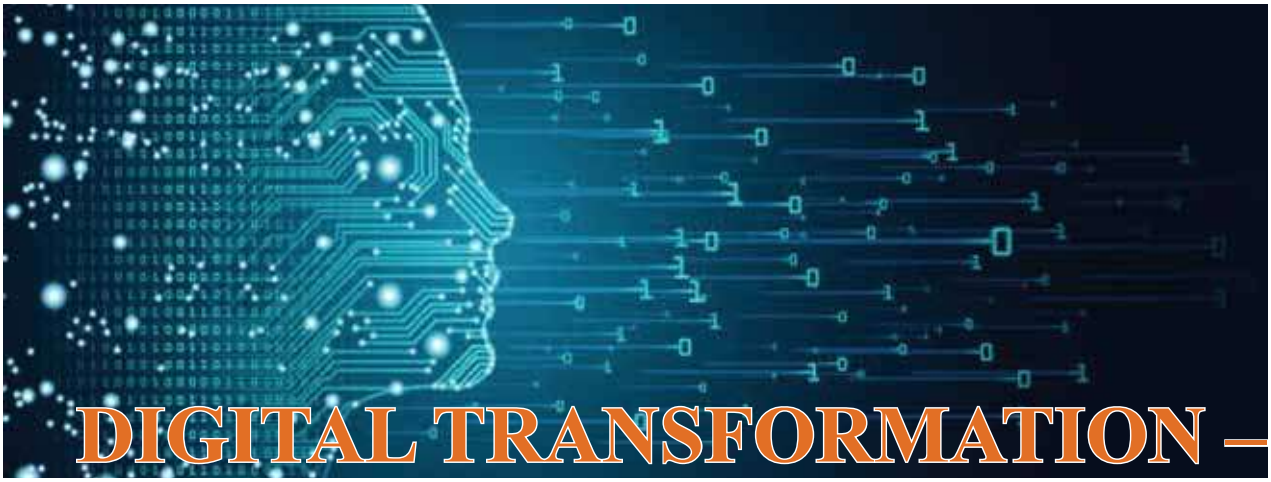

DIGITAL TRANSFORMATION – PARADIGM SHIFT FROM WAYS TO CONDUCT BUSINESS WITH ARTIFICIAL INTELLIGENCE

CMA (Dr.) Paritosh Basu
Senior Professor
NMIMS School of Business Management
Mumbai

Marketplace & Competition

India witnessed advent of IT during 1970s when digital transformation was synonymous with a machine's help in computing fast and repetitive writing, that too in areas of accounting and reporting. The course of progress till about 2012 made us to experience computerisation of, inter alia, operational systems and business processes; and monitoring and controlling functions with extensive ERP applications. This enhanced quality and speed, albeit traditional mode of conducting business continued.

But digital scientists never stopped there, and India also started catching up. It will be appropriate to remember here Carl Sogan, an American astrophysicist. He said, *"Imagination will carry us to worlds that never were. But without it we go nowhere."* This paper aims to briefly understand how digital transformation is making us to appreciate the power of data and use it to transform from traditional to digital way of conducting business with the help of artificial intelligence.

In this Industry 4.0 era we are witnessing propagation of eight deep technologies, viz. AI, Blockchain, RPA, IoT, Drone, 3D Printing, AR, and VR. These are influencing and impacting life of business entities across sectors. The major outcome is fast shifting of the paradigm of competition from physical marketplace. Traditional business houses are a bit late in appreciating that there is a drop of oil in every data, which is the new source of energy for propelling business growth. Data, which was also available in ERP age, is now being considered as the most powerful asset for reverse mapping and framing agile strategies from market to entity.

The new tribe of competitors, that have emerged in the form of Google, Amazon, Facebook, Alibaba Netflix Just Dial, etc.; are re-writing business rules with a paradigm shift. They have converted data into strategic power for thrusting business with quantum leaps. These players are disrupting incumbent players through a diagonally different, yet easy and simple mode of ensuring customers' independence for choice and digitally delivering services. Players like Amazon and Google are adding one after the other business riding on the basic digital platform that was built first and making intelligent analytics of data they gathered in the process. Thus they have incredibly led multiple shift-forwards of marketplace from physical to online, to social media, and now to the consumers' drawing rooms using wheels of tele-mobility.

