International Journal of Scientific Research and Engineering Development-– Volume 9 Issue 6, Nov – Dec 2026
Available at www.ijsred.com

RESEARCH ARTICLE OPEN ACCESS

Enterprise AI Business Value Realization and ROI Measurement Framework

A Comprehensive Framework for Measuring AI Benefits, Costs, Adoption, Productivity, Risk Reduction, Revenue Impact, and Sustainable Return on Investment

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Abstract:

Enterprise AI programs often demonstrate technical success without proving durable business value. Organizations may track model accuracy, usage, or pilot completion while failing to connect AI investments to revenue, cost, productivity, customer outcomes, risk reduction, or strategic capability improvement. This paper proposes an Enterprise AI Business Value Realization and ROI Measurement Framework that links AI use cases to value hypotheses, baselines, benefits, costs, adoption, risk adjustments, realization periods, and accountable owners. The framework covers direct financial benefits, productivity gains, quality improvement, decision speed, risk avoidance, customer experience, innovation capacity, and strategic options. It introduces benefit attribution, counterfactual baselines, total-cost-of-ownership measurement, risk-adjusted ROI, payback period, value leakage analysis, and executive scorecards. The proposed approach enables organizations to distinguish experimentation from realized value and to govern AI portfolios according to measurable enterprise outcomes.

Keywords — AI ROI, Business Value, Value Realization, AI Economics, Enterprise AI, Productivity, Total Cost of Ownership, AI Governance, Portfolio Management, Benefits Management

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I. INTRODUCTION

AI value should be measured through business outcomes rather than model performance alone.

A reliable value framework starts before implementation by defining the expected benefit, baseline, owner, measurement method, and realization horizon.

II. VALUE HYPOTHESIS

Each use case should state how AI changes a business process, decision, customer interaction, risk exposure, or cost structure.

The hypothesis should identify measurable outcomes and the assumptions required for value to occur.

III. BASELINE AND COUNTERFACTUAL

ROI measurement requires a baseline representing the process without the AI intervention.

Where possible, control groups, historical comparisons, or matched cohorts can reduce attribution error.

IV. BENEFIT CATEGORIES

Benefits may include revenue growth, cost avoidance, labor productivity, cycle-time reduction, error reduction, customer satisfaction, risk reduction, and improved strategic agility.

Non-financial benefits should still use explicit measures and should not be converted into monetary value without defensible assumptions.

V. TOTAL COST OF OWNERSHIP

AI TCO includes model usage, data, infrastructure, integration, development, evaluation, governance, security, monitoring, support, training, change management, and vendor costs.

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Lifecycle costs should include model upgrades, retraining, recertification, and incident remediation.

VI. ADOPTION AND UTILIZATION

Value depends on user adoption, workflow integration, task coverage, and sustained usage.

Low adoption can create value leakage even when the AI system performs well technically.

VII. RISK-ADJUSTED ROI

Expected benefits should be adjusted for implementation risk, model failure, compliance exposure, security risk, vendor concentration, and uncertainty.

Risk-adjusted ROI provides a more realistic portfolio comparison than simple benefit-to-cost ratios.

VIII. VALUE ATTRIBUTION

Attribution should distinguish value created by AI from value created by process redesign, new data, organizational change, or parallel technology initiatives.

Transparent attribution rules improve executive trust in reported benefits.

IX. PORTFOLIO SCORECARD

A portfolio scorecard can show realized value, forecast value, TCO, adoption, risk, payback, and strategic contribution for each use case.

This enables leaders to scale successful patterns, remediate weak use cases, and stop initiatives that do not produce value.

X. GOVERNANCE AND ACCOUNTABILITY

Every benefit should have a business owner responsible for realization, not only a technical delivery team.

Governance should review value after deployment and compare actual outcomes with approved business cases.

XI. CONTINUOUS VALUE OPTIMIZATION

Production data can reveal opportunities to redesign workflows, route tasks differently, improve prompts, reduce model cost, or expand successful use cases.

Value measurement should therefore continue throughout the lifecycle rather than ending at go-live.

XII. CONCLUSION

The Enterprise AI Business Value Realization and ROI Measurement Framework connects AI investment with measurable enterprise outcomes.

By combining baselines, costs, adoption, risk, attribution, and accountable ownership, organizations can govern AI portfolios for sustainable value rather than experimentation volume.

ACKNOWLEDGMENT

The author acknowledges the contributions of enterprise architecture practitioners, AI governance specialists, standards bodies, security professionals, data leaders, and technology researchers whose published work informed the concepts synthesized in this paper.

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