ALLIANCES
PROJECTS

UNITING STRENGTHS

EXPANDING OPPORTUNITIES

DIGITAL
ALLIANCES
CHAPTERS

Gen AI :
Affirmation & Benchmarking

In partnership with

Alliances

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INTRODUCTION TO THE ALLIANCE PROJECT

WHAT IS AN ALLIANCES PROJECT? - www.alliances.global

Depth to topic and meaningful conversation is much on the agenda for the Alliances community.

Often sparing their time to engage with peers on several types of, typically, events. The community now have the option of doing so with the Alliances, with an additional offering of depth and meaningfulness in creating an output which is influenced from all Alliances format.

- Alliances Market Intelligence
- Alliances Interviews
- Alliances Conversations (Vodcasts and Podcasts)
- Digital Alliances Chapters
- Alliances Chapters
- Alliances Community Forum

We expect this output to contain Theory, Practical and Pragmatic based content around Technology, Strategy and Cultural elements of the themes we focus upon. In this instance, those that are working in the validity and preparedness for Cyber Security Insurance.

We expect a greater amount of purpose to these Alliances Projects than previously, with greater focus and depth as we unpack the themes through several perspectives of academic, active and new community members, as well as service providers, where relevant and appropriate.

WELCOME

To the community and their experience

We welcome, wide, divers and experience led opinions on all we desire to unpack related to the wider theme.

DIGITAL ALLIANCES CHAPTERS

OVERVIEW

This report captures key insights, frameworks, and practical guidance from the “Gen AI: Affirmation & Readiness” session, designed to help organizations navigate the complex, fast-evolving landscape of artificial intelligence.

The discussion brought together perspectives across business, risk, technology, and leadership to address a central question: Are we truly ready for AI?

Topics explored included:

- What AI readiness actually means beyond tooling—covering strategy, people, data, governance, and ethics.
- Where AI delivers value across three key business layers: defending core operations, extending competitiveness, and enabling innovation.
- Why now is a critical tipping point, driven by digital maturity, exponential capability growth, and widespread AI adoption.
- Organizational and ethical risks posed by unmanaged or fragmented AI usage.
- The leadership role in steering AI adoption with vision, accountability, and cross-functional collaboration.
- The importance of measuring value and defining success beyond “blinking lights” and novelty.
- Building the right skills—both technical and cultural—to drive sustainable, safe AI engagement.
- The foundations of responsible AI governance, from access control to data use and bias mitigation.
- A clear AI readiness checklist spanning people, skills, ethics, and risk preparedness.

Whether you’re just beginning your AI journey or seeking to scale it responsibly, this report offers a grounded, actionable path to ensure AI adoption aligns with your organization’s goals, values, and long-term success.

UNDERSTANDING THE READINESS GAP

Ready for What?

AI readiness is not a matter of simply acquiring new tools or licenses. It requires a strategic, cultural, and operational transformation that aligns leadership vision, organizational capabilities, workforce skills, data governance, and ethical principles. The question is not just "do you have AI?"—it's "is your organization ready to use AI meaningfully, safely, and at scale?"

Alliances View:

Many organizations are either underestimating the scope of AI or viewing it as a future concern, despite the fact that AI is already integrated into platforms they use daily. Employees are using tools like ChatGPT and Copilot in unsanctioned or exploratory ways, which poses a significant readiness challenge if leadership is unaware or unengaged.

The session also highlighted that organizations tend to function in silos, with little alignment between teams like IT, legal, compliance, and operations—making AI adoption fragmented and risky.

"Everyone is working... but not harmoniously. There are no silos, right? That would be a great place to work—but it doesn't exist."

"You're going to be on the receiving end of whatever someone conjures up if you don't get involved now."

What Does AI Readiness Involve?

The Alliances group emphasized that AI readiness means:

- Strategic Intent: Clear articulation of how AI aligns with business goals and where it fits into future growth.
- Leadership Ownership: Executive sponsorship to guide implementation and risk oversight.
- Cross-Functional Coordination: Legal, risk, compliance, IT, HR, and operations must work together to manage AI's impact.
- Ethical Foundations: Understanding and accountability for how AI is used by staff.
- Skills Mobilization: Training staff not just to operate AI but to understand its risks and limitations.

Alliances View:

AI isn't a bolt-on feature. It changes how decisions are made, how work is performed, and how value is created. If you're not building alignment now, AI will be implemented in ways that are inefficient at best—and non-compliant or dangerous at worst.

UNDERSTANDING THE READINESS GAP

Definition of AI

Artificial Intelligence (AI) refers to computer systems or models that simulate human intelligence, performing tasks like learning, reasoning, problem-solving, and pattern recognition. AI systems typically improve over time by learning from data.

Key Concepts of AI (Summarised):

Artificial Intelligence	Broad field of simulating human intelligence in machines.
Machine Learning (ML)	A method by which systems learn from data to make decisions or predictions.
Deep Learning	A subset of ML using neural networks, especially useful for unstructured data.
Generative AI	AI that can create new content (text, images, code) rather than just analyze.
Large Language Models	Complex models (like ChatGPT) trained on massive datasets to interpret and generate human-like language.

