

Creating opportunities through generative AI

Jamaica Stock Exchange Presentation

March 2023

Today we want to share our perspective in 3 key angles for executives and organizations regarding GenAI



Explore

Key trends and learning in GenAI

Understand how GenAI ecosystem is quickly evolving and its impact in the businesses and world



Inspire

Success cases of GenAI in businesses

Explore real and successful cases of Gen AI embedded within businesses



Act

McKinsey Rewired recipe to plan and execute change

Share our proven approach to deliver GenAI and tech enablers that transform businesses

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The Art of The Possible with GenAI

A recipe to unlock the value of GenAI

2023 was 'the year of generative AI'...

>\$80B

OpenAI's estimated valuation, up from \$29B in January

13

gen AI startups valued at \$1B+

>400%

increase in global VC investment into gen AI vs. 2022 as of Oct 2023

2 months

for ChatGPT to reach 100M+ users

Hallucinate

named 2023 word of the year by Cambridge Dictionary

...but we are post-awareness, pre-deployment

~2.7b
active users

 **WhatsApp**

~0.2b

 **ChatGPT**

As gen AI gained momentum, questions from executives evolved

From initial awareness...

What is gen AI? What it is not?

Is it hype or reality?



...to launch and scale

What are my company specific opportunities?

How do we organize and govern gen AI?

Which player(s) should we partner with?

How do we balance risk and value creation?

What are the talent and tech stack implications?

How do we get going and learn fast?

Postcards from the edge – recent learnings from implementing gen AI with our clients (and ourselves)



Start with bold business opportunities and strategy setting

Set a bold aspiration for the business and work backward to potential AI and gen AI applications. Identify your strategy. Avoid tech for tech's sake

It is both the “what” and the “how”

Deploying gen AI across select (e.g., 2x2) priority domains is just the first step, architecting a gen AI stack that is robust, cost efficient, and scalable for years to come is paramount

Speed is a strategy as companies are “learning how to learn”

Improve your learning quotient, evolve with the industry, and avoid one-way doors

The partnership landscape is complex and shifting

Ecosystem continues to expand with leadership often shifting; big tech/FM players now recognize the importance of an end-to-end solution for their customers to capture value

Be ready to redesign process, and manage change

Models and technology are required but not sufficient – process redesign and change management is key to adoption. Every \$1 in tech requires another \$5 in change

Play offense when it comes to typical challenges to capturing value

Realizing P&L impact from gen AI requires close partnership with HR, finance, legal, and risk to change the resourcing strategy and productivity expectations of the organization



In 2023,

consumer demand

corporate adoption

plateaued

continues to grow

From

>100%

ChatGPT monthly user growth in Jan 2023

To

~13%

monthly user growth in October 2023

2m+

developers using Open AI API since launch in March 2023

92%

Fortune 500 companies using ChatGPT

We're only in the early stages of what's possible – gen AI has the potential to reimagine entire enterprises

ILLUSTRATIVE

...to end-to-end domain
reimagination

From productivity-focused applications...

