

AI MATURITY FROM EXPERIMENTATION TO IMPLEMENTATION PT. 2

VIDEO TRANSCRIPT

Per Österman [00:00:00] Hello, everybody, and welcome back to our second part of the podcast, the data and AI maturity. In this second part, we'll talk more about use cases and examples of implementations, and I will continue my talk to your Xiaopeng Li and I hope you enjoy.

Per Österman [00:00:24] If you look at many businesses, there is no lack of use cases right they have too many. There are hundreds of use cases and everybody wants to have value from AI right. And how can we create more value from AI. I think what you touched on here on prioritization, how do we actually prioritize the key use cases? It doesn't need to be the highest value, but really the ones which are possible to realize and possible to get over the threshold into the business state of states. How do you actually do the prioritization? That's a key, key area. I'm curious to hear your view there.

Xiaopeng Li [00:01:03] Yeah. So, I guess, you know, if I obviously, again, you know, there could be different frameworks. You know, I'm pretty sure a senator has one as well to help clients to prioritize use cases. But from my point of view, I would primarily look at two dimensions. One dimension is the potential impact of the use case, right? So, for example, for a retailer, you could have a use case which let's say increase the performance of your bot on your e-commerce website by 5%. Or you could have another use case which increased the demand forecasting model by 5%. The latter probably, you know, would have a higher business impact

on your business. So that's the impact I think you need to, you know, quantify that, you know, from a use case point of view. And then at the same time, you need to look at the feasibility. Right. So, I think that's sometimes ignored or neglected. And it's very important for you to think about that, because feasibility means do you have the right competence within your organization to support developing the solution for your use case? Do you have enough quality data to support the development of the AI solution that you're envisioning? And also, do you have the data foundation in place? Do you have the platform tooling technology which are required in the development process? So, I would, you know, personally map all the use cases I have into a two dimension, you know, matrix, so to speak. So, you know, feasibility versus impact. And then of course, you know, choose those way the potential high impact and also high feasibility.

Per Österman [00:02:44] That's spot on actually that's normally what we use, a little bit simplified in Accenture, right. I mean there is a five-step approach in order to create the value that would be established a good use case, right. The business case expected value coming out of this amount of data. This, you know, if it is a core customer code or employee, whatever you know the attributes to use for solving a problem, that business case needs to be established without doing anything to establish it. Then they need to find the data. Then they need to apply the model and then you can get



the insight. But normally, those are kind of a glass wall between the insight and action. And to move from insight to action, you need to overcome that kind of hurdle in actually to make it, you know, part of the production, part of the operations. And that's not always super easy. But you need to get that involvement from the business side early on, whether you do the business case in the beginning, but also along the journey, right. Like you said in previously, you need to have the right people from the business functions supporting you, you know, to get the scaling effect? But one thing I would like to add to the two-dimensional model you talk about, about the feasibility and the value impact or the impact would be also fit to the strategic intent of the organization. So, everything that leads up to something that has been promised to the market is going to be important, right? So there has to be the framework can be expanded as well, but it should be fairly straightforward and simple in order to make everybody understand why their case is prioritized. So, it's becoming a political debate.

Xiaopeng Li [00:04:33] Yeah. No, I think that's such a good addition. And I think, you know, just based on my personal experience working with different organizations, I think, you know, 3 to 5 years ago, there was a lot of discussion on A.I. strategy. And now people don't talk so much about AI strategy anymore because more and more organization realize they do not need a separate strategy. They need a strategy for A.I., which is fully aligned with their business strategy. Right? So, I think you have such a good point. You know, when you look at your portfolio of use cases, of course you should think of them within the context of your strategic priorities for your organization. You know, maybe for some organizations they're looking at, you know, how to cut cost and use cases, resonating with that would be of priority, of course. And for organizations who are really thinking about how to differentiate their product and services, you know, with AI and machine learning then they probably have different priorities. So, I think that strategic intent is always the right context to have in mind when you do this prioritization for sure.

Per Österman [00:05:37] Yeah, no, I fully agree with you that they can a strategy by itself will not be the key thing. It would be update your overall enterprise strategy with data. Yeah, absolutely. And that's the right way to go. And I think many C-level executives, they really have realized that lately, but it has not been always like that. So, I think it's super important reflection. And I'm thinking about the when you have establish AI maturity, you know. Exactly. You did the assessment, you know, exactly which part of organization needs extra help and which part of organization is actually on the way. And of course, like we discussed before, maybe you start actually creating good cases with the more mature reporting organization to get, you know, some ambassador or some black bits really show off this is what we can do and this is the impact we have made. And it will you know like a disease it will come across, the whole company in the end. There are different models to track maturity of the company. Right? And there are many different models I come across dmcam, data management capability assessment model is one framework to do it. What is your experience from using these kinds of models to track your maturity? And you know if it's going quick enough or you're focusing on the right part of organization and so on?

