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AI FOR BUSINESS

Executives' top AI questions answered

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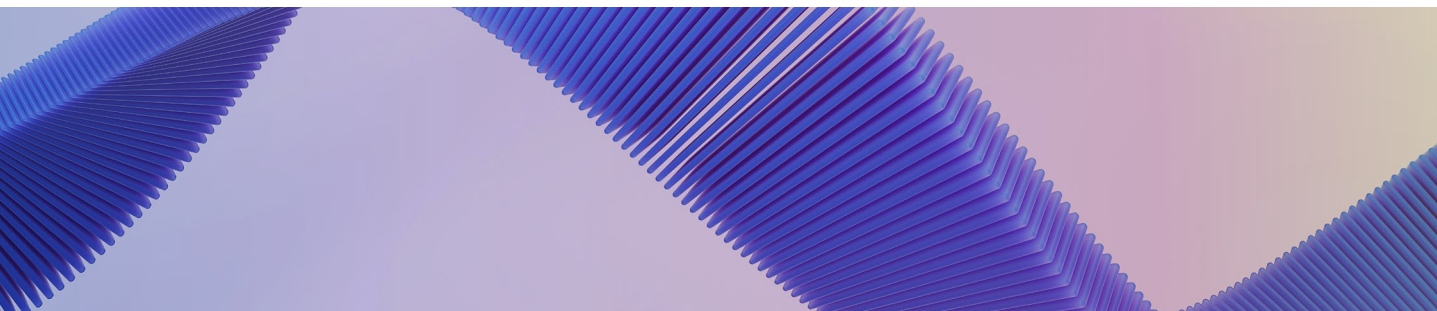*Sopra Steria Sweden*

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01. Introduction

"Artificial Intelligence (AI) won't replace managers, but managers who use AI will replace those who don't," says researcher, author and professor at California's Stanford University Erik Brynjolfsson. Artificial intelligence (AI) has become a hot topic in recent years. The launch of ChatGPT demonstrated that employees, managers, students, and society at large can benefit from having meaningful dialogues with machines. Engaging in text-based dialogue with machines is one thing, but the fact that these machines also understand us in a wide variety of contexts is a transformative development.

In the 1960s, mainframes allowed us to collect and process vast amounts of information and use this to perform simple mathematical calculations. By the 1990s, the Internet revolutionised communications, enabling more effective information searches and transforming many services from those requiring third-party assistance to self-service. In recent years, blockchain has generated significant buzz but has yet to progress beyond the hype phase, while cryptocurrency's future remains uncertain.

Each of these technological innovations places clear demands on companies; namely the willingness and ability to adapt, coupled with a deep understanding of how these advancements can deliver tangible business value.

❝

We overestimate the short-term impact of AI while underestimating its long-term potential.

AI is old, but also new!

At Sopra Steria we believe we just have seen the start of AI. The future is full of opportunities and threats.
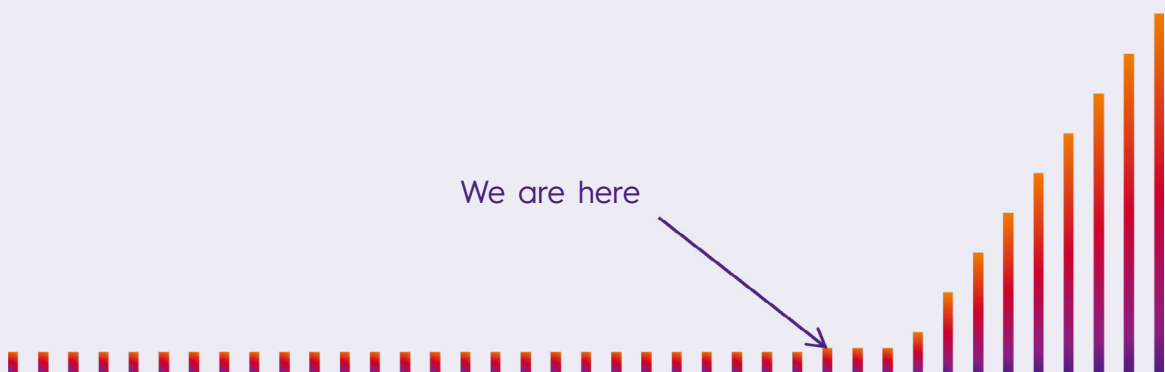
We are here

AI can accelerate the development of critical services on a scale unseen since the Industrial Revolution. This exponential increase in speed and capability driven by AI means governance becomes a critical aspect of how we manage this technology. Technology can become more democratised or more polarised, so making robust governance is vital for the sustainable development of AI.

We overestimate the short-term impact of AI while underestimating its long-term potential.

Since 2014, Sopra Steria has built a team of data engineers, data scientists and strategic AI advisors. In this document, we want to share our insights with you – a principle we at Sopra Steria refer to as the "Power of Sharing".

The AI landscape is changing so quickly, so this document inevitably has a relatively short shelf life. Our goal is to, therefore, regularly publish updated versions to reflect new insights.

This analysis is based on the issues most frequently discussed with top executives and board members of Sopra Steria's key clients. The questions are not presented in order of priority.

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AI can accelerate the development of critical services on a scale unseen since the Industrial Revolution.

5 key AI takeaways for top executives

1 **Put AI prominently on the agenda,** challenging your management team to explore its potential for driving efficiency and innovation.

2 **Treat and manage data as a valuable asset,** equivalent to financial resources. This includes personal data, business-critical information, and market-sensitive intelligence.

3 **Ensure leadership establishes comprehensive guidelines** for the ethical, responsible, and secure use of AI. The organisation must comply with both current and forthcoming laws and regulations regarding AI, including the AI Act, as well as guidelines on privacy and responsible use of technology.

4 **Invest in AI training,** and encourage management to do so, with a particular focus on equipping both executives and employees.

5 **Recognise that AI will intensify the security threats** faced by businesses, as malicious actors grow more adept in leveraging the technology for sophisticated attacks. Ensure that the organisation's cybersecurity strategy is regularly updated to account for the evolving capabilities of AI-driven threats, thereby enhancing preparedness against potential attacks.

02. What is AI? Is it just hype?

IN SHORT

AI is transforming how humans and machines interact. Initially seen as a tool for tasks such as analysis and design, AI is rapidly evolving into an integral part of business operations, reshaping both processes and decision-making. It is no longer simply a technological resource but a driver of competitive advantage, enabling companies to gain market advantage. Although there is much hype surrounding AI, its benefits are already apparent – and its impact is likely to be just as transformative as past innovations such as electricity and the Internet. Once integrated, AI becomes indispensable, with most people unable to imagine working without it.

