Emerj AI Strategy Outline

by
Daniel Faggella

Start and Grow an AI Consulting Practice

Artificial intelligence is poised to add $15 trillion dollars to global GDP by 2020 - and global enterprises are already spending millions on AI initiatives across every industry (*PwC*).

But industry giants can't do it alone - they need AI consultants, and AI product or service companies to help them see the ROI of AI, and to help guide their AI strategy.

The Catalyst Advisory Program is a business growth coaching program for AI consultants and service providers.

At Catalyst, we turn our members into the AI expert advisors who deserve the sale - because they can find the best fit for AI, set the right client expectations, and deliver more AI value.

Catalyst members get access to frameworks and guidance for four key business areas:

Ian Wilson
Former Head of AI, HSBC
HSBC

Shane Zabel
Head of AI, Raytheon
Raytheon

Sankar Narayanan
Chief Practice Officer, Fractal AI
fractal

Wijay Wijayakumaran
Chief Architect or Machine Learning and AI, IBM Systems
IBM

Jan Neumann
Senior Director, Applied AI Research, Comcast
COMCAST

David Carmona
General Manager of AI, Microsoft
Microsoft

Sriram Ramanathan
Engineering CTO AI Product Development, Genpact
genpact

Bret Greenstein
Global Head of AI & Analytics, Cognizant
Cognizant

Adam Oliner
Head of Machine Learning, Slack
slack

Gary Swart
General Partner at Polaris Partners
POLARIS

Lee Smallwood
COO of Markets and Security Services, North America, Citi
citi

Jan Kautz
Learning & Perception Research Lead, NVIDIA
NVIDIA

- Establishing an AI brand and reaching the right AI services buyers
- Winning new AI services business
- Delivering value with AI
- Expanding AI client relationships for long-term partnership

The Catalyst Advisory Program program includes:

- Monthly one-to-one advisory with Emerj Founder, Daniel Faggella
- Weekly group Q-and-A with Daniel and other Catalyst members
- AI best-practice frameworks and guide to help drive sales and AI value for clients
- A customized 90-day roadmap for AI consulting or AI services business growth

Learn more about the Catalyst Advisory Program at: www.emerj.com/catalyst, or apply today via our online application form.
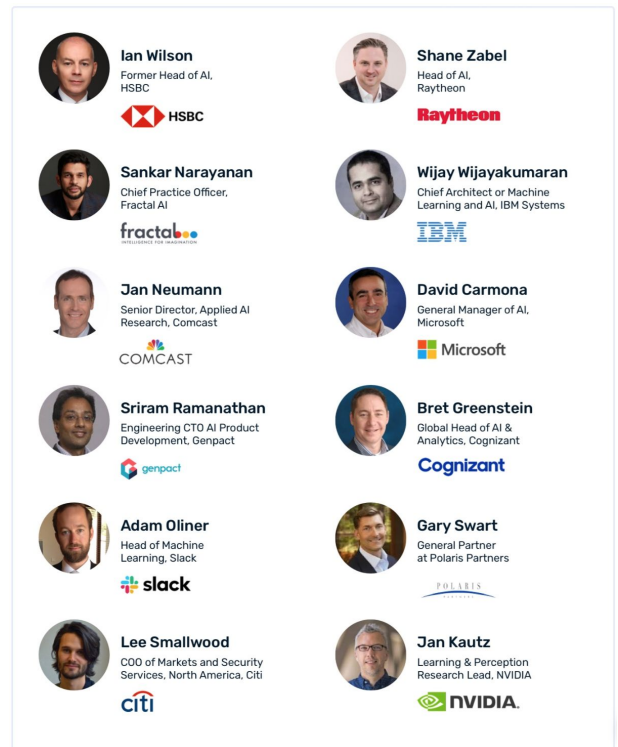
A Note from the Author

Our [AI Opportunity Landscape](#) research with enterprise firms almost always includes a significant focus on AI strategy - and helping firms mold their long-term vision, and their near-term AI initiatives.

