AI shot the sheriff

AI 5050

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About Digital Nomadz

Our mission is to be your trusted business advisor in the age of AI and the *future of work*. We believe that AI should be accessible to all and provide services in the field of research, program direction and *Chief AI officer-as-a-service*

Welcome to the Wild West
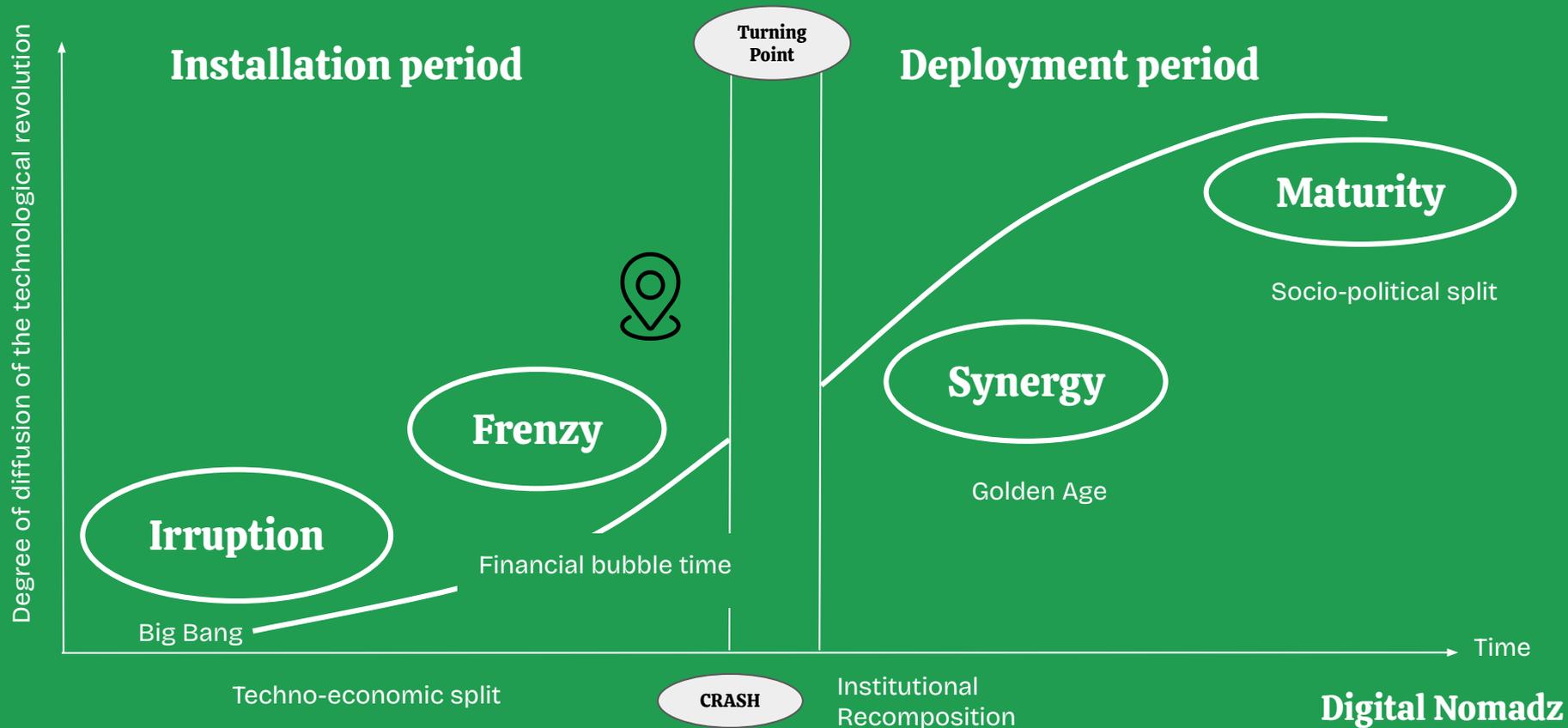
AI is the talk of the town

Is it time to jump on the bandwagon?

