AI adoption in small steps

1. Define your long-term business goal.

2. Define metrics for the long-term goal.

3. Define your quick win.

4. Define metrics for the quick win.

5. Create a scientific hypothesis for the quick win.

6. Create metrics for the hypothesis (only hypothesis!).

7. Create test in the lab (verify hypothesis).

   a. If you have a negative result, try to think of another quick win.

   b. If the result is hard to assess, work a bit more on the PoCIf the result is.

   c. Positive, see below.

8. Plan your pilot (to validate technology in relevant environment).

   a. Choose the exact case, time, type of client, make hypothesis.

9. Use your model as a simulator - check how it operates on a daily basis, but only for your own knowledge. You can see how the model would work in comparison with normal operations.

   a. Hypothesis validation.

10. If it works, fit it into the process, but control with "invisible hand". Connect your data stream to the model, give those results to your team members so that they can use it, check the results, but still have the ability to impact the final decision or stop the process if needed.

    a. Plus validate the hypothesis.

Step 1:
Example:
Make the concrete business stable.

Step 1:
Example:
Increase LTV of the main clients.

Step 5:
Example:
With available data, we can predict when the big orders can happen, with 1 day in advance.

Step 6:
Example:
1. % of correct predictions in a month.
2. Number of missed orders above $1M.

Business goal
INDEPENDED FROM AI

Business quick win

Hypothesis
FOR THE AI; BASED ON THE QUICK WIN

Hypothesis metric

Step 2:
Example:
LTV of construction clients.

Step 7:
Example:
"1. More than 80% of correct predictions in a month." and "2. More than 0 missed orders above $1M."

Step 7:
Example:
"1. Less than 60% of correct predictions in a month" and "2. More than 0 missed orders above $1M".

Business metric
TO CHECK WHILE USING AI SOLUTION

SUCCESS

FAILURE

Step 8:
Validate metric values.

Step 9:
Verify hypothesis results.

Step 3:
Example:
Acarage LTV of construction clietns will be higher compared to the current average level.

Step 4:
Example:
Avarage LTV of construction clients will be the same or lower compared to the current average level.

SUCCESS

FAILURE

Positive

No confidence

Negative

Step 10:
Perform pilot, validate metrics and success criteria, proceed accordingly.

Let's do pilot!

More work is needed!

It's not worth the time

If metrics met success criteria, hypothesis was validated positively, you should move forward with the project.

If metrics were average, hypothesis cannot be validated, you should work a bit more on the same case and check the metrics afterwards.

If metrics met failure criteria, hypothesis is validated negatively, you should not bother with this project :)

Go back to your business goal, and try to define new quick win to achieve it.