



AIsm™ Insights

Succinct highlights of AI strategy & transformation trends and topical themes

Volume 1, Issue 8, August 2020

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Experiential Masterclass: AI Strategy & Transformation for Leaders

Saturday, September 5th 2020 | 11am – 1pm IST

The excitement around artificial intelligence is palpable. It seems that not a day goes by without one of the giants in the industry coming out with a breakthrough application of AI, or a new nuance is added to the overall body of knowledge. Horizontal and industry-specific use cases of AI abound and there is always something exciting around the corner every single day. However, with the keen interest from global leaders of multinational corporations, GCCs, PE/VC firms; the conversation is shifting towards having a strategic agenda for AI in the enterprise. Business heads are less interested in topical experiments and minuscule productivity gains made in the short term. They are more keen to understand the impact of AI in their areas of work from a long-term standpoint. Perhaps the most important question that they want to see answered is – what will my new AI-enabled enterprise look like? The question is as strategic as it is pertinent. For business leaders, the most important issues are – improving topline, margins, shareholder returns and ensuring a productive workforce – as part of running a sustainable, future-ready business. Artificial intelligence may be the breakout transformation of our time, but business leaders are more occupied with trying to understand just how this technology can usher in a new era of their business, how it is expected to upend existing business value chains, unlock new revenue streams, and deliver improved efficiencies in cost outlays. In this article, let us try to answer these questions.

This masterclass is designed for leaders and senior executives who are evaluating the feasibility of introducing AI in their organizations and businesses, planning to work on AI driven business models. Business leaders who are planning to build their AI capabilities in

The image is a promotional graphic for an AIQRATE CXO Series masterclass. At the top, the AIQRATE logo is displayed in blue, with the tagline 'A Bespoke AI Advisory & Consulting Firm' underneath. Below the logo, the text 'AIQRATE CXO SERIES' is enclosed in a white-bordered box. The main title of the masterclass, 'Experiential Masterclass: AI Strategy & Transformation for Leaders', is written in white and blue text. A portrait of Sameer Dhanrajani, the speaker, is shown in a blue-bordered frame. Below the portrait, the text 'by Sameer Dhanrajani' is written in white. At the bottom, the date and time 'Saturday, September 5th 2020 11am - 1pm IST' and the website 'www.aiqrate.ai' are listed in white text on a blue background.

evolving the strategy for their businesses and organizations. Given the cross functional relevance of this masterclass, individuals and teams are encouraged to apply.

This bespoke and experiential masterclass delivered by a seasoned AI evangelist and business builder with a proven capability of scaling AI business practices & building AI CoE, consulted with several global & Indian enterprises, GCCs on AI strategy & transformation, executed 3000+ AI & Analytics consulting engagements. The Masterclass will compel participants to cogitate towards developing AI strategies in conjunction with looking at developing frameworks and action plans for leveraging AI capabilities within their organizations and business functions for inculcating Transformation, Innovation and Disruption dynamics within their organizations. The participants will also be showcased with topical scenarios, best practices and global trends in AI arena.

**Registrations opening soon on
www.aiqrate.ai. Stay tuned!**

AIQRATE Webinar Specials: CXO Series this month

AIQRATE WEBINAR SPECIALS: CXO SERIES

Innovation @scale for Competitive Advantage & Differentiation: Strategic Perspectives



Speaker
RAJASHREE RAO
Head - Partnerships (APAC)
R2 Data Labs, Rolls-Royce (RR)



Moderator
SAMEER DHANRAJANI
CEO & Co-founder
AIQRATE Advisory & Consulting

Thursday, July 16th 2020
6:30 – 7:30 p.m. IST
9:00 – 10:00 a.m. ET

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AIQRATE Webinar Specials: CXO Series with Rajashree Rao, Head - Partnerships (APAC), R2 Data Labs, Rolls-Royce (RR)

Rajashree Rao rendered a fantastic narrative on the #innovation at scale framework for competitive advantage & differentiation. Shree relayed an emphatic set of use cases being applied in #enterprises to fuel innovation coupled with the need for an innovation strategy to trigger #transformation and #disruption within the business value chains. Shree also provided inputs on relevance of leveraging niche global startups to widen the innovation ecosystem.

