The biggest AI opportunities are still ahead

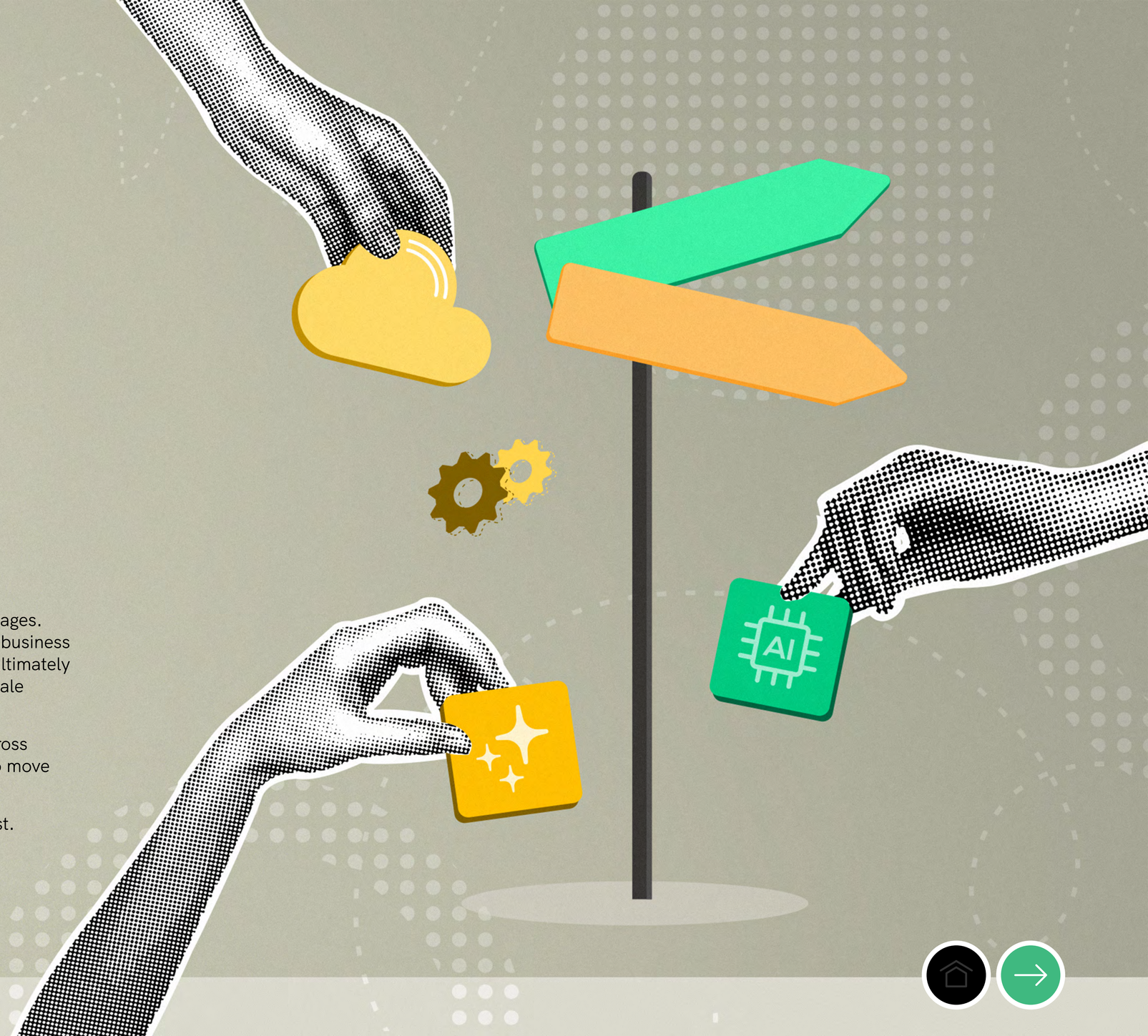
Success will depend on readiness, not timing.

