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The C-Suite Lens: Perspectives on Performance

Beyond Efficiency:
The Hidden ROI of AI

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Introduction

The early narrative of GenAI was seduced by speed. The promise was simple: do what you are already doing — coding, writing, analyzing — but faster and cheaper. While this "efficiency layer" offers immediate, tangible returns, it carries a catch: it encourages leaders to pave individual paths rather than build organization systems.

The true return of AI moving forward lies not in automation, but in augmentation and agency. We are witnessing a shift from "Generative AI" (tools that create) to "Agentic AI" (systems that act). The organizations now pulling ahead are those using AI to solve cold-start problems, surface patterns that humans cannot see, and enable decisions that were previously impossible.

The difference is profound: the first improves how today works; the second builds the foundations for an entirely different future.

Here are the four shifts that matter most:

01. ROI Starts in the Smallest Workflows

Across industries, the earliest measurable gains come from micro-workflows: high-volume, repetitive tasks where AI improves quality, decision-consistency, and information clarity.

Large-scale field experiments show this clearly. In a multi-workflow retail study, GenAI lifted sales by up to 16.3%, driven by higher conversion rates, reduced friction, and more accurate query and content generation, all without increasing labor or capital inputs (Fang et al., 2025). These gains often look modest, sometimes no more than one or two percentage points at a time, but compound significantly when applied to workflows with scale.

This is where the real ROI begins and it's precisely these small signals, rather than big headline savings, which reveal where AI's deeper, more transformative value will emerge.

02. Measuring AI's Impact Requires New Approaches

Because AI alters both the quantity and quality of output — improving information flow, decision-consistency, and service quality — firms cannot rely on traditional productivity metrics alone. Meta-analytic evidence from service

organizations shows quality and internal efficiency must be measured jointly to reflect true performance.

An important output of this is that measuring possibility, not just speed, is becoming a leadership discipline. As our recent AI Playbook, ['Leading the Age of AI: Practices for the New Era'](#), notes, leading in the age of AI requires an expansive mindset: measuring not just efficiency gains, but the new capabilities, routes, and opportunities that weren't available before.

03. The Real Step-Change Comes from Agentic, Self-Diagnostic Workflows

While most organizations are still focused on copilots, the deeper shift is already underway. AI is beginning to take goals, not just prompts, and execute multi-step workflows inside real business processes.

Large-scale field experiments show that GenAI can reliably automate tightly scoped sequences of tasks — from content refinement to customer-service flows — delivering material commercial outcomes at scale ([Fang et al., 2025](#)).

In parallel, experimental work in entrepreneurial settings shows AI already influencing multi-step decision processes. High-performing entrepreneurs used AI tools to identify and execute operational changes that increased revenue; low performers followed generic suggestions that decreased performance by nearly 10% ([Otis et al., 2024](#)).

In other words, AI is no longer an assistive layer; it is becoming a workflow engine, and the competitive frontier is shifting from "who has AI" to "who can orchestrate AI-driven systems that compound execution."

04. Culture, Capability, and Governance Differentiates the Winners

The divide emerging inside organizations is no longer technical but behavioral. AI-native employees experiment more, iterate faster, and adapt quickly; experienced manual operators often experience a "dip before the lift" as old heuristics collide with new tools and established routines.

The evidence is consistent: the real complement to AI is human judgment; the ability to interrogate, evaluate, and understand workflows end-to-end ([Hanna, Mullainathan & Schwartzstein, 2014](#); [Green & Chen, 2019](#)). Prompting is not the capability that differentiates high performers; critical reasoning is.

At the same time, governance is becoming the limiting factor. Organizations that embed guardrails directly into data flows — trust layers, lineage tracking, validation checks, permissioning, and systematic feedback loops — move faster and more safely than those that rely on static, after-the-fact review.

Together, these dynamics point to a simple conclusion: the organizations that win will be those that treat AI as an organizational system, pairing adaptive cultures with judgment-rich capabilities and embedding governance directly into the operational fabric.

The Hidden ROI: Systems That Learn, Adapt, and Compound

AI's return is emerging through subtle yet compounding improvements in quality, reliability, judgment, and workflow autonomy. The organizations that will lead the next decade will be those that look beyond time-savings to possibility, redesign their measurement models, embrace agentic and self-diagnostic systems, and build the cultural and governance foundations needed to steer them.

In the age of AI, advantage won't belong to the fastest movers, but to those bold enough to redesign how the work gets done.

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