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MANAGEMENT CONSULTANTS

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Implementing Generative AI Across the Organization

A Comprehensive Organizational Change
Management Approach to Aligning
Technology, Operating Models, and the
Organizational to Generative AI

Version Date: November 2023

Enabling Generative AI: A Strategic Organizational Approach

Managing Organizational Change by Bridging Technology, Operating Model, and Organizational Dynamics

Many businesses are either considering leveraging or have already started to leverage Generative AI. Like any complex business strategy, it brings a myriad of implications to the organization that require thoughtful alignment. The integration of Generative AI is not merely a technological shift; it's a transformative journey that reshapes roles, responsibilities, and collaboration dynamics. From redefining the operating model to fostering new ways of interacting, the successful implementation of this strategy hinges on people effectively adopting the change, aligning processes, and navigating potential risks and opportunities.

This document provides a clear roadmap for integrating Generative AI, guiding you through the stages of adoption and the essential considerations at each step. We'll explore how to assess and redefine your operating model, identify organizational implications, and support individuals in embracing this change.

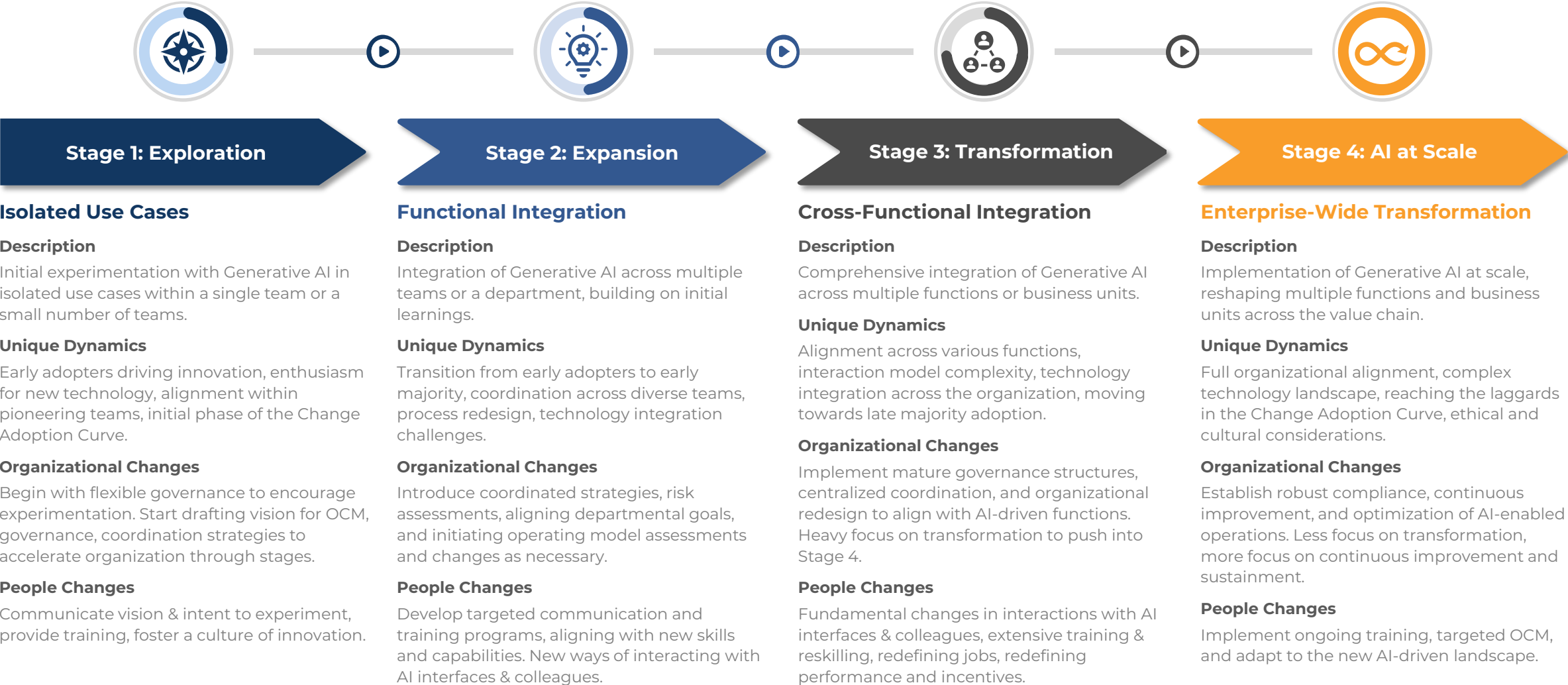
Blue-Mark's approach is grounded in focusing on what really matters, aligning people, processes, and expectations, and implementing complex change tailored to your unique needs. The topics covered in this document are outlined below:

 01 Stages of Integrating Generative AI Exploration of unique dynamics and OCM implications at each stage of the transformation journey	 02 Adapting Your Operating Model for Generative AI The 7 components of an Operating Model and how to assess for alignment with generative AI	 03 Following The Work A mantra to understand the impacts of the transition on your people, focused on roles, processes, interactions, skills, and measurement.	 04 The Change Adoption Curve Deep dive into how different segments of the organization will adopt generative AI	 05 The Individual's Journey Through Change Focus on the person going through the change, their emotions, needs, and how to support them.
 06 Leadership's Role in Change (DECK® Model) Exploration of how leaders can guide their teams through change	 07 Engagement & Communications Strategies Best practices for engaging sponsors & agents and communicating the change.	 08 Risk Management and Mitigation Implementing Project-level, Functional-level, and Enterprise-level Change governance forums to identify and mitigate risks.	 09 Measuring Success and Sustainment Metrics and KPIs to measure success, and strategies for continuous improvement and optimization.	 10 Summary & Conclusion

Stages of Integrating Generative AI: A Complexity Spectrum

Navigating Organizational Change with Deliberate OCM Planning

Integrating Generative AI is a journey that unfolds through four distinct stages, each with its own dynamics and Organizational Change Management needs. From early experimentation with isolated use cases to full-scale enterprise-wide transformation, the journey to enterprise-wide Generative AI requires careful organizational planning and alignment. It is important to **tailor & right-size the solutions & interventions** at each stage to help the organization accelerate through the stages of integration.

