



Do what matters

Unlocking Potential: AI Readiness in Banking

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Areas of Expertise

- Technology Strategy
- Enterprise Data Strategy
- Artificial Intelligence
- Digital Transformation
- IT Strategy
- Technology Change Strategy



Professional Background

Jeromey has over 20 years of experience in artificial intelligence, data science, product innovation, cloud, digital strategy, advanced analytics, research and critical analytical intelligence supporting senior management to drive development and execution of key strategic initiatives and business decisions. He is a proven academic leader in developing, launching, and growing academic programs in the data and technology space. Jeromey is a strategic and visionary leader dedicated to formulating and solving complex business problems to meet business and customer needs creating a sustainable model for success. Jeromey successfully led the Slalom in St. Louis that within four years achieved a \$150M revenue run rate with all years being profitable. He successfully created and executed a professional services consulting company, two new divisions in data science, innovation, and research leading to expanded responsibilities and growth of additional business lines to support for the US Treasury as part of the Federal Reserve, and a US-focused CPG company's data science organization focusing on new products to drive product innovation and renovation. Effectively partnered with senior executives and led data and business analytics teams to drive corporate cost savings, efficiency and performance gains, and sustainability campaigns. Successfully built, grew, and developed high performance teams and have assumed and excelled in increasing responsibilities through career.



Areas of expertise

Academic Director and Professor of Practice

McKelvey School of Engineering, Washington University (Present)

Head of North America Data, AI, & Analytics Advisory

Avanade / Accenture (Present)

Executive Management, Technology and Data Strategy

Equifax, Edward Jones, Kynetec, Safety National (2020-2023)

Managing Director, Technology and Data Capabilities

Slalom (2016-2020)

Vice President and Officer, Head of Treasury Data Science and Analytics

Federal Reserve Bank (2013-2016)

Management Consultant, Global Data Science Leader

Nestle Purina (2006-2013)



Industries

- Financial Services
- Consumer goods
- Healthcare
- Lifesciences
- Professional Services
- Education



Education

- Ph.D. in Applied Mathematics
- MBA with emphasis in Supply Chain & Logistics
- MS in Information Systems
- BS in Computer Science
- BS in Mathematics

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Banking Industry AI Outlook



An AI Readiness Review

AI is transforming the way we work, collaborate and create.

But are organizations and their people ready to embrace an AI-first mindset and harness the full potential of AI?

Organizations and their people aren't fully ready for AI

Most employees (**95%**) are **optimistic** about AI and almost all (**96%**) are **confident** their organizations' IT professionals have the knowledge and resources to scale AI.

But less than half (**48%**) say their organizations have put in place a complete set of specific **guidelines/policies for responsible AI**.

Generative AI will disrupt how we work

Almost eight in ten (**79%**) employees anticipate that generative AI tools will **impact up to 20 hours** – half of their work week.

But the majority (**63%**) say they'll need some new skills or a completely **new set of skills** by the end of 2024 to seize AI's benefits.

AI-first is key to competitive advantage

Most (**92%**) believe they must **shift to an AI-first operating model** in the next 12 months to stay competitive, prompting the majority (**94%**) to increase their **digital investments** in 2024 to accelerate their AI journey.

To meet their organization's ambitious AI timelines, IT employees are **prioritizing their investments in data and analytics platforms** to unify their data and analytics under one digital roof to scale AI.

Democratizing AI & Impact to Humans

"AI will lead to task – not job – displacement. The job now looks different. The challenge is for each knowledge worker to be told enough about AI so they can displace the tasks themselves."

AI Executive, Multinational Financial Institution



97% use AI in their current role at least weekly, with 57% using it daily – most often for automating regular repetitive tasks.



The majority (64%) across industries disagree that AI will reduce the number of human roles required for their organization, with most anticipating headcount to grow by up to 9% by end of 2024.



Almost all (92%) believe their organization needs to shift to an AI-first operating model within the next 12 months to stay competitive and meet customer expectations.

AI Means Better Strategy

Banking leaders were asked what is the **primary objective** of their organization's AI strategy? In terms of **AI impact**, **banks came lowest of all sectors**, whether it was efficiency, innovation, empowerment or satisfaction. They also felt the most **threatened**.



Inform organizations strategy



Improve efficiencies



Create better customer experiences

62%

More people needed due to AI

Almost two-thirds felt AI will increase staff numbers.

59%

Bankers claim to use AI daily

6 in 10 bankers claim to be using AI on a daily basis.

28%

Slow to assess AI impact

Only 1 in 4 can assess AI impact in less than 3 months (lowest of all sectors).

41%

Low take-up of Responsible AI

Only 4 in 10 have a complete set of guidelines (second lowest of all sectors).

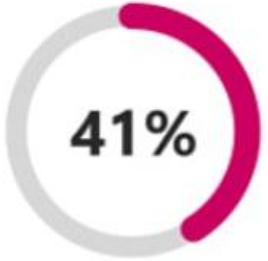
<https://www.avanade.com/en/insights/generative-ai-readiness-report/banking-ai-report>

Top 3 Banking Use Cases for AI

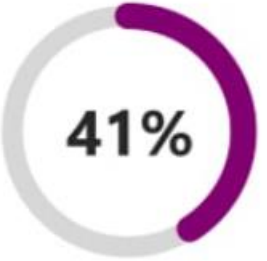
Banking **CxOs** see **customer onboarding automation** as the most exciting AI use case (42%), followed by **fraud detection** (41%) and **automation of risk, regulation and compliance requests** (41%).



Automation of customer onboarding (KYC, etc.)



Automation of risk, regulation and compliance requests



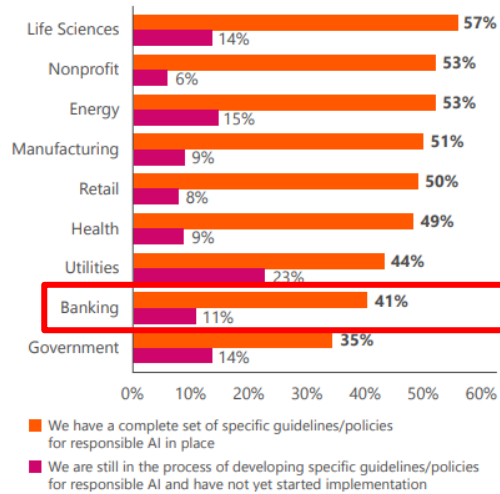
Monitoring fraud detection/auto-healing of security loopholes

<https://www.avanade.com/en/insights/generative-ai-readiness-report/banking-ai-report>



Any organization using AI needs to accept that increased scaling inherently means increased risk.

Figure 3: Industries most and least ready for responsible AI



Life sciences outpaces the other industries when it comes to having a complete set of responsible AI policies in place, but significant work remains for all industries to implement proper guardrails.

