The Strategic Answer to GenAI: Empirical Enterprise Evolution

Agile Network

Oct/7/25

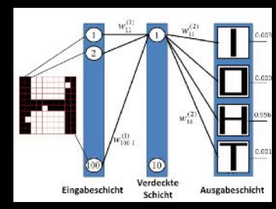
Andreas Schliep & Peter Beck

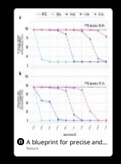
Wolfgang Hilberg
(*1932 †2015)

1995: Backpropagation
~100 parameters

2020: GPT-3
175 billion parameters.

TECHNISCHE UNIVERSITÄT DARMSTADT





Hochschule Bremerhaven

WEB.DE

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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

AME 3

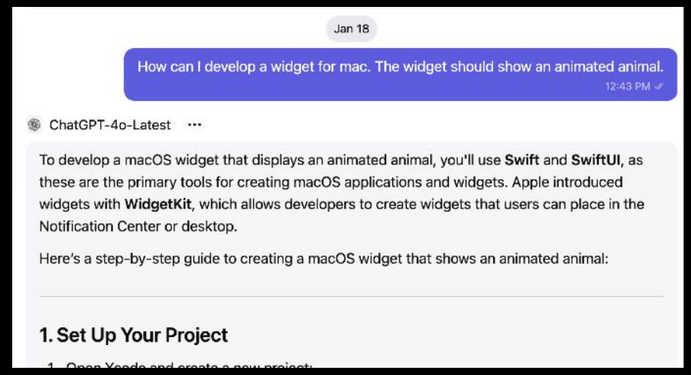
Understand the Constraints of your System

What GenAI has and still is constraining:

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

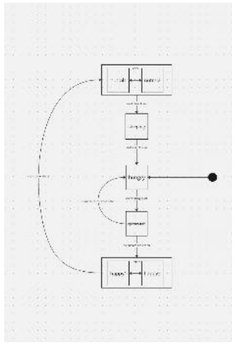
The Hype about the Vibe

- Desktop APP
- No Coding Experience
- 2 Weeks



Do we need development teams anymore if we have AI Agents?

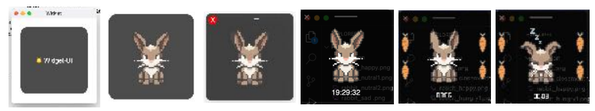
```
# Herausforderungen stellen

## Verschiedene Situationen kreieren

  Übergänge und Zustände

    function handleStateTransition() {
        if (currentState === 'work') {
            currentState = 'sleeping';
            countdownTime = breakTime;
            clearCarrots();
            clock.style.display = ,block';
    } else if (currentState === 'initial') {
            currentState = 'hungry';
            showCarrots();
    . . .
```



```
# App verpacken und verteilen

## App verpacken

  npm install —-save-dev electron-builder

    "scripts": {
      "start": "electron .",
      "build": "electron-builder"
      }

  npm run build
```

```
# Herausforderungen stellen

## Den Hasen die Karotten essen lassen

  Drag and Drop Funktion

    function handleDragStart(event) {

    function handleDragEnd(event) {

    function handleDragOver(event) {

    function handleDrop(event) {

    . . .
```

```
# Verlauf zeigen
```



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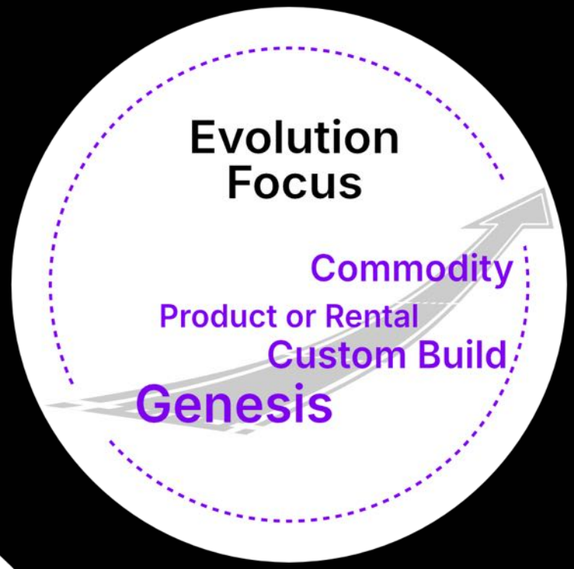
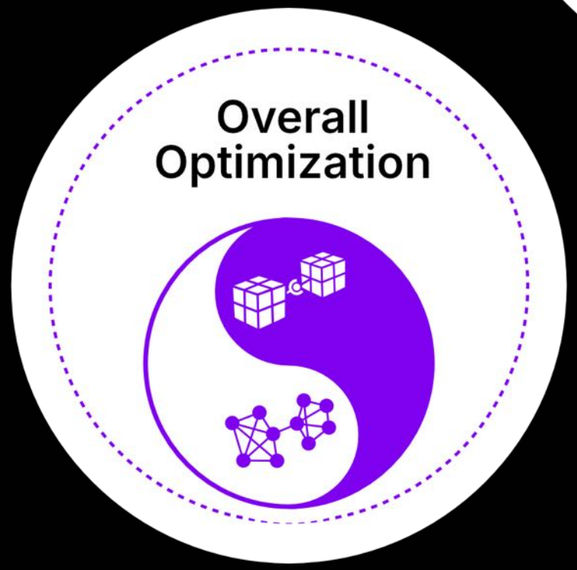
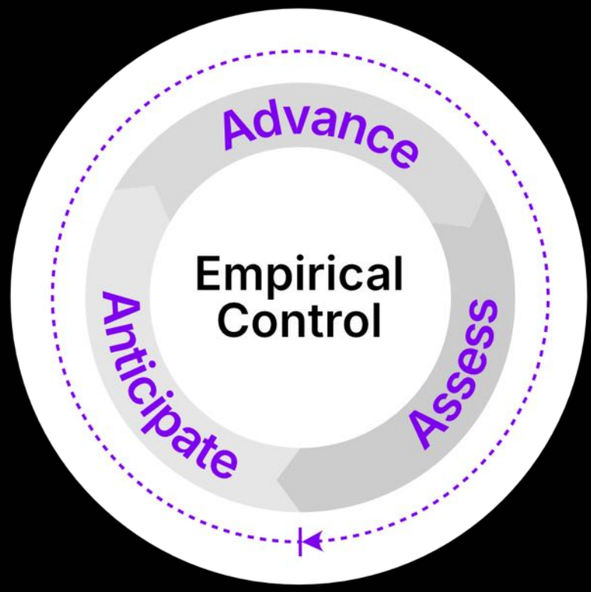
Strategic Doctrine

