# The State of AI Adoption in Mid-Market Companies

## 2026 Research Report

Original research synthesizing findings from McKinsey, RSM, Gartner, Salesforce, OECD, MIT, EY, and Google Cloud.

**Josh Meunier**

CEO, Mingma Inc

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mingma.io

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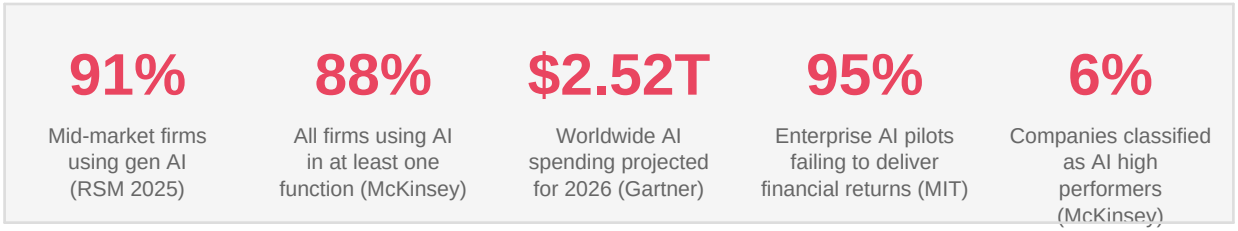
# 1. Executive Summary

The mid-market AI landscape in 2026 presents a paradox. Adoption is nearly universal, yet genuine value creation remains concentrated among a small minority of companies. This report synthesizes findings from eight major research institutions to paint an honest picture of where $10M-$100M companies stand with AI.




The gap between adoption and value is the defining challenge of mid-market AI in 2026. Nearly everyone is using AI. Almost no one is using it well enough to generate measurable financial returns.

**Key finding:** The 6% of high performers aren't smarter or better-funded. They're more systematic. They run fewer, more targeted pilots. They move to production faster (90 days average). And they measure business outcomes, not AI activity.

# 2. Methodology and Sources

This report synthesizes findings from eight major research publications. No proprietary surveys were conducted. All statistics are sourced from published research with URLs provided for verification.

| Source | Scope | Date |
|---|---|---|
| McKinsey State of AI 2025 | 1,993 participants, 105 countries | 2025 |
| RSM Middle Market AI Survey | Middle market executives, US focus | 2025 |
| Gartner AI Spending Forecasts | Global market sizing | 2025-2026 |
| Salesforce SMB AI Research | 3,350 SMB leaders, global | 2025 |
| OECD SME AI Adoption Report | OECD member countries | 2025 |
| MIT State of AI in Business | Enterprise AI deployment | 2025 |
| EY AI Productivity Survey | Enterprise executives, EMEA | 2025 |
| Google Cloud AI Agent Study | Enterprise executives | 2025 |

**Important note on data interpretation:** Adoption rates vary across surveys due to differences in methodology, definitions of 'AI usage,' and respondent profiles. We present multiple data points rather than cherry-picking the most dramatic numbers. Where surveys conflict, we note the range.

# 3. Adoption Rates: The Mid-Market Has Gone All-In

AI adoption in mid-market companies has reached a tipping point. According to RSM's 2025 Middle Market AI Survey, 91% of middle market respondents affirmed their organizations' use of generative AI in business practices -- a notable rise from 77% the previous year. One in four organizations using generative AI report it is fully integrated into core operations and workflows.

This tracks with broader trends. McKinsey's 2025 Global AI Survey found that 88% of organizations now use AI in at least one business function, with 72% adopting generative AI specifically -- up from 65% the prior year. Their survey covered 1,993 participants across 105 countries.

At the SMB level, Salesforce's 2025 research shows 75% of SMBs are at least experimenting with AI, with growing businesses leading at 83% adoption. And 34% of SMBs have fully implemented AI in their operations -- not just experimenting, but running it as part of daily business.