AI is not just another technology. It represents an entirely new paradigm in human-machine interaction. In the short term, AI serves as a tool for analysing, interpreting, developing, designing and implementing. In the longer term, AI will redefine how humans collaborate with machines, where technology becomes an integral and indispensable team member.

We are moving from viewing technology as a support function to recognising it as a critical enabler of new market opportunities. For this reason, AI should not be confined to technologists or the IT department. Within a few years, AI will encompass all aspects of businesses, from management and decision-making to core operations and support functions.

Many of our clients are already leveraging AI to optimise processes, while forward-thinking companies are using it to uncover new opportunities and enhance competitiveness. What we have seen until now is just the beginning.

AI will result in the biggest productivity boost in history

Internet

Steam Power

Electricity

Artificial Intelligence

> AI represents an entirely new paradigm in human-machine interaction.

AI allows us to have real machine interaction, enabling the development of digital solutions without any coding knowledge. It is like having a "creative digital twin" that challenges conventional thinking, helps create art and literature, generates knowledge and insight from data more effectively from within our organisations, and assists with decision-making through rapid, high-quality analysis. The integration of knowledge from both the Internet and internal organisational data, combined with human-led best practice, empowers AI to create unprecedented opportunities.

AI IS BOTH HYPE AND NOT HYPE

It is hype because companies recognise its huge potential, but for many the most effective use cases remain unclear. This has created a rush to gain experience and identify the best opportunities, with early adopters likely to gain a competitive advantage. Conversations around AI are becoming ubiquitous – you can hardly walk into any conference or listen to a presentation without hearing about it.

However, AI is not only hype. For those already using machine learning, computer vision and, more recently, generative AI, the benefits are undeniable. The real test of whether AI is merely hype is to ask: *Could you function without the AI-driven tools and services you now rely on?*

Think of the previous technological innovations that we all now take for granted, such as email, online banking, online newspapers, Face ID and Apple Pay/Google Pay. Yes, we managed without them in the past, but could we – or should we – abandon them now? With clients whom we have helped them implement AI tools such as Microsoft's Copilot, the benefits are apparent to everyone almost immediately. When asked if they want those tools removed, 90% say they want to keep them.

03. How do I set up an efficient AI team?

IN SHORT

Building a well-rounded AI team is critical for your organisation's success in realising its AI opportunity. This team can consist of both internal resources and external support where required, but most importantly it must blend both technological and business expertise. The close integration of these skills with your organisation's operational teams is what drives successful AI implementation.

> Close integration of these skills is what drives successful AI implementation.

TO ACHIEVE THIS, YOUR AI TEAM SHOULD INCLUDE A BROAD RANGE OF COMPETENCIES:

- **Business leaders** and **business experts** bring a deep understanding of the company's context and the potential impact on people and services. Their insights are crucial for identifying and aligning AI initiatives with business goals and ensuring solutions deliver tangible value.

- **Data scientists** play a crucial role in managing and analysing data, as well as building, training, and testing AI models. Their expertise ensures that the AI solutions are data-driven and deliver accurate and reliable results.

- **Software engineers** are responsible for developing and integrating AI technologies, ensuring they work seamlessly within existing systems. Their technical skills are indispensable for creating scalable and resilient AI applications.

- **User researchers and designers** focus on understanding user needs and creating intuitive, user-friendly interfaces. These roles are vital to ensuring AI solutions are adopted and effectively utilised by the end-users.

- **Legal, commercial, and security experts** are essential for navigating complex regulatory requirements, ensuring compliance with legal standards, commercial viability, and maintaining robust security protocols.

- **Ethics and data privacy teams** are critical for addressing ethical concerns and maintaining data privacy, fostering trust in AI technologies and ensuring accountability in their application.

- **Business change experts** play a pivotal role in ensuring AI solutions are integrated smoothly into the organisation. Without proper adoption and integration, even the most advanced AI technologies will fail to deliver their potential benefits.

Key capabilities to execute and manage AI initiatives

https://coe.gsa.gov/2020/10/28/ai-update-2.html

- PeopleOps: Recruit, develop, retain, and organise an AI-ready workforce.

- CloudOps: Manage the allocation of storage, compute, and other cloud.

- SecOps: Ensure secure code development, system access, and data protection across storage and compute environments.

- DevOps: Deploy and manage AI software across development, testing, and production.

- DataOps: Streamline data access, discovery, and flow throughout its lifecycle.

- MLOps: Test, deploy, and monitor AI models, ensuring measurable results.

- AIOps: Identify and resource AI initiatives within the organisation.

Assessing and managing AI maturity is crucial for organisations seeking to scale AI initiatives effectively. This process begins by identifying the key capabilities required for successful implementation. The framework above outlines the essential competencies needed to scale AI across an organisation. For each of these areas, a thorough assessment is necessary to determine which capabilities must be further developed or refined. This evaluation should consider the needs of individual projects, specific portfolios, departments, or even the organisation as a whole, ensuring a comprehensive approach to AI readiness and growth.

KEY TAKEAWAYS:

- **Recruit key personnel** into small cross-functional teams to initiate AI efforts.

- **Build competence within these teams** while simultaneously developing broader expertise across the whole company, focusing on core technical aspects of AI and use cases.

- **Engage middle management** as a crucial driver of success by providing them with the necessary skills and involvement, while also setting clear expectations and KPIs.

- **Involve legal, security and privacy experts** early to ensure compliance and address key risks.

- **Foster a culture open to change** by involving business change agents to support smooth integration.

04. What are the main barriers to getting value from AI?

IN SHORT

Any company seeking to adopt AI faces three key barriers: cognitive understanding, access to quality data, and lack of best practices.

1 **Cognitive understanding:** Overconfidence in AI's short-term capabilities often overshadows its long-term potential. Businesses need to raise AI literacy across all levels, from employees to board members.

2 **Data access and quality:** Different AI technologies (machine learning, computer vision, NLP, and generative AI) face challenges such as data quality, volume, and structure. Success requires reliable, well-structured data.

3 **Lack of best practices:** Scaling AI projects can be difficult due to flawed implementation. Developing best practices, ensuring proper AI ownership, and learning from experience are critical to success.

1. COGNITIVE UNDERSTANDING

When it comes to cognitive understanding, businesses often overestimate their own knowledge of AI, leading to overconfidence about the immediate impact of today's AI tools.

In other words, we have excessive faith in AI's short-term potential, while its far-reaching, long-term opportunities remain underappreciated. This short-term thinking can prevent organisations from considering the broader, strategic implications for business models, services and expertise. To fully capitalise on AI, every level of the organisation needs to be AI-proficient.

