

The AI Center of Excellence

Establishing an AI Center of Excellence (AI CoE)—a dedicated, cross-functional team tasked with driving AI initiatives—is an important early step in a well-structured AI transformation. An AI CoE will significantly enhance the acceleration and success rate of AI projects within organizations—by clearly defining AI commitments, centralizing resources and expertise, fostering a culture of innovation and continuous improvement, and managing the organization’s overall adoption strategy. An AI CoE helps ensure organizations are focused on a broad AI transformation strategy, whether it’s prioritizing use cases or driving widespread adoption to measuring value—building the foundation for ongoing AI success.

Keys to an effective AI Center of Excellence

Clear mandates: It owns progress across the five drivers of AI value.

Cross-functional teams: It’s composed of leaders with diverse skillsets.

Growth-oriented mindset: It continuously monitors and optimizes performance.

Advancing generative AI with the five drivers of value

In [Chapter 1](#), we discussed the five stages of generative AI readiness (exploring, planning, implementing, scaling, and realizing) and how the five drivers of AI value (business strategy, technology and data strategy, AI strategy and experience, organization and culture, and AI governance) can be used to accelerate your readiness journey and overcome the challenges of generative AI adoption. These charts provide a quick reference for the strategic priorities that are most important to focus on as you progress through the stages of readiness. For a more detailed examination of the five drivers, read [The AI Strategy Roadmap: Navigating the Stages of AI Value Creation](#).³⁸

1 Business strategy

Exploring → Planning

- Discuss how generative AI aligns with your organization’s efficiency, growth, and innovation goals.
- Set clear objectives for generative AI projects and how they’ll support strategic business goals.
- Identify potential generative AI use cases that can provide quick wins in terms of cost savings or operational efficiency.

Planning → Implementing

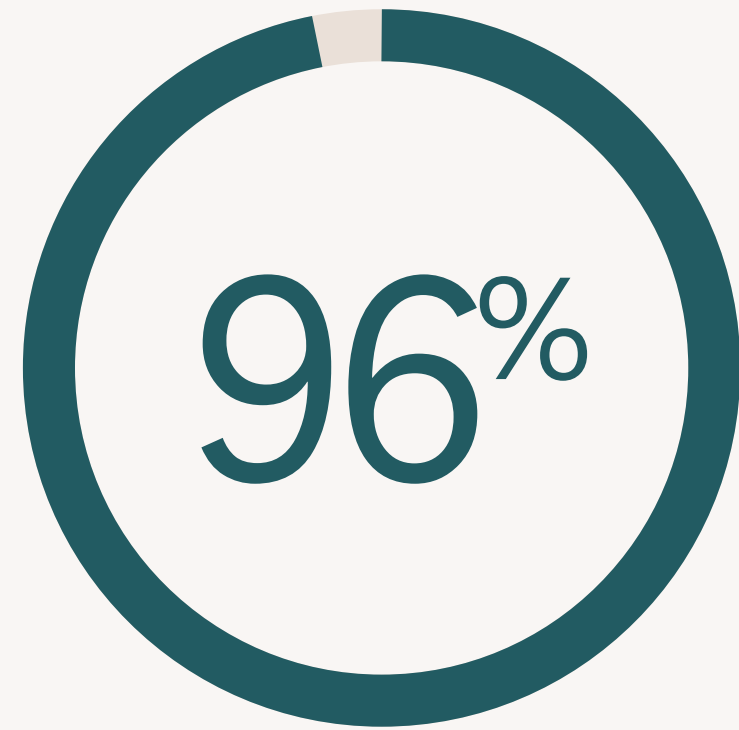
- Review and prioritize the generative AI use cases identified in the planning stage.
- Align use cases with specific business goals, including real-time decision-making and customer engagement.
- Identify the resources necessary to advance the highest-priority projects.
- Define success criteria for proofs of concept (PoCs), including metrics for efficiency, cost savings, and customer impact.

Implementing → Scaling

- Discuss the results of AI PoCs, including key metrics like ROI, efficiency gains, and customer impact.
- Ensure that AI efforts continue to be closely aligned with the broad strategy.
- Identify new growth-oriented use cases for generative AI.

