



A Proven Approach to Achieving Business Value with Generative AI



Digital & App Innovation
Azure

Specialist

Build AI Apps on Microsoft Azure
AI Platform on Microsoft Azure



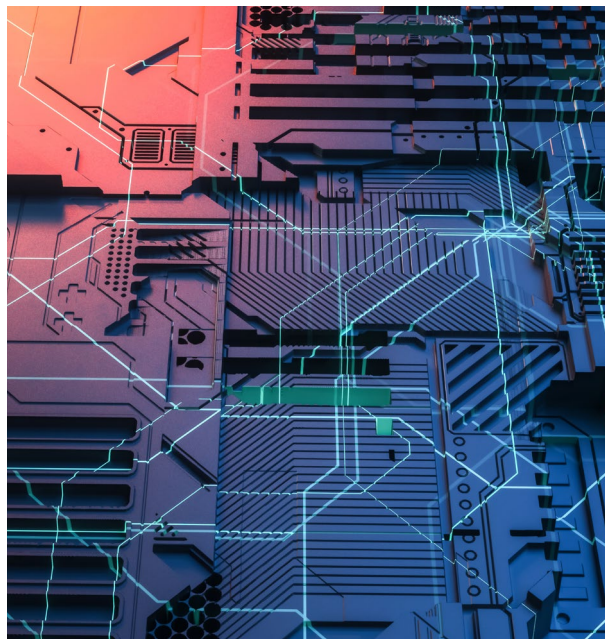
5x Solutions Partner designations
9x Specializations

A LAB³ WHITE PAPER

CONTEXT

Given the rapid advancements in AI in the last few years, it is no surprise that interest is spiking in the corporate world. However, only a relatively small percentage of organisations have obtained the hoped-for business outcomes from initial investments, let alone scaled the benefits of AI more broadly across their businesses.

Instead, and of concern, 'shadow AI' usage has sprung up. Individuals motivated by personal productivity gains are using their own subscriptions to AI services in work contexts, and this gives rise to reputational and governance risks, such as inadvertent release of PII and leakage of intellectual property.



The challenge is for organisations to successfully adopt AI and along the way, provide support for rapid adoption such that the downsides of shadow AI are avoided.

LAB³ is a leader in AI and in our innovation and delivery, we work in close partnership with Microsoft. Recently LAB³ became one of the first Microsoft partners world-wide to have attained both the Build AI Apps on Microsoft Azure + AI Platform on Microsoft Azure specialisations.

In our delivery of AI projects for government and commercial enterprises alike, LAB³ has gained extensive insight over the challenges organisations face with AI adoption.

We have developed a framework that helps our clients achieve initial success for identified use-cases, and then provides the building blocks for broader success for AI by scaling across their businesses. We refer to this as the LAB³ AI at Scale framework.

Our aim is to help organisations achieve measurable business value and open the door for ongoing AI innovation by every business unit across their organisation.

UNDERSTANDING WHERE YOU ARE ON YOUR AI JOURNEY

The few organisations that have successfully scaled AI have passed through a number of stages in their AI journey similar to that shown in Figure 1 below. As mapped, the AI journey aligns with the Microsoft phases of AI maturity: Exploring, Planning, Implementing, Scaling and Realising. When considering how to progress in your AI journey, it is important to start by understanding where your organisation is today. This will guide your next steps. Review the diagram – where is your organisation?

Many organisations are only just entering the 'Exploring' phase, where (for example) 'Proof of Concepts' (PoCs) are being considered. Maybe your organisation has already used GenAI to summarise some documents or provide a better search experience within a business unit.

If you are in this phase, your organisation is ahead of most businesses, and no doubt you already understand more about AI from 'learning by doing'.

Nevertheless there is a common challenge for organisations in successfully exiting the Exploration phase. This requires a level of planning to achieve the scale and ultimately business outcomes desired.

The LAB³ AI at Scale framework accelerates your path through these phases, thereby providing both a greater assurance of receiving a return on your initial AI investment and then scaling out your AI capabilities such that economically significant business transformation can be achieved.

