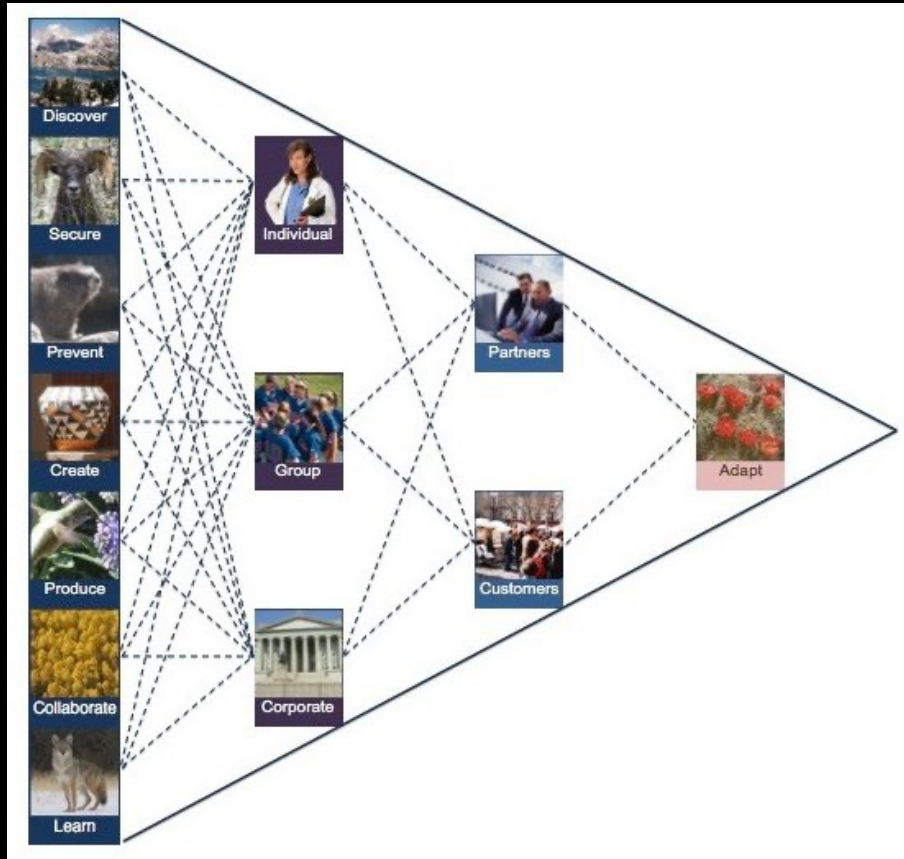


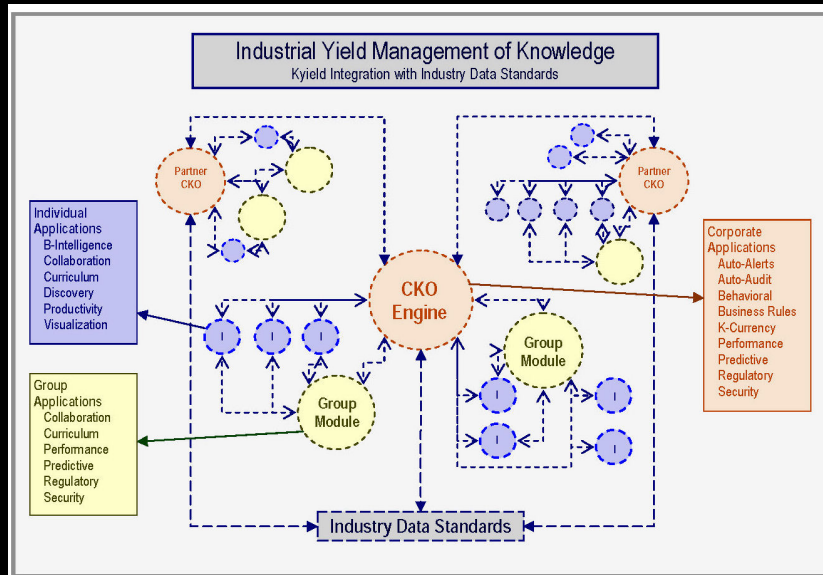
15 EAI Management Principles



Enterprise AI systems