While AI is already reshaping industries, the market is still in its early stages. Every major technology shift creates new leaders, disrupts established business models and changes how organisations compete. The companies that ultimately succeed are rarely the ones that move first, but the ones prepared to scale when the right opportunities emerge.

As AI adoption accelerates, organisations with the right foundations across infrastructure, data, security and connectivity will be best positioned to move quickly and capture long term value

The race will reward those ready with the platform to move fast, not first.

Insights from Elliot Jurd and Garth Sperring, Nexon Asia Pacific



Every business model is up for grabs

Every technology revolution creates and destroys industries. The ultimate winners are rarely the first movers, just ask BlackBerry, Myspace or Pets.com. Pioneers burned through billions before today's household names even got started. AI is following the same arc – just even bigger and faster.

The market was right about the internet in the long term but spectacularly wrong in the short term – and the same applies to AI. Most of the winning companies from this era haven't been built yet.

Leaders are asking what their business will be worth in two or three years, how defensible their operating model really is and what happens when a competitor delivers the same service at a fraction of the cost.

SaaS valuations are compressing because investors can't confidently project how durable these business models will be as AI matures and software is at risk of becoming a commodity.

Smart customers are already questioning the length of supplier contracts because the cost of delivering services may look fundamentally different within two years.

We know change is coming, but not the shape it will take.

> The internet boom played out over roughly two decades before things settled. I believe **the AI cycle will compress that into five or ten years.** The same creation and destruction of industries, at twice the speed.
>
> **Elliot Jurd**
> General Manager –Cloud, Nexon

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Elliot leads Nexon's cloud business across commercial strategy, operations and service delivery. He brings more than 27 years of experience helping enterprises adopt cloud and data solutions that improve performance and resilience.

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Garth leads Nexon's networking and cybersecurity practice, overseeing network architecture, SD-WAN, security and managed services. He helps organisations build reliable, secure network foundations for cloud, AI and hybrid infrastructure.

