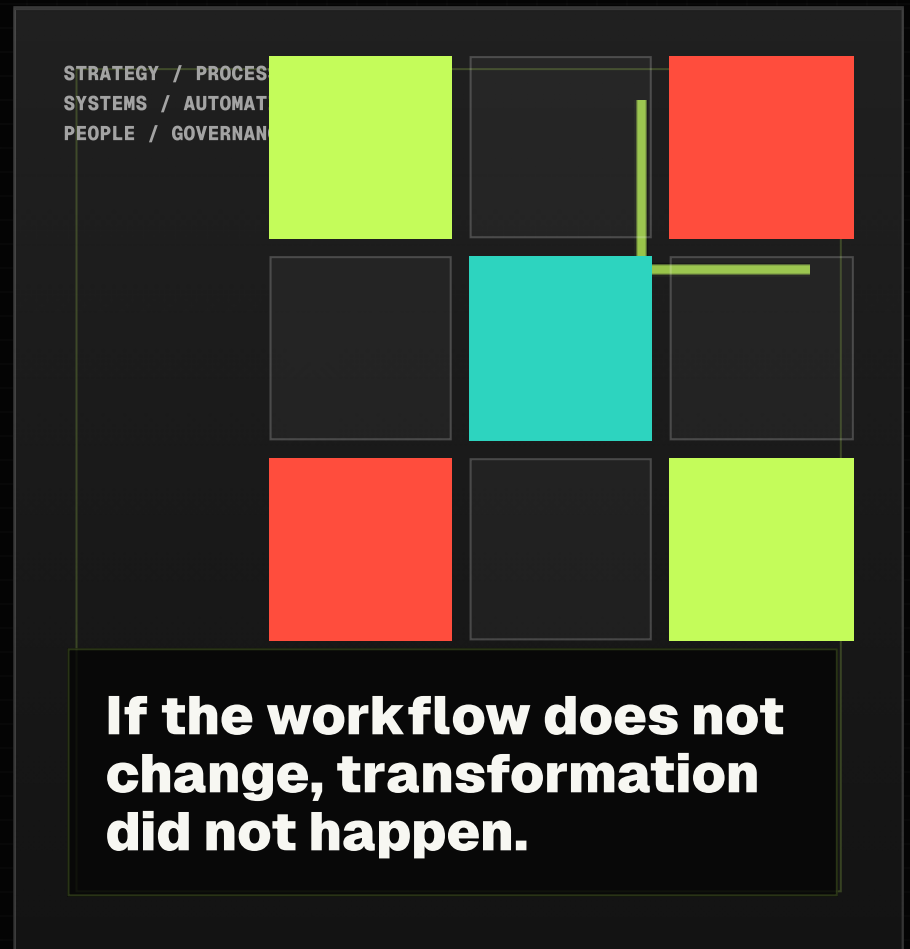


AI VANGUARD FIELD MANUAL | 2026

The Digital Operating System

A practical guide to moving companies from manual, fragmented work to automated, data-driven, AI enabled operations.



No-fluff operating manual.

EDITORIAL STANDARD

THE RULE

Every page must help a leader choose, fund, stop, measure, or execute a transformation move.

01

Start with pain

Technology enters only after the workflow, owner, baseline, and outcome are clear.

02

Show the operating change

The reader must see what changes in the process, not just what tool is bought.

03

Measure before belief

Every initiative ties to cost, speed, risk, revenue, quality, or customer experience.

04

Design for adoption

Training, role change, and incentives are part of the system, not an afterthought.

05

Govern AI like operations

Agents need permissions, logs, escalation rules, and human approval boundaries.

Read it by operating phase, not chapter count.

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How to use this playbook without wasting a month.

READER GUIDE

01

Use the first hour for diagnosis

Read the maturity ladder, pain scoring, and readiness pages. Pick one workflow, not a company-wide wish list.

02

Use the first week to create proof

Baseline the workflow, write the future-state process, name the owner, and define the measurement rule before tool selection.

03

Use the first 90 days to earn scale

Pilot one customer-facing workflow, one internal bottleneck, and one reporting problem. Scale only what shows before/after value.

04

Use the templates as meeting artifacts

Every steering meeting should leave with a decision: fund, stop, redesign, or scale. No passive status theater.

OPERATING RULE

Do not read this like a book. Use it like a working room: score the pain, name the owner, build the pilot, prove the number.

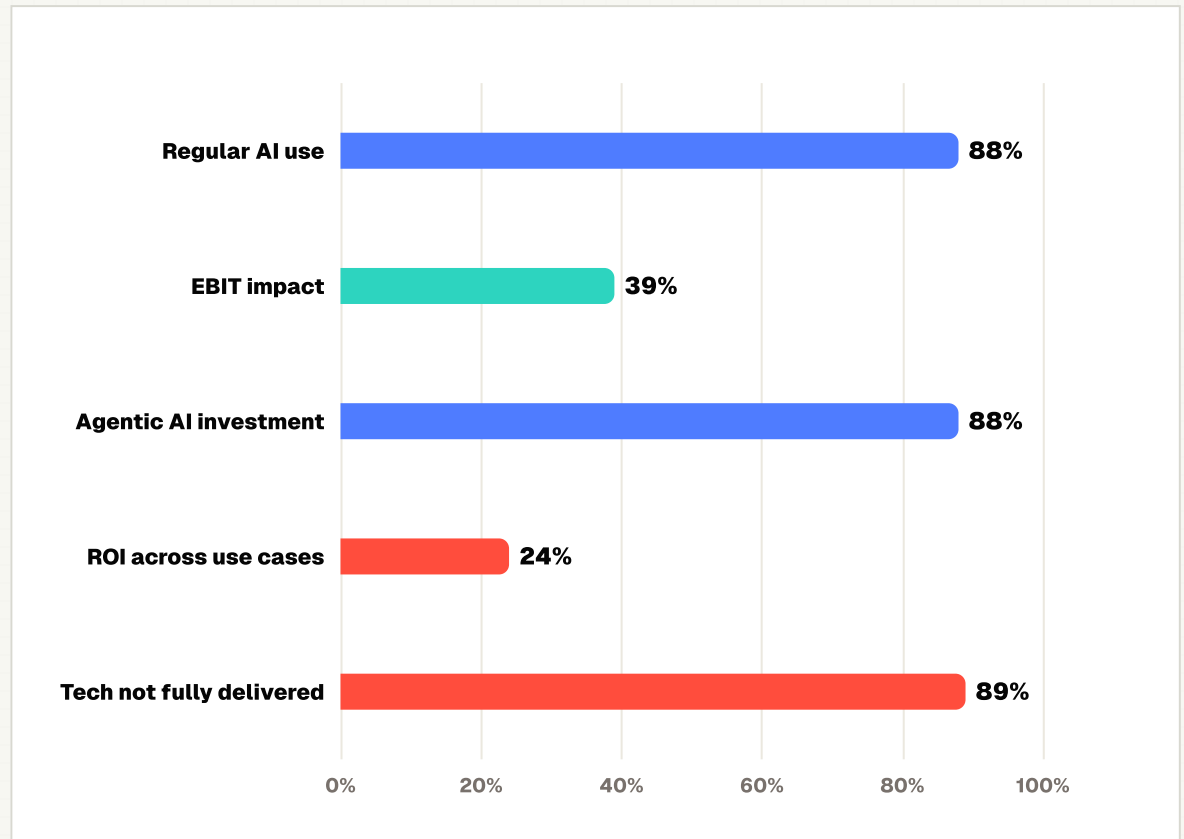
The value gap is an operating-model gap.

EVIDENCE

WHAT THIS MEANS

Adoption is no longer the hard part. The hard part is turning AI, automation, and systems into repeatable operating value.

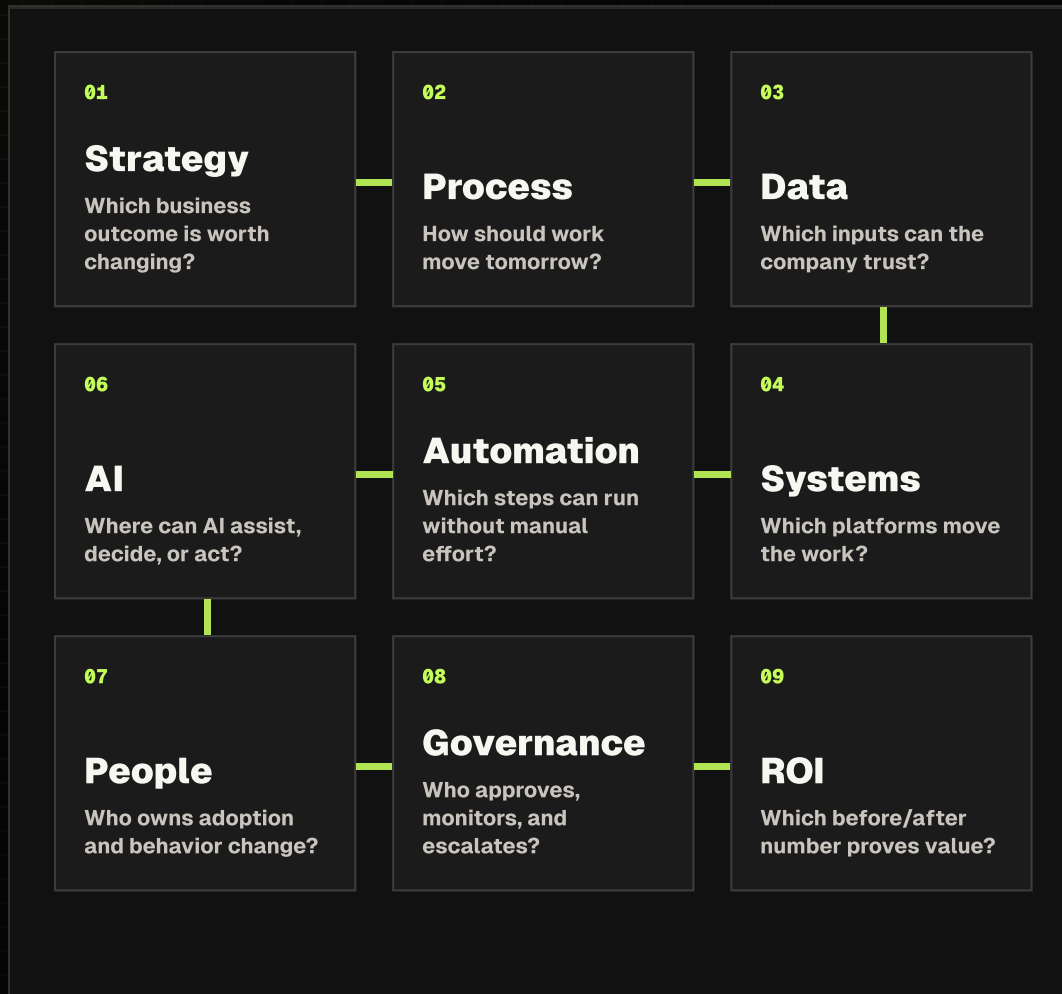
That requires workflow ownership, trusted data, integration, governance, adoption, and ROI discipline.



Sources: McKinsey, KPMG, PwC.

The Digital Operating System.

CORE FRAMEWORK



WHY ZIGZAG?

Transformation is not a straight software line. Each layer changes the next layer and exposes the gaps below it.

BOARD QUESTION

Which layer is currently weakest, and what decision removes the bottleneck?

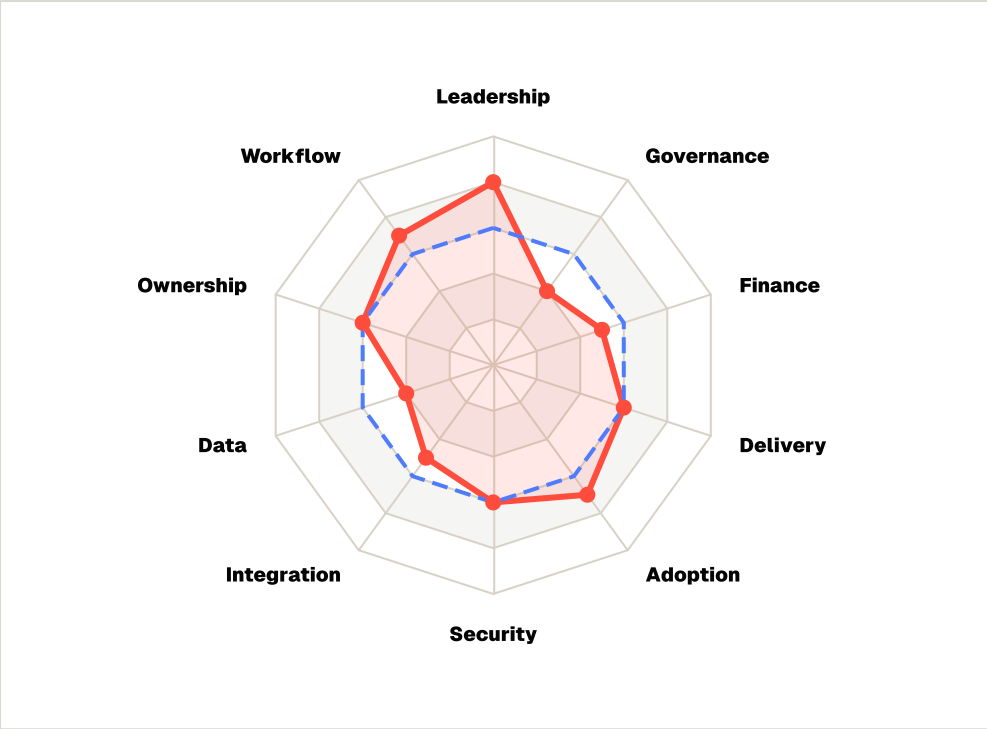
OPERATOR MOVE

Use the nine squares as the agenda for any transformation review. If one square is blank, the initiative is not ready.

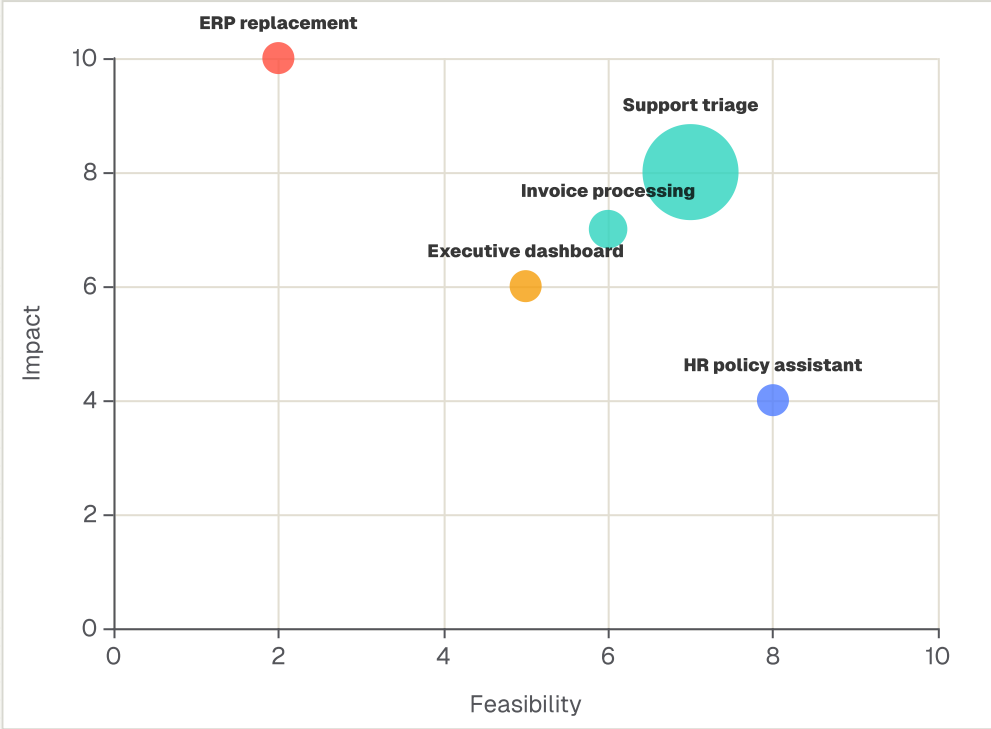
NO-BS RULE

Do not move to AI until process, data, ownership, and controls are clear enough to survive automation.

Diagnose before you automate.



■ Example readiness score for operating discussion.



■ Example pain priority matrix for pilot selection.

01 Score readiness

Data, owner, process clarity, integration, and controls.

02 Score pain

Cost, delay, customer impact, risk, and feasibility.

03 Choose pilots

High pain plus high feasibility beats vague strategic ambition.

The first 90 days should prove one workflow.

ROADMAP

DAYS 1-15

Diagnose

Map the workflow, name the owner, identify the pain, and create the baseline.

DAYS 16-30

Design

Define the future process, data needs, tool decision, controls, and adoption plan.

DAYS 31-60

Build

Ship a controlled pilot with real users, clear scope, rollback, and support.

DAYS 61-90

Prove

Measure value, fix adoption issues, and decide whether to scale, stop, or redesign.

DECISION RULE

Do not scale a transformation until one painful workflow has a before/after result that leadership can inspect.

AI autonomy is a risk decision.

LEVEL 1	Assistant	Drafts, summarizes, searches, and suggests. Human acts.
LEVEL 2	Copilot	Prepares an action inside a system. Human approves before execution.
LEVEL 3	Controlled agent	Executes bounded actions with logs, limits, and escalation.
LEVEL 4	Autonomous operation	Executes end-to-end within policy, budget, and risk controls.