AI systems now surpass human performance on several benchmarks, including image classification, visual reasoning, and language comprehension

This presentation is not about technology

The new gold rush

AI bingo time

Worldwide spending on AI in 2023

$ 152 billion

Big tech is fueling the frenzy

The five tech companies that have invested the most in AI startups in 2023 are Amazon, Google, Microsoft, NVIDIA, and Salesforce

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OpenAI

Raised $ 14 billion in capital and valued at $ 80 billion

Microsoft & OpenAI plan $ 100 billion data-center project

Anthropic (Claude)

Raised $ 2.7 billion from Amazon and valued at $ 18.4 billion

xAI

Just raised $ 6 billion...

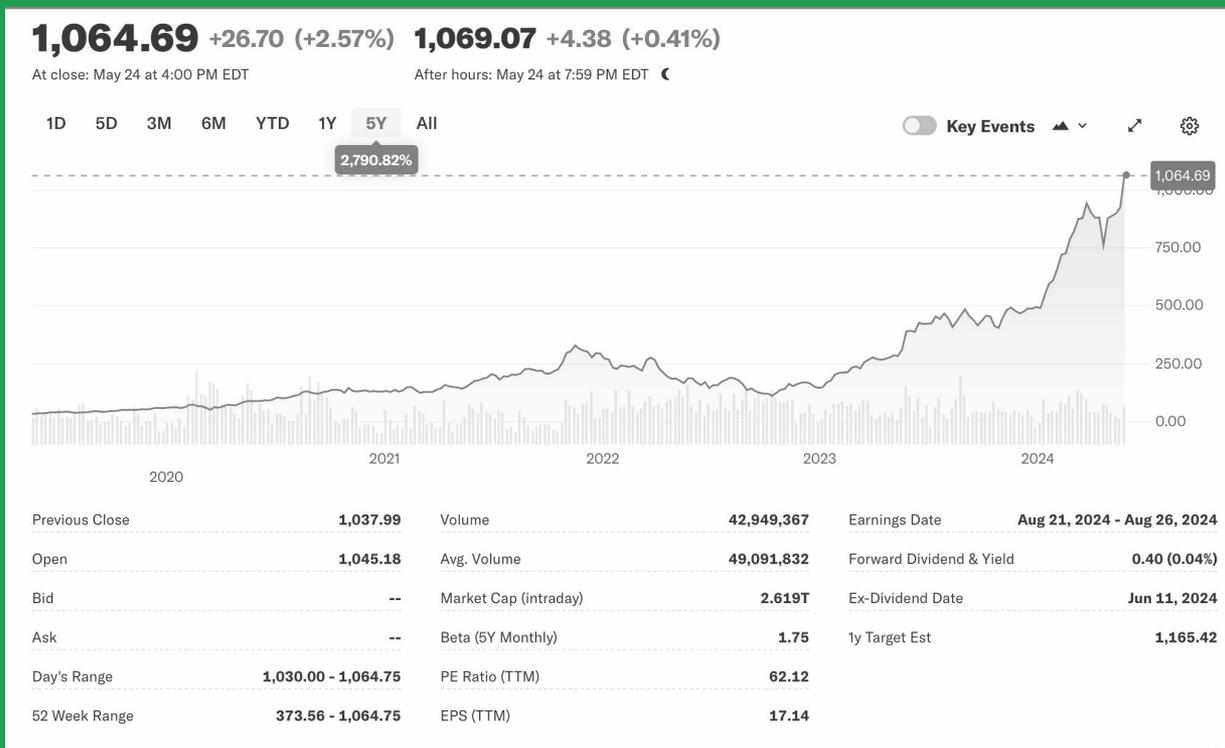# Number of AI companies at the end of 2023

70.000

The compute used to train notable AI systems doubles every six months

AI model training costs have escalated, with estimates of $ 78 million for OpenAI's GPT-4 and $ 191 million for Google's Gemini Ultra

Has Moore's law become obsolete?

