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THE CDO'S GUIDE TO MEASURING AI'S BUSINESS VALUE

CDOs share best practices for proving the promise of AI ROI.

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INTRODUCTION

Many Snowflake customers struggle to measure the business value of their data, analytics and AI initiatives. Without a clear picture of the value generated, justifying continued investment is a challenge. AI and data teams and their business peers don't always speak the same language, nor have the same incentives to define metrics collaboratively.

"The CDO's Guide to Measuring AI's Business Value" offers best practices and lessons learned from experienced AI and data leaders. To produce this report, I drew on in-depth interviews with AI and data executives at Snowflake customer companies conducted in January and February 2025, as well as discussions with other data leaders working to transform their organizations with new technologies. These transformations require significant collaboration across roles. It is often said that technology is the easy part. Organizational and process change prove more challenging. We hope the knowledge shared in this eBook helps others in their journeys to effective and sustainable AI practices.

Snowflake would like to thank the executives pictured here for their contributions.

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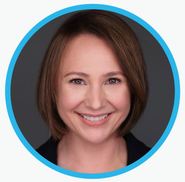

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TODD JAMES
Chief Data and Technology Officer
84.51

VENKAT GOPALAN
Chief Digital & Data Officer
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THE CDO'S MANDATE
ALIGNING DATA WITH BUSINESS VALUE

As data leaders, we know that business value isn't a nice-to-have — it's the mandate. Every data and AI initiative must tie back to real outcomes. That starts with clarity: What does productivity mean in your organization? What goals truly matter, and how fast do they need to be achieved?

While leading data teams at Instacart and now as Chief Data and Analytics Officer at Snowflake, I've learned that driving value is never a one-and-done effort. Success in AI and analytics requires an iterative mindset that stays tightly coupled with the business and evolves alongside it.

My philosophy is rooted in a continuous loop: deeply understand the business problem, design the right solution, execute quickly and precisely, and then rigorously measure impact. This cycle creates space for rapid course correction — ensuring we double down on what works and stop pursuing what doesn't. It's how we protect resources, earn trust and, most importantly, help deliver measurable ROI.

At Snowflake, we saw an opportunity to improve how our sales teams access information. In response, we developed an AI-powered Knowledge Assistant that pulls from our sales enablement tools, documentation and more than 800 customer stories. Now, salespeople can get relevant insights in seconds — saving 10 to 15 minutes per inquiry and spending that time where it matters most: with customers. At scale, those time savings are compounded into real business impact. We will continue to monitor and measure the impact of this AI initiative. If it goes as well as we expect, we will repurpose it for other business use cases, like the marketing and legal departments.

That's the role of the CDO today — to build systems that consistently translate data into results and guide the organization in measuring, learning and adapting along the way.

This ebook combines proven strategies with practical insights from some of the world's leading data executives. I hope it gives you new tools, inspiration and a shared sense of purpose as we continue shaping what data leadership means in this next chapter.

ANAHITA TAFVIZI
Chief Data and Analytics Officer
Snowflake

IT'S GAME TIME FOR AI
DELIVER BUSINESS VALUE TO WIN

The rapid adoption of AI raises a burning question: How do we measure the effectiveness of our teams and our impact on the business?

This isn't the perennial "what's my data worth?" dilemma often answered theoretically. It's about defining and tracking the metrics used to justify continued investment in all data and AI infrastructure. Data and technology teams often begin with measures of throughput and speed to insights or governance and risk mitigation. These are sometimes considered "foundational metrics." However, the holy grail of true transformation is the measurement of business values and attribution back to the data and AI operations. That's where things get elusive.

In fact, a survey of CIOs found that "estimating and demonstrating AI value" was the top barrier to implementing AI initiatives. And, by AI initiatives we mean all AI from classic machine learning to newer generative AI based on large language models. The distinction is technology-based. However, business leaders don't always differentiate. If they focus on tools at all, it's more, "Let's do something with AI." They look at it from the business perspective: What are they trying to solve? So the exercise is about how they measure the value of getting the problem solved.

The struggle to measure business value frequently headlines the news. Investors worry about an AI bubble, and corporate boards worry about continued investment. "Is all of this actually worth anything?" is the question *du jour*. This is not a question of how much the technology costs. Today, most tech and business leaders recognize the need for foundational investments in technology. Rather, this time the discussion is really around the return on that investment. In the CDO-level conversations that inform this report, no one mentioned storage costs or query times.

The ultimate goal is to track the total business impact of the initiatives. Metrics must reflect business outcomes. Bottom line: The score isn't important if you're not sure which game you're playing. The "game" is the business.

