

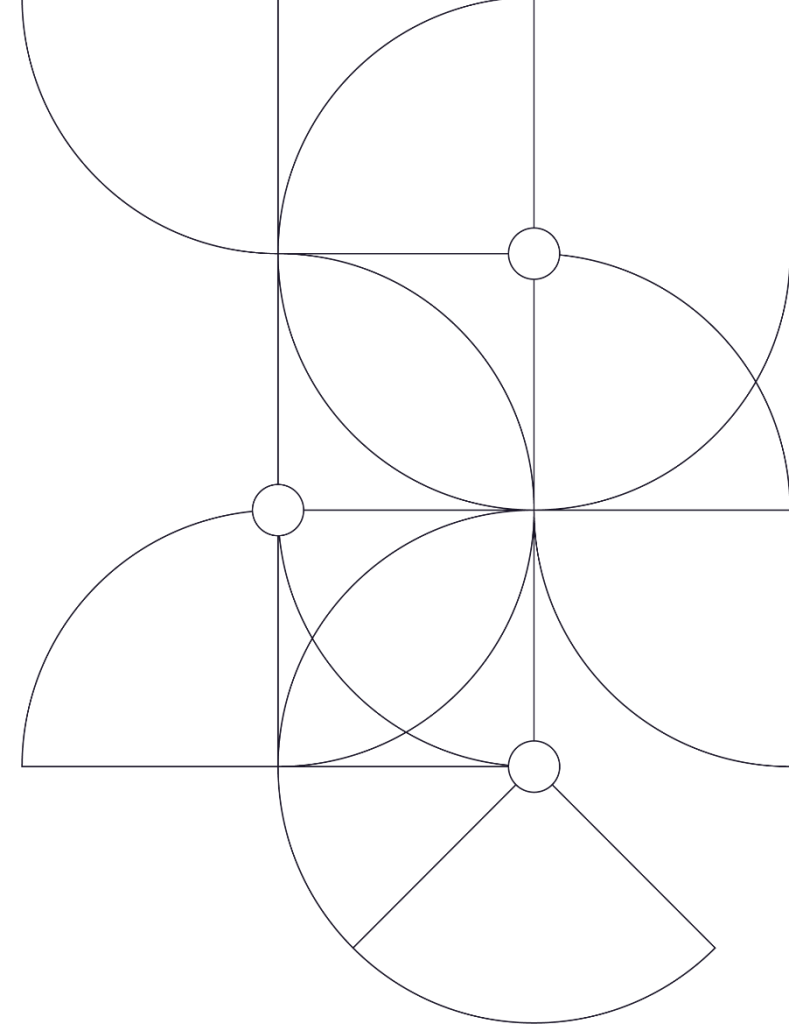


DEMYSTIFYING ARTIFICIAL INTELLIGENCE

Session #3: The Framework and Roadmap

HSMAI Curate Executive Insights Forum
November 7, 2023

Impact where it matters.





30+ Offices 12,000+ ZSers

ZS is a professional services firm that works **side by side** with companies to help drive **customer value** and company results. Across customer insights, portfolio strategy, marketing, sales, operations, and technology, we leverage our deep industry expertise and **leading-edge analytics** to create solutions that work in the real world.



Jessica Jarvis
Partner

AGENDA

1

**The promise
of Gen AI**

2

**Prioritization
framework
for Gen AI
use cases**

3

**Organizational
capabilities to
accelerate Gen
AI growth**

4

**Leading in a
Gen AI World**

1

The promise of Gen AI

Let's create a song together



Write a verse for a song based on the below description and agenda:
Curate is an exclusive benefits for Organizational Member companies of HSMAI. ...




●the heart of Long Beach, where the ocean meets the sand,
Curate's the place where we all understand,
It's a gathering for leaders, where ideas will expand,
HSMAI's Executive Insights, hand in hand.



Let's create a song together

Chirp ✕

 This form will be submitted to Suno Chirp. Do not share passwords or other sensitive information.

DESCRIBE THE TYPE OF MUSIC

Upbeat pop melody with acoustic rhythmic guitar

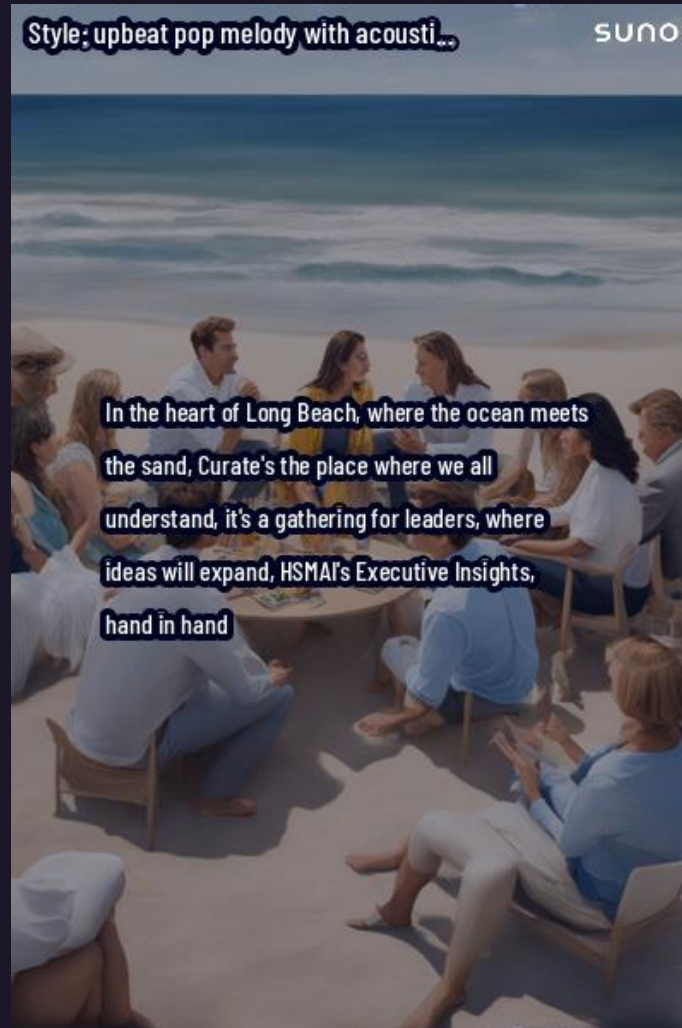
ENTER YOUR OWN LYRICS (4-8 LINES WORK BEST)

