



fractal

Unlock the  
potential of  
generative AI with  
Azure OpenAI



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# Introducing generative AI

## Introducing generative AI

Generative AI refers to a class of artificial intelligence algorithms that focus on generating new, previously unseen data that conform to certain patterns or characteristics learned from real-world data.

It can generate original content, such as text, images, music, or videos, based on a set of inputs (“prompts”).

These algorithms are designed to learn patterns from data and then use those patterns to generate new content that is similar in style or form to the original data.

Recent advancements have opened new possibilities for using generative AI to solve complex real-life business problems, create art, and even assist in scientific research.

Those Deep Neural Networks (DNNs) based models use the latest “Transformer” (the “T” in ChatGPT) architectures to achieve those results.





## Artificial Intelligence



### Machine Learning



### Deep Learning



### Generative AI

## History of generative AI



### Artificial Intelligence

The field of computer science that seeks to create intelligent machines that can replicate or exceed human intelligence

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### Machine Learning

Subset of AI that enables machines to learn from existing data and improve upon that data to make decisions or predictions

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### Deep Learning

A machine learning technique in which layers of neural networks are used to process data and make decisions

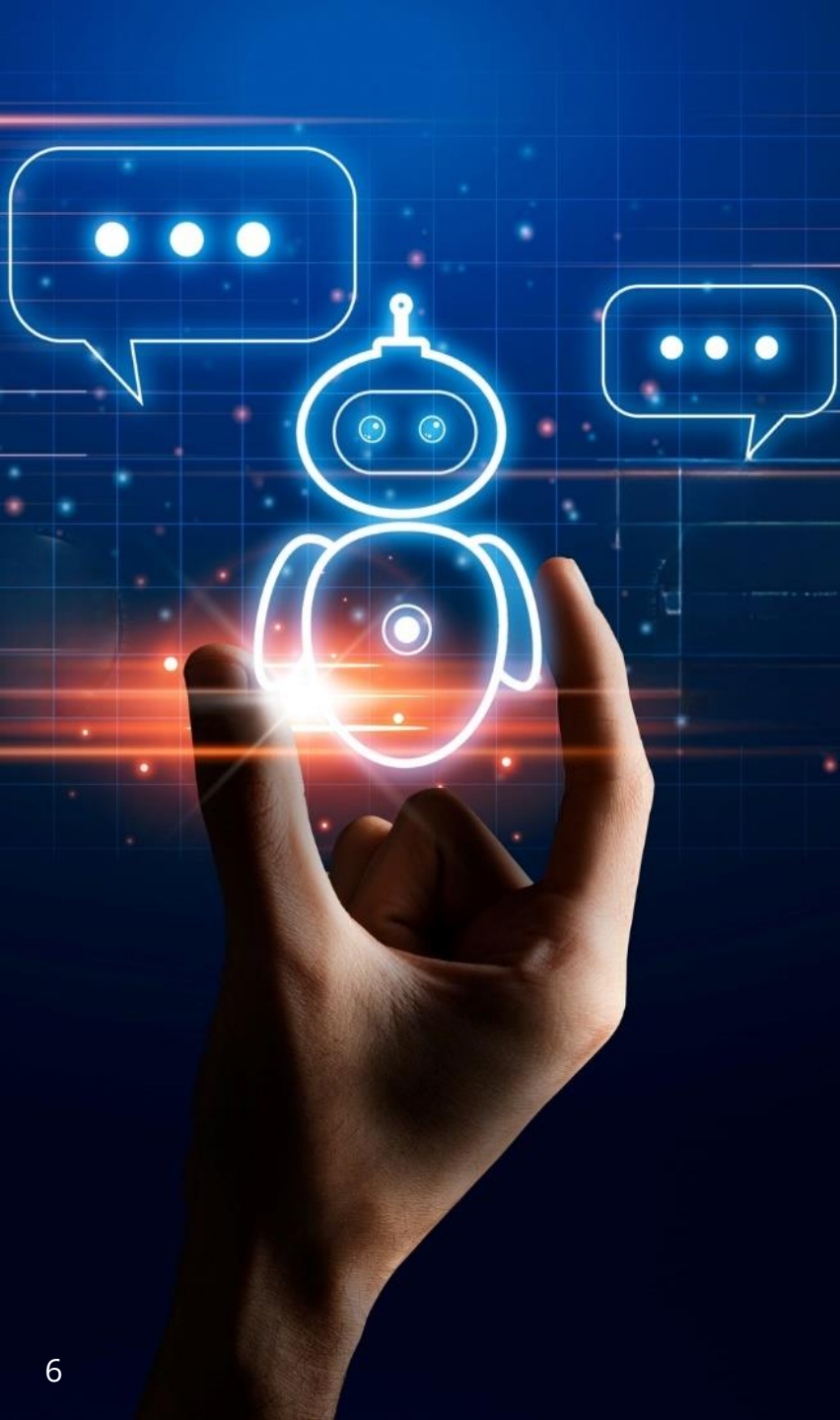
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### Generative AI

Create new written, visual, and auditory content given prompts or existing data





## Key benefits of generative AI



### Increased efficiency

Generative AI can free up humans from more low-value, repetitive, and boring activities.

- ▶ It allows them to focus more on value-added activities requiring uniquely human skills, like creativity, lateral thinking, empathy, and many more.



### Improved quality

Generative AI can enhance the quality of data or content by adding details, correcting errors, or removing noise.

- ▶ For example, generative AI can improve the resolution of images, the accuracy of speech recognition, or the grammar of text.



### Faster results

Generative AI can produce data or content at a faster rate than human capabilities, especially for large-scale or complex projects.

