YOHO

Setting a company strategy for (**Generative) Artificial Intelligence** has become business critical – but how do you ensure your strategy is fit for purpose?

YOHO Workplace Strategy are a research driven consultancy. We deliver counsel and actionable insights so business leaders can make informed decisions about their people, their productivity and their company performance.

In this paper, we share:

The Ten Questions every company should answer

before setting their **A.I Strategy**.

'For the aware and informed A.I will save money, and make money…

For the unaware or the unprepared, the stakes are high – and imminent!'

Businesses around the world are raising questions about recent advances in Artificial Intelligence. Setting an '*A.I Strategy*' has risen to the top of to do lists, as business leaders fight to ensure they grasp the implications for jobs, productivity, employee wellbeing and company fortunes – and that peers and competitors don't leave them behind.

YOHO is a research driven consultancy with a team whose background is in the development, integration, sale and support of complex technology solutions.

A.I will impact our lives at home and at work – and the risks - and opportunities - will be significant.

Decisions concerning the adoption and integration of A.I is one business leaders cannot afford to abdicate.

The implications, and the likely speed of change, demand active participation from the Board - not at a deep technical level, but to set a strategy which will govern A.I use and policy for the whole organisation.

A.I is evolving fast – so strategy, policy and governance will need to evolve too. As with all tech, mistakes will be made, the key is to acknowledge them and to use them to learn and adapt – quickly.

In this paper we share what we have learned from our research about the evolution of 'Generative Agents' or 'GenAI', and highlight *the 10 questions every business should answer before setting their A.I strategy* – to ensure decisions are considered and informed, and not rash or costly.

GRANT PRICE
CEO, YOHO Workplace Strategy

'A.I could represent a profound change in the history of life on Earth'

Many of us already use A.I – virtual assistants like Amazon Alexa, Apple's Siri, Microsoft Cortana and Samsung Bixby are all examples of AI-powered software applications.

When we go to websites and enter into a 'Chat' with customer services it is likely we are engaging with an A.I 'Chatbot'.

When Netflix recommends TV shows or movies to us, based upon our past choices, it does so using an A.I recommendation engine.

GenA.I has massive potential to improve our world, and to degrade it, depending who's at the controls.

Note: If you are looking for a deeply technical guide this is not it – this paper focuses on *business impact and strategy* rather than the technical assessment or integration of Generative Ai.

What Changed?

Technology is a tool – often a complex one and not always easy to integrate or maintain, but still just a tool, right? Not quite. Until now technology has simply done what it's been told to do – for better or worse. If it goes wrong, it's because someone programmed it poorly, or didn't anticipate an eventuality.

That all changed with the introduction of *Generative Agents*. It is still technology and it's still a tool, but GAs are a major new generation of A.I which have gained new abilities - to learn, make decisions independent of human input, and act upon what they have learned.

They can generate original text and images, formulate answers to complex questions using their own experience, education and logic - at speed, 24/7 – unlike us they don't need sleep or to take a break.

They can even create new program code and develop new A.I powered software applications - with no human involvement.

All the time GenAI's collective intelligence and understanding is growing rapidly, as we continue to feed its knowledge and expose it to new environments and situations.

In 2017 Facebook had to shut down two A.I Chatbots programmed to 'negotiate more efficiently' because, to do so, they had created their own language – the Facebook technicians had no idea what they were saying to each other! We are entering a new, unpredictable, A.I centric, tech paradigm.

A.I comes of age

In 1950 Alan Turing introduced a test of a machine's ability to mimic human intelligence. Seventy years later, tests suggest A.I's IQ is close to exceeding the intelligence of Einstein.

In their letter of 22nd March'23 over 1,100 senior technology leaders and researchers including Elon Musk (CEO of Tesla and SpaceX), Steve Wozniak (co-founder of Apple) and Tristan Harris (executive Director of the Centre for Humane Technology) signed an open letter warning about the impact of A.I tools. The letter states:

'Advanced A.I could represent a profound change in the history of life on Earth, and should be planned for and managed with commensurate care and resources'.

'Generative Agents' introduce a host of *positive* new technology innovations, so why the concern?

Should we be worried?

With the advent of GenA.I the principle of 'seeing is believing' no longer applies …

Some extremely bright people are clearly concerned enough about the potential impact of A.I on our planet and our species, let alone our businesses, to make their worries public. Why are tech experts calling for a pause in A.I development?

What is the truth? What are the facts behind the headlines? Does GenA.I pose a serious risk to our way of living or will it usher in a new dawn of innovation? No-one can definitively answer these questions, but the answer is probably 'yes', to both.

A.I is scary – we are entering the unknown. The news is full of horror stories of tech used to deceive and defraud.

