A BRAVE NEW AI-POWERED WORLD

EINAT SHIMONI

Everything is moving so fast

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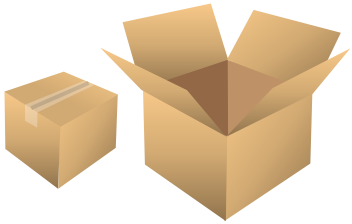
AI is literally **everywhere**



As a packaged Application

Via an API

As a product feature

In Devices

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It’s transforming

everything.

Organizations
Creativity
Jobs
Industries
People
Operations
Healthcare
Law
Social life
Wellness

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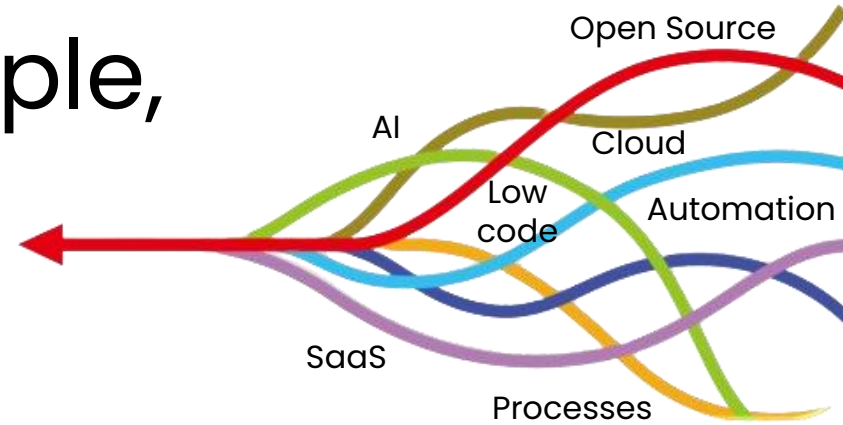
However, the profound impact will derive from a **convergence** of technologies, people, And economies



