A STRATEGIC FRAMEWORK FOR GENAI LEADERSHIP

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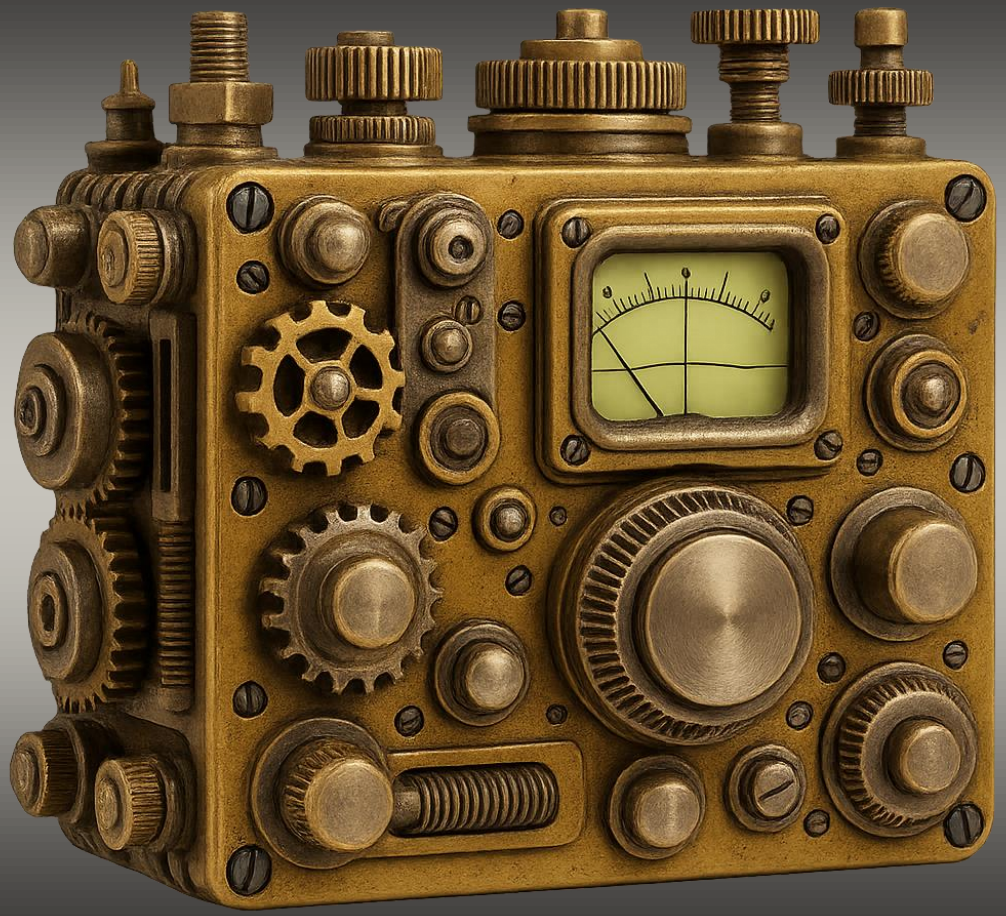
WHY HAVEN'T YOU FOUND THAT REVOLUTIONARY GENAI BREAKTHROUGH YET?

