

Succeeding with AI

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Machine Learning & Quantum Technologies, NewTech, KPMG

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Agenda

01 Introduction

02 Putting AI in everything you do

03 Implementing AI in reality

04 Knowledge sharing: AI pain points

05 Succeeding with AI

Lars Bonde

Senior Manager KPMG NewTech

Jepppe Buur

Consultant KPMG NewTech



Studied mathematics & computation at DTU

Studied communication and IT at KU

Founded start-up with data & AI core

Lead AI implementation in global ERP program

Built Data Science competency at global enterprise

Rolled out LLM solution in global enterprise

Advising on AI and leading AI projects at KPMG

Designing NewTech driven processes at KPMG

NewTech is using AI to change the way organisations work



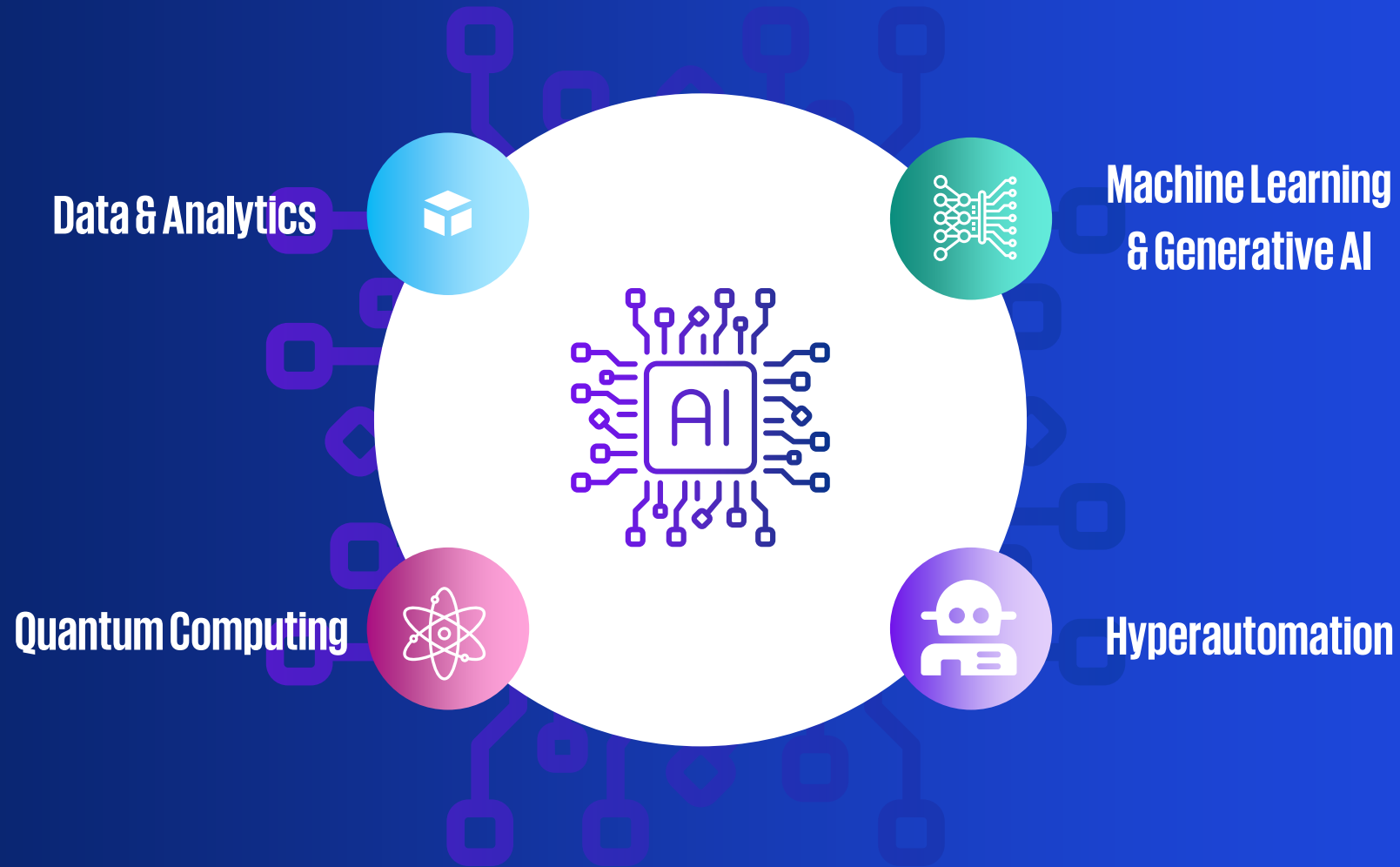
**NewTech AI
Implementation**

**NewTech
Software**

**NewTech
Strategy**

**NewTech
Education**

We work in four distinct areas of new technology



The most valuable companies in the world are AI centered

 Meta

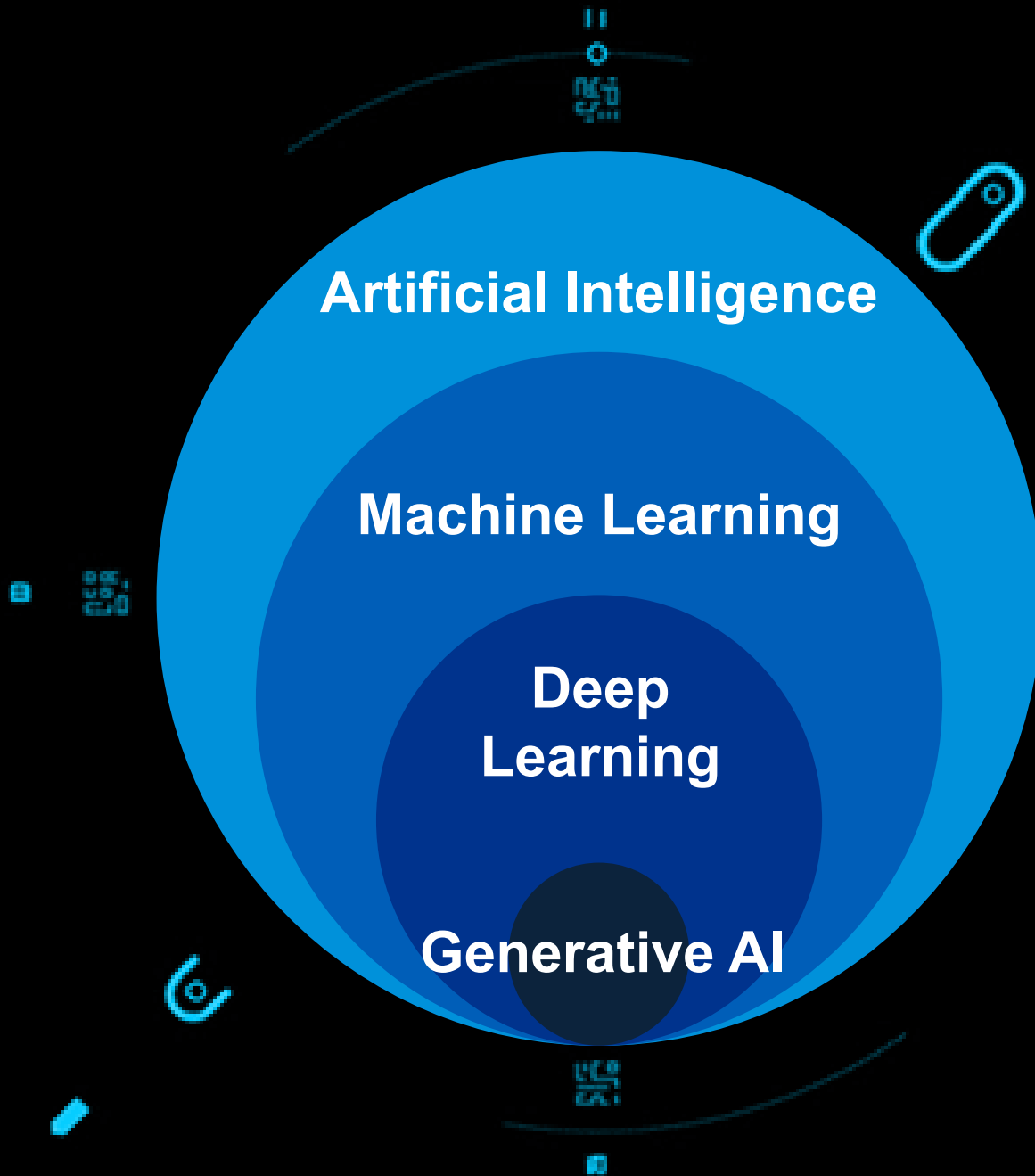
Alphabet

 NVIDIA

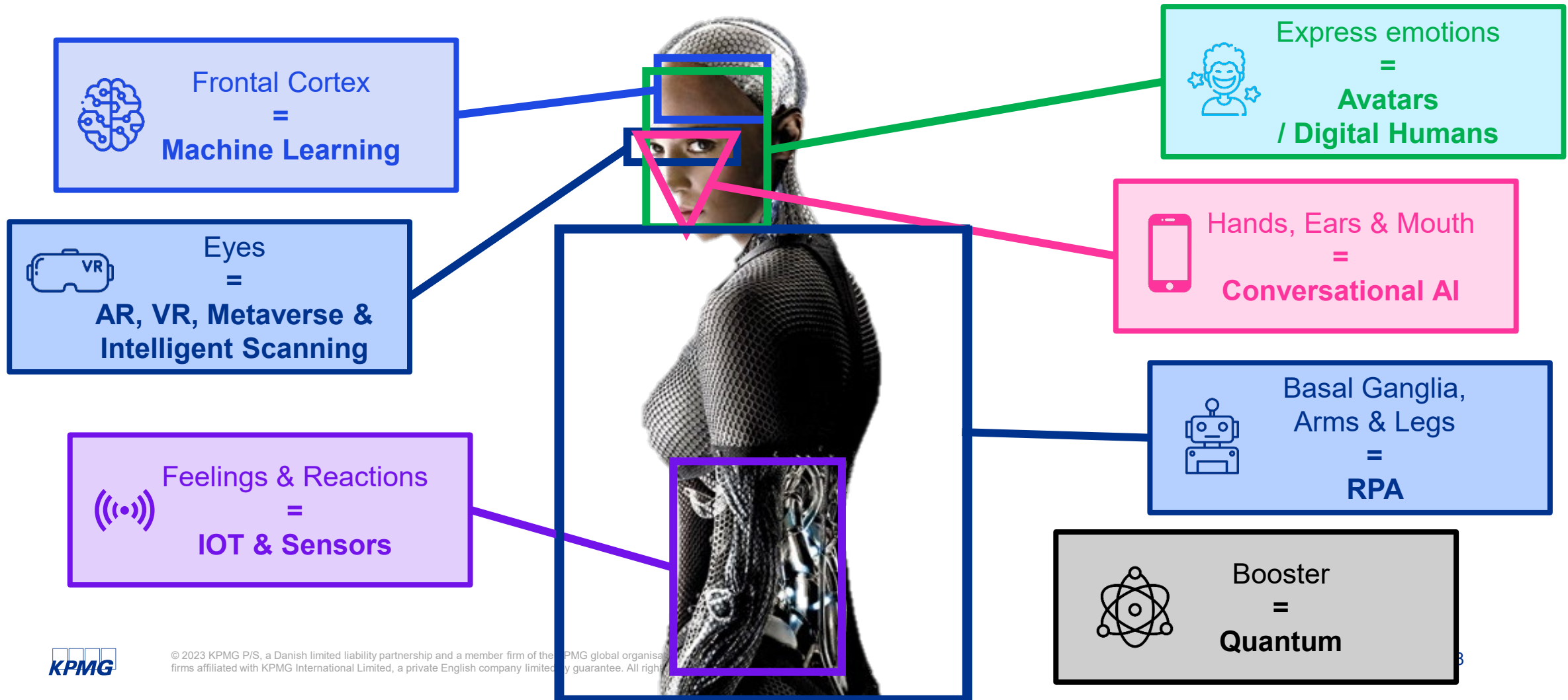
 Microsoft

 amazon.com[®]

Let's start by separating
the layers in Artificial
intelligence

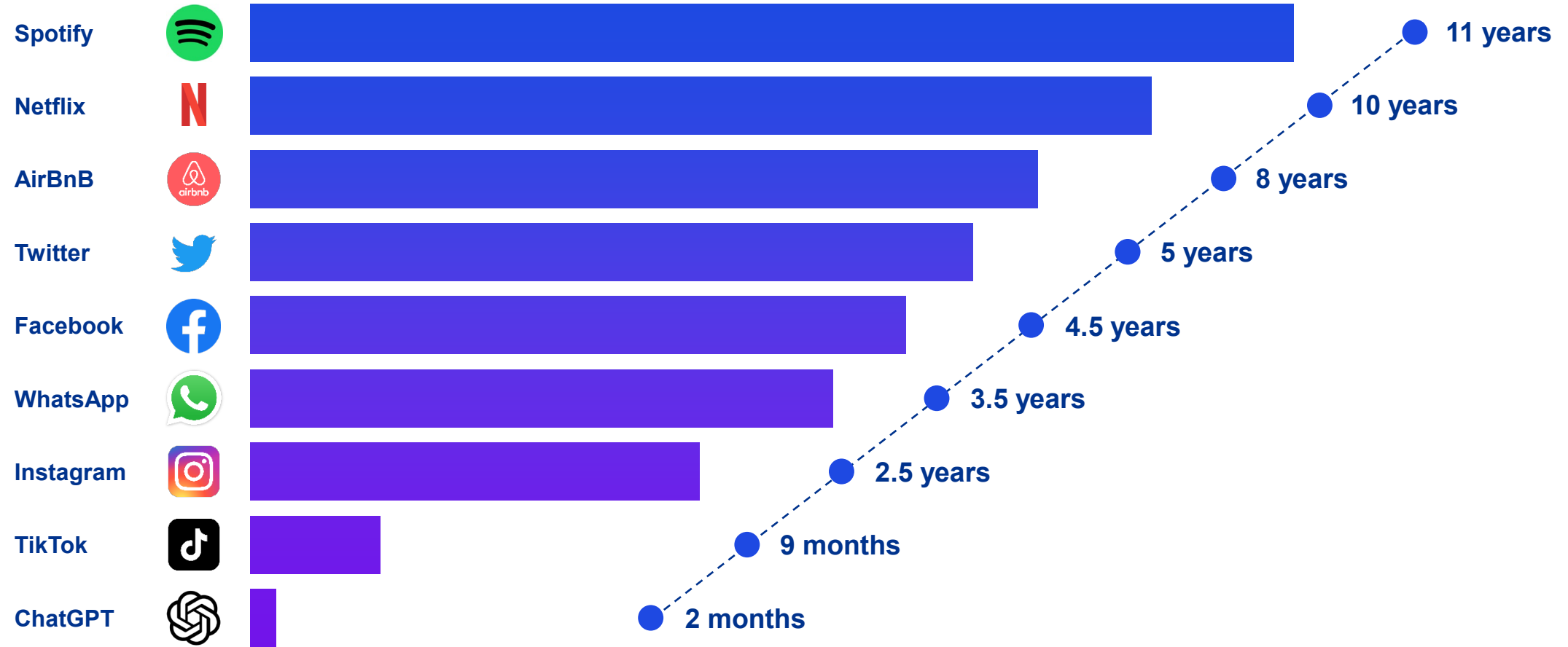


The world will be tech driven, not human driven, through AI



Adoption rate of new platforms and applications has risen significantly over the past decade

