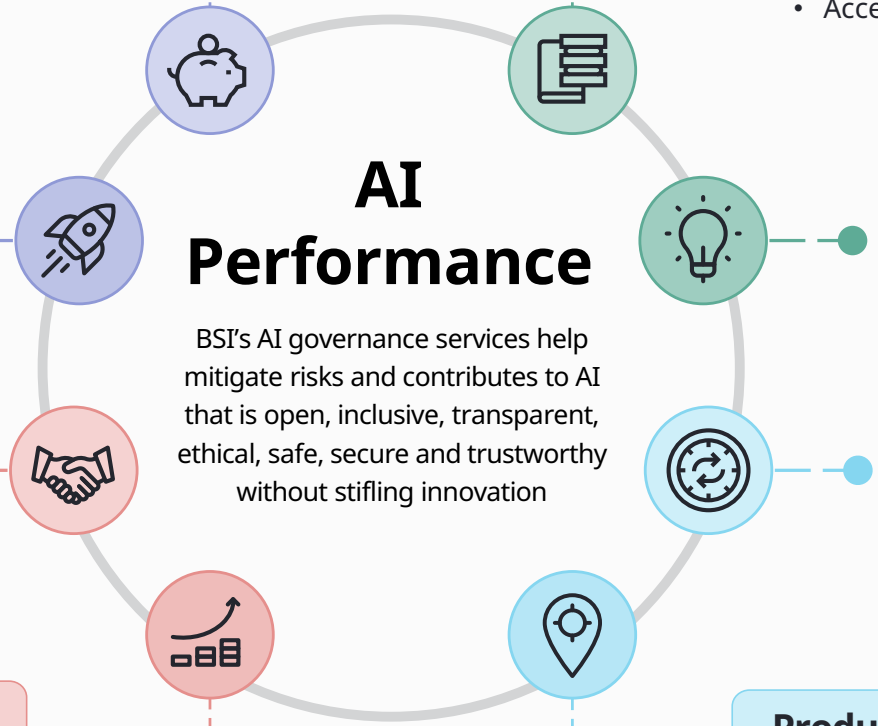
AI Performance

BSI's AI governance services help mitigate risks and contributes to AI that is open, inclusive, transparent, ethical, safe, secure and trustworthy without stifling innovation



Venture Capital >

- Demonstrate due diligence
- Mitigate risks
- Early investment

Startup Companies >

- Credibility
- Fundraising
- Marketing differentiator
- Stakeholder confidence

Mergers & Acquisitions >

- Valuation & deal structuring
- Compliance assurance
- Integration optimization
- Due diligence & risk migration

Grant/Funding Approvals >

- Verify AI model validity and performance
- Encourage transparency and reproducibility

Research & Development >

- Ensuring data integrity
- Detecting bias
- Validating model accuracy
- Accelerating innovation

New Product Development >

- Algorithm performance
- Early detection of model drift
- Evidencing patent Applications & IP protection

Software Updates >

- Improve software quality
- Accelerate deployments
- Enhance reliability
- Increase data accuracy
- User experience optimization

Product Success Tracking >

- Verify quantification & reporting of AI systems performance
- Verify KPI accuracy
- Monitor model drift
- Identify impactful features

Contact Us

Rev 01. All links correct and working at time of release - 22/10/2025

Venture Capital

84% of organisations believe independent AI model audits will be required within 1–4 years

- Vendor Due Diligence
  - Research shows 83% of legal & compliance leaders only identified vendor risks after due-diligence when working with third parties
  - 55% of venture capital firms utilize AI tools for due diligence processes
  - AI startups raised $104.3 billion in the US during H1-2025, nearly matching full 2024 funding
- Mitigate Risks
  A study on audit firms found that a one-standard-deviation increase in the share of AI-workers (indicative of stronger AI capabilities / controls) led to a 5.0% reduction in the likelihood of a restatement
- Early Investment
  $300 m+ venture capital deployed to AI startups with third-party validation

Case Study

- Theranos - AI and automation were central to Theranos's claims, but independent validation was never performed before funding rounds
- Nearly 40% of VC-backed startups fail due to product/tech issues, with AI ventures especially vulnerable because of unverifiable claims
- Independent AI verification provides transparent technical due diligence, reducing exposure to inflated performance claims

Why AI Performance for Venture Capital?

AI Performance results in a BSI Confirmation Letter evidencing that AI models have been independently tested to verify function of their AI systems against quantifiable metrics for performance, robustness and fairness.

