2025

SERVICE PERFORMANCE INSIGHT

THE IMPACT OF AI ON PROFESSIONAL SERVICES

BEYOND THE HYPE, REAL USE CASES.

Service Performance Insight

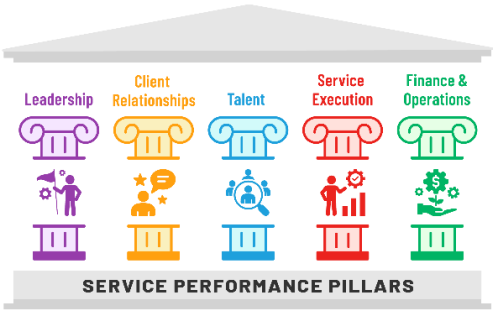
certinia

Service Performance Insight

Service Performance Insight (SPI) is a global research, consulting and training organization dedicated to helping professional service organizations (PSOs) make quantum improvements in productivity and profit. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework. It is now the industry-leading performance improvement tool that over 50,000 service- and project-oriented organizations use each year to chart their course to service excellence.

The core tenet of the PS Maturity Model™ is that PSOs achieve success through the optimization of five Service Performance Pillars™:

- Δ **Leadership**
- Δ **Client Relationships**
- Δ **Talent**
- Δ **Service Execution**
- Δ **Finance & Operations**



The SPI Advantage – Research

Service Performance Insight provides clients and industry audiences with an informed and actionable third-party perspective. Our market research and reporting help buyers and sellers of information technology-based solutions maximize the effectiveness of solution development, selection, deployment and use.

The SPI Advantage – Consulting and Scorecards

The PS Maturity Assessment™ benchmarks PSOs against industry peers across 165+ critical metrics, providing a data-driven framework and roadmap to achieve Level 5 maturity within each of the Service Performance Pillars™. In 2024, firms at Level 5 saw, on average, a 739% increase in revenue growth, a 537% boost in profit margins and a 71% improvement in billable utilization over Level 1 organizations.

To provide us with your feedback on this research, please send your comments to:

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The Data-Driven Path to AI Maturity

For decades, the Professional Services industry has thrived on a simple formula: human expertise multiplied by time. We have weathered the shifts of cloud delivery and remote work, but, as this report highlights, Artificial Intelligence represents a different kind of challenge. With the increasing adoption of AI comes new expectations for the business impact it provides. We have moved past the AI hype and into a phase of strategic recalibration. Leaders are no longer looking for "quick wins" but are instead shifting their focus toward long-term strategic value.

But there is a growing divide between high-performing firms and the rest of the market. High performers are not necessarily those with the flashiest client-facing bots; they are the organizations that have done the "unsexy" work of cleaning their data, structuring workflows, and ensuring their people—not just their IT departments—are truly AI-proficient. These firms are beginning to see business impact through better margins, utilization, on-time delivery, etc. They have realized that AI cannot fix a weak foundation; it only accelerates what is already there.

This is a wake-up call for any leader who thinks they can "wait and see" while their data remains siloed and their teams lack proficiency. With 45% already expecting AI to be part of services delivery, the window for catching up is closing fast. To bridge this gap, we must prioritize the use cases that work—proposal development, project management, and risk analysis—rather than chasing innovation for its own sake.

At Certinia, we eliminate the "Franken-stack" tax by connecting the entire services value chain natively on Salesforce, turning operational data into a competitive advantage. By orchestrating people and work through agentic resourcing, unifying PSA with Customer Success to optimize real-time project health, and bridging the gap between sales and long-term success, we help firms move from experimentation to true institutionalization.

While the road to maturity requires discipline, the outlook is grounded and positive: those who invest in their data and their people today will be the ones who define the future of professional services.

Raju Malhotra,
Chief Product & Technology Officer, Certinia

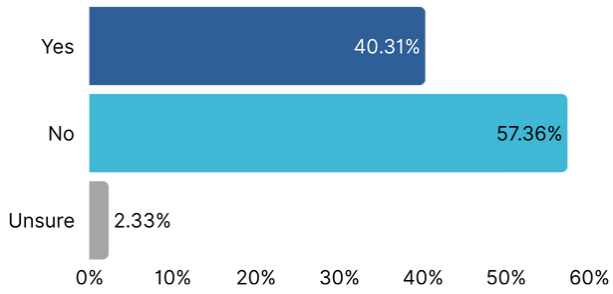
CHAPTER 1 – EXECUTIVE SUMMARY

The **2025 Impact of AI on Professional Services** study of **146 PS firms** reveals a leadership test. Firms that build the conditions for AI to work will move ahead; those that do not will feel the gap widen over time. Adoption is on the rise, expectations have shifted and clients have begun to look for clear signs that their partners can work with modern tools. Yet performance impact is still uneven and the firms that are advancing have **two defining advantages: stronger data discipline and workforce AI proficiency.**

AI is Now in the Work, Not Just the Strategy

- **26% of projects already utilize AI, rising to 38% among high performers**
- **40% of firms now sell AI services**
- **36% report having an established AI practice**
- **14% of PS revenue now from AI initiatives**

Figure 1: % of Firms Currently Selling AI Services



Source: SPI Research, December 2025

AI's influence on core business applications is beginning to show meaningful progress, with CRM reflecting the strongest sentiment (2.24 out of 5) and **PSA showing a 156% year-over-year increase in favorable views of AI's impact.** This proves that AI is increasingly impacting performance when data is structured and workflows are clear. It also shows how far firms still need to go before AI reliably lifts the entire operating model.

Three Top Use Cases Have Broken Through

Across nearly 100 free-text responses on "top AI use cases", Figure 2 shows the three most common themes firms are finding the highest practical value from AI in 2025.

Figure 2: Top 3 – Participant Top AI Use Cases

***For a more detailed**, descriptive list of top use cases, see appendix linked here.*

Source: SPI Research, December 2025

1. **Marketing & Lead Generation**
   AI is now a core engine for top-of-funnel growth, representing ~16% of all top use cases and helping firms identify, qualify and engage prospects with far greater speed and accuracy.
2. **Proposal & Document Automation**
   Roughly 12% of firms cited proposal and document automation type use cases as their most valuable use case, using AI to accelerate proposal creation, summarize complex inputs and strengthen sales effectiveness.

3. **Service Design & Innovation**
   With ~10% of firms top use cases' sitting here, AI is increasingly shaping how firms design, refine and test service offerings — from early assessments to new proposition development and delivery models.

Leaders Face Real Concerns and they are Consistent Worldwide

PS executives highlighted **three dominant risks: data quality**, **security** and **transparency**. Data quality remains the number-one barrier for the second consecutive year. Security concerns grew, especially in firms with low AI proficiency. AI 12-month ROI expectations remain modest, with leaders forecasting **9.5% average return in year one.**

Table 1: Top 3 Concerns With Use of AI

AI Challenges Ranked	2025
Data quality concerns	4.11
Security risks	3.94
Transparency & accountability in AI's use	3.73

Source: SPI Research, December 2025

High Performers Show what Good Looks Like

The top **18.5%** of firms outperform on utilization, margin, revenue per consultant and EBITDA. They also:

- Use AI in **22.8%** more of their projects
- Have **46%** more of their employees proficient with AI
- Report lower data and security concerns
- Show stronger leadership alignment and clearer plans on AI

Yet they are more selective on client-facing AI offerings. Their **focus is on internal productivity, fundamentals and operational lift** rather than racing to push immature AI services to clients.

Top 5 Takeaways for C-Suite and PS leaders

1. **AI will not fix weak foundations**
   CRM and PSA show gains because their data is structured. The rest of the stack is lagging. Leaders must invest in data quality, process clarity and system hygiene before expecting a performance lift.
2. **Your people determine your ROI**
   Firms with over **60%** AI proficiency see EBITDA above **23%**, the highest across maturity levels in 2025. Training is now the strategic lever to take advantage of.
3. **Client expectations are forming faster than firms are adapting**
   45% of clients already expect their partners to use AI in delivery. Firms that cannot demonstrate this will struggle in competitive bids within two years.
4. **Start with the use cases that work, not the ones that sound innovative**
   Proposal development, meeting summaries, PMO activities and risk analysis are the quickest wins. These use cases produce measurable ROI and build confidence in teams.
5. **The market is moving toward agentic automation, but not yet at scale**
   Adoption is still early. Firms that prepare their data and workflows today will be well-positioned when agentic systems mature over the next two years.

CHAPTER 2 – FOREWORD

Introduction

The Professional Services industry has weathered many cycles of disruption. Cloud delivery reshaped operating models, hybrid work redefined how teams collaborate and global resourcing altered how firms scale. Artificial Intelligence is the next major shift. Not because it replaces the foundations of professional services, but because it changes the speed, precision and scale at which those foundations can be strengthened. For **Professional Services Organizations (PSOs)** and **Embedded Services Organizations (ESOs)** alike, AI is ready to leave its experimentation phase. It is already becoming part of how the best firms operate every day. The advantage goes to organizations that can pair strong leadership with clean data, clear workflows and teams that know how to use the tools. Firms that invest in these fundamentals will gain momentum; firms that do not will find it harder to keep pace.

As with every SPI benchmark, the purpose of this study is to provide clarity grounded in data. This report examines how AI affects performance across the five pillars of SPI's Professional Services Maturity Model and where firms are beginning to see meaningful lift. Drawing on responses from 146 organizations across the Americas, EMEA and APAC, it evaluates how AI is being used across marketing, sales, client relationships, service delivery, operations and talent. It also explores h-ow leaders are framing their AI strategy, where they expect the greatest impact and what barriers remain in the way of wider adoption.

The findings show an industry that is rapidly experimenting but progressing unevenly. **AI is now present in nearly a quarter of all projects, yet its impact varies widely depending on data quality, process discipline and workforce capability.** Early gains are concentrated in time savings and administrative efficiency, while more complex outcomes — margin, delivery quality, revenue growth — remain harder to unlock. A clear performance divide is also emerging between firms that have built the operational foundations for AI-enabled work and those still addressing skills gaps, inconsistent processes and fragmented systems.

This report is designed to give leaders a practical lens on AI's role in professional services today. It helps firms distinguish early signals from noise, understand where AI is already supporting productivity and client outcomes and identify the conditions required for AI to strengthen performance at scale. As with all SPI benchmarks, the emphasis is on comparability, evidence and actionable insight — helping every firm advance its maturity journey with a sharper understanding of what AI can and cannot solve today.

"AI will not eliminate Professional Services,
but AI-enabled firms will outperform and eventually leave behind those that don't evolve."

The Importance of People in Professional Services

Professional Services has always been a people business. Its value comes from judgment, context and accountability — the things clients rely on when they lack the capacity, capability or confidence to navigate change alone. Services can be standardized or even productized, but once they are, they become products, not Professional Services. The work that remains requires interpretation, adaptation and execution that only people can deliver.

AI is advancing fast. It will automate tasks, analyze at depth and through agentic capabilities coordinate work across systems. It will soon draft strategies, model scenarios and propose solutions. But **organizations will not allow AI to redesign operating models, processes or governance without a human who can be held accountable for outcomes.** This is not a capability gap; it is a trust and accountability gap.

Leaders still want an expert to validate direction. Boards want someone who can explain recommendations in context. Teams need someone who can translate AI output into commercial, political and cultural realities. Change, alignment and adoption do not happen automatically and no firm will "press a button" and allow an algorithm to decide how work gets done without an expert the room.

There is also a human truth that will persist: **people prefer to buy from people.** Clients want confidence, credibility and relationships — not faceless automation. The frustration many feel with chatbots or automated support illustrates the limits of AI-only interactions. Over time, this will improve, but in high-stakes environments, the preference for human guidance will remain strong.

As technology outpaces internal learning curves, the need for specialists grows. Internal teams anchored to BAU cannot absorb rapid shifts in AI, data, security and automation alone. PS firms remain essential not because AI lacks potential, but because someone must make it real, sequence the change and stand behind the results.

AI will reshape Professional Services, but it will not replace it. Instead, it shifts where human value concentrates: interpreting context, navigating risk, building alignment, ensuring responsible use of AI, selecting the right solution, sequencing change, validating what "good" looks like and shouldering accountability. Clients will continue to rely on people they trust to guide transformation and manage risk.

"Professional Services remains, fundamentally, a people business. AI will augment it and accelerate it, but the need for human expertise at the center of complex organizational change is not going anywhere."

Definitions

Artificial Intelligence:

Artificial intelligence (AI) applies advanced analysis and logic-based techniques, including machine learning (ML), to interpret events, support and automate decisions and take actions. – Source: Gartner

Machine Learning:

Advanced machine learning algorithms are composed of many technologies (such as deep learning, neural networks and natural language processing), used in unsupervised and supervised learning, that operate guided by lessons from existing information. – Source: Gartner

Generative AI:

Generative AI refers to AI techniques that learn a representation of artifacts from data and use it to generate brand-new, unique artifacts that resemble the original data but don't repeat it. – Source: Gartner

Agentic AI:

Agentic AI is an artificial intelligence system that can accomplish a specific goal with limited supervision. It consists of AI agents — machine learning models that mimic human decision-making to solve problems in real time. In a multi-agent system, each agent performs a specific subtask required to reach the goal and their efforts are coordinated through AI orchestration. – Source: IBM Think

Also Note:

1-5 Question Scoring:

***Most results in this report use a 1–5 agreement scale**, ranging from Strongly Disagree to Strongly Agree (or similar), with 3 representing Neutral. **Any average score below 3 indicates that, overall, respondents lean more negative than positive**, even if some individual firms still report strong outcomes.*

CHAPTER 3 – AI STRATEGY

Concerns & Challenges

From an SPI-defined set of AI adoption challenges, participants rated their level of concern from 1 to 5 (5 = greatest concern). In 2025, **data quality again ranked the greatest concern.** This aligns with Gartner already placing Generative AI in the Trough of Disillusionment back in 2024 and reflects what **PS leaders have experienced over the past 18 months: hallucinations, weak source attribution and inconsistent prompt behavior remain the primary barriers to trust.** These issues reinforce a simple reality: while GenAI can create impressive outputs, dependable back-office or client-ready value still requires strong data discipline, contextual grounding and sound governance.

Table 2: Organizational Challenges with Artificial Intelligence

Challenge	2025	ESO	PSO	Americas	EMEA	APac
Data quality concerns	4.11	3.93	4.16	4.20	3.82	4.17
Security risks	3.94	3.93	3.94	4.01	3.68	4.00
Ensuring transparency and accountability in AI's use	3.73	3.90	3.68	3.70	3.75	3.92
Too many tools	3.67	3.38	3.76	3.75	3.32	3.92
Technical integration issues	3.50	3.45	3.52	3.55	3.18	3.92
Managing workforce impact and reskilling	3.46	3.24	3.52	3.44	3.50	3.50
High costs	3.39	3.38	3.39	3.37	3.21	3.92
Loss of IP	3.31	3.32	3.31	3.45	2.79	3.50

Source: SPI Research, December 2025

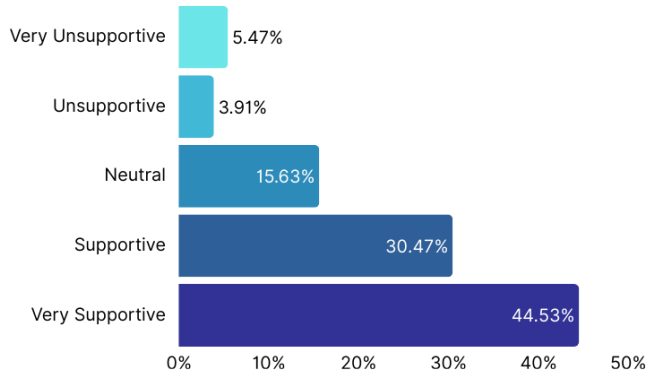
The rest of the rankings reveal why many firms have not yet encountered deeper deployment challenges such as integration complexity, reskilling needs, or IP concerns. **Most organizations are still working through more fundamental limitations — unstructured, fragmented and inconsistent data** — which constrain the reliability of AI-driven results. Until this foundation strengthens, the more advanced issues remain secondary.