In the heart of Long Beach, where the ocean meets the sand, Curate's the place where we all understand, it's a gathering for leaders, where ideas will expand, HSMAI's Executive Insights,⁷⁵⁰

...OR HAVE CHATGPT MAKE LYRICS ABOUT:

Cancel Submit

Let's create a song together



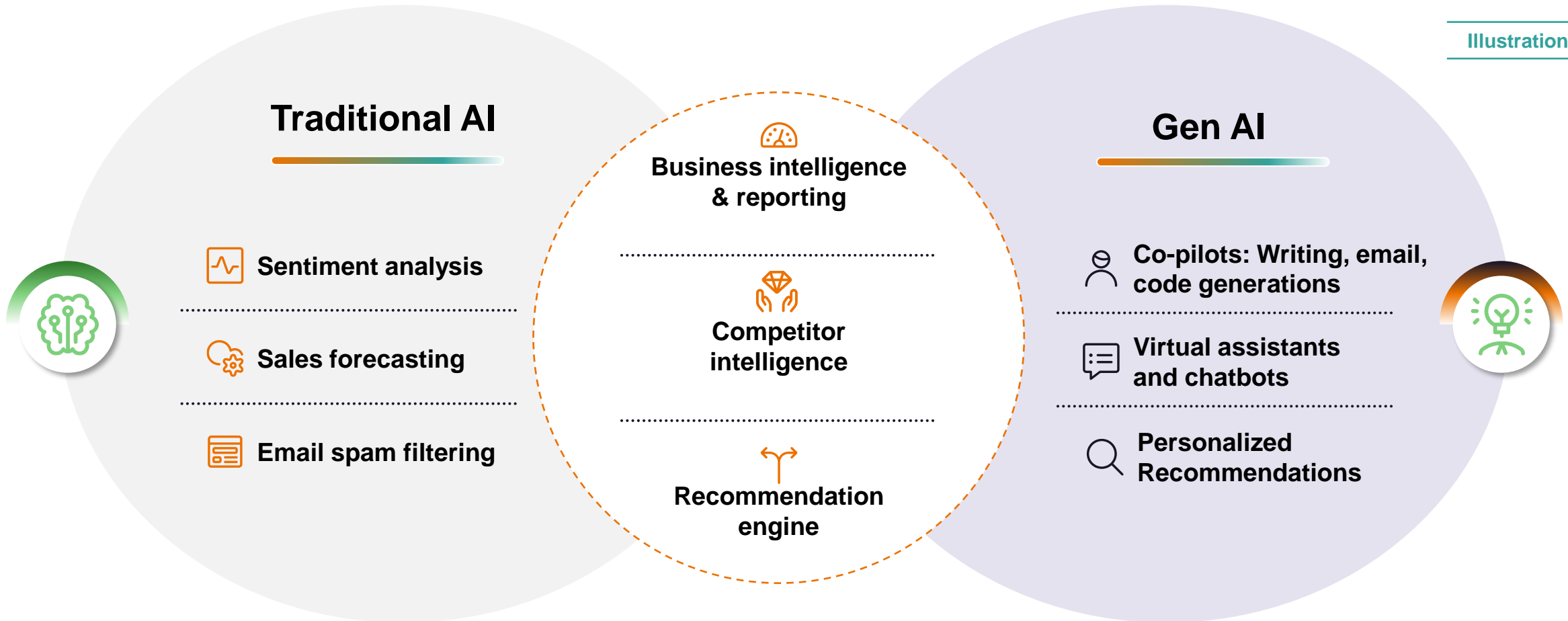
Generative AI (Gen AI) opens a world of new possibilities

Generative AI utilizes deep-learning models to generate high-quality text, images, speech, music, video, and code in a way that can be virtually indistinguishable from human-generated content.



Generative AI is advancing our ability to leverage power of unstructured data

Illustration



*Design specific models that can process data and return predictions.
Trained on data that can help it do that task exceedingly well.*

Train one model on a huge amount of data and adapt it to many applications. Apply knowledge learned in one task to another task.



For Generative AI to become a reality, a variety of questions need to be addressed

- ✓ It is so powerful – **why are we not using it?**
- What about the **risks?**
- Let me collate use cases – there are **1000's of them** – **where do I start?**
- Is this all there is to this? Is it more than **productivity gains?**
- I thought **API access was the only infrastructure** we needed?
- **Is it reliable**, every time the answer is slightly different?
- The techn might be the easy part – **how do I get people to change?**

The focus on AI has largely been on productivity gains; true value will come from moving quickly towards deeper insights and better decisions



Productivity Gains

Primarily automation of current work - serves as “safe bets” to test capability and gain comfort

- Examples: automate IC admin, summarize 10 reports in 10 minutes, be my copilot to help with administrative tasks



Deeper Insights

Still automation but creates differentiation by bringing data together in ways that was too difficult or not possible earlier

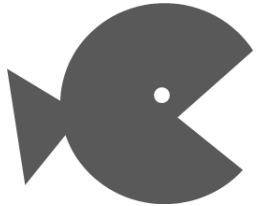
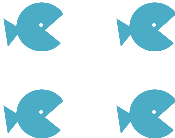
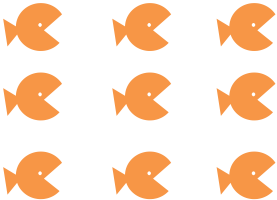
- Examples: generate insights by mining 40k customer service calls, synthesize insights from multi-modal data, detecting patterns / anomalies



Better Decisions

Creates true differentiation, requires bringing together different tools / functions to transform how we work

- Examples: simulate customer reactions to messages, generate new messages

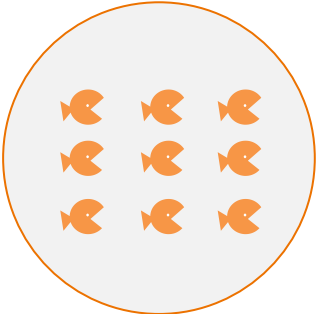


High ← —————→ Low but evolving fast

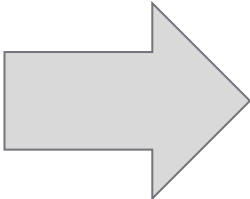
Level of Gen AI Maturity

Fundamental shifts in how humans + AI work together will lead to competitive advantage