 **85%**

Expect AI to be responsible for a 6%-16% growth in global annual revenue over the next 12-18 months

 **36%**

Are confident their organization has sufficient checks and balances in place to mitigate potential risks and harms of AI

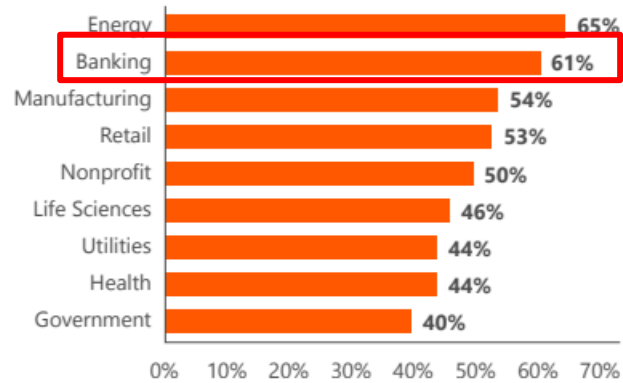
 **73%**

Agree "safer and more responsible AI practices across the board" is among their overall top priorities

²Avanade and McGuire Research, March-April 2023

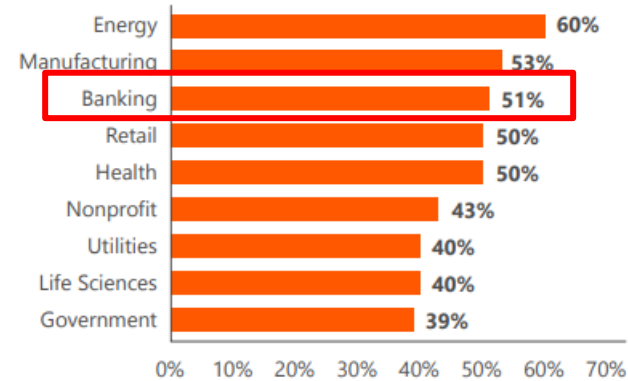
Industry Outlook: Risk & Governance

Figure 5: Most confident in their organization's risk management processes for enterprise-wide generative AI



The energy sector and banking, two industries that operate in heavily regulated spaces, expressed the greatest confidence in their risk management processes, while only 40% in government felt any degree of high certainty in their risk management approach.

Figure 6: Most confident in their leaders' understanding of generative AI and its governance needs



Respondents from energy organizations showed the most confidence in the AI fluency of their leaders, while government executives were the least confident of all industries surveyed.

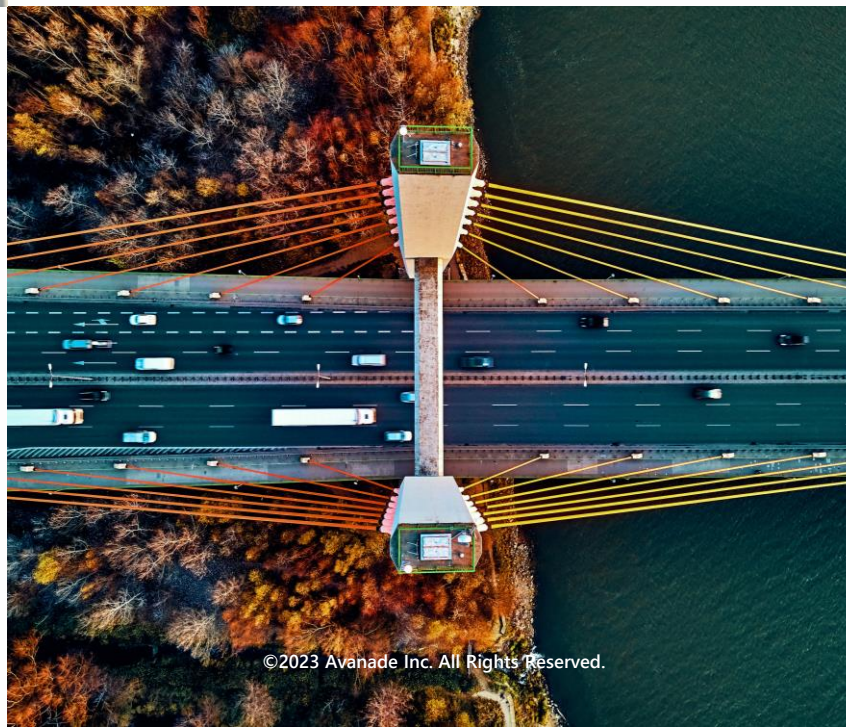




"If you insert generative AI anywhere, we have to get regulators comfortable. On tasks like Excel analysis, it's straightforward. But if you're doing something more customer-facing ... that one time you took the wrong advice and didn't check the backend data ... you can lose your job."



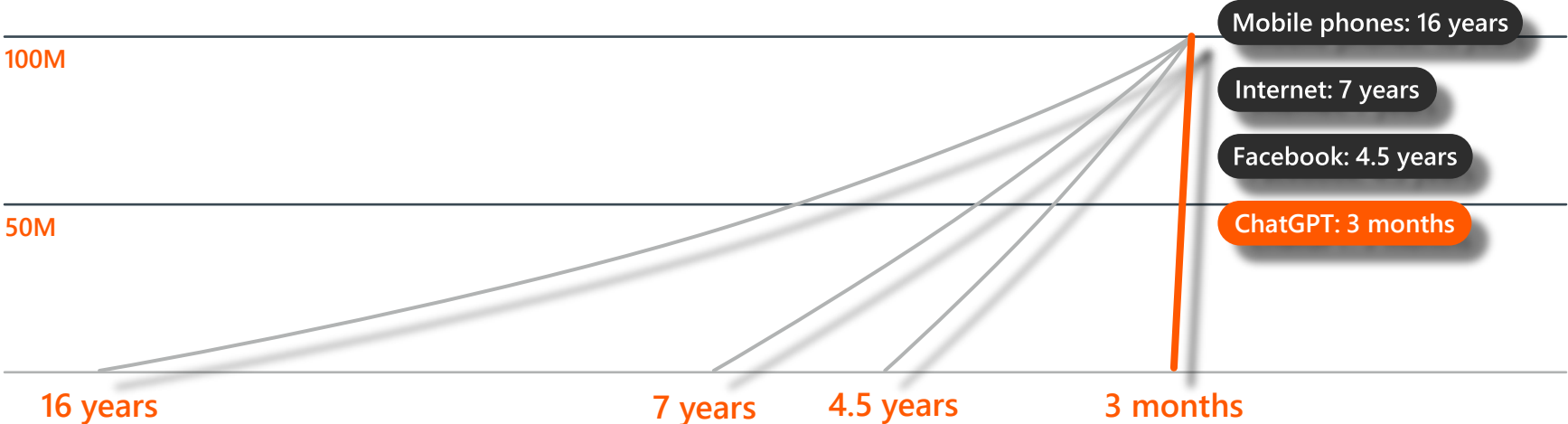
"The data most companies have gathered wasn't for machine learning or AI," commented one European banker. "That data may not be useful. Risk and compliance is huge. KYC, credit risk, all of it is data-rich."



