CTO Forum Gen Al Experiential Workshop

lavor Bojinov, Assistant Prof & Richard Hodgson Fellow TOM, HBS

4 Questions

- Who has used Gen Al tools (like ChatGPT, Perplexity, etc.) before?
- 7 Who uses Gen AI tools (like ChatGPT, Perplexity, etc.) once a week?
- 3 Who uses Gen Al tools (like ChatGPT, Perplexity, etc.) every day?
- Who thinks Gen Al will fundamentally impact their work / HBS in the next 3 years?



Al Innovation Has Progressed In Waves

Time

Wave 1: Cybernetics (1950s-70s)

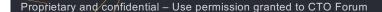
 Field of AI research was founded and key concepts were first described, including early neural networks

Wave 2: Trained experts (1980s-90s)

 Expert systems were developed to solve problems about a specific domain of knowledge

Wave 3: Good learners (2000s-)

 Progress in artificial neural networks, "deep" learning, CNNs, RNNs led to notable achievements in text, speech, language and vision processing



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Wave 4: Generative systems (2020s →

 These systems can adapt contextually, learn and function with minimal supervision, and massively augment human intelligence



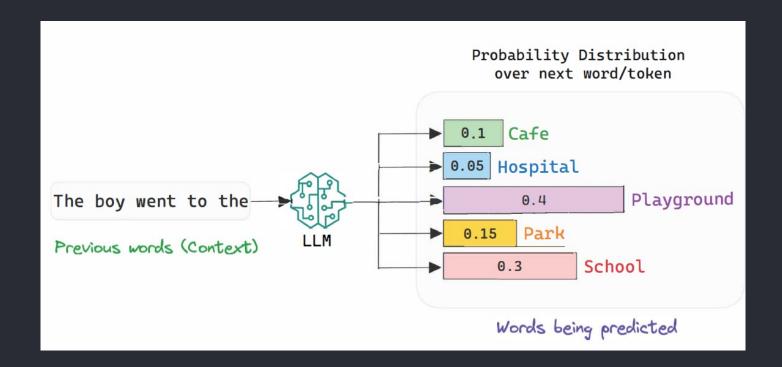




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cat

What does Generative AI do?







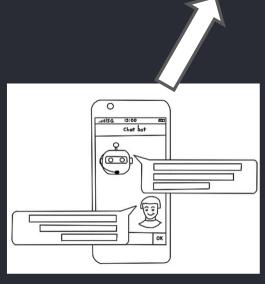
How does Gen Al Learn?



Training dataset containing texts, audios, and videos



Neural Networks



1. Generative Pre-trained
Transformers or GPTs are
neural networks that learn
context and meaning by
tracking relationships in
data like the words in this
sentence.

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How does Gen Al Learn?

3. Reinforcement Learning from Human Feedback is used to further align the algorithm's output with our expectations by having the algorithm generate alternative responses that are ranked from best to worst by a human.



Bot outputs multiple responses and humans rank them

What can Gen AI do?

