



ALL EYES ON AI

AUDIO TRANSCRIPT

How to harness the new to capitalize on the golden Age of AI

“It was the best of times, it was the worst of times ...”—Charles Dickens would be right on point if he were describing the current state of businesses globally.

We are in the midst of an unprecedented time in history. On the one hand, we face never seen before levels of competitiveness, cost pressures, shareholder expectations and regulatory challenges. On the other, we are experiencing tremendous levels of digital adoption, leading to a demographic dividend in India and, more importantly, increased levels of consumerism.

For the first time in history, we are witnessing the combined effects of multiple evolving technologies (such as blockchain, AI and quantum computing), the democratization of talent, sharply reduced costs for data storage and an increased focus on managing data as a strategic asset (think of data as the new fuel). The benefits include revenue growth, optimized costs, higher ROI and competitive advantage in a constantly expanding marketplace.

However, with increased levels of digital disruptions across traditional industries, companies are waking up to the reality of doing business in the NEW – turning digital disruption to their advantage. Technology and innovation are key. Unfortunately, most organizations are not geared up for this challenge and often find themselves asking questions on how, when and whether these investments will even deliver. To cut through the uncertainty, organizations have started investing in technologies like artificial intelligence and automation, expecting high levels of business impact.

But is it the best approach?

ELEVATE YOUR ARTIFICIAL INTELLIGENCE
While Artificial Intelligence (AI) is a game-changing technology, it isn't the silver bullet that many imagine it to be. Real digital transformation happens when you combine AI with analytics, automation and a bold vision for applying these technologies together at scale. It is what Accenture calls “Applied Intelligence” – enabling clients to do things differently and do different things.

Applied Intelligence helps businesses collect, interpret and enhance data that may have been previously hidden or out of reach to generate near real-time insights. This new applied intelligence can then be used to discover new opportunities, reimagine products and services, and open up new revenue streams. In fact, this is the point of the growth curve right before things go vertical.

STEP INTO THE NEW

There's tremendous (and growing) interest in AI technologies. Accenture's 2018 Technology Vision survey shows that 85 percent of participating executives report an intent to invest in AI over the next three years. Another research report illustrates why now is the time to act.

Our findings show that AI has the potential to kick-start profitability by an average of 38 percent and lead to an economic boost of US\$14 trillion across 16 industries in 12 economies by 2035.

Not doing so risks quickly falling behind and losing competitive advantage. To help solve business problems and create new opportunities, Applied Intelligence requires three essential steps:

1. UNDERSTAND THE POWER OF THE 3A's –ARTIFICIAL INTELLIGENCE, AUTOMATION AND ANALYTICS



Historically, companies used automation to achieve higher productivity and cost savings—think robotic process automation on the shop floor, call centers and the back office.

Automation lets organizations automate current tasks as if a real person were to do them. Bots are the virtual workers who execute rule-based information processes, thereby improving accuracy and efficiency and reducing human error.

Automation alone, however, will not deliver exponential outcomes—primarily because the focus in automation is to improve the efficiency of existing processes. However, to realize a quantum business impact, you also need to invest these savings in analytics, where data can be engineered and analyzed at scale to drive insights never before available. Not only does this improve effectiveness and efficiency, but it also promotes growth through better customer experiences and upsell, cross-sell and top-line enhancements.

Big data and analytics can then fuel AI technologies, such as machine learning, to deliver new, innovative capabilities. The combination is truly unique. Unlike any other system, Applied Intelligence can:

- Sense through data
- Comprehend what the signal is through machine learning
- Decide what to do
- Act through automation
- Learn based on how the action performs in the real world

When AI is applied to improve a supply chain interaction, for example, it makes every other supply chain interaction smarter. Say an AI recommendation system develops a customer offer. If the customer accepts, the AI system is smarter about what types of offers get accepted, thereby improving the experience for existing and future customers.

Thomas Cook India discovered this opportunity when instead of investing heavily in advertising for returns, it partnered with Accenture to tap into analytics.

Using Accenture's Lead Prioritization Model, we upgraded and integrated AI into the company's online and offline portals as well as its mobile app to gain accurate and researched results about customers. This 360-degree view of the customer is easily accessible to salespeople, offering intelligence on the customer's probability to purchase relative to other customers. As a result, Thomas Cook experienced a 14 percent increase in lead conversion and was able to launch targeted marketing campaigns through multiple touchpoints, leading to an unprecedented 17 percent growth rate.

