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The Promise of AI:

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Why AI Will Be the Cornerstone of the Modern, Intelligent, Scalable Data Strategy



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"A real strategy involves a clear set of choices that define what the firm is going to do and what it's not going to do."

Freek Vermeulen, Harvard Business Review

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How do businesses know what they should do?

Some rely on experience. Some just guess (with elaborate justifications, of course!). Most seem to rely on a combination of the two.

But modern business strategists are searching for something a little more reliable: *data*.

They are looking to be able to provide a solid foundation to business decisions that extends beyond looking into the past and guessing into the future.

Most companies are already datadriven to some extent. But it's not yet been able to outshine traditional approaches to strategy.

In this eBook, I'd like to explore why artificial intelligence is so important to delivering a scalable data and business strategy that is founded on more than experience and guesswork.



What Is a Data Strategy?

A data strategy determines what data you're capturing, how and for what purpose

Dataversity describes it as a "set of choices and decisions that, together, chart a high-level course of action to achieve high-level goals."

It's inextricably linked to business objectives, which form the north star to which the what, how and why of data must look.

The holy grail of data strategy is to be able to use data to determine the best course of action, creating a virtuous cycle of data strategy.

Enter Al.



What Is AI?

What is AI and how is it different from analytics and machine learning?

There's a helpful rule of thumb from data scientist David Robinson for defining the different contributions of the various branches of data science. (He notes that this is oversimplified, but it's a useful heuristic for navigating how we think about them).

Analytics delivers insights

You can see how different marketing channels bring in leads of different values or determine which salespeople have the highest close rate.

Machine learning delivers predictions

You might be able to use an algorithm to predict that people who visit your website at least three times have a 50% chance of buying something or to determine that if you observe a particular set of bank transactions there is an 80% chance that it is fraudulent activity.

Artificial intelligence delivers actions

This might be anything from recommending a route on Google maps (delivering an action that will achieve the desired result) to chatbots that can solve customer issues, Netflix recommendations and automated financial investment/ portfolio management. In the context of a data strategy, then, we could say that AI produces business systems capable of making intelligent sets of choices and decisions.

Why Is AI the Lynchpin of Data Strategy?

As the introductory quote implied, strategy revolves around clear rules about what a company does and does not do.

Namely: what intelligent decisions should a business take?

While analytics and machine learning provide insights and predictions, there needs to be a human to join the dots and decide on the next-best action.

This makes human decision-making capacities a key limit on the power of your data strategy. It makes it difficult to scale.

Al can enable intelligence at *any point*, without the need for human decision-making.

Drawing on the quote in the introduction, AI can help to provide a *clear set of choices that define what the firm is going to do and what it's not going to do.*

Humans simply cannot hold enough information (or stay awake long enough!) to bring their experience and intelligence to every corner of the business. They need to prioritise and triage. With AI, this is no longer the case.

Theoretically, every feedback loop, decision point and strategic junction can be brought within the purview of a scalable intelligence that can make decisions independently that maximise business value.

This doesn't mean that there will be no human oversight, only that the emphasis shifts: rather than human oversight being a limitation on execution and scale, it takes on more of a conductor role, keeping the beat and watching for anything that is playing out of key!

In practice, of course, companies will start small and see how it goes.

But the promise of AI is game-changing: to *scale intelligence* across every corner of the business, beyond human limits.

Al Creates Virtuous Circles

Ultimately, AI has the potential to create 'virtuous circles', in which intelligence breeds better data, which enables better products, which means more users, which means better data and so on.



This was possible before, but never at such scale and independent of human decision-making.

How to Do Al

But AI is hard.



You need a rock-solid foundation of data excellence. <u>Monica Rogati</u> developed the idea of the data science hierarchy of needs:

The data science hierarchy of needs:



You'll notice that AI is at the top.

Trying to do AI before you're ready will result in failure. As Monica puts it: *"More often than not, companies are not ready for AI."*

There are tangible and intangible components that businesses will need to form the foundation of any AI program.

Tangible components

Infrastructure:

Get that self-service data mesh up and running!

People:

You need to have not only the right skills, but also the right team structures and ways of working

Tools:

This is the easy bit, but it's still necessary

Operating Model:

Organising how you work to facilitate, not hinder, the flow of data in the organisation

Processes:

Ensuring you can trust the quality of your data and that it flows automatically and seamlessly

Intangible components

Executive Report:

It all begins with buy-in from the top!

A Vision:

A flexible roadmap leading towards an inspiring north star

Data-Driven Culture:

Employees understand what is possible with data and are empowered to make it happen

Once these aspects are in place, you're ready to hit the AI prime time!

How to Get Started

From experience building and executing data strategies for some of the world's largest organisations, there are a few critical principles to follow.

Start small

Don't try to boil the ocean. Get a proof-of-value (POV) going in a discrete area of the business where a successful model can be established and value measured. Once you've got something that works, *then* begin to scale

This is really cool tech and it's easy to get lost in the science

and forget that this is about enabling better business outcomes. Define success at each stage, measure it, replay the business value, repeat

Make it measurable

Pivot and experiment

Don't nail your colours to the wall before you have proved the concept. Keep your roadmap flexible so you can experiment and pivot in response to outcomes

Go cloud-native

Don't try to custom-build your entire data platform. Use cloud-native tools for 80% of your needs to get the ball rolling. If you must then use more bespoke tools to fill in the gaps, but these should be the icing on the cake, not the cake itself! Mesh-AI is a global consultancy that uses data, machine learning and artificial intelligence to deliver transformative outcomes for enterprise organisations.

Our Services



Advisory & Consulting

Data is your competitive advantage. We work with you to understand your strategic business objectives, quickly understand your current state and define an actionable strategy that turns data into measurable business value.



Data Engineering

Make your data work for you. We partner with you to solve complex business problems with data, through modern engineering tools and practices at scale.



BI & Analytics

Turn your data into valuable business insights. We help you to build out a powerful analytics engine so you can transform information into businesscritical intelligence.



AI & ML

Go further with your data and discover the benefits from advanced AI. We collaborate with you to build upon your data foundations to point AI and ML capabilities at your most pressing business opportunities.



AI Enabled Applications

Smart applications can improve both the customer experience and the performance of your company. We create, construct, and run AI enabled smart applications that transform your machine learning insights into actionable results.



Data Mesh

Unlock enterprise data agility at scale with data mesh - a new approach to designing and developing a highly decentralised data architecture, allowing you to streamline existing centralised practices to access the data you need, when you need it at scale.



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