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POINT OF VIEW

Eliminate data debt to unlock the full power of Agentic AI

Agentic operations demand data, process, and cultural overhaul

Authors:

Melissa O'Brien, Executive Research Leader
Saurabh Gupta, President, Research and Advisory Services
Biswadeep Ghosh Hazra, Senior Research Analyst

As agentic AI evolves from pilot experiments to a core operational cornerstone, operations leaders face a looming hurdle: the biggest barrier to AI success is the weight of legacy systems and outdated processes. The crushing weight of data debt and the accompanying process and cultural change requirements is stalling AI adoption and execution by creating inefficiencies, delays in action, regulatory risk, and erosion of customer trust. Real transformation will require bold action around modernization, integration, and major mindset shifts.

At an HFS Research NYC Roundtable in partnership with IBM, backed by exclusive interviews with senior enterprise tech and business leaders, we delved into the challenges. We heard pragmatic strategies from industry frontrunners who are successfully navigating these issues and reaping the rewards from AI.

Agentic AI will define the next decade of operations

Agentic AI—intelligent, autonomous software agents embedded directly into

operational workflows—will be the driving force of the next decade of enterprise operations. As the interviews reveal, industry leaders see agentic AI as the key to moving beyond task-based automation toward orchestrating end-to-end processes that adapt, decide, and act (see Exhibit 1). By freeing people from repetitive, multi-step approvals and compliance checks, agentic AI unlocks true digital leverage, scaling knowledge and productivity far beyond the limits of traditional process automation. Done right, agentic AI promises not just to augment work, but to reimagine it. making operations faster, more resilient, and more human-centered in the face of ever-growing complexity.

Exhibit 1: Agentic AI use cases

Help patients navigate social service systems

"Agentic AI essentially creates this dossier for the individual where they would have given up... or taken months and found people to help them."

— Chief Strategy Officer, Leading US Healthcare Provider

Auto-generate client certificates

"We're using AI agents to instantly generate certificates-what used to take hours, now takes seconds."

— Global Operations EVP, a top-tier insurance brokerage

Support factory workers with real-time answers

"Instead of waiting for experts, agents let our shop floor teams solve problems in the moment."

— VP, Supply Chain Strategy at a global consumer goods company

Autonomous finance operations

"We're done just analyzing. The next step is agents that flag anomalies, generate reports, and kick off workflows-so finance becomes real-time and self-correcting."

— Finance Leader, a global financial services firm

Forecast clinical supply with live data

"Our AI agents query real-time and historical ERP data to recommend clinical supply plans-no more guesswork."

— Finance Transformation Leader, a top-10 pharmaceutical firm

Assist physicians with ambient documentation

"We assumed patients wouldn't trust AI-powered virtual nurses. We were wrong. They preferred them over humans-no wait times, no judgment, just clarity and consistency."

— Strategy Lead, a major integrated health system

Sample: Interviews with HFS OneCouncil members
Source: HFS Research in partnership with IBM, 2025

Data debt is the silent killer of AI ambitions

Despite being data-rich, most enterprises are action-poor. Disconnected systems, poor data visibility, and fragmented architectures prevent them from turning information into insight. For example, when identity verification systems are fed outdated or inconsistent customer records, customer onboarding process times increase, and compliance risks are raised. Exhibit 2 outlines some common data challenges and their negative impact on operations.

Our roundtable delegates unanimously ranked their companies at a 3 out of 5 for AI readiness, which HFS reads as more than just humility. It's a warning sign.

Exhibit 2: Data debt and its operational impacts

Data challenge	Operational impact
Fragmented customer records	Inconsistent service delivery, increased call times
Poor data lineage	Failed compliance audits, manual remediation costs
Low data accessibility	Slow decision cycles, duplicate work
Legacy systems	High process latency, lower agility

Source: HFS Research, 2025

Despite billions spent on data platforms and digital transformation, enterprises still can't translate data into decisions, plaguing AI adoption. Decision makers are flying blind when key metrics are pulled from disparate systems with inconsistent formatting. This ultimately undermines confidence in AI automations and hinders adoption. Our exclusive interviews with senior executives found that many of these decision makers are deeply frustrated with the data challenges they're facing currently (See Exhibit 3).

