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Case Study

From Ungoverned to Operational: An AI Governance Program Built in Six Months

Client Profile

- Mid-market consumer goods manufacturer
- Multinational operations: US, Mexico, Brazil, Canada
- Newly chartered, 12-person AI Center of Excellence (CoE)
- Enterprise Microsoft Copilot & ChatGPT licenses deployed
- First AI agent already piloted - with no governance in place
- Engagement: 6-month Fractional Chief AI Officer
- HQ: Middleton, WI
- ~ 1500 employees

The Challenge

An international consumer goods company was moving fast on AI, but the technology had outpaced the governance. A newly chartered AI Center of Excellence had already piloted its first AI agent with no governance to guide it, while enterprise Copilot and ChatGPT licenses sat in employees' hands with no training to turn them into productivity. The AI Governance Committee Chair put the priority plainly: close the governance gap before it becomes a liability.

Key challenges:

- **No risk assessment,** oversight design, or governance record for AI already running
- **Embedded AI features** in third-party SaaS tools - often on by default, with no way to know which were active.
- **A workforce with AI tools but no training** to use them effectively - unrealized value and unmanaged risk at the same time
- **Multi-jurisdictional privacy exposure***
  - US California Privacy Rights Act (CPRA)
  - Mexico Federal Data Protection Law (FDPL)
  - Brazil General Data Protection Law (LGPD)

* CPRA = California Privacy Rights Act; FDPL = Federal Data Protection Law; LGPD = General Data Protection Law

The Solutions

The Fortium Partner (Fractional CAIO) built a governance program from the ground up - grounded in ISO 42001 (International Standardization Organization) and the NIST AI Risk Management Framework (National Institute of Standards and Technology), but right-sized the company's actual risk so it would protect the enterprise without becoming a bottleneck. The solution was delivered across five phases:

- **Executive alignment** - a governance operating model and RACI matrix (Responsible, Accountable, Consulted, Informed) drawing clear lines between the Committee (policy, risk tolerance) and the CoE (intake, assessment, monitoring)
- **A complete Enterprise AI Use Policy** with a three-tier, risk-based clarification model and a full set of fillable working tools:
  - intake form
  - AI Impact assessment
  - Model Card
  - Deployment Authorization Package
  - and incident response playbook
- **An AI System Inventory** plus enhanced vendor security reviews to surface embedded, third-party AI
- **Three hands-on CoE training sessions** on the tiering model, human-oversight models, and escalation triggers - built to create capability, not dependency
- **Guided application** to the first real use case, then ongoing on-call advisory support

The Results

In six months, the CoE moved from operating without guardrails to owning a turnkey governance process it could run independently: a fully documented, standards-aligned framework ready for enterprise rollout, the documentation to satisfy multi-jurisdictional privacy obligations, a clear escalation path to the AI Governance Committee, a trained team working from one consistent vocabulary, and one real-world use case fully vetted from intake to authorization.

That first case proved the point - a distributor-facing Compensation Plan AI Agent was reasoned down from Tier 3 to "Tier 2 with controls," letting the business move forward efficiently with the right guardrails in place: right-sized governance, in practice.

“This is great - makes me feel very good about where we are.”

— Head of the AI Center of Excellence