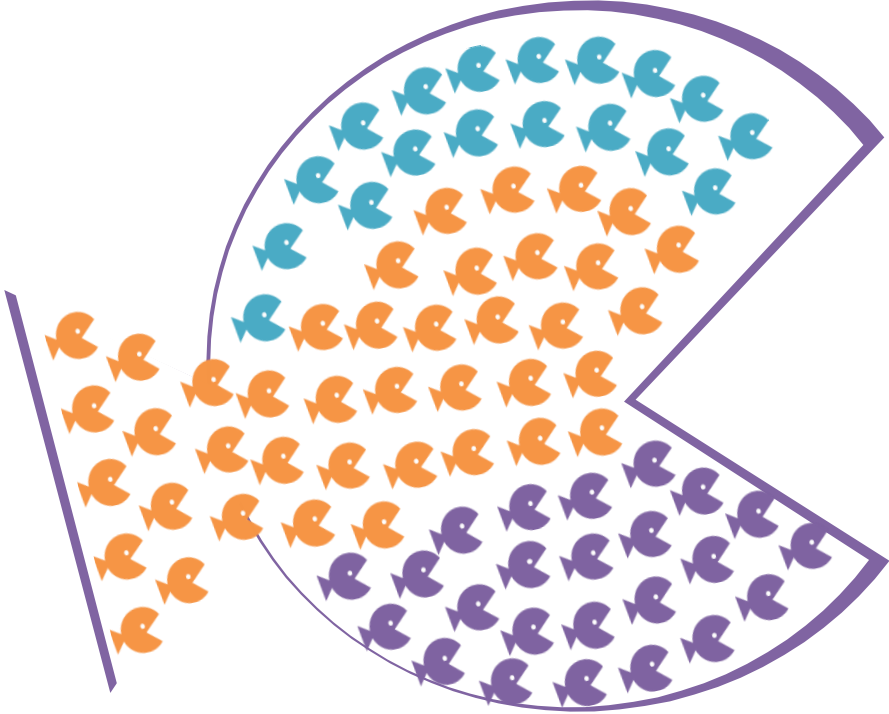
IMMEDIATE





Driving large productivity gains – synthesis/summarization, analytics, generate content, copilot on many fronts



FUTURE





 Faster Gen AI  Deeper / Better Gen AI  Classical AI



Example: Modernizing customer engagement





Deliver a better and uniform experience

-  Different salespeople may respond to customer, intermediary questions differently creating ambiguity → **Gen-AI** knowledge engine can help salespeople respond to stakeholder questions in a consistent fashion
-  **Gen AI** can also analyze calls and identify opportunities for coaching salespeople to enable better customer experience





Deeper understanding of unmet needs

-  Analyze call data using **Gen-AI** to build a deeper understanding of unmet needs among various stakeholders at different points of the booking journey
-  **Gen AI** can help analyze call data to uncover psychological factors that may be at play and help customize our message better





Prevent abandonment via tailored services

-  Augment data on customer journeys with deeper insights on unmet needs to predict those at risk of abandonment during book process AND associated reasons using **Classical AI** to drive tailored interventions
-  **Classical AI** can also inform what interventions have worked in the past to recommend next best service to a salesperson or marketer



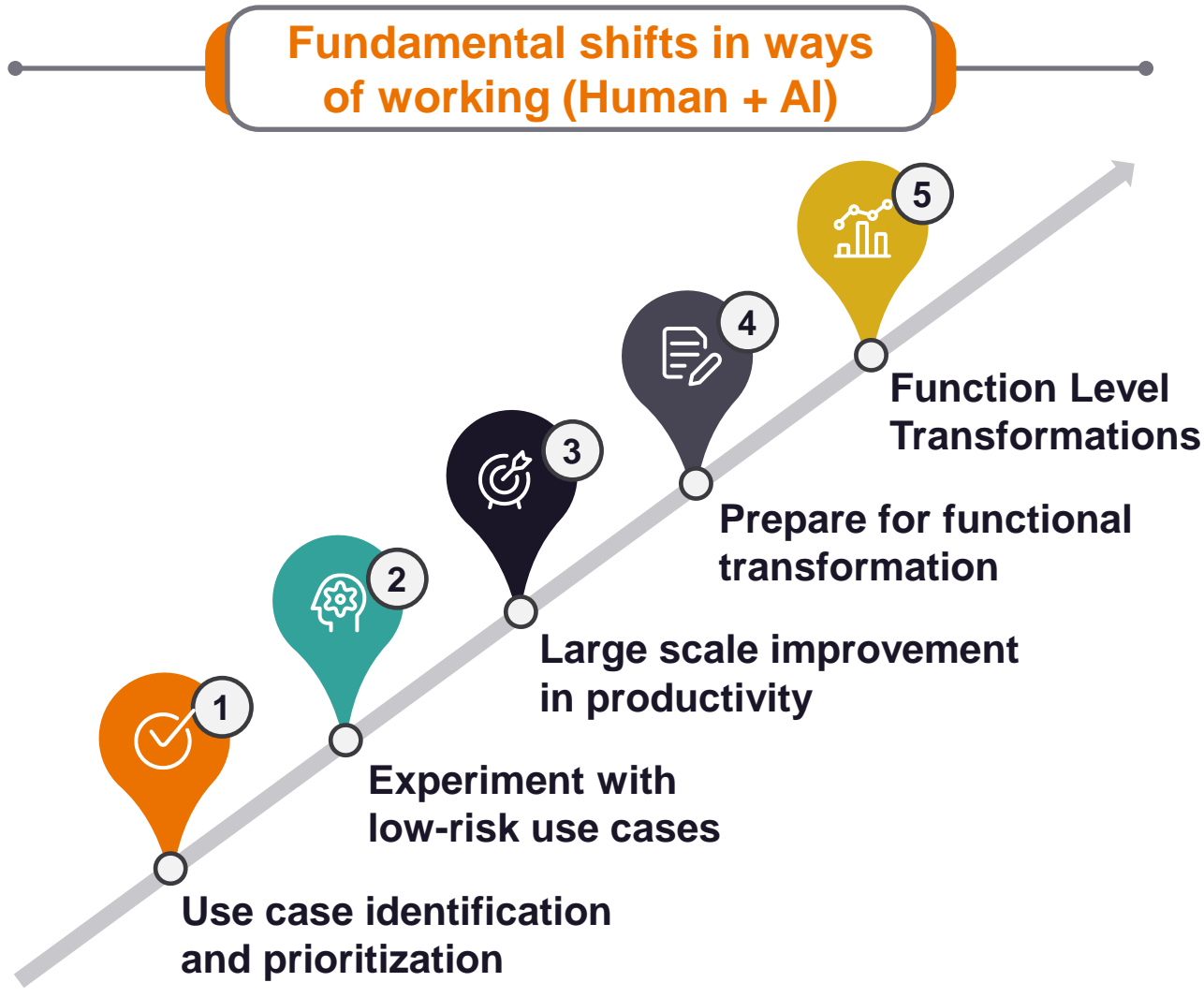
Prepare salespeople for customer conversations

