

The Hidden Barriers to AI ROI

TAYLOR MALMSHEIMER, COO, SECTION



We help organizations become AI-powered.

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TRANSFORM YOUR TEAM

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Welcome!

OUR PROMISE

We'll give you 60 dense, high-calorie minutes of AI knowledge

You will get the recording of this event in your email **tomorrow**.

YOUR ROLE

- ✓ Pay attention
- ✓ Ask good questions
- ✓ Share your knowledge
- ✗ Don't self promote

Our guest: Taylor Malmshheimer

- ✓ COO and Head of Product at Section
- ✓ Leads our advisory team, helping clients pinpoint barriers to AI adoption
- ✓ Leads the development of ProfAI, Section's AI-powered enablement platform
- ✓ Previously led client strategy at L2, advising global brands such as P&G, Unilever, and Nike





10,000s

survey responses

1,000s

employee interviews

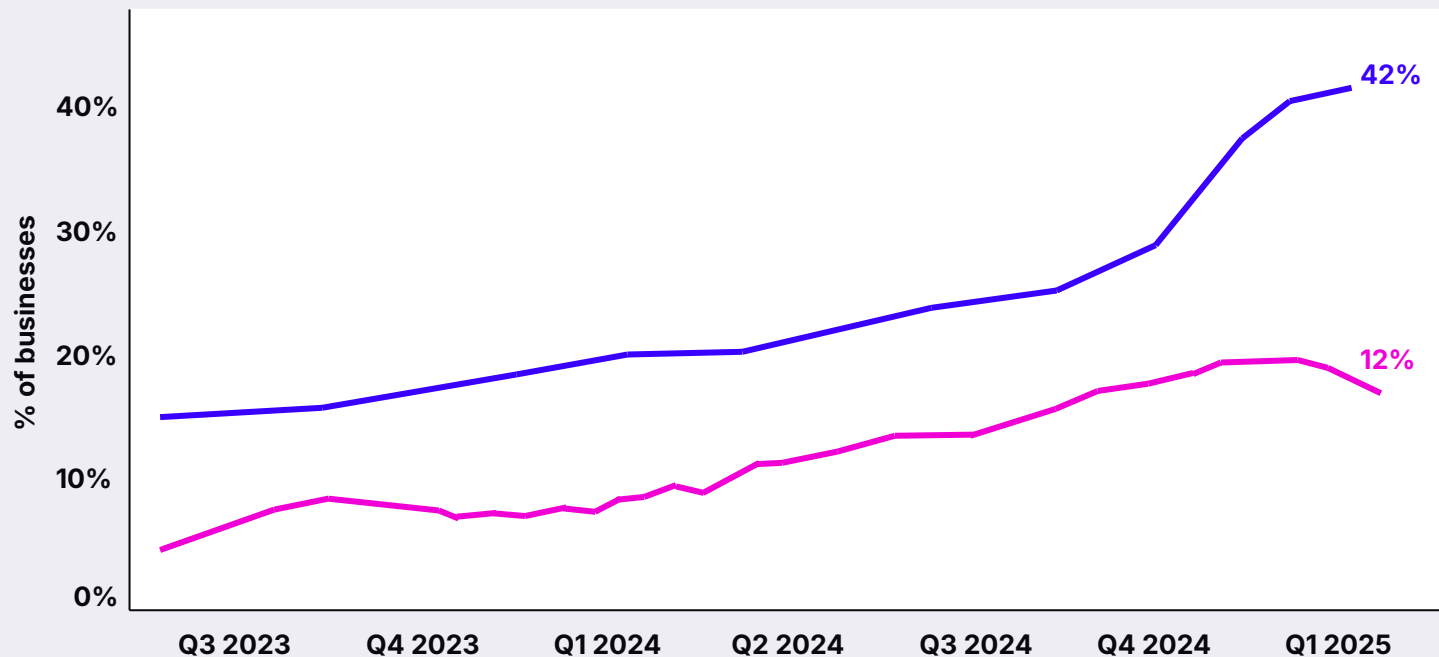
100s

conversations with
AI executives

The dirty secret: Enterprise spend is ramping, but meaningful adoption is stalling out



% of US Businesses with Paid Subscription to AI vs. % of Businesses Using AI in Business Operations



Source: Coatue, US Census Bureau, Macrobond, Apollo Chief Economist.

