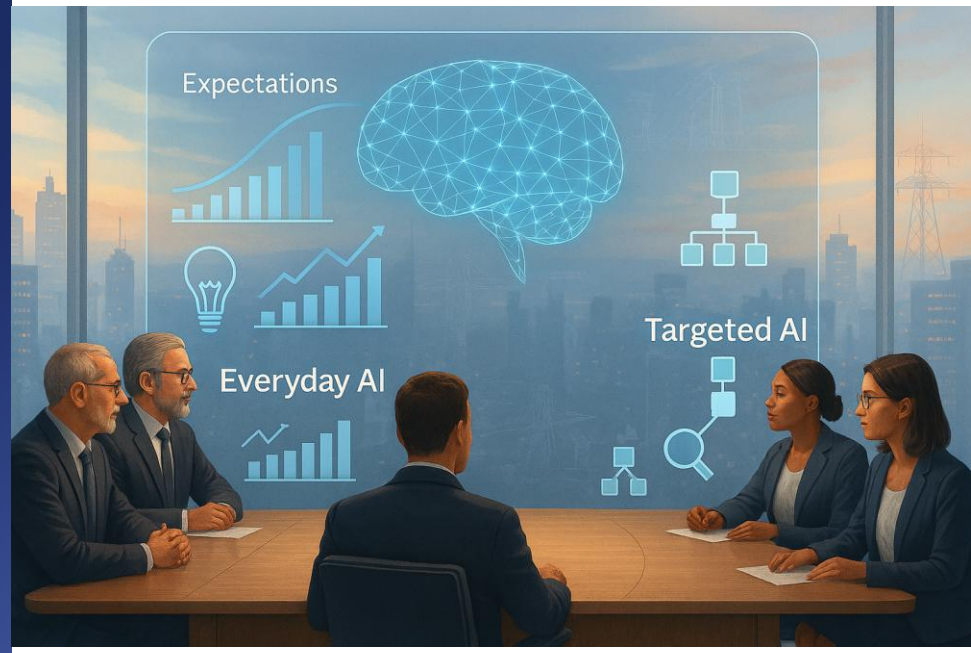
Can we get a financial return from AI?

A Bevington Group Presentation



Prompt: Create a high-quality, professional illustration for a consulting webinar slide that visually contrasts two AI strategies: "Everyday AI" and "Targeted AI". The scene is split into two visually distinct but connected halves: Left Side: "Everyday AI" Depict a modern, bright office environment with managers and staff using AI-powered tools in daily workflows (e.g., dashboards, chatbots, automated reports, digital assistants)....

April 2026

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Overview

1. State of the market
2. Why continue to invest in AI
3. Re-engineering our work
4. Fundamental AI strategies and common use cases
5. What a well considered AI deployment looks like, and where to start

State of the market

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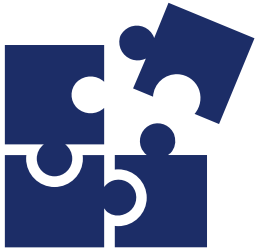
There has been plenty of press on the fact that the economic return from AI is not even close to matching the investment being made

Global AI investment



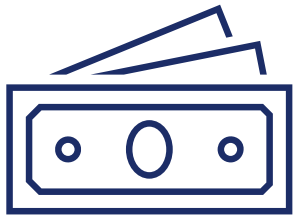
- Global AI spending in IT markets is predicted to reach **$2T** by the end of 2026.
- 2025 MIT research found that despite $30–40 billion in enterprise investment into GenAI, **95%** of organisations are getting no return.
- Over **40%** of Agentic AI projects will be **cancelled** by the end of 2027 (Gartner, 2026).
- Argon and Co research found that 49% of CEO's say they are delaying technology investment until market conditions stabilise (Operations Outlook report, 2026)

The productivity J-curve

The productivity J-curve can explain some of the lag organisations are experiencing. There is a clear initial dip during adoption as complementary investments are made, before sustained gains appear.

Where are gains currently made?

Gains are currently visible at the functional level. Stanford AI Index (2025) reports early, modest, but real cost savings in service operations and revenue lifts in marketing and sales.



Source: Over 40% of Agentic AI Projects Will Be Canceled by End 2027, The GenAI Divide STATE OF AI IN BUSINESS 2025 MIT NANDA, The State of AI: Global Survey 2025 | McKinsey, Economy | The 2025 AI Index Report | Stanford HAI

Indeed, some financial commentators are of the view there is little chance that large companies can get a sufficient return on their investment

Given the focus and architecture of generative AI technology today... truly transformative changes won't happen quickly and few—if any—will likely occur within the next **10 years**

Daron Acemoglu, Professor at MIT (2024)

AI-driven rallies are **vulnerable**, pointing to tech credit spreads and massive capex as key risk indicators; widening spreads could signal overbuild and future corrections

Michael Hartnett, Bank of America (2025)

Advanced-node capacity is **"three times short"** of demand, implying sustained high costs for compute and packaging—pressuring returns until supply catches up.

