



# Unlocking the Potential of AI: How Local Governments Can Lead the Way

Alex Goryachev

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**“52% of the Fortune 500 companies  
from the year 2000  
are now extinct..”**



# BLOCKBUSTER



**BORDERS**



**WORLD**COM



**NORTEL**  
NETWORKS



ARTHUR  
ANDERSEN

BEAR  
STEARNS



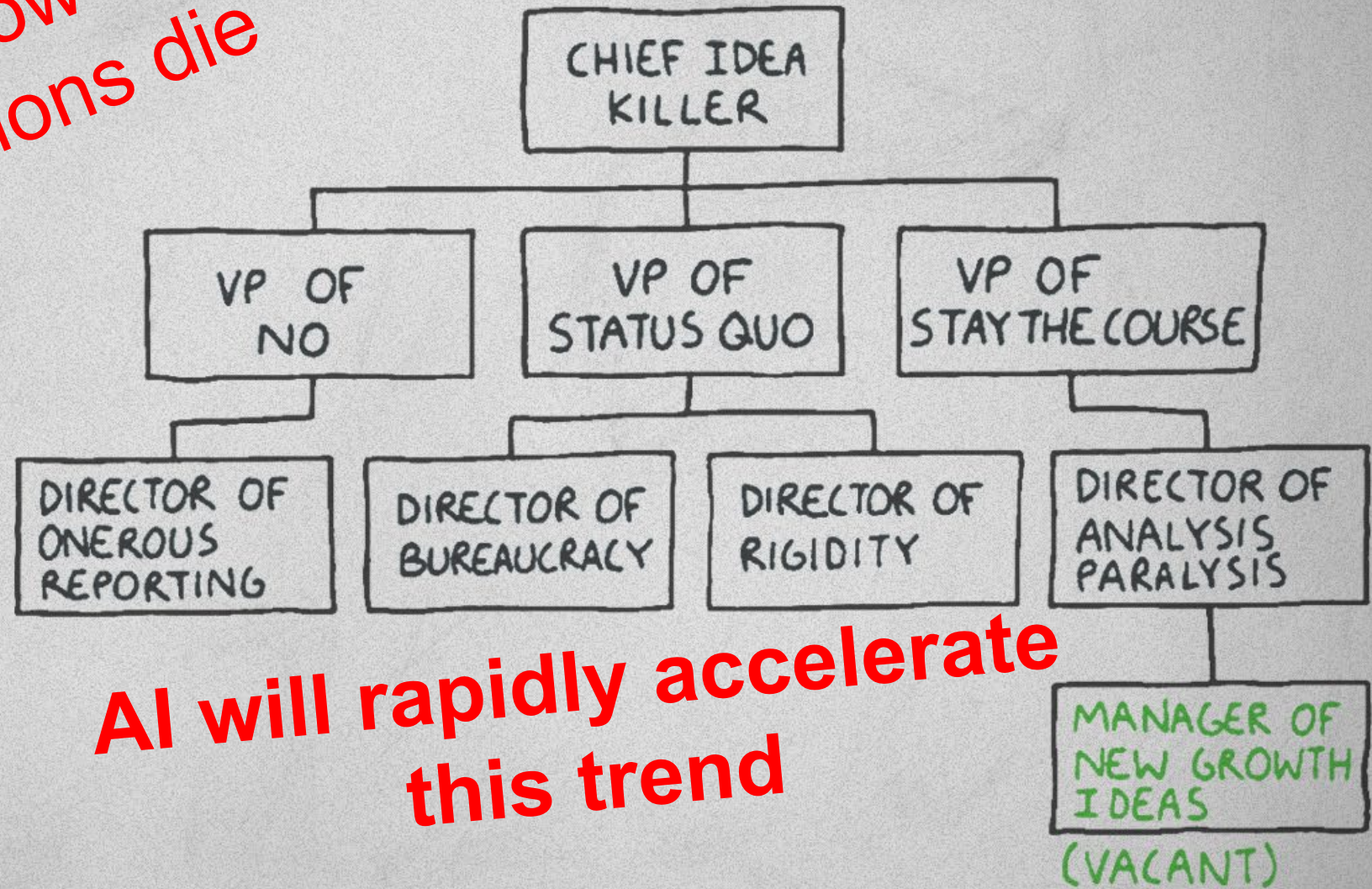
Reader's  
Digest

WHO IS  
NEXT?

LEHMAN  
BROTHERS



all of us know  
why organizations die



AI will rapidly accelerate  
this trend



# Economic Transitions



Hyper-connectivity



Speed of  
innovation



Lower cost  
of innovation



AI

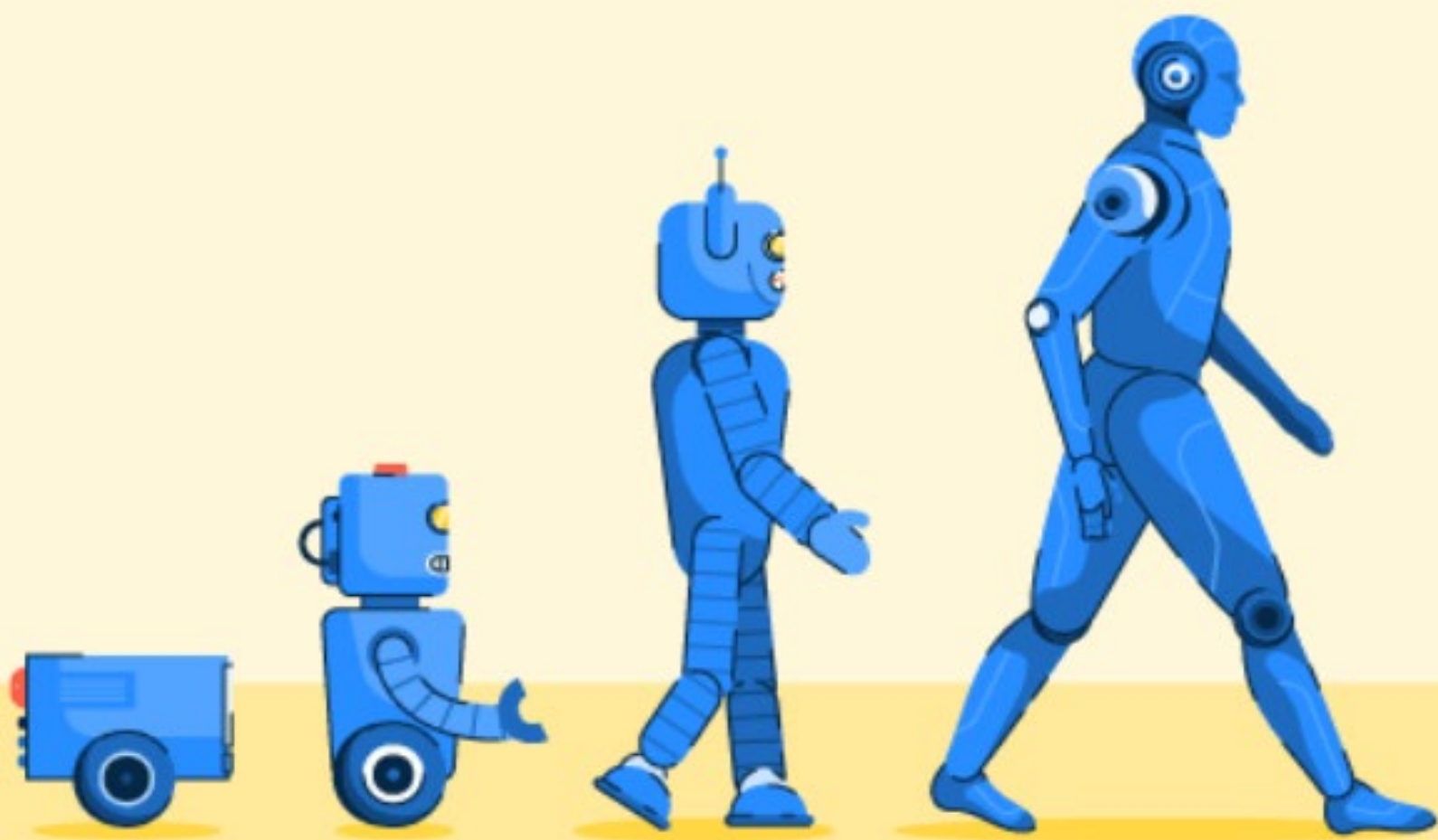
2025 → 75B  
IP DEVICES

2023 → \$220B  
MOBILE APPS

\$5M → \$FREE

?

**AI is an ultimate  
equalizer – creating a  
fundamental power shift that  
will impact all areas of life**





# ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users





180M

ChatGPT Users

61%

Americans think  
AI is a threat to humanity

27%

Legacy jobs lost to AI  
in the next 10 years

## Out of **10 U.S. workers**



Six workers will have at least **10%** of their work tasks impacted by GPT technology



Two workers will have over **50%** of their work tasks impacted by GPT



## What makes **your** job exposed to GPT?

Exposure: potential economic impact

● Low Exposure



Low wages



Manufacturing



Agriculture



Mining



Jobs requiring low formal education



Jobs requiring many hours of on-the-job training



Critical thinking Skills



Science skills



● High Exposure



High wages



Writing



Programming



Information processing



Work that requires college degree or higher



Minimal on-the-job training



Routine & repetitive work

## What **jobs** are exposed to GPT?

● Low Exposure

- Athletes
- Automotive Repairers
- Cement Masons
- Cooks
- Pile Driver Operators
- Stonemasons
- Tire Repairers and Changers
- Dishwashers
- Carpenter Helpers



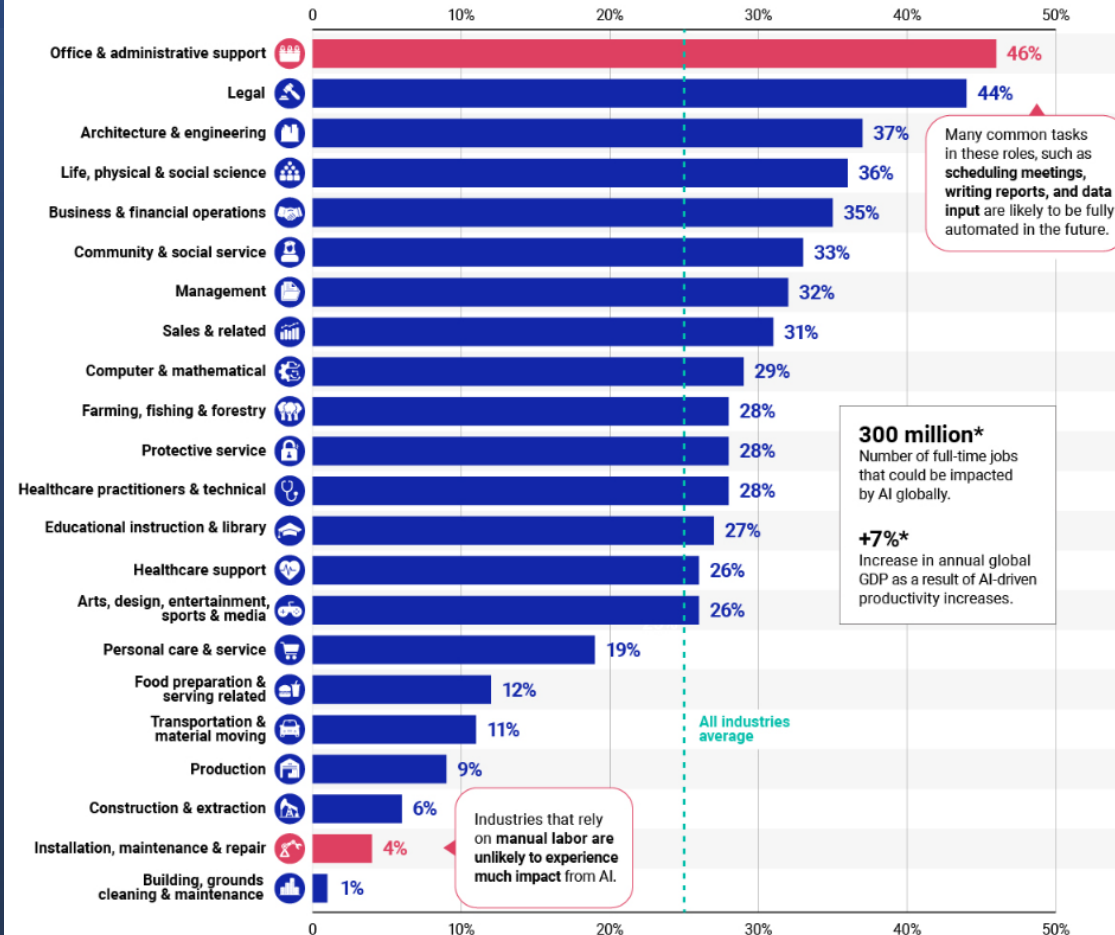
● High Exposure

- Interpreters + Translators
- Survey Researchers
- Writers and Authors
- Public Relations Specialists
- Tax Preparers
- Mathematicians
- Blockchain Engineers
- Proofreaders and Copy Markers
- Accountants and Auditors

# U.S. Industries with the Highest Potential for Automation

*i* Automation exposure was estimated for 900+ U.S. jobs using the O\*NET occupational database. Exposure estimates were weighted by the employment share of each occupation, and aggregated to the industry level.

## Estimated Share of Employment Exposed to AI Automation



Source: Goldman Sachs Global Investment Research (March 2023)



## Top 10 Cities With the Most Potential Job Losses

- |                          |                         |
|--------------------------|-------------------------|
| 1 Las Vegas, Nevada      | 6 San Antonio, Texas    |
| 2 Miami, Florida         | 7 Phoenix, Arizona      |
| 3 Louisville, Kentucky   | 8 Salt Lake City, Utah  |
| 4 Orlando, Florida       | 9 Detroit, Michigan     |
| 5 Grand Rapids, Michigan | 10 Nashville, Tennessee |



# Cities everywhere are beginning to explore generative AI approaches:

**71%** of surveyed cities are either exploring, testing, or implementing generative AI



**23%** of surveyed cities have a designated generative AI lead



**81%** of surveyed cities want to use generative AI to optimize city service delivery to constituents



**71%** of cities are exploring, testing or implementing the use of generative AI, yet most cities have not developed their capabilities and policies



**to survive and thrive,  
cities must quickly  
raise their AI competency and  
develop AI Strategy**

# Key Impact Metrics



Addressing  
needs of  
Residents

Productivity  
& efficiency

\$  
Savings

?



# Key Use Cases

“Smart City”

Communications

Program / Project  
Management and  
Planning

Data Analysis and  
Reporting

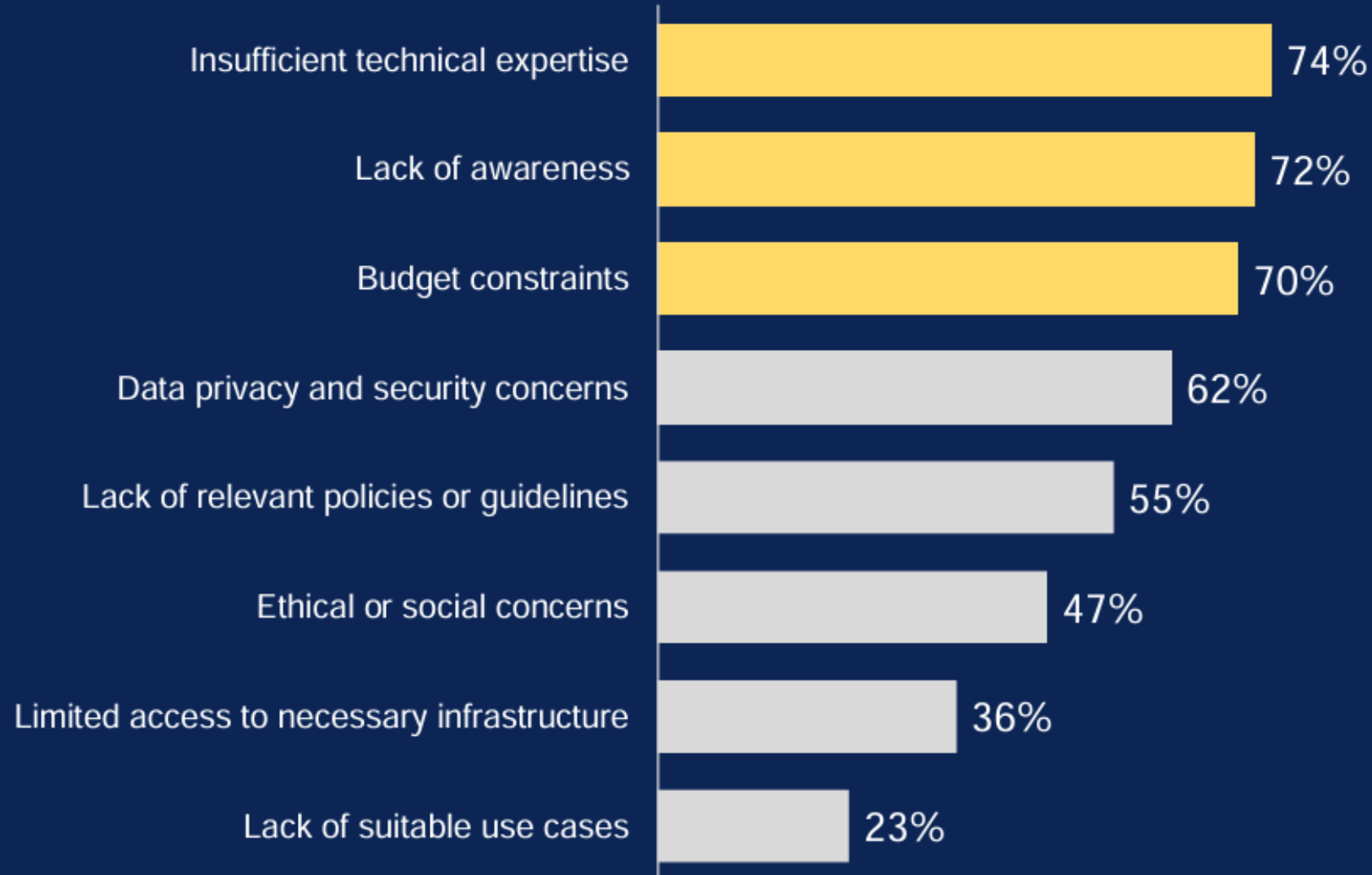
Citizen Services

Safety & Security

Business  
Operations

?

# Main Barriers:





# Key Elements of Initial AI Strategy



# Key Elements of Initial AI Strategy

## Agree on Objectives

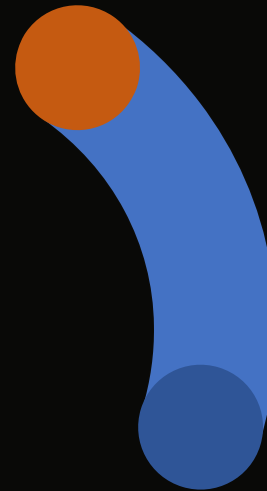


- > Understand Risks/Rewards
- > Agree on Needs & Priorities
- > Understand Key AI Stakeholders
- > Establish Governance



# Key Elements of Initial AI Strategy

- > Existing regulatory landscape
- > Verification, Privacy & Disclosure
- > Potential Bias & Ethical Issues
- > Workforce planning Impact
- > Create and communicate AI usage policies ASAP



Regulatory  
landscape

# Key Elements of Initial AI Strategy

- > Build your own AI Skills
- > Develop AI talent in your organization
- > Early identification of impacted roles and retraining



Workforce  
training



# Key Elements of Initial AI Strategy

- > Start Small
- > Define clear measurable goal
- > Build and execute 2-3 pilots



Invest  
in quick wins

# Key Elements of Initial AI Strategy

Build  
Foundation for  
the future



- > Steering Committee / Owner
- > Develop Ecosystem Partnerships
- > Long term-impact & Use Cases
- > Data Foundation

# Leadership actions

- > Educate yourself and your teams NOW
- > Designate a leader & setup governance
- > Develop, communicate and enforce policies
- > Build a coalition of the willing: look for ecosystem partners
- > Seek Public Input & Be Transparent
- > Experiment with 1-2 quick wins



Cities that embraced the industrial revolution became the economic powerhouses of the 20th century.

In the digital age, cities leading in technology and innovation will become leaders.

**Alex Goryachev**

 [linkedin.com/in/alexgoryachev](https://www.linkedin.com/in/alexgoryachev)

# Top AI Applications - 2023

“ If 2023 was a year of big, impressive, generalized AI chatbots, 2024 will be a year of the narrow and specialized.

- Alex Kantrowitz

- Chatbot
- Text Generator
- Image Generator
- Video Generator
- Data Science

