



Krishnamurthy Tandon  
School of AI

INDIAN INSTITUTE OF MANAGEMENT AHMEDABAD

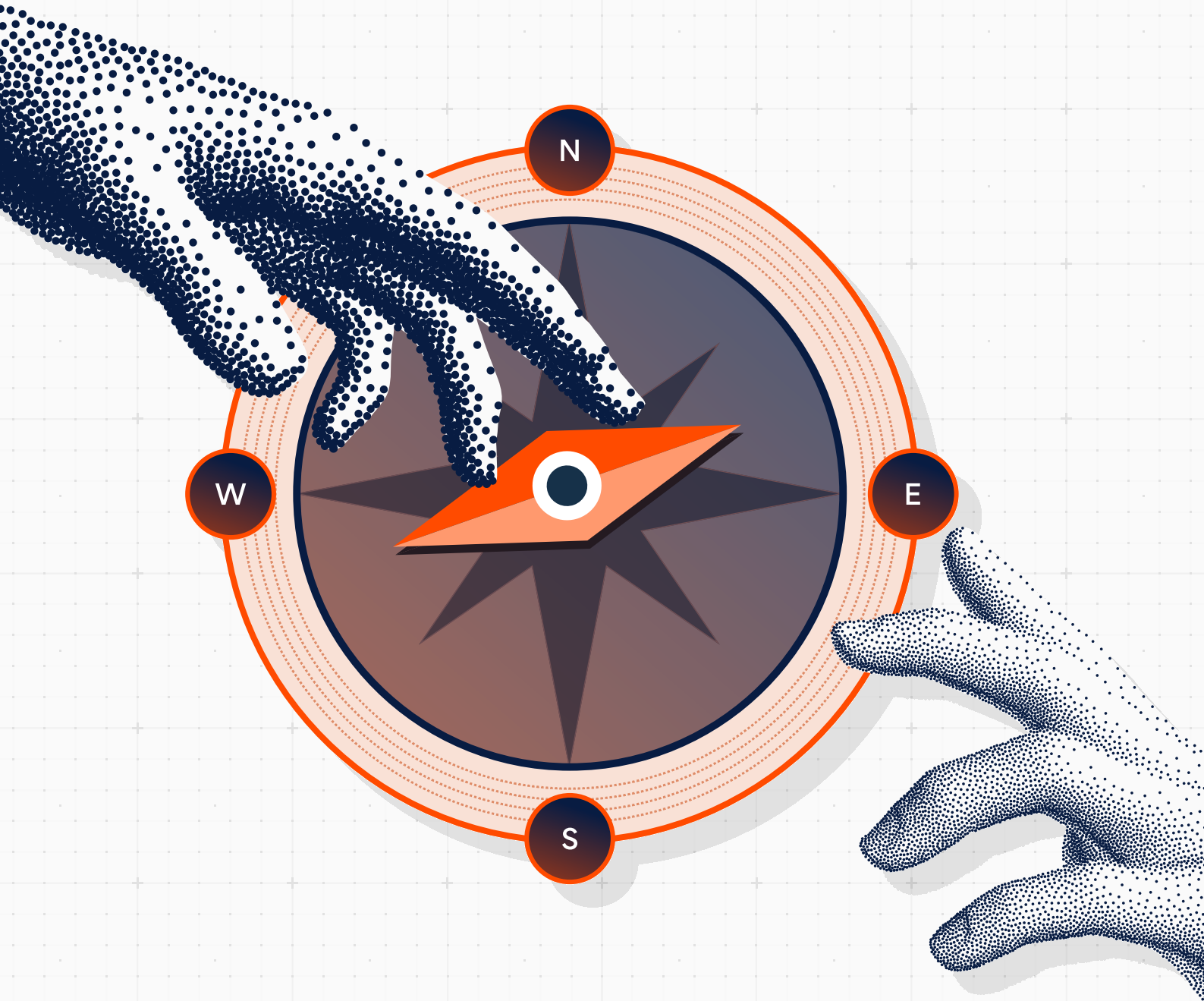
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Persistent

# NAVIGATING THE FAILURE TRAP WITH AI VALUE COMPASS

A Strategic Framework *for* Evaluating  
AI Initiatives



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# Executive Summary

Enterprises are entering a new phase of AI adoption in this decade. Generative AI has moved beyond innovation experiments, and the promise of agentic AI is already beginning to shape today's operating realities. AI is becoming embedded in how work gets done. Leaders across industries recognize that it can reshape productivity, decision-making, and value creation. Yet this shift has created a familiar leadership dilemma: while AI activity continues to rise sharply, confidence in realizing its value is not keeping pace.

The roadblocks to fully realizing AI's potential are strikingly consistent across industries. Too many initiatives are framed as pilots without a clear definition of success. Ownership is fragmented across business and technology teams. Benefits are described through compelling narratives but measured inconsistently. Governance is often addressed too late, slowing scale. Operational teams are not always prepared to adopt new ways of working. As a result, pilots stall, effort is duplicated, and organizations miss opportunities to prioritize what truly matters.

This report is positioned as a practical guide for CXOs and business leaders who are responsible for translating AI ambition into sustainable outcomes. To ground our perspective in enterprise reality, we draw on Persistent's internal analysis of around 100 enterprises across banking, financial services, insurance, healthcare, life sciences, software, hi-tech, and emerging industries. These insights are complemented by IIM Ahmedabad's academic depth in behavioral and decision science, strengthening our interpretation of adoption drivers, execution realities, and value outcomes. As a key contribution, we propose a structured measurement and decision framework that leaders can use to evaluate AI initiatives early, compare them objectively, and translate assessment into action.

## **The aim is not to reduce ambition, but to improve precision.**

The framework gives leaders a consistent way to assess AI initiatives: to understand readiness, surface hidden dependencies, and determine which initiatives to accelerate, strengthen, sequence, or stop without waiting for pilots to run their course. Unlike approaches that focus narrowly on technical feasibility, business desirability, or user experience, this framework evaluates initiatives across the fuller set of conditions that shape enterprise success, including governance, risk, data preparedness, operating fit, and people readiness. It combines a holistic view of each initiative with informed managerial judgment to place it into clear execution pathways. In practice, this enables leaders to make tangible prioritization decisions within weeks while creating a common language across business, operations, technology, and governance, making scale a manageable outcome rather than a hopeful next step.

Our analysis also suggests that the current wave of enterprise AI investment is being shaped more by immediate efficiency goals than by enterprise-wide strategic reinvention. Nearly 50% of firms appear to be primarily motivated by efficiency and productivity gains, while close to 80% of investments are concentrated in business functions such as operations, sales and customer service, and IT. This pattern is understandable: these are areas where use cases are visible, benefits can be communicated quickly, and implementation can often begin without large-scale organizational redesign. However, this concentration also reveals a broader imbalance. Many organizations are pursuing AI through a portfolio of isolated functional initiatives rather than through a coherent enterprise strategy.

~100

## Enterprises Analyzed

Across 8 Key Industries

Banking

Financial Services

Insurance

Healthcare

Life Sciences

Software

Hi-Tech

Emerging Industries

50%

AI investments are primarily driven by efficiency and productivity gains.

80%

Investments are concentrated in operations, sales & customer service, and IT.

This is where a more robust evaluation framework becomes necessary. Existing frameworks often emphasize technical feasibility, business value, or experimentation velocity, but underweight the factors that determine whether an initiative can scale responsibly and sustainably. Risk, governance, data preparedness, operating model implications, and people adoption are too often treated as secondary considerations. In practice, these are not peripheral issues; they are the conditions that determine whether AI delivers durable value or remains trapped in pilot mode. Equally important, many enterprises still lack clear AI leadership and a strong strategic view, making it difficult to distinguish between initiatives that create local gains and those that build long-term competitive advantage.

