

Case Study:

Enterprise AI is Broken: Here's Why (and How) Arcondis is Fixing It

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Artificial intelligence (AI) dominates headlines, boardrooms, and strategy sessions. Yet, beneath the surface of enthusiasm lies a troubling truth: there's a glaring disconnect between AI's lofty promises and the tangible value enterprises actually gain.

After two years of intensive work with large language models and AI implementations, Arcondis encountered significant barriers: misaligned technical and business expertise, inadequate infrastructure for continuous AI deployment and iteration, and the persistent gap between AI's transformative promises and measurable enterprise outcomes. These challenges pushed Arcondis to build our own solution and revealed the areas that the industry must urgently address.

THE MYTH OF AI'S IMMEDIATE REVOLUTION

The arrival of ChatGPT sparked unprecedented excitement – and anxiety. Companies rushed to craft “AI strategies,” yet most are stuck endlessly in proofs-of-concept. Despite major investments, most companies have implemented a Retrieval Augmented Generation (RAG) pipeline at best.



COPILOT'S UNFULFILLED POTENTIAL

Platforms like Microsoft Copilot and Copilot Studio promise much but deliver selectively. Contrary to the hype, deploying robust AI agents remains complex and riddled with hidden limitations. Moreover, many use cases pitched as “AI necessities” often don't require AI at all. Instead, AI's greatest contribution lies in enhancing user experience and accelerating user adoption rather than pure automation.

AI ISN'T MAGIC - IT'S ABOUT PRACTICALITY AND PRECISION

Realising these constraints motivated us to challenge conventional wisdom: AI is neither a silver bullet nor an impenetrable technical challenge. Effective AI deployment demands a collaborative, iterative and highly adaptable environment.

This insight led Arcondis to develop our AI platform, initially targeting internal efficiencies and operational improvements. We firmly believe you cannot effectively guide others in AI transformation without deeply experiencing that transformation yourself.

STOP CHASING DISRUPTION – START ENHANCING EVERYDAY

Contrary to promises of transformative disruption, we've found that AI's immediate value lies in automating mundane yet critical tasks that drain significant resources. Generic AI provides superficial relief, but genuine efficiency demands domain-specific customisation. For such applications, deep contextual business knowledge isn't just helpful, it's essential.

THE EXPERTISE PARADOX: WHY YOUR AI INITIATIVES STALL

AI projects suffer from what we call the “expertise paradox”: deep technical expertise and extensive domain knowledge rarely coexist in one person. Businesses often mistakenly assign AI responsibilities either solely to technical teams disconnected from business realities or expect non-technical personnel to quickly grasp complex AI technologies.

Breakthroughs occur only when technologists collaborate deeply with domain specialists, each leveraging their distinct expertise. This synergy is crucial yet notoriously elusive in most organisations.

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THE OVERLOOKED INFRASTRUCTURE CRISIS

One critical discovery was the profound lack of infrastructure necessary for robust AI deployment, monitoring, and iteration. Without the right environment for continuous interaction between technical teams and business stakeholders, promising AI initiatives fail beyond initial experiments.

This infrastructure challenge isn’t merely technological, it’s organisational and cultural. In traditional companies, technical teams often resist diving deep into business complexities, preferring to stay in their technical comfort zones, while business stakeholders resist investing the effort to truly understand the underlying technology and its constraints.

This mutual resistance creates silos that prevent effective collaboration. What’s needed is a middle ground – a platform where technical teams can develop with full security, flexibility, and super-fast iteration capabilities – while business users can access and inter-

act with AI applications without needing development environments on their machines.

Without such a bridge, the rapid experimentation, continual feedback loops, and incremental improvements that AI success demands remain elusive – conditions surprisingly rare in traditional enterprises.

AI AMPLIFIES DOMAIN EXPERTISE, IT DOESN’T REPLACE IT

Perhaps most counterintuitively, we’ve learned that deep domain expertise is absolutely essential for building useful AI applications. Without it, even the most skilled engineers cannot ship applications that deliver real value. Truly compelling use cases emerge only from “enlightened SMEs” (subject matter experts who deeply understand both their domain’s pain points and AI’s potential to address them). Equally important is thoughtful application design, where AI is strategically used to make work easier and more efficient, rather than pursuing full automation at this stage.

Effective AI platforms nurture continuous dialogue between technologists and domain experts, unlocking strategic creativity previously unattainable. The magic happens when deep business knowledge meets technical capability in an environment designed for rapid experimentation and iteration. The revision emphasises that domain expertise is the foundation for useful AI applications, highlights the role of enlightened SMEs and stresses the importance of designing for assistance rather than replacement.

CHANGING CULTURE IS HARDER – AND MORE NECESSARY THAN TECHNOLOGY

Building our AI platform was as much a cultural endeavor as a technological one. Embracing rapid iteration, incremental value delivery, and breaking down entrenched barriers between business and tech teams proved essential, and very challenging.

Business stakeholders must also adapt to how development actually works – understanding sprints, task

prioritisation and interactive cycles rather than expecting linear, waterfall-style deliveries.

Successful organisations aren't those merely investing in AI; they're cultivating cultures where collaboration, adaptability, and iterative experimentation thrive, and where business teams embrace development methodologies as much as technical teams embrace business context.

THE ROAD AHEAD

Enterprise AI isn't failing because the technology is inadequate; it's failing because organisations haven't built the foundation for success. The solution requires three critical elements: bridging the expertise gap between technical and business teams, creating infrastructure that enables rapid iteration and collaboration, and building a culture where both sides adapt to each other's methodologies.

At Arcondis, our AI platform isn't just a technological achievement – it's proof that when you combine domain expertise with technical capability in the right environment, AI delivers real business value. The companies that will succeed with AI aren't those chasing the latest models or promising full automation. They're the ones building bridges between business and technology, one practical application at a time.

The AI revolution isn't coming—it's here. But it looks nothing like the hype promised. It's incremental, collaborative, and deeply rooted in understanding real business problems. For enterprises ready to embrace this reality, the opportunity is enormous.

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Giorgio Pesciullesi is the Global Head of AI Services at Arcondis. With a background in data science and a deep understanding of life sciences and enterprise workflows, he helps companies bridge the gap between AI potential and real-world impact. Giorgio leads the development of pragmatic, domain-focused AI solutions that prioritise usability, speed, and collaboration over hype and complexity.

About Arcondis

Arcondis is a global professional services company exclusively focused on the life sciences and healthcare sector. Owned by a Foundation and committed to healthcare improvement, we accelerate value creation for our clients in R&D, Manufacturing & Supply Chain, Marketing, Sales & Services, to ultimately benefit patients.

Our solutions and services include Digitalisation, Data, IT & Infrastructure; Product Lifecycle Management; Industry Compliance & Managed Services and People & Culture. As an independent solutions and Managed Service provider, we have the flexibility to prioritise our clients' best interests without being constrained by exclusive partnerships. We follow an outcomes-based approach – from strategy to hands-on delivery and beyond.

With a well-established reputation built over two decades, we have earned the trust of leading companies in Pharma, Med-Tech, Healthcare and Start-ups. Headquartered in Switzerland, we employ more than 250 specialists and professionals, with offices in North America, Europe and APAC.

We make healthcare better, globally!

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