Agentic AI demands operational reinvention

As savvy leaders have learned, agentic AI is not a plug-and-play upgrade. It's a transformational shift that requires fundamentally reimagining how operations work. In addition to the data issues described, true readiness hinges on synchronized changes in process design and organizational culture. Leaders must solve for all three—data, process, and mindset—simultaneously.

One delegate pointed out that 'data is an output, not an input,' highlighting that the real issue lies in broken and outdated processes. Much like human workers, if processes are unclear, agents won't work.

Exhibit 3: Data quality and access are hindering AI-powered operations

Disconnected systems

"We are data-rich, but sometimes the systems don't talk to each other because they're not using common data definitions."

— SVP, Global Payments Company

Lack of data visibility

"We've got a data lake… but no map."

— EVP, Commercial Insurance Firm

Cross-functional data sharing gaps

"Data sharing and system integration across functions is our biggest challenge."

— AI Strategy Lead, Global Life Sciences Enterprise

Fragmented systems architecture

"Even if I had the connection between VIVA and my compensation system… I doubt I could get the real knowledge out of it."

— VP, Global HR, Major Pharma Firm

Legacy system sprawl

"Disparity of legacy systems is my biggest data-related challenge."

— Innovation Executive, European Banking Group

Missing high-quality datasets

"Golden datasets are rare—we can't scale AI without them."

— Data Strategy Lead, Global Investment Bank

Sample: Interviews with HFS OneCouncil members
Source: HFS Research in partnership with IBM, 2025

Glenn Finch, IBM's managing partner for BFS, shared how IBM approached its agentic AI evolution. Rather than starting with technology or data, IBM identified a handful of mission-critical workflows and worked backward, leveraging existing data resources to build efficiency and intelligence into these processes. He states that starting with a process, working backwards, and fixing data as you go along is the only path to success.

"By starting with the process and addressing data debt along the way, IBM saw cycle time reductions of up to 30% in procurement and supply chain workflows, while improving auditability and resilience," Glenn Finch, Global Managing Partner, Financial Services, IBM Consulting.

> "You can't start with data because then you'll be paralyzed. You need to start with the business case around transforming the process."
>
> — Glenn Finch, IBM

Agentic AI is a systemic shift. These intelligent agents don't just generate responses they interrogate data, automate decisions, and execute tasks within complex ecosystems. But that only works if those ecosystems are clean, connected, and context-aware. Glenn Finch called it "the Context of 1"— combining industry nuance and process specificity to enable high-efficacy agentic outcomes. That requires enterprises to stop chasing generic GenAI use cases and, instead, build for interoperability, retraining their processes around agentic systems that can seamlessly stitch together data and insights across silos, and act with precision inside dynamic environments. For example, in claims processing, knowing a customer's full interaction history and policy specifics enables autonomous agents to resolve 70% of claims without escalation, drastically improving resolution times and satisfaction.

The cultural reboot requires a focus on ownership and adaptability

A culture of unclear roles and broken processes is at the heart of every AI challenge. Many data silo issues are directly related to a lack of ownership and accountability. As with processes, if your people aren't ready, your AI won't be either.

The leaders we heard from unanimously stressed mindset change and cultural buy-in over technical skills. Some emphasized that the real skill gap is adaptability, with change fatigue and organizational silos being common themes limiting progress, especially in large, regulated firms. Organizations favor cross-functional thinkers and adaptable leaders over deep technical experts. Internal upskilling, citizen development, and executive sponsorship are consistent adoption enablers.

> "Change management and adoption are key to breaking down the data and process silos, and so is an integral part of the mindset shift required prior to embarking on this journey."
>
> — Rashmi Das, US Banking & Financial Markets Industry Leader, IBM

Executive leadership and transparency are essential for cultural change to happen. Success in AI initiatives is universally linked to visible, sustained leadership support, from CEOs hosting town halls to CFOs backing finance transformation.

The Bottom Line: Eliminate data debt to realize AI's full value.

