The board asked for the AI return. It got a rear-view mirror.

Why the AI return question needs both sides of your organisation, and a look ahead.

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> ***In short***

- Boards ask what AI has returned. They get usage figures or an ROI estimate. Both look back, and both look at only one side of the organisation: the work.
- The real return of a technology like AI arrives late, because most of the investment goes into changing how people work. Early numbers undercount it.
- The better answer looks at two sides, the work and your people, and in two directions, back and ahead. The weaker side sets your real position.

01 · The slide that answered a different question

Picture a board meeting. The AI item is on the agenda, and the finance director has prepared two slides.

The first slide shows the investment of the past eighteen months: licences, implementation, training, outside advisers. It is a serious number.

The second slide is meant to show the return. It shows how many people are active users, how many prompts were sent last month, and what share of the staff finished the AI course.

The chair looks at it for a while and asks one quiet question: *"So what has actually changed in this business?"*

Nobody in the room has an answer they can defend.

The people in these rooms are rarely careless. They answer with what they have. And what they have is a rear-view mirror.

02 · Three questions hidden in one

When a board asks about the AI return, it is really asking three questions at once.

1. **What did we get?** What has AI produced in the work: faster decisions, lower cost, better quality?
2. **What is it doing to our people?** Are they getting more capable with AI, or more dependent on it?
3. **Where are we heading?** Will this hold next year, or are we living on a good start?

Usage figures answer none of the three. They tell you that AI is present, not what it does.

An ROI figure answers the first question, and only looking back. That is useful. But it is one question out of three, and the other two are where most of the risk sits.

03 · Why the return shows up late

Before we blame the AI programme, it helps to know that this has happened before.

In 1987 the economist Robert Solow wrote that you could see the computer age everywhere except in the productivity statistics. [1] It took until the second half of the 1990s before the numbers caught up. The research that followed showed why. The value of computers depended on the changes organisations made around them: new processes, new skills, new ways of deciding. And those changes are hard to see in the accounts. [2]

Erik Brynjolfsson and his colleagues gave the pattern a name: the productivity J-curve. [3] A technology like AI needs large investments that do not show up as assets: redesigned work, new skills, new routines. While organisations are making them, measured productivity looks lower than it really is. Later, when the investments pay off, it looks higher.

The latest data is consistent with that curve. A large study of almost 9,000 executives in seven countries found that 78% of firms now use AI. Those executives estimate that AI added only about 0.2% a year to labour productivity growth over the past three years. For the next three years, they expect about 0.6% a year. [4] PwC's global survey of more than 4,400 chief executives found that 56% have seen no significant financial benefit from AI so far. [5]

So an organisation that measures its AI return today, in money only, is probably measuring near the bottom of the J. The number is low. That does not mean nothing is happening; the measurement simply cannot see it yet.

> *An early ROI figure does not tell you whether AI is working. It tells you how much of the change you can already count.*

04 · A mirror on one side only

The second problem is what we choose to count.

Most organisations measure AI by what they can count easily. In Wavestone's international survey, 46% of organisations had no structured way to measure the return on AI. Most of them relied on informal expert judgement instead. [6] A Deloitte survey of Canadian leaders found that productivity gains and cost savings remain the most common measures, while broader outcomes such as revenue growth or lower risk are used less often. [7]

Those numbers are all about one side of the organisation: **how the work runs.** Coordination, decision speed, how much of the work AI handles, output per person.

There is a second side, and it is just as real: **your people and their capability.** Is the organisation learning? Are people using their own judgement, or just checking AI output? Is their capability growing as fast as AI takes over tasks? Do they still have a real say in how AI shapes their work?

You can have a great year on the first side while the second side quietly gets weaker. The finance figures will look fine. The damage shows up later, in mistakes nobody catches, in good people who leave, and in teams that cannot work without the AI any more.

05 · Look back and look ahead

The third problem is direction.

Every result you measure today is a look back. It tells you what the past produced. To know where you are heading, you also need a look ahead: the things you are doing now that decide next year's result. Are you still redesigning work? Are people building new skills? Is there a pipeline of experiments, or has it gone quiet?