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				Listen to your ecosystem	Exploit the landscape	Design for constant evolution
					There is no core	No single culture
III			Optimise flow	*Bias towards the new*	Commit to the direction	Provide purpose, mastery & autonomy
			Do better with less		Be the owner	
					Inspire others	
			Set exceptional standards		Embrace uncertainty	Seek the best
					Be humble	
II		Focus on the outcome	Manage inertia	*Bias towards action*	Move fast	Think small teams
		Think fast, inexpensive, restrained and elegant				
		Use appropriate tools	Manage failure			Distribute power and decision making
		Be pragmatic			Strategy is iterative	
			Effectiveness over efficiency			Think aptitude and attitude
		Use standards				
Phase I	A bias towards open	Know your users	Know the details	*Bias towards data*	*STEVE PURKIS VARIATION	
	Common Language	Focus on user needs				
	Challenge Assumptions	Remove bias and duplication				
	Understand what is being considered	Use appropriate methods				

doctrine.wardleymaps.com

Doctrine assessment

Wardley's Doctrine assessment tool

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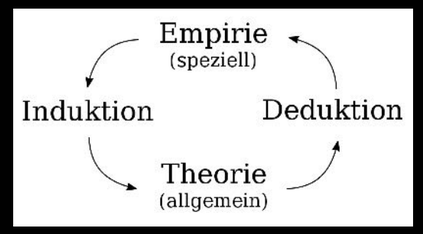
Strategic Doctrine #1

❗ ***Correlation is Not causation***



Empirical: *Based on what is experienced or seen rather than on theory*

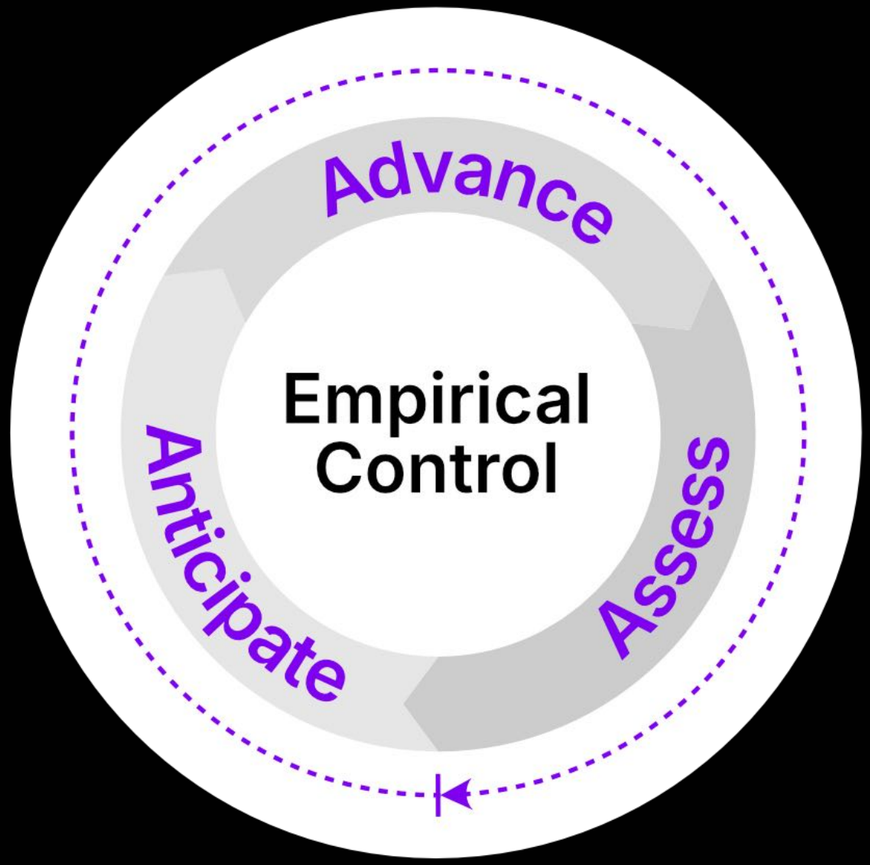
❗ **GenAI Projects: 70-95% failure rate**

Claude Sonnet 4

The research consistently shows that GenAI projects have extremely high failure rates, with studies ranging from 70-95% failure rates. Key Research Studies and Their Findings:

