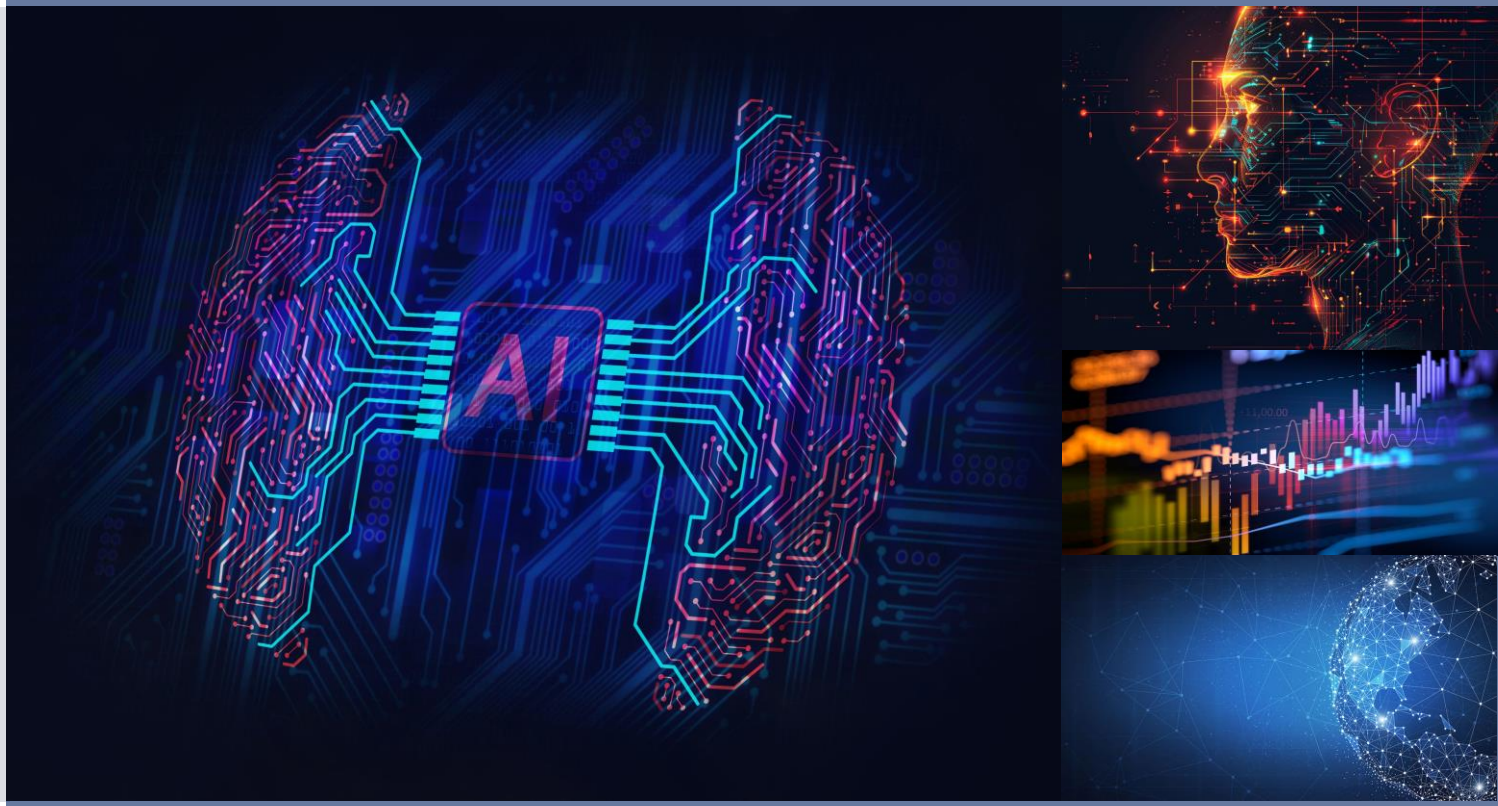
How much should I really care about AI right now… and where's the real ROI in my portfolio?

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

May 2025



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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 AT WHARTON

AI in 2025: What Challenges Lie Ahead?

