



**BIG
INNOVATION
CENTRE**
مركز الابتكار الكبير

REPORT
SEPTEMBER 2019
Zaabeel Hall 1

AI ENGINE OF GROWTH

AI EVERYTHING WORKSHOP 4

Ai Engine of Growth is a report based on the fourth workshop of AI Everything - held on 1 May 2019 at Zaabeel Hall, Dubai.

This meeting was chaired by Lord Clement-Jones, UK House of Lords, and Deemah Alyahya, CEO of Innovation, MISK Foundation.

We would like to express our appreciation to the following people for their oral evidence: Omar Shaaban, The Space, CEO; Jameel Khan, Mashreq Bank, Head of Strategy (Technology); and Malak Awartani, Schneider Electric, Digital Transformation Leader.

The evidence presented in the report is not exhaustive but reflects what was discussed at the meeting, and the views and experiences put forward by the people giving evidence. Written submissions by individual expert advisors in relation to this meeting are also included.

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WORKSHOP OVERVIEW

Details

- Date: 1st May 2019
- Time: 2:30 – 4:00 pm
- Location: Zaabeel Hall, Dubai.
- Participants: 40 registered attendees

Speakers

- Omar Shaaban, CEO, The Space
- Jameel Khan, Head of Strategy (Technology), Mashreq Bank
- Malak Awartani, Digital Transformation Leader, Schneider Electric

Questions

- Are Tech Giants helping to create tech hubs or are they crowding out?
- How smart should our cities become?
- How do we generate innovation growth-hubs and AI ecosystems to make economies flourish and create happier places?
- Which model of Smart cities are best?



INTRODUCTION

As part of AI Everything in Dubai, Big Innovation Centre hosted a multi-stakeholder workshop to explore how AI technologies can serve as an engine for economic growth.

Lord Clement-Jones and Ms. Deemah Alyahya chaired the session and the panel included: Omar Shaaban, The Space, CEO; Jameel Khan, Mashreq Bank, Head of Strategy (Technology); and Malak Awartani, Schneider Electric, Digital Transformation Leader.

The audience of the workshop were attendees at AI Everything, representing all sectors of life from government to business and from academia to civil society.

With the introduction of AI in our economies, these technologies have promised unprecedented growth, improved products and services, and easier access to these products and services.

As the socio-economic benefits of AI surface, more and more stakeholders are racing to create their strategies for when and how to adopt AI technologies into their products, business functions, or organisations as whole. Realising that potential means making companies more competitive and successful in the immediate and long-term future. As proof-of-concepts are starting to mature, more and more stakeholders are seeking the economic growth promises.

However, businesses are adopting AI at a different rate depending on their industry, their sector, and/or their size. Large companies seem to adopt AI at a much faster rate while small companies are still challenged by lack of resources, leadership buy-in, poor data infrastructure, and more.

Some industries, including high-tech companies, telecom, and financial services are considered early adopters of these technologies; although recently there has been a lot of growth for retail, health and media as well. On the other hand, other industries including education, government and charities are further behind.

Furthermore, AI adoption seems to differ depending on the business function. Service operations and product development are the two functions in which AI is commonly deployed.

Ultimately, whether a company ends up adopting AI or not is likely to cause a huge divide between leaders and laggards worldwide. For the true growth to be achieved, the entire ecosystem must work together to build innovation growth hubs which AI can be responsibly developed as well as 'intelligent cities' in which it can be deployed.

INNOVATION GROWTH HUBS

AI is not only a source of cost reduction but also one to ensure thriving on a competitive international market. The products and services enabled by AI technologies all share two key characteristics. They are accessible to a broader group of individuals, spanning previous geographic and social borders. They are tailored to the personalised needs and/or preferences of each customer.

The technology will help realize economic growth ultimately by solving new problems and better handling information. AI can differentiate between useful and unhealthy information for the organization and make decisions accordingly. Humans, on the other hand, may experience information and work overload when there is too much to handle while the machines can convert the data into knowledge within a short period. Most organizations, for example, already use avatars that help in interacting with users of machines, thus saving the need for human resources. They make sure that emotions are eliminated when making decisions enabling the business to take a more data-based approach. Parameters like speed and time can be adjusted according to the production schedule.

