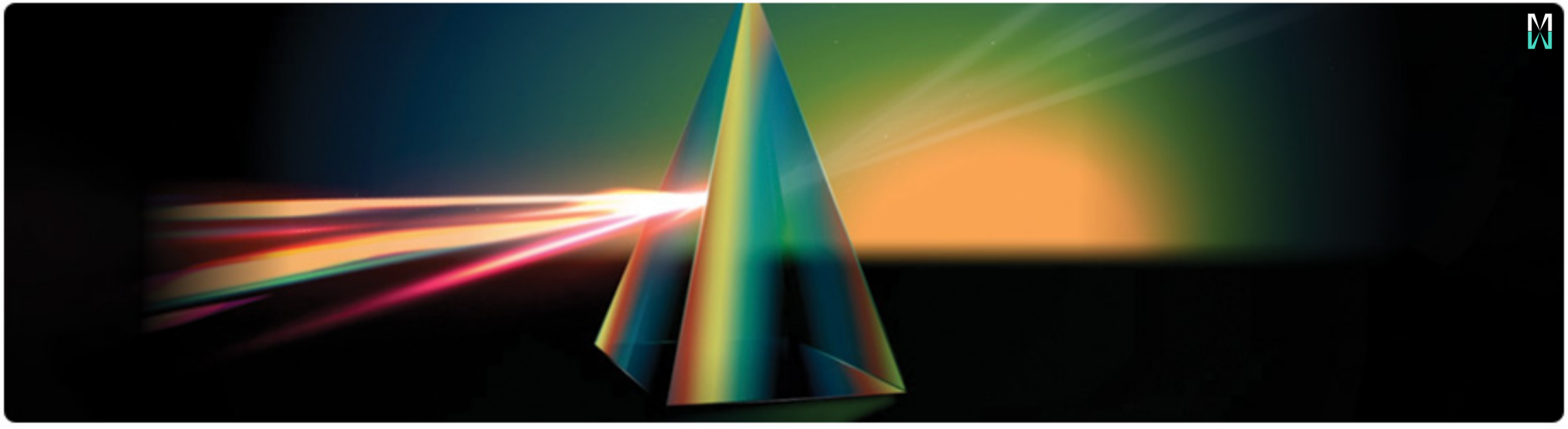
METIS STRATEGY

AI Smart: Maximizing AI Value with a Balanced Strategy

The Metis Strategy framework to guide technology executives through the ambiguity of AI with the lenses of AI Strategy, Funding, and Operating Model.



Introduction

Artificial intelligence is arguably the most transformative force of modern business.

As a threat or opportunity, it looms over nearly every industry and carries particular weight for leaders overseeing technology. As hype around AI grows, those leaders must navigate a sea of noise to find and act on the applications that will deliver tangible value to their organizations.

We advise that digital and technology leaders take a measured approach, that they neither "wait and see," nor pursue AI at all costs. We call this balanced approach "AI Smart," and base it on two premises: first, that leaders who watch the AI race from the sidelines will lose to companies that use AI to iterate more and improve faster; and second, that the AI "muscles" organizations build along the way will make them more competitive and nimble in the future.

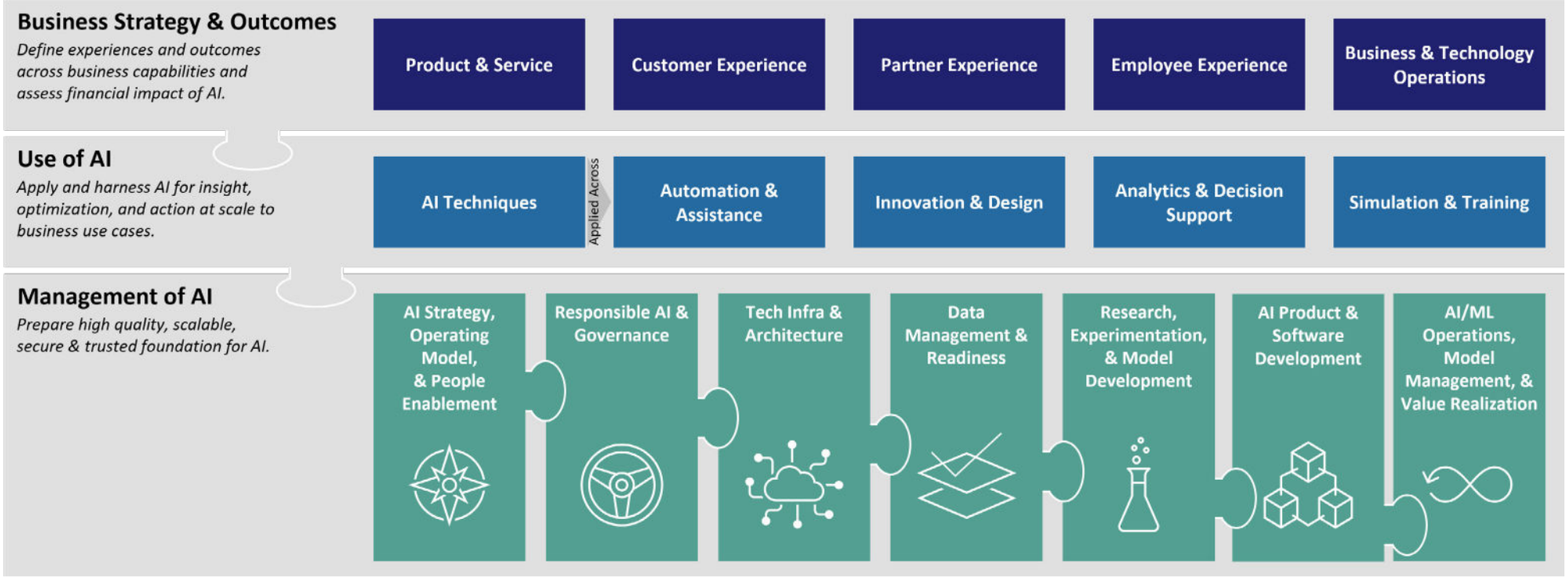
It is this ability to compete at rapid speed, exponential scale, securely and responsibly, that will differentiate the winners from the losers in this next era of disruption.

I. AI Strategy

The AI journey begins with an AI strategy, with leaders articulating where they believe the company should play and how it should win. A good strategy will not send leaders chasing after AI for its own sake, but instead serve as a means to achieve strategic outcomes. It will prevent them from jumping straight to, “let’s roll out a chatbot to customers!” and standing up minimally effective innovation labs; and rather starting with, “our core customer needs real-time data that is accurate and easy to understand.”

To ensure that AI is positioned to drive immediate business value, we recommend an AI strategy framework comprising three layers:

- **Business Strategy and Outcomes**
- **AI usage**
- **AI management**



AI Strategy Framework (Source: Metis Strategy)

AI Strategy

Many digital and technology leaders struggling with AI treat the technology as a hammer looking for a nail. Those winning with AI start with the basics of how best to achieve enterprise goals: Are there opportunities to introduce new products or services? Can it dramatically improve customer or employee experiences? Where can it streamline clunky operations by 5x? Through this first layer, Business Strategy and Outcomes, leaders specify the outcomes and user experiences they hope to deliver through AI.

When beginning this exercise, we encourage organizations to organize AI outcomes across five key categories: product and service, customer experience, partner experience, employee experience, or business and technology operations.

Many leaders tend to seek a “silver bullet” AI solution that will make headlines, but in some cases, AI may not be needed to solve the problem at all. Start with the outcome and then work toward the solution, regardless of whether AI can help. Focus on the small, valuable, quick wins to learn and build momentum.

For instance, organizations can address suboptimal business processes by applying AI to low-risk activities such as workflow management. Ally Financial, as an example, deployed a bot to help its Agile product owners manage backlogs. The simple task of updating acceptance criteria for user stories with common requirements, such as security standards, can save significant time for a role that is often resource constrained. Because the use case is internal, errors can be caught and fixed, presenting less risk than a customer-facing AI solution.

Achieving enterprise goals will likely require companies to take a portfolio approach to AI that includes a range of targeted outcomes. In some cases, automating a key process with complex “if-this-then-that” rules will be more than sufficient to deliver meaningful process efficiency, improve quality, and deliver customer outcomes faster. For example, an email from a retailer letting you know a shipment will be delayed by two weeks, including alternative options within shipping distance, and automatically approving the increased postage on the company’s dime.

In other cases, AI will offer the opportunity to develop business models that wouldn't have been profitable before. For example, last year UPS introduced the rescheduling of package deliveries to avoid porch pirates based on package type, location, and time of delivery. UPS took a strategy-first, outcomes-driven approach to a problem regarding customer experience and driving profitability by reducing package theft. Thanks to AI, they were able to rethink their whole business processes and reengineer the customer experience through the precise targeting of certain people and the automation of business flows. Ultimately, the goal is to ingrain a culture of strategic decision-making that is constantly looking for the next "possible" that AI can unlock.

