La Fosse

Future AI:
Transforming Enterprises

Executive Summary

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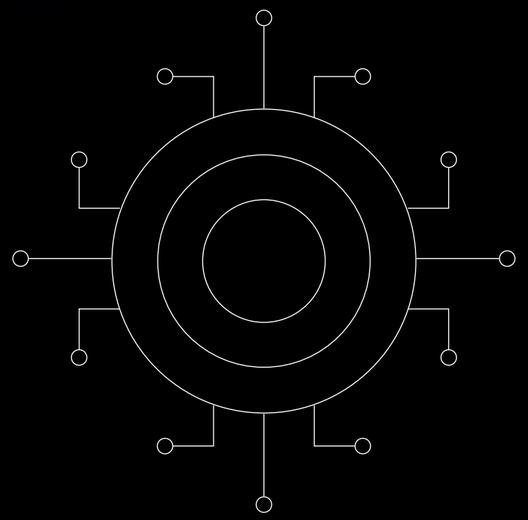
CEO

"AI's potential to alleviate the burden of repetitive tasks, freeing up more creative thinking time, is anticipated to drive significant productivity gains and foster economic growth in the long term. However, the widespread adoption of AI poses its own challenges, particularly concerning safety and integration into existing business operations.

"As organisations navigate these complexities in today's resource-constrained economies, many are closely observing early adopters in the field. Those who successfully harness the power of AI are poised to emerge as industry leaders in the years to come.

"There was a real sense of optimism amongst attendees of our hugely successful partnership event, **Future AI: Transforming Enterprises**. It was fascinating to have so many business leaders and AI experts in the same room discussing the potential and future impact of AI on the working world. Thank you to all our panel speakers and participants for their invaluable contributions to this thought-provoking event, and we look forward to continued collaboration and innovation in the realm of artificial intelligence."

Introduction



Artificial Intelligence (AI) has emerged as the latest transformative tool in business innovation; the past year alone has seen significant advancements, yet challenges persist in fully integrating AI into business operations.

Research conducted across La Fosse's professional tech leadership networks found that 67% of businesses are considering the use of AI in their transformation projects, with a further 44% wanting to utilise the technology to identify inefficiencies, and 42% looking to harness AI for business growth.

At this important intersection of tech innovation and business transformation, the need to keep up with developing infrastructure and tools is more crucial than ever. This report delves into the current state of AI adoption, the implications and challenges for enterprise businesses, and what the future holds for this cutting-edge technology.

> *"AI today is the worst it will ever be in our lifetime; that is to say, it will only get better."*

> *"There are high expectations about how AI could be used today, which may not always match with the reality or the possibility."*

The current state of AI adoption

AI has made remarkable strides, particularly in the last year, although enterprise-scale adoption remains a challenge. Whilst this technology is already engrained into our everyday lives – maps, online shopping, junk email filters, transaction fraud – integration into business environments has been a slower process.

Current adoption focusses largely on content generation, with Chat GPT taking the lead in this area, but the value of AI has far greater potential in the business transformation arena. With tools able to analyse, forecast, and pattern-match large volumes of data, the implications for business transformation, particularly within the more agile enterprise stage, are vast.

"Value creation potential in business is really exciting, but we've got to iron out the foundational fundamentals first."

Whilst it's undoubtable that AI will play a major role in future business strategy and delivery, building the infrastructure to provide a robust foundation is an imperative first step. Without a clear understanding of the development pathway, reliable data sources, and skilled people resource, organisations implementing AI will fall at the first hurdle; structure and security are key elements to success.

"AI is another new and continuously evolving technology to grapple with, perhaps not the revolutionary game changer it's claimed to be; it's not entirely different to other technology leaps in the past."

It's important to remember that AI is by no means a silver bullet for business transformation and organisational strategy. Social media, data mining, and cloud computing all purported to be the next revolutionary technology and, whilst they undoubtedly changed and enhanced the digital landscape, transformation was gradual and ultimately led to integration rather than dominance.

