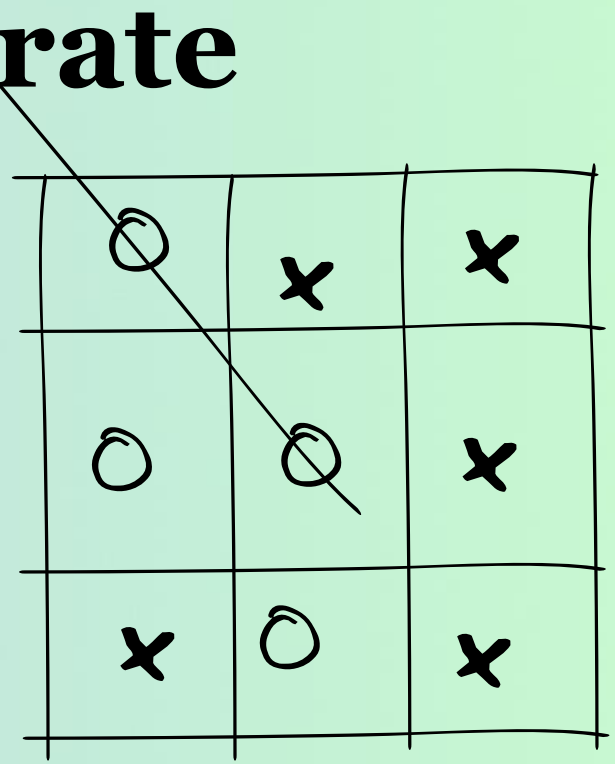
The AI Playbook for Corporate Diplomats*

*** Heads of Strategy, Business development, Corporate Affairs, Gov. Relations, Public Affairs, ESG & Sustainability.**



30 to 50% of corporate EBITDA is now at stake across most sectors from an increasingly volatile, uncertain, complex and ambiguous world.

– McKinsey & Co.

This Playbook presents an AI-augmented strategy for navigating challenges with superior insights.

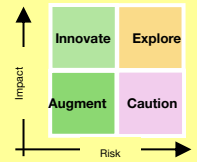
It cuts through the AI hype, simplifies options, and distills this capability into a practical, actionable business guide.

This Playbook

- As few words as needed.

- As many models as practical.

- As actionable as possible.



This is a living document and will be regularly updated.

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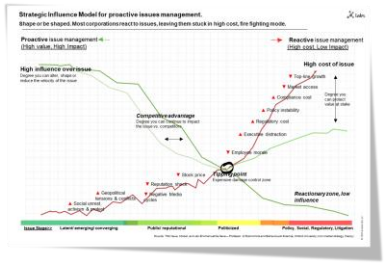
Exec summary.

The AI Gameplan in 7 steps

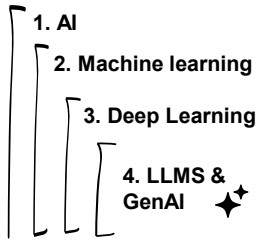
Key takeaways. Corporate diplomats (Heads of Strategy, Business development, Corporate Affairs, Gov. Relations, Public Affairs, ESG & Sustainability.) now have a range of AI driven use cases that are leapfrog in nature. These will save time through automation, augment task workflows and drive insights and innovations that will leave laggards in the dust.

Why apply AI to corporate diplomacy? Your success is ruled by a model so shape that model or be shaped by it.



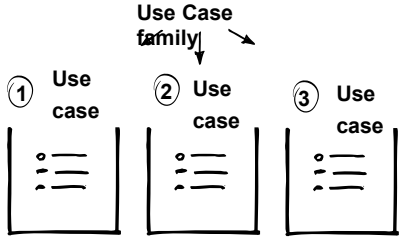
Step 1

Basic AI literacy is table stakes. AI divides into 4 fields, that both disrupt & improve work. But it's more than Generative AI alone.



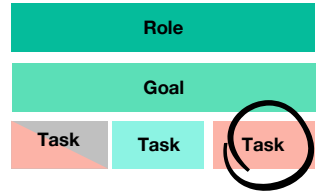
Step 2

<u>Start</u> with the use case. No one knows the limits to these new AI models, so… use a structured method to explore use cases.



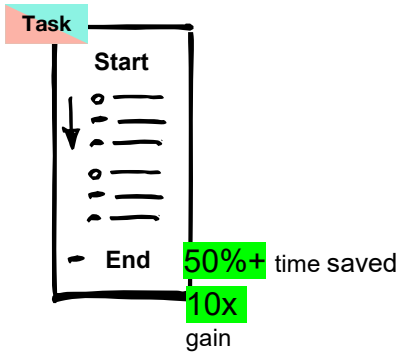
Step 3

Test a use case against a task. Chose a repetitive & time-consuming task to explore time & cost saving automations & augmentations.



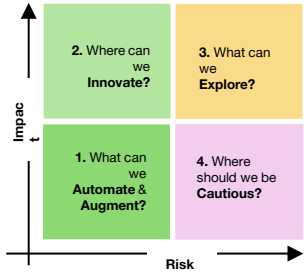
Step 4

Break tasks into steps to find use case fit and value



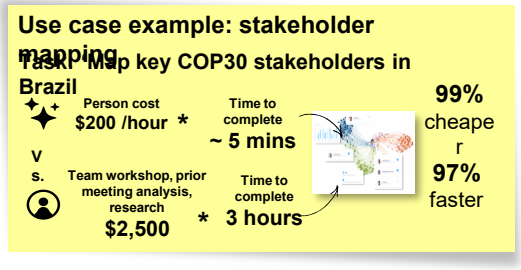
Step 5

Then balance impact gain and risk avoidance using a use case prioritisation model



Step 6

Think through your success metrics. Simple 'back of the envelope' maths shows the value of time saved & task optimised.