These challenges also explain the types of AI use cases that dominate in professional services today. **The most common "top" use cases are those that operate with lighter data requirements and minimal integration**, such as proposal development, summarization and delivery-adjacent support. Lower-ranked concerns around system-embedded AI and cross-platform integration mirror the reality that most firms have not yet moved into data-dependent or operational AI. **As a result, many current use cases cluster close to existing individual workflows, while higher-value back-office and service-development applications remain out of reach** until the data foundation improves.

Strategic Focus

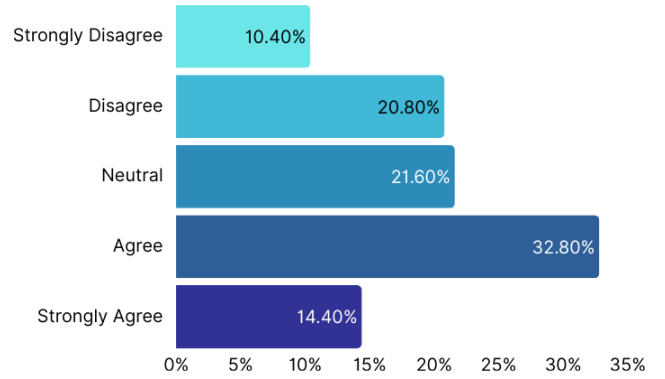
The strategic posture of a professional services organization or team begins with leadership commitment. The data shows that a clear majority of leaders are supportive — nearly half "very supportive" and another third "supportive" — creating the conditions for meaningful experimentation and adoption. **Very few leaders actively resist AI.**

Figure 3: PS Leadership Support in Adopting and Integrating AI



Source: SPI Research, December 2025

Figure 4: AI is a Significant Part of our Current Product and Service Strategy

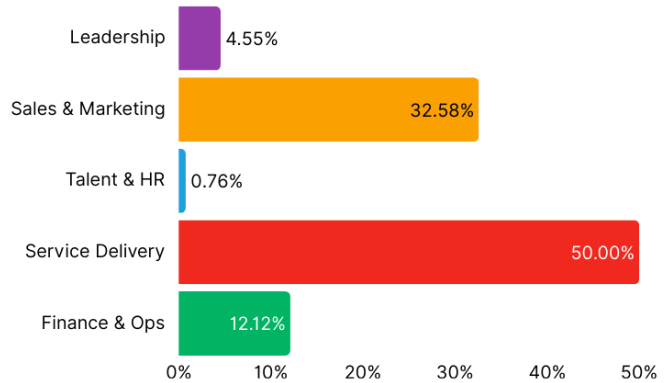


Source: SPI Research, December 2025

Leadership support does not automatically translate into execution and this is where the picture becomes more nuanced. While enthusiasm is high, the degree to which AI is embedded into product and service strategy varies widely. Roughly one-third agree AI already plays a significant role, another third remain neutral and a notable proportion still disagree**. This split in Figure 4 suggests early movement, but not yet a universal strategic pivot.**

When asked where AI will have the greatest organizational impact, leaders point decisively toward Service Delivery and Marketing & Sales — two areas directly tied to revenue growth and client experience. **Leadership and HR remain low on the list, reinforcing that most firms view AI as an operational enhancer** rather than a people-management or governance tool at this stage.

Figure 5: Area of the PSO that Expect AI to Impact the Most



Source: SPI Research, December 2025

CHAPTER 4 – AI PRIORITIZATION

What PS Leaders Care About

Professional Services Performance Goals

"Professional Services performance rests on leadership's disciplined balance of growth, talent optimization, client satisfaction and profit — kept lean for efficiency yet strong for growth, so no single goal meaningfully undermines the others."

Professional Services may be operationally complex, but its core goals are straightforward. **Every PS organization is ultimately balancing four outcomes that define long-term performance**: *Revenue Growth, Talent Optimization, Client Satisfaction* and *Organizational Profit*.

These align directly with SPI's five Service Performance Pillars. Leadership is represented in the outer layer of the model because its role is to shape, guide and coordinate the balance of these four goals; it functions as the mechanism that supports them, not a goal of its own. Across markets, industries and maturity levels, these four goals determine whether a PS business is truly performing.

Figure 6: The PS Performance Diamond

Source: SPI Research, December 2025

The challenge comes from the fact that **all four must remain in balance**. Growth must be pursued, but not at a pace that outstrips a firm's ability to hire, train and deploy talent effectively. Talent must be deep enough to deliver the work sold, but hiring too aggressively reduces billable utilization and erodes margins. Clients must be satisfied, yet overservicing them strains delivery capacity and impacts profitability. Profit must be protected, but not through cuts that weaken capability, increase employee attrition or undermine the client experience. Every operational decision — how quickly to scale, how tightly to manage utilization, how much to invest in capability — shifts the relationship among these four forces. **When any one of them becomes too dominant or too neglected, the impact is immediate: uneven growth, client dissatisfaction, talent fatigue, or declining financial performance.**

This balance is the foundation of Professional Services and no new framework or technology — including AI — changes these fundamentals. AI can streamline processes, enhance insight and extend capacity, but it does not alter the underlying mechanics of how PS organizations and teams function.

Each AI initiative must therefore be evaluated through the same lens:

1. Does it support sustainable growth?
2. Does it strengthen talent without creating new pressures or dependencies?
3. Does it improve the client experience?
4. Does it contribute meaningfully to organizational profit?

These four goals anchor the business and they should anchor AI decision-making with the same discipline.

PS Leaders' AI Strategic Goals

The AI strategic goals reported by PS leaders paint a consistent picture of where organizations are directing their attention. **Efficiency sits at the top (4.17), reflecting the continued pressure to deliver more with less and to stabilize performance during a period of rapid change.** Service innovation (4.02) follows closely, signaling that firms are beginning to invest in new offerings and delivery models as they understand more about where technology can create differentiation.

Goals that require deeper organizational redesign — financial optimization and business planning — appear lower on the list. This suggests that leaders are focusing first on strengthening day-to-day operations before tackling broader structural shifts. Regionally, EMEA's slightly higher emphasis on innovation stands out, indicating a stronger appetite to move beyond efficiency and explore new service-led value. Together, these priorities show a sector working to stabilize the core while preparing for the next wave of change.

Table 3: AI Strategic Goals by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Increase efficiency	4.17	4.07	4.20	4.17	4.18	4.17
Innovate service offerings	4.02	3.97	4.04	3.93	4.32	4.00
Enhance client engagement	3.87	3.90	3.86	3.85	3.93	3.83
Optimize Internal financial operations	3.40	3.17	3.47	3.48	3.14	3.42
Business planning	3.37	3.30	3.39	3.35	3.56	3.08

Source: SPI Research, December 2025

AI's Impact on Key Processes

Where Leaders Currently see the Most Benefit

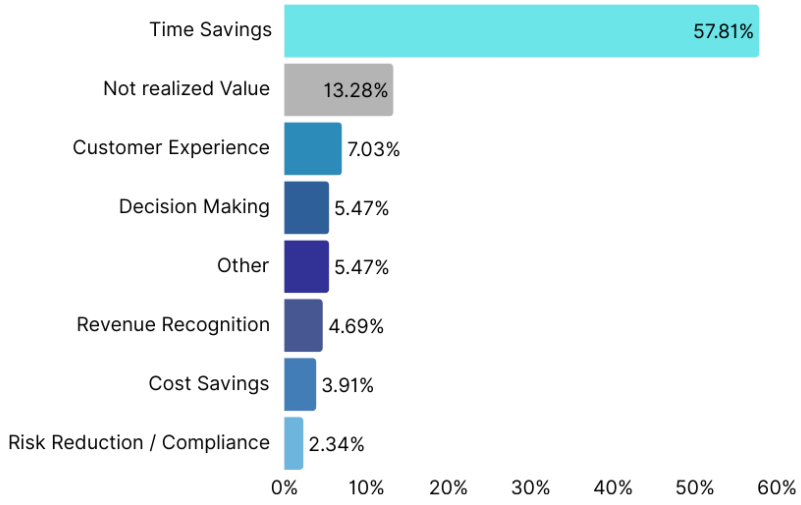
One of the clearest signals in the study comes from asking the question:

Where are businesses currently realizing the *most* value from AI?

Though answer selection was from an SPI-provided list, the response leaves little ambiguity. **58% of firms point to time savings as the primary source of value,** dwarfing every other category. No other option crosses even 8%. **AI in 2025 is still overwhelmingly an *efficiency engine*, not a transformational one.**

What is equally telling is where firms **are not** seeing value. **Cost savings sit at just 3.91%** and **revenue generation at only 4.69%**. Despite common industry narratives, AI is not reducing operating expense at scale, nor is it producing materially higher revenue — at least not yet. If anything, meaningful cost reduction would be a warning sign that a firm may be underinvesting in AI capability, talent or adoption. In a PS business, cutting too deeply risks weakening the very capacity and expertise needed to create future value.

Figure 7: Where is your Business Currently Realizing the Most Value from AI?



Source: SPI Research, December 2025

The **13.28% reporting no realized value** is also significant. It reflects a market still early in adoption maturity — where pilots, experiments and fragmented use cases haven't yet converged into enterprise-level impact. This group will likely shrink as organizations build better governance, foundations and literacy around AI, but for now it reinforces that value realization is uneven and far from guaranteed.

Areas positively impacted by AI

The rankings in Table 4 indicate where individual respondents felt AI improved their key processes the most. They should not be interpreted as "top AI use cases" for Professional Services overall. A task can receive a high score simply because AI automates it well — even if its financial or strategic importance is relatively small.

The strongest positive sentiments came from AI in content-heavy and client-facing activities, particularly within SPI's Client Relationships pillar. Creation of marketing content (3.70), proposal development (3.68), project deliverables (3.66) and go-to-market and client research all score well above the neutral midpoint of 3.0 — firmly in the "agree" range.

These use cases align with where Generative AI provides immediate value: drafting, summarizing, synthesizing and accelerating knowledge-heavy tasks. The consistency of these results reinforces what the industry has seen over the past 18 months: **AI's earliest and clearest wins occur in activities requiring speed, iteration and structured communication rather than deep process transformation.**

Score patterns shift noticeably further down the list. Activities in **Service Execution (SE)** and **Talent (TA)** — such as project management (3.29), employee training (3.13), reviewing resumes (2.94) and retaining talent (2.81) — cluster around or just below the midpoint score of 3.0. These results indicate the industry's transitional state: AI is beginning to make a difference, but not yet at a level that respondents broadly "agree" it has improved the work. These categories represent the **early "Level 1" complexity zone**.

The lowest scores are concentrated in the **Finance & Operations (FO)** pillar: project profitability analysis (2.66), rate analysis (2.53) and demand planning (2.52). Scores fall materially below the neutral midpoint, signaling that most firms **do not** feel AI has improved these areas. This aligns with broader findings throughout the study: AI's current value is highest where the inputs are unstructured (text, ideas, drafts) and lowest where success depends on clean operational data, integrated systems and strong governance.

For leaders considering where to apply AI next, this table should not

Table 4: AI's Impact on PS Processes, Ranked

Activity	Pillar*	2025
Creation of marketing content – posts, blogs, white papers	CR	3.70
Proposal development	CR	3.68
Creation of project deliverables	SE	3.66
Go to market research	CR	3.62
Client research	CR	3.57
Review master services agreements	SE	3.35
Marketing programs	CR	3.33
Project management	SE	3.29
Lead generation	CR	3.25
Data analytics	FO	3.16
Employee training	TA	3.13
Ability to acquire clients	CR	3.09
Personalizing / tailoring services or solutions to individual clients	CR	3.06
Ability to retain clients	CR	2.98
Reviewing resumes	TA	2.94
Resource management	SE	2.93
Corporate reporting	FO	2.85
Project risk analysis	SE	2.82
Retaining talent	TA	2.81
Workforce skill gap analysis	SE	2.81
Project accounting	SE	2.80
Talent Strategy	TA	2.77
Acquiring talent	TA	2.76
Project profitability analysis	FO	2.66
Rate analysis	FO	2.53
Demand planning	FO	2.52

**CR = Client Relationships, SE = Service Execution, TA = Talent, FO = Finance & Ops*

Source: SPI Research, December 2025

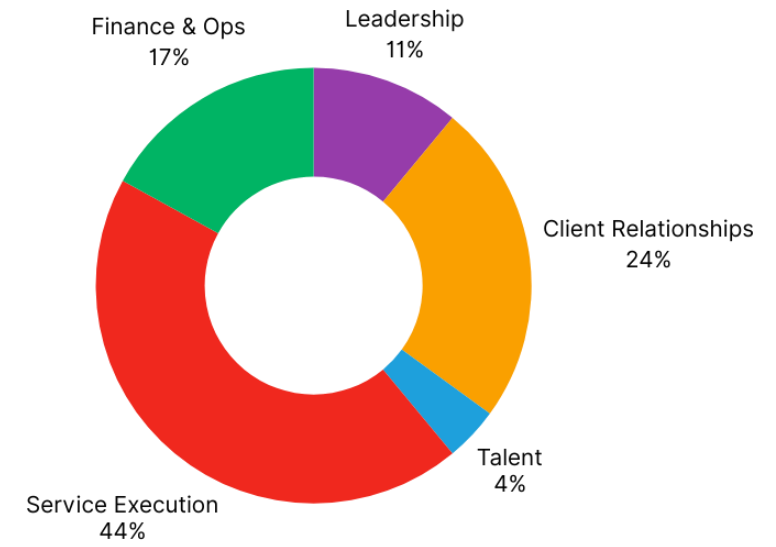
be interpreted as "where to invest first", but rather **where peers have personally felt the benefits — and where they have not**. A firm struggling with lead generation or content creation will see encouraging proof points in the upper ranges. A firm struggling with profitability analysis should interpret the lower scores as an indicator that foundational data, tooling and process maturity must improve before AI can meaningfully contribute. Across the board, these results depict a sector capturing early wins on the surface while the deeper operational opportunities remain largely unrealized.

Participant Top Use Cases

Across nearly 100 free-text responses, participants described the single most valuable AI use case they rely on today. These were not chosen from a predefined list. When SPI coded and grouped these responses into themes, clear patterns emerged.

