



# Voice of the CIO

A recurring conversation with CIOs  
on IT-related issues



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# From promise to profit: Realizing the business value of AI

The initial excitement around the potential of artificial intelligence (AI) has given way to a sharper focus on tangible business value, demanding a shift from innovation to measurable returns on investment (ROI). Today's chief information officers (CIOs) are tasked not only with deploying AI but also proving its worth on the profit and loss (P&L) statement—translating productivity gains into actual cost savings and revenue growth. But, as many CIOs have discovered, this journey is complex: the most successful value tracking is tied to specific business outcomes.

Meanwhile, the proliferation of AI has exposed long-standing weaknesses in data quality, governance, and integration. Organizations are now compelled to reinvest in foundational data strategies, recognizing that poor data can stall AI initiatives of all kinds.

Finally, CIOs are acknowledging the human element as a decisive factor in AI success. It's no longer enough to train employees on new tools; organizations must cultivate a workforce that is "AI-fluent"—curious, adaptable, and capable of reimaging processes from the ground up.

## On the CIO agenda

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CIOs are shifting the AI narrative from productivity gains to P&L impact

### Back to basics for data: AI's unexciting prerequisite

Poor data quality, a roadblock for AI, is forcing a renewed focus on data governance

### The human element: Cultivating mindset over skill set

Fostering "curious challengers" to reimagine processes

# The ROI imperative: Moving from “cool” to “cash”

CIOs are shifting the AI narrative from productivity gains to P&L impact

With several years of implementing AI and generative AI under their belt, CIOs are moving past the initial excitement and are now focused on the hard financial realities. The consensus is that the initial, exploratory phase of AI is over, and the goal is making AI a real utility. The question now is not “What can AI do?” but “What is AI worth?” The challenge, however, is how to translate individual productivity improvements into measurable cost savings or revenue growth, a crucial step for securing future budgets.

But evaluating the value of IT may be easier said than done. While AI tools

are improving individual productivity, translating that into measurable P&L impact is proving extremely difficult. The most successful value tracking is tied to specific business outcomes (for example, commercial pricing optimization) or cost avoidance (avoiding new hires) rather than broad productivity gains.

A CIO of a retail company summed up their experience this way: “I think there’s been a big shift. I think everybody was running a million use cases, and I think everybody’s trying to organize around some kind of center of excellence trying to drive to the biggest business value.”

One food company CIO acknowledged the struggle to connect IT costs to P&L value, noting that IT investments primarily support business-driven decisions where value is realized elsewhere in the P&L. The CIO emphasized the importance of business units determining value propositions and tracking key performance indicators (KPIs) postdeployment. Another executive noted that benefits like improved quality, predictability, and freeing up staff for higher-value tasks, rather than just employee reduction, are key considerations for ROI.

At the same time, AI-driven transformation is pushing technology costs up—not down. A CIO from a healthcare company noted that their company is making significant capital investment to achieve transformative AI projects. Marcus Murph, KPMG US Technology Consulting leader, agreed that the idea of technology spending going down with AI is a “flawed foundation” and expects accelerated tech investment.

Nevertheless, an insurance CIO noted their 2026 IT budget is essentially flat, with generative AI still representing a small percentage of total IT spend, despite external discussions of hundreds of millions or billions in investment.

**“I think this idea that technology spend going down in the world of AI is a flawed foundation. It strikes me that we’re headed into a world of accelerated tech investment, where the benefits accrue to the business.”**

—Marcus Murph, KPMG US Technology Consulting leader

# Back to basics for data: AI's unexciting prerequisite

Poor data quality, a roadblock for AI, is forcing a renewed focus on data governance

No matter how much CIOs discuss the excitement and promise of AI, the conversation eventually returns to the mundane topic of data. The use of AI tools is exposing just how disparate, out-of-date, and poorly managed unstructured data repositories really are, creating a new catalyst to finally address foundational data strategies.

CIOs acknowledged that before sophisticated AI can be implemented, they must go back to basics and build a solid and reliable data foundation. This investment is often difficult to justify as it doesn't show immediate, direct

returns. That means the promise of AI is paradoxically forcing organizations to finally confront and invest in the foundational data strategies they have put off for years. One CIO of a chemical company admitted that they are attempting to "use the excitement of AI to reignite an old boring conversation around data quality and data governance" and shift ownership from IT to business units.