Most companies have **low maturity** when approaching AI-related topics, such as setting clear ambitions, defining ownership and governance, managing risk and developing the necessary competencies and ecosystems. Key areas like data and technology are frequently not raised at the appropriate level of discussion. This is a critical responsibility for senior management, and as a leader, it is your responsibility to ensure that AI is prioritised – from the grassroots to the boardroom.

As with any transformative change, a company's **willingness and ability to change are crucial.** AI adoption will quickly reveal a company's true capacity to seize the new opportunities AI presents – improving processes, capturing new market positions and fostering the growth of employee skills and knowledge.

2. DATA ACCESS AND QUALITY

If we look at **access and quality of data**, the requirements vary greatly depending on the specific AI technology being developed. We can categorise these technologies into four domains: machine learning, natural language processing, computer vision, and generative AI.

For **machine learning,** i.e. the ability of machines to identify and interpret patterns, common barriers include access to data, data quality, volume, structure, and ownership.

In the case of **computer vision**, which involves machines interpreting images and video, the main challenges are typically related to business value and the choice between developing custom solutions or buying ready-made Commercial Off-The-Shelf (COTS) options. While computer vision technology is mature, the primary hurdle, as with machine learning, lies in having sufficient volumes of high-quality labelled data to train and test algorithms.

Natural Language Processing (NLP) enables computers to understand, interpret, and generate human language. By bridging the gap between human communication and machine understanding, NLP allows AI systems to process text and speech in ways that are both meaningful and practical. NLP is a technology we have been using for years in applications such as chatbots, translation, speech recognition, text summarisation and information extraction. However, NLP remains complex because human language is ambiguous, context-dependent, and full of nuances, so it requires sophisticated AI models to handle tasks effectively.

Generative AI – the tech which allows machines to create text, image, video and sound – has demonstrated significant business value across multiple application areas. Examples include omni-channel digital assistants for 24/7 customer support, advertising design and optimisation, automated coding and sales support.

As with other AI technologies, success here relies heavily on access to quality-assured data, with proper categorisation and meta-tagging being critical. Through our experience in implementing Microsoft 365's Copilot for various companies, we often observe that issues with data quality and access management can become major bottlenecks.

3. LACK OF BEST PRACTICES

The lack of established best practices for scaling AI projects is the third barrier. AI technology may be implemented in the wrong context or, even when correctly applied, executed ineffectively. Access to experience is vital for a successful implementation. Building knowledge on how to utilise the vast potential AI has will be critical, but also building and documenting best practices. In a later section on scaling AI, we explore how to establish and refine AI operating models to support this process. Effective best practices also require clear ownership of AI initiatives and a structured approach to their organisation.

Key takeaways

- **Ensure resources are dedicated** to structuring and cleaning data.

- **Develop a clear plan** for developing and deploying a robust data platform.

- **Build knowledge about AI** across all parts of the business.

- **Develop a clear AI operating model** (see section on "How to scale AI").

- **Set clear, well-defined short- and long-term goals** to ensure you stay on schedule.

05. Do we need an AI strategy?

IN SHORT

AI should not be handled through a standalone strategy but fully integrated into a company's overall technology and business strategies. While AI doesn't require its own strategy, using it as a competitive advantage needs a distinct, actionable plan to avoid slow progress and added costs. Organisations must align AI with existing strategic priorities — whether growth, operational efficiency, asset utilisation, sustainability, or customer experience. By embedding AI across initiatives, companies can capitalise on its opportunities and develop a robust AI operating model.

The simple answer is that artificial intelligence is so all-encompassing and integrated into all business processes that it cannot be handled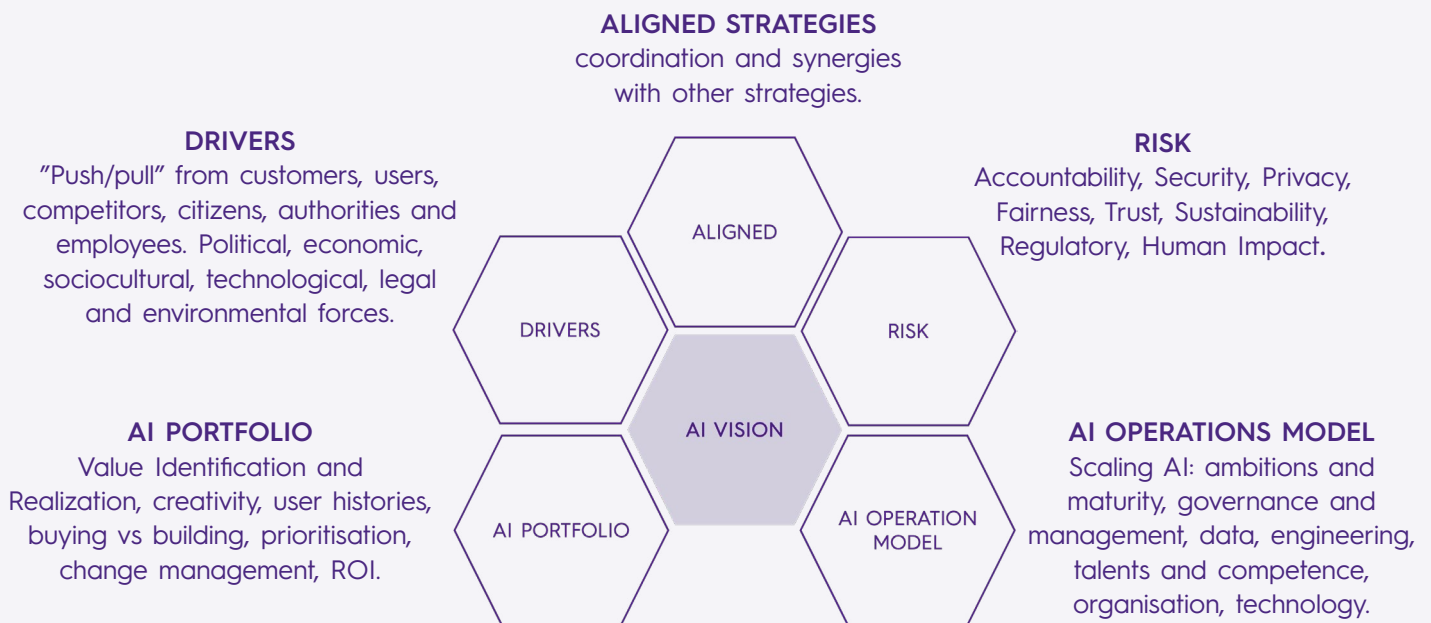 through a separate strategy. AI must instead be integrated into the company's overall technology and business strategy.