Step 7

Choose the best technical pathway balancing speed, cost and performance.

Tech pathway	
1	Free open-source tools like ChatGPT or Claude
2	Experiment with existing workspace tools/ co-pilots
3	Use software-as-a-service (SaaS) AI platforms with RAG injection
4	Build software layers on model API
5	Fine-tune open-source model in-house
6	Train a foundational model from scratch

Foreword.

Why apply AI to Corporate Diplomacy?

With **30 to 50%** of corporate EBITDA at stake across most sectors from an increasingly volatile external environment (source. McKinsey), proactive issue management is key to value protection.

Your success is ruled by a model yet…

- ❑ **Most Corporate diplomats aren't tooled up**. Often among the least tech and data driven functions in any company.
- ❑ **The threat radar is full.** External issue volume, velocity and convergence is adding volatility to the business in near real time.
- ❑ **The team can't scale.** Except though increased headcount, consultant and new geopolitical-risk practice advisors (x-spooks & spies anyone?).

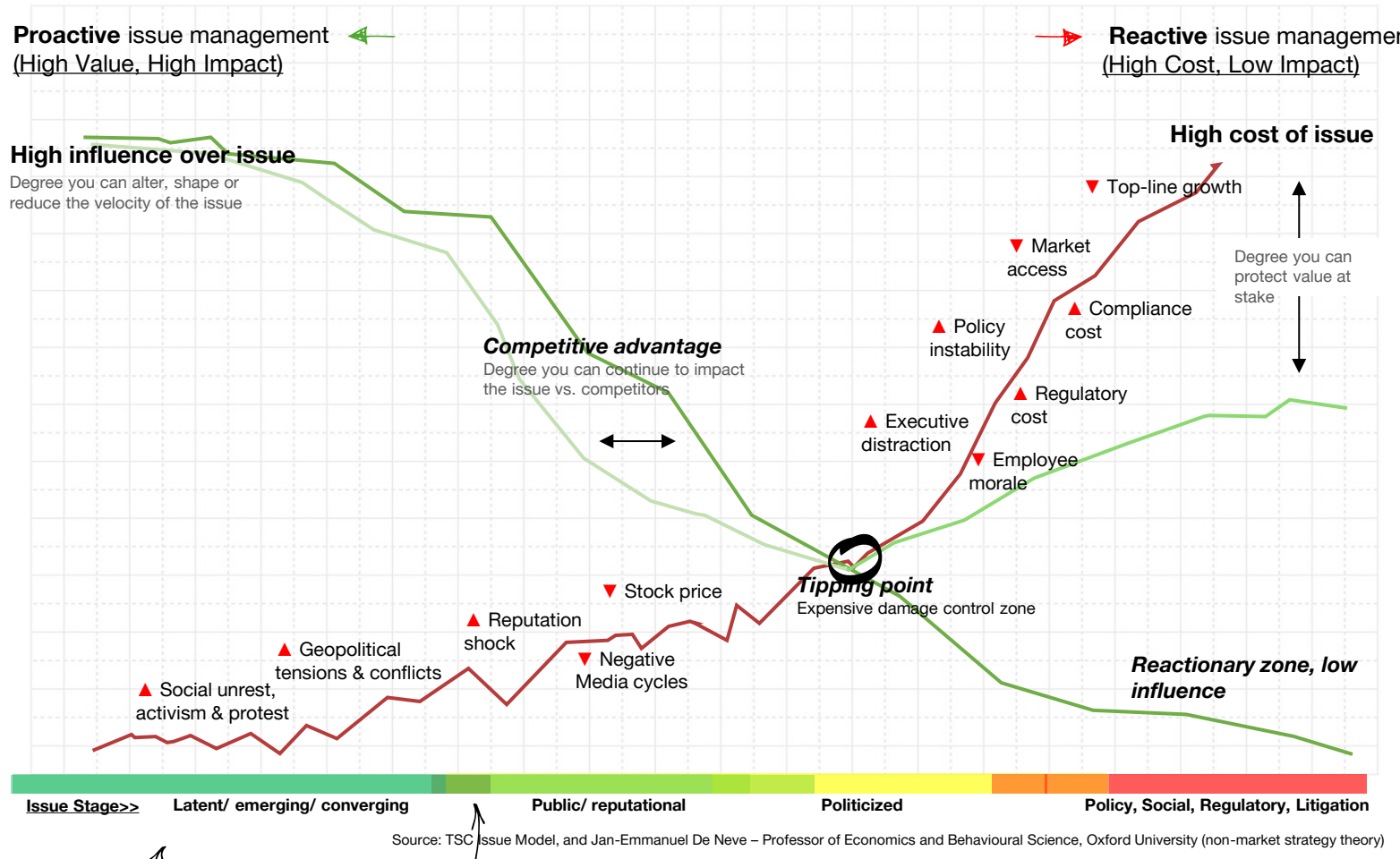
★ **From tools to teammates…**

A new class of 'big picture', 'connect-the-dots' intelligence capabilities that map, mine and monitor complex business environments, networks of issues, stakeholders, positions, influence and interests are being enabled.

These systems enable **3 new groups of use cases** setting leaders apart from laggards: →

Strategic Influence Model for Proactive Issues Management

Corporate diplomats are ruled by this model. Shape it or be shaped by it.