To see ROI, you need **80% of your workforce** using AI to its fullest capabilities every week

The levers you have to pull

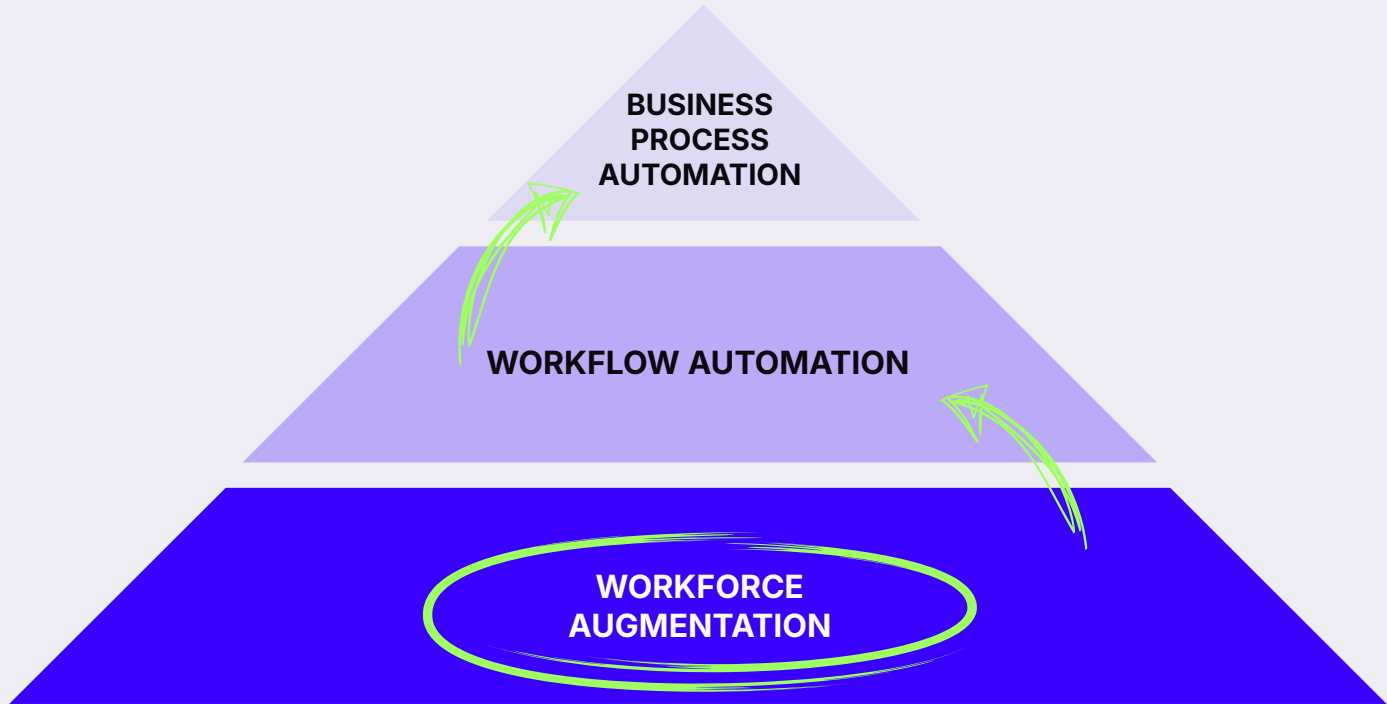


$$\begin{aligned} & \text{80\% weekly active users} \\ & \times \text{25\% productivity gain} \\ & \hline & = \text{10\%+ Realized \$\$ savings} \\ & \quad \text{(headcount equivalent)} \end{aligned}$$