## The Size Gap in AI Adoption

The OECD reports that AI adoption among firms doubled from 8.7% in 2023 to 20.2% in 2025. But there's a stark size gap: 52% of large firms (250+ employees) use AI compared to just 17.4% of small firms (10-49 employees). Mid-market companies sit between these poles, with adoption rates far exceeding their smaller peers but implementation maturity lagging behind enterprise.

| Company Size | AI Adoption Rate | Source |
|---|---|---|
| Large (250+ employees) | 52% | OECD 2025 |
| Mid-market | 91% (gen AI) | RSM 2025 |
| Medium (50-249 employees) | 20.4% | OECD 2024 |
| Small (10-49 employees) | 17.4% | OECD 2025 |
| SMBs (all, US) | 75%+ | Salesforce 2025 |

*Note: Adoption rates vary by survey methodology. RSM's mid-market figure reflects generative AI specifically among US middle market firms, while OECD figures cover all AI types across member countries.*

# 4. The Investment Surge: Where the Money Is Going

Gartner projects worldwide AI spending will hit $2.52 trillion in 2026, a 44% increase over the prior year. Generative AI spending specifically reached $644 billion in 2025, growing 76.4% year-over-year.

For the mid-market specifically, McKinsey reports that 92% of firms plan to increase their AI budgets within the next three years. Salesforce found that 78% of growing SMBs plan to increase AI investment next year, compared to only 55% of declining businesses -- suggesting the companies growing fastest are also investing most aggressively in AI.

Gartner also notes that AI application software investments -- CRM, ERP, and workforce productivity platforms -- will more than triple to nearly $270 billion by 2026. For mid-market companies, this means the AI tools they're already paying for through existing software vendors will increasingly include AI capabilities by default.

| Metric | Value | Source |
|---|---|---|
| Global AI spending 2026 | $2.52 trillion (+44% YoY) | Gartner |
| GenAI spending 2025 | $644 billion (+76.4% YoY) | Gartner |
| Firms increasing AI budget (3yr) | 92% | McKinsey |
| Growing SMBs increasing AI spend | 78% | Salesforce |
| AI app software by 2026 | ~$270 billion (3x growth) | Gartner |

# 5. The Value Gap: Why 94% Aren't Winning

Despite near-universal adoption, genuine AI-driven transformation remains rare. McKinsey's 2025 survey identified a critical divide: only 6% of respondents qualify as AI 'high performers' -- companies capturing disproportionate value through systematic approaches to AI deployment. The remaining 94% are using AI but not transforming with it.

Among the broader group, only 39% attribute any EBIT impact to AI use. And among those who do report impact, most say less than 5% of their organization's EBIT is attributable to AI.

An MIT study reported by Fortune found that 95% of enterprise AI pilot programs fail to deliver measurable financial returns. The reasons aren't primarily technical -- they're organizational: unclear business cases, poor data quality, and lack of executive alignment.

For mid-market companies, the failure patterns are even more pronounced. Research shows that 63% of mid-market companies still lack mature AI capabilities. The most common reasons for project abandonment include:

- Data quality issues deemed insurmountable -- 38%
- Business case no longer viable -- 29%
- Loss of executive sponsorship -- 21%
- Technical approach infeasible -- 12%

# 6. The Preparation Gap: What's Holding Mid-Market Back

RSM's survey reveals a telling preparedness gap. While 91% of mid-market firms use AI, 53% feel only 'somewhat prepared' to implement it effectively, and another 10% say they're not prepared at all. That means 63% of companies using AI don't feel confident in their ability to deploy it.

## Top Barriers Cited by Mid-Market Firms (RSM 2025)

| Barrier | % Citing |
|---|---|
| Lack of in-house expertise | 39% |
| Absence of clear AI strategy | 34% |
| Data quality issues | 32% |

These aren't technology problems. They're leadership and infrastructure problems. The mid-market is buying AI tools without building the organizational muscle to use them effectively.

# 7. Where AI Is Actually Delivering Value

Despite the high failure rates, companies that implement AI effectively are seeing substantial returns. EY's 2025 research shows that 96% of organizations investing in AI experience some productivity gains, with 57% reporting significant gains.

