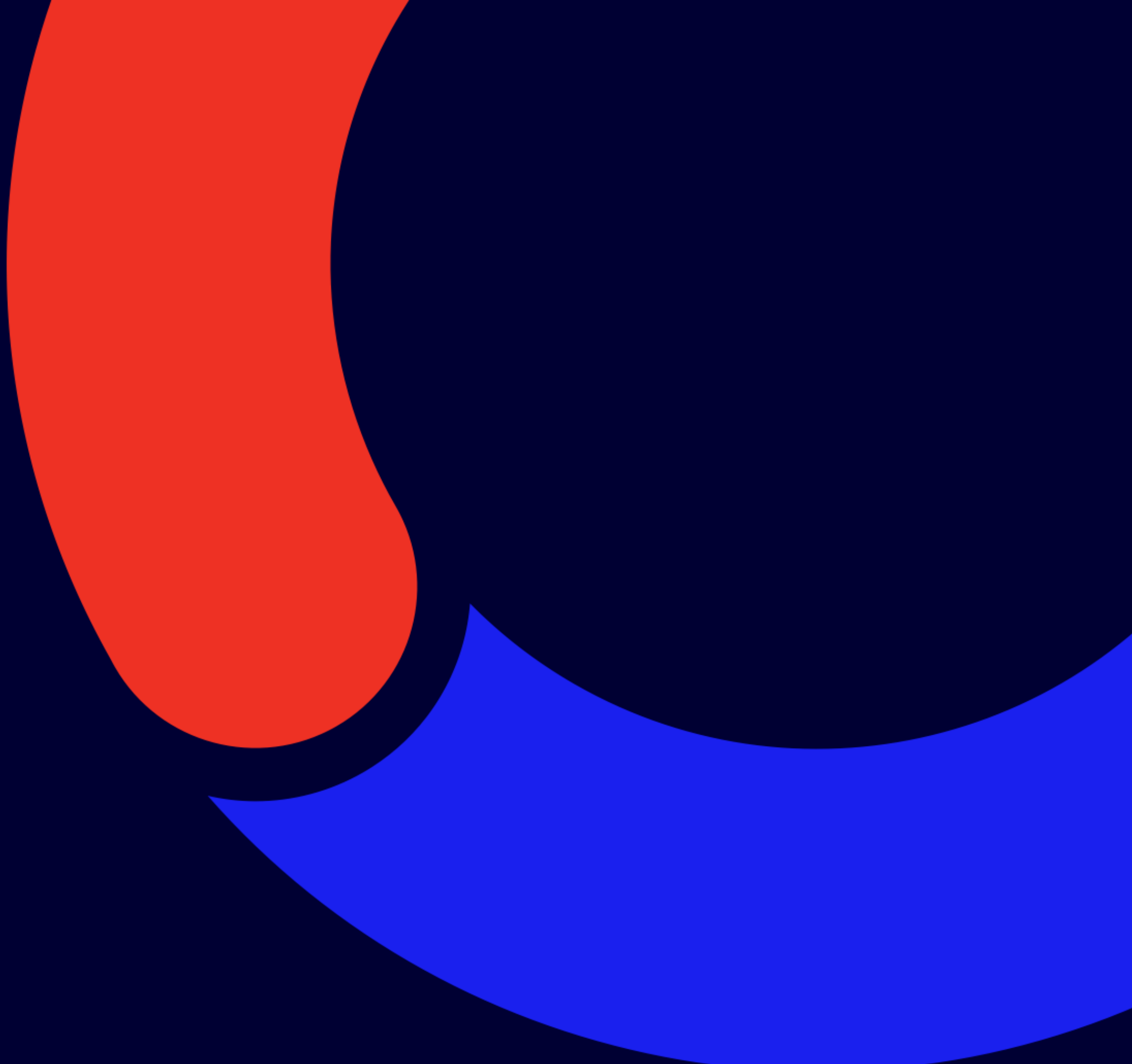




omd



Applied AI

What Needs to Happen to Make AI Work for Business

Updated: 5th September, 2025



WE *Create* WHAT'S NEXT

Applied AI Gets a Working Definition

A recent [report from MIT NANDA](#) states that [95% of Enterprise AI](#) projects fail. This headline has caused some consternation, with [AI skeptics citing it](#) as evidence of an [AI bubble](#).

