NANO TOOLS FOR LEADERS®

PROMPT POWER: SIX TACTICS TO GET BETTER RESULTS FROM AI

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

This Nano Tool for Leaders® was developed in collaboration with the [Wharton AI & Analytics Initiative](#)*.*

GOAL

Improve your "prompt engineering" to generate the most insightful, relevant outputs from AI.

NANO TOOL

Achieving valuable results from AI is as much about the quality of your prompts as the capabilities of the tool. You can be a more effective "human in the loop" by refining your ability to formulate clear, specific, and context-rich queries, and obtain more useful solutions and actionable insights as a result.

ACTION STEPS

Here are six key tactics—grounded in Wharton research—to help you create more effective AI prompts for business applications.

1. **Specify the desired outcome.** Clearly define what you want the AI to produce. Instead of a vague query like, "What are the trends in my industry?" try: "List three emerging trends in the health care industry and explain how each could impact small health care providers." For more complex tasks, provide step-by-step instructions.
    Why: Research by Ethan Mollick emphasizes that specificity increases the likelihood of relevant, actionable results. Structured instructions help AI "chain" reasoning steps together more effectively.

2. **Provide context and constraints.** Give the AI background information and boundaries to operate within. For example, rather than "Create a marketing plan," try: "Develop a digital marketing strategy for a mid-sized e-commerce brand targeting eco-conscious consumers with a $50,000 budget." Add personas, style preferences, tone, or previous outputs the AI should reference. Be mindful of the "context window" (roughly 8,000 words in most tools), which determines how much prior input the AI can "remember."
    Why: Kartik Hosanagar's work on algorithmic decision making highlights the importance of designing input systems that reflect business goals and ethical boundaries. Context and constraints guide AI to produce more relevant and responsible output.

3. **Iterate and refine.** Start with a basic prompt, then adjust based on the output. For example, if the AI generates a business plan missing competitive dynamics, follow up with: "Expand the competitive analysis section, focusing on regional players." Troubleshoot by rewording, breaking prompts into smaller parts, or emphasizing key details.
    Why: AI responses improve through interaction. As Mollick and others have shown, iteration allows you to steer the AI toward greater depth and accuracy over time.
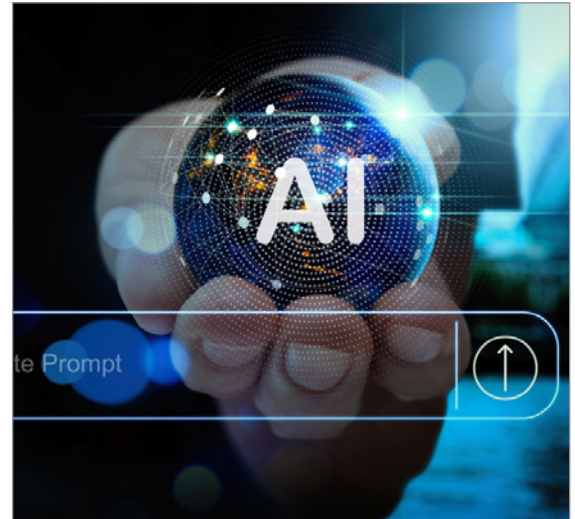
4. **Ask for diverse approaches.** Instruct the AI to explore multiple strategies or perspectives. For example: "Suggest three different ways to enter the Southeast Asian market—low cost, moderate investment, and high-investment options."
    Why: Stefano Puntoni's research on human-AI collaboration suggests that diverse outputs encourage creativity and improve decision making by exposing users to alternatives they might not have considered.

5. **Use role playing to surface tailored insights.** Assign the AI a specific role to shape its response. For instance, "Act as a CFO advising the CEO—what are the financial risks and rewards of this project?"
    Why: Role-based prompting helps align responses with stakeholder priorities. This mirrors Hosanagar's findings on aligning AI behavior with the needs and expectations of different organizational roles.

6. **Document and reuse high-performing prompts.** Create a prompt library to capture the inputs that consistently yield useful results. Tag them by function (e.g., marketing, financial planning, hiring) for easy access.
    Why: Prasanna Tambe's work on workplace AI adoption shows that productivity gains often stem from standardizing successful practices—prompt templates included.

HOW TO USE IT

These examples demonstrate how to evolve a basic query into a more useful AI interaction.

Prompt 1: "Suggest a marketing strategy." **Prompt 2 (refined):** "You are a digital marketing expert. Suggest a digital marketing strategy for a $1M-revenue SaaS company targeting small-to-mid-sized businesses in the U.S., focusing on cost-effective channels for customer acquisition."

Prompt 1: "What are some strategies for entering the European market?" **Prompt 2 (refined):** "Suggest three market entry strategies for a mid-sized U.S.-based software company specializing in cybersecurity solutions targeting financial institutions in Germany, France, and the Netherlands. Focus on cost-effective approaches, regulatory considerations, and partnership opportunities."

Prompt 1: "How can I improve customer retention?" **Prompt 2 (refined):** "Provide five customer retention strategies for an online retail business with a subscription-based model, focusing on reducing churn among customers aged 25-40. Highlight low-cost, personalized approaches and best practices in customer engagement."

CONTRIBUTORS TO THIS NANO TOOL

This Nano Tool draws on cutting-edge research and thought leadership from Wharton faculty who are shaping the global conversation on AI in business. In addition to providing tactical insights, Ethan Mollick explores how generative AI can amplify creativity and productivity; Stefano Puntoni investigates consumer trust and ethical implications of AI; Prasanna (Sonny) Tambe examines how AI is reshaping work, skills, and workforce strategy; and Kartik Hosanagar focuses on human-AI collaboration and algorithmic decision making. Their work, featured in programs such as _Generative AI and Business Transformation_ and _Analytics for Strategic Growth: AI, Smart Data, and Customer Insights_, offers a powerful foundation for using AI tools more effectively—and responsibly—across industries.

ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.