1. **MIT NANDA Initiative Study (2025)**
   - **Success Rate:** Only 5% of AI pilot programs achieve rapid revenue acceleration; the vast majority stall, delivering little to no measurable impact on P&L
   - **Research Scope:** 150 interviews with leaders, a survey of 350 employees, and an analysis of 300 public AI deployments
   - **Key Finding:** Purchasing AI tools from specialized vendors and building partnerships succeed about 67% of the time, while internal builds succeed only one-third as often
   - **Source:** https://fortune.com/2025/08/18/mit-report-95-percent-generative-ai-pilots-at-companies-failing-roi/
2. **RAND Corporation Study (2024)**
   - **Success Rate:** By some estimates, more than 80 percent of AI projects fail. That's twice the rate of failure of information technology projects that do not involve AI
   - **Research Method:** Interviewed 65 data scientists and engineers with at least five years of experience in building AI/ML models in industry or academia
   - **Focus:** Identified five leading root causes for AI project failure
   - **Source:** https://www.rand.org/pubs/research_reports/RRA2680-1.html
3. **Boston Consulting Group (BCG) Study (2024)**
   - **Success Rate:** Only 26% 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 CxOs and senior executives from over 20 sectors, spanning 59 countries in Asia, Europe, and the Americas
   - **Key Insight:** Just 4% of companies have developed cutting-edge AI capabilities across functions and consistently generate significant value
   - **Source:** https://www.bcg.com/press/24november2024-ai-adoption-in-2024-74-of-companies-struggle-to-achieve-and-scale-value
4. **Gartner Prediction (2024)**
   - **Success Rate:** At least 30% of generative AI projects will be abandoned after proof of concept by the end of 2025, due to poor data quality, inadequate risk controls, escalating costs or unclear business value
   - **Risk Factors:** Poor data quality, inadequate risk controls, escalating costs, unclear business value
   - **Source:** https://www.gartner.com/en/newsroom/press-releases/2024-07-29-gartner-predicts-30-percent-of-generative-ai-projects-will-be-abandoned-after-proof-of-concept-by-end-of-2025
5. **Deloitte AI Institute Study (2024)**
   - **Success Rate:** Almost all organizations report measurable ROI with GenAI in their most advanced initiatives, and 20% report ROI in excess of 30%. The vast majority (74%) say their most advanced initiative is meeting or exceeding ROI expectations
   - **Scaling Challenge:** Only 32% have managed to move more than 30% of their experiments into full production
   - **Research Scope:** Multiple quarterly surveys throughout 2024

Source: https://www.deloitte.com/us/en/what-we-do/capabilities/applied-artificial-intelligence.html



First: Assess the landscape

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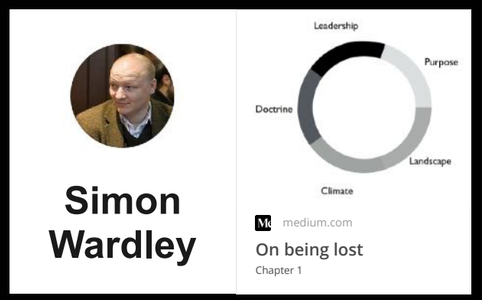
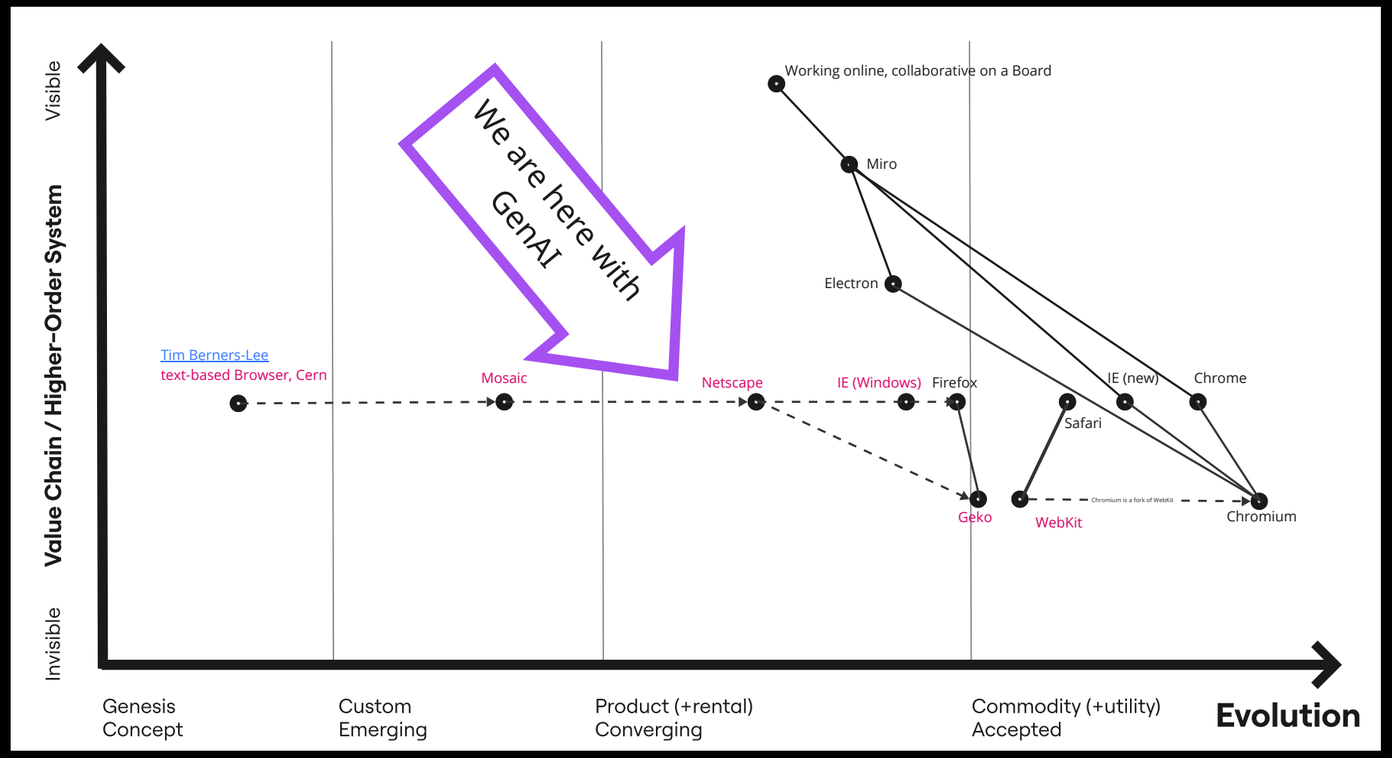
Assess the Landscape



