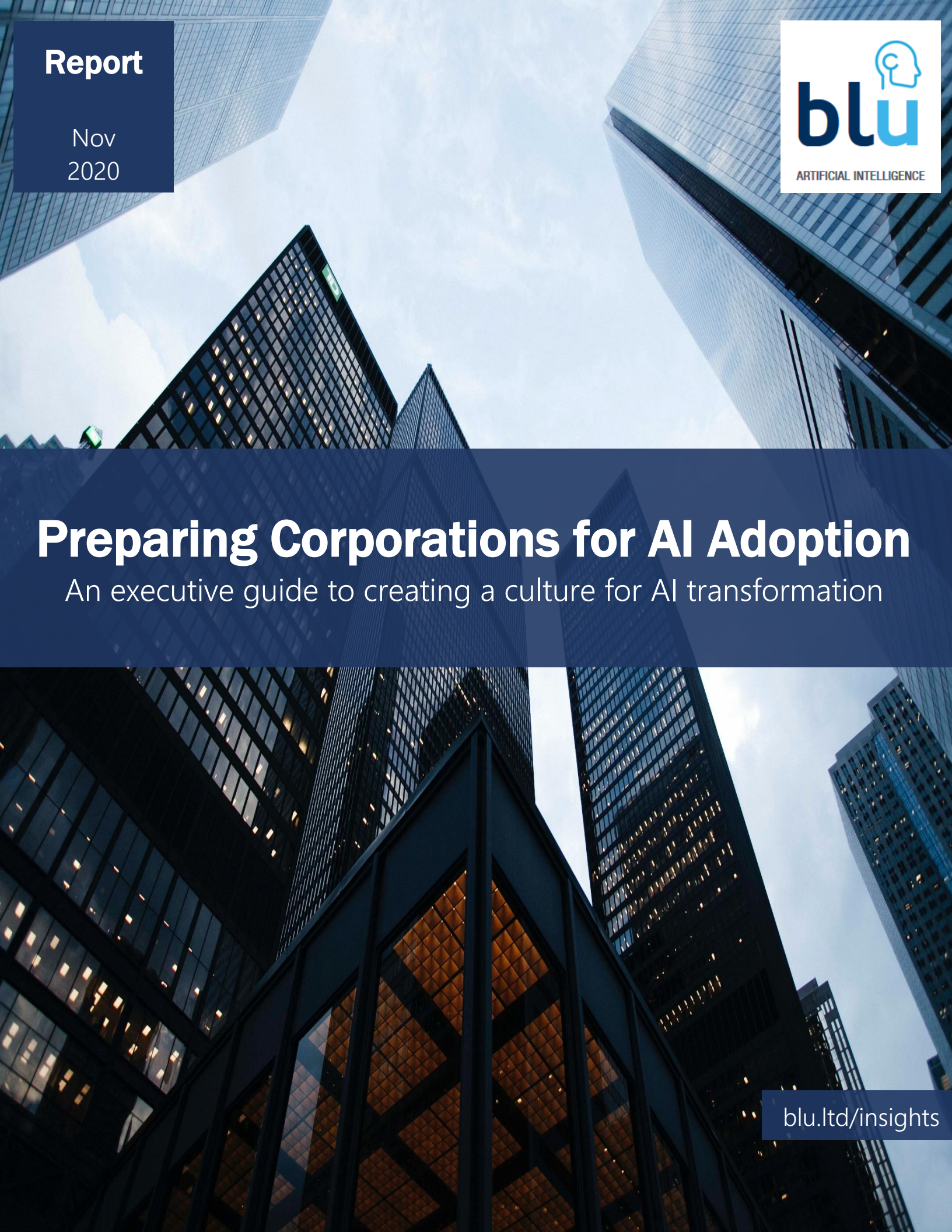

Report

Nov
2020

blu
ARTIFICIAL INTELLIGENCE

Preparing Corporations for AI Adoption

An executive guide to creating a culture for AI transformation

blu.ltd/insights

We created this report for...

CEOs & executive teams overseeing AI strategy and transformation at large corporations

Leaders that want to promote effective collaboration between business and technical teams

Managers managing AI implementation across departments and regions

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Blu is a consulting company specializing in AI strategy, projects, and executive education. We work with executives across financial services, healthcare, energy, and other industries to implement AI & data analytics solutions.

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Contents

Executive Summary

Many companies fail to scale up their AI pilot projects. Many AI initiatives have their budgets cut because they do not deliver results quickly enough.

The problem is not technology or talent. The culprits are often corporate culture and practices designed for a pre-AI age. To deploy AI at scale, executives must build a culture where business and technical teams can collaborate seamlessly.

The need to deploy AI at scale is increasingly relevant given the Coronavirus pandemic. COVID-19 has revealed the need and urgency to innovate business models. We expect that years of innovation will be squeezed into months. Companies that expect AI to be part of their innovation drive must ensure that they are able to deploy at scale.

Our 10-part AI transformation framework is designed to help CEOs and their executive teams implement AI at scale and achieve sustained competitive advantages. Our framework is not a sequential list. Different firms will be proficient in different areas.

Instead, this executive guide lays out the necessary conditions for a culture that promotes successful AI implementation. Executives can use this framework to diagnose their company's AI readiness in each area.

Artificial Intelligence Demystified

What is AI?

AI is a tool to achieve an objective.

Companies use AI to classify data, find patterns, predict outcomes and automate decision making.

How do I get started with AI projects?