AIQRATE WEBINAR SPECIALS: CXO SERIES

Unlocking Growth & Scale Transformation in CPG with AI



Speaker
Kapil Malhotra
Ex- Analytics Head
PepsiCo



Moderator
Sameer Dhanrajani
CEO & Co-founder
AIQRATE Advisory & Consulting

Friday, July 17th 2020
6:30 – 7:30 p.m. IST
9:00 – 10:00 a.m. ET

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AIQRATE Webinar Specials: CXO Series with Kapil Malhotra, Ex-Analytics Head, PepsiCo

Kapil Malhotra emphasized on the growing significance of #AI as a compelling differentiation to uplift growth & scale vectors for #CPG enterprises. Kapil also highlighted the AI impact spectrum in CPG value chain : sales, marketing, operations, supply chain, pricing, merchandising, manufacturing, distribution to elucidate the real time insights and intelligence that CPG senior executives can derive to bolster their decision making capability. He punctuated his narrative with string of contextual use cases in out of stock, sku rationalization, trade promotions, dynamic pricing spheres.

AIQRATE WEBINAR SPECIALS: CXO SERIES

Unlocking the Growth Potential of Internet of Things (IoT): Strategic Perspectives



Speaker
SUNIL DAVID
Regional Director - IOT
India & ASEAN
AT&T



Moderator
SAMEER DHANRAJANI
CEO & Co-founder
AIQRATE Advisory & Consulting

Thursday, July 23rd 2020
6:30 – 7:30 p.m. IST
9:00 – 10:00 a.m. ET

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AIQRATE WEBINAR SPECIALS: CXO SERIES with Sunil David, Regional Director - IOT, India & ASEAN, AT&T

Sunil David relayed a detailed understanding of unlocking the potential of internet of things (IOT) and its ensuing applications and strategic relevance for enterprises. Sunil narrated multiple applications across industry segments: manufacturing, agriculture, telecom, healthcare, retail on IoT bringing better sense for amplified decision making. Sunil also laid out a curated structured approach of IOT adoption for enterprises as part of digital transformation.

AIQRATE WEBINAR SPECIALS: CXO SERIES

Reimagine the New Face of Leadership: Strategic Perspectives



Speaker
INDRONEEL DUTT
Chief Financial Officer
Cleartrip



Moderator
SAMEER DHANRAJANI
CEO & Co-founder
AIQRATE Advisory & Consulting

Friday, July 24th 2020
6:30 – 7:30 p.m. IST
9:00 – 10:00 a.m. ET

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AIQRATE WEBINAR SPECIALS: CXO SERIES with Indroneel Dutt, Chief Financial Officer, Cleartrip

Indroneel Dutt shared a compelling set of perspectives on the emergence of new face of leadership during crisis. Indroneel emphasized on diligence and discipline as foundational attributes for leaders to up the ante on managing business and virtual teams. He also alluded to changing talent mix in the industry landscape and the need for leaders to embrace the new normal.

AIQRATE WEBINAR SPECIALS: CXO SERIES

Reimagine the Future of Talent & Workforce: Strategic Approaches



Speaker
VIJAY SIVARAM
CEO-IT Search & Recruitment, Head-APAC
Qess Corp



Moderator
SAMEER DHANRAJANI
CEO & Co-founder
AIQRATE Advisory & Consulting

Thursday, August 6th 2020
6:30 – 7:30 p.m. IST
9:00 – 10:00 a.m. ET

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AIQRATE WEBINAR SPECIALS: CXO SERIES with Vijay Sivaram, CEO-IT Search & Recruitment, Head-APAC, Qess Corp

Vijay Sivaram provided an elaborate landscape of future of talent and workforce in midst of demand gyrations and proliferation of exponential technologies. Vijay eloquently mentioned about pattern shifts with gig workers, new skills, automation, AI seeping into the workforce & talent mix and provided an array of anecdotes on the novel hiring practices being adopted by enterprises to incorporate millennials and Gen Z to stay relevant.

