

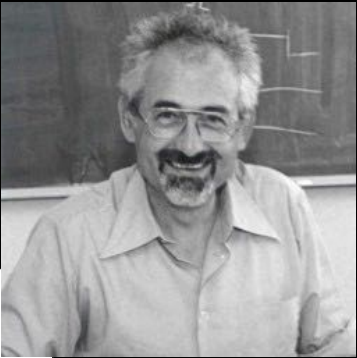
GenAI Strategy

Agile Prague 2025

Developing a Strategy for the GenAI Era

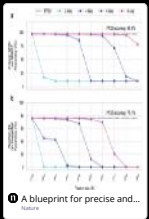


Wolfgang Hilberg
(*1932 †2015)



1995: My experiments
with backpropagation: ca.
100 parameters

2020: GPT-3 had
175 billion parameters.




DAS SCRUMTEAM



scaledprinciples.org

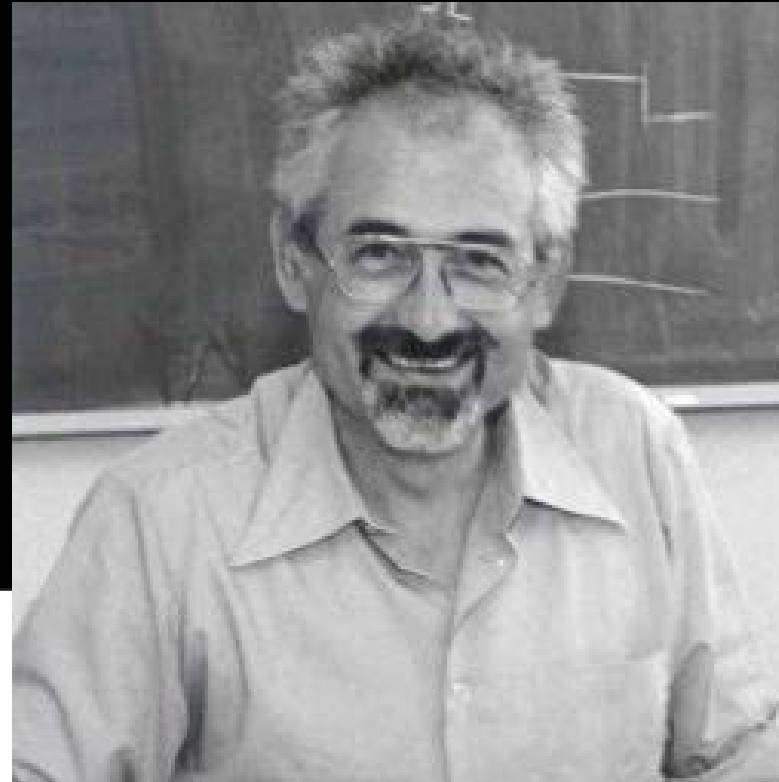
ScALeD Agile Lean Development - The Principles

Agile methods are becoming ever more popular, and a growing number of companies has adopted agile practices on a large scale. But successfully scaling agility is challenging. As companies, projects and teams differ, there is no silver bullet solution to...

AME 3

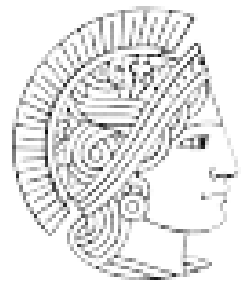


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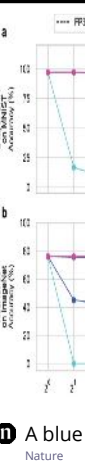


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TECHNISCHE
UNIVERSITÄT
DARMSTADT



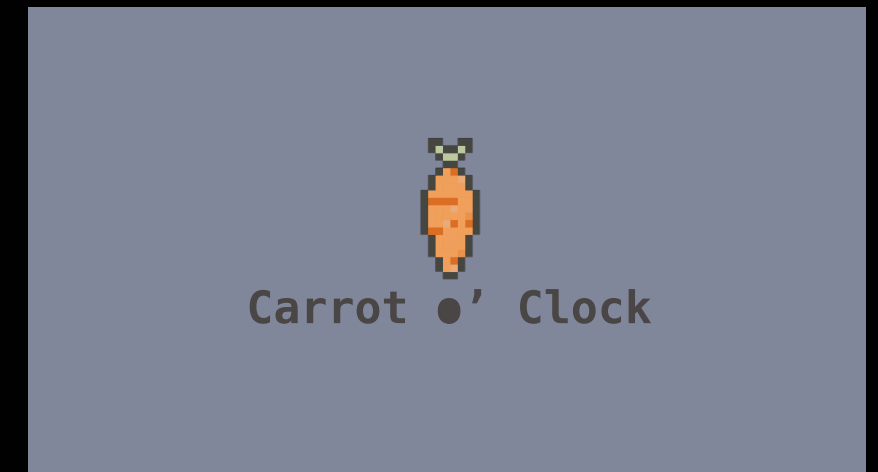
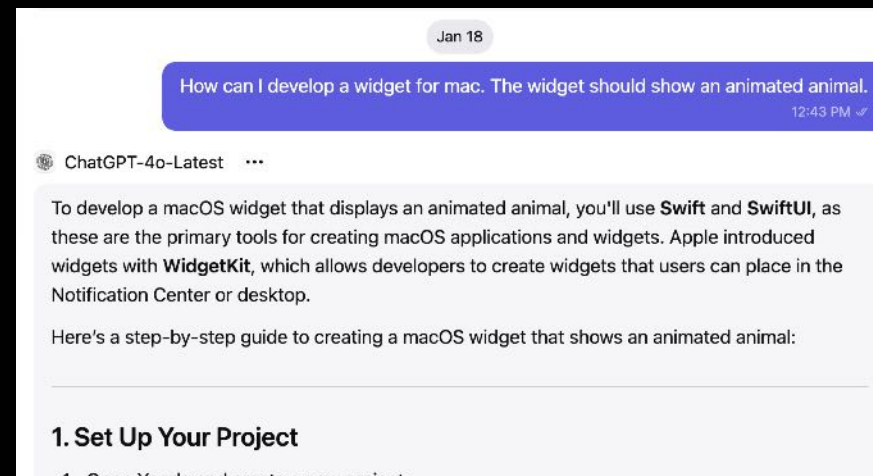
Constraints holding back the evolution of GenAI



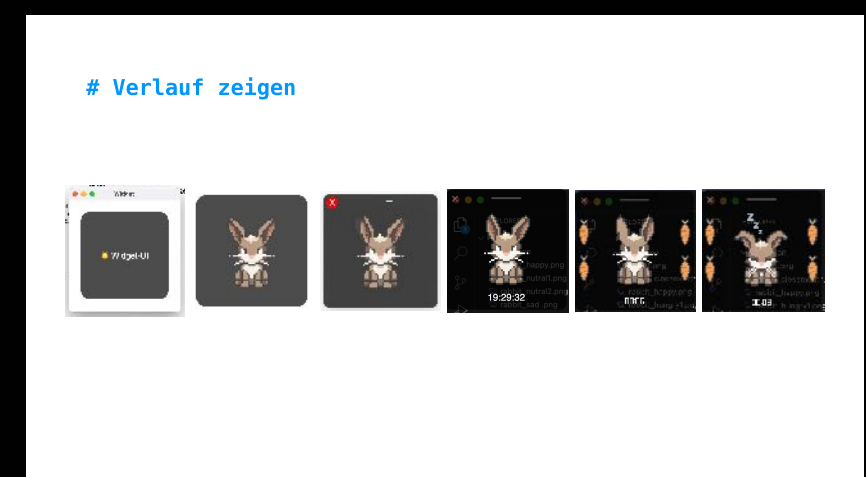
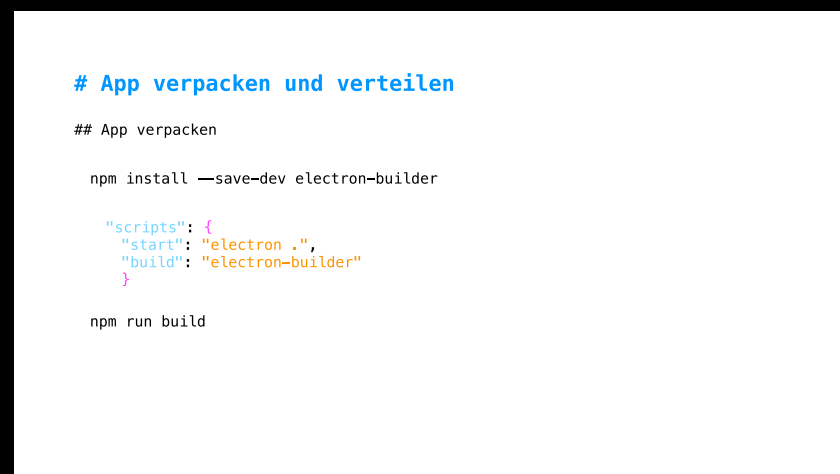
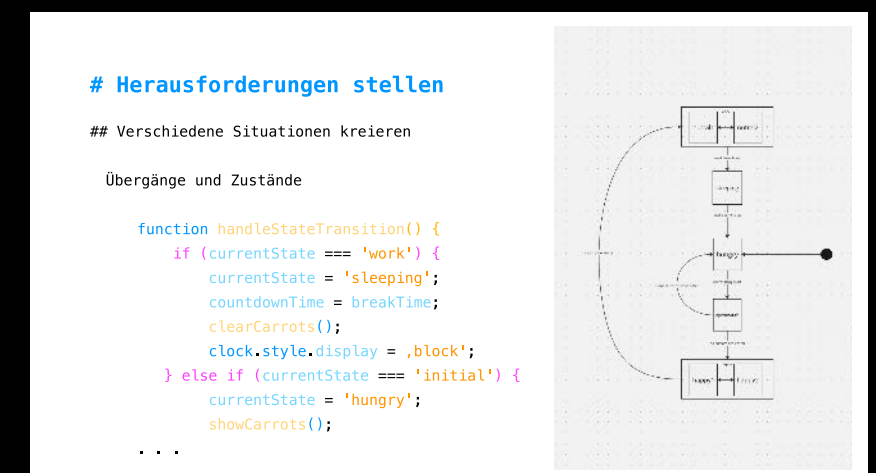
1. **Energy** > Computing Power
2. **Data** > Regulation, Closed, Amount, Structure
3. **Methods** > Algorithms, Knowledge

