

CODE AND THEORY

WSJ INTELLIGENCE

The Orchestration Gap: Why AI Investment Isn't Driving Enterprise Performance

A Note from Code and Theory

Remember the first time you used AI for a real task?
You entered a prompt, and work that once took hours
appeared in seconds. It felt like magic.

What business leaders are experiencing now feels very different. The technology can generate content, code, analysis and ideas at remarkable speed. Yet inside many enterprises, those outputs run into the same walls: disconnected systems, fragmented data, competing owners and isolated processes — all functioning without the orchestration needed to make them work as one.

These silos are not new. AI is forcing us to confront them. Companies have invested heavily in the technology. Now they need to change how the business works around it. That is the “orchestration gap”: the distance between what AI can do and what the organization is set up to deliver. Closing it is a generational opportunity to rethink how an organization operates and creates value.

Consider the travel experience. An AI agent cannot optimize a trip if the airline, hotel, payment and reservation systems operate independently. The same is true inside a company. When operations, technology, marketing, supply chain and customer service cannot share context, every break in connection limits what AI can understand, anticipate, automate or act on.

The findings in this report show how wide that gap actually is. They also point toward a practical response. Businesses need clear leadership and an architecture that connects people, systems and data. Orchestration gives the enterprise greater control over how it creates, coordinates and captures value. This is the bridge from AI experimentation to a real return on all of those AI investments.

We have barely begun to see what this technology can do. But buying more tools will not reveal that potential. Organizations first need to make what they already have work together.

Dan Gardner,
Co-Founder and Executive Chairman,
Code and Theory

Executive Summary

The Tech Is Moving — The Enterprise Is Not

AI has accelerated individual work, but enterprises are stumbling in their efforts to demonstrate a material return on investment.

Across large U.S. companies, new research from WSJ Intelligence and Code and Theory shows executives overwhelmingly recognize the business value of integrating their AI initiatives. Ninety-four percent of the over 800 respondents agree that better coordination — or orchestration — of people and tools will help grow the business, and 85% say AI must now deliver measurable ROI. Yet only 15% of AI investments currently operate as a unified system, with information and insights that can be used across business functions. More than two-thirds have not even issued an RFP for a centralized system, spanning products, functions and people.

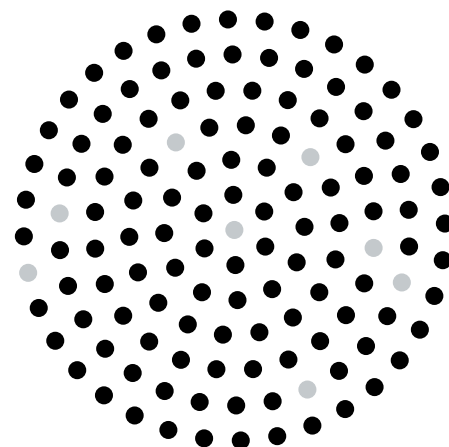
This has created an “orchestration gap,” which is the distance between deploying AI and operating as a connected, agentic enterprise.

The signs of that gap are already showing up across the enterprise. AI stacks are becoming more fragmented, tools are multiplying faster than organizations can coordinate them and investments are increasingly overlapping. Eighty-five percent of organizations describe their AI stacks as disconnected or siloed, and 3 in 5 say AI tool proliferation has left strategic execution stagnant or bottlenecked. Two-thirds routinely discover redundant AI investments or overlapping pilots. AI seems to be creating more activity, not more progress.

The problem is not a shortage of tools. Organizations in the study run an average of 183 AI tools and platforms across locations and functions. Thirteen percent report running at least 500. Additional talent or funding alone will not close the orchestration gap; skill gaps and budget rank last among barriers to enterprise AI success. The blockers are structural. Culture, siloed mindsets, fragmented data and the absence of a centralized operating layer to coordinate tools, data and workflows rank far higher as internal challenges.

The impact of this lack of orchestration can be felt externally by customers. Three-quarters of respondents lack a fully unified framework for structuring and managing how a brand presents its data and identity across customer-facing channels. This often leads to inconsistent information and experiences as customers move between channels — potentially eroding hard-won trust and equity.

This compounds as a business message extends across the increasing number of AI platforms that help customers find and choose brands. Fewer than 1 in 5 companies have a formal approach to ensuring AI intermediaries represent them accurately, and only 18% report governance and accountability for AI agents.



The findings point to a leadership priority: Make orchestration a central part of how the enterprise operates. That means clear ownership, fewer redundant tools, secure flows of data and context, and explicit accountability for AI agents.

The opportunity goes beyond efficiency. Creativity can turn those connections into new products, better customer experiences and fresh ways of working. That is how leaders can move from getting more value from existing investments to creating new sources of growth.

Scale Without Structure

AI activity is widespread.
Coordination is not.

