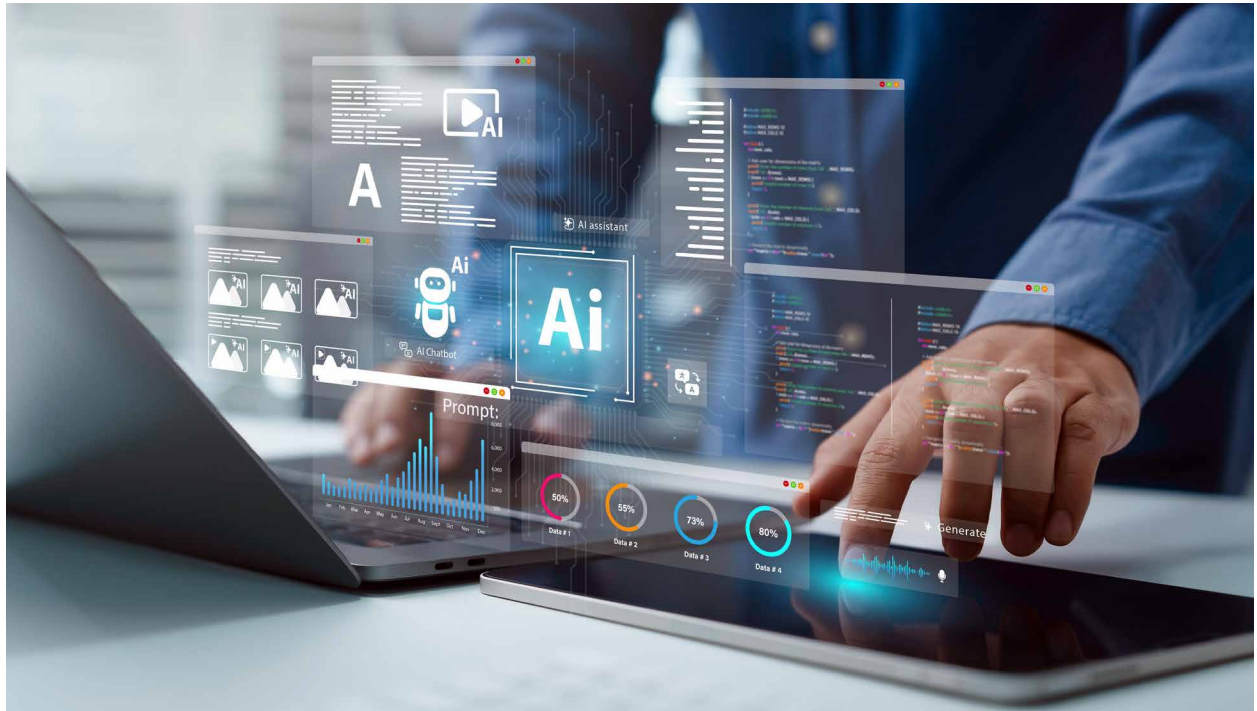


Selecting the Right AI Vendor for Your Organization

By: Norm Buckwalter, Segal



Artificial intelligence (AI), particularly generative AI (Gen AI),¹ offers tremendous potential to enhance business operations, drive efficiencies and unlock new opportunities. In the rapidly evolving field of AI, choosing the right vendor for your organization is a critical decision requiring careful consideration and a structured evaluation process to ensure a successful and sustainable integration.

Understanding your organization's AI requirements

The first step in selecting an AI vendor is to clearly define your organization's requirements. These requirements should be aligned with your business goals and objectives.

Consider the following:

- The very specific business problems you are trying to solve with AI. Clearly articulate your goals and desired outcomes.
- Identify the areas within your organization where AI can make a significant impact on operational efficiency. This could range from member service to vendor management. Identifying relevant use cases helps you focus on solution providers that have proven expertise in your area of interest.
- Determine which AI large language models (LLMs) and other tools can meet your needs, while taking into account strengths and tradeoffs of each LLM.
- Identify the AI vendors that offer those tools. AI vendors often specialize in particular use cases or industries.
- Estimate the budget for AI implementation, including ongoing support. This will help narrow the list of potential vendors. ☺

A challenge with AI tools

Typically, AI tools are standalone products with application programming interfaces available. Consequently, AI is often just a feature of a comprehensive solution for a use case that is completed by traditional features.

For example, if an organization wants to automate the creation of a 10-minute podcast from recordings of critical senior management meetings, converting a transcript into a podcast is where Gen AI comes into play. Multiple AI tools are needed; to automate the entire process from the beginning, traditional tools should be used so that the entire use case is automated and can be used repeatedly.

Technical fit for your environment

An AI solution must be technically compatible with your existing infrastructure and technology stack. Evaluating the technical fit involves review of:

- **Integration Capabilities:** Assess how easily the AI solution can integrate with your current systems and data sources. Compatibility is crucial to avoid disruptions.
- **Scalability:** Ensure that the AI solution can scale according to your organization's growth and evolving needs.
- **Security:** Review the security features of the AI solution to protect your data and comply with regulatory requirements.
- **Performance:** Evaluate the performance metrics of the AI solution to ensure it meets your operational standards.

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Eight criteria for evaluating vendors

Developing a comprehensive list of evaluation criteria is essential to objectively assess potential AI vendors. Key criteria include:

- **Technology:** Evaluate the vendor's technology stack, algorithms and innovation capabilities.
- **Expertise:** Assess the vendor's expertise in AI, machine learning and data analytics.
- **Support:** Review the level of support and training provided by the vendor to ensure smooth implementation and user adoption.
- **Cost:** Compare the total cost of ownership, including licensing, implementation and ongoing maintenance.
- **Industry Experience:** Look for vendors with experience in your industry. They are more likely to understand your unique challenges and requirements.
- **Case Studies:** Review case studies and success stories from the vendor to gauge its ability to deliver results in similar scenarios.
- **Customer Service:** AI vendors typically offer customer service-related tools and agent automations. Choosing technologies that empower use cases yet protect your business data is critical.
- **Customer References:** Speak with existing customers to learn about their experiences and the impact of the AI solution on their businesses.

The importance of a thorough evaluation process

A thorough evaluation process is critical to mitigate risks and maximize the benefits of AI implementation. A comprehensive evaluation process ensures that you select an AI vendor that provides the best value for your investment. Moreover, proper evaluation and planning promote user adoption and support change management within your organization.²

Selecting the right AI vendor is a critical decision that can significantly impact your organization's success in harnessing the power of AI. By understanding your requirements, evaluating the technical fit, identifying relevant use cases and developing comprehensive evaluation criteria, you can make an informed and strategic choice. With careful planning and structured evaluation, you can confidently choose an AI vendor that will help drive innovation and growth within your organization. ♦

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Endnotes:

¹ Scott Miller, "Artificial Intelligence and Plan Governance Considerations," NCPERS PERSist, Winter 2025.

² Karen Chavez, "Organizational Resilience Leads to Change Management Success," NCPERS PERSist, Summer 2024.

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