When these top use cases are mapped to SPI's Service Performance Pillars, in Figure 8, most sit within **Service Execution (44%)**. This reflects where practitioners and leaders spend much of their time, with AI assisting project tasks, documentation, onboarding and support within delivery teams.

Figure 8: Top Use Cases by PS Performance Pillar

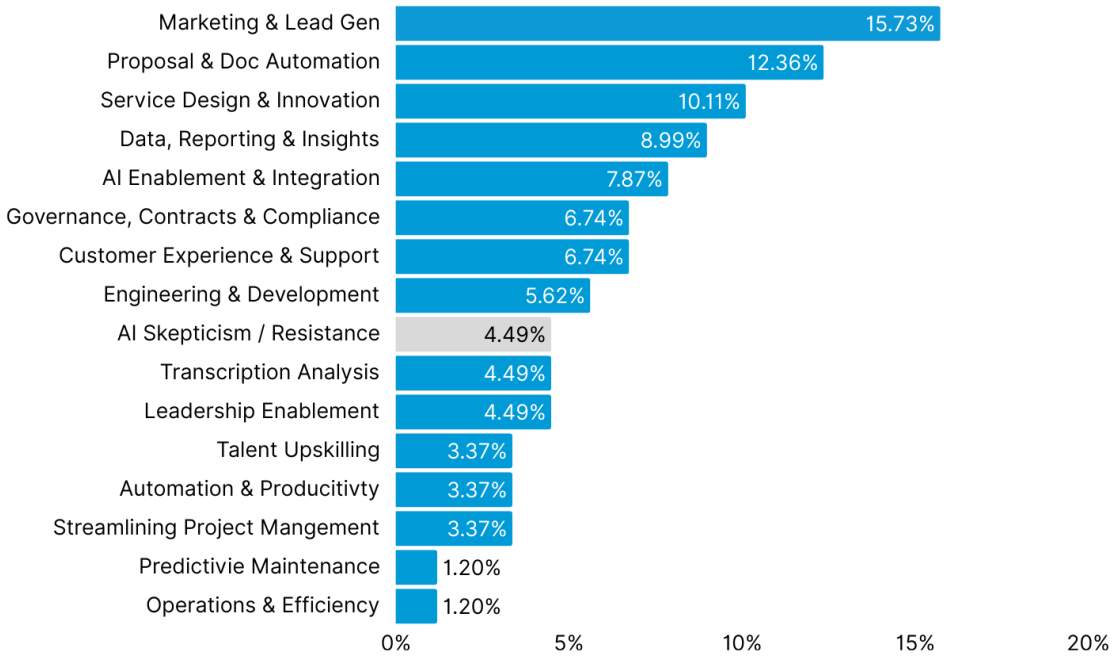


Source: SPI Research, December 2025

Client Relationships follows at 24%, driven by sales and marketing activities frequently owned by PS leaders. **Finance & Operations (17%)**, **Leadership (11%)** and **Talent (4%)** are less represented, indicating that **back-office and organizational use cases are not yet as prominent in day-to-day practice.** Overall, the distribution suggests that AI is being applied first to the areas most directly experienced by respondents — delivery and demand generation — while broader back-office and leadership applications are still developing.

The responses when categorized in Figure 9 show that **firms are putting most of their early AI effort into sales, marketing and lead-generation work.** These are the areas where volume is high, deadlines are tight and teams spend significant time producing content, qualifying opportunities and preparing proposals. It's not surprising that these use cases dominate. They offer immediate relief without changing how services are delivered and they fit easily into workflows that already rely on structured templates and repeatable information.

Figure 9: AI Top Actual Use Cases from PS Leaders – Themed Popularity



Source: SPI Research, December 2025

For a more detailed list of actual top use cases, see the appendix linked here.

Outside the commercial front end, AI use is more spread out. Service design, customer experience, project management and data analysis all appear frequently, but **no single delivery-side theme stands out the way proposal automation and lead generation do.** Instead, the data points to a wide set of efficiency gains: faster onboarding, stronger summarization, cleaner datasets, more consistent reporting and lighter workloads across support and delivery teams. These improvements are meaningful, but they focus on smoothing the work rather than reshaping it.

A smaller group of respondents are experimenting with more technical or specialized applications — predictive models, code assistants, geospatial analysis and agentic tools (later referred to as "Level 3" complexity) — but these remain isolated rather than common practice. Leadership-oriented use cases also show up in modest numbers, suggesting uneven understanding or confidence at the top of the organization.

The mentions of resistance and outright bans are equally telling. They show that adoption is influenced as much by culture and trust as by technology.

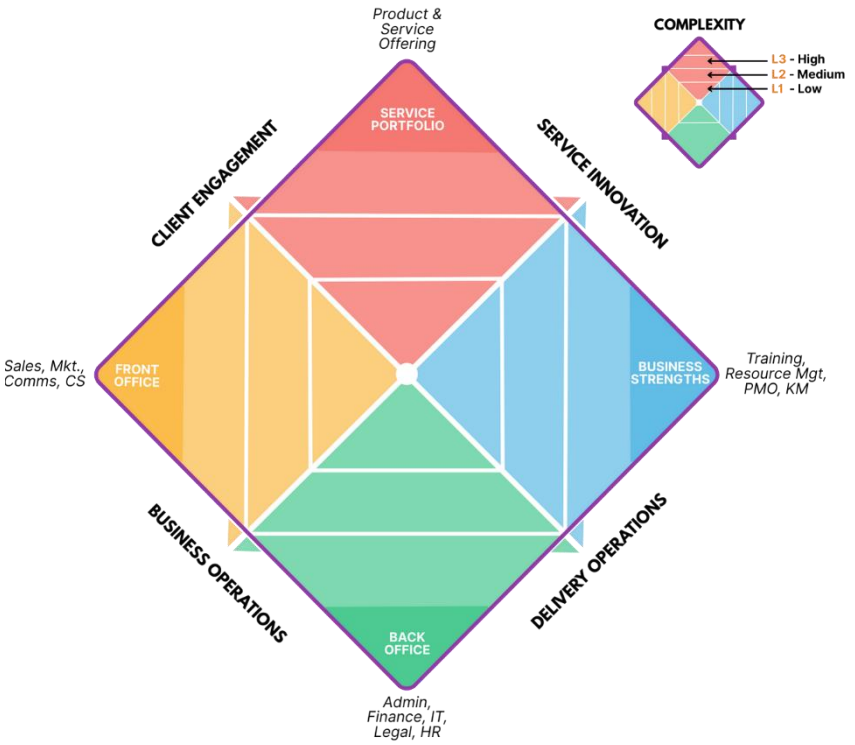
Overall, the pattern reflects a sector that starts with tasks that consume the most time and rely on repeatable information. AI is already making those parts of the business faster and lighter. The bigger question is how long firms will remain in this "Level 1 complexity" phase of easing workload before turning toward the parts of the services model where AI can influence how value is created, not just how work gets done.

Identifying AI Opportunities

For Professional Services firms, **prioritizing AI opportunities starts with understanding where the organization is ready and where it is not.**

SPI's Project Initiative Diamond gives firms a useful shared framing for discussing AI initiatives. By mapping opportunities to domains such as front office, service portfolio, business strengths and back office, leaders can clearly see where initiatives naturally sit within the organization. **Applying the complexity lens to use cases helps to avoid the problem of treating all AI initiatives as the same type of effort.** That clarity makes prioritization more structured, improves cross-functional alignment and helps teams understand how each initiative fits into the firm's broader goals.

Figure 10: SPI's Project Initiative Diamond



Source: SPI Research, December 2025

PS Leadership's top AI concerns highlighted earlier, particularly around data quality, integration and governance, **suggest that many firms should begin with use cases that rely on already structured, accessible information and limited system dependencies.** This aligns with the most commonly reported use cases listed in Table 4 and that are populated below in Figure 11: lead gen, proposal support, summarization and delivery-adjacent tasks.

These areas sit closer to the "Front Office" side of the diamond because they are repeatable, lower-risk and tied directly to the work teams already perform. As firms gain experience and improve their data foundations, more advanced opportunities — such as predictive insights, financial modeling or AI-enabled service offerings become more feasible.

"Only One in Ten PS Firms Are Attempting Truly Transformational AI."

61% of PS firms' AI pilots are still operating at Level 1 complexity — with only 10% reaching true transformational (Level 3) complexity.

Assessing AI Complexity

Not every AI idea requires the same lift. Some use cases can be deployed quickly with off-the-shelf tools, while others depend on integrated data, redesigned workflows and meaningful change management. Although **each firm's maturity changes what feels "easy" or "hard"**, clear patterns still define low, medium and high complexity. The framework in Figure 11 gives PS leaders a simple way to judge complexity before placing a use case on the Project Initiative Diamond — and a shared language for separating quick wins from heavy lifts.

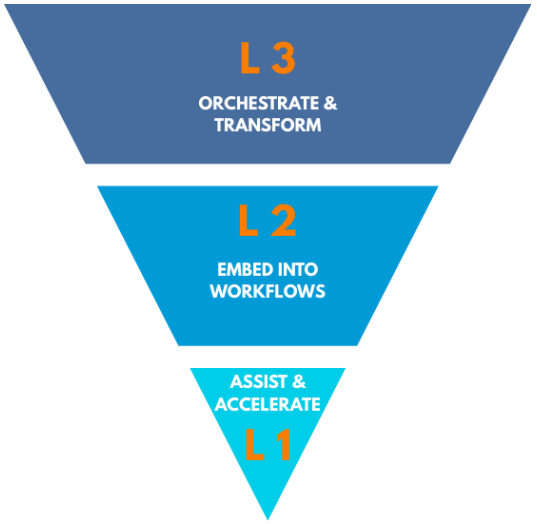
Level 1: Assist and accelerate

Improves individual productivity without changing how the business runs.

Characteristics: single system or structured data, minimal integration, low-risk tasks, human decision maker, limited change footprint.

Examples: drafting proposals and SOWs, meeting summaries, first-pass research, deliverable outlines, custom code edits

Figure 11: AI Project Complexity Levels



Source: SPI Research, December 2025

Level 2: Embed into workflows

AI begins to influence team-level planning and monitoring.

Characteristics: draws on multiple systems within one domain, relies on clean data, affects daily decisions, requires configuration, governance and cross-functional change.

Examples: AI-assisted resourcing, project risk scoring, demand forecasting and intelligent ticket routing, SLM linked KM

Level 3: Orchestrate and transform

Designed to reshape operations and often use agentic capabilities across platforms.

Characteristics: combines several core systems, automates decisions tied to revenue or risk, demands strong governance, requires role and process redesign and runs continuously.

Examples: agentic delivery orchestration, dynamic pricing, portfolio staffing engines, AI operating copilots.

How to use this with the Project Initiative Diamond

When placing a use case on the Project Initiative Diamond, assess four questions:

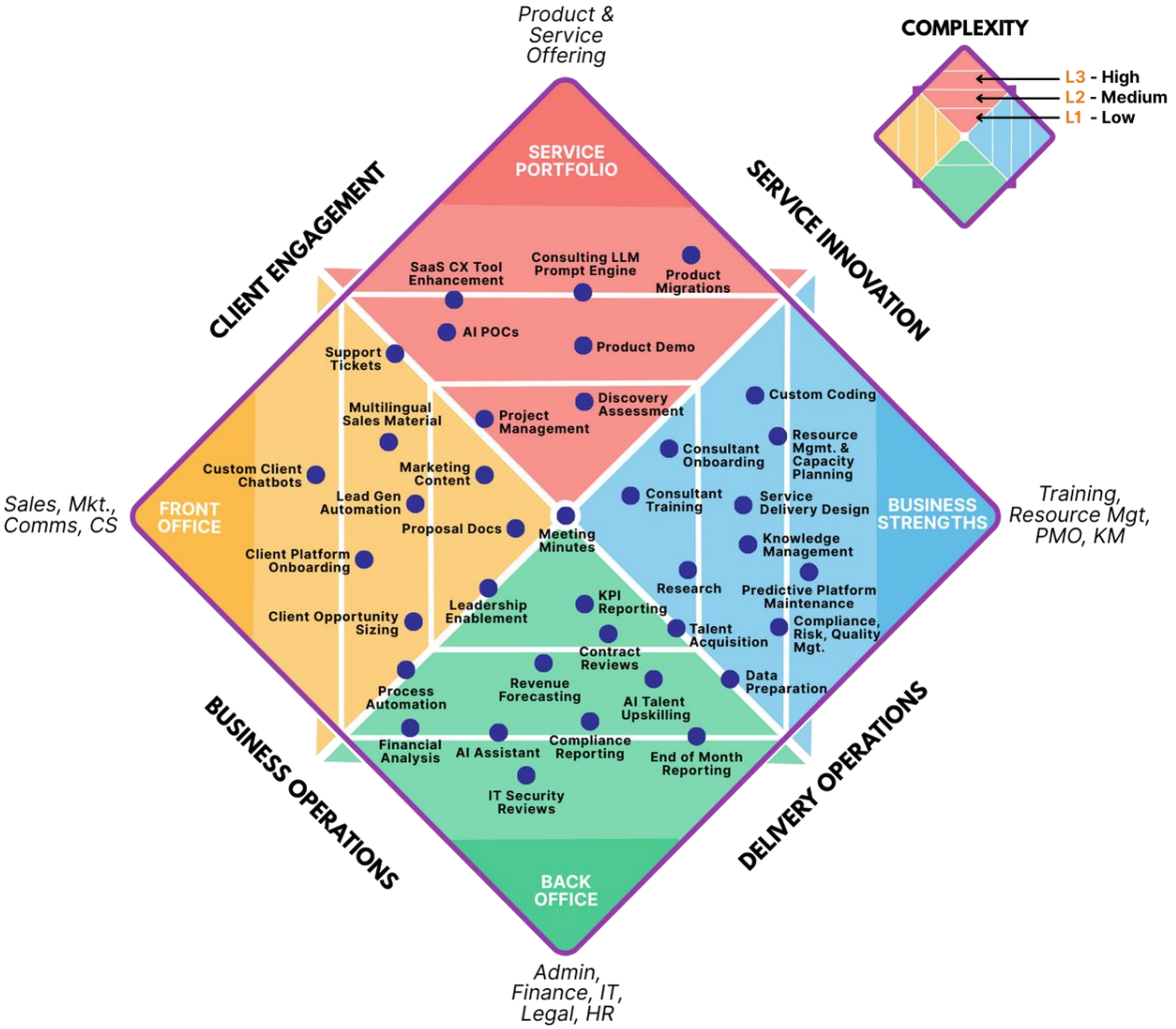
1. **Data:** How many systems and data sources does it depend on and how clean are they?
2. **Integration:** Does it run in one tool or require workflow across multiple platforms?
3. **Decision criticality:** If it fails, is the impact minor, operational or financially material?
4. **Change footprint:** Who must work differently if it succeeds — one person, one team or the whole firm?

Plotting the Project Initiative Diamond

Once you've assessed the complexity of each AI use case, you can map them onto the Project Initiative Diamond. This gives senior leaders a clearer strategic view into how AI initiatives are distributed across the business and where effort is likely to concentrate.

