Mantel group

2025

State of Data & AI

AI alone isn’t the competitive advantage — unlocking the right data and applying AI is.

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Unlocking Data and Turning AI Hype into Real-World Impact

AI adoption is really picking up speed, and Generative AI (GenAI) is leading the way. It's opening up all kinds of exciting opportunities, but there's a catch: **without a rock-solid data foundation, you're building castles on sand**.

The organisations that can immediately access, fortify, and deploy their data are the ones who will come out on top.

If you're not integrating data strategies with AI adoption, you're missing a trick. The organisations that do this well will make the most impact, turning all their data into real-world results.

So, to sum it up:

AI on its own isn't the secret sauce — it's unlocking and using your data, and applying AI the right way, that will give you the edge!

Key Takeaways from this year's survey

Digital survey of C-Suite Data Leaders

AI is the fastest moving technology in history

GenAI is making waves, even in organisations that aren't data-savvy. The power of AI is breaking down walls, and helping organisations realise real value, no matter where they're starting from.

Data Security is a critical focus in 2025

As data becomes the lifeblood of AI, keeping it safe is a must. If your data isn't secure, you're not going to be in a good spot for long-term success. So, it's time to double down on data security.

Data is the asset, Product is the key

The quicker and more effectively a company can get to its data, secure it, and make use of it, the more of a headstart they'll get. Those with a clear data strategy are the ones leading the pack.

Data & AI Driven Success Starts at the Top

It's no longer enough for only the tech teams to understand AI. Leaders across organisations need to get on board and drive AI strategy, making sure it's tied to real business outcomes.

AI is the fastest moving technology in history

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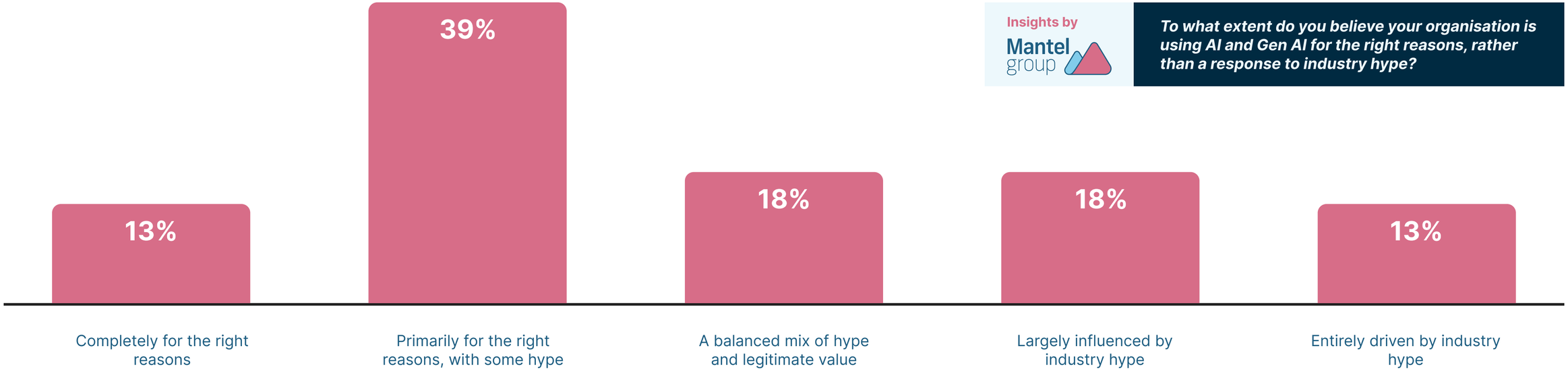
To what extent do you believe your organisation is using AI and Gen AI for the right reasons, rather than a response to industry hype?



AI Adoption is Surging

But leaders have mixed opinions about hype vs. the real opportunity

Even though AI is being adopted at lightning speed, there's still a gap in how people perceive it.

Around 40% of leaders say their organisations are using AI for the right reasons, but about 30% admit that the hype plays a big role in their decision-making.

This disconnect could relate to where organisations are in their AI journey — many are still figuring out how to really unlock the value of their AI investments.

So, while AI spending is definitely on the rise, a lot of organisations are still working out how to turn that adoption into something impactful.

As AI, especially Generative AI, becomes more ingrained in business strategies, leaders need to **move beyond just jumping on the bandwagon, and focus on integrating AI in a way that actually drives value.**

AI is now a boardroom priority, but perception gaps highlight the need for a **maturity leap** — moving from hype-driven experimentation to outcome-focused execution. AI must align with business strategy, not just follow industry trends.

AI Adoption Opportunities

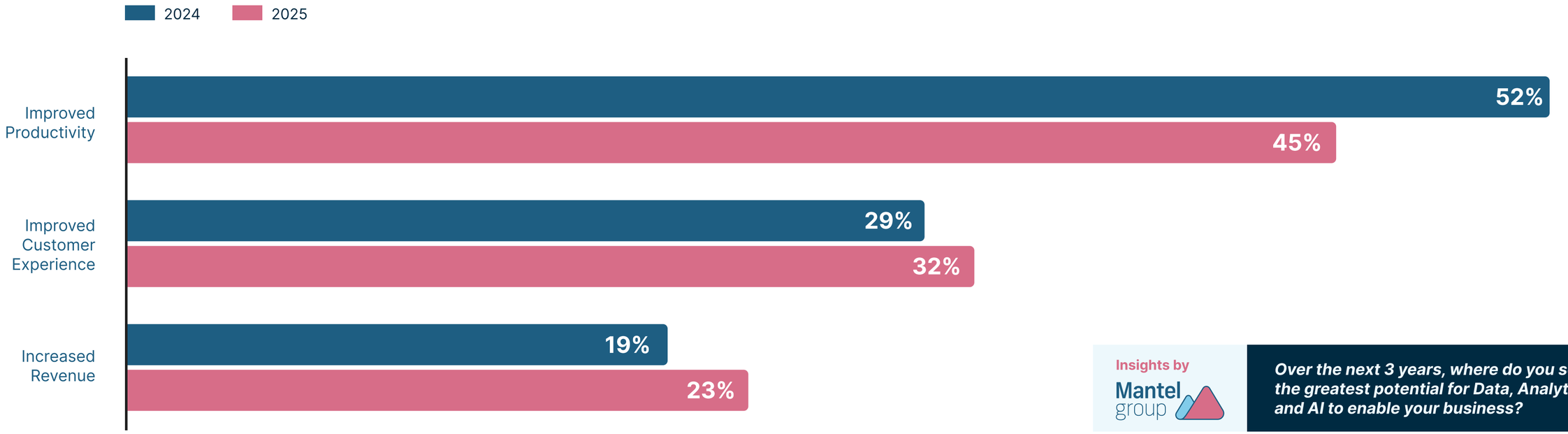
Business Potential

Breaking the below groupings down further, business leaders specifically see potential for AI in:

- Productivity & efficiency gains (26%)
- Enhanced customer experience (26%)
- Better & faster strategic decision-making (14%)

These top trends have remained relatively consistent year-over-year, with organisations broadening their perspective, signalling that AI is no longer just an experiment - it's becoming a fundamental enabler of business transformation.

Gen AI is turbocharging efficiency and customer experience. Organisations that successfully integrate AI into operations will **gain a sustainable competitive advantage**, while those lagging behind risk obsolescence.



