

AI governance scorecard for the Board

Five Questions That Separate AI Strategy from the 95% Failure Pattern

TWO OR MORE UNCLEAR ANSWERS MEANS THE PROGRAM NEEDS RESTRUCTURING BEFORE MORE CAPITAL IS COMMITTED.

01 OPERATIONAL OUTCOME

What specific operational outcome will this investment produce, by when?

WANT TO HEAR

Specific metric + specific date.
Cycle time, error rate, hours. Concrete number.
Agreed measurement method.

SHOULD WORRY YOU

Vague language about 'transformation,'
'competitive advantage,' or 'future-proofing' with
no concrete metric.

60% OF FIRMS INVESTING IN AI HAVE NO FORMAL MECHANISM TO TRACK BUSINESS IMPACT.

02 COST TO KNOW

How much will we have spent by the time we know whether it is working?

WANT TO HEAR

Measurable result in 90 days. Self-funding model.
Each increment produces enough value to fund the
next.

SHOULD WORRY YOU

'We will know after 12 to 18 months.' Spending
significantly before producing any measurable
result.

60% OF FIRMS TAKE 7-12 MONTHS TO SHIP AN AI PROJECT. MOST STRATEGIES HAVE MOVED ON BY THEN.

03 STOP CONDITIONS

What happens if it does not work? At what point do we stop?

WANT TO HEAR

Stop condition defined in advance, in writing. Miss
the Q1 metric and increment two does not start.

SHOULD WORRY YOU

'We will keep iterating.' No defined exit signals AI is
treated as a priority that cannot be wound down.

THE 5% CAPTURING AI VALUE AT SCALE SHARE ONE TRAIT: DISCIPLINED ATTRITION. THEY STOP FAILING PROGRAMS.

04 OPERATING MODEL

What does this do to our operating model, not just our technology stack?

WANT TO HEAR

Workflow redesign. Role redefinition. Specific
before-and-after. Technology follows operational
decisions.

SHOULD WORRY YOU

Focus on AI tools, vendors, platforms.
Emphasis on what is being bought vs. how work will
change.

50% OF FIRMS CITE HUMAN REVIEW AS A TOP ONGOING AI COST. ONLY 4% CITE EMPLOYEE UPSKILLING.

05 M&A POSITIONING

How does this position us for the M&A landscape we are operating in?

WANT TO HEAR

Management links AI readiness to valuation: buyer
diligence picture OR independent competitive
position.

SHOULD WORRY YOU

M&A is not our focus right now.
Treating AI as internal efficiency vs. strategic
positioning.

181 BANK MERGERS IN 2025. AI READINESS DRIVES VALUATION MULTIPLES IN COMMUNITY BANK TRANSACTIONS.