The Hype about the Vibe

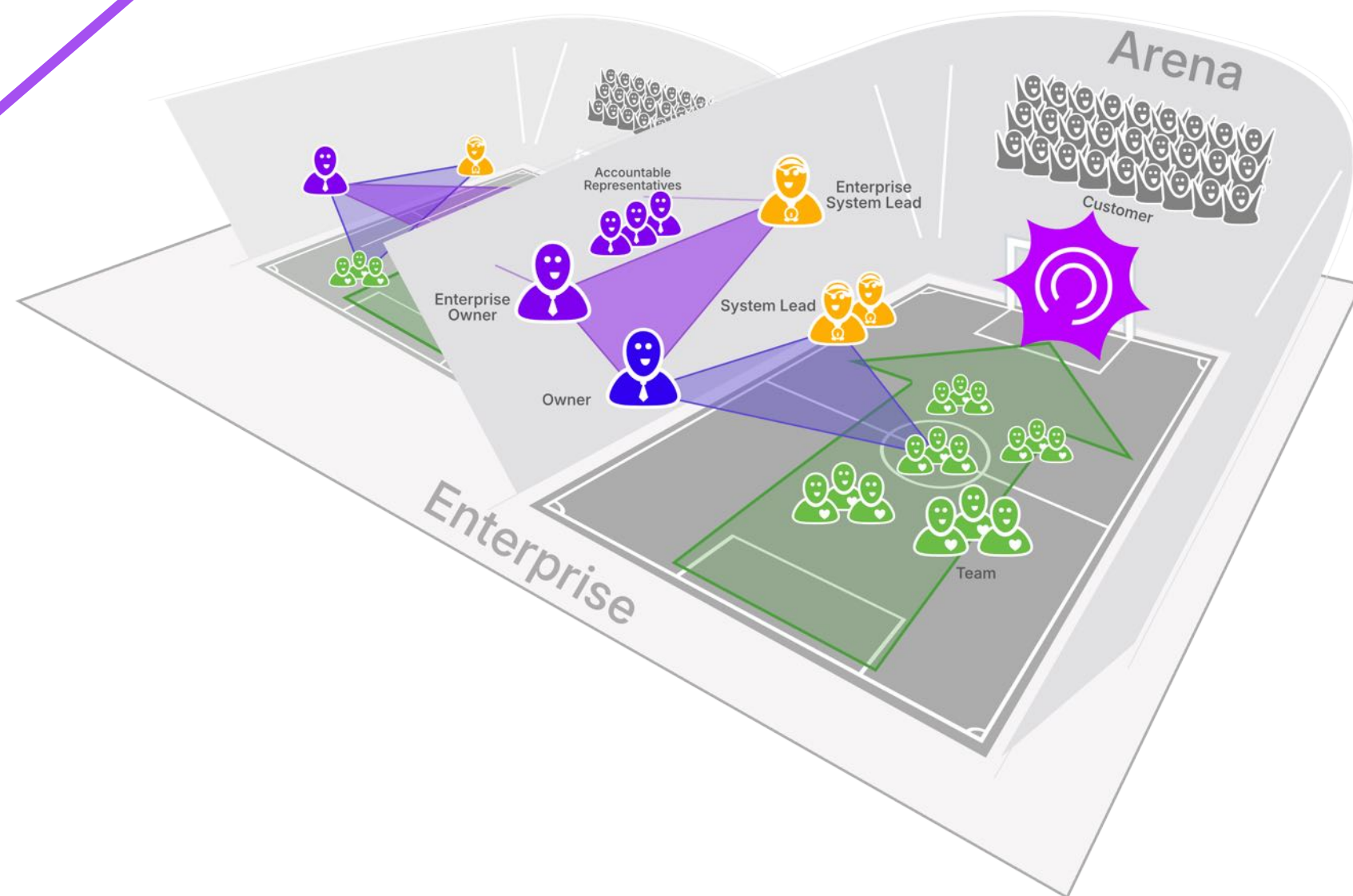
- Desktop APP
- No Coding Experience
- 2 Weeks



Do we need devopment teams anymore?



Strategy



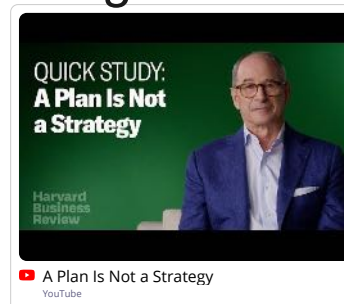
Tactics scores goals

Short-term goals, plans and courses of action that serve the purpose of direct implementation and are aligned with a strategy.

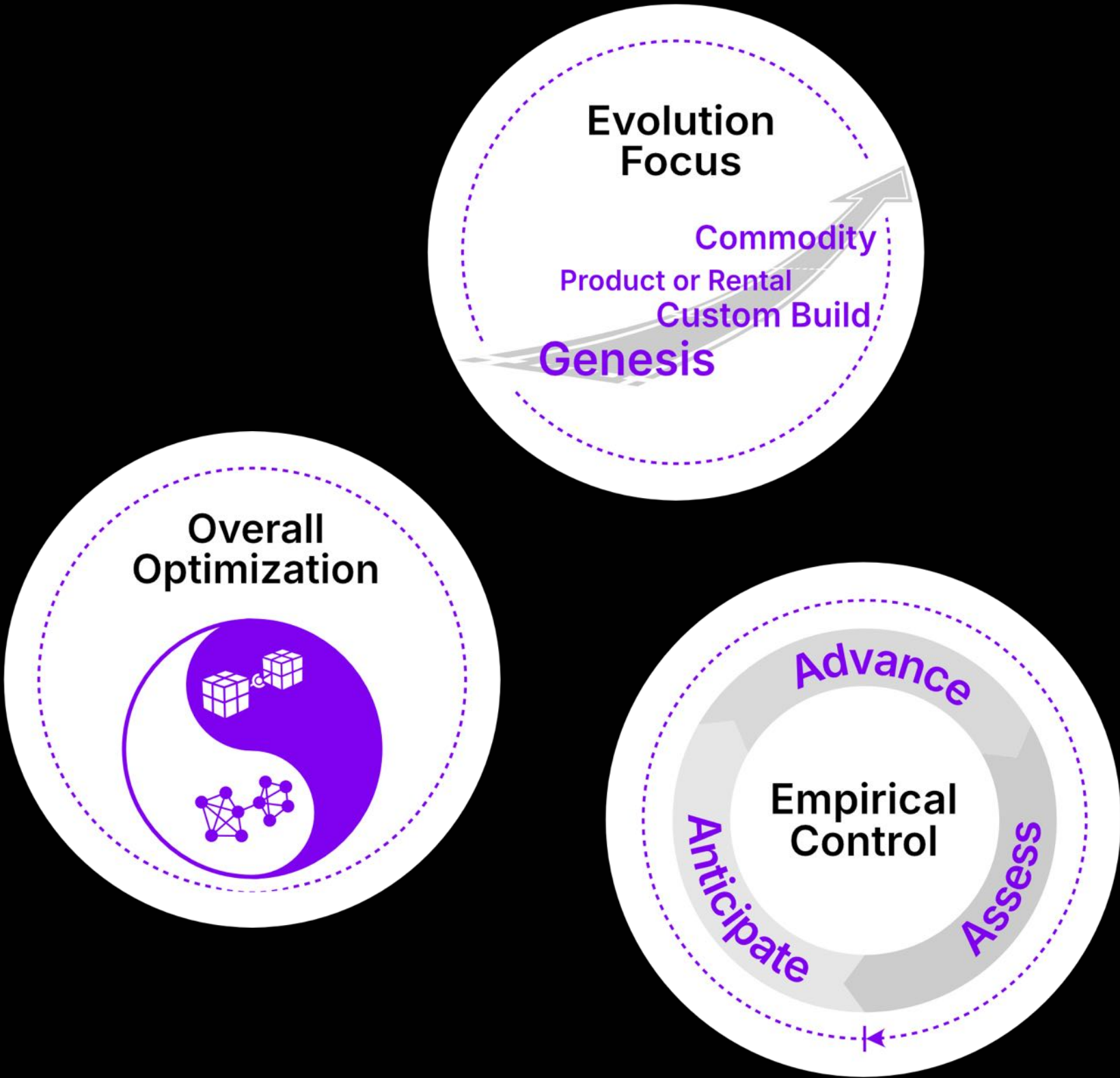
Principles, doctrines, long-term goals to provide a framework for detailed decisions

Strategy builds Arenas

Roger Martin



A **Strategic Doctrine** provides a framework for tactics, setting out the fundamental beliefs, priorities, and methods that shape policies, operations, and the use of power over time.



