



WHITE PAPER

The LATAM AI Adoption Paradox

Why mid-market companies in Latin America use AI more than ever—yet struggle to turn it into operational advantage (and what to do about it)

DATE

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■ Executive Summary

AI adoption in Latin America is best described as a paradox: usage is accelerating—often via low-friction, end-user tools that spread quickly in SMEs—while value capture is lagging. The region accounts for only 1.56% of global AI demand and spend. Ecosystem maturity is uneven inside LATAM—a small set of “pioneer” countries is far ahead, while many others remain in early stages.

For a mid-market operator, this creates two realities at once: it has never been easier for teams to start using AI (often informally), yet it is still hard to make AI reliable, integrated, and measurable enough to produce consistent results.

0.43 vs 0.68

LATAM vs. advanced economies — IMF AI Preparedness Index (2023)

~1.56%

LATAM share of global AI demand (ECLAC)

~1.12%

LATAM share of global AI investment — ILIA 2025, 19 countries

The practical problem is not 'getting access to AI.' It's turning ad-hoc usage into embedded, measurable workflows.

■ Key Metrics

These figures anchor the discussion. Note: they use different definitions and samples and are not directly comparable—they are useful to illustrate where friction concentrates.

Metric	Figure	Source
AI Preparedness — LATAM vs. advanced economies	0.43 vs 0.68	IMF, 2023
LATAM share of global AI demand/spend	~1.56%	ECLAC
LATAM share of global AI investment	~1.12%	ILIA 2025 (19 countries)
LATAM companies actively implementing GenAI	37%	IBM LATAM, 2024
LATAM companies exploring GenAI	45%	IBM LATAM, 2024
Top barrier cited — limited skills/knowledge	32%	IBM LATAM, 2024
EU enterprises using AI (2025)	~20%	Eurostat

Large EU enterprises using AI (2025)

~55%

Eurostat

■ The LATAM AI Adoption Paradox: High Usage, Low Value Capture

ILIA 2025 summarizes a key dynamic: the region is adopting AI dynamically—especially solutions with low technical requirements and high MSME demand—but faces critical gaps in talent and investment.

ECLAC frames the other side of the paradox: adoption advances, but at a limited pace and faces structural barriers—especially low investment in intangible capital and scarcity of skilled talent—while demand remains disproportionately low relative to economic weight.

What This Looks Like Inside a Mid-Market Company

- Teams use AI to draft emails, translate, summarize, create marketing copy, or analyze spreadsheets.
- “Real work” still runs on email threads, WhatsApp, Excel, PDFs, ERPs, vendor portals, and exception handling.
- Leaders see sporadic wins, but not repeatable operational improvements.

■ LATAM vs. US/EU: What's Actually Different for a Mid-Market Operator

The IMF's AI Preparedness Index measures underlying conditions: digital infrastructure, human capital and labor policies, innovation and integration, and regulation/ethics. The LATAM vs. advanced economies gap is large enough that execution tends to be harder even with the same AI tools.

THE RIGHT QUESTION

Don't ask: “Is LATAM behind?”

Ask: “Which LATAM constraints apply to my company—and how do I design around them?”

Constraints that most commonly affect mid-market LATAM firms:

1. **Talent bandwidth** — not just a talent shortage, but limited time and attention from existing staff
2. **Process informality + exceptions** — AI breaks when flows are informal; you must redesign, not just automate

3. **Fragmented systems + document-heavy operations** — inconsistent identifiers, email-based intake, legacy ERPs
4. **Budget scrutiny and ROI proof requirements** — especially for USD-priced services
5. **Trust and change adoption** — people must use the new workflow, not just try the tool

Eurostat's EU data confirms execution difficulty is universal—lack of expertise is the most common reason for non-adoption even in more mature markets. LATAM's difference is that many companies face several of these constraints simultaneously, with fewer internal enablers to offset them.