Independent AI verification gives investors objective evidence of a startup's technical claims, de-risking early-stage investment and reducing exposure to inflated promises. It ensures due diligence is based on audited performance data instead of founder hype.

Startup Companies

AI venture activity ≈ $209B (2024) — verification increases the odds of capture in a crowded capital market

- Credibility
  95% of C-suite / director-level executives reported experiencing AI-related incidents in past two years. Of these, 77% reported financial loss, 53% reported reputational impact
- Fundraising
  AI startups received $97B in funding in 2024, almost half of total startup funding in the U.S
- Marketing differentiator
  75% of B2B buyers prefer AI solutions with 3rd-party validation
- Stakeholder confidence
  A study showed that stakeholders preferred external validation on a large test sample (46.7%) or by an independent research team (31.6%)

Case Study

- Clearview scraped billions of images without consent to train its AI, selling the tool to law enforcement. Accuracy claims were exaggerated, with racial and gender bias largely ignored
- 87% of executives say reputational risk from AI misuse is a top board-level concern
- AI Performance offers startups a *trust differentiator* by evidencing claims' accuracy and fairness — protecting brand and enabling fundraising

Why AI Performance for Start-up Companies?

Performance AI results in a BSI Confirmation Letter, assuring customers and stakeholders as to the trustworthiness of your AI product, service or system to accelerate sales and adoption.

Third-party AI validation builds instant credibility with customers and investors, helping startups stand out in crowded markets. AI Performance becomes a trust differentiator, supporting fundraising, marketing, and stakeholder confidence.

Mergers & Acquisitions

30–47% of M&A failures are strongly tied to IT/technology integration issues — independent AI assurance reduces that integration risk

- **Valuation and deal structuring**
  AI Performance increases M&A deal valuation by up to 15%
- **Compliance assurance**
  AI Performance is informed by state-of-the-art AI standards and AI regulations like the EU AI Act and GDPR mandate for transparency and accountability
- **Integration optimization**
  AI verification reduces post-M&A system integration delays by 27%
- **Due diligence and risk mitigation**
  58% of AI-related M&A deals stall due to model opaqueness or bias concerns

Case Study

- Autonomy claimed cutting-edge AI for enterprise search, but post-acquisition, HP found inflated revenues and overstated technology performance
- 70–90% of M&A deals fail to deliver expected value, often due to hidden tech weaknesses
- AI verification ensures realistic valuations by evidencing actual model performance, reducing deal failure and post-merger surprises

Why AI Performance for Mergers and Acquisitions?

A BSI AI Performance assessment provides acquirers with transparent performance metrics, ensuring valuation is tied to evidenced capabilities rather than inferences. This mitigates integration risk, compliance uncertainty, and hidden liabilities.

Grant / Funding Approvals

- AI Performance model validity against recognized performance metrics– Many grants and funding organizations (e.g. NIH and NSF) require grant applicants to evidence model reproducibility and fairness
- Encourage transparency and reproducibility – Only 36% of AI research papers are fully reproducible

Case Study

- Marketed as a cancer diagnosis and treatment recommendation tool, Watson for Oncology often gave unsafe or irrelevant treatment suggestions, based on limited synthetic datasets rather than real-world cases

Why AI Performance for Grant / Funding approvals?

AI Performance results in a BSI Confirmation Letter, assuring grant and funding bodies as to the validity of your AI product, service or system claims to evidence your funding application. Granting agencies increasingly require evidence of reproducibility, fairness, and validity in AI-driven proposals. Independent verification strengthens applications by proving the scientific and ethical integrity of AI models.

Research & Development

>70% of researchers have tried and failed to reproduce another researcher's experiments — independent verification increases reproducibility for funded research

- Ensuring data integrity
  Data quality and availability are among the top obstacles to AI success; high-maturity firms implement metrics and controls (Gartner: 63% of high-maturity orgs implement metrics). Independent dataset verification raises the baseline data quality that R&D relies on
- Detecting bias in training data
  Bias in training data can reduce model fairness by over 30%
- Validating dataset accuracy
  Poor data quality leads to up to 60% model performance loss
- Accelerating innovation
  Verified pipelines speed time to market by 40%

Case Study

- Google's AI overestimated flu prevalence by more than 140% due to data drift and overfitting to search queries
- 68% of AI failures stem from data quality issues, wasting billions in R&D
- Independent verification validates data integrity and bias, enabling reproducible and trustworthy R&D

Why AI Performance for research and development?

