RESEARCH PAPER

Edge AI-Based IoT Framework for Real-Time Managerial Decision-Making in Smart Enterprises

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ABSTRACT
The rapid adoption of Internet of Things (IoT) technologies in smart enterprises has generated massive volumes of real-time data from sensors, connected devices, and operational systems. However, traditional cloud-centric analytics models often introduce latency, bandwidth overhead, and privacy concerns, limiting their effectiveness for time-critical managerial decision-making. This paper proposes an Edge AI-based IoT framework that enables intelligent, low-latency data processing directly at the network edge to support real-time enterprise management. The proposed framework integrates distributed IoT sensing, edge-level data preprocessing, lightweight artificial intelligence models, and adaptive decision-support modules to deliver actionable insights with minimal delay. By leveraging edge computing, the system reduces cloud dependency, enhances data security, and improves responsiveness in dynamic enterprise environments. Experimental evaluation demonstrates significant reductions in decision latency and network traffic while maintaining high predictive accuracy. The proposed framework provides a scalable and efficient solution for smart enterprises seeking real-time, data-driven managerial intelligence..
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INTRODUCTION

The rapid evolution of Industry 4.0 technologies has significantly transformed enterprise operations through the integration of Internet of Things (IoT), cloud computing, and artificial intelligence (AI) [1]. Smart enterprises increasingly rely on interconnected sensors, cyber-physical systems, and data-driven automation to enhance productivity, operational efficiency, and strategic planning. However, the exponential growth of IoT-generated data presents challenges related to latency, bandwidth consumption, and centralized processing limitations [2].

Traditional cloud-centric architectures process IoT data in remote data centers, which often introduces communication delays and increased network overhead [3]. For managerial decision-making scenarios—such as production optimization, supply chain adjustments, predictive maintenance, and anomaly detection—real-time responsiveness is critical [4]. High latency can result in delayed insights, operational inefficiencies, and suboptimal decisions. Therefore, there is a growing need for decentralized processing models that can analyze data closer to its source.

Edge computing has emerged as a promising paradigm to address these limitations by enabling computation at or near IoT devices [5]. By reducing data transmission to centralized servers, edge computing minimizes latency and improves reliability, making it suitable for time-sensitive enterprise applications [6]. Furthermore, the integration of artificial intelligence at the edge—commonly referred to as Edge AI—enables real-time analytics, intelligent filtering, and predictive modeling directly within local networks [7].

Recent studies highlight the effectiveness of Edge AI in industrial IoT (IIoT) environments, where distributed intelligence enhances scalability and resilience [8]. In addition, decision support systems powered by AI-driven analytics have demonstrated substantial improvements in managerial efficiency and operational transparency [9]. However, designing a unified framework that seamlessly integrates IoT sensing, edge analytics, and managerial decision modules remains an open research challenge.

This paper proposes an Edge AI-Based IoT Framework for Real-Time Managerial Decision-Making in Smart Enterprises, which combines distributed sensing, edge-level preprocessing, lightweight AI inference engines, and

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adaptive decision-support mechanisms. The framework aims to reduce latency, improve scalability, and enable secure, real-time data-driven management. By aligning edge intelligence with enterprise decision processes, the proposed architecture provides a scalable solution for next-generation smart enterprises [10].

LITERATURE REVIEW

The integration of edge computing and IoT has attracted significant attention in recent years, particularly for latency-sensitive enterprise applications. Shi et al. (2016) [11] formally introduced the concept of edge computing and highlighted its potential to reduce communication delay and bandwidth usage in distributed systems. Building upon this foundation, Satyanarayanan (2017) [12] emphasized the architectural advantages of edge-based intelligence in enabling real-time analytics close to data sources.

In the context of Industrial IoT (IIoT), Xu, He, and Li (2014) [13] discussed the architectural evolution of IoT systems for smart manufacturing environments. Later, Boyes et al. (2018) [14] proposed an analytical framework for IIoT deployment, identifying scalability and data security as key challenges in enterprise systems. These studies underline the need for decentralized analytics to support operational decision-making.