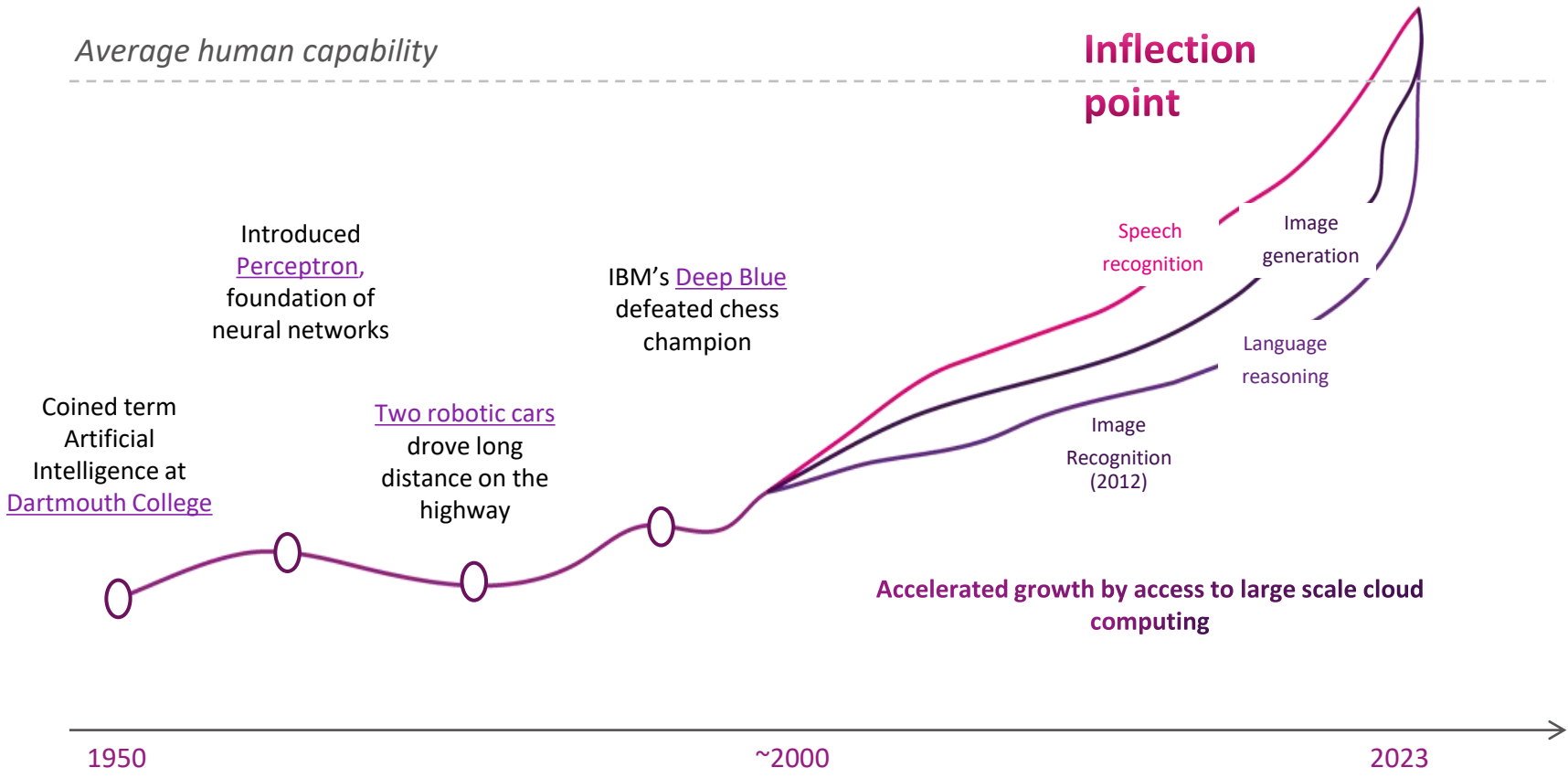
"Leadership has excitement about the potential of AI but they don't necessarily have the understanding of what it means to be AI-ready."

The Emergence of Generative AI

Time to Reach 100M Users



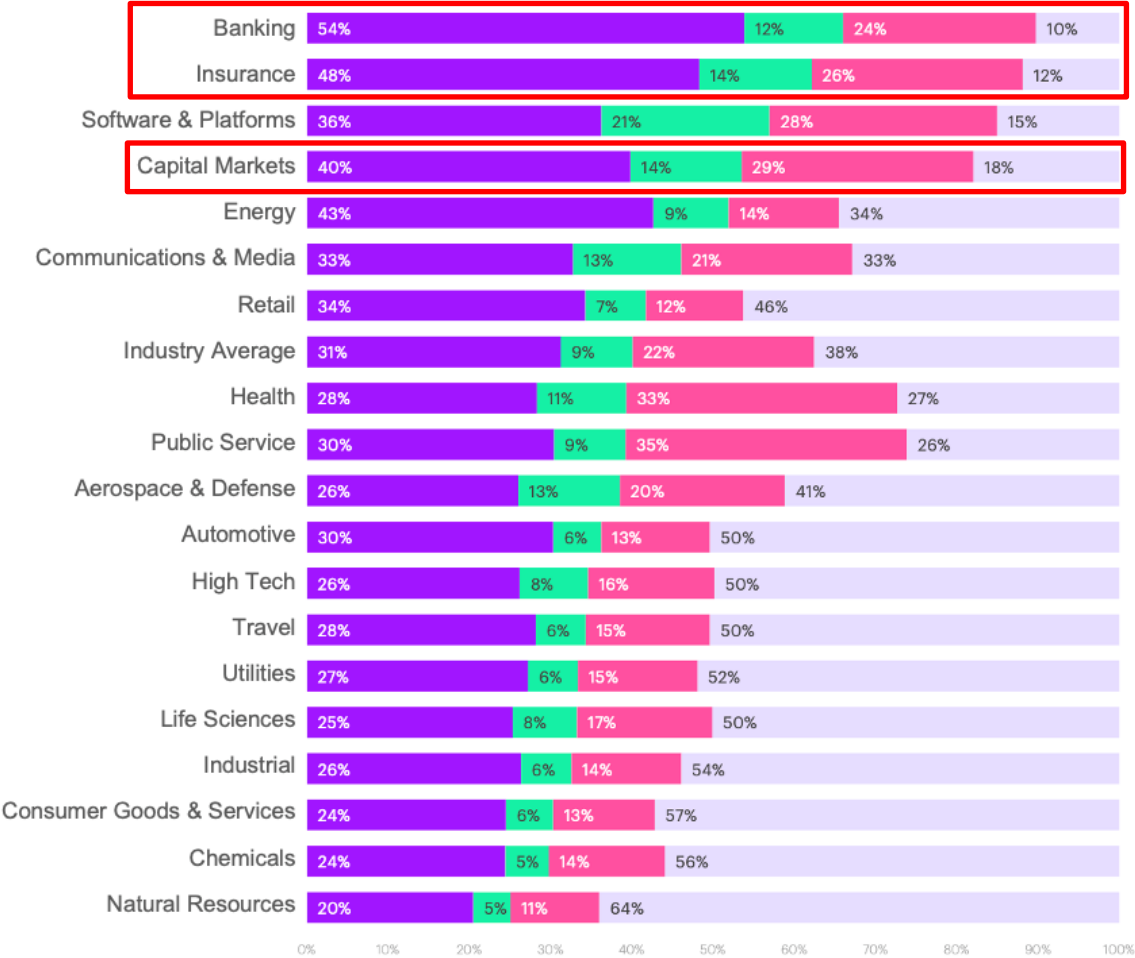
AI is nothing new, but we are now at the point where cloud based Generative AI engines are surpassing human capabilities



The power of improved cloud computing capacity, better models and an increase in computational power have all played a key role in the accelerated growth of Generative AI.

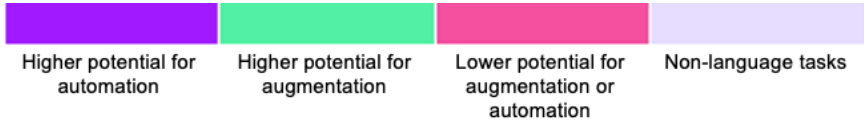
- GPT-4 has **500 times** (100T) more parameters than its predecessor, GPT-3 (175B)

Generative AI Will Transform Work for all Financial Services capabilities








50% of working hours across industries will be impacted by Large Language Models (LLMs)

Language tasks account for 62% of total worked time in the U.S. Of the overall share of language tasks, **65% have high potential to be automated or augmented** by LLMs.



How does Gen AI change current AI Strategy?

