

Enterprise GenAI Management (EGAIM)

How to extract maximum business value from GenAI



Crafting a winning GenAI strategy

Global macroeconomic changes and digital disruption are generating significant challenges for CEOs when defining business strategies.

Increasing market uncertainty, shorter trend cycles and the rapid spread of innovation are forcing companies to define and implement more adaptive, dynamic and flexible strategies in shorter timeframes.

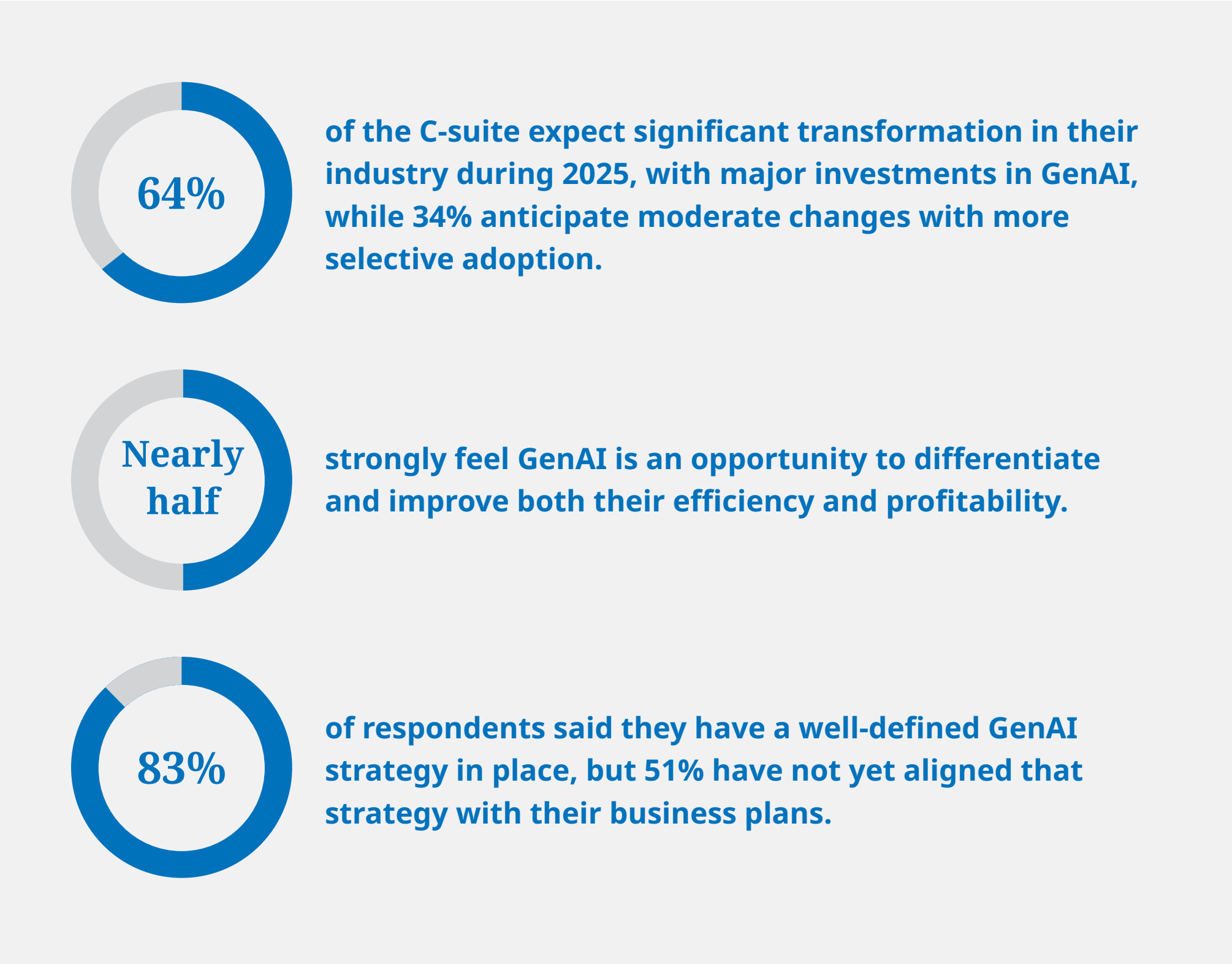
GenAI is at the forefront of transformative technologies, reshaping how companies operate, compete and innovate. Yet, while 83% of organizations report having a generative AI (GenAI) strategy in place, 51% have yet to align it with their business plans.*

It is essential to avoid a siloed approach to GenAI. Instead, GenAI it must be treated as a core element of the organization’s overall business strategy. Any misalignment could negatively impact ROI and business outcomes.

*Source: NTT DATA Global GenAI Report

Adopting GenAI as an organizational enabler is a process that takes time. It starts with defining a baseline, determining the desired aspirational state and establishing a plan to maximize value.

The approach an enterprise takes to become an insight-driven organization — and the time it takes to get there — will vary depending on their business, organizational, operational and technological readiness.

