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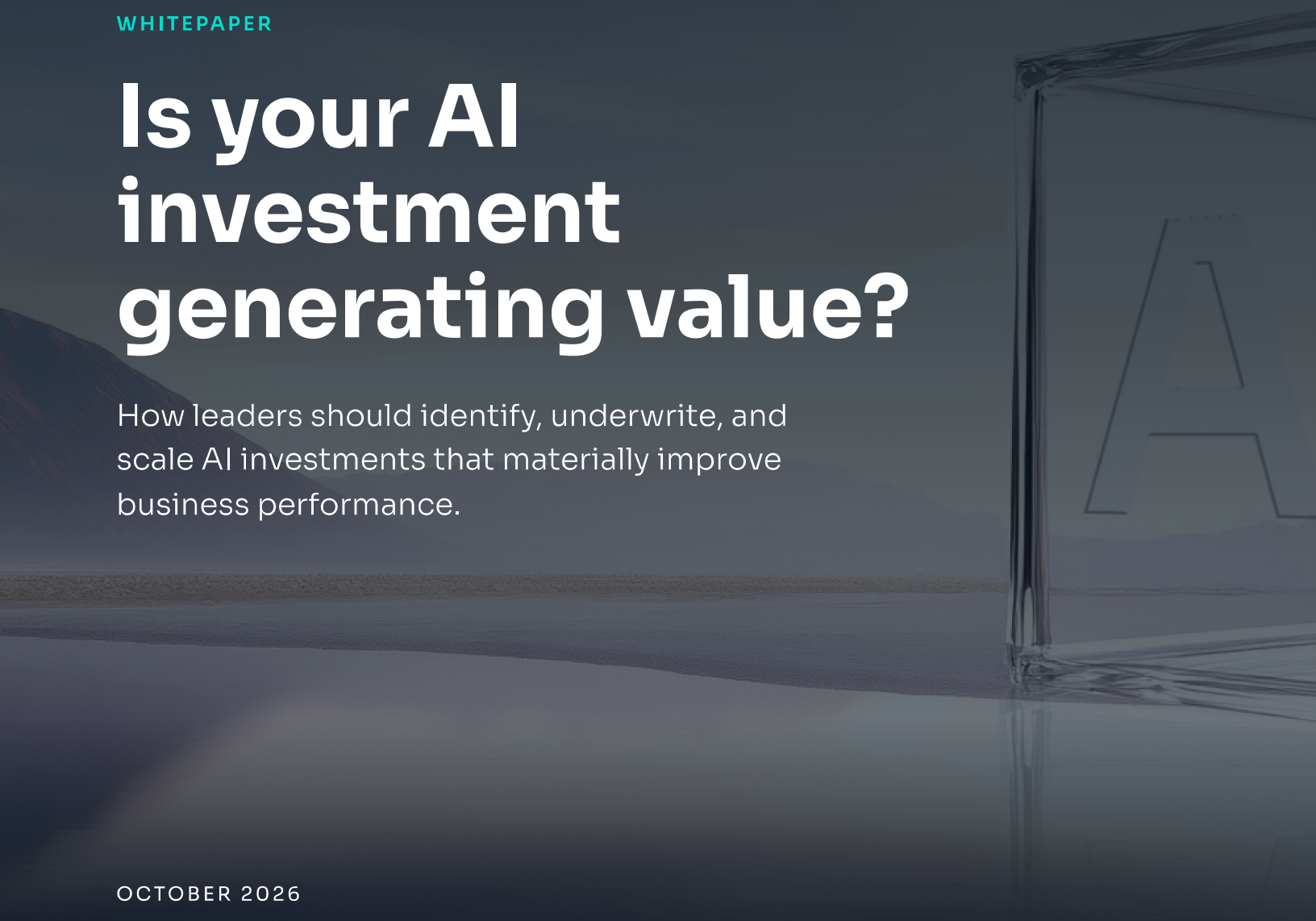
WHITEPAPER

Is your AI investment generating value?

How leaders should identify, underwrite, and scale AI investments that materially improve business performance.



