An Automation Path to Resilience and Productivity

Strategic positioning in disruptive markets

A Bevington Group Webinar

May 2025

Prompt: Create an image for a professional services firm to use in a webinar that focuses on "An AI / Automation path to resilience and productivity". It should convey a sense that AI and automation are potential solutions for improving productivity in firms and by doing so, firms are able to weather more volatile markets as their cost base can be more reactive to changes in cycles.

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Today we will cover…

- Resilience and anti-fragility
- Volatility, Uncertainty, Complexity, and Ambiguity (VUCA)
- Responding with productivity, efficiency, and an AI portfolio

Redefining Resilience

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In the face of increasing volatility, leaders are increasingly questioning the resilience of their own organisations during periods of economic (and potentially social) turbulence

Source: *Bhamra, R. (2019). Organisational Resilience: Concepts, Integration, and Practice. S.l.: CRC PRESS.*

There are inherent sources of “resilience” which can be strengthened

Customers

- Happier customers will tolerate some volatility in your performance in a crisis
- Lower customer turnover is generally more productive, and this allows you to focus on other forms of fortification

Regulators

- If your operations are running smoothly, and your risk management systems are effective, then you will have freed up space from regulatory pressure

Financial

- Room to move with reserves, lines of credit, and margins

Organisational design

- Some models enable better local decision making (adaptability)

Legal structure

- Potentially establish “firewalls”

Product Development

- Diversity of markets served, and products sold can help
- Speed of product development is a real advantage

Taleb (2007) introduces a concept of *fragility*, where systems may appear to be stable but are highly *vulnerable* to shocks or stress due to hidden weaknesses

1

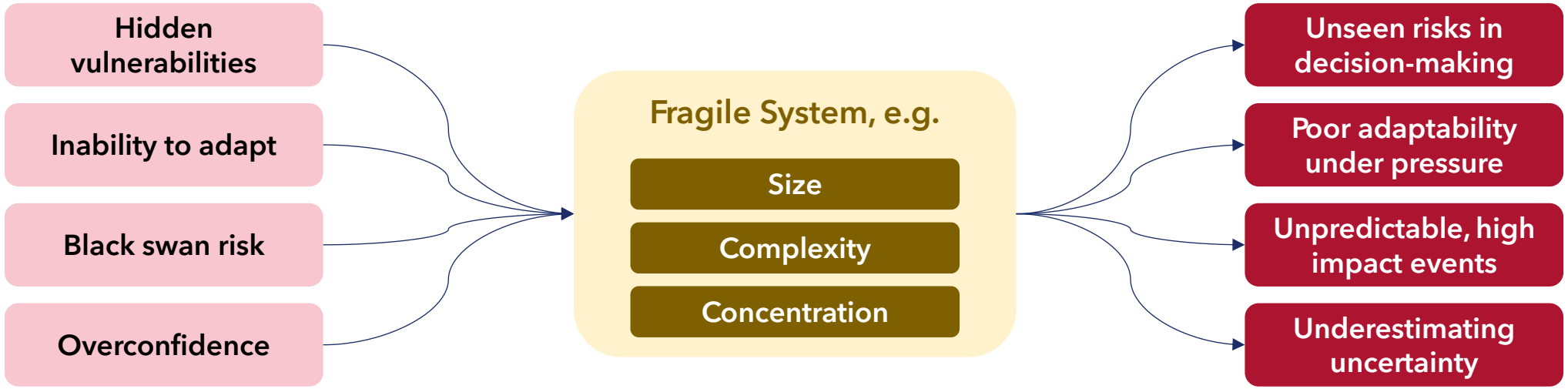
Systems often exhibit hidden weaknesses **masked by a superficial sense of order and predictability**

2

Often, we fail to recognise the fragility of systems because we tend to **mistake the unknown for the non-existent**

3

This tendency to ignore underlying vulnerabilities can lead us to **overestimate the reliability of systems**, especially when they appear to function smoothly on the surface

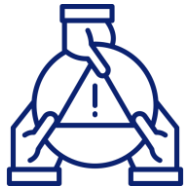


By becoming antifragile, we prepare ourselves (and our organisations) for times of uncertainty

Antifragility can be applied to systems through a series of principles

Optionality

Seeking situations / approaches that allow choices, and flexibility can enable you to exploit favourable opportunities, while mitigating harm



Skin in the Game

Decision-makers should have personal exposure to the risks and rewards of their choices

Barbell Strategy

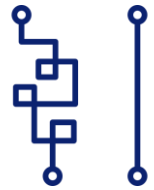
Taking a pragmatic approach with the bulk of a portfolio provides a safety net to go after high-risk, high-reward opportunities in a controlled fashion

Decentralisation

Small, loosely connected systems adapt better (and much more quickly) than rigid, centralised ones

Redundancy / Slack

A degree of slack facilitates rapid responses to unforeseen circumstances



Via Negativa

Removing sources of fragility (e.g., bureaucracy, excessive complexity) often strengths a system more than adding new features

Taleb, N. N. (2012) Antifragile: Things that gain from disorder, Random House.

What can we do when the future looks so unpredictable?

The rise of 'Barbell' thinking (Taleb)

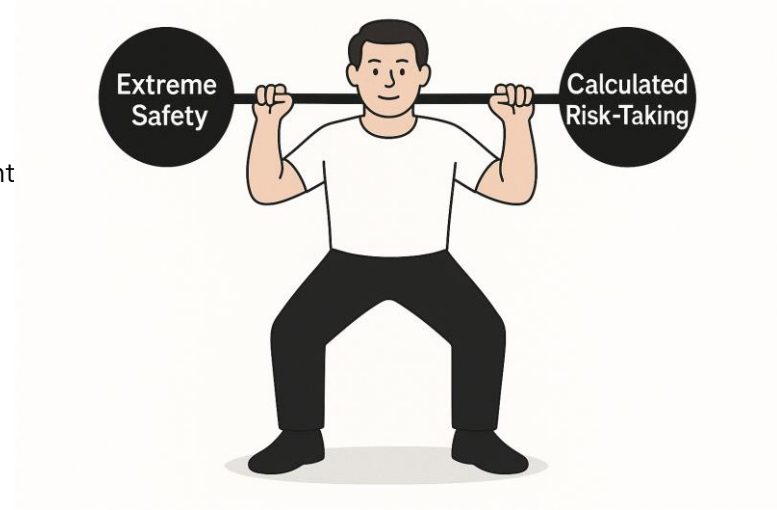
- Barbell Thinking is a decision-making and risk-management strategy that combines extreme safety on one end with calculated risk-taking on the other – while avoiding the uncertain, risk-laden middle ground
- Popularised by Nassim Nicholas Taleb, it's designed to build ***antifragility*** – the ability to thrive in unpredictable or volatile environments
- This approach helps safeguard against major losses while still allowing for outsized gains from high-upside opportunities

Focus on stability, resilience, and protection from loss

This side reflects a deliberate commitment to ***minimising downside risk***.

It involves strategies, structures, or decisions designed to withstand shocks, provide continuity, and ensure long-term survivability.

The emphasis is on preserving what's essential and avoiding irreversible harm.



Explore opportunities with high potential and limited exposure

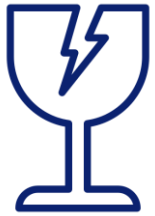
This side represents ***deliberate, bounded experimentation***. It's about allocating a small portion of your resources to explore high-reward ideas, innovations, or strategies.

The focus is on optionality – testing bold moves with limited downside, where failure is survivable, but success can be transformational.

Barbell thinking presumes that in a rapidly changing world, organisations with options for different models will be those that survive. Those organisations that don't have the right balance and focus too much on today's business are those that go into accelerated decline when the environment changes rapidly.

