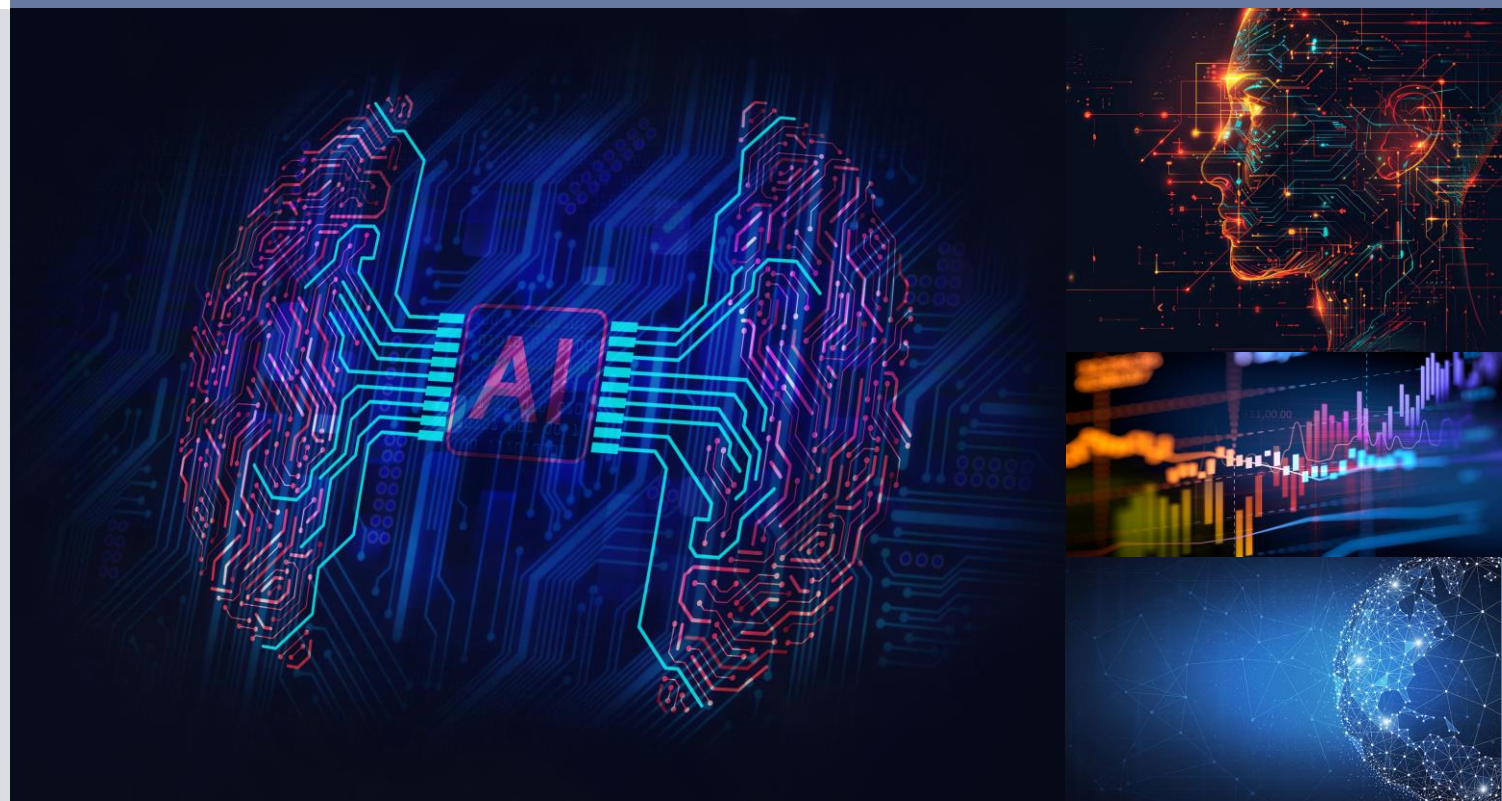


# How much should I really care about AI right now... and where's the real ROI in my portfolio?

*How PE leaders can cut through the noise and act on AI where it matters most*

May 2025



# Cutting through the 'AI noise' and knowing how fast to move can be difficult

## THE WALL STREET JOURNAL.

### IBM CEO Says AI Has Replaced Hundreds of Workers but Created New Programming, Sales Jobs

The tech company promises higher total employment as it reinvests resources toward roles like software development

## Bloomberg

Corporate AI capex ready to rocket with focus on the big payoff

## Forbes

How AI Is Changing The Game For Entrepreneurs In 2025 (And Beyond)

What is the right approach for a given PortCo?



All-In?



