Role of AI Strategy in Business Transformation

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**Recommended Citation**  
Shi, Yao; Gebauer, Judith; and Javadi, Elahe, "Role of AI Strategy in Business Transformation" (2022). *AMCIS 2022 TREOs*. 2.  
https://aisel.aisnet.org/treos_amcis2022/2

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TREO Talk Paper

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Abstract

As Artificial Intelligence (AI) is turning into a critical technology for businesses, pioneer organizations (Loukides, 2021) and governments (GOV.UK, 2021) have developed strategies for adopting, applying, and advancing AI technology to increase efficiency and create new business opportunities (Joshi & Wade, 2020). AI technology has been applied or designed to be applied at different organizational levels and in various functional areas. For instance, AI can help leverage strategy and optimize the measurement of key performance indicators in organizations (Kiron & Schrage, 2019). Customer relationship management can be enhanced through rapid AI-enabled response and the processing of vast amounts of customer data. AI-powered manufacturing automates repetitive and routine work tasks (Dwivedi et al., 2021). The transition from human-oriented tasks to AI-assisted or AI-enabled tasks is expected to trigger changes in business models, organizational structures, and eventually, the value proposition of the organization (Wessel et al., 2021). While many studies have addressed technical questions related to the development and application of AI (Dwivedi et al., 2021), few studies have explored the role and impact of AI-related strategy for business transformation. As the interest in AI increases among executives and more AI elements are being incorporated in organizations’ strategies, we think it is necessary and timely to fill the research gap. In this study, we address three questions: (1) what is AI strategy and how does it compare with conventional IT-related strategies? (2) what types of AI strategy are applied in organizations? (3) what is the impact of AI strategy on digital transformation and business transformation? Through literature review of research articles, reports, and cases, we plan to identify different types of AI strategy (e.g., country level AI strategy, organizational level AI strategy, etc.), core patterns, and AI strategy-related business transformations (e.g., AI-driven business, AI-assisted business, etc.). To provide evidence of practical applications and to demonstrate the impact on business transformation, we conduct case studies (Yin, 2018) to analyze one or two typical examples for each identified AI strategy. The study is expected to provide insights about the role and impact of AI strategy on organizations’ business transformation and practical guidelines for building AI strategies.

References


