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EVALUESERVE

ELEVATE

HOW HIDDEN NETWORKS
ARE DRIVING SMARTER
BUSINESS MOVES

THE MODERN
INTELLIGENCE
PARTNERSHIP: DOMAIN
EXPERTS + AI AGENTS

THE NEW IMPERATIVE
IN SUPPLY CHAIN
MANAGEMENT:
A DATA-DRIVEN
APPROACH
TO SUPPLIER RISK

THE NEW INTELLIGENCE
PARADIGM

+ SUCCESS STORIES



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Welcome to Evalueserve's Elevate Magazine

They say history doesn't repeat itself, but it sure knows how to rhyme. As we stand at the precipice of the AI revolution, it's hard not to draw parallels to the transformative epochs of the past. The Industrial Revolution redefined labor, the Gold Rush sparked an unrelenting thirst for opportunity, and now, AI is rewriting the rules of what's possible. Like the prospectors of old, we're all rushing to stake our claim in the AI landscape—but striking gold requires more than just the right tools. It demands strategy, intelligence, and, most importantly, balance.

AI has become the new frontier, with companies worldwide embracing it as the compass guiding them into uncharted territories. Yet, for all its promise, the terrain is anything but predictable. The headlines boast of self-driving cars, generative models, and AI-powered breakthroughs, yet the road to ROI is littered with cautionary tales—businesses led astray by overpromises, misunderstandings, and an uncritical reliance on machines.

Here's the kicker: AI is not the answer, but it is part of the answer. Think of it as the high-performance engine for your journey—but you, the human driver, still determine the destination. Intelligence is about learning, adapting, and making decisions with heart, creativity, and foresight. These are traits no algorithm can emulate.

AI adoption today feels a bit like the Wild West — it is chaotic, brimming with opportunity, and occasionally treacherous. Over 83% of businesses are prioritizing AI in their strategies*, yet many are still fumbling to transform potential into profit. It's a paradox worth pondering, since we've never had tools so powerful, yet we're still learning how to wield them.

Sure, AI can boost productivity (projected to add \$3.8 trillion to the manufacturing sector by 2035) and create more

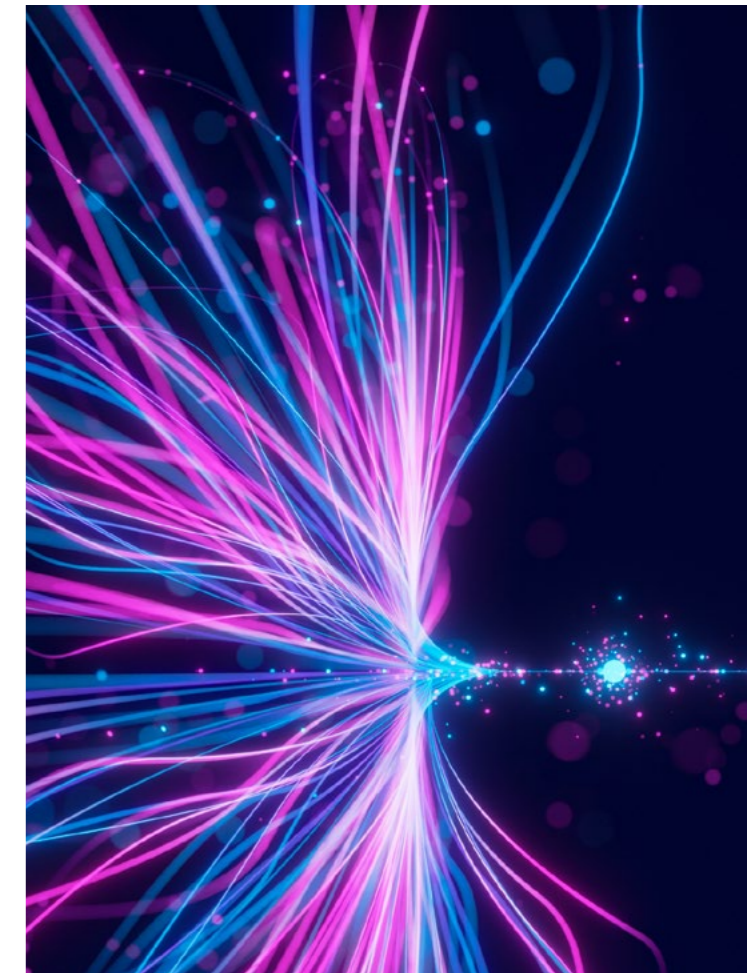
jobs than it replaces (78 million net jobs by the end of 2030). But let's not ignore the undercurrent of unease—52% of workers worry about job displacement, and the specter of data breaches and ethical dilemmas is there, lurking our AI enthusiasm.

However, the danger isn't that AI will replace us; the real danger is that we'll replace ourselves by becoming too reliant on it. We risk losing our edge if we forget that intelligence, in its truest form, is multidimensional. It's not just knowledge + experience = intelligence. It's instincts, emotions, curiosity, and the ability to question the status quo. AI can't create its own values; it's up to us to shape the world it operates in.

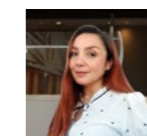
So, where does that leave us? Right in the driver's seat. The future belongs to those who can navigate this AI frontier with purpose, blending technology with human intuition. It's about leveraging AI to amplify our strengths, not overshadow them.

Let's lead with intelligence. Let's innovate responsibly. Let's remember that while AI might be the engine powering our journey, we hold the map. The AI revolution is here. And we're not just passengers along for the ride, we are the architects of the world it creates.

Buckle up—it's going to be a fantastic ride.



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How Hidden Networks are Driving Smarter Business Moves

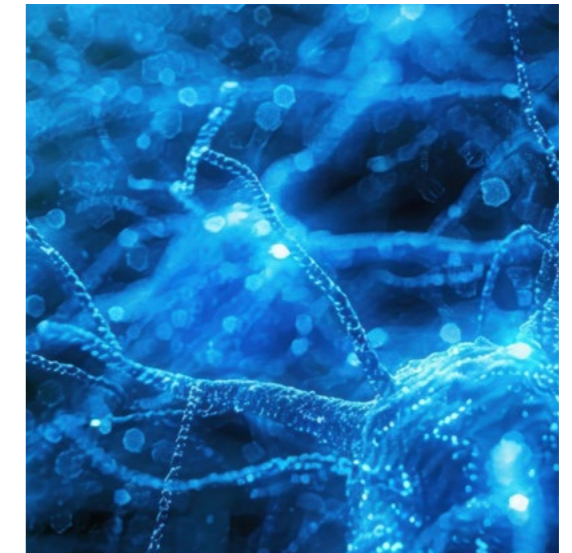
It's 2 AM, and a pharmaceutical supply chain executive in Germany receives an alert: a critical medication shows early signs of shortage in Southeast Asian markets.

In the past, this triggered a scramble of emergency meetings and reactive measures. Instead, she opens a dashboard powered by a sophisticated probability network quietly monitoring patterns across global markets. Within minutes, she can see the risk of shortages spreading to other regions and the precise sequence of actions most likely to prevent them.

This is exactly how Bayesian Belief Networks (BBNs) work—they're sophisticated tools that mirror how our brains naturally process interconnected information and transform how global businesses make decisions under uncertainty.

From Light Bulbs to Life-Saving Medications

To understand how BBNs work, let's start with something simpler than global supply chains. Imagine troubleshooting a broken light bulb. Your brain automatically creates a network of possibilities: Is the bulb burnt out? Is there a power outage? Is the wiring faulty? Each possibility leads to others, and each has probability based on experience.



BBNs formalize this natural problem-solving process into a mathematical framework. But unlike our intuitive reasoning, BBNs can process hundreds of variables simultaneously, updating probabilities in real-time as new information arrives. When we scaled this concept to help a global pharmaceutical leader predict drug shortages, that simple logic expanded into a sophisticated network that could:

- Track subtle market indicators across continents
- Calculate probability distributions for shortage risks
- Update predictions as conditions changed
- Identify the most effective intervention points

The mathematics behind this might be complex, involving conditional probability tables and Bayesian updating, but the underlying principle remains as intuitive as troubleshooting that light bulb.

