



FIVE THINGS EVERY CEO MUST KNOW

BEFORE THEY PROCEED WITH AI

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About TreeHive Strategy

Donald Farmer is a data and analytics strategist with over 35 years of experience in the field.

As Principal of TreeHive Strategy he advises global clients on innovation, analytics, and AI. Donald's career includes leadership roles at Microsoft and Qlik Technologies, where he pioneered significant product designs in business intelligence and machine learning. He is an advisor to multiple tech companies and investors and is a Research Fellow at TDWI.

A prolific author and speaker, Donald writes regularly about data management, AI and innovation. His expertise spans from advising tech giants to guiding startups and he has invested in new technologies with teams from Reykjavik to Manila. Donald's innovative spirit extends beyond tech; he and his artist wife, Alison, reside in a unique woodland home near Seattle, with one of the world's most beautiful treehouses: the inspirational TreeHive. With his ability to deliver insights simply and effectively, Donald continues to shape the future of data analytics and innovation across diverse industries and cultures.



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Introduction

AI - and perhaps especially Generative AI - is fundamentally reshaping our world, transforming existing businesses, catalyzing new ones, and redefining how we work and live.

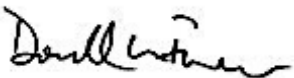
Already the divide between AI leaders and laggards is growing, driven by multiple factors: security and data quality concerns, infrastructure limitations, talent shortages, and low AI literacy across organizations. While early adopters are making strides, many implementations barely scratch the surface of what's possible.

This whitepaper outlines five essential considerations for CEOs and business leaders to unleash AI's full potential through a value-based lens that encompasses people, processes, and products.

Most importantly, this introduces both fast-track opportunities and strategic frameworks for organizations to evaluate their AI readiness and implement AI initiatives that align with their business objectives, create lasting value, and maintain ethical standards.

Through this exploration, business leaders will deepen their understanding of AI's transformative power, navigate its inherent challenges, and unlock the secrets to successful implementation.

I look forward to talking with you more on these critical topics.

A handwritten signature in black ink, appearing to read "Donald Farmer". The signature is fluid and cursive, with a large initial "D" and "F".

Donald Farmer
TreeHive Strategy

1 RETHINK THE ROLE OF AI IN INNOVATION

IT'S NOT JUST ABOUT SOLVING PROBLEMS

- ▶ **Traditional problem-solving frameworks can limit AI's potential.** Many organizations approach AI as a tool to fix inefficiencies, but this mindset often leads to incremental improvements rather than transformational change.
- ▶ **Innovation with AI can focus on people and possibilities, not just problems.** Instead of merely solving predefined challenges, CEOs should ask how AI can unlock new ways of thinking, operating, and creating value.
- ▶ **Understanding users' needs, aspirations, and frustrations leads to more radical innovation.** By deeply engaging with employees and customers, businesses can discover opportunities that go far beyond addressing pain points.
- ▶ **Avoiding confirmation bias and data over-reliance fosters better AI-driven decision-making.** Leaders should challenge assumptions, seek diverse perspectives, and use AI to bring unexpected insights to the surface rather than just reinforcing existing beliefs.



2 ASSESS YOUR DATA READINESS

AI'S VALUE IS BUILT ON DATA

- ▶ **AI is only as good as the data it is trained on.** Before deploying AI, organizations must evaluate the quality, structure, and accessibility of their data.
- ▶ **Many companies overestimate their data preparedness, leading to poor AI performance.** CEOs should conduct an audit to assess whether their current data infrastructure can support AI initiatives.
- ▶ **But don't over-prepare.** You can do important work with existing data warehouses, business intelligence infrastructure or even spreadsheets.
- ▶ **The key is to balance readiness and agility.** Waiting for a perfect dataset can delay innovation. Understand where you are today and focus on incremental improvements.

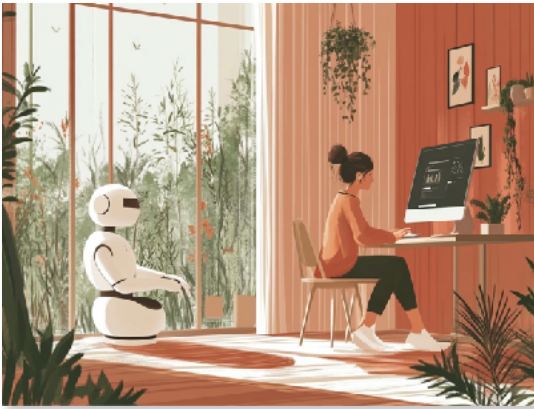


3

KNOW THE COSTS BEYOND THE TECH

AI IS HERE TO STAY

- ▶ **AI adoption is a long-term investment, not just a one-time software purchase.** Many CEOs underestimate the total cost of ownership, including integration, maintenance, and workforce training.
- ▶ **Hidden costs such as compliance and security can impact AI ROI.** Regulatory requirements, especially around data privacy, can add complexity and unforeseen expenses.



