LUMO INSIGHTS

Friday, 19 June 2026

# AI’s ROI reckoning: surging spending, scarce returns

## Executive Summary

A flurry of new research and executive comments in the past 48 hours reveals a widening chasm between skyrocketing enterprise AI spending and the business value companies are actually capturing. While organisations feel pressure to double down on AI, most are struggling to see the returns - and investors and boards are running out of patience. A few leading firms, however, are demonstrating how refocusing on fundamentals can turn the tide and deliver real results.

## The ROI gap: spending vs. returns

Recent data highlights how corporate AI investment is reaching unprecedented levels even as returns remain elusive. Analysts project that global AI spend will hit $2.59 /trillion in 2026 - a 47% year-over-year increase - making it one of the fastest-growing tech expenditures in history. Yet in many organisations, executives admit they still can’t pinpoint tangible financial benefits from these costly AI initiatives, underscoring a troubling mismatch between enthusiasm and impact.

Bain & Company’s latest global survey crystallizes this shortfall. It found nearly 40% of firms that tracked their AI outcomes saw cost savings under 10%, despite targeting 11% - 20% reductions (www.bain.com [1]). Even more counterintuitive, 90% of these underperformers plan to increase their AI budgets again in the next cycle (www.bain.com [2]). In Bain’s words, 'the technology worked. The value didn’t arrive' (www.bain.com [3]) - meaning many AI projects technically function as intended but fail to translate into visible business results.

This week, a vendor-sponsored study offered a strikingly optimistic counter-narrative. SoundHound AI announced a survey claiming 96% of organisations with 'agentic AI' deployments have met or exceeded their ROI targets (markets.businessinsider.com [4]). Such rosy figures are a major outlier - starkly at odds with independent research - and likely reflect self-selecting early adopters and marketing spin rather than the average enterprise experience. The takeaway for leaders is clear: don’t be swayed by hype without verifying the substance.

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## Board and Investor demands intensify

As evidence of meager AI ROI grows, corporate boards and investors are growing impatient for results. In a recent CEO/Investor survey, 53% of investors expected to see positive ROI from new AI projects in six months or less (www.cio.com [1]) - an aggressive timeline that most tech leaders say is unrealistic. Indeed, 84% of CEOs in that same study predicted that positive returns would take longer than six months to materialise (www.cio.com [2]). This disconnect between investor expectations and operational reality is putting senior executives under pressure to reset stakeholders' assumptions.

At the same time, boardrooms are stepping up their scrutiny of AI initiatives. A Harris Poll commissioned by Dataiku found that 98% of corporate boards have increased pressure on management to demonstrate ROI for AI investments, and 71% of CIOs fear their AI budgets will be cut or frozen if ROI targets are not met by mid-2026 (www.theregister.com [3]). With the year's halfway point imminent, this "show me the results" mandate from the top is forcing tough conversations about which projects to accelerate, overhaul, or halt.

CFOs, in particular, are beginning to assert a stronger hand in AI spending decisions. Early in the AI land rush, many large enterprises let technology leaders drive most AI projects with minimal financial oversight, justified by FOMO - the fear that slower adopters would be left behind. Now, as budgets swell, that trend is reversing. Forrester recently reported that companies are postponing 25% of their planned 2026 AI spending to 2027 due to increased cost scrutiny from finance teams. In short, AI is swiftly moving from a curiosity to a conventional investment that must earn its keep.

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## Costly missteps & underwhelming outcomes

Some of the most eye-opening AI stories in recent days have been cautionary tales of uncontrolled spending and misaligned initiatives. An Axios investigation revealed that one large enterprise incurred a stunning $500 /million cloud bill in a single month after failing to put proper limits on its generative AI usage. What started as an enthusiastic experiment ended up as an expensive lesson in governance: without cost controls and monitoring, scaling AI can quickly burn through budgets in ways that finance leaders never anticipated.

Another example underscores the unintended consequences of poorly designed AI incentives. Amazon reportedly created an internal leaderboard to encourage employees to use AI tools, only to shut it down last week upon discovering staff had written trivial bots to game the rankings (pitchbook.com [1]). The well-intentioned contest backfired - driving up AI usage metrics (and cloud costs) without real productivity gains. Such incidents highlight the importance of aligning AI initiatives with genuine business value, not vanity metrics.

