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CIO JOURNAL

Thanks to AI, Business Technology Is Finally Having Its Moment

More than a decade ago, the consumer experience was completely transformed by mobile apps and social media. Now AI is set to shake up enterprises

By [Steven Rosenbush](#) [Follow](#) and [Isabelle Bousquette](#) [Follow](#)

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Menlo Park, Calif.—The generative AI boom reflects a period of tech innovation that is ideally suited for revolutionizing the business world—unlike previous tech booms that favored the creation of big tech companies that served the consumer market.

The period of innovation that took off around 2007 made use of social media and app stores to help startups achieve scale in the consumer market, according to Hemant Taneja, managing director and CEO of venture-capital firm General Catalyst, speaking Tuesday at the Wall Street Journal's CIO Network Summit in Menlo Park, Calif.

This time it is different, Taneja said.

Generative AI is less suited to quickly building mass audiences—it doesn't create a platform of users. But it is ideally suited for transforming large organizations by making people and processes radically more productive.

"When the social mobile cloud started in 2007, mobile was a big distribution advantage, you could go out and acquire customers, letting them take advantage of the global supply chain and build these full stack companies. AI doesn't give me any of that. It really is a transformation advantage," Taneja said.

He added, "The bulk of the value is to me about what is the role of AI in transforming both from a vertical standpoint and from a business function standpoint. And most of our energy is looking at how are we going to do that? What is the role of AI in industries like healthcare? What is the role of AI in functions like marketing and customer support?"

More than a year after OpenAI kicked off the generative AI revolution with the public release of ChatGPT, companies continue to find new ways to exploit the technology in areas such as customer service and software development. They are also using the technology to transform roles such as those in sales and marketing.



WSJ CIO Journal reporter Belle Lin; Sesh Iyer, managing director and senior partner, co-chair at BCG X; Satish Muthukrishnan, CIO at Ally Financial; and Fletcher Previn, CIO of Cisco; at the summit on Tuesday. Photo by Nikki Ritcher for the Wall Street Journal. PHOTO: NIKKI RITCHER FOR THE WALL STREET JOURNAL

Speakers throughout Monday and Tuesday's CIO event delved into efforts by companies in a range of industries applying generative AI to the transformation of business and operating models.

Sathish Muthukrishnan, chief information, digital and data officer at Ally Financial said he developed a generative AI tool that summarizes conversations between callers and customer service agents—a process that once involved manual note taking. Muthukrishnan said the company still keeps a human in the loop, but about 95% of the time they approve the summary.

At Cisco, CIO Fletcher Previn said he's leveraging GitHub Copilot, a generative AI coding tool. Previn said that when he introduced the tool, developers would accept the generated code about 19% of the time, but since then it has been steadily increasing. While the acceptance rate is still below 50%, Previn said that is in part because of skepticism on the part of developers. "It's an evolution, and we're still early," he said.

Previn said the company is also using generative AI during the hiring and recruitment process. Human resources, for example, can use it to draft emails to job candidates. "We get a higher response rate on emails that are generated by AI, than actual human beings," he said. "I think it probably does a better job of customizing it to the person."

Sesh Iyer, managing director and senior partner, co-chair of BCG X, Boston Consulting Group's technology partnership arm, said he's seeing a focus on industry specific applications, such as leveraging generative AI for better underwriting in the insurance sector.

Melanie Kalmar, chief information and chief digital officer of Dow, said the materials-science company is targeting about 20 areas to apply generative AI, including materials safety, improving margins and researching whether new materials can be patented.



Hemant Taneja, managing director and CEO at General Catalyst, speaking at The Wall Street Journal CIO Network Summit in Menlo Park, Calif., Tuesday. PHOTO: NIKKI RITCHER FOR THE WALL STREET JOURNAL

Such research previously required six or eight months of time and hiring an external legal firm, Kalmar said, but the company's new AI-based application allows its scientists to do that work themselves.

According to Cisco's Previn, "AI is a force multiplier for human potential."

Belle Lin contributed to this article.

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