The Building Blocks: Nodes, Edges, and Probabilities

A BBN consists of three fundamental elements:

- **Nodes:** Each factor becomes a node in our network. In our light bulb example, we have nodes for “Bulb Status,” “Power Supply,” and “Light Working.”
- **Edges:** The lines connecting these nodes (called edges) show how they influence each other. An edge from “Bulb Status” to “Light Working” shows that the condition of the bulb directly affects whether the light works.
- **Probabilities:** Each node has probability values associated with it. Based on its age and usage, we might assign a 70% probability that an old light bulb is burnt out.

How the Math Actually Works

Let’s break down the mathematical process:

- **Initial Probability Assignment**
 - We start by assigning probabilities to each node based on historical data or expert knowledge.
 - For example, if a bulb is five years old, we might assign a 70% probability it’s burnt out.
 - These initial probabilities create our baseline understanding.
- **Probability Calculation**
 - The network calculates compound probabilities using Bayes’ Theorem.
 - If we know the bulb is old (70% chance of being burnt out) and the light isn’t working, the network can calculate the probability that the

burnt bulb is actually our problem versus other potential issues.

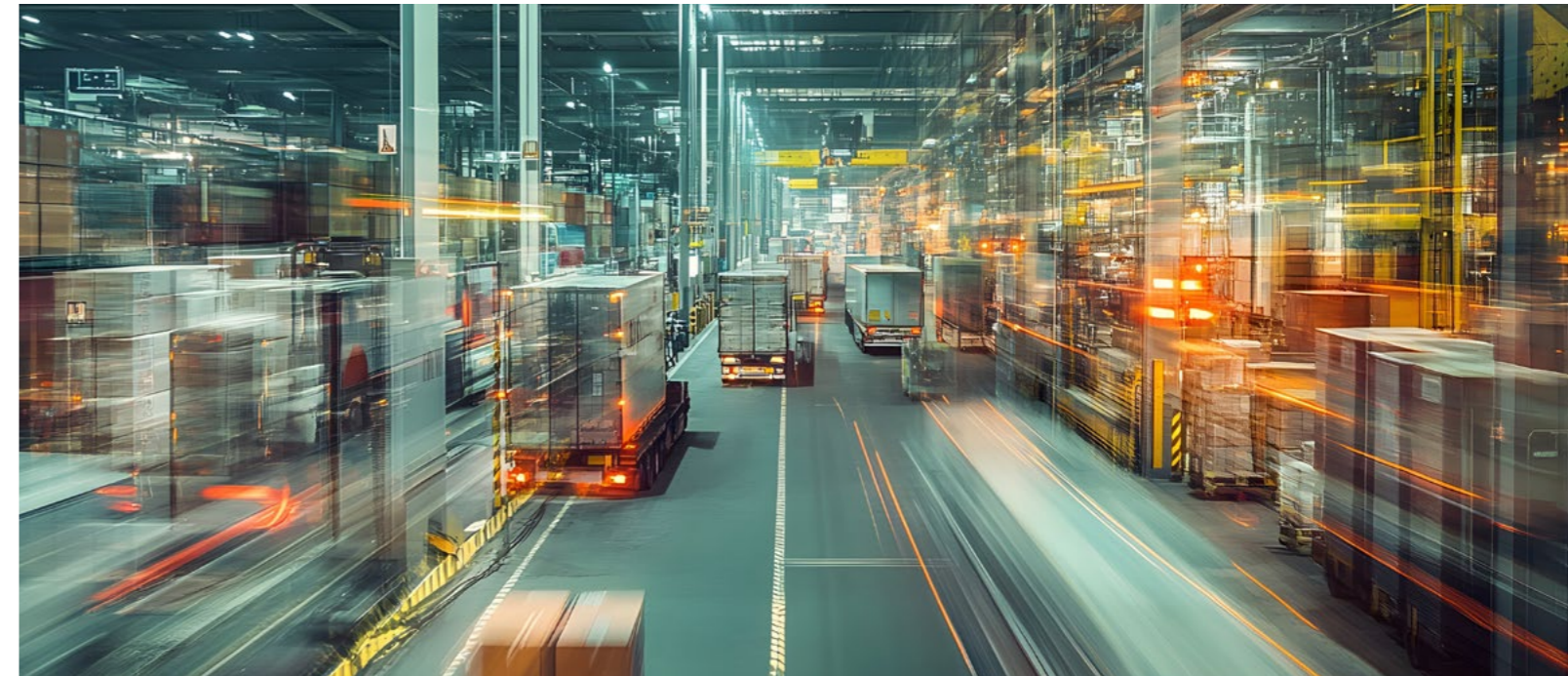
- **Real-Time Updates**
 - As new information comes in, the network updates all probabilities automatically.
 - If we test the power supply and find it working, the network instantly recalculates the probability that the bulb is the problem.

When we scaled this same mathematical framework to our pharmaceutical client’s supply chain, each node represented critical factors like raw material availability, manufacturing capacity, or regional demand. The edges showed how these factors influenced each other, and the probabilities were continuously updated with real-time market data.

Making Inferences: The Power of Probabilistic Reasoning

The real power of BBNs lies in their ability to make inferences – to reason about probabilities in any direction. In our pharmaceutical example, this meant:

- **Forward Inference:** If supply constraints exist in Southeast Asia, what is the probability of shortages spreading to Europe?
- **Backward Inference:** If we’re experiencing shortages in Europe, what’s the most likely root cause?
- **Intervention Analysis:** If we increase manufacturing capacity by 15%, how does that change the probability of future shortages?



The Story of a Package’s Journey

Consider another real-world application: One of America’s largest logistics providers came to us with a challenge. Every day, they move millions of packages through a complex network of warehouses, trucks, and distribution centers. Each package’s journey involves countless decision points, and each decision ripples through their entire operation.

They needed to understand how improving one metric – on-time delivery percentage – would affect everything else. We built a BBN that modeled their operation as an interconnected web of probabilities. The network revealed something surprising: a **5% improvement in on-time percentage** would cascade through their system unexpectedly, **reducing customer service calls by 15% and improving retention rates in specific customer segments by up to 20%.**

Here’s how the technical magic worked behind the scenes:

- Each operational metric became a node in our network
- Relationships between metrics were quantified through conditional probabilities
- Real-time data continuously updated these probabilities
- The network could simulate complex “what-if” scenarios

When Mathematics Meets Human Expertise

BBNs’ ability to combine complex data with human expertise makes them particularly powerful. In our pharmaceutical case, we didn’t just feed historical data into the system. We worked with supply chain experts to understand subtle market relationships, regulatory factors, and regional dependencies.

The mathematics of BBNs – those conditional probability tables and directed acyclic graphs – gave us a framework to quantify this expertise and combine it with real-time data.

The result was a system that could predict potential shortages months in advance, giving leaders time to take preventive action rather than manage crises.

The Art of Modeling Uncertainty

One of the most potent aspects of BBNs is their explicit handling of uncertainty. Traditional forecasting models often give you a single number – a point estimate that creates a false sense of precision. BBNs instead provide probability distributions, showing you not just what might happen but how certain we can be about different outcomes.

For our logistics client, this meant understanding that automating customer service would reduce costs and the precise probability distribution of possible savings. When their innovation team proposed an automated solution that could handle 20% of customer calls, the BBN showed them:

- The most likely range of cost savings
- The probability of different customer satisfaction outcomes
- The likelihood of achieving various return-on-investment scenarios

Beyond Traditional Applications

The applications of BBNs extend far beyond supply chains and logistics. We're seeing them transform:

Healthcare

- **Disease Diagnosis:** BBNs can assist in diagnosing diseases by integrating various symptoms, medical history, and test results to calculate probabilities.
- **Treatment Planning:** By considering patient-specific factors and potential side effects, BBNs can help optimize treatment plans.
- **Predictive Modeling:** BBNs can predict the likelihood of disease outbreaks, hospital readmissions, and patient outcomes.

Finance

- **Risk Assessment:** BBNs can be used to assess financial risks, such as credit risk, market risk, and operational risk.
- **Fraud Detection:** By modeling relationships between suspicious activities, BBNs can help identify fraudulent transactions.
- **Portfolio Optimization:** BBNs can assist in optimizing investment portfolios by considering various factors, including asset correlations and risk tolerance.



Marketing and Sales

- **Customer Churn Prediction:** BBNs can predict customer churn by analyzing customer behavior, demographics, and other relevant factors.
- **Product Recommendation:** By understanding customer preferences and purchase history, BBNs can recommend products that are likely to be of interest.
- **Marketing Campaign Optimization:** BBNs can help optimize marketing campaigns by identifying the most effective channels and target audiences.

