



AI in Practice & Business Value Identification

Challenges & Risks: Case-Based Analysis

Learning Objectives

By the end of this lesson, you will be able to:

- Identify common challenges and risks in AI implementation.
- Analyze real-world AI failures to extract key lessons.
- Develop mitigation strategies to improve AI project success.

Overview

In this session we will explore major risks associated with AI adoption, including **technical, organizational, ethical, and compliance challenges**. Through real-world case studies, you will evaluate failures and develop strategies for responsible AI deployment.

Common AI Challenges & Risks

Data Issues (bias, quality, availability)
Model Failures (overfitting, explainability, generalization issues)
Ethical & Compliance Risks (privacy, fairness, security)
Operational Challenges (scalability, integration, maintenance)
User & Organizational Resistance (adoption barriers, trust in AI)

Case Study Analysis Activity

Your Task: Work through real-world AI failure cases to diagnose risks and propose solutions.

Step-by-Step Instructions

- 1** Review Your Assigned AI Failure Case (*Instructor will assign case studies*)
- 2** Analyze the Root Cause (*What went wrong? Which risk factors were involved?*)
- 3** Identify the Impact (*Business, ethical, technical consequences?*)
- 4** Develop Mitigation Strategies (*How could the failure have been prevented?*)
- 5** Present or Submit Findings (*Team presentations or written reflections*)

Real-World AI Failures for Analysis

[Case 1: Biased AI Hiring Model](#)

[Case 2: AI Chatbot Gone Rogue](#)

[Case 3: AI in Healthcare Misdiagnosis](#)

Discussion & Reflection

- What was the root cause of the AI failure in your case study?
- What best practices could have prevented it?
- How can AI governance frameworks help mitigate risks?

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