AI: Where to start now to win big in the future.

Consider IT maturity before leaping into AI

Ever since ChatGPT burst into the public domain in 2022, businesses have obsessed on generative AI and how it can be used to do certain tasks faster and better.

But when it comes to real-business-world adoption of AI tools – generative or otherwise – companies are treading carefully.

One of the lessons of epochal technology shifts – think desktop computer and the internet browser – is that workers need time to assimilate new technology into the ways they work currently. Remember that the productivity gains from the PC did not eventuate until a decade after it became widely available.

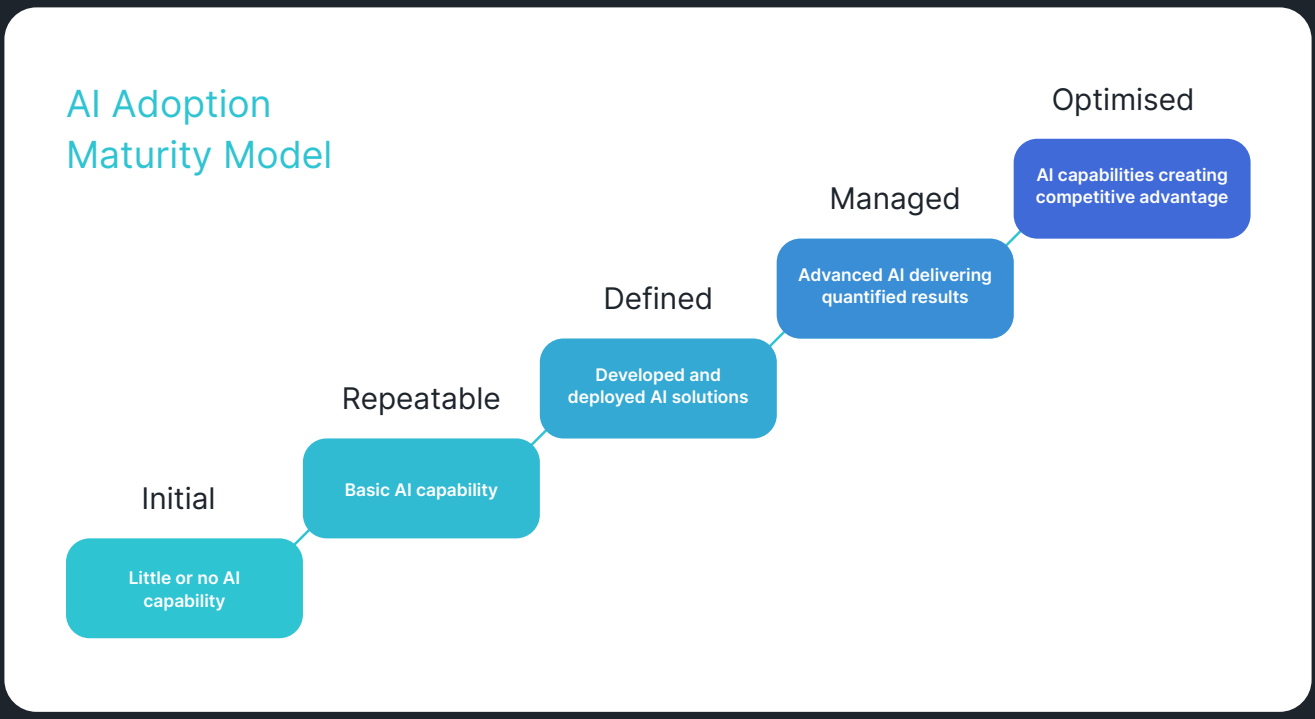
But the payoff from AI will most definitely arrive.

Businesses need to think about adopting AI tools that make sense now so they're still in the race when this emerging technology is less novel and more readily integrated across most facets of business.

Where you can start, right now

Just as a GP needs to see your blood results before providing a diagnosis and treatment plan, you've got to understand what your business is capable of now to embrace AI in the forms that make best sense.

Understanding where your business sits on an AI maturity continuum will help pinpoint AI opportunities ripe for adoption and how they can grow and develop into more advanced capabilities. The idea borrows from the IT maturity framework, which is used to gauge the maturity of business functions within an organisation, such as general IT capability, cybersecurity and quality management. We suggest it is also helpful to look at AI capability through this lens.



Stages of AI maturity – where is your business at?

1. Initial

You have little or no AI capability inhouse. Existing AI projects are typically ad hoc, undertaken by individuals in the IT department or enthusiastic early adopters. Skills and data to support broader development are lacking.

Business scenario: Local council uses simple chatbot for online enquiries.

