Generative AI

A powerful tool for charities
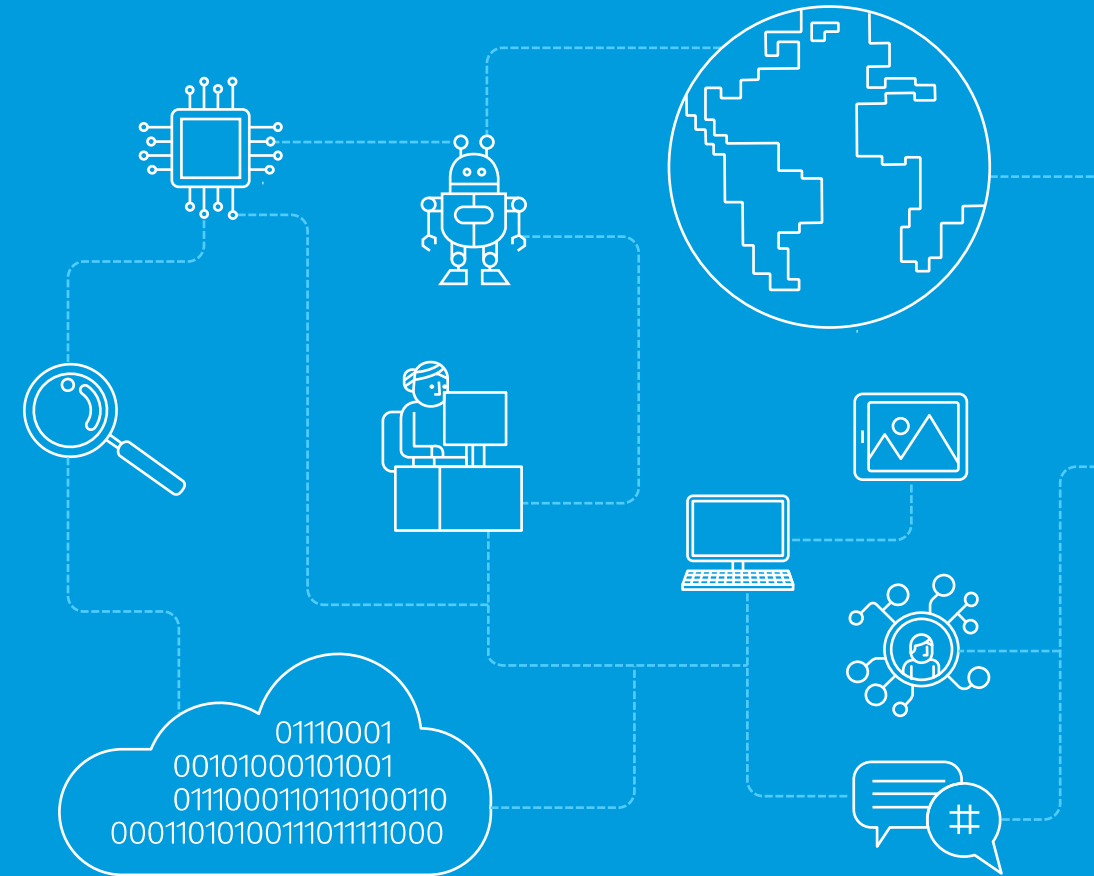
Contents

01 Introduction

Ben Bilsland

RSM Partner
Technology and Media

LinkedIn profile:

RSM Internationally

RSM

120+ countries

57,000 people

6th largest globally

830 offices

RSM in the UK

4,900+ people

360+ partners

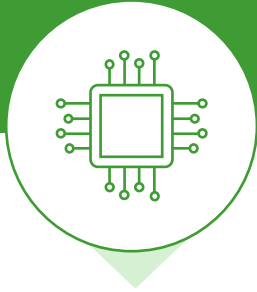**31** locations

>£486m fee income
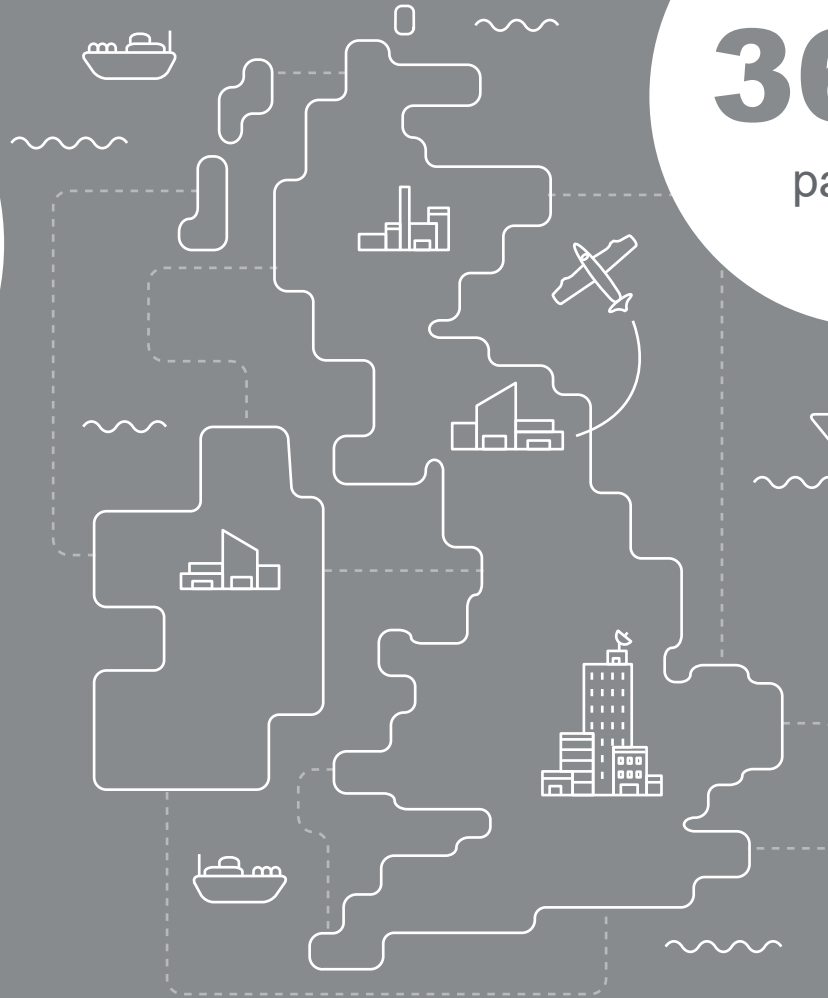
02

What is **ChatGPT,** what is **Generative AI and** why is there so much excitement?

What is Chat GPT

01

The embryonic version of online artificial intelligence created by OpenAI and attracting investment from Microsoft reportedly between $10bn and $14bn.

02

The initials GPT stand for "Generative Pre-trained Transformer".

It is a language model trained on large amounts of data that answers questions based on written prompts.

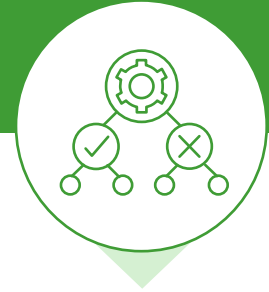You do not need to be a Tech expert to use this.

03

It is amazingly versatile. It can answer a range of questions in a wide range of styles.
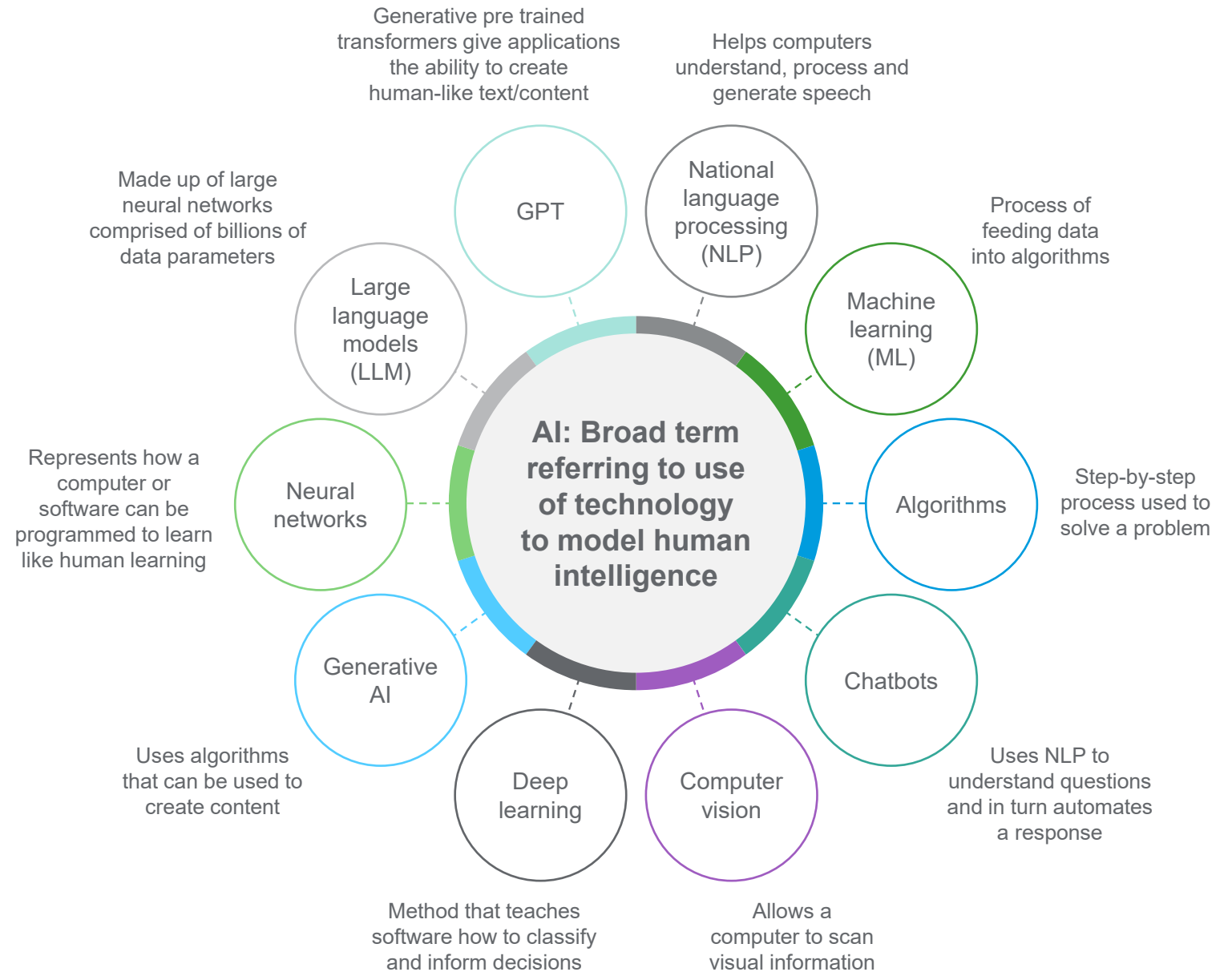
It can also be convincingly wrong.

04

For many it represents an accessible and visible entry point into Artificial Intelligence.

This brings opportunities for businesses but there are also risks.

What is generative artificial intelligence?

Generative pre trained transformers give applications the ability to create human-like text/content

Helps computers understand, process and generate speech

Made up of large neural networks comprised of billions of data parameters

Process of feeding data into algorithms

GPT

National language processing (NLP)

Machine learning (ML)

Large language models (LLM)

Represents how a computer or software can be programmed to learn like human learning

Neural networks

AI: Broad term referring to use of technology to model human intelligence

Algorithms

Step-by-step process used to solve a problem

Generative AI

Uses algorithms that can be used to create content

Deep learning

Computer vision

Chatbots

Uses NLP to understand questions and in turn automates a response

Method that teaches software how to classify and inform decisions

Allows a computer to scan visual information

Generative AI capabilities

A type of **artificial intelligence** that can create new and original content such as text, images and coding based off user prompts.

Offers organisations a unique **opportunity** to access cutting-edge transformative technology to propel **efficiency** and **innovation**.

01
Content creation
produces natural language text from simple sentences to entire articles, from emails to formal reports
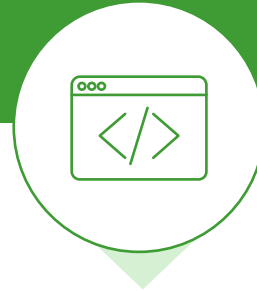
02
Research
can engage in conversations with users, providing responses based on public or private datasets, acting as a powerful search engine

03
Image creation
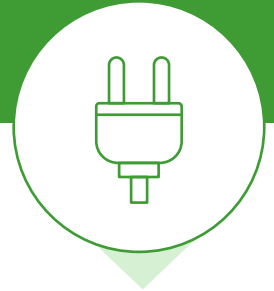can generate new images based on input parameters, turning text prompts into images/artwork

04
Code generation
can create and explain functional code in multiple programming languages based on user input

05
Summarisation
automatically generates concise and coherent summary of a document

06
Plugins
can be integrated into other software products, allowing for powerful capabilities within applications

70%
of workers using ChatGPT at work are not telling their boss
Fishbowl

15%
of all worker tasks could be completed significantly faster at the same level of quality
OpenAI

80%
of the workforce could have at least 10% of their work tasks affected by the introduction of GPTs
OpenAI

19%
of workers may see at least 50% of their tasks impacted
OpenAI

7%
increase in GDP over 10 years because of productivity increasing
Goldman Sachs

The economic impact of AI

GAI could add between $2.6tn and $4.4tn across the global economy. UK GDP alone is $3.1tn.