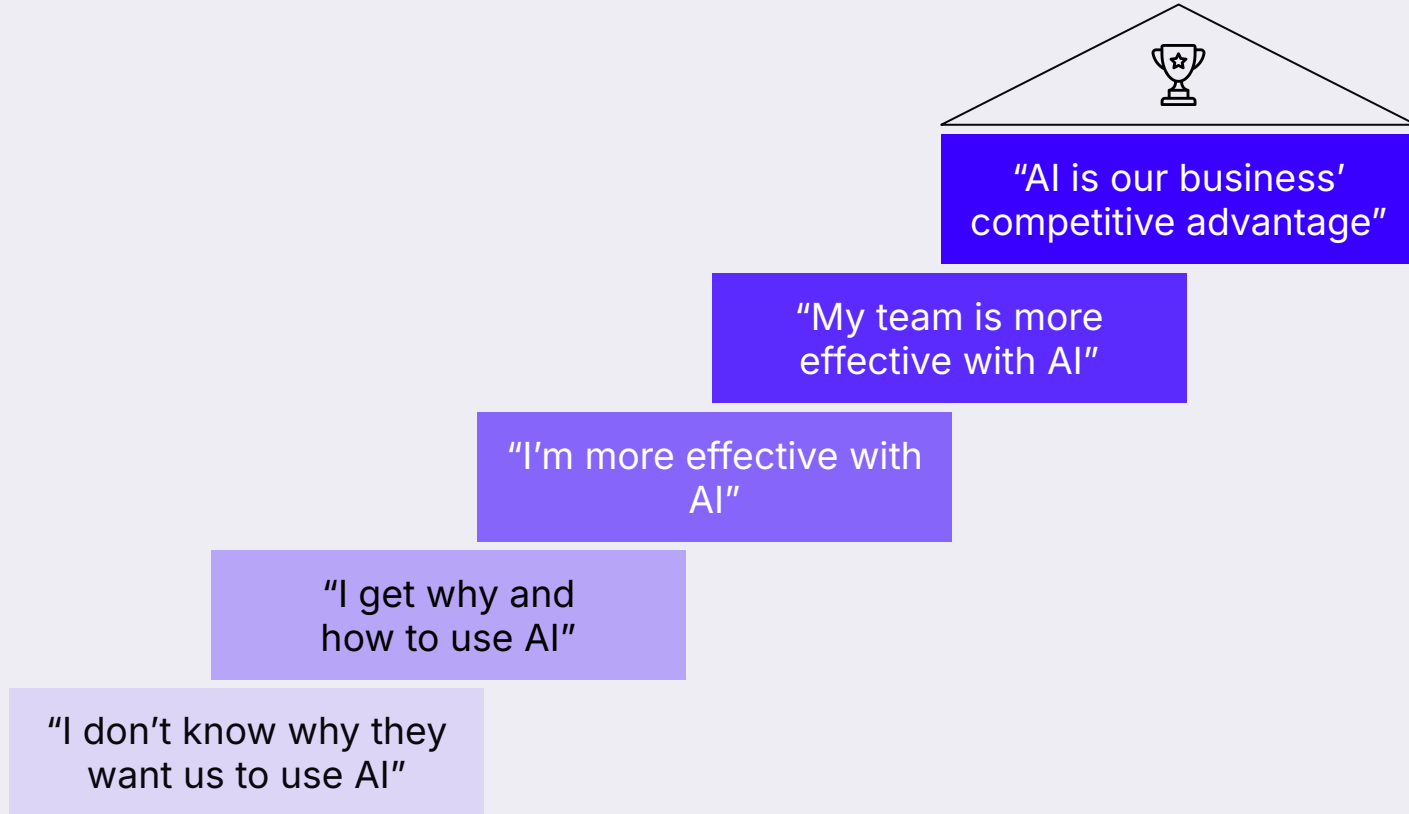


Grow with less headcount OR
hold/cut headcount

You can't skip straight to automation



You have to take people on a journey





Most companies run the standard software roll out playbook

1. CEO announces “we’re AI-first”
2. Tell employees to “default to AI”
3. Roll out the software
4. Schedule an “AI week”
5. Appoint a few ambassadors
6. Expect usage (and ROI) to follow