### Most AI Initiatives are **missing** critical elements

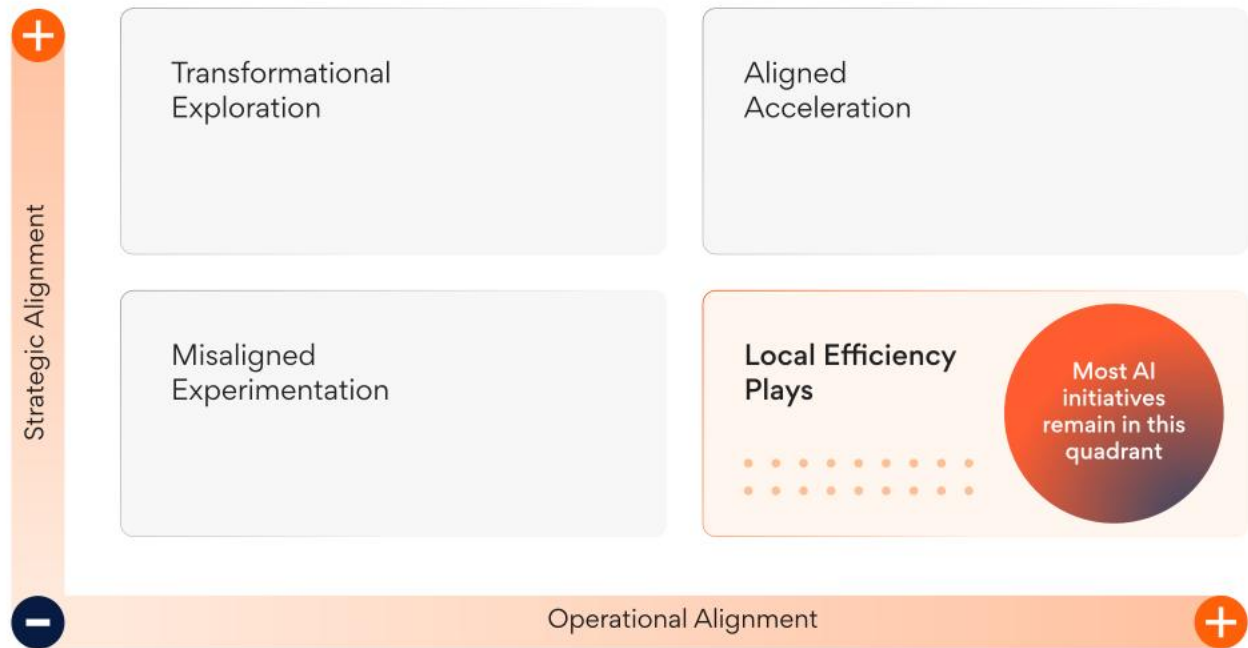
+ Clear AI Leadership

+ Strong Strategic Vision

+ Well-Defined Success Metrics

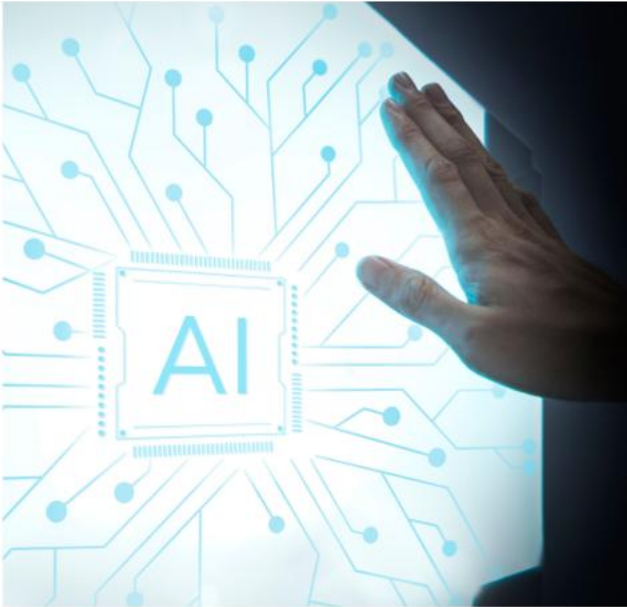
+ Ownership and Governance

Viewed through this lens, enterprise AI portfolios can be understood across four broad quadrants: Transformational Exploration, Aligned Acceleration, Misaligned Experimentation, and Local Efficiency Plays. The pattern that emerges from our analysis is that most initiatives currently fall into the Local Efficiency Plays quadrant. These are use cases with strong operational alignment and visible short-term benefits, but limited connection to broader strategic transformation. While such initiatives can generate meaningful returns and build confidence, an overconcentration in this quadrant risks creating fragmented progress: multiple point solutions, limited enterprise learning, and insufficient momentum toward higher-value strategic outcomes. The task for leadership, therefore, is not to abandon local efficiency plays, but to evaluate them systematically, strengthen those with scalable potential, and create a pathway for the portfolio to evolve toward better strategic alignment.



**Most enterprise AI initiatives remain concentrated in Local Efficiency Plays, delivering operational gains but limited strategic transformation.**

# When AI Becomes the Operating System



AI has rapidly transcended the status of a mere technological novelty to become a critical necessity for competitive advantage. From being a part of clever demos and experimental side projects, it has erupted into the operating system of modern enterprise. AI now senses, decides, and acts at a speed and scale that is unmatched by any human organization. It predicts failures before they occur, discovers patterns invisible to experts, and reshapes value creation across industries. This is not a transformation waiting on the distant horizon. It is taking place now, rewriting competitive advantage in real time and separating organizations that lead from those that struggle to keep up.

## The real-world impact of AI is already unmistakable

- + Algorithms predict organ failure hours before doctors can detect symptoms.
- + Models negotiate energy prices autonomously across national grids.
- + AI systems design new proteins in weeks, a task that required years of work by human researchers
- + Retailers use AI to adjust millions of prices in real time, while manufacturers leverage AI to shut down production lines before a defect becomes visible.

The list is far from exhaustive. Every workflow, decision, and interaction is now a canvas for intelligence, ushering in a universe of practical AI initiatives that is not merely vast but effectively limitless.

Thus, AI adoption is no longer optional. It is an organizational imperative for leaders aiming to drive productivity, accelerate innovation, and sustain relevance in an increasingly dynamic global economy. With a potential value of trillions of dollars at stake, strategic engagement with AI is one of the defining challenges of this decade.

One characteristic of the current enterprise AI wave is notable: Direct revenue growth is not the primary starting point for most of the investments in AI.

# Factors Motivating Enterprises To Adopt AI



Figure 1: Factors Motivating Enterprise To Adopt Ai

## Efficiency & Productivity

Persistent’s internal analysis of enterprises across industry verticals reveals a clear priority in today’s AI wave - Efficiency and Productivity. Enterprises are first investing in areas where friction can be removed, cycle times can be compressed, manual effort can be reduced, decision speed can be improved, and throughput can be increased across core workflows. Cost-saving is increasingly being viewed as a natural consequence of productivity uplift rather than a standalone goal of AI adoption.

## Customer Experience

Beyond the achievement of efficiency and productivity, the motivation to adopt AI reveals a balanced, context dependent pattern. Customer Experience is a prominent motivation, spanning acquisition, personalization, and customer service.

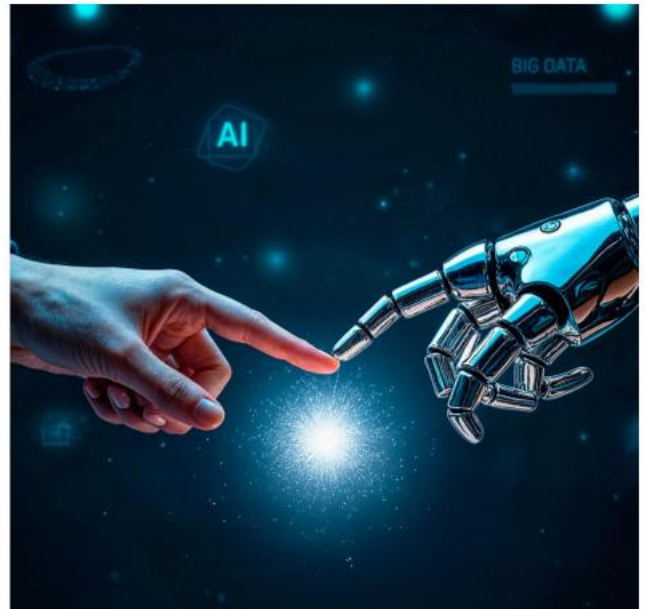
## Innovation

Innovation remains a steady driver, enabling experimentation and differentiation as organizations learn what works at scale.

## Revenue Growth

Revenue Growth is present alongside Customer Experience and Innovation as an important but less prominent motivation than may be expected. Revenue Growth is often considered an outcome that is visible after operational efficiency and improvements in customer experience are proven and repeatable.

These motivations are pushing enterprises to launch AI pilots at unprecedented speed. Teams are racing to automate friction, compress cycle times, and elevate customer experience before their competitors. Therefore, enterprises are witnessing a surge in proofs of concept, demos, and quick-win experiments. In this scenario, an important question arises: How many of these initiatives scale and sustain in production to provide measurable business value?



## The Pilot Paradox & Challenges in Value Realization

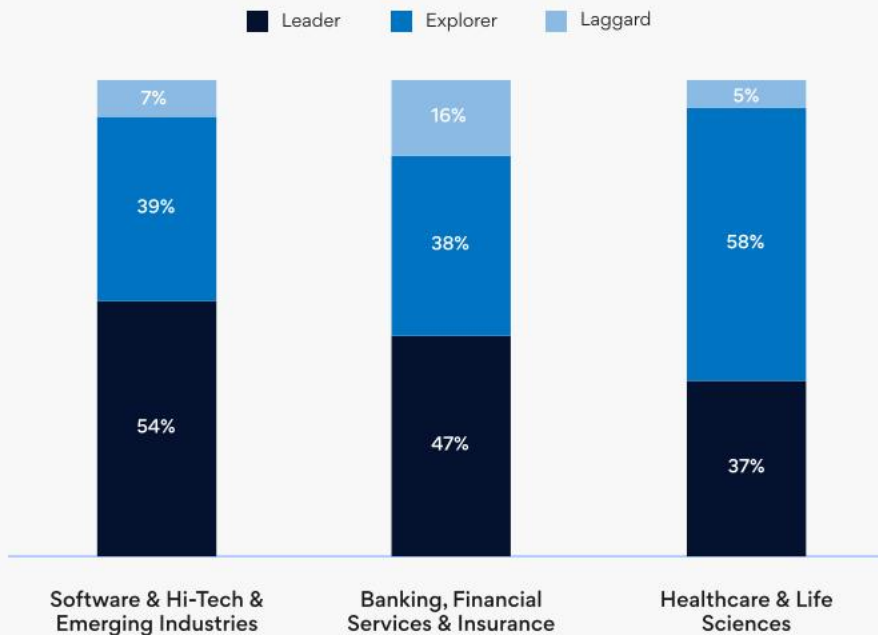
Our analysis suggests that despite clear promise, many AI initiatives stall at the pilot stage, fail to scale, or achieve only limited impact. In the most undesirable situations, organizations slip into the “AI theater”<sup>[1]</sup> mode. They appear innovative through PR-friendly experimentation, but lack the strategic alignment, governance, and operating model needed to convert pilots into repeatable outcomes.

