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AI INSIGHTS

# AI RISK & READINESS QUIZ



# Introduction

## UNDERSTANDING AND MITIGATING TECHNICAL RISKS IS CRUCIAL FOR LONG-TERM SUCCESS WITH AI

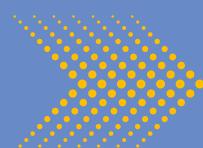
In today's rapidly evolving technology landscape, artificial intelligence (AI) has become a game-changer for businesses across industries. As we navigate the AI revolution, understanding and mitigating related technical risks is crucial for long-term success.

Consider these eye-opening statistics:

- 70% of enterprise AI projects fail due to inadequate preparation and assessment (1)
- Less than half of companies are seeing positive ROI from their AI investments (1)
- The market for AI model risk management is projected to reach \$10.5 billion by 2029 (2)

By identifying potential gaps and areas for improvement, you can pave the way for responsible and effective AI adoption.

**This quiz is designed to help you quickly evaluate your organization's AI readiness and risk management practices.**



### SOURCES

1. <https://www.virtasant.com/ai-today/ai-readiness-assessment>
2. Scherlis, Bill. "Weaknesses and Vulnerabilities in Modern AI: AI Risk, Cyber Risk, and Planning for Test and Evaluation." Carnegie Mellon University, Software Engineering Institute's Insights (blog). Carnegie Mellon's Software Engineering Institute, August 12, 2024. <https://doi.org/10.58012/9esz-9x30>.

# AI Risk & Readiness

Take this 5-question quiz to quickly gauge your readiness for the AI revolution. Your answers will give you a reading on how prepared your organization is to manage AI risks across key areas.

## Data Quality Control

*How do you ensure the data used to train your AI models is accurate and unbiased?*

- A. Regular audits and manual checks
- B. Automated tools for data cleansing
- C. We rely on vendor-provided data
- D. Not a priority

## AI Transparency

*How transparent is your AI decision-making process to stakeholders?*

- A. Fully transparent with explainable models
- B. Somewhat transparent with some explainability
- C. Not transparent but working on it
- D. Not a concern

## Legacy System Integration

*How well do your AI systems integrate with existing legacy systems?*

- A. Seamless integration with no issues
- B. Mostly integrated but some challenges
- C. Partially integrated with significant challenges
- D. Not integrated at all

## Ethical AI Governance

*Do you have a formal AI ethics framework in place?*

- A. Yes, fully implemented
- B. Yes, partially implemented
- C. In development
- D. No framework

## Risk Assessment Frequency

*How often do you conduct AI risk assessments?*

- A. Regularly (every quarter)
- B. Occasionally (every year)
- C. Rarely (every few years)
- D. Never

## Scoring

Total the points associated with each answer to determine your risk category

**A answers:** 3 points each

**B answers:** 2 points each

**C answers:** 1 point each

**D answers:** 0 points each

## Risk Score Categories (15 points max)

**12-15 points:** Low risk, well-prepared

**8-11 points:** Moderate risk, some improvements needed

**0-7 points:** High risk, significant action required

# Recommendations

## 12-15 points: Low risk, well-prepared

- Maintain your current best practices and stay updated on emerging AI trends and regulations.
- Consider becoming an industry leader by sharing your AI governance strategies at conferences or in publications.
- Explore advanced AI applications that could give your organization a competitive edge.
- Implement a continuous improvement cycle for your AI systems and processes.
- Mentor other organizations or departments on AI risk management and ethical AI practices.

## 8-11 points: Moderate risk, some improvements needed

- Conduct a thorough audit of your AI systems, focusing on areas where you scored lower in the quiz.
- Develop a roadmap for improving AI transparency and explainability in your organization.
- Invest in training programs to enhance your team's AI literacy and risk management skills.
- Consider partnering with AI ethics consultants or academic institutions to strengthen your governance framework.
- Implement regular stakeholder feedback sessions to address concerns and improve trust in your AI systems.

## 0-7 points: High risk, significant action required

- Prioritize the development of a comprehensive AI ethics and governance framework.
- Conduct an immediate risk assessment of all current AI applications in your organization.
- Invest in data quality and integration tools to address fundamental AI implementation issues.
- Establish a cross-functional AI task force to oversee risk management and ethical considerations.
- Consider pausing or scaling back high-risk AI projects until proper safeguards are in place.

## General Advice

- Join AI ethics and governance forums or industry groups to stay informed about best practices.
- Regularly reassess your AI risk score (e.g., quarterly) to track progress and identify new challenges.
- Develop an AI incident response plan to quickly address any unforeseen issues or failures.
- Foster a culture of responsible AI use throughout your organization through ongoing education and communication.
- Stay informed about evolving AI regulations and proactively align your practices with upcoming requirements.

# Contact



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