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- Marquee collections on Future of Work, Leadership, Talent, Learning & Education
- Succinct analysis, snackable information nuggets & engrossing narratives

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- Strategic & topical perspectives from global & eclectic leaders
- Top of line novel insights on AI led Strategy, Transformation, Innovation & Disruption
- Marquee collections on Future of Work, Leadership, Talent, Learning & Education
- Succinct analysis, snackable information nuggets & engrossing narratives

AIQRATE PRIVE COLLECTION: brings together an ensemble line up of top of line video streaming collection with incisive strategic perspectives from global and eclectic leaders on several facets of curating AI strategy for transformation, innovation & disruption along with topical and thematic videos on future of work, leadership, talent, learning & Innovation. AIQRATE PRIVE COLLECTION is an assimilation of knowledge insights, analysis, information nuggets and narratives stitched together to provide an immersive experience to our discerning viewers.

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AIQRATE Global AI Adoption Report 2020

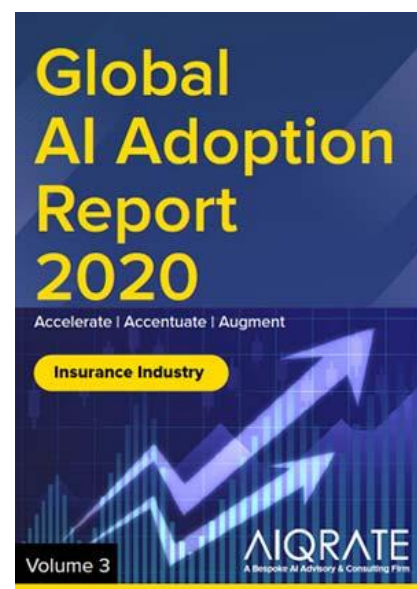
AI has become the most talked about business lexicon in boardrooms amongst the CXOs across industries. The strategic aspects of problem solving at scale, upping the ante on innovation & transformation and amplified decision making through AI are the three radical game changing levers for the enterprises, GCCs and startups. Enterprises have started realizing the efficiencies and growth opportunities that come with the adoption of AI.

AIQRATE has undertaken extensive research & analysis with global CXOs/GCC leaders/ Indian business leaders across a spectrum of global knowledge areas and ten parameters to curate first ever report on Global AI Adoption 2020 across five industry segments: BFSI, Retail & CPG, Healthcare, Lifesciences & Manufacturing.

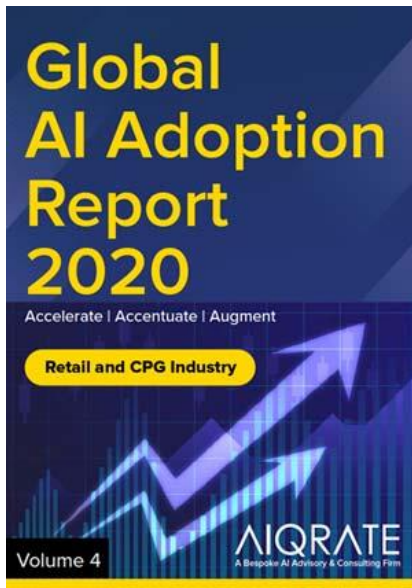
Volume 3 (Insurance Industry): The #insurance industry is just beginning to scratch the surface in harnessing #AI to improve its value propositions. The optimal adoption of AI can help agile insurance companies reshape and reposition themselves for a tech-driven future.

Salient highlights of the Report:

- Investment in AI applications is projected to increase to USD 89 billion by 2025
- Value of global insurance premiums underwritten by AI will exceed USD 20 billion by 2024
- Global revenues from telematics is expected to grow to USD 5.4 billion by year 2024
- Cost savings in Insurance industry from AI adoption is expected to touch USD 2.3 billion by 2024 with auto insurance industry is expected to achieve the largest savings of over 60% of total savings globally.



Volume 4 (Retail and CPG Industry): Retail and consumer products organizations are entering a new phase of innovation with #AI at its core. The results are profound, offering a host of previously unimaginable capabilities – from automatically rerouting shipments to bypass bad weather, to personalizing in-store services based on analysis of a customer’s facial expressions.