Digital transformation is thus the process of leveraging and

multi-tasking of digital tools and devices for effecting orbital leap in customers' experience, simultaneously with minimisation of value destruction. Economists and social thinkers are busy in debating whether digitalisation is driven by technology, or imaginative design thinking by new-age business leaders in finding solutions to customers' problems. They proved that idea is none's monopoly. Their objective of not charging a price for the services they render, but to share out of the benefits, in tangible value terms, being delivered to customers. For all these most of them did not require large capital investments in physical assets, as has been proved by Alibaba and Uber. They solely relied upon imagination and innovation of human capital. It is wrong to think that business models and technologies used by likes of Amazon, Uber Swiggy and UrbanClap are disruptors. Because disruption presupposes entry of a David like player with Goliath's ability in the same industry.

Rajiv Jayaraman, Founder of Knolskape very rightly said, *"We are in the Era of the Digital BLUR. Organizations leveraging the power of digital are playing by very different rules and are attacking the incumbents from practically every industry. How? They think and act differently, allowing them to thrive in the face of uncertainty, chaos and a blinding pace of change."*

Procurement Function - B2B Marketplace

Digital transformation of B2B marketplace, or procurement function is no longer falling behind. The battle has already started among players in the value chain from natural resources to manufactured goods. However, challenges and struggles in change management for transforming procurement function are not less than that of B2C space. In their recent research report Deloitte has stated the following:

"CPOs, (Chief Procurement Officers) who are able to stay abreast of these changes and take a true transformational mindset toward technology, are able to deliver new value streams beyond just internal procurement process automation. .... not *only for cost reduction but also for emerging customer-focused requirements such as socially responsible products and supply chains. .... Of the CPOs surveyed, 58 percent are aligning their digital strategies to both their own objectives and to the overall business strategy. And they don't do it alone, with 48 percent of organizations collaborating closely with their IT partners."*[1]

Here is an area where CMAs have immense scope for contributions. Some of the issues which are bothering professionals in this area are standardisation of workflow, poor governance of master data, selection of the right digital technology / platform; and accessibility, quality and relevance of data for application of AI and ML. The new concept of solution designing for this is 'DevOps'. It does mean collaborative efforts between team members from operating functions, IT and Digital. The latter is a team more for design thinking and meaningful adoption of newer technologies.

Augmented Data Analytics and AI – The key differentiator

Gartner has predicted that '*Augmented Analytics and Artificial Intelligence are among the top trends in the field that will significantly change businesses in coming years.*"[2]

There is no doubt that, irrespective of any one or more of those seven deep technologies being applied for any solution design, data analytics and artificial intelligence will reign supreme in foreseeable future. A famous digital evangelist commented that *"AI promises unprecedented possibilities for organizations to anticipate, understand and react to customer's intentions much before these intentions can become articulated needs."*

Gartnar has included many varieties and applications of data analytics and AI in their list which businesses can adopt for varying needs. Those are, Augmented analytics, Augmented data management, Continuous intelligence, Explainable Artificial Intelligence, Graph analytics, Data fabric, Natural language processing or Conversational data analytics, Commercial AI and Machine Learning. Gill Press in his article has included many research findings[3] related to AI. Predictive estimate of FinancialNewsMedia.com is that AI market will grow at a CAGR of 33% to $ 202.57 billion from $20.67 billion in 2018. One of the survey results found that 63% of executives, whose companies have adopted AI, reported achieving higher revenues, while 44% said AI has helped in minimising value destruction. However, 76% mentioned that scalability with AI is a matter of struggle.

Let this volume end with reference to a unique piece of article related to artificially intelligent robotics. Its headline sounds very funny[4]. Here it is:

Welcome to Robot University

(Only robots need apply)

Want your robot to learn a new task? Then send it to RoboNet, a vast video database that could one day teach it anything. MA

Webliography

1. *https://www2.deloitte.com/us/en/insights/topics/operations/chief-procurement-officer-cpo-survey/2019/digital-procurement-technologies-automation.html*
2. *https://www.techrepublic.com/article/10-ways-data-and-analytics-will-impact-businesses/*
3. *https://www.forbes.com/sites/gilpress/2019/11/29/63-of-executives-say-ai-leads-to-increased-revenues-and-44-report-reduced-costs/#38565f1914b3*
4. *https://www.technologyreview.com/s/614668/welcome-to-robot-university-only-robots-need-apply/?utm_campaign=site_visitor.unpaid.engagement&utm_source=twitter&utm_medium=social_share&utm_content=2019-11-18*

Paritosh.Basu@sbm.nmims.edu