…BECAUSE YOU'VE BEEN TOO FOCUSED ON **"GENAI"**

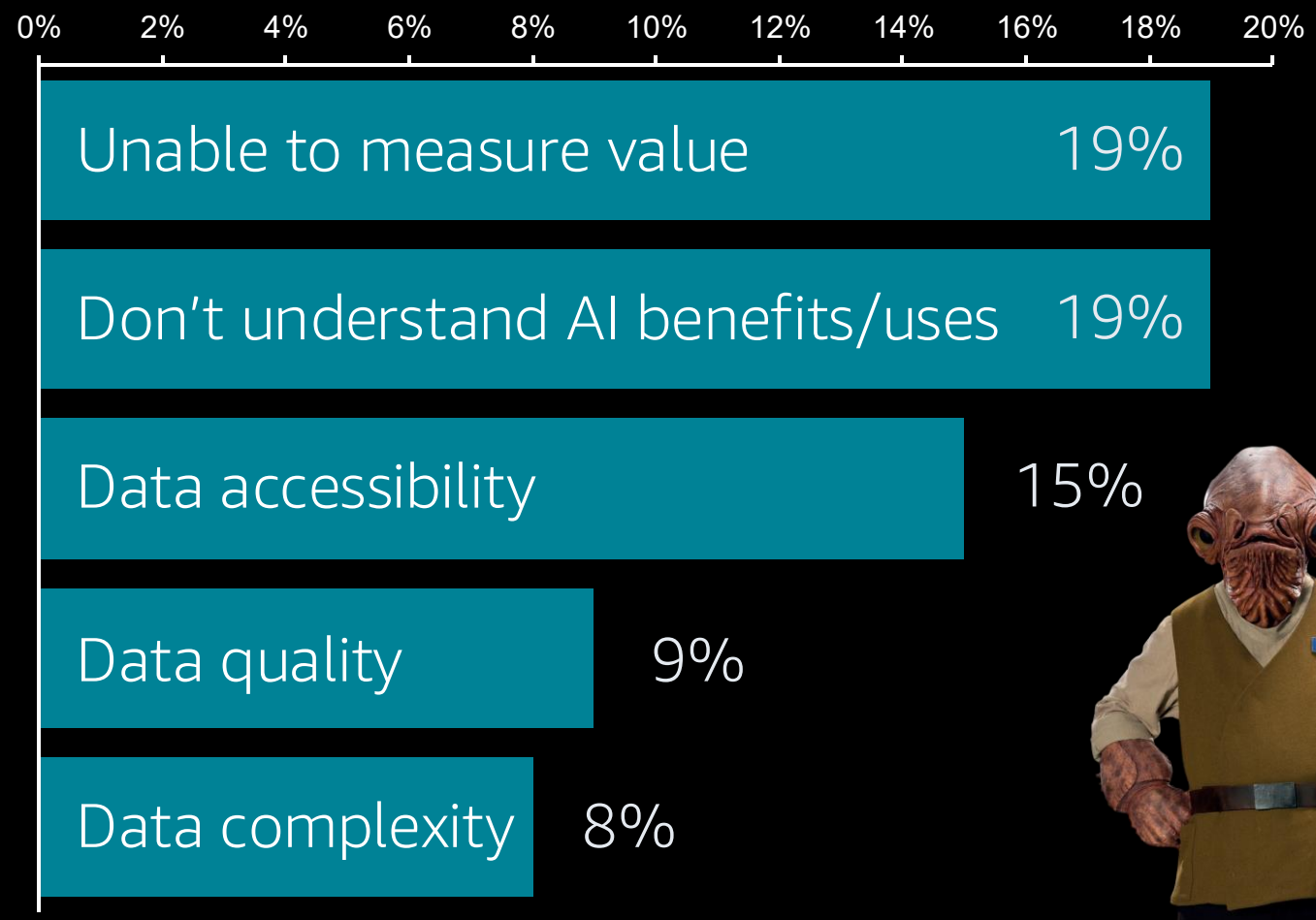
GenAI-enabled _____



TO

Now Agentic!!

BUSINESS VALUE – THE #1 BARRIER TO AI ADOPTION



Barriers to AI implementation

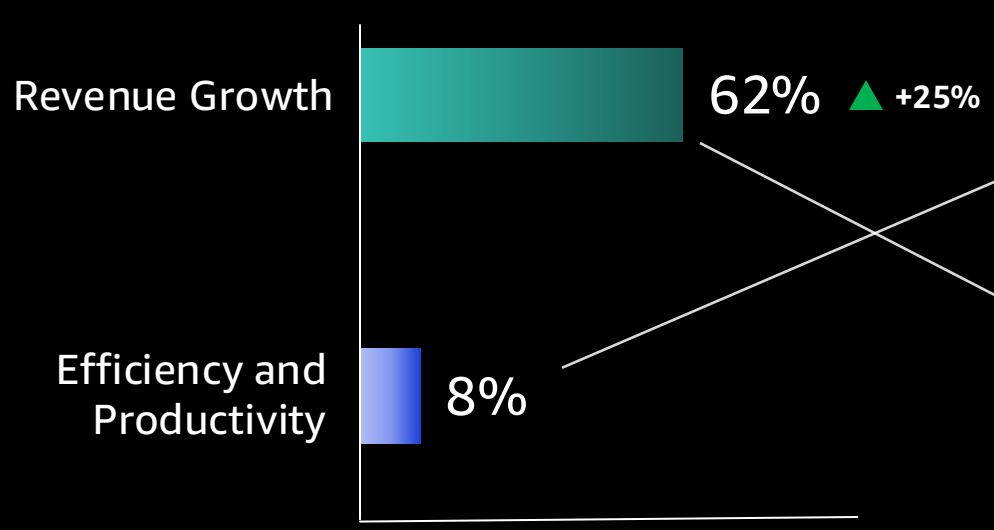
Inability to measure value and understand AI impact

