LUMO INSIGHTS
Monday, 16 November 2026

S&P: 42% of AI projects scrapped as CFOs chase ROI

Executive Summary

A new analysis suggests that nearly half of corporate AI initiatives are being abandoned as promised returns fail to materialise (www.spglobal.com [1]). Recent surveys of global business leaders find that only a small minority have seen clear financial gains from AI so far (www.pwc.com [2]). Finance chiefs are responding by demanding hard evidence of business value before approving or continuing costly AI projects.

References:

[1] www.spglobal.com — https://www.spglobal.com/market-intelligence/en/news-insights/research/ai-experiences-rapid-adoption-but-with-mixed-outcomes-highlights-from-vote-ai-machine-learning#:~:text=organizations%20attempt%20to%20deliver%20generative,and%20employees%2C%20and%20have%20a
[2] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-global-ceo-survey.html#:~:text=%28both%2029,a%20growing%20divide%20between%20companies

High project failure rate as ROI proves elusive

A **TechCrunch** review of the growing “AI graveyard” (Nov 14) reveals that many much-hyped AI projects have been shut down after falling short on results (techcrunch.com [1]). One data point from **S&P Global Market Intelligence** shows *42% of companies have now abandoned the majority of their AI initiatives*, double the share from a year ago (www.spglobal.com [2]). Crucially, the top reasons were not flawed algorithms but **business factors**: high costs, data privacy and security risks, and a failure to scale or find user demand (techcrunch.com [3]). In other words, many enterprises invested heavily in AI without a clear path to **measurable ROI**, prompting them to pull the plug when returns didn’t materialise.

This wave of aborted projects underscores a hard truth for leaders: **AI’s value must be proven in concrete terms or investments will be written off**. The S&P data highlights how quickly the narrative has shifted from excitement to scrutiny. Only a few years ago, companies raced to roll out AI pilots; now, nearly half report scrapping most of those initiatives because they couldn’t justify their impact on the bottom line (www.spglobal.com [4]). For CFOs, the lesson is that hype alone can’t pay the bills - **AI efforts need clearly defined outcomes and cost controls from day one**, or they risk ending up as expensive experiments on the corporate scrapheap.

References:

[1] techcrunch.com — https://techcrunch.com/2026/11/14/the-ai-graveyard-a-running-list-of-projects-and-startups-that-didnt-make-it/#:~:text=graveyard%3A%20a%20running%20list%20of,or%20just%20weak%20user%20demand
[2] www.spglobal.com — https://www.spglobal.com/market-intelligence/en/news-insights/research/ai-experiences-rapid-adoption-but-with-mixed-outcomes-highlights-from-vote-ai-machine-learning#:~:text=organizations%20attempt%20to%20deliver%20generative,and%20employees%2C%20and%20have%20a
[3] techcrunch.com — https://techcrunch.com/2026/11/14/the-ai-graveyard-a-running-list-of-projects-and-startups-that-didnt-make-it/#:~:text=to%20S%26P%20Global%20Market%20Intelligence%2C,taken%20several%20stumbles%20Image%20Credits%3ASeongJoon
[4] www.spglobal.com — https://www.spglobal.com/market-intelligence/en/news-insights/research/ai-experiences-rapid-adoption-but-with-mixed-outcomes-highlights-from-vote-ai-machine-learning#:~:text=organizations%20attempt%20to%20deliver%20generative,and%20employees%2C%20and%20have%20a

CEOs flag lack of financial payoff from AI

Senior executives' patience for elusive returns is wearing thin. In **PwC's Global CEO Survey** (released in January), only 12% of 4,454 chief executives said that *AI had delivered both higher revenues and lower costs* in their businesses (www.pwc.com [1]). A further 33% reported at least one of those benefits, but the majority (56%) admitted they had seen **no significant financial gains from AI** so far (www.pwc.com [2]). These findings, discussed at this year's World Economic Forum, highlight a widening gap between AI's promise and its tangible impact on profit. Despite widespread adoption of AI tools, most CEOs have yet to witness a visible improvement in their financial statements.

Other research paints a similar picture. **McKinsey's latest global AI survey** (August) found just 37% of respondents could attribute even *"some"* EBIT growth to AI - roughly unchanged from the previous year (www.theregister.com [3]). Only 6% of organisations qualify as **"AI high performers"** that generate at least 5% of EBIT from AI with a significant business impact (www.theregister.com [4]). Even sectors at the forefront of AI report modest outcomes; for example, an Apollo Global Management analysis in October concluded that *outside big tech firms, AI had delivered "zero" boost to corporate earnings* (www.apollo.com [5]) (www.startuphub.ai [6]). The prevailing message from the C-suite is clear: **for most companies, AI has yet to move the dial on profits or productivity in a meaningful way**.