- ▶ Also, this can free humans from boring and repetitive tasks, such as writing the minutes of a meeting.



### Improved customer experience

Generative AI can improve customer experience by providing customized content that is both relevant and engaging for a particular customer at a particular step in their buying or support journey.





## Key benefits of generative AI (Continued)



### **Cost savings**



Generative AI can help reduce costs associated with scaling up business processes such as data processing or content creation.



### **Improved decision-making**



Generative AI can support decision-making by providing insights, predictions, or recommendations based on data or content analysis.



### **Fostered creativity**

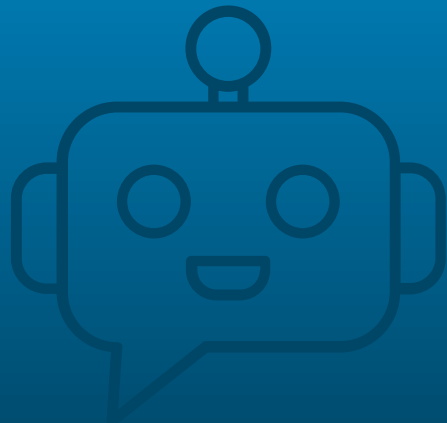


Generative AI can foster the creative process by generating initial concepts that can then trigger genuinely new products, entertainment, marketing, or educative ideas.



Generative AI has many applications across different domains, such as marketing, data analytics, software engineering, sales, and cross-functions.

Through its ability to create new content from various input types such as text, images, voice, and computer code, generative AI has applications across most business functions and processes.



## Generative AI applications



**Content marketing:** Create personalized and engaging content for your website and customers, such as web copies, blog posts, customer stories, and social media posts. Generative AI can also generate catchy slogans, headlines, and product descriptions.



**Data analytics:** Provide insights and predictions based on business data that can help companies make informed decisions, identify patterns and trends, and optimize business operations. Generative AI can also help generate data visualizations and reports for your data analysis.



**Software engineering:** Simplify and automate various software development tasks such as generating code from natural language descriptions or pseudocode, completing code snippets, fixing bugs, suggesting improvements, and explaining code logic.



**Cross-functional use cases:** Summarize meetings, answer questions, correct or translate text, design illustrations using text prompts, create videos from text or still images, and much more with Generative AI.



**Sales:** Create personalized and persuasive sales pitches, proposals, and emails.





# The different types of generative AI models

1



## Language models

Large Language Models (LLMs) process and understand natural language in text (or through speech recognition, voice) format. These models are trained on massive amounts of text. The most popular type of generative AI models currently, LLMs can not only be used for creative, academic, and business writing, but also for translation, grammatical correction or analysis, computer code writing, and more. The most well-known LLM is **ChatGPT** from OpenAI.

2



## Visual or imagery models

These models can generate realistic images or videos based on inputs such as a text description, a sketch, a pre-existing image, or a style. For instance, they can generate a photo of your dog that looks like a Kandinsky painting. Visual models can be used for creative design, 3D modeling, image editing, architectural rendering, CAD, and more. For example, **DALL·E** is a visual model that can create images from text descriptions (aka “prompts”).

3



## Voice models

These models can generate natural sounding speech or music based on input such as a text, a melody, or a voice. Voice models can be used for composing, songwriting, dubbing, speech recognition, sound editing, and more. For example, **Jukebox** is a voice model that can generate music, including rudimentary singing, as raw audio in a variety of genres and artist styles. Jukebox can also generate lyrics conditioned on a genre, an artist, or a user prompt.



## Language models: Using GPT-4 (Turbo)

### Through OpenAI :

- ChatGPT+ subscription plan  
(GPT-4 not available\* on the free ChatGPT)
- OpenAI API

### Through the Microsoft partnership

- **Azure OpenAI service**
- Bing Chat & Bing Chat for Enterprise
- Microsoft 365 Copilot
- Microsoft Dynamics 365 Copilot
- GitHub Copilot
- Copilot in Power Platform: Power Apps, Power Automate and Power Virtual Agents



GPT- 4



# Azure OpenAI



OpenAI and Microsoft have a **long-term partnership** that spans across AI research, products, and services. OpenAI uses Microsoft's Azure cloud platform to power its AI experiments and models, such as GPT, DALL·E, and Codex.

Azure OpenAI Service allows developers to access OpenAI's models directly through Azure in a secure and scalable way to build and deploy AI applications using OpenAI's technology.

