RESEARCH REPORT

What percentage of AI projects fail?

479	31	7
CLAIMS	SOURCES READ	DISAGREEMENTS

PREPARED 2026-11-06
SESSION s_06GV5SEZ87W7GEWF

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Finding

Written by a language model from the evidence in Sources. Every quote it draws on was checked against its source; the prose was not.

The widely cited “more than 80% of AI projects fail” figure is not RAND’s own measured failure rate.[20] RAND cited a 2022 Fortune article quoting a CEO; its own empirical research consisted of 65 interviews with data scientists and engineers.[20] A 60% failure figure is attributed to Gartner, while another finding gives 80%–95% for projects failing to deliver intended business value, depending on the definition of failure.[1,2,3,4,5]

The “95% of AI implementations fail” claim also needs qualification: it came from an organization affiliated with MIT, rather than an MIT study, and the report is not evidence that 95% of all AI projects fail.[25,8] The report describes its findings as preliminary and based on individual interviews rather than official company reporting.[8,10,20] Accounts of its methods conflict: one describes a questionnaire sent to 52 conference leaders plus about 150 others, while another describes an unexplained interpretation of 52 unspecified conference interviews.[25,17] Its definition of a failed pilot was no sustained and significant profit-and-loss impact within six months.[17]

The reported percentages cover different outcomes and populations:

- **Companies abandoning initiatives:** S&P Global Market Intelligence reportedly found that 42% of companies abandoned most of their AI initiatives, up from 17% the previous year; another account instead describes 42% of generative AI pilots being abandoned.[3,4,5,6,11+6]
- **Projects reaching production:** Gartner is cited as finding that only 48% of AI projects reach production.[12,18] Conflicting claims give 88% of proofs of concept failing to reach production, attributed to IDC; 46% scrapped by the average organization before production, attributed to S&P Global; and 33.8% abandoned before production, attributed to RAND.[2,6,10,23,3+4]
- **Meaning of the 80% figure:** One account attributes “up to 80%” failure across AI projects to RAND, while others describe “80%+” specifically as failure to reach meaningful production deployment; RAND’s own definition includes perceived technical and business failures.[15,4,6,12,13+4]
- **Future cancellations:** Gartner predicts that over 40% of agentic AI projects will be canceled by the end of 2027.[7,12]

Claims about causes also conflict: Gartner is credited with attributing 85% of failed projects to poor data quality, whereas an Informatica attribution puts data quality and readiness behind 43% of failures.[5,12,6] The supplied source checks say the examined documents do not substantiate the 85% attribution; the Informatica survey finding instead says 43% of respondents cited data quality and readiness as a top obstacle to success.[14,18,2] Similarly, the claim that leadership and strategy account for 84% of failures differs from RAND’s finding that 84% of its interviewees cited leadership-driven root causes.[4,5,22]

THIS REPORT IS INCOMPLETE

written from the 95 highest-ranked findings

Scope

What the question was decomposed into, and what became of each part.

1 What failure rates do major industry and academic surveys report for AI/machine learning projects? RESEARCHED

2 What is the most widely cited percentage of AI projects that fail, and what evidence or criticism exists regarding that figure's derivation? RESEARCHED

3 How do definitions of 'failure' and sample populations differ across studies reporting AI project failure rates? RESEARCHED

4 SETTLING A DISAGREEMENT NOT RUN

The average organization scrapped 46% of AI proof-of-concepts before production — or — IDC research reported by CIO.com found that 88% of AI proofs-of-concept fail to reach production

5 SETTLING A DISAGREEMENT RESEARCHED

The 95% GenAI zero-ROI finding comes from MIT Project NANDA's July 2025 study covering 300+ deployments and 150+ — or — The 95% failure figure was derived from only 52 unspecified interviews at a conference, not a formal study

6 SETTLING A DISAGREEMENT NOT RUN

The 80% AI project failure figure is drawn from RAND's analysis of 2,400+ enterprise AI initiatives and cited as the — or — RAND describes the 80% figure as an estimate drawn from unspecified other sources rather than a direct measurement

7 SETTLING A DISAGREEMENT RESEARCHED

The average organization scrapped 46% of AI proof-of-concepts before they reached production, according to S&P Global — or — IDC research reported by CIO.com found that 88% of AI proofs-of-concept fail to reach production

8 SETTLING A DISAGREEMENT NOT RUN

RAND puts the AI project failure figure at up to 80% across AI projects — or — RAND Corporation reports that more than 80% of AI projects fail

