

# Artificial Intelligence – Preparing for the Next Wave

From Poseidon, our AI Lab



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# 1. Introduction

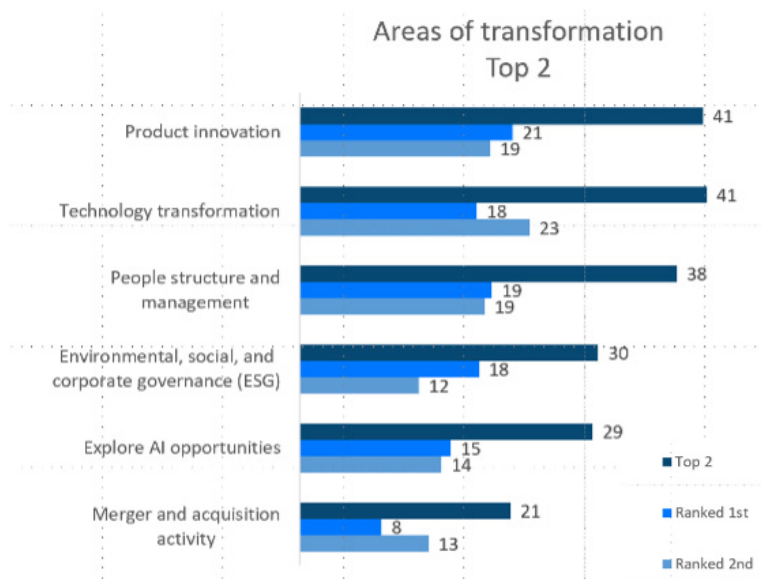
## Overview:

This whitepaper aims to provide a comprehensive understanding of how Artificial Intelligence (AI) can drive business transformation. AI is a powerful catalyst for business transformation, offering numerous benefits that enhance efficiency, drive innovation, and improve decision-making. By integrating AI into their operations, businesses can gain a competitive edge, deliver superior customer experiences, and achieve sustainable growth. This white paper includes survey data from Altum Strategy Group, in partnership with YouGov, which highlights feedback from businesses on the emphasis of AI and the need for ethics and flexibility and articulates the strategic imperative and opportunity that AI presents. Additionally, it provides a deep analysis of the importance of data. "If your data quality is poor, your AI journey will suffer." We showcase the data solutions of accountability/ownership and governance, including the shifts from Data Governance 1.0 to 2.0. People management, operational processes, and technology implementation have inherent risks but are critical to successful AI implementation. We focus on five key strategies to harness the full potential of AI.

## Setting the Scene for AI:

Businesses today are navigating a rapidly changing landscape where technology and innovation are key drivers of success. AI has emerged as a pivotal tool in this transformation, promising to revolutionize various aspects of business operations. According to recent data, AI has become a focus area driving business transformation. Companies that are beginning to harness AI are recognizing the need to integrate ethics and flexibility into their AI journeys to ensure sustainable and responsible growth. The strategic imperative of AI lies in its potential to enhance products, improve processes, and drive innovation.

**Figure 1: Ranking Areas of Transformation Focus in 2024**



Business leaders have identified several areas that are targets for transformation in 2024. These areas highlight the critical role of innovation, technology, and people management in maintaining competitive advantage. The top areas of transformation focus include:

1. Product Innovation
2. Technology Transformation
3. People Structure and Management
4. Environmental, Social, and Corporate Governance (ESG)
5. Exploring AI Opportunities
6. Merger and Acquisition Activity

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Nearly 30% of Business Leaders view AI as the top two business transformation priorities for their business.