Many early adopters already demonstrate return on investment, even from gen AI. The global research report, "The Radical ROI of Gen AI," based on research conducted by Enterprise Strategy Group for Snowflake, found that of 1,900 early adopters of gen AI surveyed worldwide, 92% said they'd already achieved a return on investment. More than 1,200 said they'd specifically quantified the ROI, and the average return was 41%.

While some CDOs allow experimentation without a full business case, putting an AI model into production most often requires a clear picture of the return. It's going to be up to data and AI leaders and their business peers to deliver and measure the business impact of their AI initiatives and the underlying data. In this ebook, many of our value-focused Snowflake customers tell us how.

92%

of early adopters surveyed worldwide say their gen AI investments already achieved a return on investment

WHAT'S THE PLAY?
PICK USE CASES THAT SCORE

AI is no longer a side quest for the tech-savvy; it's a critical business driver. Prioritizing investment decisions means selecting the use cases that will deliver. As one executive noted, "When you execute an AI initiative, you are investing your career in it. It's where careers are made." Most executives don't want to take that risk without the confidence that the project will be a success, and that means ensuring your AI initiatives are going to deliver a return on the investment

So, where are companies seeing the most promising returns? Across industries and geographies, three categories of AI use cases consistently deliver strong ROI: customer service improvements, operational efficiencies and new revenue opportunities.

Customer service improvements: Enhancing the fan experience

- *Online order substitutions frustrate online shoppers*. At **84.51**, a retail insights company and wholly owned subsidiary of Kroger, the "substitution science" team ensures that customers ordering strawberry jam don't end up with strawberry-scented candles.
- *An "ocean of news" overwhelms investors*. At **Swissquote**, document AI and sentiment analysis, coupled with a gen AI interface, help investors navigate that ocean in natural language, allowing them to extract what they need to guide their investment decisions.
- *Complex scenarios and information overload challenge customer service*. At **Element Fleet Management (Element)**, customer care specialists are given an extensive body of training documents covering the vast range of vehicles, components, and the potential questions and answers. Element leverages a chatbot interfacing with its Knowledge Repository to significantly reduce onboarding times and to facilitate faster information retrieval during a call.

Operational efficiencies: Optimizing team performance.

- Sales associates at **Pernod Ricard** act on AI-recommended plays to optimize customer engagements, from which outlets to visit along a specified route to the precise offer for each business customer, such as negotiating shelf placement in a grocery store or introducing a new cocktail in a bar or nightclub.
- At **Element**, telematics data and AI help manage repair orders for vehicles under management by predicting maintenance needs and prescribing actions based on component wear.
- **PSA BDP**, the logistics and supply chain unit of PSA International, leverages data from an extensive maritime and logistics ecosystem to predict ship arrivals, port congestion and the risk of supply chain disruptions for early warnings into upstream delays and vessel movements to optimize planning and improve internal productivity.

Revenue opportunities: Unlocking new revenue streams

- **GXS Bank**, a Singaporean digital bank, has expanded banking services to small businesses and consumers by leveraging AI trained on data from across its ecosystem of partners, including a telecom operator and a platform which provides, among other things, ride hailing and food delivery services. Insights from these models lower the cost of customer acquisition and improve credit risk scoring.
- At **WM**, formerly Waste Management, its Smart Truck program outfitted residential trucks with cameras and sensors to capture video and images used to identify overages and contamination with each pickup. These insights drive changes in customer behavior or in some cases billing, which brings incremental revenue.
- With its AI-powered visibility across the entire logistics network, **PSA BDP** offers applications that enable cargo owners to anticipate risks, analyze options and determine actions, and have transformed PSA into a lead supply chain solutions provider directly managing its customers' supply chains.

The perceived risk and the fear of putting one's neck on the line could potentially stifle innovation. The ROI must be there. And, that's where partnership comes in. The AI and data leaders work collaboratively with their business partners to ensure the success of the project.

IT'S A TEAM SPORT
BUILD CROSS-COMPANY SKILLS AND CAPACITY

For many companies, AI has become a cornerstone, applied across business units and functions to optimize processes, accelerate decision making and increase productivity. That's why AI is now on the agenda at board meetings, with members asking about even the most recent developments, like DeepSeek.

At **Belcorp**, a Brazilian CPG and retailer, Chief Digital & Data Officer Venkat Gopalan explains that they shifted to "AI 2.1," where AI is no longer a standalone pillar but a horizontal capability integrated across the company's overall business strategy.