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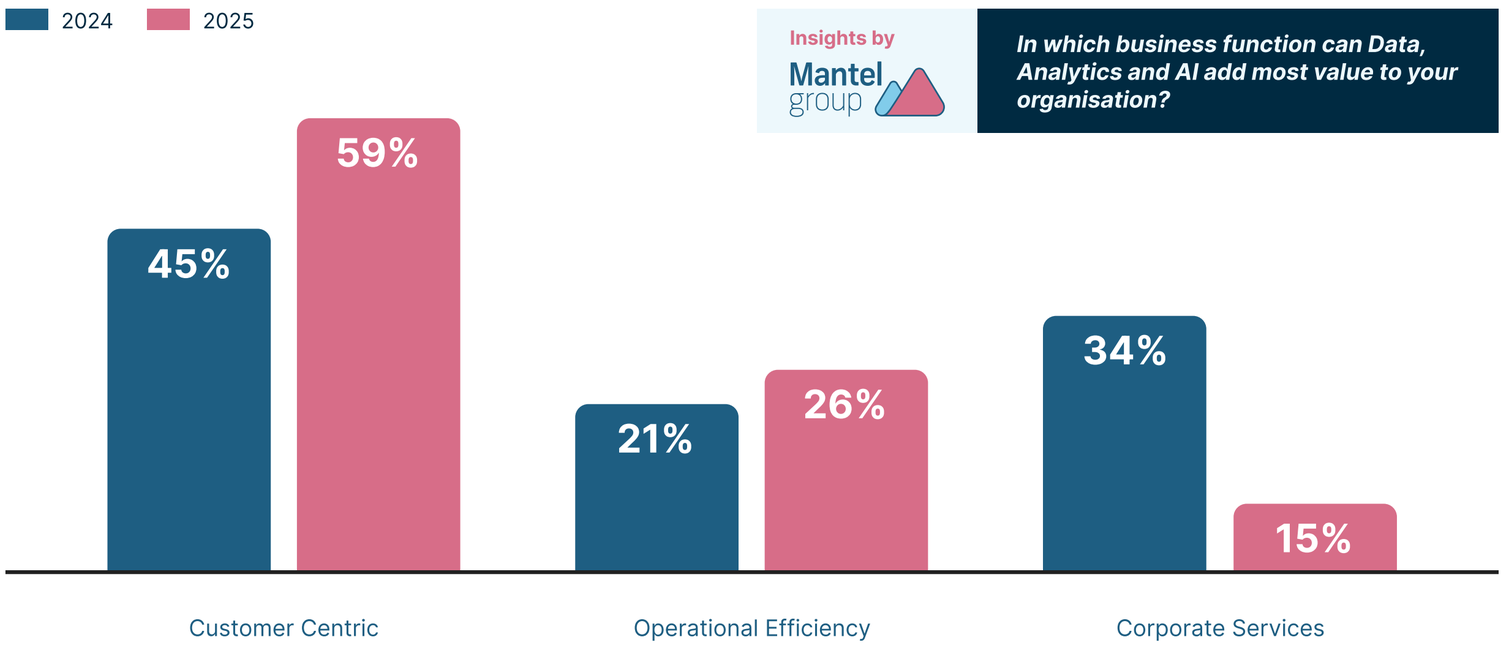
Over the next 3 years, where do you see the greatest potential for Data, Analytics and AI to enable your business?

AI Adoption Business Impact



We're seeing a shift from back-end optimisation to customer facing business impact of AI:
Customer Centric Uplift is due to 📈 Marketing & Sales (17% → 24.6%); the biggest increase year-on-year, driven by the rise of hyper-personalisation, AI-powered content generation, and automated customer engagement.

The Most Business value

When leaders were asked where AI will have the biggest impact, nearly 60% pointed to improving productivity and customer experience as their top priorities. It's clear this signals a big shift. AI isn't just about making things run smoother anymore; it's all about standing out from the competition with ultra-personalised, tech-driven experiences.

So why this shift?
Well, consumers are now interacting with AI all the time — on their phones, in their cars, and even at home with smart devices. Because of that, organisations are feeling the pressure to deliver the smooth, AI-powered experiences customers are now used to. Generative AI is really leading the way, making hyper-personalisation, real-time decisions, and smart automation all possible on a much bigger scale.

Here's what C-Suite leaders should take away:

- **Gen AI is totally changing how we engage with customers** — personalisation and automation aren't just "nice to have" anymore, they're essential.
- **AI needs to be driven by business needs, not just buzz** — make sure the focus is on creating real value, not just jumping on trends.
- **Getting your AI maturity right is key** — organisations need to pay attention to governance, security, and how to operationalise AI to make sure it's a long-term win.

Breaking the *Last Mile* Problem: Moving AI from Concept to Value

Beyond adoption, the biggest challenge remains turning AI into actionable business value.

- **48%** cite resource constraints (time, budget, personnel) as a major hurdle.
- **17%** struggle with embedding AI into business workflows and tracking ROI.
- **17%** report difficulties in prioritising AI ideas based on impact and feasibility.

AI **isn't just a technology challenge** — it's an **operational** and **cultural** one.

Organisations need **clear prioritisation frameworks** to focus on AI projects that align with business goals.

AI success depends on **embedding insights into real-world decision-making** — not just generating them.

Here's what C-Suite leaders should take away:

- Modernise infrastructure to remove tech debt barriers and future-proof AI investments.
- Adopt an AI Factory Model - Decentralise AI experimentation while investing in a specialised team to productionise models, navigate security reviews, and ensure compliance.
- Tie AI to business value — prioritise projects that improve customer experience and efficiency.
- Strengthen AI governance to address security, compliance, and ethical risks.
- Invest in AI adoption & literacy to make AI an organisation-wide capability, not just a data team initiative.

Insights by Mantel group

What do you identify as the most significant challenges in the process of moving a data idea from its initial concept to a valuable insight in use by the business?

48%	**Resource Planning: Limited resources (time, budget, personnel) to effectively execute on data ideas and insights**
17%	**Implementation & Monitoring: Challenges in integrating insights back into business processes and monitoring the impact and value from them**
17%	**Idea Assessment and Prioritisation: challenge in evaluating the feasibility and impact of the idea along with prioritising those that align with business goals and deliver highest value**
9%	**Data Collection, Accessibility & Preparation: Difficulty in identifying and accessing the right data sources for analysis, along with cleaning, transforming and preparing it for accurate analysis**
9%	**Analytical & Insight Capability: Limited tools or expertise to analyse data and derive meaningful insights and communicate them effectively**

Key Barriers to AI & Data Ambitions

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1 Legacy Systems & Tech Debt and Funding Constraints

Barrier: Old infrastructure and tight budgets are holding back AI progress.

Solution: The key to moving forward? A solid modernisation plan — think phased cloud adoption and AI-ready architectures.

AI shouldn't be treated as a separate project, but rather as part of a bigger digital transformation effort. That way, it all works together seamlessly.

2 Lack of a Well-Defined Data Strategy & Operating Model

Barrier: Trying to do AI without a solid data strategy? It just leads to scattered efforts and a lot of wasted time.

Solution: To make AI really work, you need a data strategy that spans the whole enterprise. It should align with your business goals, set clear governance, and make sure AI is smoothly integrated into your workflows. That's the recipe for success!

3 Lack of a Business Case & High-Value Initiatives

Barrier: AI projects can't get off the ground without showing real ROI — otherwise, it's tough to get funding or support from the top.

Solution: The trick? Start with AI applications that deliver quick wins and high impact —think automating processes, boosting customer experience, and driving efficiency. Show some early value, and the buy-in will follow.

4 Risk Appetite, Security Concerns and Regulatory Compliance

Barrier: Data privacy, model bias, and AI ethics are making organisations hesitant to dive in.

Solution: How to move past this? Strong AI governance, clear risk assessments, and making sure AI models are compliant. When organisations build trust this way, adoption speeds up.

5 Lack of Data Literacy & Organisational Adoption

Barrier: AI tools are often stuck in their own little world, with only the data team really using them.

Solution: Start with cross-functional AI literacy programs and make AI a part of everyday workflows. This gets everyone involved and makes the whole system more effective.

Emerging barriers as data is democratised

Our View on AI Adoption

AI is rapidly becoming a commodity like cloud, data is still the real competitive edge

Emma Bromet
Partner, Data & AI

Looking back at 2024...

This year, we have a significant shift in the number of organisations moving from AI proof-of-concept to AI models in production. According to Databricks, there has been an 11x increase in models in production year-on-year. For organisations who are leading the charge in AI this certainly appears to be the case; however, we are still seeing many organisations being left behind, who remain stuck in a cycle of PoCs and are unable to bank real-world value from AI.

We've been working with customers who have adopted an **AI Foundry** and **AI Factory** Framework, which allows them to rapidly ideate, prove value and then move models into production quickly and effectively.

Although there is no silver bullet, we have seen organisations who have a 'SWOT' team that are responsible for productionisation, be very effective. This is a team that not only has strong experience in Machine Learning Engineering, but also knows how to navigate security, risk and architecture reviews, and can take a use case from experimentation and run with it until go-live.

We have also seen decentralised experimentation speeding up the AI funnel, meaning individual BUs can leverage in-house skills to develop a proof of concept. The benefit here is that they are domain experts, so can add context to PoC development, also avoiding an innovation bottleneck that a central team might bring.

What do you think will happen in 2025?

Everywhere you look, it's the 'year of the agent in 2025' and I expect this will dominate the narrative for many organisations.

AI agents are very 'new' for everyone, so we're yet to see real world examples of organisations who are consistently leveraging the benefits of Agentic AI. However, there are parallels with having an effective AI funnel (experimentation, production, observability) and AI agents; if as an organisation you experiment quickly, fail fast and move on, this will help shift the dial towards leveraging the power of AI agents.

I see agents transforming the landscape for organisations. Firstly, business processes can be transformed and made vastly more efficient with straight-through processing and reduced human intervention. Secondly, in the data space I see agents dramatically changing the traditional modern data architecture with agents (or 'reasoning engines') replacing the traditional BI and reporting layer, and ultimately taking action directly.

