



Strategic Use of AI in Business

March 13, 2018





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Agenda

Artificial Intelligence (AI) – What is it?

AI's Impact in the Economy

The C–Suite's Top Business Challenges

Changing the Way You do Business

AI's Impact on the Job Market

5 Myths About AI

The Economic Impact

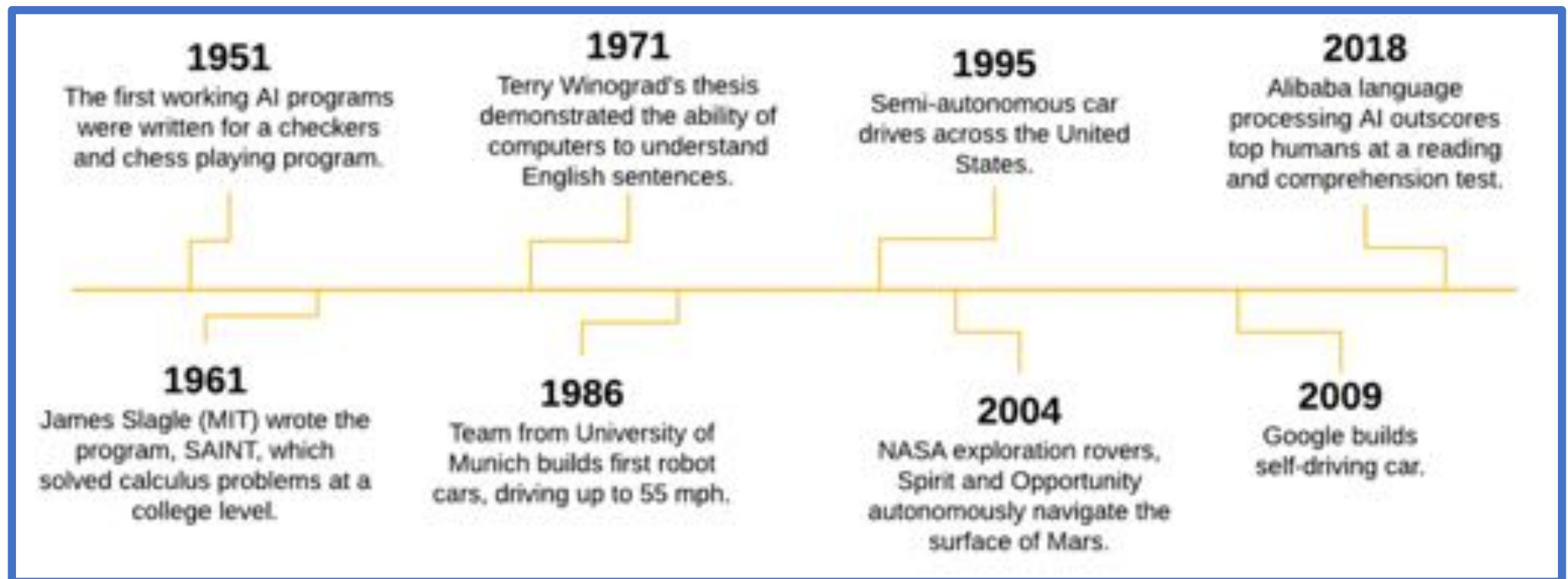


What Really is Artificial Intelligence

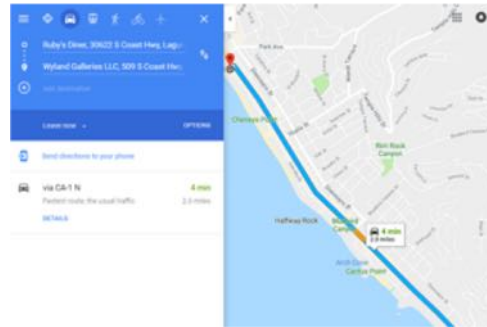
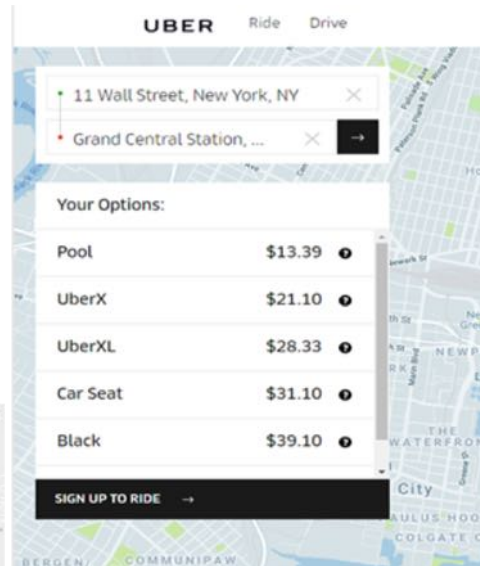
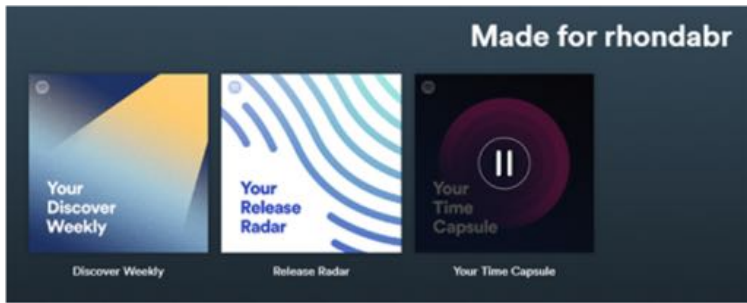
Artificial Intelligence

- A branch of computer science dealing with the simulation of intelligent behavior in computers; the capability of a machine to imitate intelligent human behavior.
- **Artificial intelligence (AI)** is the simulation of human **intelligence** processes by machines, especially computer systems. ... Particular applications of **AI** include expert systems, speech recognition and **machine** vision.