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INTRODUCTION

From experimentation to economic accountability

For many organizations, the first phase of AI adoption was intentionally experimental: provide employees access to new tools, encourage teams to identify use cases, and learn where the technology could be useful. More mature adopters are now focused on where AI can materially improve business performance and whether the value created justifies the full cost of implementation and scale.

That business case is more complex than traditional software investment. Consumption-based pricing can create variability in recurring operating expense, and the data remediation, systems integration, workflow redesign, and change management required can materially swell the upfront investment needed for scaled deployment.

Rather than pursuing broad AI adoption, management should selectively apply AI to workflows where it can materially improve revenue, productivity, cost, working capital, asset utilization, customer experience, or decision quality, and expand investment only where the resulting economics can be demonstrated.

> **The key question that mature management teams are asking is "What level of AI investment is economically justified for this workflow?"**

A practical management framework

AI value-creation journey

From early experimentation to scalable ROI

/ 1 Identify business outcomes and high-value workflows

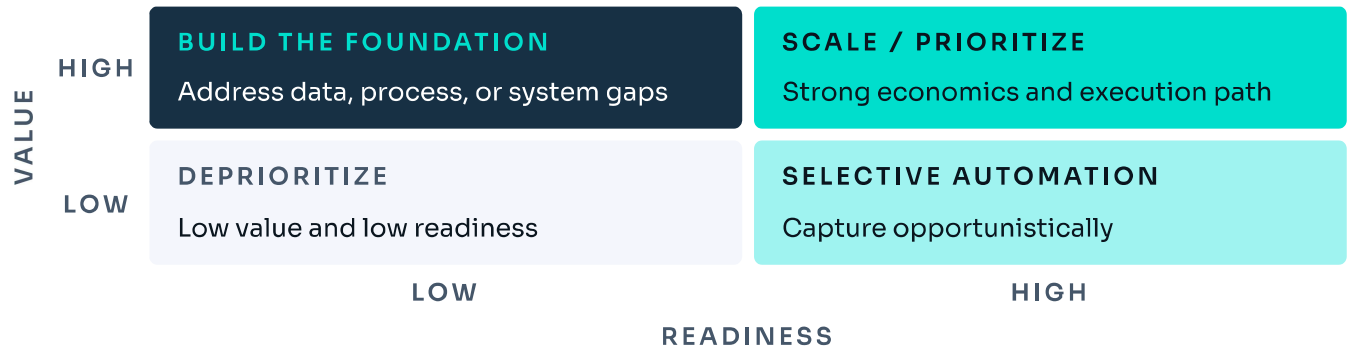
Treating AI as a standalone technology budget is insufficient. Leaders should manage AI investments the way they manage a portfolio of growth or operational improvement initiatives, competing for capital based on expected value, realization risk, scalability, and investment. The question should shift from “Where can we deploy AI?” to “Where can AI materially drive value in the business?”

Illustrative value levers and ROI metrics

Value lever	Illustrative AI opportunity	Example ROI metric
Revenue growth	Lead prioritization, pricing, proposal generation	Conversion, price realization, incremental gross profit, avoided hires
Cost reduction	Procurement analytics, automation, QA	Cost per transaction, spend reduction
Working capital	Collections, demand forecasting, inventory optimization	DSO, inventory turns, cash release
Labor productivity	Production scheduling, operational / leading KPI collection and reporting	Hours per order, output/FTE, avoided hires
Asset utilization	Production scheduling, maintenance, capacity planning	Throughput, utilization, OEE
Customer experience	Service agents, personalization	Resolution time, retention, NPS
Decision quality	Forecasting, scenario analysis, management reporting	Forecast accuracy, decision cycle time

Prioritize opportunities based on value and readiness

The largest value pool may not always be the best place to begin. Leaders should also consider execution readiness. A workflow may represent a significant economic opportunity but still require foundational investment in data, systems, process standardization, or organizational capabilities before AI can generate a measurable business outcome.



