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Why Your AI Tools Are Losing Money

Many teams are paying for AI tools that add activity but not measurable value. This article shows how to audit the stack, cut waste, and keep only what earns its place.

STRATEGIC

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Every department has its favorite AI tool. Marketing uses one for content, engineering adopted a coding assistant, support deployed a chatbot, finance experiments with forecasting. The collective spend is significant. The collective impact is unclear.

A **2024 survey on AI adoption** (McKinsey, 2024) found 72% of organizations have adopted AI, but **research on generative AI scaling** (BCG, 2024) found only 26% have scaled beyond proof-of-concept. **An analysis of AI investment returns** (Deloitte, 2024) confirms the paradox: 91% plan to increase AI investment even as most take extended periods to achieve satisfactory returns.

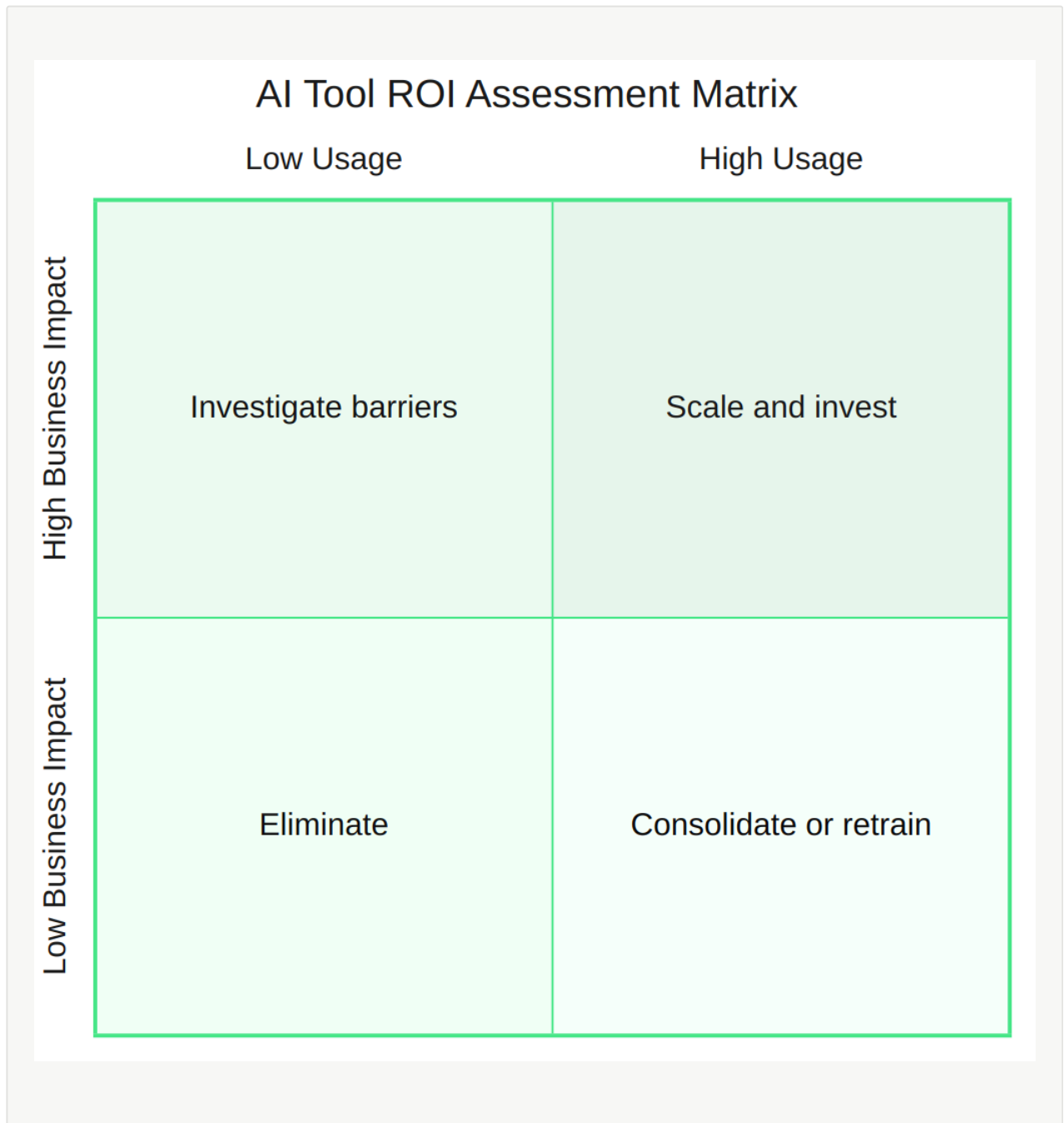


The gap is an evaluation failure, not a technology failure. Tools persist because nobody owns the question: is this actually working?

