

AI Success Management

The Discipline That Keeps AI Delivering Value

Why governance alone fails. How Customer Success Management principles transform AI from a project into a continuously optimized strategic asset.



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01 The Problem: Why AI Projects Fail



Sources: Gartner via Amzur Technologies; Precedence Research; Statista/Stanford University AI Index; CB Insights

Organizations are deploying AI at unprecedented scale. Global AI market revenues reached USD 126 billion in 2015 and have grown exponentially since, with the AI consulting market alone estimated at USD 14.1 billion in 2026.¹ Yet the failure rate remains staggering: 85% of AI projects fail to deliver on their objectives, primarily due to unclear goals and poor project management.²

The governance gap is equally alarming. Even in the most advanced industry sector — communications, media, and technology — only 24% of organizations have fully operationalized at least 50% of their AI data governance risk mitigation measures.³ Meanwhile, investors have poured nearly \$4 billion into AI agents and copilots in the last two years alone,⁴ creating massive downstream demand for governance that the market is not equipped to meet.

The Four Failure Modes

Failure Mode	What Happens	Root Cause
Governance Theater	Policies exist on paper but never operationalize	No People dimension — no change management, no adoption strategy
Deploy and Pray	AI launches successfully but degrades over time	No Process — no monitoring cadence, no health scoring, no lifecycle management
Compliance Without Value	Governance costs mount while AI ROI remains unproven	No value realization — Policy without business outcome linkage
Shadow AI Proliferation	Employees adopt unauthorized AI tools	All three — no people engagement, no process visibility, no enforceable policy

The common thread: Every failure mode traces back to a missing dimension — People, Process, or Policy — that traditional governance frameworks don't address as an ongoing discipline. Organizations need more than rules. They need a management practice.

1. NMS Consulting, AI Strategic Consulting Market Size 2026, <https://nmsconsulting.com/ai-strategic-consulting-market-size-2026/>
2. Amzur Technologies / Gartner, AI Implementation Framework, <https://amzur.com/blog/amzur-ai-implementation-framework>
3. Statista / Stanford University AI Index, AI Data Governance Adoption 2024, <https://cashmere.io/v/jjVndX>
4. CB Insights, Enterprise AI Agents & Copilots Market Map, <https://cashmere.io/v/hl6FSt>

02 The Missing Discipline

The software industry solved a similar problem two decades ago. When SaaS replaced perpetual licenses, the economics of software fundamentally changed. Customer acquisition became less important than customer retention. A new discipline emerged: Customer Success Management (CSM).⁵

As Peppers and Rogers document, CSM starts with the premise that a SaaS vendor can track exactly how clients use its software — and by observing usage patterns, the vendor can help clients achieve better results. The customer success manager relies on real-time data showing who at a customer has used the product, how frequently, and how effectively.⁵ The most critical KPI shifted from how many customers you acquire to how long you can keep them and how much you can grow them.

The parallel is exact: AI systems, like SaaS subscriptions, require ongoing management to deliver value. Models drift. Data shifts. Regulations evolve. Business contexts change. Deployment is not the end — it is the beginning of a lifecycle that requires continuous success management. Without it, AI investments decay.

Yet today's AI governance landscape has no equivalent of CSM. The market offers:

Current Approach	What It Does	What It Misses
AI Governance	Defines rules and policies	No ongoing management or value measurement
AI Risk Assessment	Point-in-time risk identification	No lifecycle management or health monitoring
AI Assurance	Tests whether rules work in practice	No business value linkage or stakeholder management

AI Impact Assessment	Pre-deployment impact analysis	No post-deployment tracking or continuous improvement
MLOps / AI Tooling	Technical model management	No strategic governance or business outcome focus

Each approach addresses a piece of the puzzle. None addresses the whole picture. The AI lifecycle demands a unified discipline that integrates governance, risk, assurance, value measurement, and continuous improvement into a single management practice — exactly what Customer Success Management does for software relationships.

