

The invisible 90%.

Why AI projects fail after the demo.

Stefan Ojanen

AI Solution Owner, Focused Energy

ABOUT THE SPEAKER

Stefan Ojanen



I build AI that survives production, and the auditor.



Next

AI Solution Owner, Focused Energy, from mid October 2026



Now

Berlin Organizer & Champion, Agentic AI Foundation (AAIF)



~1M CHF

annual value at Ringier, with 20,000+ hours recovered per year



90%+

AML/KYC decisions automated at Danske Bank, across 3 countries



600+

members in year one · MLOps Community Munich, co-founder

AI PROJECT FAILURE, AS USUALLY QUOTED

The numbers everyone knows.

80%



"More than 80 percent of AI projects fail"

90%

McKinsey
& Company

Of AI projects "stuck in the
experimentation phase"

95%

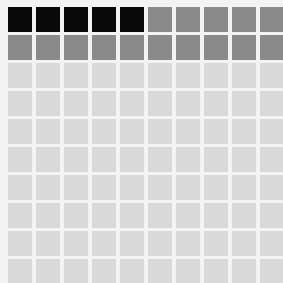


Of organisations "getting zero return"

Hands up if you have seen any of these numbers before

The 95% doesn't say what you think.

WHAT THE 95% COUNTS



■ 5 succeeded

■ 15 ran a pilot without result

■ 80 never ran a pilot

That's the 95%: organisations, not pilots. Of the companies that actually piloted, about one in four succeeded.

"Saying that 95% of them were failing is like saying 95% of Tinder users have failing marriages, when 80% of the people you're talking about have never even gone on a date."

Rob Wiblin, 80,000 Hours podcast, April 2026

Your people adopted AI. Your company didn't. Yet.

WHAT IT ACTUALLY FOUND

"The core barrier to scaling is not infrastructure, regulation, or talent. It is learning."

MIT NANDA, 2025

40%

of companies bought an official LLM subscription

90%+

of companies have staff using personal AI tools for work

MCKINSEY, 2026

80%

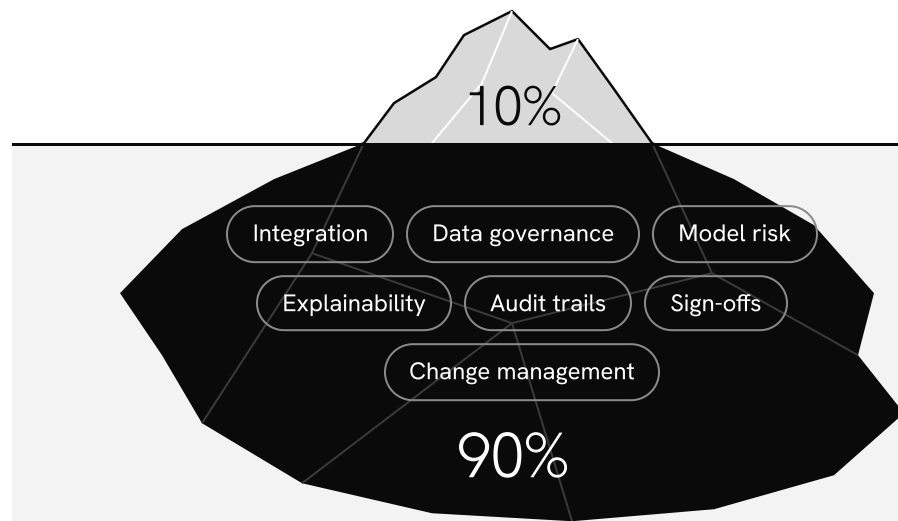
say AI improved their own productivity

37%

can attribute any EBIT impact to AI

Sources: Challapally et al., *The GenAI Divide*, MIT NANDA, v0.1, July 2025, pp. 3, 6, 8 · McKinsey, *The state of AI in 2026*, 25 Aug 2026 (n=1,719)

The demo is the easy 10%.