Put the two together and you get four directions.

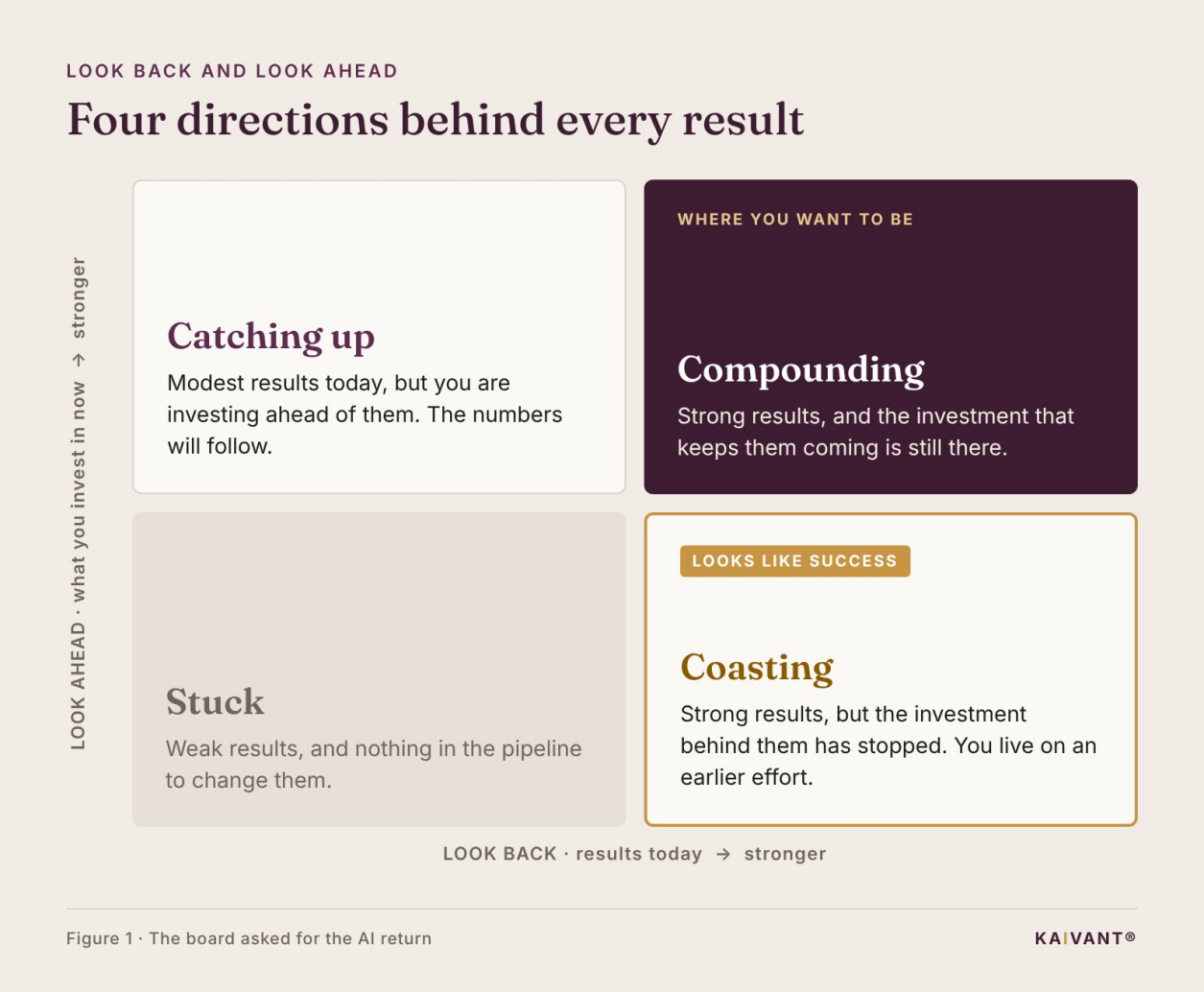


Figure 1 · Four directions. Each dimension shows one of four patterns when you read the look-back and the look-ahead together.