What does your business currently use AI for?

48% Industry specific improvements

44% Product innovation

43% Speed automation

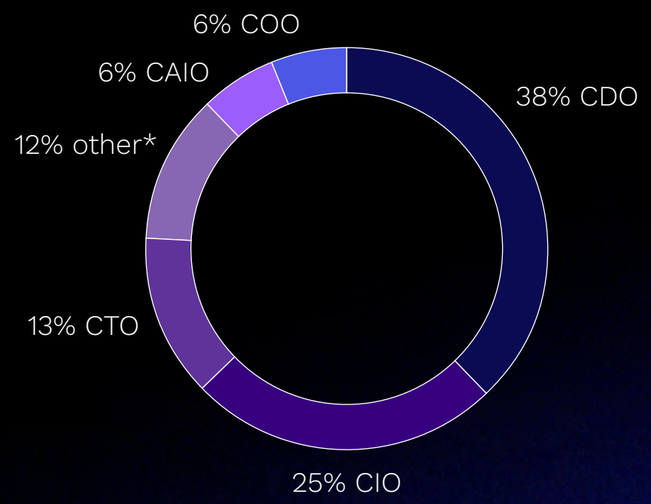
Challenges and opportunities for enterprise businesses

Enterprise businesses are at an exciting juncture in AI adoption. With access to enough organisational data and the ability to flex with the outcomes of data analysis, they are perfectly placed to utilise this technology and gain a strategic advantage.

A key consideration is direction; enterprise leadership must not only understand the implications of this technology but must also align it successfully with company-wide objectives. Governance is an important aspect of this; where will AI management sit within the enterprise business structure and who will be ultimately responsible for the function?

With innovation comes heightened risk and, particularly when considering customer data security, the need to mitigate and protect against system failures is a huge undertaking. By automating data processes, workload is taken away from people resource, but so is the level of control. Enterprises needs to think more strategically about how data is collected, used, and deployed by the organisation from the outset.

Who is currently responsible for AI in your business?



*External provider, multiple owners, depends on area of business

The impact on business operations

AI implementation has the potential to span various operational elements, from enhancing customer service experiences to analysing policy responses. This opens up the potential to reduce operating team size, replacing human resource with AI to manage repetitive tasks, generate content, and analyse data. Expanding output without increasing staff numbers essentially puts smaller businesses in the same league as their larger competitors.

Successful AI integration reimagines entire workflows rather than isolated solutions. The value lies in integrating AI into the core processes of an organisation: connecting up a full network of initiatives, aligning approaches, and reducing the risk with a centrally governed system. Each project must be both individually and collectively valuable, but rather than ‘solving’ one business challenge, AI implementation should be a truly transformative project.

Where do you consider your own business to be in terms of AI adoption?

Measures for AI ROI and evaluation

Return on investment is always a leading factor when integrating new systems and infrastructure, and AI is no different. Contextualising KPIs according to industry and use case is crucial for effective representation, but success measures could include:

Revenue generation

Attributing increased revenue to AI initiatives, which could include factors such as improvement in sales, customer retention, and cross-selling opportunities.

Employee satisfaction

Assessing the impact of AI on employee satisfaction levels, with indicators including improved work/life balance and improved productivity.

Customer satisfaction

Assessing the impact of AI on customer satisfaction levels, with indicators including improved user experience, increased NPS, and more referred business.

Cost savings

How AI implementation results in a reduction in costs, including savings in operational spend, labour, and resource utilisation.

Time savings

Improvements in time to completion for tasks or processes due to AI automation, including faster data analysis and streamlined workflows.

Quality improvement

Improvements in the quality of products or services resulting from AI implementation, including reduction in errors, improved accuracy, and enhanced product performance.

> *"AI takes the robot out of the human."*

Humans vs robots?

"When the camera arrived, impressionist art took off; that specific development in tech resulted in improved creativity."

