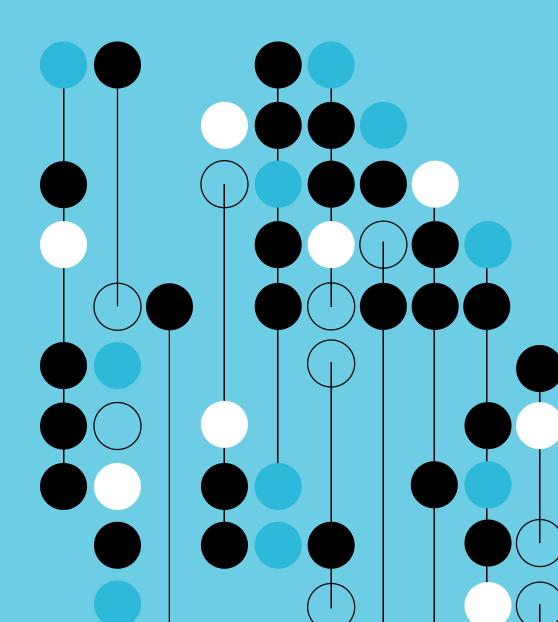


Turning ambition into action: Making Al adoption a success

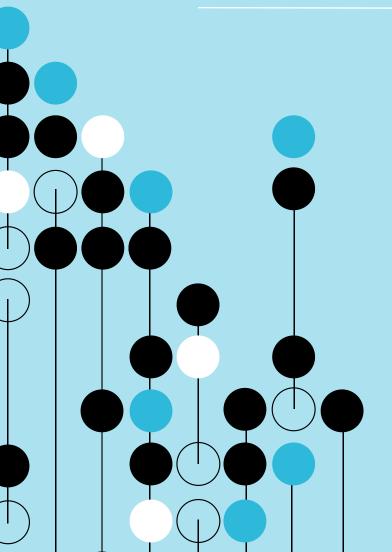
2024



"We're entering a future where 80% of our work may be performed or assisted by Al. We need to develop Al skills now so we attain maximum positive impact tomorrow."

David Pool

Data & Al Development Director



Al is transforming organisations and industries today

Adoption of artificial intelligence (AI) has moved from an age of discovery to an age of implementation as organisations maximise the technology's potential. AI is impacting all areas of business from automating routine tasks to generating new and novel digital products and services by analysing troves of high-dimensional and diverse user data. The way organisations change and deploy will be one of the most strategic decisions they make over the coming decade.

As a training provider for organisations, from SME to enterprise, we know firsthand that choosing the right AI tools and deploying them across your organisation is just the beginning. Effectively adopting AI and extracting maximum value requires a strategic approach grounded in a clear understanding of what you want to achieve and how you will measure progress.

In fact, many organisations are struggling to turn their Al ambitions into tangible actions.

The scourge of 'pilot-itis' is preventing the widespread move to operational Al.

While pilot projects often demonstrate the potential of AI, scaling these solutions across an entire organisation is complex. IBM estimated that <u>40%</u> of companies were "stuck in the sandbox" by the end of 2023. And with EU figures showing that only <u>30%</u> of large enterprises in the region and 8% of total companies were using AI in 2023, we can expect more organisations to run into this issue as usage grows.

Many organisations do not have a clear idea of what they want to achieve

The potential applications of AI are vast. However, not all will deliver the same value in every organisation. The risk of over-reach and disappointment is real as organisations rush to adopt AI without a clear strategy or understanding of the problems they are trying to solve. This increases the chance of investments that fail to deliver as businesses struggle to align AI initiatives with their broader strategic goals.



Building the right skills is a priority

Implementing AI effectively requires a new series of skillsets which many organisations don't currently have. According to Indeed's research arm, Hiring Lab, 22% of software development job listings in February 2024 were AI-related. IBM reported that 16% of organisations could not find new hires with the AI skills they needed. This problem will continue over the next few years as more organisations enter the adoption phase and look externally for the necessary skills. This makes reskilling and upskilling existing employees an imperative.

Many organisations are looking to build the Al skills they need internally. Our research shows that 'Al training' was searched on Google 64,000 times per month globally in August 2024, representing an increase of 135% on the previous year.