The council added a basic chatbot to its website to answer frequently asked questions (FAQs) about things such as dog licencing, council facilities, and operating hours. The chatbot is unable to process transactions and simply guides users through common questions, using information published on the website.

Chatbots are a low-effort entry point for AI. They're good for handling basic inquiries, freeing up staff to answer more complex questions. However, in these instances, a chatbot offers limited functionality and cannot personalise interactions or address unexpected customer queries. The business impact is minimal but positive since there is a lot of information on the website.

2. Repeatable

You have some basic AI capability and have implemented certain AI solutions to address specific problems, though they're not yet integrated or scalable. A dearth of data and skills limit the speed of adoption and business integration.

Business scenario: Marketing company uses AI to auto-summarise all meetings.

The marketing company uses an off-the-shelf AI solution to transcribe and summarise online meetings. The resulting summary and action-points are automatically sent to participants and saved in the company CRM, where they are available and searchable.

Transcription tools remain available to staff, though they haven't been embedded into company processes for consistent use or application. In the future, staff will use other functions, such as automatically creating action items and pulling greater insights from meeting output

3. Defined

Your business has deployed AI solutions or applications that align with business objectives, processes, and culture. They are integrated and scalable. And you have established data, skills, tools, and governance to support AI adoption to further standardise your approach.

Business scenario: Manufacturing plant implements an AI-powered system to analyse sensor data from machines on the factory floor.

Known as predictive maintenance, the AI-powered system uses sensor data to predict potential equipment failures before they occur, supporting a programme of proactive maintenance.

The solution is custom-designed and deployed for the specific needs of the plant, delivering measurable benefits, including more uptime and lower maintenance costs. The system can be trained to watch new equipment and emerging issues. There's a focus on continuous improvement and refining AI's capabilities for even greater impact.

4. Managed

Your advanced AI capabilities have optimised and automated key processes, delivering measurable value and impact. Your business has mature data, skills, tools, and governance to drive continuous improvement.

Business scenario: Financial services firm uses AI system to analyse customer transactions in real-time to identify potential fraud.

The system considers various factors, including spending patterns, location data, and historical behaviour, to flag suspicious transactions for further investigation.

The firm has a dedicated team that continuously monitors the performance of AI systems, fine-tuning algorithms to address biases and ensure the system is operating optimally. Management tracks how AI is impacting key business metrics, including fraud reduction, trading efficiency, and overall profitability.

5. Optimised

You have transformed your AI solutions and applications into new sources of competitive advantage and differentiation. Your company has leading-edge data, skills, tools, and governance to support AI adoption for continuous learning and adaptation.

Business scenario: Healthcare provider uses AI to analyse patient medical history, genetics, and real-time health monitoring data to direct personalised diagnosis and treatment.

At this stage, AI becomes deeply integrated within core business functions and creates a significant competitive advantage. Personalised medicine leads to better patient outcomes and improved healthcare delivery, improving patient retention and capturing new health minded customers. Transparency of AI decisions in healthcare is crucial for patient trust and regulatory compliance.

The system delivers significant quantified results that translate into a sustainable competitive advantage – better patient outcomes and new customer growth. The model goes beyond efficiency to fundamentally reset the industry benchmark for data driven healthcare, creating a lasting competitive edge.

Now what?

You've got a good sense of your business's AI maturity level. Now what? Consider where exactly you can adopt AI to make a difference. In our assessment there are four business areas ripe for AI adoption. However, AI adoption – what might work for your business right now – will depend on your level of AI maturity.

Four business areas for AI adoption

1. Business process optimisation

Automate, streamline, and enhance core and supporting processes, such as production, operations, supply chain, finance, human resources, and marketing.

2. Customer experience

Understand, engage, and satisfy customers, using personalised recommendations, offers, and services to improve customer service and support.

3. Staff experience

Improve staff productivity and performance, using intelligent tools and augmented human capabilities.

4. Data analytics

Collect, analyse, and leverage data, applying advanced analytics and machine learning to generate insights and actions from data.

Fundamental strategic enablers

1. Security and ethics

Develop policies and implement practices to steer the secure and ethical use of AI systems and data.

2. Governance and strategy

Define an AI strategy, establish an AI governance framework, and allocate resources and responsibilities for AI projects and programs.

Where to focus your AI effort

The matrix below maps AI maturity with the four business functions along with the two enablement areas, providing a blueprint of sorts to gauge your current position and where best to focus your AI effort.

