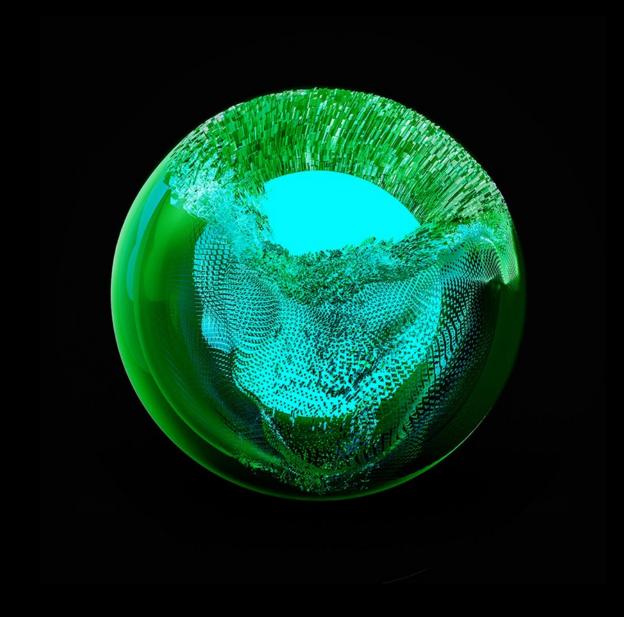
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The Data Race

Global Business Services' Advantageous Positioning with Generative Al

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Al is poised to materially accelerate the Global Business Services (GBS) journey and enhance GBSs role in organizations. First, Al will facilitate the creation of hyper-personalized internal and external customer experiences. Second, Al will enable the democratization of insights and expertise moderating the need for deep experience to execute and manage many business processes. Lastly, and perhaps most obvious, Al will allow for greater scale and automation to be achieved where organizations were previously limited by lack of process standardization.

The key to unlocking these advancements for not only GBS, but also the entire organization, is data. The output quality of a Large Language Model is directly related to the data used to train and fine-tune the model. And the simple fact is GBS organizations have access to swaths of enterprise-wide data—customer, operational, transactional and financial data leaving GBS organizations uniquely positioned to take advantage of Gen Al. As organizations begin to prepare for generative Al, the landscape of work evolves from a focus on processing to an emphasis on enhanced data driven insights. Leaders are in a unique position to forge a path, however where should they start?

What is Generative AI? Is it similar to RPA?



Generative Artificial Intelligence (AI) is a category of AI that is designed to generate new content, intended to be original, creative, and indistinguishable from content created by humans. At the foundation of these multimodal large language models (LLMs) are petabytes of data, texts, and images, audio training the model to absorb different patterns. The model then evaluates the ingested data for patterns and derives new content based on its learnings. RPA on the other hand requires significantly less data as the bots rely on predefined rules. There is generally less decision making involved, and therefore less flexibility in the usage of RPA. Generative AI thrives in ambiguity to generate insight while RPA excels at routine, rule-based tasks.



Customer centricity



In the <u>Center Office model</u>, GBS is positioned to own the Corporate Consumer experience, making it the nexus of transactional data and employee interactions. By pairing the two data sets, GBS leaders can create hyper-personalized experiences for both internal customers (employees, business partners, operations, etc.) but also external facing customers (market partners, vendors, consumers, etc.) For example, by leveraging data from a full life cycle of employee interactions such as procurement data, service desk inquiries, and HRIS information, ingesting and training it in a large language model (LLM) the Corporate Customer function is in a unique position to revolutionize the support model. The LLM can be paired with a chatbot, both voice and text through conversational AI, to provide a tailored employee experience via a centralized corporate helpdesk. The power of existing data allows for models to understand previous inquiries, but more importantly understanding the sentiment of an employee to ensure the specific inquiry is not only addressed but also resulting in an overall positive experience. The ability to evaluate patterns in the data also allow for preemptive support measures through the prediction of future requests or questions is a key enabler to tactfully drive a more efficient corporate consumer support function, but more importantly an overall tailored, positive employee experience.

Value added functions



By leveraging insights through Gen AI enabled data models, GBS leaders have a clear opportunity to centralize additional functions further along on the value chain. The technology allows existing talent access to enhanced insights, insights that can unlock functions further up the value chain. Prior to AI, GBS talent models focused on first transactional, process-based work, slowly moving up the functional value chain. With Gen AI, the same talent can automate much of the transactional work, coupled with the ability to garner deeper insights and partnering much closer to the business. By centralizing this work, GBS leaders can garner the benefit of expanding the end-to-end process enablement, but also the ability to deliver highly efficient solutions back to the business, at scale. For example, historically much of product design and R&D work has always remained closer to the local business. Today, each product team may have their own decentralized R&D teams, operating with the specific product siloes. While leveraging Gen AI in the future may not eliminate the work entirely, it still assists local teams to use Gen AI for design, feature brainstorming, and even testing, and this is the true creative process that Gen AI promotes, through enablement and efficiency.

Machine arbitrage



The latest estimate suggests that within a decade, Generative AI may affect or repurpose approximately 300 million jobs¹. While this is an initial projection, the advancements both from a technology and functional use case perspective are consistently evolving. From an evaluation of transactional work, leveraging Generative AI for end-to-end use cases to achieve savings is the base case. It's important to look at end to end processes to maximize the savings for a process, an area where RPA often fell short of the expected benefit. Furthermore, RPA is dependent on standardization often requiring revamping processes for predictability. On the other hand, the capabilities with Generative AI allow for models to search for comparisons in ambiguous data to support a wider degree of variation in processes. While transactional work is ripe for evaluation, there have been advancements in the creation of Generative AI "assistants", supported by specialized models, to support knowledge-based tasks. Depending on organizational maturity and governance, GBS and SSC leaders are well positioned to leverage Gen AI given the control and degree of centralization of common business functions.

¹ https://www.goldmansachs.com/intelligence/pages/generative-ai-could-raise-global-gdp-by-7-percent.html

What's next



- Moving from a black box to a glass box, GBS leaders need to understand how the technology works and the wide potential of application. In order to train AI, it is imperative to understand how the models are fine-tuned and evolving. They need to recognize where AI can enhance operations, create new value, and drive strategic growth in GBS
- The phase "garbage in, garbage out" becomes increasingly more prominent with AI models. The need for clean enterprise-wide data is at the foundation of these models and will distinguish GBS organizations who are able drive efficiency across end-to-end activities from others who may be stuck between siloes.
- It will be key to embed AI within the foundation of the GBS strategy and policy, by considering the technology across broader applications and looking beyond immediate gains to long-term strategic benefit. This will allow AI adoption in a way that aligns with the organization's strategic goals. Adopting AI is a continuous journey, not a one-off project, and it requires strategic planning, regular evaluations, and proactive action.



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