

How To Move The Dial With AI

Bevington Group – Change Network

Melbourne – Thursday 22nd November 2023



BEVINGTON GROUP

PERFORMANCE OUTCOMES DELIVERED

As we engage in our Operating Model work, we observe a spectrum of responses to the emergence of powerful AI

AI is over-hyped

- Let your staff experiment as they go with no clear plan across the organisation
- See some minor incremental productivity improvements, however you risk being left behind

AI will change the world

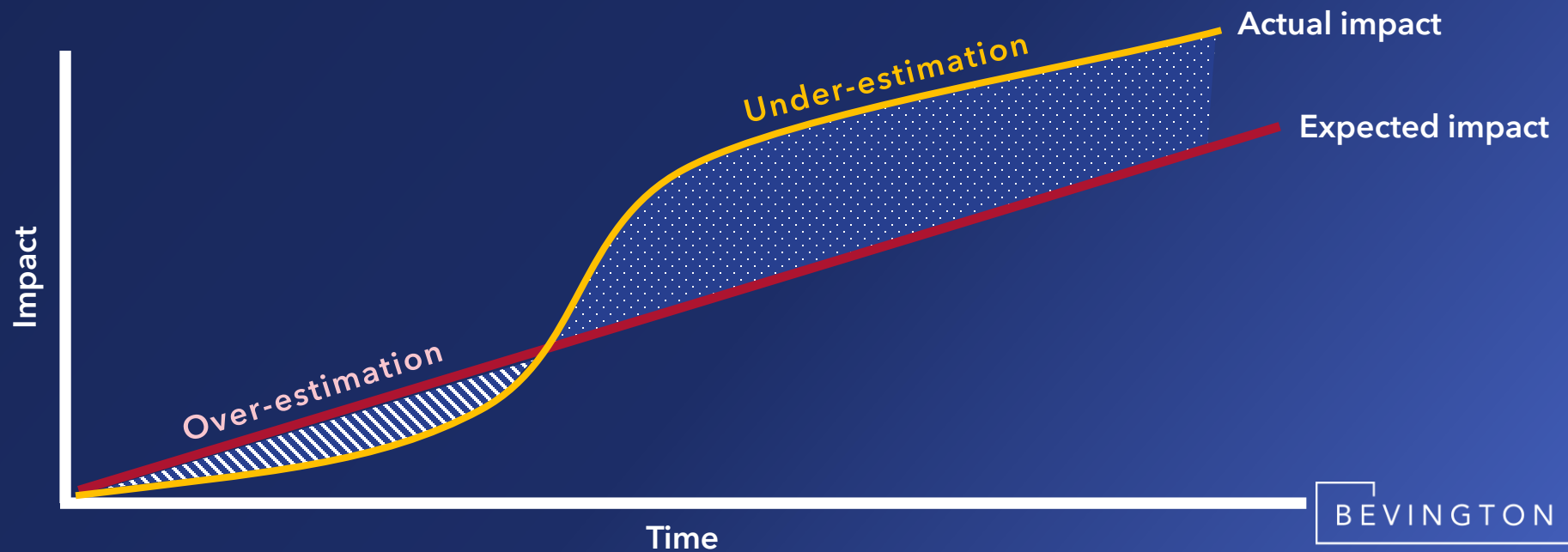
- Go hard on AI adoption now, albeit strategically targeted
- Material investment in early adoption (relatively speaking) and “buying options”

The leading organisations are taking a measured approach

- Establishing the foundations to build upon safely
- Having a clear AI strategy and adoption plan
- Enabling a flexible Operating Model that is ready to maximise deployment

Amara's Law

“We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run”



Trend predictions for 2023 highlight the need to embrace burgeoning technological solutions - but not at the expense of customer and employee experience

Some common themes emerge in productivity predictions for 2023....

AI and automation will be critical in addressing **labour-** and **skill-shortages**, and rising costs... *but they will not be sufficient on their own*

Workforces will be **augmented**, rather than *replaced*, with the aid of digital tools

Novel approaches to hiring will help to attract the required talent

Organisations will need to invest in upskilling their existing workforces

Low-code platforms and **citizen developer programs** will help to close skill gaps

9 Future of Work Trends in 2023

"Quiet hiring" Hybrid

What's Next For Intelligent Automation

- 1 Increasing Focus On Customer And Employee Experience
- 2 Scaling For Success
- 3 Rolling Out Citizen Development
- 4 Tac
- 5 Im
- 6 Av
- 7 TR

Automation Trends

- #1 Automation becomes the enterprise's new way of operating and innovating.
- #2 Businesses ramp up automation to counteract growing labor and inflation pressure.
- #3 Digital CIOs step up their role—and step up automation to meet new goals.
- #4 Process mining and automated testing become "must-haves" in driving best-in-class, enterprise-wide automation.
- #5 Low-code becomes a top priority for getting automation and AI in more people's hands.
- #6 New AI-powered innovations push automation's boundaries even further.
- #7 Rounding out digital skills becomes the next hot issue for HR and IT leadership.

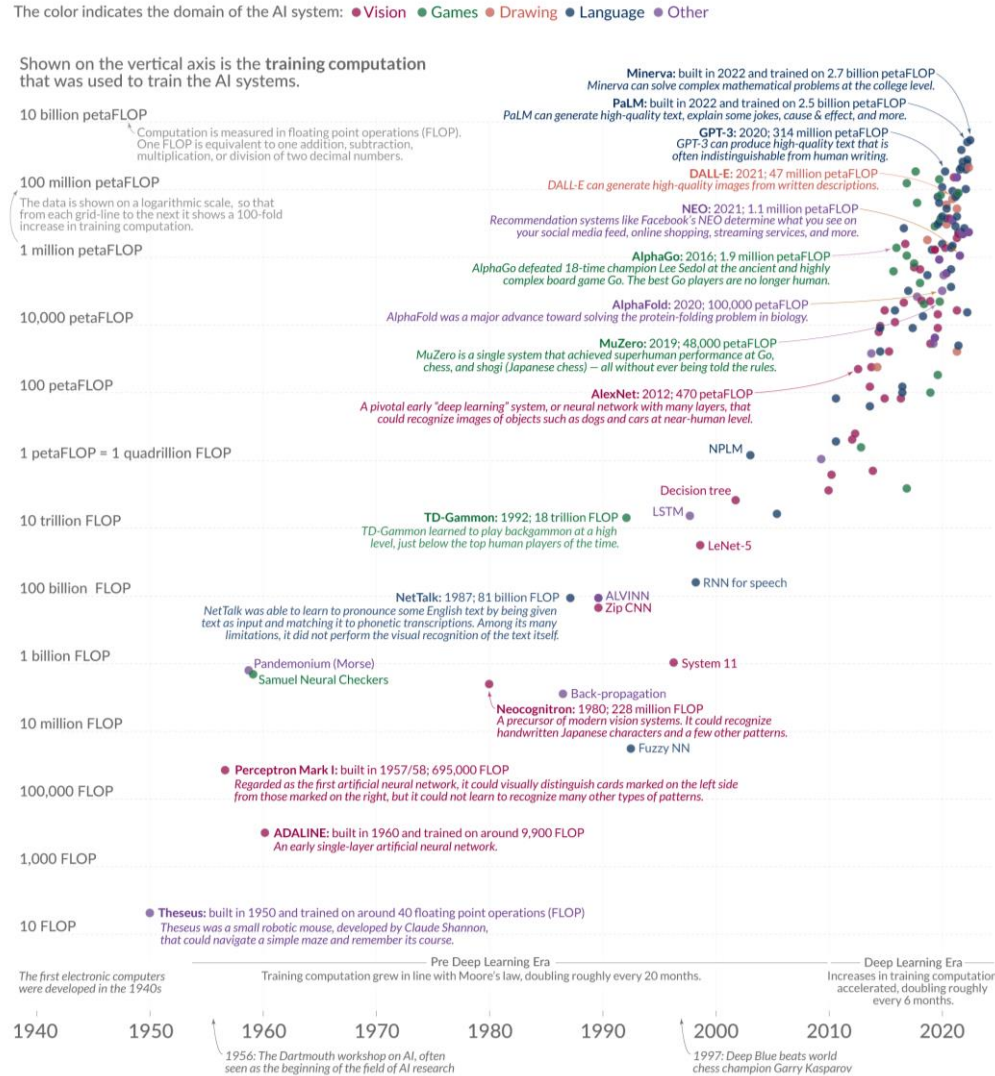
Gartner (2022) '9 Future of Work Trends for 2023', <https://www.gartner.com/en/articles/9-future-of-work-trends-for-2023/>, accessed 06 February 2023.