While AI may not necessitate a standalone strategy, leveraging and implementing it as a competitive advantage does require a distinct, actionable plan. Without such a plan, progress could be too slow, potentially incurring unnecessary costs.

AI must be coordinated and aligned with the company's other strategic initiatives. This does not mean that AI is more important than other areas, but rather that all strategies must be reviewed to incorporate the enormous opportunities AI presents.

AMBITIONS & GOALS

Customer Experience Driven
- Personalisation
- Customer Insight
- Customer Service
- User Interface
- Customer Journeys

Sustainability Driven
- Energy Efficiency
- Resource Management
- Renewable Integration
- Footprint Monitoring
- Impact Analysis

Value/Growth Driven
- Data-Driven Decision Making
- Market Insight
- Innovation Management
- Risk Management
- Talent Acquisition

Asset Utilisation Driven
- Predictive Maintenance
- Optimising Equipment Usage
- Inventory Management
- Lifecycle Management
- Asset Performance Management

Operational Excellence Driven
- Process Automation
- Optimising Sales
- Supply Chain Optimisation
- Workforce Optimisation
- Enhanced Business Intelligence

AI — aligned with current strategies

ALIGNED STRATEGIES
coordination and synergies
with other strategies.

DRIVERS
"Push/pull" from customers, users,
competitors, citizens, authorities and
employees. Political, economic,
sociocultural, technological, legal
and environmental forces.

RISK
Accountability, Security, Privacy,
Fairness, Trust, Sustainability,
Regulatory, Human Impact.

AI PORTFOLIO
Value Identification and
Realization, creativity, user histories,
buying vs building, prioritisation,
change management, ROI.

AI OPERATIONS MODEL
Scaling AI: ambitions and
maturity, governance and
management, data, engineering,
talents and competence,
organisation, technology.

ALIGNED

DRIVERS

RISK

AI VISION

AI PORTFOLIO

AI OPERATION
MODEL

Model based on: The Pillars of a Successful Artificial Intelligence Strategy. Gartner. 23 April 2024 - ID G00805859

Our strategy consultants help clients define their company's long-term ambitions. Typically, we identify a North Star to be reached in 5-7 years, and from there, establish strategic priorities to determine the key drivers for achieving that goal:

- **Growth driven** through innovation, acquisitions/mergers, product and service development, value chain development.

- **Operational efficiency driven,** with a strong focus on optimising processes to achieve maximum cost-effectiveness.

- **Asset utilisation driven,** ensuring that infrastructure investments are fully optimised.

- **Sustainability driven,** with clear ambitions centred around environmental and social responsibility.

- **Customer experience driven**, ensuring competitiveness through superior customer interactions.

Each of these drivers is crucial. However, strategic decision-making requires prioritisation: Which of these is most important? Once this is defined, we can assess how AI can contribute to achieving these objectives. See the below illustration for examples of how AI can contribute to achieving the goals.

Instead of formulating a dedicated AI strategy, we recommend integrating AI into existing strategies (business strategy, digitalisation strategy, sales strategy, sustainability strategy). Furthermore, analyse internal and external drivers and risks associated with AI. Based on these insights, you can establish an AI portfolio and an AI operating model.

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AI must be coordinated and aligned with the company's other strategic initiatives.

Key takeaways

- **Ensure AI is aligned with current strategies.** Update strategies to reflect the opportunities and risks presented by AI.

- **Understand key drivers for AI,** both internal and external.

- **Establish a comprehensive view of AI-related risks**, such as accountability, security, trust and social impact.

- **Set clear ambitions,** ranging from short-term actions to long-term North Star metrics.

- **Continuously develop** and refine your AI operating model.

06. How to organise our AI rollout?

IN SHORT

A Chief AI Officer is unnecessary, much like how companies do not appoint Chief Wifi or Knowledge Officers. Instead, AI responsibility should be spread across the organisation. AI often begins with small cross-functional teams ("Tiger Teams") developing proof-of-concepts. However, as AI matures, companies need well-defined ambitions, as well as aligned technology, and data strategies.

The best approach is to establish an AI Centre of Excellence (CoE), which centralises expertise, resources, and best practices. Leadership of the CoE will depend on the strategic importance of technology to the business. Although the CoE is a temporary entity, its goal is to fully embed AI within the company, but this may mean it is many years before the centre can be dissolved.

We have witnessed first-hand at Sopra Steria, and in our work with clients, that AI often begins with small, cross-functional teams eager to experiment with the technology due to its exciting potential. These "Tiger Teams" play a crucial role as they are very effective at creating proof-of-concepts (POCs).

These small innovation hubs often operate under the radar until the POC is completed, at which point the results become evident, demonstrating how AI can create tangible value. At the same time, we observe that CEOs frequently emphasise the importance of AI, driven by demands from owners and shareholders.

These Tiger Teams are valuable, and often several parallel projects are underway simultaneously. However, these initiatives often face similar challenges, particularly in areas such as GRC (governance, risk & compliance), data access and quality, technology selection and organisational knowledge.

As AI matures, so too does the need for clear ambitions and strategic direction, as well as defined choices around technology and data, along with rules and guidelines governing AI use.

It is therefore essential to establish an organisational structure that addresses these critical areas. Best practice so far is to establish a Centre of Excellence (CoE) in AI. A CoE is designed to consolidate expertise, resources, guidelines and best practices to drive the effective and innovative use of AI in a business. Let us examine the purpose, structure and success metrics of such an organisation.

In terms of structure and leadership, many naturally assume the CIO (or equivalent technology leader) should head the CoE. Our recommendation is to assess the current role of technology within the business today to make this determination. This will allow AI to be leveraged as a catalyst to steer the company towards a more technology-driven future.

If technology is primarily seen as a support function and not as a core part of the company's strategy, the CoE should be led by someone responsible for strategic initiatives. However, if technology is regarded as mission-critical to the business, the CIO or equivalent would be best suited to leading the CoE.

The ultimate goal is to fully integrate AI into the core business operations. Therefore, a CoE is a temporary structure. It is critical to define clear criteria for when the organisation is mature enough to dissolve the CoE, though reaching this stage may take several years.

