



# Is AI a Threat to Your Business?

An Executive Brief on Protecting Your  
Revenue and Adapting to an AI-Driven World

DEREK PRESTON & BRIAN MOADDELI

# When I was in my late 20's I watched in awe as usage of the internet began to spread.

Hotmail, AOL, chat rooms — the ways people were connecting to and using the internet seemed to be growing exponentially. Investors were pouring billions of dollars into startups and there was a lot of talk about the “New Economy” that had been created.

Not one to miss such a big opportunity, I left my job in computer sales and founded an internet startup in the real estate space with the vision of putting home sale listings online so anyone could view them for free and without needing a real estate agent. As funny as it sounds today, at that time this was a revolutionary idea. Within three years, online home listings became the norm, and the internet became the backbone of the modern real estate business. Firms that adapted grew, whereas those stuck in their old ways struggled to stay in business. It was the only time in my life when a technological advancement so big and so transformative came along that it made us rethink everything about the way we did business — how we communicated, how we worked, and how we served our clients.

That is until November 30, 2022, when, like millions of other people around the world, I first logged into ChatGPT. Like seeing my first website or sending my first email, it was something that I will always remember. It was clear from the first moment that what we were looking at was the beginning of something big — something that would change the world, like electricity or the printing

press. Within months, we saw the beginning of what is already the largest flow of investment dollars into technology companies in history. Trillions of dollars have poured into AI development since then, and everyone from corporations to governments is trying to get an edge.

We are living in a unique time. Most would say it is the beginning of the largest technological leap forward in human history. And yet, while the big picture is exciting and full of promise, we still wake up every day with the same business to run and the same challenges we had last week. Despite a steady stream of articles in the daily news about the advancement of AI and automation, most business owners have yet to leverage any of these advances in their own lives. They struggle to understand how they should think about AI and how they should position themselves to gain ground in the market evolution unfolding, with AI-enabled businesses starting to pull away from those failing to keep up.

## Our advice: Rethink everything.

From the way you are delivering your products and/or services to the way you manage change within your organization. Staying focused on the core competencies that make your business unique while leveraging AI and automation in non-core tasks will open the door to more efficiency and new opportunities. Within this new framework, we offer some ideas to help you create a winning strategy for the long term and begin using AI and automation to your advantage today. The best practices presented in this brief are drawn directly from our work and conversations with over 500 CEOs.

We see artificial intelligence as a fundamental, not a feature. AI can provide a deeper level of intelligence and a deeper engagement with our customers. It's something every business should be looking into.

**TIM COOK**  
CEO OF APPLE

AI is one of the most important things humanity is working on. It is more profound than, I dunno, electricity or fire. Businesses that understand how to harness AI's power will leap ahead because AI will define the next generation of software solutions.

**SUNDAR PICHAI**  
CEO OF GOOGLE AND ALPHABET

# Scale With Tech, Not Headcount

## BEST PRACTICE #1

While traditional computing technology has helped employees be more efficient for a long time, AI offers the possibility of dramatically expanding this efficiency. It allows for significant revenue scaling in a way that is fundamentally different from what we're used to. Let's look at some of the major advantages.

### **Asymmetrical Revenue Growth**

For most businesses, there has always been a direct relationship between growth in revenue and growth in labor cost. Whether you're running retail locations, providing a service, or managing customer service and fulfillment for sales, getting to the next level in revenue means more employees. Automation provides significant leverage for labor against revenue growth. By making a single employee 60-70% more efficient and able to support more customers and more orders, you can fundamentally change the ratio of labor required to create a dollar of revenue. With AI capabilities progressing at such a rapid pace, smart companies will be able to continually increase this leverage over the next few years, allowing proportionally large increases in revenue with little to no increase in labor costs and associated HR headaches.

## Efficiency and Productivity

AI excels in automating routine tasks, ranging from customer service inquiries through chatbots to complex data analysis and pattern recognition. This automation allows businesses to streamline operations, reducing the time and resources dedicated to tasks that are repetitive and time-consuming. By reallocating these resources towards more strategic initiatives, companies can significantly boost productivity without the proportional increase in workforce size and associated overhead costs. This scalability is especially crucial for small- to medium-sized businesses where resource allocation needs to be optimized for sustainable growth.

## Cost Reduction

Expanding a workforce comes with substantial costs, including salaries, benefits, training, and workspace. AI implementation, on the other hand, requires some upfront investment but leads to substantial savings over time. AI systems can operate around the clock without the need for breaks, vacations, or sick days, offering unparalleled consistency and reliability.

## Enhanced Decision Making

AI's ability to process and analyze vast amounts of data far exceeds human capabilities. By leveraging AI for data analytics, businesses can gain deeper insights into market trends, consumer behavior, and operational inefficiencies. These insights empower decision-makers to craft data-driven strategies, enhance customer experiences, and identify new opportunities for growth and innovation. In a business environment where informed decisions can significantly impact competitiveness, the role of AI in enabling a data-centric approach to decision-making is vital.