References:

[1] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-global-ceo-survey.html#:~:text=%28both%2029,a%20growing%20divide%20between%20companies

[2] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-global-ceo-survey.html#:~:text=%28both%2029,a%20growing%20divide%20between%20companies

[3] www.theregister.com — https://www.theregister.com/ai-and-ml/2026/08/25/mckinsey-says-enterprise-ai-is-finally-on-the-road-to-roi/5292388#:~:text=reporting%20an%20actual%20earnings%20boost,just%206%20percent%20of%20survey

[4] www.theregister.com — https://www.theregister.com/ai-and-ml/2026/08/25/mckinsey-says-enterprise-ai-is-finally-on-the-road-to-roi/5292388#:~:text=lot%20of%20heavy%20lifting%20there%2C,growing%20faster%20than%20the%20immediate

[5] www.apollo.com — https://www.apollo.com/wealth/insights-news/insights/daily-spark/no-signs-of-ai-payoff-outside-the-tech-sector#:~:text=Spark%20www,see%20the%20first%20chart%20below

[6] www.startuphub.ai — https://www.startuphub.ai/ai-news/market-research/2026/apollo-says-ai-has-paid-zero-outside-tech-so-far#:~:text=Apollo%20Says%20AI%20Has%20Paid,per%20worker%20outside%20Big%20Tech

Finance chiefs demand proof before more spend

With budget season underway, **CFOs are intensifying their scrutiny of AI investments**. Finance leaders who once green-lit ambitious AI projects on promise alone are now insisting on hard metrics and controlled experimentation. Many organisations are building formal **"tokenomics"** governance to monitor cloud AI usage and avoid surprise bills, reflecting concerns that open-ended use of large language models can lead to cost overruns (www.deloitte.com [1]). The latest **Protiviti Global Finance Trends survey** (902 finance leaders worldwide) found that 77% of finance teams have deployed AI in some form, yet only *35% say they can effectively measure its ROI* (www.protiviti.com [2]). This measurement gap makes it difficult for CFOs to defend continued AI spending without evidence of tangible returns.

Boardrooms are also applying pressure. According to tax software firm **Avalara**, *92% of CFOs feel the need to prove that their AI spending is delivering a decent return* - a sentiment fuelling more rigorous oversight of AI projects. *Only 7% of finance chiefs* say their organisations emphasise AI governance over speed of adoption, indicating that most have been pushing to deploy quickly and are now reckoning with the results (www.cfodive.com [3]). To regain control, CFOs are establishing clearer objectives and **'kill switch' criteria** for AI initiatives. Some are exploring new ways to quantify value: in a widely noted *"scorecard for the AI age,"* **OpenAI's CFO Sarah Friar** has advocated

measuring AI by *“useful work accomplished per dollar spent”* rather than vanity metrics like user counts (openai.com [4]) (www.cfo.com [5]). As financial stewards, CFOs are making it known that **AI projects must demonstrate real business impact - either in cost savings, improved margins or revenue growth - or risk being scaled back or stopped**.

References:

[1] www.deloitte.com — https://www.deloitte.com/us/en/insights/topics/business-strategy-growth/3q-2026-cfo-signals-survey.html#:~:text=signaled%20success%20because%20costs%20remained,Many%20organizations%20are

[2] www.protiviti.com — https://www.protiviti.com/us-en/press-release-cfos-turn-ai-better-synchronize-finance-and-enterprise-priorities#:~:text=leadership.%20Only%2035,Finance%20organizations

[3] www.cfodive.com — https://www.cfodive.com/news/only-35-percent-finance-leaders-confidently-gauge-roi-ai-protiviti-cybersecurity-it/829015/#:~:text=rush%20to%20AI,Avalara%20found%20in%20a%20survey

[4] openai.com — https://openai.com/index/a-scorecard-for-the-ai-age/#:~:text=everywhere%20is%20simple%3A%20how%20do,have%20more%20expensive%20tokens%2C%20but

[5] www.cfo.com — https://www.cfo.com/news/openai-detail-scorecard-growth-measure-sarah-friar-fidji-simo-sam-altman-finance-ipo-/824869/#:~:text=investment%20of%20the%20technology,to%20step%20in%20and%20finish

Key Statistics

- 42% of companies have abandoned most of their AI projects - S&P Global Market Intelligence (survey of 1,006 firms)
- 12% of CEOs say AI delivered both higher revenue and lower cost - PwC (global CEO survey, n=4,454)
- 35% of finance organisations can measure AI ROI effectively - Protiviti (global finance survey, n=902)

KEY TAKEAWAY

Don’t assume AI will pay off on its own. Insist on clear ROI metrics before greenlighting new AI projects. Focus on measurable cost or revenue outcomes - and be ready to pause initiatives that can’t prove their value.

Sources

The AI graveyard: a running list of projects and startups that didn’t make it
https://techcrunch.com/2026/11/14/the-ai-graveyard-a-running-list-of-projects-and-startups-that-didnt-make-it

PwC 2026 Global CEO Survey: CEO confidence in revenue outlook hits five-year low – as AI becomes a defining divide between leaders and laggards
https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-global-ceo-survey.html

Voice of the Enterprise: AI & Machine Learning, Use Cases 2025 (S&P Global Market Intelligence highlights)
https://www.spglobal.com/market-intelligence/en/news-insights/research/ai-experiences-rapid-adoption-but-with-mixed-outcomes-highlights-from-vote-ai-machine-learning

Protiviti press release: 2026 Global Finance Trends Survey finds CFOs turning to AI and facing ROI measurement challenges
https://www.prnewswire.com/news-releases/cfos-turn-to-ai-to-better-synchronize-finance-and-enterprise-priorities-report-ai-roi-challenges-protiviti-global-finance-trends-survey-302859840.html

McKinsey State of AI 2026: Most firms still not seeing bottom-line impact, The Register
https://www.theregister.com/ai-and-ml/2026/08/25/mckinsey-says-enterprise-ai-is-finally-on-the-road-to-roi/