Fast Follower?



Late Adopter?

## Forbes

Experts Predict The Bubble May Burst For AI In 2025

## THE BYTE.

/ ARTIFICIAL INTELLIGENCE

AI HYPE IS DROPPING OFF A CLIFF WHILE COSTS SOAR, EXPERTS WARN

## Bloomberg

Tech Founders and Investors Confront a Wave of AI Skepticism

One early AI leader thinks we may be entering a "sobering" moment.

## THE WALL STREET JOURNAL.

Changing the Game: How AI Is Poised to Transform Banking, Capital Markets

Beyond accelerating today's business initiatives, leading organizations are planning tomorrow's strategies around new AI

## KNOWLEDGE AI WHARTON

AI in 2025: What Challenges Lie Ahead?

Wharton's Lynn Wu predicts that the runaway growth of artificial intelligence will hit some roadblocks in 2025, including costs and data limitation.

# If your business operates like this... AI can deliver high ROI



## People & Operations

- **Admin Workforces:** Large teams handling clerical or knowledge-based tasks (*insurance claims, healthcare admin, HR outsourcing, legal ops*)
- **Repetitive Workflows:** Significant time spent on the same tasks (*customer onboarding teams in SaaS, RFP response teams, financial reconciliation staff*)
- **Customer Support Volumes:** High volume of orders, returns, and service complaints (*e-commerce, warranties, contact centers*)



## Product

- **Fast-Changing Needs:** Regular updates to meet evolving customer expectations (*consumer electronics, wellness, gaming, fintech*)
- **Personalized Experiences:** Tailored demos, content, or interfaces (*travel planning, streaming services, software demos*)
- **Rapid Content Generation & Testing:** Constant need for new copy, visuals, or UX iterations (*media, ecommerce, education, apps*)



## Finance & Risk

- **Manual Finance Processes:** Time-intensive close, audit, or budgeting (*finance teams, large non-profits, healthcare reimbursement*)
- **Fraud & Risk Detection:** Exposure to fraud, default, or credit risk (*banking, insurance, fintech, gaming*)
- **Automated Decisioning Rules:** Rules-based underwriting or financial approvals (*lending, credit cards, procurement*)



## Sales

- **Demand Volatility:** Hard to predict cycles or spikes (*retail, event ticketing, staffing, procurement*)
- **Dynamic Pricing Needs:** Prices shift by time, market, or channel (*hotels, flights, rideshare, marketplaces, auto dealers*)
- **Retention Risks:** Customers churn easily or have low switching costs (*telecom, consumer banking, gyms, streaming services*)



## Data & Analytics

- **Disconnected Data:** Data stuck in silos or systems that don't communicate (*retail, multi-site roll-ups, food & beverage, franchisee-driven businesses*)
- **Real-Time Forecasting:** Complex, time-sensitive demand or performance models (*CPG, retail, ad spend, demand planning*)
- **Untapped Data Assets:** Large volumes of unstructured or fast-moving data (*call transcripts, sensor data, support chats, medical images*)



## IT & Infrastructure

- **System Monitoring & Maintenance:** Large, complex environments needing uptime assurance (*cloud platforms, gaming, telcos, SaaS*)
- **Security & Anomaly Detection:** Need for real-time threat awareness and log analysis (*financial services, defense tech, healthcare IT*)
- **Hybrid Infrastructure:** Managing both cloud and on-prem environments (*large enterprises, heavily regulated industries*)

