ARTIFICIAL INTELLIGENCE

IN

RETAIL & NEW AGE ORGANIZATIONS

LEARNING AND CHALLENGES

AI Innovation
ICAI Dubai Chapter
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‘EVERYONE LOOKED REAL’

Multinational firm’s Hong Kong office loses HK$200 million (~INR 200 crore) after scammers stage deepfake video meeting

https://www.scmp.com/news/hong-kong/law-and-crime/article/3250851/everyone-looked-real-multinational-firms-hong-kong-office-loses-hk200-million-after-scammers-stage?utm_source=copy-link&utm_campaign=3250851&utm_medium=share_widget

WILL AI REPLACE YOU TOMORROW?

ABOUT ME

- CA, CISA, CFE and a Data Scientist
- Currently Vice President & Group Head- Internal Audits at Flipkart Group (*Flipkart, Myntra, Cleartrip, e-kart, Flipkart Health+, Shopsy and others*)
- Previous roles:
  - Vice President- Internal Audits at Diageo
  - National Head- Internal Controls at Coca-Cola South West Asia
- Recognized as one of the top 20 thought leaders in Internal Audits in India
- Author of "Technical Guide on Internal Audit of Beverage Industry" published by ICAI

Nokia CEO ended his speech saying

"we didn't do anything wrong, but …

somehow, we lost".

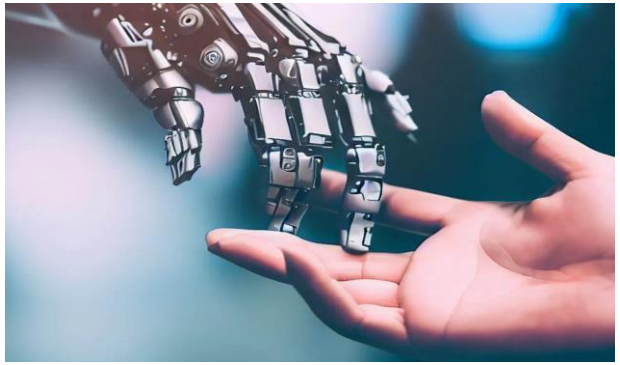
WHEN THE WORLD IS CHANGING AROUND US…

Increasing focus on ESG

Complex Regulatory Req (incl. GDPR)

