
How Generative AI Will Drive Fundamental Changes in Business

*Presentation by Dr. Edward Tse,
Founder & CEO, Gao Feng Advisory Company*

AIGC – a “top-of-mind” issue

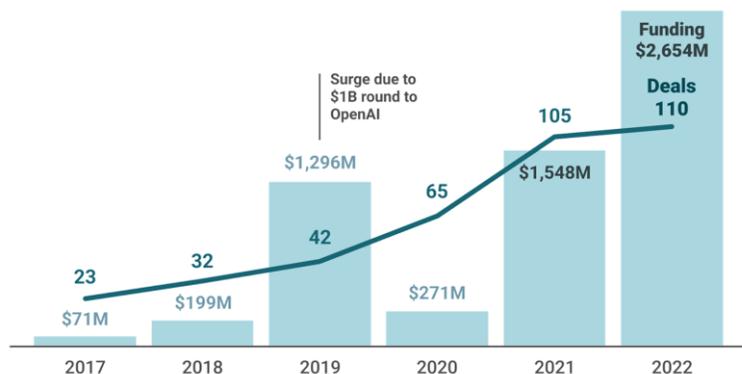
The Rapidly Growing Generative AI Landscape

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users



Investor interest in generative AI soared in 2022



Source: Statista, CB Insights, Gao Feng analysis

Questions Frequently Being Asked

What is **Generative AI** (especially in China)?

What are the **current applications**?
How about other **potential future applications**?

What is its **implication for business strategy**?

What **challenges** present in **transforming for Generative AI**?

We are entering a new era of Generative AI

Generative AI Could Bring a New Wave of Business Transformation



What will the new world with Generative AI look like?