AI and the Impact of Changing Technology



AI Impacting Our Everyday Life

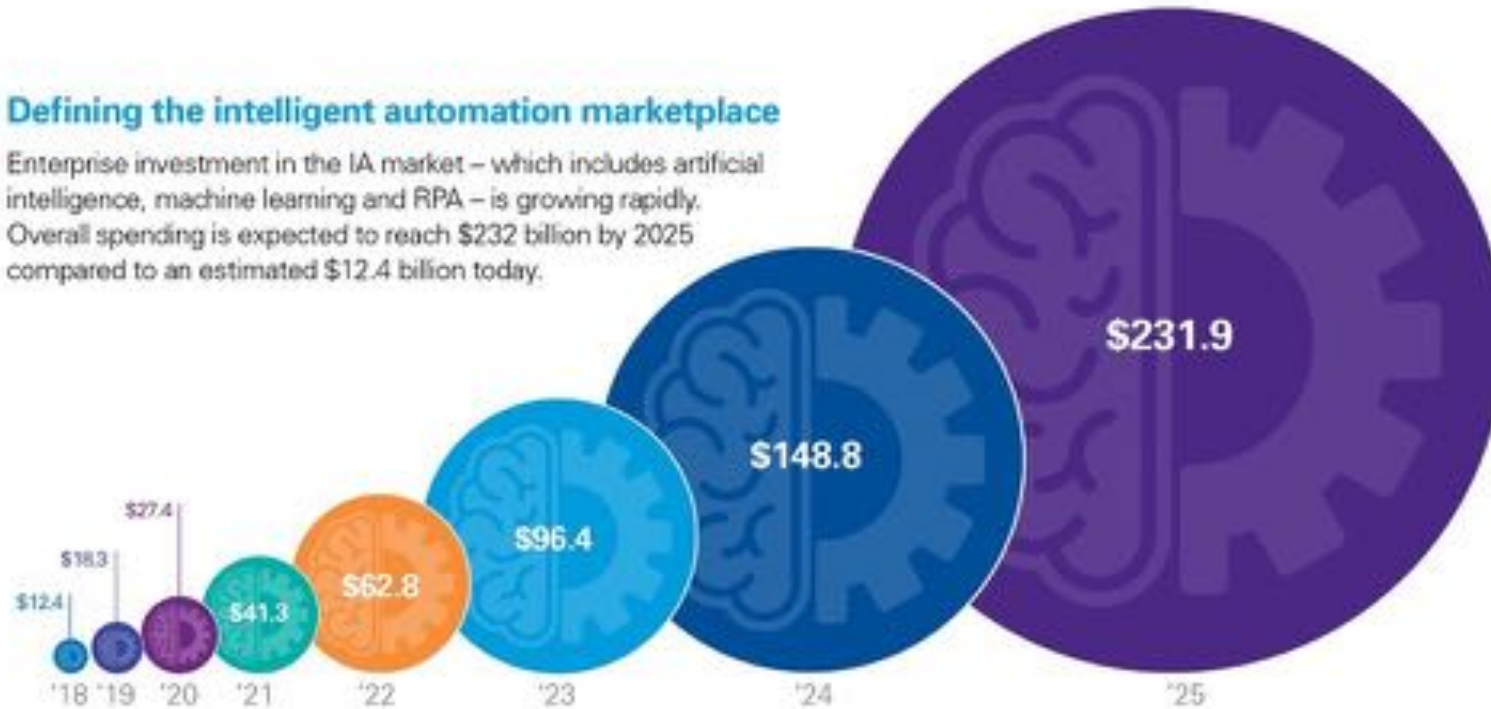


Exponential Investment Growth in AI



Defining the intelligent automation marketplace

Enterprise investment in the IA market – which includes artificial intelligence, machine learning and RPA – is growing rapidly. Overall spending is expected to reach \$232 billion by 2025 compared to an estimated \$12.4 billion today.