UiPath (2022) 'Automation Trends 2023', <https://www.uipath.com/resources/automation-whitepapers/automation-trends-report/>, accessed 08 February 2023.

SS&C Blue Prism (2022) 'Intelligent Automation Trends and Predictions', <https://www.blueprism.com/resources/white-papers/rpa-automation-trends-predictions-2023/>, accessed 08 February 2023.

AI still has imperfections, but the improvement rate is accelerating...

As training "compute" (processing and learning capacity) grows, AI systems become more powerful



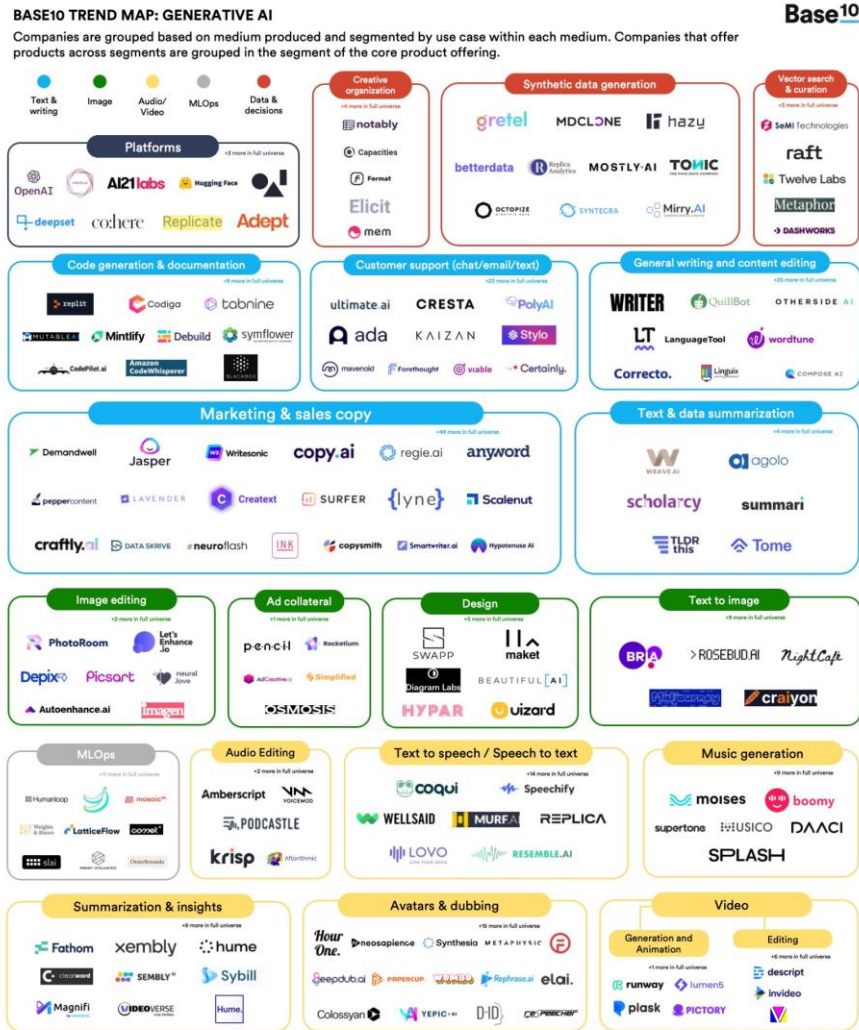
The AI compute doubling period has reduced from 21 months¹ to under 4 months²

- Whilst Machine Learning compute is now doubling every 3.4 months, the rate of increase required to get to the next generation release is shrinking
- While "hallucinations" and other errors are certainly present, it is possible to get better results by learning to construct better prompts
- AI continues to improve given the weight of money behind it

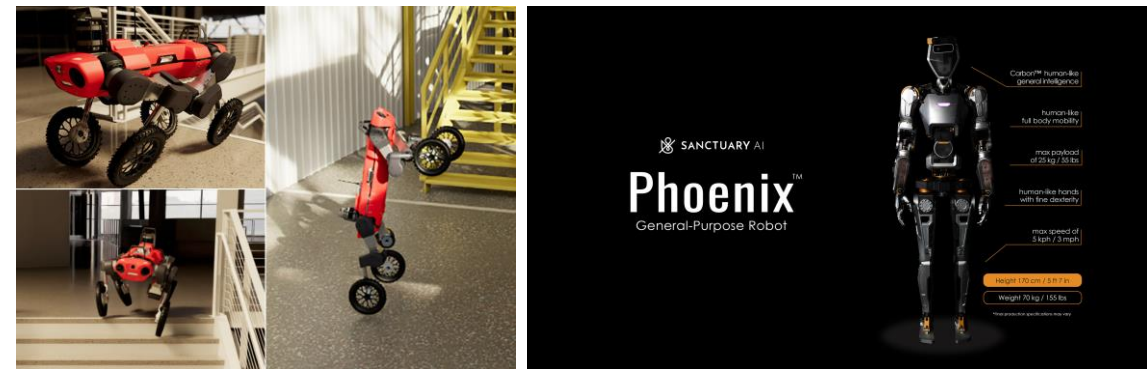
An AI Primer

Is it Science Fiction, or is it Artificial Intelligence?

While ChatGPT has taken the world by storm, it is most certainly not the only platform



- There are now hundreds of different tools utilising AI for different purposes.
- Notably:
 - Multiple companies are developing humanoid like robots such as:
 - Phoenix by Sanctuary AI
 - Swiss-Mile
 - Liveperson’s Customer 360 creates a digital version of customers from multiple sources to create hyper-personalised experiences



Artificial Intelligence is not a homogenous category, there are several types, for instance...

Generative AI

- Enables natural language interface with an AI agent
- The agent is trained to “probabilistically” respond
- A prompt is provided to guide what it needs to create, and it'll generate the content by mirroring the training set
- Includes text output, images, music, computing codes etc.

Optimisation AI

- Focuses on optimising the outcome of a task based on the rules it has been given
- E.g. rostering, scheduling, and recommendation engines such as social media feeds
- Complex algorithms deliver the optimised outcomes

Predictive AI

- Analyses historical data and identifies patterns to predict and forecast future outcomes
- Commonly used to inform business decisions
- Has been available for some time via Machine Learning
- E.g. financial forecasts, disease outbreaks, natural disaster occurrences

Conversational AI

- Supports voice assistants, chatbots, virtual assistants, customer service applications, to interact and engage with users in a natural way
- It learns from seeing conversations between humans to understand the language and be able to simulate and provide human-like text/speech responses.

However, three principal enablers underpin many types of AI

Formulas, predictions, forecasts. How do you work out the answer.

Algorithms



Computing power, processing capacity.
KB -> MB -> GB -> TB

Hardware



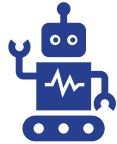
Data



Everything we do, every click, every tap, every interaction, a data point is created.

