Super Intelligence: Unlocking the Impact of AI With Human Intuition

AI is a global disruptor that can unlock a competitive edge—but it doesn't come without caveats.

⚡ *by* *Insigniam*

Artificial intelligence could ultimately be the most significant single disruptor ever witnessed—for business and for humanity. If that seems hyperbolic, then take it from Google and Alphabet CEO Sundar Pichai, who in 2016 said, "AI is one of the most important things humanity is working on. It's more profound than … electricity or fire."

Thanks to the proliferation of consumer-oriented devices like Google Home and Amazon's Alexa and virtual assistants such as Apple's Siri, near-immediate access to AI (defined as machines that simulate human intelligence) has become an everyday reality for a vast swath of humanity. Forecasts suggest that by 2024 the number of digital voice assistants will reach 8.4 billion units—a number greater than the world's population. While the retail market will most assuredly continue to spur demand for AI-driven consumer products, an MIT survey of 3,000 global executives found that nearly 60% have deployed at least one AI project to date, up from 44% in 2018.

According to *Forbes*, this flurry of activity comes with a hefty price tag. While the world AI market is valued at $327.5 billion, U.S. companies invested more than $23 billion in 2020 in AI systems. Globally, the total corporate investment was close to $50 billion. By 2024, that number could eclipse $110 billion.

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With such a sizable investment, it is logical to assume that the impact of AI generates many positive outcomes. However, according to the MIT study, only 10% of companies have thus far obtained any significant financial benefit from AI technologies. This disconnect suggests a massive breakdown—one where global organizations are currently taking a scattershot approach, viewing the impact of AI as a magic bullet instead of transformational data science.

According to Andrew McAfee, MIT principal research scientist and co-author of *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*, "The role of a senior manager in a deeply data-driven world is going to shift." Mr. McAfee foresees that many senior executives will need to consider where they add value and "when they should get out of the way." In his opinion, this will lead to a rethinking of managerial intuition.

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That said, we have yet to unlock, harness or even conceptualize the full potential of AI and machine learning (how unsupervised machines learn from data without human interaction). The opportunity, in the near term, is to reframe our thinking and consider how the impact of AI can fuel corporate strategies today and create transformative experiences for our customers well into the future.

UPGRADED CUSTOMER EXPERIENCES

We don't need to grasp the complexities of machine learning to understand that AI is deeply rooted in data. Traditionally, many companies have viewed data as a means to an end since it can relatively easily be collected, sold and monetized.

However, companies like Upstart—a cloud-based AI lending platform that seeks to improve a borrower's access to credit while reducing the risk and costs to lenders and banking partners—deploy AI algorithms that examine many aspects of a prospective borrower's life, from work experience to education history. Compared to traditional banking models, Upstart claims, it can boost loan approval rates by 173% without increasing loss rates, and while ensuring far fewer borrowers default on these sums—thereby paving the road for winning customer experiences.

And it doesn't end there. Increasingly, AI-powered chatbots are leveraged to handle a variety of tasks related to front-line customer engagement. In 2020, more than 1.4 billion people interacted with bots, which reduced order errors, simplified multistep transactions and anticipated customer behavior by deploying predictive models to respond quickly to changing market dynamics. Low cost of implementation and 24/7 support capabilities make them an attractive option for companies seeking to create and manage predictive data sets that can increase customer satisfaction through a wide array of unique interactions.

And if there's one retailer that understands that every customer has different tastes, it's Starbucks. In 2016, the coffee giant reinvented its rewards program by shifting focus from customer visits to customer spend. Leading up to this, Starbucks would send 30 different versions of the same reward-program emails to millions of customers several times a week. By leveraging the impact of AI to comb through millions of lines of customer data, the roaster was able to create 400,000 highly personalized email messages that ultimately helped increase customer engagement and accelerated sales.

SUPPLY CHAIN REACTIONS

Even the best supply chains are like rows of dominos—if one piece falls, everything can crash. Fortunately, this is another area where the benefit of AI can, and will, be felt in the near term. According to Gartner, 75% of companies currently piloting AI supply chain programs will move them into their primary operations by 2024.

By actively monitoring distribution networks, transportation delays, manufacturing issues, price fluctuations and even natural disasters—and deploying predictive maintenance in key areas—AI models can alert vendors to logistical breakdowns before they occur in areas where a human may not have been able to anticipate or identify them, thus avoiding catastrophe.

The global pandemic, for example, has upended travel industry supply chains like never before. In 2020, shortly after commercial air travel was disrupted, online travel company Expedia was overwhelmed by upstream impacts and asked customers to pause on inquiries for travel more than a week out. Not only did this create a nightmare scenario for would-be travelers—and demolished their overall satisfaction—it also generated added stress for the company's customer service professionals.

Expedia enlisted the services of the aptly named AI firm Sherpa, which provides technology for travel companies. The company built Expedia's COVID-19 Travel Advisor map, which alerted customers in real time to destinations with travel restrictions and advisories, as well as presenting information on quarantines and documents to provide upon arrival.

According to a press release, Expedia Group saw initial success in the COVID-19 Travel Advisor's pilot phase, with more than 1.6 million travelers using the tool across brands since November 2020. Engagement was still high by March 2021, exceeding 1.7 million clicks.

"It can prove challenging to find these details from a reliable source, so we teamed up with Sherpa to seamlessly integrate a solution into our apps, websites and customer communications," says Stacey Symonds, senior director of Experience Insights, Expedia Group. "Our goal is to reduce friction for travelers during a time when they need extra support and empower them to make responsible decisions."

However, despite being able to assess and rationalize complex supplier data in the blink of an eye, AI is most effective as an integrated tool paired with executive intuition, says Pervinder Johar, CEO of supply chain solutions firm Blume Global.

"AI is not a replacement for human judgment," says Mr. Johar. "People are vital to the successful implementation of any automated system—and in supply chains especially, AI should never work in isolation."

BLENDED LEADERSHIP

Perhaps the most important impact of AI on the near future is by complementing—not augmenting—skills that C-suite leaders bring to the table. Executives in a data-driven world can expect to witness and feel seismic shifts as AI applications are further integrated into everyday business practices.

Machines will open up new territory, and humans can explore that territory in partnership with the technology to create the optimal final product, Mr. McAfee pointed out in a speech to the Nordic Business Forum in Helsinki, Finland.

The impact of AI on business implications are a green field of possibilities. Its ability to equip decision-makers with meaningful data and predictions and to make well-informed choices could be the greatest competitive advantage currently accessible.

"Humans can bring emotional intelligence, organizational knowledge, critical thinking, moral judgment and creative flair to business leadership and decision-making," writes Michelle Senecal de Fonseca, Northern Europe VP at Citrix. "Yet the human brain also has limitations and is plagued with natural bias, which the impact of AI can counteract with hardcore data analysis."

In order to capture the immediate advantages afforded through these emerging technologies, it will be critical for senior executives to secure buy-in and enrollment among stakeholders across their organization.

According to Veera Nallam, founder and CEO of Xtendlabs, not only can executives such as Chief Technology Officers (CTO) provide a holistic view of AI implementation, they can also speak from a place of expertise concerning risks and benefits, and can assuage fears that AI is intended to replace, instead of supplement, humans on the front line.

"In the age of digitalization, rapidly changing operating environments and customer behavior, businesses need AI-based analytic approaches to improve ROI," says Nallam. "Technology leaders must recognize the importance of a data-driven business model using the impact of AI and raise awareness so that C-suite leaders are more eager to implement appropriate change-management strategies. Adopting AI will require everyone involved in running the business to recognize the groundbreaking benefits."