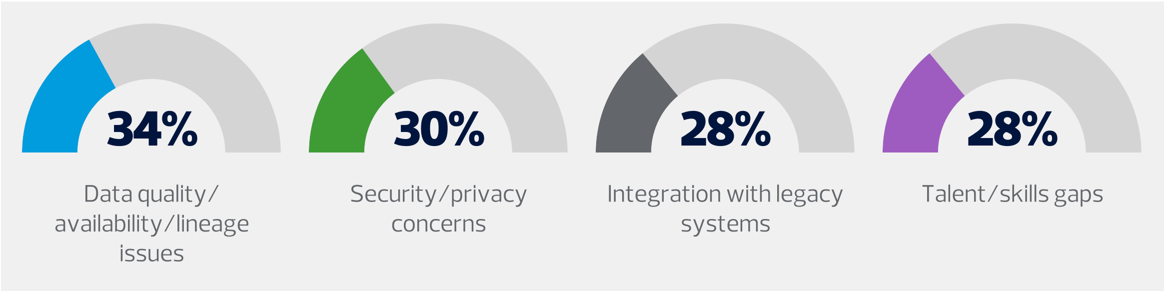
This report is an honest look at that tension—between the confidence in what's been done and uncertainty about what to do now—and where middle market organizations are along the journey.

The building blocks of AI adoption

When respondents were asked in their own words what would most accelerate AI impact, the themes were strikingly consistent: Fix the data, train the people, modernize the systems. But these are not isolated fixes. Organizations are attempting to solve them ad hoc, when in reality they must be addressed as part of a coordinated shift in how AI is governed, deployed and scaled across the enterprise.

The survey data confirms this. Over one-third (34%) of respondents identified data quality as the top inhibitor to AI deployment, followed by security and privacy concerns (30%), legacy systems integration (28%), and talent or skills gaps (28%).

Inhibitors to AI deployment: Top 4 responses



Which of the following are the greatest inhibitors to AI deployment within your organization? Select up to three responses. (n=1,030)

Source: RSM Middle Market AI Survey 2026: U.S. and Canada

These are the same requisite operational fundamentals that shape every major technology adoption cycle, and they are solvable. Once addressed, they can dramatically accelerate an organization's ability to move from pilot to production.

The importance of good AI governance

If data quality and security are the top barriers to AI deployment, governance is the logical first response. Most organizations recognize that: About two-thirds (67%) of respondents said they establish AI governance controls before implementing pilots or production.

But that means about one-third are forging ahead without governance in place, a segment that includes 16% who said they consider governance only after issues arise and 3% who have no governance at all. For organizations that cite data quality and security as their biggest obstacles, the absence of upfront governance isn't a minor gap.

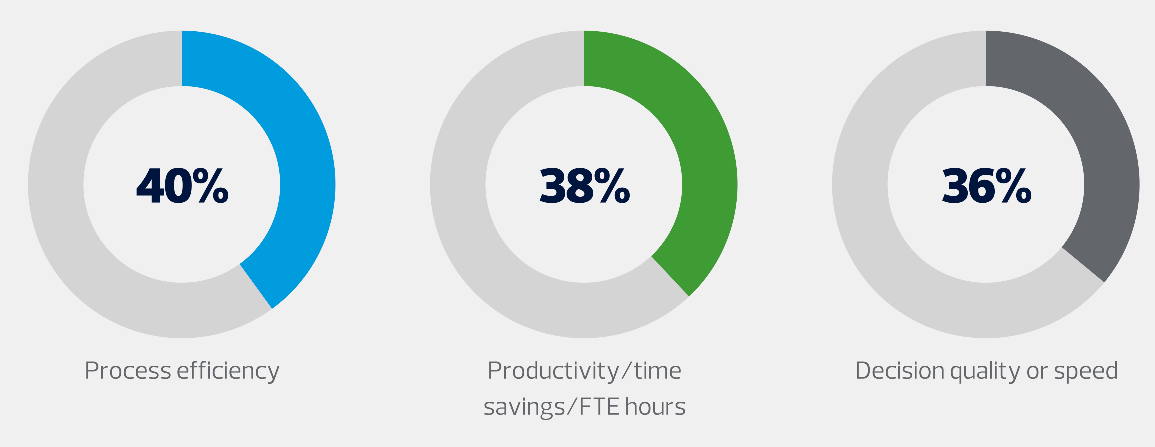
"It's critical for organizations to establish clear AI governance and accountability early," says John Huyette, RSM US principal and AI risk leader at RSM US. "Everyone needs to know who owns AI strategy, what data can be used, and how employees are expected to interact with AI systems. Even simple guardrails can prevent problems."