Behind the headlines, the report calls out a '[GenAI Divide](#)' in which a small number of entities have proven that meaningful impact is possible. However, it requires far more than just access to cutting-edge foundational models.

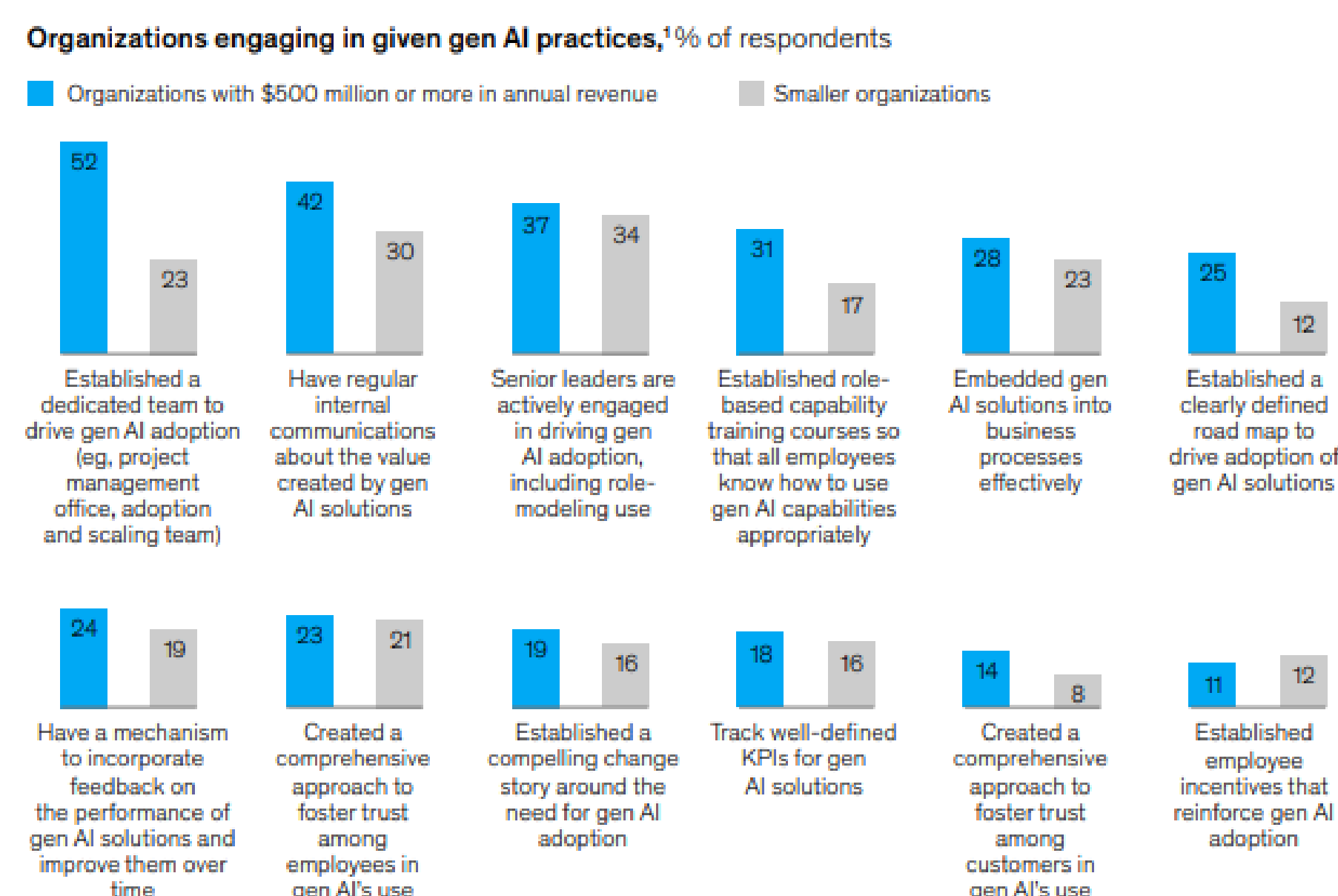
Instead, they have cracked the code with [learning-capable, integrated systems that compound](#) value over time.

The wrong side of the divide is the high adoption, low transformation scenario, where the quick wins of increased efficiency and time saving are prioritized. —

Real Value is created by doing the hard things around the model that empower them in ways that others cannot easily copy; this is the domain of '[Applied AI](#)'.