LOW-RISK START

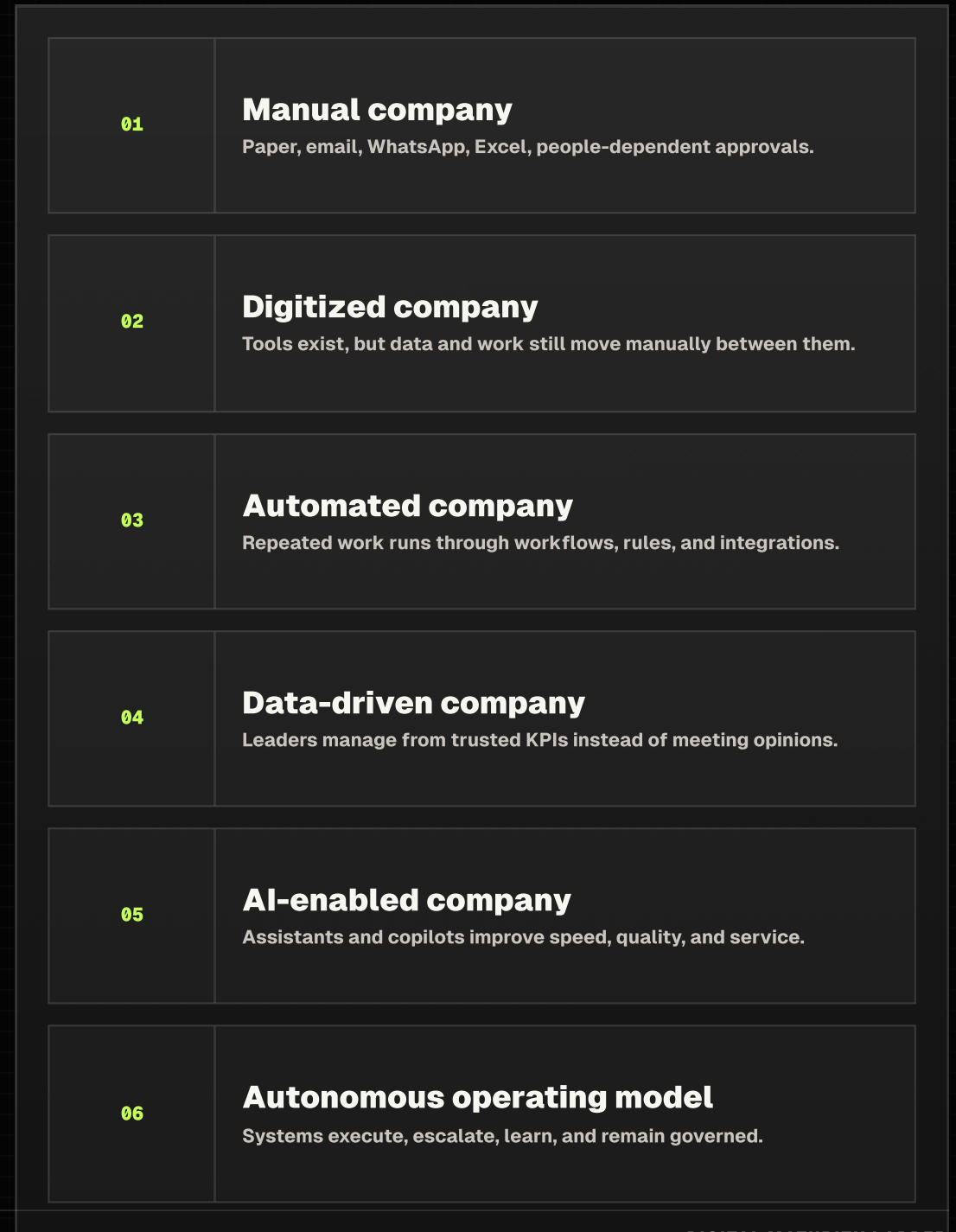
Begin with assistance and human approval. Move up the ladder only after accuracy, auditability, and exception handling are proven.

NEVER SKIP

Access control, human override, logs, test cases, and escalation paths are mandatory before AI executes sensitive work.

Tag your company.

Most companies do not fail because they lack ambition. They fail because they mistake a digitized mess for a transformed operating model.



Nine rules that kill bad transformation.

Use these as boardroom filters. If an initiative cannot pass them, it is not ready for budget.

01

Do not fund a tool before the operating change is clear.

02

If the workflow does not change, transformation did not happen.

03

No owner means no transformation.

04

No baseline means no ROI claim.

05

Automate only after the process is understood.

06

Dirty data turns dashboards into theater.

07

AI autonomy rises only when control rises.

08

Adoption is designed, trained, and measured.

09

Scale only what produced inspected before/after value.

The failure chain.

This is how expensive transformation becomes an expensive archive of unused tools.

TOOL FIRST -> PROCESS UNCHANGED -> DATA CONFLICT -> LOW ADOPTION -> NO ROI

01

Tool first

Leadership funds software before naming the workflow change.

02

Broken process

Old approvals and handoffs survive inside the new tool.

03

Dirty data

Departments keep different definitions for the same metric.

STOP

05

No ROI

Cost, speed, risk, and customer outcomes do not move.

04

Low adoption

Employees route around the system because the old path is faster.

The 90-day proof model.

The first transformation cycle should prove one workflow so clearly that the scale decision becomes obvious.

1-15	Diagnose Map the workflow, pain, owner, baseline, and failure cost.
16-30	Design Define future state, tool path, data needs, controls, and training.
31-60	Build Pilot with real users, a tight scope, visible support, and rollback.
61-90	Prove Measure before/after value and choose scale, stop, or redesign.

AI autonomy is a risk decision.

The question is not whether an agent can act.
The question is what it is allowed to do when it is wrong.

L1	Assistant Human asks. AI drafts, searches, explains, or summarizes.
L2	Copilot AI prepares the action. Human approves before execution.
L3	Controlled agent AI executes bounded work with logs, limits, and escalation.
L4	Autonomous operation AI completes the process inside policy, budget, and risk controls.

00

Executive Summary

Digital transformation is not a software upgrade. It is the redesign of how a company works. A transformed company knows where work starts. It knows who owns it, which systems hold the truth, what gets automated, where AI is allowed to help, and how value is measured. The companies that win do not buy more...

CORE QUESTION What has to change in the workflow?	DECISION RULE Do not fund a tool before the operating change is clear.	OUTPUT Actionable operating artifact
---	--	--

OPERATING NOTE

Why This Book Exists

Most companies are now past the awareness stage.

They know they need better systems. They know manual work is expensive. They know AI matters.

The hard part is no longer belief. The hard part is execution.

Leaders are asking sharper questions:

- Which workflows should we transform first?
- What should we automate?
- Where does AI actually make sense?
- How do we prove ROI?
- How do we stop pilots from becoming expensive theater?
- How do we modernize without breaking the business?

This book answers those questions with operating models, examples, checklists, templates, and numbers.

EVIDENCE

2/2

The Market Reality

At the same time, **89%** say technology investments have not fully delivered expected results.

That gap is the opportunity.

Companies are not failing because they lack tools.

They are failing because tools are being added to weak workflows, messy data, unclear ownership, and poor adoption.

EVIDENCE

1/2

The Market Reality

AI adoption is high. Scaled value is still rare.

McKinsey's 2025 global AI survey reports that **88%** of respondents say their organizations use AI regularly in at least one business function.

But only **39%** attribute any level of EBIT impact to AI. McKinsey identifies high performers as roughly **6%** of respondents.

KPMG's 2026 Global Tech Report says **88%** of organizations are investing in agentic AI.

It also says **74%** report business value from AI use cases. But only **24%** report ROI across multiple use cases.

PwC's 2026 Digital Trends in Operations Survey shows the same execution gap.

85% of operations and supply chain leaders say they are ahead of competitors in digital transformation.

BOARD QUESTION

What decision will this chapter help leadership make?

OPERATOR MOVE

Name the owner, map the workflow, and measure the baseline before buying more software.

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Visual Brief: The Execution Gap

Create a simple two-column visual.

Left side:

- High AI adoption
- More tools
- More pilots
- More dashboards
- More vendor spend

Right side:

- Low scaled ROI
- Broken integrations
- Weak adoption
- Messy data
- Unclear ownership

Center headline:

The value gap is not a technology gap. It is an operating-model gap.

OPERATING NOTE

1/2

The Core Argument

Digital transformation works when seven things are true:

REQUIREMENT	PLAIN-ENGLISH MEANING
Clear business pain	The company knows what problem is worth solving
Process ownership	One accountable owner can change the workflow
Measurable baseline	The company knows the current cost, time, error, or risk
Data readiness	The required data is accessible, trusted, and governed
System integration	The tools that run the workflow can exchange data
Adoption plan	Users understand the benefit and are trained to work differently
Governance	Risk, approvals, security, and AI controls are designed upfront

OPERATING NOTE

2/2

The Core Argument

If any of these are missing, the project can still launch.

It just will not transform much.

BOARD QUESTION

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OPERATING NOTE

What Transformation Is Not

Transformation is not:

- Buying a CRM
- Replacing an ERP
- Launching a mobile app
- Moving files to the cloud
- Giving employees an AI chatbot
- Building dashboards nobody uses
- Running workshops without changing workflows

Those can be useful moves.

They are not transformation by themselves.

OPERATING NOTE

1/3

The Digital Operating System

This book uses one core framework: the Digital Operating System.

OPERATING NOTE

What Transformation Is

Transformation is:

- Redesigning how work moves
- Removing manual waste
- Connecting systems
- Making data trustworthy
- Automating repeatable tasks
- Giving leaders real-time visibility
- Using AI where it improves speed, quality, cost, risk, or customer experience
- Creating a management system for continuous improvement

Decision rule: If the workflow, owner, metric, or customer outcome did not change, the company probably digitized something.

It did not transform it.

BOARD QUESTION

What decision will this chapter help leadership make?

OPERATOR MOVE

Name the owner, map the workflow, and measure the baseline before buying more software.

NO-BS RULE

If the workflow does not change, transformation did not happen.

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- Scale decision explicit

OPERATING NOTE

2/3

The Digital Operating System

LAYER	QUESTION	OUTPUT
Strategy	What business outcome matters?	Transformation thesis
Process	How does work move today?	Current and future process maps
Data	What information runs the workflow?	Data source inventory and KPI dictionary
Systems	Which tools store and move the work?	Architecture and integration map
Automation	Which steps can run without manual effort?	Automation backlog
AI	Where can AI predict, recommend, generate, or act?	AI use case portfolio
People	Who owns and adopts the new way of working?	Roles, training, adoption plan
Governance	Who approves, monitors, escalates, and improves?	RACI, controls, steering cadence
ROI	How will value be proven?	Scorecard and business case

OPERATING NOTE

3/3

The Digital Operating System

This is the difference between a project and an operating model.

A project can go live.

An operating model keeps improving.

BOARD QUESTION

What decision will this chapter help leadership make?

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EXAMPLE

1/2

Example: The Wrong Way And The Right Way

The Wrong Way

A company buys a new support platform.

Tickets now sit in a better interface, but routing is still manual.

Customers still repeat information.

Managers still ask for weekly reports.

The support team still copies data into spreadsheets.

Nobody owns the customer knowledge base.

Leadership calls it transformation because the software changed.

The work did not change.

The Right Way

The company maps the full support workflow.

It finds that 40% of tickets are repeat questions, 25% are routed to the wrong team first, and refund cases wait two days for approval.

The future workflow changes four things:

EXAMPLE

2/2

Example: The Wrong Way And The Right Way

- AI classifies incoming tickets
 - Low-risk questions get self-service answers
 - Refund cases route to the right approver automatically
 - Managers see a live dashboard of backlog, SLA risk, and repeat complaint themes
- Now the work changed.
- That is transformation.

OPERATING NOTE

1/2

The First 90 Days

The first 90 days should not try to transform the whole company.

The first 90 days should prove that the company can transform one workflow.

PHASE	DAYS	GOAL	OUTPUT
Diagnose	1-15	Pick the right workflow	Baseline, owner, pain score
Design	16-30	Redesign the work	Future workflow, data map, risk controls
Build	31-60	Ship a controlled pilot	Working workflow with real users
Prove	61-90	Measure value	ROI signal, adoption readout, scale decision

BOARD QUESTION

What decision will this chapter help leadership make?

OPERATOR MOVE

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NO-BS RULE

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- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

2/2

The First 90 Days

The best first workflow has four traits:

- It is painful enough to matter
- It is narrow enough to fix
- It has a clear owner
- It has measurable before/after value

OPERATING NOTE

Executive Takeaway

Do not start with technology.

Start with a painful workflow, a clear owner, a measurable baseline, and a business outcome worth changing.

Then choose the technology.

That is how transformation becomes value instead of theater.

OPERATING NOTE

What The Reader Gets

By the end of this book, the reader should have:

- Digital maturity assessment
- Readiness score
- Process map
- Pain point inventory
- Customer friction audit
- Data source inventory
- KPI dictionary
- Automation backlog
- AI use case portfolio
- AI governance checklist
- ROI calculator
- Vendor scoring sheet
- RACI matrix
- 90-day roadmap
- Legacy migration checklist
- Executive approval memo

This is not a book of opinions.

It is a toolkit.

BOARD QUESTION

What decision will this chapter help leadership make?

OPERATOR MOVE

Name the owner, map the workflow, and measure the baseline before buying more software.

NO-BS RULE

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- Risk controls defined
- Scale decision explicit

Executive Summary

OPERATING NOTE

Sources

- McKinsey, The State of AI: Global Survey 2025:
<https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>
- KPMG, Global Tech Report 2026:
<https://kpmg.com/xx/en/media/press-releases/2026/01/tech-executives-double-down-on-ai-talent-and-adaptive-strategies.html>
- PwC, 2026 Digital Trends in Operations Survey:
<https://www.pwc.com/us/en/services/consulting/business-transformation/library/digital-trends-operations-survey.html>

BOARD QUESTION

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01

The Reality Check

Most digital transformation programs do not fail at go-live. They fail earlier. They fail when leaders approve technology before they define how the business should work. The result is predictable: new systems, old workflows, frustrated employees, weak data, expensive integrations, and dashboards that do not...

CORE QUESTION What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.	DECISION RULE Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What...	OUTPUT Actionable operating artifact
--	---	--

OPERATING NOTE

The Failure Pattern

The pattern is common:

1. Leadership announces a transformation program.
2. A vendor or consultant runs discovery workshops.
3. The company buys or builds a platform.
4. The tool launches.
5. Employees keep working around it.
6. Data quality gets worse.
7. ROI is unclear.
8. The company blames adoption, the vendor, or the technology.

Sometimes the vendor is the problem.

More often, the business never made the decisions the technology needed.

Who owns the workflow?

Which system is the source of truth?

What is the approval rule?

What metric should improve?

What happens when the automation fails?

Who maintains the knowledge base?

If these questions are unanswered, the project can still look busy. It just cannot produce reliable value.

EVIDENCE

The Numbers Behind The Problem

PwC's 2026 Digital Trends in Operations Survey found that **89%** of operations and supply chain leaders say their technology investments have not fully delivered expected results.

The reasons are not mysterious:

- **59%** cite integration complexity
- **47%** cite user adoption
- Only **27%** have fully embedded an AI strategy across business units
- Only **37%** are comfortable assigning AI agents to execute full end-to-end processes in operations

This explains why so many programs stall.

Companies are not short on ambition. They are short on integration, adoption, governance, and operating discipline.

OPERATING NOTE

Visual Brief: Failure Chain

Create a horizontal chain diagram:

**Unclear business pain → Bad process design →
Fragmented data → Weak integration → Poor adoption
→ No measurable ROI**

Under the chain, add one sentence:

Most failed transformations are not technology failures. They are unresolved operating decisions.

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

What Digital Transformation Is Not

Digital transformation is not buying software.

It is not:

- A CRM rollout
- An ERP replacement
- A chatbot launch
- A cloud migration
- A dashboard project
- A mobile app
- A workshop series
- A vendor roadmap

Each of those can support transformation.

None of them guarantee it.

OPERATING NOTE

1/3

The Maturity Ladder

Use this ladder to diagnose where a company really sits.

OPERATING NOTE

What Digital Transformation Is

Digital transformation is the redesign of work so the company becomes:

- More measurable
- More connected
- Less manual
- Faster to execute
- Easier to govern
- Better for customers
- Easier to improve

The simplest test:

Did the work change?

If the same people are doing the same manual steps in a newer tool, that is digitization.

If the workflow is redesigned, measured, automated, governed, and improved, that is transformation.

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

2/3

The Maturity Ladder

STAGE	COMPANY BEHAVIOR	MAIN RISK	NEXT MOVE
1. Manual	Excel, email, paper, WhatsApp	Work depends on memory and heroics	Digitize the workflow
2. Digitized	Tools exist, but separately	Data is fragmented	Integrate systems
3. Automated	Repetitive tasks are automated	Automation breaks when exceptions appear	Add rules and controls
4. Data-driven	Dashboards guide decisions	Metrics are watched but not acted on	Tie KPIs to operating cadence
5. AI-enabled	AI assists employees and customers	AI uses weak data or unclear permissions	Add governance and evaluation
6. Autonomous	Systems execute, escalate, and learn	Over-automation creates risk	Monitor, audit, and improve

OPERATING NOTE

3/3

The Maturity Ladder

Most companies think they are at stage four or five.
In practice, many are at stage two: digitized, but fragmented.

EXAMPLE

1/2

Example: The Dashboard That Did Nothing

A retail company builds an executive dashboard.
The dashboard shows order delays, complaint volume, stockouts, and revenue by region.
It looks good in board meetings.
But nothing changes.
Why?
The dashboard has no operating owner.
It does not trigger actions.
The data is delayed by four days.
The operations team still uses spreadsheets.
The customer support team sees complaints first, but nobody connects complaint themes to inventory decisions.
The dashboard made the problem visible.
It did not make the company responsive.