Wardley's Doctrine (universally useful patterns that a user can apply regardless of context)						
	Communication	Development	Operation	Learning	Leading	Structure
IV			Optimise flow Do better with less Set exceptional standards	Listen to your ecosystem	Exploit the landscape There is no cure	Design for constant evolution No single culture
III				Bias towards the new	Commit to the direction Be the owner	Provide purpose, mastery & autonomy
					Inspire others Embrace uncertainty Be humble	Seek the best
II				Bias towards action	Move fast	Think small teams
					Strategy is iterative	Distribute power and decision making
I	A bias towards open Common Language	Know your users Focus on user needs Remove bias and duplication Use appropriate methods	Manage inertia Manage failure Effectiveness over efficiency	Bias towards data	*STEVE PINKIS VARIATION	

doctrine.wardleymaps.com

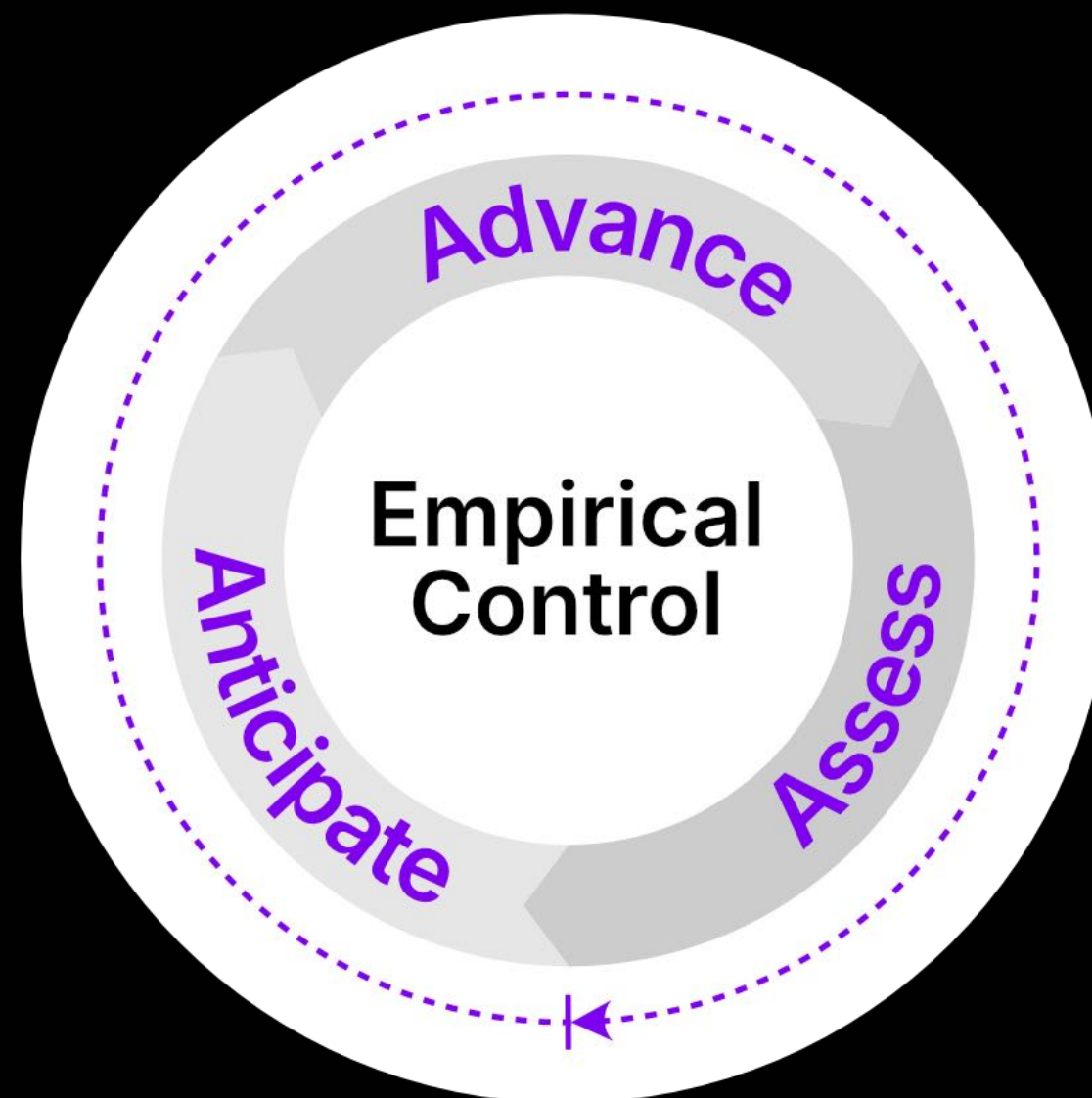
Doctrine assessment

Wardley's Doctrine assessment tool

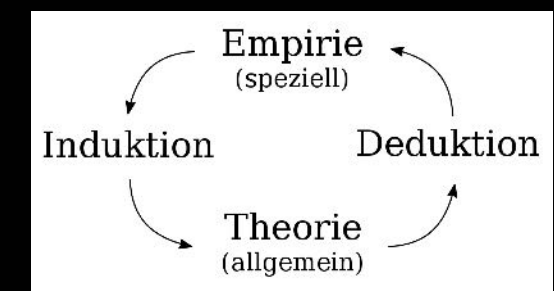
Strategic Doctrine #1

! GenAI Projects:
70-95% failure rate

Source: MIT Research Initiative Study (2023)
The research consistently shows that GenAI projects have extremely high failure rates, with studies ranging from 70-95% failure rates across different implementations and organizations.
1. MIT PANAMA Initiative Study (2023)
- Success Rate: Only 1% of AI pilot programs achieve rapid revenue acceleration; the vast majority stall, delivering little to no measurable impact on P&L.
- Research Scope: 125 interviews with leaders, a survey of 300 public AI deployments.
- Key Finding: Purchasing AI tools from specialized vendors and building partnerships succeed about 57% of the time, while internal builds succeed only one-third as often.
- Source: <https://www.mitsmr.com/insights/ai-pilot-programs-achieve-rapid-revenue-acceleration-but-most-stall>
2. BAIAD Corporate Study (2023)
- Success Rate: In some industries, more than 90 percent of AI projects fail. That's twice the rate of failure of information technology projects that do not involve AI.
- Research Method: Interviewed 52 data scientists and engineers with at least five years of experience in building AI/ML models in industry or academia.
- Finding: Identified five leading root causes for AI project failure.
- Source: <https://www.baiad.com/insights/ai-project-failure>
3. Boston Consulting Group (BCG) Study (2023)
- Success Rate: Only 25% of companies have developed the necessary set of capabilities to move beyond proofs of concept and generate tangible value.
- Research Scope: Comprehensive survey of 1,000 C-suite and senior executives from over 20 sectors, spanning 30 countries in Asia, Europe, and North America.
- Key Finding: Companies have developed cutting-edge AI capabilities across functions and consistently generate significant value.
- Source: <https://www.bcg.com/publications/2023/ai-capabilities-in-2023-74-of-companies-prepare-to-achieve-and-scale-value>
4. Gartner Prediction (2024)
- Success Rate: In 2024, 25% of generative AI projects will be abandoned after proof of concept by the end of 2023, due to poor data quality, inadequate risk controls, escalating costs or unclear business value.
- Risk Factor: Poor data quality, inadequate risk controls, escalating costs, unclear business value.
- Source: <https://www.gartner.com/en/newsroom/press-releases/2023-11-29-generative-ai-will-be-abandoned-after-proof-of-concept-by-the-end-of-2023>
5. McKinsey & Company Study (2024)
- Success Rate: Almost all organizations report measurable ROI with GenAI in their most advanced initiatives, and 20% report ROI in more than 10%. The vast majority (70%) say their most advanced initiative is meeting or exceeding ROI expectations.
- Scaling Challenge: Only 52% have managed to move more than 20% of their experiments into full production.
- Research Scope: Multiple secondary sources throughout 2024.
- Source: <https://www.mckinsey.com/industries/technology/ai/ai-roi>



