

FOCUS » ALIGN » IMPLEMENT

Implementing Generative Al Across the Organization

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

Version Date: November 2023

Enabling Generative Al: A Strategic Organizational Approach





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 Al

Exploration of unique dynamics and OCM implications at each stage of the transformation journey



02

Adapting Your Operating Model for Generative Al

The 7 components of an Operating Model and how to assess for alignment with generative Al



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 differen segments of the organization will adopt generative Al



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 Al: 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.



Stage 1: Exploration

Isolated Use Cases

Description

Initial experimentation with Generative AI in isolated use cases within a single team or a small number of teams.

Unique Dynamics

Early adopters driving innovation, enthusiasm for new technology, alignment within pioneering teams, initial phase of the Change Adoption Curve.

Organizational Changes

Begin with flexible governance to encourage experimentation. Start drafting vision for OCM, governance, coordination strategies to accelerate organization through stages.

People Changes

Communicate vision & intent to experiment, provide training, foster a culture of innovation.

Stage 2: Expansion

Functional Integration

Description

Integration of Generative AI across multiple teams or a department, building on initial learnings.

Unique Dynamics

Transition from early adopters to early majority, coordination across diverse teams, process redesign, technology integration challenges.

Organizational Changes

Introduce coordinated strategies, risk assessments, aligning departmental goals, and initiating operating model assessments and changes as necessary.

People Changes

Develop targeted communication and training programs, aligning with new skills and capabilities. New ways of interacting with AI interfaces & colleagues.

Stage 3: Transformation

Cross-Functional Integration

Description

Comprehensive integration of Generative Al across multiple functions or business units.

Unique Dynamics

Alignment across various functions, interaction model complexity, technology integration across the organization, moving towards late majority adoption.

Organizational Changes

Implement mature governance structures, centralized coordination, and organizational redesign to align with Al-driven functions. Heavy focus on transformation to push into Stage 4.

People Changes

Fundamental changes in interactions with Al interfaces & colleagues, extensive training & reskilling, redefining jobs, redefining performance and incentives.

Stage 4: Al at Scale

Enterprise-Wide Transformation

Description

Implementation of Generative AI at scale, reshaping multiple functions and business units across the value chain.

Unique Dynamics

Full organizational alignment, complex technology landscape, reaching the laggards in the Change Adoption Curve, ethical and cultural considerations.

Organizational Changes

Establish robust compliance, continuous improvement, and optimization of Al-enabled operations. Less focus on transformation, more focus on continuous improvement and sustainment.

People Changes

Implement ongoing training, targeted OCM, and adapt to the new Al-driven landscape.

Adapting Your Operating Model

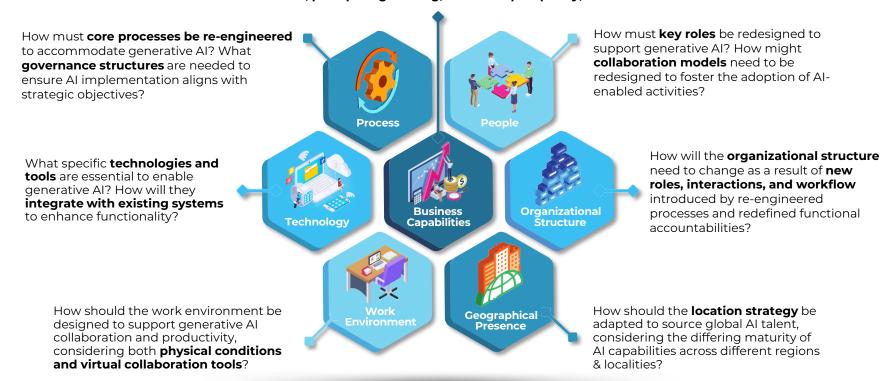


Critical Questions for Aligning Each Operating Model Component to Enable Generative AI Integration

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

How will generative AI **redefine functional capabilities**, and **what new competencies** will be needed to drive AI-enabled business strategies? Particular focus areas may include capabilities surrounding **AI ethics and bias, prompt engineering, model output quality, etc**.

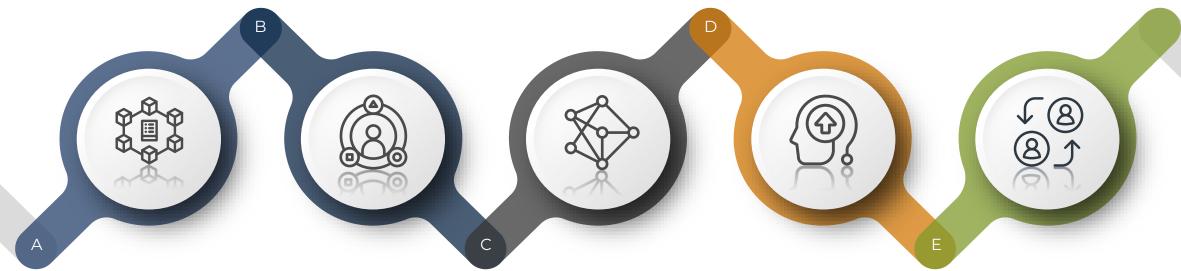


Follow The Work: The Mantra For Transitioning To Generative AI

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 Aldriven 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 Al 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 Al

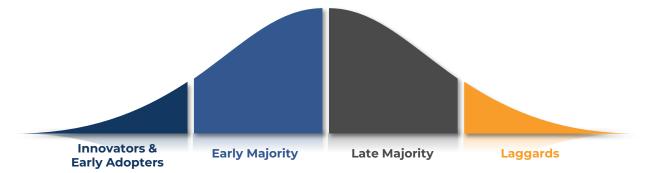
Understanding and Engaging Different Segments of the Organization



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 Al 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 handson 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.

