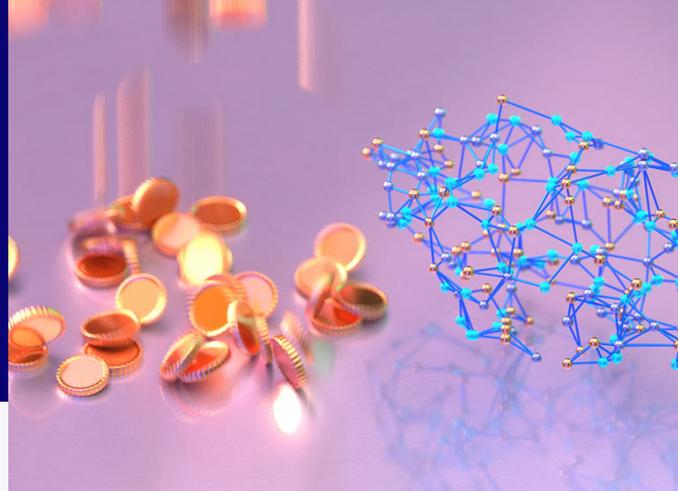


## What every CFO needs to understand about AI



By Mike Khanna

In my experience, very few members of the C-suite really understand what AI is or how to leverage it. Yet they all want to get the benefits it brings. As a CFO, the most important thing for me is the bottom line. So, what can AI really do for your bottom line? In this blog, I dispel some common myths and show you what a good AI deployment can actually do for your business.

### **Dispelling some AI myths**

One of the biggest problems I come across is that too many people fall for the myths and hype of AI. One of the problems is they know that you probably don't really understand AI and will believe their sales hype. But put bluntly, AI isn't actually magic, even if it does meet Arthur C. Clarke's definition for magic!

"Any sufficiently advanced technology is indistinguishable from magic."

#### **The non-zero cost of AI deployment**

Many AI vendors would have you believe that their AI will transform your business. But what they don't tell you is that you will face the costs and effort of actually deploying their solution in your production systems. Often, this can add 7-figure sums to the actual cost of the solution.

#### **The myth of hypergrowth through AI**

In small startups, people like to talk about exponential growth, the hockey-stick graph that shows a company is capable of hypergrowth. One of the biggest myths around AI is that it is able to deliver this sort of exponential growth to large, mature companies. Unfortunately, I'm here to tell you that just isn't true. If someone tells you their AI can deliver 100% improvements in any field, you need to take that with a very big pinch of salt.

## **The problem of lack of transparency**

Despite appearances, AI really isn't magical. It's simply the application of pattern matching across extremely large volumes of data. In its most advanced form (so-called deep AI) the computer is able to find these patterns for itself. Really, it's the ultimate end-point for data science. Any AI model has to be trained using your current data. However, over time, most AI models then become stale and start returning less accurate results. This is something many vendors keep quiet about as they don't want you asking awkward questions about the ongoing costs of maintenance.

## **So, what can AI actually do for your business?**

AI is undoubtedly a powerful and disruptive technology. It is driving a revolution that is as significant as the industrial revolution or the invention of the PC. Companies are able to use AI for a number of things. Here are just a few examples.

### **Demand forecasting**

Forecasting future demand is one of the classic use cases for AI. An AI model can use past history and current conditions to forecast demand across a range of applications. This includes stock forecasting to ensure you don't understock or overstock any items. It can also be used in industries like power distribution, where demand-based pricing can dramatically affect your profits.

### **Intelligent dynamic pricing**

Big e-tailers like Amazon got so successful thanks to their ability to offer intelligent dynamic pricing. That means that they can adjust the price of their products in real-time to reflect changing demand and conditions. This allows them to maximize their sales and drives more customers to their site.

### **Churn prediction**

Many businesses rely on the subscription model for their revenues. Indeed, in many businesses, ARR is more important than any other metric of their financial health. With AI, you can create a bot that will predict which customers are likely to churn. This allows you to respond appropriately. For instance, you might create targeted offers for those customers.

## Smart lead scoring

Does your sales and marketing teams know which leads are really worth chasing? Which leads are actually likely to progress through the sales funnel? Many companies rely on heuristics, gut feel, or “experience” to decide which leads to focus on. AI is able to spot patterns that no human can, allowing it to generate far more accurate lead scores. Thus, you can focus your sales efforts on the leads that really matter.