- ChatGPT
- Midjourney
- Stable Diffusion

A world with Wireless Internet

- Apps
- Social media
- Shared economy

A world with PC Internet

- Email & instant messaging system
- Search engine
- E-commerce

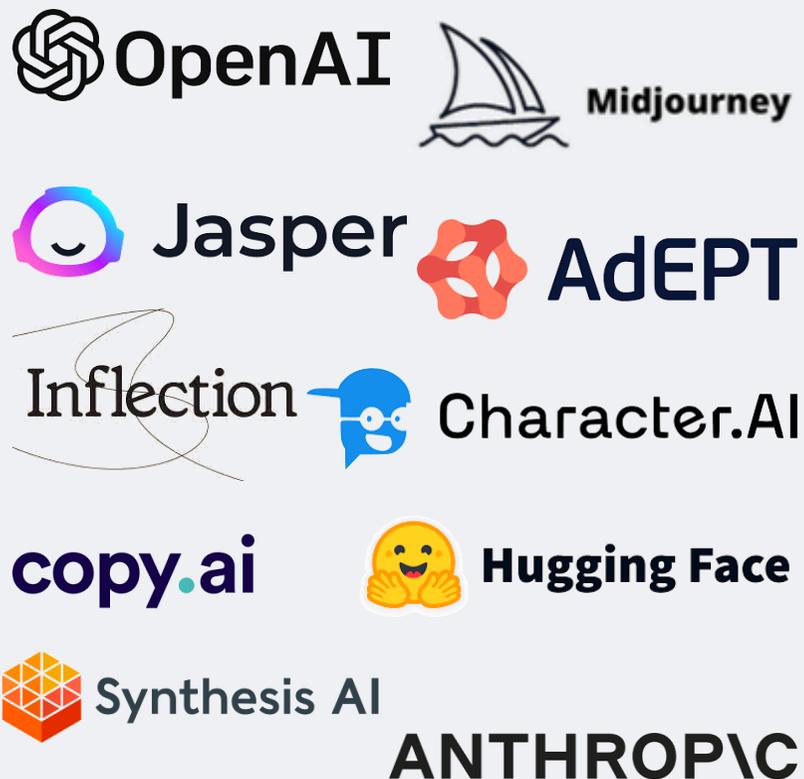
Source: Gao Feng analysis

An outburst in China and the US

NOT EXHAUSTIVE

1

Leading US Players



2

Leading Chinese Players

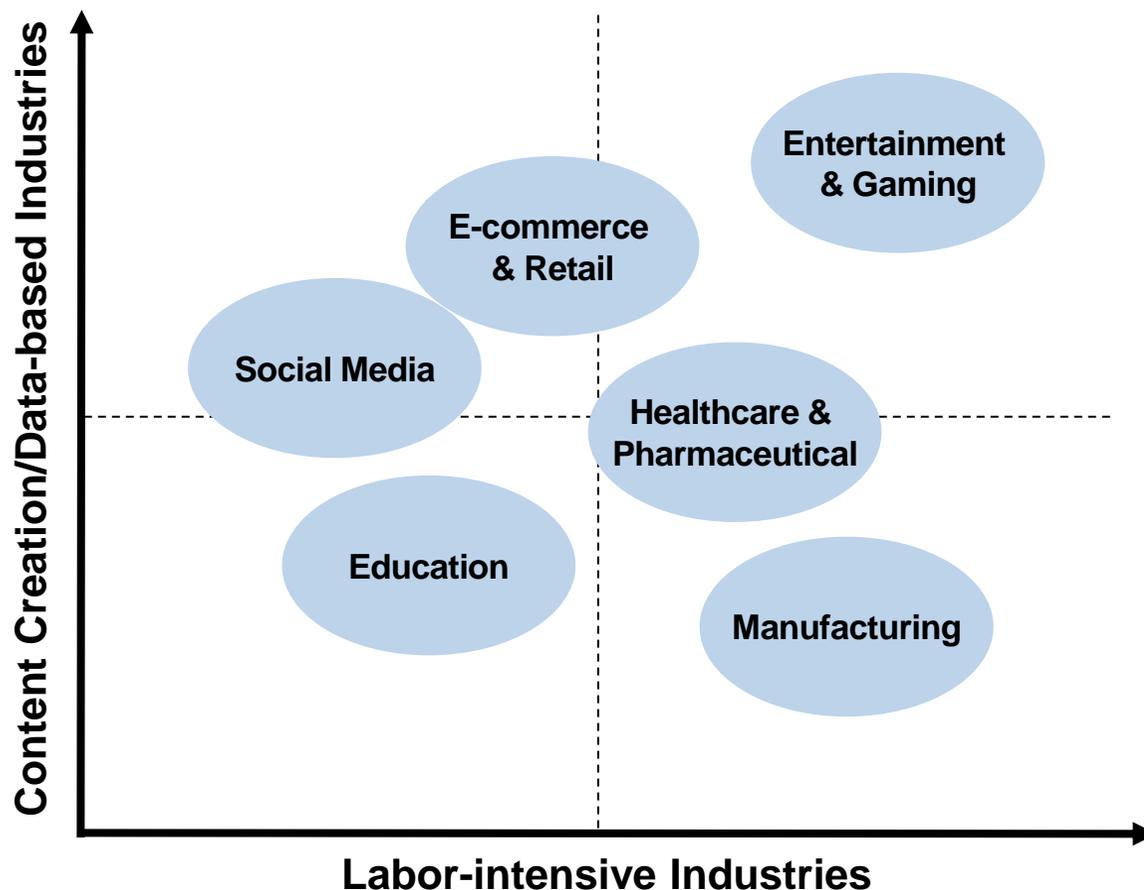


Source: Desktop research, Gao Feng analysis

Impact varies by industry (and will evolve)

NOT EXHAUSTIVE

Generative AI Impact Matrix on Industry Revolution based on its Maturity within the Industry



Shared characteristics:

- Abundant and diverse **datasets**
- Thrives on **innovation**
- Emphasis on **personalization** and **customization**
- Desire for **efficiency** and **automation**

Source: Gao Feng analysis

Generative AI is impacting a whole range of industries

NOT EXHAUSTIVE

Retail (E-commerce)

Real On-demand CX



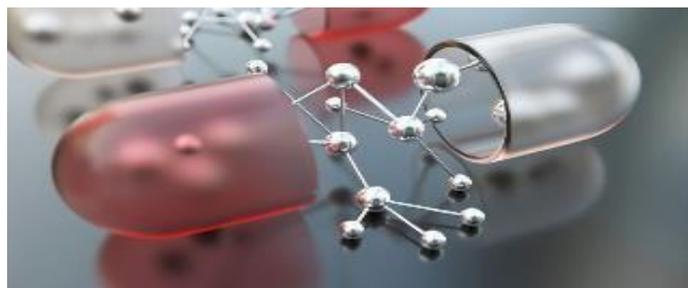
Manufacturing

Truly Personalized Products



Healthcare & Pharmaceuticals

Large-scale R&D Innovation



Education

Tailored Teaching Method



Source: Gao Feng analysis

Generative AI is transforming customer centricity and improving operations in the retail industry