With the exponential growth in the amount of data that exists in society today, you need the capacity to record it, and the formula to process it to render the data useful. This is an opportunity to invest into a source of information, that provides insights and enables you to make more informed decisions faster

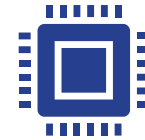
Trends all General Managers should appreciate (MIT Technology Review, 2023)



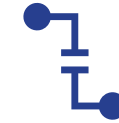
Generative AI and LLMs are democratising access to AI - demand pull created from the business teams are being felt by technologists



Unstructured and buried data is becoming increasingly accessible



There is pressure to use technology options in-order-to protect IP



There is increasingly recognition of the value of smaller customised LLMs - these are much cheaper to build and can contain proprietary IP, or IP shared in partnership (even commercially consider BloombergGPT or the increasing number of legal support models)



It is now increasingly possible to collaboratively train AI agents



General Managers will increasingly need to understand the importance of data and data management infrastructure such as data warehouses, data lakes, and data lakehouses



Leaders will see data and effective data usage as a "competitive moat"



There are unique governance challenges with AI (e.g. IP protection, copyright infringement, unexplainable results, hallucinations, toxically biased recommendations etc) requiring technology, processes and institutional structures to address.

It is useful to note the following strategic considerations

The AI space is moving fast, so sometimes a solution can be superseded. However, engaging early is a learning advantage

There seems to be an advantage from taking a portfolio perspective (multiple AI projects in a portfolio to even out the successful and unsuccessful)

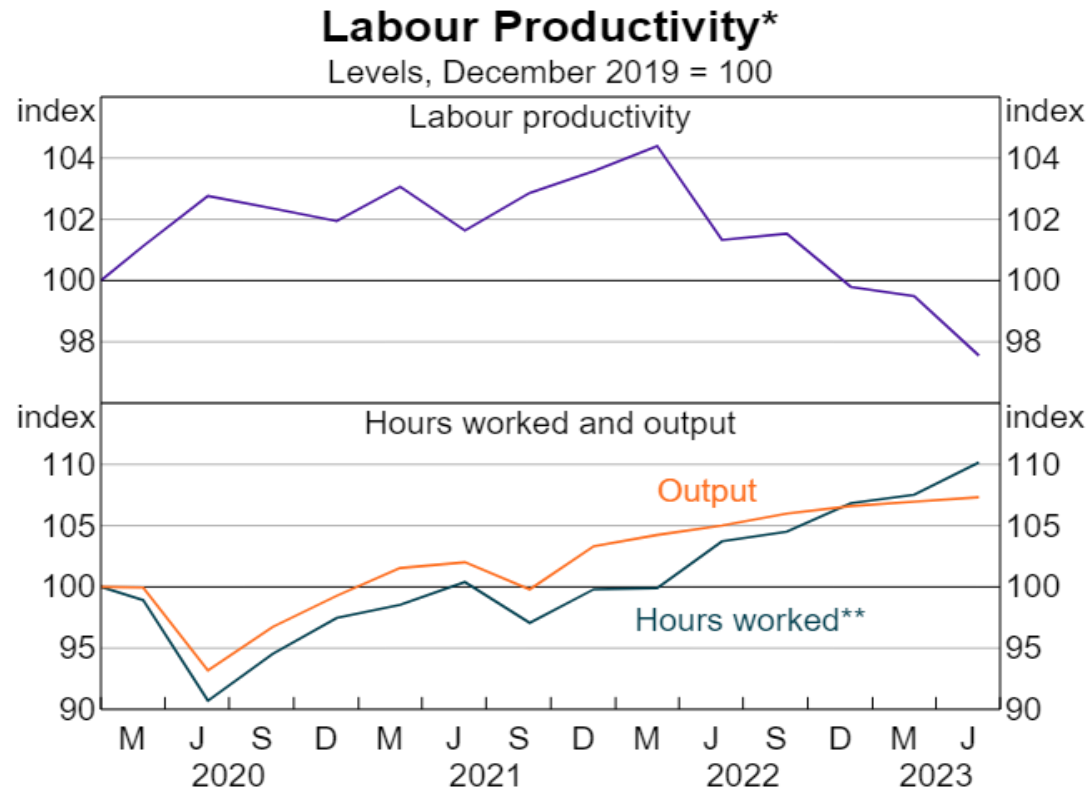
Some companies are considering a move necessary because they will otherwise lose a war for talent later

Some organisations are investing as an option (as per Nicolas Taleb), such that they know the cost, but the upside is unknown (and potentially huge)

Why should we move now?

A case for “leaning in”

Bevington Group is concerned about low and declining Australian productivity - AI is a potential response



* Non-farm labour productivity.

** Labour force hours basis.

Sources: ABS; RBA.

- **According to the RBA** “over the longer run, real wages growth, productivity growth and growth in living standards tend to track each other (Productivity Commission 2020).”
- **We have declining productivity** which could affect the quality of life for future generations
- The deployment of productivity enhancing technologies such as **Artificial Intelligence (and other productivity tools)** has the potential to help us reverse a problematic trend
- **However, as will become clear, we have real work to do** in order to effectively deploy in a way that gives us a competitive edge

ChatGPT (and other agents) are probably already in use by your staff (whether you have approved it or not) - There are a spectrum of responses to the AI challenge

Organisational Alignment

None

Low

High

Staff are using AI agents without your knowledge or permission

- A multitude of platforms may be in use
- Hard to know what information is potentially being leaked
- Potential recourse may be void
- Highest unmitigated risk potential
- Corporate ethics may be compromised as individuals chase personal performance

Staff have your permission to use it, but no clear (or minimal) direction has been set

- Many may be exploring platforms
- Depending on the level of direction set, the outcomes could vary significantly
- May see some marginal uplift in efficiency but potentially missing out on larger long-term gains
- Can be risky (people dependent)

An organisational direction for AI has been set and endorsed by leadership

- Largest potential for significant upside
- Safest option with lowest potential for unmitigated risk
- Provides greatest potential for ethical use alignment

A strategic approach to AI should be set to capitalise on the opportunities

There are a multitude of AI platforms and tools that may already be in use at your organisation – So is your confidentiality protected?

Some typical AI platforms your staff might be using may risk data leaks

Name of AI	What does it do?	Use / Category
Midjourney	Uses text to generate images of anything you can imagine.	Design, Image Generation
Notion AI	Organises notes and automates tedious tasks.	General, Productivity, Writing
Decktopus	Create compelling presentations in a flash.	Slide deck production
Essense	Analyse your customer feedback	Research, Social Media
Sturdy	Sturdy's AI alerts your team to customer-related issues, product gaps, and revenue risks you'd otherwise miss	Image Generation, Writing
Looka	Logo design	Marketing - logo design
Deep Agency	Hire an AI generated model for your product shoot and marketing needs.	Image Generation, Marketing
Eightify	Summarises YouTube videos	Productivity
Copy AI	Generate copywriting material for sales and marketing	Marketing, Writing
Ghostwriter	For Google Docs - use it to write your SEO texts, blog posts and other marketing content	General, Marketing, Productivity - SEO
AskNow	Ask popular people anything and the AI will generate a response in their style.	General
Wordtune	Rewords your thoughts but in clear, compelling and authentic writing	Marketing, Writing
Supercreator AI	Create short form videos 10x faster	Video design
Resume Worded	Improve your resume and LinkedIn profile with tailored feedback	Productivity
Ellie	An email writing assistant that learns from your writing style and crafts replies as if they were written by you	Productivity

**It all depends on what information staff are including in their prompts...
Is / Should it be publicly available?**

We already see organisations in Australian deploy AI , for instance

Dramatically improved decision making

- Improved forecasting
- Decision outcome testing
- Democratising insights (e.g. text questions for BI)

Potential for massively improved segmentation

- Customer profile recognition
- Stronger segment definition
- Better product development
- Optimised pricing

Vastly improved chatbot capability

- 24x7 uptime at low cost
- Personalised responses

Optimising time for knowledge workers

- Increased staff productivity
- Dynamic shift of work type
- Automated security functions and cyber protection

Entire processes automated (inc. learning)

- Automated self-repair (unlike Robotic Process Automation)
- Decisions in processes
- Autogenerating the First Draft e.g. legal documents, communications, websites)

Faster deployment time for digital

- AI transforms design, coding, and testing

Improved data cleansing at reduced cost

- AI rapidly completes cleanse & parse activity
- Ability to read and codify unstructured data

Rosters optimised for business and customer

- Needs of customer matched with the staff
- Ensuring legal and regulatory compliance
- Ensure safety compliance

And the list goes on...