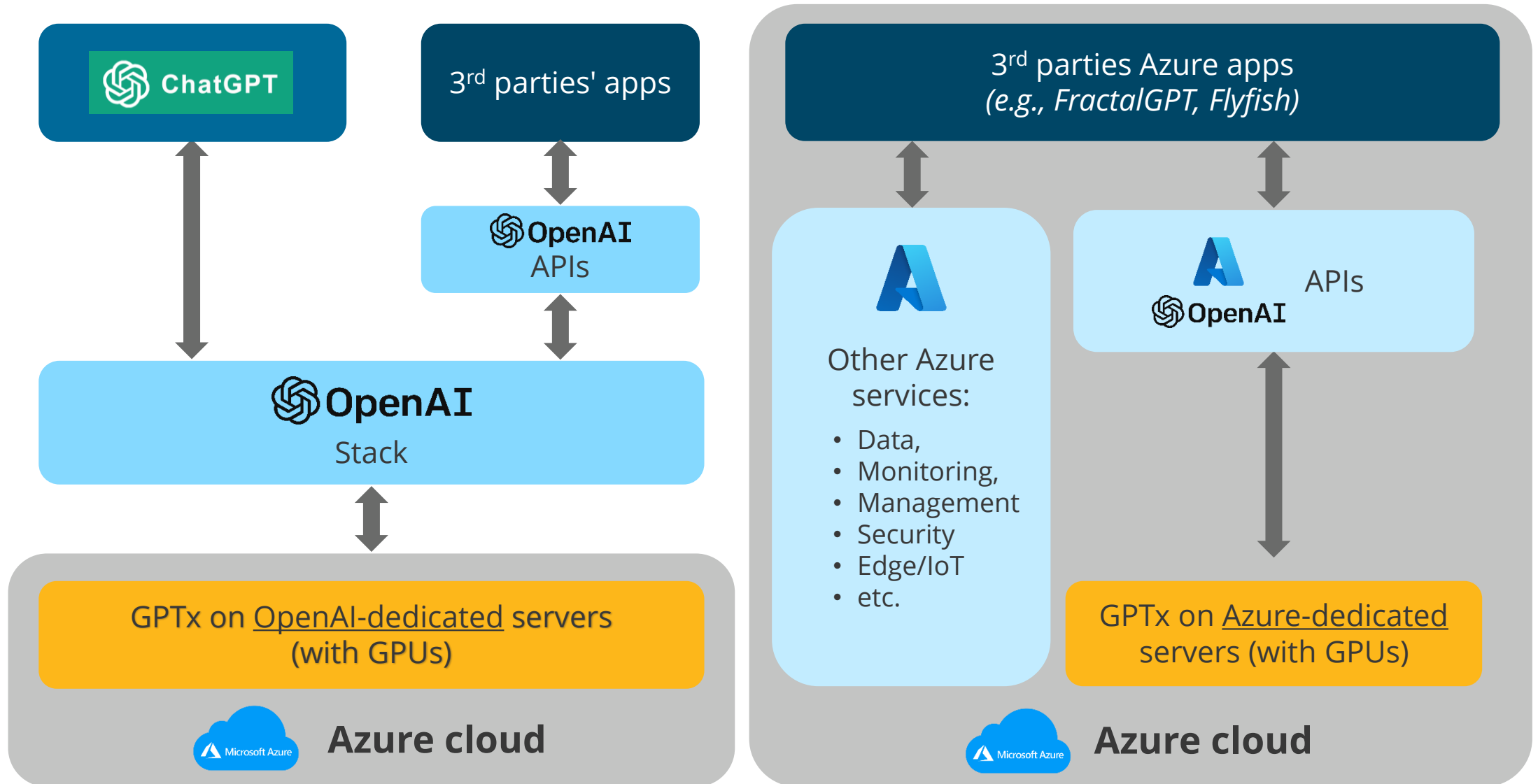
Also, it offers AI-optimized infrastructure and tools to help users create innovative solutions that deliver value to their organizations and customers.

Microsoft also leverages OpenAI's models to create new AI-powered experiences for its customers and developers. For example, **GitHub Copilot and Microsoft Designer are built on top of OpenAI's technology**. These applications enable users to generate code, design presentations, and more with the help of AI.

In addition to OpenAI models (GPT), Microsoft also announced in July 2023 the availability of other LLMs on the Azure Machine Learning platform, such as **Meta's Llama 2** and other open-source models.



# OpenAI vs. Azure OpenAI architecture (simplified view)



OpenAI models are running as two identical copies: One used by OpenAI, one by Azure



# Azure OpenAI: Security and privacy



## Leverages Azure compliance certifications

- Subscription
- Application
- Group or user



## Built-in security & data privacy controls

- Identity and access control
- Network security
- Data security and encryption
- Key, secrets, and certificates management

*Learn more: <https://learn.microsoft.com/en-us/compliance/regulatory/offering-home>*



## Content filtering through Azure content management system

- User-generated prompts filtering
- Model-generated content filtering

*Learn more: <https://learn.microsoft.com/en-us/azure/cognitive-services/openai/concepts/content-filter>*