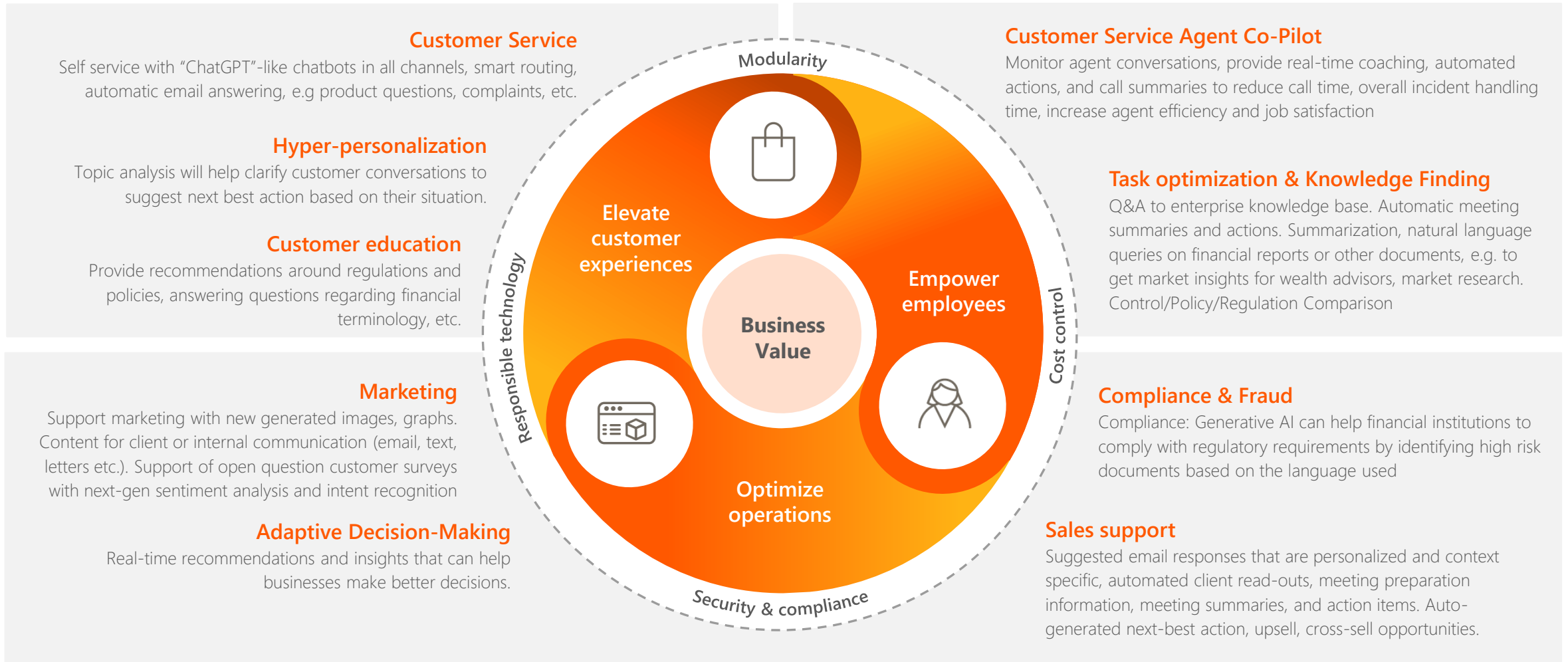
Whether you have an established AI strategy or are just starting, your action plan needs to evolve to include Gen AI

		Current AI Strategy		Updated AI Strategy
	Vision	AI automating tasks	▶	Generative AI augmenting people in their work
	Roadmap	Three-year outlook, business innovation	▶	One-year outlook, business criticality
	Use Cases	Predictive analytics, automating tasks	▶	Generating artifacts (text, video, audio, code & data) and simulating decisions
	Governance	Fragmented or part of data and analytics	▶	Clear business responsibility, AI ethics committee
	Talent	AI center of excellence	▶	Educating everyone on responsible use of GenAI

Source: Gartner

Use cases across various industries

How AI will add business value



Driving Growth with AI

Executives see AI as a growth driver, yet many are flagging a need for defining AI strategy, roadmap and governance



85%

Expect AI to increase revenue growth in the next 18-24 months, with the majority anticipating AI to be responsible for 6-16% growth in global annual revenue



36%

Are confident their organization has sufficient checks and balances in place to mitigate potential risks and harms of AI



73%

Agree "Safer and more responsible AI practices across the board" is among their overall top priorities for the next 12-18 months

Challenges in AI Adoption & Implementation

Key Obstacles to AI Adoption

56%

Technology and data

believe **low external ecosystem maturity** restricts their ability to accelerate AI initiatives

40%

Talent and culture

business leaders state that **talent shortage** is a key hurdle in implementing and scaling AI solutions



Ability to prove ROI

Report that **inability to quantify benefits** is a key factor impeding AI adoption

53%

Trust, ethics & regulations

AI explainability as a primary reason for holding back AI-led decision making

47%

The State of AI in the Enterprise Today



Data Foundation for AI Still Maturing

Most organizations are in their journey to **build a data platform / mesh as a single source of enterprise data** but lack the necessary governance, flexibility, or agility required for AI lifecycle



Many Proof of Concepts, Little Ops

Technical proof of concepts for specific use cases using ML techniques and Generative AI models happen but many **don't get into mainstream business operations**



Limited to Data Science & Advanced Analytics

AI is largely restricted to data science community engaged in advanced analytics for episodic business asks and decision making



Siloed And Uncoordinated Functions

Different initiatives (e.g., MLOps) are occurring w/ multiple standards driven by different organizations. **No common platform or standards** integrating these functions across the enterprise for AI development



Governance is An Afterthought

While **standards for data governance, quality management** are being put in place, **AI governance standards** are not well understood or nascent



Confusing Technology Ecosystem

The ecosystem is highly active with **overlapping technologies and tools from major cloud providers, analytics vendors, niche players** as well as emerging AI platform players. Right choices required for enterprise scale and scope.

AI is still emerging and has several obstacles to overcome...



Technical

- Tend to **produce authoritative sounding answers** to questions, even when it doesn't know the answer
- **Social bias tendency and learning**
- Unable to **understand the semantics of the text** they learn from or generated text
- Use of AI tools can lead to potential breaches in **information security**



Legal, Governance & Regulation






- There are **risks to IP protection**, and the exposure to accidental use of others IP by utilizing the models
- Use of these AI tools is usually on an **“as is,” “at your own risk”** basis
- Software generated by AI tools may have **security vulnerabilities** that can present a new set of liabilities
- Countries such as US and China are racing to **introduce regulations** to govern the use of AI, while cognizant of heavy-handed approaches that could stifle innovation



People

- There may be instances where AI solutions are misused by generating **false or misleading information** that is presented as fact
- Technology **adoption by employees** may be restrained due to the **perceived threat to employment**

While the potential value is appealing, opportunities must be evaluated based on the potential risks

	 Technical Risks	 Financial Risks	 Business/ Operational Risks	 Talent Risks	 Reputational Risks
Illustrative Risks (non-exhaustive)	<ul style="list-style-type: none"> • LLM selection • Data quality 	<ul style="list-style-type: none"> • Cloud computing costs • Cost to build and maintain an LLM 	<ul style="list-style-type: none"> • QA of outputs • IP ownership 	<ul style="list-style-type: none"> • Upskilling talent • Talent drain/loss • Developing future talent/skills 	<ul style="list-style-type: none"> • Employee impact • Community impact • Biased outputs • Environmental sustainability (CO₂)
Risk Mitigation	<ul style="list-style-type: none"> • Strong technical team (Gen AI COE) that understands what it takes to bring use cases to life • Strong Data and Analytics team that partners with the business to scrub and prepare data to ensure data quality 	<ul style="list-style-type: none"> • Clear parameters on the application and use of Generative AI • Targeted selection of Generative AI applications based on business value • A life cycle view Generative AI applications impact and value 	<ul style="list-style-type: none"> • New roles and QA processes to selectively evaluate key outputs • Legal involvement in developing guidelines and procedures to govern IP issues. 	<ul style="list-style-type: none"> • Strong HR involvement in developing a talent strategy to look holistically at talent needs for developing, adopting, and working with Generative AI applications as part of our ways of working. 	<ul style="list-style-type: none"> • A business view of the role of Generative AI in both the short- and long-term view. • Involvement of key stakeholders for Generative AI in general and for specific Generative AI applications.

