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INDUSTRY REPORT 2025/26

Global state of business transformation

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Contents

"Process excellence is the heartbeat of transformation, exposing waste, standardizing work and hard-wiring customer value."

Ricardo Henriques

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Editor's note

Welcome to the PEX Report 2025/26: Global state of business transformation! This report provides a detailed assessment of the current business transformation landscape. Drawing upon and examining the results of a recent survey of more than 200 professionals, it paints a comprehensive picture of today's business transformation environment, enriched by reactions and insights from more than a dozen industry business and thought leaders from across the globe.

Business transformation defines the holistic reimagining and reengineering of business models, operations, culture and customer engagement strategies to adapt to and capitalize on evolving environments.

Business transformation has evolved into a fundamental imperative for survival and sustainable growth. It can no longer be treated as a reactive strategy. Driven by rapid technological innovation, shifting workforce dynamics, climate pressures and increasingly sophisticated consumer expectations, the landscape in which organizations operate has become more complex, interconnected and volatile.

"In today's world, there is no industry or function in an industry that will not benefit from business transformation," says Tony Saldanha, co-founder of Inixia Inc. and instructor of **Certified Master of Dynamic Process Transformation.**

True business transformation is not a singular project but an ongoing journey, one that requires visionary leadership, cross-functional collaboration, technological prowess and an unrelenting commitment to agility and innovation.

Those that embrace this evolution holistically are not just surviving the future, they are shaping it!

Key findings include:

✓ More than half of organizations are deploying enterprise-wide business transformation strategies

✓ Over half of respondents view business transformation as a mission-critical strategy to help drive growth, manage turnaround and deliver strategic objectives

✓ Business process management (BPM) is the most common technology organizations use to support business transformation

✓ Almost half of businesses plan to increase artificial intelligence (AI) investment in the next 12 months

✓ Less than half of businesses currently have an AI governance policy

Michael Hill
Editor of *PEX Network*

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Contributors

Tony Saldanha
Co-founder. Inixia Inc.
Instructor of Certified Master of Dynamic Process Transformation

Ricardo Henriques
Transformation leader, business automation professor
Católica Lisbon School of Business and Economics

Katie Curry
Managing director, head of operations, Multifamily LeaseTrack
MSI

Josèphe Blondaut
VP product marketing
SAP Signavio

Jeff Winter
Digital transformation thought leader
Top LinkedIn Voice

Shaji Farooq
CEO
Chazey Partners

Julie Whitten
VP of change management and communications
Upstate Niagara Dairy Cooperative

Laura Karpf
Senior manager, change management
Sodexo

Ryan Bazler
Senior director, product marketing
Nintex

Nikhil Pal
Operational excellence (OPEX) and digital transformation expert

Diego Borquez
Regional business process manager, LATAM
Pacific International Lines

Andreas Welsch
Artificial intelligence (AI) thought leader and author

Doug Shannon
AI and intelligent automation thought leader

Sana Zia Hassan
Senior manager – AI
EY

Debashis Sarkar
Managing partner
Proliferator Advisory and Consulting

Lee Bogner
Global chief generative AI and AI strategic enterprise architect
Mars

Rahul Zende
Principal data scientist – enterprise AI strategy
Navy Federal Credit Union

The views presented in this report may not necessarily reflect the views of any organization

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Methodology

PEX Network surveyed 220 professionals between May and July 2025. Most respondents describe their role as focusing on either operational excellence (OPEX) operations (20 percent), transformation (14 percent) or consulting (13 percent). Process/process owner (9 percent), change (5 percent) and customer experience (5 percent) were among the other most cited role focuses. Over a third (34 percent) of respondents are responsible for budget in North America, with 17 percent in Europe and 13 percent global. Smaller numbers of respondents are responsible for budget in Central/South America (7 percent) and Asia (5 percent).

As for industry verticals, 24 percent of respondents work in professional and business services, with 15 percent in financial services and 10 percent in technology.
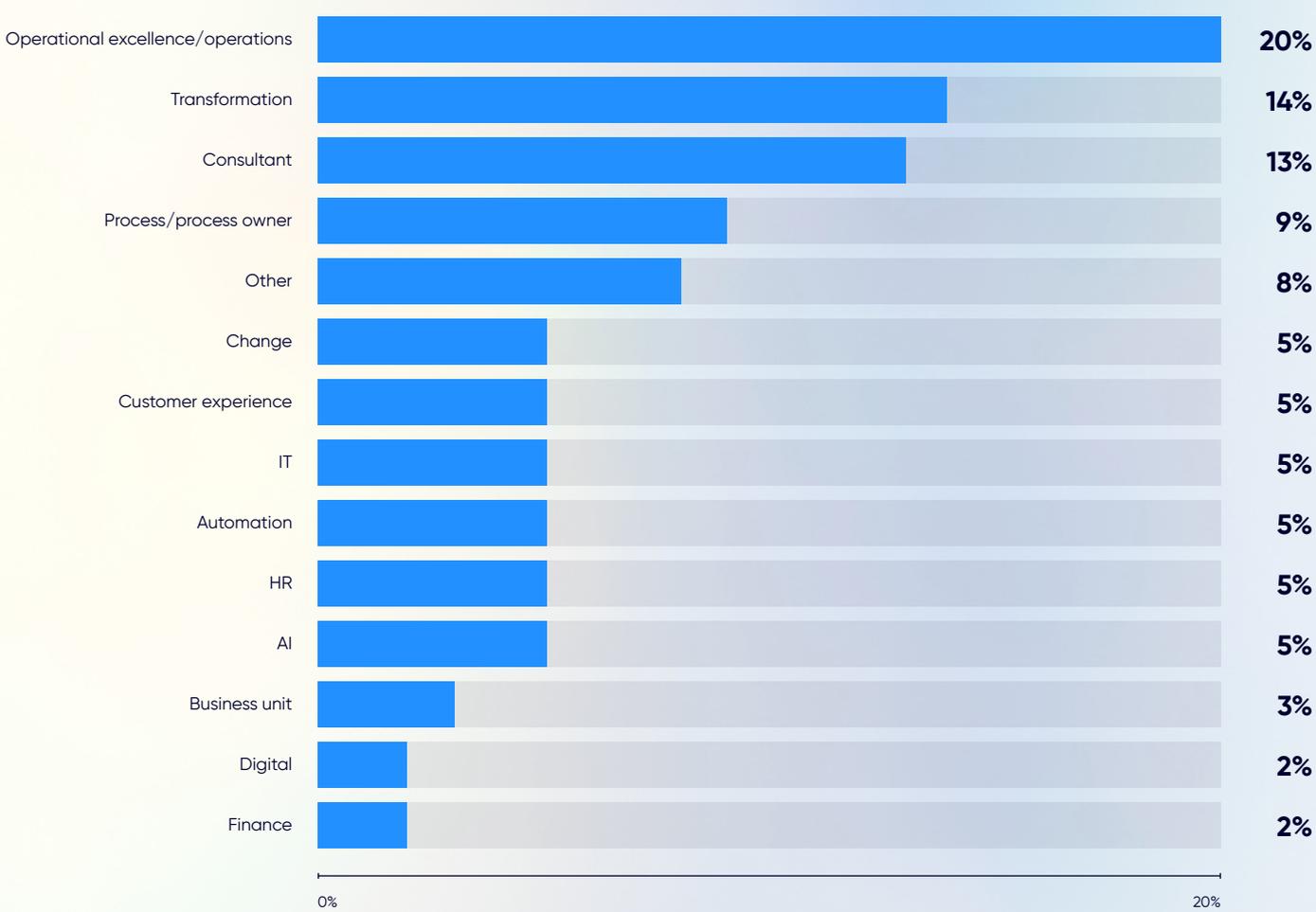
Manufacturing professionals also make up 10 percent of respondents, as do pharma, biotech and healthcare workers, followed by government and public sector professionals (8 percent).

Due to rounding, percentages may not always appear to add up to 100 percent. In the case of multiple choice questions, the number of responses may exceed the number of participants, which can cause the response percentage to exceed 100 percent

FIGURE 1

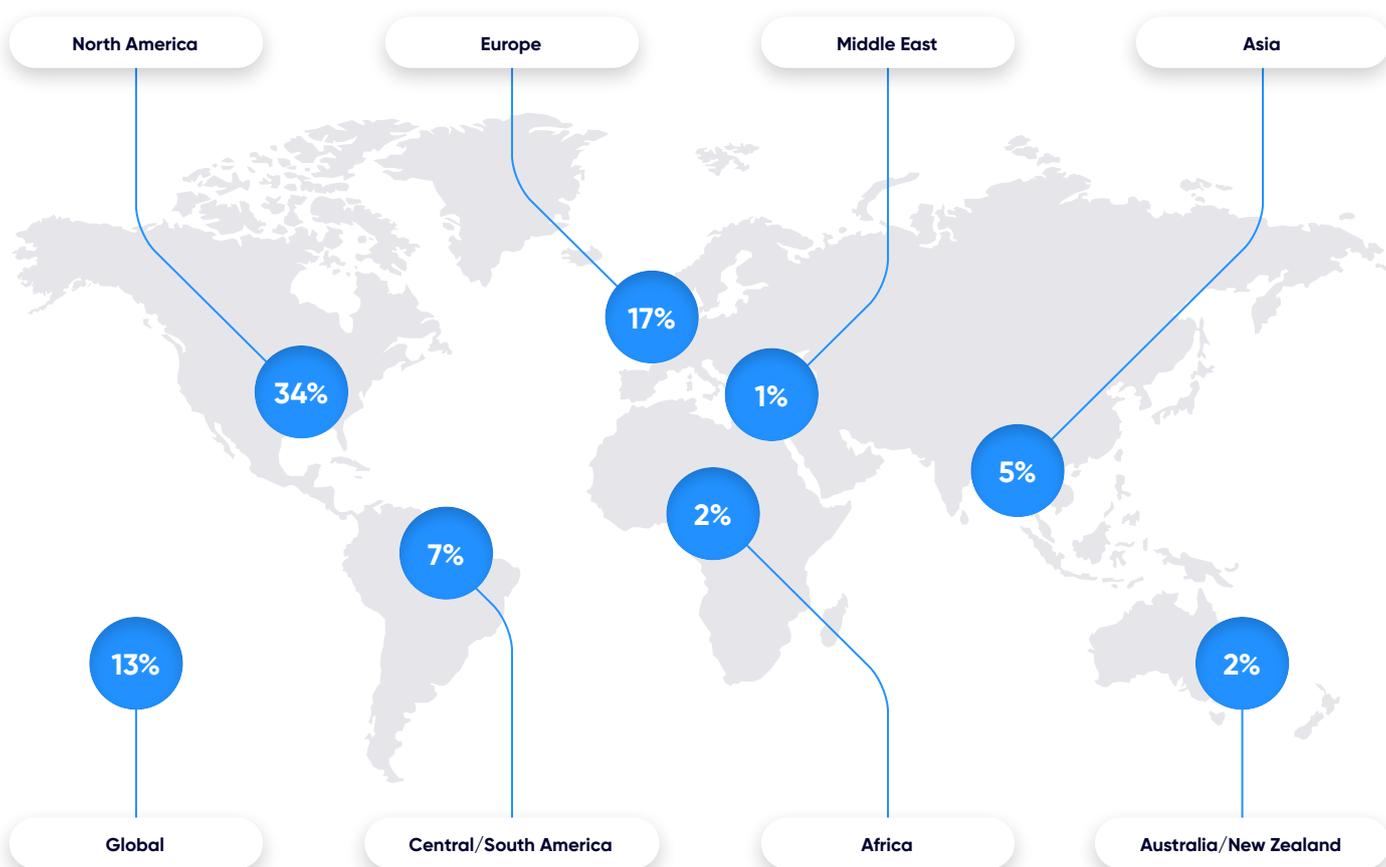**Which of the following most closely represents your role within your company?**

Role	%
Operational excellence/operations	20%
Transformation	14%
Consultant	13%
Process/process owner	9%
Other	8%
Change	5%
Customer experience	5%
IT	5%
Automation	5%
HR	5%
AI	5%
Business unit	3%
Digital	2%
Finance	2%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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Just over a fifth (21 percent) of businesses had an annual revenue of more than US$10 billion last year, with 19 percent seeing an annual revenue of less than $1 million. The revenue category of $2 billion to $10 billion applies to 12 percent of those polled, with another 12 percent making between $50 million and $250 million. Between $1 million and $10 million was the annual revenue of 11 percent of respondents, followed by $500 million to $2 billion (10 percent) and $10 million to $50 million (10 percent). Only 5 percent had an annual revenue between $250 million and $500 million.
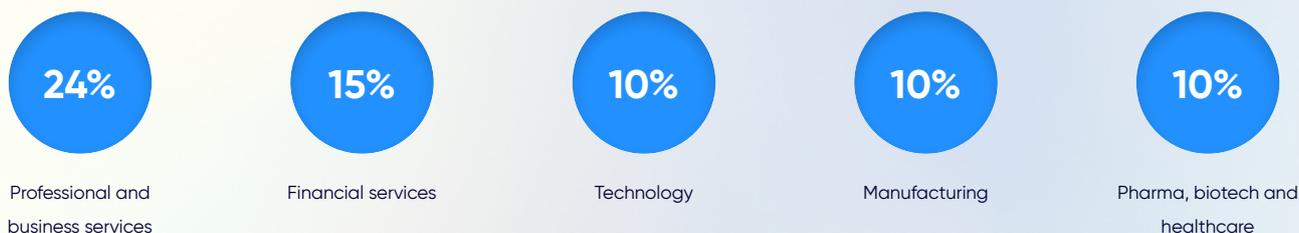
FIGURE 2

Which regions are you responsible for when it comes to budget decisions?

| North America | Europe | Middle East | Asia |

- 34% (North America)
- 17% (Europe)
- 1% (Middle East)
- 5% (Asia)
- 2% (Africa)
- 7% (Central/South America)
- 13% (Global)
- 2% (Australia/New Zealand)

| Global | Central/South America | Africa | Australia/New Zealand |

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

FIGURE 3

Top 5 industries represented

- 24% Professional and business services
- 15% Financial services
- 10% Technology
- 10% Manufacturing
- 10% Pharma, biotech and healthcare

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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The global state of business transformation

What does business transformation mean?