The reasons for the Pilot Paradox could be better understood by considering AI maturity by industry. AI maturity is an organization’s ability to consistently convert AI ambition into repeatable, business-owned outcomes that scale across the enterprise. Studies have characterized organizations into different stages of maturity (Chakrabarti, et al., 2023). Based on our analysis, we categorize the enterprises into three categories- Laggards, Explorer and Leader.

<b>Laggard</b>	+ Bottlenecks at initial stages
	+ Scattered experimentation
<b>Explorer</b>	+ Portfolio includes rich pilots and POCs
	+ Face challenges in scaling
<b>Leader</b>	+ Successful industrialized AI deployment
	+ Face challenges in measuring impact

<sup>[1]</sup> **AI theater** refers to a scenario in which an organization presents AI initiatives through pilots, demos, and PR friendly experimentation, without considering and ensuring the strategic alignment, governance, or execution needed to translate the efforts into real, scaled, measurable business value.

## AI Maturity Across Industries\*



\*Internal Research & Analysis From Persistent Systems

Figure 2: AI Maturity

Based on the maturity lens, we find that enterprises encounter two distinct challenges. First, many initiatives do not make the leap from pilot to production. Second, even if an AI initiative reaches production, organizations often struggle to prove and measure the value that it was expected to deliver.

### Explorers

Explorers are typically trapped in the first challenge. Although their portfolios are rich with pilots and proofs of concept, scaling is slowed down by gaps in the operating model, data preparedness, governance, and cross-functional execution.

### Leaders

Leaders struggle with the second challenge. They have learned how to industrialize AI but falter in measurement. Although they may deploy AI successfully, they continue to face difficulty in attributing impact, tracking outcomes consistently across functions, and translating “AI activity” into defensible business value at scale.

### Laggards

Laggards face a bottleneck at an earlier stage. In a rapidly shifting AI landscape, they often struggle to prioritize initiatives to be pursued. The scenario leads to scattered experimentation, delayed decision-making, and missed windows of advantage.

Viewed through the maturity lens, the Pilot Paradox is not a single problem with one root cause. It is a maturity-dependent set of barriers. The hurdle is different for each type of enterprise: scaling discipline for an Explorer, value realization for a Leader, and strategic prioritization for a Laggard.

95%\*

AI pilots fail to move from experimentation → production

Source From Massachusetts Institute of Technology (MIT)

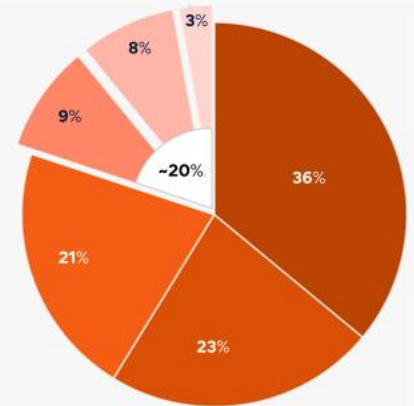
These findings are corroborated by multiple studies, including a recent report from the Massachusetts Institute of Technology (MIT), which highlights that pilots frequently struggle to progress beyond experimentation, often because of gaps in data, governance, and execution readiness rather than limits in technical capability alone (Challapally, et al., 2025). The report suggests that 95% of AI pilots fail to progress beyond experimentation to production-grade implementations that deliver measurable value. The paradox is clear. The constraint is rarely the technology itself; it is often weak strategic alignment, unclear success metrics, and fragmented ownership and governance.

## AI Focus Areas and the Hidden Risk

Irrespective of maturity, a clear investment pattern is emerging with respect to the areas where enterprises choose to apply AI first. We find that that an overwhelming share of effort goes into the “front line” of the enterprise.

### Business Focus Areas for Utilization of AI\*

- 36% Core Operations
- 23% Sales & Customer Service
- 21% IT
- 9% Data & Analytics
- 8% R&D
- 3% Legal & Compliance



\*Internal Research & Analysis From Persistent Systems

Figure 3: Business Focus Areas of AI

80%

AI for Efficiency, Productivity & Customer Experience

20%

AI Foundations: Data, Governance & Long-Term Capability

Core Business Operations, Sales and Customer Service, and Information Technology (IT) together account for approximately 80% of the focus areas of AI usage. The pattern mirrors the trend in the areas of motivation discussed earlier. Enterprises are using AI primarily to unlock efficiency and productivity at scale and to simultaneously elevate customer experience in acquisition, personalization and service. The logic for such usage is intuitive: These are the workflows in which friction is most visible, cycle times are easiest to compress, and the pressure to deliver quick, repeatable wins is relentless. Many enterprises lack clear AI leadership and a strong strategic view, making it difficult to distinguish between initiatives that create local gains and those that build long-term competitive advantage. Only approximately 20% of the focus is directed toward the foundations and guardrails: Data and Analytics, Research and Development (R&D), and Legal and Compliance. However, these foundations and guardrails are the capabilities that ultimately determine whether AI scales responsibly, remains accurate over time, and compounds into long-term differentiation rather than a set of isolated improvements.

Leaders are now confronted with a tough question: If most of the investment in AI is channeled into front-line execution, and far less into data, innovation, and governance, can sustainable long-term value be achieved?

## From Experimentation to Enterprise Value

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As AI becomes ubiquitous, competitive advantage no longer stems from whether an organization uses AI but from how systematically the organization adopts and scales the use of AI. Granting access to models or running isolated proofs of concept is rarely adequate for creating durable impact. Such impact requires a deliberate adoption strategy that evaluates AI initiatives not only on technical merit but also on their readiness for generation of enterprise-wide value.



In practice, successful adoption demands a multidimensional view. AI initiatives must align with business priorities, be supported by capable teams, integrate seamlessly into operations, operate within acceptable risk and governance boundaries, and be grounded in data that is fit for purpose. In the absence of a structured method to collectively assess these dimensions, AI investments face the risk of becoming stalled in experimentation and reinforcing the Pilot Paradox.

The need for a holistic, measurable approach sets the stage for a framework that can objectively evaluate AI readiness and its value potential across the enterprise.

# The AI Value Compass



Practitioners and researchers at Persistent Systems and IIM Ahmedabad have collaborated to create a unified, evidence-based framework that merges real-world enterprise execution with rigorous research. IIM Ahmedabad offers strength from its deep expertise in decision sciences, management and behavioral sciences. Persistent reinforces the strength with its real-world experience in architecting and scaling AI systems across global enterprises. Together, the two distinct lenses merge into a single powerful view of AI value, combining academic rigor with execution muscle to drive measurable, enterprise-grade outcomes.

This report is the outcome of a research to practice collaboration that was designed from first principles. The work attempts to fill the gap that derails most AI programs: a disconnect between strategic ambition and operational reality. By synthesizing academic insight with implementation pragmatism, we deliver an actionable methodology for leaders to evaluate AI initiatives with clarity, consistency, and confidence.

We introduce the AI Value Compass, a jointly developed framework that helps enterprises systematically assess AI initiatives across critical dimensions, effectively prioritize investments based on evidence not enthusiasm, and reliably convert pilots into production grade capabilities that deliver sustainable business value.

Earlier frameworks, such as the BXT Framework, overlook critical components including risk and governance, as well as organizational readiness and data preparedness that determine whether AI initiatives deliver long-term value (Microsoft Cloud, 2024). The AI Value Compass addresses this gap by providing a structured, enterprise-grade evaluation framework centered on five critical vectors that collectively determine the success of an AI initiative. The use of this framework moves the discussion beyond isolated experimentation by assessing not only technological potential but also the organizational conditions required for sustainable value creation. The vectors in the model are as follows:

- 01 **Business** alignment
- 02 **People** readiness
- 03 **Operational** integration
- 04 **Data** preparedness
- 05 **Risk and governance**

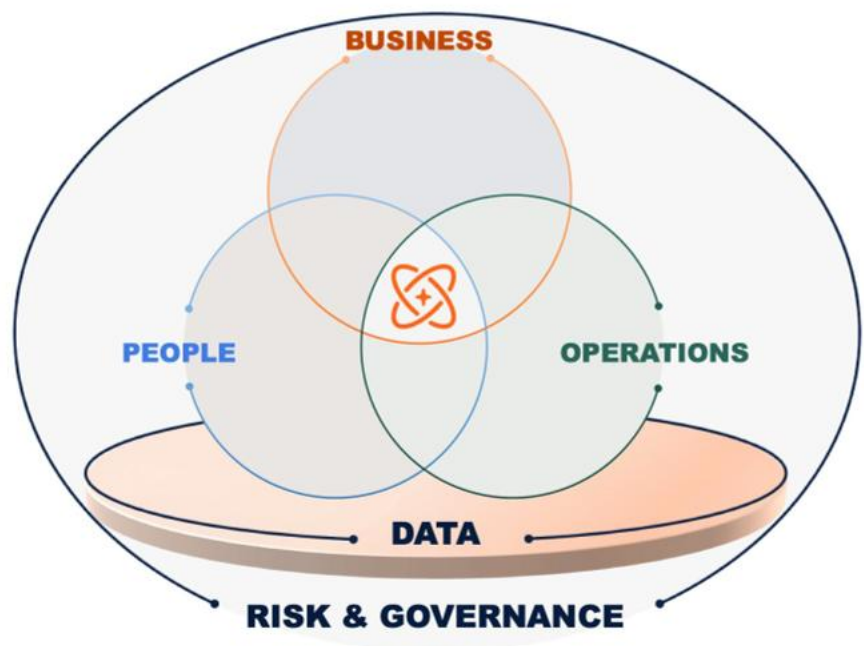


Figure 4: The AI Value Compass

The Compass should be applied using a phased approach. Initially, a small cross-functional panel should be convened. The panel should consist of the business sponsor or product owner, the operations lead, the data owner, a risk or GRC (Governance, Risk, and Compliance) representative, and a technology or enterprise architecture lead; representatives from security, finance, human resources (HR), and the end-user group can be included if relevant. The group should score the AI initiative by evaluating it with respect to three core parameters under each vector. The scores would range from 1 (low viability or impact) to 5 (high viability or impact) on a consistent scale. The disciplined approach replaces intuition and hype with measurable insight, enabling a comparison of initiatives and revealing strengths and gaps at an early stage.