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

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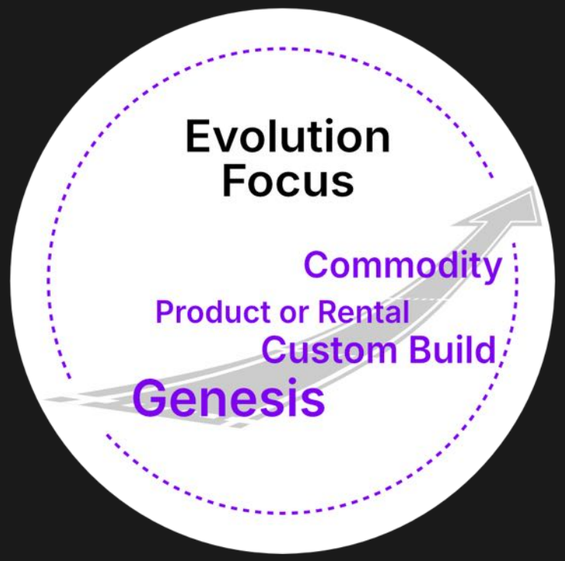
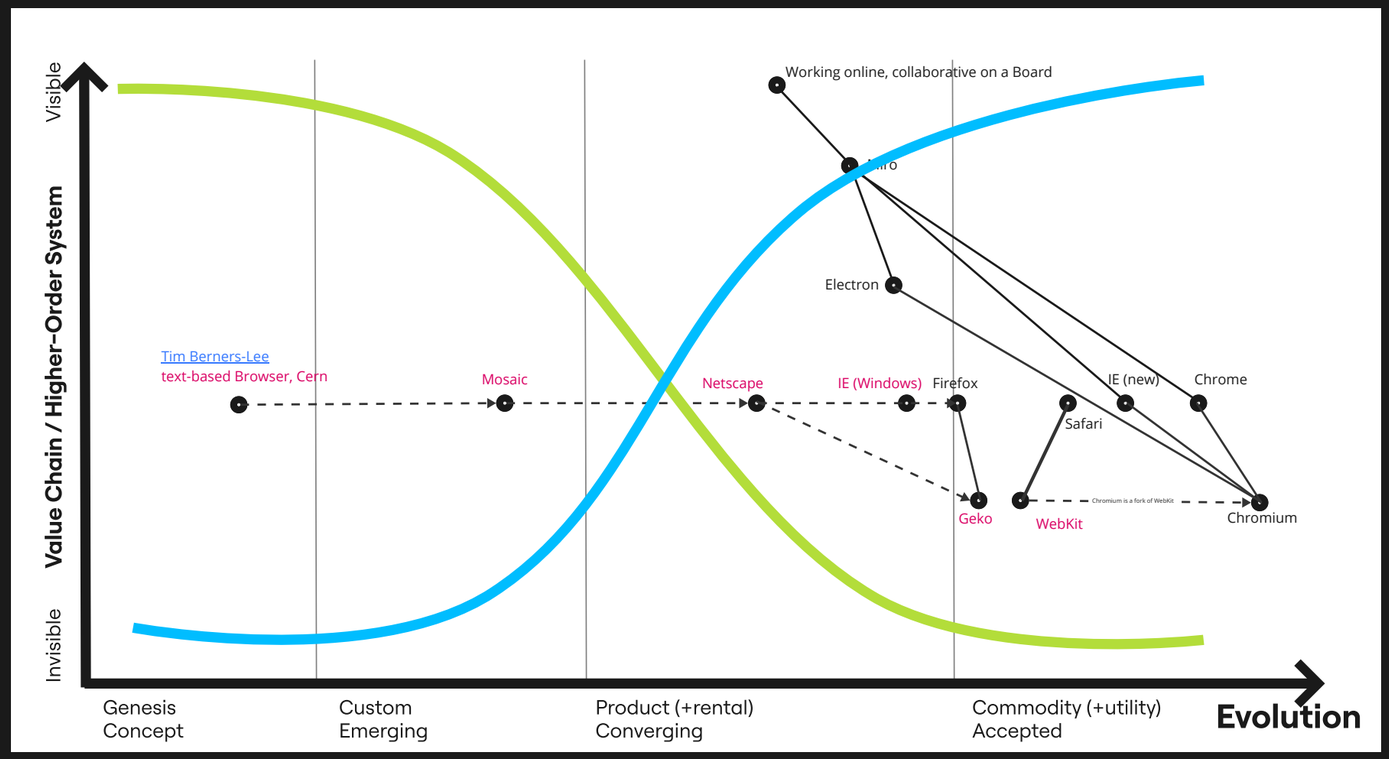
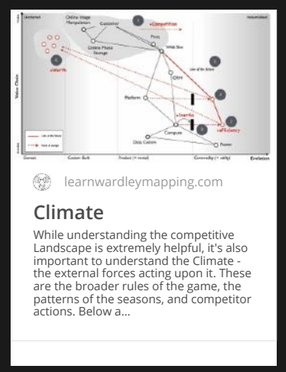
Strategic Doctrine #2







Evolution Focus *First*!

Second:

Agile
Ability to Respond

Efficiency
Flow & Stability

AME3

Update: 7.10.2025

Visible

Users are beginning to understand what they want.

Consumer needs: Writing, knowledge, translation, ...

Knowledge and reasoning Apps (Chat GPT, Poe ...)

My LLM-based, self-coded writing assistance. Poor me §:/

OS Integration (Apple AI, ...)

AI improved CRM, Sales & Marketing

AI improved ERP

Programming assistants (Copilot, ...)