Salient highlights of the Report:

- The Artificial Intelligence in the Retail & CPG Market was valued at USD 11.80 billion in 2019 and is expected to reach USD 30.90 billion by 2025, at a CAGR of 35% over the forecast period 2020 – 2025.
- More than 70 percent of retail and consumer products executives expect their companies to be engaging in AI across the value chain by 2021
- Global spending on AI by retailers is estimated to reach \$12 billion by 2023
- More than 325,000 retailers are expected to adopt AI by 2023

[Read & Download all volumes of Global AI Adoption Reports](#)

CXO Insights: Personal Data Sharing & Protection: Strategic relevance from India's context



India's Investments in the digital financial infrastructure—known as “India Stack”—have sped up the large-scale digitization of people's financial lives. As more and more people begin to conduct transactions online, questions have emerged about how to provide millions of customers adequate data

protection and privacy while allowing their data to flow throughout the financial system. Data-sharing among financial services providers (FSPs) can enable providers to more efficiently offer a wider range of financial products better tailored to the needs of customers, including low-income customers.

However, it is important to ensure customers understand and consent to how their data are being used. India's solution to this challenge is account aggregators (AAs). The Reserve Bank of India (RBI) created AAs in 2018 to simplify the consent process for customers. In most open banking regimes, financial information providers (FIPs) and financial information users (FIUs) directly exchange data. This direct model of data exchange—such as between a bank and a credit bureau—offers customers limited control and visibility into what data are being shared and to what end. AAs have been designed to sit between FIPs and FIUs to facilitate data exchange more transparently. Despite their name, AAs are barred from seeing, storing, analyzing, or using customer data. As trusted, impartial intermediaries, they simply manage consent and serve as the pipes through which data flow among FSPs. When a customer gives consent to a provider via the AA, the AA fetches the relevant information from the customer's financial accounts and sends it via secure channels to the requesting institution. implementation of its policies for consensual data-sharing, including the establishment and operation of AAs. It provides a set of guiding design principles, outlines the technical format of data requests, and specifies the parameters governing the terms of use of requested data. It also specifies how to log consent and data flows.

There are several operational and coordination challenges across these three types of entities: FIPs, FIUs, and AAs. There are also questions around the data-sharing business

model of AAs. Since AAs are additional players, they generate costs that must be offset by efficiency gains in the system to mitigate overall cost increases to customers. It remains an open question whether AAs will advance financial inclusion, how they will navigate issues around digital literacy and smartphone access, how the limits of a consent-based model of data protection and privacy play out, what capacity issues will be encountered among regulators and providers, and whether a competitive market of AAs will emerge given that regulations and interoperability arrangements largely define the business.

Account Aggregators (AA's):

ACCOUNT AGGREGATORS (AAs) is one of the new categories of non-banking financial companies (NBFCs) to figure into India Stack—India's interconnected set of public and nonprofit infrastructure that supports financial services. India Stack has scaled considerably since its creation in 2009, marked by rapid digitization and parallel growth in mobile networks, reliable data connectivity, falling data costs, and continuously increasing smartphone use. Consequently, the creation, storage, use, and analyses of personal data have become increasingly relevant. Following an "open banking" approach, the Reserve Bank of India (RBI) licensed seven AAs in 2018 to address emerging questions around how data can be most effectively leveraged to benefit individuals while ensuring appropriate data protection and privacy, with consent being a key element in this. RBI created AAs to address the challenges posed by the proliferation of data by enabling data-sharing among financial institutions with customer consent. The intent is to provide a method through which customers can consent (or not) to a financial services provider accessing their personal data held by other entities. Providers are interested in these data, in part, because information shared by customers, such as bank statements, will allow providers to better understand customer risk profiles. The hypothesis is that consent-based data-sharing will help poorer customers qualify for a wider range of financial products—and receive financial products better tailored to their needs.

Data Sharing Model: The new perspective:

Paper based data collection is inconvenient , time consuming and costly for customers and providers. Where models for digital-sharing exist, they typically involve transferring data through intermediaries that are not always secure or through specialized agencies that offer little protection for customers. India's consent-based data-sharing model provides a digital framework that enables individuals to give and withdraw consent on how and how much of their personal data are shared via secure and standardized

channels. India's guiding principles for sharing data with user consent—not only in the financial sector— are outlined in the National Data Sharing and Accessibility Policy (2012) and the Policy for Open Application Programming Interfaces for the Government of India. The Information Technology Act (2000) requires any entity that shares sensitive personal data to obtain consent from the user before the information is shared. The forthcoming Personal Data Protection Bill makes it illegal for institutions to share personal data without consent.

