

# Gartner® Research How to Calculate Business Value and Cost for Generative AI Use Cases

## How to Calculate Business Value and Cost for Generative AI Use Cases

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Data and analytics leaders must assess the potential benefits and cost of new generative AI investments. Experimentation can be done inexpensively for most use cases, but this research provides a decision framework for assessing cost and realizing value from enterprise generative AI initiatives.

### Overview

#### Key Findings

- Organizations demonstrating early business value from generative AI (GenAI) are building a portfolio of use cases focused on addressing their competitive position with incremental improvements, reducing current processes for differentiation or gaining new resources, cost reduction and business models, but the main majority of GenAI cases reported basic investment concerns for the "value" and "cost" categories.
- Productivity gains and the business value benefits reported by early adopters. Most industries from productivity impact leading initiatives of GenAI value are reported to short-term benefits (such as immediate cost reduction). This requires a longer timeline for value. Some benefits might occur immediately.
- New benefits from higher productivity will contribute to short-term value longer term. However, existing reports on the reduction of productivity in use and process may impact the return.
- Identifying and measuring value can be more difficult with the benefits being both direct and indirect. Value creation value creation strategies require both stages.
- Continuous value and cost monitoring of GenAI efforts, including ongoing tracking of cost-reducing, revenue-increasing, process-improving and innovation and customer retention metrics.
- Collaborating with HR, Finance, legal and compliance teams to ensure proper governance is essential for ensuring effective and to plan to manage change, intellectual and data usage from process improvements and continue cost from negative impacts of AI.

## Unlock the Power of Generative AI: A Decision Framework for Assessing Value and Cost

Generative AI (GenAI) has the potential to transform businesses across industries, offering unprecedented opportunities for innovation, efficiency, and growth. However, many organizations struggle to assess the potential benefits and costs of new GenAI investments, leading to suboptimal decision-making and missed opportunities.

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According to us one must read the research to:

- Understand key considerations for assessing the competitive impact of GenAI use cases.
- Discover a structured approach to estimate the total cost of ownership for GenAI initiatives.
- Learn proven strategies for realizing the full potential of GenAI investments.

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