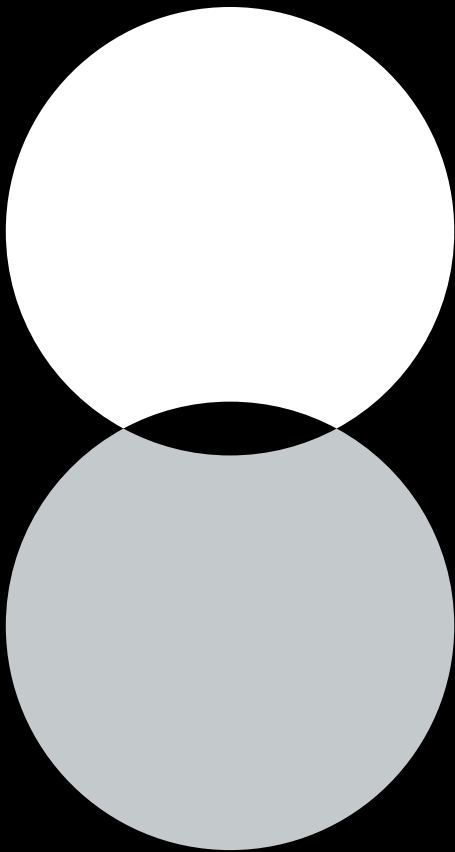
AI tool adoption has been brisk. Across the full sample, organizations run an average of 183 AI tools and platforms, with 13% running at least 500. Four in five large enterprises manage at least 26 AI tools, and 2 in 5 run more than 100 tools. Yet only 15% of AI investments operate as a unified system, and 85% of organizations describe their stacks as disconnected or siloed.

The trouble begins when tools multiply faster than the operating model connecting them (Figure 1). AI can make one department seem more productive while leaving the next team with more work to reconcile. Outputs still have to cross systems, approval chains and functional boundaries before they become decisions.

Three in five executives report that final decision-making and strategic execution are stagnant, bottlenecked or slower amid systemic noise. Even among industry leaders — respondents who rate their companies as leading in both revenue growth and innovation — 52% say they are stuck in execution paralysis.

Working faster is not the same as doing better work. A team can create more campaigns, code more features and analyze more scenarios without improving the quality of the decisions that matter. If those decisions still depend on manual reconciliation across systems, the result can be increased and distributed bottlenecks. Leaders need to judge AI by the quality of the work and the return on their investment, not just the speed of production.

And there is another consequence of producing more, faster: The burden of oversight grows with it.



Without proper orchestration and governance, AI can generate an enormous volume of outputs that people still have to assess, reconcile and align to the original objective.

As that volume compounds, it becomes easier for work to drift. An initial project can pass through dozens of AI-assisted decisions, iterations and handoffs until the output is no longer clearly connected to objectives that started it. The problem becomes not just AI drift, but also human cognitive overload: People are expected to supervise more work than they can realistically evaluate and act not as creators, but as evaluators and curators while navigating increased operational complexity.

That makes orchestration essential. AI cannot simply accelerate the production of work. Organizations need a way to preserve context, maintain alignment to objectives, govern how work moves across systems and teams, and keep people focused on the decisions that actually require human judgment.

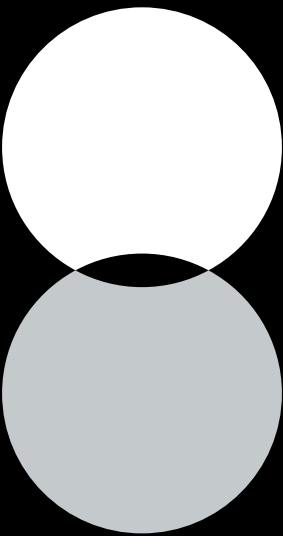
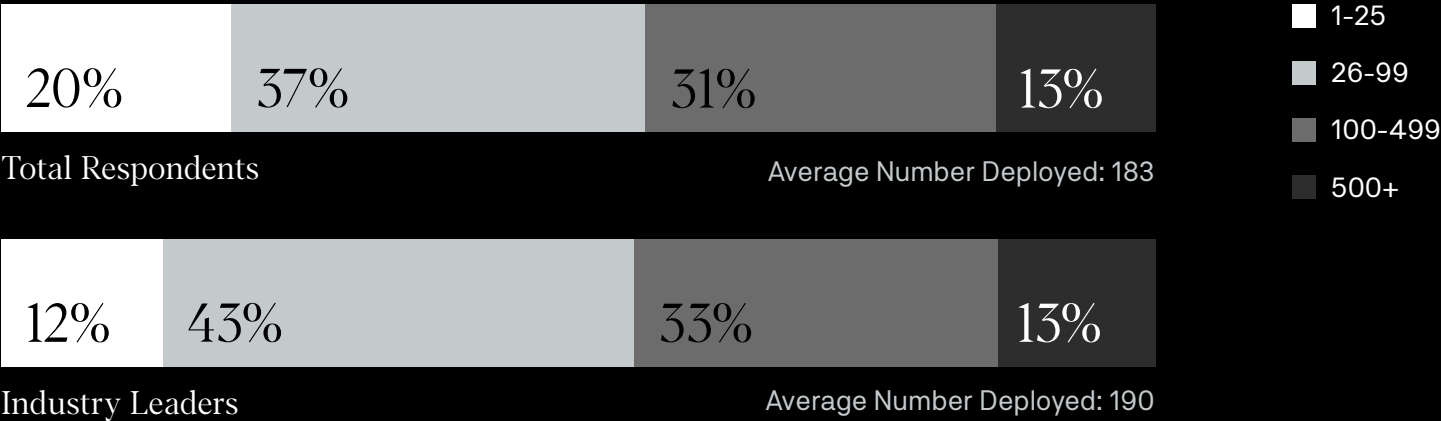


