



AI & Innovation: Market Dynamics & the Opportunity for GBS

Prakul Sharma & Shri Chary, April 4th, 2024

Welcome and Introductions



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Agenda

- 1 The Evolution of GBS
- 2 Unleash Value through AI & Innovation
- 3 Case Studies and Lessons Learned
- 4 Q&A

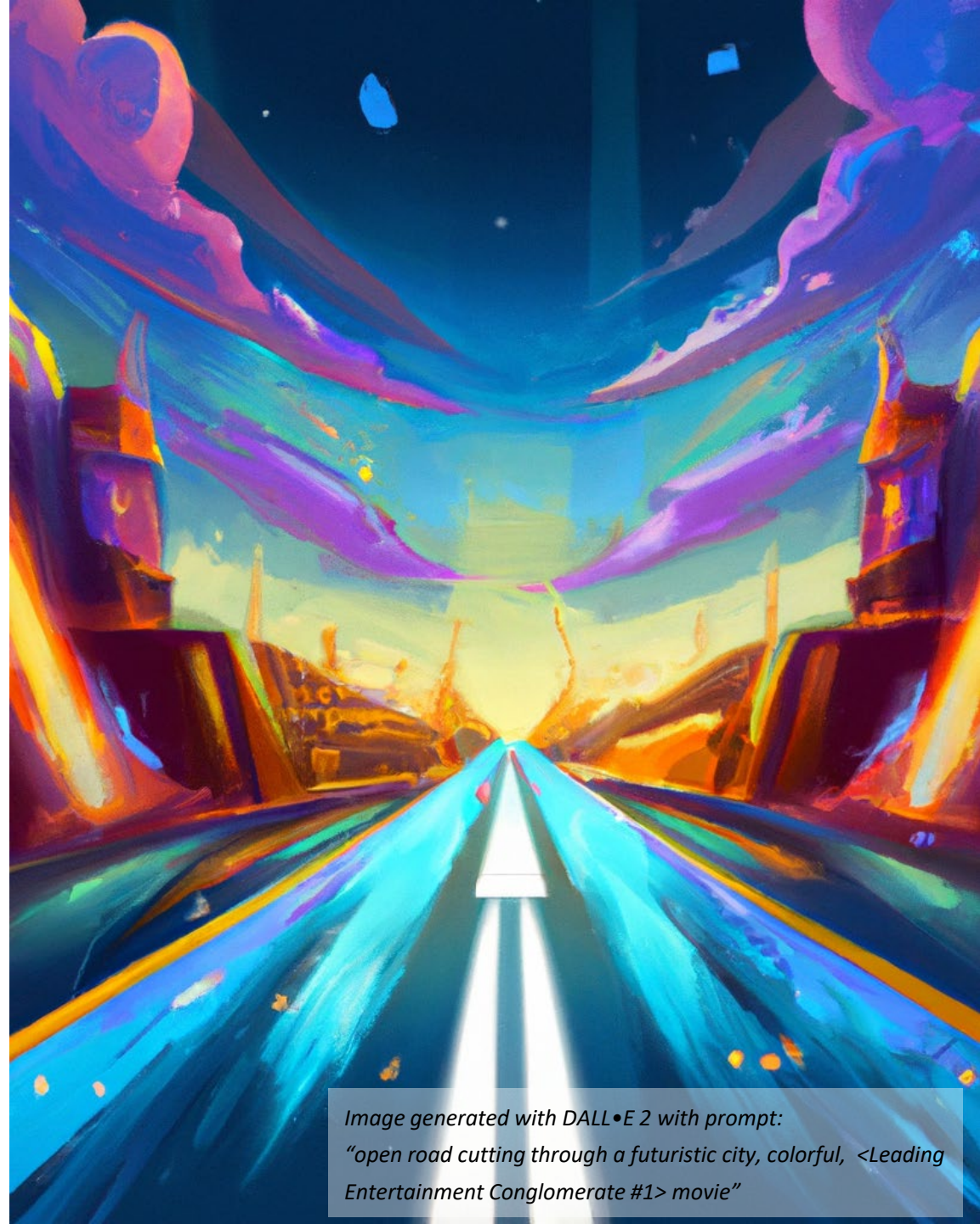
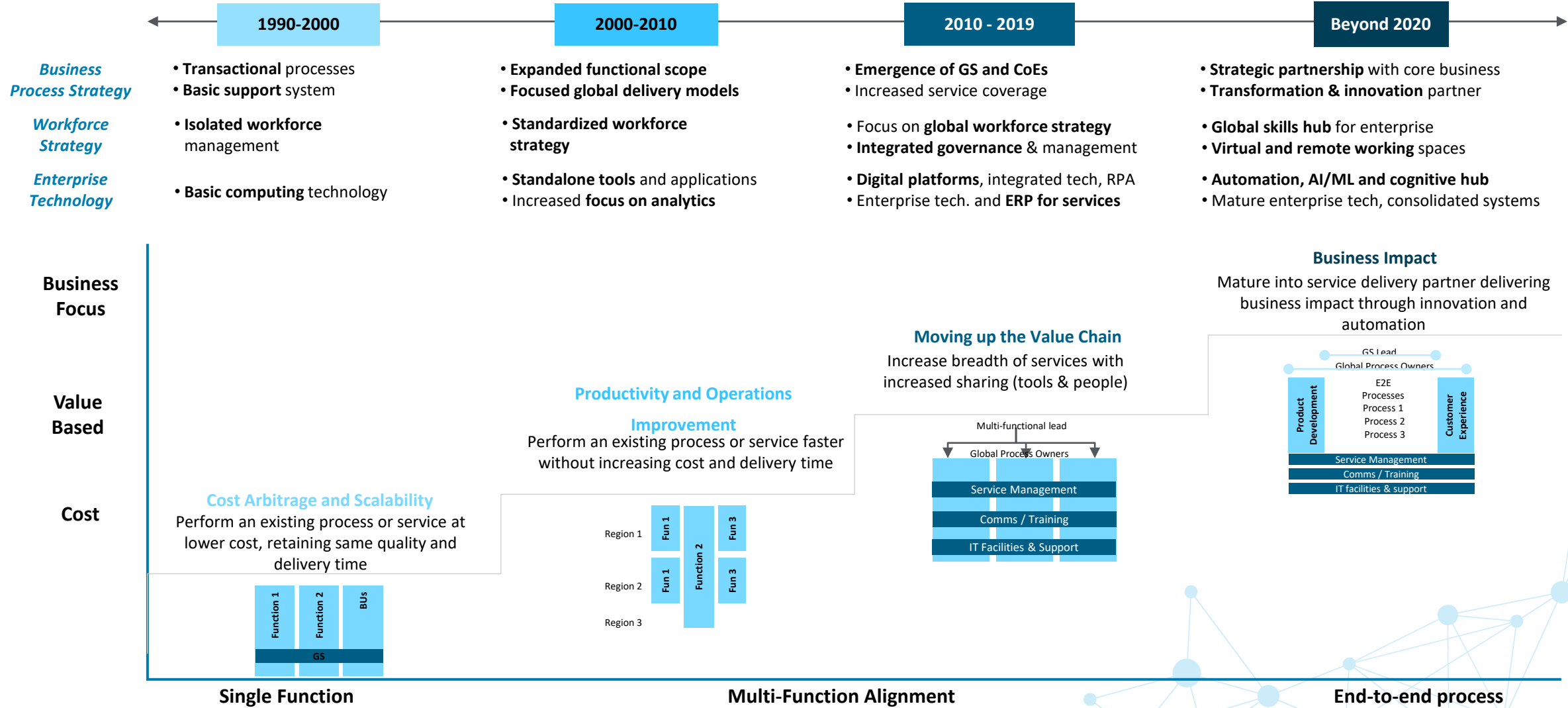


