

INSTITUTE WHITE PAPER – MARCH 2026

AI adoption as an operating-model problem

AI does not fail on model quality. It fails on ownership.

Why AI initiatives that report to IT underperform those that report to the operating committee.

SAMPLE

n = 63 initiatives

OBSERVATION PERIOD

2023–2026

EXTENT

18 pages · full edition

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Outcomes verified under the Markham Verification Standard (MKM-F-003)

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ABOUT THE MARKHAM INSTITUTE

The Institute is the research arm of Markham Consulting. It maintains the outcome dataset, stewards the framework library, and publishes its methods in full – so the thinking can be audited before it is paid for. Positions are argued, priced, and open to challenge.

IN THE FULL EDITION

18 pages · v1.0 · Current

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Pagination refers to the full edition. The excerpt reproduces the executive summary, headline exhibit and method notes only.

AI does not fail on model quality. It fails on ownership.

We tracked 63 AI initiatives from approval to month 18. The strongest predictor of value delivery was not vendor choice, data readiness or model quality. It was the reporting line. Initiatives owned by the operating committee and priced per use case delivered a median 68% of their value case; initiatives owned by IT delivered 23%. The technology was frequently identical.

AI creates value only when the operating model changes around it – when a forecast changes an ordering decision, when an automated answer closes a case without a queue. Those are operating decisions, and IT does not own them. This paper sets out the ownership test, the pricing discipline, and the four failure patterns behind most write-offs.

“A forecast that no ordering forum consumes is a chart. An answer engine no process trusts is a demo.”

Value delivery by reporting line

n = 63 initiatives · 2023-2026



Median share of approval-time value case delivered at month 18, 63 initiatives. Full method and cohort definitions in the closing chapter of the report.

VERIFIED · MKM-F-003

01

68%

Median value delivery at month 18, operating-committee ownership.

02

23%

Median delivery under IT ownership – frequently identical technology.

03

4×

Higher write-off rate for platform approvals vs priced use cases.

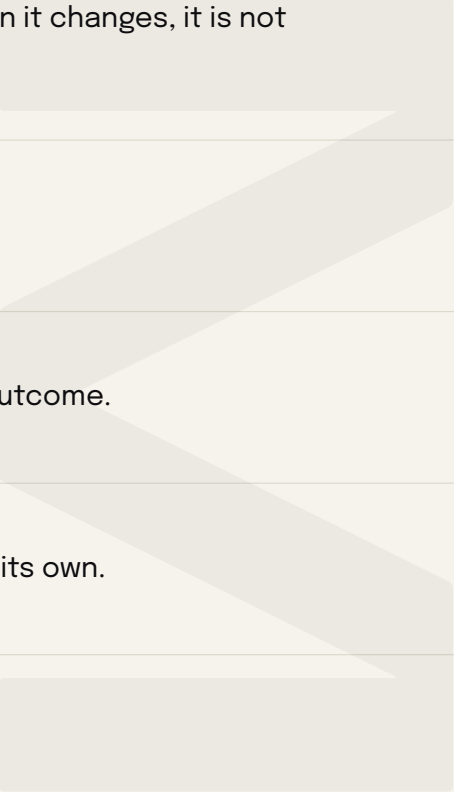
04

54%

Initiatives unable to name, at approval, the decision the model changes.

Every figure is measured against a frozen month-0 baseline and re-tested at month 12 before publication. No figure on this page is self-reported.

The findings, as Monday-morning decisions.

- 
- a** Move AI ownership to the operating committee. If the initiative cannot name the operating decision it changes, it is not ready to be funded.
 - b** Approve use cases, not platforms. Each use case carries its own value case, baseline and kill test.
 - c** Verify per use case at a fixed cadence – the same standard applied to any other transformation outcome.
 - d** Treat data and platform work as enabling spend inside a priced use case, never as a value case of its own.

HOW THE NUMBERS ARE MADE

SAMPLE	63 AI initiatives across 41 organisations, approved 2023–2025, tracked to month 18.
CLASSIFICATION	Ownership classified by where scope, funding and adoption decisions were actually made – from minutes, not org charts.
VERIFICATION	Value measured against the approval-time value case under MKM-F-003.
EXCLUSIONS	Initiatives without a written value case at approval are reported separately.

CITATION

Markham Institute, AI adoption as an operating-model problem, MKM-R-2026-005, v1.0 (March 2026). Citation permitted with attribution.

STANDARDS APPLIED

Baselines frozen under change control · one attribution line per benefit · independent evidence review · twelve-month survival re-test. The full standard is published as MKM-F-003 and may be applied without licence.

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