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The middle market AI playbook

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The growing influence of AI in the middle market

Artificial intelligence is rapidly transforming key operations within companies in all industries—driving innovation and opportunities to amplify growth and build a competitive advantage. While AI investments have quickly become essential for sustainability as new tools and use cases emerge, the path to effective AI utilization is not linear—there is no one-size-fits-all approach for AI success. To fully capitalize on AI's potential for increased efficiency, insight and productivity, companies must develop a strategy to address challenges related to readiness, governance and skill gaps, and align technology to business goals.

91%	**92%**	**62%**
Use generative AI in their organization	**Say they've faced implementation challenges**	**Said generative AI has been harder to implement than expected**
The most popular use of AI was for text generation and summarization at 49%, while workflow development came in second with 45% usage.	Of those who have experienced issues, 41% expressed concerns around data quality making that the top problem companies faced.	39% of respondents who were unprepared for AI implementation cited a lack of in-house expertise as their top issue, while 70% admitted to needing outside help to get the most out of their AI solutions.

The rapid advancement of AI in the middle market is demonstrated in the 2025 RSM Middle Market AI Survey: U.S. and Canada as 91% of surveyed middle market executives reported either formally or informally using AI in business practices, a significant increase from 78% in 2024's report. However, increased implementation has not come without challenges, as only 20% of organizations feel that they have integrated AI meaningfully and 70% using generative AI report they need outside help to get the most out of that tool.

AI market landscape: How do middle market AI decision makers feel about AI?

79%
Report having a formal strategy or roadmap for AI adoption.

63%
Say organization was somewhat, not very, not at all prepared to adopt and implement generative AI.

62%
Believe generative AI has been harder to implement than expected.

92%
Of organizations using generative AI experienced challenges with implementation

41%
Data quality concerns were the top AI implementation issue companies faced.

70%
Admit needing outside help to get the most out of their generative AI solutions.

Source: RSM Middle Market AI Survey 2025: U.S. and Canada

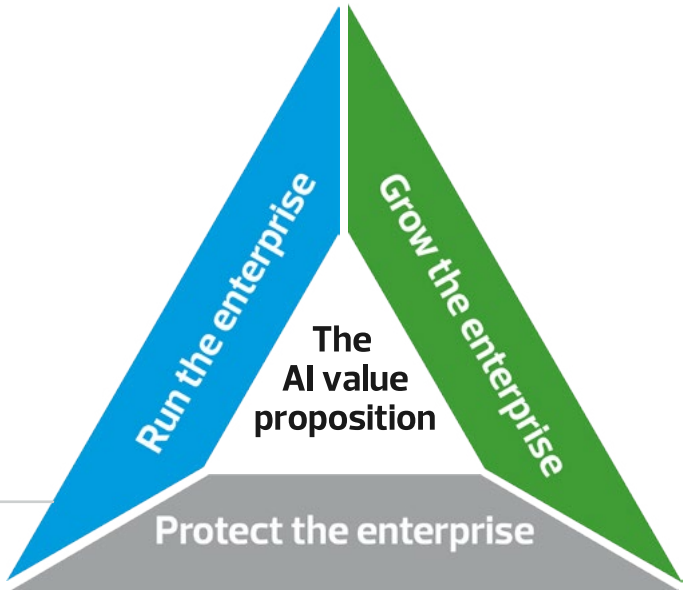
With the growing importance of AI to overall business success, thoughtful planning is necessary; this entails conducting initial solution selection and implementation, and establishing governance and ongoing management. Without this preparation and attention to detail, AI projects often do not deliver on their anticipated value or can fail completely. In fact, the recent Massachusetts Institute of Technology State of AI in Business 2025 study determined that 95% of generative AI projects produce no return on investment. These surprising results were mainly driven by flaws in the project approach, such as a lack of focus, defined expectations or metrics for success.

AI should not be treated as a feature, but as a foundation. It is now imperative to view AI as a fundamental focus for the business, woven into every layer of an enterprise's core architecture and operations. AI should not be seen as an add-on, nor a separate team operating independently, but instead as a common thread that embeds AI capabilities across functions to drive integrated decision making, automation and continuous improvement at scale.