When bringing those innovations to life, it is important that companies not fall into the trap that many did when adopting robotic process automation, taking a broken process and bolting on an RPA workflow tool to make the broken process happen automatically. Instead, strategists and product managers need to revisit the business process as a whole, with AI as one tool in the toolbox to solve the problem.

AI Usage

The second strategy layer, AI Usage, articulates how, and through which use cases, an organization will put AI into production. It includes defining the personas AI can take on to deliver value within an organization as well as the corresponding AI techniques needed to deliver the desired outcome. Across our work with various clients, we have identified a few common AI personas: *The Automator, The Designer, The Advisor, and The Locomotor*.

01

The Automator

The Automator assists and enables users to increase their productivity by aiding or automating daily tasks when given context. It should scale while humans provide safeguards.

02

The Designer

The Designer can generate content across multiple mediums and create iterations for users to utilize in their designs and creations.

03

The Advisor

An Advisor is able to analyze data and provide enhanced decision-making support that is tailored to the end user's needs.

04

The Locomotor

A Locomotor is where AI meets the physical world through the simulation of physical movement, digital visualizations, and surround sounds.

Each organization must assess which of these personas and techniques can best drive the business outcomes they have targeted. From there, they can identify and prioritize specific use cases to pursue. For example, a financial services company seeking to improve the customer experience might leverage The Advisor persona to launch a virtual chat feature, like Bank of America did with Erica. Similarly, an organization seeking to increase IT efficiency might leverage a Designer persona, as seen in Goldman Sachs's pursuit of automated software generation. Companies with a heavy physical presence may use a digital twin technology like Rockwell Automation's Emulate3D, which taps into real-time operational data to speed up the design process and simulate changes and risks.

AI Management

The third layer of this strategy framework, the "how we make it happen" layer, is **AI Management**. This enables technology leaders to prepare a governed, scalable, and secure foundation for their current and future AI capabilities. This layer establishes ownership and process definition across key AI elements and objectives including:

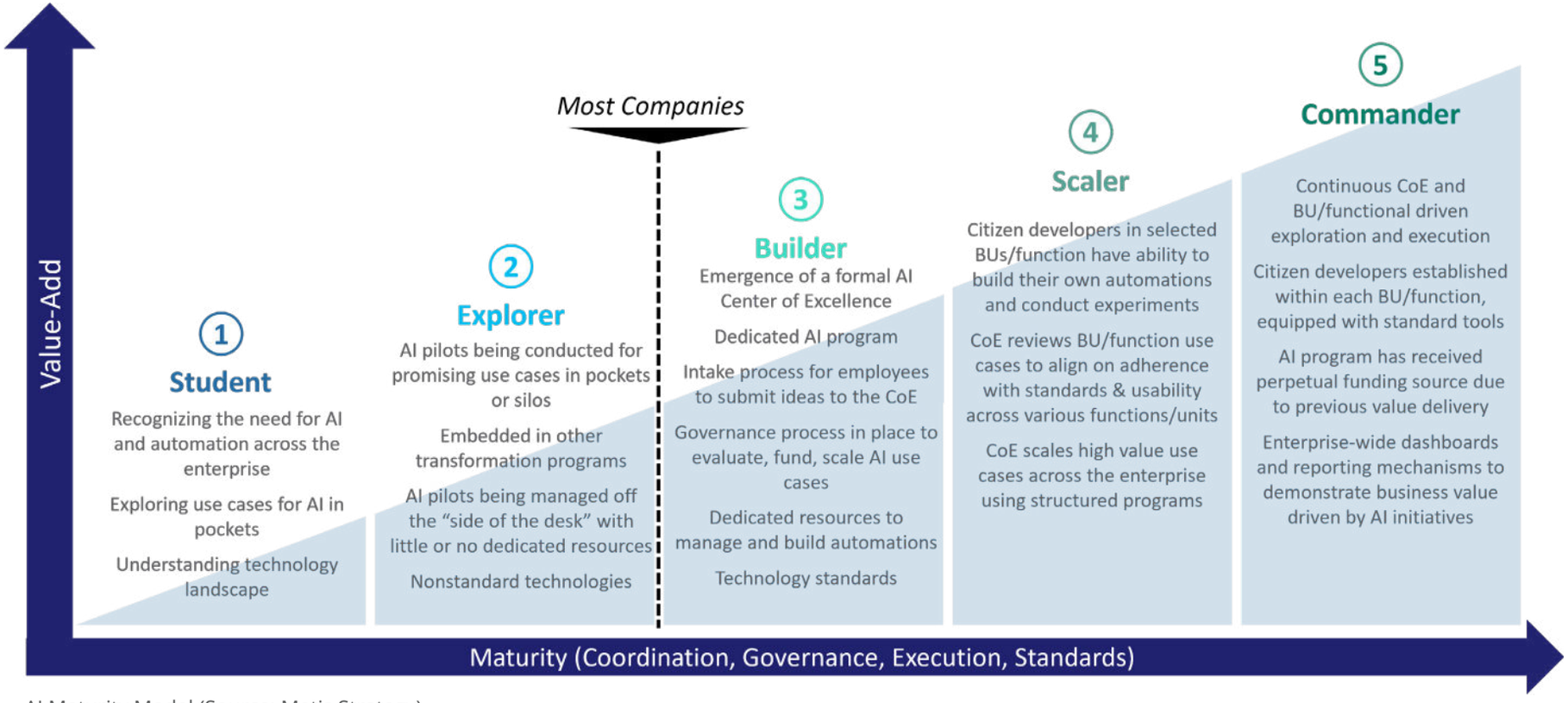
- Maintaining and evolving AI strategy
- Establishing and optimizing an enterprise AI operating model
- Ensuring responsible AI and governance
- Defining the technology infrastructure and architecture
- Maturing data management and readiness
- Driving AI research, experimentation, and model development
- Leading AI product and software development
- Deploying AI/ML operations, model management, and value realization

Here, leaders define and document key AI processes, identify how AI resources will be deployed, and decide how teams will deliver prioritized solutions. This layer also ensures AI strategic objectives, governance and standards are embedded into enterprise teams. Organizations in the early stages of their AI journey may not have the scale and widespread adoption of AI that necessitates a robust AI management framework. However, establishing governance structures at this stage will enable these organizations to scale their AI capabilities quickly and efficiently when needed.

This strategy framework is not a one-and-done exercise. It is a continuous process that ensures the strategy is flexible and reflects market dynamics, user feedback, and evolving technologies. An organization should establish strategic KPIs to assess the impact of AI implementations and adjust use cases or techniques if needed. These KPIs should measure efficiency (request response time, customer and employee retention, lead acquisition), accuracy (error rates, prediction success, instances of bias), adoption and performance (number of users, help desk requests, quality of interactions, system uptime), and return on investment (internal cost savings, time savings, revenue enhancements). Fostering a culture of feedback loops and constant strategic (re) alignment will ensure AI strategy is leveraged as a catalyst for the wider enterprise strategy, rather than a fun and expensive accessory.

AI Maturity Readiness Assessment

Few companies have a hard time identifying potential AI applications, but many struggle to get started on the journey. Prior to choosing which AI-enabled solutions to pursue, companies must first evaluate the maturity of their own data and AI capabilities across four foundational dimensions: people, process, technology, and data.



AI Maturity Model (Source: Metis Strategy)

01

People

People concerns team structures, communication channels, roles and responsibilities, skills and expertise, and feedback mechanisms. It also includes cultural foundations and whether a company at large will embrace AI. Broadly speaking, maturity here allows leaders to upskill employees and manage change.

02

Process

Process concerns essential decision-making efficiencies, collaboration and alignment cadences, team governance and progress tracking, and the maturity and scale of agile product management practices. If processes are broken, they won't be made better by technology alone, and their shortcomings will keep a business from scaling. Growing maturity here could involve improving their agile practices, bolstering product management capabilities, or even reevaluating an enterprise operating model.

03

Technology

Technology includes proprietary and third-party platforms, tools and integrations, and enterprise architecture and infrastructure that support AI solutions. Each layer of the stack will require tweaks to sufficiently support AI and should be considered when crafting an AI strategy. At the foundational layer, AI capabilities may necessitate more complex processing through GPUs and TCUs rather than the traditional CPU. The AI stack usually requires AI-specific middleware to better scale and manage data flows. AI tools also may be adopted as part of application operations to manage the full AI model lifecycle.

