AI READINESS: BEYOND AI HYPE FOR SCALABLE IMPACT IN LATIN AMERICA

BY SACHA ALANOCA, STANFORD PHD & HARVARD
MAY 21, 2026

HOLA TODAS Y TODOS,

Soy Sacha Alanoca, Investigadora en Gobernanza de IA con **Harvard y Stanford,** reconocida como la mujer más disruptiva en tecnología en EE.UU. en 2023.

WHEN WE’RE SPEAK ABOUT AI

- We often think about Generative AI.
- In the US, we think about Mythos and Cyber attacks.
- When you’re an AI researcher, you wonder whether your presentation or model is still going to be relevant next month.

IS AI OVERHYPED OR NOT?

PollEv.com/sachaalanoca668

GENAI ADOPTION: HYPE OR PROMISE?

Only 5% of businesses get a return on their GenAI investment.

MIT, State of AI in Business, 2025.

GENAI ADOPTION: HYPE OR PROMISE?

- Despite $30-40 billion in enterprise investment into GenAI, **95% of organizations are getting zero return.**
- **Only 5% of AI pilots** are extracting millions in value.
- The divide is determined by ***business approach and learning*** vs. ***product or model quality.***

STATE OF GENAI ADOPTION

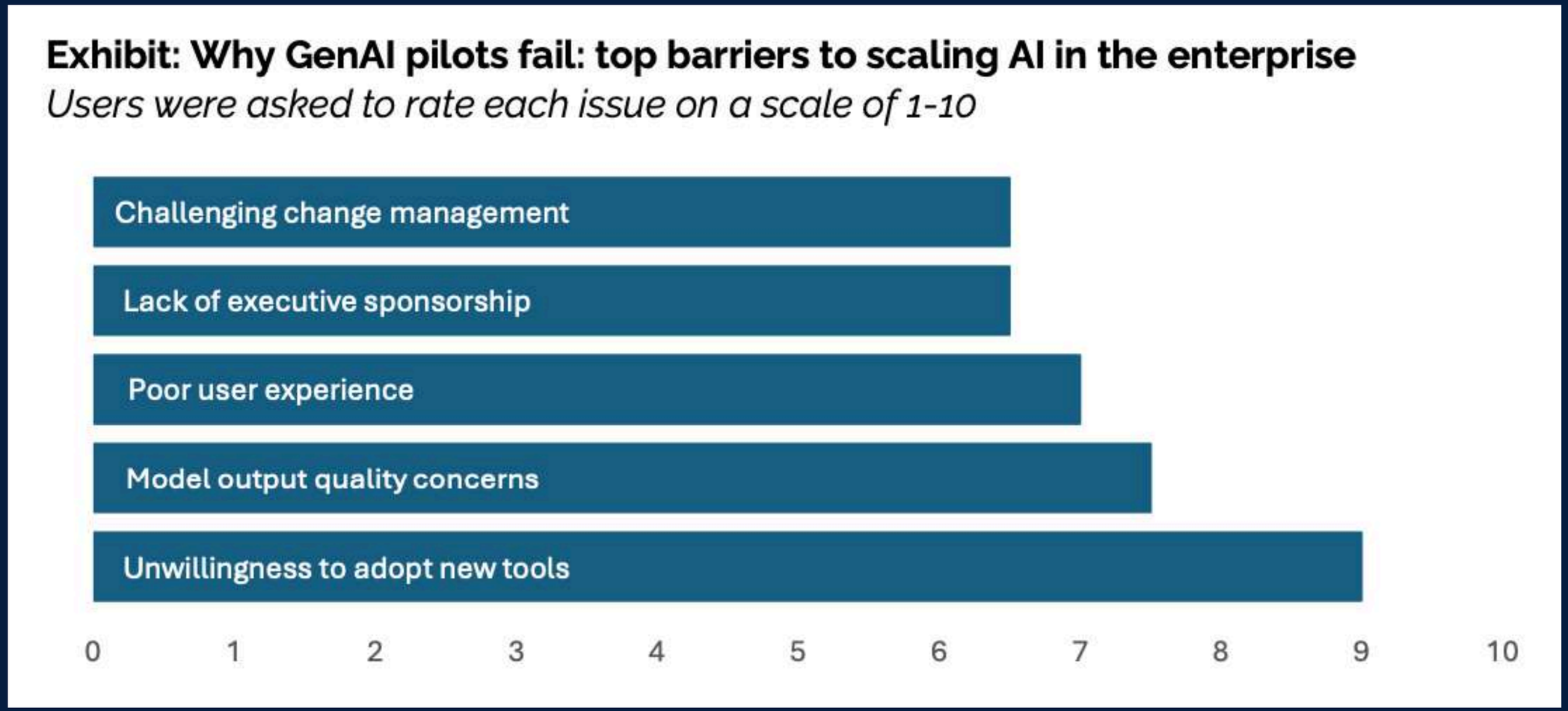
- Consumer facing AI chatbots like ChatGPT and Copilot are widely tested: 80% of organizations have piloted them, 40% report deploying them.
- However, these tools primarily enhance ***individual productivity*** vs. ***business profitability.***

WHAT GOT LOST IN THE PIPELINE?

The core barrier to scaling is not infrastructure, regulation, or talent. It is learning.

MIT, State of AI in Business, 2025.

WHAT GOT LOST IN THE PIPELINE?

