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Private AI In The Enterprise

Navigating The Continuously Evolving Frontiers Of Privacy, Security, And Governance

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY BROADCOM | MAY 2026

Navigating The New Frontier Of Security And Governance

For the last five years, infrastructure and security teams have grappled with the proliferation of hybrid work and the rapid evolution of AI. As organizations adopt AI for various use cases, they face critical challenges: establishing trust, securing budget, and reporting on success accurately.

While early adopters pave the way for strategic success, data security and compliance remain top priorities. Moving forward, these requirements will be reported with the same urgency as the new performance metrics used to prove the value of AI in keeping enterprises secure, productive, and successful.

Key Findings

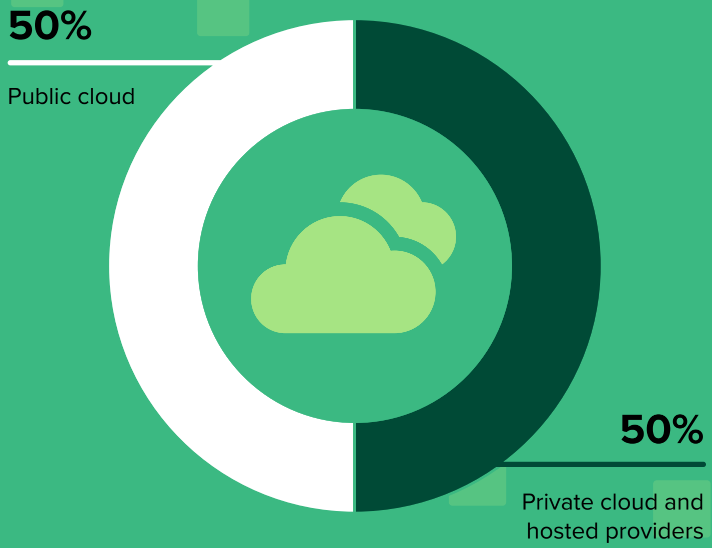
- IT leadership cites data security and privacy as the primary reasons for prioritizing private AI.
- Enterprises cite ROI concerns and high implementation costs as the top barriers to AI adoption.
- Enterprises desire several key capabilities for their AI platforms, with reduced downtime during patches and easily scalable models as the top priorities.

AI Workloads Need Built-In Privacy And Security

As AI has become a central focus, the creation, use, and governance of AI use cases have been pushed to the forefront of modernization. Decision-makers have quickly had to decide whether their organizations are ready for AI, what they need to do to get ready, and how these AI use cases will impact their businesses for better (or for worse).

This is especially true for infrastructure decision-makers. As AI adoption increases, production and nonproduction AI deployments are equally split between public cloud (50%) and private cloud and hosted providers (50%). But concerns about security, privacy, and governance still add complexity to AI adoption and use. **Thirty-nine percent of enterprise AI decision-makers report that data privacy and security concerns are among their greatest barriers to adopting generative AI.**[1]

Spread Of Production And Nonproduction Deployments Across Infrastructure



Base: 220 AI decision-makers at enterprises in North America
Source: Forrester's Q3 2025 AI and Private Cloud Survey [E-64775]

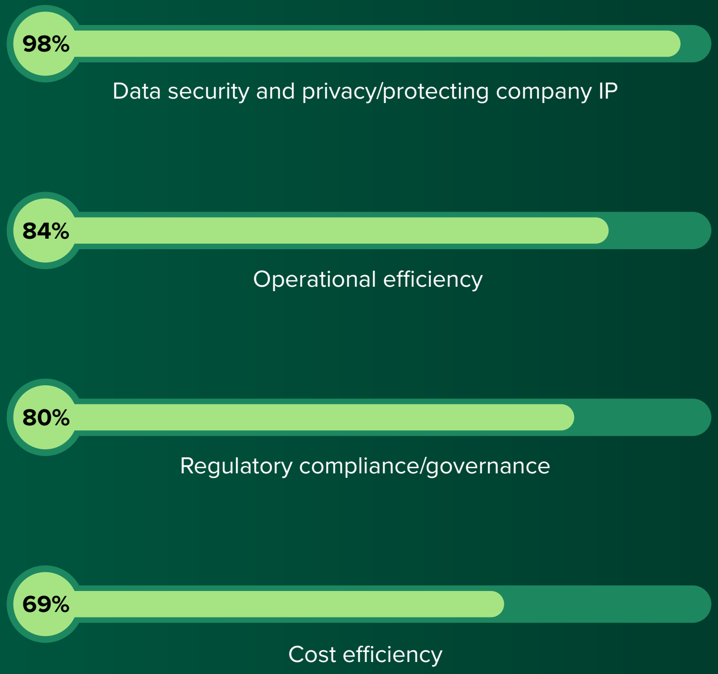
AI Use Cases Move From Proofs Of Concept To Strategic Implementation

AI is now a core component of enterprise strategic planning.

How are respondents currently using private AI, and how do they expect that to change over time? According to our study, the most common use cases are data security and privacy/protecting company IP (98%), regulatory compliance/governance (80%), and operational efficiency (84%).

