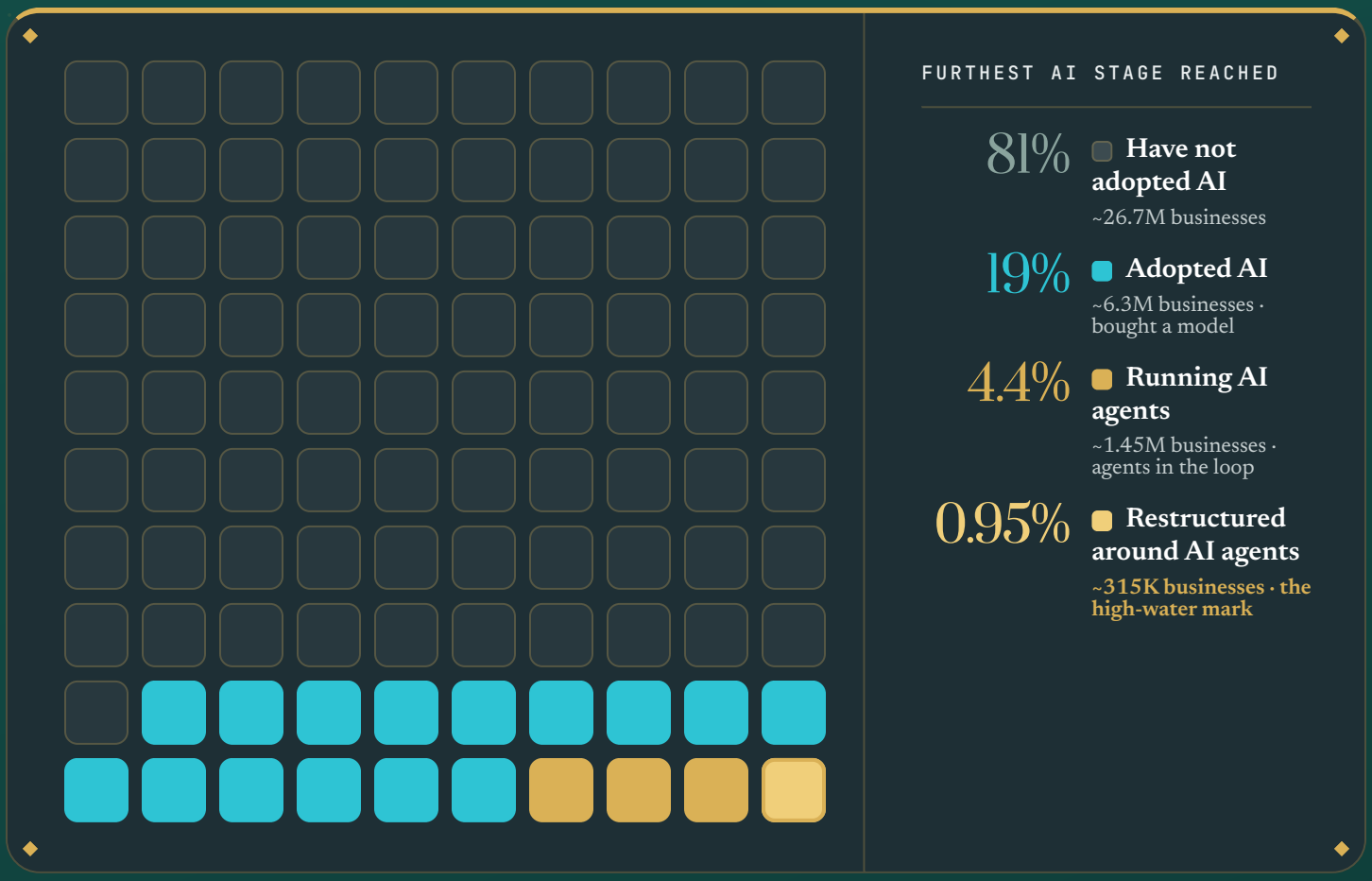
AI ADOPTION · EVERY US BUSINESS

Adoption isn't the gap. Restructuring is.

Each dot is ~330,000 US businesses. 100 dots = every US business. Color marks the furthest AI stage a business has reached as of 2026. The field thins fast: most haven't started, and the climb to the top is nearly empty.



FURTHEST AI STAGE REACHED

81% — **Have not adopted AI**
~26.7M businesses

19% — **Adopted AI**
~6.3M businesses · bought a model

4.4% — **Running AI agents**
~1.45M businesses · agents in the loop

0.95% — **Restructured around AI agents**
~315K businesses · the high-water mark

The leaders aren't the ones using AI. They're the ones who rebuilt the work.

Buying a model is table stakes. The <1% pulling ahead turned their core functions into governed code and let agents run them, end to end and under audit. Adoption is a purchase. Restructuring is an operating model, and it is the gap that compounds.

WHY NOW

AI governance is becoming a procurement question before it's a regulatory one. Buyers want to see controls operating, not a slide that says "responsible AI." That is what the top of the chart actually has.