Business transformation remains a complex, fast-evolving discipline, spanning diverge stages and touchpoints both general and unique to businesses. Business transformation also means different things to different people, clearly driven by business and industry specifics.
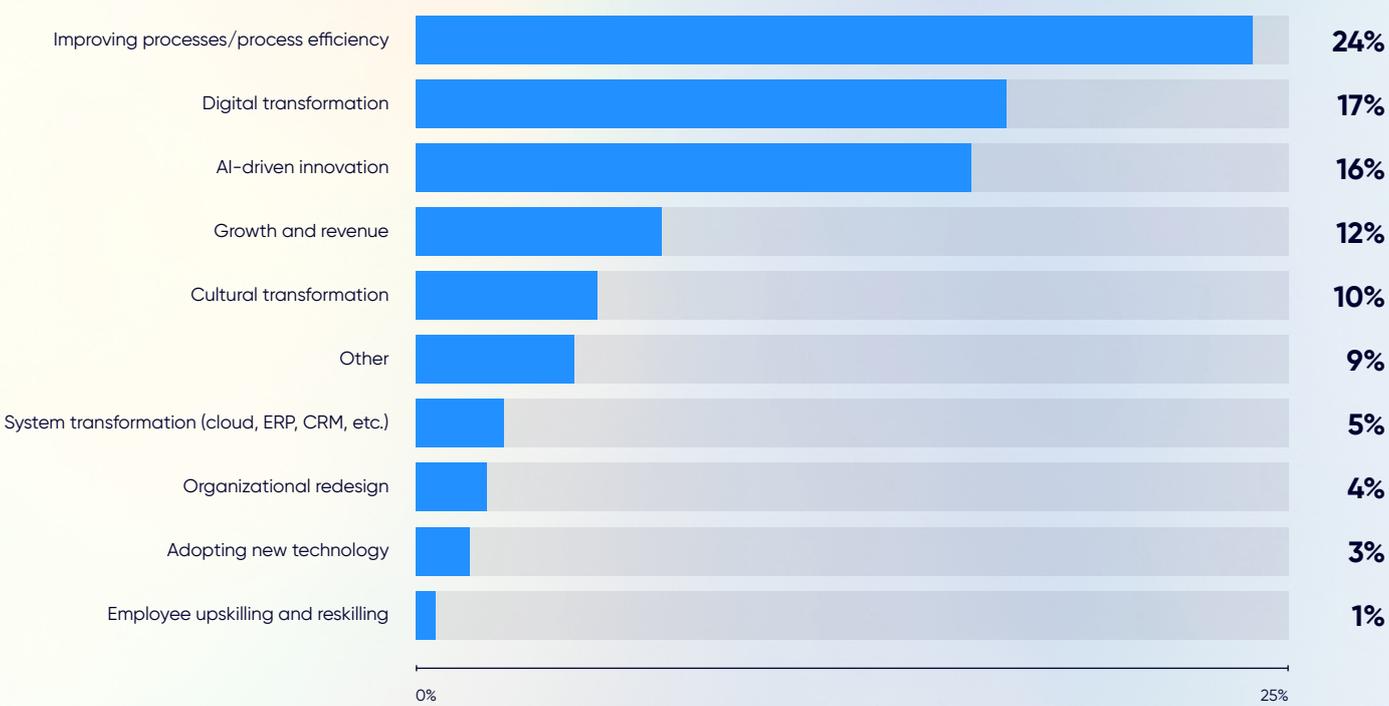
Just under a quarter (24 percent) of respondents define business transformation as "improving processes/process efficiency," followed by "digital transformation" (17 percent) and "artificial intelligence (AI) driven innovation" (16 percent). "Cultural transformation" (10 percent), "other" (9 percent) and "system transformation (cloud, ERP, CRM, etc.)" are the next most cited. Just 4 percent of respondents define business transformation as "organizational redesign," followed by "adopting new technology" (3 percent) and "employee upskilling and reskilling" (1 percent).

"There is no linguistic standard for the term 'business transformation,' and so we have the current diffusion of meanings," says Saldanha. "All of them arise from the simple premise of transforming or changing a business." However, the context of the word "business" could be someone's personal work (e.g. their work as a bank teller) or a company's work (e.g. the entire bank's business model), he adds.

Manufacturers may equate business transformation with digital twins and OPEX, banks with data-driven customer models and public bodies with transparency and service access, says Ricardo Henriques, transformation leader and business automation professor at Católica Lisbon School of Business and Economics. "Internally, a risk-averse culture views transformation as compliance, while an entrepreneurial culture sees it as growth fuel." Success rates therefore swing widely, depending on sector, size and leadership style, he adds.

FIGURE 4

What does business transformation mean to you and/or your organization?

Improving processes/process efficiency	24%
Digital transformation	17%
AI-driven innovation	16%
Growth and revenue	12%
Cultural transformation	10%
Other	9%
System transformation (cloud, ERP, CRM, etc.)	5%
Organizational redesign	4%
Adopting new technology	3%
Employee upskilling and reskilling	1%

0%　　　　　　　　　　　　　　　　　　25%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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"Rather than trying to force a linguistic standard, which will never work, my preference is to create maturity levels of transformation," says Saldanha. "In my book Why Digital Transformations Fail, I set out a five-stage maturity model – Foundations, Siloed, Partially Synchronized, Fully Synchronized and Living DNA. That helps drive specificity in the meanings."
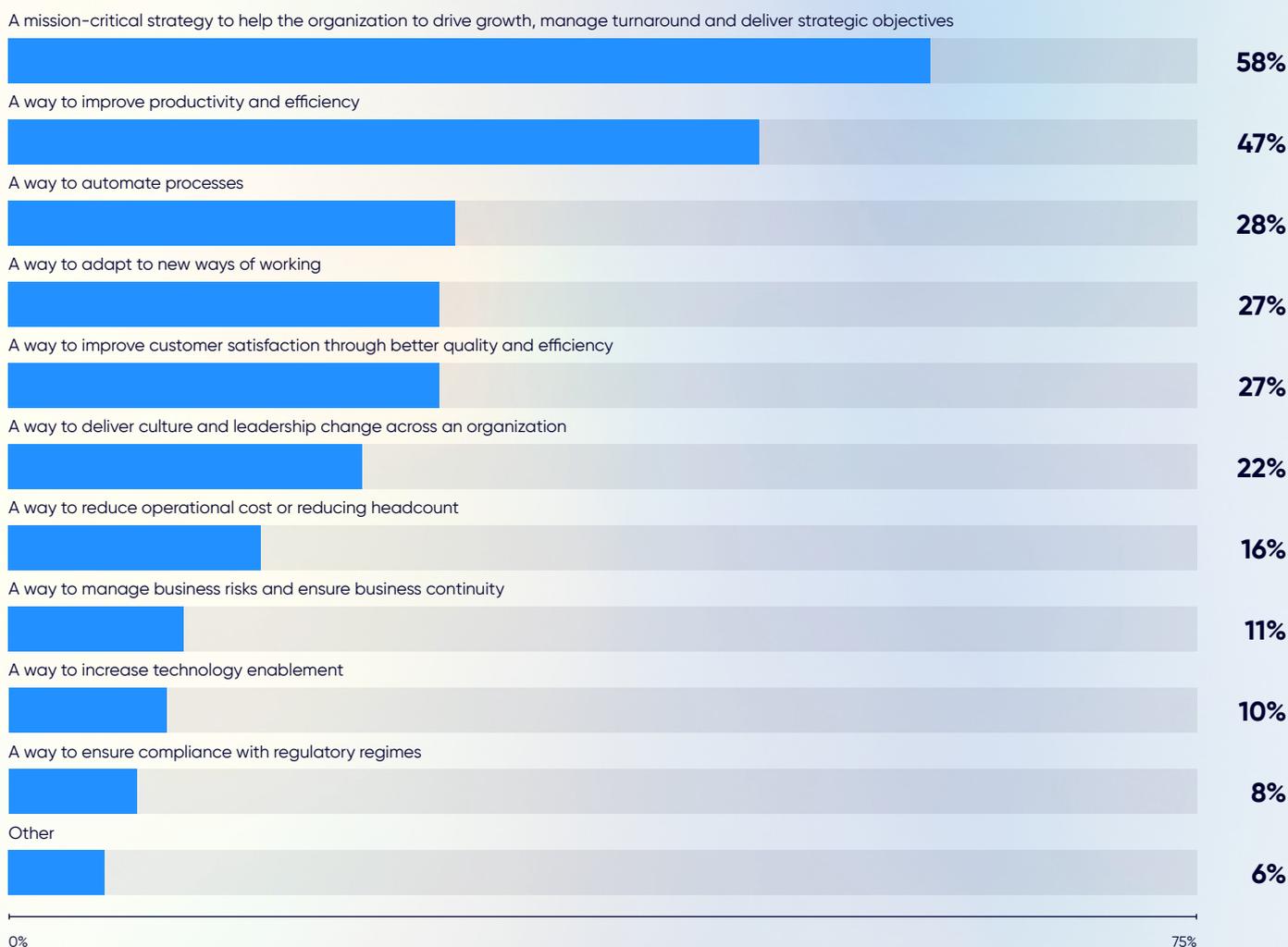
Drivers of business transformation

Over half (58 percent) of respondents view business transformation as a mission-critical strategy to help organizations drive growth, manage turnaround and deliver strategic objectives, up from 47 percent last year. This is followed by improving productivity and efficiency (47 percent), automating processes (28 percent) and adapting to new ways of working (27 percent). Improving customer satisfaction through better quality and efficiency was cited by 27 percent of those polled with 22 percent selecting a way to deliver culture and leadership change across an organization.

Interestingly, only 16 percent of business transformations are driven by a desire to reduce operational cost or reduce headcount, just ahead of managing business risks and ensuring business continuity (11 percent), increasing technology enablement (10 percent), ensuring compliance with regulatory regimes (8 percent) and moving to the cloud (2 percent). Other drivers include scaling remote environments, market differentiation and managing silos.

FIGURE 5

Which of the following best describes how your company views business transformation?

A mission-critical strategy to help the organization to drive growth, manage turnaround and deliver strategic objectives
58%

A way to improve productivity and efficiency
47%

A way to automate processes
28%

A way to adapt to new ways of working
27%

A way to improve customer satisfaction through better quality and efficiency
27%

A way to deliver culture and leadership change across an organization
22%

A way to reduce operational cost or reducing headcount
16%

A way to manage business risks and ensure business continuity
11%

A way to increase technology enablement
10%

A way to ensure compliance with regulatory regimes
8%

Other
6%

0%   75%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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"One of the standout findings from this year's survey is the 11 percent jump in respondents who see business transformation as a mission-critical strategy for the organization," says Katie Curry, managing director, head of operations, Multifamily LeaseTrack at MSI. "This is a major change reflecting the wider use of AI, which now opens a whole different way to achieve business transformation and achieve results."

A quarter of organizations (25 percent) have implemented initial technology and are now looking to go further with their business transformation efforts. Slightly less (24 percent) are still building a base and framework, while 20 percent have optimized processes, implemented technology and are conducting continuous improvement/adjustments.

Only 10 percent of those polled say their business is drafting key requirements and end goals, with 6 percent looking at solution providers to partner with. Meanwhile, 6 percent have not started their business transformation journey.

Who is sponsoring business transformation?

Executive committees and chief executive officers (CEOs) are the leading sponsors of business transformations, 36 percent and 24 percent, respectively. This is followed by chief operating officers (COOs) (10 percent), department heads (8 percent), chief transformation officers (7 percent) and chief financial officers (CFOs) (5 percent).

Only 3 percent of business transformation sponsors are chief information officers (CIOs) among surveyed organizations. Other sponsors include master process officer, business unit leader, head of business excellence and chief technology officer (CTO).

As for business transformation primary budget holders, executive committees and CEOs again came out on top, 35 percent and 20 percent, respectively. This is followed by CFOs (14 percent), CTOs (7 percent), department heads (7 percent), COOs (6 percent) and chief transformation officers (4 percent). Other budget holders include vice-president (VP), head of GBS, IT manager and relevant chief experience officer (CXO).
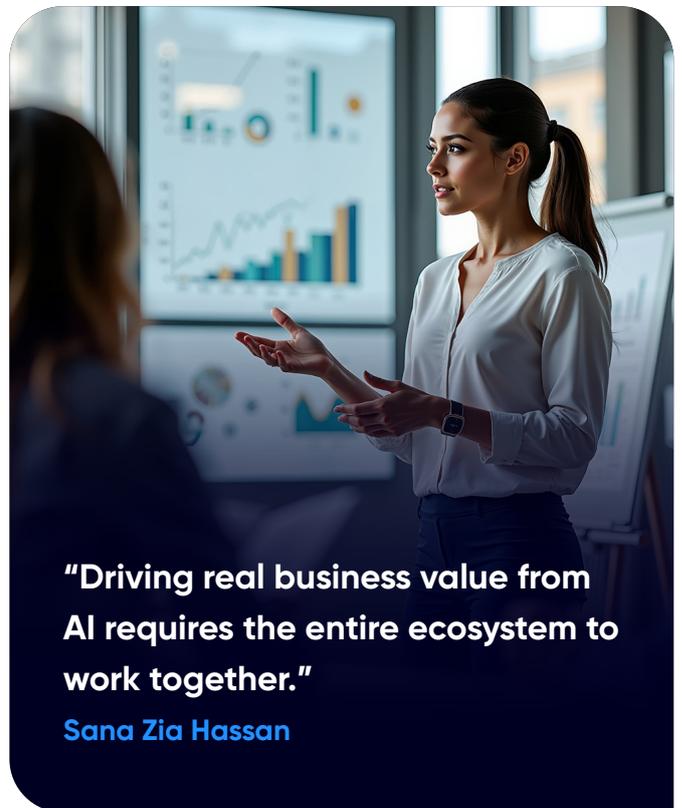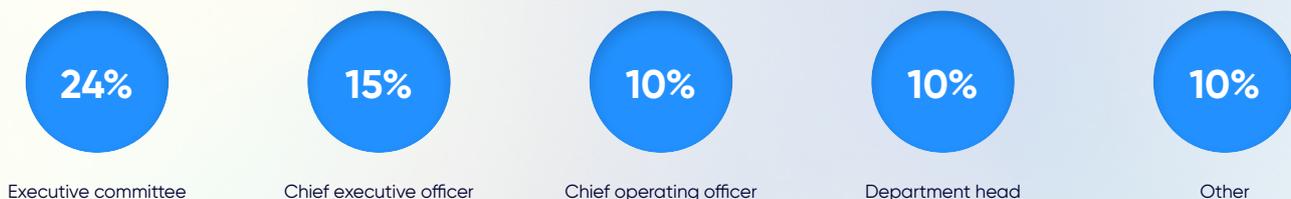
> "Driving real business value from AI requires the entire ecosystem to work together."
> **Sana Zia Hassan**

FIGURE 6

5 biggest sponsors of business transformation

24%	**15%**	**10%**	**10%**	**10%**
Executive committee	Chief executive officer	Chief operating officer	Department head	Other

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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Which of the following best describes the current scope (2025 onward) of business transformation deployment in your organization?

