

Why AI Projects Fail

(and what to do about it)

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Let's be honest about AI projects.

Most of them don't fail because the technology doesn't work.

85%

of AI projects
fail to deliver
business value

Gartner, 2025

70%

of failures are
people & process,
not technology

BCG, 2024

~5%

of companies have
the data readiness
to scale AI

Dun & Bradstreet, 2026

They fail because of five very specific, very fixable mistakes.

01

Wrong Problem

You solved something.
Just not the right something.

"Can you build us a chatbot?"

The most important word in an implementer's vocabulary: "Why?"

HR TEAM

"We need you to build a chatbot for HR."

YOU

*"Interesting. **Why?** What problem are you actually having?"*

HR TEAM

"Employees keep asking us the same questions – payroll dates, holidays. They should be on the intranet but nobody finds them."

YOU

"So the problem is content discoverability – not conversation. Before we build a chatbot, have you considered fixing the intranet search?"

The chatbot was never the answer. Technology would have masked a solvable operational problem. Tech lives in the solution space – don't go there too early.

02 Wrong Solution

Right problem. Wrong tool.
Wrong architecture.

"We'll wait for the vendor's AI."

A client waited 18 months for their ERP vendor's AI roadmap.
We built a lightweight tool in 4 weeks that did 70% of what they needed.



Waiting for the perfect vendor tool

Their roadmap says Q3. Your problem exists today.
Build the useful thing now.



GenAI when you need a rule or a filter

LLMs are for language and ambiguity.
"If invoice type = X, route to Y" is a three-line rule.
Don't use a sledgehammer.



Building what you should buy

Build for differentiation. Buy for commodity.
Most companies flip this.



Data Privacy

Public AI tools + confidential data = a legal problem waiting to happen. Governance is a MUST!

03 Failed Execution

The solution works. Nobody uses it.

94% accurate. 0% adopted.

The model was technically excellent. It was buried in a portal nobody opened.

01 Adoption is the only KPI that matters

A perfect model no one uses is a perfect failure.

02 Embed in the workflow (or change the existing workflow) - don't build beside it

If using your AI costs more clicks than not using it, they won't use it. It has to be frictionless.

03 "We turned it on" is not go-live

Go-live is when people actually start using it.

04

No Value Measurement

It shipped. You think it's making a difference.
You have no idea.

"What's changed since we launched it?"

Six months after go-live, leadership asked. The team had no baseline. They couldn't answer.

NORTH STAR	BASELINE	THRESHOLD
What is the one metric that defines success?	What is the current state before AI?	What number means it actually worked?
Examples: Grow revenue? Reduce cost? Reduce risk?	Examples: Time per task: 45 min Error rate: 12% Cost per unit: \$38	Examples: >20% time reduction >15% fewer escalations ROI > 3× in 6 months

Rule: Define your North Star, your baseline, and your success threshold before you write a single line of code.

05

Failed Communication

The value was real.
Nobody heard about it.

How Do You Communicate Success

The VP wanted one sentence: "Did revenue go up?"

WHAT GOES WRONG

- ✗ Presenting accuracy, not outcomes
- ✗ Technical language to a business audience
- ✗ No before / after comparison
- ✗ "The model improved things" - no named human
- ✗ Sending a report instead of telling a story

THE ONE-PARAGRAPH STORY FORMULA

THE PROBLEM

"Our analysts spent 3 hours a week on this report manually."

THE CHANGE

"We built a tool that automates extraction and flags anomalies."

THE RESULT

"2.5 hours saved per analyst per week. Errors down 40%."

THE PERSON

"Maria, our Head of Ops, uses it every Monday at 8am."

WHAT'S NEXT

"We're expanding it to two more teams next quarter."

Every AI project deserves a one-paragraph story. What is your narrative?

So... How to be Successful?

- 01 Solve the right problem first – not the one you were handed.
- 02 Pick the right tool – not the shiniest or most convenient one.
- 03 Change management is not a phase. It is the product.
- 04 Define value before you build. Measure it after.
- 05 Turn your results into a story someone can tell.