Domain



Customer engagement

Call center coaching & chatbots



Marketing

Creative content generation



**Data, analytics,
& software engineering**

Coding copilot / assistant



Finance

Business document generation



Talent and organization

HR support and automation



New segment / leads identification & coordinated outreach campaign

“Segments of one” with hyper-personalized products and services

Automated code generation & end-to-end unassisted mainframe migration

Market intelligence and synthesis; M&A target identification and strategy

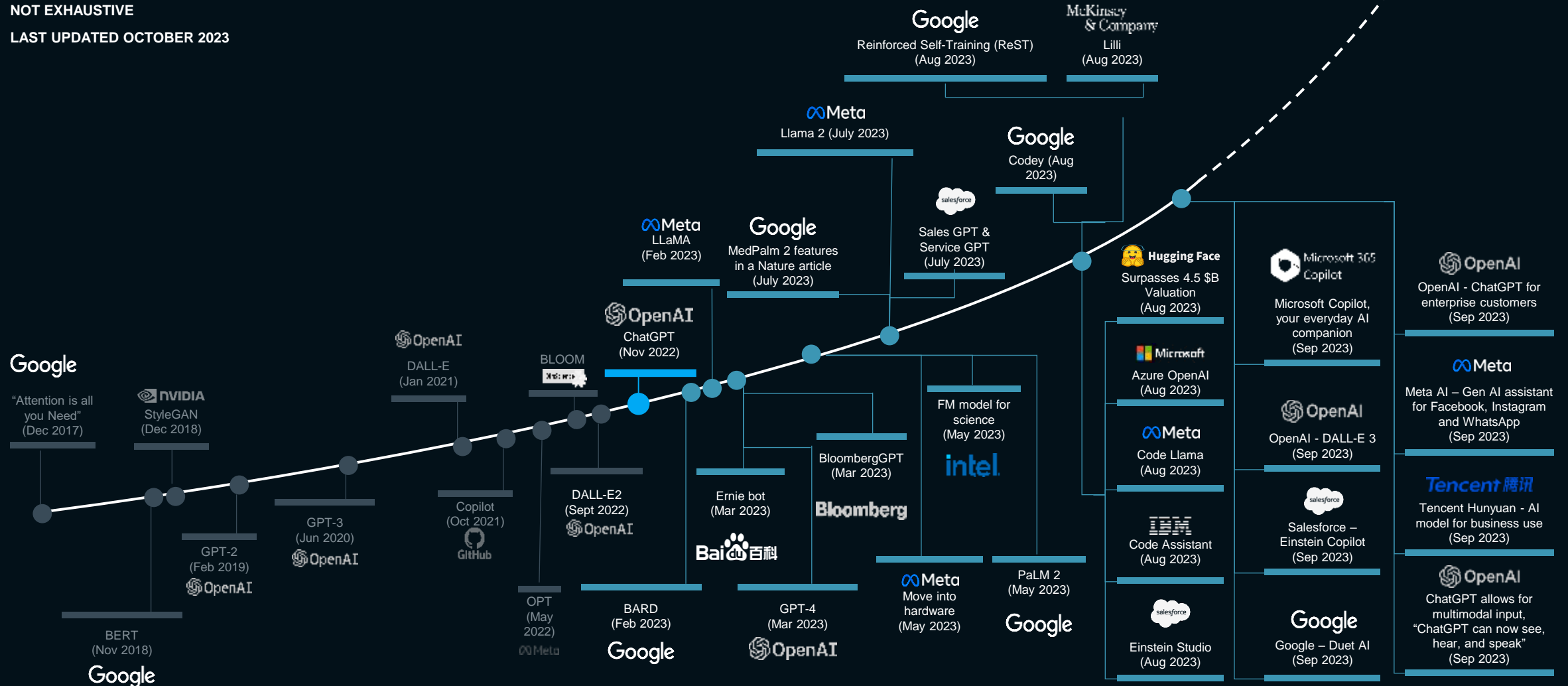
Personalized workforce training and upskilling programs

The pace of innovation has accelerated in the last year...

Summary of global gen AI headlines

NOT EXHAUSTIVE

LAST UPDATED OCTOBER 2023



There are potential risks associated with Generative AI

Risk category	Description of potential risk	Impact of GenAI on risk landscape
Impaired fairness	Algorithmic bias; misrepresentation of generated content as human-created	Generative AI can produce content that is not clearly identifiable as AI-generated, leading to confusion or deception of users
IP infringement	Infringement on copyrighted or otherwise legally protected materials	Foundation models typically leverage internet-based data, leading to incidents of IP infringement (e.g., copyright violations, plagiarism)
Privacy concerns	Unauthorised use/disclosure of personal or sensitive information	Generative AI may heighten privacy concerns through use of personal or sensitive information for model training
Malicious use	AI-generated promulgation of malicious content	Generative AI, particularly open-source LLMs, can be leveraged to create and disseminate malicious content (e.g., falsehoods)
Security threats	Vulnerabilities in generative AI systems that may be breached or exploited	Generative AI applications may be subject to prompt injection and other vulnerabilities (e.g., payload splitting to bypass safety filters)
Performance & explainability risk	Inability to explain model outputs appropriately and model inaccuracies	Foundation models may generate factually incorrect or outdated answers (e.g., hallucination)
ESG impact	Non-compliance with ESG standards; reputational risk	Training and deployment of foundation models may increase carbon emissions and exceed ESG commitments or lead to workforce disruption
Third-party risk	Risks associated with the use of third-party AI tools	Use of third-party generative AI models and tools can impose risk of proprietary data being used by public models

