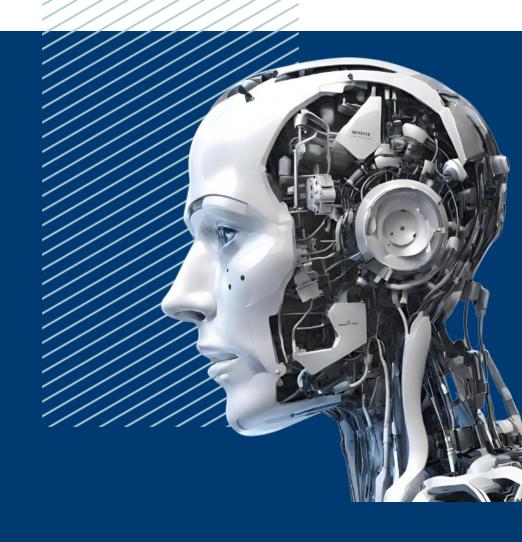
SpencerStuart

How to Become an Al-Powered Company

Fabio Moioli Consultant Spencer Stuart



- ✓ **Spencer Stuart** Executive Search & Leadership Advisor
- ✓ Previous EMEA leadership roles at Microsoft,
 Capgemini, Ericsson, McKinsey
- ✓ Member of the Forbes Technology Council

Passionate about Al since 1998 — but even more about Human Intelligence since 1975.



Fabio Moioli 🤡 🜒

Leadership Advisor at Spencer Stuart; AI Forbes Technology Council; Faculty on Human and Artificial intelligences at Harvard BR, SingularityU, PoliMi GSoM, UniMi; TEDx speaker; ex Microsoft, Capgemini, McKinsey, Ericsson



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- ✓ Contributor to Forbes, MIT Sloan, Harvard Business Review, and extended faculty at various universities
- ✓ Director of the AI OCP program at the **Business School** of **Politecnico di Milano**.



■ NEWSLETTER

Intelligences: The Original

Exploring the Future of AI, Leadership Challenges, and the Skills to Shape Tomorrow



By Fabio Moioli in Leadership Advisor at Spencer Stuart; Al Forbes Techno...

Published monthly 49,686 subscribers



■ NEWSLETTER

Intelligences: Curated Sharing

A Guide to Essential Resources on AI, Leadership, and Future-Ready Skills



By Fabio Moioli Leadership Advisor at Spencer Stuart; Al Forbes Techno...

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NEWSLETTER

Intelligences: Viral Al Topics

Welcome to My New Newsletter: A Fresh Perspective on Viral Topics related to Al



By Fabio Moioli Leadership Advisor at Spencer Stuart; AI Forbes Techno...

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HOW TO CREATE AN AI-POWERED COMPANY