- **Compounding.** Strong results, and the investment that keeps them coming is still there. This is where you want to be.
- **Catching up.** Results are modest, but you are investing ahead of them. The numbers will follow.
- **Coasting.** Strong results, but the investment behind them has stopped. You are living on an earlier effort.
- **Stuck.** Weak results, and nothing in the pipeline to change that.

Coasting is the dangerous one. It looks exactly like success. The dashboard is green, the board is happy, and the engine underneath is slowing down. By the time the results drop, the cause is often well in the past.

Catching up is the mirror image, and it is often misjudged. An organisation at the bottom of the J-curve is usually catching up. If the board only reads the return, it may cut the very investment that was about to pay off.

So the same number can mean two opposite things. A modest return with a strong look-ahead is a good position. A strong return with a weak look-ahead is a warning.

06 · The weaker side sets your real position

Now put the two sides together.

The natural thing to do is to average them. A strong work side, a weaker people side: a decent average, so we are fine. That average is exactly where the problem hides.

Imagine an organisation that scores 90 out of 100 on the work side and 20 on the people side. On average, it looks reasonable. In reality, it produces a lot of output today while losing the human capability it needs to keep that output going, to fix it when something breaks, and to change course when the world changes. That is not a strong position. It is a fragile one with good numbers on top.