# We have executed AI-enabled improvements across multiple areas

Areas	AI Use Cases	Client Results
1 <b>Markets</b>	<ul style="list-style-type: none"> <li>Analyze customer feedback to uncover unmet needs or churn drivers</li> <li>Competitive intelligence (pricing, product, customers); value proposition positioning</li> </ul>	<ul style="list-style-type: none"> <li><b>Recovered \$100M+ within 3 months</b> by resolving false defect claims through AI sentiment analysis</li> </ul>
2 <b>Products / Services</b>	<ul style="list-style-type: none"> <li>Boost marketing performance using image recognition</li> <li>Optimize product mix and media spend to drive sales and sell-through</li> <li>Recommend product attribute combos to lift margins</li> <li>Personalization; “segments of 1”</li> </ul>	<ul style="list-style-type: none"> <li><b>Boosted ad awareness by 50%</b> using AI-driven, real-time video tagging</li> <li><b>Cut \$60M in media spend</b> from AI-optimized product/channel mix</li> </ul>
3 <b>M&amp;A / Joint Venture Operations</b>	<ul style="list-style-type: none"> <li>Identify potential acquisition candidates</li> <li>Evaluate acquisition targets beyond traditional</li> </ul>	<ul style="list-style-type: none"> <li>Cut human research <b>time to identify potential candidates by 80%</b></li> <li><b>Boosted research breadth by 10x</b> using public data and internal ROI filters</li> </ul>
4 <b>Supply Chain Operations</b>	<ul style="list-style-type: none"> <li>Analyze demand patterns and optimize supply chain</li> <li>Generate IoT based, real-time updates from manufacturing/logistics</li> <li>Improve forecast accuracy</li> <li>Optimization of digital factory twins</li> </ul>	<ul style="list-style-type: none"> <li><b>Reduced inventory costs by 20%</b> and <b>logistics costs by 15%</b> via AI demand planning</li> <li><b>Improved sales forecast accuracy by 15%</b></li> </ul>
5 <b>Gross Margin Improvement</b>	<ul style="list-style-type: none"> <li>Adjust pricing based on demand shifts, margin goals, or competitor moves</li> <li>Catch fraud patterns in real time</li> <li>Increase ROI by reducing default/bad-deal exposure with better risk modeling</li> </ul>	<ul style="list-style-type: none"> <li><b>Drove 12% revenue increase</b> and <b>15% margin lift</b> from AI-based dynamic pricing</li> <li><b>Cut fraud by 50%</b> and <b>chargebacks by 40%</b></li> <li><b>Improved high-risk ID by 30%</b></li> <li><b>Cut defaults by 25%</b> with AI modeling</li> </ul>
6 <b>Overhead</b>	<ul style="list-style-type: none"> <li>Automate routine, high volume transactional tasks</li> <li>Reduce support costs by offloading repetitive inquiries</li> </ul>	<ul style="list-style-type: none"> <li><b>Saved \$30M</b> by automating finance ops with AI bots</li> <li><b>Lowered support costs by 30%</b> and <b>improved response time by 20%</b></li> </ul>
7 <b>Program Management / Execution</b>	<ul style="list-style-type: none"> <li>Track program milestones and auto-flag slippage</li> <li>Draft consistent updates and reduce time spent reporting</li> </ul>	<ul style="list-style-type: none"> <li><b>Reduced strategic planning time by 75%</b></li> <li><b>Significantly reduced errors</b> and effort spent on first draft of proposal</li> </ul>



# Our rapid diagnostics identify the most impactful AI opportunities

## Diagnostic Process

- AI expert review of PortCo AI usage and alignment with business goals
- Top-level process mapping and time allocation analysis to surface automation and AI opportunities
- Evaluation of value-add time, frequency, and repetitiveness
- Evaluation of data infrastructure/organization/cleanliness (i.e., readiness for AI adoption)
- Identification of Quick-win opportunities for AI implementation
- Areas that can quickly adopt AI tools
- Review of culture/openness to change

**Resources:** HPA Subject Matter Expert & “Teamlet” (1+1)

**Timeframe:** 4-6 weeks

**Participation:** 2-4 hours/week, including 1-2 workshops from/with:

- Functional leads for areas with high potential
- IT/Tech leadership
- Potential sponsor and/or execution lead (for capability transfer)

**HPA**

Trusted Partners Since 2002

## Diagnostic Output

- 1) Evaluation of current AI Usage:** Including AI usage across the competitive landscape, and gaps in AI capabilities
- 2) AI adoption readiness assessment:** Assessment of data maturity and actionable roadmap to enable scalable AI deployment
- 3) Prioritized near-term opportunities:** High-impact, repetitive workflows ripe for automation (cost reduction, product leadership, and customer experience)
- 4) Implementation roadmap:** Including alignment with IT infrastructure, data clean-up, design of experiments, and validation/scale up approach
- 5) Estimated ROI:** Cost/revenue benefit, implementation cost
- 6) Change management assessment:** Insight into change-readiness to tailor AI adoption strategies for stakeholder alignment and engagement