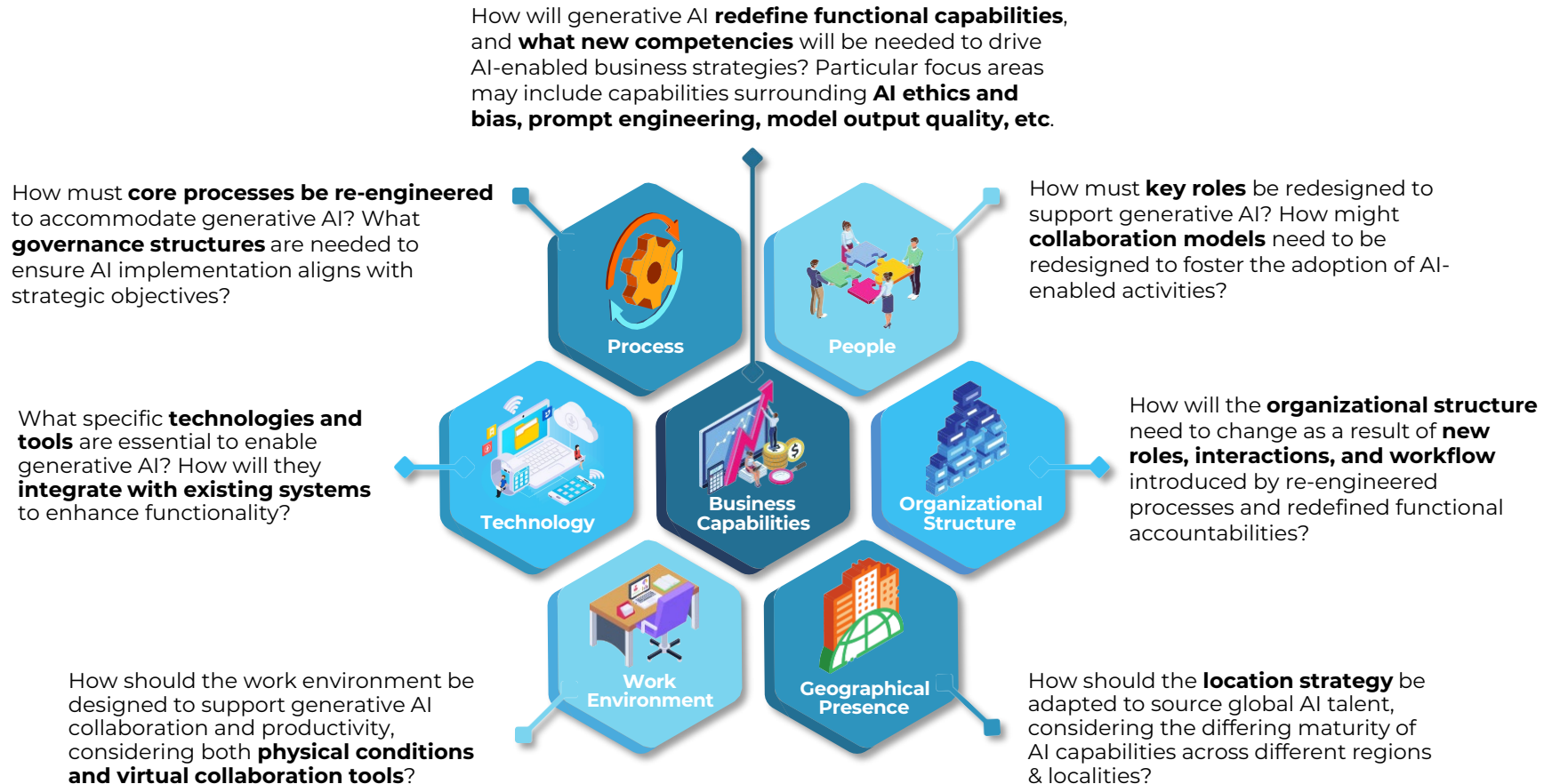


Adapting Your Operating Model

Critical Questions for Aligning Each Operating Model Component to Enable Generative AI Integration

Transitioning to new Generative AI tools is more than a technological shift; it's a **strategic alignment of all 7 components of your operating model**. As you navigate this transition, consider the essential questions below to ensure a tailored approach that resonates with your unique organizational landscape. These questions explore what other operating model components you will want to reassess in response to the introduction of new generative AI tools, focusing on the human interaction with new systems, the adaptation or re-engineering of workflows & processes, and new ways of interacting and collaborating with colleagues.

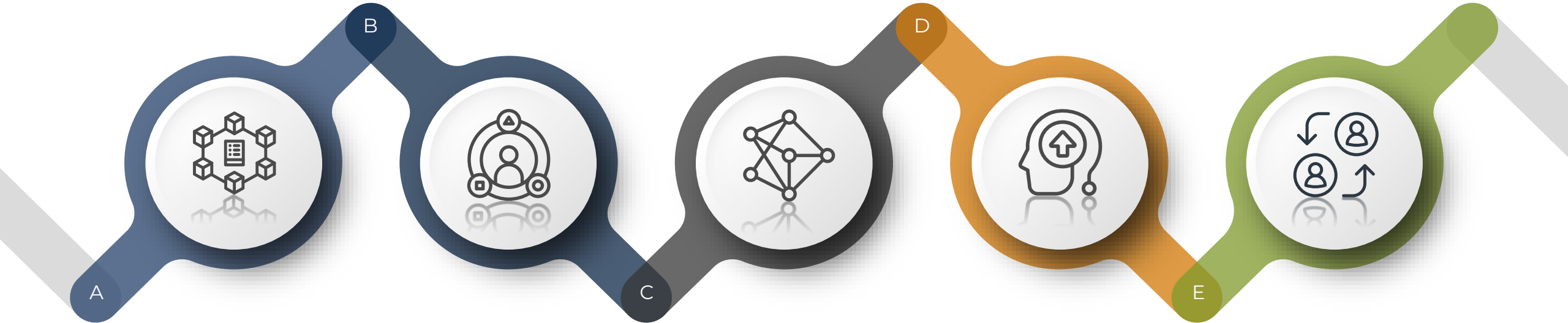
Key Questions Across 7 Operating Model Components



Follow The Work: The Mantra For Transitioning To Generative AI

Identifying People Impacts of Generative AI and Crafting Targeted Solutions

As generative AI is introduced into the organization, it doesn't merely alter existing work processes; it **fundamentally transforms the nature of the work itself**. For example, the work may transition from traditional writing to prompt engineering and editing, requiring the definition of new roles and competencies, new interactions and touchpoints – the change is profound and pervasive. The mantra 'Follow The Work' becomes essential, as it requires a deep and nuanced understanding of exactly how the work is changing at each stage. This approach goes beyond surface-level adjustments, diving into the core transformation of processes, roles, interactions, skills, and measurement.



