TQ Group AI Adoption - Strategic Foresight

1. First principles and posture

The concerns are real. Cost, hype, ethics and law all matter. As it grows, AI is becoming one of the major polarising forces, as evocative and divisive as debates around vaccines or politics. The short-term risks are job loss and reputational damage. Automation of work is always disruptive, and, while AI will inevitably displace certain jobs, it ultimately does more good than harm, and we adapt. The technology is powerful and getting more powerful. Our posture as business people and creatives must rise to match it.

What pain points can AI help with at TQ right now?

This is a breakdown of how AI can be integrated into different parts of the workflow, not to replace human creativity, but to augment it. The goal is to use AI for the heavy lifting, freeing up the team to focus on strategy, refinement, and high-quality finishing.

- **Speed up creation from concept to campaign and "react at the speed of culture":** Publish timely, on-brand content for socials, and in-store screens while keeping the quality bar high.

- **Segment audience more granularly:** Produce more personalised content; many on-brand variants per brief across audience 'buckets', targeted with more focus across platforms, regions, cities and languages without increasing budget or allowing scope creep.

- **Improve pitching:** Showcase numerous ideas and creative directions to clients with faster mock-ups, high quality pre-visuals, music ideas and copy/storytelling directions.

- **Strategy and Copywriting:** For strategic work, AI models can act as a powerful brainstorming partner. They can generate a wide range of campaign ideas, explore different creative angles, and even draft counter-arguments to help stress-test a concept. A human writer or strategist then curates, edits, and refines these outputs into a single, polished voice that aligns with the brand.
- **Design and Image Creation:** In the early stages of visual development, AI tools can rapidly produce mock-ups and conceptual images. This process, known as "look development," is significantly compressed, allowing teams to explore more visual directions in less time. The final polish, detailed adjustments, and critical design decisions remain in the hands of human designers to ensure the final product meets quality standards.
- **Automated Quality Control:** Before a project is delivered, AI-powered tools can perform automated checks to catch errors. This can include verifying that all assets adhere to the client's brand guidelines or confirming that files are in the correct technical format, reducing the chance of human error before handover.

The net effect of this hybrid approach is that project timelines can be shortened, and the cost per asset can be reduced. It allows for a wider range of creative options to be explored at the start of a project, leading to clearer and more confident decisions on which concepts to move forward with.

Navigating the Legal and Ethical Grey Area & Building a Framework for Accountability

To use AI responsibly, we need a clear and accountable system that governs how these tools are used in TQ Group’s work. This framework is built on practical steps that ensure transparency, quality control, and legal diligence.

The legal framework for generative AI is still under construction, creating a significant grey area for businesses. It's currently an open question, being debated in high-profile lawsuits like The New York Times vs. OpenAI, whether the common practice of "scraping" public web data for training amounts to theft, or if a model's "inference" (the act of generating new content) could be considered a form of plagiarism. It is likely these methods will eventually be recognised as legitimate “fair use” in some form, even if it forces a broader societal rethink of intellectual property and labour laws.

In this uncertain landscape, some models are marketed as having a better legal and ethical standing than others. For example, Adobe claims its Firefly model is commercially safe because it was trained on their licensed stock library, whereas other tools, like the music generator Suno, have faced controversy regarding their training data. It's also important to recognise that some of these claims are themselves a form of marketing.

Given this legal uncertainty, the best practice is to proceed with caution. Eevery project must have clearly defined points for human oversight. This means establishing who is responsible for signing off on AI-assisted work and creating a straightforward process for escalating any issues that may arise. A person, not a machine, always has the final say, and final accountability.

A prime example of this is **localisation with cultural nuance**. While AI can be a useful starting point for translating content for diverse South African audiences, it cannot grasp the subtleties of culture and context. To ensure the final message is sensitive and lands correctly, a **human expert with local knowledge must review and adapt the content**, particularly for languages that are under-represented in AI model training data, like isiXhosa, isiZulu, and Afrikaans.

To ensure security and compliance, TQ Group should keep an official register of approved AI tools. Before any tool is used on client projects, it must be vetted and approved from a legal perspective. This allows us to manage risk and ensure the tools we use align with current exacting standards and those of TQ Group’s clients.

Each project, deliverable or campaign can also have a detailed log for AI involvement. This record will include the specific prompts used, the AI model and its version, and the licensing information for the final output. This creates a reliable audit trail, allowing us to trace the origins of any asset. These logs and records can also serve as a learning resource that helps institutionalise the knowledge and skills around using AI for creative work.

