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• Beyond Compliance: The Opportunity of the White House AI Executive Order

New federal guidance on Artificial Intelligence (AI) heralds a watershed moment government leaders should seize to make their mark.

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Artificial Intelligence (AI) has broken into the public consciousness and is reaching into every aspect of modern life. In the past year, advances in Generative AI in particular have shown how far this technology has come, and organizations around the world are sprinting to leverage the potential of greater efficiency, lower costs, better decision-making, and elevated service delivery.

The federal government recognizes the significance of this moment. In October, President Biden issued an Executive Order 14110 on the Safe, Secure, and Trustworthy Development of Artificial Intelligence, which along with guidance issued by the White House Office of Management and Budget (OMB), defines how, and by when, federal agencies

must innovate with AI, govern its implementation across agencies, and manage its risk.

This Executive Order, however, is only the beginning. Just as the internet, big data, and mobile technology forever changed government operations, **AI will undoubtedly soon be a permanent force with which government managers at all levels must contend and understand. But visionary leaders who welcome its adoption, proactively manage its risks, and apply lessons learned from past technology implementations to harness its benefits, will be better prepared for the transformation.**

This AI Moment is a Unique Opportunity for Federal Leaders

Executive Order 14110 and related draft OMB guidance provide the blueprint for federal leaders to start planning for a future with AI. According to the directives, **executive branch agencies must soon identify and position their Chief AI Official (CAIO) to succeed, develop and implement a comprehensive strategy for AI, review AI use cases for risk, establish AI governance, and more.** The Executive Order explicitly encourages agencies to pursue high-impact use cases and to experiment responsibly with GenAI.

The Executive Order instructs agencies to empower their CAIOs to coordinate AI maturation, oversee AI risk management programs, and build equity into the acquisition and use of AI. It also requires most agencies to produce a strategy to guide AI investments and activities and to detail how they will comply with new mandates and directives for using AI. The

strategy document should **outline plans to advance AI maturity, build sufficient AI capacity, and detail what the agency will do to shape and equip the workforce for the AI age.**

The Executive Order enhances reporting requirements for covered use cases, such as those that pose risks to public rights or safety. Agencies must continuously review their use of AI and cease use cases that threaten rights or safety and cannot be brought into compliance with new guidelines. This also applies to acquired AI and the use of AI by contractors.

Lessons from the past will help federal leaders chart their AI journey

The government has faced moments like this before. With the emergence of the internet, big data and analytics, and mobile technology, the government has adopted new ways of working, governance bodies and procedures, and both defensive and offensive strategies to ensure they gain the upside of technological advancements while minimizing risk. The diverse outcomes of these implementations offer valuable insights and instructive lessons for consideration as federal agencies begin to embrace AI.

The most recent example to draw from is the implementation of the

Foundations for Evidence-Based Policymaking Act, a law enacted in 2019 that aimed to transform and modernize the way the federal government manages its data assets. This law codified how agencies collected, managed, and shared data by implementing comprehensive reforms.

Federal agencies have now had five years to implement this guidance, with mixed success. The lessons learned along the way can aid organizations in preparing to move forward with AI integration.

Lesson 1: Before Embarking, Take Stock of Current Capabilities and Knowledge

The *Evidence Act* paved the way for evidence-based policymaking, a new school of thought that calls for using data as an integral part of agency agendas. This legislation transformed the use of data from an ad hoc tool to a fundamental instrument for federal decision-making. This evolution required employees at various levels and across departments to venture into uncharted waters and wrestle with data in new ways. **Leaders who focused first on understanding their agency's current capabilities and knowledge gaps around data created a helpful baseline they could work from to boost data literacy and integrate evidence-building into existing processes.**

For example, one organization started with internal surveys that inquired about employee familiarity with data

use. The insights gleaned from those surveys directly influenced interagency trainings offered to employees. These educational workshops empowered employees to incorporate data processes in ways that went above and beyond implementing the *Evidence Act*. With a heightened understanding of data usability, the agency was able to develop data-driven objectives that addressed mission goals and benefitted external stakeholders.

In contrast, organizations that did not have a baseline for understanding their in-house expertise around data and technology struggled to close knowledge gaps and continue to have difficulty meeting the requirements called for by the *Evidence Act*, which will likely have downstream impacts as agencies seek to implement more advanced technology.