Time to reach 100 million users



"AI has hacked the operating system of human civilisation"

- Yuval Harrari



Putting AI in everything you do



The operating model is changing from people based to AI based – from experience to data driven



Value delivery

Operating model



Scale

Zero marginal cost and network effects



Scope

Aggregation and modularity across markets



Learning

Constant innovation and AI-driven improvement

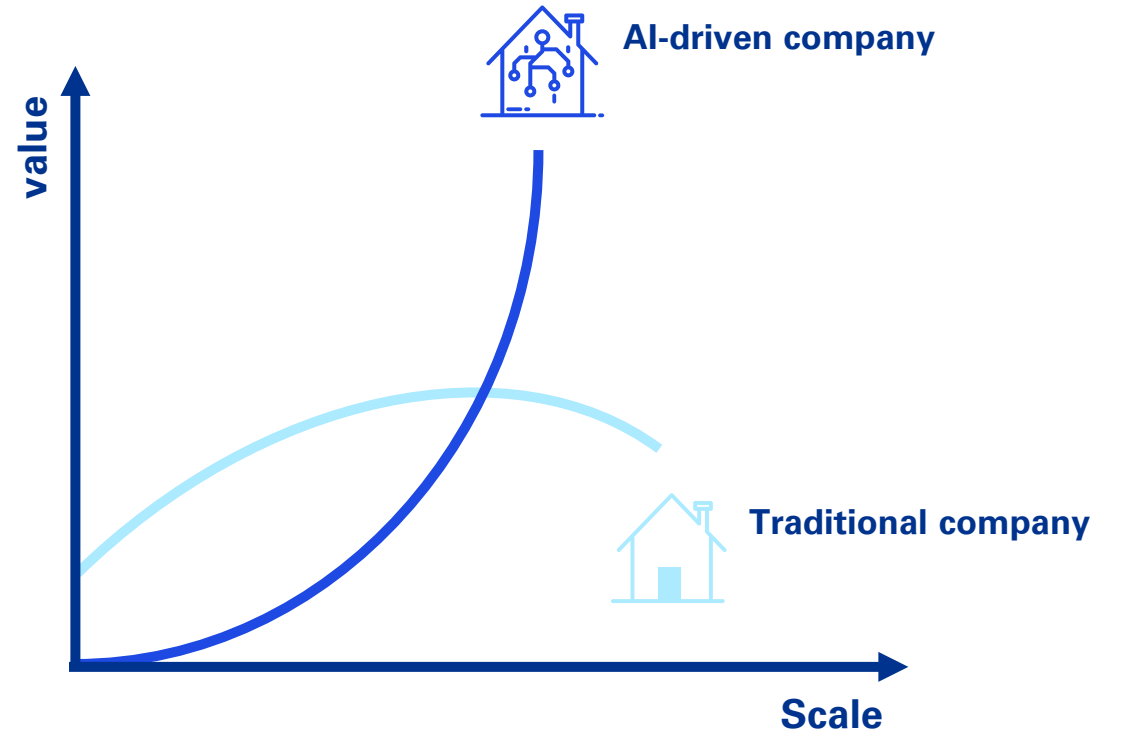


AI-driven processes can be scaled up much more rapidly than traditional processes, allowing for a much greater scope.

Iansiti & Lakhani (2020) Competing in the Age of AI, Harvard Business Review Press

... The goal is to become a data-driven, zero-cost-of-scale company

By utilising an operating model that is driven by AI, it will be easier and faster to scale and therefore also ensure that value gets delivered in real-time. This will allow AI-driven companies to outperform traditional companies.



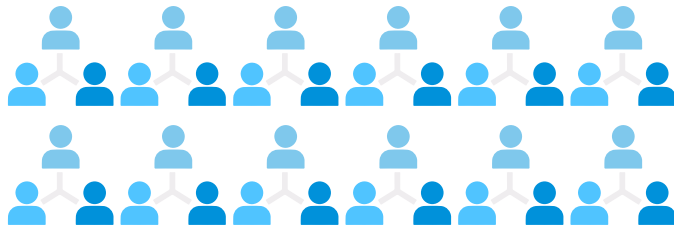
Iansiti & Lakhani (2020) Competing in the Age of AI, Harvard Business Review Press

NewPractice ensures flexible and scalable processes

As-is (human based)

- Move to low labour cost
- Know-how tied to individuals
- Coordination cost expands with scale

Current workforce: transactional

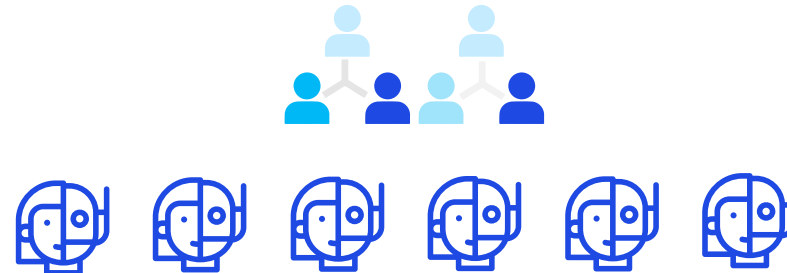


IT systems

To-be (tech based)

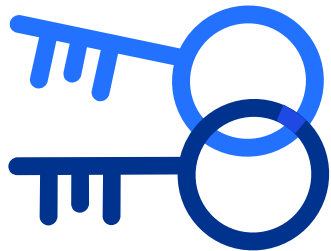
- Low transaction cost vs human
- Full control and know-how
- “Zero” cost of scale

**Future workforce: humans (monitoring),
tech (transactional)**



IT systems

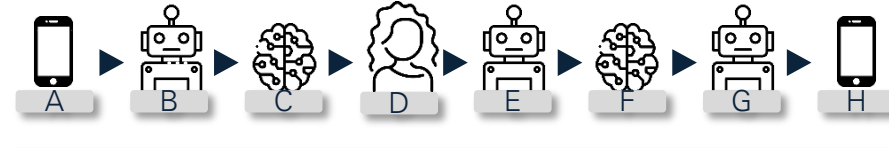
NewPractice is key to create AI driven processes



As-is

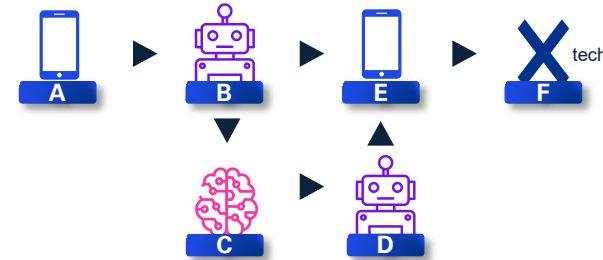


Best Practice



5-15%
Automation

NewPractice



30-100%
Automation



Implementing AI in reality

KPMG



Data maturity levels of being data driven

Artificial Intelligence

Business Intelligence

01 Descriptive analytics

Observations and reporting on what happened.



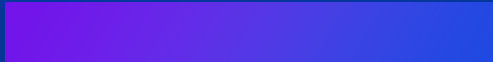
02 Predictive analytics

Using data to predict decisions, test scenarios and find weaknesses for the business.



03 Prescriptive analytics

When data itself prescribes what should be done.



Reactive

Proactive



How to move up the data maturity ladder?