9 SETTLING A DISAGREEMENT RESEARCHED

RAND Corporation's 2025 analysis of more than 2,400 enterprise AI initiatives found that 80.3% of AI projects fail to — or — A July 2025 MIT study found that 95% of enterprise AI deployments fail to deliver value

10 SETTLING A DISAGREEMENT RESEARCHED

The 95% failure figure was derived from only 52 unspecified interviews at a conference, not a formal study — or — The "95% of AI pilots fail" figure traced to an MIT-affiliated report came from a questionnaire sent to 52 leaders at a

11 SETTLING A DISAGREEMENT RESEARCHED

According to Informatica research, 43% of AI failures trace back to data quality and readiness issues — or — Gartner attributes 85% of failed AI projects to poor data quality, and only 12% of organizations have data of

12 SETTLING A DISAGREEMENT RESEARCHED

According to Informatica research, 43% of AI failures trace back to data quality and readiness issues — or — 85% of AI project failures trace back to poor data quality, attributed to Gartner 2025

13 SETTLING A DISAGREEMENT NOT RUN

The study's scope was 300 public AI initiatives, 150 executives interviewed, and 350 employees surveyed — or — The MIT report's findings were based on 52 executive interviews, surveys of 153 leaders, and analysis of 300 public AI

14 SETTLING A DISAGREEMENT NOT RUN

The 'MIT Study' 'showing' that 95% of AI implementations fail at the pilot stage hit the wires in the fall — or — Working from the report's own funnel chart, about 75% of piloted task-specific GenAI projects fall short, not 95%

15 Which specific surveys and reports originate the widely cited AI project failure percentages, and how were those numbers calculated? RESEARCHED

5 of 15 sub-questions were not researched: this run reached its ceiling first. Nothing below rests on evidence they would have found.

Disagreement

Each block is one argument. Both sides are printed and neither is resolved — which of them to believe is the judgement this pack exists to inform, not to make. Read the quotes: two figures measured over different scopes are a difference, not a contradiction.

DISAGREEMENT 1 8 claims · 12 pairs

The MIT report's 95% figure is based on 52 executive interviews, surveys of 153 leaders, and analysis of 300 public AI deployments.

legal.io/blog

> *The report, based on 52 executive interviews, surveys of 153 leaders, and analysis of 300 public AI deployments, found that 95% of pilots delivered no measurable P&L impact.*

The 95% GenAI zero-ROI finding comes from MIT Project NANDA's July 2025 study covering 300+ deployments and 150+ executive interviews.

folio3.com/ai

> *that's the finding from MIT Project NANDA's July 2025 study, which covered 300+ real deployments and 150+ executive interviews.*

6 more claims on this point are in the full evidence file.

DISAGREEMENT 2 6 claims · 8 pairs

The 2,400+ enterprise AI initiative figures are a Pertama Partners 2026 synthesis, not a RAND dataset.

softobiz.com/insights

> **Primary research for Financial Services, Healthcare, Manufacturing, Retail and E-commerce, and Professional Services informed by Pertama Partners synthesis of 2,400+ enterprise AI initiatives (2026).*

RAND Corporation's 2025 analysis of more than 2,400 enterprise AI initiatives found that 80.3% of AI projects fail to deliver their intended business value.

folio3.com/ai

> *The definitive figure comes from RAND Corporation's 2025 analysis of more than 2,400 enterprise AI initiatives. It found that **80.3% of AI projects fail to deliver their intended business value**.*

4 more claims on this point are in the full evidence file.

DISAGREEMENT 3 3 claims · 2 pairs

IDC research reported by CIO.com found that 88% of AI proofs-of-concept fail to reach production.

fountaincity.tech/resources

> ***88% of AI proofs-of-concept fail to reach production** — IDC research, reported by CIO.com.*

The average organization scrapped 46% of AI proof-of-concepts before they reached production, according to S&P Global Market Intelligence.

ciodive.com/news

> *The average organization scrapped 46% of AI proof-of-concepts before they reached production.*

1 more claim on this point is in the full evidence file.

DISAGREEMENT 4 3 claims · 2 pairs

According to Informatica research, 43% of AI failures trace back to data quality and readiness issues.

fountaincity.tech/resources

> *According to Informatica research, 43% of AI failures trace back to data quality and readiness issues.*

Gartner attributes 85% of failed AI projects to poor data quality, and only 12% of organizations have data of sufficient quality to support AI applications.

folio3.com/ai

> *85% of failed AI projects cite poor data quality as a root cause, and only 12% of organizations have data of sufficient quality to support AI applications, according to Gartner's 2025 research.*

1 more claim on this point is in the full evidence file.