Agent Frameworks (LangChain, Claude Flow ..

Knowledge & reasoning as a service (API for OpenAI o1, ...)

Markets & platforms for data, models, tools (Hugging Face, GitHub ...)

GenAI models

Domain-specific Models

Closed Models

OWM

MPC Services

New marked is evolving?

Data

Private Data

Closed Datasets

Public Datasets

Cloud computing

Specialized GPU (Nvidia, ...)

Energy

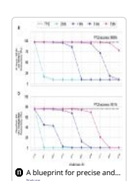
Big tech companies are creating a lot of pressure to turn services into commodities

Missing:

- Key practices, tools, models, and players
- Your customer, product, and services
- Entire industries like medicine, agriculture, and robotics

During a gold rush, the shovel sellers profit most

- 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



Value Chain / Higher–Order System

Invisible

Genesis
Concept

Custom
Emerging

Product (+rental)
Converging

Commodity (+utility)
Accepted

Evolution

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Visible

Value Chain / Higher-Order System

Invisible

Consumer & Customer needs

What could excite customers, but they can not yet articulate it?

What objections might they have? (moral, ethical ...)?

Exciter (Kano Model)

Observe Customers

What do customers expect now (better price, better service, etc.)?

What do they reject (privacy, data protection, etc.)?

Performance needs (Kano Model)

What will customers find with new competitors? (cheaper, in a bundle, ...)

Performance needs (Kano Model)

What will customers simply expect as a standard offering?

Basic needs (Kano Model)

Process and Business Knowledge

What totally new product designs can be made possible with GenAI?

Run market experiments

How to become more efficient with GenAI Agents?

How can we protect our process and business knowledge?

Which services can we offer based on our process know-how and data?

Suppliers can offer new services now. What should we outsource?

What is your Question?

Data and Architecture

What unique and jet protected data do we have?

Regulations

How can we make our data ready for GenAI?

What data have we already or should we outsource?

What should we make open data?

Skills, People, and Organization

What domain skills do we still need?

How to organize and structure

What do our employees need to learn?

What skills can we hire?

Genesis
Concept

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AME3

How to become more efficient with GenAI Agents?

Visible

Value Chain / Higher-Order System

Invisible

OEM

Erstgespräche

Bewerten

Angebot / Auftrag

Vertrieb

Experte Produktfamilie

Marktvorausschau

Bewertungs Agent

Daten vom Kunden

AI ready datasets

Excel Bewertungs Tabelle

Kundenkommunikation

Verkaufszahlen der OEM

Pressemeldungen

Systemwissen

Einkaufwissen

Produktionsexpertise

Produktionsvolumen vom Kunden

Marktstimmung

Alte Angebote

Teileliste

CAD Model

Produktionsprozess

1. Data is critical.
2. Mapping reveals hidden dependencies.
3. Efficiency is not enough.

CRM

XXXX

ERP

XXXX

GenAI Lösung

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How will our business change?

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Visible

Unknown customer needs

Support for my enterprises to master the challenges coming with GenAI.

Knowledge to improve product development with Scrum

Certification to show my expertise

How can we protect our process and business knowledge?

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Suppliers can offer new services now. What should we outsource?

Observe Clients

Organization specific questions

Advanced Agile methods, tools and techniques

Generic Understanding what Scrum is

Person, I can trust

Brand, I can trust

Brand, I can trust

Customer-facing service

Working with clients

What challenges do enterprises need to master

What is our Business Model?

Service for GAME3

Scrum Guide

In-person training
With a true expert

Still a demand?

Video Training

Should we explore this?

How will people learn new skills with AI?

1-on-1 Consulting

Our free webinars

How to consult & train people (Process Knowledge)

Individual advice

Our Learning Platform

Certification Provider

GenAI Agents

peronal training generator

GenAI bot

Already obsolete

GenAI Chat Services

Sales and Marketing automation

Video and Audio generation

Content on Agile and Scrum (Data)

Content on GAME3

Make public!

Our content on learning Scrum

Public content about Agile and Scrum

Data about our Customers

Room

Skills of Employees

How to consultant

How to train

Argentic & Gen AI know-how

Experiment

Sales

Class organization

Marketing

Outsource?

Invisible

Value Chain / Higher-Order System

Offered or soon to be offered by super-scaling learning institutions.

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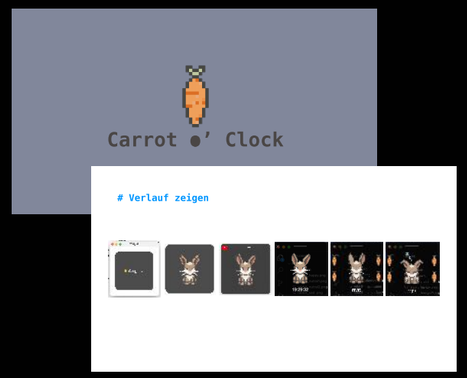
The Hype about the Vibe