While there is no single AI strategy process that applies to all enterprise firms or all situations, there are common factors involved in AI strategy (such as project prioritization, assessment of AI maturity), and a common order of phases for a given AI process.

For the sake of this abbreviated report, we'll define an *AI strategy* as:

> *A comprehensive plan for leveraging artificial intelligence towards a company's long-term market advantage. This includes a roadmap for developing AI maturity, and a roadmap for implementing an array of initial projects - in alignment with a long-term AI transformation vision.*

While this report won't be able to cover the entire process that we use to flesh out AI strategies - it will cover many of the most important building blocks of the process at a high level.

We hope that the basic 7-part structure of this PDF will help you think through your own AI strategy process - and that some of the details we've included will help you execute on AI strategy more effectively.

Regards,

Daniel Faggella
Founder, Emerj Artificial Intelligence Research

Emerj AI Strategy Outline

1. Develop Executive AI Fluency

Any AI strategy session must begin with a fundamental understanding of:

- What AI can do
- A reasonable range of AI use-cases (often specific to the industry of the client), and
- The AI Transformation Vision of the company

The AI Transformation Vision is a concept we explore (with examples) in our *Generating AI ROI report*. The term can best be summarized as an AI-informed vision for the company's future digital transformation vision. When a company looks ahead at their 3-5 year goals, their strategic differentiators, and the kind of company it wants to be in the future - AI should be seen as one of the many "ingredients" in that future mix.
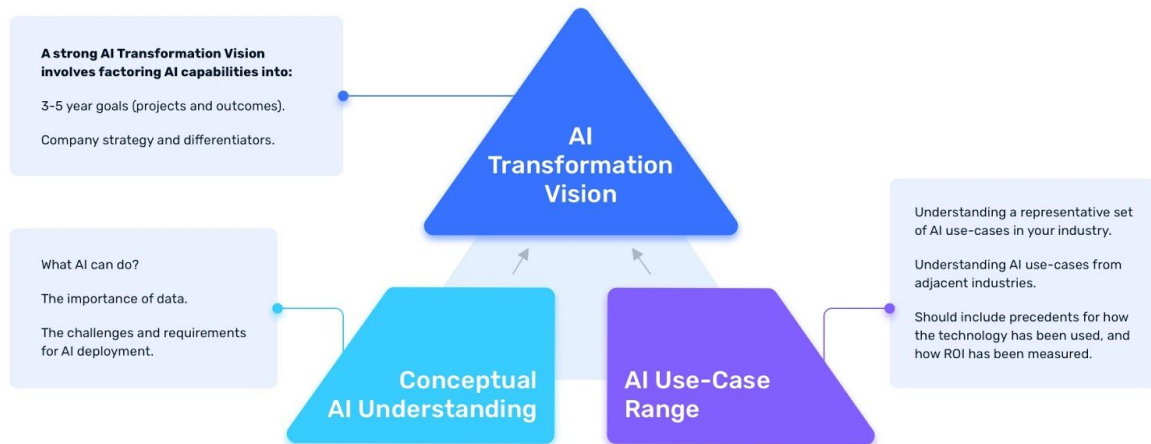
Firms without any grounding in this kind of vision are likely to engage in AI projects that might be described as novel or practical, but not strategic or transformative.

When enterprise leaders are mostly ignorant about what AI can do and how it fits into their company, they have no grounding for picking viable near-term projects, never mind for developing long-term strategic plans. For this reason, some level of workshopping, presentations, and executive education is a necessary part of any AI strategy project.

Enterprise AI champions and innovation leaders should ensure that the participants in their AI strategy initiative are brought up to speed on AI basics and use-cases. We instruct our Catalyst members (typically AI consultants and advisors) to do exactly the same - and never to presume AI fluency without speaking to stakeholders directly.