Start by defining the business objectives.

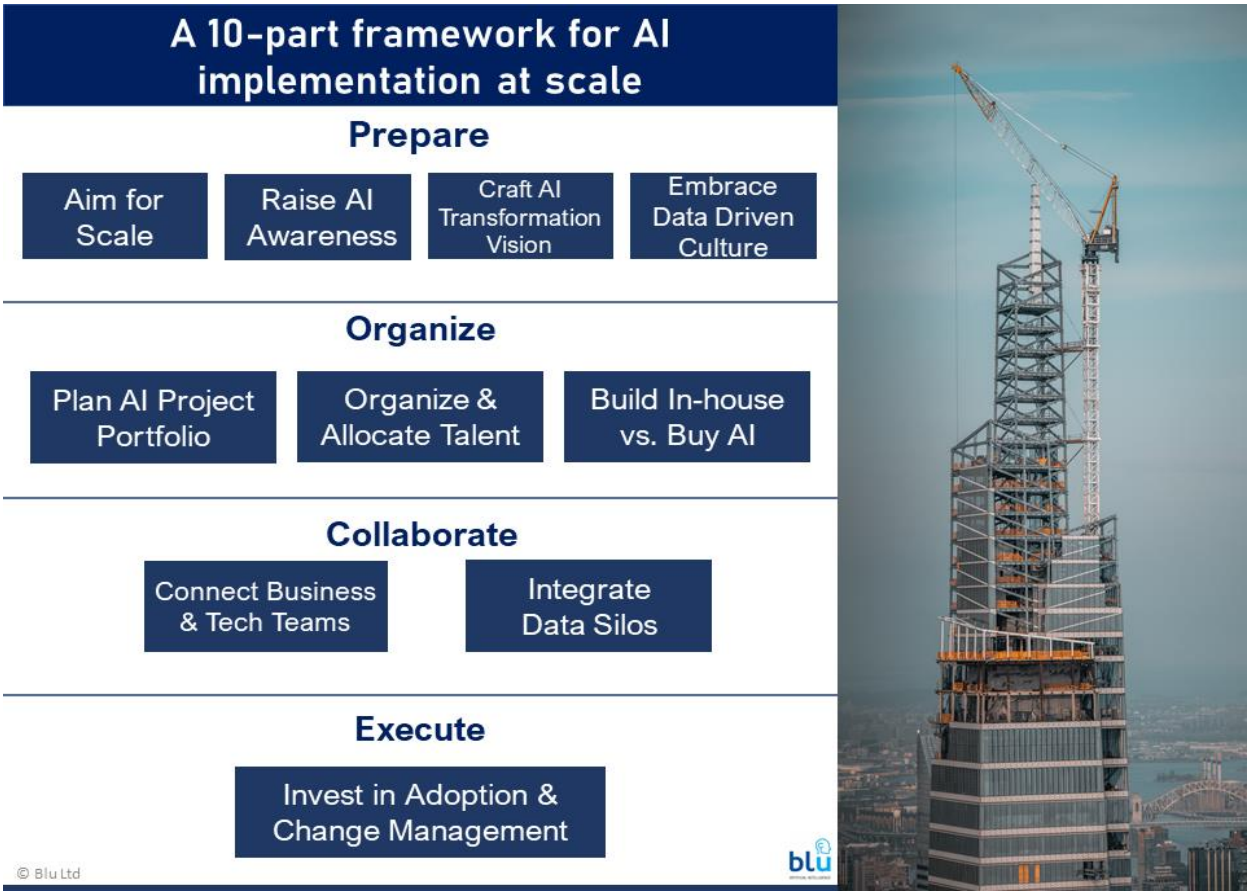
Then identify AI tools & techniques that address these business objectives.

Should my company engage in large-scale data cleaning before starting AI projects?

No.

It is more cost-effective to run AI projects and data cleaning or transformation projects in parallel.

The AI Transformation Framework



The Gartner CIO survey in 2019[1] claimed that 37% of 3,000 surveyed companies have already deployed AI. How can the remaining 63% fast-track implementation so that they do not fall too far behind?

[1] "Gartner Survey: Enterprises Entering Third Era of IT" https://gtnr.it/3fSwZ4p

Technology and talent are not enough. Firms must break down cultural barriers and rethink organizational structures to deploy AI across departments and geographies.

Executives can, however, use this 10-part framework to guide them on their AI transformation journey:

- Aim to deploy AI at scale
- Build AI awareness across the firm
- Commit to an AI transformation vision
- Embrace a data-driven culture
- Plan a portfolio of AI projects
- Allocate AI talent and assign responsibilities
- Build an in-house AI team and partner with AI vendors
- Connect business & technical teams
- Integrate data silos
- Invest in adoption and change management

I. Aim to Deploy AI at Scale

AI allows businesses to quickly classify data, find patterns, and predict outcomes. More importantly, it allows firms to make automated decisions at scale.

Scale matters. A bank can easily deploy a machine learning tool for customer segmentation to help with cross-selling and up-selling. It is more challenging – and far more profitable – to deploy a suite of AI solutions to optimize the entire customer journey, from on-boarding to ongoing relationship management. Straight-through processing and automation with AI cuts costs and improves customer outcomes.

How can firms build and deploy a portfolio of scalable AI solutions? It comes down to organizational culture, values, and practices. Executives must reward innovation and intelligent risk taking. Firms can do this by revamping performance review criteria and incentive structures. For example, does the firm reward employees for kickstarting new initiatives (successful or otherwise), developing intellectual property, spearheading change, or sharing knowledge with other departments?