04

Data

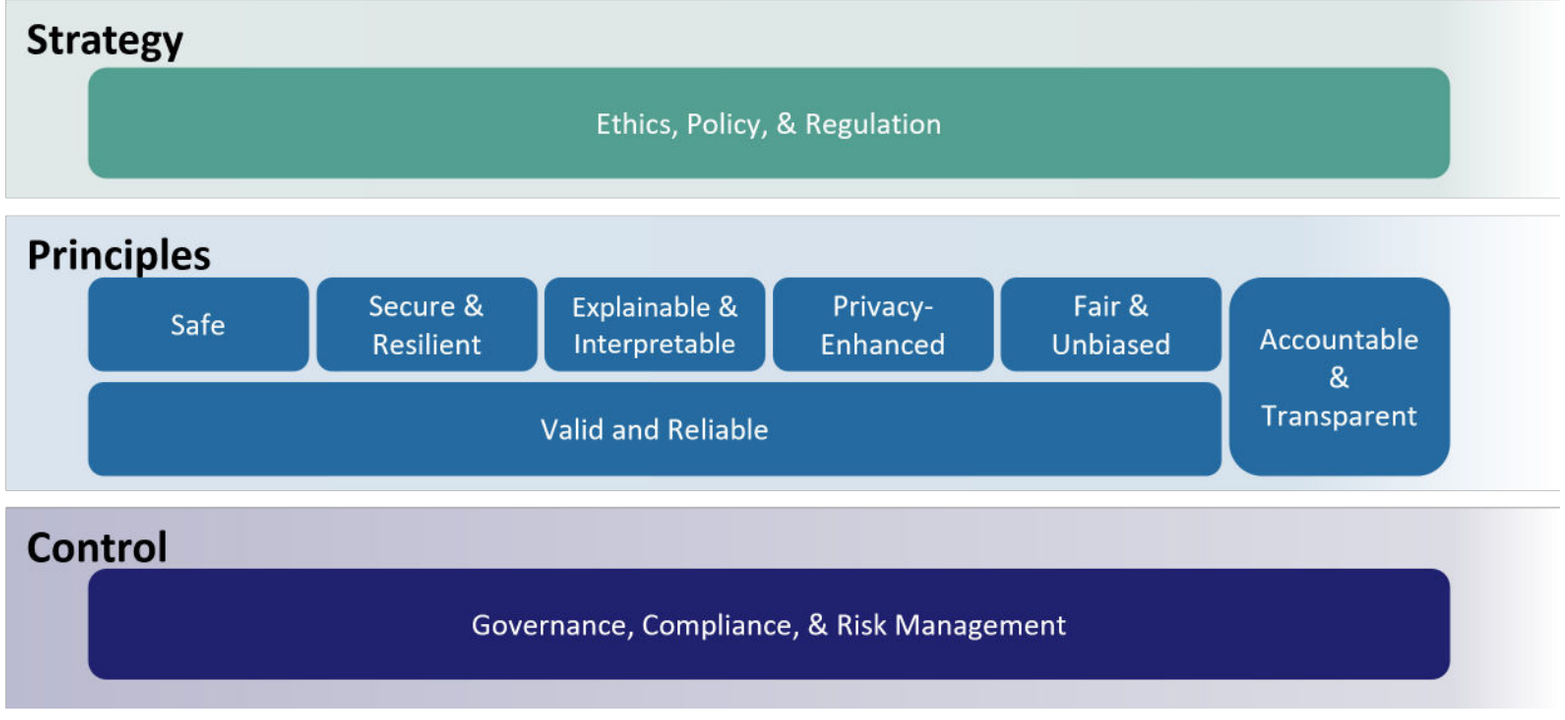
Data requires assessing maturity across the data strategy, data architecture and platforms, data governance, data operations, and data security capabilities. Data is the fuel for any AI capability, so organizations lacking in these areas will find it difficult to derive much value from AI. Leaders will need to ensure the organization manages data like a product, with the ability to collect, enrich, process, distribute, and monitor its flow across the AI lifecycle.

Irrespective of the maturity of your tech stack and the AI capabilities you wish to bring to life, a maturity assessment can draw attention to capabilities that may be worth developing further based on the strategic goals and prioritized use cases your organization has articulated. Jumping the gun and starting your AI race without the right level of maturity may result in gaps within the underlying structures of your AI strategy and limit future scaling.

Responsibility

Eager to join the AI race and flaunt new technologies, leaders sometimes overlook AI responsibility, or the approaches used to develop, measure, and deploy AI solutions that are trustworthy, transparent, and ethical. Some companies think they can deal with the matter later, perhaps only once they have begun to scale their solutions. But AI-Smart companies are responsible by design and from the outset.

Companies without sufficient governance have struggled and faced serious financial and market consequences. Amazon, for example, scrapped an AI-powered tool that favored men almost categorically in the recruiting process. Air Canada had to pay damages when the company's chatbot misinformed a passenger about bereavement claims earlier this year. And Google recently ignited a firestorm when Gemini, unprompted, recast the ethnicities of prominent historical figures.



Responsible AI Framework (Source: Metis Strategy, NIST, & RAI Institute)

To avoid these kinds of snafus and preempt regulatory requirements, we recommend companies move toward self-regulation through a responsibility framework, inspired by NIST:

Responsible AI spans several dimensions, including security, privacy, accountability, transparency, bias, inclusivity and fairness, and reliability. Tech leaders can begin to account for these c oncerns by following five key steps.

5 Steps for Mitigating Risk

Step 1

Establish responsible AI as a strategic priority and engage in stakeholder consultations. The goal here is to develop a comprehensive view of responsibility concerns and ensure a diverse set of voices are brought to the table to provide equally diverse insights.

Step 2

Launch an AI governance structure for managing and monitoring models. This could take the form of an AI ethics council. No matter the name, it should be an independent and diverse group that champions ethical, compliant use of AI.

Step 3

Conduct a risk assessment to understand responsible AI maturity across dimensions such as performance risk, security risk, control risk, enterprise risk, economic risk, and societal risk (this may be conducted as part of the AI readiness assessment).

Step 4

Embed controls into core AI business processes, most notably the AI product development lifecycle (see AI Operating Model section for more).

Step 5

Regularly review and evaluate the responsible AI framework and governance structure to ensure its efficacy and responsiveness to evolving regulation and technology.

AI risk is real, and negligence will not be a sufficient excuse if your company missteps. Leaders across the enterprise must do their part to manage the corresponding risks.

II. AI Funding

According to a recent study by Glean and TechStrong, companies spent 2.7% of their IT budgets on Generative AI in 2024. In 2025, they're anticipated to spend 4.3%. This doubling suggests a robust investment appetite that will no doubt catch the eye of the CFO, who will start asking: what are we getting for all of this investment? The key is to not suffer analysis paralysis and instead define a clear framework to measure return on investment and designate the appropriate funding models to this innovative pursuit.

