

AIQRATE AN EXEMPLARY AI CENTRE OF EXCELLENCE (COE) FOR **ENTERPRISE / GCC**

An Insights & intelligence hub to
showcase innovation,
transformation & enhance
business performance

The New Playbook

Sameer Dhanrajani

AIQRATE

A Bespoke AI Advisory & Consulting Firm

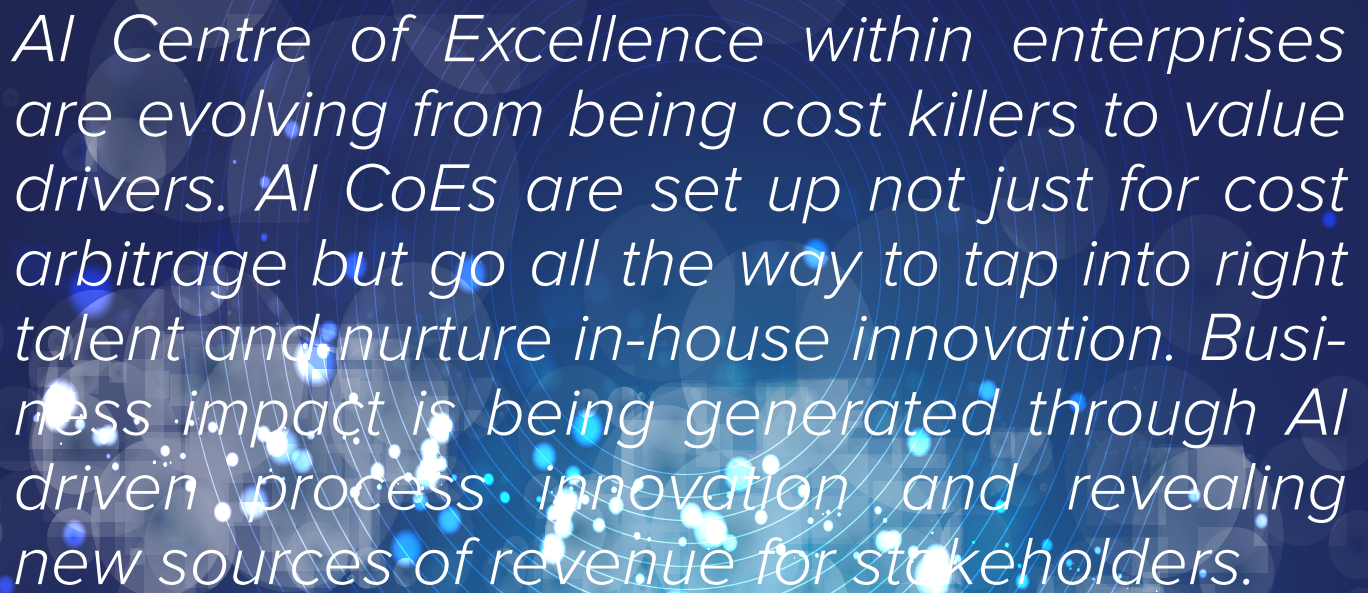
© 2020 AIQRATE Advisory & Consulting Private Limited

As enterprises and GCC's recognize the significance of building AI strategy , many are hoping to use AI to drive their business decisions and performance. While most companies understand the importance of AI and have adopted common best practices, fewer than 20 percent in the fortune 2000 list have maximized the potential and achieved AI @scale.

In working with a wide range of enterprises and GCC's, AIQRATE has seen many enterprises/GCC's start their analytics journey eagerly, but without a clear strategy. As a result, their efforts often end up as small pilots that fail to scale or have significant impact. Some of these pilots have been mere exercises in "intellectual curiosity" rather than a serious effort to change the business. Consequently, they are not designed with an end-to-end approach that incorporates the necessary conditions for implementation. Instead, the pilots are carried out in small cohorts with limited connection to the business impact , and fail to provide the answers the business needs to move forward. Even if a pilot does answer the right questions, it may not address the cultural nuances that would, for example, make a sales representative trust a model more than her own experience.

Thus, these enterprises/GCC's quickly become frustrated when they see their efforts falling . Democratization of data is blurring sector boundaries; businesses will increasingly find themselves disrupted not by the company they have been monitoring for the last several years, but by a newcomer from another industry. Being the best in an industry is no longer enough; now companies must aspire to be at least at par across industries to compete effectively. Functional expertise, beyond specific sector expertise, will become more and more relevant.






AI Centre of Excellence within enterprises are evolving from being cost killers to value drivers. AI CoEs are set up not just for cost arbitrage but go all the way to tap into right talent and nurture in-house innovation. Business impact is being generated through AI driven process innovation and revealing new sources of revenue for stakeholders.

