



EXECUTIVE BRIEFING

The AI Value Gap

Why AI Investment Is Not Always Creating
Business Impact — and What Leaders
Should Do Differently

THE EXECUTIVE CHALLENGE

AI adoption is accelerating. Business impact is not keeping pace.

AI is now accessible to almost every organisation. Teams can write, analyse, automate and build faster than ever before. Yet access to AI does not automatically translate into better business performance.

The leadership question has changed.

Not: “Should we use AI?”

But: “Where should AI change how our business works?”

This briefing explores why many AI initiatives struggle to create material value - and the workflow-first approach leaders can use to turn AI investment into operational impact.

THE AI VALUE GAP

The investment is real. The returns are uneven.

60%

**Little or no material
value from AI.**

Minimal revenue and cost
gains despite substantial
investment.

5%

**Achieving AI value at
scale.**

Companies with stronger
capabilities to convert AI into
enterprise value.

21%

**Redesigned some
workflows around
GenAI.**

Among organisations already
reporting GenAI use.

The gap is not between companies that have AI and companies that do not.

It is increasingly between companies that use AI and companies that redesign around it.

Sources: BCG, "The Widening AI Value Gap" (2025); McKinsey, "The State of AI: How organizations are rewiring to capture value" (2025).

A CRITICAL DISTINCTION

AI adoption is not the same as AI transformation.

An organisation can give every employee access to AI and still operate with the same bottlenecks, handoffs, approval layers and outdated processes.

AI ADOPTION

“How can AI help us do this task faster?”

Useful for individual productivity.
Often leaves the workflow unchanged.

AI TRANSFORMATION

“How should this work be done differently now?”

Changes roles, decisions, handoffs and systems - then measures the business impact.

WHY VALUE GETS STUCK

Four patterns that limit AI impact.

- 01 Tools Before Problems** AI is selected before the operational problem and desired outcome are clearly understood.
- 02 Old Workflows, New Technology** AI is layered onto inefficient processes instead of rethinking how the work should happen.
- 03 Disconnected Experiments** Teams run isolated pilots with no shared priorities, architecture or transformation direction.
- 04 No Clear Measure of Value** Success is measured by usage or novelty instead of cost, speed, quality, capacity or revenue.

More AI activity does not automatically create more business value.

WHAT THE RESEARCH POINTS TO

Workflow redesign is where AI starts to become transformation.

McKinsey tested 25 organisational attributes and found that workflow redesign had the biggest effect on an organisation's ability to see EBIT impact from generative AI.

THE KEY SHIFT

Stop asking: "Which AI tool should we use?"

Start asking: "How should this work be done differently?"

That question changes the conversation from technology adoption to business design.

Source: McKinsey & Company, "The State of AI: How organizations are rewiring to capture value," March 2025.



WHAT TRANSFORMATION LOOKS LIKE

AI Transformation Changes How Work Gets Done.

The goal is not simply to help people complete the same work faster. The bigger opportunity is to redesign the workflow so AI becomes part of how the organisation operates.

01

AI as a Product Expert

Give employees instant access to company knowledge, process guidance and operational context.

02

AI as a Data Engineer

Process, transform and validate large volumes of data for migration, reporting or operational workflows.

03

AI as Customer Support

Capture requests, clarify missing details, classify needs and prepare the next action for the team.

THE SYSTRANSFORM APPROACH

Start with the workflow. Not the tool.

We examine how work happens today, identify where the greatest value and friction exist, redesign the workflow, then introduce the right AI and measure the impact.

01

Understand

How work happens today

02

Identify

Friction + high-value opportunities

03

Redesign

People, process + AI roles

04

Implement

The right AI + integration

05

Measure

Business + operational impact

Technology is selected after the business opportunity and future workflow are clear.

01 - UNDERSTAND

Map the work before you automate the work.

Transformation starts with a clear picture of how the workflow actually operates - not how it is assumed to operate.

- Where does the work begin and end?
- Who makes the key decisions?
- Where are the handoffs and delays?
- What information is repeatedly searched, copied or clarified?
- Where do errors, rework or customer frustration occur?

Outcome: a workflow map that exposes where AI can create meaningful change.

02 + 03 - IDENTIFY AND REDESIGN

Find the right opportunity - then redesign the work.

Not every task deserves AI. Prioritisation should balance business value, workflow suitability and implementation feasibility.

BUSINESS VALUE

Will it materially improve cost, speed, quality, capacity, experience or growth?

WORKFLOW FIT

Can AI meaningfully handle, assist or coordinate part of this work?

FEASIBILITY

Can it be implemented with the available data, systems, governance and team capability?

Then redesign the workflow: what should AI do, what should people do, and how should the system connect them?

04 + 05 - IMPLEMENT AND MEASURE

AI creates value when it becomes part of daily operations.

Implementation is not complete when a prototype works. It is complete when the workflow is adopted, integrated and producing measurable outcomes.

IMPLEMENT

- Connect AI to the real workflow
- Integrate with existing systems and data
- Define human review and decision points
- Train the team around the new way of working

MEASURE

- Cost reduced
- Cycle time improved
- Errors or rework reduced
- Capacity increased
- Customer experience improved
- Revenue or conversion improved

Measure the business outcome - not just the number of people using AI.

FROM EXPERIENCE, NOT THEORY

A 12-month transformation changed how the business operated.

The journey began with recurring customer complaints, project delays and operational pressure. AI tools initially helped individuals work faster - but the underlying workflows stayed the same.

01 AI became a product expert

Project teams could access operational and system guidance more consistently.

02 AI became a QC partner

AI supported code review, issue identification and quality checks.

03 AI became a data engineer

AI supported large-scale client data preparation and migration work.

The outcome: lower operating cost, profitable operations, a more capable team and faster onboarding.

LEADERSHIP SELF-CHECK

Where is your organisation today?

If several of these questions are difficult to answer, the next step may not be another AI tool. It may be greater clarity about where transformation should begin.

- ☐ Do we know which workflows have the greatest potential for AI?
- ☐ Is AI embedded into workflows - or mostly used as standalone tools?
- ☐ Can we measure the business value created by our current AI initiatives?
- ☐ Have we redesigned any workflow because AI enables a better way of working?
- ☐ Do we have clear priorities instead of many disconnected experiments?
- ☐ Do we know which decisions should remain human-controlled?
- ☐ Can our existing systems and data support the AI solutions we want to implement?

If you cannot confidently answer "yes" to 3 or more questions, your organisation may need greater clarity before further AI investment.



Find the right
AI opportunities.

Redesign work.

Create real business impact.

Start your AI transformation at systransform.ai

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