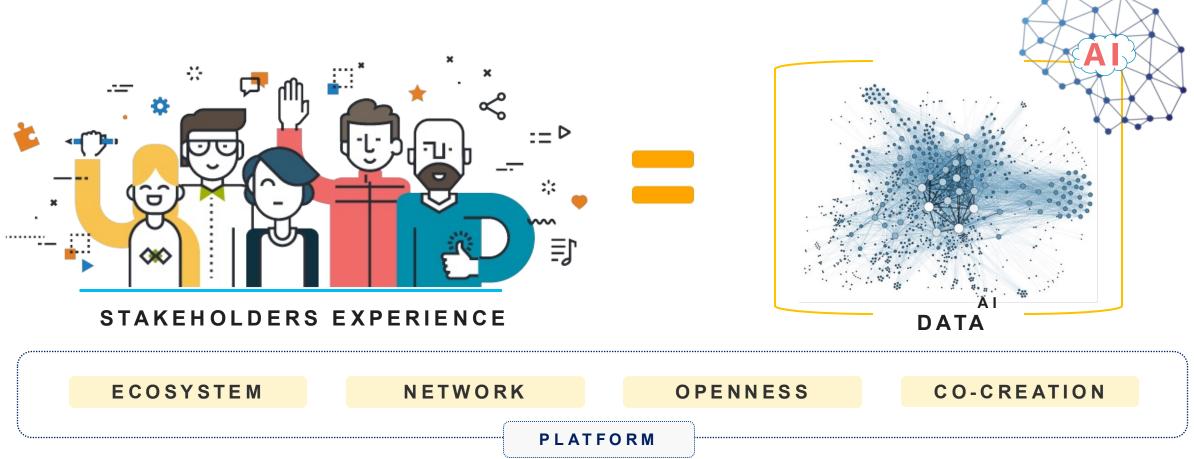
HOW NOT TO CREATE AN AI-POWERED COMPANY

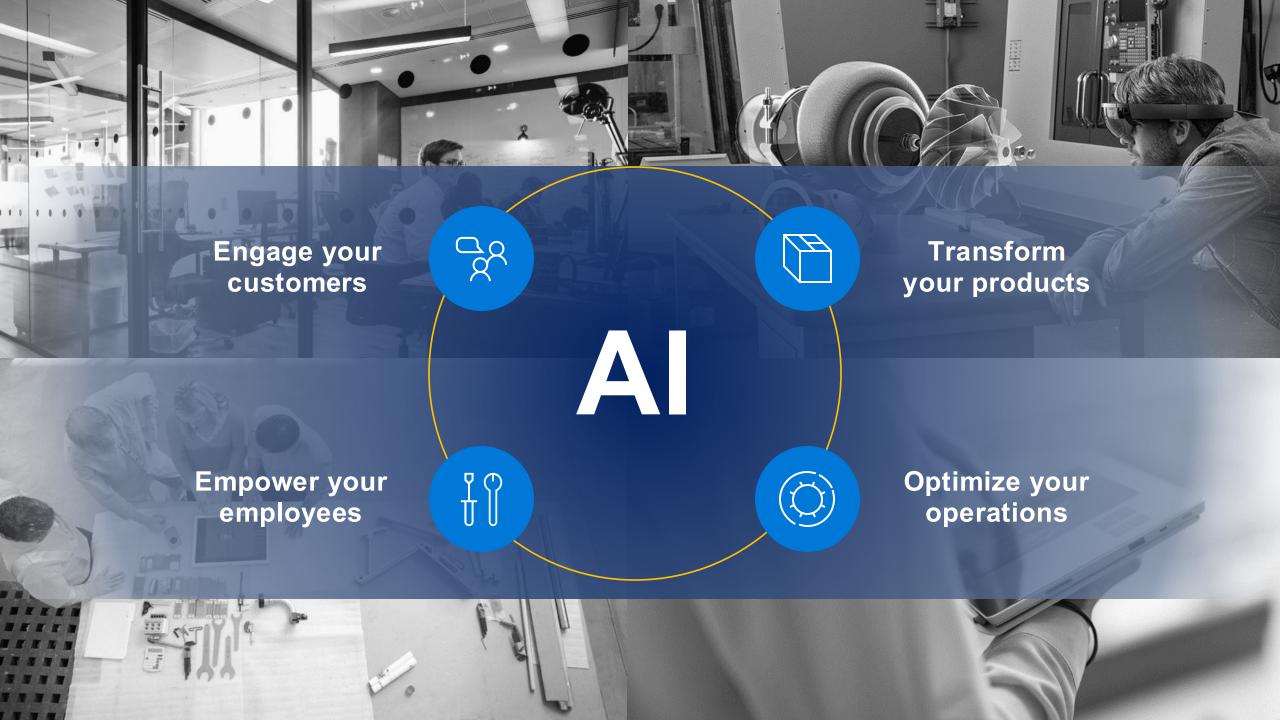
Strategy **Organization** Culture Processes Technology Skills

Strategy Organization Culture Processes Technology Skills

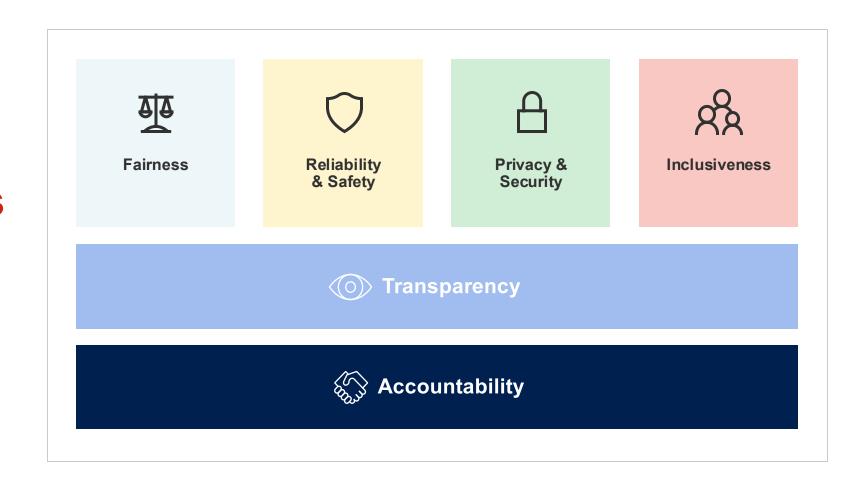
Value creation in the 3rd Millenium Economy

First, becoming AI-POWERED means associating your core strategy and competitiveness with the usage of data and AI. Your strategy must be underpinned by a thorough, up-to-date data acquisition strategy. After all, AI is intelligence derived from data. So, data should be your very first focus for becoming AI-POWERED.

