

THE AI RED FLAGS

10 signs AI is costing your agency more than you think

AI is already inside your agency's workflows. Most of the time it helps. Sometimes it quietly absorbs margin, creates delivery risk, or leaves the founder without answers when a client asks a direct question. These ten signs suggest the latter is happening. Most agency leaders recognise at least three.

OPERATIONAL VISIBILITY

1. You Can't Name Every AI Tool Running

Your team uses AI tools you didn't approve and can't list. When tools are invisible to leadership, they're ungoverned by definition.

2. No Central Record of AI Decisions

When a client questions creative direction, you can't reconstruct which tool, what prompt, or what output was used.

DATA CLASSIFICATION

3. Staff Don't Know What's Confidential

Your team treats all information the same. Client briefs, internal docs, draft campaigns all go into ChatGPT without consideration.

4. Personal Accounts Process Client Work

Client IP lives in personal ChatGPT and Midjourney accounts you can't access, audit, or control.

QUALITY CONTROL

5. No Defined Review Points

AI outputs go straight to clients without systematic human review. Sometimes someone checks them, sometimes not.

6. Junior Staff Make Final AI Calls

Your newest team member decides which AI draft becomes client-facing work with no senior review or approval layer.

IP PROTECTION

7. Prompts Disappear After Use

Your team develops effective prompts that generate exactly what clients need, then someone closes the browser.

8. No Distinction Between Free and Paid Tiers

Staff use whatever AI tier they personally pay for. Your AI standards vary by who's paying for their own tools.

CLIENT CONFIDENCE

9. No Consistent Answer When a Client Asks

A client or prospect asks how you govern AI use. You talk about being thoughtful, but you cannot point to a documented process.

10. Security Questionnaires Stall Proposals

The RFP includes an AI governance addendum with 20 specific questions. You cannot complete it without inventing answers.

WHAT THIS MEANS

Recognise three or more? The pattern is more common than most founders expect, and it rarely surfaces until a pitch or a client conversation forces the question. The AI Workflow Clarity Audit maps where this is happening in your agency, what it is doing to your margin, and the three fixes that matter most. [Find out if it is right for you.](#)