Firms must also promote collaboration across business and tech teams. After all, AI solutions are built for evolving business needs. Organizational structures should be fluid to deploy AI talent where it is needed most. We will expand on this in Section VI.

Prioritizing Innovation

Managers at larger, traditional firms are rarely incentivized to take risks. Innovation is risky and Regional Heads may not want to put their budgets (and performance reviews) at risk.

Scaling AI requires a different culture and incentive structure. Executives should encourage a mindset that makes it OK to fail fast as long as you learn. An Agile project management approach is useful for AI projects where speed and iteration are essential. CEOs can also realign incentive structures to prioritize AI & innovation through KPIs linked to AI investment and deployment.

II. Build AI Awareness Across the Firm

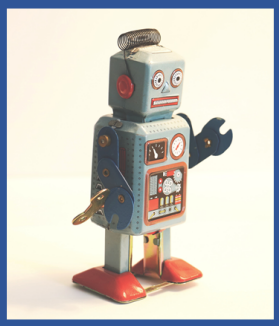
Firms must increase AI awareness throughout the organization. Key players from the C-Suite to individual contributors must be aware of how AI can solve business problems and how AI tools can complement their day-to-day work. This can be done through specialized AI education and a management-approved emphasis on building AI capabilities.

AI education can be internal or external. Firms with high AI maturity can set up internal AI academies and pervasive on-the-job training programs. Other firms can use external trainers and consultants for classroom sessions and workshops.

Senior Executives

C-level executives and senior managers understand their firm's business needs, goals, and challenges. Therefore, their AI education should focus on:

- Gaining a higher-level understanding of how AI technologies work (e.g. machine learning, machine vision, natural language processing)
- Identifying high-value AI use cases & prioritize AI initiatives
- Understanding barriers to adoption, impact on jobs, and cultural changes needed to overcome these barriers



Awareness Across Departments

In a recent AI workshop for an Energy company, we asked people to share examples of how AI was being used in their business units. For many, it was the first time they learned about how other teams were already using AI. For instance, robots powered by sensors and machine vision were already monitoring heavy machinery for potential breakdowns.

Technical Staff

Firms must invest in AI-specific technical training for their data scientists, engineers, and those who build AI & IT tools. Depending on their roles, their training can include:

- Data best practices (e.g. collection, cleaning, governance, fixing bias)
- Technical understanding of machine learning and deep learning
- Understanding of open source and third-party tools for building & training AI and data models (e.g. Python, PyTorch, TensorFlow)
- Awareness of industry standard and emerging AI techniques

Business Translators

Also known as analytics translators, this emerging role will bridge the business and tech teams to ensure that AI products satisfy business needs. Business translators may also manage technical staff that build AI tools and oversee AI implementation and adoption.

Business translators usually come from the business side (e.g. project managers, business analysts, subject matter experts, business unit managers). They can also be more technically oriented product managers. Regardless of their background, business translators will already have a sound understanding of the business and may also be skilled in project management, people management, strategic planning, and digital technology.

Business translators will need fundamental technical training and AI awareness to:

- Communicate business needs & requirements in technical terms to the data scientists and engineers building AI tools
- Apply analytical approaches & AI tools to business problems
- Develop AI use cases in granular detail
- Understand how deploying AI tools will change workflows

Business Staff and End Users

Employees in marketing, finance, sales, or other functions need training on how to use AI tools in their day-to-day jobs. They should understand how AI can help them perform better. AI tools can handle tedious manual processes, enabling people to devote more time to creative, value-added work that benefits the company and their careers.

Still, many will be afraid that AI and automation will take away jobs. Managers may feel threatened if they think that the firm trusts machines over people. Executives must tell a compelling story about why AI is critical and how it benefits the company and its people.

Crucially, executives must convince employees that humans will always be the most important part of the equation. While AI can generate data-driven insights and automate processes, only humans have the common sense and functional knowledge to validate and apply these insights. Think of AI as **augmented** intelligence instead of **artificial** intelligence.

Employees are more likely to embrace AI if they believe it is critical to growth (or survival). For example, retail company executives need only point to the existential threats posed by Amazon and e-commerce. Explaining that AI makes the retailer more efficient and responsive, underscoring the critical role that employees play, and painting a picture of future success will bring employees fully on-board.

AI Augmentation, Not AI Substitution

Realistically, there will be some job loss from automation. Jobs with routine and repetitive tasks are at most risk. However, headlines screaming that one-third of jobs will be lost to automation† don't tell the whole story. **AI automates tasks, not entire jobs. The real story is AI augmentation of workers, not large-scale AI substitution.**

AI augmentation is good. Once mundane tasks are automated, employees can devote more time to impactful and fulfilling work. Employers want this too. Deloitte's AI in the Enterprise survey‡ of 1,900 AI adopters revealed that a leading benefit of AI was that it freed up employees to be more creative.

† "One-third of US workers could be jobless by 2030 due to automation" (CNBC): https://cnb.cx/3flmkyS
‡ "Talent and workforce effects in the age of AI" (Deloitte): https://bit.ly/318pFfp

III. Commit to an AI Transformation Vision

A company's odds of successful AI adoption increase when its executives create and commit to an AI transformation vision. A transformation vision is not about individual use cases. It is about winning big in the market before your competitors do. An AI transformation vision augments the company's AI strategy, informs its AI project portfolio, and helps prioritize AI projects.

