~Crossing the GenAI Divide

Why 95% of AI Projects Fail and What the Successful 5% Do Differently

Insights from the MIT AI Report 2025, combined with project experience from HMS across regulated industries.

Executive Summary

Despite billions in investments, most companies fail to realize tangible value from Generative AI.

95% of initiatives fail for the same reasons:
Lack of integration, limited learning capabilities, and overly abstract use cases.
The successful ones think smaller, learn faster, and measure progress by real business impact, not technical demos.

Organizations that cross the GenAI Divide demonstrate that AI-driven value creation is measurable, often within just a few months.

The **GenAI Divide** describes the gap between organizations that successfully operationalize Generative AI and those stuck in pilot projects.

1. Between Hype and Reality

Companies are investing billions in GenAI, yet only 5% achieve measurable ROI.

The issue is rarely technological; it's **organizational**.

Why projects fail:

- ystems are not integrated into core processes
- AI does not learn from feedback
- Projects remain stuck in pilot phases

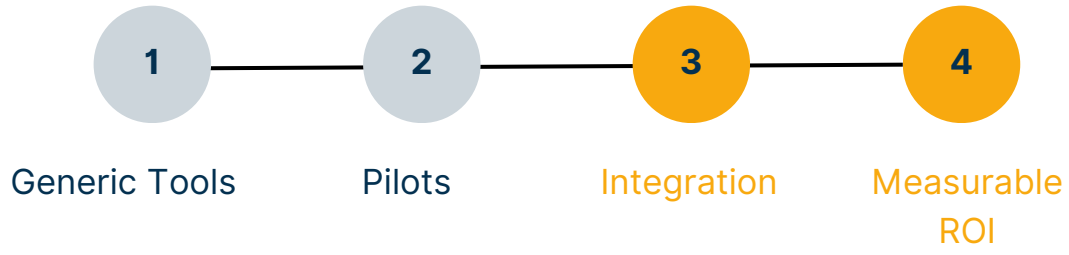
Many organizations use tools like ChatGPT or Copilot without fundamentally transforming their workflows.
The question is no longer whether AI works, but how it can be effectively integrated into reality.

2. The GenAI Divide

High Adoption – Low Transformation

The MIT AI Report 2025 shows:
Only two out of nine industries (Technology & Media) experience visible transformation.
In regulated sectors such as Pharma, Insurance, and Finance, scaling is hindered by compliance, data silos, and complex approval processes.
Most pilots don't fail due to technology, but because they are too generic and disconnected from real workflows.

Bridging the GenAI Divide



3. What Successful Companies Do Differently

Top performers, both in the MIT study and HMS projects, follow a consistent pattern:

Start Small & Learn Fast
Successful companies choose specific use cases tied to clear business problems.
Example: Automating documentation in Pharma or policy validation in Insurance.

Learning as a Lever
AI systems that process feedback, adapt to context, and align with workflows deliver sustainable efficiency gains, particularly in high-compliance environments.

Focus on High-ROI Processes
The greatest returns are found in back-office, documentation, procurement, and governance, not in marketing pilots.
These areas yield 20–40% efficiency gains, often without reducing headcount.

Experience > Exploration
Organizations partnering with experienced AI implementation firms are twice as likely to succeed (MIT Report).
Partnerships accelerate learning cycles, reduce risk, and produce measurable outcomes.

66% of decision-makers say AI systems must learn and improve continuously. Yet only 5% of current tools meet that expectation.

(Source: MIT AI Report 2025).

4. How to Cross the GenAI Divide

Most organizations are in the same place:
The pilot is running, but measurable business impact is still missing.

At HMS, we help you move from experiments to results, reducing risk and aligning with clear business goals.

Your Benefits:

- dentify high-ROI processes through a GenAI Readiness Assessment
- Bring initial AI use cases into productive operation
- Measure progress in efficiency, quality, and time savings
- Benefit from secure and scalable implementations

“The difference between hype and impact isn’t the technology itself, it’s how you learn to use it.

(Source: MIT AI Report 2025).

5. Your Next Step

Schedule your GenAI Check

Discover how leading organizations, even in regulated industries are already achieving measurable GenAI results.

Schedule your 30-minute GenAI Check!

Get an initial assessment of which of your processes offer the highest potential for measurable AI impact.