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ERM and Governance Excellence with AI-assisted Tools (Part 2)

Setting Goals

Source: JFU | PONDARA AI Digital Tools

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You have crafted a precise operational context from the first exploration¹ to which we invited you to join. With this, you can now proceed to focus on operational objectives that will enable you to expand on target risks. By formulating and executing actions (strategies), you can accomplish what matters to your roles and duties.

Goals that fulfil value change

Exhibit 1 in our previous article highlights growth as a shared goal within an organization, cascading down the various functional levels and forming operational objectives. These operational objectives must be customized and synchronized with the factors that drive value changes, subject to periodic adjustments in response to changing conditions and circumstances.

Consequently, two sets of prerequisites necessitate your attention when establishing goals to accomplish your mission: firstly, your roles and operational context; and secondly, the emergence of unforeseen events or the non-realization of anticipated events, prompting changes in circumstances.

¹ See last article - [ERM and Operational Excellence with AI-assisted Tools \(Part 1\)](#)

Let us deal with the first set.

Your goals and operational objectives define what you must achieve to fulfil your roles and responsibilities. For instance, as a sales manager, you are responsible for the regional operation's top line; as the head of a business unit, for the unit's yearly operating profit; as a regional head, your focus is on the region's 5-year return on investment; and as an executive director of the board, your concern lies in the firm's change in long-term shareholders' value over a period of certain years.

These goals are rooted in value. However, establishing such goals and the associated operational objectives is a complex endeavour. It demands good strategic orientation, analytical prowess, and operational excellence to effectively navigate competition and overcome constraints like limited resources. Your AI business assistant is equipped to help formulate objectives and enhance them with justifications for your consideration.

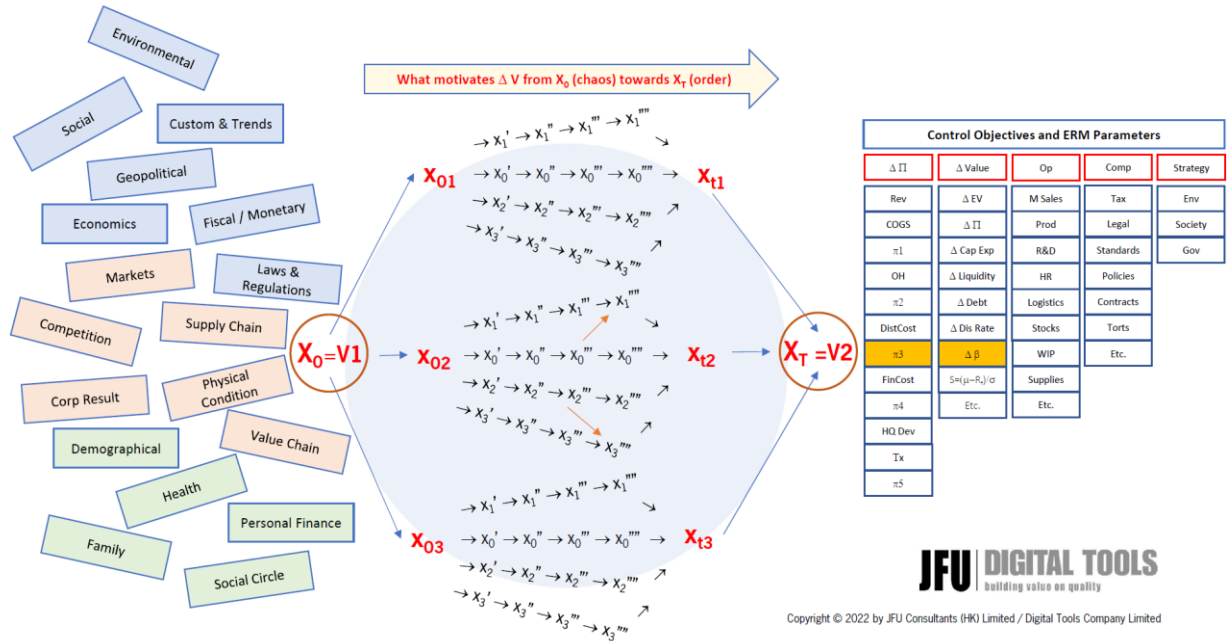
However, we must emphasize that it is not advisable to blindly adhere to the AI's recommendations. On the contrary, you should guide the AI with thoughtfully curated instructions so that it generates content that aligns with your needs and is relevant for fulfilling your duties and responsibilities. Do not forget that you are the decision-maker while the AI's function is to enhance human intelligence, creativity, and analytical capability. The age-old maxim of computer science still holds true: garbage in, garbage out.