Source: KPMG LLP, 2018

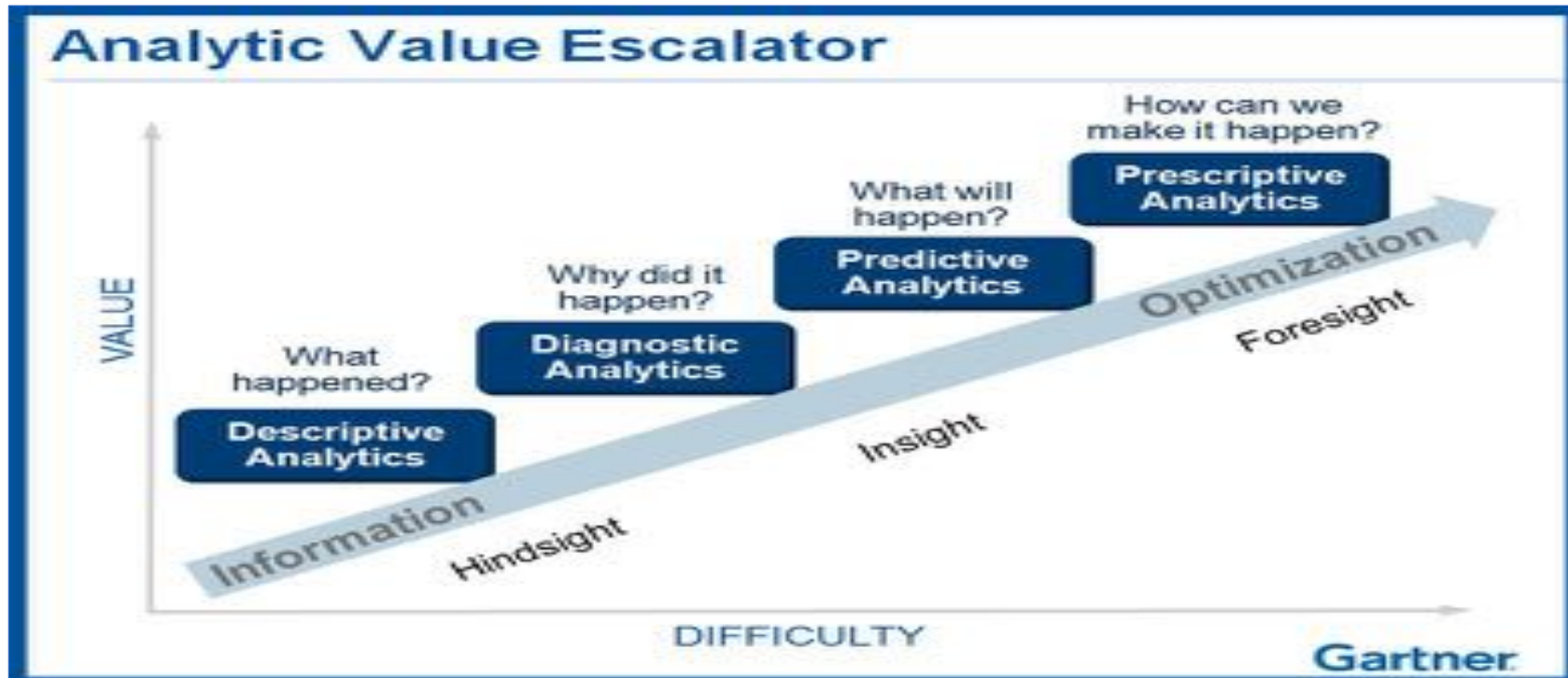
Spectrums of AI Outcomes



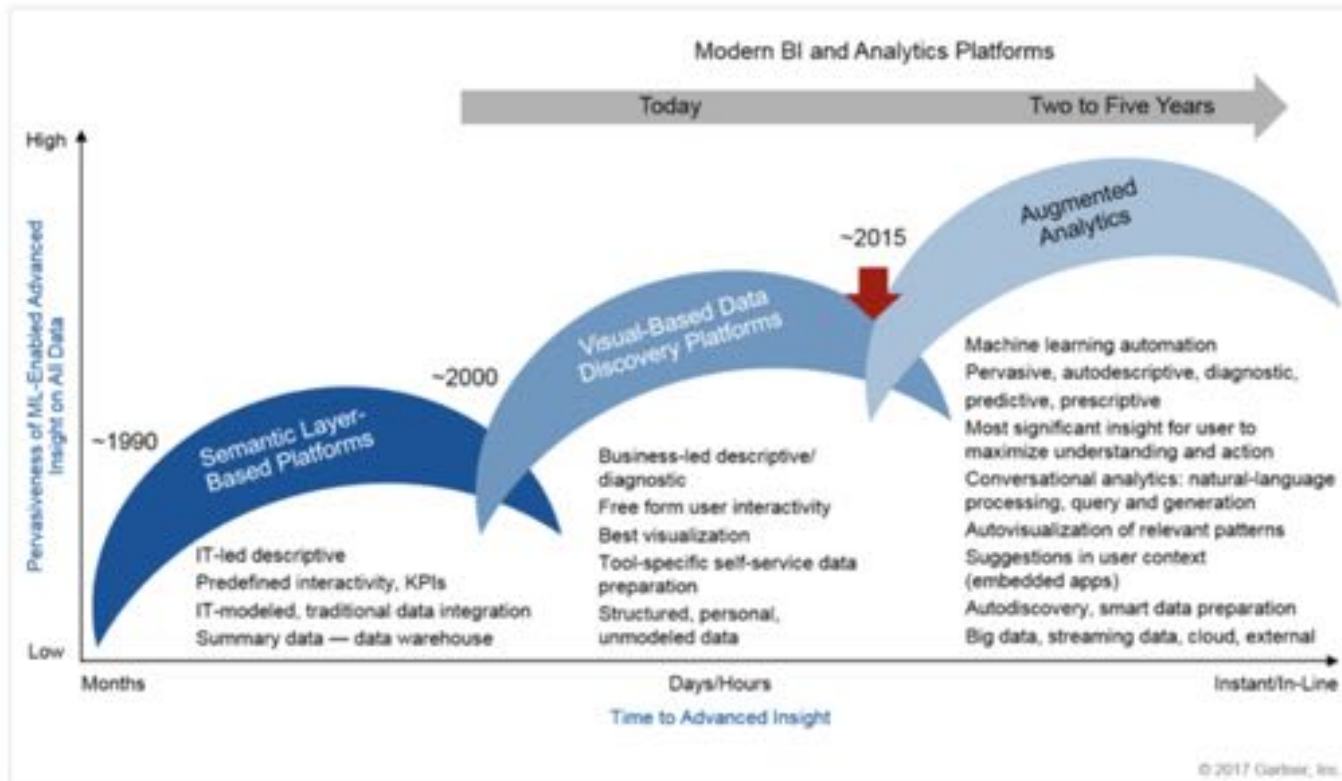
Artificial Intelligence Offers **New Ways of Working**



The Progression of Analytics



Market Landscape and Growth



Forbes

Big data and business analytics software is forecasted to grow over 50% from \$122bn in 2015 to \$187bn by 2019.