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

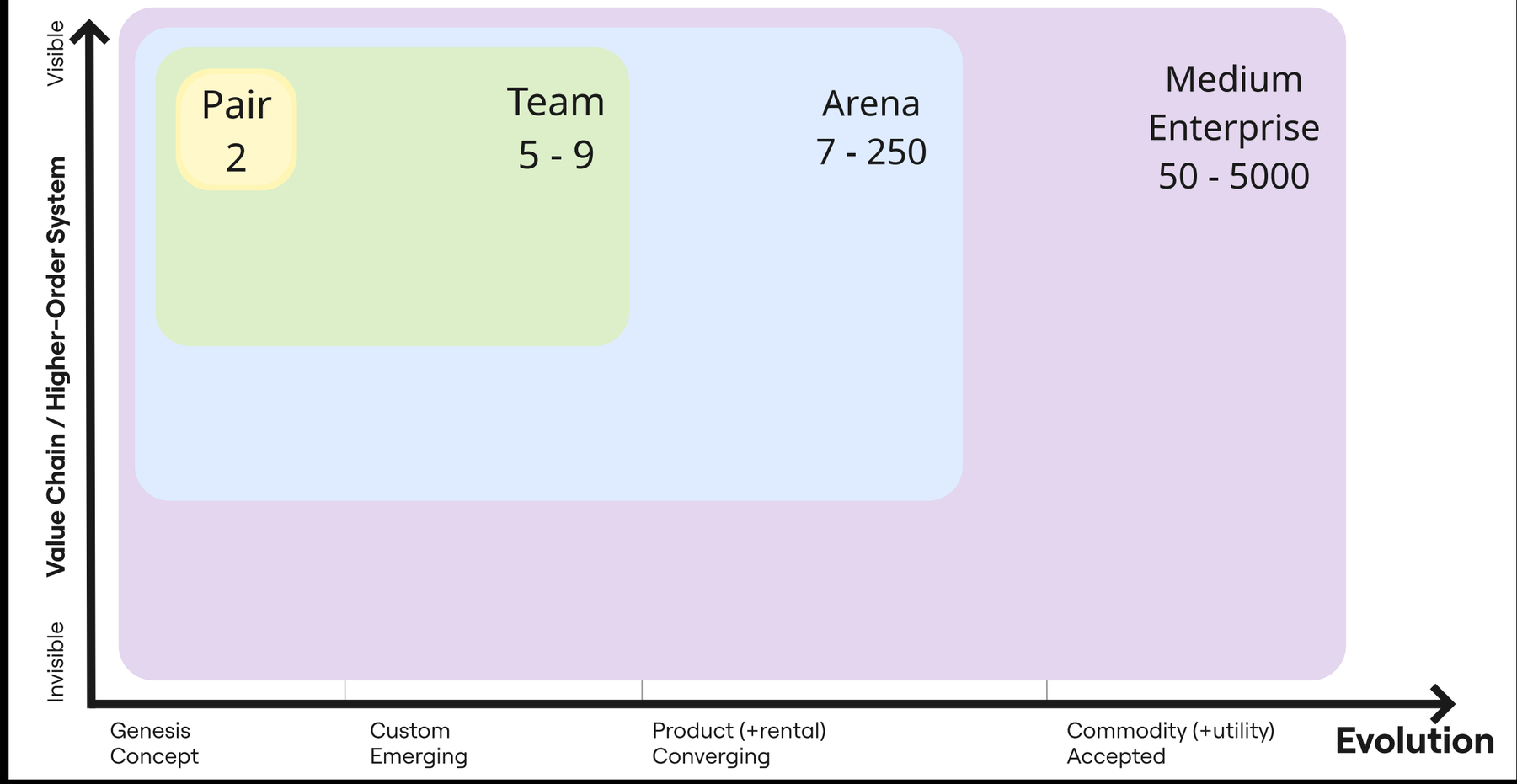


As soon as we invent a practice or tool that simplifies work, like GenAI, we immediately use it to stay at the maximum level of complexity we can manage.

What domain skills do we still need?

What do our employees need to learn?

How to organize and structure



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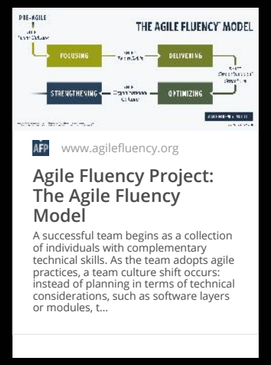
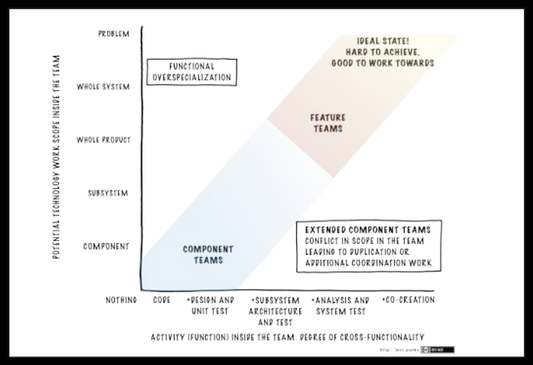
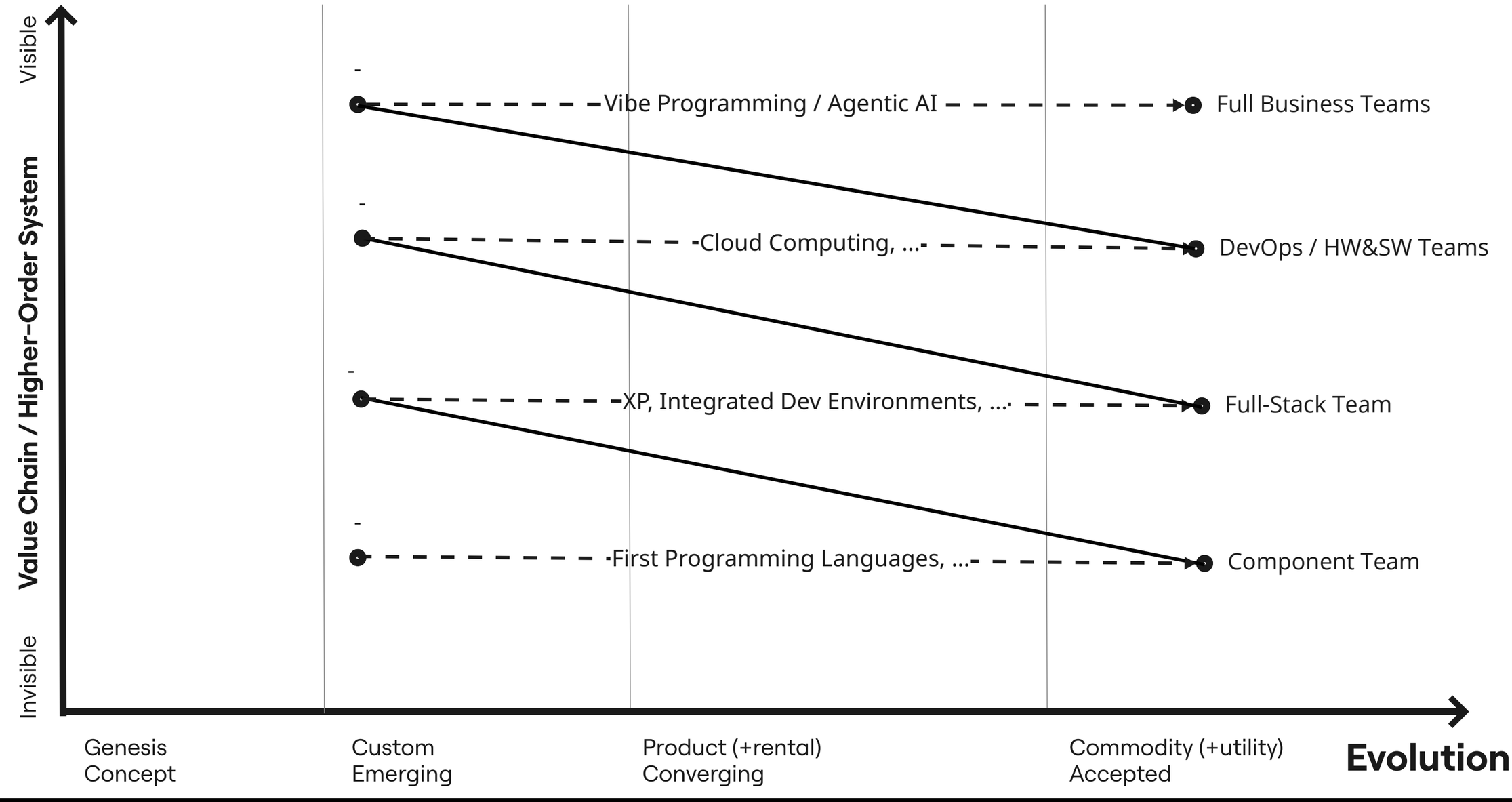
The AI Enhanced Team