India's Ministry of Electronics and Information Technology (MeitY) has issued an Electronic Consent Framework to define a comprehensive mechanism to implement policies for consensual data-sharing. It provides a set of guiding design principles, outlines the technical format of the data request, and specifies the parameters governing the terms of use of the data requested. It also specifies how to log both consent and data flows. This "consent artifact" was adopted by RBI, SEBI, IRDAI, and PFRDA. Components of the consent artifact structure include :

Identifier : Specifies entities involved in the transaction: who is requesting the data, who is granting permission, who is providing the data, and who is recording consent.

Data : Describes the type of data being accessed and the permissions for use of the data. Three types of permissions are available: view (read only), store, and query (request for specific data). The artifact structure also specifies the data that are being shared, date range for which they are being requested, duration of storage by the consumer, and frequency of access.

Purpose : Describes end use, for example, to compute a loan offer.

Log : Contains logs of who asked for consent, whether it was granted or not, and data flows.

Digital signature : Identifies the digital signature and digital ID user certificate used by the provider to verify the digital signature. This allows providers to share information in encrypted form

The Approach:

THE AA consent based data sharing model mediates the flow of data between producers and users of data, ensuring that sharing data is subject to granular customer consent. AAs manage only the consent and data flow for the benefit of the consumer, mitigating the risk of an FIU pressuring consumers to consent to access to their data in exchange for a product or service. However, AAs, as entities that sit in the middle of this ecosystem,

come with additional costs that will affect the viability of the business model and the cost of servicing consumers. FIUs most likely will urge consumers to go directly to an AA to receive fast, efficient, and low-cost services. However, AAs ultimately must market their services directly to the consumer. While AA services are not an easy sell, the rising levels of awareness among Indian consumers that their data are being sold without their consent or knowledge may give rise to the initial wave of adopters. While the AA model is promising, it remains to be seen how and when it will have a direct impact on the financial lives of consumers.

Differences between Personal Data Protection & GDPR ?

There are some major differences between the two.

First, the bill gives India's central government the power to exempt any government agency from the bill's requirements. This exemption can be given on grounds related to national security, national sovereignty, and public order.

While the GDPR offers EU member states similar escape clauses, they are tightly regulated by other EU directives. Without these safeguards, India's bill potentially gives India's central government the power to access individual data over and above existing Indian laws such as the Information Technology Act of 2000, which dealt with cyber crime and e-commerce.

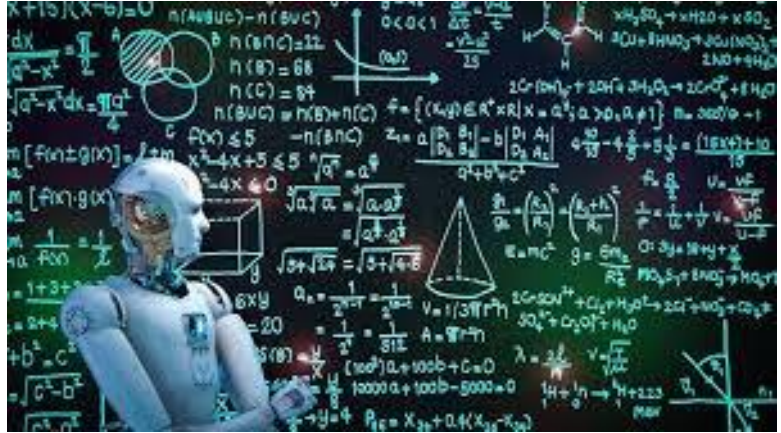
Second, unlike the GDPR, India's bill allows the government to order firms to share any of the non personal data they collect with the government. The bill says this is to improve the delivery of government services. But it does not explain how this data will be used, whether it will be shared with other private businesses, or whether any compensation will be paid for the use of this data.

