



# AI Commercialization & Adoption Capital Approval Standard

v1.0 Open Public Standard

A Financial Go / No-Go Framework for Enterprise AI Investment

## Executive Premise

AI is increasingly funded as innovation.

It should be funded as capital allocation.

Most AI business cases emphasize productivity, experimentation, or strategic positioning. Few are evaluated using disciplined financial thresholds comparable to other enterprise capital decisions.

**AdaptOS™ Greenlight** is the capital allocation and financial approval standard within the AdaptOS ecosystem. It is an open standard designed to elevate AI investment discipline across industries that establishes a structured, cash-based, stress-tested approval standard for AI commercialization and adoption initiatives.

It determines whether an AI initiative earns funding, requires redesign, or should be terminated.

This standard assumes AI is not strategically exempt from financial scrutiny.

Greenlight answers one question:

**Does this initiative deserve capital?**

It produces a clear outcome:

-  Do Not Fund
-  Redesign
-  Fund

## Core Principle

Productivity **does not** equal profit.

Innovation **does not** equal investment readiness.

Greenlight requires quantified, risk-adjusted, cash-based financial return before capital is deployed. AI investment must compete with M&A, CapEx, pricing moves.

## Why Most AI ROI Models Fail

Common weaknesses in AI business cases:

- Productivity counted without cost removal
- Revenue lift modeled without adoption realism
- Integration and change costs undercounted
- No sensitivity testing
- No explicit kill criteria

Greenlight corrects these distortions.

It replaces narrative optimism with capital discipline.

## The Greenlight Architecture

Every AI adoption and commercialization initiative flows through five sequential gates:

1. Full Cost Absorption
2. Monetization Conversion
3. Adoption Adjustment
4. Capital Return Thresholds
5. Sensitivity Resilience

Decision Outcome: Red / Yellow / Green

Only initiatives that pass all financial gates are eligible for funding.

## Gate 1: Full Cost Absorption

All 3-year costs must be modeled, including:

- Internal FTE allocation (fully loaded cost)
- External consultants and integrators
- Cloud, model usage, infrastructure
- Integration engineering
- Change management and training
- Temporary productivity dip
- Governance overhead
- Ongoing retraining and optimization

### Total 3-Year Cost =

Initial Investment + Recurring Opex (Years 1–3)

If material cost elements are excluded, the initiative cannot receive Green status → Automatic Yellow.

## Gate 3: Adoption Coefficient

Modeled benefits must be adjusted for real-world adoption.

### Realized Benefit =

Modeled Benefit × Adoption Coefficient

Adoption Bands:

0.5 – Experimental

0.7 – Embedded

0.9 – Workflow-native

If Adoption Coefficient < 0.6 → Yellow minimum.

Adoption above 0.8 requires operational proof.

This prevents overstated ROI.

## Gate 5: Sensitivity Resilience

All initiatives must survive stress scenarios:

- 50% reduction in projected uplift
- 20% cost overrun
- Adoption reduced to 0.6

If NPV turns negative under moderate stress, initiative cannot receive Green. If NPV collapses under moderate stress → Red. Capital must be resilient, not optimistic.

## Gate 2: Monetization Conversion

Productivity is not financial impact.

Each initiative must map to at least one monetizable pathway:

1. Revenue capacity expansion
2. Margin uplift
3. Working capital acceleration
4. Headcount rationalization

Time saved without structural cost removal or revenue expansion **does not** qualify.

If no monetization pathway exists, then the outcome = Red.

## Gate 4: Capital Return Thresholds

Minimum Financial Requirements

(Conservative Case):

- 3-Year NPV > 0
- IRR above corporate hurdle rate
- Payback ≤ 24 months
- Measurable EBITDA impact

Discount rate = WACC or corporate hurdle.

If two or more thresholds fail, outcome = Red.

If marginal, outcome = Yellow.

## Multi-Lens Decision Logic

Greenlight uses both financial gates and weighted scoring to define approval.

**Financial Gate Outcome + Strategic Score** determines status.

### AI Initiative Financial Gate (Binary Qualification)

Must pass:

NPV > 0

IRR > hurdle rate

Payback ≤ threshold (e.g. 24 months)

Fail → cannot receive Green.

### AI Initiative Strategic Scoring (1–5 scale)

<i>Dimension</i>	<i>Weight</i>	<i>Score</i>
<i>Margin Leverage</i>	25%	1-5
<i>Cash Velocity</i>	20%	1-5
<i>Scalability</i>	20%	1-5
<i>Competitive Defensibility</i>	20%	1-5
<i>Implementation Risk</i>	15%	1-5

Score 1–5 for each dimension. Weighted average determines funding eligibility band.