DISAGREEMENT 5 2 claims

RAND puts the AI project failure figure at up to 80% across AI projects.

timspark.com/blog

> *[RAND](https://www.rand.org/pubs/research_reports/RRA2680-1.html) puts the figure at up to 80% across AI projects,*

RAND Corporation reports that more than 80% of AI projects fail.

pertamapartners.com/insights

> *RAND Corporation reports that more than 80% of AI projects fail, roughly twice the failure rate of conventional IT projects.*

DISAGREEMENT 6 2 claims

46% of AI proofs of concept were scrapped before reaching production.

sranalytics.io/blog

> `| AI proofs of concept scrapped before reaching production | 46% |`

RAND's analysis found that 33.8% of AI projects are abandoned before ever reaching production.

folio3.com/ai

> ***33.8%** are abandoned before ever reaching production*

OTHER DISAGREEMENTS

The 'MIT Study' 'showing' that 95% of AI implementations fail at the pilot stage hit the wires in the fall. against
Working from the report's own funnel chart, about 75% of piloted task-specific GenAI projects fall short, not 95%.

2 claims

Sources

Every source the prose cites, with the sentences mined from it. 479 claims were collected in total; all of them are in the evidence file you can download beside this document.

[1] https://www.linkedin.com/posts/cortlandtjohnson_gartner-says-60-of-enterprise-ai-projects-activity-7369111940570222592-Aw0h
Gartner says 60% of enterprise AI projects will fail by 2026.
Not because the models don’t work, but because the data isn’t ready.

[2] https://imaginovation.net/blog/ai-pilots-fail-scale-ai-production
Gartner predicts 60% of AI projects will be abandoned through 2026 due to a lack of AI-ready data infrastructure.
MIT's 2025 research found vendor partnerships succeed roughly 67% of the time, compared to just 33% for internal builds.
This translates to a staggering 88% failure rate.

[3] https://sranalytics.io/blog/why-95-of-ai-projects-fail
Gartner predicts 60% of AI projects lacking AI-ready data will be abandoned through 2026.
The 60% is the forward-looking risk for 2026.
| U.S. companies that abandoned most AI initiatives | 42% (up from 17% the prior year) | [S&P Global Market Intelligence via CIO Dive, 2025]

[4] https://softobiz.com/insights/ai-project-failure-rate-statistics
| Gartner | 60% of AI projects lacking AI-ready data will be abandoned through 2026 | 2025 |
The data reveals that between 88% and 95% of AI pilots fail to reach meaningful production deployment, with MIT Project NANDA finding that only 5% of custom enterprise AI tools ever reach production.
| 2025 | ~42% | S&P Global Market Intelligence, 2025 |

[5] https://connectedpaths.com/insights/ai-project-failure-statistics

60% of AI projects that lack AI-ready data will be abandoned before delivering value (Gartner, 2025)
42% of companies abandoned most of their AI initiatives in 2025, up sharply from 17% in 2024 (S&P Global Market Intelligence, 2025)
84% of AI project failures are attributed to leadership and organisational issues, not technology failures (VentureBeat, 2024)

[6] https://fountaincity.tech/resources/blog/why-ai-pilots-fail
MIT's research found that generic AI tools like ChatGPT are explored by roughly 80% of companies, but workflow-specific tools cross into production less than 5% of the time.
***42% of firms scrapped most AI initiatives in 2025**, up from 17% in 2024 — S&P Global.*
***88% of AI proofs-of-concept fail to reach production** — IDC research, reported by CIO.com.*

[7] https://www.effectivesoft.com/blog/why-ai-projects-fail-in-enterprises.html
Drill into AI built specifically for the enterprise—excluding consumer tools like ChatGPT—and the funnel gets sharper still: 60% of organizations evaluate these systems, 20% reach a pilot, and just 5% reach production.
Most enterprise AI projects fail not because the model underperforms, but because the organization is not operationally ready to support it.
Organizations that build entirely in-house reach production only half as often as those working with experienced external partners.

[8] https://www.ai-first.company/evidence/claim-checks/mit-95-percent-of-ai-pilots-fail
***It is not a count of pilots.** The 5% is a share of organizations that got a tool into production. The report does not say that 95% of pilots failed.*
60% of organizations evaluated such tools, 20% reached the pilot stage and 5% reached production. All three figures are shares of all organizations, not of pilots.
The report gives a funnel for AI tools built for a specific task. 60% of organizations evaluated such tools, 20% reached the pilot stage and 5% reached production. All three figures are shares of all organizations, not of pilots.