> ***There are parallels with having an effective AI funnel and AI agents; if as an organisation you experiment quickly, fail fast and move on, this will help shift the dial towards leveraging the power of AI agents***
>
> Emma Bromet - Partner, Data & AI

Data Security is a critical focus in 2025

Data Security & Privacy: Still Critical, But Are Organisations Keeping Up?

Let's be real — data security is still a huge deal. But are organisations putting enough time, money, and focus into it? Our 2025 research initially suggested that executive attention on data protection might be dipping. But in practice, what we're actually seeing is more like data security fatigue — leaders know it's a massive challenge, and many feel overwhelmed by its sheer complexity.

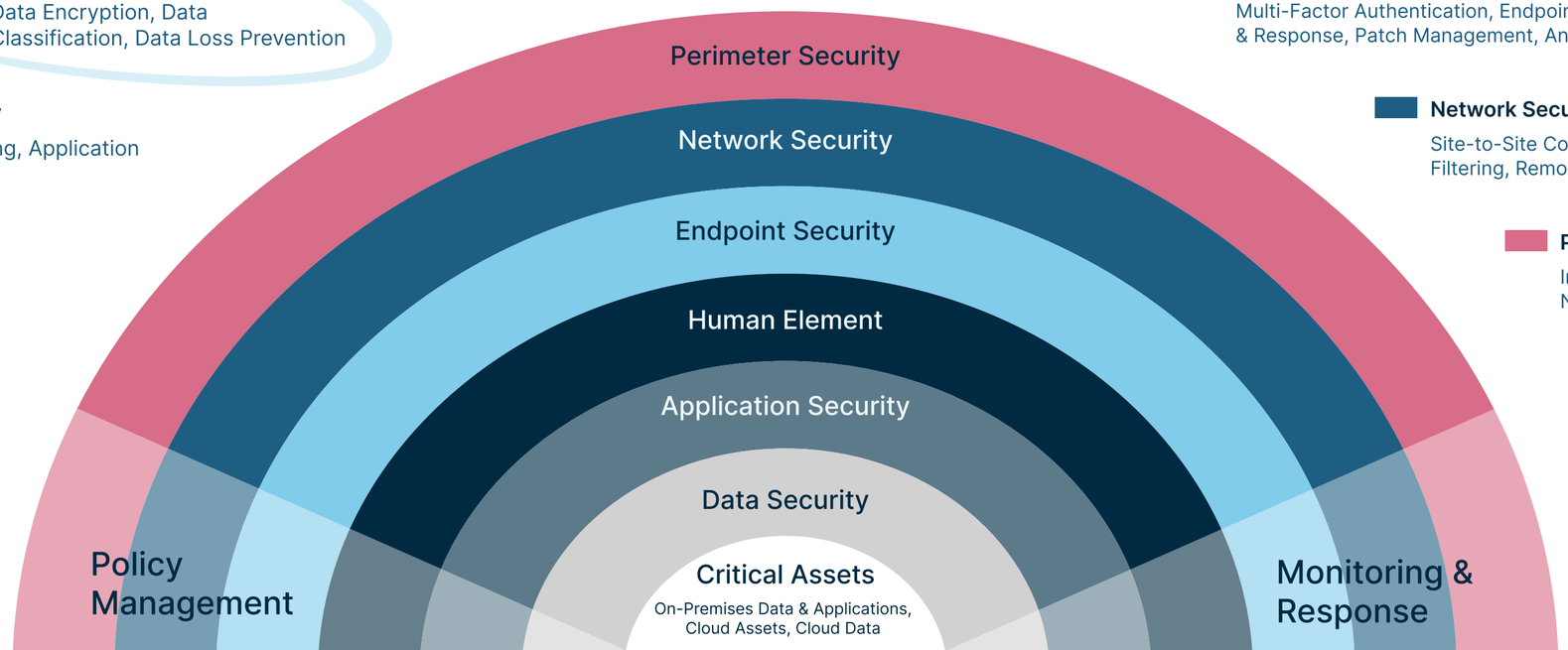
Here's the catch: most security conversations today aren't about solving everything at once. Instead, they're about finding smaller, tangible wins — bite-sized solutions that show immediate value in a world where total security feels impossible.

Some forward-thinking organisations are embedding security right into their modern data stack, shifting towards "secure-by-design" and "secure-by-engineering" approaches. But let's not ignore reality — when budgets tighten, security investments are often the first to get slashed. And that's risky.

Why? Because adversarial AI, data breaches, and increasingly strict regulations aren't slowing down. If organisations underinvest now, they risk losing trust, revenue, and long-term resilience. Security isn't just an IT problem — it's a core pillar of any modern data and AI strategy.

So, the big question: How do we tackle this problem in a way that's realistic, valuable, and actually works?

Layers of Cyber Security



According to Gartner's 2025 survey [1], 88% of CIOs and tech leaders in Australia and New Zealand rank cyber security as their top investment. But diving deeper into the layers of cyber security, a more recent survey [2] shows that only 14% of security leaders are successfully balancing data security with business objectives.

[1] Gartner Technology Investment Survey September 2024
[2] Gartner Senior Security Leader Survey February 2025

Adversarial AI - A new front in the data security battle

As noted above, Cyber security is top of mind for CIOs and a key investment focus area for 2025, but it's tough to keep writing cheques with no finish line in sight.

- The frequency and cost of data breaches continues to climb — and the impact is not just measured in dollars; to your customers and the wider community, it's about your reputation and "trustworthiness" too.
- Money being spent on data protection programs is now complicated by AI applications providing a new way in to that data.
- AI magnifies security misconfigurations. Data protection is key to managing AI risks and achieving value. If we ignore security now, we're putting all future AI value on the line.
- Security hardening is non-negotiable — it's the ticket to thriving in an AI-driven world.

What's Changed?

- Regulatory complacency: After major breaches, many organisations rushed in with quick fixes but never committed to long-term security investment.
- AI innovation outpacing security: The fast pace of AI adoption means organisations are more exposed to cyber threats and data leaks.
- Perceived security maturity: Some organisations think they're good to go based on past investments, but haven't fully embedded security into their everyday operations.

Fighting Adversarial AI: Protecting Our Future

Securing AI systems against adversarial attacks is essential for safeguarding our organisations and customers. Adversarial AI exploits vulnerabilities in AI models, tricking them into making incorrect decisions. This issue is becoming more prevalent — Australia and New Zealand saw a significant rise in cyber incidents related to AI manipulation, with New Zealand experiencing a 58% increase in attacks in Q3 2024 alone (thecyberexpress.com).

To defend against this growing threat, we must embed security into the core of AI systems. Here are four key steps:

1. **Spotting Bias:** Regularly assess AI models to identify and address bias, preventing exploitation by adversaries.
2. **Catching Malicious Inputs:** Implement real-time monitoring to detect and block malicious inputs that could deceive AI.
3. **ML Forensics:** Enable the ability to trace and analyse AI decisions to understand and fix vulnerabilities.
4. **Protect Sensitive Data:** Ensure models are trained on secure, anonymised data to safeguard personal information.

As AI continues to evolve, so do the tactics of cybercriminals. By 2025, AI will be both a critical asset and a target, with cyber threats intensifying (australiancybersecuritymagazine.com.au).

Proactive security measures and constant updates are crucial to stay ahead of adversarial AI, ensuring the safety of our organisations and customers.

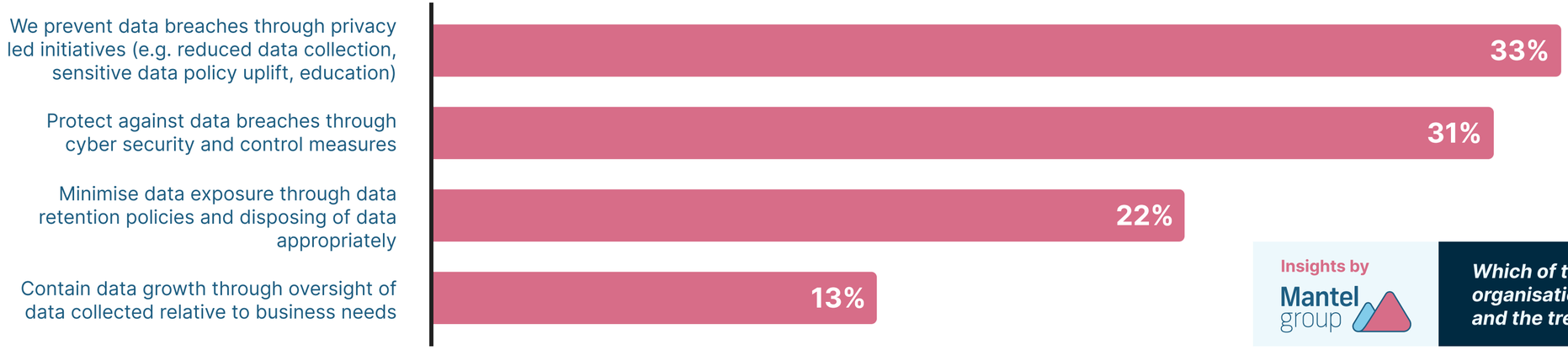
Data Protection Strategies Are All Over the Place — And That's a Problem

Let's be honest — there's no one-size-fits-all approach to data protection, and most organisations are juggling different (and often messy) strategies:

- 33% go for a privacy-led approach — great for compliance, but does it actually protect data? Not really. Privacy is important, but it doesn't magically stop data from leaking into random Excel files or being emailed around.
- 31% focus on cyber security & controls — critical for defending against threats, but often reactive rather than proactive.
- 22% rely on data retention & disposal policies — helps reduce exposure, but doesn't address the bigger issue: knowing what data you have and where it actually lives.
- 13% manage data growth — good for risk reduction, but more of a tactical fix than a real strategy.