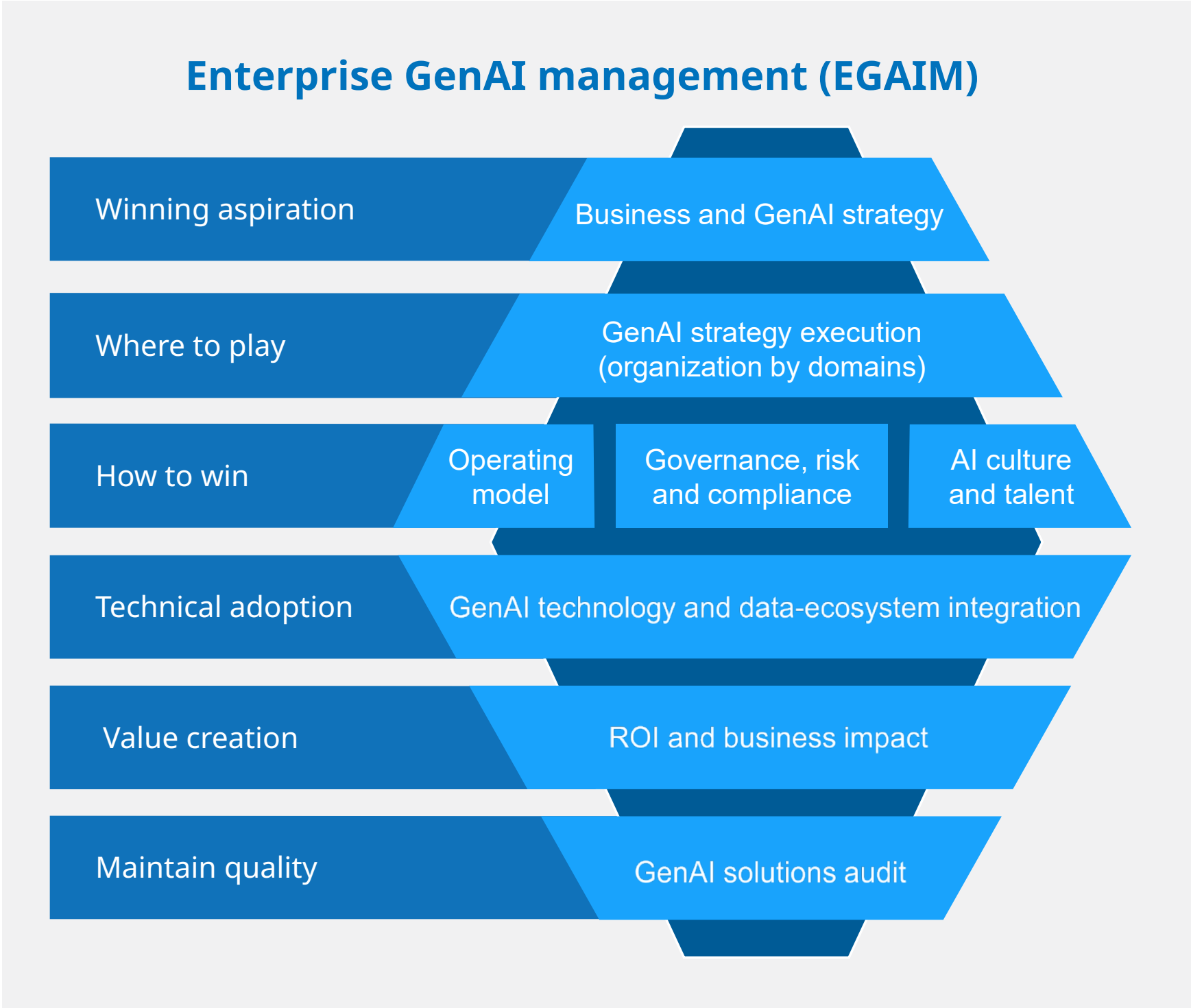




NTT DATA's approach to enterprise GenAI management

NTT DATA supports organizations in becoming GenAI-driven through enterprise-wide initiatives which capture all the potential value that could be extracted from GenAI.

Our Enterprise GenAI Management (EGAIM) Program focuses on defining a GenAI strategy that's embedded in the organization's business strategy, enabling enterprises to realize the best return on investment and enhance their market competitiveness.



NTT DATA's Enterprise GenAI Management Program

Organizations must define a GenAI strategy that aligns with their overall strategic direction. Considering the financial implications of adopting GenAI and the impact this will have on cash flow impact is essential to ensuring the organization is moving forward effectively.

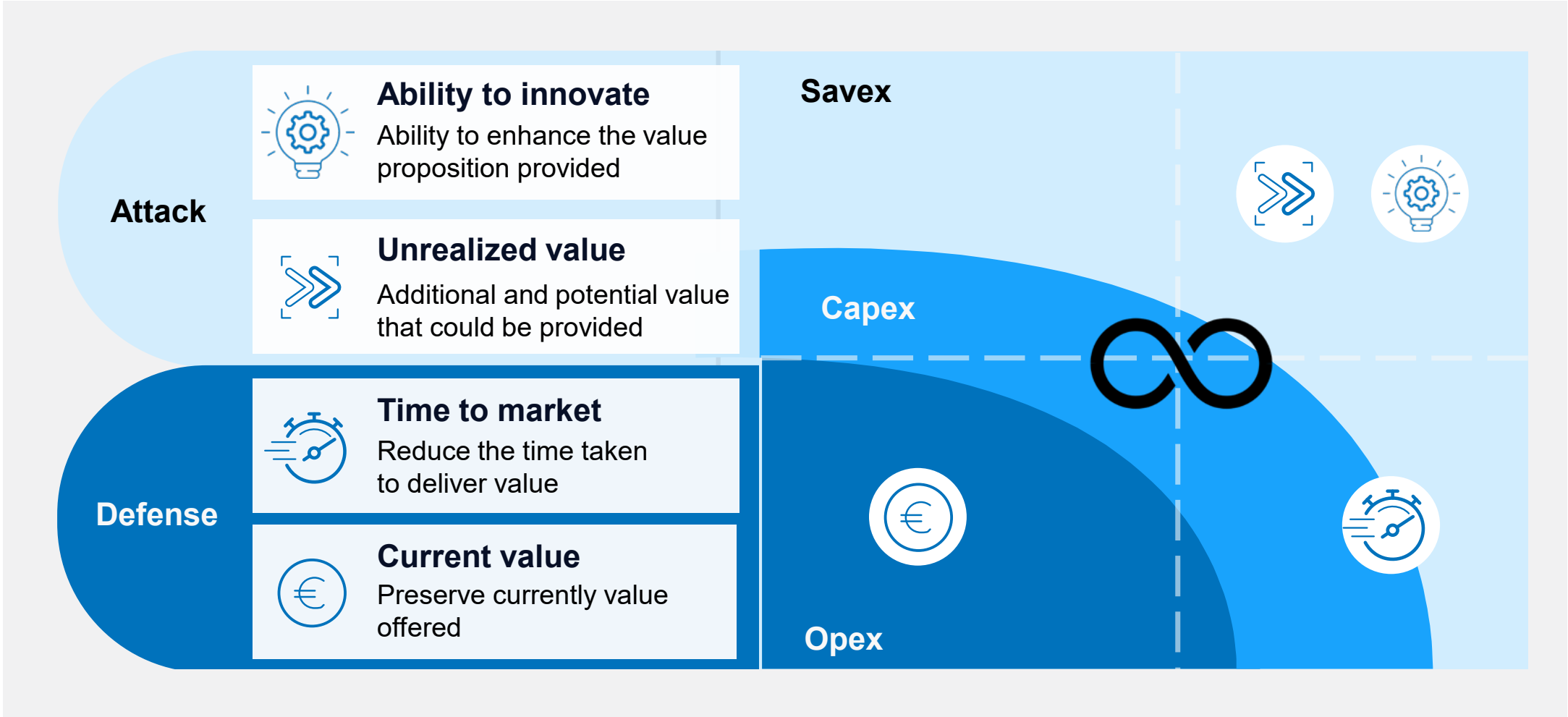
The savings for expansion (SAFE) loop is a useful framework for aligning the organization's GenAI adoption with their overall transformation strategy and goals.

