

From cost to value: Reinventing ADM with AI





As technology becomes increasingly vital to businesses, the role of the CIO has evolved – they must now be as comfortable wearing their business suit as they are wearing their technology hoodie. Moving effortlessly between the worlds of business and technology, they manage an evolving technology landscape while driving change across business units. They think about technology and introduce new technologies, but in pursuit of solving business challenges. The increasing interest in using artificial intelligence for various business challenges has intensified this issue

According to CIO.com's [2025 State of the CIO survey](#), more than 25% of CIO respondents identified improving IT operations, aligning IT initiatives with organizational objectives, cost management, and fostering business innovation as primary areas of focus in their current roles.

Additionally, eighty percent of organizations have increased their investment in generative AI (Gen AI) since 2023, according to a recent [Capgemini Research Institute report](#). Companies see AI as a tool to transform how work gets done across business units, with benefits such as improved productivity, enhanced customer service, and increased sales.

However, adopting AI for the enterprise isn't as simple as writing a prompt for a large language model (LLM). Managing the foundational technology landscape needed to support AI is complex and expensive, and when data estates are fragmented, there is an inability to properly leverage it. There is also the added challenge of integrating new technologies into legacy systems.

And, as AI agents gain traction, how can CIOs manage the challenges of AI while driving innovation at their organizations?

Demonstrating the value of IT in the business world

Expectations of the IT landscape's ability to drive business change continue to rise. However, landscapes are frequently populated by siloed systems, manual processes, and a lack of integration across applications and data sources which hold organizations back from realizing their goals. The resulting inefficiencies, high costs, and slow response times make it difficult to adapt to challenges and seize opportunities.

To find solutions to these problems, CIOs turn to vendors. However, vendor landscapes aren't delivering the expected value, with 56% of buyers adjusting their vendor mix to better satisfy performance or cost reduction needs, according to Everest Group. And the transformation budgets required to modernize the application landscape to utilize AI and machine learning (ML) aren't increasing either, despite the need.

Meeting the *new CIO* objectives

The rise of AI has triggered the need for full visibility and real-time data insights, supported by scalable, agile solutions. To make the switch from reactive to predictive operations and accelerate application delivery, organizations are searching for ways to modernize their IT landscapes and drive delivery maturity within the confines of tightening budgets.

CIOs are looking for partners with solutions that will shift legacy systems to the cloud and simpler IT portfolio management, enabling continuous transformation at speed. As the lines between business and IT become increasingly blurred, total cost of ownership and value realization is a must, with cost savings and vendor consolidation a priority.

Businesses want to leverage AI to improve operational efficiency, with agentic AI playing a crucial role in this new landscape. To balance the competing needs of eliminating technical debt, introducing new capabilities and delivering business value, the right application development and maintenance (ADM) partner can support organizations in their quest for data maturity.



How can a good *ADM partner* help

AI-powered ADM services address client needs across three pillars, delivering a range of benefits including reduced operational costs, improved time to market, and a competitive advantage. This is achieved through a delivery model built on emerging AI and agentic capabilities to reach unprecedented cost optimization and accelerated delivery.

Cost optimization

AI-powered ADM services build a foundation for transformation through cost-effective, industrialized service delivery. Consolidating the vendor landscape to a focused set of strategic partners, and then targeting their efforts at the most critical applications, becomes a springboard to reducing spend on low-value activities.

By leveraging AI and automation, redundant processes are eliminated, resource allocation is optimized, and operational costs are reduced. ADM services enhance efficiency and effectiveness of service delivery, minimizing reactive human intervention while maximizing automation to increase reliability across the application landscape, improving overall service levels.

Finally, the use of AI helps in automating routine tasks, which frees up resources to focus more on value-add activities. This results in better alignment with business objectives.

Accelerating continuous evolution

With a solid cost-optimized foundation built to enable accelerated change, organizations must increase their agility to adapt to mitigate threats or seize the opportunities presented by new capabilities.

By modernizing how services are delivered such as evolving to product-centric development, integrating observability across the entire landscape, or shifting to a service reliability engineering model, clients can be more agile and responsive, leading to faster time to market for transformative capabilities. These delivery models are then super-charged with the addition of AI and agentic capabilities across the software development lifecycle (SDLC).

This continuous evolution ensures that the IT landscape is always up to date, so a company can stay competitive and leverage the latest technologies for business growth.

The evolution extends to commercial models underpinning their partnerships. In a survey, IT services buyers said they are looking to move to outcome or output-based commercial models to better align services to business needs.

Business value enablement

The foundation of being a true strategic partner is to maximize the ability of IT to deliver business value. Aligning services with the highest importance business objectives fundamentally changes how the value of an ADM partner is measured.

While historically focused on internal IT KPIs, ADM services have a direct impact on overall business performance when a focus is made on correlation, such as tying application performance to improving metrics most material to a business' competitive advantage. Services are also adapted to align with business priorities, such as building in greater resiliency during key business events and incorporating customer experience in service prioritization activities.

Aligning business and IT for *major strategic wins*

Partnering with a trusted AI-powered ADM service can significantly enhance business operations and drive substantial value. AI-powered ADM services build a foundation of transformation that can improve service delivery, give a competitive edge, and drive business profitability. For the CIO, an ADM partner might just be the answer to all those pesky pain points.

About Capgemini

Capgemini is a global business and technology transformation partner, helping organisations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 350,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fuelled by its market leading capabilities in AI, generative AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2024 global revenues of €22.1 billion.

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