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# 2. AI's Role in Overcoming Business Challenges

## Ranking Order of AI Priorities:

Businesses prioritize different aspects of AI implementation based on their unique needs and goals. In 2024 we conducted a Altum Strategy Group/YouGov survey with business leaders who prioritized their AI focus in the year ahead. Business leaders see improving efficiency and productivity as by far the focus area for AI in 2024 with more first and second ranked responses than any other area of consideration. Here is their ranking order of AI priorities:

- 1 Improving Efficiency and Productivity
- 2 Ethical and Responsible Use of AI
- 3 Making Better Strategic Decisions
- 4 Gaining a Competitive Advantage
- 5 Establishing ROI and Performance Metrics for AI Initiatives
- 6 Strategic Vision of AI Use for the Organization
- 7 Change Management for Employee Adoption of AI
- 8 Attracting and Developing AI Talent
- 9 Data Governance and Infrastructure Frameworks
- 10 Partnerships and Collaborations with AI Experts

AI is uniquely positioned to address various business challenges identified in the survey. The following sections provide a detailed analysis of how AI can be leveraged to overcome these challenges, focusing on both foundational processes and outcomes.

# 3. Business Leaders are Focused on Foundational Processes and Outcomes

To effectively implement AI, businesses must focus on foundational processes and expected outcomes.

Based on Altum’s experience, we have divided each of these process and outcome areas into priority order to give businesses a roadmap for where and how to start.

## Foundational Processes

To drive towards relevant AI business outcomes, it is important that the foundational processes are considered to enable the success of the transformation and to ensure AI delivers on the stated goals and objectives.

Foundational Process	What’s needed?	First steps	Final Step
Ethical and Responsible Use of AI	Develop company guiding principles and policies that consider all the use cases of AI within your organization	Assign to a cross-functional team, seek expertise, understand utility and align with company values.	Publish company principles and policy. Set a review schedule as AI continues to evolve rapidly.
Data Governance and Infrastructure Frameworks	Robust data and data governance are needed before any AI journey is started. Without them, your AI journey will be bumpy.	[See Deep Dive below]	[See Deep Dive below]
Strategic vision of AI use for the organization	A comprehensive plan that articulates AI’s role in enabling the vision, mission, and objectives of the organization.	Understand what you want to achieve with AI through a cross-functional team and determine the strategic imperatives.	An agreed-upon vision of how AI could enable the organization’s strategy.
Establishing ROI and performance metrics for AI initiatives	Understand the strategic impact of AI on your business and priority areas.	Set up a learning pilot for each strategic area. Track key metrics and determine ROI.	Implementing AI in strategic areas within a continuous improvement plan aligned across people, process and technology.

# DEEP DIVE

## Data Accountability: Ensuring Robust Data Governance and Infrastructure for AI

Data plays a pivotal role in AI. The success of AI initiatives largely depends on the quality and management of data. Effective data governance, ownership, and accountability are fundamental to supporting AI. This section delves into these concepts and their importance in ensuring a successful AI journey.

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“If your data sucks, then your AI journey will suck.”

—Matt Gantner,  
CEO of Altum Strategy Group

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### Key Concepts:

#### 1. Data Accountability:

- **Definition:** Data accountability is the obligation of individuals or companies to ensure that data is appropriately used, stored securely, and complies with regulations such as GDPR.
- **Focus:** It is centered on the management and safeguarding of data to maintain its integrity and security.

#### 2. Data Ownership:

- **Definition:** Data ownership refers to who has the legal rights to the data and owns the intellectual property.
- **Roles in a Company:** Data ownership distinguishes between the data owner and the data steward.
  - **Data Owner:** The person accountable for how data is created, maintained, used, and stored across one or multiple systems.
  - **Data Steward:** The individual responsible for updating, managing, and deleting data across various systems.

#### 3. Data Governance:

- **Definition:** Data governance encompasses data accountability and ownership. It involves establishing policies and procedures to manage and protect data.
- **Evolution:**
  - **Data Governance 1.0:** Predominantly, IT departments were both the accountable parties and the data owners.
  - **Data Governance 2.0:** Data usage has expanded into business use cases, leading to data being spread across multiple systems and environments with various owners. The centralization of IT owning the data has diminished, resulting in more distributed ownership model.

# DEEP DIVE (continued)

## The Shift from Data Governance 1.0 to 2.0:

The transition from data governance 1.0 to 2.0 signifies a shift in data management practices. Data is no longer centralized within IT departments but is now integrated into various business functions. This dispersal of data ownership necessitates robust governance frameworks to ensure accountability and security across the enterprise.