Here's the Real Problem: Most organisations still don't have a full handle on their data. It's not just about knowing where data should be — it's about knowing where it actually is, including all those unofficial copies floating around in file shares, emails, and forgotten spreadsheets. Without that understanding, security is just guesswork.

The Fix? An integrated approach and continuous assurance. Security, privacy, and governance have to work together — not in silos. A privacy-first mindset is valuable, but on its own, it won't save you. The real goal is a proactive, end-to-end strategy that protects data from every angle and gives you real-time visibility into the current state of security.



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Which of the following strategies does your organisation use to manage data minimisation and the treatment of sensitive data?

Our View on Data Security Challenges

Security isn’t just about preventing threats — it’s a competitive advantage. Earn trust, avoid costly breaches, and stay ahead of the curve.

Nick Ellsmore
Mantel Group Partner, Cyber security

What needs to change?

- **Security-first AI strategies:** AI without security is a disaster waiting to happen. Organisations need built-in adversarial AI protection, real-time monitoring, and forensic capabilities.
- **Secure-by-design data modernisation:** Security can’t be an afterthought — it has to be part of the foundation from day one.
- **Ongoing investment:** Security isn’t a “set it and forget it” thing. It needs to evolve alongside AI and data strategies.
- **C-suite accountability:** Data security isn’t just an IT problem anymore. It’s a core business issue, and leadership needs to own it.
- **Regulatory readiness:** Compliance rules are only getting stricter. Organisations that don’t keep up risk big fines and reputational damage.
- **Real-time security visibility:** The old six-monthly security audit isn’t cutting it anymore. Continuous assurance and enterprise-wide reporting are now critical.

> ***This may sound counter-intuitive coming from a security professional, but many organisations would be better off avoiding security requirements, rather than implementing more security.***
>
> Nick Ellsmore - Mantel Group Partner, Cyber security

What do you think will happen in 2025?

You’ve probably heard the phrase *“Data is the new uranium.”* That doesn’t mean it’s dangerous — just that if you don’t handle it properly, things can get messy. If your business isn’t set up to manage it well, it’s time to get someone who can.

Data platforms are taking over security

Big data vendors are baking security right into their platforms, making some third-party security tools less relevant. AI-driven automation is also shaking things up, streamlining security operations and shifting away from traditional SOC/SIEM models.

Organisations are rethinking what data they even want to keep

Holding onto sensitive data is expensive and risky. More organisations are purging, tokenising, or centralising data to reduce security costs and compliance headaches. DigitalID and similar solutions are gaining traction as organisations look for smarter ways to manage risk

Some organisations will ditch high-risk data entirely

Rather than jumping through endless compliance hoops, some organisations will simply step away from certain business lines, geographies, or services. We saw this with PCI-DSS, and now it’s happening on a bigger scale as regulations tighten.

Data is the asset, Product is the key

Data Quality: The Cost of Poor Foundations

- Data quality is still a struggle and it seems the better we get at it, the more we realise what good really looks like (39% vs. 52% last year).
- Messy, unmeasurable data has doubled (22% vs. 10%) — a growing headache.
- Teams are spending less time manually fixing data, but it's still a time drain (17% vs. 24%).
- Automation is slipping, with fewer using it to clean up data (9% vs. 14%).
- Structured data governance is gaining traction, with 13% keeping quality up to standards.

The drop in reported data quality doesn't necessarily mean things are getting worse — it's more likely that organisations are just being more honest about where they stand with their data as they scale AI initiatives. As organisations move from siloed analytics to AI across the whole organisation, they're starting to see data inconsistencies and governance gaps that they might have missed before. This growing awareness is actually a good thing — it's the first step toward fixing these issues and getting better prepared for AI.

For data-driven organisations, it's not just about cleaning data — it's about engineering it. Proactively managing data quality, automating processes, and continuously monitoring things helps cut down on inefficiencies and makes AI adoption smoother. Without these practices, organisations waste a ton of time and effort fixing data problems manually, which delays insights and slows down operations.

Data Quality to AI ROI: Build it like a Product, Reap the Returns

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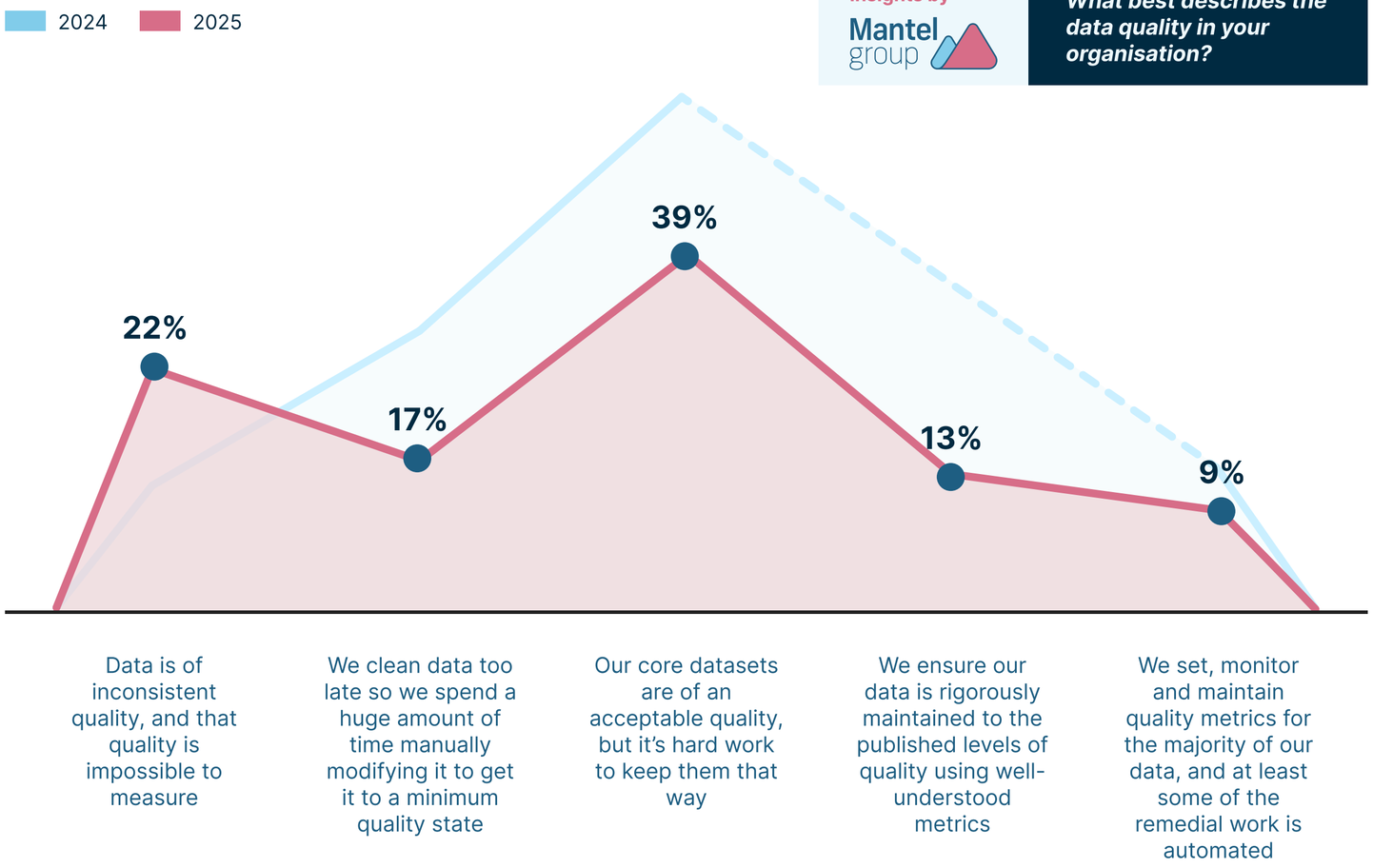
What best describes the data quality in your organisation?