But a tool cannot be good or bad – as always, that is the domain of the people who use and control it.

Cyber criminals will harness GenAi's abilities to impersonate us in ways even our closest family will struggle to distinguish – the world of 'Deep Fake' audio and videos is upon us.

The principle of '**seeing is believing**', which for millennia has underpinned our legal systems, and the way we build trust in those in authority, as well as our family, friends, and colleagues, **is now in question**.

Concern about A.I is rooted in its speed of evolution. In the Industrial Revolution of the 1780s the machines which replaced workers in cotton mills took years to develop and install.

A.I lives, grows and evolves in the digital universe – without any physical boundaries. Each day A.I is given access to larger and more wide-ranging data sources, and more powerful computers.
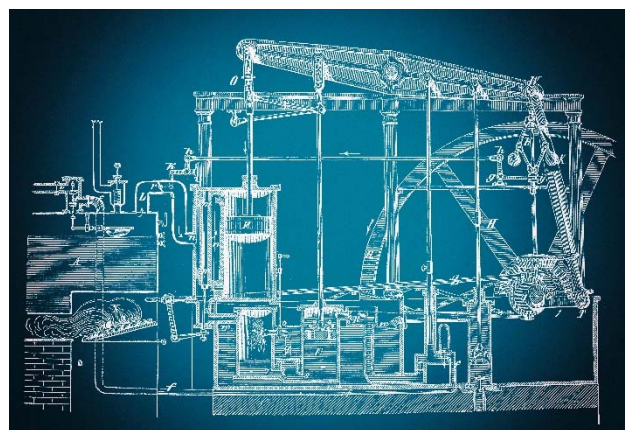
And **A.I is in its infancy** in terms of its potential. Its intelligence, and the scope of its abilities, are growing - exponentially. But on balance, when applied by good people to ethical projects, I believe the evolution of A.I will be positive for mankind. Companies like Intel are already working on tech to identify video fraud.

Good tech will be developed to combat bad tech – as it always has.

'Technology is no longer simply a tool that does what it is told…
Generative Agents are among us, they are learning fast,
and will soon exceed human intellect!'

Personally, I am excited and a little worried, in equal measure. Might A.I escalate global conflict and cause countries to cut themselves off from their neighbours for fear that their tech could take over its energy and communications infrastructure?

A.I has the potential to deliver huge rewards for humanity – could tech 100, or even 1,000 times smarter than we are (a likely scenario based upon the current trajectory), create new science which cures cancer, reverses climate change, or perhaps even solves world hunger and poverty?

Again, the answers are 'hopefully not' and 'hopefully yes' – while we can't be sure, the point is that control over the future of A.I is still in our hands. More important, we will *all* play a part in how the balance of risk and reward pans out, starting with keeping abreast of developments and how we go about setting our A.I Strategies and governance Policies.

With GenA.I 'Control' is key' – Who you select to take control of your A.I Strategy,

the 'amount' of control you grant to your employees over their use of A.I.

and the 'level' of control you give to A.I over your business systems …

What should we do to prepare? Is setting a company *A.I Strategy* the first step, or is there something more urgent we need to do to make sure we are properly equipped to make informed decisions over the directives and priorities which make up our strategy?

Considerations – Top level

As when setting any company wide strategy, there is a lot to consider – particularly so when it comes to the arrival, and rapid evolution, of Generative A.I. Below are a few headline considerations to help you on your journey to creating a structured, well considered, A.I Strategy for your business.

Understanding

The key is to start by learning as much as you can about the *scope* of GenAI's current abilities and where it is already in productive use – especially within your industry sector.

Look for insights on the positive impact different tools have had and what learnings users have reported.

With GenAI, learning from the experience of your peers, and your competitors, could save you a *lot* of time, effort and money.

I'd also checkout examples of where GenA.I has *not* met expectations, and why – were mistakes made in the selection or implementation, mistakes you can avoid? Then familiarise yourself with any reported risks, again specifically look for those related to your sector.

Assessing risk *prior* to adopting or applying A.I to new tasks should become routine - to avoid exposure for your company, your staff, your clients and your partners.

GenA.I Uses

Assess the places in your organisation where A.I does, or could, have a role. For most organisations these are likely to include:

- **Internal functional use**
  (e.g., CRM, ERP, business intelligence, cyber security, product development, manufacturing, logistics and supply chain management, etc.)

- **Customer facing platforms**
  (e.g., chatbots and virtual assistants, booking systems, technical support ticketing systems, digital product catalogues and recommendation engines, to name just a few)

- **Products and services you sell**
  (New products or services you offer where their value could be augmented by GenAI)

General Research

Research is a common employee activity ranging from the development of new products, checking out competitors, finding and shortlisting new talent, to where to go for lunch.

