

AI Governance Structure Considerations

Selecting AI governance structures requires balancing inclusiveness with efficiency, informed by AI strategy

DECENTRALIZED

Lateral coordination, characterized by meetings, task forces, coordinating roles, matrix structures, and networks

Pros	Cons
<ul style="list-style-type: none"> Increased accountability with decision making Avoids bottlenecks with centralization 	<ul style="list-style-type: none"> Lack of strategic alignment across AI initiatives Lack of clear authority for addressing issues Coordination challenges with internal resources

FEDERATED

A combined style with some direction (e.g. centralized planning, standardization, etc.) and decentralized organizations (e.g. local leadership, competitive local objectives.)

Pros	Cons
<ul style="list-style-type: none"> Some strategic direction given Balances inclusiveness with efficiency Power is distributed, avoiding a single point of failure 	<ul style="list-style-type: none"> Alignment challenges around priorities Authority conflicts on cross-cutting issues Imbalance in resources of influence

CENTRALIZED

Vertical style of coordination, characterized by formal authority, standardization, and planning

Pros	Cons
<ul style="list-style-type: none"> Strategic alignment with prioritized use cases Optimization of internal resources Clear authority to set AI policies and processes 	<ul style="list-style-type: none"> A single, centralized process may slow innovation Lack of transparency outside of involved stakeholders

**OPTIMAL NEAR TERM*
STRUCTURE**

*A centralized model is optimal at this point in time, with market nascency and unknown risks. In the future, a federated model likely wins to avoid a central bottleneck limiting impact