Processes and Workflow Importance

Adapting to a world where AI-driven automation transforms the very core of business processes.

Key Question(s)

How will processes transform?
What efficiencies can be gained?

Interventions Required

Re-engineering processes, understanding new nature of work, integrating new technologies.

Roles and Responsibilities Importance

Aligning talent with evolving needs in a landscape where traditional roles may become obsolete, or new roles may be created.

Key Question(s)

Who will be doing the work? How will roles change?

Interventions Required

Redefining roles, retraining, realigning responsibilities.

Interactions & Touchpoints Importance

Navigating new forms of collaboration where human and AI interactions replace static systems or other colleagues.

Key Question(s)

How will interactions evolve? What new touchpoints will emerge?

Interventions Required

Redefining interaction models, redesigning communication channels.

Skills & Competencies Importance

Preparing for a dramatic shift in skillsets as the fundamental nature of work changes.

Key Question(s)

What new skills are needed? How will training adapt?

Interventions Required

Developing new training programs, fostering continuous learning.

Measurement & Feedback Importance

Creating new metrics that reflect the profound changes in performance expectations and goals.

Key Question(s)

How will measurement evolve?
How to ensure feedback continues to be captured?

Interventions Required

Implementing new metrics, enhancing feedback loops.

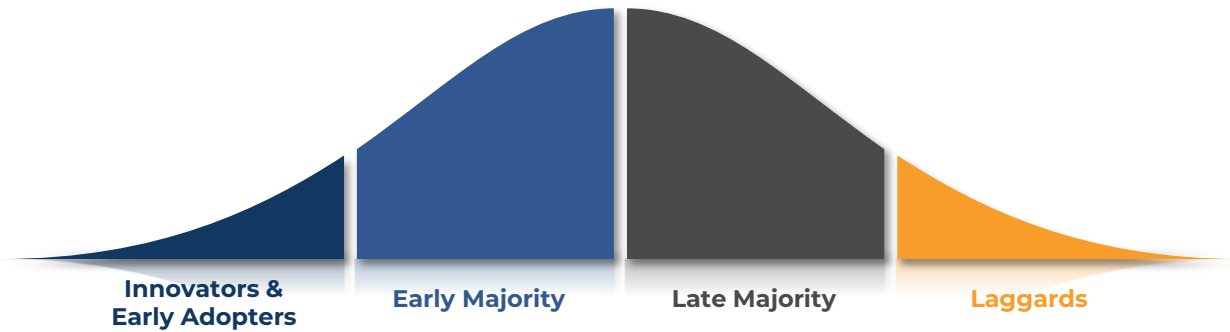
The Change Adoption Curve Applied to Generative AI

Understanding and Engaging Different Segments of the Organization

The integration of Generative AI within an organization is not a uniform process; it follows a pattern observed in the diffusion of innovations. The Change Adoption Curve segments the organization into different adopter categories, each with distinct characteristics, attitudes, and behaviors.

The key is to understand these segments and tailor strategies to target each segment, recognizing that they each play a different role in the overall adoption process.

Below, we provide an overview of each segment, detailing the unique dynamics and outlining the strategic approach tailored to each group.



Innovators & Early Adopters

Description

These are the trailblazers, driven by curiosity and a passion for innovation. They are open to experimentation and often lead initial AI projects.

Unique Dynamics

Highly receptive to new technologies, eager to explore and innovate, but may require guidance to align with broader organizational goals.

Engagement Approach

Encourage innovation, provide resources for experimentation, capture learnings for broader organizational insights, and ensure alignment with overall strategy.

Early Majority

Description

Pragmatic adopters who seek proven solutions. They are willing to embrace Generative AI once initial successes are demonstrated.

Unique Dynamics

More risk-averse than early adopters, they require evidence of success and clear pathways for implementation.

Engagement Approach

Share successes and learnings from early adopters, provide targeted training, facilitate cross-team collaboration, and support alignment with operating model adjustments.

Late Majority

Description

Cautious adopters who may be skeptical of new technologies. They require more evidence and support to integrate Generative AI into their workflows.

Unique Dynamics

Often resistant to change without substantial proof of benefits, they may need more hands-on support and clear alignment with organizational goals.