Rapid technological advancements

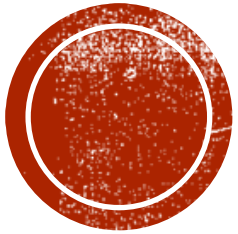
Cyber threats



Impact of AI / ML

Complex global supply chain

SMAC



SOCIAL, MOBILE, ANALYTICS & CLOUD

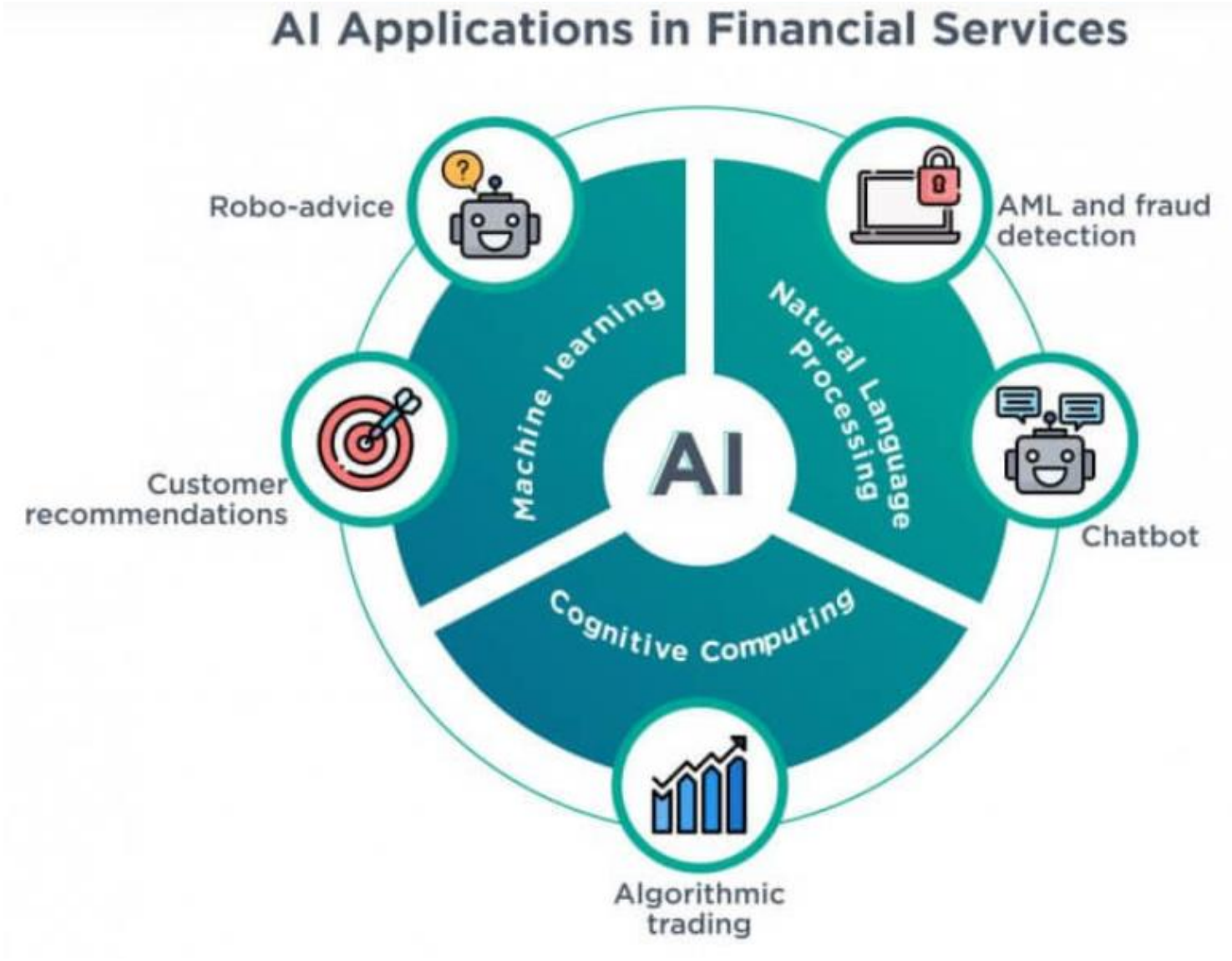
…when cos are implementing new enterprise IT Model

LEADING TO…

CHANGE IN BUSINESS

&

FINANCE PROCESSES…

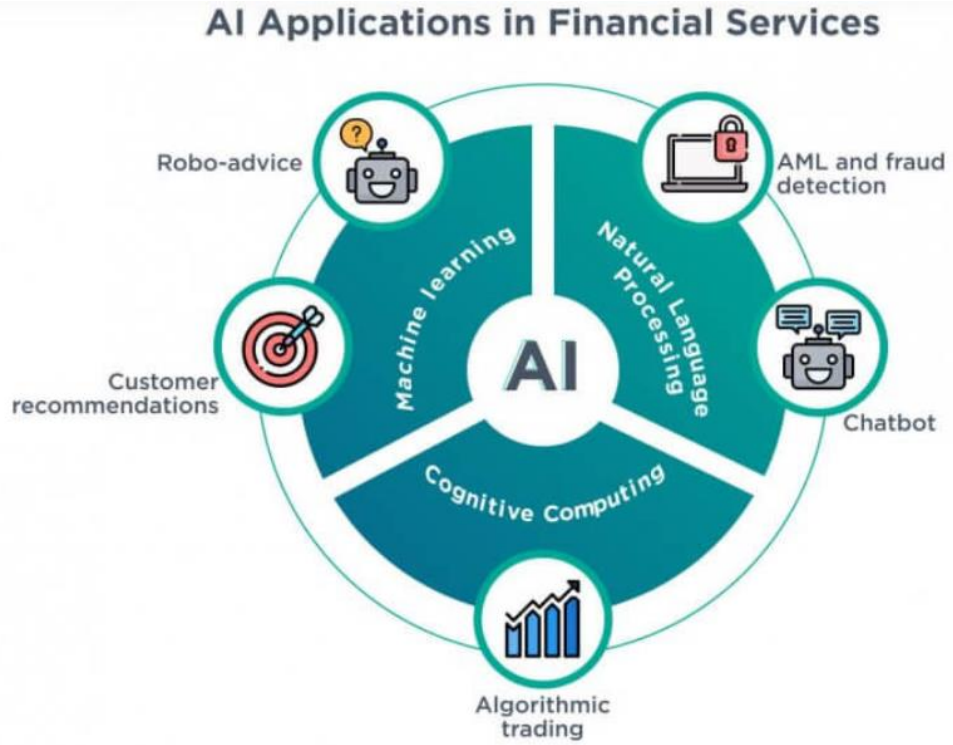


HOW CAN WE REMAIN UNCHANGED?