Source: TSC Issue Model, and Jan-Emmanuel De Neve – Professor of Economics and Behavioural Science, Oxford University (non-market strategy theory)

1 ⍰ Horizon scanning
To know earlier & better

2 ⍰ Stakeholder analysis
To know who's behind it

3 ⍰ Augmented workflow
To scale our impact

Step 1. Understand the AI basics

Executive cheat sheet

Key takeaway: Think of new AI techniques as multiple waves of innovation leading a platform shift as big as the internet, the web, social and mobile.

The shift… will come in multiple waves:

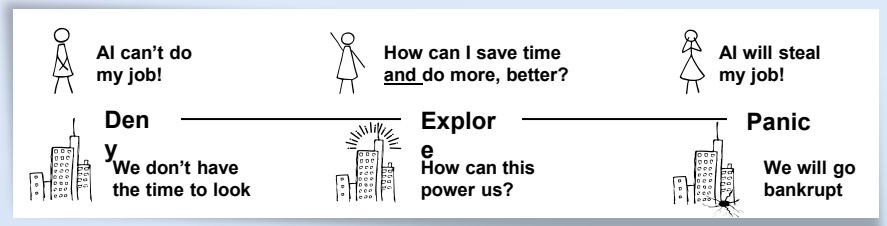
AI 'Wave 1'

- **GenAI sparked an arms race** for the foundational models
- **Numerous lightweight apps appear**, gain temporary popularity but offered limited value
- **Some productivity gains** emerge, but a pandora's box of accuracy, safety, ethics, privacy and IP concerns has been opened

AI 'Wave 2' (*we are here)*

- **Machines evolve from tools to teammates**
- **The models progress and** the tech becomes invisibly embedded everywhere
- **It won't take your job** – but the premium you can charge for it may reduce. Good analysis here

And as always, your options are a mindset



The Tech - the Foundational layers of AI

Peeling the AI Onion – think 1,2,3,4

A combination of GenAI models + other AI techniques such as ML deliver better accuracy, transparency and performance.

1. **AI (1950s)** - the field. Divides into 1) Narrow AI (where we are today), 2) Artificial AI/ AGI (maps the Theory of the Mind) and 3) Super AI (self aware). E.g., Deep Blue defeats Kasparov in Chess 1997
2. **Machine learning (ML) (1980s)** - an AI branch to learn & improve without specific programming using 1) supervised models (labeled data) or 2) unsupervised models (unlabeled data). E.g. Netflix recommendation Algo - 2009
3. **Deep Learning (DL) (2010s)** - an ML subset using deep neural networks (many layers) to analyze various levels of data and make predictions or decisions. Uses Discriminative models to learn from the relationships between labels of data points, and can classify those data points (e.g., fraud vs. not fraud) . E.G. AlphaGo wins Go match - 2016
4. **LLMs (2020s) -** Large Language Models pretrained with a very large set of data, then fine-tuned for specific purposes

SLMs - Small Language Models specialized, secure, focused for specific tasks, enhanced with knowledge graphs & domain-specific data to suit particular applications

Tech powering LLM chatbots

Interfaces to interact with GPTs using natural language

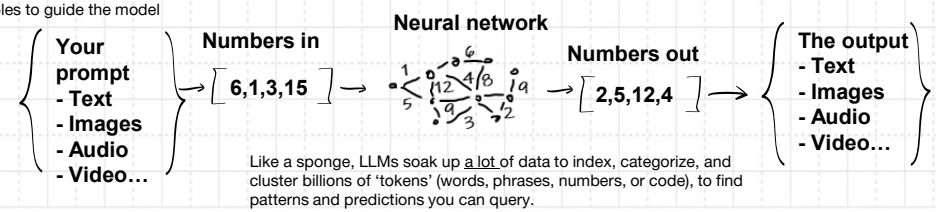
Gen AI - Generative learning models learn about the patterns in the data to generate something completely new. E.g., OpenAi ChatGPT changes world (2023)

How they work (101)

Good Q's are hard, hence prompt engineering required to provide clear and specific context, instructions, and examples to guide the model

LLMs are not search engines looking up facts; they are pattern-spotting engines that guess the next best option in a sequence.

A generative engine (a GPT) then creates a probabilistic response (i.e., answers your question) in a well written, confident, natural language style



Like a sponge, LLMs soak up a lot of data to index, categorize, and cluster billions of 'tokens' (words, phrases, numbers, or code), to find patterns and predictions you can query.

Great briefer by Henrik Kniberg here

Step 2. Start with the use case

Key takeaway. No one knows the limits to these new AI models, or the new use cases they enable, so… adopt a structured method to explore the art of the possible. There are **2** good approaches…

