

“AI” and Site Selection: Collecting Data for Projects in Real-Time

Breakout #3

Fall Forum 2024 | Detroit





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Intro to AI

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The Guild's AI Report

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Live "AI Sandbox" with ChatGPT

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Key Learning



1. Intro to AI



Understanding AI



Machines and systems that can perform tasks requiring human-like intelligence such as reasoning, learning, problem-solving, and understanding language.

Types of AI (Perspective #1)

1. **Narrow AI (Weak AI):**
Focuses on performing specific tasks like facial recognition or voice assistants (e.g., Siri, Alexa).
2. **General AI (Strong AI):**
A theoretical form of AI that can perform most intellectual task that a human can, but this is not fully realized.
3. **Artificial Superintelligence (ASI):**
A future stage where AI surpasses human intelligence (“technological singularity”), potentially massively reshaping society.

Understanding AI



Machines and systems that can perform tasks requiring human-like intelligence such as reasoning, learning, problem-solving, and understanding language.

Types of AI (Perspective #2)

- 1. Generative AI:**
AI systems that can generate new data or content, such as images, text, or music, e.g., OpenAI's GPT models or DALL·E.
- 2. Agentic AI:**
AI that acts autonomously, making decisions based on input data without human intervention, e.g., self-driving cars.
- 3. Other Forms of AI:**
Machine learning (data processing & task handling), natural language processing (understand/produce human language), and computer vision (interpret and process visual data).

Advances in Generative AI are Impressive



2012: “This is a cat.”



2022: “Draw me a cat...”



But can AI do consulting work?

Sources: “How Many Computers to Identify a Cat? 16,000,” New York Times (June 25, 2012), and <https://cheezburger.com/23018245/cats-climb-the-corporate-ladder-in-these-35-ai-generated-images> (downloaded May 7, 2024).

2. The Guild's AI Report



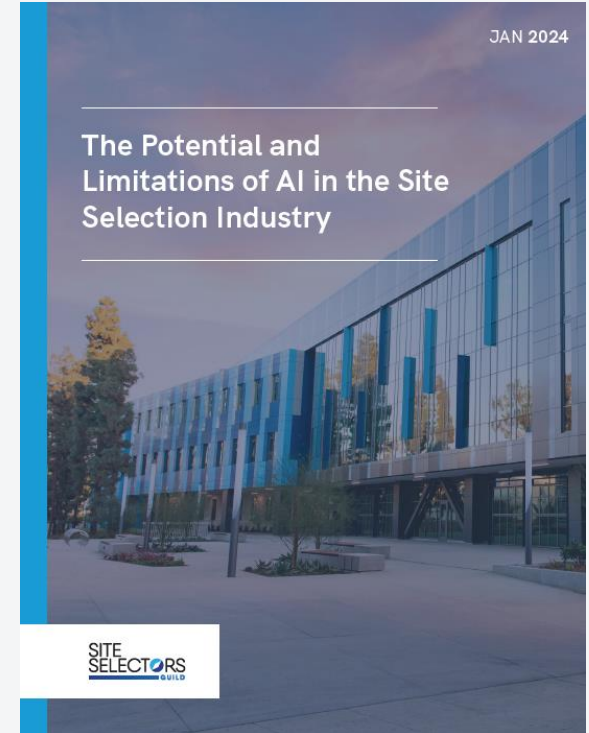
Guild Report on AI and Site Selection



The Guild undertook two research projects in late 2023:

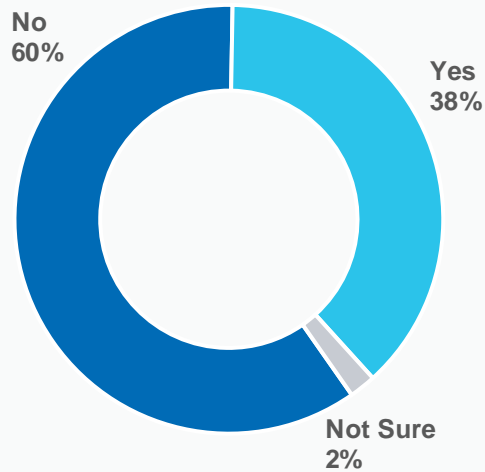
1. A **survey** of Guild members to gauge their current and anticipated use of AI, plus the opportunities and limitations of the technology.
2. A **research study** designed to test AI platforms against human generated outcomes of two actual site selection projects – one office, one industrial.