Who leads AI strategy depends on the importance of tech to the company

STRATEGY

INSPIRES

IMPOSES

TECHNOLOGY

········· CHANGES ·········▸

BUSINESS ENVIRONMENT
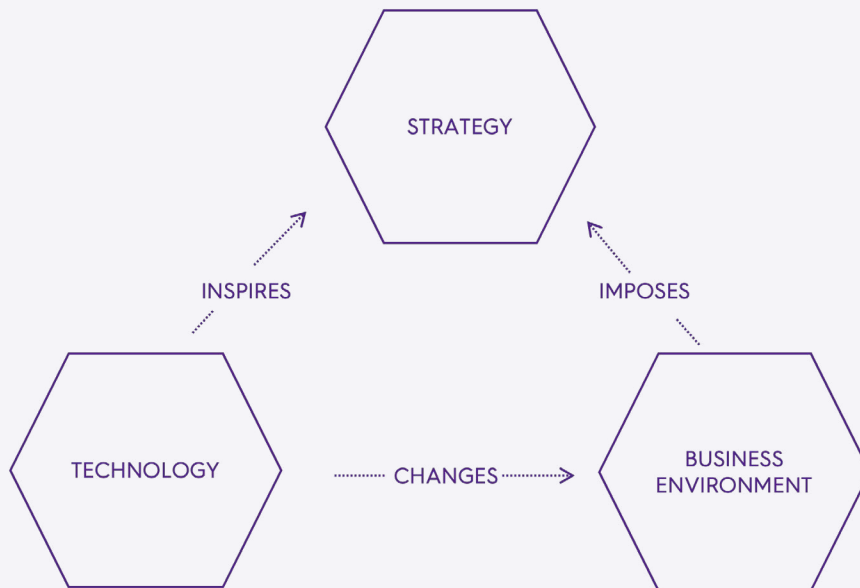
Source: Espen Andersen, BI Norwegian Business School https://appliedabstractions. com/2009/09/28/what-is- technology-strategy/

If technology is seen as strategically important and has a defined role in achieving corporate goals, the technology department should own the AI initiatives.

Key takeaways

- **Form small, cross-functional "Tiger Teams"** to experiment with AI and develop proof-of-concepts (POCs) that demonstrate value.

- **Ensure C-suite buy-in** by communicating AI's strategic importance to owners and shareholders, aiming for full integration into core operations.

- **Identify and address common challenges** faced by Tiger Teams, including governance, data access, technology selection, and organisational knowledge gaps.

- **Establish a Centre of Excellence** (CoE) to centralise AI expertise, resources, and best practices, ensuring alignment with business objectives.

- **Determine leadership for the CoE** based on technology's role in the business: if technology is mission-critical, assign the CIO; if not, designate a strategic leader.

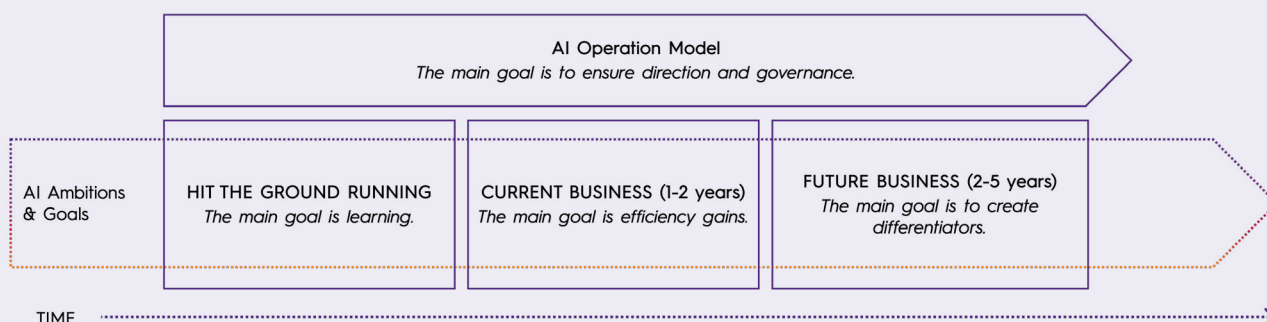# 07. How should we get started with AI?

IN SHORT

The key to adopting AI is to start small with agile "Tiger Teams" experimenting within flexible guidelines. Use existing innovation and development frameworks, and prioritise learning objectives — whether related to technology, data, or governance. Focus on projects that are easy to implement and deliver quick value, such as digital assistants, which can streamline tasks and improve efficiency.

Next, create criteria to evaluate and prioritise projects, ensuring the right initiatives are pursued. Decide whether to buy or build AI solutions — starting with purchasing is recommended to reduce risk. Incremental improvements, especially those enhancing internal processes, are a solid starting point.

The most important thing is to get started. Begin by establishing small, agile teams (Tiger Teams) that can experiment with AI, guided by a "just enough" approach to operational guidelines (tailored to your specific industry if necessary). Leverage existing frameworks within your company for innovation, agile development, product/service development and/or technical testing. Take an agile approach – waterfall development is unsuitable for initiatives where pace and learning are critical.

The AI Operating Model develops as learning loops from AI initiatives are generated

AI Operation Model
The main goal is to ensure direction and governance.

AI Ambitions & Goals

HIT THE GROUND RUNNING
The main goal is learning.

CURRENT BUSINESS (1-2 years)
The main goal is efficiency gains.

FUTURE BUSINESS (2-5 years)
The main goal is to create differentiators.

TIME

It is important to define the key learning objectives you wish to achieve. Prioritise projects based on which area of learning – technology, data, knowledge or GRC (governance, risk and compliance) – is most important.

We recommend starting with projects that are easily feasible (with minimal technical or data barriers) and create quick tangible value. One example is digital assistants, which provide quick results through turnkey solutions.

For instance, imagine a service employee who regularly handles customer telephone inquiries. Today, they must manually search various documents and internal websites to find the relevant information and provide the right answer to the customer. With an AI-driven solution, they could simply query predefined datasets, allowing the AI to locate and return the correct answer, complete with references, in a few seconds. This would significantly improve efficiency, potentially reduce employee workload, and increase the knowledge base of resolved queries, driving further machine learning-led improvements.

The next step is to establish a portfolio of criteria for selecting the right AI projects. Review all identified initiatives against these criteria, for example, in a compliance matrix to assess and prioritise them. Continuous evaluation of these initiatives is critical to determining the best order for execution, as prioritisation could be the difference between success and failure.

