THE NEW, NEW NORMAL: EXPONENTIAL GROWTH POWERED BY AI
With a myriad of high expectations regarding Artificial Intelligence and its potential, the technology itself is often the focus. One must be careful to avoid distraction and dig a little deeper, or risk being left behind.

BECAUSE AI IS THE NEW CURRENCY FOR GROWTH.
For the forward looking, AI is increasingly understood to be the key to transforming experience, developing new digitally-enabled products and services, and serving previously less attractive markets. AI has the potential to allow companies to not only do different things, but also to do things differently. It represents an opportunity for a step change in balancing growth, profitability, sustainability and trust.

Getting AI right makes companies more valuable to their ecosystem and helps them maintain a competitive position in a world that will soon be powered by AI.

But to realize real and sustainable benefits, AI must evolve from being a hot new trend to a seamless enabler — woven into the fabric of the enterprise and working alongside and augmenting people. More than just another thing to do, AI is a way of being.

**BEYOND PERSONALIZATION**

While personalization remains an important application of AI, it is just one part of the opportunity. Companies race each other to best serve each customer, enhancing interaction based on the predictive power of an individual’s data points. Yet, when AI becomes an essential component of every process, it enables growth that goes far beyond just the customer-facing aspects of a business.
AI defined

AI is not just one technology, but rather a set of technologies that organizations can combine in a variety of ways to **sense, comprehend and act.** These technologies can perform or augment human tasks and increase in skills and performance through **learning.** In fact, essential to AI is the ability to learn (sometimes autonomously), adapt and improve. For instance, border control kiosks sense via facial recognition. Virtual Agents comprehend via natural language understanding and self-driving cars act autonomously. All use AI, just in different ways. All improve and evolve, often without human or programmatic intervention.

56% of executives indicate AI deployment will **drive new growth and revenue opportunities** by accelerating new products and services.

50% think that AI deployment will spur a **change in their business models.**

58% say AI-enabled revenue growth will come from **increased customer satisfaction and engagement.**

53% indicate AI will enable them to exploit **new market or product opportunities.**
A new class of value creation opportunities is stemming from AI. As shown in Figure 1, this framework of five value levers—benefit categories of applied AI solutions—can frame and help prioritize quantifiable results and sustainable growth for an organization. Embracing these levers across a business offers an opportunity for an average 30-50 percent increase in enterprise profitability over 10 years.2 Focusing on AI across the five value levers of Intelligent Automation, Enhanced Judgement, Enhanced Interaction, Intelligent Products and Enhanced Trust and across the enterprise, rather than just in isolated ways, is key.

Today, 57 percent of companies are in the early investment or pilot stages of AI initiatives and have not yet deployed fully sustainable AI programs across their organization or to customers.3 However, some are starting the journey. For example, one major financial industry firm is looking at ways to incorporate AI across its business by exploring areas such as intelligent automation that can automate analyst and operational workflows and intelligent products capable of delivering a new class of algorithm-driven funds for clients.

**FIGURE 1: A MULTI-PRONGED APPROACH TO CREATING VALUE WITH AI**
Illustrative increase in enterprise value over 10 years.

<table>
<thead>
<tr>
<th>Benefit Category</th>
<th>Annual Value After AI</th>
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<tbody>
<tr>
<td>Enhanced Trust</td>
<td>10-15%</td>
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<tr>
<td>Enhanced Interaction</td>
<td>10-20%</td>
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<tr>
<td>Enhanced Judgement</td>
<td>15-25%</td>
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<tr>
<td>Intelligent Products</td>
<td>20-30%</td>
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<tr>
<td>Intelligent Automation</td>
<td>10-20%</td>
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**ANNUAL VALUE**

10-15% Enhanced Trust
Build trust within the organization through the use of AI (compliance, risk, transparency) and how AI is used.

10-20% Enhanced Interaction
Deliver superior experience to customers and users based on hyper-personalization and real-time information curation.

15-25% Enhanced Judgement
Leverage AI capabilities to augment human intelligence on core human-driven processes.

20-30% Intelligent Products
Apply AI into new and innovative products and services and new business models.

10-20% Intelligent Automation
Use cognitive capabilities that are layered on automation technologies providing self-learning, autonomy and reactive and proactive abilities.
THE NEW ECOSYSTEM CURRENCY: DATA

AI demands vast and diverse data to yield the best learning and results. Accordingly, leadership teams are quickly realizing data from their own company is highly valuable, and data from a host of related companies is even more valuable. Forty-four percent of executives across industries say the value of ecosystems lies in access to new customers and with those customers comes data. Ecosystems will soon evolve from value chain partnerships in which each entity has a specific function, to information exchanges that drive new opportunities to leverage and monetize enriched data. For instance, Toyota, Ericsson, Intel, Japanese auto parts maker Denso Corp and telecommunications firm NTT DoCoMo formed a consortium that uses data to support emerging services such as intelligent driving, creating maps with real-time data and driving assistance based on cloud computing. The goal of the consortium is to build an ecosystem around this connected car data.

By 2019, AI platform services will cannibalize revenues for 30 percent of market-leading companies. The faster and more completely companies buy into ecosystems of data, the better able they will be to compete. Salesforce, recognizing that fact, acquired data management platform Krux in 2016. Krux works with brands like Spotify, Kellogg’s and Warner Brothers to glean insights from their data, tracking consumer data signatures across multiple devices and channels, from tablet and cell phone to social media and video. Combining that data with information collected by Salesforce’s AI platform, Einstein, allows member companies to be smarter than they might be using just their own data, extending their insights into related consumer spaces.