Correlation is Not causation

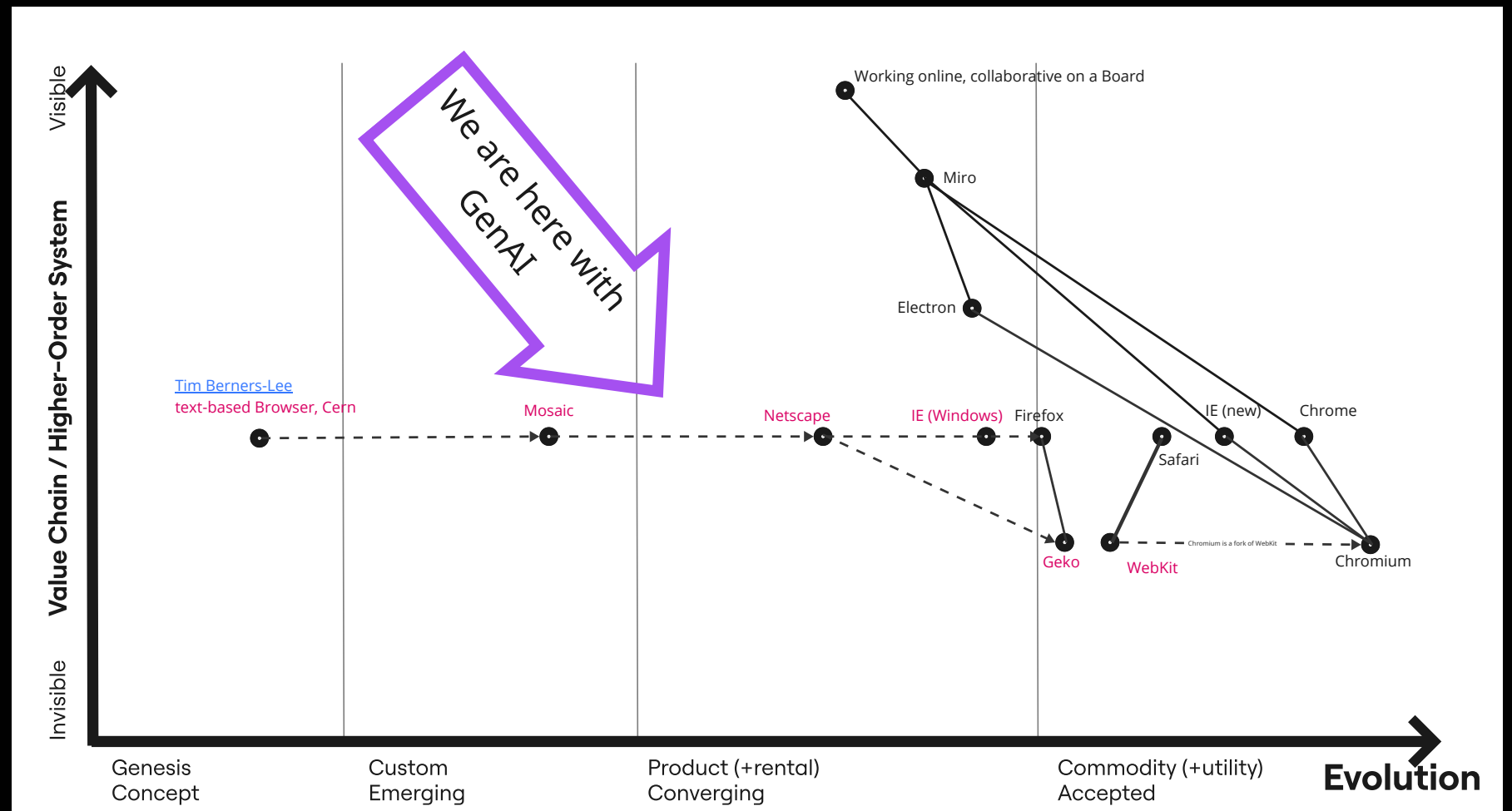
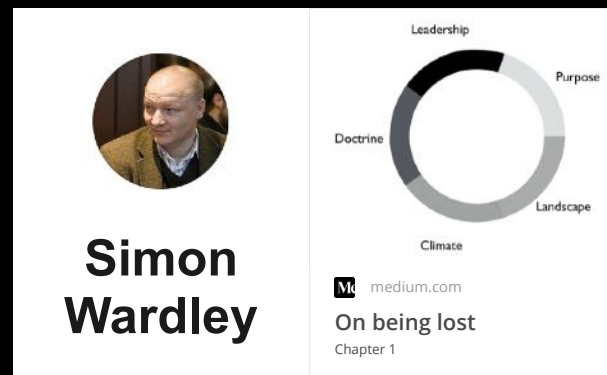


Assess the landscape

The Challenge



Through competition, everything is subject to evolution

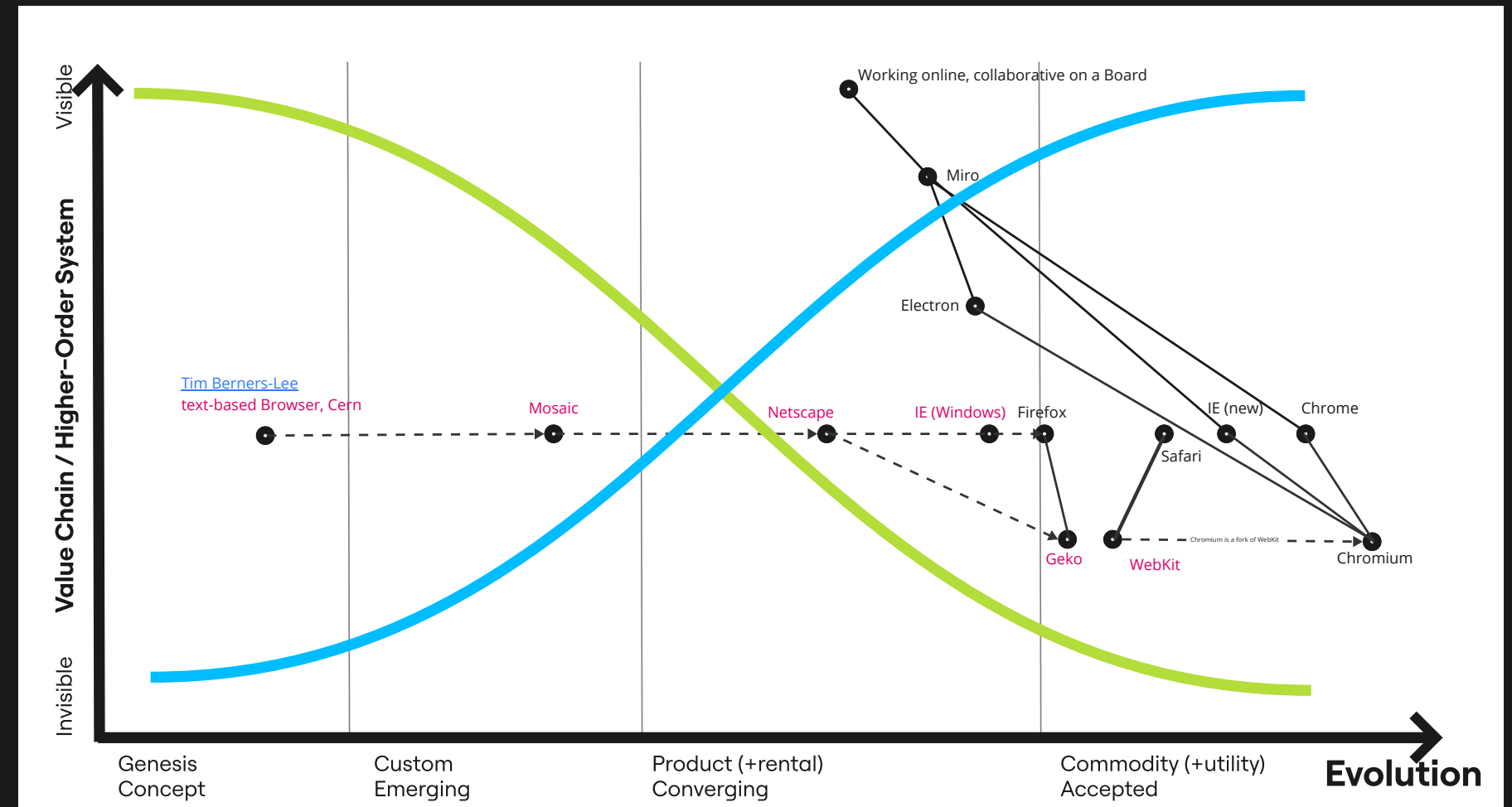
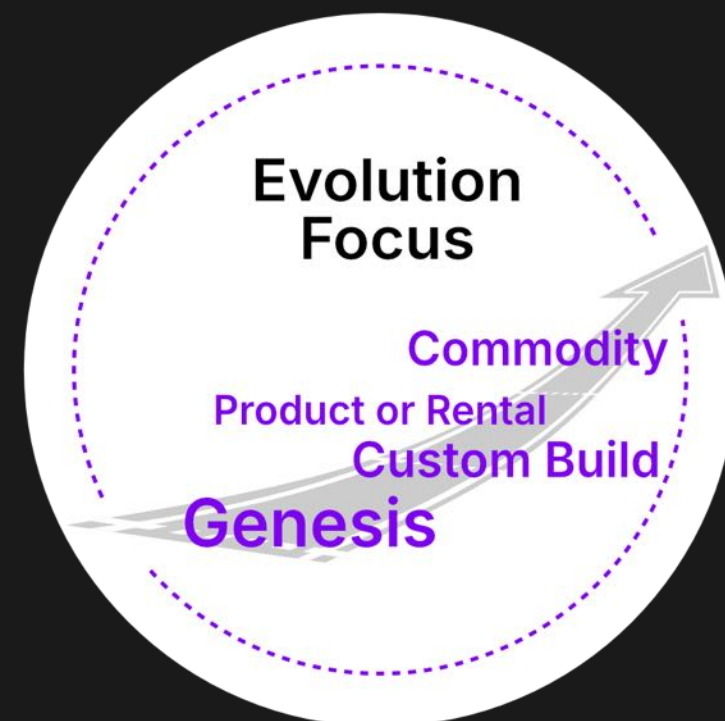


GenAI practices and technologies following the same flow of evolution



GenAI accelerates this flow of evolution for most businesses

Strategic Doctrine #2



Evolution Focus *First!*

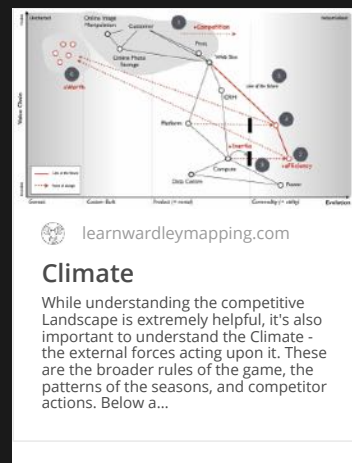
Second:

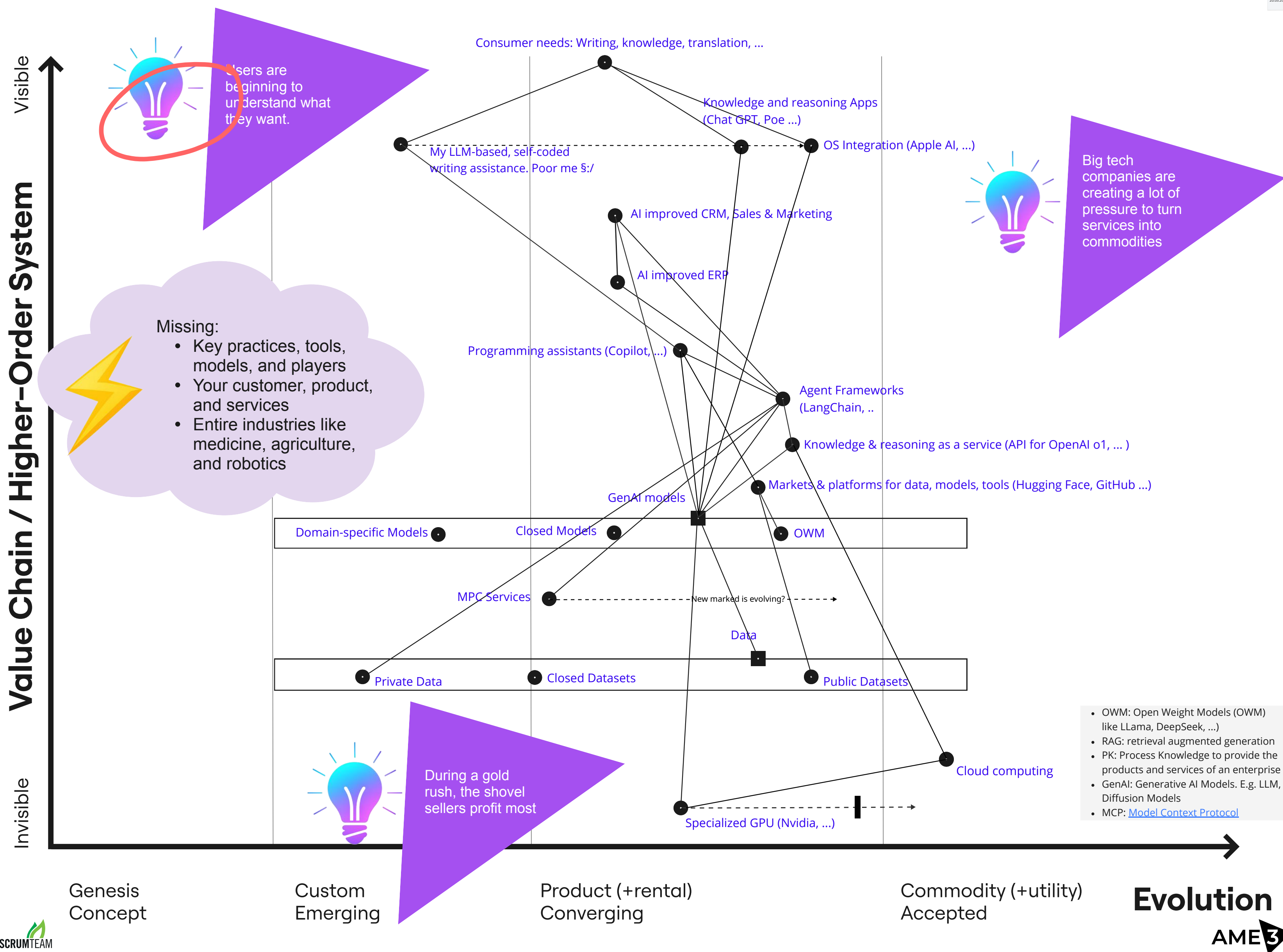
Agile

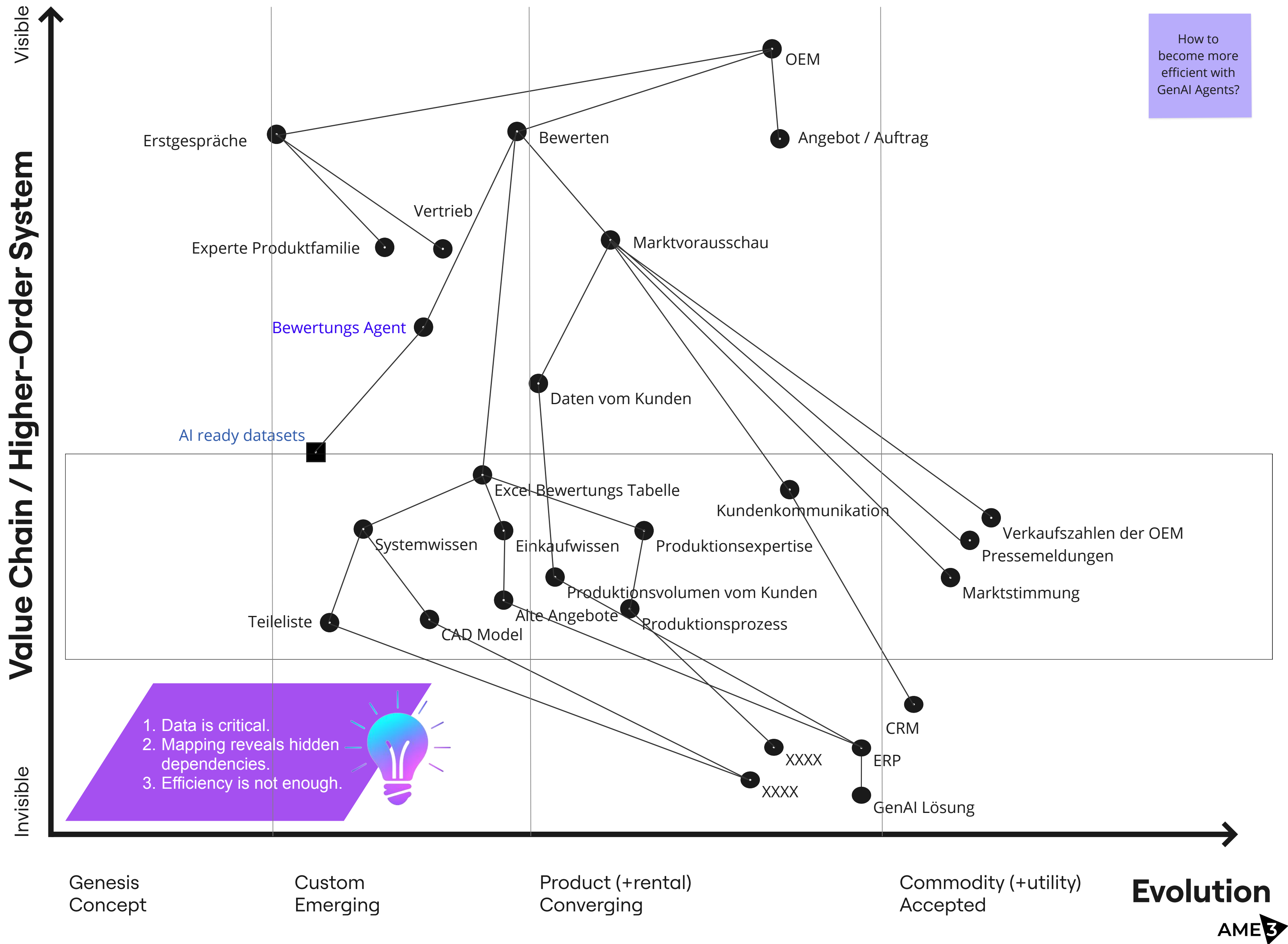
Ability to Respond

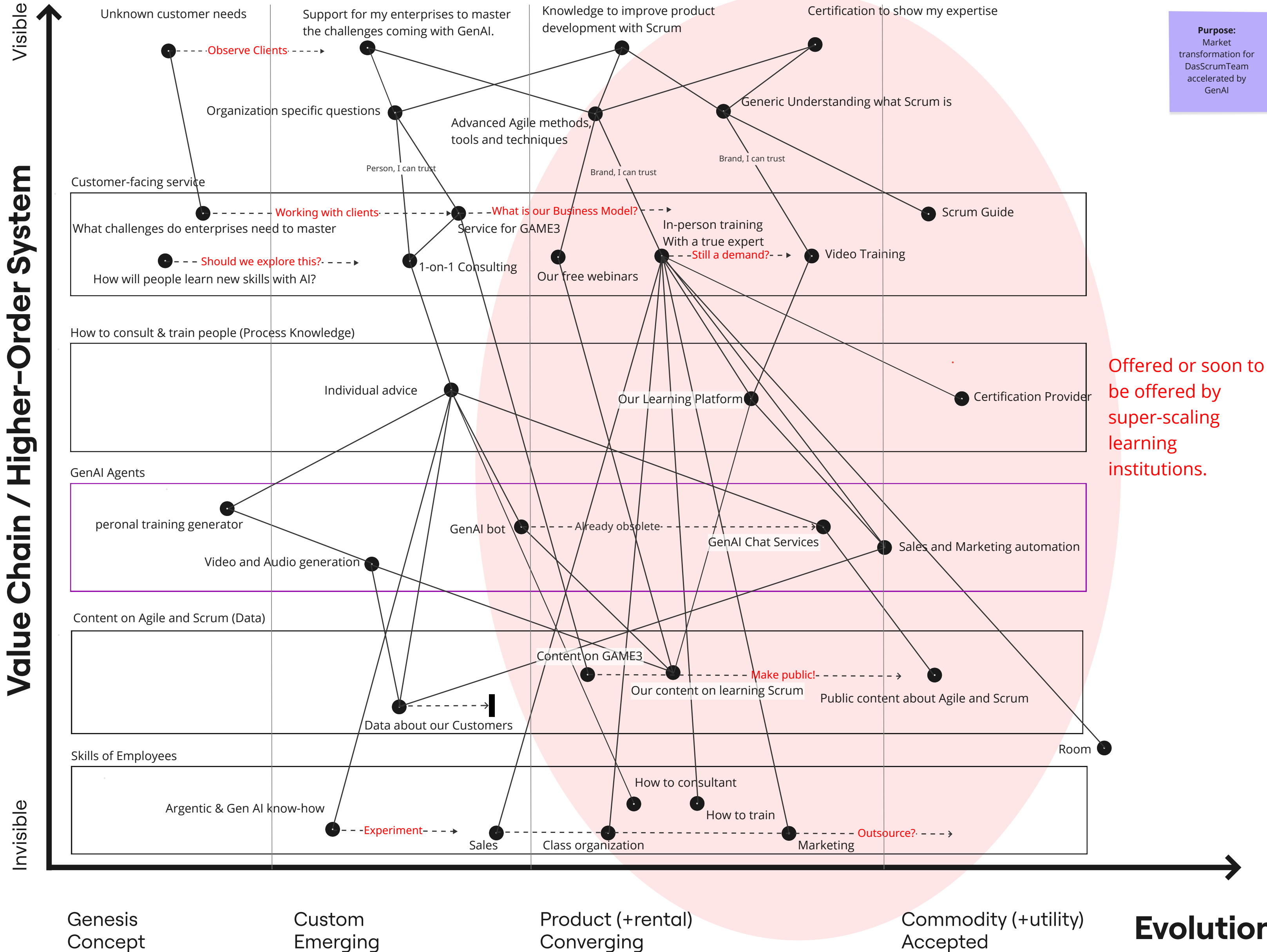
Efficiency

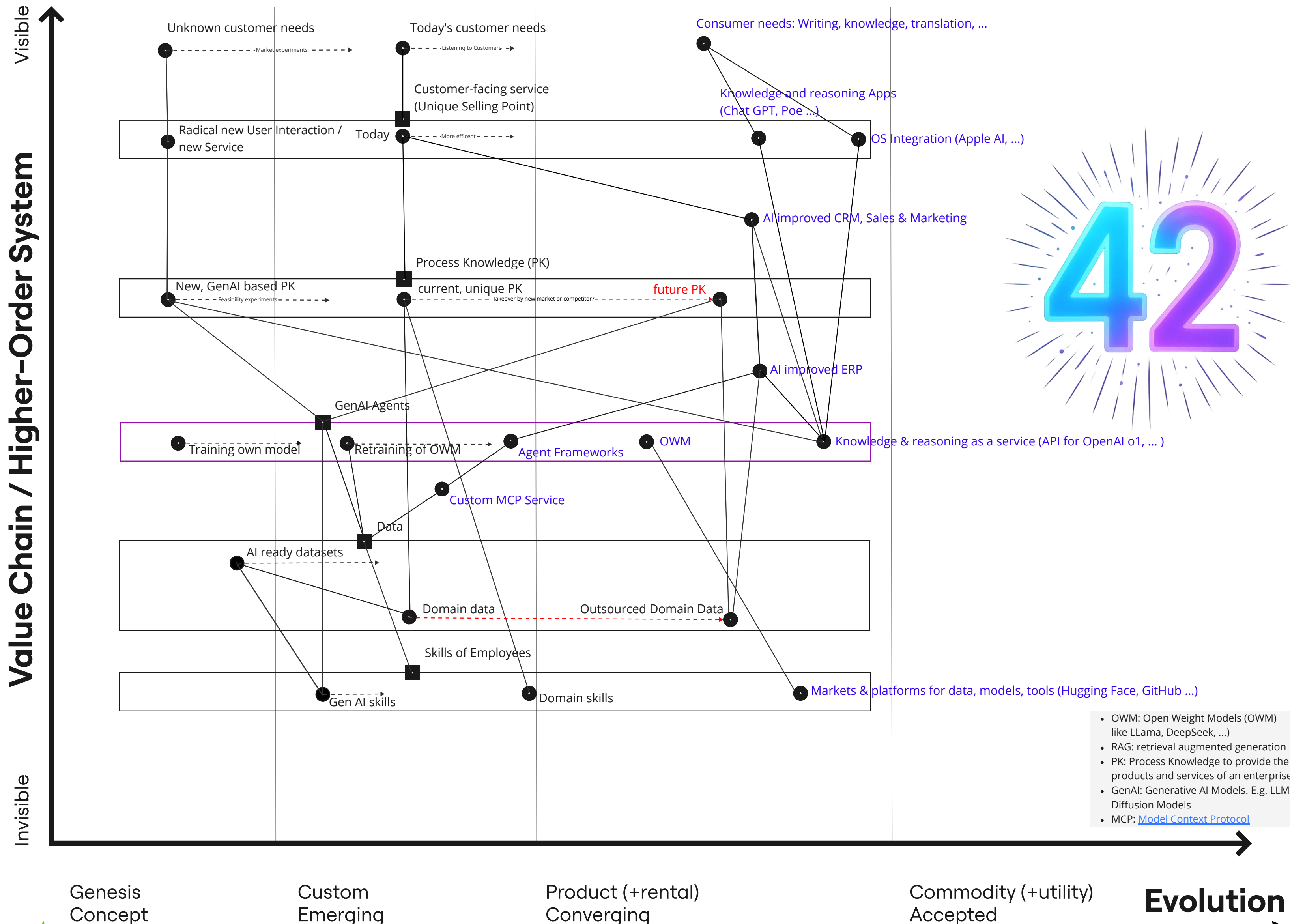
Flow & Stability











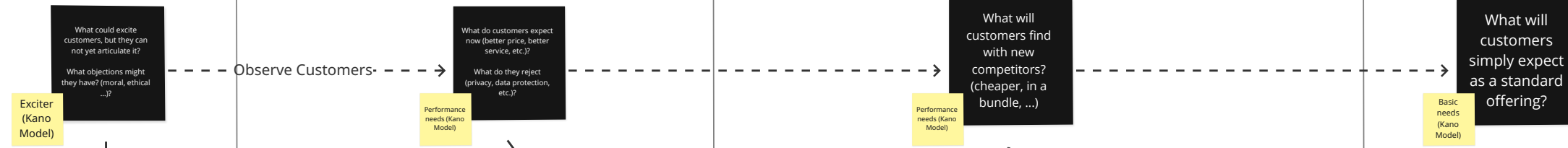
- OWM: Open Weight Models (OWM) like LLama, DeepSeek, ...)
- RAG: retrieval augmented generation