Finally, transparency with clients is essential. TQ Group should publish a plain-English **AI policy** that clearly explains the company’s AI approach. This can be a living document, as the policy will no doubt evolve significantly over time, given the dynamic nature of the AI space. It will outline where AI is used, and, where it is not used, ensuring clients are kept in the loop regarding the agency’s creative process. This is a practical, proactive step to build trust and manage risks while embracing the power of AI.

Quality over quantity mindset

In the current South African market, the biggest immediate risk with using AI is reputational rather than legal. Some brands may be damaging their own brands by using bad AI carelessly. But this is no different to traditional advertising where a low-quality ad can actively do reputational harm, therefore accruing a negative ROI.

A common mistake businesses are making with AI in recent years is using it simply to produce more content, faster. Strategic advantage comes from using this technology to scale quality, not just quantity. This means actively avoiding the low-effort, generic work (“AI slop”).

Here, It's useful to zoom in and consider a single customer journey, starting with the person scrolling through their phone on a lazy evening. Low-effort, generic AI content doesn't just get ignored; it actively irritates you. In contrast, AI that makes you *laugh* or even just *feel* something - through clever, funny, or genuinely beautiful visual storytelling - earns a brand the right kind of attention.

For certain kinds of content an AI-usage disclosure may be important, but it is not generally a legal requirement in the current landscape. When it comes to disclosure, the best case scenario is that the work should speak for itself. The goal is for TQ Group’s use of AI to be obvious for the *right* reasons. An audience should look at the final product, chuckle quietly to themselves with a begrudging respect and think, "Wow! That's incredibly imaginative," or, "That would have been impossible on a traditional budget - smart use of AI!" - not because it looks cheap or has the tell-tale signs of generic AI. If a brand can achieve high-quality AI content the resulting subtext is “Brand X uses AI, and they use it *well!*”.

Managing the Human Element: People and Governance

Successfully adopting AI is as much a **cultural challenge** as it is a technical one. Research shows a significant trust gap often exists between C-suite leadership and their teams regarding AI. While most leaders believe their company has a clear and successful AI strategy, many employees remain unaware of it, leading to scepticism and fear that the technology will diminish their value. A common pitfall is this disconnect that can grow between an executive vision and the team's daily concerns about new workflows and job security, often made worse by a lack of hands-on training.

The most effective way to close this gap is through practical, hands-on engagement. This means running **pilot projects** on real work, and offering shared **training sessions**. The guiding principle is: use AI to **empower teams to do more ambitious work**, not simply as a justification for making cuts.

2. AI adoption scenarios: low, medium, and high

The world of AI is moving so quickly that there are no settled "best practices" to follow. Because the technology and the market are still in flux, the right approach isn't a one-size-fits-all solution but a series of strategic choices that every company must navigate.

Instead of prescribing a single path, this section lays out three potential scenarios: **low**, **medium**, and **high** adoption of AI. For each one, we will look at its potential impact on the market and outline clear strategies for building trust with both clients and internal teams.

High AI Adoption Scenario

- **What the World Looks Like**
  - State-of-the-art AI is cheap, ubiquitous, and accessible to everyone. Powerful AI "agents" can reliably execute complex creative briefs (video, design, copy) from a simple prompt. The internet is saturated with high-quality synthetic content, making attention incredibly scarce.
- **What the Market for Creative Agencies Looks Like**
  - **The cost to produce creative assets effectively drops to zero.** The traditional agency business model - charging for the time and labour to create these assets - is fundamentally broken. Clients can generate endless variations of high-quality creative in-house, instantly. The value of pure execution and production is gone.
- **What TQ Group Should Do in this Scenario**
  - **Sell Strategy & Taste:** The core products become the un-promptable campaign idea, the high-level brand strategy, and the impeccable taste to curate and guide the AI.
  - **Sell Proprietary Systems:** Develop and sell access to fine-tuned models, unique workflows, or data sets that produce results no one else can.

Medium AI Adoption Scenario (most likely)

- **What the World Looks Like**
  - AI tools are powerful but flawed. As is currently the case, they will need a skilled human operator (an "AI Director") to produce great work and avoid costly mistakes.
- **What the Market for Creative Agencies Looks Like**
  - Most agencies will land on an AI-first or "Hybrid workflow" posture and try to harness the potential of AI-augmented workflows. Pricing is chaotic as clients expect savings, while agencies must invest in new tools and training.
- **What TQ Group Should Do in this Scenario**
  - **Productise workflows.** Create standardised, AI-assisted service packages for specific tasks (e.g., social media content creation) with clear, value-based pricing.
  - **Become the best Hybrid Agency in the market.** Invest heavily in training the team to become expert "AI Directors."
  - **Develop a strong point of view on quality.** Use AI to scale *imagination*, not just volume, and use this as a key differentiator.
  - **Educate clients.** Take on the role of the trusted guide who can navigate the shift to AI-augmented content, taking clients along on the AI journey, and helping them leverage the power of AI while avoiding the risks.