Specifically, the C-Suite should have detailed answers to four questions:

1. Which business challenges can AI help us with?
2. How will AI differentiate us from the competition in 3-5 years?
3. How will we use AI to grow and capture market share?
4. How can we improve data availability, talent, and a culture of timely innovation?

Consider an HVAC company that installs heating, ventilation, and air conditioning equipment in office buildings, industrial areas, and data centers. They see an opportunity to combine sensors with machine learning to manage temperatures throughout the building based on human activity or equipment heat. This enables the HVAC company's clients to minimize energy usage. **Energy savings from AI adoption will differentiate the HVAC company and help it gain market share.**

This is not a new concept. Google's DeepMind developed an AI-powered system to manage their data center's cooling systems, reducing their energy bill by 40%[2].

[2] "DeepMind AI Reduces Google Data Centre Cooling Bill by 40%"; https://deepmind.com/blog/article/deepmind-ai-reduces-google-data-centre-cooling-bill-40

Think Long-term and Seek Quick Wins with Pilot Projects

A long-term AI transformation vision will help executives commit to a multi-phase AI journey. The big wins from AI will take time. Without a long-term vision, executives might pull the plug if they do not see results quickly.

Even successful AI projects may take time to generate ROI. Pilot projects may not yield a financial ROI at all. Still, if the pilot teaches the firm about how data architecture can be overhauled to enable large-scale AI adoption, this is a valuable quick win.

Pilot projects cost relatively little and can give the firm valuable insights. They can reveal if data should be collected at higher frequency or granularity and can identify where the current data gaps are. This knowledge helps the firm develop core capabilities related to data collection and governance, for instance.

Executives that commit to a long-term transformation vision are more likely to encourage a culture of innovation where financial ROI is not the only measure of success. This mindset opens the door to greater financial ROI in the long term.

AI Needs C-Suite Sponsorship

AI falls under the innovation umbrella and requires C-Suite sponsorship to succeed. At **Blu**, we run 'C-Suite members only' workshops, focusing on how AI should complement company strategy instead of leading strategy. Executives that can envision how AI helps achieve business objectives will have an easier time crafting an AI transformation vision that complements overall strategy.

IV. Embrace a Data-driven Culture

AI should improve daily operations by empowering people with data-driven insights. Since operations are carried out by people, the firm must adopt a culture of data-driven decision making from the C-Suite to the trenches.

When AI is adopted correctly, employees can augment their skills and judgement with algorithmic recommendations to achieve a better outcome than either humans or machines could on their own.

This can only happen if employees can trust AI tools and feel empowered to make decisions. Trust is established through AI awareness (described earlier). Empowerment to make decisions happens when firms abandon the traditional top-down approach.

Consider a national supermarket chain. Decisions about optimizing floor space and product placement are usually made by regional managers using historical data. For a supermarket chain with hundreds of stores, this type of top-down decision making may not result in the best outcomes for individual stores. In a data-driven culture, local managers using an AI tool that tracks real-time in-store customer behavior are better placed to decide how a store should display products.

Supermarket floor planning is essential even with the rise in e-commerce. Symphony RetailAI, an AI solutions provider for retail stores, projects that a $1 increase in sales per square foot can increase ROI per store by up to 8%[3].

[3] "Symphony RetailAI: Store and Floor Planning"; https://www.symphonyretailai.com/category-planning/store-floor-planning/

V. Plan a Portfolio of AI Projects

Successful AI transformation is driven by a portfolio of projects with different time horizons. Continuous AI delivery generates momentum and stacks benefits.

Measurable benefits from larger, more ambitious AI initiatives may take years while incurring significant costs in the short term. Investing solely in large multi-year projects creates budgetary pressure and executive impatience.

Planning a portfolio of AI projects with different time horizons enables the firm to enjoy a steady stream of benefits from short term projects. These benefits persuade executives to continue their support. A well-structured AI project portfolio consists of:

- Small pilot projects that teach valuable lessons about how to scale AI
- Short term projects with measurable returns in 6–12 months
- Medium term projects that tackle increasingly valuable use cases and generate ROI over 12–24 months
- Long term projects that apply scalable AI throughout the enterprise

Suppose a bank's AI transformation vision is to 'increase market share by streamlining the entire customer journey with AI.' Its project portfolio could consist of short-term projects to make it easier for customers to sign up, medium-term projects to provide convenient and tailored customer service, and long-term projects for holistic relationship management. Crucially, the bank realizes revenue and cost benefits at each stage.

Pilot projects are mainly for learning and validating concepts. Their value comes from showing the firm where they are now and what they need in terms of data, talent, and infrastructure to successfully deploy AI.

Short term projects focus on generating ‘quick wins’ from single use cases. Our bank might start with a project that automates Know Your Customer (KYC) processes during client on-boarding. AI-enabled automation tools are readily available and KYC processes are standardized, making this a shorter-term project that helps the bank cut costs, increase efficiency, and attract customers that value convenience.

Medium term projects focus on higher value use cases that need more time to generate returns. After automating KYC, our bank might undertake a project to build a customer segmentation tool using unsupervised machine learning. This tool would place customers into clusters based on behavior and characteristics, enabling the bank to cross-sell more effectively and increase revenue.

Long term projects provide the real value to the firm and its customers. These can be standalone projects or an initiative that combines smaller project implementations into a coherent solution. Our bank that wants to streamline the entire customer journey might create an AI-powered app or web platform that handles customer on-boarding, provides tailored product recommendations, and a chatbot for customer service.