Building supporting infrastructure & operating models iteratively



Use case driven change for anchoring and business buy-in



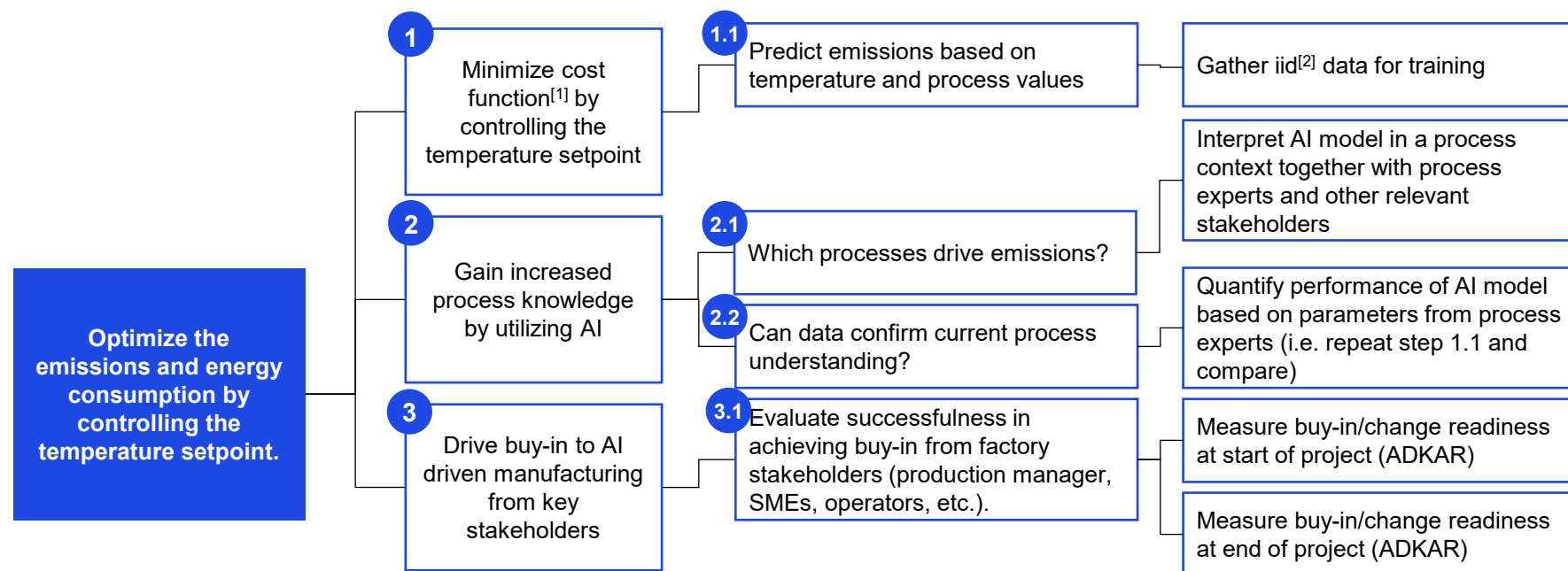
Executive training and alignment down the organization

Learning to crawl



so you can walk

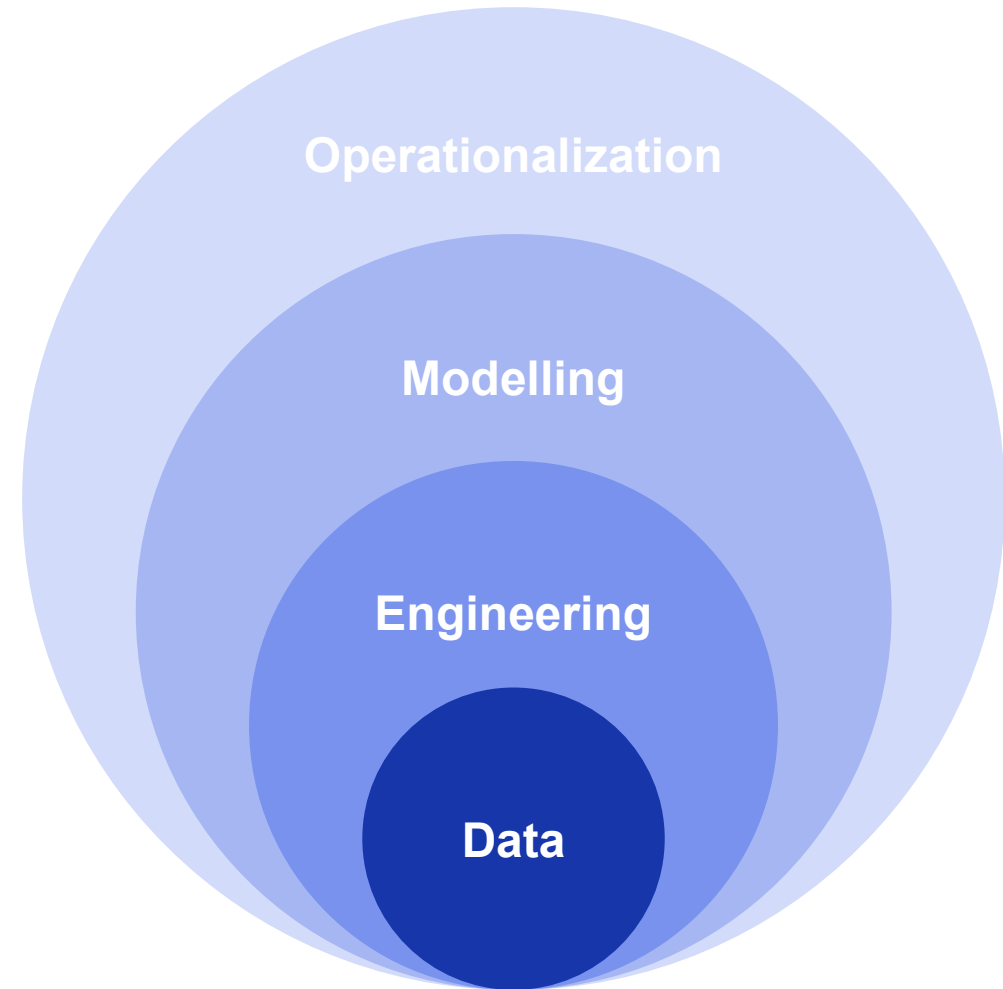
Breaking the main objective into secondary objectives highlights complexity and secondary value drivers



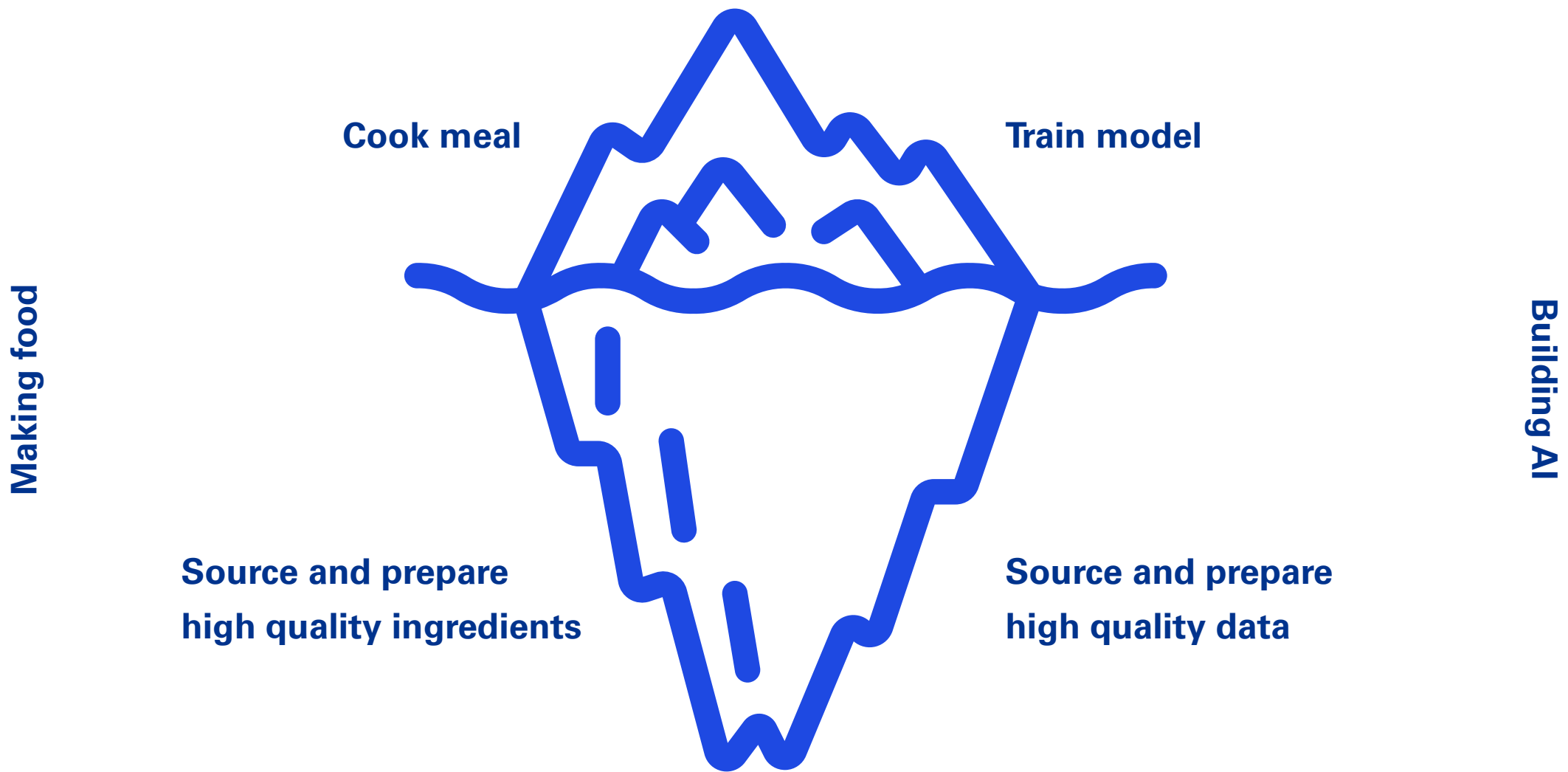
[1] $cost(x) = \alpha_{energy}energy + \alpha_1compound_1 + \alpha_2compound_2 + \dots + \alpha_ncompound_n$