Executive AI Fluency

A strong AI Transformation Vision involves factoring AI capabilities into:

3-5 year goals (projects and outcomes).

Company strategy and differentiators.

AI Transformation Vision

Understanding a representative set of AI use-cases in your industry.

Understanding AI use-cases from adjacent industries.

Should include precedents for how the technology has been used, and how ROI has been measured.

What AI can do?

The importance of data.

The challenges and requirements for AI deployment.

Conceptual AI Understanding

AI Use-Case Range

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(Source: Emerj Plus article - [Executive AI Fluency](#))

2. Clarify Current Priorities and Vision

This includes taking into account:

- The firm's existing business strategy and digital transformation vision, and
- Near and long-term company priorities

An AI strategy should rarely lead an enterprises trajectory, but rather inform and accelerate it, by taking into account AI's capabilities. Having existing priorities as a foundation to build on allows strategy teams to:

- Define the scope of the AI strategy they're building (what is the deliverable of this strategy initiative? What are the time-horizons or degrees of granularity that we're aiming to dive into?)
- Have a consistent, succinct reference to existing priorities and vision as an anchor for the conversation

Re-discovering existing priorities shouldn't be something that teams "hash out" in an AI strategy initiative, but rather something that all stakeholders have on hand before the process is started.

3. Develop an AI Transformation Vision

Once firms have a strong understanding of their current "north star" objectives for digital transformation - they can work on refining a version of that vision to include AI. Imagine AI as a strategic addition to the existing business strategy of the company.

While a full AI Transformation Vision can be rather complex, firms who want a basic grounding of the idea should ensure that their final version of the vision (typically a written report with some kind of graphical or visual representation) includes:

- The role AI is likely to play in sustained competitive advantage in the market
- The [data dominance](#) approach that the company might employ in order to take advantage of proprietary data streams and sources
- The specific areas where AI is likely to deliver value in the near and mid-term, including customer experience and core business operations

While it's possible for this vision to be informed and altered by the discovery of individual, near-term AI projects and initiatives, it's much more likely that the range of nea-term AI projects (developed later in the strategy process) will be made more exhaustive and useful with an AI Transformation Vision as a beginning reference point.

4. Assess AI Maturity

Almost all AI strategy projects involve a strong grounding in where the company stands today in terms of AI maturity. AI maturity is sometimes referred to as AI readiness.

We refer to it as the prerequisites for successful AI adoption, and we use a model called *Critical Capabilities* (below) to highlight the areas of AI maturity that are generally most relevant for the C-suite, and for non-technical, functional business leaders.

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Emerj's 'Critical Capabilities' Model for AI Maturity
Prerequisites to Successful Enterprise AI Adoption

1.1 Conceptual Understanding of AI Among Functional Leaders
- How AI "Works"
- Basic AI Terms and Components
- Representative Use-Cases

1.2 Data Science Skills and Talent
- Data Science / AI Leader
- ML Engineers
- Data Engineers
- IT Staff That Understand AI

1.3 Cross-Functional AI Teams
- How to Assemble a Team
- How to Work Together

1. SKILLS

2. CULTURE

3. RESOURCES

SUCCESSFUL ENTERPRISE AI ADOPTION

2.1 Willingness to Experiment and Iterate
- Expectations of AI's Requirements and Challenges
- Executive Understanding of Why AI Requires Iteration
- Deliberate Experimentation Efforts

2.2 Valuing Data
- Protocols for Handling and Maintaining Existing Data Types
- Protocols for Establishing New Data Types
- Consistent Use of Data Assets

2.3 Valuing Cross-Functional Collaboration
- Expectations of AI's Requirements and Challenges
- Team Participation Mix

3.1 Data Access and Quality
- Assessing Data Assets
- Experimenting with Data Assets
- Overhauling Format, Architecture, Accessibility