Measuring the value of AI

The disconnect extends to how organizations evaluate AI's performance. Nearly all respondents (99%) said their organization measures return on investment for AI. The top measurements reveal a telling pattern: process efficiency (40%), productivity and time savings (38%), and decision quality or speed (36%).

Outcomes such as revenue growth, competitive differentiation and innovation are crucial for moving beyond operational improvement, but organizations are measuring AI for what it's already doing well, not for what it must do next. This creates a structural risk for organizations in which investment continues to gravitate toward incremental efficiency gains, and the harder work of scaling AI across core operations gets deferred.

ROI measurement: Top 3 responses



Which metrics does your organization currently use to assess AI ROI? Select as many as apply (n=1,019)

Source: RSM Middle Market AI Survey 2026: U.S. and Canada

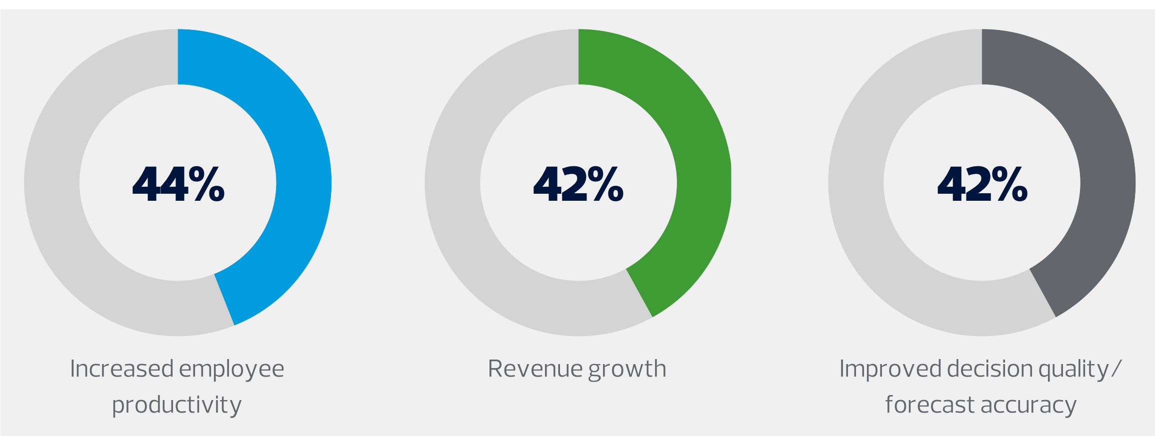
Generative AI is a perfect example. It is the most widely adopted application in the survey, used by 73% of respondents, followed by language AI (64%) and prediction AI (61%).

Generative AI is popular because it's ideal for straightforward tasks and often shows immediate, visible results. It is also the kind of adoption that can look like progress without requiring the foundational investments in data, integration and talent that are necessary for scale. These are investments that respondents themselves said are needed.

AI adoption is advancing faster than AI ambition

The pattern extends beyond measurement. When asked which business outcomes they most want from AI, respondents gravitated toward familiar territory: increasing employee productivity (44%), revenue growth (42%) and improved decision quality or forecast accuracy (42%).

Top 3 business outcomes organization is trying to achieve with AI



Which business outcome(s) is your organization trying to achieve with AI in the next 12 months? Select as many as apply. (n=1,030)

Source: RSM Middle Market AI Survey 2026: U.S. and Canada

Each priority is centered on doing current work better. None of them, on their own, represent a fundamentally different way of operating. Organizations are not only measuring AI conservatively, but they're also setting their sights conservatively too. Without that shift, AI will remain a layer of productivity tooling—not a driver of competitive advantage.