A widening gap with no correction

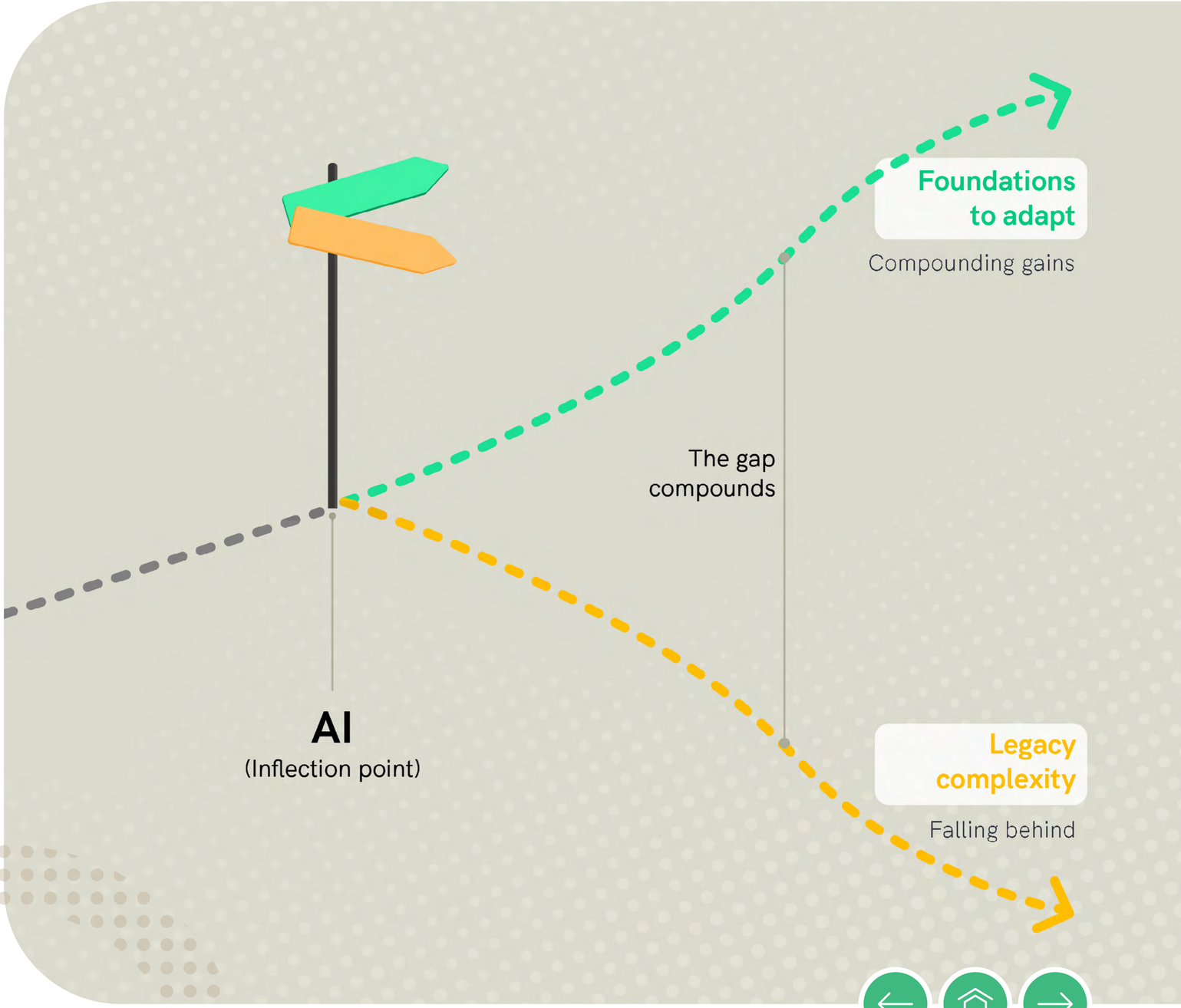
The K-Curve was popularised during COVID, when economists described a K-shaped recovery: asset-rich knowledge workers thrived while service and hourly workers fell behind. The two arms of the K diverged from a single point, and the gap compounded over time.

The same dynamic is forming around AI. Organisations that embed AI into their operations – from infrastructure and service delivery to data-driven decisions – are seeing compounding productivity gains: structural improvements to cost, speed and capability that accelerate year on year.

Organisations that are treating AI as a side project, waiting for it to mature or slow to adapt because their legacy technology won't let them, are falling behind.

Unlike previous technology shifts like e-commerce, mobile and cloud where most organisations eventually caught up, this gap is likely to compound over time rather than correct.

Whether it's your career, department, business or industry, the ground is shifting. Which side of the K will you land on?



AI ambition is running ahead of capability

Australian organisations feel the urgency, with most experimenting with AI in some form. But there's a gulf between activity and impact.

Deloitte's 2026 State of AI in the Enterprise report, surveying over 3,200 senior leaders, captures this gap. Workforce access to AI tools rose 50% in a single year and 66% of organisations report productivity and efficiency gains.[1]

74% of those surveyed want AI to drive revenue growth while only 20% have seen it happen. 84% have not rewired their existing roles or workflows for AI, and only 1 in 5 companies has a mature model for governing autonomous AI systems.[1]

Australia's productivity numbers are sobering

The Productivity Commission reported that labour productivity was stagnant in early 2025 and fell 1% over the year.[2] The ABS found that labour productivity in mid-2025 was roughly back to pre-pandemic levels – a lost half-decade in per-worker output.[3]

The Australian Industry Group described the most recent annual data as "risible", with overall market sector productivity rising just 0.07%.[4]

> Costs are going up, skilled people are harder to find and technology is moving faster than most organisations can absorb. **AI could change that productivity equation**, but only if the underlying technology can support it.
>
> **Elliot Jurd**
> General Manager – Cloud, Nexon Asia Pacific

1 Deloitte AI Institute, State of AI in the Enterprise (survey of 3,235 leaders), 2026
2 Australian Productivity Commission, Quarterly Productivity Bulletin, June 2025
3 Australian Bureau of Statistics, A Primer on Labour Productivity, 2025
4 Australian Industry Group, Unpacking Australia's Poor Productivity Performance, February 2025

The foundations you didn't plan

Most organisations have assembled their technology environment one decision and one department at a time.