AI Performance ensures data integrity, evaluating any biases in training inputs for reliable results, thereby accelerating safe innovation. Researchers can focus on discovery rather than risk of invalid datasets or untrustworthy outputs.

New Product Development

By 2026, Gartner predicts that 80% of enterprises will implement formal AI governance policies to address risks, transparency, and ethical considerations

New Product Development

- Algorithm performance
  Audited AI improves prediction performance by 22–34%
- Early detection of model drift
  Empirical studies show data/model drift causes measurable performance degradation; model monitoring and drift detection are core to keeping products accurate in production. Independent assurance (pre-launch verification + monitoring) materially reduces silent failures
- Evidencing patent Applications & IP protection
  Verified, explainable AI models are 3x more likely to receive patent approval

Case Study

- Zillow's AI pricing model systematically overestimated home values in certain markets, leading to massive over purchasing
- Air Canada ordered to pay customer who was misled by airline's chatbot
- 85% of AI projects fail to deliver business value, often leading to financial losses and irreversible brand damage
- AI Performance ensures market-ready performance, preventing financial loss and protecting brand reputation

Why AI Performance for new product development?

Independent validation mitigates the risks of model drift and performance decay, ensuring AI-driven products meet regulatory and customer expectations. This supports patent defensibility, IP protection, and long-term product success.

Software Updates

- Improved software quality
  Only ~48% of digital initiatives meet/exceed outcome targets. Independent assurance of AI components increases the odds that an AI-driven update will achieve intended outcomes (by surfacing model risks pre-deploy)
- Faster deployment
  Organisations that implement solid model-ops/monitoring keep models operational longer and detect issues earlier; the enterprise monitoring market is growing rapidly (market size ~USD 35–41B in mid-2020s) reflecting investment in monitoring/assurance tools that enable faster, safer releases. Independent third-party verification complements these investments for faster, lower-risk rollouts
- Enhanced reliability
  Verified systems show 27% less downtime in production
- Increased data accuracy
  Algorithm audits increase output accuracy by 18–32%
- User experience optimization
  Firms that maintain model performance and data integrity avoid silent failures that degrade UX — independent assurance reduces regressions and supports measurable UX gains

Case Study

- Microsoft Tay was released without adequate safeguards; within 24 hours, it was producing offensive, racist messages due to adversarial interactions
- 48% of organizations cite “AI reliability and robustness” as their top adoption barrier
- Independent validation during updates ensures reliability, safety, and compliance, avoiding reputational harm.

Why AI Performance for software updates?

Verification during updates ensures consistency in quality, reliability, and accuracy as models evolve. This enables faster, safer deployment while optimizing the user experience.

Product Success Tracking

61% of companies experienced a third-party (vendor) breach in 2023 (third-party risk studies). Independent assurance reduces vendor-sourced surprise events

Product success tracking

- Mitigating business risks
  85% of AI projects fail to deliver business value, and poorly governed AI systems can cause not only direct financial losses, but also irreversible brand damage
- Prevents skewed metrics
  63% of high-maturity AI orgs implement measurement frameworks
- Enhances KPI accuracy
  Validation improves business metric precision by 45%
- Monitors model drift
  Empirical drift studies show models degrade as the data distribution shifts; automated monitoring is essential to detect changes promptly
- Identifies impactful features
  Research and production tooling show that anomaly detection and feature-level monitoring accelerate root-cause identification in production models

Case Study

- The COMPAS AI tool systematically rated Black defendants as higher risk than white defendants, despite similar re-offense rates, due to biased historical data
- A class action lawsuit, Mobley v. Workday, is proceeding against Workday, alleging that their AI-powered hiring tools discriminate against job applicants based on age, race, and disability. The lawsuit, which has been granted class-action status, claims Workday's algorithms disproportionately screen out applicants over 40, potentially violating the Age Discrimination in Employment Act (ADEA)
- 62% of executives say lack of trustworthy AI metrics leads to “misguided decisions and reputational risk”
- Performance AI ensures accurate KPIs, fair outcomes, and bias-free reporting, safeguarding both financial and reputational standing

Why AI Performance for product success tracking?

An impartial BSI AI Performance assessment can help to prevent skewed or misleading metrics, ensuring KPIs reflect reality. Organizations gain clarity on true model impact, feature attribution, and drift detection, enabling smarter decision-making.