Figure 1: Tool Proliferation Is Outpacing Connectivity

The modern enterprise is swimming in solutions and yet few have unified into a shared intelligence

Number of AI Tools/Platforms Across Org. and Business Functions



Percentages may not sum to 100% due to rounding.
Source: "The Orchestration Gap: Why AI Investment Isn't Driving Enterprise Performance," WSJ Intelligence and Code and Theory Study, July 2026. Base: Total respondents, n=801. Industry leaders, n=174. Q. How many distinct AI tools or platforms is your organization currently running, across all locations and business functions?

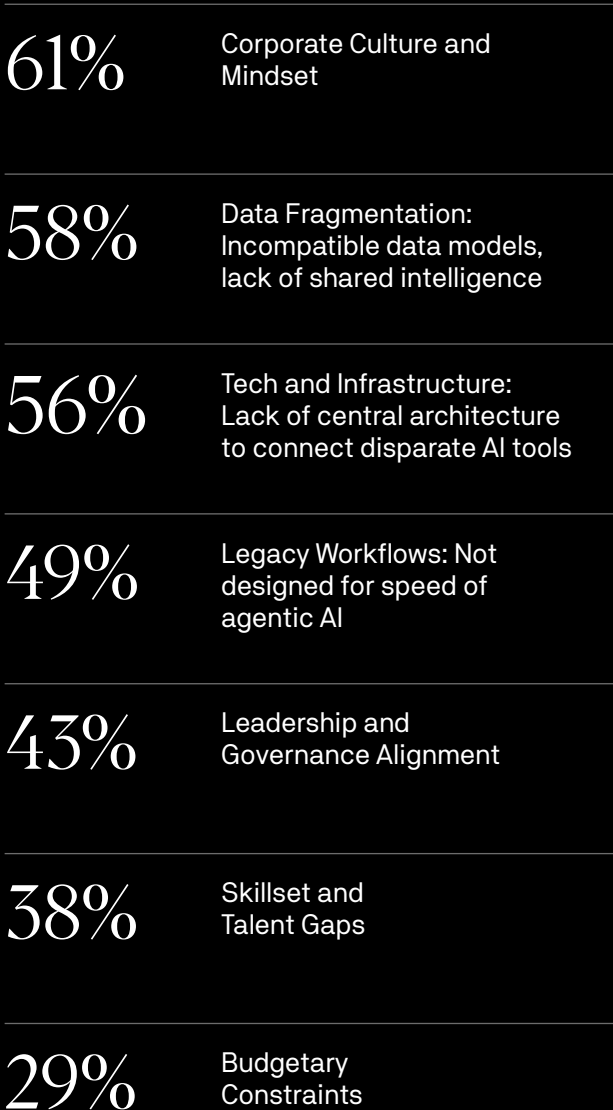
The Biggest Barriers: Your People and Your Data

The orchestration gap cuts across industries. Between 82% and 87% of respondents in every major industry group describe their AI stacks as disconnected or siloed. At least half in every group also report stagnant or bottlenecked strategic execution. The difference is one of degree: No sector has broadly solved the connectivity, execution and coordination problems that keep AI from improving work at enterprise scale.

The barriers are organizational and architectural. Siloed mindsets and corporate culture lead the list, cited by 61% of respondents, followed by data fragmentation and incompatible data models at 58%, and the lack of a centralized operating layer at 56%. Skill gaps and budget also present significant challenges, at 38% and 29%, respectively. Additional talent or funding alone will not close the orchestration gap; enterprises must also address the culture, rampant technical debt and operating architecture that connect AI investments across the organization (Figure 2).

Figure 2: The Root Causes of the Orchestration Gap

Barriers to achieving cross-functional AI orchestration



Source: “The Orchestration Gap: Why AI Investment Isn’t Driving Enterprise Performance,” WSJ Intelligence and Code and Theory Study, July 2026. Base: Total respondents, n=801. Q. What are the primary barriers preventing your organization from achieving cross-functional AI orchestration?

When AI is already fragmented, the answer isn't another disconnected tool solving another discrete use case. That only adds another workflow, destination and adoption challenge.

The better approach is to reduce, connect and simplify. Start with the connection points: Map the systems that already exist, identify which tools matter most and make sure those are connected first. Alongside that, rethink the roles and workflows AI makes possible. Then redesign how work actually gets done now that the pieces are connected. The goal is to reduce the number of places people need to go and the amount of change required to get work done.

