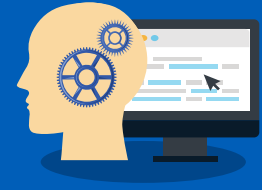


# Boardroom Questions

## Intelligent automation



**Intelligent automation is unlocking massive market opportunities, driving business transformation and creating unprecedented benefits to consumer markets, life and society**



The spectrum of technologies ranges from basic to intelligent automation

**\$232 billion**

Overall IA spending is expected to reach \$232 billion by 2025 compared to an estimated \$12.4 billion today - almost a 20X increase

Source: KPMG LLP "KPMG survey on the impact of IA on business and operating models" (2018)

**49%**



KPMG's study reports that 49% of respondents would be using intelligent automation and AI technologies at scale within 3 years

Source: KPMG LLP "KPMG survey on the impact of IA on business and operating models" (2018)



**50-60%** of white collar work is automatable, and this will have a 30% labor cost reduction

Source: Morgan Stanley, "Rise of the Machines: Automating the Future" (October 2017)

| ACT   | RULES  | LEARN   | REASON   | THINK   |
|---|--|---|--|---|
| like a human<br> | <b>Basic process automation</b><br>- Macro-based applets<br>- Screen level and Optical Character Recognition (OCR) data collection<br>- Workflow automation<br>- Process mapping<br>- Self-executing | <b>Enhanced automation</b><br>- Built-in knowledge repository<br>- Learning capabilities<br>- Ability to work with unstructured data<br>- Pattern recognition<br>- Reading source data manuals<br>- Natural language processing | <b>Cognitive automation</b><br>- Artificial intelligence<br>- Natural language recognition and processing<br>- Self-learning (sometimes self-optimizing)<br>- Processing of super data sets<br>- Predictive analytics/hypothesis generation<br>- Evidence-based learning | like a human<br> |

### Why is it relevant?

Intelligent automation is the convergence of **Robotic Process Automation (RPA)** and **cognitive technologies**.

These cognitive systems, including **natural language processing, machine learning, data analytics and probabilistic reasoning**, can perform tasks that have historically required human intelligence and situational analysis

Cognitive software mimics human activities such as **perceiving, inferring, gathering evidence, hypothesizing and reasoning**. When combined with advanced automation, these systems can be trained to execute **judgment-intensive tasks**

With cognitive systems, scaling expertise becomes much easier. Cognitive systems can be **trained on the basis of the top performers**, and then used to assist and augment other employees in a digital assistant mode

### What are the benefits?

- **Frees up the workforce** from doing significant transactional work in order to **focus on higher value work** and innovation
- **Streamlines** transactional work with **improved quality and outcome consistency** and **reduces delivery costs**
- **Enhances** core business process service delivery models such as **finance, HR, procurement and IT**

## Boardroom Questions



- 1 Do we understand how a **new competitor** entering our market place would leverage Artificial Intelligence and other new technologies to disrupt the sector?
- 2 Are our people focused on creating a true **differentiation to our client** rather than undertaking tasks that could be automated?
- 3 Do we understand how our points of differentiation may change as our **sector starts to embrace** new technology?
- 4 What are the **work force planning assumptions** we have made over the coming 3 to 5 years?
- 5 If data is the new gold... do we understand the data we **have**, the data we **could have** and the data we **need** to differentiate us?
- 6 Do we understand the impact of **AI on our customers** and our supply chain?

## Questions for senior management



- 1 How do our customers rate their experiences of dealing with us? Are they always totally satisfied? Outsourcing large volumes of customer transactions has been the approach until now, but is this the only way?
- 2 Are our myriad of processes and systems still difficult to manage even after many years of trying to merge and consolidate these? Is there a better way?
- 3 Are we getting the most from our people? Do we get a sense that they are satisfied in their roles or could they be adding more value to our organization?
- 4 Are we really maximizing the opportunities that new and disruptive technologies can offer us to allow us to stay ahead of our competition?
- 5 What are we doing to collect, curate and manage the vast amounts of data we have access to?

## What actions can the Board consider?



- 1 Conduct a review of core processes and systems to identify opportunities where you could consider new technologies. It is important however to streamline your processes first and only automate those that you really need
- 2 Identify where the pain points are: does technology now offer a solution to addressing these that didn't exist previously?
- 3 Technology and disruption is moving at such a pace that there is a need to stay focused. Consider having a Chief Technology or Disruption Officer with ownership and accountability report to the Board for this area of expertise

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