Related resource: RSM Middle Market AI Survey 2025: U.S. and Canada

The AI value proposition: Run, grow and protect your business

RSM's AI value proposition captures the three key value drivers executives care about most: operational efficiency, revenue growth and risk management. By effectively leveraging AI-driven solutions, your enterprise can run smarter, grow faster and stay protected.



Operational efficiency opportunities	Top-line growth opportunities	Protection and resilience opportunities
Organizations are leveraging AI to streamline core operations, reduce manual effort and unlock efficiencies across back-office functions. From automating repetitive tasks to minimizing manual workarounds, these use cases help lower costs, enhance accuracy and improve how the enterprise is run on a day-to-day basis. ▪ Finance and accounting › ▪ Human resources › ▪ Procurement and supply chain › ▪ Information technology › ▪ Operations ›	Organizations are using AI to fuel innovation, enhance customer experience and unlock new revenue. By enabling smarter personalization, accelerating product development and supporting data-driven sales and marketing, these use cases show how AI drives sustainable growth across the enterprise ▪ Marketing › ▪ Sales ▪ Customer experience ▪ Pricing and revenue	AI is helping organizations protect the enterprise by identifying risks earlier, enhancing compliance and strengthening cybersecurity. From monitoring transactions to detecting anomalies and automating controls, these use cases show how AI proactively manages threats and supports regulatory obligations more efficiently. ▪ Risk › ▪ Legal ▪ Compliance ▪ Cybersecurity

Related resource: Strategic AI deployment that fits

AI strategy and governance

Ultimately, effective strategy and planning are the most important elements of a successful AI strategy. These critical steps will help your organization establish overall goals, understand where the technology could have the most impact, identify any potential skill and experience gaps, and implement a framework that protects your environment against evolving regulatory and data security risks. By laying this groundwork, you can better align AI solutions with organizational objectives; set realistic, manageable expectations; and improve your return on investment.

Defining your AI strategy and governance approach

Initially, you must establish your overall vision and strategic priorities for AI initiatives. What do you want AI to accomplish within your organization? However, in addition to considering AI's features and potential benefits, you must also institute an effective governance program prior to implementing technology. AI solutions require guardrails and controls to confirm output is unbiased and processes align with business goals and any regulatory guidelines.

For example, RSM's proven AI Governance Framework guides our risk approach and our work with clients. It constantly evolves and incorporates critical elements from many best-practice frameworks, creating a more comprehensive approach encompassing more potential risks than a single framework. While extensive, the RSM framework is also adaptable, with the level of AI governance built to align with the level of risk your systems are exposed to.

Identifying, evaluating and measuring use cases

How do you want AI to improve and enhance your critical processes? To tap into AI's full potential, you must outline what use cases will optimize operations and help you create a competitive advantage. With AI's vast potential to create positive change, you should build a pipeline of AI initiatives, prioritized by their potential ROI.

AI in practice

Practically, organizations are using AI in three main areas:

Personal productivity	Meeting organization and summarization	Narrative generation, data entry and document comparison	Manual and repetitive tasks
Use case agents	AI IT service desk	AI HR assistant	AI customer service
Enterprise intelligence	Sales, costs, customers, products, etc.	Intelligent forecasting and demand planning	BI and predictive analytics

Of course, no two businesses are the same, and use cases can vary drastically between industries and organizational structures. However, a sampling of potential AI use cases includes:

Industry	Potential AI use cases
Business services	▪ Customer support automation and virtual agents ▪ Process mining and workflow optimization ▪ Contract lifecycle management ▪ Revenue forecasting and pricing optimization ▪ Fraud detection and transaction monitoring ▪ Supply chain and vendor analytics ▪ Human capital analytics and workforce planning ▪ Enterprise reporting and decision support
Consumer products	▪ Demand forecasting and inventory management ▪ Personalized marketing and customer insights ▪ Product development and trend analysis ▪ Supply chain optimization and logistics ▪ Sustainability and waste reduction
Energy	▪ Predictive maintenance ▪ Grid optimization and load forecasting ▪ Energy trading optimization ▪ Renewable energy forecasting ▪ Emission monitoring and environmental, social and governance reporting
Financial institutions	▪ Fraud detection and risk management ▪ Custom service and chatbots ▪ Credit scoring and loan underwriting ▪ Personalized financial advisory
Food and beverage	▪ Predictive maintenance and quality control ▪ Supply chain optimization ▪ Personalized consumer insights and product development ▪ Food safety and compliance automation
Government contracts	▪ Contract analytics and compliance monitoring ▪ Bid and proposal optimization ▪ Fraud, waste and abuse detection ▪ Project management and resource allocation ▪ Cybersecurity and threat detection
Health care	▪ Administrative automation ▪ Virtual health assistants ▪ Claims and revenue cycle monitoring ▪ Remote patient monitoring ▪ Personalized treatment planning
Law firms	▪ Legal research ▪ Contract review and analysis ▪ Drafting and document automation ▪ E-discovery and litigation ▪ Billing and timekeeping ▪ Knowledge management and search ▪ Client-facing chatbots ▪ Compliance and risk monitoring ▪ Financial forecasting and modeling
Life sciences	▪ Drug discovery and development ▪ Clinical trial optimization ▪ Diagnostics and medical imaging ▪ Regulatory and pharmacovigilance automation ▪ Smart manufacturing and quality control

Industry	Potential AI use cases
Manufacturing	▪ Predictive maintenance ▪ Quality control and defect detection ▪ Supply chain and demand forecasting ▪ Robotics and process automation ▪ Energy management and sustainability
Nonprofits	▪ Grant writing and fundraising ▪ Donor engagement and chatbots ▪ Predictive analytics for funding ▪ Impact measurement and reporting ▪ Content creation and marketing
Professional services	▪ Client insights and account intelligence ▪ Proposal and engagement scoping automation ▪ Knowledge management and enterprise search ▪ Delivery optimization and resource forecasting ▪ Document drafting, review and quality assurance ▪ Risk, compliance and regulatory monitoring ▪ Financial modeling and scenario analysis ▪ Client-facing virtual assistants
Real estate	▪ Automated property valuation ▪ Tenant screening and risk scoring ▪ Predictive maintenance ▪ AI chatbots for leasing and customer service ▪ Investment risk analysis and portfolio optimization ▪ Image-based property feature extraction ▪ AI-powered market forecasting
Technology	▪ AI-assisted software development ▪ Customer support and chatbots ▪ Cybersecurity and fraud detection ▪ Predictive maintenance and operations ▪ Billing and timekeeping ▪ Knowledge management and search
Utilities	▪ Automated energy consumption forecasting ▪ Anomaly and leak detection ▪ Predictive maintenance for submeters ▪ Load disaggregation and optimization ▪ Customer usage pattern insights

Establishing AI environment readiness

To get the most value out of AI, you must have the right personnel and tools in place to execute on your strategy and use cases. In some cases, companies can have high-value targets identified for improvement with AI but lack the necessary technology to deliver real results. AI environment readiness should be evaluated on a use-case basis across the following domains: data, technology, process, people and governance. This sets an AI readiness baseline maturity score to inform activities which will support the bolstering of the desired target state with a gap closure plan.

In addition, with AI tools and solutions rapidly evolving, middle market companies often face significant challenges when hiring and retaining qualified AI talent. Identifying and addressing these common strategy gaps in advance is critical to unlocking AI's true potential.

Enabling and activating AI capabilities

Starting your AI project with measured, practical enablement and deployment while providing user training can accelerate adoption and enhance change management. As your team becomes more comfortable with how AI systems and processes operate, you will realize more value, and ongoing adjustments can be made to strengthen outputs and results

Related resource: AI Readiness Assessment

AI implementation and integration

After defining your AI strategy, use cases and governance approach, your AI journey advances to developing an implementation plan and putting solutions into action. In some cases, you may already have platforms with AI capabilities that can help you reach your goals, while other use cases require critical decisions around whether to buy or build AI functionality.