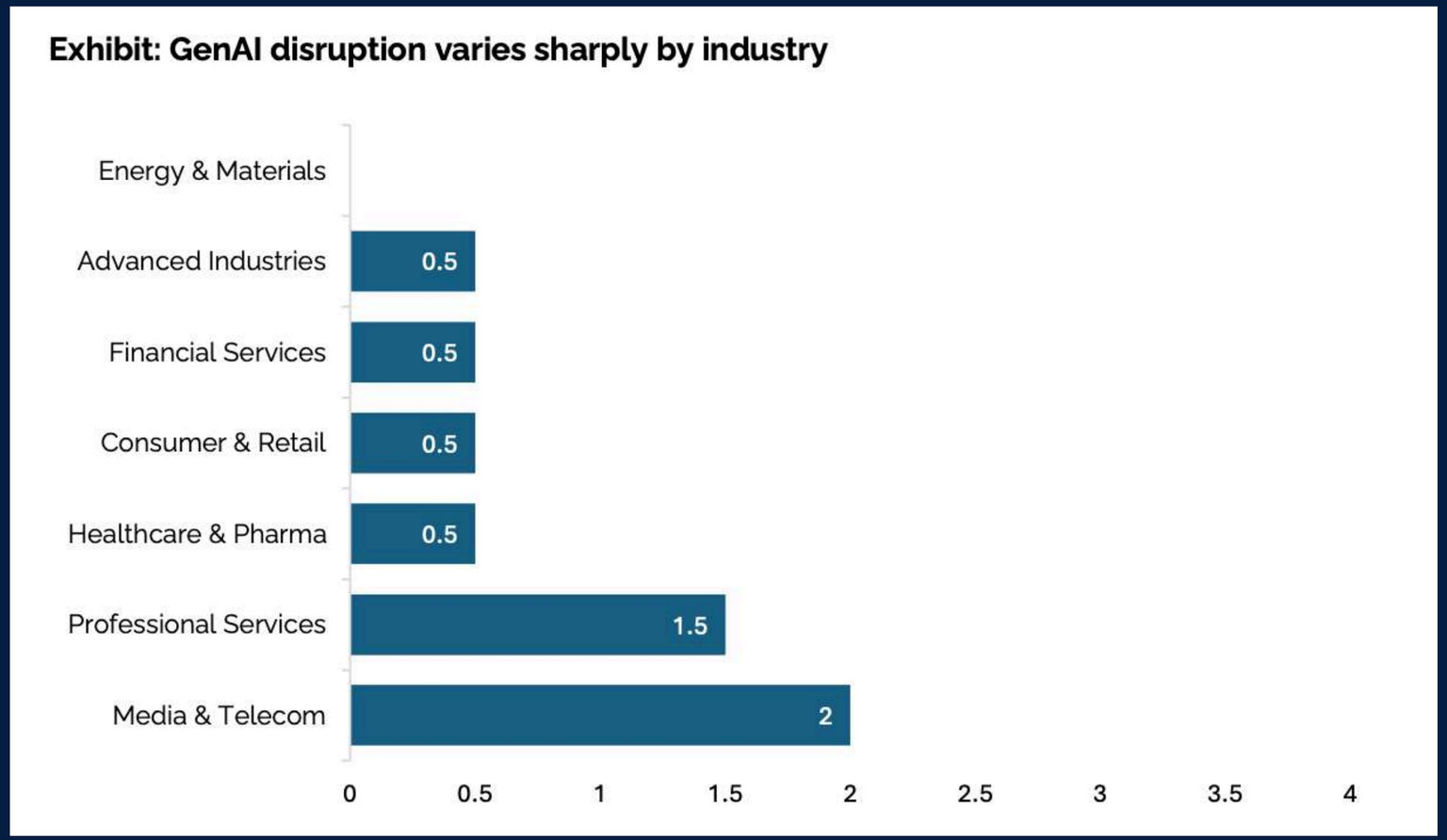


THE GENAI DIVIDE

Four patterns to explain limited successful AI pilots:

1/ Limited disruption: only 2 out of 8 major sections show meaningful structural change (Tech and Media industries)

THE GENAI DIVIDE



THE GENAI DIVIDE

2/ Enterprise paradox: big firms lead in pilot volume but lag in scale-up vs. mid-market companies move from pilot to full implementation.

BIG FIRMS vs. MID-MARKET COMPANIES:
9+ months vs. 90 days for enterprises

THE GENAI DIVIDE

Comparison:

Enterprise	Mid-market
many pilots	fewer, more targeted pilots
slow governance	faster decisions
9+ month deployment	~90 day deployment
fragmented ownership	clearer accountability

Takeaway

Big organizations often confuse scale with agility.

THE GENAI DIVIDE

3/ Investment bias: 50% of GenAI budgets go to **sales and marketing** BUT **back-office automation** yields much better ROI.

THE GENAI DIVIDE

4/ Strategic Implementation: external partnerships see twice the success rate of internal builds.

THE GENAI DIVIDE: SUMMARY

1/ Limited Disruption.

2/ Enterprise Paradox.

3/ Investment Bias.

4/ Strategic Implementation.

THE LEARNING GAP

- 40% of companies purchased an LLM subscription and 90% of workers reported regular personal use of AI tools.

- Most people use consumer facing LLMs such as ChatGPT over enterprise tools because it’s faster and more familiar – **more tailored GenAI tools are not used due to integration complexity and lack of integrated workflows.**

WHY SUCH CONVERSION GAP?