From $ 364 billion in 2022 to $ 2.618 trillion in 2024

1,064.69 +26.70 (+2.57%)   **1,069.07** +4.38 (+0.41%)

At close: May 24 at 4:00 PM EDT   After hours: May 24 at 7:59 PM EDT ☾

1D 5D 3M 6M YTD 1Y **5Y** All   Key Events ▲ ⌄ ⤢ ⚙

2,790.82%

1,064.69

1,060.00

750.00

500.00

250.00

0.00

2020   2021   2022   2023   2024

Previous Close	1,037.99	Volume	42,949,367	Earnings Date	Aug 21, 2024 - Aug 26, 2024
Open	1,045.18	Avg. Volume	49,091,832	Forward Dividend & Yield	0.40 (0.04%)
Bid	--	Market Cap (intraday)	2.619T	Ex-Dividend Date	Jun 11, 2024
Ask	--	Beta (5Y Monthly)	1.75	1y Target Est	1,165.42
Day's Range	1,030.00 - 1,064.75	PE Ratio (TTM)	62.12		
52 Week Range	373.56 - 1,064.75	EPS (TTM)	17.14		

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Chinese AI powerhouses

- Baidu
- Alibaba
- Tencent
- Sensetime
- Huawei
- DJI
- BYD

Ignorance is no longer bliss

So you want to start with AI?

But where to begin?

The ROI for AI is $ 3.5 for every $ 1 invested

Hold your horses

80% of AI projects fail

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Why do they fail?

- Misalignment with business goals
- Data issues
- Lack of expertise
- Complexity and scalability
- Overpromising and underdelivering
- Resource underestimation

Checklist when starting up AI initiatives

- Is the initiative in line with my business strategy and goals?
- Can we objectively measure the financial and operational benefits?
- Will it improve (complement) or replace an existing manual process?
- Is this <u>a problem AI</u> can solve?
- Is our data AI ready?
- Do we have the skills and infrastructure to build, deploy and scale up?
- Have we taken ethical considerations into account?

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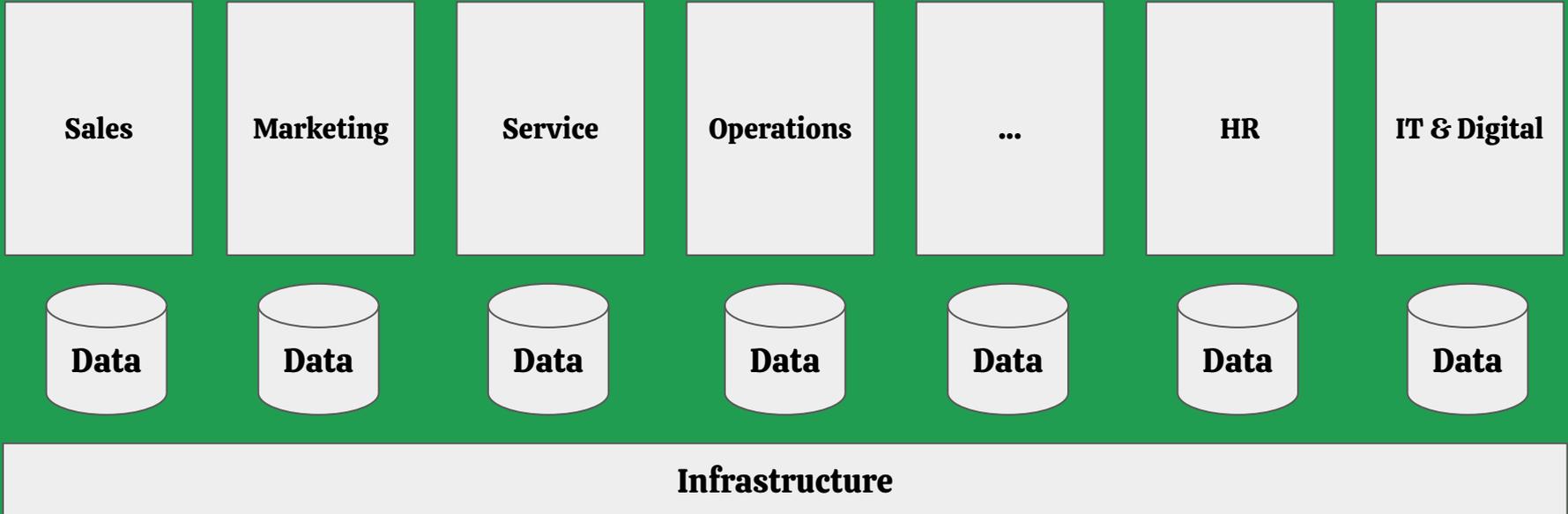# AI is a business challenge

Overcoming the initial barriers

- AI skills and expertise
- Data quality and complexity
- Ethical and trust concerns
- Integration and scalability challenges
- High costs
- Regulatory and compliance issues
- Cultural Resistance

The Wild West and the gold rule

The case for AI governance
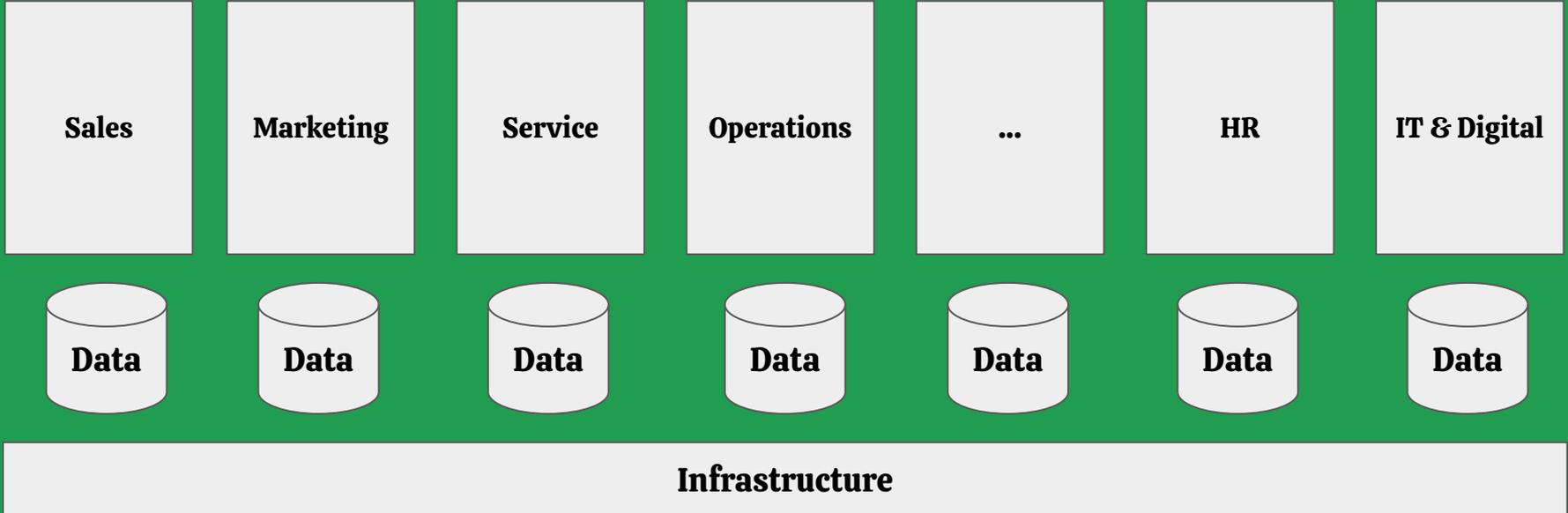
Stakeholder buy-in and cross-functional expertise

Customer Channels (Call – mail – chat – portal – social media – app – eCommerce – …)

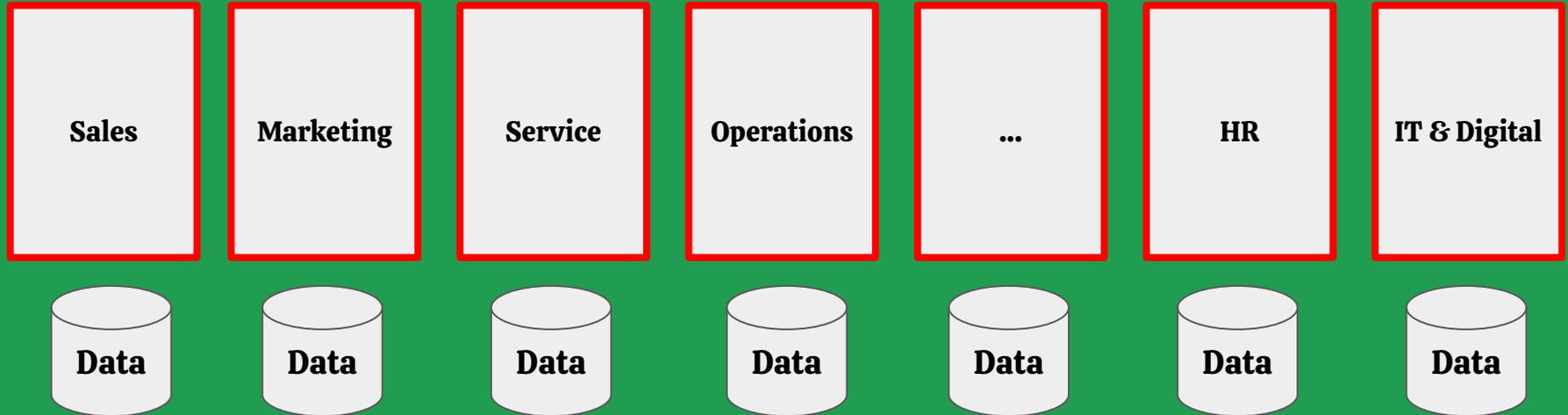| Sales	Marketing	Service	Operations	...	HR	IT & Digital
Data	Data	Data	Data	Data	Data	Data

Infrastructure

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Customer Centric AI

Design thinking as a foundation for your experimentation

Customer Channels (Call – mail – chat – portal – social media – app – eCommerce – …)

Sales	Marketing	Service	Operations	…	HR	IT & Digital

| Data | Data | Data | Data | Data | Data | Data |

Infrastructure

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AI rewiring core business processes

Customer Channels (Call – mail – chat – portal – social media – app – eCommerce – …)

Sales	Marketing	Service	Operations	...	HR	IT & Digital

Data	Data	Data	Data	Data	Data	Data

Infrastructure

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Data and infrastructure are crucial enablers

Customer Channels (Call – mail – chat – portal – social media – app – eCommerce – …)

Sales	Marketing	Service	Operations	…	HR	IT & Digital

| Data | Data | Data | Data | Data | Data | Data |

Infrastructure

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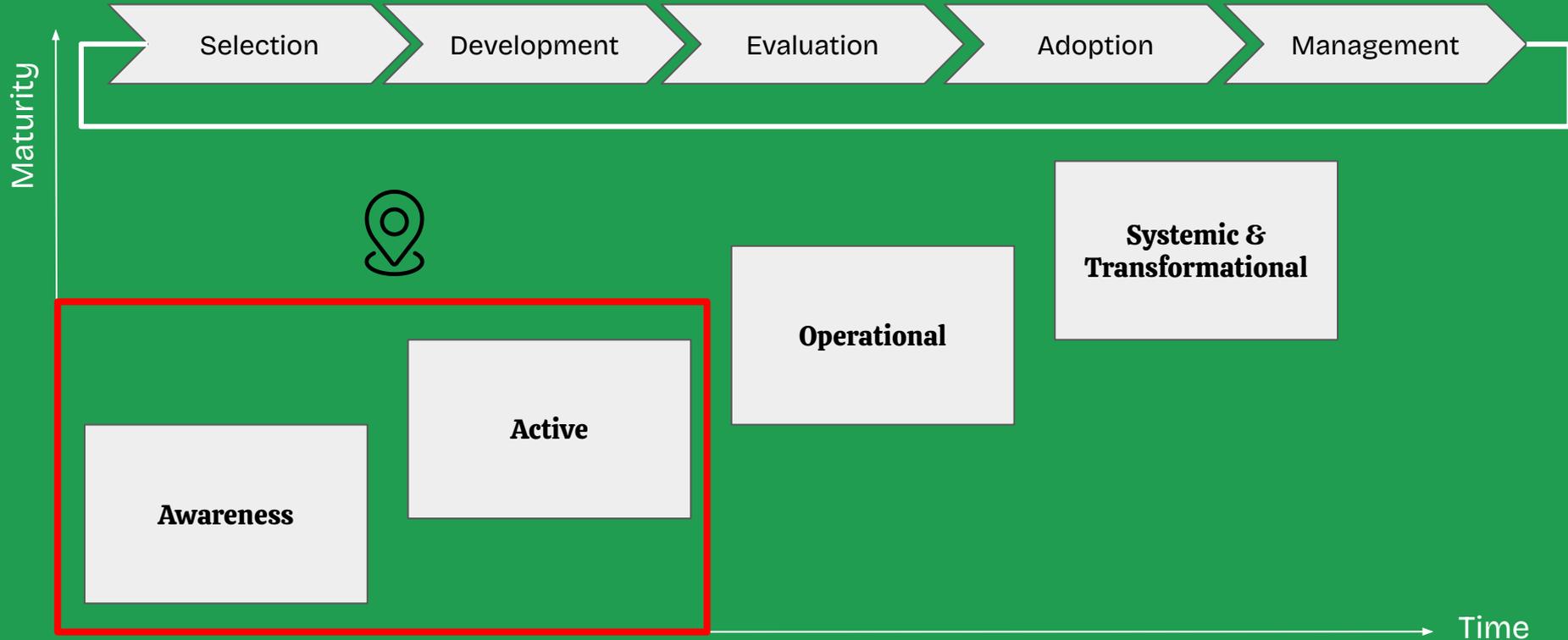
There is much to say about starting small

