How to Use AI to Reduce Common Business Costs

MILL5

Artificial Intelligence (AI) and Machine Learning (ML) have blown open the gates of the business world. Are you taking advantage of these powerful new tools in your organization?

Whether a small business owner, startup or multinational conglomerate, AI can save businesses money by maximizing productivity, sharpening accuracy and improving customer satisfaction. Read on to find out how AI can minimize or cut down on your business costs.

The Growth of AI's Influence in Business

AI has been around for decades — but has recently taken a quantum leap forward. In just the last few years there has been a paradigm shift in terms of industry adoption and capabilities. OpenAI's ChatGPT, which just unveiled the latest version GPT-4, is a recent example of AI's astonishing progress.

"The platform [GPT-4] has quickly impressed early users with its ability to simplify coding, rapidly create a website from a simple sketch and pass exams with high marks," says CNN Business.

Numerous companies are now implementing AI technology to improve their businesses and increase profits. Savvy business minds will embrace this new trend

AI is Not Without Challenges

The shift to the cloud for storing and accessing data and applications over the internet isn't new to business environments, but embracing this paradigm shift has been gradual. What accelerated adoption in the last few years was COVID-19.

Failure to adopt AI can occur due to a number of reasons, including:

- Reluctant leadership buy-in
- High cost of development and deployment
- Risk of picking the wrong sourcing data to create data models
- Lack of in-depth industry experience
- Inexperience with modern ML tools

Any new technology is going to have kinks to work out. Don't let other companies' failures to launch get in the way of your business objectives.

5 Ways AI Can Reduce or Cut Business Costs

Gartner reports that as of 2022, 47% of companies leverage AI to improve employee experience, cost savings and make data-driven decisions. You'll want to jump on this quickening trend in 2023 to keep up with the competition.

Read below to find out more about how AI can improve your organization's productivity and efficiency.

1. Reducing operating costs

AI can streamline processes in several ways for your organization that reduce overhead costs. According to Forbes, "The combination of AI and Big Data technologies can automate almost 80% of all physical work, 70% of data processing and 64% of data collection tasks."

One critical area that can be optimized by AI is compensation handling.

"IBM has been using AI in its compensation systems for several years as it has shifted performance management to focus on ongoing feedback rather than a single periodic performance rating, while also tying salary increases more closely to employee skills," says the Society for Human Resource Management. "As a result, pay decisions more accurately reflect what the market is paying for certain skills as demand for those competencies ebbs and flows."

As well, AI can be used to predict when systems such as in a factory environment will need preventative or predictive maintenance and repair, avoiding costly machinery failures. This analytics-driven forecasting can also be used for detailed planning and scheduling for costs of parts and raw material requirements.

Other costs related to the core operations of your company can be positively impacted by AI, including:

- Office rent
- Travel expenses
- Bank charges
- Office supply costs

2. Reducing cost of customer service

Live agents can be replaced with AI chatbots through SMS, messaging apps or on an organization's website. An AI chatbot can provide satisfactory customer service interaction while saving an organization money and reducing the number of customer service agents.

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3. Mitigating cyber risk

AI can provide the benefits of IT specialists without the hefty prices!

AI can proactively protect organizations from cyber-attacks by analyzing typical patterns and behaviors on a company's software or app. And in the event of an attack or unusual behavior, AI can respond by rapidly eliminating the threat.

4. Making workflows more efficient, reduce labor costs, and improve quality

AI can help a company to reduce labor costs and improve quality by making workflows more efficient. AI can also oversee workflows requiring less human oversight and ensuring consistent production. This ability to analyze data in real time allows for problems to be fixed quickly and to make the workflow more efficient.

5. Automating manual processes

AI can automate mundane, repetitive tasks to help improve worker productivity and reduce waste.

"Organizations can reduce the time and resources spent on manual processes by automating repetitive tasks, freeing employees to focus on more strategic objectives," says The Times of India. "Automation also helps minimize errors and increase consistency, leading to improved decision-making and better customer experiences. Additionally, automation can help organizations scale their operations more effectively, as they can process larger amounts of data and handle more customers or transactions with the same resources."

A key example of an area that can benefit from automation is human resources. AI can be used to automate recruiting, sort resumes, identify potential candidates and even reach out to applicants for interviews.

How AI is Revolutionizing Industrial Manufacturing

AI has already had a huge impact on the industrial manufacturing industry. 93% of industrial manufacturing respondents indicated to a KPMG survey that they have moderate or fully functional AI, primarily ML technologies, implemented into their processes.

That manufacturers would be such champions for new technology shouldn't be a surprise. According to the Journal of Accountancy, "While COVID-19 sped up the pace of adoption for many industries, including industrial manufacturing, manufacturing companies have historically embraced new ways of working."

The Industrial manufacturing processes that most benefit from AI include:

- Defects monitoring with robot vision systems
- Predictive and preventative maintenance analytics forecasting accuracy and driving scrap down to zero
- Smart technology and the Internet of Things (IoT) embedded in manufacturing equipment

MILL5 Drives Transformation and Innovation with AI

MILL5 leverages AI and ML in hopes of achieving "Connected Intelligence." This concept is the culmination of previous technologies and paradigms in hopes of learning more and accelerating problem-solving on behalf of the end-user.

MILL5 breadth and depth of AI and ML offerings include:

- Proof of concepts and envisioning
- Cost effective data architectures at cloud-scale
- Existing models in the cloud (R, MATLAB, Excel, Python, FinCAD)
- In-depth industry experience: Finance, Healthcare, Oil & Gas, Manufacturing, and Retail
- Modern ML tools (TensorFlow, AzureML)
- Cloud scale databases (ex. Azure SQL Database, Cosmos DB, Aurora)
- Real-time insights from mobile and IoT devices using streaming analytics
- Natural Language Processing (NLP) and Advanced AI
- Utilization of Big Data and NoSQL (ex. Hadoop, MongoDB)

Part of our strategic consultancy is helping you to decide where best to store AI data. MILL5 specializes in both moving data to the cloud and keeping it close in the edge. We will work with you to optimize your on-prem and cloud resources so you can quickly and efficiently adopt AI into your business model.

MILL5 can also work as a strategic consultant to help you in your AI deployment, offering guidance on:

- Having your data scientists aligned and in constant communication with subject matter experts (SMEs) from your business side.
- Determining if requirements such as high availability, disaster recovery and costs are fulfilled.
- Ensuring software architects and IT architects are all in the loop of what you're doing and how you're doing it.

"

We help you check off all of the boxes, have a good process, and have a good fabric and interconnectivity between teams to get more of responsible uses of data all in place for your AI deployment to be successful," says Shri Bhupathi, Founder and Technical Fellow at MILL5.

Conclusion

AI is going to be vital to the continuous digital transformation of the global marketplace.

Partner with MILL5 to seize the opportunity to reconceptualize enterprise-wide cost and labor structures.

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