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Enabling your organisation to evolve with AI

A BJSS report

Introduction

Artificial Intelligence (AI) is evolving at a rate that makes it difficult for organisations to keep up with. When strategically integrated into corporate operations, AI technologies can enable organisations to become data-driven and generate actionable customer insights. In turn, this leads to better conversion rates, new revenue streams, and more informed product development.

However, alongside these and other benefits, there are also concerns, from data privacy and security, to job displacement and the need for expertise in managing and deploying AI systems.

Although strategic implementation of AI is essential to realise its benefits, ease stakeholder concerns, meet the challenges of an AI-enabled world, and allow forward-thinking organisations to retain a competitive edge, making a start is what really matters. Strategies can and do develop alongside implementation.

Contents

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Evolving with AI: The BJSS approach

To learn more about where UK organisations are up to with their approach to AI, BJSS commissioned Censuswide, an international market research consultancy, to carry out a survey of 261 C-suite executives from organisations of 1,000+ employees in the following sectors listed on the right. This report leverages the insights from our comprehensive survey to demonstrate why AI does not fit neatly into a business model.

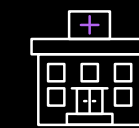**Given its potential for significant disruption, AI requires careful and strategic implementation.**
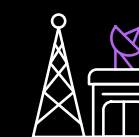
Retail & Consumer Markets

Energy, Commodities & Utilities

Financial Services

Healthcare & Life Sciences

IT & Telecoms

To harness the benefits of AI, organisations must follow a structured approach that integrates strategy with action. At BJSS, we believe in 'strategy by doing', which encompasses three critical stages.

Each stage is underpinned by a robust AI strategy, governance, and change management to ensure successful implementation.

A robust AI strategy aligned with business, technology, and data strategies is crucial for success. Data and AI governance play a central role in overcoming common blockers such as governance challenges, process inefficiencies, and lack of trust.

By embedding change management at every step, BJSS ensures that AI initiatives address not just technological aspects but also people and process challenges.

1 Explore: Identifying and qualifying use cases

- Collaboratively identify and qualify AI use cases with the people who will be impacted.
- Emphasise change management and governance from the start to ensure ethical and practical AI innovation.
- Engage stakeholders through ideation sessions to align AI initiatives with business needs and objectives.

2 Experiment: Testing and validating hypotheses

- Postulate hypotheses and run experiments to validate them with real-world data and end-user interaction.
- Conduct pilot tests to gather feedback and refine AI solutions.
- Utilise a "you said, we did" approach to manage change and build trust with stakeholders.

3 Expand: Scaling validated ideas

- Develop a Minimum Viable Product (MVP) and scale it across the organisation.
- Redesign the operating model from the learnings of the first two phases, aligning AI initiatives with broader business, technology, and data strategies.
- Address governance, legal, and trust issues proactively to facilitate smooth production rollouts.

Establishing an AI governance model

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AI has gained particular prominence since the launch of ChatGPT and other large language models (LLMs), but variations of AI have been used across the professional world for decades.

This is likely why 92% of the organisations we surveyed already have a defined AI strategy, and 74% have committed to spending more than 5% of their IT budget on AI in FY24/25. Yet, these figures stand in contrast to the mere 47% of organisations that have implemented or are developing an AI governance model.

As AI systems become more integral to business operations, they bring clear benefits, but they also introduce risks, from biases and ethical concerns to regulatory compliance issues. Implementing a governance model is therefore crucial before AI is unleashed on the wider business.

A governance model will:
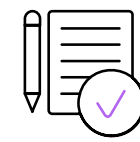
Ensure accountability and transparency

By establishing clear roles and responsibilities, organisations can monitor the usage and performance of AI systems and decision-making processes to ensure they align with ethical standards and business objectives.

A strong level of transparency in AI operations builds trust among stakeholders, including customers, employees, and regulators.

Bolster compliance and regulatory adherence

As AI evolves, so do the regulations governing its usage. A governance model helps organisations comply with existing laws and anticipate and adapt to changes in the regulatory landscape.

Adopting a proactive approach to governance minimises legal risks and ensures that AI initiatives align with global standards and best practice. Ultimately, 'doing the right thing' is likely to leave you on the right side of emerging legislation.

Boost decision-making and accountability

An AI governance model provides a structured approach to AI-facilitated decision-making. It ensures decisions are based on accurate data and robust analysis, and are aligned with strategic goals. In practice, this involves implementing monitoring and observability mechanisms to continuously track AI model performance.

By measuring AI model performance and setting up alerts, organisations can address deviations or unintended consequences promptly while fostering trust in AI-facilitated decision-making.

