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Business Operations

New Volatility Demands More Resilient Business Operations

To meet new challenges, businesses will depend on AI-driven insights to manage their equipment, buildings, vehicles and fleets more effectively.

This Q&A is part of the Built for Change Perspectives series that is exploring trends in business transformation. To learn more, go to IBM.com/ smarter-business.

Kareem Yusuf is IBM's General Manager of AI Applications. He has expertise in using AI to transform the enterprise operations and supply chains of global organizations. He holds a Ph.D. from the University of Leeds focused on decision support systems for civil engineering, and has been with IBM for over 20 years.

Q: Do you think the changes in how businesses are managing their equipment, facilities and other assets due to the pandemic are temporary, or will they become a "new normal?"

A: I think there is a fundamental shift going on. We're stepping into a different world. We are never going to manage operations and resources the same way. Retail and real estate are changing in fundamental ways. Right now, organizations are shifting from a response mode to thinking about how their operational profiles are going to change permanently.

What will the "new normal" look like? We'll recognize it, but it will be very different. Think about how air travel and airports have changed in the last two decades. All sorts of facilities are going through changes of a similar magnitude right now.

My message to organizations is that this is a long-term game. We are helping clients transform their business operations to become resilient and ready for the new normal.

Q: Can you describe a specific business operation where you're seeing change across industries?

A: Sure. Take the world of enterprise asset management and think about, say, predictive maintenance of equipment—performing maintenance when it's needed, rather than when it's scheduled. For years, organizations have wanted to leverage artificial intelligence to shift to more predictive maintenance. A comparison would be moving from changing the oil in your car every 10,000 miles to doing it based on how the automobile is really being driven; it might need it at 8,000 miles, or 15,000 miles, right? In an enterprise context, that spread represents major savings.

Before the pandemic, predictive maintenance was in the discussion, but now, it's an imperative for many organizations. They're running equipment longer than planned, and they must become more efficient and effective at how it's being operated and maintained.

This idea applies across industries, from manufacturing to healthcare to real estate. Organizations know they must leverage real-time data to use their resources more effectively.

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Q: Why is creating more resilient business operations so critical for organizations now?

A: It's the only way they will endure and thrive in the volatility we'll face in the years ahead. Resiliency is the capacity to respond to rapidly changing conditions. It's toughness. It's elasticity. In my mind, creating resilient business operations is a fundamental requirement for businesses to survive now. And it starts with insights. Good information allows you to recover quickly. Full knowledge allows you to be elastic. This is where AI comes to the fore.

Q: What is the most significant AI-related change you've seen in 2020?

A: Implementing AI solutions through digital transformation has become much more urgent. For many organizations, it's no longer about transformation to get better. This is literally transformation to survive.

When I talk about AI, I'm talking about it as a tool to aid business decision support. I'm about putting information in the hands of the business owner to inform a decision or action. In AI for asset maintenance, for example, the reliability engineer has a dashboard that says, "Based upon this machine's current operational profile and historic data, the time to failure is in this zone."

When we think about intelligent insights, there has to be a direct link to execution. It's leveraging AI to make sense of all the data and allow a business owner to say, "OK, I'm going to make a decision or take an action, and I know this is the right time to do so."

Q: In current conditions, how important is it for digital transformation to deliver results quickly rather than yielding an ROI within, say, two to five years?

A: The time frames have been accelerated, without a doubt. There's no longer a two-year time frame to see the first significant results. Nobody has time for that now. Business leaders are thinking about the next 30 days or quarter. If you're not solving a major problem within a month to 90 days, it's too late.

But the benefits of more resilient operations don't stop at the ability to react quickly. They include positive substantive changes in the business, including reducing costs, increasing efficiency and improving effectiveness.

Q: What should business leaders look for when choosing a partner to help drive their digital transformation?

A: First, your partner must have domain knowledge. That's critical to have a specific conversation about your operations and to solve specific problems. Every industry is unique; partners must have deep expertise in the industries they are advising.

Second, you need a partner who will be with you for the whole journey, from the initial data capture through the integration of AI with core business applications and processes. The AI models will evolve, so how do you manage the life cycle of your AI? That's where the rubber meets the road in an enterprise context.

Third, people want to know, "Can I trust this solution?" After all, we are talking about technology being built into essential operations at scale. A mistake could threaten the survival of the organization.

Business leaders need to ask themselves and their transformation partners, what can they accomplish in one week, one month, or three months? To be data driven, you have to have intelligent systems that can help you accomplish intelligent execution. And you need to do so at the speed business today demands.