Dr C.C. Wei, TMSC (2025)

More than half of CEOs say their companies **aren't yet seeing a financial return** from investments in AI

Mohamed Kande. PwC (2026)

AI technology is **exceptionally expensive**, and to justify those costs, the technology must be able to solve complex problems, which it isn't designed to do

Jim Covello, Goldman Sachs (2024)

If an **AI bubble** pops "no company is going to be immune, including us"

Sundar Pichai , Google (2025)

Source:Gen AI: too much spend, too little benefit? | Goldman Sachs, 29th Global CEO Survey | PwC, Google's Sundar Pichai warns of "irrationality" in trillion-dollar AI investment boom - Ars Technica, TSMC says advanced-node capacity falls 'about three times short' of AI demand — company's wafer capacity is 'still not enough' as demand continues to rise | Tom's Hardware, BofA - Hartnett - The Flow Show_20240531.pdf

Why continue to invest in AI

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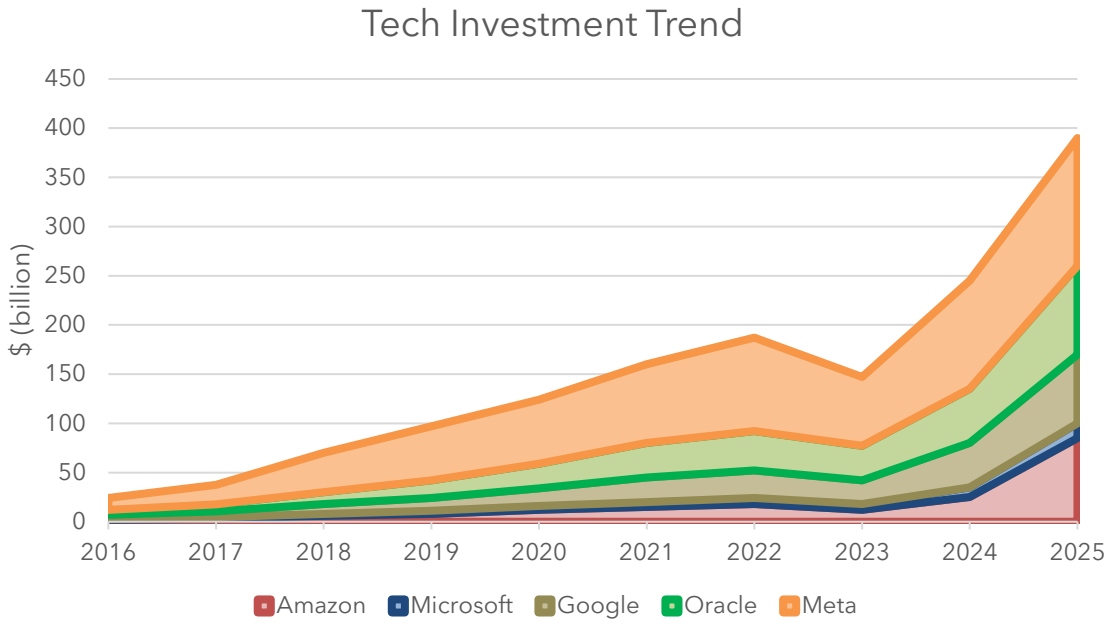
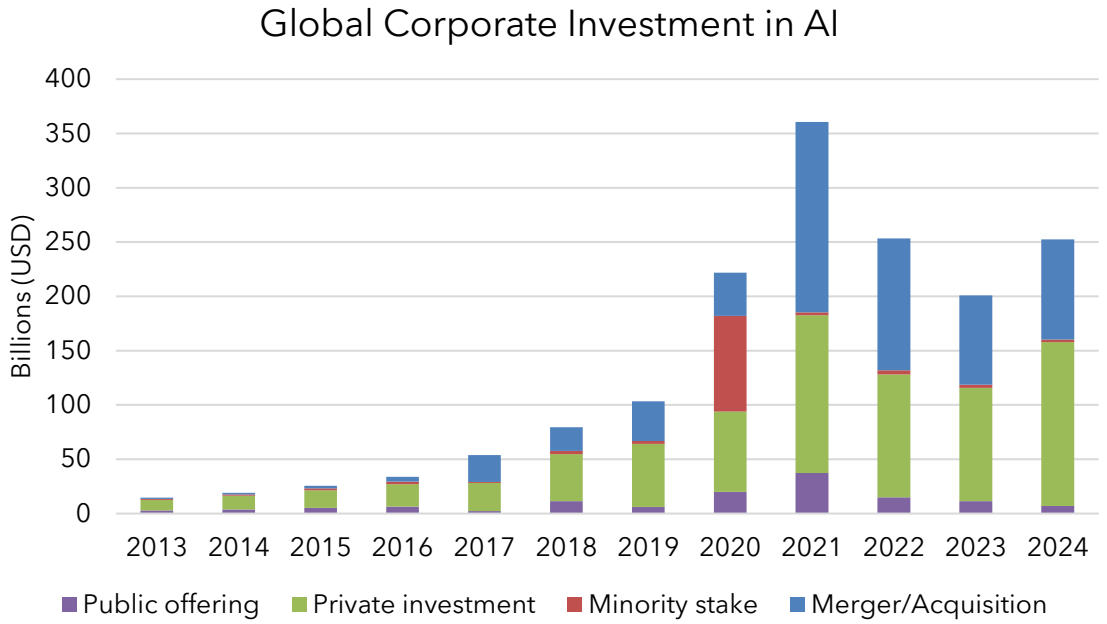
Yet, there is continued investment from leading organisations in this space





Headline Investments

2019

- **Microsoft**
  - OpenAI (2019 – 2023)

2023

- **Amazon**
  - Anthropic - AI / Claude (2023 – 2025)

2024

- **Google**
  - AI Cloud Partnerships (2024 – 2025)

2025

- **Microsoft**
  - GPU Infrastructure (2025)
- **Google**
  - Meta / AI infrastructure (2025)
- **Oracle**
  - Meta / AI / OpenAI partnership deals (2025)

Furthermore, experts and industry leaders predict that if leveraged correctly AI will be transformative for organisations bottom line

1. AI will impact all levels

"AI is coming for your jobs. Heck, it's coming for my job too."