This requires a technology layer that sits across the existing environment. It works with what's there and doesn't add another standalone tool. An orchestration layer connects what already exists, brings AI and agentic capabilities into existing workflows, and makes the underlying technology easier for people to use.

The goal isn't simply fewer tools. It's less fragmentation, less complexity and a more connected way of working. At the same time, this enables existing tools to be more valuable.

“When 85% of organizations say their AI technology is disconnected or siloed, the answer cannot be another tool. The most important move leaders can make is to establish an operating model that connects AI to their vision for how work should get done, supported by trusted data and strong governance. That starts with a fundamental question: If you could redesign how your organization works with AI at the core, what would you do differently? Leaders and teams set the strategy, and AI helps execute it. Organizations that put this operating model into practice will be better positioned to turn AI investment into measurable outcomes.”

Jonathan Adashek,
SVP and Chief Global
Affairs Officer, IBM

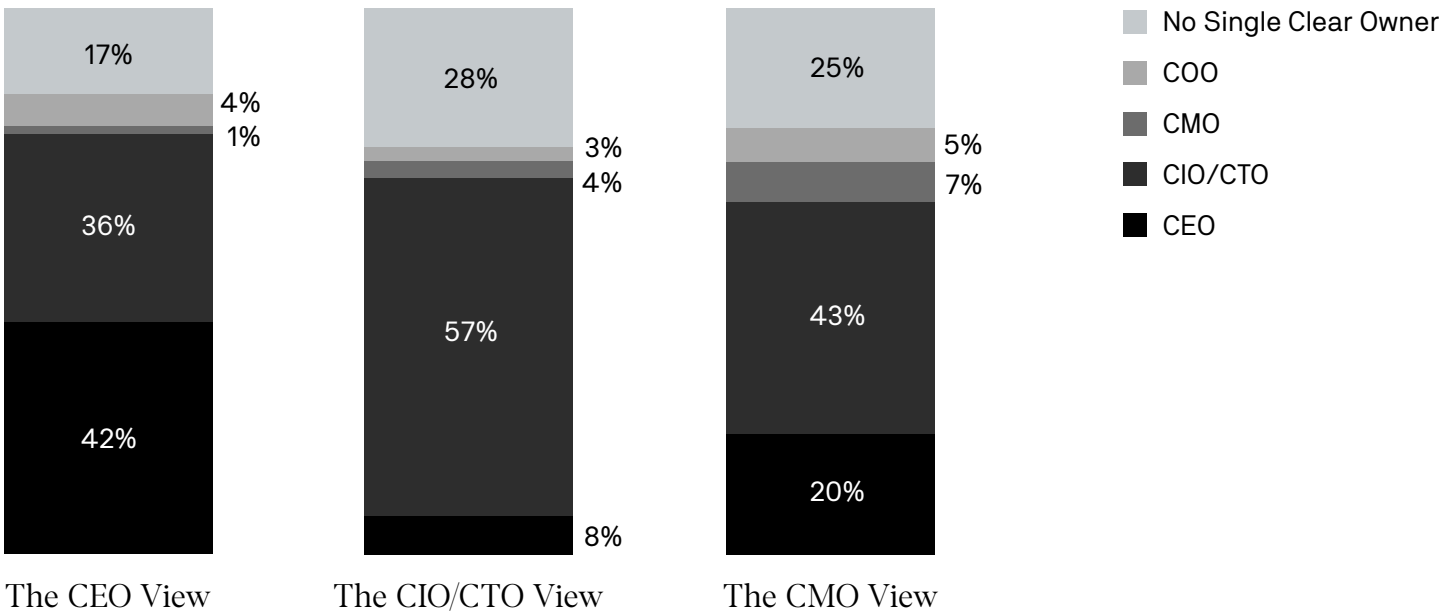
AI Orchestration Has an Ownership Problem

AI orchestration crosses the C-suite, but executives disagree on who owns it — if ownership exists at all within an organization. Forty-two percent of CEOs think they own AI orchestration, 57% of tech leaders think they do and 1 in 4 companies admit no one has any idea *who* is in charge (Figure 3).

Figure 3: Who Commands the AI Stack? It Depends Who You Ask

No executive consensus; nearly 30% of tech leaders suggest there’s no one accountable

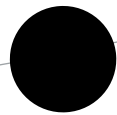
Primary Accountability for AI Orchestration



Percentages may not sum to 100% due to rounding.
Source: "The Orchestration Gap: Why AI Investment Isn't Driving Enterprise Performance," WSJ Intelligence and Code and Theory Study, July 2026. Base: Total respondents, n=801. Q. Who in your organization is primarily accountable for AI orchestration across functions?

This is much more than a reporting-line disagreement. Orchestration cuts across enterprise strategy, architecture, operating processes, customer experience, data governance, risk and investment. No single function should be expected to handle all of those responsibilities in isolation. But shared responsibility without explicit decision rights quickly becomes unowned responsibility.

Without clear ownership, organizations struggle even to commission the work. More than two-thirds have yet to issue an RFP for a centralized orchestration system across products, functions and people.

