E-book

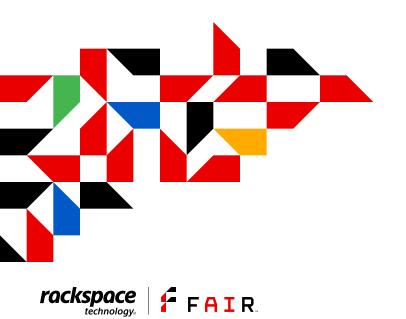
The CxOs Playbook for Industrializing Enterprise AI

From AI Ambition to Enterprise Reality





Contents





Foreward

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In boardrooms across every industry, AI dominates strategic conversations. For good reason — it's evolving at a breakneck pace, promising transformational outcomes that no executive can afford to ignore. As a technology leader, you find yourself at the intersection of tremendous opportunity and sobering responsibility. While your CEO envisions AIpowered growth, your CFO scrutinizes ROI projections, and your CMO plans customer experience revolutions, you're tasked with making it all work seamlessly and securely — within the complex ecosystem of your existing enterprise infrastructure.

This unique challenge requires balancing innovation with pragmatism. You understand the pressure to deliver immediate wins while building sustainable AI capabilities that won't become tomorrow's technical debt. You're developing new skills within your teams, managing expectations across departments and navigating budget constraints — all while the technology landscape continues to shift beneath your feet. Your organization's return on AI investments ultimately depends on how effectively you bridge this gap between ambitious vision and operational reality.

Complicating matters further, most technology vendors approach your challenges as product opportunities rather than organizational transformations. They offer sophisticated AI tools and platforms but provide limited guidance on integrating these solutions into your enterprise's complex reality. They function as arms dealers in an AI arms race when you truly need a comprehensive strategy and battle plan tailored to your organization's unique context.

This FAIR CIO Playbook for Industrializing AI is precisely that game plan designed to help you strategize and execute a practical approach to embedding AI across every aspect of your business. Founded in early 2023, the Foundry for AI by Rackspace (FAIR[™]) was created with a clear mission: to go beyond science experiments and proofs-of-concept toward industrializing responsible AI solutions in enterprises. From Day 1, our objective has been implementing AI solutions that are architected to evolve, designed to sustain and engineered to operate reliably in production environments.

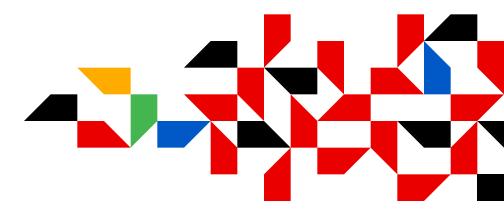
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Over the past two years, we've implemented more than 75 AI, Generative AI, and Agentic AI solutions for organizations across all industries worldwide. Perhaps most importantly, Rackspace Technology[®] has been FAIR's first customer for everything we develop — ensuring we empathize with and understand your challenges. This playbook represents a compendium of lessons learned during our journey of building and operating numerous AI solutions within Rackspace, combined with the collective wisdom of our customers who have pioneered AI adoption in their organizations.

We hope you find this playbook valuable. As a true foundry, we are committed to forging practical, pragmatic AI solutions that drive tangible business value. Just as a traditional foundry transforms raw materials into refined, purposeful tools, FAIR converts cutting-edge AI capabilities into enterprise-ready solutions through our hands-on frameworks, processes, tools and guidance. While industrializing AI remains complex, we firmly believe it shouldn't be hard.

Srini Koushik

President FAIR, CTO, and Head of Sustainability Rackspace Technology

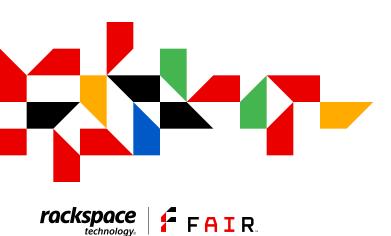


The Al-Ready Enterprise (AIRE): A Winning Playbook for Al in the Enterprise

You don't copy someone else's playbook to build a dynasty; you create your own. It starts with your "**Why**": delivering business value through Responsible AI. Your "**How**" is the culture you establish and the techniques you use, rooted in transparency, trust and ethical guardrails. Your "**What**" is the team you assemble and empower to win.

Just as legendary coaches lead with values, successful AI leaders embed responsible AI and AI architectural principles into the organization's DNA.

Set the culture and tone early, and your team will be ready to execute with confidence.





