



We got ripped off by AI hype!

If you have been paying attention, then you have heard this complaint before. In fact, some of you have made it. Decision makers eager to leverage the vast capabilities of AI have found that early adoption can be a tricky path. PwC did a survey of CEOs that showed 56% of them reporting zero measurable ROI from AI in 12 months. That should put the fear of the Almighty into any seasoned visionary. I am personally more concerned about the 54% of C-suite leaders who see the adoption process actually harming the organization, even “tearing” their company apart. That is a HUGE red flag. Yet 59% of those same companies were investing over \$1 million annually into AI. Looking at the figures for the entire AI market, that totals to over \$547,000,000,000 (No, that is not a typo, \$547 Billion) of investment that failed to generate the intended result. Sheesh!

Key insight: The majority of those projects never defined what success even meant before they started. That is a failure of leadership. Some of the cause can be allocated to internal management, some can be allocated to vendors and consultants, but the root cause is the same; Nobody took control of the goal!

If you glean nothing else from my rant, burn this into your brain: If AI doesn't serve your core objectives, you are using it wrong. The best way to avoid that is to build yourself a team fanatically focused on the right core objectives, measuring results in the right way.

MIT apparently has a few ideas on this matter and I hear they have a few intelligent minds to draw on. Their 2025 GenAI Divide report actually showed that 95% of AI pilots showed NO measurable P & L impact. I would have lead with that horrifying stat, but some other brainy individuals have criticized how that number was calculated.

Setting that debate aside, we need to explore specific ideas on avoiding such failures. First, almost all of the successful pilots used external consultants. Wow! This is not attributed to a lack of internal intelligence, but to the systems brought in, systems tested in a variety of other real world contexts. In short, let other people learn from their mistakes, skip that part and lean on someone who knows where the pitfalls are.

Another golden bullseye that the successful projects demonstrated was their willingness to seek out and embrace friction. Huh? Yup, they actually sought out conflict and frustration... so they could learn from it, not just code over it. A really simple way of looking at this is to deeply listen to your team. People will respect you for caring about their concerns and you will be amazed at what you discover when you really look into the intricate nuances that actually drive your organization. Don't erase the friction, learn to feel it yourself. I personally think this a wildly underrated skill set

The next conclusion is actually surprising, and boring at the same time. AI shows the best returns when first used on internal back office processes, NOT customer facing projects. Once you digest that point of focus, you will not be surprised that most AI pilot failures are tied to a lack of clean, appropriate, well governed data. AI amplifies what you already are and amplifying chaos is bad. Scaling requires a solid foundation and infrastructure, skip the data cleansing and process refining at your own peril and be fully prepared to be mercilessly blamed for the fiasco you unleashed. If that remark felt caustic to you, take that as a personal Geiger counter, your organization is at risk. The fact that the risk is not yet amplified does not excuse it.

Tied to clarity in your data and processes is the necessity to have scalable governance and accountability. Again, boring... until it bites you in the backside. 78% of executives have been surveyed as lacking confidence in their organization's ability to pass an independent AI governance audit, probably because so few organizations have such a thing. So how would your team know how decisions are made or who has the lead?

If you can proudly declare that you have a solid foundation, then let's explore AI tool choices. There are SOOOOO many shiny tools to chase. Keeping up with which one is best is a full time job, I read 5 daily AI briefings and I cannot keep up. Lucky for you, the most powerful tool for your team is NOT the industry leader, it is the one that adapts to your ideal workflow, even better if it learns as you use it. Some of this can be resolved with context building skills, some of this can be dealt with through custom created Agentic Development of tools that your team learns to upgrade and fine tune, but it all depends on being clear about what works for YOUR organization, with YOUR Ideal Customer Profile to achieve YOUR core objectives.

Regardless of your industry or your customer, another core principle applies to AI adoption; choose a specific problem and stay acutely focused on it. What you will learn will ripple through your organization and prepare you for future projects, but you MUST stay focused until you have the result you need. Choose your partners intelligently and do not succumb to the desire to just "bolt" something on to your existing process. Do it right, do it to completion.

To wrap this up, we need to remember that most AI adoption failures were tied to unclear goals and unclear leadership. Ensure the pilot goals are clear up front, know how you will measure results, know who has the reins for each step. The real obstacles are not the technology, they are organizational barriers, the change management issues, the workflow redesigns, the governance frameworks, and the measurement systems. If you can wrangle all those yourself, you are an exquisite example of a visionary, Congratulations! If you are like the rest of us, build the team that can lead you to success.



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