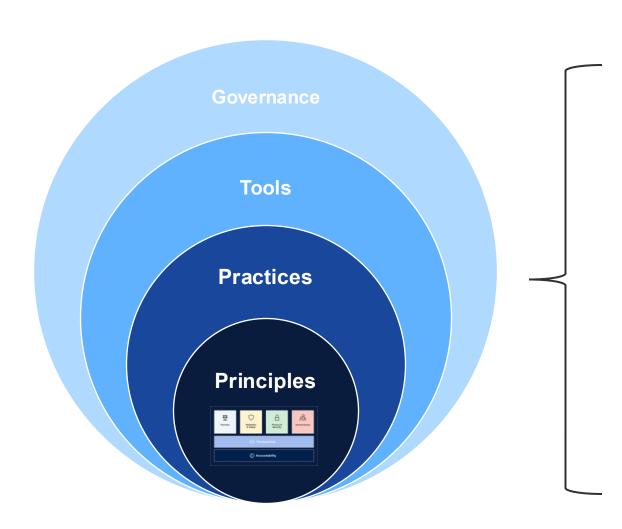




The ethics of Al begins with Strong Principles



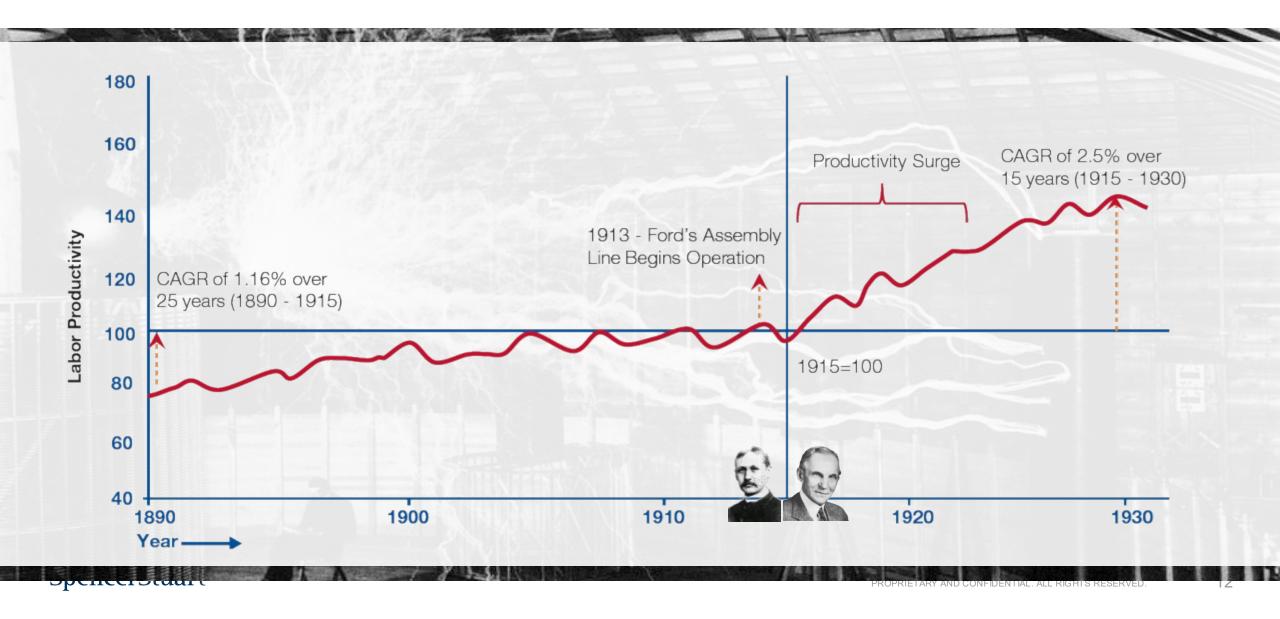
Putting Responsible Al into practice: A Holistic View



- Create ethicist roles and ethics training
- Define principles and a code of ethics
- Implement a governance model
- Advocate from the top, at all layers

Strategy Organization Culture **Processes** Technology Skills

Al – The New Electricity



Strategy **Organization** Culture Processes Skills **Technology**

Strategy **Organization** Culture Processes Technology Skills

Technology Leadership Spectrum

sits in the spectrum? Where does Chief Al Officer **Chief AI Officer** Chief Digital Officer Chief Product Officer Chief Technology Officer Chief Information Officer Research and Engineering and Architecture IT/Infrastructure and **Product Management Product Marketing** Marketing Sales / Revenue **Applications** Development Internal / External Sales/ Revenue Infrastructure Chief Information Security Officer Chief Data Analytics Officer SpencerStuart

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What structure suits your AI team best?