5. Peppers & Rogers, *Managing Customer Experience and Relationships*, Wiley 2022, <https://cashmere.io/v/KbV7ml>

03 What Is AI Success Management?

AI Success Management (AISM) is a strategic consulting discipline that applies Customer Success Management principles — lifecycle management, health scoring, proactive intervention, value realization, and continuous improvement — to AI systems across their full deployment lifecycle.

“AI governance tells you what to do. AI assurance proves you did it. AI Success Management ensures it keeps working — and keeps delivering value.”

AISM operates on two layers:

Layer 1: The AISM Lifecycle — defines what to manage and when, through five pillars: Govern, Assess, Assure, Realize, Evolve (G.A.A.R.E.).

Layer 2: The Value-First Method™ — defines how to manage it, through three execution dimensions: People, Process, and Policy.

This dual-layer architecture gives organizations both the strategic lifecycle framework and the operational execution engine. The lifecycle tells you where you are in the AI journey; the Value-First Method™ tells you what to do about People, Process, and Policy at every stage.

Why “Success Management” — Not Just “Governance”?

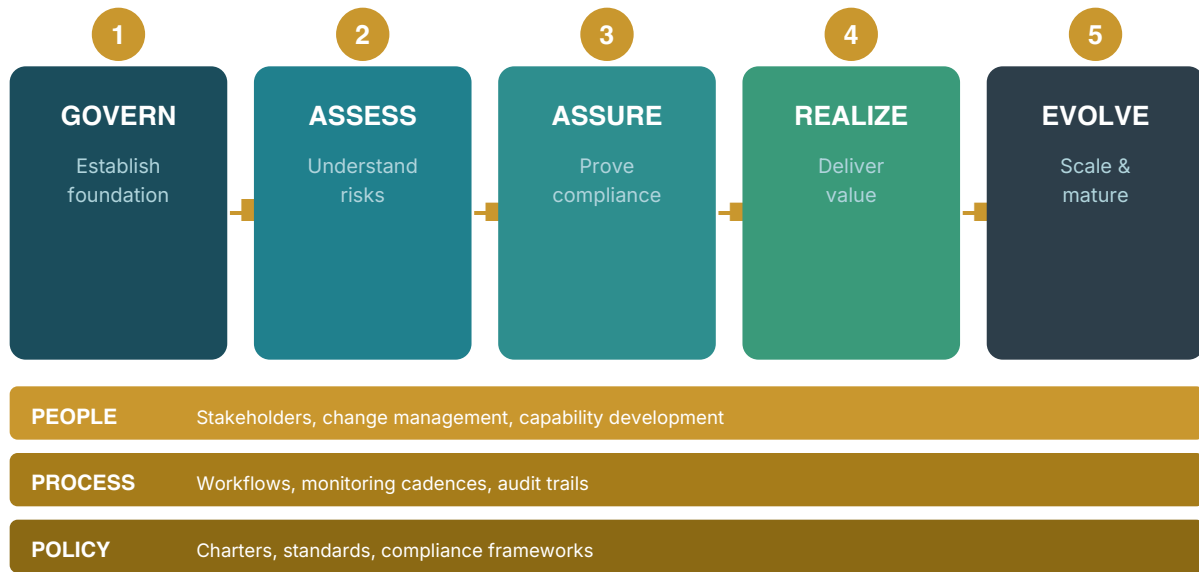
The word “governance” implies oversight and control. The word “success” implies outcomes and value. Most organizations already have enough oversight — what they lack is a management practice

that ensures AI continuously delivers. AISM reframes the conversation from “are we compliant?” to “are we succeeding?” — and compliance becomes a natural byproduct of a well-managed AI portfolio, not the end goal.

This mirrors the CSM insight that customer satisfaction is not the same as customer success. A satisfied customer may still leave; a successful customer expands. Similarly, a compliant AI system may still fail to deliver value; a successfully managed AI system delivers value and maintains compliance as a matter of course.

04 The AISM Lifecycle Model

The AISM lifecycle maps Customer Success Management stages to AI system management, creating a continuous cycle of governance, risk management, assurance, value delivery, and maturity advancement.



