Before you *fund AI.*

Five questions for enterprise leaders before committing capital.

Each question carries a test. A proposal either meets it or it does not, and an unanswered question is itself a finding.

Most AI proposals reach an investment committee framed as a technology choice. The decision in front of leadership is a capital allocation: which operating outcome is worth funding, and what must be true for the investment to pay back. Ask these five questions before funds are committed, in order; each depends on the one before.

01

What operating outcome is at stake?

The case should name a business measure, not a capability.

- One named measure with an accountable owner, such as cost per order.
- A baseline taken the same way the result will later be measured.
- Agreement from finance on how the benefit will be recognized.

Warning sign. The case is expressed in hours saved, with no account of where the hours go.

02

Is AI the right intervention?

AI is one of several ways to move the measure, and seldom the cheapest.

- The process is stable and understood well enough to be written down.
- Simpler alternatives are costed: a process change, a rule, an existing system feature.
- The cost of a wrong output is known, along with who would catch it.

Warning sign. The use case was selected because a tool was available.

03

Are data and controls fit for purpose?

Readiness is a precondition of the investment, not a workstream inside it.

- The data required exists, is accessible, and has an accountable owner.
- Access rights, retention and regulatory obligations are mapped for this use.
- A person reviews any output that reaches a customer or a system of record.

Warning sign. Data readiness is assumed, and scheduled for after funding.

04

Who owns adoption and execution?

Value arrives when work changes, which is a management task.

- A business executive, not the project team, is accountable for the outcome.
- Those whose work changes are involved; procedures and incentives are updated.
- Run costs and support ownership after launch are in the budget.

Warning sign. Go-live is the final milestone on the plan.

05

What evidence would justify scaling?

Decide what success looks like before the results exist.

- Thresholds to continue, change course or stop are agreed before the pilot.
- The pilot is built to produce that evidence: a comparable group, a fixed period.
- Funding is released in stages, each tied to evidence from the last.

Warning sign. Success is defined after the results are in.

A WORKED ILLUSTRATION / HYPOTHETICAL

The questions, applied to one proposal.

The company and events below are invented. They show how the five questions change a proposal; they do not describe a client or a result.

A regional distributor is asked to fund an AI assistant that drafts replies to customer order inquiries. The proposal requests full funding for a rollout to every branch. Leadership puts the five questions to the sponsoring team before deciding.

QUESTION	AS SUBMITTED	AFTER THE QUESTION WAS ASKED
Outcome	Faster responses and a better customer experience.	Cost to serve per order line, owned by the head of customer operations, with a baseline taken from the prior two quarters.
Intervention	An AI assistant is the proposed solution from the outset.	A third of inquiries ask for order status. Those are moved to self-service at low cost, and the assistant is scoped to the remainder.
Data and controls	Order data is described as available.	Pricing exceptions are held in branch spreadsheets. They are brought into the order system first, and a person approves every reply that quotes a price.
Ownership	The technology team delivers and hands over at launch.	The head of customer operations owns the measure. Branch supervisors help write the review procedure, and run costs enter the operating budget.
Evidence	The pilot will be judged a success if users respond well.	Two branches pilot for a fixed quarter against two comparable branches. Continue, change and stop thresholds are set before the start.

THE DECISION

Fund the pilot. Hold the rollout.

The committee approves the first stage only. The rollout request returns with the pilot evidence attached, and is judged against thresholds that were written down before anyone knew the answer.

USING THIS BRIEF

Ask for one page per question.

A sponsor who has done the work can answer each in a page. Length beyond that usually signals an unresolved point.

Treat a gap as a finding.

A question that cannot be answered is not a reason to reject the proposal. It is the first item of work, and it should be funded as such.

Stage the capital.

Commit to the next decision, not the whole program. Each release of funds should buy the evidence needed for the one after.

This brief offers general decision criteria. It is not advice on any specific investment.