Scaling → Realizing

- Identify areas where generative AI has delivered significant value and improvements are needed.
- Evaluate how generative AI contributes to broader business outcomes, including revenue growth, innovation, and customer satisfaction.
- Identify additional opportunities for generative AI to drive new products, services, or business models.



Companies that use generative AI to innovate and expand their offerings report **significantly higher returns**, with 96% seeing measurable value once they reach the “Realizing” stage.³⁹

2 Technology and data strategy

Exploring → Planning

- Review the current state of your data quality and availability.
- Identify gaps in data that need to be addressed to support generative AI initiatives.
- Consider the need for cloud migration if not already in place.

Planning → Implementing

- Assess readiness for generative AI deployment, focusing on cloud infrastructure and data management.
- Ensure access to the right data, formatted correctly for generative AI modeling.
- Design the PoC for one or more use cases.

Implementing → Scaling

- Develop a roadmap for scaling successful PoCs, including identifying blockers and challenges encountered during implementation.
- Enhance data access and availability.
- Assess whether current cloud and data infrastructure can support scaled AI operations.
- Plan for infrastructure upgrades as needed to ensure performance and security.

Scaling → Realizing

- Optimize cloud resources to support generative AI at scale.
- Assess the feasibility and impact of new AI capabilities as they become available.
- Continually improve data quality standards and data formatting.

3 Generative AI strategy and experience

Exploring → Planning

- Establish diverse, cross-functional teams in your organization with a mix of technical and business expertise centered around the CoE.
- Define the roles and responsibilities of key personnel involved in generative AI projects.
- Identify experience and knowledge gaps and develop a strategy for filling those gaps through recruitment, training, or vendor expertise.

Planning → Implementing

- Establish clear, repeatable processes and workflows for generative AI projects.
- Identify the best AI models for your use cases.

Implementing → Scaling

- Expand the AI team to include additional data scientists, engineers, and subject matter experts.
- Continually refine processes and workflows.

Scaling → Realizing

- Ensure that standardized generative AI processes deliver repeatable and measurable results across departments.
- Look for opportunities to improve efficiency by refining workflows and AI models.
- Set goals for further generative AI development to maintain a competitive edge.

Appointing a Chief AI Officer (CAIO) can signal generative AI's strategic importance. The presence of a CAIO helps coordinate generative AI efforts across the business, ensuring alignment with broader business objectives.

At the most advanced stages of generative AI readiness, AI governance becomes a critical enabler of trust, both internally and externally. Organizations that excel in AI governance not only mitigate risks but also build trust with customers, regulators, and stakeholders. This trust is vital for scaling generative AI solutions and ensuring long-term success.

4 Organization and culture

Exploring → Planning

- Secure executive leadership commitment to generative AI as a critical part of your organization's future.
- Discuss long-term investment and resource allocation for AI.
- Define a vision for AI in your organization based on strategic goals, desired business outcomes, technical capabilities, and available resources.

Planning → Implementing

- Communicate the AI vision throughout your organization to generate awareness and support for generative AI projects.
- Identify skills gaps within your organization.
- Set up generative AI-specific training and upskilling programs to prepare employees for implementation.

Implementing → Scaling

- Communicate nonconfidential results of AI proofs of concept, including key metrics.
- Implement training programs to help employees integrate generative AI into their workflows.

Scaling → Realizing

- Continue to foster a generative AI-driven culture, ensuring all departments understand how generative AI supports business strategy.
- Focus on leadership's role in maintaining momentum and prioritizing generative AI.

5 Generative AI governance

Exploring → Planning

- Develop controls for ensuring transparency, explainability, and interpretability of results.
- Establish security and compliance protocols.
- Establish generative AI system accountability for bias, impacts, safety, and security.

Planning → Implementing

- Develop generative AI governance policies, ensuring data privacy, security, and compliance with industry regulations.
- Create transparency and explainability guidelines for using generative AI in decision-making processes.

Implementing → Scaling

- Review AI governance frameworks and update as necessary to ensure they meet the needs of scaled generative AI operations.
- Establish compliance mechanisms to prevent bias and ensure generative AI deployments remain secure and ethical.

Scaling → Realizing

- Review and refine AI governance policies to manage increasingly complex AI systems.
- Establish clear performance metrics for generative AI projects, focusing on transparency, fairness, and security.