"We aren't seeing many organizations create advanced, customized solutions or agentic systems that actively require an orchestration layer yet," says Sonya King, management consulting director at RSM Canada. "The majority of organizations are investing in safe bets or the low-hanging fruit of dependable AI that enhances productivity."

The Canadian perspective

An equal percentage of U.S. and Canadian respondents reported satisfaction with AI in terms of delivering business value (97%). However, Canadian respondents were significantly less likely to report they were very satisfied compared to respondents in the U.S. (59% vs. 67%). Canadian respondents were also significantly less likely to report that AI was fully integrated into their organization's core operations and processes (29% vs. 38%).

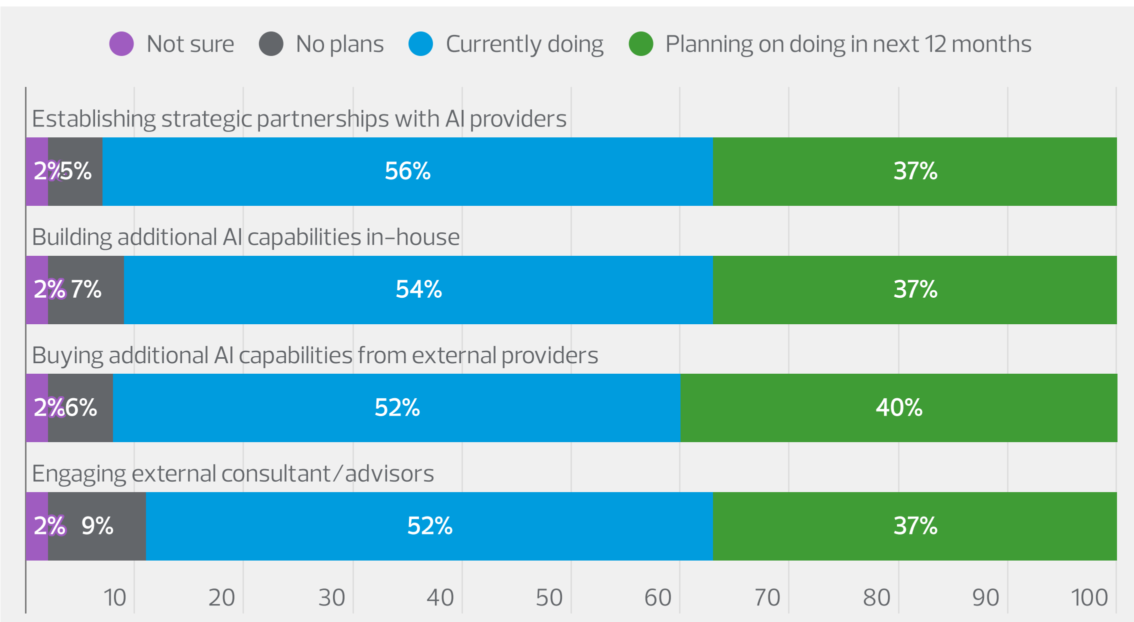
The data on measurement and ambition tells the same story from different angles. How organizations evaluate AI and what they ask it to do are both calibrated to the present rather than to what's possible.

AI workforce readiness

There is an encouraging signal in the data around internal expertise. The vast majority of respondents (88%) agreed their organization has the right in-house AI experts to implement solutions effectively, with 45% completely agreeing and 43% somewhat agreeing.

At the same time, more than half (52%) of respondents said their organization is currently engaging external consultants or advisors, and another 37% plan to do so within the next year. Additionally, 56% are establishing strategic partnerships with AI providers.

What is your organization doing or planning to do to achieve AI-related goals in the next 12 months?



Which of the following actions is your organization currently taking or planning to take to achieve its AI-related business goals over the next 12 months? (n=1,030)

Source: RSM Middle Market AI Survey 2026: U.S. and Canada

This highlights an important distinction: Having capable internal teams is not the same as having the specialized expertise required to execute advanced AI initiatives at scale. Middle market organizations may feel confident in their leadership and staff to use AI for workflow improvement. Yet when it comes to strategy formulation, governance frameworks, model implementation and change management, many still look to outside sources.