Engagement Approach

Showcase tangible benefits, offer hands-on support and training, create a supportive environment for gradual adoption, and align with broader organizational changes.

Laggards

Description

The last segment to adopt Generative AI, often resistant to change. They may require significant encouragement and evidence of value, but resources should be allocated thoughtfully.

Unique Dynamics

Highly skeptical of new technologies, they may resist change even when benefits are demonstrated. Recognize that not all may come on board.

Engagement Approach

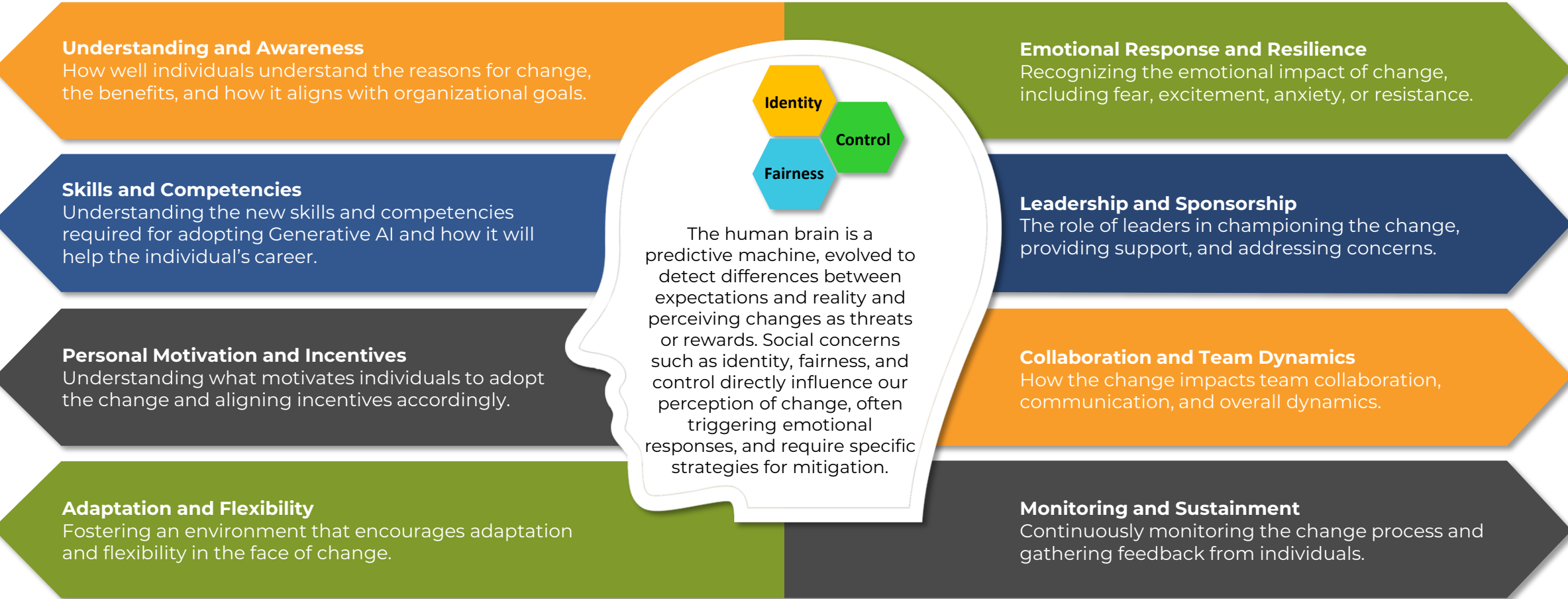
Provide clear communication of expectations and benefits, offer support where feasible, but recognize that continuous efforts may have diminishing returns. Focus on creating an environment that encourages adoption but recognize some may choose not to engage. Be prepared for some to self-select out.

The Individual's Journey Through Change

Understanding the Individual's Needs Throughout the Change Journey

Transitioning to Generative AI is more than a technological shift; it's a deeply personal journey that varies for each individual within an organization. This transition involves understanding the change, developing new skills, managing emotions, aligning with the new organizational culture, engaging with leadership, collaborating with teams, finding personal motivation, adapting to new circumstances, and providing continuous feedback.

In this section, we'll explore these key considerations individuals require through the complexities of Generative AI integration. By recognizing the unique dynamics of each person and aligning efforts with organizational goals, a more thorough & tailored OCM strategy can be developed and implemented.