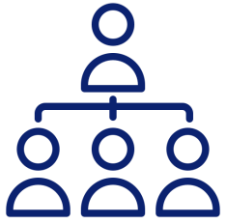
Adaptability is a key component of resilience, ensuring organisations can flex when needed

If you want to improve the adaptability of your organisation, you may have to face some uncomfortable truths…



Sourcing

- Offshored supply chains without redundancies are more fragile



Management Discipline

- Organisations that can make faster decisions in local contexts have the flexibility to adapt quickly to their market context
- There are centralised ways to make faster decisions, but they need to be explicitly designed to retain decision quality

Financial Structure

- Firebreaks between organisational units are important to ensure that contagion does not spread
- E.g. corporate structures that mean one unit going bankrupt will not bring down the whole enterprise

Information

- The ability to sense changes in markets or other contexts is key
- Adaptive organisations can "smell a change in the air" early

Functional Design

- Some silo-based structures can be prone to slow decision making
- In divisional structures decision rights need to be clear and usually the "corporate centre" needs to be lean and focused on the allocation of "crisis" resources

These attributes can be considered when you review your strategy, business model, and operating model

Zolli, A and Healy A. (2013). Resilience: Why Things Bounce Back, HBR, https://hbr.org/2014/05/why-you-need-a-resilience-strategy-now

One feature of a highly adaptive enterprise is the ability to sense, scale, and swarm

Sensing

- Organisations that see the problem for what it is early tend to do better
- For example, Nokia (rather than Ericsson) was the first to recognise the risks in a plant failure in Philips network

Scaling

- Nokia was the first to pull resources off other projects and business lines to solve the problems – even before they knew how to organise

Swarming

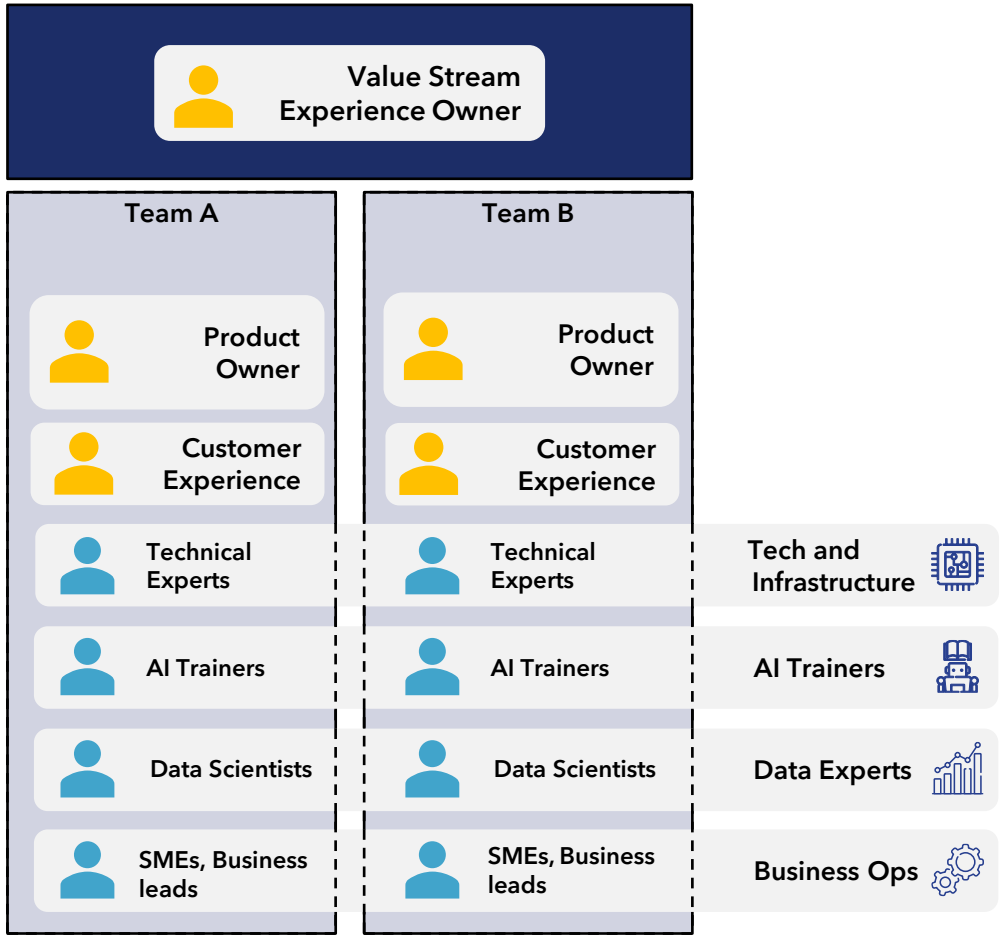
- Nokia teams swarmed by building Agile groups to solve different aspects of the problem with Philips resources
- Ericsson was left out and suffered a $2.58bn hit (USD)

Zolli, A and Healy A. (2013). Resilience: Why Things Bounce Back, HBR, https://hbr.org/2014/05/why-you-need-a-resilience-strategy-now

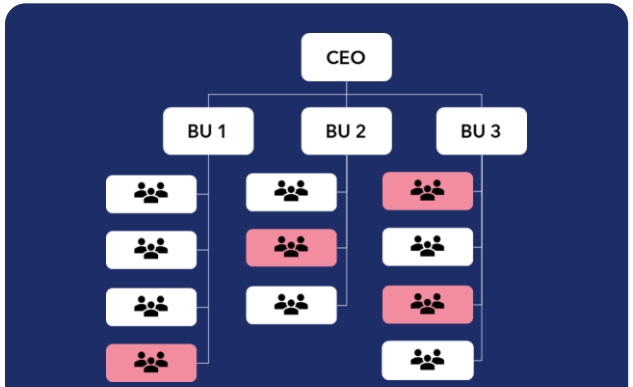
Agile ways of working can support you to keep pace with the rapid evolution of AI

- There is evidence that **multi-disciplinary agile teams** (such as those used in digital transformation) are also valuable in developing AI-powered solutions for customers
- Such multi-disciplinary teams could combine, e.g.
  - Marketing
  - Customer service experts
  - Data scientists
- In other words, teams that are likely to be responsible for working together to support the customer journey
- These teams will be responsible for **identifying use-cases and prioritising, building, and testing the agentic workflows** to deliver them

- **This way of working will be challenging for some people**
  - There are **different "rituals"**
  - The work of the team members is **very transparent**
  - The team has **increased decision-making responsibility**, with the need to maintain alignment to set business goals



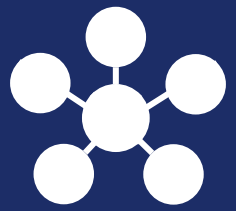
This likely means your organisational structure sees multiple evolutions as you move up the AI maturity curve



Islands of experimentation

Point application of AI is utilised haphazardly across the enterprise

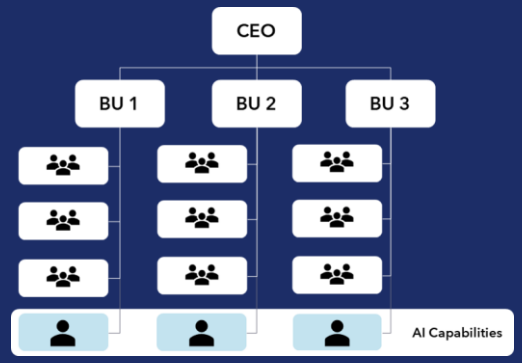
Low overall levels of AI expertise. Significant missed opportunities.