[9] https://www.legal.io/blog/5719519/MIT-Report-Finds-95-of-AI-Pilots-Fail-to-Deliver-ROI-Exposing-GenAI-Divide
60% of firms evaluated them, but just 20% reached pilot stage and only 5% went live.
***Implementation advantage:** Tools built by external vendors succeed twice as often as internal builds.*

[10] https://medium.com/@shreyasihalder/the-mit-95-ai-failure-rate-is-not-what-you-think-68e8f43f242d
There is a 5% figure in the report. It sits in a funnel chart on page six, and it measures something much narrower: task-specific AI tools that reached production. Not all AI. Not all pilots.
There is a 5% figure in the report. It sits in a funnel chart on page six, and it measures something much narrower: task-specific AI tools that reached production. Not all AI. Not all pilots. One category, at the bottom of one funnel.
In its sample, external partnerships reached deployment about 67% of the time. Internally built tools reached deployment about 33% of the time.

[11] https://www.ciodive.com/news/AI-project-fail-data-SPGlobal/742590
The share of companies abandoning most of their AI initiatives jumped to 42%, up from 17% last year.
More enterprises reported AI project failures this year compared to 2024, according to analysis from S&P Global Market Intelligence.
The average organization scrapped 46% of AI proof-of-concepts before they reached production.

[12] https://www.folio3.com/ai/blog/ai-project-failure-rate-stats
S&P Global found that 42% of companies scrapped at least one AI initiative in 2025, up from just 17% the year before.
- ***42%** of companies abandoned at least one AI initiative in 2025 — up from 17% the year before. ([S&P Global]*

***42%** of companies abandoned at least one AI initiative in 2025 — up from 17% the year before. ([S&P Global]*

[13] https://www.pertamapartners.com/insights/ai-project-failure-statistics-2026
This widely cited figure is sometimes mis-attributed to Deloitte; the source is S&P Global.
in 2025, up sharply from 17% a year earlier, with organizations scrapping nearly half of their AI proofs of concept before they ever reached production.
*S&P Global Market Intelligence's 2025 Voice of the Enterprise survey found that [**42% of companies abandoned most of their AI initiatives**](https://www.ciodive.com/news/AI-project-fail-data-SPGlobal/742590/) in 2025, up sharply from 17% a year earlier*

[14] https://quicklaunchanalytics.com/bi-blog/why-80-of-ai-projects-fail-before-they-start-its-your-data-foundation
42% of companies abandoned most AI initiatives in 2025, up from 17% in 2024. Source: S&P Global Market Intelligence, 2025
S&P Global's 2025 survey puts the situation in even starker terms: 42% of companies abandoned most of their AI initiatives this year, up from just 17% in 2024.
S&P Global's 2025 survey found that 42% of companies abandoned most AI initiatives this year, up from 17% in 2024

[15] https://timspark.com/blog/why-ai-projects-fail-artificial-intelligence-failures
[S&P Global](https://www.ciodive.com/news/AI-project-fail-data-SPGlobal/742590/) shows 42% of initiatives scrapped in 2025, sharply up from 17% a year earlier.

Studies show [failure rates ranging up to 90%](https://www.ainvest.com/news/ai-funding-boom-exit-crunch-investors-rethink-ai-startup-valuations-2507/?utm_source=chatgpt.com), underscoring systemic challenges that organizations continue to overlook.
[RAND](https://www.rand.org/pubs/research_reports/RRA2680-1.html) puts the figure at up to 80% across AI projects,

[16] https://www.linkedin.com/posts/udsworld_547-billion-spent-on-ai-in-2025-zero-measurable-activity-7465304403365781504-tfkx
Abandonment rate doubled in one year - from 17% to 42% of companies scrapping at least one initiative.
And there's a pattern in the 19.7% that actually succeeded:
77% of these failures had nothing to do with the AI.

[17] https://www.linkedin.com/posts/andrew-davies-3830b821_v01stateofaiinbusiness2025reportpdf-activity-7364517018110164992-aAkZ
While executives often blame regulation or model performance, MIT's research points to flawed enterprise integration.
Purchasing AI tools from specialised vendors and building partnerships succeed about 67% of the time.
where failed apparently means no sustained and significant P&L impact within six months, without an explanation of how they coded the interviews).