The impact would double if this includes embedding generative AI into broader software outside selected use cases.

McKinsey & Company

GAI could add 1.2% to UK productivity – an additional £31bn of output in the UK each year.

2.5% of overall tasks could be performed with 40% of jobs impacted.

Half the displacement offset by new tasks in impacted jobs.

KPMG

Breakthroughs in GAI could add a 7% increase in global GDP over a 10 year period – roughly $7tn.
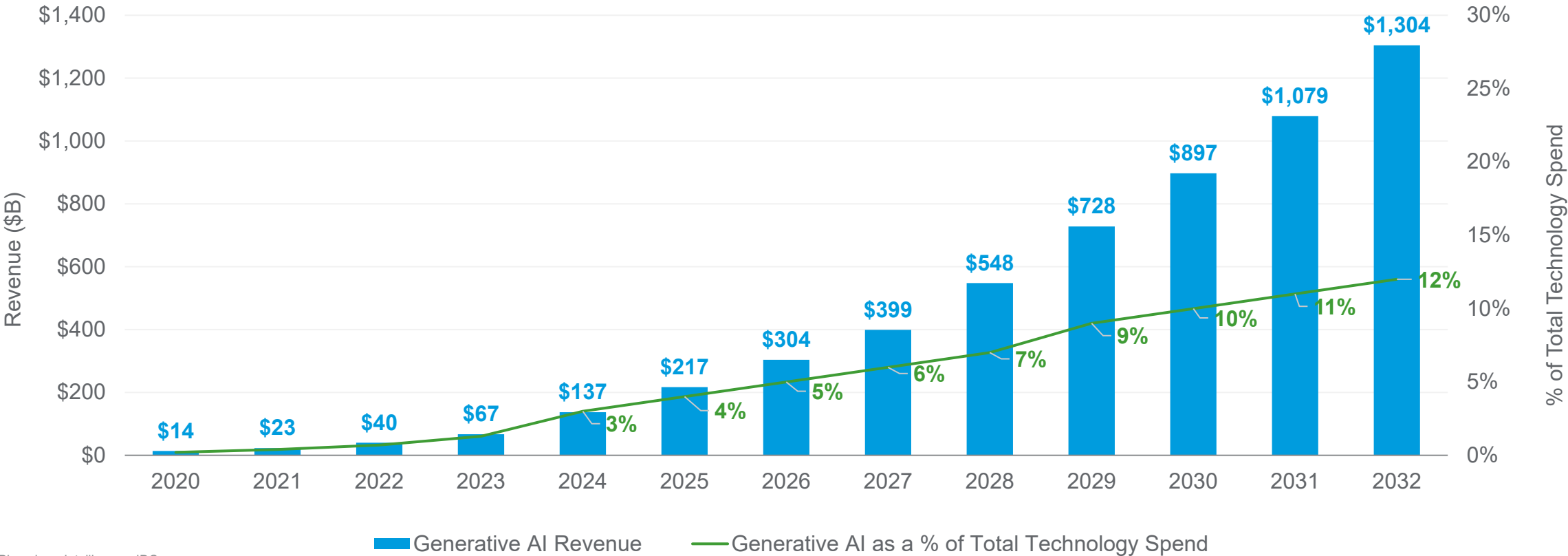
Advances could expose the equivalent of 300 million full time jobs.

Goldman Sachs

A $40bn market in 2022, rising to a $1.3tn market by 2032.

Bloomberg

03

What could this mean for Charities and what steps can be taken today?

The middle market have embraced generative AI

45% of middle market businesses are using generative AI in at least one area of their business.

45%

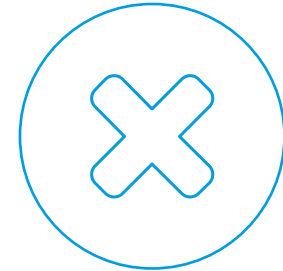A further **37%** said that they were experimenting with the technology.

