Bringing Ingenuity to Life.
paconsulting.com

AI inventory essentials

Key components to AI governance success

Bringing Ingenuity to Life.

Contents

Foreword

Is your AI inventory program ready to deliver value?

The past 18 months have seen the accelerated adoption of AI systems across industries, creating unprecedented opportunities for innovation. With increasing capabilities and better models, an AI-first mindset is prevailing as business leaders navigate economic headwinds and seek better business growth.

As better AI capabilities integrate further into business operations and decision-making, research shows top-performing organizations are deploying AI-powered solutions at more than double the rate of their peers.[1]

Alongside this rapid innovation, AI governance programs are also maturing processes, tooling, and oversight capabilities, with a firm eye on creating comprehensive inventories of deployed AI tools and applications.

These trends make it unsustainable to rely on ad hoc tracking or informal recordkeeping. Developing a rigorous AI inventory program has become business-critical for several reasons:

- It provides visibility and control over the multitude of AI models, bots, and analytic systems in use, enabling better risk management, data governance, and regulatory compliance
- An inventory facilitates strategic decision-making by mapping capabilities, identifying redundancies, and guiding investment toward high-impact solutions, which can create shareholder value
- As AI use cases grow more complex and interconnected, inventories minimize technical debt and dependencies, facilitate ongoing maintenance, and unlock value creation.

PA Consulting, in partnership with Davis Polk and OneTrust, conducted a survey of 70 representative organizations of different sizes, including those with global operations across Europe, North and South America, East Asia and Pacific, and the Middle East and Africa to:

1. Evaluate the role that AI inventories play in improving AI governance
2. Explore how leaders should build these components into their AI inventory programs.

The key components of this report are driven by our experience and expertise delivering AI programs for large (10,000+ employees) global organizations in financial services, life sciences, consumer and manufacturing, and technology, as well as from our deeper-dive qualitative discussions with leaders in this space.

The report provides recommendations to AI governance leaders as they build and optimize their AI to support the acceleration of AI governance initiatives and deliver value from investment in AI capabilities.

What is the business imperative for creating an AI inventory?

Several themes stood out in our research that underscore the need for a robust AI inventory.

1. AI use cases are growing rapidly

25+

use cases

Organizations are rapidly expanding their use of AI technologies. Over half (53 percent) of respondents to our survey are already experimenting with 25 or more different AI use cases, and more than three quarters of respondents anticipated that these will double or triple in 2026.

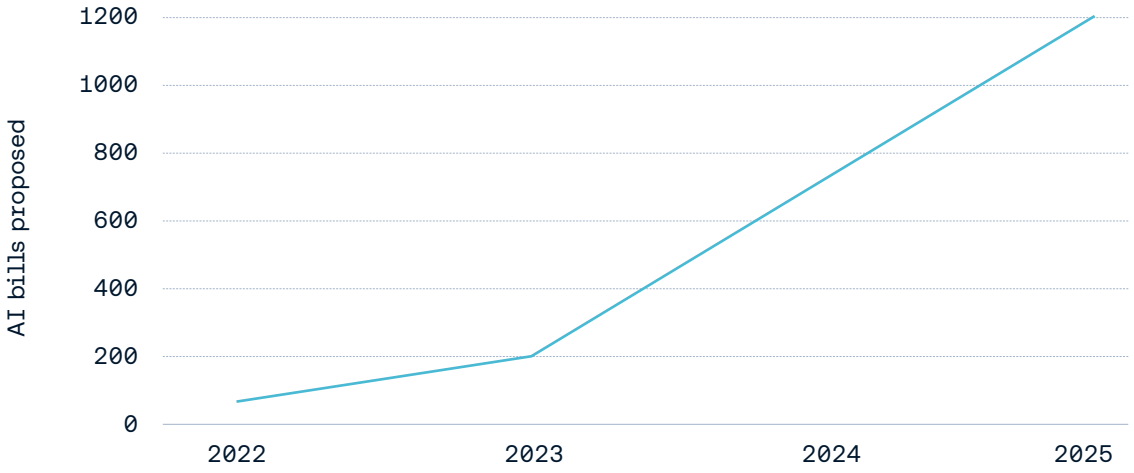
Deep-dive roundtable discussions with AI governance leaders, across the US and the UK between May and November 2025, revealed that AI deployments are no longer confined to isolated pilot programs – they are rapidly being woven into the fabric of everyday business processes. Moreover, our research shows two thirds of AI deployments span multiple functions, demonstrating AI is increasingly interconnected across departments and business units.

A majority of organizations (90 percent) expect their AI use cases to more than double in the near term, making oversight more challenging.

Organizations are increasingly mandating the use of AI and accelerating its deployment. Top-down AI mandates add pressure on those charged with overseeing AI governance, including compliance, risk, and legal functions to monitor its adoption, measure outcomes, and mitigate identified risks. For larger corporations, the complexity is multiplied and often distributed across geographies and subsidiaries. Coordinating functions, monitoring performance, and ensuring alignment with organizational goals and policies, at this scale, requires structured inventory, development, and maintenance processes.

