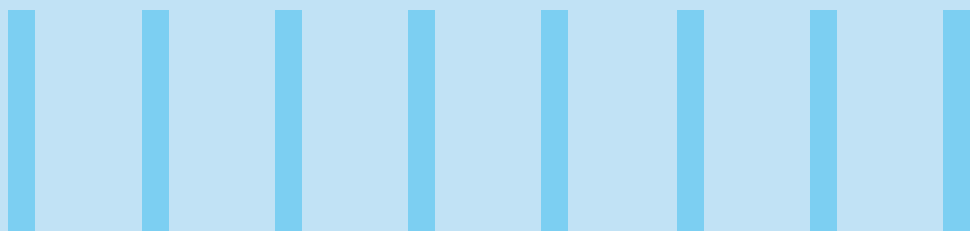


# RETHINK BUSINESS WITH AI TO DELIVER TANGIBLE OUTCOMES

Building blocks for an AI-first business  
transformation



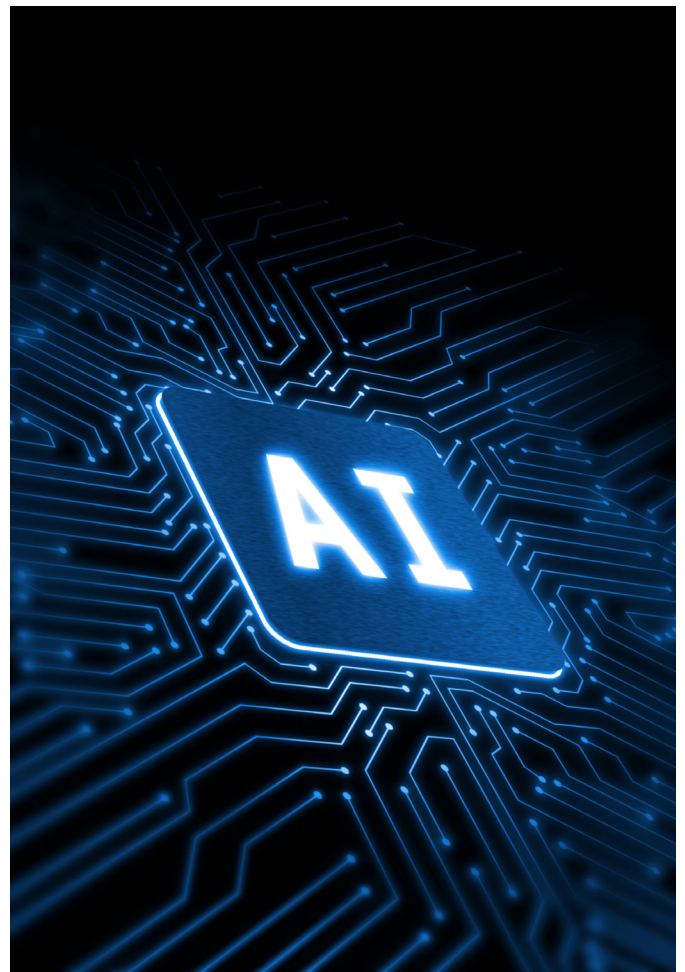
## INSIGHTS

- While enterprises are embracing AI, they often lack a well-thought-out strategy with identified and prioritized business impact areas.
- Only **26%** of executives cite satisfaction with AI initiatives.
- **63%** of AI models that function only at basic capability, are driven by humans, and often fall short of data best practices.
- Businesses must realize AI readiness extends beyond just data readiness and governance to address other crucial areas in the framework.

### Implementing AI is only half the battle

In the age of AI, organizations must gain a competitive edge, improve operational efficiency, and stay agile in a rapidly evolving business landscape. Having said that, [AI adoption involves more than just implementation](#). It requires a well-defined strategy encompassing goals, talent, culture, micro-change management, and ongoing optimization to ensure sustainable success and overall business resilience.

Stepping into a world that is not characterized by mass markets but rather by interconnected networks — enterprises are dynamically connected to each other, shifting their roles across the value chain (customers, partners, and suppliers) and collaborating to build new products, services, and experiences in the economy. For this reason, companies are forced to reimagine their traditional ways of operation and orientation.

