

## Transcription - Jim Stevenson Part 4

---

Welcome back, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec. We are finishing our discussion with Jim Stevenson today and we're going to look at his views on the implementation of AI into organizations and how we go about that regardless of the size of the organization.

That leads into our next question which was introducing AI into organizations, do we do little steps, specific projects or a comprehensive overhaul?

Wow, you thought we spent a long time talking about the earlier question! I'm a huge fan of little steps. I think little steps are good. I think if you go in with the comprehensive overhaul, what you tend to end up with is a mess, chaos. The people that you're trying to bring along in this journey with you to introduce AI or any change, they get confused, don't quite know what's happening, it just seems to be all changing and there's no logic around the reason to it because it's very difficult to do big change in one big change. It's kind of like rolling a snowball down a hill. You start small, you do a couple of small things, you get the bigger thing and then suddenly before you know it, you've got a big snowball. I'm very much a fan of that.

It's very much evolutionary thinking rather than revolutionary thinking. Even if your ultimate objective is a revolution, you've got to go through the evolutions to get there. For me, it's not the technology that you're trying to change, it's not the technology you're trying to implement, it's the fact that you've got teams of people who need to come along in this journey with you. My experience is they come along with you when they understand what's happening, they come along with you when they can understand what their role is in that change. I've heard it called the IKEA effect, people buy into it when they have to be involved in building it. If you involve them in the process of building it, then they're much more a part of understanding what it is, the feeling, the ownership of it, wanting to be successful and you can move forward.

So the small projects involve your team, absolutely, but the one that I find that most organizations are just completely ignoring is AI's built in data. And once we get into what I call the "sovereign cloud" like I talked about before where it's your own organization's data that you're using, most organizations have not gone through a process, although they say they have, they do it and spend millions trying to come up with it, but it's making sure that there's a proper data base. I know an organization that was going through some, it was trying to do some personalization of its data so that is a, there's a real deal of them. So as it is, as it joined the data together, it was trying to come up with a recommendation engine and they had on it a type of sausage, which was definitely not vegan, but it popped up in a vegan search recommendation because the data underlying didn't say it was vegan or it wasn't vegan or what it was made of. As a human being it says a sausage. I'm going to say it's vegan unless it specifically says vegan, but that underlying data most organizations have not thought about yet. And yet they could have been doing it for last five or ten years because you know this change is coming. Equally, I do know another organization that had so much data and it was great that they had all the data and the data was really useful data. It was a different and recommendation engine, but they were trying to update their data on what their

consumers were purchasing every 24 hours. So if you went on to the site and got a recommendation today, but you then went away, bought something different, when you went back onto the site tomorrow, you'd get another recommendation knowing you bought something different yesterday. But they had so much data and their underlying infrastructure was so legacy, to be nice, it took them 28 hours up the 24 hours of data. And it can't be, just can't.

So big organizations and small ones, if you're going to introduce AI, you make sure you got your infrastructure right. It needs to be working. Otherwise, you're just causing yourself all sorts of problems and probably not just causing yourself problems, probably costing yourself millions. And it moves this way. If you've got enough money in your organization to be introducing AI in any meaningful way, it's going to be costing you money and any kind of error of not having your infrastructure, not having your data, not having your team with you, will be costing you a lot of money. So even doing small projects at that level becomes irrelevant because you've got nothing to go on to. It's very much a risk challenge, but it can be overcome just by being smart, just thinking about what it is you've got and accepting the fact that if you're getting your infrastructure right, your customers don't see it. You lose value to your business, but you've got your data, your infrastructure right. Then you've got your customer experience coming through and that's where you start to monetize it. So you don't want to be spending lots of money until you start getting those monetization pieces coming through.

I would split the organization down into very key sections. You have an architecture for your infrastructure and your data, but implement it in one of those areas and then do a vertical stack so your customers are starting to see as a small project.

I know what the whole thing looks like, but I've done a little bit of it. I've got the data on top that I know is correct and what's right. I've got the customer experience on top of it. The customers are loving it and enjoying it. Great. I've got the green light to go ahead with the next piece and then keep going.

In all of that is there still room for paradigm shifts in industry, industry disruptors?

Yes. I'm not sure though, that implementing the AI into your business is going to be a paradigm shift. I think for me, are the paradigm shifters come when you focus on your consumers or your customers. Customers that will do that and that could be as simple as.....

Actually, I'm going to change all of that. I'm going to change my mind and give you a completely different answer. (It's fine.) I'm happy that you keep it into the podcast.