Key risks can further lead to **regulatory, legal, reputational and business consequences**

In light of the increased adoption of GenAI, there have been recent examples of risks and ethics violations

DALL-E 2 generated biased images for “nurse”

DALL-E 2 output for “nurse” produces images focused on specific gender / race only



GenAI platforms accused of IP infringement

Lensa.AI, an AI portrait app, was accused of **stealing content from artists**¹

Getty Images sued Stability AI **scrapping the site to train its models**²

Australian artists accuse popular AI imaging app of stealing content, call for stricter copyright laws

Developer of Lensa denies allegations, saying software learns to create portraits just as a human would – by learning different artistic styles

Getty Images is suing the creators of AI art tool Stable Diffusion for scraping its content



Getty Images claims Stability AI 'unknowingly' copied millions of images from its site. It's a significant escalation in the longstanding legal tussle between the giant image and content creators.

ChatGPT-generated abstracts fooled scientists

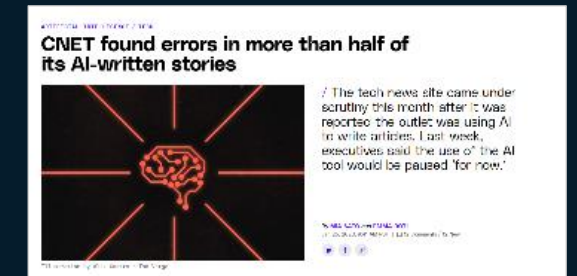
The ChatGPT-generated abstracts **passed plagiarism checker with median originality score of 100%**³

Use of generative models in writing research papers was **not made clear to users** leading to loss of trust

Abstracts written by ChatGPT fool scientists
Researchers cannot always differentiate between AI-generated and original abstracts.

Numerous errors found in AI-generated articles

CNET, American Media website, **issued corrections on 41 of the 77 stories** written using AI⁴



- <https://www.theguardian.com/australia-news/2022/dec/12/australian-artists-accuse-popular-ai-imaging-app-of-stealing-content-call-for-stricter-copyright-laws>
- <https://www.theverge.com/2023/1/17/23558516/ai-art-copyright-stable-diffusion-getty-images-lawsuit>
- <https://www.nature.com/articles/d41586-023-00056-7#ref-CR1>
- <https://indianexpress.com/article/technology/chatgpt-phishing-email-malware-malicious-code-8370730/>

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Generative AI use cases will have different impacts on business functions across industries

Low impact  High impact

Generative AI productivity impact by business functions¹

	Total, % of industry revenue	Total \$ billion	Marketing and sales	Customer operations	Product and R&D	Software engineering	Supply chain and operations	Risk and legal	Strategy and finance	Corporate IT ⁴	Talent and organization
Total	1.3 - 2.1	2,600 - 4,400	760 - 1,200	340 - 470	230 - 420	580 - 1,200	280 - 530	180 - 260	120 - 260	40 - 50	60 - 90
Administrative & Professional Services	0.9 - 1.4	150 - 250									
Agriculture	0.6 - 1.0	40 - 70									
Banking	2.8 - 4.7	200 - 340									
Basic Materials	0.7 - 1.2	120 - 200									
Chemical	0.8 - 1.3	80 - 140									
Construction	0.7 - 1.2	90 - 150									
Consumer Packaged Goods	1.4 - 2.3	160 - 270									
Energy	1.0 - 1.6	150 - 240									
Healthcare	1.8 - 3.2	150 - 260									
Insurance	1.8 - 2.8	50 - 70									
Media & Entertainment	1.5 - 2.6	60 - 110									
Pharmaceuticals & Medical Products	2.6 - 4.5	60 - 110									
Real Estate	1.0 - 1.7	110 - 180									
Retail ³	1.2 - 1.9	240 - 390									
Telecommunications	2.3 - 3.7	60 - 100									
Travel, Transport & Logistics	1.2 - 2.0	180 - 300									

1. Excludes implementation costs (e.g., training, licenses). 2. Includes aerospace, defense, and auto manufacturing. 3. Includes auto retail. 4. Excluding Software engineering
 Note: Figures may not sum to 100% because of rounding.