But AI isn't software

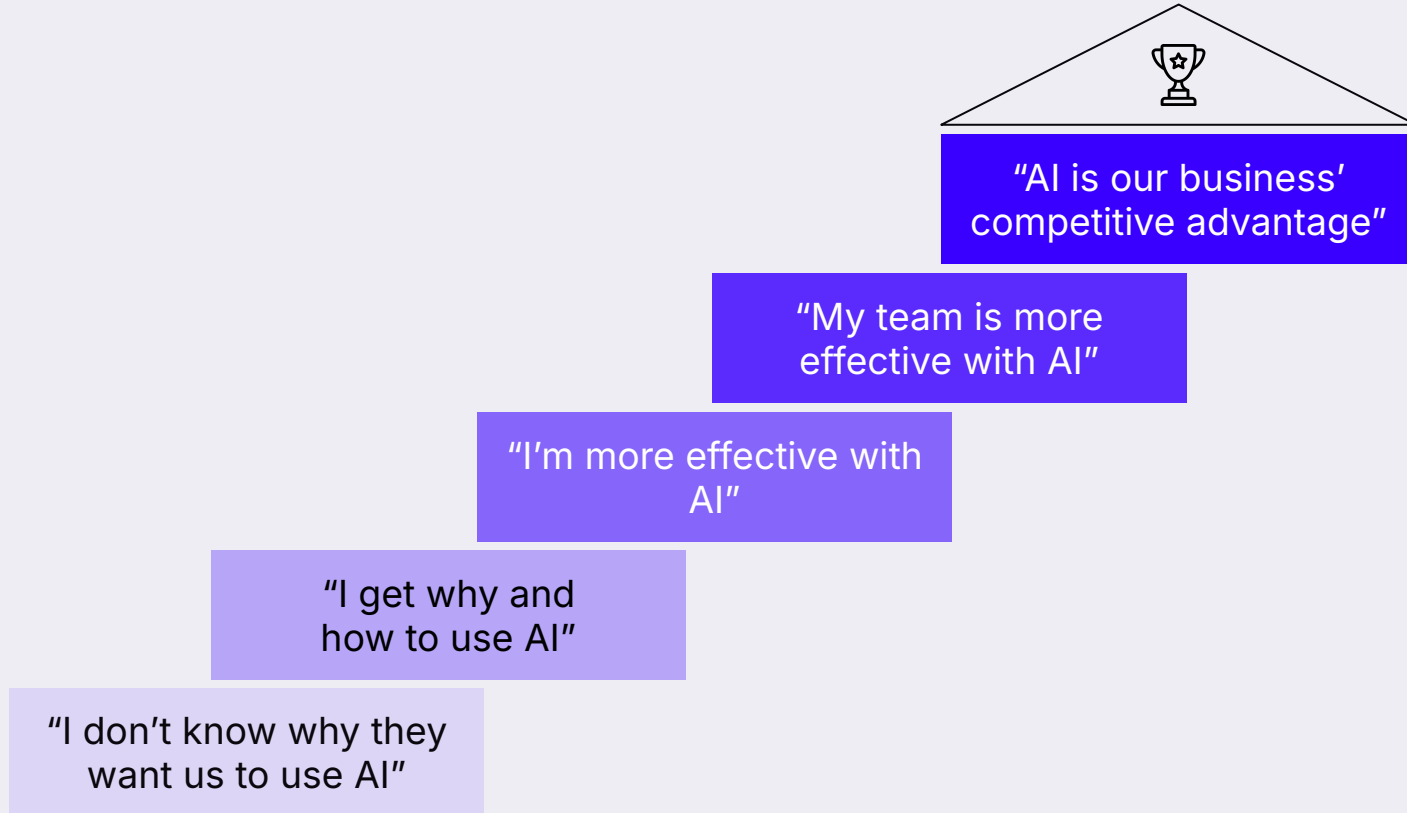


It never **works the same way** every time

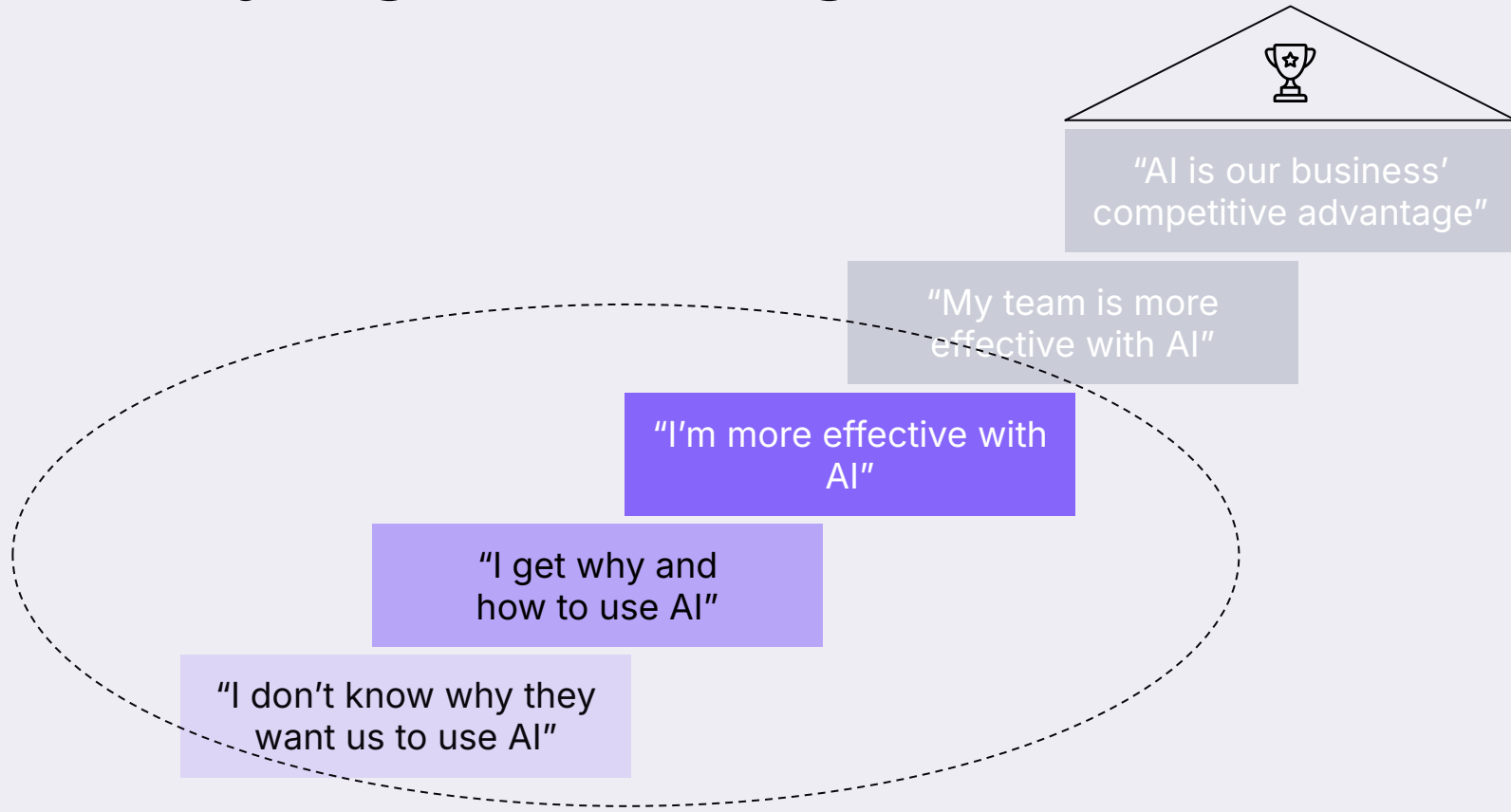
The **"old software"** **doesn't go away** after the roll out