Leadership's Role in Change (DECK® Model)

Applying the DECK Model to Effectively Lead Through the Transition to Generative AI

Leadership plays a pivotal role in the successful integration of Generative AI within an organization. It's not just about directing the change; it's about engaging with individuals, demonstrating commitment, and fostering knowledge.

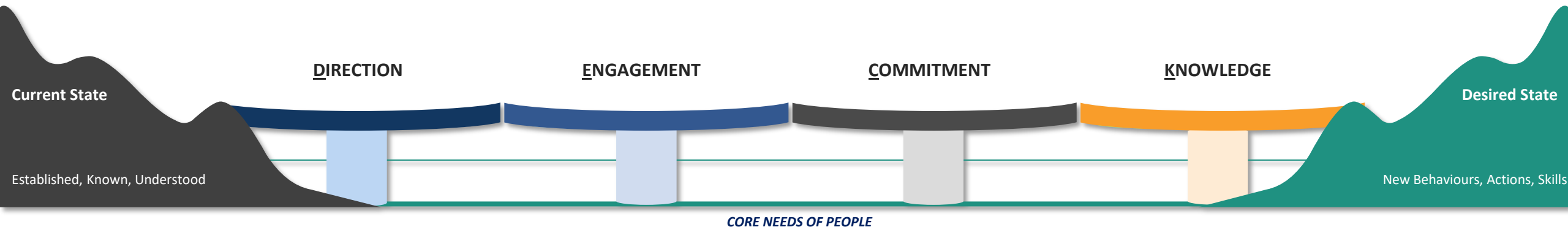
Below, we explore each element of the DECK model in detail, highlighting the specific actions and strategies that leaders can employ to guide their teams through the complexities of Generative AI integration. By embracing this comprehensive approach, leaders can create an environment that fosters alignment, engagement, and successful adoption of new technologies and processes.

DIRECTION

- Confidently communicate the 'change story': what needs to change, why, how it aligns with business priorities and expected benefits
- Ensure events, processes and expectations are consistently communicated through multiple mediums (i.e. email, townhall, 1:1)

COMMITMENT

- Demonstrate visible and consistent support for the change (publicly and privately)
- Orchestrate and deliver on short-term wins to demonstrate success



- Understand and appreciate what impacted individuals are being asked to change
- Ensure that input and feedback from key influencers & subject matter experts are provided into solutions & change planning
- Ensure change communications are clear, honest and customized

ENGAGEMENT

- Ensure training and documentation is provided to share and build new accountabilities, activities, and skills (job aides, process flows, job descriptions, technical training)
- Put in place feedback and measure to monitor how well people are reacting to change and put in place actions to address gaps

KNOWLEDGE

Engagement & Communications Strategy

Aligning Sponsors, Agents, and Targets for Effective Change Management

Implementing generative AI within an organization requires a strategic approach to engagement and communications. This strategy must align sponsors, agents, and targets to ensure that the change is understood, resistance is mitigated, and those affected are ready to adopt the new technology.



Sponsor Engagement Strategy

Objective

Ensure active and visible sponsorship, aligning leaders with the change vision.

Key Actions

Identify sponsors, create unified messaging, gain agreement on roles, develop engagement strategy.

Considerations

Alignment on vision, building coalitions, engaging sponsors throughout the project lifecycle.

Agent Engagement Strategy

Objective

Identify and engage key agent groups early in the process to ensure alignment, collaboration, and support for the change initiative, leveraging their unique roles and expertise to drive success.

Key Actions

Identify agent groups, set strategic goals, engage early, secure support from leaders.

Considerations

Competing change initiatives, engagement dynamics, managing agents as targets.

Communications Strategy

Objective

Engage targets with the right message at the right time, ensuring awareness & adoption.

Key Actions

Assess impact, create change stories, align messaging, plan communications timeline.