- Risk management
  - Lower financial risk and incremental learning
- Flexibility and agility
  - Adaptability and Scalability
- Faster Time to Market
  - Quick wins and competitive advantage
- Resource allocation
  - Optimized use of resources and talent utilization
- Measurable impact
  - Clear metrics and focus on business value
- Stakeholder buy-in
  - Building confidence and tangible benefits
- Innovation and experimentation
  - Encouraging creativity and continuous improvement

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Start with the end in mind and gain maturity

Maturity

| Selection | Development | Evaluation | Adoption | Management |

Systemic & Transformational

Operational

Active

Awareness

Time

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AI governance focus areas

- Strategy
- Customer experience
- Operating model
- Policies and standards
- Processes
- Data
- Infrastructure
- Culture
- Partnerships
- Risk, security and compliance
- Ethics

Bring me problems, not solutions
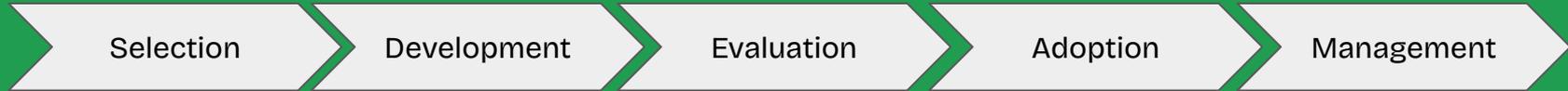
AI is more than just GenAI

Prompt engineering is dead

The art of problem formulation

- Problem diagnosis
- Problem decomposition
- Problem reframing
- Problem constraint design

The AI factory

Centralizing AI knowledge in a Centre of Excellence

| Selection | Development | Evaluation | Adoption | Management |

A dedicated team of experts

- Strategic alignment
- Effective governance
- Knowledge sharing
- Efficient scaling
- Cost optimisation
- Diverse and skilled team
- Standardized practices
- Continuous measurement of ROI
- Talent Development

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The new sheriff in town

The (fractional) Chief AI officer

A business oriented leader that drives strategic AI initiatives and integrates AI capabilities into the core business processes:

- Clear vision and roadmap for AI adoption
- Robust governance framework and ethical AI
- Digital transformation and innovation
- Cross-functional collaboration
- Talent development and retention
- Measurement of AI impact
- Scalability and Efficiency
- Market research and (technology) partnerships

Take aways

- It's time to jump on the bandwagon but it is moving fast
- A structured approach will set you up for success
- Design thinking and experimentation are foundational techniques
- Effective governance will enable you to mitigate the risks
- Be prepared to fail, it is part of the journey
- AI is a pivotal technology thus requiring a dedicated team of experts
- Small experiments have a greater chance of succeeding
- A (fractional) chief AI officer will help kickstart the transformation

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Thank you 🙏

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