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# What Organizations Should Know About the Rise of the INTELLIGENT ENTERPRISE

Over the last few years, the term “intelligent enterprise” has been slowly creeping into the business lexicon, but only a small number of people have discovered what it is. A recent survey conducted by GP Strategies® found that an overwhelming percentage of respondents—nearly 77%—had never even heard of intelligent enterprise. Interestingly, other key indicators within the survey showed a likelihood that many of these individuals work for organizations attempting to become more intelligent enterprises.

## WHAT is an Intelligent Enterprise?

In a world that is seemingly inundated with new technologies affecting both your personal and professional lives, the intelligent enterprise is the concept that the ways people live and work should be one and the same.

You may see hints of this in your everyday lives. Thermostats recognize when you are home and adjust the temperature to your established preferences. Automobiles recognize danger and brake automatically. Your watch can identify potential cardiovascular events before they happen. Even lightbulbs, kitchen appliances, and vacuums are becoming increasingly connected to the internet and your other personal devices, learning your preferences and operating together in efficient ways to save you time and money. The web-based interconnection and data sharing that makes this all possible is called, “The Internet of Things” (IoT).

The intelligent enterprise leverages the same concept, but extends and improves upon that intelligence and convenience for use in your professional life. It uses artificial intelligence (AI) to prioritize work, automate simple tasks, and present insightful analytics and data to improve business efficiency and effectiveness. Predictive financial analytics and forecasting, responsive customer service chatbots, and algorithms that can track product shipments are all ways in which organizations are leveraging new technologies to become more intelligent enterprises.

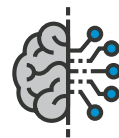
### How many organizations are already investing in an Intelligent Enterprise?

In November 2017, Zebra Technologies published *The Intelligent Enterprise Index*. The index comprises 11 metrics designed to measure where an organization is on its path to becoming an intelligent enterprise. The study surveyed global enterprises competing in healthcare, manufacturing, retail, and transportation and logistics industries. It found that 48% of those businesses are on their way to becoming intelligent enterprises. Only 5% of those organizations, however, scored high enough on the Index to qualify as an intelligent enterprise as defined by the Index.

As technology improves and the world becomes more connected and allows for more precise analytics, those numbers will most likely rise.

As the new wave of digital transformation impacts the world, GP Strategies is helping organizations adapt to the changes and become more agile intelligent enterprises, keeping them relevant and competitive in the marketplace.

-Paul Pearce



### in·tel·li·gent en·ter·prise

An intelligent enterprise combines human and artificial intelligence with technology-enabled insights to allow organizations to make smarter choices in the face of uncertainty and complexity.<sup>1</sup>

<sup>1</sup> Paul J.H. Schoemaker and Phillip E. Tetlock, “Building a More Intelligent Enterprise,” MIT Sloan Management Review, March 13, 2017, <https://sloanreview.mit.edu/article/building-a-more-intelligent-enterprise/>.





## What Are the BENEFITS of an Intelligent Enterprise?

Creating an intelligent enterprise can mean new investments and more time allocation, but the benefits in the long run will outweigh the temporary drawbacks. Improved user experiences, streamlined and automated processes, real-time data at your fingertips, and the knowledge that your information is safe and secure all align to create an environment that positions your people to succeed.



### User Experience

People interact with your company and its technology both internally and externally, so creating a modern user experience applies to both your employees and your customers. Your users will expect a similar experience at work to what they find when shopping for a new product. Integrating smart features, such as chatbots, virtual reality, or IoT, into your organization's platforms creates a more streamlined and interactive experience, which will, in turn, improve your adoption and conversion rates across the board. From a recent article from Forbes, 53% of companies expect that by integrating IoT solutions into their business, they will significantly increase revenue in the next year.<sup>2</sup> In addition, 51% expect that IoT will open up new markets for them in the next year.

A good example of this integration is used by The Walt Disney Company. If you have planned a trip to Disney World in the last five years, you should remember receiving a brightly colored digital wristband in the mail before your trip. This wristband is equipped with your customer profile including your name, age, and even payment information. With your personalized wristband you can enter the park, register for FastPasses, and pay for anything from food to your favorite pair of Mickey ears. This not only creates a seamless experience for the visitor, but it also allows for the company to track visitors, understand user patterns, and increase sales by making it easy to purchase items with the swipe of a wrist.



### Streamlined Processes

Simplified processes tie in to the overall user experience and impact the way the business functions. For business units such as human resources and accounting, for example, there tends to be a lot of paperwork and involvement with all levels of employees who may not be 100% familiar with the processes involved to complete a simple query. This can sometimes create a backlog or an increased rate of rejected or returned requests. With process automation, machine

“ 53% of companies expect that by integrating IoT solutions into their business, they will significantly increase revenue in the next year. ”

<sup>2</sup> Louis Columbus, "70% of Enterprises Invest In IoT To Improve Customer Experiences," Forbes Media, LLC., <https://www.forbes.com/sites/louiscolombus/2017/11/04/70-of-enterprises-invest-in-iot-to-improve-customer-experiences/#1811d937622b>.

learning, and chatbots, you can mitigate a lot of these roadblocks by creating an adjusted experience for the user based on what they are trying to accomplish.

Gerdau, a steel manufacturing company and GP Strategies client, implemented a process automation tool for their on-premise solution that does just this. Rather than letting the employee loose in the system, the tool prompts the employee with a set of questions that guides them on a journey through the request forms. As a result, they have reduced their rejected or returned request by 63% and have increased their satisfaction rates to 97%.