As federal leaders begin to explore how their organization will use AI, they should similarly take stock of their organization's and employees' current capabilities and literacy around this technology. Questions they should answer include: What are the workforce's current skill levels for using AI and machine learning? Can the current technological infrastructure support AI integration? Is organizational data currently in a usable format and of high quality? What structures and process currently govern decision-making about advanced technology? How does the agency currently track use cases and identify and mitigate risks? Answering these questions will allow leaders to understand what provisions and equipment they already have in their cargo hold and begin to strategize for closing necessary gaps.

Lesson 2: Make the Ship Seaworthy

Evidence-based reforms changed the way the federal government collected, managed, stored, and used information as well as how agencies evaluated the impact of proposed solutions. The shift to using data analysis to drive policy adoption and direct funding meant federal agencies needed to establish adequate data systems, governance, and processes to make data usable and of high quality.

Organizations that proactively developed procedures, practices, and governance for their daily data operations generally found greater success in bringing their data to life. Agencies that standardized their data gathering, storage, processing, management, and disposal procedures gained the ability to swiftly derive insights from their data and guide their decision-making. Creating these systems also enabled agency leaders to have confidence about the security and privacy of their data.

Setting up governance infrastructure can frequently be a

"check the box" exercise, but agencies who took advantage of new governance mechanisms to bring decision-makers together, tackle complex strategic choices, and foster connections across disparate stakeholders, were able to more effectively break down siloes and therefore get more mileage out of their data.

Similarly, **to successfully implement AI, agencies will likely need to further prepare foundational elements such as data systems, infrastructure, and effective governance.** The ability to harness AI's potential hinges on the quality and accessibility of data, as AI algorithms will need robust datasets for training and decision-making. Leaders should prioritize data infrastructure, emphasizing data collection, storage, security, and accessibility, in order to maximize the benefits of AI technologies, and set up governance structures aimed at bringing the organization together, accelerating decision-making, and magnifying impact.

Lesson 3: Chart the Course with a Clear “North Star” and Strategy from Leadership

During the implementation of the *Evidence Act*, leaders across the federal government had different levels of involvement in developing responses, strategies, and programs to implement the Act’s provisions. **Agencies where leaders took an active role in articulating a strategy and creating the roadmap for implementation saw a notable increase in their agency’s data utility.**

Early leadership buy-in and clear vision created greater clarity for staff for how they would most effectively utilize data collected by the organization and focused energy and resources toward highest and best use. Having this vision from leadership meant agency goals were developed with clearly defined metrics supported by functional data management systems. This unified vision with buy-in from leadership across the agency reduced barriers to designing a robust data plan that met the intent of the *Evidence Act*. In successful organizations, leadership involvement was apparent in how effective the transition to evidence-based policymaking was.

As federal agencies begin exploring the use of AI, it is important for leadership to once again create a unified vision. Before they begin charting their AI journey, federal leaders should answer a fundamental question: What is the ultimate destination? Agency leaders should investigate potential use cases to explore the “art of the possible” and then

define their long-term objectives to clearly articulate their vision for AI. This vision then becomes the “north star” that guides strategy development and helps direct progress along the way.