Savings: Identify and realize cost savings through GenAI technologies, for example, by automating repetitive tasks, optimizing processes and reducing operational inefficiencies.

Alignment: Align GenAI initiatives with the organization's strategic goals to maximize the impact of GenAI on overall performance.

Financial viability: Evaluate the financial implications of GenAI adoption. This includes assessing the initial investment, ongoing costs, and the expected ROI.

Expansion: Use the savings generated from GenAI initiatives to fund further expansion and innovation, for example, by reinvesting in other GenAI projects, expanding into new markets, or developing new products and services.



GenAI strategy execution

GenAI strategy execution is more successful when focused on domains that encompass transforming entire significant pieces of the business.

While a centralized governance model focuses on the deployment and adoption of a new technology throughout the organization, a domain model is focused on finding the most appropriate technology solution for each business challenge.

The purpose of domains is to federate strategy execution and the transformation of the company, guided by GenAI. They aim to increase the empowerment and accountability of domain teams while preparing the entire organization to incorporate and extract value from any new technology that enters the market. Domains also ensure a stable organization by being designed to continuously integrate technology, recognizing that market innovation is an ongoing process.

GenAI strategy execution approaches

Centralized	Distributed	By domain
<ul style="list-style-type: none"> • Consistent standards and methodologies • Resources and technologies are easier to manage • Centralized expertise and knowledge base 	<p>Benefits</p> <ul style="list-style-type: none"> • Faster response to specific business unit needs • Greater flexibility and autonomy for each business unit • Closer alignment with individual business goals 	<ul style="list-style-type: none"> • Balances control with tailored flexibility • Efficient resource allocation based on strategic priorities • Consistent standards with localized implementation
<ul style="list-style-type: none"> • Potential bottlenecks in decision-making • Slower response to specific business unit needs • Risk of misalignment with individual business unit priorities 	<p>Drawbacks</p> <ul style="list-style-type: none"> • Lack of central guidelines and standards • Potential for redundant efforts and resources • Inconsistent quality; integration challenges 	<ul style="list-style-type: none"> • Potential complexity in coordination • Possible conflicts between centralized and localized priorities • Need for robust communication and management processes