[2] iid: Independent and identically distributed

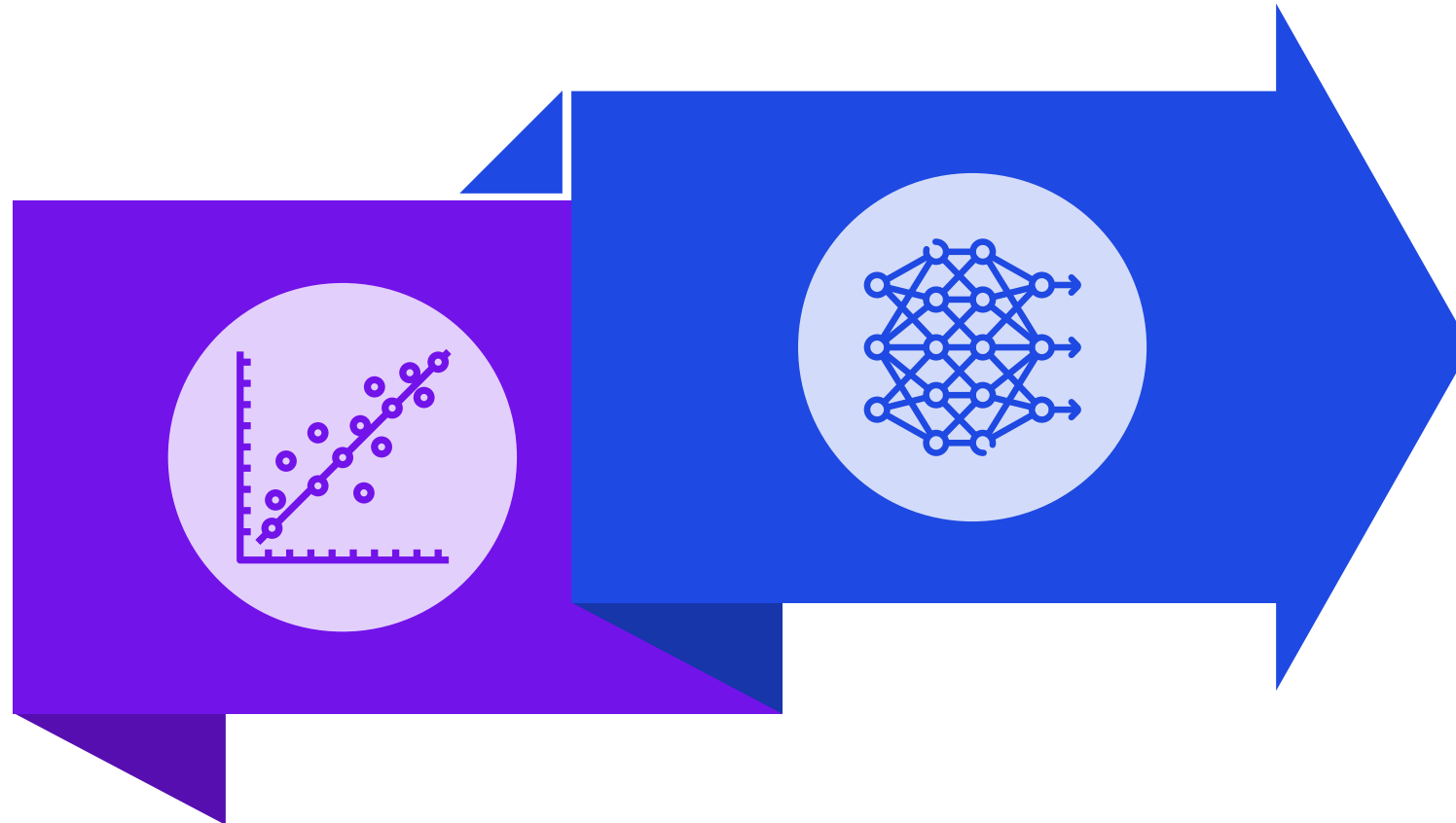
Data is the core of all AI solutions



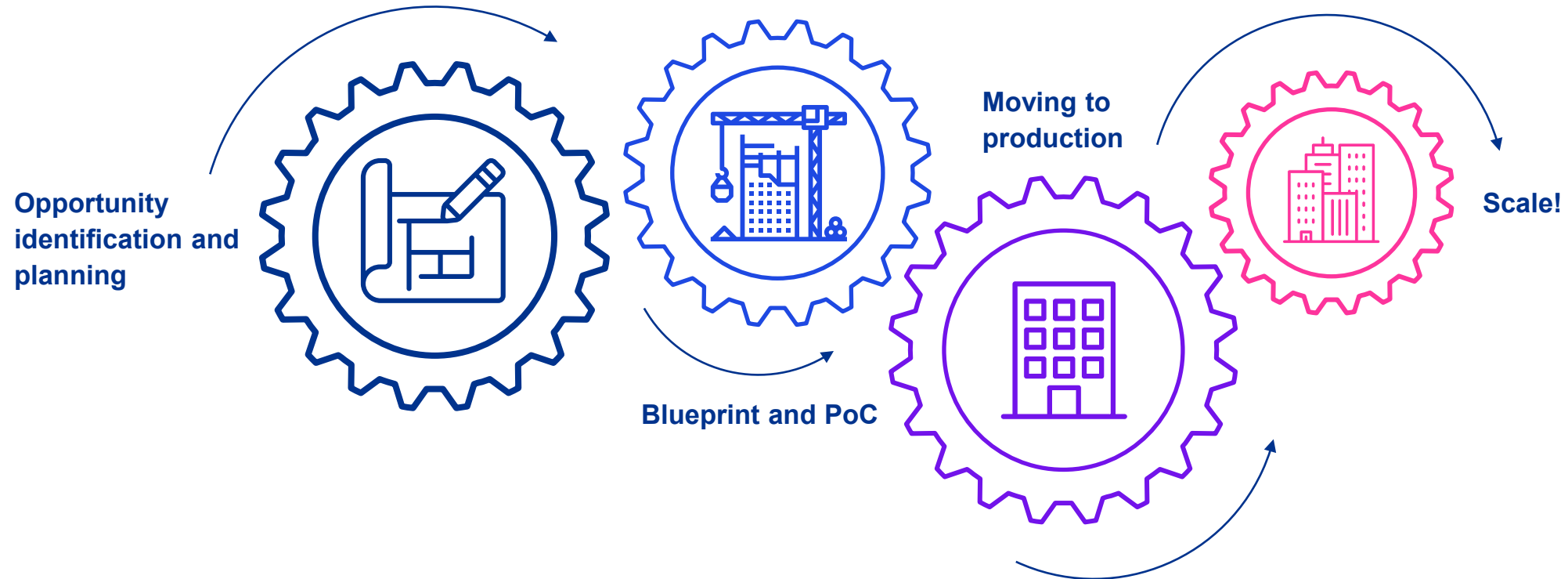
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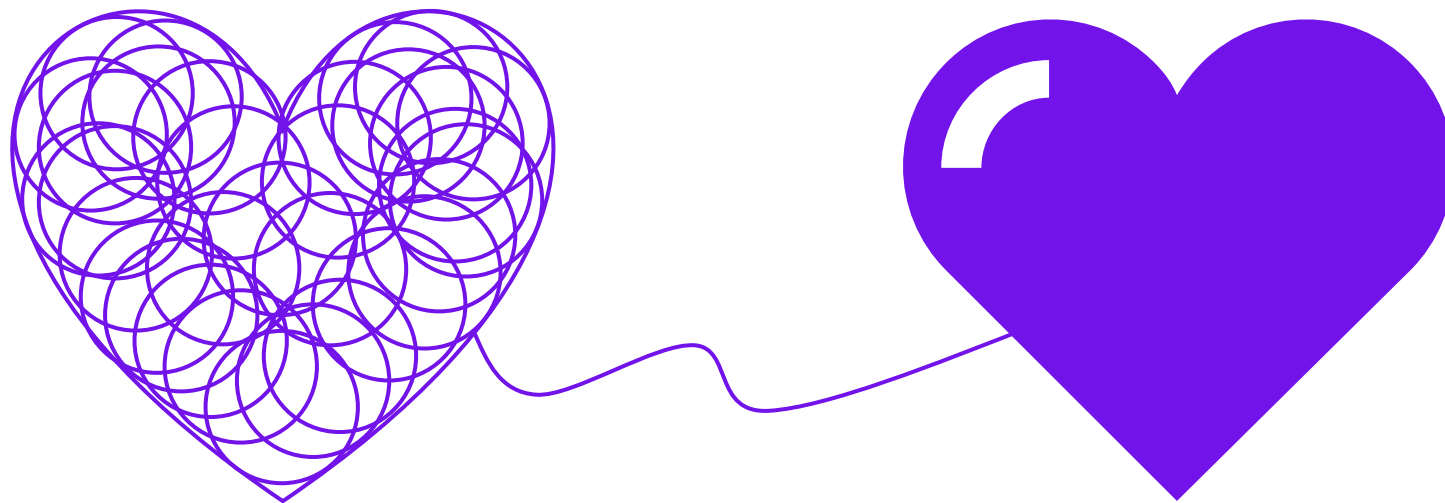
Choosing the appropriate level of complexity to increase probability of success



Moving from idea to scaled operations requires the right capabilities for multiple phases



**Fall in love with the
problem, not the
solution**



Knowledge sharing: AI pain points



Identify AI pain points

Timings
2 min silent brain storm or brain storm in groups
5 -10 min discussion of pain points