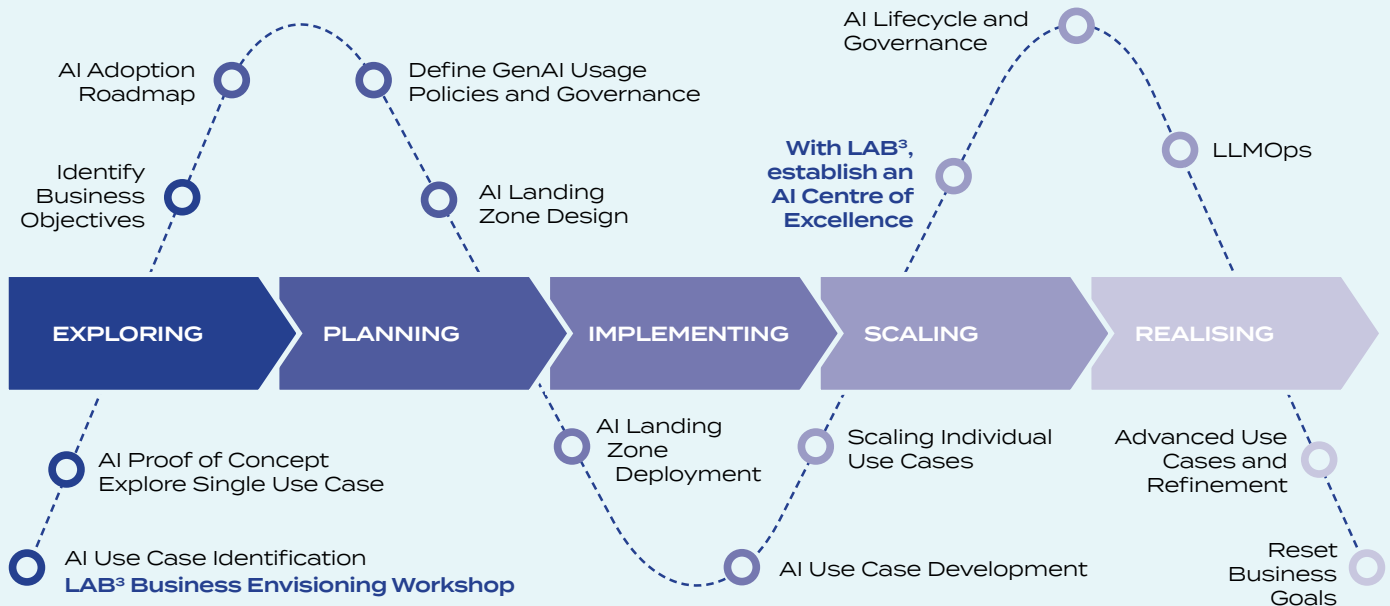


Figure 1: Typical AI journey & key actions, with LAB³ providing our services over the whole journey, actioning our AI at Scale framework

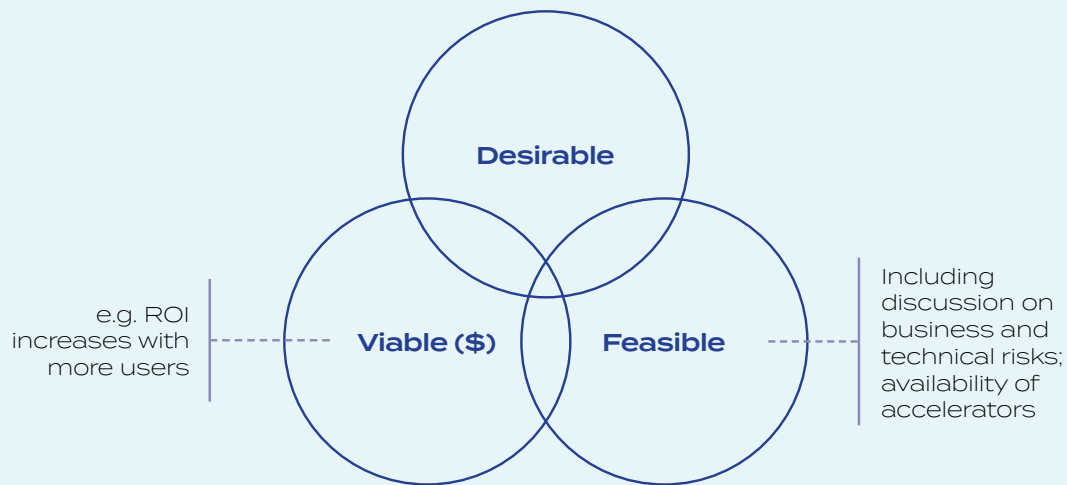


Figure 2: High Level Prioritisation Framework

GETTING STARTED – LED BY THE BUSINESS

Getting underway can be difficult. For example, which part of your business is interested in innovating with AI? Can they come up with a related problem statement? Is the problem significant enough to solve? Are there other ideas that have greater priority? Does your team have the skills to create the solution?

