

## Unlocking Value with AI While Aligning AI with Our Values

To BCG's network around the world,

Over the past few years, as I discussed advanced analytics and artificial intelligence with other business leaders, I often shared three guiding principles we've found in our client work:

- First, it's essential to orient AI efforts around specific business outcomes and not start with a mindset of "build an AI/data platform and value will come."
- Second, while AI pilots may have a lot of appeal (and create great analyst and board presentations), what's more important—and far more challenging—is achieving AI at scale.
- And finally, AI success depends on recognizing the 10-20-70 rule, which says that unlocking value means focusing 10% of effort and resources on building new algorithms, 20% on the underlying technology platforms, and 70% on investments in people, processes, and the transformation of the organization.

Now that so many companies are investing in the technology, we can go a level deeper to understand how to create value while ensuring that the use of AI lives up to our values. To draw on what we have learned so far, BCG has dedicated its latest [Executive Perspective](#) to this topic, offering a lot of information about the current state of AI that I think you'll find helpful. But it also spells out what business leaders should do to make the most of AI, and I'd like to focus on that here.

Here are six actions to take to gain full advantage of the technology. The first two are about embedding AI into the core of the business:

- **Clearly articulate and communicate how AI will drive business outcomes**, linking AI goals to strategy and purpose.

- **Treat the development of AI as a business transformation**—not just a technology transformation, working collaboratively with business owners and making improvements along the way.

The next three focus on how to prepare the operating model so that the organization can get the most from AI:

- **Break down business boundaries** to capture AI value through cross-functional teams, platforms, and more agile work practices.
- **Involve HR in AI adoption early on** to anticipate and prepare for the impact on jobs and skill sets; focus on strategic workforce planning and internal upskilling programs and rethink the employee value proposition to retain talent.
- **Increase flexibility by separating data capabilities** from central IT systems, and build those capabilities in a deliberate, incremental manner over time, always applying a test-learn-improve mindset.

And finally, essential to all of this is the need to **invest early in responsible AI governance**, including providing transparency to stakeholders. To that end, I'm so pleased to share that BCG has been collaborating with Microsoft on this topic, and together we've just published [Ten Guidelines for Product Leaders to Implement AI Responsibly](#).

These guidelines are a resource for leaders to facilitate the complex conversations necessary to develop AI products responsibly, foster an organizational culture that is focused on ethical AI, and help product teams use AI to promote positive societal impact while achieving business objectives. I highly encourage you to take a look and share them within your organization.

The potential of AI is enormous, and it will likely be at the heart of the biggest transformations that industries undergo throughout this decade. Getting it right has its challenges, but the benefits, including the [cultural upsides](#) I recently shared, are well worth the hard work.

Next week, look for some year-end reflections from Christoph, and then he and I will take a couple of weeks to rest and be with family and friends, as I hope you will, too.

Until January,

A handwritten signature in dark ink, appearing to read "Rich".

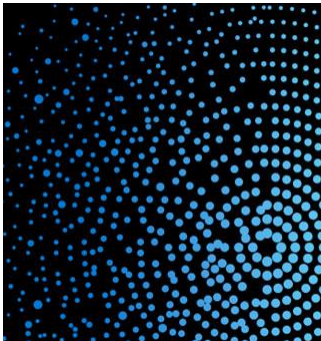
## Further Reading



### Artificial Intelligence: Ready to Ride the Wave?

The latest edition of the Executive Perspective explores AI, identifying key trends and implications for leaders looking to harness its power in their organizations.

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### Ten Guidelines for Product Leaders to Implement AI Responsibly

Here's a formalized approach to creating deeper synergy among performance, organizational goals, and values.

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