- ● Enterprise-wide transformation
- ● Deployment at one or more business units
- ● Have trained process improvement resources but no formal transformation program
- ● Small-scale pilot
- ● Other
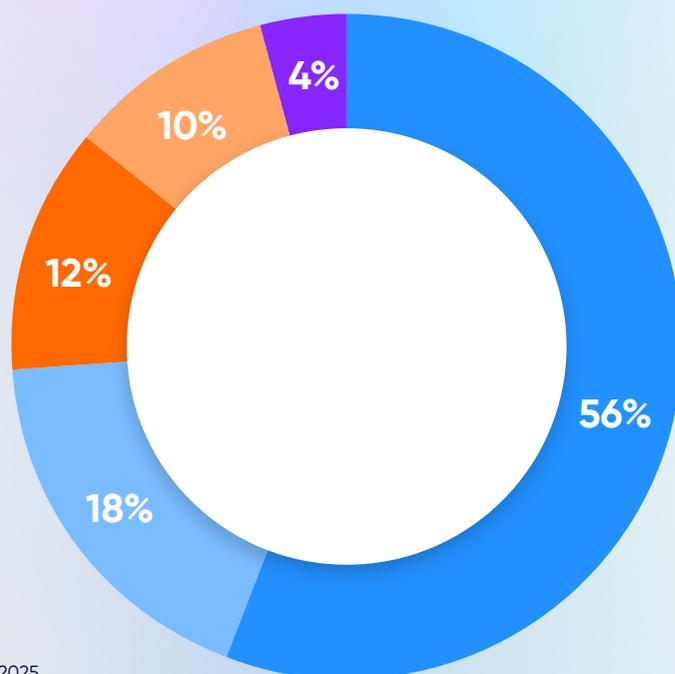
Source: PEX Network's Global State of Business Transformation survey, May – July 2025

Business transformation deployment strategies

More than half (56 percent) of organizations are deploying enterprise-wide business transformation strategies, a notable increase from last year (48 percent) and 2023 (37 percent). Only 18 percent are doing so at one or more business units, down from 21 percent in 2024, while 10 percent of businesses are deploying transformation via small-scale pilots, up from 7 percent last year. Meanwhile, 12 percent of businesses have trained process improvement resources but no formal transformation program.

Just under a third (32 percent) of business transformations are structured via enterprise-wide transformation offices, with a quarter (25 percent) organized at the business unit/ department level. A fifth (20 percent) of organizations have a top-down strategy, with 9 percent applying a bottom-up/grassroots approach. Transformation is structured via project management offices (PMOs) in 5 percent of businesses, while 9 percent of respondents say their organization has no business transformation strategy.

"Business transformation strategies can be at an enterprise level, business-unit/functional level, departmental level or

even lower," says Saldanha. "It is intuitive that the higher the level of the strategy, the greater the potential to optimize across more siloes and hence the biggest percentage gains." The pragmatic challenge for leaders is to balance what is in their sphere of control (which may be at a lower level) with the maximum size of prize. "My advice is to start within your sphere of control first and then grow the level by demonstrating results and building credibility."

Josèphe Blondaut, VP product marketing SAP Signavio, knows the value of coordinated business transformation strategies focused on continuity and data being core to an enterprise – because without that, the potential positive impact is reduced, or even cut down to zero.

"Business transformation success lays in considering both business and IT, thinking from strategy to execution, while forgetting about transformation as a one-off project. Instead, the right approach is to build a long-lasting transformation capability."

Transformation programs that span the whole enterprise are about three-times more likely to hit their targets than siloed efforts, according to multiple cross-industry surveys, says Henriques.

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"Market forces such as technology disruption, regulatory pressure and shifting stakeholder expectations cut across functions, so partial fixes merely push bottlenecks downstream," he adds. "Enterprise scope also enables shared data, unified governance and cultural coherence, factors linked to profit-uplifts exceeding 20 percent versus peers. In short, only an organization-wide lens can convert ambition into measurable, sustainable results."

Successful programs should start with a clear "north-star" vision, quantified business cases and executive accountability, while research shows that combining structured change management, ongoing communication and post-go-live reinforcement doubles long-term adoption rates, Henriques says.

"In my study of over a hundred organizations, I came across two important success drivers," Saldanha says. The first was the clarity of goal setting. Most organizations confuse technology or short-term savings goals with business transformation goals. "That's a huge mistake. Business transformation goals must be set in terms of 'Wall Street' type metrics and then cascaded down into accountable organization units and time intervals."

The second driver is the transformation methodology, he adds. Most organizations use a project management institute (PMI) type of methodology to implement business transformation. "That is insufficient. You need a blend of disruptive, innovation-type methodology for the higher risk/ higher reward stages of the transformation and then PMI-type methodology for predictable projects."

Blondaut goes on to say that organizations need to build a robust capability that encompasses four interconnected elements to implement and sustain enterprise-wide business transformation: people, data, processes and applications.

"By focusing on these four interconnected elements, organizations can successfully implement and sustain enterprise-wide business transformation, ensuring that value is realized from strategic initiatives and technology investments and that the capability for ongoing improvement is deeply embedded in the organizational culture," she adds.

How do businesses measure transformation success?

Business topline growth is the leading measure of business transformation success, cited by 25 percent of respondents. This is followed by increased throughput/efficiency (22 percent), cost savings (17 percent) and customer acquisition and retention (10 percent). Improved customer satisfaction is the next most common (6 percent), just ahead of employee engagement/retention (5 percent), employee productivity (4 percent) and reduced operational risk (3 percent).

"One of the standout findings from this year's survey is the 11 percent jump in respondents who see business transformation as a mission-critical strategy for the organization."
Katie Curry

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Other measurements of success include the number of projects completed (3 percent) and overcoming disruption (2 percent) along with achieving strategic vision across business processes and scaling remote working.

"If 25 percent of organizations are chasing topline growth and 22 percent are chasing efficiency, most companies are still grading transformation on the scoreboard, not the playbook," says internationally renowned digital transformation thought leader and Top LinkedIn Voice Jeff Winter. "Cost savings at 17 percent is the easiest story to pitch to finance but the weakest fuel for long-term momentum," he says.

Meanwhile, only 10 percent look at customer acquisition/retention, 6 percent at customer satisfaction and a mere 5 percent at employee engagement, yet people and customers are the levers that move every other metric, he adds. "That imbalance screams 'activity over advantage.' Toss in 3 percent measuring success by projects completed and 2 percent by overcoming disruption, and you've got

organizations mistaking motion for progress. In my opinion, that's how you end up busy, exhausted and still behind."
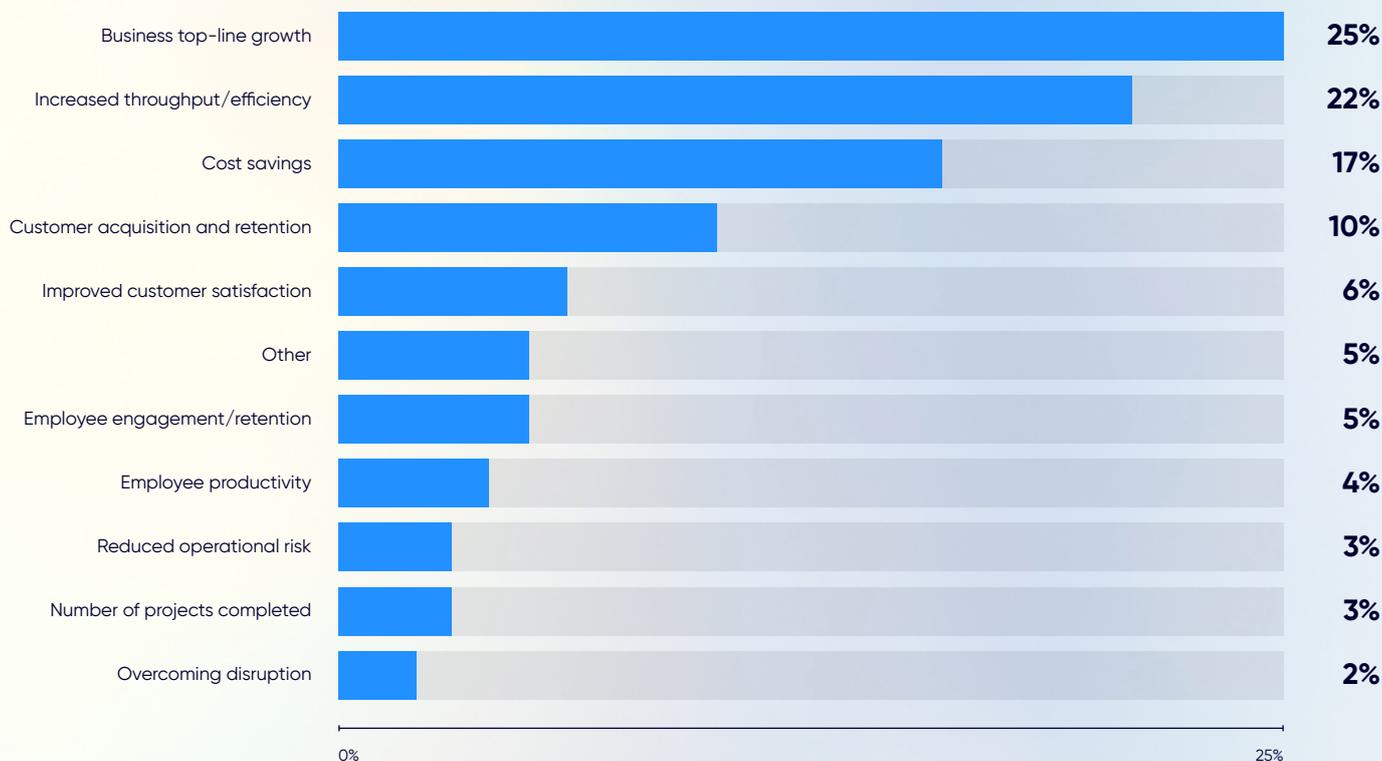
Businesses should measure what actually compounds: revenue quality, not just quantity; throughput that creates capacity for new value, not just squeezes the current line and cultural adoption, not just go-lives, Winter says. "Track leading indicators such as speed of decision-making, time from insight to action and percentage of processes digitized end-to-end so you know the engine is healthy before the quarter closes." It's about making the "why" visible, not just the "what," and tying it to outcomes people care about so they opt in instead of simply complying, Winter adds.

"Invest in upskilling the talent you already have; that's cheaper and stickier than chasing unicorn hires. The companies that win aren't the ones with the biggest budgets, they're the ones with the clearest intent, aligned leadership and the patience to build the muscle," Winter says.

FIGURE 8

What is your primary measure of success for business transformation?

Measure	%
Business top-line growth	25%
Increased throughput/efficiency	22%
Cost savings	17%
Customer acquisition and retention	10%
Improved customer satisfaction	6%
Other	5%
Employee engagement/retention	5%
Employee productivity	4%
Reduced operational risk	3%
Number of projects completed	3%
Overcoming disruption	2%

0%   25%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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Business transformation methodologies

Change management is key

Businesses use a range of methodologies to support transformation. The most common is change management (58 percent), followed by advisors and consultants (53 percent) and cultural transformation (42 percent).

It is of little surprise that change management is the most applied method, according to Julie Whitten, VP of change management and communications at Upstate Niagara Dairy Cooperative. "If anything, it validates what many of us have learned firsthand: transformation is never just about processes or technology, it lives and dies by how well you prepare people to adopt, adapt and sustain it."

Whitten sees firsthand how crucial it is to weave structured, people-centered change management into the entire lifecycle of transformation, from design to execution and well beyond the go-live date. "Change doesn't 'stick' just because a project closes. Sustaining new ways of working takes continuous reinforcement, clear accountability and leaders who role model what good looks like long after the spotlight has moved on."

Organizations must understand that you can roll out the best strategy or tool in the world, but if people don't understand it, believe in it or know how to operate in the new environment, you're not going to see the results you're hoping for, adds Laura Karpf, senior manager, change management at Sodexo. "The people side (the adoption, the mindset shift, the behavior change) is what truly drives long-term impact."

Karpf says there are a few key factors that make change management stick:

Active and visible sponsorship: If your executives are bought in, engaged and truly modeling the change, it sends a message. People follow what leadership prioritizes.

Clear, consistent communication: People need to know why the change is happening, what's expected of them and how they'll be supported. It must be timely, relevant and delivered in a way that resonates. It also needs to go both ways. When there's space for questions and feedback, you build trust and momentum.

Stakeholder engagement: Bring the right people in early. Involvement drives buy-in and helps uncover resistance before it becomes a blocker.