Engineering and Manufacturing

- **Fault Diagnosis:** BBNs can be used to diagnose faults in complex systems by analyzing sensor data and identifying potential causes.
- **Predictive Maintenance:** By predicting equipment failures, BBNs can help optimize maintenance schedules and reduce downtime.
- **Quality Control:** BBNs can be used to identify potential quality issues early in the manufacturing process.

In each case, BBNs' technical sophistication—their ability to handle complex dependencies, update in real-time, and quantify uncertainty—combines with domain expertise to create powerful decision-making tools.

The Future of Decision-Making

As businesses face increasingly complex challenges, the ability to model and understand interconnected systems becomes crucial. BBNs offer more than

just sophisticated mathematics; they provide a framework for thinking about complexity.

That pharmaceutical executive checking her dashboard at 2 AM isn't just looking at probabilities and predictions. She's seeing the future of business decision-making:

- Where sophisticated mathematics meets human expertise.
- Where uncertainty becomes manageable.
- Where complex global operations become understandable and controllable.

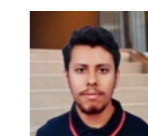
The mathematics and technical implementation details matter – from designing optimal network structures to managing computational complexity to ensuring data quality. But what matters more is how these tools transform business decision-making, helping leaders navigate uncertainty confidently and precisely.

In a world where everything is connected, understanding and quantifying those connections isn't just a technical achievement – it's a business imperative.

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The Modern Intelligence Partnership: Domain Experts + AI Agents



The expert sitting next to you isn't human—and that's exactly why you need them.

Gone are the days when expertise meant years of solitary learning and practice. Today, the game has changed. The best professionals aren't just masters of their craft—they're masters at working with AI to multiply their impact.

The future belongs to neither the AI skeptics nor the tech evangelists. It belongs to the partnered professional: the financial analyst who combines market intuition with AI that processes global trading patterns in real-time; the competitive intelligence strategist whose industry knowledge is amplified by AI that never misses a market signal; the business consultant whose strategic thinking is backed by AI that can simulate countless market scenarios instantly.

Simon Freckley put it best when he said that AI is "more than a tool to drive efficiency, but rather an important productivity enabler that augments human intelligence to drive growth." This insight captures the essence of what's happening in enterprises today. We're not watching a story of replacement. We're watching the emergence of a new kind of professional partnership.

From Executor to Orchestrator: The Evolution of the Domain Expert

Today's analysts and domain experts are becoming what we might call "agent whisperers"—professionals who know how to guide, validate, and enhance AI capabilities. Here's what this transformation looks like in practice.

The New Day-to-Day

A private equity analyst in 2025 doesn't just research companies and write reports. They orchestrate a team of AI agents that:

- Source potential deals across multiple markets
- Generate preliminary company profiles
- Compare investment opportunities
- Monitor portfolio risk in real-time

The analyst's role? Setting the strategy, validating findings, identifying patterns the machines might miss, and most importantly, applying judgment shaped by years of industry experience.

Core Skills for the AI-Enhanced Professional

Traditional Excellence Remains Key

- Deep domain knowledge
- Business thinking and pattern recognition
- Data synthesis and insight generation
- Understanding of reliable data sources
- Ability to connect disparate dots

New Technical Capabilities

- Familiarity with AI platforms and tools
- Basic data visualization skills
- Understanding of micro-automation
- Comfort with SaaS platforms
- Ability to write simple scripts

The Six Key Responsibilities of Modern Domain Experts

1. AI Output Validation

Domain experts now serve as the critical QC layer, ensuring AI-generated content is relevant and accurate. They filter out potential hallucinations and validate conclusions against real-world experience.

2. Data Stewardship

The quality of internal data and intellectual property has become a competitive advantage. Experts maintain and curate these knowledge bases, ensuring AI agents have reliable information to work with.

3. Tool Selection and Optimization

With access to multiple AI models through agentic studios, professionals must stay current with AI developments and select the right tools for specific use cases.

4. Data Localization and Context

Experts make sense of cross-connections between different data sources and adapt insights for specific regional contexts, like the Middle East market.

5. Agent Setup and Management

Think of AI agents as highly capable interns. Experts must know how to set them up, provide clear instructions, and adapt them for specific research tasks.

6. Workflow Orchestration

Using no-code and low-code platforms, experts create and maintain efficient workflows that combine human insight with AI capabilities.



Real World Success Stories

Investment Research Transformation

A leading financial institution transformed its equity research process by pairing domain experts with AI agents. Now, analysts spend 60% less time on initial data gathering and can focus on deeper analysis and client relationships.

Private Equity Deal Sourcing

A PE firm implemented AI agents for deal sourcing, supervised by experienced analysts. The system achieved:

- 80% faster opportunity identification
- More comprehensive market coverage
- Better initial screening of potential targets

Adapting for the Future

The transformation from traditional analyst to AI-augmented domain expert isn't happening overnight. It's an evolution that requires intentional development and strategic planning. The organizations that succeed will be those that:

- Invest in both technical and domain expertise
- Create clear career paths for AI-augmented roles
- Foster a culture of continuous learning
- Maintain focus on human judgment and expertise

As we move deeper into 2025, one thing is becoming clear. The future belongs not to AI alone, nor to traditional human expertise in isolation. It belongs to those who can masterfully combine both, creating insights and value that neither could achieve alone.

This isn't just another tech transition. It's the emergence of a new kind of professional excellence—one that combines the best of human wisdom with the power of artificial intelligence.

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The New Imperative in Supply Chain Management: A Data-Driven Approach to Supplier Risk

The Rising Stakes in Supply Chain Risk

March 23, 2021: The Ever Given container ship blocks the Suez Canal for six days, costing global trade an [estimated \\$400 million per hour](#).

December 2022: Tesla announces production cuts in Shanghai due to semiconductor shortages.

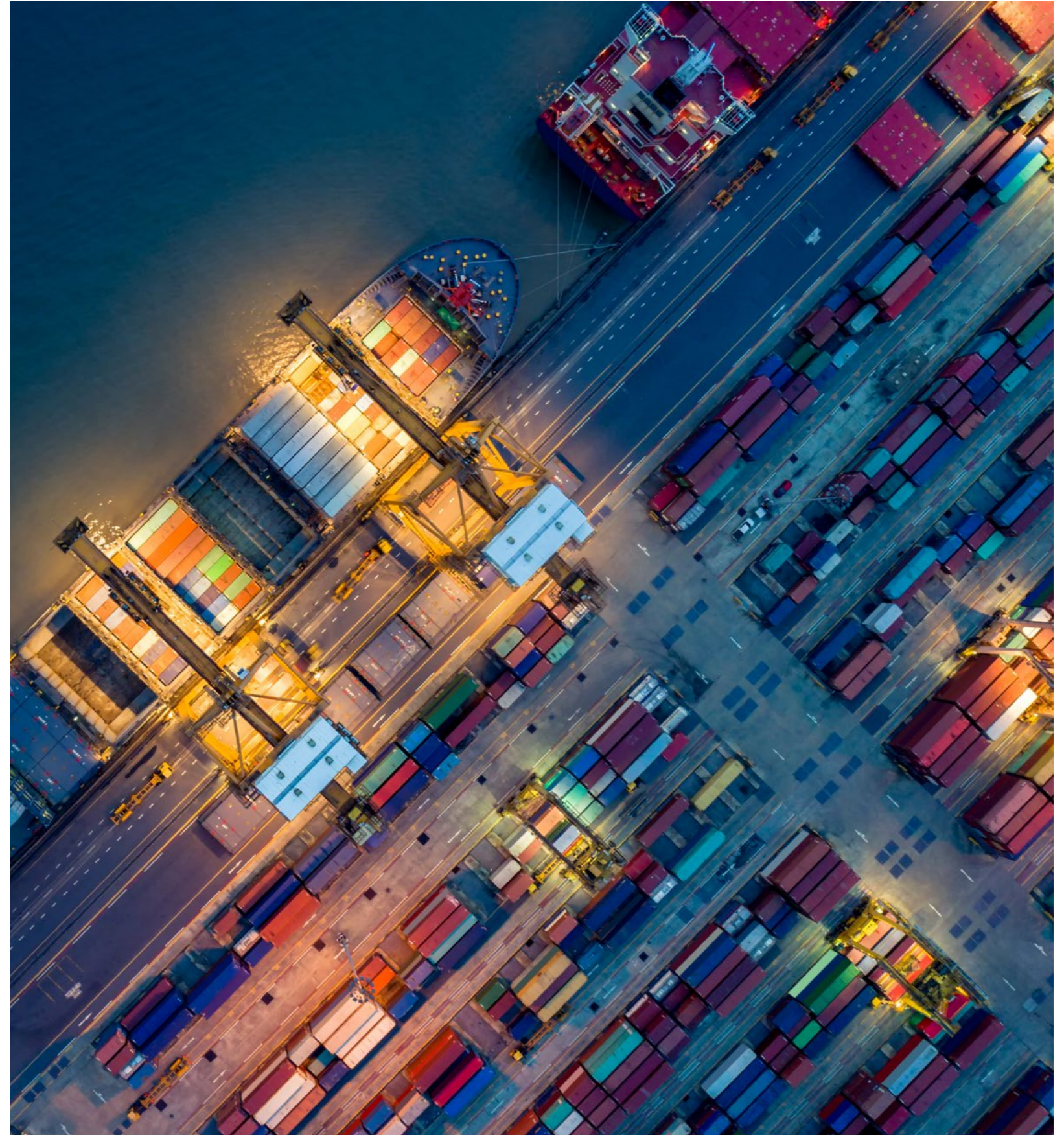
February 2024: Semiconductor giant TSMC [delays equipment move-in](#) at its Arizona fabrication plant, impacting U.S. chip manufacturing plans.

