Major European markets reveal different routes to scaling agentic AI

Europe's approach to agentic AI shows high regional variation, with significant differences showing up in governance, control, and operational readiness.



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Across Europe, enterprises face many of the same pressures around the governance and orchestration of agentic AI as those in the U.S. and Asia, with reliability and operational control among the top considerations as they manage those challenges at scale. That's according to a new study by OutSystems and KPMG, based on responses from 858 executives globally, including 239 in Europe.

European enterprises were more likely to expect greater reliance on strategic partners or managed services as AI costs increase — 40% versus 31% in North America and 26% in Asia-Pacific. Moreover, 49% of European enterprises cited concerns about inaccurate, unreliable, or unexpected agent behavior as a major orchestration hurdle, compared with 41% in North America and 35% in Asia-Pacific.

A fragmented adoption landscape and operational bottlenecks

Beyond reliability, 34% of European enterprises cited difficulty integrating AI agents with existing systems or workflows as they scaled their use of agentic AI, while 24% pointed to siloed data or poor data quality. Security, privacy, or compliance concerns were even more widespread, cited by 70% as a barrier to further expansion.

Country-level variations revealed a much less uniform picture, with no single adoption pattern dominating across the region. For instance, 72% of respondents across Germany, France and the Netherlands reported using AI in IT operations, compared with only 45% in the U.K. Use also varied across customer service, finance, and other functions, although the differences between the U.K. and the other surveyed European markets were not always as pronounced.

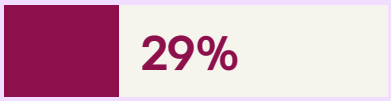
Different markets also encountered different bottlenecks: 60% of U.K. enterprises cited inaccurate, unreliable, or unexpected agent behavior as a major orchestration hurdle, compared with 38% across the other three European countries surveyed. That concern was more pronounced across Europe as a whole, with 49% of European enterprises citing agent reliability as a major orchestration hurdle, compared with 41% in North America and 35% in Asia-Pacific. Integration challenges, by contrast, are far more closely aligned between the U.K. and other European markets surveyed, with 33% and 35% citing them, respectively.

70% **cited security, privacy or compliance concerns as a barrier to further expansion.**

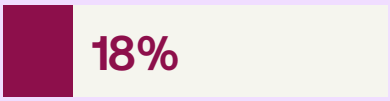
Governance readiness and oversight gaps remain widespread

Across Europe, readiness didn't necessarily align with operationalized control. Twenty-nine percent of European respondents described their organizations as "very well prepared" to detect and resolve agent conflicts, compared with 18% in North America, although Asia-Pacific led by a strong margin at 39%. However, automated controls, established audit trails, and human review points remained rare across the board, with 3% of European respondents reporting having these, compared with 14% in Asia-Pacific and just 2% in North America.

Respondents described their organizations as "very well prepared" to detect and resolve agent conflicts:



in Europe



in North America



in Asia-Pacific

Europe prioritizes customer satisfaction while balancing shared governance

When it came to measuring the business value of agentic AI, 51% of European respondents cited improvements in risk, compliance, and security workflows, while 41% pointed to IT incident/help desk operations and 38% to customer inquiries or requests. On a global scale, European companies were also somewhat more likely to track customer satisfaction: 57% of European respondents used it to measure the effect of agentic AI, compared with 49% in North America and 50% in Asia-Pacific.

As agentic AI scales, European enterprises will therefore need to combine common foundations for governance and control with strategies tailored to the operational barriers, business priorities, and measures of value that differ from market to market.

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