Solution architecture and tech selection

First, you should undergo an AI architecture development process, considering how inputs and outputs are structured and where human intervention is necessary. Evaluate how you can leverage the AI capabilities within your existing technology and determine whether to buy or build AI solutions to fill potential gaps.

On one hand, you can buy additional AI tools to integrate into your current tech stack, but building a more customized solution may meet more specific goals or metrics. Both are proven strategies for success, but the right choice for your organization depends on cost and time-to-market, as well as use-case intentions, in-house talent capabilities and data foundations.

AI solution development

Once your technology solutions are in place, tailored models should be developed to test and confirm desired functionality and outputs. After AI models are verified, they should be integrated into workflows with automation enabled. This process can be fast-tracked with the help of pre-built templates designed for specific use cases and industries, such as RSM's industry accelerators, which are purpose-built to meet the unique operational and regulatory demands within several sectors.

AI integration and change management

With automation enabled, connecting AI systems to your enterprise platforms is the final step before seeing the results of your AI investments. The work does not stop there though, as ongoing training is necessary to strengthen user adoption and communicate any process changes as AI platforms and goals continue to advance and evolve.

Related resource: Embedded AI vs. custom AI advisory and implementation

Jonas Melton, Principal, RSM US LLP

> "Always weigh the benefits of leveraging AI built into existing technologies versus building custom models, factoring in cost, security and data quality."

Taking advantage of AI managed services

With the rapidly growing importance of AI across all key business functions, qualified talent is in high demand. In many cases, middle market companies do not have internal employees who have experience with emerging AI innovations or more complex AI strategies. Therefore, to continue capitalizing on these AI solutions and transforming operations, a growing number of companies are relying on AI managed services strategies with trusted third parties.

39% of respondents in the 2025 RSM Middle Market AI Survey who said they were unprepared for their AI implementation cited a lack of in-house expertise as their top issue.

Model performance management

An experienced advisor can provide know-how or supplement your existing internal personnel to continuously retrain, run and improve your AI models for accuracy and relevance. Whether you're deploying a pre-trained model or building a solution from scratch, tuning helps tailor the AI model to your specific data, objectives and operational context. In addition, external talent can elevate your AI strategy by monitoring, optimizing and maintaining your AI infrastructure and applications.

AI platform operations

Regardless of the specific AI platform or technology you choose to leverage, a managed services solution can provide support and insights that move you beyond deployment to drive real results.

Microsoft Copilot ongoing support

Given the widespread popularity of the Microsoft technology ecosystem, many organizations already have access to, and are utilizing, Microsoft Copilot to boost productivity. With ongoing Copilot support, you can deploy the extensive platform to its full potential, utilizing its integration across Microsoft solutions for streamlined data insights and enhanced efficiency.

Chief information officer outsourcing

In some situations, additional leadership is necessary to successfully navigate AI development, implementation and optimization. With CIO outsourcing, you can bring in a leader with deep experience in AI strategies and investments that can work seamlessly with your existing personnel or with other experienced external AI talent.

Data analytics managed services

Your data is the most important element of your AI strategy. With data analytics managed services, you have continuous, end-to-end support for data optimization, analysis and governance. You gain access to leading technologies, industry best practices and proven methodologies—eliminating the need to build and maintain an in-house analytics infrastructure to enable reliable, data-driven decision making.

Related resource: Data and AI managed services

AI in action: Transforming tax, audit and compliance

While AI strategy and implementation are critical, the true measure of AI's power is in its application. At RSM, we are not just advising on AI; we are building and deploying it to redefine our core service offerings.

Our $1 billion investment in AI is fueling the development of proprietary platforms that deliver unparalleled efficiency, insight and value to our clients.

Tax transformation: myRSM Tax

The myRSM Tax ecosystem includes our AI-powered suite of tools that turns tax complexity into clarity. It moves beyond traditional compliance to create a single, governed data layer—the foundation for true AI-driven tax operations. A prime example is PartnerSight®, our cloud-based partnership tax engine that automates complex tiering and allocations. More than just an internal tool, PartnerSight is now available as a licensable, service-wrapped solution. This enables organizations to benefit from whatever balance of internal control and external support suits them best.

