

TO AI OR NOT AI, WHAT IS THE QUESTION?



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For enterprises entering the AI journey and wondering where to start, the most important overarching question should be how to put AI to good use for the longer-term benefit of the organization. Further questions then rapidly become more difficult. This could be likened to the point when children who have been learning addition, subtraction, multiplication, and division for some time gain sufficient mastery of the basics of mathematics to start applying it to problem solving. Remember problems such as this: "A train leaves the station at <time> and travels at an average speed of <x> kph for <y> hours..." The new skill here is the application of the calculating skills to the problem at hand and first figuring out what the sum is, then performing the calculations, then expressing the answer in a useful way.

In order to translate the information they have been given, they need to understand what a train is and how it travels (i.e., across terrain, as opposed to how a rocket travels), and they need to understand what kph means. They need to figure out which mathematical functions are necessary – multiply OR divide? They need to understand what answer is sought, how to calculate the answer, and what unit to express the answer in – in this case, speed x hours = distance in km. It gets easier the more problems they tackle as similarities emerge and they discover that what was useful to solve one problem can be applied to another similar scenario.

The application of AI has similar challenges. The mathematics of machine learning's algorithms are complex, and there is greater depth and breadth of process and industry-specific detail that is pertinent to determining what the question is. The easy questions are the short-term ones, while the harder questions are the longer-term ones. And it will be difficult to find the people who have the breadth and depth of education and experience to understand all the mathematics along with the industry and process specifics. It is more realistic that the communication and collaboration skills of teams of disparate specialists will be the differentiator. Think of any heist movie with a hotchpotch of gloriously diverse characters, each with unique specialisms, who manage to work together effectively as a team.

Most people are limited in imagining the art of the possible. The institutions that educate us and the large organizations that we work in are increasingly seeing the need for creativity and imaginative thinking, but therein lies a paradox. Large organizations and institutions demand acceptance of the status quo to keep daily operations moving – the vast majority of people have to be followers as opposed to leaders for the functioning of large institutions, organizations, and society at large. This is why design thinking workshops matter, pulling people out of their day to day, into an environment more conducive to creativity to imagine a better and different way of doing things given the technology available today.

Henry Ford once said that if he had asked people what they wanted to improve their journeys, most would have said “faster horses,” thereby missing the point that a series of new technological developments had enabled a totally different solution, initially termed “horseless carriage” and eventually “car.”

The easy and obvious route to both automation and AI centers on cost reduction and achieving a version of events that already happens today but better, faster, cheaper. Right now, the low-hanging fruit is in areas where technologies such as robotic process automation can perform large volumes of routine, repeatable, rules-based tasks. It is possible to add AI components that are sufficiently advanced, like natural language processing and image recognition. Focusing on short-term cost reduction is a short-term way forward; it is easy to imitate, and once all competitors are there, no one has competitive advantage. It will be those who dig deeper into their long-term future possibilities, truly exploring beyond what is familiar into the great unknown, who will find a new way of doing things with today's cloud-based, digitized, agile, and flexible technologies and processes.

So we may think we are tired of hearing people talk about searching for the “Blockbusters to Netflix” moment or Uber-ization. But the supply chains of today are ripe for disintermediation and disaggregation following digitalization. New alternative supply chains building gradually over the coming years will render current supply chains irrelevant no matter how much better, faster, or cheaper they become.

Large enterprises and organizations need to imagine how they would and could operate if limitations or friction points were removed, with customer, employee, and supplier journeys at the heart of their thinking, and how data can inform decisions in the processes.

Then once the questions are formulated, AI and other technologies will need to be woven together to form the workings of tomorrow's business model.