

Who is accountable for AI ROI?

What is the purpose of this article?

This article enables a discussion about: AI ROI Accountability and metrics

The audience for this article includes: Investors, Boards of Directors, CEOs, and C-Suite. This article applies to all companies, ranging from pre-revenue through to long established global companies.

This article does not provide tax, legal or financial advice. Your next steps must be based on your own research and fact-based analysis using current and relevant information.

AI did not write this article. 100% human written.

What are the critical learnings in this article?

- 1) Most companies produce poor financial returns.¹ It seems like companies are using the same investment management process for AI as they do for other investments.
- 2) What are the metrics for AI benefits and costs? What are the targets and actual results?
- 3) Who has accountability for achieving the targets?
- 4) Does your AI strategy include ROI and accountability?

What are your AI benefits?

AI Benefits could include:

- 1) Customer impact such as: retention, customer acquisition costs, life-time customer profitability, net promotor score, increase in the number of customers, etc.,
- 2) Internal impact such as: employee retention, employee satisfaction, process costs, process quality etc.

What might be AI costs?

AI costs could include:

- 1) retraining employees,
- 2) the people (employees and others) to develop, integrate, maintain and constantly enhance AI,
- 3) the cybersecurity, audit, and compliance reporting,
- 4) hardware and software costs, cloud computing costs, etc.,

What is your ROI on your AI investment?

- 1) What are the metrics for AI benefits? What are the targets and actual results?
- 2) What are the metrics for AI costs? What are the targets and actual results?
- 3) Who has accountability for achieving the targets?

How do companies manage their ROI on AI investments?

- 5) Most companies produce poor financial returns.¹ It seems like companies are using the same investment management process for AI as they do for other investments.

What are your next steps?

- 1) Define the words/concepts you're using, in a glossary. I've seen major confusion when the same words mean different things to different people.
- 2) Assess your company's investment management process. Are the processes for metrics, targets, and actual results working? Have accountabilities for targets and results been assigned?
- 3) Make any required changes to your company's investment management process.
- 4) Include AI investments as part of your company's investment management process.
- 5) Ensure that any AI strategy includes ROI and accountability.

Footnotes

¹ Your company will fail. Koor and Associates

<https://koorandassociates.org/avoiding-business-failure/your-company-will-fail-v1/>