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THE INTELLIGENT ENTERPRISE

5 Actions to Achieve Your AI Ambitions

Guidance for BFSI Tech Leaders

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From Intentions to Results

The Financial Services industry can benefit greatly from leveraging Data and AI technologies to enhance client value and innovation. BFSI organisations want to deliver AI-driven outcomes.

However, many AI projects fail to deliver long-term business value. Leaders in the industry must overcome challenges such as

- Converting proofs of concept to scalable implementations
- Deploying end-to-end AI and Data strategies
- Evolving business requirements
- Responding to emerging trends such as Generative AI.

As a technology leader in BFSI, here are 5 ways you can help deliver on your organisation's AI ambitions.

BFSI ORGANISATIONS ARE LOOKING TO BENEFIT WITH AI

87%
Enhancing Customer Experiences

80%
Process Automation Across Operations

50%
Improved Fraud Detection Capabilities

Source: Ecosystm Digital Enterprise Study, 2023

#1

Think in Terms of Outcomes, Not Use Cases

BFSI organisations have limitless opportunities with AI, and this potential is constrained more by a lack of imagination, than by technology. Industry leaders often restrict themselves by only considering existing use cases to evaluate where AI can bring benefits for their organisations.

To truly disrupt and stay ahead of the curve, it's crucial to think beyond these use cases. A strategic approach ensures that the outcomes expected from AI deployments are intrinsically linked with the organisation's overall business objectives.

A collaborative approach that involves both business and technology leaders in the strategic planning process can lead to successful AI outcomes.

> **If you are only fulfilling business requests, it is time for you to demand a seat at the business strategy table.**

#2 Identify and Eliminate Digital Debt

Tech leaders in BFSI organisations must re-evaluate their applications, services, and infrastructure to identify what is sub-optimal for AI. And hybrid cloud has emerged as a key enabler of AI. A hybrid cloud strategy uses new ways of thinking, working, and tools to simplify and accelerate development and enable financial institutions to respond quickly and flexibly to disruptions.

Adopting hybrid cloud techniques and practices can simplify and accelerate application development; deploy application components across multiple platforms; secure, govern and operate consistently; and standardise using open technologies and ecosystems.

> **Opt for hybrid cloud to build a secured environment, focused on interoperable and open architecture – to empower AI and intelligence.**
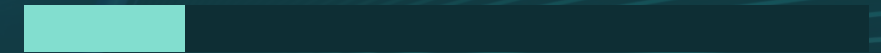
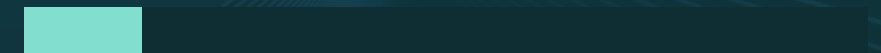## BFSI ORGANISATIONS ARE EMBRACING HYBRID CLOUD

56%

Hybrid Cloud

19%

Build Cloud Native Applications

14%

A Cloud-first Approach

11%

"Lift & Shift" Migrations

Source: Ecosystm Digital Enterprise Study, 2023

Data is viewed as a critical driver of business value, leading to an explosion in data generation. To leverage this data for AI and machine learning models, organisations need to extract it from their existing data stores. However, data migration and integration are often complex and time-consuming activities.

In response to these challenges, organisations should develop data platforms that free them from the constraints of operational technologies, to ensure a reduced dependence on centralised data repositories.

> **You do not have to spend immense time and resources on building centralised data repositories, for a holistic enterprise data view. Evaluate the use of a data fabric architecture to manage distributed data effectively.**

93%

of BFSI organisations are challenged with giving access to their enterprise data to their AI models.

Source: Ecosystm Digital Enterprise Study, 2023

#4 Adopt a Dual AI Strategy

AI deployments need continual management buy-in and business support. One of the biggest challenges in converting proofs of concepts into scalable implementations is finding and retaining budget and executive sponsorship. It is equally important to demonstrate easy wins to keep the budget flowing, as it is to show deeper, longer term business impact.

> **Demonstrate positive outcomes throughout the journey – start with the low hanging fruits. But remember that for many BFSI organisations today, long-term can be as short as 12 months!**

BFSI ORGANISATIONS SET DIFFERENT SHORT-TERM & LONG-TERM GOALS

SHORT TERM OUTCOMES

38% Better customer experience

34% Improved employee experience

33% Enhanced processes

LONG TERM OUTCOMES

45% Increased profits

40% Competitive insights

37% Deeper & personalised customer engagement

Source: Ecosystm Digital Enterprise Study, 2023

#5

Be Part of an Innovation Ecosystem

Financial institutions are discovering the benefits of ecosystem platforms in creating new value. These platforms not only simplify customer and employee experiences by removing friction but also facilitate sharing data, insights, and capabilities with trusted partners, resulting in an increased potential for value creation.

As more financial organisations develop data-driven architectures, the power of these ecosystems will grow. By gaining a better understanding of evolving customer expectations, financial firms can anticipate and proactively deliver on them.

> **Technology providers can be excellent partners in an innovative ecosystem. They bring experiences from prior deployments; a deep knowledge of how technology can be leveraged; and a greater desire to experiment to demonstrate market differentiation.**

How IBM can help

Clients can realize the potential of AI, analytics, and data using IBM's deep industry, functional, and technical expertise; enterprise-grade technology solutions; and science-based research innovations.
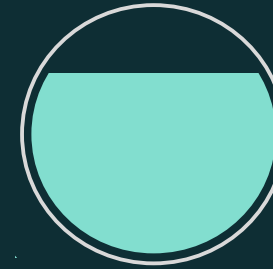
More information about:

AI services from IBM Consulting

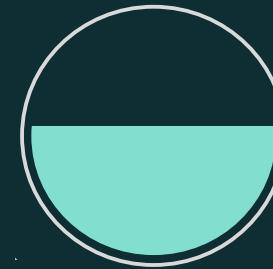**AI solutions from IBM Software**

AI innovations from IBM Research®

The MIT-IBM AI Lab

75% of leading CDOs make faster and better decisions by applying AI to data, *versus just*

54% of other CDOS.

Read full report here

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