1 Identify potential pain-points different areas of the company/division



2 Give them a score and prioritize your identified pain-points



3 Discussion of cases



BREAK

Succeeding with AI

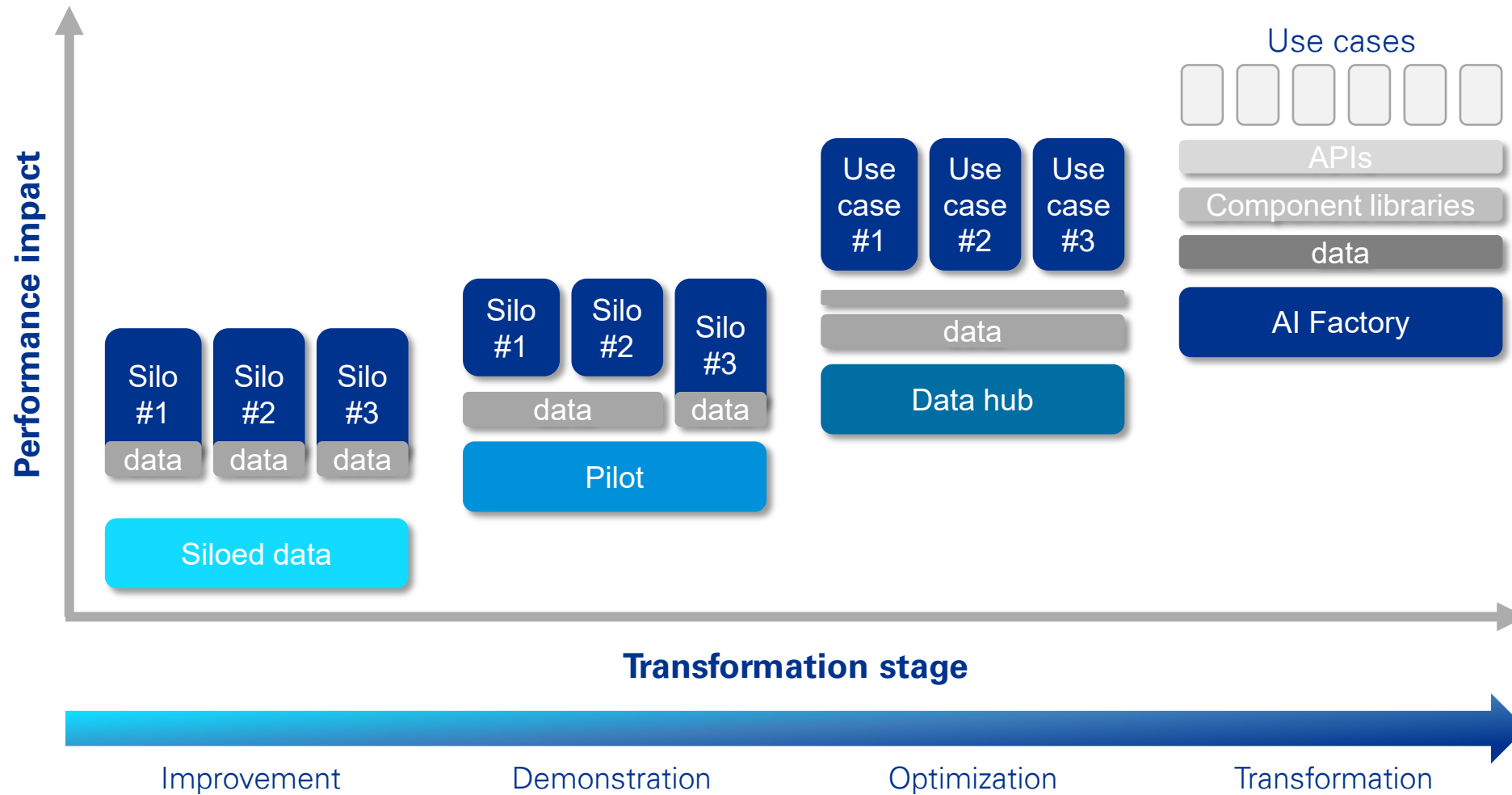