## Challenges and Solutions

### 1. Governance of Accountability and Ownership:

- **Challenge:** Governing the accountability and ownership of data across multiple systems and environments.
- **Solution:** Implementing comprehensive data governance frameworks that clearly define roles, responsibilities, and policies for data management.

### 2. Ensuring Data Integrity with AI:

- **Challenge:** Integrating AI with data systems and ensuring that AI outputs are accurate and reliable.
- **Solution:** Establishing data accountability and ownership before integrating AI to prevent errors and maintain data security.

## Data Architecture is the Golden Thread:

The overarching enterprise architecture supporting these concepts is the golden thread that ties data governance, accountability, and ownership together. Ensuring data architecture is robust and aligned with enterprise goals is crucial for effective data management and AI integration.

## The Need for Concerted Effort:

It is crucial to consider data accountability, ownership, and governance when implementing AI systems. These components should be established prior to or at the same time as the AI implementation to prevent mistakes and ensure data security. Many companies have encountered difficulties because they failed to put these safeguards and frameworks in place before adopting AI, resulting in unintended exposure of protected data. Along with data protection and security, organizations should also take into account relevant regulations, such as the EU AI Act or ISO 42001 Artificial Intelligence Management System, that may have an impact.

# Business Outcomes

In our 2024 business leaders survey the c-suite identified priority business outcomes they wanted to address. Below are some areas of quick-win considerations and longer-term transformational opportunities in each of the identified outcome areas.

Outcomes	What could be quick wins?	What are longer-term transformation initiatives?
Improving efficiency and productivity	Automating manual tasks, chatbots, content generation, and identifying trends	Implementation that requires significant employee change management and process changes.
Making better strategic decisions	AI-powered analytics.	Implementations that require data modernizations, significant upskilling of employees, and cultural shifts.
Gaining a competitive advantage	Automating manual tasks, predictive analytics, and increased personalization for customers	AI systems development that aligns with strategic business strategy, whether it's data management or new frontiers.
Attracting and developing AI talent	Identify early adopters of AI in the organization	Invest in AI talent at the intersection of people, process, and technology in the AI strategic vision.
Partnership and collaboration with AI experts	Develop an AI mentoring group from key partners in areas aligned with the organization's AI strategic vision.	Help deliver high-impact strategic projects that give a strategic advantage. Provide AI tech expertise within the company ecosystem.

## AI's People, Process, and Technology Risk Areas to Manage:

### People

1. Potential misuse of AI solutions, negatively impacting customers, stakeholders, and society.
2. Over-reliance on AI, undermining human awareness and judgment. Also, AI solutions could potentially manipulate user behavior.
3. AI systems' improper use or security breaches can violate privacy, data, and intellectual property rights.

### Process

1. AI processes and outputs may not be transparent or explainable, leading to trust issues and potential misuse.
2. Not appropriately managing AI's actions and decisions, especially in the case of autonomous AI systems.
3. Potential for AI solutions to be biased, discriminatory, or harmful. Cybersecurity risks are also a major concern.

### Technology

1. AI initiatives may not be effective or ethical, hindering sustainable growth and data accountability.
2. In a rapidly evolving landscape, we are unable to foresee all risks when applying technology.
3. Unable to adapt to AI's evolving nature and within the long-term view of interconnected technology.



# 4. Case Studies of Successful AI Implementations

Real-world examples provide valuable insights into how AI can be successfully implemented in business settings. Here, we present two timely case studies of successful AI implementations, highlighting the challenges faced, solutions implemented, and the outcomes achieved.

## Altum Strategy Group: Our Copilot Implementation and Rollout

Businesses prioritize different aspects of AI implementation based on their unique needs and goals. The ranking order of AI priorities highlights the areas where AI can have the most significant impact.

### Situation

The Altum Crew depends on data and insights to inform decisions and recommendations driving solutions for client challenges. The datasets that the team analyzes are often large, and in some cases, difficult to manage across the various sources. The Altum Crew, is committed to using data as key decision drivers. They required a way to improve efficiency and productivity, along with an approach to reducing repetitive and tedious tasks, such as data cleaning, formatting, and summarizing.