3.2 In-House AI Playbooks and Guides
- Frameworks for Maintaining Existing AI Projects
- Frameworks for Deploying New AI Systems
- Retained Learnings as a Habit
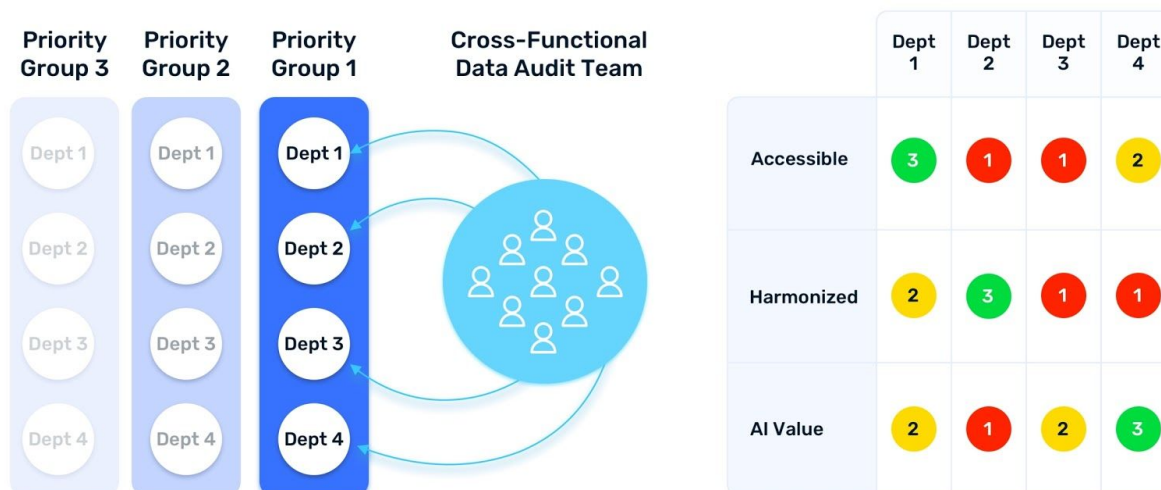
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(Source: Emerj Plus article - [Critical Capabilities - Pre-Requisites to AI Adoption](#))

It should be noted that AI maturity may also involve other hardware, IT, and code-related factors not covered in the business-oriented *Critical Capabilities* image above. Also - different departments (or in the case of international firms, different geo regions) may vary greatly in their relative leave of AI readiness.

Assessing AI maturity might also require a direct audit of the data assets and data infrastructure of the firm itself - a topic we've covered in a past Emerj Plus guide:

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Enterprise AI Opportunity Data Audit

Priority Group 3	Priority Group 2	Priority Group 1	Cross-Functional Data Audit Team
Dept 1	Dept 1	Dept 1	
Dept 2	Dept 2	Dept 2	
Dept 3	Dept 3	Dept 3	
Dept 4	Dept 4	Dept 4	

	Dept 1	Dept 2	Dept 3	Dept 4
Accessible	3	1	1	2
Harmonized	2	3	1	1
AI Value	2	1	2	3

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(Source: Emerj Plus article - [5 Phases of an AI Data Audit](#))

5. Match AI Opportunities to Business Problems

With a grounded understanding of where the firm is (AI maturity and priorities) and where it is going (digital and AI transformation vision), it's possible to begin brainstorming and mapping out a variety of AI projects.

This ideation phase should involve collecting a wide variety of AI projects. Rather than beginning with a single jumping-off point, facilitators should consider generating AI initiative ideas from a variety of perspectives, including:

- Starting with array of AI use-cases from adjacent industries, and extrapolating how they might be applied to our own firm
- Starting with a list of near-term challenges or near-term goals
- Starting with a specific department or business function
- Starting with long-term objectives or AI Transformation Vision, and using that as the jump-off point into further discussion

6. Rank and Score AI Opportunities

While an initial brainstormed list of AI use-cases might be stratified by time horizon (near-term, long-term), or by department or business area - deciding on an initial cluster of viable AI projects will involve ranking and scoring AI applications.