While technical teams had historically "served" their business counterparts, digital transformation with its dependence on technology and data shifted the relationship from service to partnership. That tech-business partnership concept is not new. However, with AI the stakes seem higher. The leaders interviewed offer basic rules for success:

Uplevel the teams by cross-training

Data teams aren't truly appreciated unless they deliver business value; teams from the business aren't empowered unless they can access the data and tools. They need each other as partners or peers. As Kaoutar Sghiouer, CDAIO of **Sanofi**, argues, "The business is not the 'customer.' Business and data or digital leaders are peers. The pod or squad or product team must include architects, developers, other technical members and members from the business."

> "The business is not the 'customer.' Business and data or digital leaders are peers."
>
> —**KAOUTAR SGHIOUER**
> **CDAIO, Sanof**

Petz CDO Heblon Barbosa stresses the value of the partnership. "The technical guys focus on the tools but don't necessarily have the business case to justify it. The business guy is spending millions on specific initiatives and wants to do it better. He might not even know that there is a tool to do it better. But if you bring the two together, a process improvement or an optimization of the media mix, for example, can reduce costs and increase revenues."

For Todd James, Chief Data and Technology Officer (CDTO) at **84.51**, "Decisions are made in partnership with the business. We are mathematicians; yet sometimes there are opportunities to engage business resources. For example, with operations you might say, 'You have industrial engineers. Let's have them take a look and compare it to what we're seeing in the simulations.' Or with finance, we'll look at what they're seeing in the budget. What do the actual numbers look like?" Partnerships between the business and tech teams are not new, but the growing need to apply AI to business challenges and demonstrate the business impact of these initiatives has strengthened the bond.

Create a common, business-oriented language

Teamwork starts with a shared language, focused on the business. At **a large U.S. food service distributor**, one of the first things the SVP of Data Intelligence did when assuming the role was to change the language used, translating data products into business strategy initiatives. The objective was to shift the requests from "I need a report" to "I need to measure my business outcomes or my team's effectiveness."

"You need to use intentional language to shift the discussion from numbers and colors and pipelines and tables to the strategic outcomes. That helps us to dig deeper to ultimately design the right thing and measure the results."

At this food service distributor, business leaders are now asking for help in reducing "truck shorts," rather than asking for a dashboard. The work now aligns directly with key business metrics like service levels, employee safety and of course, EBITDA.

> "You need to use intentional language to shift the discussion … to the strategic outcomes. That helps us to dig deeper to ultimately design the right thing."
>
> **—SVP, Data Intelligence, large U.S. food service distributor**

CATALYSTS BAKE DATA & AI INTO THE COMPANY CULTURE

The SVP Data Intelligence at **a large U.S. food service distributor** outlined a recipe for success. The key ingredients include evangelism and communication, topped with sprinkling of competition and some internal marketing.

Here are the key steps:

First, they designated an AI catalyst within each function or line of business. The catalysts promote AI within the business context and act as a sounding board for new use cases — a safe place to present ideas.

Next is FOMO. They offered workshops, supported proof of concepts, and promoted successes. Then they doubled down on recognition. "We celebrated the !@#$ out of the project leaders and shone the light on them." As a result, others raised their hands and asked when they would get a workshop?

Last but not least, the leadership promoted the work of the data team by creating a buzz. "If we were in an office we'd have mugs, but now we have a logo and Teams backgrounds to promote the team." Go team!

Bottom line: Create an environment conducive to ideation, encourage experimentation and celebrate success, showcasing the leaderboards to attract more creativity more innovation, and ultimately more funding.

Generate business 'pull' rather than technology 'push'

For some teams, getting everyone onto the pitch isn't easy. How do you get the business on board? At **Petz**, a Brazilian pet supply company, CDO Heblon Barbosa identified a willing business team which needed an immediate solution to a difficult situation. His advice: "Find someone with their head burning. They will be willing to be the pilot. And they will be your evangelists in the future." Barbosa's goal was to eventually get the financial planner, the commercial lead and the veterinarians to go to their leadership and convince them. The end goal was to have the business teams pulling in the data teams to help solve their challenges rather than the tech team pushing the use of new AI tools.

At **the large U.S. food service distributor**, their SVP Data Intelligence similarly built demand by creating FOMO. The first step was to designate AI catalysts — senior leaders in each line of business — to evangelize AI, promote ideation and encourage experimentation. Successful initiatives are celebrated through leaderboards, attracting more creativity, more innovation and more funding — and ultimately delivering more value. As news of success spread, interest from other business units grew.

