

60% of AI Costs Are People. Your Budget Doesn't **Show It.**

Every dollar invested in change management returns \$3 to \$7 — and most companies never budget for it at all.

SWIPE →

Where the Real Costs Hide

01 Data prep eats 60–80% of project time

02 Training runs \$3,000–\$10,000 per person

03 70% of organisations hit adoption resistance

04 Failed rollouts trigger costly retraining

95%

Adoption With Structured Change Management

Without it, adoption falls to just 35%. That 60-point gap decides whether the AI investment pays off at all.

Cited change-management research

143%

Average ROI With Strong Change Management

Versus just 35% without it. For AI and digital transformation specifically, the gap widens to 3.5x more value over five years.

McKinsey

7x

More likely to meet objectives with excellent change management.
88% succeed with it, versus just 13% without.

Prosci, 20-year study



**The technology determines what's possible.
But people determine what actually happens.**

Terence Kok

Enterprise AI Strategist

The Standard Budget vs. What Happens

STANDARD BUDGET

40% integration and data

30% software and infrastructure

20% training and change

WHAT ACTUALLY HAPPENS

60–80% of time on data prep alone

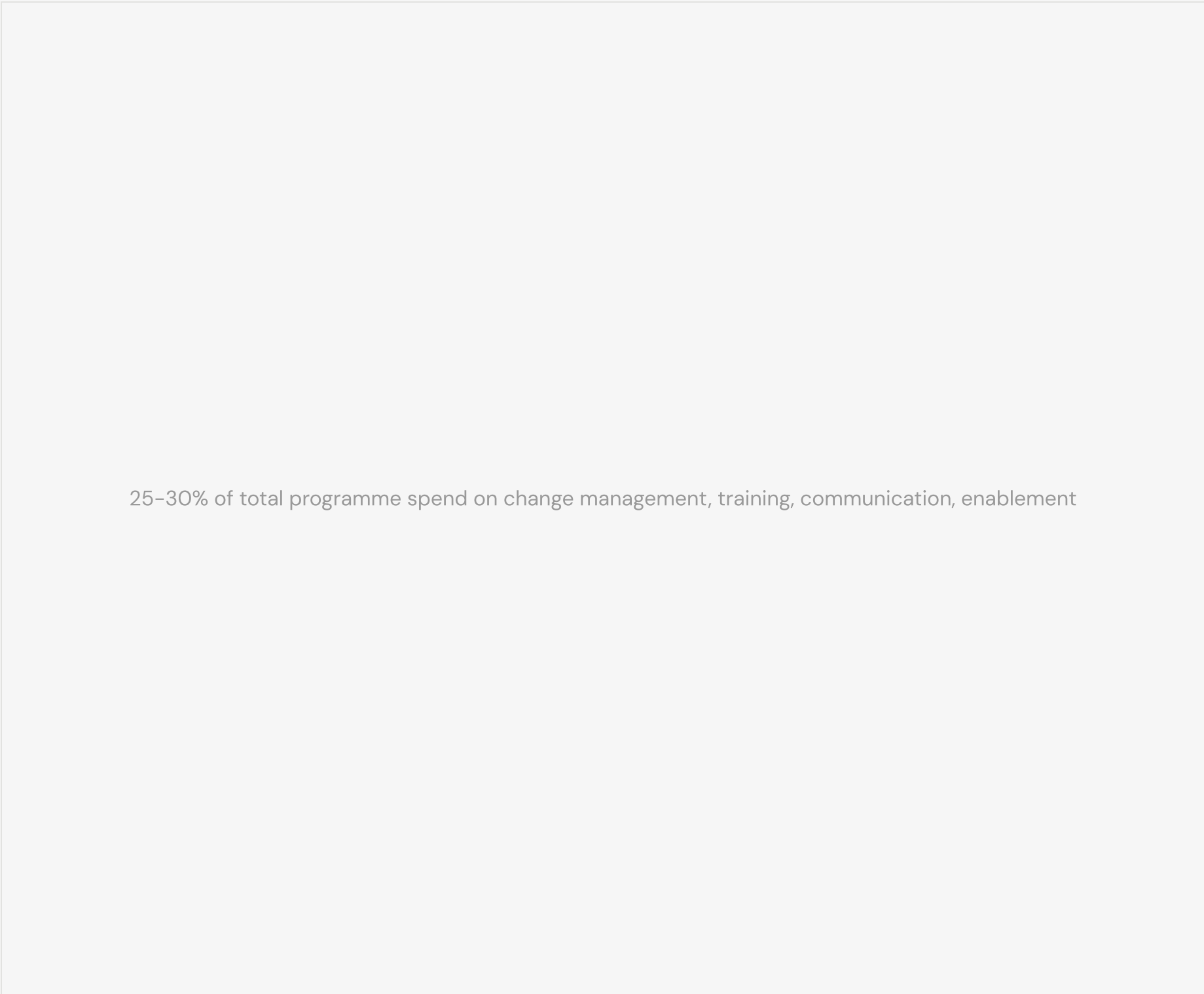
60% of total cost is people

Failed adoption doubles training cost

Four Mechanisms **Compound the Return.**

Reduced implementation costs, faster benefit realisation, avoided productivity loss, better retention — a £100,000 change management investment routinely returns £300,000 to £700,000.

The Smarter Allocation



25-30% of total programme spend on change management, training, communication, enablement

The full budget breakdown and the framework:
terencekok.com/blog/why-your-ai-budget-could-backwards

Change Management Isn't a Cost Centre. **It's a Multiplier.**

The 3:1 return isn't optimistic theory. It's a documented floor.



Terence Kok · Enterprise AI Strategist

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