# AI transformation in enterprises: what to expect in 2025



2025 is projected to be a transformative year for enterprise artificial intelligence (AI), as rapid innovations continue to unfold in the sector. The past year has seen significant advancements that necessitate businesses to reassess their AI strategies to remain competitive and provide value to their customers. Key areas to prioritise include the development of AI agents, robust evaluation processes, cost efficiency, memory personalization, and improved inference capabilities.

AI agents, now recognised as essential tools, are expected to enhance operational streamlining and customer interaction in enterprises. Spearheading this evolution are agents powered by large language models (LLMs), which can deftly handle complex, multi-step tasks. Early iterations of these agents encountered challenges, often producing inaccuracies such as hallucinating URLs. However, as Sam Witteveen, cofounder of Red Dragon, noted in a discussion with VentureBeat, the functionality of these agents improved remarkably throughout the year as the underlying models matured. “Interestingly, the ones that we built at the start of the year, a lot of those worked way better at the end of the year just because the models got better,” he said.

For enterprises, identifying practical applications of these agents where they can deliver a strong return on investment—particularly in customer service, sales, and internal processes—will be vital. The advancements in retrieval-augmented generation (RAG) signal a significant leverage point, enabling agents to store and apply knowledge efficiently, thus enhancing their utility.

Another important aspect of AI deployment is the evaluation process or "evals," which outlines how organisations select the most suitable LLM for specific tasks. A sound eval is crucial to ensure accuracy and alignment of AI outputs with enterprise objectives. Witteveen highlighted that crafting effective evals requires clarity of intent, remarking, “When you get really specific about that, humans suddenly perform a lot better.” As companies refine their eval processes, they facilitate clearer communication, benefitting human interactions alongside AI performance.

Cost efficiency remains a top consideration, particularly as the market for LLMs becomes increasingly competitive, driving down prices. Techniques such as model distillation and hardware innovations from providers like Nvidia and Groq are enhancing the affordability and efficiency of these technologies. Companies are positioned to conduct rigorous cost-efficiency analyses to maximise output while minimising expenses, allowing for broader access to AI capabilities than ever before.

On the front of personalisation, businesses are expected to incorporate memory-enabled AI systems that can recall user preferences and interactions, offering tailored experiences. However, concerns related to privacy and data management are paramount, prompting firms to establish clear strategies for implementing memory systems while maintaining user trust.

Inference—the application of AI in practical scenarios—is shifting towards methodologies that enhance speed, cost-effectiveness, and reasoning power. Chain-of-thought reasoning is changing the approach to solving complex challenges by breaking tasks into logical segments, facilitating deeper analyses in areas such as mathematics and coding. The anticipated introduction of OpenAI's o3-mini model is set to further bolster these capabilities while managing operational demands.

In conclusion, the landscape of AI in 2025 suggests a shift towards strategic implementation rather than mere adoption of new technologies. Businesses are encouraged to embrace these evolving trends by developing targeted strategies that leverage the advancements in AI capabilities, setting the stage for enhanced productivity and customer engagement.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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