1 Generative Artificial Intelligence

Impact on strategy

Generative Artificial Intelligence (or **Gen AI** for short) is rapidly reshaping organisational strategy; businesses that strategically integrate Gen AI successfully are gaining significant competitive advantage in a business world that is evolving at an increasingly faster pace.

Specific areas of impact:

- transforming business models e.g. Stitch Fix
- new revenue streams e.g. OpenAI
- operational efficiency and productivity e.g. financial reporting
- enhanced decision making e.g. scenario simulation
- integration with existing technologies e.g. cloud computing, Big Data analytics
- workforce transformation e.g. skills development
- competitive advantage e.g. first-mover benefits (OpenAI and ChatGPT)

However, also need to consider **ethics**

2 Gen AI technology



Gen AI is a branch of AI that focuses on creating new, original content (e.g.text, images, audio, video) by learning the underlying patterns, structures and features of existing data.

Gen AI can use advanced machine learning techniques, such as:

- **General Adversarial Networks (GANs)** e.g. Nvidia's use of StyleGAN to create human faces
- **Variational Autoencoders (VAEs)** e.g. Spotify and music recommendations
- **Large Language Models (LLMs)** e.g. Duolingo

How Gen AI is transforming the accounting profession:

- **automation of routine tasks** e.g. financial reporting
- **enhanced data analysis and interpretation** e.g. identifying trends and anomalies
- **improved financial forecasting** e.g. budgeting
- **advanced compliance and risk management** e.g. banking industry
- **personalised financial advice** e.g. tailored advice to each client
- **creation of intelligent financial documents** e.g. dashboards