What Should AI Really Cost?

A C-Suite Guide to Smarter AI Investment

Understand how Agentic AI is transforming cost models and what you should be paying for modern, ROI-driven solutions.

SANJAY KUMAR
HEAD OF EXPONENTIA UK & EUROPE

exponentia.ai

Why AI Costs Are So **Confusing** & Why That's a **Problem**

AI is everywhere.

For most executives, however, the question isn't whether to invest - it's how much it should cost.

Should you hire a team of data scientists? Spend £500k on a platform? Subscribe to off-the-shelf tools? Build in-house?

The truth is: most pricing models are outdated, vendor-driven, or built for a different era of AI.

At Exponentia.ai, we help leadership teams cut through the noise and get better business outcomes with less.

This guide breaks down how AI costing has evolved, what's driving new efficiencies, and how to invest wisely without overpaying or overbuilding.

- ✓ **UNDERSTAND WHAT AI SHOULD ACTUALLY COST**
- ✓ **AVOID COMMON TRAPS AND VENDOR LOCK-IN**
- ✓ **BUILD A SMARTER, LEANER AI INVESTMENT PLAN**

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"THERE'S NO QUESTION CEOS NEED TO MOVE FAST ON AI. BUT MOVING FAST WITHOUT UNDERSTANDING THE COST IS A RISK IN ITSELF."

- SANJAY KUMAR, HEAD OF EXPONENTIA UK & EUROPE

70%

of CFOs cite pricing complexity as the biggest barrier to scaling AI.

- TECHRADAR

The New Era:
How Agentic AI Is Changing the Game

Agentic AI is here and it's changing how AI is designed, deployed, and priced.

Unlike traditional models that rely on dashboards and manual prompts, Agentic AI systems can take autonomous action within business processes. They don't just surface insights, they **execute them**.

What that means for cost:

01 FEWER LAYERS OF INFRASTRUCTURE AND INTEGRATION

02 SMALLER IMPLEMENTATION TEAMS

03 FASTER TIME TO VALUE

04 LOWER TOTAL COST OF OWNERSHIP

For C-suites, this is a **game-changer**.

You're no longer paying for armies of analysts or lengthy development cycles. You're paying for **intelligent outcomes**.

That means AI that **works with your existing stack**, not around it.

A Quick History: How AI Costs Have Evolved

In just a few short years, the **cost structure of AI** has undergone a **major shift**. What once required deep pockets, specialist teams, and months of development can now be delivered **faster, cheaper,** and with far **fewer resources**.

This isn't just about falling compute prices – it's about a **fundamental change** in how AI is built and deployed.

Understanding **this evolution is key** to knowing what you should (and shouldn't) be paying for today.

Then (2015–2020):

Expensive talent (data science, ML engineering)
Demand for AI talent surged, with top data scientists and ML engineers commanding salaries of $120k - $180k. (Forbes)

Custom models trained from scratch
AI models were built from scratch, requiring heavy data, specialist teams, and leading to minimal reuse. (Forbes)

Heavy cloud usage and compute costs
Cloud spend spiked as organisations trained large models, often costing millions. (Forbes)

Long build cycles and low adaptability
Bespoke projects were slow to build and hard to maintain, and to adapt without retraining from scratch. (Medium)

Now (2024–2025):

Pre-trained foundation models + open-source tools
Foundation models like GPT-4 and LLaMA have dramatically lowered the barrier to entry. Teams can now fine-tune large models for a fraction of the cost and effort. (Reuters)

Modular, composable agents
AI is increasingly built using agent frameworks that allow for plug-and-play capabilities, enabling teams to orchestrate agents that collaborate, act autonomously, and scale easily. (Medium)

API-first integrations
The rise of AI APIs has made it easier to embed powerful capabilities directly into existing systems, reducing build time and increasing adoption across non-technical teams. (Forbes)

Cost-efficiency through orchestration, not brute force
Instead of relying on massive compute power, organisations are now focusing on orchestrating lightweight, specialised agents that deliver targeted results efficiently. (Forbes)

How **C-Suite Executives** Are Using AI Today

AI has moved beyond its traditional confines within IT departments and is now a **strategic asset** across the C-suite.

Executives are leveraging AI to **drive efficiency**, enhance decision-making, and foster innovation.

At **Exponentia.ai,** we develop personal AI agents tailored to executive needs, designed to surface **real-time insights**, manage information flows, and automate routine tasks.

These agents act as **intelligent copilots**, helping leaders stay focused, informed, and **ahead of the curve**.

✓ **CEOS**
are integrating generative AI into strategic planning processes, enabling rapid scenario modelling and data-driven decision-making. (Harvard Business Review)

✓ **CMOS**
utilise AI to analyse customer data, personalise marketing campaigns, and optimise content strategies, leading to improved customer engagement and ROI.

✓ **CFOS**
employ AI-powered tools to forecast financial trends, detect anomalies, and streamline budgeting processes, enhancing financial accuracy and agility.