enthusiasm concern

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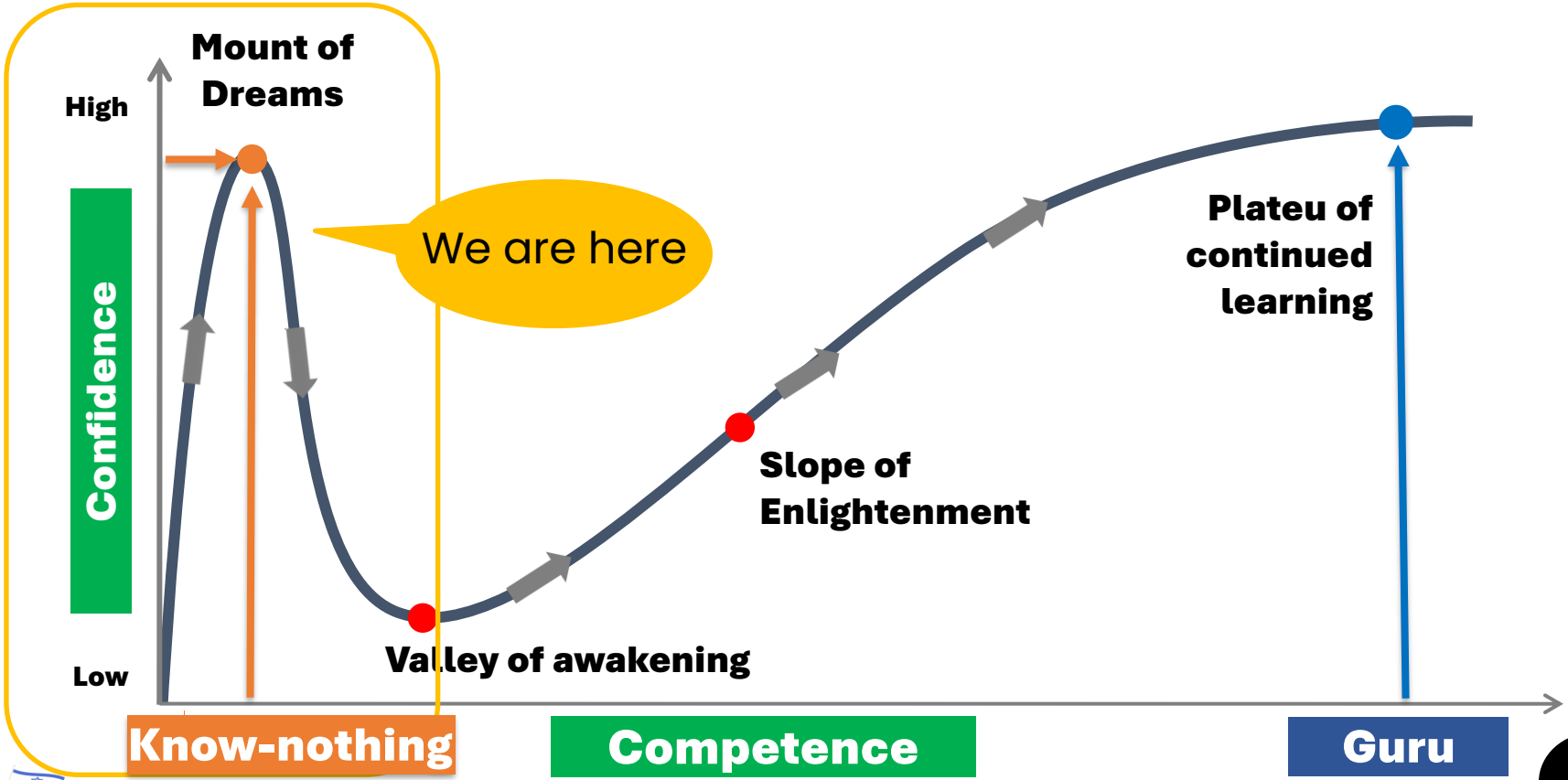
The Illusion of knowledge leads to overestimation



Dunning Kruger Effect - revised

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Expectations are high

For impact on revenue

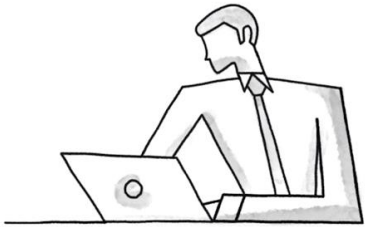
- 57% of executive boards expect a **double-digit increase** in revenue from AI investments

Source: ClearML Survey

Expectations are high

For impact on productivity

AI can potentially automate 50% of work-related activities in operational work.
GenAI can increase this to 60-70% in knowledge work.



Source: McKinsey's "Economic potential of GenAI" report

Expectations are high

For impact on Global Productivity

Generative AI's impact on productivity could add $2.6 trillion to $4.4 trillion in value annually to the global economy".

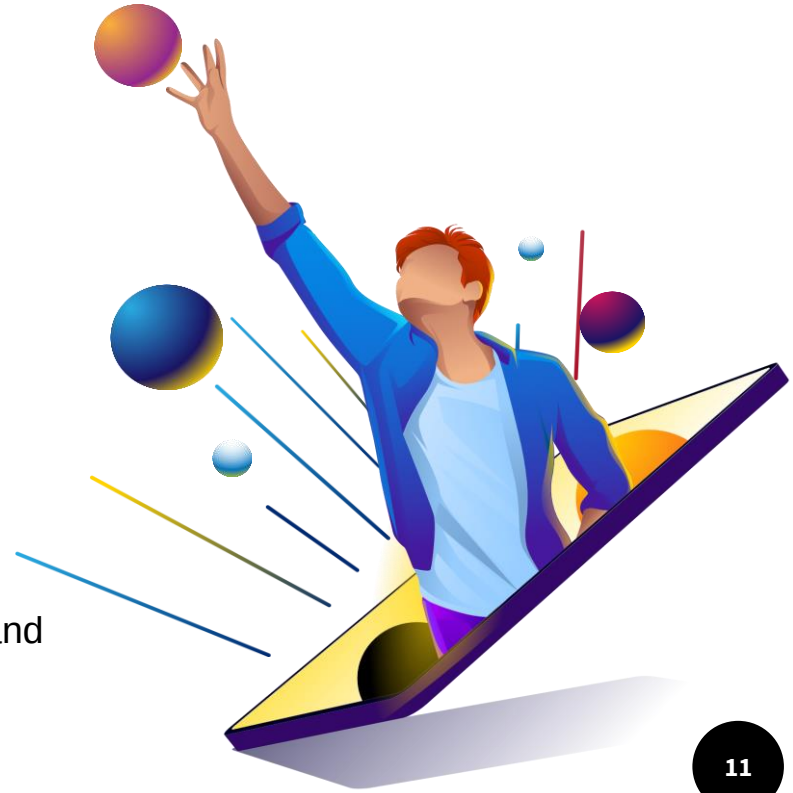
This would increase the impact of all AI by 15-40%.

Source: McKinsey's "Economic potential of GenAI" report

AI is ~~Improving~~

Redefining

Performance



Improve: greater efficiency
Redefine: break down jobs into tasks, redirect time and effort away from tasks that AI can assist or automate

40%

of all working hours can be impacted by large language models (LLMs) like GPT-4.

63%

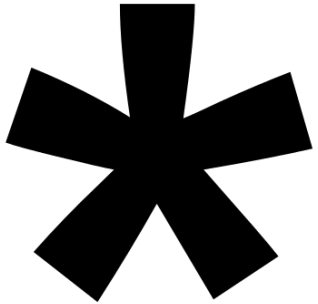
LLMs will impact every category, ranging from 9% of a workday at the low end to 63% at the high end.

66%

Overall productivity increase across different scenarios

* **“Potentially”**

Source: Accenture and Nielsen



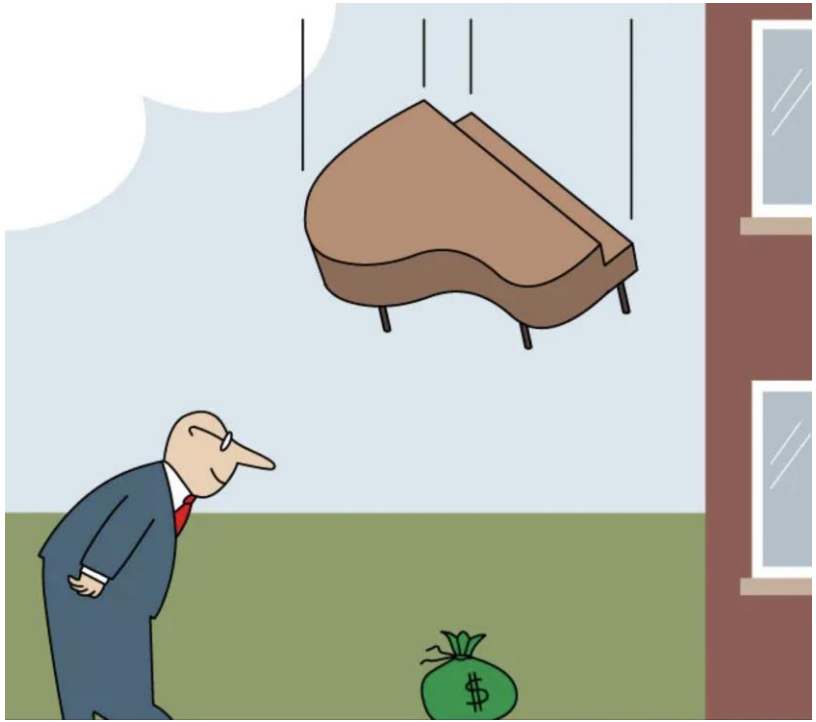
“Could Potentially”

It will **depend** on the organization’s abilty to absorb the change, adapt skills, build appropriate architecture, create adequate operations, train employees, establish policies and cyber tactics, clean and govern the data…

We are underestimating the effort required to get there

But there's no reward without risk

With AI, the risk is high



Source: Tim Elliott

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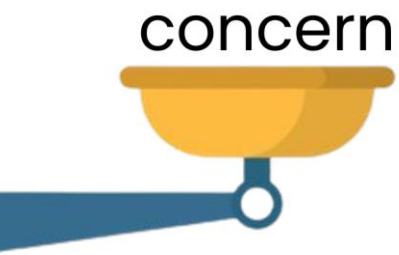
AI adoption hit a wall



66% face challenges in quantifying impact and ROI

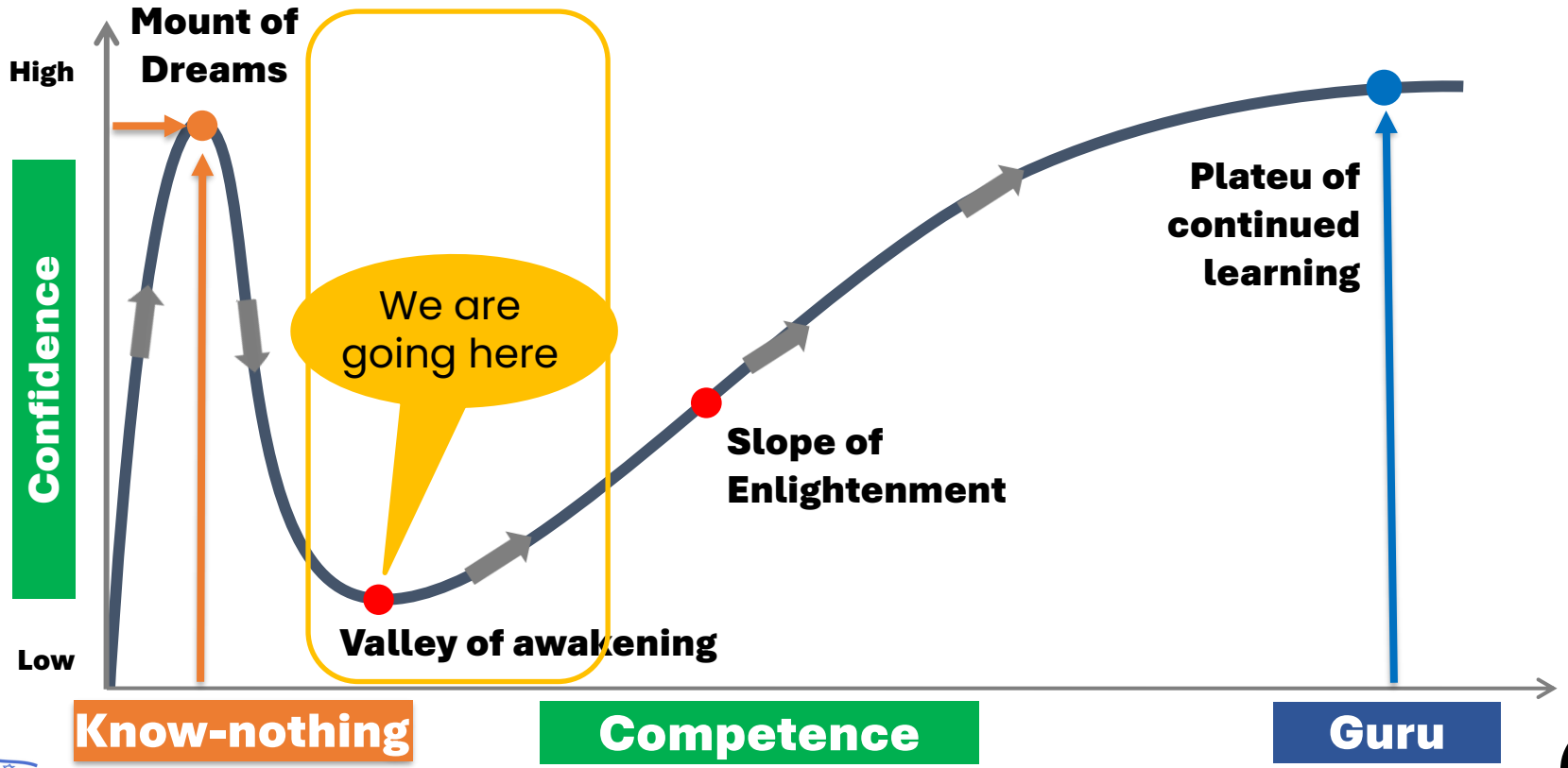
42% need more expert personnel

85% of AI projects fail

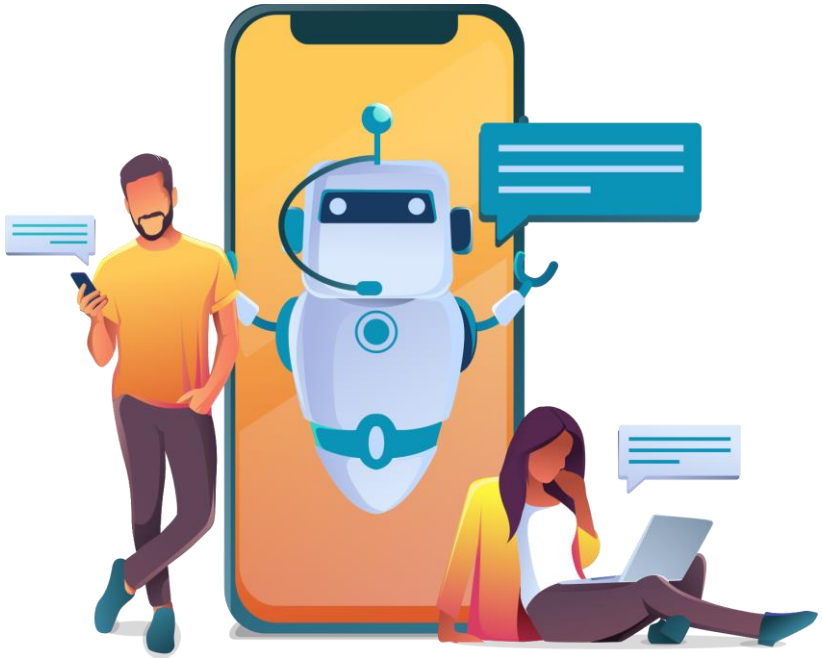
10 U.S. banks will suffer “disasters” by failed GenAI initiatives in 2024 (Forrester)

Source: ClearML, Gartner, Forrester

Failures are inevitable



State of AI adoption



Analytical AI

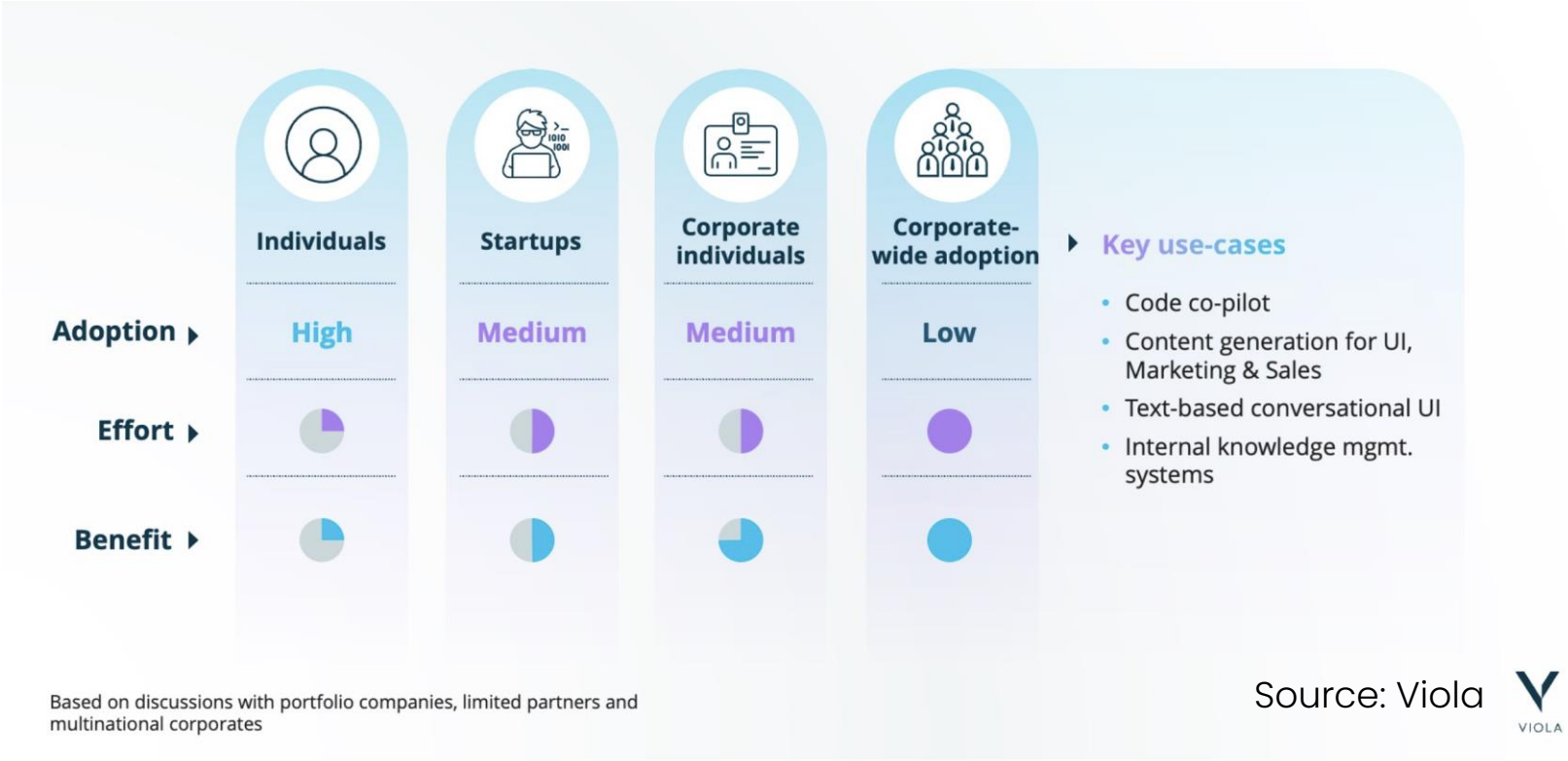
in production:

Generative AI

in production:

Source: STKI and BCG

GenAI's adoption is limited to **non-core** uses

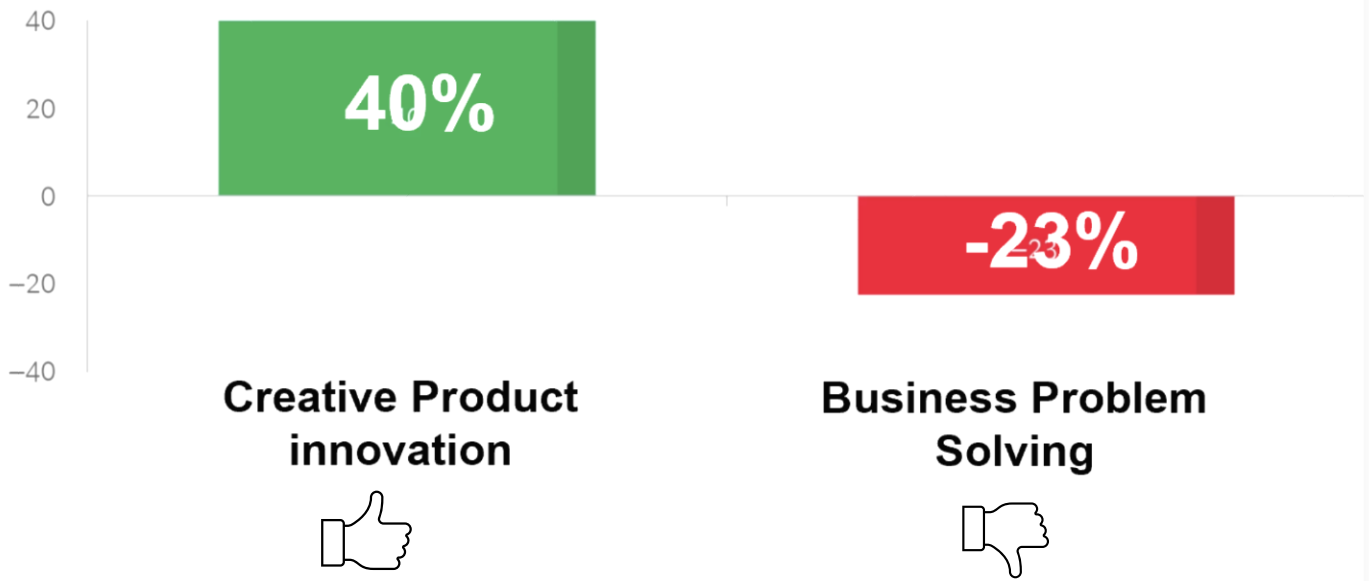


Source: Viola

The BCG case

- A scientific study of 750 skilled young knowledge workers working with and without GPT 4 on 2 types of tasks

GenAI boosts or hurts performance depending on the type of task



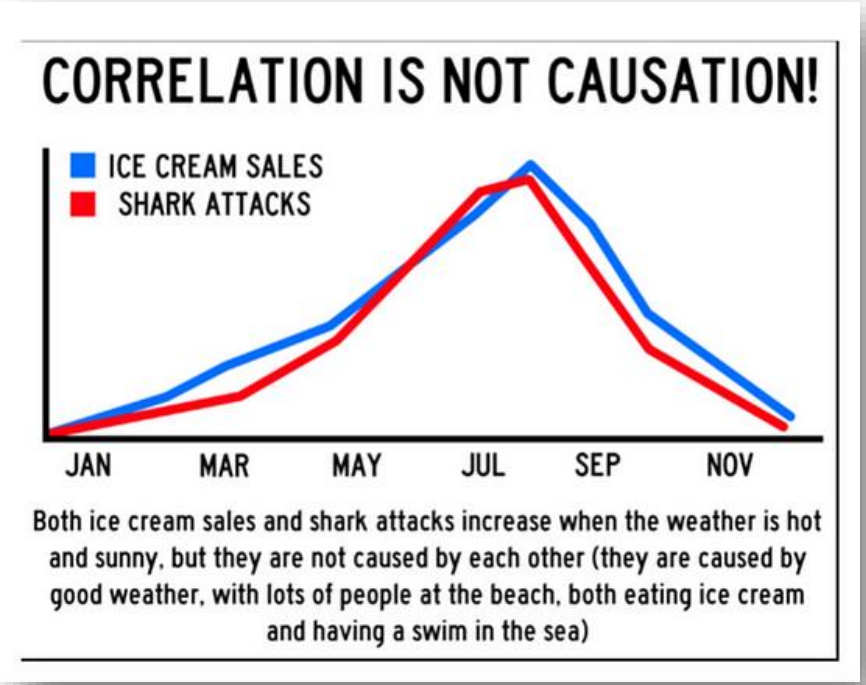
Source: BCG

GenAI is excellent at **ideation** and out of the box thinking.