AI Readiness & Maturity

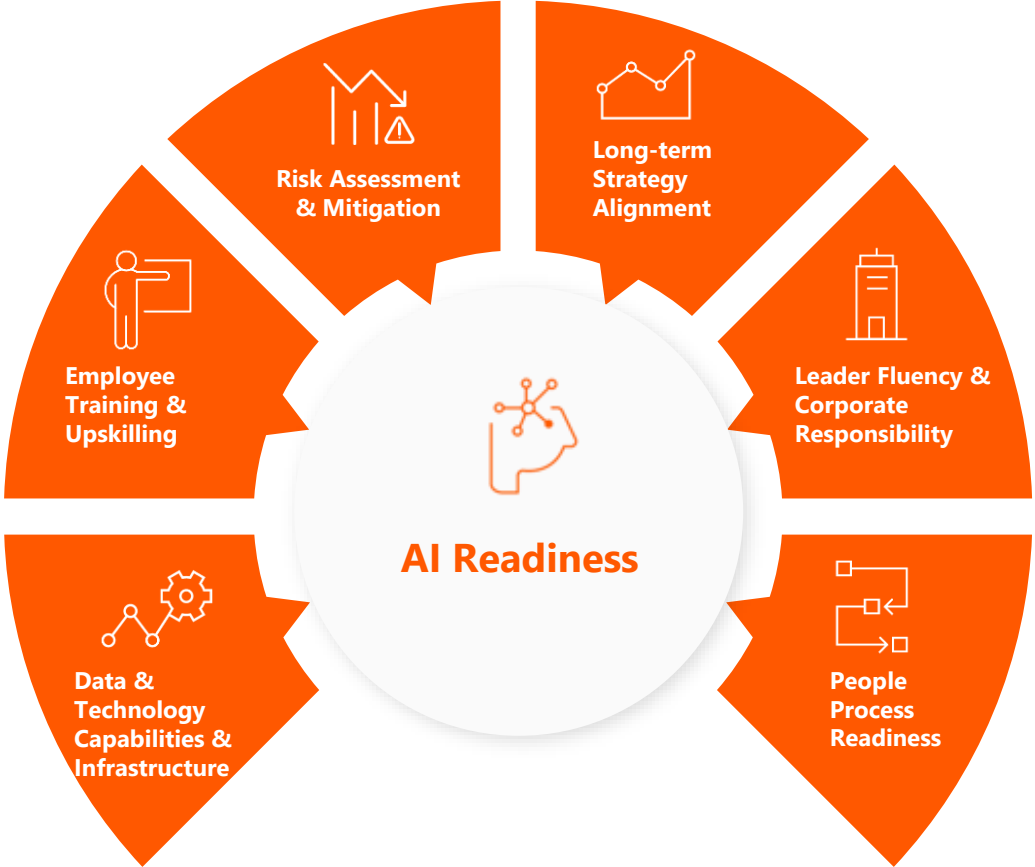
To become and remain an AI-first organization requires a multidisciplinary approach, spanning both business and IT dimensions.

Key principles.

Every organization is at a different point in their own AI maturity.

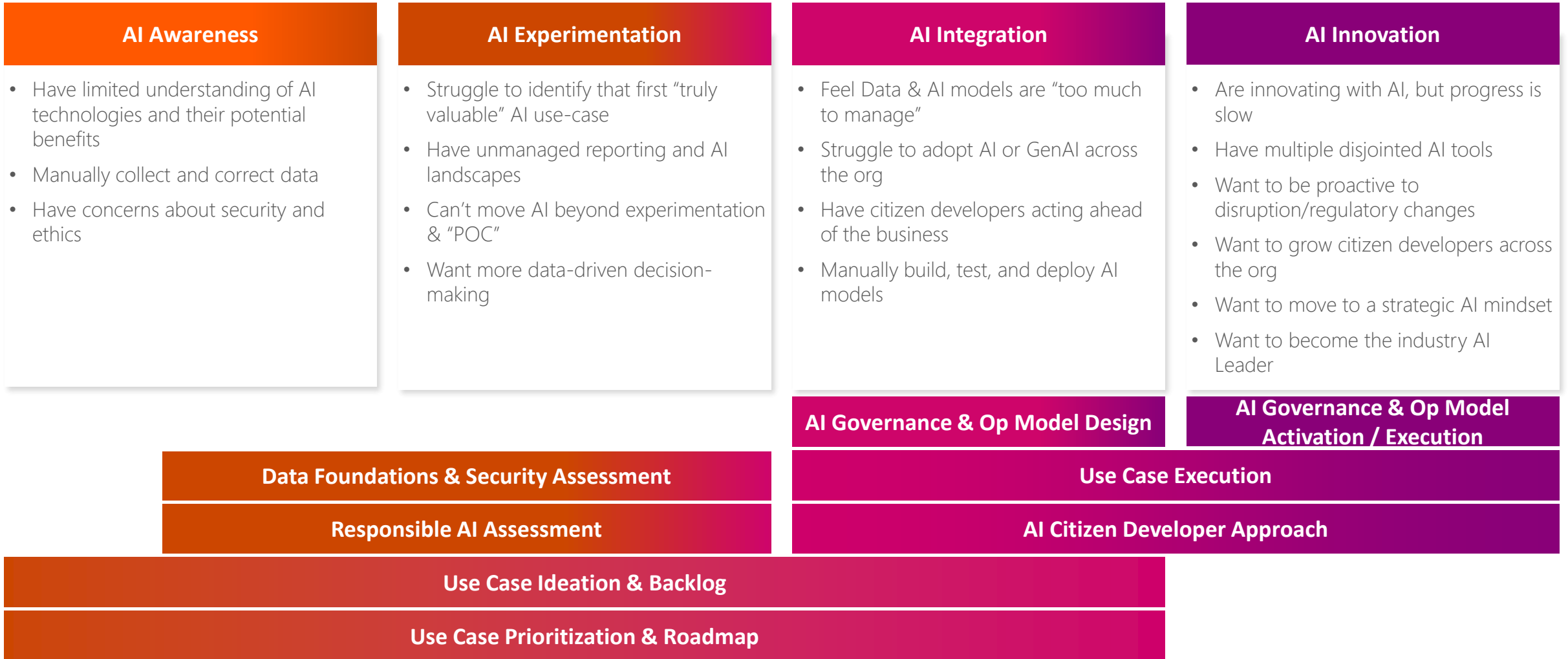
Consider readiness from a comprehensive lens across tactical and strategic aspects.

Look at your organization's priorities through the technical lens, while prioritizing and building the business case for adopting an AI-first mindset.



There is no end point for AI readiness – it's an ongoing journey

Understanding and planning for AI maturity



Responsible AI & Governance

The Shifting AI Landscape Requires Building a Responsible AI Foundation

Responsible AI is the practice of designing, building, and deploying AI in accordance with clear principles to **empower businesses, respect people, and benefit society** – allowing companies to **engender trust** in AI and to scale AI with confidence.