The Al Ready Enterprise (AIRE)

WHY? Deliver Business Outcomes



Increase Business Agility



Increase Productivity for Knowledge Workers



Improve Business Operations



Enhance Creativity with new content



Reduce Errors to Improve Quality

HOW? By Focusing on AI Workloads



Machine Learning



Unsupervised Clustering Deep

Learning

Agentic Intelligence

000

Supervised

Regression



Natural Language Computer Processing Vision



omputer Speech and Vision Translation

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Supervised

Classification

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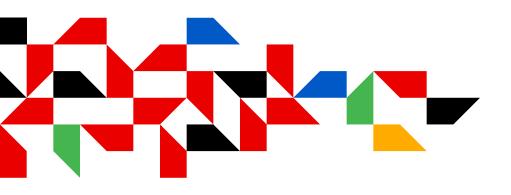
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Foundation First: Building the Base for Sustained Success

To win consistently, a coach needs two things: a **good system** and **great talent**.

Championship teams aren't built on hype — they're built on teams empowered to execute within a coach's system.

Your AI foundation (system) should be built on key AI architecture principles and three core tenets of Responsible AI: **Symbiotic**, **Secure**, and **Sustainable**. Together, they ensure your AI solutions are trustworthy, enterprise-ready, aligned with your organization's values — and clearly define the non-functional requirements needed to consistently win with confidence and integrity.



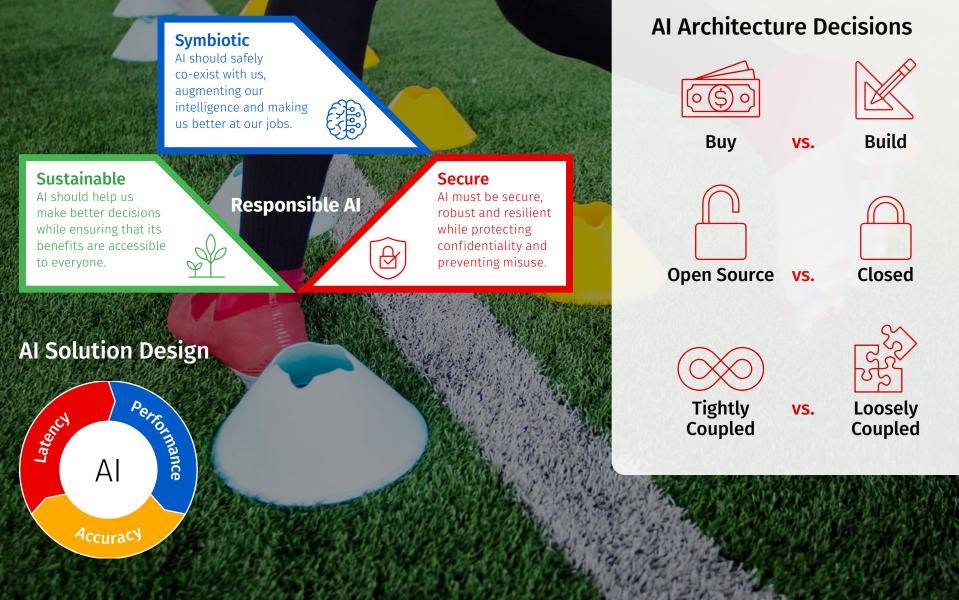
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Foundation First

Responsible AI Principles

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Blueprint in Motion: The Adaptable AI Blueprint for the Enterprise

A winning culture sets the stage, but your system turns potential into performance. To compete — and win — in the AI era, you need more than scattered tools or short-term fixes. This system needs to be **architected** to evolve with emerging technologies, **designed** to sustain results amid rapid business and technology shifts, and **engineered** to operate reliably, securely, and efficiently — at scale.

This foundation allows your organization to adapt quickly, scale confidently and deliver consistent value. With the right system in place, you're not just reacting to change — you're leading it.