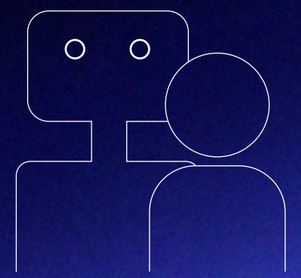
A long-held concern surrounding AI transformation is the belief that automation will replace human resource, narrowing the job pool and causing a catastrophic market event. In reality, the introduction of AI has (so far) seen job roles shift to incorporate new technologies. Whilst AI programmes and tools carry out simple, repetitive, data-based tasks, employees can focus on creativity, complex thinking, and interpersonal interaction.

"Yes, there will be an impact on jobs, but it should be on the automation of lower-value tasks, unlocking humans to focus on the higher value activities."

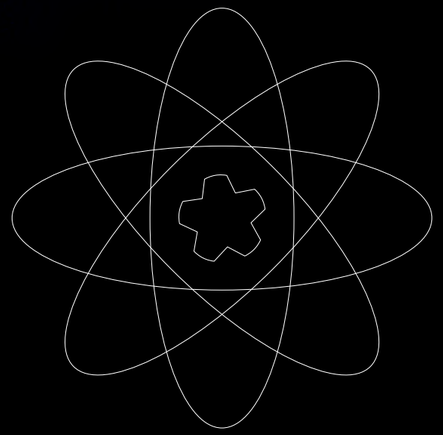
Collaboration between AI and human resource will require an evolution in skill sets. L&D within organisations will need to flex as the technology develops, ensuring that internal resource is not only aware of but adept in ideating, implementing, and delivering AI projects and programmes.

"The reality is that AI will change people's jobs - rather than take people's jobs. The focus has to be on managing the change process well, allowing for people to be retrained."

A key consideration here is the question of ownership. When something goes wrong – a system failure, a data breach, a coding error – who is responsible? Again, clarity of AI governance and management within the enterprise organisation is important here, but it does raise the question: will human error and AI error be approached in the same way?



Future predictions



Undoubtedly, AI technology will continue to develop and grow, with wider capabilities and new tools emerging, and with physical hardware being refined to support this evolution. Consolidation will also happen; not all of these new tools will survive, but the ones that hold business value are likely to be adopted and further developed. The current reliance on suites of business tools is expected to reduce with this new wave of technical infrastructure, and a more streamlined approach favoured moving forward.

Regulation poses a challenge, specifically how regulators can work together to enable innovation and growth of the economy whilst ensuring protective policies and procedures are implemented. In such an agile arena, there will be a need for these regulations to quickly flex and adapt as technology develops.

"AI can assist in making more informed strategic decisions by analysing vast amounts of data more efficiently than traditional methods, but also highlights the importance of responsible AI usage that aligns with ethical standards and public values."

Experts anticipate a period of upheaval, trial and error, and potential backlash as AI integrates with business and further into society, with a potential spotlight on inaccessibility and biased data. With the processing of historic information, there is a risk that harmful content could be reintroduced.

"AI projects often encounter natural human resistance or adoption blockages, highlighting the need for AI implementations to be sensitive to human factors and the existing cultural context – the use of historical (and less accessible) data could lead to reinforcing some of the structural bias in society that we've been trying to break down."

Achieving Artificial General Intelligence (AGI) remains uncertain, with predictions ranging from a few years to the distant future. Specific challenges and considerations include the need for emotional intelligence, defining human intelligence, and navigating ethical and regulatory concerns.

Summary

AI presents immense potential for transformative change in business operations. However, successful integration requires strategic alignment, ethical considerations, and continuous adaptation to evolving technology and societal needs. Collaboration, innovation, and regulatory agility are essential for maximising benefits while mitigating risks in what has the potential to be an AI-driven future.

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The content of this report was gathered during La Fosse's flagship event Future AI: Transforming Enterprises. Special thanks to our event panellists:

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