No doubt, Artificial intelligence is one of the most powerful strategy for reshaping business in decades. It has the ability to optimize many processes throughout organizations and is already the engine behind some of the world's most valuable platform businesses. In our view AI will become a permanent aspect of the business landscape and AI capabilities need to be sustainable over time in order to develop and support potential new business models and capabilities.

Specifically, we believe that enterprises need to establish dedicated organizational units to entrench AI. This is an important business tool that cannot be left to bottom-up whimsy. Companies and GCC's are devoting considerable financial resources to AI, and necessary skills and experience are too rare to assume that they will be scattered around the organization with little coordination or collaboration. Just as e-commerce led to Chief Digital Officers and groups to support online presence and commerce, we believe that AI will engender new competence & capability centers (CC) or centers of excellence or capability (COE)/ (CoC), and new roles within them.

The idea of establishing a COC or COE in AI is not particularly radical; large firms using AI, 27% had already established AI CoE or COC. However, AI Centre of Excellence within enterprises are evolving from being cost killers to value drivers. AI CoEs are set up not just for cost arbitrage but go all the way to tap into right talent and nurture in-house innovation. Business impact is being generated through AI driven process innovation and revealing new sources of revenue for stakeholders.



STRATEGIC IMPERATIVES FOR ENTERPRISES AND GCC'S TO CONSIDER TO BUILD & SCALE EXEMPLARY AI CENTER OF EXCELLENCE

AI Transformation & Strategy Approach

1 Create a vision for AI in the enterprise/GCC

It's important for executives to discuss — ideally with AI experts — what AI is, what it can do, and how it might enable new business models and strategies. Otherwise it may sub-optimize what AI can do for the business.

Identify business-driven problem statements: AI driven problem statements will need a prioritized list of applications or use cases within the company & GCC. They should balance strategic value with what is achievable. Companies/GCC's may develop some of these use cases as pilots or prototypes, but they should also have a “pipeline” — regularly monitored by the AI center and by executives — that leads to production deployment.

Determine the incremental AI CoE/ CoC roadmap: Since AI typically supports tasks rather than entire jobs or business processes, it is usually best to undertake less ambitious projects as opposed to “moon shots.” But in order to get management attention and have a substantial impact on the business, organizations may want to undertake a series of smaller projects in one area of the business. This may require a “road map” with multiple use cases across a timeline. An AI center can help a company/GCC “think big, start small , fail fast & scale quickly” with AI.



STRATEGIC IMPERATIVES FOR ENTERPRISES AND GCC'S TO CONSIDER TO BUILD & SCALE EXEMPLARY AI CENTER OF EXCELLENCE

AI Transformation & Strategy Approach

2 Create a robust data engineering capability

The AI strategy and ensuing problem statements define the data platform and tools needed to deliver. This is key for all (data-relevant) projects, to include all types of data — structured, unstructured, and external. AI CoE or CoC needs robust buildup of data pipes to feed sophisticated ML algorithms and also decide between on-premise versus cloud variations, and self-maintained open source solutions versus licensed solutions (e.g. Hadoop on Cloudera or AWS or open-source). Data engineering strategy can constitute of blending right data structures , data lake and cloud architecture essential for enterprises/GCC's to build scalability and robustness in the AI CoE /CoCv



STRATEGIC IMPERATIVES FOR ENTERPRISES AND GCC'S TO CONSIDER TO BUILD & SCALE EXEMPLARY AI CENTER OF EXCELLENCE

AI Transformation & Strategy Approach

3 Device a robust Ecosystem creation

An AI CoE/CoC can help to orchestrate relationships with universities, vendors, AI start-ups, and other sources of expertise and innovation. The company/GCC can develop an AI ecosystem, and perhaps even invest in firms that show promise of adding value to the business. This is also important for the tools and technology to be best-in-class. One of the crucial ways that Enterprises/GCCs can boost their innovation agenda within AI CoE/CoC is by collaborating with start-ups, research institutes, accelerators. Hence, Enterprises/ GCCs are employing a variety of strategies to build the ecosystem. These collaborations are a combination of build, buy, and partner models:

- **Platform Evangelization:** offer access to their AI platforms to start-ups
- **License or Vendor Agreement:** start-ups enter into a license agreement to create solutions
- **Co-innovate:** collaborate to co-create new solutions & capabilities
- **Acqui-hire:** acquire start-ups for the talent & capability
- **Research centers :** collaborate with academic institutes for joint IP creation, open research, customized programs
- **Joint Accelerator program :** build joint program for customized startups cohort

STRATEGIC IMPERATIVES FOR ENTERPRISES AND GCC'S TO CONSIDER TO BUILD & SCALE EXEMPLARY AI CENTER OF EXCELLENCE

AI Transformation & Strategy Approach

4 Create AI evangelists to spread success stories

An AI CoE/CoC will work best if it cultivates a network of influencers and champions across the businesses. Given the commodification of programming (with readily available scripts in languages like R- and Python), the focus for in-house capability building should be on statistical and mathematical modeling, rather than pure programming. A key success factor with AI is to spread early success stories with prioritized problem statements. This will build the appetite for more AI activity; in effect such communications perform a marketing outreach for the AI CoE/CoC