SPI's "top use cases" have been applied to Figure 12 to illustrate general patterns, but each firm's complexity will differ based on its data quality, systems architecture and AI maturity. **89.77% of top AI initiatives identified by survey participants fell within Levels 1 (61.36%) and 2 (28.41%)**, consistent with the broader immaturity of the AI market and the early-stage operations of most firms. **Level 3's just 10.23%.**

Figure 12: SPI's Project Initiative Diamond Populated with 2025's Top PS AI Use Cases



Source: SPI Research, December 2025

Prioritizing AI Initiatives

As AI adoption accelerates, PS leaders face growing pressure from boards, investors and clients to show progress — often without clear guidance on where to focus.

"The challenge is no longer coming up with new ideas; it is determining which AI initiatives merit early investment, which require preparation and which are best deferred."

The matrix below in Figure 13 provides a practical way to evaluate AI opportunities based on two factors that matter most in Professional Services: **Value Potential** and **Execution Readiness**.

Figure 13: SPI's AI Prioritization Matrix

Source: SPI Research, December 2025

Value Potential

Reflects **the expected impact on performance** — whether through improved delivery consistency, elevated client experience, enhanced commercial outcomes, or operational efficiency. It also helps separate meaningful opportunities from market hype; many AI concepts sound attractive, but few deliver measurable value in PS environments where workflows are complex and client expectations are high.

Execution Readiness

Captures **how prepared the organization is to act** — this includes complexity, a factor explored in the previous section. Complexity includes facets like data quality, workflow clarity, integration requirements, talent capability, security risks and governance. But readiness is not purely internal, it also reflects *external* readiness: the maturity of the tools available, the stability of vendor ecosystems and whether current AI products are robust enough for PS use cases. In an emerging technology landscape, even high-value ideas can stall when the surrounding tooling is not yet reliable or easy to implement.

When these dimensions are considered together, four categories of AI initiatives emerge:

- **High-Confidence Wins** combine strong value potential with high internal and external readiness. These are reliable early moves that generate impact and build organizational confidence.
- **Near-Ready Opportunities** offer meaningful upside but require some sequencing — typically better data foundations, clearer process ownership, or maturing vendor capabilities. These should be planned deliberately rather than rushed.
- **High-Potential Bets** represent long-term strategic opportunities with significant upside, but they depend on capabilities or external technologies that are not yet fully in place. These are valid future investments once foundational readiness improves.
- **Incremental Gains** deliver modest value but are easy to execute. They can improve efficiency or serve as controlled learning opportunities, though they should not displace higher-impact work.
- **Not a Fit Now** includes initiatives where readiness gaps outweigh the likely benefit. These are not abandoned; they are simply deferred until the organization — and the ecosystem — are in a better position to support them.

For PS firms navigating a market full of excitement, ambiguity and fast-moving change, this matrix introduces structure without overstating certainty. **Its use of risk-oriented terms — confidence, opportunity, potential — reflects the AI landscape's immaturity and the fact that most organizations are still experimenting.** It helps leaders cut through distraction, focus on AI initiatives that matter and prioritize adoption based on real-world feasibility and expected impact.

CHAPTER 5 – IMPACT OF AI ON PS

The 2025 Impact of AI on Professional Services study reflects input from **146 organizations** across traditional professional services organizations (PSOs) and embedded services organizations (ESOs) within software, SaaS and other product-centric firms. Participants represent all major regions, industries and organizational sizes — from boutique consultancies to enterprise-scale PS functions — providing a balanced view of how AI is influencing different parts of the Professional Services landscape.

Demographics

The survey includes **110 Professional Services Organizations (PSOs)** and **36 Embedded Services Organizations (ESOs)**. PSOs represent traditional consulting and services firms whose revenue primarily comes from delivery and advisory work. ESOs reflect PS teams operating within larger software, SaaS, or technology companies. ESOs report higher total company revenue and headcount because they sit inside larger product-led businesses, whereas PSOs tend to be leaner and more directly tied to billable services. Together, the mix provides a balanced view of AI adoption across both pure-play consulting firms and product-embedded PS teams.

Participants represent all major global regions, with the **Americas (100 firms)** forming the largest share of the dataset, followed by **EMEA (31 firms)** and **APAC (15 firms)**. The Americas sample is weighted toward mid-sized organizations, EMEA includes several larger firms with strong growth outlooks and APAC contains a mix of multinational enterprises and regional players. This regional spread ensures the study captures the different adoption patterns and market dynamics shaping AI use in Professional Services globally.

Table 5: Key Demographics of Surveyed Participants by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Surveys	146	36	110	100	31	15
Size of PS organization (employees)	480	1,181	251	373	687	770
Total company revenue (USD mm)	$114	$226	$80	$107	$84	$212
Total professional services revenue (USD mm)	$58.9	$69.6	$55.6	$64.1	$63.2	$17.3
Year-over-year change in PS revenue	8.8%	7.3%	9.2%	8.8%	9.0%	8.3%
Forecasted revenue growth in 2026 (over 2025)	7.3%	7.1%	7.4%	7.2%	9.7%	4.5%

Source: SPI Research, December 2025

Five major Professional Services industries are represented: **IT Consulting (37)**, **Management Consulting (30)**, **SaaS PS teams (21)**, **Software PS teams (10)**, **Architecture & Engineering (16)** and **Other PS (32)**. This spread covers both advisory-led practices and large-scale implementation and delivery teams inside technology companies. The variation in size, revenue profile and delivery model across these industries provides meaningful insight into how AI is engaging different parts of the PS landscape.

Table 6: Key Demographics of Surveyed Participants by PS Market

	Arch/Engr	IT Con	Mgmt Con	SaaS	Software	Other PS
Surveys	16	37	30	21	10	32
Size of PS organization (employees)	760	123	44	943	1,189	639
Total company revenue (USD mm)	$159	$27	$9	$239	$127	$210
Total professional services revenue (USD mm)	$158.6	$18.7	$8.7	$23.3	$31.5	$129.4
Year-over-year change in PS revenue	12.5%	7.3%	6.8%	5.7%	10.8%	11.5%
Forecasted revenue growth in 2026 (over 2025)	5.5%	8.3%	6.3%	8.2%	6.1%	8.0%

Source: SPI Research, December 2025

The study includes firms ranging from **micro-consultancies with fewer than 10 employees** to **enterprise-scale organizations with more than 4,000 employees**. Each size band — from under 10, to 10–30, to 31–100, to 101–300, to 301–700 and over 700 — contributes a significant number of responses. This distribution ensures that the results reflect the realities of both small specialist consultancies and large global PS organizations, each of which experiences AI adoption differently based on scale, structure and operational maturity.

Table 7: Key Demographics of Surveyed Participants by Organization Size (employees)

	Under 10	10 - 30	31 - 100	101 - 300	301 - 700	Over 700
Surveys	33	33	35	22	9	14
Size of PS organization (employees)	5	20	65	200	500	4,154
Total company revenue (USD mm)	$53	$9	$30	$43	$238	$775
Total professional services revenue (USD mm)	$2.8	$3.9	$17.9	$27.1	$32.5	$512.9
Year-over-year change in PS revenue	11.2%	8.0%	7.6%	6.9%	12.5%	8.3%
Forecasted revenue growth in 2026 (over 2025)	4.7%	7.3%	7.8%	7.6%	12.5%	7.5%

Source: SPI Research, December 2025

Demographic Performance

The 2025 AI study participants represent a healthy cross-section of the PS market and their performance profile sits broadly in line with long-term SPI benchmarks — though with several notable shifts. **Employee attrition (6.6%) is slightly lower than the 10-year voluntary average (7.3%)**, aligning with broader market caution as firms delay moves amid uncertainty. **Billable utilization, however, continues its downward slide at 65.7%, well below the 10-year average of 70.8%** and even below the already-weak 2025 PS Maturity Benchmark. This is one of the most concerning signals in the dataset and likely reflects a combination of soft demand, overcapacity in pockets of the market and the displacement effect of early AI experimentation.

Delivery performance is more stable. On-time delivery (78.8%) is consistent with long-term norms and exceeds the 2024–2025 benchmark, suggesting that, despite utilization drag, delivery teams are managing

commitments effectively — potentially aided by AI-enabled planning, documentation, or quality assurance. Margin-related metrics show similar patterns: project margin (34.6%) sits just under the 10-year average but within historic ranges and firms are achieving ~90% of both revenue and margin targets. After a historically difficult 2025 benchmark year, these numbers point to a market regaining some control — even if not yet returning to peak performance.

The financial productivity metrics tell a more mixed story. **Revenue per billable consultant ($196K) is materially below long-term benchmarks (>200K)**, continuing the downward trend seen in the past two benchmark cycles. By contrast, revenue per PS employee ($170K) is slightly healthier, suggesting organizations have trimmed broader overhead or slowed hiring — a typical efficiency response during uneven demand cycles. Combined with steady project margins, this indicates firms are keeping cost structures reasonably lean while navigating top-line pressure.

Table 8: Performance KPIs by Organization Type and Geography

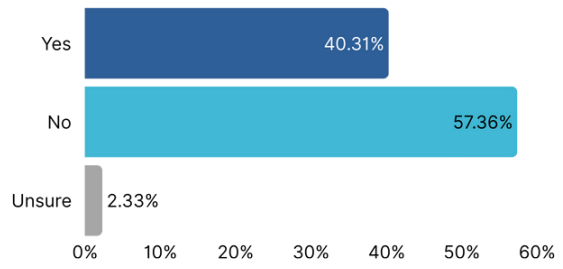
Key Performance Indicator (KPI)	2025	ESO	PSO	Americas	EMEA	APac
Total annual employee attrition	6.6%	7.5%	6.3%	6.8%	5.1%	8.6%
Employee billable utilization	65.7%	61.0%	67.2%	66.1%	65.7%	62.1%
% of projects delivered on time	78.8%	72.0%	81.0%	79.7%	80.0%	70.0%
Project margin	34.6%	28.3%	36.6%	34.2%	36.7%	32.5%
Consultant billable day rate achieved (USD)	$1,067	$820	$1,148	$1,073	$1,126	$896
Annual revenue per billable consultant (USD)	$196k	$153k	$210k	$204k	$182k	$167k
Annual revenue per PS employee (USD)	$170k	$123k	$185k	$172k	$163k	$171k
% of annual revenue target achieved	90.1%	86.8%	91.2%	90.5%	89.6%	87.9%
% of annual margin target achieved	88.8%	85.2%	89.9%	89.8%	87.4%	85.0%
PS Profit (EBITDA %)	**15.0%**	**13.8%**	**15.4%**	**14.0%**	**18.7%**	**13.8%**

Source: SPI Research, December 2025

Survey Results

Figure 14 shows **nearly 60% of firms in our 2025 study are *not* selling AI services.** That's not unexpected — most organizations are still focused on building internal capability and figuring out where AI genuinely fits. The more notable insight is on the other side of the chart: roughly 40% *are* already taking AI-enabled offerings to market. That's a meaningful number considering generative AI only entered the mainstream three years ago.

Figure 14: % of Firms Currently Selling AI Services

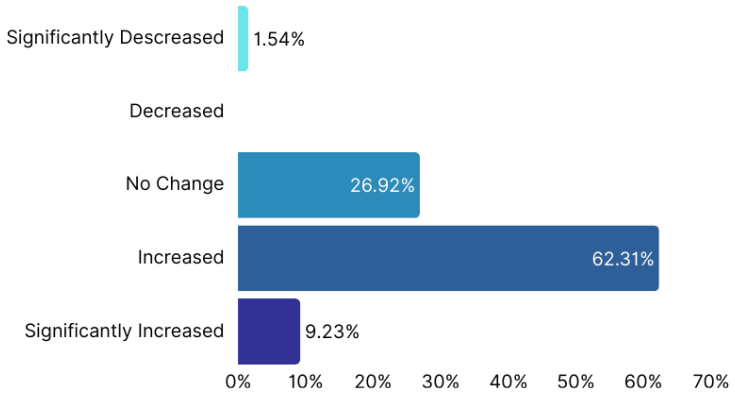


Source: SPI Research, December 2025

For firms not yet selling AI services, you're still in the majority — for now. **The percentage of firms selling AI services has barely moved since 2024,** suggesting adoption has steadied as the initial hype cools and organizations take a more measured approach to commercializing AI.

Figure 15 effectively settles the question: for most firms, AI is improving productivity and efficiency. While roughly a quarter report no change, the majority are seeing measurable gains — making it clear that AI is, on balance, helping PS organizations work faster and smarter.

Figure 15: Has AI Impacted Organizations' Productivity & Efficiency



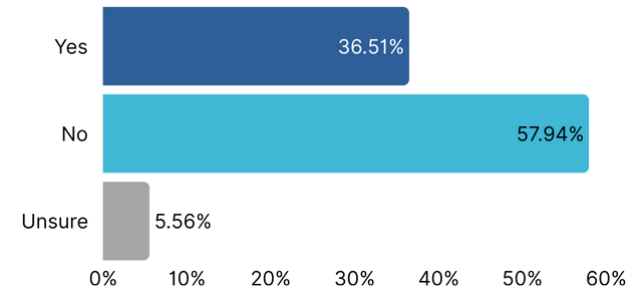
Source: SPI Research, December 2025

Leadership

Leadership determines whether AI becomes a meaningful accelerator or another unrealized initiative. The 2025 results show that most PS leaders are leaning forward: **over 70% of firms report supportive or very supportive leadership** in adopting and integrating AI and the average leadership-support rating sits at **4.04**. This is a strong signal. AI initiatives are rarely blocked at the top.

Yet support is not the same as structure. Figure 16 shows **Nearly 60% of firms still do not have an established AI practice** and only **23% of projects currently utilize AI**, suggesting most organizations are early in formalizing how AI will be governed, deployed and measured. Leaders believe in AI's potential, but the operational frameworks that turn belief into repeatable value are still forming.

Figure 16: % of Firms That Have an Established AI Practice



Source: SPI Research, December 2025

Leadership's movement toward Gen AI is also shaped by risk considerations. Concern about AI security is moderate (3.43 overall), highest in ESOs and lowest in APAC, reflecting the different operating environments and risk appetites across the globe. Despite this, **leaders overwhelmingly report that AI has already improved productivity and efficiency** (3.78 overall), indicating that most executives see a net positive impact — enough to justify continued investment.

Table 9: PS Leadership Movement to Gen AI

	Survey	ESO	PSO	Amer.	EMEA	APac
PSOs level of concern about AI security	3.43	3.69	3.36	3.47	3.43	3.17
% of projects currently utilize AI	23.1%	22.1%	23.3%	22.2%	26.7%	21.7%
Leadership support in adopting and integrating AI	4.04	4.04	4.04	3.99	4.37	3.67
AI has impacted PSOs productivity and efficiency	3.78	3.83	3.76	3.68	4.04	3.92
Estimated ROI from implementing AI tech in first 12 months	9.5%	12.9%	8.5%	8.4%	13.2%	9.2%
Length of time to see a positive ROI after adopting AI	18.5	17.9	18.7	17.8	18.8	23.3
PSO is currently using/implementing company-wide AI-powered assistant tooling	3.29	3.41	3.25	3.12	3.69	3.67

Source: SPI Research, December 2025

Overall, Professional Services leaders are optimistic, supportive and increasingly aware of AI's strategic role — but they are still building the muscles, structures and practices needed to lead AI at scale. **Leadership's task now is to move from general support to disciplined stewardship**: establishing clear accountability, aligning AI initiatives to business goals and ensuring the firm has the capabilities, governance and confidence to adopt AI responsibly.

