Category

Data & AI

Measuring AI ROI & Value Realization Playbook

A disciplined method for tracking AI initiatives from pilot metrics to bottom-line value, so leadership sees dollars, not just usage dashboards.

- Executive
- Intermediate
- Template Included

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Overview

An executive playbook for measuring and reporting AI ROI, using a four-stage value ladder, a baseline-and-attribution method, templates, and a worked customer-support example with real dollar figures.

What if we already rolled out an AI tool without capturing a baseline?

Reconstruct as much historical data as you can from existing systems (ticketing, CRM, ERP logs) for the pre-rollout period, be explicit that this is a lower-confidence "directional" estimate rather than a control-group measurement, and commit to capturing a proper baseline for the next initiative. A documented, honest limitation is far better than an unstated one.

How do we handle initiatives where the value is genuinely hard to quantify, like improved decision quality?

Start at whichever ladder stage you can measure credibly — often Effectiveness metrics like error rate or rework rate are measurable even when the softer "better decisions" framing isn't. Resist the temptation to substitute a qualitative testimonial for a number finance can audit; use the testimonial as color alongside a real metric, not instead of one.

How often should we report the Value Realization Scorecard?

Quarterly is the right cadence for most organizations — frequent enough to catch underperforming initiatives early, infrequent enough that each initiative has genuinely new

data to report rather than restating the same early numbers.

Should every AI initiative eventually reach the Expansion stage?

No — most valuable AI initiatives deliver durable value at the Efficiency or Effectiveness stage and never need to reach Expansion to justify their investment. Treat Expansion as a bonus outcome for a minority of initiatives, not a requirement for every one to be considered successful.

What's the biggest mistake organizations make when presenting AI ROI to the board?

Presenting usage or adoption metrics as if they were value metrics. A board asking "what did this actually save or earn us" and getting an answer about query volume or active users instead of a dollar figure is the single fastest way to lose credibility for the whole AI program.

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Talk to our AI value realization team

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