Reference Note: This slide leverages core models and ideas from the Diffusion of Innovations theory by Everett M. Rogers

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.

Understanding and Awareness

How well individuals understand the reasons for change, the benefits, and how it aligns with organizational goals.

Skills and Competencies

Understanding the new skills and competencies required for adopting Generative AI and how it will help the individual's career.

Personal Motivation and Incentives

Understanding what motivates individuals to adopt the change and aligning incentives accordingly.

Adaptation and Flexibility

Fostering an environment that encourages adaptation and flexibility in the face of change.



The human brain is a predictive machine, evolved to detect differences between expectations and reality and perceiving changes as threats or rewards. Social concerns such as identity, fairness, and control directly influence our perception of change, often triggering emotional responses, and require specific strategies for mitigation.

Emotional Response and Resilience

Recognizing the emotional impact of change, including fear, excitement, anxiety, or resistance.

Leadership and Sponsorship

The role of leaders in championing the change, providing support, and addressing concerns.

Collaboration and Team Dynamics

How the change impacts team collaboration, communication, and overall dynamics.

Monitoring and Sustainment

Continuously monitoring the change process and gathering feedback from individuals.

Leadership's Role in Change (DECK[®] Model)





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.

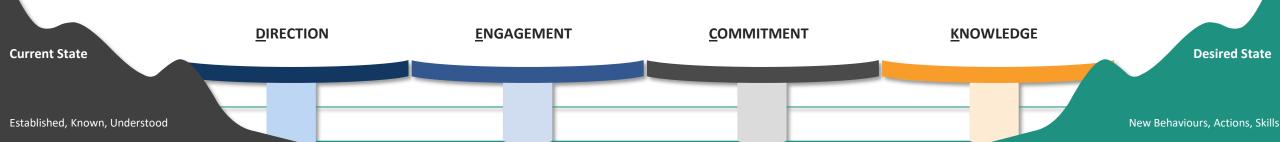
Below, we explore each element of the DECK model in detail, highlighting the specific actions and strategies that leaders can employ to guide their teams through the complexities of Generative AI integration. By embracing this comprehensive approach, leaders can create an environment that fosters alignment,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



CORE NEEDS OF PEOPLE

- 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

- 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

ENGAGEMENT

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 Al Integration: Managing Risks and Aligning Efforts

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

Functional



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:



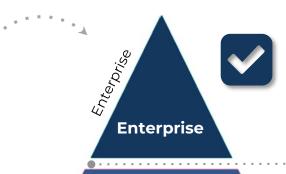
IDENTIFY COLLISIONS: Understand where multiple programs impact same target audiences at the same time



CREATE CONNECTIONS: Address design and implementation dependencies between different programs



INTEGRATE CONTEXT: Integrate delivery and communications across programs to reduce adoption barriers and change saturation in impacted audiences



Enterprise Level Change Council

- Executive Oversight: Sponsorship of enterprise Al integration.
- **Risk focus**: Understand the degree of Al-related risks, make decisions on sequencing, and assess go/no-go scenarios.
- **Consistency**: Monitor the application of consistent Al management practices across the enterprise.



Functional Change Councils

- Change Heatmap: Proactively assess overall impacts and potential collisions at the functional level.
- **Integration Efforts**: Ensure coordinated communication, training, and other integration efforts.
- Capacity and Sequencing: Make recommendations on Al change capacity issues and sequencing.
- **Adoption Metrics**: Monitor project adoption metrics to gauge success.

Project Level Change Assessments & Planning



Project Level Change Assessments & Planning

- Collaboration: Engage with PMs and Functional Councils for insights and alignment.
- Risk Mitigation: Raise project-level risks for awareness.
- Adaptive Planning: Implement flexible strategies responsive to the project.

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 Al 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 Al 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 Al 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

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

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 Al
 implementation?

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 Al 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 Al



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 Al, 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.



Chris Ryan, Managing Partner

As a Managing Partner at Blue-Mark, Chris is a skilled facilitator and communicator who uses a diverse background and 20+ years of organization effectiveness experience to work with our clients to deliver innovative, customized solutions to challenging organization effectiveness problems.

Chris has experience spanning across multiple industries, including Financial Services, Insurance, Automotive, Manufacturing, and Integrated Circuits.

Email: cryan@blue-mark.ca



Alison Szetho, Principal

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.

Email: aszetho@blue-mark.ca

Email: echoi@blue-mark.ca