- PK: Process Knowledge to provide the products and services of an enterprise
- GenAI: Generative AI Models. E.g. LLM, Diffusion Models
- MCP: [Model Context Protocol](#)

Visible

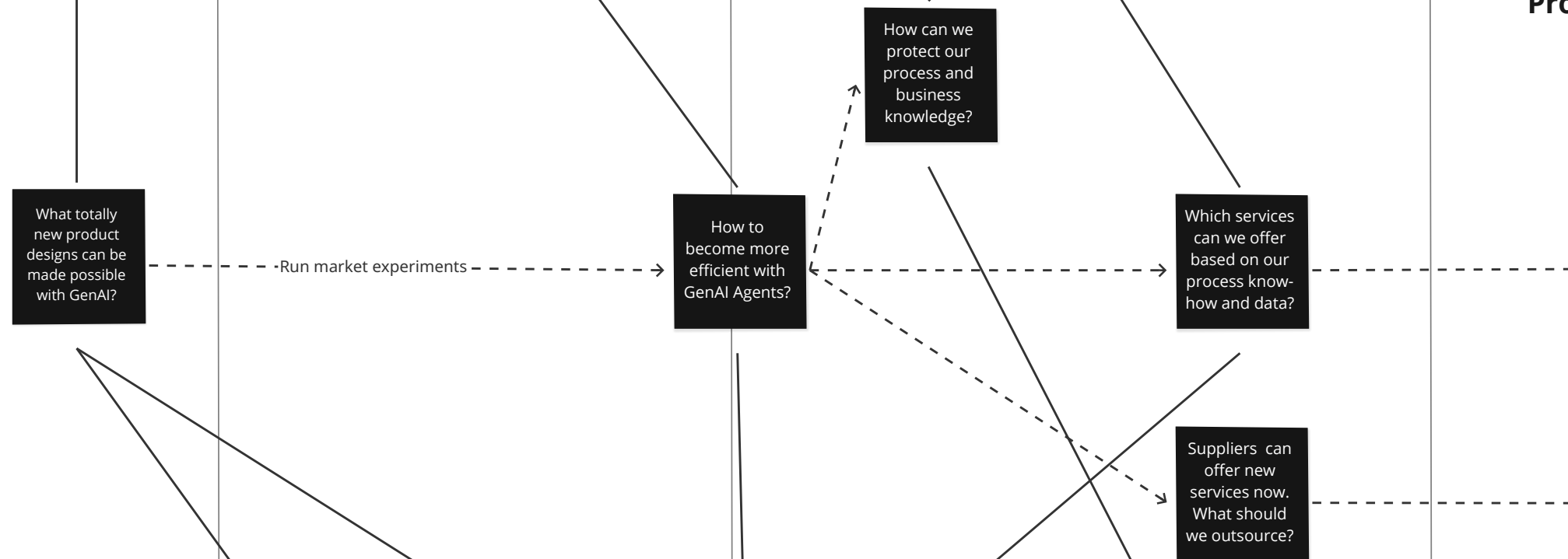
Value Chain / Higher-Order System

Invisible

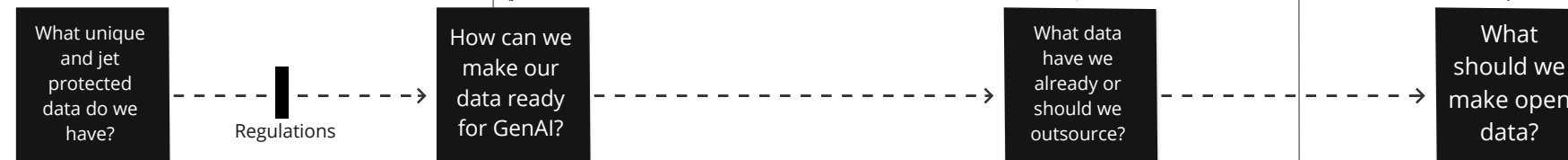
Consumer & Customer needs evolving by GenAI Agents