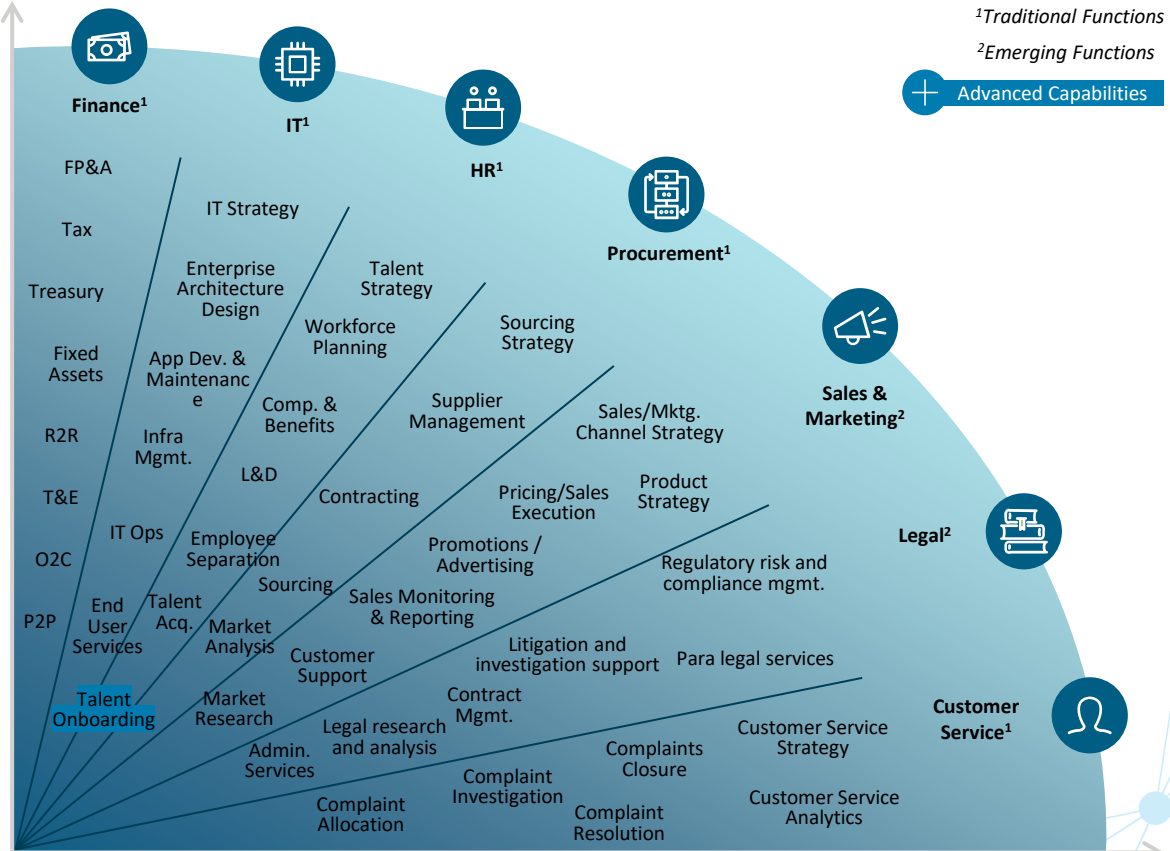
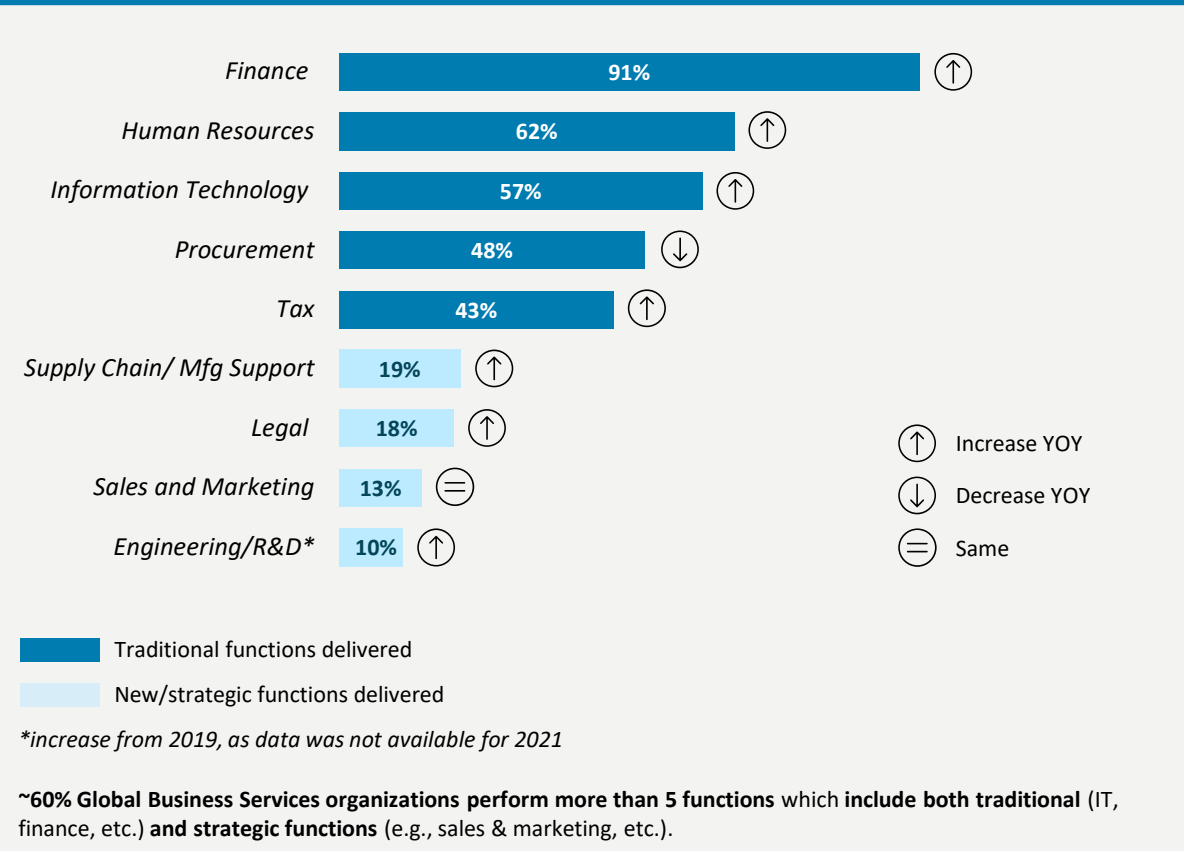
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The GBS market has evolved over the last two decades from execution roles to mature value-added roles through innovation and service portfolio expansion



