

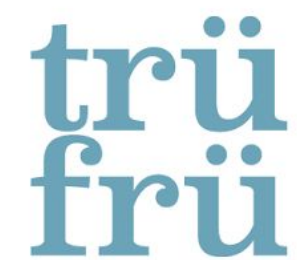
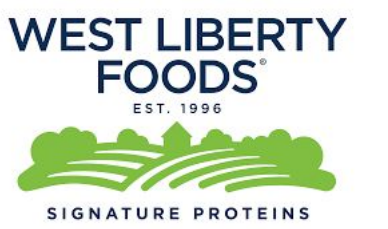


Driving ROI from AI Investments

Avoiding the pitfalls that get in the way of an effective AI strategy



TraceGains Customers at AFMS 2025





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Where (and Where We Aren't)

2

Applied AI: Hype vs. Substance

3

Goal Setting & Success Measurement

4

Data Security & Information Privacy

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Accuracy & Hallucination Risk

6

Partnerships & Future-proofing





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yahoo!finance

Tech, chip stock sell-off continues as AI bubble fears mount

This Incredibly Simple Question Causes GPT-5 to Melt Into a Puddle of Pure Confusion

They say that dogs tend to reser

/ArtificialIntelligence / Chatgpt / Gpt5 / OpenAI

GPT-5 is a joke. Will it matter?

How the fraught release of the most-hyped AI

MIT Finds 95% of Enterprise AI Pilots Fail to Boost Revenues

Poor resource allocation and a might be keeping generative A

MIT study shatters AI hype: 95% of g projects are failing, sparking tech bu

ast Updated: Aug 25, 2025, 07:11:00 PM IST

+COMMAND LINE +AI +REPORT

I talked to Sam Altman about the GPT-5 launch fiasco

Over dinner, OpenAI CEO's addressed critical AI bubble, brain-computer interfaces, buying more.



r/ChatGPT u/sillybluething • 17d

Join

Wow GPT-5 is bad... really, really bad...

Other

I've seen a lot of people talking about how they wanted 4o back, but I didn't

INNOVATION > AI

Our Last Hope Before The AI Bubble Detonates: Taming LLMs

By Eric Siegel, Contributor. © CEO of Gooder AI, author of...

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Published Oct 20, 2025, 08:15am EDT

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“About 5% of AI pilot programs achieve rapid revenue acceleration; the vast majority stall, delivering little to no measurable impact on P&L.”

- MIT NANDA Research, August 2025



Skepticism is easing, but most organizations are moving with caution.

Source: TraceGains Digital Divide Survey, 2025

Attitudes are evolving but caution dominates



17%

17% of F&B leaders say they're "all in" on AI, up from 10% in 2024



32%

32% remain unconvinced of AI's potential, down from 44% last year



Lagging digitization is a drag on tech adoption, AI and otherwise

Source: TraceGains Digital Divide Survey, 2025

Strategic priority vs. operational reality



82%

82% of F&B leaders say tech adoption is a top priority



6%

Yet only 6% report having fully integrated digital systems



“While only 40% of companies say they purchased an official LLM subscription, workers from over 90% of companies surveyed reported regular use of personal AI tools for work tasks.”

- MIT NANDA Research, August 2025





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“More than half of generative AI budgets are devoted to sales and marketing tools, yet MIT found the biggest ROI in back-office automation—eliminating business process outsourcing, cutting external agency costs, and streamlining operations.”