Corporate Centre of Excellence (CoE)

Centralised AI expertise that business units can access as needed

Enables ease of capital uplift and drives a higher baseline competence for AI



Federation of Excellence (FoE)

Capabilities are decentralised and embedded across business units

+

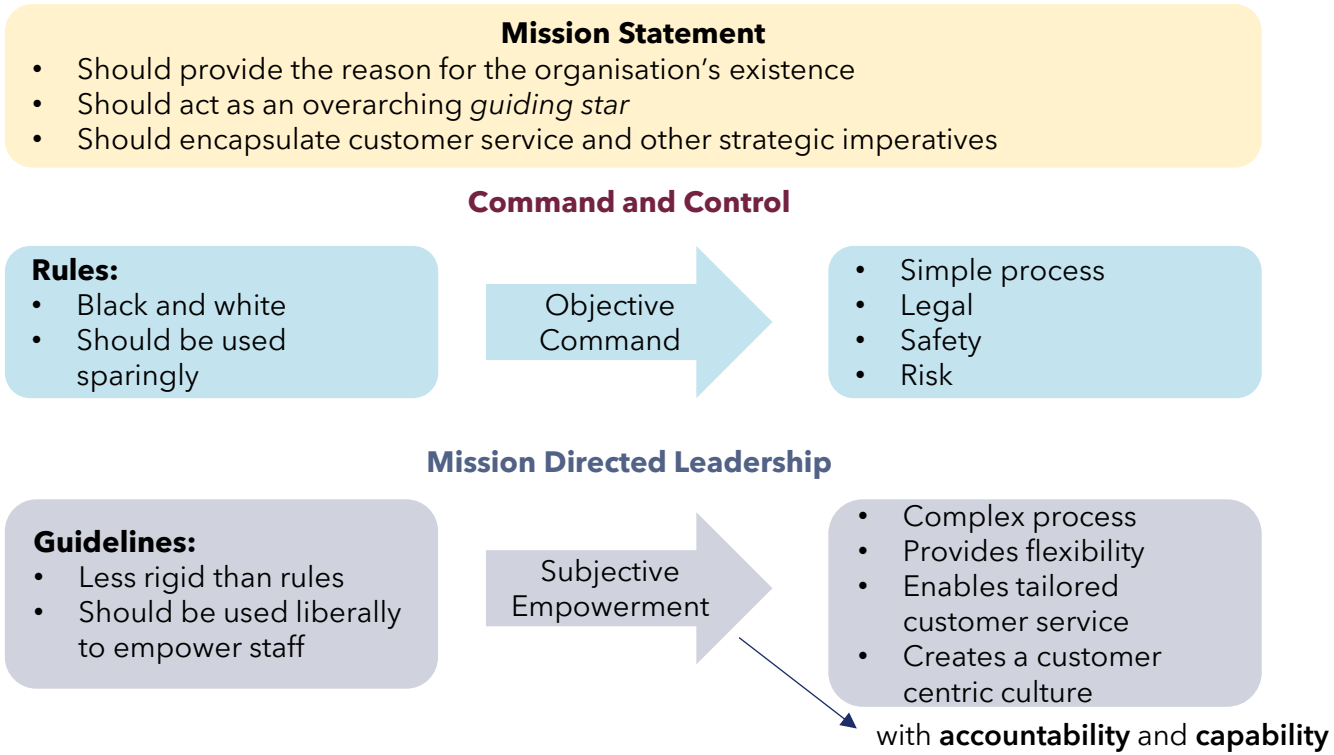
Centralised base of knowledge, systems, processes, and tools driven by a single AI strategy

This looks a lot like strong practices in a digital organisation

Source: MIT Sloan Management Review

Mission Directed Leadership can empower teams to make the right decisions – this also unlocks meaning and can be used to balance out "over-collaboration"

- ***Mission Directed Leadership models***
  - Leaders are given clarity on mission, rules, and guidelines
  - Leaders adapt by deciding on the best courses of action consistent with mission and guidelines without breaking the rules



Glenn, R.W. (2020). Trust and Leadership: The Australian Army Approach to Mission Command. United States: University Press OF NORTH GEORGIA.

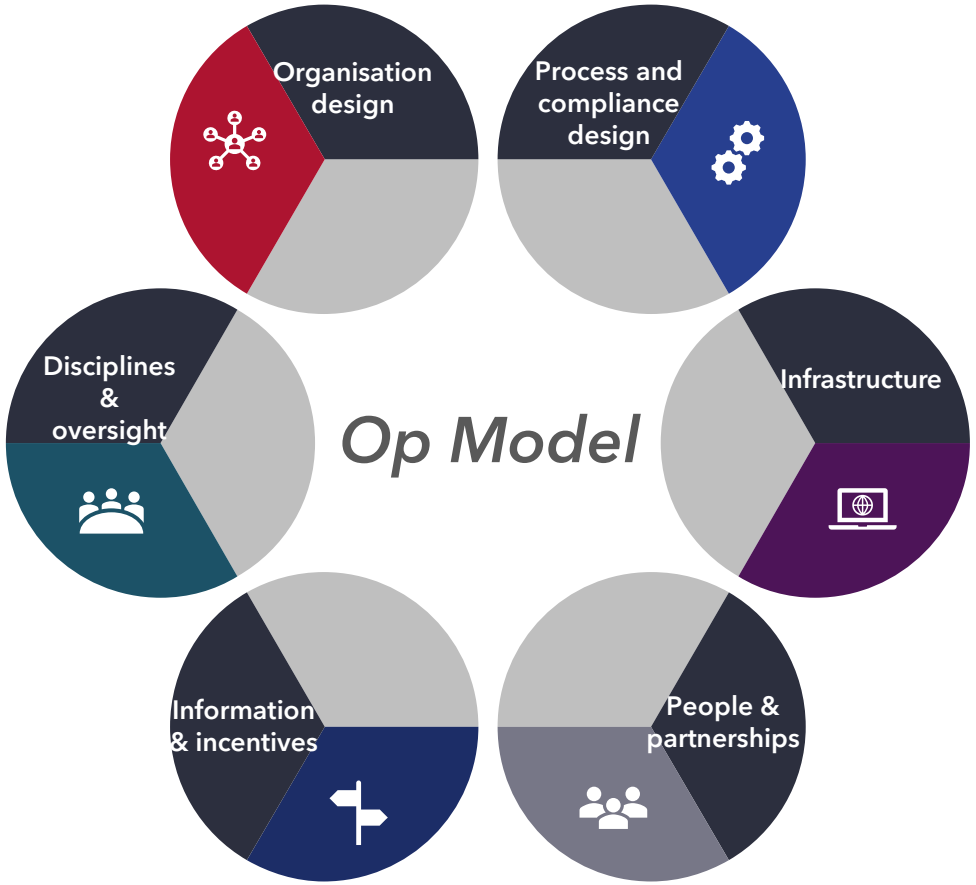
Key elements of an MDL model

- Ensure staff members understand and buy-in to the "mission"
- Provide a clear decision-making framework (with clear distinction on rules and guidelines, and training)
- Ensure teams have the information they need
- Ensure people have the authority to act
- People have the skills to detect changes in critical systems and processes
- Trust needs to be maintained – transparency is key for this
- Enable staff to grow and develop

To be adaptable may require you to improve your Operating Model – it bridges the gap between business strategy and execution

Strategy

- Organisation goals and objectives
- Clarity on creating value
- Understanding of customer and market
- Aligned functions
- Functional accountability model



Execution

- Business transformation
- Technology transformation
- Regulatory reforms
- Other projects
- Small Quick Win projects

2025 sees growing volatility

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We are back to an extreme VUCA world

We are living in a VUCA world

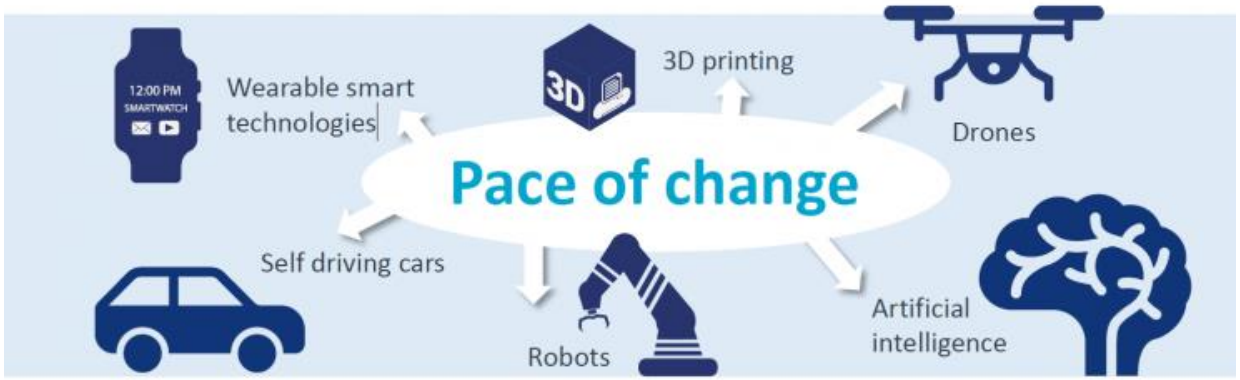
Volatility, uncertainty, complexity and ambiguity