/ 2 Underwrite the workflow, not the tool

Once a priority workflow or initiative has been identified, develop and validate the business case. Instead of asking “How much does the customer-service AI agent cost?”, ask “What is the fully loaded cost of processing one invoice today, and what would it cost under an AI-enabled workflow?” The same logic applies to:

- Cost per quote produced
- Cost per invoice processed
- Cost per engineering change completed
- Cost per customer onboarded
- Cost per support case resolved
- Cost per purchase order reviewed
- Cost per forecast generated

The upfront investment is often underestimated

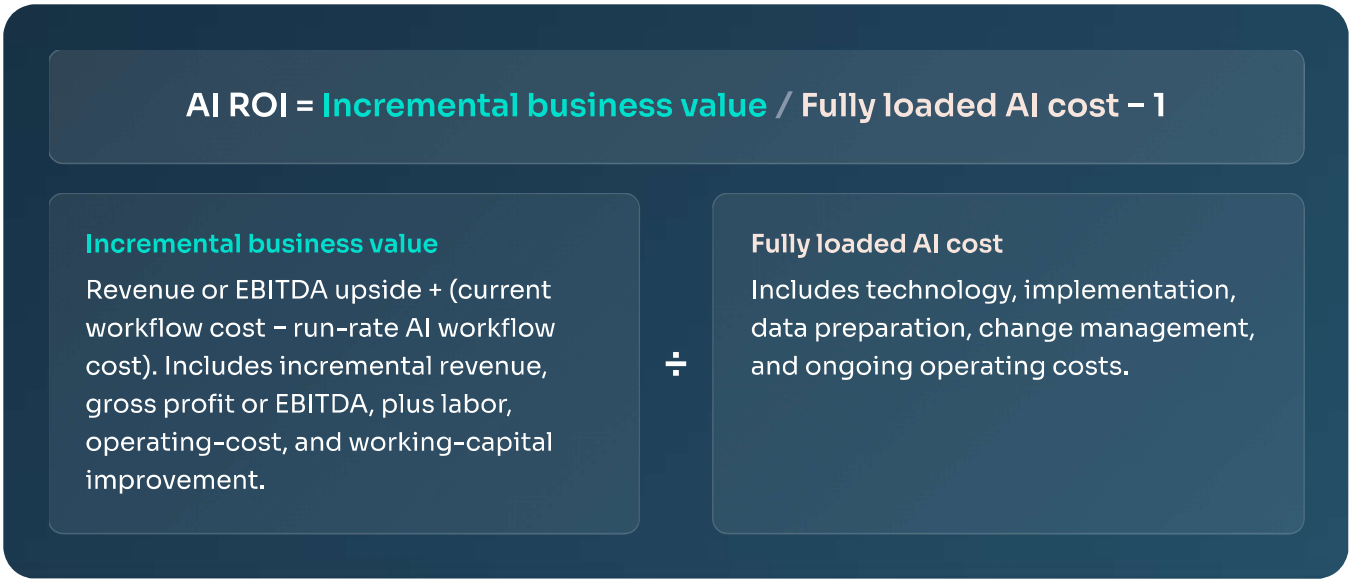
The model or software license is frequently the most visible cost, but it is rarely the full investment. Scaled AI deployment can require:

- Master-data cleanup, data governance, and knowledge-base remediation
- Integration with ERP, CRM, operational systems, and existing analytics
- Human review, exception management, and domain-expert oversight
- Employee training and change management

Even as solutions scale, economics can shift significantly from what appeared attractive during experimentation. Leaders therefore need to match model capability to the economics and risk profile of each workflow rather than defaulting to the most sophisticated option.

> **Compare the fully loaded cost and value of completing the business process with and without AI.**

A practical ROI equation



The level of rigor applied to the ROI analysis should reflect the size and purpose of the investment. For enterprise-level screening and prioritization, a simplified assessment of revenue, cost, and productivity impacts may be sufficient. For larger or more capital-intensive deployments, management should develop a more detailed business case capturing the full cost of implementation and operation, and evaluate the investment using metrics such as payback, NPV, EBITDA impact, revenue impact, and cash generation.