Whole systems are likely to change - for instance, if we look at the IP rights system in Australia, AI will significantly change the way we interact with our customers

- Scarcity of novelty and human effort may no longer be a limiting factor for future innovation
- IP rights will become increasingly unclear, and relevance may change
- Generative AI may drive higher levels of 'mutually assured bureaucracy' as customers have increasing access to specialist knowledge, without the supporting experience and understanding for how this may apply, simply slowing down processes (i.e. more things are contested because customers think they are right because 'AI said it's true')

Generative AI means more actors will exist in the IP system as people are no longer constrained by their own abilities



Midjourney prompt: a business person standing on a wooden ship using binoculars pointing towards land

Source: <https://www.ipaustralia.gov.au/temp/Generative-AI-and-the-IP-System.html>

A failure to embrace AIC may lead to organisational failure

An organisation can fail for a broad range of reasons, for instance



Core mission failure

Organisation doesn't meet its main objectives
e.g. government agencies falling behind on citizen expectations when they know what is possible



Failure to mass customise

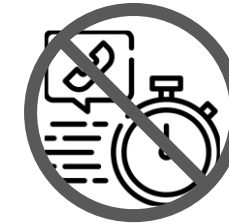
Market share is lost as customers move to better suited competitor products / services



Costs failure

Failure to manage down costs makes

- The offering become viewed as expensive comparative to competitors
- Organisations suffer from exacerbated margin compression
- Pricing failures arise driven by higher costs



Response failure

Too slow to respond to market-place changes (which are themselves potentially driven by AI)

Pivoting to the required structure will fail if leaders do not understand AIC - as they are a core enabler

So, we should move now because impacts are being felt, and results are showing already



Society is progressing

The society is aware of AI, knowledge is expanding, and its expectations are growing



Organisation risks can be better controlled with AI

- Operational risks – AI can help identify and improve processes, systems etc.
- Reputational risk – you may be seen as a lagger in the market



From strategy to operations

Corporate economics are changing with the development of AI:

- Vision and strategy are evolving due to the opportunities that AI creates
- Subsequently, how you align operationally with your strategy is changing



Securing skills in AI

Demand for competencies in AI will only continue to grow, and it'll be increasingly challenging as early movers capture the existing resources in the market



Labour shortages








AI can help identify and reduce waste, improve operational efficiency thereby releasing capacity, and lessening the impact of existing labour shortage issues



There are risks in moving too slowly

- Lose out on competitiveness
- Lose out on productivity gains

If we had to make predictions, we would say

-  Automation and AI will continue to be a key “investment destination”
-  Most large-scale Australian corporations and institutions will adopt a Microsoft suite which includes
 - Copilot
 - Inbuilt automation - Power Apps, Power Automate, Power BI
 - Partnerships - recent Commonwealth government and Microsoft announcement
-  Many organisations will have established an Innovation Centre by the end of calendar year 2024
 - The stages of development are Innovation Centre, Centre of Excellence, Federated Model
-  Data availability or cleanliness will be a frequent blocker to impactful and early adoption. Organisations that are “data ready” will have an adoption advantage
-  At least half of the large models will adopt a conservative strategy - opening the door to competitors to get an early advantage. Conservatism in this case means “lots of small experiments with little resource commitment”
-  We will start to see productivity impacts in certain segments come through in financial results from 2025 (green shoots). Noting that some organisations have already shifted the dial from key processes
-  There will be increased local capability, but it will be insufficient to meet demand. Laggards will have trouble catching up.

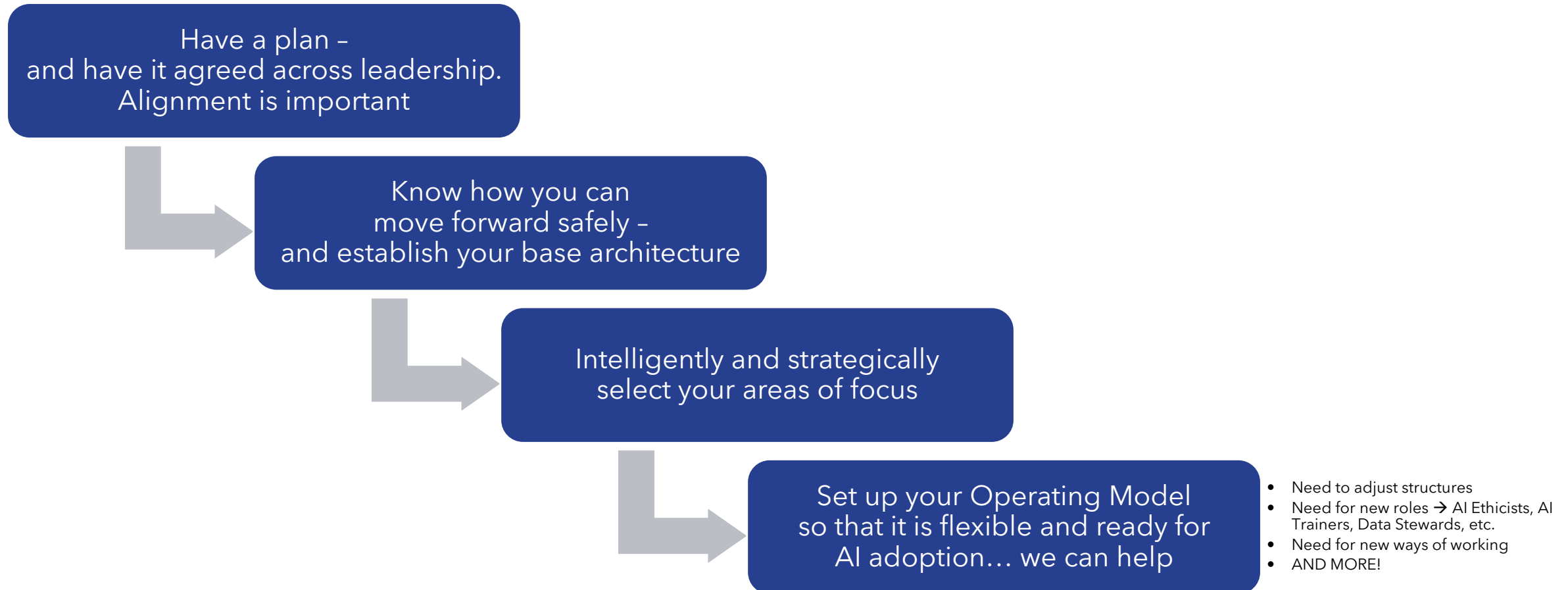


Strategically, the best organisations are concerned with three main areas

- 1 AI architecture (including ethics & governance)
- 2 Where to play
- 3 How to change the operating model

We generally propose a 4-element response to AI

What to do now?

