Make two critical decisions about Artificial Intelligence

Today we are launching our new series of Strategy Tips. Every month we will share one simple tip about strategy and management. Each Tip combines state-of-the-art academic thinking with dozens of years of personal, hands-on strategy experience.

In Tip #1 we want to cut through– what else – the AI hype. If you're a business leader right now, you're will have to make **two critical decisions** about AI:

1. Make or Buy?
2. Move or Wait?

Before diving into either decision, ask yourself: Is my business primarily digital ("bits") or physical ("atoms")? This fundamentally shapes your AI approach. Bits businesses (finance, e-commerce, software) can typically move faster and benefit more from custom AI solutions. Atoms businesses (manufacturing, healthcare, energy) usually need a more measured approach.

Decision 1: Make or Buy?

Developing a large part of AI yourself ("Make") offers greater control and customization. This is critical if AI enhances the capabilities – your proprietary assets, data, knowledge or relations – that drive your **competitive advantage**. For example, amazon or bol.com offer superior shopping experiences based on massive client data. They wouldn't like to depend on third parties for this. If you are a Bits company, you are likely to be part of this group.

On the other hand, leveraging off-the-shelf AI solutions ("Buy") can accelerate time to value and reduce complexity. This approach is well-suited for businesses that require general-purpose AI applications or lack the internal expertise to build capabilities from scratch. For them AI is a **table stake**: it is something they need, but it won't allow them to win. Many atoms business will fall into this category. AI won't make better steel, but it can improve the process to make steel.

Decision 2: Move or Wait?

Ok, but with AI constantly evolving, how can you make sure you are not betting on the wrong **technology**? Our advice is to move now if your industry is already seeing AI disruption, you have strong technical capabilities and you can tolerate some missteps. And wait if your industry moves slower, you need more technical foundation and you face heavy regulations.

Regardless of these choices, everybody should start with these **no-regret moves**. You should always clean up your data before any AI work. It might feel slow, but your first AI project will delivered results much faster. You should also build AI literacy: your entire leadership team needs to understand AI basics. Not the technology, but the business implications. And finally start small and learn fast. Start with one AI use case in one location. You will learn more in eight weeks than in a year of planning.

The Bottom Line

The winners in AI won't be those who make perfect decisions, but those who make good decisions quickly and learn from them. Your next moves:

- Identify your business DNA (bits or atoms)
- Choose your capability strategy (make/buy)
- Set your timing (now/wait)
- Start your no-regret moves today

Let's engage

We help business leaders navigate corporate and AI strategy. What challenges are you facing with AI strategy? Share your thoughts in the comments.