AI Blueprint in Motion

Responsible AI: Symbiotic

Responsible AI: Secure

Responsible AI: Sustainable

Al Feature	Non-Functional Requirement	Al Feature	Non-Functional Requirement	Al Feature	Non-Functional Requirement
Safety	Prioritize solutions that "Do No Harm"	Secure	Air-gapped Inference – Secure Platform – IAM	Fairness	Consistent and predictable responses
Explainability	Reliable "Data Supply Chain" for Al	Private	De-identified Data – Data Controls – RBAC	Eliminate Bias	Reinforcement Learning with Human Feedback
Accountability	Appropriate Business Pattern	Resilient	Highly available and Fault-tolerant	Environment	Caching, Workload Aware Infrastructure
Transparency	LLM Selection, Visibility into Data used in Al	Compliant	Auditable, Data at Rest, In motion and In-Transit	Equity	Acc <mark>es</mark> sible, Different Modalities, Multi-Lingual

Compliance

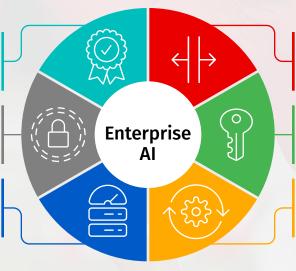
Ensure **compliance** with global, national and local **regulations**.

Sovereignty Meets **sovereignty requirements** for data residency, transport and use.

Proximity

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Deliver **predictable performance** and **low-latency** by being proximate to the transactional systems and data.



Air-gapped

Air-gapped to **guard against the use** of corporate IP for LLM training.

Secure

Secure the supply chain of data and ensure the privacy of individual and company data.

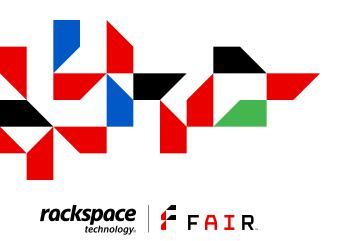
Operable

Use automation to make it **easy to maintain** and **operate** these AI solutions.

Full-Field Vision: The AI Target Operating Model (ATOM)

Winning coaches don't just focus on offense — they manage every aspect of the game. To lead with AI, you need to do the same. The system you implement must take a holistic view across five domains that influence the success of any AI solution: strategy, product, data, security and operations.

Like a head coach watching offense, defense and special teams, you must align all of these domains to work toward a common objective. Success comes from seeing the big picture and orchestrating AI solutions across the enterprise to deliver **trusted**, **scalable** and **sustainable** outcomes.





Full-Field Vision with ATOM



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Strategy and Innovation

Align AI with the business objectives accounting for growth, risk and sustainability

Secure AI Platform

Ensure a robust, scalable, and secure AI platform to build next-generation applications



Data Supply Chain

Provide consistent, quality data to train and infer the right data-driven decisions and information

AI Product Development

Re-think design and development of applications infusing user experience and features with AI



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Al Operations

Monitor, manage and operate AI business solutions at scale reliably and responsibly



Build Your Al Roster: Build a Winning Team

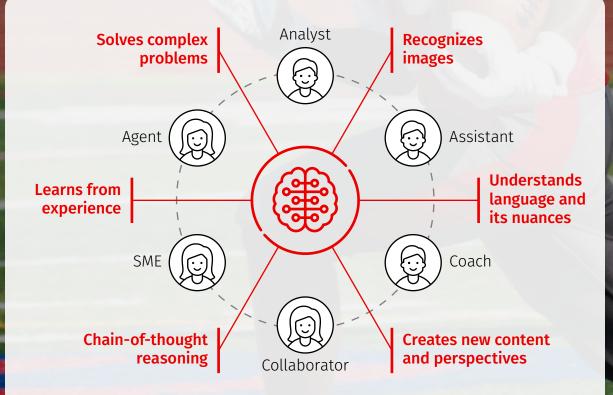
Championships are won by well-constructed teams — not individual stars. In any enterprise, today's AI solutions are more than tools — they're highly competent collaborators and teammates.

The key to delivering exponential results lies in assembling Hybrid Virtual Teams (HVTs) that combine the best of human talent and AI. When designed intentionally, these teams don't just collaborate — they amplify each other's strengths, continuously learn and unlock performance at scale. When you draft the right mix, you don't just compete — you dominate.





Build Your AI Roster





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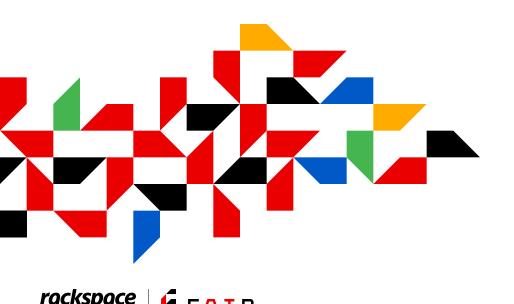