Finance moved to a cloud ERP, marketing brought in a SaaS CRM and IT migrated some workloads to Azure or AWS while some legacy systems stayed securely on-premises. Branch offices and field teams added their own connectivity and tools along the way.

A decade of these decisions leaves a hybrid environment that nobody designed as a whole. Data sits in silos across disconnected systems, security policies vary and nobody has a clear picture of what's running where, what it costs and how well it performs.

While this has largely been manageable, AI quickly exposes the cracks. AI relies on data flowing between systems, consistent security across environments and workloads in the right place – close to the data, with the right compute, at a cost that scales.

A fragmented hybrid infrastructure delivers none of that, which is why AI pilots can work but broader scaling stalls.

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88%
of enterprises now operate in hybrid or multi-cloud environments.[5]

29%
of cloud spend is wasted — unused resources, over-provisioned capacity and unoptimised configurations.[6]

52%
say managing multi/hybrid cloud is their biggest infrastructure challenge.[7]

When everything moves to the cloud – and then doesn't

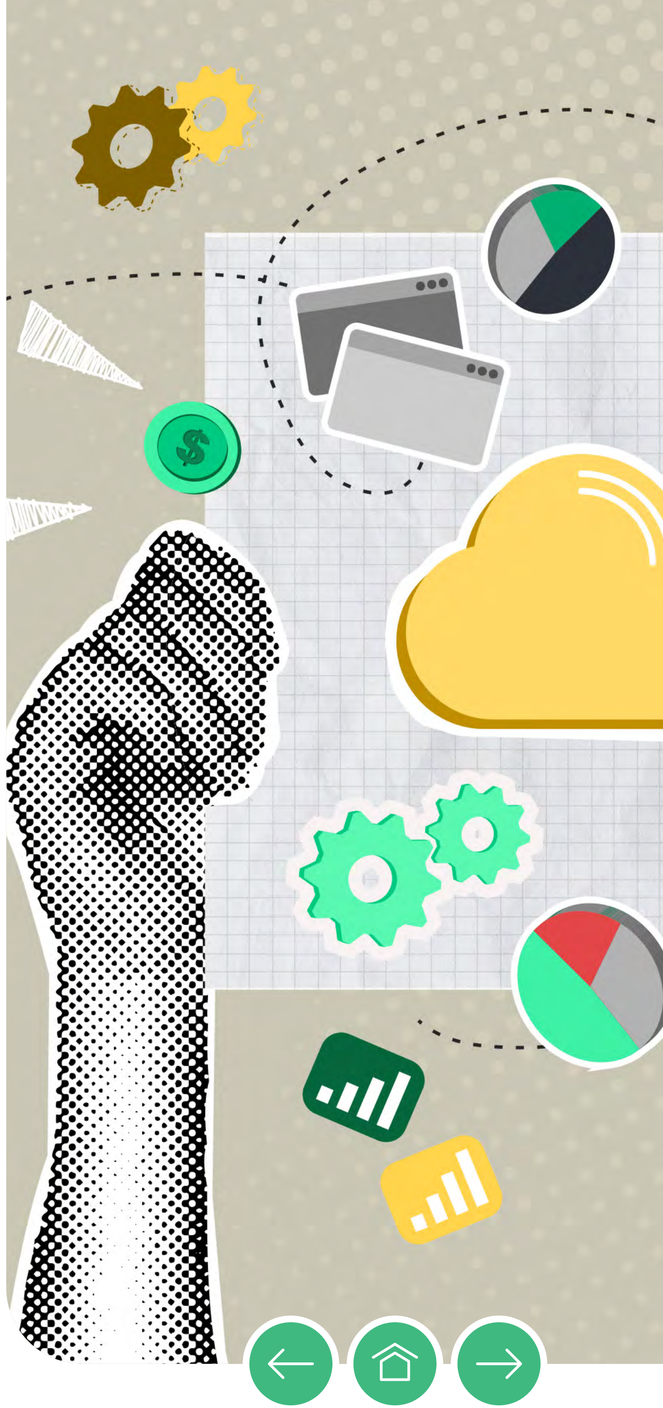
For organisations with distributed operations – retail networks, logistics, field services, manufacturing – AI processing increasingly needs to happen locally, close to where data is generated.