While data security, operational efficiency, and compliance are expected to remain key use cases over the next two years, others are gaining popularity. Respondents expect to increase their use of private AI to enable vendor flexibility, cost efficiency, and the customization and control of industry-specific AI models.

Top Reason Why Enterprises Choose Private AI



Base: 220 AI decision-makers at enterprises in North America
Source: Forrester's Q3 2025 AI and Private Cloud Survey [E-64775]

Beginning The AI Adoption Journey Isn't Always Easy

With the explosion of AI use cases, decision-makers have seen the potential benefits and pitfalls of AI adoption. In the past, concerns with value kept leadership from leaning into AI adoption; respondents attribute their adoption difficulties to uncertainty in proving ROI (57%), high implementation costs (55%), and uncertainty with where to start (54%). When they aren't sure where to begin adoption, how to prove the success of adoption, or how to pay for adoption with no clear ROI, their progress stalls. **But with changing success metrics for AI use, leadership can begin leaning further into private AI adoption to achieve business benefits beyond the initial implementation push.** So where do those who have begun to adopt recommend later adopters focus their efforts?

Drivers Against Adoption

57%
Uncertainty about how to prove ROI

55%
High implementation costs

54%
Uncertainty about where to start

53%
Persistent data security and compliance concerns or exposure of proprietary/sensitive/compliance-related data

Note: Showing top four responses
Base: 220 AI decision-makers at enterprises in North America
Source: Forrester's Q3 2025 AI and Private Cloud Survey [E-64775]

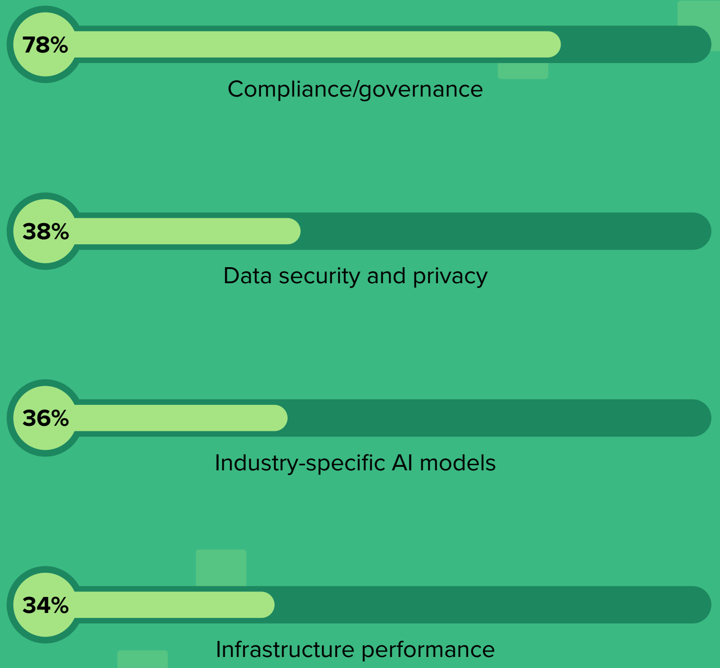
There Are Continuous Barriers To AI Adoption

The battle for AI adoption isn't over once the decision to invest has been made. Respondents said they face continued challenges in adopting AI, although they can avoid some using the right strategy.

Compliance is the most challenging aspect of adoption (78%), leading with a 40-point delta, followed by challenges like data security/privacy (38%) and industry-specific AI models (36%). AI governance and data safety continue to be top of mind, especially in highly regulated industries. As organizations begin or continue to adopt AI, they must expect to contend with complex and dynamic regulatory structures. Meeting this challenge requires the right tools and partners to maintain internal expertise and ensure that data — on-premises and in the cloud — stays safe and compliant.

Challenging Aspects Of Adoption

(Showing "Challenging" and "Very challenging")



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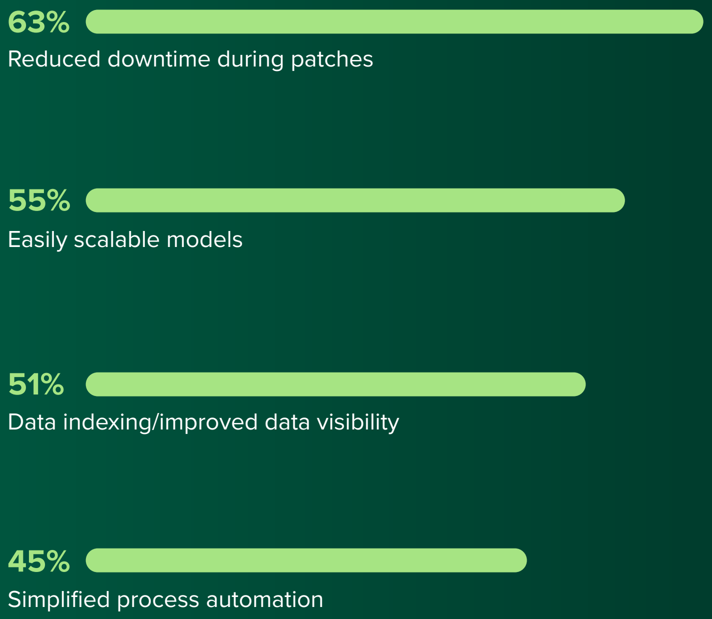
What Decision-Makers Want From Their AI Platforms

