



BUILDING THE CIO PLAYBOOK

FOR GEN AI PROJECTS
AND PROGRAMMES

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Discussion Documents

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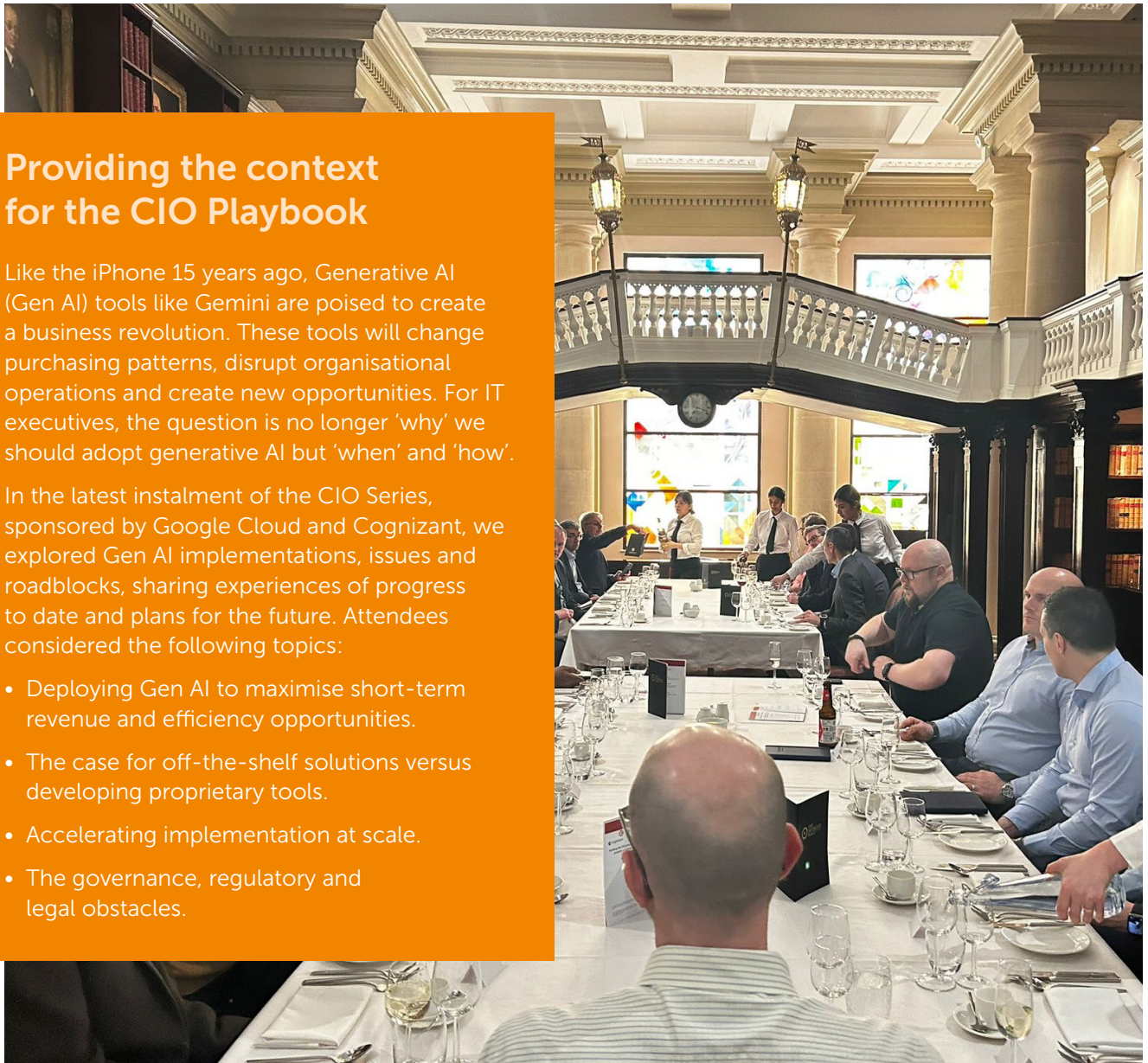
A discussion dinner was held on 19 March 2024, sponsored by Google Cloud and Cognizant. The event was held at One Moorgate Place and attended by senior executives from retail, financial services, property, government, media, and other sectors. John Abel, Technical Director, Office of the CTO at Google, and David Fearne, Global Director of Generative AI at Cognizant, provided insight during the evening, as did [Roger Camrass](#), Research Director at CIONET UK. Subject matter experts, Natasha Davydova, CIO at AXA, and Peter Laflin, Director of Data & Analytics at Morrisons, joined CIONET Editor-in-Chief John Bernstein for a fireside chat. In-depth conversations across two tables followed this chat. This article presents a summary of the evening and was written by [Mark Samuels](#), Chief Editor at CIONET UK, and Roger Camrass, Director of Research at CIONET International.

Providing the context for the CIO Playbook

Like the iPhone 15 years ago, Generative AI (Gen AI) tools like Gemini are poised to create a business revolution. These tools will change purchasing patterns, disrupt organisational operations and create new opportunities. For IT executives, the question is no longer 'why' we should adopt generative AI but 'when' and 'how'.

In the latest instalment of the CIO Series, sponsored by Google Cloud and Cognizant, we explored Gen AI implementations, issues and roadblocks, sharing experiences of progress to date and plans for the future. Attendees considered the following topics:

- Deploying Gen AI to maximise short-term revenue and efficiency opportunities.
- The case for off-the-shelf solutions versus developing proprietary tools.
- Accelerating implementation at scale.
- The governance, regulatory and legal obstacles.



Joining us around the Digital Campfire

John convened a Digital Campfire with Natasha and Peter. John's questions focused on four areas with key lessons for CIOs: quick wins, obstacles, implications, and cost avoidance.