Generate Images, Video, Sound



Generate Text



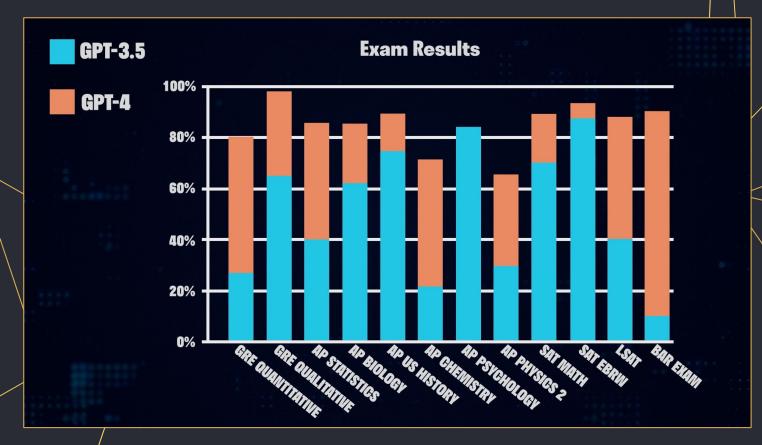
Generate Code





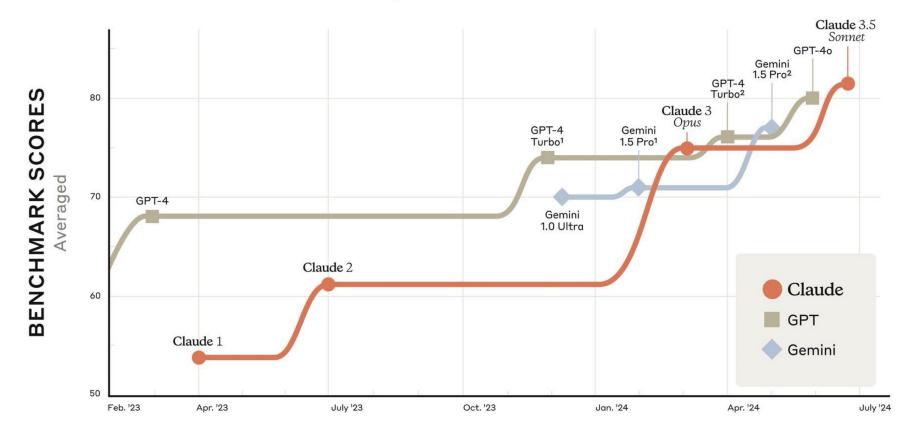
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Al model release and capabilities timeline



RELEASE DATE

Averaged benchmarks are highest reported without best-of-N: MMLU, GPQA, MATH, MGSM, DROP F1, HumanEval pass@1, MMMU, AI2D, ChartQA, DocQA, Mathvista

Source: Publicly available data; evaluation scores are the average of representative scores found online. 1 = Initial release; 2 = Second release

Text to Music & Video

Song generated from **Udio**: **Prompt:** Create a song about the transformative power of AI in businesses. The lyrics should highlight the benefits and potential of AI, emphasizing its role in enhancing efficiency, innovation, and growth. The song should mention the four key steps of an AI project: Project Selection, Development, Evaluation, and Adoption. The tone of the song should be inspirational and motivating, encouraging businesses to embrace AI for a brighter future. Include a catchy chorus that reinforces the message of AI driving success., hip hop,

Video generated from **Plazma Punk** Prompt: None



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Text to Video Capabilities:

Lowering the Cost & Time of Production for Marketing & Learning

Prompt: A stylish woman walks down a Tokyo street filled with warm glowing neon and animated city signage. She wears a black leather jacket, a long red dress, and black boots, and carries a black purse. She wears sunglasses and red lipstick. She walks confidently and casually. The street is damp and reflective, creating a mirror effect of the colorful lights. Many pedestrians walk about.



Source: OpenAl

Let's make her sing

https://humanaigc. github.io/emoteportrait-alive/



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Let's put video and music together

<u>@notiansans</u> + Runway



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Early evidence: Impact of Gen Al



Productivity & Quality

- **50%** faster coding
- 20-40% less time on writing tasks
- 40% increase in quality of writing
- **15%** faster AI development
- 14% increase in productivity for customer support staff



Creativity

- Most studies show no/little measurable effects on creativity but less
- BUT increase in standardization



- 43% boost in output quality for lower end, 17% for the top
- **34%** increase in productivity of the newest employees
- Disseminate knowledge



Bojinov et al. The Impact of Generative AI on AI development (working paper) Brynjolfsson, Erik, Danielle Li, and Lindsey R. Raymond. Generative AI at Work. No. w31161.

Dell'Acqua, Fabrizio, et al. "Navigating the jagged technological frontier: Field experimental evidence of the effects of AI on knowledge worker productivity and quality."

Noy, Shakked, and Whitney Zhang. "Experimental evidence on the productivity effects of generative artificial intelligence." Available at SSRN 4375283 (2023).

