Jeen Analysis: 71% of Enterprises Cannot Easily Switch AI Vendors as EU AI Act Enforcement Begins

New paper in the "AI on Your Terms" series argues AI lock-in lives in infrastructure, not the model, and urges treating replaceability as a measurable KPI.

JEEN AI

LONDON, GREATER LONDON, UNITED KINGDOM, August 6, 2026 /EINPresswire.com/ -- Jeen, the governed enterprise AI operating layer, today published new thinking on a strategic question most enterprises are getting wrong. As boardrooms debate which foundation model to adopt, Jeen argues the decision that actually compounds is architectural: where AI runs, whether the organization can change it without rebuilding everything above it, and who ultimately owns the knowledge the AI produces.

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>
> *Mel Schemith, Managing Director, UK & Europe*

The model, Jeen notes, is the most visible decision and the least durable. Today's leading model is next quarter's baseline, and even the model an enterprise keeps degrades over time as accuracy drifts. Optimizing a strategy around this month's best model means optimizing around the one component guaranteed to change. The durable advantage sits in the layer beneath it.

The evidence points to a deepening dependency most enterprises have not measured. A June 2026 IBM study found 93% of executives now consider AI sovereignty critical, yet 71% admit they cannot easily switch AI vendors. Lock-in, Jeen argues, does not live in the model, which is fast becoming interchangeable. It lives in the environment the model runs in, one most enterprises inherited by default, on vendor momentum, or on whichever cloud the first pilot happened to run in, rather than chose on purpose.

Jeen's central argument is that replaceability should be treated as a measurable KPI, not a vague principle. The question is not whether an enterprise could theoretically switch model or

provider, but how long it would take, what it would cost, and what would be lost in the process. When an organization tries to leave, the engineering bill is only the opening charge: data must be re-embedded, every workflow re-prompted, agent logic rebuilt, and compliance re-validated for every regulated process the AI touches. These costs accumulate quietly on the balance sheet, and most CFOs have not yet put a number on them. They tend to discover the figure only when a move is attempted.

The regulatory clock is adding urgency. From 2 August 2026, the EU AI Act is enforceable for high-risk systems, with penalties of up to €35 million or 7% of global annual turnover. Requirements such as data residency are near impossible to satisfy across dozens of AI tools scattered on infrastructure an enterprise does not control. Where AI runs, in other words, increasingly determines whether an organization can comply at all.

Building the platform in-house is no escape. Total-cost-of-ownership research cited by Jeen puts initial in-house estimates of $240,000 to $590,000 ballooning to $1.5 million to $4 million of real production cost within twelve months, on top of a 30 to 50% annual maintenance tax. The market has already begun to react, shifting sharply in a single year away from do-it-yourself infrastructure toward governed platforms.

"Most leaders can tell you which model they run. Far fewer can tell you whether they could replace it tomorrow, or run it where their data is legally required to stay," said Mel Schemith, Managing Director, UK & Europe, at Jeen. "Which model you run is this quarter's decision. Where it runs, who governs it, and whether you own what it builds are the decisions you live with for years."

Jeen positions its Enterprise AI Harness as the answer: a governed foundation designed to run across cloud, private cloud, on-premise, hybrid, and air-gapped environments, so the deployment environment becomes a setting the enterprise controls rather than a fate it accepts. Models plug in as abstracted endpoints and can be swapped, routed, or compared without rewriting the workflows above them, while an organization's context, governance, and control remain in its own hands.

That design maps to the three pillars of Jeen's "AI on Your Terms" campaign.

• Future Proofing: the freedom to change model or environment without re-architecting.
• Control: governance and cost visibility built into the foundation rather than bolted on afterward, and
• Sovereignty: ensuring the knowledge an enterprise's AI accumulates compounds for the enterprise, not for a vendor.

"Sovereignty is not a concept reserved for governments," Schemith added. "It is a business decision about who owns the intelligence your AI is building. Every workflow it learns and every pattern it extracts from your data compounds over time. The only question is whether it

compounds for you, or for someone else."

The analysis forms part of Jeen's "AI on Your Terms" series, alongside the article "Your AI Is Running on Someone Else's Terms." Available on Jeen's website.

About Jeen
Jeen is the governed enterprise AI operating layer, enabling secure AI adoption across cloud, on-premise, and air-gapped environments. TASE: JEEN, ISO 27001 certified.

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