*The scoring on a scale of 1 to 5 represents a simple way to interpret viability from weaker to stronger signals. The score should always be interpreted in the context of the specific parameter. In general, 1 suggests a clear gap or constraint that can impede scale, 3 indicates partial readiness with known limitations, and 5 reflects strong readiness supported by evidence. In the sections that follow, each vector is defined in detail, and a parameter-specific scoring scale is provided.*

The panel should then diagnose the lowest-scoring areas to uncover root causes, dependencies, and the enablers required for success. Next, the panel should decide the right path by mapping each initiative to the execution prioritization matrix.

The disciplined three-phased approach replaces intuition and hype with measurable insights that the leaders can rely on and use for confident decision-making.



Finally, the panel should translate the decision into a concise execution plan with named owners, success measures, governance steps, and rollout requirements, enabling leaders to make tangible choices in weeks rather than waiting for pilots to conclude.

It is essential to understand what each vector measures in real enterprise conditions. In the next section, every vector is discussed in detail, each parameter is defined within the vectors, and practical guidance is offered for evaluating AI initiatives with confidence and consistency.

The Business vector acts as the primary value gatekeeper for an AI initiative. It reflects the strength of the underlying value proposition and the business rationale for investment. Viability in this dimension is non-negotiable. Regardless of technical sophistication, an AI initiative that does not address a material business problem or deliver a defensible return on investment ultimately fails as an enterprise endeavor.

## Case Study

*In the automotive sector, a leading brand identified significant friction in its digital sales journey. Prospective buyers faced slow response times, fragmented product information, and inconsistent engagement across channels, resulting in the loss of revenue opportunities. By embedding a GenAI-powered assistant within a widely used messaging platform, the organization reimaged the buying process as a seamless, conversational experience tightly aligned to sales outcomes.*

*The business impact of the transformation was substantial*

**70%**

*faster vehicle shortlisting*

**2x**

*improvement in sales productivity*

**8%-12%**

*projected increase in conversion rates*

**~87%**

*Decrease in cost per inquiry from \$8-\$10 to under \$1*

*The example illustrates that AI initiatives anchored in clear business objectives can drive measurable financial returns while simultaneously improving customer experience.*

## Parameters

Evaluates scale and clarity of financial benefit

**A**

How does the initiative generate **business value**?

Value not understood yet **1** ← → **5** Value clear & significant



*The value of the rollout in the automotive organization is indicated by the faster shortlisting and the sharply lower cost-per-inquiry.*

Examines rigor of impact modeling across lifecycle costs

**B**

Have the **Return on Investment (ROI) and Total Cost of Ownership (TCO)** for this AI system been clearly defined?

Metrics not calculated or defined **1** ← → **5** Metrics defined, detailed and validated



*The ROI becomes evident from the productivity lift and the streamlined performance of the sales funnel.*

Considers delivery pace and organizational adjustment requirements

**C**

What is the expected **time requirement for implementing** the initiative and managing any changes?

Slow pace of implementation **1** ← → **5** Faster implementation



*Quick deployment across existing messaging channels reduces complexity but requires coordinated sales enablement.*

## AI Value Compass #2 People

The People vector pertains to the human dimension of AI initiatives, encompassing user experience, stakeholder alignment, and organizational readiness for change. Viability in this dimension is critical because AI systems ultimately succeed or fail based on human adoption. If users resist an AI solution or find it non-intuitive, or if stakeholders' understanding of the objectives is misaligned, the solution would be utilized to a small extent and is likely to be eventually abandoned. Thus, in such a scenario, even the most technically robust solution would deliver little value.

### Case Study

*In a global biotechnology enterprise, legacy identity and access management (IAM) systems had become a major friction point. Lengthy onboarding cycles and complex access reviews overwhelmed governance teams and frustrated employees. Persistent Systems co-created an AI-powered IAM Role Mining Co-pilot that combined AI-driven role discovery with human-in-the-loop validation, ensuring trust, transparency, and usability.*

*The impact of the solution was significant*

**75%**

*faster onboarding for employees and contractors*

**60%**

*reduction in number of access requests, leading to a reduction in administrative load*

**30%–70%**

*fewer certification items, leading to a simplification of compliance processes*

*Beyond gains in efficiency, the initiative improved user experience, increased confidence in access decisions, and reduced resistance to change. The example underscores that people readiness is as essential to AI success as technical capability.*

## Parameters

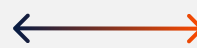
Assesses clarity of stakeholder mapping and user groups

**A**

Are the **key stakeholders** and users impacted by the initiative clearly identified?

Not fully known or identified yet

1



5

Clearly identified & understood



*In the context of IAM, governance teams, the IT department, and all the employees experience meaningful role and access improvements.*

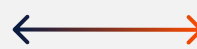
Measures enhancements in usability, speed, or friction reduction

**B**

How does the initiative impact **user experience** in terms of desirability, usability, and trust?

Negative or no impact

1



5

Significantly enhance user experience



*Evaluates adoption barriers, desirability and trust.*

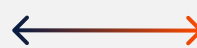
Considers delivery pace and organizational adjustment requirements

**C**

What is the level of **change resistance** for the initiative in terms of adoption?

Expected high resistance by users

1



5

Expected high acceptance users



*The shift to AI-driven role discovery reduces friction by eliminating tedious certification tasks.*

## AI Value Compass #3 Operations

The Operations vector refers to the functioning of an AI initiative within the day-to-day mechanics of the enterprise. It focuses on how effectively the AI solution integrates into existing workflows or enables entirely new operational capabilities. Operations include Large Language Model Operations (LLMOps) or Machine Learning Operations (MLOps), monitoring, incident response, and retraining cadence. High viability in this dimension signals that the initiative has moved beyond a conceptual promise to a reliable, value-generating component of business operations.



### Case Study

*Revisiting the example from the automotive sector, the integration of GenAI within a messaging platform delivered tangible operational improvements across the sales funnel:*

#### Unified Experience

*Shifting of the customer journey for information discovery and vehicle shortlisting from fragmented touchpoints such as websites, PDF files, and emails to a single, conversational interface*

#### Efficiency Gains

*Relieving sales teams from handling repetitive, low-value queries, and that led to significant hourly improvements in productivity and efficiency.*

#### Actionable Insights

*Real-time capture of conversational interaction data and customer drop-off points, leading to new operational visibility and actionable insights into funnel performance*

*By embedding AI directly into operational workflows, conversational AI enabled personalized, contextual information delivery at scale. Such a level of operational responsiveness and insight is difficult to achieve through static web pages or traditional digital channels*

## Parameters

Evaluates the replacement of manual work by deep automation

**A**

Does the initiative **automate current processes**?

No change in current processes

**1**



**5**

Significant change in current processes



*The example from the automotive industry reveals the shift from multi-step website and brochure navigation to a single conversational workflow.*

Captures measurable gains in speed and operational throughput

**B**

Does the initiative improve the **productivity and/or efficiency of current operations**?

Negative or no impact

**1**



**5**

Significant positive impact



*Routine customer inquiries are resolved instantly by the assistant, freeing sales teams to handle higher-value interactions.*

Assesses the emergence of novel operational capabilities

**C**

Does the initiative create **new value beyond existing operations**?

No value beyond existing operations

**1**



**5**

Creation of new value stream



*The conversational interface unlocks funnel-level insights and behavioral signals that were not revealed by traditional PDF files or static pages.*

## AI Value Compass #4 Data

The Data Preparedness vector pertains to the foundational prerequisites that enable an AI initiative to function reliably at scale, such as knowledge freshness, grounding, hallucination risk, and lineage. Data is the fuel that powers AI systems; gaps in data quality, availability, security, or infrastructure scalability represent a fundamental technical risk. High viability in this dimension confirms that the organization's data assets and platforms are capable of consistently supporting the AI initiative over time.



### Case Study

*In the domain of private equity, a firm had to assess a massive legacy codebase, spanning hundreds of gigabytes and millions of lines of code, as part of a technology due diligence process. Persistent's SASVA™ platform securely processed the data within the client's environment, enabling deep analysis without compromising data confidentiality. The initiative delivered clear, measurable outcomes:*

#### **Only 14 days**

*required for a comprehensive technical assessment*

#### **50% - 70%**

*identified potential reduction in future R&D effort*

#### **Validation**

*of scalable infrastructure and repeatable data processing capabilities*


*The example highlights that data readiness across volume, quality, security, and infrastructure is foundational to AI success, enabling rapid, reliable, and secure insights at enterprise scale.*

## Parameters

Examines depth, accuracy, and reliability of datasets

**A**

Are sufficient volumes of **high-quality, accurately labeled data** required for the AI system available?