Sources: Goldman Sachs AI Adoption Tracker (Mar 2026); Deloitte State of AI in the Enterprise (2026). Counts are approximate; stage percentages reflect the furthest stage reached. Framing is Xiaotime Labs' interpretation of the published figures.

WHY IT'S HAPPENING · THE SHIFT

Every function's work is becoming code.

For decades, only engineering ran its work as code. Today every other function's output (marketing copy, sales decks, HR policy, contracts, compliance evidence) is moving into the same form: structured, organized, machine-readable. **Once the work is code, AI gets very good at producing it.** That is the real engine behind the adoption curve.

Engineering	Marketing	Sales	HR	Legal	Compliance
Code, infrastructure, software	Campaigns, decks, brand	Proposals, playbooks, outreach	Policies, handbooks, comms	Contracts, clauses, redlines	Controls, attestations

AI just made everyone a developer.

OUTPUT

10x

One person, a department's work

The same headcount produces the volume that used to take a full team. One marketer drafts a quarter of campaigns; one rep, a year of proposals.

SPEED

Minutes

Drafts in minutes, not weeks

A deck, a policy update, a contract redline: AI drafts the first cut while the human reviews intent. Cycle time collapses to a single sitting.

LEVERAGE

Intent

Review direction, not every word

People stop reviewing line by line and start reviewing whether it is the right thing to say. That is how engineering has worked for years.

Code is the language AI speaks. Every function whose work becomes code is a function AI can now amplify.

This is why adoption is accelerating across the whole business, not just the technical teams. The work changed shape, and AI was waiting for it.

THE CATCH

Amplifying every function also amplifies every function's risk. Speed without controls is the subject of the next page.

Framing: "Everything as Code" describes the shift of business work into structured, machine-readable form. Xiaotime Labs' read on how AI adoption compounds across functions.

WHAT IT TAKES · THE GOVERNANCE GAP

AI without governance is risk at machine speed.

When every function ships at AI velocity, the review processes built for human pace cannot keep up. Vulnerable code merges. Policy violations slip past. Compliance evidence lags months behind production. **The fix is to make governance itself code**, so the same gates fire automatically for every author, human or AI.

WITHOUT GOVERNANCE AS CODE

AI ships faster. So does the risk.

- 45% of AI-generated code ships with vulnerabilities (Veracode, 2025)
- Security gates get bypassed when AI authors skip normal review
- Policy violations slip past human review at AI velocity
- Compliance frameworks live in spreadsheets, months behind production
- Audit evidence is reconstructed after the fact, by hand

WITH GOVERNANCE AS CODE

AI ships faster. The controls keep it safe.

- AI-authored work passes the same security gates as human work
- Policy violations caught at the pull request, not in production
- Controls and frameworks live as code, projected from live data
- Audit evidence writes itself as every gate runs
- Same gates fire for human, AI, or contractor. No exceptions.

This is what the top of the chart actually built. Governance as Code, run end to end.

An AI-SDLC control plane governs every change, and the controls that gate it are themselves code, shipped and audited the same way. The governance gets governed.

WHAT XIAOTIME IS FOR

Xiaotime is the platform that runs this: the control plane, the controls as code, and the audit trail that writes itself.

Sources: Veracode State of Software Security (2025). "Governance as Code" and "AI-SDLC" describe controls and pipelines expressed as code. Xiaotime Labs framing.

THE PLATFORM · HARNESS ON HARNESS

Harness on harness. Governance as Code, all the way down.

Xiaotime is a stack of harnesses that govern each other. AI-SDLC is the harness for code; ICRG is the harness for governance. **AI-SDLC enforces what ICRG defines, and ICRG ships through AI-SDLC.** The governance gets governed. That is what Governance as Code, end to end, actually means.

AI-SDLC

The development harness

Every code change, whether AI-authored, human-authored, or contractor-authored, passes through every layer. The gates that fire are defined by ICRG, as code. Same harness for every author, no shortcuts for velocity.

- REVIEW
- LINT
- SECURITY SCAN
- DEPENDENCY CHECK
- TEST
- DEPLOY

ICRG · GOVERNANCE AS CODE

The governance harness

Policies, controls, and compliance frameworks are themselves code. Every change to governance ships through AI-SDLC: same review, same gates, same evidence as application code. The governance is governed, the harness is harnessed.

- POLICIES
- CONTROLS
- FRAMEWORKS
- EVIDENCE

The harness governs the harness. That is Governance as Code, all the way down.

Nothing reaches production without passing the controls, and the controls cannot change without passing the same pipeline. Velocity and assurance stop trading against each other.

THIS IS XIAOTIME

One platform, both harnesses, end to end and under audit. Read it as an argument: if it holds up against your environment, we should talk.

Framing: "Harness on harness" describes AI-SDLC (the development pipeline) and ICRG (the governance pipeline) shipping through and enforcing each other. Xiaotime Labs platform model.