46%

Gartner® webinar, New Approaches for IT Leaders to Maximize Business Value From AI, https://www.gartner.com/en/webinar/538687/1212862 .

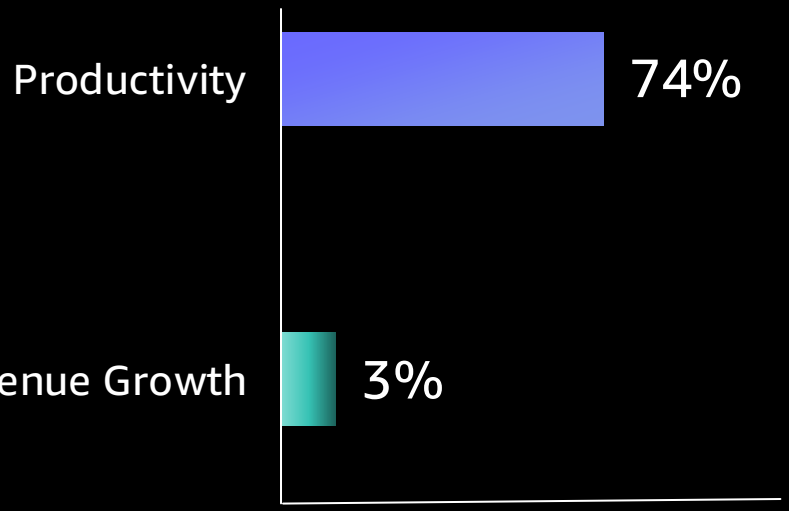
GENERATIVE AI IS NOT YET DELIVERING ON BUSINESS PRIORITIES

Top 10 Strategic Business Priorities for 2024 to 2025



What are your organizations' top three strategic business priorities for the next two years (2024/2025)?
Source: 2024 Gartner CEO and Senior Business Executive Survey

Top Business Value from Applying Generative A I



What are the top three types of business value your enterprise seeks from applying generative AI?
Source: 2025 Gartner CIO and Technology Executive Survey (n=3,067

aws

Gartner

REVOLUTIONARY IMPACT…

…IS NOT TECH-LED, IT'S TECH-SUPPORTED

BREAKTHROUGH INNOVATORS

Internet

Cloud

AI

amazon.com

Google!