These aren't isolated incidents – they're symptoms of a fundamental vulnerability in global supply chains. According to McKinsey, companies now expect supply chain disruptions lasting a month or longer to [occur every 3.7 years](#), with the most severe events costing companies, on average, 45% of one year's EBITDA (earnings before interest, taxes, depreciation, and amortization).

The True Cost of Supply Chain Disruptions

Recent data paints a stark picture of supply chain vulnerability:

- Companies lost an average of \$184 million per year due to supply chain disruptions ([Business Continuity Institute, 2023](#)).
- 71% of companies experienced at least one supply chain disruption in 2023 ([Resilinc Annual Report](#)).
- Only 21% of companies actively monitor their tier-2 suppliers and beyond ([Deloitte](#)).
- Supply chain disruptions led to an average 9% drop in share price for affected companies ([World Economic Forum](#)).



The Automotive Industry's Wake-Up Call

The 2011 Tōhoku earthquake and tsunami revealed multiple critical vulnerabilities in the automotive industry's supply chain design, serving as a watershed moment in supply chain risk management.

When the Renesas Electronics plant in Naka, Japan, was damaged by the earthquake, few outside the automotive industry recognized its significance. The facility produced 40% of the world's microcontroller units (MCUs) - tiny components essential for everything from engine control to power steering. What followed was a [cascade of production stoppages](#):

- Toyota lost production of 370,000 vehicles
- Honda cut North American production by 50%
- General Motors halted operations at multiple plants

The disaster exposed a perfect storm of supply chain vulnerabilities that had been lurking beneath the surface of the automotive industry's highly optimized operations. At the heart of the crisis was an extreme geographic concentration of critical components - 60% of automotive MCUs were produced in Japan, with an astounding 22% coming from this single Renesas facility.

Even more concerning, the backup facilities were all located within the same seismic zone, effectively negating their value as true contingency options. This geographic risk was compounded by deep-seated single-sourcing dependencies, as many OEMs (original equipment manufacturer.) had

developed highly customized MCUs with specific suppliers. These weren't components that could be easily switched to alternative sources - any change would require 12-18 months of rigorous testing and validation, making immediate substitution impossible.

The industry's celebrated just-in-time inventory practices, which had been optimized for efficiency, now became a critical liability. With inventory levels covering only 2-3 weeks of production and minimal buffer stocks maintained to reduce carrying costs, there was little cushion to absorb the supply shock.

Perhaps most troubling was the revelation of massive visibility gaps throughout the supply chain. Many OEMs were unaware they even relied on Renesas components, as their tier-1 suppliers hadn't disclosed their sub-supplier dependencies. This lack of transparency meant that supply chain mapping effectively stopped at tier-1 suppliers, leaving companies blind to critical risks lurking deeper in their supply networks.

The complex requirements for recovery - including three months for clean room reconstruction, six months for equipment replacement, and over a year for full production restoration - further highlighted how unprepared the industry was for this scale of disruption.

Understanding the Modern Supply Risk Matrix: The Evolution of Risk Assessment

Traditional supplier evaluation focused primarily on [cost, quality, and delivery performance](#). However, modern risk assessment requires a more comprehensive approach.

Enter the Supplier Risk Matrix

The supplier risk matrix isn't just another procurement tool - it's a strategic framework that fundamentally changes how organizations understand and manage their supplier relationships. At its core, the matrix helps answer a critical question that every supply chain professional grapples with: "How do we allocate our limited resources across our supplier base to maximize value and minimize risk?"

Our supplier risk matrix introduces two critical dimensions:

- 1. Demand Profile (Y-axis)**
 - a. Volume metrics
 - b. Revenue impact
 - c. Business criticality
- 2. Supply Risk (X-axis)** Quantified through five key factors:

Risk Factor	Low Risk	High Risk	Impact Weight
Supplier Count	>3 active	Single source	30%
Geographic Diversity	>3 regions	Single region	25%
Manufacturing Sites	>5 locations	Single location	20%
Historical Performance	No disruptions	Frequent issues	15%
Market Conditions	Stable/Competitive	Volatile/Monopolistic	10%

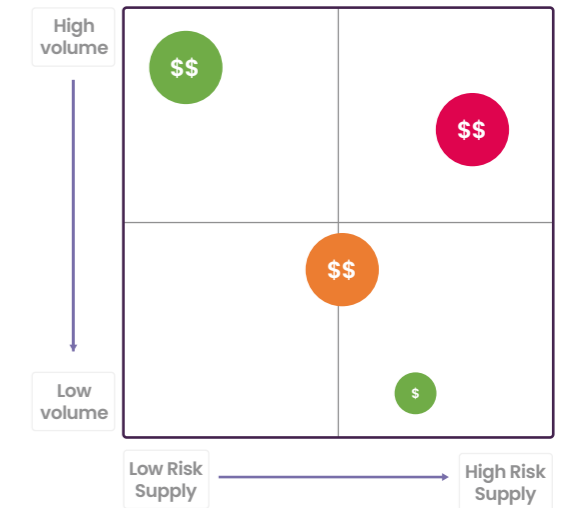


Chart Legend

- Y-axis:** Demand profile
X-axis: Supply Risk
Bubble size: Revenue \$
Bubble color:
 - **Red:** prioritize for resilience planning
 - **Orange:** medium priority
 - **Green:** deprioritize

Supply Risk Considerations	Low Risk	High Risk
Qualified supplies	Multiple used today	One in use/available
Supplier location(s)	Multiple geographies	One geography
# Manufacturers	Many independent entities	One
Manufacturing sites	Many, geographically dispersed	One
History of stock-outs	None	Frequent

The Building Blocks: Understanding the Axes

The matrix's power comes from its ability to combine two critical dimensions of supplier relationships into a single, actionable visualization. The vertical axis – demand profile – represents more than just spending. It captures the strategic importance of what we buy, incorporating factors like annual spend, operational criticality, and potential impact on the value chain. A high position on this axis might represent components that are essential to your flagship products or materials that constitute a significant portion of your cost of goods sold.

The horizontal axis – supply risk – highlight the complexities and challenges of the supply market itself. This isn't simply about how many suppliers exist in the market; it's about the intricate web of factors that determine how difficult it would be to replace a supplier or secure alternative sources. These factors include market concentration, geographic risks, technical complexity, and the financial stability of the supply base. A position further to the right indicates increased risk, whether that's due to limited supplier options, complex specifications, or challenging market dynamics.

The Four Quadrants: Strategic Imperatives

When these axes intersect, they create four distinct quadrants, each demanding its own strategic approach. The power of this framework lies not just in the categorization, but in how it drives different management approaches for different supplier relationships.