Alliances View:

Understanding the basic taxonomy of AI is essential across all levels of an organization—not just in IT. A lack of fluency creates miscommunication between business and tech functions, leading to flawed planning or blind trust in outputs. Teams must have a shared foundation before engaging in procurement, risk planning, or strategy.

The Cost of Unreadiness

AI is already seeping into core systems:

- Microsoft, Salesforce, Google, and others are integrating AI into productivity suites, CRMs, and communication platforms.
- Employees are experimenting with tools for content creation, code generation, and customer support.
- Vendors are increasingly offering “AI-powered” features as default.

If governance, policy, and ethical frameworks aren’t in place, organizations risk:

- Data leakage
- Regulatory breaches
- Biased or misleading outputs
- Shadow IT and tool proliferation
- Erosion of customer trust

UNDERSTANDING THE READINESS GAP

Research Insight:

- Deloitte (2024) reports that only 23% of organizations have a clearly defined AI strategy, and 62% are exploring AI without coordinated governance or ethics frameworks.

- IDC (2024) projects that by 2026, 40% of digital transformation initiatives will fail due to poor alignment between technology and operational readiness.

- According to Capgemini, only 1 in 5 companies have AI risk registers and documented model accountability structures in place.

WHY IT MATTERS: UNLOCKING BUSINESS VALUE

The Core Value Proposition

At its essence, artificial intelligence drives business productivity by enabling organizations to deliver **more output with fewer inputs**. This shift is captured in the productivity formula:

AI = Productivity
"Units of Output / Units of Input = $$$"

AI empowers organizations to accelerate workflows, automate repetitive processes, enhance decision-making, and innovate at scale. Whether improving what already works, outperforming competitors, or launching new offerings, AI has become a core lever for value generation.

The Alliances group identified three strategic levels where AI creates value:

Defend Existing Business

This approach focuses on preserving and enhancing core operations. AI is used to increase efficiency within current workflows—helping organizations remain competitive without expanding headcount or budget.

- AI is being embedded in everyday tools like Microsoft 365, CRMs, and ERPs, even in organizations without a formal AI strategy.
- Automating repetitive tasks (e.g., data entry, customer service chat, internal reporting) allows employees to focus on higher-value activities.
- This results in higher Return on Employee (ROE) and greater productivity from the same workforce.

Alliances View:

Organizations may not realize it, but AI is already present in their environments through platform integrations. Even without formal adoption, employees are using AI to solve problems and increase efficiency. Businesses must recognize this and respond intentionally.

Research Insight:

McKinsey Global Institute (2023) found that AI-enabled automation can reduce manual work by **20–25%** in functions such as finance, HR, customer support, and compliance. This shift does not necessarily replace jobs but reallocates effort to higher-value tasks.

WHY IT MATTERS: UNLOCKING BUSINESS VALUE

Extend Competitiveness

This layer of value targets enhanced performance and customer experience. AI can optimize processes, offer deeper personalization, and enable smarter insights—giving organizations a competitive edge.

- Examples include intelligent recommendations, predictive forecasting, and real-time sentiment analysis.
- When deployed effectively, AI can shorten decision cycles, increase customer engagement, and reduce operational waste.
- This use case often provides **13–36% ROI uplift**, particularly in service delivery, marketing, and logistics.

Alliances View:

Extending competitiveness with AI isn't just about efficiency—it's about creating better customer experiences and smarter internal processes. Organizations that leverage AI to optimize interactions and augment human decisions see substantial returns.

Research Insight:

Gartner (2024) reports that AI adoption in sales and marketing can lead to **up to 30% shorter sales cycles** and **15% improvement in engagement**. PwC found that predictive maintenance models reduce operational downtime by **up to 50%,** improving asset utilization and service reliability.

Innovate New Propositions

At the highest maturity level, AI enables organizations to create entirely new products, services, and business models. This is where AI shifts from being a productivity enhancer to a core innovation engine.

- Generative AI, for example, enables personalized content creation, code development, legal summarization, and customer co-creation experiences.
- These innovations open doors to **future ROI** through new revenue streams and market creation.
- The success rate may be lower, but the upside is transformative.

WHY IT MATTERS: UNLOCKING BUSINESS VALUE

Alliances View:

This is the boldest use of AI—and the hardest to get right. It's not about small enhancements but launching fundamentally new offerings. Organizations must be prepared for experimentation and learning, knowing that even one breakthrough can change the game.

Research Insight:

According to BCG (2023), **1 in 5 companies using generative AI** are already developing net-new products or business models. Microsoft (2023) adds that companies embracing AI strategically are **twice as likely to outperform peers** in long-term revenue growth and customer retention.

WHY NOW?
THE CONVERGING STORM

The widespread adoption of AI isn't just a passing trend—it's the result of years of digital evolution reaching a tipping point. Several forces have converged to create the ideal conditions for AI to scale rapidly across industries, unlocking value while simultaneously introducing complexity and risk.

Digital Transformation Legacy

Over the past decade, most organizations have invested heavily in digitization—shifting from paper-based or analogue systems to cloud-based platforms, enterprise apps, data lakes, and integrated tooling. This groundwork has laid the foundation for seamless AI integration.