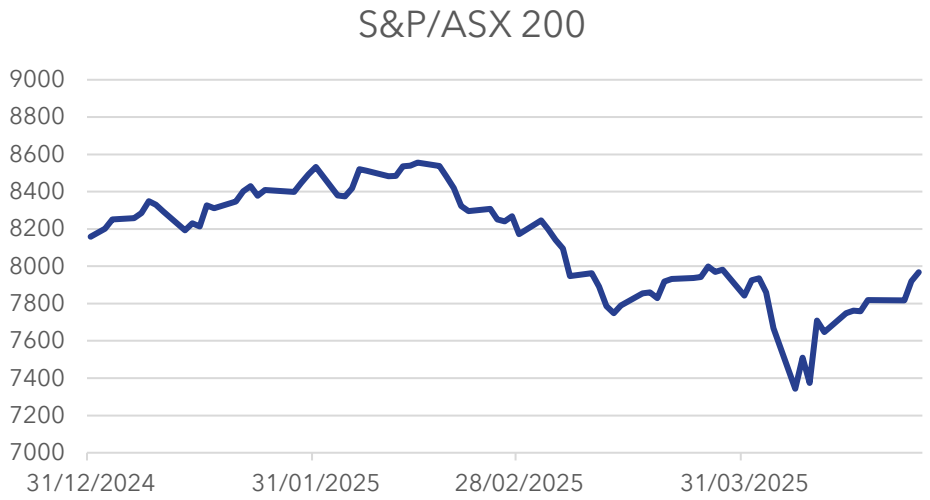
Volatility	• Rapid, unpredictable changes with significant impacts
Uncertainty	• Lack of predictability, where past data fails to forecast future outcomes
Complexity	• Interconnected factors creating tangled cause-and-effect relationships
Ambiguity	• Lack of clarity or misinterpretation of information

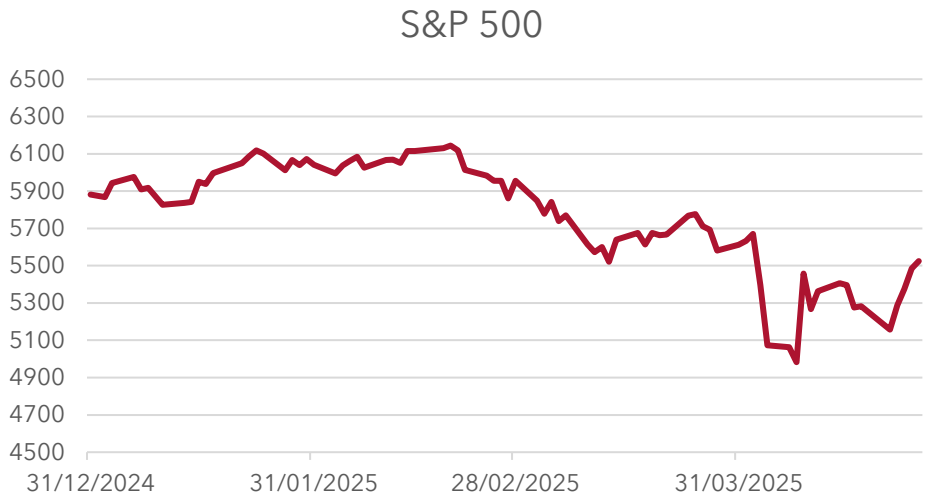
- We are **operating in a world shaped by volatility, uncertainty, complexity, and ambiguity**, driven by market fluctuations, global trade tensions, and unpredictable supply chain disruptions
- Economic shifts, declining productivity across organisations, and unclear or rapidly evolving regulatory environments further complicate strategic decision-making and long-term planning

VUCA can be seen in the high volatility across global markets in 2025

- **High uncertainty in markets** as global trade challenges escalate
- **Supply chains are vulnerable** with world trade disruptions
- **Geopolitical tensions** creating market volatility resulting in difficulty in forecasting, policy changes, and disruptions to economic models
- The **pace of change is accelerating globally**

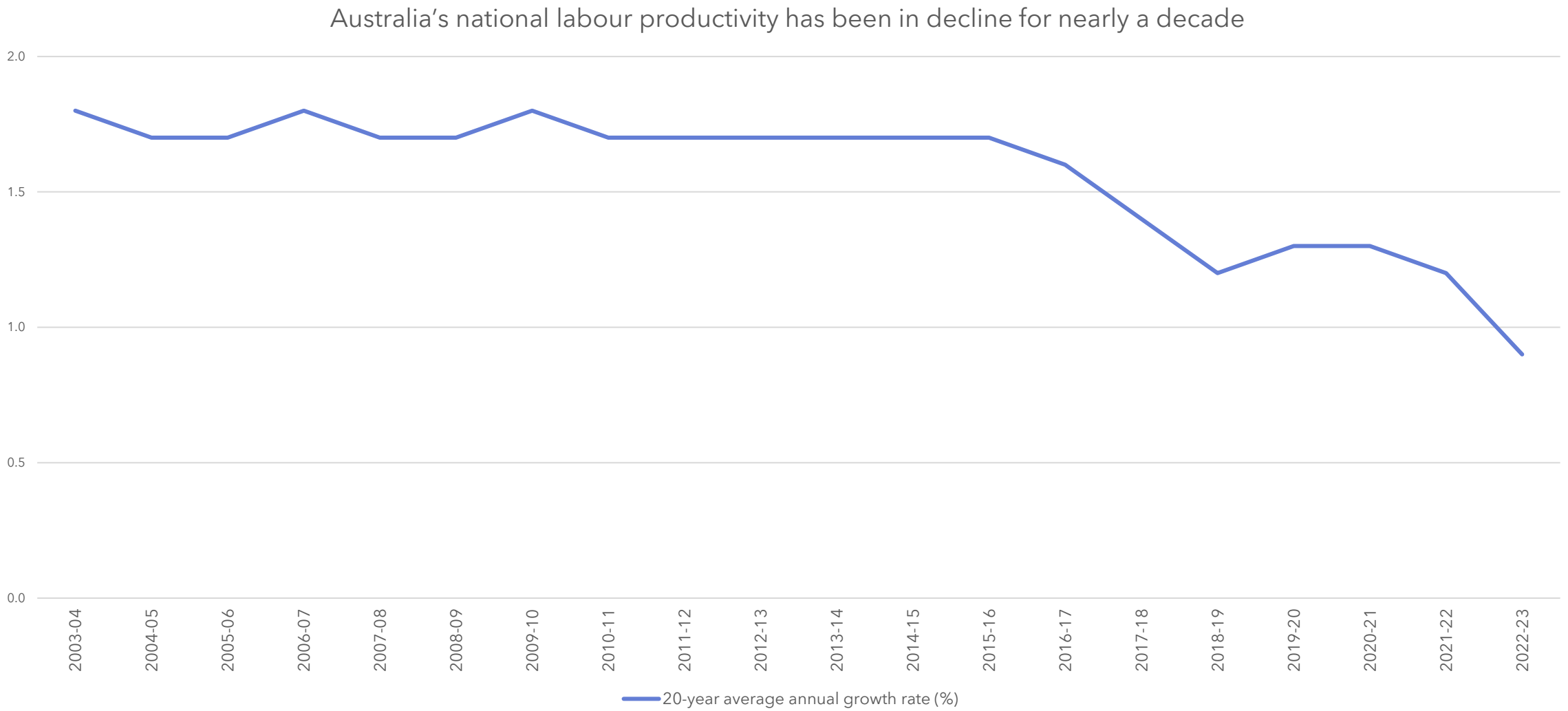






Source: S&P Dow Jones Indices LLC.