The Value-First Method™ (People, Process, Policy) cuts across every pillar

CSM Stage	AISM Equivalent	Key Activities
Onboarding	AI Design & Deployment Readiness	Governance foundation, maturity assessment, risk classification, stakeholder alignment
Adoption	AI Integration & Operationalization	Shadow AI detection, workflow embedding, change management, policy deployment
Health Scoring	AI Risk & Performance Monitoring	Continuous dashboards, bias detection, compliance drift alerts, model KPIs

Value Realization	AI Impact & Value Assurance	ROI measurement, business case validation, cost/benefit tracking, board reporting
Expansion	AI Maturity & Scale	Cross-functional scaling, new use-case governance, advanced assurance programs
Renewal	Governance Maturity Advancement	Annual reassessment, regulatory updates, stakeholder trust building

The cycle is continuous — just as CSM treats the customer relationship as ongoing, AISM treats every AI system as a living asset that requires perpetual management. The relationship never ends; it only deepens.

05 The Value-First Method™: People, Process, Policy

While the five AISM pillars define the lifecycle, the Value-First Method™ provides the proprietary execution framework for how each pillar is delivered. It operates through three dimensions that cut across every stage:

PEOPLE

AI adoption fails without human buy-in. Every pillar addresses behavioral impact, stakeholder alignment, change management, capability development, and organizational readiness. The People dimension ensures governance is not imposed — it is embraced.

PROCESS

Stakeholder trust requires transparency and repeatability. Every pillar implements structured workflows, auditable methodologies, monitoring cadences, and integration patterns. The Process dimension ensures governance is not aspirational — it is operational.

POLICY

Governance without codified policies is wishful thinking. Every pillar produces enforceable artifacts: charters, standards, compliance frameworks, investment policies, and regulatory alignment documentation. The Policy dimension ensures governance is not informal — it is institutional.

The Brand Architecture

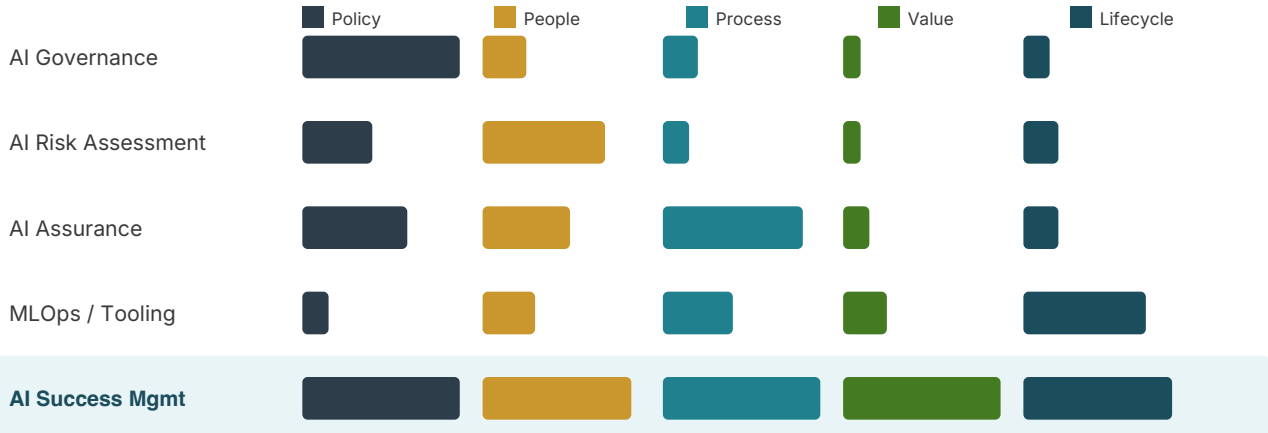
Layer	Brand	Role
Category	AI Success Management™	The discipline — what the market learns and adopts
Methodology	Value-First Method™	The execution engine — how it is uniquely delivered
Dimensions	People, Process, Policy	The operational lens applied at every pillar and engagement

06 The Execution Matrix

The intersection of the five AISM pillars and three Value-First dimensions produces the complete operational framework. This matrix serves as both a delivery guide and a client communication tool — showing exactly where an organization stands and what People, Process, and Policy work is required at each stage.