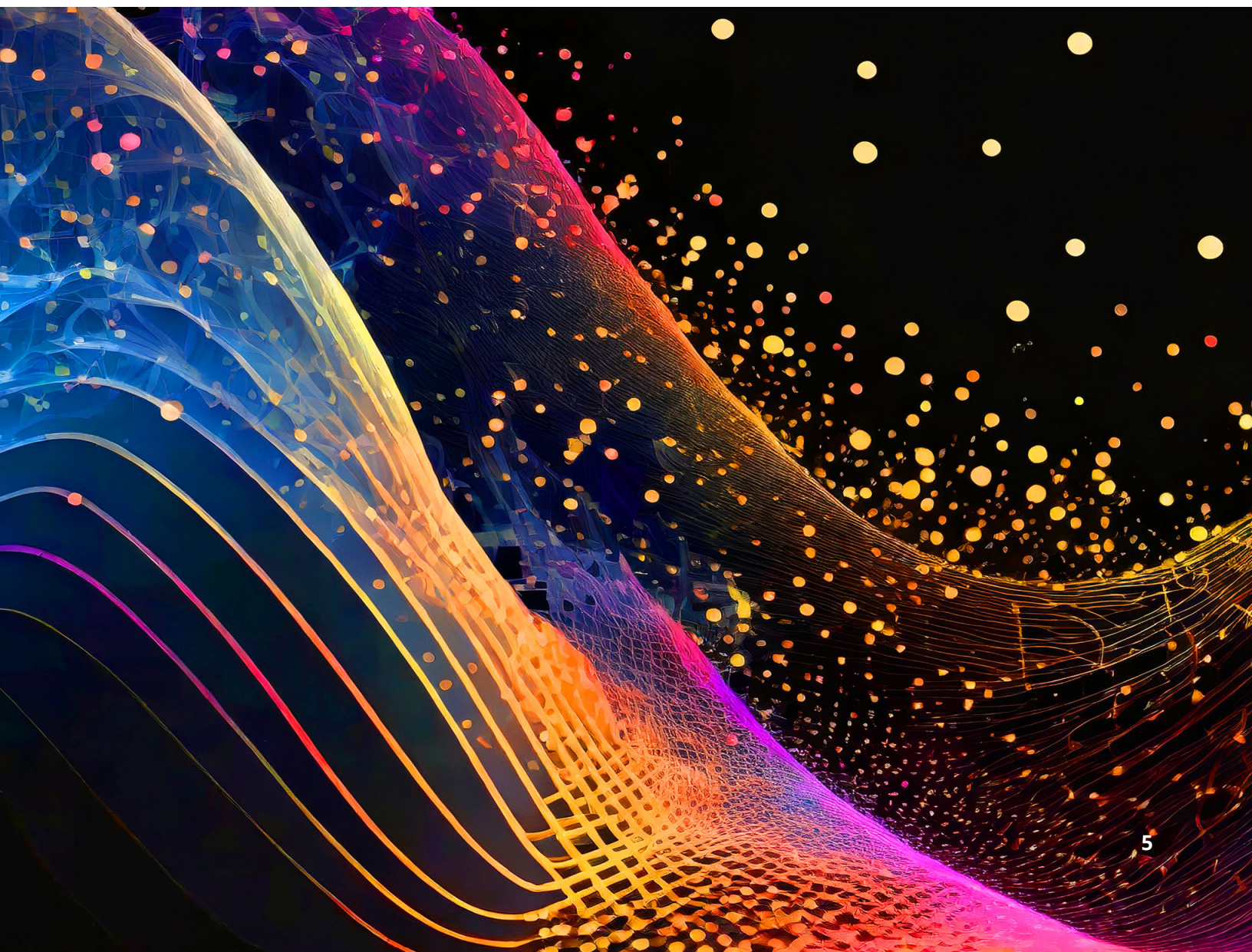
Without these north stars, disparate programs and offices within an Agency may use AI for what they view as the best purpose, creating several disparate “science experiments” across the organization without guiding principles or guardrails. This could lead to unfocused energy and wasted resources, and creates even more risks associated with improper use of this new technology.

After pinpointing their destination and understanding what they are bringing to the embarkation point, **agency leaders should chart a course to show how they will complete their voyage. To do this, they should create a comprehensive strategy that considers the many components of successful AI adoption and expresses the choices they will make to complete the journey.** By methodically mapping out each stage of this intricate passage, federal leaders can help ensure a smoother and more successful AI journey for their agencies, reaping the benefits of intelligent automation and innovation.

Steer Your Organization to AI Success

AI holds the potential to deliver numerous advantages to federal agencies, including operational efficiencies, cost savings, and enhanced services to the public. If federal leaders proactively embrace this capability, they can help influence the long-term trajectory of their agencies, creating a solid foundation for future leaders to build upon. Executive Order 14110 provides government managers with encouragement to move out with urgency to begin using and managing AI.

However, the journey toward implementing AI is not a brief excursion; it is a long-haul, multi-faceted odyssey with various components and milestones. Applying lessons from the past and starting with this established and iterative approach to assessing AI readiness, laying the foundational technology and infrastructure, and developing a comprehensive strategy will empower federal agencies to chart a course to success.



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