Above the waterline: the demo everyone applauds.

Below it: the 90% in my title. Not a failure rate. The work.

WHAT DEMOS STRUCTURALLY HIDE

- 01 Data that isn't AI-ready.
- 02 The team production needs.
- 03 The bill after the pilot.

"Gen AI usually only makes up about 15 percent of any solution."

"For every \$1 spent on new technology, another \$3 should be invested in change management."

Only one of the five is a limit of the technology.

- | | | |
|---|--|--------------------------|
| 1 | Leadership misunderstands, or miscommunicates, the problem to solve. | Most common, most impact |
| 2 | The organisation lacks the data to train the model. | Cited by more than half |
| 3 | The team chases the latest technology, not the user's problem. | |
| 4 | No infrastructure to manage data and deploy models. | |
| 5 | The problem is too difficult for AI to solve. | The only technical limit |

Accurate isn't the same as used.

ABOVE THE WATERLINE

81.5% agreement with tumour boards, pooled across 9 studies and 2,463 patients.

BELOW THE WATERLINE

Trained on synthetic cases, not evidence. MD Anderson spent \$62.1m. Never in clinical use.

Integration

Data governance

Model risk

Explainability

Audit trails

Sign-offs

Change management

\$4bn+

in. \$1,065 million out.

Sources: IBM Form 10-Q, Q2 2022 · STAT, 25 Jul 2018 · UT System Audit Office, Nov 2016 · AP, 15 Feb 2011 · Jie et al., *Sci Rep*, 2021 · A. Krishna, 8 Jun 2022

Establish your data foundation.

"80% of your problem is a data problem."

Ina Poecher, data scientist, World Wide Technology

Does it exist?

Somewhere, in a system you can name.

90%

of IT and data leaders say 'AI-ready' describes their data

87%

of the same leaders call data readiness a significant impediment to production

6%

say their data is fully ready to support AI at scale

Can you access it?

Legally, technically, repeatedly.

Is it rich enough?

Enough signal to beat the status quo, not empty values.

THE MOVE

Answer all three, in writing, for one use case, before any model work.

THE TEST

A named data owner confirms access and quality.

The problem wasn't technical.

I inherited an enterprise RAG chatbot from a partner with world-class ML talent, after they gave up.

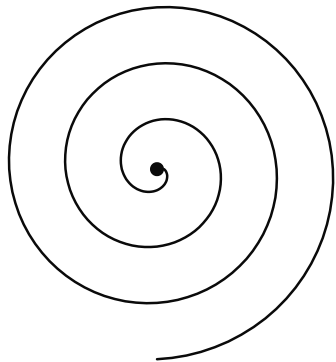
No written definition of “good enough”, ever.

Subject-matter experts too busy to produce a single example Q&A pair.

Goalposts shifted with every review cycle.

Align strategy with execution.

Start from the outcome, not the tool. Think spiral, not circle.



Start small. Each turn reuses the last.

46% of AI projects are scrapped between proof of concept and broad adoption, on average.

Klarna.

2024: Klarna's AI does "the equivalent work of 700 full-time agents." 2025, same CEO: "what you end up having is lower quality."

THE MOVE

Write the business outcome and its owner down before any vendor call.

THE TEST

Every initiative maps to a P&L line someone defends.

Every KPI met. The goalposts moved.

- 1 We hit every KPI the client had requested.
- 2 The conversation immediately moved to running costs.
- 3 Chatbot users showed 2× product usage, dismissed as “indirect revenue”.

Success you don't define in advance will be redefined for you.

Build with the right architecture.

A ten-minute proof of concept proves possibility, not readiness.

WHAT THE POC PROVED

Accuracy.

WHAT PRODUCTION MUST PROVE

Scale · Latency · Monitoring · Unit cost · Rollback

1 in 5



organisations already limit AI use
because of operating costs

THE MOVE

Price the full production path before green-lighting the pilot.