Training: Equip people with the right skills and resources needed to succeed in the new environment. It's not just about technical know-how; it's about helping them navigate change with confidence.
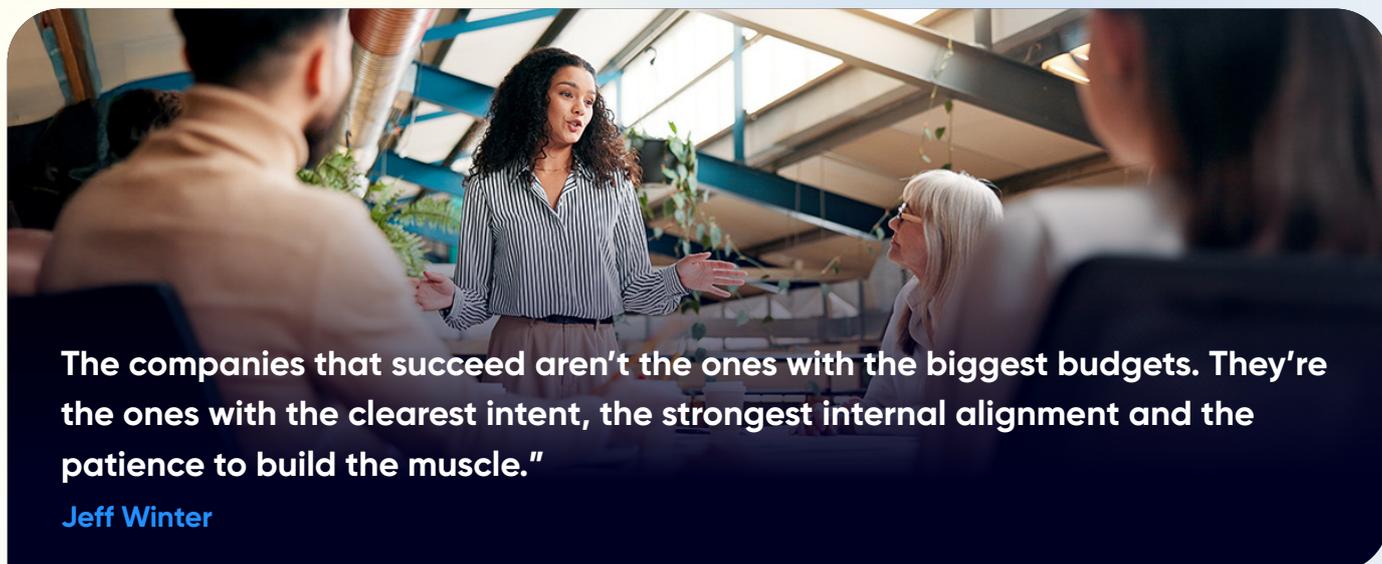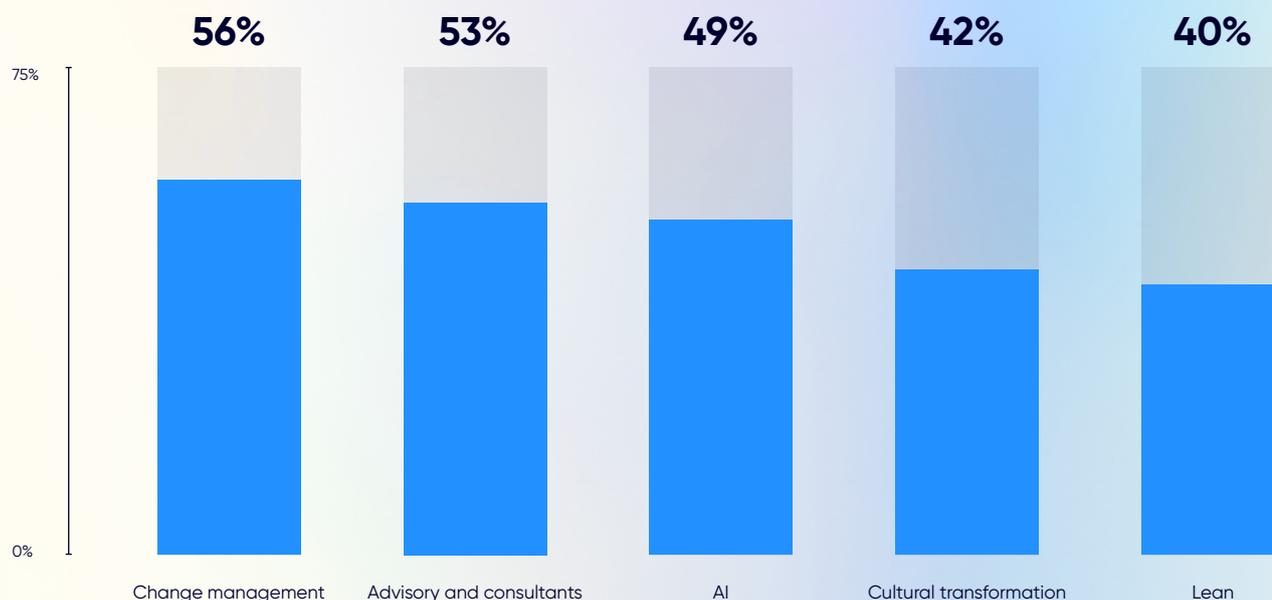
> **The companies that succeed aren't the ones with the biggest budgets. They're the ones with the clearest intent, the strongest internal alignment and the patience to build the muscle."**
>
> **Jeff Winter**

Top 5 methodologies used to support business transformation

56%	53%	49%	42%	40%
Change management	Advisory and consultants	AI	Cultural transformation	Lean

"Change management isn't a nice-to-have; it's just as critical as project management," Karpf says. "When project teams back that belief with real investment in dedicated resources, time and leadership support, the difference is clear. You see stronger adoption, fewer delays and changes that really stick."

Traditional process excellence concepts persist

Traditional (and even decades-old) process excellence concepts are still proving valuable in business transformation. Lean is used by 40 percent of respondents, with Agile (39 percent) and Six Sigma (28 percent) not far behind. Organizations also continue to apply total quality management (TQM)/total productivity management (TPM) (22 percent) and Gema Kaizen (16 percent), while small numbers are using methods such as suppliers, inputs, process, outputs and customers (SIPOC), gamification and digital adoption frameworks.

"Traditional process excellence methods continue to hold value because they offer timeless principles: clarity, structure and measurability," says OPEX and digital transformation expert Nikhil Pal. "In many organizations, especially those navigating complex operations or regulatory environments, these approaches remain foundational. They're not outdated, they're evolving."

What's most telling is the hybridization of such approaches, he adds. "Lean is no longer just about waste removal on the factory floor; it's being integrated with AI, robotic process automation (RPA) and digital platforms to drive predictive performance." Likewise, Agile has expanded beyond software teams and into enterprise-wide transformation programs. "Even SIPOC and TQM still serve as useful scaffolds when teams need to realign around process ownership or quality standards."

In short, the continued use of these methods shows that transformation doesn't mean abandoning what works – it's about building on strong operational DNA, Pal says. "When digital strategies fail, it's often because they're layered on top of unstable or undefined processes. That's where these traditional methodologies continue to serve as vital anchors."

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Business transformation technologies/tools

BPM reigns supreme

Business process management (BPM) is the most common technology organizations currently use to support business transformation, cited by 53 percent of respondents, up significantly compared to last year (27 percent). This is ahead of business intelligence and data analytics (52 percent), AI (48 percent) and digital transformation tools (44 percent).

"BPM enhances business transformation by providing a structured approach to identifying, analyzing and optimizing business processes," says Blondaut. BPM, through tools like SAP Signavio, supports transformation in the following ways:

✓ **Visibility:** Provides a clear view of current processes, enabling organizations to identify inefficiencies and opportunities for improvement.

✓ **Optimization:** By mining, simulating, modeling and comparing processes, BPM helps organizations optimize operations, reduce costs and improve performance.

✓ **Standardization:** Ensuring that best practices are reused and standardized across the organization, promoting consistency and quality.

✓ **Agility:** With real-time monitoring and flexibility, BPM enables organizations to quickly adapt to changing market conditions and customer demands.

✓ **Governance and compliance:** BPM plays a critical role in governance and compliance by ensuring that processes adhere to regulatory standards and internal policies.

By leveraging BPM, organizations can achieve a comprehensive and effective business transformation, Blondaut says. "It not only improves operational efficiency and opens new opportunities but also ensures that the organization remains compliant and adaptable in a rapidly changing business environment."

BPM works as a compass for transformation, making sure each initiative heads in the right direction," adds Diego Borquez, regional business process manager, LATAM, at Pacific International Lines. "In my experience, a clear BPM framework helps identify the true value drivers – efficiency, accuracy and customer impact – and lets the organization prioritize projects accordingly: invest in what moves those metrics, postpone what merely adds complexity."

BPM also keeps the journey on track, he says. "Visual dashboards and brief huddles translate metrics into near term decisions, so frontline teams stay accountable and leaders see progress more frequently. In short, BPM provides the framework to align efforts, the lens to prioritize wisely and sets the pace to turn transformation goals into measurable business results."
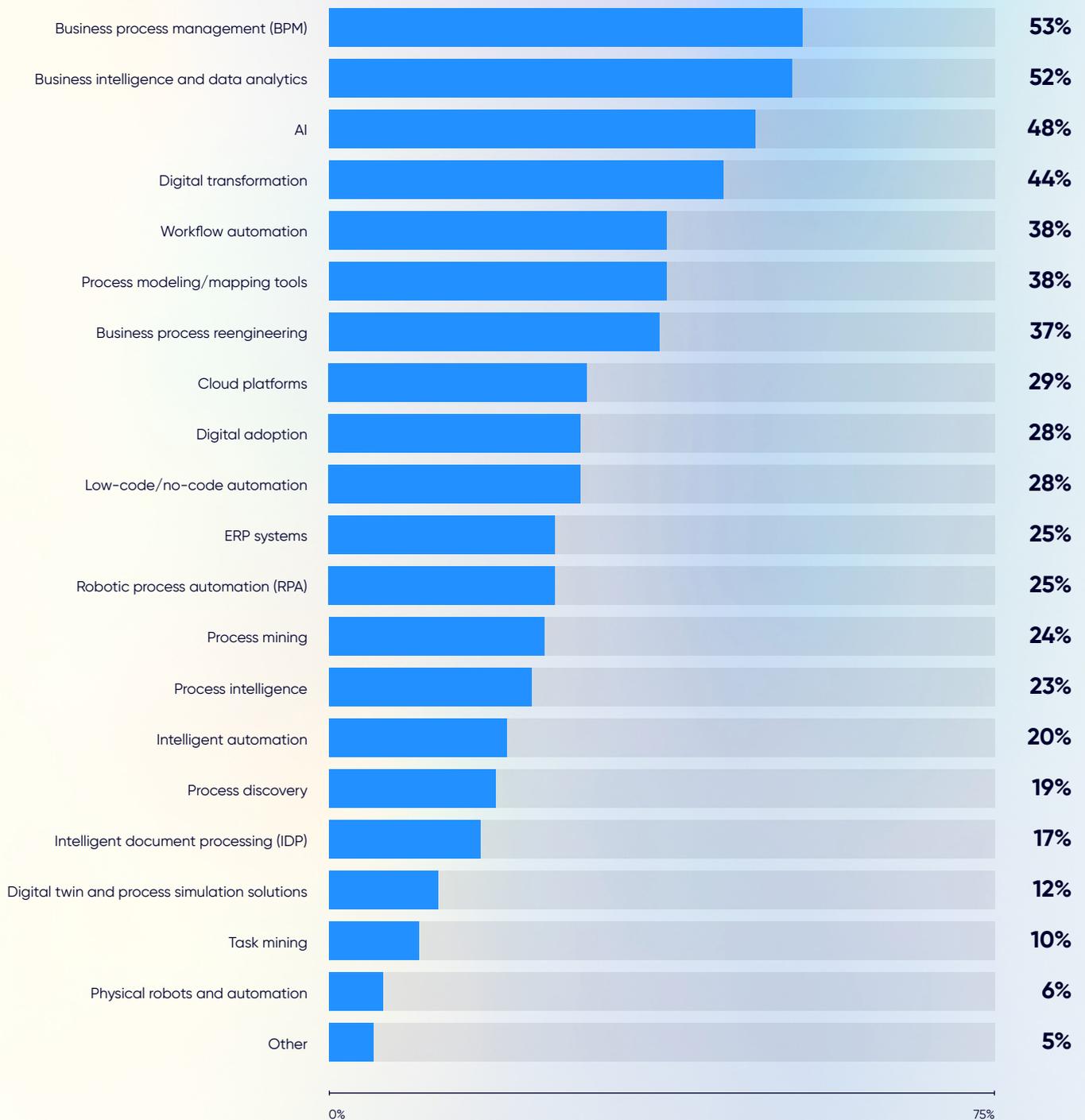
Process excellence in the spotlight

Beyond BPM, workflow automation technology (38 percent), process modeling/mapping tools (38 percent), business process reengineering (37 percent) and cloud platforms (29 percent) are also popular tools used to support business transformation. Lower down the list are RPA (25 percent), process mining (24 percent), process intelligence (23 percent), digital twin and process simulation solutions (12 percent) and task mining (10 percent).

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FIGURE 10

What solutions are you currently using to support business transformation?

Solution	%
Business process management (BPM)	53%
Business intelligence and data analytics	52%
AI	48%
Digital transformation	44%
Workflow automation	38%
Process modeling/mapping tools	38%
Business process reengineering	37%
Cloud platforms	29%
Digital adoption	28%
Low-code/no-code automation	28%
ERP systems	25%
Robotic process automation (RPA)	25%
Process mining	24%
Process intelligence	23%
Intelligent automation	20%
Process discovery	19%
Intelligent document processing (IDP)	17%
Digital twin and process simulation solutions	12%
Task mining	10%
Physical robots and automation	6%
Other	5%

0%   75%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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"Process excellence is the heartbeat of transformation, exposing waste, standardizing work and hard-wiring customer value," says Henriques. "Organizations that deploy process excellence centers typically reduce cycle times by 30-50 percent and raise compliance scores. Lean, Six-Sigma and process mining tools give leaders fact-based insight to prioritize high-return on investment (ROI) initiatives and monitor progress in real time."

These survey results underscore a clear truth: process is at the heart of business transformation, says Ryan Bazler, senior director, product marketing at Nintex. "The fact that workflow automation and process modeling/mapping are at the top of the list shows that organizations recognize they can't transform effectively without first understanding and streamlining how work gets done."

Interestingly, the data also shows a maturity curve, Bazler adds. "Higher adoption of modeling, workflow automation and reengineering suggest businesses are focusing on building strong process foundations before layering on more advanced capabilities like RPA, process mining or digital twins." This progression makes sense; without well-defined, optimized processes, adding advanced automation or intelligence is like building on shaky ground.

It may sound trite to go back to the people, process and technology framework for business transformation, but it happens to be true, says Saldanha. "Within these three, process excellence has the edge on the other two for the amount of change possible (which is almost limitless for processes) and scale (it can scale easier than people and technology)," he adds. Process excellence, when done correctly, is not just about operating a given standard process but constantly improving and adding disruptive innovations to it. "Unsurprisingly, the starting point for most business transformation is process reengineering," Saldanha says.

## The new era of BPO excellence

For years, business process outsourcing (BPO) has been a trusted path to cost savings. The value proposition was clear: in exchange for handing over specific functions to specialized providers, companies could achieve significant reductions through labor arbitrage while gaining access to expertise and technology they didn't have to build themselves. For a long time, this approach delivered exactly what was promised – farshore delivery models offered substantial savings while maintaining service levels that, in most cases, matched internal benchmarks.