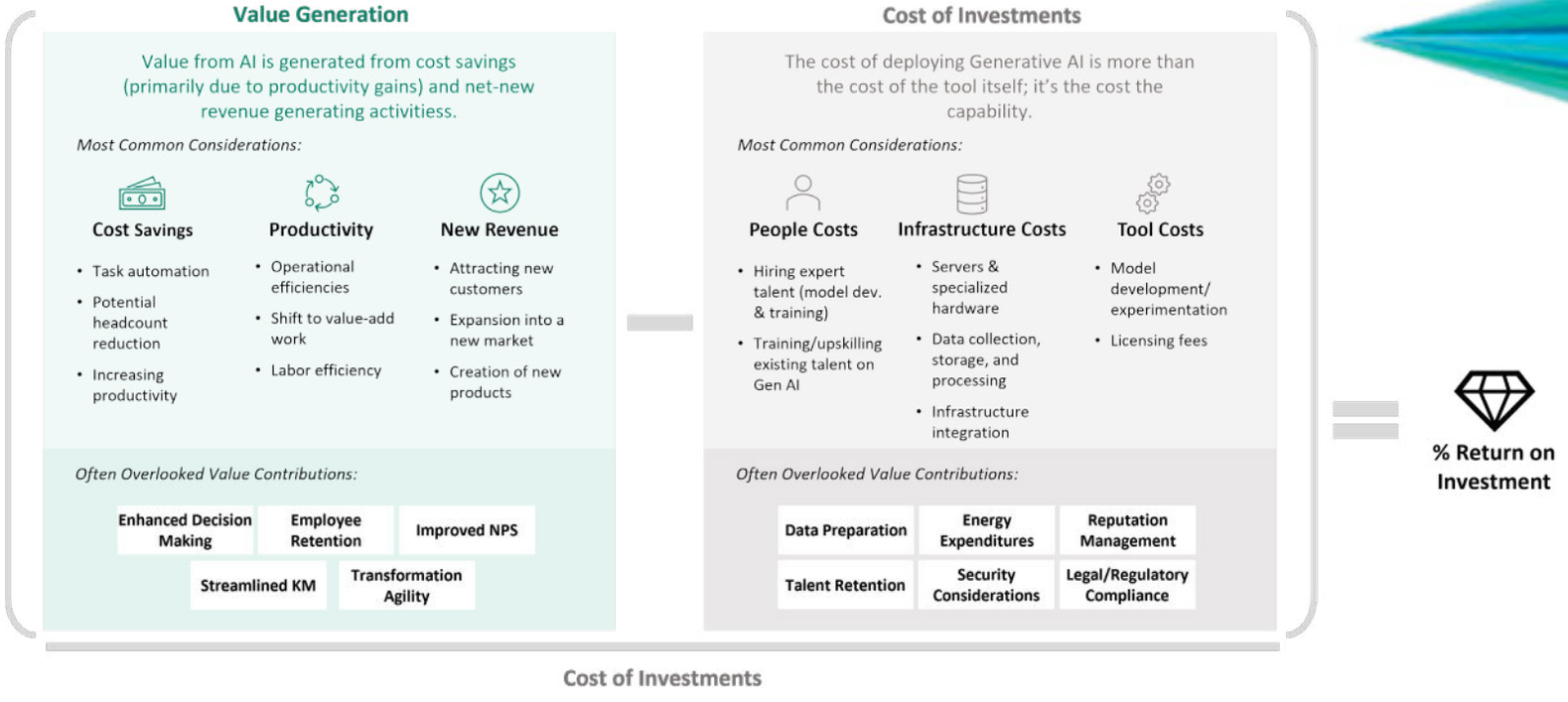
Calculating ROI

When measuring value generation, tech leaders approaching AI capabilities for the first time sometimes conflate adoption with value. While adoption is a lead metric to eventual business outcomes, it can be fleeting and will limit the motivation to continuously invest. Leaders should instead derive value from three primary metrics of cost savings, productivity, and new revenue-generating activities.

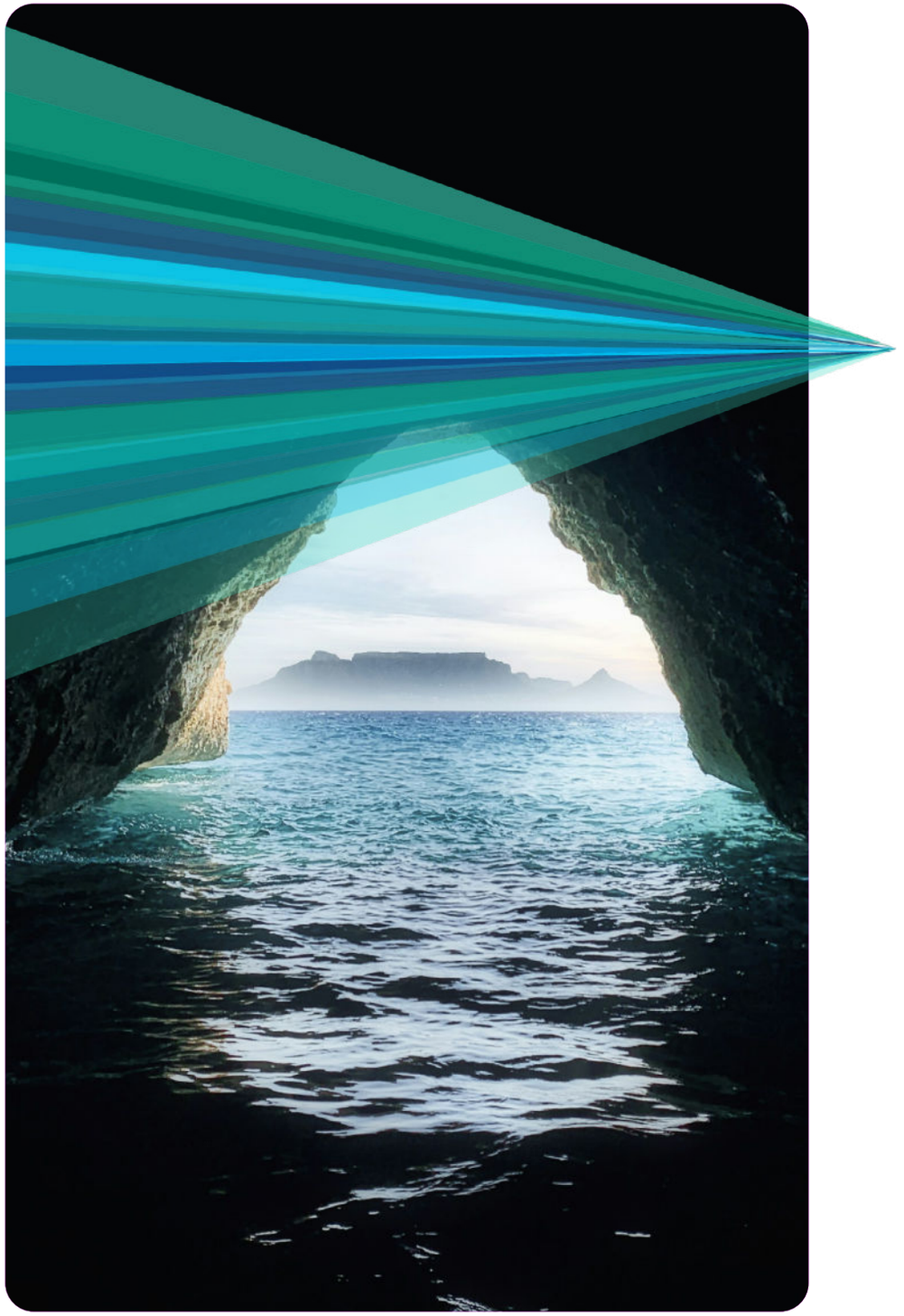
On the other side of the equation, leaders tend to vastly underestimate what it costs to make AI scale, failing to realize that those costs derive not just from the technology itself but from the people and infrastructure needed to make it work (see visual below).

At its base level, the basics of a standard ROI formula are quite simple:
(Value generation - Cost of investment) / Cost of investment

With AI, however, there is nuance in both how to assess value, cost, and risk.



AI ROI (Source: Metis Strategy)



The third and most ambiguous dimension is risk, which emanates from several sources: technical feasibility and model accuracy, customer reaction to poor execution, financial unsustainability, employees threatened by displacement, breach of compliance and regulations, lack of explainability and exposure to bias, and security, among others. The magnitude and potential costs associated with these risks -- the cost of addressing a data breach, the indirect cost of a reputational hit, the unmeasurable loss of trust of customers – can paralyze some organizations. However, there is also a cost, or risk, of inaction.

Many organizations often overlook or fail to incorporate risk mitigation costs in their ROI analysis. Modest investments in this area, ranging from user training to security and process improvements, can significantly change that analysis. In our experience, a regularly updated scenario planning approach (e.g., best, worst, and most likely case) is best for maintaining agility, particularly as organizations move from experimenting with to scaling AI.

Another risk mitigation lever for companies starting their AI journey is to be intentional about using off-the-shelf software, modifying and tuning that software, or building proprietary AI solutions. Most companies, like Liberty Mutual, started by working directly with vendors like Microsoft on certain use cases, and evolved to tailor their solutions to their organization. As the technology and industry skills mature, we now see an increasing number of organizations, like CommScope, Regal Rexnord, and Priceline, consider building solutions that are core to their business (e.g. knowledge management) where control and customization are a priority. In these cases, the costs and risk may be higher, but the opportunity for differentiation makes the calculated tradeoff worth the bet.

Leaders that deliberately incorporate a risk-reward tradeoff into their ROI analyses set themselves apart in their ability to generate returns and create impact. This usually entails adjusting business case estimates according to specific AI risks, probability of risk materialization (even if in high-level terms, such as <5%, 10-25%, 50%, >75%) and estimated financial impact.