	Initial	Repeatable	Defined	Managed	Optimised
Business Process Optimisation	• Ad-hoc AI connected forms • Experiments or Proof of Concept (POC) rather than production • Usually initiated by individuals within IT	• Basic AI solutions solving process headaches • Common AI tools identified and encouraged • e.g. automatic assigning of tasks based on keywords	• AI solutions aligned with business objectives • Support for AI in processes • List of processes ripe for AI improvement identified and prioritised	• Significant inclusion of AI within business processes across business units • AI solutions deliver measurable value • Process in place to measure and report on benefits	• AI driving innovation and competitive advantage • Continuous learning around the use of AI in process improvement
Customer Experience	• Sporadic use of AI for customer interactions • No cohesive strategy for enhancing customer experience with AI • e.g. use of ChatGPT or other tools to assist with writing emails and content	• AI used to complement and enhance basic interactions • e.g. Basic AI chatbots for customer service • e.g. Some personalised recommendations using AI	• Personalisation using AI across multiple touchpoints • Clearly identified plan to improve customer experience through AI • e.g. AI-enhanced customer service platforms	• AI enhanced customer experience tracked and measured to validate and optimise value • Analytics for customer behaviour prediction • e.g. AI-driven personalisation done at scale	• AI fully integrated into customer journey mapping • Proactive and predictive customer engagement using AI • AI used to grow and transform customer experience in ways not possible with manual interactions
Staff Experience	• Isolated use of AI for staff-related process • No strategy for improving staff experience with AI • e.g. use of CoPilot to assist developer with code	• Ad Hoc attempts at automating simple tasks • Trial and error approach to including AI in staff experience activities • e.g. Basic AI tools for HR enquiries • e.g. Assistance with writing job descriptions	• Integrated AI systems for staff feedback and performance management • AI commonly used to enhance staff experience through better, more personalised AI interactions • e.g. AI-assisted training programs	• Measured improvements to staff experience through AI enhancements • e.g. Advanced AI for talent analytics and workforce planning • e.g. AI-driven automation of complex workflows	• AI fully embedded in employee development and career pathing • Predictive AI for enhancing staff retention and satisfaction
Data Analytics	• Data siloed, "dirty" or unsuitable for machine learning or AI usage • Occasional, ad hoc data analysis • No data strategy or analytics framework	• Basic reporting and dashboard capabilities • Initial attempts at data-driven decision-making • AI not yet trusted. Rigorous cross checking of AI results and insights required	• Systematic data collection and analysis aligned with business goals • Use of analytics for process improvement • Data easily accessed and surfaced through AI tools • AI used to collate and enhance data used for 'known' metrics	• Advanced data analytics with some predictive capabilities • Regular use of insights for strategic decisions • AI used to surface, identify and act on 'unknown' metrics	• Cutting-edge analytics including prescriptive modelling • Data-driven culture with continuous improvement of practices • Data and AI significant part of strategic and operational decision making
Governance and Strategy	• Lack of AI governance policies • No strategic alignment or 'plan' for AI	• Basic/broad AI governance policies in place • Some attempts to align strategy with business objectives	• Targeted AI governance policies in place, potentially under a framework • Strategy is defined and supports business processes • Clear strategy on use of AI for competitive or organisational advantage	• Governance and strategy are measured and managed with KPIs • Continual feedback mechanism to ensure AI activities are improved and aligned with strategic and governance objectives	• AI strategy is proactive and enables business innovation and agility • AI seen as major differentiator of organisation and baked into all governance and strategic decisions
Security and Ethics	• Not considered when building AI solutions • Ad-hoc responses to incidents	• Basic security measures for AI systems in place • Initial ethical guidelines for AI use are in place	• Comprehensive AI security policies and tools are used • Guardrails in place to monitor and protect AI usage of company data/IP • Ethical AI use is systematically addressed	• Regular security audits and ethics reviews are conducted • KPIs for monitoring AI security and incidents exist	• Advanced, proactive AI risk management • Continual evolution of practices and policies

How Nodero can help.

Sorting AI hype from reality requires a good understanding of the technology itself and a dispassionate view of business readiness.

That's why we like the AI Maturity Model– because it focuses a business on its current capabilities and what that means for AI adoption now and further developments to make AI an integral and well-governed part of the business in the future.

Right now we're helping business like yours to:

- Aggregate and clean data for AI models
- Establish proof of concepts to explore how AI can be used to achieve organisations goals
- Identify and map areas ripe for automation and improvement through AI
- Make sense of AI tools and options to identify best fit
- Assist user adoption
- Embed AI into everyday processes
- Establish governance and best practice frameworks for AI

AI hype overwhelming?

Talk to us about a personalised AI roadmap for your business.

Call **0800 GO NODERO** (0800 46 6633) or email **contact@nodero.com**