Insufficient high quality data **1**  **5** Abundant high quality data



*In the case of the private equity firm, the large legacy codebase provides a rich, traceable corpus for vulnerability and modernization analysis.*

Evaluates compute, storage, and integration maturity

**B**

Is the **current IT infrastructure adequate** and scalable for handling the system's requirements?

Infrastructure not adequate or scalable **1**  **5** Fully adequate & scalable infrastructure



*The ability to internally process hundreds of gigabytes demonstrates strong infrastructure but hints at future scaling needs.*

Considers frequency and automation of data pipelines

**C**

Is the data **being updated at an appropriate rate** to provide current and relevant information?

Non existence or unsustainable data pipeline **1**  **5** Robust and fully automated data pipeline



*Continuous changes in code require an organic feedback loop for sustainable analytical accuracy.*

The Risk and Governance vector represents the compliance, ethics, and trust layer of the framework. It reflects an organization's ability to responsibly deploy, monitor, and scale AI initiatives within regulatory, ethical, and organizational boundaries. Viability in this dimension is non-negotiable for enterprise-scale adoption. Failure in this dimension could result in severe regulatory penalties, legal exposure, and long-term reputational damage. Risk and Governance layer is aligned with the with the NIST AI Risk Management Framework and ISO 42001 for robustness (National Institute of Standards and Technology, 2023).



## Case Study

*In the case of the biotechnology enterprise discussed earlier, the introduction of AI-driven role mining introduced new governance and control considerations. The risks were addressed through human-in-the-loop validation and agentic assurance mechanisms, ensuring that automation was balanced with oversight and accountability. The outcomes of the initiative were tangible:*

### **Stronger compliance**

*A strengthened compliance posture through automated access certifications*

### **Audit Readiness**

*Improved audit readiness enabled by real-time visibility and updates*

### **Reduced Risk**

*Enforced segregation of duties, reducing insider risk and control gaps*

*The example illustrates that effective risk and governance practices achieve more than only mitigation of downside risk. They build trust, enable scale, and serve as critical enablers of sustainable and responsible AI adoption.*

## Parameters

Explores interpretability and clarity of decision logic

### A

Can the **model's key decisions be explained** to customers or regulators?

Completely Opaque **1** ← → **5** Full Transparency



*In the case of the biotechnology enterprise, confidence-backed role recommendations increase the transparency of audits and entitlement reviews.*

Evaluates maturity of oversight and ethical controls

### B

Has a **governance framework been designated for review, approval, and oversight** of the ethical and operational performance of the AI system?

No formal oversight established **1** ← → **5** Clear, Empowered governance body in place



*AI-driven role mining demands structured reviews to ensure regulatory alignment and supervisory accountability.*

Assesses strength of compliance pathways and checks

### C

Has a process been established for ensuring **compliance of the AI initiative with all relevant data privacy** and sector-specific regulations?

Compliance Risks Unassessed **1** ← → **5** Robust, Documented compliance processes



*Automated role validation reduces exposure to access-related risks in a heavily regulated biotech environment.*

# From Framework to Field Illustration

Business • People • Operations • Data • Risk & Governance

To demonstrate the use of the AI Value Compass, we apply it to a compliance automation initiative delivered by Persistent for a global medical technology (medtech) provider. The case study demonstrates that strong alignment across the five vectors reduces delivery risk, accelerates adoption, and translates into measurable enterprise value.

### The challenge

A global medtech provider struggled with outdated, manual documentation practices for organ transport systems. Each maintenance cycle generated up to 15 handwritten pages that were then scanned and emailed for manual data entry. The processing time for each record was 1.5–2 hours, leading to bottlenecks across back-office operations. Poor scan quality and mixed-format documents limited the effectiveness of optical character recognition (OCR) systems, exposing the organization to compliance risks and delayed audits.

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### The solution and impact

Persistent deployed DocIntel™, an AI-powered document intelligence solution, to automate extraction, validation, and integration of handwritten records. The solution led to a reduction of more than 90% in the processing time per record, a 5-fold increase in daily throughput, and an increase in accuracy of more than 95% for handwritten and scanned documents. Real-time updates improved device readiness and audit traceability.



# From Framework to Field Illustration

Vector	Parameter	Score	Rationale
1. Business	A. How does the initiative generate <b>business value</b> ?	5 (Value clear and significant)	The initiative addresses a critical bottleneck by reducing the manual processing time of 1.5–2 hours, yielding significant cost savings and efficiency gains. It mitigates compliance risks and ensures audit traceability in a highly regulated sector.
	B. Have the <b>ROI and TCO</b> for this AI system been clearly defined?	3 (Metrics defined, detailed and validated)	The ROI metrics are implicitly defined through the target impact: reduction in processing time and cost. Quantifiable baselines (1.5–2 hours per record) exist for clear calculation of ROI after implementation; however, the ROI/TCO figures are not explicitly stated in the problem scope.
	C. What is the expected <b>time required for implementing</b> the initiative and managing any changes?	3 (Long rollout time)	Custom AI training is required for handling poor scan quality and diverse handwritten formats. Integration with existing back-office systems and mandatory thorough testing for medical compliance prolong the implementation timeline.
2. People	A. Are the <b>key stakeholders</b> and users impacted by the initiative clearly defined?	4 (Clearly defined and understood)	Key stakeholders—Back-office Operations, Compliance/Audit Teams, and IT—are directly impacted. The roles responsible for manual processing and compliance oversight are clearly implied by the problem.
	B. How does the initiative impact <b>user experience</b> ?	5 (Significantly enhances user experience)	The solution eliminates the tedious, error-prone, and stressful manual process of data entry that requires 1.5–2 hours of effort for back-office personnel. Thus, they can focus on higher-value tasks such as analysis and audit preparation.
	C. What is the level of <b>change resistance</b> for the initiative?	4 (Expected high acceptance by users)	The solution automates a strenuous and inefficient process. Users who currently perform manual data entry are expected to welcome the change, leading to low resistance in adoption.

3. Operations	A. Does the initiative <b>automate current processes</b> ?	5 (Significant change in current processes)	The workflow of data extraction, validation, and integration moves from a human-driven, batch-processing system to a near real-time, AI-driven, automated stream.
	B. Does the initiative improve the <b>productivity and/or efficiency of current operations</b> ?	5 (Significant positive impact)	The massive reduction in processing time (from hours to minutes) and the increase in daily throughput represent direct and measurable efficiency improvements.
	C. Does the initiative create some <b>new value beyond existing operations</b> ?	4 (Creation of new value stream)	The most significant new value is the creation of a reliable, real-time data asset for device readiness and audit traceability, which was previously unavailable. The data assets also enable future predictive maintenance analytics.
4. Data	A. Are sufficient volumes of <b>high-quality, accurately labeled data</b> required for the AI system available?	4 (Abundant high-quality data)	The high volume of historical maintenance records (15 pages per cycle) provides a robust initial training set. The specialized DocIntel™ model's ability to handle "poor scan quality" leverages this data effectively.
	B. Is the <b>current IT infrastructure adequate</b> and scalable to handle the system's requirements?	3 (Infrastructure needs upgrades)	The previous system relied on email and manual entry, indicating the need for substantial infrastructure upgrades (e.g., cloud computing, integration APIs) to support real-time processing and data validation at scale.
	C. Is the <b>data being updated at an appropriate rate</b> to provide current and relevant information?	4 (Robust and fully automated data pipeline)	The new AI-powered process of extraction, validation, and integration inherently creates a continuous, clean data pipeline. The system's output (validated records) forms an ideal feedback loop for model monitoring and retraining.
5. Risk & Governance	A. Can the <b>model's key decisions be explained</b> to customers or regulators?	3 (Partial transparency)	As a document intelligence solution, explainability is likely to be achieved by showing the extracted fields and confidence scores. However, explainability of the model's features is not explicitly elaborated.
	B. Has a <b>governance framework been designated for review, approval, and oversight</b> of the ethical and operational performance of this AI system?	1 (No formal oversight established)	The case study does not mention the existence of a formal AI governance structure or committee to oversee the ethical and operational performance of the system, which is a major gap for a regulated industry.
	C. Has a process been established for ensuring <b>compliance of the AI initiative with all relevant data privacy</b> and sector-specific regulations?	2 (Compliance risks unassessed)	While the intent of the solution is to improve compliance, the framework requires a defined process or mechanism to ensure that the AI initiative itself complies with ongoing sector-specific regulations, which is not described.

After the initiative is scored on each of the five vectors, an analysis of the scores provides a clear, evidence-based view of overall viability and the specific strengths and gaps that will shape success at scale.