For Rebecca McMorris, Senior Director, Strategy, Planning & Data Services at WM, "Having the business in the driver's seat allows us to focus on pain points and opportunities." Business "pull" also increases the likelihood of adoption and of a positive business outcome.

> **"Find someone with their head burning. They will be willing to be the pilot. And they will be your evangelists in the future."**
>
> **—HEBLON BARBOSA**
> **Head of Data and Growth, Petz**

Support less-mature business teams to find hidden value

Not all business organizations will be able to "pull" on their own. They don't have the skills to identify and execute their own data and AI initiatives. They need more ongoing help. As part of the growth through innovation strategy at **AstraZeneca**, CDO Brian Dummann created a central service bureau, Innovation and Growth Need Insights and Technology Excellence (IGNITE). The team builds and manages the data and AI platform but also has an extensive team of Ph.D.s who can get involved to solve business problems and create value.

Similarly at **Petz**, in addition to managing central models and data feeds, setting standards, defining tools, establishing governance and offering training, the Central Data Office coordinates cross-business collaboration and provides consulting on AI initiatives. At **Bajaj General Insurance**, joint ideation sessions are held over several months to encourage ideation and identify potential projects, extending opportunities for AI across the organization. **Siemens Healthineers** IT provides a comprehensive data and AI platform that empowers citizen developers, alongside core turnkey services leveraged across multiple business units. In all these examples, broad platforms and services provide opportunities to drive innovation, uncover value and amortize costs.

Coordinate cross-functional collaboration to increase returns

Successful data leaders extend partnerships across the organization by encouraging cross-functional working groups, with steering committees to coordinate enterprisewide initiatives. At the U.S. food service distributor, the AI catalysts play this role. In addition to promoting AI awareness and safety, they serve either on an inventory committee or a risk assessment committee. Requests to apply AI into an organization or process are made through an AI accelerator framework which guides the initial review and provides funding if necessary.

At **Element**, an AI Innovation Council — with representation from the legal and risk teams, the CISO, as well as the chief data and analytics officer — oversees AI use cases across teams and fosters collaboration. The council has oversight for data and AI risk as well as ensuring the efficient and operational effectiveness of AI is aligned to the Element's overall strategy. With the growth in demand for gen AI, **Sanofi** has a specific Gen AI Board to verify feasibility and expected value, and ensure sponsorship from both the business and digital teams.

These cross-functional teams ensure AI governance controls but also create an enterprisewide transparency that promotes re-use of data products and AI models and delivers incremental value.

Extend partnerships for an ecosystem play

For many, AI and data plays also extend beyond the internal teams. By leveraging AI trained on data from across a diverse ecosystem of partners, **GXS Bank** has improved credit risk scoring and lowered cost of customer acquisition, enabling it to expand banking services to small businesses and consumers and deliver incremental value.

SCORE MATTERS
DEFINE METRICS AND TRACK BUSINESS VALUE

Agreeing on the metrics up front contributes to the success, says Pierre-Yves Calloc'h, Chief Digital Officer at **Pernod Ricard**. Aligning behind a common goal ensures everyone is moving in the right direction — or at least the same direction. For many, that metric is financial, regardless of the use case. Common metrics facilitate comparison. Yes, different use cases deliver value in different ways.

Improving substitutions in online grocery orders creates a better customer outcome, as well as adds more to a shopping cart and delivers more revenue directly. A routing algorithm for store associates "picking" an online order (when a retail associate walks the aisles of the store to fill the shopping cart with items ordered online) reduces steps and improves efficiency. Yet, whether a revenue opportunity or an operational opportunity, Todd James of **84.51** reports, "We normalize to EBITDA. It's a truth-teller, a point of comparison."

> "We normalize to EBITDA. It's a truth-teller, a point of comparison.."
>
> **—TODD JAMES**
> **Chief Digital Transformation Officer, 84.51**

Sometimes the metric isn't immediately obvious. At **Petz**, inventory metrics weren't a straight question of the numbers. A shortage of a few cans of cheap cat food wouldn't be a big deal. However, an inventory issue with a large-ticket item to be sent to a faraway place — like aquarium supplies in the Amazon region — would have a much bigger impact. The lesson was not to optimize inventory on pure numbers but on business impact and profitability. Business impact is the common theme.

"We always link the KPIs to the financial impact on the business, based on how much is lost by inefficiency or how much is gained by an improvement," Barbosa says. **Petz** links their KPIs to the impact on both costs and revenue. Inventory and logistics problems that lead to a large financial loss are given more weight and attention than ones that do less bottom-line damage.