Peng, Sida, Eirini Kalliamvakou, Peter Cihon, and Mert Demirer. "The impact of ai on developer productivity: Evidence from github copilot." arXiv preprint arXiv:2302.06590 (2023).

Translation challenge

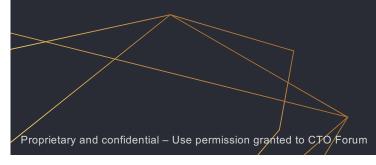


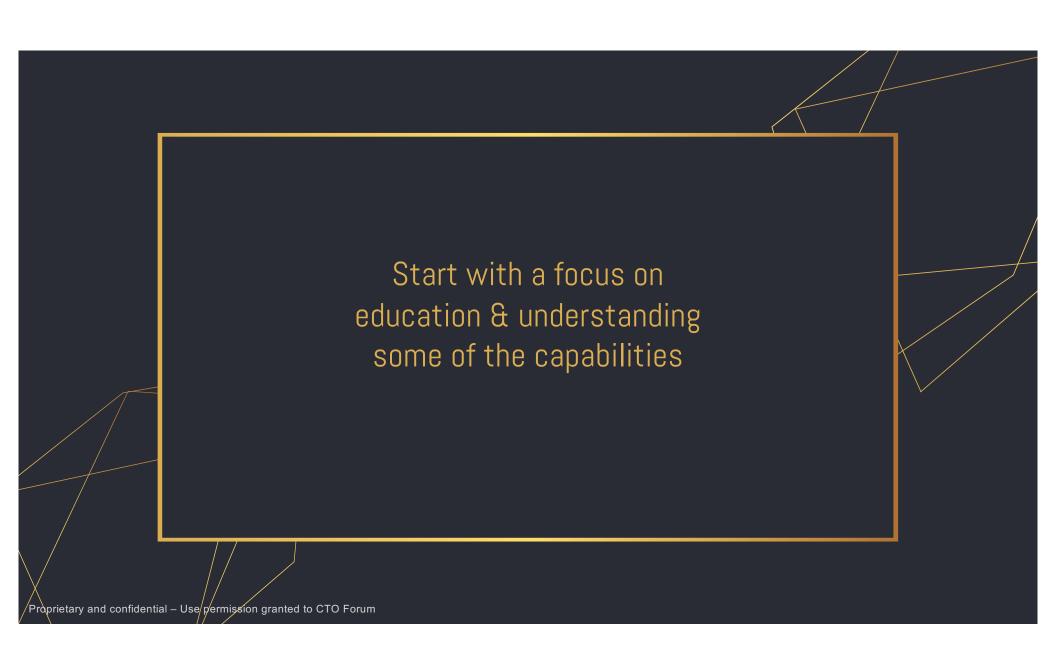
Little trust in the Al Poor understanding of the capabilities Little/no process redesign

Full impact requires changing how we work

Hard to measure realworld impact

Tricky to experiment and measure KPIs





Snack Industry

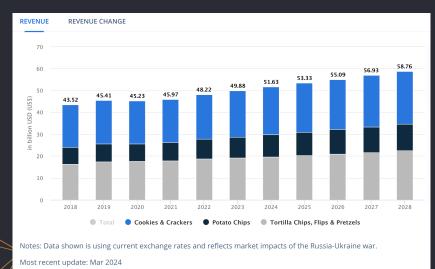
USA Rev +\$50B

Expected to grow 3-4% CARG.