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

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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)*

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)*

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*)

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)*

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*)

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	**Markets**	• Analyze customer feedback to uncover unmet needs or churn drivers • Competitive intelligence (pricing, product, customers); value proposition positioning	• **Recovered $100M+ within 3 months** by resolving false defect claims through AI sentiment analysis
2	**Products / Services**	• Boost marketing performance using image recognition • Optimize product mix and media spend to drive sales and sell-through • Recommend product attribute combos to lift margins • Personalization; “segments of 1”	• **Boosted ad awareness by 50%** using AI-driven, real-time video tagging • **Cut $60M in media spend** from AI-optimized product/channel mix
3	**M&A / Joint Venture Operations**	• Identify potential acquisition candidates • Evaluate acquisition targets beyond traditional	• Cut human research **time to identify potential candidates by 80%** • **Boosted research breadth by 10x** using public data and internal ROI filters
4	**Supply Chain Operations**	• Analyze demand patterns and optimize supply chain • Generate IoT based, real-time updates from manufacturing/logistics • Improve forecast accuracy • Optimization of digital factory twins	• **Reduced inventory costs by 20%** and **logistics costs by 15%** via AI demand planning • **Improved sales forecast accuracy by 15%**
5	**Gross Margin Improvement**	• Adjust pricing based on demand shifts, margin goals, or competitor moves • Catch fraud patterns in real time • Increase ROI by reducing default/bad-deal exposure with better risk modeling	• **Drove 12% revenue increase** and **15% margin lift** from AI-based dynamic pricing • **Cut fraud by 50%** and **chargebacks by 40%** • **Improved high-risk ID by 30%** • **Cut defaults by 25%** with AI modeling
6	**Overhead**	• Automate routine, high volume transactional tasks • Reduce support costs by offloading repetitive inquiries	• **Saved $30M** by automating finance ops with AI bots • **Lowered support costs by 30% and improved response time by 20%**
7	**Program Management / Execution**	• Track program milestones and auto-flag slippage • Draft consistent updates and reduce time spent reporting	• **Reduced strategic planning time by 75%** • **Significantly reduced errors** and effort spent on first draft of proposal

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)

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

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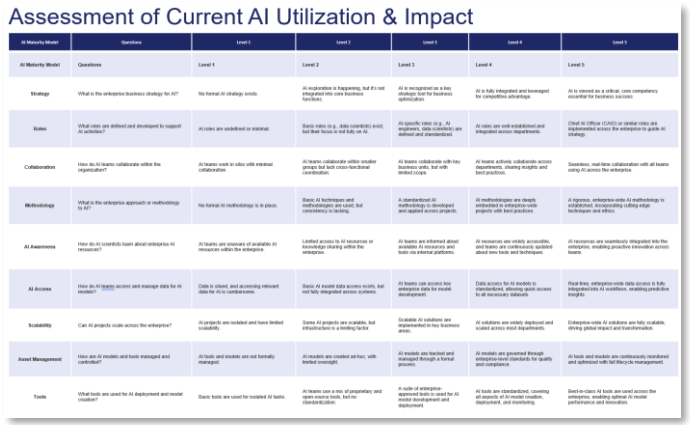
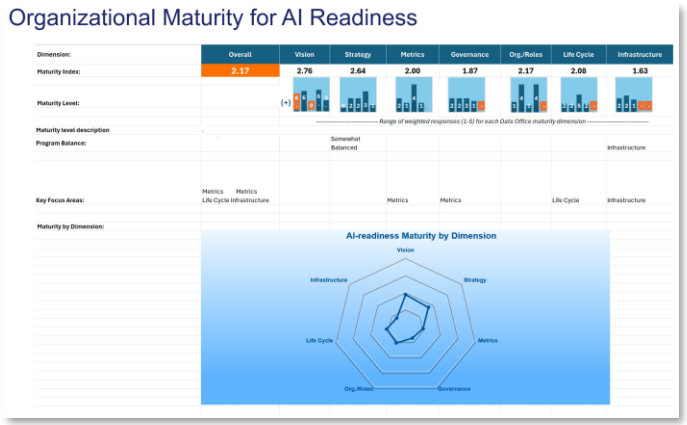
Example AI Diagnostic Output

