AI Transformation Brief

Featuring AI best practices and insights to enable our members to strategize,
plan, develop, deploy, manage, and govern AI-based technologies and solutions.

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AI IN THE NEWS
Apple unveils Apple Intelligence to deliver generative AI [Read News Article]

On June 10, 2024, during Apple's Worldwide Developers Conference (WWDC24), Apple introduced and launched their long-awaited AI strategy. Apple Intelligence is positioned as Apple's personal AI system that delivers generative AI capabilities for iPhone, iPad and Mac users. Apple Intelligence can transcribe your phone calls, enhance photos, and summarize messages, articles, and documents. In addition, it introduces major enhancements to Siri (beta available in the fall), such as access ChatGPT(with a user's permission).

ANALYST ANALYSIS
The industry AI hype and frenzy was focused on Apple WWDC24. Many consider Apple a potential AI industry leader, but that is simply not the case. Apple is a leader for the market it serves and leads in its use of technology, including AI, to deliver world-class customer experiences to its integrated ecosystem.

Apple Intelligence is composed of LLMs on-device and in their private cloud. For more complex prompts, ChatGPT (and soon other LLMs, like Google's Gemini) can be accessed via Siri. Note, Apple positioned that Apple Intelligence will be integrated at the operating system level.

The agreement with OpenAI works for both firms, allowing OpenAI to access a billion+ Apple devices and Apple to access AI capabilities beyond what it can provide today. As a result, it appears no exchange or payments are currently required from either firm.

Recall Microsoft Recall [Read: Microsoft to delay launch of AI Recall tool due to security concerns]

On May 20, 2024, Microsoft launched its Copilot+ PC to enhance the PC experience with AI capabilities. A core component of this new platform is a new Windows 11 feature called Recall. Satya Nadella commented that "Windows PCs will have a photographic memory feature called Recall that will remember and understand everything you do on your computer by taking constant screenshots."
However, many have positioned Recall as equivalent to Microsoft-sanctioned spyware with huge security exposures.

ANALYST ANALYSIS

Recall takes snapshots of the user's screen every five seconds and captures web browsing data (i.e. your banking information, passwords, personal data) and voice chats (including personal calls) to create a history of activity. It stores the information locally in a nonencrypted file (not in an encrypted file, which Microsoft claimed at announcement) that the user can access immediately or months later.

Microsoft claimed they followed responsible AI principles in designing Recall. Unfortunately, what Microsoft has demonstrated with this feature is massive oversight and obliviousness, from its CEO downward, to privacy and security concerns/needs from the entire user community. Windows Recall is the latest example of Microsoft rushing to exploit the AI market. We only have to look back to 365 Copilot and its very limited beta program to find another example of a Microsoft product rushed to market.

AI IN THE NEWS
Adobe updates its Terms of Use to allow access to your content
Adobe Terms of Use   Adobe Update on Terms of Use – June 10, 2024

On June 6, 2024, Adobe updated their Terms of Use to allow the company and its machine learning tools access to any or all of your content in its cloud.

The updated Terms of Use clause that has caused the most negative feedback reads:

"4.2 Licenses to Your Content. Solely for the purposes of operating or improving the Services and Software, you grant us a non-exclusive, worldwide, royalty-free sublicensable, license, to use, reproduce, publicly display, distribute, modify, create derivative works based on, publicly perform, and translate the Content."

ANALYST ANALYSIS
User and industry reaction was swift and uniformly against what appears to be a license for Adobe to access anybody's content and leverage AI to improve its software and services.

Adobe responded a few days later, attempting to address and clarify its intent, stating that users still own their data, and Adobe will not use user data to train their generative AI models. However, in providing an explanation, it stated that it, "may use usage data and content characteristics to improve your product experience and develop features like masking and background removal among others through techniques including machine learning (NOT generative AI)."

It would appear Adobe does not consider generative AI a subset of machine learning. Regardless, the initial communication and follow-up were both poorly executed. Unfortunately, it seems AI is also accelerating the missteps and mistakes companies can make. Adobe has promised further updates to its Terms of Use to explain opt-out options for the updates they are proposing.

Stanford HAI generative AI model Transparency Index
The Transparency Index

On May 24, 2024, the Stanford Human-Centered AI research team released its second annual Transparency Index that measures the transparency of popular foundation models. Fourteen reports based on 100 transparency indicators from foundation model developers were collected: Adept, AI21 Labs, Aleph Alpha, Amazon, Anthropic, BigCode/Hugging Face/ServiceNow, Google, IBM, Meta, Microsoft, Mistral, OpenAI, Stability AI, and Writer.