There's no **emotional attachment** to the old software

Each of these steps has barriers



Today, I'll focus on the four we see in almost every organization right now



4 hidden barriers to AI ROI

There's no
'why of AI'

2

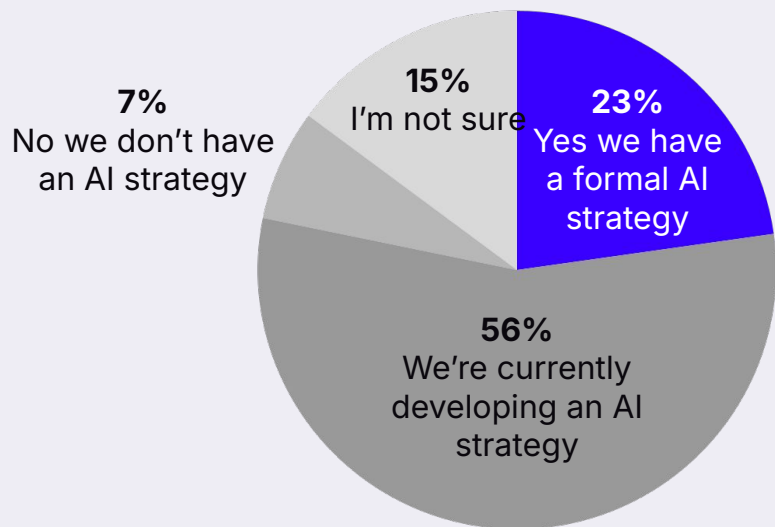
3

4



A typical company we work with

According to employees



"We do not have a clear strategy or answer to where do we want to go with AI."

"The only direction that we've gotten from leadership is that **we need to be AI first. Whatever that means.**"



**We hear
comments
like this**

**"We shouldn't be
using AI just for the
sake of using it."**



Why it matters



People hate change



AI is emotional



Employees fill
in the blanks

You need to
reframe AI as
imperative to
your business





Create your AI manifesto

*Constantly updated,
never out of date*



Living document that conveys your organization's 'why of AI' - the **imperative** to integrating AI into **every aspect of your business**



Mission critical



*Including every
knowledge workflow*

**“Being more
productive” isn’t
good enough**

Opendoor

“So we need to move faster – always.

And we can’t do that without being AI obsessed. So, starting today the first line in everyone’s job description is simply this: Default to AI.”

Email from new CEO (day 11)





AI isn't just a productivity boost. It helps us get closer to our mission. To teach well, we need to create a massive amount of content, and doing that manually doesn't scale. One of the best decisions we made recently was replacing a slow, manual content creation process with one powered by AI. Without AI, it would take us decades to scale our content to more learners. We owe it to our learners to get them this content ASAP.

AI also helps us build features like Video Call that were impossible to build before. **For the first time ever, teaching as well as the best human tutors is within our reach.**



Hospital System

"AI is the only way we can meet our mandate to treat every single patient with excellence."

Client Services

"To deliver world-class insights at speed, we must harness AI. Without it, we cannot deliver the caliber of answers clients now expect from us."

Retailer

"As consumer behavior shifts overnight, AI is the only way we can sense, predict, and respond to customers at the speed required."

4 hidden barriers to AI ROI

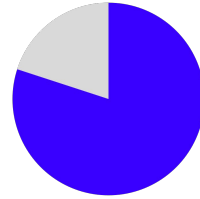
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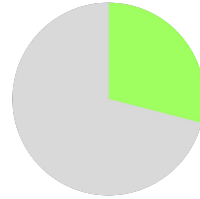
What companies say



80%+
of companies have
piloted or deployed
an enterprise LLM



What employees say



Among companies
that approve of AI,
29% have made an
LLM available



What's really happening



"Some people have ChatGPT enterprise licenses, many do not. Some have Copilot licenses, but again, many do not. Without clear reason and rationale."