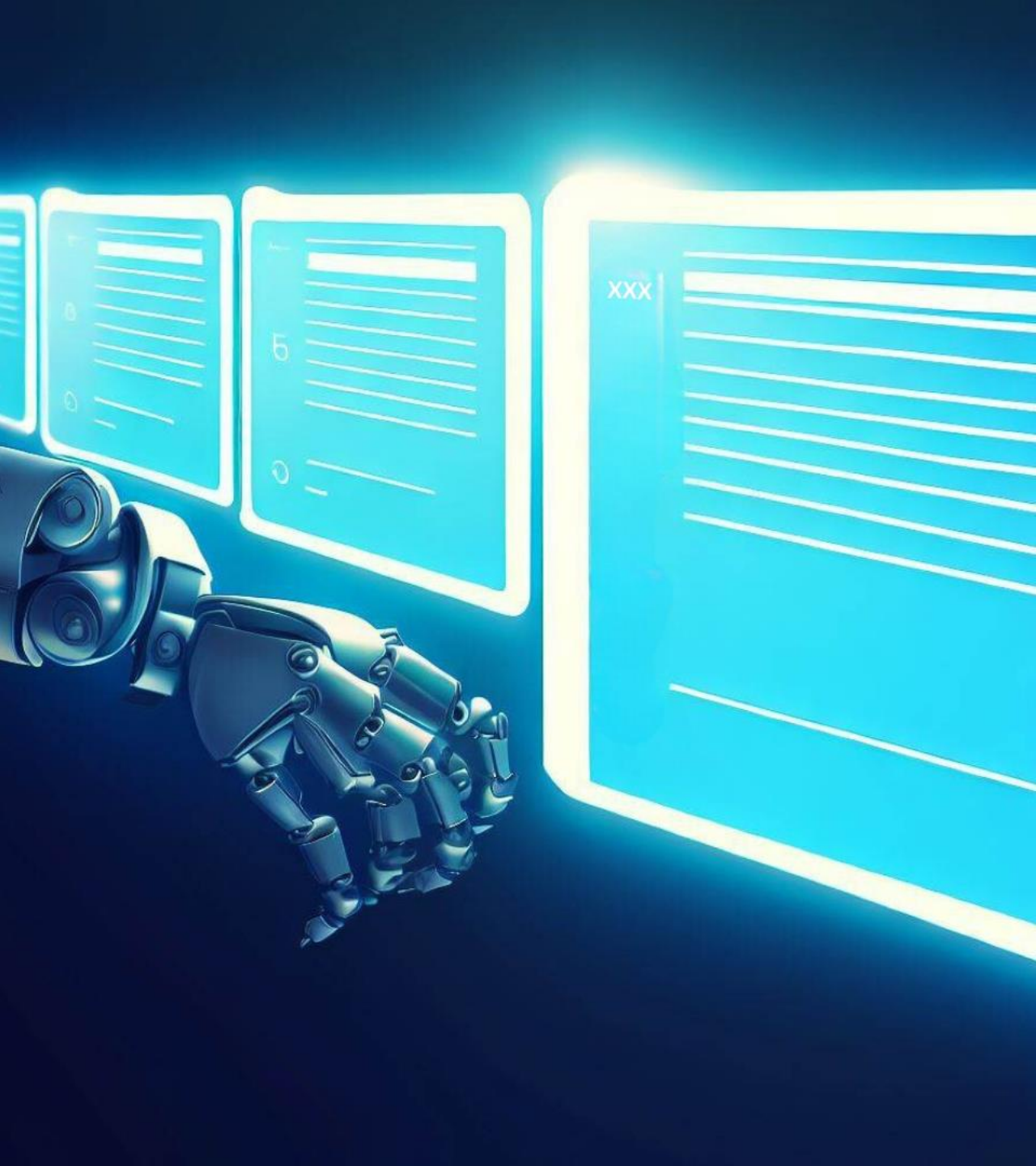


## Leverages Azure compliance certifications

- National, regional, and industry-specific regulations for data collection and use

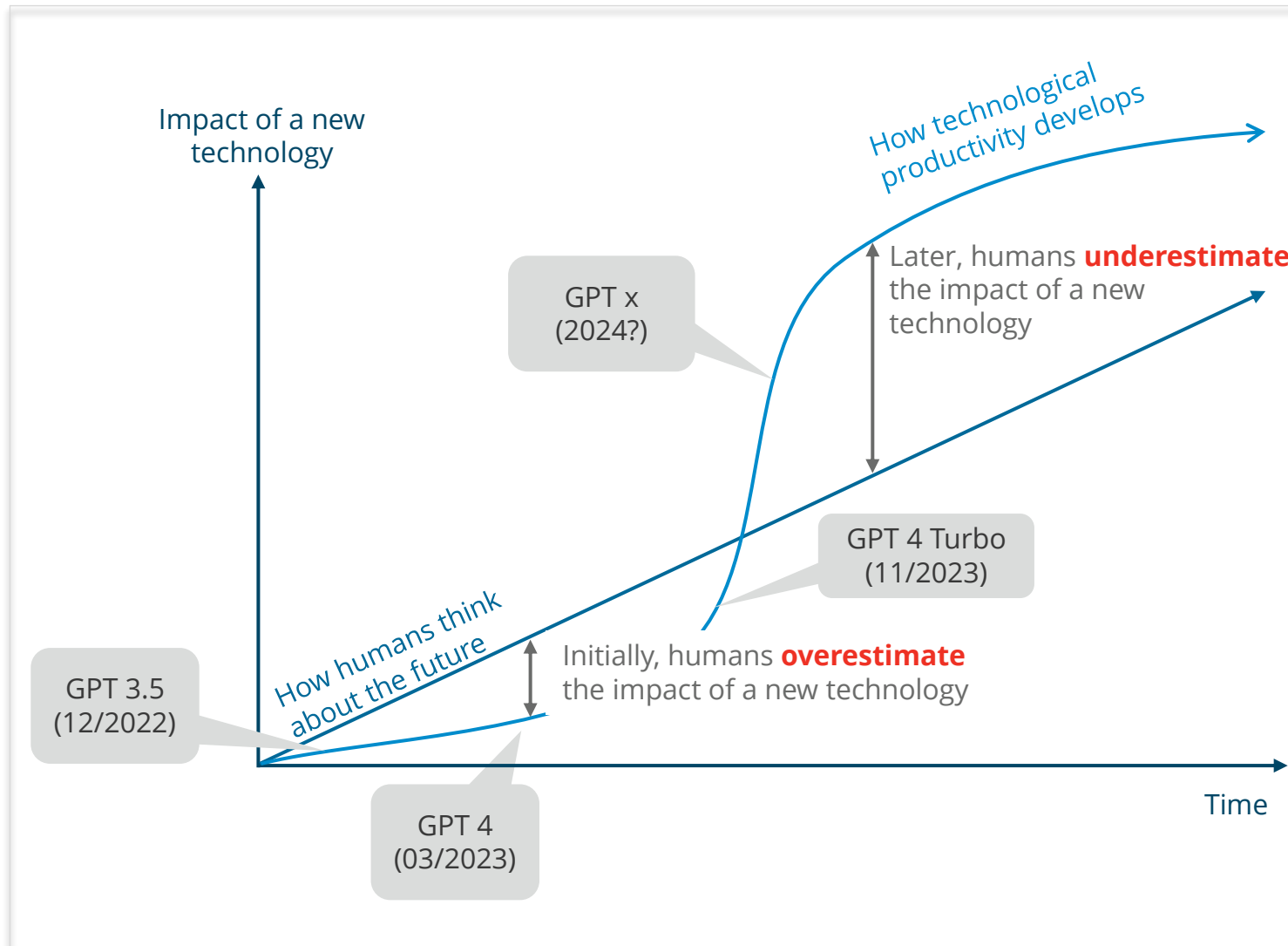
*Learn more: <https://learn.microsoft.com/en-us/compliance/regulatory/offering-home>*





# Building a multi-year generative AI strategy

# Remember Amara's Law



“ We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run. ”  
– Roy Amara

Advances in generative AI capabilities are likely to come at a breakneck pace over the next few years.