The Fix

The company redesigns the workflow:

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

2/2

Example: The Dashboard That Did Nothing

- Stockout risk refreshes daily
- Complaint spikes trigger an operations review
- Repeated complaints create a root-cause ticket
- Regional managers receive exception alerts
- Inventory and support teams review the same KPI weekly

Now the dashboard changes decisions.

That is the difference.

OPERATING NOTE

1/2

Shadow IT Audit

Ask each department:

QUESTION	WHY IT MATTERS
What tools do you use that IT does not manage?	Finds hidden systems and data
What spreadsheets run critical work?	Finds manual operating dependencies
What AI tools are employees using?	Finds privacy and governance risk
What data gets copied between tools?	Finds integration gaps
What reports are manually assembled?	Finds reporting automation opportunities
What would break if one person left?	Finds people-dependent processes

OPERATING NOTE

Shadow IT: The Problem Already Inside The Company

Shadow IT means employees use tools the company did not approve or govern.

Today, this includes:

- Unapproved SaaS tools
- Personal AI accounts
- Department-owned spreadsheets
- Untracked automation scripts
- Customer data in chat tools
- Vendor portals nobody in IT owns
- AI prompts containing confidential information

Shadow IT usually appears because employees are trying to move faster than the official systems allow.

Do not treat it only as bad behavior.

Treat it as signal.

It shows where the current operating model is too slow, too manual, or too painful.

OPERATING NOTE

2/2

Shadow IT Audit

The goal is not to punish teams.

The goal is to understand how work really happens.

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

The Four Failure Types

Most transformation failures fit into one of four categories.

FAILURE TYPE	WHAT IT LOOKS LIKE	REAL CAUSE
Tool-first failure	Software launches but workflow does not improve	Process was never redesigned
Data failure	Reports conflict and AI gives weak answers	No source of truth or data owner
Adoption failure	Employees avoid the new system	The new workflow adds friction or no one trained users
Governance failure	AI, automation, or vendors create risk	Controls were added late or not at all

OPERATING NOTE

2/2

The Four Failure Types

This table should become a diagnostic tool in the book.

If a project is struggling, classify the failure before adding more technology.

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

DECISION

Decision Rule: Fix The Workflow Before Funding The Tool

Before approving any technology spend, leadership should ask:

- What workflow will change?
- Who owns the workflow?
- What baseline are we improving?
- Which systems must integrate?
- What manual work disappears?
- What decision becomes faster or better?
- What risk control is required?
- How will adoption be measured?
- What happens if the pilot fails?

If the team cannot answer these questions, the business case is not ready.

CHECKLIST

Implementation Checklist

Use this checklist before starting any transformation initiative.

- Name the workflow
- Name the executive sponsor
- Name the process owner
- Map the current process
- Identify manual steps
- Identify systems used
- Identify data sources
- Define the current baseline
- Define the target KPI
- Define the user group
- Define security and compliance risks
- Define what happens after go-live

Do not approve full funding until this checklist is complete.

OPERATING NOTE

Sources

- PwC, 2026 Digital Trends in Operations Survey:
<https://www.pwc.com/us/en/services/consulting/business-transformation/library/digital-trends-operations-survey.html>

OPERATING NOTE

Executive Question

What business workflow are we changing, and how will we know it improved?

If the answer is unclear, pause.

OPERATING NOTE

Team Question

What manual step, delay, error, or repeated customer complaint will disappear after this work is done?

If nothing disappears, the project may be cosmetic.

OPERATING NOTE

Executive Takeaway

Transformation is not a technology purchase.

It is an operating decision.

The companies that get value make the hard decisions first: workflow ownership, data ownership, integration, adoption, governance, and ROI.

Then they choose tools.

BOARD QUESTION

What business workflow are we changing, and how will we know it improved? If the answer is unclear, pause.

OPERATOR MOVE

What manual step, delay, error, or repeated customer complaint will disappear after this work is done? If nothing disappears, the project may be cosmetic.

NO-BS RULE

Before approving any technology spend, leadership should ask: - What workflow will change? - Who owns the workflow? - What baseline are we improving? - Which systems...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

02

The Digital Operating System

A transformation program fails when it is treated as a list of projects. A company transforms when it changes the way work is designed, measured, automated, governed, and improved. That requires an operating system. Not a software operating system. A company operating system. Key takeaway: The Digital...

CORE QUESTION

Are we funding a tool, or are we funding a new way of operating?

DECISION RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be...

OUTPUT

Actionable operating artifact

OPERATING NOTE

The Problem

Most companies manage transformation as a portfolio of tools.

CRM project.

ERP upgrade.

Data warehouse.

AI assistant.

Customer portal.

Automation pilot.

Each project may be useful.

But if they are not connected by one operating model, the company gets fragmented modernization.

That is how leaders end up with more software and still less clarity.

OPERATING NOTE

1/2

The Digital Operating System Model

The model has nine layers.

LAYER	QUESTION	OUTPUT
Strategy	What outcome matters?	Transformation thesis
Process	How does work move?	Current and future workflow
Data	What information runs the workflow?	Data map and KPI dictionary
Systems	Where does work live?	Architecture and integration map
Automation	What can run without manual effort?	Automation backlog
AI	Where can AI improve decisions or action?	AI use case portfolio
People	Who owns and adopts the change?	Roles, training, adoption plan
Governance	Who approves and monitors risk?	RACI, controls, steering cadence
ROI	How is value proven?	Scorecard and business case

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

The Digital Operating System

OPERATING NOTE

2/2

The Digital Operating System Model

The layers are not optional.

If strategy is unclear, teams automate the wrong work.

If process is unclear, tools digitize the mess.

If data is weak, dashboards and AI become unreliable.

If systems do not integrate, employees become the integration layer.

If governance is late, risk slows everything down.

If ROI is vague, funding becomes political.

OPERATING NOTE

Visual Brief: Digital Operating System

Use a layered diagram.

Each layer should show:

- the executive question
- the operating output
- the failure risk

The diagram should loop ROI back to strategy.

That loop matters.

Transformation is not a one-time build.

It is a measurement and improvement cycle.

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

1/3

Example: Order-To-Cash

Order-to-cash is the workflow from customer order to collected payment.

In a manual company, it often looks like this:

- Sales confirms an order by email
- Operations checks stock in a spreadsheet
- Finance creates an invoice manually
- Customer support answers "where is my order?"
- Managers chase status updates
- Payment delays are discovered late

The process may involve five teams and seven tools.

No single person sees the full workflow.

The Digital Operating System View

EXAMPLE

2/3

Example: Order-To-Cash

LAYER	ORDER-TO-CASH EXAMPLE
Strategy	Reduce cash collection time and order friction
Process	Map order, fulfillment, invoice, payment, exception steps
Data	Customer, order, inventory, invoice, payment, SLA data
Systems	CRM, ERP, accounting, warehouse, support, BI
Automation	Auto-create invoice, route exceptions, update order status
AI	Predict late payments, classify exceptions, draft customer updates
People	Sales, operations, finance, support process owners
Governance	Approval rules for credit, refunds, write-offs, exceptions
ROI	Days sales outstanding, manual hours, error rate, complaints

EXAMPLE

3/3

Example: Order-To-Cash

This is why the model works.

It forces the company to see the workflow as one operating system.

Not as disconnected departmental projects.

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EVIDENCE

The Numbers

PwC's 2026 operations survey found that **59%** of leaders cite integration complexity as a reason technology investments have not fully delivered.

It also found that **47%** cite user adoption.

Those are operating-model issues.

They are not solved by buying another tool.

They are solved by redesigning the layers that make the tool useful:

- process
- data
- systems
- people
- governance

EXAMPLE

Before / After

BEFORE	AFTER
Departments optimize locally	Workflow is owned end-to-end
Data is copied between systems	Data moves through integrations
Dashboards report late	Dashboards trigger decisions
AI answers questions	AI supports defined workflow steps
Training happens at go-live	Adoption is designed from day one
ROI is estimated after launch	Baseline is measured before funding

DECISION

Decision Rule

Do not approve a transformation project unless the team can explain all nine layers.

The explanation can be short.

It cannot be missing.

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Operating System Canvas

Use this canvas before approving a project.

LAYER	ANSWER
Strategy	What business metric should improve?
Process	What workflow changes?
Data	What data is required and who owns it?
Systems	Which systems must connect?
Automation	Which manual steps disappear?
AI	Where can AI assist or act safely?
People	Who will use and own the new workflow?
Governance	What approvals, logs, and controls are required?
ROI	What baseline and target will prove value?

OPERATING NOTE

Executive Question

Are we funding a tool, or are we funding a new way of operating?

OPERATING NOTE

2/2

Operating System Canvas

If a row is blank, the project is not ready.

CHECKLIST

Implementation Checklist

- Name the workflow
- Name the business owner
- Name the primary KPI
- Map current and future process
- List systems involved
- List data sources
- Define integration requirements
- Define manual work to remove
- Define AI role, if any
- Define risk controls
- Define adoption plan
- Define ROI baseline

OPERATING NOTE

Team Question

What changes in the daily workflow after this goes live?

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

The Digital Operating System

OPERATING NOTE

Executive Takeaway

The Digital Operating System turns transformation from a collection of projects into a repeatable way to change the company.

When every initiative connects strategy, process, data, systems, automation, AI, people, governance, and ROI, transformation becomes manageable.

When it does not, the company gets more tools and more confusion.

OPERATING NOTE

Sources

- PwC, 2026 Digital Trends in Operations Survey: <https://www.pwc.com/us/en/services/consulting/business-transformation/library/digital-trends-operations-survey.html>

BOARD QUESTION

Are we funding a tool, or are we funding a new way of operating?

OPERATOR MOVE

What changes in the daily workflow after this goes live?

NO-BS RULE

Do not approve a transformation project unless the team can explain all nine layers. The explanation can be short. It cannot be missing.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

03

Transformation Readiness Assessment

Not every company is ready to transform. Some companies need a roadmap. Some need a cleanup. Some need to stop buying tools until they fix ownership, data, and process. The readiness assessment prevents leaders from approving a plan the company cannot execute. Key takeaway: Readiness is not ambition....

CORE QUESTION Are we ready to execute, or are we only ready to announce?	DECISION RULE Do not fund a full program if: - no business owner exists - no baseline exists - required data is inaccessible - users do not...	OUTPUT Template: Readiness Assessment
--	--	---

Transformation Readiness Assessment

OPERATING NOTE

The Problem

Executives often approve transformation based on pressure.
Competitors are using AI.
Manual work is too slow.
The board wants a digital plan.
The vendor demo looked strong.
But pressure is not readiness.
A company can have budget and still be unready.
It can have a smart IT team and still be unready.
It can have an AI strategy and still be unready.
Readiness means the company can execute without turning every decision into a committee fight.

OPERATING NOTE

The 100-Point Readiness Score

Total score:

- 0 to 30: not ready
- 31 to 60: partially ready
- 61 to 80: ready to pilot
- 81 to 100: ready to scale

OPERATING NOTE

The 100-Point Readiness Score

Score the company across ten areas.
Each area gets 0 to 10 points.

OPERATING NOTE

The 100-Point Readiness Score

AREA	QUESTION	SCORE
Leadership alignment	Do leaders agree on the business outcome?	0-10
Workflow clarity	Can the target process be mapped in a week?	0-10
Process ownership	Is one owner accountable for changing the workflow?	0-10
Data readiness	Is required data accessible, trusted, and owned?	0-10
System integration	Can required systems connect reliably?	0-10
Security readiness	Are access, privacy, and audit controls defined?	0-10
User adoption	Will users feel the benefit quickly?	0-10
Delivery capacity	Can the team ship and support the pilot?	0-10
Finance discipline	Is there a baseline, budget, and ROI model?	0-10
Governance	Are approval, escalation, and risk rules clear?	0-10

BOARD QUESTION

Are we ready to execute, or are we only ready to announce?

OPERATOR MOVE

Which readiness gap will break the pilot if we do not fix it first?

NO-BS RULE

Do not fund a full program if:
- no business owner exists -
no baseline exists - required data is inaccessible - users do not understand the benefit - security review is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Transformation Readiness Assessment

OPERATING NOTE

Visual Brief: Readiness Radar

Use a radar chart.

Each spoke is one readiness area.

The visual should show the current score and the minimum pilot threshold.

If one spoke is below 4, the project needs a mitigation plan.

If three or more spokes are below 5, the project is not ready for full funding.

EXAMPLE

1/3

Example: Support Automation Readiness

A mid-market company wants to automate customer support triage.

The idea looks attractive.

The company has 8,000 tickets per month.

About 25% are routed to the wrong team first.

About 40% are repeat questions.

The potential is real.

But the readiness score tells a more useful story.

BOARD QUESTION

Are we ready to execute, or are we only ready to announce?

OPERATOR MOVE

Which readiness gap will break the pilot if we do not fix it first?

NO-BS RULE

Do not fund a full program if:
- no business owner exists -
no baseline exists - required data is inaccessible - users do not understand the benefit - security review is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Transformation Readiness Assessment

EXAMPLE

2/3

Example: Support Automation Readiness

AREA	SCORE	WHAT IT MEANS
Leadership alignment	8	COO and support leader agree on outcome
Workflow clarity	7	Triage process can be mapped quickly
Process ownership	6	Support owns intake, but refunds involve finance
Data readiness	4	Knowledge base is outdated
System integration	5	Helpdesk and CRM connect, ERP is harder
Security readiness	6	Customer data rules exist
User adoption	7	Agents want less manual routing
Delivery capacity	6	IT can support a 90-day pilot
Finance discipline	5	Baseline exists, savings model is rough
Governance	4	Refund approvals and AI escalation are unclear

OPERATING NOTE

2/2

Readiness Score Bands

The goal is to know what must be fixed before money is wasted.

EXAMPLE

3/3

Example: Support Automation Readiness

Total score: 58.

This company should not launch an autonomous support agent.

It should run a controlled triage pilot.

The first 30 days should fix the knowledge base and approval rules.

OPERATING NOTE

1/2

Readiness Score Bands

SCORE	MEANING	RECOMMENDED MOVE
0-30	Not ready	Stabilize process, data, and ownership first
31-60	Partially ready	Run one narrow pilot with risk controls
61-80	Ready to pilot	Build a 90-day execution plan
81-100	Ready to scale	Build a portfolio and governance cadence

The goal is not to score high for ego.

BOARD QUESTION

Are we ready to execute, or are we only ready to announce?

OPERATOR MOVE

Which readiness gap will break the pilot if we do not fix it first?

NO-BS RULE

Do not fund a full program if:
- no business owner exists -
no baseline exists - required data is inaccessible - users do not understand the benefit - security review is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Transformation Readiness Assessment

DECISION

Decision Rule

Do not fund a full program if:

- no business owner exists
- no baseline exists
- required data is inaccessible
- users do not understand the benefit
- security review is postponed until launch
- AI autonomy is requested without approval rules

Approve a pilot only when the missing pieces are narrow and fixable.

OPERATING NOTE

1/2

The Minimum Viable Readiness Test

Before any 90-day pilot, the team must answer six questions.

QUESTION	PASS STANDARD
What workflow changes?	One named workflow
Who owns it?	One accountable owner
What metric improves?	One primary KPI
What data is needed?	Named sources and owners
What risk exists?	Controls and escalation path
What happens by day 90?	Scale, stop, or redesign decision

BOARD QUESTION

Are we ready to execute, or are we only ready to announce?

OPERATOR MOVE

Which readiness gap will break the pilot if we do not fix it first?

OPERATING NOTE

2/2

The Minimum Viable Readiness Test

If the team cannot answer these in one page, the pilot is not ready.

EXAMPLE

Before / After

BEFORE READINESS ASSESSMENT	AFTER READINESS ASSESSMENT
Leaders approve based on urgency	Leaders approve based on execution capacity
Weak data is discovered during build	Data gaps are visible before funding
Security appears late	Risk controls are designed upfront
Adoption is assumed	User benefit is tested early
ROI is guessed	Baseline and target are defined

NO-BS RULE

Do not fund a full program if:
- no business owner exists -
no baseline exists - required data is inaccessible - users do not understand the benefit - security review is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Transformation Readiness Assessment

CHECKLIST

Implementation Checklist

- Choose one candidate workflow
- Score all ten readiness areas
- Identify every score below 5
- Write mitigation actions for low scores
- Decide pilot, pause, or redesign
- Assign an owner to each mitigation
- Re-score before funding scale

OPERATING NOTE

Executive Question

Are we ready to execute, or are we only ready to announce?

OPERATING NOTE

Executive Takeaway

Transformation readiness is a risk-control tool.

It stops leaders from funding work the company cannot absorb.

It also protects good ideas from being launched too early and judged unfairly.

TEMPLATE

Template: Readiness Assessment

AREA	SCORE	EVIDENCE	GAP	OWNER	FIX BY
Leadership alignment	TBD	TBD	TBD	TBD	TBD
Workflow clarity	TBD	TBD	TBD	TBD	TBD
Process ownership	TBD	TBD	TBD	TBD	TBD
Data readiness	TBD	TBD	TBD	TBD	TBD
System integration	TBD	TBD	TBD	TBD	TBD
Security readiness	TBD	TBD	TBD	TBD	TBD
User adoption	TBD	TBD	TBD	TBD	TBD
Delivery capacity	TBD	TBD	TBD	TBD	TBD
Finance discipline	TBD	TBD	TBD	TBD	TBD
Governance	TBD	TBD	TBD	TBD	TBD

OPERATING NOTE

Team Question

Which readiness gap will break the pilot if we do not fix it first?

BOARD QUESTION

Are we ready to execute, or are we only ready to announce?

OPERATOR MOVE

Which readiness gap will break the pilot if we do not fix it first?

NO-BS RULE

Do not fund a full program if:

- no business owner exists -
- no baseline exists - required data is inaccessible - users do not understand the benefit - security review is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

04

Business Diagnosis

Good transformation starts with diagnosis. Not technology selection. Not vendor demos. Not a generic AI brainstorm. Diagnosis finds the workflows where delay, manual work, customer friction, cost, risk, or lost revenue is visible enough to justify change. Key takeaway: The best first use case is not the most...

