

Artificial Intelligence in the Workplace

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At Alger, we often find attractive investment opportunities when companies are experiencing Positive Dynamic Change. Perhaps nowhere is change more pronounced than in the digital transformation that many companies are undertaking, as they deploy more advanced technologies to improve the way they do business.

We anticipate the COVID-19 pandemic to accelerate this trend as it underscores the importance of reaching customers digitally and keeping employees productive while working remotely. A growing part of digital transformation is artificial intelligence or AI. AI is the science of building machines or algorithms with an intelligence comparable to that of a human. There have been many hype cycles on AI in the past, but we are finding more and more real-world examples of AI adding value, likely due to the maturity of enabling technologies such as cloud computing and software algorithms.

One fascinating example is one of our portfolio companies using AI in the form of augmented coding. It has developed an AI-enabled tool that gives its coders the ability to type in any command they want to build, and the machine offers several suggestions for the appropriate lines of code. The AI tool learns over time and becomes a better coding assistant, based on the human choices and any subsequent changes made to the code. As a result, the coders have achieved a 30% increase in productivity. We envision augmented coding



to be even more valuable in a post-COVID-19 world where there is more pressing need to build software to make companies more digital.

Another example is an e-learning provider that offers thousands of technology courses over the Internet. Users begin by taking a series of short assessments on different topics, and the platform then provides a personalized set of course recommendations for each user. With every assessment and course completed, the AI-enabled algorithm analyzes more data and improves its ability to recommend courses in an ongoing machine learning feedback loop. As you can imagine, this e-learning platform is likely to see more demand in a post-COVID-19 world where users opt for less business travel and appreciate the cost savings and convenience of online learning.

We are still in the early innings of AI, but we are increasingly seeing innovative companies leverage AI to enhance their competitive moats and better serve their customers. We believe the companies that embrace AI and take advantage of this Positive Dynamic Change are most likely to succeed in the future.



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