2. The regulatory environment is rapidly changing

Maintaining a robust inventory of AI systems and use cases is critical to ensuring compliance with a growing array of AI laws and regulations. In some cases, such as with the Colorado AI Act and the EU AI Act, the inventory requirement is simply expressed as a statutory obligation (described further on page eight).



*AI legislation, multistate.ai (last verified January 2026)

Meanwhile, in the absence of federal legislation, US states have been launching new, AI-related requirements at a record pace, with more than 1,200 such bills introduced in 2025.[2] The US legal landscape now encompasses requirements based on characteristics as varied as an AI system's development cost and any subsequent modifications; its ability to mimic human behavior or generate certain kinds of content; its incorporation into critical infrastructure; and the extent to which it contributes to decisions regarding employment, education, financial services, and healthcare, among others. A comprehensive awareness of AI implementations is the first step in assessing and mitigating legal and regulatory risk.

Some AI laws require that inventories and AI system characteristics be made public. For example, starting June 30, 2026, Colorado will require[3] that:

- Developers publish on their website, or in a public use case inventory, a statement summarizing the types of high-risk AI systems it develops, or that it intentionally and substantially modified; and that
- Deployers publish on their website the types of high-risk AI systems currently deployed; how the deployer manages the risks of algorithmic discrimination; and the nature, source, and extent of information collected and used in connection with the AI system.

The EU AI Act imposes similar requirements, with many provisions requiring intricate knowledge of a company's full catalogue of AI tools and their functionality. Of particular relevance, the EU AI Act[4] requires:

- Maintenance of technical documentation and records of high-risk AI systems
- Registration of high-risk AI systems in an EU database
- Continuous logging and updates throughout the system lifecycle.

The potential fines for these laws are significant – Colorado's penalties are up to $20,000 per violation (with notable uncertainty about how a "violation" is defined), and the EU's administrative fines can be up to $35 million or seven percent of the company's worldwide annual turnover, whichever is higher.

Even aside from AI-specific regulatory requirements, AI inventories are key for assessing legal and compliance risk more generally. As noted in a 2023 Joint Statement of US federal regulators, "Existing legal authorities apply to the use of automated systems and innovative new technologies just as they apply to other practices."[5] Early enforcement activities against AI companies and practices have borne this out, primarily alleging violations of consumer protection, antifraud, and securities laws and regulations.

Knowing where and how your organization is using AI, through use of an inventory, is critical to understanding how laws apply to your AI systems.

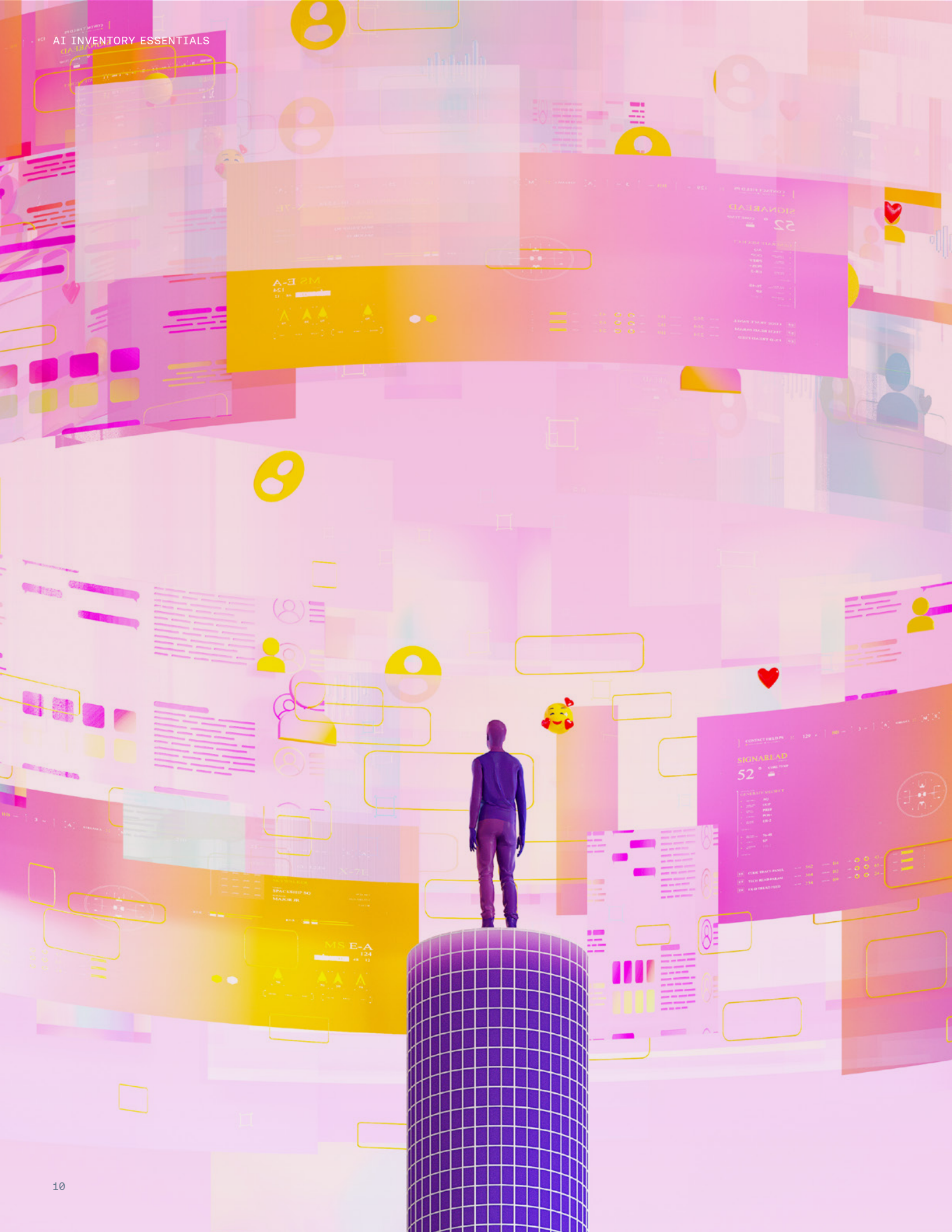
3. Common themes around AI failures are creating good reasons to act