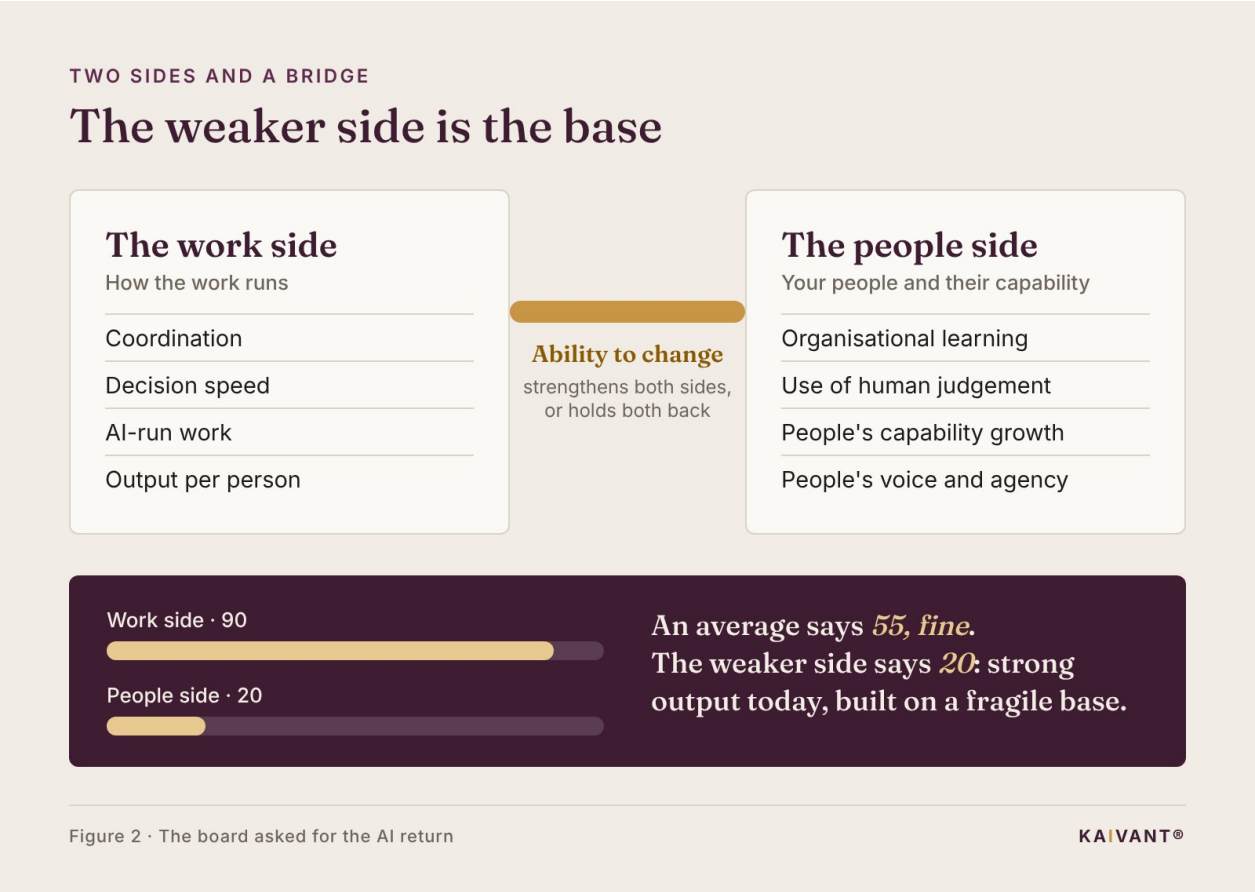


Figure 2 · Two sides and a bridge. The weaker side is the base. A strong side cannot hide a weak one.

That is why I believe the weaker side should set the base. A strong side should only add a little on top, never make up for a weak one. And between the two sides sits the organisation's ability to change: whether it can redesign itself when it needs to. When that ability is weak, it holds both sides back.

07 · What to bring to the board next time

You do not need a new framework to start. You need a better set of questions on the slide.

1. **Separate activity from change.** Put usage figures on one slide and labelled as activity. Put evidence of change on another: decisions that got faster, errors that went down, work that was redesigned.
2. **Report both sides.** Next to what AI has delivered in the work, show what it is doing to your people. If you have no figures for the second side, say so. That gap is a finding the board should see.
3. **Add the look-ahead.** For every result, show what is still being invested in to keep it coming. A green result with an empty pipeline gets an amber flag.
4. **Name the pattern.** For each area, say whether it is compounding, catching up, coasting or stuck. Boards understand direction faster than they understand ratios.
5. **Protect what is catching up.** Before stopping an initiative because its return is low, check its look-ahead. It may be at the bottom of the J.

The organisations that get the most from AI take measurement seriously. BCG found that more than 60% of the companies leading on AI track its value rigorously, against 17% of the companies that are falling behind. [8]