One company deploying AI-powered video analytics across a national retail chain had dozens of high-definition cameras per store feeding real-time data into an AI system that detects loss and monitors safety. Pushing that volume of video to the cloud for centralised processing was neither practical nor affordable. The AI needed to run on edge devices with local GPU processing.

> We're seeing more organisations discover that **the cloud model has limits for real-time AI at the edge.** You can't push 80 camera feeds over a WAN link and process them centrally. The AI needs to run where the data is. That changes the infrastructure conversation completely.
>
> **Garth Sperring**
> General Manager – Network & Cyber, Nexon Asia Pacific

The cloud-for-everything assumption is fading. The right workload in the right place for the right reasons is becoming the operating principle.

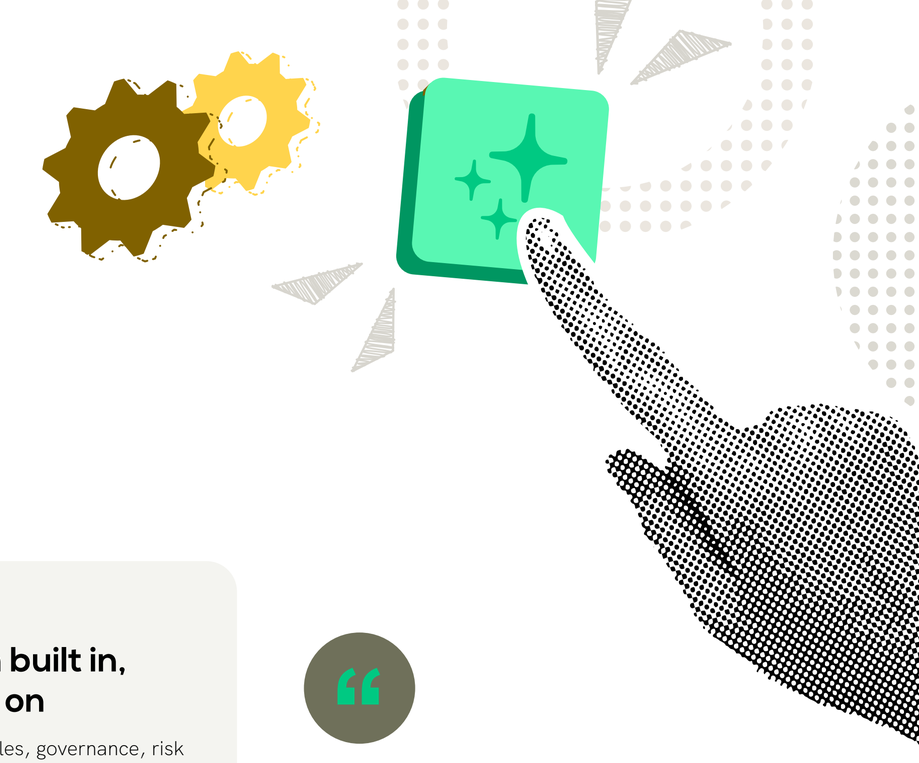
The infrastructure decisions being made now will determine who can move when the right opportunity arrives.