## Customer segmentation

Do you really understand your customer base? Do you know what products they might want? AI can deliver accurate real-time customer segmentation, allowing you to target special offers, sales, and advertising more effectively. In a competitive market, this could make all the difference.

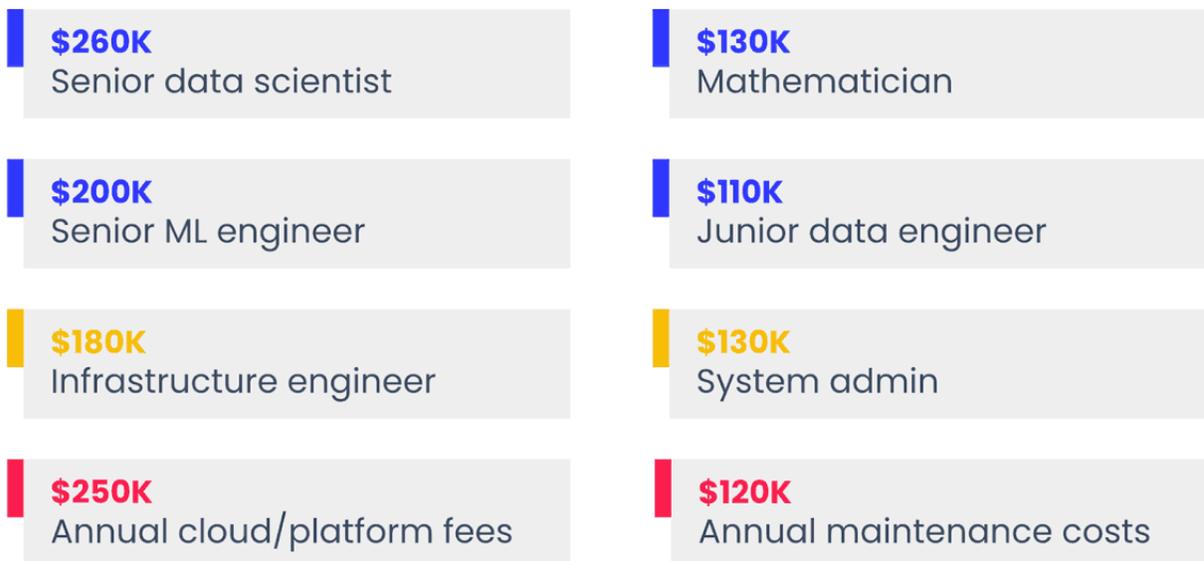
## What does an AI deployment look like in practice?

Here at Sonasoftware, we have been focusing on what we call “zero effort AI”. Our philosophy is that AI should be as easy to use as any other B2B tool out there. But we are also determined to be completely honest with all our customers and leads. This often means having frank and open conversations and setting realistic expectations for any AI bot we deploy for you. Our aim is to develop bots that can actually be deployed with minimal effort and maximal effect on your business. We’re not going to promise you 10-fold improvements or exponential growth unless your data actually supports that. Instead, what we do is create a working AI bot that can be immediately deployed with zero effort.

## Zero effort creation

When you first approach us, our data science team will conduct an in-depth feasibility study to determine exactly what AI can deliver for your business. They will look at all your data and analyze your existing approach. All being well, they will work with you to create an AI model that delivers significant improvements for you. Our team will do all the heavy lifting here. They will just look to you for guidance and suggestions. This means you won’t need to hire your own team of data scientists or AI experts.

## ~\$1.5M/year to develop and run AI in house



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Salaries taken from Indeed and Glassdoor. Cloud costs based on AWS and GCP instances for ML.

Cost of AI development in house is ~ \$1.5 Million a year

### Zero effort deployment

Once we have created a model, we can deploy it on our state-of-the-art AI engine, SAIBRE (Sonasoft AI Bot Runtime Engine). SAIBRE allows you to deploy the AI model as a bot directly in your production system. You get access to a powerful set of APIs or you can use the dashboard to deploy in just a few clicks.

### Zero effort maintenance

Once deployed, SAIBRE is designed to constantly monitor your bot in production. It will check the health of the model, keep an eye on the data sources, and alert you to any problems. If needed, you can retrain the model with just a click of the mouse. This ensures that your AI bot will always run at peak performance.

If you're interested in a conversation about how AI can help your bottom line, please reach out to me.