LUMO INSIGHTS

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AI investments soar, but ROI remains elusive

Executive Summary

New data and examples from the past 48 hours reveal a growing gap between companies' AI spend and their business results. While nearly every industry is racing to adopt AI, tangible ROI remains scarce for the vast majority - leading executives and boards to demand a hard-nosed focus on delivering real value from AI initiatives.

ROI lags as adoption booms

(valueaddvc.com [1])According to McKinsey’s latest global AI survey, only 37% of 1,719 business leaders report any positive impact on their company’s earnings from AI - the same share as last year - and just 6% of firms qualify as 'AI high performers' (defined as those seeing a significant boost to profits from AI).

(valueaddvc.com [2])However, this flat trend persists despite rapid growth in AI adoption. In the same study, 80% of respondents said AI has improved individual employees’ productivity, yet those efficiency gains have not translated into broader financial benefits for their organisations (valueaddvc.com [3]). McKinsey bluntly notes that executives’ confidence in AI is growing faster than the returns they can currently measure (valueaddvc.com [4]) - encapsulating the current paradox: companies are doing more with AI, but not necessarily profiting more from it.

(masterofcode.com [5])This disconnect is echoed by other top executives. PwC’s 2026 Global CEO Survey found 56% of chief executives reported no revenue growth or cost reductions from their AI investments over the past year, and only 12% achieved both - meaning a vast majority of CEOs have yet to see the broad payoffs they expected from AI (masterofcode.com [6]).

(perspectivelabs.org [7])Even the most hyped area, generative AI, has so far failed to deliver significant returns for most companies. An MIT Media Lab study of 2,400 firms found that 95% of generative AI pilot projects provided zero measurable ROI after 12 - 18 months of effort (perspectivelabs.org [8]) - this despite a median of $2.3 million spent per company per year on those initiatives. Only a tiny fraction of such pilots managed to move the needle on cost or revenue, underscoring how frequently early-stage AI experiments stall out before achieving real business value.

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CFOs and boards demand ROI

(www.cloudzero.com [1])For CFOs, these sobering numbers signal that AI can no longer be a faith-based investment. In a new survey of 260 senior finance leaders (135 of them CFOs), 87% said they must tie AI spending to concrete business outcomes within the next year, yet only 22% can currently do so (www.cloudzero.com [2]). Finance teams are now finding that every dollar spent on AI needs justification through measurable results - a stark departure from the recent 'blank cheque' era.

(www.cloudzero.com [3])That shift in mindset is being driven from the top as well. Roughly two-thirds of corporate boards now demand hard evidence of value before approving new AI investments (www.cloudzero.com [4]). In fact, 22% of boards have gone so far as to halt any additional AI spending until existing projects prove their ROI, and 43% of finance chiefs report they are already being pressed by directors for AI performance metrics they currently lack (www.cloudzero.com [5]).

(www.cloudzero.com [6])This push for accountability is forcing tough decisions. Many organisations are scaling back or cancelling AI initiatives that cannot demonstrate tangible value. Among companies unable to show ROI, 75% of finance leaders say they have already pulled back or frozen AI investments, and 35% have outright killed at least one AI project mid-stream (www.cloudzero.com [7]). By contrast, for those with proven results, these figures drop to just 38% and 11% (www.cloudzero.com [8]). In short, CFOs are tapping the brakes on unproven AI efforts - and doubling down on projects that clearly deliver business outcomes.

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When AI adds cost without value

(www.beri.net [1])A stark example of AI’s value gap just emerged in healthcare. The Blue Cross Blue Shield Association (BCBSA) reports that AI-assisted hospital coding tools have driven $942 million in additional inpatient costs across 2024 - 2025, primarily by automatically adding extra 'complexity' diagnoses that pushed patient cases into higher-paying reimbursement tiers without any change in treatment or outcomes (www.beri.net [2]).

Hospital leaders immediately pushed back on the implication that these costs were wasted. The American Hospital Association argued that patients truly are more complex and that better documentation (some of it enabled by AI) is simply capturing clinical reality, while suggesting insurers have their own incentive to minimise payments.

This clash highlights a broader lesson: AI can boost proxy metrics - whether billing codes or click-through rates - that don’t necessarily equate to real value. Enterprise leaders must rigorously audit AI-driven 'gains' to ensure they translate into tangible business outcomes, not just technical or paper improvements. If an AI tool shows a KPI jump, they need to verify it actually contributes to the bottom line.

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AI spending: from cost crunch to price cuts

(stateofsurveillance.org [1])Another growing concern is the sheer cost of running AI at scale. In recent months, organisations that eagerly rolled out AI across their workforce have been caught off guard by steep cloud and compute bills, leading many to impose usage caps and stricter budget controls. Industry reports describe how companies from Amazon and Walmart to Cisco, Uber and Meta have set hard limits on employee AI tool consumption, shifted teams to more efficient models, and explicitly warned against deploying AI 'for the sake of AI' after seeing some annual budgets exhausted within mere months (stateofsurveillance.org [2]).