Often, technical teams have made best effort attempts to close this gap by building demonstrations. With limited time or resources these are often not robust enough for production usage, and with a lack of deep business understanding or business input, don't attract end-users.

The LAB³ approach is to start with a **Business Envisioning Workshop** to begin the journey with business outcomes front of mind. These workshops are not conducted from an academic perspective but rather invite line-of-business stakeholders who will use and own the benefits of a solution, supplemented by experienced technology specialists who can advise on delivery feasibility.

As a result of using best practice Design Thinking principles, the problem space is thoroughly explored from the outset; this often results in workshop attendees pivoting to new, higher value ideas, potentially saving weeks of effort on developing unwanted technical PoCs.

Part of the exploration of the problem domain – before discussing potential solutions – is to understand how the AI capability will deliver value within the context of a broader business process. This helps prevent the creation of an isolated technology and instead anchors the discussion within the needs of the business and specific end-users.

Further, in our approach LAB³ prioritises use cases that have the best combination of desirability, viability, and feasibility, ensuring the highest probability of delivering the greatest value to the business.

In the AI world LAB³ adds a fourth dimension to the above framework: Responsible. This is to focus the minds of workshop participants on whether a potential application is an ethical use of AI technology. For example, use of face recognition may be desirable to prevent shoplifting in a retail outlet but can also be regarded as an invasion of privacy, and the storage of a faceprint will require customer consent.

MAINTAINING MOMENTUM

With the right level of involvement from business stakeholders you will now have a prioritised list of desirable, viable and feasible AI use cases identified.!

As a next step in our AI at Scale approach, LAB³ then helps maintain momentum by proactively identifying the potential derailment factors and planning the approach to scale. These include factors such as:

- Successful and timely technical delivery
- Adoption
- Security, privacy, and intellectual property (IP) risks
- Ongoing executive support, business engagement and funding.



Business Engagement

Identification of active Executive Sponsorship. The executive sponsor will help create and communicate the vision and urgency for the use of AI in the organisation and ensure an appropriate level of engagement from stakeholders.



Business Value Realisation

An early focus on planning for end-user adoption, including keeping end-users involved during project delivery.



Hitting the Ground Evaluating: there is an incredible range of AI technologies – which to use?

LAB³ has leveraged Microsoft technology to create our unique approach and solutions: LAB³ Landing Zone + LAB³ AI Accelerators

LAB³ invests in selecting the right technologies and frameworks for many common needs, packaged into a Landing Zone.



AI Risks: Transparency, Bias, Accuracy, Drift

LAB³ helps organisations develop an understanding of AI Risks and provides input to your AI Governance Strategy. LAB³ incorporates the AI Governance Strategy in each implementation, including proposing a robust AI monitoring capability.



Security, Privacy, Intellectual Property

LAB³ helps stakeholders understand risks and helps draft organisational policies as they relate to new risks introduced by AI.

Starting with the LAB³ Landing Zone, built on Azure best practices for managing Security, Privacy, and IP.

Further, LAB³ provides a deep dive Security review of risks arising from the use of Generative AI technologies, including from the use of Generative AI in cyber-attacks.



Costs

LAB³ consultants design solutions based on value/cost trade-off, and the LAB³ Landing Zone provides monitoring/reporting of usage costs.

SCALING AND ACCELERATING AI TRANSFORMATION

With initial success, organisations can look to scale out (a) individual use cases, and (b) the use of AI to new areas of the business. This scaling will require supporting 'scaffolding' to provide an appropriate level of business engagement service to expand usage across additional business areas.

LAB³ works with organisations to provide an AI Centre-of-Excellence (CoE). Unlike some, this CoE will not focus on endless evaluations of possible technologies, rather will be measured on delivering value to the business. A typical structure, together with responsibilities is shown in Figure 3.

The AI CoE may be focussed on providing additional value to a specific business area. For example, in customer service, a low-risk initial use case might be to automate complaint categorisation. This can then expand to drafting responses to those complaints; helping contact centre agents with product details, and ultimately to provide an improved level of service directly to customers with a sophisticated AI-powered virtual agent over multiple channels (email, messaging/chat, voice...). At each step of the way, the AI CoE can focus on business realisation.