"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.

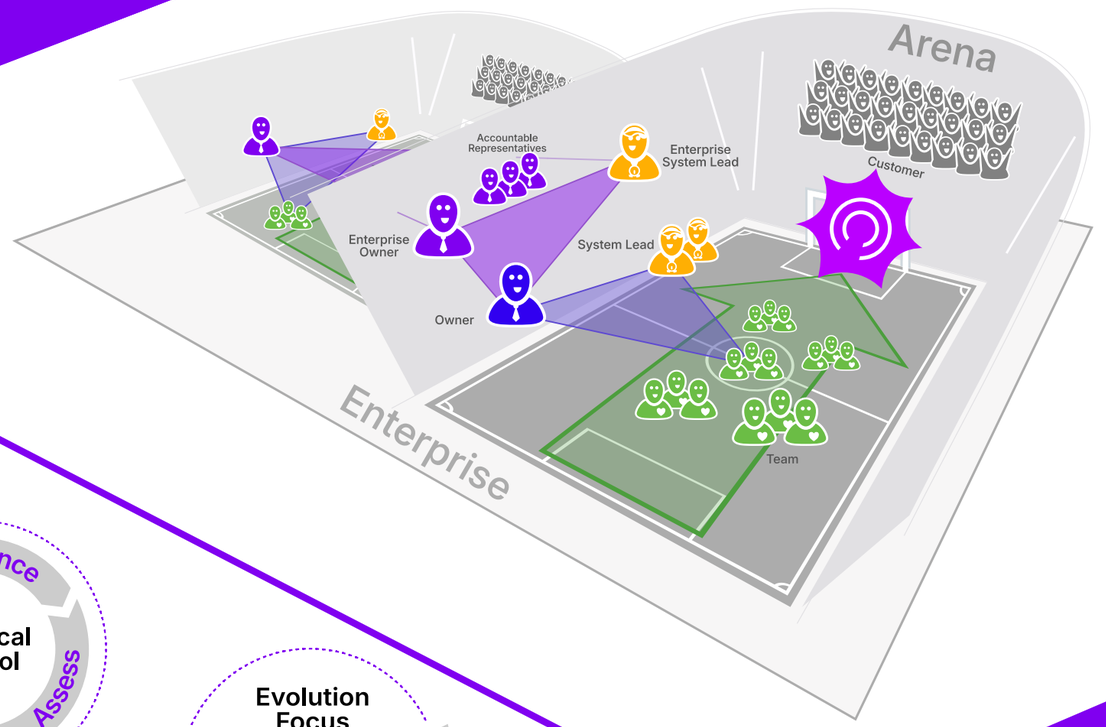
System

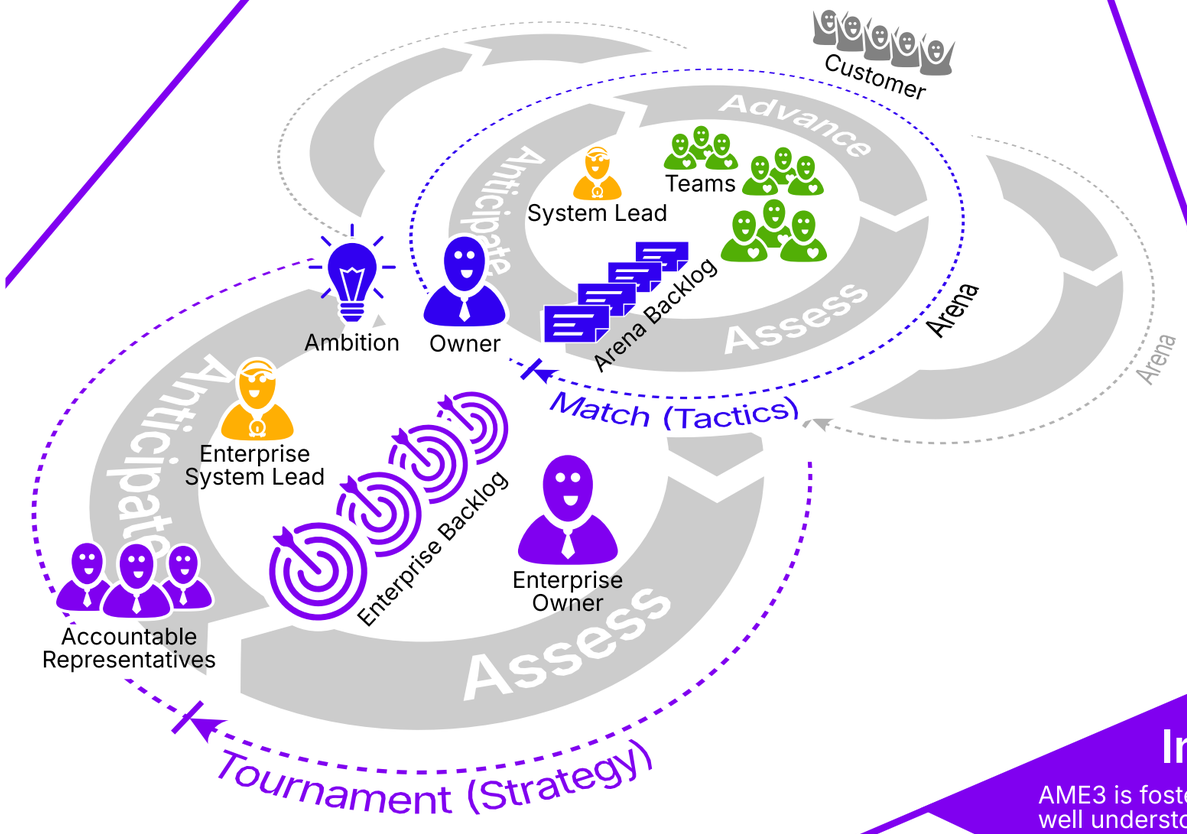
AME3 offers a straightforward and streamlined operational system. It is easy to adopt and has proven itself over decades.

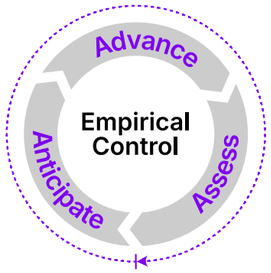
Leadership

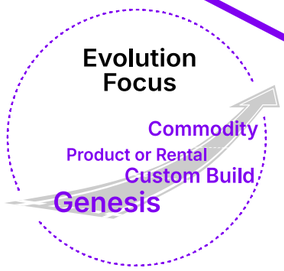