Note: An independent academic expert in mathematics and computer science with no previous knowledge of site selection or the case study location decisions managed the project.



Guild AI Survey Results 1 of 2

Guild Members Reporting Use of AI to Assist with a Client's Location Search

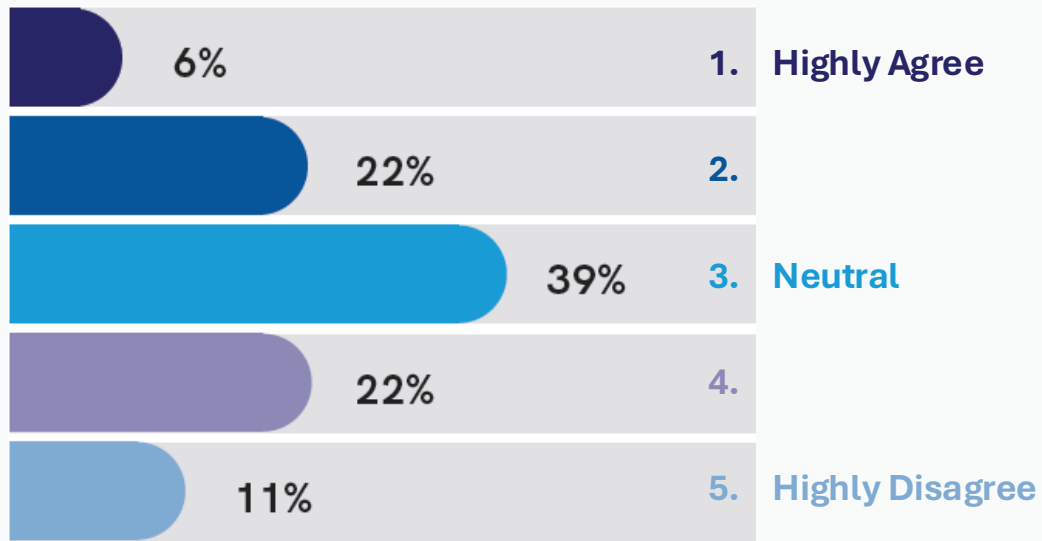


- Basic research
- Analyze data
- Review legislation
- Summarize docs
- Copy editing



Guild AI Survey Results 2 of 2

Guild Members who say “I Trust the Results”
of AI generated answers from research queries



Guild AI Project Case Studies

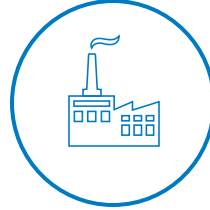


Three AI platforms were tested using two query / prompt methodologies



Office Project

- SF software company
- Relocation
- 300 employees
- 50,000 SF
- Direct, non-stop flight
- Business friendly state
- Incentives for new jobs
- Lower cost of living
- Computer science graduates



Industrial Project

- Food & beverage bottling
- New greenfield site
- 350 new employees
- 650,000 SF
- 35 to 40-acre industrial site
- 45 MW electrical load
- 550,000 GPD water
- Incentives for all property
- EPA air attainment required

Results:

1. Most locations on the consultant's shortlist were not recommended by the three AI platforms tested
2. Top ranked AI locations were not on the consultant's shortlist
3. How queries were entered dramatically altered the results

Industrial Project Case Study Results



From 20 AI location recommendations only one matched the consultant shortlist



November 2023 Human Generated SSG Consultant

- 1 Bowling Green, KY
- 2 Clarksville, TN
- 3 Louisville, KY
- 4 Fort Knox, KY
- 5 Cincinnati, OH
- 6 Nashville, TN
- 7 Indianapolis, IN
- 8 Dayton, OH
- 9 Springfield, OH
- 10 Knoxville, TN

February 2024 ChatGPT 4 Narrative Approach

- 1 San Antonio, TX
- 2 Columbus, OH
- 3 Reno, NV
- 4 Allentown, PA
- 5 Greenville, SC
- 6 Lincoln, NE
- 7 Des Moines, IA
- 8 Grand Rapids, MI
- 9 Tulsa, OK
- 10 Bakersfield, CA

September 2024 ChatGPT 4o Narrative Approach

- 1 Dallas-Fort Worth, TX
- 2 Atlanta, GA
- 3 Columbus, OH
- 4 Kansas City, MO
- 5 Indianapolis, IN
- 6 Memphis, TN
- 7 Denver, CO
- 8 Charlotte, NC
- 9 San Antonio, TX
- 10 Phoenix, AZ

