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THE STATE OF TRANSFORMATION & AI ADOPTION · IN BRIEF

The value gap is a transformation gap

The Middle East adopts AI faster than almost anywhere on earth, yet converts far less of it to value. The reason is not the technology. It is that strategy, data, process, people and governance were never redesigned around it, so each new wave lands on the last unsolved problem.

~70% of transformations miss their goals, four-fifths of that human, not technical	**95%** of generative-AI efforts return no measurable value	**11%** of GCC organisations are realising real value from AI today	**$320bn** of AI value on the table in the Middle East by 2030, near 11% of GDP

11%
realise real value today

$320bn
on the table by 2030

THE TRANSFORMATION GAP

Figures: PwC Middle East; McKinsey & GCC BDI; MIT. Bar drawn to the 11% figure; the distance to value is illustrative.

WHY THE GAP STAYS OPEN

Pilots that never ship
Around 88% of AI proofs of concept never reach wide deployment. The demo convinces; production never comes.

Value never banked
A business case is made at funding, then no one tracks it, so spend is never shown to become value.

Foundations never redesigned
The new tool runs the old process on unfit data, so the work, and the result, barely change.

Adoption is easy. Transformation is the test.

The few who realise value redesign the work and keep the capability in their own people. The many digitise the old way on unfit data, and wonder why little changed.

WE HAVE SEEN THIS WAVE BEFORE, AND NOW IT ACTS

01
SOA
Promised reuse. Delivered another layer.

02
Cloud
Moved the estate. Left the problem.

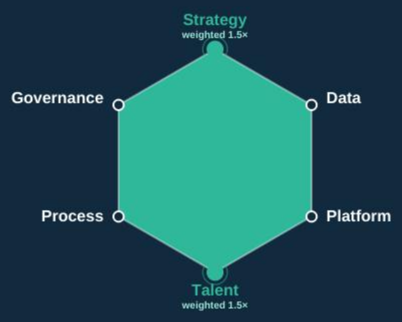
03
Automation
Sped up a process no one redesigned.

04
GenAI
Answered well. Changed little.

05
Agentic
Now it acts, on the same gaps.

Six dimensions decide whether value is realised

Value is realised, or lost, across six dimensions, the necessary-and-sufficient set. Strategy and Talent carry 1.5× weight, because the gap is human and operational far more often than technical.



- **Strategy & value** Where value is defined, and whether anyone owns it.
- **Platform & architecture** Whether the estate can carry the change, not block it.
- **Talent & change** Whether you have the talent, and people change how they work.
- **Data & AI** Whether data is fit to act on, and models earn trust.
- **Process & operating model** Whether the work is redesigned, not just digitised.
- **Governance & risk** Whether decisions are governed, explainable and safe.

The few who realise value are not the ones who buy the most AI. They **redesign the workflow before they automate it**, and they **build and keep the capability in-house**, so the change survives the project rather than leaving with the advisor.

Fix just in time, at two speeds

You do not need a five-year programme to fix every foundation first. Two tracks run at once, so value lands in a quarter while the wider fix runs in months, not years.

TRACK 1 · VALUE NOW

The necessary-and-sufficient slice

Build only the slice of process, data and adoption the next outcome needs, redesigned and governed by design, and put it into production.

First value in a quarter, and the first win funds the next.

TRACK 2 · FOUNDATION IN MONTHS

AI compresses the wider fix

In parallel, use AI to compress data engineering, migration, process mining and testing, from years into months.

Foundation in months, never big-bang.

Govern by design, for the region

Where data sits, who can touch it, and how AI decisions are governed is set by law and by regulator. Treat these as design inputs from the start, or rebuild later at a far higher cost. Provable governance is not a brake; it lets you put AI where less-prepared competitors cannot.

Data residency
Where data lives, and crosses borders, decided up front.

Model risk
Models monitored for drift, bias and failure in use.

Explainability
Decisions a regulator and an operator can both follow.

Safety-grade OT control
A human in command where automation meets the plant.

See where you stand in ten minutes

Six dimensions, twelve choices, and you place yourself on each. The result returns your diagnosis, the gap to your industry and the global frontier, and the one pivot that moves the most. No email required.

Take the Value Gap assessment at balora.ae/maturity · for a tailored walkthrough, book a call