- MIT NANDA Research, August 2025



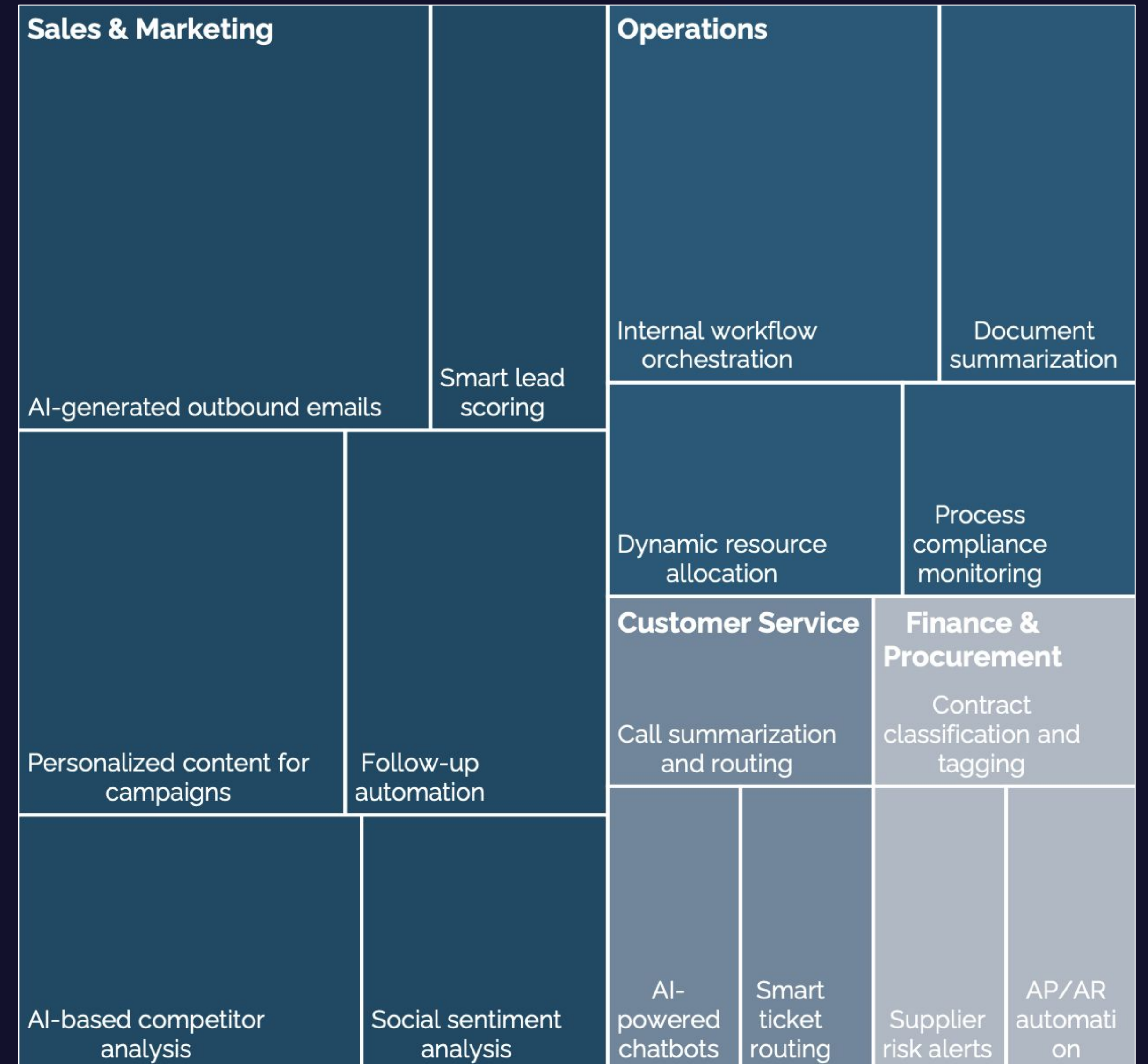
Market research is
outpacing automation and
operational acceleration

Source: TraceGains 2025 NPD Report



Investment Bias: Sales & Marketing outcomes are easier to measure; process efficiencies can be harder to prove

GEN AI Investment Distribution by Function, MIT NANDA Research, 2025





Hype Examples:

- Predicting consumer taste trends years in advance with “black box” AI.
- Fully autonomous decision-making with no human intervention.