Pillar	People	Process	Policy
Govern	Committee roles, RACI, executive sponsors, accountability mapping	Operating cadence, decision workflows, escalation paths	AI charter, ethics policy, acceptable use, regulatory alignment
Assess	Stakeholder interviews, shadow AI user ID, capability gap analysis	Risk assessment methodology, data audit workflows, maturity scoring	Regulatory gap analysis, compliance mapping, risk classification standards
Assure	Training, change management, adoption measurement, cultural readiness	Monitoring dashboards, bias testing cadence, audit trail generation	NIST, ISO 42001, EU AI Act alignment, certification requirements
Realize	Executive reporting, board communication, trust-building, cross-functional alignment	ROI tracking methodology, value measurement cadence, business case validation	Investment policies, cost/benefit frameworks, value realization benchmarks
Evolve	Capability development, maturity advancement, community, knowledge transfer	Scaling playbooks, cross-functional integration, continuous improvement cycles	Policy update cycles, regulatory change management, maturity criteria

Coverage Comparison: AISM vs. Traditional Approaches



07 AISM in Practice: Three Scenarios

Scenario 1: The Financial Services Firm Facing Regulatory Pressure

Situation: A mid-market investment firm deploys AI-driven credit scoring. The board demands EU AI Act compliance, but the compliance team has no AI-specific expertise. An external audit produces a 200-page report that sits untouched.

Traditional Approach	With AISM
One-time audit produces a report. Compliance team attempts to implement recommendations without AI expertise. Six months later, same gaps exist.	Govern: Establish governance committee with clear RACI. Assess: Maturity assessment with regulatory gap analysis. Assure: Continuous monitoring dashboards with compliance drift alerts. Realize: Monthly board reporting proving ROI of governance investment. Evolve: Quarterly regulatory update integration.
People: No change management. Process: No monitoring. Policy: Static document.	People: Trained governance team. Process: Living compliance cycle. Policy: Enforced and evolving.

Scenario 2: The Healthcare Organization with Shadow AI

Situation: A regional healthcare network discovers 40+ unauthorized AI tools in clinical and administrative workflows. HIPAA exposure is unknown. Staff productivity depends on tools leadership didn't approve.

Traditional Approach	With AISM

IT bans all unauthorized tools. Staff productivity drops. Shadow AI goes further underground. Compliance risk actually increases.	Assess: Shadow AI inventory with risk classification. Govern: Acceptable use policy co-created with staff input. Assure: PHI-bounded monitoring for approved tools. Realize: Productivity metrics prove governance enables, not restricts. Evolve: New tool onboarding process for future AI adoption.
People: Adversarial. Process: Reactive ban. Policy: Blanket prohibition.	People: Collaborative. Process: Structured onboarding. Policy: Enabling framework.

Scenario 3: The Technology Company Scaling AI Across Departments

Situation: A SaaS company has 12 AI initiatives across engineering, marketing, customer support, and sales. Each team built independently. No shared governance, no consistent risk assessment, no cross-functional visibility. The CFO can't answer: "What is our total AI investment returning?"

Traditional Approach	With AISM
Hire a Big 4 firm for a \$500K governance project. Receive a framework that takes 18 months to implement. By then, 8 more AI initiatives have launched ungoverned.	Assess: Portfolio-wide AI inventory with health scoring. Govern: Lightweight, scalable governance framework. Realize: Unified ROI dashboard across all 12 initiatives. Evolve: Federated governance model that scales with new initiatives. Assure: Continuous cross-portfolio risk monitoring.
People: External consultants, no transfer. Process: Heavyweight. Policy: Shelf-ready.	People: Internal capability built. Process: Agile, scalable. Policy: Living, federated.

08 The AISM Health Score

Borrowing directly from CSM health scoring methodology, AISM introduces an AI System Health Score — a composite 0-100 metric that enables red/amber/green status reporting in the same language executives already understand.