Establishing an AI governance model

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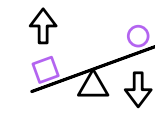
Mitigate risks and bias

AI systems can unintentionally perpetuate biases, leading to unfair or discriminatory outcomes. Biases can be present in the data that systems are trained on or introduced during a system's lifecycle, from idea generation to testing and validation.

An AI governance model mitigates these risks through risk management processes and comprehensive guidelines and principles at each stage of development. It involves adopting design principles that address user needs and defining use cases that align with organisational values and operate within legal and ethical boundaries.

Aid use case selection

Inform your workforce about the various applications of AI and the potential benefits it can bring to the organisation.

By educating employees on how to identify and prioritise AI-driven ideas, you ensure that the most impactful and feasible projects are pursued. Moreover, these projects are more likely to align with both business goals and ethical standards.

Establishing an AI governance model

Foster responsible AI development

Social and ethical considerations are vital for responsible AI adoption. A governance model promotes AI system development that respects privacy, promotes fairness, and reduces risk of harm.

Organisations can create AI solutions that benefit society and maintain public trust by embedding Responsible AI guidelines into the AI lifecycle — from design to deployment.
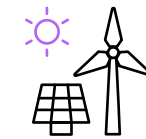
Drive sustainability

AI technologies, while transformative, are known to be energy and water intensive. Therefore, it is crucial to measure the environmental impact of AI implementations as part of the governance process.

Incorporating sustainability metrics into the selection of AI use cases ensures that projects will drive business value and align with your commitment to environmental responsibility.

Prioritising change management

An effective AI governance model will ensure the safe, transparent, and controlled usage of the technology, but it will not ensure the workforce approaches it with enthusiasm or confidence.

Indeed, a significant proportion of technology projects - not just those involving AI - fail due to lack of adoption that stems from poorly managed change management.

As AI can fundamentally alter day-to-day operations and lead to job displacement, effective change management is needed to mitigate the associated costs and complexities. A framework that addresses employee concerns, provides the necessary training, and fosters a culture of adaptability will reduce resistance to change. It will also augment internal AI adoption and prepare employees to interact with different AI systems, including those external to the organisation.

The importance of being proactive

A comprehensive change awareness and adoption programme can help build an organisation-wide understanding of AI, enabling employees to develop skills and receive training in AI technologies. It is essential that employees are trained through raising awareness of AI and its potential, and hands on tuition, such as that provided through BJSS' AI awareness course and Copilot pilot.

Given the organisational structure changes that AI can necessitate, leaders must assess possible adjustments before communicating the likelihood of job changes or losses. A proactive approach can minimise disruption and alleviate fears stemming that emerge from surface-level communications about AI implementations.

Tackling resistance to change

Despite the measurable benefits AI brings to organisations, it can foster scepticism and distrust among employees. According to our survey, resistance to AI implementation can manifest in various forms, as seen in Figure 1.

However, these concerns are balanced by the belief among organisations in AI's potential as seen in Figure 2.