A well-structured portfolio provides ROI in phases. In addition to insights gained from earlier phases, projects that generate phased ROI can fund, de-risk, and validate future phases.

VI. Allocate AI Talent and Assign Responsibilities

Where should AI talent reside within the firm? Who should take ownership of AI initiatives? How should firms assign responsibilities for AI initiatives?

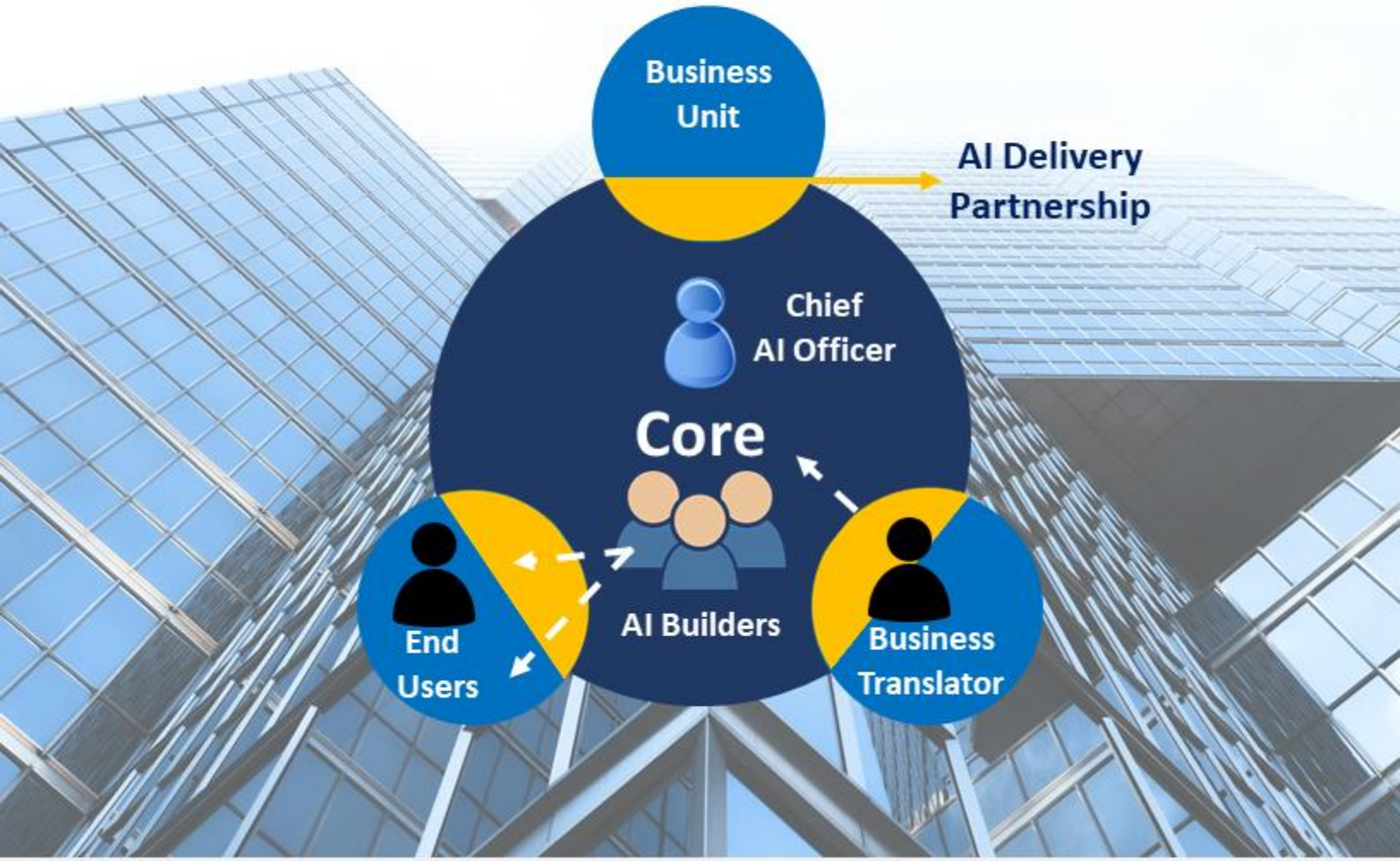
At first glance, firms can place their AI talent in:

1. **The Core**: Centralize AI talent in a regional or head office, and deploy AI projects for the rest of the company from a central location
2. **Business Units**: Decentralize AI talent across local offices and let them manage AI projects with strategic direction from the Core

In reality, there is no 'perfect' organizational structure for AI success. Factors such as the firm's AI readiness and existing talent pool will influence how the firm deploys AI talent and manages projects.

> **We propose a flexible model for allocating AI talent and responsibilities:**
>
> - The Core and business units are each responsible for certain AI strategy & implementation activities
> - A third Partnership layer involves shared AI delivery responsibilities between tech and business staff from the Core and business units
> - Decisions around allocating AI talent in the Core or business units, and who does what in the Partnership layer, depends on the firm's general AI maturity

A flexible model for allocating AI talent and responsibilities



Core

Central AI team led by C-level exec.