Low AI Adoption Scenario (unlikely)

- **What the World Looks Like**
  - AI's progress is slowed by major roadblocks - perhaps high energy costs, restrictive government regulation, or damning legal rulings on data privacy. The initial hype deflates, and AI is seen as a useful niche tool for specific tasks rather than a full-blown revolution. Public sentiment converges on a broadly anti-AI stance.
- **What the Market for Creative Agencies Looks Like**
  - The industry changes very little on the surface. Most agencies operate traditionally. However, a few savvy agencies gain a significant competitive edge by using AI internally to make their human-led creative process much faster and more profitable. "Human-Made" becomes a powerful marketing claim, similar to "Artisanal" or "Organic."
- **What TQ Group Should Do in this Scenario**
  - **Focus on strategic AI, only where the value-add is clear.** Use AI tools to accelerate internal processes like research, project management, brainstorming internally, while the bulk of creative work is largely done in traditional ways.
  - **Double down on human strengths.** In this case, any hopes that AI could ever assist with deep client relationships; nuanced cultural understanding; and complex, emotional storytelling will be dashed. These qualities will remain strong differentiators and success indicators.

3. Economic and Market Vectors to Watch

To navigate the future, we must understand the major forces shaping it. These are the key economic, social, and technical vectors that will determine the speed and direction of AI's impact on the industry.

The Macro-Economic Engine of AI

A global economic shift is underway. A staggering amount of investment is pouring into the infrastructure that powers AI, with an ever-increasing share of the world's new data centres and electricity consumption being dedicated to these systems. This massive injection of capital, combined with relentless algorithmic improvements that act as a successor to Moore's Law, is creating a powerful **innovation flywheel**. This feedback loop between investment, compute power, and smarter models could lead to an exponential acceleration—or "take off"—in AI capabilities. The business models of the major AI labs will be a critical factor to monitor, as their strategies will dictate the cost and accessibility of this power.

The Shifting 'Overton Window' of AI Acceptance

While we expect the use of AI in creative work to become more socially sanctioned over time, a good strategy cannot be based on hope alone. One must take an **evidence-based approach**. This means actively tracking the normalisation of AI not through anecdotes, but by monitoring concrete signals like the language used in **client briefs**, the requirements listed in **procurement documents**, and the changing terms of service on major digital platforms. These data points will tell us how quickly and in what ways AI is truly becoming acceptable.

The Next Evolution of the Web: From Search to Agents

The fundamental way people find information is changing. The web is evolving from a library of pages you search (SEO) to a series of "AI surfaces" that give you direct answers (AEO). This has created a massive market gap for **Answer Engine Optimisation** solutions and, looking further, for a more **agent-friendly web**.

Currently, there is a fundamental friction: AI agents run on code, but the web is built for human eyes and language. Agents must constantly parse visual information and translate human language into machine-readable tokens and back again. The next great systemic innovation will likely be a new layer of the web that bypasses this inefficient loop, allowing agents to interact with data and services more directly. This brings us to the rise of agentic workflows.

The Agentic Web and Its New Plumbing (MCP)

To prepare for this future, we must plan for "agentic workflows," where autonomous AI programs can coordinate complex tasks using a range of tools and data. The key enabling technology for this is the **MCP (Model Context Protocol) Server**.

To put it simply: **if APIs were the connective tissue for the old web, Model Context Protocol is the emerging nervous system for the new agentic web.** It acts as a universal adapter, a standardised way for any AI agent to discover and use external tools, data, and services without needing custom integrations for each one. An MCP server provides a "toolbelt" that allows an agent to move beyond just answering questions and start performing real-world actions, unlocking the potential for reliable and scalable automated pipelines.

A Counter-Force: The Rise of Data Moats

While one vision is of an open, agentic web, a powerful counter-trend is emerging that fundamentally changes the legal and ethical landscape. A landmark example is **Cloudflare's "Independence Day"** on July 1, 2025.

In a foundational shift, Cloudflare reversed its default setting to **block AI crawlers**, making web content inaccessible to AI models unless explicit permission is granted by the site owner. As detailed in their announcement, this move is designed to create a new marketplace where AI companies must compensate creators for the data used to train and operate their systems, a model they call **"Pay Per Crawl."**

This signifies a major move towards a more permission-based internet. Companies are increasingly building **"data moats"** to protect their intellectual property. Some analysts posit that as the "common crawlable web" shrinks, the quality and diversity of future AI models would suffer, although we've seen no sign of model advancement slowing down thus far.