Alliances View:

Many organizations are sitting on vast digital infrastructures without realizing that AI can now connect those assets, workflows, and datasets in transformative ways. The investments of the past 10–15 years—from ERP to CRM to cloud—were necessary steps to prepare for AI. Now, it's about leveraging them to full effect.

"Most organizations spent the last decade driving digital transformation... automating, exposing data, becoming more interoperable. Now AI can sit on top of all that and supercharge it."

Research Insight:

According to **Accenture (2023),** organizations with mature digital infrastructure are best positioned to adopt AI, achieving up to **40% productivity gains** by layering AI onto their existing digital ecosystems.

Exponential AI Improvement

AI has evolved dramatically since its origins in the mid-20th century. It is estimated that AI capabilities—measured in terms of processing power, model complexity, and functional outcomes—have improved by over **1.6 million times** since the 1950s.

Alliances View:

This isn't AI's first wave, but it's the one that's sticking. Earlier attempts faltered due to technological limitations. Now, breakthroughs in machine learning, cloud infrastructure, and compute power are making this wave sustainable—and deployable at scale.

"Someone said we're in the third wave of AI. This time, it looks like we'll actually make it stick."

Research Insight:

The **Stanford AI Index (2023)** confirms that model performance (in tasks like translation, vision, and reasoning) has been increasing **exponentially,** fueled by larger datasets and better hardware. Generative AI in particular is now **approaching human-level fluency** in a range of tasks.

WHY NOW?
THE CONVERGING STORM

Doubling Power Every Two Years

Like Moore's Law in computing, the power and efficiency of AI systems are **doubling roughly every two years**. This includes increases in parameter counts, token memory, context length, and energy efficiency.

Alliances View:

The speed of progress is staggering—tools we were piloting a year ago are already obsolete. While the capabilities of AI keep doubling, organizations can only absorb that transformation so fast. If you're not steering it, the tech will outrun your ability to govern or benefit from it.

"The technology is evolving faster than the organization's capacity to extract value from it. That creates a real risk of saturation—and chaos—if not managed intentionally."

Research Insight:

OpenAI's GPT model size grew **570x** between GPT-1 and GPT-4 (from 117 million parameters to over 175 billion). Meanwhile, **Google DeepMind, Anthropic**, and others are in a race to scale model context length and multimodal inputs, expanding capabilities and use cases every 6–12 months.

A Rapidly Changing Landscape

AI is not just improving existing capabilities—it is **redefining how problems are solved**, introducing entirely new possibilities for engagement, innovation, and disruption. Across industries, AI is now augmenting or replacing tasks traditionally done by humans.

Alliances View:

What used to be science fiction is now embedded in everyday tools. The pace of adoption, combined with ease of access, means organizations no longer control whether AI is used—only how. This shift demands rapid maturity around ethics, enablement, and operational alignment.

"People are using it already, whether the organization is ready or not. AI has moved from optional to inevitable."

Research Insight:

A **PwC study (2023)** found that **73% of CEOs** see AI as a top priority for their business strategy. At the same time, **Forrester (2024)** forecasts that over **30% of current business processes** will be touched by AI by the end of the year, either through automation, augmentation, or reimagination.

WHY NOW?
THE CONVERGING STORM

Summary: Why Now?

We are living through a convergence of:

- **Digital maturity from prior investments**
- **Exponential technological advancement**
- **Lowered barriers to AI access**
- **Cross-industry momentum and urgency**

Together, these factors make this moment a **point of no return.** AI is not a future consideration—it is a current reality demanding strategic attention, governance, and opportunity capture.

WHAT SHOULD I WORRY ABOUT? ORGANIZATIONAL & ETHICAL RISKS

AI introduces immense opportunity—but with it comes complexity, ambiguity, and risk. Organizations must face the uncomfortable truth: **AI is already present in their environments,** often without formal oversight, clear ownership, or embedded accountability. This reality introduces both organizational and ethical challenges that, if unaddressed, can lead to reputational damage, legal exposure, and operational instability.

Organizational Challenges

Fragmentation of Ownership

AI does not fit neatly into one department. It touches data, infrastructure, ethics, customer experience, compliance, and operations. As a result, ownership is often diffused across legal, risk, IT, and business teams, creating confusion around who's responsible for oversight, approvals, and escalation.

Alliances View:

Most organizations don't have a unified approach to AI governance. The fragmentation of ownership and siloed decision-making slows response, weakens accountability, and increases risk exposure—especially when issues arise.

"Everyone is thinking about AI, but no one owns it... there's no single thread connecting strategy, usage, and control."

Production-First Mentality

There's a widespread bias toward **"zero to production"**—deploying AI solutions quickly, often without thinking through risks, ethical consequences, or downstream effects. This can lead to flawed implementations, misuse, and long-term technical debt.

Alliances View:

The organizational impulse to move fast creates exposure. Many AI initiatives are launched without impact assessment, ethics review, or even clear problem definition. As tools become more accessible, this behavior becomes more common—especially among non-technical teams.

"It's a human bias—we want action, we want progress. But in AI, that bias can break things fast."

AI Denial

Many companies convince themselves that AI isn't a priority—until it's embedded in a product update or used by employees outside sanctioned channels. This false sense of security delays action, allowing shadow AI use to grow unchecked.