Substance Examples (real ROI cases in F&B):

- Eliminating manual entry: 50% reduction of supplier onboarding time through AI-based document matching and gap analysis.
- Quality control automation: Automating comparison of inbound COAs to specifications.
- Measurable Impacts:
 - Efficiency gains: same-day COA processing dropped from 8 hours to just 2.
 - Document throughput multiplied: processing volume jumped from 4 COAs/day up to 150/day.
 - Improved Risk Management: Ingredient COA coverage expanded tenfold with IDP automation





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Do's:

- Look for measurable, high-volume, repetitive tasks (e.g., document review, data entry, material lot performance).
- Set clear ROI metrics: time saved, error reduction percentage, throughput, coverage
- Pilot, measure, and then scale.



Don'ts:

- Don't try to "boil the ocean." Avoid projects that touch too many departments at once.
- Don't make technology adoption or "AI sophistication" a goal; focus on measuring business value and outcomes.





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“57% of executives cite data security and privacy concerns as their top concern for AI adoption.”

- Deloitte, 2023



Sample Guidelines

WE DO

- We **DO** maintain independently-validated SOC-2 data security across every solution we provide.
- We **DO** give users control over AI-recommendations. Team members can be granted permission to override and “teach” the tool.
- We **DO** protect customer and supplier data with a highly secure architecture and data model.
- We **DO** leverage proprietary data structures and taxonomies to improve the accuracy of AI tools and avoid hallucination.

WE DON'T

- We **DON'T** train LLMs or any AI tool on proprietary supplier or customer data.
- We **DON'T** leverage any LLM or technology provider whose data protections don't mirror ours, including SOC-2 compliance.
- We **DON'T** allow customer data to be shared with other customers or suppliers under any circumstances.
- We **DON'T** take humans out of the loop; our AI agents work with humans and follow their rules.





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State of play: LLMs can produce confident but wrong outputs, and the “black box” nature of many LLMs makes verification difficult.

Good news: Techniques exist to constrain and validate AI outputs, as well as to engage critical human inputs. What works:

- Grounding and citations
- Explainability and transparency tools
- Confidence scoring and ground rules
- Human-in-the-loop for exceptions
- Human-directed overrides and learning