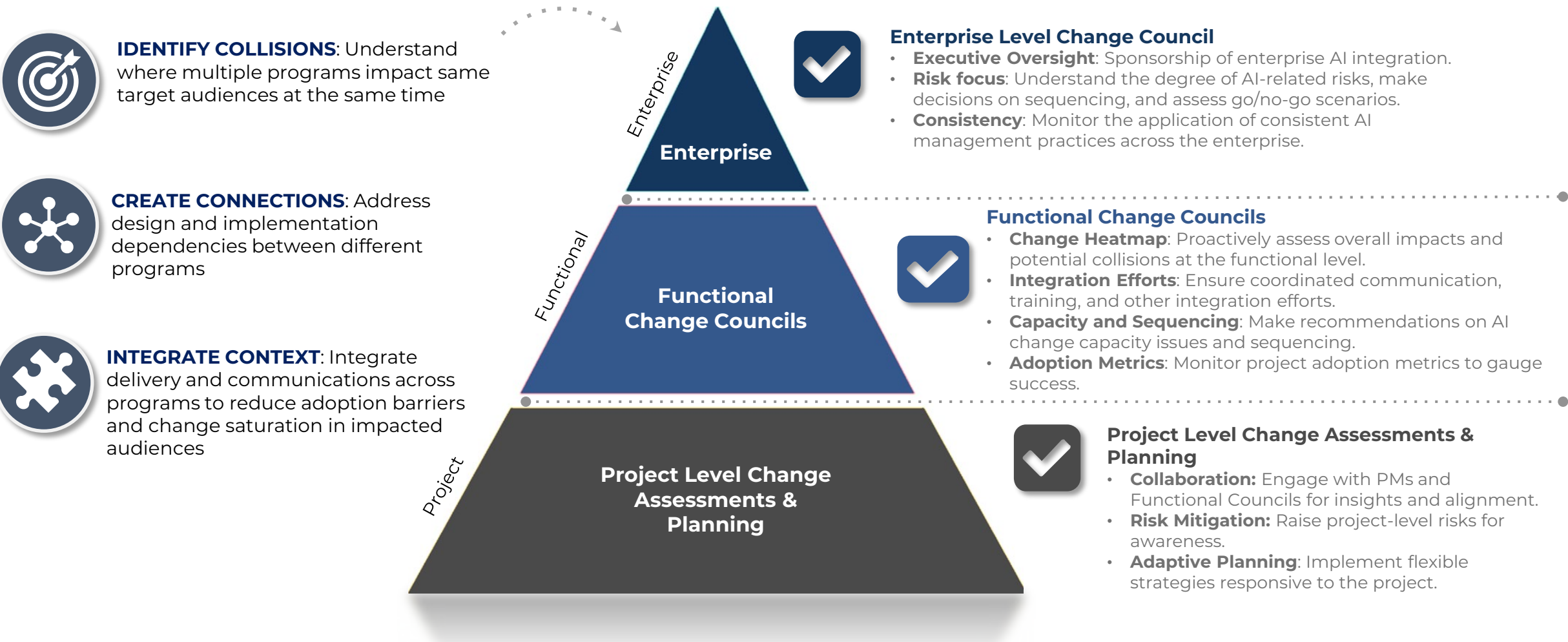
Considerations

Leader alignment, simultaneous change initiatives, diverse engagement vehicles, authorship and approval of communications.

Governance Structure for AI Integration: Managing Risks and Aligning Efforts

Implementing Project-level, Functional-level, and Enterprise-level Change Governance Forums

As generative AI projects transform the organization, effective governance becomes essential to manage risks, align efforts, and ensure successful integration. The governance structure must be agile and responsive, identifying collisions, creating connections, and integrating context across different levels of the organization. Here's how governance forums at various levels can be leveraged to navigate the complexities of AI integration:



Measuring Success and Sustainment

Utilizing Leading and Lagging Indicators to Monitor Adoption and Ensure Long-term Success

Adoption focuses on achieving business goals, while sustainment ensures the continued realization of these goals. Measuring and monitoring adoption, along with reinforcing change to sustain post-implementation, are vital to understanding the success of an initiative. This involves defining clear metrics, understanding the differentiation between adoption and sustainment, and employing both leading and lagging indicators to predict and measure success.

- **Understanding Needs:** Engaging with users to address concerns.
- **Training and Support:** Offering comprehensive training and ongoing assistance.
- **Communication:** Sharing benefits and success stories.
- **Monitoring and Celebrating Success:** Using leading indicators to track progress and recognize achievements.

Adoption

vs.

Sustainment

- **Long-term Support:** Providing ongoing resources and support.
- **Continuous Improvement:** Regularly updating processes and technology.
- **Integration with Goals:** Aligning AI use with organizational strategies.
- **Monitoring and Addressing Resistance:** Using lagging indicators to track long-term success and continuously engaging with any resisters.