Even tech-forward companies are wrestling with the ROI question. Uber - which has rolled out AI tools to 95% of its engineers, now accounting for 70% of all new code written (www.thestreet.com [2]) - found its 2026 AI budget exhausted just four months into the year due to surging use of an AI coding assistant (finance.yahoo.com [3]). Yet Uber's COO recently acknowledged that these investments are getting 'harder to justify' because the company still cannot clearly tie its widespread AI usage to concrete improvements in products or profitability. When even a digital-native firm of Uber's scale

struggles to connect AI adoption with business outcomes, it’s a clear warning that more AI does not automatically equate to more value.

Why do so many AI projects fall short? Industry experts point to a pattern of rushing into trendy technologies without fixing foundational issues. Many early AI initiatives were pursued as experimental pilots on the fringes of the business and often didn’t address core operational needs (www.cio.com [4]). Others collapsed under the weight of poor data quality or processes that couldn’t scale, meaning any local efficiency gains never translated into company-wide ROI. The lesson: without alignment to strategy, quality data, and a path to production at scale, AI pilots can quickly atrophy or deliver only intangible benefits.

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## Closing the value gap: what works

Despite the challenges, a small subset of companies is demonstrating how to realise real return on AI. PwC’s new global AI performance study found that roughly 20% of organisations are capturing 74% of all the economic benefits from AI - while the rest remain stuck in pilot mode with little to show for it (www.pwc.com [1]). These AI leaders distinguish themselves not by spending more, but by using AI to drive business reinvention and new revenue growth, rather than just incremental cost savings (www.pwc.com [2]).

Crucially, top performers treat AI as a strategic enterprise-wide initiative, not just an IT experiment. Bain’s analysis reveals that companies hitting their ROI targets tackle data, process, and governance challenges at the C-suite level (www.bain.com [3]). They treat data accessibility, model governance, and workflow redesign as board-level priorities, ensuring that AI projects address real business problems and can be scaled reliably, rather than remaining siloed pilots.

Leaders also refuse to let perfect data be the enemy of progress. As Bain’s experts put it, 'The data problem is real. Using it as a reason to wait is not' (www.bain.com [4]). Successful organisations press forward with well-chosen AI initiatives while simultaneously investing in data integration, training, and change management. By securing quick wins and reinvesting those returns, they create a flywheel of AI value generation - proving to sceptics that, with the right approach, AI’s promised ROI can move from PowerPoint slides to bottom-line impact.

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## Key Statistics

- 40% of companies that measured AI outcomes saw under 10% cost savings (vs. 11% - 20% targeted) ([www.bain.com](https://www.bain.com/insights/your-ai-budget-is-growing-your-returns-arent-heres-why/#:~:text=Why,but%20the%20operating%20reality%20is)).
- 90% of AI underperformers plan to increase their AI budgets for the next investment cycle ([www.bain.com](https://www.bain.com/insights/your-ai-budget-is-growing-your-returns-arent-heres-why/#:~:text=11,agents%20that%20will%20operate%20with)).
- 95% of enterprise generative AI projects failed to deliver measurable ROI within 6 months ([www.cio.com](https://www.cio.com/article/4114010/2026-the-year-ai-roi-gets-real.html#:~:text=Shutterstock%20AI%20initiatives%20by%20and,tolerance%20for%20poor%20returns%20is)).
- Nearly 74% of AI's total economic value is being captured by just 20% of companies (AI leaders) ([www.pwc.com](https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-performance-study.html#:~:text=they%20are%20seeing%20from%20AI,%E2%80%9CMany%20companies)).
- Only 2% of companies have their CFO responsible for AI ROI - and 76% of those firms report significant value from AI, versus dramatically lower returns among the other 98% ([viviscape.com](https://viviscape.com/news/cfo-ai-roi-accountability-enterprise-2026#:~:text=Disappoint%20June%2018%2C%202026%20Arthur,a%20structural%20problem%2C%20and%20it)).
- 98% of corporate boards have increased pressure on management to prove AI ROI, and 71% of CIOs expect budget cuts or freezes if AI initiatives don't demonstrate ROI by mid-2026 ([www.theregister.com](https://www.theregister.com/software/2026/04/07/only-28-of-ai-infrastructure-projects-fully-pay-off/5221652#:~:text=98%20percent%20said%20there%20was,Which%20of%20the%20following%20best)).

KEY TAKEAWAY

Refocus on disciplined, value-driven AI investments. Insist on clear ROI metrics and realistic timelines for each initiative. Involve CFOs in AI governance and fortify data/process foundations to turn AI experiments into tangible business results.

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