The AI Lab Readiness Framework

Where AI creates value for you, and what has to be true before you build it.

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Why this framework exists

Most AI readiness scores tell you a number and stop. A number does not tell you whether your data is legally usable for the use case you actually want to build, whether your review process can catch a convincing-but-wrong answer, whether your Australian Privacy Act 2024 obligations are covered, or whether the value pool you are chasing is worth the effort.

The AI Lab Readiness Framework replaces the score with a **documented decision**: for each proposed AI use case, what evidence has been inspected, what gaps have owners and dates, and which value pool the effort maps to. It combines a McKinsey-style strategic layer (where to play, three horizons, portfolio prioritisation, business case) with an evidence-based use-case checklist (data, integration, evaluation, operation) informed by the NIST AI RMF and grounded in Australian regulatory reality.

The framework

Two layers. Layer 1 answers "should we?" Layer 2 answers "can we?". Both are required before a pilot moves to production.

LAYER 1 · STRATEGIC READINESS (organisation-wide, McKinsey-style)

DIMENSION	THE QUESTION IT ANSWERS
1 Strategy & value pools	Where does AI create the most value for this specific business? Which 5-10 use cases sit in the priority quadrant of high value + high feasibility? What is the estimated dollar impact of each?
2 Data & technology foundations	Is the data legally usable, technically accessible and of sufficient quality for the priority use cases? What foundational investment is genuinely required vs. what can be justified per use case?
3 Talent & operating model	Build, buy or partner? Central AI team, distributed guilds, or vendor-led? Where are the capability gaps and how are they closed?
4 Governance & risk (AU)	Privacy Act 1988 (Cth) + Privacy and Other Legislation Amendment Act 2024, sector overlays (APRA CPS 234 / CPS 230 for FS, IRAP for gov, ISO 42001 emerging), Australian Consumer Law, model-training terms, cross-border processing disclosure.
5 Adoption & value capture	How do pilots become production? How is value measured and captured? What is the operating rhythm from pilot to portfolio review?

LAYER 2 · USE-CASE READINESS (per use case, evidence-based)

EVIDENCE AREA	WHAT WE INSPECT (not what people say - what the records show)
Workflow + baseline	Process description, sample cases, current quality and time records, exception handling. Is the problem defined precisely enough to measure improvement?
Data + permission	Sample inputs, source owners, quality checks, access approvals, permitted uses, cross-border processing consents. Can the system use the required information legally?
System integration + security	Proposed data flow, permissions, interface tests, vendor configuration, tenancy model. Can it perform the bounded task without unintended access or actions?
People + accountability	Named process owner, users' task knowledge, review responsibilities, escalation route. Can people operate it, challenge outputs and make the release decision?
Evaluation + acceptance	Representative cases, expected outcomes, failure categories, acceptance criteria, test records. Can the team tell an acceptable result from a convincing-but-wrong one?
Operation + exit	Monitoring plan, support ownership, running-cost estimate, fallback, shutdown procedure. Can the organisation sustain the use case and stop it when necessary?

Three horizons

The framework maps every prioritised use case to one of three horizons. This prevents the two most common failure modes: "we only ever run pilots" (all Horizon 1, nothing ever scales) and "we bought a platform and are still waiting for the value" (all Horizon 3, no proof anything works).

HORIZON	WINDOW	FOCUS	MEASURE OF SUCCESS
H1 · Foundation pilots	0-3 months	2-3 bounded, low-risk use cases that reduce a documented pain point (drafting, extraction, triage). Human-in-the-loop by default. Evidence-based acceptance.	Time or quality gain measured against baseline; decision to scale, revise or stop.
H2 · Scale + hardening	3-9 months	Successful H1 pilots hardened for production: security, monitoring, tenancy, cost controls, compliance evidence pack. Second wave of 3-5 use cases launched off the same foundation.	Portfolio in production; measurable value captured; reusable patterns documented.
H3 · Enterprise capability	9-18+ months	Platform, guilds, portfolio governance, reusable components (auth, RAG, evaluation harness, monitoring). Standing operating rhythm across business units.	AI adoption is a repeatable programme, not a project. Business owns it; AI Lab hands over.

How this differs

	BIG 4 / TIER-1 CONSULTING	BOUTIQUE ADVISORY (EVIDENCE-ONLY)	AI LAB READINESS FRAMEWORK
Strategic layer	Yes (value pools, horizons)	Usually no	**Yes (dimension 1 + horizons)**
Use-case evidence	Often thin - deck-driven	Yes (their strength)	**Yes (Layer 2)**
AU regulatory overlay	Explicit	Sometimes	**Explicit (Privacy Act 2024, APRA, IRAP, ISO 42001)**
Cost	$150K-$500K+	$15-40K	**$6.5K-$28K**
Builds vs. only advises	Rarely builds	Never builds	**Also builds (Horizon 1 pilots at fixed fee)**
Duration	3-6 months	3-4 weeks	**2-7 weeks (tier-dependent)**

Delivery process

STAGE	ACTIVITY	DELIVERABLE
1 Scope + inputs	Executive briefing (60 min). Confirm scope, sponsor, decision needed. Access to org chart, tech landscape, sample data flows. Nominate 5-10 candidate use cases.	*Signed scope note.*
2 Strategic scan (Layer 1)	Value-pool mapping against your P&L. Portfolio prioritisation on the value/feasibility grid. Governance + risk register against Privacy Act 2024, sector overlays. Operating model gap read.	*Strategic readiness heatmap + 2x2 use-case portfolio.*
3 Evidence checks (Layer 2)	Per prioritised use case: inspect data samples, permissions, integration paths, review workflows, acceptance criteria and monitoring plans. Distinguish evidence inspected from information reported.	*Use-case decision records + gap list with owners.*
4 Business case + roadmap	Estimated dollar impact per use case (upper + lower bound + assumptions). H1-H3 sequencing with dependencies. Buy-vs-build for foundational components.	*Business case pack + Horizon 1-3 roadmap.*
5 Executive readout	90-minute readout to sponsor + leadership. Decisions recorded live. 30-day review checkpoint scheduled.	*Decision record + next-step brief.*