

# Responsible AI

This article captures the highlights of the discussion from Vladimir Lukić's presentation to members of CNEXT's Generate Program. Please see the accompanying documents for more details.

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**AI is gaining popularity in daily operations and will become an integral part of every process and workflow to varying degrees. Some opine that AI is a technology akin to the advent of electricity or the printed word. But scaling AI is fraught with risk and leaders need to balance urgency and responsibility in its adoption.**

## **1. Progress**

Most companies, 50-60%, have not yet formalized the use of AI in their workflows and value creation. While individual employees may use commercial tools such as ChatGPT or Gemini, there is little central planning on how or where AI should be used.

Around 10-15% of companies started exploring the applications of AI a few years ago and are well-positioned to leverage new tools and stay ahead of advancements in the market. They are fine-tuning their use of AI and how it can best serve their unique business context.

Only 4-5% of companies fully integrate AI into their workflows. They are digitally native organizations that have adopted AI into their DNA. There are no conversations among the executive team on whether AI is needed. Their focus is on the pace of adoption and how friction in delivering customer value can be relieved.

## **2. Focus**

Effective integration of AI has the potential to reshape a company's competitiveness. However, choosing how aggressively to pursue the potential of AI is a delicate balance.

Companies that follow a traditional technology adoption cycle, taking the time to ensure compliance, build governance protocols, deliver training, and test options before rolling out tools, may lose market share to more agile competitors or new market entrants.

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Companies that move too aggressively, integrating AI in a way detached from their existing culture or capabilities, risk cannibalizing their current competitiveness through error, inaccuracy, or fragmentation.

The most successful companies will likely focus on a subset of what they do and advance aggressively with a limited scope, allowing them to apply both speed and rigor.

### 3. Build AI acumen in leadership

There is a groundswell for AI adoption pushed up by individual businesses or teams already experimenting with use cases and generating ideas.

The best companies will meet this top-down, driving AI adoption from the CEO or executive level. It requires a rewiring of the leadership mindset to accept that AI should be an evolving part of every aspect of the business and not a project or one-off initiative.

### 4. Stage AI adoption

Deploy

There are many tools available. Get them in the hands of your teams and make them effective in using and comparing AI options as fast as possible.

Reshape

Discuss the impact of AI through the lens of workflows rather than use cases. How can AI help you skip or speed up steps in the process? Rethink the whole workflow end-to-end.

Apply AI narrowly and stick with each application longer.

Companies that gain the most traction have about three use cases per workflow, whereas those falling behind have seven or eight use cases per workflow.

## EXERCISE:

Create an AI committee where employees can engage with AI regularly. Rotate people through the committee so that everyone is exposed to the key questions surrounding AI and how to think about its advancements and applications.

Share the insights broadly among the organization and encourage teams to schedule sessions to reflect on the findings and recommendations of the committee.

## Reinvent

Once the organization is comfortable with AI, start new businesses with the capability it has developed. Identify opportunities to change the cost structure and operate in different ways.

### 5. Allay fears and resistance

Position AI as an opportunity to strengthen the company. If you justify its adoption as necessary to avoid falling behind or as a requirement to achieve cost or efficiency goals, you will likely amplify fears of job displacement among employees.

The companies that have the highest level of engagement and inclusion are the ones that are aggressively deploying AI. Their enthusiasm positions AI as a positive strategic move to ensure they win in their industry, instilling confidence in the workforce.

### 6. Serve the customer

Whether applied to operations, workflows, or the product, know how the adoption of AI will translate to the customer experience. How will you delight the customer? How will you provide something unique?

Avoid focusing the attention on the tool itself. It will typically detach leadership from the technology and overemphasize concerns around the tool's cost and implementation rather than creating an understanding of the value it creates for the customer and the business.

### 7. Choose the right tools

The value of AI tools will differ between companies and teams. Initially, you need to find which best suits you by deploying multiple options and testing them in different environments. Create communication channels to share learnings across different applications and a cadence that helps teams adapt quickly. It's unlikely that you will find an enterprise-wide solution; allow different business applications to explore the tools that best suit them.



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