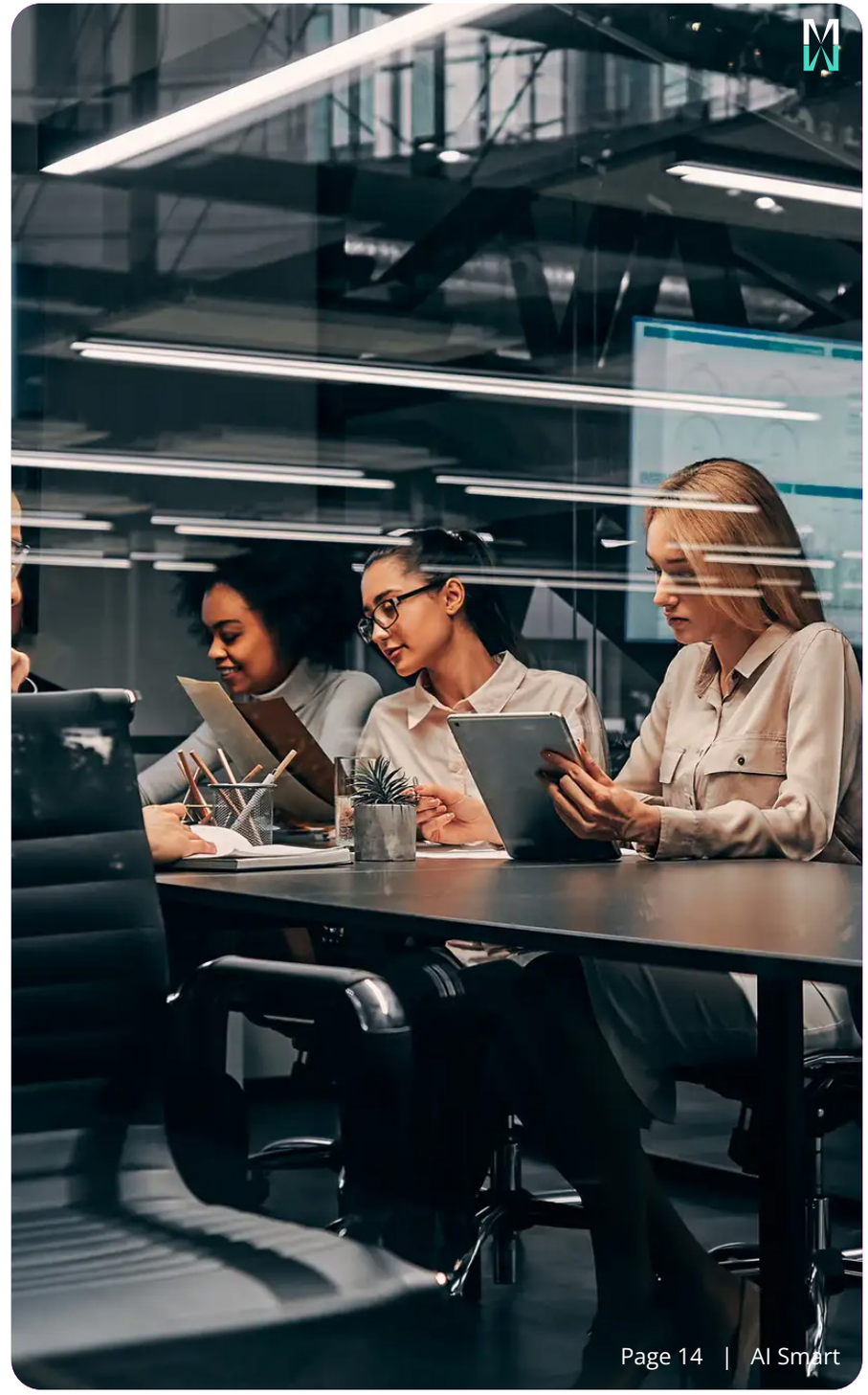
Funding Models

More often than not, the technology leader should catalyze the investment in core AI capabilities but should be aware that the funding model will need to change over time. With any emerging technology, there will be a perceived “tax” to build foundational capabilities such as governance, infrastructure, and talent for an AI Center of Excellence. Most business functional teams will optimize for a near-term P&L impact, whereas the technology leader has the mandate to balance innovation, speed, and long-term viability.

The most successful approach we have seen is when a technology leader approaches a business partner who has the interest, skills, and means to support an initial AI-enabled use case and proposes a “joint venture.” As the business function funds the incremental engineering, licenses, and data costs, the technology leader funds “doing it right.” This eases the burden of the early movers without cutting corners or altogether avoiding investment because of the expense.

As the initial use cases evolve, the technology leader should continue to fund R&D within the AI CoE and determine the proportional allocation of platform costs to be shared or attributed to all the users of the platform. However, they should avoid the following trap: If all the funding is driven by the technology budget but nearly all the benefit is realized in a business function by way of productivity, cost savings, or revenue generation, the business leaders will look like brilliant financial managers, and technology leaders will be constantly questioned about the perceived runaway costs.

The more AI investments shift from experimentation to execution at scale, the more the sources of funding and resourcing should shift from technology budgets to business budgets. This will not only ensure a better system of checks and balances, where teams using AI bear the risks and rewards of their use, but will also increase the level of accountability and understanding of AI business cases across the organization.



III. AI Operating Model

All the previously discussed elements, from strategy to funding, come to fruition via the AI operating model. If strategy is the compass, then the operating model is the sail that drives an organization through its AI journey. As such, leaders charting their AI journey should leverage an AI operating model design to define the people, processes, and technology that will be used to drive the strategic objectives they have identified.

When done right, the AI operating model will establish structures through which AI strategy is assessed and realigned, leadership is empowered to drive key objectives, AI standards and processes are codified and circulated, enterprise resources are educated and upskilled, and teams are efficiently deployed to implement and scale solutions. To achieve this, we recommend a phased approach that captures incremental value while establishing effective and scalable processes.

Phase 1

Define structures of authority and how you will work

Phase 2

Educate your resources to work in that way

Phase 3

Experiment & explore capabilities

Phase 4

Expand use cases to scale across the business

Phase 1: Define

The Define phase documents the core structures of AI Product Management and how teams execute objectives. We suggest organizations begin this phase by establishing an AI Center of Excellence composed of key AI authority figures to lead the organization through this new terrain and provide dedicated expertise across the enterprise. This group consists of resources with the technical skills to evaluate and build AI capabilities and the business acumen to evangelize the potential of AI and shape AI product development for business value. Not only will this group drive and scale the AI operating model, but they will also manage the prioritization of new use cases, vet new tools and technologies, codify processes and standards, lead education and upskilling efforts, drive the incorporation of AI into existing product development lifecycles, and define and measure AI metrics and outcomes.

The AI Center of Excellence consists of a combination of strategic and technical roles that ensure AI priorities are technically feasible to develop and can realistically deliver value.

01

Strategy Leader

The Strategy Leader defines the AI strategy and operating model. This person works with the data governance team to define AI governance standards and is instrumental in assessing and confirming the strategic and business value of new AI use cases during the intake process.

02

Architect

The Architect designs the technology architecture and defines data management guidelines. This person translates enterprise AI objectives into systems and architecture that support them. They collaborate across data science, engineering, and MLOps to govern and scale AI across the enterprise. This role also works closely with the strategy leader to help identify and pilot use cases, with a focus on technical feasibility and performance utility.

03

Teacher

The Teacher trains teams across the enterprise on key AI processes and communicates the standards and appropriate use cases for AI within the organization. This includes upskilling teams on new tools and techniques to ensure the organization is optimizing resources.

04

Engineers

Engineers build the AI algorithms and supporting technology systems. These solutions seek to solve needs and challenges conveyed by the strategy lead, while the technical implementation reflects the architect's design. These algorithms, models, and applications follow responsible AI principles and adhere to enterprise standards for AI development.

05

AI Champion

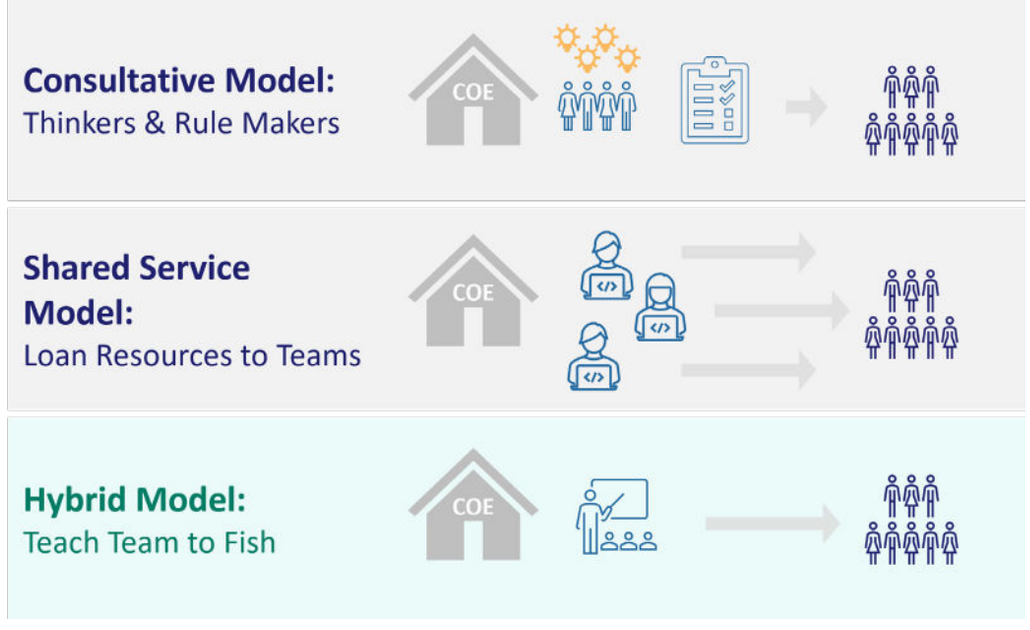
Beyond these core roles, the CoE may designate a change-maker that sits separately from their governing body: the AI Champion. This person can be a person within IT or in the business but needs to be close enough to the AI initiatives to effectively evangelize AI across the enterprise and monitor its implementation. The AI Champion creates, shares, and acts on the enterprise AI vision to ensure success and provide critical resources, information, and support to get work done and sustain change. This role is vital to scaling AI and instrumental to an organization's AI fluency, culture, and adoption.