-  **Gen-AI** Q&A engine can help salespeople perform deeper dives on their customers e.g. what are the key topics they have been discussing, when was the last booking made, what preferences were considered in last booking, etc.
-  **Gen-AI** can help simulate customer reactions to content and suggest refinements

2

Prioritization framework for Gen AI use cases

Gen AI implementation will likely happen in several broad waves



- 1 **Today's focus:** Assess risk, feasibility, and business impact of potential use cases to prioritize which to pursue
- 2 Build new applications and enhance existing ones; build and train core teams
- 3 Build and train scaling teams; discuss federated vs. central responsibilities
- 4 Ensure the necessary processes, technology, and tools are in place for success
- 5 Disrupt entire system with modern, adaptable, and intelligent solutions

Use case prioritization should always focus on feasibility and business value; risk will also play a critical role in initial evaluation

Prioritization framework

1

Assess pipeline of use cases for risk



Risk

Data Sensitivity

Nature of Application

Potential model choices for solution development

2

Prioritize use cases based on feasibility (effort) and value (impact)



Feasibility

Data Availability, Quality, Bias

Model Availability

Talent Required

User Interface



Business Value

Productivity Gains

Revenue Growth

Cost Savings

Competitive Edge

3

Sequence high priority use cases



Capabilities

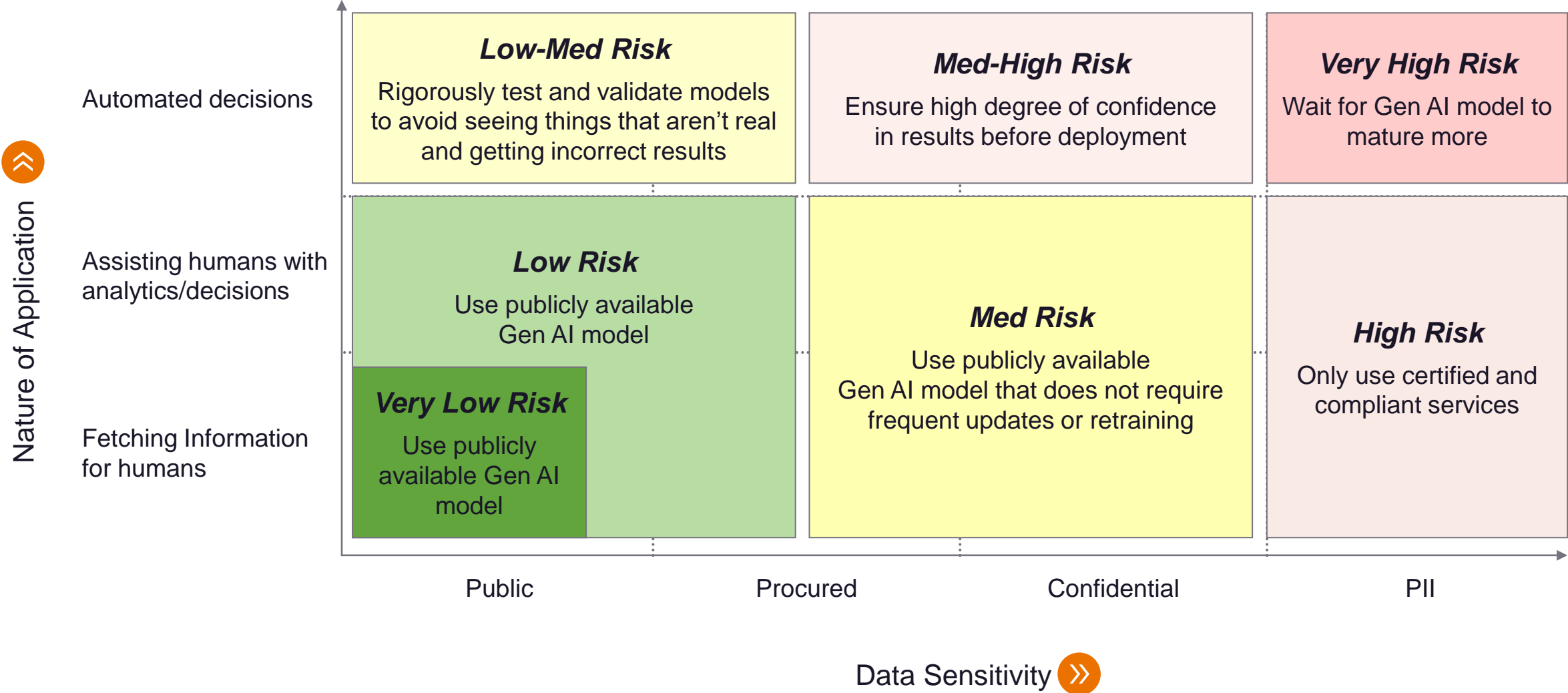
Reusability

Durability

Strategic Value

???

Define enterprise guidelines for security and compliance, especially in the early days of use case prioritization



Evaluating use case feasibility requires assessment of four dimensions

Data Availability – 40%

- Dataset size requirements
- Data quality
- Data format
- Bias free
- Data Cost (existing resources, acquisition, labeling, storage and management)

Model Availability – 10%

- Existing landscape (infrastructure, software, platform)
- Level of innovation
- Applicable implementation experience
- Technology cost (open sourced vs. licensed, integration, test)



Talent Required – 30%

- Availability of resources (internal and external)
- Competency / skillset
- Resource cost (external resource, vendor partnership, existing resources with requisite skills, etc.)