While the exploration of AI use cases continues to grow, there are also examples of failures and use cases being withdrawn. Responses from the survey highlighted the top three reasons for halting or pausing AI projects:

- privacy and security concerns
- legacy systems and resistance to change
- unplanned costs and limited returns on investment.

Success is paramount given what's at stake – the upfront and deployment investment, challenging business conditions, competition, and loss of first-mover advantage. The stark reality is there is a long road ahead for most organizations, with only seven percent of respondents reporting fully implemented inventories, 27 percent having no active plans, and 60 percent falling somewhere in between.

The good news is, we have set out four best practices for rapid development and deployment of AI inventories, with practical steps to implement these in the next section.


SIGNALEAD
52
MS E-A
124

Key components of a successful inventory program

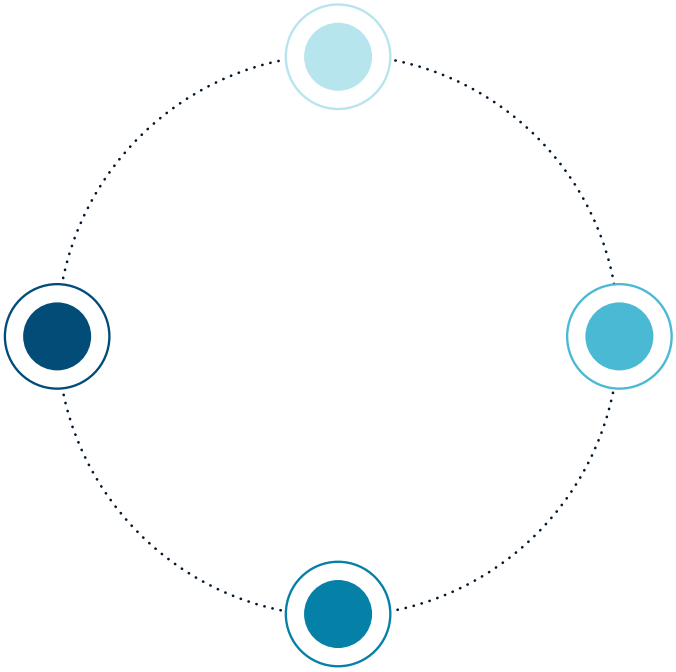
There are four core components and considerations of a successful AI inventory program.

Key components of a successful inventory program

There are four core components to consider when implementing an AI program

Capture value as well as risk

Understanding how, where, and what AI is used across an organization.



Capitalize on flexibility of ownership

Highlight the understanding that an AI inventory is not simply a technology-owned initiative.

Design tooling for a journey

Tooling stands out as a critical enabler, with 67 percent of the organizations we surveyed planning to formalize their AI inventories.