# Example AI Diagnostic Output

ILLUSTRATIVE

## Evaluation of Current AI Usage

### Assessment of Current AI Utilization & Impact

AI Maturity Model	Questions	Level 1	Level 2	Level 3	Level 4	Level 5
Strategy	What is the enterprise business strategy for AI?	No formal AI strategy exists.	AI is recognized as a supporting, but not yet integrated into core business strategy.	AI is recognized as a key enabler for business transformation.	AI is fully integrated and leveraged for competitive advantage.	AI is viewed as a critical, core competency essential for business success.
Roles	What roles are defined and developed to support AI adoption?	AI roles are undefined or informal.	Basic roles (e.g., data scientists) exist, but few have AI skills.	AI-specific roles (e.g., AI engineers, AI product managers) are defined and specialized.	AI roles are well-established and integrated across departments.	Clear AI Office (CDAO) or similar roles are responsible for the enterprise's AI strategy.
Collaboration	How do AI teams collaborate within the organization?	AI teams work in silos with minimal collaboration.	AI teams collaborate within smaller groups but lack cross-functional coordination.	AI teams actively collaborate across departments, sharing insights and best practices.	AI teams actively collaborate across departments, sharing insights and best practices.	Questions: real-time collaboration with all teams carry to across the enterprise.
Methodology	What is the enterprise approach to methodology for AI?	No formal AI methodology is in place.	Basic AI methodology and methodologies are used, but consistency is lacking.	A standardized AI methodology is developed and applied across projects.	AI methodology is clearly articulated in enterprise-wide projects with best practices.	A rigorous, enterprise-wide methodology is established, incorporating cutting-edge techniques and ethics.
AI Awareness	How do AI capabilities team about enterprise AI impact?	AI teams are unaware of capabilities or resources within the enterprise.	Limited access to AI resources or knowledge sharing within the enterprise.	AI resources are allocated across departments to support AI strategy.	AI resources are widely accessible and shared across the enterprise, aligned with business goals.	AI resources are seamlessly integrated into the enterprise, enabling proactive innovation across teams.
AI Access	How do AI teams access and manage data for AI projects?	Data is siloed, and accessing relevant data for AI is cumbersome.	Basic AI model data access exists, but not fully integrated across systems.	AI teams can access the necessary data for model development.	Data access for AI models is streamlined, allowing quick access to necessary datasets.	Real-time, enterprise-wide data access is fully integrated into enterprise-wide applications.
Scalability	Can AI projects scale across the enterprise?	AI projects are isolated and have limited scalability.	Some AI projects are scalable, but infrastructure is a limiting factor.	AI solutions are widely deployed and scaled across the enterprise.	AI solutions are widely deployed and scaled across the enterprise.	Enterprise-wide AI solutions are fully scalable, driving growth and transformation.
Asset Management	How are AI models and tools managed and controlled?	AI tools and models are not formally managed.	AI models are created ad hoc, with limited oversight.	AI models are tracked and managed through a formal process.	AI models are governed through enterprise-wide standards and governance.	AI tools and models are continuously monitored and addressed with full lifecycle management.
Tools	What tools are used for AI deployment and model control?	Basic tools are used for isolated AI tasks.	AI teams use a mix of proprietary and open source tools, but no standardization.	A suite of enterprise-wide tools is developed for AI development, deployment, and monitoring.	AI tools are standardized, covering all aspects of AI model lifecycle.	State-of-the-art tools are used across the enterprise, enabling optimal AI model performance and deployment.

## AI Adoption Readiness Assessment

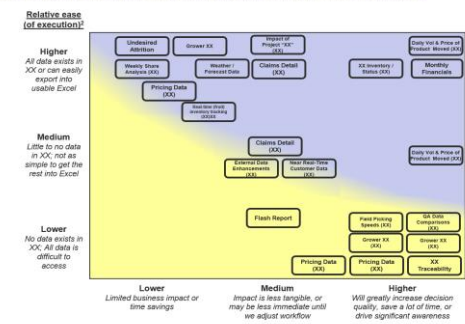
### Organizational Maturity for AI Readiness



## Prioritized Near-Term Opportunities

### Initiative Prioritization Matrix

For reports that already exist, invest the time to draft an ideal "point of arrival" solution, then reassess ease and benefits.



The "unknown unknowns" are significant, so they will move around.

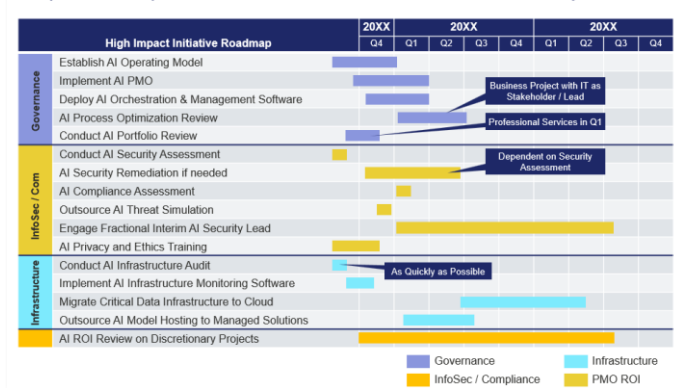
Part of building a new agile muscle includes shifting time away from overly detailed planning, and into rapid execution.

Unforeseen roadblocks will arise, and failures will occur – learn and move on.