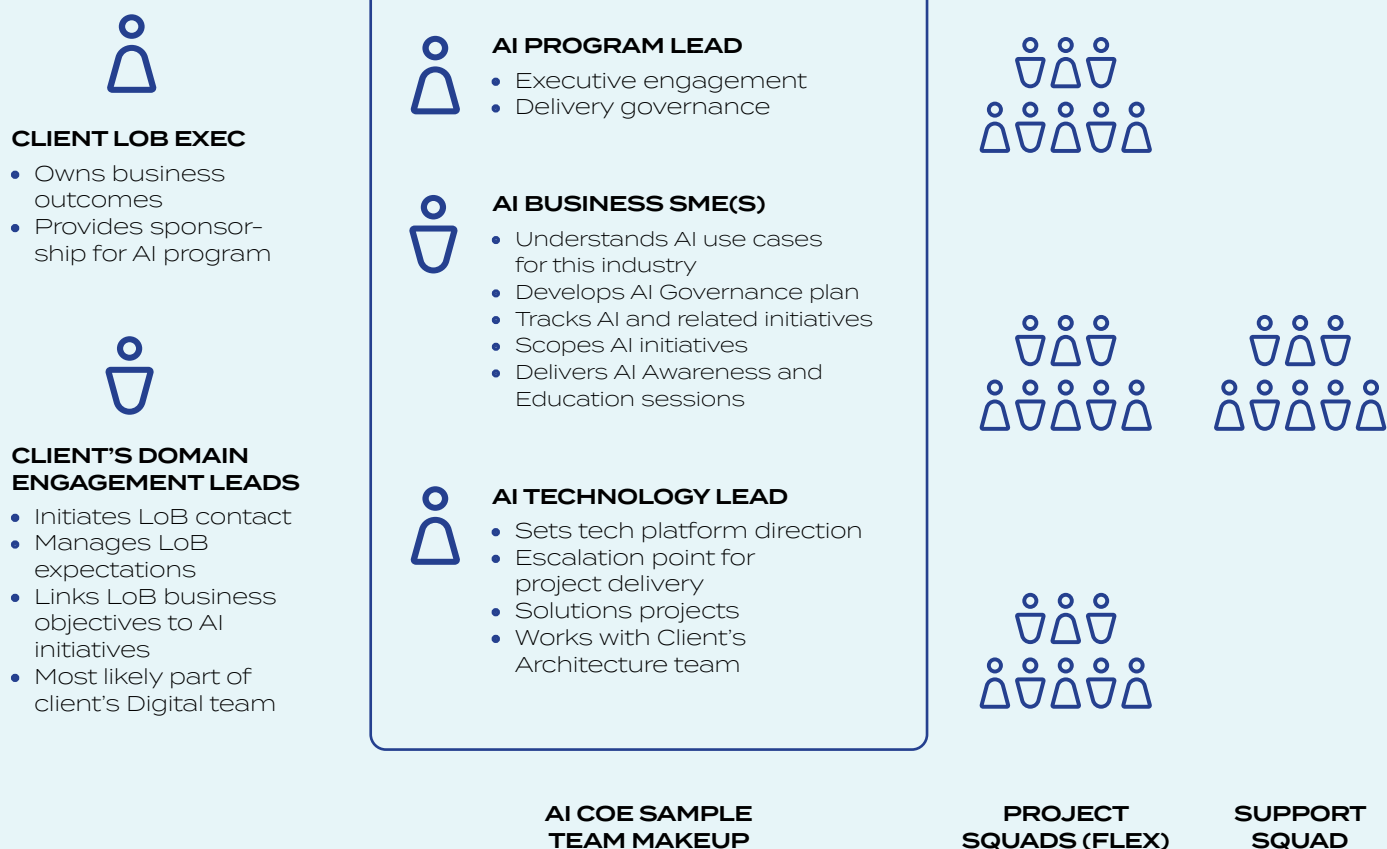


Figure 3: Sample AI Centre of Excellence and Responsibilities

ACHIEVING SUSTAINMENT

To achieve business outcomes, a clear pre-requisite is to move AI use cases into production.