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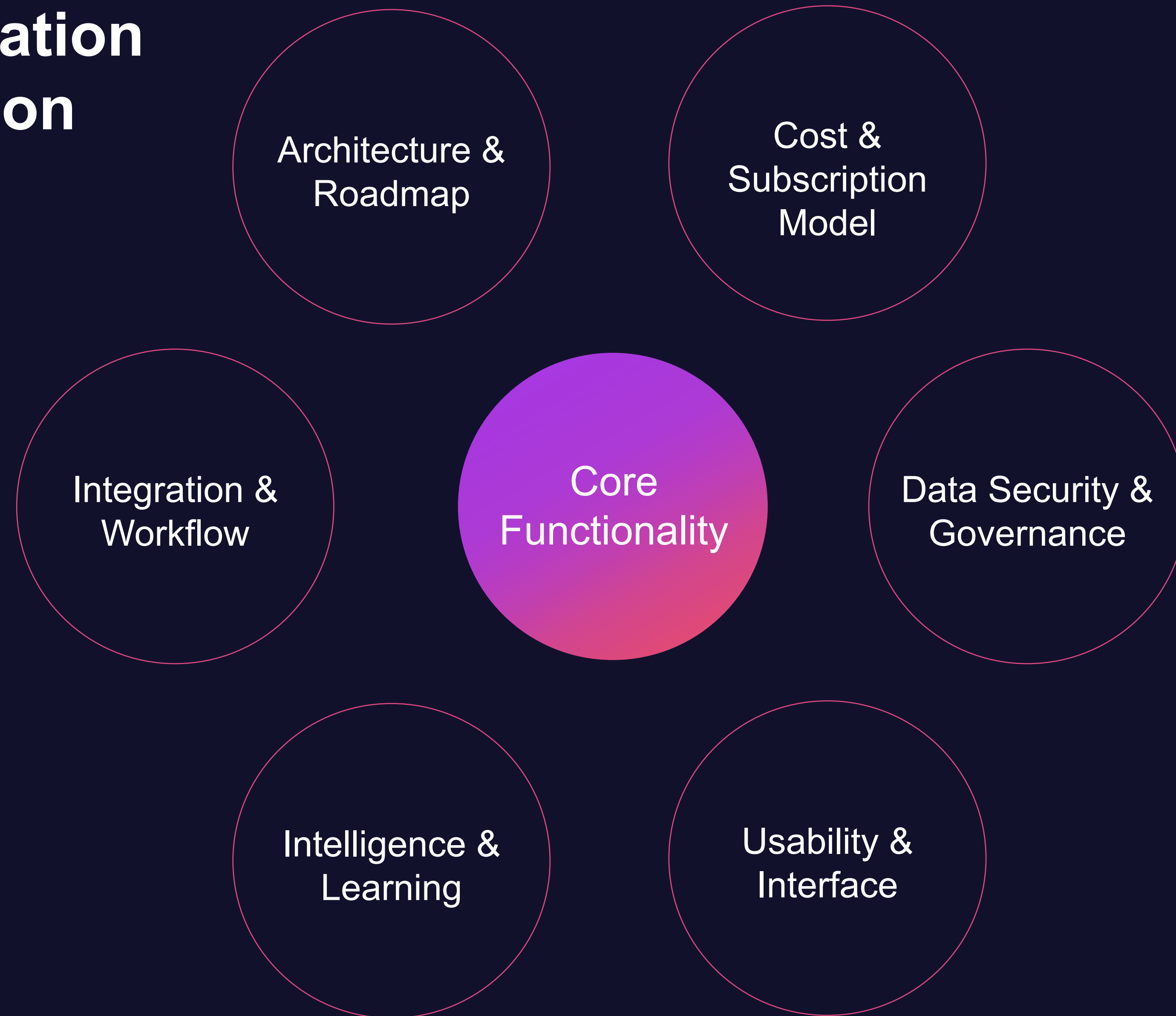
Partner Evaluation & Consideration



Core
Functionality



Partner Evaluation & Consideration



Our Vision:

F&B enterprises need intelligence, not just information

Fragmented Data

Network

- Forms, Specs, PDFs, CoAs

Internal Data

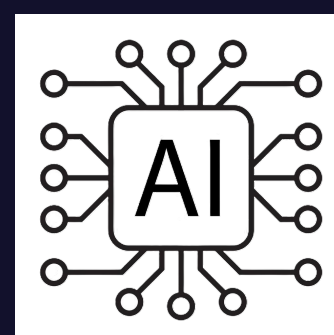
- PLM, ERP, Plant Floor

3rd Party Ecosystem

- Alerts, Regulatory, Sustainability

Legacy documents and disconnected systems — non-standard, fragmented, multilingual, and time-sensitive

AI- Powered Transformation



Extract — Interpret — Enrich

Extract and organize unstructured data to build structured, propriety company knowledge bases (continuously)

Composable AI-ready Intelligence

Specialized Agents

Predictive Dashboards

Compliance Automation

NPD/Formulation

Regulatory Alignment

Knowledge Architecture

This architecture now underpins all enterprise applications—accelerating automation, insight, and AI-native workflows



Real-World Application: Intelligent Document Processing

Contextually-aware accurately reads and extracts CoA data, even from new or non-standard formats

- Instant analysis with better-than-human accuracy.
- “Human in the loop” interface flags issues for human interaction.
- No zoning, mapping, or pre-identification of fields required.
- User inputs “teach” the solution, leading to greater accuracy over time.