If change management is to be effective, these opportunities must be communicated throughout the organisation.
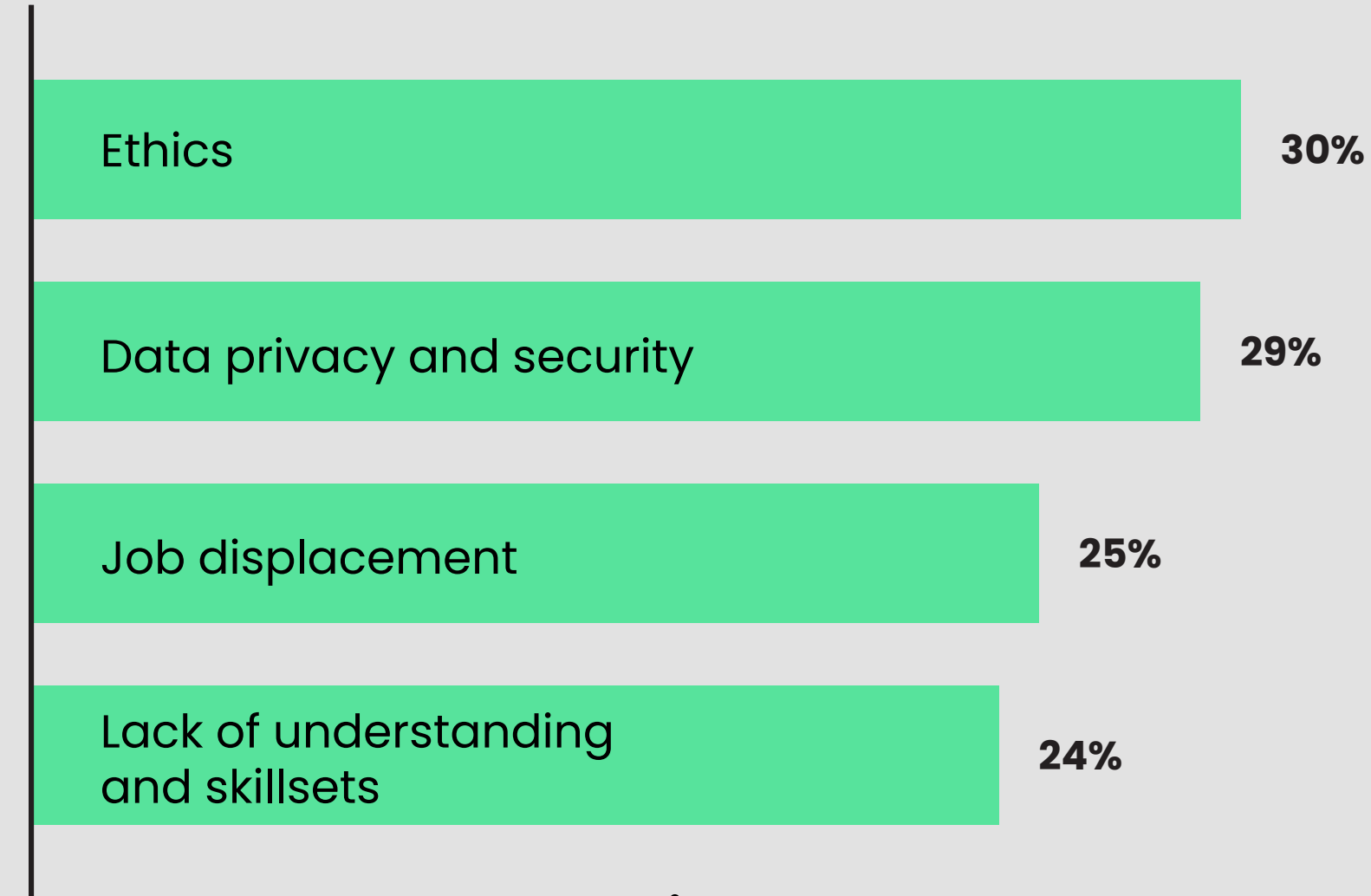
Respondents results for resistance to using AI

Category	Percentage
Ethics	30%
Data privacy and security	29%
Job displacement	25%
Lack of understanding and skillsets	24%

Figure 1

Respondents results for the potential benefits to using AI

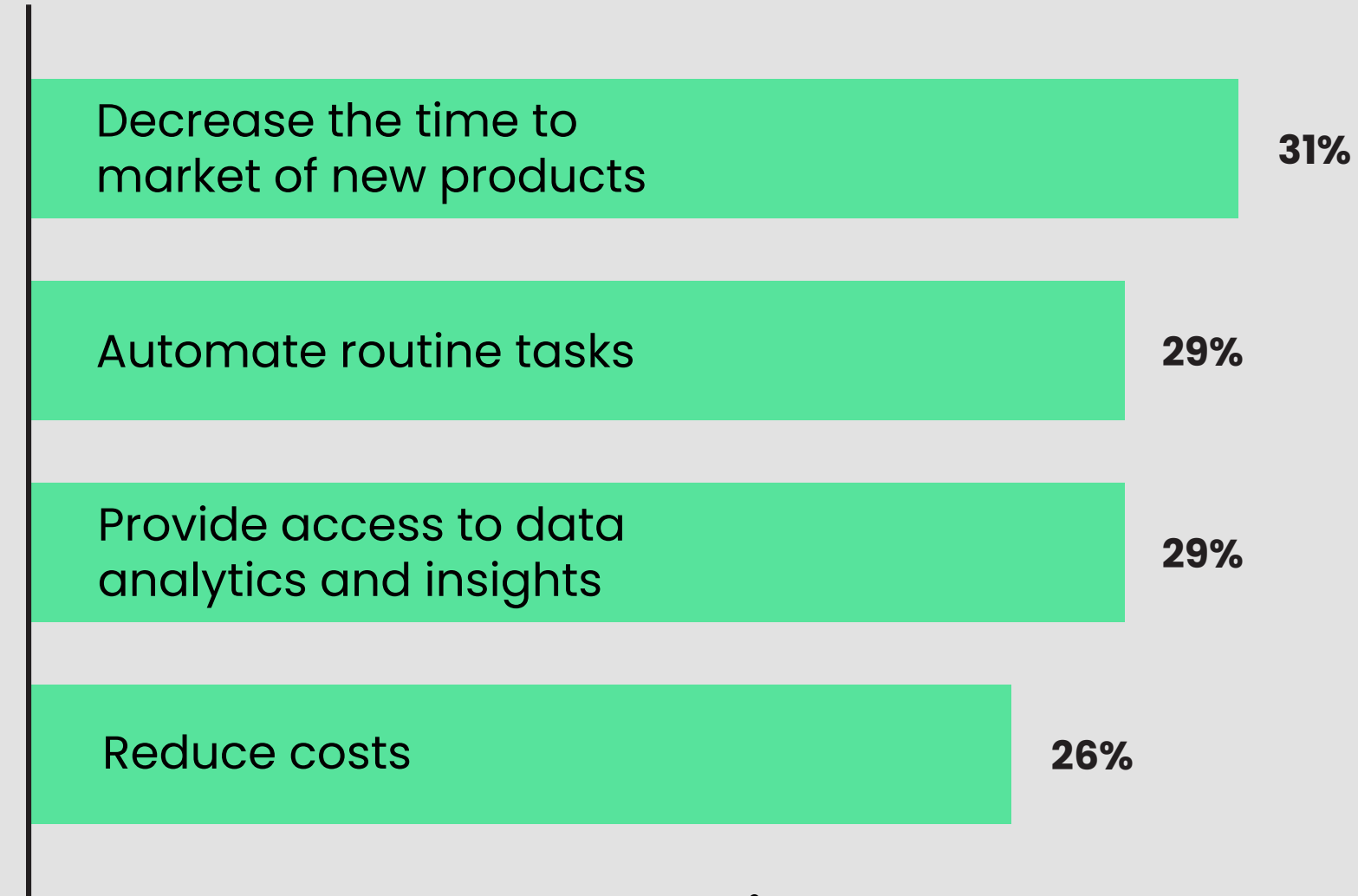| Category	Percentage
Decrease the time to market of new products	31%
Automate routine tasks	29%
Provide access to data analytics and insights	29%
Reduce costs	26%