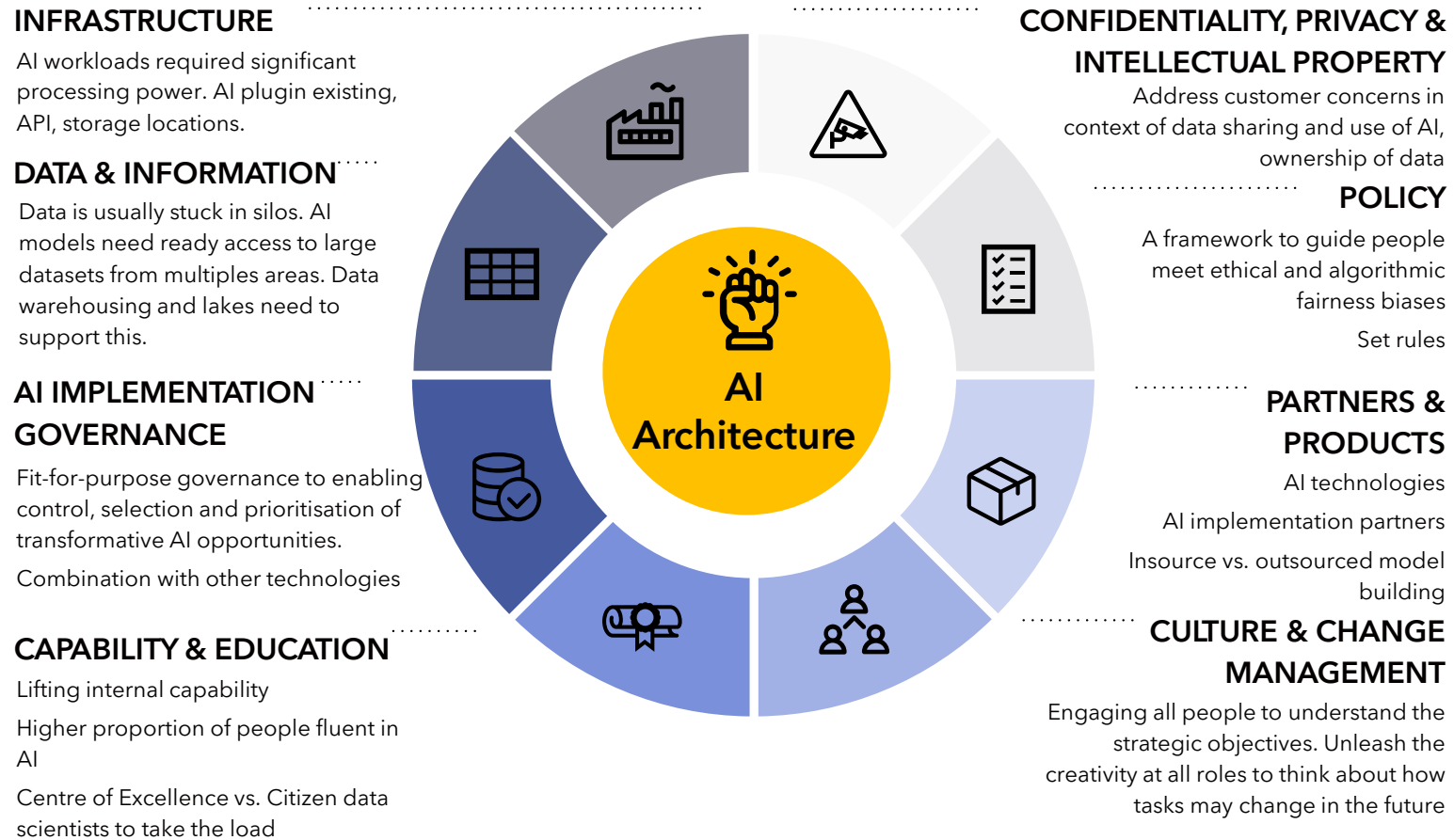


AI Architecture

Must be considered in respect to the existing Operating Model

1

The Operating Model elements implemented target the creation of an Artificial Intelligence Architecture



Ethics

Australia's AI Ethics Principles provide a good starting point from which to formulate your position

Human, societal and environmental wellbeing	AI systems should benefit individuals, society and the environment.
Human-centred values	AI systems should respect human rights, diversity, and the autonomy of individuals.
Fairness	AI systems should be inclusive and accessible and should not involve or result in unfair discrimination against individuals, communities or groups.
Privacy protection and security	AI systems should respect and uphold privacy rights and data protection and ensure the security of data.
Reliability and safety	AI systems should reliably operate in accordance with their intended purpose.
Transparency and explainability	There should be transparency and responsible disclosure so people can understand when they are being significantly impacted by AI and can find out when an AI system is engaging with them.
Contestability	When an AI system significantly impacts a person, community, group or environment, there should be a timely process to allow people to challenge the use or outcomes of the AI system.
Accountability	People responsible for the different phases of the AI system lifecycle should be identifiable and accountable for the outcomes of the AI systems, and human oversight of AI systems should be enabled.

Source: Australian Government Department of Industry, Science and Resources

Governance

Establishing Governance controls for AI is essential to ensuring optimal outcomes across the organisation

With poor governance, AI will likely deliver the same outcomes as bad actors. It could:



Organisations with good governance will likely apply similar measures across both human and bot agents to:

- Minimise bias and unethical behaviour
- Maximise benefits for customers and staff
- Optimise decision making
- Enhance resource allocation efficiency
- Improve and maintain positive public perceptions
- Maximise investment returns

The benefit with respect to AI governance is that it must only be applied to one entity

What does good AI governance look like?



Architecture

- Ethical AI design and operation
- Bias is mitigated to ensure fair outcomes for all who utilise the AI



Transparency & Accountability

- AI decisions can be clearly explained
- Clear definition of accountabilities
- Auditable and explainable operations
- Reporting on activities and performance occurs, much the same as it does for a human performing the tasks



Privacy

- Privacy policies & consent are managed the same as is expected by employees
- A walled garden established to avoid unintentional data leaks of confidential information



Risk

Risks are assessed and managed, the same as any other initiative



Continuous Improvement

Continuous monitoring is conducted, and iterative improvements are made



Oversight

- Appropriate human oversight exists to ensure correct behaviour, especially in critical decision-making scenarios
- Oversight of partner actions & decisions occurs to the same standards as internal staff & operations



Education & Training

- Users and stakeholders are educated and trained to:
- Provide equal opportunity to benefit from the use of AI
 - Ensure implications of AI operations are appropriately managed



Compliance

AI operations are monitored for compliance with all legal obligations and regulations the same as the rest of the business' operations

Choosing how and where to deploy AI

2

There are three sensible emerging approaches to considering where to focus your effort

- 1 Scenario Planning - Understanding context and selecting common strategies
- 2 Value Driver Trees - Choosing which levers to pull
- 3 Getting into the detail - Understanding which processes or manual steps will significantly change or disappear

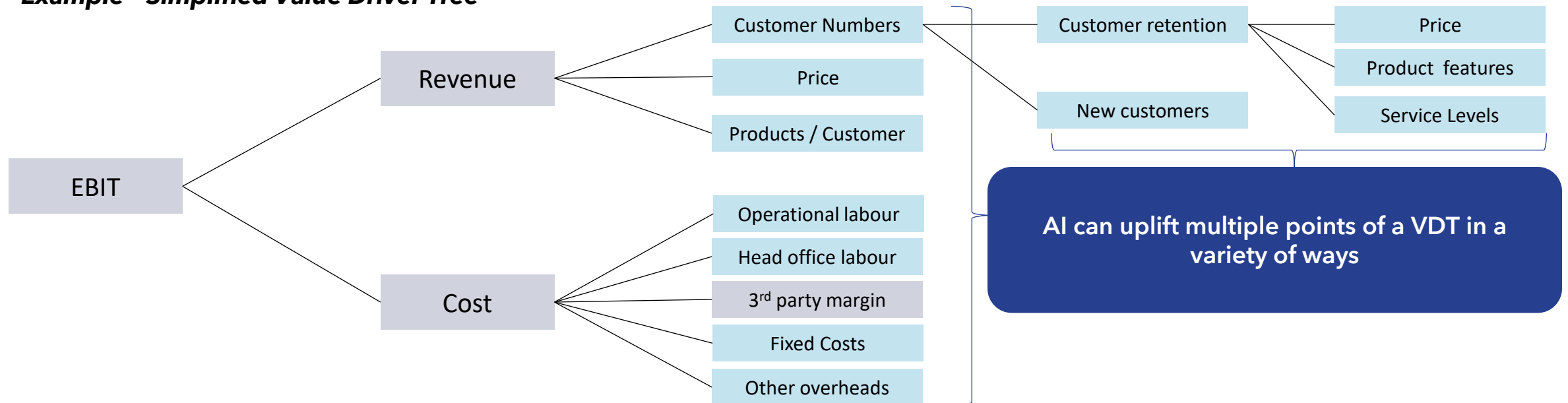
Scenarios will need to be built at multiple levels - understanding your context helps you to build better strategies



