WELLS FARGO

Commercial Banking

# AI usage in the Middle Market

## From adoption to impact

Artificial intelligence (AI) has moved quickly from experimentation to everyday business use. For middle-market companies, the conversation is shifting from whether to adopt AI to how to turn it into measurable business value.

The National Center for the Middle Market's Mid-Year 2026 Middle Market Indicator (MMI) report* shows just how quickly that shift is happening. 91% of C-suite respondents reported use of AI within their companies at mid-year 2026, up from 83% of respondents reporting use of AI at year-end 2025. And of those using AI, 71% have now operationalized AI across one or more business functions.



91%

### Survey respondents are using AI

*Up from 83% of Middle Market Indicator respondents reporting use at year-end 2025*

## Three shifts shaping the middle market AI story

The data points to a meaningful evolution in how middle-market companies are approaching AI, from experimentation to execution, from technology investment to business investment, and from adoption to accountability.

## 1 From experimentation to execution

AI is moving beyond isolated pilots and individual productivity tools and into the workflows that support the business.

**71% of middle-market companies that are using AI have operationalized AI, with 52% reporting established use in production and another 19% saying AI is scaled across multiple functions and integrated into core workflows.**




AI is already being applied across areas including customer service, cybersecurity, marketing and content creation, document management, risk and compliance, human resources, operations, and finance. This breadth suggests that AI is increasingly becoming an operating capability rather than a standalone technology initiative.

### What this means

**The question for leaders is becoming less about where to experiment and more about where AI can be embedded and scaled to make a meaningful difference.**

## 2 From technology investment to business investment

AI investment continues to gain momentum.

**64%** **of MMI survey respondents expect to increase AI investment over the next 12 months**

But AI is competing for investment dollars alongside other strategic business priorities.

**Top areas competing with AI for budget**

- **44%** — Cybersecurity
- **27%** — Workforce training/reskilling
- **27%** — Cost reduction initiatives
- **27%** — Customer experience improvements

### What this means

**AI is becoming a business investment decision, not simply a technology investment.**

**As AI investment grows, leaders will need to determine where it can deliver the greatest return, and how that return compares with other strategic priorities competing for capital and resources.**

## 3 From adoption to accountability

For survey respondents who have incorporated AI, the first wave of AI adoption is already producing tangible business benefits.




**62%** **of respondents utilizing AI believe they are receiving financial return on AI investment to date.**

But broader adoption also brings new challenges.

**Top concerns associated with AI adoption**

- **28%** — Data quality, security, and privacy
- **23%** — Implementation costs
- **23%** — Over-reliance on AI or workforce skill atrophy
- **22%** — Accuracy and reliability of AI outputs
- **22%** — Increased cybersecurity risks

### What this means

**Measurement and governance become just as important as adoption.**

**As AI becomes more embedded, businesses need to understand not only what the technology can do, but how to measure its impact and manage the risks associated with using it at scale.**

# The shift is already underway

**Should we use AI?**

**Where can AI create the greatest value?**

**How do we scale it, measure it, and manage it effectively?**

# Three questions for the next phase of AI

AI adoption may be becoming mainstream, but the path forward will look different for every business. The next phase will require leaders to connect AI investments to business priorities, workforce strategy, and responsible growth.

## Q Where can AI create the greatest value?

The first wave of AI adoption has focused heavily on practical business benefits. Surveyed middle-market companies reported early wins in cost savings, decision-making, process automation, customer experience and employee productivity.

The opportunity now is to move from individual wins to repeatable, scalable value.

That means identifying the applications that are delivering results, understanding why they work, and determining where similar capabilities could improve other parts of the business.

### ? Questions for business leaders

- *Which AI applications are delivering measurable results today?*
- *Where could AI improve productivity, decision-making, or customer experience?*
- *Which use cases have the potential to create longer-term competitive or revenue opportunities?*

## Q Is the workforce ready for what's changing?

AI is changing more than technology. It is changing how work gets done, and the skills businesses need to succeed.

**How surveyed companies are preparing their workforce**




For middle-market businesses, workforce readiness may become an important factor in how quickly AI investments translate into business results.

Technology may create the opportunity, but people determine how effectively that opportunity is realized.

### ? Questions for business leaders

- *Which roles and skills are likely to change as AI becomes more integrated?*
- *Where can reskilling help employees work more effectively alongside AI?*
- *What new capabilities will the business need to capture the full value of its technology investments?*

## Q Can AI scale responsibly?

As AI expands across business processes, organizations must balance innovation with risk, governance, and operational readiness. Scaling AI requires clear policies, appropriate oversight, and thoughtful approaches to data and decision-making.

**Key considerations**

- **Data:** Define how data can be used with AI.
- **Security:** Protect sensitive information and systems.
- **Governance:** Establish accountability for AI-enabled decisions.
- **Accuracy:** Validate and monitor AI-generated outputs.
- **Oversight:** Determine where human review is essential.

The challenge is finding the right balance: creating enough flexibility to encourage innovation while establishing the guardrails needed to protect the business.

### ? Questions for business leaders

- *What safeguards need to be in place as AI use expands across the organization?*
- *How should AI-enabled decisions be reviewed and governed?*
- *Where is human oversight most important?*

Wells Fargo can help you evaluate how to fund AI investments, prioritize them alongside other capital needs, and understand the impact of scaling AI on both liquidity and working capital.

**Connect with your Wells Fargo Commercial Banking relationship team to start the conversation.**

*All data points and metrics are from the National Center for the Middle Market's Mid-Year 2026 Middle Market Indicator research, conducted by RTi Research with funding from Wells Fargo. Survey conducted across 1,005 C-suite executives from middle-market companies with annual revenues between $10 million and $1 billion.

© 2026 Wells Fargo & Company.