When developing AI solutions, it is always important whether it is best to buy or build. Buying off-the-shelf technology allows for a quick start and can be more cost-effective in the early stages. Many organisations opt to purchase solutions and later customise them, such as tools for Salesforce and ServiceNow. A few businesses create their very own solutions, such as bespoke language models or completely innovative applications, but this approach is not recommended at the outset due to the high risks and large investments involved.
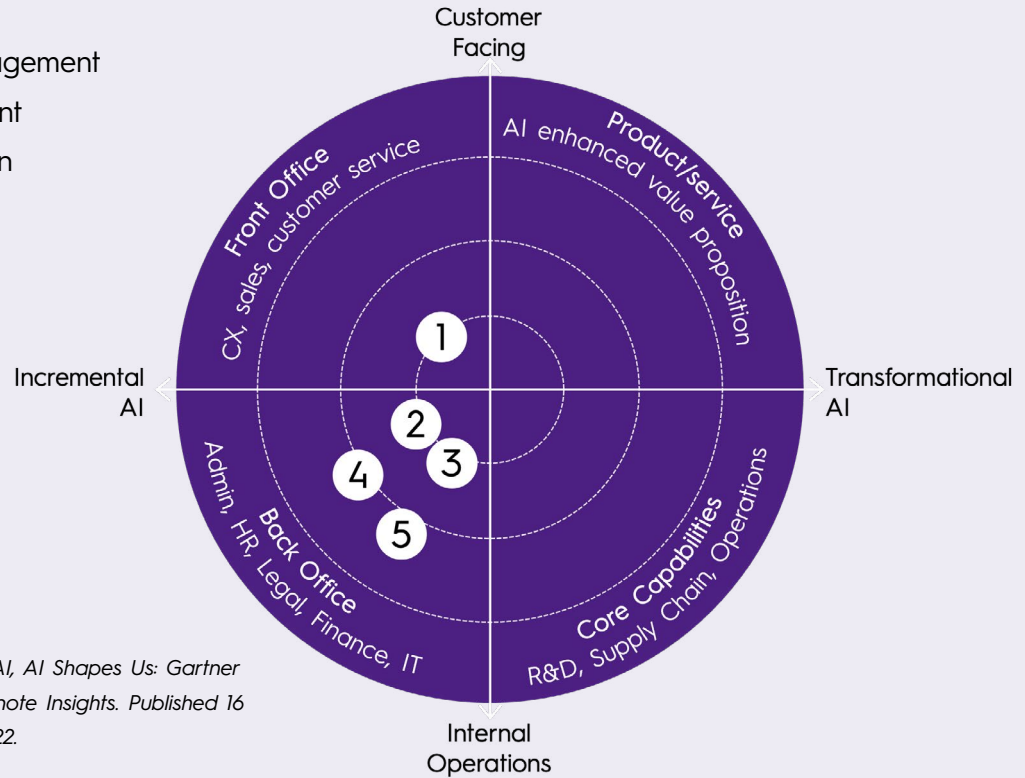
We have identified five well-established AI applications that have demonstrated proven results, both internally within Sopra Steria and with our clients. However, it is important to note that not every company needs to start here; the best place to begin is with AI applications that aim to improve internal processes and are incremental in nature.

Define portfolio management to ensure scale
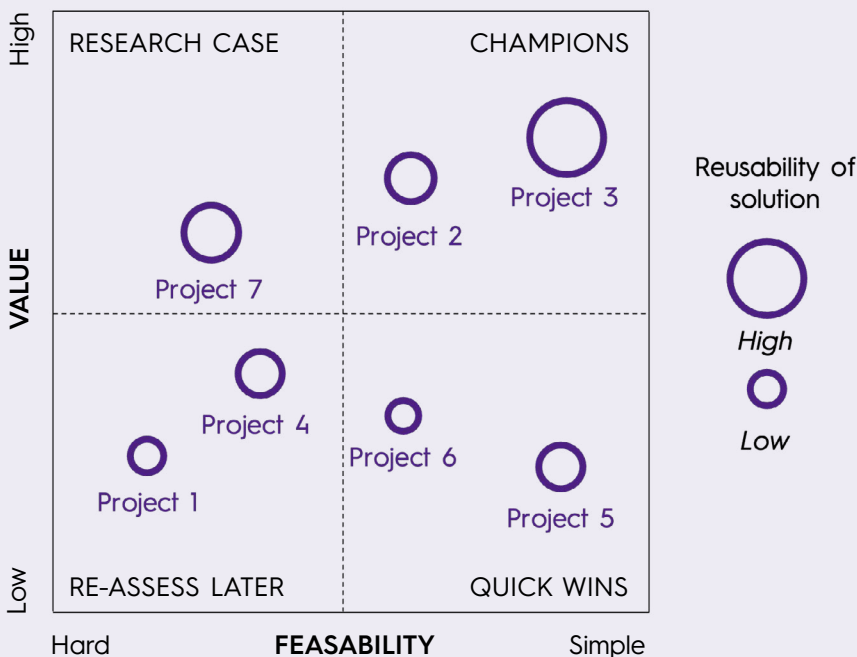
Low hanging AI possibilities with proven business value

1. Customer service
2. Knowledge management
3. Code development
4. Automating admin processes
5. Decision support

Customer Facing

Front Office
CX, sales, customer service

Product/service
AI enhanced value proposition

Incremental AI

Transformational AI

Back Office
Admin, HR, Legal, Finance, IT

Core Capabilities
R&D, Supply Chain, Operations

Internal Operations

Source: Gartner. We Shape AI, AI Shapes Us: Gartner 2023 IT Symposium/Xpo Keynote Insights. Published 16 October 2023 - ID G00799922.

Key takeaways

- **Define key learning objectives** and prioritise AI projects based on focus areas such as technology, data, or governance. Start with projects that are easily feasible and deliver quick value, like digital assistants.

- **Establish a project selection framework,** using a compliance matrix to assess and prioritise AI initiatives.

- **Continuously evaluate projects** to determine the best order for execution.

- **Decide whether to buy or build** AI solutions. Start with off-the-shelf options for faster implementation and lower risk, customising them as needed. Avoid high-risk, custom-built solutions early on.

- **Begin with AI applications** that enhance internal processes, focusing on incremental improvements that deliver proven results.

08. **What are best practices for scaling AI?**

IN SHORT

Scaling AI in large corporations requires a structured approach using an AI operating model that aligns AI initiatives with business goals for efficiency and scalability. Key steps include setting clear objectives, implementing strong data governance, and building scalable infrastructure. Collaboration between data teams and business stakeholders, fostering a culture of continuous learning, and using agile methodologies are crucial for success. Ethical AI practices, such as mitigating bias and main- taining transparency, are essential. The operating model standardises processes, balancing innovation with operational stability, and ensuring long-term value. It differs from a business model, which focuses on revenue generation and value creation.