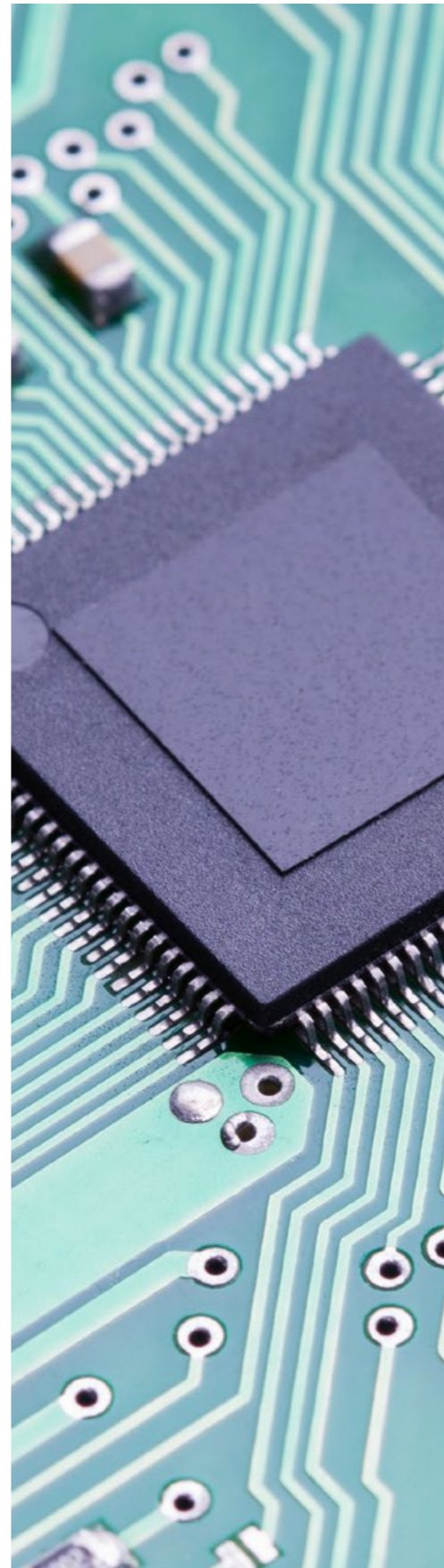
Strategic Partners (High Volume, High Risk)

In the upper right quadrant, we find our most challenging and critical supplier relationships. These are the partnerships that can make or break your business – think of semiconductor manufacturers supplying the automotive industry, or specialized chemical producers for pharmaceutical companies. Here, traditional arm's-length supplier management simply won't suffice.

These relationships require a sophisticated, multi-layered approach. Companies often assign dedicated relationship managers, establish regular executive touchpoints, and develop joint business plans.

The semiconductor crisis of 2020–2023 showed us why – when Taiwan Semiconductor Manufacturing Company (TSMC) faced capacity constraints, companies with strong strategic partnerships were better positioned to secure their supply. Those who treated TSMC as just another supplier found themselves at the back of the queue.

The risk management strategy here must be comprehensive. Leading companies typically maintain 2–3 qualified suppliers, carry strategic buffer inventory (often 8–12 weeks of supply), and invest in supplier development programs. They also implement rigorous monitoring systems, tracking not just performance metrics but also early warning indicators of potential disruptions.



Leverage Items (High Volume, Low Risk)

The upper left quadrant represents high-spend categories where multiple capable suppliers compete for your business. These relationships are prime candidates for traditional strategic sourcing approaches. Think of standard packaging materials or common raw materials – items where specifications are well-defined and switching costs are manageable.

However, “low risk” shouldn't mean “no attention.” Smart organizations use their buying power in these categories to drive value beyond just price reductions. They might implement vendor-managed inventory programs, explore payment term optimization, or drive process automation. The key is to maintain enough supplier relationships to ensure healthy competition while not spreading volume so thin that you lose economies of scale.

Bottleneck Suppliers (Low Volume, High Risk)

Perhaps the most challenging quadrant to manage is the lower right – items with relatively low spend but high supply risk. These might be specialized maintenance services, custom tooling, or proprietary additives. The spend doesn't justify the same level of resource dedication as strategic items, yet the risk demands active management.

The strategy here often focuses on risk mitigation rather than leverage. Companies might invest in specification standardization to reduce dependency on specific suppliers, maintain higher safety stock levels, or develop detailed contingency plans. The goal is to reduce the “bottleneck” nature of these items over time, either by developing addi-

tional suppliers or finding alternative solutions.

Non-Critical Items (Low Volume, Low Risk)

The lower left quadrant represents our simplest supplier relationships – standard items available from multiple sources at relatively low spend levels. The key here is efficiency. Leading organizations typically implement catalog buying systems, use purchasing cards, or establish simple framework agreements to minimize transaction costs.

However, even these relationships deserve some strategic thought. Consolidating these purchases with fewer suppliers can reduce administrative overhead. Additionally, these categories can serve as testing grounds for new procurement technologies or processes before rolling them out to more critical categories.

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The New Intelligence Paradigm

By 2025, 30% of U.S. companies will invest \$10 million or more in AI—yet over 80% of AI projects fail. Why?

Artificial intelligence (AI) is in its prime, brimming with the potential to revolutionize industries. It's capable of processing multidimensional datasets, automating complex tasks, and driving innovation at an unprecedented scale. Yet, despite its promise, **AI solutions aren't scaling as expected.**

While also reshaping nearly every aspect of our lives — how we live, work, and connect — AI mirrors how we engage with others and **embeds intelligence into every corner of our lives.**

The capabilities are there, so the problem is not the technology; it's us. Businesses are adopting AI at record speeds, but **without the right human expertise, strategy, and integration, its full power remains untapped.**

It is an intelligence-balancing act.

Intelligence is the ability to learn, adapt, and make decisions. It means turning information into action. Today, what

once relied solely on human capability extends to AI-powered tools at the core of progress.

Natural intelligence (NI) comes from lived experiences—learning, adapting, and making decisions based on past events. Artificial intelligence (AI), on the other hand, thrives on possibilities. It predicts outcomes by analyzing massive datasets and uncovering patterns we might miss. For businesses, the new intelligence era means moving from reactive to proactive courses of action by anticipating what's next instead of just responding to what has happened. However, it is not a panacea for the business world.

While AI can mimic cognitive functions like problem-solving, pattern recognition, and decision-making, it cannot replicate the holistic capabilities of the human mind. Natural intelligence goes beyond data—it's shaped by instincts, emotions, consciousness, and lived experience. Unlike AI, which learns from

pre-programmed inputs and external datasets, human intelligence evolves organically through direct encounters with the world. This fundamental difference highlights why AI, despite its power, remains a tool rather than a true cognitive equal.

The new intelligence paradigm exists where NI and AI meet and interact as the core of business innovation. This synergy drives new possibilities across industries, allowing businesses to combine human creativity and intuition with AI's predictive power and efficiency. However, unlocking AI's full potential requires a strategic approach to scalable integration—embedding it thoughtfully across processes while addressing its ethical, social, and operational challenges. Organizations increasingly recognize this new paradigm as a critical competitive advantage, shaping the future of work, decision-making, and long-term strategy while minimizing the risks inherent in emerging technologies.

While AI experimentation is widespread, the business value relies on moving beyond pilot projects and embracing AI at scale. Actual value requires a mindset shift: organizations must view AI not merely as a tool for efficiency but as a transformative force.

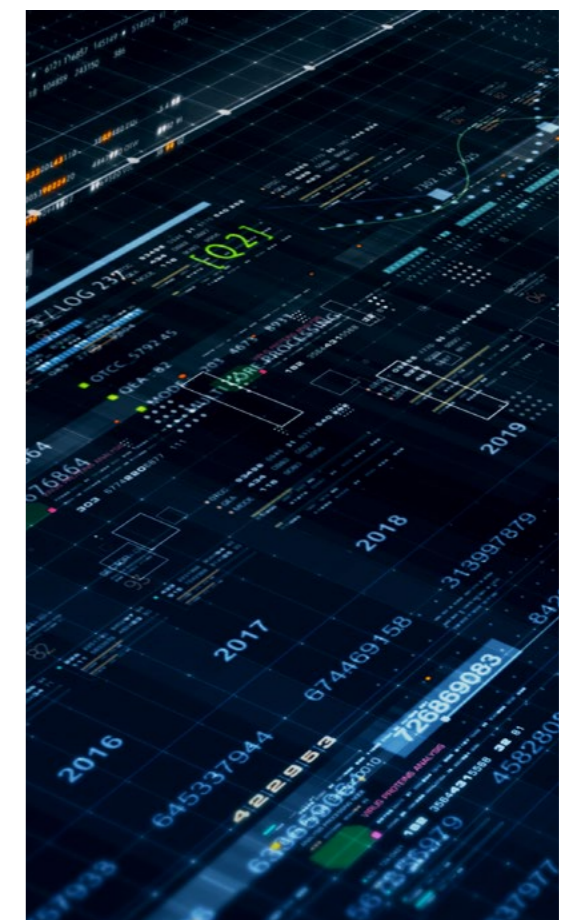
From experimentation to innovation

“The proportion of U.S. companies investing \$10 Mn or more in artificial intelligence will nearly double from 16% this year to 30% of businesses in 2025.” - EY Survey

A 2024 report by the [RAND Corporation](#) revealed that over 80% of AI projects fail, a rate twice as high as non-AI IT projects. Similarly, a 2023 study by [Boston Consulting Group](#) found that 74% of companies face challenges in achieving and scaling AI's value.