(valueaddvc.com [3])In response to these cost shocks, some enterprises are rethinking the build-versus-buy equation. Nearly one-third of large firms in McKinsey’s study chose to develop certain AI applications - such as custom coding agents - in-house rather than pay hefty vendor fees (valueaddvc.com [4]). Building proprietary solutions can offer more control over costs and data, though it requires significant internal expertise and infrastructure.

(aiwith.chat [5])At the same time, competition is beginning to drive down prices in select AI services. Over the weekend, China’s Alibaba announced a new suite of five speech AI models (Qwen-Audio 3.1) with usage fees up to 95% lower for functions like transcription and voice generation (aiwith.chat [6]). In concrete terms, Qwen-Audio 3.1 can transcribe an hour of audio for about $0.02 (www.beri.net [7]) - a fraction of the ~$0.15 - $0.26 per hour charged by leading U.S. providers (www.beri.net [8]). These dramatic price cuts show that innovation isn’t just increasing AI’s capabilities - in some cases, it’s sharply reducing costs, a trend enterprise buyers should monitor closely.

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Closing the Value Gap

(www.pertamapartners.com [1])Finally, these sobering findings do not mean AI can’t deliver a return - they mean many organisations haven’t yet laid the groundwork to capture it. The eye-opening 95% 'no ROI' rate for generative AI pilots reflects how frequently companies underestimated the data, integration, and process changes required to turn impressive demos into reliable, scalable systems (www.pertamapartners.com [2]). In effect, many early AI initiatives were technology-driven experiments not grounded in operational reality, so it is no surprise that they often failed to produce real business outcomes.

(perspectivelabs.org [3])Notably, the small minority of companies that are achieving strong AI results tend to focus on narrow, well-defined use cases where success can be clearly measured, rather than chasing broad moonshots or deploying AI indiscriminately in hopes of striking gold (perspectivelabs.org [4]). By securing quick wins in specific high-impact processes, these leaders build organisational buy-in and expertise before scaling up.

(perspectivelabs.org [5])Crucially, organisations seeing real ROI also invest far more in execution than in shiny tools. One study found unsuccessful AI programmes devoted 78% of their budgets to vendor software and only 22% to integration, training, and measurement, whereas high-ROI achievers spent just 35% on licenses and the rest on the hard work of redesigning workflows, upskilling staff, and tracking performance (perspectivelabs.org [6]). The lesson for the C-suite: extracting value from AI is less about algorithms and more about managing change - aligning projects with strategy, fostering the right talent and data foundations, and measuring impact relentlessly.

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Key Statistics

- Only 37% of companies see any AI-driven profit impact (unchanged from 2025); just 6% report >5% of EBIT from AI (McKinsey 2026) ([valueaddvc.com](https://valueaddvc.com/pulse/mckinsey-enterprise-ai-roi-2026-survey-data#:~:text=McKinsey%27s%202026%20State%20of%20AI,or%20more))
- 95% of 2,400 surveyed enterprises saw zero ROI from generative AI pilots after 12 - 18 months (median $2.3M annual spend per company) ([perspectivelabs.org](https://perspectivelabs.org/mit-study-zero-ai-roi-2026/#:~:text=from%20the%20MIT%20Research%3F%20The,of%20budgets))
- Blue Cross Blue Shield says AI-driven hospital coding added $942 million in costs over 2024 - 2025, with no corresponding improvement in patient care (BCBSA, 2026) ([www.beri.net](https://www.beri.net/article/blue-cross-ai-hospital-coding-942-million-coding-intensity-clinical-validation-audit#:~:text=added%20%24942%20million%20in%20costs,Until%20it%20does%2C%20the%20revenue))
- 87% of finance leaders say AI spend must be tied to business outcomes within 12 months, but only 22% can do so today (CloudZero, 2026) ([www.cloudzero.com](https://www.cloudzero.com/

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- Alibaba's Qwen-Audio 3.1 can transcribe 1 hour of audio for ~$0.02 - ~85% cheaper than leading US providers (at ~$0.15 - $0.26/hour) ([www.beri.net](https://www.beri.net/article/qwen-audio-3-1-asr-price-cut-token-billing-per-hour-deepgram-assemblyai-renewal#:~:text=it%20works%20out%20to%20about,billing%20and%20a%20residency%20decision))

KEY TAKEAWAY

Senior leaders must move from AI experimentation to accountability. Demand clear ROI metrics for every initiative, tighten cost oversight, and invest in process changes and workforce training to convert AI's promise into real, measurable results.

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