

CAPITALISING ON ARTIFICIAL INTELLIGENCE

Businesses must embrace digital transformation; it would help reduce costs, and secure better profit margins

SHAQIB Shaik is a software engineer at Microsoft. He is blind. His artificial intelligence (AI)-driven mobile phone that he helped develop, is able to read out loud a menu sheet as it hovers over the menu. His AI-powered sunglasses, another of his invention, enables him to receive an audio commentary of the scenes observed through the glasses.

We have AI helping Indonesia map out flood-prone areas even as AI helps the UAE to predict inclement sand storms. AI helped Mexico City map out its hitherto uncharted web of bus routes. Watson, the IBM's supercomputer, helps diagnose and prescribe treatment for cancer at an accuracy unbeaten by human minds. Driverless cars will be soon be a reality, if not already. AI has integrated every aspect of an enterprise's value chain. Welcome to the world of artificial intelligence!

AI, augmented reality, quantum computing, big data analytics and the Internet of Things will bring extraordinary benefits to those who harness them. In five years, digital products will comprise half of Southeast Asia's output as against their current minuscule contribution of six per cent. This is emblematic of the speed of digital transformation that is sweeping across the globe in the ever-evolving industrial revolution that has swept the world since the first in the late 18th century.

From smart manufacturing in the United States and Japan, to China's vision of becoming the innovation centre of AI by 2030, and India's goal of becoming a global scientific power by 2022, countries around the world are rushing to embrace this inexorable march of Industry 4.0. Malaysia, too, has joined in on the bandwagon, but, much more can be done.

Our businesses must embrace digital transformation if they are

to remain relevant in this fast-paced globalised markets. Going digital will enable companies to reduce costs. As much as 4 per cent per year cost-savings can be secured as digital technology increases operational efficiency. Better profit margins, customer loyalty and development of new products are the other benefits from going digital. Is it any wonder then that Amazon deploys over 40,000 robots in its warehouses compared to a very small number five years ago?

The 2018 Microsoft Asia Digital Transformation Study estimates that over the next three years Malaysia would post at least a 20 per cent increase in benefits from digital transformation. Here are some strategies that government and businesses can execute to ensure that leap in benefits.

First, the government must upgrade the digital ecosystem by creating a conducive environment for innovation and digitisation. Legislation fit for the digital world must be enacted. The ecosystem upgrade must make available venture capital and incubators for entrepreneurs. The 2017 Survey by UK's Cable Co. ranked Malaysia 63rd among 189 countries for broadband speed. This calls for an upgrade of the telecommunications infrastructure.

Partnerships forged between the government, industry, universities and technology suppliers will further strengthen the digital architecture. Germany, for example, establishes new bodies and partnerships to support its digital economy. MDEC should help small medium enterprises (SMEs) and start ups to use digital technology to solve their business problems. Even better if SMEs enter into joint-ventures or partnerships with technology companies.

Advanced countries including China spend at least 2 per cent of



Workers at a furniture manufacturing company. Going digital can help increase efficiency and companies can save costs as much as four per cent per year. PIC BY SYARAFIQ ABD SAMAD

their gross domestic product to fund research and development. China provides support for robotics companies. We should double our research and development expenditures to the levels spent by advanced countries.

Second, develop future-ready skills. The government should redesign the education system to produce a future-ready workforce. Skills in critical thinking, complex problem solving and creativity will fetch a high premium in 4IR. The integrated teaching of science, technology, engineering and mathematics should be vigorously pursued to fuel innovation. Schools should have inexpensive access to technology and learning tools to develop skills in digital technology. As in Germany and Switzerland, technical and vocational training should be reoriented to imparting skills in digital technology.

Third, businesses should create a digital culture and structure that eliminate silos for greater agility and collaboration within and without. They must have a dedicated unit to drive the digitalisation processes. Businesses should align their structure, resources, strategy and metrics in

their transformation drive. And, they should attract and retain key digital talent for that purpose.

Fourth, organisations should build data management systems to utilise the mountains of data generated within and by customers. Data analysis will offer insights and patterns for the development of new products.

Fifth, go for an incremental approach. Easy, quick wins from adopting digital technology will snowball into a bigger digital transformation.

Mark Zuckerberg says: "AI is going to make our lives better." Shakespeare, in his Julius Caesar play, made a plea for exploiting change: "There is a tide in the affairs of men, which, taken at the flood, leads on to fortune; omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat, and we must take the current when it serves, or lose our ventures."

The time to go for it is now.

johnouk@um.edu.my

The writer, a former public servant, is a distinguished fellow at the Graduate School of Business, Universiti Kebangsaan Malaysia



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