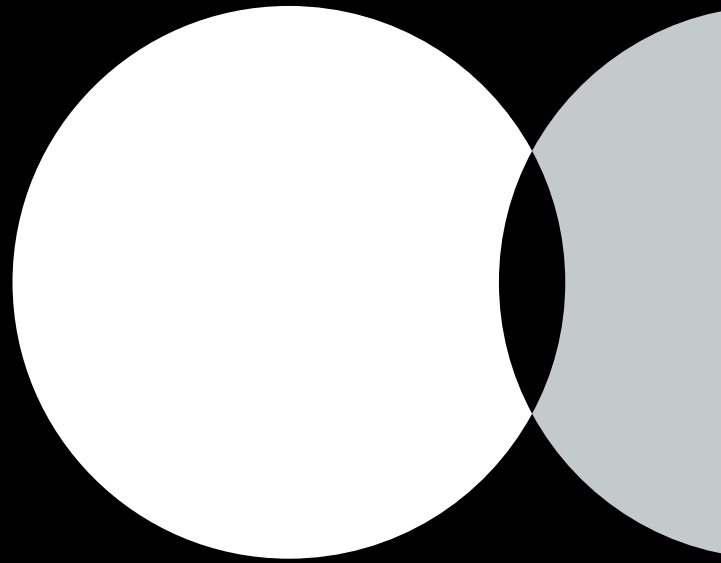


“AI adoption is reaching an inflection point. The organizations realizing a competitive advantage are those aligning their talent, business strategy and technology to move from experimentation to scaling actions without losing the alchemy and craft at the heart of marketing. Agentic AI allows brands to create and deliver compelling customer experiences more efficiently and effectively. Leaders are rethinking fragmented, siloed activities in favor of a connected system to drive greater agility, accountability and value creation across the enterprise.”

Lara Balazs,
CMO, Adobe

The Cost of Inaction

The orchestration gap costs enterprises more than the efficiency they're already losing. It also creates four connected vulnerabilities: stalled execution, disconnected customer experiences, the risk that AI intermediaries overlook or misrepresent a brand — a threat this report calls “algorithmic extinction” — and ungoverned agents.



Stalled Execution

The first cost is deceleration. Individual output rises, but final execution stalls. A team can produce analysis more quickly without shortening the time needed to reconcile it with information from other functions, secure approval and act on it. If those steps still depend on manual handoffs between disconnected systems and teams, the bottleneck remains. The same architectural failure wastes capital: Two-thirds routinely uncover redundant AI investments or overlapping pilots.

Leaders therefore need to assess AI across the full workflow: whether it helps the organization reach better decisions sooner, not simply whether individual teams produce more.

A portfolio audit can identify obvious duplication, but consolidation alone is not orchestration. The remaining tools need secure connections that enforce access permissions so content, data and context can move across the stack. Future purchases should meet the same interoperability requirements. Otherwise, every new capability just creates another isolated source of truth.

Disconnected Customer Experiences

The same structural problem reaches the customer interface. Seventy-three percent of respondents say their customer-facing channels do not operate from a fully unified data model and brand architecture. Even industry leaders report this fragmentation.

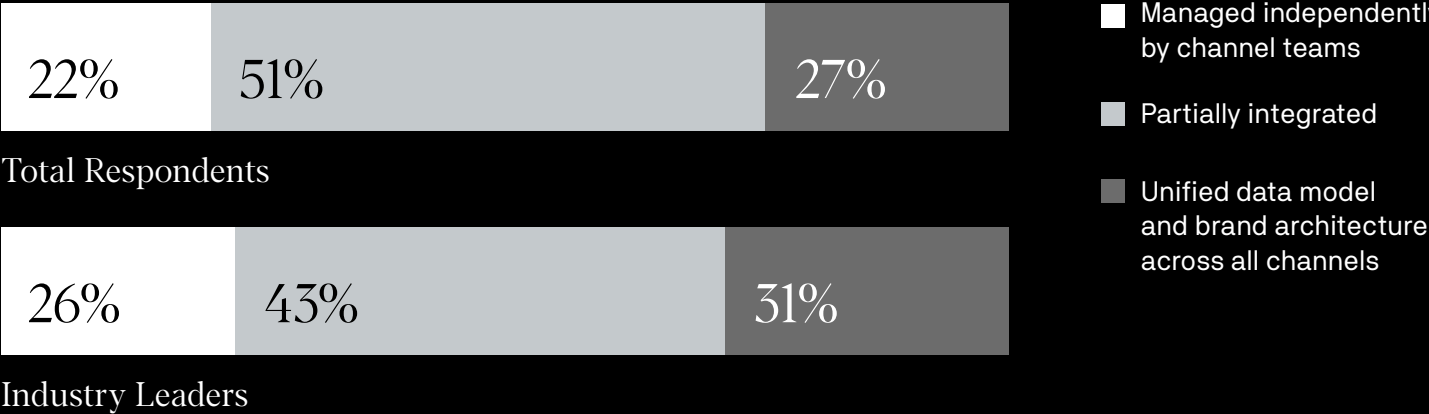
Customers can feel this friction (Figure 4). They move from a search engine to a product page, into a service channel, through a retail environment and back to an AI assistant. When each touchpoint uses different data, rules and content, customers have to piece together conflicting information — or find another provider.