THE TEST

Unit economics hold at target volume, not pilot volume.

If nobody checks, you don't know your error rate.

ABOVE THE WATERLINE

Skilled-nursing denials rose from 1.4% in 2019 to 12.6% in 2022.

BELOW THE WATERLINE

Across Medicare Advantage, only 18% of skilled-nursing denials were appealed. 95% of those were overturned, 97% where naviHealth processed them.

Staff were allegedly held to within 1% of the model's projected stay.

Integration

Data governance

Model risk

Explainability

Audit trails

Sign-offs

Change management

82 in 100

Medicare Advantage skilled-nursing denials
never examined again

Implement security and governance.

From day one. Governance starts with education, not paperwork.

USUALLY: COMPLIANCE AT THE END



DANSKE BANK: A COMPLIANCE OFFICER IN EVERY STAGE



74%

of AI-using companies plan to deploy agentic AI within two years

21%

have a mature model for governing autonomous agents

THE MOVE

Put security and risk in the room at kickoff, not at sign-off.

THE TEST

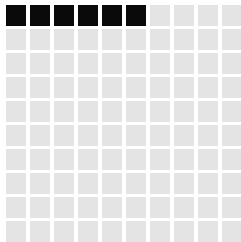
Someone outside the project can explain how the model fails.

WHAT THE 6% DO DIFFERENTLY

Six in a hundred get real money out.

6%

attribute 5% or more of EBIT to AI, and report significant value. Unchanged in a year.



Nearly 3 in 4

redesigned workflows fundamentally.
About 1 in 4 of everyone else did.

2x

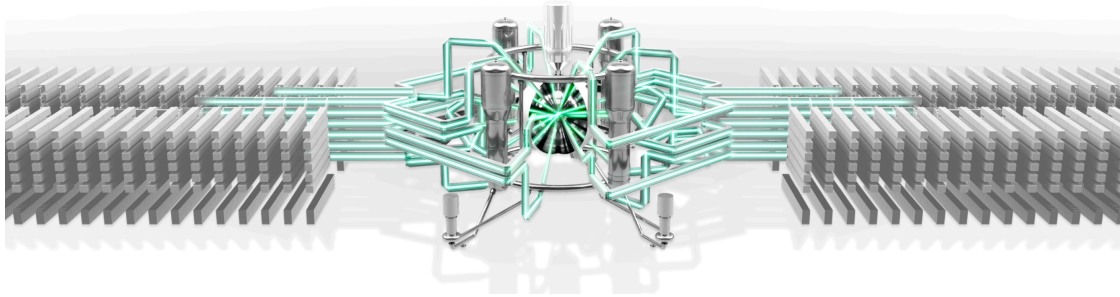
as likely to have senior leaders own it,
and to measure impact.

3.3x

as likely to intend to fundamentally
transform the business with AI.

Your people adopted AI. The 6% redesigned the work around it.

The next level: pricing the whole iceberg.



AI Solution Owner, Focused Energy, from mid October 2026.

A laser-fusion company, scaling fast.

Knowing the total cost of ownership of every AI project, before we commit.

TOTAL COST OF OWNERSHIP: THE DEMO, PLUS

Data work

Integration

Running costs

Monitoring

Governance

Change management

The number I'll be judged on: how close my forecasts land to actuals. *Ask me in a year.*

Three questions to take back.

1 Which of your AI initiatives has a named executive sponsor and a 12-month budget?

2 Is “good enough” written down anywhere your team can point to?

3 If the pilot meets every KPI tomorrow, what ships the day after?

THE INVISIBLE 90% CHECKLIST

Thank you.

The checklist for everything below the waterline:
stefanojanen.com

Stefan Ojanen

LinkedIn: Stefan Ojanen · sojanen@gmail.com



Download the slides
stefanojanen.com/invisible90