LUMO INSIGHTS
Monday, 26 October 2026

Apollo finds no AI payoff outside Big Tech as CFOs demand proof

Executive Summary

A new analysis by Apollo Global Management's chief economist concludes that outside a handful of tech giants, corporate America has yet to see any lift in profits or productivity from AI. Finance chiefs are responding by tightening controls on AI spending and insisting on clearer evidence of returns, as new surveys highlight the gap between high hopes and measurable results.

Apollo: no ROI beyond Big Tech

(techcrunch.com [1])Torsten Slok, chief economist at Apollo Global Management, delivered a stark reality check in an October 24 note. Analysing the "S&P 493" - the S&P 500 index excluding seven big technology firms - he found "no evidence that AI is improving productivity" or boosting profit margins for the rest of corporate America (techcrunch.com [2]). In Slok's words, "the technology has delivered zero financial payoff" to companies outside Big Tech (techcrunch.com [3]), despite a surge in spending on AI initiatives over the past year. By contrast, the largest tech players - Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla - *have* seen revenue per employee and margins rise since the AI boom began (startupfortune.com [4]).

Slok's analysis reinforces what many CFOs of traditional companies have suspected: for now, the bottom-line benefits of AI are largely confined to the tech sector. The finding comes as a sobering reminder that beyond a few AI trailblazers, most industries have yet to translate artificial intelligence into tangible financial gains. For finance chiefs, the message is clear - until an AI project can demonstrate real improvements in revenue, efficiency or profitability, it remains an investment based on faith rather than facts. This underlines the importance of identifying concrete use cases where AI directly drives measurable business value, instead of relying on vague promises of future transformation.

References:

[1] techcrunch.com — https://techcrunch.com/2026/10/25/ai-delivers-zero-financial-payoff-to-most-companies-according-to-apollo-economist/#:~:text=and%20Tesla%20%E2%80%94%20finding%20that,into%20higher%20revenue%20growth%20and
[2] techcrunch.com — https://techcrunch.com/2026/10/25/ai-delivers-zero-financial-payoff-to-most-companies-according-to-apollo-economist/#:~:text=and%20Tesla%20%E2%80%94%20finding%20that,into%20higher%20revenue%20growth%20and
[3] techcrunch.com — https://techcrunch.com/2026/10/25/ai-delivers-zero-financial-payoff-to-most-companies-according-to-apollo-economist/#:~:text=and%20Tesla%20%E2%80%94%20finding%20that,into%20higher%20revenue%20growth%20and
[4] startupfortune.com — https://startupfortune.com/apollo-economist-says-ai-has-delivered-zero-profit-payoff-outside-big-tech/#:~:text=24%20making%20a%20specific%2C%20checkable,token%20spending%20less%20like%20an

Finance chiefs impose ‘ROI or stop’ rules

CFOs are increasingly done waiting for elusive returns to materialise. Recent executive surveys suggest that many finance leaders are prepared to pull the plug on AI projects that don’t prove their value on a clear timeline. In one new global poll of CFOs, about half said they would cancel or re-scope any AI initiative that fails to show measurable ROI within the next 12 months - a sign of rising impatience with costly experiments that aren’t paying off. And this hard line comes as AI costs themselves are often running out of control: In April, Uber’s chief technology officer disclosed that 5,000 employees using a generative AI coding assistant had **burned through the company’s entire 2026 AI budget by April** (www.forbes.com [1]). Amazon recently revealed a single **“catastrophically expensive”** AI project that exceeded its budget by **800%** before executives discovered it (www.deloitte.com [2]).

Finance leaders are responding to such stories by tightening oversight and demanding evidence of impact. In Deloitte’s latest CFO Signals survey, nearly **80%** of North American finance chiefs said their teams now have a formal role in approving or monitoring AI spending (www.deloitte.com [3]). Yet the survey also found that only a minority have advanced, real-time cost controls in place (www.deloitte.com [4]) (www.deloitte.com [5]), suggesting many firms still lack the tools to prevent overruns. The overall trend, however, is towards greater accountability: CFOs are setting clearer success criteria for AI investments and standing ready to redirect budgets if those criteria aren’t met. For CEOs, this means any AI project on the go must have *specific, trackable benefits* - whether it’s reducing cycle times, cutting error rates, or boosting sales - or risk being discontinued.