"Few professionals have the requisite understanding of AI to use it for innovative solutions," says Brad Collins, a principal and leader of tax digital services at RSM US. "Those with basic AI knowledge can still create value for their organization. But the average person moves only so fast, and the technology moves much faster."

AI introduces cross-functional challenges that go well beyond technical deployment: risk management, compliance, operating model redesign and adoption strategy. Outside expertise can accelerate progress while reducing the cost of missteps, particularly for organizations trying to move quickly and responsibly.

The AI gap between leadership belief and employee confidence

An overwhelming majority (85%) of respondents agreed that their organization's executive leadership is more enthusiastic about AI than its employees are. That is a significant gap between the people setting AI strategy and the people expected to execute it every day, and it has real consequences for how quickly and efficiently AI scales across the enterprise.

Enthusiasm without AI alignment

Respondents, who are uniformly senior leaders, were asked which of two hypothetical leaders they most identified with:

- **Smith, who is "all-in" on AI**, using it to automate and streamline work while shifting human effort to higher-value skills
- **Jones, who is more cautious**, emphasizing people investment and expressing skepticism about heavy AI deployment

By a 2-1 margin, respondents preferred Smith, with 61% identifying with the all-in leader. Just 30% identified with Jones.

Leaders see AI's potential, are tracking the competitive landscape and want to move forward. But enthusiasm at the top does not automatically translate into adoption on the ground.

For employees, the gap is felt differently. Many remain uncertain about how AI will affect their day-to-day responsibilities, job security and long-term career paths. Without clarity on those questions, organizations encounter resistance or underutilization of AI tools, even when leadership commitment is high.

"Workers are being asked to reenvision new roles. So there has to be a lot of empowerment training, a lot of answering 'What's in it for me?'" says John Huyette, AI risk leader for RSM US.

AI workforce disruption is expected. AI readiness is not.

The majority of respondents (88%) either completely or somewhat agreed that their workforce size and composition will look fundamentally different in the next two to three years because of AI. And 91% agreed that humans and AI systems will work together as integrated teams within the same time frame, with 54% completely agreeing and 37% somewhat agreeing.

Those numbers reflect a leadership consensus that AI is not just a productivity layer. It is a structural force that will reshape job responsibilities, required skill sets and potentially the organization itself. Routine and administrative tasks will continue to be automated, while employees are likely to spend more time on judgment-based, creative and relationship-driven work.

"As a society, we still need human relationships, and we need validation from other people," says Diego Rosenfeld, a principal at RSM US. "It's easy to get answers from AI. But humans have to be centered on the solution, more than we ever have before."

The transition represents an enormous opportunity for middle market firms—one that will demand significant investment in reskilling, particularly for middle management and knowledge-worker roles that workflow automation most often affects.

The Canadian perspective

Most Canadian respondents (52%) said their organization will invest less than $1 million on AI in the current fiscal year. Canadian respondents were also significantly less likely than U.S. respondents to report that they expect their organization's AI spending to increase in the next fiscal year (69% vs. 87%).

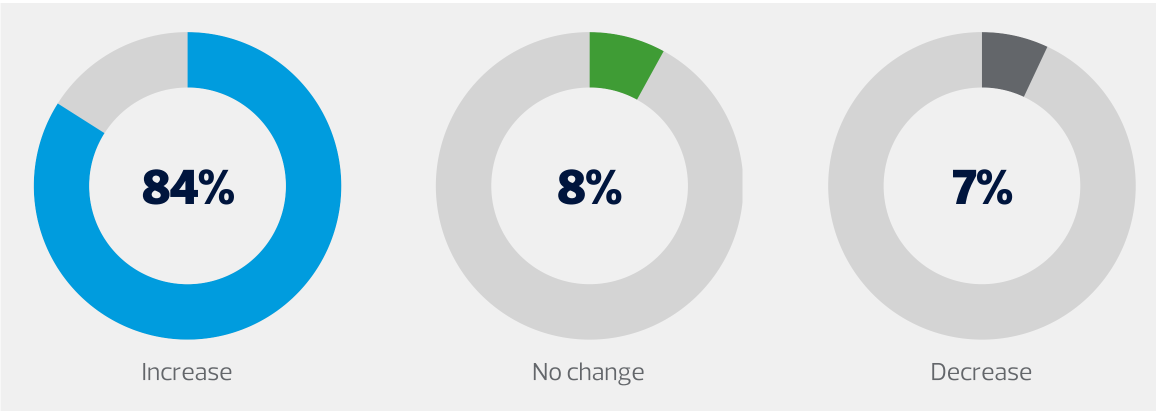
But employees need more than reassurance that AI will not replace them. They need a credible vision of how their roles will evolve, what new skills will be valued and where the opportunities are.