CORE QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

DECISION RULE

The first pilot should score high on five things:
- business impact - workflow clarity - ownership clarity - data availability...

OUTPUT

Template: Pain Point Inventory

OPERATING NOTE

The Problem

Many companies start with a tool list.

They ask:

- Which CRM should we buy?
- Which AI platform should we use?
- Which automation tool is best?
- Which dashboard should we build?

Those are later questions.

The first question is:

Where does the business lose time, money,
trust, or control today?

If the company cannot answer that, software selection
becomes guesswork.

OPERATING NOTE

The Diagnosis Sequence

Use this sequence before building a roadmap.

1. Map the company by function.
2. Identify painful workflows.
3. Trace customer complaints back to internal causes.
4. Score each pain point.
5. Separate quick wins from strategic projects.
6. Pick the first 90-day pilot.

BOARD QUESTION

**Which workflow is painful
enough to matter and narrow
enough to fix?**

OPERATOR MOVE

**Where does manual work,
rework, waiting, or customer
friction happen every week?**

NO-BS RULE

**The first pilot should score
high on five things: -
business impact - workflow
clarity - ownership clarity -
data availability - adoption
likelihood If the use case is...**

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Areas To Assess

FUNCTION	WHAT TO LOOK FOR
Sales	Lead leakage, slow follow-up, weak CRM hygiene
Support	Repeated questions, routing errors, SLA misses
Operations	Manual handoffs, scheduling delays, exception overload
Finance	Slow close, invoice errors, reconciliation work
HR	Manual onboarding, policy questions, leave approvals
Procurement	Vendor delays, approval bottlenecks, price leakage
Supply chain	Stockouts, late shipments, poor exception visibility
Marketing	Manual reporting, weak personalization, campaign waste
IT	Ticket backlog, access requests, shadow systems
Compliance	Evidence collection, audit trails, policy drift
Management	Manual reports, conflicting numbers, slow decisions

OPERATING NOTE

Process Mapping

Map the workflow as it really happens.
Not as the SOP says it happens.

Capture:

- trigger
- owner
- systems used
- handoffs
- approvals
- data entry
- waiting time
- rework
- exceptions
- customer-visible friction
- final output
- KPI

The map should expose where humans are acting as glue between broken systems.
That is usually where the opportunity lives.

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Pain Point Scoring

Score each pain point from 1 to 5.

CRITERION	QUESTION
Cost impact	Does this consume labor or vendor cost?
Time impact	Does this delay the workflow?
Customer impact	Does the customer feel it?
Revenue impact	Does this slow sales, retention, or upsell?
Risk impact	Does this create compliance, security, or financial risk?
Automation fit	Can the steps be standardized or integrated?
Data readiness	Is the required data available?
Ownership clarity	Can one owner change the workflow?

OPERATING NOTE

2/2

Pain Point Scoring

Maximum score: 40.

Do not pick the highest pain score blindly.

Pick the best balance of value and feasibility.

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Visual Brief: Pain Priority Matrix

Use a scatter chart.

X-axis:

- feasibility

Y-axis:

- business impact

Bubble size:

- monthly volume

Color:

- red for high risk
- blue for strategic
- green for quick win
- amber for dependency-heavy

Quadrants:

- Quick wins
- High-ROI pilots
- Strategic platforms
- Defer or redesign

EXAMPLE

1/2

Example Diagnosis

A company reviews five workflows.

WORKFLOW	IMPACT	FEASIBILITY	VOLUME	DIAGNOSIS
Support triage	8	7	8,000 tickets/month	First pilot
Invoice processing	7	6	1,200 invoices/month	Second pilot
Executive dashboard	6	5	Weekly	Needs data cleanup first
ERP replacement	10	2	Enterprise-wide	Strategic program, not first pilot
HR policy assistant	4	8	600 questions/month	Quick win

EXAMPLE

2/2

Example Diagnosis

The ERP replacement has the highest strategic weight.

It is not the best first move.

The support triage workflow is painful, measurable, and feasible.

That makes it the better 90-day proof point.

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Customer Complaint Trace-Back

Customer complaints are often symptoms of internal process failure.

COMPLAINT	INTERNAL CAUSE	TRANSFORMATION OPPORTUNITY
"Nobody updates me"	No automated status trigger	Order status automation
"I keep repeating myself"	Customer context not visible	CRM/helpdesk integration
"Refunds take too long"	Manual approval chain	Rule-based approval routing
"Your team gives different answers"	Weak knowledge base	Governed knowledge management
"The portal is confusing"	Poor journey design	Customer self-service redesign

OPERATING NOTE

2/2

Opportunity Buckets

This stops the roadmap from mixing small fixes with multi-year programs.

OPERATING NOTE

2/2

Customer Complaint Trace-Back

Do not treat complaints only as service issues.
Treat them as process diagnostics.

OPERATING NOTE

1/2

Opportunity Buckets

After scoring, group opportunities into four buckets.

BUCKET	DESCRIPTION	EXAMPLE
Quick wins	Low complexity, visible benefit	HR policy assistant
High-ROI pilots	Measurable value, feasible in 90 days	Support triage automation
Strategic platforms	High value, high complexity	ERP modernization
Long-term AI	Useful later, not ready now	Autonomous planning agent

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

DECISION

Decision Rule

The first pilot should score high on five things:

- business impact
- workflow clarity
- ownership clarity
- data availability
- adoption likelihood

If the use case is exciting but fails three of these, do not start there.

CHECKLIST

Implementation Checklist

- List departments
- Identify top five workflows per department
- Map the current process for each candidate
- Score cost, time, customer, revenue, and risk impact
- Score feasibility and data readiness
- Trace top customer complaints to internal causes
- Pick one quick win and one 90-day pilot
- Define baseline metrics before building

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

OPERATING NOTE

Executive Question

Which workflow is painful enough to matter and narrow enough to fix?

OPERATING NOTE

Team Question

Where does manual work, rework, waiting, or customer friction happen every week?

TEMPLATE

Template: Pain Point Inventory

PAIN POINT	WORKFLOW	OWNER	IMPACT	FEASIBILITY	BASELINE	FIRST MOVE
Wrong ticket routing	Support triage	Support lead	8	7	25% wrong first route	Pilot
Manual invoice entry	Accounts payable	Finance lead	7	6	1,200/month	Pilot backlog
Conflicting sales reports	Sales reporting	Revenue ops	6	5	3 report versions	Data cleanup

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Executive Takeaway

Diagnosis turns transformation from ambition into a ranked backlog.

The company stops asking "what technology should we buy?"

It starts asking "which workflow should change first, and how will we know it worked?"

BOARD QUESTION

Which workflow is painful enough to matter and narrow enough to fix?

OPERATOR MOVE

Where does manual work, rework, waiting, or customer friction happen every week?

NO-BS RULE

The first pilot should score high on five things: - business impact - workflow clarity - ownership clarity - data availability - adoption likelihood If the use case is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

05

Customer Experience Transformation

Customer experience is where internal dysfunction becomes visible. Customers do not care that the CRM, ERP, warehouse, finance system, and support tool do not talk to each other. They experience the delay. They repeat the information. They wait for the refund. They lose trust. Key takeaway: Customer...

CORE QUESTION

Which customer complaint is really an internal workflow failure?

DECISION RULE

Do not automate a customer-facing workflow until the internal ownership is clear. If nobody owns the exception path, automation...

OUTPUT

Template: Customer Friction Audit

OPERATING NOTE

The Problem

Many companies improve the customer interface without improving the work behind it.

They redesign the website.

They launch a portal.

They add live chat.

But the order status is still stale.

Support still asks the customer for information the company already has.

Refund approval still moves by email.

That is not customer experience transformation.

That is a prettier front door to the same operating problem.

OPERATING NOTE

1/2

Customer Friction Score

Score each friction point from 1 to 5.

CRITERION	QUESTION
Frequency	How often does this happen?
Severity	How painful is it for the customer?
Revenue impact	Does it affect conversion, retention, or upsell?
Support impact	Does it create repeat contact?
Fixability	Can the internal workflow be changed?

OPERATING NOTE

Journey Map

Map the journey across the stages where customers feel friction.

STAGE	COMMON FRICTION	INTERNAL CAUSE
Discovery	Unclear offer	Weak product/content ownership
Purchase	Slow checkout or application	Too many fields or manual review
Onboarding	Repeated document requests	Poor CRM/workflow integration
Delivery	No status visibility	ERP, logistics, and support disconnected
Support	Slow or inconsistent answers	Weak knowledge base and routing
Complaints	No ownership	Escalation path unclear
Retention	No proactive follow-up	No customer health signal
Upsell	Irrelevant outreach	Poor segmentation and usage data

OPERATING NOTE

2/2

Customer Friction Score

High frequency and high fixability should move first.

BOARD QUESTION

Which customer complaint is really an internal workflow failure?

OPERATOR MOVE

What information does the customer repeat because our systems do not share it?

NO-BS RULE

Do not automate a customer-facing workflow until the internal ownership is clear. If nobody owns the exception path, automation will only make the failure faster.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

Example: Refund Delay

A retailer receives 2,000 refund requests per month.

The customer promise is five business days.

Actual average time is twelve days.

The support team blames finance.

Finance blames missing documentation.

Operations blames inventory confirmation.

The customer only sees one thing:

the company is slow.

Transformed Workflow

- Customer starts refund request in portal
- System checks order and return eligibility
- Low-risk cases auto-approve
- Exceptions route to finance or operations
- Customer receives status updates automatically
- Dashboard shows aging refund cases

EVIDENCE

KPIs

KPI	WHY IT MATTERS
First response time	Shows speed of acknowledgement
Resolution time	Shows end-to-end workflow speed
Repeat contact rate	Shows whether the issue was actually solved
Self-service completion	Shows whether customers can finish without help
Refund cycle time	Shows back-office customer impact
CSAT/NPS	Shows customer perception
Complaint recurrence	Shows root-cause improvement

DECISION

Decision Rule

Do not automate a customer-facing workflow until the internal ownership is clear.

If nobody owns the exception path, automation will only make the failure faster.

BOARD QUESTION

Which customer complaint is really an internal workflow failure?

OPERATOR MOVE

What information does the customer repeat because our systems do not share it?

NO-BS RULE

Do not automate a customer-facing workflow until the internal ownership is clear. If nobody owns the exception path, automation will only make the failure faster.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Map the top five customer complaints
- Trace each complaint to an internal workflow
- Identify the owner of each workflow
- Measure current response and resolution time
- Identify repeat questions
- Identify low-risk self-service opportunities
- Define escalation rules
- Build one customer-visible improvement in 90 days

OPERATING NOTE

Team Question

What information does the customer repeat because our systems do not share it?

TEMPLATE

Template: Customer Friction Audit

COMPLAINT	VOLUME	INTERNAL CAUSE	OWNER	CURRENT KPI	TARGET KPI	FIRST FIX
Refund delay	TBD	Manual approval	Finance	12 days	5 days	Rule routing
Repeated questions	TBD	Missing CRM context	Support	TBD	TBD	CRM/helpdesk sync

OPERATING NOTE

Executive Question

Which customer complaint is really an internal workflow failure?

OPERATING NOTE

Executive Takeaway

Customer experience transformation is not cosmetic.
It is operational.
Fix the workflow customers feel first.

BOARD QUESTION

Which customer complaint is really an internal workflow failure?

OPERATOR MOVE

What information does the customer repeat because our systems do not share it?

NO-BS RULE

Do not automate a customer-facing workflow until the internal ownership is clear. If nobody owns the exception path, automation will only make the failure faster.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

06

Operations Transformation

Operations transformation removes the work that should not require a human. It reduces copy-paste. It reduces chasing. It reduces manual approvals. It reduces status meetings that exist only because systems are silent. Key takeaway: The best operations projects remove delay, rework, manual coordination, and...

CORE QUESTION

Which workflow consumes the most coordination effort without creating customer value?

DECISION RULE

Do not automate a broken process exactly as it is. Simplify first. Then digitize. Then automate. Then add AI only where...

OUTPUT

Template: Operations Workflow Spec

OPERATING NOTE

The Problem

Operations teams often become the human API layer.

They move data between systems.

They check statuses manually.

They chase approvals.

They reconcile spreadsheets.

They update managers.

They explain exceptions after they are already late.

This work can look productive because everyone is busy.

It is still waste.

OPERATING NOTE

Manual Work Elimination

Classify manual work into four types.

TYPE	EXAMPLE	BEST FIX
Data movement	Copying CRM data into ERP	Integration
Decision routing	Manager approval by email	Workflow rules
Status chasing	"Where is this?" messages	Event notifications
Exception detection	Finding late orders manually	Dashboard and alerts

OPERATING NOTE

What To Review

AREA	WHAT TO LOOK FOR
Task assignment	Work assigned by email, chat, or memory
Approvals	Decisions waiting on one person
Reporting	Manual status updates
Inventory	Stock mismatches and late exception discovery
Scheduling	Manual capacity planning
Quality control	Defects found late
Internal requests	No ticketing or SLA
Reconciliation	Data compared by hand

BOARD QUESTION

Which workflow consumes the most coordination effort without creating customer value?

OPERATOR MOVE

Which manual status update should disappear first?

NO-BS RULE

Do not automate a broken process exactly as it is. Simplify first. Then digitize. Then automate. Then add AI only where judgment, language, prediction, or prioritization...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

Example: Inventory Exceptions

A distributor has 3,000 order lines per day.

Stockouts are discovered after the sales team has promised delivery.

The real problem is not inventory alone.

The workflow lacks early exception visibility.

Transformed Workflow

- Order checks inventory on entry
- Risky orders trigger an exception queue
- Procurement sees low-stock alerts
- Sales sees promise-date confidence
- Customers receive proactive updates

EVIDENCE

Operating KPI Set

KPI	TARGET BEHAVIOR
Cycle time	Work moves faster end to end
Touches per transaction	Fewer manual steps
Rework rate	Fewer corrections
Exception age	Problems do not sit unnoticed
SLA breach rate	Commitments are met
Automation rate	Repeatable work is handled by systems

DECISION

Decision Rule

Do not automate a broken process exactly as it is.

Simplify first.

Then digitize.

Then automate.

Then add AI only where judgment, language, prediction, or prioritization improves the workflow.

BOARD QUESTION

Which workflow consumes the most coordination effort without creating customer value?

OPERATOR MOVE

Which manual status update should disappear first?

NO-BS RULE

Do not automate a broken process exactly as it is. Simplify first. Then digitize. Then automate. Then add AI only where judgment, language, prediction, or prioritization...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Select one high-volume workflow
- Count manual touches
- Measure cycle time
- Identify handoffs
- Identify approvals
- Identify exception types
- Remove unnecessary steps
- Digitize the standard path
- Automate routing and notifications
- Add dashboard alerts for exceptions

OPERATING NOTE

Executive Question

Which workflow consumes the most coordination effort without creating customer value?

OPERATING NOTE

Executive Takeaway

Operations transformation is not about making teams work harder.

It is about making the operating system carry more of the repeatable work.

TEMPLATE

Template: Operations Workflow Spec

FIELD	ANSWER
Workflow	TBD
Trigger	TBD
Owner	TBD
Input	TBD
Systems	TBD
Decision rules	TBD
Exceptions	TBD
Escalation	TBD
Output	TBD
KPI	TBD

OPERATING NOTE

Team Question

Which manual status update should disappear first?

BOARD QUESTION

Which workflow consumes the most coordination effort without creating customer value?

OPERATOR MOVE

Which manual status update should disappear first?

NO-BS RULE

Do not automate a broken process exactly as it is. Simplify first. Then digitize. Then automate. Then add AI only where judgment, language, prediction, or prioritization...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

07

Data And KPI Transformation

Data transformation is not a dashboard project. It is the work of making the company measurable. If departments use different numbers, leaders cannot manage the business. If data is stale, AI cannot act safely. If no one owns definitions, reporting becomes politics. Key takeaway: Data transformation creates...

CORE QUESTION

Which decision is slow because leaders do not trust the numbers?

DECISION RULE

Do not build an executive dashboard until the KPI dictionary exists. Do not build an AI agent until source authority and...

OUTPUT

Template: KPI Dictionary

OPERATING NOTE

The Problem

Most companies do not have one data problem. They have five.

- Data is scattered
- Data is duplicated
- Data definitions conflict
- Data quality is weak
- Reports are assembled manually

The result is predictable:
different departments bring different numbers to the same meeting.

That slows decisions and damages trust.

OPERATING NOTE

Data Source Inventory

Start by listing the systems that hold business truth.

DATA DOMAIN	COMMON SOURCE	OWNER
Customer	CRM, support, billing	Sales or customer success
Revenue	ERP, accounting, billing	Finance
Inventory	ERP, WMS	Operations
People	HRIS, payroll	HR
Marketing	Website, ad platforms, CRM	Marketing
Support	Helpdesk, chat, call center	Support
Compliance	Policy, audit, ticketing	Legal or risk

BOARD QUESTION

Which decision is slow because leaders do not trust the numbers?

OPERATOR MOVE

Which report takes the most manual work and drives the least action?

NO-BS RULE

Do not build an executive dashboard until the KPI dictionary exists. Do not build an AI agent until source authority and permissions are clear.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EVIDENCE

1/2

KPI Dictionary

Every important KPI needs a definition.

KPI	DEFINITION	OWNER	SOURCE	REFRESH
Revenue	Booked or recognized revenue by agreed rule	Finance	ERP	Daily/monthly
Churn	Customers lost in period	Customer success	CRM	Monthly
Resolution time	Ticket open to close	Support	Helpdesk	Daily
Inventory accuracy	System stock vs physical stock	Operations	ERP/WMS	Weekly

EVIDENCE

2/2

KPI Dictionary

If a KPI has no owner, it is not a management tool.
It is a number on a slide.

