



AI STRATEGY · 8 MIN READ

Six Critical Questions Every CEO Should Ask About AI

Before investing millions in AI, most executive teams skip the questions that actually matter. This framework — drawn from our experience across Fortune 100 transformations — helps leaders cut through the hype and build AI strategies that deliver.

By **StrataEdge AI** · Published October 15, 2025 · strataedge.ai

A recent BCG research report shows that a small number of companies are getting significant bottom-line value from their AI investments. This value is demonstrated through increased revenue and cash flow as well as process and workflow improvements. However, only 5% of companies in BCG's 2025 study of more than 1,250 firms worldwide are achieving AI value at scale.

Companies who invest in AI all desire to achieve significant gains. In this paper, StrataEdge AI provides a framework for CEOs to use in evaluating AI opportunities — with the rigor needed to make sure the technology produces the expected benefit to the business.

The Failure Pattern

- **95% of AI pilots** stall without measurable P&L impact
- **78% of internal builds fail** to deliver, vs. a **33% failure rate** for vendor solutions
- Most budgets focus on sales/marketing, but highest ROI comes from back-office automation
- Integration failures kill more projects than technology limitations

The Success Pattern

- Focus on one specific pain point and execute well
- Empower line managers, not just central AI labs

- Track well-defined KPIs from day one
- Integrate domain experts throughout the project lifecycle
- Ensure proper AI governance to avoid failure scenarios

1. What's the specific P&L impact we're targeting — and could we achieve 80% of it without AI?

Quantified Business Case

- What's the measurable impact in dollars, time saved, or error reduction within 6 months?
- How does this compare to the median 10% ROI that finance teams report from AI (vs. typical 20% targets)?
- If claiming productivity gains, how will we measure them given ongoing challenges in quantifying AI's productivity impact?

The Simpler Alternative Test

- Could rule-based automation achieve similar results with less risk?
- What percentage of this problem is truly unpredictable versus just complex?
- Have we priced both an AI solution and a traditional automation approach?

Red Flag: If the team can't articulate specific, measurable business impact or hasn't considered simpler alternatives, stop here.

2. Are we buying or building — and do we understand why that matters?

Statistical Reality Check

- Do we acknowledge that purchased AI tools succeed 3x more often than internal builds?
- If building internally, what evidence suggests we'll beat these odds?
- Have we honestly assessed our AI engineering capabilities vs. market alternatives?

Integration Assessment

- How will our choice integrate with existing workflows (not just systems)?
- Who owns the workflow redesign required for success?
- What's our plan for behavioral architecture — not just feature implementation?

Hidden Cost Analysis

- What are ongoing costs for maintenance, updates, and scaling?
- How will we prevent AI-generated code from compounding technical debt in legacy systems?

- What's the total cost of ownership over 3 years, including talent retention?

Red Flag: Building internally without a compelling strategic reason is choosing a 78% failure rate.

3. Do we have the data infrastructure and governance to support this?

Data Reality Assessment

Rate your data quality (1-10) on accuracy, completeness, consistency, and relevance to the business problem. Then ask:

- Do we have real-time data pipelines or are we working with stale data?
- Is our data representative of future scenarios the AI will encounter?

Compliance and Security

- What's our security posture (13% of organizations have seen AI-specific attacks)?
- Who's liable when the AI makes an error costing money or reputation?
- Have we mapped GDPR, industry regulations, and AI Act compliance?

Governance Structure

- Who can explain every AI decision if audited or sued?
- What's our plan for model drift and performance degradation?
- How do we handle the "black box" problem for regulated decisions?

Red Flag: If data quality scores below 7/10 or governance is unclear, fix these first.

4. Is our team structured for success?

Ownership Model

- Who's the business owner (not IT owner) with P&L responsibility?
- Are line managers empowered to drive adoption, not just central AI labs?
- Does the owner have authority to redesign workflows?

Team Composition

Essential roles: domain expert embedded throughout, AI architect, ML engineer for production deployment, project manager with AI experience, and a data quality owner.

- What happens when key AI talent gets poached?
- Do we have vendor relationships for surge capacity?

Change Management Reality

- Are we prepared for fundamental workflow redesign (only 21% of organizations do this)?

- How will we handle "shadow AI" already being used?
- What's our training plan for affected employees?

Red Flag: IT-led projects without embedded domain experts and business ownership fail consistently.

5. How will we know if this is working or failing within 90 days?

Success Metrics Framework

Define specific metrics for 30-day, 60-day, and 90-day checkpoints. Critical questions:

- How do we distinguish pilot success from scalable success?
- What would "good enough" look like vs. "perfect"?
- Are we measuring leading or lagging indicators?

Failure Recognition

Define kill criteria: specific metrics that trigger stop/re-evaluate, budget overrun thresholds, timeline slip thresholds, and user adoption minimums.

- Who's responsible for the post-mortem regardless of outcome?
- How will we capture and share learnings if this fails?
- What's our process for applying learnings to the next initiative?

Red Flag: Less than 20% of organizations track KPIs for AI solutions. Without clear metrics and kill criteria, you're already in the 95%.

6. Will this give us strategic advantage — or are we just keeping up?

The world of technology is changing quickly. In times of rapid change, companies can lose simply by not participating if competitors are gaining cost, operational, or competitive advantages.

- What's our disadvantage if competitors implement this successfully while we don't?
- Are we solving for actual competitive advantage or just FOMO?

The companies that succeed with AI aren't the ones that move fastest — they're the ones that move most deliberately. Use these six questions to cut through the noise and build an AI strategy grounded in business reality.

Work With StrataEdge AI

We help executive teams pressure-test AI investments before the money is spent and keep them on track once they're underway. Our experience across Fortune 100 transformations can augment your team's approach to AI strategy and deployment — and prepare your data, governance, and operating model to produce accurate, measurable results.

If you'd like to discuss how this framework applies to your business, [book a strategy session](#) with our team.

