

Pt 3: AI Due Diligence - Step

Do You REALLY Need AI for This Problem?

Part 3 of 7: Learning from Prudent

Innovators



Recap: The Data Dimension

AI Adds a Critical Layer to Agile Focus (See Part 2)

- Agile needs to evolve to fully embrace Data lifecycle considerations for AI.
- But before deep diving into AI complexities, a fundamental question...



The First Question: Necessity of AI

Often Overlooked in the Rush of Hype

AI front-runners don't apply AI to every problem.

The most crucial due diligence

question: Does this problem

ACTUALLY require AI?

Or is FOMO (Fear Of Missing Out) driving decisions?



The Allure of the Hype Cycle

AI is at its Peak - Temptation to Showcase is High

It's tempting to want to use the latest, shiniest AI tech.

But are we **over-engineering solutions** that could be simpler, faster, and cheaper?



My Early AI Experience (2007)

Justified by Specific, Complex Needs

- **☼** I developed my first Artificial Neural Network app back in 2007.
- ☼ It was for a very specific, complex pattern-recognition problem where it was justified.
- Today, the pressure to "use AI" everywhere is immense, regardless of fit.



The Risk of Over-Engineering with AI

Jumping to Deep Learning Prematurely

- Too often, teams jump to complex deep learning models.
- Proposing training on

hundreds/thousands of expensive GPUs.

Sometimes even retraining

already pre-trained models - ${\bf a}$

wasteful practice.



Insights from Leaders & Colleagues

Prudence in AI Application

- Thoughts with insightful leaders confirm:
- Al isn't a magic bullet for every problem.
- Blindly retraining pre-trained models should usually be avoided.
- Favor more efficient techniques like fine-tuning or RAG.



The KISS Principle for AI

Keep It Simple, (Strategically)! A Thought Process:

- **☼** 1 Simple Math / Logic First.
- **2** Basic Statistics.
- **3** Advanced Statistics.
- ♣ 4 Machine Learning (simpler models).
- **☼** 5 THEN ONLY CONSIDER: Deep

Learning / GenAI.



Prioritize Efficient GenAI Use

APIs > Fine-tuning > RAG > Train from Scratch

- When using GenAI, the hierarchy of efficiency is often:
- Start with existing models.
- Consider fine-tuning for domain.
- Explore Retrieval-Augmented Generation (RAG).
- Training LLM from scratch is costly.



Rigorous Problem Analysis FIRST

Don't Let the Solution Define the Problem

- Thoroughly analyze the problem you're trying to solve.
- A more complex AI solution isn't inherently better.
- Often, a simpler, non-AI, or less complex AI approach is optimal.



The Cost of Unnecessary AI Complexity

Time, Money, Resources, Opportunity Cost

- Choosing complex AI solution when a simpler one would do leads to:
- **☼** Increased development time, higher infrastructure costs, need for specialized talent.
- And diverts resources from other valuable initiatives.



Strategic Questions Before AI Adoption

The Cost & Strategy Conundrum

This initial due diligence on "Do we NEED AI?" is foundational.

Next Up (Part 4): Cost & Strategy

Conundrum - Lessons from DeepSeek &

Strategic Leaders.

Stay tuned!



≡ Series: Beyond Hype (Part 3 of 7) ≡ AI Due Diligence Step 1: Do You Really Need AI?

Part 1: The Twin Revolutions

Access Part 1 PDF

Part 2: The Agile Blind Spot for AI

Access Part 2 PDF

Part 3: Do You Really Need AI? Due Diligence

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Part 4: Cost & Strategy - Lessons from Leaders

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Part 5: Structured AI Adoption - Phase 1 & 2

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Part 6: Structured AI Adoption - Phase 3 & 4

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Part 7: Expected Outcomes & Conclusion

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Navigate Agile & AI Together ⇒

How are these revolutions impacting YOU?

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Web: www.agilp.org



Examples from Microsoft, Bosch, OpenAI, DeepSeek.



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