OPERATING NOTE

Dashboard Types

DASHBOARD	PURPOSE	COMMON MISTAKE
CEO dashboard	Enterprise performance	Too many metrics
Finance dashboard	Margin, cash, close, variance	Not tied to actions
Sales dashboard	Pipeline, conversion, cycle time	Dirty CRM data
Operations dashboard	Throughput, exceptions, SLA	Late refresh
Support dashboard	Volume, backlog, CSAT	No root-cause view

BOARD QUESTION

Which decision is slow because leaders do not trust the numbers?

OPERATOR MOVE

Which report takes the most manual work and drives the least action?

NO-BS RULE

Do not build an executive dashboard until the KPI dictionary exists. Do not build an AI agent until source authority and permissions are clear.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

Example: Conflicting Revenue

Sales reports booked revenue.

Finance reports recognized revenue.

Operations reports shipped revenue.

All three are useful.

The failure is not that they differ.

The failure is that no one labels them clearly.

Fix

- Define each revenue metric
- Assign each owner
- Show source system
- Use each metric for the right decision
- Stop arguing about which number is "real"

OPERATING NOTE

AI Data Readiness

AI needs more than documents.

It needs trusted context.

For AI use cases, check:

- source authority
- freshness
- permissions
- sensitive data
- retrieval quality
- auditability
- escalation rules

If the data layer is weak, AI becomes a confident guessing machine.

DECISION

Decision Rule

Do not build an executive dashboard until the KPI dictionary exists.

Do not build an AI agent until source authority and permissions are clear.

BOARD QUESTION

Which decision is slow because leaders do not trust the numbers?

OPERATOR MOVE

Which report takes the most manual work and drives the least action?

NO-BS RULE

Do not build an executive dashboard until the KPI dictionary exists. Do not build an AI agent until source authority and permissions are clear.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- List key data sources
- Assign data owners
- Define top 20 KPIs
- Identify duplicate metrics
- Identify manual reports
- Define refresh frequency
- Define access rules
- Build first dashboard only after definitions are approved

OPERATING NOTE

Team Question

Which report takes the most manual work and drives the least action?

TEMPLATE

Template: KPI Dictionary

KPI	BUSINESS MEANING	FORMULA	OWNER	SOURCE	REFRESH	USED BY
TBD	TBD	TBD	TBD	TBD	TBD	TBD

OPERATING NOTE

Executive Question

Which decision is slow because leaders do not trust the numbers?

OPERATING NOTE

Executive Takeaway

Data transformation is the foundation for automation and AI.
Without trusted data, the company cannot scale judgment through software.

BOARD QUESTION

Which decision is slow because leaders do not trust the numbers?

OPERATOR MOVE

Which report takes the most manual work and drives the least action?

NO-BS RULE

Do not build an executive dashboard until the KPI dictionary exists. Do not build an AI agent until source authority and permissions are clear.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

08

AI Transformation And AI Agents

AI transformation is not giving every employee a chatbot. It is redesigning workflows so AI can safely improve decisions, language, prediction, analysis, and action. The question is not "where can we use AI?" The better question is: Where can AI change cost, speed, risk, revenue, or customer experience? Key...

CORE QUESTION What workflow changes because AI exists?	DECISION RULE Start with AI copilots and supervised agents. Move toward autonomy only when: - the workflow is stable - data is trusted - risk...	OUTPUT Template: AI Use Case Card
--	--	---

OPERATING NOTE

The Problem

Many AI pilots stop at the interface.

They answer questions.

They draft emails.

They summarize documents.

That can be useful.

But transformation requires the next step:

what changes in the workflow?

If AI produces an answer but the employee still copies it into three systems, the business has productivity assistance, not workflow transformation.

OPERATING NOTE

1/2

AI Autonomy Ladder

LEVEL	WHAT AI DOES	RISK	EXAMPLE
Assistant	Answers or drafts	Low	HR policy Q&A
Copilot	Recommends with human approval	Low/medium	Sales reply draft
Workflow agent	Takes limited actions under rules	Medium	Create and route ticket
Supervised agent	Executes with approval gates	Medium/high	Prepare refund approval
Autonomous agent	Executes approved low-risk actions	High	Resolve simple claim

OPERATING NOTE

AI Use Case Fit

AI fits best when the workflow includes:

- language
- documents
- classification
- summarization
- prediction
- prioritization
- exception handling
- decision support
- repetitive knowledge work

AI is weaker when:

- rules are simple enough for normal automation
- data is unavailable
- consequences are high and controls are weak
- ownership is unclear
- the process changes every week

OPERATING NOTE

2/2

AI Autonomy Ladder

Do not jump to autonomy.

Earn it.

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:

- the workflow is stable
- data is trusted
- risk is low or controlled
- logs exist
- ...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Use Case Scoring

Score each AI idea from 1 to 5.

CRITERION	QUESTION
Business value	Does this affect cost, speed, risk, or revenue?
Data availability	Is trusted context accessible?
Workflow clarity	Is the process stable enough?
Risk level	What happens if AI is wrong?
Human oversight	Can approval and escalation be designed?
Measurement	Can success be measured in 90 days?

OPERATING NOTE

2/2

Use Case Scoring

High value and low risk should move first.

EXAMPLE

Example: Support Triage Agent

Bad version:

An AI chatbot answers customer questions from a messy knowledge base.

Good version:

- AI classifies tickets
- AI retrieves customer context
- AI suggests the right category and priority
- AI drafts a response
- Human approves sensitive cases
- Low-risk repeat questions use self-service
- Dashboard tracks routing accuracy and resolution time

The good version changes the workflow.

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:
- the workflow is stable -
data is trusted - risk is low or controlled - logs exist -...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1 / 4

Build Mechanics: Support Triage Agent

This is the minimum build spec.

LAYER	PRACTICAL REQUIREMENT
Input data	ticket text, channel, product, customer tier, order status, SLA, prior contacts
Knowledge	approved help articles, refund policy, escalation policy, product taxonomy
Systems	helpdesk, CRM, order system, knowledge base, analytics dashboard
Model task	classify intent, detect urgency, retrieve context, draft response, suggest route
Human control	agent approves refunds, legal complaints, account changes, angry VIP cases
Logs	prompt, source documents, suggested action, human decision, final outcome
Feedback	correct category, wrong route, bad answer, escalation reason, customer result

OPERATING NOTE

4 / 4

Build Mechanics: Support Triage Agent

If the model is 90% accurate on easy tickets but misses high-risk escalation, it is not ready.

OPERATING NOTE

2 / 4

Build Mechanics: Support Triage Agent

Do not start by asking the model to "handle support."

Start with four bounded tasks.

1. Classify the ticket.
2. Retrieve customer and order context.
3. Suggest the queue, priority, and next action.
4. Draft the response for a human to approve.

The first evaluation set should contain at least 200 real historical tickets.

Include normal tickets, messy tickets, angry customers, missing data, duplicates, refund requests, policy exceptions, and ambiguous complaints.

Useful pilot thresholds:

OPERATING NOTE

3 / 4

Build Mechanics: Support Triage Agent

METRIC	MINIMUM PILOT TARGET
Intent classification	85% or better on held-out historical tickets
Wrong-route reduction	30% lower than baseline
Average triage time	50% lower than baseline
Escalation recall	95% of high-risk cases caught
Human override rate	tracked daily, not hidden
Customer harm	zero unresolved high-risk mistakes

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:
- the workflow is stable -
data is trusted - risk is low or controlled - logs exist -...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Tooling Pattern

The first version does not need to be complex.

Use the tools already in the company if they can connect safely.

CAPABILITY	TYPICAL TOOL PATTERN
Ticket system	Zendesk, Freshdesk, Intercom, Salesforce Service Cloud, ServiceNow
Customer context	CRM and order API lookup
Retrieval	approved knowledge base indexed for search
AI step	classifier plus retrieval-augmented response draft
Workflow action	create tags, priority, queue, draft reply, escalation note
Measurement	dashboard with accuracy, override, SLA, and resolution impact

OPERATING NOTE

2/2

Tooling Pattern

Common failure:

the pilot uses exported CSV files and looks good in a demo.

Then it fails in production because the live helpdesk, CRM, and knowledge base do not share clean IDs.

Fix the integration before calling it an AI problem.

OPERATING NOTE

Governance Controls

AI systems need controls by design.

CONTROL	WHY IT MATTERS
Access control	AI should only see what the user can see
Human approval	Sensitive actions need review
Audit logs	Decisions and actions must be traceable
Output monitoring	Quality must be measured after launch
Evaluation tests	Changes must be tested before rollout
Escalation rules	AI must know when to stop
Vendor review	Data and model handling must be understood

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:

- the workflow is stable
- data is trusted
- risk is low or controlled
- logs exist
- ...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

DECISION

Decision Rule

Start with AI copilots and supervised agents.

Move toward autonomy only when:

- the workflow is stable
- data is trusted
- risk is low or controlled
- logs exist
- fallback paths exist
- ROI is proven

TEMPLATE

Template: AI Use Case Card

FIELD	ANSWER
Use case	TBD
Workflow	TBD
AI role	Assistant, copilot, agent, autonomous
Data sources	TBD
Risk level	Low, medium, high
Human control	TBD
KPI	TBD
Go/no-go rule	TBD

CHECKLIST

Implementation Checklist

- Select one workflow
- Define AI role
- Define data sources
- Define permissions
- Define human approval points
- Define failure modes
- Build evaluation set
- Pilot with real users
- Measure accuracy, speed, adoption, and business impact

OPERATING NOTE

Executive Question

What workflow changes because AI exists?

OPERATING NOTE

Team Question

What should AI never be allowed to do without human approval?

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:
- the workflow is stable - data is trusted - risk is low or controlled - logs exist -...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

AI Transformation And AI Agents

OPERATING NOTE

Executive Takeaway

AI transformation is workflow transformation with intelligence inside it.

Without workflow design, AI stays a demo.

BOARD QUESTION

What workflow changes because AI exists?

OPERATOR MOVE

What should AI never be allowed to do without human approval?

NO-BS RULE

Start with AI copilots and supervised agents. Move toward autonomy only when:

- the workflow is stable -
- data is trusted - risk is low or controlled - logs exist -...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

09

Technology Stack And Architecture

The technology stack should serve the operating model. Not the other way around. A company should not ask what tool is best until it knows what workflow, data, integration, security, and ownership problem it is solving. Key takeaway: Architecture is the map of how work, data, systems, automation, AI, people,...

CORE QUESTION

Which system should be the source of truth for the workflow?

DECISION RULE

Do not buy a new platform to compensate for decisions the company has not made. If ownership, data, workflow, and governance...

OUTPUT

Template: System Inventory

OPERATING NOTE

The Problem

Many stacks grow by accident.

One department buys a tool.

Another builds a spreadsheet.

Another adds an automation.

Another vendor adds a portal.

After a few years, no one knows which system owns which data.

The company has tools.

It does not have architecture.

OPERATING NOTE

System Inventory

Build an inventory before buying anything.

SYSTEM	BUSINESS FUNCTION	OWNER	DATA OWNED	INTEGRATION	KEEP / REPLACE / INTEGRATE
CRM	Sales/customer	Revenue ops	Accounts, leads	API	TBD
ERP	Finance/operations	IT/finance	Orders, inventory	API/file	TBD
Helpdesk	Support	Support ops	Tickets	API	TBD
HRIS	HR	HR	Employees	API/file	TBD

BOARD QUESTION

Which system should be the source of truth for the workflow?

OPERATOR MOVE

What breaks if this integration fails?

NO-BS RULE

Do not buy a new platform to compensate for decisions the company has not made. If ownership, data, workflow, and governance are unclear, new software will inherit the...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Build vs Buy vs Integrate

OPTION	USE WHEN	MAIN RISK
Buy	The process is standard	Vendor lock-in or poor fit
Build	Workflow is unique or strategic	Cost and maintenance
Integrate	Existing systems are good but disconnected	Data quality and API reliability
Retire	Tool duplicates or blocks scale	Migration and adoption risk

OPERATING NOTE

Integration Questions

Before approving integration work, answer:

- What data moves?
- Which system is the source of truth?
- How often does it sync?
- What happens if sync fails?
- Who owns the integration?
- How are errors monitored?
- What data should never move?

OPERATING NOTE

Architecture Blueprint

A practical blueprint should show:

- core platforms
- data flows
- APIs
- user roles
- automation layer
- AI layer
- reporting layer
- security boundaries
- failure handling

Do not draw architecture as decoration.

Use it to make decisions.

EXAMPLE

Example: Support Automation Stack

LAYER	EXAMPLE
Customer channel	Email, WhatsApp, portal
Workflow system	Helpdesk
Customer data	CRM
Orders/refunds	ERP
Knowledge	Approved knowledge base
Automation	Routing and SLA rules
AI	Classification, draft response, summary
Reporting	Support dashboard
Governance	Access, logs, escalation

DECISION

Decision Rule

Do not buy a new platform to compensate for decisions the company has not made.

If ownership, data, workflow, and governance are unclear, new software will inherit the mess.

BOARD QUESTION

Which system should be the source of truth for the workflow?

OPERATOR MOVE

What breaks if this integration fails?

NO-BS RULE

Do not buy a new platform to compensate for decisions the company has not made. If ownership, data, workflow, and governance are unclear, new software will inherit the...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Inventory systems
- Identify duplicate tools
- Identify source of truth for each data domain
- Map integrations
- Identify manual data movement
- Assess vendor APIs
- Define future architecture
- Decide keep, replace, integrate, retire
- Plan migration and support

OPERATING NOTE

Team Question

What breaks if this integration fails?

TEMPLATE

Template: System Inventory

SYSTEM	OWNER	USERS	DATA	INTEGRATIONS	COST	RISK	DECISION
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

OPERATING NOTE

Executive Question

Which system should be the source of truth for the workflow?

OPERATING NOTE

Executive Takeaway

Technology architecture is not an IT diagram.
It is the operating map that decides how the company scales.

BOARD QUESTION

Which system should be the source of truth for the workflow?

OPERATOR MOVE

What breaks if this integration fails?

NO-BS RULE

Do not buy a new platform to compensate for decisions the company has not made. If ownership, data, workflow, and governance are unclear, new software will inherit the...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

10

Cybersecurity, Privacy And AI Governance

Transformation increases the number of systems, integrations, automations, vendors, and AI workflows touching company data. That creates value. It also creates risk. Security and governance cannot be a final review after the solution is built. Key takeaway: Digital and AI risk must be designed into the...

CORE QUESTION What is the worst reasonable outcome if this workflow acts incorrectly?	DECISION RULE AI should not have more access or authority than the human role it supports. If a human needs approval, the AI needs approval....	OUTPUT Template: AI Risk Control Card
--	--	--

Cybersecurity, Privacy And AI Governance

OPERATING NOTE

The Problem

Many transformation projects treat risk as an approval step.
The business designs the workflow.
The vendor builds the tool.
Users test it.
Then security, privacy, legal, or compliance gets involved.
By then, fixing the risk is expensive.
This creates two bad outcomes:

- risky systems go live
- useful systems get delayed

OPERATING NOTE

AI Governance Controls

Use a risk-based model.

CONTROL	LOW RISK	MEDIUM RISK	HIGH RISK
Human review	Optional	Required for exceptions	Required
Logging	Basic	Full prompt/action logs	Full audit trail
Access	Role-based	Role and data-domain based	Least privilege
Evaluation	Sample tests	Scheduled evaluation	Formal validation
Escalation	User feedback	Defined support path	Incident process

RISK

Risk Register

Track risk in plain language.

RISK	EXAMPLE	CONTROL
Unauthorized access	Wrong users see customer data	Role-based access
Data leakage	Sensitive data entered into public AI	Approved AI policy
Weak auditability	No record of who changed what	Audit logs
Vendor exposure	Vendor stores data without clarity	Vendor review
Automation error	Wrong action executed at scale	Approval gates
Prompt injection	AI follows malicious instruction	Input/output controls
Excessive agency	AI can do too much	Tool permissions
No recovery	System failure stops workflow	Backup and fallback

BOARD QUESTION

What is the worst reasonable outcome if this workflow acts incorrectly?

OPERATOR MOVE

Where does the system stop and ask a human?

NO-BS RULE

AI should not have more access or authority than the human role it supports. If a human needs approval, the AI needs approval. If a human cannot see the data, the AI...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Cybersecurity, Privacy And AI Governance

OPERATING NOTE

Shadow AI Policy

Employees are already using AI.

The company needs a policy that is practical enough to follow.

The policy should define:

- approved AI tools
- prohibited data
- allowed use cases
- review rules
- logging expectations
- vendor requirements
- escalation path

Do not write a policy that bans reality.

Write one that channels behavior safely.

EXAMPLE

Example: AI In Finance

An AI invoice assistant can read invoices, extract fields, match purchase orders, and flag exceptions.

Low-risk action:

- draft invoice coding for human review

Medium-risk action:

- create an approval task

High-risk action:

- approve payment

The first two can be piloted with controls.

The third needs strict approval, audit, and separation of duties.

DECISION

Decision Rule

AI should not have more access or authority than the human role it supports.

If a human needs approval, the AI needs approval.

If a human cannot see the data, the AI should not see the data.

BOARD QUESTION

What is the worst reasonable outcome if this workflow acts incorrectly?

OPERATOR MOVE

Where does the system stop and ask a human?

NO-BS RULE

AI should not have more access or authority than the human role it supports. If a human needs approval, the AI needs approval. If a human cannot see the data, the AI...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Cybersecurity, Privacy And AI Governance

CHECKLIST

Implementation Checklist

- Classify data touched by the workflow
- Define user roles
- Apply least privilege
- Identify sensitive AI inputs
- Define approval gates
- Enable logs
- Review vendors
- Define incident response
- Test failure scenarios
- Recheck controls before scale

TEMPLATE

Template: AI Risk Control Card

FIELD	ANSWER
AI use case	TBD
Data touched	TBD
User role	TBD
Allowed actions	TBD
Prohibited actions	TBD
Human approval	TBD
Logs required	TBD
Escalation path	TBD

BOARD QUESTION

What is the worst reasonable outcome if this workflow acts incorrectly?

OPERATOR MOVE

Where does the system stop and ask a human?

NO-BS RULE

AI should not have more access or authority than the human role it supports. If a human needs approval, the AI needs approval. If a human cannot see the data, the AI...

OPERATING NOTE

Executive Question

What is the worst reasonable outcome if this workflow acts incorrectly?

OPERATING NOTE

Team Question

Where does the system stop and ask a human?

OPERATING NOTE

Executive Takeaway

Governance should make transformation safer to scale.
It should not be paperwork that arrives after the real design decisions are over.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

11

People, Culture, Training And Adoption

Transformation fails when the system changes but the workday does not. People adopt new workflows when the benefit is clear, training is practical, managers reinforce the change, and the new process is easier than the old one. Key takeaway: Adoption is not communication. Adoption is behavior change measured...

CORE QUESTION What old behavior must stop for the new workflow to matter?	DECISION RULE If the old workflow remains acceptable, the new workflow is optional. Optional workflows rarely transform anything.	OUTPUT Template: Adoption Plan
---	---	--

OPERATING NOTE

The Problem

Employees resist transformation for practical reasons.

They fear job loss.

They do not trust the tool.

They were not trained.

The new workflow adds steps.

The old spreadsheet still works.

Managers ask for the same manual reports.

Resistance is often rational.

If the new system makes the employee slower, they will work around it.

OPERATING NOTE

Training Framework

AUDIENCE	TRAINING FOCUS
Executives	Metrics, decisions, ROI, risk
Managers	Workflow ownership and adoption
Employees	Daily process and tool usage
IT/data	Integration, access, data quality
Security/legal	Controls, privacy, AI risk
Customer teams	Service workflow and escalation

OPERATING NOTE

Adoption Drivers

DRIVER	WHAT IT MEANS
Clear benefit	Users know what pain disappears
Manager reinforcement	Leaders stop asking for old workarounds
Training by role	Users learn what they actually do
Feedback loop	Issues are captured and fixed
Adoption metric	Usage is measured beyond logins
Support model	Users know where to get help

OPERATING NOTE

New Roles

ROLE	RESPONSIBILITY
Transformation lead	Runs roadmap and cadence
Process owner	Owns workflow outcome
Internal product owner	Owns system backlog and adoption
Data owner	Owns definition and quality
Automation specialist	Designs and maintains automations
AI operations manager	Monitors AI workflow performance
Change champion	Helps users adopt in each department

BOARD QUESTION

What old behavior must stop for the new workflow to matter?

OPERATOR MOVE

What does the user gain in the first week?

NO-BS RULE

If the old workflow remains acceptable, the new workflow is optional. Optional workflows rarely transform anything.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Adoption Metrics

Do not measure only logins.
Measure behavior.

METRIC	BETTER SIGNAL
Login count	Workflow completion rate
Training attendance	Correct usage after 30 days
Tool availability	Manual workaround reduction
User satisfaction	Issue resolution and cycle time
Feature usage	KPI movement

DECISION

Decision Rule

If the old workflow remains acceptable, the new workflow is optional.
Optional workflows rarely transform anything.

TEMPLATE

Template: Adoption Plan

USER GROUP	CHANGE	BENEFIT	TRAINING	METRIC	OWNER
TBD	TBD	TBD	TBD	TBD	TBD

EXAMPLE

Example: CRM Adoption

Sales teams often avoid CRM because it feels like reporting work.
The fix is not more reminders.
The fix is changing the workflow:

- CRM becomes the source of follow-up tasks
- pipeline review uses CRM only
- proposal templates pull from CRM
- managers stop accepting spreadsheet forecasts
- reps see benefit through automated follow-ups

Adoption rises when the system helps the user do the job.

CHECKLIST

Implementation Checklist

- Define user groups
- Define what changes for each role
- Explain what work disappears
- Train on real scenarios
- Name department champions
- Track usage and behavior
- Remove old workarounds
- Fix friction weekly during pilot

BOARD QUESTION

What old behavior must stop for the new workflow to matter?

OPERATOR MOVE

What does the user gain in the first week?

NO-BS RULE

If the old workflow remains acceptable, the new workflow is optional.
Optional workflows rarely transform anything.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

People, Culture, Training And Adoption

OPERATING NOTE

Executive Question

What old behavior must stop for the new workflow to matter?

OPERATING NOTE

Team Question

What does the user gain in the first week?

OPERATING NOTE

Executive Takeaway

Adoption is designed.

It is not wished into existence by a launch email.

BOARD QUESTION

What old behavior must stop for the new workflow to matter?

OPERATOR MOVE

What does the user gain in the first week?

NO-BS RULE

If the old workflow remains acceptable, the new workflow is optional. Optional workflows rarely transform anything.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

12

Internal Product Management

Go-live is not the finish line. For internal systems, go-live is the first release. CRM, ERP, dashboards, portals, automations, and AI assistants need owners, backlogs, feedback, releases, and adoption metrics. Key takeaway: Treat important internal systems like products with users, not projects with end...

CORE QUESTION Who owns improvement after go-live?	DECISION RULE If a system affects daily work, it needs a product owner. If no one owns the backlog, the system will become stale.	OUTPUT Template: Internal Product Charter
---	---	---

OPERATING NOTE

The Problem

Many companies launch systems and then abandon product ownership.

The vendor leaves.

The project team disbands.

Users find problems.

Nobody owns prioritization.

Requests become tickets.

The system slowly decays.

This is how a successful launch becomes a failed transformation.

EXAMPLE

Example: Dashboard Product

A dashboard fails when it is treated as a reporting deliverable.

It works when treated as a decision product.

The product owner asks:

- Who uses it?
- What decision does it support?
- Which metric changed?
- What data quality issue is blocking trust?
- Which view should be removed?
- Which alert should trigger action?

OPERATING NOTE

Internal Product Owner

Every major system needs an internal product owner.

RESPONSIBILITY	WHAT IT MEANS
Own the backlog	Prioritize improvements
Understand users	Gather feedback from real workflows
Define releases	Ship changes in controlled increments
Track adoption	Measure behavior, not opinions
Manage tradeoffs	Balance speed, cost, risk, and quality
Coordinate vendors	Keep external support aligned

OPERATING NOTE

Product Cadence

Use a simple cadence.

CADENCE	ACTIVITY
Weekly	Review issues, adoption, blockers
Biweekly	Prioritize backlog and release changes
Monthly	Review KPI movement and user feedback
Quarterly	Refresh roadmap and retire stale features

BOARD QUESTION

Who owns improvement after go-live?

OPERATOR MOVE

Which user pain should enter the next release backlog?

NO-BS RULE

If a system affects daily work, it needs a product owner. If no one owns the backlog, the system will become stale.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Backlog Types

BACKLOG ITEM	EXAMPLE
Bug	Data refresh fails
Enhancement	Add SLA risk filter
Adoption issue	Users do not understand status field
Data quality	Duplicate customer records
Governance	Add approval log
Retirement	Remove unused dashboard tab

TEMPLATE

Template: Internal Product Charter

FIELD	ANSWER
Product/system	TBD
Product owner	TBD
Primary users	TBD
Workflow supported	TBD
KPI	TBD
Backlog location	TBD
Release cadence	TBD
Support channel	TBD

DECISION

Decision Rule

If a system affects daily work, it needs a product owner.
If no one owns the backlog, the system will become stale.

CHECKLIST

Implementation Checklist

- Name product owner
- Define users
- Define primary workflow
- Define KPI
- Create backlog
- Set release cadence
- Create feedback channel
- Review adoption monthly
- Retire unused features

OPERATING NOTE

Executive Question

Who owns improvement after go-live?

BOARD QUESTION

Who owns improvement after go-live?

OPERATOR MOVE

Which user pain should enter the next release backlog?

NO-BS RULE

If a system affects daily work, it needs a product owner. If no one owns the backlog, the system will become stale.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Internal Product Management

OPERATING NOTE

Team Question

Which user pain should enter the next release backlog?

OPERATING NOTE

Executive Takeaway

Transformation does not survive without product ownership.

Internal products need the same discipline as customer-facing products.

BOARD QUESTION

Who owns improvement after go-live?

OPERATOR MOVE

Which user pain should enter the next release backlog?

NO-BS RULE

If a system affects daily work, it needs a product owner. If no one owns the backlog, the system will become stale.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

13

Budgeting, ROI And Business Case

Transformation should not be funded because it sounds strategic. It should be funded because it changes cost, speed, revenue, risk, cash, customer experience, or employee capacity. Key takeaway: ROI is workflow economics. Start with the current baseline, then show what the new workflow changes.

CORE QUESTION What measurable operating value justifies the spend?	DECISION RULE Do not approve a transformation initiative without: - current baseline - target metric - cost estimate - adoption assumption -...	OUTPUT Template: Business Case
---	--	---

OPERATING NOTE

The Problem

Many business cases start with software cost.
That is backwards.
Start with the workflow cost.
How many transactions?
How many manual hours?
How much rework?
How many errors?
How much delay?
How much revenue leakage?
Then compare it to the total cost of change.

EVIDENCE

Simple ROI Formula

Monthly savings:
manual hours reduced x cost per hour
plus error cost avoided
plus revenue or retention gain
minus monthly operating cost.
Payback period:
implementation cost / monthly net benefit.

EVIDENCE

ROI Categories

CATEGORY	EXAMPLE
Cost reduction	Fewer manual hours
Revenue growth	Faster conversion or better retention
Risk reduction	Fewer errors or compliance failures
Productivity	More output per employee
Cash flow	Faster invoicing or collection
Customer experience	Lower repeat contact and churn

OPERATING NOTE

Hidden Costs

Budget for the real work.

COST	WHY IT APPEARS
Data cleanup	Bad records block automation
Integration	Systems must exchange data
Training	Users need role-specific practice
Change management	Old workarounds must stop
Security review	Access and privacy must be designed
Support	Systems need maintenance
AI usage	Models, retrieval, evaluation, monitoring
Migration	Old data and old systems must be handled

BOARD QUESTION

What measurable operating value justifies the spend?

OPERATOR MOVE

Which baseline number would make or break the business case?

NO-BS RULE

Do not approve a transformation initiative without: - current baseline - target metric - cost estimate - adoption assumption - payback model - risk control

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

1/2

Example: Invoice Automation

METRIC	BEFORE	AFTER TARGET
Invoices per month	1,200	1,200
Manual handling time	10 minutes	3 minutes
Error rate	4%	1%
Exception visibility	Weekly	Daily
Close support effort	High	Lower

If 7 minutes are saved per invoice, the monthly time saving is 8,400 minutes.

That is 140 hours per month.

CHECKLIST

Implementation Checklist

- Measure current volume
- Measure current manual time
- Estimate error/rework cost
- Estimate implementation cost
- Estimate operating cost
- Define expected benefit
- Calculate payback
- Define measurement owner
- Review results after 90 days

EXAMPLE

2/2

Example: Invoice Automation

Now finance can compare that benefit against implementation, integration, training, and support cost.

DECISION

Decision Rule

Do not approve a transformation initiative without:

- current baseline
- target metric
- cost estimate
- adoption assumption
- payback model
- risk control

BOARD QUESTION

What measurable operating value justifies the spend?

OPERATOR MOVE

Which baseline number would make or break the business case?

NO-BS RULE

Do not approve a transformation initiative without: - current baseline - target metric - cost estimate - adoption assumption - payback model - risk control

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

TEMPLATE

Template: Business Case

FIELD	ANSWER
Workflow	TBD
Baseline volume	TBD
Current cost/time	TBD
Target improvement	TBD
Implementation cost	TBD
Operating cost	TBD
Monthly benefit	TBD
Payback period	TBD
Risk	TBD

OPERATING NOTE

Executive Question

What measurable operating value justifies the spend?

OPERATING NOTE

Team Question

Which baseline number would make or break the business case?

OPERATING NOTE

Executive Takeaway

The strongest transformation business cases are simple.
They connect a workflow baseline to a measurable operating improvement.

BOARD QUESTION

What measurable operating value justifies the spend?

OPERATOR MOVE

Which baseline number would make or break the business case?

NO-BS RULE

Do not approve a transformation initiative without: - current baseline - target metric - cost estimate - adoption assumption - payback model - risk control

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

14

Vendor And Partner Selection

Vendor demos show the happy path. Transformation fails in the real path: messy data, exceptions, integrations, user adoption, support, security, and change requests. Key takeaway: Choose vendors by implementation truth, not demo polish.

CORE QUESTION What would make this vendor fail in our real operating environment?	DECISION RULE If the vendor cannot explain implementation, integration, data ownership, security, and support clearly, do not buy based on...	OUTPUT Template: Vendor Scorecard
--	--	--

OPERATING NOTE

The Problem

Companies often buy the tool that looks best in a controlled demo.

The demo has clean data.

The workflow is simple.

The integration is assumed.

The users are cooperative.

The risk review is skipped.

Real implementation is different.

OPERATING NOTE

Questions To Ask

- What systems do you integrate with natively?
- What requires custom integration?
- Who owns the data?
- Can we export all data?
- What happens if your system is down?
- What security certifications or controls exist?
- How are AI outputs logged?
- How are model changes managed?
- What support is included?
- What does implementation require from our team?

OPERATING NOTE

Vendor Scorecard

Score each vendor from 1 to 5.

CRITERION	QUESTION
Business fit	Does it solve the actual workflow?
Integration	Can it connect to current systems?
Security	Can it pass security and privacy review?
Data portability	Can data be exported?
Scalability	Can it handle growth and complexity?
Support	Who helps after launch?
Customization	Can it adapt without becoming fragile?
Implementation	Is the plan credible?
Cost clarity	Are hidden costs visible?
AI governance	Are AI controls explainable?

BOARD QUESTION

What would make this vendor fail in our real operating environment?

OPERATOR MOVE

Which integration or data assumption has not been proven?

NO-BS RULE

If the vendor cannot explain implementation, integration, data ownership, security, and support clearly, do not buy based on the demo.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

RISK

Red Flags

RED FLAG	WHY IT MATTERS
No API access	Integration will be painful
Weak export path	Lock-in risk
Vague implementation plan	Delivery risk
No security documentation	Governance risk
"AI will learn everything"	Overpromise
No customer references	Proof gap
Customization required for basics	Fit problem
Success depends on perfect data	Reality gap

DECISION

Decision Rule

If the vendor cannot explain implementation, integration, data ownership, security, and support clearly, do not buy based on the demo.

OPERATING NOTE

Demo Script

Do not let the vendor control the whole demo.

Give them your workflow.

Ask them to show:

- messy data handling
- exception path
- approval path
- reporting
- integration point
- audit log
- user permission model
- failure handling

The exception path is where the truth appears.

BOARD QUESTION

What would make this vendor fail in our real operating environment?

OPERATOR MOVE

Which integration or data assumption has not been proven?

NO-BS RULE

If the vendor cannot explain implementation, integration, data ownership, security, and support clearly, do not buy based on the demo.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Define workflow requirements
- Define integration requirements
- Define security requirements
- Build vendor scorecard
- Run scripted demos
- Check references
- Review contract risk
- Confirm export rights
- Confirm support model
- Decide buy, build, integrate, or defer

OPERATING NOTE

Executive Takeaway

The right vendor is not the one with the best demo.
It is the one that can survive the real workflow.

TEMPLATE

Template: Vendor Scorecard

VENDOR	FIT	INTEGRATION	SECURITY	COST	SUPPORT	TOTAL	RISK
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

OPERATING NOTE

Executive Question

What would make this vendor fail in our real operating environment?

OPERATING NOTE

Team Question

Which integration or data assumption has not been proven?

BOARD QUESTION

What would make this vendor fail in our real operating environment?

OPERATOR MOVE

Which integration or data assumption has not been proven?

NO-BS RULE

If the vendor cannot explain implementation, integration, data ownership, security, and support clearly, do not buy based on the demo.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

15

Governance And Operating Model

Governance decides who can say yes, who can say no, who owns the result, and who fixes problems after launch. Without governance, transformation becomes politics. With too much governance, transformation becomes paralysis. Key takeaway: Good governance speeds up good decisions and slows down risky ones.

CORE QUESTION Who has the authority to change the workflow?	DECISION RULE Every transformation initiative needs one accountable executive and one accountable process owner. If everyone owns it, nobody...	OUTPUT Template: Governance Charter
---	---	---

OPERATING NOTE

The Problem

Many companies create committees without decision rights.
People meet.
Risks are discussed.
Slides are reviewed.
But ownership remains unclear.
The project keeps moving until a hard decision appears.
Then it stalls.

OPERATING NOTE

Required Roles

ROLE	RESPONSIBILITY
Executive sponsor	Owns strategic value and budget support
Transformation owner	Runs roadmap and delivery cadence
Process owner	Owns workflow outcome
IT owner	Owns systems and integration
Data owner	Owns definitions and quality
Security owner	Owns access, risk, and controls
Finance owner	Owns ROI and business case
Vendor owner	Manages partner performance

BOARD QUESTION

Who has the authority to change the workflow?

OPERATOR MOVE

Which decision is blocked because ownership is unclear?

NO-BS RULE

Every transformation initiative needs one accountable executive and one accountable process owner. If everyone owns it, nobody owns it.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

RACI Model

Use RACI for real decisions.

DECISION	SPONSOR	TRANSFORMATION	PROCESS	IT	DATA	SECURITY	FINANCE
Approve use case	A	R	C	C	C	C	C
Approve budget	A	C	C	C	C	C	R
Approve data source	C	C	C	C	A/R	C	C
Approve AI autonomy	A	R	C	C	C	A/R	C
Sign off launch	A	R	R	R	C	R	C
Review ROI	A	R	C	C	C	C	R

A = accountable.

OPERATING NOTE

2/2

RACI Model

R = responsible.

C = consulted.

OPERATING NOTE

Steering Cadence

MEETING	FREQUENCY	PURPOSE
Delivery standup	Weekly	Blockers and next actions
KPI review	Monthly	Value, adoption, risk
Steering committee	Monthly	Decisions, funding, escalation
Portfolio review	Quarterly	Roadmap refresh and stop/scale calls

DECISION

Decision Rule

Every transformation initiative needs one accountable executive and one accountable process owner.

If everyone owns it, nobody owns it.

BOARD QUESTION

Who has the authority to change the workflow?

OPERATOR MOVE

Which decision is blocked because ownership is unclear?

NO-BS RULE

Every transformation initiative needs one accountable executive and one accountable process owner. If everyone owns it, nobody owns it.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Define sponsor
- Define process owner
- Define decision rights
- Define budget owner
- Define data owner
- Define security approval path
- Define AI autonomy approval path
- Define steering cadence
- Define escalation process

OPERATING NOTE

Executive Question

Who has the authority to change the workflow?

OPERATING NOTE

Executive Takeaway

Governance is not bureaucracy when it clarifies decisions.
It is bureaucracy only when it creates meetings without authority.

TEMPLATE

Template: Governance Charter

FIELD	ANSWER
Initiative	TBD
Sponsor	TBD
Process owner	TBD
Budget owner	TBD
Data owner	TBD
Security owner	TBD
Decision cadence	TBD
Escalation path	TBD

OPERATING NOTE

Team Question

Which decision is blocked because ownership is unclear?

BOARD QUESTION

Who has the authority to change the workflow?

OPERATOR MOVE

Which decision is blocked because ownership is unclear?

NO-BS RULE

Every transformation initiative needs one accountable executive and one accountable process owner. If everyone owns it, nobody owns it.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

16

Implementation Playbook

Strategy becomes real only when one workflow changes. Implementation is the bridge between the transformation thesis and the daily work people actually do. Key takeaway: Every initiative should move through the same sequence: select, own, map, design, build, test, train, measure, improve, scale.

CORE QUESTION What evidence will convince us to scale?	DECISION RULE Scale only when value, adoption, and controls are all proven. If value is strong but adoption is weak, fix adoption before...	OUTPUT Template: Pilot Charter
--	---	--

OPERATING NOTE

The Execution Sequence

1. Select use case
2. Define owner
3. Map current process
4. Design future process
5. Baseline metrics
6. Select tool/build/integration path
7. Pilot with real users
8. Train users
9. Measure results
10. Improve
11. Scale or stop

OPERATING NOTE

Pilot Design

A pilot is not a demo.

A pilot uses real users, real data, real workflow steps, and real measurement.

PILOT ELEMENT	REQUIRED ANSWER
Scope	What is included and excluded?
Users	Who will use it?
Timeline	What happens by day 30, 60, 90?
Metrics	What proves value?
Risk	What can go wrong?
Rollback	How do we recover?
Scale gate	What must be true to expand?

BOARD QUESTION

What evidence will convince us to scale?

OPERATOR MOVE

What failure scenario have we not tested?

NO-BS RULE

Scale only when value, adoption, and controls are all proven. If value is strong but adoption is weak, fix adoption before scale. If adoption is strong but value is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Testing

Test for:

- accuracy
- speed
- user experience
- integration reliability
- access control
- edge cases
- failure scenarios
- reporting
- audit logs

Do not test only the happy path.

The unhappy path is where operations live.

DECISION

Decision Rule

Scale only when value, adoption, and controls are all proven.

If value is strong but adoption is weak, fix adoption before scale.

If adoption is strong but value is weak, redesign the workflow.

If controls fail, stop.

EXAMPLE

Example: Support Triage Pilot

Pilot scope:

- one customer segment
- email tickets only
- 20 support agents
- no automatic refunds
- AI classification and draft response
- human approval for customer-facing replies

Success metrics:

- wrong routing below 8%
- repeat questions below 20%
- resolution time down 25%
- agent adoption above 75%
- no high-risk incident

BOARD QUESTION

What evidence will convince us to scale?

OPERATOR MOVE

What failure scenario have we not tested?

NO-BS RULE

Scale only when value, adoption, and controls are all proven. If value is strong but adoption is weak, fix adoption before scale. If adoption is strong but value is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

CHECKLIST

Implementation Checklist

- Write pilot charter
- Confirm owner
- Confirm users
- Confirm data sources
- Confirm integration path
- Confirm risk controls
- Build minimum usable workflow
- Train users
- Measure weekly
- Decide scale, stop, or redesign

OPERATING NOTE

Executive Question

What evidence will convince us to scale?

OPERATING NOTE

Executive Takeaway

A pilot should prove operating value.
If it only proves that the technology works, it is incomplete.

TEMPLATE

Template: Pilot Charter

FIELD	ANSWER
Use case	TBD
Owner	TBD
Scope	TBD
Users	TBD
Timeline	TBD
Metrics	TBD
Risks	TBD
Rollback	TBD
Scale decision	TBD

OPERATING NOTE

Team Question

What failure scenario have we not tested?

BOARD QUESTION

What evidence will convince us to scale?

OPERATOR MOVE

What failure scenario have we not tested?

NO-BS RULE

Scale only when value, adoption, and controls are all proven. If value is strong but adoption is weak, fix adoption before scale. If adoption is strong but value is...

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

17

Legacy Migration And Sunsetting

Transformation is not only about adding new systems. It is also about retiring old ones. Legacy systems create cost, risk, duplicate data, user confusion, and integration drag. Key takeaway: Every new platform plan needs a sunseting plan for what it replaces, integrates, archives, or leaves behind.

CORE QUESTION What old system, report, or spreadsheet will be turned off?	DECISION RULE Do not call a new system live while the old system still runs the business. Parallel run is temporary. Dual operation is not...	OUTPUT Template: Sunseting Plan
--	--	--

OPERATING NOTE

The Problem

Companies buy new tools but keep old tools alive.

Users work in both.

Reports come from both.

Data conflicts.

Vendors keep billing.

IT supports duplicate systems.

The new tool never becomes the operating standard.

OPERATING NOTE

Data Migration Rules

- Do not migrate every dirty record blindly
- Define required history
- Define archive requirements
- Deduplicate before migration
- Map fields explicitly
- Test sample migrations
- Reconcile totals
- Freeze changes during cutover when needed
- Keep rollback plan ready

OPERATING NOTE

Migration Stages

STAGE	GOAL	OUTPUT
Inventory	Know what exists	System and data inventory
Clean	Improve data quality	Data correction backlog
Map	Match old fields to new fields	Migration map
Test	Prove data moves correctly	Test migration report
Parallel run	Compare old and new	Reconciliation report
Cutover	Move to new system	Go-live and rollback plan
Sunset	Retire old system	Archive and vendor exit record

BOARD QUESTION

What old system, report, or spreadsheet will be turned off?

OPERATOR MOVE

Which data must be cleaned before migration?

NO-BS RULE

Do not call a new system live while the old system still runs the business. Parallel run is temporary. Dual operation is not transformation.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Legacy Migration And Sunsetting

EXAMPLE

Example: CRM Migration

A company moves from an old CRM to a new one.

The risk is not the software.

The risk is the data.

There are duplicate accounts.

Lead stages are inconsistent.

Sales reps use private spreadsheets.

If all data is migrated as-is, the new CRM starts polluted.

Better Approach

- define account ownership
- clean duplicates
- standardize pipeline stages
- archive dead records
- test migration with one sales region
- run old and new CRM in parallel for two weeks
- cut over only after reconciliation

DECISION

Decision Rule

Do not call a new system live while the old system still runs the business.

Parallel run is temporary.

Dual operation is not transformation.

CHECKLIST

Implementation Checklist

- Inventory legacy systems
- Identify data owner
- Define migration scope
- Clean critical records
- Map fields
- Test migration
- Reconcile data
- Train users
- Freeze old system
- Archive required records
- Cancel or downgrade legacy licenses

BOARD QUESTION

What old system, report, or spreadsheet will be turned off?

OPERATOR MOVE

Which data must be cleaned before migration?

NO-BS RULE

Do not call a new system live while the old system still runs the business. Parallel run is temporary. Dual operation is not transformation.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

TEMPLATE

Template: Sunsetting Plan

FIELD	ANSWER
Legacy system	TBD
Replacement	TBD
Data owner	TBD
Data to migrate	TBD
Data to archive	TBD
Parallel run dates	TBD
Cutover date	TBD
Rollback plan	TBD
Vendor exit	TBD

OPERATING NOTE

Executive Question

What old system, report, or spreadsheet will be turned off?

OPERATING NOTE

Team Question

Which data must be cleaned before migration?

OPERATING NOTE

Executive Takeaway

Transformation stays expensive when old systems never die.
Sunsetting is part of the value case.

BOARD QUESTION

What old system, report, or spreadsheet will be turned off?

OPERATOR MOVE

Which data must be cleaned before migration?

NO-BS RULE

Do not call a new system live while the old system still runs the business. Parallel run is temporary. Dual operation is not transformation.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

18

Roadmap And Portfolio Management

A roadmap is not a wish list. It is a sequence of operating changes with owners, dependencies, budgets, risks, and proof points. Key takeaway: The roadmap should start narrow, prove value, then scale through a governed portfolio.

CORE QUESTION Which initiatives should stop so the important ones can move?	DECISION RULE The roadmap should have fewer active initiatives than leaders want. Too many parallel projects create coordination debt.	OUTPUT Template: Roadmap Row
---	--	--

OPERATING NOTE

Roadmap Phases

PHASE	FOCUS	OUTPUT
Diagnose	Assess maturity and pain	Current-state assessment
Stabilize	Fix obvious workflow/data issues	Reliable baseline
Digitize	Move manual work into systems	Digital workflow
Automate	Remove repeat manual steps	Automation backlog shipped
Optimize	Improve KPIs and adoption	Performance gains
AI enablement	Add copilots and agents	Governed AI portfolio
Scale	Expand operating model	Continuous improvement

OPERATING NOTE

Dependency Map

Do not schedule work as if everything is independent.

Common dependencies:

- data cleanup before dashboard
- integration before automation
- knowledge base before AI support
- access control before workflow agent
- process owner before adoption
- migration before old system retirement

OPERATING NOTE

30-60-90 Plan

PERIOD	FOCUS	OUTPUT
Days 1-30	Diagnose and design	Baseline, process map, pilot plan
Days 31-60	Build and train	Usable pilot with real users
Days 61-90	Prove and decide	ROI readout and scale decision

OPERATING NOTE

Portfolio View

Every initiative should be classified.

TYPE	DESCRIPTION	EXAMPLE
Quick win	Fast fix, low complexity	HR policy assistant
High-ROI pilot	Measurable workflow value	Support triage
Strategic platform	Large capability shift	ERP modernization
Foundation	Enables other work	Data cleanup
Long-term AI	Future autonomy	Planning agent

DECISION

Decision Rule

The roadmap should have fewer active initiatives than leaders want.

Too many parallel projects create coordination debt.

BOARD QUESTION

Which initiatives should stop so the important ones can move?

OPERATOR MOVE

What dependency will block this work if ignored?

NO-BS RULE

The roadmap should have fewer active initiatives than leaders want. Too many parallel projects create coordination debt.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Roadmap And Portfolio Management

CHECKLIST

Implementation Checklist

- Create backlog
- Score impact and feasibility
- Identify dependencies
- Assign owners
- Sequence first 90 days
- Define budget bands
- Define stop/scale gates
- Review monthly
- Refresh quarterly

TEMPLATE

Template: Roadmap Row

INITIATIVE	TYPE	OWNER	IMPACT	FEASIBILITY	DEPENDENCY	90-DAY OUTPUT
TBD	TBD	TBD	TBD	TBD	TBD	TBD

OPERATING NOTE

Executive Question

Which initiatives should stop so the important ones can move?

OPERATING NOTE

Team Question

What dependency will block this work if ignored?

OPERATING NOTE

Executive Takeaway

A credible roadmap is sequenced around proof, dependencies, and ownership.

It is not a slide full of initiatives.

BOARD QUESTION

Which initiatives should stop so the important ones can move?

OPERATOR MOVE

What dependency will block this work if ignored?

NO-BS RULE

The roadmap should have fewer active initiatives than leaders want. Too many parallel projects create coordination debt.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

19

Department Use Case Library

Use cases should not be a list of ideas. Each use case needs a baseline, owner, workflow, system requirement, risk level, KPI, and scale decision. Key takeaway: A use case becomes useful only when it is specific enough to fund, build, measure, and govern.

CORE QUESTION Which use case has the clearest business value and lowest execution friction?	DECISION RULE Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.	OUTPUT Template: Use Case Card
--	--	---

OPERATING NOTE

Use Case Format

FIELD	ANSWER
Pain	What is slow, manual, risky, or expensive?
Baseline	Volume, time, cost, error, or customer impact
Solution	Automation, integration, dashboard, AI, or process redesign
Systems	Which tools are involved?
Owner	Who can change the workflow?
Risk	Low, medium, high
KPI	What proves value?
Timeline	Pilot and scale estimate

OPERATING NOTE

1/2

Research Signal

The added use cases below follow current enterprise AI research rather than tool hype.

OPERATING NOTE

2/2

Research Signal

- McKinsey's 2025 State of AI research highlights contact-center automation, information capture and delivery, marketing and sales, strategy, and corporate finance as visible areas of AI use and value.
- PwC's AI performance research argues that leading companies scale proven use cases across teams, functions, value chains, and core workflows instead of leaving AI trapped in isolated pockets.
- Deloitte's finance and workforce-planning research points to forecasting, scenario modeling, dynamic workforce planning, skills intelligence, attrition sensing, and demand-supply forecasting.
- IBM's 2025 EMEA AI research reports strong productivity gains in customer service and procurement, and expects agentic AI to produce measurable ROI for many leaders within two years.

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

1/2

Customer Service

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
AI ticket triage	6-10 weeks	Medium	bad taxonomy and weak escalation rules	wrong routing, response time
Complaint classification	4-8 weeks	Medium	categories are too vague to act on	root-cause visibility
Refund automation	8-14 weeks	High	policy exceptions not designed	refund cycle time
Knowledge assistant	4-8 weeks	Medium	knowledge base is stale	repeat contact rate
Sentiment analysis	3-6 weeks	Low	sentiment is measured but not routed	escalation accuracy
Agent assist and call summarization	4-8 weeks	Medium	summaries do not write back to CRM or ticket history	handle time, QA coverage
Proactive issue and churn outreach	8-12 weeks	Medium	risk prediction is not tied to a retention workflow	save rate, churn risk

OPERATING NOTE

2/2

Customer Service

Best first use case:
AI ticket triage.
Reason:
it can be supervised, measured quickly, and connected to a visible operational pain.

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Sales

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
Lead scoring	6-10 weeks	Medium	score is not tied to sales action	conversion rate
Follow-up automation	3-6 weeks	Low	generic messages damage trust	speed to lead
Proposal generation	6-12 weeks	Medium	pricing and legal terms are not controlled	proposal cycle time
CRM hygiene automation	4-8 weeks	Medium	reps reject changes they did not approve	data completeness
Sales dashboard	4-8 weeks	Medium	pipeline stages are undefined	forecast accuracy
Account research and meeting prep	3-6 weeks	Low	outputs are generic because account data is weak	prep time, meeting quality
Opportunity risk and next-best-action	8-12 weeks	Medium	risk flags are not tied to manager coaching	win rate, slip rate

OPERATING NOTE

Finance

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
Invoice processing	8-14 weeks	High	exceptions exceed automation design	cost per invoice
Expense approval	4-8 weeks	Medium	policy rules are unclear	approval cycle time
Reconciliation automation	10-16 weeks	High	source data does not match	close speed
Cash flow dashboard	6-10 weeks	Medium	forecast assumptions are not owned	forecast accuracy
Budget variance reporting	4-8 weeks	Medium	report explains variance but triggers no action	time to insight
Cash application matching	8-14 weeks	High	remittance data is unstructured and exceptions are unowned	unapplied cash, days to close
Forecast scenario modeling	8-12 weeks	Medium	assumptions are not governed by finance owners	forecast variance, planning cycle time

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

HR

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
Employee onboarding	6-10 weeks	Medium	tasks span too many owners	time to productivity
Policy assistant	4-8 weeks	Medium	policy source is not authoritative	HR ticket reduction
Leave automation	3-6 weeks	Low	edge cases are handled manually forever	approval cycle time
CV screening support	8-12 weeks	High	bias and explainability controls are weak	shortlist quality
Performance review workflow	6-10 weeks	Medium	managers treat it as admin, not coaching	completion rate
Skills inventory and internal mobility	8-14 weeks	High	skills taxonomy is too broad, stale, or political	internal fill rate, skill coverage
Workforce capacity and attrition sensing	8-12 weeks	Medium	risk scores are not tied to manager actions	critical-role attrition, staffing gap

OPERATING NOTE

Operations

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
Inventory alerts	8-14 weeks	High	inventory data is inaccurate	stockout rate
Delivery tracking	6-12 weeks	Medium	carrier data arrives too late	on-time delivery
Vendor management	6-10 weeks	Medium	supplier SLA is not contractually clear	supplier SLA
Quality control	8-16 weeks	High	defect labels are inconsistent	defect rate
Internal request workflow	4-8 weeks	Medium	approvals move to a new tool but stay slow	SLA compliance
Demand forecasting	8-14 weeks	High	forecast is not connected to purchasing or production decisions	forecast error, stockout rate
Predictive maintenance	10-16 weeks	High	sensor and work-order data are incomplete	downtime, maintenance cost

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

OPERATING NOTE

Executive

USE CASE	PILOT TIMELINE	COMPLEXITY	COMMON FAILURE	KPI
CEO dashboard	6-10 weeks	Medium	metrics lack agreed definitions	decision cycle time
Board reporting	4-8 weeks	Medium	narrative is automated before data is trusted	report preparation time
Risk monitoring	8-14 weeks	High	alerts are not tied to owners	incident detection
Performance alerts	4-8 weeks	Medium	thresholds create noise	time to intervention
Executive AI assistant	4-8 weeks	Medium	access permissions are too broad	admin time saved
Scenario planning and capital allocation	6-10 weeks	Medium	scenarios are interesting but not connected to decisions	planning cycle time, capital shift speed
External signal and competitor monitoring	4-8 weeks	Medium	alerts become noise without owner thresholds	time to strategic response

OPERATING NOTE

1/2

Execution Depth Rule

Every use case should have four estimates before it is funded.

