Factorial.io

Guide

Five questions to ask before any AI pilot

In one hour, you will know whether your project is ready to go.

How to use this guide

Goal first, technology second.

If you start an AI pilot with the technology, all you learn at the end is that the technology works. Whether it pays off remains unclear. So set aside one hour with management and the business team, and answer the five questions in order. Each question comes with an example and space for your answers.

Five common mistakes and the question that prevents each one

Common mistake	What happens next	The question that prevents it
Starting with the technology	A demo with no real benefit	**01** What should improve?
Not knowing today's costs	No one knows if it pays off	**02** When does it pay off?
Budgeting for tech only	The team does not use the tool	**03** What does the change cost?
Checking the legal side last	Stopped at the last minute	**04** Are we allowed to do this?
Not defining a metric	The pilot ends on a hunch	**05** How do we measure success?

The example in this guide

A manufacturer sells its products through a network of specialist dealers. The dealers ask about prices, availability and delivery dates by email or phone. The example is fictional and shows what a good answer looks like.

01

What should improve?

A pilot needs a goal that can be expressed in time or money. “We want to use AI” is not a goal. “Dealers get their answer on the same day” is.

Example

The sales support team answers requests from the dealer network by email and phone. Replies get delayed, so dealers chase them up or order elsewhere. The goal: every dealer gets an answer on the same day.

Which process should improve?

What is the problem today?

How will customers or the team notice that it is better?

Well answered if

- [ ] you name one specific process.
- [ ] the goal is described in terms of time, money or quality.
- [ ] management shares the goal.

02

When does it pay off?

Every pilot costs money. Before you start, know the point at which it pays for itself. We call this the break-even point.

Cost today = cost per case × cases per month

Break-even point = investment ÷ savings per month = months until it pays off

Example

For one month, the sales support team counts how many dealer requests come in and how long each reply takes. This gives the cost today. Only then does the team estimate how much of that cost can be saved.

Your figures	Amount
Cost per case today	
Cases per month	
Expected savings per month	
Investment in the pilot	
Months until it pays off	

Well answered if

- ☐ you have measured today's costs rather than estimated them.
- ☐ the monthly savings are quantified.
- ☐ you know after how many months it pays off.

03

What does the change cost?

Technology is only part of the cost. Teams learn new processes, data has to be prepared, and experts give their time to the pilot. These costs belong in the same calculation as the technology.

Example

Good answers to dealers need prices, stock levels and delivery dates. If this data sits in two separate systems, the cost of connecting them belongs in the calculation.

Cost type	What exactly?	Effort
Team training		
Adapting processes		
Preparing data		
Experts' time during the pilot		
Operation after the pilot		

Well answered if

- ☐ every cost type has an amount or an effort estimate.
- ☐ the business team has reviewed the list.
- ☐ the total is included in your calculation from question 02.

04

Are we allowed to do this?

A pilot that breaches data protection law or the EU AI Act will be stopped, in the worst case just before the finish line. The EU AI Act is the European law that regulates AI. Before you start, clarify what data the pilot needs, where it is stored and where the AI model is allowed to run. Also find out which AI tools your team already uses.

Example

Dealer requests contain names, prices and terms. The manufacturer checks whether this data may be processed by an AI tool outside its own data centre. In the process, it turns out that some employees are already answering requests with their personal AI tools.

Question	Your answer
What data does the pilot need?	
Where is this data stored today?	
Does it include personal or confidential data?	
Where is the AI model allowed to run?	
Which AI tools does the team already use?	

Well answered if

- ☐ data protection and IT have reviewed the answers.
- ☐ you know where the AI model is allowed to run.
- ☐ your team has clear rules for using AI tools.

05

How do we measure success?

Without a metric, every pilot ends with a gut feeling. Decide in advance what you will measure, what the value is today and what value would count as success.

Example

The metric is the share of dealer requests answered on the same day. The sales support team measures today's value before the start. Management sets the target value.

Metric	Value today	Target value	Measured on	Measured by

Well answered if

- ☐ you have no more than three metrics.
- ☐ today's value has been measured.
- ☐ every metric has a named owner.

Evaluation

Is your pilot ready to go?

All five questions are answered.	Your pilot is ready to go. You know what it should achieve, what it is allowed to do and when it pays off.
Question 02 or 03 is open.	Run the numbers before you spend money. Check whether today's costs and the cost of the change are known.
Question 04 is open.	Do not put any data into an AI tool yet. First clarify data protection and legal questions with IT and your data protection officer.
Question 01 is open.	Do not start a pilot yet. First agree on the goal with management.

AI Impact by Factorial.io

We are happy to answer the five questions with you.

With AI Impact, we work through them together with your team. You get a clear recommendation you can base your decision on right away.

Free initial consultation, 30 minutes:
factorial.io/en/artificial-intelligence/ai-impact