AI Governance: White Paper Series

July 2025

Part 2. Link of AI initiatives to corporate strategy.

INSIDE

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Deep Dive into Governance component #1:

Objectives, mission, vision and prioritization

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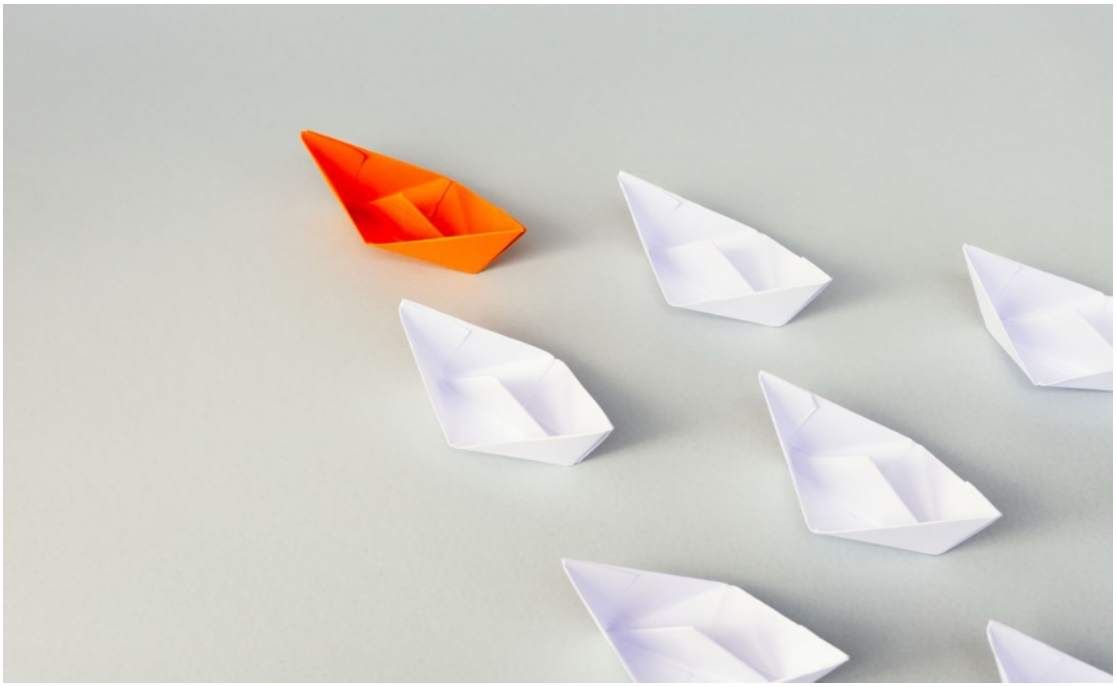
New research in the spotlight

We highlight some of the latest research on the topic



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Executive Summary

AI is no longer an experimental technology—it is a business imperative. Yet, despite its potential to drive efficiency, innovation, and competitive advantage, many enterprises struggle to integrate AI into their strategic vision. Without a clear governance framework, AI initiatives could become disconnected, ineffective, and even harmful.

Building on our first white paper, which provided a summary of the 10 key components for successful AI adoption and governance, this second article in our "AI Governance" White Paper Series takes a deep dive into how companies can govern AI initiatives so that they match their strategic goals.

So, this is a deep dive on the following element: "Define Clear Objectives".

The definition of clear objectives can be split in the following components:

- **Vision and Mission**: Align AI projects with the company's purpose, mission, values, and business goals.
- **Prioritization**: Prioritize areas where AI potentially adds the most value while considering potential risks.

So, this whitepaper explores how organizations can align AI initiatives with their corporate strategy, ensuring responsible, value-driven AI adoption.

Specifically, **we propose a structured framework** which supports organizations with:

- Defining their AI objectives, mission, and vision
- Prioritization of AI projects to maximize business impact while mitigating risks

AI plays a pivotal role in strategic decision-making. However, despite its transformative potential, AI adoption rates remain relatively low in many enterprises

Use of AI technologies by Dutch companies*

In 2024, 22.7% (2023: 14%) of the Dutch enterprises with ten or more employees have used AI in 2024. Among companies with 500 or more employees, almost 60% use AI technologies.

Dutch companies rank sixth in AI use across Europe, trailing only Luxembourg, Finland, Belgium, Sweden, and Denmark.

There is a need for more public and private funds to scale-up successful AI applications, particularly in smaller enterprises, as access to capital is currently still insufficient.

**Dutch AI Monitor 2024, click here for the full report*

Before we move into the practical implementation, we would like to deep dive into the latest research outcomes. We are a research center after all!