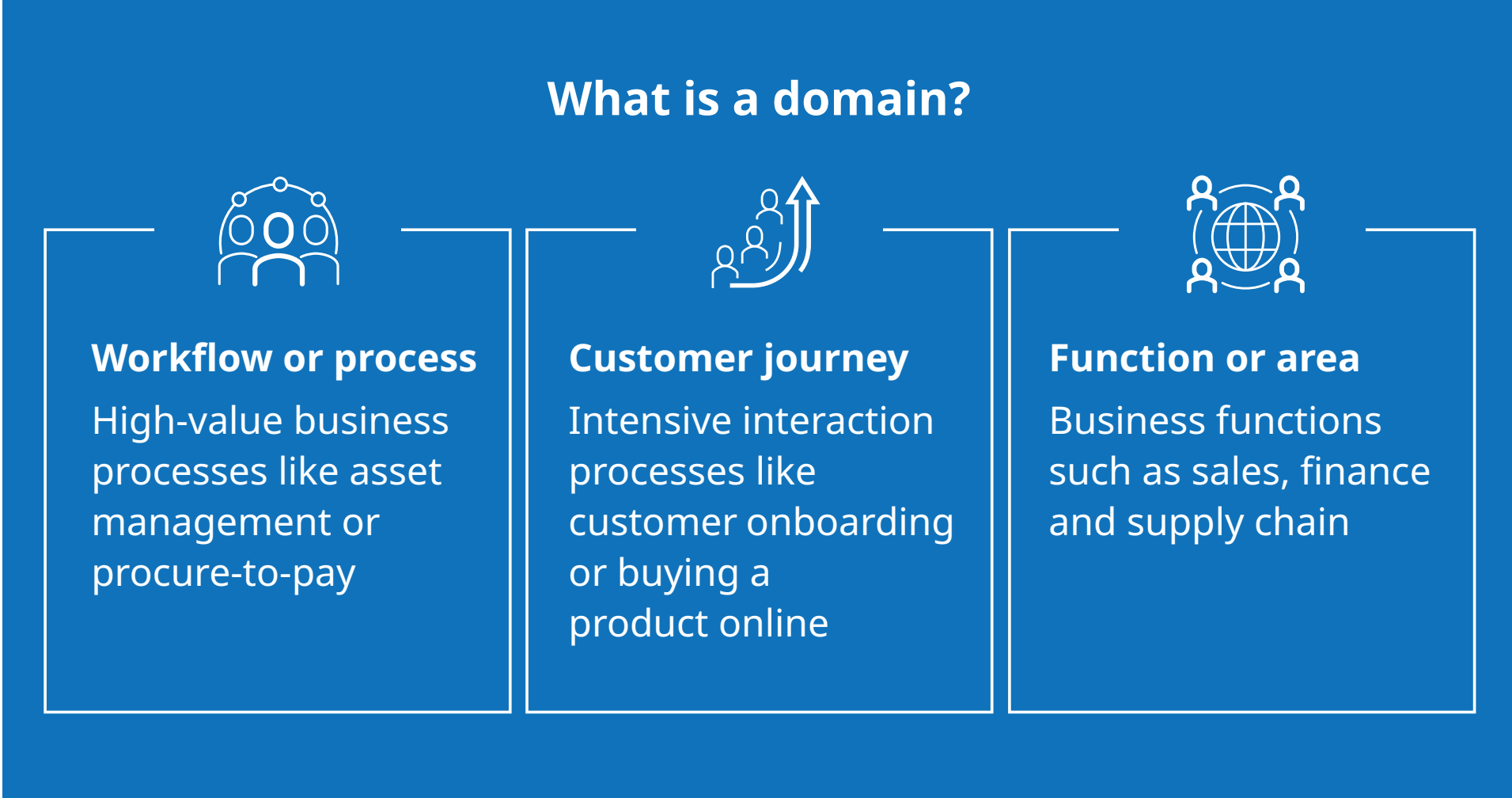
GenAI strategy execution

The goal of domain-based strategy execution is to build a competitive advantage by continuously deploying technology like GenAI at a scale. Once all domains are defined, they have to be prioritized according to value-add and implementation feasibility.

Key recommendations for ensuring the chosen domains drive meaningful transformation, align with business goals and provide a strong return on investment:

- 1. Choose domains with impact:**
The selected domains should be large enough to have a noticeable impact on the organization and its overall strategy.
- 2. Define the right number of domains:**
Aim for 10 to 15 domains per business unit to strike the right balance between focus and coverage.
- 3. Prioritize initial transformation efforts:**
Choose 2 to 5 domains as a starting point so you can focus transformation efforts effectively and drive early results.

- 4. Align with financial goals:**
The digital roadmap for these domains should aim to deliver a tangible financial impact, targeting at least a 20% increase in EBITDA.
- 5. Measure your ROI:**
Investments in these domains should generate significant returns, with a payback of at least 5 times the initial investment.

