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AI FLUENCY FOR LEADERS

# The Real Economics of Enterprise AI: What Leaders Need to Know

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## Organisations are realising a simple truth: AI isn’t just a technical challenge, it’s an economic one.

Continuous use of GenAI and agentic AI consumes compute, storage, and tokens at scale, creating the real risk of runaway operational costs. Understanding the total cost of ownership – from infrastructure and AI-as-a-Service to data pipelines, people, and integration – will be critical.

This guide outlines the new cost behaviours, architectural patterns, and strategic decisions shaping enterprise AI in 2026.

# The Rise of AI FinOps: Bringing Discipline to AI Scaling

Finance leaders are now closely managing AI spend. Treating it like any other cloud service can lead to surprise costs and projects that sound strategic but don't move the needle.

**KEY AI COST DYNAMICS TO WATCH:**

01.

**Spiky spend**

Model training, fine-tuning, and inference bursts during campaigns or launches can create large, uneven costs.

02.

**GPU & accelerator economics**

Over or under-provisioning high-performance compute directly impacts budgets.

03.

**Data gravity**

Moving AI-hungry datasets across regions, clouds, or on-premises adds egress and network costs.

04.

**Mixed consumption models**

Businesses now combine IaaS, PaaS, SaaS, and on-prem clusters, making TCO and unit economics more complex.

**Establish cost visibility, value attribution, policy-driven consumption, and scenario planning frameworks before scaling further.**

# The Shift to Domain-Specific Models: “Good Enough” Becomes a Strategy

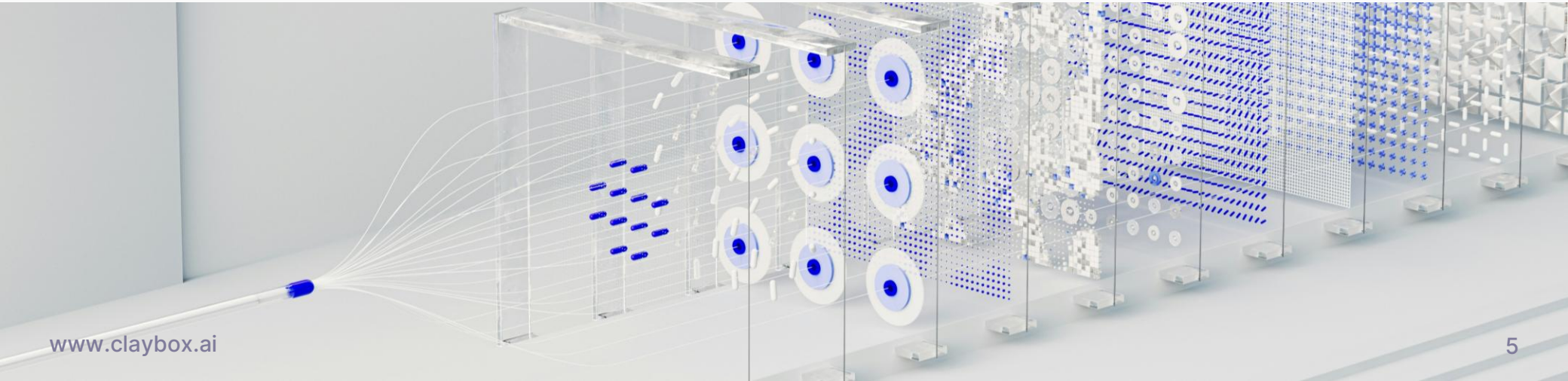
General-purpose LLMs are expensive. Leading enterprises and AI-focused ISVs are turning to domain-specific models for most tasks, reserving large LLMs for truly critical use cases. This multi-model approach can reduce inference costs five to tenfold without sacrificing practical outcomes.

**Strategically adopt the right model for the right task. Cost-efficient, domain-specific models can deliver near-equivalent outcomes while significantly lowering AI expenses.**

# Power, Carbon, and Location: AI Workload Placement Becomes a Board Issue

AI workloads have moved beyond just compute – location now matters. Training and heavy inference are shifting to regions with lower costs or greener energy, while sensitive data often stays local. “Sovereign AI” patterns will combine local inference for sensitive workloads with offshore capacity for generic tasks. Metrics such as cost per model decision or $CO_2$ per 1,000 inferences will become operational KPIs.

**Decisions on where AI workloads run are now strategic. Weight operational cost, energy efficiency, data sovereignty, and regulatory constraints when designing AI deployment.**



# The Hidden Costs of AI: Data, People, and Integration Dominate TCO

Compute is only part of the AI bill. Additional costs include:

Data engineering, cleansing, labelling, and governance

Prompt/runtime orchestration and observability

Human oversight, red-teaming, and compliance

Re-platforming and integrating AI with line-of-business systems

**Incorporate hidden costs of AI into total cost of ownership, including data engineering, integration, human oversight, and compliance, and link AI initiatives to measurable business outcomes.**

# Agentic AI & Licence Rationalisation: The Next Wave of Cost Savings

Agentic AI can perform functions traditionally handled by multiple software systems, directly querying databases and executing processes. Organisations are consolidating software licences and retiring redundant platforms, while AI-enabled suites that replace legacy tools are gaining traction.

**Leverage agentic AI to streamline software landscapes, retiring redundant platforms and embedding AI where it delivers measurable operational efficiency and cost savings.**

# Budgeting for “Bad AI”: Risk Costs Become Part of TCO

AI failures carry tangible costs: hallucinations, biased outputs, regulatory penalties, remediation work, and brand damage. High-risk functions like credit, underwriting, or HR will see slower adoption unless strong guardrails are in place.

**Incorporate the cost of failure into TCO. Early investment in monitoring, evaluation, explainability, and compliance is cheaper than downstream losses and ensures enterprise-scale AI adoption is sustainable.**

# The Bottom Line: Economics Will Shape AI Strategy

The days of “build first, justify later” are over. Successful organisations will:

| 01. | 02. | 03. | 04. | 05. |
| --- | --- | --- | --- | --- |
| Understand the full spectrum of AI costs | Optimise model selection and deployment | Treat data and integration as central cost drivers | Use agentic AI to simplify, not complicate, the software landscape | Invest in guardrails early to prevent costly mistakes |

Scaling AI is will not be considered a technical challenge, but a financial, architectural, and operational one.

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# Let's Talk

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