Research indicates that AI integration into corporate strategy offers potential for value creation and competitive advantage (Someh et al., 2020; Bhuvan, 2023). AI can enhance decision-making, streamline operations, and transform IT strategies (Bhuvan, 2023). In business contexts, companies can leverage AI to align use cases with strategic objectives and organizational business value (Engel et al., 2022).

A completely new phenomenon is the integration of AI in boardrooms for strategic decision-making, which requires empirical testing before its broad use (Bhattacharya, 2018).

One of the more established AI use cases is marketing, where AI offers transformative potential for customer segmentation, personalized targeting, and predictive analytics. However, successful implementation requires alignment with business objectives, addressing ethical concerns, and ensuring organizational readiness (Anjorin et al., 2024). Another successful application is the integration of AI with existing digital systems, which can optimize workflows and enhance corporate competencies (Li, 2024).

To capitalize on these opportunities, companies need a comprehensive AI strategy that addresses technological, cultural, and human resource aspects (Schuler & Schlegel, 2021).

While AI presents transformative opportunities and shows promise for enhancing strategic decision-making across various sectors, **there is a notable gap in research regarding its long-term strategic implications for corporate culture** (Li, 2024). Also, there is a need for further evaluation, including cost-benefit analyses, to fully understand its impact and effectiveness (Leggat & Yap, 2020).

The academic community emphasizes that future research should focus on guiding organizations in aligning AI with their purpose, mission, vision, and objectives to maximize its potential benefits (Someh et al., 2020; Schuler & Schlegel, 2021).

This is exactly why we are offering one of the approaches to such alignment, in this paper.

Practical adoption

Organizations that integrate an AI Framework in their strategic goal setting will not only achieve growth, but will also set themselves apart by fostering responsible AI integration. Setting the foundation for responsible AI usage is a true business imperative. Everyone wins.

In very practical terms, we suggest relying on the existing governance – such as existing decision-making bodies (committees), which execute monitoring based on reports. The reports in turn must contain well thought-through indicators. Organizations can consider monitoring a set of indicators and assessing trends, and/ or looking at the values of those indicators, in comparison with strategically aligned thresholds.

For this piece, we interview senior leaders within Protiviti Netherlands

Clients benefit immensely from the crisis management simulator, developed in-house by Protiviti.

Crisis management is a regulatory requirement, and AI supports not only with scenario generation, but is also through the speed with which it can be a part of the conversation when evaluating crisis scenarios.

Protiviti's strategic goal is delivering the best value to the client. Using AI in this specific example achieves this goal perfectly – with the crisis simulation tool iRis, we deliver the best possible value to the Boards, discussing their crisis scenarios. Protiviti Atlas (pat. pend.) offers client a comprehensive AI environment.

Having said that, the first step would be determining what to monitor. Secondly, senior management can set targets – basically stating when they are satisfied with the reported value, and when they need to course-correct.

We propose two core sets of such indicators, which can be monitored on a monthly, or quarterly basis: (i) strategic fit indicators and (ii) trustworthy AI indicators.

Strategic fit metrics are needed to ensure that AI projects are directly linked to strategic business priorities. This is required to evaluate the economic benefits of AI investments, assess AI's ability to increase productivity, and measure organizational preparedness for AI integration.

Trustworthy AI metrics are based on the view of the European Commission, which defines 7 key requirements for Trustworthy AI and expects companies aiming to develop and/ or use AI solutions to see them as a guideline. Therefore, we use these requirements in our proposal and encourage companies and decision-makers to embrace them when developing or using AI initiatives. After all, hardly any company is happy to launch products that do not comply with the regulations.

A Pre-requisite for any reporting and monitoring is a good scope which AI is monitored. Let's call it "AI initiatives' inventory". Once an inventory of all AI initiatives, including their use in the company, is done, we can start reporting to senior management.

Some frameworks incorporate explainable AI (XAI) to enhance decision-making in critical areas, such as transportation and urban planning. These systems aim to make AI's reasoning transparent and accessible to humans, fostering trust and reliability.

Each group of indicators (strategic fit and Trustworthy AI) contain 7 sub-categories, with three indicators in each.

Strategic fit indicators

I. Alignment with corporate strategy:

1) Strategic Fit Score: % of AI initiatives that explicitly support one or more of the company's strategic objectives.
2) Executive Sponsorship Level: % of AI projects with active support from C-level executives.
3) Cross-Departmental Adoption: Number of business functions and core business operations using AI outputs for decision-making.