Responsibilities

- AI strategy
- Data architecture
- AI standards
- Recruitment
- Vendor engagement

Business Unit

End users of AI products

Responsibilities

- Business analysis
- Adoption
- Staff training
- Process redesign
- Benefits tracking

Partnership

AI delivery shared by the Core & business units

Responsibilities

- Use case identification
- Algorithm development
- Project management
- Product design
- Testing
- Change management

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The choice of whether to place AI talent in the Core or in the business units, and allocating responsibilities for AI projects and adoption depend on:

- **AI maturity**: the firm's previous experience in deploying AI
- **AI resourcing**: the extent of 'AI builders' such as data scientists and machine learning engineers at the firm
- **AI awareness:** The firm's openness to AI and the enthusiasm of senior sponsors.
- **AI urgency**: the pace at which AI products are needed
- **Complexity:** the number of business units involved in an AI product deployment

In general, firms should centralize AI talent & operations in the Core if they have low AI maturity, resourcing, awareness, complexity, and high urgency. The opposite conditions call for decentralizing AI talent throughout the business units. However, this is not an exact science.

AI maturity. Firms starting their AI journey might centralize data & analytics executives, data scientists, and AI engineers in the Core. This allows for speedier development of standardized tools, data processes, and infrastructure. Of course, these people can be deployed to business units as needed.

AI resourcing. Firms that are just building their AI talent pool may prefer to centralize their resources in the Core. Alternatively, firms with a large pool of experienced AI talent can decentralize by embedding data scientists and engineers across business units.

AI urgency. A firm that needs to quickly deploy AI projects can centralize its AI talent in the Core. This allows for easier coordination when building AI products.

AI awareness. Leaders in the Core and business units may have different levels of AI awareness. If the Core is more AI aware, the firm should centralize AI talent. In our experience, we have seen the Core embrace AI first and then disseminate AI awareness throughout the firm. Another consideration is where the senior sponsor of the AI initiative

sits. If they oversee a business unit, it might make sense to decentralize AI talent under their command (and vice versa).

Complexity. AI tools sometimes support multiple business units across countries. In this case, the company's complex business model might convince executives to consolidate AI talent in the Core and assign them to other parts of the organization as needed. There are pros and cons to this approach. On the plus side, the Core can create a standardized, scalable AI tool. A potential downside is that the AI tool may not meet the unique needs of certain business units. The firm must manage this trade-off.

Organizing AI talent is an art. For example, a firm that needs to urgently deploy AI to multiple business units (which suggests centralizing AI talent) might have high AI maturity, resourcing, and awareness (which suggests decentralizing AI talent). In this case, executives should weigh the relative importance of the five factors and determine whether AI talent will be most useful in the Core or in the business units.

The Core

The Core is mainly responsible for AI strategy, data architecture, creating company-wide AI & data tools, recruiting, standard setting, and partnering with vendors. The Core reports to a Chief AI Officer, CIO, or Chief Data Officer and houses dedicated AI talent such as data scientists and AI engineers.

The core creates AI standards and best practices to scale AI throughout the firm. This ensures that work is not duplicated by business units and complements the work done by other parts of the firm.

The Core can own data initiatives such as data cleaning, labeling and integration. These initiatives should be implemented gradually along with AI projects. It is a bad idea to spend millions on company-wide data gathering and cleaning before business needs and AI use cases are identified. Expensive data initiatives might be abandoned if management realizes that they do not fit AI project needs.

Business Units

Business units are responsible for adoption-related activities since they are the end users of AI systems. **These tasks include business analysis, encouraging adoption, staff training, redesigning processes, and measuring benefits**.

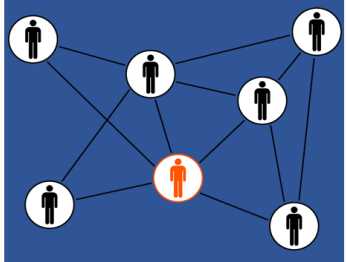
Business units are ultimately accountable for the success of AI products. Since AI tools are designed to address business needs, leaders from business units, such as a regional manager, should be accountable for the AI product's success.

The Partnership Layer

Tasks that fall into the Partnership layer can be owned by the Core or by individual business units. **These tasks include use case identification, algorithm development, project management, product design & testing, and change management.**

There is no set rule for who should own these tasks. A business unit with high AI awareness might take the lead on use case identification for specific functional areas. However, they may rely on the Core for algorithm development if the Core has greater AI maturity and resourcing. Firms early in their AI journey may have the Core own many of these tasks until business units gain enough AI maturity.

Business translators are invaluable for Partnership tasks, connecting AI builders in the Core with end users. Translators can work across teams to ensure that AI tools achieve business objectives.



Business Translators in Action

Suppose marketing needs an AI-powered customer segmentation tool. If algorithm development & product design is owned by the Core, **project managers** can oversee tech teams and ensure that the product is designed for marketing needs. **Business analysts** can present the marketing team's requirements in a way that technical teams will understand. **Change managers** that understand the product can train users and communicate benefits to speed up adoption.

VII. Build an In-house AI Team and Partner with AI Vendors

Firms should aim to build AI internally in the long run. In the short run, however, buying AI tools from vendors can yield quick returns.

The case for buying AI. Partnering with AI vendors can speed up AI projects, especially if the company is early on in its AI journey. An AI vendor just might have the perfect tool for a use case, which saves the company time. Although there are few industry-specific AI tools in the market, this is expected to change over time. Still, vendors offer a suite of generic AI tools that apply to specific functions. Vendor expertise can also shorten the AI learning curve for a new internal AI team.