Figure 2

Bringing your people with you

Change management is about involving your people in the journey. If the messaging is clear and the training is high-quality, enthusing the workforce about AI should not be too challenging.

After all, AI is already removing clerical, routine tasks and freeing up employee time to engage in more interesting, value-added work.

With the widespread belief that AI will create new roles, the importance of facilitating employee transitions into these roles cannot be overstated. Indeed, it is an employer's responsibility to involve employees in digital transformations, especially when changes might impact job roles.

Organisations must ensure a comprehensive understanding of the cost-benefit analysis of AI implementations to ascertain their value. Adopting a 'human in the loop' approach is crucial. While AI can automate significant portions of workflows, it is not perfect and requires human oversight for key decisions.

The 'human in the loop' approach enhances trust and confidence in AI systems by ensuring that critical decisions remain in the hands of your people. Instead of hiring additional personnel to verify AI outputs, you can leverage existing staff whose tasks are partially automated, keeping them in the driving seat to improve the quality of outputs and ensure AI solutions are effectively integrated into the business processes.

Ultimately, addressing resistance to AI and fostering a culture of acceptance and adaptability requires transparent communication, effective training programmes, and careful consideration of organisational changes.

Use the lean AI product approach

Implementing AI technologies brings costs and complexities, influenced by several key factors:

1 **Organisational design**

Restructuring the organisation to integrate with AI systems can be costly and complex, requiring a broader operating model with new processes, updated technology architecture, and restructured teams.

2 **Development costs**

Building and deploying AI solutions requires substantial investment in software development.

3 **Data preparation**

Significant effort is needed to clean, label, and manage data for AI systems.

4 **Infrastructure and integration**

Upgrading existing IT infrastructure and integrating new AI systems can be costly and complex.

5 **Expertise and training**

Acquiring AI expertise and training staff is essential and often expensive.

6 **Vendor selection**

Choosing the right AI vendors involves careful consideration and potential costs.

7 **Scalability**

Ensuring AI solutions can scale with the organisation's needs adds another layer of complexity.

8 **Service management**

Ongoing maintenance and support for AI systems must be managed.

9 **Integration of human and non-human workforce**

Combining human and AI-driven processes requires careful planning and adjustment.

Getting the pilot right

Running accumulative pilots allows organisations to control the impact AI has throughout their value chain while they build an understanding of its evolving capabilities. At the same time, they minimise the risk of a costly, organisation-wide AI rollout.

Using a hypothesis-based approach, leaders can select appropriate areas to assess costs and complexities and control AI's impact.

Based on a pilot's success, further rollout options can be explored, ensuring a controlled, measured, and cost-effective AI implementation based on a 'strategy by doing'. Lean AI development can take various forms, but the approach outlined here is a good starting point:

1. Hypothesis formation

Identify specific business challenges or opportunities where AI can provide tangible benefits, such as freeing employees from mundane and labour-intensive admin tasks. Formulate hypotheses on how AI could address these issues, setting clear, measurable objectives for each pilot. BJSS can run engagements across AI readiness assessment, environment setup, discover, Proof of Concept (POC), Proof of Value (POV), Minimum Viable Product (MVP), operational model design, and more.