Staff use of A.I will need a level of governance to avoid exposure to risk, including new legislation currently in development, and the interim measures currently filling the gap, such as GDPR.

All the above are insights gleaned from YOHO WS's ongoing research into the possible implications and impact of A.I.

So, what about those 10 questions?

Backdrop

Having researched and analysed the opportunities and potential pitfalls of engaging with this immensely capable and powerful new technology, and having spoken to senior business leaders about their experiences, we have compiled 10 questions we believe every company should ask itself before setting its A.I strategy.

The questions aren't exhaustive and there will certainly be others for organisations where technology is their business - rather than a productivity tool. However, we feel the questions below are the minimum every business should review, to improve the chances of avoiding the pit falls, and of securing a valuable ROI for the organisation, and its stakeholders.

The 10 Questions

1. **How well do we understand GenAI's abilities and the associated risks and rewards?**

   - What is our vision for the role of A.I within the company?

   - What are the key A.I Agenda headings for internal A.I use, customer and partner facing systems and / or for new A.I powered products or services?

2. **What is / are the problem(s) we plan to solve with A.I?**

   - What are the specific pain points that A.I could address in our business?

   - What are the opportunities where A.I could improve the company's prospects?

   - What are we targeting as our commercial return for using A.I?

3. **What budget and resources should we allocate for the integration of A.I into the business?**

   - Do we need any new data, expertise, or infrastructure to *support* our A.I initiatives?

   - Specifically, what additional skills and resources do we need to *execute* our A.I strategy?

   - How will we measure the impact and ROI of our A.I initiatives for the business?

4. **What is our timeline for implementing our A.I initiative(s)?**

   - Are there any pressing priorities which demand the use of A.I to complete them?

   - How long do we need to complete our research and preparations?

   - What other business priorities are the members of our A.I Committee working on?

   - Where do our A.I initiatives sit against these existing agendas?

5. **Who should own our A.I Agenda and who should sit on our A.I Committee?**

   - Who will develop our A.I Policies and determine their contents?

   - What functional expertise do we need on our A.I Committee?

   - Who will own the data, make decisions about the technology, and manage the project(s)?

   - If we have a CTO or CIO, they will be critical to guiding A.I selection and integration - but are they the best choice for directing our A.I '*business*' strategy?

6. **How do our employees feel about A.I and having to engage with it to do their work?**

   - Have we asked staff about their views or experiences of A.I?

   - Do we need to run a survey to properly understand the origin of their concerns?

   - How will we help our staff engage with A.I without fear, and with a *balanced* view of the risks and rewards?

   - How do we motivate and incentivise staff to make suggestions about where A.I might improve the business in some way?

   - How do we make sure *everyone* is on board and aligned with our A.I agenda(s)?

7. **How will we maintain the quality, security and modernity of our A.I data and systems?**

   - What governance policies do we need to put in place covering our use of A.I?

   - How will we make sure that our A.I systems are always learning and improving? Is there a way to set benchmarks against which we can track and measure our progress?

   - How will we stay abreast of new governance legislation as it arrives, and make certain we conform? Do we have access to legal counsel with the expertise to guide us?

8. **What do we know about the plans of our partners and clients to connect with us and our systems using A.I?**

   - Have we raised the question of A.I use with our suppliers, partners and customers?

   - Do they have any imminent plans likely to impact the way we do business together?

   - Should we setup a regular forum with them, specifically to share, prepare and plan?

9. **How do we and our employees stay abreast of A.I developments?**

   ▪ Should we setup a regular internal forum to explore and share our collective insights into where A.I is being used, along with any implications or opportunities for the business?

   ▪ Should we setup a digital 'A.I lab' (formally or informally) where employees can explore A.I applications with the necessary safety controls and tech support in place?

   ▪ Do we have in-house expertise able to run *non-technical* 'A.I Update' sessions for us and our staff, in language we'll all understand?

10. **How will we ensure that A.I is used ethically and responsibly?**

    ▪ What measures do we need to include within our company 'A.I Use Policy'?

    ▪ How do we stay informed of examples of where A.I has not been used responsibly and ethically, including cognitive biases and vulnerabilities - so we fully understand the risks and can take action to avoid them ourselves?

    ▪ How do we monitor use of A.I throughout the organisation to check for breeches in responsible and ethical use? Do we need to run some form of periodic audit?

    ▪ What action can / should we take if we come across a breech?

The implications of A.I are numerous, varied and complex – some of the questions are not easy, we are all brokering new ground. The trick is not to rush the process.

If you're concerned your competitors will steal a march with their adoption of A.I, bear in mind that even yesterday's tech evolved rapidly. Mistakes were made, fortunes were lost and those who took a little more time to plan and evaluate, were often those who benefitted the most from new innovations.