The case for building AI. Internally developed AI is more likely to satisfy business needs and mesh with company data and processes. Overreliance on vendor products is not feasible in the long run. Vendors will not be familiar with the company's needs, processes, or data. Off-the-shelf vendor tools may not integrate with the company's data and processes. Companies also cannot give vendors access to sensitive data. Crucially, building AI tools in-house allows the company to grow its AI capabilities and scale up.

Doing both. Partnering with an AI vendor to build customized AI tools is an option where a tailored solution is needed urgently. Co-developed AI tools are more likely to integrate with the company's processes and data because internal staff can give the vendor specific instructions.

For instance, banks can partner with an AI vendor to develop an AI-powered anti-money laundering tool. While most large banks have internal AI teams, they can leverage vendor expertise for quicker results.

In addition to vendor partnerships, a good AI transformation vision calls for a centralized AI team that helps the entire company. This team will include data scientists, machine learning engineers and AI product managers. This central team may report to the CIO, Chief Data Officer, or ideally, a Chief AI Officer.

The internal AI team's responsibilities include the following:

- Define an AI strategy that complements overall strategic goals
- Prioritize business problems that AI can solve
- Implement AI standards across the firm to ensure high quality releases
- Construct a portfolio of AI projects with different time horizons and benefits
- Create a data architecture by selecting data management platforms (e.g. Hadoop) and choosing between on-site and cloud-based tools (e.g. AWS)
- Build company-wide platforms such as a central data warehouse that departments can access

Accelerators & Innovation Labs

Larger, resource-rich corporations facing innovation challenges can kickstart innovation by hosting accelerator programs or setting up innovation labs.

Accelerators take startups with a minimum viable product (MVP) and give them the funding and mentorship needed to grow. Companies can host accelerator programs to identify promising AI startups to partner with, or even acquire.

Companies can set up **innovation labs** where startups and internal staff experiment with new product ideas. Staff benefit from exposure to innovators and agile work methods. The company gets to incorporate successful ideas.

Building an Internal AI Team

Chief AI Officer, CIO, CDO

Data exploration & Integration	AI Algorithms, Software, Research	Software & Product Dev.	Business Functions
			
Data Scientist Data Engineer Data Analyst	AI Engineer AI Researcher	Software Engineer Systems Architect DevOps Engineer Technical Product Manager	Business Analyst Project Manager Domain Expert

Training & Hiring AI Talent

Train your existing staff

Partner with consultants or universities to develop custom training programs. Coursera is also a great starting point for short courses.

Leverage consultants, vendors, and startups

Start quickly by hiring consultants & vendors for early projects. Former AI startup employees may also have practical experience.

Ph.D optional

AI engineers & researchers with a Ph.D are hard to find outside of the biggest firms. Luckily, current AI standards are based on open-source code. You may not need Ph.Ds unless you are on the cutting edge.

VIII. Connect Business and Technical Teams

Business translators, described earlier, ensure that AI and data science tools are built to solve business problems effectively.

Business and technical teams do not always speak the same language. A regional sales manager might know exactly what they want from an AI-powered customer segmentation tool – it should divide customers into buckets based on past behavior. However, the sales manager may not be able to communicate these requirements in technical terms to the data scientists or engineers actually building the tool.

This is not a new problem in the corporate world. Companies that deploy internal IT systems or mobile apps employ IT-focused project managers and business analysts. IT project managers, for instance, understand the business objectives of the new IT system. They will also have a basic understanding of the technology and can oversee the technical staff that build the system.

With AI initiatives, these business translators can be project managers, business analysts, or internal consultants. They will need general awareness of AI methods & capabilities to understand what the technical team is doing and give them direction.

At **Blu**, our people understand both the business and tech side. We can be translators and project managers for AI projects.

Business translators can use their awareness of business and AI to identify potential adoption issues. Translators can survey end users, study processes, and speak with key stakeholders in the business and technical teams. This puts translators in a position to diagnose problems such as lack of employee buy-in or unreasonable expectations from management.

Identifying employees with business translator capabilities is essential. This role will soon be in high demand – and few people possess both AI awareness and business knowledge. The Deloitte AI in the Enterprise survey[4] in 2019 found that business talent was almost as valued as AI talent, and even more so after companies implemented over 20 AI systems.

[4] "Talent and workforce effects in the age of AI" (Deloitte): https://bit.ly/318pFfp

IX. Integrate Data Silos

AI needs lots of data from many parts of the organization. Many corporate departments store data in silos – systems that do not interface with each other and can only be accessed by specific teams. This is a barrier to AI adoption, but it can be overcome.

Large insurance companies are notorious for their data silos. Insurers tend to have dozens of standalone legacy (i.e. old) systems that are not connected to each other or to newer digital and cloud platforms. This is not conducive to AI and digital initiatives. Insurers, like most data-heavy industries, are investing in modernizing legacy systems or migrating data to digital systems, data lakes, and data warehouses. These new systems can enforce data access rights while connecting cross-functional datasets.

Breaking down data silos is not an overnight job. It is generally a bad idea to invest in expensive, large-scale data transformation before implementing AI. It is better to do both together so that data transformation is done according to the needs of AI initiatives.