WHAT SHOULD I WORRY ABOUT? ORGANIZATIONAL & ETHICAL RISKS

Alliances View:

Some organizations believe they're immune to AI's risks because they haven't deployed it formally. But that ignores the reality that most vendors and employees already are. This mindset leaves them blind to where AI is creeping into the business.

"Even if you think you're not doing AI, your people are—through ChatGPT, Copilot, and more. Ignoring it won't stop it."

The Pervasiveness of AI

AI exists across three key domains in today's organizations:

1. Custom AI Models

- Developed by in-house data science teams for specific functions like fraud detection, forecasting, or chatbots.
- Often hard to monitor, audit, or validate unless embedded within strong ML Ops frameworks.

2. Embedded AI Tools

- Integrated into widely used platforms like Microsoft 365 Copilot, Salesforce Einstein, HubSpot, etc.
- AI functions are often activated without clear organizational awareness or permission.

3. Agent-Based Models

- Fully autonomous agents that perform complex tasks, make decisions, or trigger workflows with minimal oversight.
- Examples include intelligent document processing bots or generative agents in marketing.

Alliances View:

Many organizations don't realize that AI is already running in their environment—often invisibly, as part of tools they've already licensed. The risk is that controls haven't caught up to the functionality.

WHAT SHOULD I WORRY ABOUT? ORGANIZATIONAL & ETHICAL RISKS

User-Level Risks

Even when AI tools are made available with good intent, **most employees are not trained** to think critically about data usage, security, or accuracy. This creates multiple layers of exposure:

- **Where does the data go?**
  Most users don't know if AI tools store, reuse, or expose inputted information.
- **Who owns the outputs?**
  It's unclear whether generated content is proprietary or can be reused by vendors.
- **Are you exposing confidential or regulated information?**
  Prompting tools like ChatGPT with sensitive internal data may violate data protection laws or client contracts.
- **Can the results be trusted?**
  Outputs may be biased, incorrect, or hallucinated—yet still acted upon if users are unaware.
- **What happens if AI misbehaves?**
  Organizations must define procedures for detecting, auditing, and correcting AI errors—before they result in real harm.
- **How do you recover from misuse?**
  Without logs, traceability, and accountability, recovery from an AI error can be slow or impossible.

Alliances View:

The typical employee sees AI as a helpful assistant, not a risky actor. This cognitive disconnect means many are engaging with AI tools without questioning the implications. That gap must be closed through education and embedded controls—not just policies.

"It's like giving people a loaded gun without telling them which end to point."

Research Insight:

- **IBM (2024)** reports that 43% of companies using AI have encountered unintended consequences—ranging from financial losses to reputational damage—due to insufficient governance.
- **Gartner (2023)** found that fewer than 5% of enterprises have implemented full AI risk management frameworks.
- **Capgemini (2023)** shows that most organizations fail to track AI tool usage outside of officially sanctioned projects, leading to rising shadow AI risks.

WHAT SHOULD I WORRY ABOUT? ORGANIZATIONAL & ETHICAL RISKS

Summary: What Should You Worry About?

- **Organizationally:** Lack of central ownership, governance, and coordination across departments.

- **Technically:** AI is embedded, often invisible, and frequently underestimated in terms of reach and complexity.

- **Ethically:** Employees may use AI in ways that breach privacy, security, or trust—often unknowingly.

- **Strategically:** Ignoring AI will not delay its impact—it only delays your ability to manage and benefit from it.

The takeaway: **You're already doing AI. The question is—are you doing it well, safely, and deliberately?**

STEERING THE JOURNEY: LEADERSHIP & ENABLEMENT

AI cannot be delegated to a single department or outsourced to a vendor. It must be **owned, stewarded, and actively shaped by leadership.** The organizations that will thrive in the age of AI are not those that adopt the most tools—they are those that align their **vision, values, operations, and capabilities** to use AI responsibly and effectively.

Alliances View:

Leadership must go beyond managing risk—they need to guide the direction of AI within the organization. It's not just about protecting the business from harm; it's about shaping how AI enables growth, productivity, and new value.

"If you're not steering, you're going to be on the receiving end of someone else's direction. Get in the race, or you'll get left behind."

Key Leadership Actions

1. Create Vision

Leadership must define what AI is meant to accomplish. Without a clear articulation of business problems to solve, organizations risk deploying AI in fragmented, duplicative, or even harmful ways.

- What business challenges are we solving?
- Which areas are ripe for augmentation?
- Where can AI improve decisions, reduce effort, or generate value?

Alliances View:

Many AI deployments fail because the "why" isn't clear. The best use cases emerge from understanding real pain points, not chasing hype.

2. Educate Leaders and Staff

AI literacy is no longer optional. Business and technical teams must share a foundational understanding of how AI works, what its limits are, and how it integrates into real-world processes.

- Non-technical leaders must grasp model behavior, hallucination risks, and governance needs.
- Staff must know how to use AI tools responsibly and recognize when to validate or escalate results.

Alliances View:

Education is empowerment. If people don't understand what they're working with, they can't use it properly—or safely.