Building and maintaining trust

Key principles when leveraging AI systems



Building and maintaining trust

Domains and areas to develop trust when leveraging AI systems

Information Security and privacy: Follow existing security and privacy standards. Consider the risks and implications of sharing sensitive personal or corporate data in any prompts. Review output for sensitive data and conduct a security review for any integration between Generative AI and corporate systems, data, or assets.

Ongoing, risk-based oversight: Because of how they're trained, Generative AI systems may produce unreliable, biased, or otherwise inappropriate content. To reduce this risk, carefully monitor AI output and remove or filter out unwanted language/images before they're published, especially for chat or decision-support use cases.

Social benefit: Help identify and mitigate widespread and long-term societal risks of Generative AI systems, like weaponized deepfakes and misinformation. Consider how these systems might contribute to social goods like education, financial opportunity, healthcare, etc., rather than simply an increase in digital noise.

Human flourishing: Create policies for Generative AI that align with corporate purpose and values. Use Generative AI systems to support employees' creativity and quality. Share lessons about how employees can use these models to strengthen their sense of workplace contribution and value.



Sustainability and responsible sourcing: Track and report on the carbon footprint of Generative AI systems and discuss strategies to limit or offset related energy use. Monitor stories and talk with providers about the human labor involved in training these systems in the context of your company's supplier code of conduct.

Respect for intellectual property: Review the terms of use related to content sources and ownership for these tools, as each provider may treat these details differently. Show respect for content creators and consider limiting Generative AI use to avoid duplicating others' work, using output as inspiration rather than the final product.

Transparency: Add a disclaimer to any AI-generated content that it was created by a machine if it's not already clear, making it especially clear in cases where affected stakeholders would reasonably assume or expect they're viewing human-created content or interacting directly with a human (e.g., customer service).

AI Governance

The structure and processes required to deploy AI systems efficiently, effectively, and responsibly in support of organizational success.

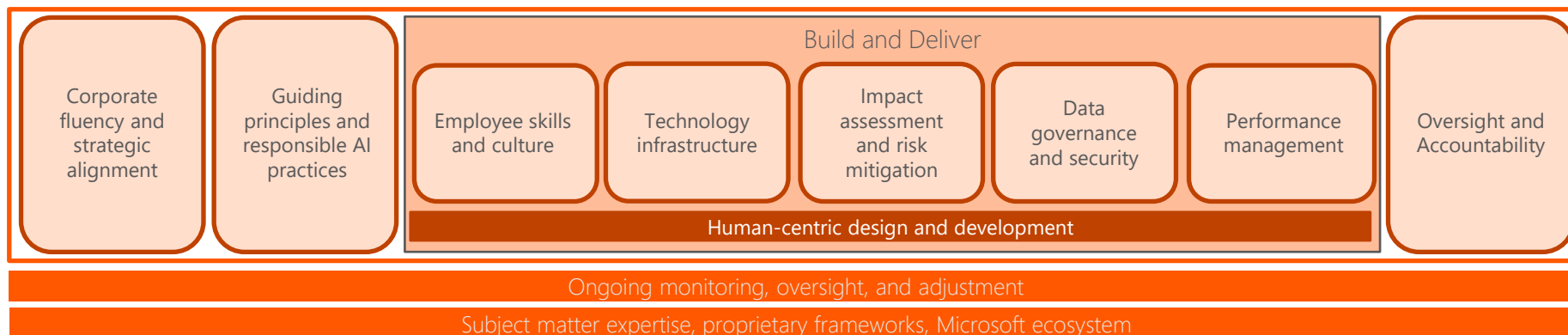
AI Governance Benefits

Good governance requires a comprehensive set of processes and expertise, and while most organizations will need to build these capabilities gradually, they should avoid skipping any steps if possible. The benefits of getting governance right the first time are substantial:

- Staying on top of rapidly evolving technologies, applications, and users demands for AI.
- Aligning AI efforts and investments to business strategy and performance.
- Following Responsible AI practices to build trust, reduce risk, and comply with impending regulations.

AI Governance Model

The capabilities needed to assure organizational success with AI, from concept to value.



Path to Success



Quick Start

Identify 2-3 of the most relevant use cases, and walk them step-by-step through the governance process.



Program Design & Development

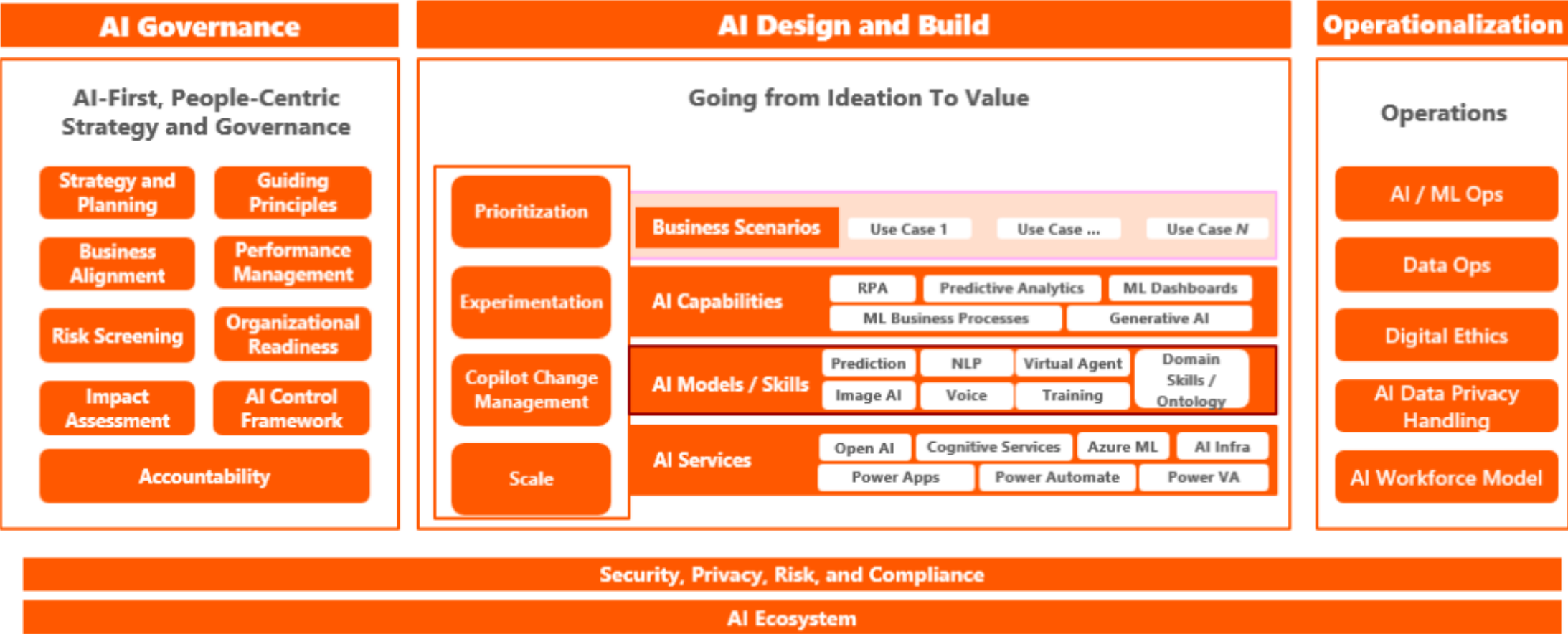
Working with existing governance structure and capabilities, establish AI governance to suit organizational needs.



Manage and Evolve

Set performance and risk objectives for the governance program, and make ongoing improvements as needed.

