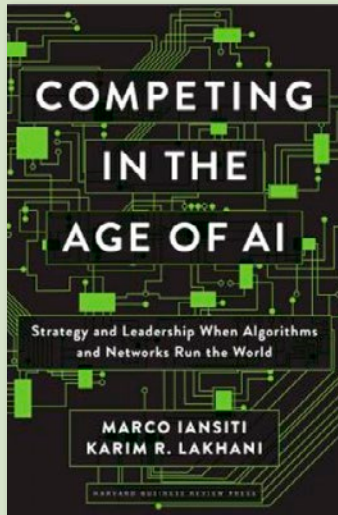




Mark Scheurwater
MSc
is a director at the
Enterprise Solutions
unit of KPMG.



Book review

Competing in the Age of AI

Considering the continued attention AI is getting in the market and my personal interest in this domain, I have read another book about this topic with the hope of getting more insight in how to manage AI from a strategic perspective.

Competing in the Age of AI: Strategy and Leadership When Algorithms and Networks Run the World has been written by Marco Iansiti and Karim R. Lakhani, both of whom work at Harvard University and specialize in technology management and digital innovation. According to the authors, AI will have such an impact that for most organizations their traditional operating models need to change dramatically in order to survive as AI will remove traditional borders and create a complete new (digital) playing field. To support the above statement, the authors introduce a framework describing how organizations can rethink their operation model. This view is supported by some interesting use cases (side note: mainly related to the big tech firms).

After a rather technical introduction into AI, the authors take a more strategic view on the impact of AI and zoom in on the impact AI will have on the

dynamics of value creation/capturing. In short, AI will have such an impact that organizations need to perform a network analysis when developing their business strategy. This will definitely result in conflicts or collisions with their current way of working. In order to provide some sort of guidance on how to manage this, the authors conclude the book with a summary of the challenges and responsibilities leadership of organizations will face and how they need to manage these.

Personally, I find this book one of the more interesting books covering AI as it provides some useful guidelines to manage the different aspects of AI. Especially the last chapters of the book (e.g. Chapter 9: "The New Meta") I found interesting to read, because they help you reflect on your own working domain (in my case, ERP cloud solutions, where I have interesting discussions with my clients about how ERP cloud supported by AI will impact target operating/application models).

Of course there are some aspects, in my view, on which the authors could have done better job. For example, they could have made clearer what their target audience is. The title suggests that the book mainly focuses on the strategic aspects of managing AI, but in some cases, the authors get quite technical, for example in the chapter discussing the concept of the AI factory. Furthermore, they introduce a significant amount of new terms, and in my opinion an appendix with definitions of such terms would have been very helpful. Nevertheless, I liked reading the book because it provides a further introduction in the world of AI, substantiated with some interesting practical cases. Therefore, I recommend this book to everybody who is interested in AI and wants to get a better understanding from both a technical and a more managerial perspective.

Iansiti, M. & Lakhani, K. R. (2020). *Competing in the Age of AI: Strategy and Leadership When Algorithms and Networks Run the World*. Harvard Business Review Press.

About the author

Mark Scheurwater MSc is a director in the unit Platforms of KPMG. With more than 20 years of experience in the ERP (cloud) domain, he has gained strong expertise in this domain allowing him to act as a trusted advisor for multiple clients.