Dimension	Weight	Metrics	PPP Lens
Governance Compliance	25%	Policy adherence, regulatory alignment, audit readiness	Policy-heavy
Risk Posture	20%	Active risk count, mitigation status, drift indicators	Process-heavy

Value Delivery	25%	ROI vs. projected, efficiency gains, cost avoidance	All three
Stakeholder Trust	15%	Board confidence, employee adoption, customer sentiment	People-heavy
Maturity Trajectory	15%	Maturity level progression, capability development	All three

Score Range	Status	Action Required
80-100	GREEN — Healthy	Continue monitoring. Focus on Evolve pillar for maturity advancement.
50-79	AMBER — At Risk	Targeted intervention needed. Identify which PPP dimension is lagging.
0-49	RED — Critical	Immediate action. Likely missing entire pillars or fundamental PPP gaps.

The Health Score bridges the communication gap between technical AI teams and business leadership. Executives don't need to understand model drift or bias metrics — they need a clear signal: is our AI portfolio healthy, at risk, or critical? AISM delivers that signal with the People, Process, and Policy context to act on it.

09 Getting Started

AI Success Management is designed for practical, phased implementation. Organizations don't need to transform everything at once. The Value-First Method™ starts with measurable results before scaling commitment.

Three Entry Points

5-Day AI Assurance Sprint

\$25K–\$35K

For organizations that need clarity fast. In five days, receive a governance maturity assessment, regulatory gap analysis, and 12-month implementation roadmap. Walk away with a board-ready framework and clear next steps across People, Process, and Policy.

Best for: Board pressure, regulatory deadlines, AI readiness uncertainty

AISM Pilot Program

8–12 weeks

Apply the full AISM lifecycle to one AI initiative or portfolio segment. Build the Health Score, establish People-Process-Policy baselines, and generate a proof-of-value case study that justifies broader organizational commitment.

Best for: Organizations with active AI deployments seeking governance structure

Ongoing Assurance Retainer

\$10K–\$25K/month

Continuous AI Success Management across the full portfolio. Monthly health scoring, quarterly maturity assessments, regulatory change monitoring, and executive reporting. The People, Process, and Policy dimensions are managed as an ongoing discipline.

Best for: Organizations committed to AI as a strategic asset requiring perpetual management

Free AI Reality Check

Take our AI Reality Check to discover your AI readiness score, governance gaps, and hidden risks across People, Process, and Policy.

www.boxwood-strategy.com/ai-reality-check/

10 About Boxwood Strategy Group

Boxwood Strategy Group provides independent AI Assurance consulting that proves your systems are safe, compliant, and value-generating — so boards, regulators, and customers can trust what you ship.

Unlike Big 4 firms that sell tools alongside advice, Boxwood provides truly independent assurance. Unlike one-time auditors, Boxwood delivers ongoing AI Success Management through the proprietary Value-First Method™ — ensuring you see measurable results before committing to large-scale engagements.

Core Differentiators

- **Anticipatory Governance** — Predict and resolve regulatory risks before they become liabilities through future-state regulatory mapping and automated compliance monitoring.
- **People-Centric Design** — AI adoption fails without human buy-in. Behavioral impact assessment, intuitive interfaces, and change management that drives real adoption.
- **Process Integrity** — Transparent, auditable, bias-mitigated systems with end-to-end documentation and explainable AI implementation.
- **SMB-Focused Expertise** — Enterprise-grade governance scaled for mid-market budgets and timelines.
- **Rapid Time-to-Value** — Start with a 5-day sprint or lite assessment before committing to larger programs.
- **Measurable ROI** — Clear deliverables with quantifiable business impact — 40% reduction in compliance incidents in year one.

Regulatory Alignment

AIMS and the Value-First Method™ align with major international frameworks:

- NIST AI Risk Management Framework (AI RMF)
- ISO/IEC 42001 — AI Management Systems
- EU AI Act
- OSFI FIFA II (Canadian financial institutions)
- OECD AI Principles 2024
- SOC 2, HIPAA, ISO 27001 (data and security)

Start the Conversation

Discover how AI Success Management can transform your organization's AI portfolio from a collection of projects into a continuously optimized strategic asset.

www.boxwood-strategy.com

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