



IDC Directions

Reimagining ROI in an AI world

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In past 12 Months, overcame major barriers to adoption

The AI Scramble



Costs

Better vetted use cases
Lower costs to develop AI apps

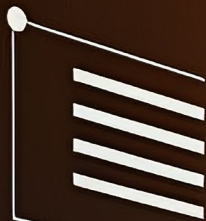
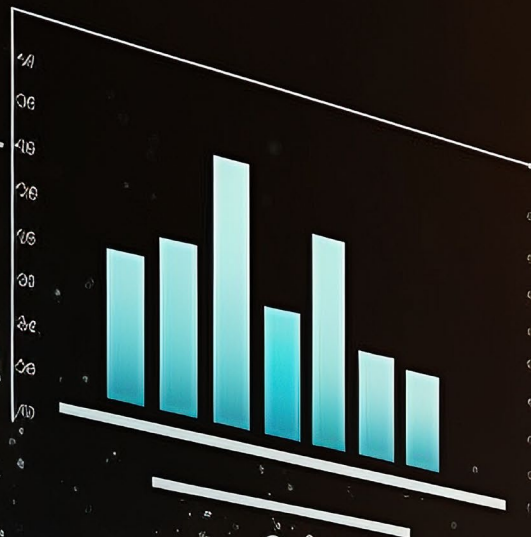
Skills

Limited AI skills,
especially GenAI skills

Governance and trust

AI governance and
deployment frameworks

10%



869 100%

340206



“

*GenAI is not the game changer.
GenAI is the compelling event.
AI is the game changer!*

Dietmar Koch
Head of Strategy, M&A for IT
Siemens Healthineers



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POC to production conversion



Prompts: Create an image of a workplace where AI does the work
Add people collaborating with AI



Traditionally, ROI means ...

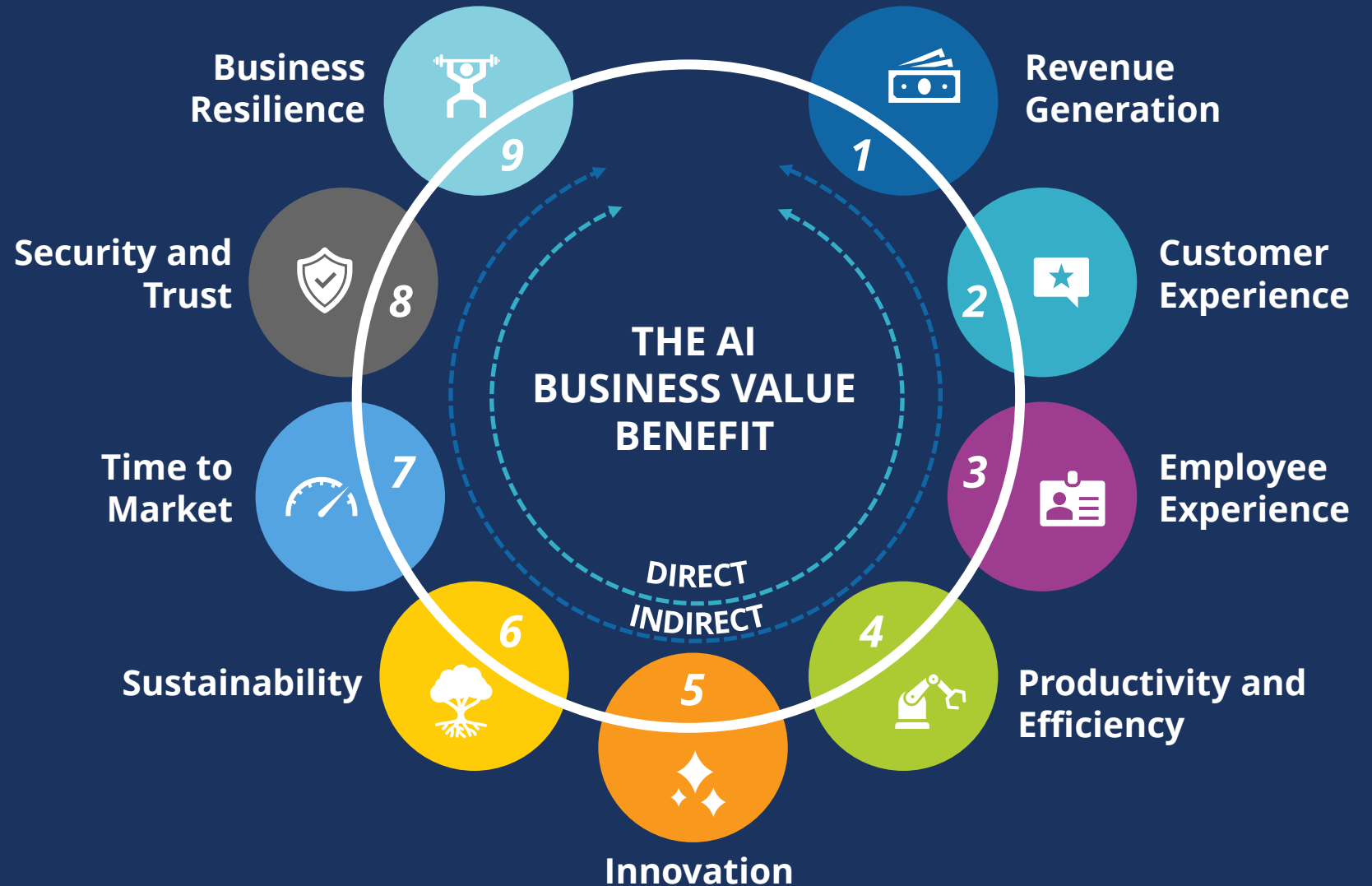
$$\text{Tech ROI} = \frac{\text{Net Income}}{\text{Cost of Investment}}$$

THE REALITY IS MUCH MORE COMPLEX THAN THIS.

How are you **defining**
the ROI of AI?

Expanded "Business Value Benefit" of AI

IDC's AI Business Value Benefit Framework encapsulates key parameters needed when measuring ROI potential for AI use cases and projects. It involves nine categories — a mix of direct and indirect indicators.



Many decision points impacting costs

Subscription or Token-based

43%

of CIOs prefer agentic AI pricing under a subscription model.

On-prem or Public cloud

69%

of enterprises plan to deploy AI via a SaaS public cloud partner.

Expanded cost concept

IT costs for AI-
related projects

Models, Data, Compute, Software, Customization and Consulting, Infrastructure

Additional costs

Governance and Legal, Integration, Model training and tuning, Testing and monitoring, POC/Pilot, Infra and data costs (2+ Years), Change management (Training)

Reimagining the AI calculation

$$\text{Tech ROI} = \frac{\text{Net Income}}{\text{Cost of Investment}}$$



$$\text{AI* ROI} = \left\{ \frac{\text{AI Business Value Income}}{\text{Initial Cost of Investment} + \text{Annual costs}} \right\} \times \text{Success Probability}$$

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From AI Return on Investment to Business Value

A Practical ROI and Business Value
Calculation Framework for IT Leaders

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