Comparing this growth to other training areas across QA's offering, the next highest category has seen a growth of 30% year on year. Related terms have also seen a year-on-year increase, with 'Al governance' growing 227%, 'ethical Al' rising 141% and 'Al certification' jumping by 190% to 37,000 monthly searches. Clearly, organisations are looking for guidance and support in upskilling their employees.

135%

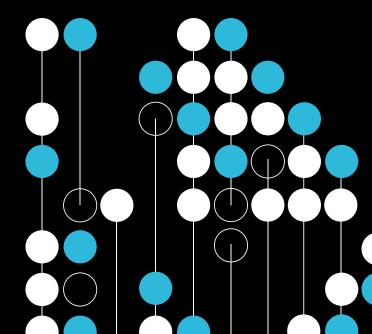
increase YOY in searches for 'Al training'

Al is changing the way we work

At QA we believe that AI is about more than efficiencies and ROI – it also has the potential to improve employee quality of work-life, removing the burden of mundane and repetitive work and allowing people to focus on higher-value cognitive tasks.

- A 2023 Microsoft survey found that <u>64%</u> of people currently struggle with having the time and energy to do their job.
- OECD found that 80% of Al-enabled workers say it improved their performance, and 60% said it increased their enjoyment in work.
- Microsoft said that <u>76%</u> of people report being comfortable using AI for administrative tasks as well as analytical (79%) and creative work (73%).
- In a 2024 McKinsey global survey, <u>65%</u> of respondents said their organisations are using Al – nearly double the number from the year before.

- <u>75%</u> of knowledge workers, globally are using Al in 2024.
- Goldman Sachs predicts <u>two-thirds</u> of US occupations to be impacted directly by Alpowered automation.
- In a 2023 survey of business leaders, <u>88%</u> planned to implement policies relating to Al adoption or its usage by employees.

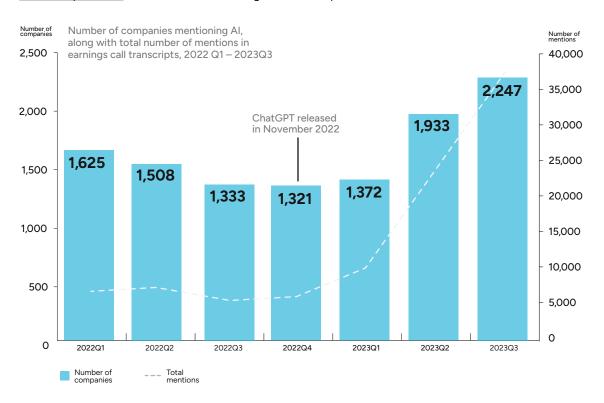


Why it's time to get serious about Al adoption

The question for decision-makers is not whether to adopt AI, but when. By delaying too long, you risk not only missing out on opportunities for growth, efficiency and innovation, but also potentially creating challenges around recruitment and retention. On the other hand, moving too hastily can result in poorly integrated solutions and a disengaged workforce. The key to success is having a clear strategy.

The launch of ChatGPT in 2022, was a game changer for operational Al

According to Accenture's Technology Vision 2024 report, <u>Human by design; How AI unleashes the next level of human potential</u>, mentions of AI in earnings call transcripts rocketed 6x between Q4 2022 and Q3 2023.



Source: Accenture Research NLP analysis on earnings call transcripts (S&P Global Transcripts) across 10,452 companies and over 70K transcripts; Jan 2022 – Sep 2023

What is the cost of not adopting AI?

The pervasiveness of AI in almost every aspect of life means that more employees than ever are likely to be using it – even if not sanctioned or monitored by their employers. In 2023, one survey found that 68% of respondents were utilising AI without their employer's knowledge. These "shadow AI users" create risks around data security, compliance, inconsistent customer experiences and the violation of other company policies.



The race for AI skills is set to get fierce

The rise in shadow users highlights that AI skills are a key concern for employees, and that they are willing to take upskilling into their own hands if it is not facilitated or supported by their organisation. Developing the right skills is not just a technical challenge, it is a strategic priority. Employees increasingly want to understand how to use AI tools and integrate them into their daily activities to achieve productivity gains. And employers who don't support and invest in employee training risk losing talent to organisations that do.