Furthermore, our Australian labour productivity growth has slowed significantly over the past two decades – which can limit our options in terms of a response to volatility



In this context a range of sources of fragility can be problematic

LACK OF REDUNDANCY

- Personnel
- Financial resources
- Supply chain

CONCENTRATED OPERATING MODEL COMPONENTS

- Small number of markets served, or products offered
- Low levels of "competitive moat"
- Single source supply chains
- Limited buyer cohort

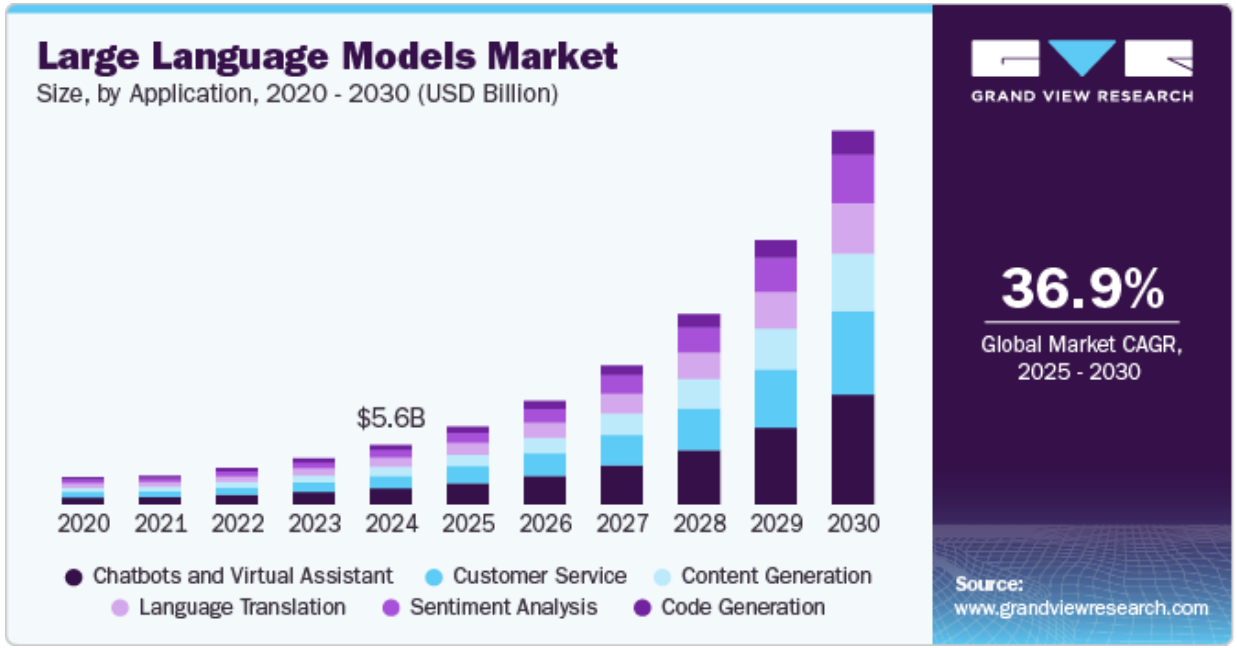
LOW SPEED DECISION MAKING OR ADAPTATION

- Bureaucratic decision-making systems
- Slow product development cycles

LOW LEVELS OF CUSTOMER SATISFACTION OR REGULATORY CONFIDENCE

- Inconsistent service quality
- Non-compliance
- Negative brand reputation
- Limited customer engagement

Organisations are becoming increasingly exposed to volatile markets along with rapid advances in technology, creating a two-speed economy



Increasing competition as more enter the market

- Technological development was once looked at in years
- Now, it's in months
- There used to be a select few competing organisations / applications
- Now, with the ease of accessibility and the uplift in technological skills around the world, it has opened up a multitude of options in the industry

Increasing productivity to become anti-fragile

Using Automation and AI to equip your organisation to excel through uncertainty

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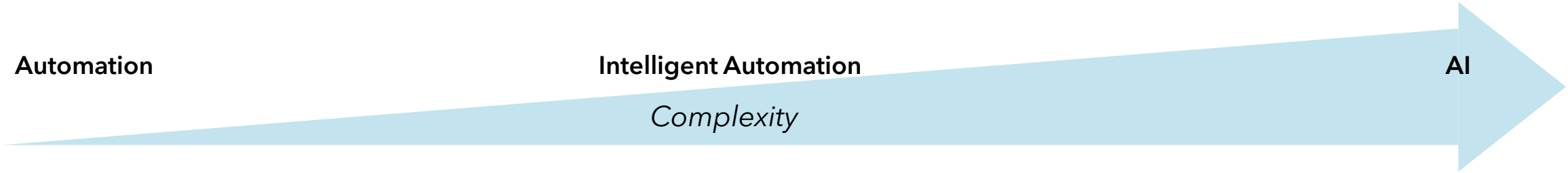
The link between productivity and resilience

- **Productivity gives you the space to invest in resilience**
  - By liberating costs there is room to invest in “firebreaks” and redundancy
  - “Lean methods” stress the importance of reserve capacity. Resilience theory takes a similar approach. Reserve capacity can be working on important (but not urgent) projects, and resources can be liberated in a crisis
  - Liberating resources in a crisis is essential for a “sense, scale, swarm” strategy
  - Redundancies may be necessary in areas such as
    - Personnel
    - Supply chains (or alternative sourcing options)
    - Financial resources (e.g. funding lines)
  - Productivity gives you the resources to invest in diversity (a key source of resilience)
    - Product
    - Market
    - Supply Chain
    - Customer
- **Quality productivity measures are inherently robust in their design, for instance**
  - A productivity program which reduces errors can improve regulatory robustness, as well as customer robustness
  - Automated systems have the potential to be more robust
  - Technology assisted decision making can improve operational quality
  - AI can assist with “sense and respond” dynamics

Automation and AI offer a range of solutions to problems of varying complexity

As complexity increases, we shift from Automation to Artificial Intelligence capability needs



- Interaction occurs predominantly between two systems at a time
- Process tends to be replicated consistently
- Lesser need to synthesise information OR follow non-linear processes

Examples:

- Implementing robotic process automation (RPA) to automate repetitive tasks such as data entry or invoicing.
- Using workflow automation to streamline approval processes and improve collaboration between departments.
- Applying software automation to speed up software development processes and reduce human error

- Automation that leverages AI capabilities to expand what can be automated in a lower-cost manner with greater repeatability
- Increases accuracy and adaptability of automated rule-based tasks

Examples:

- Implementing chatbots or virtual assistants with natural language processing (NLP) to improve customer service and reduce workload on employees.
- Applying NLP to automate document processing and extract insights from unstructured data.
- Bots to screen job applications, resumes, and candidate profiles

- Strong need to synthesise data and draw conclusions based on learned parameters
- Highly complex process with multiple inputs from different sources required

Examples:

- Using predictive analytics to forecast demand and optimise inventory management.
- Leveraging machine learning to automate fraud detection and risk management.
- AI-powered virtual assistants like Siri, Alexa, etc.

AI can help with a key resilience muscle – accelerating Sensing, Learning, and Response

AI provides information to enable timely execution – empowering organisations to act with speed while limiting errors

Sensing

- AI processes vast amounts of data from diverse sources / formats, e.g. sensors, images, real-time systems, to detect patterns and anomalies in milliseconds

Learning

- AI models adapt and evolve by analysing data, building insights, learning and improving its accuracy over time, and as more data is absorbed