The benefits of putting AI in an organisation are clear; however, the roadmap for doing so and the interrelated challenges are not.

For AI adoption to be successful, all functions within an organisation have to be transformed. Furthermore, the entire ecosystem – inclusive of government, industry, academia, and civic society – have to collaborate to build a system of trust.

A new culture has to be cultivated. In the current state, business leaders, specifically, are still needing to be convinced of the transformative power AI technologies pose. In many industries, business decision-makers lack awareness about AI's potential. Hence, managers (usually in the IT departments) often have to convince their leaders of the opportunities that could be achieved. Sometimes it is hard to persuade the C-suit because of the heavy costs involved in buying such technologies, lack of data governance structures, and overall resistance.

Resistance doesn't come from just business leaders, however. Some employees are starting to show backlash towards new technologies like AI, worried about their job security and the risk of automation. Others simply don't want to change the status quo and lack the skills or willingness to welcome these technologies.

Regardless, for adoption of AI to work and for growth to spur, a new mindset must be promoted – one which accepts and collectively tries to build open innovation beneficial for society.

At the workshop, Lord Clement-Jones started asking speakers on what the barriers are to building global innovation growth hubs. Mr. Omar Shabaan clarified that fear of adopting AI is the number one barrier. Mr. Khan explained how the cash flow for start-ups might be another barrier preventing small and medium-sized companies from adopting AI. Ms. Malak believes that start-ups need to reskill their management so they can strategically adopt AI. Lastly, Ms. Alyahya concluded that the main barrier is related to lack of skills.



Malak Awartani
Schneider Electric, Digital Transformation Leader

Talking points from Ms. Awartani's presentation

- Schneider works on three pillars; business models, substance, and customer expectation
- When approaching a process, she urges one to ask: what is the negative impact of leaving AI out of the equation?
- Machines will no longer be able to make decisions, there is always a role of a human
- AI can help make better directions; if we are not data-driven we don't know we are making the right decisions
- AI allows you to have a tailored personalised experience
- There is a lot of resistance because of job displacement
- AI can help us to innovate so we can have growth
- Automation leads to innovation and innovation leads to growth
- We need to be the voice of change, need to adopt AI solutions across all three pillars to drive change

THE ROLE OF TECH GIANTS

Technology giants are companies that create unique and advanced technology that is adopted by businesses, governments, and individuals. Some of the most noted include Microsoft, Google, Apple, Facebook, and Amazon.

Technology companies are involved in creating tech hubs that educate and encourage innovations and ways of thinking. They play a significant role in making sure that there is high-tech business growth that, in turn, brings economic stability to a country or community. Google and Microsoft, for example, are involved in creating hubs in most cities, including London, Washington DC, Berlin, California, Paris, and Stockholm. Google has reached out to the Middle East, where China, Australia, and Japan have adopted their technology.

Almost every city in the world has a tech hub which is associated with the use of technology from top giants. London's tech is performing more than others and has received more equity investment within the last two years from the government and other private individuals. New York City also has a high ranking, indicating that technology is being used in significant business events and have developed a technology culture in the last five years. Other cities like Boston, Singapore, San Francisco, and Tokyo are leading in making sure that technology is used for the benefit of the economy in their countries. Hubs like Dubai and Shanghai are indicators that giant tech companies are helping create tech hubs around the world.

However, tech giants also pose challenges for the economy and the society. Most of these challenges are directly linked to threats of monopolizations, data ownership and control, and manipulation. Ms. Alyahya emphasized the collective responsibility the entire ecosystem holds to ensure tech-giants don't hoover up all of the start-ups and to ensure smaller businesses can prosper.

Furthermore, Ms. Alyahya stated that there are a lot of issues around data (sharing and how it is used). Future generations are likely to be more conscious of their data and, hence, this links back to the ecosystem to help promote an innovative culture.

At the same time, the opportunities to adapt AI quickly and create new products or services means high potential for new market entries, new leaders, and an overall reconstructing of current industry landscapes. Ultimately, the digital leaders in each industry will be the ones that unleash most value in the future.