## Real-Time Data and Analytics

Visibility is key for any organization that wants to succeed. Receiving data in real time allows you to make decisions quicker and stay ahead of the competition. According to a report from the Economist Intelligence Unit, *The Intelligent Enterprise: Creating a culture of speedy and efficient decision-making*, nearly 48% of business decision makers said that the decision-making process has and will continue to accelerate.<sup>3</sup> Unfortunately, only 3% say that they are experts in quick decision-making. Businesses that want to be competitive need to be able to make any decision on a dime. With access to intelligent technology, users can gather relevant information in a timely matter and drive their business forward.

For example, Boekhandels Groep Nederland (BGN), the largest book retailer in the Netherlands, uses technology to pinpoint product location and track exact location of each book in its inventory.<sup>4</sup> This ability allows them to more precisely analyze sales and customer demand in real time and allows BGN to cut costs on products that are not performing and supply locations with products that have high demand.



## Safety and Security

Advanced technology can also be used to ensure the safety and security of your employees and their data, as well as notify you when there is a problem. This point is twofold:

**ONE:** With the continued development of quantum computing and machine learning, traditional algorithms and cryptography are under fire and are at risk of extinction due to the lack of strength against these advances. Cyberattacks will never be truly avoidable, but companies that employ cloud servers from outside vendors (Amazon Web Services, for example) are ahead of the curve and can defend themselves easier and more efficiently than those that still hold older internal hardware and physical data management centers.

**TWO:** For companies that have a lot of machinery or capital intensive assets, smart technology can help keep equipment operating safely and properly. Predictive maintenance technology can be utilized for advanced warning of equipment failure so action can be taken early on to reduce the occurrence of costly repairs. In addition, the safety of personnel can be improved by ensuring employees are notified in advance of potential problems.

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<sup>3</sup> “The Intelligent Enterprise, Creating a Culture of Speedy and Efficient Decision-Making,” A Report from the Economist Intelligence Unit Sponsored by CSC and Oracle, December, 2009, <http://www.oracle.com/us/solutions/business-intelligence/064288.pdf>.

<sup>4</sup> “The Intelligent Enterprise,” <http://www.oracle.com/us/solutions/business-intelligence/064288.pdf>.





## What Is the FUTURE of the Intelligent Enterprise?

In *Technology Vision 2017, Technology for People: The Era of the Intelligent Enterprise*, by Accenture, 80% of executives agreed that organizations need to understand not only where people are today, but also where they want to be.<sup>5</sup> An astonishing 85% of executives reported that they will invest extensively in AI-related technologies over the next three years. Of those surveyed, 79% agree that this AI technology will both revolutionize the way they gain information from and interact with their customers, and 27% believe AI will completely transform their organization over the next three years. These trends indicate that not only are organizations investing in becoming more intelligent, but many of them are also leaning heavily on their newfound AI to dramatically improve their business in a relatively short amount of time.


The pace of technology advances has allowed organizations to spend less time mining for data and more time tailoring the customer experience based on the data that is now readily available. However, organizations are not only using AI to transform into externally intelligent enterprises, they are using it internally to help employees adopt new technology. Of the executives surveyed, 79% agreed that AI will help accelerate technology adoption throughout their organization. Given these numbers, you can expect the rise of the intelligent enterprise to continue for the foreseeable future.

### Where Do You Go From Here?

Building an intelligent enterprise is not an easy feat. It's not something that happens overnight. It requires planning, strategy, and patience. Hiccups and setbacks will arise along the way. However, it's never too late to begin.

GP Strategies can help you get started by evaluating your organization's most technology-rich and data-intensive areas to assess your current state and develop a plan to implement appropriate actions to create an intelligent enterprise. Your initiative will only be as successful as your people's commitment to change. GP Strategies can support your journey through effective technology adoption and change management programs based on your unique needs.

It's an exciting time as technology becomes more prevalent in our organizations. GP Strategies is here to help your organization with your transition to becoming a smart and connected enterprise.

For more insights on creating an INTELLIGENT ENTERPRISE,   
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<sup>5</sup> "Technology For People, The Era of the Intelligent Enterprise," *Technology Vision 2017*, Accenture, [https://www.accenture.com/t20170321T032506Z\\_w\\_/us-en/\\_acnmedia/Accenture/next-gen-4/tech-vision-2017/pdf/Accenture-TV17-Highlights.pdf](https://www.accenture.com/t20170321T032506Z_w_/us-en/_acnmedia/Accenture/next-gen-4/tech-vision-2017/pdf/Accenture-TV17-Highlights.pdf).



## About the AUTHOR

### Paul Pearce

Paul is a senior director of Business Development at GP Strategies and has over 18 years of talent management subject matter expertise leading technical sales, alliances, and business development efforts focused on creating technical solutions targeted to solving real-world business challenges. Working with many of the world's largest companies, he applies his in-depth best practices expertise to complex talent management deployments.

Prior to GP Strategies, Paul was the vice president of Alliances and Field Enablement at SumTotal Systems and vice president of Technical Sales at PeopleFluent. He is a Village Trustee and Finance Committee chairperson for the village of Arthur, Illinois. He enjoys technology and teaching, and recently earned mastery certification as a Great Demo! training affiliate.



### About GP Strategies

Founded in 1966, GP Strategies delivers performance improvement programs that strategically align with your unique business objectives and differentiate your global workforce, leaders and salespeople to ensure business excellence. Our sole focus is performance improvement, and everything we do, from technical and compliance training to process improvement and human capital technology integration, is focused on helping your organization deliver meaningful results. Visit [gpstrategies.com](http://gpstrategies.com) for more information.

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