A growing number of organisations are looking to support the development of their teams. Over the past six months we have seen a 510.5% increase in session traffic, across all Al-related web pages on QA.com - a boom in interest demonstrating that organisations are keen to learn more about Al skilling. It's not just interest that is on a steep rise, but action too: Over the same period, we saw a 372% increase in learners booked onto our Al courses.

"The skills needed for effective AI integration span from technical proficiencies to soft skills like adaptability and critical thinking. Organisations need to ensure that employees at all levels are prepared for the AI-driven workplace."

Micheal Easson

Learning Consultant

Al is a source of competitive advantage

Al adopters are already outrunning their competitors. Many are able to personalise services and innovate more effectively to service customers faster and more effectively.

Insurance company Ingenie, for example, is a pioneer in using telematics data to insure learners and new drivers. This allows the company to price new drivers as individuals rather than group them all as high-risk learners. They developed an app that gives drivers feedback every 10 days, helping them build a no-claims discount constantly rather than once a year. Ingenie used Al and data science to turn a group of drivers that were seen as unknown and potentially high-risk due to the limited data on their driving history, into a high-value business. By capturing them as learners, the company builds trust that ensures customers generally continue using Ingenie as mature drivers, too.

Organisations that leverage AI in applied, user-focused and commercial ways will continue to develop this type of AI and innovative thinking. This will increase their ability to outperform competitors and disrupt markets.

Al-driven efficiency creates real value

By optimising operations, reducing errors and streamlining processes, Al tools can dramatically improve productivity across an organisation. This not only contributes to the bottom line but also allows employees to focus on higher-value, more strategic work. It's this positive impact on both employee satisfaction as well as output quality that is the holy grail of Al adoption.

The pace of innovation is not slowing down

As Al capabilities expand and become more integrated into business processes, organisations that have delayed adoption may struggle to catch up, potentially losing market share to more agile, Al-enabled competitors.

510% increase in session traffic across AI related pages

372% increase in learners booked onto our Al courses



Key strategies for successful Al adoption

Planning is essential to the introduction of new technology into established workflows, especially technology with the transformative potential of Al. Organisations need to frame complex business problems in a way that can be worked on by Al systems in a safe and explainable way. Here are the core factors that link every successful adoption strategy.

Ensure AI activities align with overall business goals. Clearly define and communicate the strategy, goals and expectations to drive focused efforts.

Data-driven culture

To allow high-quality decision making based on data, prioritise data security, governance and quality. Reliable, high-quality data is the foundation for effective AI decision-making.

Phased implementation

Start small with pilot projects and scale up as successes are achieved. This approach minimises risk and supports iterative learning.

ိ ွဲ Cross-functional collaboration

Engage key departments like IT, operations, HR and legal from the outset. Collaborative efforts ensure AI solutions are integrated seamlessly across your operations.

Sustaining adoption

Implement strategies to ensure long-term adoption, such as rewards and recognition programmes or fostering employee-led Al communities. Consistent engagement helps embed Al into daily operations.

Continuous learning

This means helping the organisation to learn, not just its employees. Invest in ongoing training programmes to upskill employees on Al tools and technologies. Ensuring the workforce is Al-literate helps maximise the benefits of Al across your organisation. We need to make sure the organisation can learn from and apply this learning, a process known as organisational meta-learning.

- C Empowering everyone

Today, most organisations offer employees some degree of training on data security and cyber security, helping even the least technically minded to spot phishing emails and other suspicious activities. Organisations should aim to have the same level of awareness around Al-related risks such as data protection, bias, inaccuracy and ethical considerations.





The critical roadblocks to Al adoption – and how to get past them

A robust AI adoption strategy is important, but it doesn't guarantee a smooth ride. We have identified the five most common roadblocks that make it harder to achieve ROI and widespread adoption and offer suggestions on how to address these challenges effectively.