IDC

Through 2020, cloud-based Big Data and Analytics solutions will grow 4.5x faster than on-premises solutions. By 2020 50% of all business analytics software will incorporate prescriptive analytics built on cognitive computing functionality.

Sources:
Forbes August 2016
IDC FutureScape 2016

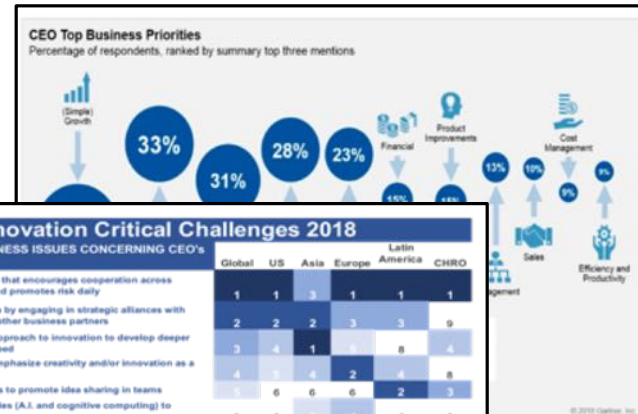
A photograph of a misty forest path. The path is paved and curves through a dense forest of tall, thin trees. The ground is covered in green moss and ferns. The background is hazy with mist, creating a sense of depth and mystery. The overall color palette is dominated by greens and greys.

We Are Surrounded by Data
But **STARVED** for **INSIGHTS**

C-Suite Focus in 2019

Top 3 Challenges / Priorities

- Accountability
- Organizational Agility
- Alignment of Strategy, Objectives & Capabilities



Innovation Critical Challenges 2018
MOST PRESSING BUSINESS ISSUES CONCERNING CEO'S TODAY

	Global	US	Asia	Europe	Latin America	CHRO
Create a culture of innovation that encourages cooperation across functions & business units and promotes risk taking	1	1	3	1	1	1
Expand innovation ecosystem by engaging in strategic alliances with customers, suppliers, and/or other business partners	2	2	2	3	3	9
Adapt a user-centric design approach to innovation to develop deeper understanding of customer need	3	4	1	1	8	4
As part of long-term vision, emphasize creativity and/or innovation as a corporate value or principle	4	3	4	2	4	8
Develop managers and leaders to promote idea sharing in teams	5	6	6	6	2	3
Invest more in new technologies (AI and cognitive computing) to enhance R&D efforts						
Hold leaders accountable for behaviors that foster a						
Develop, communicate and reinforce specific, clear, potential associated with specific roles and function						
innovation outcomes						
Invest more in developing innovation skills for all employees						
Ensure more diversity and inclusion on innovation functions						
Develop a comprehensive enterprise-wide digitalization						
Ensure that the performance appraisal system acknowledges and iteration are often necessary aspects of innovation						
Establish clear policies for data gathering (internal and external) to privacy rules						

Organizational Excellence Critical Challenges 2018
MOST PRESSING BUSINESS ISSUES CONCERNING CEO'S TODAY

	Global	US	Asia	Europe	Latin America	CFO	CHRO
Improve our organizational agility/flexibility	1	2	5	1	1	2	7
Seek better alignment between strategy, objectives and organizational capabilities	2	3	1	7	6	11	1
Invest more in new technologies	3	9	4	2	3	6	8
Raise employee engagement to drive productivity	4	5	6	4	4	1	2
Foster process of continual improvement (Lean, Six Sigma, etc)	5	4	7	5	5	7	6
Improve our use of Big Data analysis for strategic planning	6	8	3	11	11	4	4
Better align compensation and incentives with business performance	7	11	2	14	8	8	3
Redesign business processes to strengthen digital transformation	8	7	9	3	2	3	9
Improve goal setting for individuals to link to organizational objectives	9	6	8	10	10	6	11
Create/Maintain a culture of accountability	10	1	10	6	7	12	5
Support employee resiliency to adapt and support change efforts	11	13	11	9	13	14	10
Assess vulnerability of current business model	12	11	12	13	14	9	12
Focus on reduction of base line costs	13	10	15	12	9	10	13
Develop local management talent for top roles	14	14	13	8	12	13	14
Reassess the strategy with regard to global supply chain and its implication for operations	15	15	14	15	15	15	15