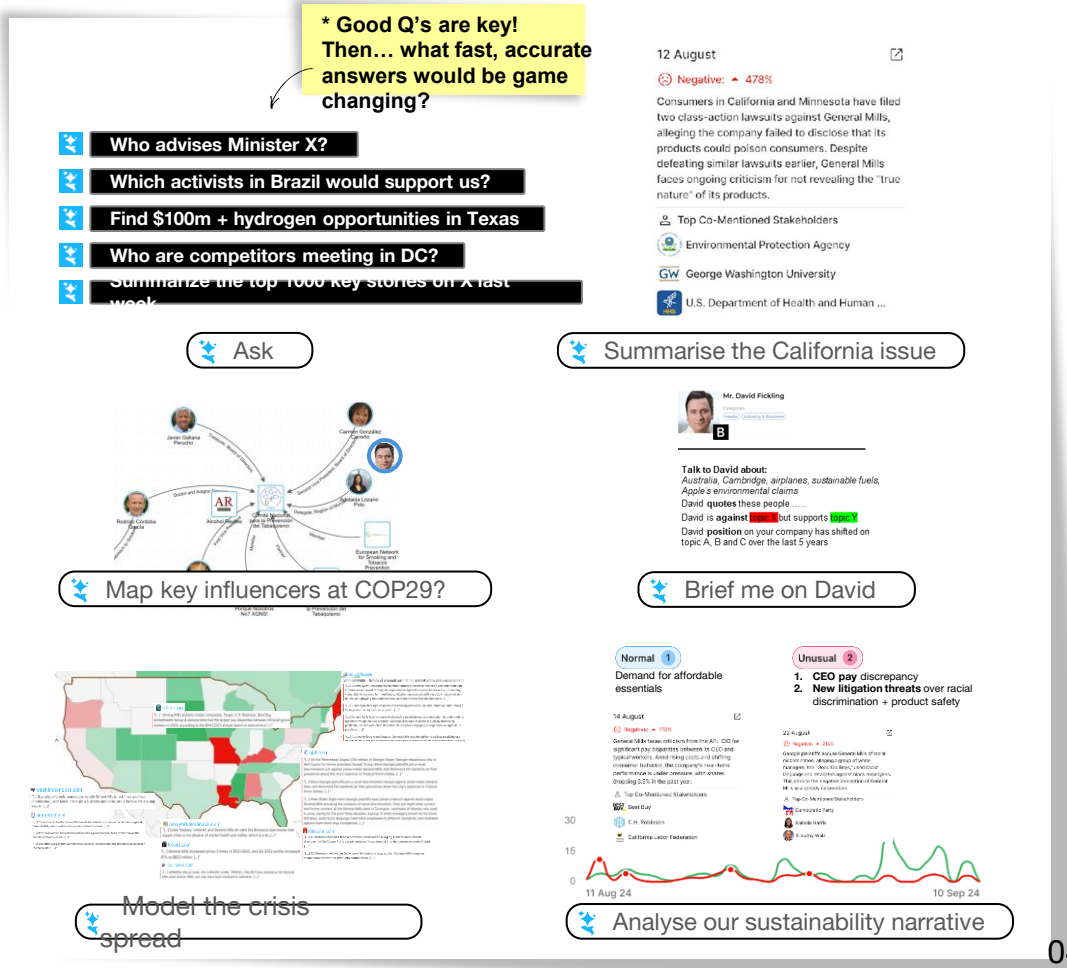
1. Be comprehensive. Map use case families to avoid being overwhelmed by the sheer range of new AI capability.

Use Case Family – External affairs

Use Case Family	Specific Use Cases
1 Horizon Scanning **Need:** Know earlier, know better **Focus:** scan, group, rank, & summarise media, social, Gov data, industry, Corp. filings, academic, etc. **Value:** Early warning system to detect off-the-radar issues & opportunities	**Monitor.** Context aware scanning, grouping & ranking to miss nothing
	Auto read, summarise, prioritise 000's of sources to stay ahead of breaking news
	Ask. Contextual knowledge Q&A for smarter answers
	Detect. Hidden signals and emerging sentiment to avoid surprises
	Analyse. Regulatory and policy monitoring for earlier, proactive response
	Monitor. Mass competitive landscaping to know earlier & better than peers
2 Stakeholder Analysis **Need:** Know who's behind it **Focus:** Stakeholder Intel systems map, monitor and pinpoint exactly the right people to target. **Value:** better connected	**Discover.** Stakeholder discovery and recommendation to know the key influencers
	Profile. Automate stakeholder profiling/ briefs to save research time
	Map. People, topics, signal graphs to see how networks connect
	Segment. Stakeholder segmentation to focus strategy
	Survey. Large quantitative opinion assessments for ESG & reputation programs
3 Augmented Workflow **Need:** to scale team impact **Focus:** Advanced workflows act as force multiplier for team. **Value:** automate & augment the task load	**Plan & organise.** Optimise team workflow to efficiently pilot & orchestrate the team
	Alert. Efficient info/ alert routing across teams, topics
	Manage. Crisis and response planning for faster, better crisis response
	Track. Real-time reputation & ESG materiality scans to increase quality & reduce cost
	Report. Real time insights & dashboards for high value Exec Intel

2. Be creative. Ask "What if we could…?" as a framework for identifying AI use cases. This encourages a proactive and innovative mindset, while aligning with business goals.

"What if we could…?"