Smart Recruiting: Pick the Right AI Employees

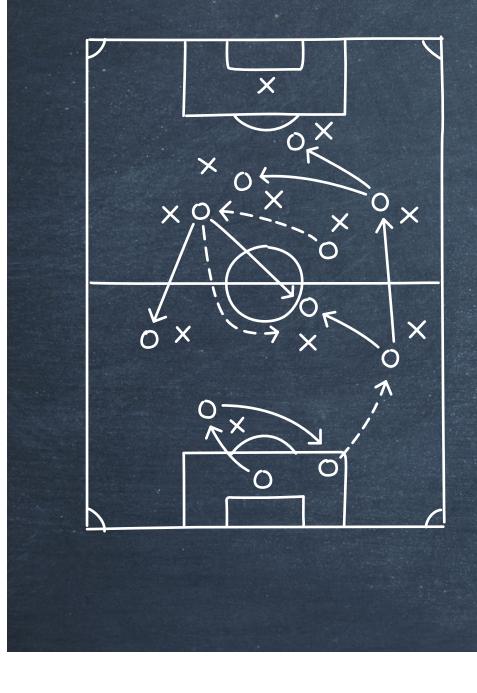
Winning teams don't chase hype - they build rosters that deliver. Think of each AI solution as a team member, selected through well-scoped use cases.

Focus on those that solve real problems and drive meaningful outcomes. Evaluate each through three lenses: **desirability** (does it align with business value?), feasibility (can we build it?) and **viability** (will it deliver a return on AI?).

Skip the flashy use cases, prototypes and science experiments – recruit the AI "players" that move your strategy forward and help the whole team win.



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Smart Recruiting

1. First, look for **Desirability** of AI solution

Select those solutions that deliver differentiation and meaningful outcomes that are aligned with the values of your company.

2. Next, explore **Feasibility** of the AI solution

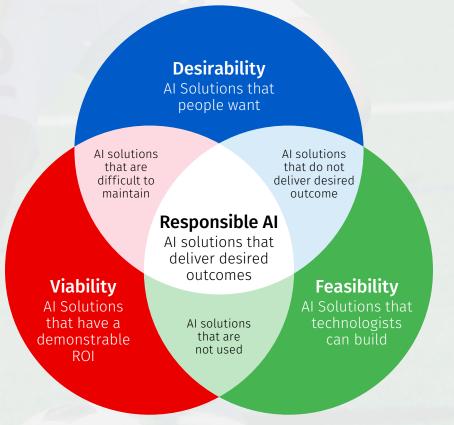
Understand whether you have the data, skills and the technology needed to implement and manage the AI solution in your organization.

3. Finally, determine **Viability** of the solution

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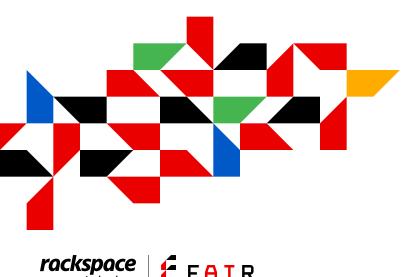
For those solutions that pass the first two filters, determine if there is a "Return on AI" and how you would capture the return.



Put Me In, Coach: Integrate Al Into the Game

It's time to move AI from the sidelines to the starting lineup. Integrate and embed these AI teammates directly into real-world workflows where they can support, accelerate and elevate human performance. Whether it's assisting with decisions, automating repetitive tasks or surfacing insights, AI belongs in the action, not in isolation.

When AI is treated as part of the team, it engages every function — not just IT. From operations to marketing to HR, the entire business starts to align around its success. That's when AI shifts from being a tool to becoming a transformational force.





Put Me In, Coach

Function	Human Employee	AI Employee		
Skills Assessment & Role Definition	Evaluating skills, setting expectations, defining responsibilities	Assessing AI capabilities, setting performance parameters, defining task scope and human oversight requirements		
Sourcing Role	Employee vs. Contractor	Buy vs. Build Al		
Access to Systems	IAM and RBAC to systems and internal controls	IAM, RBAC, Guardrails and Auditability		
Training & Knowledge Transfer	Training on company processes, regulations, mentoring, etc.	Fine-tuning on organization data, connecting to retrieval systems, teaching proprietary workflows		
Integration with Teams	Introducing to team members, establishing communication channels	Setting up integration points with human teams, establishing feedback loops and collaboration protocols		
Performance Evaluation	Creating review checkpoints, mentorship, feedback mechanisms	Implementing monitoring systems, human feedback loops, performance metrics against outcomes		