Table 10: Organizational Leadership Support in Adopting and Integrating AI

Key Performance Indicator (KPI)	Very Unsupportive	Unsupportive	Neutral	Supportive	Very Supportive
Total annual employee attrition	8.8%	1.5%	8.5%	5.5%	6.4%
Employee billable utilization	64.3%	62.5%	64.1%	64.9%	67.7%
% of projects delivered on time	63.6%	81.0%	75.3%	78.4%	81.7%
Project margin	37.1%	27.0%	30.9%	33.5%	36.5%
Consultant billable day rate achieved (USD)	$793	$788	$1,047	$1,253	$1,000
Annual revenue per billable consultant (USD)	$157	$156	$170	$215	$196
Annual revenue per employee (USD)	$154	$144	$154	$185	$166
PS revenue growth	5.4%	6.0%	10.8%	8.0%	9.5%
% of annual revenue target achieved	87.9%	91.3%	90.0%	91.5%	88.9%
PS Profit (EBITDA %)	**9.3%**	**8.8%**	**15.6%**	**15.9%**	**15.3%**

Source: SPI Research, December 2025

As shown in Table 10, Leadership support appears beneficial in a directional sense, but it is not yet a strong performance driver. **The data shows a consistent pattern: firms with supportive or very supportive leaders record slightly better utilization, on-time delivery, margins and EBITDA, but the improvements are modest.** The EBITDA spread — from 9.3% at the lower end of support to 15.3% at the upper end — is meaningful but far from transformative. This suggests that leadership backing creates better conditions for

progress, yet it does not, on its own, translate into impact. Many organizations are still early in their maturity, where gaps in process, data and execution limit how far leadership intent can carry them. In short, supportive leaders help, but real gains will come only when that support is matched with operational readiness and wider deployment.

Client Relationships

Client-facing functions continue to see some of the clearest, most immediate gains from AI. The highest scores in this pillar sit squarely in sales and marketing activities: content creation (3.70), proposal development (3.68), go-to-market research (3.62) and client research (3.57). **These are all high-volume, repeatable workflows where AI can shorten cycle times without redesigning core delivery models.** The pattern points to where most firms are getting traction today — upstream in the demand engine rather than deep in delivery or account expansion.

Personalized engagement and client acquisition show more modest lifts (3.06–3.09), signaling early movement but not yet large, structural gains. Client retention remains the lowest-scoring area (2.98), which aligns with what SPI hear across the industry: AI can help create demand and sharpen targeting long before it can reliably protect long-term client value.

Table 11: Client Relationships Improvements by Organization Type and Geography

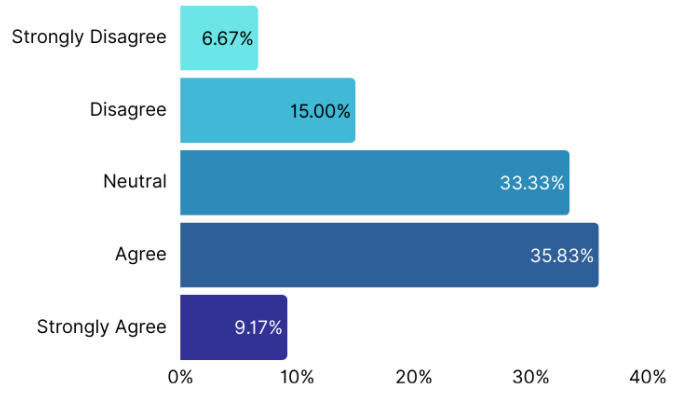
	2025	ESO	PSO	Americas	EMEA	APac
Creation of marketing content – posts, blogs, etc.	3.70	3.61	3.73	3.70	3.67	3.75
Proposal development	3.68	3.58	3.72	3.74	3.48	3.75
Go to market research	3.62	3.65	3.62	3.62	3.63	3.67
Client research	3.57	3.55	3.57	3.59	3.44	3.67
Marketing programs	3.33	3.40	3.31	3.36	3.19	3.42
Lead generation	3.25	3.26	3.24	3.24	3.22	3.33
The ability to acquire clients	3.09	3.13	3.08	3.02	3.25	3.25
The ability to personalize client services or tailor solutions to individual needs	3.06	3.09	3.05	3.00	3.14	3.33
The ability to retain clients	2.98	3.13	2.94	2.98	3.00	3.00

Source: SPI Research, December 2025

The commercial perspective adds an important layer. Roughly 40% of firms are already selling AI services, with ESOs and APAC leading the pack. **Around a third have client-facing GenAI or Agentic AI offerings,** indicating that many firms are now moving from internal enablement to market-facing monetization. At the same time, Figure 17 shows clients' expectations are rising — **nearly half of respondents agree that customers assume AI is being used in service delivery — creating commercial pressure for firms to demonstrate credible AI capability even if their internal maturity is still developing.**

In short, AI is reshaping how PS organizations attract, convince and support clients before it reshapes how they deliver work. The gains are real, but they are mostly concentrated in the front of the funnel — where speed, insight and consistency translate quickly into value.

Figure 17: % of Firms Saying Clients Expect AI-enabled Service Delivery



Source: SPI Research, December 2025

Table 12: Client Relationships Key Metrics

	2025	ESO	PSO	Americas	EMEA	APac
PSO is selling AI services	40.4%	45.2%	38.8%	33.9%	50.0%	66.7%
PSO has a client-facing Generative AI product or service offering.	31.8%	38.7%	29.6%	28.9%	40.7%	33.3%
PSO has a client-facing Agentic AI product or service offering.	28.1%	37.5%	25.3%	22.6%	42.3%	36.4%
AI plays a significant role in client support	2.96	3.61	2.75	2.96	3.04	2.83

Source: SPI Research, December 2025

Selling AI services does not appear to create a meaningful performance advantage on its own, shown in Table 13. The firms selling AI services show slightly higher utilization, day rates and revenue per consultant, but the differences are small and inconsistent across KPIs. Delivery performance is nearly identical and EBITDA is essentially the same (14.6% vs. 14.7%). The data suggests that commercializing AI services does **not** correlate with stronger operational performance. If anything, the picture is neutral: **firms that sell AI services perform about the same as those that do not.** This implies that selling AI is not yet a differentiator in the market and that the real performance drivers lie elsewhere — namely internal AI adoption, data readiness and organizational execution rather than simply having AI services in the catalogue.

Table 13: Firms Currently Selling AI Services vs Those Who Aren't

Key Performance Indicator (KPI)	Yes	No	Delta
% of Surveys	41.6%	58.4%	
Total annual employee attrition	6.7%	5.9%	14%
Employee billable utilization	66.5%	64.6%	3%
% of projects delivered on time	78.2%	79.7%	-2%

Key Performance Indicator (KPI)	Yes	No	Delta
Project margin	35.8%	32.9%	9%
Consultant billable day rate achieved (USD)	$1,144	$1,024	12%
Annual revenue per billable consultant (USD*1,000)	$204	$189	8%
Annual revenue per employee (USD*1,000)	$175	$160	9%
Year-over-year change in PS revenue	9.3%	8.9%	4%
% of annual revenue target achieved	90.0%	89.8%	0%
PS Profit (EBITDA %)	**14.6%**	**14.7%**	**-1%**

Source: SPI Research, December 2025

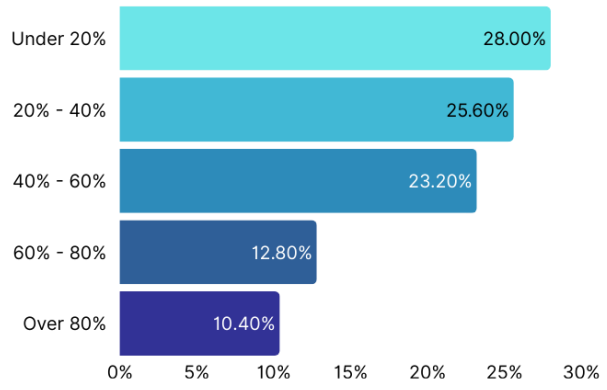
Talent

"Three out of Five of Consultants Can't Use AI Tools — Only 40% Are Proficient."

Across the industry, only 39.9% of employees are proficient with AI tools — compared with 54% in high-performing firms.

The influx of AI **across industries is creating a more competitive talent landscape, but organizations are still building the internal capability needed to fully benefit from it**. Figure 18 shows nearly half of respondents report that fewer than 40% of their employees are proficient with AI tools, with EMEA and APAC leading and the Americas trailing.

Figure 18: % of Employees Proficient in Using AI Tools



Source: SPI Research, December 2025

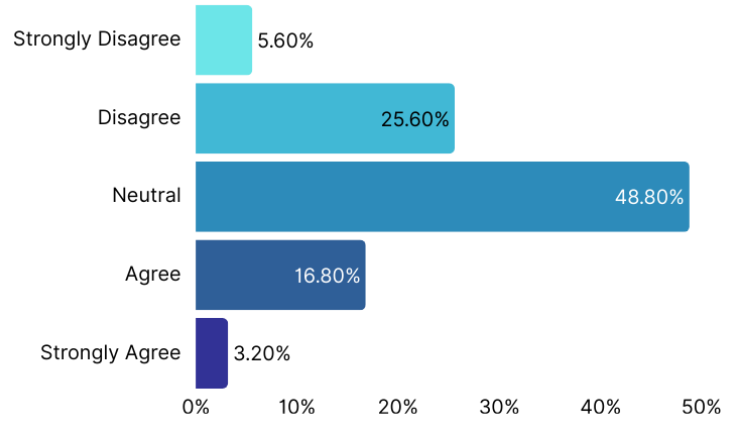
Table 14: Talent Improvements by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Employee training	3.13	3.30	3.08	3.10	3.26	3.08
Reviewing resumes	2.94	3.03	2.92	2.84	3.07	3.42
Retaining talent	2.81	2.93	2.77	2.78	2.89	2.83
Talent Strategy	2.77	2.87	2.74	2.64	3.04	3.08
Acquiring talent	2.76	2.93	2.71	2.66	2.96	3.08

Source: SPI Research, December 2025

This helps explain why many leaders remain neutral on whether AI has enhanced their ability to attract or retain talent: **Talent consistently shows lower perceived AI impact** than areas like Service Excellence or Client Relationships, signaling that it's still an underserved domain where most companies haven't yet translated AI momentum into meaningful outcomes.

Figure 19: AI has Enhanced Organizations' Ability to Acquire & Retain Talent



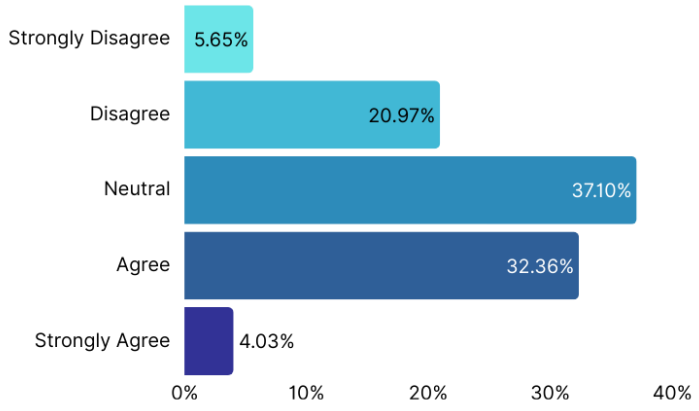
Source: SPI Research, December 2025

AI's impact on acquiring talent scored the lowest across all areas (2.76) listed in Figure 19, suggesting that talent acquisition may be struggling to keep pace with new AI-enabled recruitment methods — or that **current tools aren't yet mature enough to meaningfully streamline what remains a highly context-specific process.**

Even so, Figure 20 shows AI is clearly influencing talent strategies. **Around one-third agree that AI is shaping how they plan to hire, develop and deploy people** and there's growing market pressure to build AI literacy into roles, learning pathways and workforce plans.

At the same time, AI's rise is intensifying competition for experienced talent — **organizations that demonstrate credible AI adoption are becoming more attractive to candidates.** While the data doesn't point to instability or major retention issues today, it does highlight a transition period: organizations are navigating both the opportunities AI creates for talent and the challenges of upskilling at scale.

Figure 20: AI has Influenced Organizational Talent Strategy



Source: SPI Research, December 2025

Table 15: Key Talent Metrics by Type and Geography

	2025	ESO	PSO	Amer	EMEA	APac
% of your employees are proficient in using AI tools	39.9%	35.9%	41.1%	35.1%	53.7%	42.7%
Has AI influenced the PSO's talent strategy	3.07	3.18	3.03	2.92	3.58	3.00
Has AI enhanced the PSO's ability to acquire and retain talent	2.84	3.00	2.80	2.76	2.92	3.27

Source: SPI Research, December 2025

Across all KPIs, the relationship between AI proficiency and performance is more mixed than linear. As shown in Table 16, **Firms with 60–80% of employees proficient in AI show the strongest results**, with the highest on-time delivery (85.8%), solid margins and the highest EBITDA (23.8%). However, performance does not improve consistently as proficiency rises. Both the "under 20%" and "over 80%" groups deliver similar profit levels (15.3% and 14.8%) and several KPIs fluctuate in ways that suggest maturity, process discipline and data quality still matter more than simple uptake. The data indicates that AI proficiency helps when paired with strong operational foundations, but proficiency alone is not yet a reliable predictor of higher performance.

Table 16: % of Employees Proficient in Using AI Tools.

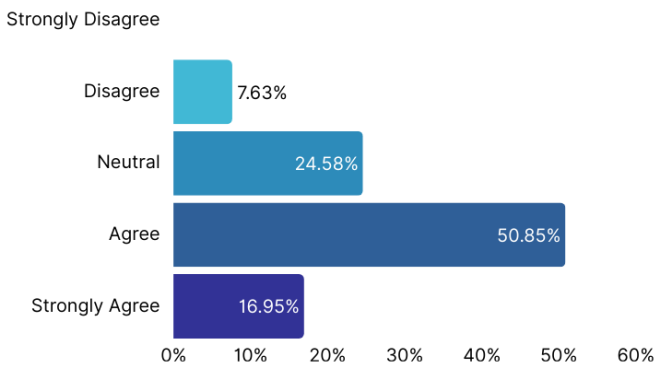
Key Performance Indicator (KPI)	Under 20%	20% - 40%	40% - 60%	60% - 80%	Over 80%
Total annual employee attrition	6.8%	5.6%	7.3%	5.4%	6.4%
Employee billable utilization	69.0%	64.6%	63.7%	70.8%	65.9%
% of projects delivered on time	79.0%	77.1%	83.7%	85.8%	79.7%
Project margin	37.7%	37.4%	41.3%	38.8%	35.1%
Consultant billable day rate achieved (USD)	$1,155	$1,206	$1,029	$1,300	$1,099
Annual revenue per billable consultant (USD)	$220	$203	$214	$211	$199
Annual revenue per employee (USD)	$181	$173	$182	$190	$172
PS revenue growth	9.1%	7.7%	12.5%	16.4%	9.5%
% of annual revenue target achieved	92.0%	89.1%	85.0%	92.1%	90.1%
PS Profit (EBITDA %)	**15.3%**	**14.5%**	**17.1%**	**23.8%**	**14.8%**

Source: SPI Research, December 2025

Service Execution

Service Execution emerges as the strongest and most mature impact area in the dataset, with clear evidence that AI is already elevating how PS organizations deliver work. Over two-thirds of respondents (67.8%), in Figure 21, agree or strongly agree that Gen AI has enhanced service delivery and the 2025 expectations data aligns with this sentiment: clients increasingly expect their PS partners to use AI (3.25), while organizations report that AI is improving delivery performance (3.77). **The highest gains appear in standardized, document-heavy tasks such as creating project deliverables (3.66), reviewing MSAs (3.35) and elements of project management (3.29).** These trends reflect what we're seeing across the broader market: AI excels where work can be templated, accelerated, or quality-checked at scale, driving faster turnaround times and more consistent outputs.