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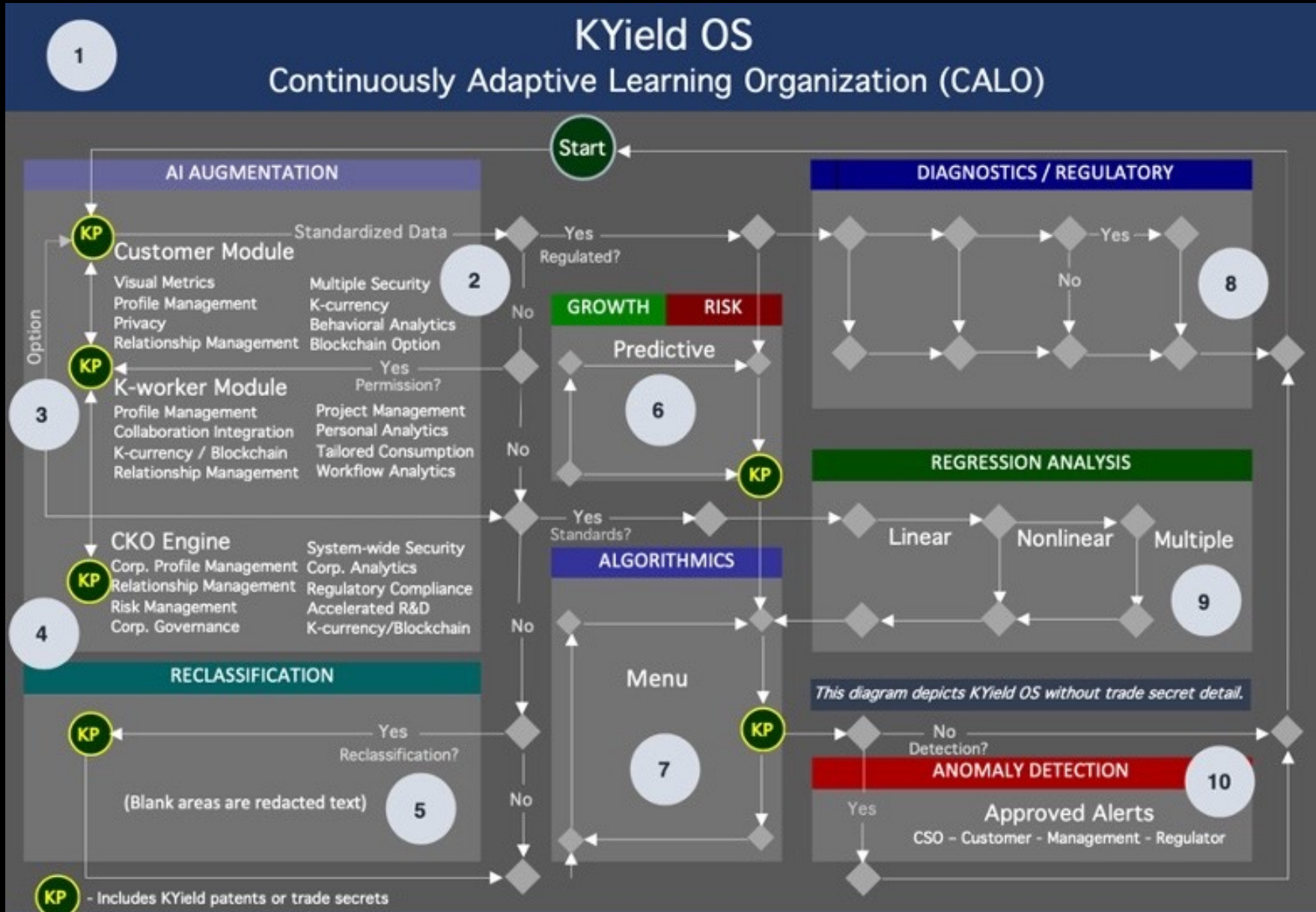
K·Yield v. - Yield Management of Knowledge