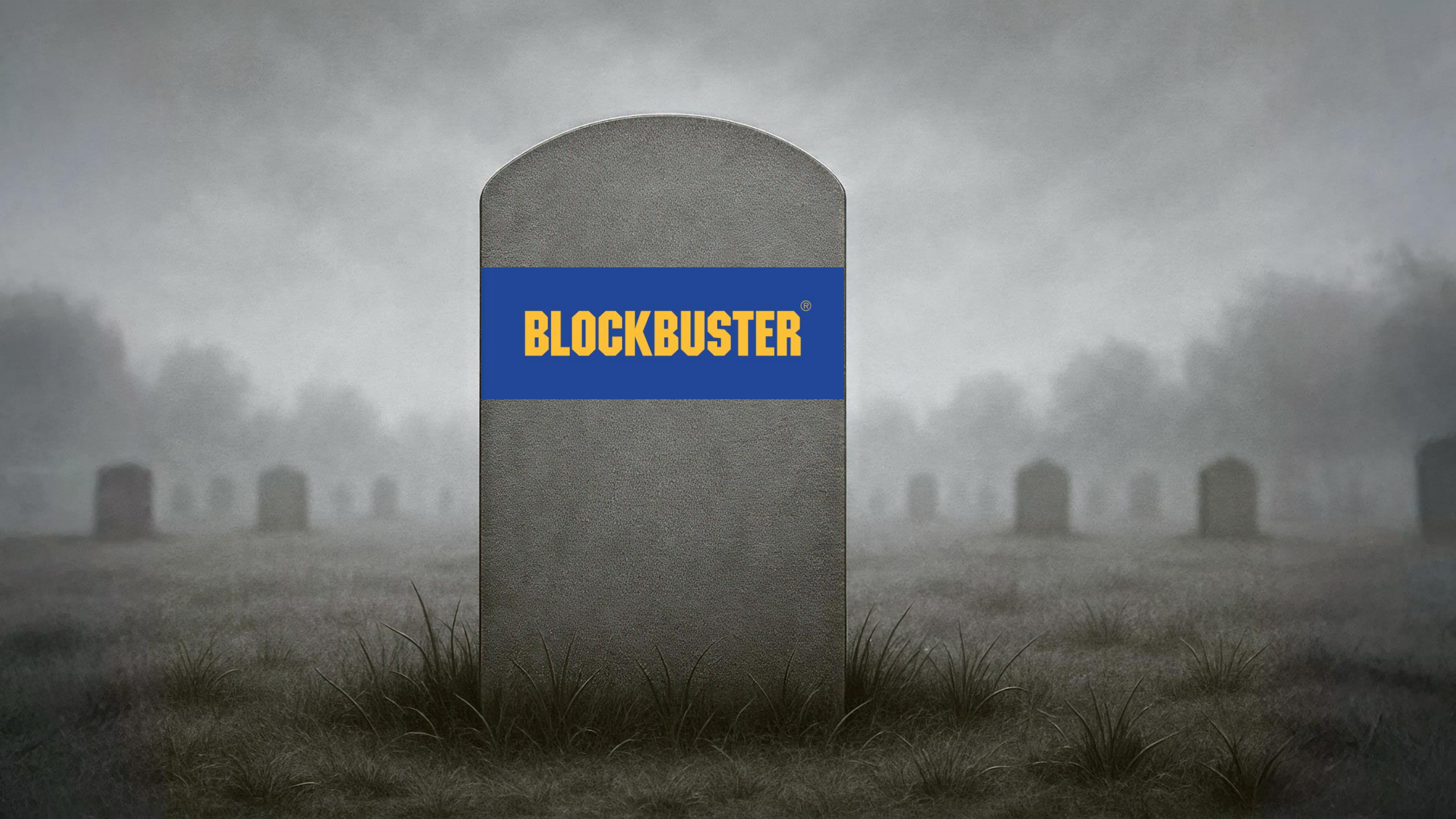
NETFLIX

airbnb

NETFLIX

ubercab

?


BLOCKBUSTER®

BLOCKBUSTER OBITUARY

On September 23, 2010, Blockbuster declared bankruptcy and ceased all operations.

At the height of the company's success, no one would have expected an outcome quite like this.

Netflix completely **redefined** the industry by transforming **customer experience** through an ultra-efficient **business model** and usage of **breakthrough technologies**.

This new experience delivered **internet ordering**, **unlimited selection** and **no late fees.**

Blockbuster could not replicate this strategy due to **short-term deliverables**, **business model** and **change culture**.

May Blockbuster rest in peace…

NETFLIX OBITUARY

On June 1, 2030, **Netflix** declared bankruptcy and ceased all operations.

At the height of the company's success, no one would have expected an outcome quite like this.

WHO? completely **redefined** the industry by HOW? .

Netflix could not replicate this strategy due to WHY? .

Organizational Barriers

- Change culture
- Business model
- Short-term deliverables

Appetite for Investment/Risk

- Failure aversion
- RoI tolerance
- Uncertainty

Technical Challenges

- Feasibility uncertainty
- Tech debt
- Integration

Prioritization

- Lack of decision mechanisms
- Innovator's dilemma
- Saying "no"

"NEITHER REDBOX NOR NETFLIX ARE EVEN ON THE RADAR SCREEN IN TERMS OF COMPETITION. IT'S MORE WALMART AND APPLE."