Third, the GDPR does not require businesses to keep EU data within the EU. They can transfer it overseas, so long as they meet conditions such as standard contractual clauses on data protection, codes of conduct, or certification systems that are approved before the transfer.

The Indian bill allows the transfer of some personal data, but sensitive personal data can only be transferred outside India if it meets requirements that are similar to those of the GDPR. What's more, this data can only be sent outside India to be processed; it cannot be stored outside India. This will create technical issues in delineating between categories of data that have to meet this requirement and add to businesses' compliance costs.

AI Strategy: The Epiphany of Digital Transformation

In the past months due to lockdowns and WFH, enterprises have got an epiphany of massive shifts of business and strategic models for staying relevant and solvent. Digital transformation touted as the biggest strategic differentiation and competitive advantages for enterprises faced a quintessential inertia of mass adoption in the legacy based enterprises and remained more on business planning slides than in full implementation.



However, Digital Transformation is not about aggregation of exponential technologies and adhoc use cases or stitching alliances with deep tech startups. The underpinning of Digital transformation is AI and how AI strategy has become the foundational aspect of accomplishing digital transformation for enterprises and generating tangible business metrics. But before we get to the significance of AI strategy in digital transformation, we need to understand the core of digital transformation itself. Because digital transformation will look different for every enterprise, it can be hard to pinpoint a definition that applies to all. However, in general terms: we define digital transformation as the integration of core areas of business resulting in fundamental changes to how businesses operate and how they deliver value to customers.

Though, in specific terms digital transformation can take a very interesting shape according to the business moment in question. From a customer's point of view, **“Digital transformation closes the gap between what digital customers already expect and what analog businesses actually deliver.”**

Does Digital Transformation really mean bunching exponential technologies? I believe that digital transformation is first and foremost a business transformation. Digital mindset is not only about new age technology, but about curiosity, creativity, problem-solving, empathy, flexibility, decision-making and judgment, among others. Enterprises needs to foster this digital mindset, both within its own boundaries and across the company units. The World Economic Forum lists the top 10 skills needed for the fourth industrial revolution. None of them is totally technical. They are, rather, a combination of important soft skills relevant for the digital revolution. You don't need to be a technical expert to understand how technology will impact your work. You need to know the foundational aspects, remain open-minded and work with technology mavens. Digital Transformation is more about cultural change that requires enterprises to continually

challenge the status quo, experiment often, and get comfortable with failure. The most likely reason for business to undergo digital transformation is the survival & relevance issue. Businesses mostly don't transform by choice because it is expensive and risky. Businesses go through transformation when they have failed to evolve. Hence its implementation calls for tough decisions like walking away from long-standing business processes that companies were built upon in favor of relatively new practices that are still being defined.

Business Implementation aspects of Digital Transformation

Disruption in digital business implies a more positive and evolving atmosphere, instead of the usual negative undertones that are attached to the word. According to the MIT Center for Digital Business, "Companies that have embraced digital transformation are 26 percent more profitable than their average industry competitors and enjoy a 12 percent higher market valuation." A lot of startups and enterprises are adopting an evolutionary approach in transforming their business models itself, as part of the digital transformation. According to McKinsey, One-third of the top 20 firms in industry segments will be disrupted by new competitors within five years.

The various Business Models being adopted in Digital Transformation era are:

The Subscription Model (Netflix, Dollar Shave Club, Apple Music) Disrupts through "lock-in" by taking a product or service that is traditionally purchased on an ad hoc basis, and locking-in repeat custom by charging a subscription fee for continued access to the product/service

The Freemium Model (Spotify, LinkedIn, Dropbox) Disrupts through digital sampling, where users pay for a basic service or product with their data or 'eyeballs', rather than money, and then charging to upgrade to the full offer. Works where marginal cost for extra units and distribution are lower than advertising revenue or the sale of personal data

The Free Model (Google, Facebook) Disrupts with an 'if-you're-not-paying-for-the-product-you-are-the-product' model that involves selling personal data or 'advertising eyeballs' harvested by offering consumers a 'free' product or service that captures their data/attention

The Marketplace Model (eBay, iTunes, App Store, Uber, Airbnb) Disrupts with the provision of a digital marketplace that brings together buyers and sellers directly, in return for a transaction or placement fee or commission

