

AI READINESS IS THE REAL UTILITY CHALLENGE

The technology is moving faster than the operational foundations required to support it.

AI is ready for utility operations. But are utilities ready for AI?

At SAP for Utilities 2026, the vision was clear: intelligent systems that understand context, recommend actions, support predictive decisions, and execute workflows with less human intervention.

Turning that vision into reliable operations requires more than technology. Utilities must have trusted data, well-defined processes, effective controls, and strong governance. The greatest barrier to AI may not be capability. It may be readiness.

Autonomy Changes the Rules

Historically, utility systems helped people make decisions. When data was incomplete or a process failed, experienced employees stepped in and used human judgment to fill the gaps. As systems become more autonomous, however, technology is increasingly participating in execution, not just analysis.

That shift raises the standard. Processes must be clearly defined, roles and responsibilities understood, data accurate and trusted, and controls proven under real operating conditions. Without that foundation, automation doesn't eliminate operational weaknesses. It scales them.

AI Executes the Environment it is Given

AI does not inherently understand workarounds, tribal knowledge, or undocumented exceptions. It acts on the information, rules, and controls available to it. This creates a critical leadership challenge: Can the organization clearly identify who owns each process, which data sources are authoritative, how exceptions are handled, where human review is required, and who is accountable for outcomes?

When those answers are unclear, AI may reinforce inconsistent processes rather than improve them. Before organizations place greater trust in AI-enabled execution, these responsibilities and decision points must be clearly defined.

Data Readiness is AI Readiness

Utilities generate enormous amounts of data across operations, assets, maintenance, customers, finance, workforce management, and compliance. But AI requires more than access to information. It needs the context to account for operational realities such as workforce availability, asset criticality, inventory constraints, regulatory requirements, and outage schedules. Without trusted, connected data, AI may make faster decisions without necessarily making better ones. AI does not solve weak data governance. It operationalizes it.

Modernization is the Foundation. Not the Finish Line.

Many utilities are investing heavily in SAP S/4HANA, RISE with SAP, cloud ERP, Clean Core strategies, and connected asset management. These initiatives create the technical foundation for future AI capabilities, but modernization alone does not create readiness.

A cloud migration does not automatically resolve process ownership, a new ERP platform does not eliminate control gaps, and clean architecture does not guarantee predictable execution. True readiness requires ongoing governance, accountability, monitoring, and operational discipline long after go-live.

The Real Question for Utility Leaders

The industry is understandably focused on autonomous operations. But the leaders who gain the most value from AI may not be the ones who deploy it first.

- They will be the organizations that know:
- Where AI can be trusted
- Where human judgment remains essential
- Which risks still require attention
- How to ensure systems behave predictably at scale

The autonomous utility is the vision. Readiness is the requirement.

About Markgraf

Markgraf Consulting helps identify the gaps between modernization and operational readiness, ensuring SAP environments, governance models, controls, and business processes are prepared for AI-enabled execution.



**FIND THE GAPS
NOBODY ELSE SEES.**

Go Live Isn't the Finish Line
markgrafconsulting.com

866.800.1080
sales@markgrafconsulting.com