- Micha Kaufman (Fiverr, 2025)

"Before asking for more headcount, prove why AI can't do it"

- Tobi Lütke (Shopify, 2025)

2. Workforce agility will be crucial

"AI could pressure margins without productivity gains – or unleash productivity with disruption"

- Michael Harnett (Bank of America, 2025)

"There's a big difference between big companies that are navigating that transition well and successfully, which is not necessarily easy"

- Matt Comyn (Commonwealth Bank, 2025)

3. Work will be redesigned

"We will reduce our hiring of engineers this year due to use of AI"

- Marc Benioff (Salesforce, 2025)

"We've been thinking about lower-cost workforce options for decades… Now we have a tech-based knowledge base with the ability to put a workforce's entire knowledge base in one system."

- Craig Scroggie (NextDC, 2026)

4. Leadership will be paramount

"There's a big difference between big companies that are navigating that transition well and successfully, which is not necessarily easy"

- Matt Comyn (Commonwealth Bank, 2025)

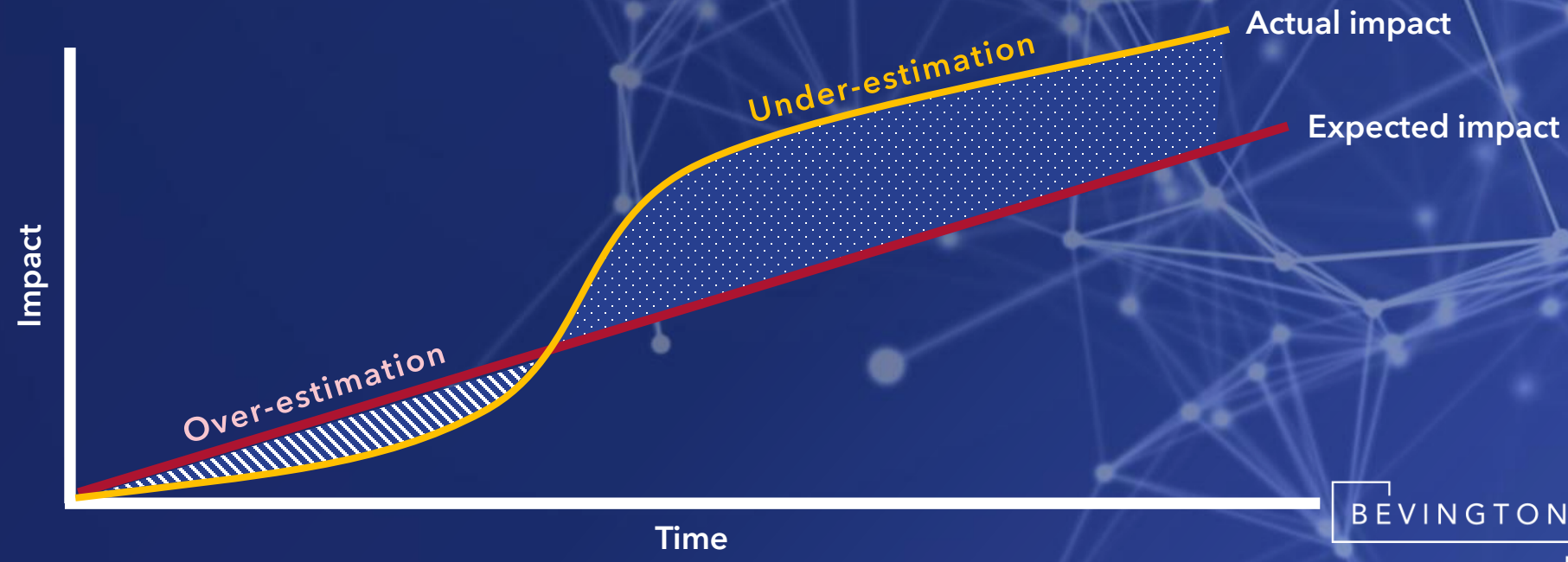
"Unless you become 'an exceptional talent at what you do…' you will face the need for a career change in a matter of months"

- Micha Kaufman (Fiverr, 2025)

So, what is going on?

Amara's Law

"We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run"



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Most technology revolutions take time to deliver real economic advantage

Industry 1.0

1800s

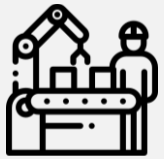
- Water and steam power
- Mechanisation
- Rail

Industry 2.0

1900s

- Electrification
- Assembly lines
- Mass production

Industry 3.0



2000s

- Computers
- Electronics
- Automated production

Industry 4.0

2010s

- Cyber-physical systems
- Internet of Things (IoT)
- Networking
- Machine Learning

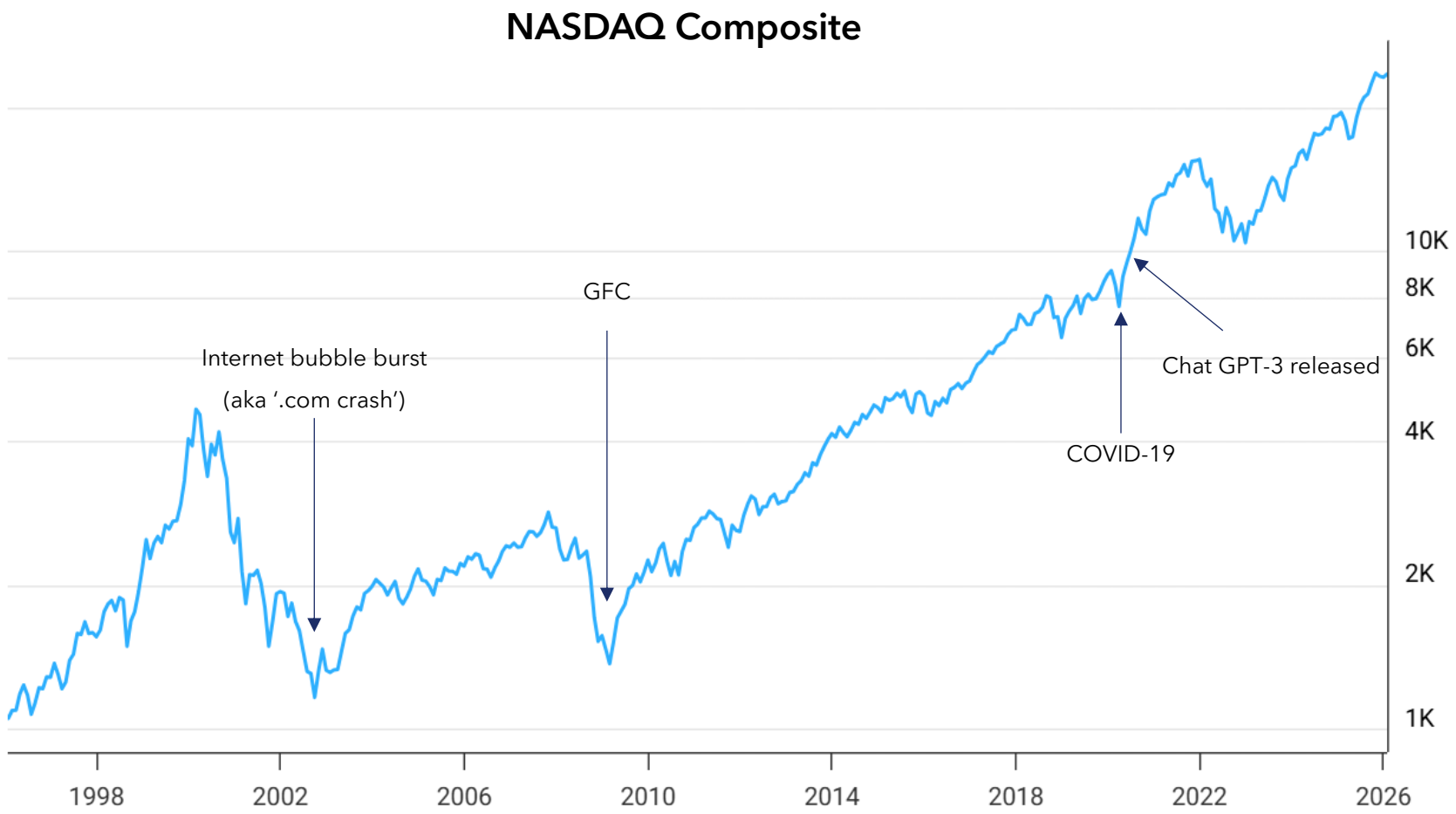
Industry 5.0

2020s

- Human-machine collaboration
- Cognitive systems
- Customisation

The internet itself, turned out to be game changer, but it took a while

Many companies failed on the way through, yet the internet did change the world



Source: NASDAQ Composite (1971-2026), Dot-com Bubble & Bust | Definition, History, & Facts | Britannica Money, Understanding the Dotcom Bubble: Causes, Impact, and Lessons,

The internet bubble

- Amidst the rise of the internet bubble the NASDAQ Composite rose five-fold between 1995 to 2000
- When this bubble burst, the NASDAQ fell 77% to Oct 2002, leading to the failure of a lot of companies like Pets.com, WebVan, Kozmo.com, Napster, Compaq, etc.
- However, some companies were able to survive and are now household names (Apple, Amazon, NVIDIA, eBay, Yahoo)
- Similarly, we can expect over investment and firm failures related to AI before durable value emerges
- The fundamentals (changed ways of working, use of agents, defined tasks orchestrated centrally, etc.) will endure and have lasting impact on the business landscape

Re-engineering our work

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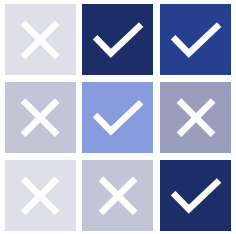
A large part of the issue is that work needs to be restructured to achieve a real benefit

Start with the work, not the tech

- Task-level analysis is essential
- Remove the waste activity (that adds no value)
- Identify where AI can substitute, augment, or transform