■ **Structural Barriers That Block AI Adoption in LATAM Mid-Market Companies**

Barrier A — Capability: “We don't have the people to do this”

At the company level the pain is typically: no internal AI product owner, no data lead, no one to instrument KPIs, and no engineering time allocated to workflow integration. ILIA 2025 highlights widening talent gaps and limited advanced training capacity across many countries. IBM's LATAM survey cites limited skills, experience, and knowledge (32%) as the top barrier. Many companies are now investing in AI training and hiring—but supply remains constrained.

Implication: your plan must assume limited internal bandwidth and minimize organizational lift. The solution must ship with operational ownership, not just tooling.

Barrier B — Workflow Reality: Informal Processes and Exception Handling

In many mid-market LATAM firms, the “real process” is not in a diagram—it lives in inboxes, WhatsApp threads, spreadsheets, unstructured PDFs, and people who know how to get things done. AI fails when you automate tasks but ignore end-to-end workflow questions: uncertainty, approvals, source of truth, rework prevention, and measurement.

Implication: you don't need more prompts—you need a workflow that can tolerate uncertainty and keep humans in the loop where it matters.

Barrier C — Data & Systems: “We have data, but we can't use it”

ILIA 2025 identifies “many data, but little availability” as a recurring theme. In practice, teams face inconsistent identifiers, duplicated systems of record, document intake via email, vendor portals that don't integrate cleanly, and legacy ERPs with brittle exports.

Implication: first wins should target workflows where you can create a clean closed loop quickly – input → decision → action → measurement.

Barrier D – Value Proof: “Show me ROI fast”

For most firms the mandate is clear: prove value before investing more. USD-priced AI services face additional pressure in many local markets where budget scrutiny is high and payback expectations are short.

Implication: the right first project is not the biggest pain—it is the fastest path to measurable before/after results.

■ The Within-LATAM Divide: Why “LATAM” Is Not One Market

ILIA 2025 segments countries by AI maturity level. The differences within the region are significant enough to affect the practical approach to AI adoption.

Tier	ILIA Score	Examples
Pioneers (>60)	60–71	Chile (70.56), Brazil (67.39), Uruguay (62.32)
Adopters (35–60)	35–60	Colombia (55.84), Costa Rica (53.83), Argentina (52.98)
Explorers (<35)	–	Several countries in earlier stages

In “pioneer” ecosystems, it is easier to find local partners, talent pools, and reference cases. In “adopter/explorer” contexts, adoption typically requires more packaging and enablement, simpler architectures, and stronger implementation support.

This is not a reason to wait. It’s a reason to adopt with a leaner, outcome-driven approach.

■ What Works First: Use Case Patterns That Succeed in LATAM Mid-Market

These patterns work because they are matched to LATAM realities: document-heavy operations, high process variance, and outcomes that are measurable within weeks.

Pattern 1 – Document Intake → Structured Extraction → Validation →

Routing

Examples: invoices, claims, customs and shipping docs, contracts, vendor quotes, compliance packets.

Clear before/after measurement: touches per case, cycle time, error rate. Can start human-in-the-loop. Builds a reusable foundation for subsequent workflows.

Pattern 2 – Customer Operations: Faster Resolution and Consistent

QA

Not “chatbot first.” Start with **agent assist** (summaries, next-best action, knowledge retrieval), ticket triage and routing, and QA audits on existing interactions.

Pattern 3 – Sales Ops: Speed + Hygiene

Examples: lead triage, CRM hygiene automation, proposal assembly from internal knowledge bases, account research and follow-up preparation.

Pattern 4 – Finance Ops: Reconciliations and Exception Handling

Examples: matching payments to invoices, collections workflow automation, discrepancy detection and flagging.

RULE OF THUMB

Pick a workflow where you can build a closed loop and capture baseline metrics in less than 2 weeks.

If you can't measure it before you start, you can't prove it after you finish.

■ The 90-Day Adoption Playbook

Designed for companies that do not want to hire an AI team and do not want a long transformation program.

Days 0–14: Diagnose and Choose a “Closed Loop” Pilot

Map the target workflow end-to-end, focused on decision points and exceptions. Capture baseline metrics. Select one pilot that is fast, measurable, and low-risk.