Multiple GenAI use cases exist that can enhance the different dimensions of a Business

 Detailed next

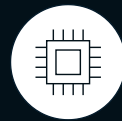


1. Product & strategy

Create digital product designs e.g., concept visuals, architecture prototype

Create customer personas (e.g., user story) for product development

Generate ideas for user interfaces by training on interface image data



2. Technology & data

Generate, prioritize, and run code to accelerate and scale development

Automatically generate or autocomplete data tables with contextual information

Generate synthetic data to improve training accuracy of ML models

Assist development and cyber security QA

Review code for defects and inefficiencies



3. Go to market

Write marketing & sales copy content of text, images and videos

Assist sales processes supporting sales talent or having personalized conversations directly with clients

Analyze customer feedback by summarizing and extracting important themes



4. Operations

Streamline customer service by automating and having tailored conversations with clients or assisting service agents

Analyze customer calls to get sentiment and content insights that drive operational improvements



5. Finance, HR and other support functions

Screen candidates from submitted CVs and online profiles

Interpret earnings calls, company profiles, annual reports and industry trends

Assist negotiation processes as a copilot for procurement teams

Live Demo

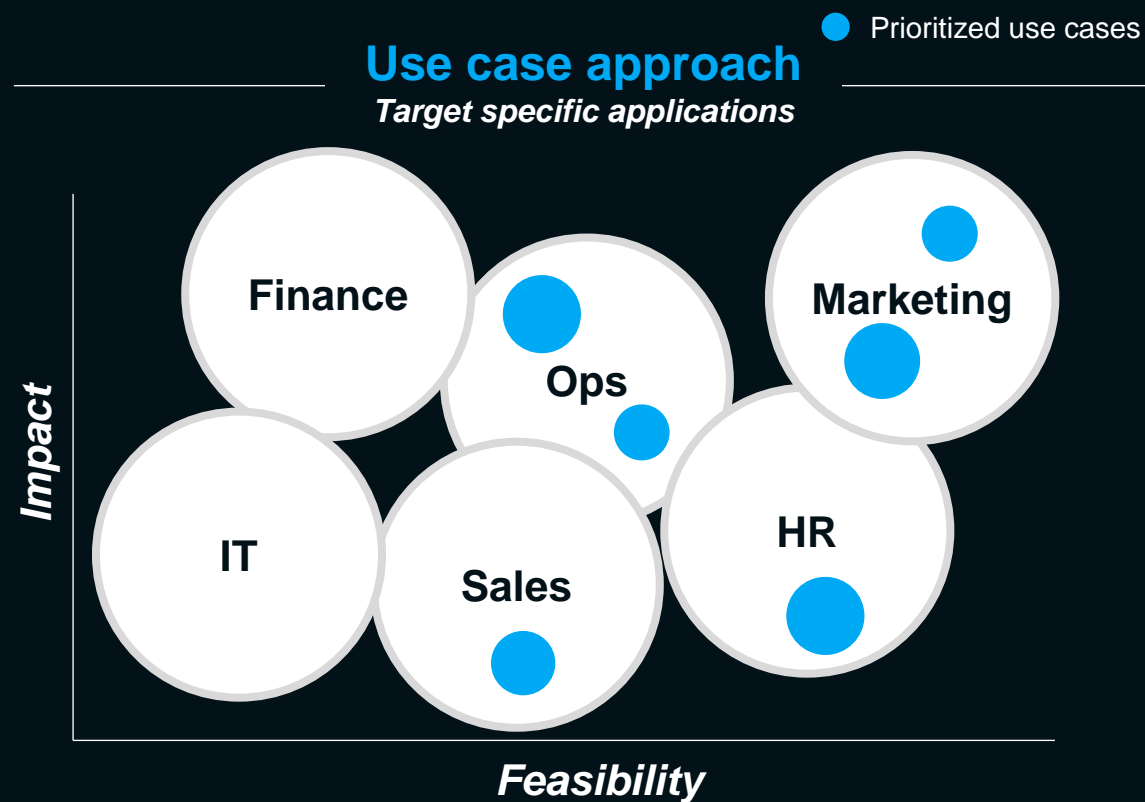
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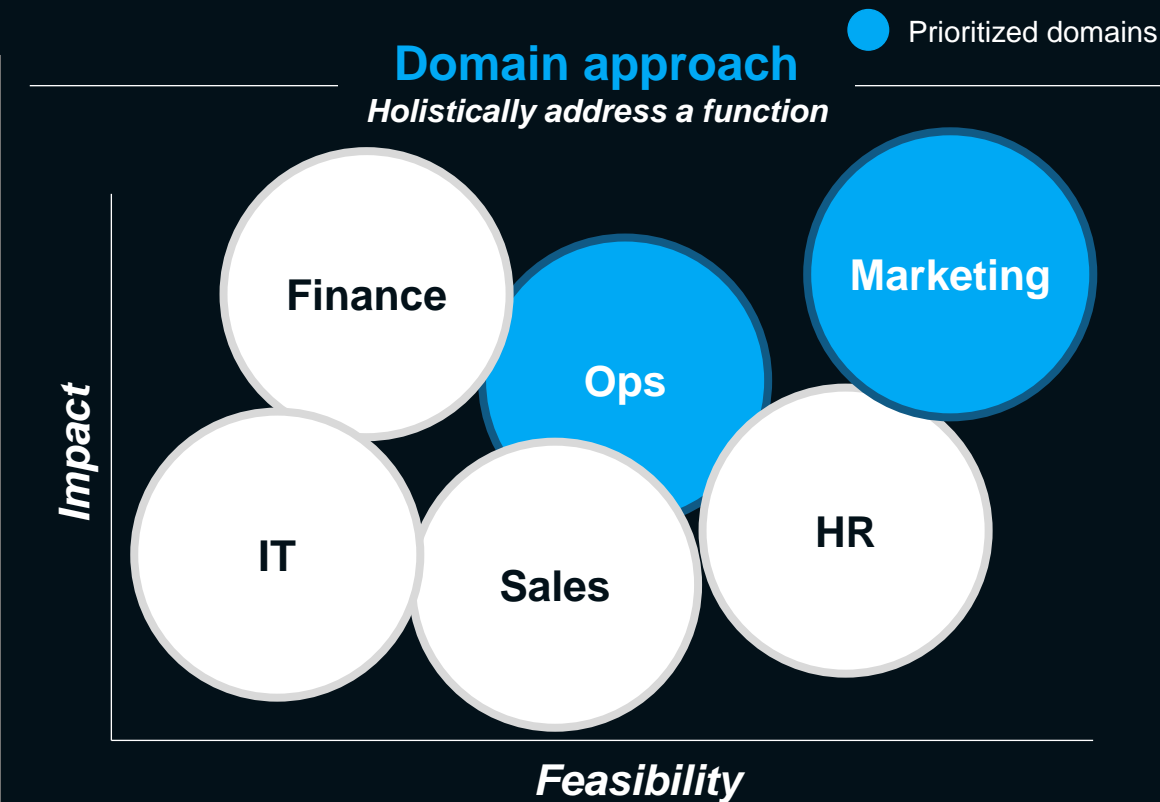
The Art of The Possible with GenAI

A recipe to unlock the value of GenAI

Similar to traditional AI, organizations should approach gen AI adoption at a domain level



- + Allows enterprises to tackle low-hanging fruit across domains
- Limited data and technical synergies as domains use varying sources of data and tools
- Increased number of stakeholders to engage
- Scaling to entire domains more complex as foundations are smaller



