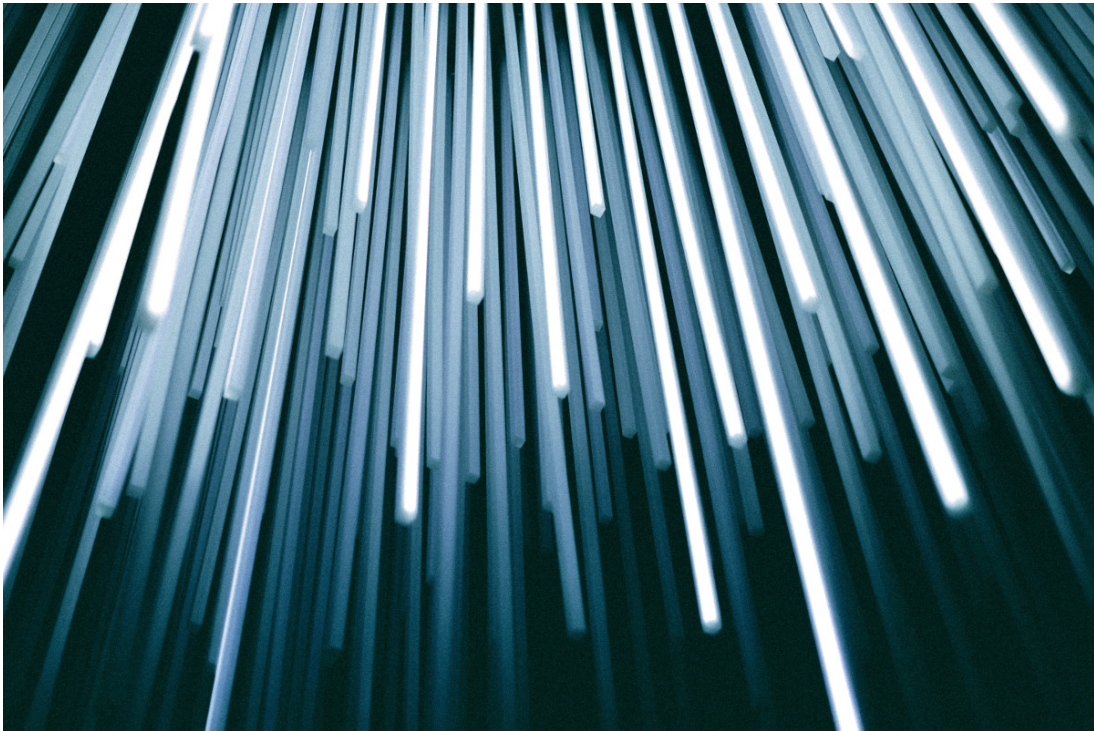


TECHNOLOGY

## 5 Ways To An Effective AI Corporate Strategy

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*AI should be trained based on the specific needs of your organization.*

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Worldwide companies are looking to utilize artificial intelligence (AI) through diverse channels, methods, and models. Some firms integrate AI in their overall strategic plan, others view it as simply a technological tool to gain better customer, operational, or market

insights. With this diversity of approaches, the organizational impact has ranged from truly transformational, to having zero result, to very disastrous on the far right of the corporate enterprise performance.

There continues to be doubt and confusion on the full potential of AI on organizations. Corporate organizations are often measured based on quarterly, bi-annual, or annual performance. Unfortunately, AI initiatives do not often bring about immediate results. It takes months or years for AI to really learn what matters and to provide pathways for new strategic insight.

AI initiatives are designed to observe strategic activities over time and require cognitive feedback by subject matter experts in order to provide insightful new reasoning to optimize strategic activities, corporate behavior and action.

When executives create a strategic plan, they assess business challenges and opportunities over the long term. They seek new opportunities to impact their bottom-line and strategic positioning within an increasingly competitive market. This future-oriented perspective needs to be linked with AI corporate planning. Better yet, companies need to thoughtfully weave AI in their strategic plans. Consider five operational insights that can boost strategic efficiencies.

## Plan for Human Interaction

Effective AI models require a human cognitive component that would observe and provide feedback in order to learn what is critical to the business. This interaction sets the foundation for the improvement of operational systems and processes. Compare this to a child that requires adult guidance and correction to learn. Corporate AI has the same cognitive requirement and appetite for feedback to learn about strategic activities and their relationship with each other as well as the outcome produced. Only after going through this collaborative process with organizational members can AI begin to examine alternative pathways for remapping activities in anticipation of new results.