A conceptual guide

The diagram below (Exhibit 2) conceptualizes certain business leaders or managers in different roles responsible for making value changes (from V_1 to V_2) by achieving certain objectives (X), such as reaching a planned level of profits (π_3) or achieving a favourable risk profile (β).

This demands the manager both generate and evaluate options, set goals, formulate action steps (x' , x'' , ...) as strategies, implement decisions, and monitor actions. The manager must also discern threats and opportunities arising from evolving trends or chaotic events within public or private domains, such as conflicts or personal health, and manage the risks to maintain order. This is a formidable challenge even for the most experienced and methodical professionals. The expanding computing power and the advent of AI are changing the game in favour of those who can best harness these technologies, and those who can apply the technologies in appreciation of others' motives and objectives when formulating their own action steps.

Exhibit 2



Playgrounds (Roleplay Workshops)

We now invite you to our “playgrounds” where you can explore how our AI-assisted tools can help you target goals and identify risks. The tools in the playgrounds are part of our IPC-ERM systems, designed to facilitate information management, planning, control, and enterprise risk management within a multi-party strategic situation, typical in both collaborative and competitive games.

There are three playgrounds you may visit: (1) Context, (2) Objectives, and (3) Risks. This article presents the second playground, which enables you to generate better defined SMART² objectives.

For this second exploration, you have already crafted a narrative that clearly describes the operational context of your role. You will be using it as briefing for your AI business assistant, which will aid you in generating a set of SMART objectives. Here is a set of brief instructions for your attempt:

1. Refer to **Exhibit 2** and envision yourself positioned at the present position X_0 progressing towards a new position X_T , making a value change of V_2-V_1 , and thus achieving certain goals (KPIs or control objectives) that your organization assigned to you. This abstraction has been converted into the said narrative, which is a business description applicable to your role. Alternatively, your AI business assistant can help you craft such a description.

² Specific, Measurable, Achievable, Relevant, Time-bound

2. Go to [Define Objectives](#) and you will see the following message from your AI business assistant:

Welcome! I'm your AI business assistant! Ready to redefine your business objectives? If you already have a business description, I'm here to help you set clearer, more impactful goals. Click Define Your Objectives to explore how. Still working on your business description? I'm here to guide you in crafting an effective and comprehensive overview. Click Craft Your Business Description for support. Experience our AI powered solution, and take a step towards business clarity and growth. Let's begin this exciting journey together!

3. Click **Define Your Objectives** and you will see the following message:

Great! To help define your objectives, I need to understand your business, its operations, and processes better. Please enter a detailed description of your business, its key operations, processes, or the role you're focusing on in the input area provided below. The more detailed your description, the better I can assist you. Let's get started!

4. Input (copy and paste) the narrative of your operational context that you have already produced. You may continue to refine the description and save the description locally before proceeding to define the objectives.

5. Click **Proceed to Objectives** and you will see the following message:

Great start! Based on the details you've shared about your business, let's collaborate to identify your objectives. Objectives serve as a compass for your operations and are key indicators of success. In the text area below, please share specific instructions for generating business objectives. This could be anything from asking me to suggest five objectives for increasing sales, to requesting objectives that could improve customer satisfaction, to seeking objectives that can enhance operational efficiency. Your instructions will guide the objective generation process. Remember, the more specific your instructions, the more tailored and actionable the objectives I can generate for you. Let's define some impactful objectives together!

6. Under current objectives, jot down what you think as relevant objectives. Save them locally.
7. Give specific **instructions** to your AI business assistant (see her advice in the message above); then, click **Get Objectives**. Wait for your AI business assistant's response.

8. Your AI business assistant will offer revised descriptions of the current objectives with reasons and also offer certain new objectives for your consideration. She will then advise you with the following message:

Great! I've generated a list of potential objectives based on your instructions. Please take a moment to review them. If you find any objectives that resonate with your business goals, simply click the button next to each item. The text will be copied to the 'Current Objectives'. Remember, these are just suggestions to help get you started. Feel free to modify them as needed to better align with your unique business needs. Let's continue to refine and build your business objectives together!

9. For those you accept, click the button as indicated to have the revised or new objectives copied and accepted as current objectives.
10. Modify current objectives directly if required, and repeat steps 6 to 8 until you have a set of refined SMART operational objectives that support your value change actions.

Happy exploration! Note that uncertainties will set in when you are making moves. This will give rise to threats and opportunities and may affect the outcomes you strive to attain. Discerning risks with AI will be the subject of our next article.