

# Evaluating the Social Impact of Your AI Strategy

As the wonders and perils of artificial intelligence begin to permeate our lives, Luciano Oviedo, Founder and CEO of tech start-up Tempugo WAITX, and Professor Sotirios Paroutis of Warwick Business School share the why, what, and how of their Social Impact Strategy Analysis (SISA) strategy tool – a flexible tool for emerging technology innovators and users to investigate social impact at a number of levels, from individual communities to the society.

**Related research:**

*Knight, E., Daymond, J. and Paroutis, S. (2020) "Design-led strategy: how to bring design thinking into the art of strategic management", California Management Review. Oviedo, L.C., Paroutis, S. and Smith, M.A. (2020) "So, you think you have an AI strategy? Think again", Industrial Internet Consortium paper.*



*An alliance with a purpose*

# THE 3 Ps IN A CoBS POD



## PERCEIVE

with a set of key takeaways



## PROJECT

with food for thought: on yourself, your organisation and the wider context



## PERFORM

by putting it all into practice using action tips

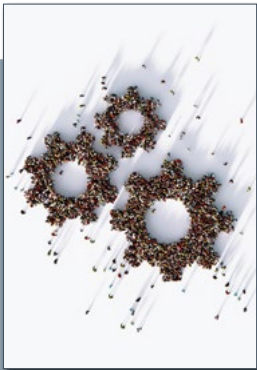




## ● PERCEIVE

with a set of key takeaways

- Digitally-enabled technologies are double-edged: they create significant challenges for business and society, as well as provide unprecedented opportunities for growth and prosperity.
- There are several reasons for organisations to integrate a social impact assessment for technologies: to fulfil a corporate duty to make a positive impact on society, to tie them in with corporate purpose and a social contract, to respond to consumer demands for greater ethical and social responsibility, and to mitigate risk.
- The issue for many organisations is a glaring gap in their strategy toolkit, limiting their ability to make social impact evaluation a proactive part of operations, and the creation and development of products and services.
- The Social Impact Strategy Analysis (SISA) strategy tool developed by the authors can be used to evaluate plausible systemic risks and benefits associated with AI technologies and related products and services, across a range of social factors such as environment, energy, and 'society' (ethics, economics, gender, culture, and language).
- The SISA approach is an open and participative process designed to incorporate a range of stakeholder perspectives, including those of affected communities and citizens, before the deployment of an innovative technology-enabled product or service.
- The SISA strategy exercise follows three stages: the initial setup; understanding the value ecosystem; and the social impact factor analysis.
- The four steps in the initial set-up – participation, prioritisation, use case and content – cover the selection of participants, deciding on and prioritising the social factors to be analysed, clarifying and describing the use case, and gathering factor and use case related information to be used during the later stages.
- The second stage establishes the platform landscape and the organisation's position within it – present and future. And the last stage analyses the interaction between technology and selected social factors.
- Adopting an open, design thinking approach to strategy development is a fundamental part of the SISA methodology. Rather than having small group, closed, top-down decision-making, the aim is to design an open middle-out, bottom-up process.
- One of the main benefits to this approach, besides accessing specialist knowledge and insight, is the potential for creating buy-in for a proposed strategy while, at the same time, identifying blind spots, pitfalls and maximising risk mitigation.



Read the full article on  
<https://cobsinsights.org/2021/04/27/how-to-assess-the-social-impact-of-your-ai-strategy/>



## PROJECT with food for thought

- What are the benefits and detriments of your technology to the community/society? What is your vision to make technology more beneficial and less detrimental to society?
- What are your organisation's reasons for integrating a social impact assessment for the technologies it develops? What are some of the challenges you might face with the assessment approach?
- Who would be the potential stakeholders involved in creating a social impact assessment strategy for your organisation? Is it only the members of the executive positions or is it a range of stakeholders from the technology's ecosystem – from the frontline and mid-level staff to suppliers, customers, regulators, and government agencies?
- What purpose does stakeholder participation serve in the process? What would be the pros and cons of adopting either a traditional, closed, top-down decision-making approach, or an open, collaborative and transparent bottom-up process?

*Thoughts*

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# ● PERFORM

by putting it all into practice

## CHECKLIST

### STAGE 1: INITIAL SET-UP

- Determine who will contribute towards participating in the analysis. Start off with internal and individual participants, then scale up to external stakeholders to collaborate in groups.
- Decide on and prioritise the social factors to be analysed. Up to eight social factors can be considered, including, but not limited to: 1) Environment; 2) Energy; 3) Society; 4) Health; 5) Education; 6) Economics; 7) Government; 8) Infrastructure. Select factors which provoke exploration of two-way, rather than one-way dynamics. That means, choose factors that allow for a discussion about the dynamic interaction and interplay between the technology and factors (rather than just the one-way impact of technology on the factors).
- Identify which metrics – quantitative and qualitative – you want your organisation to use to measure social impact?
- Clarify and describe the use case. Develop the right level of specificity in the use case and the factors. For example, if seeking a detailed understanding on the impact of an AI feature, then construct a use case description that compares and contrasts across features or feature-sets. On the other hand, if attempting to understand the impact of an AI technology portfolio, then create a use case description that compares and contrasts across portfolios.
- Gather information – for instance, publicly available content – on the use case and social factors.

### STAGE 2: UNDERSTANDING THE VALUE ECOSYSTEM

- Contextualise “where we are” by mapping out the existing platform ecosystem landscape for the specific technology.
- Address “where we can go next” by exploring the likely evolutions of that landscape.
- Fathom “why we should go there” by identifying potential benefits and opportunities available in that future landscape.

### STAGE 3: SOCIAL IMPACT FACTOR ANALYSIS

- Analyse the interaction between technology and the selected social factors.
- Summarise the aggregate results of the SISA exercise using a risks/benefits scorecard covering all the factors.
- Use the results and insights internally as filters in market and technology scanning activities or contribute towards go/no-go decisions on technology investments.
- Share the methods and results externally with customers, partners or suppliers to address topics such as reusability, disposability and recyclability.



# Getting involved


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