STEERING THE JOURNEY: LEADERSHIP & ENABLEMENT

3. Build Strategy

AI initiatives must be embedded in broader organizational objectives. Strategy should articulate:

- Use case prioritization
- Outcome measurement
- Resource alignment
- Investment planning

Alliances View:

Strategy isn't just a document—it's a unifier. It ensures AI investments are connected to outcomes and that teams pull in the same direction.

4. Define a Roadmap

Organizations need a staged path to maturity. Trying to "do it all" at once leads to overwhelm, fragmentation, and loss of trust.

- Start with high-value, low-risk use cases.
- Progress to more advanced automation or augmentation.
- Mature toward full AI integration with governance embedded at every stage.

Alliances View:

It's not about rushing—it's about pacing. Maturity comes through learning, iteration, and measured expansion.

Research Insight:

According to **PwC's Responsible AI Index (2024)**, organizations with staged AI adoption strategies saw **35% higher ROI** and **40% fewer compliance failures** compared to ad hoc adopters.

STEERING THE JOURNEY: LEADERSHIP & ENABLEMENT

Support Capabilities to Frame AI Enablement

AI doesn't work in isolation—it's only as effective as the environment in which it runs. Alliances highlighted four foundational enablers leaders must strengthen:

1. Data

- Clean, accurate, ethically sourced data is essential.
- AI cannot generate reliable outputs from incomplete or poor-quality inputs.

Alliances View:

Many failures stem not from flawed models, but flawed data. Organizations must invest in data readiness as a core pillar of AI enablement.

2. Security

- Real-time, embedded security measures are non-negotiable.
- Access, auditability, and visibility must be built into AI systems from the outset.

Alliances View:

Without AI-specific security thinking, organizations risk exposing sensitive data or automating vulnerabilities at scale.

3. Technology

- Infrastructure must be scalable, interoperable, and cloud- or edge-ready.
- AI performance depends on compute power, latency, integration, and cost-efficiency.

Research Insight:

A 2023 Gartner report shows that **over 60% of failed AI projects** cited inadequate infrastructure or legacy system constraints as a key barrier.

4. People

- Clear roles, responsibilities, and skill sets must be defined for both technical and business users.
- Organizations need prompt engineers, AI product owners, and compliance-aware champions.

Alliances View:

Don't assume existing roles will absorb AI responsibilities. Enable new roles—or risk leaving critical gaps.

STEERING THE JOURNEY: LEADERSHIP & ENABLEMENT

Collaborative Enablement

AI is cross-functional by nature. Building a central AI team is important—but enabling **collaborative intelligence** across the enterprise is vital.

Actions for Enablement:

- Establish a **multi-functional working group** representing risk, IT, operations, HR, and legal.
- Involve these teams early—not just at sign-off.
- Treat AI adoption as a **shared transformation**, not a tech rollout.

Alliances View:

When people feel included, they engage responsibly. When they're excluded, they build workarounds. Inclusion is a safeguard, not a courtesy.

"We have to treat AI as something that belongs to everyone—not something done to them."

Research Insight:

- The **World Economic Forum (WEF)** emphasizes collaborative AI governance as a best practice in its "Toolkit for Responsible AI" (2023), noting that cross-functional coordination reduces risk blind spots and accelerates adoption.

- **Deloitte (2024)** reports that organizations with multi-disciplinary AI committees are **2.3x more likely** to have responsible AI outcomes and higher employee confidence in AI use.

MEASURING VALUE: FROM THEORY TO RESULTS

Implementing AI is only half the challenge—**proving its value** is the other. Many organizations rush to deploy AI tools but fail to define how success will be measured, leading to flashy demonstrations that lack real business impact.

Alliances View:

Far too many AI projects are judged by novelty rather than utility. Tools may create impressive outputs, but without clear metrics, organizations fall into what was referred to as **"blinking lights syndrome"**—mistaking activity for achievement.

"Just because it glows doesn't mean it's working. You must connect it to value."

What to Measure

Effective measurement of AI must align with the goals of each use case. The focus should shift from generic adoption metrics to tangible business outcomes. Alliances emphasized five core dimensions of AI value:

1. **Efficiency Gains**
   - Reduced time to complete core tasks (e.g., document generation, data processing, triage).
2. **Time Savings**
   - How much human time is reclaimed from repetitive or manual activities.
3. **Employee Productivity Uplift**
   - Increase in outputs per employee, driven by AI-assisted workflows.
4. **Revenue Contribution or New Pipeline**
   - Impact of AI on lead generation, customer retention, upselling, or entirely new revenue streams.
5. **Risk Mitigation**
   - Reduction in human error, improved compliance adherence, and stronger decision assurance.

Alliances View:

Not every AI implementation is about cost savings. In many cases, the true value is in **time, experience, or decision quality**—which may not immediately show up on the balance sheet but are nonetheless transformative.

Defining ROI Up Front

AI initiatives must start with clarity:

- **What problem are we solving?**
- **What change should we see?**
- **How will we know it worked?**

Action: Define ROI metrics before deployment. Don't just focus on cost—look at outcome-based impact.