KPMG



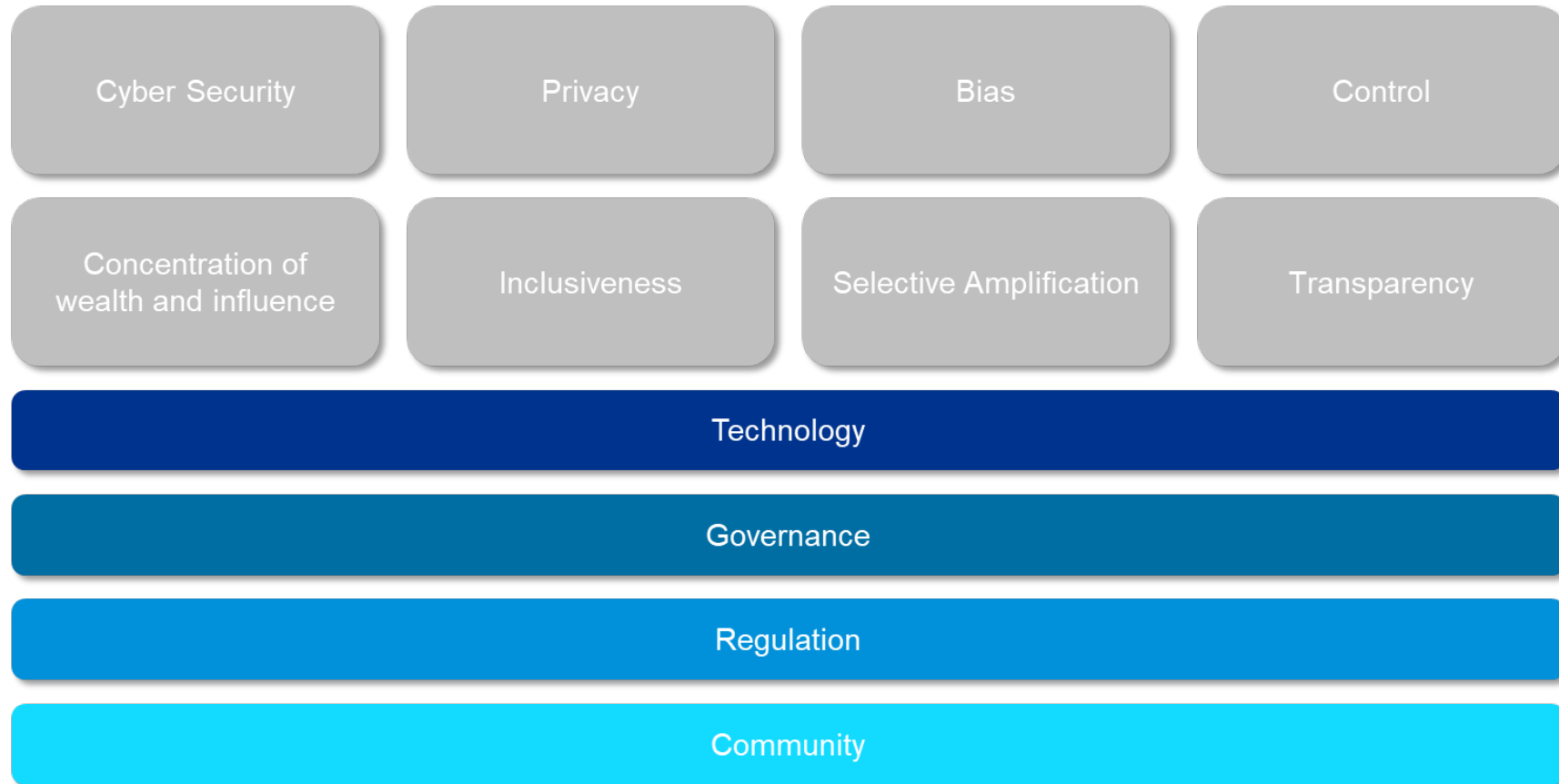
Building an operating model for an effective data organization



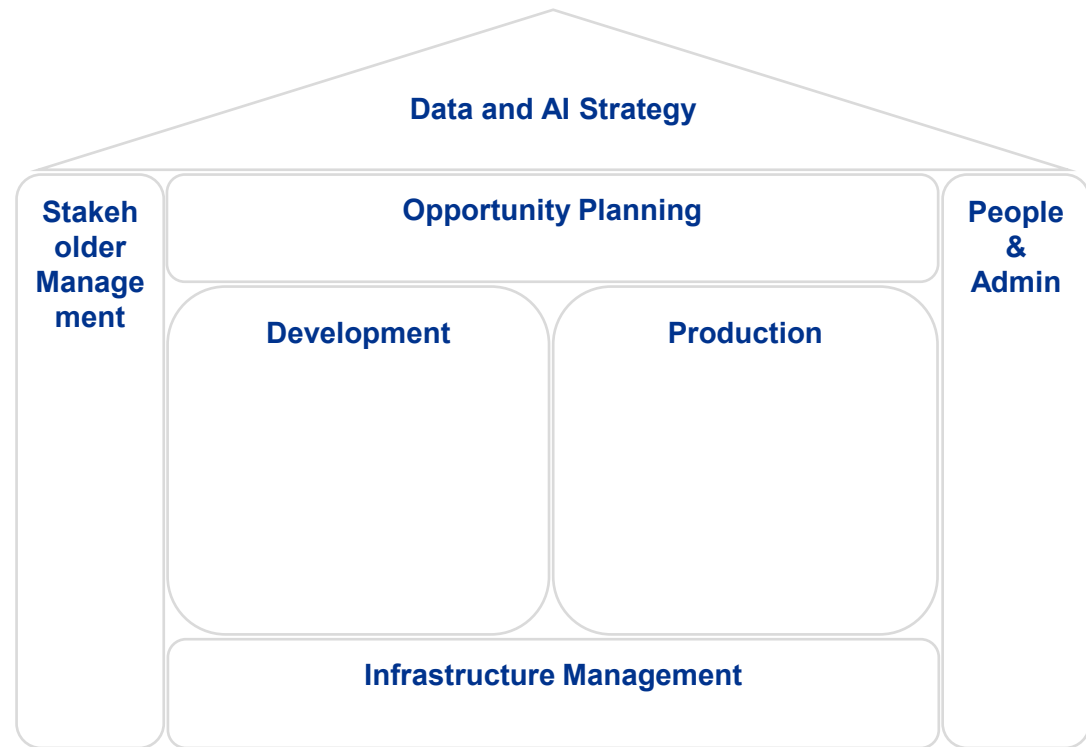
Transforming the operating model is a multi-step journey



