WORLD OF WATSON DELIVERS TO THE REAL WORLD

ANALYST

Anne Moxie

THE BOTTOM LINE

At the World of Watson conference, IBM released a host of announcements that reiterate its commitment to making Watson the figurehead of its future. Nucleus looked at Watson's new abilities to identify the driving features that are moving artificial intelligence (AI) from being highly conceptual and academically focused, to being a value-add to businesses.

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THE ANNOUNCEMENT

At its World of Watson user conference, IBM released a number of announcements around incorporating its AI technology, Watson, into new business roles including:

▪ Cloud video technology powered by Watson allows organizations to access data from videos for live event analytics, video scene detection, and audience insights.

▪ Watson Solutions for Professions is a portfolio of offerings that are built for business users in marketing, commerce, supply chain, and human resources.

▪ ⬚ New Bot for Messenger, launched by the Weather Channel and powered by IBM Watson, is a cognitive weather bot for viewing and sharing personalized weather-related news content, current conditions, forecasts, severe weather notifications, and other relevant weather information.

▪ IBM Watson Data Platform is a platform of interconnected data and analytics services that makes it possible to get any data and put it into use for decisions,

business processes, and applications. Machine Learning as a Service is also a component of the Watson Data Platform.

- Watson Virtual Agent allows customers to incorporate conversational technology into their apps for improved customer engagement.

IBM also announced partnerships with GM, Teva Pharmaceuticals, Pearson, and Slack, helping to build out industry-specific functionality for a variety use cases.

WHY IT MATTERS

Data continues to grow at an exponential rate, however, users are often overwhelmed with the amount of information that is available and they cannot leverage it efficiently at any given time. Watson, IBM's artificial intelligence (AI) system, is able to sort through and identify what is useful in massive data stores. Over time, Watson also obtains contextual understanding, which allows it to select information more precisely. Nucleus took a closer look at the announcements from the World of Watson conference and recognized several major value-driving trends for customers.

INDUSTRY SPECIFIC EXPERTISE

AI can be leveraged in almost any software and in countless use cases, which is a blessing and a curse because it often makes it difficult for customers to decide how they should apply it. IBM has seen success in delivering advanced analytics through industry-specific applications, because it provides out-of-the-box functionality that customers do not have to customize and create themselves. Some of the benefits for industry-specific analytics solutions that Nucleus quantified includes a 57 percent faster time to value and 65 percent less spend on consulting (Nucleus Research, *p88 – Accelerating time to value: IBM industry analytics solutions*, May 2015).

With Watson, IBM is providing the system with background data and information that makes the solution prepared to address issues that are unique to different verticals. For example, the Watson Virtual Agent is pre-trained to respond to customers with industry and domain-specific knowledge. As a result, fewer customer requests need to be forwarded to live agents and the Watson Virtual Agent can use contextual information to answer questions.

IBM Watson Health is dedicated to using Watson for very specific research and has seen huge success in the space of cancer research. To see similar accomplishments in other markets, IBM is partnering with companies that can provide them with the background and experience for the development of Watson in additional industries.

Partnerships will play a big role in scaling the AI system because each partner will be able to lend their stores of data along with their background knowledge to the system.

ACCESSIBLE YET COMPLEX TECHNOLOGY

Nucleus has found that business users experience higher adoption and improved productivity rates from embedded analytics as opposed to standalone analytics applications. This is part because data is provided to them in the context of their daily workflows, making relevant information accessible to them at the right time. Nucleus expects that in the next 7 years, analytics will be present in 90 percent of business applications, but only 15 percent of users will realize they are using it (Nucleus Research, *q153 – The evolution of embedded analytics,* August 2016). As users realize benefit from increased productivity and improved adoption, they will increasingly demand business applications with embedded analytics capabilities.

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While AI is complex from a technical standpoint, it should be easy to use. This is because AI has some interfacing ability, whether it is natural language processing, image recognition, or audio processing, that enables easy digestion of data or analysis requests. These interfacing options imitate how a human consumes information, making it easier for humans to interact with AI. However, incorporating it into business applications is easier said than done.

Watson Solutions for Professions caters specifically to business users who would benefit from artificial intelligence enhancements but do not necessarily know how to use it without guidance or direction. Some of the roles that Watson is built for include HR, supply chain, and commerce, and marketing. Moving forward, IBM business applications users will likely be some of the first users to apply AI in their daily workflows, allowing them to benefit from the underlying intelligent capabilities that are present in their solutions before their competitors.

CONCLUSION

In 2016, AI has become a buzzword that nearly all software vendors have included in their marketing campaigns, whether they truly have the technology or not. IBM is one of the few companies that not only has the capabilities, but is also spear-heading progress in the space. This is largely due to the many investments that have

gone into Watson over the last several years, which now fuel the system with skills in machine learning, image recognition, and natural language processing.

At the World of Watson conference, IBM brought together a somewhat fragmented Watson message to be a consistent element of intelligence throughout all their applications. Now, Watson can be recognized as the cognitive component of their technology, ultimately streamlining and clarifying the message from IBM.