AI plays an enormous role in healthcare. In the case of direct patient care where human interaction happens frequently, AI is leveraged to learn patient and care team behavior and its effect. AI complements the patient-care team interaction by providing meaningful supporting context and information to drive a more lasting patient engagement and teaching opportunity. Consequently, this leads to the promotion of healthier choices, care effectiveness and precision (e.g. coding, diagnosis, medication). At a later stage of the AI strategy execution, AI takes on some care team activities as part of the patient care lifecycle and relieves the care team members of tedious and high-risk tasks to build efficiency and lower patient safety risks. Consequently, this frees up doctors' time leading to better patient interaction and the ability to take on more patients to increase revenue.

## Understand the Business and Customer Domain Well

AI is not a mere technological tool, rather it's an intuitive platform to observe and make an organizational impact in real time. As a result, it has the capacity to go deeper than mere data collection and aggregation. There is a real opportunity to take analytics and business intelligence into an entirely new level to reinvent operations and enhance customer understanding. Apple Inc. uses AI to add value to customer support service. The company uses an AI chatbot trained to capture the typical Apple employee engagement with real customers on support requests, such as cancelling an order. Cancelling an order with the Apple AI-bot on the iPhone is reminiscent of a conversation with an Apple employee at an Apple store. The Apple AI engine even engages in small talk while data is being retrieved with questions such as *'how's your day going so far?'* The company captured and analyzed the customer experience and expanded it using AI to scale up their already rewarding and superior customer experience. AI has been learning Apple's customer experience and has become part of the support team – embraced by all Apple employees and many customers alike. The more AI can be exposed to the customer, the higher the opportunity to optimize the customer domain and its resulting experience impact.

## Anticipate Cultural Recalibration

Organizations will change AI, and AI will change organizations. When developing a corporate strategy, plan for mind and values shift, process deviations, and realignment of priorities. In some firms, reframing of the AI positioning led to a new sense of corporate relevancy. Although it is crucial for AI not to 'get in the way' of doing business internally and with external parties, properly implemented AI will be perceived as seamlessly integrated with business operations and promotes a culture of AI embracement rather than just AI acceptance. Employee and corporate interactions have evolved over the years as a result of social media. Unknown to many, AI-based social media apps has been flawlessly blended into one's work and personal life. In many cases, it has redefined work systems and processes and contributed to unprecedented efficiencies. When AI has been well integrated into the enterprise, the organization – ideally – will never again view AI just as another technology tool but rather as an integral part of doing business. It will move the firm to a new cultural direction.

## Align AI with Core Competency

Entrepreneurial organizations leverage their resources and strengths to optimize business performance. This entrepreneurial perspective needs to be in high gear when thinking about the corporate AI architecture. Strategy is largely about corporate actions implemented to achieve set goals. A company's AI plans need to be in line with what the firm is about, its competitive strengths, and where it wants to go. Southwest Airlines operates and competes on the basis of low price airfare. AI initiatives must add value to that core premise in order to gain a business advantage. In the event that an AI strategy keeps the plane longer at the gate and increases gate rental at the airport, its bottom line is negatively impacted. In such case, AI does not complement but rather distracts the firm from its competency. It is crucial for AI implementers to fully incorporate the strategic positioning of the firm's business model and teach AI what it means to deliver customer value repeatedly and sustainably. Only then, can AI strengthen the business mission and participate in scaling the corporate vision. Operational and value proposition enhancements taking place in tandem will boost the firms competitive edge.

## Measure AI

The measurement of performance is essential to any enterprise. With the growing use of AI in organizations, evaluation parameters need to be carefully considered. Large and broad strategies should be tied into Key Performance Indicators (KPIs), and smaller initiatives need to be assessed in consideration with the firm's EBITDA. Progress and results should be evident, transparent and easily understood. A well planned, user-friendly and consistent measurement of AI would help ensure that executives do not just see the trees, but rather the entire forest as well. This perspective helps ensure the sustainability of the AI strategy and its implementation.

AI has a large role to play in the current market growth and competitive survival of many companies. There are many good reasons for all the hype taking place all over the world. However, when building the AI operational architecture a misalignment with the overall corporate strategy could derail the attainment of goals. Staying grounded on your corporate strategic plan, while being flexible enough to promptly and efficiently build on emerging analytical and intelligence opportunities sets the foundation for the optimal cognitive performance of the organization.



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