A Framework for Responsible AI Governance



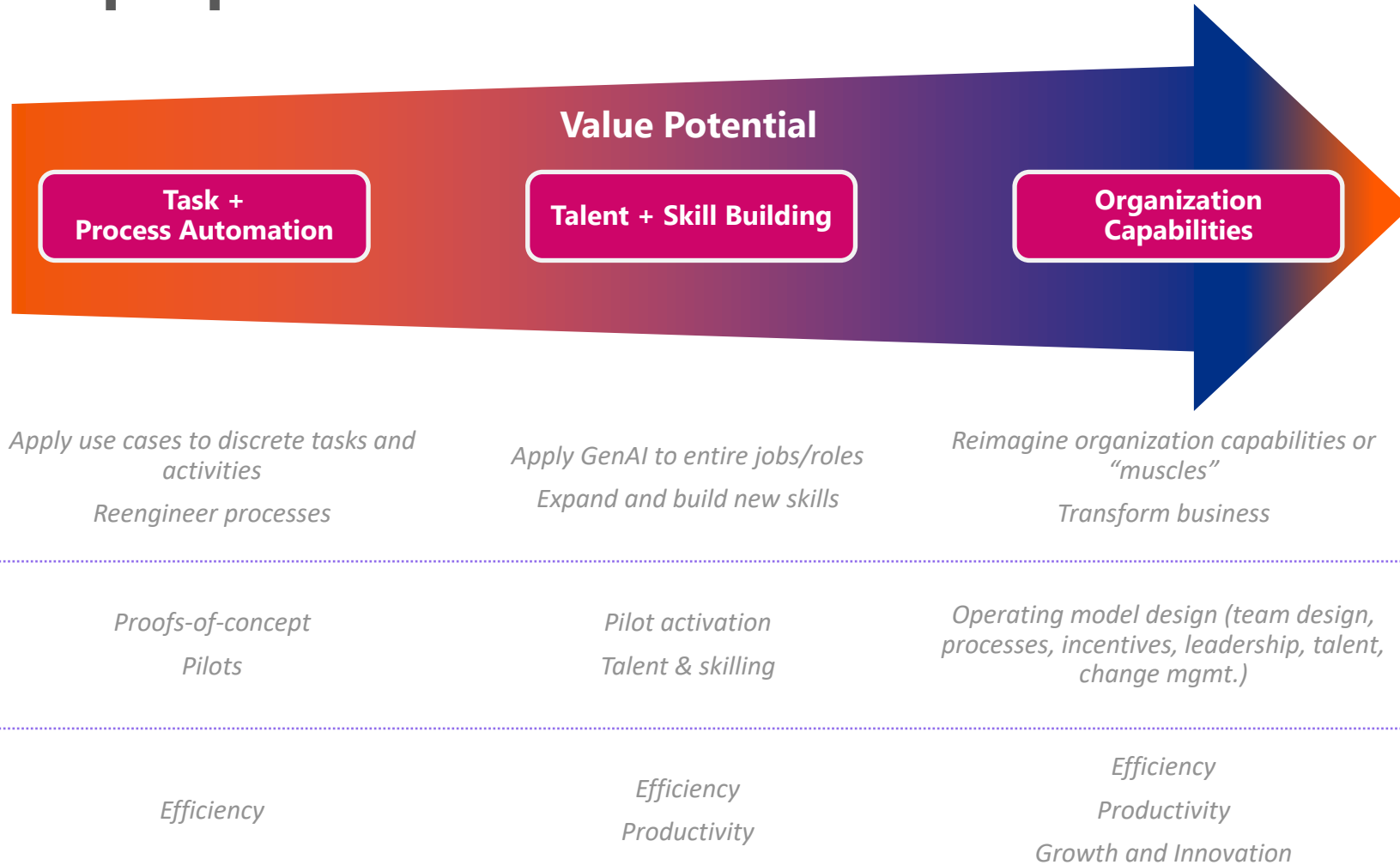
Roadmap and Implementation for AI

Leaders must align early on their level of ambition for AI (and Gen AI) to make it fit-for-purpose

AI is still in its infancy and its ultimate impact is unknown.

Much of the initial hype around AI has been around automating tasks and redefining roles.

We believe the disruptive power of AI is to reimagine your core business by reimagining how organizational capabilities are delivered.



AI Value Plays are additive and can be identified in parallel and pursued sequentially.

Enterprises hoping to tap into the power of AI should consider five adoption essentials

Define your Principles and Responsible AI

Proactive development of mature Responsible AI capabilities

Define organization's responsible AI principles and risk tolerances. Create an effective governance structure for risk management and compliance, both with organizational principles and policies.

Dive in and get started. Measure success

Pilots / POCs

Move priority use cases into small-scale pilots. Test in compliant environment and create a value framework to understand potential impact and business case of scaling.

Get your proprietary data ready

Modern enterprise data platform

Take a strategic and disciplined approach to acquiring, refining, safeguarding and deploying data.

Refresh talent and location strategy

Talent and Operating Models

Reimagine ways of working across all levels. Take stock of impacts to talent strategy and sourcing. Drive upskilling and support employees through change

Select your ecosystem partnerships for scale

Platform Selection & Architecture

Support the assessment and implementation of data and technology tools to enable use cases.

Leverage ecosystem partners to find the right models for the right use cases and the expertise to scale.

While the potential value is appealing, opportunities must be evaluated based on the potential risks



1

Establish an AI-first strategy for your business

Help your Board and top management team align on a vision, strategy and programs that will define, design and develop your organization's AI first strategy ongoing.



2

Create an AI Center of Enablement

Evolve your organizational governance structure with a design customized to your unique environment, objectives, risk tolerance, and principles. Enable to build upon or establish data governance practices for an AI-first world.



3

Build the AI fluency of leaders and employees

Get employees up to speed with new AI capabilities, processes, ethical considerations, and reinforce guiding principles and establish a program of continuous learning.



4

Supercharge work and workers with AI

Imagine new ways of working AI tools and to drive business value from AI-focused data and technology platforms.

AI Center of Enablement Workstreams to set foundation and get started

1 Op Model & Change Management

How can we organize for speed with the right risk mitigations?

2 Value Capture

How to drive business value using this new technology?

3 Tech Enablement

What foundation models and partners should be activated?

4 PoC Build Pods

How to efficiently build Gen AI and determine what to scale?

What is the minimum to start?

- Define and communicate enterprise guardrails, ambition, and AI risk controls
- Communicate objectives and intent to business stakeholders

- Start with pre-selected use cases for POC build

- Enable secure and scalable sandbox environment for Gen AI experimentation

Explore with more intention?