The generative AI tools available today aren't likely to immediately transform how professionals produce most content and otherwise help perform business operations.

Still, the tools that will become available over the next couple of years are very likely to be transformative.

Therefore, generative AI is a capability that leaders should start focusing on immediately.

They should build a multi-disciplinary v-team to closely monitor developments in the generative AI space.



# End-to-end maturity roadmap

Fractal has identified four key stages - **Crawl, Walk, Run, and Fly** - that organizations should consider following for their generative AI journey. Each stage requires investments in technical and human capabilities to maximize the potential of generative AI and ensure internal adoption while guaranteeing enterprise data privacy and information security.



## Crawl (Test)

In the “crawl” stage, organizations experiment with easy-to-deploy use cases and then quickly measure the ROI of those use cases. They also identify potential at-scale use cases that show promise for further exploration and development.



## Walk (Deploy)

In the “walk” stage, organizations deploy a few (one to three usually) use cases at scale. They again measure their ROI and use the results to expand generative AI to more business processes. This unlocks further potential for model customization, optimization, and scaling up.



## Run (Scale)

In the “run” stage, organizations analyze most or all their existing processes to build a multi-year AI transformation roadmap that comprehensively integrates generative AI across the enterprise.



## Fly (AI native)

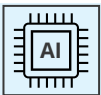
In the “fly” stage, organizations take the next step towards becoming an AI-native company. If for digital transformation, companies went from digitizing analog processes to building new ones that were digital from the ground up, native AI companies will (re)design processes from scratch using AI as a core building block.







## Crawl



DPI 30 Generative AI



SenseForth FractalGPT customization and optimization

Long term industry experience & solutions



## End-to-end generative AI journey: The “crawl” stage

This is the initial stage of implementing generative AI solutions.

Here, organizations start by exploring, testing, and understanding the basic concepts and capabilities of generative AI-powered applications and business processes.

This step involves:

- conducting research,
- building foundational knowledge,
- engaging teams across company functions, and
- experimenting with small-scale projects to gain familiarity with generative AI.





## Walk



Custom models developments: Deep Azure data and ML/AI stack knowledge



Cloud and data engineering



SenseForth Fractal GPT customization and optimization

Long term industry experience & solutions



## End-to-end generative AI journey: “Walk” stage

In the “walk” stage, organizations progress further by moving from experimental projects to the practical at-scale deployment of generative AI-powered solutions.

They begin to develop custom models that provide more suitable answers adapted to their specific business needs.

This customization involves not only adapting prompts and embeddings but also curating the data used to create those models.

It necessitates establishing a robust data infrastructure to collect, validate, protect, and manage business data into the models to ensure their continuous updates and accuracy.

This stage focuses on building the data platform infrastructure, developing internal expertise, optimizing performance, and validating the effectiveness of the generative AI solution.

It also emphasizes the importance of tailored model development and robust data management practices.





## Run



Center of Excellence



Business cases prioritization



Model productization and integration:  
Software engineering, Power Platform



Enterprise-wide scale up (size) and scale out (number of projects): DevOps, MLOps



Custom models developments: Deep Azure data and ML/AI stack knowledge



Cloud and data engineering



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Long term industry experience & solutions



## End-to-end generative AI journey: “Run” stage

During the “run” stage of their generative AI journey, organizations focus on enterprise-wide scale-up (size) and scale-out (number of projects).

To support this growth, DevOps and MLOps practices are implemented to ensure generative AI model integration, monitoring, and management of AI models in their overall IT and Data Science infrastructure.

Model productization and integration become key priorities, requiring strong software engineering capabilities and the utilization of platforms such as Power Platform to integrate those models across existing enterprise business processes.

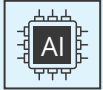
Business cases across functions are prioritized to identify high-impact areas where generative AI can drive significant value.

With the support of third-party partners, such as Fractal, organizations can build a Center of Excellence (CoE) that can help centralize expertise, increase knowledge sharing, and enforce governance.





## Fly



AI-native design



Center of Excellence



Business cases prioritization



Model productization and integration:  
Software engineering, Power Platform



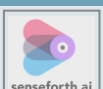
Enterprise-wide scale up (size) and scale out (number of projects): DevOps, MLOps



Custom models developments: Deep Azure data and ML/AI stack knowledge



Cloud and data engineering



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Long term industry experience & solutions



## End-to-end generative AI journey: "Fly" stage

In the "fly" stage, organizations make a shift towards becoming an "AI native" organization. In this stage, organizations can design new processes or redesign existing ones using AI as a core building block.