AI – Changing the Way People do Business

How Companies Around the World Are Using Artificial Intelligence

IT activities are the most popular

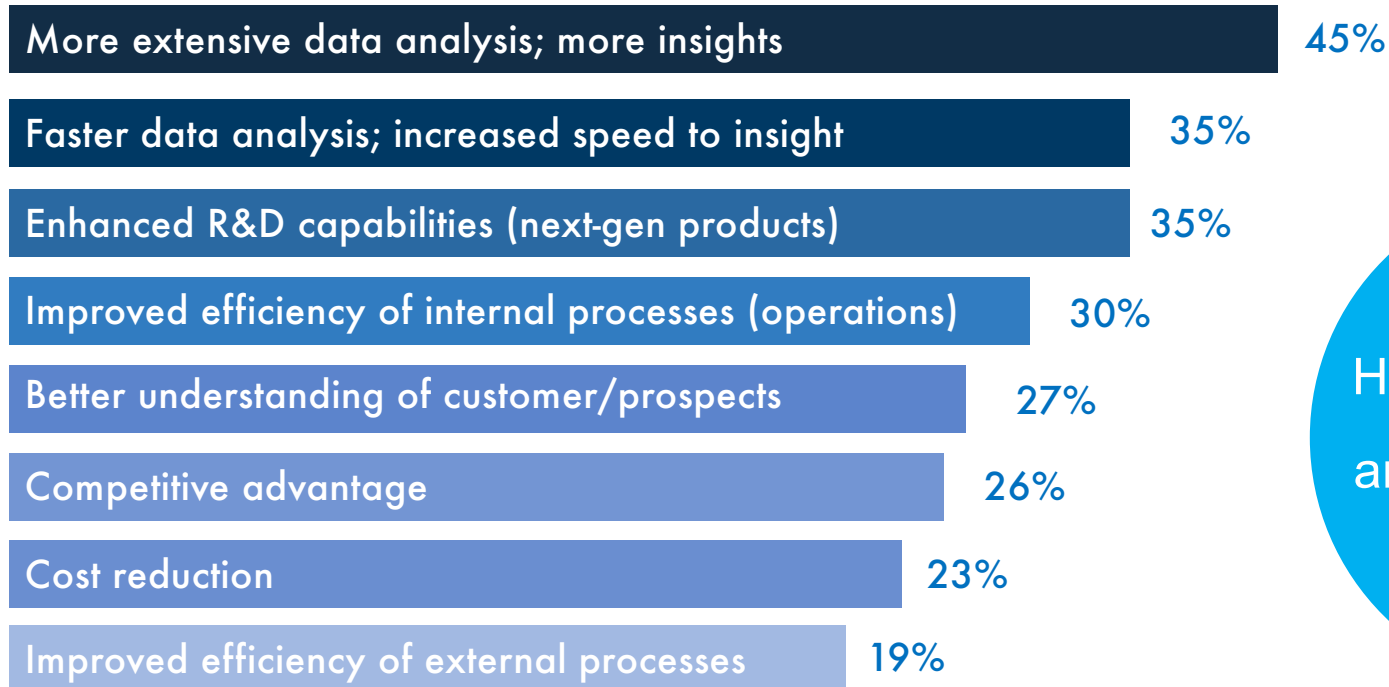


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AI won't
replace your job,
it will
redefine your job

What do Companies Gain from AI?

If your organization is currently using ML, what have you actually gained?



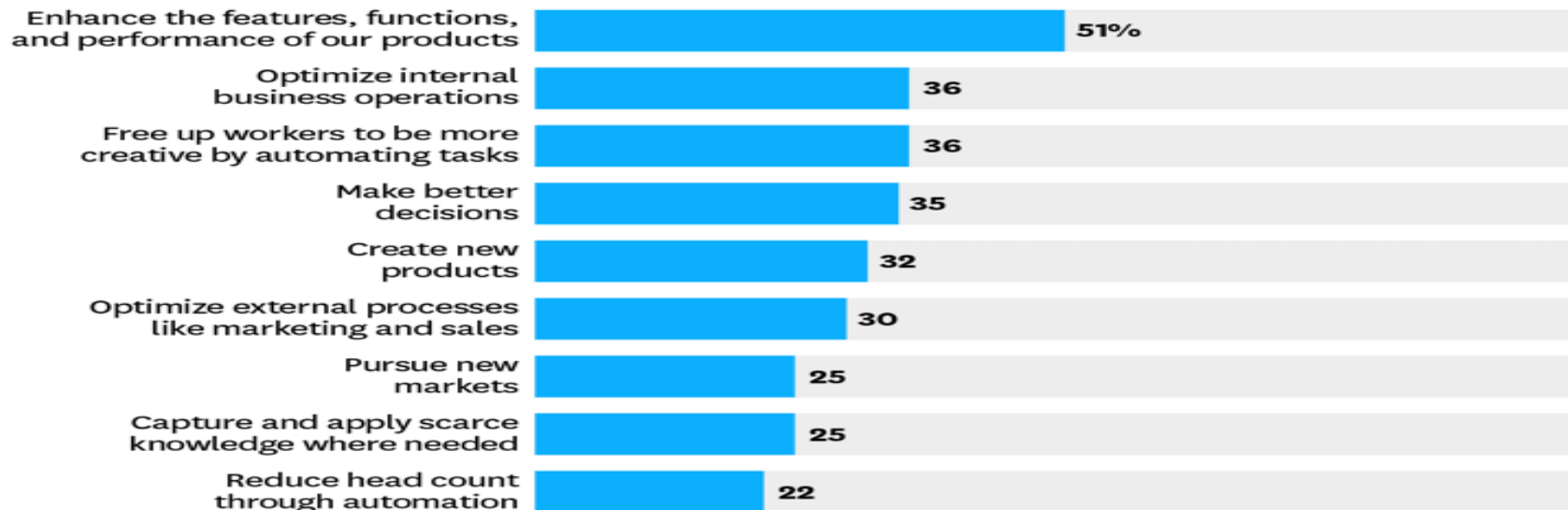
How Businesses Value AI



The Business Benefits of AI

We surveyed 250 executives who were familiar with their companies' use of cognitive technologies to learn about their goals for AI initiatives. More than half said their primary goal was to make existing products better. Reducing head count was mentioned by only 22%.

PERCENTAGE OF EXECUTIVES WHO CITE THE FOLLOWING AS BENEFITS OF AI



SOURCE: DELOITTE 2017
FROM "ARTIFICIAL INTELLIGENCE FOR THE REAL WORLD,"
BY THOMAS H. DAVENPORT AND RAJEEV RONANKI, JANUARY-FEBRUARY 2018

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Current Challenges Across Most Enterprises



Multiple systems managing business performance,
resulting in disconnected information



Corporate, operational and people performance
housed **disparate systems**.