Agentic AI will not succeed in disconnected, outdated, and culturally stagnant enterprises. The real race is not to deploy more AI agents, but to eliminate the data debt and process dysfunction that silently sabotage transformation efforts (see Exhibit 4).

To prepare for meaningful AI adoption, leaders must:

- **Start with the process.** Avoid analysis paralysis by identifying the workflows and processes to fix and clean the data as you go.
- **Break down silos and define ownership.** Transformative AI requires accessible and usable data across the organization, guided by lineage definitions and ownership.
- **Govern like your AI depends on it. Establish ethical and responsible AI use. Create a regulatory framework that influences every data and vendor partnership decision.**
- **Prioritize mindset over model.** Culture matters more than technical expertise; use it to foster a culture of innovation and adaptability. Don't let change fatigue become an epidemic.
- **Modernize the stack or fall behind.** Upgrade technology infrastructure to support scalable, AI-powered operations.

Agentic operations are the new frontier of competitive advantage, but no enterprise will win while crippled by unresolved data debt and legacy complexity. Agentic AI is the future of operations—but that future won't arrive on legacy foundations. To unlock real value, leaders must confront data debt, rethink processes, and create a culture of adaptability. The time for experimentation is over. It's time for action.

Exhibit 4: You want AI? Then pay your data debt

How to prepare for AI adoption?

Standardize Ownership. Kill the Silos.

Ensures data is accessible and usable across the organization.

"If we truly want to implement transformative AI, we need the right data sets, proper data lineage definitions, and ownership."
— SVP, Global Financial service firm

"Data in silos, no stewards, and, legacy tech…we're working to fix all that with consolidation."
— Former Data strategy lead, Global Insurance Provider

Govern like your AI depends on it

Establishes ethical and responsible AI use

"We never go straight to production even if the entity itself is already established; we take a show-me-first approach."
— Chief Strategy Officer, National Healthcare Network

"Every decision around data and vendor partnerships is influenced by our regulatory framework."
— Innovation Lead, Global Biopharma Company

Prioritize mindset over model

Fosters a culture of innovation and adaptability.

"Mindset will matter more than technical expertise—AI already has access to more than your brain ever could."
— SVP, Multinational Payments Provider

"The issue isn't coding—it's how my work changes and what I do with the time this should give me."
— VP, HR Operations, Global Pharmaceutical Firm

Modernize the stack; or get left behind

Update technology infrastructure for AI readiness.

"Agents can't run on duct tape and spreadsheets."
— Innovation Executive, European Banking Group

"We went from frustration to momentum—coordination finally works."
— VP, Supply Chain Strategy, Global Consumer Goods Company

Source: HFS Research in partnership with IBM, 2025

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HFS Research authors

Melissa O'Brien

Executive Research Leader

Melissa O'Brien is an executive research leader and head of the research innovation team for HFS Research. She leads all of HFS' research initiatives for customer experience, including contact center, digital marketing and sales, CX design, and conversational AI. Her industry research focuses on key services dynamics within travel and hospitality firms. As research innovation team lead, Melissa also oversees the continuous improvement and re-imagination of HFS' Horizons market assessments and data management hub.

Saurabh Gupta

President, Research and Advisory Services

Saurabh Gupta is president, Research and Advisory Services for HFS Research. He sets the strategic research focus and agenda for HFS Research, understanding and predicting the needs of the industry and ensuring that HFS maintains its position as the strongest impact thought leader for business operations and services research. Saurabh oversees HFS' global research function, managing the team of analysts and operations across the US, Europe, and Asia.

Biswadeep Ghosh Hazra

Senior Research Analyst

Biswadeep Ghosh Hazra is a senior research analyst for HFS. Earlier in his career, he was a lead analyst at Avasant, a functional consultant for Deloitte Digital, a quality assurance engineer at Tech Mahindra in Hyderabad, and a content writer and manager at ExamFocus. While in postgraduate school, he interned at Mindfire Solutions. Biswadeep earned an MBA in business management with marketing, operations, and systems majors and a decision sciences minor from Xavier Institute of Management in Bhubaneswar (XIMB).

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