"My team had copilot access and then it was taken away, for no clear reason."

"My team only has access because I specifically requested it."

2 common scenarios we see



Roll out a **hamstrung version**
of AI to everyone

Restrict access to
pockets of the org

Why it matters



Roll out a **hamstrung version**
of AI to everyone



Novices **think AI doesn't work**
Experts **use shadow AI**

Restrict access to
pockets of the org

Why it matters



Roll out a **hamstrung version**
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Restrict access to
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Novices **get anxious (and resistant)**
Experts **get frustrated (and go underground)**

Your mandate (this isn't easy)



1

Get **every knowledge worker** access and coaching to an **Enterprise LLM**



2

Turn on **the most advanced capabilities** you possibly can
(i.e. custom GPTs)

3

Enable fast, efficient approval process for functional tools
(industry dependent)

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Your AI policy is
hampering
experimentation

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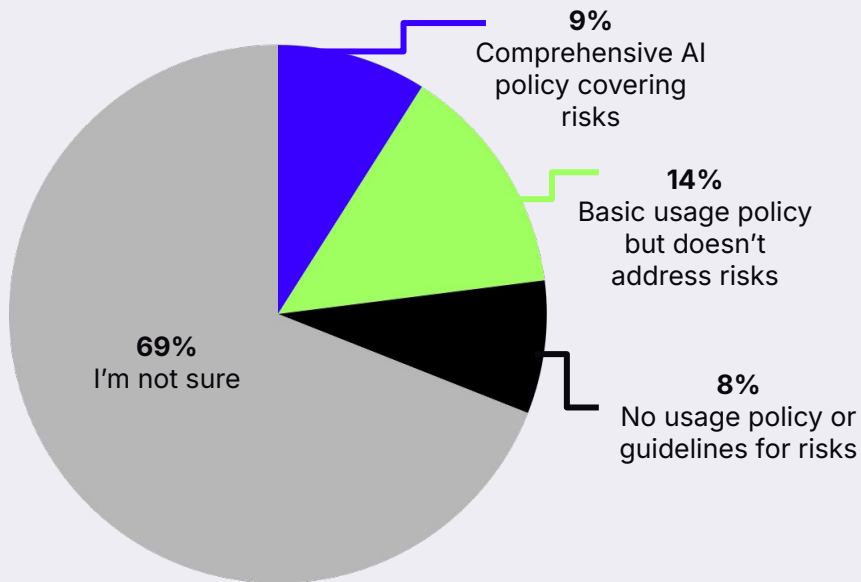


**Your AI policy doesn't just
solve a compliance
problem. It solves an
adoption problem.**



A typical company we work with

What is your organization's AI policy?





**The #1 reason
employees limit
their AI use**



**"I'm worried about
data security or
privacy."**

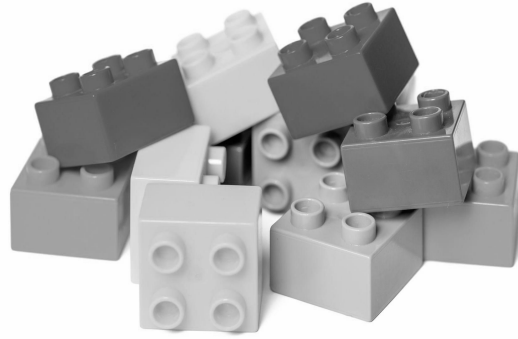
Why this matters



The impact



Silent or siloed
experimentation



Beginner level
use cases



Culture of
secrecy/fear



Publish simple usage guardrails

*Plain english, not
legal jargon*

*"Don't upload sensitive
information" doesn't work*

Simple, specific, and easy to find guardrails for
approved platforms, any limits on what can be
done on approved platforms, **and why**

*Arm employees to
think for themselves*

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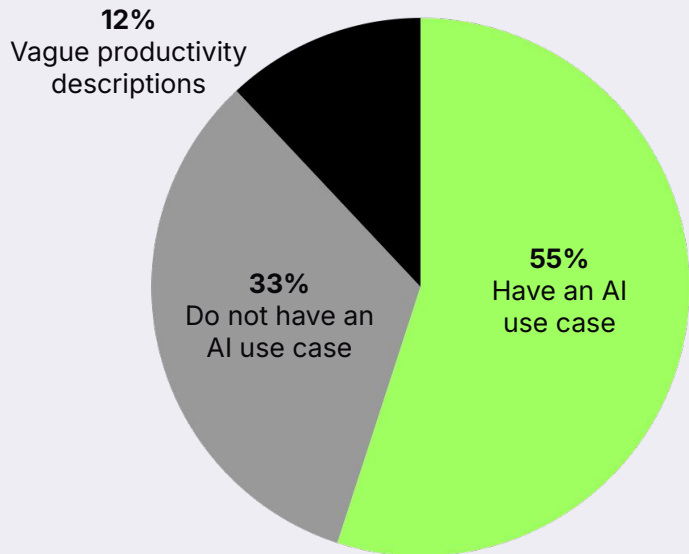
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Employees lack
use cases



A typical (advanced) company we work with

Do you have any interesting use cases that you're performing today that are significantly improving your work?