AI-fueled insights will increasingly require vast data marketplaces to be truly targeted. It is these very insights that are key to the business growth drivers mentioned—transforming experience, developing new digitally-enabled products and services, and serving previously less attractive markets.

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Case in point: AI helps wealth managers tap underserved markets

The wealth management industry has historically had a net worth cutoff for its client base—a point at which it became unprofitable to serve customers via human advisors. Average investors were left, basically, to their own devices. With the emergence of AI robo-advisors, however, this previously underserved market can now be empowered by financial institutions to grow and manage wealth, because they can be served at a lower cost while maintaining profitability.

Large firms, from Vanguard to Fidelity, have incorporated robo-advisory into their practice, in part because of competitive pressure from smaller firms and startups. Youyu, a robo-advisor app backed by Jack Ma of Alibaba, manages money for customers with US$800 or more to invest.\(^8\) Carson Wealth Management, with $8 billion in assets under management, spent more than $30 million on technology so it could “start delivering a great experience for someone who has $50,000.”\(^9\)
Current technologies and lowered barriers to entry are rapidly making AI more accessible and affordable. Couple those lowered barriers with its constantly learning nature, and AI is narrowing the competitive window of opportunity.

Organizations are sensing the opportunity and threat. Seventy-two percent of executives indicate AI will dramatically change their industry; 27 percent say it will completely transform their own business in the next three years.10

Organizations are investing more in AI, including 78 percent more in machine learning and 77 percent more in embedded AI solutions. While most executives realize the benefit of implementing AI across their enterprise, fewer than half of companies are doing so, thereby putting them further behind the rapid innovators.1 The research and experimentation inherent in the AI journey is invaluable—the faster companies master this learning curve, the more knowledge their AI teams will be able to apply to new growth initiatives.

Companies can speed their AI journey and boost value by investing in AI enablers. Enablers are capabilities that need to be in place for businesses to effectively deliver AI solutions and effect transformation in their industries and organizations (see Figure 2).

While in previous technology disruption and innovation waves, fast followers could catch up—and in some cases had an advantage due to learning from predecessors’ mistakes. With AI, the wave is compressed.

Those companies who do not jump into AI across the organization will lose valuable data and insights that cannot be bought after the fact. Time, in this case, is truly of the essence.
The more complex and useful AI techniques require specialty compute processing power to train, run and act.

AI requires and is dependent on information to train learn and act.

The more information that is readily available, accessible and accurate will increase the number of AI successes.

AI can also help uncover insights from Dark Data—information that is currently stored and not used.

Connect internal capabilities to external partners to increase access, development, and use of AI solutions and tools to outside the four walls of the company.

External relationships with AI data providers, vendors (private and academia), and tools (e.g. pre-trained models via clouds), to quickly expand the capabilities of the organization.

Effective and safe development of AI solutions, especially custom models, require resources with the talent to design, craft and manage.

As AI is diffused across an organization, need to empower employees to learn how to best leverage new capabilities that can change their day-to-day activities.

AI enables technology designed specifically for individual human behavior and interactions.

How well the customer’s goals and objectives are known across their lifecycle will enhance not only the quality of the experience, but the effectiveness of the product or service provided.
By bringing together the critical parts of the AI strategy, value areas and capabilities, businesses can establish an AI fabric (see Figure 3) that will derive the greatest impact and value.

**FIGURE 3: REINVENT YOUR ORGANIZATION WITH AN AI FABRIC**
THE FIRST STEPS TO AI-LED GROWTH

Pushing AI beyond siloed or isolated initiatives puts your organization at the forefront of potential for new growth:

1. Move beyond automating for efficiency and cost reduction to true growth. Clearly identify and quantify sustainable benefits by applying the AI enterprise value drivers across your organization. Create strategies to maximize sustainable returns.

2. Redefine the boundaries of the ecosystem within which you and your customers exist. Assess where you will source data from (internal and external) to feed your AI engine and what data you can share and monetize. Look at non-traditional partners to create a truly innovative mix.

3. Create rapid AI proofs of concept that yield real identified business value and begin to establish a foundation of AI enablers. Your teams can’t master the learning curve without digging into AI in earnest. This digging in should not only target tangible results, but help drive an understanding of the current state of compute, data, ecosystem access, experience design abilities, and talent. But don’t get stuck in the trap of targeting and assessing without doing. You can—and should—refine as you go.

4. Emphasize AI governance. As AI becomes more pervasive within organizations, a foundation with strong guidelines for ethical use, transparency, privacy, cross-department sharing and more becomes crucial. Responsible AI entails solid, but adaptable, governance. Start thinking now about how you will govern and act in the new world of AI, including how you will ensure your AI deployment is aligned to your company’s core values and ethics, and how it will benefit employees, customers and society along with your bottom line.
The leaders of tomorrow will bet on AI today as an entirely new underpinning for their business and key to driving exponential growth. They will embrace Responsible AI as a way of being, capitalizing on AI-fueled opportunities and striking a balance with better outcomes for people and society. Winners in the digital future will be powered by AI, to the delight of their customers and employees.

The new currency of growth, as well as a new business normal, is upon us. Leaders are already moving toward both.

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NOTES

1. Accenture Technology Strategy survey 2017
2. Accenture Strategy enterprise value analysis
3. Accenture Technology Strategy survey 2017
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