



PROPEL GROWTH INSIGHT

Insight Paper

Operations & Governance

WHY 95% OF AI PROJECTS NEVER MAKE IT PAST THE PILOT

AND WHY THE SAME GAP IS ALREADY SHOWING UP IN AUSTRALIAN SMES

Most businesses don't fail at building real capability because they picked the wrong tool. They fail because nothing was built to survive contact with how the business actually runs.

95%

Of generative AI pilots never make it into production. Not delayed. Not iterated on. Abandoned.

MIT NANDA, cited in Databricks' 2026 State of AI Agents report

It isn't a US enterprise problem

The National AI Centre's SME AI Pulse survey found 44% of Australian SMEs had adopted AI in some form by February 2026. On its own, that number reads as genuine progress. But Deloitte Access Economics modelling on the same adoption trend found that only 5% of Australian SMEs are considered fully AI-enabled, leaving an estimated AUD \$44 billion in economic value sitting uncaptured.

Nearly half of the country's small businesses have opened the tool. Almost none have actually built something that changed how the business runs.



TECHNICALLY IMPRESSIVE, NEVER ACTUALLY USED

44%

Of Australian SMEs had adopted AI by February 2026

National AI Centre, SME AI Pulse

5%

Are considered fully AI-enabled

Deloitte Access Economics

\$44B

In economic value sitting uncaptured

AUD, Deloitte modelling

The gap isn't ambition. It's measurement.

Separate Australian SME research found 46% of businesses using AI don't measure its impact at all, and of those, 74% said measurement was simply "unnecessary." That's the local, ground-level version of what Databricks found at global scale: companies that actively evaluate their systems get nearly six times more projects into production. Companies with real governance in place get twelve times more. Investment in governance on the Databricks platform grew sevenfold in nine months, as more organisations learned the hard way that scale without accountability doesn't scale at all.

None of this is really about the technology. It's about the discipline any new capability needs before it's trusted with a real business process: know what "good" looks like before you build, measure against it honestly, and have someone accountable for the outcome. Skip that step and even a well-built system stalls in a pilot forever, technically impressive, and never actually used.

Purpose-built beats bolted-on

There's a second finding worth carrying over to the Australian SME context specifically. Databricks recorded a 327% rise in coordinated multi-agent systems in just four months globally: businesses building several purpose-built capabilities that work together, rather than one generalist tool bolted onto everything.

That same instinct matters at SME scale, just with fewer moving parts. The capability that reactivates dormant customers for a retail or trades business isn't the same one that keeps AHPRA or Privacy Act obligations visible to the practice owner. Buying one AI subscription and expecting it to quietly handle both is exactly the kind of shortcut that shows up as an abandoned pilot a year later, indistinguishable from the 46% who never measured whether it worked in the first place.

Governance isn't a compliance checkbox. It's the difference between a capability an Australian SME actually uses and one that quietly gets switched off.

WHERE THIS FITS

This is, essentially, the case for doing the diagnostic work first. The same distinction Databricks found at Fortune 500 scale is now showing up at kitchen-table scale too, and it's exactly what the Solus Requirements Assessment exists to get right before anything gets built.

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Find out where your business actually stands before you build. No obligation, no sales pitch, just a clear read.

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