- ChatGPT’s very limitations reveal the core issue behind the lack of conversion rates – the AI Chatbot **forgets context, hallucinates, and does not securely save or process data**.

- Currently, GenAI lacks memory, adaptability, and safety.

- For mission critical work, 90% of users prefer humans.

THE AI WORKSLOP

THE AI WORKSLOP

Dear Juan Pablo,

I hope this message finds you well.

I wanted to reach out regarding the Harvard Mexico Trek. Unfortunately, due to an unexpected change in personal circumstances, I will no longer be able to participate in the trip.

This was not an easy decision, as I was genuinely looking forward to the opportunity to engage with such an inspiring group and to learn more through this experience. I sincerely appreciate all the time, effort, and care that has gone into organizing what I am sure will be an exceptional trek.

Please accept my apologies for the late notice and any inconvenience this may cause. Thank you again for your understanding, and I hope the trek is a tremendous success.

Warm regards,
Nick

THE AI WORKSLOP

Dear Nick,

Thank you for your thoughtful message.

While I am naturally disappointed to hear that you will no longer be joining us, I complete
understand that unforeseen personal circumstances can arise and priorities may shift
unexpectedly.

On behalf of the organizing team, I would like to thank you for your prior enthusiasm reg
Harvard Mexico Trek. Coordinating an initiative of this nature requires considerable logistical
planning, emotional investment, and spreadsheet management, but such is life.

We appreciate your gracious communication and wish you all the very best in navigating this
unexpected chapter. Please know that the door remains open should our paths align in future
endeavors requiring structured intellectual exchange and/or group transportation.

With understanding and professional warmth,
Juan Pablo

REPUTATIONAL COST

EY retracts study after researchers discover AI hallucinations

Incident is latest example of professional services firm being led astray by new technology

Consulting firms including EY have been determined adopters of AI, investing heavily in the technology and training staff to use it © 2018 Getty Images

AI-Generated “Workslop” Is Destroying Productivity

by Kate Niederhoffer, Gabriella Rosen Kellerman, Angela Lee, Alex Liebscher, Kristina Rapuano and Jeffrey T. Hancock

September 22, 2025, Updated September 25, 2025

HBR Staff/AI

HARVARD BUSINESS REVIEW

Stanford University

THE AI WORKSLOP

“ AI-generated work content that masquerades as good work, but lacks the substance to meaningfully advance a given task.”

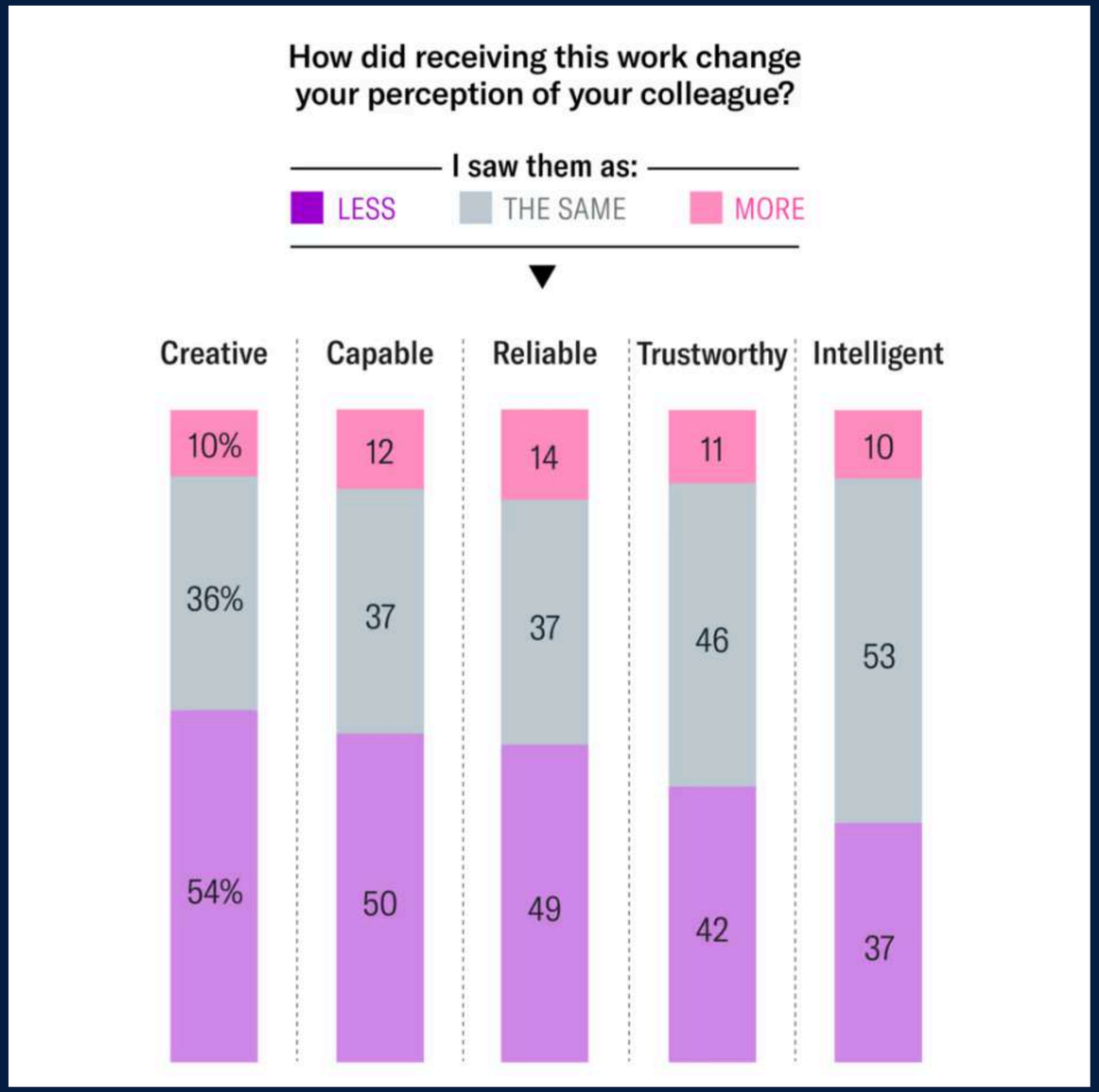
Research from Harvard Business School, Stanford Social Media Lab, and BetterUp Lab (2025).