- Set up basic CoE structure, governance, capabilities, responsibilities
- Conduct awareness workshops leveraging Accenture luminaries, including Risk & Responsible AI

- Coordinate business-wide intake process of use cases
- Define and prioritize tablestakes use cases
- Define and prioritize leapfrog use cases

- Create repeatable architectures and assets to enable multiple use case archetypes
- Enable monitoring and control towers for visibility of active pilots

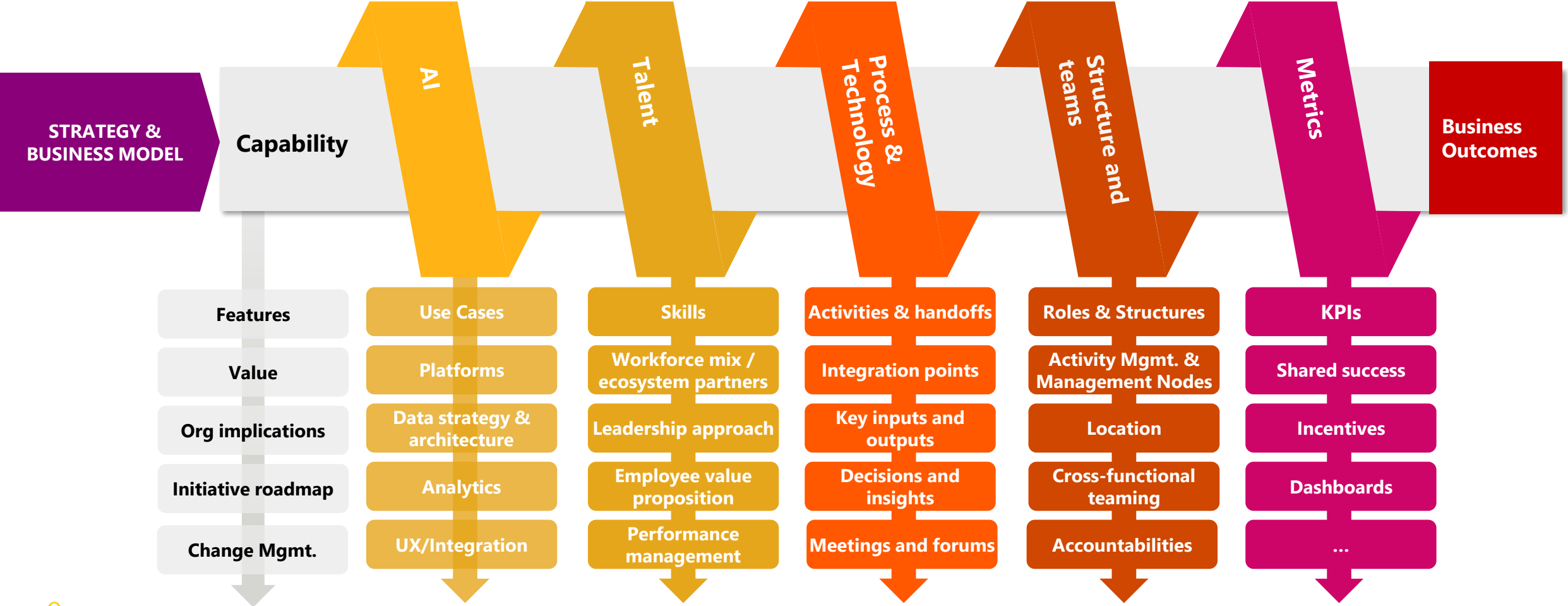
Preparing for scaled execution?

- Set up framework for change management and role analysis
- Co-create change and enablement plan, including managing AI risks into roadmap
- Create persona-based training approach leveraging Accenture's Gen AI Academy

- Build business case and KPI templates
- Extrapolate value
- Systematize use case capture and curation, prioritization, and selection
- Build value capture into roadmap

- Vendor and model assessment framework including cost estimator
- Design strategic Gen AI ecosystem
- Enable initial production client environment use case
- Build platform view into roadmap

When focused on organization capabilities, companies must fully embed AI into their operating model



Getting Started with AI

Ready or not: AI is here

Our research shows that leaders and their teams look forward to using AI to supercharge how work gets done. But organizations need to invest more to ready their people, processes and platforms for the impacts of AI. In our work with hundreds of clients around the globe – and our own use of generative AI at Avanade – we see four key imperatives to success:



AI-first is people-first.

The benefits of AI should not just be measured by minutes saved. The bigger opportunity is how AI will help people be and do their best by sparking creativity and innovation. To do this, employees will need to unlearn existing work routines and (re)learn how to work with AI in their roles. Prepare to invest in the support and skills needed to maximize employee comfort and proficiency with AI with protections in place for safe experimentation.

Know your why to drive sustainable business value.

With so many exciting possibilities, there will always be a temptation to rush to production. That's why a clear "north star" is necessary to help guide the ongoing journey of experimentation, readiness and scaling required to continually achieve business outcomes with AI. For these reasons and more, leaders must continually improve their own AI fluency to help their organizations adapt and evolve with AI through continual change.

A strong data platform is essential to scale AI.

Data platforms manage enterprise data in one unified foundation to create a single source of truth. A strong data platform complemented by employees' understanding of prompt engineering and prompt refinements increases the level of trust in the outputs of AI and will help organizations harness value faster.

Encourage organizational curiosity while prioritizing durable responsible AI.

AI changes the game for what it means to be a responsible business. A durable and scalable framework for responsible AI can help determine how to assess and deal with new AI risks – whether caused by technologies, processes or people. However, establishing a responsible AI framework also creates an opportunity for your organization to bring its values to life in new ways and to enshrine principles and behaviors that tangibly reflect those values in governance processes.

How to Start the Conversation

01

How are you going to enable your people to do the things that will benefit them the most?

02

What is the primary objective of your organization's AI strategy?

03

Are you confident that the people-focused processes and roles that will be impacted by generative AI are clearly understood in your organization?

04

Has your organization's long-term business strategy been updated to account for predicted generative AI growth? What about your long-term IT strategy?

05

Does your organization have human capital/workforce planning processes in place to safeguard roles as generative AI is scaled?

06

Does your organization currently have specific guidelines and/or policies in place for responsible AI?

07

How much support do you think will be required to onboard/train workers to use generative AI tools, like Microsoft 365 Copilot?

08

How confident are you that leaders in your organization understand generative AI and its governance needs?

09

When will your organization have the capacity to assess performance management augmented by generative AI?

10

Will AI challenge established boundaries of what it means to be a knowledge worker? What kind of new divisions might it create between enabled and unenabled employees?

Get AI Right From the Start



Tap into the power of underlying AI technology

How: The time is **now**. Start simple and select use cases where these AI capabilities can be integrated in a **modular and scalable** way to address an opportunity/problem. This calls for a **profound rethink** of how the organization works, with multiple implications for enterprise IT architecture, organization, culture, and more.



Prepare for Change and Reinvent Work

How: AI is a productive assistant to help people, not replace them. Factor for **change enablement** to help users work iteratively from generated concepts. Companies must **reinvent work** to find a path to **AI value**. Business leaders must **lead the change**, starting now, in job redesign, task redesign and reskilling people.



Establish Governance and Responsible AI

How: Consider a **centralized** function to 'think-big', investigate, validate, refine and channel AI across your business. There needs to be a **balance** between **ambition** and robust approach of **transparency** and **communication** with customers, partners and employees on **risks, limitations** and **uncertainties**. Human subject matter experts should be identified to provide feedback for responsible, rapid, iterative retraining of the model.



Get Immersed in AI

Learn | Explore | Build

Work together with Avanade SMEs to understand and realize the business value of Generative AI.

Avanade will join your team on-site (or remote) to go in-depth on the business value of AI, the technical architecture and use cases that can be realized today. We'll then workshop to identify the business scenario that drives the most benefit. We then move to build and prove it can be done to showcase the value of this new technology for the business.

[Sign up for a workshop](#)

1

2 Hour Learn & Discuss

AI introduction & MS products and use case overview based on OpenAI. Identify client questions and brainstorm use cases.

2

2 Days Hands-on Workshop / Design Thinking

Workshop focusing on deeper dive to clarify and prioritize client use cases, explore journeys, & build-in trust considerations.

3

Depending on Workshop Outcomes

2 Weeks PoC / 2 Month MVP

Directly build a PoC or MVP to prove the technology and business value for 1 use case if client is ready, and use case is easily defined

OR

6 Week Strategy Assessment

Strategy assessment to help define data readiness, and multiple complex use cases while also reviewing use cases through Responsible AI frameworks, defining a roadmap, and ROI.

[Read the AI Readiness Research Report](#)

Do what matters



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