2. Selection of pilot areas

Choose pilot areas strategically by focusing on segments where AI's impact can be easily measured and where implementation complexity is manageable. Rather than the criticality of the process, the main risk lies in the criticality of the data involved. Start with areas that have less critical data to minimise initial risks. This approach allows for thorough testing and refinement without disrupting essential operations, ensuring that the AI implementation is ready and reliable before scaling to more critical data and processes.

Getting the pilot right
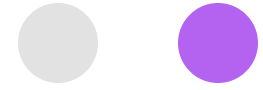
3. Cost and complexity assessment

Conduct cost-benefit analyses for each pilot to ensure informed decision-making and realistic expectations. It is crucial to understand not only the costs associated with the POC but also the additional investments required to bridge the gap to full production rollout, including:

- **Evaluating investments:** Assess the necessary investments in AI technology, such as software, hardware, and infrastructure.

- **Training requirements:** Consider the cost and time required for training employees to use and manage AI systems.

- **Workflow disruptions:** Evaluate the potential disruptions to existing workflows during the implementation phase.

- **Bridging the gap:** Understand the costs associated with scaling from POC to production, ensuring the business case supports a full rollout.

4. Implementation and monitoring

Roll out the AI pilots, monitoring each step closely. Use real-time data and feedback to assess performance against the set objectives. Implement robust tracking mechanisms to capture insights and learnings.

5. Evaluation and iteration

After a pilot has run for a sufficient period, evaluate its success based on predefined metrics. Identify areas for improvement and iterate on the pilot, refining the AI models and processes as needed.

6. Scaling and integration

If a pilot proves successful, gradually scale the AI solution across other parts of the organisation. Ensure that each phase of scaling is controlled and that lessons from previous pilots are integrated into the following stages and initiatives.

Benefits of lean AI implementations

- **Risk mitigation:** By starting small and gradually scaling, organisations can manage risks more effectively, preventing large-scale disruptions and allowing for course corrections early in the implementation process.

- **Resource optimisation:** Focused pilots that use finite resources to maximise impact enable better allocation of resources. Investments can be directed towards areas with proven potential, ensuring that funds and efforts are not wasted on unviable projects.

- **Strategy by doing:** Postulate hypotheses that, if proven, will support your business strategy and gradually define your AI strategy through experiments, pilots, and projects.

- **Data-driven decisions:** Continuous monitoring and evaluation of pilots provide valuable data that can guide future AI strategies. A data-driven approach ensures that decisions are based on real-world performance rather than assumptions.

- **Employee buy-in:** Smaller, successful implementations can help stimulate employee confidence and support for AI initiatives. Demonstrating tangible benefits can reduce resistance and foster a culture of innovation.

- **Scalability and flexibility:** The accumulative approach allows for flexibility in scaling AI solutions. Organisations can adapt strategies based on AI's evolving capabilities, ever changing business needs, and insights identified from each pilot to ensure long-term sustainability.

Implementing AI through pilots is a pragmatic approach that balances innovation with caution.

By strategically selecting pilot areas, assessing costs and complexities, and continuously refining processes, you can smoothly and effectively evolve with AI.

Industry-specific adoption considerations

Our survey focused on five sectors, each with a different approach to AI adoption. Here and on the following pages in this chapter are the findings from the C-suite respondents regarding their organisation's use of governance models, the status of their change management journey, and where they prioritise AI implementations.
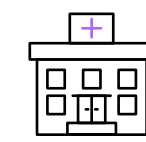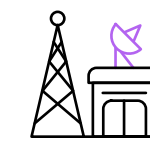
Retail & Consumers
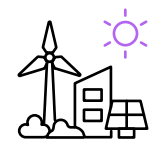
Energy & Commodities

Financial Services

Healthcare & Life Sciences

IT & Telecoms

Approximately 95% of organisations
in the above sectors have a defined AI strategy

Whilst only 33%
of IT & Telecoms do

In retail, AI is leveraged to **enhance customer** experiences and **streamline operations**.

The energy sector is committed to advancing AI adoption through **well-defined strategies** and substantial IT **budget allocations**.

The financial sector's investments in AI focus on developing comprehensive **governance frameworks**.

Within healthcare, AI is used to improve **patient care**, streamline **operations**, and enhance **research** outcomes.

There is a focus on AI for service improvement and technological advancements, **the IT sector is behind others in terms of AI strategy development**.

Governance model

While these models are responsible for the development of AI systems, aligning them with legal standards, development can be hindered by barriers such as companies **resistance to change**, **governance challenges**, **data privacy concerns**, the **absence of a well-defined AI strategy**, and **implementation costs**.