That formula, however, is no longer enough. The pace of business has accelerated, competition is more intense and end clients are far less tolerant of delays or service lapses. Enterprises now expect outsourcing partners to deliver more than cost savings. They want speed, agility, and the ability to resolve issues without constant oversight.

"The bar for service provider performance has been raised continuously over time and I expect this will continue," says Shaji Farooq, Ph.D., CEO of Chazey Partners. "Enterprises demand more from service providers because their own end clients demand more from them."

This heightened expectation is where traditional models begin to show their limits. Straightforward, transactional processes may still run smoothly, but cracks appear in the 20 percent of processes that are inherently more complex, time-sensitive and high-impact. Failures in these areas don't stay contained; they cascade, creating knock-on effects across the value chain and inflating costs in ways that are often hidden from view.
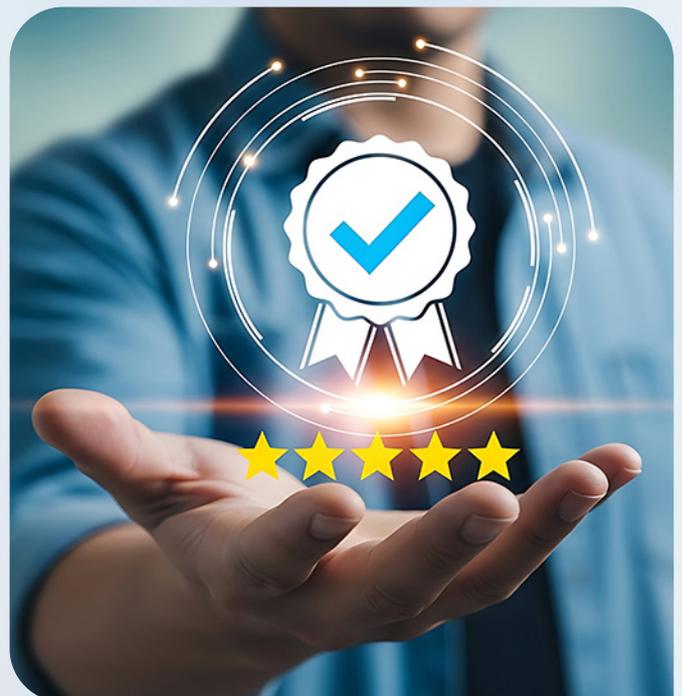
One of the biggest underlying factors is time-zone alignment or, rather, the lack of it. BPO work needs to happen during a client's business hours, which has required providers to rely on night-shift operations. On the surface, this may seem like a simple scheduling adjustment, but it comes with significant operational drawbacks. Recruiting and retaining experienced talent for night work is difficult, attrition rates climb and the deep process knowledge needed for complex tasks is steadily eroded.

"Who really wants to work nights?" Farooq asks. "People with growing personal responsibilities? Not so much." The outcome is a self-perpetuating cycle in which the very processes most in need of excellence are the least likely to achieve it.

In response, many enterprises are rethinking their delivery models. Hybrid approaches, combining nearshore with offshore or nearshore with onshore, are gaining momentum. These configurations minimize time-zone gaps, enable synchronous operations and create more opportunities for in-person engagement between client and provider teams.

However, location alone is not enough. The real leap forward will come from how providers approach transformation. The term is often misused, because genuine transformation goes far beyond incremental improvements. It means rethinking people, processes, organization and technology as a connected whole, removing unnecessary handoffs, balancing control with speed and tailoring solutions to the unique history and operational DNA of each client.

"The reality is that BPO can no longer remain a purely transactional play," Farooq says. "Providers that will thrive are those capable of integrating themselves into their clients' operations, working in true synchrony across geographies, adopting commercial models that reward outcomes and treating transformation as an ongoing discipline rather than a one-time event." In a world where excellence, not just efficiency, has become the baseline expectation, anything less risks being left behind.

Business transformation investment strategies

Welcome to the AI era

Businesses have diverse transformation investment plans for the coming year. A substantial 40 percent of respondents expect their transformation budget to remain flat over the next 12 months (the same figure as last year), while a quarter (25 percent) expect it to increase (again on par with our previous report). A similar number (24 percent) are unsure, with only 11 percent predicting their budget to decrease, up from 9 percent last year.

As for how and where businesses are looking to spend next year, AI is, unsurprisingly, top of mind. Just under half of businesses (48 percent) are prioritizing AI adoption, with the same number planning to invest in traditional AI. Meanwhile, 41 percent and 39 percent are looking to spend on generative AI and agentic AI, respectively.

This correlates with separate research from leading analysts. For example, Gartner predicts global end-user spending on generative AI models to total a staggering US$14.2 billion in 2025, while agentic AI investment could reach a mammoth $155 billion by 2030, according to Bank of America analysis.

When investing in new and emerging AI technology, Andreas Welsch, AI expert and author of the AI Leadership Handbook, advises organizations to look for platforms and tools where most of their applications and workloads are. "While agentic AI is still an emerging area, emphasize interoperability to set yourself up for future growth and workflows that span multiple departments and business applications."

Doug Shannon, AI and intelligent automation thought leader, echoes similar sentiments. "Agentic AI is a step in the right direction. Companies are rightly drawn to structured systems that enable, empower and embolden their workforce."

However, agentic AI alone is only the beginning, with many organizations already moving toward multi-agent systems which bring orchestration, auto controls and guardrails to coordinate activity across the enterprise, Shannon adds. "My advice is to avoid spending big too early without first investing in governance, alignment and understanding how these systems impact employees and brand trust. AI agents should help drive understanding and confidence across the business. The ultimate goal is autonomy with accountability, where reasoning behind decisions remains clear and traceable, not lost in the system."

Go after focused, high-impact use cases; places where agents can deliver real value without huge risks, says Sana Zia Hassan, senior manager – AI at EY. "It's also important to set up the right foundations early: think agent orchestration, clear handoff points with humans and strong monitoring tools so you always know what your AI is doing and why."

Traditional success metrics like cost savings won't cut it anymore, you need to look at how agents improve decision-making, adaptability and speed, Hassan warns. "Don't forget about your teams: agentic AI doesn't replace people, it changes how they work. At the end of the day, it's not just about spending big, it's about building with purpose, scaling responsibly and making sure your organization is ready to work alongside AI, not just use it," Hassan says.

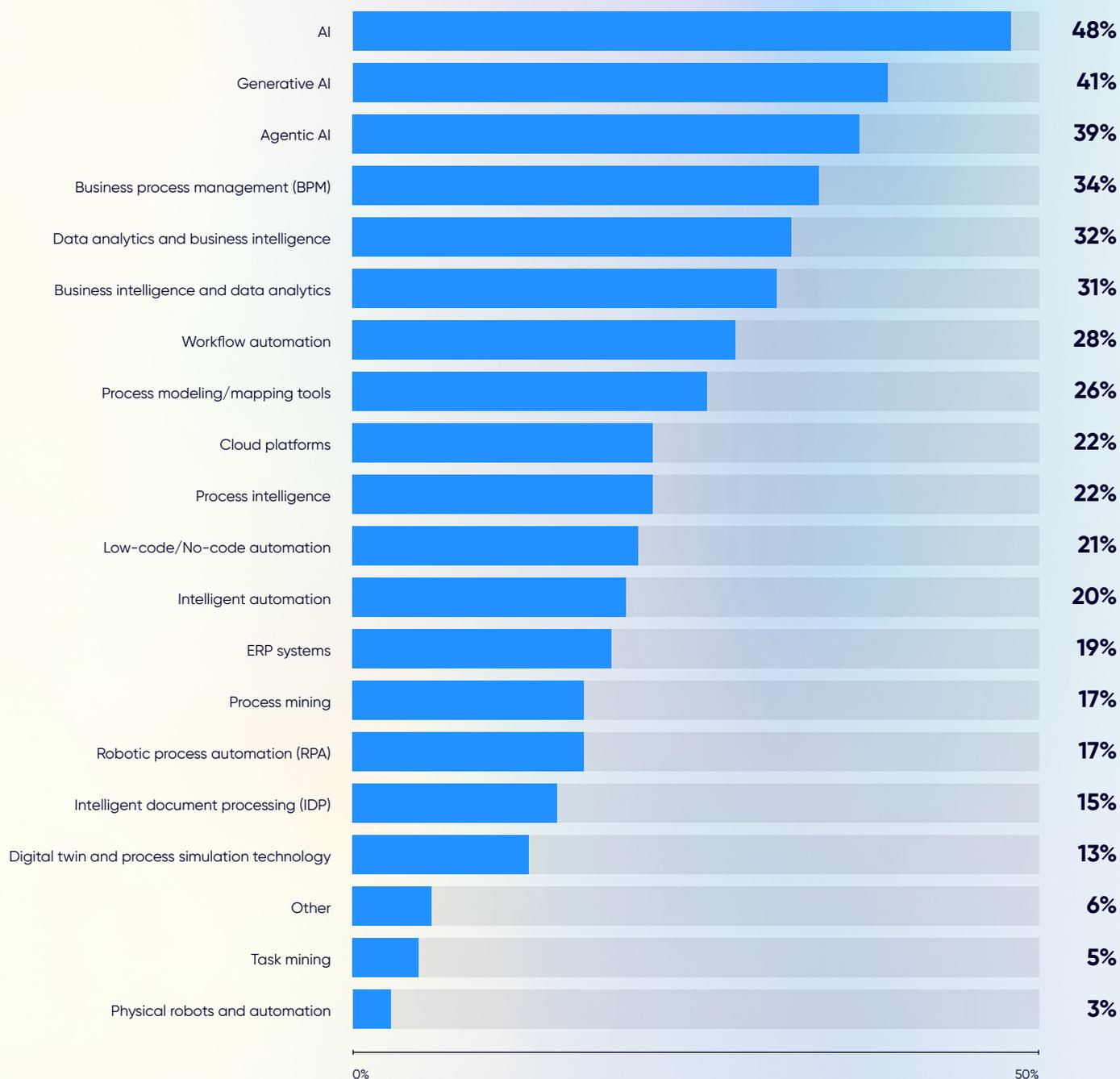## Other areas of investment and focus

Beyond AI, businesses are also looking to invest in BPM (39 percent, up from 22 percent last year), data analytics and business intelligence (32 percent, up from 31 percent), workflow automation (28 percent, down from 31 percent) and process modeling/mapping tools (26 percent, up from 20 percent).

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What solutions are you looking to invest in to drive your business transformation programs over the next 12 months?

Solution	%
AI	48%
Generative AI	41%
Agentic AI	39%
Business process management (BPM)	34%
Data analytics and business intelligence	32%
Business intelligence and data analytics	31%
Workflow automation	28%
Process modeling/mapping tools	26%
Cloud platforms	22%
Process intelligence	22%
Low-code/No-code automation	21%
Intelligent automation	20%
ERP systems	19%
Process mining	17%
Robotic process automation (RPA)	17%
Intelligent document processing (IDP)	15%
Digital twin and process simulation technology	13%
Other	6%
Task mining	5%
Physical robots and automation	3%

0%   50%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

> "People resist what they don't trust, and AI needs clean data and clear purpose to thrive."
>
> **Lee Bogner**

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These are ahead of cloud platforms (22 percent), process intelligence (22 percent, from 16 percent last year), low-code/no-code automation (21 percent), intelligent automation (20 percent), ERP systems (19 percent) process mining (17 percent, up from 15 percent) and RPA (17 percent, up from 14 percent). Less popular are digital twin/process simulation technology (13 percent), task mining (5 percent) and physical robots and automation (3 percent).

In terms of more general areas of focus, 37 percent of businesses plan to create a culture of transformation and 34 percent are looking to advance change management strategies. Customer-centric process management (28 percent), data management (27 percent) and end-to-end process architecture (25) are other common focus areas.

"These results reveal that organizations are prioritizing strategic, high-impact process investments over the next year with BPM, data analytics/business intelligence and workflow automation leading the way," says Bazler. This emphasis tells us two things:

Organizations see process as the backbone of transformation. "BPM and workflow automation investments show a recognition that transformation can't succeed without orchestrating and optimizing how work gets done," Bazler says.
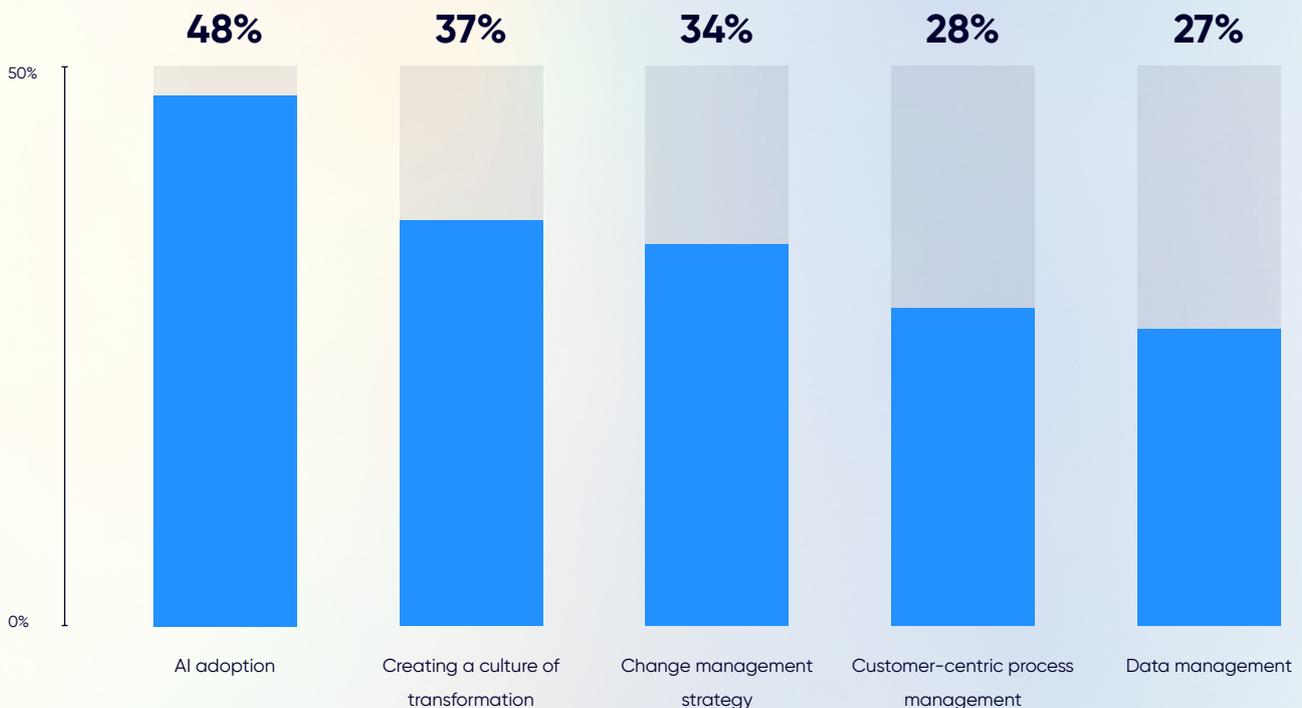
Data is becoming necessary for change. "The high ranking of analytics and business intelligence signals that leaders want visibility and insights to guide transformation decisions, measure impact and adapt in real time," he adds.