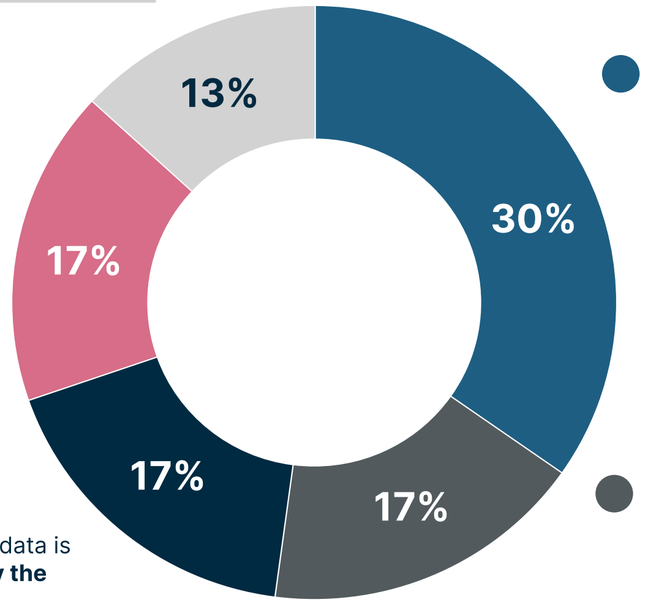


Unlocking data faster to win with AI

Core datasets are a **jointly owned** asset between those managing the data and those accountable for it. Non-core data has unclear accountability

Insights by Mantel group

How is accountability and ownership managed across the whole organisation?



Core datasets have visible and respected accountability, while **non-core data** still resides in teams or departments where ownership and accountability is unclear

Our datasets have **no clear accountability** for ownership or sign-off

We have a **senior management sponsor** for all data assets in our organisation. Information asset ownership is embedded and distributed across the organisation

Responsibility for data is held **informally by the departments**

Who Owns the Data? The Accountability Gap Costing You Value

Without a clear ownership model, data tends to get stuck in silos, which really slows down AI-driven decision-making. What organisations need is a solid governance approach, where it's crystal clear who's responsible for both core and non-core datasets. This shift helps turn data into a valuable business asset, not just an operational headache.

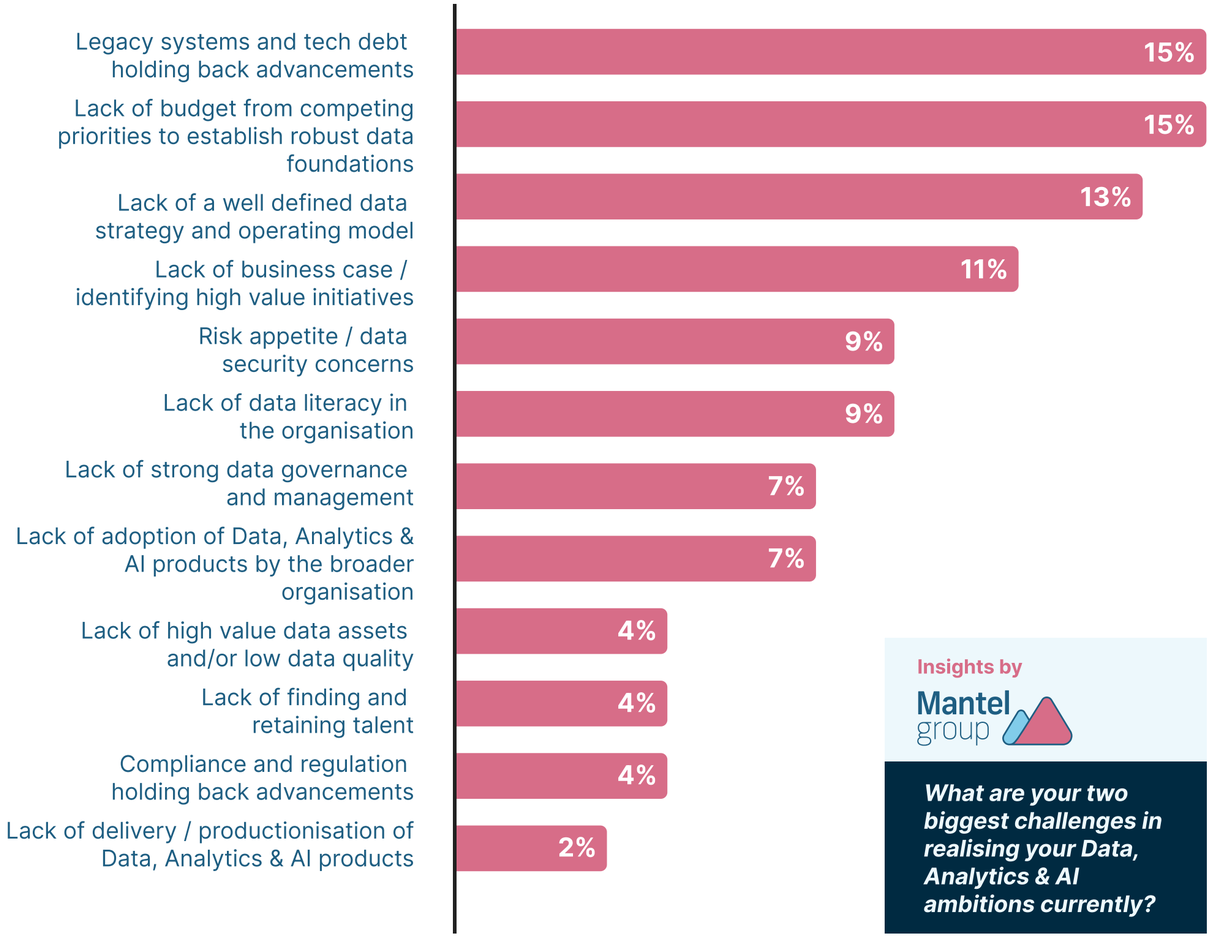
So, how do you unlock data faster to win with AI?
A big question for organisations is whether their data infrastructure is actually helping with AI adoption or just creating bottlenecks. For some, Data Mesh strategies have been a game-changer, decentralising ownership while keeping governance in check, speeding up AI progress. Others are still stuck with rigid data structures that make it hard to access data or make decisions quickly.

To stay ahead of the game, organisations need to switch gears from treating data as isolated projects to seeing it as a true Data Product.

- → Every dataset should be treated like a product—managed, governed, and evolved over time.
- → Data should be easy to access and structured in a way that makes AI applications run smoothly.
- → AI and data governance should go hand-in-hand, not be treated as separate things.

This shift will help organisations make smarter, quicker decisions and unlock the full potential of their data and AI.

Biggest Barriers to AI & Analytics ROI



Insights by Mantel group

What are your two biggest challenges in realising your Data, Analytics & AI ambitions currently?

AI ROI: The Race Against Time

- 15% cite legacy systems and tech debt as the biggest blockers.
- 15% struggle with securing funding for foundational data investments.
- 13% lack a well-defined data strategy and operating model.
- 11% find it difficult to establish strong business cases for AI initiatives.

Here's the reality: AI adoption won't succeed unless organisations have a modernised data foundation in place. Organisations need to stop treating AI as a standalone project and start embedding it into broader, data-first strategies that are driven by business goals and deliver real, measurable ROI.

What makes this even trickier is that the clock is ticking on AI and data investments. Nearly 44% of organisations now expect to see ROI in less than a year, and another 44% want to see results within one to three years. Only 13% are willing to take a longer-term view of more than three years. With the demand for faster results on the rise, organisations have to focus on making incremental progress with high-value impact, rather than waiting on massive transformations that take years to pay off. By aligning investments with a clear path to value, organisations can keep executive buy-in strong and ensure continued funding for AI-driven innovation.

According to our AFR & Mantel Group survey, only 15% of organisations aim for 5-10x ROI; conventional ROI constraints do not apply to AI

Data Assets are the competitive advantage for AI, Product mindset the key to ROI

Moving from AI concept to business impact remains a critical hurdle:

- 48% of organisations cite resource constraints (budget, time, personnel) as the main barrier.
- 17% struggle with integrating AI insights back into business processes and tracking impact.
- 9% face challenges in collecting, accessing, and preparing the right data for analysis.

Execution, not data availability, is now the biggest challenge.

These days, it's not about having enough data — it's about how you execute. That's the real challenge now.