### Score map of 5 vectors for the Medtech case study

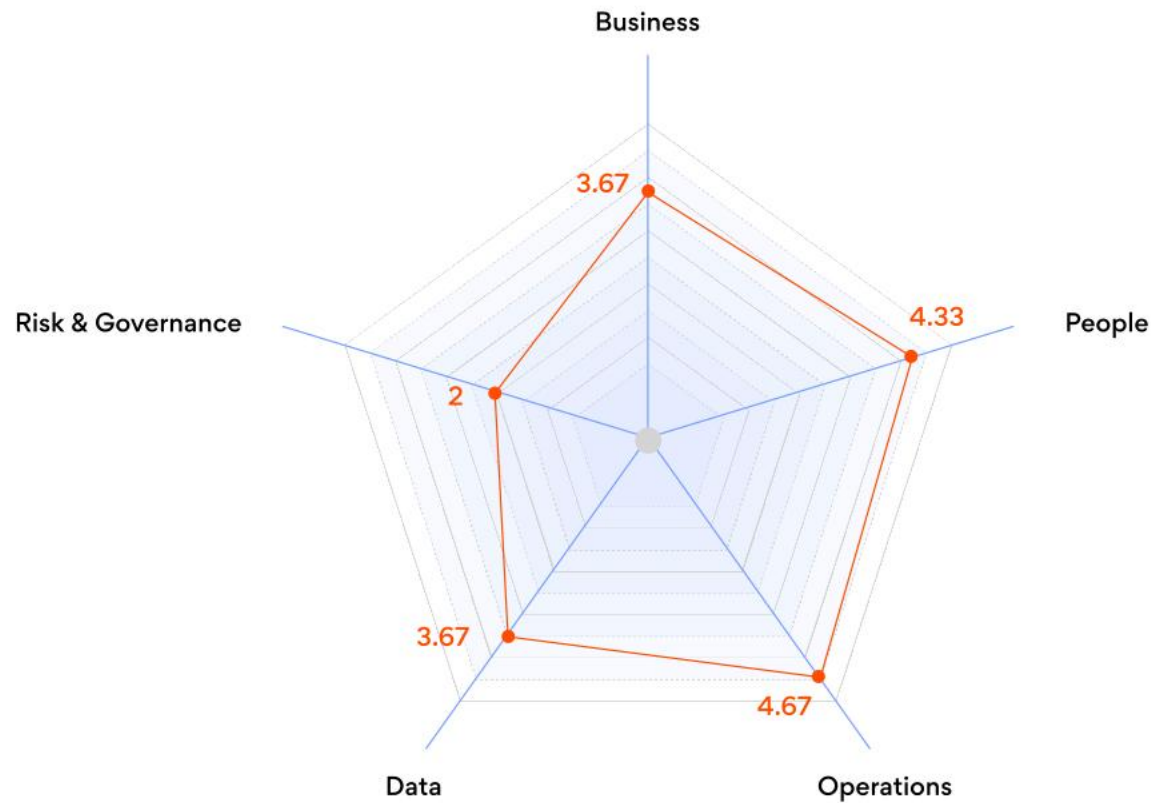


Figure 5: Score Map Of 5 Vectors For The Medtech Case Study

However, these scores alone do not determine the next action. In the final step, informed human judgment is applied to interpret the results in the context of enterprise priorities, constraints, and sequencing.

# The Execution Prioritization Matrix

## Turning Scores into Decisions through Human Judgment

Alignment of AI initiatives with both enterprise strategy and day-to-day operations determines whether the initiatives scale into lasting impact or stall as isolated experimentation. To achieve explicit alignment, a human-in-the-loop review synthesizes the vector-level findings and places each initiative in a 2x2 prioritization matrix. This step transforms the assessment into an execution-ready decision, signaling whether an initiative should be fast-tracked, strengthened, sequenced for later, or paused, and clarifying the path from evaluation to rollout.

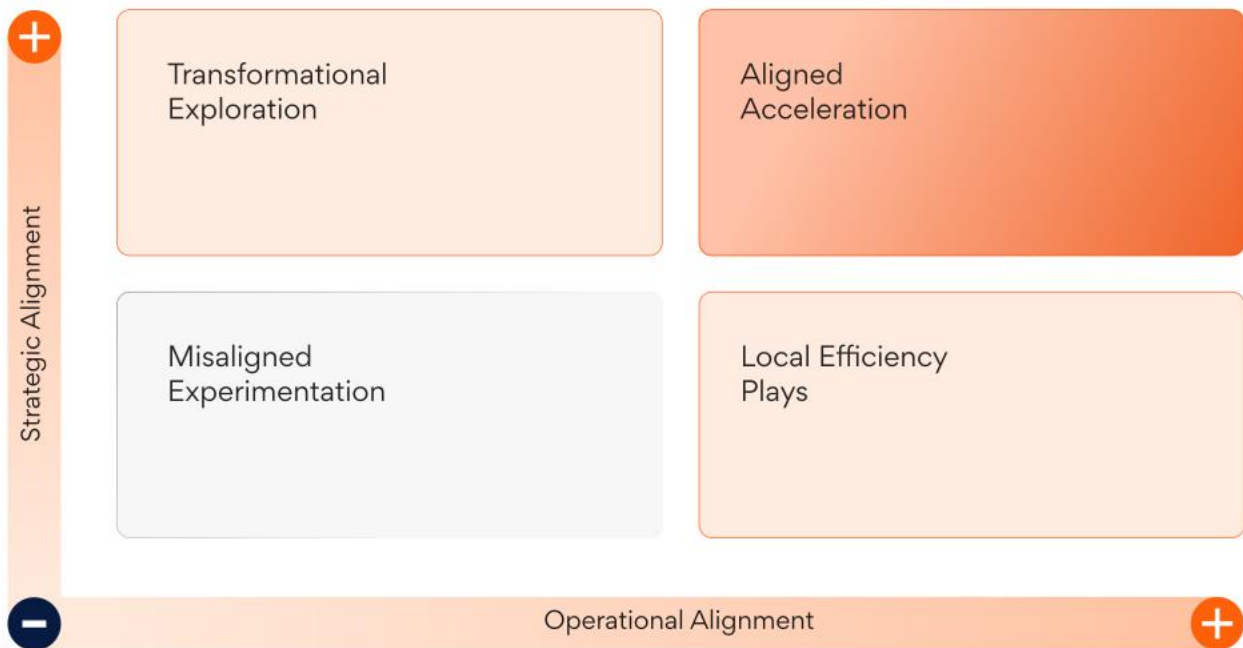


Figure 6: Execution Prioritization Matrix

The vertical axis represents Strategic Alignment, indicating the extent to which an initiative advances long-term goals and competitive differentiation. The horizontal axis represents Operational Alignment, indicating the extent to which the initiative fits into, improves, and can be executed within day-to-day processes.

**Strategic** = Business + People weights

**Operational** = Operations + Data + Risk and Governance weights

Together, the two axes create four decision zones:

### **Transformational Exploration (High Strategic Alignment, Low Operational Alignment)**

Initiatives in this zone are aligned with long-term goals but disruptive to current operations. They require experimentation, capability-building, and disciplined change management. Investment should focus on pilots, sandboxes, and cross-functional teams.

### **Aligned Acceleration (High Strategic Alignment, High Operational Alignment)**

Initiatives in this zone are aligned with both strategy and operations. The priority should be to scale proven solutions across the enterprise, while reinforcing enablers such as data governance, skills, and continuous improvement.

### **Misaligned Experimentation (Low Strategic Alignment, Low Operational Alignment)**

Initiatives in this zone are aligned with neither strategic priorities nor operational realities, often leading to wasted effort and “AI theater.” The appropriate response is to pause and reassess strategic fit and operational feasibility.

### **Local Efficiency Plays (Low Strategic Alignment, High Operational Alignment)**

Initiatives in this zone improve current processes but do not materially advance strategic goals. They can deliver automation and cost benefits but typically need reframing to unlock broader strategic value.

To illustrate the use of the quadrant model, we map two previously discussed initiatives; the case study from medtech that uses DocIntel and the case study from the automotive industry that uses a GenAI sales assistant, to the most suitable regions in the matrix.

- + DocIntel™ in medtech:** The initiative falls under Local Efficiency Plays. It improves an existing workflow through faster processing, higher throughput, and stronger audit readiness, without any significant changes to either the business model or strategic positioning.
  
- + GenAI sales assistant in the automotive industry:** The initiative falls under Local Efficiency Plays. It streamlines inquiries, accelerates shortlisting, and lowers cost per interaction within the current digital sales model, without reshaping strategic direction.

# Analyzing the Mapping of the Case Study of DocIntel in Medtech

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Based on the scoring of the examined initiative, it demonstrates strong performance in Operations, People, and Data Preparedness, and moderate performance in Business and in Risk and Governance. The initiative delivers clear operational benefits. It meaningfully improves existing workflows, accelerates execution, reduces effort, and increases throughput. However, it does not fundamentally reshape the organization's market position or introduce a new business model.

These characteristics position the initiative in the Local Efficiency Plays quadrant. It generates tangible improvements within current operations but is not inherently anchored to strategic outcomes.

Initiatives in this quadrant are often the “quick win” candidates in an AI portfolio. They reduce manual work, free internal capacity, and improve accuracy, building organizational confidence in AI. However, the value narrative typically remains tactical unless the initiative has intentionally evolved into a broader, strategically aligned capability.

## Implications of Placement in “Local Efficiency Plays”

An initiative located in the Local Efficiency Plays quadrant provides leaders with a clear set of expectations and success criteria for the initiative. Unlike strategically transformative AI initiatives that demand bold vision, fundamental process redesign, or new business constructs, Local Efficiency Plays should be assessed primarily on near-term, measurable operational gains. Typical outcomes are cycle-time reduction, resource optimization, error minimization, and throughput improvement.

The scoring reinforces this focus. When Operations emerges as the strongest vector, performance metrics should center on operational uplift. Measurement windows should be shorter, benefits should become visible at an early stage, and adoption should be smooth and frictionless. By linking framework scores with quadrant placement, organizations evaluate an initiative against what it is designed to deliver, rather than holding it to an artificially elevated strategic standard.