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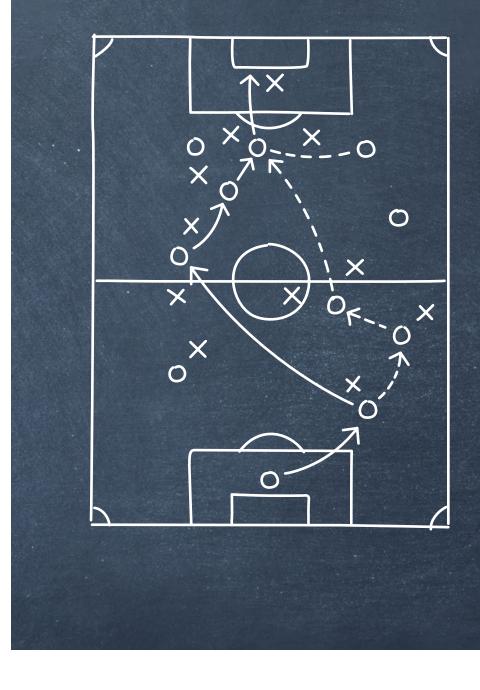
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Hybrid Hustle: Build Hybrid Virtual Teams

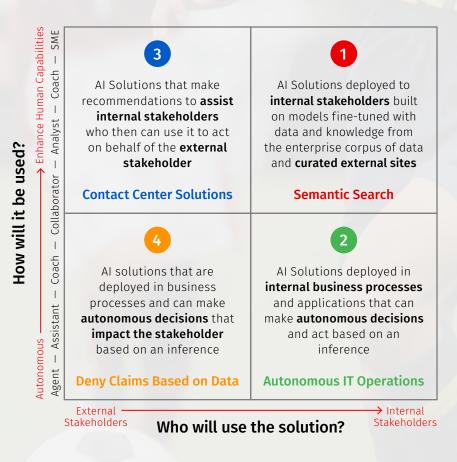
Championship teams thrive on chemistry, and the future of work depends on mastering human-AI collaboration. Building Hybrid Virtual Teams, where AI agents and human employees work sideby-side, each doing what they do best.

AI brings speed, scale and data-driven insights; humans bring judgment, empathy and creativity. The magic happens when you design systems that enable seamless handoffs, mutual learning and trust between both. Treat AI as a teammate, not a tool. When each "player" knows their role and complements the other, you don't just get productivity; you unlock exponential performance.

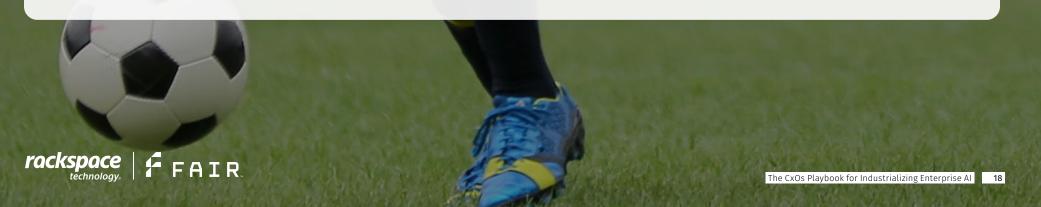




The Hybrid Hustle



- **1.** Is the AI employee aligned with the organization's values and commitment to Responsible AI?
- **2.** Who are the collaborators (internal or external stakeholders) of the AI teammate?
- **3.** What role is the AI teammate playing: SME, coworker or assistant?
- **4.** What do we expect the AI teammate to focus on? The importance of Accuracy vs. Precision and significance of Type-1 or Type-2 Errors
- 5. How do we measure the AI teammate? (Return on AI)
- 6. Do we rent the AI employee or hire them? (Buy vs. build)
- 7. How do we mitigate the risk of the AI employee? (Enterprise risk management)
- **8.** How do we ensure compliance? (Governance and guardrails)