Assess across the lifecycle

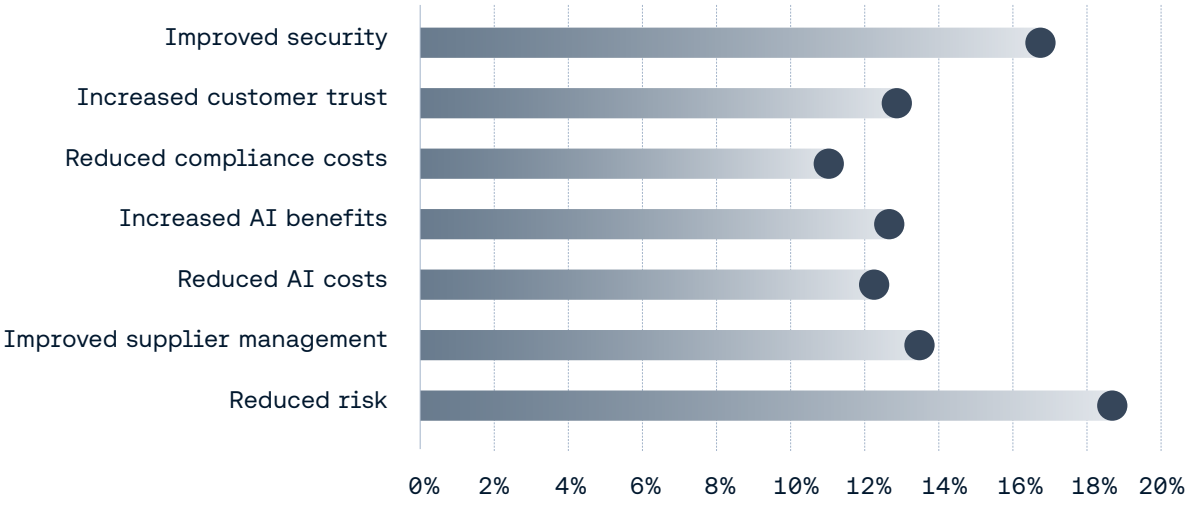
The risk questionnaires and assessments performed on AI systems are key constituents of an AI inventory.

1. Capture value as well as risk

Regulatory compliance, legal risks, and fines often dominate business cases as the justification for understanding how, where, and what AI is used across an organization. However, our survey respondents identified numerous value-adding opportunities from an inventory that go beyond risk reduction:

- Collectively, 26 percent of participants cited increased customer trust and increased AI benefits
- Collectively, 23 percent of participants cited the reduction of AI and compliance costs
- 13 percent cited improved supplier management.

The value of inventory



This demonstrates a compelling case for value definition from AI inventories, alongside the expected risk reduction and compliance benefits. Articulating value creators supports:

- Engagement with leadership and internal champions
- Budget prioritization and allocation
- Buy-in from the business to help drive operationalization.

Firms should also note that an inventory enables tracking and managing AI costs and development priorities. Without an inventory, we have seen investment in use cases that were later shown not to have a clear ROI, as well as the duplication of effort or costs, such as purchasing the same data set across teams. Tracking value creation alongside budget allocation is crucial to providing insights back to the business on how AI initiatives are delivering the expected ROI.

Our recommendations

A crisp picture of relevant value creators is important for making the case for investment in AI inventories, and for continued business support. Leaders should:

Define the value creators: Often a business's strategic mission and organizational context form the basis for defining value that can be achieved from an AI inventory. Typical inputs and value outputs include:

Input	Output - Value created
• Historical performance of AI implementation • Financial metrics on AI implementation successes and failures • Long, medium, and short-term market position • Products and services that are of priority • Regulatory and compliance landscape in which the organization operates • Compliance risk appetite • Current strategic initiatives and priorities around products, customer centricity, and innovation	• Cost reduction in AI implementation • Faster time to market and first mover advantage – products and services • Compliance cost reduction • Enhanced predictability of legal and regulatory risk • Improved customer trust and reputation through responsible use of AI

Creating the best possible start for an AI inventory program means evaluating these in a structured manner, considering the design choices available, so that there is clarity on vision and mission. The sustainability of an AI inventory program may well depend on how the 'value' proposition is articulated.

Associate revenue-to-value creators: Based on the work we have delivered, we expect the typical budget for designing, piloting, and implementing an AI inventory for larger firms (10,000+ employees) to be between $1m–$3m. However, our survey noted that only 25 percent of larger firms have allocated a budget between $500,000-$1m. Bridging this budget gap may require further refinement in evaluating the prospective ROI from an AI inventory through the lens of revenue generated or costs saved.

We looked at several studies on revenue generated versus cost, which suggested that there are significant variations in perceived ROI of company-wide AI initiatives. One study by Snowflake noted a 7.7 percent increase in short-term operating profit,[6] whereas another by IBM[7] noted $1.41 return for every $1, and another by OpenAI[8] noted 1.6X return from AI initiatives.

However, despite unprecedented investment in AI, a growing body of evidence shows that many organizations are not yet capturing the returns they expect, underscoring the need for better visibility, reuse of existing assets, and disciplined investment governance. Recent industry surveys highlight that many firms struggle to tie AI investments to tangible financial outcomes, with many reporting limited operational gains and longer-than-usual payback periods.[9] Interestingly, organizations that reported greater revenue and operating profit attributable to AI initiatives were more than twice as likely (68 percent versus 32 percent) to report also having mature and robust data governance practices.[10]

By creating inventories of existing solutions, firms can reduce redundant development, improve reuse of existing materials and models, and stop underperforming use cases quickly when real-time ROI data makes poor performers evident. Without such structured approaches, organizations risk continuing to fund underperforming pilots that fail to scale, contributing to the persistent gap between investment levels and measurable returns on AI.

Ultimately firms can use their inventories to enable leaders to make real-time decisions on AI projects that deliver results versus those that don't, create visibility of costs, and correct course before failures.