Leading Indicators

- **Utilization Rates:** How often is the new AI technology being used by the intended users? High utilization might predict successful adoption.
- **Training Completion Rates:** Are employees completing the necessary training for the new technology? This could predict future proficiency and acceptance.
- **Employee Engagement with Change Initiatives:** Are employees actively participating in forums, discussions, or feedback sessions related to the change? This could indicate a positive attitude towards the upcoming changes.
- **Quality of Input Data:** In AI projects, the quality of the data being fed into the system can be a leading indicator of future success.

Leading Indicators

Leading indicators are predictive measures that provide information about future performance. They are often seen as early warning signs that can help organizations take proactive measures.

Lagging Indicators

- **Increased Productivity:** Has the introduction of AI led to an increase in output or efficiency in the targeted areas?
- **Return on Investment (ROI):** What is the financial return on the investment made in the AI technology?
- **Employee Satisfaction:** After full implementation, how satisfied are employees with the new processes and tools?
- **Customer Satisfaction:** If applicable, has there been an improvement in customer satisfaction due to enhanced services enabled by AI?
- **Achievement of Strategic Goals:** Has the organization met the strategic goals that were set at the beginning of the AI implementation?

Lagging Indicators

Lagging indicators are measures that reflect the success or failure after the fact. They provide confirmation of a pattern that leading indicators predicted.

Concluding Insights: A Strategic Path to Generative AI Integration

Aligning Technology, Operating Model, and Organizational Dynamics

The journey to implementing generative AI within an organization is complex but achievable. By following a strategic and comprehensive approach, organizations can align technology, operating models, and organizational dynamics to realize the full potential of AI.

- 1. Stages of Implementation**
Understanding and navigating the four stages of AI integration, from exploration to full-scale deployment.
- 2. Adapting Your Operating Model**
Aligning the 7 components of your operating model with the evolving technological landscape
- 3. Follow The Work**
Diving deep into the transformation of work and identifying necessary interventions.
- 4. The Change Adoption Curve**
Recognizing the unique dynamics of different segments and tailoring strategies accordingly.
- 5. The Individual's Journey**
Addressing social concerns and the psychological aspects of change.



- 6. Leadership's Role**
Utilizing the DECK® model to guide and support change.
- 7. Engagement & Communications Strategies**
Crafting targeted strategies for sponsors, agents, and communications.
- 8. Risk Management and Mitigation**
Implementing a three-tiered governance structure to manage risks.
- 9. Measuring Success and Sustainment**
Employing leading and lagging indicators to gauge success and ensure long-term sustainment.

The integration of generative AI is not just a technological shift but a transformation that affects every facet of an organization. By focusing on what really matters, aligning people, processes, and expectations, and implementing complex change, organizations can harness the power of AI to drive innovation and growth. Blue-Mark's tailored approach ensures that each client's unique needs are met, providing a roadmap to success in the fast-paced, evolving landscape of AI.

Meet the Authors

Blue-Mark's Leading Experts in Organizational Change Management for Generative AI

The insights and strategies presented in this guide are the result of collaborative efforts by a team of experienced professionals at Blue-Mark. With a shared commitment to aligning technology, operating models, and organizational dynamics, our authors bring industry-leading expertise in organizational effectiveness. Their collective wisdom has shaped this comprehensive roadmap for implementing generative AI, ensuring that organizations can focus on what really matters, align expectations, and successfully navigate complex change.



Eugene Choi, Managing Partner

With extensive experience in strategic planning and organizational design, Eugene applies integrative systems thinking to proactively plan and implement complex organizational change. His skillset is well-suited to support organizations in integrating Generative AI tools, bridging the gap between technological innovation and organizational effectiveness in alignment with strategic business goals.

Eugene's experience supporting complex business agendas spans multiple industries, including Consumer Packaged Goods, Insurance, Market Intelligence and Analytics, Financial Services, Construction, Non-Profits, and more.

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Alison is a highly experienced management consulting professional with over 12 years of experience specializing in strategy, business and operating model design and large scale strategic and operational transformation.

With her passion for exploring and assessing different perspectives and solutions and ability to simplify complexity, Alison has been a trusted advisor to business leaders. Over the years, she has worked for clients across multiple industries including government, health care, banking, wealth management and mining.

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