Data security and management

Data is the foundation of all AI use cases. While data quality should be on your list of priorities, data security should be right at the top. Many organisations have opted for a "give it a go" approach to AI, which allows access to tools and encourages team members to experiment. However, this approach can lead to employees inadvertently exposing sensitive information and therefore, exposing the organisation to security, compliance and reputational risks. The introduction of the EU AI Act in 2023 is likely to be the first of a wave of AI-specific regional regulations that will sit alongside existing legislation such as GDPR.

Compliance checks, privacy considerations and legal reviews need to be baked into your Al adoption strategy.

You need controls

In a 16-country study of over 15,000 workers, <u>84%</u> of those that use AI at work reported publicly exposing company data. The perceived dangers of data exposure often make people hesitant to engage with AI at all.

Robust controls help ensure that AI systems operate within the boundaries of what is safe and ethical, preventing the inadvertent or malicious misuse of sensitive information. They also help build trust in AI solutions within the organisation and with external stakeholders.



Following best practice

As well as controls, effective data management is essential for securing data in the age of Al. We recommend using this five-step process to make sure you are following best practice:

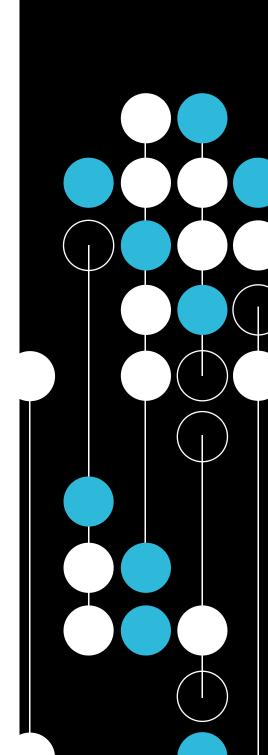
- 1. **Know your data:** Perform a data audit to determine what data inputs will be used by your AI application, the quality of your data and what risks you need to manage.
- Protect your data: Implement strong encryption, access
 controls and other security measures to protect sensitive
 information from unauthorised access. Introducing frameworks
 for responsible AI use within your organisation will also help to
 guide your teams.
- Prevent data loss: Utilise backup systems and data loss prevention tools to ensure that your data remains intact and accessible, even in the event of a system failure or security breach.
- Govern your data: Establish clear governance policies to manage how data is accessed, shared and used across the organisation. This includes ensuring compliance with relevant regulations and standards.
- 5. Eliminate redundant, outdated or trivial content (ROT):
 Regularly audit your data to identify and eliminate any ROT
 content. This practice reduces the risk of data exposure and
 improves the efficiency of your data management processes.

Leveraging the right tools

One of the benefits of off-the-shelf AI solutions is that many come with pre-built tools for managing data security during both the adoption phase and in your ongoing deployment. Microsoft provides an AI hub for Copilot deployments that analyse user interactions involving potentially sensitive information. It can also detect when users go to a third-party AI tool with that data. Meanwhile, Amazon Web Services (AWS) allows organisations to develop AI applications securely with Amazon Bedrock, which ensures that your data is secure right from the start of the process.

User training is a core part of data security

Technological safeguards should be supported by 'soft' guardrails – procedures, training and policies that guide proper Al use.
Establishing clear policies on Al usage and enforcing them with technological tools can prevent unethical or unsafe practices.
Training programmes should cover the technical aspects of Al use as well as ethical considerations, helping employees understand the broader implications of their actions when using Al tools.





Talent gaps

Demand for skilled professionals who can develop, implement and manage AI solutions has surged, with IBM reporting that 35% of the over 8,500 IT professionals they surveyed said a lack of skills was the biggest inhibitor to AI implementation. In response, a growing number of organisations understand the need to develop the talent they already have.

Empowering your people

Investing in AI training programmes equips employees with the skills needed to effectively leverage AI. It can also enhance job satisfaction as people are given opportunities for professional growth and the chance to drive innovation within their organisation. Partnering with external experts and digital skills training providers is an important way to supplement internal capabilities.

Implementing controls that ensure the safe and effective use of AI helps you create safe spaces for experimentation and innovation while reducing the risk of costly mistakes. Your goal when rolling out tools, setting guardrails and creating policies is to empower employees to use AI confidently and securely while equipping them with the skills they need to drive innovation.