Provocations for leaders

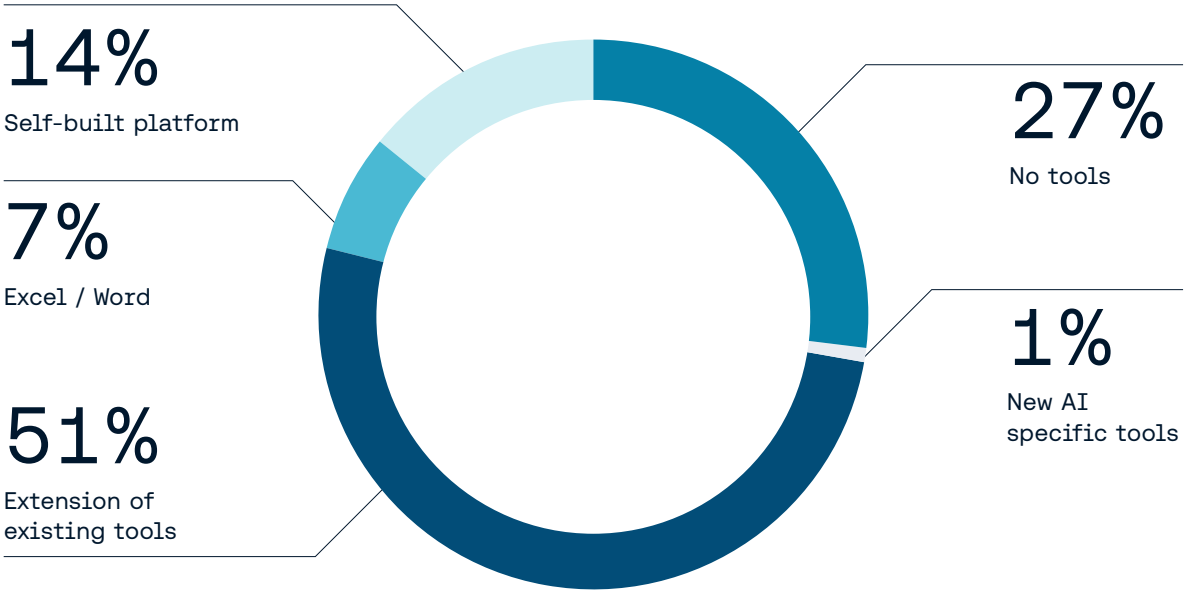
To improve AI inventory initiatives, leaders should consider the following questions:

- What value creators would resonate with your leaders and how do these align to your organizational purpose and strategy?
- What data points do you have in your organization to quantify the value created from an inventory program?
- What approach have you taken to define the ROI of an inventory management program?

2. Design tooling for a journey

Tooling stands out as a critical enabler, with 67 percent of the organizations we surveyed planning to formalize their AI inventories within structured platforms by the end of 2026. These organizations plan to do this either by extending existing privacy, security, and Governance, Risk and Compliance (GRC) solutions, developing custom systems, or adopting new AI-specific tools.

Forms of AI inventories



Importantly, these tools should not aim for perfection from the outset but rather be designed as minimum viable products – with visibility over key features such as regulatory requirement inputs, inventory management, risk questionnaires, data governance, risk identification and reporting, and policy repositories that can be iteratively enhanced over time.

This approach ensures that tooling remains responsive to evolving business needs and regulatory requirements, allowing organizations to prioritize features, enhance usability, and address emerging challenges as their AI portfolios grow.

The top five features that respondents found important in a tool include inventory databases, risk questionnaires, data governance and quality, risk reporting, and a policy/controls repository.

Our recommendations

Designing inventories to facilitate iteration over the long term includes:

Implementing a minimum viable product (MVP): A minimum viable solution should include a standardized set of risk questionnaires that are not duplicative, an initial setup of the data architecture that will enable full functionality in future, and a risk model that provides the ability to track risks and mitigations. An MVP solution should also include dashboarding that allows tracking of metrics, recordkeeping processes, and a structured channel of communication with oversight functions.

Iterating the MVP once core capabilities are tested: Once an initial stable environment is established, typically over a six-to-12-month period, the focus should shift to connecting data sources and integrations with systems used across the AI development lifecycle. This shift should focus on automating tasks to reduce manual effort while ensuring that oversight remains credible and robust.

Building contingency: With the regulatory and technological landscape in a state of flux, contingency is critical to ensuring the inventory program can adapt as technologies shift (such as a new law that requires reassessment of catalogued systems). Tooling budgets should have some contingency built in so that critical changes within a financial year can be managed.