Step 3. Test a use case against a task

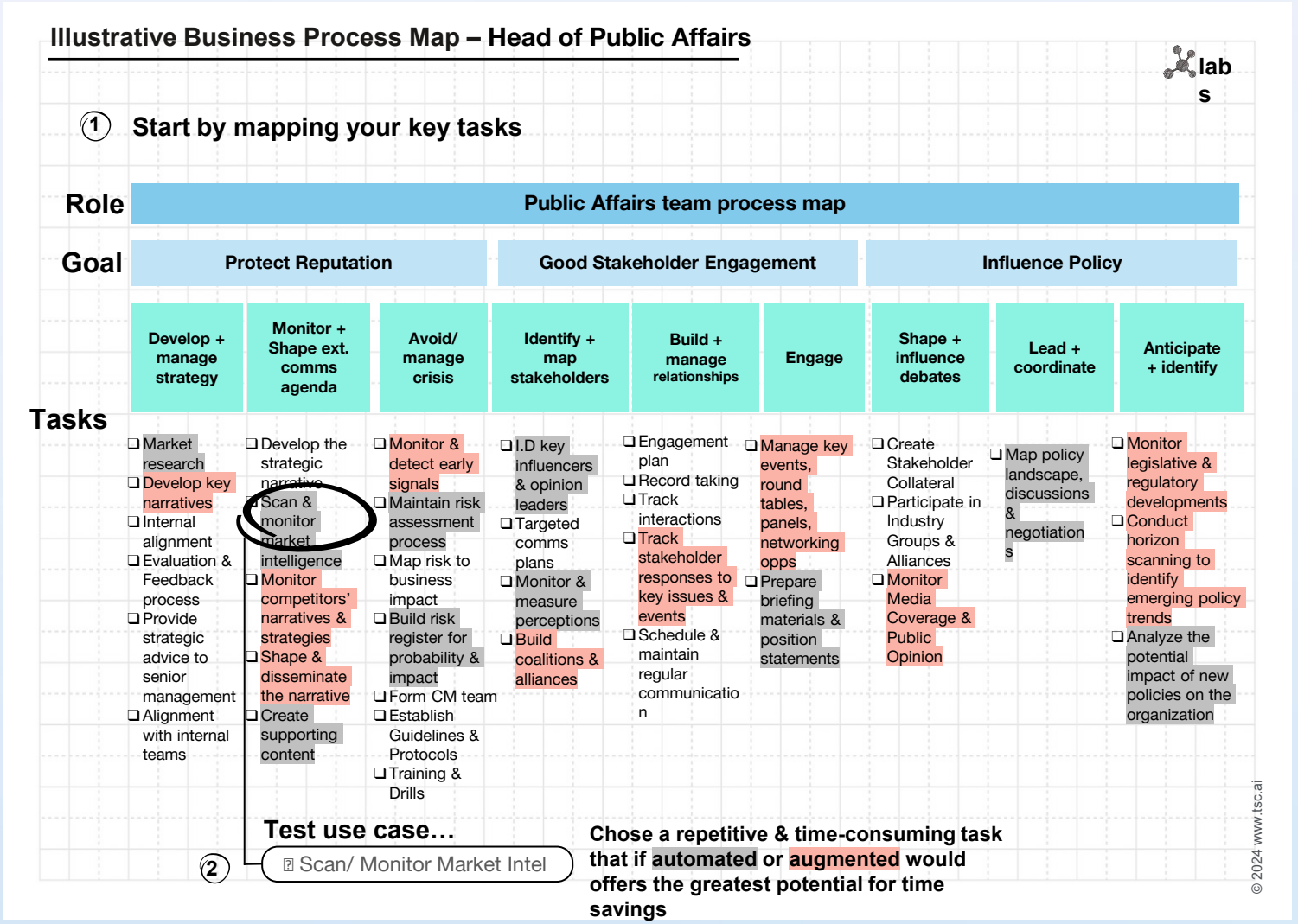
Key takeaway: to identify high value use cases, map what tasks you really do and begin to surface tasks to apply that use case to.

No matter how complex the job can seem, it's not rocket science. Every job is simply a bundle of tasks and every task consumes time. Each new wave of technologies (including Gen AI) rewires these tasks to (potentially) save time.

1. Start by mapping your key tasks to goals. Something like this…

2. Then, begin surfacing use cases by asking where the human bottlenecks are and whether the task can be broken down into logical steps.

If you can provide context and instructions, AI can likely optimize the workflow, blending automated, augmented, and traditional tasks into something like this…



Step 4. Break tasks into steps to find use case fit and value

Key takeaway: Calculate the value a use case brings to a task workflow across 3 measures:

1. **Automation** (time reduction)
2. **Augmentation** (task optimization & improvement)
3. **Innovation** (new sources of value unlocked)

Test task:

Scan/ Monitor Market Intel

Why this task?

Better, faster market intelligence provides an 'unfair' competitive advantage in 3 ways:

- **Speed:** faster intel gathering and analysis enables a quicker response to market changes
- **Quality:** more relevant and accurate data, drives better intel and becomes more actionable insights
- **Decision-Making**: data driven decisions lead to more successful outcomes and opportunity capitalisation

Yet it's a high effort task, traditional monitoring tools are high friction, key words are hit and miss, and we still have blind spots and surprises.