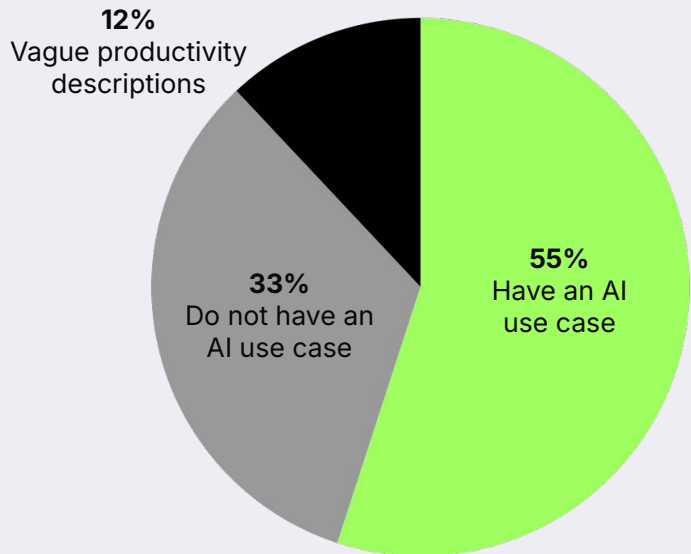


45% of the company doesn't have a specific AI use case



And even among those with a use case...