Figure 21: Gen AI (e.g., ChatGPT) has Enhanced Organizations' Service Delivery Capability



Source: SPI Research, December 2025

Table 17: Service Execution Improvements by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Creation of project deliverables	3.66	3.86	3.60	3.66	3.67	3.67
Review master services agreements	3.35	3.10	3.42	3.40	3.26	3.17
Project management	3.29	3.69	3.17	3.32	3.22	3.25
Resource management	2.93	3.00	2.91	2.90	3.04	2.92
Project risk analysis	2.82	2.93	2.79	2.70	3.07	3.08
Workforce skill gap analysis	2.81	2.90	2.78	2.75	2.89	3.00
Project accounting	2.80	2.93	2.76	2.75	2.93	2.83

Source: SPI Research, December 2025

However, the data also draws a clear line around where AI is *not yet* delivering strong value**. Scores below 3.0 — seen in resource management (2.93), project risk analysis (2.82), workforce skill gap analysis (2.81) and project accounting (2.80) — indicate mild disagreement that AI is improving these areas today.** These functions rely more heavily on contextual judgment, financial accuracy and high trust in data quality, all of which make teams slower to adopt AI-powered automation. This mirrors broader industry behavior: while Gen AI is rapidly transforming content generation and knowledge workflows, operational, analytical and financial activities remain more cautiously explored.

Table 18: Service Execution Key Metrics by Type and Geography

	2025	ESO	PSO	Amer	EMEA	APac
PSO's clients expect PS to use AI in service delivery	3.25	3.79	3.08	3.18	3.40	3.45
AI (Chat GPT, etc.) has enhanced PS's ability to deliver services	3.77	3.71	3.79	3.67	4.00	4.00

Source: SPI Research, December 2025

Still, the strong momentum in delivery-focused tasks suggests that **Service Execution is becoming the proving ground for AI on Professional Services — creating tangible value and expertise now and setting expectations for more automated, insight-driven delivery models in the near term.**

The data in Table 19 shows a straightforward pattern: **firms that use AI in a larger share of their projects tend to perform better across almost every operational and financial KPI.** As AI usage moves from under 20% of projects to over 80%, performance shows higher on-time delivery, stronger margins, higher billable rates and meaningful lifts in annual revenue per employee. **The biggest shift is seen in profitability: EBITDA rises from 10.2% at the lowest level of AI use to 23.8% at the highest.** While this does not prove causation, the consistency of the trend suggests that organizations embedding AI into delivery workflows are creating more efficient teams, tighter project execution and healthier financial outcomes. The picture is not one of dramatic step-changes, but of steady gains that compound as AI becomes part of routine delivery rather than something used on the margins.

Table 19: % of Projects Currently Utilizing AI

Key Performance Indicator (KPI)	2025	Under 20%	20% - 40%	40% - 60%	60% - 80%	Over 80%
Total annual employee attrition	6.6%	7.4%	7.3%	5.7%	7.2%	4.0%
Employee billable utilization	65.7%	63.0%	69.0%	64.6%	63.7%	70.8%
% of projects delivered on time	78.8%	78.4%	79.0%	77.1%	83.7%	85.8%
Project margin	34.6%	26.6%	37.7%	37.4%	41.3%	38.8%
Consultant billable day rate achieved (USD)	$1,067	$905	$1,155	$1,206	$1,029	$1,300
Annual revenue per billable consultant (USD)	$196	$161	$218	$203	$214	$211
Annual revenue per employee (USD)	$170	$148	$184	$173	$182	$190
PS revenue growth	9.1%	9.0%	8.6%	10.6%	8.9%	9.2%
% of annual revenue target achieved	90.1%	91.0%	92.0%	89.1%	85.0%	92.1%
PS Profit (EBITDA %)	**15.0%**	**10.2%**	**15.3%**	**14.5%**	**17.1%**	**23.8%**

Source: SPI Research, December 2025

Finance & Operations

"AI Revenue Set to Triple within Three Years — but Execution Lags Far Behind."

Finance & Operations **shows slower and more cautious adoption of AI** compared with Service Execution and Client Relationships. While 38.9% of organizations report having an AI practice and AI is starting to influence product and service strategy (3.20), the operational backbone of PS firms is not yet seeing strong impact. Most respondents (51%) disagree or strongly disagree that they have internal tools using agentic AI, signaling that automation maturity remains low. This is also reflected in functional scores: only data analytics crosses into mild agreement (3.16), while core F&O processes — corporate reporting (2.85), project profitability analysis (2.66), rate analysis (2.53) and demand planning (2.52) — fall below 3.0, pointing toward mild disagreement that AI is improving these areas today.

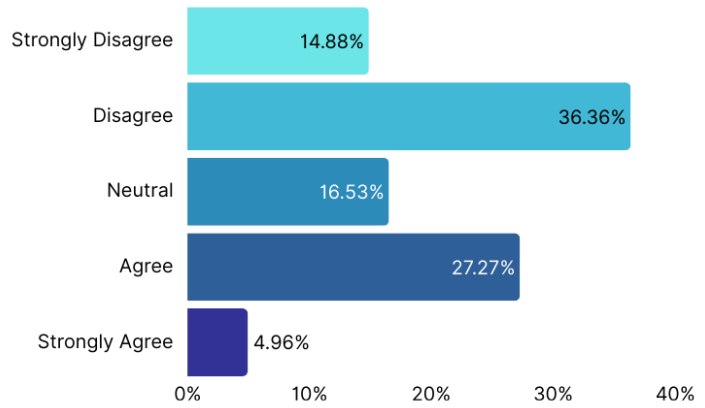
Table 20: Finance & Operations Improvements by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Data analytics	3.16	3.38	3.09	3.24	3.15	2.67
Corporate reporting	2.85	3.03	2.80	2.91	2.74	2.75
Project profitability analysis	2.66	2.76	2.63	2.67	2.63	2.67
Rate analysis	2.53	2.76	2.46	2.64	2.19	2.58
Demand planning	2.52	2.76	2.45	2.58	2.41	2.42

Source: SPI Research, December 2025

These lower scores align with what SPI sees across the market: **financial and operational processes are more constrained by data quality, governance, auditability and risk tolerance, all of which slow down AI experimentation.** For many firms, the most practical on-ramp to AI in F&O is not custom builds but taking advantage of new AI features released inside their existing back-office platforms and business applications. These embedded capabilities allow teams to experiment safely, surface data-quality issues quickly and understand whether their

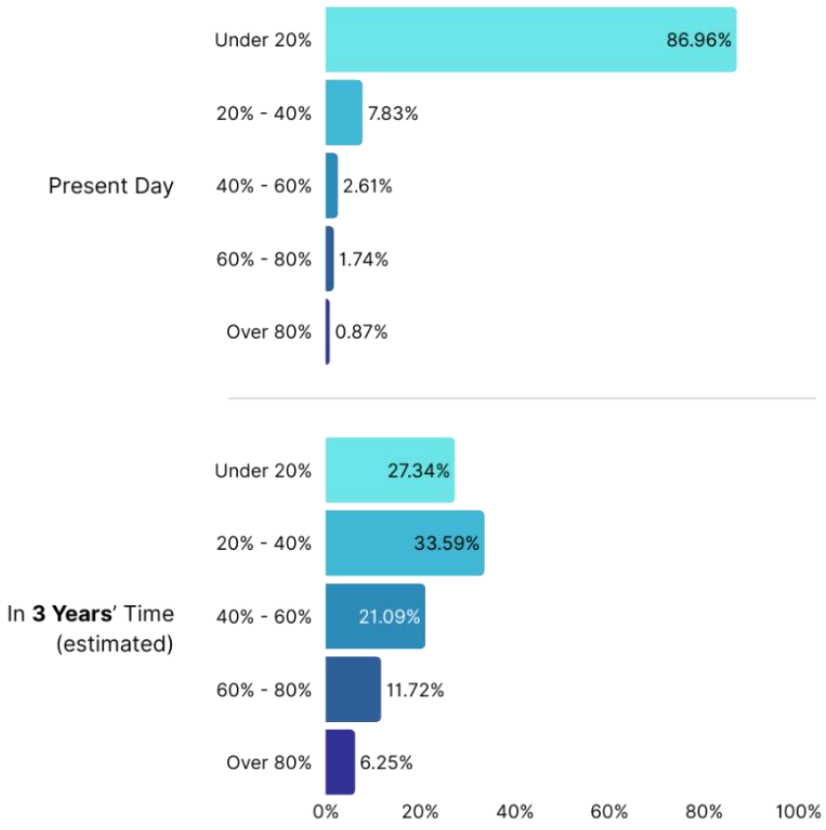
Figure 22: Firms have internal tools that leverage agentic AI



Source: SPI Research, December 2025

underlying operational data is mature enough to support value-adding AI automation — all without significant investment or disruption. This creates a lower-risk path to adoption and helps firms build confidence before expanding into more advanced AI workflows.

Figure 23: % of PS Revenue from AI-related Initiatives



Source: SPI Research, December 2025

Despite slower operational maturity, F&O leaders remain optimistic about AI's commercial impact. Today, as shown in Table 21 below, **PS firms generate around 13.6% of revenue from AI-related initiatives, but expect that to rise to 36.9% within three years — a near tripling.** This optimism reflects broader market momentum rather than deep operational deployment, suggesting that while firms may not yet be using AI extensively inside their finance and operations, they clearly see its strategic potential.

As data foundations strengthen, agentic automation matures and ERP/PSA vendors continue embedding AI into core modules, **F&O is positioned to shift from cautious adopter to meaningful beneficiary** — unlocking the forecasting, margin and productivity gains that have so far remained out of reach.

Table 21: Finance & Operations Key Metrics by Type

	Survey	ESO	PSO
AI forms a significant part of PS's current product and service strategy	3.20	3.59	3.08
The PSO has established an AI practice	38.9%	46.7%	36.4%
The current % of PS revenue from AI-related initiatives	13.6%	15.4%	13.1%
Over the next three years, the % of PS revenue will come from AI initiatives	36.9%	40.7%	35.7%

Source: SPI Research, December 2025

High Performers (HPOs) vs The Rest

"High-Performing Firms Are Almost 50% More AI-Proficient — and the Only Ones Seeing Consistent Impact."

To understand how top-performing firms approach AI, SPI first segmented respondents by core performance KPIs shown in Table 22 — utilization, margin, revenue growth and EBITDA, etc. — and **classified the highest-scoring ~20% as High Performers, then compared their AI adoption patterns against the rest.**

High performer AI adoption patterns in Table 23 (next page) show **HPOs approach AI with greater internal readiness and far stronger organizational alignment. They use AI in a higher share of projects (30.8% vs. 25.0%) and they report markedly stronger leadership support for adoption (4.38 vs. 3.95)**. Their teams are also far more capable: **over 53% of employees are proficient with AI** tools, compared with just over a third among the rest. This combination — leadership backing, higher proficiency, tighter data management and lower security concerns — creates a more stable foundation for AI to influence core operational processes. It shows up most clearly in areas such as project risk analysis, go-to-market research, resource management and employee training, where HPOs report consistently higher impact. In short, HPOs treat AI as an internal performance system first rather than a marketable output and the operational gains suggest this strategy is paying off.

Table 22: HPOs vs the Rest Performance

Key Performance Indicator (KPI)	HPO	Rest	▲
% of Survey	18.5%	81.5%	
Total annual employee attrition	3.1%	7.3%	58%
Employee billable utilization	74.6%	63.1%	18%
% of projects delivered on time	85.7%	76.9%	11%
Project margin	41.5%	32.7%	27%
Consultant billable day rate achieved (USD)	$1,563	$926	69%
Annual revenue per billable consultant (USD*1,000)	$279	$173	61%
Annual revenue per employee (USD*1,000)	$244	$148	65%
Year-over-year change in PS revenue	12.3%	7.9%	55%
% of annual revenue target achieved	94.8%	88.8%	7%
PS Profit (EBITDA %)	**24.6%**	**12.3%**	**100%**

Source: SPI Research, December 2025

The rest of the market is more outwardly focused but less effective. They are more likely to have client-facing agentic offerings and internal agentic tools, but their results indicate that early pilots are producing limited benefit — consistent with wider industry findings that most AI pilots are abandoned before scaling (roughly 80% according to multiple industry studies). **HPOs, by contrast, are more selective and patient. Even though they offer fewer client-facing AI products today, they generate a higher share of current revenue from AI initiatives (16.1% vs. 13.9%) and hold a far more ambitious outlook for the next three years.** The picture that emerges is one of disciplined adoption: HPOs invest in capability, execution and data foundations before pushing AI to market and that steady, internally focused approach appears to be driving both confidence and measurable performance advantages.

Table 23: HPOs vs the Rest AI Approaches

Key Performance Indicator (KPI)	HPO	Rest	Delta
% of Survey	18.5%	81.5%	
% of projects currently utilizing AI	30.8%	25.0%	22.8%
Organizational leadership support in adopting and integrating AI	4.38	3.95	11%
Estimated ROI from implementing AI technologies in 12 months	8.5%	9.8%	-13%
AI Data quality concerns	4.04	4.13	-2%
AI Security Concerns	3.50	4.05	-14%
Currently selling AI services	42.3%	39.9%	6%
Use of AI in Lead generation	3.22	3.25	-1%
Use of AI in Go-to-market Research	4.04	3.51	15%
client-facing **Generative AI** product or service offering	29.6%	32.4%	-8%
client-facing **Agentic AI** product or service offering	18.5%	30.9%	-40%
AI plays a significant role in client support	2.89	2.98	-3%
AI has improved - Employee training	3.35	3.08	9%
% of your employees proficient in using AI tools.	53.2%	36.5%	46%
Clients expect that we are using AI in our services delivery.	3.17	3.27	-3%
Gen AI (Chat GPT, etc.) has enhanced our organization's ability to deliver services.	3.92	3.73	5%
Internal tools that use **Agentic AI** to perform tasks	2.28	2.84	-20%
AI has improved - Project risk analysis	3.15	2.73	15%
Use of AI in Resource Management	3.12	2.89	8%
Use of AI in Demand Planning	2.62	2.50	5%
The current % of PS revenue from AI-related initiatives	16.1%	13.9%	16%
Over the next three years, the % of PS revenue will come from AI initiatives	42.6%	35.4%	20%

Source: SPI Research, December 2025

2024 vs 2025

Year-over-Year Shifts in AI's Impact on Professional Services

The past twelve months represent one of the most revealing periods in the evolution of AI within Professional Services. While the industry continues to push forward with experimentation and selective deployment, the data from SPI Research's 2024 and 2025 studies shows a recalibration underway — firms are still committed to AI, but expectations are maturing, optimism is being tempered and leaders are learning that progress requires more than enthusiasm.

