



# AI: ALL ABOARD?

There's no getting away from it: in a country with little to no growth and high unemployment, we need to harness its power rather than fight it

**I** resisted the change at first. "AI is revolutionising everything we do," went the excited chatter. But I'm old school. I like reading books made of paper and ink. I watch Test cricket. Anything artificial got my defences up. AI will likely be a minor irritant and a modest improvement in productivity for pockets of industry, I thought.

That was then. On my road to Damascus, I've realised we are on the nursery slopes of the next megatrend of productivity. Harnessed wisely, AI has the potential to make us better at just about everything. That is especially important for places like South Africa, where productivity has flatlined.

### AI and jobs

But, you may argue, South Africa is in an employment crisis and AI will take jobs from people! That is a fair concern. However, the data suggests the opposite will happen. Just like the mechanical loom, printing press and personal computer, AI will automate some jobs while freeing us up to be more productive and creative. It will transmogrify jobs, not kill them. Very often, it will create better, higher-paying jobs and opportunities than

it leaves in the past.

Don't take my word for it. The World Economic Forum estimates that AI will displace 85-million jobs globally by 2025 but create 97-million.

As for South Africa, with little to no growth and unemployment of about a third, fighting AI would be suicidal. AI is poised to add \$15.7-trillion to the world economy by 2030, according to PwC. And Accenture reckons AI adoption could double South Africa's growth rate by 2035 ... provided we have a growth rate in 2035.

### All aboard?

But how do we harness this complex force? AI can seem to be the arena of propeller heads with PhDs in quantitative topics. Sure, there is a segment of this revolution reserved for maths boffins. But this is a tide moving all ships. Just about every role in business and government has a part to play.

Greg Serandos, co-founder of the African Academy of AI, outlines how South Africa can benefit.

"For one thing, we can make everything we do more efficient," he says. "AI can free up huge amounts of time for sales departments. A client that uses our AI agent has cut the time it takes to create complex proposals from two days to three hours." He adds: "Call centres are the iconic example of AI enhancement. For good reason. AI can handle front-line tasks that compress time to resolution from 11 minutes to just two minutes. I've seen it reduce repeat inquiries by

25%. It also supports at least six South African languages – for now."

Despite being a techie tool, AI can do HR. "We have seen HR managers use AI to improve everything from succession planning to individual employee development plans," says Serandos. "Employee data can be gathered to form a sentiment analysis on employee satisfaction and wellness, and even predict when an employee will resign."

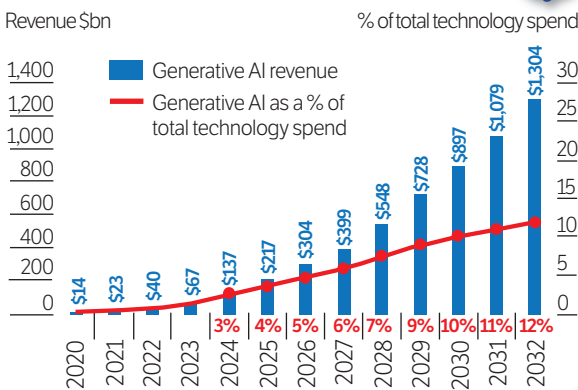
We need to be expansive as well. "AI also has to be incorporated as part of entirely new business models," he says. "Look at TymeBank. It was only founded when the traditional banks were as much as a century old. Yet it has leaptfrogged them in many ways by utilising AI to perform credit checks. This doesn't just grow the business, it lets it expand into formerly under-banked segments of the population. In turn, this will enable more small businesses that lead to growth in rural areas."

Skills will be key. If South Africa is going to be on this ride, we need people who know how. The workforce will need reskilling. Corporates can do this. "Amazon Web Services shows us the way," argues Serandos. "Many are following its lead. Companies should focus on capacitating their staff not to be replaced by AI but to work with it. Whether it is a technician running AI to solve difficult problems or a lawyer who can automate some grudge work and spend that time on more strategic, creative thinking, productivity is improved."

Five-day cricket matches and print books haven't gone away. In fact, 20-over cricket has revived the centuries-old sport and a Kindle is a handy extension to a traditional home library. AI can do the same for an ailing South African economy. There's no sense fighting it. Either we're part of this wave of technological advancement or it will happen without us. ✘

\* The Centre for African Management & Markets (CAMM) at the Gordon Institute of Business Science conducts academic and practitioner research and provides strategic insight on African markets. Macleod is a founding member

## GENERATIVE AI SPENDING



Source: Bloomberg

