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IMPLEMENTING THE CIO PLAYBOOK FOR GEN AI

STRATEGIES, POLICIES
AND FRAMEWORKS

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Discussion Documents

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IMPLEMENTING THE CIO PLAYBOOK FOR GEN AI STRATEGIES, POLICIES AND FRAMEWORKS

A discussion dinner was held on 19 March 2024, sponsored by Google Cloud and Cognizant. The event was held at Great Scotland Yard Hotel. Attending CIOs were joined by Deb Lee, AI/ML Specialist, Customer Engineering at Google Cloud, Rupert Chapman, Head of UK Consulting at Cognizant, and Rohit Alimchandani, Head of Life Sciences UK&I at Cognizant. The event was convened by CIONET Editor-in-Chief, Jon Bernstein. This article presents a summary of the evening and was written by [Mark Samuels](#), Chief Editor at CIONET UK.

Context for the event

Gen AI has the potential to transform the way organisations operate, build services, and interface with customers. It's an exciting if daunting prospect. Every CIO must establish the strategies, policies and frameworks to exploit Gen AI successfully. Through a fireside chat and a roundtable discussion, delegates considered the following questions:

- How can organisations establish policies and guardrails that don't inhibit creativity?
- Will optimising existing processes boost productivity more than starting from scratch?
- What is the role of the CIO in progressing AI – a leader, an enabler or an influencer?
- Is AI just another technology or is it something fundamentally different?



Key discussion points

1. How can organisations establish policies and guardrails that don't inhibit creativity?

The rise of Gen AI means anyone can access models easily. Professionals will use models whether businesses lock down or open access to Gen AI. CIOs should consider linkups with external partners as part of this policy process.

Your AI policies will be grounded in your existing data strategies and structures. Similarly to other emerging technologies, such as robotic process automation (RPA) and blockchain, there's a lot of heat and light around Gen AI. Early use cases are focused on back-office tasks and productivity improvements. CIOs now need to think about sophisticated use cases and how they will develop these implementations with third parties.

CIOs must consider data maturity and the ability of their organisation to use Gen AI. A strong data structure is a prerequisite for emerging technology. You can buy a Ferrari but it still needs the right fuel to run effectively. Smart organisations take a multi-tiered approach to data guardrails and consider ethics, biases and the use of MLOps. Guardrails should ensure sensitive information isn't exposed but they shouldn't prevent teams from exploring AI.

Organisations must also develop policies for outputs. The risk of hallucinations is hindering the successful rollout of Gen AI. Organisations must evaluate whether their outputs include hallucinations. Evaluation is a human-intensive process. Your business needs people who understand the challenges of evaluation and those requirements will change over time.



2. Will optimising existing processes boost productivity more than starting from scratch?

Many organisations recognise the quickest way to explore Gen AI is by rethinking an existing process. It's much harder to undertake true end-to-end transformation. You'll be disappointed if you think Gen AI can help your business modernise millions of lines of legacy code.

Pragmatism is the right approach in most cases. Undertake detective work. Find something contained, like a database, that can be ripped out and replaced. Automate a manual process, such as stripping data from a PDF.

Not every emerging technology will have a big impact. Delegates suggested there have been mixed results from RPA. Optimisation gives you an 'in' into AI. It's easier to work on existing processes that prove the benefits of Gen AI. Start a pilot and then scale up. Work incrementally to ensure optimisation leads to better processes.

Deciding whether to optimise or start again comes down to the business problem. Some problems require optimisation while others will require disruption. Most organisations will face a business portfolio of change. While most of these projects will focus on optimisation, some will use AI to support new business models.

Gen AI is already having a transformative effect in some areas. AI can analyse adverts and explain why audiences aren't interested. Marketing teams can also use Gen AI to produce content. It takes a brave organisation to optimise a cross-function process, such as order to cash. Get it wrong and the impact could be disastrous.

CIOs must remember the impact of change on people. Estimates suggest that 90% of jobs will be affected by Gen AI. If your team don't want to embrace change, it won't be accepted culturally. Get people who translate bits and bytes into business benefits.



3. What is the role of the CIO in progressing AI – a leader, an enabler or an influencer?

While some CIOs take the reins for AI, the responsibility sometimes falls under the compass of other executives. There's evidence that boards are confused about who to go to for advice on AI. Should boards speak with the CIO, chief data officer (CDO), or someone else?

CIOs can't afford to take a hands-off approach to AI. You could be left behind in an AI leadership power play. CIOs should experiment with AI to inspire future use cases. CIOs should also use their collaborative skills to bring IT and the rest of the business together. Act as an advisor and enabler and show how existing infrastructures can help scale AI.

CIOs who understand the potential of Gen AI should conduct the orchestra. However, the decentralised nature of Gen AI means other people in the business might choose the music. CIOs must bring non-IT professionals into the orchestra and ensure they play effectively. Success AI leaders translate business objectives and orchestrate technological solutions.

CEOs must understand the impact of AI deeply. They need a trusted technical advisor who can help develop a business strategy. One key challenge is some CEOs don't trust their CIO's advice, especially on data. That lack of trust has fuelled the rise of CDOs.