MEASURING VALUE: FROM THEORY TO RESULTS

Alliances View:

Pilots often suffer from unclear scope and unmeasurable goals. If the only metric tracked is usage, it becomes impossible to prove business impact or secure follow-on investment.

"Usage is not value. Visibility is not ROI."

Different Use Cases, Different Metrics

Use Case	Value Metric
Internal automation	Hours saved, FTE reallocation
Sales enablement	Pipeline volume, deal velocity
Customer experience	NPS uplift, response time, resolution rate
Risk and compliance	Policy violations detected, audit accuracy
Innovation (new offerings)	Revenue from net-new products or services

Alliances View:

One of the biggest mistakes is applying the same metrics to every AI use case. The value of a chatbot is not the same as that of an underwriting model. Measurement must be **contextual.**

Research Insight:

- McKinsey & Company (2023) found that organizations that clearly defined AI success metrics **prior to deployment** were **2.6x more likely** to report positive ROI.

- AI projects in these organizations delivered:
  - **10–20% revenue uplift** via personalization and targeting
  - **15–30% cost reduction** through back-office automation
  - **20–40% time reduction** in customer support cycles

- **Accenture (2023)** noted that focusing exclusively on cost savings often leads to underinvestment in more strategic AI capabilities like innovation and service differentiation.

Beyond the Dashboard: Measuring Trust and Adoption

In addition to business metrics, qualitative and behavioral indicators matter:

- Are employees **using** the tools as intended—or bypassing them?
- Do users **trust** AI recommendations enough to take action?
- Are customers noticing **improved experiences?**

Alliances View:

Adoption isn't just about rollout—it's about integration. People must see the tool as a value-add, not a hurdle.

SKILLS & TRAINING: BUILDING THE FOUNDATION

AI success is not a function of technology alone—it depends on the **people who design, deploy, and interact with it**. The most sophisticated AI tools deliver little value if employees don't understand how to use them—or worse, if they misuse them without realizing the risks. Building skills across both business and technical domains is essential for sustainable AI adoption.

Alliances View:

One of the most underestimated aspects of AI enablement is **human readiness**. Too many organizations invest in tools but not in people—leaving users unprepared to extract value or protect against unintended consequences.
"You've handed people something powerful. Now teach them how not to point it the wrong way."

Skills Required

AI-related skills fall into two broad categories: those required to use AI effectively, and those required to maintain itreliably.

1. Skills to Use AI

These are the capabilities every employee interacting with AI must develop. They are essential for getting accurate, responsible, and valuable outcomes from AI tools—particularly those embedded in productivity software.

- **Prompt Engineering**
  The ability to structure questions, inputs, and instructions to produce useful AI outputs.
- **Critical Evaluation**
  Knowing how to validate AI-generated content, spot hallucinations, and assess output accuracy.
- **Ethical & Privacy Awareness**
  Understanding what data is safe to input, what biases may exist, and where human oversight is necessary.

Alliances View:

Using AI well isn't about writing code—it's about asking good questions, knowing when not to trust the answer, and being alert to ethical blind spots.

"You don't need to be technical. You need to be thoughtful."

Research Insight:

According to **MIT Sloan (2024),** employees trained in prompt design and content validation were **37% more productive** using AI tools compared to peers without structured training.

SKILLS & TRAINING: BUILDING THE FOUNDATION

2. Skills to Maintain AI

These are more technical skills, required for data teams, engineers, and those responsible for operationalizing AI within the enterprise.

- **Model Calibration & Retraining**
  Ensuring models stay accurate over time by adjusting for drift and incorporating new data.

- **Secure Deployment**
  Managing access, version control, and encryption to protect models and their inputs/outputs.

- **Ongoing Monitoring & Tuning**
  Watching for performance degradation, bias shifts, and anomalies in real-time use.

Alliances View:

There's a mistaken belief that once a model is live, it runs itself. In truth, AI systems require care, attention, and periodic review to ensure they don't go off track.

"Someone has to keep it warm at night. AI doesn't maintain itself."

Research Insight:

Gartner (2023) found that **50% of enterprise AI models** degrade within 12 months of deployment due to lack of retraining and monitoring, contributing to reduced performance and poor outcomes.

Cultural Fluency: Shifting Mindsets Across the Org

Beyond hard skills, organizations must also foster **cultural fluency with AI.** This includes building psychological safety around AI experimentation and creating inclusive spaces for learning and contribution.

- **Cross-Functional Conversations**
  Enable IT, risk, legal, HR, and business users to discuss AI openly—sharing risks, opportunities, and responsibilities.

- **Shared Wins and Use Cases**
  Highlight success stories across departments to build confidence and demonstrate value.

- **Structured Onboarding**
  Introduce AI literacy and responsible usage training as part of the onboarding process for all new employees.

SKILLS & TRAINING: BUILDING THE FOUNDATION

Alliances View:

AI doesn't just change workflows—it changes culture. People need to feel supported, not judged, when learning how to use it. Build fluency the way you'd onboard someone into a new way of working.

"This is like teaching people to use email for the first time. Make it normal."

AI Does Not Come for Free

Adopting AI responsibly requires **significant investment** in licenses, training, and human capacity:

- AI licenses (e.g. Copilot, ChatGPT Enterprise, Salesforce Einstein) carry real cost.
- Training requires time, structure, and curriculum.
- Ongoing support from IT, security, and data teams is essential for scaling safely.

