



EVOLUTION

2018 GLOBAL REPORT EXECUTIVE BRIEF:
THE ARTIFICIAL INTELLIGENCE IMPERATIVE

Artificial Intelligence: Unlocking the Data Insights that Drive Business Innovation

Senior executives understand the future depends on their ability to make the most of the growing amounts of data. The promise of AI is not just automation, but enabling innovation within the organization.

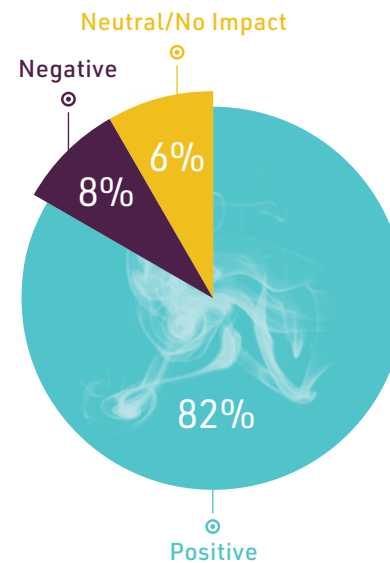


In all industries, worldwide, senior leaders are increasingly seeing that a data-driven strategy is the key to future growth and success. Building on this belief, the C-suite sees artificial intelligence (AI) as an important next-generation technology, according to a new survey. The numbers tell the story: The vast majority (82 percent) of survey respondents believe AI will have a positive impact on their industry in the future. Nearly 80 percent (78 percent) said they have been asked to evaluate cutting-edge technologies such as AI for use in their business. And more than 60 percent (64 percent) said they are “very likely” or “quite likely” to invest in AI solutions in the future. More than 2,300 global business and IT leaders across industries participated in this survey, conducted by MIT Technology Review Insights and sponsored by Pure Storage, a leading enterprise flash storage company.

The survey reveals that the future success of organizations depends on deriving actionable intelligence from data, to achieve competitive advantage and growth. But there are challenges; many executives said they lack the in-house skills and resources to extract usable insights from data themselves. They view advanced tools, including AI-based systems, as the way to alchemize data into intelligence that can drive the business. (SEE FIGURE 1). To acquire the needed skills to access and put that data and intelligence to use, organizations will likely embark on a hybrid strategy of hiring and training, and connecting with expert, external partners, according to the survey results.

▼ FIGURE 1

The perceived future impact of AI is overwhelmingly positive at the overall level



82% believe AI will have a positive impact on their industry in the future.



I think it's definitely here to stay and I have no doubt that we'll partake in the future

RESPONDENT, UK FINANCIAL SERVICES

Senior executives recognize AI has the power to automate manual processes, thereby driving costs down. But beyond process automation they also believe AI holds the key to unearthing from the mountains of data insights about how to increase customer value (SEE FIGURE 2). A VP in the automotive industry in the Americas summed up AI's importance: "[AI] is very important to a market with heavy competition. Data drives our company and allows the ability to stay as a frontrunner."

The potential benefits of AI are sweeping: It holds the key to improving customer experience, elevating employees' jobs, boosting efficiency, reducing costs, and – most significant – unlocking innovation. AI will drive learning how to solve customers' problems more quickly and effectively, while at the same time giving customers more choices.

No doubt – leaders understand the importance of data when making key business decisions, especially those concerning how to improve customer experience. But there are clear differences in the views of those people with different ownership levels of sourcing, using, or managing data in their organization.

▼ FIGURE 2

Many foresee increased creative and strategic customer-focus for the business

85%

agree they could dedicate more time to thinking creatively about business challenges.

- ↑ Americas: 52%
- ↓ Healthcare: 40%
- ↓ Government: 35%

84%

agree they could think about how we can sell more effectively to customers.

- ↑ Financial Services: 52%
- ↓ Healthcare: 28%

84%

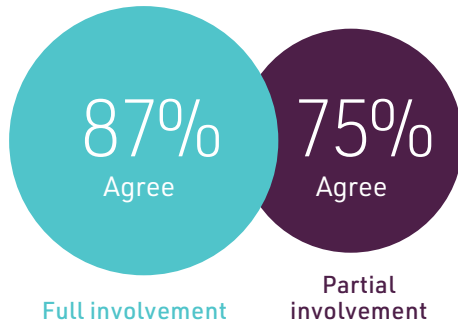
agree they could develop new propositions for customers.

- ↑ Americas: 53%
- ↓ Asia Pacific: 44%

↑↓ Significantly lower /higher vs global average (95% level)

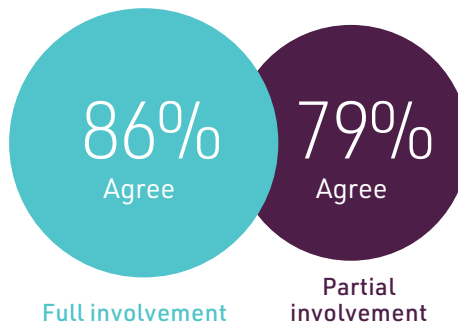
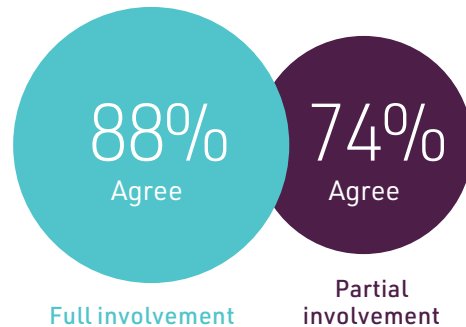
▼ FIGURE 3

Leaders with lower involvement levels are less likely to explore new possibilities like AI



◀ “We could think about how we can sell more effectively to customers.”