- + Moves the needle materially across a priority business function
- + Impact drives strong business sponsorship and 'pull' effect
- + Data and technical synergies
- + Change management synergies (overlapping stakeholders)
- Initial impact limited to one area of business

Gen AI alone will not drive competitive advantage on its own— traditional AI plus other levers working together will be required

Illustrative example: reimagined sales domain

Not Exhaustive

Illustrative Examples



Traditional AI



Generative AI



Traditional levers¹

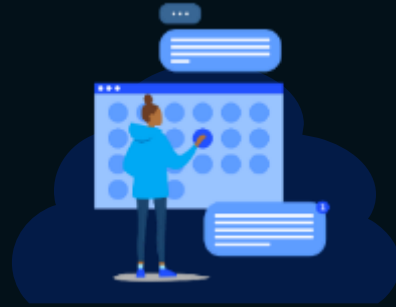
**Identify and prioritize
high potential prospects**



An AI assistant **identifies a potential lead** for the sales rep based on their upcoming construction projects in the following months



**Craft personalized
sales pitch**



The AI assistant aids Jane in crafting a **hyper-personalized sales pitch**, incorporating data from demo requests, social media interactions and known budgeting cycles



Improve conversion



During Jane's call with the customer, her AI assistant offers **real-time targeted recommendations** of bundles of safety equipment



**Manage rep
Performance**



Following the call, Jane can **assess her performance** as the AI assistant automatically prepares a **comprehensive review** of the sales pitch for her reference in future pitches



**Drive retention through
proactive customer outreach**

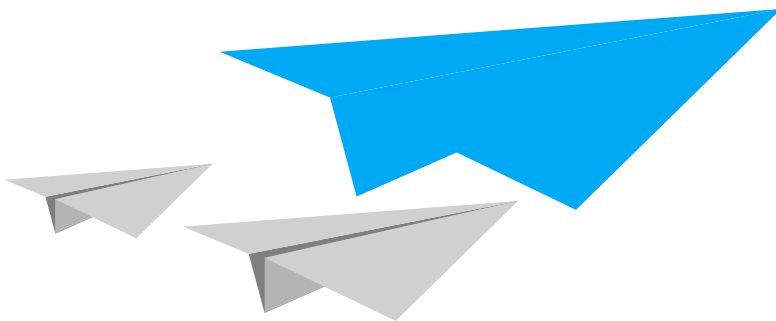


Upon Jane's successful deal closure, the AI assistant **generates automatic cadence for future outreach for upcoming sales opportunities** and directs client inquiries to the service representatives



1. Including process redesign, workflow optimization, digitization and automation, etc.

Our approach to gen AI enabled transformations: Start experimenting quickly, while building solid foundations for scaling



Strategic roadmap

Define enterprise-wide gen AI strategy, aligned with digital and AI strategy and identify priority use cases

Outline holistic transformational roadmap and define enablers/ capabilities for target state



> Delivery

Start with a POC with limited functionality to show potential of use case, followed by MVP with minimum features to show impact with a subset of end users

Roll out full list of features to wider user base for maximum impact and continue refining product through user feedback



> Scaling

Build foundational capabilities (including talent, tech, data) to ensure sustained value creation beyond the implementation of individual use cases

Establish governance and risk management processes to support adoption and change management

We 'rewire' the organization across 6 core enablers that support the gen AI transformation

Strategy



1 Strategic roadmap

How do we align our gen AI strategy with our overall technology aspirations?

How should we approach the transformation in a way that ensures value capture and unlocks competitive advantage?

Capabilities



2 Talent

How do we manage talent to stay ahead of gen AI skill gaps?

3 Op model

How do we organize ourselves and teams to deliver on our gen AI strategy?

4 Technology

How do we setup a scalable tech stack and infrastructure to support multiple gen AI use cases and solutions?

5 Data

How do we to setup a robust data foundation to scale gen AI across the organization?

Change Management



6 Adoption and Scaling

How do we design our scaling plan to ensure easy re-usability and scalability across the organization?

How do we deliver effective training to support skill building and manage culture change at scale?

How do we think about risk and responsible use of gen AI across the organization?