ESTIMATE	WHY IT MATTERS
Data work	most delays come from missing, messy, or unowned data
Integration work	value appears only when systems exchange context
Change work	users must adopt the new workflow
Control work	AI and automation need permissions, logs, and fallback paths

OPERATING NOTE

2/2

Execution Depth Rule

If the business case only prices software, it is not a business case.

DECISION

Decision Rule

Do not approve a use case without a baseline and an owner.
If the baseline is unknown, the first task is measurement.

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

TEMPLATE

Template: Use Case Card

FIELD	ANSWER
Department	TBD
Use case	TBD
Baseline	TBD
Owner	TBD
Systems	TBD
KPI	TBD
Risk	TBD
First 90 days	TBD

OPERATING NOTE

Executive Question

Which use case has the clearest business value and lowest execution friction?

OPERATING NOTE

Team Question

What data is needed to prove this use case worked?

OPERATING NOTE

Executive Takeaway

Use cases are not ideas.
They are operating bets.

BOARD QUESTION

Which use case has the clearest business value and lowest execution friction?

OPERATOR MOVE

What data is needed to prove this use case worked?

NO-BS RULE

Do not approve a use case without a baseline and an owner. If the baseline is unknown, the first task is measurement.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

20

Industry Playbooks

The same transformation model applies across industries. The first workflows differ. Retail should not start where healthcare starts. Logistics should not start where professional services starts. Key takeaway: Industry playbooks translate the operating model into the workflows, data, risks, and KPIs that...

CORE QUESTION Which workflow is both industry-specific and measurable?	DECISION RULE Pick the first workflow where industry pain, data availability, and measurable value overlap.	OUTPUT Template: Industry Mini-Playbook
---	--	--

OPERATING NOTE

Industry Starting Points

INDUSTRY	FIRST WORKFLOW	WHY
Retail/e-commerce	Returns and order status	High volume and customer-visible
Logistics	Quote-to-book and shipment exceptions	Speed and trust affect margin
Manufacturing	Quality exceptions and maintenance	Downtime and defects are expensive
Healthcare	Intake and documentation	Admin load affects capacity
Finance	Reconciliation and variance	Accuracy and controls matter
Government	Service requests and case routing	Citizen experience and transparency
Education	Admissions and student support	Repeated questions and manual routing
Real estate	Lead-to-viewing workflow	Speed affects conversion
Professional services	Proposal and delivery reporting	Utilization and margin visibility
Hospitality	Booking changes and service recovery	Experience is immediate

EXAMPLE

Retail Example

Pain:

- customers ask where orders are
- returns take too long
- inventory is inaccurate

First move:

- order status automation
- return eligibility workflow
- inventory exception alerts

KPIs:

- repeat contact
- return cycle time
- stockout rate

BOARD QUESTION

Which workflow is both industry-specific and measurable?

OPERATOR MOVE

Which industry compliance rule changes the design?

NO-BS RULE

Pick the first workflow where industry pain, data availability, and measurable value overlap.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

EXAMPLE

Logistics Example

Pain:

- quotes are slow
- shipment exceptions are reactive
- customers ask for updates

First move:

- quote-to-book workflow
- carrier integration map
- exception prediction and alerts

KPIs:

- quote turnaround
- on-time delivery
- exception age
- customer update speed

EXAMPLE

Healthcare Example

Pain:

- intake is manual
- documentation load is high
- patients repeat information

First move:

- intake workflow redesign
- document summarization support
- patient status routing

KPIs:

- intake cycle time
- documentation time
- patient wait time

DECISION

Decision Rule

Pick the first workflow where industry pain, data availability, and measurable value overlap.

BOARD QUESTION

Which workflow is both industry-specific and measurable?

OPERATOR MOVE

Which industry compliance rule changes the design?

NO-BS RULE

Pick the first workflow where industry pain, data availability, and measurable value overlap.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

TEMPLATE

Template: Industry Mini-Playbook

FIELD	ANSWER
Industry	TBD
Common pain	TBD
First workflow	TBD
Systems	TBD
Data	TBD
Compliance risk	TBD
KPIs	TBD
90-day pilot	TBD

OPERATING NOTE

Executive Question

Which workflow is both industry-specific and measurable?

OPERATING NOTE

Team Question

Which industry compliance rule changes the design?

OPERATING NOTE

Executive Takeaway

Industry context matters.
The framework stays consistent, but the first workflow should reflect the market reality.

BOARD QUESTION

Which workflow is both industry-specific and measurable?

OPERATOR MOVE

Which industry compliance rule changes the design?

NO-BS RULE

Pick the first workflow where industry pain, data availability, and measurable value overlap.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

21

Templates, Tools And Final Recommendation

The book should end as a toolkit. Not inspiration. Not theory. A reader should leave with tools they can use the same week. Key takeaway: The most useful transformation guide is the one that turns strategy into working templates, scorecards, checklists, and decision memos.

CORE QUESTION What will be measurably better 90 days from now?	DECISION RULE If a transformation plan cannot fit on one executive memo, it is not clear yet.	OUTPUT Actionable operating artifact
--	---	--

CHAPTER 21

TEMPLATES, TOOLS AND FINAL RECOMMENDATION

Templates, Tools And Final Recommendation

OPERATING NOTE

Included Tools

TOOL	PURPOSE
Digital maturity assessment	Identify current stage
Readiness score	Decide whether to pilot or pause
Process map	See how work actually moves
Pain point score	Rank opportunities
Customer friction audit	Trace complaints to workflow failures
KPI dictionary	Define metrics and owners
AI use case card	Govern AI ideas
ROI calculator	Prove value
Vendor scorecard	Compare partners
RACI matrix	Clarify ownership
Pilot charter	Control execution
Legacy migration checklist	Retire old systems safely
90-day roadmap	Move from diagnosis to proof

OPERATING NOTE

First Moves

Start with five moves.

1. One customer-facing workflow
2. One internal bottleneck
3. One reporting/data visibility problem
4. One automation pilot
5. One low-risk AI use case

Do not start with the biggest platform.

Start with the clearest proof point.

OPERATING NOTE

The Winning Formula

Diagnose.

Prioritize.

Pilot.

Measure.

Scale.

Govern.

Improve.

BOARD QUESTION

What will be measurably better 90 days from now?

OPERATOR MOVE

What is the smallest real workflow change that can prove the model?

NO-BS RULE

If a transformation plan cannot fit on one executive memo, it is not clear yet.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Templates, Tools And Final Recommendation

OPERATING NOTE

Final Executive Memo

Use this memo to secure alignment.

QUESTION	ANSWER
What workflow are we changing?	TBD
Why does it matter?	TBD
Who owns it?	TBD
What is the baseline?	TBD
What is the 90-day target?	TBD
What data and systems are involved?	TBD
What risks exist?	TBD
What is the scale decision?	TBD

OPERATING NOTE

Executive Question

What will be measurably better 90 days from now?

DECISION

Decision Rule

If a transformation plan cannot fit on one executive memo, it is not clear yet.

OPERATING NOTE

Final Recommendation

Do not transform for fashion.

Do not automate for novelty.

Do not deploy AI because competitors are talking about it.

Transform the workflows that make or lose money, slow customers down, create risk, or waste employee capacity.

Then prove the result.

OPERATING NOTE

Team Question

What is the smallest real workflow change that can prove the model?

BOARD QUESTION

What will be measurably better 90 days from now?

OPERATOR MOVE

What is the smallest real workflow change that can prove the model?

NO-BS RULE

If a transformation plan cannot fit on one executive memo, it is not clear yet.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Templates, Tools And Final Recommendation

OPERATING NOTE

Final Takeaway

Digital transformation is not a destination.

It is the discipline of continuously redesigning how the company works as technology, data, AI, customers, and competition change.

BOARD QUESTION

What will be measurably better 90 days from now?

OPERATOR MOVE

What is the smallest real workflow change that can prove the model?

NO-BS RULE

If a transformation plan cannot fit on one executive memo, it is not clear yet.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

22

Proof, Scar Tissue And Execution Mechanics

This playbook is stronger when the reader sees where transformation fails in the real world. The pattern is consistent. Companies do not fail because they lacked ambition. They fail because workflow, data, ownership, adoption, and controls were weaker than the technology plan. Key takeaway: The Digital...

CORE QUESTION Which story proves we have actually changed the operating model, not just installed technology?	DECISION RULE Do not fund a tool before the operating change is clear.	OUTPUT Actionable operating artifact
---	--	--

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

Honesty Rule

This chapter uses two kinds of evidence.

EVIDENCE TYPE	HOW TO READ IT
Sourced public cases	real companies, public numbers, cited sources
Illustrative operating examples	realistic patterns, not presented as client proof

Do not fake client wins.

If a case did not come from AI Vanguard work, label it clearly.

OPERATING NOTE

Public Scar Tissue: Lidl And SAP

LAYER	WHAT BROKE
Process	existing ways of working were hard to fit into the new system
Data	master data and integration complexity were already pain points
Governance	business case discipline weakened over a long program
ROI	strategic goals could not be achieved at acceptable cost

OPERATING NOTE

Public Scar Tissue: Lidl And SAP

Lidl tried to replace its legacy merchandise management system with SAP HANA.

The legacy system had real problems:

- process breaks
- redundant master data
- integration gaps
- functional limitations
- complex decentralized infrastructure

That sounds exactly like a transformation case.

But the project was dropped after years of work.

Computer Weekly reported the project at about EUR500 million.

The operating lesson:

an ERP project cannot succeed if the company has not resolved how much of the business process should change and how much the software should bend.

Digital Operating System diagnosis:

OPERATING NOTE

Public Scar Tissue: Lidl And SAP

Decision rule: If the new platform requires extreme customization to preserve old work, pause the platform and redesign the work.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

1/3

Public Scar Tissue: Target Canada

Target Canada opened 124 Canadian stores from March to November 2013.

A U.S. Court of Appeals opinion described the new supply chain and information technology infrastructure as disastrous.

The court record says the inventory forecasting software produced inaccurate demand forecasts and employees did not understand how to use it.

It also says the inventory system required employees to manually enter up to 50 pieces of information for each of more than 75,000 products.

The initial data loaded into the system was reported as accurate only 30% of the time.

The result was operational chaos:

- empty shelves
- overflowing inventory
- weak system communication
- overwhelmed distribution centers
- bankruptcy less than two years after launch

OPERATING NOTE

2/3

Public Scar Tissue: Target Canada

Digital Operating System diagnosis:

LAYER	WHAT BROKE
Data	product data quality was not ready for scale
Systems	warehouse, inventory, and checkout systems did not communicate well
People	employees did not understand the new tools
Operations	stores opened faster than the operating model could stabilize

OPERATING NOTE

3/3

Public Scar Tissue: Target Canada

Decision rule: Never scale a retail rollout faster than the data model, system integration, and store teams can absorb.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

1/3

Public Scar Tissue: Nike And i2

Nike's 2001 supply chain software problem is a clean warning.

Sports Business Journal reported that Nike said shoe sales were down USD80-100 million after problems implementing i2 distribution-management software.

The same report says the software cost USD400 million and led to shortages of some products and excess inventory of other footwear.

That is the classic planning-system failure:

the algorithm does not merely produce a bad report.

It changes buying, inventory, fulfillment, and revenue.

Digital Operating System diagnosis:

OPERATING NOTE

2/3

Public Scar Tissue: Nike And i2

LAYER	WHAT BROKE
Data	planning inputs and demand assumptions were not reliable enough
Process	forecasts were connected to real supply decisions
Governance	the failure mode had high financial consequence
Measurement	the business impact showed up as sales loss and inventory imbalance

OPERATING NOTE

3/3

Public Scar Tissue: Nike And i2

Decision rule: Any planning automation that can move inventory or revenue needs stress tests before it touches production decisions.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

1/3

Public Proof: UPS ORION

UPS ORION shows the other side.

This was not a chatbot.

It was an operating optimization system tied to a real workflow:

how delivery routes are planned and executed.

UPS said ORION was expected to reduce driving by 100 million miles annually when fully implemented.

The company also expected annual savings of 10 million gallons of fuel and more than USD300 million after U.S. implementation.

The key detail is not the algorithm alone.

UPS said ORION used data from customers, drivers, and vehicles.

It also calculated routes based on the package delivery and pickup stops required for the route that day.

Digital Operating System diagnosis:

OPERATING NOTE

2/3

Public Proof: UPS ORION

LAYER	WHAT WORKED
Process	route planning was a specific workflow with measurable cost
Data	customer, driver, vehicle, stop, and route data fed the system
Systems	optimization was connected to driver execution
ROI	miles, fuel, emissions, and dollars created a clear value case

OPERATING NOTE

3/3

Public Proof: UPS ORION

Decision rule: The strongest transformation use cases are operationally boring and financially measurable.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

1/2

How To Turn Stories Into Proof

AI Vanguard should collect every real engagement in the same structure.

FIELD	REQUIRED DETAIL
Company profile	industry, revenue band, employee count, region
Broken workflow	where work slowed, failed, or leaked money
First mistake	what the company tried before the operating fix
Intervention	what changed in process, data, systems, AI, people, governance
Before numbers	volume, cycle time, cost, error, risk, backlog
After numbers	same metric after pilot and after scale
Executive quote	what leadership learned or decided
What still failed	the remaining friction, not only the win

OPERATING NOTE

2/2

How To Turn Stories Into Proof

If this table cannot be completed, the story is not ready for publication.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

1/3

Illustrative Operating Case: Refund Approval

Label: illustrative example.

Company profile:

mid-market e-commerce retailer, 180 employees, USD45-60 million revenue.

Broken workflow:

refunds above USD100 required support, finance, and operations approval.

The team bought a helpdesk upgrade first.

It changed the interface.

It did not change the workflow.

Before:

METRIC	BASELINE
Monthly refund requests	2,400
Average approval time	48 hours
Manual touches	5-7 per case
Escalation backlog	300+ open cases
Customer repeat contact	28%

OPERATING NOTE

2/3

Illustrative Operating Case: Refund Approval

Operating fix:

- mapped refund reasons
- separated low-risk and high-risk cases
- connected order status and payment status
- created approval rules
- used AI to classify reason and detect risk
- allowed low-risk refunds below threshold to auto-route for same-day approval
- required human approval for fraud, VIP, legal, and policy exceptions

After pilot target:

METRIC	TARGET
Average approval time	under 4 hours
Low-risk auto-routing	60-70%
Manual touches	1-2 per case
Repeat contact	under 15%

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

NO-BS RULE

If the workflow does not change, transformation did not happen.

- Owner named
- Baseline measured
- Risk controls defined
- Scale decision explicit

Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

3/3

Illustrative Operating Case: Refund Approval

What matters:
the AI did not "handle refunds."
The company redesigned refund operations and used AI in the narrow places where classification and context retrieval helped.

OPERATING NOTE

1/2

Accuracy Thresholds

Not every AI task needs the same target.

TASK TYPE	SUGGESTED THRESHOLD
Summarization for internal use	useful enough for human review
Classification for queue routing	85-90% plus easy override
Escalation detection	95%+ recall on high-risk cases
Customer-facing answer	tested by policy, tone, and factual accuracy
Financial or legal action	human approval unless risk is formally accepted

OPERATING NOTE

Execution Mechanics: From Idea To Build

Use this build sequence for any AI or automation use case.

- Capture 100 real examples from the workflow.
- Label the desired outcome for each example.
- Identify the required data fields.
- Identify which system owns each field.
- Define what AI may suggest, draft, decide, or execute.
- Define human approval points.
- Build an evaluation set.
- Test on historical examples.
- Pilot with real users.
- Measure business impact before scale.

OPERATING NOTE

2/2

Accuracy Thresholds

The threshold should match the consequence of being wrong.

BOARD QUESTION

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Proof, Scar Tissue And Execution Mechanics

OPERATING NOTE

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OPERATING NOTE

Executive Question

Which story proves we have actually changed the operating model, not just installed technology?

OPERATING NOTE

Team Question

Which before/after number would make this transformation impossible to dismiss?

OPERATING NOTE

Executive Takeaway

Trust comes from proof.

Proof requires scars, numbers, and honesty about what still failed.

BOARD QUESTION

Which story proves we have actually changed the operating model, not just installed technology?

OPERATOR MOVE

Which before/after number would make this transformation impossible to dismiss?

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FINAL RECOMMENDATION

Do not start with technology.

Start with a painful workflow, a clear owner, a measurable baseline, and a business outcome worth changing. Then choose the technology.

WORK WITH AI VANGUARD

Bring one workflow, one baseline, and one executive sponsor. We will help turn it into a 90-day proof plan.

Get the diagnostic: score maturity, pain, readiness, risk, and ROI before buying tools.

Book a 30-minute transformation assessment for one customer or operations workflow.

Use this playbook in the steering meeting: fund, stop, redesign, or scale.

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