Rules

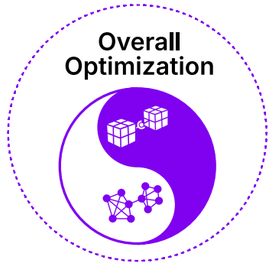
Strategy





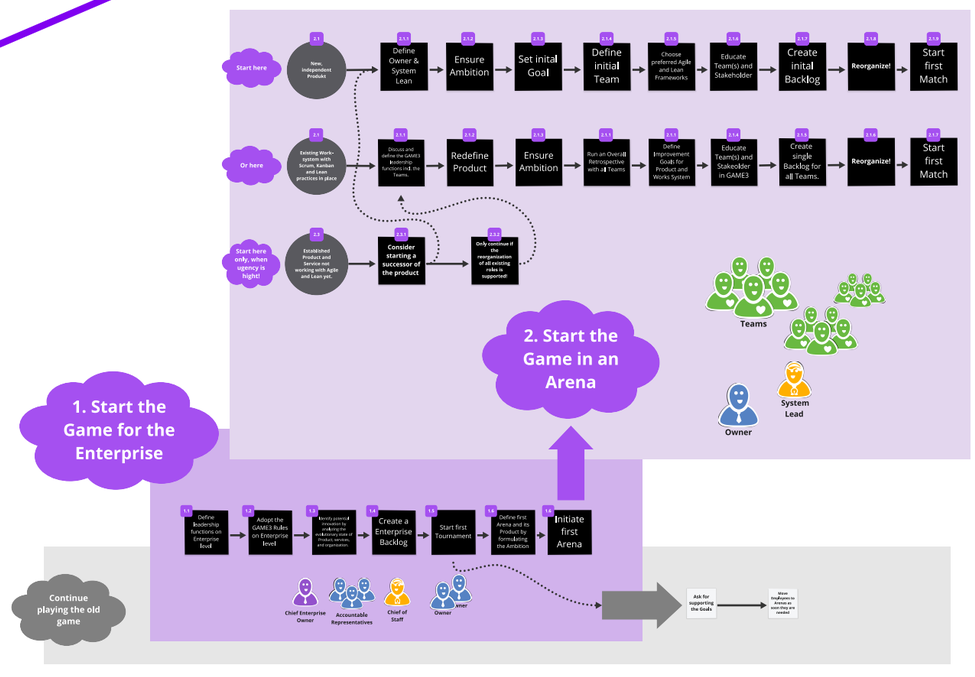






Playbook

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

Design Thinking

Cynefin

Product Discovery

Scrum@Scale

Kanban

Wardley Mapping

eXtreme Programming

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.info

Peter Beck
CurlyPeter