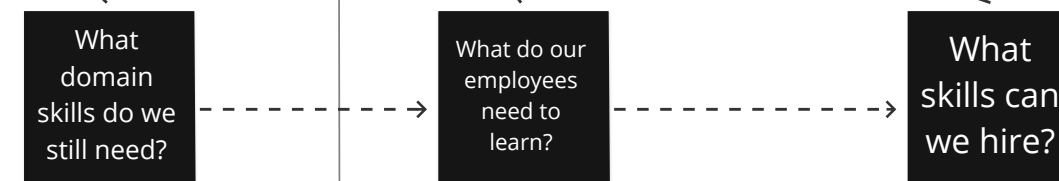
Process Knowledge evolving by GenAI Agents



Data evolving by GenAI Agents



Skills evolving by GenAI Agents



Genesis
Concept

Custom
Emerging

Product (+rental)
Converging

Commodity (+utility)
Accepted

Evolution

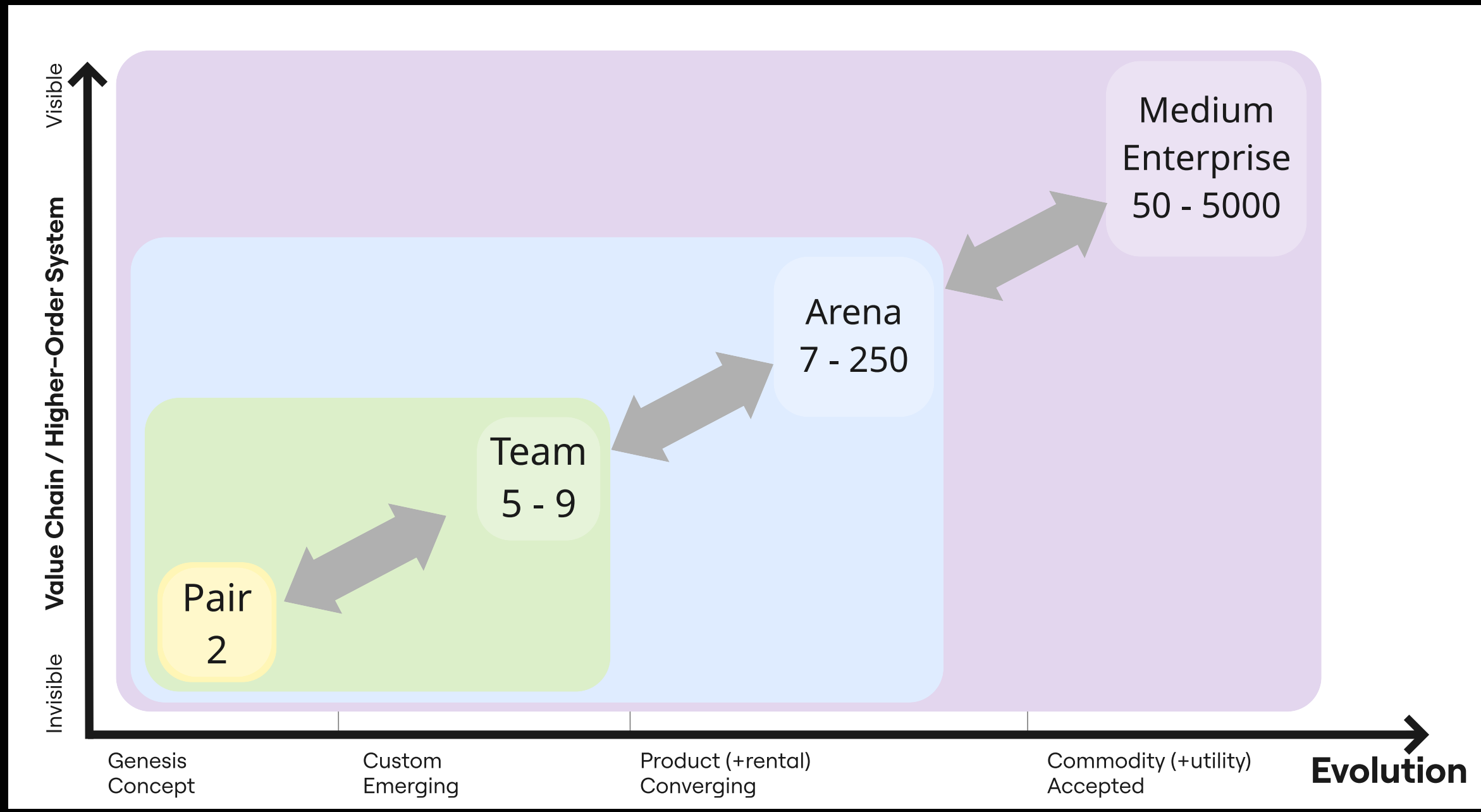
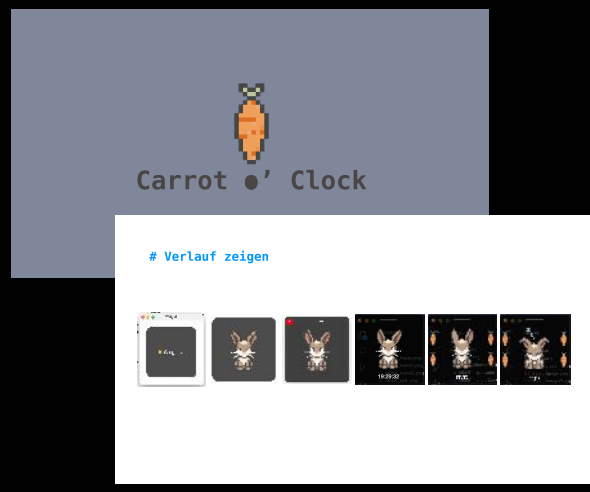
The Hype about the Vibe



GenAI accelerates the evolution of services & products. But the patterns of social systems will remain.



As soon as we invent a practice or tool that simplifies work, like GenAI, we immediately use it to stay at the maximum level of complexity we can manage.



*"No matter how it looks at first, it's
always a people problem."*

Gerald Weinberg

AME3

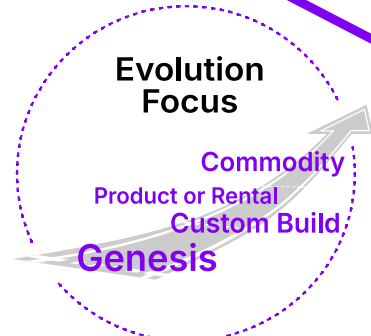
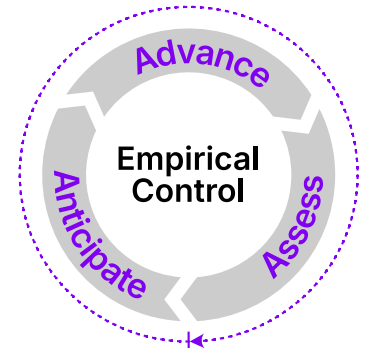
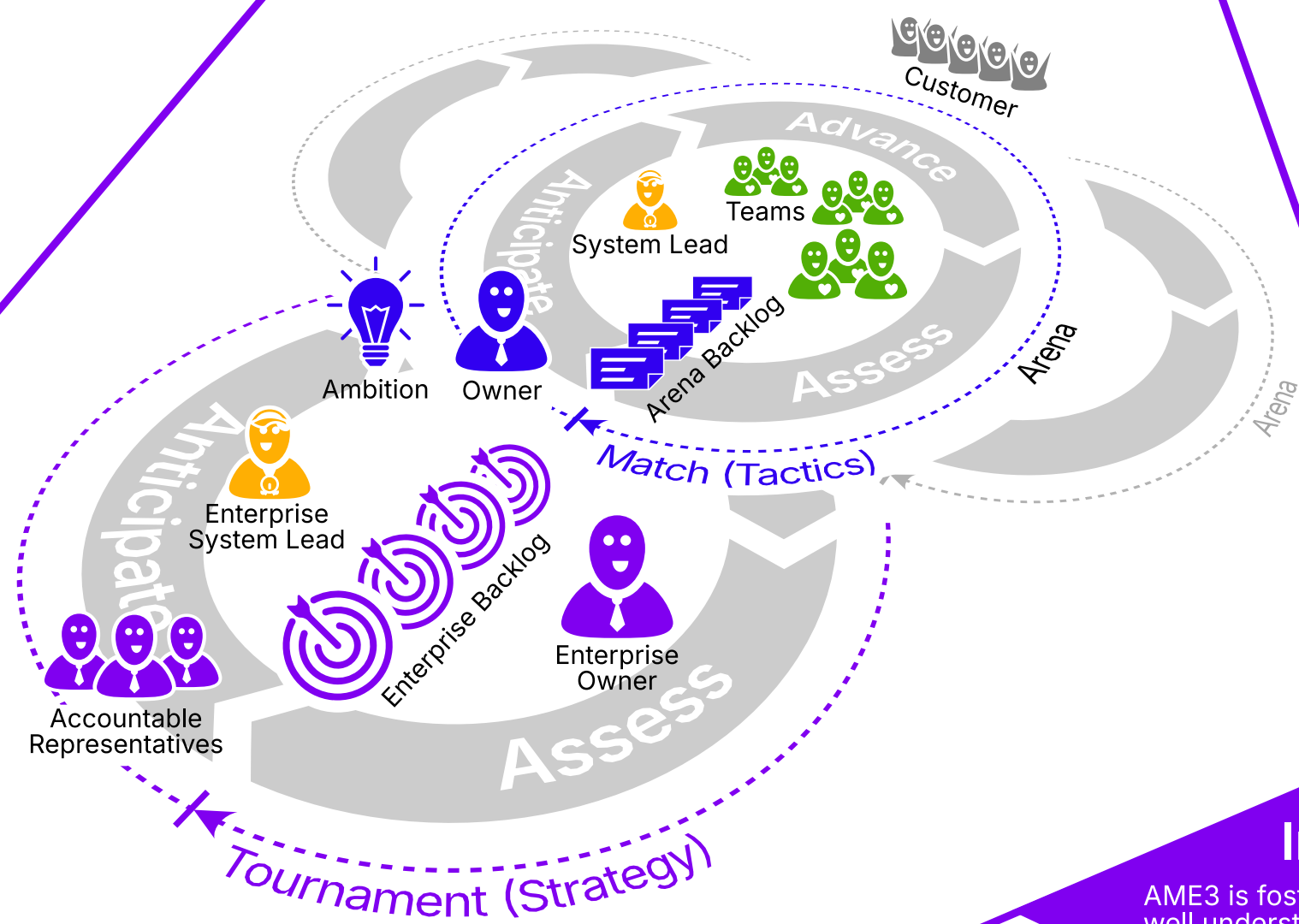
AME3 is a framework to lead the evolution of products, services, and organization of tomorrow's enterprises.

