

Why AI Projects Fail in Production:

The missing data operating system

I recently attended DataVision EMEA 2026 at UBS in London. The conference brought together senior figures from banking, market infrastructure, technology and data management under the theme “Gold In, Gold Out: Building Trusted Data to Optimise AI”.

That wording was deliberate and it moved the discussion beyond the familiar warning about “garbage in, garbage out” and towards the more useful question of “what does good data look like when an organisation wants to use AI properly, at scale and in live business processes?”

The clearest lesson I took away was that the main obstacle to successful AI is often not the model. It is the condition of the data within the organisation beneath it.

The Gap Between a Working AI System and an AI Demonstration

It has become remarkably easy to produce an impressive AI demonstration. A small team can take a carefully selected dataset, define a narrow problem and show a convincing result in a short period of time.

Putting that same system into production is a much different matter as production requires finding ways to work with old and new technology, inconsistent definitions, incomplete metadata and local workarounds. It also requires privacy, confidentiality, security, regulatory and contractual obligations to be considered and addressed. An AI demonstration proves that a model can do something interesting but moving that model to production requires the organisation to prove that it can do this repeatably, lawfully and at scale.

One observation quoted at the conference captured the problem well, “it has never been cheaper to get to an AI demo and never been more expensive to get to production.” The additional cost in getting to production is not simply the model, it is the work needed to make the organisation’s data dependable enough for the model to use.

A panellist used the image of a children building a sandcastle on a beach. Here it is possible to quickly build something impressive but when the tide comes in it destroys what has been built as it had no solid foundations, just sand. Many AI pilots are digital sandcastles, convincing in a protected environment, but unable to survive contact with the operating business.

AI Amplifies What is Already There

Addressing this tension requires a shift in approach. Rather than focusing on the transfer of data between organisations, attention is increasingly turning toward models of controlled access. The question is no longer simply how data can be shared, but how it can be used without being freely distributed.

This represents a fundamental change in perspective. Instead of moving data across organisational boundaries, the model enables interaction with data within a governed environment where access, usage and outputs are controlled.

Such an approach allows data to remain within a secure structure while still supporting analysis, collaboration and innovation.

A Structured Approach to Health Data Governance

James Dallas of UBS described AI as an amplifier sitting on top of data. Where the data is strong, AI can accelerate sound analysis and better decisions. Where the data is weak, it can accelerate poor decisions.

AI is also exposing weaknesses that have previously remained hidden as experienced staff often fix the errors and make poor systems work. An experienced team often know which source of information is usually right, which field is unreliable and which exception needs checking and can correct the errors before the information is relied upon in a report or spreadsheet. Those protections are not present when the processing moves to being carried out by an AI as the AI does not have the local knowledge of original team which was acquired from hours of experience working with the data and systems.

If the organisation does not have a coherent way of identifying its important data, tracing where it came from, assessing its reliability and controlling how and by whom it may be used, then it has no supporting structure and without that AI has nothing dependable to stand on.

AI Strategy is Data Strategy

While healthcare provides one of the clearest examples of this challenge, the underlying principles extend far beyond it.

In any sector where data is sensitive, collaboration is necessary and trust is essential, the ability to structure and govern data effectively becomes a strategic advantage. As industries become increasingly data-driven, the organisations that can enable controlled, trusted data access will be best positioned to innovate.

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Frequently Asked Questions

Q1 What was the theme of DataVision EMEA?

DataVision EMEA 2026, hosted by the EDM Association in partnership with UBS in London, was held under the theme “Gold In, Gold Out: Building Trusted Data to Optimise AI” — a reframing of “garbage in, garbage out” towards what good, trusted data looks like at scale.

Q2 Why do AI pilots often fail to reach production?

A convincing AI demonstration typically uses a small, carefully selected dataset. Production requires the same system to work with inconsistent, incomplete and poorly governed data across the organisation, while meeting privacy, security, regulatory and contractual obligations — a materially harder problem than the demo itself.

Q3 What does it mean to say AI is “an amplifier”?