## How to Advance an Initiative in “Local Efficiency Plays”

While Local Efficiency Plays often begin as targeted workflow enhancements, they do not have to remain purely tactical. With deliberate design choices, they can evolve into initiatives that have a stronger strategic lift.

Key design choices that can help in such evolution are as follows:

- Extend the scope of impact:** Efficiency gains often generate new data assets and operational insights. The assets and insights can be leveraged to enable predictive models, improve upstream decision-making, or enhance downstream customer interactions.
- Link operational gains to strategic key performance indicators (KPIs):** Improved customer satisfaction, higher conversion, reduced churn, or faster time-to-revenue could be the strategic KPIs, influenced with faster processing cycles or accelerated onboarding.
- Design modular enhancements:** Layering capabilities such as personalization, automated root-cause analysis, or embedded recommendations can shift the initiative from process automation towards differentiated value creation.
- Use as “safe-to-scale” foundations:** Given their lower risk and higher certainty, these initiatives are ideal as bases for strengthening governance, maturing AI operations, and building organizational readiness for more ambitious AI programs.

# Hypothetical Repositioning of the Case Study of the GenAI Sales Assistant in the Automotive Industry

(From Local Efficiency Plays to Transformational Exploration)

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A shift in ambition, scope, and intent can fundamentally alter the location of an initiative on the prioritization matrix. When the role of an initiative expands from achieving task level efficiency to reshaping the entire commercial model, although the underlying technology appears to be similar, the initiative moves from being a local efficiency play to being a transformational strategic bet. The repositioning reflects a change: from being a faster query handling layer, GenAI becomes the intelligence fabric through which the brand designs, sells, and operates its core customer experience.

## Strategic Reinterpretation of the Initiative

In the reimagined scenario, the conversational AI evolves into the central orchestration engine for the company's digital and physical sales ecosystem. It does not merely answer questions but rewires the manner in which customers discover vehicles, evaluate choices, secure financing, and engage with showrooms. The GenAI assistant becomes the primary interface through which buyers form product understanding, get personalized recommendations, make purchase decisions, and experience brand value.

As a consequence of the shift, the entire sales experience is redesigned around AI as the first touchpoint and continuous companion. Customers begin to interact with the AI system not only online but also inside showrooms, where demonstrations, comparisons, feature walk throughs, and financing simulations are all driven by AI powered, personalized guidance. The dealership experience becomes hybrid, with AI shaping conversations, uncovering insights, and orchestrating next actions for both the buyer and the sales adviser.

The initiative, therefore, no longer improves an existing process; it redefines the sales approach, reshapes funnel ownership, and establishes a GenAI centric transformation across digital, physical, and operational layers.

## In the redesigned vision, the initiative possesses several capabilities:

- + AI guided, personalized vehicle discovery with real time preference modeling
- + Dynamic structuring of equated monthly instalment (EMI) and pre approved financing flows built directly into the conversation
- + AI guided negotiation within brand approved guardrails, shifting sales conversation design
- + End to end orchestration across dealerships through test drives, inventory sync, fulfillment
- + Deep funnel analytics and behavior modeling that inform assortment planning, channel mix, and product decisions
- + AI enabled showroom experience, where customers interact with GenAI to learn about vehicles, compare trims, and preview personalized configurations

The expanded scope reflects a fundamental redesign of both the customer journey and internal business operations, positioning GenAI as the backbone of the enterprise sales model, not an add on tool.

## Revised Scoring

Vector	Parameter	Score	Rationale
1. Business	A. Business value	5	New revenue pathways and differentiated buying experience
	B. Definition of ROI/TCO	4	Multi year strategic modeling
	C. Time required for implementation and change management	5	Shorter timespan for implementing initiative in digital sales and funnel ownership
2. People	A. Definition of key stakeholders	4	Broader stakeholder landscape (pricing, finance, marketing, retail)
	B. Impact on user experience	5	Full journey transformation for buyers
	C. Change resistance	3	Significant behavioral and workflow shifts required
3. Operations	A. Automation of current processes	3	Major redesign; existing workflows disrupted, not only improved
	B. Improvement in productivity/efficiency	3	Slow early phases due to experimentation and cross functional integration
	C. Creation of new value beyond operations	3	Entirely new sale pathways and revenue models unlocked
4. Data	A. Volume of high-quality, accurately labeled data	4	Larger, richer datasets required
	B. Adequacy and scalability of current IT infrastructure	4	Scalable architecture needed
	C. Rate of data update	4	Continuous data feedback loops required
5. Risk and Governance	A. Explainability of model's key decisions	3	Transparent reasoning required for pricing, eligibility, and negotiation; moderate gaps in explainability remain
	B. Designated governance framework	4	Clear ownership for model oversight and risk controls
	C. Process for compliance with data regulations	4	Use of governed data pipelines with strong guardrails; minor enhancements needed for regulatory assurance

We can see a clear shift in the score mapping with the reimagined scope.

## Revised score map of 5 vectors for the GenAI sales case study

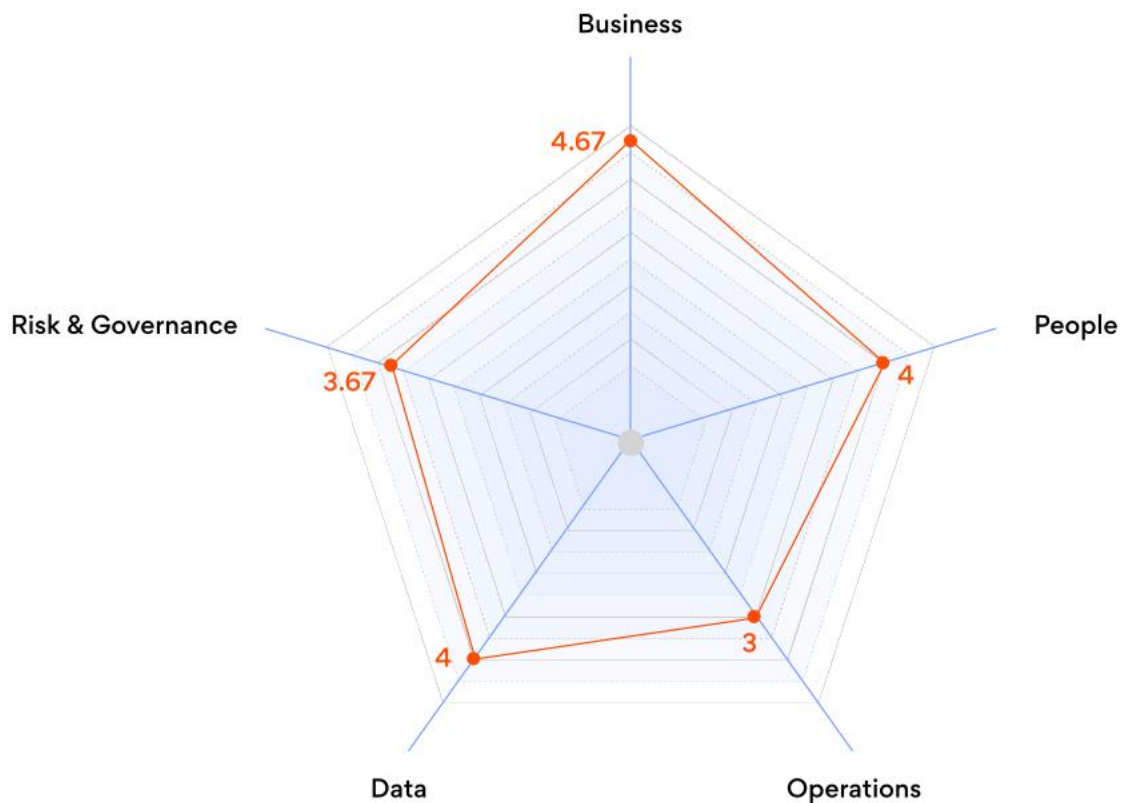


Figure 7: Revised Score Map Of 5 Vectors For The GenAI Sales Case Study

In summary, expanding the initiative from a conversational assistant to an end-to-end digital sales orchestrator significantly elevates its strategic value, while also increasing operational complexity through workflow redesign, cross-functional dependencies, systems integration, and stronger governance needs. The combination places the initiative in the Transformational Exploration quadrant, where initiatives advance long-term vision but require iterative experimentation to overcome operational disruption. The contrast with its original placement in Local Efficiency Plays reinforces a core insight. Quadrant positioning is driven primarily by ambition, intent, and scope, not the underlying technology alone.

### Implications of Placement in “Transformational Exploration”

Initiatives that are located in Transformational Exploration represent high-potential bets that are aligned to long-term enterprise strategy but not yet operationally “ready to scale.” They often challenge existing processes, roles, controls, and technology boundaries; thus, early success depends less on immediate efficiency gains and more on disciplined experimentation, learning velocity, and change management.

For leaders, the expectation in this quadrant is clear. These initiatives should be treated as structured exploration programs, not standard delivery projects. Investments should be made in pilots and sandboxes, cross-functional teams should be built, and the enabling foundations—such as data governance, operating model design, and capability-building—should be strengthened. Success is measured based on validated outcomes, de-risked assumptions, and a clear pathway to operationalization, not only short-term ROI.

## How to Advance an Initiative in “Transformational Exploration”

In Transformational Exploration, the goal is not to achieve quick operational uplift but to learn, de-risk, and shape a future state model. Progress requires structured discovery, not linear delivery, and is measured based on learning, clarity, and readiness, not immediate productivity gains.