Good at identification of unexpected—even counterintuitive—patterns and correlations

GenAI is weak in answering **complex analytically-driven questions** that require reasoning and business context.

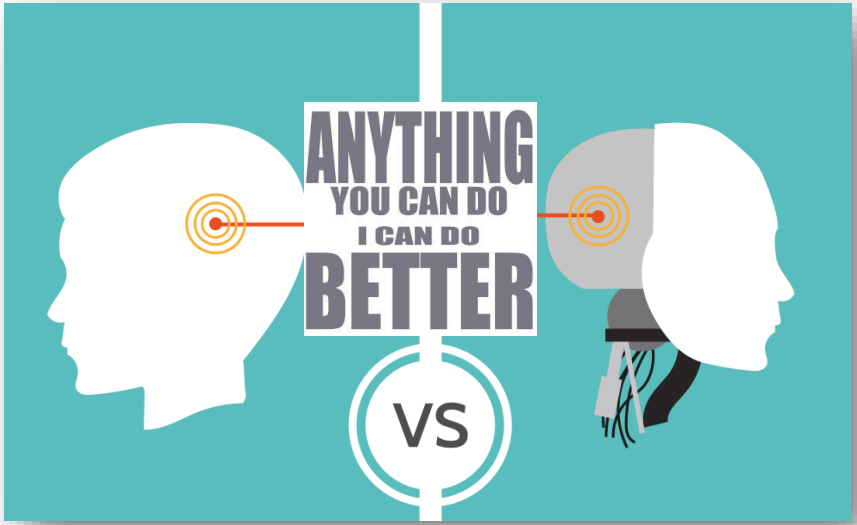
Bad at weighing nuanced qualitative and quantitative data and determining the causality.



Today ML and GenAI are based on patterns and correlations in the training data.

They lack causal understanding

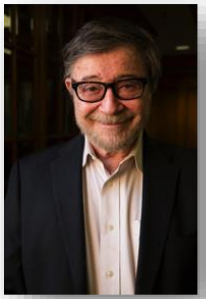
There is still one thing humans are much better at than machines

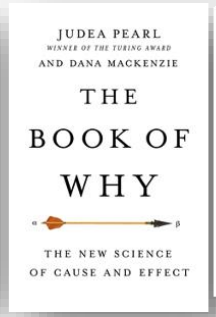


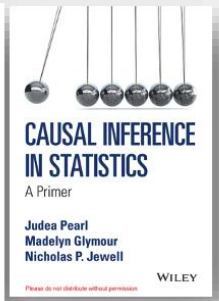
If AI's So Smart, Why Can't It Grasp Cause and Effect?

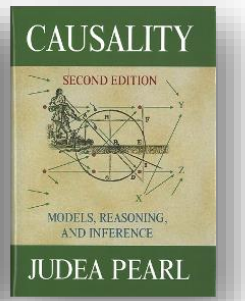
Deep-learning models can spot patterns that humans can't. But software still can't explain, say, what caused one object to collide with another.

Causal AI

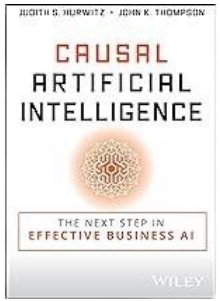








- Causal AI has emerged in recent years at the intersection of multiple disciplines to develop more interpretable and reliable AI systems. Causal AI aims to model the causal relationships between variables
- Causal AI focuses on understanding cause-and-effect relationships and uncovering the underlying mechanisms that drive a system



AI needs to move beyond just pattern recognition and incorporate causal reasoning abilities if it is to reach human-level intelligence. Causal reasoning is a necessary component for more robust and explainable AI systems.

AI leaders' characteristics:

Value versus cost mindset
Modern data and digital platforms
Agile operations
Talent base
3X higher returns on AI investments
4X faster time to value
Running most workloads on cloud
Focus on discovery
Build around products teams

Can we learn from their journeys?

Our summit will focus on getting here