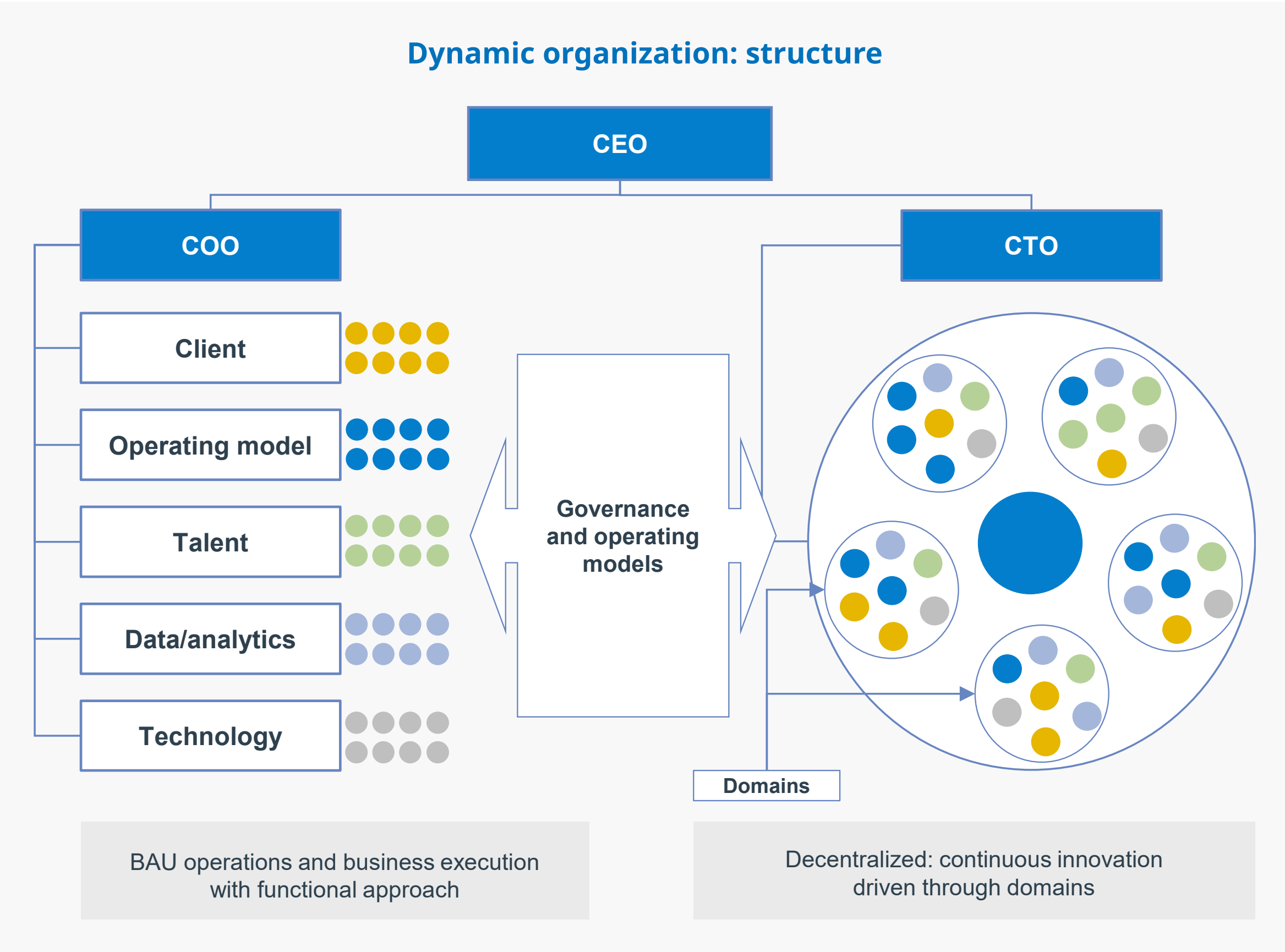


Operating model

GenAI transformation by domains involves innovating and transforming the business while simultaneously managing day-to-day operations. This requires creating a dynamic organization.

Key recommendations for building a dynamic organization:

- Establish a governance and operating model that effectively bridges the gap between two key areas: business as usual (BAU) and transformation efforts.
- Ensure the CTO plays a pivotal role by focusing on the organization and process management within the dynamic-organization framework.
- Regularly review and adapt structures and roles, employing Lean people-management principles to ensure agility and adaptability.
- Integrate this new method of working into the organization's strategic planning processes, ensuring alignment with the organization's long-term goals and strategy.



Governance, risk and compliance

To properly adopt GenAI solutions, it is essential to implement agile governance to ensure compliance with environmental, social and governance (ESG) policies and standards.

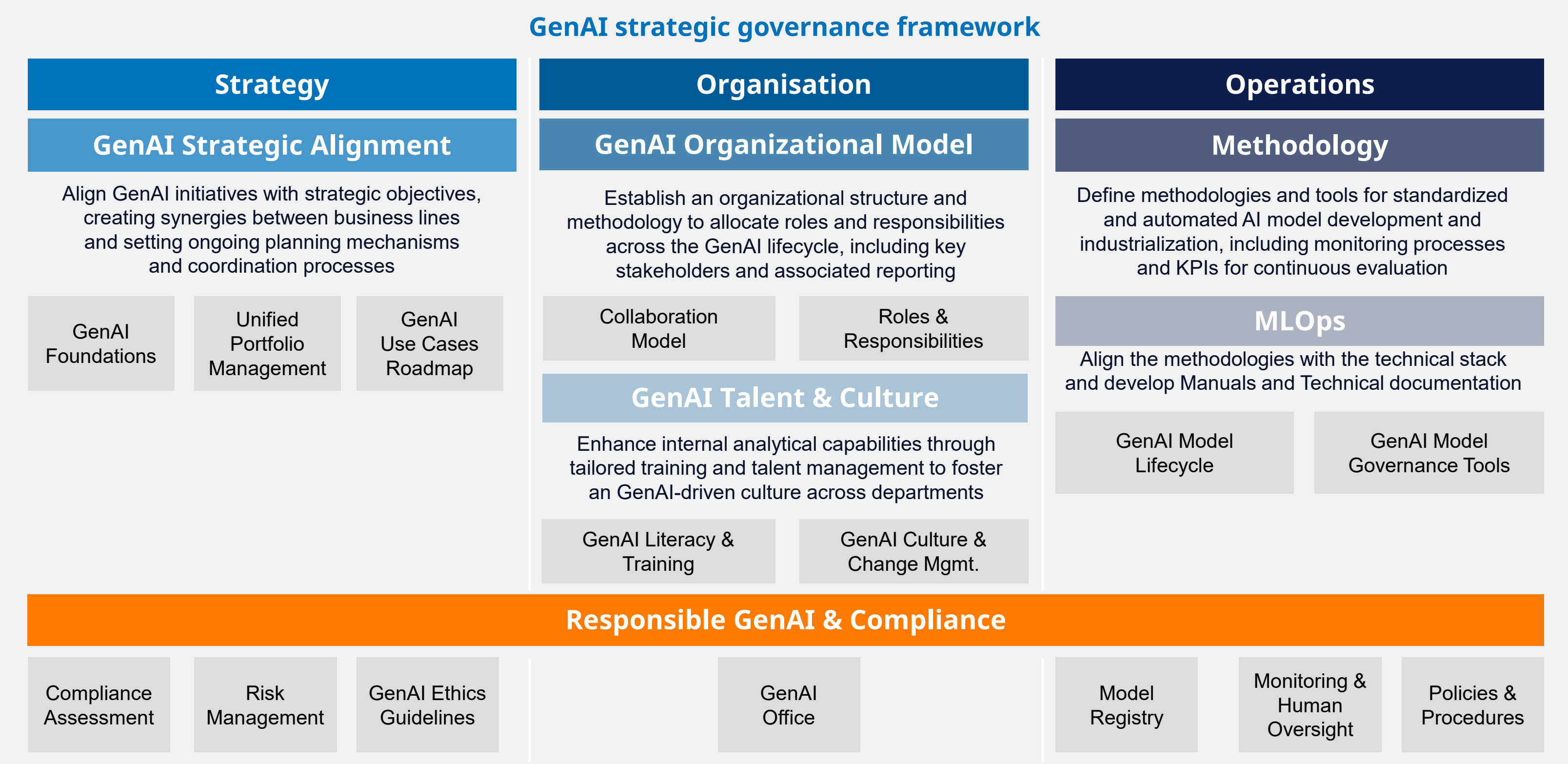
GenAI adoption must address various ESG-related concerns.

