MANATECH

RESEARCH REPORT

Measuring the True Value of Artificial Intelligence: 2026 ROI Briefing

Executive Summary

As of 2026, enterprise investment in Artificial Intelligence (AI) has reached approximately $644 billion, yet the realization of value remains a significant challenge. Recent data indicates that 95% of Generative AI (GenAI) pilots are failing to deliver measurable Return on Investment (ROI), and 72% of AI investments are described as "destroying value through waste." This crisis is primarily attributed to a measurement gap rather than technical failure; organizations often rely on "vibe-based spending"—decisions driven by vendor hype and executive enthusiasm—rather than rigorous accountability frameworks.

True AI ROI requires a shift from tracking simple adoption metrics to measuring actual productivity gains, cost reductions, and "Capability ROI." Unlike traditional SaaS models, AI introduces high variable operational costs and probabilistic returns, necessitating a three-tier framework that accounts for realized financial gains, trending momentum, and strategic organizational capacity.

The Evolution of AI Measurement: From "Vibes" to Accountability

The current landscape of AI investment is transitioning from an era of experimentation to an era of accountability. Historically, success was measured through user satisfaction and adoption rates. However, in 2026, stakeholders and boards are demanding proof of bottom-line impact.

The Problem with "Vibe-Based" Spending

Vibe-based spending is characterized by investment decisions driven by competitive pressure and vendor demonstrations without established baselines. This approach hides several critical risks:

- **The Adoption Illusion:** High usage rates (e.g., 70% of employees using a tool) often mask zero actual productivity improvement.
- **The Proficiency Gap:** Users may have access to tools but lack the skills to extract maximum value, leading to "value decay" as initial novelty wears off.
- **Portfolio Chaos:** Departments often select redundant AI tools, leading to conflicting vendor contracts and a lack of unified measurement.

Shift in Economic Models

AI upends the traditional SaaS economic model. While traditional SaaS is expensive to build but has near-zero marginal costs, AI is relatively inexpensive to develop but incurs high, variable operational costs (inference, data labeling, and monitoring). This shift is forcing organizations toward usage-based or outcome-based pricing models.

Three-Tier AI ROI Framework

To prevent the premature cancellation of AI programs, organizations are encouraged to use a three-tier framework that matches measurement to the maturity of the initiative.

Tier	Focus	Timeline	Key Indicators
Realized ROI	Quantifiable financial gains	18–36 Months	Labor cost reductions, revenue growth, bottom-line savings.
Trending ROI	Directional momentum	3–12 Months	Process measures, output quality, value-realization speed.
Capability ROI	Strategic option value	Ongoing	Data infrastructure, team skills, platform readiness for future use cases.

Capability ROI: The Hidden Value

Often ignored in board meetings, Capability ROI measures the "strategic option value"—the organizational capacity to perform tasks that were previously impossible. Initiatives that show negative ROI in a single project may show massive returns when viewed as shared infrastructure for the entire enterprise.

Key Metrics and KPIs

Effective measurement requires a balance between "Hard ROI" (tangible financial data) and "Soft/Squishy ROI" (behavioral and cultural shifts).

Hard ROI (Financial & Operational)

- **Labor Cost Reductions:** Direct savings from automating tasks.
- **Hours Saved:** Capacity released across workflows.
- **Revenue Growth:** Net new revenue from AI-enhanced products.
- **Decision Accuracy:** Gains from fewer errors and reduced rework.
- **Cost per Qualified Outcome:** The specific cost to achieve a result compared to human-only benchmarks.

Soft / "Squishy" ROI (Leading Indicators)

- **Employee Sentiment:** Worker perception and trust in AI tools.
- **Proficiency Levels:** The depth of feature utilization across teams.

- **Decision Quality:** Improvements in the speed and accuracy of executive decision-making.
- **Brand Enhancement:** Market perception of innovation and sustainability.

The Risk-Adjusted ROI Formula

Advanced organizations now use a risk-adjusted formula to account for the volatility of AI:

> ***ROI = (Δ Revenue + Δ Gross Margin + Avoided Cost) − TCO*** *Where TCO (Total Cost of Ownership) includes inference, integration, evaluation harnesses, and human change management. The result is often discounted by "safety signals" like hallucination rates and model drift.*

Industry-Specific ROI Benchmarks

The potential for ROI varies significantly by sector and specific use case:

Industry	Use Case	Estimated ROI (%)	Key Benefit
Marketing	Content Marketing / Personalization	50% – 100%	Reduced CAC; optimized campaign velocity.
Retail	Inventory Forecasting	30% – 60%	Reduced stockouts; improved logistics.
Finance	Conversational AI / Fraud Detection	20% – 60%	24/7 service; reduced agent load.
Healthcare	AI Diagnostics / Radiology	25% – 45%	Fewer false positives; personalized treatment plans.
Legal	Document Automation	25% – 50%	Legal research efficiency; document drafting.
Manufacturing	Predictive Maintenance	20% – 50%	Reduced machine failure; extended asset life.

Important Quotes and Context

On the Nature of AI Work

> *"AI doesn't just replace a task or automate a process — rather, it changes how work itself happens, often in ways that are hard to quantify." — Josh Fruhlinger, Contributing Writer, CIO*

On the Economic Shift

> *"Traditional SaaS is expensive to build but has near-zero marginal costs, while AI is inexpensive to develop but incurs high, variable operational costs. These shifts challenge seat-based or feature-based models." — Michael Mansard, Principal Director, Zuora's Subscribed Institute*

On the Danger of Premature Cancellation

> *"Most enterprise AI programs get killed not because they failed, but because nobody could prove they succeeded." — Morne Wiggins, Agility at Scale*

On "Squishy" ROI

> *"Squishy ROI... reflects the cultural and behavioral shift that happens when employees begin experimenting... it is essential for companies to maintain a competitive edge." — Michael Domanic, Head of AI, UserTesting*

On Experimental Freedom

> *"When your kids tell you they want to try something, you should say yes. We never ask questions at home like 'What is the return on investment here?'" — Jensen Huang, CEO, Nvidia (arguing for "messy experimentation" over rigid early-stage ROI metrics)*

Actionable Insights for Leadership

1. **Stop Focusing Exclusively on Model Accuracy:** Accuracy is a technical metric. ROI is a business metric. Focus on "what changed in the business once the model shipped" (e.g., first-response time or win rates).
2. **Establish Baselines Immediately:** You cannot measure improvement without a pre-AI benchmark. Document the current state of workflows before deploying AI to avoid "attribution confusion" later.
3. **Implement a Tagging Framework:** Because humans and AI often share workflows, attributing results solely to "the AI" is inaccurate. Mark stages of work as *machine-generated*, *human-verified*, or *human-enhanced* to understand the true value of the blended workforce.
4. **Acknowledge the Proficiency Gap:** Do not assume tool access equals value creation. Measure user skills and feature depth. An unused or poorly used model has zero ROI.
5. **Calculate Risk-Adjusted ROI:** Account for Total Cost of Ownership (TCO), not just licensing. Factor in retraining, data labeling, and monitoring. Discount expected gains by safety signals like hallucination and intervention rates.
6. **Adopt a Multidisciplinary Approach:** Build cross-functional teams (Product, Sales, IT, Finance) to reduce bottlenecks and ensure AI project roadmaps meet actual user needs rather than shaping behavior artificially.
7. **Transition Reporting Cadence:** Use quarterly reports for operational and trending KPIs for executive steering committees, and annual reports for realized ROI and strategic value for the Board

of Directors.

Want to explore this topic further?

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Book a Discovery Call