HAVE YOU ALREADY
RECEIVED AN
AI WORKSLOP?
PollEv.com/sachaalanoca668

THE AI WORKSLOP

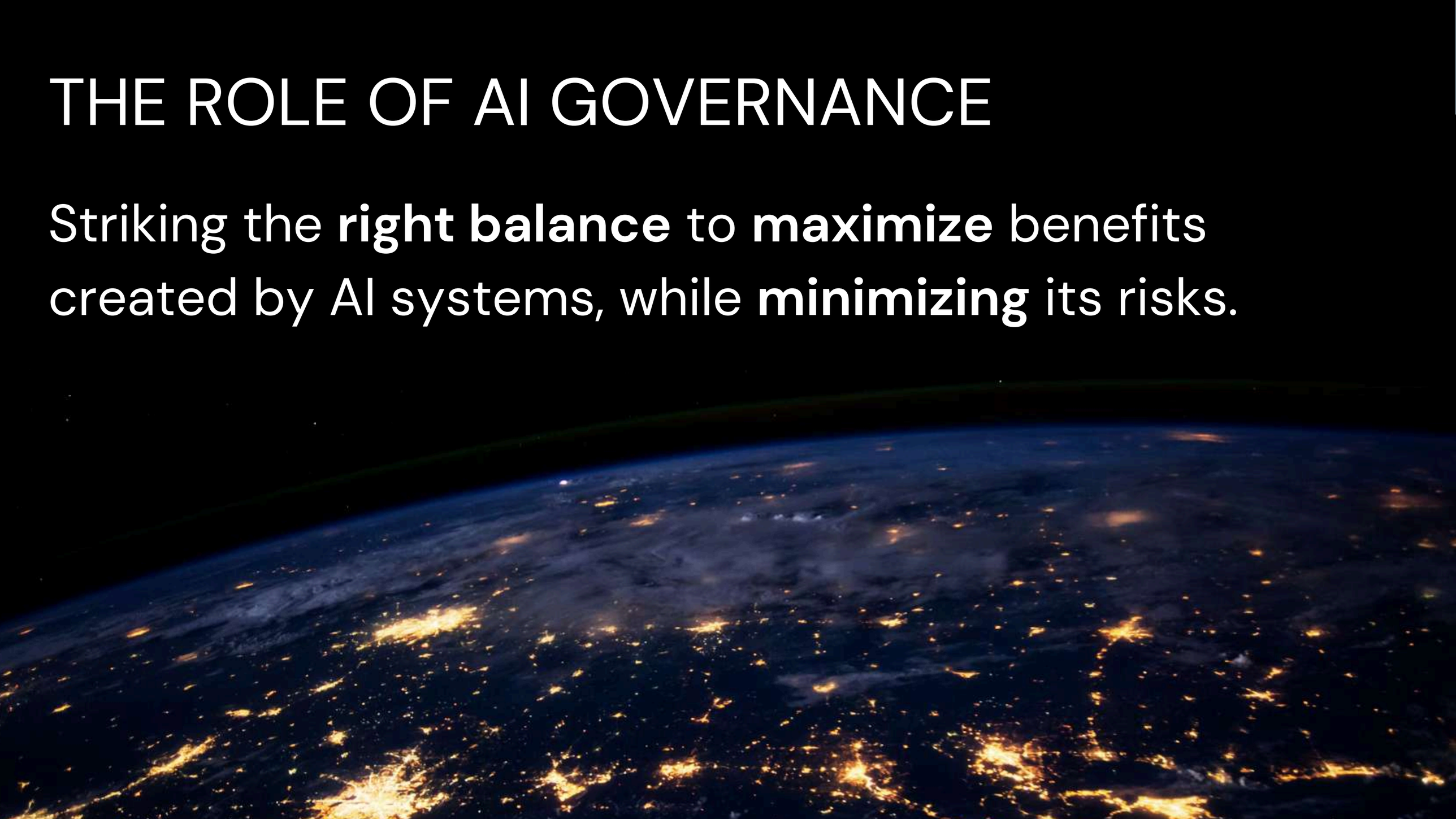
- 40% of respondents received workslops in the last month.
- 18% of workslop was sent directly to managers.
- Average time to correct a workslope is 1h56.

THE INTERPERSONAL COST



THE ROLE OF AI GOVERNANCE

Striking the **right balance** to **maximize** benefits created by AI systems, while **minimizing** its risks.