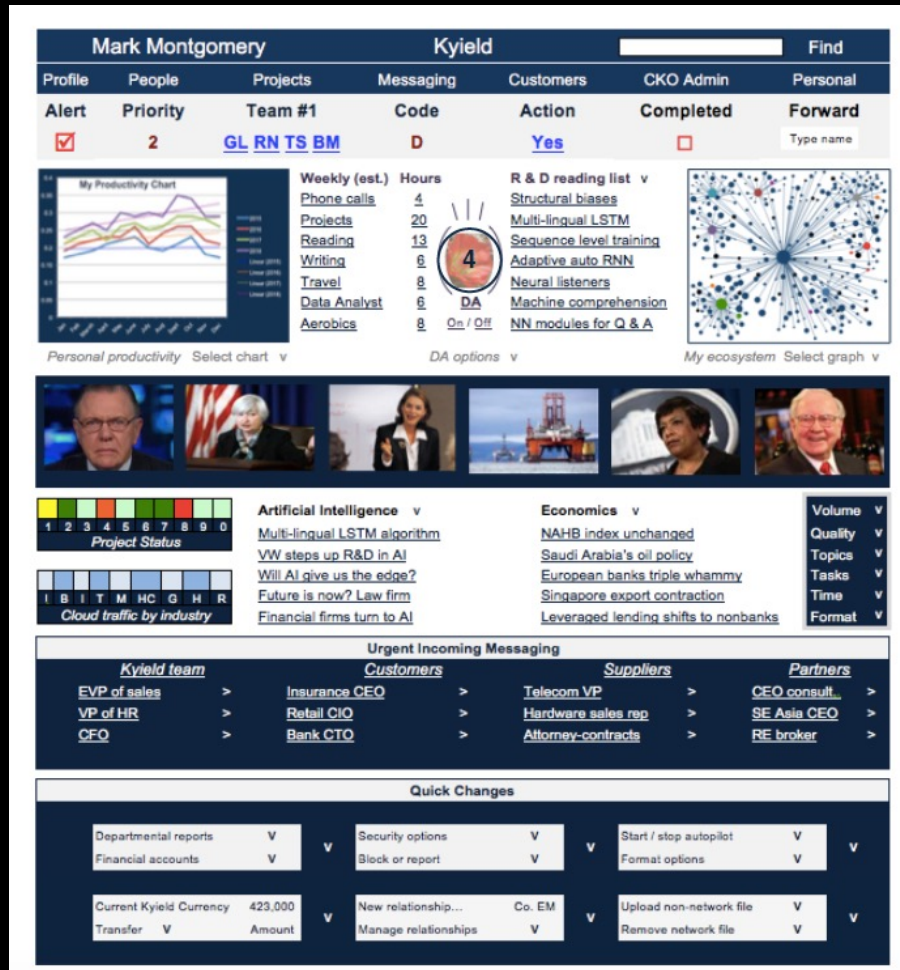
- Customer retains ownership and control of data
- Compatible with most leading vendor products
- A complete unified system in distributed architecture

✓ Governance ✓ Productivity ✓ Security ✓ Privacy ✓ Prevention

Continuously Adaptive Learning Org (CALO)



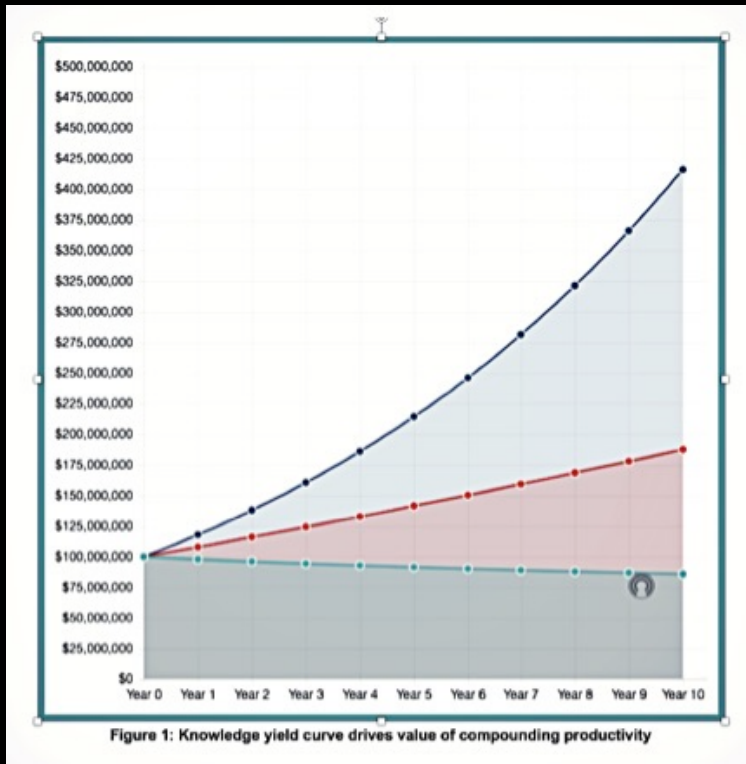
Example: Dashboard for individual module