> **"We always link the KPIs to the financial impact on the business, based on how much is lost by inefficiency or how much is gained by an improvement."**
>
> **—HEBLON BARBOSA**
> **Head of Data and Growth, Petz**

The metrics might not need to be about a specific monetary value, even if they do ultimately have an impact on the bottom line. At **AstraZeneca**, the benefit of process acceleration and time-to-market is well-understood. The ability to accelerate drug discovery and development in R&D from weeks and months to days justifies investment. Here the value metric of "accelerating the drug pipeline by X" would be sufficient.

At **State Street,** the metric is about the customer, defined broadly. Many AI initiatives use net promoter score to measure impact. They explicitly ask their customers if their needs are met. And, this applies to the regulators as well. "Just like we measure client sentiment, we measure 'regulatory sentiment.' And just like any client issue, we measure the severity of those issues, the nature of those issues, the impact that they create for clients or businesses," says Aman Thind, Global Chief Architect at **State Street**. "The ROI would be fewer regulatory issues." In this case, he argues, there is no need to assign a monetary value. It's just a question of staying in business. It's nonnegotiable.

At **PSA BDP**, where data delivers insights and drives better supply chain performance for its customers, securing customer wins and endorsements are a key measure of success. The data team collaborates closely with the commercial team to identify customer challenges and present a targeted solution. Often these digital and data solutions are the differentiation that drives selection of PSA as the lead supply chain solutions provider. For the data teams, the exact value measurement is less important than the customer success itself.

Value Measurement: From Experimental Play to Winning Product

Data leaders describe a fairly common process to get from the sandlot to the stadium. That process aligns with the data leaders' journey laid out in "The Data Executives' Guide to Effective AI." As Mercedes Pantoja, Head of Data and AI at **Siemens Healthineers**, explains, "The importance of value measurement increases across the phases of technology adoption."

Step 1: Experimentation. Few companies require value estimates during experimentation. To move to the next stage, however, often requires prioritization based on resources required and estimated value.

Step 2: Operationalization. At this stage, a minimum viable product includes business outcome-based metrics. A benchmark determines the starting point against which incremental value will be measured.

Step 3: Expansion. As adoption scales across the organization, there is more emphasis on value measurement with incremental returns used to justify continued investment.

Step 4: Transformation. As AI gets baked into processes, measurement continues on an ongoing basis and is communicated both up to the board and across the organization.

> "The importance of value measurement increases across the phases of technology adoption."
>
> —**MERCEDES PANTOJA**
> **Siemens Healthineers**

The emphasis on stages was echoed by several data leaders. **Belcorp** uses a "value ramp" to illustrate both the importance of value measurement at each stage and the increases in revenue generated across the stages.

At **Pernod Ricard,** Calloc'h recounts, "When we launched our digital transformation five years ago, we started with 100 potential initiatives on our 'list for Santa.' Our selection criteria was primarily value-driven, making sure to align with our core business strengths while at the same time understanding the cost and complexity involved. The value assessment continues dynamically throughout the process from proof of concept to minimum viable product and at each expansion into new markets or new brands."

Explore potential impact through experimentation, within limits

In the experimental stage, you're looking for potential. It's like try-outs for team selection. Hackathons and technology sandboxes allow people to play with new tools and test out new ideas to see which ones might deliver value. But there is a limit. **Sanofi**'s CDO, Kaoutar Sghiouer, describes how experimentation is bound by a time limit. A sandbox project can last no longer than three weeks — the time it should take to figure out if they have the right data, the right tools, the right skills, as well adequate compute capacity, sponsorship and an expected ROI to justify investment. The goal is to move quickly to a minimum viable product and get into production.

Sanofi also stresses the importance of ensuring future adoption up front, by involving the business from the first sprint. During the experimentation phase, two roadmaps are defined: technology and business. It's important to prepare the adoption while the product is in development, and to define the KPIs, be they time savings, efficiency improvement, accelerated drug discovery, or reduced product development times.

When Evelyne Roy, Chief Data and Analytics Officer at **Element**, joined the company, many proofs of concept were already underway in various pockets of the organization. An inventory exercise was conducted, including feasibility assessments with anticipated value but also expected costs. AI use cases can be costly to scale without the proper infrastructure and skills to enable broad use. It was important to understand the total cost of deployment, skills and technology required, as well as the expected returns.

Estimate the expected business impact before you operationalize

At **Pernod Ricard**, initial assessments are based on benchmarks or estimates from similar initiatives. Estimates are refined continuously as value is generated and costs incurred. At **Petz**, when there is more than one option, comparing the two (or more) helps determine in which direction to go. But they always track business outcomes, e.g. conversion rates of marketing campaigns, reduced time to market, reduction in inventory outages and, ultimately, revenue growth.