User Interface – 20%

- Type of interface required (report, app, agent, chatbot, dashboard, etc.)
- Development tools

Types of Business Value

Impact Measurement

- **\$ Cost savings** generated by use case

Cost savings



Total time and # resources reduced resulting from the use of the asset:

- This can directly be analyzed as \$ value saved for each activity executed using the asset

Productivity gain



Revenue Growth



- Direct impact of use case on **revenue generation**

Competitive edge



- Competitive edge offered in terms of **new vs. existing process, sponsor vs. industry approach**

Business value

Impact would be measured before and after solution implementation to get an actual estimation of the generated business value

Use a structured approach to evaluate feasibility and value enables faster prioritization



Build first



Capabilities

To sequence high-priority use cases, consider the following questions:

- Is the use case adaptable and able to be employed in various contexts or projects?
- Will the use case remain relevant and applicable over time?
- Is the use case closely aligned with your organization's long-term goals?
- *What other criteria would you include?*

INTERACTIVE ACTIVITY

Practice using the prioritization framework

Let's test it out – how would you assess the following use cases leveraging the prioritization framework?

STARTER USE CASES

- A** **Tailored content development:** Create custom newsletters, promotional emails, and social media posts for distinct guest personas to foster a deeper connection and engagement with your brand.
- B** **Property and franchisee support:** Assist with common inquiries encountered by properties and franchisees, such as login procedures and procurement sources by generating content e.g., FAQs and email requests.
- C** **Next best action for sales team:** “Listen” to sales interactions and offer recommendations and scripts for addressing a range of guest concerns e.g., loyalty points discrepancies, stay-related complaints, or queries about parking options and airport proximity.
- D** **What other use cases for Gen AI are relevant to your organization?**



Refer to worksheet #1-4 for this exercise.

Spend 5-8 minutes plotting the use cases against the risk and business value / feasibility matrixes individually. Use the remaining time to discuss the prioritization experience with your table.

What was intuitive? Where did you struggle?

PRIORITIZATION FRAMEWORK

Worksheet #1: Use case intake

In addition to the starter use cases, write down 1-2 other Gen AI use cases relevant to your organization.

A **Tailored content development:** Create custom newsletters, promotional emails, and social media posts for distinct guest personas to foster a deeper connection and engagement with your brand.

B **Property and franchisee support:** Assist with common inquiries encountered by properties and franchisees, such as login procedures and procurement sources by generating content e.g., FAQs and email requests.

C **Next best action for sales team:** “Listen” to sales interactions and offer recommendations and scripts for addressing a range of guest concerns e.g., loyalty points discrepancies, stay-related complaints, or queries about parking options and airport proximity.

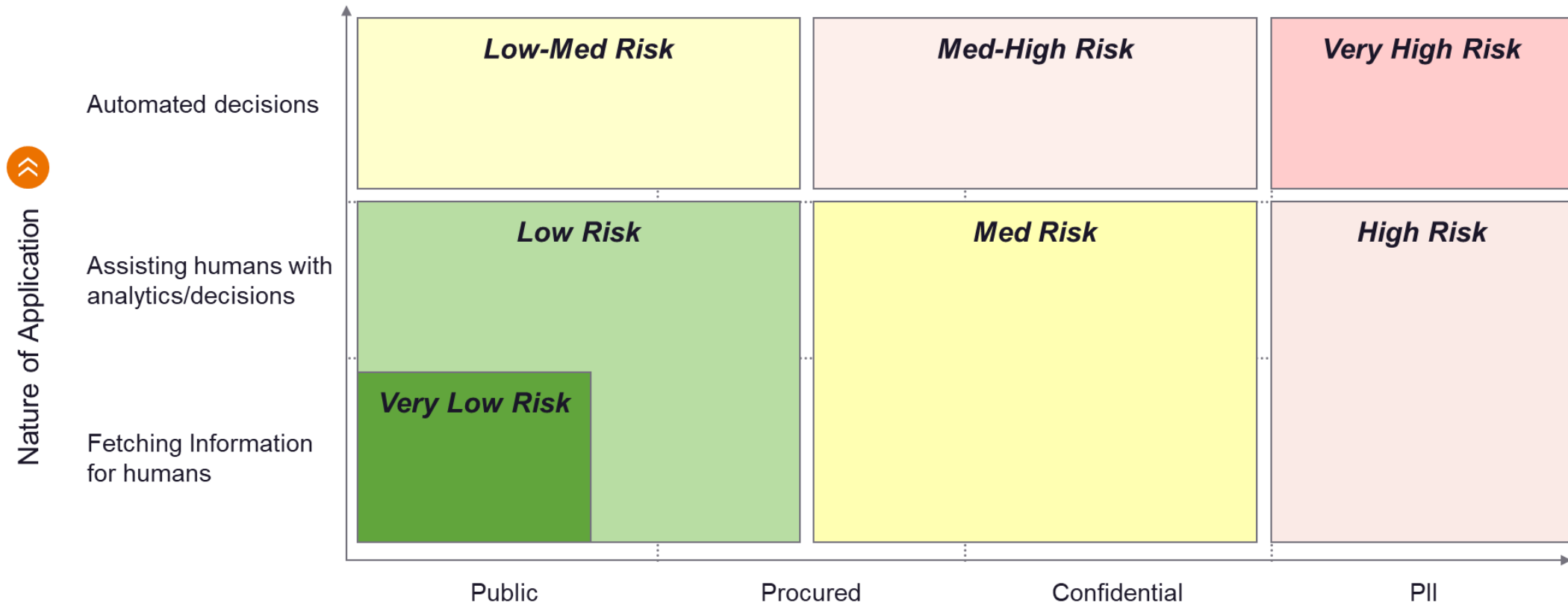
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PRIORITIZATION FRAMEWORK

Worksheet #2: Risk assessment

Map each of the use cases listed on Worksheet #1 onto the risk framework.



KEY

- Very High Risk: Wait for Gen AI model to mature more
- High Risk: Only use certified and compliant services
- Med-High Risk: Ensure high degree of confidence in results before deployment
- Med Risk: Use publicly available Gen AI model that does not require frequent updates or retraining
- Low-Med Risk: Rigorously test and validate models to avoid seeing things that aren't real and getting incorrect results
- Low to Very Low Risk: Use publicly available Gen AI model