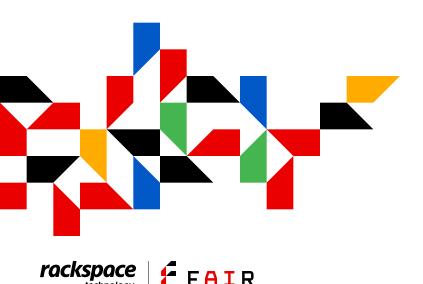


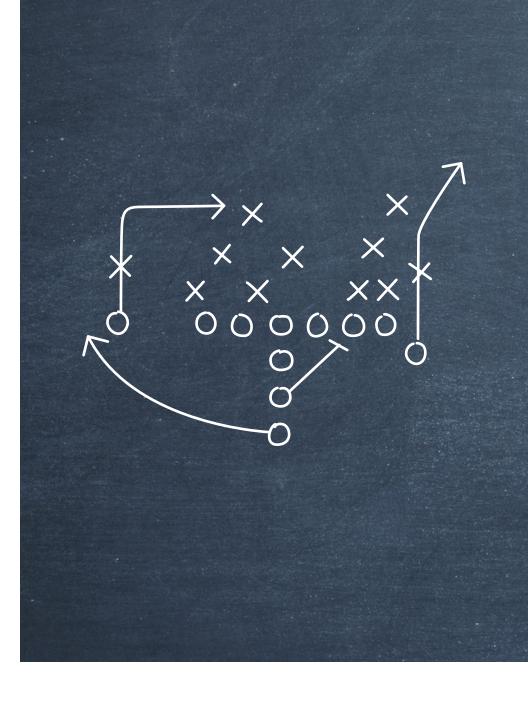
Run the Play: Establish Execution Cadence

Great ideas don't win games — execution does. It is important to create a cadence and steady rhythm to keep your AI ambitions moving forward with purpose.

Your teams need structure, accountability and momentum from **ideation** to **incubation** to **industrialization**. A consistent execution model ensures that AI isn't just explored — it's embedded, scaled and delivering real business results.

Like any high-performing team, your AI initiative needs flow, not just flashes of brilliance. Set the pace, stick to it and watch your AI strategy turn into repeatable success.





Run the Play

AI Platform Foundation

Delivers secure, scalable AI infrastructure with integrated data pipelines, engineered AI services, and zero trust access controls for enterprise-grade deployment.

Responsible AI Jumpstart

Helps enterprises quickly establish Al governance, identify high-impact use cases and design scalable, ethical AI platforms through targeted assessments and workshops.

Ideate

Industrialize

AI Product Incubator

Incubate

Enables rapid MVP delivery by building AI agents, orchestrating DataOps pipelines, integrating with enterprise systems and fine-tuning models for targeted outcomes.

AI Workload Optimization

Provides managed services to operationalize, fine-tune and run AI/ML workloads seamlessly across enterprise AI infrastructure for reliable, scalable performance.

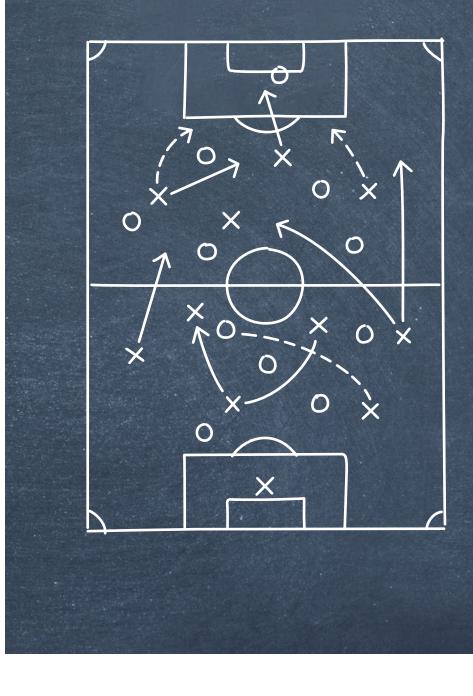
Stack the Bench: Build Scalable Assets

Winning teams build depth. Create and reuse assets that can scale AI best practices within your business. From AI models, reference architectures, data pipelines and process accelerators, these tools become your strategic bench, ready to support new plays without starting from scratch.

Build and invest in accelerators that allow you to expand capabilities quickly, effectively, and consistently.

When your bench is deep, you can execute quickly, pivot confidently, and scale success across teams. It's not just smart — it's how AI becomes enterprise-ready.





Stack the Bench FAIR AI Accelerators Al Gover Providing a Blueprint Cross-functional Strategy and Innova overnance team setup exist with a to enable agility and uementine our for Governance and FAR" AI Tanget Operating Model hetter at our in **AI Operating Model** Sustainable AI Guidance with FAIR ATOM Controls and automation setup to Architectural rinciples and decisio 0 checklists setup to aid prevent accidental and ntralized der intentional misuse Blueprints, design patterns and code accelerators for custom AI applications **Secure Platforms**



AI Landing Zone

Metrics and Observability

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Multi-modal RAG+ Accelerators

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Agents and MCP Accelerators

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Responsible AI

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while protecting confidentiality and

Upgrade the Lineup: Grow Human Potential

Even the best AI strategy won't win without the right people on the field. This play is about continuously developing your human talent to match the pace of innovation.