The screenshot displays the TraceGains software interface for 'Brandon's SM Enterprise'. The top navigation bar includes tabs for Analytics, Items, Specifications, Suppliers (106), Partners, Items Supplied, Documents, Sites, Auditors, Audits, POs, COAs, COAs Monitor, Receiving, QA, Need Help?, and Configuration. The left sidebar contains a menu with sections: General (Audit Types, Items, Attributes, Dashboards, TraceStations, Table Templates, Value Lists, Normalization Scripts, Dynamic Display Templates), Document Config (Types, Status Values, Workflow Values, Requirement Templates, Tab Settings), Data Extraction (AI Settings, Processing, Import Templates), and Site Tools (Config Workbooks, Languages). The main content area is divided into three panels. The left panel, 'Supplier Identification Attributes', shows a table for 'Supplier email attribute' with one row: COA_Supplier_IdentificationAttribute1, COA Data Extraction - Supplier Email or Domain, @tracegains.net. Below it is a table for 'Supplier location attributes' with five rows: COA_Supplier_IdentificationAttribute2 (Supplier Name), COA_Supplier_IdentificationAttribute3 (Facility Address: 5280 Mile High St.), COA_Supplier_IdentificationAttribute4 (Facility Postal Code: 80203), and COA_Supplier_IdentificationAttribute5 (Identification Attribute 5). The middle panel, 'Item Identification Attributes', shows a table for 'Item attributes' with four rows: COA_ItemSupplied_IdentificationAttribute1 (Supplier Item Code: RM01525), COA_ItemSupplied_IdentificationAttribute2 (Supplier Item Name: Spicy BBQ Sauce), COA_ItemSupplied_IdentificationAttribute3 (Identification Attribute 3), and COA_ItemSupplied_IdentificationAttribute4 (Identification Attribute 4). The right panel displays a 'Certificate of Analysis' for 'BD Best Supplier, Inc.' with contact information (5280 Mile High St., Denver CO 80203, Phone: 720/123-4567, Fax: 720/765-4321), product details (Product: RM01525, Product Name: Spicy BBQ Sauce, Lot Number: 12122024-004, Manufacturing Date: 10/03/2024, PO Number: 45001212-004, Expiration Date: 10/03/2026), and a test results table.

Attribute ID	Attribute Name	Value
COA_Supplier_IdentificationAttribute1	COA Data Extraction - Supplier Email or Domain	@tracegains.net

Attribute ID	Attribute Name	Value
COA_Supplier_IdentificationAttribute2	COA Data Extraction - Supplier Name	
COA_Supplier_IdentificationAttribute3	COA Data Extraction - Facility Address	5280 Mile High St.
COA_Supplier_IdentificationAttribute4	COA Data Extraction - Facility Postal Code	80203
COA_Supplier_IdentificationAttribute5	COA Data Extraction - Identification Attribute 5	

Attribute ID	Attribute Name	Value
COA_ItemSupplied_IdentificationAttribute1	COA Data Extraction - Supplier Item Code	RM01525
COA_ItemSupplied_IdentificationAttribute2	COA Data Extraction - Supplier Item Name	Spicy BBQ Sauce
COA_ItemSupplied_IdentificationAttribute3	COA Data Extraction - Identification Attribute 3	
COA_ItemSupplied_IdentificationAttribute4	COA Data Extraction - Identification Attribute 4	

BD Best Supplier, Inc.
5280 Mile High St.
Denver CO 80203
Phone: 720/123-4567
Fax: 720/765-4321

Certificate of Analysis

Product: RM01525
Product Name: Spicy BBQ Sauce
PO Number: 45001212-004

Lot Number: 12122024-004
Manufacturing Date: 10/03/2024
Expiration Date: 10/03/2026

Test Value	Result
Aroma	Conforms to Standard
Flavor	Conforms to Standard
E. coli	Negative
Salmonella	Negative/375g
Coliform	<10
APC	<100
Moisture	10%
pH	4.5



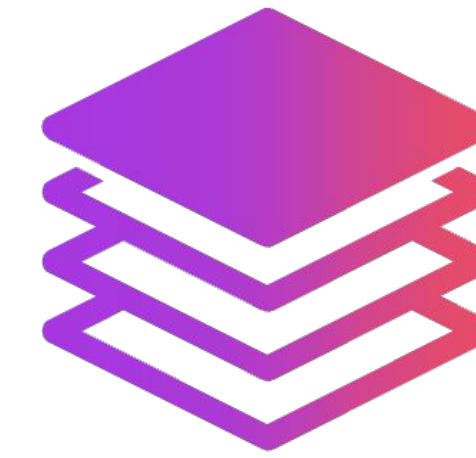
Compliance that scales with growth

With TraceGains, HelloFresh transformed compliance from a stumbling block into a springboard.