Change works only if the people responsible for execution believe in it, understand it and are equipped to carry it out.

Rise in AI spend: Where the money is going

Investment is not the problem. As noted earlier, 58% of respondents plan to invest $1 million or more in AI during the current fiscal year. Furthermore, 84% expect to increase AI spending in the coming fiscal year, while 39% expect an increase of up to 10%, and another 36% expect increases between 11% and 25%.

Expectations for AI spend in next fiscal year



Thinking about your organization's spend on AI for the next fiscal year, what are your expectations? Do you expect AI spend will...? (n=1,030)

Source: RSM Middle Market AI Survey 2026: U.S. and Canada

Where that money will come from is more revealing than how much there is. Among the middle market firms expecting increases, the top three budget areas they said are likely to be reduced as a result of AI investments are:

- Business intelligence or analytics initiatives (43%)
- Cybersecurity investments (41%)
- External consulting and advisory services (40%)

Those trade-offs expose a critical misalignment. Reducing cybersecurity and advisory spend is coming at a moment when AI governance and risk management are becoming more complex, not less. Organizations cite governance, security and integration as their top barriers—while simultaneously reducing the very investments required to address them.

Spending more does not automatically solve the organizational challenges identified in this report. Investing in AI is not the same as getting results from AI.

"Buying an AI solution is not a strategy or a road map," says Minter. "Leaders need to ask tough questions. Are you thoughtfully deploying it? Are you training your people? Are you focused on customer experience? How are you measuring it? There's so much that goes into a true strategy and blueprint for success."

Where middle market AI goes from here

The middle market's pragmatism has produced tangible results. Organizations have adopted AI broadly, invested significantly and built early confidence. But as this report shows, confidence has outpaced capability. The constraint is no longer access to AI. The impediment is the organization's ability to operate differently. Until that changes, most firms will continue to generate isolated wins without compounding them into sustained value.

For many organizations, the first AI pilot worked, but the next 10 haven't compounded. The operating model hasn't caught up. Closing that gap means achieving repeatable, scaled value with a focus on governance, workforce readiness, measurement frameworks and sustained ambition.

"As a society, we still need human relationships, and we need validation from other people. It's easy to get answers from AI. But humans have to be centered on the solution, more than we ever have before."

Diego Rosenfeld, Principal, RSM US

The organizations best positioned for what comes next don't necessarily have the most advanced technology. They are the ones willing to ask whether their strategy is bold enough, whether their people are ready, and whether their definition of success is keeping pace with what AI makes possible.

The middle market does not need to abandon what's working. It needs to make what's successful work at scale. That is the next phase of the journey.

About the survey

The RSM Middle Market AI Survey 2026: U.S. and Canada was conducted from March 5 to 16, 2026, among 1,030 respondents (827 in the U.S. and 203 in Canada) from a sample provided by Big Village Insights. Respondents were mid-level managers or higher who have at least some influence over technology investment decisions at middle market organizations, defined as those with annual revenue of $30 million to $10 billion in the U.S. or $30 million to $1 billion in Canada (excluding government and nonprofit organizations), or U.S. financial institutions with $500 million to $500 billion in assets under management.

All participants represented organizations that currently use AI, with adoption ranging from piloting to full AI integration. The margin of error is ±3.1 percentage points at the 95% confidence level. Note that totals may not sum to 100% due to rounding and multi-select questions.

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