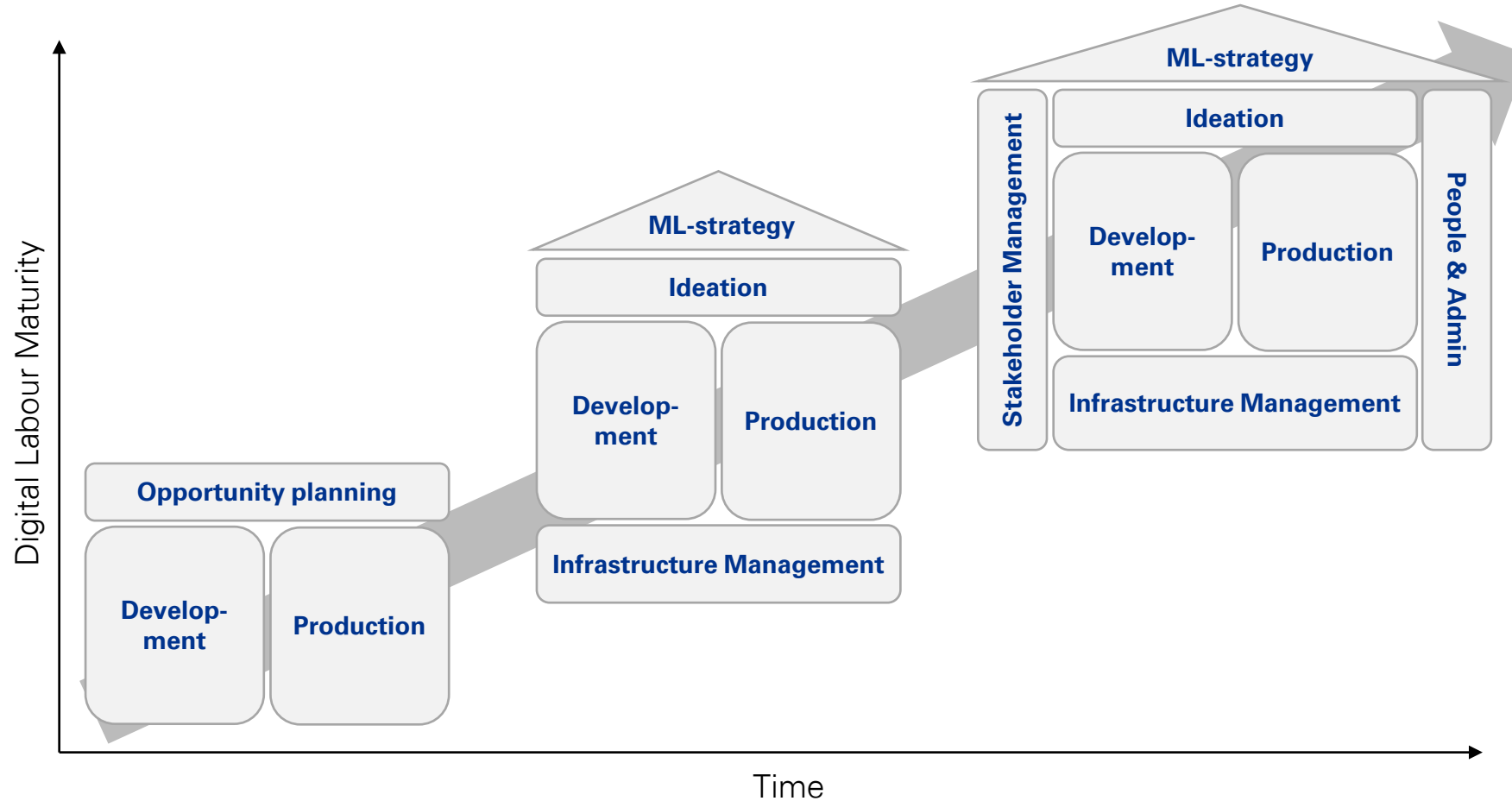
With a digitized firm comes new responsibilities



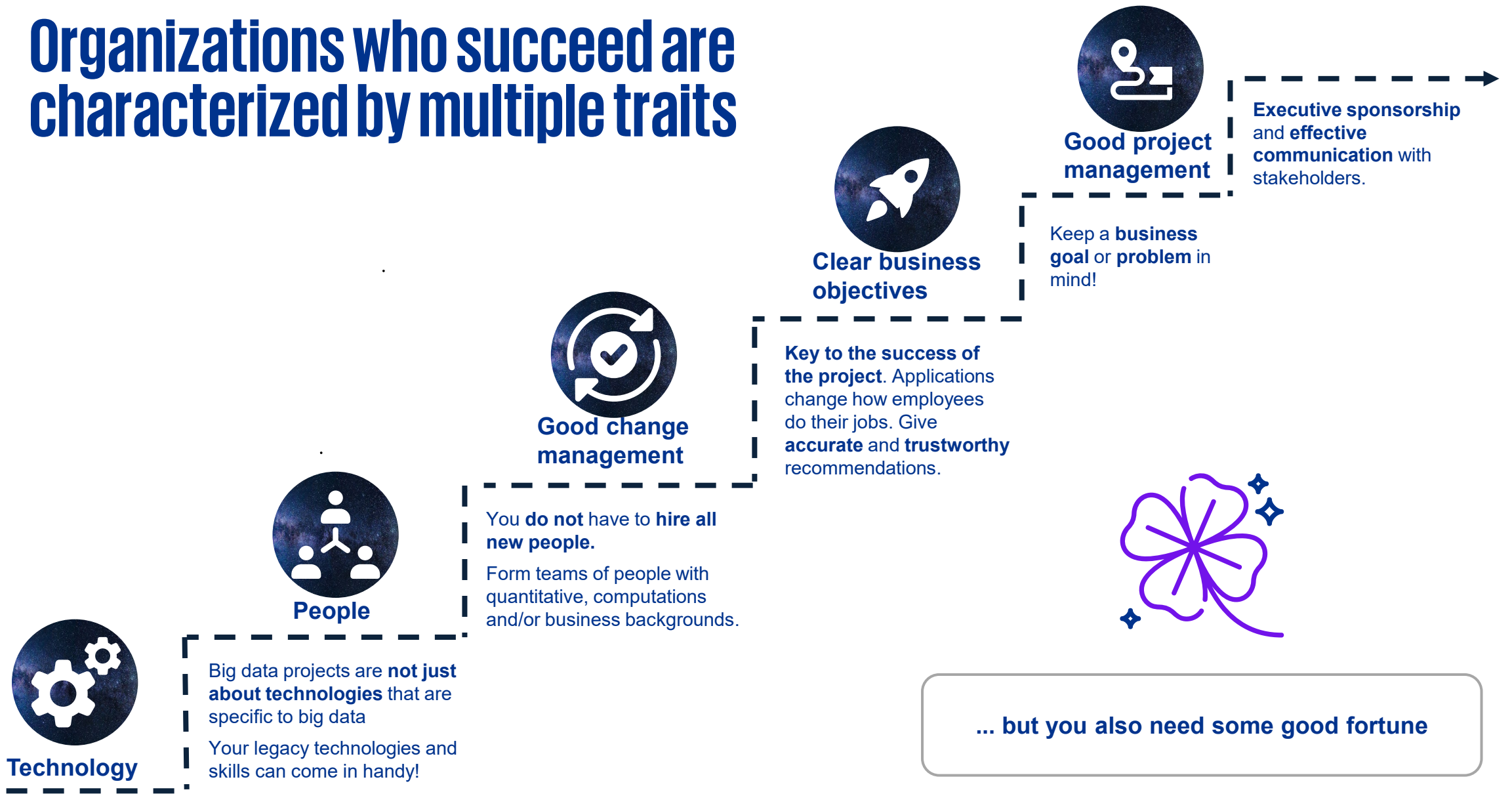
This house is what is needed for an effective operating of a data organization



Gradually implementing the operating model



Organizations who succeed are characterized by multiple traits



TAKEAWAYS

Three key take-aways from today



Data quality is fundamental to succeed with AI



Fall in love with the problem, not the solution

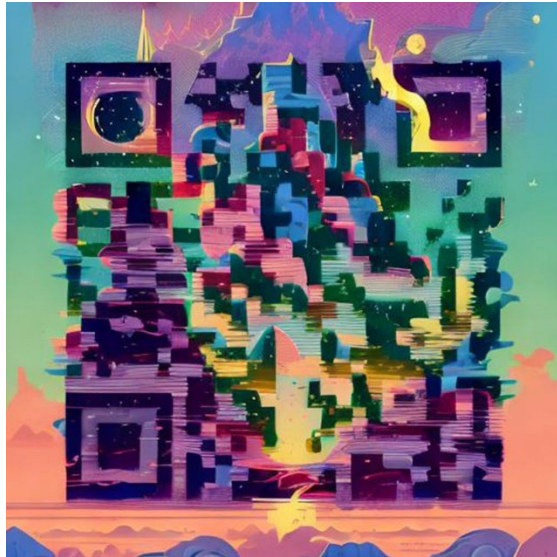


The AI transformation is a multi-step journey

Q&A

Thank you for your attention!

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Lars Bonde



Connect with me on LinkedIn



Jepppe Buur



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