Impactful, sustainable change keeps companies calling A&M

PAGE 1

Issue 4, November 16, 2017

THE DIGITAL WORKFORCE: AI IS ABOVE ALL AN EMPLOYMENT DECISION

Artificial intelligence (AI) and machine learning have already reached the point where companies have the option to have mundane, repetitive tasks done by machines rather than humans.

In <u>its latest vehicle trials</u> on the streets of Phoenix, robot vans operated by Google's self-driving car business Waymo are not only practicing getting from A to B; they're also carrying out the tasks required of a taxi service, such as finding a safe place to pick up and drop off. And Waymo no longer puts a human behind the wheel for safety.

In the insurance industry, digital technology is challenging the centuries-old role of the underwriter: start-up Lapetus recently <u>told the Financial Times</u> that risk analysis for life insurance could be done better by a computer scanning a selfie.

To integrate and utilize AI optimally, business leaders in each sector need to assess how it fits into their business, how it affects the company's most valuable assets, how it might make things better for customers, and what needs to change first.

Crucially, using automation and robotics should be an employment decision, not an IT one. Is AI the most efficient and effective way to get things done so that your customers are served best?

A&M works with clients affected by disruptive technology each and every day. As a trusted advisor, our

"THE FIRST RULE OF ANY
TECHNOLOGY USED IN A
BUSINESS IS THAT AUTOMATION
APPLIED TO AN EFFICIENT
OPERATION WILL MAGNIFY THE
EFFICIENCY. THE SECOND IS THAT
AUTOMATION APPLIED TO AN
INEFFICIENT OPERATION WILL
MAGNIFY THE INEFFICIENCY."

Bill Gates

message is "focus on the core business, protect the asset you built, protect your customer and supplier relationships and go on offense against disruptive threats." says David Riviere, managing director with A&M and logistics and supply chain expert. "To protect the asset you've built, you must digitize the business model."

Technology companies are investing heavily in digital solutions to replace the traditional ways of interfacing with customers. So far, many clients have preferred to stick with the reassurance and flexibility offered by speaking to a person they trust, but undoubtedly AI and other digital tools will give businesses a bright long-term future, making them more agile and transparent in their customer interactions.

www.alvarezandmarsal.com



FROM THE INSIDE OUT

PAGE 2

"Assessing disruption and acting decisively isn't easy," says Riviere. "But our clients offer true value to their customers by handling the many things that could go wrong along the way and making sure they fulfill an order or provide a service regardless."

A&M has a clear strategy for clients while considering digitization. The three primary outcomes should always be:

- 1) Establish customer priorities
- 2) Stay focused on and grow your core business (and the market you have established)
- 3) Take out cost and use the money to go on offense with technology so you can be more agile in meeting customers' needs

Once it is clear that using AI to carry out certain processes will keep a company competitive and better serve its customers, the enterprise can act decisively, digitizing and applying machine learning to specific tasks in order of priority.

What A&M can do for clients:

- Help companies decide what to tackle first for biggest customer impact, and establish self-help measures to keep up with disruptors in their sector.
- Establish where to use a digital workforce, ie Al and machine learning, to carry out specific tasks.
- Help add analytics to dig into the company's data to get better and quicker customer insight.

"There are too many IT initiatives which are about swallowing an elephant in one bite," says Riviere. "What we advocate are surgical strikes once you've got a platform set up. It goes with our model and motto of speed, and making an impact fast. Don't worry about trying to do everything at once."

How the overall economy will cope with an increasingly digital, or robotic, workforce is of course a moot point. The <u>Bank of England's chief economist has just said</u> that up to 15 million (human) jobs could be at risk of automation in the UK. "In the US," he added, "the corresponding figure would be 80 million jobs". The smartest companies will be taking the lead in re-training their workforces now, getting on top of the new skills required and redeploying people where the customers need them most.

GOT A QUESTION? CONTACT AN INFLUENCER

ANSWERS ARE ONE CLICK AWAY



JOE BERARDINO jberardino@alvarezandmarsal.com



MALCOLM MCKENZIE mmckenzie@alvarezandmarsal.com



DAVID
RIVIERE
driviere@alvarezandmarsal.com

