

OUTLOOK ON ARTIFICIAL INTELLIGENCE IN THE ENTERPRISE 2016

Artificial Intelligence (AI) isn't new. It has been around for decades, but AI technologies are only making headway now due to the proliferation of data and the investments being made in storage, tracking and analytics technologies. Based on a survey of 235 business executives, we discovered:

AI ADOPTION IS IMMINENT



Organization currently uses AI technologies in the workplace -38%

Organization could not confirm use AI technologies -62%

Paradoxically, **88%** of those claiming to *not* be users of AI went on to cite using specific solutions that **rely on AI techniques.**



Companies are benefiting from AI-powered solutions without realizing it.

There is confusion in the marketplace

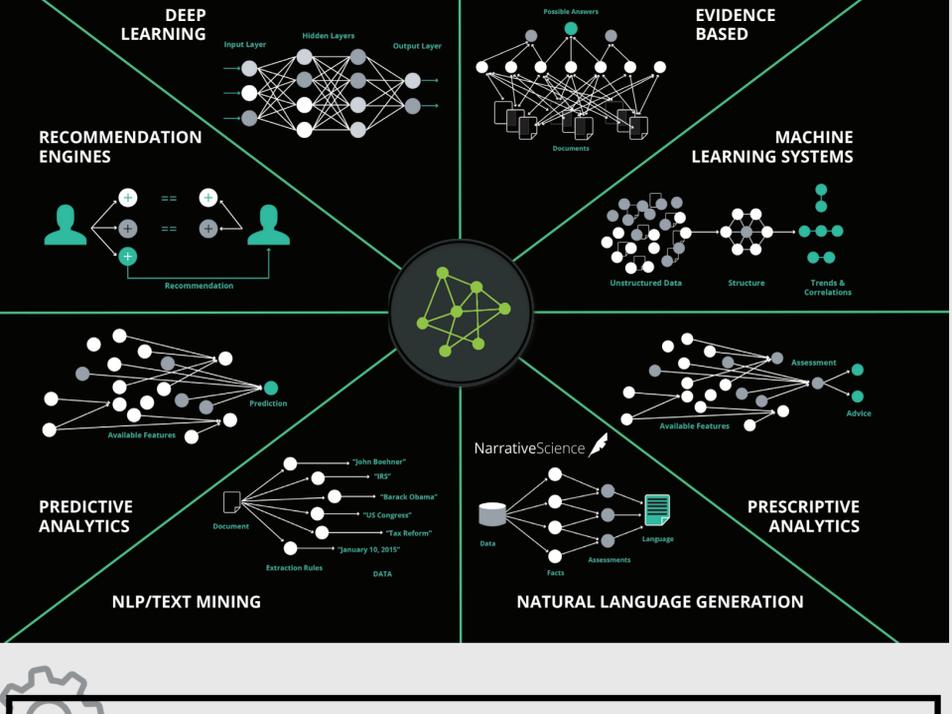


Between 2014 and 2015 alone, the number of organizations either deploying or implementing **DATA-DRIVEN PROJECTS INCREASED BY 125 PERCENT¹**



62 PERCENT of organizations will be using AI TECHNOLOGIES BY 2018

THE AI ECOSYSTEM



PREDICTIVE ANALYTICS IS DOMINATING THE ENTERPRISE

58% of respondents utilize **predictive analytics**-

which uses data mining, statistics, modeling, and machine learning to analyze current data to make predictions about the future



Gartner anticipates that by 2020, predictive analytics will attract **40% OF ENTERPRISES' NET NEW INVESTMENT** in business intelligence and analytics.²

One of the reasons for the popularity of predictive analytics may be the tremendous potential that it can offer across an **array of industries.**



Healthcare
It's being used to anticipate and prevent costly and unnecessary hospital readmissions³



Manufacturing
It's allowing for more efficient supply chain management by adjusting for potential delays.⁴

SHORTAGE OF DATA SCIENCE TALENT CONTINUES TO AFFECT ORGANIZATIONS

In fact, 59 percent of our survey respondents cited a **LACK OF DATA SCIENCE TALENT**

to help them analyze their data and communicate insights as one of the most common challenges they face in trying to generate value from their data.



Global demand for data scientists will exceed supply by more than **50 PERCENT BY 2018.**

Without individuals trained at analyzing complex data, companies can easily miss out on a valuable asset.⁵



What all of this suggests is that as companies have ever more data to work with, they're going to require the *machine scalability* that AI-based solutions make possible to truly realize its **VALUE.**



COMPANIES THAT GENERATE THE MOST VALUE FROM THEIR TECHNOLOGY TEND TO MAKE INNOVATION A PRIORITY

Last but not least, **61 percent** of the respondents who had an innovation strategy are **USING AI TO IDENTIFY OPPORTUNITIES IN DATA THAT WOULD BE OTHERWISE MISSED**



Of the business leaders surveyed for this report, **54 percent** indicated that their organization has an **INNOVATION STRATEGY** while **62 percent** noted that their companies have a **DEDICATED INNOVATION BUDGET**



For the Full **2016 Outlook on Artificial Intelligence in the Enterprise report**, please visit: <https://narrativescience.com/OutlookAI2016>

Additional Sources
¹ 2015 Big Data and Analytics, Insights into Initiatives and Strategies Driving Data Investments, IDG, March 9, 2015.
² Lisa Kart, Gareth Herschel, Alexander Linden, Jim Hare, "Magic Quadrant for Advanced Analytics Platforms," Gartner, February 9, 2016.
³ Using Data Science to Tackle Home Healthcare Readmissions Head On," SlideShare, May 19, 2016.
⁴ Tyson Baber, "How FusionOps is Delivering the Future Supply Chain: On-Time In-Full," georgianpartners.com, April 19, 2016.
⁵ James Manyika, Michael Chui, Brad Brown, Jacques Bughin, Richard Dobbs, Charles Roxburgh, and Angela Hung Byers, "Big data: The next frontier for innovation, competition, and productivity," McKinsey & Company, May 2011.

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