Promoting employee quality of life

Increasingly, workers want to benefit from Al-enabled workflows, as evidenced by a Microsoft study, which found that $\underline{54\%}$ of early-incareer employees think access to Al would influence their choice of employer.

When implemented correctly, AI enables employees to complete tasks more quickly and efficiently. This can remove bottlenecks and free up significant time to focus on higher-value tasks. The impact across your organisation could be huge – not just in terms of productivity and profit, but engagement and retention, too.

"Combining human and machine intelligence and augmenting your talent capabilities with AI will create lots of opportunities for roles that require technical expertise and uniquely human skills, such as creativity, critical thinking and emotional intelligence. So, if an organisation wants to remain competitive through its AI strategy, it is unlikely they will need to reduce their headcounts – their teams might just not be doing exactly the same roles that they were doing before."

Vicky Crockett
Portfolio Director for Al



Ethical Al use

Ethical concerns like bias in AI models and data privacy should be at the forefront of any discussions with internal and external stakeholders. Transparency is critical, and all your stakeholders need to trust that the AI-enabled processes you introduce are fair, unbiased and secure.

According to McKinsey, <u>44%</u> of businesses that have adopted AI in at least one business function say their organisation has experienced at least one negative consequence from AI inaccuracy. If the data used to train an AI model is biased, it will perpetuate or even exacerbate those biases. This creates risks across your operations, like discrimination in hiring practices or biased recommendations in customer service. Famous examples include <u>Amazon</u> scrapping an AI prototype in 2018 due to gender bias and <u>Air Canada</u> paying a passenger hundreds of dollars in damages after its chatbot gave them incorrect information.

Implementing responsible frameworks

Major technology providers like Microsoft, Amazon and Google offer ready-made tools and resources to support responsible Al use. These tools detect and mitigate biases in Al models, safeguard data and ensure that Al systems operate within ethical boundaries. It is crucial to set appropriate content filters when building or purchasing Al solutions to align them fully with your ethical standards and values. Without these safeguards, a team member could inadvertently produce content that harms individuals or communities and breaches your compliance obligations.

Trust, but verify

There is a range of verification tools that can help you clearly audit and monitor Al activities. They can alert security teams to potential unethical Al usage early so that an intervention can be made before any damage is done. Alongside clear policies on Al use, ongoing user training and regular reviews, organisations can deploy Al ethically without stifling innovation.

Change management

More than any disruptive technology in recent history, Al is forcing many people to think deeply about their roles, how they create value, and what their future careers might look like. The practical result of this is that in any sized workforce, there are likely to be people who are anxious about or resistant to Al adoption.

Clear and open communication about Al adoption can help reduce employee worries and reservations. Leaders need to show not only how Al benefits the organisation today but also what part it plays in its future. Employees may also be hesitant because they don't have the skills or knowledge to implement Al safely, particularly when handling sensitive information. They are likely to have questions about the transparency and fairness of Al-driven decisions, particularly in areas like hiring, promotions or customer interactions.

Inclusive decision-making

It can feel alienating and frustrating for employees not to be consulted about decisions that impact their daily activities. Being as inclusive as possible from the start can help mitigate this frustration early. The first step is to foster an open dialogue about AI, where employees feel heard and their concerns are taken seriously.

Where possible, employees should also be able to influence decision-making around AI use cases and adoption. Fostering cross-functional collaboration before the implementation stage will help you spot potential issues early and address concerns.

Leaders should also emphasise the benefits of AI adoption not just for the organisation, but for employees themselves. For example, AI can take over mundane tasks, allowing employees to focus on more meaningful and creative work. It can also provide tools that enhance their productivity and make their jobs easier, ultimately leading to greater job satisfaction and career growth.





Integration

For many organisations, the journey to AI adoption is complicated by legacy systems that were not designed to work with the latest AI technologies. These older systems may lack the necessary APIs, data processing capabilities or flexibility needed to effectively accommodate AI tools. This can create significant integration headaches, often requiring either substantial modifications to existing systems or a complete overhaul of legacy infrastructure. It's not surprising then, that in a 2023 enterprise survey, 20% reported that AI adoption had actually increased costs.