#### Weighted Score

≥ 3.5 → Eligible for Green

3.0–3.4 → Yellow

< 3.0 → Red

## Greenlight Score: Funding Approval Matrix

<i>Financial Pass</i>	<i>Strategic Score ≥ 3.5</i>	<i>Outcome</i>
Yes	Yes	 Green
Yes	No	 Yellow
No	Any	 Red

## Greenlight Decision Structure

Greenlight implies a system with three states:

-  **Red – Do Not Fund**
  - NPV negative under conservative case
  - Payback beyond threshold
  - Adoption coefficient < 0.6
  - EBITDA impact negligible
-  **Yellow – Redesign**
  - Marginal ROI
  - Weak sensitivity resilience
  - Monetization unclear
  - Requires monetization redesign or structural cost adjustment.
-  **Green – Fund**
  - Positive 3-year NPV
  - IRR above hurdle rate
  - Payback within 18–24 months
  - Clear monetization path

## Kill Criteria

Automatic Red if:

- No monetization pathway
- Negative NPV under conservative case
- Payback exceeds 36 months
- Adoption coefficient below 0.5
- Benefit depends solely on narrative value

Capital discipline requires termination when thresholds are not met.

# Executive Summary Template

This becomes the one-page capital approval memo.

## AdaptOS™ Greenlight Capital Summary

**Initiative Name:** XYZ

**Business Unit:** ABC

**Classification:** Revenue / Cost / WC / Hybrid

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### Investment Required

Initial CapEx: \$

Annual Recurring Cost: \$

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### Financial Impact (Conservative Case)

3-Year NPV: \$

IRR: %

Hurdle Rate Assumed: %

Payback Period: Months

EBITDA Delta: %

Adoption Coefficient Used:

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### Stress Test Outcome

NPV under stress: \$

Pass / Fail

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### Greenlight Score

 Red

 Yellow

 Green

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### Capital Recommendation

Fund / Redesign / Terminate

## What Greenlight Is Not

AdaptOS™ Greenlight is not:

- An AI maturity model
- A vendor ROI calculator
- A productivity survey
- A strategic aspiration document

It is a capital approval mechanism.

## What Greenlight Enforces That Most Frameworks Do Not

Most AI ROI frameworks:

- Estimate uplift
- Emphasize productivity
- Highlight potential
- Present modeled returns

Greenlight enforces:

- Full cost absorption
- Mandatory monetization conversion
- Adoption realism
- Explicit hurdle-rate thresholds
- Stress-tested capital resilience
- Formal kill criteria

It does not optimize narratives.

It enforces capital discipline.

## Intended Use

Greenlight is designed for:

- CFOs
- Corporate Strategy
- AI Steering Committees
- Business Unit Leaders
- Transformation Offices

It can be applied to:

- Copilots
- Agentic systems
- Automation initiatives
- Predictive AI
- AI-enabled product features

## In Closing

AI is not exempt from capital discipline.

AdaptOS™ Greenlight establishes a clear financial signal:

Fund.

Redesign.

Or Stop.

## Simulation Case/Example Application

Illustrative case: AI Sales Copilot for B2B Enterprise

Revenue Base: \$100M

Gross Margin: 40%

Modeled Uplift: 5%

Adoption: 0.7

### Result:

3-Year NPV: Positive but marginal

Payback: 24 months

Stress Test: Fails under moderate uplift reduction

**Outcome:** ● Yellow – Redesign monetization pathway

Greenlight does not assume scale equals value.

Lastly, Greenlight forces redesign, not optimism.

### Baseline

Revenue: \$100M

Gross Margin: 40%

Sales Team: 50 reps

Avg Fully Loaded Rep Cost: \$150k

### Modeled Impact

Conversion lift: 5%

Incremental revenue:  $\$100M \times 5\% = \$5M$

Gross margin benefit:  $\$5M \times 40\% = \$2M$

### Cost

Initial build: \$1.2M

Annual recurring: \$800k

3-Year total cost:  $\$1.2M + (\$800k \times 3) = \$3.6M$

### Adoption Coefficient

Assume 0.7

Realized benefit:  $\$2M \times 0.7 = \$1.4M$  annually

### Net Annual Benefit

$\$1.4M - \$800k = \$600k$

### 3-Year Cash Flow

Year 0: -\$1.2M

Year 1: \$600k

Year 2: \$600k

Year 3: \$600k

Total = \$1.8M

### NPV (10% discount)

Approx  $\approx$  \$300k positive

### Payback

$\$1.2M \div \$600k \approx 24$  months

### Stress Test

Reduce uplift by 50%

New benefit:  $\$1M \times 0.7 = \$700k$

Net annual:  $\$700k - \$800k = -\$100k$

NPV negative.

### Outcome:

● Yellow (Redesign monetization logic)