OC LEADER BOARD | Opinion, Analysis, Insight

OC's Long-Term Economic Prosperity Relies on Artificial Intelligence

For long-term economic success, Orange County needs to stake its claim in the digital economy and emerging tech.

Competition is fierce.

Tech founders and investment continue to gravitate to Silicon Valley.

Other regions and countries are offering incentives and funding to leap ahead.

If we want OC to gain a larger share, we need to build out a tech hub—and our focus should be artificial intelligence (AI).

Artificial intelligence is transforming our world. Analysts predict AI will be worth $15.7 trillion to the global economy by 2030. The United States is a global leader in the research, commercialization and use of AI, with applications of AI already driving innovation.

Far from a tech-only play, AI can be a horizontal unifier and growth multiplier across markets. AI is disrupting industries through new startups and by upending business models and creating new opportunities for old economy companies. According to **McKinsey**, AI value creation will come from revenue generated by AI-enabled offerings and by cost savings through greater efficiency and productivity achieved with AI.

The AI Ecosystem

A strong AI ecosystem will set us up to share technology, people and best practices, advancing together. If we move swiftly, we can catapult OC into a leadership position as a top **AI Tech Hub**, attracting talent, investment, and companies to our region.

AI is already creating new roles and reshaping existing job functions—from recruiting and marketing to security and scientific research.

AI roles currently require a set of advanced and specialized technologies and skills. A recent analysis of online job posting profiles using the words "artificial intelligence" revealed that in a 12-month period there were 1,842 unique job postings in Orange County with a median advertised salary of $133,000.

But AI jobs won't all require advanced, specialized coding skills. AI will ultimately impact roles throughout a business.

It's critical that more workers and professionals understand how AI
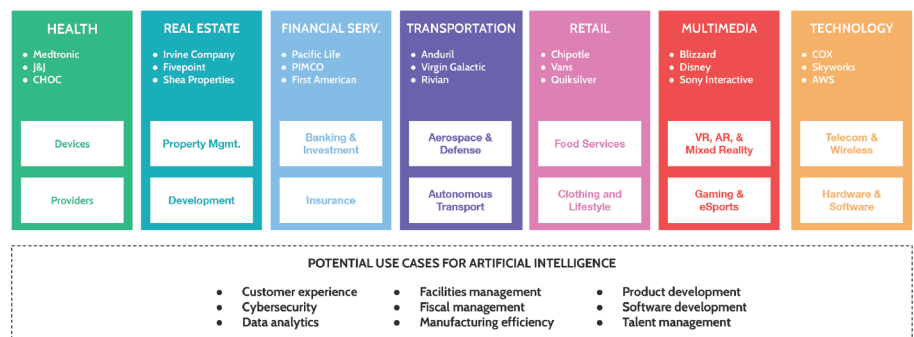
Stephen Ibaraki

Stuart McClure

tools can be used in their industry or function, and how to best leverage these tools to improve decision making and increase efficiency. This could include finance professionals leveraging an AI platform to identify key trends for business analysis, plant managers using AI diagnostics to maximize up-time and in manufacturing facilities, or physicians accessing AI tools to diagnose patients more quickly.

There will also be a need for talent to support the infrastructure of AI, including cloud computing and cybersecurity.

When you consider jobs that include some aspect of AI in the job description, the annual postings for roles jumps to 5,000 with median salaries ranging from $54,000 to $168,000, based on research completed by **CEO Leadership Alliance Orange County** in 2021.

AI is a unifier across the multiple OC verticals

HEALTH	REAL ESTATE	FINANCIAL SERV.	TRANSPORTATION	RETAIL	MULTIMEDIA	TECHNOLOGY
• Medtronic • J&J • CHOC	• Irvine Company • Fivepoint • Shea Properties	• Pacific Life • PIMCO • First American	• Anduril • Virgin Galactic • Rivian	• Chipotle • Vans • Quiksilver	• Blizzard • Disney • Sony Interactive	• COX • Skyworks • AWS
Devices	Property Mgmt.	Banking & Investment	Aerospace & Defense	Food Services	VR, AR, & Mixed Reality	Telecom & Wireless
Providers	Development	Insurance	Autonomous Transport	Clothing and Lifestyle	Gaming & eSports	Hardware & Software

POTENTIAL USE CASES FOR ARTIFICIAL INTELLIGENCE

- Customer experience
- Cybersecurity
- Data analytics
- Facilities management
- Fiscal management
- Manufacturing efficiency
- Product development
- Software development
- Talent management

With the strong talent base in OC, together with local college and universities and new certification programs, we are well positioned to ready people to take on current and emerging roles in this exciting new arena.

