AI: Roadmap to success

April 1, 2019
At Lloyds Banking Group, we are delivering a significant transformation

£3bn Strategic investment

~50 Journeys transformed

>70% Cost base transformed

Artificial Intelligence plays an important role in this transformation
Success = Escape velocity

AI driven culture becomes the fabric of life

Escape the gravitational pull
Roadmap to success has four steps

Insights

Impact
0

Impact < 5% of EBIT

Value

Impact 15 – 20% of EBIT

Scale

Impact > 50% of EBIT

Cultural DNA
Value: Only as good as the weakest link in the chain
Scale: Focus is on usage, adoption, and value across business units

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<thead>
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<th>Value at stake</th>
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<th>Industrialisation</th>
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Taking a methodical approach - Think like a VC

**Ideas**
~ 100
Up & down P&L and across value chain

**Experiments**
~ 20-40
On sample data

**Production**
~ 10-30
User friendly; Live in production

- Draw synergy
- Prioritise based on size of the prize, feasibility, and time to value

- 1-2 unicorns @20-50X
- 5-7 larger exits @5-20X
- 7-10 small exits @1-5X

Transformative Value
**b Adopt new operating model**

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<th>From</th>
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<td>Running uncoordinated efforts within silos</td>
<td>Integrated operational improvement program organised around journeys</td>
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<td>Using individual technologies</td>
<td>Applying the entire toolkit together to achieve the compound impact</td>
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**Motor insurance claims process example (illustrative)**

1. Optical Character Recognition
2. Robotics
3. Computer Vision + Deep Learning
4. Natural Language Generation

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**Human Centered Design**

**Process redesign**
Think second and third bounce of the ball

Biased data

Loan declined  Customer business in trouble  Regulatory backlash

Data Privacy  Data Security  Risk Accountability  Decision Making governance  Fail safe  Explainable algorithm  Bias free
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