

Artificial Intelligence: Disruptor or Saviour?

Artificial Intelligence will drive the next big wave in sales and marketing, writes Complexica managing director, Matthew Michalewicz.

MOST people realise that the world is changing rapidly – with technology re-writing the face of countless industries across the globe – but few of us realise that the speed of this change is actually accelerating.

Rapid change is not just a “phase” – rapid change is the new “norm”.

According to a new Innosight study, the average lifespan of an S&P 500 company has fallen from 61 years in 1958, to just 18 years today, and new business models may only have a lifespan of five years or less given the speed of change. Manufacturing companies in particular, have found themselves on the wrong end of two important trends in recent times: “information asymmetry” and “mass personalisation”.

Let’s examine each in term. Stemming from the field of economics, “information asymmetry” is where one party in a transaction has more or better information than the other. In the past, most manufacturing sales reps had better information about the products or services they were selling than their customers did – in effect, giving them an information “advantage”.

That changed with the advent of the Internet in the 1990’s, where the information that once resided with the salesperson (and made them an “expert” in their field) was liberated and available for all to look up and consume. As the Internet gained widespread adoption, the information asymmetry between salespeople and their customers began to shrink, then disappear altogether, before finally moving in the opposite direction.

Today, customers are better informed than most salespeople they engage with, putting the salespeople on the back foot before the conversation even begins.

GETTING PERSONAL

This well-documented phenomenon – of information asymmetry swinging from manufacturing sales reps to their customers in recent times – is being compounded by a second trend called “mass personalisation”. Better informed and educated, customers are increasingly dictating what they want and demanding a more personalised service when they buy. They also want to deal with salespeople that educate them, provide contextually relevant information, and not waste their time with probing questions that highlight ignorance such as: “So tell me what’s happening in your industry?”

This has amplified the pressure on manufacturing companies, who have operated under the mantra of “mass standardisation” for the past century, made famous by Henry Ford’s proclamation: “you can have any colour as long as it’s black”.

They have set up their factories, supply chains, and sales and marketing functions, for maximum standardisation, and now their customers are demanding the opposite.

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THE SOLUTION

Where will it all lead? Enter Artificial Intelligence. Although much has made of the potential loss of jobs to Artificial Intelligence – particularly in manufacturing, where robotics has automated an unthinkable large amount of production tasks during the past few decades – a far more interesting and immediate application of AI

revolves around its ability to make certain jobs more productive – in particular, within sales and marketing. In fact, the ability of AI to quickly shift through very large amounts of data and convert “generic information” into “specific knowledge”, will

fundamentally change the face of sales and marketing functions of not only manufacturing companies, but many other industries as well.

How? Consider that Artificial Intelligence can automate the complex analytical and research tasks required to create “information symmetry”, and boost the return on sales and marketing initiatives





through better allocation of resources and improved (ie personalised) messaging and pricing. As an example, large productivity gains can be achieved by directing salespeople to the most promising opportunities, arming them with customer-specific research for each visit, and helping them recommend the best combination of products, services, and pricing to each customer.

IN A NUTSHELL

Without enabling technology that can automatically find the data and analyse it, carrying out such tasks on a daily basis would become highly complex and unwieldy, quickly falling into the “too hard” basket – especially for manufacturers that employ large sales teams and serve tens of thousands of customers. However, through the use of Artificial Intelligence, data can be automatically captured, automatically

analysed, and automatically delivered to a salesperson in the form of actionable insights, such as “visit this customer”, “deliver these messages and insights”, and “offer this mix of products at this price”.

By automatically providing such insights to in-field salespeople and telesales operators, productivity and yield increase because they begin targeting better opportunities, with the correct mix of products, at the optimal price point, with the customer in turn receiving a higher quality engagement and personalised service.

Science fiction? It’s already a reality.

LARRY TO THE RESCUE

In one example, Complexica has recently launched an AI-based software product called “Larry, the Digital Analyst” that fetches data from the internet and overlays it with existing customer data to build granular

“customer profiles”. These profiles are then used by “Larry” (think Siri, but for business) to help salespeople find “high potential” prospective customers, carry out customer-specific research to prepare the salesperson for each individual conversation, and recommend individualised pricing and product bundles.

A new field of “automated analytics” is emerging to deliver such advanced functionality, and companies like food distribution giant PFD Foods (with \$1.6 billion in revenue) and Liquor Marketing Group (with more than 1,400 liquor outlets) are using it help their sales and marketing departments generate win-win outcomes for their suppliers and customers.

They are not alone, and represent the future of sales and marketing – a future that requires sophisticated technology to tackle information asymmetry and mass personalisation head on,

and analyse mountains of data to find needle-in-the-haystack insights that salespeople can use with their customers.

Today, a quality product is a given – so in order to stay truly competitive and relevant, manufacturers need to raise their game in sales and marketing, and Artificial Intelligence is becoming the saviour they are turning to. *

ABOUT THE AUTHOR

Matthew Michalewicz has more than 20 years’ experience in starting and running high-growth tech companies specialising in predictive analytics and optimisation. He is currently the CEO of Complexica, a provider of Artificial Intelligence software that helps large organisations increase revenue, margin, and customer engagement through automated analytics.

