

ΤΕΧΝΗΤΗ ΝΟΗΜΟΣΥΝΗ



The Use of AI in Strategic Management

Enhancing Decision-Making and Organizational Performance

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29 Μαΐου 2025, Στρατηγική Διοίκηση

1 Introduction to AI in Strategic Management

Definition of AI

Technologies (e.g., machine learning, natural language processing) that simulate human intelligence to perform tasks such as data analysis, problem solving, and automation.

Role in Strategic Management

AI transforms traditional decision making frameworks by providing data driven insights and enhancing efficiency, ultimately enabling organizations to respond swiftly to market changes.

2 Evolution of Strategic Management

Traditional Approaches

Heavy reliance on human intuition and past experiences; often subjective and prone to bias.

Emergence of AI

Development of AI tools (predictive analytics, decision support systems) that analyze data trends, driving evidence based strategic choices.

Goal of Transition

To achieve a more flexible and responsive organizational strategy that leverages data and advanced analytics for superior performance.

3 Key Areas Where AI Influences Strategic Management

Market Analysis

AI analyzes consumer behavior and market trends through big data analytics, revealing insights for market positioning.

Risk Management

AI capabilities can assess financial and operational risks in real time, helping decision makers mitigate potential issues.

Operational Efficiency

AI automates repetitive tasks (e.g., reporting, data entry), enabling teams to focus on higher order strategic functions and innovation.

4 Advantages of Using AI in Strategic Management

Data Processing Power

AI algorithms can process large datasets (big data) at high speed, uncovering patterns and insights not easily visible through manual analysis.

Real time Insights

Machine learning models can provide immediate analyses on performance, aiding timely strategic shifts.

Forecasting Accuracy

AI driven models improve predictions on sales, market demands, and other key business metrics, enhancing strategic planning.

5 Case Studies

Retail Sector

Companies like Walmart use AI for inventory management and to predict stock needs based on purchasing trends, optimizing supply chain strategies.

Financial Services

Firms employ AI algorithms to detect fraudulent activities by monitoring transactions in real time, adapting their risk management strategies dynamically.

6 Challenges of Integrating AI in Strategic Management

Data Privacy

Concerns Organizations face regulatory requirements regarding consumer data, necessitating robust compliance measures.

Change Resistance

Employees may resist adopting AI technologies due to fear of job displacements or lack of understanding of AI capabilities.

Skill Gap

A shortage of data scientists and AI specialists can hinder effective implementation and utilization of AI technologies.

7 Future Trends in AI and Strategic Management

Increased Automation

More strategic areas, such as decision making in marketing and finance, will become AI driven.

Personalization

AI will allow firms to create more tailored strategies based on individual customer data analysis, enhancing customer engagement.

Collaboration Tools

AI enhanced platforms will facilitate better communication and accountability among teams, improving overall organizational workflows.

8 Conclusion

Summary

AI is not just a technological tool;
it is reshaping how businesses approach strategic management by
facilitating a shift to data centric decision making processes.

Call to Action

To adapt and thrive in a competitive landscape, organizations must embrace AI technologies and foster a culture that promotes innovation and agility in strategic management.