What follows is a synthesis of the most material year-over-year shifts, including the underlying trends that explain why the PS industry's relationship with AI has become more cautious, more grounded and in some areas, more strategic.

Table 24: 2025 vs 2024 KPIs

Key Performance Indicator (KPI)	2024	2025	% change
Size of PS organization (employees)	332	480	45%
Total professional services revenue (USD mm)	$ 57.9	$ 58.9	2%
Size of PS organization (employees)	7.9%	8.8%	11%
Forecasted revenue growth in 2026 (over 2025)	9.1%	7.3%	-19%
% of projects currently utilize AI	18.7%	23.1%	23%
Are you selling AI services?	40.8%	40.4%	-1%
What % of your employees are proficient in using AI tools	30.1%	39.9%	33%
Does your firm have an established an AI practice?	37.5%	38.9%	4%
Over the next three years, the % of PS revenue will come from AI initiatives	22.6%	36.9%	63%
Estimated ROI from implementing AI technologies in 12 months	11.8%	9.5%	-19%
Length of time to see a positive ROI after adopting AI	7.28	18.5	155%

Source: SPI Research, December 2025

A Bigger Industry, But More Cautious Expectations

The 2025 survey sample reflects a shift in participant demographics. This year's respondents come from larger organizations, with an average headcount of 480 compared to 332 in 2024 — a 45 percent increase. Total PS revenue among respondents also rose modestly from $57.9M to $58.9M (2 percent). At the same time, expectations for future growth softened. Firms forecast 7.3 percent PS revenue growth for 2026, down from the 9.1 percent forecast reported in last year's study. These demographic shifts and changing forward-looking views provide important context for understanding how firms are approaching AI adoption and investment in 2025.

AI Adoption Is Rising, Even as Confidence Moderates

One of the clearest signs of progress is the increase in AI use within project delivery. **The % of projects utilizing AI rose from 18.7% to 23.1%**, a **23% uptick**. This reflects broader market readiness: GenAI tools have become easier to configure, vendors have embedded AI into everyday workflows and teams across PS are more comfortable experimenting.

Importantly, concerns around AI security — a leading inhibitor in early 2024 — have decreased slightly, from **3.56 to 3.43** (-3%). This suggests that the "fear barrier" is slightly diminishing as firms gain more hands-on

experience. Leaders now have clearer visibility into risk, governance frameworks have matured and security postures around data access and model usage are stronger than they were a year ago.

However, one of the most interesting counterpoints to the increased usage is the decline in leadership support. **Leadership confidence in adopting and integrating AI decreased from 4.26 to 4.04 (-5%). This shift mirrors the broader cooling of AI hype observed across the technology sector.** As organizations moved from experimentation into operationalization, the realities of data quality, integration complexity and change management became more visible. Leaders are no longer pushing AI simply because the market says they should — they are beginning to scrutinize the business case more rigorously.

"AI adoption is rising, but confidence in AI's ease and impact has become more cautious."

Impact Signals: Progress, But Less Immediate Than Expected

Table 25: Year-on-year Changes on Key Impact Areas

Key Performance Indicator (KPI)	2024	2025	% change
Your organization's level of concern about AI security	3.56	3.43	-3%
Organizational leadership support in adopting and integrating AI	4.26	4.04	-5%
AI has improved your organization's ability to acquire clients	2.88	3.09	7%
AI has improved your organization's ability to retain clients	2.88	2.98	4%
Impact - How has AI impacted your organization's productivity and efficiency	3.75	3.78	1%
AI (Chat GPT, etc.) has enhanced our organization's ability to deliver services	3.52	3.77	7%
Has AI influenced your organization's talent strategy	3.06	3.07	0%
Has AI enhanced your organization's ability to acquire and retain talent	3.15	2.84	-10%

Source: SPI Research, December 2025

When measuring AI's impact on productivity and efficiency, the year-over-year change is effectively flat. Scores moved from 3.75 to 3.78, a marginal 1% increase. This tells a story SPI sees often: early AI gains tend to come from "lightweight uplift" — summarization, drafting, automation of repeatable tasks. These benefits are real, but they plateau quickly without deeper investment.

The biggest recalibration, however, comes from expectations around return on investment.

Firms' estimated ROI in the first twelve months of adopting AI technologies dropped from 11.8% to 9.5%, a **19% reduction**. At the same time, the expected **length of time to see a positive ROI increased dramatically — from 7.28 months to 18.5 months, a 155% rise**.

These two questions side-by-side may read somewhat contradictory — but both reflect a maturing understanding of what AI actually requires to deliver transformative value. Firms are discovering that:

- AI initiatives depend heavily on data readiness and **data quality was the top concern** in this year's study.
- **Building meaningful AI capabilities takes longer than deploying a generative tool to a team.**
- The move from efficiency gains to competitive advantage requires deeper integration, better change management and more investment than anticipated.

"Leaders are recalibrating from "rapid ROI" to "longer-term strategic value."

AI Services and Talent: Growth With Constraints

Despite rising adoption internally, **the proportion of firms selling AI services remained effectively unchanged — from 40.8% to 40.4%. This is one of the clearest signals that service commercialization is lagging behind internal experimentation.** Firms may be using AI in delivery, but many are not yet confident enough in their capabilities to productize and sell them externally. This mirrors the decline in leadership enthusiasm and the broader sense that AI is still in transition from potential to proven maturity.

On the client side, perceptions improved. Firms reported stronger outcomes in both client acquisition and retention:

- AI's impact on acquiring clients increased from **2.88 to 3.09** (7%)
- AI's impact on retaining clients increased from **2.88 to 2.98** (4%)

These gains — while modest — suggest that firms are beginning to see practical advantages from AI-enabled processes, such as more responsive service delivery, improved proposal development and richer insights during sales cycles.

Talent dynamics present a more mixed picture**. Employee proficiency with AI tools increased significantly from 30.1% to 39.9%, a 33% rise**, driven largely by widespread exposure to generative AI. Yet despite this, **firms reported a decline in AI's impact on acquiring and retaining talent** (**3.15 down to 2.84, a 10% drop).** This likely reflects the intensifying competition for AI-skilled professionals and the rising expectations from employees around modern tooling and enablement.

Interestingly, **AI's influence on talent strategy remained almost identical (3.06 to 3.07**), suggesting that while proficiency is increasing, firms have not yet formalized AI-driven workforce planning at scale.

Delivery and Organizational Capability Continue to Strengthen

One of the most positive signals in the dataset is the **improvement in AI's impact on service delivery. Scores increased from 3.52 to 3.77 (7%).** This aligns with the market shift toward embedding AI into delivery workflows — especially in areas such as ticket triage, proposal support, service documentation and analytics. **Established AI practices also increased modestly from 37.5% to 38.9%** (4%). While not dramatic, it reinforces the slow and steady institutionalization of AI inside PS organizations.

AI Impact Areas: Where did AI help PS firms most – 2024 vs 2025

The biggest movement between 2024 vs 2025 comes from operational and client-facing work: **project management jumped from 15th to 8th and client research rose from 8th to 5th, signaling that firms are beginning to trust AI deeper in the delivery cycle, not just in pre-sales.** Meanwhile, areas such as data analytics, marketing programs and resource management slipped, reflecting either rising expectations or limited progress in more complex, cross-functional use cases.

Table 26: Top Ten 2025 Impact Areas with 2024's Ranking

AI Impact Area	2025	2025 Rank	2024 Rank
Creation of marketing content – posts, blogs, white papers	3.70	1	1
Proposal development	3.68	2	2
Creation of project deliverables	3.66	3	3
Go to market research	3.62	4	4
Client research	3.57	5	8
Review master services agreements	3.35	6	6
Marketing programs	3.33	7	5
Project management	3.29	8	15
Lead generation	3.25	9	10
Data analytics	3.16	10	7

Source: SPI Research, December 2025

Looking Ahead: AI Revenue Expectations Are Rising Fast

Perhaps the most strategic finding in this year's data comes from firms' expectations of how much of their future revenue will be driven by AI initiatives. **In 2024, respondents estimated that 22.6% of their five-year revenue would be AI-related. In 2025 — using a three-year horizon — this jumped to 36.9%, a 63% increase.**

Even with lower short-term optimism, firms clearly believe that AI will become a core part of their revenue mix in the medium term. **This is one of the strongest signs that AI is shifting from experimentation to strategy.** Firms may be more cautious today, but they see AI as central to their positioning and value creation in the years ahead.

The year-over-year data shows the Professional Services industry moving forward with AI — just not at the pace the early hype implied. Adoption is growing, employee proficiency is rising, and AI is delivering measurable value in service execution and client engagement. At the same time, firms are recognizing that operationalizing AI is more complex, longer-term and resource-intensive than anticipated. Expectations around near-term ROI have cooled, leadership confidence has moderated and commercialization of AI services has plateaued.

What emerges is a more balanced, more mature and more realistic phase of AI adoption — one where long-term strategic advantage, not short-term novelty, is becoming the driving force.

CHAPTER 6 – AI IN BUSINESS APPLICATIONS

"Positive sentiment toward AI's impact on PSA grew 156% year over year — the strongest improvement across all core business applications."

To ensure clarity in interpreting the survey results, below are the definitions of the five business applications assessed in this study.

Business Planning (PL): The assembly and use of information to improve decision-making, extensively used to plan and analyze. **Also referred to as Business Intelligence (BI) tooling**.

Client Relationship Management (CRM): Automating client relationship processes to improve sales and marketing efficiency and effectiveness.

Human Capital Management (HCM): Talent management solutions for recruiting, hiring, compensation, goal setting and career and performance management.

Professional Services Automation (PSA): The initiation, planning, execution, closing and control of projects and services through the management and scheduling of resources that include people (both internal and partners), materials and equipment.

Corporate Financial Management (CFM): The fundamental solution required to collect and report financial transactions accurately. **Also referred to as ERP platforms**.

Business application usage across the survey provides important context for interpreting AI's impact. **Adoption is highest in CRM (85.1%) and CFM/ERP (84.3%)**, followed by **PSA systems at 57.1%** and **HCM at 61.5%**. Commercial **Planning/BI tools (36.3%)** show the lowest penetration, which naturally limits where organizations can apply AI today. Because this is an AI survey, these baseline adoption numbers help explain where performance shifts are even possible — AI can only enhance an application if it is widely used and contains enough structured, reliable data to support it.

Table 27: Business Application Use by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
Commercial Financial Management (CFM)	84.3%	78.8%	86.1%	91.3%	64.3%	78.6%
Commercial Client Relationship Management (CRM)	85.1%	93.9%	82.2%	85.9%	82.1%	85.7%
Commercial Professional Services Automation (PSA)	57.1%	63.6%	55.0%	59.3%	57.1%	42.9%
Commercial Human Capital Management (HCM)	61.5%	76.5%	56.4%	66.7%	42.9%	64.3%
Commercial Planning (PL)	36.3%	52.9%	30.7%	40.9%	32.1%	14.3%

Source: SPI Research, December 2025

AI's Impact on Business Application Performance

Across the five major business applications, shown in Table 28, sentiment toward AI's performance impact remains muted, with an overall average of 1.94. **Most systems remain well below the neutral midpoint of 3.0, indicating that meaningful AI impact on platform performance is still limited.** CRM leads with the highest average score (2.24), likely reflecting earlier vendor investment and the visibility created by new agentic capabilities entering the market. **PSA shows the sharpest year-over-year shift, with a 156% increase in positive AI sentiment** and an average of 2.10 in 2025. This aligns with the **2025 surge of AI-enabled PSA features released over the past twelve months** and suggests that delivery and operations teams are beginning to feel the benefits.

Table 28: AI has improved the performance of Core Business Applications

	PSA	CFM / ERP	CRM	HCM	PL / BI	Average
Strongly Disagree (1)	35.8%	47.2%	24.4%	52.3%	34.8%	39.6%
Disagree	34.2%	31.7%	39.8%	35.8%	25.2%	35.9%
Neutral	17.5%	17.1%	26.0%	9.2%	25.2%	16.6%
Agree	9.2%	3.3%	6.5%	2.8%	8.9%	6.1%
Strongly Agree (5)	3.3%	0.8%	3.3%	0.0%	5.9%	1.7%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Average	**2.10**	**1.79**	**2.24**	**1.62**	**1.97**	**1.94**
Positive Sentiment increase vs 2024	**156%**	**25%**	**-3%**	**44%**	**31%**	**51%**

Source: SPI Research, December 2025

In contrast, **HCM remains the weakest performer at 1.62, mirroring the low impact AI has had across the broader Talent pillar. Planning (1.63) and CFM/ERP (1.71) also trail behind, reflecting the greater difficulty of applying AI in functions defined by fragmented datasets, sensitive processes, or judgment-heavy workflows.** These patterns match the wider findings across Finance & Operations, where AI progress is visible but slowed by data quality, process variance and the need for stronger system foundations. Overall, the assessment shows improvement in several front-office and delivery applications, but most back-office tools still have considerable distance to travel before AI produces consistently positive performance gains.

Across all demographics, AI's impact on core business applications remains modest, but the tables show clear variation by organization type, market segment and size. **ESOs generally report slightly higher impact scores than PSOs, particularly in PSA (2.09 vs. 1.85) and PSOs higher on CRM (2.09 vs. 2.13).** Regionally, firms in the Americas report the strongest sentiment toward PSA impact (2.02) compared to EMEA (1.87) and APAC (1.79). Market-level differences are even more pronounced. **SaaS and Software providers consistently**

report the highest impact across applications — for example, PSA at 2.35 in SaaS and 2.40 in Software — while Architecture/Engineering firms report the lowest (PSA 1.33, CRM 1.47). Organization size shows a similar imbalance: mid-sized firms (301–700 employees) give the highest PSA impact rating (2.30), while firms under 10 employees show understandably the lowest (1.69). Overall, the data indicates that perceptions of AI's application impact vary meaningfully depending on firm type, market focus and scale, with SaaS/Software providers and mid-sized organizations reporting the most positive momentum.

