

Armstrat methodology

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The AI Readiness Model

Armstrat

Business Transformation Office (BTO™)

What this booklet is for

A way for founders, owners and CEOs to decide whether AI can pay back in their business now, and what to fix first if it cannot.

This is version 4 of the model behind the Armstrat AI Readiness Assessment. It scores six areas, each with three sub-skills, and names the weakest one, because the weakest area usually decides whether an AI project reaches daily use.

Use it with your leadership team before you fund an AI project, or after a pilot stalls and nobody can say why. The checklist on pages 7 to 9 is the practical core; the worksheet at the back is for your own answers.

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The question this model answers

Not whether AI works. Whether it can work here, now, on this piece of work.

Readiness asks whether AI can pay back yet. Maturity asks how far along you already are. Start with readiness if AI is not yet part of daily work.

Most AI projects that stall do not fail on the model. They fail because nobody owns the result, the data needs fixing by hand, there is no review before output reaches a customer, or the pilot never had a target.

The model looks at those foundations directly. It asks what is true about your business today, in plain states rather than agree or disagree, so two people answering for the same business should land close to each other.

The output is a score for each area, an overall score, and the one area to fix first. Sometimes the honest answer is not yet.

The weakest area decides. A strong strategy cannot carry data nobody trusts.

The six areas

Four questions per area, eighteen sub-skills in all.

1	**Strategy and ambition**	AI is sized to the business in money and time, and a named senior person owns the result. Sub-skills: vision, sponsorship, investment and metrics.
2	**Risk and sign-off**	AI is reviewed before it ships and watched once it runs. Sub-skills: pre-build review, third-party model use, monitoring and escalation.
3	**Data foundation**	The data AI needs is accurate, current and within reach. Sub-skills: quality and lineage, pipelines and freshness, access and contracts.
4	**Tools and platform**	Your team can take a model from idea to daily use quickly. Sub-skills: build velocity, deployment maturity, tool consolidation.
5	**People and ownership**	Each AI project has a named owner and people who have shipped software before. Sub-skills: named owners, production AI experience, cross-team accountability.
6	**Real use, real value**	What has been built is used, and moves a number that matters. Sub-skills: production reach, target metrics, tracked impact.

How answers are scored

Fixed rules from your answers. No AI is involved in the score.

Step	Rule
Each answer	Four options, each a concrete state of the business. The lowest scores 1, the highest 4.
Each area	The share of the area's maximum it reaches, from 0 to 100. One sub-skill per area carries two questions.
Overall	The average of the six area scores. Because every answer scores at least 1, the lowest possible score is 25.
Benchmark	Each score sits next to the median for your sector and company size, with a percentile. The benchmark is modelled today and is replaced by real, anonymised results as they come in.

Example question, strategy: Where does AI sit in your formal strategy today? From 1, nowhere on paper, to 4, each business unit owns AI bets that ladder to a board-level objective.

Score bands

The overall score falls into one of four bands. The spread between areas matters more than the total.

Band	Score	What it means
Leading	76 to 100	Strong across the six areas. AI work can move to production with normal care.
Advancing	51 to 75	Most foundations are in place. The weakest area decides what to fix before the next project.
Developing	26 to 50	At least one area would stop an AI project from reaching daily use.
Emerging	25	The foundations are missing. Only possible with the lowest answer on every question.

A business at 64 with one area at 41 has a clear first job. A business at 64 with every area near 64 has a different one.

The readiness checklist, part 1

Eighteen things to have in place before you fund an AI project. Tick what is true today.

Area	Have in place	Yes or no
Strategy	One business number AI should move this year, written down	
Strategy	One senior person who owns that result, by name	
Strategy	A budget and a date for judging whether it worked	
Risk	A review step before AI output reaches a customer or contract	
Risk	A list of the AI tools your team already uses, and the data going into them	
Risk	Someone who can stop an AI tool the same day if it goes wrong	

The readiness checklist, part 2

Six more. Answer for the business as it is, not as it will be after the next hire.

Area	Have in place	Yes or no
Data	Data for the project that people trust without fixing it by hand	
Data	Access to that data in hours, not weeks	
Data	A named person who knows where the data comes from	
Tools	The work runs in software other tools can connect to	
Tools	A way to put a new tool in front of users within weeks	
Tools	Fewer tools doing the same job, not more	

The readiness checklist, part 3

15 or more yes answers out of 18: ready for a first project. Fewer than 9: not yet.

Area	Have in place	Yes or no
People	A named owner for each AI project, from the business side	
People	Someone who has put software or automation into daily use before	
People	Agreement on who decides when two teams disagree	
Real use	The work you want AI to do, written down step by step	
Real use	A target number agreed before any build starts	
Real use	A habit of stopping pilots that do not move their number	

Count the no answers by area. Fix the area with the most first.

A worked example

The sample report: an illustrative manufacturing company of 214 people.

Situation

Eleven AI pilots running, none owned by the business side. Leadership was keen, engineering was busy, and nothing had reached daily use.

What the score showed

Overall 64 out of 100, Advancing. Data foundation scored 84, the strongest area.

People and ownership scored 41, the weakest: no named business owner for any pilot.

Start here

Cut the active pilot list in half and name a business owner for each project that stays. No new AI spend until each survivor has an owner and a target number.

The full sample report is at armstrat.com/ai-readiness-assessment/sample-report.

Do not use this model when

It is a structured first opinion, not an audit.

You need an audit

It measures what you report. It does not inspect your data, code or models.

You want to compare vendors

It scores your business, not the tools you might buy.

The decision is already made

Answering to justify a plan defeats the point. Answer for the business as it is today.

There is no operation yet

A business without running processes has nothing for AI to improve. Build the operation first.

Your readiness check

Fill this in with your leadership team. Disagreement is useful: it shows where people see the business differently.

The business number AI should move this year

Owner, by name

Yes answers by area: strategy, risk, data, tools, people, real use

The weakest area, and why

The one thing to fix first, owner and date

Date to check again

For a scored version of the same six areas, take the assessment at armstrat.com/ai-readiness-assessment.

About Armstrat

A Business Transformation Office (BTO™) for founders, owners and CEOs in any industry.

Our forward-deployed engineers (FDEs) work inside your business, judged by the outcomes agreed at the start. We help with AI when it will pay back, and we say not yet when it will not.

Where we help

Deciding which AI projects are worth doing

Fixing the data, ownership and review steps first

Taking one project from pilot into daily use

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