Scenario Planning can be enhanced by building a Value Driver Tree - this helps you target which levers you really want to pull

- By developing and analysing their Value Driver Tree (VDT), organisations can clearly identify the levers where AI implementation will make quantifiable differences
- AI will impact VDTs on both the **cost AND revenue** sides
- There are multiple points on both the Revenue and Cost sides where benefit can be derived. This includes:
 - Improved service level and customer experience
 - Dynamic pricing
 - Personalised sales and recommendations

Example - Simplified Value Driver Tree



Another approach is to examine your roles and processes for early opportunity – preferably in a manner consistent with your scenario and Value Driver Tree work

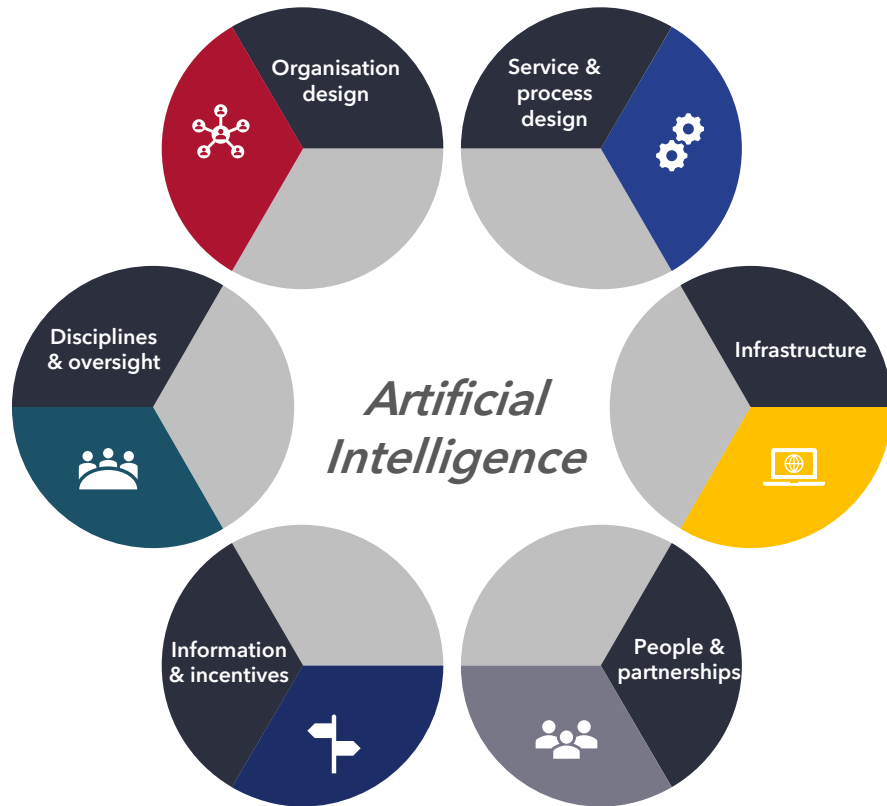
- We find that an examination of role and process data will provide clients with a large opportunity set
- Typical examples of opportunities can be found below:

Sales	Marketing	Accounting	HR Management	Customer Service
<ul style="list-style-type: none"> • Identify trends – market anticipation • Score and prioritise leads • Automated chat and email support for sales staff <p><i>“Businesses who implement AI in their sales process saw a 50% boost in sales and a 70% decrease in call time”</i></p> <p><i>- Harvard Business Review</i></p>	<ul style="list-style-type: none"> • Customised website experiences • Assisting in the customisation of intelligent algorithms • Personalised push notifications • Image recognition using Computer Vision • SEO 	<ul style="list-style-type: none"> • Automation of manual tasks <ul style="list-style-type: none"> • Inputting and matching data from scanned receipts • Assessing expenditure reports • Tracking fluctuations • Semi automate Payroll 	<ul style="list-style-type: none"> • Initial candidate screening • Robot recruiter (see; Vera – PepsiCo) <ul style="list-style-type: none"> • Candidate calling • Assessment of suitability for job 	<ul style="list-style-type: none"> • Support customer service representatives (provide scripts for resolution, next steps) • Processing (such as loans) • Facilitate product discovery based on customer data

Updating your operating model

3

Artificial Intelligence can impact your operating model, and you can change your operating model to more rapidly and effectively deploy AI



- AI is not just an aspect of the 'Technological Infrastructure' of the operating model.
- Nor is AI only considered within how you treat 'Information and Incentives' of your operating model.
- AI will have an impact and present opportunities in all elements of the operating model
- The operating model needs to be designed to be able to take advantage of the utilisation of AI

Artificial Intelligence Capabilities (AIC) can impact your Operating Model in multiple ways

- Critically, AI doesn't discriminate between blue- and white-collar workers - it impacts both.
- For instance, AI can be leveraged to:
 - Enable knowledge workers to deliver greater volumes faster
 - Reduce (or smooth) a company's costs curve, especially when they are rapidly rising. e.g. compliance work can be fully automated via AI
 - Turbo-charge your strategy, for instance finding new markets and conducting testing for these
 - Model how you might optimise or completely redesign your supply chains



You will find that AI opportunities can be applied to all areas of the Operating Model

We recommend a wholistic approach is taken that considers all elements in Target State Design



Potential impacts of AIC on Operating Models (1/3 - illustration only)

Structure

- Reduced headcount expansion needs and higher throughput
- Larger Technology and InfoSec teams to build and maintain AI systems / models
- Shift to more agile structures
- Encourages use of MDL

Role design

- Mundane tasks will be removed from roles
- Roles need to flex and adapt to changes in the operating environment
- AIC use forms part of minimum skills req.
- Ability to maximise AI output becomes essential to person's success

Core functions

- Creative development will be AI enabled
- FDs via AI become common in all functions
- Human involvement will reduce in some functions
- The core functions of a business will come to be the human element

Risk & resilience model

- Early Warning Systems established and AI for preventative measures via live compliance auditing and flagging
- Scenario modelling and simulation used to test all possible permutations
- AI systems become essential for security measures



Service model

- Quick response rates & predictive / proactive support become essential
- Increased need for strong stakeholder management as day-to-day work is AI enabled including customer service tasks
- Hyper-personalisation takes centre stage

Process design

- Continuous Improvement drives constant change as businesses seek efficiency
- Most current processes become AI driven / enabled beyond simple automation
- Processes will be robustly tested via AI prior to deployment

Policy

- AI trained on policy requirements and utilised for enforcement and reporting
- Reduced 'grey area' will likely have to be mitigated
- Policy updates and iteration modelling conducted using AI

Ways of working

- FD drafting will enhance speed and throughput for most workers
- Enhanced need to adequately utilise AI tools and understand their shortcomings - "everyone will be managing their AI intern"

Potential impacts of AIC on Operating Models (2/3 - illustration only)

Governance

- Increased oversight via AI bots
- Risk mitigation occurs in real time to avoid issues arising
- Heightened need for safety controls to avoid misuse of bots / AI agents
- Greater transparency and accountability

Decision making

- Reduced risk of analysis paralysis as all data can be rapidly summarised
- Synthesis of information and decisioning on what to trust becomes critical
- Leadership will need to find new ways to remain connected to 'the coal face' as AI creates opportunity for division

Mgmt. disciplines

- Policy becomes easier to enforce with AI uplifting the bulk of the effort
- Increased visibility of productivity and metrics
- Enhanced understanding of policy effectiveness
- Unwritten policy that is enforced needs to be made official or removed



Technology

- Tech stacks will need to increasingly have greater processing power
- Cyber security and threat detection becomes more paramount than ever
- Data integration across systems is critical
- Widening of interaction platforms in workspace