ANALYST ANALYSIS
The mean transparency score (58%), while an improvement over last year's results, demonstrates that models are generally not very transparent, with both OpenAI (49%) and Google (47%) scoring among the lowest. Open-source models had a higher level of transparency (59%) than closed-source models (53.5%). The top three models were StarCoder (85%), Luminous (75%), and Jurassic-2 (75%).

The newly adopted EU AI Act requires foundation model vendors to disclose and describe data sources used to train it, and it will be interesting to see how the vendors plan to address the EU legislative requirements given their current lack of transparency.

NTD News interviews Info-Tech regarding Elon Musk's xAI, Grok, and the future economic impact of AI   View Video Interview

On May 27, 2024, NTD News reported that xAI raised $6 billion in its latest round of funding, boosting xAI's valuation to $24 billion. xAI's most capable multimodal model is Grok, a ChatGPT alternative driven to seek and deliver unbiased, truthful responses. Last month, Elon commented about the future that, "In a benign scenario, probably none of us will have a job," and, "There would be universal high income, not universal basic income. There would be no shortage of goods or services."
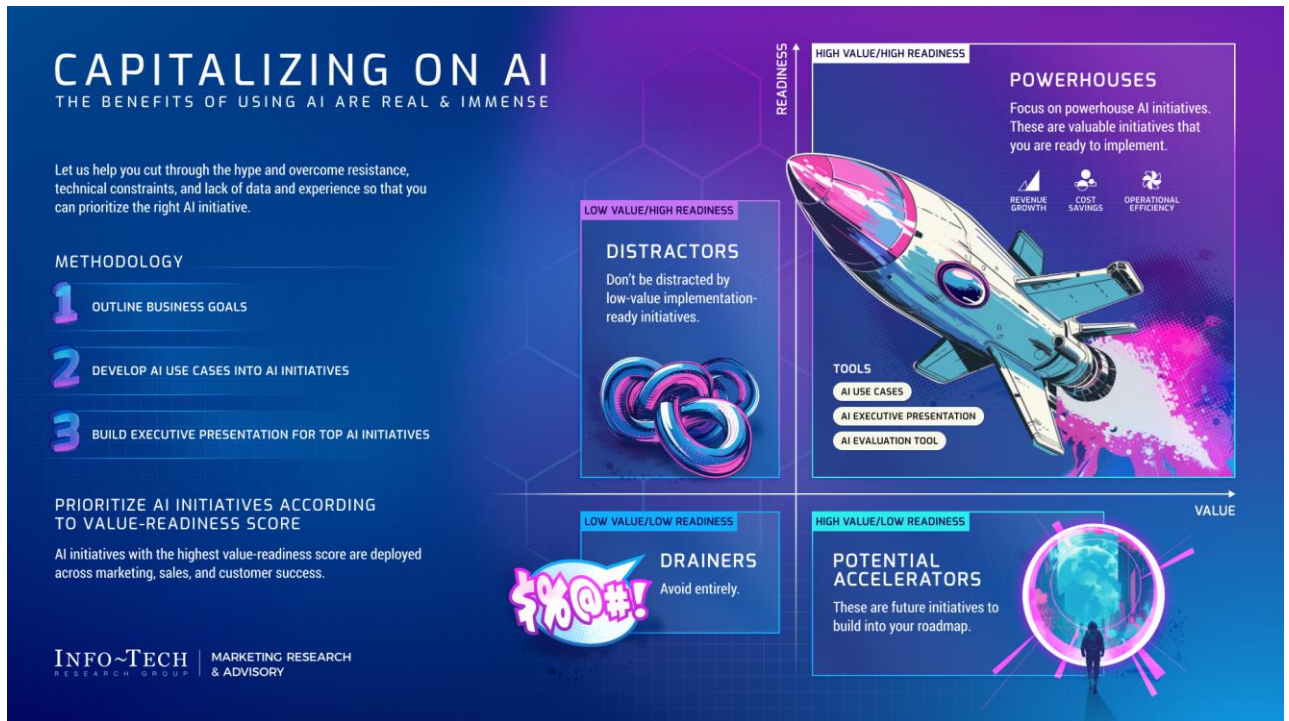
ANALYST ANALYSIS
The Grok open-source foundation model from xAI was introduced in November 2023. Who wouldn't be interested in a foundation model that is trained by real-time data from X, has highlighted "truth" as one of its strategic design drivers, and provides an option to deliver witty responses as an alternative to GPT-4? Though it should have a "responsible" requirement to complement its "truth" directive.