## **Agility and Competitive Advantage**

The digital economy demands agility. Businesses must adapt quickly to market changes and evolving customer expectations. AI plays a crucial role, with tools that can predict market trends, automate responses to consumer behavior, and personalize customer interactions at scale. This responsiveness not only improves customer satisfaction but also positions businesses ahead of competitors who rely on slower, more traditional methods of scaling and operations.

## **Innovation and New Opportunities**

Finally, AI opens avenues for innovation and the development of new business models. By analyzing data patterns, AI can identify unmet customer needs and emerging market segments, guiding businesses toward untapped opportunities. AI-driven products and services can also help with creating unique value propositions, distinguishing companies in crowded markets, and driving growth through innovation.

# Switch to an AI-First Mindset

## BEST PRACTICE #2

Integrating AI across your company's operations isn't just about leveraging new technologies. It's about fundamentally rethinking how you approach problems, make decisions, and deliver value to your customers. As the CEO, you have to lead this transformation in a thoughtful, systematic, and productive way.

### **Advertise Your Commitment**

Let your employees know that you want to be a leader in the adoption of automation technology. Foster a culture of experimentation and learning that makes it safe for your team to try new things, bring up new ideas, and fail forward.

### **Reduce Fear**

Your employees may be afraid that AI and automation will replace their jobs. This fear may make them resist change or sabotage initiatives. Assure your team that the goal is to grow the business more efficiently and allocate your employees' time across new and changed workflows in a way that keeps the team in place and leverages new technology. Communicate a growth mindset to your team regularly — this is not a zero-sum game.



## **Rethink Your Workflows Regularly**

Your business operates on a foundation of key workflows, like client onboarding, sales, invoicing, etc. Make it a regular part of your quarterly and annual planning to review those workflows and identify better ways of automating tasks.

## **Leverage Data**

Make data the core of all internal decision-making. Encourage your team to collect and analyze key data metrics on a daily or weekly basis and communicate them to the broader organization.

## **Iterate and Scale**

Start with pilot projects to solve specific problems and improve processes. Learn from these initiatives, and then scale successful applications across the organization. Done well, this strategy can unlock new levels of efficiency, innovation, and customer satisfaction across the organization.

It's important to acknowledge that championing an AI-first mentality in your business is not without its challenges.

These can range from ethical considerations and privacy concerns to technical and operational hurdles. However, these challenges can be navigated successfully with careful planning, transparent communication, and ongoing evaluation of AI's impact.

# Stop Getting Squeezed by Larger Software Platforms

## BEST PRACTICE #3

Over the years our companies have navigated the challenges of platform updates and the rising cost of operations and advertising. As the use of AI intensifies, we expect to see more frequent and more wide-ranging changes by the major platforms like Salesforce, Quickbooks, Microsoft, Google, Amazon, and Meta. Most businesses today are already feeling squeezed by these changes, and we expect the trend to accelerate going forward. Costs are rising across the board and owner margins are getting thinner. Let's look at the three main impact areas and how to navigate them.

## Owning the “Single Source of Truth”

The major players in the CRM, Financial, and ERP spaces are all scrambling to convince you to make their system the “single source of truth,” as it is often referred to by programmers. This simply means that they want you to use their software as the hub for your company’s most valuable customer, supplier, and product information and use their suite of automation tools as your primary toolset. While in some cases this may be a cost-effective way to access automation capabilities in the short term, the risk is that you become so dependent on one software provider that you can never leave or stop paying their fees when they increase.

### Avoid the Squeeze

Consider implementing a third-party centralized data table that has pre-built APIs for your other software programs. Applications that can act as the central repository for your most important data from all your other systems, giving you the ability to control it and change software vendors more easily. It also makes it easier to use new AI applications without having to give up passwords or access to your sensitive data sources.

## Rising Client Acquisition Costs

Acquiring new customers at a low cost, in a way that supports brand loyalty and repeat buying, has always been the holy grail for businesses. Over the last few years, advertising costs have increased substantially. On top of that, the number of channels, websites, and networks to promote your business has multiplied. AI smart tools and process automation can help manage the increasingly complex set of advertising capabilities and optimize your spending.

### Avoid the Squeeze

Look at each of your current client acquisition channels independently. Understand where AI and automation can help reduce client acquisition costs, increase conversions, and create less dependency on outside platforms. Reducing your client acquisition cost in each channel allows you to scale the effectiveness of your marketing dollars and gain market share.

## Rising Platform Acquisition Costs

Software platforms have continually increased their costs and fees, putting pressure on businesses that rely on them to generate and manage their leads and sales. While it's necessary to use many of these platforms because of the audience they control, it is possible to reduce your exposure and diversify your activities using automation tools. AI can analyze your ROI based on spending and associated platform costs, giving you the information you need to adjust spending levels and find more cost-effective alternatives.

### Avoid the Squeeze

Work with an AI specialist to analyze each platform you operate on individually and set up basic metrics for performance that you can track over time. Evaluate less expensive alternatives and newer, AI-powered platforms that can provide similar reach and functionality with lower licensing and subscription costs.