System
AME3 offers a straightforward and streamlined operational system. It is easy to adopt and has proven itself over decades.

Leadership

Rules

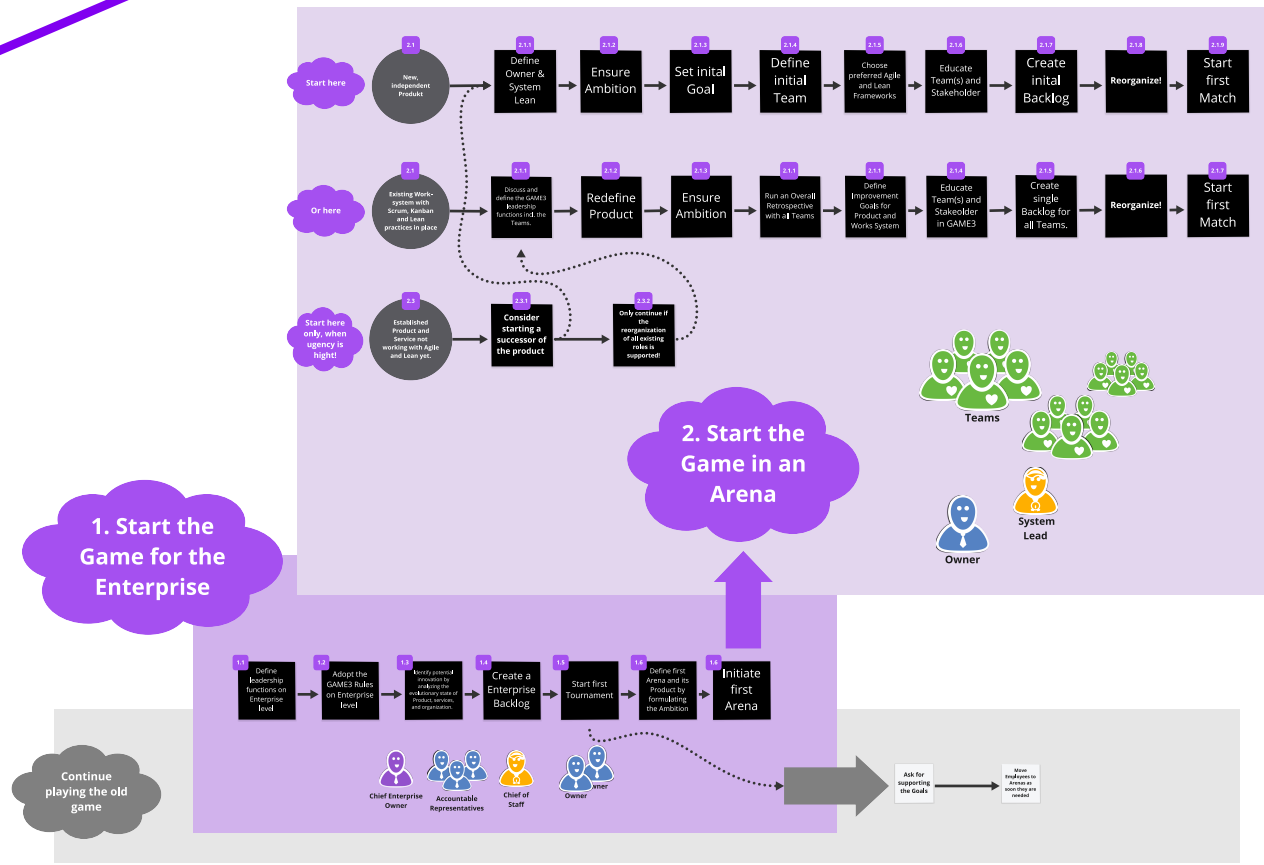
Strategy



Playbook
AME3 does not require costly transformation projects. Instead, it establishes continuous innovation on the enterprise level. Start by following the playbook.

Interplay
AME3 is fostering the use of well understood Agile & Lean methods like Scrum and Kanban. AME3 gives guidance on when and how to use them.

- Scrum
- LeSS
- Cynefin
- Design Thinking
- Product Discovery
- Scrum@Scale
- Wardley Mapping
- eXtreme Programming
- Kanban





We can't say how our business will change because of GenAI, but we can develop a strategy now.



Empirical control at the enterprise level is the best safeguard.



Focus on evolution first, agile or efficiency comes second.



AME3

AME3.info



Peter Beck
[CurlyPeter](#)



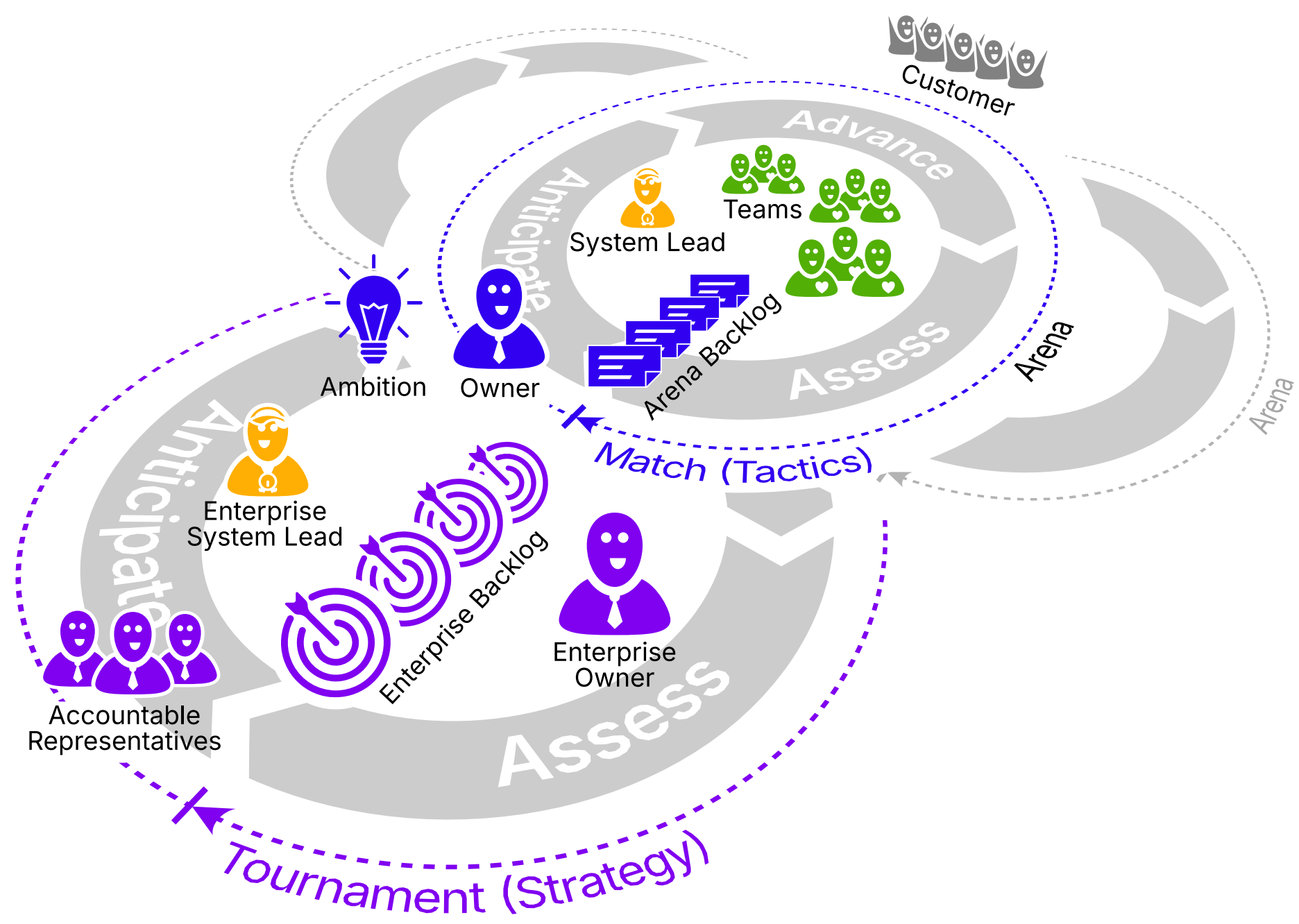
Enterprise Backlog = Strategic Goals



Planning and managing dependencies is NOT strategy



Strategy is not advancing.
Only Teams advance.



- The [Enterprise Backlog](#) is the list of all [Goals](#) that an Enterprise has not yet started to work on.
- Applicable to all Teams. Highly independent organizational Units (Arena) may have different Goals.
- A Goal should have a lifetime of at least 1 month and a maximum of 12 months. The most effective Goals typically span 3-6 months.