Ideally the performance of open-source models will soon rival that of the proprietary models currently leading the industry.

To reach Elon's aspirational vision of universal high income, governments around the world would likely need to get involved and work together.

Capitalizing on AI – Supercharge marketing, sales, and customer success growth by selecting the right AI initiative
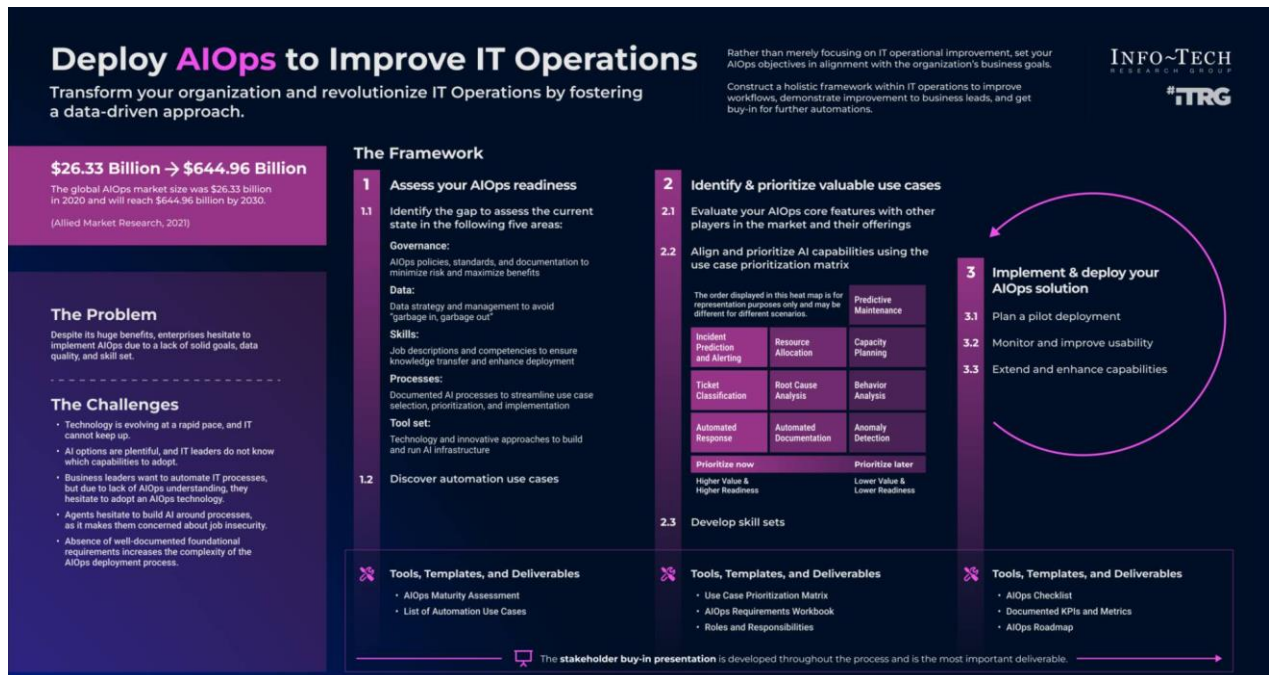
New!

Source: Capitalizing on AI
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Deploy AIOps to Improve IT Operations

New!

Source: Deploy AIOps to Improve IT Operations
Info-Tech Research Group

VENDOR SPOTLIGHT:

AI Marketplace

Unlock the potential of AI tailored to your needs and transform possibilities into reality with our dedicated support.

[How AI Is Used in Market Intelligence](#)

[How AI Is Used in Customer Experience](#)

[How AI Is used for Image Generation](#)

[How AI Is used in Code Generation and Completion by Software Developers (Part 1)](#)

UPCOMING AND RECENT EVENTS

Info-Tech Leadership Summit, Chicago, IL – June 19-21, 2024 →

CIO Roundtable, Toronto, July 3, 2024 →

Info-Tech Leadership Summit, Toronto, ON – July 3-5, 2024 →

Info-Tech LIVE 2024, Las Vegas, NV – September 17-19, 2024 →

AI AND DATA ANALYTICS SOLUTIONS – RESOURCES

[AI Marketplace](#)

[Artificial Intelligence Research Center](#)

[AI Workforce Development Program](#)

[Workshops](#)

AI Strategy Workshop

AI Proof of Value Workshop

AI MLOps Workshop

AI Governance Workshop

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