It's also telling that low-code/no-code automation and intelligent automation are gaining traction, Bazler continues. "Organizations are looking for agility, speed and ways to empower more teams to innovate without heavy IT dependencies."

Organizations can ensure effective, value-driven process investments by starting with clear business outcomes (not technology) first, documenting and measuring before they automate and building agility into the transformation roadmap, Bazler says.

FIGURE 12

Top 5 business transformation focus areas for the next 12 months

	48%	37%	34%	28%	27%
	AI adoption	Creating a culture of transformation	Change management strategy	Customer-centric process management	Data management

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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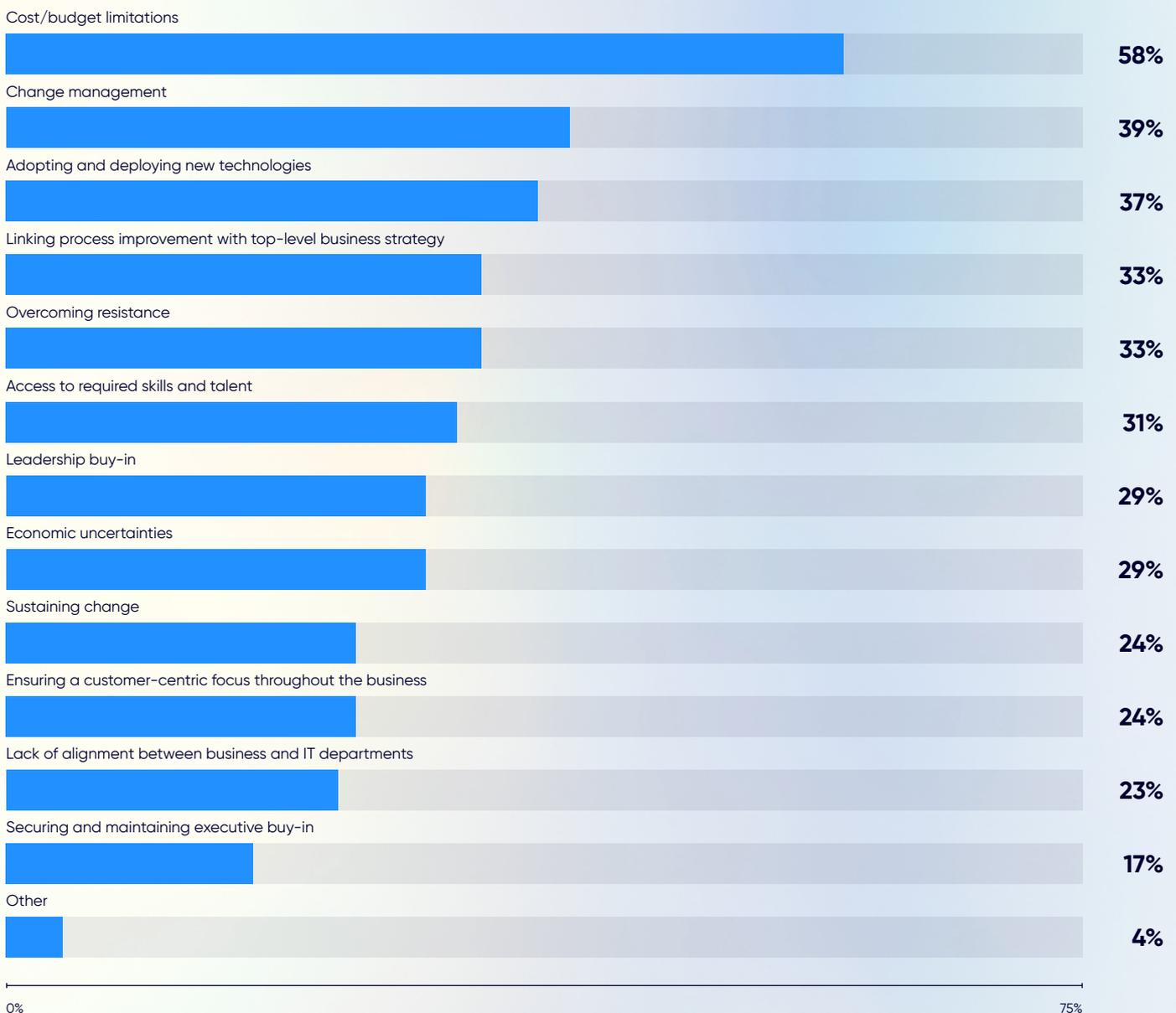PEX PROCESS EXCELLENCE NETWORK

Business transformation challenges

Respondents cite cost/budget limitations (58 percent) as the biggest business transformation challenge they face in the next 12 months, followed by change management (39 percent), adopting and deploying new technologies (37 percent) and linking process improvement with top-level business strategy (33 percent). Other challenges include overcoming resistance (33 percent), access to required skills and talent (31 percent) and leadership buy-in (29 percent).

Economic uncertainties (29 percent), sustaining change (24 percent) and ensuring a customer-centric focus throughout the business (24 percent) are also concerns, as are lack of alignment between business and IT departments (23 percent). Less-cited challenges include deploying new operational business models, communication, education and understanding.

FIGURE 13

What are your primary business transformation challenges for the next 12 months?

Cost/budget limitations — **58%**

Change management — **39%**

Adopting and deploying new technologies — **37%**

Linking process improvement with top-level business strategy — **33%**

Overcoming resistance — **33%**

Access to required skills and talent — **31%**

Leadership buy-in — **29%**

Economic uncertainties — **29%**

Sustaining change — **24%**

Ensuring a customer-centric focus throughout the business — **24%**

Lack of alignment between business and IT departments — **23%**

Securing and maintaining executive buy-in — **17%**

Other — **4%**

0%   75%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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FIGURE 14

Top 5 most in-demand skills or capabilities

62%	61%	49%	46%	45%
AI	Operational/process excellence	Digital transformation	Strategy execution	Change management

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

The emphasis on budget is entirely expected, driven by several key factors, says Debashis Sarkar, managing partner at Proliferator Advisory and Consulting. "Businesses are hesitant to invest due to uncertainty surrounding President Trump's tariffs, including a 10 percent universal tariff on US imports and higher rates on 57 countries. These tariffs significantly increase the cost of imported goods, prompting companies to reduce spending on non-essential activities like capital expenditures, marketing and hiring."

Furthermore, economic volatility, characterized by high inflation and recession fears, is compelling businesses to conserve cash, Sarkar adds. "Geopolitical uncertainties also amplify this cautious approach, leading companies to hoard funds."

Nearly two thirds of respondents (62 percent) say they need more AI skills and capabilities to stay competitive, followed closely by OPEX/process excellence (61 percent) and digital transformation (49 percent). Strategy execution (46 percent), change management (45 percent) and leadership (44 percent) are the next most in-demand skills/capabilities, followed by Agile and/or Lean (32 percent).

"The findings line up with what I've seen time and time again," says Winter. "AI (especially recently), OPEX and digital transformation top the list, not because they're easy, but because they're visible. They're the goals everyone rallies around, but to really understand what is happening, you need to lift the hood. Strategy execution, leadership and change management – these are almost always where the real gaps are, and they are the ones that make or break transformation."

Too often, business transformation can feel like a workout you weren't prepared for, Winter says. "The first few reps feel off. You question if you're doing it right. You're sore, you're slow and honestly, you want to quit. If you keep going, alignment builds. Capability compounds. What was once foreign becomes familiar, and that's when the culture starts to shift."

So how can businesses overcome challenges such as cost pressure, change resistance, skill gaps and lack of leadership buy-in? They need to stop treating transformation like an isolated initiative and start embedding it into how the business runs, Winter says. "Connect it to outcomes people care about. Make it visible. Over-communicate the "why," not just the "what." Invest in people; not just hiring new talent but upskilling the ones you already have. The companies that succeed aren't the ones with the biggest budgets. They're the ones with the clearest intent, the strongest internal alignment and the patience to build the muscle."

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Business transformation in action

BHP

BHP, one of the world's leading natural resources companies, brings people and resources together to build a better world. The company produces essential commodities through its assets, including iron ore, metallurgical coal, copper and nickel.

BHP previously relied on a traditional, shared services operating model, with separate shared services teams focused on specific functions executing basic transactional processes. This reduced labor cost in many areas, from the production of financial accounts to supply chain management. At the same time, the lack of visibility into end-to-end processes and interface complexity created inefficiencies and waste. This created frustration for BHP's frontline operations.

BHP decided to transform, replacing its shared services operating model with a single global business services model. By doing so, they aimed to shift focus from efficiency in labor management to improving overall operational effectiveness through at-scale transformation of its end-to-end processes.

Before:
Challenges and opportunities

✓ Numerous shared services teams handling business processes in isolation.

✓ Significant potential for increasing operational efficiency by connecting processes and breaking down silos.

✓ Lack of end-to-end visibility into processes, key performance indicators (KPIs), named stakeholders and clear, organizational accountability.

✓ Frustration and service delivery impacts.

Why SAP and PwC services Australia

❯ Ability to understand, improve and transform business processes, at speed and at scale, using SAP Signavio solutions.

❯ Opportunity for significant operational improvements based on the data-driven insights and enterprise process transformation guidance offered by SAP Signavio Process Intelligence.

❯ The promise of deeper understanding of customer sentiment and customer challenges through SAP Signavio Journey Modeler, which also offers tailored recommendations to meet evolving customer and market demands.

❯ The potential to break down silos and drive operational efficiency with PwC's proven, end-to-end process transformation approach underpinned by SAP Signavio solutions.

After:
Value-driven results

✓ Improved operational performance at speed and scale for its employees and operations.

✓ Consistent visibility into value chain processes across different functions, giving stakeholders insight into interface complexity, while empowering the company to eliminate waste and identify opportunities for automation.

✓ Uplifted materials availability for operations, ensuring the cycle labor provision enabled production.

"PwC Australia brought the best of culture, project management and data-driven process intelligence capabilities, while SAP Signavio provided the digital backbone to enable this," says Sundeep Singh, global business services group officer at BHP Group Limited. "Through this work, a new platform for operating excellence has been created for our organization – connecting people, processes and data to reliably deliver and lift productivity and thereby enabling our operations across BHP to unlock their full potential."

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AI-driven business transformation

The ongoing evolution of AI-driven business transformation is a standout theme of this year's survey. As mentioned, 48 percent of surveyed businesses are prioritizing AI adoption in the coming year, while almost three-quarters (70 percent) state that AI is either "critical" or "very important" to their organization's strategic goals. Only 14 percent rate AI as "moderately" important with 12 percent opting for "not important" and 4 percent "not at all important."

A fifth (20 percent) of businesses have piloted at least one AI project to drive business transformation. Slightly less (19 percent) have operationalized multiple successful AI projects, while 15 percent have discussed potential AI projects but have not trialed them yet. The same number (15 percent) are in the process of developing their first AI pilot project, with 11 percent systematically using AI to deliver transformational results and 7 percent having operationalized one AI project.

FIGURE 15

How important is AI to your organization's strategic goals?

	Critically important		Slightly important	
36%	34%	14%	12%	4%
Very important		Moderately important		Not at all important

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

"Emerging AI plays a transformative role in modern business transformation by enhancing decision-making, automating processes and driving efficiencies at scale," says Blondaut. "AI can be integrated into various stages of the transformation process, helping simplify and accelerate many tasks that were once manual such as process design, dashboard creation, root cause analysis or even AI agent governance, while lowering the barriers of entry to expert fields like process mining so they become accessible to a wider audience."

While there's a huge gap between current AI capability and future AI possibilities, the fact remains that AI is the most powerful and important driver of business transformation, adds Saldanha. "It cuts across all industries, all functions and all knowledge. The bigger question is how to apply emerging AI – i.e. when, where and how much. This is where there is a need to create a holistic business transformation strategy at the enterprise level."

Organizations are using a variety of AI types, the survey found. Almost two-thirds (63 percent) use generative AI, with 62 percent using standard/traditional AI and 40 percent using AI agents/agentic AI. Only 10 percent of those polled say their business uses none of these.

Efficiency is by far the biggest driver of AI-enhanced business transformation, selected by 43 percent of respondents. This is followed by automation (14 percent), cost reduction (10 percent), innovation (9 percent), competitive pressure (8 percent) and customer experience (5 percent). Data insights are the biggest driver for 5 percent of respondents, with growth, improving quality and CEO mandates also cited.

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Is your organization using AI to drive business transformation objectives? If so, which of the following best describes where you are in that process?