Dramatic efficiency gains

Same-day COA processing dropped from 8 hours to just 2.



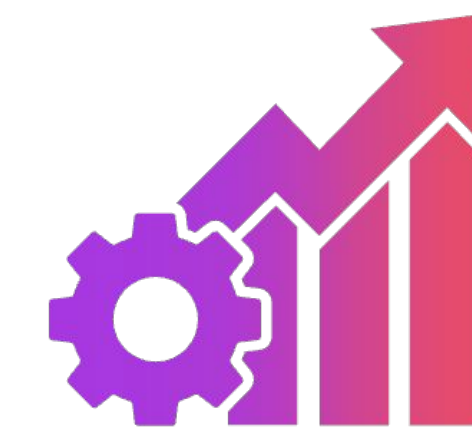
Document throughput multiplied

Processing volume jumped from 4 COAs per day up to 150 per day.



Smarter sourcing

Ingredient COA coverage expanded tenfold with IDP auto-pulling data.



Next-level productivity

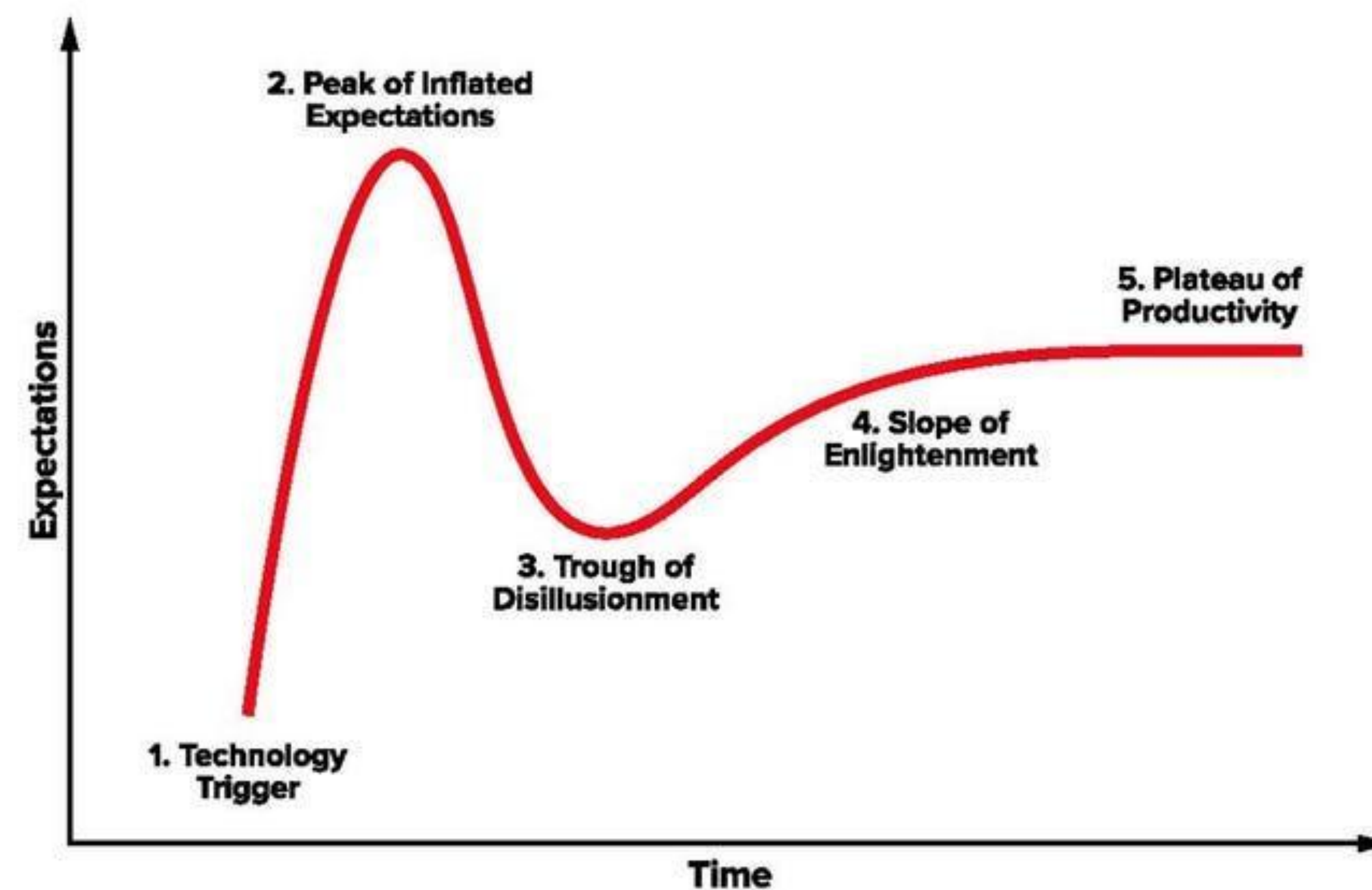
Supplier data now moves at the speed of business.