The AI era demands new roles and approaches with a focus on continuous learning. Invest in training and empowering individuals to grow alongside AI.

Thriving in the age of AI requires you to treat talent development as a core capability — not a one-time initiative. Great teams get better every season.





Upgrade the Lineup

This role can be be flexed by adding agile iteration managers and scrum masters

AI Product Manager

BMC, stakeholder management release and rollout planning communications

AI Platform SRE

Infrastructure management, model deployment, LLMOps, CI/CD/CT

AI Standing Team 2

This role is flexed through the addition of automation engineers, CI/CD developers and cloud architects



This role can be flexed by adding data engineers, security specialists, compliance specialists, etc.

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AI Model Engineer

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Model selection, supply chain of data, access, privacy and compliance

AI Quality Steward

3 Model drift, accuracy, precision, test strategy, bias and fairness testing This role is flexed through the addition of prompt engineers, human checkers (for RLHF)/validators, metrics definition and capture

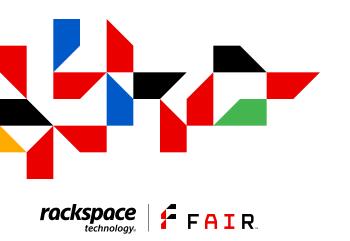
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Call an Audible: Adapt in Real Time

In the fast-paced world of AI, the playbook is constantly evolving. Winning teams don't just plan — they adapt in real time.

Enterprises that can harness the power of AI implement agile governance that help sense change early and respond quickly, without losing sight of their values or business goals. Agility requires clear guidelines, smart guardrails and federated processes that enable fast, responsible and localized decisions across teams.

When governance is nimble — not rigid — it becomes a strategic advantage and it allows teams to stay ahead by building solutions that can pivot confidently as the landscape shifts.





Call an Audible



to enable agility and manage enterprise risk

AI Target Operating Model

AI Guidance

Architectural principles and decision checklists setup to aid decentralized decision making

Al Guardrails

Controls and automation setup to prevent accidental and intentional misuse

Culture

- ✓ Executive sponsorship
- ✓ Business ownership
- ✓ AI as a coworker

People

- ✓ Modern hybrid work
- ✓ AI Literacy
- ✓ Availability of cloud, data and AI skills

Process

- ✓ Selecting AI for responsible use
- ✓ AI product management lifecycle
- ✓ AI service management

Technology

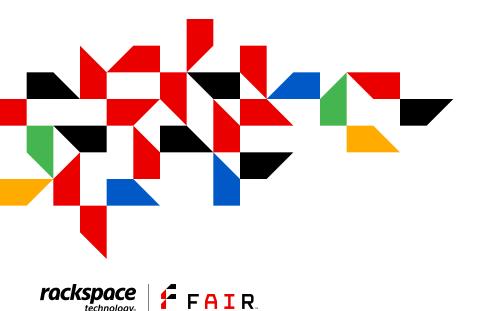
- ✓ Secure platform, identity & role-based access control
- \checkmark Health and quality of supply chains of AI data
- ✓ Proactive policies to address AI model debt



Fourth and Metrics: Measure what matters

Great teams don't just play hard — they play smart. This play is about keeping your eyes on the right metrics to guide performance, adapt strategy and drive results.

In the world of AI, you need to monitor more than just technical accuracy — you need to measure ROI, adoption, impact and business alignment. Define what success looks like, then fine-tune your HVTs to hit it. When you measure what matters, you know when to double down, when to pivot and how to keep advancing toward key outcomes. The scoreboard doesn't lie — it helps you win smarter.





