

INFOSYS AND MICROSOFT PIONEER THE NEXT WAVE OF INDUSTRY TRANSFORMATION WITH AI



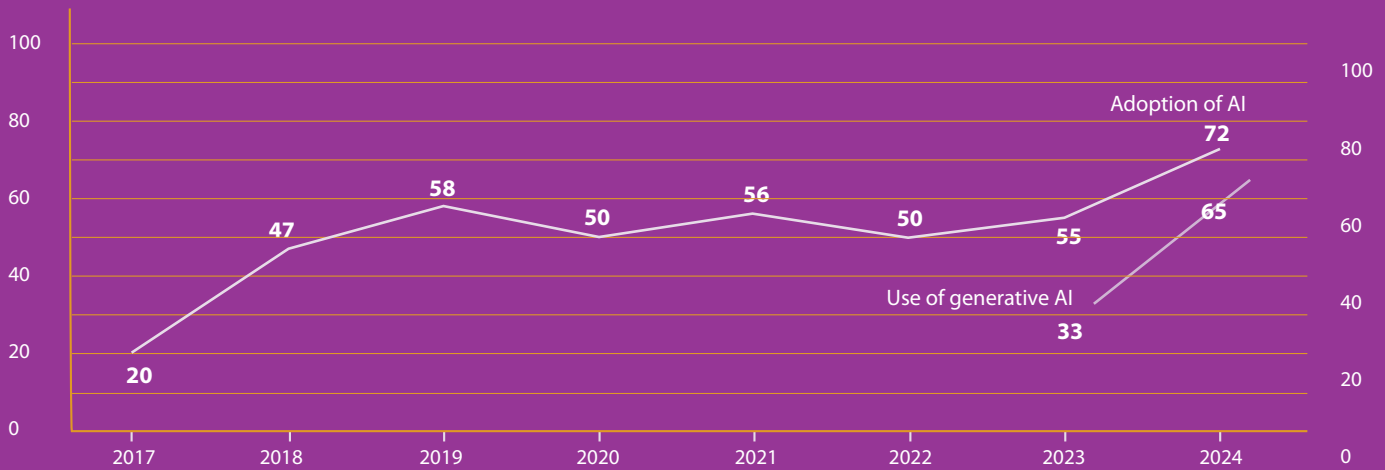
The Rise of AI in Businesses

AI has exploded onto the business scene, transforming organizations across the value chain. No longer a mere buzzword or 'hype', AI is now a driving force behind decisions, automation, and industry reinvention.

Buoyed by its innate ability to accelerate product development, boost employee productivity, and enhance

customer experience, enterprises are eager to embrace AI and its more creative subset, generative AI (Gen AI). A recent McKinsey study found that Gen AI adoption has doubled in just a year, with 65% of companies now leveraging its capabilities.¹ The technology's immense potential fuels this explosive growth: analysts predict that Gen AI could contribute a staggering \$4 trillion to the global economy by 2030.²

Organizations that have adopted AI in at least 1 business function¹ (% of respondents)



¹In 2017, the definition for AI adoption was using AI in core part of the organization's business or at scale. In 2018 and 2019, the definition was embedding at least 1 AI capability in business processes or products. Since 2020, the definition has been that the organization has adopted AI in at least 1 function.

Source: McKinsey Global Survey on AI, 1,363 participants at all levels of the organization, Feb 22-Mar 5, 2024

McKinsey & Company

Although AI has been around for a while and enterprises have adopted it for automation in various ways, the real surge is happening now. Why? Because Gen AI is perceived and consumed as a real-world innovation accelerator. Whether it's crafting compelling marketing campaigns, designing groundbreaking products, or optimizing complex operations, generative AI catalyzes new possibilities. Automating creative processes frees up human ingenuity to tackle strategic challenges. Essentially, generative AI empowers businesses to think bigger, move faster, and achieve greater heights.

What enterprises today are grappling with is not whether the choice of going with AI must be made, but instead, in which functions and areas they should introduce AI. With this, it is also critical for businesses to understand how Gen AI is put to work. One of the most widely adopted applications

of generative AI in enterprises has been customer service, encompassing a broad spectrum of functionalities. Customer service could involve handling a customer who has lost a credit card, resolving an overcharging issue on a gas bill, verifying an auto insurance claim, processing a bulk order of t-shirts to be replaced, or updating an address in a customer profile, among other things. Each customer journey includes unique touchpoints and critical moments significantly impacting the customer experience.

While Gen AI has the potential to enhance each of these interactions, its implementation must be carefully tailored to these journeys for both customer adoption and acceptance. This precision is where industry-specific AI solutions become vital.