Meanwhile, leaders may think everything is fine. Eighty-three percent of CEOs express confidence in delivering a consistent brand experience, as do 71% of industry leaders. That confidence can shift quickly. Customers are moving away from fixed, familiar touchpoints toward conversational and generative interfaces. Brands are losing the direct control they once had over how they show up. Confidence built on the old map may not hold.

Figure 4: The Customer Interface Is Decoupled From the Core

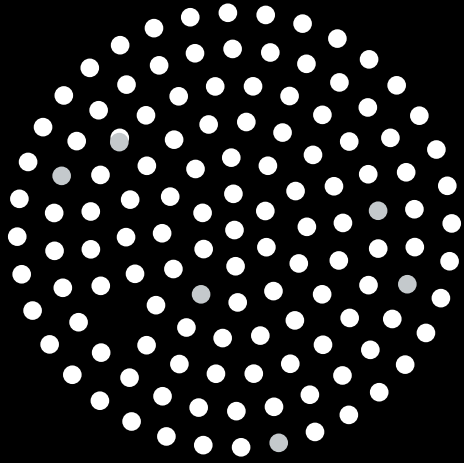
3 in 4 fail to maintain a unified data layer across digital touchpoints, with industry leaders more likely to report functions are siloed

Level of Integration of Customer-Facing Channels in Brand Architecture



Percentages may not sum to 100% due to rounding.

Source: "The Orchestration Gap: Why AI Investment Isn't Driving Enterprise Performance," WSJ Intelligence and Code and Theory Study, July 2026. Base: Total respondents, n=801. Industry leaders, n=174. Q. Do your customer-facing channels (social, owned digital, retail, etc.) operate from a unified data model and brand architecture, or are they managed independently? Which of the following best describes?



The Potential for Algorithmic Extinction

The next user interface may not be a channel the brand controls. Search bots, shopping assistants and other AI intermediaries are already interpreting information and making decisions on behalf of people or businesses. In that environment, the brand must be understandable not only to a human audience but also to the systems retrieving, evaluating and acting on its data.

Only 17% of respondents report a formal approach to Agentic Engine Optimization (AEO), defined in the survey as ensuring that a brand is represented accurately when AI systems make decisions for a business or consumer. Reported low confidence in accurate brand representation reaches 39% among CEOs, 52% among CTOs/CIOs, 40% among CMOs and 48% among industry leaders.

This isn't something a new marketing approach can solve. Accurate representation requires structured data, consistent brand information, secure flows of context and governance over how automated systems interpret and use enterprise assets. Fragmentation compromises every one of those requirements, leaving brands unprepared for a marketplace where AI systems help customers find and choose brands.

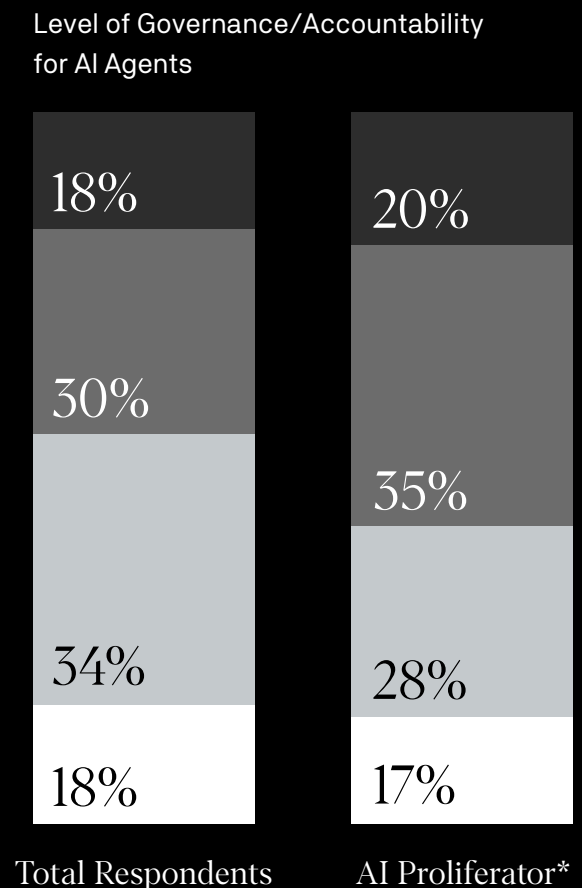
Ungoverned Agents

Governance has not kept pace either. Only 18% of organizations report that AI agents making decisions are subject to accountability and reporting structures equivalent to those applied to human leaders, and companies running 100 or more AI tools are no better at 17% (Figure 5).