References:

[1] www.forbes.com — https://www.forbes.com/sites/janakirammsv/2026/05/17/uber-burns-its-2026-ai-budget-in-four-months-on-claude-code/#:~:text=8%3A20%201x%20This%20voice%20experience,budget%20collapse%20less%20about%20scale
[2] www.deloitte.com — https://www.deloitte.com/uk/en/Industries/insurance/blogs/ai-is-expected-to-take-cost-out-of-insurance-but-the-industry-is-still-finding-it-hard-to-prove-value.html#:~:text=ignore%3A%20Uber%E2%80%99s%20CTO%202%20said,efficiency%2C%20scale%20and%20stronger%20returns
[3] www.deloitte.com — https://www.deloitte.com/us/en/insights/topics/business-strategy-growth/3q-2026-cfo-signals-survey.html#:~:text=undermine%20CFO%20coordination%20Nearly%2080,who%20provide%20just%20cost
[4] www.deloitte.com — https://www.deloitte.com/us/en/insights/topics/business-strategy-growth/3q-2026-cfo-signals-survey.html#:~:text=infrastructure%2C%20data%20processing%2C%20and%20licensing%2C,on%20general%20controls%2C%20such%20as
[5] www.deloitte.com — https://www.deloitte.com/us/en/insights/topics/business-strategy-growth/3q-2026-cfo-signals-survey.html#:~:text=%2874,AI%20cost%20concerns%20span

Returns seen, but rarely surpassed

Even where companies do see gains from AI, they tend to be modest. A new global study by KPMG found that **71%** of organisations report their AI investments are meeting or exceeding their expected return on investment (kpmg.com [1]). However, true outperformance is uncommon - only **23%** of firms said AI was delivering returns above their initial expectations (kpmg.com [2]). In other words, while most companies using AI are at least getting what they bargained for, only about a quarter are enjoying standout success.

This finding highlights a widening gap between AI leaders and laggards. According to KPMG, broad adoption of AI in finance "is not the same thing" as achieving high-impact performance gains (kpmg.com [3]). Companies that integrate advanced AI - such as “agentic” AI systems that can act autonomously - report significantly stronger improvements in decision-making speed, forecasting accuracy and other metrics than those sticking to basic automation (kpmg.com [4]). For CFOs, the implication is that **real ROI on AI** comes from focused, well-executed deployments tied to core business outcomes, rather than dabbling in pilot projects. The challenge is to move from ambitious experimentation to scaling the use cases that directly drive revenue growth, cost savings or efficiency - and to measure those gains rigorously.

References:

[1] kpmg.com — https://kpmg.com/xx/en/our-insights/ai-and-technology/kpmg-global-ai-in-finance-report.html#:~:text=organizations%20are%20leveraging%20AI%20in,wide
[2] kpmg.com — https://kpmg.com/xx/en/our-insights/ai-and-technology/kpmg-global-ai-in-finance-report.html#:~:text=organizations%20are%20leveraging%20AI%20in,wide
[3] kpmg.com — https://kpmg.com/xx/en/our-insights/ai-and-technology/kpmg-global-ai-in-finance-report.html#:~:text=organizations%20are%20leveraging%20AI%20in,wide
[4] kpmg.com — https://kpmg.com/xx/en/our-insights/ai-and-technology/kpmg-global-ai-in-finance-report.html#:~:text=engine%20AI%20in%20finance%20is,operating%20advantage%20Governance%20is%20often

Key Statistics

- 83% of finance leaders say AI costs have exceeded budgets - Pigment CFO Index (Q3 2026 survey of 2,000+ finance leaders in US, UK, France, Germany)
- 84% of US finance executives say AI returns meet or beat expectations - Grant Thornton Q3 2026 survey (n"H230)
- 23% of firms report AI returns surpass expectations - KPMG Global AI in Finance 2026 study

KEY TAKEAWAY

Insist on clear, measurable value from every AI initiative. Tie each project to a specific metric and owner, with baselines and time-bound ROI targets. Be prepared to scale up AI wins - and shut down those that don’t deliver.

Sources

AI delivers ‘zero financial payoff’ to most companies, Apollo economist says (TechCrunch)
https://techcrunch.com/2026/10/25/ai-delivers-zero-financial-payoff-to-most-companies-according-to-apollo-economist/
Overspending on AI is a concern for CFOs — but it’s not the only one (FM Magazine)
https://www.fm-magazine.com/news/2026/oct/overspending-on-ai-is-a-concern-for-cfos-but-its-not-the-only-one/
A saved hour from AI is not yet a cash saving (CFO.com)
https://www.cfo.com/technology/2026/10/a-saved-hour-from-ai-is-not-yet-a-cash-saving/
KPMG 2026 Global AI in Finance report reveals adoption and performance gaps
https://kpmg.com/xx/en/our-insights/ai-and-technology/kpmg-global-ai-in-finance-report.html
Deloitte CFO Signals 3Q 2026 Survey: North American CFOs on AI cost governance
https://www.deloitte.com/us/en/insights/topics/business-strategy-growth/3q-2026-cfo-signals-survey.html
Accelerating manufacturing innovation at Michelin with data and AI (MIT Sloan Management Review)
https://sloanreview.mit.edu/article/accelerating-manufacturing-innovation-at-michelin-with-data-and-ai/