1 List all the task steps in sequence & break them into individual actions

2 Estimate frequency & time of each task

Scan/ Monitor Market Intel

labs

Task map: To scan & monitor market intelligence…

	We do these 7 steps	Freq.	Task Time	Augmented workflow	New task time
1	**Search** – opening these Apps, these tools going to these sites, using these keywords	3-5x p/day	15 mins	**AI Agents** federates all sources into single source of truth, indexed, searchable and updated	Instant
2	**Scan -** these news channels, print, online news, social, blogs & pods in the morning. Read these newsletters, scan these competitor updates and read these market reports in the afternoon.	3-5x p/day	~1 hours p/day	**Context aware scanning** learns from user's business objective to fine tune scans across media, social, Gov data, industry, expert opinions, corporate filings, academic, etc.	20 mins
3	**Prioritise/ read** most relevant items related to issues X,Y&Z. Look for sentiment shifts & spikes & analyse key stakeholder positions & comments.	3-5x p/day	~1.5 hours	**Auto reads and summarise** 000's key stories and clusters of content **Targeted Sentiment Analysis** detects and summarises negative sentiment spikes for an entity, person or topic to alert of emerging crisis	10 mins
4	**Think and discuss** the data with these people.	1x /day	~30 mins	**Context driven answers** allows users can question the data and trends	~20 mins *V. important!*
5	**Revise** these keywords and add these topics for monitoring.	As Req'd	30 mins	No more keywords as system learns from context	0 mins *Context aware replaces key words*
6	**Update/ Brief** this team, in this format, sent to this group.	Weekly or as Req'd	30 mins	**Central workflow** routes updates and alerts as needed	0 mins *Automated*
7	**Write the report** using this template including X,Y,Z metrics, and A,B,C trends.	Monthly or as Req'd	~3 hours	**Auto draft and summarise** policy briefs, reports, intel briefs, alerts	20 mins *For draft report review*
End. Restart.		**Total est. Time**	~3-4 hours p/day		~1.5 hours per person * # people on task

3 Calculate the time savings →

50%+ time saved for task, per person/ day

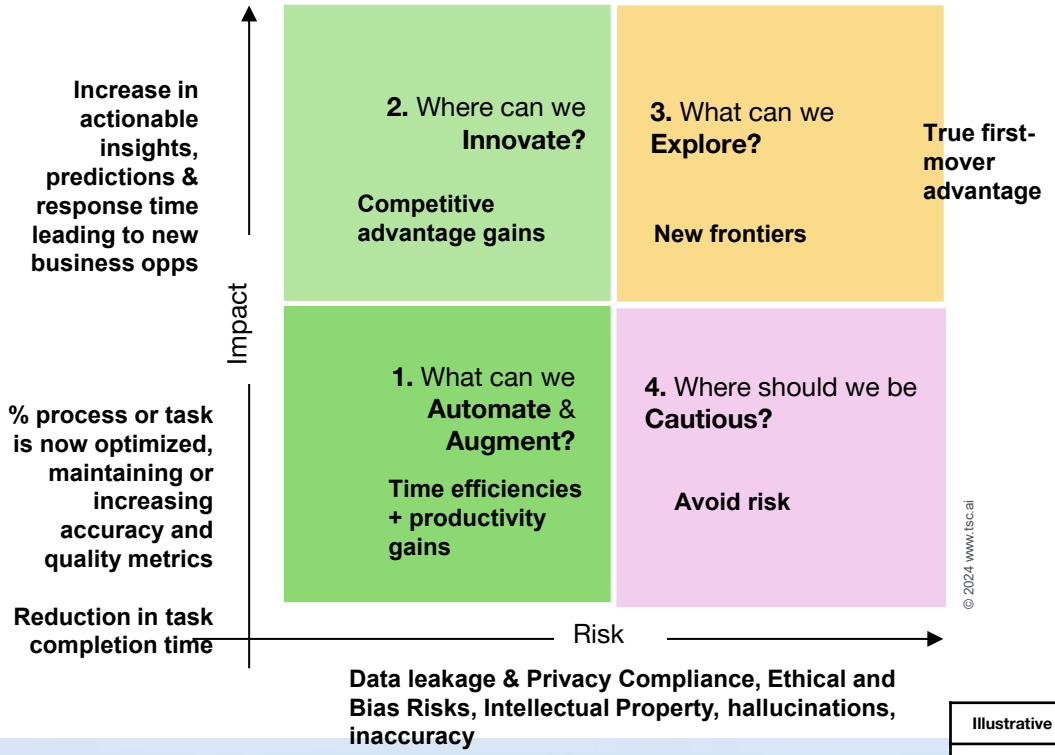
10x gain in intelligence quality (speed + quality)

Step 5. Apply a use case prioritisation model

Key takeaway: In the race for technology, success will go to those who balance impact gains with risk avoidance. Use a prioritization model to identify your key focus areas.

