

Conversational AI Opportunity

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Hi it's Rob Llewellyn here and welcome to episode nine of transformation management. Thank you so much for joining me today. As always, I'm going to do my best to help you get better equipped to manage and lead transformation.

In this episode I want to talk about the rise of conversational artificial intelligence and how we're on the cusp of an explosion in its adoption by transformational companies.

Voice as an interface liberates us from the toils of typing and reading. The way we currently interact with computers, other devices and the internet will soon become as antiquated as the idea now, of going the library to find information.

Powered by artificial intelligence, voice solutions such as Amazon's Alexa are already providing the brain behind tens of millions of devices across the planet. And forward-thinking companies are already enabling their customers to control smart devices such as door locks, cameras, entertainment systems, thermostats, and lighting. This technology can enable companies to perform highly personalised interactions with colossal numbers of individual customers.

While most AI-related innovation has been in consumer-grade technologies, the companies that become early adopters of conversational AI will be giving themselves a head-start over their competition. New voice applications and platforms are really set to fire up the AI revolution inside forward-thinking enterprises.

Amazon, Tencent, Google, IBM, Microsoft and others have been investing in and developing AI technologies for years, but they and innovative start-ups (some of which the big players acquire) are the innovators. And the rest of us are easily able to take advantage of the tremendous opportunities that these pioneers create for us.

Conversational AI can fundamentally transform an organisation. It provides more ways of communicating with customers, while facilitating stronger interactions and greater engagement. While the term "conversational AI" might sound cool, ultimately it all boils down to how you're able to innovate and take advantage of it for your business, customers and workforce.

Conversational AI is a set of technologies that enable computers to simulate real conversations. It's a subfield of artificial intelligence focused on producing natural and seamless conversations between humans and computers. And it enables people to

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communicate with applications, websites and devices in everyday, humanlike language.

For users it allows fast interaction using their own words and terminology. And for enterprises it offers a way to build a closer connection with customers through personalised interaction and receive rich business information in return. Conversational AI provides companies with a direct line to communicating with and understanding their customers.

With two of the world's digital economy pioneers powering this shift - namely Amazon and Google - smart people are acknowledging the potential of conversational AI for both their careers and the companies they work with, and they're learning about it fast. They're the early adopters, who in a few years from now, will be ahead of the crowd in one of the most powerful emerging technologies of our time.

With around 100 million smart speakers already in use, analysts at Canalys predict the market will more than double again to hit 225 million units by next year. They also suggest that Amazon devices make up 50% of the share, with Google having 30%, and Apple trailing behind with just 4%.

But from the solo entrepreneur to large multi-nationals, the ability to connect products and services to customers using the solutions that Amazon Alexa, Google Home, and others make available, is both easy and affordable. It's another powerful way to increase customer awareness and engagement.

Millions of people are experimenting with speech-based assistants, which means that speech-based platforms are rapidly displacing traditional web and mobile apps to become the new medium for interactive conversations.

These days, many of us expect 24x7 access to online stores, along with personalised customer support available instantly and on-demand. Advances in Natural Language Understanding and other AI technologies like machine learning are creating digital transformation opportunities that enable us to do just that.

Conversational AI enables organisations to build transformational voice-based solutions for customer service, digital commerce, and much more. You can lower costs of customer service, improve customer satisfaction and loyalty, and increase employee productivity and satisfaction. In short, with Conversational AI, you can boost your revenue streams, improve the customer experience on all sorts of devices and enhance operating margins across the enterprise.

This means being there for the user whenever they look for you, and that's the key! How can you be sure you're there at all times and especially when it matters most to the customer?

Consumers are already using conversational AI platforms in place of email, phone calls and face-to-face communication to talk with family and friends. Younger people, in particular, tend to prefer messaging over other forms of communication. Messaging-based apps are the new mobile home page, particularly for millennials. And early adopter consumers are already using voice interfaces to make purchases. It's easier, less intrusive and quicker than using older communication channels.

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For Business, Conversational AI will change every aspect of when, where and how you engage and communicate with your customers. You need to be able to hold seamless conversations with consumers across whatever channel they happen to be using at the time, no matter where they are. And those conversations could be short one-off requests or responses. Or they could be part of a longer and more elaborate engagement with the customer.

It's not just a chance for companies to differentiate themselves in a crowded marketplace, but it also provides an incredible opportunity to acquire valuable data about the voice of the customer. To understand what customers are looking for, to engage with them on any device or service, and to deliver a personalised service to every customer. Not just to high-value customers.

Gartner predicts that by 2020, customers will manage 85% of their relationship with an enterprise without interacting with a human. And while the glass-half-empty brigade will be quick to point out that accuracy is currently a challenge in this space, let's not forget that all technology takes time to mature. And as with all technology that's now widely adopted, Conversational AI will become an integral part of business in the not too distant future. At least for those businesses that'll still exist then.