Retailers +  Midjourney



Real On-demand Customer Experience

- Retail stores could use Midjourney to create product images and optimize in real time according to customer needs
- Generative AI will not only help retail industry enhance customer centricity but also enable new business models where customers become the designer

Walmart 



Advanced Supply Chain Operations

- Walmart has been applied Generative AI to negotiate the best price with some vendors and reach agreements with suppliers automatically
- It could also be used to anticipate cycles in demand for products and manage inventory intelligently

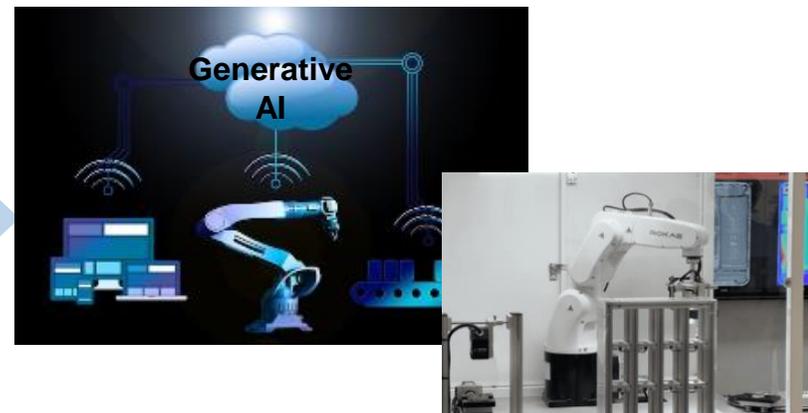
Source: LinkedIn, Promptdb.ai, Corporate Walmart, Viterbischool.usc.edu, Gao Feng analysis

Intelligent Manufacturing x Generative AI brings real on-demand personalized products

Today's Intelligent Manufacturing
(定制化生产)



Intelligent Manufacturing of the Future
(个性化生产)



Generative AI

1 Discovery of the Customization Model

2 Pre-determined Customization Combination

3 Mass-production of Reproducible Customized Products

1 Enablement of On-demand Personalized Products

2 Natural Language-based Requests & Comments

3 Production Lines Codes Generation & Optimization

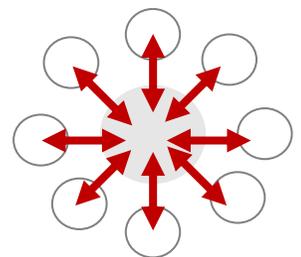
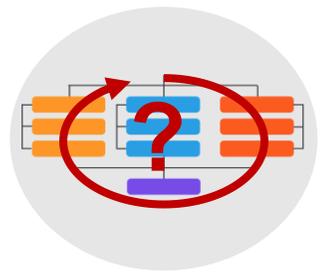
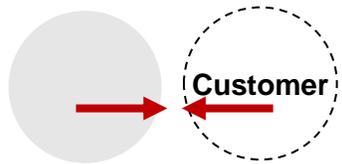
Source: Desktop research, Gao Feng analysis

How Generative AI is transforming businesses?

Generative AI
Technology

Business

- 1 Customer Relationship
Redefinition
& Business Model Changes
- 2 New Capabilities Needed
- 3 Organizational Transformation
and Re-alignment
- 4 Ecosystem and Value Chain
Re-configuration