- ▶ **AI implementation requires ongoing investment in human expertise.** Companies should budget for internal AI literacy programs and collaboration between technical and non-technical teams.

- ▶ **Be realistic about short-term ROI.** There's a risk of abandoning AI initiatives early before realizing their full potential. Set real, but realistic, expectations to ensure that AI projects deliver tangible benefits incrementally.

4

SHIFT LEFT ON COMPLIANCE

PRIORITIZE ETHICS & SECURITY FROM THE START

- ▶ **Ethics and security in AI must be built in from the beginning, not retrofitted later.** A *Shift Left* approach—borrowed from software development—emphasizes integrating ethical and security considerations early in the AI development lifecycle.
- ▶ **Data privacy, security, and fairness are intertwined challenges that demand proactive solutions.** Protecting sensitive customer data is not only a legal obligation but also an ethical imperative that builds trust.
- ▶ **Bias, transparency, and explainability must be addressed at the model design stage.** AI systems that lack transparency can lead to biased decisions, reputational damage, and regulatory scrutiny.
- ▶ **Companies that fail to integrate ethics and security upfront risk costly compliance failures.** A reactive approach to AI governance can lead to legal penalties, public backlash, and loss of customer trust and confidence.



5

BUILD THE RIGHT TEAM

CROSS-FUNCTIONAL CONSENSUS IS POWERFUL

- ▶ **AI success depends on collaboration between business leaders, data scientists, and domain experts.** CEOs must foster an interdisciplinary approach to AI adoption to ensure alignment with business goals.
- ▶ **AI adoption isn't just about technical expertise;** it requires cultural and operational shifts. Change management is critical to ensuring employees embrace AI as a tool for enhancement rather than a threat.



- ▶ **Investing in AI literacy for leadership is key to making informed strategic decisions.** CEOs and executives must develop a foundational understanding of AI to drive its effective implementation.
- ▶ **Engage the people most affected by AI.** Imposing AI on staff and their workflows is sure to meet with resistance. A genuinely inclusive consultation doesn't just take away some of the fear of AI; it can uncover unexpected use cases and potential.

YOUR ACTION PLAN

AI is not just about technology—it’s about aligning innovation with purpose and strategy. Companies that integrate AI successfully treat it as an enabler of business goals rather than an isolated technology initiative.

CEOs should take a strategic and informed approach to AI implementation. Rushing into AI adoption without proper preparation can lead to inefficiencies, wasted investments, and ethical pitfalls.

So, evaluate your AI readiness before making major investments. By addressing these considerations upfront, you can ensure AI serves as a transformative force rather than a costly experiment.

TreeHive Strategy offer a range of workshops and engagement models, described over the next few pages, to help you with these goals.



FAST-TRACK DISCOVERY WORKSHOPS

Designed for busy teams who are not yet ready for a significant investment, these high-impact, time-efficient workshops deliver essential AI insights in an engaging and accessible format.



The 1-hour Breakthrough

Ignite your team's AI potential in just one hour! This dynamic session demystifies AI concepts, explores industry-specific opportunities, addresses common concerns, and includes an interactive Q&A - which always overruns!

In a compelling keynote format, this offering boosts awareness with actionable steps to start leveraging AI immediately: all for a simple affordable fee.



Quick-Win AI Projects

A 1-day workshop to accelerate your AI journey by learning to identify, scope, and prioritize high-ROI AI projects. Your team will acquire skills to recognize AI-ready processes, estimate project returns, and develop strategic rollout plans. With three months of virtual support post-workshop, you'll be equipped to implement initiatives that deliver rapid, measurable results.

Find out more, or to simply book a 1-hour *Breakthrough* at www.treehivestrategy.com

STRATEGIC ENGAGEMENTS

For organizations ready to move beyond AI exploration and into structured implementation, these combinations of workshop and mentoring provide the expert guidance, frameworks, and support needed to lead and deliver an effective AI strategy.



AI Literacy for Executives

In just half a day, give your executive team the AI knowledge they need. This intensive workshop covers AI fundamentals, real-world applications, and includes a hands-on strategy session to identify immediate opportunities. Participants leave with the confidence to discuss AI initiatives and make informed decisions to drive innovative, efficient and responsible projects.



AI Strategy Blueprint

A comprehensive 6-month program tailored for executive leaders. This offering provides personalized coaching, an in-depth AI readiness assessment, and a customized AI integration plan. You'll gain ongoing support to align AI initiatives with your business goals, for responsible and effective AI adoption.

Find out more, or to simply book a 1-hour *Breakthrough* at www.treehivestrategy.com



You can contact Donald Farmer here:
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And you can read more of his writing on AI, data and innovation
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