THE AI GOVERNANCE STRATEGY

SMALL BUSINESS

Why Every CEO Needs An AI Governance Strategy Now

By **Shiv Kaushik**, Forbes Councils Member.

for **Forbes Business Council**, COUNCIL POST | Membership (fee-based)

Published May 18, 2026, 07:30am EDT

Shiv Kaushik is Chairman & CEO of Acuvera Tech, a global business provider of cloud-based ERP Solutions.

THE AI GOVERNANCE STRATEGY

“We have AI running our business – who is responsible if something goes wrong?”

Only 28% of organizations report their CEO takes responsibility for AI Governance strategy (McKinsey, State of AI, 2026).

Only 17% Boards do take responsibility.

THE AI GOVERNANCE STRATEGY

A practical CEO-level framework:

1/ Ownership: AI outcomes are not the sole responsibility of technical or sales teams. Business leaders are also accountable.

CEOs don’t need to understand model architecture but are reliable for:
Who approved this production system?
What are known limits?

THE AI GOVERNANCE STRATEGY

2/ Measurement: Establish key metrics through red-teaming, evaluations, and benchmarks.

Massive Multitask Language Understanding (MMLU) (Hendrycks et al, 2020) is a multiple-choice question answering test that covers 57 tasks including elementary mathematics, US history, computer science, law, and more. We publish evaluation results from evaluating various models on MMLU using HELM. Our evaluation results include the following:

- Simple, standardized prompts
- Accuracy breakdown for each of the 57 subjects
- Full transparency of all raw prompts and predictions

THE AI GOVERNANCE STRATEGY

3/ Integration: Integrate AI governance processes into existing risk management frameworks (**NIST AI RMF, ISO/IEC 42001**) rather than creating parallel structures.

THE AI MATURITY INDEX FOR LATAM BUSINESSES

MIT CISR ENTERPRISE AI MATURITY MODEL,
WEILL, WOERNER & SEBASTIAN DEC. 2024

THE AI MATURITY INDEX

Figure 1: The MIT CISR Enterprise AI Maturity Model

AI Stage Attributes	Stage 1: Experiment and Prepare	Stage 2: Build Pilots and Capabilities	Stage 3: Develop AI Ways of Working	Stage 4: Become AI Future Ready
Percentage of Responding Enterprises	**28%**	**34%**	**31%**	**7%**
Characteristics	• Educating the workforce on AI • Setting up acceptable use policies • Working on making data accessible • Ensuring decision-making is using data • Identifying where humans need to be in the loop	• Beginning to simplify and automate processes • Creating use cases • Sharing data via APIs • Leveraging a coach and communicate management style • Using LLMs—both out-of-the-box traditional and GenAI models—to augment work	• Expanding process automation efforts • Changing to a more test-and-learn way of working • Architecting for reuse • Incorporating pretrained models into work and investigating the use of proprietary AI models • Exploring autonomous agents	• Embedding AI into decision-making and processes • Creating and selling AI-augmented business services • Combining traditional, generative, agentic, and robotic AI
Focus	Exploration and education	Business cases and pilots	Scaling AI platforms and dashboards	Continuous innovation and new revenue streams

MOST AI-READY COMPANIES

- **Fundamentals:** Treating data as an active strategy, not just an asset.
- **Talent:** Adaptable workforce.
- **Agility:** Flexible organizational structure.
- **AI Governance Strategy:** Internal safeguards and regulatory compliance.

AI REGULATION:
THE EMERGING GLOBAL LANDSCAPE

Comparing Apples to Oranges: A Taxonomy for Navigating the Global Landscape of AI Regulation

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ABSTRACT

AI governance has transitioned from soft law—such as national AI strategies and voluntary guidelines—to binding regulation at an unprecedented pace. This evolution has produced a complex legislative landscape: blurred definitions of "AI regulation" mislead the public and create a false sense of safety; divergent regulatory frameworks risk fragmenting international cooperation; and uneven access to key information heightens the danger of regulatory capture. Clarifying the scope and substance of AI regulation is vital to uphold democratic rights and align international AI efforts. We present a taxonomy to map the global landscape of AI regulation. Our framework targets essential metrics—technology or application-focused rules, horizontal or sectoral regulatory coverage, ex ante or ex post interventions, maturity of the digital legal landscape, enforcement mechanisms, and level of stakeholder participation—to classify the breadth and depth of AI regulation. We apply this framework to five early movers: the European Union's AI Act, the United States' Executive Order 14110, Canada's AI and Data Act, China's Interim Measures for Generative AI Services, and Brazil's AI Bill 2338/2023.

ACM Reference Format:
Sacha Alanoca, Shira Gur-Arieh, Tom Zick, and Kevin Klyman. 2025. Comparing Apples to Oranges: A Taxonomy for Navigating the Global Landscape of AI Regulation. In *Proceedings of June 23–26, 2025 (FAccT '25).* ACM, New York, NY, USA, 24 pages. https://doi.org/10.1145/3715275.3732059

1 INTRODUCTION

In January 2025, during the first day of the second Trump administration, Biden's Executive Order for "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence (AI)" was revoked. Subsequently, a new Executive Order was introduced for "Removing Barriers to American Leadership in AI." Around the same time, on the international front, South Korea unveiled its Act on the Development of AI and Establishment of Trust (AI Basic Act) while the European Union (E.U.) withdrew its AI Liability Directive. Between new laws and revoked orders, the global landscape of AI regulation is quickly evolving. In this volatile context, there is a pressing need for a taxonomy of AI regulation. A well-constructed taxonomy offers more than just a snapshot; it provides a stable, comparative lens

PAPER RESEARCH FOCUS

We developed **one of the first meta-analysis** comparing emerging AI regulations across five early-movers: the United States, the European Union, China, Canada and Brazil.