- Red flag warnings, priority, type, team, action
- Metrics on productivity and progress of projects
- Tailored to each entity including red flag alerts
- Data tuner for quality and quantity
- Integrated communications

Exponential Productivity Improvement

Compounded enterprise knowledge yield curve



- Redline reflects 2% productivity increase
- Bottom turquoise line reflects an 8% decline
- Top blue line reflects a 12% increase in productivity
- A few companies are exceeding the blue line

EAI Management Principles

1-3

Principle 1: *EAI should have governance, ethics, and security built-in from inception.*

Rationale: Governance is the foundation AI systems are built upon.

Implications: Attempting to add-on governance, ethics, and security after the fact is technically difficult, inefficient, and prone to error.

Principle 2: *Design-in systemic data quality management.*

Rationale: AI systems are only as good as the data they train on.

Implications: Garbage-in / garbage-out; quality-in / quality-out.

Principle 3: *Maintain strong security.*

Rationale: EAI includes the most important human workflow in the enterprise, including strategy, planning, and intellectual property.

Implications: Compromised EAI systems can be devastating to the organization.

EAI Management Principles (4-6)

Principle 4: *Embed integrity throughout AI systems.*

Rationale: Enterprise-wide AI systems interacts with the entire organization, providing a foundation for integrity.

Implications: If EAI systems lack integrity, so too will the organization.

Principle 5: *Maintain Objectivity.*

Rationale: AI systems are an invitation for manipulation, fraud, and abuse of power. Unconscious bias is also a problem.

Implications: Unless prevented, abuse of power and bias can cause serious problems.

Principle 6: *Provide privacy, transparency and explainability.*

Rationale: In order to earn and maintain trust, EAI systems should be transparent and explainable in a simple manner.

Implications: If employees, customers, and partners don't trust the system, they are less likely to participate and/or attempt to work around the system.

EAI Management Principles (7-9)

Principle 7: *Empower Individuals.*

Rationale: Organizations of every size and type consist of individuals.

Implications: Organizations that lose sight of the needs of individuals tend to experience low morale, high turn-over, and cultural deterioration.

Principle 8: *Adopt enterprise-wide architecture.*

Rationale: Value sometimes arises where least expected.

Implications: The one individual or sensor left out of EAI may be the one that matters most in hindsight.

Principle 9: *Turbocharge prevention with EAI.*

Rationale: The highest ROI possible is prevention of major crises.

Implications: Failure to prevent crises can lead to a negative spiral, failure, and collapse.

EAI Management Principles (10-12)

Principle 10: *Accelerate discovery and productivity.*

Rationale: Well-designed AI systems have a unique capacity to augment, enhance, and accelerate discovery, research, development, and execution.

Implications: It may not be possible to catch competitors that are more effective in applying EAI for productivity growth and R&D.

Principle 11: *Establish and maintain a competitive advantage.*

Rationale: AI systems learn quickly, innovation is accelerating, and the gap between AI leaders and laggards is rapidly expanding.

Implications: Organizations that fail to maintain competitive AI systems are at high-risk of falling behind, disruption, and displacement.

Principle 12: *Leverage EAI for continuous learning and improved decision making.*

Rationale: Rapid machine learning only becomes an advantage when it improves human behavior.

Implications: Failing to rapidly learn in the AI era risks extinction.

EAI Management Principles (13-15)

Principle 13: *Mitigate risk in development, auditing, and monitoring EAI.*

Rationale: How and who designs and monitors AI systems can determine outcomes.

Implications: A significant percentage of large enterprise crises have been due to internal actors (“don’t try this at home”).

Principle 14: *Incentivize accuracy and improvement with knowledge capital.*

Rationale: Data intelligence allows more accurate financial and psychological rewards with digital currency, which can serve to guide organizational and individual behavior.

Implications: Organizations that fail to recognize and reward top performers tend to lose them to competitors.

Principle 15: *Continuously adapt.*

Rationale: “The species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself.” – Charles Darwin, *The Origin of Species*.

Implications: Organizational cultures that master AI systems for continuous adaptation are most likely to thrive in the future.

Any questions?