PRIORITIZATION FRAMEWORK

Worksheet #3: Feasibility and business value assessment

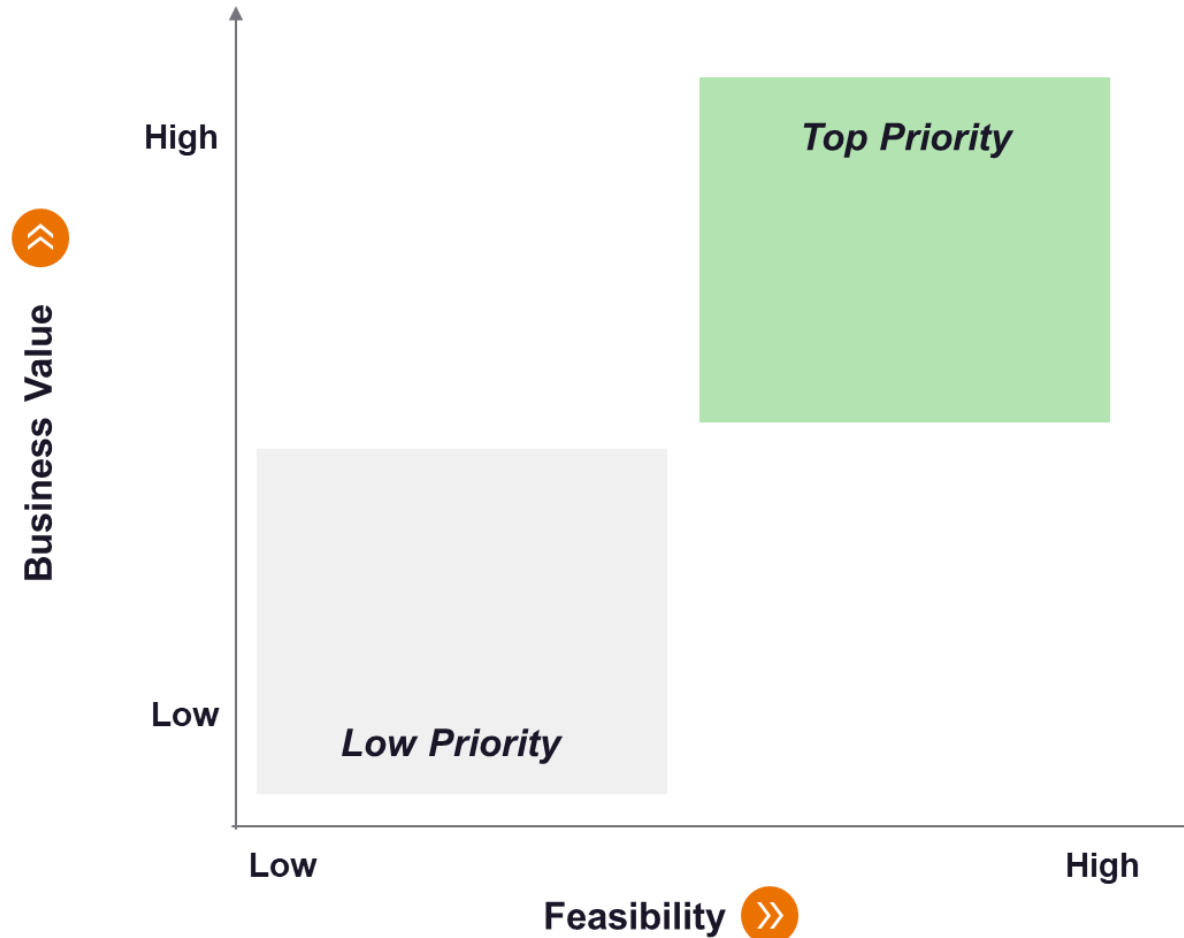
Now, map each of the use cases listed on Worksheet #1 onto the Feasibility – Business Value matrix:

Feasibility

- Data availability, quality, bias
- Model availability
- Talent required
- User interface

Business Value

- Productivity gains
- Revenue growth
- Cost savings
- Competitive edge



PRIORITIZATION FRAMEWORK

Worksheet #4: Prioritize!

Now that you've identified high priority use cases, consider the following capability criteria to sequence:



Capabilities

- Is the use case adaptable and able to be employed in various contexts or projects?
- Will the use case remain relevant and applicable over time?
- Is the use case closely aligned with your organization's long-term goals?
- *What other criteria would you include?*

Build first ↑

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3

Organizational capabilities to accelerate Gen AI growth

The real promise of generative AI will come from creating an AI ecosystem that transforms a company beyond table stakes

TABLE STAKES ENABLERS

Strategy

- Executive commitment and sponsorship
- Organization alignment with the vision
- Good prioritization framework to evaluate use cases



Tech Infrastructure

- Strong algorithms
- Infrastructure to scale enterprise-wide analytics
- Ease of use



Capability Building

- Best practices around AI Explainability, Bias/Fairness, AI Ethics, Laws and Regulation
- Strong process for determining internal vs. partner capabilities



COMPETITIVE DIFFERENTIATORS

Data

- Well-defined data strategy (procurement, management, use-case mapping, etc.)
- Ability to use structured/unstructured data



People & Culture

- Culture for differentiation / competitive advantage
- Buy-in to effectively marry human and AI workflows
- Well-defined roles and responsibilities, ability to source talent and upskill



Speed to execution

- Sophistication and appropriateness of AI techniques and models based on business problem
- Strategy and ability to execute on build vs. buy vs. borrow capabilities