From an environmental perspective, this includes ensuring the sustainable development and use of GenAI while maintaining physical safety.

Socially, it involves protecting personal data and designing systems that consider ethical matters such as promoting fairness and inclusiveness, ensuring social wellbeing and delivering ethical outcomes.

In terms of governance, the focus should be on safeguarding data rights, privacy and security, ensuring compliance with all applicable laws and regulations and providing results that are understandable and explainable.

Together, these measures help build responsible and sustainable AI systems aligned with ESG principles.



GenAI culture and talent

There is no GenAI transformation without people.

To thrive in the AI era, companies must evolve their operating models using a “savex” approach. This requires embracing a dual role: fostering the growth of new AI-based capabilities while leading transformational efforts to stay one step ahead in innovation.

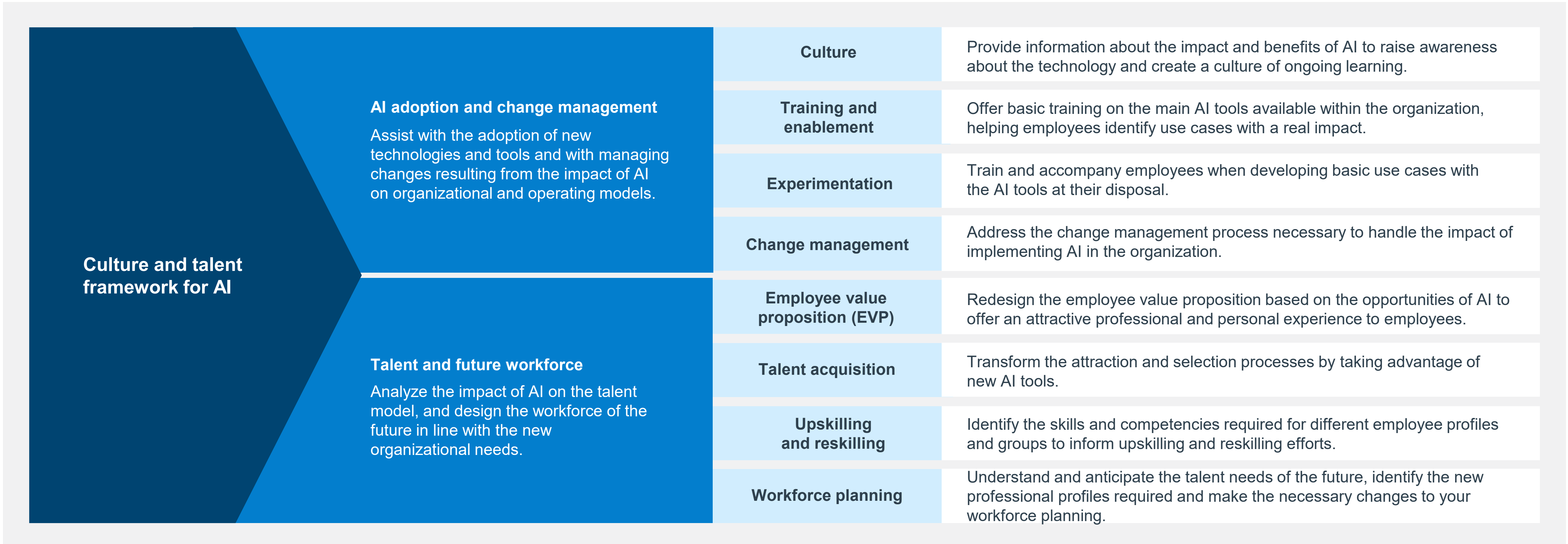
Key recommendations for success:

- **Boost talent development** by minimizing the learning curve for junior employees through specialized training programs, ensuring they quickly adapt to AI-driven workflows.
- **Reshape expert roles** by empowering expert talent to operate autonomously in complex scenarios while maximizing the value they deliver with minimal effort.

- **Reimagine functions and models** — explore outside-the-box approaches to create new functions and business models that leverage AI’s potential.
- **Look beyond AI** to focus on building strong human relationships and leveraging uniquely human skills where AI cannot compete.
- **Minimize low-value**, time-consuming tasks to free up resources for higher-impact activities.



AI culture and talent



GenAI technology and data-ecosystem Integration

When implementing GenAI, it is essential to adopt an approach that aligns with the organization's objectives. To make use cases viable, organizations can leverage a "go-wide" or "go-deep" approach, or both, depending on their strategic goals and which approach would add the most value.

Go wide

GenAI is available to all employees, allowing it to be used large scale and offering exponential gains as long as it is used properly.

This approach integrates certain AI capabilities into the tools and applications used in routine work. A good example is Microsoft Copilot for Outlook, Teams and other applications.

Key recommendations for success:

- Ensure all employees are trained and qualified to use the technology.
- Carry out an ongoing review process, with the aim of encouraging the use of AI in everyone's daily activities.

Go deep

GenAI is used to delve into specific problems that require more knowledge.

This approach is related to projects and solutions focused on specific problems that require greater technical knowledge, technological involvement and partnerships than others.