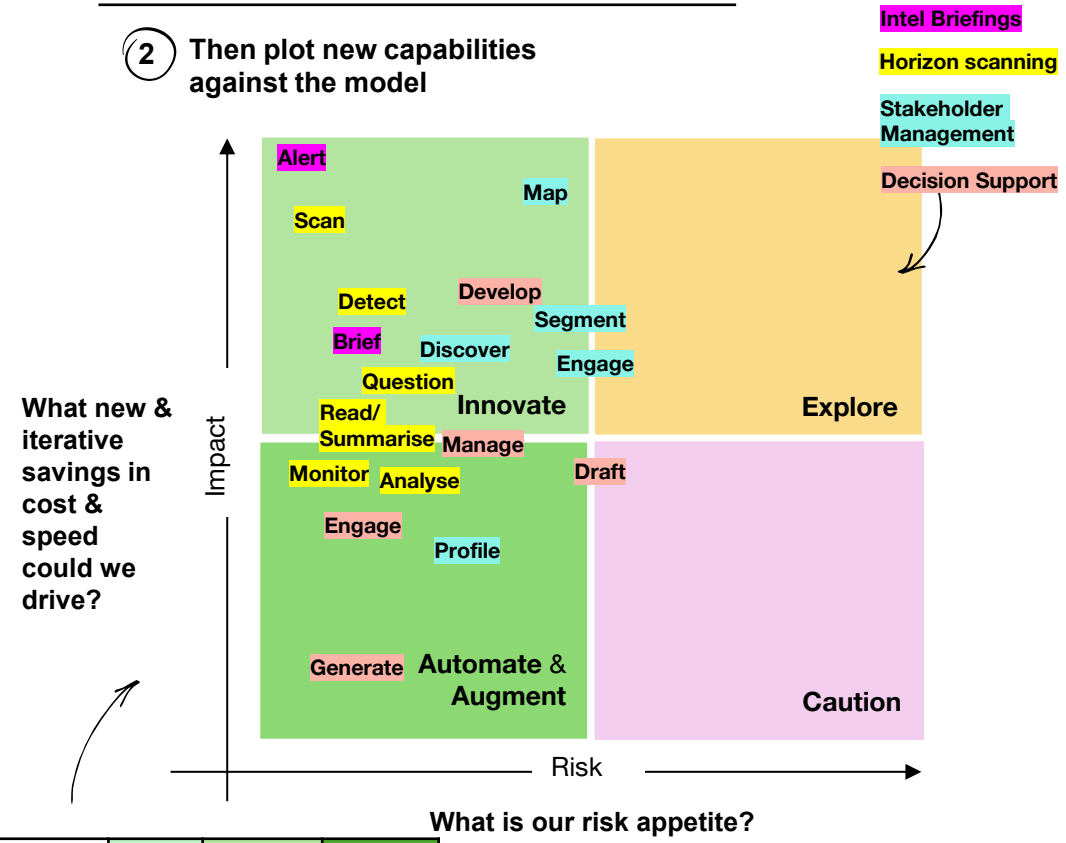
Use Case prioritisation model

1 Start with 4 discover Q's to determine where you want to play, balancing risk & reward



Illustrative mapping against Market Intelligence Use Case

2 Then plot new capabilities against the model



Illustrative Measures	Low	Medium	High
Automate (time reduction)	< 30%	30 - 70%	70%+
Augment (task optimization & improvement)	< 30%	30 - 70%	70%+
Innovate (new sources of value unlocked)	Low	Moderate	High

Step 6. Think through your success metrics

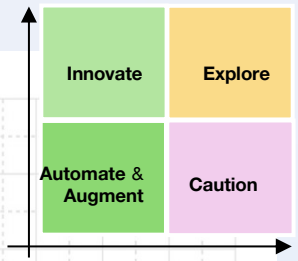
Key takeaway: Early, fast, measurable successes are key, and these can go from 'back of the envelope' to complex...

Combinations of new, integrated AI capability across a workflow can drive efficiencies in repetitive, low stakes work tasks (the Automate and Augment business case), or new, novel capabilities (an Innovate business case).

But beware the 'productivity paradox'. Time freed does not necessarily mean higher value work ...

- Production may go up, but quality may remain constant (MIT)
- Quality may go up, but accuracy may go down (HBR)
- Hallucinations (i.e. inaccurate content) may increase (Hallucination Leaderboard)
- GPTs may be used to substitute human effort rather than amplify capabilities (here)
- Effort may reduce but people may not iterate to get a better answer or result (MIT and here)
- AI may level the difference between the bottom 50% performers and your high achievers (HBR)

The big and still open Q is what do we really achieve with the time saved? Produce more? Reduce headcount? Or better, higher value human thinking and iteration?



AI Business Case Calculation

Making the AI Business Case

1 From SIMPLE 'back of the envelope' maths...

 # hours saved per person, per day x # of people on task =

Measure	Low	Medium	High
Automate (Reduction in task completion time)	< 30%	30% - 70%	70%+
Augment (% process or task is now optimized, maintaining or increasing accuracy and quality metrics	< 30%	30% - 70%	70%+
Innovate (new sources of value unlocked through better, faster insights, accuracy of predictions, response time to opportunities & threats, etc.)	minimal	moderate	significant

Use case example: stakeholder mapping

Task: Map key COP30 stakeholders in Brazil

Person cost $200 /hour * Time to complete ~ 5 mins

vs. Team workshop, prior meeting analysis, research $2,500 * Time to complete 3 hours

99% cheaper 97% faster

2 To more COMPLEX calculations...

The Business case = (E + P + CX + S) * (1 - R) – I

Where:

- **Efficiency Gains** (E) = (Time Saved + Resource Optimization) * Cost per Unit Time
- **Productivity Increase** (P) = (Output Increase + Quality Improvement) * Value per Unit Output
- **Customer Experience Improvement** (CX) = (Customer Satisfaction Increase + Retention Rate Improvement) * Customer Lifetime Value
- **Scalability Factor** (S) = (Potential Market Expansion + Operational Flexibility) * Growth Multiplier
- **Risk Factor** (R) = (Technology Risk + Implementation Risk + Adoption Risk) / 100
- **Implementation Costs** (I) = Initial Setup Costs + Ongoing Maintenance Costs + Training Costs

Step 7. Choose the best technical pathway

Key takeaway: there are 6 pathways to AI and they don't all have to be expensive or mutually exclusive.

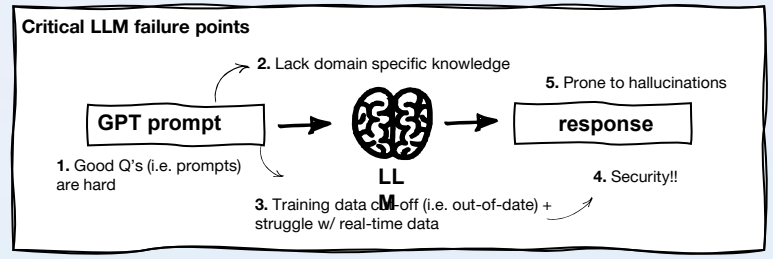
In many cases combining Generative AI (GenAI) with RAG* and other AI techniques across a workflow is emerging as a more powerful strategy to enhance accuracy, transparency, and performance while minimizing costs and data requirements.