Remember: It's important to pick the right baseline. At **GXS Bank**, for example, chatbots were initially measured against a benchmark of 100% accuracy. But even human agents are not accurate all the time. To best determine the appropriate benchmark, they need to know which types of questions are more important and what type of accuracy is required. They then compare the outcomes to the accuracy they get from a human.

Balance intuition with assessment

Several data leaders stressed the need to balance scientific measurement and artful intuition. For Venkat Gopalan from **Belcorp**, the "art and science" approach requires both objective and subjective measures. Not everything needs to be quantified. In fact, Alexandru Craciun, CTO at **Swissquote**, worries that, "In the race to be data-driven we often dismiss gut instincts or intuition. But that is what drives our assumptions when building the models we use to derive value. The two are not mutually exclusive. In a competitive market where speed is critical to getting there first, that intuition might be enough to justify an investment."

Clearly, one cannot rely on intuition alone, but coupling it with continuous monitoring, some data leaders are willing to take the risk.

> "In the race to be data-driven we often dismiss gut instincts or intuition. ... In a competitive market where speed is critical to getting there first, that intuition might be enough to justify an investment."
>
> **—ALEXANDRU CRACIUN**
> **CTO, Swissquote**

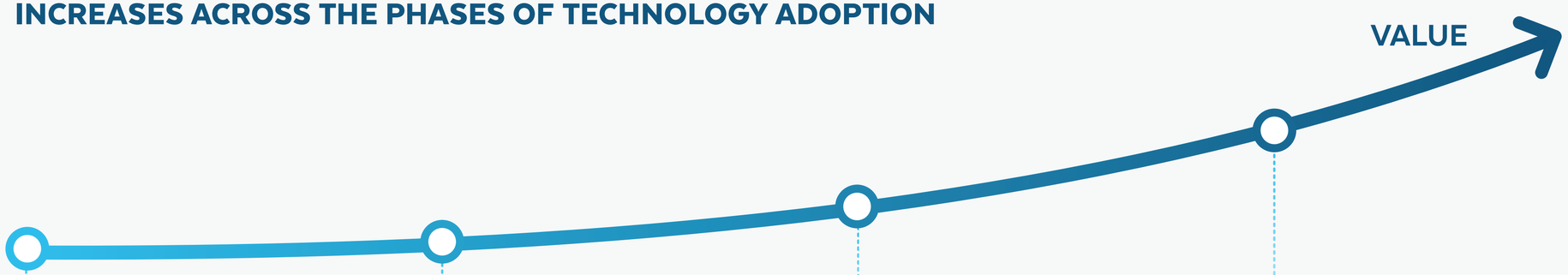
Promote expansion through re-use and coordinate measurement of incremental value

AI initiatives most often start in one business unit but the holy grail is re-use. As Mercedes Pantoja from **Siemens Healthineers** points out, "An initial investment might be difficult for a single business unit, but expansion creates economies of scale." Not only is the investment shared across business units, the re-use delivers incremental revenue. That's a win-win.

At **84.51**, Todd James focuses on model re-use. Take their routing model, for example. The model was developed for "picking" of online orders. Algorithms determine optimal routes to reduce the distance traveled, often reducing the distance traveled to pick an order by 10% and accelerating the lead time for customer pick-up. Once proven, the algorithm was then productized to enable use across other stores as well as other areas of the business, like truck routing from a distribution center.

While development of the initial in-store model took six to nine months, the truck routing version was up in a couple of months and delivered an 8.3% reduction in distance traveled. Now they've got a routing service delivering value across business units.

BUSINESS VALUE — AND THE NEED FOR MEASUREMENT — INCREASES ACROSS THE PHASES OF TECHNOLOGY ADOPTION



EXPERIMENTATION

Few companies require value estimates during experimentation.

To move to the next stage requires prioritization based on resources required and estimated value.

OPERATIONALIZATION

At this stage, a minimum viable product (MVP) includes business outcome-based metrics.

Benchmarks determine the starting point against which incremental value will be measured.

EXPANSION

As adoption scales across the organization, there is more emphasis on value measurement.

Incremental returns justify continued investment.

TRANSFORMATION

As AI gets baked into processes, measurement continues on an ongoing basis.

Total business impact is reported both up to the board and across the organization.

Consider attribution: After the win, does it matter who got the assist?