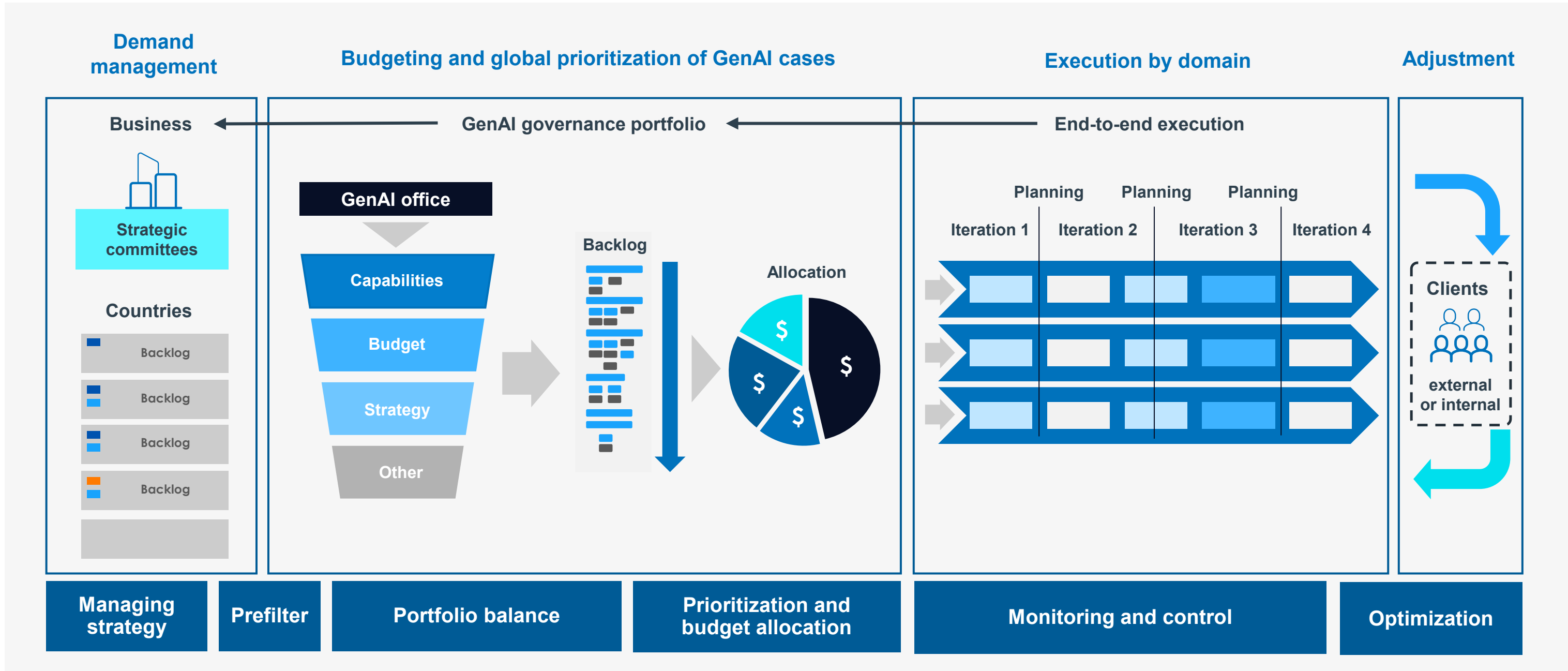
Key recommendations for success:

- Encourage business areas to use GenAI and show how this new technology can improve their business.
- Conduct workshops with these areas to identify and prioritize use cases, and prioritize and initiate proofs of concept (PoCs) and projects.
- Continue with these efforts by developing internal capabilities in these business areas as well as in GenAI implementation areas.