Organizations that have grown through acquisitions also face challenges in synchronizing and standardizing data across disparate systems. Added a CIO

from a consumer electronics company, "Our data is not up to scratch for any of these huge ERP implementations... So, we've really positioned data as the most fundamental first steppingstone."

One retail CIO described how their company was addressing the issue by proposing a business-led center of excellence for AI, which would be connected to the chief data officer to ensure that data management, governance, and strategic alignment are central to AI initiatives.

Ironically, AI itself will likely play a role in addressing organizations' data

challenges. AI tools are now "identifying gaps and age and version control problems" in data, making the perennial issue of data quality easier to address, noted John Celi, KPMG Advisory partner. Some CIOs also questioned the future of traditional data management, noting that building new data warehouses for every need may be unsustainable in the age of AI. For example, large language models and AI agents will be able to access both structured and unstructured data where it resides, rather than having to centralize everything in a data lake, eliminating the need for extensive data stewardship.

"I'd love to get to a world where we don't actually have to do all that data work, right? The language models understand unstructured data extremely well... Why can't somebody build a company that helps companies make sense of their unstructured data with a large language model?"

—Industrial company CIO

# The people pivot: Cultivating mindset over skill set

## Fostering “curious challengers” to reimagine processes

Simply teaching employees how to use an AI tool is not enough. The real objective is to cultivate a workforce that is “AI-fluent”—one that can think critically and creatively to reinvent how work gets done.

As AI becomes more entrenched in organizations, CIOs are increasingly discussing the “human element,” that is, getting the right people, the right talent, and the right leaders. One consumer electronics CIO stressed the need for “first-principal thinkers, curious challengers” over traditional technologists for driving AI benefits. At the same time, organizations must foster the cultural acceptance for AI, comparing it to past technological transformations like cloud adoption and urged coaching for leadership.

One key element to address this “human element” is the training of existing workers. Many organizations are focusing on upskilling and education across the enterprise, recognizing that technology is often ahead of employee adoption.

An insurance company CIO detailed their company’s approach, which includes educating executive teams weekly, providing customized “AI weeks” for business segments, and leveraging personal productivity tools as a gateway to more advanced AI usage. However, training can’t be viewed as a one and done, with another CIO, of a clothing retailer, pointing out the challenge of sustained engagement, often requiring repeated training initiatives as leadership changes.

A pharmaceuticals CIO noted the importance of ensuring higher-level executives gain competency with AI tools, suggesting engaging these executives more formally and even considering reverse mentoring programs with younger workers to help bridge knowledge gaps.

Another human element concern is the hiring of new employees that can thrive in AI-driven workforces. One industrial CIO described an innovative approach: interviewing interns for “AI fluency” and leveraging them to automate entry-level work, thereby freeing more experienced staff for higher-value tasks. This also involves a top-down approach, challenging senior executives to use AI in their daily work.

### Organizational structures and strategic approaches

With AI increasingly taking center stage, CIOs are debating the role and necessity of a chief AI officer (CAIO). While some companies, like KPMG, have a CAIO, Marcus Murph, KPMG Technology Consulting leader, observed that only about 15 percent to 20 percent of companies have formally defined this role, suggesting it might be a “transient position.” Other organizations are opting for business-led AI VPs or integrating AI responsibilities into existing roles. One clothing retailer CIO described a “pod concept” with dedicated resources for use cases, involving business owners, product owners, data science, and engineering, supported by an AI console for governance.

**“I think we’re approaching it as very much a mindset shift and an upskilling journey... It feels like the tech is way ahead of where the employee base is, even inside IT, which I would expect to be further ahead, but it’s not.”**

—Chemical company CIO

# Key considerations

- Focus on integrating AI projects with clear business outcomes and P&L objectives. Prioritize use cases that directly impact revenue growth or cost reduction and establish KPIs to track these metrics.
- Prioritize developing a solid data foundation to support AI initiatives. Ensure data quality and governance are up to par, addressing any issues of disparate or outdated information, to unleash AI's full potential effectively.
- Foster an organization-wide mindset shift by training employees to think creatively and critically about AI. Encourage leadership to champion AI fluency and consider implementing programs like reverse mentoring to bridge knowledge gaps.

## Additional resources

[2025 KPMG US CEO Outlook](#)

[Leading with AI: Executives are betting big on scalable impact](#)

[Data governance in the age of AI](#)

[The agentic AI advantage: Unlocking the next level of AI value](#)



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