1. Relative benefit ratings estimated by core team.  
2. Relative ease (requiring more or less cost or time to address) based on conversations with IT and core team.  
Note: Matrix excludes "Product Performance Feedback," which cannot realistically occur until we have XX Traceability.

## Implementation Roadmap

### Proposed Sequence and Estimated Duration of Roadmap



## Estimated ROI

### Project ROI estimates



## Change Management Assessment

### Communications and Change Management

**Objective:** Early identification of AI-specific challenges, build trust in AI-driven transformation, and ensure long-term, impactful AI adoption.

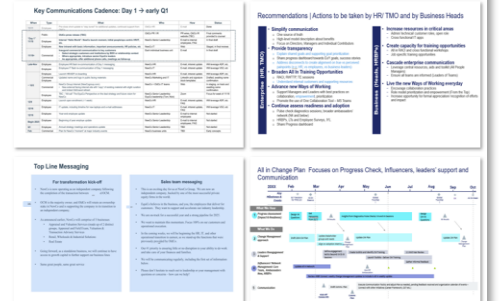
#### Communications

- Consistent AI communication rhythm
- Internal & External AI stakeholder alignment
- Multiple levels and methods
- AI feedback loops

#### Change Management

- Clear ownership and AI accountability
- Tailored AI for training & support
- Continuous Reinforcement of AI Best Practices

#### Sample Outputs



# Data Analytics & AI Practice Leadership

## Leadership



### Das Dasgupta – Senior Advisor

Former McKinsey AP who held senior roles including Chief Data & Analytics Officer at Starbucks, Chief Data & AI Officer at Saatchi & Saatchi, Global SVP of Data Science and Digital Transformation at Viacom, and Director of Customer Experience at Amazon



### Ujjwal Sinha – Senior Advisor

Former McKinsey EM and Partner at BCG X with experience across analytics and AI; held senior roles including VP of Enterprise BI & Analytics at Target, Director of Strategy and Product at Microsoft, and VP of Strategic Services Operations at Salesforce



### Christian Ulstrup – Project Leader

AI product leader with over a decade of experience helping 100+ organizations adopt and scale AI technologies. Former Senior Product Manager at Red Bull Media House, Head of Product and Tech at Iterative Scopes, MIT AI Conference Co-Chair, and Senior Product Manager at Arterys



### Mike Mayes – Project Leader

Former Partner at BCG Digital Ventures & AI with experience leading AI / ML transformation across industries. Previously Chief Product Officer at WorkMarket (acquired by ADP), and product leader at GLG and Capital One

## Experience

- Delivered \$100M+ in savings at Amazon through AI / ML-driven CX optimization and fulfillment network analytics
- Built AI-powered Starbucks Placemat for C-suite decision-making; launched SMART KPIs and Voice of the Customer AI to drive enterprise impact
- Stood up Saatchi & Saatchi's 'Data-At-The-Center' competency and led a data science team delivering MTA, MMM, and predictive analytics across the marketing funnel
- Led 500+ global analytics team at Target, overseeing predictive modeling, optimization, big data, and BI across all enterprise functions
- Built Microsoft's first ROI-driven marketing analytics system, transforming campaign performance measurement
- Scaled BCG X's Software and Retail AI practices, advising clients on ML, data engineering, and analytics transformation
- Built Red Bull's real-time analytics platform processing 2B+ events; piloted computer vision for ad product innovation and data enrichment
- Launched Arterys' AI marketplace and CRO business, securing \$28M Series C and scaling strategic partnerships in medical imaging
- Led product and engineering at Iterative Scopes, building a cloud platform for AI-powered annotation of clinical video data
- Led AI-driven workforce optimization for Fortune 50 insurer, identifying \$1B+ in cost savings across 40K employees by mapping workflows and automation opportunities
- Built and deployed a RAG-based AI solution for contract analysis, boosting underwriting speed 10x and generating \$250M in business value
- Scaled ML-powered platform at a major US brokerage, enabling sales automation, scenario planning, and direct indexing—tripling AUM in one year



## CONTACT US

### West Coast

2101 E El Segundo Blvd  
Suite 502  
El Segundo, CA 90245  
310-616-0100

### East Coast

641 Lexington Ave.  
15th Floor  
New York, NY 10022  
973-896-1101

### Sumeet Goel

Founder and Managing Director  
sgoel@highpoint-associates.com

### Richard Berger

Partner  
rberger@highpoint-associates.com

### Justin Moser

Chief Operating Officer and Partner  
jmoser@highpoint-associates.com

### Kristel Kurtz

Partner  
kkurtz@highpoint-associates.com

[www.highpoint-associates.com](http://www.highpoint-associates.com)