Fourth and Metrics

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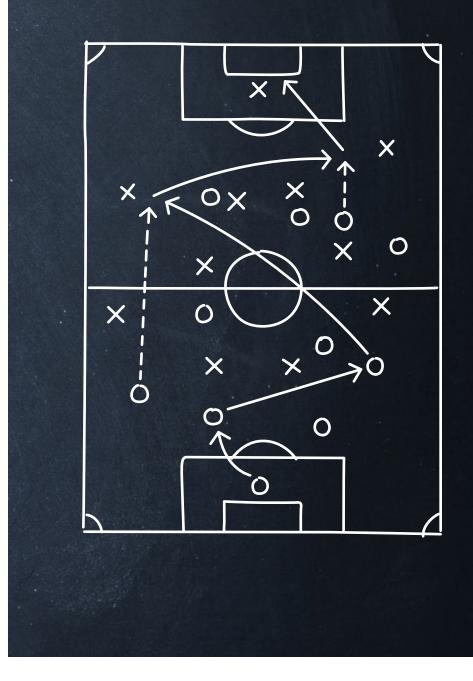
	- Lenate	LEVEL 1 Initial	LEVEL 2 Managed	LEVEL 3 Defined	LEVEL 4 Quantitatively mgd.	LEVEL 5 Optimized
-	Time-to-market for new products/features	Not Tracked	Monthly	Weekly	Daily	Multiple times a day
Strategy and Innovation	Return on Al-driven Innovation	Not Tracked	Targets established	Return on Al metrics defined	Return on AI attributed and reported	Revenue from AI continuously improving
	Carbon emissions from AI Solutions	No metrics defined	Metrics are identified	Metrics and targets defined	Metrics measured and roadmap defined	Metrics measured and improved
	False positive and false negative rates	30:70	40:60	50:50	60:40	70:30
Secure AI Platform	Compliance with security standards and regulations	<10%	10-20%	21-50%	51-80%	>90%
rationi	Mean time to remediate vulnerabilities and security incidents	<10	30-90	91-150	151-200	>200
	Accuracy - % of data that is correct and free from errors	<10%	10-20%	21-50%	51-80%	>90%
Data Supply Chain for Al	Completeness - % of data that are complete and correct	<50%	50-75%	75-90%	>90%	>99%
	Data protection - % of data systems compliant to data privacy standards	<10%	10-50 <mark>%</mark>	50-80%	>80%	>99%
	Transparency and explainability of solution	Black-box model	Sources listed	Specific sources	Mostly explainable	Fully explainable
AI Product Development	Bias detection and mitigation rate	No tools used	AI fairness 360 metrics selected	Al fairness 360 metrics defined	Al fairness 360 metrics measured	Al fairness 360 metrics improved
Development	% of automated security, risk, performance and safety controls per release	<10%	10-50%	51-80%	81-90%	>90%
	Efficiency of resource utilization	<10%	10-20%	21-40%	41-60%	>80%
AI Operations	User engagement rate (NPS)	Not measured	<10	<20	<30	40+
	% of employees who are Al-ready	Not measured	<25%	25-50%	50-75%	75+%

These metrics align with the proposed CA SB-1047 Bill

Putting It All Together: Coach the Whole Game

Like a championship coach, your job isn't just to call individual plays — it's to run the whole system. Every play in this book is a critical move, but real impact comes when they're executed together, in sync. From strategy and talent to governance and measurement, this is your AI game plan for sustainable success. Built on principles of Responsible AI and evolving architecture, this playbook helps you navigate complexity and unlock AI's full power. The result? Not just wins — but a long-term AI dynasty that scales, adapts and delivers real, lasting value.





Putting It All Together

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Turning Strategy into Scalable AI Success

Al is no longer a future bet — it's today's competitive edge. But turning potential into performance isn't easy. Enterprise leaders sit at the crossroads of ambition and complexity, expected to deliver transformation while navigating evolving technology, cultural shifts, and operational constraints.

This FAIR CxO Playbook is your blueprint for action. Inspired by the mindset of a great coach, it translates bold AI vision into executable plays across your business. Each play focuses on embedding responsible AI into your operations with precision — through culture, systems, teams and governance.

The goal? Scalable AI that creates real value. Not just pilots or proofs of concept — but production-ready solutions that evolve, sustain and deliver return on AI. Whether you're building AI into customer journeys, modernizing internal processes, or creating hybrid teams of humans and AI agents — these plays help you move with confidence and clarity.

You're not just running a business. You're building an Alpowered dynasty.





The Rackspace Technology Difference

FAIR delivers true hybrid AI services that generate measurable business outcomes through secure solutions deployed wherever your data resides — your data center, third-party facilities, public cloud, private cloud, edge environments or colocation settings. Our tailored solutions help you automate critical tasks, enhance decision-making and develop innovative products and services without compromising security, performance or governance requirements. With FAIR's expertise, you can confidently launch AI initiatives that unlock transformative business potential across your entire technology ecosystem.

Learn more at **fair.rackspace.com** or call **1-800-961-2888**.

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