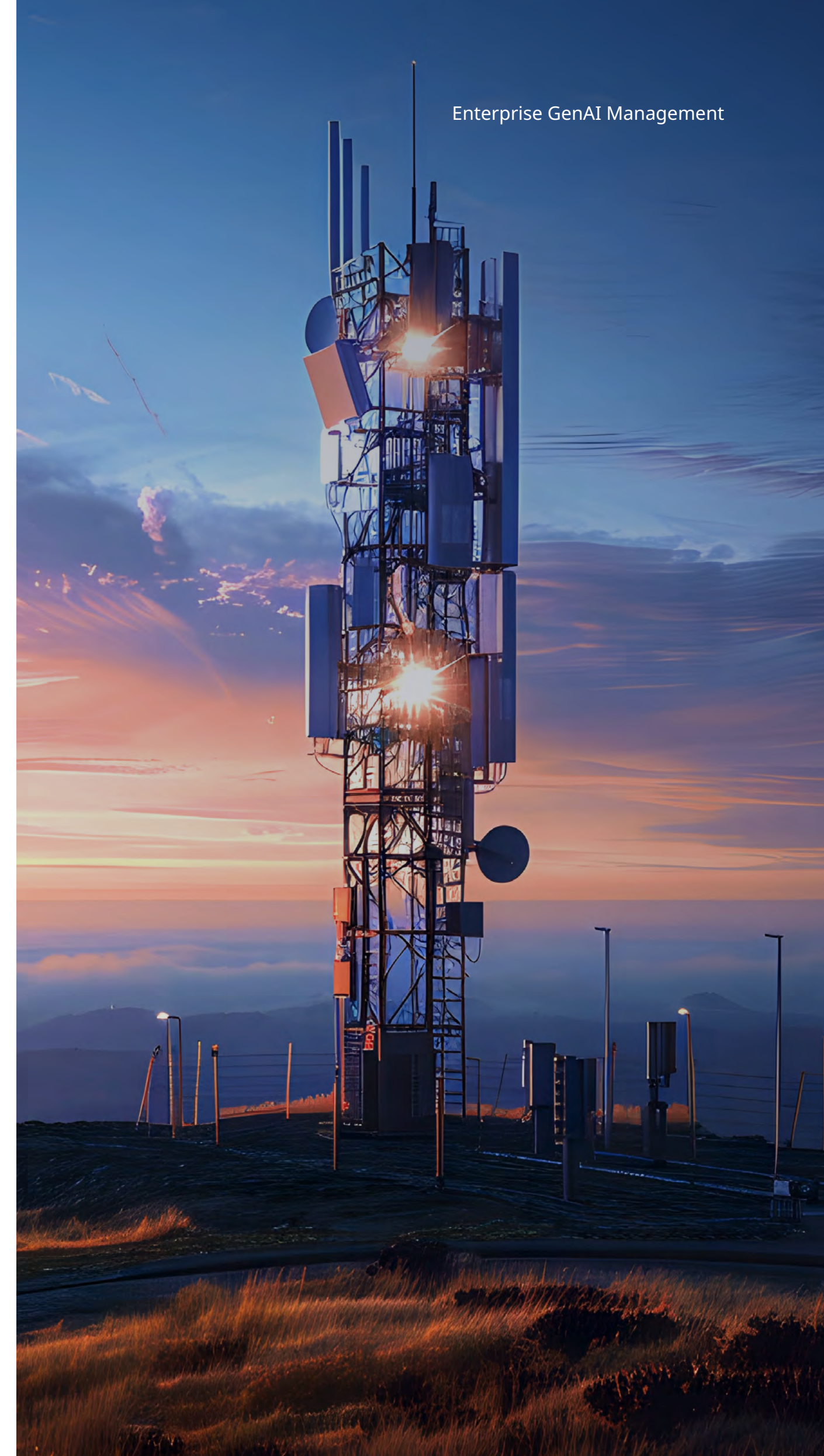
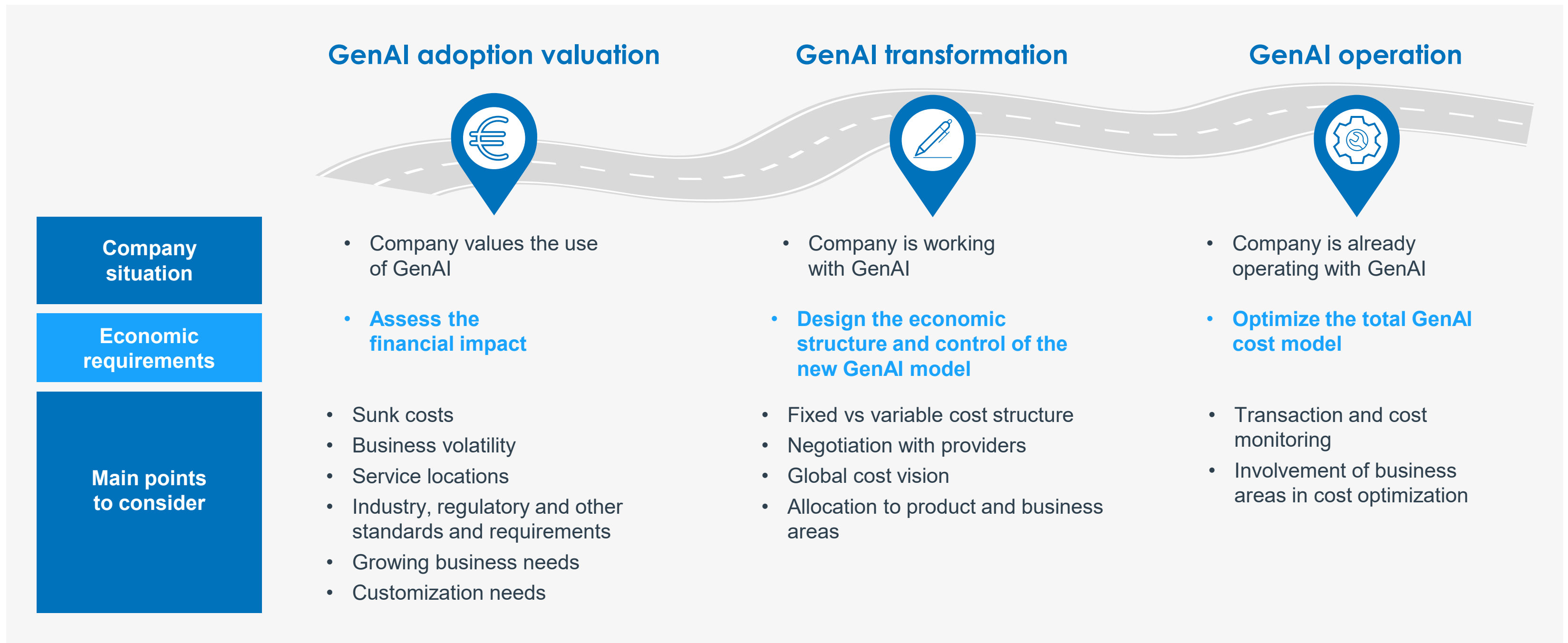
ROI and business impact

It is essential to establish a prioritization cycle for new initiatives within each domain. We recommend implementing a lean portfolio management (LPM) approach that outlines how senior leadership can apply lean principles to effectively connect strategy with execution. This involves analyzing return on investment (ROI) and leveraging the Weighted Shortest Job First (WSJF) framework to prioritize initiatives and maximize value delivery.



ROI and business impact

The GenAI economy begins even before organizations start thinking about how to implement the technology. Each company's journey toward adoption requires a different financial approach, depending on their stage of maturity in leveraging GenAI.





GenAI solutions audit

Auditing GenAI models is essential to ensure their reliability, fairness, transparency, and compliance with risk and ethical standards. Effective governance and role allocation are critical for managing these risks and maintaining accountability.

The following three-layered approach is recommended to ensure compliance:

First line of defense: model owners and users Model owners and users are responsible for identifying use cases and working together to acquire, develop, operate and maintain GenAI models. They are the primary, hands-on contributors to model implementation and management.

Second line of defense: central governance group This group provides oversight, expertise and strategic guidance to the first line. They offer support, resources, analytics and direction, and challenge decisions when necessary to ensure adherence to ethical and risk-management standards.

Third line of defense: auditors Auditors are tasked with independently reviewing the quality and risks of the models. Their role is to ensure that all models meet the requirements outlined in the company's ethical governance for AI models program.