Paper is the **output of 1.5 years of collaboration** across Harvard and Stanford legal, policy, AI scholars and designers.

More than ever, in this quickly moving landscape, we need tools which resist political and technological changes.

RESEARCH MOTIVATIONS: A STRATEGIC SEMANTIC AMBIGUITY

1) *Confusion* between hard law and soft law efforts;

2) *Different* global AI regulatory approaches;

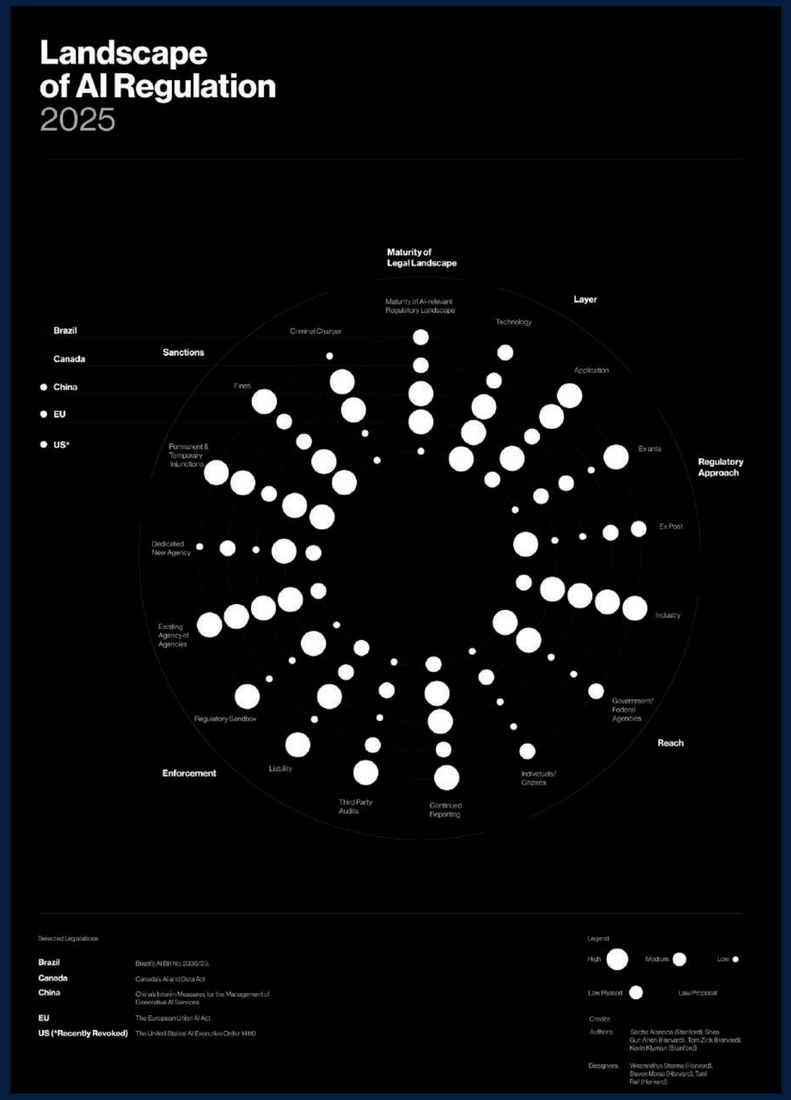
3) A *quickly moving* landscape.