With their (largely aligned) key priorities and challenges in mind, respondents said their organizations have a wish list for new private AI tools and platforms. At the top of this list are keeping employees productive during patches (63%), access to easily scalable models (55%), and improved data accessibility (51%). Similarly, 45% of respondents also expect simplified process automation and centralized container management to come with their private AI investment. **Infrastructure leadership understands that the key to keeping business processes moving is to invest in AI tools that can ensure data safety and compliance without negatively impacting workforce productivity.**

Capabilities Expected In A New Private AI Tool/Platform



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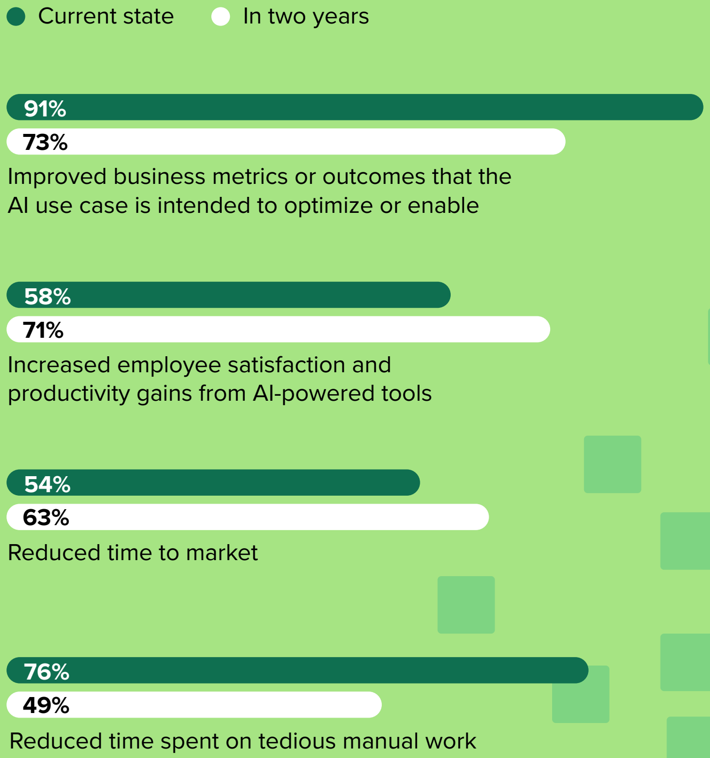
Redefining Metrics For AI Success

The stakes are changing, and respondents are redefining AI success accordingly. Currently, the most common metrics used to track AI success are improvements to AI-optimized business metrics, increased employee productivity, improved CX, improved collaboration experiences, and reduced total cost of ownership (TCO). In two years, respondents expect just three metrics to gain in popularity: reduced TCO (72%), increased employee satisfaction/ productivity directly related to AI-powered tools (71%), and reduced time to market (63%).

Once organizations demonstrate how the advanced maturity of their private AI operations keeps their data secure and compliant, they can focus on more advanced adoption. Initial AI success can open doors to improving go to market, collaboration, and CX and reducing overall operating costs.

Anticipated AI Use Case Success Metrics In Two Years



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Conclusion

Private AI is no longer a speculative investment — it's a strategic imperative for organizations that have an innovation focus. It is evolving into a core component of enterprise architecture with current adoption focused on security, compliance, and efficiency. In the future, tech leaders will aim to solve cost and ROI concerns, operational challenges, and the adoption of industry-specific models. Challenges in governance and implementation remain the focal points to growing maturity and measuring business value. Key imperatives for IT leaders include:

- **Protecting data and ensuring compliance.** Organizations are prioritizing security and regulatory alignment as a foundation for accelerated AI adoption.
- **Expanding efficiency and flexibility.** Organizations are demanding operational improvements, cost efficiency, and vendor choice.
- **Enabling strategic differentiation.** Firms are building industry-specific models that strengthen competitiveness and innovation.

Endnotes

[1] Source: Security And Privacy Concerns Are The Biggest Barriers To Adopting Generative AI, Forrester Research, Inc., December 5, 2023.

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Methodology

This Opportunity Snapshot was commissioned by Broadcom. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked 220 AI decision-makers at enterprises in North America. The custom survey began and was completed in July 2025.

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Demographics

GEOGRAPHY	
United States	75%
Canada	25%

NUMBER OF EMPLOYEES	
20,000 or more	13%
5,000 to 19,999	32%
1,000 to 4,999	44%
500 to 999	11%

INDUSTRY	
Financial services and/or banking	25%
Healthcare	25%
Education	25%
Government	25%

ROLE LEVEL	
C-level executive	15%
Vice president	21%
Director	30%
Manager	35%

Note: Percentages may not total 100 due to rounding.

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