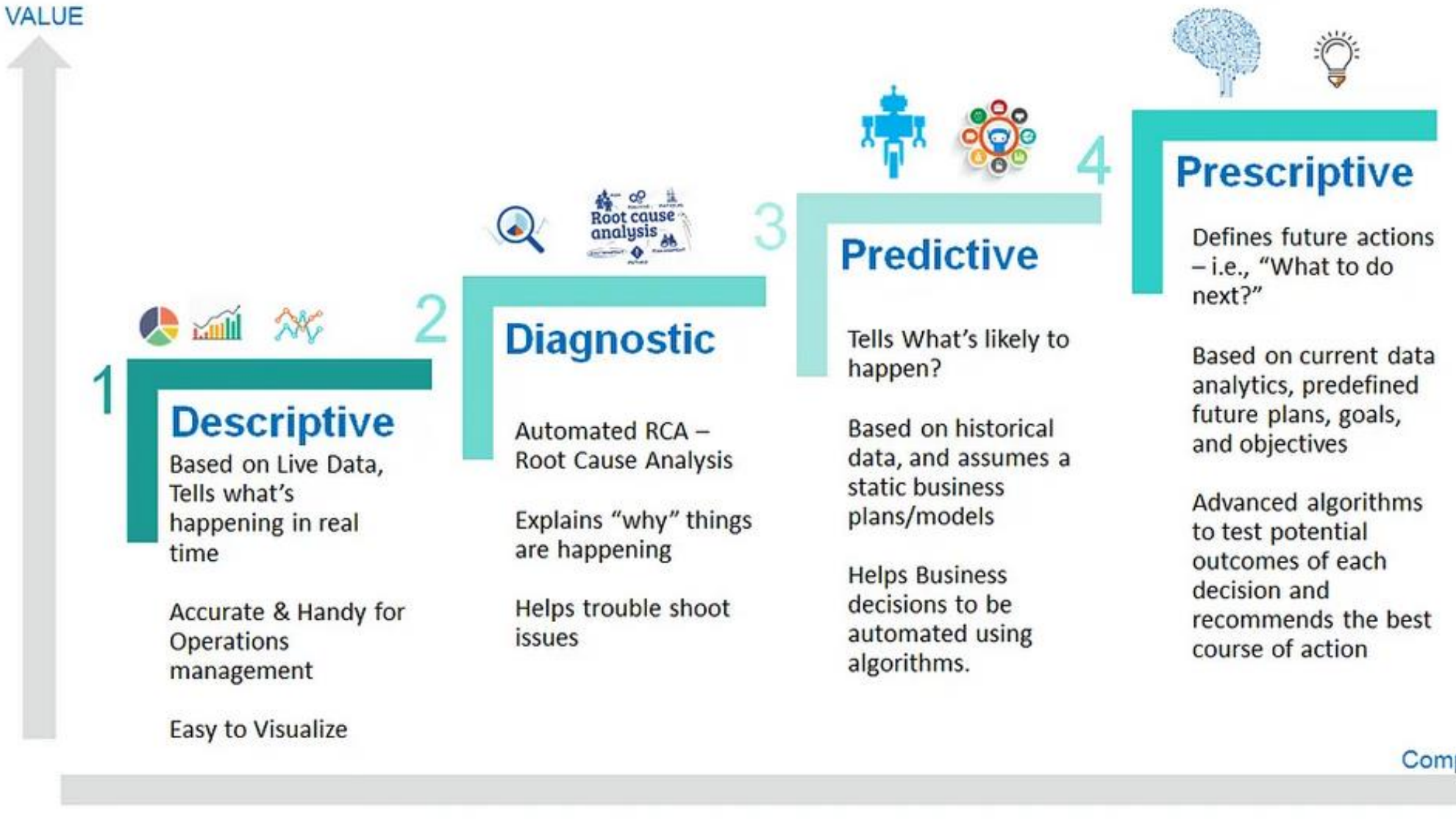
SMAC

SOCIAL, MOBILE, ANALYTICS & CLOUD

The new enterprise IT Model



Changing Expectations of New Age Companies:
From Value Preservation → Value CREATION



LET'S TAKE AN EXAMPLE

- A retail company experienced a decline in profitability. An internal auditor decided to perform descriptive analysis on sales data to pinpoint the root cause.