II. Financial Impact and ROI metrics:

1) Role of the implemented AI initiatives, time to break even
2) Cost Reduction from AI Automation: % decrease in operational costs due to AI-driven efficiencies.
3) Revenue Growth Contribution: % increase in revenue attributed to AI-driven insights or product innovations.

III. Operational Efficiency metrics:

1) Process Automation Rate: % of manual tasks replaced by AI-driven automation.
2) Cycle Time Reduction: % decrease in time taken for key business processes.
3) Operational Error Reduction: % decrease in human errors after AI implementation.

IV. Customer experience and engagement:

1) Customer Satisfaction (CSAT) Score
2) Net Promoter score
3) Response Time Reduction: % of time reduction in responses to client interaction

V. Risk Management and Compliance

1) Regulatory Compliance score: % adherence to AI governance laws (GDPR, AI Act, ISO 42001)
2) Data Security Breach Incidents: Number of AI-related data security breaches per year.
3) AI Model Explainability Rating: % of AI decisions that can be clearly explained.

VI. AI Adoption workforce readiness

1) AI literacy rate: % of employees trained in AI-related skills.
2) Employee Adoption rate: % of staff actively using AI tools in their workflows.
3) AI trust score: % of employees who perceive AI as beneficial to their work (survey-based).

VII. Competitive differentiation metrics:

1) AI-Driven Product Innovations: Number of new AI-enhanced products launched.
2) Market Share Growth: % increase in market share attributable to AI capabilities.
3) Industry Benchmarking Score: AI adoption ranking compared to industry peers

Trustworthy AI indicators:

I. Human agency and oversight

1) Human-in-the-Loop Implementation: % of AI decisions requiring human validation (e.g., AI-assisted but human-finalized medical diagnoses).
2) User Control & Override Capabilities: Presence of a manual override function for AI systems (Y/N).
3) Ethical Compliance Assessment: % of AI use cases reviewed by an ethics board or regulatory committee.

II. Technical Robustness

1) Error rate: % of AI-generated decisions that require correction or human intervention.
2) Model Robustness: Number of adversarial attacks AI can withstand without failure.
3) System Downtime: % of time AI systems are unavailable due to technical failures.

III. Privacy and Data governance

1) Data Anonymization Rate: % of stored user data that is fully anonymized or pseudonymized.
2) Regulatory Compliance Score: % adherence to GDPR, CCPA, or relevant privacy laws.
3) Access Control Effectiveness: % of unauthorized access attempts blocked by AI security measures.

IV. Transparency

1) Explainability Score: % of AI decisions that can be interpreted using explainable AI (XAI) methods.
2) Model Documentation Completeness: % of AI models with fully documented decision logic.
3) Transparency Reports Published: Number of public reports detailing AI decision-making processes per year.

V. Diversity, non-discrimination and fairness

1) Bias Disparity Index: Difference in AI performance across demographic groups (e.g., gender, ethnicity).
2) Inclusion Rate in Training Data: % representation of diverse populations in training datasets.
3) Fairness Certification Compliance: % of AI models certified against fairness benchmarks (e.g., IBM Fairness 360).

VI. Social and Environmental well-being

1) Energy Efficiency of AI Models: kWh consumed per AI inference vs. industry benchmark.
2) Positive Social Impact Index: % of AI projects that address societal challenges (e.g., AI for climate monitoring).
3) Carbon Footprint Reduction: % reduction in emissions from AI-driven optimizations (e.g., supply chain logistics).

VII. Accountability

1) AI Decision Review Frequency: Number of high-stakes AI decisions reviewed by a human per quarter.
2) Auditability Score: % of AI models that are fully auditable and traceable.
3) Redress Mechanism Effectiveness: % of complaints resolved through AI impact assessments.

Many of these indicators are already embedded in organizations' decision-making processes. Our advice: build as on existing best practices wherever possible!

Next steps: Stronger governance

Now equipped with a clear understanding of the AI framework and the key indicators, we can turn to effective monitoring and reporting mechanisms.

Senior leaders must define target scores for the metrics and outline corrective action when the targets are not met.

Some companies may choose to monitor a broader set of indicators or focus on a few. Some may choose to define thresholds or even go deeper and establish a company-wide AI appetite. The appetite would be set on strategic level, with each appetite component linking into the indicator(s). The possibilities are endless.

Protiviti gives a view on the next steps:

AI has a similar effect to the internet of the 2000s. While we had "e-mail" 30 years ago, it's the 2000s which revolutionized the sharing of information. The bubble followed of course, but the technology stayed, and we can't do without.