To make Data & AI work, organisations need to build delivery models that focus on:

- Clear governance and accountability across all Data & AI initiatives.
- Scalable infrastructure that supports real-time insights.
- Integrated monitoring to make sure Data & AI models are actually driving measurable business value.

Without these in place, Data & AI projects can easily get stuck in the proof-of-concept phase and never make it into something that really impacts the organisation.

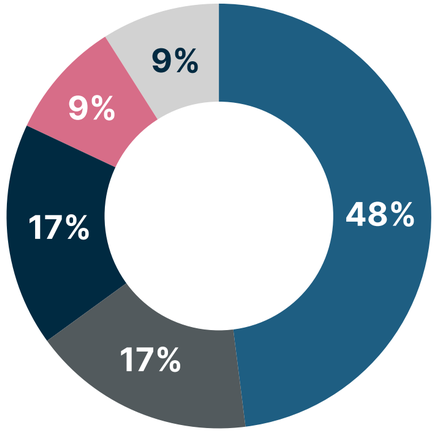
According to our AFR & Mantel Group survey, **most AI budgets are stable or rising**. The question is, how can you ensure you realise value?

Insights by Mantel group

What do you identify as the most significant challenges in the process of moving a data idea from its initial concept to a valuable insight in use by the business?

Analytical & Insight Capability: Limited tools or expertise to analyse data and derive meaningful insights and communicate them effectively

Data Collection, Accessibility & Preparation: Difficulty in identifying and accessing the right data sources for analysis, along with cleaning, transforming and preparing it for accurate analysis



Resource Planning: Limited resources (time, budget, personnel) to effectively execute on data ideas and insights

Idea Assessment and Prioritisation: Challenge in evaluating the feasibility and impact of the idea along with prioritising those that align with business goals and deliver highest value

Implementation & Monitoring: Challenges in integrating insights back into business processes and monitoring the impact and value from them

Data and AI Unleashed: Your Secret Weapon for Explosive Growth

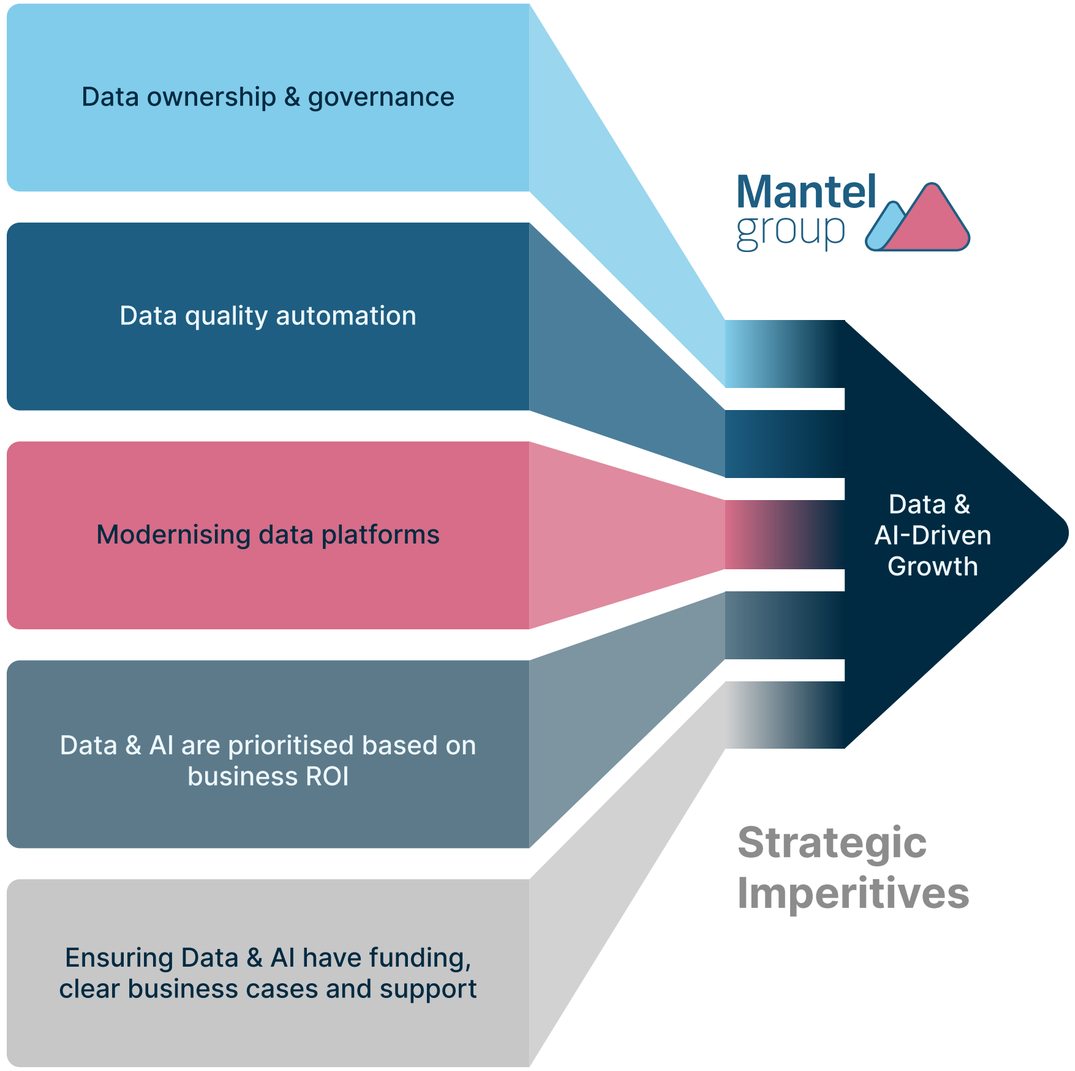
To turn Data & AI ambitions into tangible results, organisations need to focus on:

- Embedding data ownership and governance across the business.
- Investing in data quality automation to reduce manual inefficiencies.
- Modernising data platforms to eliminate legacy bottlenecks.
- Adopting a product mindset where Data and AI initiatives are prioritised based on business ROI.
- Bridging the gap between strategy and execution, ensuring Data & AI initiatives have funding, clear business cases, and operational support.

Winning with Data & AI isn't just about building reports and models — it's about unlocking the full potential of your data.

Organisations that really nail data accessibility, governance, and productisation are going to leave their competitors in the dust when it comes to AI-driven innovation.

The future will belong to organisations that treat data as a key business asset, not just something they have to manage on the side.



Our View on Data as a Product

The evolution from centralised data to product-centric intelligence

Thomas Maas
Head of Data & AI Transformation

For many decades, organisations have understood intelligence is a key strategic advantage and, over the years, the gravity of intelligence has shifted from experience-based to data-driven for strategic decision making. In essence, every organisation is a model of ideas, resources and processes driving outputs. Data and AI are technologies that enable us to understand and define business and operating models.

However, the process of turning raw data into intelligence can be complex and underestimated, as enterprise ontology is nearly impossible to grasp. This has created a field of data experts and added a layer of bureaucracy and complexity to every organisation. We see data products embedded in enterprise ontology as the key to real data-driven enterprise intelligence, artificial or not.

For years, these data teams have been laser-focused on gathering and storing data in one central place, chasing the dream of a "single source of truth." This often led to lengthy and complex data transformation projects, but the results? Not always much to show for it. It turns out that single source of truth is a tough nut to crack. It's a bit like trying to turn every raw material into the perfect, standardised ingredient for everything.

Then came data mesh and the rise of data products. And with generative AI changing the game, this approach is really taking off. Design Thinking and Product Management put the user and the end result first. Apply that thinking to data, and suddenly, you're delivering real business value. It's about seeing that everything – from the end-user app or report, to the chatbot or forecast – is a product that needs building and looking after, and making sure data flows mimic operational flows.

When you treat data as a proper asset, you see why data products are so important for reuse and scaling. Now, with generative AI letting almost anyone query data, even those who don’t code, this is crucial for your organisation’s intelligence. Data products are how you make data a key player in organisations where intelligence is essential. And let's be honest, that's pretty much every organisation.

What do you think will happen in 2025?

We’re likely to see a reframing of Data & Analytics for the Intelligent Enterprise

The evolving landscape of data and analytics necessitates a fundamental shift in organisational structure and process. The traditional idea of a centralised data and analytics team, often characterised by a concentration of data engineers, is poised to transition into a more distributed, hybrid model. This evolution will see data experts embedded within cross-functional product teams, directly contributing to the delivery of actionable intelligence within digital products. Over time, the roles, skills and activities of these data experts will shift away from being good developers writing code, to being good orchestrators managing this “data as code”.