Geography & Footprint

- Geographical dispersion becomes less significant
- Shift towards digital realm interactions
- Enhanced need for inclusivity in AI models
- Software and hardware becomes more immersive

Automation & AI

- **Automation makes way for AI**
- **AI co-pilots used for FDs across multitude of applications**
- **AI adoption drastically alters all other Operating Model elements**

Potential impacts of AIC on Operating Models (3/3 - illustration only)

Metrics

- Enhanced data points from all pieces of work
- Real time metrics measurement
- Metrics will need to shift focus and take on an OKR style format
- Continuous improvement metrics can be established

Reward & recognition

- Programs become heavily tied to real data points, potentially mitigating bias
- Real-time recognition and continuous performance monitoring
- Gamification of rewards systems

Data

- Data quality becomes paramount as the foundation of training for AI models
- FD quality will improve with data quality
- Data security and privacy become paramount
- Personalised experiences can be designed

Performance Targets

- Increased focus on qualitative measures
- Quantitative measures become focused on the monetary value
- Heightened requirements for quality and throughput
- Predictive performance insights and recommendations



Culture

- Change management and adaptability essential as change is constant
- Employees will need to embrace use of AI tech or be left behind
- Enhanced collaboration and knowledge sharing
- Ethical responsibility and trust become essential

Sourcing

- Recruitment and sourcing processes streamlined to find the best fit
- Sourcing tasks reduced to an AI prompt / request
- Need to be careful to avoid reduced diversity and bias in models
- Market and competitive intelligence boosted

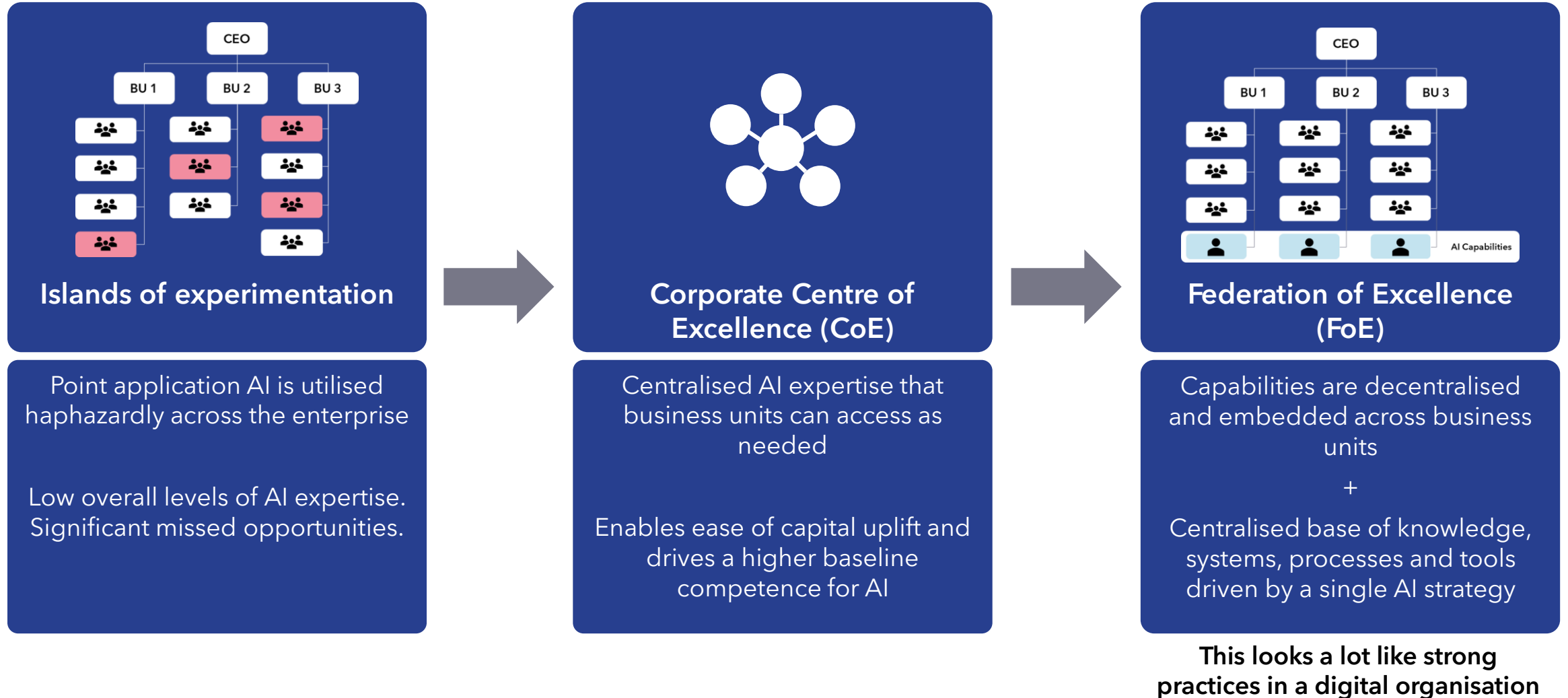
Resourcing

- Enhanced demand forecasting resource optimisation at speed
- Resources can be optimally allocated (skills matching)
- Communication across larger firms becomes more purposeful as employees can speak to the right person first

Capability

- AIC becomes a standard requirement for new hires
- AI use will be expected for FD generation
- Heightened need for critical thinking and validity testing

Your AI Operating Model may need to evolve multiple times to reach target state, and your overall Operating Model will eventually need to adapt



Source: MIT Sloan Management Review

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The nature of AI problems and solutions are "emergent", so they do fit well into creating agile team structures



Changes are happening at an incredible pace – so some of your solutions will be out-of-date by the time you deploy



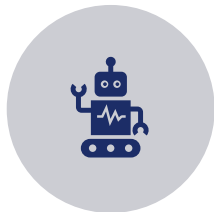
Solutions can involve more than one AI agent



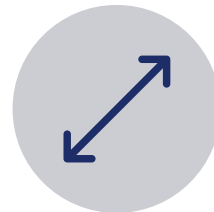
There are "out of the box" low-code solutions and more complex solutions



You may wish to consciously consider what solutions require the greatest degree of IP protection



Major software providers are building AI solutions into their offers (some solutions are already there AND there will be a lot more soon)