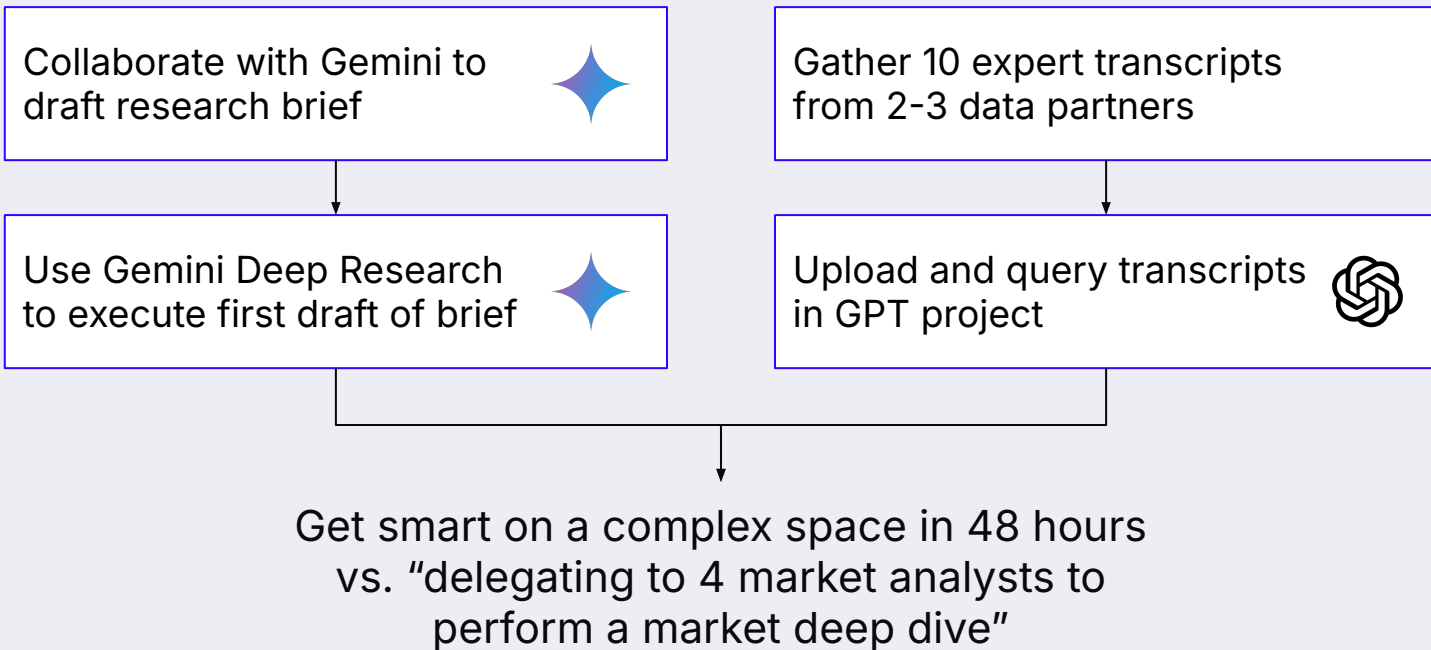
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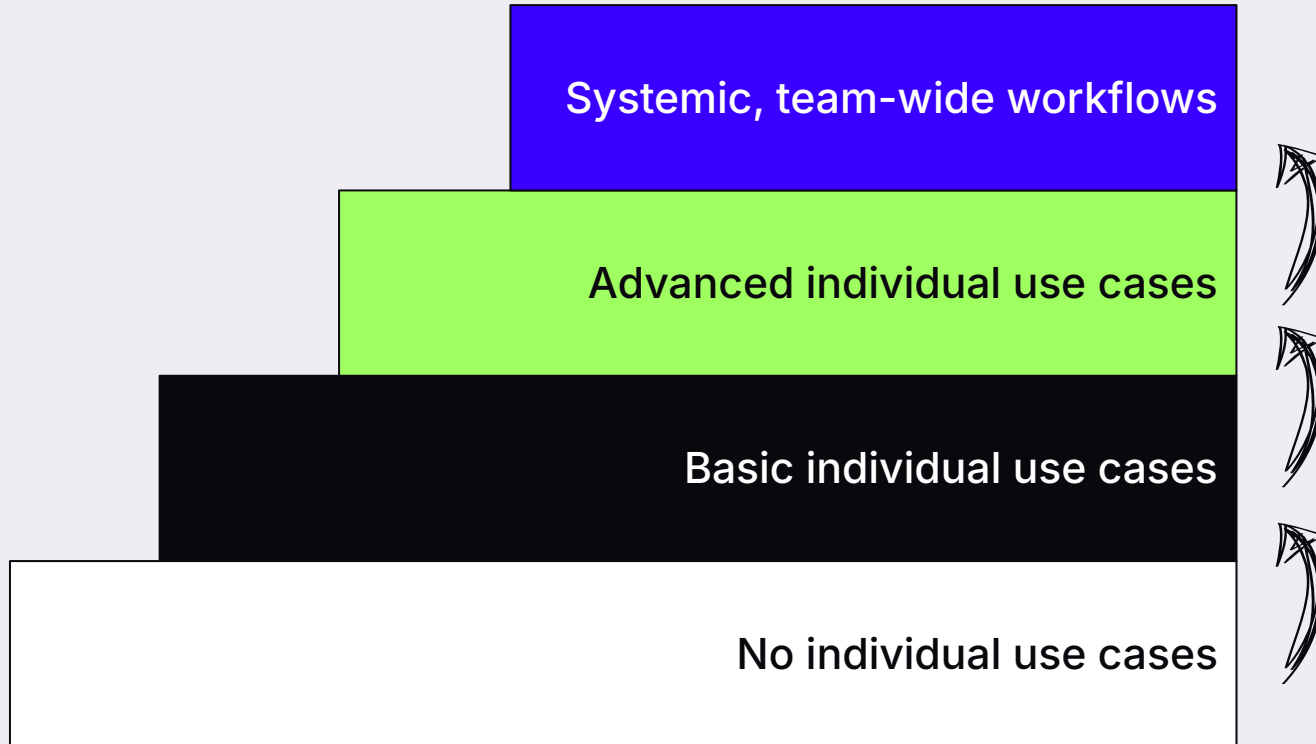
Top 5 Most Common Reported Use Cases

- Rewriting emails / internal messages
- Quick fixes for code
- Alternative to Google
- Quick fix for Excel formulas
- Summarizing documents

Vs. a more advanced, repeatable individual workflow



This journey takes time (and patience)





Build a culture of sustained AI use

GOOD

**Empower your
champions** to
showcase their
use cases

BETTER

Recommend and
show employees
**hyper-
personalized use
cases at scale**

BEST

**Create the
conditions** for
employees to tell
you transformative
AI use cases



LIGHTNING ROUND

What about the others?

THE MOST COMMON HIDDEN BARRIERS TO AI ROI

McKinsey would
charge you \$1M for
this

1. There's no "why of AI"
2. You haven't achieved true access
3. Your AI policy is hampering experimentation
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9. You haven't considered the accuracy you're comfortable with
10. You don't understand employees **real** objections to AI

See you at the next one?



- Inside an NBA Team's AI Strategy
Nov 4, 1 - 1 pm ET
- Closing the Enterprise AI ROI Gap
Nov 19, 12 - 1 pm ET
- Raising Your Valuation With AI
Nov 20, 12 - 1 pm ET

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Become an AI Builder in a Day

NOVEMBER 6, 12 - 4 PM ET



2026 PREDICTIONS^{ss}

PRESENTED BY: PROF G MEDIA +  section

December 4, 2025
12 p.m. US ET

With

SCOTT
GALLOWAY

Author and co-host, *Pivot*