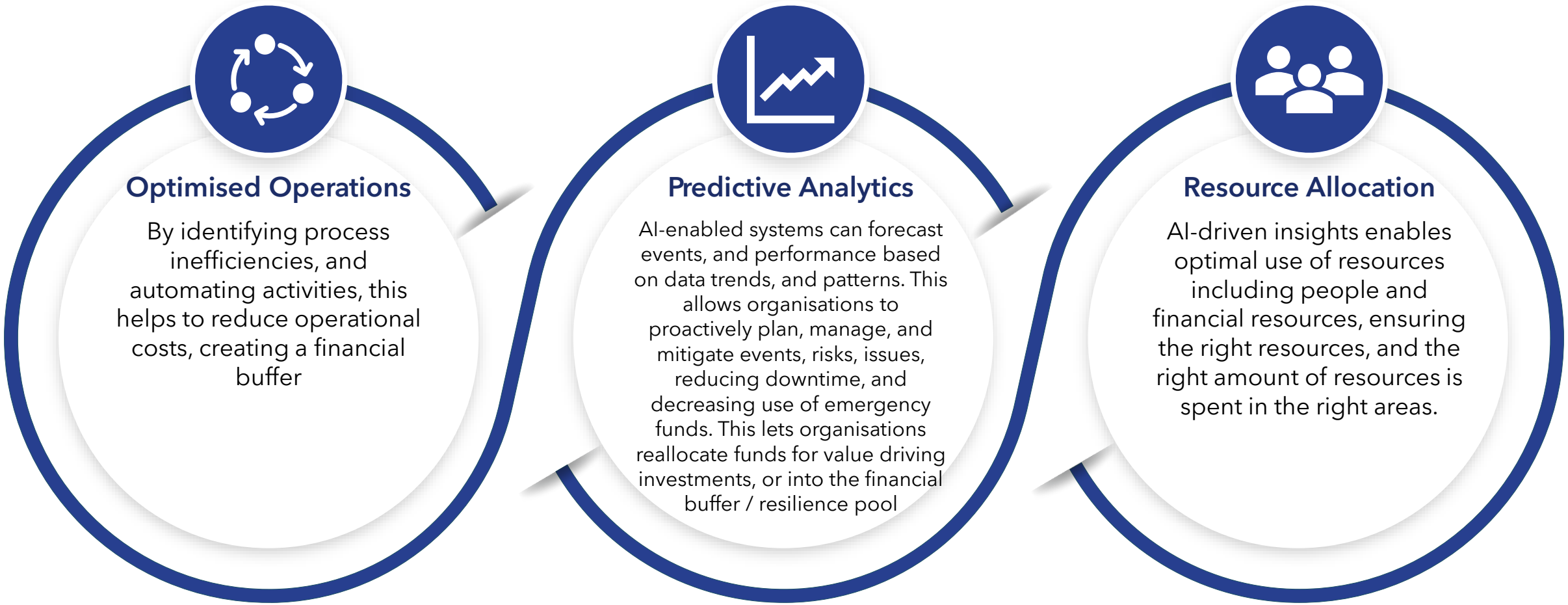
Response

- AI enables dynamic decision-making, automating tasks, and responding to critical situations in real time

Zolli, A and Healy A. (2013). Resilience: Why Things Bounce Back, HBR, https://hbr.org/2014/05/why-you-need-a-resilience-strategy-now

Many organisations are starting with three essential categories of use-case

AI drives significant cost savings that builds a buffer crucial in today's ever changing, and unexpected world.



For example, a telecommunications provider has adopted Automation and AI to uplift internal capacity and capability, thereby improving the customer experience

Background

The company wanted to improve quality, minimise rework, eliminate manual processes, speed up cycle times, and to step up their internal and external customer experience

Key Challenge

The challenge was in assessing which processes to target, what activities to eliminate, and evaluating the subsequent impacts on the system architecture. The scale of development was significant, and automation and AI adoption at this time was still in its infancy

Approach

- An internal automation enablement team was established to support the identification of areas with opportunities to streamline processes with automation tools.
- An automation / AI strategy needed to be established with an operating framework to provide guidelines and a vision to work with
- Sustainability of the initiative was key, hence there was a focus on building a continuous improvement culture

Outcomes

RPA was implemented in both Finance and HR making significant contribution to improving cycle times, output quality, and reducing cost

Processing time **reduced by 60%**

They also realised a **cost saving of approximately $10M** annually

Source: Seeing the RPA potential

Efficiency Reimagined

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Controlling for inefficiencies can better position your organisation to weather a volatile macro-economic climate

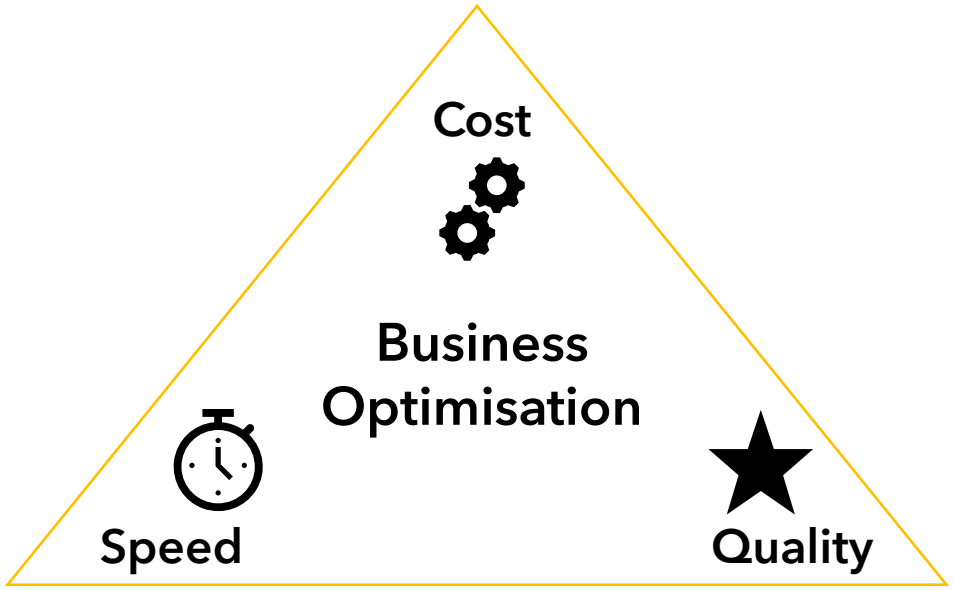
Common inefficiencies include:

- Process inefficiencies
- Capability gaps
- Excessive manual effort (no automation)
- Flexibility challenges
- Ineffective structures
- Legacy technology challenges

Addressing these inefficiencies can provide a sustainable solution that helps you navigate the currently tough environment, while also setting you up for greater success in the future…

Automation and AI can assist with cost, speed, and/or quality

Lower cost enabled by **task automation.** Overheads can be reduced through streamlining repetitive tasks



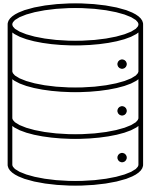
Faster delivery with support from **intelligent workflows**. Decision making can be optimised and accelerated.

Better quality and accuracy with **algorithmic processing**. Enhanced precision minimising errors.

Augmented decision-making can drive improvements in both speed and quality

Reduce Cognitive Load

- Automation tools can support frontline staff with repetitive, mundane tasks which can increase capacity
- AI tools can be used to guide and support frontline staff to improve their capability
- AI can also handle complex calculations and analyse large datasets quicker, reduces risk of error, and frees up human decision makers to focus on higher-level strategic thinking



Data Management

- Natural Language Processing (NLP) enables decision-makers to be better informed by taking in complex data, extracting and providing data-driven insights from everyday unstructured data, and can generate reports for decision makers to quickly understand the essential information to enhance decision makers ability to make the right decision

Predictive Modelling

- AI can analyse risk factors, identify potential threats, and develop mitigation strategies to address potential challenges
- Machine learning can be used to anticipate and forecast future outcomes, providing support for decision makers on resource allocation, budget setting etc.

A multi-national consumer goods corporation examined how AI impacts performance and can transform their ways of working

Background

The company wanted to analyse the effects on performance in having an individual paired with AI, compared with a team working without AI.

Key Challenge

Automation and AI has been regarded mainly as a tool to boost an individual's productivity, but most work and processes require a team which enables benefits such as sharing of expertise. Can AI act as a teammate?

Approach

- Workshops were conducted to run through the product development process across the various business units within the organisation
- Teams were created with a balance of the relevant expertise, and a separate group where an individual would be provided an AI tool to work with as their 'team'

Outcomes

AI boosts performance – results showed that individuals with AI performed on par with the teams without AI but had multiple professionals working together. This suggests AI can replicate the performance benefits of having a human team, eliminating functional silos. **AI could match what previously required two-person collaboration.**

AI provides uplift in quality – teams with AI were found to be able to produce the highest quality solutions.