Gartner has also said; “Conversational AI-first” will supersede "cloud-first, mobile-first" as the most important, high-level imperative for the next 10 years.

While tech titans like Apple, Amazon, and Google are engaged in the conversational AI race, the opportunity for the majority of large and small businesses to take advantage of the brilliance of these titans is tremendous. And the only thing that stands in the way of that is the mindset of corporate decision makers.

Of course, as with many technologies, data privacy and security are important considerations for conversational artificial intelligence. But that's now as commonly understood as the need to secure and insure the homes we live in. It goes without saying, although as with home security, some take it more seriously than others.

Let's consider some of the simple use cases that companies could take inspiration from, to dip their toe into the world of Conversational AI. To do that I'm going to talk about some of the opportunities that Amazon Alexa already makes available.

Meetings make up a lot of many peoples' working week, but from booking a meeting room to getting conferencing equipment to work, the experience can be frustrating and a time-waster for everyone.

Alexa for Business simplifies meeting rooms for your employees and works with your existing conference room equipment. You can use Alexa to book a room by saying “Alexa, is this room free?”, and “Alexa, book this room”. You can instantly start your meetings by saying “Alexa, join my meeting”. And you can use Alexa devices instead of speaker phones in small conference rooms.

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It'll make the way many people book meeting rooms and run meetings these days become an inconvenience of the past.

Alexa also lets your employees be more productive throughout their day. It can manage schedules, keep track of to-do lists, and set reminders. It can schedule one-to-one meetings between colleagues, move and cancel meetings, and dial into conference calls, so people can stay focused on more important tasks whether at home, at work, or on the go.

You can build custom skills that add a voice interface to applications such as Salesforce, ServiceNow, or any of your custom apps and services, and create rich, personalised voice experiences that redefine the way employees get work done.

And imagine giving Alexa access to your team's Jira application in projects. It can easily read out items due today, and items closed yesterday, etc.

If you're in vendor management, you'll typically be working with different vendors on a day-to-day basis. With voice technology ordering supplies, setting up cleaning schedules, receiving or sending invoices, etc. could all be triggered by an effortless "Alexa, order 500 Nespresso capsules".

This is really just scratching the surface. Within three to five years, advances in AI will make the conversational capabilities far more sophisticated, which will pave the way for new ways to transform how companies do business - both internally with their workforce and externally with customers.

Around 21% of over 18s in the U.S. now own a Smart Speaker, and like me, more than 30% have three in their home. And during 2019, smart speaker users in the UK are expected to grow by over 31% to 12.6 million.

While many of Alexa's tens of thousands of skills are around fun and games, the possibilities of a voice interface attached to the free web allows the imagination of to run wild. For innovators, it's one of the most exciting playgrounds of our time.

As professor Everett Rogers taught us in his "Diffusion of Innovations" theory, there are innovators, early adopters, the early majority, late majority and the laggards. Which group will you be part of for conversational artificial intelligence?

Enterprise architecture, business, technology, innovation leaders would be wise to prepare for Conversational AI and the significant new business opportunities and challenges it'll present.

Ford has integrated Amazon Alexa in its newer cars, allowing drivers to do things like check tire pressure, and fuel levels from their homes.

Starbucks uses 'My Starbucks Barista' which allows customers to order and pay for their food and drinks by speaking.

And there are many other examples of how forward-thinking companies are already taking advantaging of Conversational AI.

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Many companies are still struggling with cloud and mobile, and they'll find themselves fall even further behind if they fail to participate in Conversational AI, which is likely to be one of the most significant platform paradigm shifts of the decade.

So how can you integrate your products and services with conversational AI?
How can you exploit the data generated from conversational AI?
How can you improve operational excellence with conversational AI?
How can you enhance your workforce performance and satisfaction with conversational AI?
How can you satisfy your customers with conversational AI?
And how can you create new business models using conversational AI?

To implement conversational AI, you'll need to redesign your customer experiences around two-way natural language dialogue, which helps foster a better relationship with the user. And it'll typically involve a blend of technologies such as speech recognition, natural language processing, chatbots and artificial intelligence.

There's a lot to consider, with new ways of thinking and innovating. But adopting this Conversational AI is neither difficult or expensive. I've already done it myself.

I appreciate you listening, and here's a quote to finish off the day from Jeff Bezos.

"We're at the beginning of a golden age of AI. Recent advancements have already led to invention that previously lived in the realm of science fiction—and we've only scratched the surface of what's possible."

I hope you enjoyed this episode. Thanks for listening - Take care and I'll catch you in the next episode of transformation management. Bye.