▶ “We could dedicate more time to thinking creatively about the business challenges we (and our clients) face.”



◀ “Automation would allow more time to focus on innovation within my business.”

There is a mindset gap between those with strategic versus operational focus. Clear differences emerge in the views of those who have more control over the data strategy (typically C-Level), compared with those who may be responsible for delivering this strategy (SEE FIGURE 3). The more a leader understands the value of data, the survey results suggest, the more potential value she sees in AI.

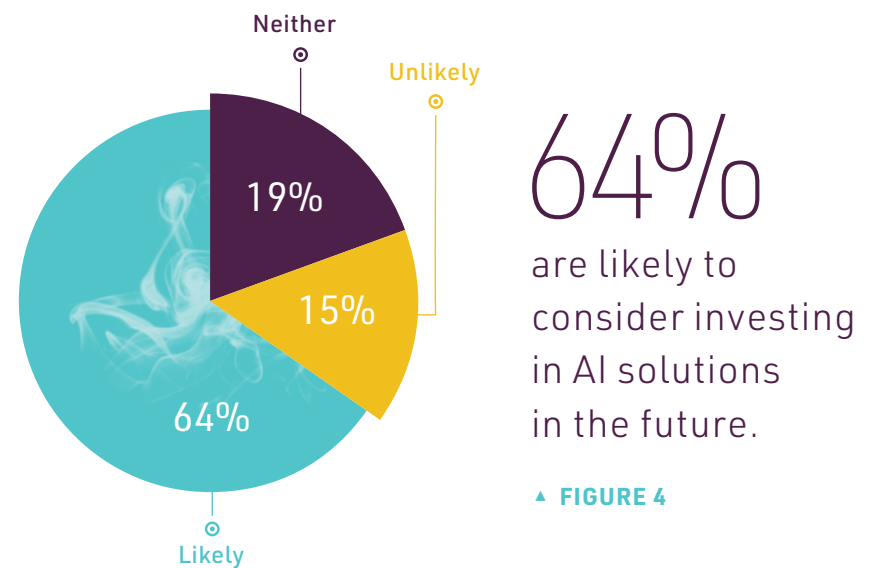


Those in the organization tasked with implementing AI are more likely to be concerned they do not yet have the right data infrastructure or adequate resources to devote to its use. But most respondents believe AI will be a pivotal technology going forward (SEE FIGURE 4).

Forward-thinking organizations are preparing now for the data-driven future. As with most transformational initiatives, the real work lies not with technology implementation, but with the strategic and organizational alignment necessary to support a more data-centric culture. A starting point is to evaluate AI use cases that will deliver the most value to your organization. The next step is to do pilot projects of anything that looks promising. This will quickly reveal whether or not you should continue with a particular application. It is important to start cultivating talent now in new areas such as data science and predictive modeling. Or, if the cost of hiring AI experts is prohibitive, figure out ways around the skills gap, including leveraging partners. As this global survey shows, those who work most closely with data are the biggest believers in its value; organizations should therefore strategize ways to evangelize the promise of data intelligence throughout the organization, at all levels.

Automation and AI are already helping organizations across industries to focus on creative solutions for their customers and employees. With many executives already seeing the real-world benefits of automation, the majority of senior executives understand AI solutions will be critical to achieving business results in the near term.

As a top manager from a US technology company put it, “With the help of AI, our company can improve the customer experience, augment employee performance, automate work processes, and develop intelligent agents to help with a lot of repetitive business processes.” Though it is still early days for AI, senior executives across industries agree its future is promising.



Research Methodology

The research was conducted online by MIT Technology Review Insights between February 20, 2018, and March 29, 2018. The survey targeted senior executives who are fully or partially responsible for sourcing or using data, or managing those who source or use data in their organization. Respondent industries included Automotive (10%), Manufacturing (19%), Healthcare (8%), Financial Services (20%), Government / Education (11%), Communications/ Media (5%), Oil/ Gas/ Energy (8%), Technology Hardware /Software (19%).

Regions covered were as follows:

- Americas (Argentina, Brazil, Canada, Colombia, Mexico, U.S.)
- Europe, Middle East, and Africa (EMEA) (Benelux, including Belgium, Netherlands, Luxembourg; France, Germany, Italy, Spain, Switzerland, Russia, U.K., South Africa, United Arab Emirates)
- Asia Pacific and Japan (APJ) (Australia, China, Hong Kong, Indonesia, India, Japan, New Zealand, Singapore, South Korea)

A total of 2,357 questionnaires were completed, along with eight qualitative in-depth interviews.

Definitions

Data: “For the sole purpose of this survey, when data is referenced, the definition is any data created by the organization that would benefit from segmentation and analysis.”

Artificial Intelligence (AI): “AI is technology that appears to emulate human performance typically by learning, coming to its own conclusions, appearing to understand complex content, engaging in natural dialogs with people, enhancing human cognitive performance (also known as cognitive computing) or replacing people on execution of non-routine tasks.”