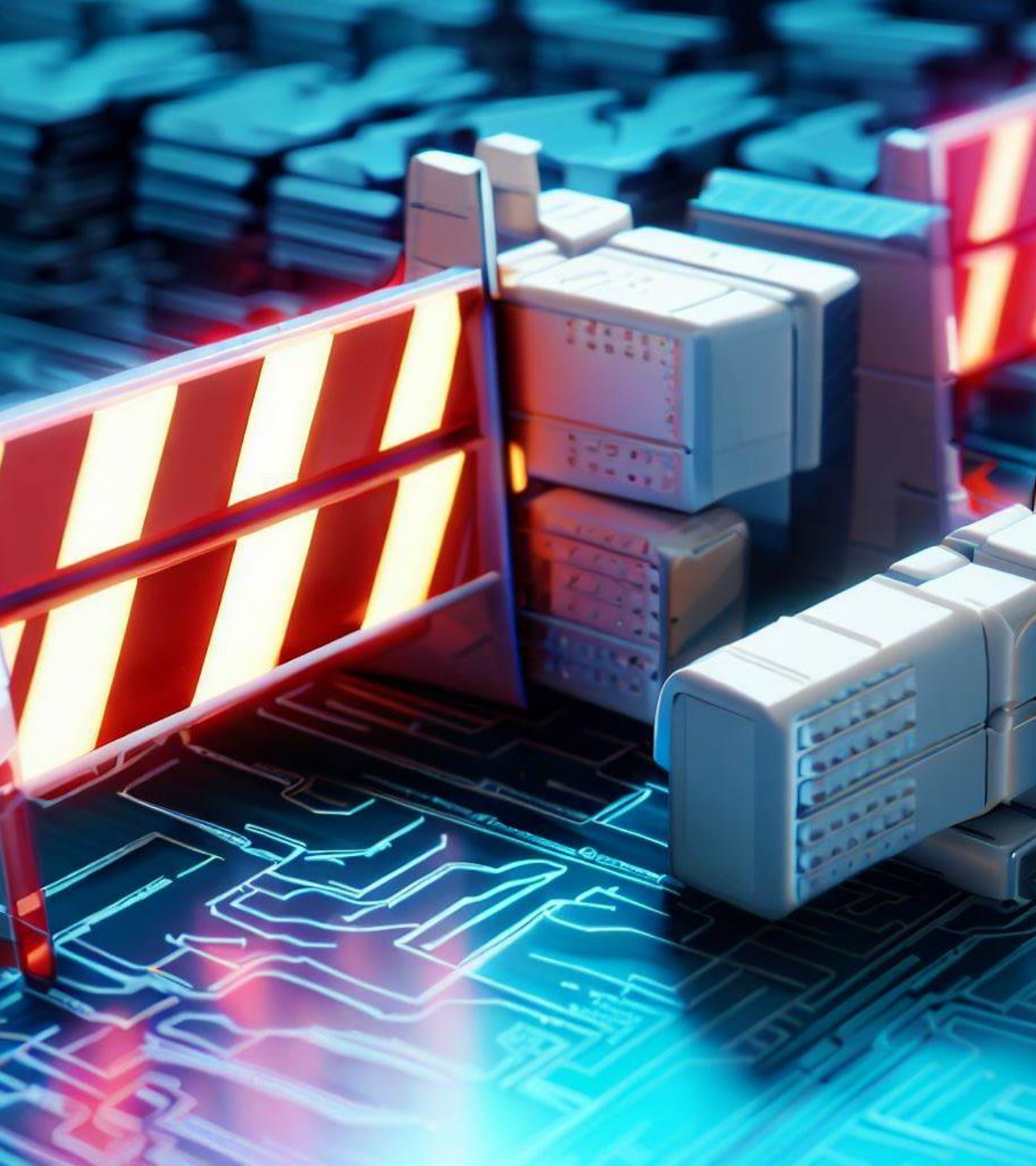
Instead of adding AI to existing processes, they leverage AI from the ground up to maximize results.

This approach parallels the shift seen during the early days of digital transformation, where companies added digital elements to existing processes instead of designing them as digitally native ones from the ground up.

Similarly, AI-native companies build processes by incorporating AI from the ground up.

The fly stage represents a transformative phase where generative AI becomes a driving force, enabling organizations to unlock new business opportunities and create unique customer experiences.





Barriers and risks  
associated with  
generative AI

# Barriers to generative AI Adoption



## Data quality & availability

Limited access to reliable and relevant internal and external data makes it difficult to effectively use generative AI algorithms for accurate results and insights.



## Lack of business alignment

Organizations use generative AI for multiple purposes, like innovating a product/service or using it to improve existing processes.

However, to harness its potential, organizations must have a clear vision, strategy, and roadmap that align with their goals, needs, and values.



## Regulatory & ethical challenges

Concerns around privacy, security, bias, and ethical implications create regulatory barriers and raise questions about the responsible use of generative AI.

Also, a lack of awareness leads to misconceptions and fears about AI taking over human jobs rather than augmenting their ability to improve their productivity and efficacy.



## Barriers to generative AI Adoption (Continued)



### Culture & change management

Resistance to change, organizational culture, and lack of awareness about the benefits of generative AI can impede adoption and hinder the necessary cultural shift for its effective use.



### Technical complexity & expertise

The complexity of implementing and managing generative AI systems can pose challenges in effectively leveraging the technology if the organization lacks the necessary new and specialized expertise.



### Lack of infrastructure & resources

Generative AI models require substantial storage capacity, the right data platform, network bandwidth, and a skilled workforce to run efficiently and reliably.

## Risks and their mitigation strategies



### Hallucination or errors, bias

Generative AI models can sometimes produce outputs that are inaccurate, nonsensical, or contradictory to the input or the training data leading to confusion or even affecting decision-making or communication.

Implementing rigorous validation and verification processes, leveraging human oversight, and continuously monitoring and fine-tuning generative AI models can help mitigate the risks of hallucination and biases in generated content.



### Cost overrun

Sometimes, a generative AI project may require more data, infrastructure, and human expertise than expected or encounter unexpected technical or operational challenges.