¹The state of AI in early 2024: Gen AI adoption spikes and starts to generate value | McKinsey

²Harnessing the power of GenAI while mitigating risks | AI Magazine



One Size Does Not Fit All: The Need for Industry-Specific AI Solutions

Gen AI's transformative power lies not just in its general capabilities but in its ability to address the nuanced challenges of each sector. By aligning Gen AI applications with industry-specific customer journeys, businesses can create more intuitive, responsive, and personalized experiences. This targeted approach ensures that Gen AI enhances rather than disrupts the customer's path, seamlessly integrating into familiar processes while introducing innovative improvements.

Furthermore, industry-specific Gen AI solutions can navigate the unique regulatory landscapes, operational intricacies, and customer expectations that define different sectors.

This specialized focus allows for AI implementations that are not only powerful but also compliant, efficient, and resonant with the specific needs of both the business and its customers.

More importantly, only this approach incentivizes users to adopt Gen AI solutions.

Gen AI has become ubiquitous across industries, from revolutionizing healthcare with drug discovery and precision medicine to optimizing finance through algorithmic trading and fraud detection. Customer service has emerged as one of its most common applications, with chatbots, virtual assistants, and predictive analytics revolutionizing how businesses interact with their clients.

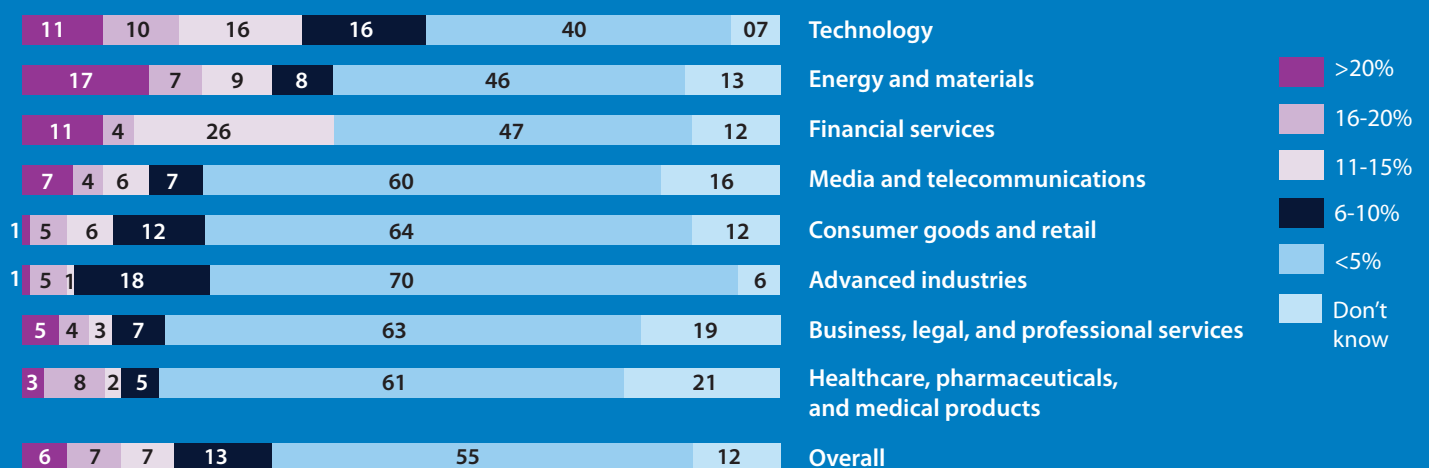


Figure 1 Gen AI adoption across industries. Source: McKinsey³

³The state of AI in early 2024: Gen AI adoption spikes and starts to generate value | McKinsey

However, the applications and challenges of Gen AI implementation differ significantly across industries, underscoring the need for sector-specific solutions to maximize potential and address unique regulatory and operational requirements.

The focus in the market now is on **accelerating innovation with AI and reducing time to market.**

Of course, Microsoft has been a leader in this space, adding true differentiation with its Copilot stack of offerings and the overall AI ecosystem. With the approach of Industry Clouds infused with AI, the offerings for enterprises are equipped to unlock AI opportunities with industry-specific solutions built on trust and security.

Real-World Examples: How Industries Are Harnessing AI

While still considered a newcomer, many organizations have been using tailored industry applications of AI. The following cases help us understand the true impact AI can have. These industrialized use cases focus beyond productivity, emphasizing benefits for end consumers.