However, if you're leading technology, taking responsibility for AI should come with the CIO job description. The board might lead the push on Gen AI, but CIOs should manage deployment. It's incumbent on CIOs as business leaders to make Gen AI commercially viable. Having one figurehead for AI reduces internal political conflicts.

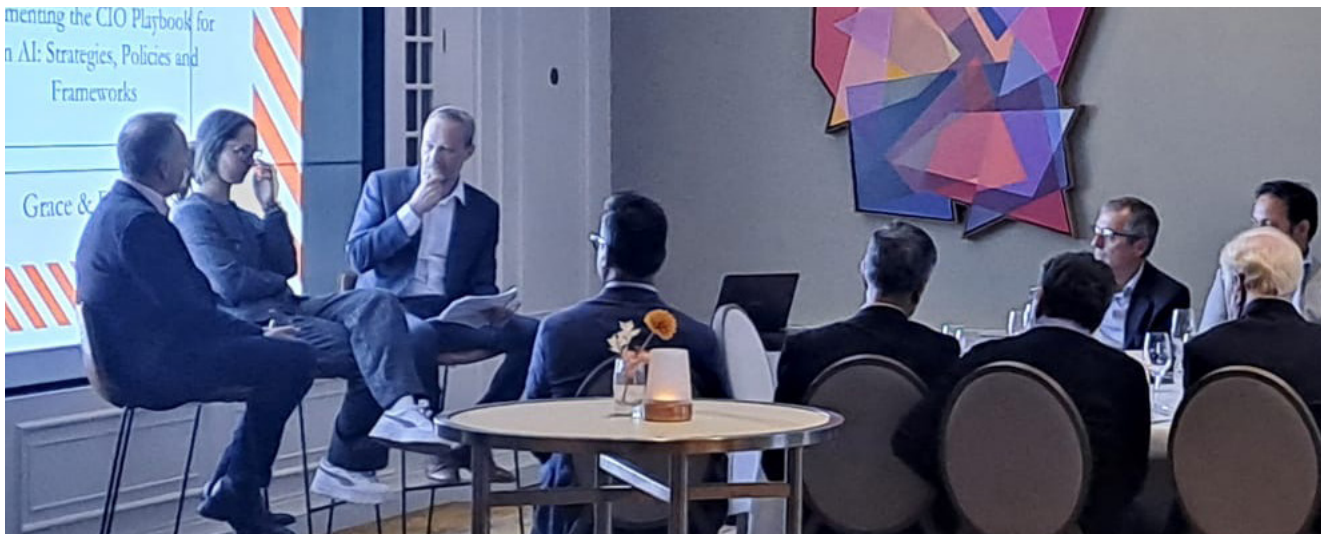
4. Is AI just another technology or is it something fundamentally different?

Some delegates were eager to suggest AI might be revolutionary but it is just another tool in the CIO's technology kitbag. Others suggested AI has the potential to hold both positions. These are early days for Gen AI and the technology could deliver fundamental change.

Other delegates believed the level of disruption from Gen AI feels different to previous step changes. Employees can use Gen AI to tap into the world's knowledge base. The pace of change also feels different. ChatGPT took six weeks to reach 500 million users, while it took the aeroplane 60 years to reach similar numbers and it took Facebook seven years.

Gen AI could be used across millions of use cases and change how we ingest structured and structured information. But it's not all good news. Organisations could spend millions on Gen AI and fail to reap benefits. These failures could hold the technology back.

CIOs must now help people across the business understand the potential benefits of AI and support cultural change. Every employee needs to think about how Gen AI can improve the business. Increased productivity means increased revenues.



Conclusions: Five best practices for strategy, policy and frameworks

Jon concluded the event by asking delegates to share their best-practice suggestions:

1. **Enable** – Policies are being enacted in some organisations but there is no agreed standard for all enterprises. While some companies restrict access to models, others are open. Guardrails can enable creativity.
2. **Prepare** – Your organisation will already have data and security policies. Use these to help build your next-generation policies for AI. Data classification is crucial to success. Spend money cleaning up your data before you invest in Gen AI technologies.
3. **Educate** – Take your employees on a journey. Your people will use Gen AI at home, regardless of whether you allow it in the enterprise. You can't run away from Gen AI. Build a policy and educate people about responsible consumption.
4. **Develop** – Embrace the people who explore Gen AI and use the technology to produce content. Your pioneers will become your champions.
5. **Collaborate** – Knowledge is power, so share best practices. Fail fast and think about how to use Gen AI to solve your customers' problems. The ultimate goal is everyone benefits from Gen AI.

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A pioneer of today's Internet as an ARPA research fellow at MIT in the seventies, Roger has spent over fifty years helping corporations harness the power of new technologies such as AI, cloud, mobile communications, e-commerce, voice recognition and satellite. He was a partner at EY responsible for e-commerce during the dot.com boom. He is a Cambridge University and MIT graduate and a visiting professor at the Hebrew University in Jerusalem.

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Mark is a business writer and editor, with extensive experience of the way technology is used and adopted by CIOs. His experience has been gained through senior editorships, investigative journalism and postgraduate research. Editorial clients include the Guardian, The Times, the Sunday Times and the Economist Intelligence Unit. Mark has written content for a range of IT companies and marketing agencies. He has a PhD from the University of Sheffield, and master's and undergraduate degrees in geography from the University of Birmingham.

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