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Utility of AI and Organizational Intelligence

In search of ROI on the AI investment.

Looking further into the use of AI for productivity, we should consider the notion of **Utility**.

Utility noun:

- 1: fitness for some purpose or worth to some end
- 2: something useful or designed for use

At the time of this writing, AI is expensive in terms of power consumption, fresh water cooling, and on some level, impact on people's well-being due to stress related to potential job loss. If we are serious about deploying this kind of technology, we need to ensure we are getting some utility from it and not just generating text, images etc. simply because we can.

The Utility of applying AI is found in a series of factors which together contribute to the overall efficiency of an organization or individual. Expressed like this:

$$\text{Utility} = (\text{Amplified Effort} + \text{Reduced Costs}) \times \text{Organizational Intelligence}$$

Organizational Intelligence is how organizations understand and communicate their own business processes. It's the collective capacity of an organization to gather, process, and apply information to make decisions and adapt to the market. It's a *multiplier* when calculating the utility of automation. It's that important to ensure you know what you want to automate and why before you "throw AI at it".

Getting Organization Intelligence right is key and will either help you accelerate or lead to a crash. When a car's engine is properly tuned stepping on the gas makes sense assuming you want to go faster. When it's sputtering and knocking, you want to get that looked at first. Get the engine humming perfectly – then, hit the pedal. The same is true for using AI to speed up processes in day-to-day operations. Do you really want to accelerate when you can't keep things running smoothly? If you aren't even sure if the car's in drive, why hit the gas?

My Dad was a computer programmer and brought me to work one day during a "bring your kid to work" event. There, he told a joke which went something like "What do you call a computer?" – "A high-speed idiot"; "What do you call a programmer?" – "A low-speed idiot". That joke might one day no longer be true (as AGI looms in the near future), it illuminates a point. The point is, if you don't know what you are doing, automating it and stepping on the gas, makes no sense. In some cases, it might provide negative utility.

The more thought you put into streamlining what you hope to automate the better the result. This is a factor all its own and it's vital to the success of implementing AI in the workplace. Anyone who has hired interns to accomplish a task or simple project at work knows that you have to define what the jobs is completely, so the



interns know what they are supposed to do. I imagine several of you are smiling right now, remembering an eager intern making suggestions on how to run the company better with the fresh perspective of nearly dangerous levels of optimism! Carefully, you unwind the good intentions from the oversimplified advice and ask they just process the “opt-out” email list – please.

Like projects where cataloging “all the data we have on . . .” into a database without first laying out what database structure makes sense and what we want to accomplish, turning a process of “how we have always done it” into Agentic Workflow is too quick and sloppy. Here’s the plan:

- 1) **Imagine** what you want the automation to accomplish – not just “do this for me”, but the *result*. This is the metric by which you will measure the success of the automation i.e. the ROI you are looking for. Will you actually go faster or spin your wheels?
- 2) **Deliberate** on which tool(s) are needed to get that done. Don’t just grab the latest model of GPT because the marketing told you that it’s the smartest one. Light, fast and efficient models do amazing things and don’t waste power, compute, or your time. Are you bringing a jeep to a drag race?
- 3) **Plan**. No, really plan. Envision what will happen as the Agent(s) get going. Are you on the road? Does the steering work?
- 4) **Execute** – insert tech and appropriate geeks here to connect the plan to the tools and data. Turn the key and hear the engine.
- 5) **Monitor!** Look at the dashboard – often in the beginning to ensure things are running smoothly. And of course, ask “are we getting to the destination?” Where on the GPS are we?
- 6) **Arrive**. You will know when you are at the destination. This is the time to look back at your steps above and learn from your success. This is a repeatable process.

Now, back to what you imagined in Step 1. Did you get there? What is the ROI on this effort? That will tell you if you have leveraged AI properly for the organization. If so, you can let the high-speed idiot do its work knowing your low-speed efforts put you in the driver's seat.