Provocations for leaders

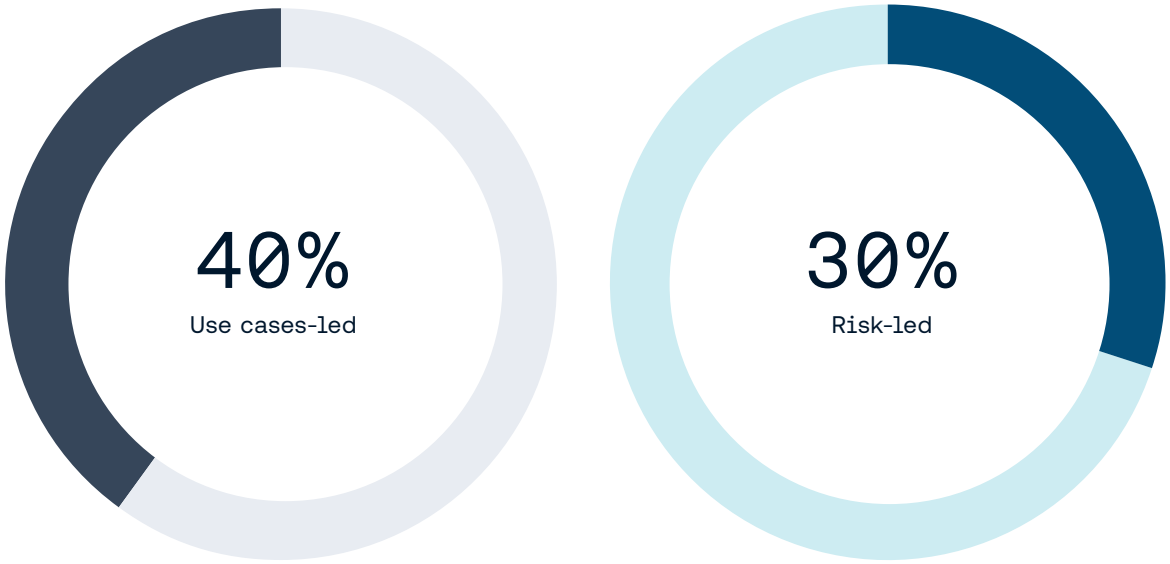
To improve AI inventory initiatives, leaders should consider the following questions:

- What is the longer-term approach to move beyond the basics and integrate across the technology stack?
- Have you considered the longer-term cost versus benefits of tooling?
- What metrics have you defined to evaluate the success of the AI tooling that is planned?

3. Assess across the lifecycle

The risk questionnaires and assessments performed on AI systems are key constituents of an AI inventory. Our survey showed that organizations utilize varied forms of assessments to support the identification of AI risks, with the majority leaning towards either a per-use case evaluation or by risk categories.

Forms of AI assessments



AI systems and deployments are rarely static, so re-assessment timelines and monitoring plans should be reflected in AI inventories. These continuous or periodic reviews establish a foundation for risk identification and control design throughout the AI use case development lifecycle.

Our survey found broad consensus regarding sources of significant risk, including privacy, security, data sources and quality, ethics, fairness and/or bias, and IP.

Our recommendations

A robust AI assessment design needs to incorporate evaluation of risks, value created, and costs across the lifecycle. When designing inventories to include assessments, considerations should include:

Streamline the onboarding of projects: Use branching logic to fast-track low-risk projects and escalate high-risk ones, while ensuring regulatory, technical, and business requirements are captured early. Require intake to capture key characteristics like model purpose, training data, known limitations, potential risks, and intended business outcomes. Auto-populate system cards and model cards where possible and ask submitters to provide initial signals on fairness, transparency, and bias, even at ideation, to shape governance pathways.

Create a central source of truth: Ensure intake submissions flow into a centralized AI registry as the single source of truth. This registry should version-control assessments and maintain audit-ready evidence. Collect metadata on datasets, data sources, and model dependencies at intake to establish lineage threads early. Use automated intake questionnaires that classify projects under frameworks such as the EU AI Act, ISO 42001, or NIST RMF.

Configure governance checkpoints: Consult early and often with legal, regulatory, and compliance stakeholders, and formalize oversight and governance policies and procedures. Utilize key SDLC milestones (design, training, validation, deployment) to enforce controls aligned with applicable regulations. In addition, validate value metrics and define an agreed set of monitoring plans.

Establish ongoing monitoring: Define alerts and incident response plans to perform emergency reviews and fixes, as well as cycles for evaluating model accuracy and performance, emerging vulnerabilities, and changes in the regulatory and ethical environments. Independent validation of key risk indicators and signals is additive to the realization of value, and reduces operational and regulatory risk. Ensure these checkpoints articulate improvements to convey the value of the inventory initiative.

Provocations for leaders

To improve AI inventory initiatives, leaders should consider the following questions:

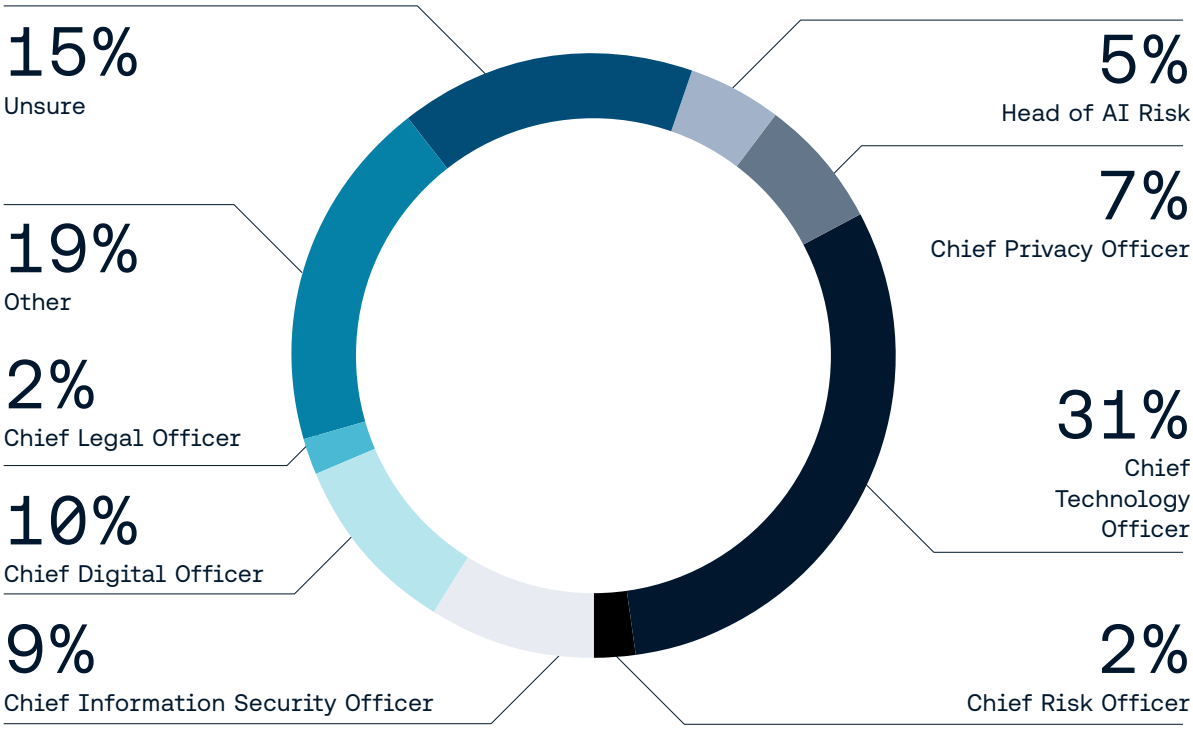
- How do you thread together the risk assessments to provide insights and value back to the business?
- When should assessment results merit launch delays, and which stakeholders will make that decision?
- Do your governance structures enable evaluation throughout the lifecycle?

4. Capitalize on flexibility of ownership

Our survey found that organizations have or perceive AI inventory ownership to sit with a C-suite stakeholder.

Precisely who responsibility sits with was a mixed picture, with respondents identifying roles as diverse as: Chief Digital Officer; Chief Technology Officer; Chief Information Security Officer; Chief Risk Officer; Chief Privacy Officer; Chief Legal Officer; and Head of AI Risk.

Who should be the accountable stakeholder for an AI inventory?



What is striking is that more than two-thirds of participants identified the accountable stakeholder to be outside the IT domain (Chief Technology Officer role), which highlights the understanding that an AI inventory is not simply a technology-owned initiative.

This research shows it's a mistake to think one person can be wholly accountable for an AI inventory. In our work with organizations scaling AI governance, we often see low-maturity organizations make three crucial errors:

- Placing a single function in charge, without a dedicated mandate or budget
- Treating the inventory as a secondary activity to other primary responsibilities
- Allocating funding from functions with competing priorities, or singular priorities such as ensuring AI systems are secure.

Our recommendations

Establish an AI committee: Regardless of how an organization allocates ownership of AI governance responsibilities, traditional organizational boundaries are bound to be blurred given the multi-disciplinary nature of AI. Many successful organizations set up a dedicated AI board committee where senior executives such as those noted previously come together to make decisions through structured voting plans, rotating chairmanship to maintain impartiality and healthy challenge.

This group should oversee AI use cases, policy development, and risk management, ensuring decisions are balanced across the organization and ownership does not reside solely within IT.

Adjust committee responsibilities as needs evolve: Adjust ownership as organizational needs evolve. The role and responsibilities of the AI committee may change as the nature or application of AI within the business shifts. This is a natural progression as governance programs mature and delegate responsibilities to business units, while the AI committee retains responsibility for evolving high risk or business-critical use cases.

Create a flexible funding and resource allocation approach: Moving away from singular responsibility requires the mapping of current resources (workforce, data, technology tools, budget) supporting an AI inventory program, as well as planning resources required for future stages. A collective budget responsibility structure needs to be created so that accountability remains a shared priority.

Provocations for leaders

To enable a flexible ownership model, leaders should consider the following questions:

- Is there clear alignment across functions to make the transition of the AI inventory program to a collective responsibility?
- Is your organizational model flexible enough to shift ownership when needs arise?
- Have you mapped out how budgets will be distributed across the responsible governance teams?

Methodology

This report brings together data points from two initiatives that were completed across six months, focusing on AI governance leaders across global organizations.

H2, 2025

PA Consulting, Davis Polk, and OneTrust designed and launched an anonymous survey with 26 questions focusing on AI inventories.

Topics

Questions covered included whether and how organizations maintain an AI inventory, and what industry frameworks are being used to develop an inventory.