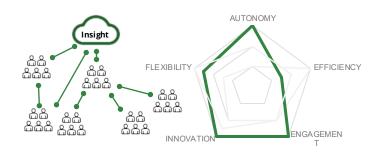
Centralized

Excel in efficiency and expertise concentration but lead to bottlenecks and knowledge siloing

AUTONOMY FLEXIBILITY FLEXIBILITY FRAGEMEN ENGAGEMEN T

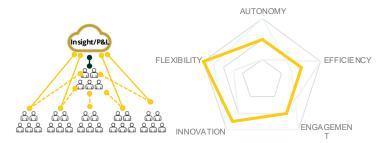
Decentralized

Offer innovation and autonomy but can suffer from inconsistency and resource duplication



Hybrid

Balance the benefits of centralized and decentralized structures but require careful management to avoid complexity and conflicts



Efficiency: A single, dedicated team to streamline Al project development and deployment across the organization. Ideal to drive excellence for mature capabilities

Expertise Concentration: Pools top talent, fostering specialized skills and deep Al expertise

Standardization: Ensures consistency in AI practices, facilitation of access and sharing of data and technologies across different departments

Strategy: Aids the efforts of BUs by offering synergies and advantages of scaling according to a strategic roadmap

Autonomy: Each department with their own AI team enables tailored solutions and responsiveness to specific needs

Innovation: Lead to a variety of approaches and experiments with different Al technologies and methods

Engagement: The team often has developed naturally, and direct involvement can increase buy-in and interest in Al throughout the organization

Flexibility: Combines centralized governance and strategy with departmental autonomy for implementation

Resource Sharing: Allows for efficient allocation of Al resources and expertise where they're most needed

Best Practices: Allows for innovation and facilitate transformation. Benefits of being close to the market/customer includes cross-market and business empowerment

Customer-centric: Enables the genuine promotions of a customer-focused business and generation of external value

Bottlenecks: Tends to be overwhelmed with requests from various BUs, leading to delays and limited accessibility

Knowledge Siloing: May result in isolate Al knowledge within the team, reducing broader organizational learning. May result in detachment from market trends.

Autonomy: Lack decision-making power and does not manage a new BU or responsibility for P&L

Inconsistency: Varied levels of competence and approaches across teams can lead to disparities in AI project success.

Resource Duplication: May result in unnecessarily duplicate tools, platforms, and talent.

Isolation: Solutions developed often lack transferability and applicability across the organization. Result in a lack of priority alignment and no ownership of corporate agenda.

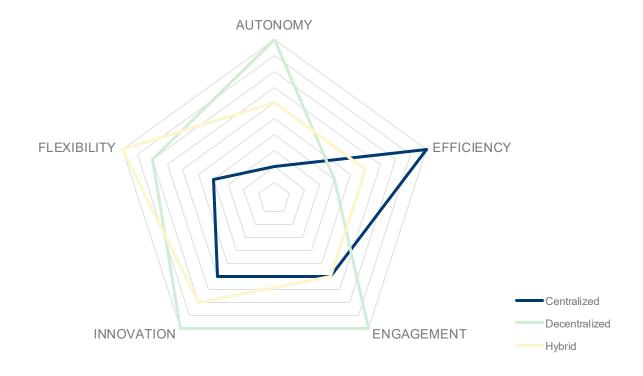
Complex Coordination: Requires intricate management to ensure cohesive functioning, efficient resource allocation and avoid conflicts between centralized and decentralized teams.

Mixed Signals: Can lead to confusion over authority and decision-making, with potential for duplicated efforts or conflicting priorities. Requires a clear definition and understanding of governance and responsibilities.

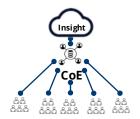
STRENGTH

Organizational Structure Archetype

1. Centralized Al Team



Excel in efficiency and expertise concentration but lead to bottlenecks and knowledge siloing



- + Efficiency: A single, dedicated team can streamline Al project development and deployment across the organization. Often seen as good option to drive excellence for mature capabilities (i.e., FF effectiveness, market excellence, operational improvement)
- Expertise Concentration: Pools top talent, fostering specialized skills and deep Al expertise. Location of Centers of Excellence aligns with talent availability
- Standardization: Ensures consistency in Al practices, facilitation of access and sharing of data and technologies across different departments.
- + Strategy: Aids the efforts of BUs by offering synergies and advantages of scaling according to a strategic roadmap
- Bottlenecks: Typically found in businesses that possess advanced skills and support a large number of users with shared tools. Tends to be overwhelmed with requests from various BUs, leading to delays and limited accessibility
- Knowledge Siloing: Tends to isolate Al knowledge within the team, reducing broader organizational learning. May result in detachment from market trends.
- Autonomy: Lack decision-making power and does not manage a new BU or responsibility for P&L







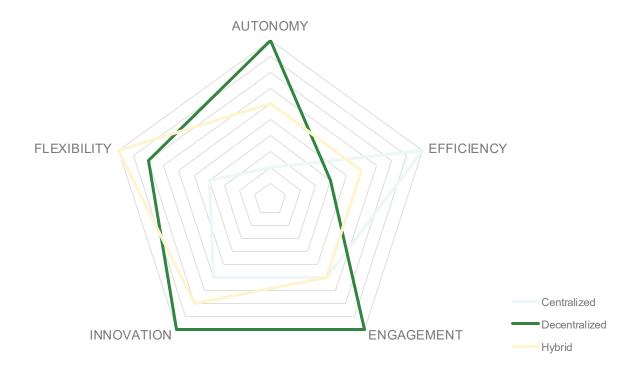






Organizational Structure Archetype

2. Decentralized Al Team



Offer innovation and autonomy but can suffer from inconsistency and resource duplication