- ● We have piloted at least one AI project
- ● We have operationalized multiple successful AI projects
- ● We have discussed potential AI projects but have not trialed them yet
- ● We are in the process of developing our first AI pilot project
- ● None of the above
- ● We systematically use AI to deliver transformational results
- ● We have operationalized one AI project

20%
19%
15%
15%
13%
11%
7%
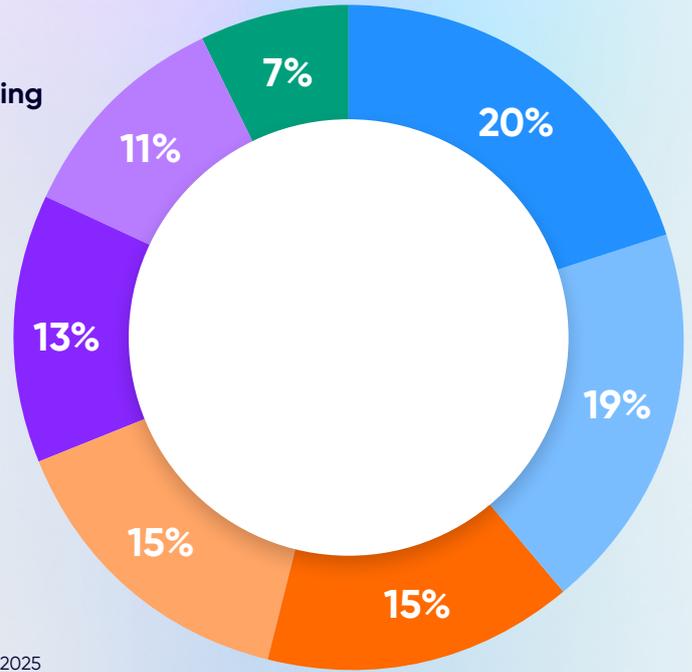
Source: PEX Network's Global State of Business Transformation survey, May – July 2025

CEOs are leading AI investment and strategy in more than a third (35 percent) of businesses, ahead of CTOs (18 percent), other (15 percent), heads of AI (11 percent), heads of transformation/chief transformation officers (9 percent), COOs (7 percent) and CFOs (6 percent). Most organizations acquire AI through third-party vendors/providers, with 35 percent doing so via in-house builds.

More than half (59 percent) of businesses are planning to invest in agentic AI/AI agents in the next 12 months, followed by generative AI (58 percent) and standard/traditional AI (43 percent). Just under a fifth of respondents (18 percent) say their business plans to invest $10,000 to $49,999 in AI, with the same number looking to spend less than $10,000.

Furthermore, 16 percent are planning to invest $1 million or more, with 14 percent and 10 percent looking to spend $50,000 to $249,999 and $250,000 to $999,999, respectively. Only 8 percent have no plans to invest in AI in the next year.

Driving value from AI adoption

Driving business value from AI is a critical but complex component of success. Almost half of respondents rate their organization's ability to drive tangible value from AI adoption as either "very high" or "high" (20 percent and 26 percent, respectively). Just under a third (32 percent) rate it as "moderate," while 12 percent and 9 percent rate it as "very low" or "low," respectively.

The top 5 drivers of AI adoption

43% Improving efficiency **14%** Automation **10%** Cost reduction **9%** Innovation **8%** Competitive pressure

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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Only a third (34 percent) consider their AI initiatives to be fully aligned with overall business goals, increasing to 48 percent for somewhat aligned. Nearly a fifth (18 percent) say their AI initiatives are mot aligned with overall businesses goals.

Efficiency is the most common, measurable benefit of AI adoption, cited by 55 percent of respondents. This is followed by process optimization/automation (43 percent), cost savings (36 percent) and customer experience (30 percent). Employee satisfaction (21 percent) and revenue growth (20 percent) are the next common. Other benefits include speed to implementation and insights consolidation.

Respondents expect several of these benefits to persist, with automation and efficiency (75 percent), process optimization (64 percent), data analytics and business intelligence (58 percent) and customer service and experience (53 percent) all predicted to drive value over the next three years.

"Driving real business value from AI requires the entire ecosystem to work together," says Hassan. "It starts with aligning AI efforts to clearly defined business goals, whether it's boosting revenue, cutting costs or improving decision-making." That alignment ensures AI is solving meaningful problems, not just running in technical isolation.
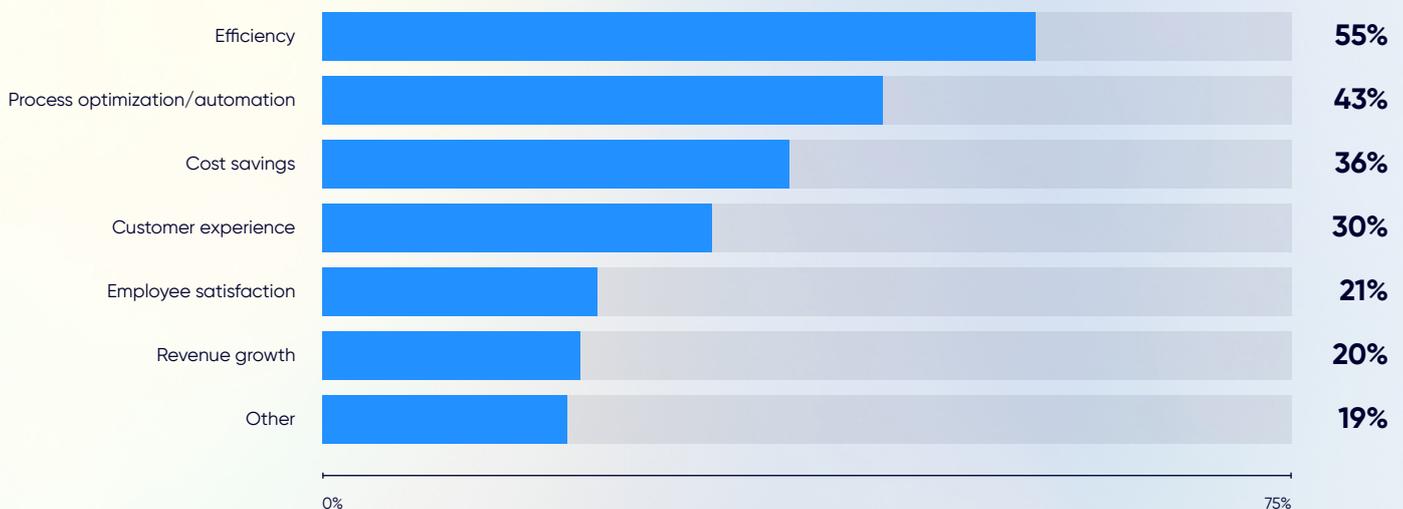
"Don't just deploy AI; embed it into your core workflows," adds Lee Bogner, global chief generative AI and AI strategic enterprise architect at Mars. Design for human-AI collaboration, because people need to adopt the system for value to show up. "Keep evolving; AI performance grows with iteration and real-world feedback."

Start by identifying the KPIs and process performance indicators (PPIs) of the process you're looking to improve, says Welsch. "Get alignment across stakeholders that this problem is worth solving and check in regularly to see you're on track and share your progress." Unfortunately, far too many AI projects start as technology explorations or solutions looking for a problem, an approach that quickly lands businesses in the territory of failed AI projects, he adds.

For Shannon, the biggest AI success factor is trust. "Without alignment, clarity and transparency, the three pillars of my ACT model, companies risk undermining their own initiatives. Businesses need to embed context, which still comes from humans, and ensure AI systems support and coordinate with employees rather than disrupt them. As maturity grows, businesses can aim to shift from human-in-the-loop to human-on-the-loop oversight, delivering greater autonomy while preserving accountability. Value emerges when employees see that AI is there to help them succeed rather than replace them."

FIGURE 18

What measurable benefits (ROI) has your organization achieved through AI adoption?

Benefit	Value
Efficiency	55%
Process optimization/automation	43%
Cost savings	36%
Customer experience	30%
Employee satisfaction	21%
Revenue growth	20%
Other	19%

0%　　　　　　　　　　　　　　　　　　　　　　　　　75%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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Top 5 barriers to AI adoption

52% Data quality and availability

49% Lack of internal expertise

31% Regulatory or legal concerns

30% Resistance to change

27% High cost of implementation

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

A solid data foundation, strategic thinking and organizational readiness are also key, says Rahul Zende, principal data scientist – enterprise AI strategy at Navy Federal Credit Union. "Look for these when tracking business value: quantifiable business impact, operational efficiency gains and revenue enhancement."

Finally, businesses must move beyond one-off projects and treat AI as a long-term strategic capability, one that evolves through agile experimentation, fast feedback loops and a roadmap that connects individual use cases to broader transformation goals," says Hassan. "When these pieces are tightly connected, AI delivers not just automation but lasting competitive advantage."

What's impacting AI adoption?

Data quality and availability are the biggest barriers to AI adoption, cited by 52 percent of respondents. The next most prevalent hurdles are lack of internal expertise (49 percent), regulatory or legal concerns (31 percent) and resistance to change (30 percent).

These are followed by the high cost of implementation (27 percent), lack of clear ROI (23 percent) and ethical concerns (15 percent). Other challenges include clearly defined use cases, strategic alignment, scaling and time constraints.

"Sadly, data inadequacy or unreliability is a major issue today," says Zende. He also highlights the complexity of replacing or integrating with existing systems or processes. "The third one on my mind is an (often scary) gap in AI skills and/or understanding of AI amongst leaders as well as senior individual contributors. I don't think solving these issues is rocket science but it needs to be done in a case-by-case manner."

In Shannon's opinion, the greatest challenge of AI adoption is underestimating the human factor. "Employees are the first customers of your AI initiatives and if they feel left out or devalued, trust is lost. Leadership must show up, be present, explain the why and align on the how."

Overestimating technology, failing to address fragmented data and deploying systems employees can't explain or trust are all common pitfalls, he adds. "To overcome these, frame AI as a way to stop adding unnecessary headcount while making employees more capable and valued. The goal should be to enable employees to work alongside AI confidently, keeping people at the center of the story."

Respondents believe their organizations would be in a stronger position to leverage AI if they had better training programs for employees (49 percent), data infrastructures (48 percent), strategic guidance (45 percent) and access to talent (32 percent). These are ahead of governance strategies (31 percent), funding or investment (30 percent) and clearer regulations (20 percent).

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"People resist what they don't trust, and AI needs clean data and clear purpose to thrive," says Bogner. "Address this with early user engagement, cross-functional teams and measurable KPIs. AI adoption is a change journey – treat it that way!"

To get past AI hurdles, businesses need to ground AI efforts in clear, valuable use cases, clean up their data pipelines and design solutions that are intuitive and easy for teams to adopt, says Hassan. "More importantly, they should build a culture of experimentation and co-creation, bringing business, tech and end-users together from the start. The companies that win are the ones that treat AI not just as a tool, but as a teammate."

What about AI governance?

AI governance is an essential component of successful adoption. "Without it, AI can drift, harm the brand or create hidden risks," warns Shannon. However, less than half of businesses (43 percent) currently have an AI governance policy, with a quarter (25 percent) in the process of implementing one. Almost a third of organizations (29 percent) have no AI governance policy.

"An AI governance policy is absolutely critical for modern businesses, not just for compliance, but for building trust, scaling AI responsibly and unlocking long-term value," says Hassan. As organizations adopt AI more broadly, the risks grow too: bias in decision-making, data misuse, regulatory scrutiny, lack of accountability and model drift can all erode customer trust and damage brand reputation.

"Without clear governance, AI initiatives may remain siloed, inconsistent or even harmful. A strong AI governance strategy provides a framework to ensure AI is ethical, transparent, secure, compliant and aligned with business objectives," she adds.
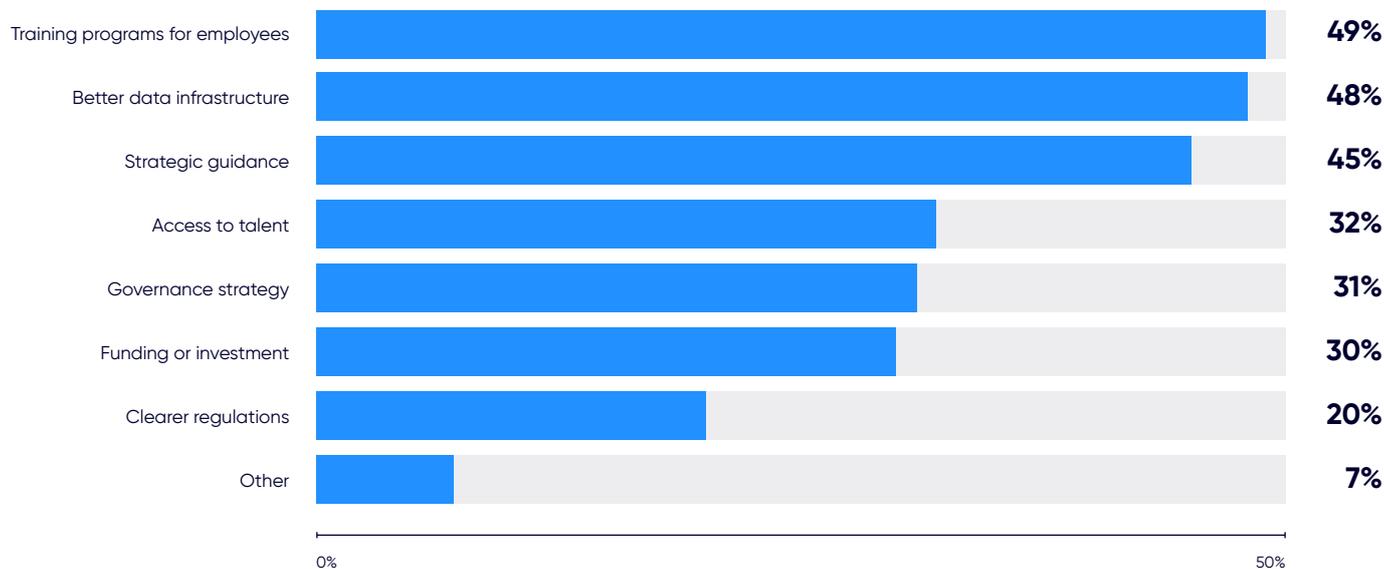
A solid AI governance policy should cover 10 key pillars, Hassan says:

✓ **Purpose and principles:** Define your organization's stance on responsible AI, fairness, transparency, explainability, human oversight and social impact.

✓ **Roles and accountability:** Clarify who is responsible for what, from data owners and model developers to risk officers and business leaders. Establish an AI governance board or committee to oversee initiatives.

✓ **Model lifecycle management:** Outline standards and processes for model development, validation, deployment and decommissioning, including version control, testing protocols and performance monitoring.

✓ **Risk and compliance:** Integrate legal, ethical and regulatory requirements, such as GDPR, HIPAA or emerging AI regulations and define thresholds for acceptable risk.

✓ **Bias detection and mitigation:** Establish methods for detecting and reducing algorithmic bias across training data, models and outputs.

✓ **Explainability and auditability:** Ensure models can be interpreted and explained, especially in high-stakes applications. Create audit trails for decisions made by AI systems.

✓ **Data governance:** Define how data is sourced, labeled, secured and used across AI pipelines. Maintain data lineage and consent tracking.

✓ **Monitoring and model drift management:** Set up processes for ongoing monitoring of model performance, drift detection and retraining.