5 Develop a Talent Mapping Strategy

With the evolution of analytics ,data sciences to AI , the lines between different skills are blurring. We are witnessing a convergence of skills required across verticals. The strategic shift of Enterprises/ GCCs towards AI center of capability model has led to the creation of AI , data engineering & design roles. To build skills in AI & data engineering, Enterprises/ GCCs are adopting a hybrid approach. The skill development roadmap for AI is a combination of build and buy strategies. The decision to acquire talent from the ecosystem or internally build capabilities is a function of three parameters –Maturity of Enterprises/ GCC 's existing AI capabilities in the desired or adjacent areas ,Tactical nature of skill requirement & Availability and accessibility of talent in the ecosystem. There's always a heavy Inclination towards building skills in-house within Enterprises/GCCs and a majority of Enterprises/ GCCs have stressed upon that the bulk of the future deployment in AI areas will be through in-house skill-building and reskilling initiatives. However, talent mapping strategy for building AI capability is a measured approach else can result in being a Achilles heel for Enterprise/ GCC and HR leaders.

STRATEGIC IMPERATIVES FOR ENTERPRISES AND GCC'S TO CONSIDER TO BUILD & SCALE EXEMPLARY AI CENTER OF EXCELLENCE

AI Transformation & Strategy Approach

6 Reset Structures and Processes

While there is no single best organizational structure for an AI center, we think that in most cases organizations would be well-served by a central structure with deployed or embedded staff, reporting to an enterprise-wide business function. Since AI talent is scarce, it is difficult to develop critical mass if it is scattered around the organization. And our experience with analytics functions was that centralization contributes to greater job satisfaction and retention for this type of role.

To avoid excessive bureaucracy, a centralized group should embed or assign its staff — at least some of them — to business units or functions where AI is expected to be common. That way the center staff can become familiar with the unit's business issues and problems, and develop relationships with key executives. Rotational programs across business units can improve knowledge growth and transfer. As AI starts to become pervasive, these embedded staff may move their primary organizational reporting line to business units or functions. There are a variety of possible areas into which an AI CoE might report, but we'd argue that the best one is a central strategy group that is also responsible for strategic tasks.

7 Curate Insights, Intelligence & Recommendations

AI COE /COC need to generate top of the line insights and recommendations for enterprises /GCC's to aid decision making and also serve as model of transformation & innovation thru incrementally pushing the ante to develop intelligent products , solutions for the business lines and horizontals . The AI CoE must strive at reaching at this pinnacle stage to ensure that the early success of the CoE are translated to building innovative products & solutions and transforming the businesses within the AI CoE and ultimately , becoming the nerve center aka strategy cell of the enterprise /GCC.



“AIQRATE believes it is virtually impossible to succeed as an “AI first” enterprise/GCC without a robust center of excellence devoted to transform and innovate the enterprise or GCC”

(AIQRATE have extensive experience in setting up AI CoE/COC for enterprises & GCC's and collectively the AI advisors & consultants at AIQRATE have conceptualized, strategized , built & scaled 180+ AI CoE/CoC for global & Indian enterprises and GCC's to enhance business performance , drive transformation & innovation and augment decision making capabilities . AIQRATE's Paragon framework guides an enterprise through the journey of the setup of an AI CoE, its continuous evolution as well as the demonstrable value creation for the business & AIQRATE's Beacon Framework guides an GCC through the journey of the setup of an AI CoE, its incremental evolution as well as the demonstrable value creation for the business.)

AIQRATE

A Bespoke AI Advisory & Consulting Firm

AIQRATE Advisory & Consulting



consult@aiqrate.ai



www.aiqrate.ai



Bangalore | Delhi | Hyderabad

AIQRATE, A bespoke global AI advisory and consulting firm. A first in its genre, AIQRATE provides strategic AI advisory services and consulting offerings across multiple business segments to enable clients on their AI powered transformation & innovation journey and accentuate their decision making and business performance.

AIQRATE works closely with Boards, CXOs and Senior leaders advising them on navigating their Analytics to AI journey with the art of possible or making them jumpstart to AI culture with AI@scale approach followed by consulting them on embedding AI as core to business strategy within business functions and augmenting the decision-making process with AI. We have proven bespoke AI advisory services to enable CXO's and Senior Leaders to curate & design building blocks of AI strategy, embed AI@scale interventions and create AI powered organizations.

AIQRATE's path breaking 50+ AI consulting frameworks, assessments, primers, toolkits and playbooks enable Indian & global enterprises, GCCs, Startups, SMBs, VC/PE firms, and Academic Institutions enhance business performance and accelerate decision making.

Visit www.aiqrate.ai to experience our AI advisory services & consulting offerings