These findings highlight organizations' difficulties moving beyond initial AI experiments to realize substantial business benefits.

Scaling AI beyond pilot projects is challenging due to fragmented data, unclear ROI metrics, and a shortage of skilled talent. Many companies face resistance from organizational silos and change-averse cultures, while regulatory concerns and unrealistic expectations further complicate adoption.



Aligning AI goals with measurable outcomes

Companies globally are embedding AI-driven tools into their operations: [86% of executives report](#) AI experimentation in their organizations. Businesses are enhancing efficiency through data cleansing and anomaly detection, text generation, and sentiment analysis. Yet most are only scratching the surface. They focus on quick wins over scalable, transformative impact—only 8% are applying AI at scale.

AI success isn't just about technology—it's about strategy. Clear metrics, transparent governance, and seamless integration turn AI from an experiment into a scalable business asset. Here is how to achieve AI success:

- **Build Trust in AI Systems:** Addressing challenges like hallucinations in large language models (LLMs) requires robust monitoring and governance. Companies should invest in explainable AI (XAI) and ethical frameworks to ensure transparency and reliability in decision-making.
- **Foster Human-AI Collaboration:** The most successful AI strategies amplify human intelligence rather than replace it. By aligning AI capabilities with human creativity, intuition, and judgment, organizations can unlock new levels of innovation. For instance, pairing predictive analytics with human expertise can accelerate market forecasting and strategic planning.
- **Focus on Scalability:** Drive continuous innovation, encourage experimentation, reward creativity, and promote collaboration by

emphasizing scalability. Empower teams with decision-making authority, adopt agile practices, and integrate customer feedback. Leadership must set the tone by championing curiosity and forward-thinking.

Limitations and Risks of AI

AI's most prevalent use cases involve machine learning (ML), deep learning (DL), and large language models (LLMs). These technologies hold the potential to reshape economic activity across sectors. However, while the promise of AI is immense, so are the risks. Generative AI, for instance, has sparked significant excitement but also raised concerns about trust. The issue of "hallucinations" in LLMs—where the model generates inaccurate or misleading information—has tarnished AI's reputation, posing serious challenges to business decision-making if performance is not carefully monitored.

Its inability to introspect from multiple viewpoints, such as limited perception, cognition, and reasoning compared to humans, restricts nuanced decision-making. Biases from outdated training data can skew results, causing flawed insights. Generative AI introduces risks like misalignment with business functions, leading to deployment failures and issues like hallucinations or inaccurate outputs. However, these challenges can be mitigated through continuous model training, robust data governance, and human-AI collaboration. When businesses intentionally address these gaps, AI transforms from a high-risk tool to a game-changing enabler.

The New Paradigm

We should not assume that the current paradigm for AI represents the ultimate solution. It will likely evolve and incorporate new approaches addressing its existing limitations.

The following examples from Evaluate's business model illustrate AI's ability to drive meaningful progress in different business contexts:



Case Study #1

We developed a cutting-edge "Advisory Content Chat" solution in collaboration with a leading global technology provider. This AI-driven tool enables seamless access to risk-approved internal data while ensuring compliance and security standards are upheld. It serves as a powerful knowledge management platform, enhancing insight generation and decision-making. By providing on-demand, context-aware information, the solution empowers advisory teams to deliver faster, more informed recommendations, ultimately boosting operational efficiency and strategic value.

Case Study #2

We partnered with a global consulting firm to explore innovative applications of Generative AI, resulting in a tailored solution for the legal team of a major multinational company. This Gen AI initiative streamlines legal processes, enhances document analysis, and accelerates insight generation, enabling the legal team to focus on higher-value tasks. The collaboration highlights our ability to co-create transformative AI-driven solutions that address specific business needs and unlock new efficiencies.

Case Study #3

We implemented a Sector Insights Program for a leading global management consulting firm, leveraging Generative AI to streamline their insights process in the Professional Services, Asset & Wealth Management sectors. The solution addresses the challenge of data overload faced by analysts, who previously spent significant time manually sifting through vast datasets such as annual reports, analyst reports, regulatory filings, and financial presentations. Our Gen AI-powered solution centralizes data into a unified repository, enabling faster insight generation and improving scalability for their B2B initiatives with banking clients. This resulted in faster go-to-market capabilities and enhanced operational efficiency, unlocking the potential for a 1-to-many implementation across their client base. With an approximate \$85K annual contract value (ACV) and access to diverse technical expertise, this solution exemplifies how AI can transform data-intensive industries by driving both speed and scale.

What's Next

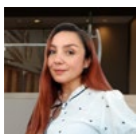
Intelligence exists in every decision, strategy, and adaptation we make, not confined to algorithms or human minds. It has always been the core driver of progress. However, historically, intelligence has always been uniquely a human trait, rooted in creativity, intuition, and experience. Now, we stand on the threshold of a new era in which its capability is amplified by AI-powered tools.

The challenge lies in ensuring that AI does not become a crutch, replacing human judgment, but rather an ally that augments our capabilities. It's about leveraging AI to uncover insights, automate processes, and scale solutions while retaining the human touch—critical thinking, empathy, and ethical considerations—that no machine can replicate.

If businesses fail to navigate this balance, the AI revolution risks becoming a missed opportunity, offering more hype than actual transformation. On the other hand, those who adapt to this shift, seamlessly integrate AI into their strategies, and lead with a forward-thinking, human-centered approach will unlock unprecedented potential.

The future belongs to those who master this balancing act, ensuring the AI revolution delivers real impact in the new intelligence paradigm.

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30% Efficiency Gains for Pharma Company

The Urgency of Intelligence in Pharma

In the pharmaceutical and biotech industry, timing, speed, and precision are everything. Missing a critical update or failing to anticipate an emerging trend can mean losing market share, delaying product launches, or falling behind in the race to innovate.

For one leading pharmaceutical company, these stakes were all too real. Tasked with overseeing an expansive portfolio of over 20 pipeline and marketed hematology assets, their competitive intelligence (CI) team faced significant challenges: limited resources, personnel constraints, and an overwhelming volume of industry data that made it difficult to extract actionable insights.

Strategic Reinforcement: Overcoming Data Overload

The company had previously relied on traditional CI solutions—product-based providers that delivered vast amounts of data but lacked contextual analysis and strategic relevance. These solutions created “data noise,” where teams were drowning in low-value updates while critical insights slipped through the cracks.

Realizing the need for a more effective approach to regain control and enhance decision-making, the company sought a solution that combined technological innovation with deep industry expertise. They partnered with Evaluateserve, known for its ability to integrate AI-powered intelligence with domain expertise, redefining the way competitive intelligence is managed.

From Data to Decisions: An AI-Powered CI Framework

Evaluateserve’s approach started with a foundational workshop to map out workflows, stakeholder needs, and key decision points. From there, a tailored CI framework was built to ensure relevant insights reached the right teams at the right time.

Here’s how the solution came to life:

- **Real-Time Alerts:** High-priority updates tailored to reflect the implications for the client and the industry. These insights were personalized for diverse internal audiences, ensuring relevance across roles.
- **Newsletters and Trend Reports:** Weekly, bi-weekly, and monthly digests summarized the most critical competitive updates and market trends, cutting through the noise.
- **Quarterly Earnings Call Summaries:** Comprehensive competitor analysis distilled into easy-to-digest formats for executive leadership.
- **Conference Coverage:** On-the-ground and virtual conference reports provided insights into emerging trends, competitor strategies, and evolving standards of care, enriched with analysis of session recordings and recordings and healthcare professionals’ perspectives.
- **Expert-Validated Insights:** Interviews with key opinion leaders (KOLs) and industry experts added depth and reliability to the intelligence, validating secondary data and uncovering hidden opportunities.