Alliances View:

AI is not a free upgrade. Without investment in skills and enablement, it becomes an expensive underutilized feature—or worse, a risk multiplier.

Research Insight:

A study by **Deloitte (2024)** found that organizations that invested in structured AI training programs achieved **2.4x higher returns** on AI-related investments than those that focused only on technology enablement.

RESPONSIBLE USE AND GOVERNANCE

AI offers enormous potential—but without robust governance and ethical oversight, it can introduce reputational damage, regulatory risk, and systemic bias. Responsible use is not just about writing policies—it's about embedding those principles into **access, training, tooling, and accountability** from day one.

Alliances View:

Responsible use is not optional—it's foundational. If people don't understand the implications of their interactions with AI, they'll misuse it without even realizing. And with AI's speed and scale, small mistakes become big risks fast.

"It's not just about permission—it's about understanding. And that starts before someone even touches the tool."

What Responsible AI Means in Practice

Alliances emphasized that responsible AI is built on **shared understanding, embedded controls, and continuous oversight.** It requires both culture and infrastructure to support ethical, effective usage at scale.

A Responsible AI Framework Should Include:

1. **Training Before Access**
    - Users must complete a responsible use module before being issued licenses for tools like Microsoft Copilot or generative AI platforms.
    - This ensures understanding of data privacy, appropriate inputs, content validation, and escalation protocols.

Alliances View:

Granting AI access without preparation is like giving someone a chainsaw and assuming they'll read the manual.

Research Insight:

A 2023 report by **World Economic Forum** found that organizations that require pre-access AI training reduce misuse incidents by **42%,** especially among non-technical users.

RESPONSIBLE USE AND GOVERNANCE

1. Clear Guidelines on Data Use

- Employees must know what kinds of data they can and cannot use with AI tools (e.g., confidential, personal, regulated).
- Default policies should assume that **AI tools are external by nature** unless explicitly controlled and sandboxed.

"If you wouldn't paste it into a public Slack channel, don't feed it to a model."

2. Guardrails to Prevent Misuse, Bias & Hallucinations

- Systems should be configured to reduce toxic, biased, or nonsensical outputs.
- Human-in-the-loop validation is required for high-impact content.

Alliances View:

Without monitoring for hallucinations or bias, you risk automating misinformation—or worse, discrimination—at scale.

3. Scalable Policies for All Users

- Governance should not depend on technical proficiency.
- Everyone—from HR to finance to junior analysts—should understand how to use AI tools responsibly.

Alliances View:

Policies must be digestible, role-based, and reinforced through structured onboarding and just-in-time reminders.

Controls to Consider

To operationalize responsible AI, organizations should implement specific technical and procedural safeguards:

1. Internal Data Flow Restrictions

- Prevent sensitive or protected data from being ingested by external or uncontrolled AI systems.
- Use DLP (data loss prevention), masking, and access controls.

2. Monitoring for Misuse

- Deploy systems that flag high-risk behaviors (e.g., prompts involving sensitive content, outputs with policy-violating language).
- Establish thresholds and alert mechanisms for model drift or unexpected outputs.

RESPONSIBLE USE AND GOVERNANCE

Alliances View:

Most issues are only caught after harm is done. With AI, proactive monitoring is critical—it's the only way to intervene before things escalate.

3. Escalation Routes

- Define and publish pathways for raising issues related to AI errors, hallucinations, bias, or misuse.
- Ensure there is a clear owner and SLA for responding to incidents.

4. Role-Specific Guidelines

- Provide tailored expectations and limitations for different roles. For example:
  - Customer service agents using AI to draft responses
  - HR leaders using AI to summarize policies
  - Data scientists developing custom models

"The rules for a frontline staff member should not be the same as those for a model trainer. Role-based governance helps avoid blanket rules that confuse everyone."

Research Insight:

- **IBM (2024)** reports that only **20% of organizations** currently have AI governance structures in place—but those that do are **2.5x more likely** to detect and address AI risks early.

- According to **Harvard Business Review (2023),** organizations with tiered AI governance frameworks experienced **38% fewer ethical breaches** than those with flat or reactive policies.

AI READINESS: THE SANITY CHECK

AI transformation isn't about having the latest model or the biggest budget. It's about **organizational readiness**—ensuring that people, processes, policies, and platforms are aligned to support AI use **safely, strategically, and sustainably.**

Alliances View:

Before scaling AI, organizations need to pause and ask: "Are we ready?" This doesn't mean perfection—it means **awareness, alignment, and action** across multiple dimensions. AI cannot succeed in silos or shadows.
"Readiness isn't about being done—it's about being clear on what still needs doing."

AI Readiness Checklist

The Alliances group outlined five key readiness domains every organization should assess. Each one reflects a different dimension of enabling AI effectively.

People Readiness

What to Look For:

- Leaders and employees understand what AI is—and just as importantly, what it isn't.
- There is a foundational awareness of how AI works, where it helps, and where caution is needed.

Alliances View:

Too many employees treat AI as infallible, while others dismiss it as irrelevant. Both are dangerous. Creating **shared literacy** is the first step in using AI responsibly and confidently.