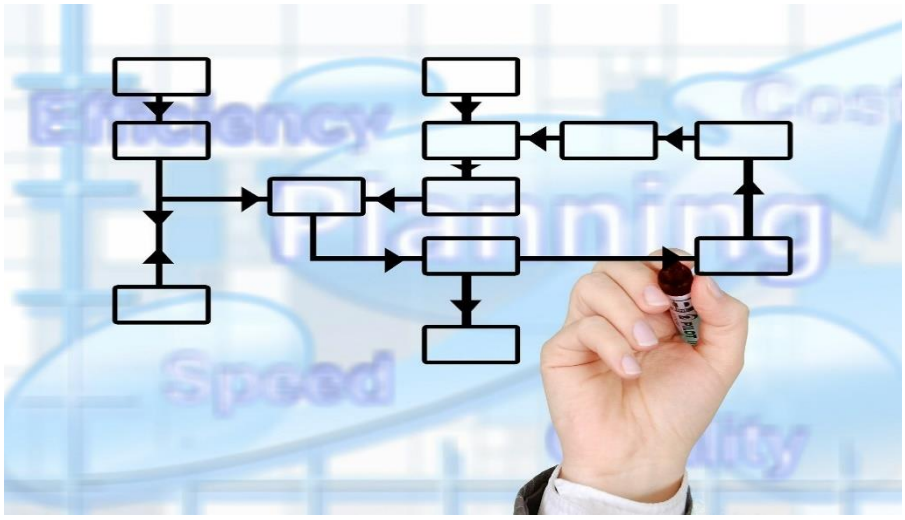
AI pilot projects are helpful here – they reveal where the current data gaps are. With this knowledge, firms can start breaking down data silos intelligently.

X. Invest in Adoption and Change Management

AI awareness and employee buy-in alone are not enough to ensure smooth AI integration with business processes. Even if the tech works, human work habits are hard to change. Firms must budget time and resources for adoption and change management activities.

Integrating AI tools into daily operations involves process redesign, staff training, and change management. These supporting activities should start well before deploying the AI tool. It gets people ready to use the AI tool effectively from day one. It also keeps staff aware of, involved in, and supportive of the AI journey.

Starting integration and change management activities early allows the firm to identify potential issues before implementation. Getting early feedback from end users might reveal that the AI tool requires process changes that create more issues than benefits. Realizing this before deployment allows the technical team to modify the AI tool.

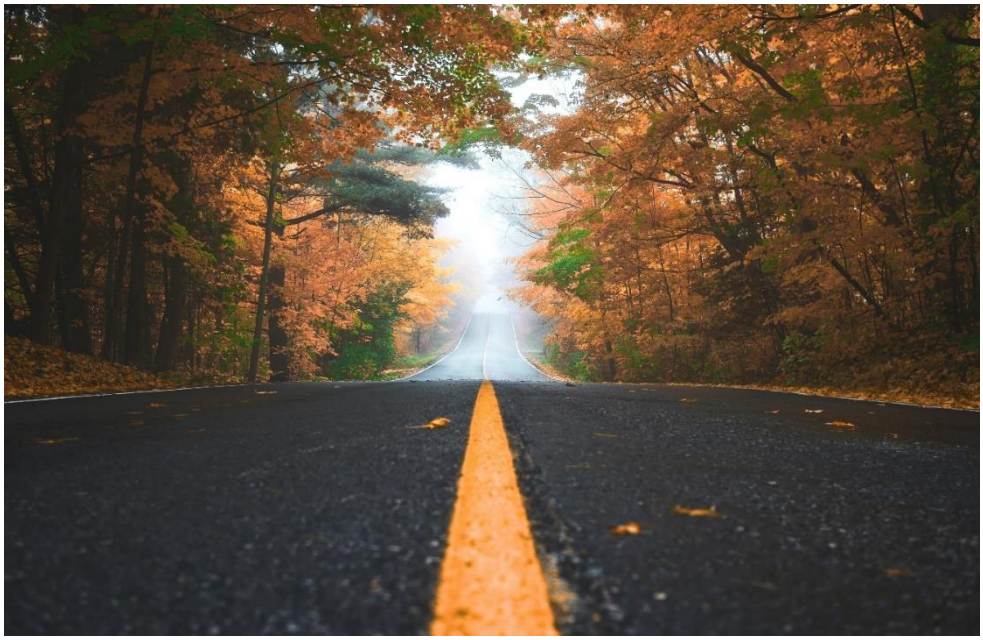


Takeaways for Business Leaders

Companies adopt AI to achieve sustained competitive advantage. Business needs span functions and borders and AI solutions must scale accordingly. AI adoption is not about single use cases. It is about winning big in the market by optimizing entire value chains, such as the end-to-end customer journey.

AI is not easy. The ROI will take time. A company's AI journey is defined by its unique needs and situation – there will be uncharted territory to cross.

Most battles are won or lost before they start. Executives can prepare their companies for AI by promoting a culture tailored to AI transformation. We hope that our AI transformation framework helps you prepare, organize, and win big.



About Blu Artificial Intelligence

Blu offers consulting and corporate education to help companies incorporate Artificial Intelligence into their overall strategy. We are consultants, data scientists, engineers, educators, and financial service professionals. We work with startups, medium & large companies, and universities.

Strategy Consulting

We work with the C-Suite to create an AI strategy that complements overall strategy and growth objectives. We also advise clients on tech stacks and data best practices.

Project Implementation

We help clients develop and implement data science & AI tools. Our team can serve as project managers, developers, and data scientists.

Data Science & Analytics

We work with your data team to uncover hidden insights and construct tools that give decision makers data-driven recommendations.

Executive Education & Workshops

Our workshops and courses help executives identify high-value AI use cases and raise AI awareness throughout the organization.

We look forward to working with you at every stage of your AI journey. Please feel free to contact our team directly or at info@blu.ltd.

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