While the integration of software engineers into data generation processes for digital assets is already a well-established practice, the focus here extends beyond mere data creation. We are addressing the infusion of sophisticated intelligence into digital products, a distinct and more complex undertaking. The rapid advancement of artificial intelligence has precipitated a critical need for robust data products. These data products will serve as essential intermediate goods, fuelling the "AI Factories" that organisations must establish to capitalise on the enormous value opportunity presented by AI.

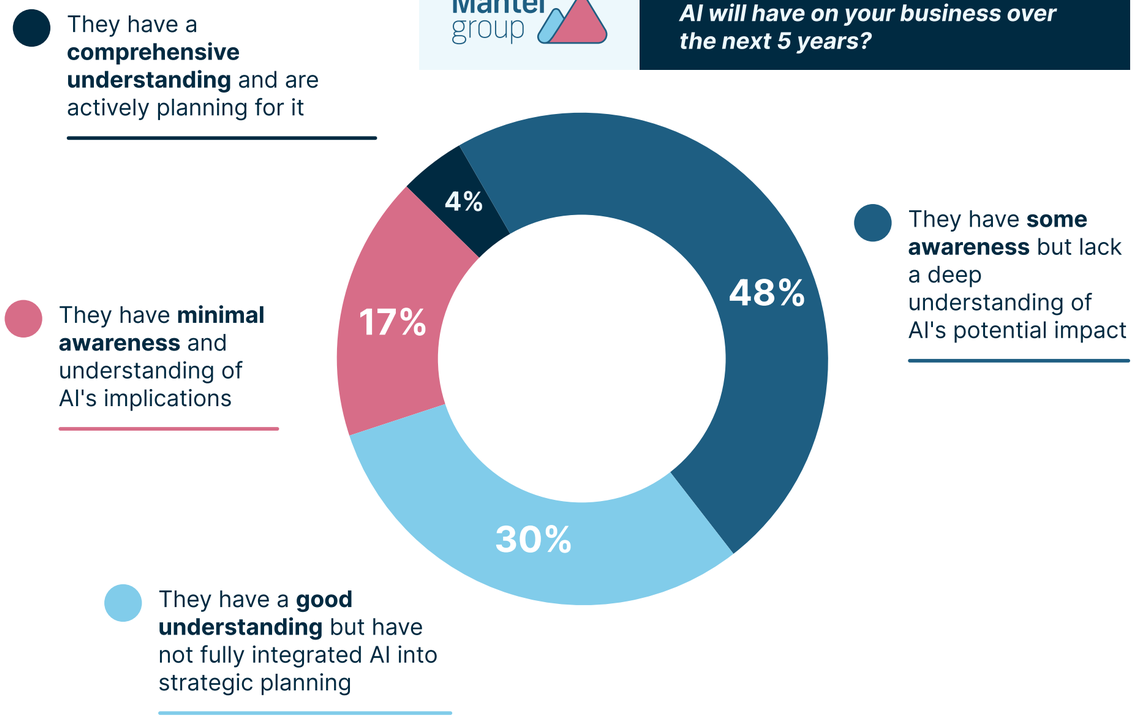
> **Enterprise data has been made a data team’s responsibility for too long, it’s time it gets treated as any real enterprise digital asset. As a product.**
>
> Thomas Maas, Head of Data & AI Transformation

Data & AI Driven Success Starts at the Top

Data & AI Literacy: A Must-Have for Business Leaders

Insights by Mantel group

To what extent do your Executive Team / Board understand the impact AI will have on your business over the next 5 years?



From Awareness to Action: The Executive Gap

While executive awareness of Data & AI's impact is growing, meaningful action remains limited. Nearly half of executive teams recognise AI's significance but are still developing a deeper understanding of its implications. Another 30% have a solid grasp of AI but have yet to fully integrate it into their strategic planning. Notably, only 4% of organisations report that their leadership is actively planning for AI adoption.

To truly harness AI's potential, Data & AI strategy needs to extend beyond technical teams. Business leaders play a crucial role in moving from awareness to active engagement. The organisations best positioned for the next wave of AI adoption will be those whose executives can connect Data & AI's technical capabilities with real business impact.

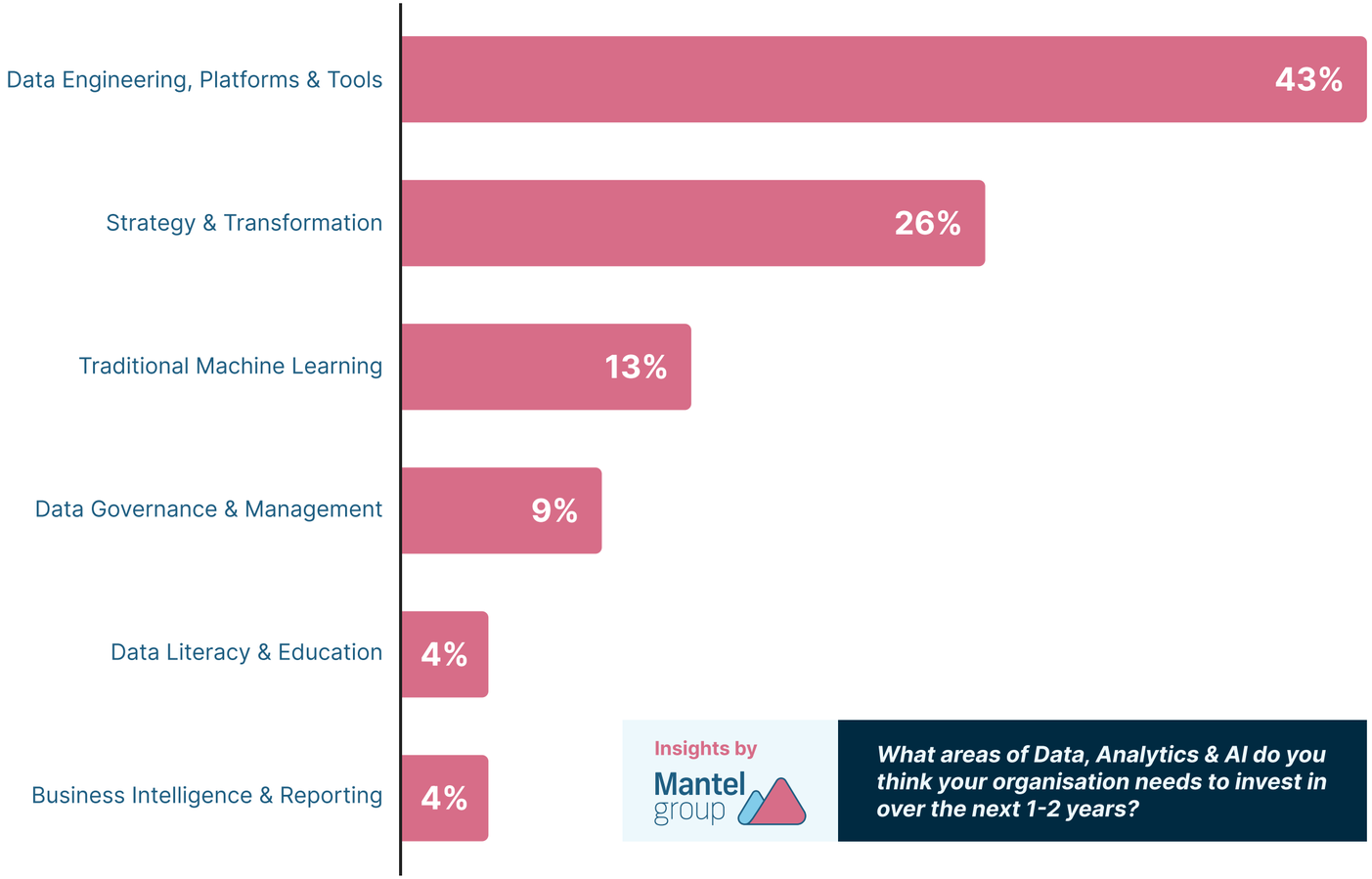
Fluency over familiarity: Making AI a Core Business Strategy

- Data & AI is evolving beyond reporting and experimentation—leaders should be exploring its strategic implications.
- Successful adoption depends on clear business cases and measurable success metrics.
- To drive meaningful impact, Data & AI must be embedded within overall business strategy, rather than treated as a standalone initiative.

Most executive teams & boards are aware of AI, but few are taking action.

According to our AFR & Mantel Group survey, only 22% of boards and C-suite leaders consider themselves proficient in AI.

Data & AI Literacy: The Engine of Long Term Growth



Insights by Mantel group

What areas of Data, Analytics & AI do you think your organisation needs to invest in over the next 1-2 years?