CASE STUDY

Illustrative ROI calculation: AI-enabled RFQ automation

A $100M switchgear manufacturer was struggling to respond to incoming RFQs in a timely manner, leading to missed revenue and customer acquisition opportunities. Responding required significant manual effort to review customer requirements, coordinate technical inputs, develop quotations, and prepare a response. As RFQ volume increased, the capacity of the existing team became a constraint on the company's ability to respond to available market demand. Management engaged Sia to develop the solution and later brought in Kaiser to quantify the business impact and estimate ROI.

To develop the solution, Sia undertook several actions, such as:

- Mapped the end-to-end RFQ process to identify where manual effort and handoffs were constraining throughput **($50K)**

- Established a current-state baseline across RFQ volume, turnaround time, engineering effort, quality, conversion, product and pricing information **($60K)**
- Assessed supporting systems, technical documentation, and integration requirements to determine where automation could be introduced safely and effectively **($20K)**
- Built solution architecture, customized model development, quality controls, and user training guides **($170K)**

The Minimum Viable Product (MVP) achieved approximately 90% RFQ accuracy and allowed the team to process 50% more RFQs with the same headcount. Assuming steady-state RFQ conversion, average order size and EBITDA margin, the tool helped generate ~$2M incremental revenue and ~$0.6M of EBITDA. The MVP is expected to incur $30K of operating costs such as model management and tokens.

~90%	+50%	~$0.6M
RFQ accuracy	RFQs processed with the same headcount	Incremental EBITDA

ROI component	Illustrative value
Incremental business value	
Run-rate EBITDA enabled by increased RFQ capacity	$600K
Run-rate AI management and token costs	$30K
Net incremental business value	**$570K**
Fully loaded AI cost	
Mapping current workflows and bottlenecks	$50K
Baseline development and data preparation	$60K
IT systems and solution provider assessment	$20K
Solution and model development, training, software, and change management	$170K
Total one-time AI cost	**$300K**
First-year ROI*	**90%**

*($570K – $300K) ÷ $300K = 90% ROI

/ 3 Enable the organization to capture the value

A compelling business case is necessary, but the underlying cross-enterprise capabilities are the critical ingredients required to implement and sustain the new workflow.

Data	Is the required information accessible, reliable, and sufficiently standardized?
Technology	Can AI integrate effectively with the systems in which work is performed?
Workflow	Has the process been redesigned around where AI and human judgment add the most value?
Governance	Are appropriate controls, ownership, security, and human oversight in place?
Adoption	Do employees understand how their roles and ways of working need to change?

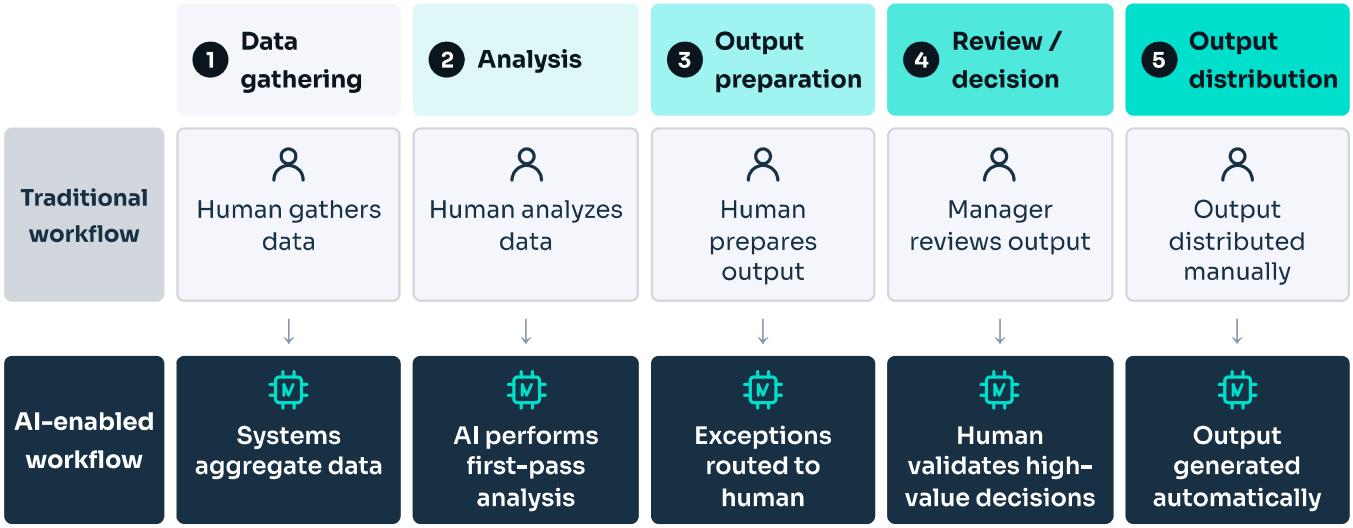
Many business cases underestimate this. An organization may identify an attractive forecasting, procurement, or fulfillment use case, only to discover that inconsistent master data, fragmented systems, or poor execution discipline increases implementation effort and delays ROI. These factors should not necessarily invalidate the business case, but they need to be incorporated into it.