- By analyzing sales trends over different time periods and across various product categories, the auditor noticed an interesting pattern:

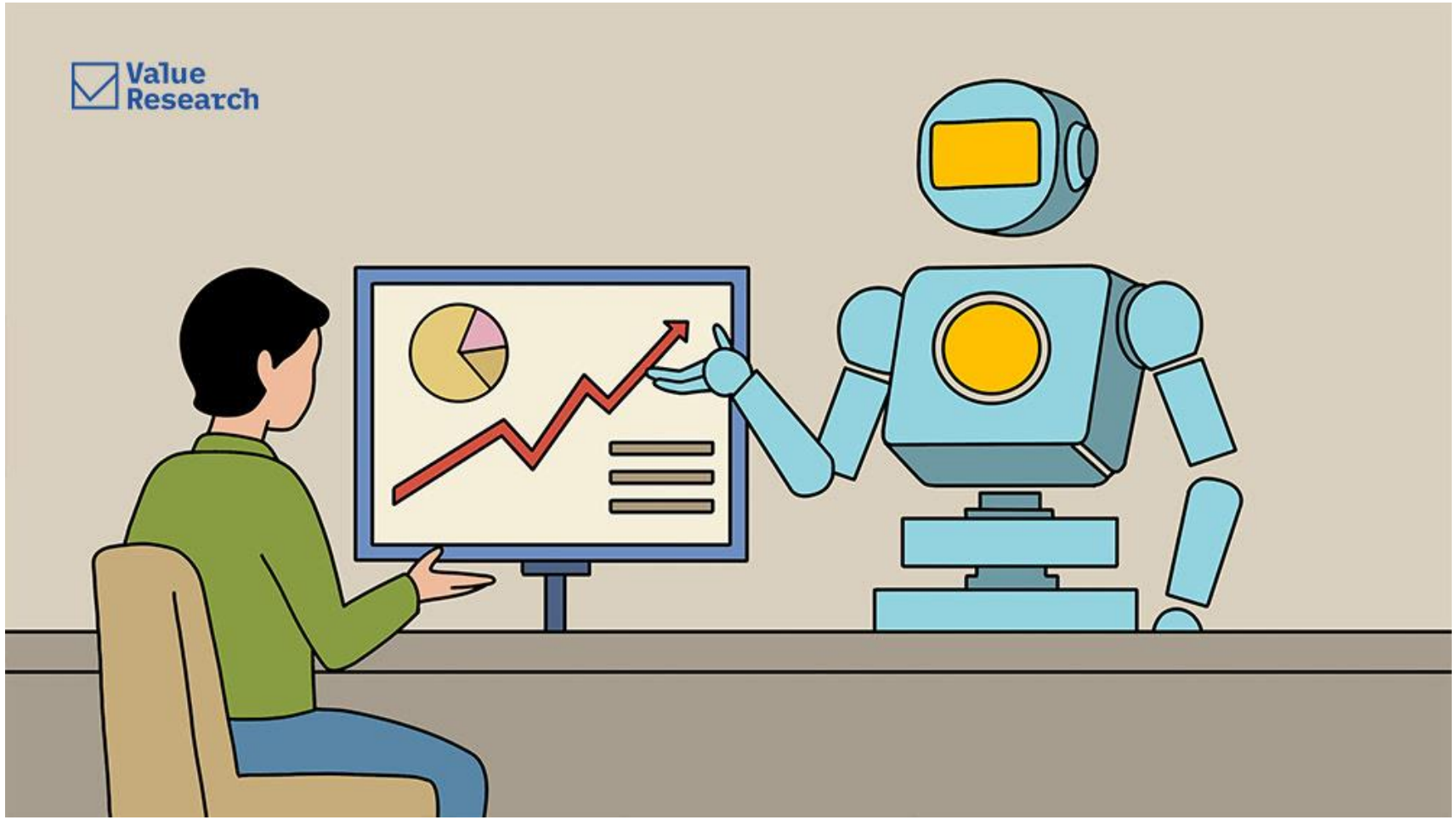
  - There was a significant drop in sales for a high-margin product line.