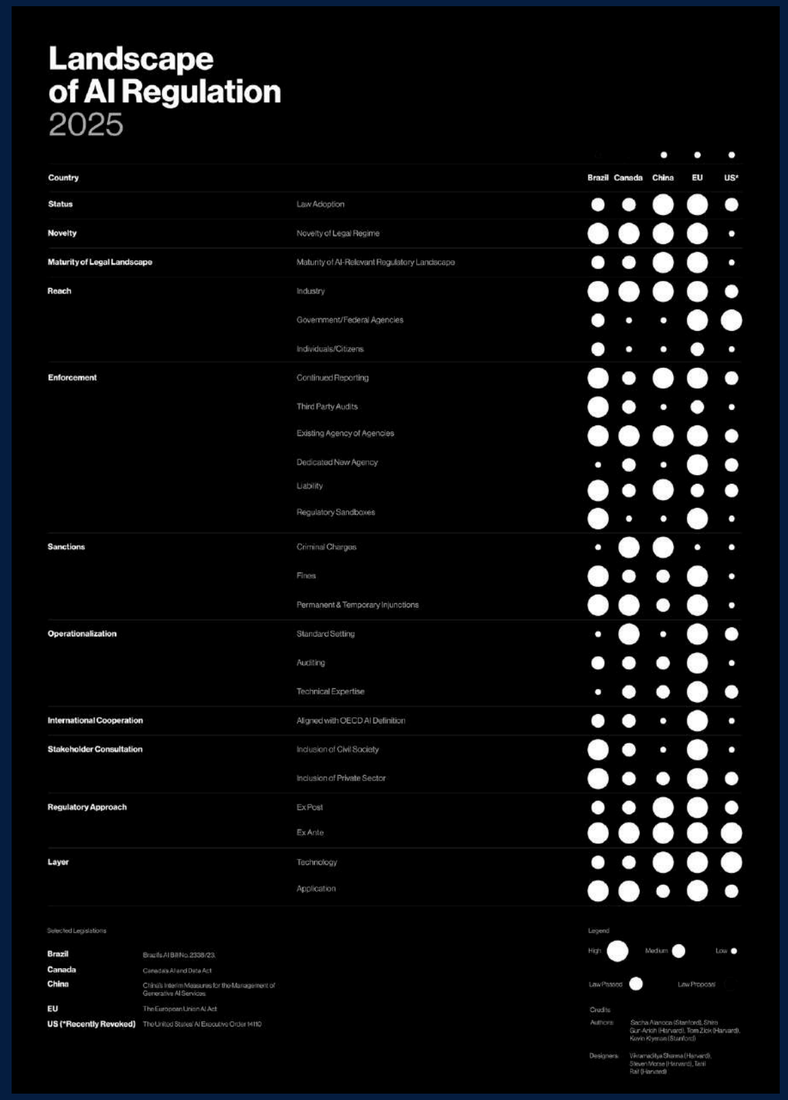
A TAXONOMY FOR AI REGULATION

Covering 11-metrics:

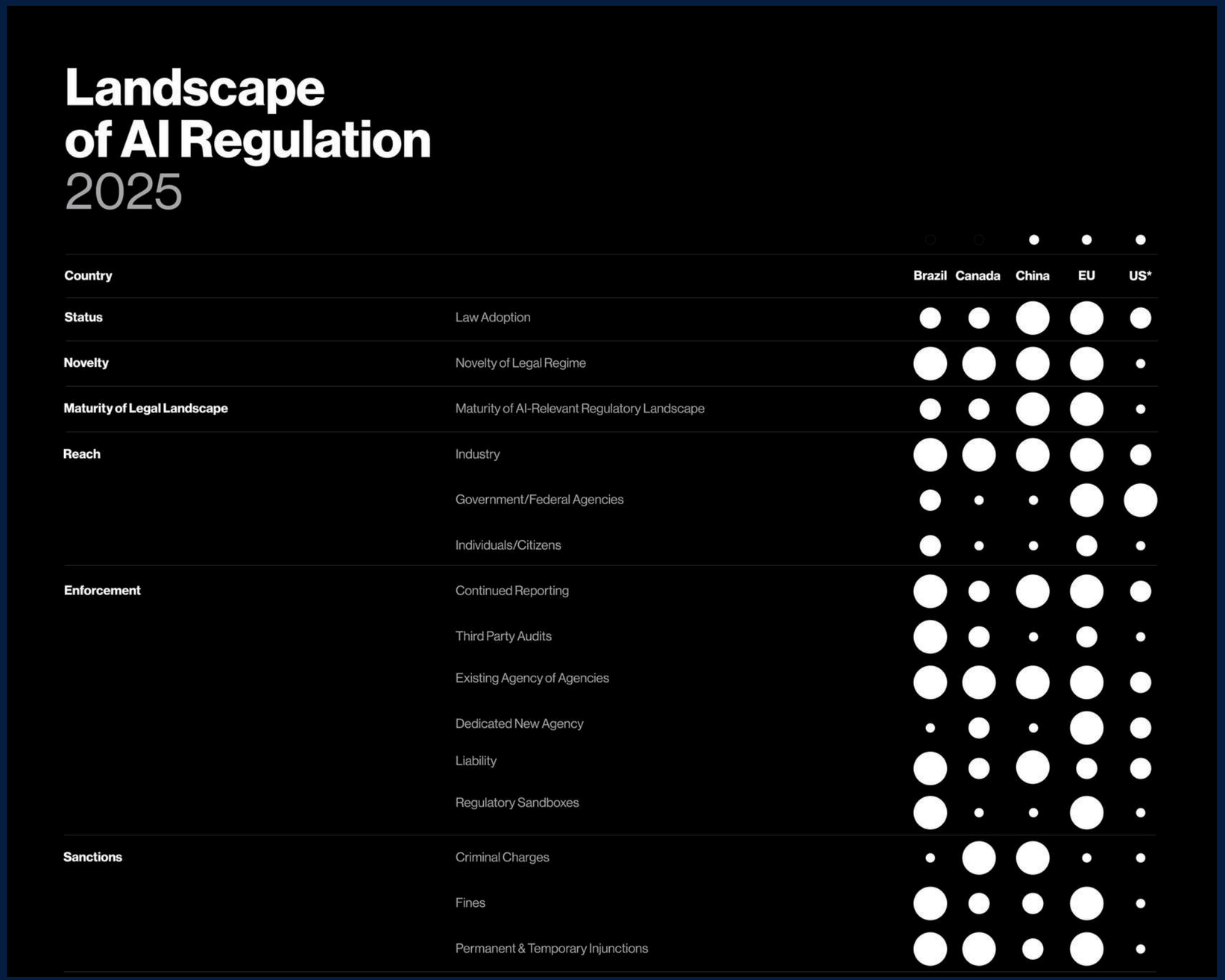
- Adoption Status
- Novelty
- Digital Legal Maturity
- Reach
- Regulatory Approach (ex ante/ex post)
- Regulatory Focus (tech/application)
- Stakeholder Engagement
- Enforcement, Sanctions
- Operationalization, International Cooperation.