Jim Keyes, CEO of Blockbuster

Motley Fool interview, Dec. 2008.

A PORTFOLIO APPROACH TO DRIVING VALUE FROM GENAI

PORTFOLIO APPROACH TO GEN AI PROJECTS

THINKING BIG, THINKING NOW

DEFEND

Task-specific improvement to maintain competitive parity

EXTEND

Extending processes or features to realize differentiation

UPEND

New products
New markets
New customers

Gartner

How to Calculate Business Value and Cost for Generative AI Use Cases. Gartner.com. 2024.

PORTFOLIO APPROACH

WHAT'S A HELICOPTER?

DEFEND

Make you come to Blockbuster instead of Hollywood Video

EXTEND

Put movie theatre snack goodies in the Blockbuster so they have a one-stop shop and don't need to go to Kroger.

UPEND

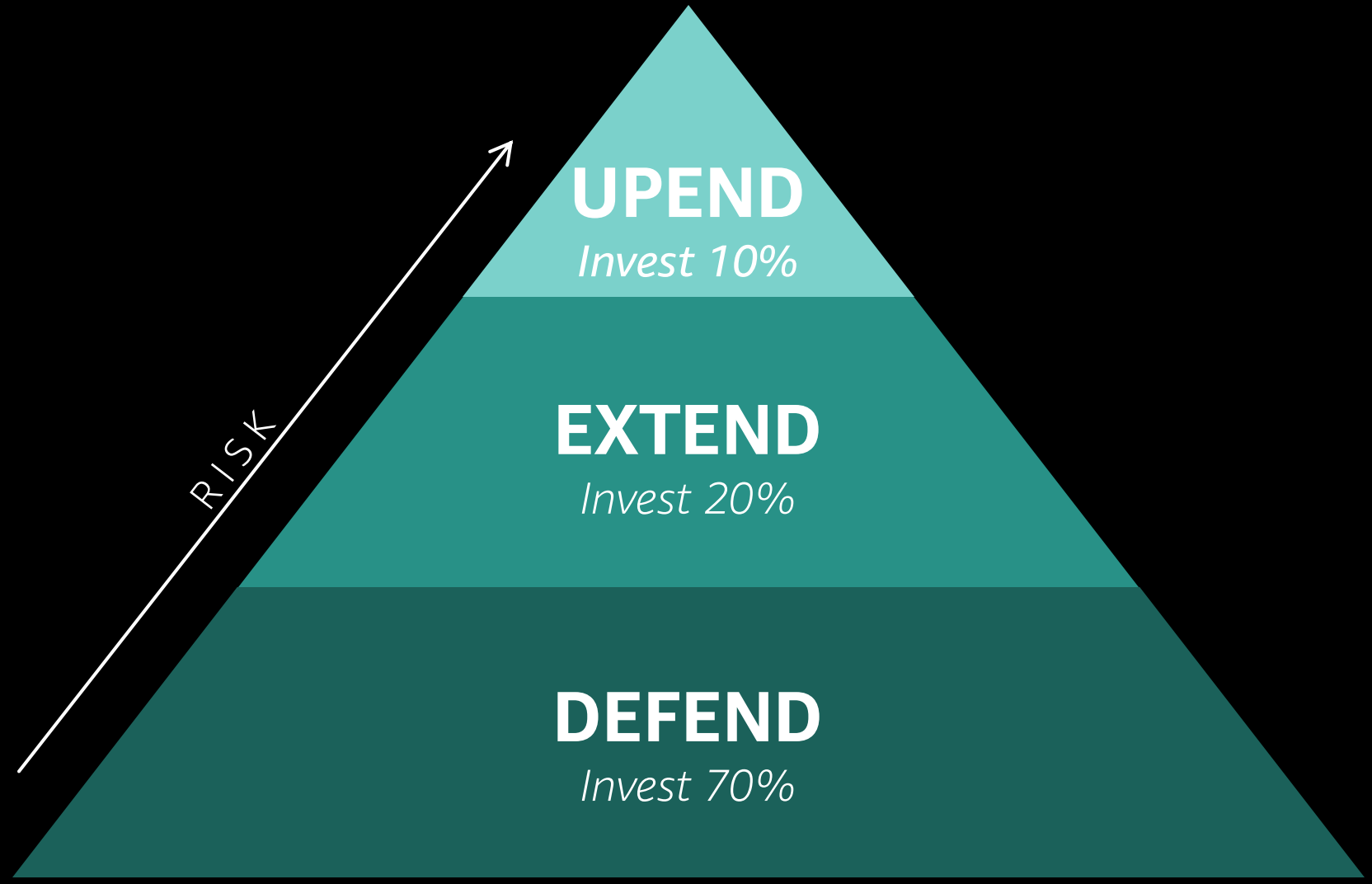
What is an internet? Our customers are happy and we're Number One!