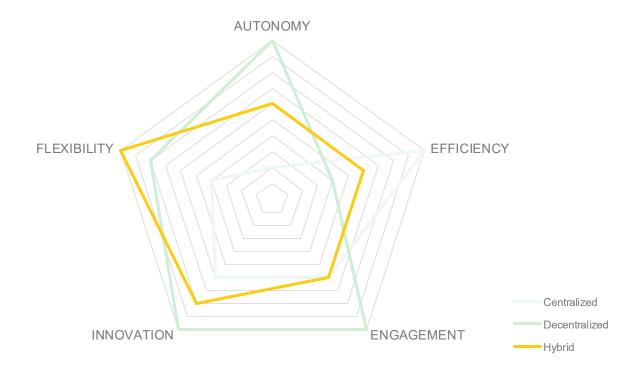


- + **Autonomy:** Departments have their own AI teams, allowing for tailored solutions and responsiveness to specific needs.
- + Innovation: Can lead to a variety of approaches as each team experiments with different AI technologies and methods. Data teams respond quickly to business leaders. More popular structure for tech-first businesses with deep analytics capabilities
- + **Engagement:** The team often has developed naturally and direct involvement can increase buy-in and interest in AI throughout the organization.
- Inconsistency: Varied levels of competence and approaches across teams can lead to disparities in AI project success.
- Resource Duplication: Departments may unnecessarily duplicate tools, platforms, and talent.
- Isolation: Solutions developed often lack transferability and applicability across the organization. Result in a lack of priority alignment and no ownership of corporate agenda.



Organizational Structure Archetype

3. Hybrid Al Team



Aim to balance the benefits of centralized and decentralized structures but require careful management to avoid complexity and conflicts



- + Flexibility: Combines centralized governance and strategy with departmental autonomy for implementation.
- Balance: Strikes a balance between organizational standards and innovation.
- Resource Sharing: Allows for efficient allocation of AI resources and expertise where they're most needed.
- + Best Practices: Allows for innovation and facilitate transformation. Benefits of being close to the market/customer includes cross-market and business empowerment
- + Customer-centric: Enables the genuine promotions of a customer-focused business and generation of external value.
- Complex Coordination: Requires intricate management to ensure cohesive functioning and avoid conflicts between centralized and decentralized teams.
- Mixed Signals: Can lead to confusion over authority and decision-making, with potential for duplicated efforts or conflicting priorities. Requires a clear definition and understanding of governance and responsibilities.
- Resource Competition: Departments may vie for attention and resources from the centralized part of the hybrid team.













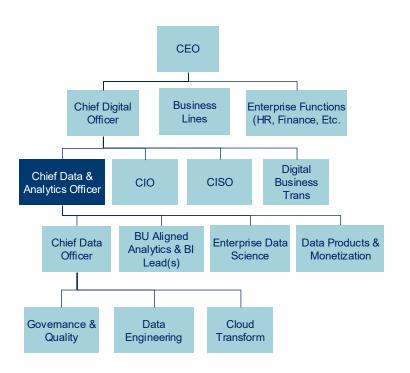




Insights about reporting structures

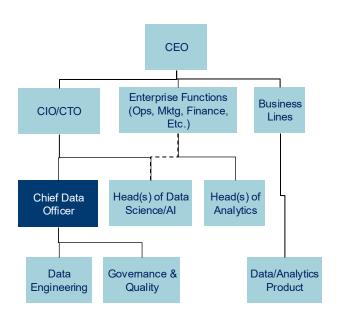
Centralized Structure

The Chief Data Officer (CDO) operates under a single leadership hierarchy, ensuring strong oversight and consistency in data and analytics efforts across the organization. This setup allows for streamlined governance, data quality, and engineering. However, some business units may require customized solutions that this structure might not fully address.



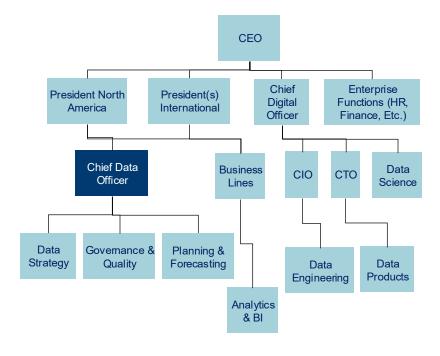
Partially-Federated Structure

This structure balances centralized control with decentralized expertise. While the CDO still oversees data governance and engineering, other roles like Heads of Data Science and Analytics have more direct engagement with business functions. This setup enables standardization while allowing flexibility for specific department needs.