How Democratization Works

All stakeholders are empowered to act

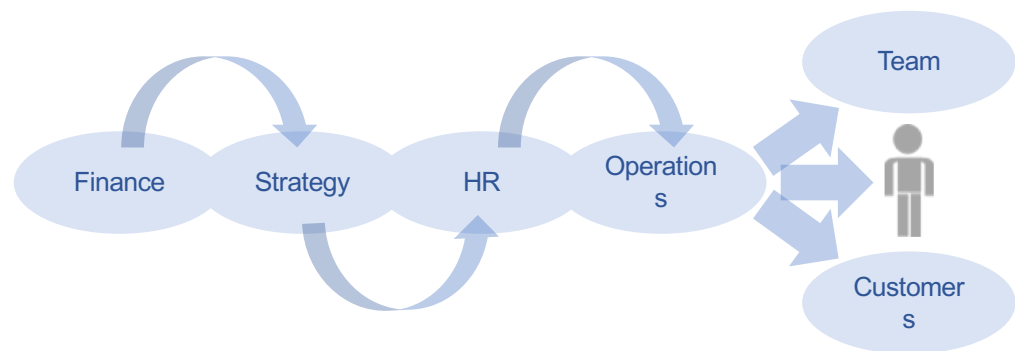
Real-time access to the most important performance insights, available to everyone via mobile AI

From

High touch-time for insights to reach decision-makers, diluted with excessive explanation, resulting in weakened and slower actions

To

Real-time insights, eliminating message dilution and accelerating cycle-time to act



Solution: Seamless, Connected Enterprise

Enterprise-wide business performance in one AI driven application



Spectrums of AI Outcomes



Artificial Intelligence Offers **New Ways of Working**



Augmented Analytics is the Future

Perceive
Avail performance awareness any time anywhere

Notify
Get notified on what's most important

Predict
Know the most likely outcome ahead of time

Prevent
Get alerted on potential pitfalls to avoid

Recommend
Get time relevant recommendations

MTD-revenue is 30% below target. Seasonal and YTD sales trend indicates a 30% shortfall by end of year. If not corrected, FY 18 EBITDA will be missed. Network is driving 40% of the shortfall.

FY Revenue vs Target

Region	Revenue
California	100
Missouri	70
Nebraska	40

Legend: MTD YTD, Target

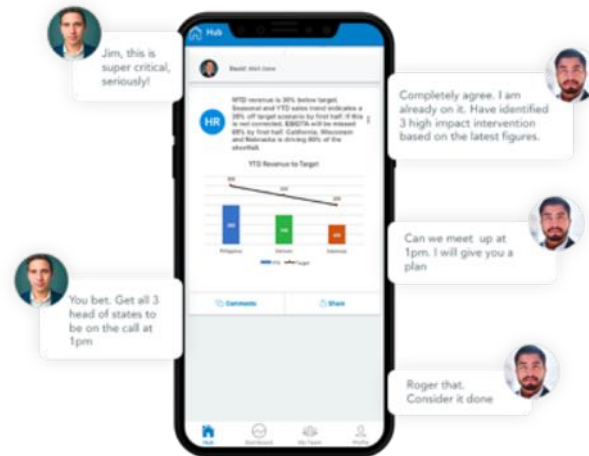
Data and Analytics Living in the Organization

Mobile KPI reporting tools join AI to enable data interaction, insights and collaboration with the same functionality and ease-of-use as social media

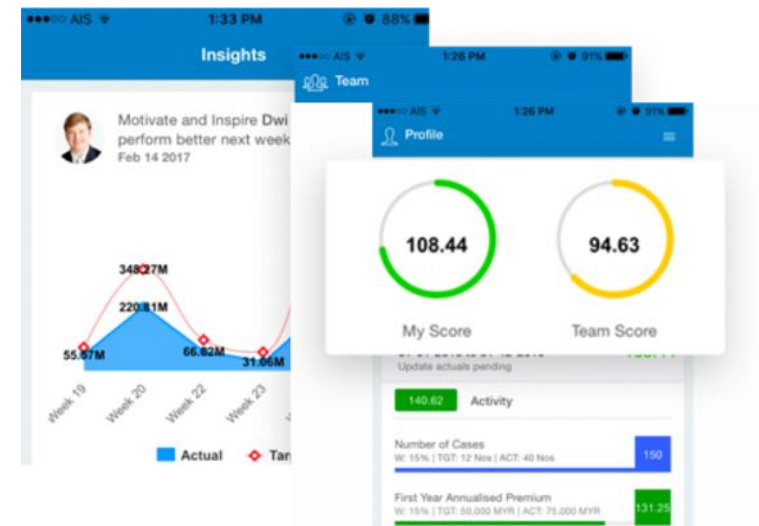
KPI Monitoring and Reporting



AI-Pushed Notifications and Collaboration / Sharing



AI Data Insights and Team / Individual Scorekeeping



Data and analytics *live in the organization* – driving collaboration and problem-solving through transparent reporting, AI-pushed notifications and alerts, and real-time team remote collaboration