The Race to Beat Other Global AI Hubs

Building an AI Tech Hub will require an ecosystem approach and collaboration across the region to fully realize the potential. Around the globe we see many regions forging ahead with AI that we can learn from.

China is aggressively increasing its focus on AI. Last summer, China's State Council issued an ambitious policy blueprint calling for

the nation to become "the world's primary AI innovation center" by 2030, worth $150 billion.

"China is investing heavily in all aspects of information technology," from quantum computing to chip design, says **Raj Reddy**, a Turing Award–winning AI pioneer at **Stanford University**, and **Carnegie Mellon University**. "AI stands on top of all these things."

A strong comparison to OC can be made to Singapore, with a 2022 forecasted GDP of $397 billion, compared to OC's $313 billion. Singapore has a 2030 vision of "Being a leader in developing and deploying scalable, impactful AI solutions."

A recent article in **AI Singapore** reported on the investment of government funds into talent development and education as a core enabler of AI innovation. National AI accreditation standards have been developed and are available online for no to low cost for students, teachers, professionals, and executives.

The educational opportunities work hand-in-hand with real-world experiences including job retraining, hackathons and apprenticeships. Singapore believes that no one is too young to learn about AI, offering educational opportunities for students as young as 7 years old, and runs "AI for Everyone" campaigns to educate the general public.

No single region within the U.S. currently owns AI, and OC is well positioned to lead.

OC already has at least 40 AI companies plus another 80 that leverage AI in their operations. Yet Orange County is currently ranked 11th out of 50 U.S. major metros on the **Chapman/UC Irvine** innovation index, a standardized measure of business, job and wage growth. We believe a focus on AI can help us break into the top five.

Building Blocks of the OC AI Tech Hub

Drawing from what has worked for existing AI hubs, OC leaders are working to advance AI through these five areas.

Capital: A focused story that describes the opportunities and the multiplier effect of an AI Tech Hub will help us attract investment to OC.

Talent: OC has a strong pipeline of highly trained and educated individuals from the schools and colleges in our region. Developing a strong pool of diverse, AI-fluent talent is central to our strategy to lead with AI.

Corporations: We have a variety of industries clustered here in OC, including those focused on AI or supporting tech, plus more established businesses that are aggressively integrating AI into their business models and operations.

Government: Working with local and state leaders to increase awareness of AI and advocate for the systems needed to support the local ecosystem through workforce training, and business investment.

Entrepreneurs: We are creating a strong, interconnected entrepreneurial ecosystem here in our county that will support early-stage companies and attract founders.

Early career or experienced leaders, big company or small business, everyone should learn more about AI and consider how AI can help advance their businesses and their career.

We urge business leaders to consider how they are integrating AI into their businesses to drive growth and create efficiencies in operations and back-office functions. They can engage with early startups to pilot new technologies and invest in promising ideas. And they can help develop their people to be the AI leaders of the future.

Let's act now, before we miss our chance to establish our position in the next wave of business and cultural transformation.

*Editor's Note: **Stephen Ibaraki**, one of the world's premier thought leaders on artificial intelligence, has won 18 global **Microsoft** awards, including 15 MVP Awards that recognizes exceptional technology community leaders worldwide. **Stuart McClure**, who founded Irvine cybersecurity firm Cylance and sold it for $1.4 billion to **BlackBerry**, is now an AI-focused entrepreneur. Both are working with the **CEO Leadership Alliance Orange County**, whose mission is to build OC into an inclusive tech talent hub focused on AI.*