✓ **COOS**
implement AI to automate supply chain operations, predict maintenance needs, and optimise resource allocation, resulting in increased operational efficiency.

Our GenAI Accelerator
That Delivers Value

AIXponent is a GenAI business analyst for your enterprise, that turns every file, database, and document in your organisation into a single, searchable source of truth. A LLM based on a RAG architecture, it delivers automation for leaders without extra headcount, dashboards, or lengthy build cycles.

CAPABILITIES THAT MATTER TO THE C-SUITE

✓ **Chat Interface** – Pose questions in plain English such as "Show Q2 procurement spend by region", and AiXponent generates the query, visualises the result, and surfaces the insight in seconds.

✓ **Workflow Automation** – Agent chains handle high-value, repetitive tasks such as insight curation for CXOs, contract review, invoice reconciliation, and CRM updates among others.

WHY IT RESONATES IN THE BOARDROOM?

Less Tool Sprawl Sits on top' of existing systems, so adoption costs stay low

Instant, Agentic Execution Build Agentic AI workflows suited to your business processes.

Governance First Enterprise-grade security, role-based access, and full audit trails.

THE IMPACT AT A GLANCE

80% reduction in average validation time, enabling faster onboarding and deal closure

90% clause accuracy for compliance classification.

95% reduction in average time required to mine insights

90% reduction in time spent writing manual SQL queries

Ready to see AiXponent in action?
Request a live demo at **connect@exponentia.ai**

The ROI Framework:
How to Think About AI Value

AI shouldn't be a black hole for budget. Nor should it be a shiny experiment with no clear return.

Here's how we recommend thinking about AI value:

COST PER DECISION:

Is it helping us make faster, better decisions with less friction?

TIME TO IMPACT:

How quickly can we see a real difference in how we work or what we deliver?

STAFF LEVERAGE:

Does it free up our team to focus on higher-value work, not replacing them or adding admin?

TECH FIT:

Does it plug into our existing stack without causing chaos or complexity?

AND THE BIG ONE:

What's the cost of doing nothing? If the AI you're considering won't deliver visible results in months (not years), it's time to rethink.

What AI Should **Not Cost**

Not all AI investments are smart ones. We still see businesses spending big on tools or setups that add very little value.

Here's what to steer clear of:

- ⊗ SIX-FIGURE PROOFS OF CONCEPT THAT NEVER GO ANYWHERE

- ⊗ OVER-ENGINEERED MODELS THAT LOOK GOOD IN THEORY BUT FALL APART IN PRACTICE

- ⊗ BIG CONSULTING TEAMS DOING TASKS A WELL-DESIGNED AI AGENT CAN AUTOMATE

- ⊗ ENDLESS INTEGRATION WORK FOR USE CASES THAT SHOULD BE SIMPLE

- ⊗ LOCK-IN CONTRACTS THAT LIMIT FLEXIBILITY AS NEEDS CHANGE

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"THE REAL COST OF AI ISN'T JUST IN WHAT YOU SPEND — IT'S IN WHAT YOU WASTE ON OVERBUILT SYSTEMS, POOR INTEGRATION, AND SOLUTIONS THAT NEVER SCALE."

**- NIYATI SRIVASTAVA,
AI PRACTICE HEAD, EXPONENTIA UK & EUROPE**

What You Should **Focus On Instead**

The smartest AI investments tend to share a few common traits. Here are good signs to look out for:

Here's what to steer clear of:

- ✓ QUICK TO PILOT, WITH MINIMAL SETUP TIME AND UPFRONT INVESTMENT.

- ✓ EASY TO ADAPT AS YOU SCALE, SUPPORTING GROWTH WITHOUT ADDED COMPLEXITY.

- ✓ DELIVERS TANGIBLE ROI THAT CAN BE MEASURED AND ACTED ON.

- ✓ DOESN'T DRAIN INTERNAL RESOURCE, KEEPING PRESSURE OFF YOUR TEAM.

- ✓ WORKS WITH WHAT YOU'VE ALREADY GOT, INTEGRATING INTO YOUR EXISTING TECH STACK.

The key takeaway? If the value isn't obvious (and soon) then it's probably not worth the spend.

Want clarity on what AI should really cost?

Book a free 30-minute consult here to benchmark your spend, spot savings, and build a smarter roadmap.

Get in touch

Exponentia is a **trusted Data and AI partner**, known for hands-on leadership, platform-agnostic solutions, and outcome-driven innovation.

We work with **ambitious businesses** to deploy **AI solutions that simplify complexity**, accelerate decision-making, and deliver measurable impact. All without unnecessary overheads.

With our accelerators like AIXponent, we **help C-suite teams** identify high-leverage use cases and implement solutions that scale in weeks rather months. Our focus is on **clarity, speed, and results** that move the needle.

In a space full of inflated promises, we make **AI practical, strategic**, and **built to last.**

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