VISUALIZING COMPLEXITY





Landscape of AI Regulation 2025



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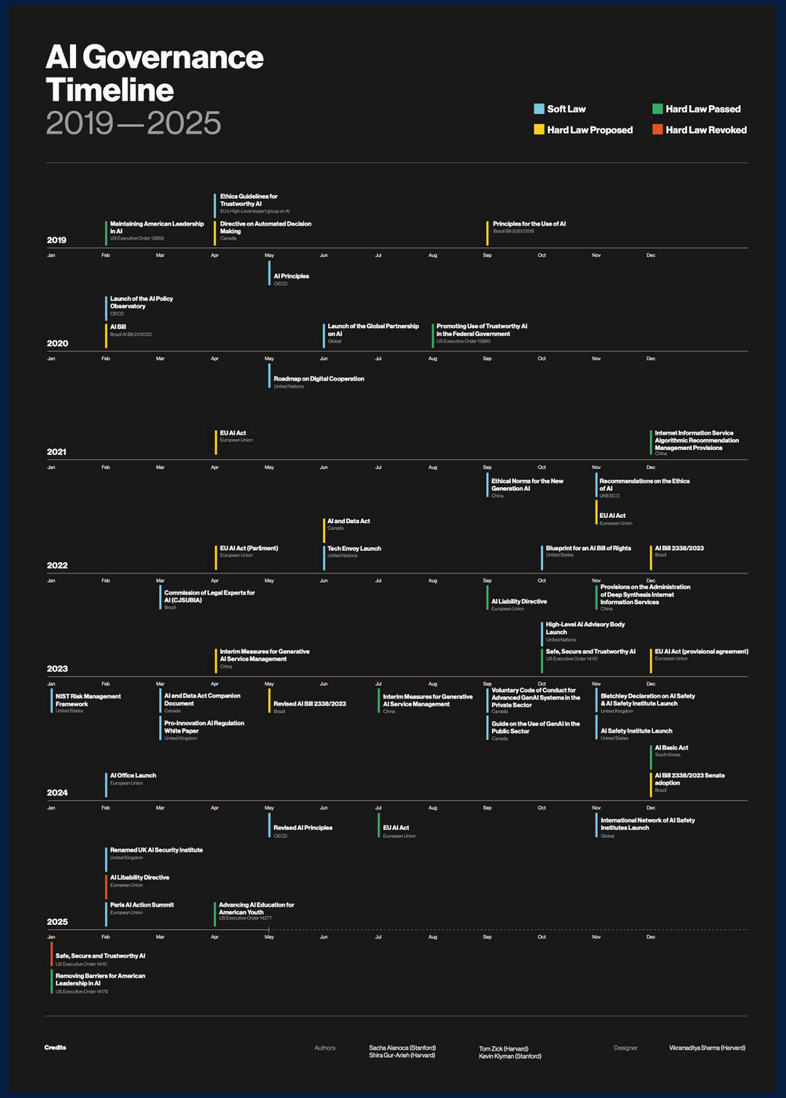

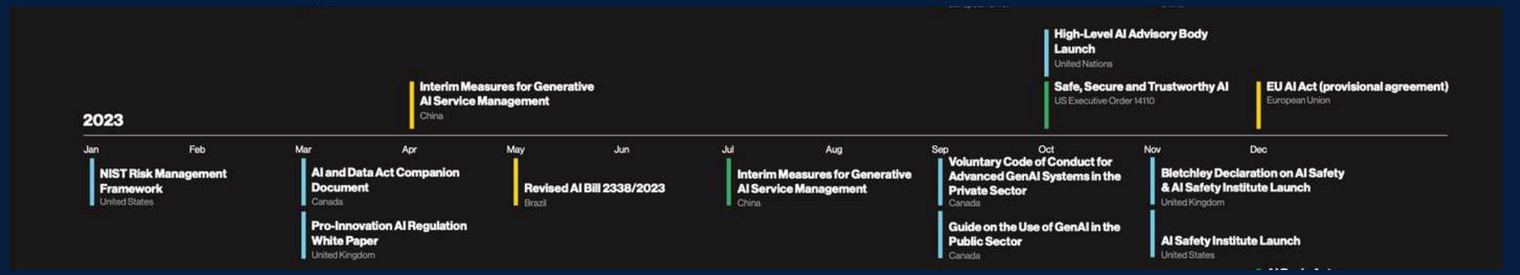

KEY METRICS INSIGHTS

⚖️ Legal Status

- Hard Law Adoption (EU, China): legally binding with penalties.
- Hard Law Revoked (US): limited requirements.
- Hard Law Proposal (Brazil, Canada): shifting towards enforceable regulation.

📊 Digital Legal Maturity

- Highly comprehensive: EU, China.
- Medium: Brazil, Canada.
- Less comprehensive: US.

KEY METRICS INSIGHTS

🔍 **Regulatory Coverage**

Horizontal (Canada, Brazil), Vertical (US), Hybrid (EU, China).

⏰ **Ex post or Ex Ante**

Ex ante (Brazil, Canada, US), Both (EU, China).

🎯 **Technology or Application Focus**

Application-focused (Canada), Tech-focused (US, China), Hybrid (EU, Brazil).

🏛️ **Enforcement Models**

Centralized (China, Canada), Decentralized (US, Brazil), Hybrid (EU).

“THE FUTURE IS ALREADY HERE,
IT’S JUST NOT VERY EVENLY DISTRIBUTED”

William Gibson

THANK YOU!

Get in touch:
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Paper link: https://arxiv.org/pdf/2505.13673