A Final Thought:
Sometimes it's okay to
simmer down a little.

Gartner Research

Gartner Hype Cycle



Thank you!



The tablet screen displays a table of COAs (Certificate of Analysis) for SMC Butterhouse Inc. The table includes columns for COA Arrival Date, Supplier Lot ID, Supplier/Site Name, Item ID, Item Name, Item Group, COA Status, and COA Action. A tooltip is visible over one of the rows, showing contact information and specific warnings.

COA Arrival Date	Supplier Lot ID	Supplier/Site Name	Item ID	Item Name	Item Group	COA Status	COA Action
3/17/2020 1:23:42 PM	K11122	SupplierXYZ	0529	Sucrose, Extra Fine, Bag	Sweetner	Warning	Accept
3/17/2020 1:23:38 PM	K11123	SupplierXYZ	0529	Sucrose, Extra Fine, Bag	Sweetner	Out Spec	Reject
5/23/2019 3:00:57 PM	BI-630	Michael Foods	00A-FLF	Chopped Garlic	Raw Materials	Accept	Accept
5/23/2019 3:00:23 PM	BI-438	Michael Foods	00A-FLF	Chopped Garlic	Raw Materials	Out Spec	Reject
5/23/2019 2:59:58 PM	BI-584	Michael Foods	00A-FLF	Chopped Garlic	Raw Materials	Out Spec	Reject
5/23/2019 2:59:10 PM	BI-999	Basic Ingredients, Inc. - Minneapolis	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:58:43 PM	BI-464	Basic Ingredients, Inc. - Minneapolis	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:58:13 PM	BYCO-412	Byco Food Products	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:57:05 PM	BYCO-281	Byco Food Products	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:56:11 PM	BYCO-109	Byco Food Products	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:55:23 PM	BSC-91	Baking Supplies Central	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
5/23/2019 2:54:39 PM	BSC-949	Baking Supplies Central	00A-FLF	Chopped Garlic	Raw Materials	Warning	Ask
2/8/2019 1:44:20 PM	WBG-141	We Be Gel Inc.	TG-750...	750mg Softgel	CBD	Accept	Accept
2/8/2019 1:41:38 PM	FA-643	Feeling Alright Inc	TG-750...	750mg Softgel	CBD	Accept	Accept
2/8/2019 1:40:33 PM	WBG-258	We Be Gel Inc.	TG-750...	750mg Softgel	CBD	Accept	Accept
2/8/2019 1:38:59 PM	FA-687	Feeling Alright Inc	TG-750...	750mg Softgel	CBD	Accept	Accept