Once these roles are defined and filled, an organization can take various approaches to deploy their AI Center of Excellence. The route each organization opts for will depend on an organization's technological maturity, particularly its data capabilities. Organizations with less mature data management and technology capabilities may take a Consultative approach, in which the CoE provides teams with explicit structures and guidelines for AI, or the Shared Services model, in which CoE members are "loaned" to teams to drive objectives. Each of these methods are resource intensive and limit the scalability of AI development and deployment due to the inherent resource constraints.

We often recommend a hybrid model in which the AI CoE "teaches teams how to fish." In this model, the CoE conducts training to provide teams with the expertise they need to execute AI objectives and gives hands-on support as needed. This model is most effective for more mature companies as it drives rapid adoption by empowering teams to create AI solutions that meet their specific needs. This model will scale enterprise AI the fastest but requires mature data capabilities to be successful. We strongly recommend organizations seeking scale to leverage the hybrid model as it sets organizations up for greater long-term success.

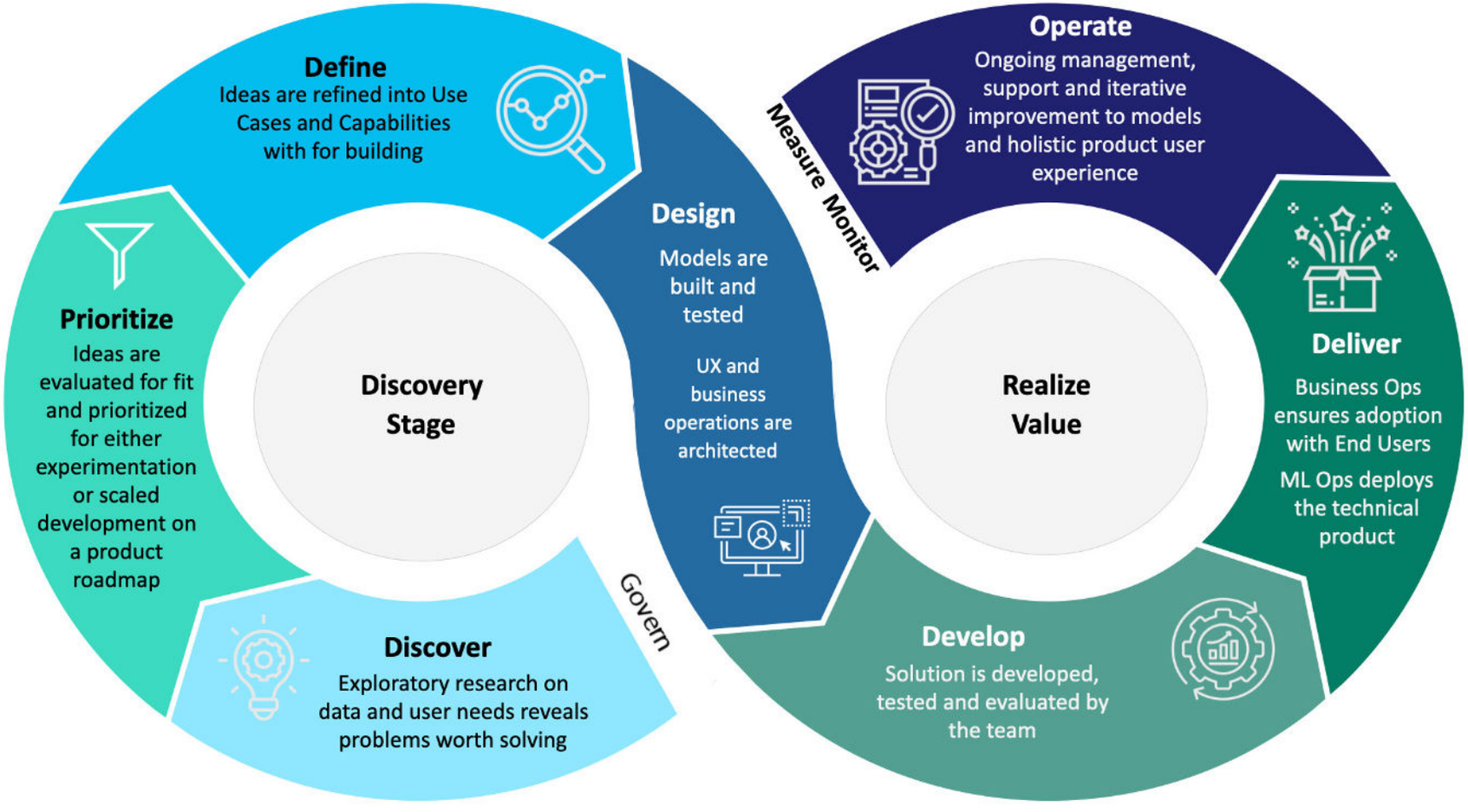
Once deployed, the most crucial output of the AI CoE is a comprehensive enterprise AI playbook, which defines the strategies, processes, best practices, and frameworks for implementing and leveraging AI within an organization. CoE members will collaborate to create this playbook and drive its implementation, enabling the enterprise to federate the use of AI within and across functional domains. Chapters this playbook may include are:

- The organization's AI strategy framework (as detailed in section I of this document)
- The AI operating model design including the AI CoE roles and responsibilities (as previously described)
- The AI product development lifecycle (see section below)
- AI technical standards
- The organizational AI code of ethics
- Approved AI use cases guidelines



AI COE Deployment Models (Source: Metis Strategy)

The most complex of these chapters, and the culmination point of the operating model structures, is the AI Product Development Lifecycle. This section of the playbook will define the "how" of AI solution implementation and the processes by which AI capabilities can be evaluated, tested, and where appropriate, scaled. The essential key is to avoid making the AI CoE a siloed "lab" that cooks up science projects that no one else in the organization is aware of. The AI development lifecycle will embed technical resources into product teams that are closer to the end user and can therefore be better positioned to ensure product-market fit.



AI Product Development Lifecycle (Source: Metis Strategy)

This cycle is similar to the traditional software product development lifecycle, but with a few differences to accommodate the specific needs of developing and deploying AI products.

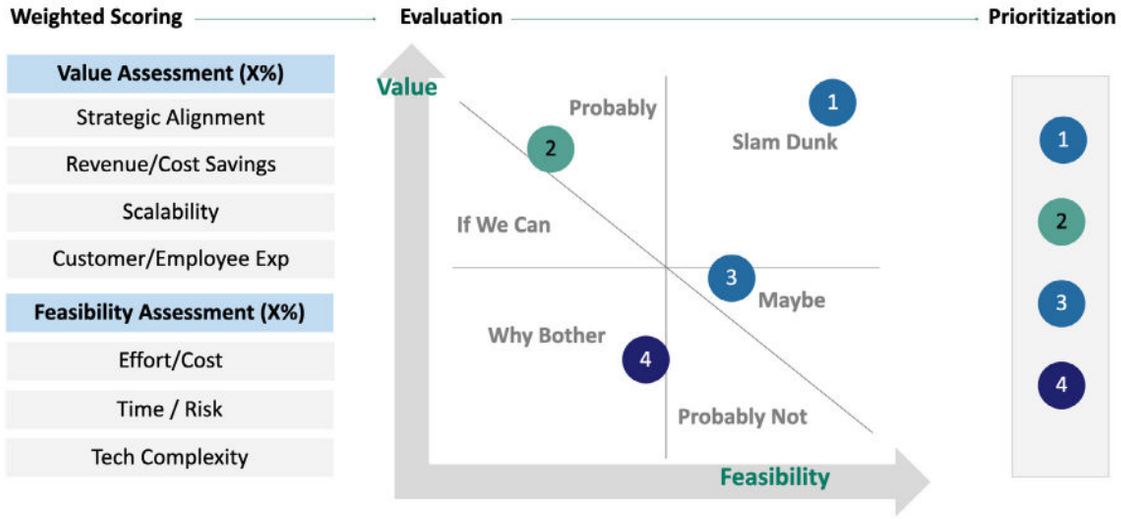
Differences between the traditional software development process and the AI Product Development Lifecycle:

	Traditional Software Development	AI Product Development
Discover	Product Managers will work in two-week sprints to 'burn-down' an estimable body of work.	Data scientists conduct research and discovery as an 'always on' function, finding new opportunities to incorporate AI and uplevel products through discovery 'spikes'.
Prioritize	Teams operate with low scopes of uncertainty and prioritize long-term, clear outcomes.	Teams operate with high scopes of uncertainty, approving series of bets.
Define	This phase is limited to translating prioritized outcomes to the user experience into buildable solutions.	This will expand to redefine the entire business process and do it differently, including changing the face of customer engagement, point of sale, or support functions.
Design	Product teams are composed of traditional IT and software engineering skills.	The product team will be composed of AI-specific skillsets such as advanced algorithm development skills, personalization, and machine learning expertise to ensure AI capabilities are built for production.
Develop	Teams are developing and testing deterministic systems.	Teams are developing models and systems that may be non-deterministic, therefore much harder to test.
Deliver	Business operations teams will leverage DevOps to align development and operations through the delivery process.	AI capabilities will be driven through ML Ops, which includes features that move the AI model into production on a continuous integration and continuous deployment (CI/CD) basis and accounts for the specific nuances of deploying an ML model to production.
Operate	People are generally accustomed to using traditional software, so there is lesser amount of training needed to operate.	New AI tools may require more levels of training, particularly if they are 'threatening' one's job.

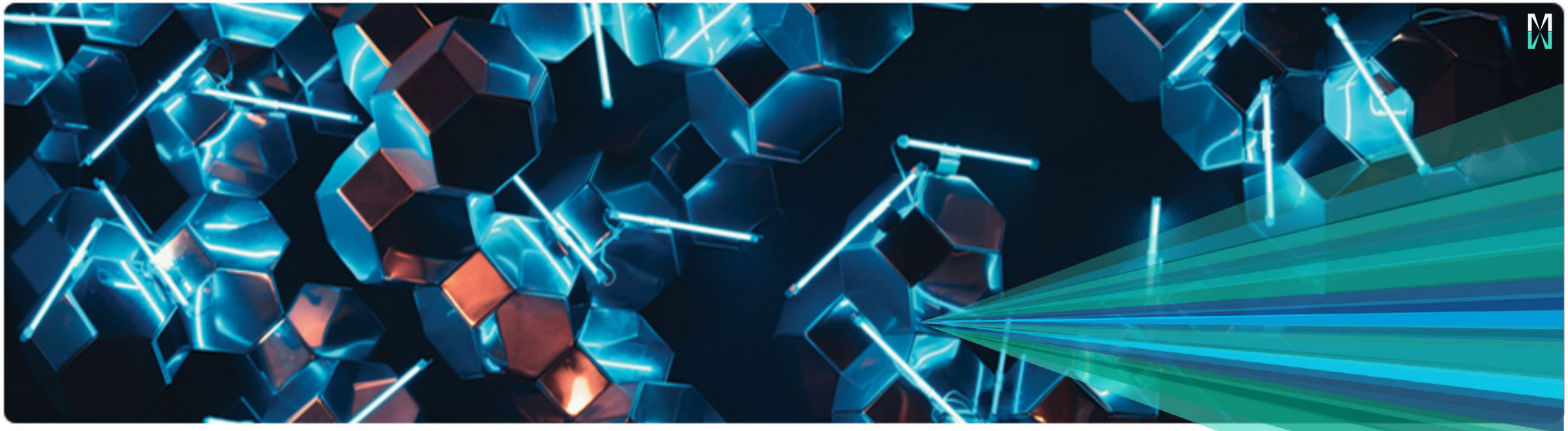
(Source: Metis Strategy)

Key to this process lifecycle is the prioritization phase in which product teams conduct a value vs. feasibility matrix assessment for each AI capability or solution and grade it in terms of priority. Feasibility is rather straightforward. Organizations can gauge the hours needed to develop the use case, the skills required, the risks involved, the costs to complete its development, the capability of the tech stack, and the availability of required data platforms.

But value gets tricky. It can mean profitability, productivity, time savings, quality improvements, cost savings, strategic alignment, customer experience, employee value, and more. Not only are these criteria difficult to consider all at once, but they can also be defined in various ways: cost savings for customers or for business partners? We work with organizations to assess the value of use cases by looking through three major lenses: competitors, industry partners, and AI personas. Value may be informed by how competitors define value, by input from industry partners, or by the degree to which your use case most closely aligns with the AI persona you are trying to build (the strategic vision you've set out to achieve). Considering these, with a broad set of criteria, organizations can decide which set of variables they want to take into account when defining value. From there, they can start to parse what is flashy from what is substantive.



Adopting new ways of working through the AI development lifecycle and its various phases, as well as integrating AI resources into product teams, will likely require an adjustment period to work out the operating model kinks. These changes will also result in some upheaval in employees' daily workflows. The next phase of the operating model deployment, in which the CoE educates teams and drives change management, is therefore a key factor in soothing the pain early in the adoption process.



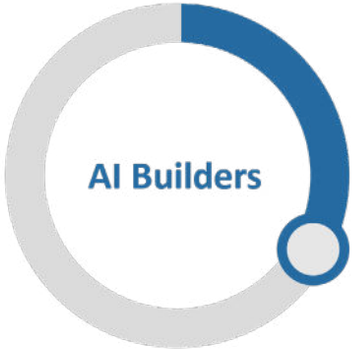
Phase 2: Educate

Phase 2 of the AI Operating Model implementation includes educating teams to deploy the ways of working defined within the operating model. Across industries, we find organizational readiness is far more impactful to an organization's AI success than the technology in place. This approach to education mandates agility to keep up with AI's constant evolution. AI leaders should therefore be proactive in ensuring the necessary skills and mindset are embedded into their organization at the front end of their AI journey, rather than try to play catch up in the future.

A potential solution to the AI skills conundrum is to look outward. The obvious option is to hire or outsource those skills. In some cases, this will be necessary to get organizations over the initial hurdles of early AI capability development and exploration. However, these options are not particularly scalable and can erode an essential element of the AI operating model: the organizational culture.

To preserve both organizational knowledge and culture, companies should create an AI education program through their newly launched AI CoE to raise awareness, communicate processes and standards, and upskill individuals and define their roles in the enterprise's AI journey. We recommend a two-pronged approach when constructing the enterprise education program. The first is providing technical training to develop targeted skillsets within the workforce. A success story can be seen at Kellanova, whose company-wide "Kuriosity Clinics" provided a test-and-learn environment, while the "Work Smart" Citizen Developer Program gave employees outside of IT tips and tricks for AI usage.

The adoption of AI will impact people differently based on their role within the organization. As such, the skills and knowledge employees need to know to successfully adopt AI will vary. We therefore recommend leveraging a role-based training program that addresses the specific needs of three key AI players: the Builders, Executives, and Power Users.



Sample Curriculum:

- *Product Management*
- *Ethical Considerations*
- *AI Technology / Practices*
- *Computer Science*
- *Statistics*

AI Builders

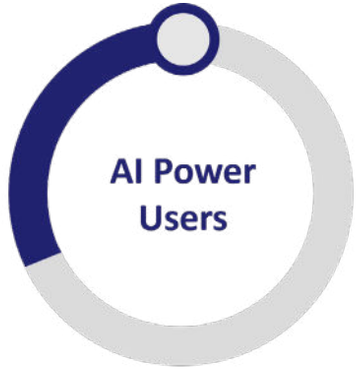
Education for Builders will cater to technical resources, and the training content should prepare them to securely experiment with and develop AI solutions. Educational materials should revolve around the AI product development lifecycle, including the technology, processes and key principles needed to deploy usable, secure, and responsible AI tools and applications.

Sample Curriculum:

- *Business Strategy*
- *Ethical Considerations*
- *Change Management*
- *AI Applications*
- *Data Analysis*

Executives

Training content for Executives will be tailored to leaders and aims to ensure they are properly prepared to lead their organization in the era of AI. Executives are strategy drivers and, as such, should be trained to define and enable AI strategic objectives. Additionally, this group will serve as a model of responsible AI practices across the enterprise. They therefore should thoroughly understand the enterprise AI standards, policies, and compliance requirements to ensure their teams are working in line with organizational ethics and principles.



Sample Curriculum:

- *AI Technology*
- *Prompt Formulation*
- *AI Limitations*
- *Security / Privacy*

AI Power Users

Training for Users will aim to create AI power users in the organization and continue to upskill them as the organization's AI maturity increases. The material covered will ensure employees are prepared to securely explore the productivity benefits of using AI tools across the business. This may be the group of employees that have the least amount of AI exposure. As such, this program should begin with an overview of what AI is and how individuals might use it. This group should therefore also thoroughly understand the responsible AI principles they must demonstrate and the guardrails within which they can operate.