In addition, Evaluateserve’s on-demand CI analysts remained on standby for ad-hoc research, competitive benchmarking, and supply chain risk assessments, ensuring scalability and flexibility for the client’s internal teams.

Optimizing the Pharma Supply Chain with AI

The pharmaceutical industry relies on complex global supply chains with multiple dependencies, from raw material sourcing and manufacturing to distribution and regulatory compliance. Even minor disruptions—such as geopolitical instability, trade restrictions, or supplier shutdowns—can delay drug production and impact revenue.

90% of pharmaceutical executives believe AI will be critical to supply chain transformation in the next five years (PwC).

Faster, Smarter, Better Decisions

Evalueserve's AI-powered CI approach delivered measurable business impact:

- **Insights Delivered 2x Faster**
Thanks to AI-powered tools and streamlined workflows, critical updates arrived in near-real time, empowering the client to stay ahead of competitors.
- **30% Bandwidth Savings for Internal Teams**
With Evalueserve shouldering the burden of data gathering and analysis, the internal team was freed to focus on high-value, strategic activities, unlocking new opportunities for growth.
- **Proactive Decision-Making**
With clear, actionable insights at their fingertips, the client was able to identify opportunities, respond to threats, and pivot strategies faster than ever before, unboxing long-term gains in market positioning and competitive advantage.

AI-driven intelligence is revolutionizing supply chain management in pharma by enabling:

- **Predictive Risk Management:**
AI models forecast disruptions by analyzing supplier stability, geopolitical risks, and real-time demand fluctuations.
- **Automated Supplier Evaluation:**
AI-driven analytics assess vendor reliability, helping pharma companies proactively mitigate risks.
- **Dynamic Inventory Optimization:** Machine learning algorithms optimize stock levels to prevent overstocking or shortages, ensuring continuity in drug availability.
- **Regulatory Compliance Monitoring:** AI continuously scans regulatory databases for changes that impact supply chain decisions.

By integrating these AI capabilities, Evalueserve helped the client proactively manage supply chain risks, anticipate competitor moves, and identify emerging market opportunities before their rivals.

The Secret Ingredient: Balance of Tech and Expertise

While AI tools accelerated data processing and provided scale, it was Evalueserve's CI experts who ensured that insights were accurate, strategic, and aligned with business objectives.

Like pairing a high-performance engine with an experienced driver, Evalueserve's AI tools efficiently processed vast amounts of data, while our analysts provided strategic expertise to extract precise, actionable insights. This combination enabled the client to stay ahead of the competition, make informed decisions, and lead their industry with confidence.

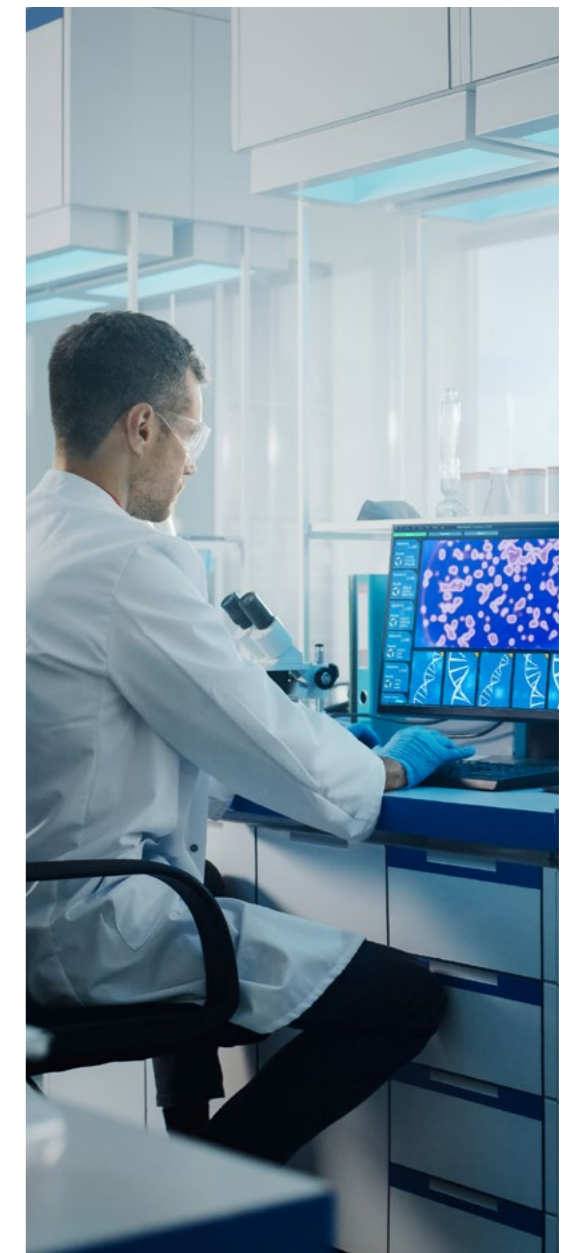
Companies using AI-powered supply chain analytics have reduced operational costs by 15-20% and improved demand forecasting accuracy by 30-50% (McKinsey).

Blueprint for Competitive Intelligence Excellence

Organizations facing data overload and resource constraints need more than just more data—they need a structured approach to turn it into actionable decisions. In the pharmaceutical industry, where information drives success, a leading company tackled this challenge by implementing Evalueserve's Blueprint for Competitive Intelligence Excellence.

This scalable framework streamlined data into precise insights, empowering teams to make confident, strategic decisions. More than solving a problem, this approach gave them a lasting competitive edge.

Every organization has its unique hurdles, but the right combination of technology and expertise can transform even the most overwhelming data overflow into actionable insights. Evalueserve's tailored approach has already empowered this pharmaceutical company to not just keep up but to lead the pack—and your company could be next.



\$6.5M Savings with Supply Chain Optimization

Evalueserve and Google Cloud helped a home appliance manufacturer improve their operations

What if your data could predict demand with precision?

Manufacturers are under relentless pressure to deliver products economically as supply chain disruptions dominate headlines. This pressure hit home for one global home appliance brand when their small appliances division struggled with forecasting accuracy. Their system's predictions were little better than an educated guess—hardly a reliable strategic foundation.

The Challenge: A Maze of Data Silos

Today's consumers expect rapid availability and delivery across all product categories, including home appliances.

However, the manufacturer's fragmented data landscape made meeting these heightened expectations nearly impossible:

- **Disconnected Information Systems:** Years of organic growth had created isolated data islands across multiple platforms, preventing a comprehensive view of their supply chain operations.

- **Forecasting Based on Guesswork:** Without integrated data, their predictions relied heavily on historical patterns without incorporating real-time market signals, resulting in a staggering 69% Mean Absolute Percentage Error (MAPE).

- **Inventory Imbalance:** The division frequently found themselves in the costly position of simultaneously overstocking slow-moving products while running out of high-demand items.

- **Supply Chain Complexity:** With a sprawling global network of suppliers, distribution centers, and retail partners, coordinating effectively became increasingly difficult without proper visibility.

The manufacturer needed a solution that could untangle this data maze and transform scattered information into actionable intelligence for their supply chain decisions.

The Solution: Evalueserve and Google Cloud

The manufacturer implemented Suppl.AI, an innovative solution developed through Evalueserve's strategic partnership with Google Cloud, to address their supply chain challenges comprehensively. The implementation focused on three core capabilities:

1. Data Integration and Supply Chain Visibility

Suppl.AI leveraged Google Cloud's robust data processing capabilities to integrate diverse data sources from across the organization:

- Historical sales data across channels
- Inventory levels throughout the distribution network
- Supplier performance metrics and lead times
- Manufacturing capacity constraints
- Transportation and logistics information

This integration created a unified view of the entire supply chain, breaking down information silos and enabling more coordinated planning and execution.

2. AI-Driven Demand Forecasting

With a consolidated data foundation in place, Suppl.AI deployed advanced machine learning models to transform the manufacturer's forecasting capabilities:

- **Multi-Factor Forecasting:** The system analyzed numerous variables beyond historical sales, including seasonality, pricing changes, and even external market factors.

- **Pattern Recognition:** Machine learning algorithms identified complex demand patterns and relationships that weren't visible through traditional forecasting methods.

- **Continuous Learning:** The forecasting models improved over time by incorporating feedback on forecast accuracy and adapting to changing market conditions.