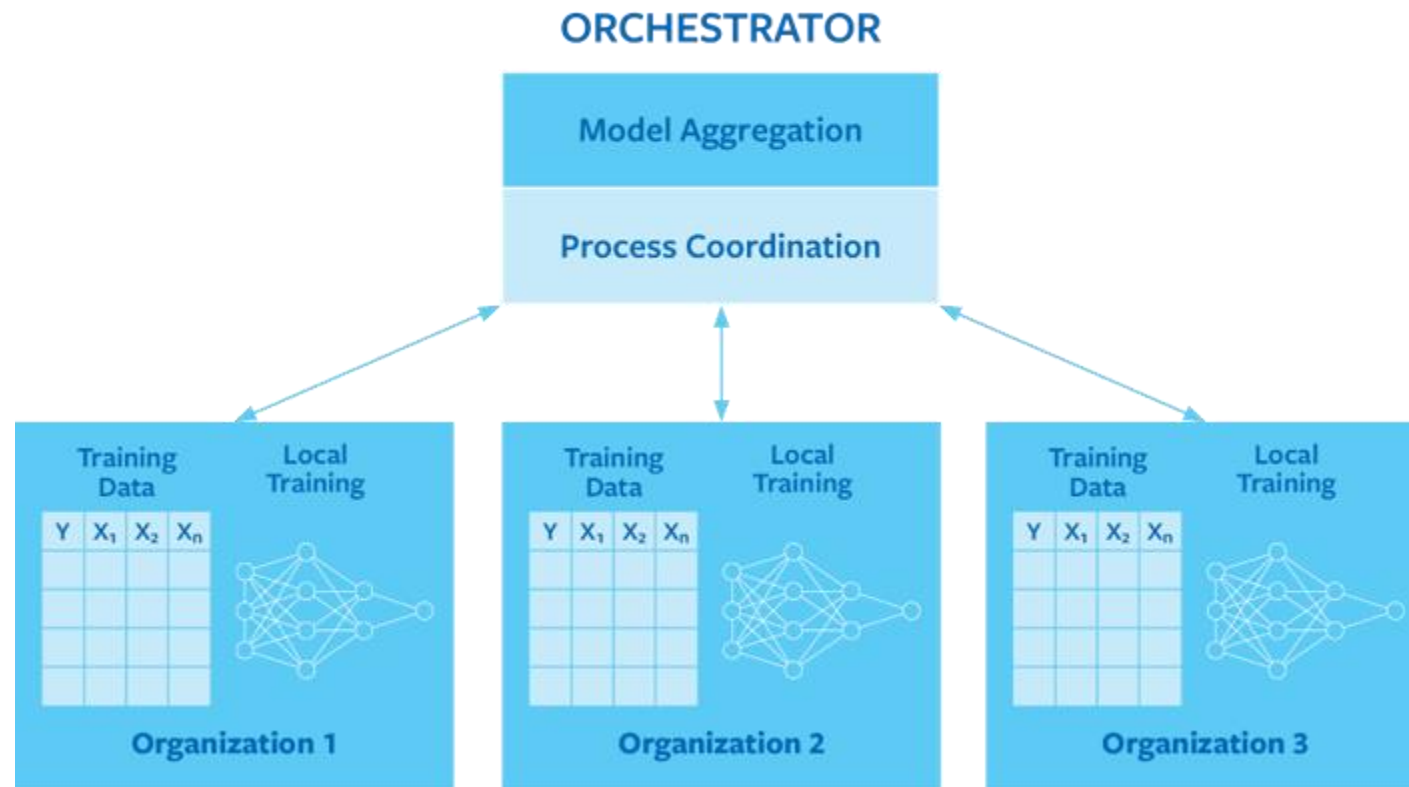
You may prefer to select some partners that you can get to know well (and operate in the spaces outside the solutions from, for instance, your ERP partner).

It is likely that the attributes of a good Digital organisational model will be incredibly helpful for AI deployment

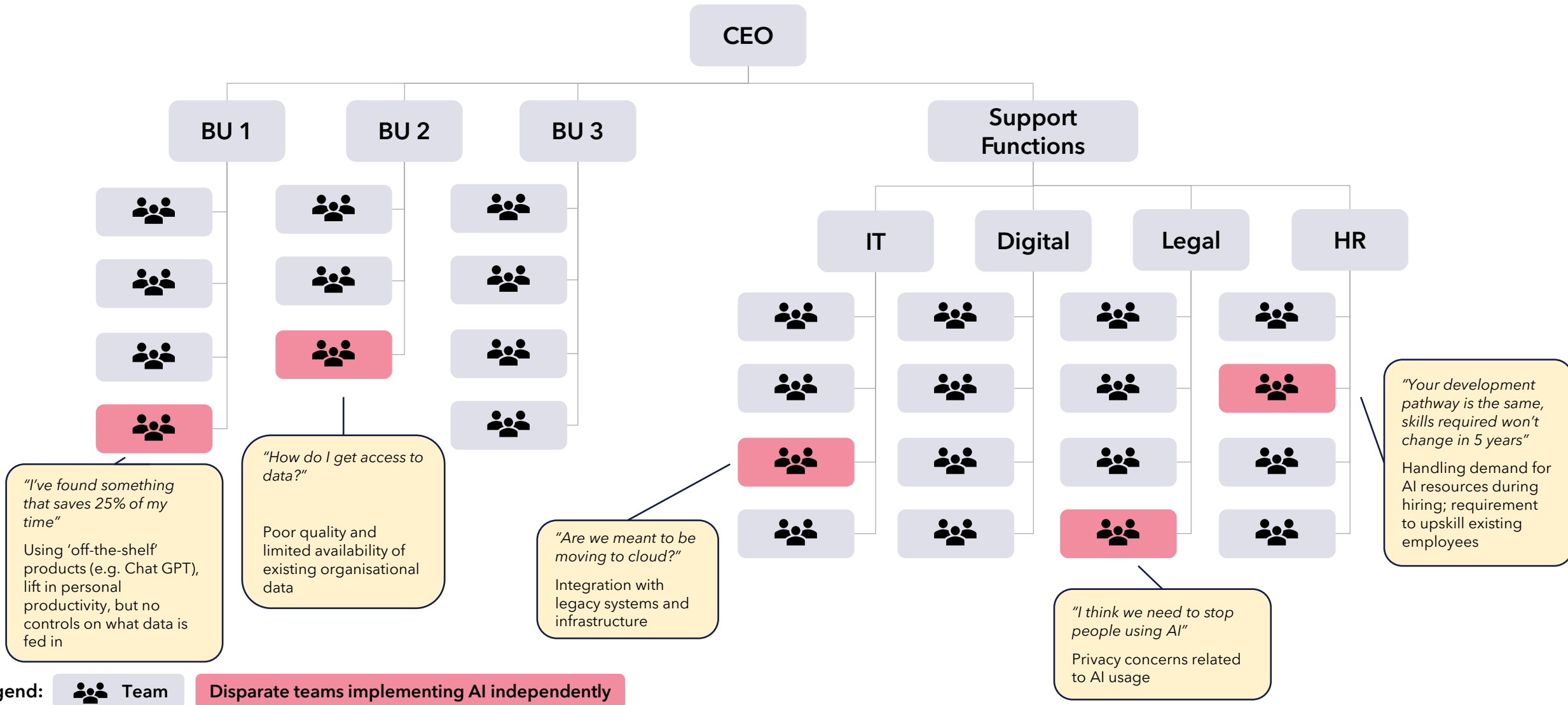
Digital lays the foundation upon which AI can be deployed and built



For smaller enterprises, collaboration will allow them to compete effectively against players with larger data sets (MIT Sloane Management Review, Fall 2023). Collaboration will be a superpower



Patchwork AI adoption will not only lead to slow value realisation but an inconsistent approach to ethics, fragmented governance and increase potential security threats



What does this mean for your workforce? Well - opinions vary



Global technology providers and strategic consultancies have been on record as predicting the wholesale elimination of job types



However, investment houses, such as Goldman Sachs, predict that while many roles and processes will be affected by AI, it will not lead to large-scale job losses



However, this may be a period of technology adoption not unlike that of the personal computer, or the emergence of the internet. Those leaders or employees who adapt quickly and learn to effectively utilise the technologies will do best



Effectively, you may not lose your job to an AI agent, but lose your job to someone who can use agents better than you can



This implies that capability groupings in the enterprise will change to adopt an increasingly AI (as well as digital) enabled world



You will need a workforce that understands data and AI concepts from “data lakehouses” to “ML (Machine Learning) operations”, and from “cardinality” to “featurisation”. The concepts do hark back to older ideas, but the combination of concepts is new and requires different thinking

Our Summary

At least for today....

We hope you leave today with the following insights (if not more)....



AI is here to stay



Organisations are already moving to take advantage of the opportunities



There is a real risk of being left behind, but being organised in your approach will allow for a more impactful set of investments



You will need to get safe because your staff are already using the technologies, and so are your competitors



Your environment is changing, the competitive context is already being changed by Artificial Intelligence



Your operating model will change because of AI, and you will probably need to change your operating model to take advantage of AI



You are already short of the skills you need (because nearly everyone is) but AI itself can help you get there



You have genuinely strategic decisions to make - Which partners? Which levers? What architecture (including the use of open-source tools and in-house capability)?

Contact details and disclaimer

Bevington Group is a specialist consultancy with 6 core practices:

- 
Operating Model Design & Restructuring
- 
Lean Process Reengineering
- 
Change Management
- 
Accelerated Implementation
- 
Process Automation, Digitisation & Workflow
- 
Risk Intelligence

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