Ultimately, these new trends linked to the emergence of AI technologies are redefining the factors for success. There has been a complete shift in mind set for what is needed to compete in today's market landscape.

Investors are assessing investment opportunities in very different ways. First, they are putting emphasis on the AI capabilities of a company and whether the AI is assisting them to innovate and drive up efficiency. Second, they are looking for companies with business

models that are adaptive and flexible to the new supply and demand patterns in society. Third, they want to invest in companies that will have the competitive advantage to succeed in a future filled with AI technologies.

Key factors companies should adapt to stay competitive can be grouped in three main categories: value creation, value realisation, and defensibility.

Those that adopt the technology have significant increases in their daily production and meet the primary goal of the firm. When companies grow and increase in production, the whole economy also improves and stabilizes.



Omar Shaaban
CEO of The Space

Talking points from Mr. Shaaban's presentation

- Speaking on the experience of helping start-ups, he recommended for entrepreneurs to ask: Is what start up doing because of necessity or competition?
- Are they adopting tech to grow or to survive?
- Answers to the above questions describes the nature of the start-up and how we can help facilitate it to thrive and grow
- Start ups have the challenge to grow in a landscape of workplaces that is changing
- Start-ups look at AI as a mean for cost reduction and process enhancement; they need to see it as a tool to remain competitive on not just a local level but also regional and global

FUTURE CITIES

Cities are supposed to deal with changes in technology for them to be prepared for the future advantages of the technology. Plans to become smart cities are being put into place by adopting processes and services like AI-based traffic control systems. The systems will help improve passenger's lives in the way drivers and passengers use the roads. Any misconduct by drivers while on the streets will be recorded in the system and offenders will be brought to justice.

The government can work with the private sector in the realization and creation of new employment opportunities that will absorb people affected by technological change. People should be made aware of the move for new technology, preparing them for possible painful transitions that they may experience. In the United States, the government was dependent on manufacturing industries, but after the adoption of the technology, it changed to a knowledge-based economy. Experts, together with the government, should assess and prepare gaps that will emerge from the existence of AI machines. Payment of parking fees in most cities will be automated, and it will help create a sense of responsibility to drivers and help reduce unnecessary traffics. Autonomous cars will be able to sense empty parking slots helping reduce fuel combustion and emission in cities.

Smart cities like Silicon Valley and NEOM require a functional model where designs, processes, operations, and activities are tested to identify where they will adopt AI. Once the process is complete, it will be subjected to trials in trying to understand how well it can suit the town. Businesses in the city will have to adopt the technology that will help in making them realize profits in time and reduce production-related costs.

Future cities have to prepare the economy and the society to reap the benefits of AI technologies. Given the socio-ethical implications



embedded in AI technologies, governments of these cities must also ensure the right incentive structures are in place in which AI can be deployed and adopted safely and ethically.

For example, one of the social fears of AI adoption is its impact on already existing inequality gaps. AI technologies have the potential to destroy many existing professions and the jobs most likely to be impacted will be those of the middle and low class. AI will augment all workers' activities eventually but displace a greater proportion of their activities over time. Government must promote incentive structures so business can invest in retraining and reskilling their employees so that they remain competitive in the 21st century era.

Incentive structures such as these must be designed by evidence-based policymaking in order to encourage an innovation ecosystem which helps stakeholders realise AI's benefits but also mitigates its potential harms.



Jameel Khan
Mashreq Bank, Head of Strategy (Technology)

Talking points from Mr. Khan's presentation

- Explains how Mashreq Bank has used AI to make the bank more efficient
- All tech giants today started as start-ups and grew because of data tech giants are key drivers of innovation, but there are some points that they are stifling others to grow
- Countries have different strategies to promote the growth
- US model being about generating value from data; EU model being about data protection; China model is highly digital but also controlled
- How do we generate growth? We need to create the infrastructure to attract new companies; need to create favourable conditions to attract others; accelerators and incubators have a huge role
- Education has a key role to encourage those skills for entrepreneurship



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