Key pathways for advancing such initiatives are as follows:

- + **Extend anchor to a strategic North Star:** The long term business or experience transformation that the initiative aims to unlock can be defined, along with boundaries for risk, compliance, and ethics. Early hypotheses guide exploration and keep discovery aligned to enterprise strategy.
- + **Form a cross functional exploration pod:** A small, empowered pod combining strategy, operations, technology, design, and risk can be built. This team can co create assumptions, test feasibility early, and ensure that exploration reflects real business constraints and regulatory expectations.
- + **Front load governance and risk controls:** Explainability criteria, oversight mechanisms, data lineage, and compliance pathways can be embedded from the outset. Proactive governance eliminates scale stage blockers and ensures that the initiative evolves within responsible, auditable boundaries.
- + **Implement hypothesis driven pilots:** Sandboxes can be used to rapidly test new journeys, decision flows, data dependencies, and guardrails. These pilots help validate assumptions, uncover hidden constraints, and illuminate changes required in surrounding processes before scaling.
- + **Measuring Parameters:** Unlike Local Efficiency Plays, which measure cycle time reduction, throughput, and error elimination, Transformational Exploration measures strategic lift and future readiness. Key indicators of Transformation Exploration are validated assumptions, adoption willingness, process re architecting needs, integration feasibility, and early evidence of differentiated customer or business outcomes.

# Avoiding the Pitfall of Misaligned Experimentation

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An AI initiative falls under Misaligned Experimentation when AI is pursued for its novelty rather than its relevance. Such a situation typically arises when the initiative lacks both strategic sponsorship and operational anchoring. Teams experiment with an idea, without clarity on why the use case matters or how it will be embedded into business processes. As enthusiasm outruns planning, the project becomes an isolated pilot with no pathway to adoption.

## Typical signals of Misaligned Experimentation are as follows:

- + Creation of an AI prototype without a clear business owner.
- + Limited or no involvement from operational teams who will eventually use it.
- + KPIs that are vague, vanity driven, or disconnected from organizational priorities.
- + Early demos that look exciting, but workflows, regulations, or data realities that prevent scaling.

## Some preliminary steps to prevent “AI Theater” are as follows:

- + **Anchoring the initiative to a named business owner and a measurable outcome:** The decision, workflow, and KPI that it will improve should be defined. The initiative should be tied to a strategic priority and commitment to success criteria should be made up front.
- + **Co-designing the prototype with operations teams from the start:** The teams that will run the process in production should be involved from the beginning. Workflow fit, change impact, and adoption requirements should be validated early, not after the demo.
- + **Building the prototype with a clear path to production:** Data readiness, risk and governance guardrails, and an integration plan should be established. Stage gates should be used so that only initiatives that can scale receive continued investment.

## Explicit evidence-based signals can be used to decide on a pause or termination of the initiative. Some such signals are as follows:

- + No meaningful movement on the defined business KPI within the agreed validation window.
- + Strategic misalignment, evident from lack of connection between the initiative and a material business priority.
- + Persistent operational misfit demonstrated through workflow friction, low adoption, or unresolved change management barriers.
- + Unresolved data readiness gaps (quality, availability, update frequency, or lineage).
- + Failure of governance or compliance thresholds (e.g., failure to meet explainability, auditability, or regulatory safeguards).
- + Repeated failure of integration across upstream/downstream systems, blocking production readiness.
- + Cost, effort, or infrastructure requirements growing faster than validated value or ROI.

# Achieving the North Star with Aligned Acceleration

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An AI initiative enters Aligned Acceleration when it clearly supports an organization's strategic objectives and naturally fits into the prevailing flow of work. The problem being solved is already recognized as critical, the underlying processes are mature, and the teams involved are aligned with regard to the intended outcomes. As the operational foundation is strong, AI strengthens and scales existing functioning, boosting feasibility and reducing the friction of enterprise-wide adoption.

## Typical signals of Aligned Acceleration are as follows:

- + The initiative directly advances a known strategic priority (e.g., access, efficiency, safety)
- + Processes are stable enough that AI augments them without requiring disruptive redesign
- + Stakeholders across business, IT, and compliance are aligned on goals and metrics
- + Early pilots demonstrate consistent value across multiple teams, sites, or regions

## A few pointers to ensure an AI initiative continues within Aligned Acceleration are as follows:

- + **Standardizing the operating model for scale:** Ownership, decision rights, support processes, and rollout playbooks should be defined, so that expansion is repeatable, not bespoke.
- + **Strengthening governance and production readiness at an early stage:** Controls for risk, security, monitoring, and model performance should be embedded, so that scaling does not create compliance or reliability debt.
- + **Proving portability before rapid rollout:** Value and adoption should be validated across varied teams, data contexts, and workflows; then, expansion should be undertaken in waves, with clearly defined success metrics.

In Aligned Acceleration, AI becomes a force multiplier, improving speed, accuracy, and capacity, thereby positioning the initiative for rapid scale up and broader enterprise integration.

# Conclusion

From a consolidation of all the elements in this report, it is evident that success of an AI initiative is not the result of isolated technology choices but of a disciplined, structured approach to assessing value, readiness, and alignment. Many existing evaluation frameworks focus primarily on technological feasibility or business desirability but overlook critical components such as risk and governance, data preparedness and people adoption, factors that frequently determine whether an initiative can scale responsibly and deliver sustained impact. By grounding every use case in measurable parameters, scoring it across five enterprise-critical dimensions, and interpreting the scores through the Strategic–Operational Alignment Matrix, organizations can adopt a unified, evidence-based method to assess an AI initiative and determine its path of evolution.

## The integrated approach enables the following:

- + **Clarity of intent:** Distinguishing between efficiency driven initiatives and strategically transformative ones
- + **Consistent evaluation:** Using the five components (Business, People, Operations, Data Preparedness, Risk and Governance) as a shared lens across teams
- + **Actionable score interpretation:** Placing use cases in the appropriate quadrant to set expectations and define realistic success metrics
- + **Strategic adaptability:** Demonstrating that a use case can move from one quadrant to another (Local Efficiency → Transformational Exploration) when the ambition or design changes
- + **Governance and scaling confidence:** Giving leaders the ability to prioritize, invest, and expand AI initiatives with lower risk and higher certainty

The holistic model ensures that organizations do not merely deploy AI but deploy AI with purpose, backed by the right metrics, aligned incentives, cross functional readiness, and a clear understanding of strategic impact. The framework incorporates foundational capabilities such as data preparedness, organizational readiness and, governance and ethics into the evaluation process. This helps organizations avoid a common “failure trap” in AI adoption, where enterprises accumulate pilots and proofs of concept but struggle to translate them into enterprise-scale impact. Instead, the model provides a repeatable, enterprise-wide approach that enables organizations to move beyond experimentation and convert promising initiatives into sustained business value.

## What Leaders Should Do Today

Today, leaders should move from reflection to focused action: pick one high potential AI initiative and run it through the full five vector assessment to obtain its true viability. For the chosen initiative, they should establish a named business owner, define the single KPI that must be improved, and convene a short cross functional review (business, operations, data, risk) to uncover hidden blockers early. Next, they should validate data preparedness, confirm whether the initiative lands in Aligned Acceleration or Transformational Exploration, and apply explicit stop criteria to prevent misaligned experimentation. Finally, they should set up a stage gate path to production, a lightweight, evidence based mechanism ensuring only initiatives with strategic and operational alignment continue to receive investment. This short period of disciplined preparation creates the momentum, clarity, and governance foundation necessary for AI to scale with purpose rather than stall in pilots.

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# Authors



## Ankur Sinha

Ankur Sinha is a Professor at IIM Ahmedabad in the Operations and Decision Sciences area. His research focuses on Business Technology, Optimization, and Artificial Intelligence, with work published in leading journals. He also mentors startups and consults for private and government organizations.



## Chaitanya Agarwal

Chaitanya Agarwal holds a Bachelor's and Master's degree in Industrial Engineering from IIT Kharagpur. He is currently a Research Associate at IIM Ahmedabad. His work focuses on solving complex problems at the intersection of GenAI and Finance.



## Neaketa Chawla

Neaketa Chawla is the Centre-Coordinator for the Brij Disa Centre for Data Science and Artificial Intelligence at IIM Ahmedabad. She holds a PhD. in Economics from Indian Institute of Technology, Delhi. Her research lies at the intersection of Data Science and EdTech, leveraging experimental methods to evaluate the impact of digital technologies in education.



## Sumit Arora

SVP & Global Head of AI Consulting

Sumit is a financial services transformation leader at the intersection of payments innovation and AI-led transformation. As Global Head of AI Consulting at Persistent Systems, he helps organizations apply AI to modernize payment ecosystems, strengthen trust, and create business value.



## Pritish Mishra

Delivery Partner, AI Consulting

Pritish has spent over two decades at the forefront of banking transformation, from digital modernization to today's AI-led enterprise reinvention. He currently leads AI advisory initiatives at Persistent Systems, helping organizations shape AI strategy, scale adoption, and unlock measurable business value.



## Ankit Jain

Principal Consultant, AI Consulting

Ankit works at the forefront of enterprise AI transformation, helping clients harness GenAI and agentic AI for real-world business outcomes. He is part of Persistent Systems' AI consulting team and is an alumnus of IIM Ahmedabad. Prior to venturing into the world of AI & business management, he has served the country as a Lieutenant Commander in Indian Navy.



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