

14 апреля 2021

3 Ways Organizations Can Maximize ROI From AI Deployments

Artificial intelligence (AI) has taken the digital world by storm as the next wave of the “digital revolution” comes to the fore. Companies across sectors are using AI to transform and innovate their business operations. However, this testing time also revealed the limitations of AI, as AI models need to be regularly retrained with new data to ensure accurate predictions. Companies with a strong digital footprint are realizing that upgrading AI skills is not an easy task. AI can fail if the model is not built to train and scale, if the wrong business case is chosen, the wrong data preparation methods are chosen, or if the staff does not have the necessary AI skills. Consequently, the results of AI today are mixed: a smaller percentage of companies can get real return on investment (ROI) from their AI-based business models. According to research by VentureBeat, about 87% of data science projects never make it to production. In addition, the MIT Sloan Management Review-BCG report found that seven out of 10 companies surveyed report little or no impact on AI efforts. [Learn More: Realizing the Full Potential of Artificial Intelligence and Automation](#)

Improving the real ROI of your AI investment

For AI to reach its full potential, it will need the appropriate knowledge, scale and time. Therefore, organizations should create a solid foundation for measuring and tracking the potential outcomes of AI. According to an ESI ThoughtLab report, nearly two-thirds of senior executives across industries see AI as vital to the future of their business. However, companies receive, on average, only 1.3% of the return on investment in AI. According to Ari Kaplan, Director of AI Advocacy and Strategy at DataRobot, a leader in enterprise AI, “With the often high upfront costs of data preparation, technology adoption, and workforce development, it takes time and scale to get significant value from AI. However, this is not required. Companies that define the desired outcome invest in the right solutions and transform the outcomes to get the most out of AI deployments.” Let's take a look at some of the potential ways companies can get real ROI on their AI deployments. [Learn More: 6 Ways to Build AI That Blends Honesty, Diversity, and Ethics](#)

1. ROI requires a solid foundation, investments and specific goals.

Companies looking to generate significant ROI with AI need to lay a solid foundation with the right processes. Like any strategic initiative, this requires adequate investment. According to McKinsey's 2020 Global Survey on AI State, most high-performing companies have increased their AI investments amid the pandemic. However, the changes vary by industry. The healthcare sector has topped the list of AI investments as global efforts to fight the pandemic have skyrocketed. Meanwhile, there has been minimal change in AI investment in the high-tech and telecommunications sectors.

Average change in AI investment by business function due to COVID-19 Source: McKinsey High-performing AI companies are companies that excel at building a solid foundation for AI. Most of them have made significant strides in developing business cases, implementation plans, and systems for measuring and monitoring AI performance. Excellence employees are those who have already made significant progress in developing basic AI capabilities in data management and RPA. Consequently, they tend to invest a significant portion of their budgets in next-generation tools such as machine learning, deep learning, computer vision, and natural language processing (NLP). This allows them to explore AI in a broader sense. The McKinsey study also highlights key practices that differentiate

high-performing companies from others. These include, for example, the transition of AI solutions from a pilot series to production, the introduction of change management to ensure the implementation of AI, and much more. This makes superior performers overwhelmingly favored over the underperformers in getting substantial returns from AI programs. In addition, businesses also need to define goals in order to determine what problems they want to solve with AI and achieve the desired results. "Whether it's increasing customer retention, lowering operational costs, or hundreds of other use cases for AI, it's important to define what a successful AI deployment looks like in order to better determine post-deployment ROI. Carrying out these landmarks Feedback-driven discussions at the start of a rollout will help ensure that AI has a purpose within the organization and that there is a clear end goal for the rollout," Kaplan said.

2. Partnerships and collaborations are key drivers of ROI.

Getting ROI from AI involves using the right people, instilling your own AI skills through training, and encouraging enterprise collaboration. A recent Deloitte survey shows why AI devotees need a skilled team that can be trained to improve their skills through collaboration. AI companies should also consider engaging business leaders throughout the lifecycle of AI initiatives to align business models and strategy with the requirements of AI systems. In addition, integrating AI into the roles and functions of the firm is a bit of a challenge. Therefore, high-performing AI companies should consider teaming up with management experts. These professionals can play a critical role in overcoming the challenges of AI integration. Collaborating with the right partners and solutions can enhance and automate your data analytics platform from end to end from data to value. It can also help eliminate pain points at every step of the process, including data preparation, model building automation, deployment, and monitoring with MLOps. "AI is not a one-size-fits-all solution, leaders need to consider the cost of maintaining and fine-tuning the AI application throughout the deployment, as well as providing staff with the resources and training they need, which is why good partnerships are essential. is critical to success. A good partner will help educate, address pain points, promote self-sufficiency, and help scale AI across the organization to make a difference," says Kaplan. [Learn More: 6 Ways to Build AI That Blends Honesty, Diversity, and Ethics](#)

3. Focus on delivering results for key decision makers.

Since AI is an adaptable set of technologies, leaders must focus on areas that will deliver the most value. Companies need talent to translate business needs into solution requirements, build and deploy AI systems, and interpret results, according to a Deloitte report. However, most AI adherents face the problem of a lack of AI skills. About 68% of executives surveyed report a moderate to extreme skill gap, and 27% rate their skill gap as "severe" or "extreme." Hence, AI devotees are looking for AI translators who can bridge the gap between business and technical staff, covering both the front and back of AI solutions. Typically, AI ROI falls short of many companies' expectations due to a lack of corporate progress in measuring AI results. It has been observed that not all executives understand data science and therefore cannot interpret the results of an AI model. Therefore, ensuring that the results are understandable, explainable, and trusted by non-data scientists can help IT decision makers and stakeholders understand the end results of AI. In addition, it helps them to apply the acquired knowledge in practice. "Involving decision makers in the initial conversation about 'what success looks like' will also help them see that AI is achieving the desired outcomes of the problem they have posed – evidence that the technology is doing its job and opening the door to more use cases and possibilities." within the organization," Kaplan shared.

How AI is impacting businesses across industries

Today, harnessing the power of artificial intelligence has become a top priority for various businesses. In 2020, the adoption of AI has spread across industries. According to an ESI ThoughtLab report, the highest level of AI adoption is in the automotive industry. With the development of autonomous vehicles, the transportation sector remains at the forefront of benefiting from the adoption of AI. Banks have also stayed strong with the help of AI as next-generation fintech companies deployed fully digitized experiences amid the pandemic. The health sector is next on the list. As COVID-19 has upended the healthcare sector, the global medical community has openly embraced AI to accelerate

the development of drugs and vaccines against COVID-19. Next comes the manufacturing industry. Artificial intelligence has upgraded production lines with hyper-automation and made a significant contribution to improving quality control and with the help of the Internet of Things, expansion and autonomy in the manufacturing sector. Average ROI by industry Source: ESIThoughLab

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AI can deliver impressive ROI, increase profits, and significantly reduce costs if implemented strategically. To guarantee a good return, it must be properly supported at the organizational level, without being an isolated IT department. So with clear use cases, the right people, actionable goals, and strong leadership, the ROI from AI can be transformative and quickly realized.

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