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Enterprise hits and misses - Goldman Sachs questions the ROI of gen AI, AT&T is breached, and AI gets a mental health check



By [Jon Reed](#) July 15, 2024

Dyslexia mode

SUMMARY: This week - Goldman Sachs questions the ROI of generative AI - and ushers in a different AI conversation. AT&T gets a major breach, and Snowflake is facing the scrutiny too. AI projects need a mental health check, and I blow a gasket in the whiffs section.

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Lead story - [AI and mental health - what employers need to do to protect their employees](#) - one of the most overlooked aspects of AI project success? Give employees a clear sense of what to expect from AI - and how it will make their work lives better, rather than put them at the front of the line for headcount reduction.

Alas, the AI and mental health topic is mostly off the corporate radar. In her two part series last week, Cath took on this problem:

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enhancing existing employee capabilities. But the focus in doing so is almost always on boosting organizational productivity and efficiency with little attention being given to staff welfare, believes Michal Szymczak.



So what needs to change? One key step: metrics for employee health and well being. Cath quotes Szymczak, the Head of AI at Zartis:

" *You could clarify, for example, that you're bringing the technology on board to support people rather than replace them. But employers should also start measuring outcomes rather than just guessing what's happening with their employees. So, they could introduce their own tiny experiments to measure happiness and job satisfaction before and after implementation to know what they both look like now and over time.*

Cath concludes:

" *Most employers may be rolling out AI with the aim of enhancing existing employee capabilities - for the moment at least. But to truly achieve the productivity gains they crave, organizations will, paradoxically, need to take a much more human-centric approach to implementation than is currently the case. A key element of this will involve redesigning jobs and workflows with employee welfare and social connection at the heart of them. [Also see part one of Cath's series, [Is AI bad for your mental health? Spoiler - it could well be...](#)]*

Some of these stressors really are in the realm of the addressable. But: employers need to **get a lot more clarity on the kind of AI they want - and co**

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- [CIO Interview - Gary Flowers at Year Up is powering up skills](#) - Mark Gillingworth continues his fruitful CIO interview series: "On the other side of the coin, US employers are struggling with a skills shortage. That gap is what Flowers and Year Up describe as the Opportunity Divide." 1000% - we have less of a skills gap in the US and more of an opportunity gap - how to close that gap is a worthy mission indeed. But, as always in Mark's series, the state of the systems that power your mission also matter.
- [AI FOMO - a reality check on AI adoption from Freshworks global study](#) - There is quite a bit of dissonance in the tone/optimism of recent AI surveys. Stuart digs into a 'fresh' one: "Given the ongoing AI hype cycle, more than a third of respondents (37%) suggest that their organizations are suffering from AI FOMO - fear of missing out - which may not be considered the most pragmatic reason for adoption of any new technology. But that said, some 46% of those surveyed are certainly bought into the AI story, agreeing that any organization that is not using AI is already behind its competitors and likely to fail in the future."

Vendor analysis, diginomica style. Here's my three top choices from our vendor coverage:

- [Zoom launches Workflow Automation to speed up enterprise work](#) - Derek on Zoom's continued evolution: "The curious point for buyers is, do you pick a workflow vendor at its core or do you pick a collaboration vendor that has a workflow platform?"
- [Humans will be the arbiters of value - UiPath collaborates with academia on AI innovation](#) - Alyx explores UiPath's take on machine/human collaboration: "A notable point in Barber's discussion was the potential of generative AI beyond content creation by enabling a more dynamic interaction between humans and machines."
- [Celonis and Emporix aim for end-to-end process automation with launch of new Orchestration Engine](#) - Derek breaks down Celonis' latest moves: "The next rational step is to introduce action to this intelligence, to automate the actions across processes, rather than the individual tasks. It will be interesting to see this in practice."

A few more vendor picks, without the quotables:

- [Scaling ERP and Sage](#) - Brian

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Jon's grab bag - Madeline wrote about one of the most remarkable animals in existence - and how analytics is helping to save them: [150 years down to 10 days - how the Bat Conservation Trust improved its data analysis vision with AWS](#). (Cool stat: bats eat enough pests to save more than \$3 billion a year in US crop damage and pesticide costs).