KPISOFT Application Overview

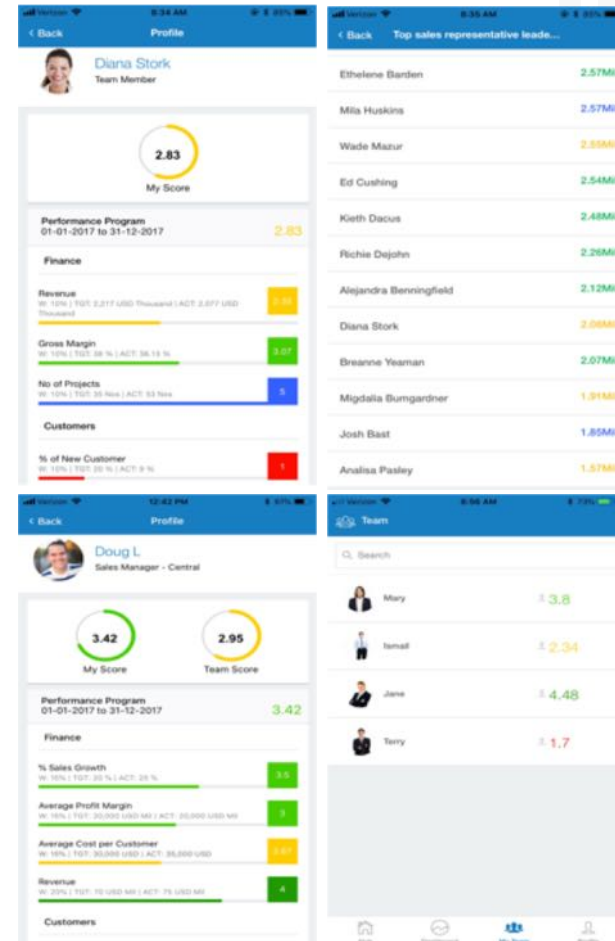


Performance Scorecard

- Manage Self
- Set goals
- Look at progress
- Motivate Self

Manage Team Performance

- Manage Team Performance
- Set goals & monitor progress
- Coach

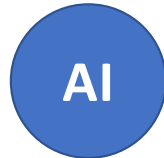


KPISOFT Application Overview



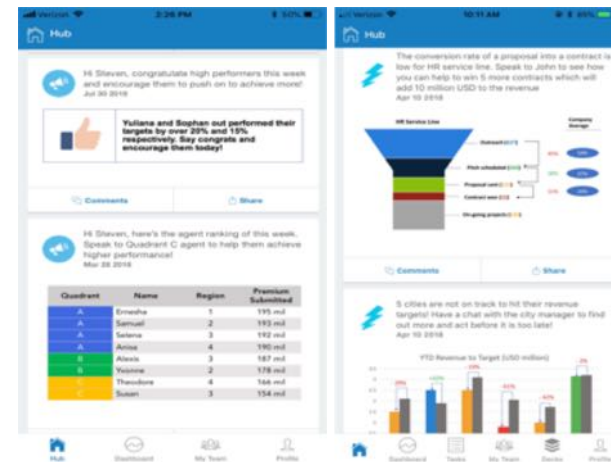
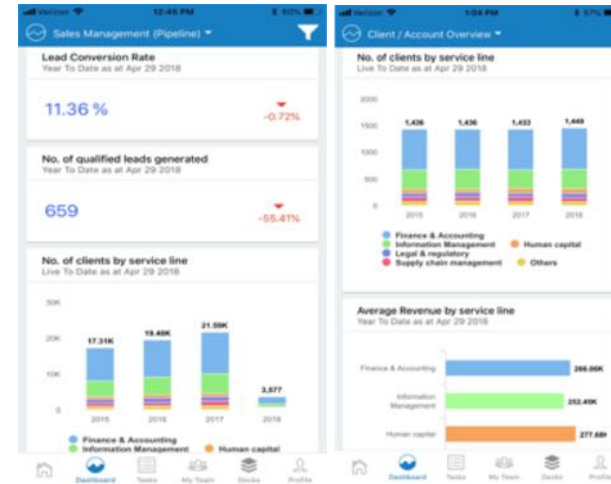
Dashboards

- Monitor
- Analyze
- Target Performance
- Heat Maps



Engage & Motivate

- Real Time Collaboration
- Instant Feedback
- Engaged Recognition
- Goal Driven Conversation
- Push notification