I wrote an article a year ago on AI and the premise of the article was, before AI became even what it is today and just a year ago, the premise of it was at the moment you've got Alexa, you've got Google Home, you've got Siri, whatever that is, but they only trigger when you initiate a conversation with them. As we get more data, these things get more sophisticated. This ChatGPT voice activation, that activation becomes much more prevalent in what we're doing. A year ago, I wrote the article based on the fact that we're not that far away from AI becoming

proactive. Imagine it's a Sunday evening, you're sitting watching the TV and an advert comes on and your AI pops, is listening so it knows it's an advert, it's not interrupting your viewing,

pops up and says, "You've not done your grocery shopping this week. Do you want me to order your groceries?" It knows what you need, it knows what you've got, it knows what you've used, you have two pints of milk every week and it's a week so you probably need two pints of milk.

But it's also connected into your data and your loyalty programs. It knows that you bought a cream for a rash that you have. AI then pops up and says, "I notice you've got a cream for rash, do you want me to change your washing powder this week, something that's more sensitive?" Awesome, because it's got the data and it knows that. I think we're not that far away from that, to be honest I'm kind of surprised that we don't already have it. Because I think the technology is easily there to have that out there in consumer world.

But at that point, for most of your household goods, definitely not if you're buying a ball gown for a party or if you're a man, you're buying a dinner suit, whatever it is, you're going to want to have that and buy that yourself. But for your household goods, the human is no longer the decision maker. The AI is recommending you what to buy and at that point, there's a part of a paradigm shift in advertising. Why do I care what your brand is? Why is Unilever spending billions each year to tell me that their brands are the best in the world when I'm not making the decision anymore, that AI is? So suddenly, that's a huge disruption in an entire different set of worlds that the technology will lead to. But it's leading to that paradigm shift because the consumers are getting more time to themselves, they're not actually having to actively think about things, it's making their life easier and it's proactively helping because I have a rash in my foot and the AI's recognised that and it's making my life easier. So again, it can do go back to the consumer value that will be the paradigm shift, but it's hugely led by an increase in technology that the consumers are actively asking for.

The flow on effect for that is the marketing industry gets a shift here because it's going to rethink how it markets anything and everything.

Well, it creates a whole new industry. So as we were saying before about AI will take away some jobs and create others, advertising, marketing, branding to consumers, becomes less relevant for some types of products, more relevant for others. But what it also then does is how can I manipulate my website, my product description so that AI is recommending my product to you? So in the same place 20 years ago we had search engine optimisation, I think we're now moving into a world whereby we have AI optimisation. Is my product optimised for when your AI is recommending something? And I think that is a bit of an oxymoron because AI shouldn't be influenced, it should be very black and white, but AI is trained by data.

And if I could give you data that is specifically working for your AI, it should, in a limited sense and it will change in a week's time I know it will kind of come what work is way around this, but if it's trained on specific data, I should be able to manipulate what is doing up to a point that it will recommend my product. That's a whole new industry, it doesn't exist.

The last question we had here, it's sort of related, it's about changing mindsets that are driven by fear.

Yes, fear is amazing. We all have fear but we never admit it. Fear for me is something, like I say we all have it, it drives a lot of things. It's difficult for a leader to change fear because I don't think you can actually change that emotion. I think what you can do, is change the

whole world right about you so that fear is no longer a key emotion that you have. So I very often say to people status quo is seldom enough. If you're doing the same today as you did 10 years ago, the whole world has moved on and you're in legacy. So everything is constantly changing or it should be constantly changing and moving forward and improving and getting better. In which case fear should not be fear. Fear should be excitement over how can I improve, how can I make things better. And again as we spoke before, for me, leadership is creating that culture of that environment, that way of setting teams up to be successful. I think a core part of that is having a safe environment.

Being able to say, you know that it was a complete failure, it didn't work. If you have that environment, then fear is no longer the key driver that you have.

Innovation is, creativity is, excitement is. I want to do more, I want to do better. At which point fear is, it's not even in the organisation.

Well, we pretty much covered all of what we had on our list. Is there anything that you would like to add that we haven't covered up to this point?

No, it was a great conversation to be honest. I'm really impressed that we've kind of finished it within the hour.

We didn't let Fulyana talk, so we're fine.

Oh wow, is that what it is? You're getting a bad reputation here.

Yeah, but it's justified.

That's fair enough. I don't have any more to kind of add in. Was that kind of helpful to think your audience would get the something from that?

Absolutely. It really has covered a whole lot of areas where we haven't had our own expertise, we haven't had anyone we could call on, so we really appreciate that you've made it so clear. There's so much information in it that I think they're just going to lap it up. In the event that we do have questions that come to you, because often after we've had a guest on, we'll have the follow-up questions of can you ask this, so can you do this, so we will, on the website, put your contact details for your organisation, but in the event that we have more questions and sometimes case studies, we'll be back in touch and see if we can hook up again and go through those things.

Yeah, I'm going to be happy to do another session with you, another kind of podcast, and if you just want some written answers for somebody, I'm happy for that as well.

That was really, really good. Thank you, Jim.

No, thank you for having me with a great chat. I loved it.

That concludes our very in-depth and interesting discussion with Jim Stevenson.

I urge you, if you haven't heard the other three parts, to think about listening to those, but for now, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec.