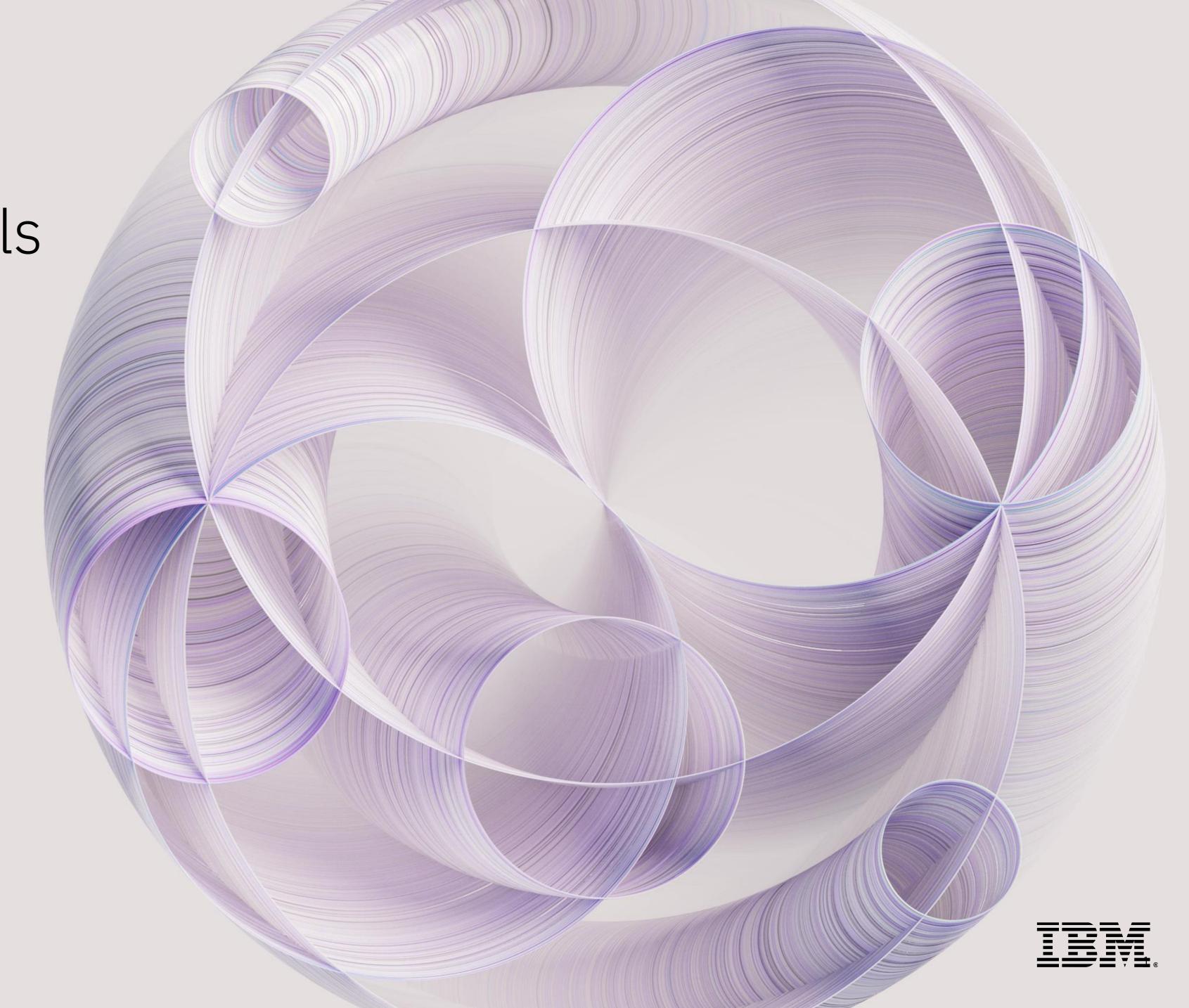
## watsonx.ai

Train, validate, tune, and deploy AI models

Data Server Day Stockholm, Sweden September 27, 2023

Kelly Schlamb
Data & AI, IBM
kschlamb@ca.ibm.com

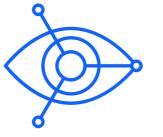


## Foundation Models and Generative AI are bringing an inflection point in AI...

...but how enterprises adopt and execute will define whether they unlock, create value, unleash innovation at scale and with speed

#### What is AI?

AI refers to the ability of computer systems to attempt to mimic the problem-solving and decision-making capabilities of the human mind.



Computer vision



Data science



Natural language processing (NLP)

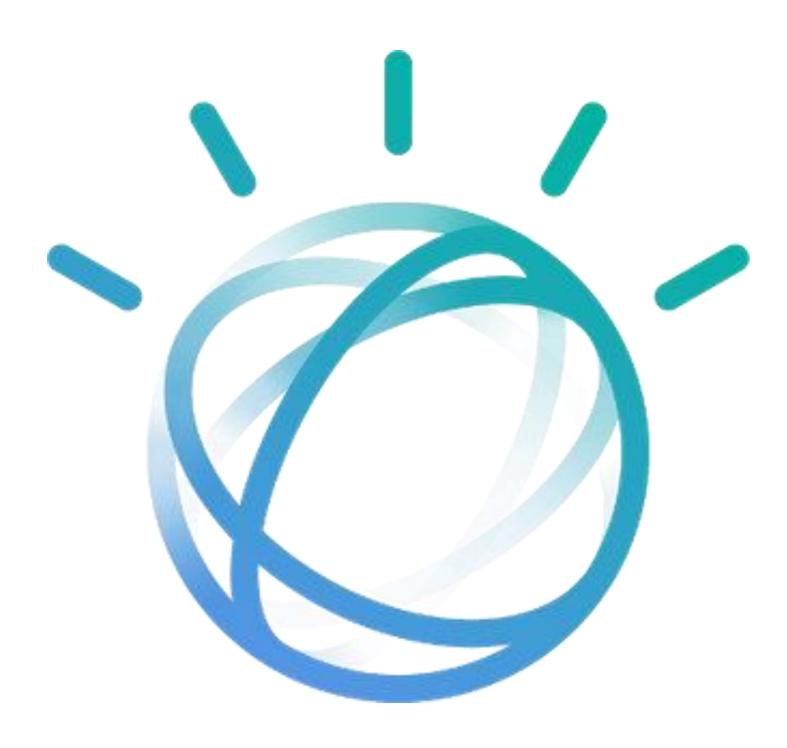


Robotics

## Up to the end of 2022...

The majority of AI in production was based on machine learning (ML).

IBM has a comprehensive portfolio to deploy ML in business.



#### Since then...

Generative AI has leapt to the forefront of AI

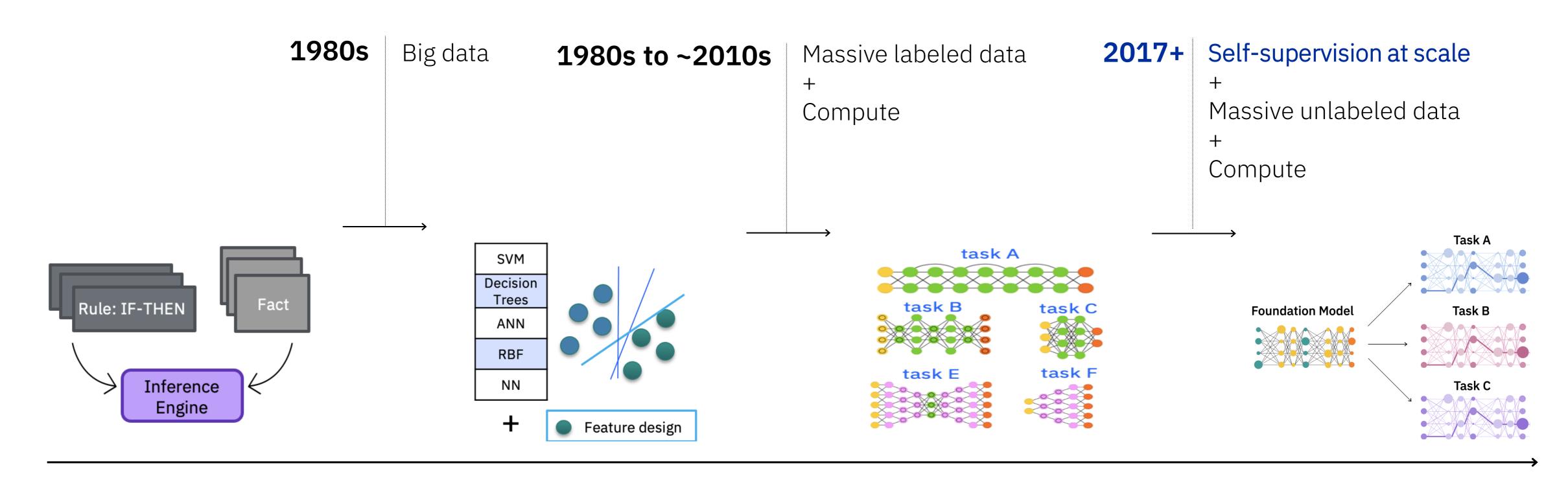








# The story of AI is a story of data representations



#### Expert systems

Rule engines

#### Machine learning

- ML algorithms
- Task-specific decision boundaries

#### Deep learning

- Network architectures
- Task-specific decision boundaries + feature representations

#### Foundation models

- Base model
- Adaptable decision boundaries and feature representations





Home

News

Sport

Reel

## ChatGPT: New AI chatbot has everyone talking to it

3 7 December 2022

#### By Chris Vallance

Technology reporter

A new chatbot has passed one million users in less than a week, the project behind it says.

ChatGPT was publicly released on Wednesday by OpenAI, an artificial



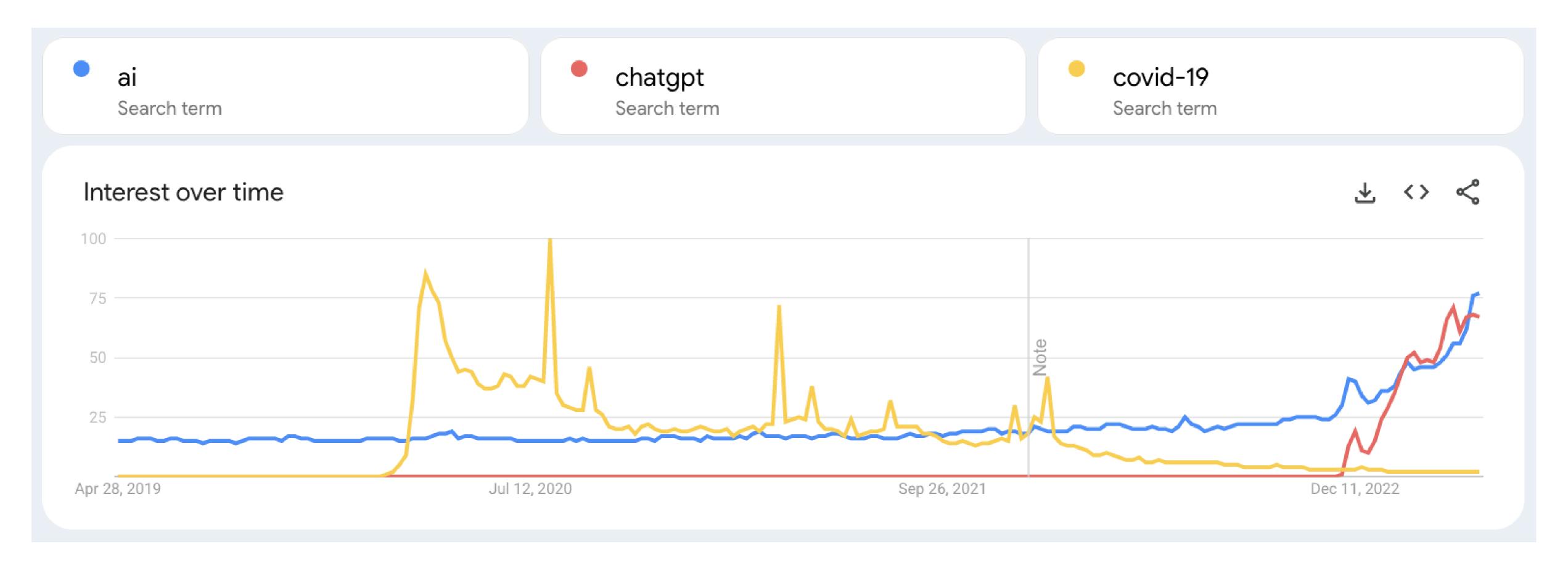
#### list 15 major events in the history of Al in short sentences



Sure, here are 15 major events in the history of Al in short sentences:

- 1956: The term "Al" is coined.
- 1959: First Al program plays checkers.
- 1966: ELIZA chatbot simulates human conversation.
- 1974: MYCIN expert system for medical diagnosis developed.
- 1981: The first Al winter begins.
- 6. 1997: IBM's Deep Blue defeats Garry Kasparov in chess.
- 7. 2005: Stanford's Stanley wins the DARPA Grand Challenge.
- 8. 2011: IBM's Watson wins Jeopardy against human champions.
- 9. 2012: Google's neural network learns to recognize cats.
- 2015: AlphaGo defeats Lee Sedol in the game of Go.
- 11. 2016: Google's AlphaGo Zero beats AlphaGo with no human data.
- 12. 2017: OpenAl's DOTA 2 Al defeats top professional players.
- 13. 2018: Al-powered voice assistants become widespread.
- 14. 2019: GPT-2 language model produces highly realistic text.
- 15. 2020: Al aids in COVID-19 vaccine research and development.

# ChatGPT has initiated a massive surge of interest in AI



A Google Trends comparison of the search terms "ai", "chatgpt", and "covid-19" from April, 2019 to April, 2023

## Large language models (LLMs)

LLMs are machine learning models that have been trained on large quantities of unlabeled text using self-supervised learning and can perform a variety of natural language processing tasks.

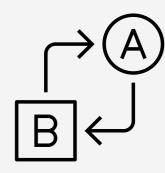
ChatGPT is an example of a generative AI chatbot developed using an LLM.



## Building blocks of an AI Strategy

ChatGPT inspired interest...

Large language model

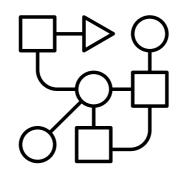


Great at text

But there is a bigger concept...

Foundation model

Transformer



Unlabeled data

Which will change business

Generative AI



Anything that creates new content



Generative AI is a branch of computer science that involves unsupervised and semi-supervised algorithms that enable computers to create new content using previously created content, such as text, audio, video, images and code in response to short prompts.

IDC

# Foundation models

What are they?

What are their benefits?

Foundation models are
AI models that can be
adapted to a wide range
of downstream
tasks.

They are typically largescale (e.g., billions of parameters) generative AI models trained on unlabeled data using self-supervision.



Performing complex tasks



Increase in productivity



Shorter time to value



Diverse data modalities

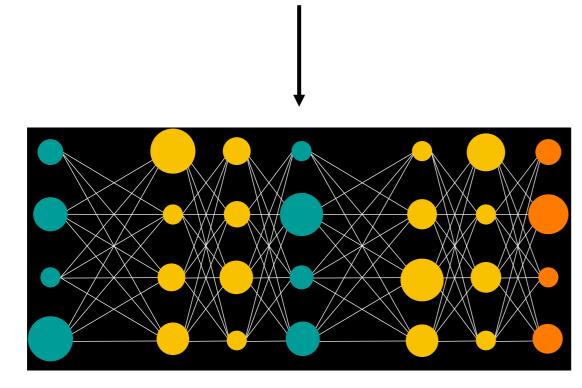


Amortized expenses

#### Foundation models are ...







Foundation model

#### Pre-trained

On unlabeled datasets of different modalities (e.g., language, timeseries, tabular)

#### Self-learning

Systems that leverage self-supervised learning

#### Multiple applications

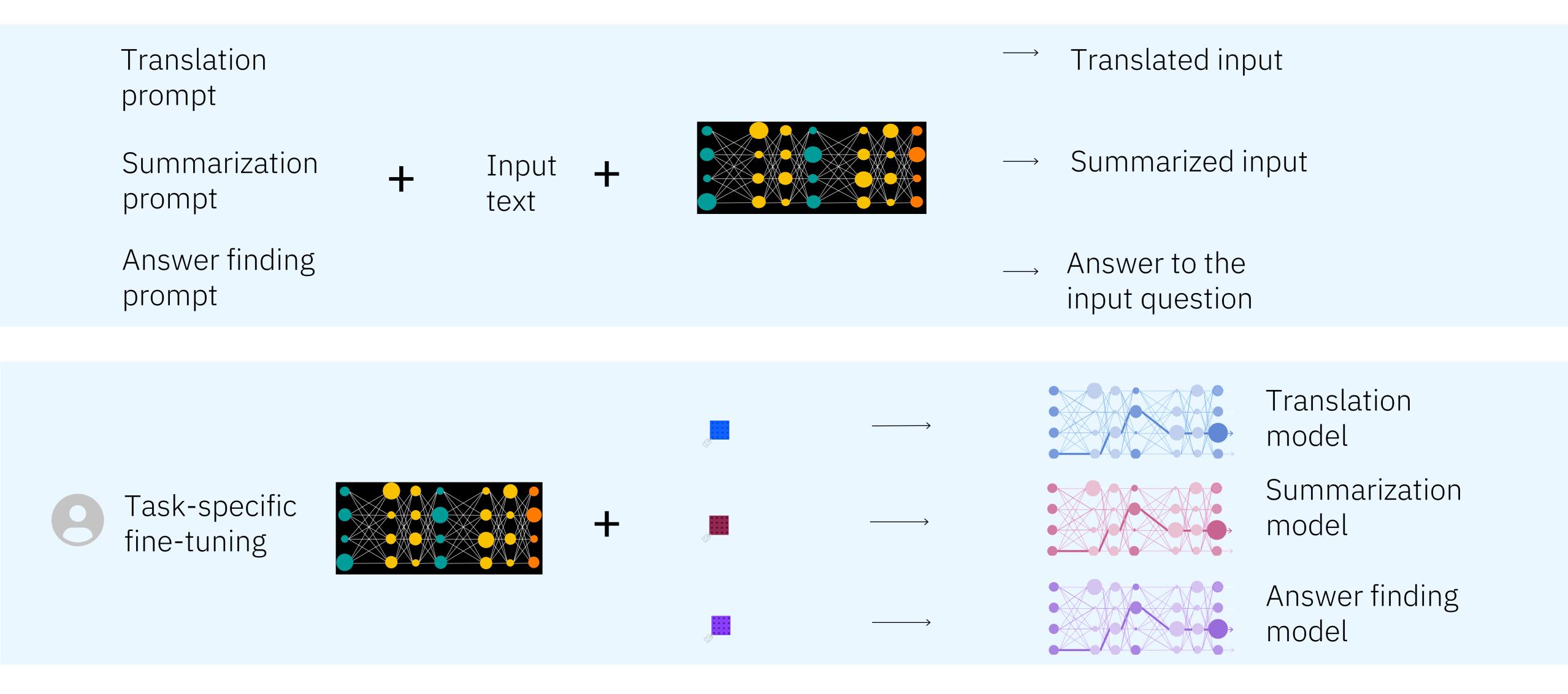
Able to learn generalizable and adaptable data representations that can be effectively used in a variety of domains and tasks (code generation, question answering, sentiment analysis)

#### Large language models

A type of foundation model trained withy language-related data

ChatGPT is based on a large language model

# Foundation models: generalizable and adaptable



## Traditional AI and generative AI

Both traditional AI and generative AI are useful for enterprises. Neither replaces the other, generative AI opens new possibilities

#### Traditional AI

- Traditional Machine learning (ML/AI) model trained with "labeled" data
- Training is supervised
- Trained on proper, large data sets
- Trained for a specific task
- Does not transfer well to other tasks
- A tuned model can be very efficient for the specific task it was designed for
- Need to monitor bias and drift

#### Generative AI

- Foundation models trained with unlabeled data
- Unsupervised
- Trained on very big data sets
- No specific task
- Transferable
- Works well for general tasks and can improve for specific tasks with less training
- Need to monitor bias and drift

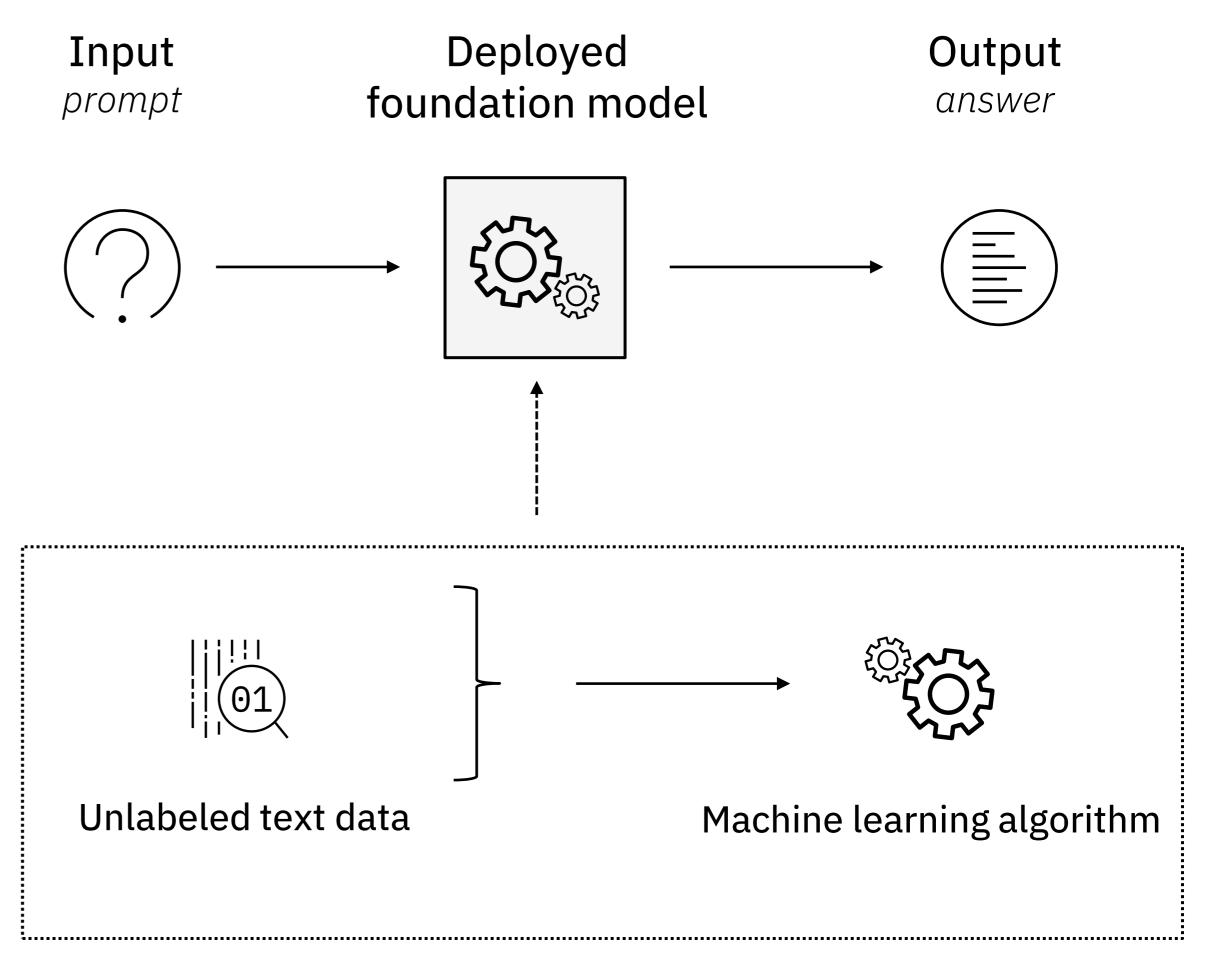
#### Generative models

Generative models create new data in response to input requests (prompts).

Common use cases include:

- Text generation: generate new text in response to a prompt, summarizing text, or writing a lengthy essay
- Code generation: generate computer code based on a textual description of the proposed program
- Image generation: create images based on the prompt

Example: Text generation



Machine learning model training

iterative process of experimenting and testing

## Generative AI: Text generation



Tell me the history of Stockholm, Sweden in one paragraph, in the voice of Donald Trump

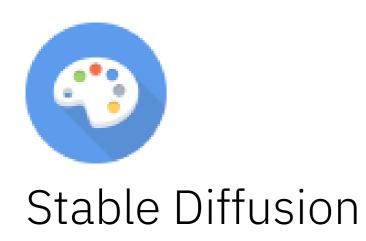


Let me tell you something folks, Stockholm, Sweden, it's a tremendous place, really tremendous. They've got a history, believe me. So, they started out as this small town, way back when, and then, boom! They became this powerhouse, the capital of Sweden, you know? They've had kings, queens, all that royalty stuff. And then, they built this amazing city, beautiful buildings, great architecture. But it's not just about the past, it's about the future, and let me tell you, Stockholm, they're doing great things, folks, really great things. So, in a nutshell, Stockholm is a city with a rich history and a bright future. Tremendous!

## Generative AI: Image generation









Award-winning painting generated by Midjourney

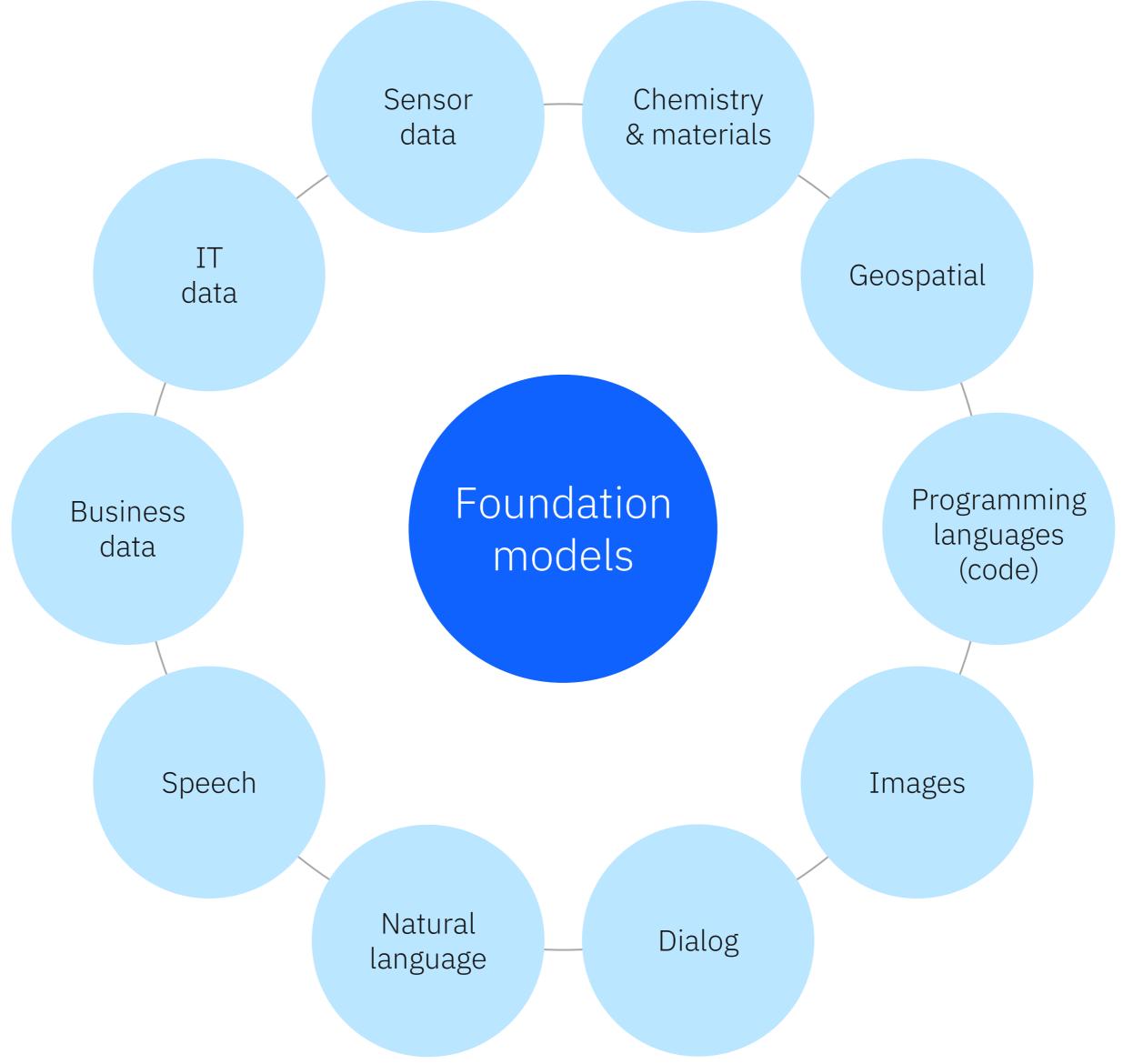
## Generative AI: Code generation



```
> .git
                        name: "Deploy Web Application Stack"
> .vscode
                       hosts: all
                       become: true
                       gather_facts: false
                       - name: "Install nginx and nodejs 12 Packages on RHEL"
state: present
                           enablerepo: epel
                         when: ansible_os_family == "RedHat"
                       - name: "Install NodeJS Dependencies"
                           path: /opt/app
                22
                            cookie-parser
                            debug
                            serve-favicon
```



Incredible opportunities around enterprise data



The most common generative AI tasks implemented today

#### Retrieval-Augmented Generation

Based on a documents or dynamic content, create a chatbot or question-answering feature.

Building a Q&A resource from a broad knowledge base, providing customer service assistance

#### Summarization

Transform text with domainspecific content into personalized overviews that capture key points.

Conversation summaries, insurance coverage, meeting transcripts, contract information

#### Content Generation

Generate text content for a specific purpose.

Marketing campaigns, job descriptions, blog posts and articles, email drafting support

#### Named Entity Recognition

Identify and extract essential information from unstructured text.

Audit acceleration, SEC 10K fact extraction

#### Insight Extraction

Analyze existing unstructured text content to surface insights in specialized domain areas.

Medical diagnosis support, user research findings

#### Classification

Read and classify written input with as few as zero examples.

Sorting of customer complaints, threat and vulnerability classification, sentiment analysis, customer segmentation



#### EARTHORG

#### The Environmental Impact of ChatGPT: A Call for Sustainable Practices In AI Development

GLOBAL COMMONS APR 28TH 2023 4 MINS EARTH.ORG IS POWERED BY OVER 150 CONTRIBUTING WRITERS

ChatGPT, a large language model developed by OpenAI, has garnered widespread atter Google shares lose \$100 billion after remarkable natural language processing capabilities. However, as with any large language training and developing the AI system requires a tremendous amount of energy, resultin significant environmental costs that are often overlooked. In this article, we take a look a

company's Al chatbot makes an error during demo

### George R.R. Martin Among 17 Authors Suing Over ChatGPT



By Jennifer Zhan, a Vulture news blogger covering TV, movies and music

LIFESTYLE

ENT

#### **Forbes**

#### ChatGPT's Use In Medicine Raises Questions Of Security, Privacy, Bias

Robert Pearl, M.D. Contributor ①

The New York Times

Apr 24, 2023, 04:15am EDT

#### Disinformation Researchers Raise Alarms About A.I. Chatbots

Researchers used ChatGPT to produce clean, convincing text that repeated conspiracy theories and misleading narratives.





By Tiffany Hsu and Stuart A. Thompson

Published Feb. 8, 2023 Updated Feb. 13, 2023

Soon after ChatGPT debuted last year, researchers tested what the artificial intelligence chatbot would write after it was asked questions peppered with conspiracy theories and false narratives.

#### TIME

The New AI-Powered Bing Is Threatening Users. That's No Laughing Matter

BY BILLY PERRIGO

FEBRUARY 17, 2023 10:58 AM EST

hortly after Microsoft released its new AI-powered search tool, Bing, to a select group of users in early February, a 23 year-old student from Germany decided to test its limits.

#### ChatGPT built with help of underpaid, exploited Kenyan employees, report alleges

Kenyan workers were tasked with labelling content from 'darkest recesses of the internet', TIME reports

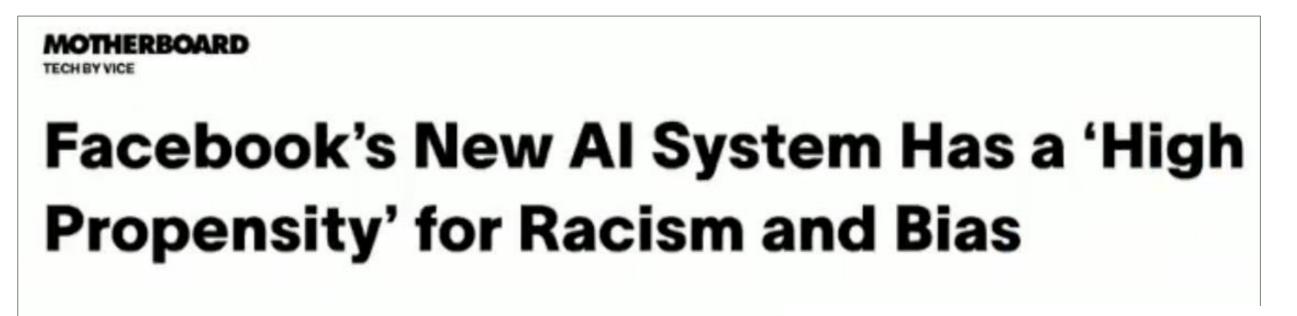
Monday 23 January 2023 10:45

OpenAI's chatbot ChatGPT was reportedly built using vital contributions from outsourced, underpaid Kenyan labourers.

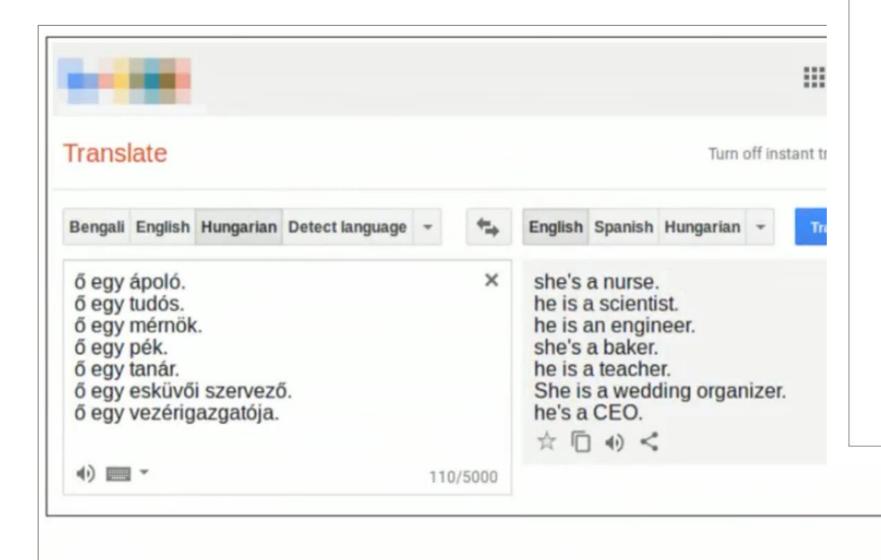
The chatbot was built with help from a Kenya-based data labeling team who earned less than \$2 per hour, according to an investigation by TIME.

#### New technology can be challenging to adopt for enterprise business needs

- Most LLM technologies are not enterprise-ready
- Companies need more than just a general LLM



The company's Al researchers say its new language model is gene 'toxic' results that often reinforce stereotypes.



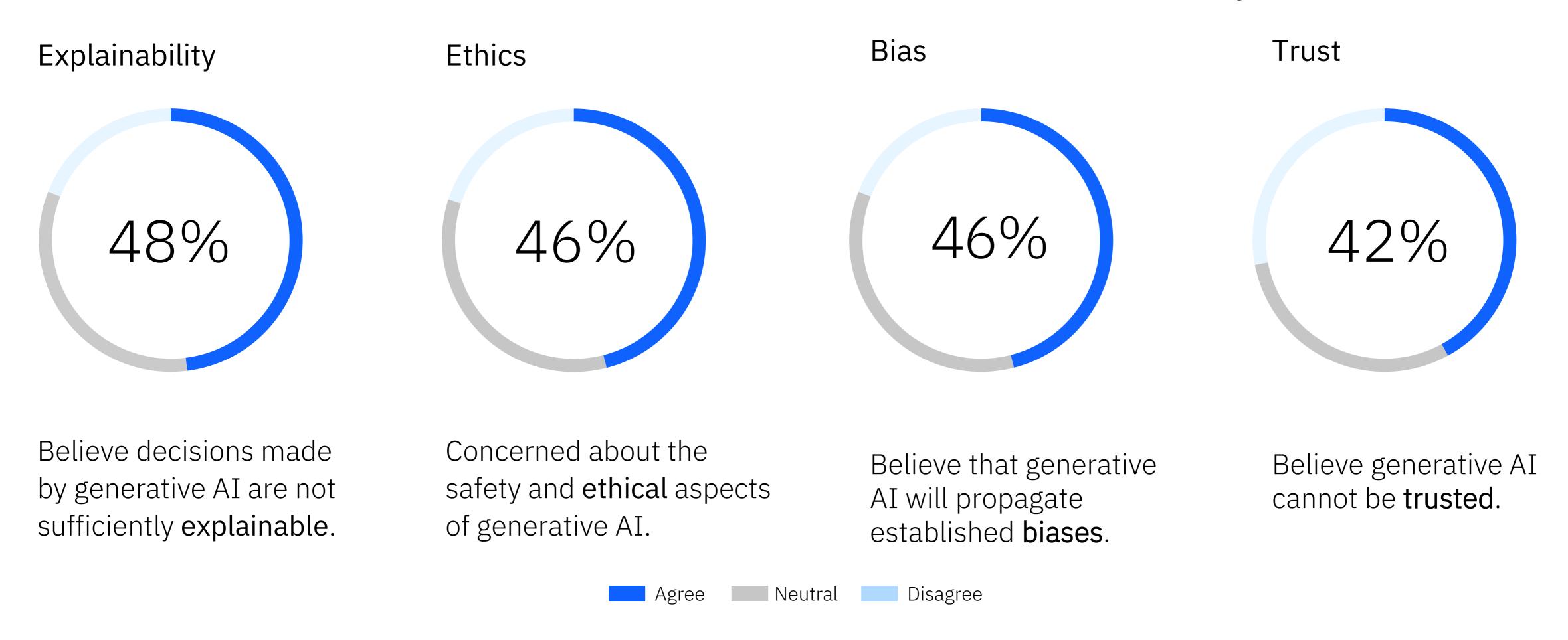
Pratas et al. 2019 "Assessing Gender Bias in Machine Translation – A

Case Study with Google Translate"



## Generative AI adoption considerations, inhibitors and fears

80% of business leaders see at least one of these ethical issues as a major concern



Enterprises need more than an AI solution - they need a comprehensive and sound strategy for generative AI.

# Generative AI platform questions

#### How was it trained?

- Garbage in 

  garbage out
- An enterprise cannot use a foundation model trained with Web crawl
- The training material needs to be huge and comprehensive but must also be curated

## Can it detect & minimize bias & hallucinations?

- How does the platform detect and correct bias?
- How can it prevent hallucination (providing random and untrue answers with absolute aplomb and convictions)?

#### Is it transparent?

- Open vs black-box
- How to audit and explain the model, and the answers it generates?
- Does the model track drift and bias? And how does it address them?

# Clients cannot just use *any* generative AI platform

## Does it support regulatory compliance?

- How do foundation models and their usage comply with privacy and government regulations?
- What are the guardrails?
- Who is responsible for an inadvertently exposed
   PII or a "wrong answer"?

#### Is it safe?

- Who has control over the model, input data, and output data?
- How to ensure that confidential information is not given out?
- How is it monitored?
- What safety features and guardrails are in place?

#### Can it be customized?

- Hybrid and multicloud?
- Can the model be finetuned with clients' data?
- How can clients update, and extend the model to make it more suitable for their use cases?
- How to integrate with applications? What APIs are in place?

# Generative AI must be tailored to the enterprise

#### Open

Based on the best open technologies available.

Access to the innovation of the open community and multiple models.

#### Trusted

Offering security and data protection.

Governance, transparency, and ethics that support increasing regulatory compliance demands.

#### Targeted

Designed and targeted for business use cases, that unlock new value.

Models that can be tuned to your proprietary data.

### Empowering

A platform to bring your own data and AI models that you tune, train, deploy, and govern.

Running anywhere, designed for scale and widespread adoption. Introducing...

## watsonx.ai

The platform for AI and data

#### watsonx

Scale and accelerate the impact of AI with trusted data.

#### watsonx.ai

Train, validate, tune and deploy AI models

A next generation enterprise studio for AI builders to train, validate, tune, and deploy both traditional machine learning and new generative AI capabilities powered by foundation models. It enables you to build AI applications in a fraction of the time with a fraction of the data.

#### watsonx.data

Scale AI workloads, for all your data, anywhere

Fit-for-purpose data store optimized for governed data and AI workloads, supported by querying, governance and open data formats to access and share data.

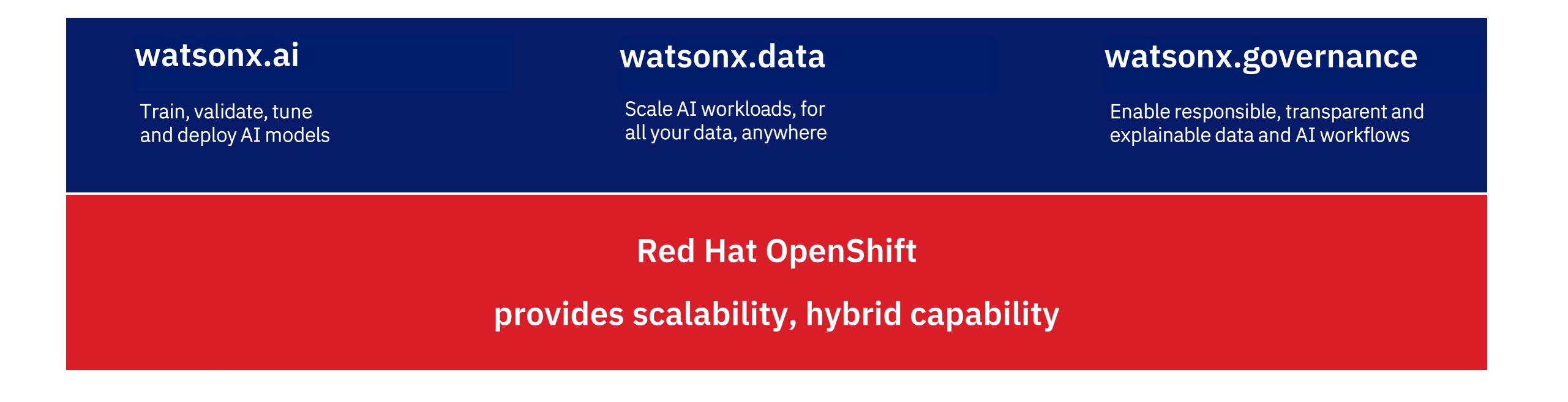
#### watsonx.governance

Enable responsible, transparent and explainable data and AI workflows

End-to-end toolkit encompassing both data and AI governance to enable responsible, transparent, and explainable AI workflows.

#### Put AI to work with watsonx

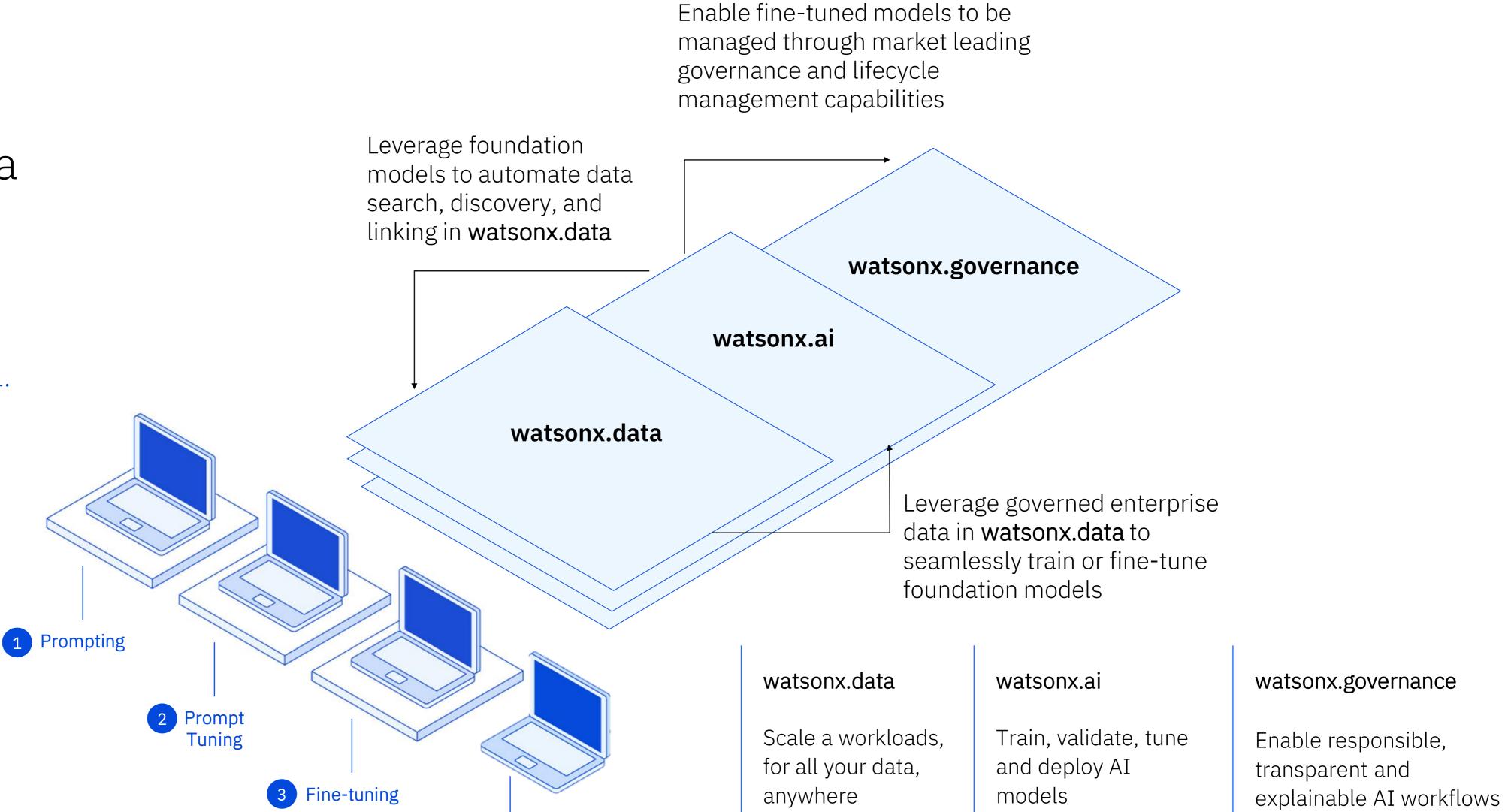
Scale and accelerate the impact of AI with trusted data on hybrid cloud



#### watsonx

The platform for AI and data

Scale and accelerate the impact of AI with trusted data.



Training from scratch

#### watsonx.ai

train, validate, tune,

and deploy their

Clients can

AI models



Bring together AI builders

- Open-source frameworks
- Tools for code-based, automated, and visual data science capabilities
- All in a secure, trusted studio environment



## Accelerate the full AI model lifecycle

- All the tools and runtimes are in one place to train, validate, tune, and deploy AI models.
- Hybrid and multicloud enabled



## Leverage foundation models & generative AI

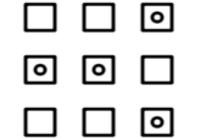
- Train with a fraction of the data, in less time, and with fewer resource
- Leveraged advanced prompt-tuning capabilities
- Full SDK and API libraries.

## watsonx.ai – generative AI with traditional AI features

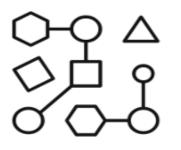
Train, validate, tune, and deploy AI models with confidence

Generative AI capabilities

Plus, a proven studio for machine learning



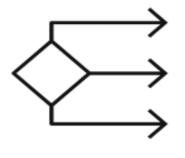
Foundation model library



ModelOps



Prompt lab



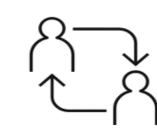
Automated development



Tuning studio

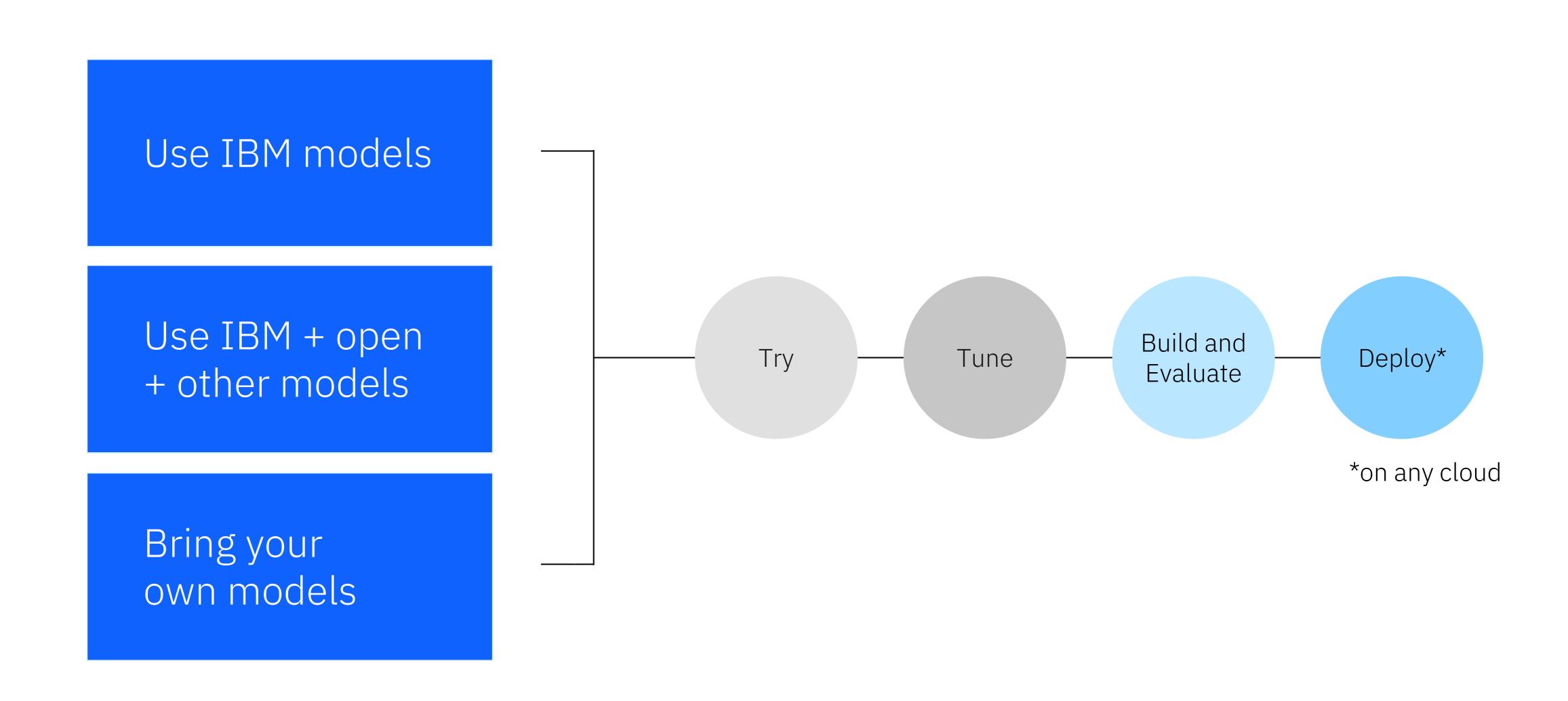


Decision optimization



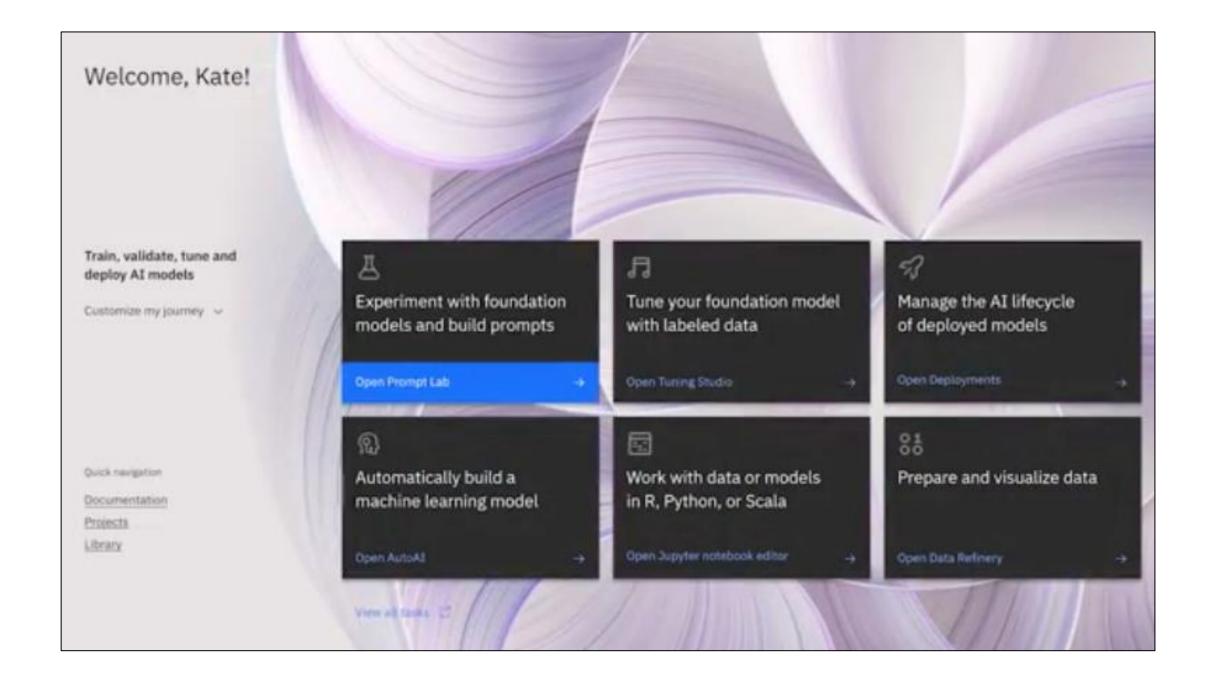
Team collaboration and data preparation

watsonx.ai is based on foundation models that are multi-model on multi-cloud with no lock-in



#### watsonx.ai

Train, validate, tune, and deploy AI models



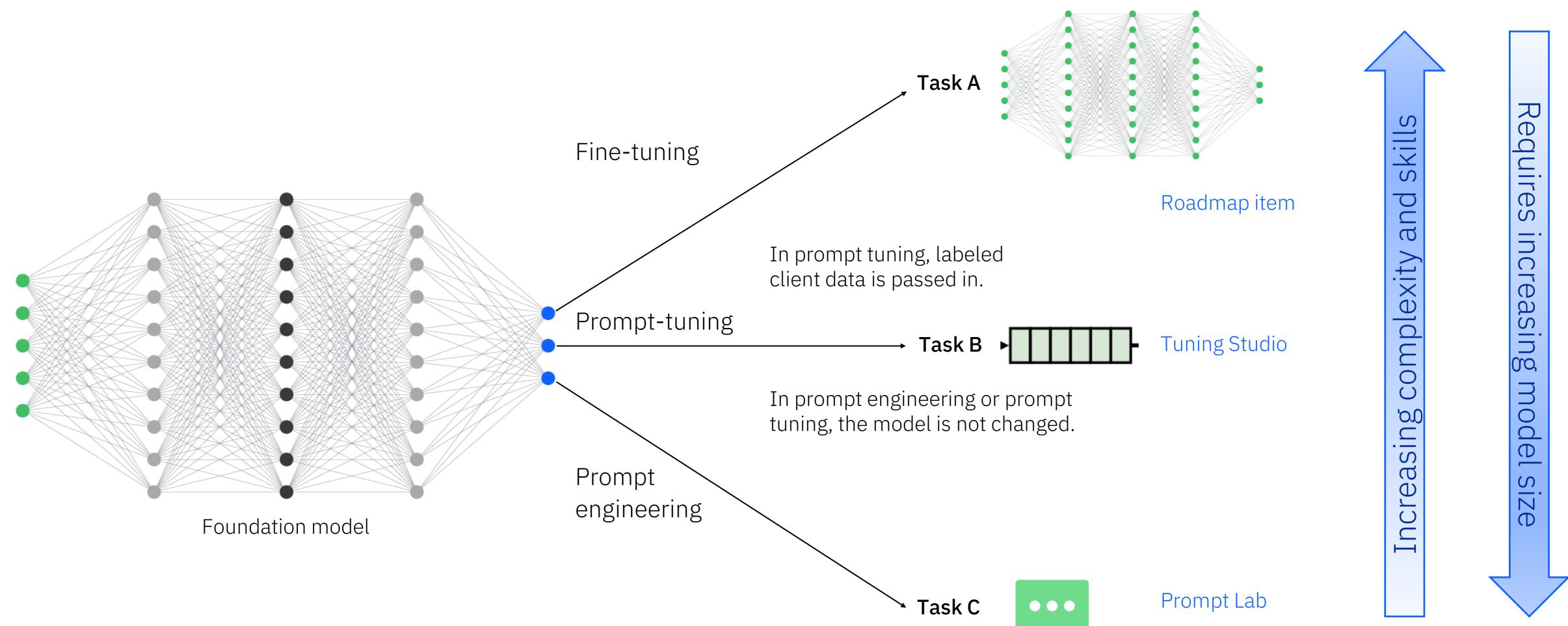
A next generation enterprise studio for AI builders to train, validate, tune, and deploy generative AI, foundation models, and machine learning capabilities.

The watsonx.ai components include:

- Foundation Model Library with IBM and open-source models
- Prompt Lab to experiment with foundation models and build prompts for various use cases and tasks
- Tuning Studio to tune your foundation models with labeled data
- Data Science and MLOps to build machine learning models automatically with model training, development, and visual modeling

Rapid adaptation to multiple tasks with small amounts of task-specific data

Fine-tuning requires labeled data and more resources to tune the model. When a model is fine-tuned, some of the weights are modified and clients get a private instance of the model.



## watsonx.ai Foundation Model Library

Model variety to cover enterprise use cases and compliance requirements

#### IBM models

IBM's suite of foundation models is designed to ensure model trust and efficiency in business applications. Our suite of models features:



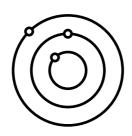
#### Transparent Pre-Training on IBM's trusted Data Lake

- One of the largest repositories of enterprise-relevant training data
- Verified legal and safety reviews by IBM
- Full, auditable data lineage available for any IBM Model



#### Compute-Optimal Model Training and Architectures

- Slate Encoder only transformers
- Granite
  Decoder only transformers
- Sandstone Encoder-decoder transformers
- Obsidian (in progress)
   Sparse universal transformers



#### Efficient Domain and Task Specialization

Models Coming Soon:

- Finance
- Cybersecurity
- Legal, etc.

#### Opensource models

Experiment with opensource models



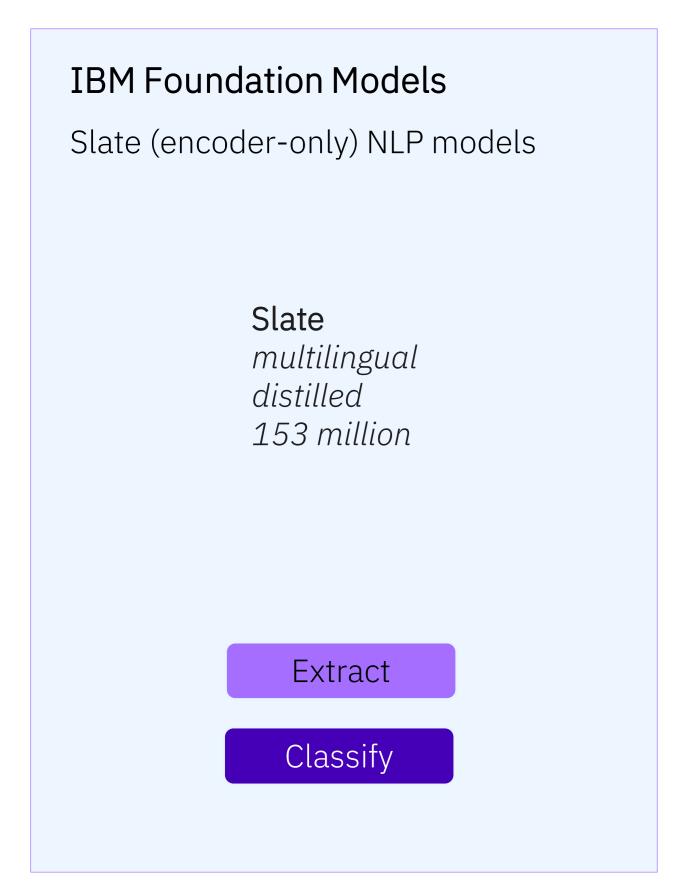
IBM and Hugging Face partnership demonstrates our shared commitment to delivering to clients an open ecosystem approach that allows them to define the best models for their business needs.

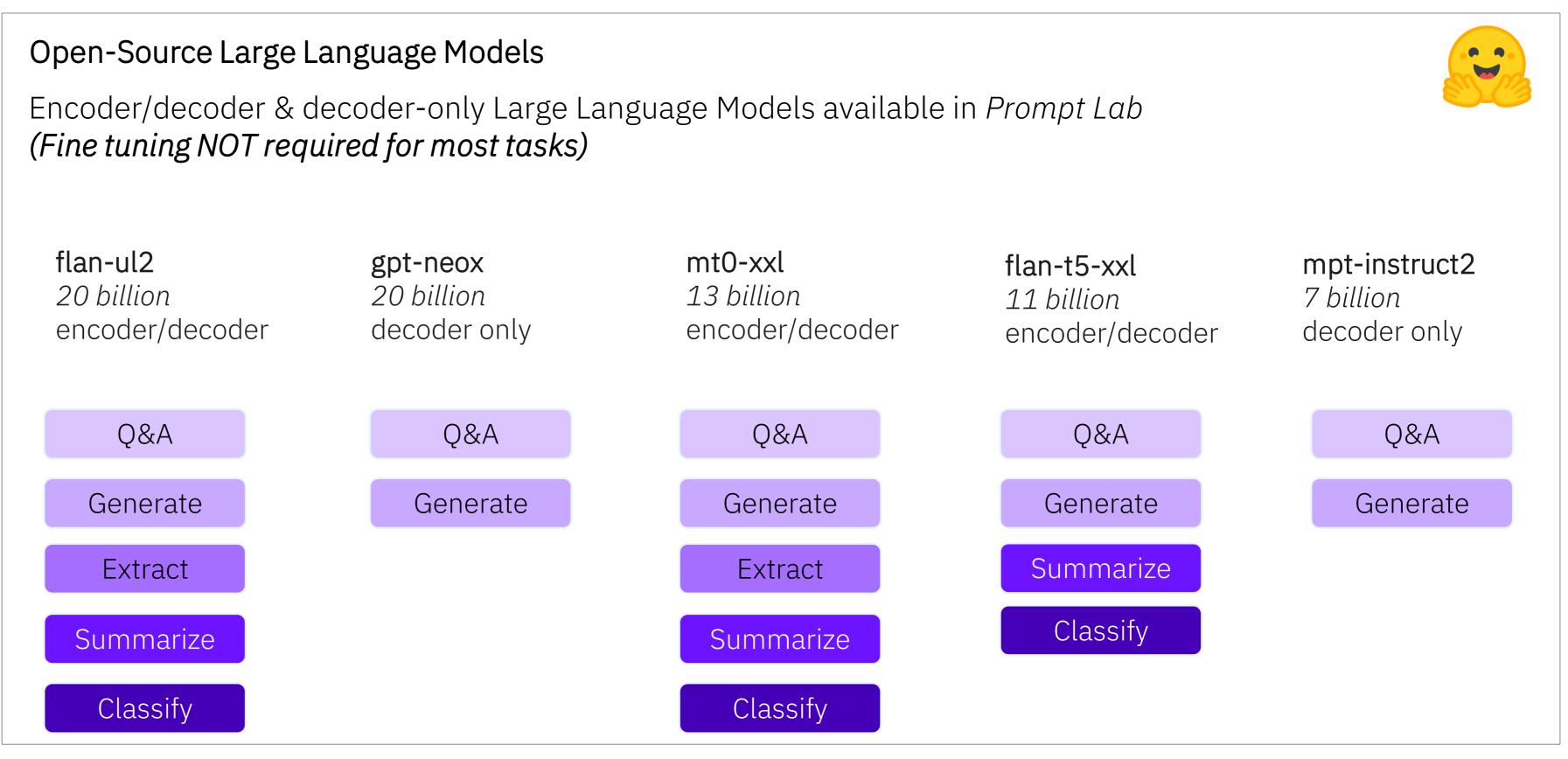
#### Bring-your-own-model

Optional add-on for more flexibility Partner with IBM Research to pre-train your own foundation models.

## watsonx.ai Foundation Model Library

Model variety to cover enterprise use cases and compliance requirements

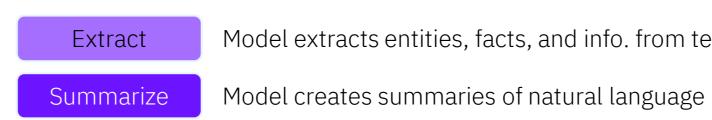




Note: Slate models are fine-tuned via notebooks + API

Open-source models are sourced from Hugging Face

Q&A Model responds to a question in natural language Model generates content in natural language Generate



Model extracts entities, facts, and info. from text



Model classifies text (e.g. sentiment, group, etc..)

## watsonx.ai: Prompt Lab

Experiment with foundation models and build prompts

Interactive prompt builder

Includes prompt examples for various use cases and tasks

Experiment with different prompts, save and reuse older prompts, use different models and vary different parameters

Experiment with zero-shot, one-shot, or few-shot prompting to get the best results

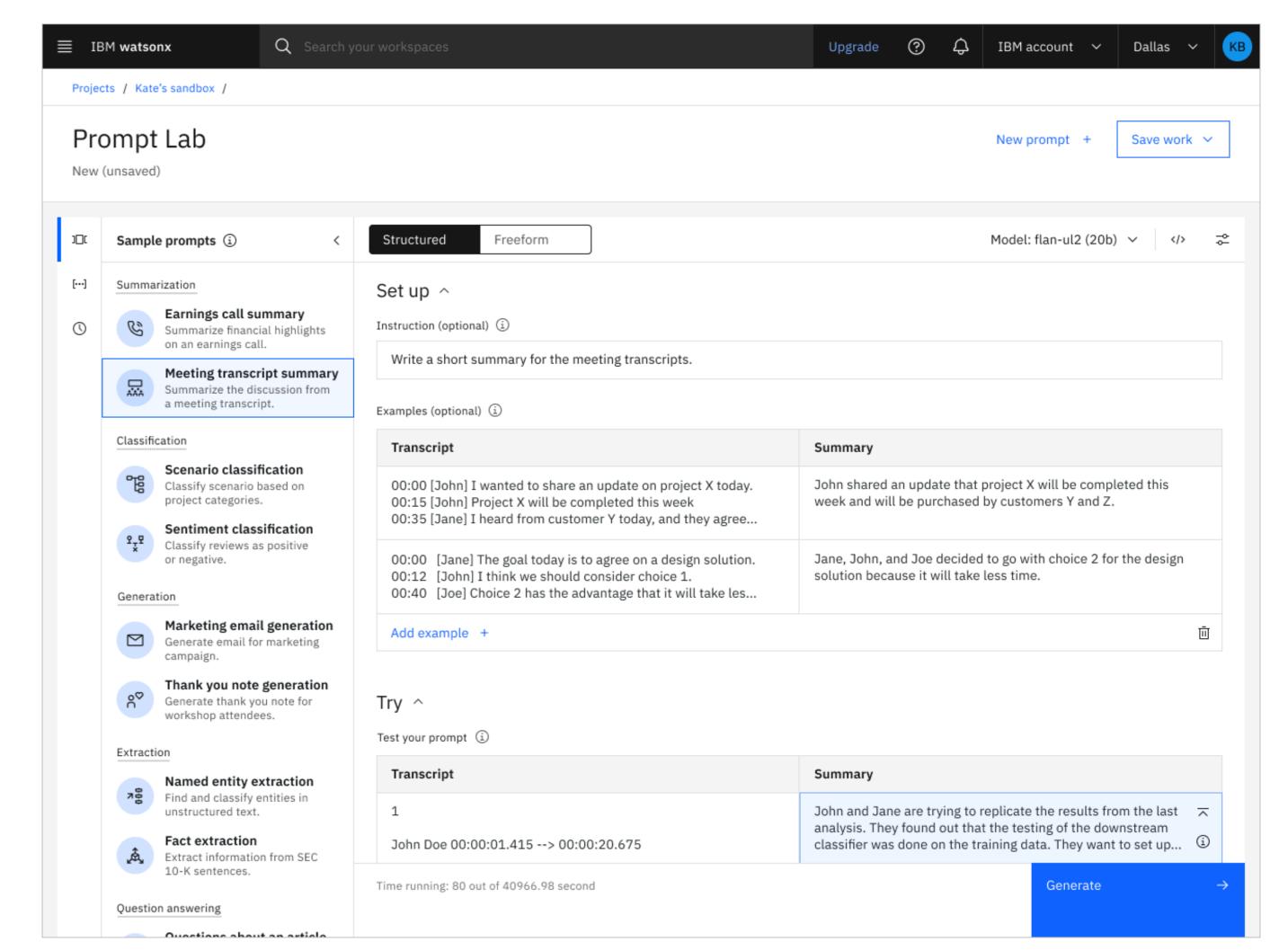
Experiment with prompt engineering

Choice of foundation models to use based on task requirements

Prevent the model from generating repeating phrases

Number of min and max new tokens in the response

Stop sequences – specifies sequences whose appearances should stop the model



## watsonx.ai



# Prompt Lab: client complaint

The following paragraph is a consumer complaint.