"SHOULD WE PUT SHAREHOLDER MONEY AT RISK IN A MARKET THAT'S AT BEST FIVE YEARS AWAY FROM BEING COMMERCIAL? I DON'T THINK SO."

Jim Keyes, CEO of Blockbuster

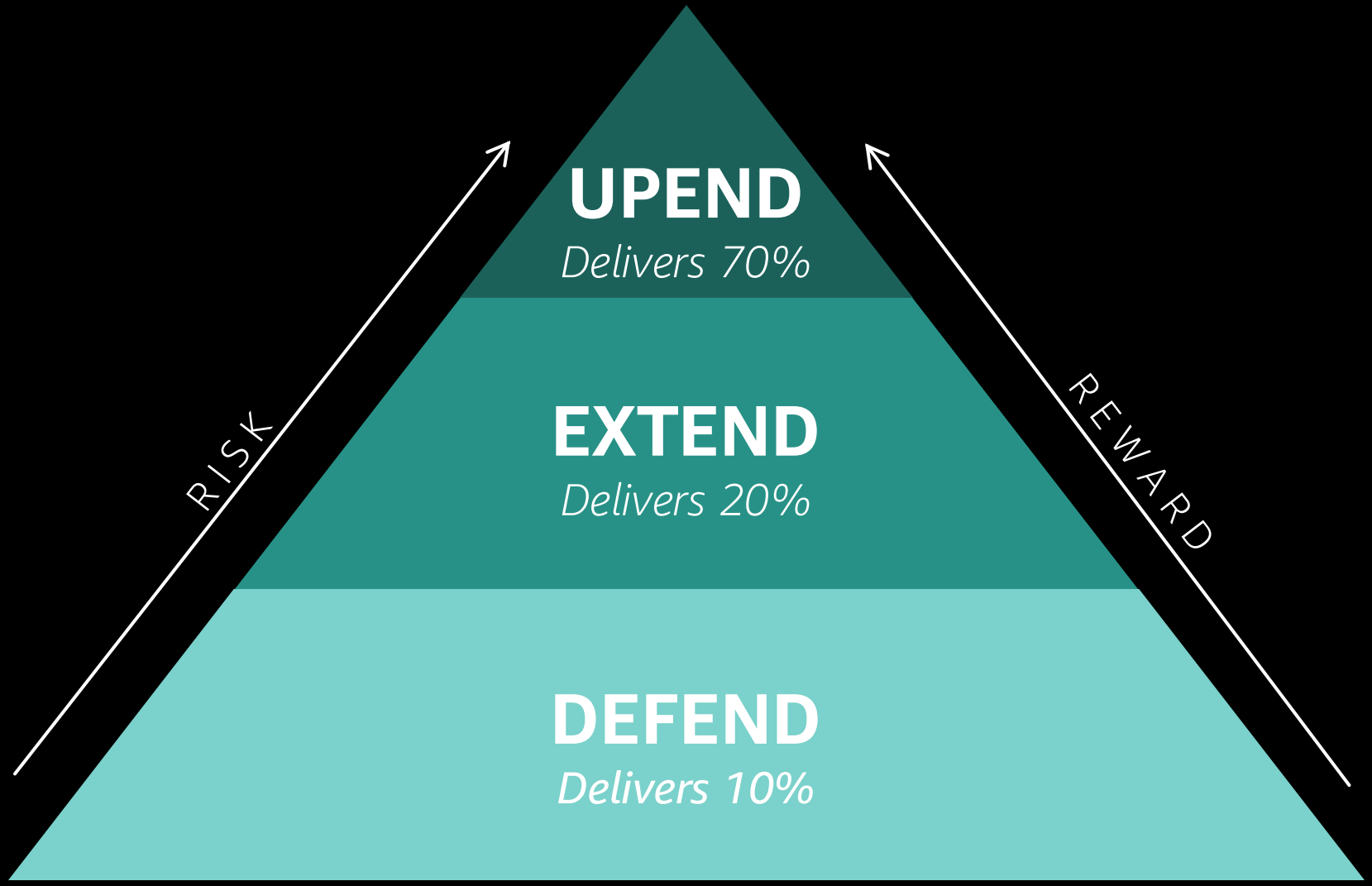
Motley Fool interview, Dec. 2008.