[5] Fortinet / Cybersecurity Insiders, 2026 Cloud Security Report (survey of 1,163 leaders), 2026
[6] Flexera, State of the Cloud Report, 2026
[7] HashiCorp, Cloud Complexity Report (survey of 1,100+ IT leaders), 2025

From accidental hybrid to deliberate platform

Making this shift starts with understanding what AI readiness means. Across industries, four areas consistently make the difference.



Workload

Right workload, right place, right reasons

AI workloads have specific requirements around latency, data proximity and compute. Some belong in the public cloud for scalability, while others need to stay on-premises for compliance or performance. Edge locations may need local processing power that didn't exist in the plan five years ago. These decisions should be deliberate and reviewed regularly.

Do you know where every workload runs and why it's there?

Visibility

One view across everything

A single view across cloud, on-premises and edge environments – with consistent security, compliance monitoring and cost management regardless of where workloads run. Without it, organisations are flying blind on costs, performance and security.

Can you see your total cloud spend across providers in one place?

Integration

Let the data move

If client information lives in one system, operational data in another and financial data somewhere else – with nothing connecting them – AI stalls at the pilot stage. Investing in system integration is what turns isolated AI experiments into something the whole business can use.

Can your AI tools access client, operational and financial data in the same query?

Security

Protection built in, not bolted on

As AI adoption scales, governance, risk and assurance are the lenses through which boards and regulators evaluate technology decisions. Security should be embedded across the hybrid environment – cloud, on-premises and edge – with consistent controls, monitoring and incident response. Gaps between environments are where breaches happen.

Are your security policies consistent across cloud, on-premises and edge environments?

> When you've got workloads spread across three or four environments with different security policies in each, you've got gaps you can't see. **The risk sits in the spaces between platforms.**

Garth Sperring
General Manager – Network & Cyber,
Nexon Asia Pacific

Building the platform to move

Moving from an inherited patchwork to a deliberate, AI-ready platform spans cloud, networking, security and data. It requires a partner who can see the full picture.

Nexon helps organisations assess where they are, design a hybrid strategy with purpose and implement it in a way that balances today's priorities with long-term readiness. With deep capability across cloud infrastructure, networking and SD-WAN, cyber security, data platforms and AI enablement, Nexon sees the whole chain.

HPE provides the hybrid cloud platform that underpins this approach. HPE GreenLake provides a single platform across on-premises, private cloud and edge, with flexible pricing and built-in security.

Together, Nexon and HPE help organisations build the platform that lets them act when the landscape shifts.

> The organisations that will be best positioned aren't the ones chasing every new AI tool. They're the ones getting the platform underneath in order – so that **whatever comes next, they can move on it.**

Elliot Jurd
General Manager – Cloud, Nexon

About Nexon Asia Pacific

Nexon is an award-winning digital and IT services partner for mid-market, enterprise and government organisations across Australia. We offer clients a uniquely broad suite of solutions requiring end-to-end capabilities coupled with specialist expertise in security, cloud and digital solutions. As a certified and accredited local and state government provider, CREST and ISO-certified, Nexon partners with world-class technology vendors to deliver innovative and integrated solutions.

To find out about Nexon, call us at 1300 800 000 or visit nexon.com.au

About Hewlett Packard Enterprise

Hewlett Packard Enterprise (NYSE: HPE) is a global technology leader focused on developing intelligent solutions that allow customers to capture, analyse and act upon data seamlessly. The company innovates across networking, hybrid cloud, and AI to help customers develop new business models, engage in new ways, and increase operational performance.

For more information, visit: www.hpe.com

Which side of the K?

The best ships haven’t sailed yet. The real opportunities from AI are still forming, and the organisations that capture them will be the ones with the right platform underneath.

Ready to find out where you stand?

Nexon’s hybrid cloud assessment maps your current environment, identifies the gaps and outlines a practical path to an AI-ready platform.

1300 800 000

nexon.com.au/ai-network-readiness

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References

1 Deloitte AI Institute, **State of AI in the Enterprise** (survey of 3,235 leaders), 2026
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