70+

organizations participated in the survey from a range of sectors, including:

- automotive
- consumer and manufacturing
- education
- energy and utilities
- financial services
- healthcare and life sciences
- professional services
- retail
- technology
- transport.

Respondents

Respondents came from a representative sample of organizational sizes, ranging from small enterprises (fewer than 100 employees), through to those with 10,000+, from across Europe, North and South America, East Asia and Pacific, and the Middle East and Africa.

Authors and contacts

PA Consulting

PA is helping our clients in their AI journey to understand the possible, scale existing efforts, and deliver AI that is secure and responsible. Our digital trust and cyber security experts work alongside our technologists, data and AI strategists, change managers, data engineers, and scientists to solve your organization's biggest challenges.

Radhika Bogahapitiya
Digital trust and cyber security expert, UK
radhika.bogahapitiya@paconsulting.com

Richard Watson-Bruhn
Head of Digital Trust and Cyber Security, US
richard.watson-bruhn@paconsulting.com

Davis Polk

Davis Polk is an elite global law firm that industry-leading companies rely upon for their most challenging legal and business matters. Our cross-disciplinary team advises clients across the AI ecosystem on critical issues, including minimizing commercial, regulatory and litigation risks associated with the development, commercialization and use of AI.

James Haldin
White Collar Defense | Data Privacy, Cybersecurity & AI
james.haldin@davispolk.com

OneTrust

OneTrust, the AI-Ready Governance Platform™, enables innovation through the responsible use of data and AI. Trusted by over half of the Fortune 500, we help businesses govern well and move fast, turning responsible data use into a catalyst for growth. To learn more, follow OneTrust on LinkedIn or visit www.onetrust.com.

Rebecca Evans
Director of Product Marketing
bevans@onetrust.com

References

[1] **Realizing the Value of AI** –
https://www.cisco.com/c/m/en_us/solutions/ai/readiness-index/realizing-the-value-of-ai.html

[2] **Artificial Intelligence (AI) Legislation, Multistate AI** –
https://www.multistate.ai/artificial-intelligence-ai-legislation

[3] **Senate Bill 24-205 (Colorado AI Act), Colorado General Assembly** –
https://leg.colorado.gov/bills/sb24-205

[4] **EU AI Act, EU Artificial Intelligence Act** –
https://artificialintelligenceact.eu/

[5] **Joint statement on enforcement efforts against discrimination and bias in automated systems, Federal Trade Commission** –
https://www.ftc.gov/system/files/ftc_gov/pdf/EEOC-CRT-FTC-CFPB-AI-Joint-Statement%28final%29.pdf

Snowflake Research Reveals that 92% of Early Adopters See ROI From AI Investments, Snowflake –
https://www.snowflake.com/en/news/press-releases/snowflake-research-reveals-that-92-percent-of-early-adopters-see-roi-from-ai-investments/

[6] **From AI projects to profits: How agentic AI can sustain financial returns, IBM** –
https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/agentic-ai-profits

[7] **Identifying and scaling AI use cases, OpenAI** –
https://cdn.openai.com/business-guides-and-resources/identifying-and-scaling-ai-use-cases.pdf

[8] **New Executive Research Reveals the Keys to AI Success** –
https://www.captechconsulting.com/articles/why-so-many-ai-initiatives-are-failing-to-deliver-roi

[9] **From AI projects to profits: How agentic AI can sustain financial returns, IBM** –
https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/agentic-ai-profits

Disclaimer

This report has been prepared by PA Consulting Group, Davis Polk, and OneTrust on the basis of information supplied by third parties and that which is available in the public domain. No representation or warranty is given as to the achievability or reasonableness of future projections or the assumptions underlying them, targets, valuations, opinions, prospects or returns, if any, which have not been independently verified. This communication, which we believe may be of interest to our clients and members of the public, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. Except where otherwise indicated, the report speaks as at the date of publication. This may be considered attorney advertising in some jurisdictions.

This report does not constitute legal advice, and you should consult with your own legal advisors in relation to the relevant legislation.

About PA

We believe in the power of ingenuity to build a positive human future.

As strategies, technologies, and innovation collide, we create opportunity from complexity.

Our diverse teams of experts combine innovative thinking and breakthrough technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

We are about 4,000 strategists, innovators, designers, consultants, digital experts, scientists, engineers, and technologists. And we have deep expertise in consumer and manufacturing, defense and security, energy and utilities, financial services, government and public services, health and life sciences, and transport.

Our teams operate globally from offices across the UK, Ireland, US, Nordics, and Netherlands.

Discover more at paconsulting.com and connect with PA on LinkedIn and X.

PA. Bringing Ingenuity to Life.

In partnership with

Davis Polk | onetrust

Corporate Headquarters

PA Consulting
10 Bressenden Place
London SW1E 5DN
United Kingdom

+44 20 7730 9000

Boston

Tower Point, 6th Floor
27-43 Wormwood Street
Boston, MA 02210
USA

+1 617 338 6057

paconsulting.com

Produced by Design Studio at PA
8_510450 January 2026.