



Navigating a fragmented AI tech landscape and mitigating tool sprawl

Introduction

CIOs are under growing pressure to move quickly on AI. Boards and executive teams expect measurable efficiency gains, new growth opportunities, and clear competitive differentiation from AI-enabled capabilities. Yet, CIOs must deliver these outcomes within largely flat budgets and while managing IT environments that are already complex, highly fragmented, and constrained by aging architecture.



Many IT operations environments still depend on manual processes for incident

handling, infrastructure provisioning, operational monitoring, and service management. The result is familiar: high ticket volumes, alert fatigue, fragmented operational data, and limited ability to identify issues before they become outages. These challenges are compounded by performance and capacity pressures, infrastructure right-sizing decisions, and the operational risk created by frequent system and application changes.



Establishing AI-enabled operations, or AI Ops, has become a critical priority in addressing

these operational challenges, but CIOs are also expected to embed AI across operations, security, and governance—while improving agility and avoiding material increases in run cost.



However, weaving AI technology into operations is far from simple. The AI landscape

is evolving rapidly and remains deeply fragmented, with niche, best-of-breed tools emerging alongside broader AI capabilities embedded in major enterprise platforms. CIOs must make high-stakes decisions across a crowded field—choosing capabilities tied to specific use cases, integrating them securely, and preventing uncontrolled tool sprawl that adds cost, complexity, and risk without delivering enterprise level value.



While AI narratives often emphasize major investments and rapid returns, the reality inside many organizations is more constrained.

CIOs are working within constrained budgets and seeing only incremental early value from AI initiatives. In that environment, scattered experimentation is no longer sufficient.

This paper examines the core challenges created by today's fragmented AI landscape and outlines the strategic imperatives CIOs must address to move from isolated pilots to scaled, durable AI impact.

The human element:

From apprehension to adoption

Technology alone will not determine AI success. In many organizations, the largest barrier is human adoption. Realizing AI's potential requires a workforce that is comfortable using AI in everyday work—from executives and managers to frontline employees. That shift often exposes gaps in understanding, confidence, and trust, particularly among leaders who are expected to champion AI without deep technical grounding.

Leading organizations are closing this gap through structured enablement. Some mandate executive programs focused on practical use of AI tools in daily workflows. Others run hands-on sessions that give senior leaders direct experience and reduce uncertainty. The objective is not just theoretical awareness, but fluency. Over time, AI will require talent capable of rethinking processes from first principles rather than simply automating existing steps. The broader challenge is cultural: normalizing AI as a standard tool of work, much as organizations did during earlier shifts to cloud and digital platforms. That same shift—from fragmented experimentation to disciplined operational capability—is especially important in IT operations, where AI Ops can help organizations prevent disruption before it affects the business.



From reactive to proactive to avoidance:

A maturity framework

AI Ops gives CIOs a practical way to apply AI where operational complexity, cost pressure, and business risk converge: the IT operating model.

To optimize IT operations, organizations need a structured approach. Instead of focusing on individual tools, CIOs should build a core enterprise strategy that advances the organization along a clear maturity path. AI Ops provides that framework, shifting operations from reactive IT firefighting to intelligent, anticipatory management. In this model, AI monitors patterns across systems, identifies signals that matter, reduces low-value alerts, and improves the speed and quality of response.

The business benefit extends beyond rationalizing fragmented tools: AI Ops can reduce downtime, improve service reliability, lower support demand, and free scarce engineering capacity for higher-value transformation work.

This transformation can be organized as a progression through four key stages:



Observe: Establish real-time visibility across the operational estate, from the business layer to infrastructure. The goal is an intelligent, unified view of system health, performance, and reliability.



Respond: Improve the speed and effectiveness of intervention when issues arise. AI can accelerate root-cause isolation and streamline response workflows.



Predict: Detect likely failures or impacts before they occur. By analyzing historical incidents and operational changes, organizations can forecast risks and intervene proactively.



Self-Heal: Enable certain classes of operational issues to be remediated automatically, improving resilience and freeing engineering talent for higher-value work.

Together, these stages position AI Ops as a foundational enterprise capability that improves resilience, efficiency, and responsiveness over time, while providing a practical path through the fragmented tool landscape. These benefits include a reduction in operational noise, accelerated recovery, and the embedding of AI agents into daily IT workflows.

Conclusion

AI Ops is critical because the complexity, speed, and scale of modern IT have outgrown traditional operating models.

As organizations expand AI adoption while controlling cost and risk, CIOs need more than another layer of tools. They need an intelligence layer that connects operational data, reduces noise, anticipates disruption, and translates IT performance into business value.

AIOps provides a practical path from fragmented experimentation to resilient, proactive, and increasingly automated operations. CIOs who treat AIOps as a foundational enterprise capability can reduce tool sprawl, strengthen governance, improve reliability, and build the operational agility required for AI-enabled transformation to scale.

How KPMG can help

Applying experience to the transformation journey

Navigating this complex landscape requires more than just a technology roadmap; it demands an experienced-based approach to transform. KPMG's strength lies in helping clients assess the operational challenge, shape the transformation roadmap, and apply a practical approach to building intelligent operations.

KPMG helps organizations by bringing:



Client experience and industry perspective to guide AI Ops implementation tailored to industry needs.



A powerful and large alliance ecosystem of leading technology vendors, to design and implement solutions tailored to a client's specific context.



A reusable library of assets and agents aligned to common use cases, which can be deployed and adapted to accelerate value in client environments.

The goal is to help clients apply an advisory and implementation lens to their evolution, helping to ensure that investments in AI are tied to a clear strategy for operational maturity, cost savings, and business value.

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