THE 70-20-10 PORTFOLIO DELIVERS 2.4X BETTER OUTCOMES



Sources: McKinsey "Three Horizons Framework", BCG Henderson Inst, Doblin-Deloitte "Ten Types of Innovation"

TRANSFORMATIONAL INNOVATIONS DELIVER 70% OF TOTAL RETURNS



Sources: McKinsey "Three Horizons Framework", BCG Henderson Inst, Doblin-Deloitte "Ten Types of Innovation"

PRODUCT PORTFOLIO: VERSION ZERO

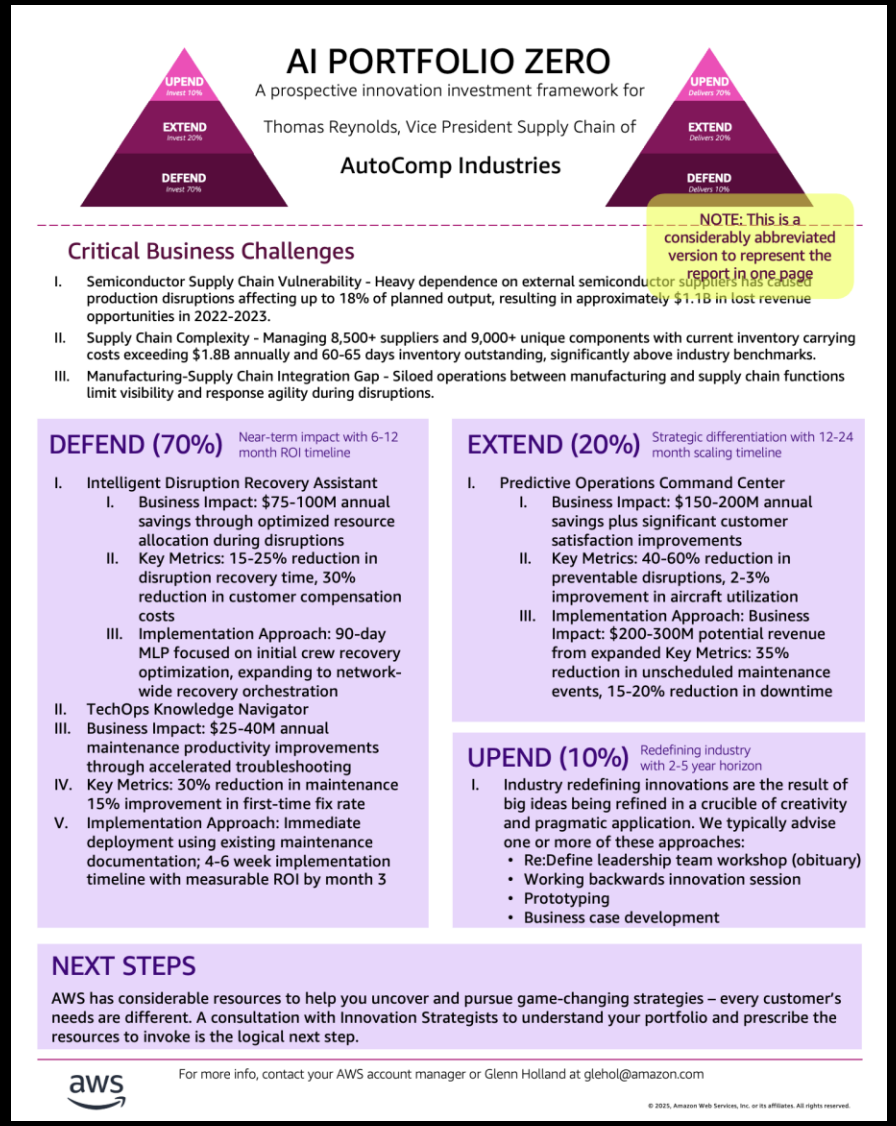
Critical business challenges

Prospective AI product/service ideas

- DEFEND
- EXTEND
- UPEND

Implementation approaches & AWS alignment

Proposed engagement model/next steps



AI PORTFOLIO ZERO

A prospective innovation investment framework for

Thomas Reynolds, Vice President Supply Chain of

AutoComp Industries

NOTE: This is a considerably abbreviated version to represent the report in one page

Critical Business Challenges

I. Semiconductor Supply Chain Vulnerability - Heavy dependence on external semiconductor suppliers has caused production disruptions affecting up to 18% of planned output, resulting in approximately $1.1B in lost revenue opportunities in 2022-2023.

II. Supply Chain Complexity - Managing 8,500+ suppliers and 9,000+ unique components with current inventory carrying costs exceeding $1.8B annually and 60-65 days inventory outstanding, significantly above industry benchmarks.

III. Manufacturing-Supply Chain Integration Gap - Siloed operations between manufacturing and supply chain functions limit visibility and response agility during disruptions.

DEFEND (70%)

Near-term impact with 6-12 month ROI timeline

I. Intelligent Disruption Recovery Assistant
   I. Business Impact: $75-100M annual savings through optimized resource allocation during disruptions
   II. Key Metrics: 15-25% reduction in disruption recovery time, 30% reduction in customer compensation costs
   III. Implementation Approach: 90-day MLP focused on initial crew recovery optimization, expanding to network-wide recovery orchestration
II. TechOps Knowledge Navigator
III. Business Impact: $25-40M annual maintenance productivity improvements through accelerated troubleshooting
IV. Key Metrics: 30% reduction in maintenance 15% improvement in first-time fix rate
