

AI SDLC Readiness Checklist for SMEs

A scored, evidence-based diagnostic for deciding whether an AI use case is ready to pilot, release, scale, or stop.

WHO SHOULD USE IT	WHEN TO USE IT
SME founders, functional leaders, product owners, technology teams, security leads, and delivery partners.	Before approving an AI pilot, buying an AI-enabled product, or moving an experiment into production.

How to score

0	Not started	No owner or evidence.
1	Ad hoc	Discussed or informal; evidence incomplete.
2	Defined	Tested in a pilot; evidence exists.
3	Operational	Approved, monitored, and repeatable.

Stop conditions

Do not proceed to production, regardless of score, if any item applies:

STOP No accountable business owner can accept the outcome and residual risk.

STOP Important data has no demonstrated rights or lawful basis for the intended use.

STOP Secrets, regulated data, or personal information may reach an unapproved service.

STOP A consequential decision has no meaningful human review, correction, or appeal path.

STOP The system cannot be disabled or rolled back without unacceptable disruption.

Maximum score: 45. Record evidence, not confidence. This worksheet is not a compliance certification or legal opinion.

Assessment record

Organization / team _____	Assessment date _____
AI use case / workflow _____	Business owner _____
Delivery owner _____	Next review date _____
Risk / impact tier ☐ Low ☐ Medium ☐ High ☐ Critical	Decision ☐ Pilot ☐ Release ☐ Scale ☐ Stop

Readiness assessment

Questions 1-8 | Score each item 0-3 and name the evidence or gap.

Question and evidence	Score	Owner / evidence note
1. Use case and decision boundary Is the exact user, workflow, decision, and boundary documented, including what AI must never decide or do? Look for: Use-case brief; process map; exclusion list	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
2. Outcome and baseline Is there a baseline and measurable target for time, cost, quality, revenue, risk, or customer experience? Look for: Baseline; target; measurement owner	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
3. Value case and stopping rule Are expected benefit, full operating cost, adoption assumptions, and a stop or pivot threshold documented? Look for: Value hypothesis; cost model; review date	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
4. Data rights and provenance Can the team show source, ownership, permitted use, retention terms, and relevant consent or contractual limits? Look for: Data inventory; contracts; provenance notes	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
5. Data quality and fitness Has completeness, accuracy, freshness, representativeness, and known gaps been measured for the intended use? Look for: Quality profile; exception list; remediation	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
6. Data minimization and handling Are sensitive fields classified, minimized, masked, and kept out of unapproved prompts, logs, models, and vendors? Look for: Classification; flow map; DLP test; retention	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
7. Build-buy-provider decision Does the choice cover capability, security, data use, residency, cost, portability, support, and exit? Look for: Decision record; supplier review; exit plan	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____
8. Controlled AI assets Are prompts, models, retrieval sources, tools, policies, and evaluation sets versioned with owners and history? Look for: Repository; versions; approvals; source manifest	0 1 2 3 Score: ____	Owner: _____ Evidence / gap: _____ _____

Page subtotal (questions 1-8): ____ / 24

Interim findings

Capture what must be confirmed; make the final decision only after questions 9-15.

Strongest evidence: _____

Most material gap: _____

Owner to confirm before final decision: _____

Readiness assessment

Questions 9-15 | Complete every item; do not average away a serious gap.

Question and evidence	Score	Owner / evidence note
9. Representative evaluation Does the test set cover normal, edge, prohibited, diverse-user, and realistic operating cases? Look for: Evaluation set; thresholds; test report	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
10. Human oversight Is it clear when a person must review, override, correct, escalate, or communicate an AI-assisted outcome? Look for: RACI; review interface; escalation procedure	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
11. Threat model and security tests Has the team tested access, prompt injection, leakage, unsafe tools, output handling, dependencies, and abuse? Look for: Threat model; security tests; remediation	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
12. Privacy and regulatory duties Have notices, impact assessments, recordkeeping, sector rules, IP concerns, and user transparency been reviewed? Look for: Review; impact assessment; notices; decision log	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
13. Release gate and rollback Are approvers, thresholds, environment controls, deployment steps, rollback, and training ready and rehearsed? Look for: Release checklist; approval; runbook; rehearsal	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
14. Monitoring and incident response Will quality, harm, drift, latency, availability, cost, feedback, and security events be monitored with owners? Look for: Dashboard; alerts; incident playbook; limits	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____
15. Adoption and lifecycle ownership Are process change, support, training, feedback, periodic review, model changes, and retirement assigned? Look for: Adoption plan; service owner; review calendar	0 1 2 3 Score: _____	Owner: _____ Evidence / gap: _____ _____

Page subtotal (questions 9-15): _____ / 21 TOTAL: _____ / 45

Assessment decision

Stop condition triggered? ☐ No ☐ Yes If yes, which: _____

Decision: ☐ Proceed to bounded pilot ☐ Remediate and reassess ☐ Pause ☐ Retire

Decision owner: _____ Approval date: _____ Reassessment date: _____

Decision rationale / most important evidence gap:

The AI SDLC lifecycle

Move forward only when the exit gate is supported by evidence. Material changes return to the appropriate earlier stage.



Reference basis: ISO/IEC 5338:2023; ISO/IEC 42001:2023; ISO/IEC 23894:2023; NIST AI RMF 1.0; NIST SP 800-218 and SP 800-218A. Practical synthesis - not a certification assessment.

Turn the score into action

A high total never overrides a stop condition or a serious governance, security, privacy, or data-rights failure.

Score	Readiness	Recommended next move
0-14	Foundation required	Do not scale. Select one low-risk use case, appoint an owner, establish a baseline, inventory data, and resolve stop conditions.
15-27	Pilot with guardrails	Run a limited pilot with representative evaluations, human review, approved data, logging, cost limits, and rollback.
28-37	Controlled deployment	Close evidence gaps, automate regression tests, formalize supplier controls, rehearse incidents, and release to a bounded group.
38-45	Scale carefully	Validate evidence quality, monitor portfolio value and risk, test model/provider changes, and periodically obtain independent challenge.

Your 90-day action card

DAYS 1-30 DECIDE AND BOUND	DAYS 31-60 BUILD EVIDENCE	DAYS 61-90 PILOT AND DECIDE
Choose one low-consequence workflow. Name business and delivery owners. Record baseline, target, prohibited uses, and stop rule. Inventory data and begin threat/privacy review.	Create evaluations and thresholds. Configure review, access, logging, and cost limits. Document provider terms and exit. Test failure, abuse, rollback, and escalation.	Pilot with a bounded user group. Measure quality, adoption, cost, risk, and outcomes. Resolve or accept material gaps. Decide: scale, revise, pause, or retire.

Three priority gaps

Priority gap	Owner	Evidence or action required	Due
1.			
2.			
3.			

30-MINUTE BATOI AI READINESS CONSULTATION

Bring this checklist and one candidate workflow. We will challenge the boundary and value, identify the three priority gaps, and outline a bounded pilot with the evidence needed for a release decision.

[Request a consultation at batoi.com/company/enquiry/consulting](https://batoi.com/company/enquiry/consulting)

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Prepare: total score, stop conditions, candidate workflow, data sources, current baseline, and the decision you need to make next.