Figure 5: Deploying Agents Without Guardrails

Fewer than 2 in 10 corporate accountability frameworks have properly scaled alongside software automation, even among those companies that have deployed hundreds of AI tools

- No, have not deployed AI agents at scale yet
- No, have not yet established clear structures
- Somewhat
- Yes, same level of governance and accountability for AI agents vs. human leaders



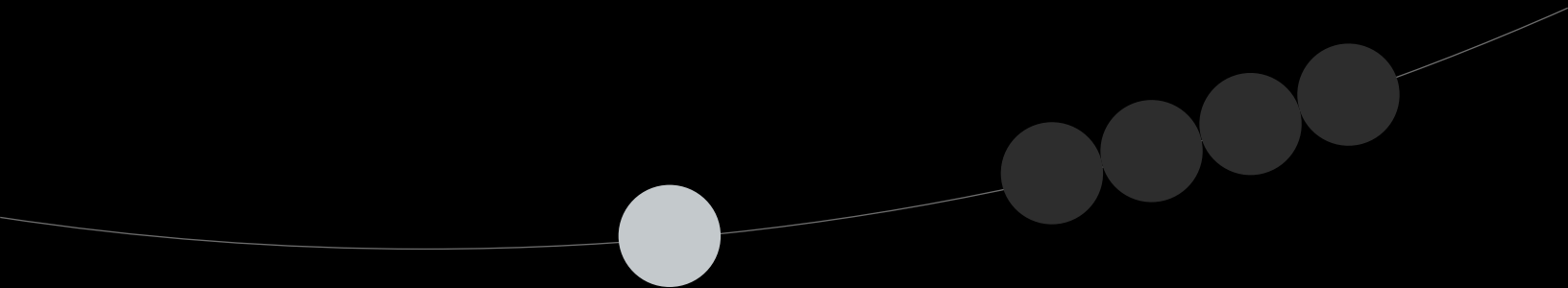
Percentages may not sum to 100% due to rounding.

*Have deployed 100+ AI tools/platforms across organization

Source: "The Orchestration Gap: Why AI Investment Isn't Driving Enterprise Performance," WSJ Intelligence and Code and Theory Study, July 2026. Base: Total respondents, n=801. Have deployed 100+ AI tools/platforms across organization, n=350. Q. Do you have the same level of governance, accountability and reporting structures for AI agents making decisions as you do for human leaders?

The fact that businesses possess historically siloed org charts and have hundreds of AI tools that are no further along with governance creates a deeper mismatch in how enterprises are managing autonomous systems.

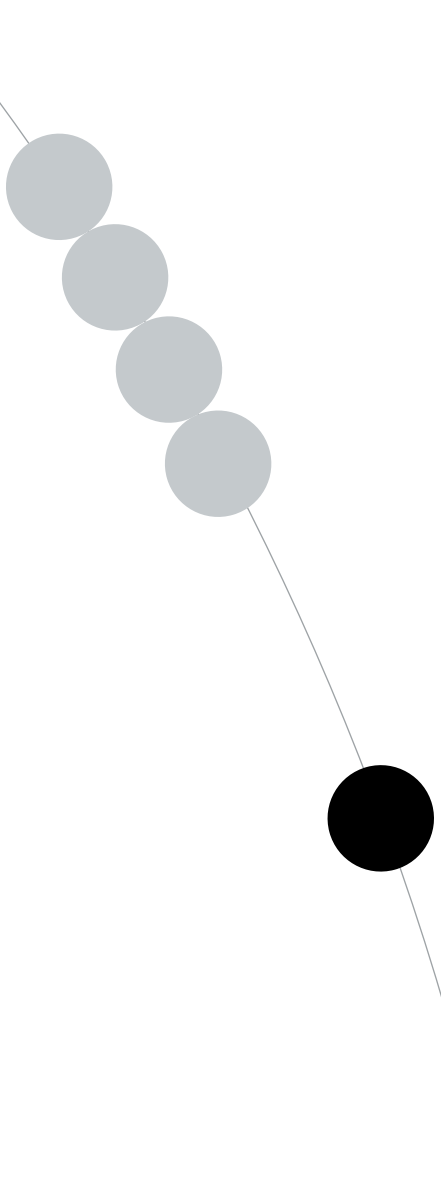
Controls designed for software acquisition, cybersecurity or model performance do not necessarily address what changes when an agent can interpret information, choose a course and initiate work across connected systems. An organization can add hundreds of tools without extending the management structures that determine who answers for an agent's decisions.



Closing that gap means making clear what authority AI agents have when making significant business decisions: Each needs a defined role, a named human accountable for its decisions, boundaries on what it can do, and an auditable record of its actions and the authority under which it acted. This shifts governance from asking whether a tool is secure and functional to asking whether an agent is acting within its assigned authority.