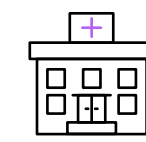## Industries with a governance framework in development or in place
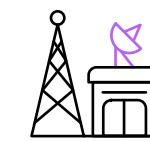
Retail & Consumers
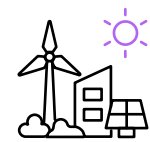
Energy & Commodities

Financial Services

Healthcare & Life Sciences

IT & Telecoms

49%–56% of organisations
in these sectors have or are developing a framework

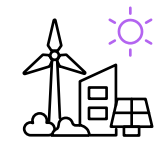**But only 33%**
of IT & Telecoms do

Change management

Industries in initial stages of AI adoption may have concerns such as **data privacy** and **security issues**, **constraints or flaws in current AI technology**, **ethical considerations**, **ROI**, **inability to scale**, **lack of understanding or expertise**, **job displacement**, and **ethical considerations**.
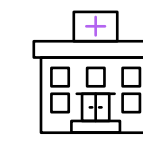
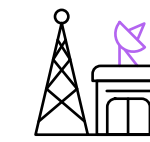## In initial stages of AI adoption

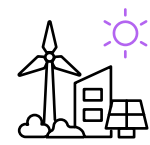| Retail & Consumers	Energy & Commodities	Financial Services	Healthcare & Life Sciences	IT & Telecoms
62%	**57%**	**44% – 48%**		

Implementations

Industries generally plan to prioritise AI implementations in areas such as **marketing**, **finance**, **HR**, **customer services**, **operations**, **sales**, and **IT** to streamline processes and improve overall performance.
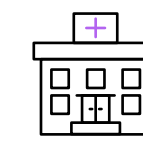
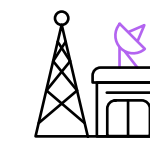## Plan to allocate over 5% of IT budget to AI

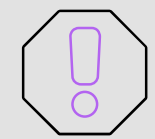| Retail & Consumers	Energy & Commodities	Financial Services	Healthcare & Life Sciences	IT & Telecoms
70%	67%	82%	74%	67%

Blockers to successful AI implementations

Concerns about constraints and flaws in AI technology

Blocker in detail

Issues with algorithmic biases or integration with existing systems and data. Data concerns range from a lack of accessible data and difficulties with data governance to trust in data quality.

Governance model

Develop robust data governance policies and procedures to address data access and quality challenges.
Establish responsible AI guidelines to address social, ethical, and legal issues, such as algorithmic biases, ensuring AI systems are fair, robust and reliable.

Change management

Improve employee understand of AI's capabilities and limitations to help foster a culture that understands how to mitigate perceived flaws.

Implementations

Start small with a single use case and build the base capabilities to address this. Identify and rectify other constraints prior to full-scale deployment.

Blockers to successful AI implementations
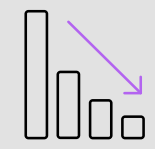
Return on investment challenges

Blocker in detail

Achieving a satisfactory ROI for AI projects can be difficult due to their experimental nature, with it often being necessary to test multiple models before finding the correct use case and application.

Governance model

Define clear metrics for success and align AI projects with strategic goals to demonstrate value. Be ruthless about ending investment in failing initiatives, ideally by starting small and pivoting fast.

Change management

Communicate the long-term benefits of AI to stakeholders, emphasising the importance of initial investments, such as data governance and data maturity, for future gains.

Implementations

Start with small, focused AI projects that provide quick wins and build confidence in the technology's ROI.

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Blockers to successful AI implementations
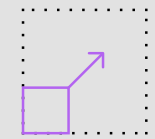
Scalability issues

Blocker in detail

Scalability issues, such as insufficient infrastructure, lack of skilled personnel, and the complexity of managing AI systems at larger scales, prevent organisations from undertaking widespread AI adoption.

Governance model

Develop a scalable governance framework that supports the expansion of AI projects.

Change management

Invest in training and upskilling employees to handle larger-scale AI implementations.

Implementations

Gradually increase the scope of AI projects, ensuring infrastructure and processes are adapted for scalability. Consider scale when selecting a use case.

Blockers to successful AI implementations

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Corporate Digital Responsibility (CDR)

Blocker in detail

Organisations must ensure that their use of AI adheres to CDR practices, focusing on ethical, secure, and responsible use of data and technologies. CDR is crucial for building trust and protecting user privacy.

Governance model

Establish comprehensive CDR practices, focusing on privacy, security, and responsible use of AI.

Change management

Promote a culture of responsibility and transparency around AI usage to build trust with stakeholders.

Implementations

Implement CDR practices in pilot projects to refine and perfect them before broader application.