AI Job Impact Over the Next 5 Years



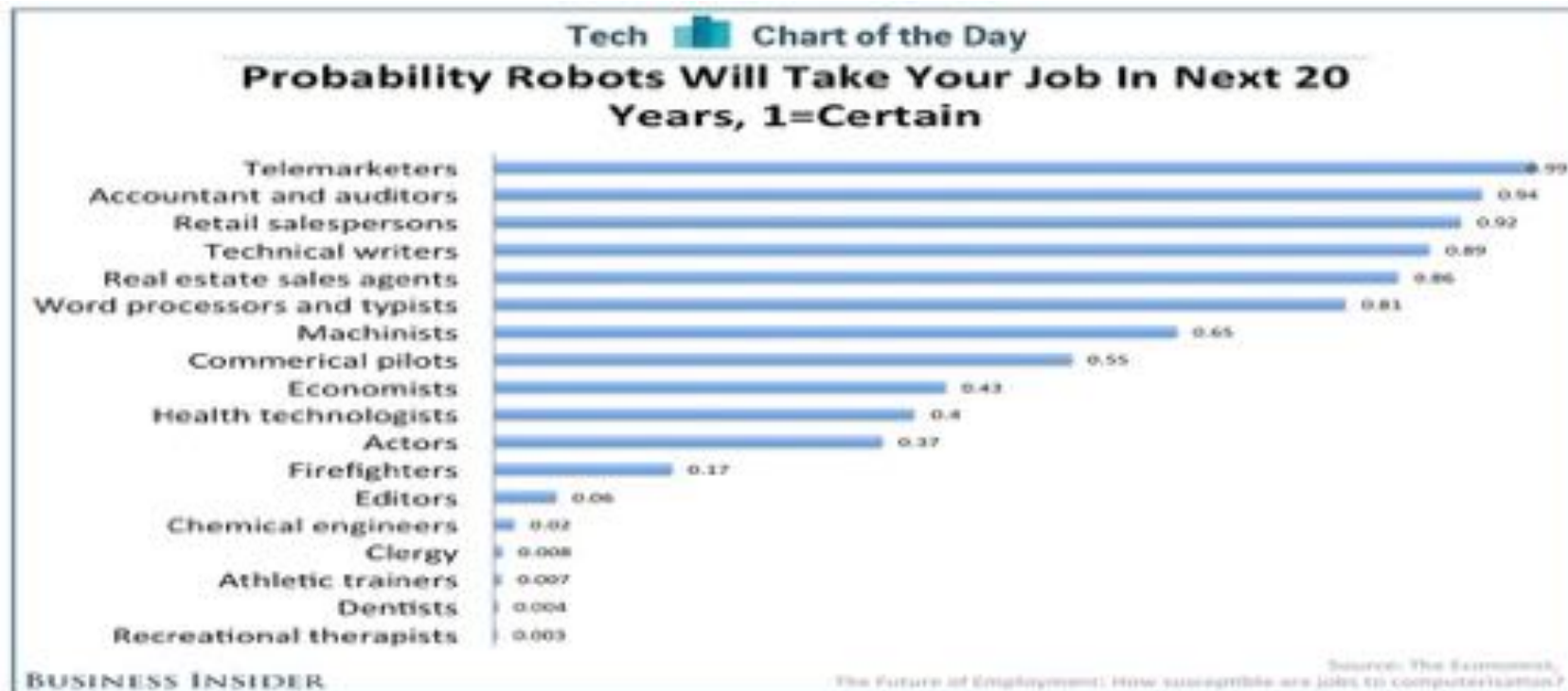
AI's effect on the workforce

How do you expect AI will affect the workforce in the next five years?



Percentage of respondents who somewhat or strongly agree with each statement

What Jobs Will be Impacted Most?

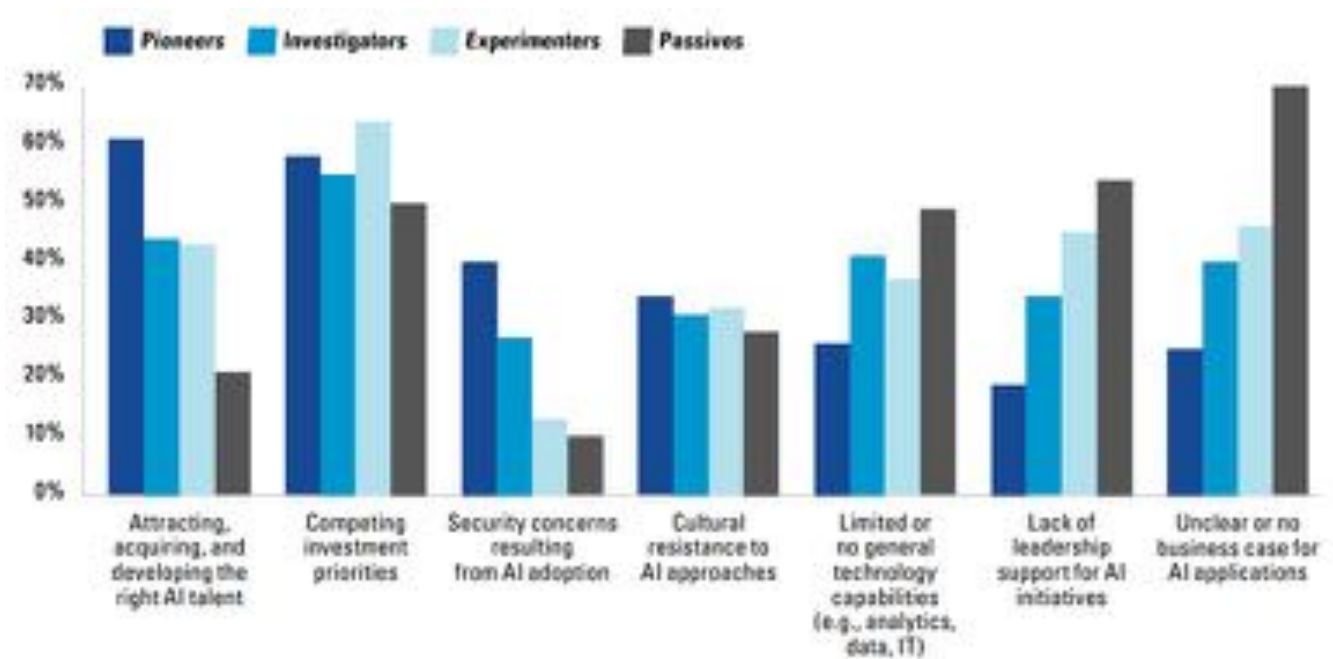


The Risk of Being Slow to the Party

Barriers to AI adoption

AI talent limits pioneers

Passives don't yet discern a business case for AI





5 Myths about AI you must STOP Believing

1. **AI is going to replace all jobs**
2. **Only low-skilled and manual workers will be replaced by AI and automation**
3. **Super intelligent computers will become better than humans at anything we do**
4. **AI will quickly overtake and outpace human intelligence**
5. **AI will lead to the destruction of the human race with superior robotic beings**

Questions





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