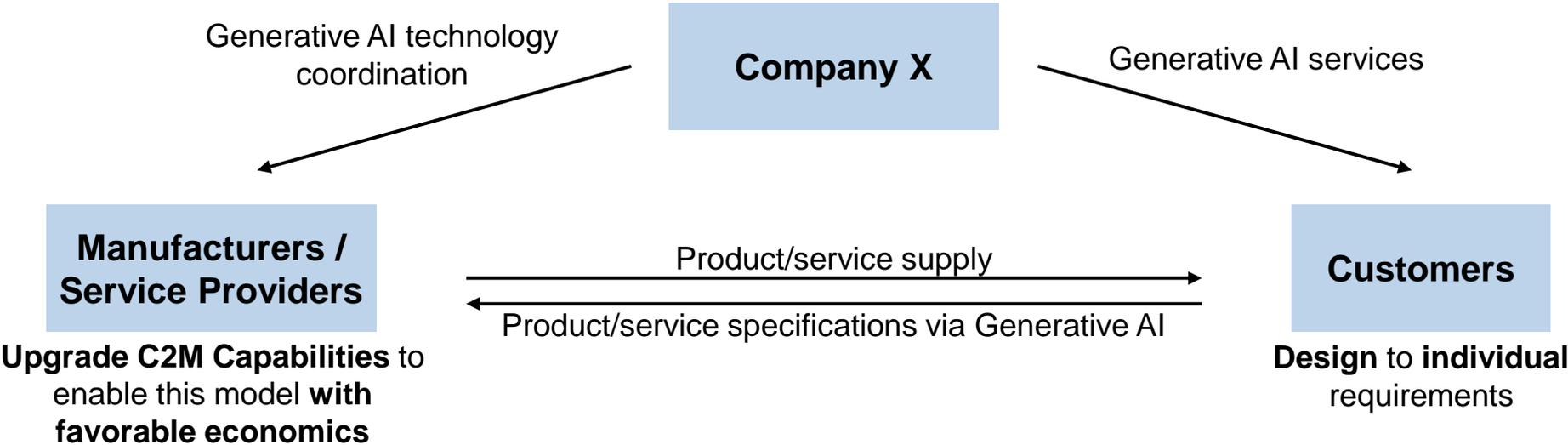
Source: Gao Feng analysis

Generative AI is redefining customer relationships and creating new business models