Scaling AI in large corporations requires a strategic and structured approach to ensure success and sustainability. One of the most effective methods is to adopt an AI operating model as a best practice. This model serves as a comprehensive framework that aligns AI initiatives with business objectives, ensuring consistency, efficiency, and scalability.

Firstly, it is crucial to define **clear objectives and metrics.** CEOs must establish what they aim to achieve with AI, whether it is improving operational efficiency, enhancing customer experience, or driving innovation. Setting clear goals and using key performance indicators (KPIs) to track progress ensures that AI initiatives are aligned with the overall business strategy and deliver measurable value.

A **robust data strategy** is another cornerstone of scaling AI. Implementing strong data governance policies ensures data quality, security, and privacy, all of which are essential for reliable and compliant AI usage. Seamless data integration from various sources provides a comprehensive view, enabling more accurate and effective AI models.

Building **scalable infrastructure** is vital. Leveraging cloud solutions offers scalable storage and computing power, providing the flexibility and cost-efficiency needed to support AI growth. Modular system architecture allows for easy updates and scalability, ensuring that the infrastructure can evolve alongside the organisation's needs.

Fostering a **collaborative culture** within the organisation is equally important. Encouraging collaboration between data scientists, engineers, and business stakeholders ensures that AI initiatives are aligned with business needs and can be implemented effectively. Promoting a culture of continuous learning and upskilling helps the organisation stay ahead of AI advancements and maintain a competitive edge.

Implementing **agile methodologies** can significantly enhance the development and deployment of AI solutions. Iterative development and rapid prototyping facilitate continuous improvement and adaptation, reducing time-to-market and increasing the likelihood of success.

Ethical AI practices are another essential component. Developing strategies to identify and mitigate biases in AI models is crucial for ensuring fairness and inclusivity. Maintaining transparency in AI decision-making processes builds trust with stakeholders and supports ethical AI deployment.

Implementing an **AI operating model** provides a standardised approach to AI development, deployment, and maintenance. Standardised processes ensure consistency and efficiency, while a governance framework oversees AI initiatives, ensuring alignment with organisational goals and regulatory requirements. Optimising resource allocation balances innovation with operational stability, ensuring that AI initiatives are sustainable and deliver long-term value.

While related, business models and operating models are distinct concepts. A **business model** outlines how a company generates revenue and creates value for its stakeholders, emphasising customer segments, revenue streams, and market positioning.

An **operating model**, on the other hand, focuses on the processes, capabilities, and infrastructure required to effectively deliver products and services. A business model defines the overall strategy, while an operations model defines how this will be implemented, including resource allocation, workflows, organisational structure, and investment decisions.

How to get started

- **Set clear ambitions** and define guiding principles for AI.

- **Build a target operating model** for AI.

- **Use existing ways of working**, methods and tools where applicable.

- **Define** a comprehensive data strategy.

- **Build** scalable data infrastructure.

09. How AI-mature are we?

IN SHORT

AI maturity is a journey that requires integrating AI into the core of an organisation. Managers and executives should start by assessing their current AI capabilities, defining clear AI goals, and ensuring robust data infrastructure. Effective AI governance, ethical use, and seamless integration into business processes are essential for success. Building an AI-ready workforce with the right skills and fostering a data-driven culture are key steps. Measuring success through KPIs, managing change effectively, and identifying risks are crucial for continuous improvement. Lastly, staying ahead requires continuous learning, innovation, and adapting to new AI trends.

It's crucial to understand that AI maturity is a long-term journey. It's not only about implementing AI technologies but about fully integrating them into the fabric of your organisation. Here are some key considerations as you embark on this journey.

The first step is to assess where your organisation currently stands in terms of AI maturity. This involves assessing your existing AI capabilities, data infrastructure, and the level of AI integration in your business processes. Are you just starting with AI, or do you already have some AI applications in place? This assessment will help you identify gaps and areas for improvement.

As with any strategic initiative, it is essential to define clear AI goals. What are you aiming to achieve with AI? Is it improving operational efficiency, enhancing customer experiences, or developing new products and services? A well-defined vision will guide your strategy and help you measure success.

AI relies heavily on data. To harness AI effectively, you need a robust data infrastructure and a culture that values data-driven decision-making. This requires investment in data management systems, ensuring data quality, and fostering a culture where data is seen as a strategic asset. AI governance is not just about guiding principles and data management structures, it's also about ensuring responsible and ethical AI use. This involves setting up policies and procedures for AI development and deployment, and addressing challenges like data privacy, bias, and transparency. How will you ensure that your AI systems are fair, transparent, and accountable?

AI should be viewed not as a standalone technology but as an integral part of your business processes. Identifying areas where AI can add value and seamlessly integrating it into your operations is key.

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AI should be viewed as an integral part of your business processes.

How can AI enhance your existing processes, and what new processes might be needed to support AI? Technology strategy and implementation require a diverse set of skills; it is the same for AI. From data scientists and AI engineers to business developers, business analysts and domain experts, building an AI-ready workforce involves hiring the right talent, providing training and development opportunities, and fostering a culture of continuous learning. Ask yourself, what skills do you need to develop in-house, and what can be outsourced?

Measuring success is crucial for the ongoing improvement of your AI initiatives. Establish key performance indicators (KPIs) and metrics to track the impact of AI on your business. Are your AI initiatives delivering the desired results, and how can they be optimised for better outcomes?

While measuring success, it is also important to set up a demand process and prioritisation framework for your initiatives. This will help you determine the sequence in which to implement projects. Prioritisation is a continuous process. Will some initiatives be reusable? Are there synergies between initiatives, and how will you value the benefit of one initiative when realising others?

Adopting AI often requires significant organisational changes, including shifts in workflows, roles, and responsibilities. Managing this change effectively requires clear communication, stakeholder engagement, and supporting employees as they adapt to new ways of working. How will you manage the transition to an AI-enabled organisation?

AI brings its own set of risks and challenges, from technical issues to ethical concerns. Identifying these risks early on and developing mitigation strategies is crucial. What are the potential risks associated with your AI initiatives, and how will you address them?

Staying ahead of the curve in a rapidly evolving field requires continuous learning and innovation. This means keeping up with the latest AI trends,

experimenting with new ideas, and remaining open to change. How will your organisation take the necessary steps to ensure a desired level of AI innovation?

As emphasised, AI maturity is not just about technology; it's about transforming your organisation to fully leverage AI's potential. By asking the right questions and taking a strategic approach, managers and executives can guide your organisations towards AI maturity, unlocking new opportunities and driving business success.

Key takeaways

- **Assess your current AI maturity** by evaluating your AI capabilities, data infrastructure, and the level of AI integration within your business processes. Identify gaps and areas for improvement.