Detroit Testing Ground



Location questions about a pre-selected location “flips the script”

The Request for ChatGPT 4o

- Manufacturing operation
- Require an available building
- Within 5 miles of Romulus (DTW)
- 75,000 SF – 125,000 SF
- 32’ ceiling height
- Prompted for demographic and workforce data within 30 minutes

AI failed on multiple levels



3. Live “AI Sandbox” with ChatGPT

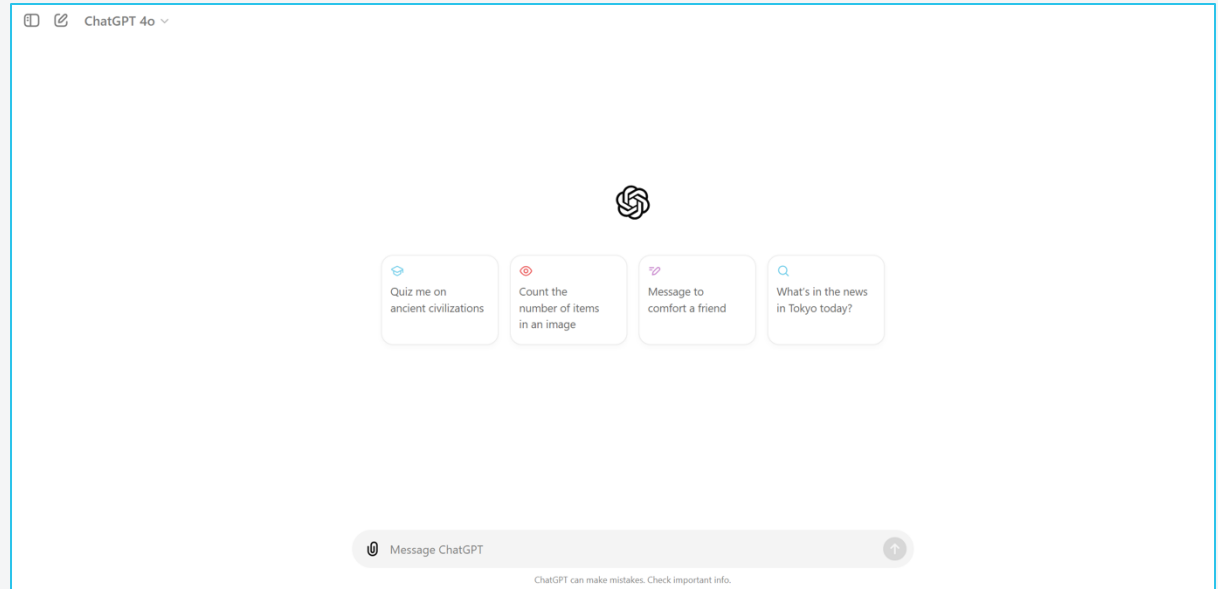


Live “ChatGPT 4o Sandbox” Demo



Critical Location Factors

1. Logistics
2. Electric Utilities
3. Labor
4. Sector Clusters
5. Policy
6. Incentives
7. Property



4. Key Learning

A person with glasses is seen from the side, sitting at a desk in a computer lab or office. They are looking at a monitor displaying a software interface with various panels and charts. The scene is dimly lit with a strong blue color cast. Other computer monitors and a person are visible in the background.

Performance Conclusions



1. Inconsistency of Results
2. Prompt / Query Approach Matters
3. Loss of Short-term Memory
4. Chat GPT4o is the “Best Analyst”, For Now
5. Importance of Live, Current Internet
6. Vulnerability to Bias & Manipulation
7. Lack of Geographic Insight
8. Human Oversight is Critical

Potentially Relevant AI Tools & Applications



At this point, AI is better suited for:

- Gauging trends (e.g., by industry)
- Capturing place highlights
- Summarizing detailed studies
- Gaining competitive intelligence
- Assisting certain (uploaded) data analysis
- Identifying potentially locationally active companies
- Synthesizing competitive databases

Selected AI Applications

1. ChatGPT
2. CB Insights
3. Claude
4. Gemini
5. Geoblink
6. Microsoft Copilot
7. Next Billion a.i.
8. Perplexity
9. Placer a.i.
10. Unicast

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