



# Artificial Intelligence

## How to be smart about AI - a conversation with John Gikopoulos

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# How to be smart about AI

It is easy to be dazzled and dumbfounded by some of the claims made for artificial intelligence (AI) and the potential of new technology. Big (and scary) estimates are thrown out as forecasts for the number of jobs that will be lost as automation increases. And as new business models and impressive gadgetry emerge, business leaders could be left feeling that they risk missing out on (or being crushed by) the next major industrial revolution. We need to change, they might say, but where to start?

John Gikopoulos, independent consultant collaborating with Eden McCallum, former partner at McKinsey and an expert in technology and software, suggests we should all calm down just a bit. There is a lot of hype around, he argues, but not many companies are really engaging in activities that constitute AI.

## Is AI really intelligent?

“Some of the new consumer facing products – Siri, Cortana, Alexa, Amazon Go – might be perceived as AI,” he says, “but when you peel back that layer of perception you see that constituents are more basic voice recognition or process automation implementations. They are perceived as AI but in all truth they are much more basic deterministic solutions, primarily aimed at collecting data and information” he adds.



Best to keep our feet on the ground and our scepticism in place. For example, Gikopoulos questions how effective something called “machine learning” can really be. Is the phrase perhaps a contradiction in terms? Do machines really learn or are they just programmed with lots of information? He challenges the idea that the Google AI machine which defeated the Korean world Go champion was truly demonstrating “machine learning”. “Rather, it was remembering every single potential play there was,” he says. “Feeding information to a machine does allow it to make connections. But this is really driving by looking in the rear-view mirror,” he says.

## Is there substance to your plans?

His argument is quite straightforward. In discussions with C-suite clients Gikopoulos often hears that company A is “very innovative” or that company B “is on a digital journey”. But when he tests these assertions to find out what is really meant by them the answers are not always very convincing.

“They haven’t really thought about it,” he says. “The words sound good but there is not much substance to them.” Gikopoulos recalls an earlier time when simply adding the initial “e” to a company name or business division was supposed to indicate technological sophistication: they were getting online and embracing e-commerce. But did the name change mean that there had been fresh thinking about business models or the offer to customers? Or was it just a new label for the old business?

### Do you focus on value creation?

What businesses should really be focusing on, Gikopoulos says, is value creation. “To make change stick and make proper use of the potential of new technology you have to see how it can create value,” he says.

***“What businesses should really be focusing on is value creation.”***

- John Gikopoulos

“What do you really want to use the new technology for? How will your customers benefit? How can new ideas become tangible and real, so they can really make a difference?”

This is not to suggest, of course, that the new technology isn’t real. AI is upon us, Gikopoulos says, and it is bound to disrupt the way businesses are being run in the near future. Practical AI applications are still quite rare. But advances in technology, robotic process automation, data analytics, the “internet of things” and developments elsewhere in digital are creating substantial value for corporates, he adds. Rapid prototyping, agile product development and the creation of minimum viable product are all possible, and necessary, given the right internal structure and after an assessment of the market potential has taken place. It is vital though to ensure that a company is driven by a genuine strategic vision and to prioritise the right ideas on the basis of creating real value.

### Are you being smart about AI?

Nor should we panic about the replacement of human beings by machines. This is a process which has always happened in economic development: new technology has arrived and humans have adapted to work with it.

***“Artificial intelligence is not the answer to genuine stupidity.”***

- Margaret Heffernan

“There will be a period of adjustment,” Gikopoulos says. “This has happened before. We can focus on augmented, collaborative work with the new technology – take away mundane, low value-adding tasks and allow people to concentrate on higher value-adding activity.”

The possibilities are there – but businesses need to understand how they will use them to create value for customers and themselves. Intelligent analysis – rather than panic or copycat initiatives – is required. After all, as the writer Margaret Heffernan has drily observed: “Artificial intelligence is not the answer to genuine stupidity.”