  (this is _____ Analytics)

  - and this was coinciding with a recent change in the marketing strategy.

  (this is _____ Analytics)

IS THIS ROBO-ADVISOR AN AI?



Will AI replace us, Humans ?

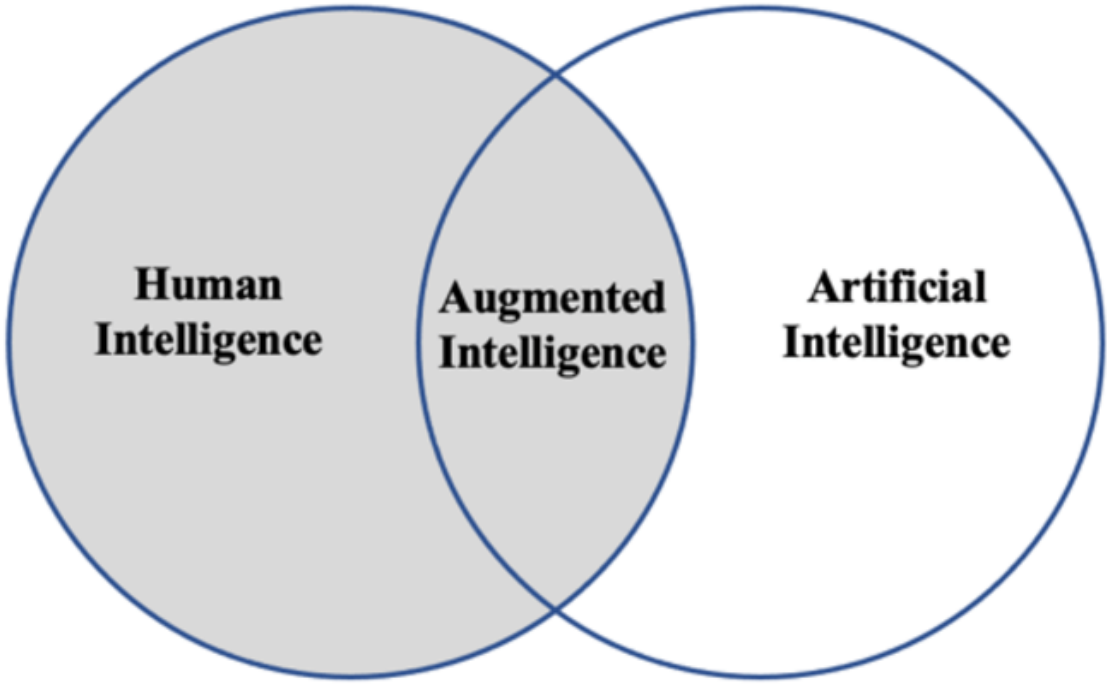
Future does NOT belong to AI

It belongs to …

…Augmented Intelligence

Who loves AI?
Who is willing to deal with the ethical guidelines of AI?
Who is willing to take responsibility for the decisions of the algorithms?