So, carefully planning and monitoring resources, conducting cost-benefit analyses, and starting with smaller-scale implementations can help measure and mitigate the risk of cost overrun.



### Customization needs

Generative AI models can be difficult to customize or adapt to different domains, contexts, or user preferences.

This can limit their applicability and usefulness for various scenarios or tasks.

So, it becomes necessary to understand specific business requirements, involve end-users in the development process, and build flexible and adaptable generative AI systems.





## Risks and their mitigation strategies (Continued)



### Privacy (when used directly with OpenAI)

Generative AI models may require access to sensitive or personal data, which can be compromised or misused by third parties.

Implementing strong data protection measures, complying with privacy regulations, and considering alternative approaches like federated learning or differential privacy can help mitigate those privacy risks.



### IP protection and creator rights

Generative AI models can generate content that may infringe on the intellectual property or creator rights.

Defining ownership and usage rights through legal agreements, employing authentication mechanisms, monitoring systems, and using digital rights management (DRM) techniques can help protect both IP and creator rights.



### AI detectors

Generative AI carries the risk of being detected by AI systems or experts, leading to the potential identification of fake or harmful content.

To mitigate this, organizations must create systems and implement processes to ensure generative AI tools are creating ethically appropriate content including deceptive or illegal content. They must also comply with applicable legal and regulatory frameworks governing the use of generative AI.

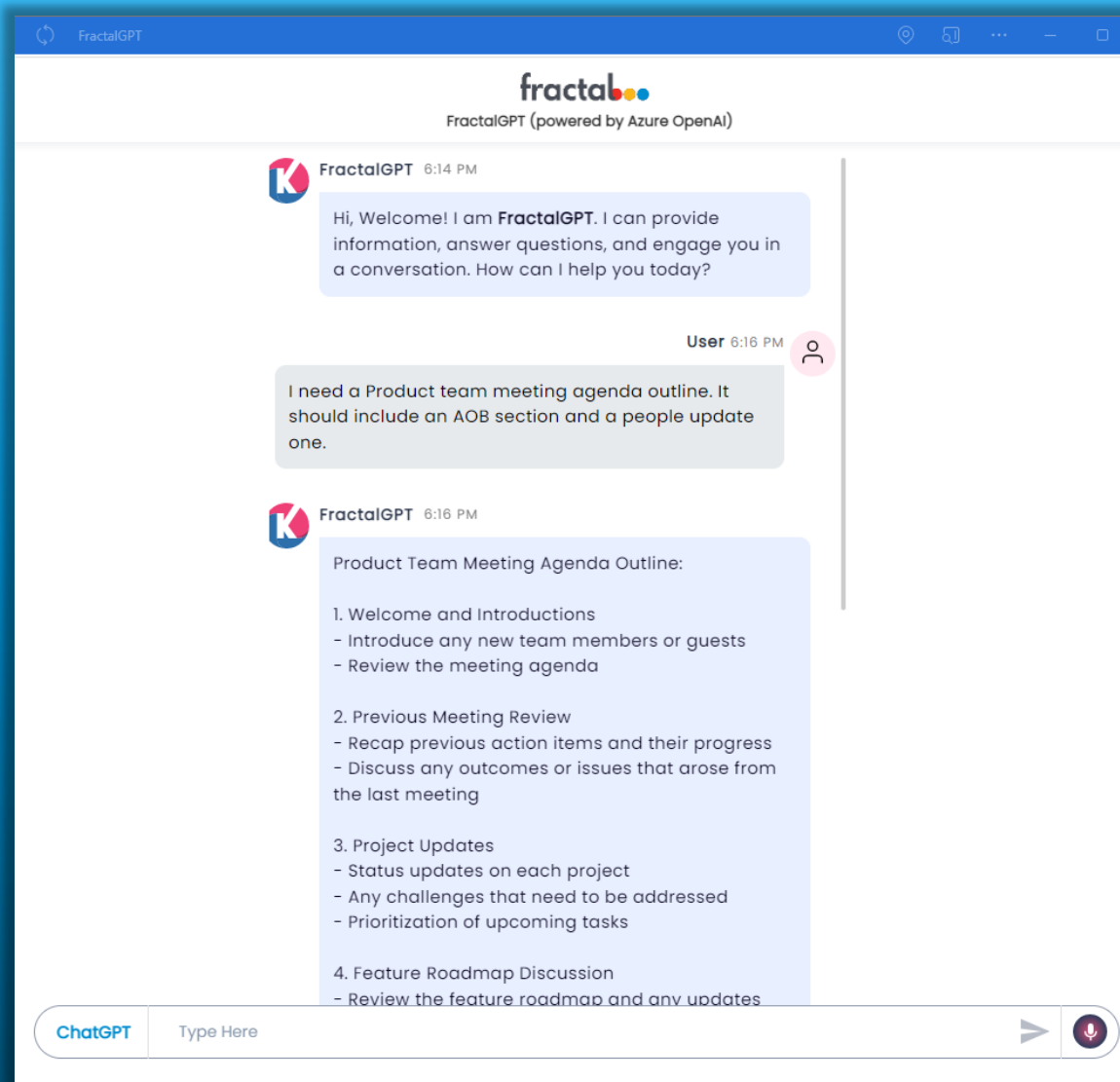


## Getting started with generative AI

Fractal offers different ways to help you quickly get started on your generative AI journey.

In addition to custom solutions, we can help you identify various use cases and prepare you to deploy generative AI in your organizations with the below offerings:

- FractalGPT: Securely deploy AI-powered chat for your enterprise
- One-hour exploratory workshop to identify suitable projects for an initial Proof of Concept (PoC)
- Generative AI in 30 days



## Start creating with FractalGPT

Securely empower your enterprise with ChatGPT capabilities in just 7 days using FractalGPT: a fast and customizable solution that safeguards your data and IP on Azure OpenAI.