The term 'bleeding edge' was born from experience!

If you'd like any help answering the 10 Questions, in researching for, or preparing your A.I Strategy, or developing your A.I Use Policy, please get in touch, we'd love to help.

To close, included on the following 2 pages are a few suggestions on practical ways to safely start exploring the benefits of Generative A.I (They arose from our research and cover some of the points raised in the 10 questions – these are tailored to the specific business and sector of each client and covered in more detail within our A.I Impact Assessment & Education service deliverables.)

Practical steps to maximise the benefits of GenA.I

Evaluate available A.I Tools

Explore the tools currently available and where they can add value to key functions in your business such as customer services, finance, operations, sales and marketing, to improve productivity. Select one or two to trial and learn from each evaluation.

Formulate your A.I Strategy

Develop a high-level A.I Strategy covering the business' approach to A.I; Who will own your A.I strategy? Consider a full time or part-time team which own the A.I agenda and periodically report back to the board? Who should be on the A.I team? Where can A.I be used to improve productivity? Can it be used to improve your product or service offerings? Where could it increase risk to the organisation?

Publish your A.I guidelines and policy

Introduce the person / team that owns the A.I agenda to your employees. What is the role of A.I in the organisation in each of your key functions? What are your policies regarding internal use of A.I? How will A.I use be governed? How should staff report possible A.I cyber-attacks?

Recognise A.I's limitations

A.I is open to bias and error – as the GenAI's will tell you if you ask them, they are all still learning. Their reference points are growing but still limited. ChatGPT's training stopped in September 2021 - it can't even tell you who won the 2022 FIFA World Cup. When using A.I for research **_always verify the source_** of the insights provided **_and if the information is the latest available_**. A.I tools are only as good as the code used to instruct them – like all technology they have faults and are prone to error.

Engage, educate and celebrate

Start by automating simple activities and gradually introduce more complex tasks as the organisation becomes more comfortable with A.I. Train staff on how to use AI-powered systems and how to manage the associated risks. Create a regular forum to proactively share learnings from the use of, and research into, A.I. Make sure all employees know about the latest cyber threats and how to recognise and report them. And publish your A.I successes – reduce any fears regarding A.I's impact and encourage better understanding and recognition of the potential rewards. Foster a culture of reward for suggestions on how A.I could be used to improve company performance.

Learn from your peers and competitors

Keep a close eye on how competitors use A.I and consider joining any sector specific A.I Forums where A.I experiences are shared for common gain. Businesses already research the product, service and pricing strategies of competitors – add A.I onto your research list.

Limit A.I's control

A.I offers huge potential but it is far from perfect – and it may well never be. A.I is getting smarter but that doesn't necessarily mean it can be trusted to 'take control' - particularly over functions or systems which are mission critical to the operation of your organisation. Test and retest and where possible, simulate, before granting it more access to key systems.

Continually monitor A.I's impact on your company - and your employees

Even the tech experts are nervous about the potential impact of A.I – employees will be listening to the news, the warnings and the horror stories. Adapt employee surveys to capture their experiences and feelings towards A.I and run your surveys a little more frequently – as we know, A.I is evolving fast.

Close

A.I is a **big** subject, particularly with the emergence of Generative A.I (not to mention the pending advance of 'Agentic AI') - there is a great deal to consider and discuss. I hope you've found this paper of help in your journey to uncover what Artificial Intelligence means for your business.

If it's provided you with some new insights, provoked some new ideas, or better still, some conversations with your colleagues, then I feel it has achieved its objective.

At YOHO WS we continue our research journey every day, and refine our services using what we've learned. Feedback and shared experience are the bedrock of everything we do at YOHO Workplace Strategy.

If there is anything you'd like to share having read this paper, please get in touch, we'd love to hear from you. On the next page are a couple of links to further reading – i) an **A.I & HR Research Report** covering the views of 600 senior HR execs on how ready they feel they, and their companies, are for A.I, and ii) a link to the Service page on our website which details our '**A.I Preparation and education services**'. There are also a host of blogs and articles sharing a wide range of our other workplace insights gained from our research – please feel free to explore.

In the meantime, I'll take the opportunity to wish you, your colleagues, and your business, an inspirational, stimulating, and rewarding journey with Generative A.I and its future evolutions.

For help developing your Company A.I Strategy or Policy,

or for more workplace research insights,

please get in touch with the team at YOHO Workplace Strategy

e: contact@yoholtd.com

Further GenA.I insights:

YOHO – A.I & HR Research Report

URL: https://go.yohows.com/HRandAI_ResearchRpt

YOHO A.I Preparation & Education Services

URL: https://go.yohows.com/AI_PreparationAndEducationSvcs