

Exploring Generative Artificial Intelligence: A Guide for Business Leaders

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Introduction

There is a well-founded hype around generative artificial intelligence (GenAI). [Research in 2023](#) suggests that almost 70% of senior Information Technology (IT) leaders list it as a business priority over the next 18 months. GenAI describes algorithms (such as OpenAI's ChatGPT, Microsoft's CoPilot and Google's Bard) that can be used to create new audio, code, images, text or video content. While the development and deployment of GenAI is largely a digital IT task, where and how to use it is a business task, with far-reaching strategic, risk, process and people implications.

Though it might seem counterintuitive, business leaders should start with an assessment of what they do and how they do it before they introduce new GenAI technology to avoid being part of the [70% of businesses that fail to deliver digital transformation](#). This article aims to assist business leaders in establishing GenAI guardrails and policy, encouraging the identification of GenAI business use cases and examining people, process and change implications before introducing GenAI.

Establish Guardrails and Policy

While GenAI technology creates opportunities for companies to find competitive advantages, it also introduces information security and reputational risks. As sensitive information makes up [11% of what employees share with ChatGPT](#), and [falsehoods](#) are common, leaders must establish guardrails to minimise risks. So, how should a business leader introduce GenAI into an organisation?

Align Your Leaders to Clarify the Business Position

A lack of [leadership alignment](#) is common. Different views of 'what good looks like' can hinder projects from achieving their goals and cause delays. To remedy alignment issues in introducing GenAI, set up a working group with representatives from key business areas like IT, Operations, HR and Finance. Spend time early to align leaders by defining the guardrails or '[design principles](#)' that help leaders to agree on what is important about how GenAI will be used and what is considered a successful experiment. Leadership alignment means leaders are clear on the case for change (i.e. the reasons why the business cannot ignore GenAI), and the future-state vision. This is a crucial first step to gain buy-in, capture business requirements and build a foundation for later changes.

Figure 1: An example of design principles for GenAI experiments



Source: Developed by Ferguson 2023.

Minimise the *Risk to Security, Quality and Reputation*

New GenAI tools such as ChatGPT [introduce risks](#) including data security, work quality and reputational damage. Leaders must plan for this, even if the business has yet to deploy GenAI tools. Without adequate guidance, curious staff using these tools may do so in ways that are harmful to the business. A clear-use policy with appropriate controls is a pragmatic way to help minimise these risks.

A risk framework to evaluate the potential GenAI risks which defines risk mitigation mechanisms and how to control these, is critical. Using the design principles, the case for change and future-state vision, leaders should draft a GenAI policy that summarises how to use GenAI. The working group can continue to refine the policy over time. Remember that GenAI is not a cure-all, fix-everything technology. It is a tool, and like all tools, if used incorrectly may cause more harm than good.

Set the *Stage for Innovation*

From content creation to customer service virtual assistants, invoice management, knowledge repositories or streamlining operations, potential [GenAI use cases](#) continue to expand. Launching a GenAI policy is an opportunity to 'set the stage' for experimentation, innovation and deployment. Leaders should communicate the policy to staff and spend the time to understand their audience across the entire business. Define what is important to staff (e.g. less red tape, empowerment), and prepare communication materials that will resonate. This is particularly important when GenAI projects are run within a function that is siloed from the rest of the business (such as Legal and Risk, or IT) but will be used by all management and front-line staff.

When engaging with staff, the messaging should address key points including:

- Why does our team need a GenAI policy?

- What is in it for you?
- Which GenAI tools are we allowed to use?
- How should we use these GenAI tools safely?.

Messaging should be adapted for each audience to make business objectives staff objectives. Once the GenAI policy is deployed, leaders should monitor uptake and resistance, and reinforce the message to grow buy-in.