But even newer systems can present challenges. Not all AI platforms are created equal, and some may not integrate seamlessly with an organisation's current technology stack. This can result in data silos, fragmented data management practices and difficulty in managing access permissions.

Choosing the right solutions

Al platforms should be evaluated for scalability and adaptability as well as their immediate functionality. In a market as dynamic and competitive as Al, vendor lock-in is a significant risk. And even if an Al model proves successful in a pilot phase, that doesn't guarantee it will be feasible to roll out across your organisation. During prototyping, data might be sourced from multiple platforms like CRM, ERP and cloud systems. However, scaling Al often involves engineering robust data pipelines that consistently deliver high-quality data from these sources.

Don't forget about governance

Integration is not just a technical exercise. It requires strategic planning that assesses governance structures, identifies skill gaps and develops a realistic timeline for addressing them. Without it, making informed decisions about which tools to adopt is harder.

Governance plays a pivotal role in maintaining security and compliance. With the rapid evolution of AI, organisations face a complex landscape of laws and regulations that vary by region and are subject to frequent updates. Strong governance frameworks help organisations navigate these complexities by establishing clear policies and procedures around AI use.

It all comes back to skills

Al integration often necessitates an evaluation of existing roles and potential changes in job functions. This shift is an opportunity to reskill and transition employees into roles that combine their expertise and experience with emerging Al capabilities.

By identifying employees with the potential and interest to transition into new roles that AI creates, you can turn potential disruption into an opportunity for growth and innovation. Get a clear view of the current skills within your teams then identify gaps and deliver targeted training. At the same time, aim to balance training time with regular duties to avoid overwhelming people. This can be managed through phased training sessions or interim support to cover responsibilities during learning periods.



Achieving and measuring ROI

Being able to demonstrate the value of your Al investments is essential for building internal engagement as well as showing the strength of your strategy to external stakeholders. Without a structured approach, Al investments can struggle to deliver the desired outcomes, making it harder to justify future budgets.

Measuring ROI is an area of AI adoption that a lot of organisations are finding challenging. A 2023 survey of businesses in the US, UK, Canada and the EU found that only 34% felt they could fully show the return on investment. In fact, 41% said they had missed financial goals due to poor AI/ML operationalisation or commercialisation. The way to avoid this is to have clear objectives, regular progress reviews and the right tools at your disposal.



(1. Setting clear objectives

Figures from Deloitte show that 40% of the companies it canvassed reported struggling to define and measure the exact impacts of their Al initiatives. This is probably the biggest factor that separates successful Al adoption strategies from the rest. Put simply, you must have a clear idea of what you want to achieve. Rushing to implement AI due to the fear of being left behind will not be helpful in the long run.

Your goals should be specific, measurable and directly aligned with broader business objectives. For instance, if an organisation aims to reduce the time spent on a particular task by 20%, this target should be clearly defined and linked to a relevant KPI that tracks task completion times.

2. Choose the right way to measure progress

There are many potential metrics to track progress towards your goals. You may target specific improvements in customer satisfaction, net promotor scores or resolution times for customer queries. It could be as simple as timing manual tasks with a stopwatch and comparing that with the time it takes using AI, and extrapolate this based on the frequency with which the task is performed. This is a quick way to validate your Al investment by showing tangible efficiency gains.

Regular reviews track progress and allow you to adjust your strategy as needed. Al projects are dynamic, and the initial assumptions or goals may need to be revised as your teams learn more about what the technology can realistically achieve.



\bigcirc

3. Getting organisational buy-in

Workforces with a clear understanding of what the organisation is trying to achieve through its Al adoption are likely to be more engaged. Having senior leadership onboard and aligned from the very beginning sends an important message about the importance of Al to the future of the business.

4. Balancing short- and long-term ROI

It's important to balance the pursuit of quick wins with the goal of sustainable long-term growth. We advise starting small but thinking big – beginning with a single-use case and scaling up based on empirical results. This way, you can achieve early successes that build momentum and support for broader Al initiatives.