## Highest-Impact AI Use Cases for Mid-Market (RSM 2025)

| Use Case | % Reporting Impact |
|---|---|
| Streamlining IT projects | 50% |
| Time savings in data analytics | 45% |
| Customer service efficiencies | 39% |
| Software development & IT | 32% |
| Procurement automation | 27% |

Google Cloud's 2025 study found that 52% of executives say their organizations have deployed AI agents -- a significant step beyond simple chatbots or automation tools. AI agents represent the next wave of value creation, handling multi-step workflows autonomously.

At Mingma, our client work with mid-market companies has delivered measurable results: +60.4% revenue growth, +65.1% EBITDA improvement, and +33.7% operational efficiency gains across our client portfolio. These results come not from AI alone, but from AI integrated into operational strategy, financial intelligence, and process redesign.

# 8. The Agentic AI Frontier

The next major shift in AI adoption is already underway. McKinsey reports that 23% of organizations are already scaling agentic AI systems, with an additional 39% experimenting with AI agents.

Agentic AI -- systems that can plan, execute, and adapt multi-step tasks autonomously -- represents a fundamentally different capability than the chatbots and copilots that characterized early adoption.

For mid-market companies, agentic AI is particularly promising because it addresses the in-house expertise gap. Instead of requiring skilled AI engineers to build and maintain custom models, agentic systems can handle complex workflows with minimal human oversight.

The companies that will pull ahead in the next 12-18 months are those deploying AI agents not as experiments, but as core operational infrastructure.

# 9. Recommendations for Mid-Market Leaders

Based on the research, here's what separates the 6% who are winning with AI from the 94% still searching for ROI:

## 1. Stop Experimenting, Start Implementing

McKinsey's high performers run fewer, more targeted pilots and move to production faster. RSM found top performers average 90 days from pilot to full implementation.

## 2. Fix Your Data Before You Buy More Tools

Data quality is the #3 barrier cited by mid-market firms (32%). No AI system will compensate for bad data. Before investing in AI capabilities, invest in cleaning your data and connecting your systems.

## 3. Hire the Strategy, Not Just the Technology

The #1 barrier is lack of in-house expertise (39%). You don't need ML engineers. You need strategic guidance on where AI creates leverage in your specific business.

## 4. Measure Business Outcomes, Not AI Activity

The 6% of high performers measure AI success in business terms: revenue per employee, EBITDA margin improvement, customer acquisition cost reduction, and cycle time compression.

## 5. Start with High-Volume, Repetitive Processes

Customer service, data analytics, IT operations, and financial processing consistently deliver the strongest returns. Start there.

# 10. Industry-Specific Findings

AI adoption patterns vary significantly by industry. The OECD reports that uptake is concentrated mainly in knowledge-intensive sectors, with ICT and professional services leading adoption.

## Construction and Manufacturing

These industries face the steepest adoption curves because their data isn't digital-native. Plan takeoffs, material estimation, and project management still rely heavily on manual processes. However, AI vision capabilities now enable automated extraction from construction plans, and predictive analytics can optimize scheduling and material procurement.

## Professional Services

Professional services firms are seeing the fastest time-to-value with AI, particularly in document processing, client communication, and knowledge management. The challenge is quality control -- ensuring AI-generated content meets professional standards.

## Home Services and Trades

AI voice agents and automated scheduling are the highest-impact use cases for home services companies. The ability to handle inbound calls 24/7, qualify leads, and book appointments without staff involvement addresses the primary growth bottleneck for companies in this sector.

# 11. Looking Ahead: 2026-2027 Outlook

Gartner places AI in the 'Trough of Disillusionment' throughout 2026. That's actually good news for mid-market companies. It means the hype cycle is fading, and practical implementation is replacing speculative investment.

AI will increasingly be delivered through existing software vendors rather than standalone moonshot projects. For companies in the $10M-$100M range, 2026 is the year to stop treating AI as an experiment and start treating it as infrastructure.

The research is clear: adoption alone creates no advantage. Implementation quality -- the right use cases, clean data, clear strategy, and measured outcomes -- is what separates the 6% from everyone else.

The window for competitive advantage through AI adoption is closing. It's no longer about whether you use AI. It's about whether you use it well enough to matter.

# 12. Sources and Methodology Notes

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This report was produced by Mingma Inc (mingma.io). For questions about this research or to discuss how these findings apply to your business, contact us at hello@mingma.io.