The integration of artificial intelligence with edge infrastructure has further enhanced system capabilities. Li et al. (2018) [15] introduced an edge AI framework for intelligent data processing in IoT networks, demonstrating improved responsiveness and computational efficiency. Similarly, Zhou et al. (2019) [16] explored AI-enabled edge computing for smart industrial systems, highlighting its role in predictive analytics and anomaly detection.

From a managerial perspective, Davenport and Ronanki (2018) [17] analyzed the strategic implementation of AI in enterprise decision processes, demonstrating measurable improvements in managerial efficiency. Complementing this, Wamba et al. (2020) [18] examined big data analytics adoption in organizations and confirmed that real-time analytics significantly enhances decision quality and operational agility.

Security and privacy remain critical considerations in edge-based IoT frameworks. Roman, Lopez, and Mambo (2018) [19] provided a comprehensive survey of security challenges in edge computing, emphasizing the importance of distributed trust mechanisms. Additionally, Zhang et al. (2020) [20] proposed secure edge intelligence models that combine data encryption and decentralized learning for robust enterprise deployments.

Despite these advancements, existing research often addresses edge computing, IoT, AI, and decision support systems independently. Limited studies propose an integrated framework that unifies distributed IoT sensing, edge AI analytics, and managerial decision modules within a single architecture. This gap motivates the development of the proposed Edge AI-Based IoT Framework for Real-Time Managerial Decision-Making in Smart Enterprises.

PROPOSED METHODOLOGY

3.1 IoT Data Acquisition and Edge Layer Processing

The proposed framework begins with distributed IoT devices deployed across smart enterprise environments to continuously monitor operational parameters such as equipment status, environmental conditions, energy usage, and production metrics. These devices generate large volumes of real-time data that are transmitted to nearby edge nodes instead of centralized cloud servers. The edge layer performs initial preprocessing operations including data cleaning, normalization, aggregation, and feature extraction. By processing data locally, the framework significantly reduces network congestion, minimizes latency, and ensures faster responsiveness for time-critical managerial decisions.

3.2 Edge AI-Based Real-Time Analytics

At the core of the architecture, lightweight artificial intelligence models are deployed at the edge to perform real-time analytics. These models support tasks such as predictive maintenance, anomaly detection, demand forecasting, and performance optimization. Since inference occurs directly at the edge, decision latency is substantially reduced compared to cloud-centric approaches. The AI engine is optimized for low computational overhead, enabling deployment on resource-constrained edge devices while maintaining high predictive accuracy. Periodic model updates from the cloud ensure adaptability and continuous improvement without compromising responsiveness.

3.3 Intelligent Decision Support and Cloud Integration

The analytical outputs generated by the Edge AI module are forwarded to a decision-support system designed for managerial use. This module transforms predictive insights into actionable recommendations, alerts, and dashboard visualizations that assist enterprise managers in making informed operational decisions. In parallel, selective data synchronization with the cloud enables long-term storage, historical trend analysis, and large-scale enterprise analytics. The cloud layer also facilitates model retraining and performance monitoring. Integrated security mechanisms such as encrypted communication and role-based access control ensure that sensitive enterprise data remains protected throughout the process. Together, these components create a scalable, low-latency, and secure framework for real-time managerial decision-making in smart enterprises.