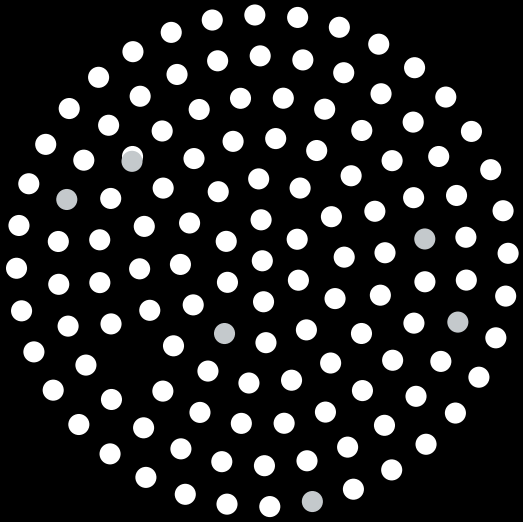
Conclusion: From Fragmentation to Coherence

The C-suite understands that AI must deliver measurable value. What many enterprises have not yet built is the connective structure required to actually make that happen.



This isn't about technology. It's a failure to coordinate the systems that are already in place. Tools proliferate while shared intelligence remains rare. Data remains fragmented. Executives disagree over ownership. Customer channels rest on fragmented foundations. Agents gain influence faster than governance adapts. In that environment, adding new capabilities creates more activity without adding more coherence.

The decision facing leaders is clear. They can continue funding disconnected tools and ask each team to figure out solutions on their own. Or they can establish clear ownership, standardize the architecture, connect data and context securely, govern automated actors and direct investment toward shared outcomes.



How to Take Action

01

Establish Orchestration as a Consistent Enterprise Mandate

There's a new layer in the tech stack. Enterprises now require an orchestration layer that connects the technology, data and workflows that are already in place. This gives separate tools a shared point of coordination instead of adding another standalone system.

Technology alone won't close the gap. Orchestration requires dedicated ownership. Organizations already run finance and marketing this way, with defined leadership and operating structures.

AI orchestration needs the same setup: a defined mandate, dedicated resources and a leader responsible for connecting AI investment to how the enterprise actually works. Without that structure, individual teams keep making individual decisions, adding to the fragmentation. Issuance of a clear brief, budget allocation and RFP consideration should be an essential part of this mandate.

Orchestration is not a project with a start and an end, but a function. The mandate has to be built for that: standing, not one-off.

02

Compress the Organization

AI doesn't just make existing work faster. It compresses the distance between people, functions, decisions, insights and outcomes. Organizations must compress:

-
- Roles at the individual level: One person can operate with capabilities that previously required multiple specialists.
-
- Departments at the enterprise level: Functions that operate sequentially can work as one connected system.
-
- Decision-making to the front-line staff: Move authority and intelligence closer to where customer needs are actually understood.
-
- Insights into action: Connect customer signals directly to product, operations and the supply chain instead of passing them through layers of interpretation.
-

The AI-native organization isn't just more connected. It's more compressed, with fewer handoffs, fewer layers and less distance between insight, decision and action.

03

Connect the Data and Systems Beneath the Work

Give AI a path from signal to action. A change in customer demand should be able to inform a product decision, trigger an operational response and carry the result back into planning. Today, people often have to move that information between systems and explain it again at each step.

Build an orchestration layer across the tools already in place so that context travels with the work. Each step should inherit the customer need, the business objective, the decisions already made and the permissions to act. People step in where judgment or approval is needed.

Start with one workflow, but treat it as the first use case of a system built to scale, not a standalone product solving a single problem. Connect that workflow all the way through and measure whether it cuts delays, reduces rework or improves the customer outcome. Use those results to decide where to expand and what technology is actually missing.

Credits and Methodology

This report presents the key findings of a survey conducted by WSJ Intelligence and Code and Theory in June 2026, and the study was reported in July 2026.

Survey Demographics:

- Sample Size: 801 C-suite executives at U.S. companies with at least \$500M in annual revenue
 - Key Titles: CEO (33%), CTO/CIO (33%), CMO (33%)
 - Key Industries: Tech/Telecom (23%), Banking/Finance/Capital Markets (15%), Manufacturing/Construction (13%), Consumer Packaged Goods (8%) and Retail and Wholesale Trade (8%)
-

“Industry leaders” refers to the 174 respondents who rated their organizations as industry-leading in both revenue growth and innovation. “AI proliferators” refers to 350 respondents whose organizations had deployed at least 100 distinct AI tools and platforms across locations and functions.

Findings reflect respondents’ reported perceptions and organizational practices. They should not be interpreted as audited measures of business performance or as proof of causation.

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Code and Theory is the digital transformation agency where the C-suite comes together to create change. Our differentiated balance of 50% creatives and 50% engineers at scale allows us to bring strategy, creativity and technology together in one integrated offering. This enables our clients to gain competitive advantages in how they operate, market and serve their customers. Code and Theory is Stagwell’s (STGW) digital transformation network, which includes its flagship agency, Code and Theory, along with Create Group, Current, Instrument, Kettle, Left Field Labs and Truelogic. Code and Theory is the most decorated agency of the past three years, with 20 top agency honors, including Ad Age, Adweek and Fast Company. Our clients include Amazon, IBM, JPMorganChase, Microsoft, NBC and the NFL. For more, visit codeandtheory.com.

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