Some of these scores might be particular to particular companies - but almost all project ranking will take into account:

- Estimated cost of a project or initiative
- Estimated time required to test a pilot project or validate the idea
- Potential strategic upside
- Potential measurable upside (revenue improvement, cost savings, etc)

Time and cost estimates are remarkably challenging with AI projects [for a variety of reasons](#), so an AI strategy team should be looking at orders of magnitude differences.

It's important to ensure that project prioritization includes input from in-house data scientists who can help to assess the technical validity of projects, and their relative complexity.

7. Final Shortlist of Opportunities and Benchmarks

Firms who have a sense of their present, their vision, and the range of near-term projects that might help them achieve their long-term goals can move on to the next phase of the AI strategy process: the deliverable.

During this phase, a firm defines a portfolio of viable initial potential projects (often including rough or suggested timelines to start these initiatives), along with a concretized version of the AI Transformation Vision.

The document that results from an AI strategy initiative might serve many purposes, but above all else it should get business and technical leadership on the same page about the roadmap of AI projects - and the destinations that the company hopes to arrive at through its initial AI efforts.

Your Journey to AI Consulting Success

The Catalyst Advisory Program is designed to help you start and grow your AI consulting or services business, by learning the best practices of selling AI and delivering AI results for clients.

Here's what other Catalyst members have had to say about the value of the program:

"The program breaks down AI consultant and AI sales success into a series of building blocks - and Daniel's level of sophistication and understanding is something I could never get from other sources.

Daniel is able to drive home the key insights about AI ROI and deployment with each successive call from new angles, and this is extremely valuable for putting these insights into action - and the 1-on-1's and direct monthly dialogue lets me apply Catalyst insights directly to my business problems."

Dan Barry
Managing Director at Crowe Barry Consulting Group, LLC

"The Catalyst program has enabled me to discuss and present AI approaches with confidence to my teams and at the client level needed. This has given me opportunities to get in front of clients that I normally would not have met and guide them through AI strategies they haven't pursued yet.

For any AI consultants or strategy leaders on the fence about joining Catalyst, I'd say "Do it!" The more you put into working with the program, the more you get out of it."

Scot Alexander
Managing Director, Optimity Partners

Don't start your consulting journey alone - get 1-on-1 guidance and access to proven frameworks to get you up and running quickly - without reinventing the wheel.

Learn more about the Catalyst Advisory Program at: www.emerj.com/catalyst, or apply today via our online application form.

About Emerj Artificial Intelligence Research

Emerj Artificial Intelligence Research is where executive leaders turn to understand how AI is impacting their organization or industry – and what to do about it. We're the industry source for authoritative market research and competitive intelligence for the business applications of artificial intelligence.

Our objective, jargon-free research and industry overviews are designed to give executives and decision-makers exactly what they need for competitive insight, informed AI technology procurement and strategic planning around AI.

With a finger on the pulse of academia, Fortune 500s, and the global artificial intelligence startup ecosystem, organizations call upon us for insight and research for their most important AI-related strategic decisions.

STRATEGY
What to Do About It
- Building and Validating an AI Strategy
- Determining a High-ROI AI Initiative
- Matching AI Capabilities to Business Goals

TRENDS
What's Changing
- Business Functions Undergoing Evolution
- Applications Enabling New Strategic Advantages
- Shifting Power Dynamics Due to New AI Capabilities

IMPLICATIONS AND APPLICATIONS
What's Working and What's Possible
- Landscape of AI Strartup Innovation
- Landscape of Enterprise AI Adoption and Development
- Evidence of ROI (Cost Savings, Growth, Revenues)
- Evidence of Enterprise Adoption

Through our AI Opportunity Landscape research, we help clients win market share and make more profitable decisions – with a firm grounding in the current realities of the AI landscape.

Contact Emerj

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