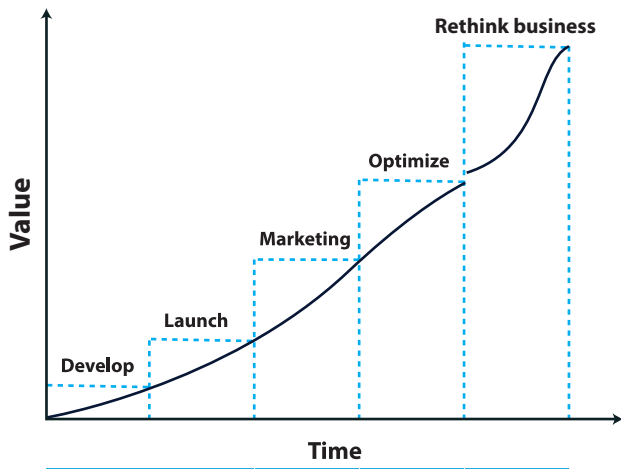




## It's time to reinvigorate the approach

Rethinking businesses with AI is a strategic imperative in a world that is increasingly data and AI-driven. While companies are still on the digital transformation path, an overlapping ecosystem of AI technologies is paving the way for a cognitive business transformation, which not only creates value for consumers and citizens but also redefines the digital future of companies.

### Traditional rethinking



### Cognitive rethinking for value maximization

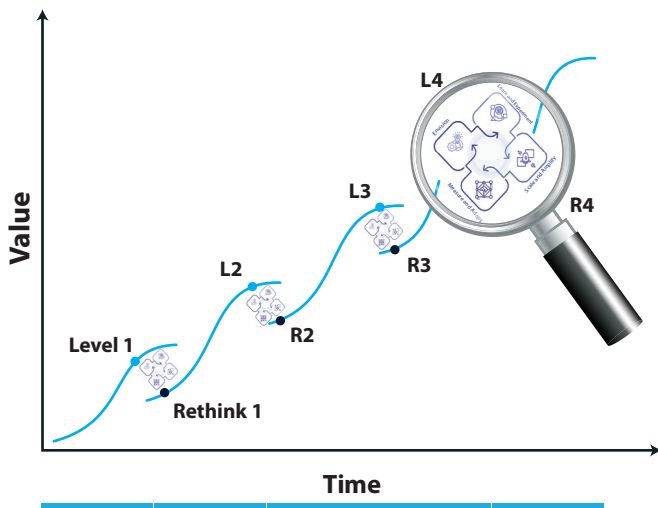


Figure 1: Traditional versus cognitive rethinking of businesses

The first transformation to put the cognitive core in place may seem daunting. However, subsequent transformations will be driven by the already successfully implemented cognitive core.

## Case in point: Infosys for a large multi-category CPG

A prime example is where the solution was initially built to reduce the need for manual monitoring in inventory management but has now transformed to encompass a wider spectrum of capabilities, here's the journey:



### How it started

- The first transformation started by creating a phantom inventory for alerting and monitoring services.
- This AI algorithm was initially conceived as a solution to replace manual verification at stores.
- However, since the transformation was organic, it has grown as a comprehensive capability.



### Where it's going

- It improves accuracy, allows for faster decision-making, and makes the supply chain resilient, particularly where minimizing physical interactions is crucial.
- It also enables the business to handle the alerting and monitoring services efficiently. It has expanded beyond the inventory team to other store users who can leverage this service in their own business.



### Key takeaways

- This touchless approach has now become a standalone product catering to a wide range of industries.
- Most importantly, AI technologies amplify the power of these business platforms, which allow a company to create and retain tremendous value for its customers and other stakeholders.

## Micro-changes pave the way for experimentation

This AI-led evolution is a series of micro-transformations across capability, process, and product and service layers. Fostering the culture of experimentation becomes crucial to promoting resilience, innovation, and a positive societal impact, especially when we undergo transformative processes that lack clear precedents.

Similarly, enterprises mature into such transformations with their initial investments in capability transformation, leading to process and product and service transformations over time.



## Think beyond conventional

Let's look at the framework for rethinking business across capability, process, and product and service layers:

### 1 Business capabilities – A shift from use cases to capabilities

To realize the utmost potential of AI, companies need to step back from a 'use case' mindset to a broader vision of 'capability'. For example, when a financial organization is strategizing toward the goal of minimizing customer attrition – understanding customer needs, implementing a customer-centric culture, regular assessment of pricing strategies, and more will be the top priorities.