[18] https://www.informatica.com/blogs/the-surprising-reason-most-ai-projects-fail-and-how-to-avoid-it-at-your-enterprise.html
According to Gartner®, "The survey found that, on average, only 48% of AI projects make it into production, and it takes 8 months to go from AI prototype to production."7
[The global CDO Insights 2025 survey](https://www.informatica.com/lp/cdo-insights-2025_5039.html) offers insights on specific factors leading to these failures, citing the top obstacles as data quality and readiness (43%), the lack of technical maturity (43%) and the shortage of skills and data literacy (35%).10
citing the top obstacles as data quality and readiness (43%), the lack of technical maturity (43%) and the shortage of skills and data literacy (35%).10

[19] https://www.linkedin.com/posts/jdmeier_most-leaders-think-their-ai-problem-is-technology-activity-7425575197589774336-QR6R
partner with external vendors (which had about 67% success rate versus 33% for internal builds)
This title was summarized by AI from the post below.

[20] https://www.yutuo-tech.com/en/blog/the-95-percent-claim
*within its sample, **bought external tools succeeded around 67% of the time against around 33% for internally built ones**.*
Fortune's headline on 18 August 2025 read "95% of generative AI pilots … are failing", converting the report's ambiguous organisation/tool unit into pilots.
*Page 2 describes it as **"Preliminary Findings from AI Implementation Research from Project NANDA"**.*

[21] https://www.linkedin.com/posts/matanfeldman_mit-report-95-of-generative-ai-pilots-at-activity-7364060745514295298-HACm
Off-the-shelf AI tools from specialized vendors succeed twice as often as in-house custom builds.
Vendor-provided AI tools succeed far more often (~67%) than in-house systems (~33%).

[22] https://www.rand.org/pubs/research_reports/RRA2680-1.html
Overall, interviewees expressed that the most common root cause of failure was the business leadership of the organization misunderstanding how to set the project on a pathway to success.
Eighty-four percent of our interviewees cited one or more of these root causes as the primary reason that AI projects would fail.
To investigate why AI projects fail, we interviewed 65 experienced data scientists and engineers. Participants had at least five years of experience building AI/ML models in industry or academia.

[23] https://agentmodeai.com/why-88-percent-of-agentic-ai-deployments-fail
In this piece, "fail" means an AI proof-of-concept does not graduate to production deployment. That is what the verifiable source behind the figure measures
"For every 33 AI POCs a company launched, only four graduated to production, IDC found." Four of 33 is a 12% graduation rate.
IDC research commissioned by Lenovo found 88% of AI proof-of-concepts never reach production; about 4 of 33 graduate.

[24] https://d-nb.info/1258712105/34
The downside is that many AI initiatives fail and therefore, according to surveys, 70% see no or minimal impact from the introduction of AI systems [2].
The adoption of AI is sometimes done without value-based use cases. As there is no return on investments, only expenses, these projects fail in the sense of not delivering any benefits.
The results show that both, organizational and technological issues can cause project failure.

[25] https://www.linkedin.com/posts/emollick_mit-study-rant-activity-7422462154412478464-9pv6
the "MIT Study" "showing" that 95% of AI implementations fail at the pilot stage hit the wires

As they point out, this was not an "MIT Study"; it was another organization that is has some affiliation with MIT. In the end, it amounted to a questionnaire sent to 52 leaders at a conference, and about 150 others. The authors made no attempt to meet with the people using these applications nor visiting any companies and seeing any deployment for themselves. They didn't provide anything resembling margin of error

[26] https://www.forbes.com/councils/forbestechcouncil/2024/11/15/why-85-of-your-ai-models-may-fail
According to Gartner (via VentureBeat), 85% of all AI models|projects fail because of poor data quality or little to no relevant data.
Enabling and maintaining data quality may seem trivial when your organization wants to quickly go to market with AI; however, skipping over this step will be costly—85% of your AI models may fail.
85% of all AI models|projects fail because of poor data quality or little to no relevant data

Coverage

SOURCES READ	31
CONSIDERED	70
NOT REACHED	39
COULD NOT READ	0

Considered counts every distinct source this session had in front of it: read, refused, and passed over once the source limit was reached.

Receipt

QUOTES RE-READ	479
CONFIRMED	479
NOT FOUND IN THE SOURCE	0
MOVED WITHIN THE SOURCE	0
SOURCE UNREACHABLE	0
SKIPPED	0

Every quote is machine-verified against its source. Whether the sources are right is your judgement.

Reproducing this

This pack was assembled from one research session. The session is kept, so the same question can be re-run later and the answers compared.

SESSION	s_06GV5SEZ87W7GEWF
RESEARCHED	2026-11-06
PACK BUILT	2026-11-08