taazaa

Is Your Business **Ready for AI?**

Preparing Businesses for AI Implementation

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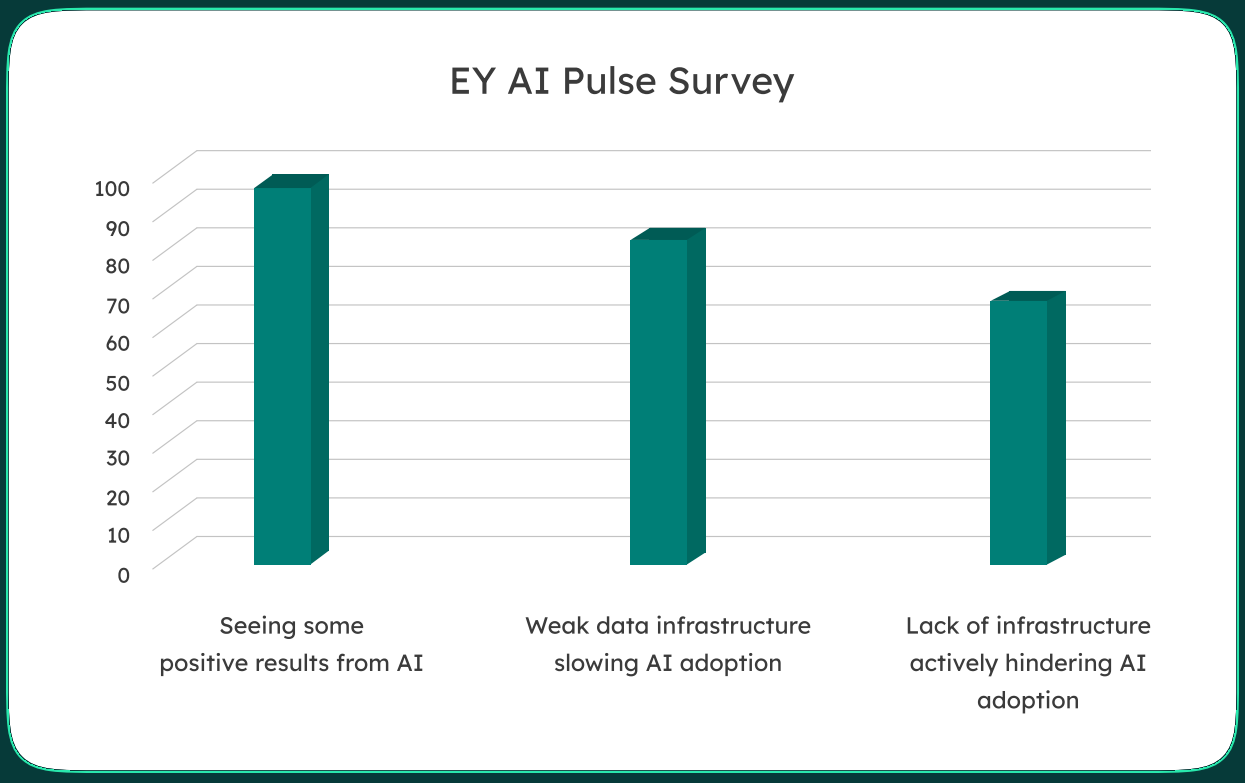
Executive Summary

According to a **December 2024 survey by Ernst & Young** (EY), 97% of leaders who are already investing in AI say they're seeing some positive returns.

However, in that same report, 83% of senior business leaders said AI adoption would be faster with a stronger data infrastructure in place, and more than two-thirds said their lack of infrastructure is actively hindering AI adoption.



Source: Ernst & Young, December 2024

Many organizations fail to achieve maximum ROI from their AI projects due largely to a lack of readiness in four key areas: strategy, data, technical infrastructure, and corporate culture.

Assessing an organization's capabilities across these four pillars enables leaders to address weak areas to improve AI performance and maximize gains.

An AI readiness assessment essentially consists of five steps. The organization's in-house AI experts can conduct it, but it is often more effective when performed by impartial third-party AI consultants.

This white paper examines the four pillars of AI readiness and breaks down the steps involved in an AI readiness assessment for leaders who wish to conduct an internal evaluation.

The Four Pillars of AI Readiness

Why Do AI Initiatives Fail?

Beginning in 2019, Gartner began an annual survey that asked companies about their AI implementation plans. Each year, between 17% and 25% said they planned to deploy AI within the next 12 months, yet the annual growth of AI deployments was only 2% to 5%.

While some companies ran into cost, data privacy, or security obstacles, many organizations failed to implement AI effectively due to fragmented data, an unclear ROI, or a lack of alignment with business goals.

Most Are Weak in 4 Key Areas

Conducting a thorough **AI readiness assessment** before project kickoff increases the chances of a successful implementation. This assessment evaluates a business's readiness in four key areas: strategy, data, technical infrastructure, and culture.

An AI readiness assessment looks at the current data maturity, leadership buy-in, and operational inefficiencies that automation can improve. Aligning AI initiatives with strategic business objectives helps guarantee the project will have a measurable impact.

It also helps stakeholders develop a roadmap that includes quick wins and long-term AI adoption strategies.

Many Overestimate AI Readiness

Many business leaders overestimate how prepared their organizations are to realize value from AI.

In a 2024 survey, Microsoft asked business leaders to assess their organization's level of AI readiness. Before taking the survey, 34% put their organizations in the highest two stages of AI readiness. Their responses were analyzed by a predictive AI model built to determine where organizations would actually fall. Only 25% fell into the highest two stages of AI readiness.

When taken together with the findings in the McKinsey and Gartner studies, it highlights how vital an accurate AI readiness assessment is to AI project success.

What are the 4 pillars of AI readiness?

The success of an AI project doesn't just depend on readiness in technical areas like data quality and infrastructure. There must also be a clear strategy, a C-level champion, and staff training and acceptance.

1. Strategic Readiness

The success of an AI implementation often hinges on how well the organization has defined and prioritized business objectives and use cases and how it will measure value.

AI can be applied to many different areas in many different ways, often leaving executive leaders bewildered about where to begin. Should they focus AI efforts on process optimization? Content generation? Procurement and supply-chain optimization? The list goes on and on.

Organizations require a strict focus on clearly defined strategic goals to achieve AI success. Instead of looking at what AI can do, they need to clearly define the most critical problem they can solve with AI. Otherwise, they'll find it difficult to measure the value of the AI solution and understand its benefits and uses.

According to Gartner, "Executive leaders must become keen and discerning creators of AI investment strategies in order to obtain optimum value from AI initiatives."

Areas to explore in the Strategy phase of an AI assessment include:

- **Problem to be solved:** Have you defined the problem AI will solve for the business?
- **Priorities:** Have you determined your priorities and identified where AI will deliver the most value?
- **Use cases:** Have you clearly defined and confirmed AI use cases for the relevant business units?
- **Leadership buy-in:** Who is championing AI internally?
- **In-house expertise:** Do you have AI leaders within your business?
- **AI management:** Have you defined the operational management processes for AI delivery?

2. Data Readiness

Data that's considered "high-quality" by traditional data quality standards isn't necessarily ready for AI consumption. High-quality data used for analytics, for example, may have outliers removed or other manipulations to suit the business needs.

AI algorithms need representative data for training, which may include "poor-quality" data. AI-ready data may require every pattern, error, outlier, and unexpected occurrence to train or run an AI model for a specific use case.

AI solutions depend on centralized, easily accessible data repositories. Assessing data readiness involves determining if the organization's data is scattered across several data sources or consolidated in a single repository, such as a data warehouse or data lake.

Other factors to consider are data privacy or security constraints that might slow AI adoption, as well as the ability of the data to flow easily between systems.

The data requirements depend on the AI use cases the organization defines and the AI technique used. Areas to explore in the Data phase include:

- **Data accessibility:** Is your business data stored in a centralized database?
- **Data organization:** Are your critical data sources identified and documented?
- **Data governance:** Who is responsible for data governance, and what are their responsibilities?
- **Data domains:** Have you established clearly defined data domains?
- **Data organization:** Are your critical data sources identified and documented?
- **Data ownership:** Who owns the data assets in each data domain?
- **Data definition:** Are there established data dictionaries, catalogs, and glossaries for your applications and data warehouse? Have you defined and provided correct descriptions of critical data elements?
- **Data optimization:** Do you have a data quality improvement lifecycle? How easily can users report a data quality issue? What is the process for determining where data quality issues are occurring?
- **Data correction:** How do you fix identified or reported data quality issues? What anomaly detection solution do you use, if any?
- **Data bias:** Is data classified in a way that prevents AI model bias? Do you have ethical AI frameworks to prevent bias and data privacy risks?

3. Technical Readiness

Beyond data readiness, the organization's technical infrastructure must also successfully provide its AI applications with quick, secure access to data at scale.

The desired AI functionality and the existing hardware and software architecture will determine the path forward. Executive leaders will have to weigh buying a prebuilt solution against building a custom solution.

Deciding factors include systems readiness (whether existing platforms are modern and AI-ready), integration complexity (whether legacy or highly customized solutions need rework), and immediate opportunities (whether the business can optimize AI tools already in place).

The business will also need a dedicated cloud infrastructure to run large-scale AI models. To generate enough value to move beyond the pilot stage, AI solutions require access to a robust cloud platform's computing power, analytics capability, storage, reliability, security, and performance capability.

- **Hosting:** Will you run AI on in-house servers or leverage cloud computing?

