Conversational AI Doesn't Have to be a Risky Investment

Three steps for minimising risk and maximising benefits

In the technology industry there tends to be a focus on being innovative, cutting-edge, and ground-breaking. Industry awards, conferences, and articles frequently showcase and reward vendors for technological innovations. Analysts and expert speakers regularly highlight case studies of companies that are early adopters, deploying technologies in inventive ways, or finding success by taking a chance on something new and unproven.

Innovation is essential to the advancement of technology but doesn't automatically equal practical business benefits. Having companies try out new technological developments and deploy existing solutions in creative and unfamiliar ways is important for finding practical applications for new innovations. However, being the organisation that deploys an innovative technology typically requires being comfortable with a high level of risk.

Most companies don't have the financial flexibility or company culture to take that degree of risk, whether real or inferred. For them, proven and reliable results are more important than being innovative and flashy. Projects that get budget approval and management backing are ones that are considered safe bets because they utilise established technologies that have documented business benefits.

Conversational AI is one technology that is regularly described with words like 'innovative' and 'cutting-edge'. Simply having 'AI' in the name makes some people think of it as being futuristic or only for companies with the resources to implement it for the cool factor. It can be easy for business leaders to associate conversational AI with being a high-risk investment.

Deploying conversational AI solutions like chatbots and virtual agents can be risky but doesn't have to be. Your organisation doesn't need to be an early adopter of new innovations to benefit from this technology. Chatbot and virtual agent technology has been used by businesses for over

two decades as part of their customer experience and employee engagement strategies, and you can take advantage of those learnings to leverage conversational AI within your organisation.

Here are three steps to achieve conversational AI success while minimising the risk:

Step 1: Be selective when deciding on a vendor and technology.

The conversational AI market is oversaturated with new, inexperienced start-ups and technologies that haven't been well-tested in the real world. The first step to reducing your risk is to choose a vendor that is established in the industry and provides a technology that has proven results. Both criteria are important when it comes to risk level.

Vendor experience is critically important because the more knowledge your selected provider brings to your project, the more confident you can be in their advice and guidance. You want a vendor that will become an extension of your own team and knows what they are doing because they've done it all before. Working with experts means you benefit from their many years of experience, thereby making your investment less risky even if your company is new to this type of technology.

When evaluating a vendor's experience, ask specifically about how many years the company has provided conversational AI technologies, as these solutions may be an offering added recently even though the company has been in business for decades. Also ask about the experience of their individual team members and staff turnover rates. If they have high staff turnover and are constantly training replacements for departing employees, then you will likely miss out on the risk-reducing personal expertise you want the vendor to bring to the collaboration.

Just as critical as the vendor experience is having proof of their technology delivering positive results in real world applications. Don't assume that just because a provider isn't a brand-new start-up that they have a well-performing conversational AI technology. If the company has been in business for four or five years and only has one customer, you should question why more companies aren't using their technology and if working with them is a risky option.

To reduce risk, ask about how the vendor has deployed their technology within your industry and what documented business benefits those solutions are providing. Saying they have the ability to deploy important features and functionality is great, but you want to see the technology in action in live installs. Also ask them about the length of their customer relationships as long-term engagements indicate that existing customers are happy with the technology, their results, and the collaboration. The vendor should be able to provide you with customer references so you can get first-hand feedback on their conversational AI projects.

Keep in mind that even if your company is minimising risk by selecting a proven solution with reliable results, you still want to partner with a vendor that is consistently innovating. You may not be the organisation trying out those new innovations first, but you don't want to invest in a solution that's not going to improve as those advancements become well-tested and are shown to deliver business benefits.

Step 2: Build a business case with realistic goals.

Embarking on any business project without identifying the goal is always a risk, so it is essential that you have a realistic business case and clear objectives for your conversational AI project. An experienced vendor will be able to assist you with this process by performing a textual analysis of your existing data, such as live chat or contact centre transcripts, to identify what queries can and should be automated with conversational AI.

Starting with this analysis immediately reduces risk because your business case is being built around your own data. It's combining the vendor's expertise directly with the information that is unique to your customers, employees, and company. Instead of guessing your users' self-service needs or taking a generic approach, your business case is customised to you and your pain points from the start.

Follow that initial analysis with a consultation workshop to review the results and collaborate with the vendor to identify your key performance indicators (KPIs) and set realistic goals. These business objectives will directly inform how your chatbot or virtual agent is built and implemented. Having clear goals and deciding how you will track progress and measure outcomes minimises the danger of investing in a project that won't really meet your needs.

The key in this step is to build your conversational AI business case around realistic and obtainable goals. Being practical about what you are automating and setting sensible targets for your solution creates a solid foundation for your project. It keeps your investment focused on reliable, reproducible outcomes and business benefits.

Step 3: Start with a pilot and expand with a staged approach.

Before you go all in with a conversational AI project, look to do a pilot or proof-of-concept (POC) with the vendor. This gives your organisation the opportunity to test out the technology on a limited basis to make sure it is a good fit for you and your digital strategy. The financial risk associated with this pilot should be shared by the vendor.

Typical pilots run for 30-60 days which will provide sufficient time for you to see results, evaluate initial performance, and make decisions about taking the next step in your conversational AI plan. A successful pilot strengthens your business case and enables you to finetune your strategy based on real feedback and user interactions. Also be sure to use the pilot phase as an opportunity to test integration points to ensure your solution will work end-to-end as you expand the deployment.

Starting with a pilot, and sharing that financial risk with the vendor, makes moving forward with a larger conversational AI investment less of a gamble for your company. When you do convert from the pilot to a full system, you still don't need to jump directly into a massive project. Taking a staged approach to development and rollout is not only less risky, but also often the best way to achieve success.

Typically, the best method for deploying a chatbot or virtual agent is to use an agile approach, starting small and scaling the solution over time. This could mean focusing on a particular area of content, a specific use case, or a key contact channel that will have the greatest impact as a starting point. Your vendor will collaborate with you to design a staged rollout based on your biggest pain points. This reduces risk because you are streamlining your efforts in a way that supports your identified KPIs. You can also take advantage of new insights as you go to improve the tool and tweak your plan to maximise on successes and avoid potential problems.

It's a common misconception that conversational AI is *always* a high-risk investment for organisations, but one that shouldn't keep you from implementing your own chatbot or virtual agent. Being a risk-adverse business is not a barrier to deploying a successful and valuable conversational AI project. These three steps can help you join other savvy companies in taking advantage of the proven, reliable benefits of this technology while minimising your risk.

Creative Virtual has been successfully delivering conversational AI solutions for nearly two decades. In fact, we signed our very first enterprise-level customer in 2004 and they are still a customer today! Our expert team closely monitors trends and the evolution of customer and employee engagement to provide organisations with chatbot, virtual agent, and live chat tools that are proven and reliable. We are a ground breaker in the industry, identified as a Leader in the ISG Provider Lens™ Conversational AI Quadrant, named the Product Leader in AI-Enhanced Customer Self-Service by Frost & Sullivan, and winning The Queen's Awards for Enterprise: Innovation.

Learn more about our conversational AI technology and expert consultation:

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