MAHELE Alyssia u21946458

L1: Amalia PEREIRA ALMEIDA

How AI capabilities enable business model innovation: Scaling AI through co-evolutionary processes and feedback loops

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This article discusses the impact of artificial intelligence (AI) on the manufacturing industry, highlighting its transformative effects on value creation, delivery, and profitability for companies. Despite its potential, many businesses struggle to effectively incorporate AI into their operations and business models. The article explores strategies for companies to enhance their AI capabilities and adapt their business models to leverage digital servitization. Supported by a case study, it identifies three critical competencies: management of data pipelines, proficiency in algorithm development, and ensuring AI accessibility for all. To develop these skills, companies need to innovate their business models, focusing on customer collaboration, data use and seamless integration into evolving ecosystems.