Quick wins in Gen AI

Don't get swamped by use cases. While the board is interested in AI, most organisations are tentatively exploring Gen AI in specific areas, such as productivity apps and chatbot services. Listen to curious people in your company who are fascinated by emerging technology. Also, be pragmatic. Don't see Gen AI as a "silver bullet" for business challenges. Concentrate on proof of concepts that show the value of Gen AI.

Obstacles to AI implementations

There's a popular misconception that it's easy to implement Gen AI. AI might make it easier to implement technological solutions but we must be careful. There are four key obstacles: data (making sure data is clean, prepared and right), infrastructure (using a blend of cloud and on-premises resources), skills (developing resources across IT and the rest of the business), and governance (considering regulations, ethics and the potential for bias in data).



The implications of AI for IT

Vendors are full of enthusiasm for Gen AI. Many companies are hawking AI-enabled tools. Sifting all these pitches for gold is a time-consuming process. CIOs must work with an external provider that doesn't create future technical debt. Also, focus on the right large language model (LLM) for the right use case. A small model from a boutique provider can be better than an LLM from a big-name specialist.

How to avoid spiralling costs

There are five ways CIOs can control AI project costs: optimising data management, leveraging and recycling pre-trained models, selecting cost-effective storage and compute, scaling projects efficiently, and managing model complexity. FinOps is promoted as a framework to control AI project costs. However, to ensure progress is measured and targets are achieved, FinOps must be used alongside other cost-control processes.



Roundtable Conversations: Key questions for CIOs to consider

There were two roundtables at the event. These sessions were convened by Roger and John. Here is a summary of those conversations as five questions for CIOs to consider.

1. How quickly should your business move into Gen AI?

New technologies create excitement. Gen AI will be a game-changer, but it is immature today. While some CIOs are trailblazers for Gen AI and are running and even developing models, other CIOs are fast followers waiting to see how the market changes. The key to building a successful use case for Gen AI, whether it's bought or built, is business benefit and value. Consider heading to the sandpit to experiment. Be creative and discover use cases and applications you hadn't considered before.

Many CIOs are trialling Gen AI across productivity use cases. But even in this well-established area, where major players offer productivity tools, the cost for Gen AI add-ons is upwards of £30 per seat. Delegates said A/B tests, where some people have access to Gen AI productivity tools and others do not, could help prove the value of Gen AI. Remember that your next AI partner could come from the start-up community. CIOs should also consider exit plans. If you move from one Gen AI provider to another, what happens to your data?

2. How can AI be used to boost customer service?

Delegates also recognised the potential to use Gen AI to boost customer experiences, especially given poor call centre responses. Chatbots could help reduce waiting times that are often as much as 30 to 50 minutes. Organisations that use chatbots must ensure customers are happy. Most customers still use their preferred service channel, whether that's interacting with an automated chatbot or talking to a service agent on the phone.

Delegates suggested this focus on communication means Gen AI is sponsoring the rise of the "conversational economy". User-prompting, where AI is taught how users like to be spoken to, can play a critical role. CIOs must also think carefully about when to disclose their company is using AI. Any AI-enabled interactions with customers must be disclosed. Keep the human in the loop, guide the AI and continually review your processes.

3. Who is accountable for the outputs of Gen AI?

If Gen AI is pre-trained for a task, is the CIO who enacted this model responsible for its outcomes and the decisions it takes? If CIOs are ultimately responsible for the outputs of Gen AI, they must think carefully about how people are coached to use the technology. CIOs must explain to fearful users how they will be educated on using AIs safely and effectively.

Another issue is trust – we trust humans, but we don't trust AI (yet). While we accept humans are fallible, we don't accept AI's fallibility. Any output from an AI must be at least no worse than something produced by a human. Context is important, so tell your bots what to do and how to act. The application of Gen AI involves due diligence and a duty of care.

4. Who should manage Gen AI projects?

Attendees gave short shrift to the idea IT will control AI projects. The decision for who controls AI is likely to be taken by the chief executive and how they want to run IT and innovation. In most cases, these two areas won't sit in the same department. There could be a divide between a function for innovation and a function for 'keeping the lights on'.

Gen AI might come under the CFO's influence because its analytical capabilities dovetail with the finance function. Alternatively, Gen AI might belong to marketing if it is used to reinvent how an organisation communicates with customers. If senior IT leaders want to influence Gen AI adoption, they must counter these assumptions.

5. What kinds of skills help your business to exploit Gen AI?

Any organisation that wants to make the most of Gen AI will need a small group of extremely clever people. Your business should look out for professionals with a high IQ, a PhD, the ability to write code, and unwavering curiosity. Your company needs people who want to break things and learn.

Delegates recognised the risk of cultivating Gen AI skills in-house: your smart people might leave and move to your competitors. However, companies that offer professionals the space to learn, think, and apply curiosity will be appealing destinations in a competitive jobs market. And if some of those people leave, treat that situation as a badge of honour – your organisation is seeding the economy with the smartest and the brightest talent.

Key takeaways from the event

- **Prioritise use cases over hype** – Concentrate on return on investment and proof of concepts that show the value of Gen AI.
- **Remember that AI is hard** – Getting started is easy, but making the most of Gen AI involves data, infrastructure, skills and governance challenges.
- **Proceed with care** – Think about how proven use cases in key areas like productivity and customer services can be applied in your business.
- **Find an effective partner** – Some companies might build bespoke models, but the key to success will be finding vendors that help you explore AI safely and effectively.
- **Develop internal capability** – Ally external expertise with internal talent and focus on core concerns, including accountability, management and skills development.

Authors



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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 Samuels
Chief Editor

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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