✓ **Human-in-the-loop oversight:** Determine when and how human intervention is required, especially in scenarios involving critical decisions or uncertainty.

✓ **Education and culture:** Include training for teams on responsible AI practices and foster a culture where ethical considerations are part of every AI initiative.

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FIGURE 20

What would help your organization better leverage AI?

Training programs for employees	**49%**
Better data infrastructure	**48%**
Strategic guidance	**45%**
Access to talent	**32%**
Governance strategy	**31%**
Funding or investment	**30%**
Clearer regulations	**20%**
Other	**7%**

0% — 50%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

FIGURE 21

How much is your organization planning to spend on external AI solutions in the next 12 months?
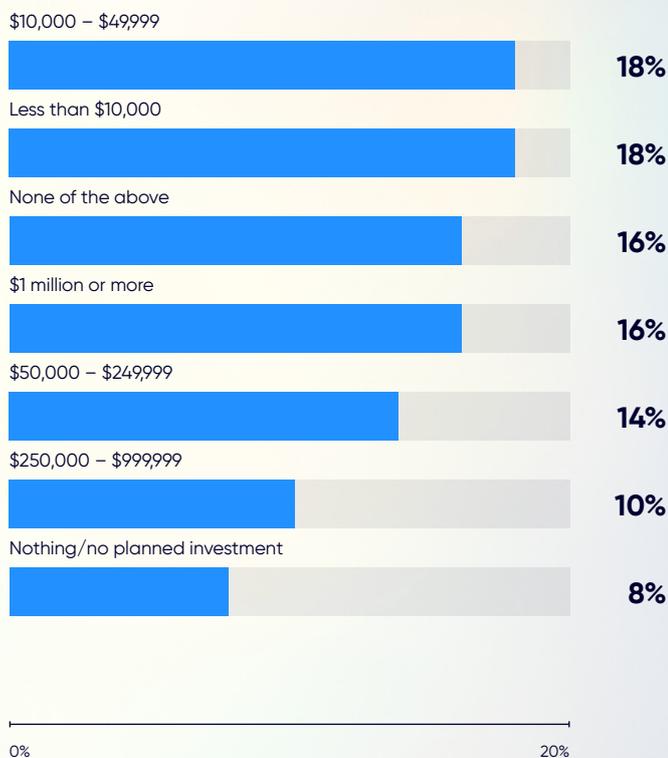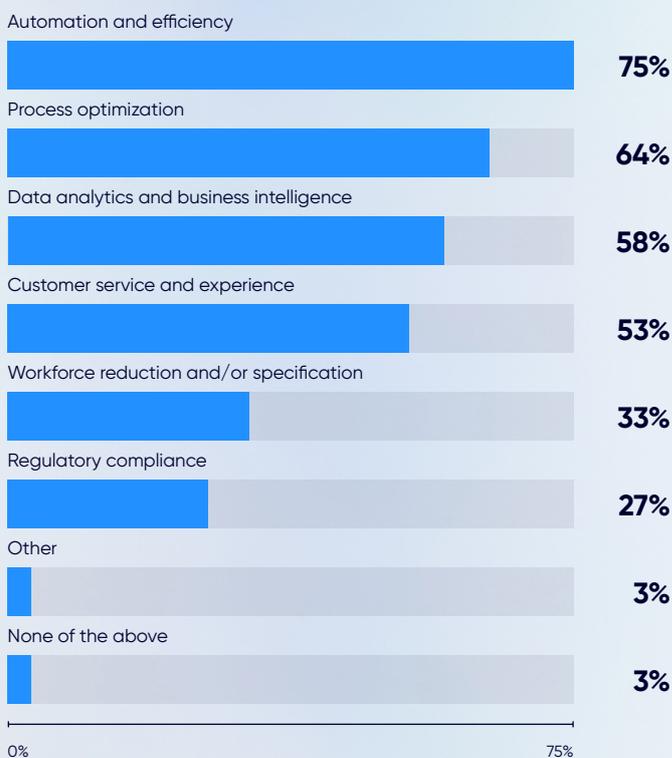
$10,000 – $49,999	**18%**
Less than $10,000	**18%**
None of the above	**16%**
$1 million or more	**16%**
$50,000 – $249,999	**14%**
$250,000 – $999,999	**10%**
Nothing/no planned investment	**8%**

0% — 20%

FIGURE 22

In what ways do you expect AI to transform your business over the next 3 years?

Automation and efficiency	**75%**
Process optimization	**64%**
Data analytics and business intelligence	**58%**
Customer service and experience	**53%**
Workforce reduction and/or specification	**33%**
Regulatory compliance	**27%**
Other	**3%**
None of the above	**3%**

0% — 75%

Source: PEX Network's Global State of Business Transformation survey, May – July 2025

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AI in action

HEINEKEN brews innovation with AI

Beer giant HEINEKEN is a prime example of an organization taking a leading approach to AI-driven business transformation. The global brewer is using AI not just to make it more efficient, but to rethink how it does business altogether.

HEINEKEN is embedding AI into the fabric of its business – spanning a new Global Generative AI Lab, the suite of AI products already driving measurable results and the internal culture supporting experimentation, collaboration and ethical technology deployment.

Strategic investment in AI

While many organizations are still experimenting with AI at the periphery of operations, HEINEKEN has placed it at the center of its long-term digital vision. The company's launch of a Global Generative AI Lab in Singapore marked a major step forward in that journey.

The lab, developed alongside AI Singapore, serves as a global innovation hub where the company can experiment freely with AI. The goal is straightforward: build generative AI solutions that can easily scale up across key areas of the business – whether it's automating marketing tasks, improving financial processes, boosting customer support or making internal knowledge easier to access.

Ronald den Elzen, chief digital and technology officer at HEINEKEN, describes the lab as "a significant milestone," highlighting the company's commitment to growth, efficiency and innovation through advanced AI.

By the end of 2025, HEINEKEN aims to build a dedicated team of experts combining internal digital specialists with external talent from AI Singapore. "By taking this significant step, HEINEKEN is strategically positioning ourselves for a resilient and thriving future," says Kenneth Choo, managing director for APAC, pointing to Singapore's innovation ecosystem as an ideal environment for the initiative.

(Sub head) Building business value through AI
HEINEKEN's move into generative AI is part of a broader strategy that's already delivering real value across its operations. The company blends advanced AI technology with human insight, creating practical and responsible solutions designed for global use.

These solutions go beyond automating routine tasks; they actively support faster and smarter decision-making across sales, marketing and operations teams.

Among the company's suite of AI-powered tools is AIDDA (Artificial Intelligence Data-Driven Advisor), which supports sales representatives by recommending optimal actions based on customer data. By 2024, AIDDA had scaled to eight markets, supporting nearly half a million customer interactions daily.

Other tools focus on driving customer engagement and revenue growth. The Product Recommender, now live in seven markets, analyzes user behavior and preferences to deliver personalized recommendations.

Meanwhile, MERCURY, an AI-driven marketing spend optimizer, is helping to deliver incremental gross profit across three markets, while Promo Advisor is enabling teams to simulate, plan and assess promotional campaigns for maximum ROI.

Generative AI pilots

HEINEKEN has also been testing a range of generative AI tools, many of which are already showing strong potential. One example is Hoppy, a generative AI chatbot designed to help finance teams navigate internal standards and processes by pulling information from across the company's systems to streamline daily workflows.

For marketing teams, the Knowledge and Insights Management platform (KIM) plays a similar role. It brings together consumer and market data in one place, making it easier for teams to access insights and make informed decisions quickly.

Another tool, HeiFi, taps into a decade's worth of consumer-packaged goods data to provide strategic insights to senior leaders.

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Human-AI collaboration

While HEINEKEN's AI strategy is often associated with its commercial frontlines, it also extends to internal corporate functions. Ludmila Todorovska, head of global digital and technology, leads digital transformation in HR, legal and corporate affairs. Her team recently worked with Microsoft to introduce Copilot – a generative AI tool – into internal communication workflows.

In practical terms, this meant identifying common use cases in internal and external communications and showing how generative AI could speed up tasks without sacrificing quality. "We prepared like three or four use cases… and then we showed them how they can utilize the technology in order to be faster, better," Todorovska explained during a panel at *PEX Network*'s All Access: AI in PEX. The response was overwhelmingly positive, showing just how powerful AI can be when tailored to specific functions.

Fostering innovation – and learning from failure

Much of HEINEKEN's progress with digital transformation comes down to its culture of innovation. The company actively encourages experimentation and celebrates it, even when things don't go to plan.

Every year, HEINEKEN hosts internal awards recognizing standout initiatives. The "#CoolShit" category spotlights impressive uses of technology, while "Backups" acknowledges teams who take risks, make mistakes and share their learnings. One recent winner in the latter category was a team that developed an agentic AI system that failed on its original tech stack and had to be completely rebuilt. Rather than framing this as a failure, the company celebrated the pivot and the resilience of the team involved.

By normalizing this kind of trial-and-error approach, HEINEKEN is cultivating a culture where innovation is not only accepted but expected.

Building AI on a foundation of data

At the heart of HEINEKEN's AI success is a strong data foundation. Its DataPrime platform now connects more than 70 operating companies, helping ensure that data across the business is consistent, reliable and easy to access.

"Building on this, we advanced our data and AI capabilities in 2024, embedding AI-driven products across our operations and rolling out literacy programs to ensure adoption," the company states in its annual report.

Responsible, customer-centric AI

Technical innovation is only part of the story; HEINEKEN puts a strong emphasis on using AI responsibly. Its Code of Business Conduct and dedicated AI Ethics Principles help guide how the technology is used, and those guidelines are regularly updated to keep up with the pace of change.

The company also places a premium on usability. According to Andrea Diebold, head of global analytics products, the goal is to ensure that AI tools are "seamlessly integrated into operations and widely adopted by end-users." This, she says, is the key to moving from "everyday AI" to "game-changing AI."

Brewing a smarter future

HEINEKEN's journey with AI shows how even long-established companies can successfully embrace new technology and make it work at scale. By combining in-house innovation with strategic partnerships – and staying grounded in its core values – the company is not just changing how it runs day to day, but also how it approaches growth, talent and long-term resilience.

Its collaboration with AI Singapore offers a prime example of how public-private partnerships can help accelerate meaningful, practical innovation. As Laurence Liew, director of AI innovation at AI Singapore, puts it: "By combining HEINEKEN's industry expertise with AI Singapore's cutting-edge AI capabilities and talent, we are creating a powerful model for how private and public sector collaboration can drive innovative solutions with real-world impact."

Whether it's tailoring product recommendations, deploying generative AI chatbots or supporting high-level decision-making, HEINEKEN is showing how a global business can use AI to drive real innovation, not just automation. It's setting a template for how established companies can lead the way in using technology to evolve and stay competitive.

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Conclusion

Business transformation in the modern era is no longer a linear or isolated endeavor; it is a multifaceted evolution. At the heart of this transformation lies the strategic integration of AI, which enables organizations to unlock new efficiencies, derive actionable insights from vast datasets and personalize customer experiences at scale. However, the deployment of AI alone is not sufficient to drive lasting value.

Change management emerges as a critical success factor, ensuring that people, culture and leadership are aligned with the transformation agenda. Successful organizations foster a culture of adaptability, transparent communication and continuous learning to overcome resistance and embed new behaviors.

Equally important is a disciplined focus on process excellence, which ensures that operations are not only optimized but also resilient and scalable. By reengineering core processes and eliminating inefficiencies, businesses can fully realize the benefits of AI and automation while maintaining high performance and quality standards.

Sustainable business transformation requires a holistic approach where cutting-edge technologies like AI are seamlessly integrated with human-centric change management strategies and a relentless pursuit of OPEX. Organizations that master this triad are best positioned to thrive in a volatile, digital-first world.

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Introducing the Business Transformation World Summit

Bigger, bolder and more relevant than ever

As 2026 approaches, transformation leaders confront an unprecedented moment in time. With a higher tolerance for uncertainty than most of their cross-functional peers, they have a unique opportunity to turn the global disruption and the promise of AI proliferation into catalysts for real business reinvention.

Indeed, the demand for finding new ways of cutting costs, setting target operating models and building agile, change-ready business cultures has never been greater. The incentive for leaders to activate – and then to sustain – major transformation programs has seldom ever been so strong. If transformation leaders get this moment right, they might just be the ones to discern the outline of the future enterprise from the fog of 2025's disruption.

If they are truly to seize the moment, transformation leaders must find a way to balance the promise of AI with the power of people. For a function whose strong internal stakeholder relationships have always made the difference between project success and failure, the relationship between transformation and AI leaders is more important than any other.

Transformation leaders need AI leaders to provide the engine for their bold vision. AI leaders, for their part, need transformation leaders to keep the business focused on the right problems, to resist hype and to smooth the path to change. How are we supporting the transformation mission?

In 2026, your favorite transformation event is undergoing a reinvention of its own. Featuring, for the first time in its 27-year history, FIVE co-located summits, the Business Transformation World Summit becomes the only platform designed to unite transformation and AI leaders. It is the first of its kind to place agentic and AI transformation at the heart of a human-centric transformation event.

Here's what's on offer:

✓ The Chief Transformation Officer Summit – a closed-door network designed for C-level and SVP-level leaders responsible for setting the course for enterprise transformation.

✓ The Change & Transformation Leaders' Summit – designed for those focused on driving change management, building a culture of continuous transformation and identifying change champions from grassroots to boardroom.

✓ The Agentic AI Transformation Summit – brand new and designed for AI and digital transformation professionals who are working out how to embark on or scale a sustainable agentic journey – one which can truly enhance business outcomes.

✓ The Operational Excellence & Continuous Improvement Summit – for those looking to institutionalize strong OPEX fundamentals as a core component of organizational DNA.

✓ The Digital Transformation Show Case – live on the expo floor and designed for those embedding the data architectures, ERP mainframes and governance strategies that are essential to transforming business in an agentic age.

Just like the role you hold, our platform is evolving, complex, daring and future-facing. In 2026, it's time for something new. We can't wait to see you there!

Cathy Gu
Event director
27th Business Transformation World Summit

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With more than 180,000 practitioners, PEX Network is one of the largest and most established communities of business process and operational excellence professionals in the world.

For more than 15 years, PEX Network has been working closely with the world's leading organizations and experts to create original research, premium content and events.

Our goal is to help our community as they navigate industry transformation by producing case study-driven content that gives them the tools to improve the efficiency, agility and profitability of their organizations.

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