> **By treating AI as a value-creation and performance-improvement investment, management can enable the organization to capture the value.**

/ 4 Pilot and measure

Realizing ROI from AI starts with a clear understanding of current performance. The baseline created in Step 2 should act as the fact base against which AI-enabled performance is measured. Metrics for time, money spent, and headcount deployed should be established to inform what work could be automated, eliminated, rerouted, or elevated to human judgment.

Illustrative: redesigning the workflow around AI



Beyond faster analysis, the real opportunity with AI lies in redesigning workflows to reduce manual intervention, improve throughput, and focus scarce resources and expertise on higher-value activities.

A pilot should have

- A clearly defined business problem and baseline performance metric
- A named business owner accountable for adoption and value realization
- Expected economic value and full investment requirement
- Adoption and quality targets
- Explicit decision gates and an evaluation timeline

> **AI should be used as an opportunity to redesign workflows, not simply automate existing inefficiencies. The greatest value comes from rethinking how work is performed around the technology's strengths and limitations, and using that knowledge to drive continuous improvement.**

/ 5 Scale, redesign, or stop

As AI offerings, costs, and adoption evolve, management should periodically assess realized performance relative to the original assumptions and determine whether additional capital is justified. The review should lead to one of three decisions:

SCALE	REDESIGN	STOP
/ ROI meets or exceeds expectations / Adoption is strong / Quality is proven / Economics remain attractive as volume grows	/ Value pool remains attractive but results are below target / Adoption is neutral / Output quality is average / Workflow has changed / Integration is not seamless	/ Economics no longer support the use case / Adoption remains limited / Frequent manual intervention / Workflow is weak / Disjointed systems

Not every AI pilot will succeed. The priority is to identify underperforming initiatives early, stop or redesign them quickly, and redirect investment toward the use cases demonstrating the strongest value.

CONCLUSION

AI ROI is an execution discipline

The next phase of AI adoption will be defined less by experimentation and more by economic accountability. The organizations that generate the greatest returns will not necessarily be those with the most AI tools or deployments. They will be those that consistently identify the right business problems, underwrite the full economics, build the required operating foundation, and continually measure the realized value of their investments.

For corporate leaders, this creates a repeatable approach to incorporating AI into strategic planning, budgeting, and operational improvement. For investors and sponsors, the same framework can be applied during diligence, value-creation planning, and portfolio-company oversight.

Sustainable AI advantage will depend less on what technology the organization uses and more on how effectively they convert that investment into measurable business performance.

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ABOUT KAISER ASSOCIATES & SIA

Kaiser Associates combines bespoke research and deep-sector expertise. Grounded in experience, we're known for our strategic, insightful, practical counsel that propels confident decisions and action.

In January 2026, Kaiser Associates joined Sia, a global management and AI consulting firm with 3,000 consultants across 48 offices in 19 countries. This acquisition marked a significant milestone in expanding Sia's strategic advisory capabilities, as the Group launched a dedicated Corporate Strategy, Private Equity and M&A Business Line with a presence in the US, the UK, France, the Middle East and Australia.

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