Research Insight:

According to **MIT Sloan Management Review (2024)**, organizations with widespread AI awareness across all levels of staff are **3x more likely** to achieve ROI from their AI initiatives.

AI READINESS: THE SANITY CHECK

Skills Readiness

What to Look For:

- Employees know how to **engage productively with AI**—including prompt design, validation, and ethical input handling.
- Technical teams are equipped to **deploy, monitor, and secure AI systems** responsibly.

Alliances View:

AI skills don't just mean coding. It's about interaction, judgment, and oversight. Everyone has a role to play—whether using, supporting, or governing AI.

Research Insight:

Gartner (2023) found that **47% of failed AI deployments** were due to lack of internal expertise in either operationalizing or maintaining AI solutions.

Culture Readiness

What to Look For:

- Teams view AI as a collaborator, not a threat or novelty.
- Using AI to solve problems is encouraged, normalized, and celebrated.

Alliances View:

Culture is often the invisible barrier to adoption. If people fear being replaced—or don't trust the tech—they'll resist even the best-designed solutions. Readiness means psychological safety and shared ownership.

"AI needs to feel like part of the team—not something sent to replace it."

Research Insight:

A **Deloitte study (2024)** shows that AI-enabled organizations with high-trust cultures were **2.8x more likely** to scale adoption successfully across departments.

AI READINESS: THE SANITY CHECK

Ethics Readiness

What to Look For:

- Ethical use of AI is clearly defined, documented, and actively socialized.
- Employees understand **what's acceptable, what's risky, and when to escalate.**

Alliances View:

Ethics is not a legal checkbox—it's a behavioral compass. If teams don't know how AI might produce harm, they won't know how to prevent it.

Research Insight:

According to the **World Economic Forum (2023),** organizations with published and trained AI ethics policies are **42% less likely** to experience unintentional AI misuse.

Risk/Compliance Readiness

What to Look For:

- The organization understands AI-specific risks like **data leakage, model drift, bias, hallucination, and auditability gaps.**
- There are controls and escalation mechanisms in place to **monitor, detect, and respond** to incidents.

Alliances View:

AI introduces new types of risk that traditional controls may not account for. It's not just about stopping bad behavior—it's about **designing systems that make good behavior the default.**

"Don't wait until you're in the headlines. Prepare before you deploy."

Research Insight:

Capgemini (2023) reported that only **28% of organizations** had risk registers that specifically addressed AI—despite most already deploying AI in production environments.

CLOSING THOUGHTS

AI is no longer a distant frontier—it's already here, embedded in tools, decisions, and daily workstreams. Its presence is **pervasive, accelerating, and largely invisible** until a critical mistake—or a competitive edge—makes it unmissable.

Alliances View:

The reality is that most organizations are already "doing AI," even if they haven't formally declared it. Employees are prompting ChatGPT for reports, using Copilot to summarize emails, or relying on AI features baked into everyday platforms. Whether sanctioned or not, the **shift is already underway.**

"The genie is out of the bottle, but it's not too late to train it."

This transition doesn't require panic—but it does demand **purpose, clarity, and coordination.** Leadership must act not just as gatekeepers, but as stewards: defining how AI supports the organization's strategy, values, and people.

What's at Stake

- **Inaction invites risk:** Without governance, AI use will spread in fragmented, potentially unsafe ways.
- **Misdirection wastes investment:** Without clear value frameworks, AI projects become shiny distractions rather than strategic assets.
- **Exclusion weakens outcomes:** If only IT or executives shape AI use, adoption will fail at the front lines.

Alliances View:

AI should not be viewed as an initiative—it should be treated as an **era**. One that rewrites how we work, solve problems, engage customers, and manage risk. But that rewriting is still ours to guide.

The Opportunity Ahead

This session and the supporting materials provide a practical and grounded starting point to steer the AI journey safely, responsibly, and with measurable impact. The goal is not to rush ahead or aim for perfection, but to move with intention, grounded in:

- **Organizational values**
- **Clearly defined business outcomes**
- **Ethical safeguards**
- **Continuous learning and feedback**

Research Insight:

A global AI maturity study by **Accenture (2024)** found that organizations with AI strategies rooted in purpose and ethical frameworks were **1.7x more likely** to realize full-scale deployments and long-term ROI.

CLOSING THOUGHTS

Your Next Steps

- Assess your **readiness** across people, skills, risk, and ethics.
- Establish **cross-functional ownership** and define shared goals.
- Launch **small, visible AI pilots** that deliver real value.
- Continuously adapt—AI is evolving, and your governance must evolve with it.

Alliances View:

This is a leadership moment. Not just for CIOs or CISOs, but for anyone who wants to help shape what responsible AI adoption looks like in their organization.

Final Reflection

AI will continue to evolve. What matters now is how we **choose to evolve with it**—not reactively, but with foresight, collaboration, and courage. The best time to start was yesterday. The next best time is now.

“AI won’t wait. But it will follow the lead you give it—if you choose to lead.”

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ABOUT THE ALLIANCES

Always has been and will continue to be *a union formed for mutual benefit*

THANK YOU