37%

68%

of the business leaders surveyed said they had used a generative AI tool themselves to support their business.
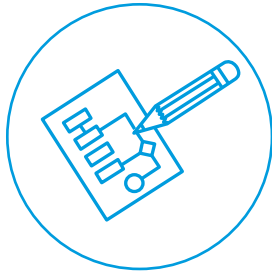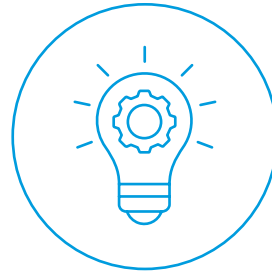
Only

6%

said they have no plans to use it in the future.

Productivity and efficiency lead the expected gains

77%

of survey respondents said that generative AI can be used to improve their business to at least some extent.

Of those,
60%

think it will improve productivity while the same proportion anticipate improved operational efficiency.

61%

expect an increase in employee headcount due to the use of generative AI.

Risk and monitoring are on the agenda

63%

of respondents think that generative AI could be a threat to their business to at least some extent.

47%

said they had major concerns around data security and privacy arising from the use of generative AI.
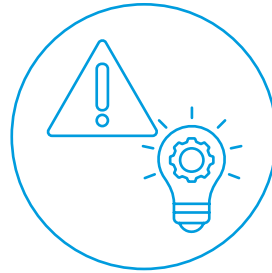
In light of such risks,

58%

of businesses said they have a generative AI policy in place, and another 32% are in the process of creating one.

Opinions are split on regulation

64%

of the business leaders surveyed said that the use of generative AI should be governed by a regulatory framework.

Whilst more respondents preferred heavier regulation (37%) than a light touch regime (10%),

50%

said it should strike a balance between protecting against risks and encouraging innovation.

At the business level,

80%

of those that are using or experimenting with generative AI are monitoring its use within their business.

The challenges to consider

01
Data Management

The tools sit on top of enormous amounts of data.

This has to be stored correctly and securely. Integrity must be protected.

02
Workforce

Routine tasks can be automated. Data entry, reconciliations and reporting can be streamlined.

This will impact workforce composition.

03
Risk Management

Data breaches, inaccurate forecasting and predictions and unintended consequences of algorithmic decision making.

04
Regulation

GDPR, CCPA and other data protection laws will still apply.

In some countries online safety bills are in draft that may impact the way the tools are used.

05
Ethics

If the data used by the tool includes bias there is a chance that the tool will produce biased results.

Transparency and accountability are key areas to consider.

Components of an AI strategy

Deployment of successful AI requires a clearly defined **strategy** underpinned by your **vision** for AI, concrete **use cases** and reliable **data**.