Altum is committed to delivering results responsibly and ethically. Our delivery methodology, The Altum Wave, provides a foundational approach that the team wanted to enhance using AI to drive more meaningful results and greater value for our internal and external customers.

### Solution

The Altum Crew began an internal software selection initiative to evaluate the tools available. After a thoughtful and comprehensive evaluation and pilot, Altum decided to adopt Microsoft Copilot. Key drivers for the decision included:

- Seamless integration with our technology solutions
- Copilot's capabilities and rate of innovation within the product
- Copilot's approach to security, data privacy, and data management
- Copilot's ability to deliver value and drive innovation

(cont'd)

To enable Copilot, Altum took a practical and phased approach to the rollout. Our approach consisted of the following:

**1. Identification of Use Cases:** We identified areas where efficiencies are needed and defined metrics to determine what success looks like. Our use cases included the following:

- **Data ingestion and integration:** How can we access, manage, and work with data across various sources?
- **Data analysis and visualization:** How can we gain more insights from our internal data to solve problems?
- **Learning and development:** How can we continuously provide training and career growth for our Crew?

**2. Data Governance & Security:** We performed a comprehensive review of our data and security posture to ensure that data access is secured and well managed. During our pilot period, we tested for bias, validated access, validated the results of our prompts, and established ongoing procedures to provide a framework to keep our approach to AI responsible and ethical.

**3. Training & Education:** After our pilot phase, we documented our learnings and identified the areas where we needed to provide training to the Altum Crew. The training was shared via our learning management system, which required that each individual Crew member certify that they had completed their training. Once the training was complete, the Copilot license was provisioned for use.

**4. Ongoing Learning:** As part of the ongoing effort to harness the power of AI, we have established an internal working group to continue to document and categorize the lessons learned and new prompts that are effective for helping us be more efficient. This has allowed us to continue to monitor Copilot usage, identify any areas that may require changes, and continue to be responsible for our use of AI.

## Results

As a result of our implementation of Copilot, we are gaining the following benefits:

- **Increased efficiency and productivity:** The Altum Crew has reduced the time and effort that we spend on data and document management, analysis, and generation. This has allowed us to increase the quality and accuracy of our data and documents by minimizing errors and inconsistencies.
- **Improved client satisfaction and retention:** The Altum Team was able to improve our client satisfaction and retention rates by reducing time spent on repetitive tasks and focusing more time on delivering value and impact to our clients.
- **Empowered and engaged Crew members:** The Altum Team is empowered and engaged through the use of Copilot, which has helped them to work smarter and faster and to learn new skills. In conclusion, Copilot has been a game-changer for Altum Strategy Group. The technology has impacted the way that the Crew uses technology. However, the most profound impact has been the way it has enabled the Altum Crew to deliver more efficient and effective solutions for clients. The Altum Crew is excited to continue to use and explore its capabilities, as well as to help other organizations realize these gains and help them achieve their mission, vision, and goals.

# 5. Recommendations for AI Strategies

To harness the full potential of AI, businesses must develop comprehensive AI strategies. This section provides practical recommendations for integrating AI into business planning for the upcoming year:

1

## **Start with a Clear Vision**

Define the goals and objectives of AI initiatives aligned with business strategy.

2

## **Build a Strong Data Foundation**

Invest in data management capabilities to ensure high-quality and secure data.

3

## **Focus on Ethical AI**

Develop ethical guidelines and frameworks to guide AI use.

4

## **Invest in Talent**

Upskill existing employees and hire AI talent to bridge the skills gap.

5

## **Adopt a Phased Approach**

Implement AI projects in phases, starting with pilot programs to test and refine solutions.

## 6. Conclusion

Artificial Intelligence is not just a technological advancement but a strategic necessity for businesses today. By understanding and addressing the critical areas outlined in this whitepaper, companies can prepare for the next wave of AI and ensure sustainable growth and innovation. The insights and recommendations provided here aim to guide businesses in their AI journey, helping them navigate the challenges and seize the opportunities this transformative technology presents.