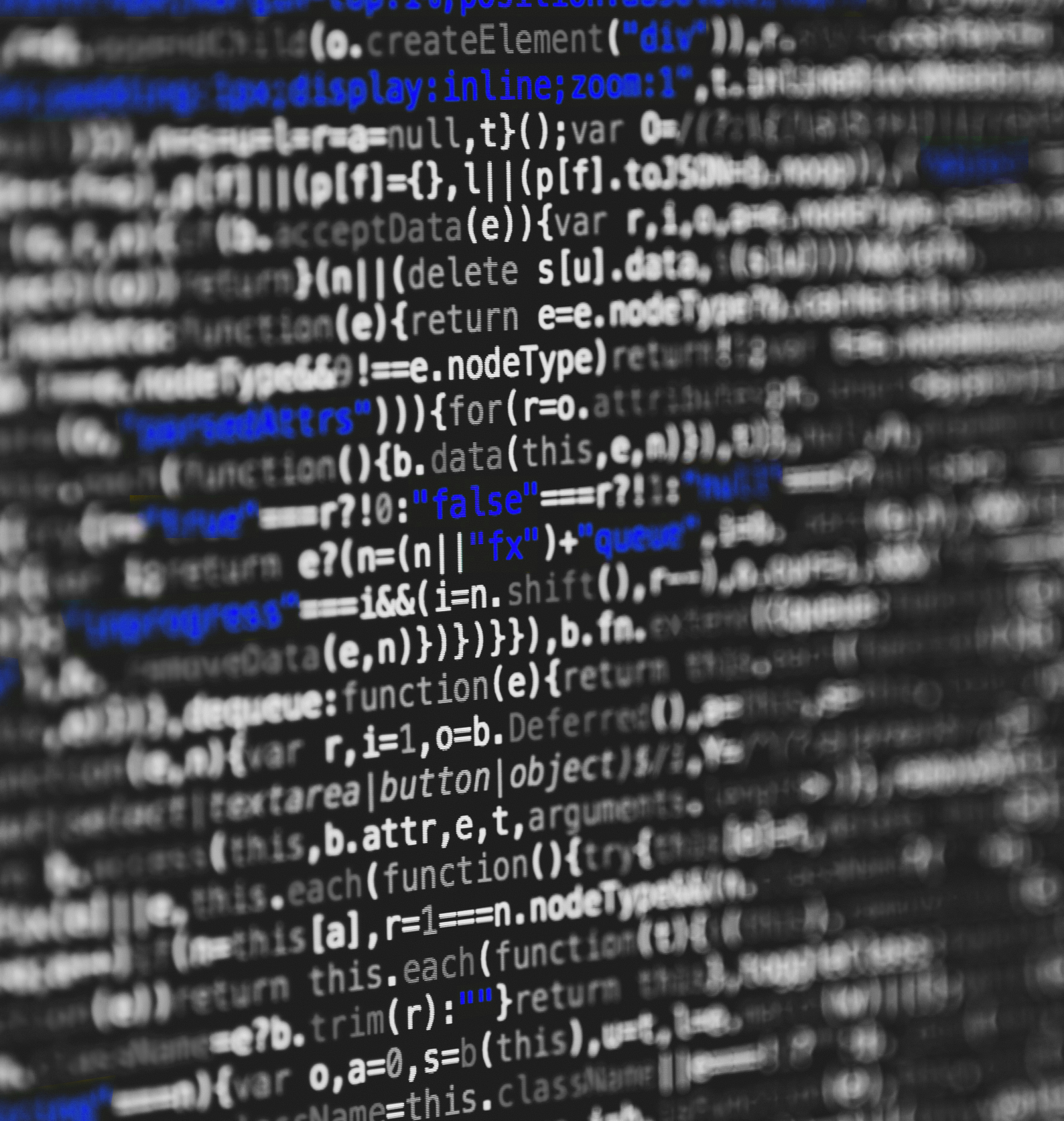
The observation, attributed to James Dallas of UBS at DataVision EMEA 2026, is that AI accelerates whatever is already true of the underlying data. Strong, trusted data leads to faster, better decisions; weak or ungoverned data leads to faster, worse ones.

Q4 What is a “data operating system”?

It refers to the missing institutional layer, identifying what data an organisation holds, where it came from, how reliable it is, and who may use it, that allows AI systems to operate on data without relying on the tacit knowledge of experienced staff.

Q5 How does the Data Asset Foundation relate to this problem?

The DAF provides a governed system of record for data, defining what a dataset is, who holds rights in it, and how it may be used, giving AI systems and their operators a dependable foundation of the kind DataVision EMEA 2026 identified as missing.



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