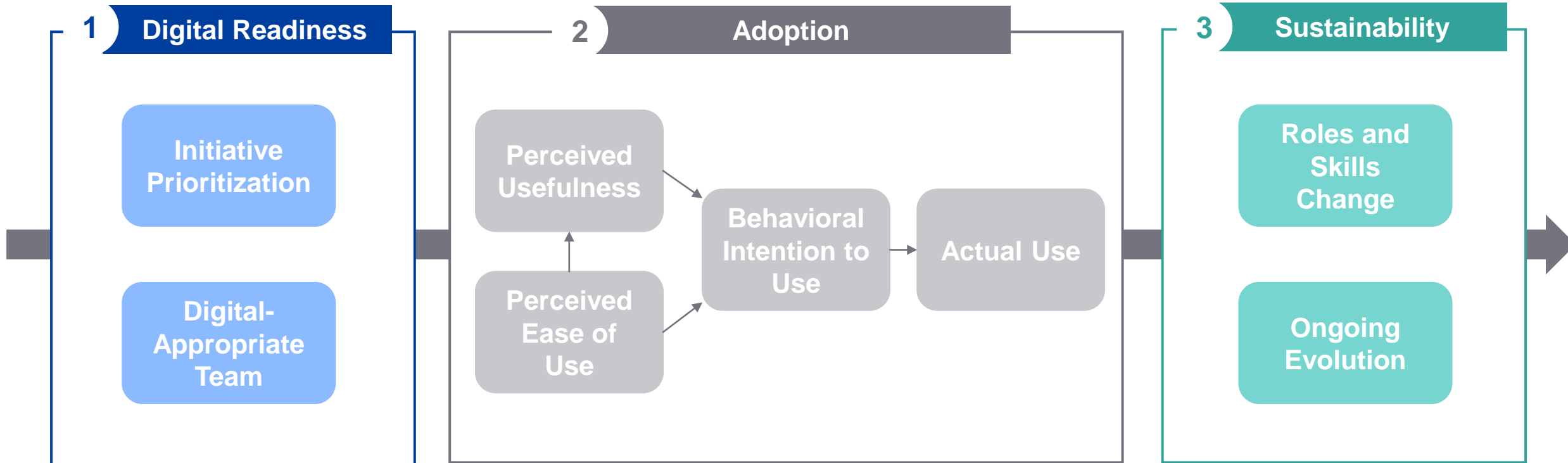


Getting the organization ready and sustaining momentum are critical

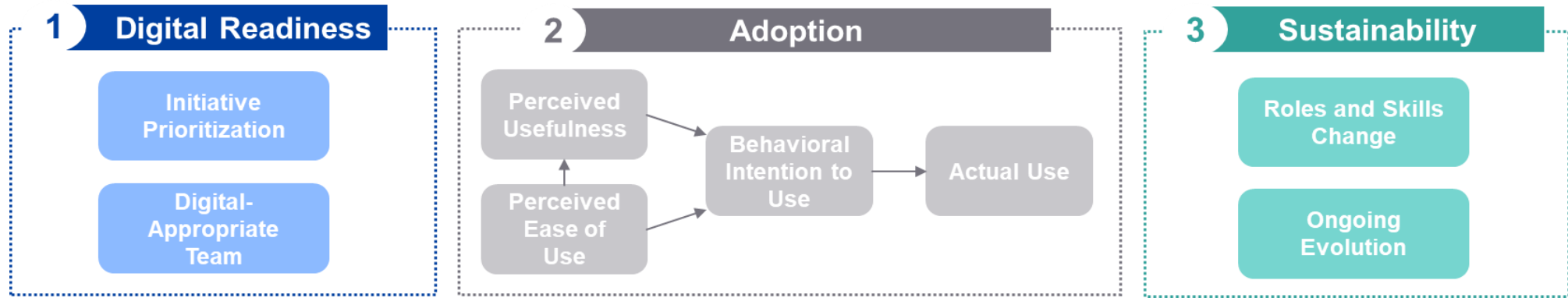
Goals: Choose the Right Initiative & Prepare the Organization

Ensure Usage by the Workforce

Drive Continuous Impact



Many different factors can dictate organizational success



Failures

- Slow Progress
- Scope Keeps Changing
- Solution is Over-Ambitious

- Users Do Not Trust Solution
- Users Do Not Get Value
- Too Many Tools
- Too Much Effort for Value

- Low Impact
- Not Enough Rethinking
- Users Lack Skills or Mindset
- Less Relevant Over Time



Success Factors

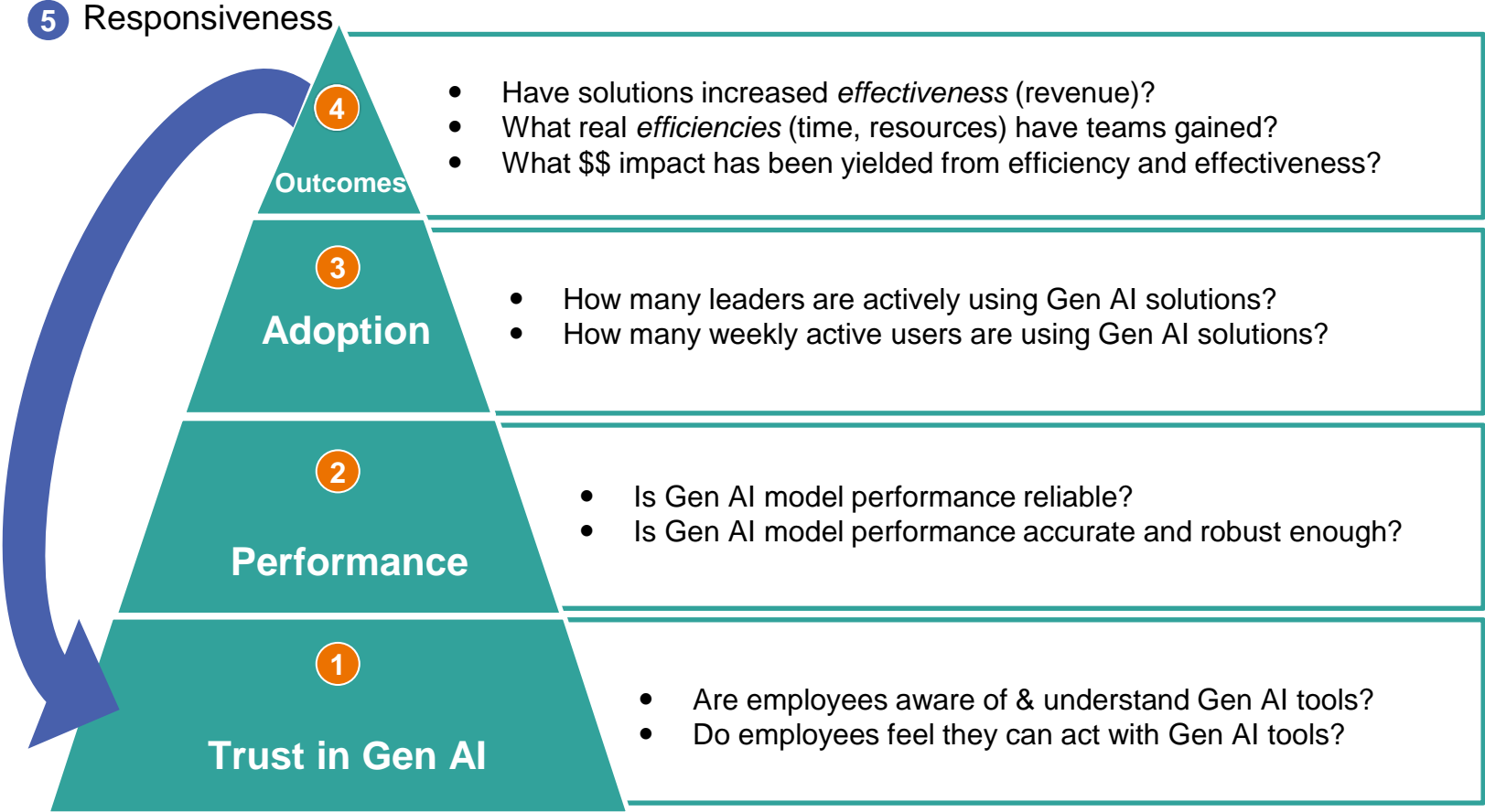
- ✓ Senior Leadership Support
- ✓ Boundary Spanning Leadership
- ✓ Business Case Focused on Value
- ✓ Identified Linkages & Duplicates
- ✓ Cross-Functional Team
- ✓ Agile Training

