AI Strategy → PMO / Transformation Delivery Mapping

AI Strategy Fails Where PMOs Are Weak

A view from running enterprise delivery at scale

Last week, a local company's CEO asked me: 'We've invested in AI. Why aren't we seeing results?' My answer was simple: 'Because you're treating AI like an isolated IT project, not a complete business transformation.'

Over the last few years, I have seen many AI initiatives fail for reasons that had nothing to do with models, data science, or tooling.

They failed for the same reasons many large transformation programmes fail.

- Weak decision ownership.
- Misaligned incentives.
- Operating models that cannot turn insight into action.

This is not a technology problem. It is a delivery problem.

As Head of PMO, I was accountable for governing a global change portfolio where strategic intent routinely collided with organisational reality. It was to ensure that strategy could survive contact with organisational reality. AI initiatives are no different, except that they expose weaknesses much earlier.

AI does not fail in delivery. It fails at intake.

Most AI programmes enter already mis-shaped project portfolios.

The first failure usually sounds like this: "We want to explore how AI could help here."

In a mature PMO organisations, that is not a strategy. It is noise.

Anything entering the portfolio must be anchored to a real business decision, a measurable outcome, and a clear cost of inaction. AI initiatives that cannot survive that scrutiny should not progress.

AI does not create value by existing. It creates value only when it changes a decision.

If there is no decision, there is nothing to automate, augment, or optimise.

The real question is not "Can we build this?"

It is "Who can act on it?"

One of the most common failure patterns I have seen is central insight with distributed execution.

1. A model produces a recommendation.
2. A dashboard shows an opportunity.
3. And then nothing happens.

Why? Because the team producing insights does not control execution.

When I look back at successful transformations, AI or otherwise, they all shared one attribute: **The decision owner and the execution owner sat within the same operating boundary**.

If AI insights must cross organisational lines before action can occur, the initiative should stop. That is an operating-model issue, not a delivery challenge.

AI strategy is an operating model decision

Delivery success depended less on technology choices and more on governance clarity:

- Who owns the data.
- Who owns the decision.
- Who owns the outcome.

All, and particularly AI initiatives collapse when those answers are ambiguous.

I have seen organisations claim that "IT owns the model or technology" while "the business owns the result". Those split guarantees failure. **Accountability must be end-to-end**.

I watched a major bank spend millions on an AI customer service bot while their operations team was building the exact same manual capability. Neither team knew about the other.

A PMO's role here is not coordination. It is enforcement.

Incentives kill more AI initiatives than data quality

This is the uncomfortable part.

Most AI initiatives fail not because people do not understand the output, but because acting on it is personally risky.

If middle management is penalised for variance, experimentation, or short-term disruption, they will ignore AI insight. Rationally.

Accountability needs to be explicit. If AI project insights are ignored, someone needs to own that decision.

AI projects without incentive alignment are destined to failure.

Stage gates matter more for AI than for traditional change

AI initiatives are especially prone to sunk-cost bias.

- The models work.
- The demo looks good.
- The pilot shows promise.

And yet the organisation is still not ready.

In a strong PMO, technical success is not an indicator. Organisational readiness is.

Every major initiative I have seen succeed had explicit kill criteria. Named owners. Politically acceptable shutdown paths.

If an AI initiative cannot be stopped, it should not be started.

The uncomfortable conclusion

AI strategy is not a technology roadmap, that is what a lot of organisations get wrong.

The organisations seeing real AI value are not those with the best models. They are the ones with PMOs strong enough to say "no" early, pause if necessary, and fix organisational issues before scaling technology.

That was true for large-scale transformations. It is even more true for AI.

See my other articles for more information:

- **The Multi-Million "No": How Resistance to Change Costs More Than Change Itself**
- **Why do 70% initiatives fail to deliver value? Because organizations rush to the tool before understanding the problem (even when using "AI")**

I also recommend you read *"Match Your AI Strategy to Your Organization's Reality"* published by **Harvard Business Review**.

If this resonates, I am increasingly convinced that the future of AI value creation will sit with leaders who understand delivery, governance, and operating models as deeply as they understand technology.

Because AI does not fail in production. It fails in organisations that were never ready to act on it.

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