The complaint is about one of these options: credit cards, credit reporting, mortgages and loans, retail banking, or debt collection. Read the following paragraph and list all the issues.

I called your helpdesk multiple times and every time I waited 10-15 minutes before I gave up. The first time I got through, the line got cut suddenly and I had to call back. This is just ridiculous. When I finally got through like after 3 days (yes, 3 days) your agent kept going over a long checklist of trivial things and asking me to verify, after I repeatedly told the agent that I am an experienced user and I know what I am doing. It was a complete waste of time. After like an eternity of this pointless conversation, I was told that an SME will contact me. That – was 2 days ago. What is the problem with your support system?

In this example, a modified prompt with an example is provided to the model to teach it what is expected.

I bought a GPS from your store and the instructions included are in Spanish, not English. I have to use Google Translate to figure out. The mounting bracket was broken, and so I need information on how to get a replacement. Moreover, the information seems to be outdated because I cannot see the new roads put in around my house within the last 12 months.

The list of issues is as follows:

- 1) The instructions are in Spanish, not English.
- 2) The mounting bracket is broken.
- 3) The information is outdated.

## watsonx.ai



## Prompt Lab: client complaint continue

#### The following paragraph is a consumer complaint.

The complaint is about one of these options: credit cards, credit reporting, mortgages and loans, retail banking, or debt collection. Read the following paragraph and list all the issues.

I called your helpdesk multiple times and every time I waited 10-15 minutes before I gave up. The first time I got through, the line got cut suddenly and I had to call back. This is just ridiculous. When I finally got through like after 3 days (yes, 3 days) your agent kept going over a long checklist of trivial things and asking me to verify, after I repeatedly told the agent that I am an experienced user and I know what I am doing. It was a complete waste of time. After like an eternity of this pointless conversation, I was told that an SME will contact me. That – was 2 days ago. What is the problem with your support system?

With the added instructions from the previous slide, this is the new output:

The list of issues are as follows;

- 1) Waited 10-15 minutes every time I called
- 2) The line got cut suddenly
- 3) The agent kept going over a long checklist of trivial things
- 4) I was told that an SME will contact me
- 5) No one called

#### This is the expected results.

With the added instructions, the model further understands that the task is to extract a list of issues raised by the customer.

## watsonx.ai: Tuning Studio

Tune your foundation models with labeled data

Prompt tuning

Task support in the Tuning Studio

Efficient, low-cost way of adapting an AI foundation model to new downstream tasks

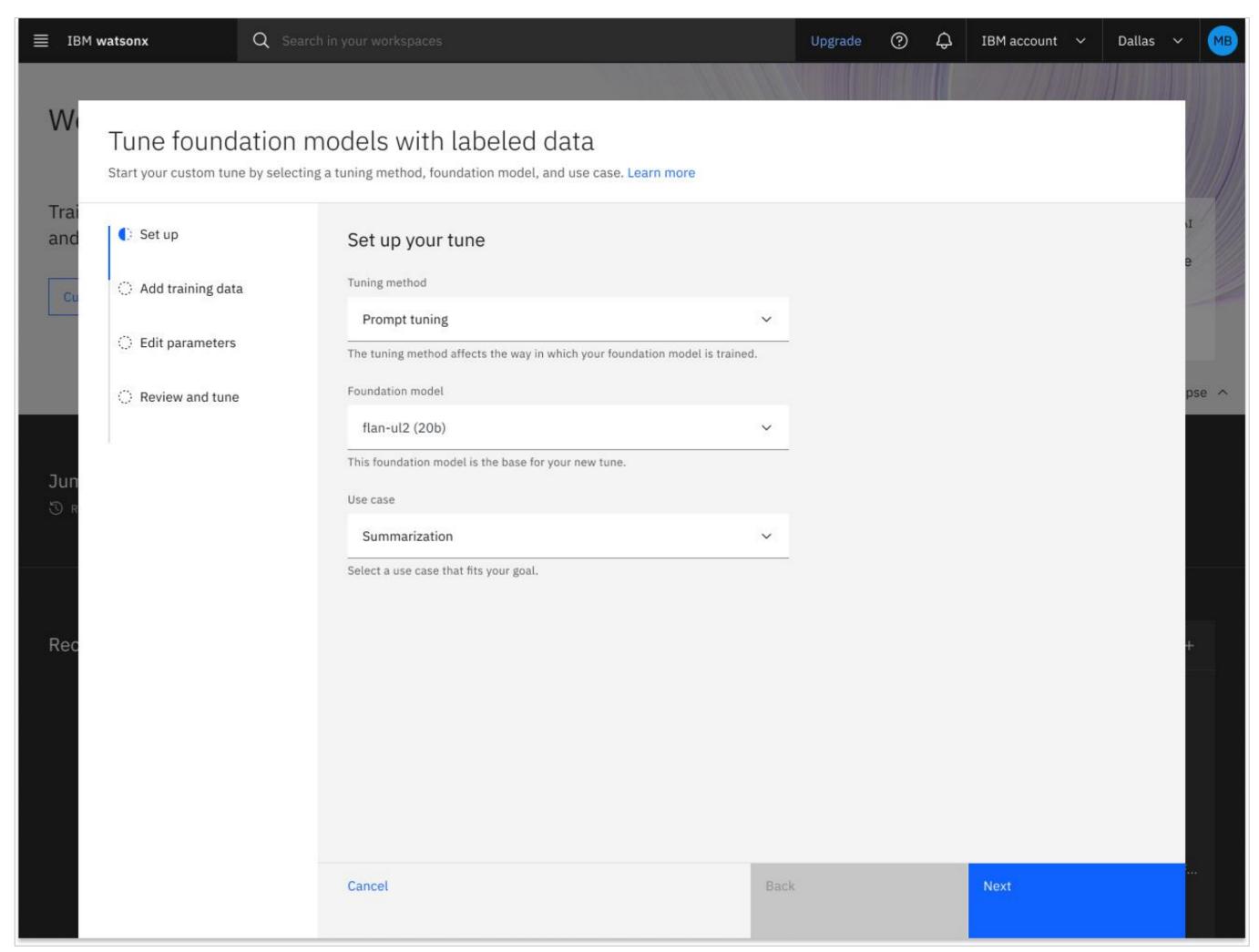
Models support a range of Language Tasks: Q&A, Generate, Extract, Summarize, Classify

Tune the prompts with no changes to the underlying base model or weights

Requires a small set of labelled data to perform specialized tasks

Unlike prompt engineering, prompt tuning allows clients to further train the model with focused, business data

Can achieve close to finetuning results without model modification, at a lower cost to run



## watsonx.ai: Data Science and MLOps

Build machine learning models automatically in the studio

## Model training and development

Build experiments quickly and enhance training by optimizing pipelines and identifying the right combination of data

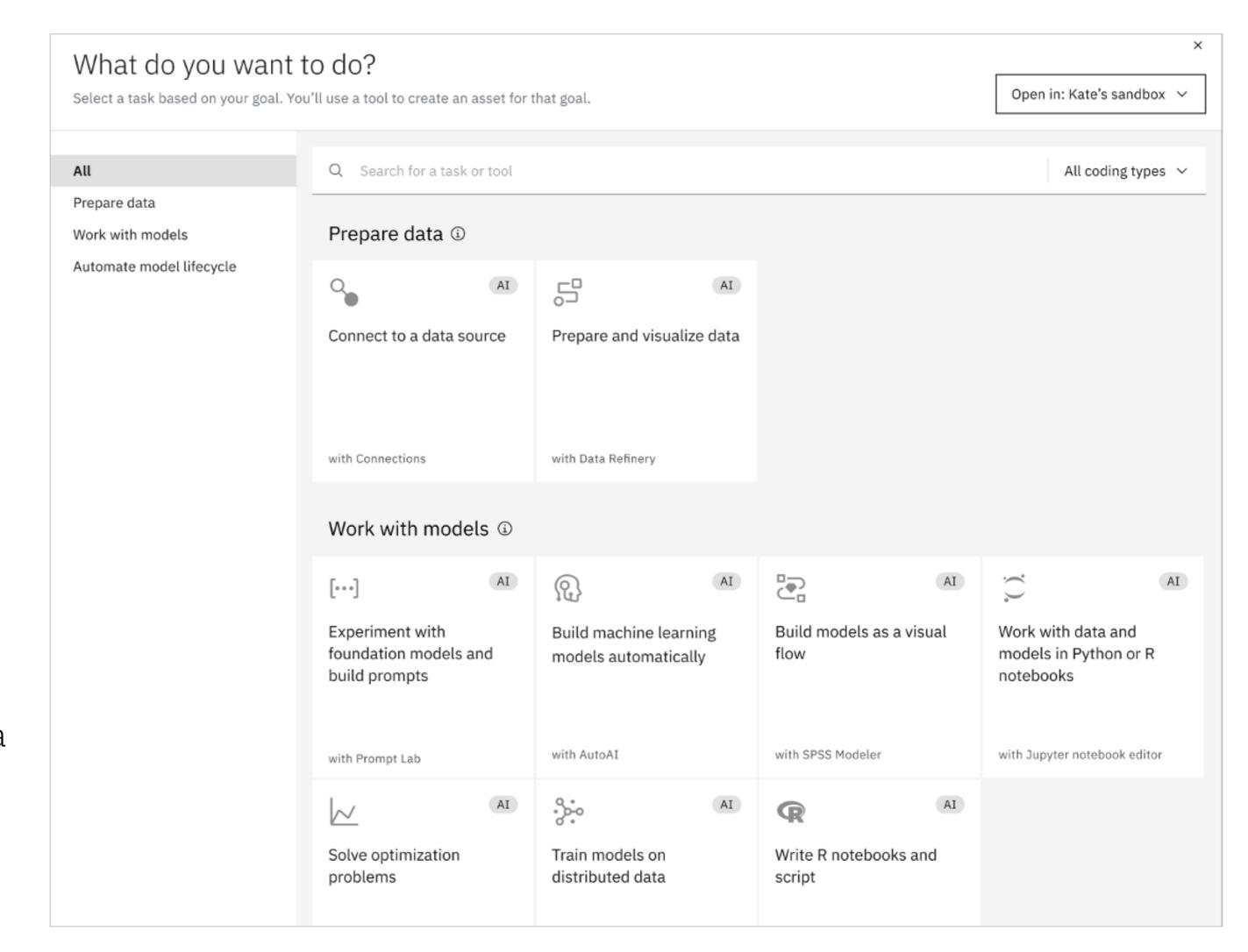
AutoAI, including preparing data for machine learning and generating and ranking candidate model pipelines

Use predictions to optimize decisions, create and edit models in Python, in OPL or with natural language

## Integrated visual modeling

Prepare data quickly and develop models visually to help visualize and analyze enterprise data to identify patterns and trends, explore opportunities, and make informed, insightful business decisions

- Uncover correlations
- Insight for hypotheses
- Find relationships and connections within the data