This includes giving people the skills they need to maximize value from ever more capable LLMs. The release of GPT-5 is a case in point, where new approaches are needed. This [GPT-5 prompt optimizer](#) is proving useful, and OpenAI's [GPT-5 build hour](#) provides much inspiration.

McKinsey's [2025 State of AI](#) finds two practices most correlated with bottom-line impact: redesigning workflows around AI, prioritizing AI governance, establishing adoption roadmaps, and embedding solutions in day-to-day processes with change management and incentives, not just ad hoc usage guidelines.



Second, tracking well-defined KPIs for AI solutions. Only 1% of executives describe their GenAI rollouts as "mature," and more than 80% say they [aren't yet seeing tangible enterprise-level EBIT impact](#) because the rewiring remains incomplete. The bottleneck is organizational, not technological.

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Capturing Value with AI

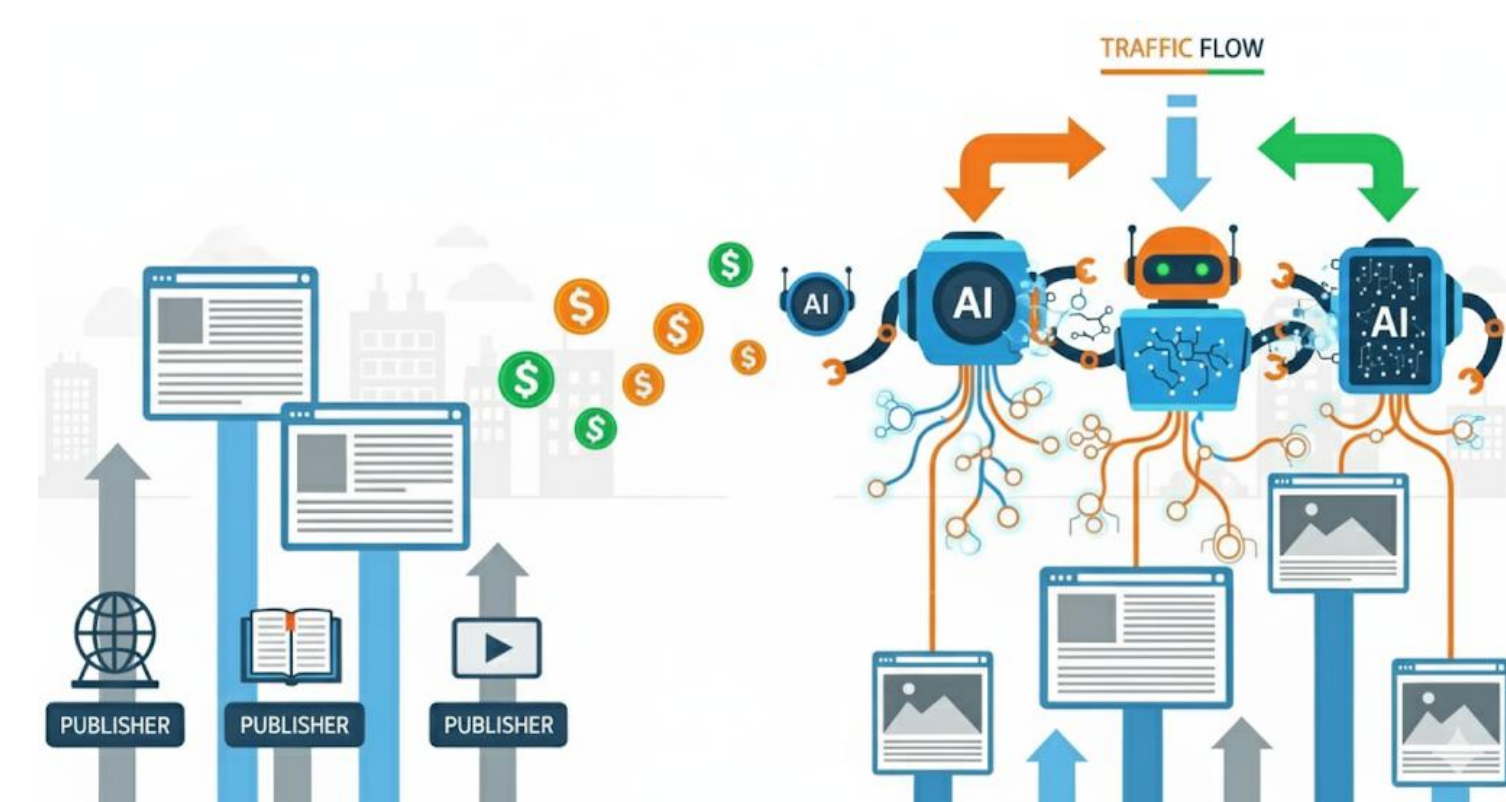
The MIT NANDA report states that media is [one of only two industries](#) that have seen meaningful structural change due to AI. Whilst [marketing and sales functions](#) across all industries report the highest impact of AI solutions.