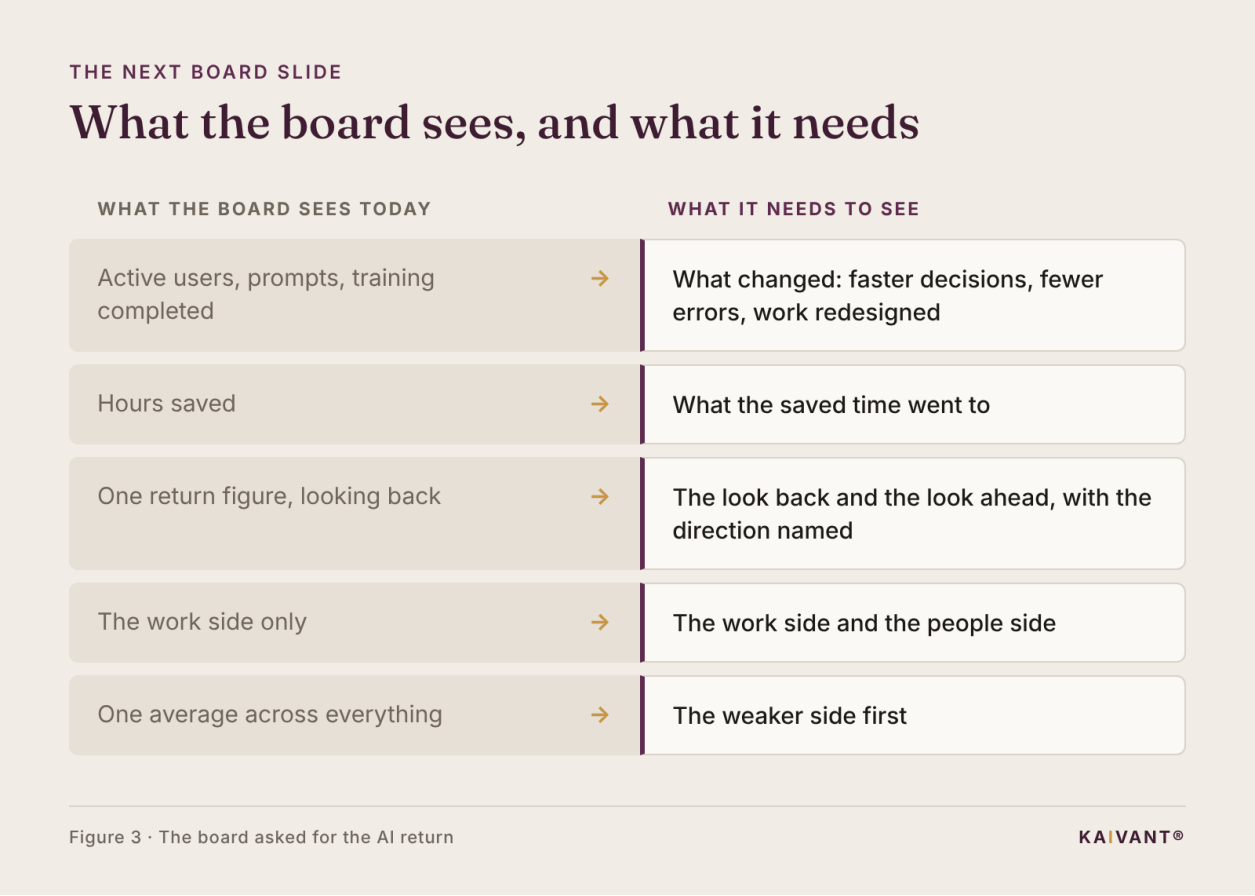


Figure 3 · What the board sees today, and what it needs to see.

08 · Where KAIVANT® fits

This is the picture KAIVANT was built to give.

The Kaivant-O reads nine dimensions: four on the work side, four on the people side, and the ability to change as the bridge between them. Every dimension has a look-back and a look-ahead, so you can see the direction as well as the level. The Kaivant Score uses the weaker side as its base, so a strong side cannot hide a weak one. A Certified Kaivant Practitioner runs the full assessment and checks the evidence with you.

If you want a first read before that, the Leadership Pulse gives one senior leader a structured view of both sides in about 25 minutes, with a report of about 25 pages that you can take into the board room. It gives a Pulse reading, not the Kaivant Score, but it shows you which questions your next board slide should answer.

The method is practice-proven and research-grounded. Statistical validation from KAIVANT's own data grows with every assessment.

09 · The question behind the question

The board will ask about the AI return again. It should. The money is real.

But the most useful answer is a clearer picture, not a bigger number: what AI has changed in the work, what it is doing to your people, and where both are heading. A rear-view mirror is useful. Nobody drives by looking only in the mirror.

Your next step

For leaders · about 25 minutes What is AI doing to your organisation, on both sides? Take the Leadership Pulse: kaivantscore.com/pulse

For individuals · about 10 minutes Is AI making you more capable, or more dependent? Take the free Kaivant-I Starter: kaivantscore.com/KI-test

Go deeper Justifying the AI spend to your board: kaivantscore.com/decisions/justify-the-spend

Read next: *Trained is not changed.* Why finishing the AI course says little about whether people are getting better.

Sources

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About the author

Michiel R. de Boer is the founder and Chief Architect of KAIVANT®, and co-owner and managing director of MindMagine. For more than 30 years, he has helped organisations internationally with the best practices of programme, project and process management, governance and leadership. Based in Kuala Lumpur, he now focuses on helping organisations everywhere become truly AI-native, without losing the human capability that makes them work.

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