01 Vision

02 Use Cases

03 Data

04 Technology

05 People

06 Governance
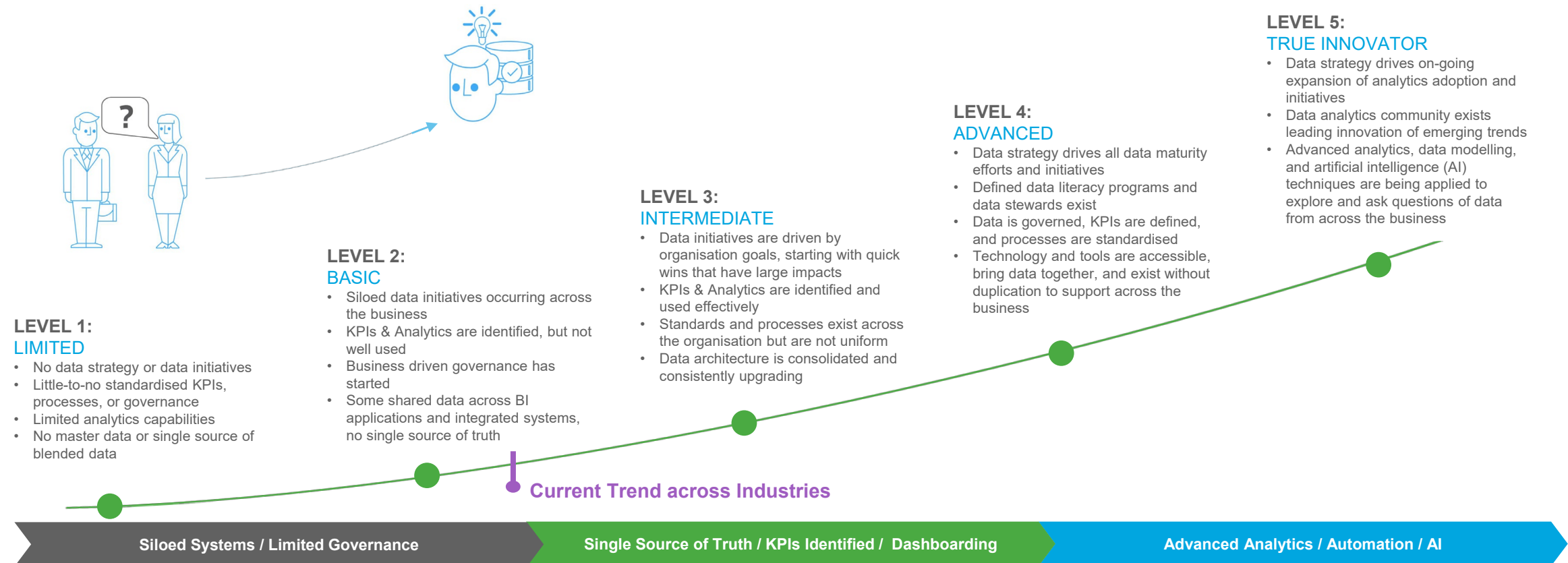
01

04

02

03

05

06

AI Strategy

Successfully executing your AI strategy

Getting the execution right will help you to **revolutionise** traditional processes, **enhance** customer experiences and **introduce** new revenue streams.

Getting started	Use cases	Culture	Skills	Technology	Delivery

Use cases
- Identify & prioritise use cases
- Engage with AI experts
- Pilot AI projects
- Data accessibility & quality
- Ethics & governance

Skills
- Assess current skills & future needs
- Pinpoint upskilling & reskilling needs
- Mentorship & coaching
- Continuous L&D

Delivery
- Incremental projects
- Planning
- Resource allocation
- KPIs and OKRs to measure performance and optimise
- Continuous improvement

Getting started
- Effective data strategy
- Top-down commitment
- Cross functional collaboration
- AI education & awareness
- Monitor industry innovations

Culture
- Innovation culture
- AI centres of excellence
- Communities
- Incentivise learning
- Internal training platforms

Technology
- Tools and technology
- AI platforms and partners
- Robust data platform
- Continually adapt to technological advancements

The scale of a maturing data strategy

Regardless of size and complexity or where you are on your data and analytics journey, it's imperative to mature your data and analytics environment to support your ability to leverage AI.

LEVEL 5:
TRUE INNOVATOR
- Data strategy drives on-going expansion of analytics adoption and initiatives
- Data analytics community exists leading innovation of emerging trends
- Advanced analytics, data modelling, and artificial intelligence (AI) techniques are being applied to explore and ask questions of data from across the business

LEVEL 4:
ADVANCED
- Data strategy drives all data maturity efforts and initiatives
- Defined data literacy programs and data stewards exist
- Data is governed, KPIs are defined, and processes are standardised
- Technology and tools are accessible, bring data together, and exist without duplication to support across the business

LEVEL 3:
INTERMEDIATE
- Data initiatives are driven by organisation goals, starting with quick wins that have large impacts
- KPIs & Analytics are identified and used effectively
- Standards and processes exist across the organisation but are not uniform
- Data architecture is consolidated and consistently upgrading

LEVEL 2:
BASIC
- Siloed data initiatives occurring across the business
- KPIs & Analytics are identified, but not well used
- Business driven governance has started
- Some shared data across BI applications and integrated systems, no single source of truth

LEVEL 1:
LIMITED
- No data strategy or data initiatives
- Little-to-no standardised KPIs, processes, or governance
- Limited analytics capabilities
- No master data or single source of blended data

Current Trend across Industries

Siloed Systems / Limited Governance   Single Source of Truth / KPIs Identified / Dashboarding   Advanced Analytics / Automation / AI

Thank you and questions

Ben is an RSM UK Partner and the firm's Technology and Media Industry Senior Analyst as part of RSM's Industry Eminence Programme.

The program, which began in May 2018, positions senior analysts to understand, forecast and communicate economic, business and technology trends shaping the industries RSM serves. In keeping with RSM's vision to be the first-choice advisor to middle market leaders globally, industry senior analysts help the firm advise clients on conditions impacting middle market leaders.

Further Technology and Media industry thought leadership can be found on our website: https://www.rsmuk.com/what-we-offer/by-industry/media-and-technology

Read RSM's report on this topic: The Real Economy: Generative AI

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Thank you

RSM