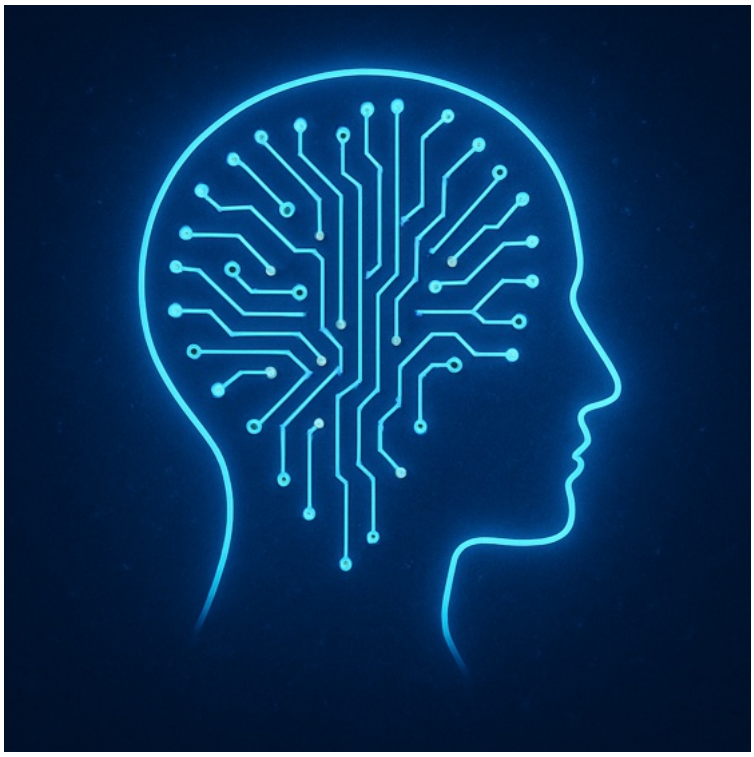
2 years ago, ChatGPT was a rather simple tool with a lot of potential. Now, we see a similar effect – everyone has an interest in AI. We do believe that between now and 10 years from now, AI will develop into a set of tools we can't imagine our lives without, even if the immediate "results" of using AI are rather limited.

In terms of daily business, like internet has changed our daily lives, AI will have a massive impact on us – from planning and simple task execution, to possible impact of AI in energy consumption and smart homes, or other products we cannot yet imagine.

Our clients do need to think of the broader effects AI will have on the industry they're in, both on strategic level and operational level of task execution. AI will drive efficiency, product improvement, supply chain management and so many other areas of business.

We as a consulting company, have to adjust to AI presence – considering the new regulations, our own efficiency and adjusted processes, and letting go of the classic knowledge – based consulting model, while creating additional added value for the clients, who now have access to all the world knowledge. Being able to support the client with the use of the knowledge and develop targeted solutions is one of the changes we envision. The use of AI in service delivery is considered to be a hygiene factor in the market – already now, services delivered without an AI component are perceived to be less efficient and therefore more expensive, we already have clients that do not accept working without an AI component. Clients want to obtain the most value in their services and therefore expect consulting firms to implement AI in their service delivery leading to a shift in required capabilities and knowledge.

Another trajectory we see is creating new knowledge – something AI is not capable of. It is absolutely key to be able to translate concepts, created at educational institutions, into novel practical solutions for our clients.



Key Takeaways for Business Leaders:

1. Define **clear AI objectives** aligned with corporate strategy

2. Develop an **AI governance structure** that balances innovation with ethical oversight

3. Implement a **taxonomy for evaluating AI initiatives** before full-scale deployment

In the next installment of this whitepaper series, we will explore **ethics, oversight, and key governance bodies,** providing deeper insights into ethical risk mitigation and compliance strategies.

In summary

AI value frameworks are adapted across different industries. For example, frameworks for manufacturing emphasize sustainability and resource efficiency, while those for healthcare focus on improving patient outcomes and equity.

Incorporating emotional intelligence and participatory design in AI systems is a growing focus. These frameworks aim to make AI technically competent and sensitive to human contexts and emotional needs.

The rapid development of generative AI systems has highlighted the need for new frameworks that address their unique challenges, such as misinformation, intellectual property issues, and ethical content generation.

As AI becomes increasingly integral to business strategy, organizations must go beyond experimentation and adopt structured governance frameworks.

About us

VU Risk and Crisis Management knowledge hub is a dedicated space for industry practitioners and academics to connect with each other. We have created it in response to growing global uncertainty, as well a disconnect we noticed between industry practices and latest research.

You can find more on our website and LinkedIn.

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Julia and Jost love a good conversation!
Feel free to approach us, even if we have never met.