While AI can be the solution in each of these cases, combining NPS (Net Promoter Score) insights with a comprehensive customer-centric strategy can effectively reduce customer attrition. As a capability, NPS solves the attrition challenge and serves as a metric that contributes across the marketing value chain, with market research and product development, customer acquisition, customer support, relationship management, sales, driving loyalty, etc.

This gives a competitive edge to the organization.

*“The right solution casts light on a multitude of shadows.”*

A solution that aligns with the idea of scalable and versatile innovations will eventually build a business capability that will synergistically address interconnected issues. This business capability goes on to achieve multiple value levers and might become a unique product of its own. By building a cognitive core that can power multiple use cases at a time, it provides exponential value and contributes to the overarching organizational growth.

*“Therefore, companies wishing to leverage AI's full potential should focus on core capabilities across business functions, enabling AI-based value delivery at scale.”*

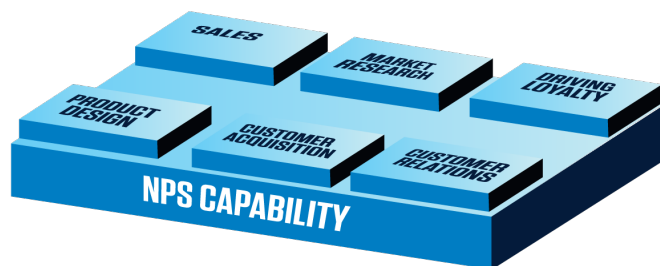


Figure 2: Contribution across marketing value chain

For instance, an **aircraft manufacturer** has built an open ecosystem with its satellite imagery and analytics service (think of it as a “capability”).

- The satellites take the images, and its deep learning models allow users to detect and classify objects, and identify changes over time.
- These accurate geospatial analytics range from land use and change detection to economic activity analysis and monitoring.
- Such imagery analytics capabilities can be further used as building blocks to develop thematic services for verticals such as defense, mapping, agriculture, forestry, and oil and gas.

Furthermore, this capability is also used for the aircraft manufacturer's own products in the areas of deforestation monitoring, defense site monitoring, etc. This approach is one of the best examples of adopting AI, which can power multiple use cases at a time.

## 2 Process transformation – Reshaping the business process model

AI-powered process transformation is not a set template, it is a process of designing dynamic organizational learning machines that aid scalable learning. It must not be viewed as a ‘big bang’ approach but rather an ‘incremental improvement’ approach, where a traditional linear process model, often spread across multiple business functions, is replaced by a circular arrangement with the cognitive core at the center, powering all nodes in the model.

***“The intelligence at the core, which is powering business processes, continuously learns, evolves, and dynamically adjusts for the new intelligence.”***

For example, the current recruitment process involves several sequential steps aimed at identifying, screening, selecting, and onboarding resources. With a built-in cognition at the core, this sequence will restructure, simplify, and eventually even eliminate a few of the process steps, thus making the internal capabilities of an organization more efficient and dynamic.

***“Cognitive core, in turn, implicitly becomes the glue for cross-functional collaboration as a new way of working.”***

Furthermore, such AI-powered process models will also enable an agile and adaptive culture – a crucial part of the new AI process ecosystem. Intelligence at the core of new business processes would continuously bring new insights, enabling agility in the business. These ‘autosapients’ or AI models will engender new ways of working. The culture of two-way continuous learning and adapting will ensure a strong human-machine partnership, making the transition easier.

Realizing the value in these opportunities is iterative in nature, and considering the constantly shifting business environments and ever-growing competitive landscapes, companies should leverage AI models to power constant learning through rapid experimentation, open communication, and flexibility to swiftly integrate AI advancements into workflows.