Areas to explore in the Technical assessment include:

- **Hardware readiness:** Do you have the hardware to support your AI initiatives? Do you have sufficient data storage?
- **Software readiness:** Will your chosen software support your AI goals? Do you have backup contingencies in place?
- **Scalability:** Will your AI solution scale to meet increased demand from business and staffing growth?
- **Bandwidth needs:** Do you have the bandwidth to support high data demand?

4. Team Readiness

Three areas determine a team's AI readiness: leadership support, in-house expertise, & cultural readiness.

Organizations that get the most value from AI are often those in which leadership understands and supports AI initiatives. Their support is not just vocal; it's reflected in their actions, like providing the necessary resources for team success. They also encourage experimentation with AI.

A joint **Microsoft/Ipsos survey** found that senior leaders significantly impact their organization's ability to create value with AI. All surveyed businesses realizing repeatable and measurable value from AI across the organization have one thing in common: executive leaders who clearly communicated their vision of AI as critical to the company.

In addition to leadership support, the organization needs access to AI subject-matter experts who can transform leadership's vision into a practical reality. Whether it's an in-house team of AI experts

or an AI technology partner, establishing an AI center of excellence is necessary to support AI initiatives throughout the organization.

Finally, successful AI implementations require training & communication with the people who will be using it. Preparing the workforce for AI involves building their trust in the technology and giving them the confidence to upskill. Educating employees about the changes AI will bring can help calm their fears and overcome their resistance to change.

Providing the proper training, education, and mentorship helps foster positive attitudes toward AI and accelerates the path to value.

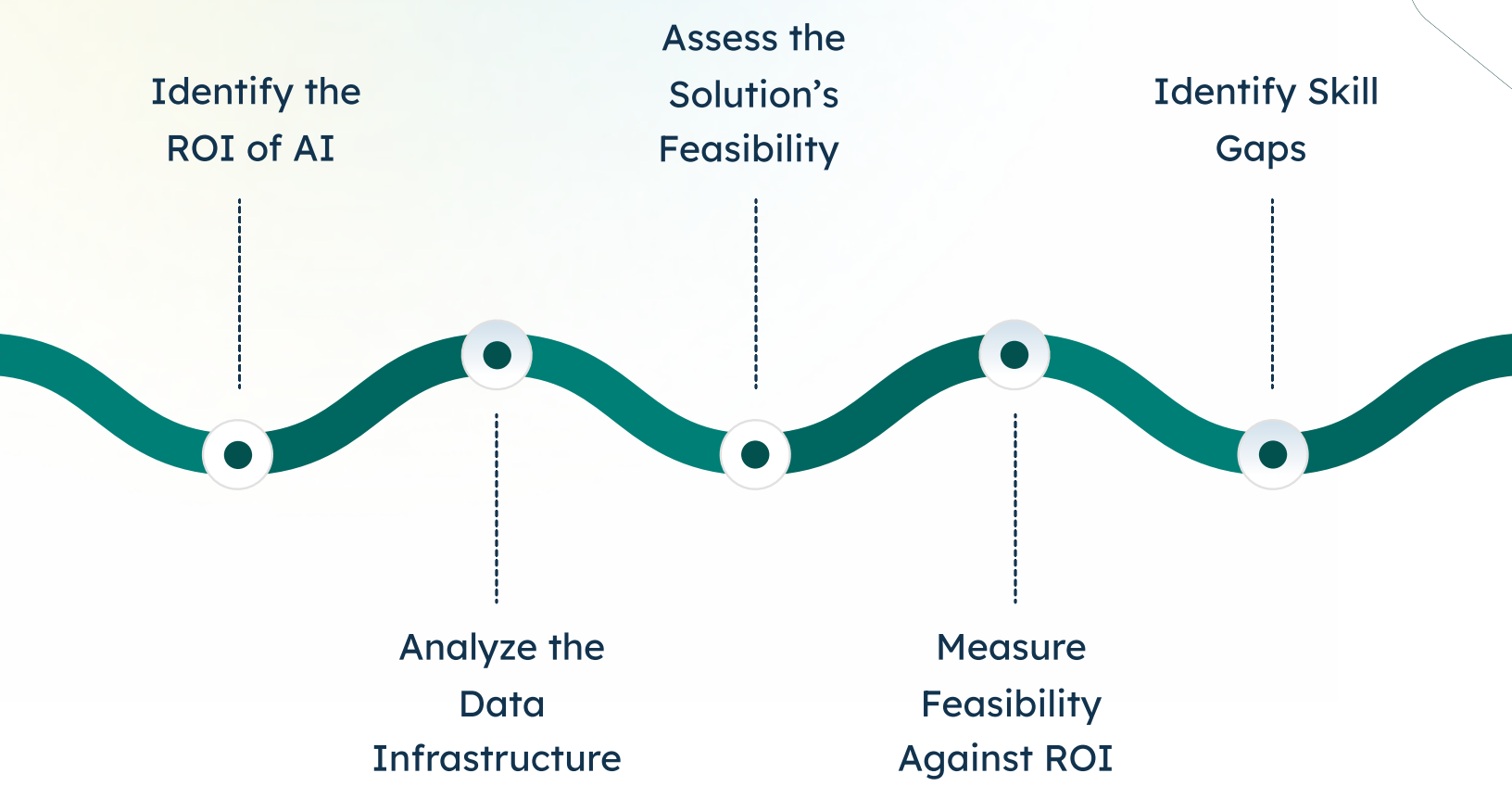
Areas to evaluate in the Team assessment include:

- **Team training:** Is your team trained on AI's technical, ethical, and regulatory aspects? Do you provide all employees with AI retraining or upskilling opportunities?
- **AI expertise:** Do you have internal AI specialists to create, implement, and maintain AI? Are they experienced in developing and implementing custom AI solutions?
- **Change management:** How effectively is your team interpreting, analyzing, and using data?
- **Cultural readiness:** Are you encouraging staff to experiment with AI? Have you educated all lines of business on how AI will impact their processes and workflows?
- **Continuous improvement:** Do you have a team to support and oversee AI usage and improvement?

Step-by-Step AI Readiness Assessment

Businesses can assess their readiness in relation to the four pillars by partnering with an experienced **AI services provider** or leveraging in-house experts. This section outlines the steps to complete an AI readiness assessment.

AI Readiness Checklist



1: Identify the ROI of AI

Examine current workflows and processes to determine the AI solution that will deliver the highest ROI. Look for repetitive, manual tasks, such as:

- Data entry
- Report preparation
- Boilerplate email responses
- User onboarding

These are areas where AI can reduce human error and improve quality, delivering quick wins. Rank these areas by potential ROI and impact.

2: Analyze the Data Infrastructure

Identify the data sources and understand how data moves throughout the organization. Evaluate data quality and review data policies to find ways to improve data processes and ensure enough data is available to train the AI. Map the data infrastructure to reveal inefficiencies and find silos that might prevent the AI from accessing the data it needs.

Whether an existing or custom AI model is involved, it will need sufficient, relevant, and high-quality data to train it. Evaluate the organization's data to uncover any gaps that might impede the implementation of the AI or the quality of its output.

3: Assess the Solution's Feasibility

Mapping the data infrastructure enables the organization to assess the feasibility of the AI solution. This consists of evaluating two factors: available technology and data availability.

An existing AI solution may be able to address the problem to be solved. As AI capabilities expand, so do the use cases; solutions that would not have been possible last year may be feasible now. Gauge available AI tools or engage an AI consultant to assess potential options.

4: Measure Feasibility Against ROI

After evaluating the options available, gauge each option's implementation effort and feasibility against its potential ROI. For those that are desirable but not currently feasible, tag them for reassessment at a later date, when the organization gains more AI maturity.

Prioritize the remaining feasible options by those offering the greatest value for the least effort. The resulting list should deliver quick wins—tasks that are easier to implement but provide high returns.

5: Identify Skill Gaps

Possibly the most significant challenge in building, using, and maintaining AI is finding the necessary talent. AI expertise is in high demand, making it challenging to find the required AI developers, data scientists, technical architects, and others.

With the proliferation of tools, finding some talent within the organization is possible. However, leaders will most likely need to hire or outsource many of the required roles.

List the expertise needed to build and maintain the desired AI solution, then assess the AI knowledge and expertise across the organization, particularly in the IT and support areas.

If the organization lacks just a few needed skills, training existing employees may be enough to fill those gaps. For more significant resource needs, leaders will need to weigh hiring AI engineers against partnering with a **custom software development company** that can build the AI solution themselves or augment existing staff.

AI Provides Value... If You're Ready

AI promises greater efficiency, higher productivity, and lower operational costs. However, implementing AI is complicated, and most businesses are still figuring out how the technology can provide value. Many don't know where to begin.

Conducting a thorough AI readiness assessment can offer the insights business leaders need to determine their first steps and where they should focus their efforts.

As part of our custom AI development services, Taazaa offers an in-depth AI Readiness Assessment, as well as AI strategy and roadmap consulting designed to align your AI initiatives with business objectives, industry trends, and financial goals.

We can help you build an actionable, structured, multi-year AI adoption strategy tailored to your current capabilities and future scalability. Our deep bench of AI development talent can also provide you with end-to-end AI planning, development, training, and implementation services.

Get started today by taking our **free, online AI Readiness Assessment.** You'll get a benchmark score of your AI readiness, a list of key focus areas, next steps tailored to your business, and an optional consultation offer.