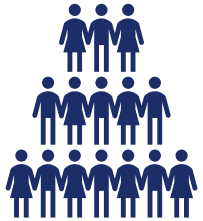
Consider the full tech stack

- AI is a force multiplier when combined with RPA, ML, etc.
- Avoid siloed tech implementation



Work backwards for maximum ROI

- Understand tasks; → assign to optimal capabilities; → then invest
- Avoid overinvesting in mismatched tools



Plan for freed capacity

- Use time savings for high-impact work (e.g., customer experience)
- Economic value often lies in redeployment, not just cost savings

Make work design a core capability

- Cross-functional leadership needed (business, tech, HR)
- Ongoing capability to redesign ensures long-term adaptability

Remember…

AI ROI = Technology × Work Redesign

Deconstruct jobs, not just automate them

Redesign is not a one-off – it's a repeatable process

Source: Want AI-driven productivity? Redesign work (MIT Sloan Management Review)

Rethinking the work equation maximises outcomes

1. Deconstruct

Break down the work into tasks and analyse

2. Redeploy

Match tasks to tech, talent, or automation

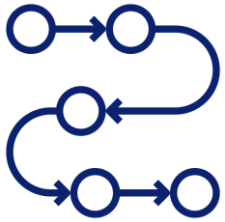
3. Reconstruct

Build new workflows and roles

Start focused
Scale fast

- Select a well-defined process that can serve as a proof-of-value
- Adopt an agile approach to redesign
- Encourage mistakes and learn from them
- Build a backlog to streamline rolling out to scale

Financial services example



- **Workflow:**
  Customer order processing
- **Toolkit:**
  Computer vision, RPA, ML, GenAI

Workflow deconstructed into 128 tasks:

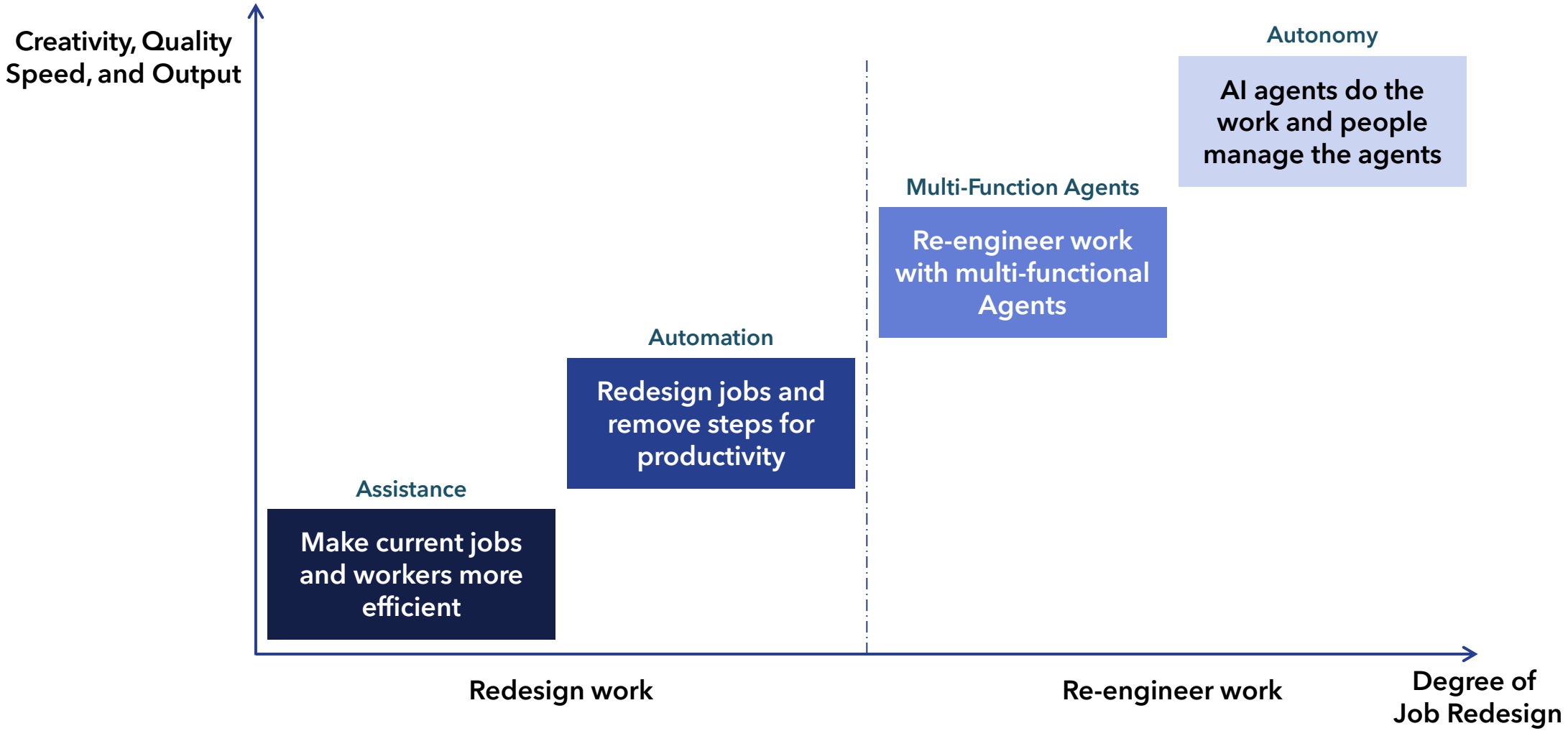
68	17	29	14
Tasks automated	Tasks reassigned from Senior to Junior Staff	Tasks sent to Global Capability Centres	Tasks augmented for Senior Roles