Key outputs:

- One-page workflow map focused on decision points and exceptions

- Baseline metrics: cycle time, backlog aging, touches per case, error/rework rate
- Prioritized shortlist of opportunities
- Selection of one pilot: fast, measurable, low-risk

Days 15–45: Build a Production-Grade Pilot (Not a Demo)

Human-in-the-loop by default. Log every decision and its source. Design explicitly for exceptions: confidence thresholds and escalation paths. Use tools people already have—email, ticketing, CRM, shared drives.

Key outputs:

- Live workflow in existing tools
- Quality measurement in place
- Simple operational KPI view (not a dashboard project)

Days 46–90: Expand, Integrate, and Institutionalize

Move from “it works” to “it sticks.” Integrate upstream and downstream steps, add monitoring with a weekly improvement loop, and extend to adjacent workflows.

Key outputs:

- Runbook: roles, escalation paths, monitoring
- Roadmap for next 2–3 workflows
- Business case based on measured results (not projected ones)

■ How to Measure Success (Without Turning This Into a Data Science Project)

Focus on operational outcomes from day one. These six metrics cover most mid-market use cases:

Cycle time

P50 and P90 — baseline before deployment

Backlog aging

Open items by age bucket

Touches/case

Handoffs per unit processed

Error rate

Rework and exception frequency

STP %

Cases requiring no human touch

Response time

Customer resolution time (if applicable)

If you cannot measure at least 2–3 of these in the first month, your initiative is at risk of staying “interesting” instead of becoming “valuable.”

■ A Short Note on Risk and Trust (Practical by Design)

You do not need a regulatory thesis to ship value. You need minimum viable controls that reduce internal resistance and speed adoption:

- **Human approval** for high-impact or irreversible actions
- **Clear uncertainty thresholds** — the system escalates when confidence is below a defined level
- **Logging + traceability** — what data was used, what decision was made, by whom
- **Permissions** — who can see and act on what
- **Periodic quality checks** — spot audits on a defined cadence

This controls-first stance is not a compliance exercise. It is the fastest path to organizational trust—and trust is what drives adoption at scale.

■ Latam-GPT: Does It Help Enterprise Adoption?

WHAT IT IS

Latam-GPT is a regional open-source model trained with Latin American cultural and linguistic context, led by Chile's CENIA with participation from dozens of institutions across the region.

For mid-market enterprise adoption, its impact depends on availability and maturity at the time of deployment. It can help with **language and context fit, data-control and sovereignty options, and domain specialization**. It does not solve the harder problems: workflow integration, operational ownership, measurement, and change adoption. Those are organizational challenges, not model challenges.

■ The LATAM Advantage Goes to Operators, Not Tool Collectors

LATAM is not missing AI. It is experiencing rapid spread of AI usage while struggling to convert that usage into consistent operational advantage—because value capture depends on execution capabilities that are uneven across the region.

The companies that win will share a common pattern: they pick closed-loop workflows, prove ROI with measured baselines, operationalize AI with humans in the loop, and expand by repeating patterns that work.

The gap is not access to AI tools. It's the execution capability to turn those tools into embedded workflows with measurable outcomes.

Mid-market operators who treat AI adoption as an execution discipline—not a technology evaluation—will build durable competitive advantage. Those who continue to accumulate tools without closing the loop will continue to see sporadic results.

■ How Impactia Helps

FROM STRATEGY TO PRODUCTION

Impactia helps mid-market companies design and implement high-impact AI initiatives—from strategy to execution—using a proven transformation approach and a delivery model that prioritizes measurable operational outcomes.

We work alongside your operations and technology leads to identify closed-loop workflows, build production-grade solutions in weeks (not months), and establish the governance needed to sustain results over time.

To discuss your AI adoption roadmap:

Contact us directly at hello@impactia.ai. We work with a limited number of organizations each quarter to ensure delivery quality.

Get Started — hello@impactia.ai

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