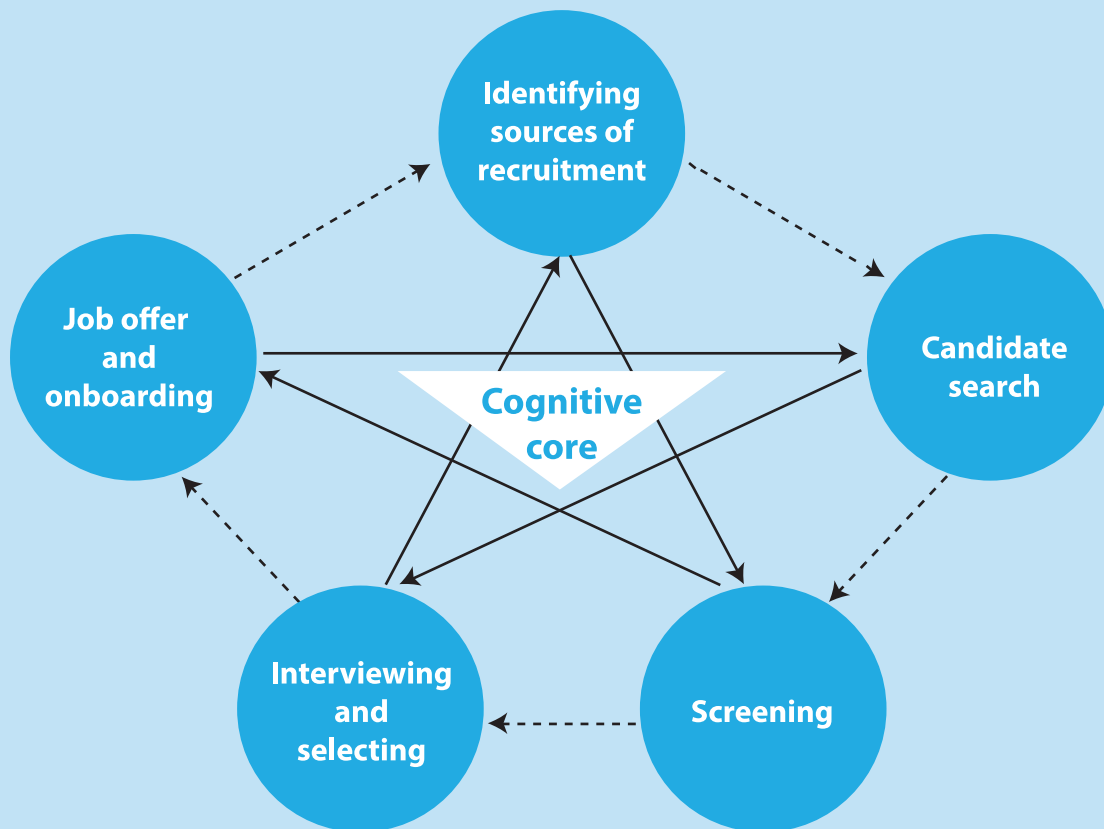


Figure 3: Recruitment process



### 3

## Product and service transformation – The path to AI-driven products and services

The AI era marks an immutable product or service as a suboptimal strategy.

*“The digital future of businesses depends on their ability to constantly evolve products and services, harnessing evolving technology as a way to expand the value proposition.”*

This leads to ‘AI-driven products and services’ that are constantly evolving with changing business environments and consumer needs. This, in turn, redefines and strengthens relationships with the customers.

### Case in point: Infosys for a retail major

With product or service transformations, enterprises have the opportunity to reshape the value chain, reshape the business model, and secure a more dominant and sustainable position in the market. Let’s look at this journey, for instance:



#### How it started

Autonomic Discovery, an AI-powered service, was developed where the initial release was solely based on privacy, discovery, and customer perception-related attributes. This laid a foundation for ongoing improvement.



#### Where it's going

The evolution of this AI-powered service has become advantageous as the learnings from partner and customer interactions grow.



#### Key takeaways

These interactions are continuously influencing further growth to generate product attributions that adjust to the evolving needs of the partners, helping create new AI products and services surrounding media, commerce, etc.



## AI can no longer be an afterthought

But a crucial engine at the core of every business. While there is no strict rule for where enterprises start their transformations, their investments in capability transformations will lead to process and product and service transformations over a period.

However, enterprises with new business models or products and services as their core strategy could start from process and AI-driven product and service transformations.

As we envision the future of AI and its role in reimagining business, it's important to balance the immense potential of AI with the need to protect privacy and uphold ethical standards. As the saying goes, "*With great power comes great responsibility*", creating AI-powered, responsible businesses is crucial.



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