Xiaopeng Li [00:07:02] Yeah, that's a difficult question for me because I think, you know, you from Accenture point of view, you probably have much more experience when it comes to, you know, having such model to track, you know, AI maturity and also, you are measuring the velocity. I think, you know, from my point of view, you know, now I think you know, I'm speaking more on my personal behalf not representing Microsoft. I think, you know, obviously, of course, I would categorize, you know, probably into two, you know, domains when it comes to how to measure the key metrics, if you like. The first metric I think would be around the performance, around the solution. Obviously, you know, when you develop AI models, when you develop machine learning solutions, you need to measure, you know, quite, you know, objectively, you know, the accuracy, the performance. And also, you know, your potential



buyers, fairness, etc., including the responsible AI side of things, right? I think the performance of solutions you need to measure, so that quite often are correlated with the maturity of your AI journey. But on the other hand, I think you should also look at, you know, the return on investment. For me that's quite straightforward because, you know, A.I. is, you know, just another technology. I mean, of course it's my favorite technology but it's just another technology. You are leveraging A.I. because you want to, you know, business outcomes, you want to have return investment on your business. So, I think that's clearly another another measurement every organization should think about. But then, of course, you know, as we're embracing, you know, any new technology, including A.I., you know, you need to give it a bit more time for such organizations, for such technologies to take impact within your organization. But you know, that would be my take, right? I mean, you know, the performance of the solutions themselves. But in return for the investment on the business impact.

Per Österman [00:08:58] Yeah, it is important to have some kind of a principle to hang it up on in the underwrite, because I know some companies I'm working with that have tried to certify as many of their employees as possible in a couple of frameworks for not only upskilling but also awareness of the thesis, a high importance for C level and the whole company in order to move to become more data led. When we are talking about data led, we talk a lot about data foundation that is normally it is very kind of popular topic today with you start with the cloud journey right. You start with moving the data as much as you can to cloud to try to avoid having, you know, fragmented silos of data in different legacy systems, but really use the cloud as a way to create the pipelines across the organization with data. But then, as we said before, it's important to have a double velocity principle to create value as quick as possible, about cases, maybe create the data as a product in the in the center of excellence of AI and data to move it out to the business functions. But again, coming back to the topic of people's and skillset and making sure you have the right type

of way of working and these are the three pillars foundation value gives some people a way of working. How important would be to have an operating model around data and AI. Really an operating model I'm thinking, you know, something that is either in pilot or part of the overall enterprise data or operating model. Have you seen this operating model around data and AI really being used as a value lever in order to create that adoption awareness? Or what is your view in how to organize around this topic?

Xiaopeng Li [00:10:57] For me. You know, it's always helpful to have a seat at the management table or at the leadership table for somebody who has a strong focus on data AI. I think, you know, from what I have observed, you know, from different organizations we work with when it comes to customers and partners. Some of them have, you know have a head of data AI. You know, sitting in the top leadership team. Right. And some of them may have the head of data sitting in the CTO organization or CIO organization, which is also quite mainstream. But we also see, you know, some organizations that they decided to have, for example, you know, a couple of business units reporting to the CEO. And within each business unit, they have one head of data AI. Right. But what I do see as a pattern is that normally the person responsible for AI is also responsible for data. They quite often go hand in hand because as we have discussed extensively, you know, you cannot adopt AI without without having a data foundation. So, I think it makes a lot of sense. And also, if you think about the talents that you require to actually develop such solutions, they have a lot of, you know, common, you know, competence because, you know, data engine, a data engineer might be able to build the pipeline. They might be able to establish a data warehouse, but they are also able to help data scientists to prepare data to build a, you know, machine learning pipeline. So, I think, you know, having data and AI sitting in the same organization brings a lot of synergy, brings out a lot of impact as well.

Per Österman [00:12:31] I also agree with you that the CDAO kind of is becoming more and



more a common kind of role and type, right? Chief data AI, Chief Data analytics officer. And I think it's important not only for... I was thinking about one client I'm working with actually of data culturally just to make sure reporting up to the CDAO to make sure that, you know, the data culture is and data literacy and adoption is actually getting on the right foot in the organization. It's a difficult course, but it's very much talent and organization type of task work.

