AI Business Basics

A quick guide to understanding AI and what it can do for your business
You’ve probably heard artificial intelligence (AI) is the future of how business will get done. But do you realize that the opportunity for AI to change your business is happening right now?

From creating powerful new customer experiences to optimizing your operations, AI can make your organization smarter and more efficient and help transform your business.
Table of contents

01
What is AI?

02
Why now?

03
What does this mean for your business?

04
Get down to business
What is AI?

Despite all its potential, AI is probably one of the least understood technologies. And that isn’t surprising, because it isn’t something you can see or touch. In fact, most of us are probably relying on technology that uses AI every day, without even knowing it. Simply put, AI is technology that can perceive, learn, and reason to enhance the capabilities of people and their organizations.

Enhance interactions
AI can interpret meaning from data—including text, images, video, and voice—in real time and at scale. This allows you to develop technology that can interact with people in more natural ways, and gives you the tools to deliver a more personalized customer experience overall.

Leverage the power of your data
At the foundation of AI is data. It’s the answer to the question, “What do I do with all my data?” By constantly compiling input and customer interactions, your systems will actually learn from the data, getting smarter and more valuable over time.

Find patterns to shape your business
AI also enables you to identify patterns within large amounts of data, which may help you better understand and act on real-time customer behaviors. At its best, AI can help you better understand your business and where to invest in product improvement, or figure out customer service issues with information culled by bots. More practical applications could include helping with fraud detection or predictive maintenance of machinery.
Why now?

AI isn’t a new concept. In fact, computer scientists have been working on the technology for decades. But, just like the first computers or early flight, AI had its ups and downs in the beginning. It’s only recently that progress in AI capabilities have accelerated thanks to three factors. In combination, these three elements provide virtually limitless opportunities to digitally transform your business in revolutionary ways.

**Computing power of the cloud**
The virtually unlimited computing power available in the cloud makes storing and processing huge amounts of data much more feasible than when all that information had to be stored on PCs or in in-house servers.

**Advanced algorithms**
Breakthroughs in AI algorithms mean machines can now do things such as perceive the world—through speech, translation, and object recognition at levels on par with humans.

**Massive amounts of data**
Our world has become increasingly connected and digitized, resulting in more data than many companies know what to do with. This data is the fuel enabling the training of advanced machine learning models that power AI systems.

76 percent of retail companies say they are targeting higher sales growth with machine learning. 1
What does this mean for your business?

Right now, AI can help you realize transformation in the areas that matter most to your business: engaging with customers, empowering employees, and optimizing your operations while transforming products.
Engage customers

By 2025, 95 percent of customer interactions will take place via bots.²

- Using chatbots helps engage your customers faster while still keeping interactions natural. Plus, bots don’t sleep, so customers can get their billing questions answered 24/7.

- Chatbots can handle the first line of customer support and then seamlessly hand off to your agents. This way, you can improve the overall customer experience and use feedback to help inform future customer service or product improvements.

Progressive

Major auto insurance provider Progressive may be best known for Flo, its iconic spokesperson. The company wanted to take advantage of customers’ increasing use of mobile channels to interact with its brand. We helped Progressive build the Flo Chatbot, which answers customer questions, provides quotes, and even offers a bit of witty banter in Flo’s well-known style.

Matt White, Marketing Manager of Personal Lines Acquisition Experience, puts it this way: “By using Microsoft Azure Bot Service and Cognitive Services ... we’ve been able to continue our own Progressive journey of digital innovation and do it in an agile, fast, and cost-effective way.”

See the case study
Empower employees

• AI empowers employees by taking care of the more mundane tasks—like booking flights or submitting receipts for reimbursement—so your team can tackle more creative and strategic aims.

• By analyzing key productivity insights, you can increase your team’s efficiency and provide constructive feedback to improve worker confidence and retention.

“Rather than thinking in terms of human vs. machine, we want to focus on how human gifts such as creativity, empathy, emotion, physicality, and insight can be mixed with powerful AI computation [...] to help move society forward.”

—Satya Nadella, Hit Refresh
Optimize your operations

According to 69 percent of the use cases in a McKinsey Global Institute study, AI improved performance beyond what existing analytic techniques were able to deliver.³

- Intelligent automation, like machines that scan products in real time as they travel down the assembly line, can help lower costs while increasing sales.

- Easily build apps that learn and adapt over time, so you can save money with preventive maintenance on anything from a hydraulic press to a jet engine.

Honeywell
Honeywell’s connected home portfolio, Lyric, is the result of a major transformation into a software industrial company over the past few years. Chief Technology Officer Tom Rosback explains:

“Azure enables us to move into a data-driven era to help our customers unlock the real-world insights available through the interfaces we provide. By bridging the physical and virtual worlds with our connected products, we’re shifting the value drivers from the devices, which are foundational for Honeywell, to the data and insights that the devices generate.”⁴

See the case study
Transform products

84 percent of enterprises believe investing in AI will lead to greater competitive advantages.5

• Infuse AI into your existing applications to enable more personalized experiences, for example facial recognition or distilling actionable information from images exposed to an app.

• Use data and insights gained from AI systems to discover new ways to improve products, help reinvent your business model, or potentially even generate new revenue opportunities.

Reuters
When global news organization Reuters wanted to enhance its news readers’ experience and generate more value from its visual assets, it used Microsoft Azure Machine Learning to build a video recommendation engine that matches news articles to related videos on Reuters.com. With automated matching, Reuters drives higher engagement on its website and realizes more news and business value from video assets, all while creating new revenue opportunities.

“We are using Azure Machine Learning to surface more content for readers who are interested in learning more about a story,” says Managing Director Isaac Showman. “And we are earning business value from videos that would otherwise go unwatched.”

See the case study
Get down to business

For businesses, AI isn’t a luxury—it’s a necessity if you want to lead now and into the future. So, whether you’re interpreting data, looking for more ways to engage with your customers, or driving your organization toward a digital future, we have the platforms and products to help you achieve your goals today.

Get the boost your business needs to succeed in a digital future with Microsoft AI. The resources to get started are just a click away.

Learn more