The Access-over-Ownership Model (Zipcar, Peer buy) Disrupts by providing temporary access to goods and services traditionally only available through purchase. Includes 'Sharing Economy' disruptors, which takes a commission from people monetizing their assets (home, car, capital) by lending them to 'borrowers'

The Hypermarket Model (Amazon, Apple) Disrupts by 'brand bombing' using sheer market power and scale to crush competition, often by selling below cost price

The Experience Model (Tesla, Apple) Disrupts by providing a superior experience, for which people are prepared to pay

The Pyramid Model (Amazon, Microsoft, Dropbox) Disrupts by recruiting an army of resellers and affiliates who are often paid on a commission-only mode

The On-Demand Model (Uber, Operator, TaskRabbit) Disrupts by monetizing time and selling instant-access at a premium. Includes taking a commission from people with money but no time who pay for goods and services delivered or fulfilled by people with time but no money

The Ecosystem Model (Apple, Google) Disrupts by selling an interlocking and interdependent suite of products and services that increase in value as more are purchased. Creates consumer dependency

Since Digital Transformation and its manifestation into various business models are being fast adopted by startups, there are providing tough competition to incumbent corporate houses and large enterprises. Though enterprises are also looking forward to digitally transform their enterprise business, the scale and complexity makes it difficult and resource consuming activity. It has imperatively invoked the enterprises to bring certain strategy to counter the cannibalizing effect in the following ways:

The Block Strategy. Using all means available to inhibit the disruptor. These means can include claiming patent or copyright infringement, erecting regulatory hurdles, and using other legal barriers.

The Milk Strategy. Extracting the most value possible from vulnerable businesses while preparing for the inevitable disruption

The Invest in Disruption Model. Actively investing in the disruptive threat, including disruptive technologies, human capabilities, digitized processes, or perhaps acquiring companies with these attributes

The Disrupt the Current Business Strategy. Launching a new product or service that competes directly with the disruptor, and leveraging inherent strengths such as size, market knowledge, brand, access to capital, and relationships to build the new business

The Retreat into a Strategic Niche Strategy. Focusing on a profitable niche segment of the core market where disruption is less likely to occur (e.g. travel agents focusing on corporate travel, and complex itineraries, book sellers and publishers focusing on academia niche)

The Redefine the Core Strategy. Building an entirely new business model, often in an adjacent industry where it is possible to leverage existing knowledge and capabilities (e.g. IBM to consulting, Fujifilm to cosmetics)

The Exit Strategy. Exiting the business entirely and returning capital to investors, ideally through a sale of the business while value still exists (e.g. MySpace selling itself to Newscorp)

The curious evolution of AI and its relevance in digital transformation

So here's an interesting question, AI has been around for more than 60 years, then why is it that it is only gaining traction with the advent of digital? The first practical application of such "machine intelligence" was introduced by Alan Turing, British mathematician and WWII code-breaker, in 1950. He even created the Turing test, which is still used today, as a benchmark to determine a machine's ability to "think" like a human. The biggest differences between AI then and now are Hardware limitations, access to data, and rise of machine learning.

Hardware limitations led to the non-sustenance of AI adoption till late 1990s. There were many instances where the scope and opportunity of AI led transformation was identified and appreciated by implementation saw more difficult circumstances. The field of AI research was founded at a workshop held on the campus of Dartmouth College during the summer of 1956. But Eventually it became obvious that they had grossly underestimated the difficulty of the project due to computer hardware limitations. The U.S. and British Governments stopped funding undirected research into artificial intelligence, leading to years known as an "AI winter".

In another example, again in 1980, a visionary initiative by the Japanese Government inspired governments and industry to provide AI with billions of dollars, but by the late 80s the investors became disillusioned by the absence of the needed computer power (hardware) and withdrew funding again. Investment and interest in AI boomed in the first decades of the 21st century, when machine learning was successfully applied to many problems in academia and industry due to the presence of powerful computer hardware. Teaming this with the rise in digital, leading to an explosion of data and adoption of data generation in every aspect of business, made it highly convenient for AI to not only be adopted but to evolve to more accurate execution.