The modern audit: RSM Luca

Our digital audit ecosystem, RSM Luca, leverages AI to make audits more efficient and accurate—facilitating more valuable business insights. A key feature is Ask Luca, a generative AI tool now in the hands of over 4,000 assurance professionals, providing real-time, authoritative answers from RSM's vast library of technical guides.

Automating compliance: RSM Atlas

RSM Atlas is our AI-driven compliance automation platform that helps clients navigate the complex web of government regulations. It uses advanced large language models to accelerate the creation and mapping of internal controls, reducing manual workloads from weeks to days.

Getting the right help on your AI journey

Building an AI-enabled enterprise requires more than just technology; it requires a structured journey. Enterprise AI adoption follows a structured lifecycle, but these steps are not linear. They are designed to be repeated as often as needed, creating a continuous cycle of learning, improving and scaling.

Strategize: Establish your AI journey including use case evaluation, intake evaluation and ROI

Establish governance: Establish data and AI governance policies and procedures, AI oversight committee, TPRM enhancements and AI system impact assessment criteria; train and educate stakeholders.

Evaluate your use case: Perform your use case evaluation, system impact assessment, ROI calculation (part of the evaluation) on the specified use cases.

Design: Design your model proof of concept, while considering your data management.

Build: Build your model and establish auditing criteria.

Deploy: Deploy model and monitoring mechanisms for production.

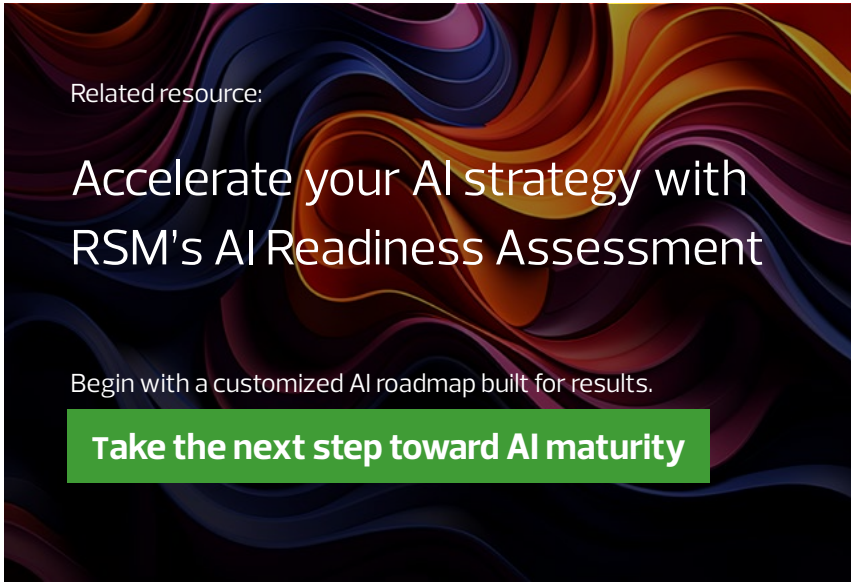
Monitor and audit: Perform continuous monitoring and periodic audits to ensure the model is performing as expected.

Decommission: Remove the model from use once it's no longer fit for purpose.

> If you have governance, good data and the controls around it, you will be more successful with your AI implementation. If you don't have those things in place, we are finding there's a high failure rate with those AI projects, or the decision making that's coming out of those AI models is often flawed because of data inaccuracies.
>
> **Jason Proto**, Principal, RSM US LLP

RSM is here to help no matter what stage of the AI lifecycle you are in today, from building an AI foundation to implementing and optimizing a solution. Our experienced AI team has the tools and advice to enable you to capitalize on AI's vast potential both now and in the future.

Contact us to learn more about how our team can deliver AI solutions to transform your critical business processes and enable you to take advantage of AI's vast potential.



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