Meanwhile, George penned a multi-part series on OpenUK, including [OpenUK - political heft is required to sort AI data conundrum](#): "Referring to the current state of the UK House of Lords inquiry into LLMs, Baroness Stowell of Beeston observes that the UK has allocated £400 million on AI safety but far less on sorting out the copyright concerns that will shape the success of the £100 billion creative industry."

Best of the enterprise web



My top seven

- [Crooks Steal Phone, SMS Records for Nearly All AT&T customers](#) - another week, another major breach, and as per Krebs on Security, this one's a doozy. Meanwhile, Snowflake is also implicated, though some of this is clearly on Snowflake customers: "Earlier this year, malicious hackers figured out that many major companies have uploaded massive amounts of valuable and sensitive customer data to Snowflake servers, all the while protecting those Snowflake accounts with little more than a username and password... For its part, Snowflake says it now requires all new customers to use multi-factor authentication." Also see: [Snowflake shares slip after AT&T says hackers accessed data](#).
- [The Ticketmaster Hack Is Becoming a Logistical Nightmare for Fans and Brokers](#) - I could have picked several major breaches this week - I'll save the potential Disney hack for next time - but as 404 Media reports, this Ticketmaster breach is as messy as they come: "The data dump contains information that would allow anyone to create duplicate PDF tickets (called "Ticketfast") for a variety of upcoming events." With more Taylor Swift tour dates coming, Ticketmaster better get this sorted; the economic wrath of the Swifties is not a financial spank tunnel I'd want to experience.
- [Starting an Analytics Org From Scratch](#) — Lessons From a Decade at DoorDash - I've seen DoorDash establish a data edge in my own com

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them on their own (try asking Google Gemini to deliver your favorite pizza to your favorite picnic spot and see what happens). But we should start by defining agents - over at TechCrunch, Ron Miller gives that a go.

- [Devices everywhere: What the rise in edge investment means for your career](#) - Joe McKendrick looks at the skills needs of an edgy IT world: "Working at the edge, Verizon's Zirkle added, means learning to 'apply the benefits of edge to your data environment and objectives. Edge compute keeps data close by, meaning it doesn't need to go back and forth to far away cloud and data centers.'"
- [Goldman Sachs: AI Is Overhyped, Wildly Expensive, and Unreliable](#) - when financiers like Goldman Sachs raise the ROI question, we've reached a turning point. As I see it, this marks a healthier phase in the generative AI evaluation, where use cases are given a sober review - courtesy a clear-eyed look at the costs such systems incur. Yes, we still see shameless "Gen AI or Bust" hype from some quarters - and that won't change. We'll continue to see gen AI adoption pressure based solely on the fuzzy/sloppy rationale of "don't get left behind." Nevermind if your project needs a few more analytics shovels and not a ~~epilept~~ jackhammer. I recently reviewed a number of data/analytics use cases. The generative AI use cases were the weakest of the batch, relying on fuzzy user empowerment bromides via digital assistants. Yes, making data easier to access and query is, in theory, a good thing - but what happened to the steely-eyed KPIs that are used to browbeat IT projects on any tech not named gen AI? Meanwhile, other AI-related data projects, such as predictive maintenance for manufacturers, manufacturing analytics and retail master data management overhauls resulted in the kinds of ROI that would make even the most KPI-obsessed executive grin ear to ear. The generative AI evaluations will continue, but let's also look at the impact of more mature forms of AI [on business growth and real-time analytics](#).




Whiffs

What would be worse for a VR enthusiast than getting a headset-based ransomware attack?

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-> hey, at least the VR experience is getting more realistic!!!



404media.co
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Headline of the week honors goes to 404 Media again: [AI Finds That AI Is Great In New Garbage Research From Tony Blair Institute.](#)

Okay, I was a bit over the top on this one, but still - AI appreciation day?

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So looking forward to AI appreciate day on July 16 lol.

-> I'll spend the day telling Alexa to stop recommending crap I don't need, and blasting the internet with gen AI deepfakes + substandard gen AI content. You?



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To be fair, I am rather fond of my Echo devices, AI or not, privacy intrusions or not. Heck, I've been [fussing about with my Flash Briefings](#) for more than a week now... See you next time.

If you find an [#ensw](#) piece that qualifies for hits and misses - in a good or bad way - let me know in the comments as [Clive](#) (almost) always does. Most Enterprise hits and misses articles are selected from my curated [@jonepnewsfeed](#).

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