How to measure AI when the numbers are fuzzy

10 takeaways for CIOs navigating the gap between AI investment and AI proof

> In 1987, Robert Solow wrote: "You can see the computer age everywhere but in the productivity statistics."[1] Economists are saying the same thing about AI right now. This isn't a failure of the technology. It's a failure of measurement -- and of honest expectation-setting.

95% of enterprise AI projects show no measurable P&L impact within six months[2]. Most aren't failing because the technology doesn't work. They're failing because organizations don't know what they're measuring, didn't capture a baseline, or are counting Ring 1 costs while claiming Ring 3 benefits. This playbook is the fix.

THE FUNDAMENTALS

01 Start with business outcomes, not tools

The question isn't "where can we use AI?" It's "what outcomes matter in the next 12-24 months, and where is value leaking today?" For every initiative, write one sentence: "We are using AI to _____ so that _____." If you can't finish it, the initiative isn't ready to fund.

Cost & efficiency **Revenue & growth** **Customer experience** **Risk & resilience**

02 Know whether you're chasing advantage or parity

Some AI investments create a temporary edge. Most are table stakes. Early movers may have a window -- but competitors copy the playbook fast, and the market resets expectations. Be honest about which race you're in before you set the ROI target.

[1] Solow, R. "We'd Better Watch Out." *New York Times Book Review*, July 12, 1987, p. 36.
[2] MIT NANDA Initiative. "The GenAI Divide: State of AI in Business 2025." Analysis of 300 enterprise AI deployments and 153 senior leaders. Massachusetts Institute of Technology, 2025.

> *GPS didn't just help people navigate faster -- it eliminated the entire category of "knowing where you're going" as a competitive skill. AI works the same way. The capability you're proud of today becomes the baseline expectation tomorrow. Your ROI model needs to account for that reset.*

WHERE ROI IS ACTUALLY MEASURABLE

03 Anchor early wins in repeatable, observable work

Start where you have baselines, clear inputs, and measurable outputs. Customer service, fraud detection, and personalization all qualify. These are the ROI stories you can walk into a board meeting and defend with a straight face. Build your credibility here first, then expand.

Handle time **Resolution rate** **Fraud loss reduction** **Conversion uplift**

04 Measure productivity and quality together

Speed metrics alone are misleading. A surgeon using better tools performs the same number of operations -- but with fewer complications, faster recovery times, and better outcomes.

> *The scoreboard looks identical. The value is enormous.*

Time to complete **Error / rework rate** **CSAT / NPS** **Escalation rate**

05 Don't ignore revenue -- efficiency isn't the whole story

Most AI ROI conversations get anchored on cost reduction. Growth is equally important and harder to attribute. Personalization lifts revenue. Faster go-to-market improves sell-through. Better product decisions reduce markdowns. These show up in the P&L -- just not in the column labeled AI.

Personalization uplift **Time to market** **Campaign performance**

06 Think in three rings, not one

Ring 1 is model costs -- inference, compute, tokens. Easy to count. Ring 2 is systems integration -- architecture changes, observability, governance. Bigger and harder. Ring 3 is organizational impact -- how people make decisions, trust outputs, change behavior. Largest and hardest of all. Don’t claim “20% efficiency” if you’re only counting Ring 1.

07 Build baselines before you declare victory

Most organizations turn on AI without knowing what "normal" looked like before. Pick 3-5 flagship processes. Capture volume, cycle time, quality, and cost pre-deployment. Lock in a 90-day baseline when possible.

> *Without it, any ROI claim is a story, not a measurement.*

08 Count risk reduction as value -- even when it's invisible

Some of AI's biggest wins are events that didn't happen: fraud prevented, equipment that didn't fail, compliance exceptions caught early. This is the same measurement problem a surgeon faces -- nobody thanks you for the complication that didn't occur. Track directional improvements and major incidents avoided, and make them visible in your ROI conversation.

Fraud loss **Unplanned downtime** **Compliance exceptions** **Time to detect**

09 Measure human adoption and trust -- not just usage

AI doesn't deliver value if people don't use it or don't trust it. Active users vs. eligible users tells you adoption. How often AI suggestions are accepted, edited, or rejected tells you trust. Both matter. A tool everyone accesses but nobody relies on is not a success -- it's shelfware with a better interface.

Active vs eligible users **Suggestion acceptance rate** **Trust sentiment survey**

10 Trust the process -- with honest accounting

Some AI value won't fit neatly in a spreadsheet, especially for knowledge workers. That's okay -- as long as you're honest about which claims are evidence-based and which are belief-based. Don't present the latter as the former to your board. The organizations that get somewhere with AI are the ones willing to tell the real story internally first.

AI reveals culture.

MEASUREMENT CANVAS -- USE THIS FOR EACH INITIATIVE

BUSINESS OUTCOME	**ADVANTAGE OR PARITY?** [ ] Advantage [ ] Parity
BASELINE METRICS (BEFORE) *Volume · Time · Quality · Cost*	**TARGET METRICS (6-12 MONTHS)** *Volume · Time · Quality · Cost*
RISK INDICATORS	**HUMAN METRICS** *Adoption target · Trust target*
OWNER & REVIEW CADENCE	

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