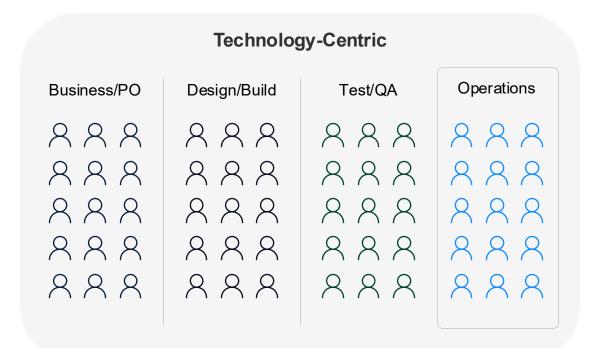


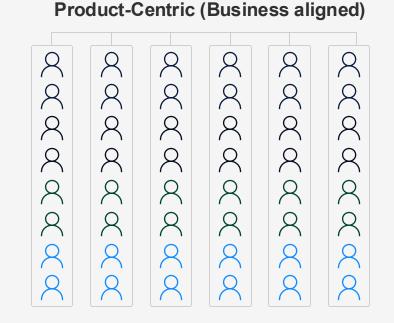
Completely-Federated Structure

Data responsibilities are distributed across multiple business units, with the CDO supporting strategy and governance rather than direct execution. Different teams, such as Data Science, Engineering, and Analytics, report through separate leadership paths, fostering autonomy but potentially creating challenges in maintaining consistency across the organization.



Increasing shift from Technology-centric to Product-centric structure





Operational Effectiveness

Strictly-defined roles

Tower-based model

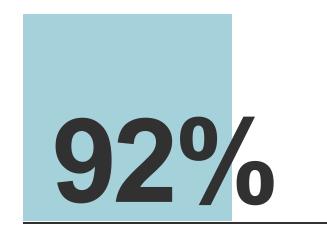
Change & Speedy Delivery

Self-organizing

Flat organization model

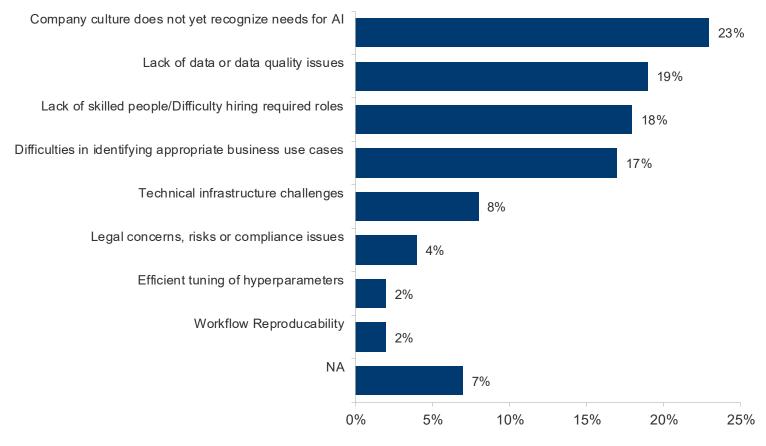
Strategy **Organization Processes Culture** Technology Skills

Identifying Blockers...



Struggle with Cultural Challenges

Over 90% of Fortune 1000 Senior Executives found culture changes were their biggest barriers to digital transformation, relating to business processes, change management, communication, people skill sets, and resistance.



Al Adoption in the Enterprise: How Companies are Planning and Prioritizing Al Projects
by Ben Lorica and Paco Nathan

Organization Culture key traits







EMPOWERMENT



CULTURE OF LEARNING



COMMUNICATION



TIME IS NOW



The Evolving Profile of Individuals in the CDO Role

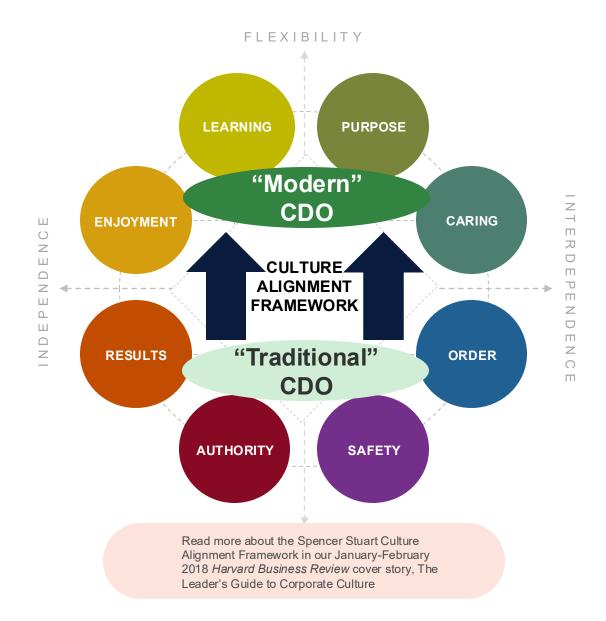
As the nature of the role changes quite fundamentally, clients find it helpful to understand the personal behavioral orientation of both candidates and their incumbent leaders.