Outcomes

50%	18%	40%	Stronger customer onboarding
Reduction in work effort	Drop in turnover	Reduction in costs	

Source: Want AI-driven productivity? Redesign work (MIT Sloan Management Review)

Failure to re-engineer work for AI limits the return available



Source: How AI will reinvent our companies (The Josh Bersin Company)

A change management strategy and program is also a critical success factor for driving AI adoption

- Despite 95% of executives investing in AI, only 14% have successfully aligned their workforce and technology
- Research has highlighted that engineering teams specifically experience an 85% AI adoption failure rate

There are 4 key variables that contribute to AI adoption failure:

Lack of clear objectives

Employee resistance

Poor governance

Insufficient measurement

A robust change management approach will ensure the failure rate of AI adoption is mitigated

1) Leadership

- Generating the shared vision
- Clear and consistent communication of the vision
- Mobilising commitment

2) Engagement

- Early and ongoing communication
- Reflecting employees' perspectives and tailoring the message and approach by department / team where appropriate
- Empowering and coaching people to support change activities

3) Planning, execution, and continuous learning

- Bringing people together to plan and execute change activities (including understanding the impacts, business readiness, and removing obstacles to change)
- Piloting approaches, learning lessons, and building continuous improvement into change activities

4) Effective measurement

- Measuring implementation activity, behaviours, and outcomes (to make sure that changes are being delivered, adopted, and are resulting in desired outcomes)
- Ensuring the measures are clearly defined, visible, and open to inspire team members

5) Risk management approach

- Understanding critical risks from behavioural as well as operational / technical perspectives
- Developing risk responses and mitigation strategies to reduce their probability or consequence
- Developing contingencies where appropriate

Fundamental AI strategies and common use cases

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The portfolios of leading enterprises account for both business impact and user adoption

*To maximise impact, organisations can leverage **Everyday AI to build team skill and support adoption**, while sustainable long-term value is created through **Targeted AI for material value driver impact***

For Individuals

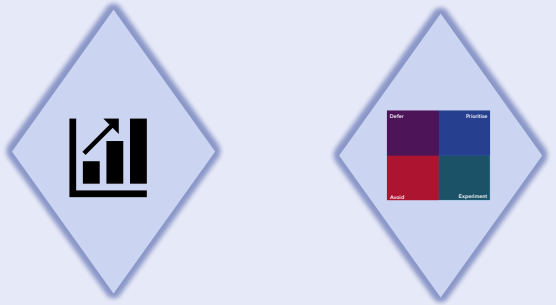
Program can create culture to support "Embracing automation and AI"

Everyday AI – Agents for Everyone

Fit-for-purpose AI Tools / Platform Tools

- Leverage to build user capability and accelerate AI adoption
- Your people get used to leveraging AI in everyday workflows, ingraining the habit

Targeted AI – Value Creation



Significant investment – Significant returns

- Built specifically to deliver organisational value, accelerating throughput and reshaping work
- Drives significant returns, but requires successful adoption

For Enterprises

High impact use cases for value streams.

May involve highly complex or simple solutions (e.g. IA or RPA)

Strategy 1 leverages Everyday AI to drive business user adoption, guided by a policy stack that is practical and empowers middle managers to experiment and adapt

1. Corporate/ Executives

- Set the overarching guardrails for the use of AI, including privacy, security, intellectual property, brand, and ethics.
- Implement a policy stack that is practical and empowers experimentation within guidelines.

2. Middle Managers

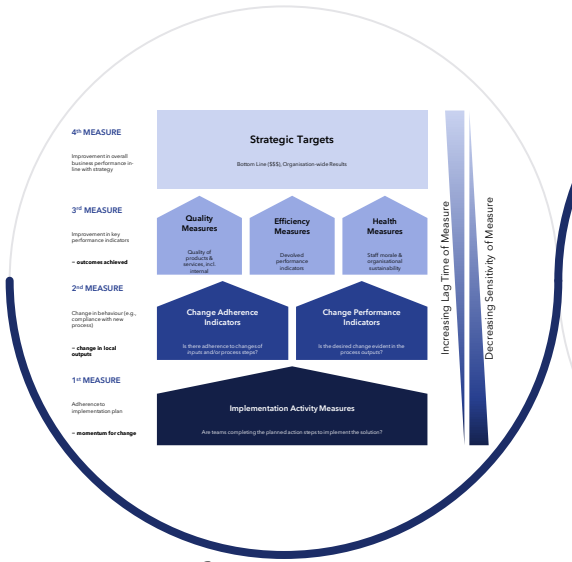
- Define how AI is used, quality standards, and where time saved is re-invested.
- This will look different for teams in different contexts and will make AI tool adoption real.

3. Team members

- Adopt the use of AI tools to enhance the work produced and deliver time savings.
- E.g. Legal teams may let AI suggest drafts of contracts but use human, manual reviews prior to client distribution.

