Strategy and investment

Where to invest and how much risk to accept?

> *"An AI strategy that makes everything a priority guides no decision. The board sets where the company plays, with what ambition and with how much risk, and the portfolio puts the money there, in tranches."*

WHAT IT IS

The board's AI thesis

A short statement in which the board says why AI matters, where it wants to use it, with what ambition and what it will not do. It is approved together with the ambition per sphere, the risk appetite per category, the thresholds, the red lines and the framework budget. It must be usable to say no to a use case.

Implication: What has your board decided the company will not do with AI? If there are no written renunciations, there is no thesis.

Risk: Without an approved thesis, each area invests by its own criteria and nobody can say no to a use case.

WHAT IT PROPOSES

Each ambition competes with its peers

Optimise, Augment and Transform are not a ladder: they are three kinds of bet with different risk and timing. Each has its own envelope in the budget and its own criteria. Money is released in tranches, gate by gate. Transform is decided on learning milestones, a limit per stage and stop criteria, not on immediate return.

Implication: Do your transformation bets compete for the same budget and with the same criteria as optimisations?

Risk: If everything competes on immediate return, transformation is never funded and the thesis stays on paper.

HOW IT IS CHECKED

The money follows the strategy

The impact map crosses the spheres with the ambition levels and shows, per cell, investment, recurring cost and validated value. It flags gaps against the approved ambition and investment outside the thesis. The risk appetite tolerance metrics turn amber or red and set who acts and by when.

Implication: What share of AI investment sits in spheres the board declared non-priority?

Risk: Without a map, the portfolio piles into the easy cases and nobody sees that the approved ambition has no use cases.

FOUR QUESTIONS FOR THE BOARD

1 What are we not going to do with AI?
The thesis contains explicit renunciations: non-priority spheres, discarded uses and the company's own red lines, on top of the practices prohibited by the AI Act.

2 Is the ambition we declared funded?
Every sphere with a Transform ambition has an envelope in the framework budget and, within the horizon, at least one candidate use case.

3 How much risk do we accept and who decides?
Appetite per category with amber and red tolerance metrics, and a clear rule on which body accepts each level of residual risk.

4 Does the money follow the strategy?
Each quarter the impact map shows investment by sphere and ambition against what was approved, with the gaps and the investment outside the thesis.

WHAT FAILS IF IT IS NOT GOVERNED

WHAT FAILS	LEVEL	WHAT TO DO
A thesis that makes everything a priority	HIGH	Write down the renunciations of the AI thesis
Transformation declared but not funded	HIGH	Give Transform an envelope of its own
Risk appetite without tolerance metrics	HIGH	Set a tolerance and a limit per category
Investment concentrated in a single use case	MEDIUM	Measure portfolio concentration each quarter
Full budget handed over on entry	MEDIUM	Release investment in tranches, gate by gate
Cases split to stay below a threshold	LOW	Add up cases that share a goal and a platform

FURTHER READING

AI thesis, ambition and risk appetite
Document 13 · what the board decides each year

Portfolio management
Document 14 · prioritisation, envelopes and tranches

Map of spheres and ambition levels
Document 10 · where the impact is

EU AI Act: prohibited practices (Art. 5)
European Parliament and Council of the EU · 13-06-2024

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