Once the business value of a specific initiative is established, does it matter how much each input contributed? In other words, is attribution back to the data important? Some say yes; others say no, or not always. Some data leaders would love to be able to link investments in data and AI to business initiatives and outcomes. The goal would be to understand what was done on behalf of a specific use case. Pierre Yves Calloc'h, Chief Digital Officer at **Pernod Ricard**, describes a tree in which the data, represented by the roots, are the source of value. Identifying which data "feeds" (which leaves) deliver value is critically important to optimize recurring costs of data sourcing. However, for most large initiatives with inputs other than data, attribution requires assumptions about what share of the impact each data product drives. Many are not willing to go that far.

At **Belcorp**, an AI product manager — a role that has evolved from data product manager — is responsible for linking outcomes back to the inputs. But attribution can get muddy. For example, a recommendation engine drives a program to send a recommendation to a consumer. If the customer clicks on the email within a week, the marketing automation platform takes credit. But the team doesn't make assumptions about the actual percent of value from the sale that is attributed back to the data itself.

Others don't do attribution back to either the specific tool or data product. The business metrics are reported for the initiative as a whole. They focus on the counterfactual and whether there is an incremental benefit. What would happen if we didn't have the technology or the data? The CDO at **Petz** recognizes that they are lucky to be in a business where the usage of data clearly impacts the business profitability, be it in customer acquisition costs reduction, customer lifetime value improvement or operational costs reduction. For **Petz**, the benefits are obvious and a single initiative or two will pay for the whole data structure. As a result, while they do measure business value of the initiatives, they've never spent much time trying to attribute value across the data value chain.

That is not to say the Petz team doesn't evaluate inputs. They are always trying to find opportunities to improve efficiency in each part of the value chain. As more value is generated from the data and AI platform, more is invested in the resilience of the data value chain. It becomes critical infrastructure. The focus is less on how much it generates to "pay for itself" but more on how much would be lost if it doesn't work as intended. Without the data, they'd be much less efficient, less profitable, and a much less successful business.

Review and communicate impact to improve future play

Most organizations perform quarterly business reviews. These reviews and subsequent communication of the outcomes serve multiple purposes. They validate the initiatives in production in business terms. They also provide an opportunity to promote the partnerships between the business and data or digital teams. Data executives all stress the importance of their teams learning how to tell that business story. It's not "master data management" that's going to get business stakeholders excited.

Moreover, reporting and communication drives transparency, collaboration and strategic focus. At **84.51**, business value is shared quarterly with the top leadership of Kroger, the parent company. "We need that visibility across the entire business to understand if we're putting our investments behind the right initiatives," says CDTO Todd James. "Rather than getting pulled into an initiative for a single part of the business by a passionate individual, we try to focus on top priorities for the business as a whole."

Continuous communication also includes education and evangelism. Kaoutar at **Sanofi** stresses the importance of both top-down and horizontal or peer influence, as well as explicit cultural programs. At **Sanofi**, April 2024 was AI month with a tagline of "All in on AI." Webinars and formal courses were offered to promote upskilling and democratization, and about 20% of employees participated. Spreading awareness builds culture and accelerates transformation.

Know when to stop to cut losses and reallocate resources

Continuous assessment could lead to a timeout, a substitution or stopping the game. While much has been said about predicting and assessing the value of an AI initiative, some data executives struggle with the decision to stop. One CDO says that the company's rationale is often that "There is only storage so it doesn't cost much. No one cares. Not yet." Still, most describe the "stop" option as a best practice.

At **Siemens Healthineers**, a "very methodical approach" governs the decision to stop or continue. If assessments illustrate that a project is not bringing the expected value, the team reviews the findings with the business stakeholders. What should be changed? Can we continue in another way? If not, we will stop it. Or we drop it as a priority and we ultimately stop it. That's part of the evaluation process.

At **Belcorp**, knowing when to stop and reallocate resources is just as important as pushing forward. A recent example is the rollout of a Virtual Try-On experience for makeup. While the feature delivered strong conversion rates among those who used it, overall adoption remained unexpectedly low.
The numbers told part of the story — but not the whole picture. Digging deeper, the team realized that customer interest in this kind of digital experience wasn't as strong as anticipated.

To understand why, they've shifted focus to gathering qualitative feedback — listening to real customer voices to complement the data. Rather than continuing to invest in a play with uncertain ROI, **Belcorp** hit pause. The team is taking the time to assess what worked, what didn't, and whether there's a path forward with adjustments — or if it's time to redirect efforts elsewhere. It's a clear example of how strategic decisions are guided by both insights and intuition.