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Ethical and sustainability considerations in AI deployments

Ethics

Ethical considerations regarding the use of AI emerged as the top concern for almost a third of respondents to the BJSS survey, as detailed in the graph on the right.

Complicating the matter is that different concerns point to challenges that affect different areas within organisations. For example, job displacement is a risk that pertains to the workforce, as well as a lack of understanding and expertise is more of an organisational concern, as AI technology cannot be governed effectively if there is little in-house understanding of its capabilities. Other worries, such as data privacy and security, will likely be shared between stakeholders, from C-suite executives to customers.

Survey results of ethical concerns to using AI

Percentage of respondents

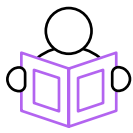|	
Data privacy and security	29%
Job displacement	25%
Lack of understanding	24%
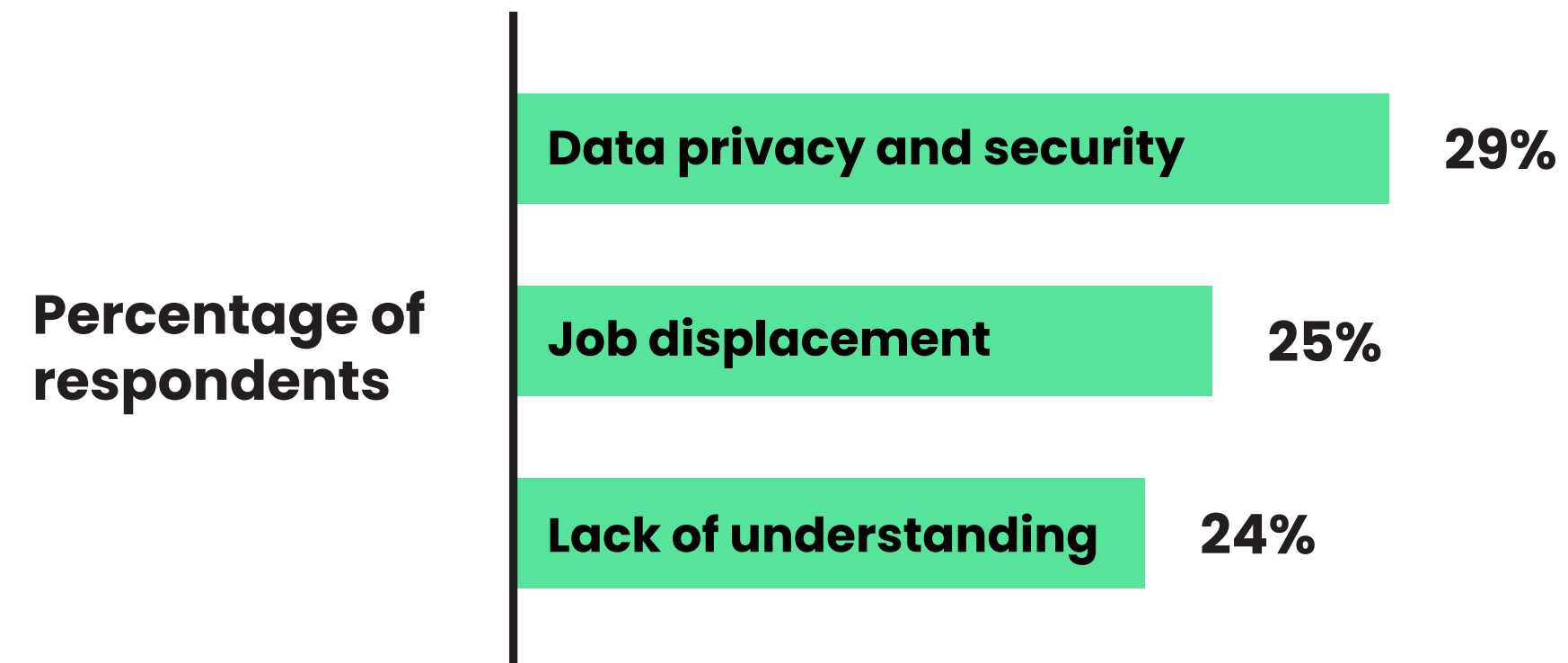
Addressing ethical concerns in AI adoption

The ethical concerns surrounding AI that prevent organisations from widespread implementations can be addressed, but it requires a multifaceted approach. By addressing these areas, organisations can create a supportive environment for AI adoption, ensuring ethical considerations are met, and any benefits are realised.

Develop robust responsible AI guidelines and policies

Establish clear standards for AI development and use, ensuring they align with organisational values and regulatory requirements. Regular audits and transparency in AI processes can build trust.

Enhance data privacy and security

Implement robust data protection measures and compliance with privacy laws. Regular security assessments and transparent data practices can mitigate concerns.