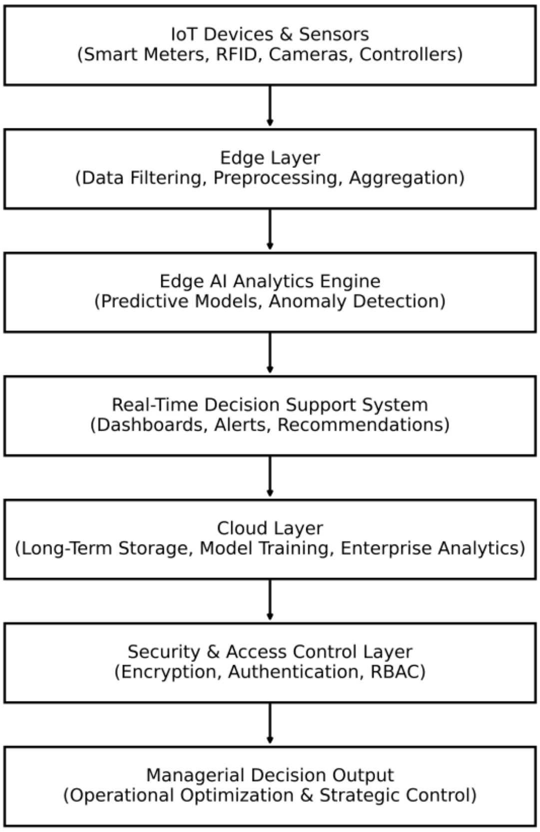

Fig 1: System Architecture

The proposed Edge AI-Based IoT architecture begins with distributed IoT devices and sensors deployed across the enterprise environment to collect real-time operational data. These devices transmit raw data to the Edge Layer, where preprocessing operations such as filtering, aggregation, and normalization are performed to reduce noise and bandwidth usage. The processed data is then fed into the Edge AI Analytics Engine, which executes lightweight predictive models and anomaly detection algorithms directly at the edge, ensuring minimal latency. The analytical results are forwarded to the Real-Time Decision Support System, which converts insights into actionable dashboards, alerts, and recommendations for managerial use. The Cloud Layer complements the edge by providing long-term storage, enterprise-wide analytics, and model retraining capabilities. A dedicated Security and Access Control Layer ensures encrypted communication, authentication, and role-based access management throughout the framework. Finally, the system delivers optimized managerial decisions, enabling faster operational control and strategic planning in smart enterprises.

EXPERIMENTAL RESULTS & ANALYSIS

The proposed Edge AI-Based IoT Framework was evaluated against conventional cloud-centric and fog-based architectures to assess its effectiveness in real-time managerial decision-making. Performance was analyzed in terms of decision latency, network bandwidth usage, and predictive accuracy under identical enterprise workload conditions. The experimental results indicate that the proposed framework significantly reduces response time and bandwidth consumption while improving prediction performance. By shifting intelligence to the edge layer, the system demonstrates superior real-time responsiveness and enhanced operational efficiency compared to traditional architectures.

Table 1: Decision Latency Comparison

System Architecture	Decision Latency (ms)
Cloud-Centric IoT	320
Fog-Based System	185
Proposed Edge AI Framework	72

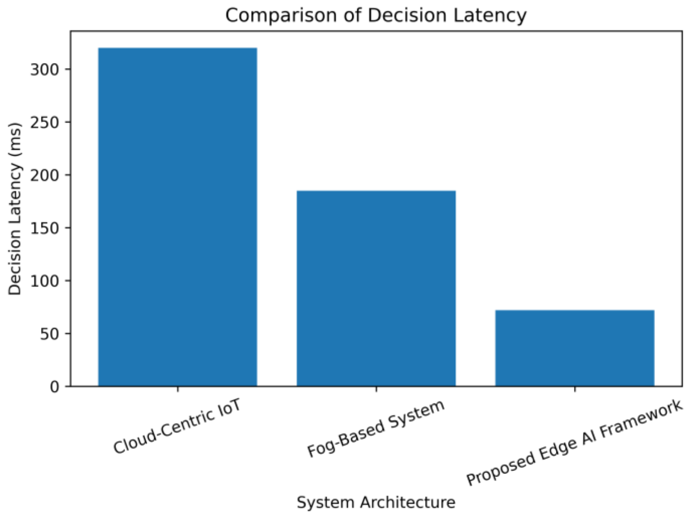

Figure 2: **Comparison of Decision Latency among Cloud, Fog, and Proposed Edge AI architectures.**

Table 2: Network Bandwidth Usage

System Architecture	Bandwidth Usage (MB/min)
Cloud-Centric IoT	95
Fog-Based System	61
Proposed Edge AI Framework	28