AI enables speed / productivity – AI-enabled teams and individuals were able to produce solutions 12-16% faster, with a more detailed outcome

Source: The Cybernetic Teammate: AI in Real-World Teams at P&G (Harvard Business School)

How organisations are choosing where to focus

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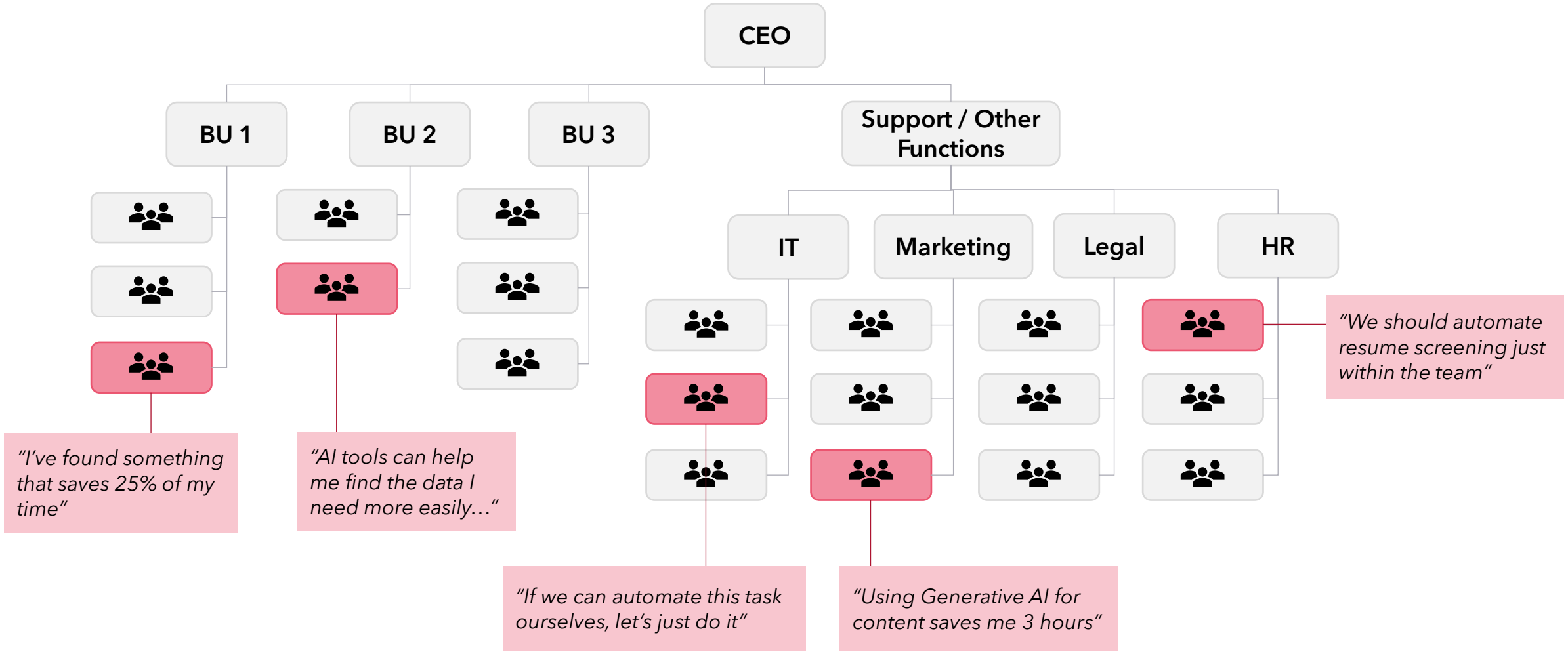
Many organisations have started their AI journey with a series of "toes in the water"

They begin without having an AI strategy in place



Legend: Team | **Teams implementing AI without oversight**

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While there is undoubtedly some benefit being gained here, it is likely localised

The risks and issues being introduced could have wider-reaching impacts

"I've found something that saves 25% of my time"	*"AI tools can help me find the data I need more easily…"*	*"If we can automate this task ourselves, let's just do it"*	*"Using Generative AI for content saves me 3 hours"*	*"We should automate resume screening just within the team"*

Benefits

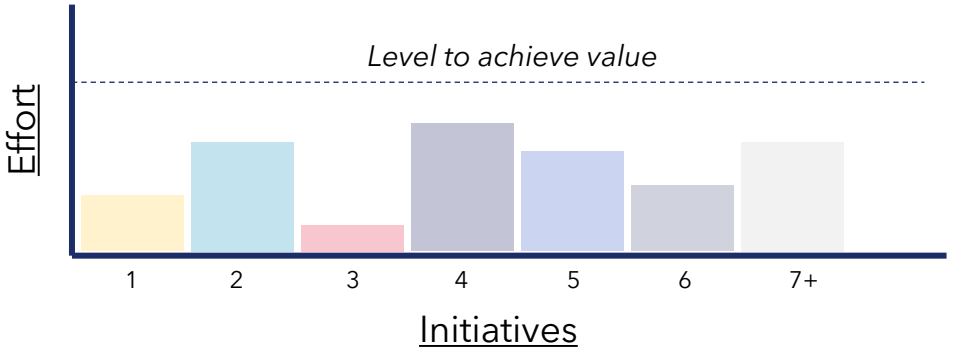
- Some improvement in (local) productivity
- Increased staff familiarity and comfort with AI tools
- May identify pathways of merit

Drawbacks

- ***Increased risk***, with lack of oversight and no management of usage disciplines
- ***Increased tech debt*** due to proliferation of systems and tools without integration
- ***Increased process debt*** due to diverging new ways of doing things
- ***Higher long-term costs*** follow from technology and process proliferation
- Undirected experimentation leaves ***resources spread too thin***
- Lack of frameworks and oversight tends to lead to ***poor realisation of benefits***
- Lack of focus carries an ***opportunity cost***

Using limited resources on numerous unfocused AI projects leads to missed game-changing opportunities that competitors may seize

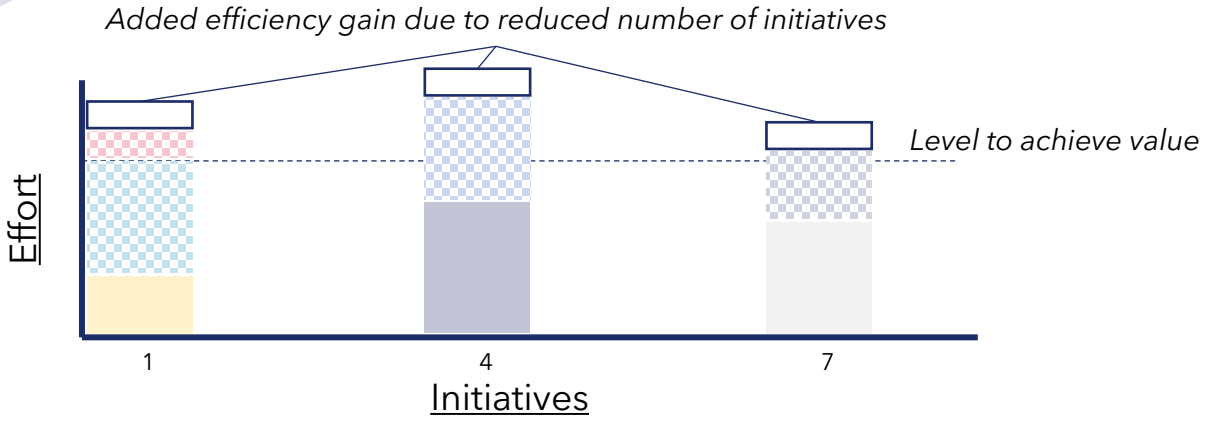
- Most consequential of all is the opportunity cost that arises as minor deployments prevent development of game-changing advances that a focused strategy would deliver



NOTE:
We recommend a **focused use-case portfolio**

- Efficiencies of consolidated effort are realised
- Diversification benefits still exist

Refined portfolio size creates a faster path to real value



Building your AI portfolio

AI initiative prioritisation

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While many are adopting proven use-cases, there is room to disrupt your industry

Everyday AI

Everyday AI integrates AI tools into workflows and existing programs to support key tasks performed daily. Benefits are marginal and requires adoption effort to be realised.