Current Supply Chain



Potential Supply Chain with Generative AI

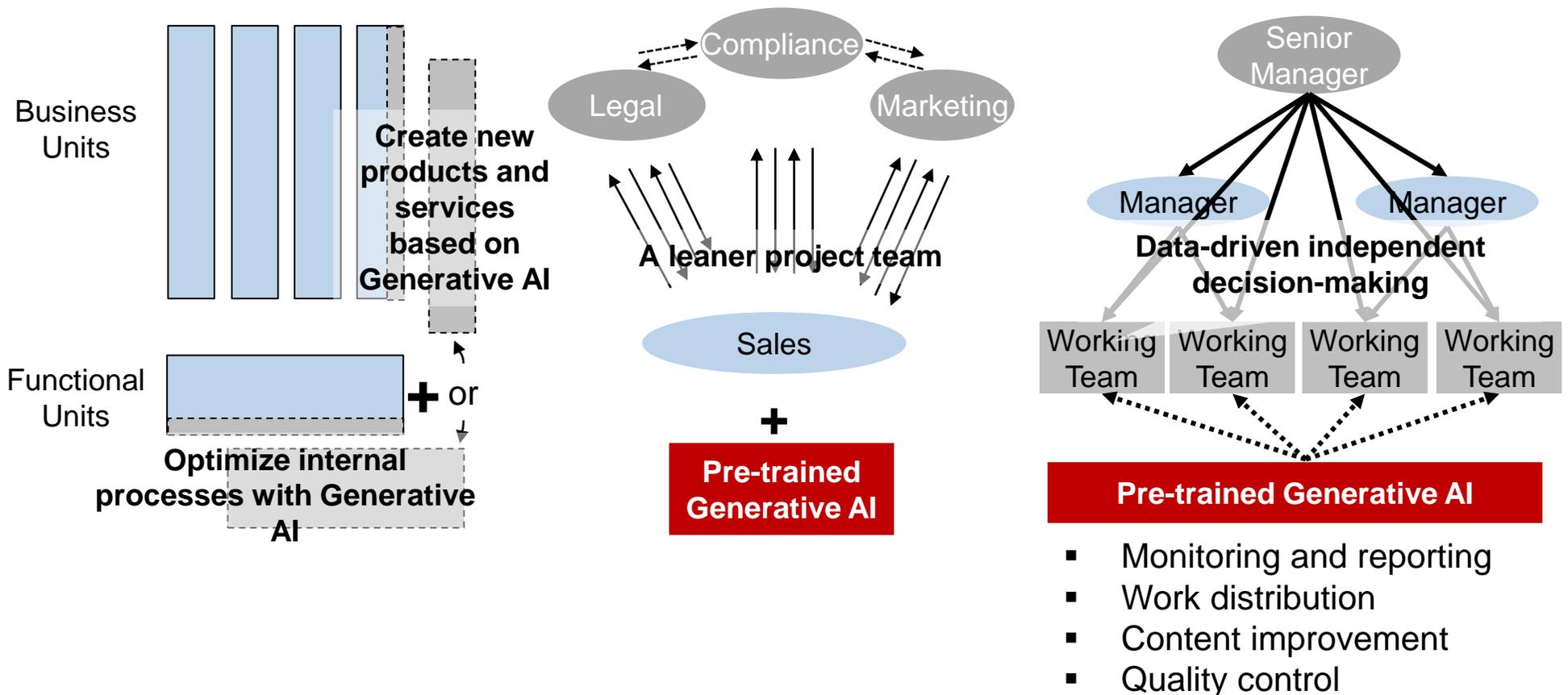


Generative AI has the potential to significantly impact a business' organization

Structural Transformation

More Agile and Leaner

Flatter and More Autonomous

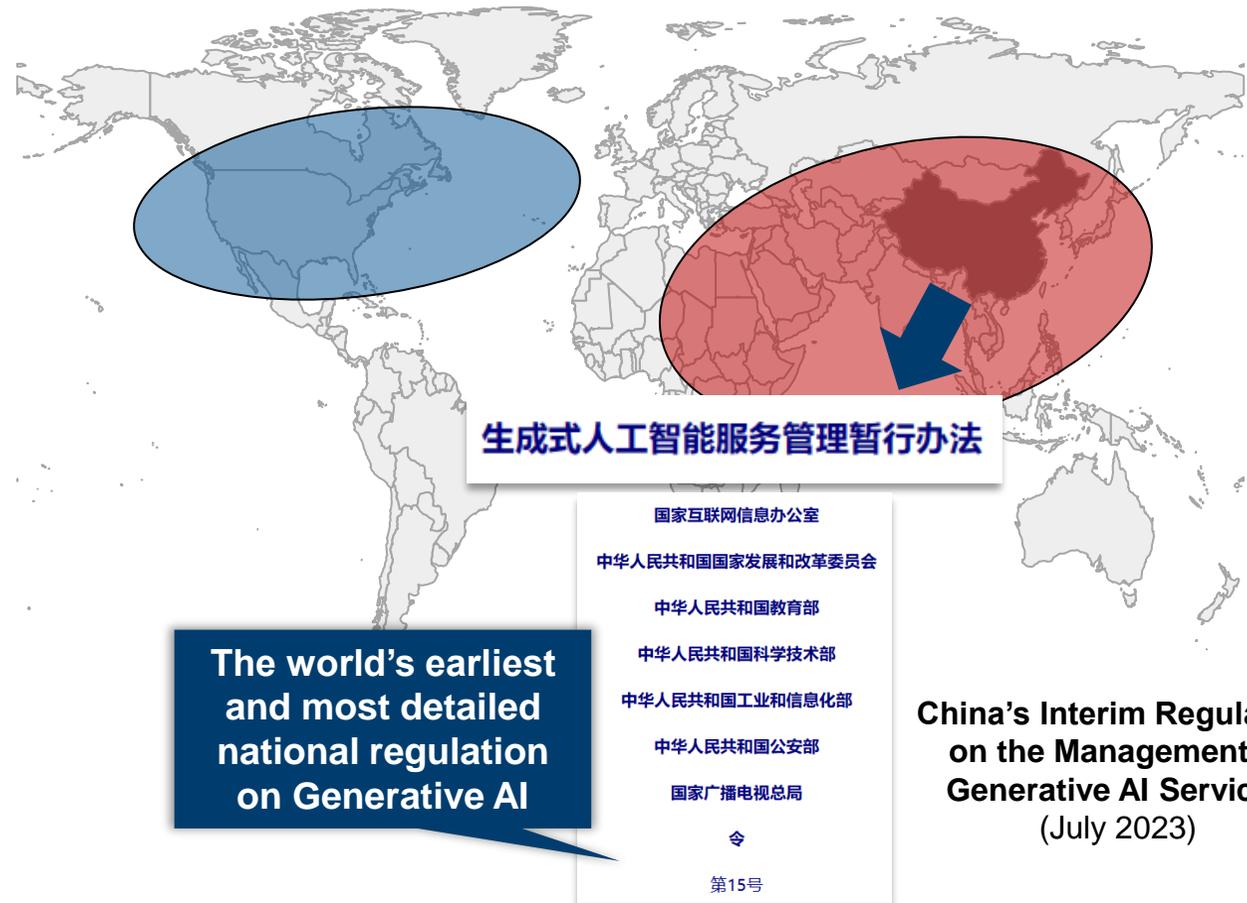


Risks and Further Considerations

Potential Risks & Ethical Concerns

- 1 Data Privacy
- 2 Copyright Infringement
- 3 Bias & Prejudice
- 4 Negative Publicity towards Job Displacement

One World, Two System



Source: Desktop research, Gao Feng analysis

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