While equipping teams with needed skills and knowledge is essential to an organization's adoption of AI, we urge leaders to place equal focus on the cultural and mindset aspects of education. As Praveen Jonnala, CIO at CommScope, asserts, "You need the business to be in a place where they understand and embrace it, and then you as a tech leader provide the guidance and technology to take them with you."

Within this second prong of the AI education program, leaders should focus on instilling an AI-smart mindset and a culture of learning within the organization's DNA. The CoE should drive organizational readiness and help employees feel prepared and excited to adopt AI into their workflows. Messaging should focus on how AI can expand an employees' capacity to help the organization and avoid future costs, rather than threaten the value those employees offer today. Leaders should frame AI as a gateway to new and exciting ways of working and encourage employees to learn constantly and challenge the way things are done. Laying this foundation will not only build trust within the organization, but also foster a mindset that promotes constant improvement and adaptability as AI matures.

Phase 3: Experiment

Experiment is the phase in which employees test use cases in a controlled environment, generating early wins and proofs of concept. These experiments should ultimately link back to the organization's strategy to ensure use cases truly address business problems. Experimentation affords teams the opportunity to move fast while using "safe data" with less risk. They can explore the art of the possible and pursue individual curiosities within a structured framework.

In our experience, organizations usually take a centralized or decentralized approach to experimentation. Organizations choosing a centralized model will use AI to address key challenges faced by the overarching organization. Use cases may include knowledge management, personalization services, communication systems, or general-purpose assistants (the precursor to an all-encompassing agent) that benefit employees across the organization. In a decentralized model, AI efforts tend to focus on challenges experienced by individual business units, which are afforded the ability to test more rapidly and work with greater agility. Human Resources, Finance, Sales, or IT may develop their own solutions that can be used to address problems faced by teams within those functions.

In either case, an AI design sprint can help achieve proof of concepts. Because a design sprint includes a time constraint, teams are forced to experiment with a specific goal in mind. They develop a concept of the solution, then technical expertise is sourced to build a prototype and test it. The sprint unfolds in typical agile fashion, giving leaders and contributors alike the chance to understand AI, get comfortable with it, and eventually put it toward useful ends. It is through this iterative process that organizations can begin to scale AI.

Phase 4: Expand

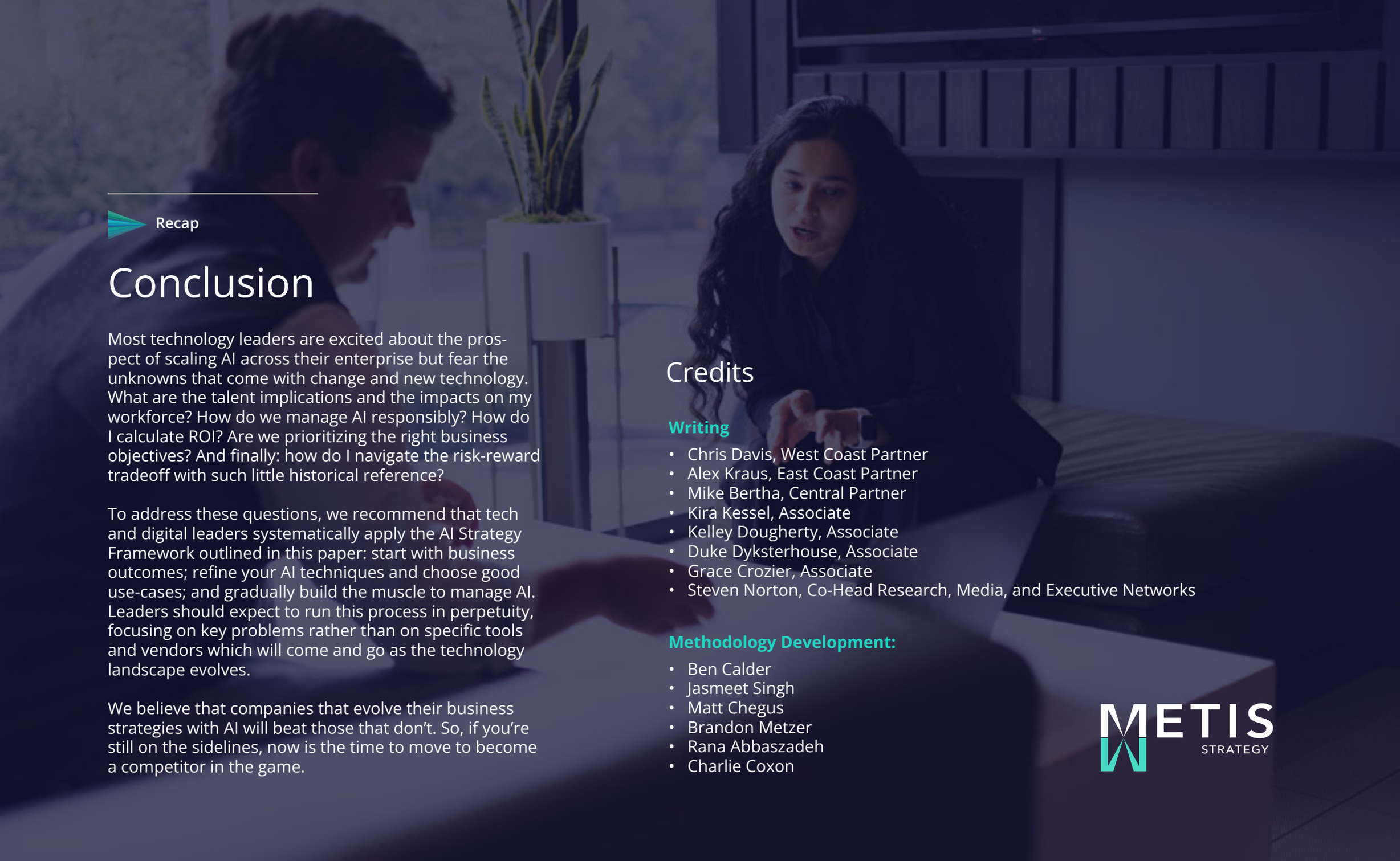
The final phase of the AI operating model involves taking successful experiments conducted in a safe, controlled environment and applying them to real-world business problems. That means adapting to real-world complications. Without the luxury of a testing environment, teams will need to assess how to adjust models to work with suboptimal data, different users, heavier traffic, and far more risk. Teams will need to work backwards from experimentation to re-engineer business processes or data to ensure the proof of concept still delivers value when under real-world pressure.

Technology leaders can facilitate this re-engineering by ensuring that those who are doing the experimentation are also involved in expansion. AI engineers should be embedded in business product teams to integrate AI solutions into those business processes. This will help make sure these solutions are not churned out as "bolt on" technologies forced to fit into business use cases, but rather as thoughtful, fit-for-purpose tools.

The AI Center of Excellence will play a key role in this phase by establishing a flywheel of value creation. While much experimentation will be conducted within decentralized teams, the CoE can centralize these capabilities, contextualize them within the organization's wider strategic objectives, then enable adoption throughout the enterprise. The product teams will report back to the CoE, relaying what is working well and where the most value is being accrued. The CoE can then identify how these wins can be applied in other areas of the business.

Say Sales developed a chatbot that provides real-time product insights to customers. Rather than every other business unit developing its own chatbot, the CoE can assess how the already-successful model can help solve business problems in other areas. This cross-training of models not only streamlines experimentation by drawing on the lessons learned but also unlocks new opportunities to scale AI's impact.

These iterations will not be a linear process, but rather cyclical motions that include assessing metrics, re-engineering processes, and diversifying value. This flywheel will operate with the CoE as the axle, continuously driving iterations as use cases expand. With each revolution, the CoE can revisit what worked the previous time and what can be improved. The CoE can also drive agility by regularly reassessing and refining the organizational structures, ways of working, funding deployment, and education initiatives to drive sustainable, scalable value creation.



Recap

Conclusion

Most technology leaders are excited about the prospect of scaling AI across their enterprise but fear the unknowns that come with change and new technology. What are the talent implications and the impacts on my workforce? How do we manage AI responsibly? How do I calculate ROI? Are we prioritizing the right business objectives? And finally: how do I navigate the risk-reward tradeoff with such little historical reference?

To address these questions, we recommend that tech and digital leaders systematically apply the AI Strategy Framework outlined in this paper: start with business outcomes; refine your AI techniques and choose good use-cases; and gradually build the muscle to manage AI. Leaders should expect to run this process in perpetuity, focusing on key problems rather than on specific tools and vendors which will come and go as the technology landscape evolves.

We believe that companies that evolve their business strategies with AI will beat those that don't. So, if you're still on the sidelines, now is the time to move to become a competitor in the game.

Credits

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METIS STRATEGY

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