Eight Primary Styles

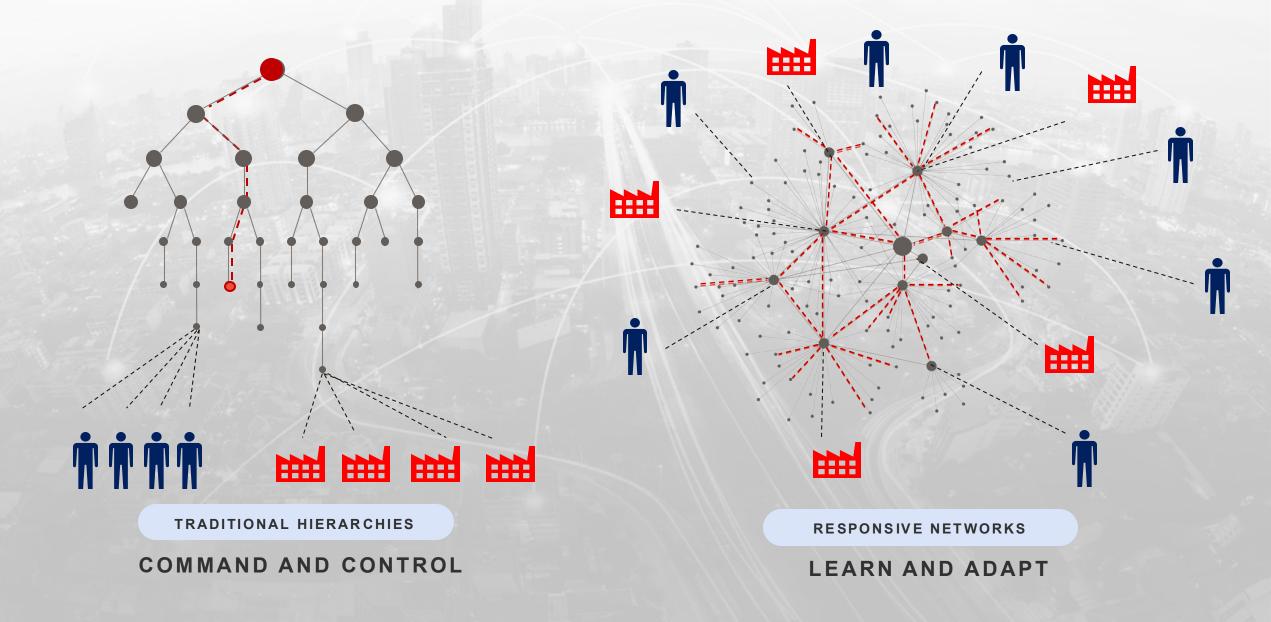
- Horizontal: Attitude towards people, from independence to interdependence.
- Vertical: Attitude towards change, from flexibility to stability.

Value

- Provides insight into how naturally a candidate will fit with the culture.
- Identifies potential change agents for organizations undergoing a transformation.
- Helps explain "derailers" in otherwise capable, high potential executives.

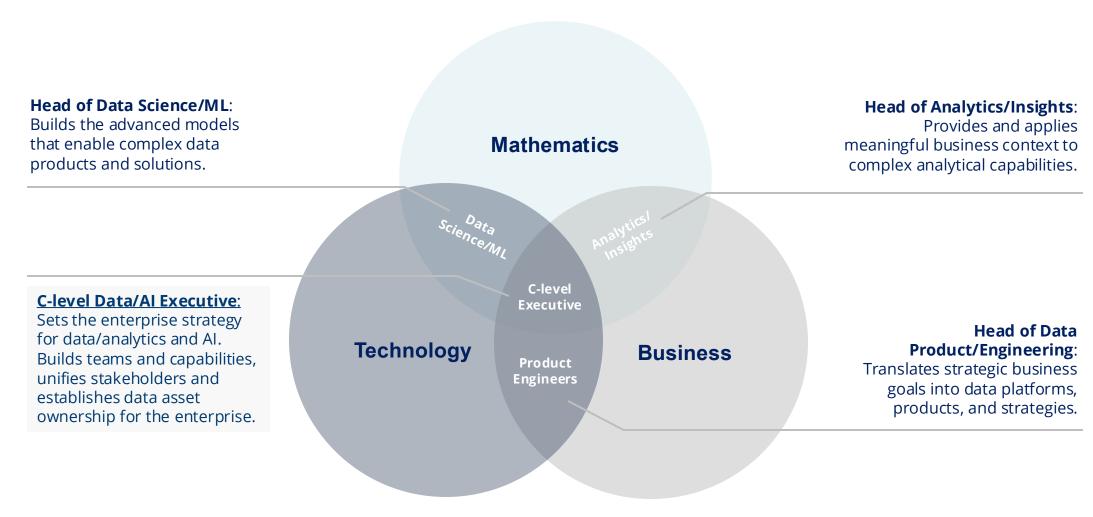


Al Powered Companies – Culture Shift



Strategy **Organization** Culture Processes Technology Skills

Data & Analytics leaders typically come from one of three primary backgrounds, but the best have expertise in more than one



Navigating the Spectrum: From Engineering to Strategic

Data & Analytics Leadership Archetypes: Roles and Market Considerations





Data Engineering

This leader ensures critical data assets are captured, stored, and made available to end-users in line with the creation of business value.