01 **Generating Ideas**

02 **Specific Search**

03 **Drafting & Editing Text**

04 **Summarisation**

05 **Simple Explanations**

06 **Excel Formulas**

Industry trending AI

Across industries, patterns of trending use cases are emerging. Whilst this does open up opportunity for industry acceleration; those at the forefront are looking further ahead.

Healthcare	Medical imaging analysis
Manufacturing	Predictive maintenance
Education	Personalised learning
Transportation	Route optimisation
Cybersecurity	Threat detection
Energy	Smart grid management

Innovative use-cases

While there is benefit to Everyday AI and following industry trends, this does leave opportunity for significant market disruption - should a competitor invest the effort.

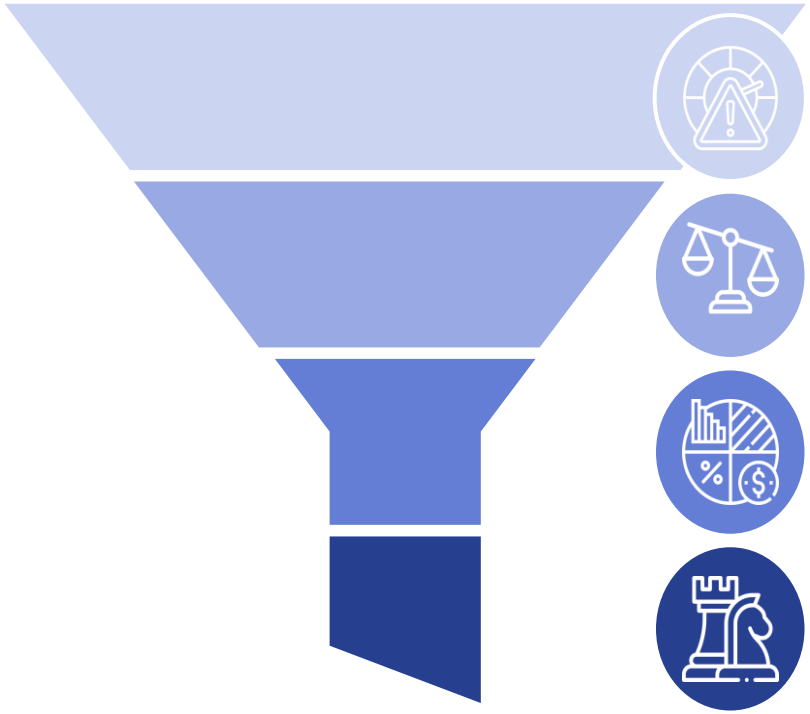
- ✓ **Combines capabilities**
- ✓ **Multiple tools**
- ✓ **Bespoke builds**
- ✗ **Out-of-the-box solutions**
- ✗ **Everyday AI**

Targeting the right use-cases – AI portfolio prioritisation

It is imperative to focus the effort in the right areas. An organisational AI portfolio needs to be prioritised and balanced against impact, risk, cost, and speed

Baseline requirements to enable prioritisation

- Defined business need and benefits assessment
- Costing
- Risk assessment



1. Risk Ranking

- All initiatives are ranked by risk
- Split into two groups:
  - Lower risk
  - Higher risk

2. Cost / Benefit Ranking

- Rank Low Risk & High Risk separately
- Cost & benefit can both be defined in quantitative & qualitative terms

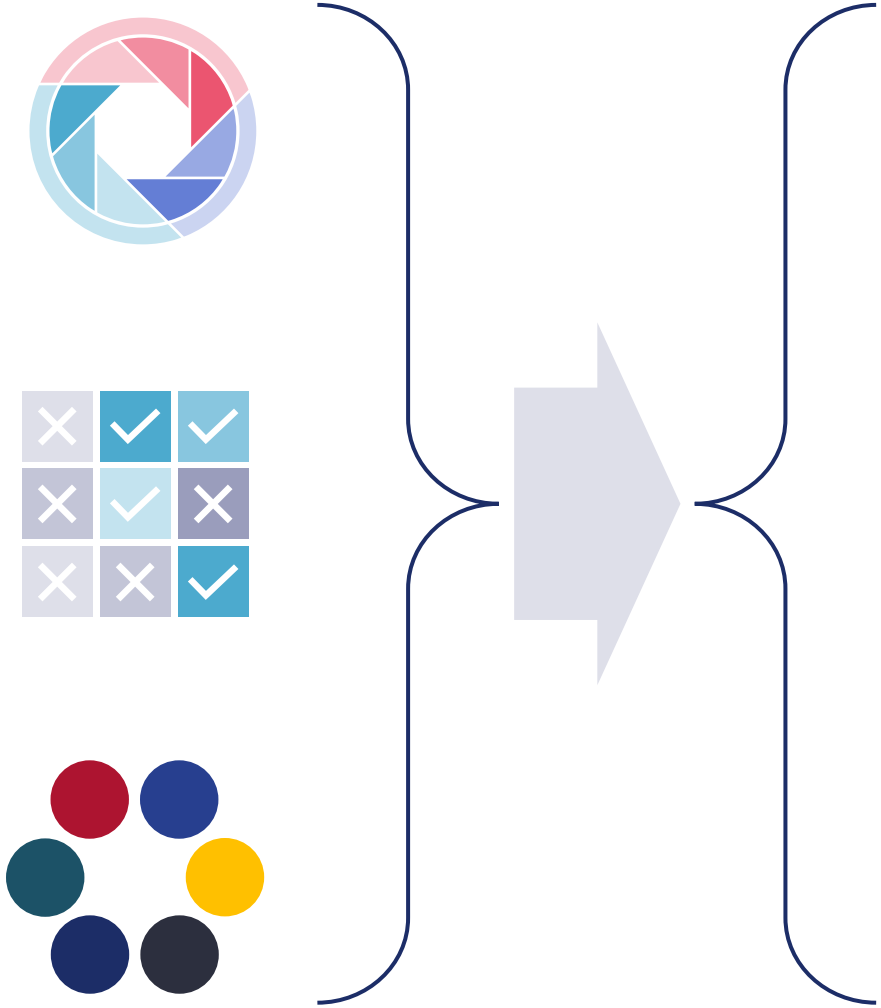
3. Portfolio Building

- Focus on low risk, high speed, and low cost initiatives
- There can be high risk or high cost projects, but balanced out with low risk and low cost in the rest of the portfolio

4. Strategic Rebalancing

- Consider portfolio against strategy
- Replace non-strategic projects with strategic projects only after ruthless prioritisation

By defining your AI strategy, you will…



1

Set your organisation up to play safe

- Remember AI safety is an essential precursor to sustainable success

2

Know where you're going to play

- Be led by your organisation's specific needs
- Balance openness to opportunity with broad alignment on direction

3

Prepare your operating model for the change to come

- Embed agility and flexibility across the operating model, particularly in processes and technology layers to enable a quick response to new AI technologies and shifting markets
- Implement change management functions and strategies to prepare employees for AI-related transitions

Build internal AI capability

- Invest in people and technology development through training and upskilling in AI technologies
- Foster a culture of collaboration and innovation to encourage continuous learning and experimentation with AI technologies

What's next?

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Start by asking these strategic questions…

01 Which levers in the value driver tree do you need to pull?

02 Where is the greatest fragility in your operating model?

We are at a turning point – watching from the sidelines, may mean being left behind

First Mover Benefits

Early movers gain data, talent, and trust advantages

From Efficiency to Resilience

Start with efficiency, build toward resilience

Stay Relevant

Waiting increases risk of digital irrelevance

And, of course, we are here to help if you need it...

If you have any additional questions or require further information, please contact

webinar@bevingtongroup.com

This presentation and related articles will be available for viewing at www.bevingtongroup.com

We look forward to seeing you at our next webinar

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Contact details and disclaimer

Bevington Group is a specialist consultancy with six core practices:

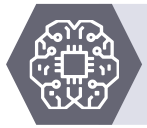

Operating Model Design and Restructuring


Lean Process Reengineering


Process Automation, Digitisation and AI


Accelerated Implementation


Change Management


Risk Intelligence

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