It is designed to be secure, scalable, and easy to use, making it ideal for businesses of all sizes and across industries.

With FractalGPT, your teams can improve productivity while ensuring your data remains secure.

Learn more: <https://fractal.ai/fractalgpt>





## FractalGPT demos

### Content marketing

Create SEO-optimized content for your website and social media platforms based on relevant keywords

<https://go.fractal.ai/FractalGPT/Demo-content-marketing>

### Inventory management

Choose the best inventory management solution based on your requirements

<https://go.fractal.ai/FractalGPT/Demo-inventory-management>

### Expense reimbursement policy

Provide quick and correct (!!!) responses to employees' questions about your organization's expense policy

<https://go.fractal.ai/FractalGPT/Demo-expense-policy>

### Recruitment

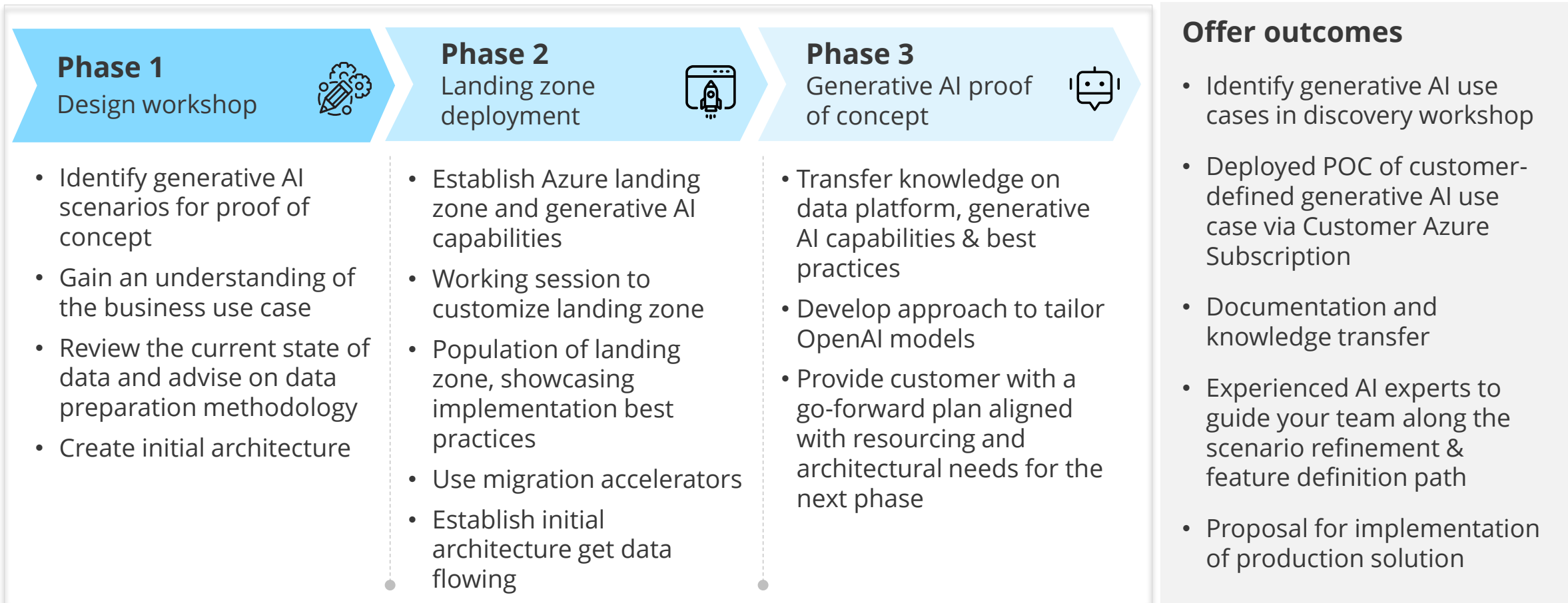
Help organizations' HR departments streamline recruitment by quickly drafting job descriptions, communication emails, and offer letters

<https://go.fractal.ai/FractalGPT/Demo-recruitment>



# Generative AI in 30 days

The generative AI in 30 days offer is designed to help organizations analyze generative AI use cases and rapidly prepare for the deployment of generative AIs. The offer achieves this by leveraging predefined resource deployment procedures and templates from Microsoft and Fractal.





## Why Fractal?

As an AI Microsoft Solutions Partner with decades of experience developing and deploying AI solutions at scale, Fractal can help you analyze, design, and deploy your generative AI-based solution quickly and effectively.

We are one of the initial Microsoft Azure OpenAI partners with deep connections with the Azure engineering team.

Fractal can support clients throughout their generative AI journey with:

- Strategic use cases selections
- Data engineering and migration
- AI Model customization, deployments, and management (MLOps)
- Cost optimization
- Best practices deployment

### **Get started now with Fractal Generative AI-powered accelerators:**

- [FractalGPT](#): Azure customization knowledge bot
- [Flyfish](#): Sales and customer assistant
- [Smartsearch](#): Complete conversational web search tool
- [Customer Interaction Insights](#): Call center analytics and insights



## Resources

**Learn more about Azure Open AI and Open AI GPT's:**

- [Azure Open AI](#)
- [Open AI](#)

**Additional resources:**

- [FractalGPT: Securely deploy AI-powered chat for your enterprise](#)
- [Supercharge your business with Generative AI](#)
- [Transforming work and creativity with OpenAI](#)
- [Microsoft and OpenAI extend partnership](#)





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