Embedding AI into business strategy

For organisations to really unlock the value of their data products and programs, it's not just about having the latest tech—it's about having a solid strategy to scale those products across the organisation. Of course, investing in data engineering, platforms, and tools is important to get from pilot projects to full-on production. But, the magic happens when you focus on getting the strategy, transformation, and governance right too.

Our research shows a lot of organisations are getting stuck in long-term "platform" projects and having trouble seeing the value quickly. While just under half are focused on building out data engineering, platforms, and tools, only a quarter are really prioritising the strategy and transformation side of things. Without balancing the technical and strategic side, scaling data products can be difficult, and organisations might not realise their full potential.

This is where the exec team needs to step in. It's about shifting the focus — **AI and data shouldn't just be a tech project; they need to be at the heart of your business strategy for long-term growth and real, tangible results.**

Having the best tech is cool, but if your executives aren't driving a real strategy, and everyone doesn't understand AI, you're just spinning your wheels.
To realise true value, leadership needs to make AI and data a core part of the business, not just a tech project.

AI Governance starts with Data & AI Literacy

Compliance with emerging standards is a rising concern

AI Governance: More Than Just a Policy
Most organisations are still uncertain about their AI compliance readiness, with only 4% feeling fully confident. While having an AI policy is a step in the right direction, it's not enough on its own. Recent reports highlight that many organisations don't even have a formal AI policy in place, raising concerns about governance, ethics, and regulatory compliance.

Keeping up with evolving regulations — such as the ISO/IEC 42001 AI Management Systems Standard, Australia's AI Ethics Framework, the Privacy Act 1988, and proposed AI-specific laws — remains a challenge. Without a clear approach to AI governance, organisations risk reputational damage, regulatory penalties, and operational setbacks.

The Regulatory Landscape is Shifting - Are you Ready?

Compliance is a Business Risk, Not Just an IT Issue
AI compliance and governance must be a top priority. Beyond setting policies, organisations need frameworks that ensure AI is deployed responsibly and in line with local regulations like the Australian Privacy Act, the Consumer Data Right (CDR), and AI Ethics Principles.

Data & AI Literacy: The key to Responsible Adoption
To effectively govern AI, organisations need more than technical expertise — they need a workforce that understands AI's ethical, regulatory, and operational impacts. AI literacy shouldn't be confined to tech teams; executive leadership, legal, risk, and compliance teams must also be equipped to navigate AI risks and governance. Leaders, in particular, need a solid grasp of these challenges to make informed strategic decisions.

Insights by Mantel group

How confident are you that your AI activities comply with recent and upcoming best practice standards (e.g. ISO/IEC 42001 AI Management Systems Standards, EU AI Act) and privacy reforms?

52%
Neutral

26%
Somewhat confident

17%
Slightly confident

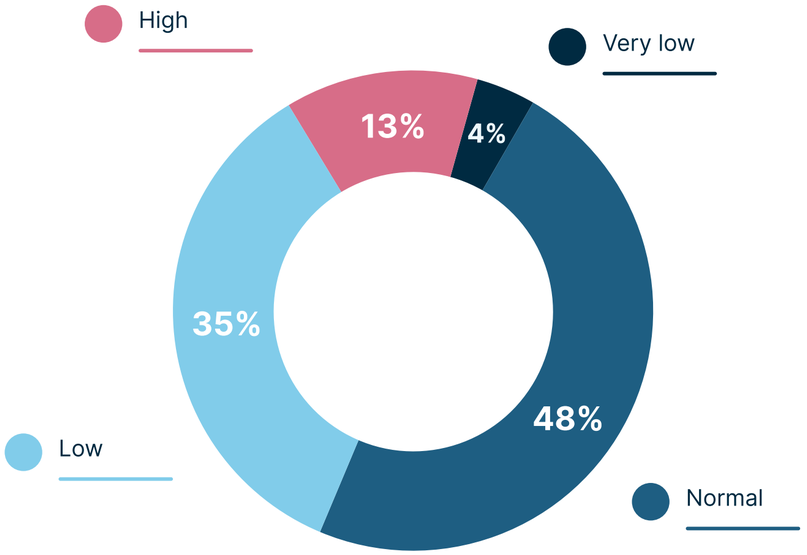
4%
Very confident

According to our AFR & Mantel Group survey, **66% of organisations have no AI policy**. Governance guardrails are low.

Real AI governance means building a culture of AI literacy across your entire organisation, especially among leaders, so you can actually implement responsible AI practices and keep up with changing regulations.

Insights by Mantel group

How would you rate Data & AI literacy skills in your organisation?



From Awareness to Action: Closing the AI Readiness Gap

Bridging the Skills Divide to Turn AI Potential into Business Impact

Data & AI literacy is still a big challenge for many organisations. Nearly half of respondents say their organisation's literacy is "normal," but a pretty big chunk (39%) say it's either low or very low. Only 13% rate their literacy as high. This shows that while there's some basic knowledge, there's still a huge gap in advanced skills that could really drive business value.

- Without sufficient literacy, organisations risk misaligned AI initiatives, ineffective decision-making, and slower adoption of transformative AI-driven efficiencies.
- Investing in Data & AI literacy training across all levels of an organisation fosters responsible innovation and prepares teams for evolving regulatory landscapes. Organisations that prioritise Data & AI education will be better equipped to embed Data & AI in a compliant, scalable, and value-driven manner.

Data & AI need to move beyond just experimenting and working in isolated pockets — they need to become a core part of the overall business strategy. To successfully adopt AI, organisations need clear business cases, defined success metrics, and solid executive ownership. The organisations that can weave Data & AI into their decision-making will be the ones leading the next wave of AI-driven transformation.

AI & Data Literacy

The Leadership Edge You Can’t Afford to Miss

Catherine Jordan
Principal Consultant, Data & AI

What needs to change?

- **AI & Data are here—are you ready to lead?** AI isn’t just a buzzword anymore — it’s everywhere. And yet, many executives still find themselves in the awareness stage, recognising its importance but hesitating to take real action. I get it — there’s a lot to unpack. But the reality is, AI isn’t just an IT initiative; it’s a game-changer for how organisations operate and compete. And it all starts with data — the fuel that makes AI valuable.
- **From awareness to action:** The key is shifting from curiosity to strategy. Data & AI need to be woven into business plans with clear objectives, measurable success metrics, and, most importantly, executive ownership. Without that, AI remains an interesting side project rather than a real driver of growth. *Start small if needed — identify a few targeted use cases that align with business goals and ensure you have the right data to power them.*
- **Don’t let regulations catch you off guard:** With evolving regulations and ethical concerns, AI literacy at the leadership level is critical. But governance isn’t just about AI — it’s about managing and leveraging data effectively, ensuring quality, security, and compliance. Executives don’t need to be AI experts, but they must understand the risks and opportunities well enough to make informed decisions. A strong framework for data governance and AI compliance ensures regulatory alignment and mitigates potential pitfalls.

> ***AI is here, and it’s reshaping industries. The organisations that invest in Data & AI literacy, executive education, and strategic alignment will be the ones driving innovation—not scrambling to catch up.***
>
> ***The question is, where do you want to be?***
>
> Catherine Jordan - Principal Consultant, Data & AI

The Real Competitive Edge

But here’s the thing — AI alone isn’t the competitive advantage. Unlocking the right data and applying AI effectively is what sets organisations apart. The most successful organisations treat Data & AI as core business functions, not isolated tech initiatives. They ensure their leadership teams are equipped with the knowledge to drive AI adoption in a way that’s ethical, scalable, and aligned with long-term business goals

What do you think will happen in 2025

If you're not on top of Data and AI:

- **Regulations will bite:** Expect fines if you're not compliant.
- **You'll get left behind:** Leaders who don't 'get' AI will see their companies struggle.
- **Data will be king:** Good data, not just AI, will decide who wins.
- **Ethics will matter:** Mess up, and your reputation tanks.
- **Execs must lead:** AI needs to be a boardroom priority and understood, not just an IT thing.

Final thoughts

How AI & Data Strategies Must Work Together

To unlock AI's full potential, organisations need to get a few things right:

- **Align AI & Data Strategies** – AI and data can't operate in silos; they need to work together.
- **Build Security & Governance In** – Don't bolt them on later — bake them in from the start.
- **Treat Data as a Business Asset** – It's not just an operational resource; it's a competitive advantage.
- **Expand AI Literacy to Executives** – AI success depends on leaders who understand and drive its strategic value

AI adoption is accelerating, but without the right data strategy, it won't deliver real impact. The organisations that move beyond hype — securing, integrating, and applying AI effectively — will be the ones that lead.

Want to see what this means for your business? Let's chat!

Let’s keep the conversation going.

Connect with our Data & AI experts Emma, Thomas or Catherine to dive deeper into how to utilise your data to gain a competitive edge.

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