A **survey on generative AI deployment** (Gartner, 2024) found 49% of executives cite difficulty demonstrating AI value as their top concern. Adoption decisions and evaluation decisions are made by different people on different timelines. A team lead adopts a tool because the demo was impressive. Nobody checks whether it delivered value. By the annual budget review, the switching cost argument protects it — regardless of returns.

The AI Investment Audit Framework

The following framework audits existing AI investments and produces binding keep/cut/consolidate decisions — not another report that sits on a shelf.



Step 1: Audit Everything

Register every AI tool, API, and model in use. For each: monthly cost, active users (last 30 days, not total seats), frequency, business function, and owner. Many organizations discover overlapping spend — multiple teams paying for the same or similar tools — that represents immediate consolidation with no evaluation needed.

Step 2: Define Impact Metrics

Measuring a coding assistant and a forecasting model against the same metric is meaningless. Define category-specific metrics:

- **Productivity tools:** hours saved per user per week — [research](#) (Science, 2023) found 40% task time reduction within the AI's capability range
- **Customer-facing tools:** resolution rate, satisfaction delta, conversion impact, and escalation frequency before and after deployment
- **Process automation:** throughput increase, error reduction, FTE equivalents freed, and time-to-completion on the target workflow

For each category, identify the **minimum threshold for positive ROI**. A \$200/user/month tool must save at least 2-3 hours monthly to justify the cost. Anything below that threshold enters the elimination discussion regardless of user satisfaction.

Step 3: Calculate True Cost

License fees are typically a fraction of actual cost. [Research on AI productivity effects](#) (NBER, 2023) showed that even effective AI tools require substantial organizational integration — productivity gains of 14% required continuous monitoring, feedback loops, and workflow redesign. Include in true cost:

- **Integration and maintenance:** engineering hours to keep it running
- **Training and adoption:** onboarding time and ongoing support
- **Opportunity cost:** what else the budget and attention could fund
- **Risk and switching:** data exposure, vendor lock-in, migration effort

Step 4: Make Portfolio Decisions

Place each tool in the assessment matrix. Tools that "feel essential" often land in low-impact quadrants when measured.

- **High impact, high usage** — Invest: expand access and negotiate pricing
- **High impact, low usage** — Investigate: UX, audience, or training gap
- **Low impact, high usage** — Consolidate: popular but not moving metrics
- **Low impact, low usage** — Eliminate: deactivate unless reclassified

Step 5: Consolidation Strategy

Research on AI's uneven impact across tasks (HBS, 2023) found AI creates a "jagged technological frontier" — effectiveness varies dramatically by task type. A single well-integrated platform covering 80% of use cases outperforms a collection of specialized tools that fragment the workflow.

- **Capability overlap > 60%** — keep the one with better adoption
- **API-first tools** enable workflows that outlast any vendor's roadmap
- **Single-vendor suites** often cost less than point solutions after integration

Step 6: Renegotiate and Govern

Right-size seats to active users, negotiate usage-based pricing, and trade multi-year commitments for 15-30% discounts on high-impact tools. Prevent recurrence with:

- A one-page business case requirement for new tools
- Centralized spend and evaluation tracking
- Quarterly automated usage reviews

- An annual rationalization cycle

Without centralized tracking, purchasing and usage decisions diverge silently. A common case: a team lead finds a cheaper, better provider for a workflow, only to learn leadership already signed a multi-year contract with a different vendor. Both sides lose.

Expected Results

The [A 2025 AI adoption report](#) (Wharton, 2025) found that enterprises formally measuring AI ROI are significantly more likely to see positive returns. Organizations completing this process typically find a meaningful portion of tools can be eliminated with no operational impact, and consolidation plus renegotiation yields substantial cost reduction. Surviving tools see improved adoption as resources shift from breadth to depth.

Boundary Conditions

This framework depends on centralized spend visibility and clear system ownership. Without both, it stalls at Step 1. When nobody clearly owns an AI tool, the audit produces findings but no one has authority to act. Assign tool owners as the first step — someone who will defend the tool's value or consent to its removal.

First Steps

1. **Assign an owner.** One person with authority to pull billing and usage data across departments and catch shadow purchases.

2. **Survey active users.** Five questions: what tools, how often, for what purpose, and what would you lose if it disappeared.
3. **Set a firm deadline.** Audits that stretch lose momentum. Schedule the first quarterly review before starting.

Practical Solution Pattern

Replace tool-led adoption with outcome-led architecture: every tool must map to a measurable business movement, an owner, and a replacement/retirement decision horizon. Inventory all AI spend, define category-specific impact thresholds, calculate true cost including integration and maintenance, and place every tool in the impact-versus-usage matrix with a binding keep/cut/consolidate decision.

This works because tool proliferation persists when adoption and evaluation decisions are made by different people at different cadences. A named owner per tool and quarterly automated usage reviews create the accountability loop most organizations lack. Organizations ready to audit their AI tool portfolio can accelerate the process through an **AI Technical Assessment** that inventories current spend, maps each tool to measurable business impact, and delivers a prioritized rationalization plan.

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Cost-Benefit Analysis



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