

EPHMRA, BASEL

How Improving Your AIQ Leads to Better Insights and Better Strategic Decisions

There is currently a lot of discussion about how (and where) Al can best be used in the pharmaceutical industry, and debate about the threat it poses to certain roles within it. Our position is that in the context of strategy creation, Al is simply another opinion at the table — it is not the answer, not the single source of truth.

Al can mean different things to different people, from autonomous vehicles and Alexa, through to the creation of deep fakes and ChatGPT, but at a high level, it is simply a system that mimics human behaviour. It is fantastic at identifying patterns from large data sets and has been shown to accurately identify breast tumours from mammograms at rates better than humans, at an earlier stage – however, if you show the same algorithm a picture of a cat, it won't be able to tell you what it is! Humans are better at identifying patterns from smaller, often disparate, data sets – but can see patterns where none exists (animal shapes in clouds). It is exactly this ability to extrapolate beyond what is known to what could be which is hugely beneficial when it comes to strategy development.

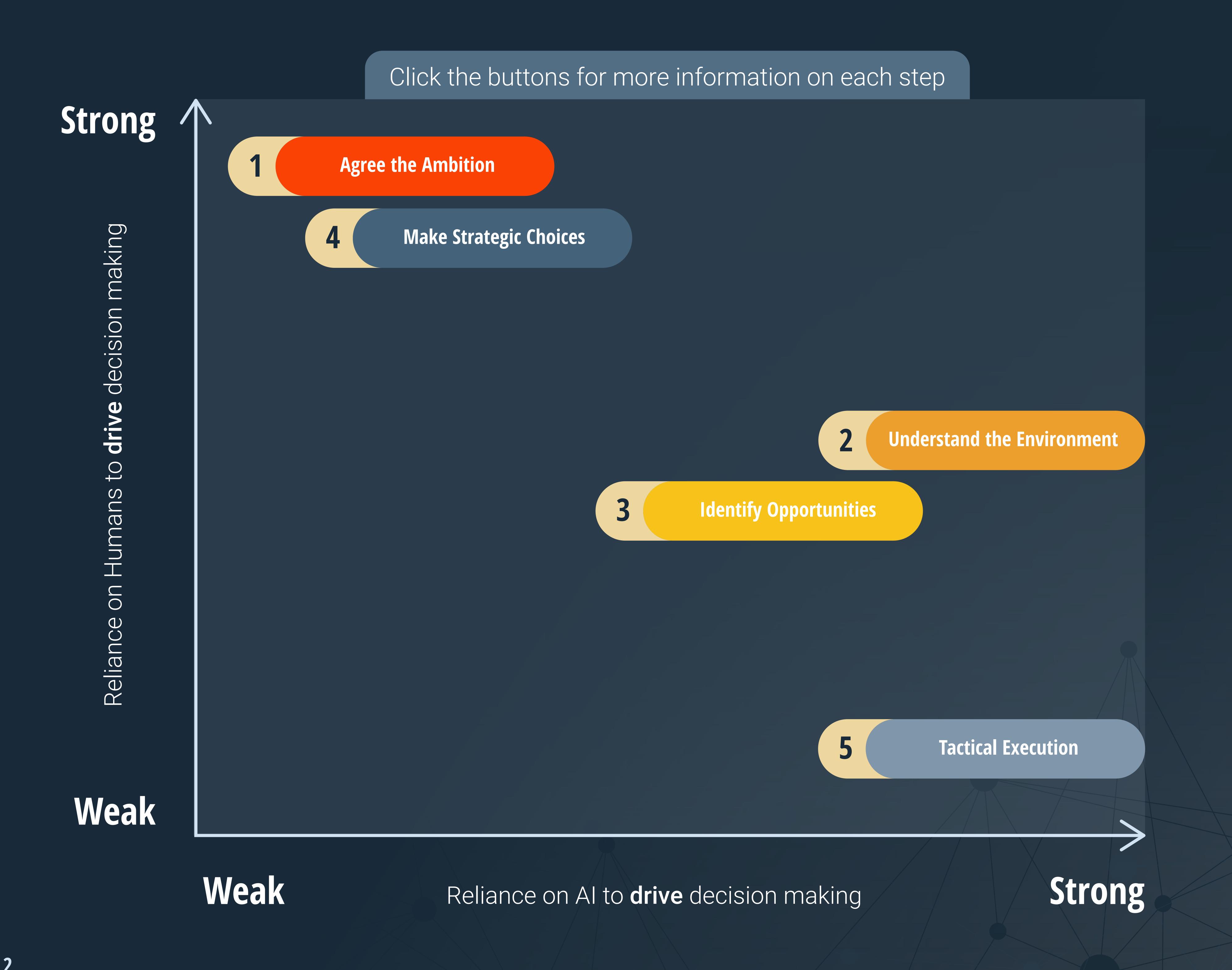
The development of strategic choices and subsequent tactical execution broadly follows five steps:

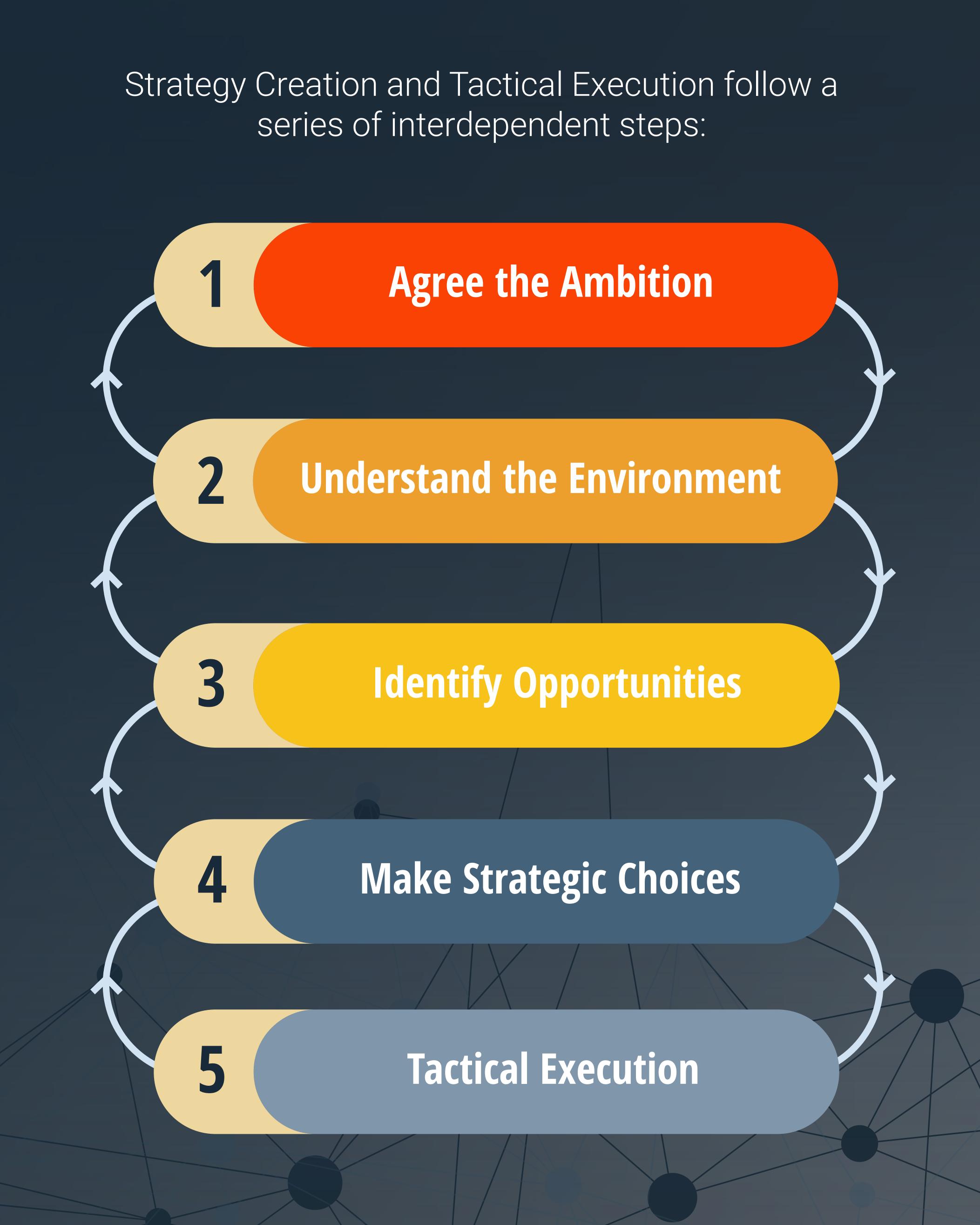
- Agree the ambition
- Understand the environment
- Identify opportunities
- Making strategic choices
- Tactical execution





How much teams should rely on humans or Al to drive decision making at each of these steps varies, as highlighted in the diagram below:





As this diagram illustrates, knowing the most appropriate situation in which to use Al is key to getting the most from the technology. Like any tool, Al utility comes from understanding — and having the right data set, no matter how imperfect, will enable this.

However, regardless of the stage of the process you use AI, it can be dangerous to over rely on it. You need to fully understand the dataset which it is using to create an output and the limitations that have been placed upon it (by a human). There is also the question of accountability – it is not acceptable (yet and for the foreseeable future) to say 'the machine told me to do XYZ'. Accountability sits with the human who needs to justify any choices to their boss!

So, in summary, AI does have a place in strategy development as one opinion at the table – in addition to your voice and those of your colleagues. It's not going to take your job, and the buck will still stop with you, but raising your understanding of what AI can (and cannot) do, is a great place to start.



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