Financial Services

ING has demonstrated the potential for rapid deployment and significant impact by developing a Gen AI-powered chatbot in a remarkably short timeframe. This innovative approach has positioned the bank as a global leader in AI-driven customer experiences, with the potential to reach millions of customers worldwide. The success of ING's initiative underscores the transformative power of Gen AI in creating personalized, efficient and customer-centric interactions.⁴



Manufacturing

Siemens leverages Gen AI to predict equipment failures by analyzing machine data and customer usage patterns. The predictive maintenance solution,

Senseye Predictive Maintenance, empowers them to proactively notify customers of potential issues, preventing costly downtime and enhancing customer satisfaction through timely maintenance recommendations.⁵



Retail

Charlotte Tilbury launched an AI-powered mobile app to replicate the in-store experience. The app offers personalized beauty recommendations for products like skincare, foundation, and concealer. The app aims to enhance customer engagement and drive sales by tapping into AI.⁶



Energy

Snam uses Microsoft's AI and IoT capabilities to enhance data collection and security across its extensive European pipeline network. The company also employs Azure Machine Learning to optimize equipment maintenance and boost energy efficiency through predictive analytics, ultimately improving customer experience.⁷



Technology

Video game developer Krafton optimized its global customer service with an integrated customer service platform. The platform's AI tools, including prepared responses and Dynamic Content, enabled efficient multilingual support, reduced costs by 15% and improved overall customer satisfaction.⁸

These examples show the possibilities AI can open up across industries and the uniqueness of AI's applicability in each domain.

It goes without saying that for enterprises to achieve results with AI, they need to utilize a powerful AI platform that ensures security and scalability.

⁴ING selected as one of world's four most innovative banks | ING | ⁵Generative artificial intelligence takes Siemens' predictive maintenance solution to the next level | Press | Company | Siemens

⁶Inside the AI strategies of Ocado, Shein and Charlotte Tilbury | Retail Week (retail-week.com) | ⁷The era of AI: Transformative AI solutions powering the energy and resources industry - Microsoft Industry Blogs

⁸Examples of AI in Customer Service (From Companies That Do It Right) (hubspot.com)



Microsoft Copilot and AI Ecosystem: Empowering Businesses

The Microsoft Copilot across Microsoft 365, Microsoft Dynamics 365, and Business offerings enable AI applicability and usage designed to enhance user experience and productivity for industries. They act as intelligent assistants, automating tasks, providing insights, and assisting users in making informed decisions. The Microsoft ecosystem also provides a comprehensive suite of enterprise applications under the Business Applications and Microsoft Dynamics 365 umbrella, covering various business functions such as sales, marketing, customer service, finance, and operations. Leveraging this foundation and expertise helps bring the right AI enablement to streamline processes, improve efficiency, and gain valuable insights.

Business Copilot powered by AI are designed to enhance user experience and productivity within Microsoft Dynamics 365. They act as intelligent assistants, automating tasks, providing insights and assisting users in making informed decisions.

The availability of Copilot templates and agents tailored for industry, and the ease of embedding these into business processes, accelerate the adoption possibilities for enterprises.

Infosys has substantial expertise and a partnership with Microsoft across all these products. It has also been taking an industry-first view of bringing AI into business. We have launched tailored AI for industry offerings for key scenarios with a persona-based approach for Financial Services, Retail, CPG, Utilities, Manufacturing, Services and other domains, and we are seeing quick adoption and applicability of these with our clients.

With this, enterprises stand to gain critical benefits in each of their industry and sub-industry segments -

Enhanced Productivity:

Automation of routine tasks like data entry, report generation, and email drafting allows employees to focus on more strategic work.



Improved Decision-Making:

Analyzing vast amounts of contextual data enables actionable insights and recommendations to support better decision-making tuned to their respective industry.



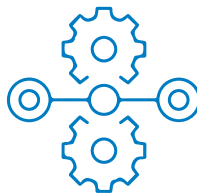
Enhanced Customer Experience:

Automation of routine tasks like data entry, report generation, and email drafting allows employees to focus on more strategic work.



Streamlined Processes:

Automation and intelligent suggestions optimize business processes specific to the industry trends, market intelligence and context, reducing errors and increasing efficiency.



Be an Innovation Catalyst:

Businesses can explore new opportunities by identifying proactive trends, offering improvement suggestions, and automating complex tasks.



Redefining the Future of Industries

As we stand at the precipice of a new era defined by intelligent machines, the potential for AI to reshape industries and societies is boundless. Organizations can unlock unprecedented growth and innovation by embracing industry-specific AI solutions. The future belongs to those who harness AI's power, not just to survive but to thrive.



About the Author



Rithika Messiahdas

Principal Consultant
Infosys Limited

Rithika Messiahdas is a Principal Consultant at Infosys with a 17-year track record in Microsoft technologies. Her expertise spans CX transformation, business development, smart spaces evolution and innovation strategy across diverse industry verticals. Rithika is a thought leader focused on digital experience innovation, leveraging next-generation technologies and AI to modernize enterprise ecosystems. She is also passionate about tech for good initiatives and is particularly focused on driving sustainability acceptance and compliance.

For more information, contact askus@infosys.com



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