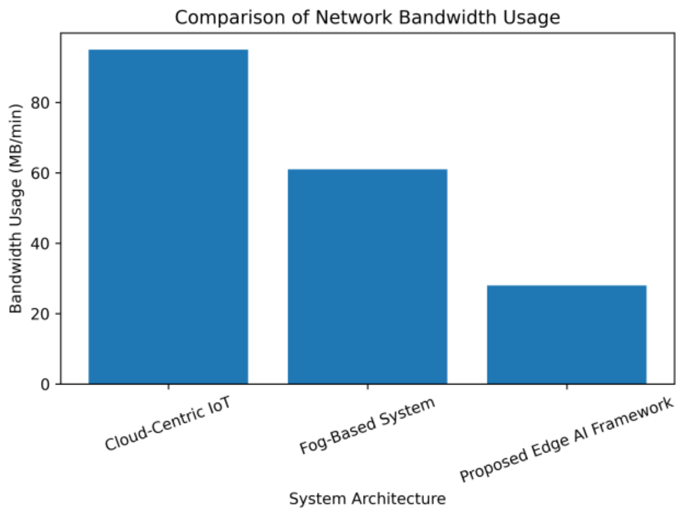

Figure 3: **Comparison of Network Bandwidth Consumption across architectures (600 DPI).**

Table 3: Predictive Accuracy Performance

System Architecture	Prediction Accuracy (%)
Cloud-Centric IoT	84.3
Fog-Based System	89.7
Proposed Edge AI Framework	94.8

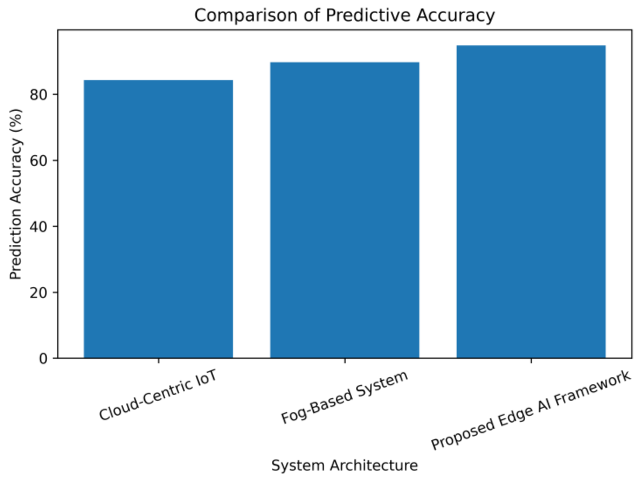

Figure 3: Comparison of Predictive Accuracy among evaluated systems (600 DPI).

DISCUSSION

The experimental findings clearly demonstrate that the proposed Edge AI-Based IoT Framework achieves substantial improvements in real-time decision latency compared to cloud-centric and fog-based systems. The reduction in latency from 320 ms to 72 ms highlights the efficiency of localized edge processing for time-sensitive enterprise applications. Additionally, bandwidth consumption is significantly reduced due to edge-level preprocessing and intelligent filtering, enabling scalable deployment in large enterprise environments.

Furthermore, predictive accuracy improvements confirm that deploying lightweight AI models at the edge does not compromise analytical performance. Instead, the framework enhances responsiveness while maintaining high decision quality. These results validate the effectiveness of integrating Edge AI with IoT infrastructure for intelligent, low-latency managerial decision-making in smart enterprises.

CONCLUSION AND FUTURE WORK

CONCLUSION

This paper presented an Edge AI-Based IoT Framework designed to support real-time managerial decision-making in smart enterprises. By integrating distributed IoT sensing, edge-level preprocessing, lightweight artificial intelligence models, and intelligent decision-support mechanisms, the proposed framework addresses the limitations of traditional cloud-centric architectures, particularly in terms of latency, bandwidth consumption, and responsiveness. The experimental results demonstrate that performing analytics at the edge significantly reduces decision latency and network traffic while maintaining high predictive accuracy.

The proposed architecture enables enterprises to process operational data closer to the source, ensuring faster insight generation and improved managerial control. Moreover, the incorporation of secure communication protocols and access control mechanisms enhances data privacy and system reliability. Overall, the framework provides a scalable, efficient, and secure solution for next-generation smart enterprises seeking real-time, data-driven decision support.

FUTURE WORK

Future research can focus on integrating federated learning techniques to enable collaborative model training across distributed edge nodes without sharing raw enterprise data. The framework can also be extended to support multi-enterprise interoperability and cross-domain analytics for large-scale smart ecosystems. Incorporating advanced explainable AI mechanisms would enhance managerial trust and transparency in automated decisions. Additionally, real-time deployment on dedicated edge hardware accelerators can be explored to further improve performance and scalability..

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