Remember to keep the bigger picture in mind. Not all Al use cases will deliver immediate results, and some may take time to realise their full potential. Leaders must be willing to adapt and iterate if initial implementations do not meet expectations. This flexibility ensures that Al initiatives are not abandoned prematurely, and teams are given the time and space they need to refine their processes.

X

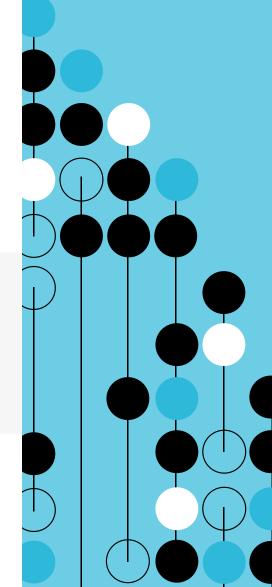
5. Selecting the right supporting tools

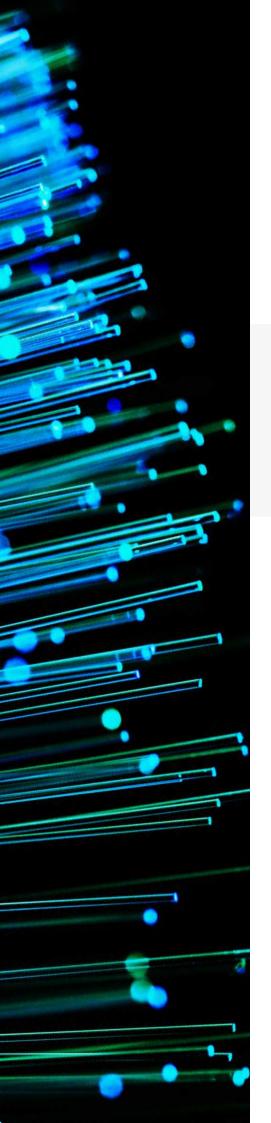
A growing number of advanced tools and methodologies provide ongoing insights into AI performance. Providers like Microsoft and AWS provide dashboard analytics and performance tracking systems that offer powerful capabilities for monitoring AI initiatives in real-time. These tools make it easier to adjust strategies based on performance data. By integrating these analytics into regular review processes, organisations can make data-driven decisions that optimise the impact of AI across the business.

"The way to make sure that you get a return on your Al investment is making sure your employees learn how to make the most of the technology."

Phil Crayford

Technical Learning Consultant





Conclusion:Making Al operational

Organisations must approach Al adoption with careful planning and strategic insight. By setting clear goals and fostering an open culture that embraces innovation, you can more readily unlock Al's full potential.

But this needs to be partnered with a plan for skills development that emphasises continuous learning and upskilling. After all, the adoption phase is only the beginning. Once your Al-enabled processes are in place and your team is confident, knowledgeable and engaged – that's when the real innovation happens.

"Most organisations are still exploring the art of the possible and are just starting the process of retraining and upskilling staff in the soft data skills of data literacy, data leadership and data governance to prepare them as Al-aware data citizens in future roles. We're here to help them turn ambition into action."

David Pool

Data & Al Development Director

We can help you take the next step

QA is uniquely positioned to support businesses at every stage of their Al journey. With our deep bench of expertise and a comprehensive range of solutions, we help organisations navigate the complexities of Al adoption with confidence.

Whether through our industry-leading instructor-led programmes, apprenticeships, or self paced hands-on learning, we can help you turn your AI potential into real-world success.

Our approach is built on the foundation of our '3 Cs':

Continuity – Content and pathways designed to complement each other and build capability for the individual and organisation.

Connection – Connecting departments and teams to create shared vision, objectives, empathy, and understanding.

Collaboration – Creating internal teams and cohorts that collaborate to innovate and apply learnings within the workplace.

In an environment where the pace of technological change is relentless, having a trusted, strategic partner in QA can be the difference.

To explore QA's range of Al skilling solutions, visit <u>Al & Machine</u> <u>Learning</u>.



Ready to learn more?

Click below to explore QA's range of AI skilling solutions, or get in touch with our team.

AI & Machine Learning