## watsonx.ai is transparent, responsible, and governed

Most AI models are trained on datasets of unknown quality, representing legal, regulatory, ethical, and inaccuracy nightmares. Data provenance and quality matters. **IBM ensures its AI can be trusted.** 

#### watsonx.data

- Curates domain-specific and internet datasets, as well as ingesting your own
- Filters for hate, profanity, biased language, and licensing restrictions before training
- Tracks and manages every step of the process to meet legal and regulatory requirements

#### watsonx.governance

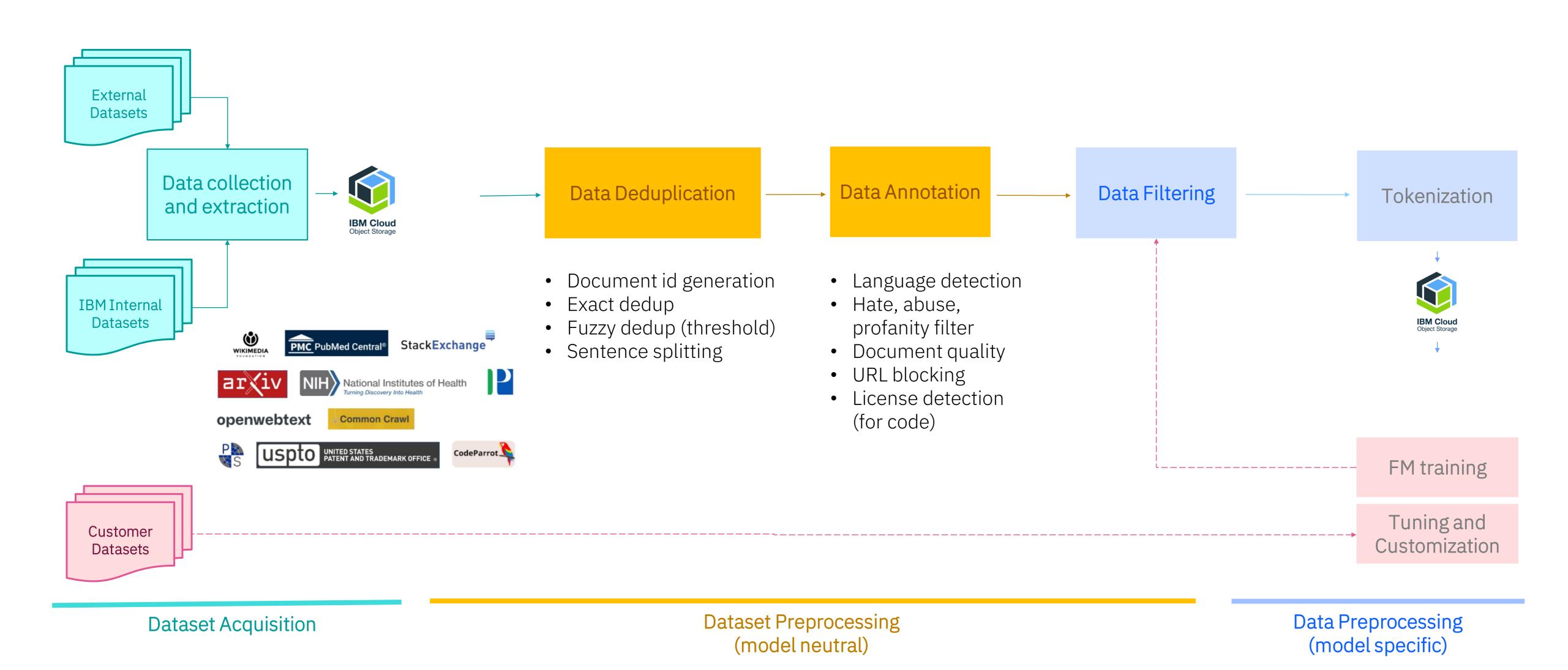
- Governs training data and the AI deployed
- Applies reinforcement learning with human feedback to align models with human values, reduce hallucinations, and build AI guardrails
- Finds and fixes AI biases before ML AI models are tuned and deployed

#### IBM's Center of Excellence for Generative AI

Over 1,000 IBM Consultants specialized in generative AI help you establish an organization to adopt and scale AI safely, detect and mitigate risks, and provide education and guidance

### watsonx.data: curated IBM Data Pile

Enterprise-ready data acquisition, curation, provenance, and governance



watsonx.ai is helping companies custom-build AI solutions to suit their specific needs.



Leveraged watsonx.ai foundation models to train their AI to create tennis commentary. Generated informative and engaging video clip narrations for fans with varied sentence structures and vocabulary.



#### **SAMSUNG SDS**

Exploring watsonx.ai generative AI capabilities for new solutions such as SDS's Zero Touch Mobility to deliver unprecedented product innovations to improve client experience.

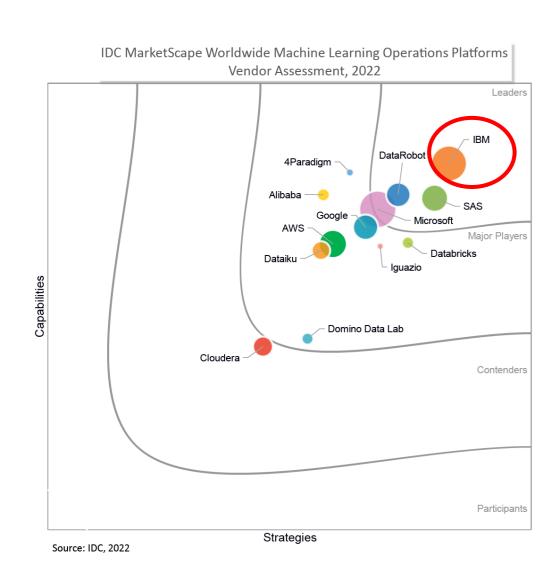


Using watsonx.ai to slash delivery time from 3-4 months down to 3-4 weeks for many customer care use cases.

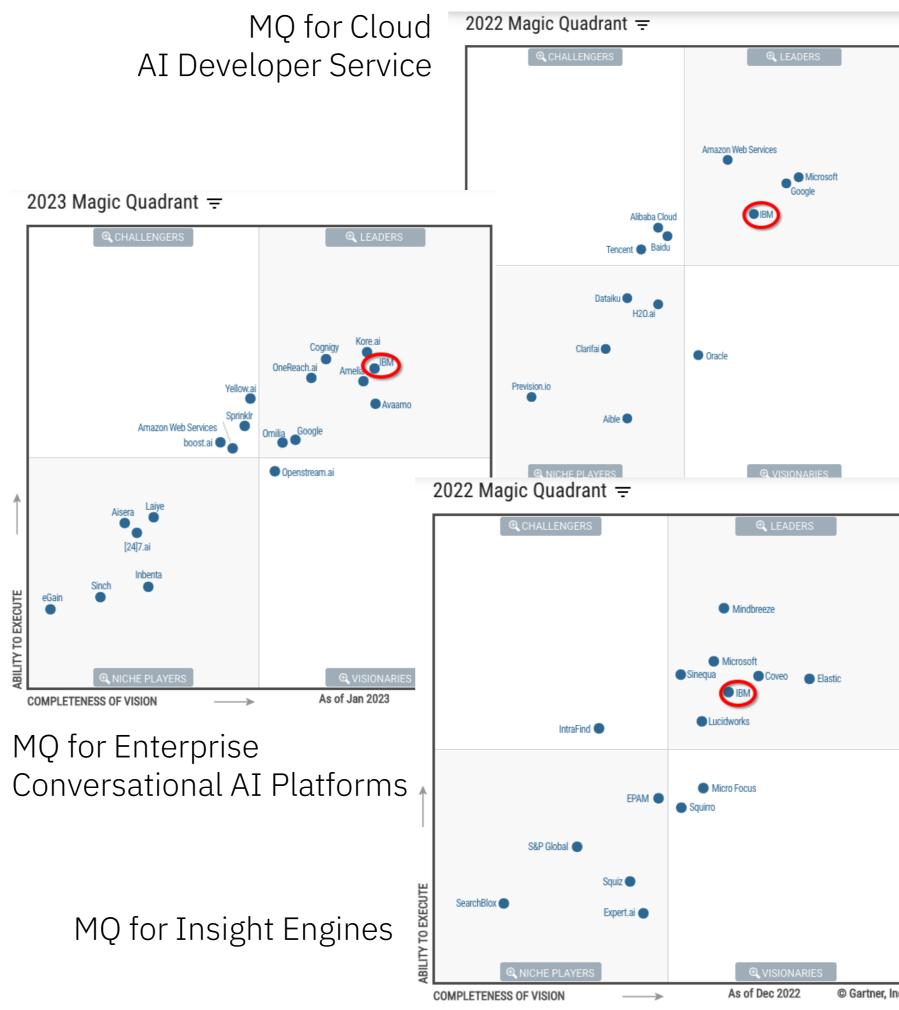


An early adopter of generative AI, has been exploring watsonx.ai to improve content discoverability, summarization and classification of data to enhance productivity.

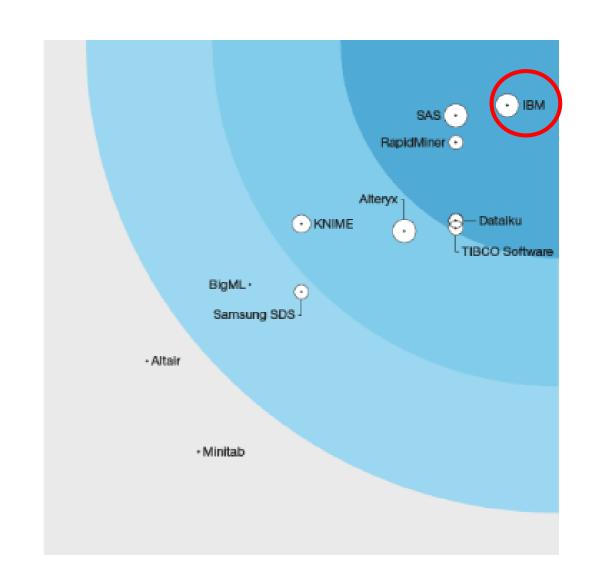
### IBM is a leader in AI



IDC Marketscape:
Leader in Worldwide
Machine Learning
Operations Platforms
2022 Vendor Assessment

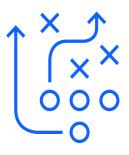


Multiple Gartner Magic Quadrants for AI-related capabilities



Forrester Wave:
Multimodal Predictive
Analytics and
Machine Learning

## How to get started with watsonx.ai today IBM's investment in partnering with you



#### **FREE TRIAL**

Experience **watsonx.ai** yourself with a free trial through ibm.com/watsonx.

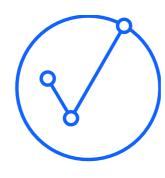
Try our free trial



#### **CLIENT BRIEFING**

Discussion and custom demonstration of IBM's generative AI **watsonx** point-of-view and capabilities. Understand where generative AI can be leveraged now for impact in your business.

2-4 hours



#### PILOT PROGRAM

Watsonx.ai pilot develop with IBM Client Engineering and IBM Consulting to prove the solution's value for the selected use case(s) with a plan for adoption.

1-4 weeks

## Let's create a Pilot 🔍

#### What does IBM offer?

A no-cost IBM multi-disciplinary team and expertise to jointly innovate and rapidly prove generative AI solutions to your business needs, leveraging watsonx.

#### What value do you get?

A model that delivers the agreed upon pilot scope. Confidence that generative AI with watsonx can deliver a technical solution to your compelling business needs with trust and meeting your enterprise requirements.

#### What is your commitment?

Your business and technology context, sponsorship, subject matter experts, and data.

#### IBM watsonx Pilot Team

600+

AI Engineers

50+

Countries

**100s** 

Domain & Industry Experts

Supported by IBM product and research teams