V. Implementation Approach: Immediate deployment using existing maintenance documentation; 4-6 week implementation timeline with measurable ROI by month 3

EXTEND (20%)

Strategic differentiation with 12-24 month scaling timeline

I. Predictive Operations Command Center
   I. Business Impact: $150-200M annual savings plus significant customer satisfaction improvements
   II. Key Metrics: 40-60% reduction in preventable disruptions, 2-3% improvement in aircraft utilization
   III. Implementation Approach: Business Impact: $200-300M potential revenue from expanded Key Metrics: 35% reduction in unscheduled maintenance events, 15-20% reduction in downtime

UPEND (10%)

Redefining industry with 2-5 year horizon

I. Industry redefining innovations are the result of big ideas being refined in a crucible of creativity and pragmatic application. We typically advise one or more of these approaches:
   - Re:Define leadership team workshop (obituary)
   - Working backwards innovation session
   - Prototyping
   - Business case development

NEXT STEPS

AWS has considerable resources to help you uncover and pursue game-changing strategies – every customer's needs are different. A consultation with Innovation Strategists to understand your portfolio and prescribe the resources to invoke is the logical next step.

For more info, contact your AWS account manager or Glenn Holland at glehol@amazon.com

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WHAT NOW?

1. What is our potential "helicopter moment" - the GenAI-driven innovation that could either disrupt our industry or allow us to transform it ourselves?
2. How are we balancing our GenAI investments across defending our current position, extending our capabilities, and potentially upending our industry?
3. How can we cultivate a culture that embraces rapid experimentation, attracts top AI talent, and accelerates our GenAI innovation cycle?
4. Who is the "customer of tomorrow" in our industry, and how might their needs and expectations be radically different due to GenAI advancements?
5. What strategic changes do we need to make now to ensure we're not just responding to GenAI disruption, but leading it in our sector?

WHAT'S YOUR HELICOPTER?

THANK YOU!

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