Xiaopeng Li [00:13:17] So I just, you know, that triggered me, you know, to think that I've also come across some other interesting, you know, roles within the data AI leadership space. I think one example is, you know, sort of, you know, data transformation or A.I. transformation lead. I think that's also interesting. I think that's probably, you know, overlapping to some extent with the data culture, AI culture lead, that you're talking about, but then also maybe with a lens change management. So basically, how to mobilize the organization to adapt to the fact that now where infusing A.I. into different part of our business process and then, of course, you know, that's a role that's so important for organizations embarking on large scale change and transformation journey. But another role that I have recently come across, you know, you know, quite often is also, you know, head of responsible A.I. or head of responsible data. And, of course, you know, I think, you know, one of our customers in Sweden, H&M Group, they have a head of responsible AI and data. And, you know, Linda, she's actually quite active out there speaking as well. So, I think, you know, it's so important for organizations, especially large corporations, to, you know, put the responsible A.I. high on the agenda as well. Because the more we adopt data and AI, the more we realize how powerful they are and the more we realize we need to ensure, you know, they are used properly, they're handled with care, and we use those technologies for a good cause. So that's just another observation in terms of the roles.

Per Österman [00:14:56] It's a super important observation. Maybe that is be a responsible company, right? A responsible enterprise. And use AI to actually leverage and speed your

value. You need these kinds of roles in the company like culture leads and responsible AI lead in order to accelerate it. But if you don't, if you look at the lowest threshold, which is the regular compliance, you need to you know, you need to do that, but you also need to have an ethical kind of compliance level as well. How to create non-biased solutions. I see also some companies are mixing that with sustainability and, you know, responsible AI is being a responsible around the response of the company. We also need to take care of the environment, the society and the responsibility for that is coming with the role of... Or sometimes it's more like banks are coming from that area, right? You have a lot of regulations for a long time and they need the compliance to focus on this type of reporting. But it's quite a wide topic. How to be a responsible company, compliance, ethical, borderlines, sustainability, borderlines. Like in fashion, you need to really focus of sustainability as some of the fashion companies are really good at that. You mentioned one, and I think that is also standing out as a good brand for responsible company for sustainability and meeting specific targets.

Xiaopeng Li [00:16:26] Yeah. So, I think that's super interesting. You know, I personally, you know, don't have much that experience working directly with sustainability or ESG, but I have seen, you know, you know, more and more organizations, they start to sort of bring, you know, the sustainability work and the data AI work together. So, one interesting example I have observed is from a large Norwegian bank, and they actually have a dedicated ESG data task force. So basically, they have a team of data scientists who actually are and data engineers who are building their data platform, supporting their ERG, you know, measurement and tracking within organization. But at the same time, they are also experimenting with the data. They have to see how we can optimize our footprint, you know, as a company when it comes to carbon emission, etc... So, you know, measurement, that's the first step. The next step is how we can take actions based on the data insights we have. So, I think that's super interesting. So, I think going forward we



probably would see more and more company, you know, infusing data AI into how they work with sustainability and ESG.

Per Österman [00:17:41] I think it's a good point. You start with the reporting, right, to make sure the reporting is right. You understand where you are and you can do this reporting without... To become data driven, because then its actually fact driven as well, based on the insights from that kind of function. You can also take actions to improve, become a stronger brand and a stronger player in the society right. Talking about the sustainability or doing good for society, do you have any good examples of the companies you've been working with who actually have created an impact based on that combination?

Xiaopeng Li [00:18:24] Yeah, yeah, absolutely. I think, you know, actually, you know, we are both located in Nordics and here, you know, organizations have a quite strong focus on, you know, sustainability but also social responsibility. So, you know, I think we have quite a lot of, you know, good examples on, you know, our joint customers, you know, leverage data AI to not only create a business value, but also, you know, really addressing some of the societal environmental issues. So, I think one example I want to bring up would be, SAS, Scandinavia Airlines. You know, they are obviously, you know, a large airline, you know, operating not only, of course, in the Nordics, but also, you know, internationally. So, they have been working with us, you know, in the past year, developing AI and machine learning models to really optimize different business processes. And one particular use case they have, you know, tackled is to use machine learning model to predict the sales of fresh food on their airplanes. Because, you know, quite often, you know, if the fresh food are like sandwiches and salad, if they're not sold, they might end up being waste by the end of the day. Right. So, for them, you know, on one hand, they reduce cost by predicting the right amount of sales. On the other hand, they avoid waste, which contributes to their sustainability target. So, I think that's a really, really good example. Another one out of the mention is Elekta. So, it's a medical

equipment manufacturer from Sweden. So, they have been, you know, working with us as well. They are actually quite advanced in their AI journey. They're doing, you know, deep learning and computer vision with medical images. So, what they have done is they have developed an AI based solution to make you know radiotherapy more effective and more time efficient. And that means, you know, their professionals can offer their treatment to more patients than ever. And also, the patients they get to spend less time with the treatment but more time with their family. So, I think that's another example, you know, where AI can not only create a piece of value, but also have a very positive impact on our well-being as humans.

Per Österman [00:20:42] Very good examples. But everybody who has been listening to us. Yeah, super happy to talk about this with you.

Xiaopeng Li [00:20:50] Absolutely.