Mitigate job displacement

Focus on reskilling and upskilling programs to help employees transition into new or revised roles resulting from AI's influence. Open communication about AI's benefits and changes can ease workforce anxiety.

Improve understanding and expertise

Invest in training and development programs to enhance in-house expertise in AI. Encouraging a culture of continuous learning and collaboration can help integrate AI more effectively.

Sustainability

Despite the widespread adoption of AI, 29% of organisations reported that they had not explored the impacts and opportunities of increased AI usage on their sustainability goals.

This figure highlights a gap in strategic planning among many organisations, where the focus has predominantly been on immediate benefits such as automation, enhanced data analytics, and cost reduction.

Lower carbon, lower waste operations

AI can drive organisational sustainability by optimising resource usage, reducing waste, and enhancing operational efficiency. AI-powered analytics can monitor and manage energy consumption in real-time, leading to energy savings.

Predictive maintenance and supply chain optimisation

Elsewhere, AI-enabled predictive maintenance minimises equipment downtime and extends the lifespan of machinery, reducing the need for replacements. AI can even optimise supply chain logistics, reducing carbon footprints through more efficient routing and inventory management.

Immediate and long-term benefits of AI

By leveraging AI for these tasks, organisations can still achieve immediate benefits, such as cost savings and improved regulatory compliance. They can also capitalise on the many long-term benefits of a reduced environmental impact, from lower bills to reputational enhancement.

The growing challenge of AI's energy demands

However, despite data centre providers working hard to provision green resource, it seems unlikely that they will be able to keep pace with the demand for AI at its current rate of growth.

With Open AI researchers indicating that the amount of computing power required to train cutting-edge AI models has doubled every 3.4 months since 2012.

It is essential that AI usage is justified, with evidence that it will deliver significant benefits in contrast to status quo options.

The risks of neglecting sustainability and ethics

Collectively, these concerns suggest that, while AI adoption is progressing, comprehensive strategies that focus on sustainability and ethical considerations remain in the developmental stages for many organisations.

Without focusing on sustainability, AI-driven processes may increase energy consumption and environmental degradation, counteracting global efforts to combat climate change.

For example, training AI models has a significant carbon impact, with this increasing exponentially when working towards improving accuracy.

Meanwhile, deploying AI without robust responsible AI frameworks increases the risk of biases, privacy breaches, and unfair treatment, eroding public trust and potentially leading to legal and reputational repercussions.

Organisations that continue to neglect responsible AI considerations, such as sustainability and ethics, may find themselves at a competitive disadvantage.
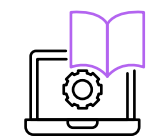
Stakeholders, including customers and investors, increasingly demand responsible and transparent AI practices. In the longer term, the absence of comprehensive responsible AI strategies could lead to an uncontrolled proliferation of AI throughout the organisation, especially where this may be perceived as a solution for other deficiencies such as data quality, increasing the risk of unsustainable and unethical results.

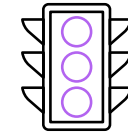# How BJSS facilitates a successful implementation of AI
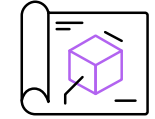
Operating model specialism

BJSS possesses a robust operating model design capability, ideal for assessing, designing, and implementing models that support significant digital transformations. This expertise ensures your organisation is structured to facilitate AI implementation, equipping teams with the necessary expertise, team structures, technology, and processes. Additionally, BJSS provides responsible AI governance framework to guide AI deployment, such as by incorporating sustainability into AI and data governance, and implementing risk management processes.

AI Readiness Assessment

BJSS' AI Readiness assessment evaluates your organisation's readiness and effectiveness regarding the use of AI and provides tailored recommendations to fully leverage it as a value driver. The assessment will identify high value use cases for AI, and deliver a prioritised roadmap of initiatives in line with your business and AI strategies.

Agile coaching

To facilitate effective AI delivery, BJSS offers agile coaching to prepare your employees for rapid change using efficient methodologies. Our agile coaches ensure AI is delivered swiftly with quality baked-in, promoting a seamless integration of AI technologies into your organisation.

Change and culture expertise

Our change management team excels in delivering and embedding major digital and cultural transformations across various industries. They ensure your organisation can adjust to the target state, with all employees engaged and committed to the change journey.

How we can help

BJSS supports your AI implementation with comprehensive expertise, ensuring a successful and sustainable transformation.

Our capabilities span AI, Machine Learning, engineering, and product development, allowing us to deliver tailored solutions that meet your specific needs.

With our deep industry knowledge and technical proficiency, we can guide you through every step of your AI journey - from strategy and implementation to ongoing support - ensuring your business achieves its goals and remains competitive in an increasingly AI-dominated market.

Ready to get started?

Speak to our team now to find out how we can help solve complex technology problems.