PRE-GAME PRIMER
THE PEP TALK AND PLAYBOOK

As AI adoption expands, the pressure to measure value and justify cost will grow.
Many AI and data leaders find the exercise of value measurement challenging.
It is not insurmountable.

Coaching from value-focused leaders

Seasoned executives offer words of wisdom based on their post-game analysis:

Don't sweat it. You've got this. Measuring the outcome of AI projects is not very different from measuring any technology initiatives. "All technologists have been dealing with it forever." The SVP of Data Intelligence at a large U.S. food service distributor argues, "We haven't done AI before. But this is a challenge we've encountered before. As technologists this is familiar."

Remember, value doesn't happen overnight. Early experimental stages usually don't expect returns. Yes, building the platform requires funding. However, as data leaders detailed previously, "burning needs" can justify these foundational investments. The buildout can happen with incremental initiatives, adding capabilities as needed.

Think of value measurement as a muscle. It gets stronger as it's used. Value measurement seems daunting at first, and potentially painful. However, with practice, it gets easier over time.

Measuring the value that AI delivers is critical to justifying investment in it, prioritizing the applications of it, and balancing its future benefits against potential risks. Yet measurement is challenging: Benefits can be indirect (e.g. better decision-making or increased productivity); effects can be distributed and varied; and value can accrue over time. The good news is that business and technology leaders are no strangers to measuring business impact. Many value-driven AI and data leaders have demonstrated how.

A six-step game plan for value management

To mitigate the pain of getting started with value measurement, follow these steps:

1. Identify the impact owners. Consider both where the costs are incurred and the value delivered. This is your value measurement team.

2. Agree on the business metrics. It's not about a dashboard but rather about the actual challenge or opportunity. Think marketing conversions, sales orders, product defects or truck shorts. These are your measures of success.

3. Benchmark current values to predict impact. What is the current state of the metric you've chosen? This will be your baseline. How do you expect them to change? That will be your goal post.

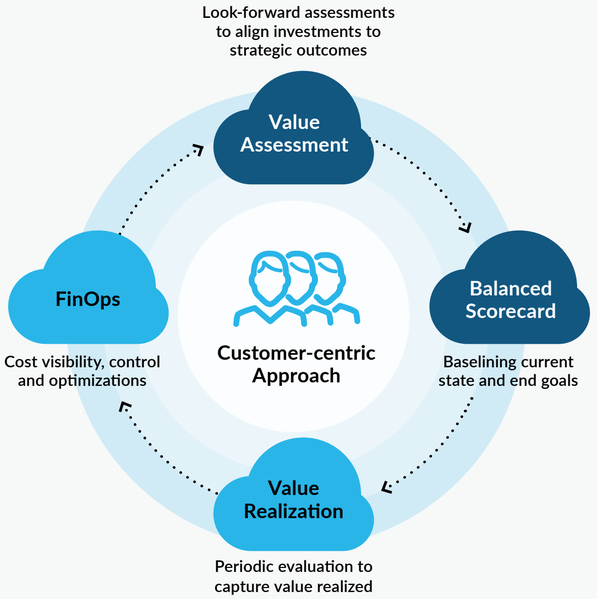
4. Monitor, measure and report outcomes. Regular communication to senior leadership builds the case for continued investment; communication across the company generates future initiatives and builds grassroots support and FOMO.

5. Ask for help from your data and AI platform provider. An AI-ready platform should actively enable your AI strategy. The Snowflake Value Engineering team offers a Business Value Assessment and Business Value Realization to help you ensure the strategic alignment between the key business objectives and the capabilities of Snowflake's AI Data Cloud. The assessment is a collaborative exercise conducted prior to investment, establishing a baseline of current state and end goals; the realization is conducted periodically during the lifecycle of an initiative to ensure business value delivery.

The process includes both qualitative and quantitative analysis, with employee surveys, industry benchmarks and business value realized used to measure both costs and benefits. The exercise also includes a FinOps review to assess cost visibility, control and optimization.

6. Don't forget your bottom line. Work collaboratively to ensure alignment between investment and strategic outcomes. In other words, costs incurred must deliver measurable net business value.

SNOWFLAKE'S APPROACH TO VALUE MANAGEMENT



JENNIFER BELISSENT

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Snowflake is the platform for the AI era, making it easy for enterprises to innovate faster and get more value from data. More than 11,000 companies around the globe, including hundreds of the world's largest, use Snowflake's AI Data Cloud to build, use and share data, applications and AI. With Snowflake, data and AI are transformative for everyone.

Learn more at **snowflake.com**

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