- ✓ End-User-Point-of-View
- ✓ Minimum Viable Product
- ✓ Early Experience Team
- ✓ Deploy-Learn-Iterate
- ✓ User Training
- ✓ User Feedback Loop

- ✓ Roles and Incentives
- ✓ Communication Strategy
- ✓ Support and Coaching
- ✓ Value Measurement & Reinforcement
- ✓ Never-Done Mindset

Establish KPIs that can enable leadership to track the impact of Gen AI and drive corrective actions as necessary

Gen AI Value Measurement



Additional Considerations

- Should everyone in the organization have at least 1-2 objectives that are tied to Generative AI acceleration?
- Is there a need for a forcing function to enable Gen AI adoption? (e.g., actively drive the org to do more with less)
- How do we communicate and celebrate successes to keep the momentum?

INTERACTIVE ACTIVITY

Potential barriers to generative AI growth

Considering the table stakes enablers and competitive differentiators we've discussed...

What barriers do you foresee that might impede Gen AI growth?
What are key actions you can take to mitigate these barriers?



TABLE STAKES ENABLERS			COMPETITIVE DIFFERENTIATORS		
Strategy	Tech Infrastructure	Capability Building	Data	People & Culture	Speed to Execution









Refer to worksheet #5 for this exercise.

Spend 5 minutes brainstorming and documenting potential barriers to Gen AI growth within your organization. Use the remaining 10 minutes to identify the top barriers at your table and brainstorm opportunities to mitigate them.

POTENTIAL BARRIERS

Worksheet #5: Identifying barriers to Gen AI and actions to mitigate

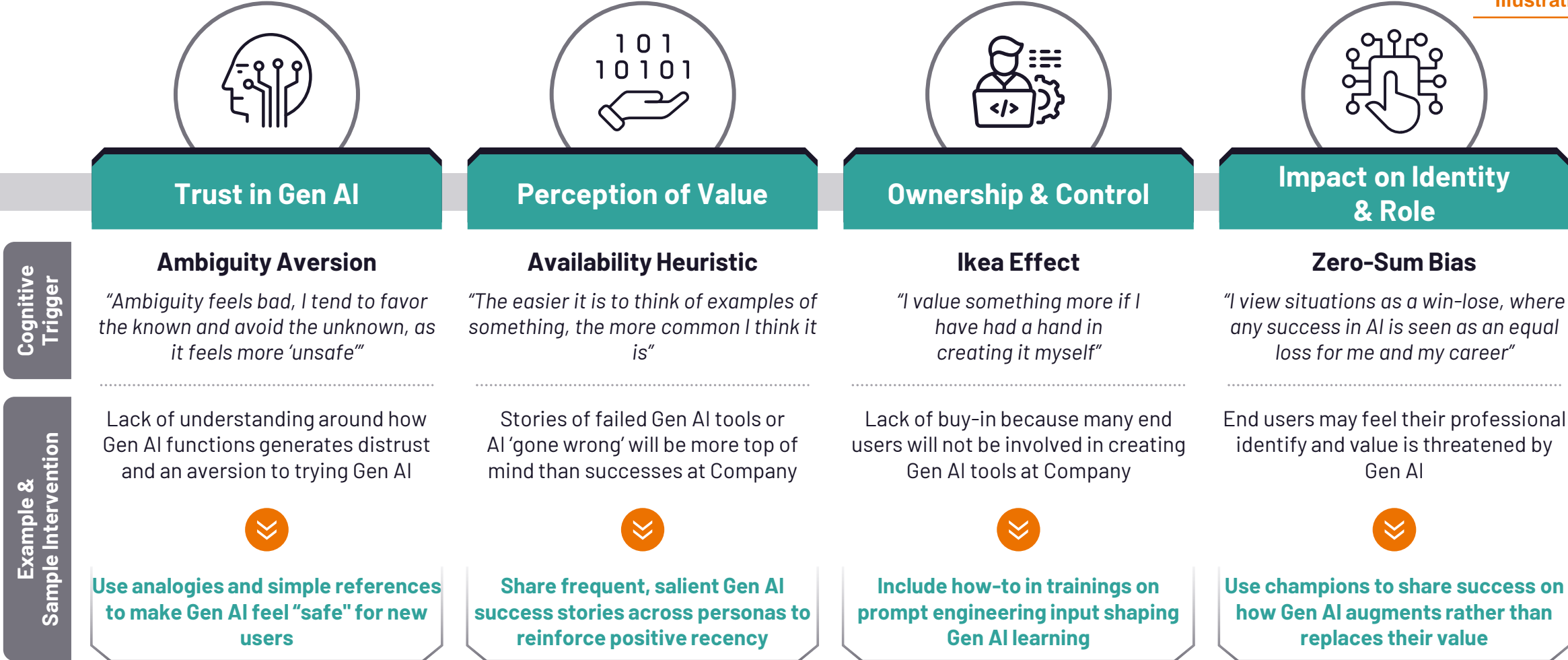
		Barriers	Mitigation
		What potential barriers within your organization may impact your ability to invest in and develop table stakes enablers and competitive differentiators?	What actions can you take to mitigate these barriers? Consider investment decisions e.g., build vs. buy vs. borrow, business ownership, etc. where relevant
<i>Table Stakes Enablers</i>	 Strategy		
	 Tech Infrastructure		
	 Capability Building		
<i>Competitive Differentiators</i>	 Data		
	 People & Culture		
	 Speed to Execution		

4

Leading in a Gen AI World

Identifying the cognitive triggers to mitigate potential value and adoption barriers amongst your team is critical

Illustrative



FOOD FOR THOUGHT

**As a leader, what are you
doing personally to
demystify and evolve
with AI?**



Thank You!