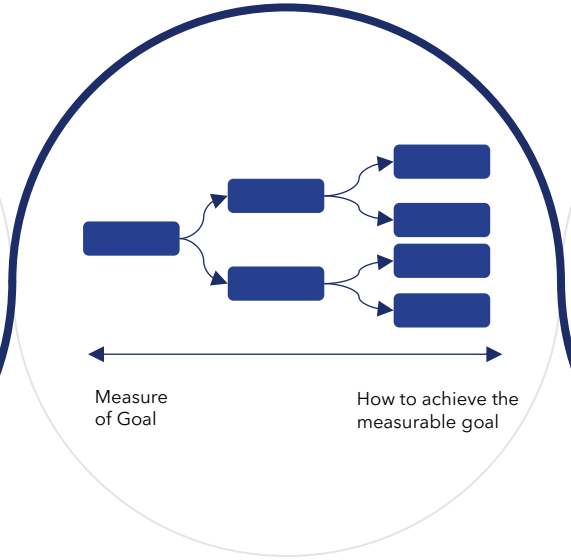
Source: For AI Productivity Gains, Let Team Leaders Write the Rules

Strategy 2 involves highly Targeted AI based on Value Driver Analysis and is linked to enterprise Strategy



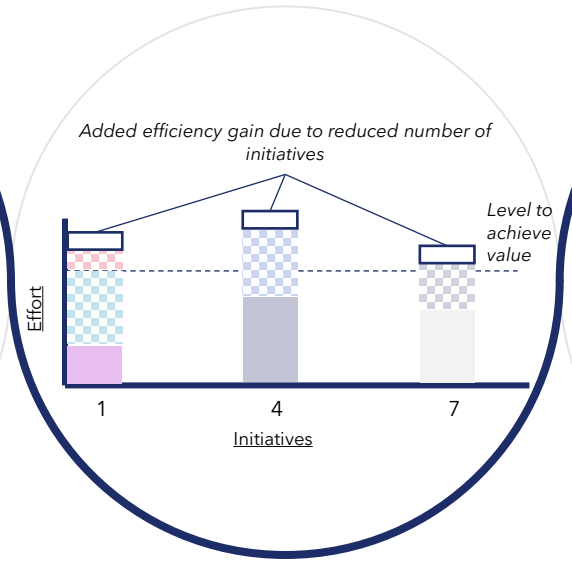
Define success measures

Utilise your enterprise strategy to define priority areas for targeted AI value creation.



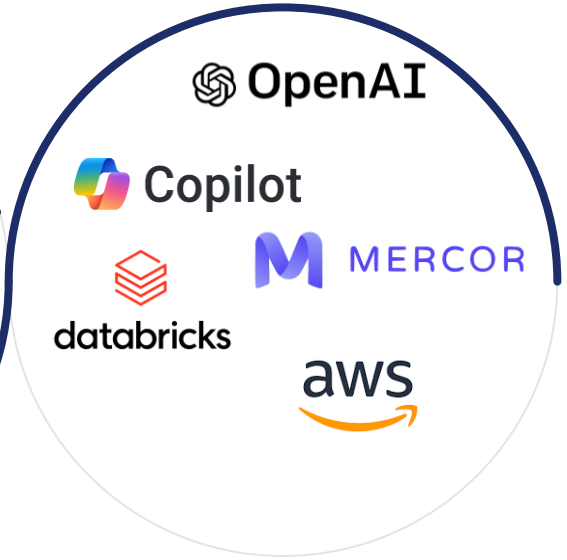
Build the VDT

Build Value Driver Trees to understand where energy can be focused to ensure the biggest impact can be made



Build strategically

Build a focused use case portfolio to consolidate initiatives and create a faster path to real value.



Run experiments

Confirm causal impacts of targeted AI initiatives by running trials and experiments prior to scaling projects.

Being selective about where to play is likely to lead to better results

- **Not all technology delivers equal value.** To lift productivity and build future capability, organisations must choose where to apply technology intentionally, guided by strategic filters and aligned with broader transformation goals.

1

Be strategic about where to play

- New technology (including AI) is one lever – but not the only one
- Avoid the "1000 flowers bloom" trap – be specific about where technology is deployed
- Use decision tools like:
  - Value Driver Trees to identify high-impact opportunities
  - Operating model lenses to best align tech with future ways of working and tactics required to drive adoption
  - Barbell thinking (dual-focus on core efficiency + bold innovation)

2

Run options through a strategic filter

- Before investing, assess potential initiatives against:
  - Cost
  - Speed to implement
  - Risk exposure
  - Benefit and scalability
  - Adoption enablement (i.e. a low value initiative may be highly effective at driving behavioural change / adoption)
- This enables prioritisation of "right-sized" opportunities that realise value, not just flashy pilots

- **Productivity isn't just about cost cutting, and few leading organisations succeed by cost-cutting alone.** It's important to think beyond efficiency, i.e. where do we need new services, new capabilities, or innovation to address key issues.
- Taleb's Barbell approach might provide a sensible way to construct a portfolio of AI projects.

