

# How to Prove the Value (and ROI) of AI

## Quantifiable Metrics for AI

AI investments are accelerating across industries, yet for many organizations, measurable value remains difficult to prove. **Over the past few years, only 25% of AI initiatives have delivered expected ROI.**

To maintain AI momentum, data and analytics leaders need to connect the dots between AI initiatives and business outcomes with quantifiable metrics.

## Unproven Value = Lost Opportunities

When teams fail to demonstrate real impact, the consequences compound. Organizations face:

- ✓ AI investment pullbacks
- ✓ Misallocated budgets
- ✓ Reduced executive confidence

Without clear value, even promising AI efforts can turn into sunk costs, creating missed opportunities for long-term gains and innovation.



## 4 Challenges That Can Kill Your ROI Story

Your AI initiatives may have strong potential, but four common factors could be masking your ROI. Remove these roadblocks to make their value shine:



**Data Readiness Gap:** Siloed, inconsistent, or low-quality data limit the effectiveness of AI outputs, while lack of visibility over sensitive or stale data increases risk. Time lost preparing and validating data further delays time to value. When executives lose trust in AI outputs, the perceived value of initiatives declines.



**Slow Experimentation Cycles:** When infrastructure bottlenecks or review cycles slow experimentation, production deployment and innovation stall. Resources get wasted on non-actionable learnings.



**Misalignment with Business Objectives:** Skeptical executives aren't looking for achievements like model accuracy and technical sophistication. Without clear ties to revenue, efficiency, or risk reduction, including long-term outcomes, even high-performing AI initiatives struggle to justify continued investment.



**Lack of Cost Visibility and Control:** No governance means no ROI clarity. AI workloads scale unpredictably causing volatile API and compute cost growth. Employees start experimenting with AI without IT team oversight, creating uncontrolled tool sprawl.

# A Practical Approach to Proving AI Value

## 1. Start with High-Impact Use Cases

Communicating value starts with linking AI initiatives to business KPIs. When you define success in quantifiable terms that stakeholders understand, ROI becomes clear. For example, you can show:

- Personalized recommendations in retail → Increased revenue and customer retention
- Predictive maintenance in manufacturing → Reduced downtime and upkeep costs
- Fraud detection in financial services → Lower incident frequency and potential loss

## 2. Improve Access to Trusted, Governed Data

Increase visibility into where data resides, how it's used, and whether it's accurate and up to date. Identifying sensitive, redundant, or outdated data helps reduce risk and improve confidence in AI-driven insights.

## 3. Establish Clear Governance Policies and Security Guardrails

Security and governance allow AI to scale effectively, drive repeatable outcomes, and deliver consistent ROI. With the right frameworks and guardrails in place, organizations can mitigate risks that threaten to erase the value of AI investments:

- ✓ Inconsistent or unreliable AI outputs
- ✓ AI system misuse
- ✓ Data leakage and compliance failures

## 4. Eliminate Shadow AI

Unsanctioned AI usage can lead to tool sprawl that contributes to ROI confusion and duplicated expenses. Maintain robust oversight on AI usage, including in existing tools like Copilot and CRMs, to prevent cost overruns.

## 5. Break Infrastructure Bottlenecks to Drive Operationalization

AI initiatives often stall due to friction in data access, governance, and infrastructure. Ensure policies strike the right balance between innovation and control, then modernize infrastructure to support scalability as outcomes are validated. Public and hybrid cloud environments support dynamic resource scaling for faster experimentation, accelerated deployment, and better cost control.

## 6. Scale What Delivers Results

Integrate AI into business workflows with appropriate oversight and performance tracking tied to business KPIs. Establish processes for monitoring performance, track business outcomes, and continuously refine how AI is used across workflows.

## Unlock the Path to Clear ROI

With a clear roadmap for operationalizing AI initiatives, organizations can build trust while accelerating adoption, time to insight, and time to value. **Let's connect to identify your next step in your journey to scalable, high-value AI.**

### About TierPoint

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