Encourage the Identification of GenAI Business Use Cases

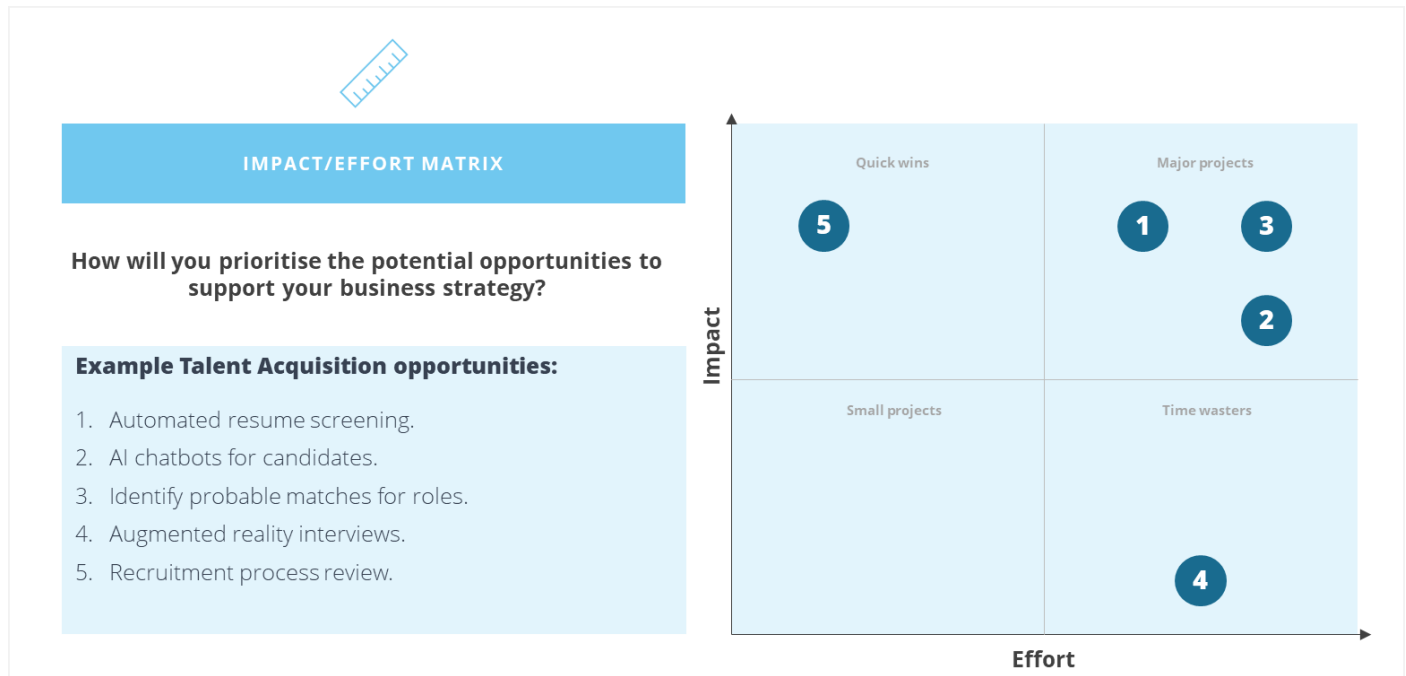
Leaders must be clear on which area(s) of the business to focus on and where GenAI will add the most value. Whether exploring a function of the company, such as human resources, or a targeted process area, such as talent acquisition, identify the activities required to deliver the business outcome and the key performance indicators (KPIs) to measure it. For any gaps, ask: What are the gaps in the work we do that we must close to stay competitive?.

For the opportunities, ask: Where can we reduce manual work or make things easier?. This feedback helps identify processes the business could improve or automate, and how using GenAI might help. For example, companies like [Siemens](#), [Procter & Gamble](#) and [Unilever](#) have already used GenAI to improve talent acquisition while saving time and resources in their recruitment processes by automating the initial screening and shortlisting of candidate profiles, reducing manual work through deploying GenAI-powered chatbots to answer candidate queries and analysing candidate data to identify probable matches for specific roles.

Prioritise the Opportunities to Support Business Strategy

The working group should assess opportunities against the design principles, scoring each opportunity by how well it meets the criteria. Then, analyse the impact, such as potential [productivity gains](#) versus the effort and cost to deploy the solution. A simple 2x2 impact/effort matrix is sufficient to select three to five opportunities to test further in GenAI experiments. With the foundation of aligned leaders, a business policy and clear opportunities to solve, leaders can now approach their IT teams or external vendors to run GenAI experiments.

Figure 2: An example of prioritising opportunities using a 2x2 impact/effort matrix.



Source: Developed by Ferguson 2023.

Examine People, Process and Change Implications

Rather than ‘[pave a cow path](#)’ over existing technology and processes, leaders should explore the impacts of GenAI on their [operating model and ways of working](#). The impact of business GenAI deployment on people and culture can be significant. Implications of change need to be understood so it can be managed, with minimal disruption to core business.

Before making the decision to scale experiments, business leaders must [define the impact](#) on their people, processes and technology. There are [numerous frameworks](#) to assist leaders in capturing the impact of a change, but all answer the same question: What is different between the current and future state?.

In the future state, there will be a range of obvious digital and data changes, and some less-obvious people, process and governance changes. This may include building GenAI staff capabilities, updating end-to-end processes, new governance mechanisms and updating existing job descriptions. If new GenAI capability is needed, what is it and who needs it? Is this a skill-set that staff can be trained on, or is additional hiring required?

Similarly, if GenAI is added to a business process and improves the output, how will this change existing performance measures and ways of working for staff? These considerations assist the working group in exploring important role requirements, performance measures, workforce planning and other related decisions.

Conclusion

GenAI is technology that can augment, transform and excite. However, using it without planning or regulation in a business environment brings risk, potential misalignment and missed opportunities to deliver increased value. GenAI is in its infancy and evolving rapidly, meaning organisations must create a safe and effective way to continuously explore, design and adapt their businesses. With aligned leadership, risk and policy guardrails, prioritised use cases, and an understanding of what the changes mean, business leaders can be prepared for whatever AI technologies come next.

How will you be using GenAI?

Article written by the author (with some editorial support from generative artificial intelligence and the editorial team of the *AIB Review*).



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