3. Intelligent Inventory Optimization

Using the enhanced demand forecasts, Suppl.AI optimized inventory management across the distribution network:

- **Dynamic Safety Stock Calculation:** The system determined optimal safety stock levels based on demand variability, lead times, and desired service levels.
- **Network-Wide Inventory Balancing:** Rather than optimizing each location independently, the solution considered the entire distribution network to place inventory strategically.
- **Scenario Planning:** Supply chain managers could model different inventory strategies and understand their potential impact before implementation.

The combination of Evalueserve's deep domain expertise and Google Cloud's scalable technology infrastructure enabled the manufacturer to modernize their operations efficiently, providing real-time analytics and actionable insights through an intuitive interface that empowered better decision-making at every level.

Results: \$6.5M in Savings

- **Achieved annual cost savings of \$6.5M** for the small appliances division through improved cash flow and reduced expedited shipping costs by better anticipating demand.
- **Reduced forecasting error (MAPE) from 69% to 30%** – a 56% improvement that enhanced the ability to anticipate demand fluctuations and enabled more accurate production planning.
- **Optimized inventory levels across** the distribution network, decreasing safety stock requirements while maintaining service levels and reducing warehouse carrying costs.
- **Streamlined planning processes** through automation and intelligent recommendations, reducing manual data consolidation and enabling more proactive management of supply chain exceptions.
- **Improved customer satisfaction** through better product availability, enhanced on-time delivery performance, and strengthened relationships with retail partners.

By leveraging AI-powered supply chain optimization through Suppl.AI, this leading home appliance manufacturer transformed their operations from reactive to proactive, data-driven, and strategically aligned. The successful implementation demonstrated how advanced analytics can deliver tangible business value when applied to complex supply chain challenges.

In an increasingly volatile market environment, the manufacturer now has the visibility, forecasting capabilities, and decision support tools needed to respond quickly to changing conditions and maintain their competitive edge.



VoC Research Helps Johnson Controls Formulate GTM Strategy

Johnson Controls is a global leader in smart buildings and building equipment. Safety and sustainability are cornerstones of its mission. Johnson Controls wanted to better understand the decarbonization journey that companies go through when making their buildings more sustainable.

Johnson Controls brought Evalueserve on to conduct Voice of the Customer (VoC) research. A best-fit go-to-market (GTM) strategy was created based on the insights gleaned. Thanks to Evalueserve's VoC research, Johnson Controls has a better sense of what customers want in a sustainable building solutions provider, why businesses embark on the decarbonization journey, and what areas of the journey are high-quality opportunities for them.



The Challenge

Increasingly, as the effects of climate change have become more apparent and more businesses are committed to decarbonizing and reducing emissions, companies are looking to make the buildings in which they operate more sustainable.

Johnson Controls envisions companies' path to decarbonize buildings as an eight-step journey. They wanted to better understand how customers navigate that journey and gain insight into customer buying preferences.

Johnson Controls also wanted to learn what steps of the journey customers particularly prioritized or where customers were most likely to start their decarbonization journeys. They wanted to understand why companies embark on the decarbonization process and who makes and influences decisions around decarbonization. They aimed to determine whether potential clients were interested in using one provider for multiple steps of the journey and, if so, for which steps they would most want to use the same provider. Lastly, they wanted to know how the competition was positioned in the different areas of the decarbonization journey.

Johnson Controls asked Evalueserve to conduct Voice of the Customer (VoC) research to understand what core competencies they should build or improve upon to expand their business. Additionally, they wished to pinpoint areas of cross-selling potential based on customers' interest in bundled solutions for various steps.

Our Solution

Evalueserve's sustainability-focused analysts conducted numerous VoC interviews with sustainability leaders across various industries and companies with significant manufacturing operations or expansive facilities. The interviews included questions about whether the interviewee would be interested in hiring one company to complete multiple parts of the eight-step decarbonization journey and which journey steps seem like the highest priority to address first.

The insights collected helped Johnson Controls understand its positioning relative to the competition and its advantages and disadvantages in the market for the different steps of the decarbonization journey.

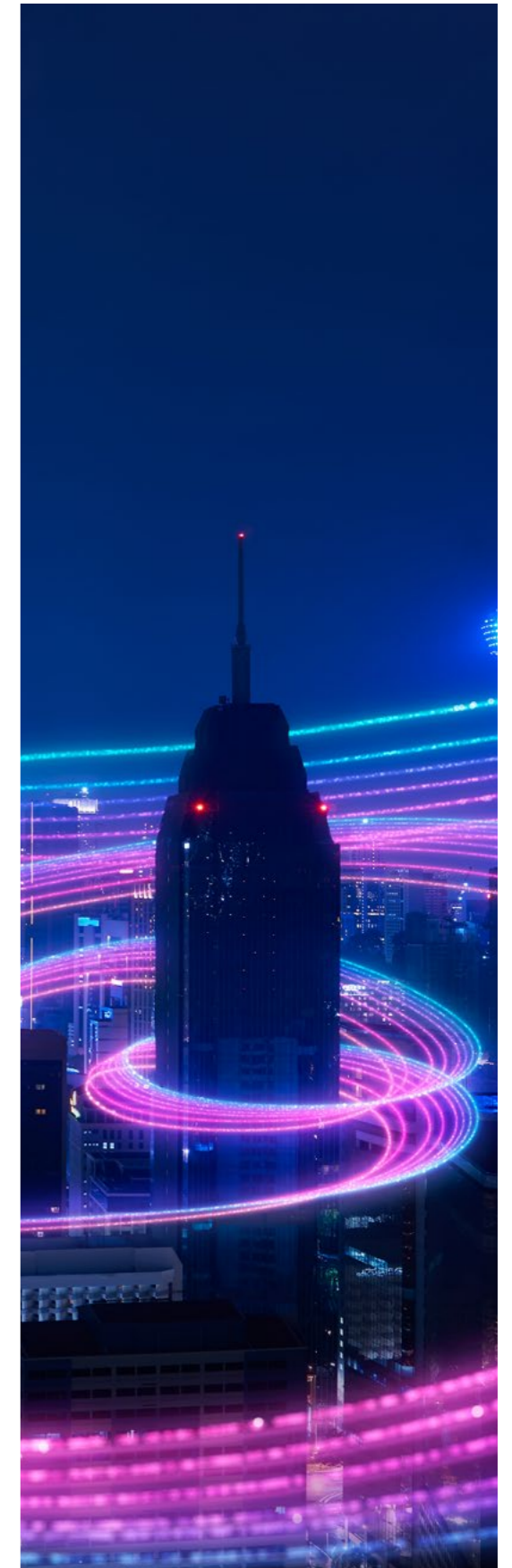
The VoC interviews were divided by sector, number and type of facilities, amount of revenue, etc., to help Johnson Controls understand how buying preferences and decarbonization journey priorities varied by vertical market or customer type. In this way, the VoC research served as a sales enablement pathway, as the insights gathered helped Johnson Controls develop strategies specific to the customer segments identified in the research.

"The voice of the customer research we did with the help of the Evalueserve really helped frame that journey for getting to net zero and managing the carbon footprint of your buildings by using that eight-step framework."
- Mike Loth, Executive Director and General Manager of Specialty Services in Global Sustainable Infrastructure at Johnson Controls

Business Impact

Evalueserve created a best-fit GTM strategy for Johnson Controls using the unearthed insights. The GTM strategy included customer buying scenarios, information on where prospects enter the decarbonization journey and why, a breakdown of market players and their relative strengths and weaknesses, and knowledge of what areas constitute high-quality opportunities, either by expanding solution offerings or partnering with or acquiring another player.

Johnson Controls has a heightened understanding of customers' needs, wants, and priorities along their building decarbonization journeys. Johnson Controls knows what draws businesses to start their journeys, where they are most likely to begin the process, what steps they are currently focused on, and what steps, if any, they have plans to start.



The Future is Now— And We're Just Getting Started

AI is momentum - a lot like the space race of the 21st century—but instead of nations competing for dominance in orbit, companies and industries are racing to stake their claim in the AI landscape. Industries are accelerating, Intelligence is being redefined, and the competitive edge is separating the pioneers from the obsolete. So, game on!

At Elevate, with strategy, insight, and sharp human minds behind the wheel, we empower the movement by not just reporting on the revolution, but decoding it, challenging it, and showing you how to harness it. From supply chains to Bayesian models, from intelligence debates to industry-shaking innovations — this is where business meets the future.

So, stay sharp. Stay ahead. And most importantly—stay with us. Because Elevate is only getting started.