Advertisers operate in sensitive environments where model hallucinations, misuse of assets, and opaque measurement can quickly undermine value. "[Applied AI](#)," therefore, means instrumenting creative, media, and commerce workflows with policy, QA, and accountability. [Differentiation will center on leveraging](#) first-party data, activation rails, brand safety guardrails, and proof of incrementality. The winners will be those who [thrive in](#) an outcome-based model.

The AI Labs see an opportunity to capture the value where it is created in the enterprise, utilizing their playbooks across other business sectors. OpenAI recently expanded beyond APIs and packaged software into [high-touch enterprise consulting](#). Reported price points [start at ~\\$10 million per engagement](#), to build agents and wire models into proprietary data and workflows.

In the intense competition to deliver the most powerful models, focus has shifted from training on saturated public data sets to making deals to access private information from academia, business, commerce, and consumers. Anthropic recently [changed its terms to train models](#) on Claude chats. [Amazon has blocked many AI bots](#) from finding products on its site. Instead, choose a walled-garden approach to [nascent agentic commerce](#) capabilities.

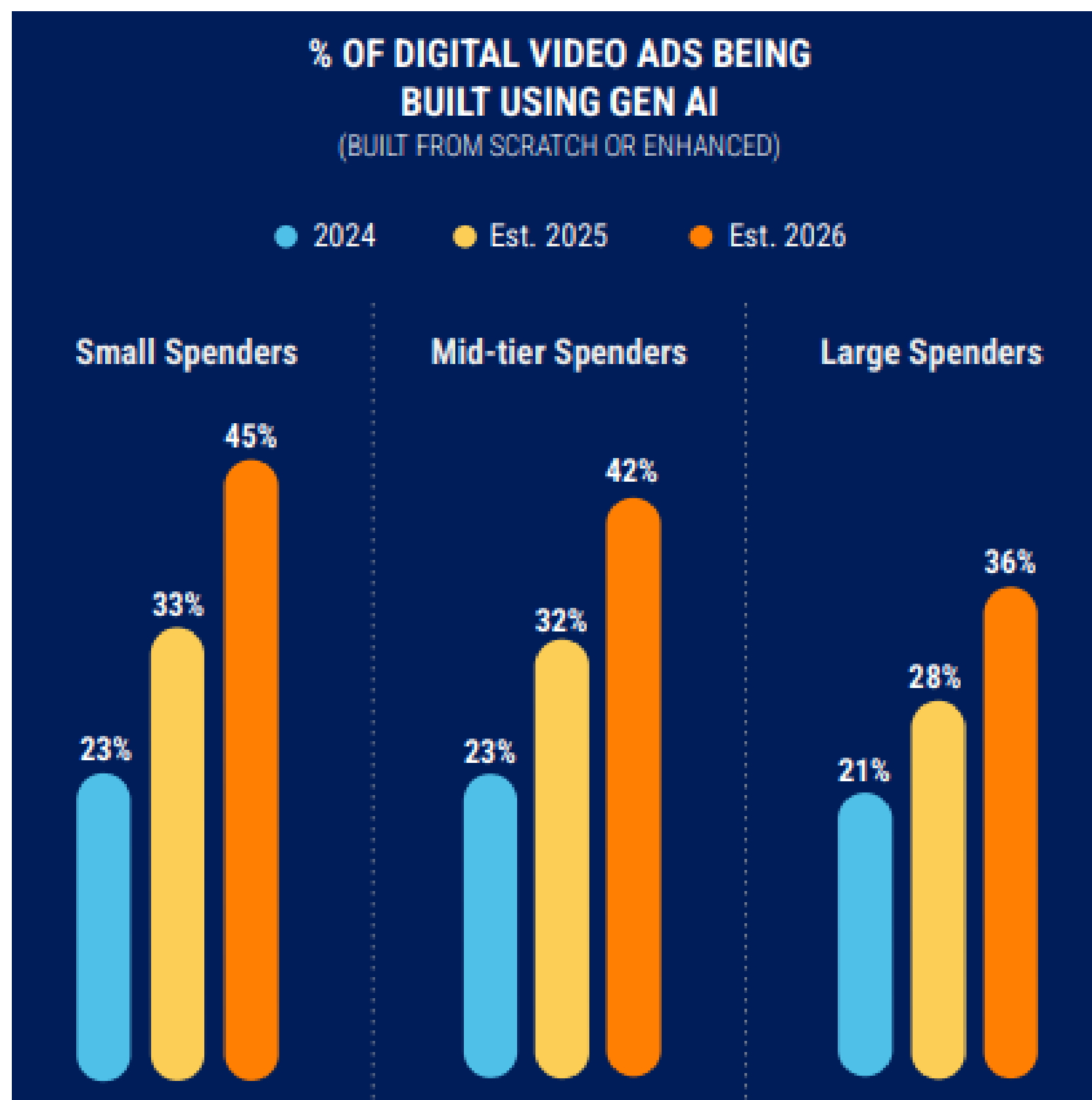
Publishers have long [litigated against model providers](#), seeing both copyright infringement and traffic losses from LLMs. The IAB Tech Lab has suggested [an LLM Content Ingest API initiative](#) to enable publishers to provide access to LLMs sustainably and equitably through mechanisms such as a cost per crawl model and integrated MCP solutions.