Practically speaking there are several common, cross-industry use cases

We track the "big 8" use cases in Australia

Enhanced decision-making

- Improved forecasting
- Decision outcome testing
- Democratising insights (e.g. text questions for BI)

Better targeting and segmentation

- Customer profile recognition
- Stronger segment definition
- Better product development
- Optimised pricing

Enriched chatbot experiences

- 24x7 uptime at low cost
- Personalised responses

Optimise time for knowledge workers

- Increased staff productivity
- Dynamic shift of work type
- Automated security functions and cyber protection

Automate processes end-to-end (inc. learning)

- Automated self-repair (unlike Robotic Process Automation)
- Decisions in processes
- Autogenerating the First Draft (e.g. legal documents, communications, websites)

Faster deployment for digital

- AI transforms design, developing coding, self-testing, and debugging

Improved data cleansing at lower costs

- AI rapidly completes cleanse and parse activity
- Ability to read and codify unstructured data

Optimised rosters

- Needs of customer matched with the staff
- Ensure legal and regulatory compliance
- Ensure safety compliance

Vanguard is one of the world's largest investment management businesses. Their transformation is a great example of well-considered AI deployment

Operational Efficiency

- Vanguard uses AI to accelerate internal processes, avoid costs, and improve productivity for its employees
- Contact centre representatives use Gen AI to speed up call resolution times, improve response quality, and accelerate the onboarding process for new employees

Advisor Empowerment

- AI tools are deployed before, during, and after client phone calls to handle admin tasks
- Over 150,000 external financial advisors use this tool to generate customised market summaries that are tailored to their clients' financial sophistication, life stage, and preferred tone

Client Experience

- Vanguard views advanced AI as an "invisible hand" that elevates client engagement and personalises services at a low cost
- They have helped lower-income investors plan for emergencies by using historical labour data and AI to project job loss risk and unemployment duration

Investment Intelligence

- The firm incorporates natural language processing (NLP) and machine learning-based predictions into its active equity quantitative models to improve investment outcomes
- Vanguard analysts experimented with LLMs to analyse 22,000 company earnings calls to predict dividend activity

This value-driven ecosystem is powering ~US$500M in economic impact

A well tested approach

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Sustainable value requires shifting from ‘bolt on’ tools to redesigning work around AI capabilities

Technology-Led AI (the common approach)

- Starts with a tool or model and searches for use cases
- Pilots are disconnected from strategic value drivers
- Work processes remain largely unchanged, AI is bolted on, creating greater long-term challenge (technical and process debt)
- Returns are marginal; investment is difficult to justify at scale
- Internal capability does not develop; ongoing dependency on vendors

Business-Led AI (the recommended approach)

- Starts with a rigorous analysis of where economic value sits; and considers what must change beyond the tech (roles, processes, structures, etc.)
- Initiatives are selected, prioritised, and funded based on strategic value
- Work is redesigned around AI capabilities, not retrofitted
- A managed portfolio balances risk, return, and time horizons
- Internal capability is transferred systematically so returns compound

Taking a business-led AI approach enables prioritisation of initiatives based on their strategic value, balanced risk, and strengthens long-term capability to sustain and scale AI investments

1 Identify Value & Establish Portfolio

Identify exactly where the economic value sits within your specific context and leverage a portfolio building strategy to spread risk

2 Restructure Roles & Processes

Restructure your teams and re-engineer processes to maximise the value associated with the technology

4 Transfer Capability

Build your internal capability so that they can continue to deliver once the improvement project concludes

3 Incorporate Lessons

Build fast feedback loops into your deployments

Our clients have benefited from this approach, time and again

Emerging evidence supports this approach

IBM CEO Survey 2025

- Only 25% of AI initiatives delivered expected ROI, those with clear value targets consistently outperform
- This suggests that many leaders are still painting AI onto existing problems
- Successful firms identify high-velocity bottlenecks (e.g., procurement delays or customer churn) and set hard KPIs before a single line of code is written

Gartner 2025

- 30%+ of GenAI PoCs abandoned, most due to unclear business value and poor problem-solution alignment
- Many companies are using GenAI for tasks better suited for traditional machine learning (predictive analytics)
- If the AI solves a problem the frontline staff doesn't actually have, they won't use it – and adoption is the only path to ROI

IDC 2025

- 'Frontier Firms' are achieving 2.84 x ROI having operationalised AI across multiple use cases with a clear strategic architecture
- These firms build a central AI backbone with shared data sets, security protocols, and governance, so that every new use case doesn't have to start from scratch

MIT Sloan 2025

- Most companies try to fit AI into their current jobs whereas winners redesign the jobs around what AI can do
- For example,: instead of AI helping a lawyer write a brief, the firm redesigns the legal process so that AI drafts 80% of the routine work, and the lawyer's role shifts entirely to "Strategic Editor" and "Client Relations"

In summary

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In summary…

Take a Business-led AI approach

- Start with where economic value sits
- Redesign work and roles before scaling technology
- Manage AI as a portfolio, not a collection of pilots

Multi-part strategy

- Everyday AI that is guided by a policy, is practical, and empowers your team to experiment and adapt
- Targeted AI based on Value Driver Analysis and enterprise Strategy

And, of course, we are here to help if you need it...

If you have any additional questions or require further information, please contact

webinar@bevingtongroup.com

This presentation and related articles will be available for viewing at www.bevingtongroup.com

We look forward to seeing you at our next event

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Contact details and disclaimer

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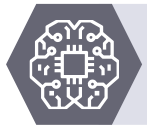
Operating Model Design and Restructuring


Process Reengineering and Automation


Enterprise Digital, Data, and AI


Accelerated Implementation


Change Management


Risk Intelligence

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