Table 29: AI's impact on Application Performance by Organization Type and Geography

	2025	ESO	PSO	Americas	EMEA	APac
CFM uses AI to improve performance	1.71	1.69	1.72	1.72	1.69	1.64
CRM uses AI to improve performance	2.12	2.09	2.13	2.18	2.04	1.86
PSA uses AI to improve performance	1.96	2.29	1.85	2.02	1.86	1.79
HCM uses AI to improve performance	1.50	1.44	1.52	1.50	1.36	1.79
PL uses AI to improve performance	1.63	1.68	1.62	1.65	1.68	1.43

Source: SPI Research, December 2025

Table 30: AI's impact on Application Performance by PS Market

	Arch/Engr	IT Con	Mgmt Con	SaaS	Software	Other PS
CFM uses AI to improve performance	1.67	1.63	1.70	1.75	1.80	1.77
CRM uses AI to improve performance	1.47	2.14	2.18	2.11	2.20	2.33
PSA uses AI to improve performance	1.33	1.91	2.04	2.35	2.10	1.97
HCM uses AI to improve performance	1.33	1.49	1.67	1.32	1.80	1.47
PL uses AI to improve performance	1.33	1.43	1.78	1.89	1.30	1.83

Source: SPI Research, December 2025

Table 31: AI's Impact on Application Performance by Organization Size (employees)

	Under 10	10 - 30	31 - 100	101 - 300	301 - 700	Over 700
CFM uses AI to improve performance	1.48	1.88	1.68	1.79	1.89	1.64
CRM uses AI to improve performance	1.90	2.53	1.88	2.16	2.56	1.85
PSA uses AI to improve performance	1.69	2.19	1.76	1.89	2.56	2.21
HCM uses AI to improve performance	1.38	1.44	1.56	1.63	1.78	1.38
PL uses AI to improve performance	1.79	1.78	1.35	1.42	2.00	1.69

Source: SPI Research, December 2025

CHAPTER 7 – FUTURE IMPACT OF AI ON PROFESSIONAL SERVICES

"The next generation of PS leaders will be those who turn their knowledge into a capability the whole firm can use."

The Vision for AI – the Next 5 Years

Over the next five years, AI will become deeply embedded in how professional services firms operate and deliver value — but not in the disruptive, existential way headlines often suggest. The data in this report reflects steady, practical progress. Organizations expect AI-related revenue to nearly triple, current AI ROI averages 9.5% and firms anticipate positive ROI within 18.5 months. This shows realistic optimism: **PS firms recognize that returns take time, but believe AI will steadily strengthen delivery quality, productivity and client outcomes**. Rather than replacing consultants, AI will serve as an augmentation layer — accelerating deliverables, elevating insight generation and expanding capacity for higher-judgment work.

The larger shift is that value will move from generic expertise to specialized, data-rich expertise. With general LLMs available to everyone, differentiation will hinge on proprietary, domain-specific knowledge. Firms that structure their delivery data, case studies, methodologies and playbooks will be able to build fine-tuned models that reflect their own experience and quality standards. In five years, successful PS firms will operate more like data companies than traditional consulting firms, with AI systems recalling thousands of past engagements, surfacing best practices and producing tailored outputs powered by the firm's own intellectual property.

What the Data Tells Us About that Future

Today, AI's strongest impact is in Service Execution and Client Relationships — especially proposal development, lead generation, meeting summaries, deliverable creation, schedule planning and client communication. These areas have structured data and repeatable workflows, which is why CRM and PSA show the higher business application AI improvement scores (2.12 and 1.96). Meanwhile, HCM, Planning and complex financial processes lag due to fragmented data and judgment-heavy workflows.

Talent dynamics are also beginning to shift. AI is already influencing talent strategy (3.07) and **with firms expecting almost 40% of revenue to be AI-related within three years, required skills will change quickly.** Data readiness, prompt engineering, AI-augmented consulting methods and technology fluency will become core competencies. Because PS firms often struggle to "use themselves on themselves", AI may finally force modernization in historically neglected areas such as knowledge management.

Areas of Risk

The next five years also bring meaningful risks that leaders must navigate:

1. **Data quality and governance:** Weak data maturity risks inconsistent outputs.

2. **Over-reliance on general AI:** Without proprietary datasets, firms will become interchangeable.
3. **Erosion of trust:** AI content without oversight may undermine credibility.
4. **Talent displacement anxiety:** Fear of job loss slows adoption, especially in relationship-driven environments.
5. **Uneven adoption:** Regulation, security and legacy systems will create uneven maturity across industries and geographies.

AI Support – Proprietary Knowledge as the Foundation

In a world where everyone accesses the same open models, proprietary knowledge becomes the moat. Firms that invest in structured knowledge systems — project archives, decision logs, playbooks, templates and best practices — will deploy AI that reflects their unique expertise. This is where acceleration occurs:

- Project setup in minutes
- Deliverables drafted using firm-specific frameworks
- Recommendations shaped by past successes
- Onboarding enriched by institutional memory
- Consultants supported with context-rich guidance

Agentic AI and Automation

Agentic AI — which takes action rather than simply generating content — will shape the next major leap. Over the next five years, firms can expect AI agents that:

- Plan and schedule work
- Monitor risks
- Update financials
- Run delivery workflows
- Tag and store knowledge
- Prepare project content end-to-end

The biggest beneficiary will be the client — engagements become faster, more predictable and more evidence-based.

The Future of Professional Services

The future is not "the end of consulting". It is consulting that is more specialized, data-driven and AI augmented. Consultants will remain essential for judgment, change management, stakeholder alignment and navigating ambiguity. AI gives them more speed, more insight and more leverage — but **clients will still need a human partner they trust to stand behind outcomes and absorb risk.**

The early-career model will also shift. As AI automates document-heavy tasks once handled by junior analysts, firms like PwC are already signaling changes to graduate hiring. **Entry-level consulting roles will require**

stronger domain knowledge and AI fluency from day one. Firms must redesign onboarding and capability-building to avoid losing the next generation of talent.

Firms that thrive will be those that:

- **Invest aggressively in proprietary data and knowledge management**
- **Embed AI across delivery workflows**
- **Focus on domain-relevant, experience-backed offerings**
- **Modernize internal systems to raise data quality**
- **Upskill their workforce in structured, sustained ways**

AI will not replace consulting. But consultants using AI will outperform consultants who don't — and firms that fail to build proprietary knowledge will struggle to compete with those who do.

CHAPTER 8 – CONCLUSION

The findings from this year's study show a professional services industry moving toward AI adoption but still learning what it takes to turn potential into performance. AI is now present in roughly a quarter of all projects, yet impact remains uneven. CRM and PSA show the clearest early traction, suggesting AI delivers value when data is structured and workflows are well defined. Still, every business application category scores below 3 out of 5, indicating that most back-office and front-office systems are not yet seeing meaningful improvement. The opportunity is real, but uplift will come only when firms strengthen the operational foundations that allow AI to work at scale rather than expecting the technology to compensate for gaps in process, data and execution.

High-performing firms offer useful guidance. They are not winning because they have more AI—they are winning because they have the fundamentals in place. Their process discipline is stronger, their data is cleaner and more than half of their employees are proficient in AI tools compared with only a third among the rest. Their leaders set direction, but the difference is that their teams can act on it. These firms are advancing faster internally than externally and the gains show up in delivery accuracy, project risk management and resource planning. AI is amplifying strengths that already existed.

The study also confirms that professional services remain a people business. Trust, accountability and judgment still determine client outcomes. Today, AI reinforces these human elements rather than replacing them. It helps teams prepare better, respond faster and operate more consistently. The firms seeing the most value treat AI as a practical tool, not a visionary promise. They invest in training, run focused pilots, address data issues and build confidence through measurable wins. Firms that struggle tend to expect impact without changing how they work.

Looking ahead, the next frontier is connected intelligence: AI that draws on proprietary knowledge, supports cross-team workflows and reduces delivery overhead. While some firms claim early progress with agentic AI, gaps between HPOs and the rest show the market has not yet unlocked its full value. Progress will depend on how effectively firms combine people, data and process.

In practical terms, firms should **focus on four areas:**

1. **Improve data quality in the systems where work is planned, delivered and measured.**
2. **Raise employee proficiency so more of the organization can use AI effectively.**
3. **Prioritize use cases that solve real business problems.**
4. **Build internal confidence with small, visible wins before scaling.**

The rules of high performance in professional services have not changed. AI raises the stakes and increases the advantage for firms that are disciplined, prepared and willing to learn. It will not replace the core responsibilities of a services business, but it will increasingly separate the firms that are ready from those that are not.

CHAPTER 9 – APPENDICES

Appendix 1: List of Actual Top Use Cases

Figure 24 below categorizes the 95 "Top AI Use Cases" SPI received from participants:

Figure 24: AI Top Use Cases from PS Leaders – Themed Popularity

Source: SPI Research, December 2025

Of the 95 "Top AI Use Cases" SPI received from participants, these have consolidated these into a top 40, to remove duplication – this list is in no particular order:

1. Summarizing requirement sessions and meeting discussions.
2. Drafting proposals and sales documents from recorded inputs.
3. Reviewing RFPs and generating scopes of work.
4. Summarizing long documents and research materials.
5. Reviewing and drafting contract language.
6. Creating marketing content, social posts and basic creative.
7. Extracting and cleaning data from documents and systems.
8. Answering support questions using structured knowledge bases.
9. Generating user guides, documentation and training materials.

10. Producing content for product updates and release notes.
11. Creating imagery or visual concepts for projects.
12. Drafting internal processes, policies and playbooks.
13. Transcribing meetings and producing action items.
14. Conducting customer, market or competitor research.
15. Running predictive analytics on operational or project data.
16. Automating lead generation and nurture sequences.
17. Supporting HR with simple admin tasks such as sick-leave reporting.
18. Screening CVs and running first-round interview assessments.
19. Assisting consultants with drafting and editing deliverables.
20. Generating code or supporting software development.
21. Automating repetitive tasks through lightweight RPA.
22. Creating internal search tools powered by company data.
23. Performing project compliance and document checks.
24. Stress-testing strategies by removing human bias from analysis.
25. Assisting with spreadsheets and formula creation.
26. Conducting geospatial or remote-sensing analysis.
27. Building chatbots that combine product data with client SOPs.
28. Detecting fraud or anomalies in transactions.
29. Producing early benchmarks by reviewing client data.
30. Identifying best sales targets or next-best actions.
31. Automating steps in service delivery workflows.
32. Supporting application modernization and code conversion.
33. Running clustering analyses on interview or survey data.
34. Producing design concepts or project ideas quickly.
35. Acting as an executive assistant for evaluation and decision support.
36. Helping engineers upskill in AI tools and techniques.
37. Improving customer onboarding experiences with AI-driven guidance.
38. Enhancing project management workflows and PMO activities.
39. Conducting visual inspections and image-based assessments.
40. Assisting with compliance certifications requirements.

Appendix 2: Figures & Tables Contents Pages

Figures

Tables

Appendix 3: Related Service Performance Insight Research

SPI Research has produced several publications for services-driven organizations that include:

- ***2025 Service Productization Benchmark*** *(October 2025) The 2025 Service Productization Benchmark, based on responses from more than 100 services organizations, delivers the industry's first data-driven view of how productized services improve scalability, margin and delivery consistency. The report maps productization maturity across firms and offers clear guidance on how organizations can package, standardize and operationalize their expertise for more predictable growth.*
- ***The Structural Divide – Why Sales & PS Clash and the Strategies to Fix it*** *(September 2025) The Structural Divide: Why Sales and PS Clash analyzes why Sales and Professional Services often work at cross-purposes and how this misalignment erodes margin and delivery predictability. Based on SPI's research into sales-to-delivery friction points, the report outlines the structural, incentive and process gaps that create conflict — and provides practical actions leaders can take.*
- ***2025 Professional Services Maturity Benchmark™*** *(February 2025) With participation from over 403 Professional Services organizations, the 2025 Professional Services Maturity™ Benchmark provides the industry's most comprehensive performance view across Leadership, Client Relationships, Talent, Service Execution and Finance & Operations. Now in its 18th year, the benchmark highlights the operational drivers that differentiate high-performing firms and offers a clear path for organizations seeking measurable productivity and profitability gains.*
- **2024 Project-based Enterprise Resource Planning (ERP)** (May 2024) *The 50-page report provides data-based guidance for professional services executives with 29 informative graphics and tables supporting strategic initiatives to improve organizational performance by implementing Project-based ERP solutions. Data was taken from 2,898 firms over the past five years.*
- **2023 Professional Services Talent Benchmark** (September 2023) *SPI Research's 2023 Talent Benchmark analyzes 137 billable PS organizations representing over 50,000 consultants. This 122-page study examines talent priorities, virtual delivery trends, employee investment and the role of business applications. It provides detailed insight into target and realized bill rates, compensation and utilization across major PS verticals and 12 global job levels, offering a comprehensive view of workforce structure and composition across IT Consulting, Management Consulting, Architects and Engineers and embedded SaaS services teams.*
- **2022 Professional Services Automation End-user Survey** (September 2022) SPI Research's 2022 PSA End-User Survey captures insights from 88 billable organizations using Professional Services Automation solutions. Conducted independently with no vendor input, the study explores why firms select PSA, which capabilities matter most and how users perceive value. It examines both pre- and post-deployment performance, user satisfaction across core modules and real-world adoption patterns, supported by 44 quantitative and qualitative figures and tables.

Information on these and any other SPI Research publications can be found at www.spiresearch.com or by e-mail at info@spiresearch.com.

About Service Performance Insight

Since 2006, Service Performance Insight (SPI Research) has been the leading authority on accelerating performance for Professional Services organizations & teams. As the creator of the Professional Services Maturity Model™, SPI provides proven frameworks, benchmarking data and actionable insights to accelerate EBITDA, productivity and scalable growth. For more information, visit www.spireearch.com

Meet the Team

R. David Hofferberth – Founder & Managing Director at Service Performance Insight (Tennessee-based). With over 35 years in IT as a consultant, analyst, market strategist and product director for firms such as The Aberdeen Group and Oracle, Dave focuses on the services economy, productivity and enabling technologies. Co-author of the Professional Service Maturity Model™, used by 50,000+ project-oriented organizations, he has shaped the industry's understanding of performance improvement. A frequent global speaker and advisor, he pioneered the Professional Services Automation (PSA) category in 1999 with his landmark report, Professional Services Automation: Increasing Efficiencies and Profitability in Professional Services Organizations. Dave holds an MBA from Duke University, a BS in Industrial Engineering from the University of Tennessee and was formerly a licensed Professional Engineer.

Ryan Kelly – Global Director (Singapore-based). Ryan brings expertise in operational transformation and digital/AI enablement for high-growth and PE-backed businesses. His experience spans strategy, systems integration and post-merger integration – aligning people, process and technology for scalable growth.

Before SPI, he co-founded The 1801 Consulting Group, delivering data-driven change for Professional Services firms in APAC and EMEA and held senior operational roles at Skyscanner and ITRS Group. Ryan has been leading author on SPI's 2025 research reports. He holds a First Class BA (Hons) in Business & Management from the University of Lincoln and speaks Mandarin.

Connor Metcalf – Global Director (London-based). Connor brings over a decade of experience in operational transformation for high-growth, PE-backed organizations, with expertise in systems integration, process optimization and cross-functional alignment. He has led global post-merger integrations and operational change at SoftwareOne and ITRS Group, improving revenue, margin and delivery performance.

As co-founder of The 1801 Consulting Group, Connor has worked with leadership teams worldwide to embed scalable, data-driven processes and prepare PE-backed firms for successful exits. He champions applied AI and automation to simplify complexity, improve decision-making and accelerate time-to-value.