Within the Content Ingest initiative, there is a proposed [Brand LLM Ingest API](#) that brands should research its value potential with generative search and AI agents.

Practical Application of AI

Over [50% of advertisers](#) in regions such as North America and Europe utilize AI for content generation. The IAB reports [86% of buyers already use or plan to use GenAI](#) to build video ads.



The IAB projects [39% of all video ads](#) will be GenAI-created by next year, with smaller advertisers most keen to utilize it as it enables them to close the production capability gap.

As technologies such as Veo3 are adopted, it becomes increasingly hard to tell [what an AI-created ad is](#). The general trend is for AI to flatten and commoditize markets.

Anything an LLM can do out of the box is commoditized to near-zero value. It is when unique data or applications are connected that a sustainable margin can be gained.

Knowledge bases for enterprise should be prioritized, especially first-party, unique assets. They must be identified, indexed, vectorized, and permissioned to become proprietary [enterprise knowledge graphs](#).

OMG examples such as [Wally](#) in Germany and [Omni Kompassi](#) in Finland have proven impactful in recent months.

Model Context Protocol (MCP) enables LLMs to connect to legacy systems and information stores. An example of the transformation potential comes from the [Google Analytics MCP server](#), which allows [both natural language queries](#) and [agents to analyze data](#) and find patterns, essentially removing the resource limit to optimize decisions.

The emerging [agent-to-agent protocol](#) (A2A) will then knit these agents together to deliver impactful workflows and capabilities.

The Agentic Web

We are still at the dawn of the agentic AI age; the first agent only came on stream this year, but capability development has been rapid.

MIT's Networked Agents and Decentralized AI (NANDA) initiative foresees the next stage being an [agentic web](#) where 'billions of [specialized AI agents](#) perform discrete functions while communicating seamlessly, navigating autonomously, socializing, learning, earning, and transacting' on behalf of consumers and enterprises alike.



The current rate of progress implies that this is a matter of months rather than years away. Therefore, the capability to leverage private information, [develop agents at speed with small, focused, empowered teams](#) connected within secure environments with strong governance is an urgent priority.

Applied AI isn't the model; it's a way of running the business. When workflows, data, and incentives are rewired to deliver specific outcomes, revenue lift, lower cost-to-serve, and faster cycle times.

The latest evidence shows most enterprises still aren't there, despite widespread experimental adoption.

This means there is a significant and immediate opportunity to deliver growth through well-architected knowledge bases, organizational structures, and governance, and deep integrations with legacy systems and across agents.



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