ILLUSTRATIVE

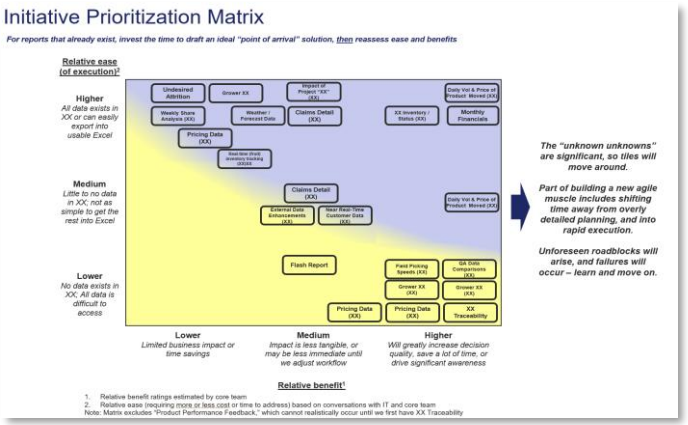
Evaluation of Current AI Usage



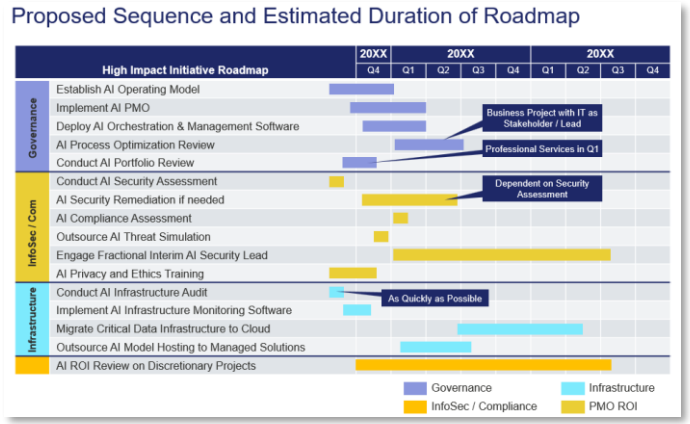
AI Adoption Readiness Assessment



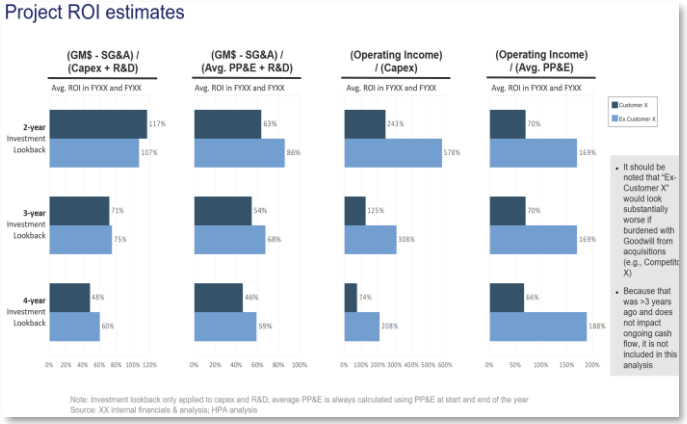
Prioritized Near-Term Opportunities



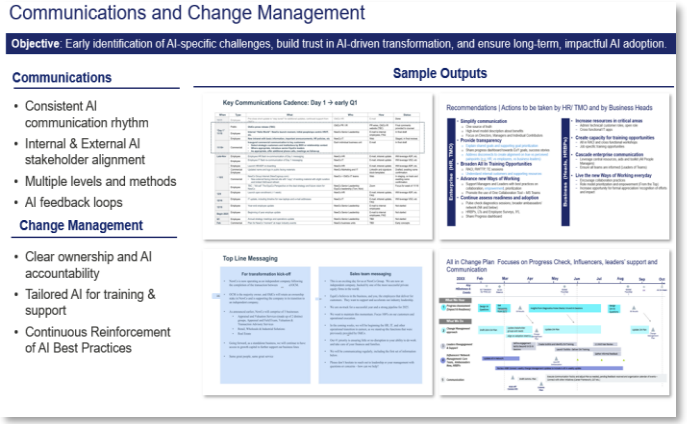
Implementation Roadmap



Estimated ROI



Change Management Assessment



Data Analytics & AI Practice Leadership

Leadership	Experience
 **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	• 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
 **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	• 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
 **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	• 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
 **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	• 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

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