FUTURE BELONGS TO AUGMENTED INTELLIGENCE

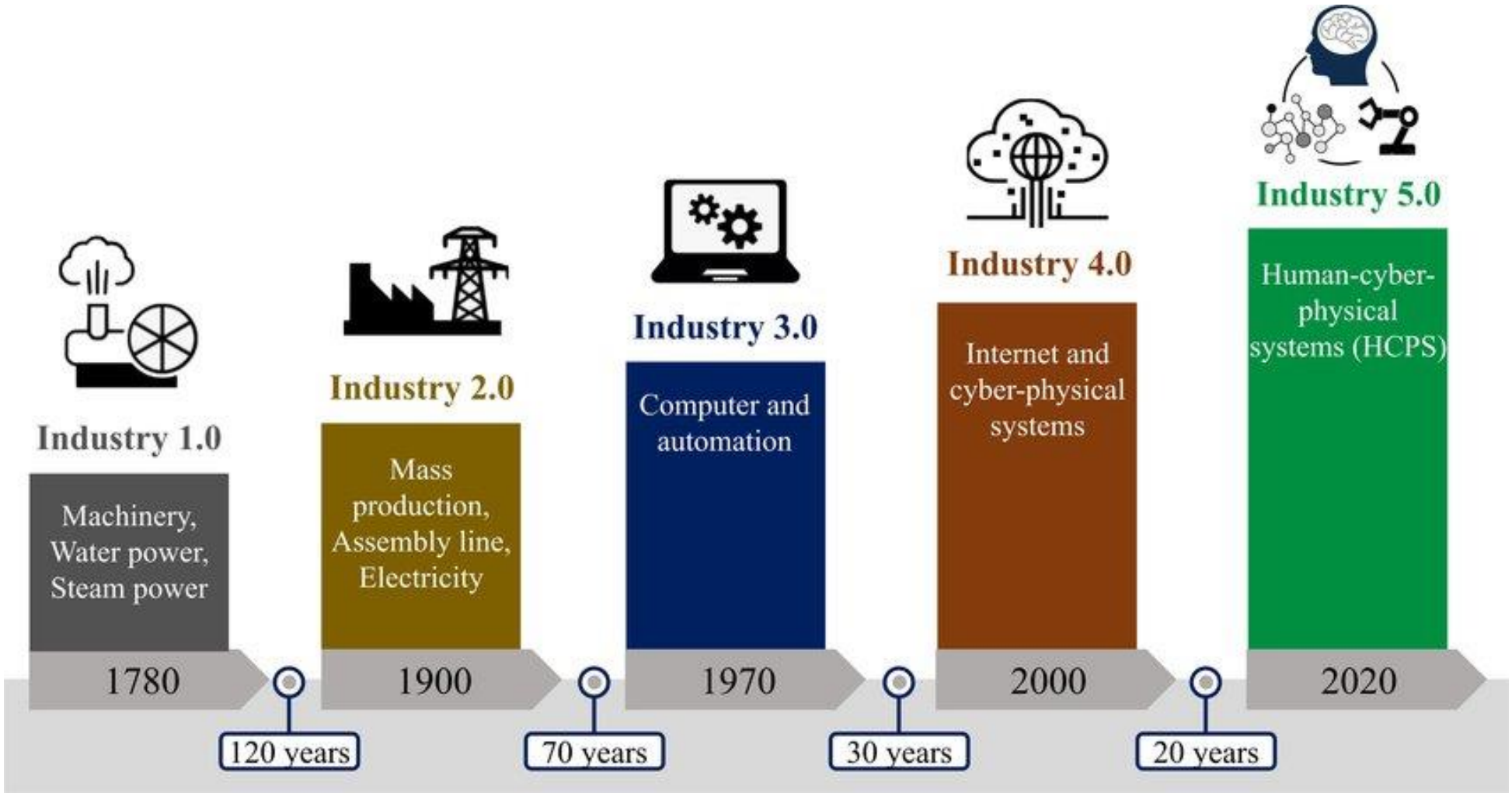


Augmented PHYSICAL Intelligence

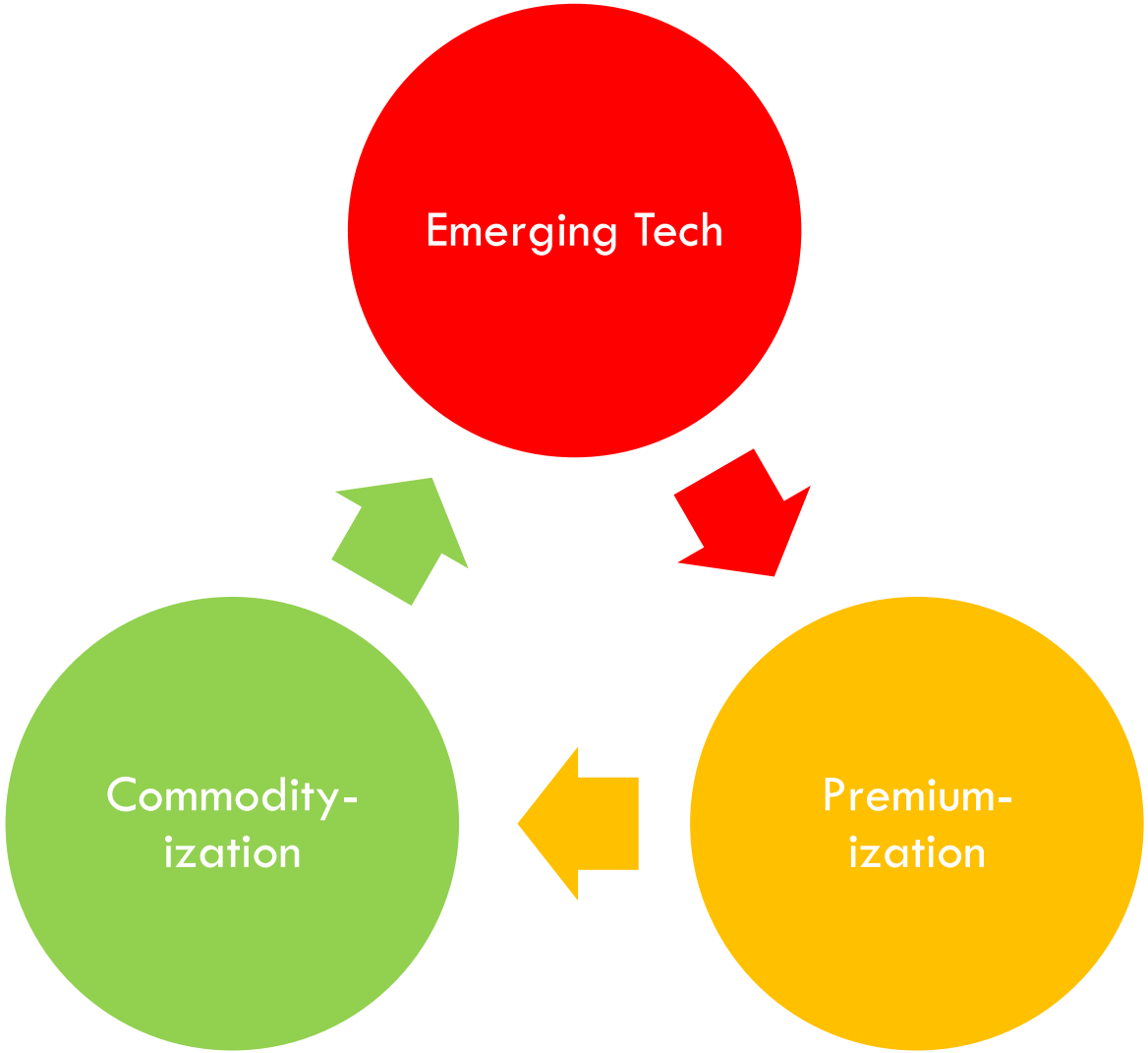
Augmented COGNITIVE Intelligence

DID YOU NOTICE SOMETHING?

Life span of each revolution is shrinking drastically !!!



EMERGING TECHNOLOGIES JOURNEY:
FROM PREMIUM TO COMMODITY!



…AND THE "PREMIUM" OF MANY JOBS WILL CHANGE IN NEXT FEW YEARS…

↗ Increasing demand	
1	Data Analysts and Scientists
2	AI and Machine Learning Specialists
3	Big Data Specialists
4	Digital Marketing and Strategy Specialists
5	Process Automation Specialists
6	Business Development Professionals
7	Digital Transformation Specialists
8	Information Security Analysts
9	Software and Applications Developers
10	Internet of Things Specialists
11	Project Managers
12	Business Services and Administration Managers
13	Database and Network Professionals

↘ Decreasing demand	
1	Data Entry Clerks
2	Administrative and Executive Secretaries
3	Accounting, Bookkeeping and Payroll Clerks
4	Accountants and Auditors
5	Assembly and Factory Workers
6	Business Services and Administration Managers
7	Client Information and Customer Service Workers
8	General and Operations Managers
9	Mechanics and Machinery Repairers
10	Material-Recording and Stock-Keeping Clerks
11	Financial Analysts
12	Postal Service Clerks
13	Sales Rep., Wholesale and Manuf., Tech. and Sci.Products