AI provides a window of opportunity for smaller businesses to gain ground on their direct competitors in a significant way. By adopting AI and automation technology sooner than those around you, you can gain market share and reduce your client acquisition costs over time.

# Get Past the Hype and Find Tools You Can Use

## BEST PRACTICE #4

As a leader, you must look beyond the hype around artificial intelligence and create a systematic process for identifying and adopting tools that can be used in your business today. It's harder than it might initially seem because of the proliferation of AI-enabled tech being attached to existing software applications. Everyone is rushing to slap the AI label on the side of the box and convince you to use their application as the center of your automation strategy. Here are some ways you can ensure you find the tools you need:

### **Start With Your Pain Points**

Look at the areas in your business that are ripe for improvement. Where do your people spend most of their time? What activities are creating bottlenecks in team productivity? These are the places to start your search.

### **Know Your Tech Stack's Capabilities**

Make it a point to talk to your account rep for each of your major software systems, like ERP, Accounting, CRM, etc. Ask them about their current automation capabilities and how other clients are integrating with their system. What is their vision for AI in the next two years? Do they offer integration assistance?

## **Seek Scalable Solutions**

Look for AI tools that can grow with your business. Don't get pigeonholed with a single software vendor and limit your ability to connect to multiple systems.

## **Engage Your Network**

If you belong to peer groups or other executive organizations, talk to your CEO peers about the adoption of AI. Seek out experts in your field and specialists who can help you formulate your strategy and find good resources.



# Evaluate Your Options

## BEST PRACTICE #5

The introduction of automation solutions at scale means that businesses still using high-cost human labor for things they could automate will be at a major disadvantage. Finding the right partners to help you with your automation journey may be time-consuming on the front end, but it will pay big dividends down the road. So, what kinds of help are available and how do you evaluate the best option for you?

### Consultants

In a world with little to no recognized standards of expertise or certification, anyone with a laptop can call themselves an AI expert. When evaluating an AI or automation consultant, focus on the following:

- **Actual Work History**

Besides consulting, what jobs have they held? Have they had senior leadership experience relevant to your type of business? Have they had to develop strategic plans and then actually implement them?

- **How They Charge**

Are they charging you by the hour or scope of work? How will you know when they have completed their work? What does success look like? If it's

an open hourly fee, what is the incentive to make their suggestions work in your business?

- **Reference Clients**

Who have they provided this type of advice to before? Have they worked with any companies in your industry? Can they provide specific examples of projects that are in use today?

## **Agencies**

Agencies come in many forms. For our purposes, we're talking about an organized group of professionals that not only offer advice on what to do but also build automations and maintain them for you. The number of automation specialist agencies is growing rapidly, and we're starting to see traditional agencies adding automation services to their offerings. Here are questions to consider when looking for an agency partner:

- What percentage of their business is automation work?
- How many clients have they built automations for that use your same tech stack?
- How do you document and support automations that are built for you?

## **CEO Advisory Groups**

These specialists evaluate hundreds of potential solutions and work with clients to find the best options for their business. They help you build a custom automation strategy and bring in the applications and resources to execute it.

**KeenView** is a peer-to-peer advisory and technology group that works on behalf of CEOs and business owners to help them implement AI and automation in their businesses.

Want to learn more about how AI and Automation can be used in your business?

Visit our website at  
[www.KeenView.com](http://www.KeenView.com)

Call us at  
**(800) 949-4026**

## DEREK PRESTON

Derek Preston has over 25 years of experience as a CEO and has founded and sold four successful companies in the technology, internet, and business services markets. He is the recipient of the 2011 CEO of the Year award and has been featured on various media outlets, including CNN, ABC, CNBC, the Wall Street Journal, Consumer Reports, and the New York Times.

As Co-CEO at KeenView, Derek leads a group of experienced senior executives who help businesses leverage automation and AI technologies to increase sales and drive operational efficiencies. He is an angel investor and mentor to early-stage founders through the Entrepreneurs' Organization, where he shares his expertise in automation, artificial intelligence, negotiation, sales strategy, and exit strategies.

---

## BRIAN MOADDELI

Brian Moaddeli is a seasoned entrepreneur and technology business leader with nearly two decades of experience serving as a CEO and President, with a proven track record of building and scaling high-performance teams. Brian has built and sold three companies in the last 20 years. He has trained over 500 salespeople, mentored over 100 business owners, and has traveled to over 30 countries.

Brian is involved in several CEO groups such as the Entrepreneurs' Organization, Sage, and ACG. He is regularly invited to speak on a wide range of topics ranging from the application of artificial intelligence in business to best practices around using technology to grow sales. Brian served on the board of the Entrepreneurs' Organization, a global business network of over 14,000 leading entrepreneurs in 193 chapters and 60 countries.



Copyright © KeenView 2024 | Published by KeenView Inc., California, USA

---

All rights reserved. No part of this book may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without written permission from the publisher.