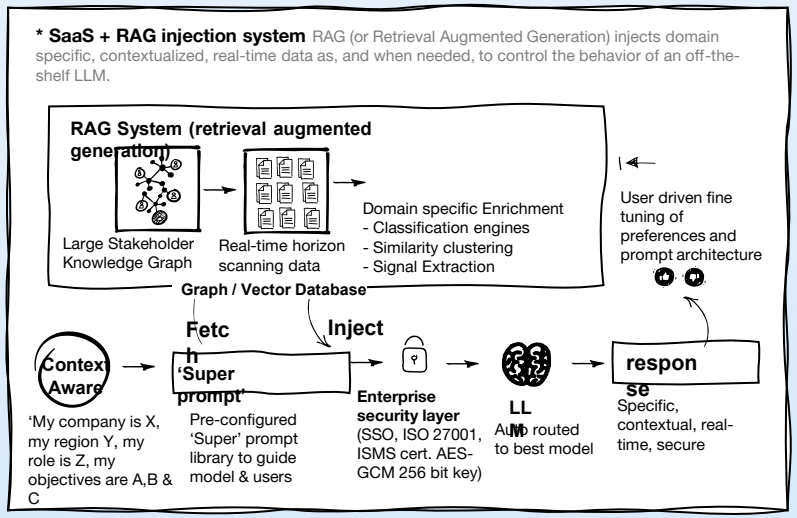
The 6 Pathways to AI and GenAI Implementation balancing speed, cost and performance

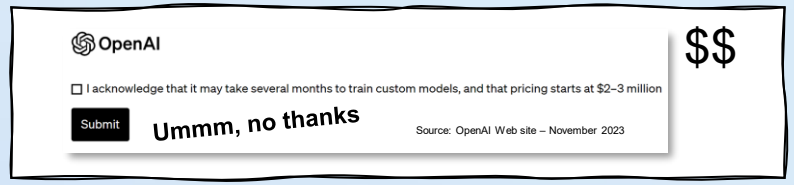
	Tech pathway	Costs	Tech talent	Proprietary data	Process adjustments	Time to market
1	**Free open-source tools like ChatGPT or Claude**	Free - $20 per user per month	None	Model used as is. No proprietary data needed	Processes remain same, but some level of education req'd for prompts, legal risk and hallucinations	Instant
2	**Experiment with existing workspace tools/ co-pilots**	May be already bundled into your licence subscription or available for a low $30-50 per user per month				
3	**Use software-as-a-service (SaaS) AI platforms with RAG injection***	Fixed-fee subscriptions for organisation or per user per month. Within the subscription data-sets and customised models should be provided	Little tech talent required except for selecting the right solution and light integration work. Vendor should offer complete customer support and success services	Model used as is. No proprietary data needed. For context aware systems (RAG) vendor should supply connections and storage of target data	Processes remain the same, but workers should systematically check model results for accuracy and appropriateness	Weeks
4	**Build software layers on model API**	Up-front investment needed to develop user interface, integrate the solution and build postprocessing layers	Software development, product management and database integration needed, requiring at least 1 data scientist, machine learning engineer, data engineer, designer and front-end developer	Model used as is. No proprietary data needed	Processes needed to enable storage prompts and results, and guardrails may be limited to limit usage for risk or cost reasons	6 months
5	**Fine-tune open-source model in-house**	Initial costs ~2x more than building on API due to increased human capital costs required for data cleaning and labelling and model fine-tuning	Experienced data science and engineering team with MLOps knowledge and resources to check or create labelled data needed	A proprietary, labelled data set is required to fine-tune the model	Process for triaging and escalating issues to humans are needed, as well as periodic assessments of model safety	Multi-QTR
6	**Train a foundational model from scratch**	Initial costs ~10-20x more than building on API due to up-front human capital and tech infrastructure costs Running costs for model maintenance and cloud computing like the above	Requires large data science and engineering team, with PhD-level knowledge of subject matter, best practice MLOps, and data and infrastructure management skills	Foundation models can be trained on large publicly available data, without long-term differentiation comes from adding owned un/labelled data	Including the above, when training on external data, thorough legal review is needed to prevent IP issues	Year+

Adapted from Source: **McKinsey & Co**. What every CEO should know about Generative AI (link)

A very simple overview







Well done, you made it!

The end goal was to help you see the big picture, focus on what matters and make smarter decisions in your AI journey. We hope it was insightful.

Live long and prosper.

Next steps:

Connect

- Email us to find out more: info@tsc.ai
- Connect to the lead author: (link)
- Get a use case briefing: bd@tsc.ai
- Request an Internal Mapping & Use Case Prioritisation Workshop with TSC experts: info@tsc.ai
- Learn more: www.tsc.ai

Access previous Playbooks

- The New Influence Playbook (link)
- WBCSD / TSC - Roadmap to ESG Leadership (link)
- The ESG Playbook (link)
- Navigating Change: The 2024 Global Event Map (link)
- Roadmap to ESG Leadership (link)

With thanks to Rodrigo Navarro (link) from ABRAMAT/FGV/Consult-Master for reviewing this work.

TSC is the global leader in AI innovation systems to map stakeholder and issues. We work with many of the largest corporations on the planet in more than 104 countries.

Genie is our 5th generation, context aware platform to enable companies to radically engage the world.