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GENPACT EVENT

HARNESSING THE POWER OF GENERATIVE AI

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Discussion Documents December 23

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Harnessing the Power of Generative AI

A discussion dinner was held on the 9th of November, sponsored by Genpact. Senior executives attended from several different sectors. The event's title was 'Discussing AI Plans and Opportunities'. Tarun Chopra, SVP and segment lead for Consumer Goods, introduced the event together with his colleague, V-K, who is CTO of Genpact. The session was moderated by Roger Camrass, Research Director of CIONET International.

What do we mean by Generative AI?

OpenAI and ChatGPT have stormed into the corporate and public consciousness since November 2022. However, many executives need clarification about where and how this advances current AI practices developed over many years. Analysts describe ChatGPT as the 'iPhone' moment for AI, but there is confusion amongst IT executives about AI definitions and how best to harness such transformational tools.

Opening the session, delegates offered their individual views about specific interests in Generative AI (GenAI). The response to these introductions focused on four main topics: relevant use cases for GenAI in public and private sectors, how to implement Gen AI in legacy environments, what are the platform implications when Gen AI comes on stream, and how to anticipate and cope with emerging regulation and compliance issues.

With twelve months of experience using GenAI, Tarun Chopra and V-K provided the delegates with useful definitions to help clarify where GenAI fits within the broader AI context. V-K reminded the delegates that AI is a general concept that refers to machines performing tasks that typically require human intelligence, such as problem-solving, natural language and pattern recognition. GenAI is a subset of AI that generates new data, content, or outputs. GenAI learns from existing data, both structured and unstructured.

Large (and small) language models (LLM) are a subset of GenAI. Such models are typically pre-trained on massive datasets resident on the Internet—post-pre-training, they can be fine-tuned for specific tasks or domains. GenAI extends beyond large language models in that it can create images and text or data. Small language models (SLM) are a subset of LLM in size, capacity and capabilities. Enterprises are developing in-house SLM capabilities to address specific needs such as customer onboarding, claims processing, and back-office functions.

Tarun also mentioned common concerns amongst his global client base relating to GenAI, such as ethical challenges, building trust, managing risk, skills development and understanding AI lexicons.

How to maximise value from GenAI

Delegates stressed that new technologies are only relevant if they can solve real business problems. Several such problems were mentioned. For consumer goods companies, the imperative is to use GenAI to automate fulfilment processes, thus maximising product availability to the end customer. GenAI is also featured in customer service centres where BOTs can conduct natural language conversations with consumers and business customers. Other areas mentioned by delegates included supply chain automation (in food and beverages), underwriting (in insurance), payments (in banking) and predicting customer tastes and styles (in retaling).

Boards are waking up to the possibility that GenAI can address more strategic challenges, such as sustainability and how to accelerate the path to zero carbon emissions. One aspect of GenAI is its ability to assimilate unstructured data and provide images and conversations on consumer topics such as health and wellbeing. Tesla aims to use billions of miles of road and driver video footage from RADAR cameras to develop robotic capabilities in education, energy and transportation.

One use case raised by Genpact is the application of GenAI in staff training. By deploying such learning tools, formal training can be compressed from months to days. Once initial training is completed, staff can work with GenAI on the job to receive relevant prompts and improve performance.

Which tools should I use?

Despite the publicity around OpenAI and ChatGPT, delegates are keen to evaluate alternative tools such as Google' Baird. They recognise that GenAI has produced an arms race amongst Big Tech and VC-backed companies. Delegates debated whether to permit the use of public GenAI tools within the workplace. This is reminiscent of earlier debates around Facebook and other social media channels. Tarun mentioned that Genpact had helped one enterprise to create a 'playground' for 60,000 users to help develop AI skills and applications within a 'safe' environment.

The difference between large and small language models was a more nuanced issue among the delegates. Some companies prefer maintaining a 'walled garden' around their information to protect intellectual property from competitors. This can favour small language models.

What might be the blockers for GenAI?

Legacy was the most significant issue impeding the development of small and large language models addressing customer experience and supply chain optimisation. Cleansing and validating data during the pre-training of models requires both human and machine interventions. Delegates recognise that 'cleaning house' is an iterative process. Only data relating to current business issues should be fed into large or small language machines. This enables more rapid experimentation to take place. Some delegates are focusing on data derived from their large ERP systems such as SAP. GenAI can help extract and cleanse such data.

Concern was expressed over the current lack of regulations relating to GenAI. Despite numerous public exchanges between politicians and AI experts, little tangible progress has been made in crafting regulations and compliance frameworks. Regulations from the EU and USA may overtake the UK if it continues to drag its feet. Many delegates operate internationally and will need to respond to local regulations in multiple countries and regions.

How best to gain experience of GenAI

One major retailer described a current experiment in which 100 staff have been trained on Microsoft's co-pilot. They are being monitored against a similar number of staff to assess benefits of AI.

What should be your next steps in adopting GenAI?

Genpact concluded the session by offering advice on how to gain value from GenAI techniques:

- Examine current business challenges and explore GenAI solutions with business partners.
- Take an end-to-end approach to process automation to achieve full benefit.
- Conduct localized experiments by training staff in GenAI techniques and running pilot trials.
- Consider the people, cultural and ethical implications of GenAI and develop governance policies.

More information can be gained by contacting Tarun Chopra

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A pioneer of today's Internet as an ARPA research fellow at MIT in the seventies, Roger has spent over forty five years helping corporations harness the power of new technologies such as cloud, mobile communications, e-commerce, voice recognition and satellite. He was a partner at EY responsible for e-commerce during the dot.com boom. He is a graduate of Cambridge University and MIT, and a visiting professor at the University of Surrey.

See **rogercamrass.com**