The Core of Digital Transformation: AI Strategy

According to McKinsey, by 2023, 85 percent of all digital transformation initiatives will be embedded with AI strategy at its core. Due to radical computational power, near-endless amounts of data, and unprecedented advances in ML algorithms, AI strategy will emerge as the most disruptive business scenario, and its manifestation into various

trends that we see and will continue to see, shall drive the digital transformation as we understand it. The following will be the future forward scenarios of AI strategy becoming core to digital transformation:

AI's growing entrenchment: This time, the scale and scope of the surge in attention to AI is much larger than before. For starters, the infrastructure speed, availability, and sheer scale has enabled bolder algorithms to tackle more ambitious problems. Not only is the hardware faster, sometimes augmented by specialized arrays of processors (e.g., GPUs), it is also available in the shape of cloud services, data farms and centers

Geography, societal Impact: AI adoption is reaching institutions outside of the industry. Lawyers will start to grapple with how laws should deal with autonomous vehicles; economists will study AI-driven technological unemployment; sociologists will study the impact of AI-human relationships. This is the world of the future and the new next.

Artificial intelligence will be democratized: As per the results of a recent Forrester study, it was revealed that 58 percent of professionals researching artificial intelligence, only 12 percent are actually using an AI system. Since AI requires specialized skills or infrastructure to implement, Companies like Facebook have realized this and are already doing all they can to simplify the implementation of AI and make it more accessible. Cloud platforms like Google APIs, Microsoft Azure, AWS are allowing developers to create intelligent apps without having to set up or maintain any other infrastructure.

Niche AI will Grow: By all accounts, 2020 & beyond won't be for large, general-purpose AI systems. Instead, there will be an explosion of specific, highly niche artificial intelligence adoption cases. These include autonomous vehicles (cars and drones), robotics, bots (consumer-orientated such as Amazon Echo, and industry specific AI (think finance, health, security etc.).

Continued Discourse on AI ethics, security & privacy: Most AI systems are immensely complex sponges that absorb data and process it at tremendous rates. The risks related to AI ethics, security and privacy are real and need to be addressed through consideration and consensus. Sure, it's unlikely that these problems will be solved in 2020, but as long as the conversation around these topics continues, we can expect at least some headway.

Algorithm Economy: With massive data generation using flywheels, there will be an economy created for algorithms, like a marketplace for algorithms. The engineers, data scientists, organizations, etc. will be sharing algorithms for using the data to extract required information set.

Where is AI Heading in the Digital Road?

While much of this is still rudimentary at the moment, we can expect sophisticated AI to significantly impact our everyday lives. Here are four ways AI might affect us in the future:

Humanizing AI: AI will grow beyond a “tool” to fill the role of “co-worker.” Most AI software is too hidden technologically to significantly change the daily experience for the average worker. They exist only in a back end with little interface with humans. But several AI companies combine advanced AI with automation and intelligent interfaces that drastically alter the day to day workflow for workers

Design Thinking & behavioral science in AI: We will witness Divergence from More Powerful Intelligence to More Creative Intelligence. There have already been attempts to make AI engage in creative efforts, such as artwork and music composition. we’ll see more and more artificial intelligence designing artificial intelligence, resulting in many mistakes, plenty of dead ends, and some astonishing successes.

Rise of Cyborgs: As augmented AI is already the mainstream thinking; the future might hold witness to perfect culmination of man-machine augmentation. AI augmented to humans, intelligently handling operations which human cannot do, using neural commands.

AI Oracle: AI might become so connected with every aspect of our lives, processing though every quanta of data from every perspective that it would perfectly know how to raise the overall standard of living for the human race. People would religiously follow its instructions (like we already follow GPS navigations) leading to leading to an equation of dependence closer to devotion.

The Final Word

Digital business transformation is the ultimate challenge in change management. It impacts not only industry structures and strategic positioning, but it affects all levels of an organization (every task, activity, process) and even its extended supply chain. Hence to brace Digital led disruption, one has to embrace AI-led strategy. Organizations that deploy AI strategically will ultimately enjoy advantages ranging from cost reductions and higher productivity to top-line benefits such as increasing revenue and profits, richer customer experiences, and working-capital optimization.

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