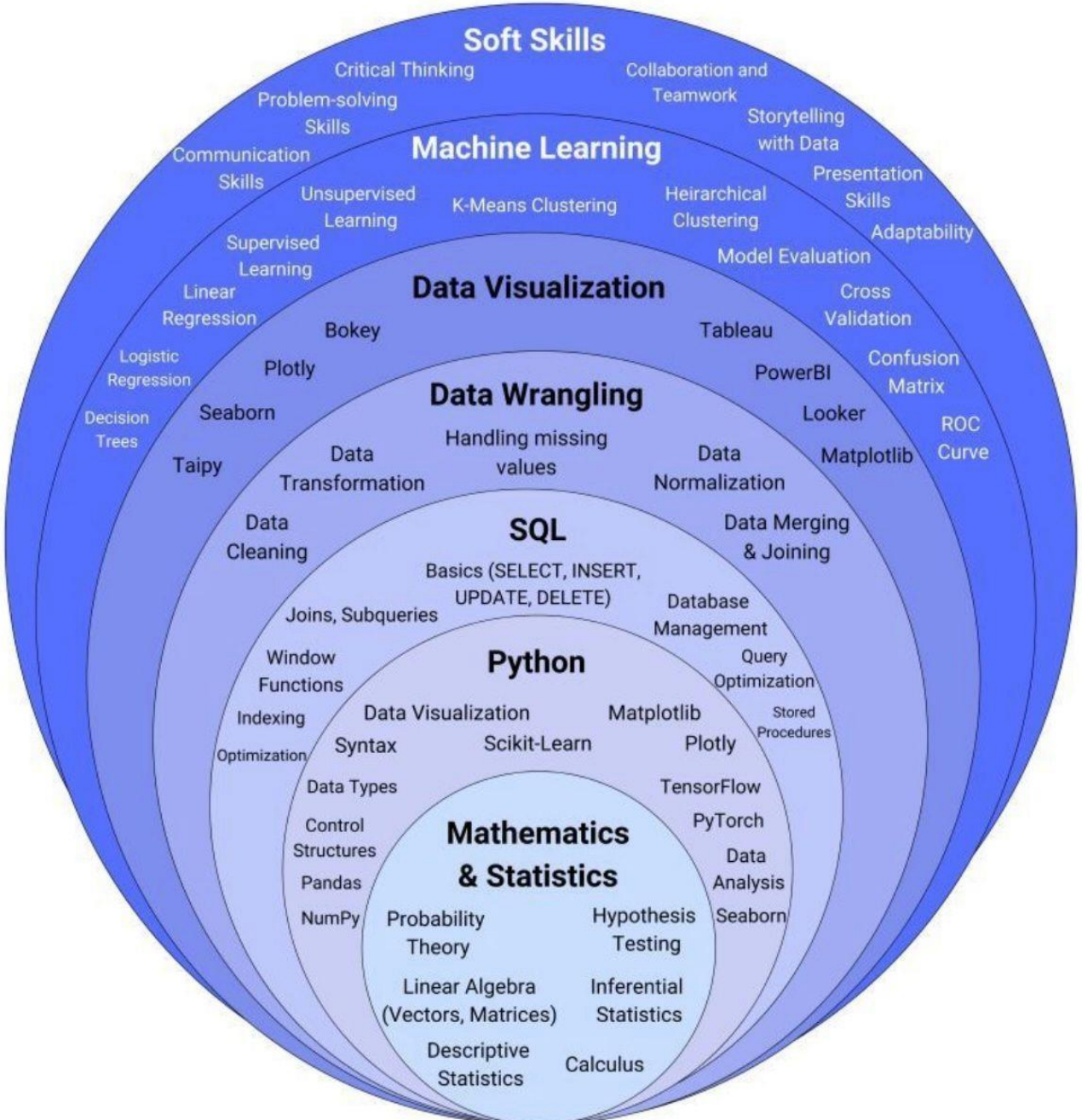
https://www.weforum.org/reports/the-future-of-jobs-report-2020

IF CHATGPT IS THERE, WHY TO LEARN DATA SCIENCE?

Use-case	Example(s)	Utility
Prediction/Forecasting	Risk prediction, demand forecasting	Low
Planning	Optimization, operation research	Low
Decision Intelligence	Decision support, augmentation, automation	Low
Segmentation/Classification	Clustering, segmentation, object classification	Medium
Recommendation Systems	Personalized advice, next best action	Medium
Content Generation	Text, image or video generation	High
Conversational User Interfaces	Chatbot, digital worker, virtual assistant	High
Knowledge Discovery	Search, mining	High

Gartner

Data Scientist Roadmap



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CLOSING REMARKS…

- AI won't replace Internal Auditors

…but…

Internal Auditor USING AI will replace Internal Auditor NOT USING AI!

CLOSING REMARKS…

- The real danger is NOT that computers are learning to be Internal Auditors …the real danger is that <u>Internal Auditors are BECOMING computer like</u>!

THANK YOU !

Rajiv Gupta.

CA, CFE, CISA, Data Scientist

Vice President & Group Head- Internal Audits