Years long R&D process

New products can take anywhere from 2-4 years Months long marketing

Typically, takes 6-12 months to launch a product



Source: Statista Market Insights

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Creating Al-first snack company

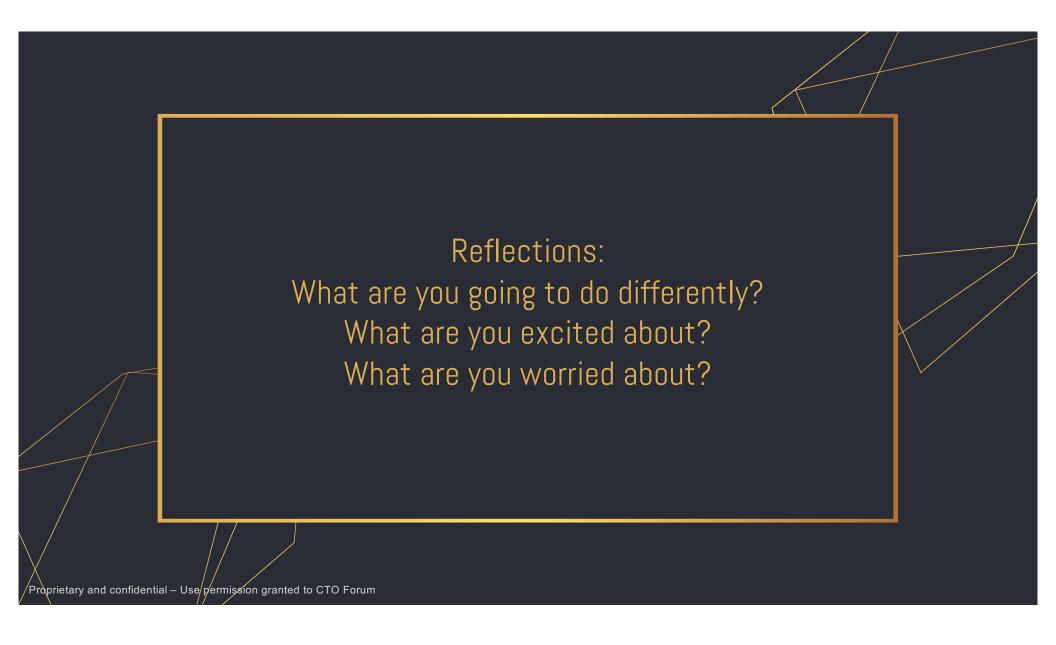
- Analyze current trends + identify an opportunity
- Create a name, logo, and packaging prototype
- 3. Generate a recipe that scales
- 4. Identify customer segment and location of the initial launch
- 5. Create a targeted marketing campaign
- 6. Summarize the discussion & create a power point slide to pitch your company!



Prompt Engineering

01	02	03	04	05	06	07
Clarity & Specificity	Context &	Instructional Prompts	Feedback Loops	Chain of Thought	Shot Prompting	Personas
Use precise language to avoid ambiguity.	Include why / for what purpose you're asking.	Give clear commands or steps to follow.	Prompt for iterative refinement or confirmation.	Encourage disclosure of detailed reasoning process.	Provide an example of the desired type of data or output.	Assign a character or role to the Al.

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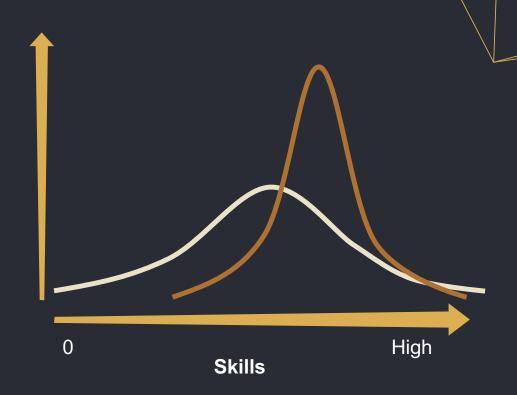




Augmentation

Automation

Transformation



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1. Gen Al will catalyze foundational shifts in business and operating models

2. Every person must prepare to embrace Al and find ways to use it in their work



Developing a Digital & Experimentation Mindset

Adopt behaviors that open new possibilities:

- Curiosity & Openness
- Experimentation & Learning
- Testing & Iterating

Chart your path to success:

- Determine the application in your role
- Start with productivity-boosting
- Then, focus on process redesign

If you were building your company today (with the technology that we have), would your business and operating models be the same?

