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BEATING THE A.I. ODDS

A recent MIT report says 95% generative AI pilots at companies are failing. The secret to implementing success? Stop piloting and start embedding.

By Adam Hofmann

According to a MIT report making headlines across news outlets and social media platform, 95% of enterprise AI projects have crumbled by the wayside. The graveyard is full of flashy demos, endless pilots, and millions sunk into proofs-of-concept that never touched a real customer or saved an employee a single hour.

If you're a senior executive, here's the hard truth: AI success is not a technology problem. It's a leadership problem. And it's solvable—if you treat AI not as an experiment, but as a discipline. Here's how leaders in the winning 5% are doing it:

Don't Chase Use Cases. Ruthlessly Destroy Them.

Many executives start by building a long list of "AI ideas." Unfortunately, it's the wrong move. Start with your strategy: What are the two or three business outcomes that matter most right now? Then work backwards. For every proposed use case, ask yourself the following questions:

- Does it tie directly to one of those outcomes?
- Can we prove value in 90 days or less?
- Will success scale across multiple, cross-functional teams?

If the answer isn't *yes* to all three, toss it. The winners kill 80% of use cases on day one and pour resources into the few that matter.

Pilot With Purpose—Then Embed Relentlessly

Pilots are valuable, but only if they're treated as stepping stones, not trophies. You do need space for testing and learning; often by starting small, proving the concept, and building confidence.

But the second a use case shows real value, the focus must shift to embedding it into the systems and workflows people already use every day. The goal isn't to create new behaviors; it's to make AI invisible—woven seamlessly into existing tools so adoption is frictionless.


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Make AI Literacy Mandatory & Show the Path Forward

You wouldn't outsource your understanding of financial statements. Don't outsource your understanding of AI. Winning executives don't become data scientists, but they do know enough to ask sharp questions, smell hype, and set realistic expectations.

And literacy can't stop at the top. Teams need to see not only how to use AI today, but also how their roles will evolve tomorrow. Show them: Here's what AI can take off your plate now. Here's how your role will expand as the technology matures. That clarity turns fear into confidence—and experimentation into momentum.

Measure the Boring Stuff

Executives love bold ROI headlines—"AI saved us $50M." The winners measure something more mundane: minutes saved, error rates reduced, deal cycle times shortened. Why? Because those are the signals you can track weekly, that build trust, and that compound into massive impact over time.

Time Your Guardrails to Accelerate, Not Suffocate

Governance and security are essential—but introduced too early, they can strangle innovation before it starts. The winning approach is phased: In phase one, test and validate the use case with minimal friction.

Next, once value is proven and adoption grows, move into phase two by layering in guardrails—ethics, bias checks, data security, and a human-in-the-loop review. By the time it scales to production or customers, you're in phase three, where governance is robust and trusted, because it's been tested alongside real use. This phased approach transforms governance from a brake into an accelerator.

The Executive Test

AI success isn't about betting on the right model. It's about leading with discipline under uncertainty. Kill most ideas fast. Pilot with purpose, then embed relentlessly. Make literacy and role evolution non-negotiable. Measure what compounds. And introduce governance at the right time—early enough to build trust, late enough not to kill momentum.

Most importantly, to join the 5% who win we should see this not as a technology challenge, but more of a stress test of executive leadership. **IQ**

Click to read Adam Hofmann's latest *Quarterly AI Insights Report* on leveraging AI to supercharge enterprise and leadership performance.

83%

MIT notes that while only 5% of custom GenAI tools survive the pilot-to-production cliff, generic chatbots have an 83% adoption rate for trivial tasks, yet stall the moment workflows demand context and customization.