

• RESEARCH

Audit Before Integrate

Why most firms skip the diagnostic — and burn six-figure AI budgets doing it.

By **Alan Babbitt** · Intelligent Systems Architect · May 2026 · 5-minute read

The premise

There's a dominant pattern in how organizations adopt AI right now: **buy first, diagnose never**.

A leadership team reads about agents, watches a demo, signs a six-figure contract for AI platform X, then sends a memo to the org: *figure out where to use this*. The "use cases" get backfilled. Pilots launch against problems nobody confirmed were actually the biggest ones. Six months later, the platform shows partial adoption, unclear ROI, and a quiet pile of unanswered questions about what was supposed to change.

The failure isn't the technology. The technology works. The failure is **sequence** — the organization bought a solution before defining the problem worth solving.

If you've ever watched this happen at your firm, you know the symptoms: champions get tired of evangelizing, finance starts asking pointed questions, and the next AI conversation comes loaded with skepticism that didn't exist before. That's the cost of skipping the audit.

The pattern

Three anonymized examples from recent advisory work:

The 200-seat Copilot rollout. A mid-market services firm bought Microsoft Copilot enterprise licenses for two hundred employees. After ninety days, internal usage data showed three power users, twenty occasional users, and one hundred and seventy seats untouched. Nobody had asked, before purchase, *where* the firm was actually losing hours. Turned out the real friction was in their estimating process — and Copilot didn't touch it. The license bill went out anyway.

The chatbot for client service. A professional services practice deployed an AI chatbot on its client portal to handle inquiries. Within two months, the team noticed something the chatbot couldn't fix: roughly 80% of incoming questions were about a single broken renewal workflow. The chatbot was answering the same misconceived question hundreds of times. A two-week fix to the underlying workflow would have eliminated most of the inquiry volume. The chatbot was solving a symptom of a problem nobody had bothered to diagnose.

The contractor's "AI consultant." A Central NJ contractor brought in an AI consultant to "add automation." Three months and a five-figure invoice later, he had a fancy lead-routing system that worked perfectly — for a lead pipeline that was already conversion-rich. His actual bottleneck was

estimating: he was personally producing estimates at 11pm in his truck, riddled with inaccuracies. The AI never touched it because nobody asked where the friction lived before specifying what to build.

In all three cases, the technology was capable. The firm spent real money. And the highest-leverage problem went unaddressed because nobody ran the audit first.

AI adoption is being run as a procurement decision, not a strategy decision.

The AIMES frame

ISA's methodology is named **AIMES** — Audit, Integrate, Map, Execute, Scale — and the order is not arbitrary.

Audit comes first because every dollar spent in the next four phases is more efficient when the diagnosis is right, and wasted when it isn't. An audit is not a workshop. It's a structured mapping of where friction actually lives in the operation, ranked by leverage. It produces a single document the whole team can point to: *here is what's slowing us down most, in order.*

Without that document, the rest of AIMES drifts:

- **Integrate without Audit** — you connect tools that weren't the bottleneck. The stack gets more coherent; the work gets no faster.
- **Map without Audit** — the roadmap aligns the team around assumptions, not evidence. Six months in, the strategy is wrong but everyone is rowing in the same wrong direction.
- **Execute without Audit** — you ship working software against the wrong problem. The build is competent; the ROI is invisible.
- **Scale without Audit** — you amplify whatever you built. If you built the wrong thing, you now have a bigger wrong thing.

The audit is the cheapest phase of the entire methodology. It's also the one that determines whether the other four are worth doing.

Most firms skip it because it feels slow. Leadership wants action. The vendor pipeline is selling speed. Competitive pressure is real. Pausing to diagnose feels like an indulgence when everyone is shipping.

The honest math: an audit takes weeks. A misdirected integration takes quarters. **The audit is the compression — not the delay.**

The 90-minute test

Before your firm makes its next AI investment, run this five-question audit on a single piece of paper. Ninety minutes. No vendor in the room.

THE 90-MINUTE AUDIT

- 1 Where is the single biggest source of operational friction in the business right now?**
Be specific. Name a process, not a category.
- 2 Is that friction shared, hidden, or contested?** Does the whole team see it, do only some people see it, or do people disagree about what it is?
- 3 What does that friction cost** — in hours, in dollars, or in lost opportunities? Rough numbers are fine. The exercise is forcing you to put a value on it.
- 4 What have you already tried to fix it?** And what specifically broke down — was it the tool, the adoption, the underlying process, or the diagnosis itself?
- 5 If you fixed that one thing in the next 90 days, what would be true that isn't true today?**

If you can't answer all five clearly, you're not ready to integrate AI yet. You're ready to *audit*.

If you can answer all five, you have the brief any AI integration should be measured against — and you've already done more than most firms do before signing a six-figure contract.

Bottom line

Don't buy AI before you can name, in writing, the single highest-leverage friction you're trying to remove.

The mistake isn't choosing the wrong tool. The mistake is *choosing a tool at all* before the diagnosis is done. The tools are mostly good now — the failure mode killing AI ROI in 2026 is sequence, not selection.

A real audit reveals two things firms almost always discover when they finally do one: first, that the problem they thought needed AI doesn't, and second, that the problem AI could actually solve isn't on their radar yet. Both findings save real money.

Audit before integrate. The order is the strategy.

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