- **Define clear AI goals** to guide your strategy, whether focused on operational efficiency, customer experience, or innovation. A well-defined vision will help measure success and align AI with business objectives.

- **Invest in data infrastructure** and cultivate a data-driven culture. Ensure data quality through robust management systems and view data as a strategic asset for AI.

- **Establish AI governance** to ensure ethical and responsible AI use. Implement policies to address data privacy, bias, transparency, and accountability in AI development and deployment.

- **Build an AI-ready workforce** by hiring the right talent and fostering continuous learning. Evaluate what skills need to be developed in-house and what can be outsourced.

10. Is our data AI-ready?

Is your company's data AI-ready?

- ACCURATE
- ENRICHED
- FAIR
- SECURE
- GOVERNED
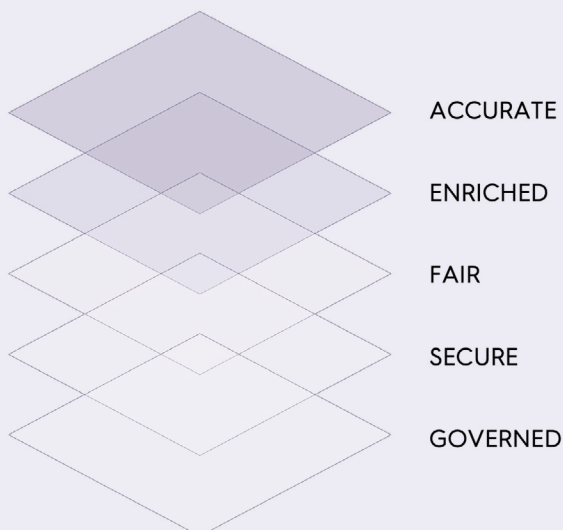
- If your data is not AI-ready, the company is not AI ready.

- Make sure that your data is up-to-date and made accessible the right way.

- Have strong focus on data management in terms of processes, ownership and security.

- Have systems and tools that makes it easy for everyone to enrich data with meta tags.

Source: We Shape AI, AI Shapes Us: 2023 IT Symposium/Xpo Keynote Insights - 16 October 2023

IN SHORT

Preparing data for AI is essential to remaining competitive. Businesses must place AI and data at the core of their operations, focusing on data governance, quality, and management. Key actions include ensuring clean and accurate data, investing in master data management (MDM), and building a scalable, secure data architecture. Organisations should also remain patient and proactive, investing in R&D and preparing employees through data and AI literacy training. A scalable data platform — cloud-based or on-premises — is critical for integrating, analysing, and leveraging data effectively for AI-driven decisions.

Catch the train before it leaves the station — start preparing your data for the AI era now. This is not just a strategic advantage — it's a necessity. AI and data must be at the core of both new and old business processes to stay competitive and explore new business models. Embedding AI and data at the heart of all operations represents a fundamental shift in how businesses operate, requiring a deep commitment to data governance, data quality and data management.

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AI and data must be at the core of both new and old business processes to stay competitive.

To prepare your data for AI, start by ensuring that it is trustworthy — clean, accurate, and well-organised. This involves rigorous data cleaning to eliminate duplicates and inconsistencies. Additionally, investing in a robust data governance framework will help you maintain and enhance data quality over time. Establishing clear data ownership within the business and accountability is crucial to ensure that data is managed effectively across all areas of the organisation.

AI — 95% of attention

Data — 95% of the work
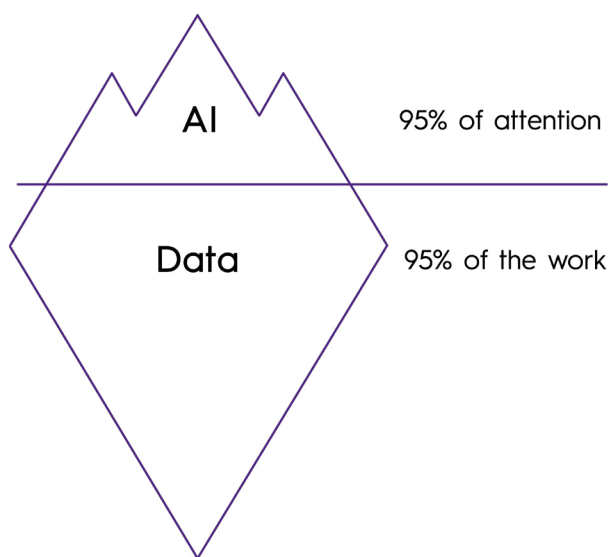
Master data management (MDM) is critical in this preparation. MDM ensures that crucial business information — such as customer, product, and supplier data — is accurate and consistent. Well-structured data architecture, which ensures that data is easily accessible, scalable, and secure, is also key for successful AI implementation. A unified data model that integrates data from various sources, enables seamless data flow and analysis.

As we look to the future, it is important to recognise that AI's impact will only be significant only if businesses adopt new ways of working and processes, to solve emerging and evolving business challenges. Current technology levels may not support these advancements fully, so businesses must be patient and proactive in their preparations. This means ongoing investment in research and development, staying informed about emerging technologies, and being open to experimentation and innovation.

Four recommendations for preparing your data for an AI-driven future

1 **Invest in data quality**
Ensure your data is clean, accurate, and up-to-date. Implement data governance frameworks to maintain data quality over time.

2 **Develop a robust data architecture**
Build a scalable and secure data architecture that integrates data from various sources, facilitating seamless data flow and analysis.

3 **Focus on Master Data Management (MDM)**
Maintain high-quality master data to ensure that critical business information is accurate and consistent. Implement MDM practices to maintain high-quality master data.

4 **Be patient and proactive**
Recognise that the transition to an AI-driven future will take time. Be patient and proactive in your preparations. Invest in R&D to stay ahead of the curve.

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AI's impact will only be significant only if businesses adopt new ways of working and processes.

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Before implementing these strategies, invest in people working with and alongside AI.

Before implementing these strategies, invest in people working with and alongside AI, as their data and AI literacy are key to achieving the above recommendations.

To succeed in scaling AI, it is important to establish a scalable data platform. This could be a cloud-based or on-premises solution, with the latter particularly important for organisations prioritising data security.

Many organisations are also investing in data platforms to collect, clean, store, process, and analyse large amounts of data from various sources. These platforms provide the foundation to gain insights, make data-driven decisions and deploy AI solutions rapidly, thanks to their robust data fabric.

Prepare for tomorrow, today!

sopra **S** steria

The world is how we shape it.