Once in production a further level of service is required to support end-users, including areas such as:

- **Business change** – AI implementations are only useful to organisations within the context of business processes that they support. However, these business processes will themselves change.
- **Monitoring** – unlike traditional IT systems, AI systems may 'drift' in their performance. The AI models may need re-training or replacement.
- **Technology Enhancements** – AI technology advances will only accelerate in the next few years, and expectations will continue to rise. Exploring and potentially adopting new technologies will be needed to maintain competitive currency.

LAB³ designs and provides a sustainment capability that scales over time.

CONCLUSION

While AI technologies continue to advance at a dizzying rate, corporate success in adopting and scaling AI has been patchy. The LAB³ AI at Scale framework is designed to help organisations achieve scaled business outcomes and is backed by Microsoft solutions and unique LAB³ technology accelerators and our comprehensive AI Landing Zone. LAB³ is well placed as a strategic partner for any organisation aiming to navigate the technical, organisational and governance challenges associated with AI transformation.



**CONNECT WITH
US AND ENSURE
BUSINESS
VALUE FROM AI**

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ABOUT THE AUTHORS



JASON LEONARD
AI Consulting Lead,
LAB³

Jason has positioned himself at the forefront of emerging AI technology for over 20 years, helping government departments and enterprises in the Asia Pacific region navigate innovation projects. He is driven to ensure clients achieve measurable business value from scaled AI adoption.

As the AI Consulting Lead for LAB³, Jason is responsible for solutioning, project delivery, market offerings, and for levelling up the skills of our team of data scientists and machine learning experts.

A recent career highlight for Jason includes partnering with an Australian utility to guide an AI at Scale transformation, having oversight of ideation, initiation of all AI, analytics, automation and data projects for asset management. Other recent projects include leveraging generative AI for AI-powered customer service for an insurer, introducing AI to automated coding of pathology in health care, use-cases in Defence, and navigating the complexities of compliance regulations.

With his wealth of insight and experience, Jason is also an Industry Advisory Board Member for RMIT University where he provides advice to the school of Accounting, Information Systems and Supply Chain on industry trends.



LACHLAN WHITE
Chief Technology
Officer, LAB³

Lachlan is a seasoned technologist and a catalyst for accelerated change in large, highly regulated enterprises seeking to modernise their technology platforms and engineering culture. He partners closely with organisations across Government, Financial Services, and Commercial Enterprises in Australia and New Zealand, driving business value through innovative, creative solutions.

As CTO, Lachlan leads LAB³'s technology strategy, accelerators, and R&D. Under his leadership, LAB³ has developed a comprehensive catalogue of unique ready-made accelerators, designed to be deployed across any industry. These solutions build on Microsoft's offerings, enabling clients to accelerate cloud adoption quickly and securely.

Uniquely, Lachlan has been at the forefront of region launches with organisations through all three Australian Azure regions—Sydney, Melbourne, and Canberra. His deep experience has allowed him to guide organisations in maximising value

during the release of new regions, helping them leverage these expansions to their strategic advantage. This experience has made him a sought-after expert for organisations looking to take full advantage of the latest cloud innovations in Australia and New Zealand.

Widely respected as an industry expert in cloud and digital transformation, Lachlan specialises in leveraging Microsoft Azure, Terraform, Cloud-Native Technologies, and, more recently, AI. Recognised as a leader in these fields, Lachlan has been a HashiCorp Ambassador for all five years since the program's inception, one of only three worldwide to achieve this. He was also previously an ambassador for the Cloud Native Computing Foundation (CNCF).

Lachlan has also featured as an international speaker, sharing his expertise at various conferences worldwide, where he continues to inspire organisations and technologists in their cloud and digital transformation journeys.

ABOUT LAB³

LAB³ empowers government and business to accelerate, transform and grow fearlessly through controlled, automated, and scalable cloud technology.

Founded in Australia in 2017, LAB³ has experienced hyper-growth and mid 2021 expanded into New Zealand. We are one of the largest Azure engineering practices in Australasia with 250+ skilled employees always pushing over the edge to deliver on any challenge accepted.

With **Microsoft as anchor cloud partner**, LAB³ has a focus on developing repeatable solutions which drive greater value for clients. Significantly, there are world leading ready-made solution frameworks that provide speed and certainty with cloud transformation. At the forefront of innovation, LAB³ ensures the responsible and secure use of Artificial Intelligence to achieve real business value for our clients.

The LAB3 logo is rendered in a white, stylized, handwritten-style font. The letters 'L', 'A', and 'B' are connected, and the '3' is a superscripted numeral.

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