2. CREATE A HUMAN+MACHINE ENTERPRISE

Despite people's fears, machines are not necessarily replacing humans. Instead, humans are working collaboratively with machines to develop new forms of intelligence and apply them to business and societal problems.

Accenture research shows that companies can achieve the largest boosts in performance when humans and machines work together as allies, not adversaries, to take advantage of each other's complementary strengths. To do this, enterprises must create a culture where humans and machines continuously learn, collaborate, and drive data responsibly across every function and process. However, it requires distinguishing between automation and augmentation.

AI can automate processes that should be automated, such as repetitive tasks or simple decisions like where to place inventory. But Applied Intelligence goes one step further. It also augments human decision-making.

Let's look at Tata Steel. This company dispatches around 6.5 million tonnes of coal annually using coal rakes. Along certain transit routes, though, pilferage occurs, leading to substantial financial loss.

Accenture helped Tata Steel implement an image analytics-based coal pilferage detection solution to identify the wagons where potential pilferage takes place. We helped set up an integrated camera to record continuous video feed of the incoming coal rakes and instantly share the time-stamped images on the company's IT network.



Automation features can then identify the wagons and source of the rake where pilferage is likely to have occurred in transit, allowing the company to make corrective decisions faster and more accurately.

To succeed, companies must develop a data-driven strategy and enable data to flow easily throughout the organization. This includes unifying disparate data sources into a single view and making it easy for employees to interact with data in a standardized way to make real-time decisions at the point of need. When the data gets to the point of insight or action, employees who interact with the systems or are responsible for the outcomes need to be comfortable with data being central to decision making. They need to transition from “tribal knowledge” to a data driven, intelligent approach.

This is where the human+machine concept gets amplified and why a change in culture is so important. For example, on the factory floor, an employee with 30 years of experience running a machine needs to trust the machine to make suggestions to improve productivity or increase output.

To become more data and insights-driven, Brandix, one of the world’s leading apparel manufacturers, recently adopted this approach and enabled its supply chain team to use the analytics insights delivered on its new Sword platform to help it make decisions on how to reassign raw materials and reduce write-offs, generating over \$5 million a year in savings. Brandix envisages deploying this combination of strategy and analytics across the whole organization, running multiple profitability uplift programs, transforming back-office operations and optimizing internal organization.

3. SCALE APPLIED INTELLIGENCE FOR ROI

When applying artificial intelligence, companies cannot just focus on a single algorithm or tool. They must also have a clear understanding of how to integrate Applied Intelligence into the overall business, process, or function. Companies need a strategy, the right data services platforms and a robust data supply chain that will deliver intelligent insights at scale.

Enterprises also need to decide where to drive automation – for example, through software chatbots or physical robots – and how to balance that with the human component (i.e., employees) to amplify their productivity.

These elements must also be connected end-to-end. Data management is vital to unlock value and should be treated as a supply chain, enabling data to flow easily and purposefully through the entire organization to make decisions at the point of need. In addition, data has to move at the right speed to be relevant. For example, time-critical data should flow rapidly through the supply chain, while less relevant data should move more slowly. Quick access to the right data enables companies to perform analysis, glean insights and act rapidly to gain competitive advantage. To succeed, companies must develop a data-driven strategy and enable data to flow easily throughout the organization. This includes unifying disparate data sources into a single view and making it easy for employees to interact with data in a standardized way to make real-time decisions at the point of need.

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NAVIGATE YOUR FUTURE

Organizations cannot rely on the historical organization of their workforce and talent to succeed. Instead, they need to build new skills, reorganize, collaborate and innovate to stay in the race.

Shifting from a process-driven to a data-driven business model can change the way organizations behave – in a positive way. As a holistic approach, Applied Intelligence can give organizations the signals they need from the market and customers to adjust their decisions and strategy to promote growth and competitive advantage continually.

The ROI is real. But success requires embracing and carefully managing the dramatic change that Applied Intelligence enables. Organizations must understand the effects of their systems on customers, employees, business partners and society and have a clear understanding of the ethics to develop the right policies and procedures for AI governance and accountability. Those that do will be able to respond confidently to the digital disruption that's overtaking our world.

Now that's pivoting to the New.

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