They must stay current with rapidly evolving platforms and tools

Data Science & Machine-Learning Al

This role develops, trains, and deploys models that predict, optimize, test, and action key decisions.

They must combine deep technical skill-sets with business knowledge Capabilities must align with business goals

Chief Data & Analytics Officer

This leader champions data and machine intelligence as a critical corporate asset. They drive business transformation across all domains.

This type of talent can be harder to find due to the combination of senior executive leadership skills and relevant industry domain expertise needed to succeed.

Data Management & Governance

This executive works with stakeholders to define data assets and establish privacy, policy, and quality standards for the enterprise.

This talent pool is **becoming more technical** as modern approaches to data management rely more heavily on machine learning tool.

Data Product

These leaders have a commercial orientation and a deep knowledge of technical and analytical techniques to develop a product strategy for monetizing assets.

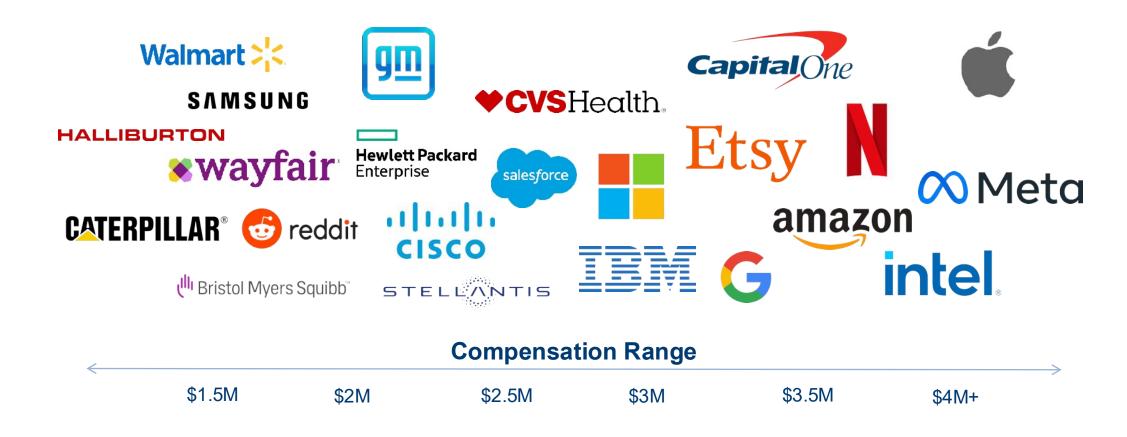
They are often either deep product people learning data science or data scientists with a commercial orientation.

Business Intelligence

This role integrates and analyzes real-time data from various sources for forward-looking business insights.

They can leverage data science and A.I to inform business decision making, without necessarily being a data scientist themselves

Comparing Compensation of Artificial Intelligence Talent



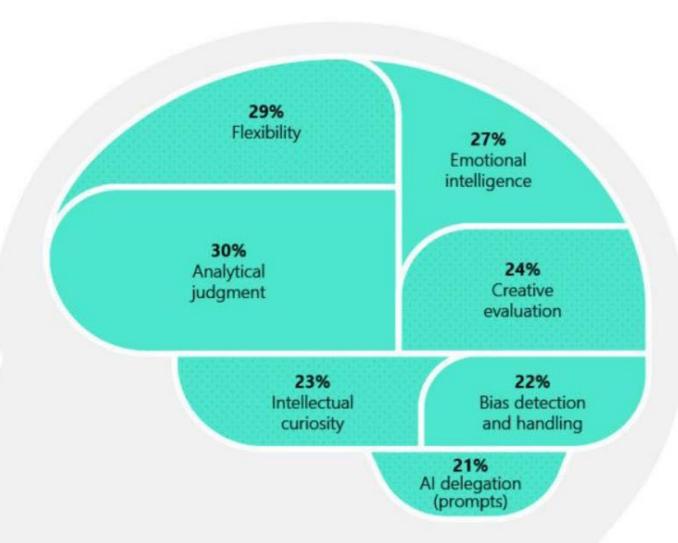
Companies with technology at the center of their business pay more for top Al talent.

As organizations continue to evolve, the focus should not be on removing layers but on optimizing the collaborative potential between humans and machines.

The abilities of strong leaders and managers to interpret, adapt, and execute will not only remain relevant but will become the cornerstone skills for corporate success.

As Al evolves, understanding the needs and motivations of both employees and customers will be irreplaceable.

The Indispensable Role of Management in the Al Era



Strategy Organization Processes Culture Skills Technology

- ✓ **Spencer Stuart** Executive Search & Leadership Advisor
- ✓ Previous EMEA leadership roles at Microsoft,
 Capgemini, Ericsson, McKinsey
- ✓ Member of the Forbes Technology Council

Passionate about Al since 1998 — but even more about Human Intelligence since 1975.



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