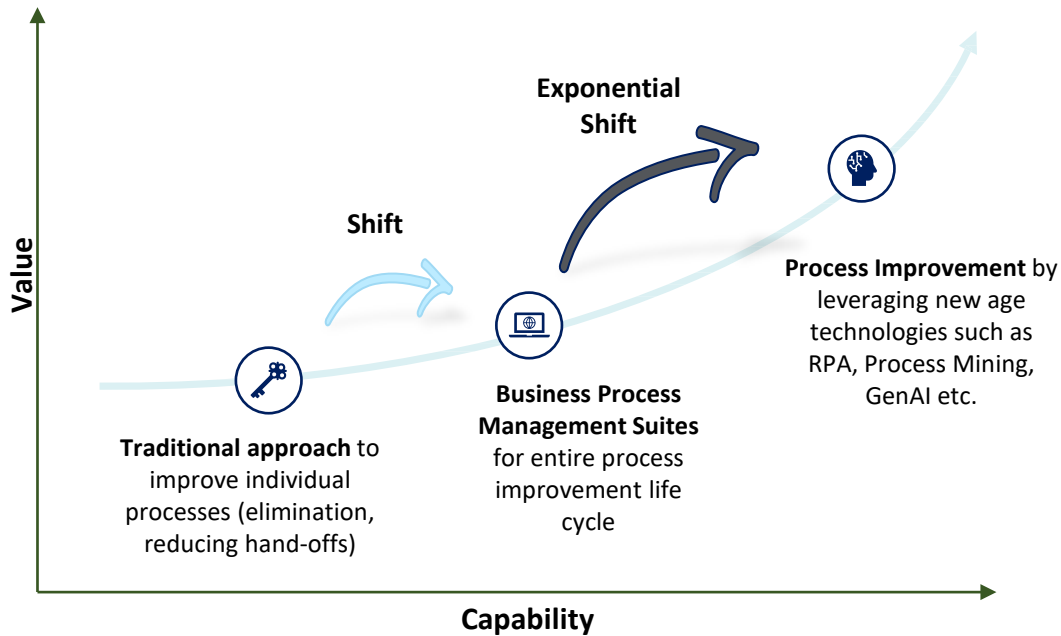
GBS organizations are increasingly assuming responsibility for strategic and high-value business functions, transitioning towards a multi-functional scope creation...

Functions performed by Global Services organizations



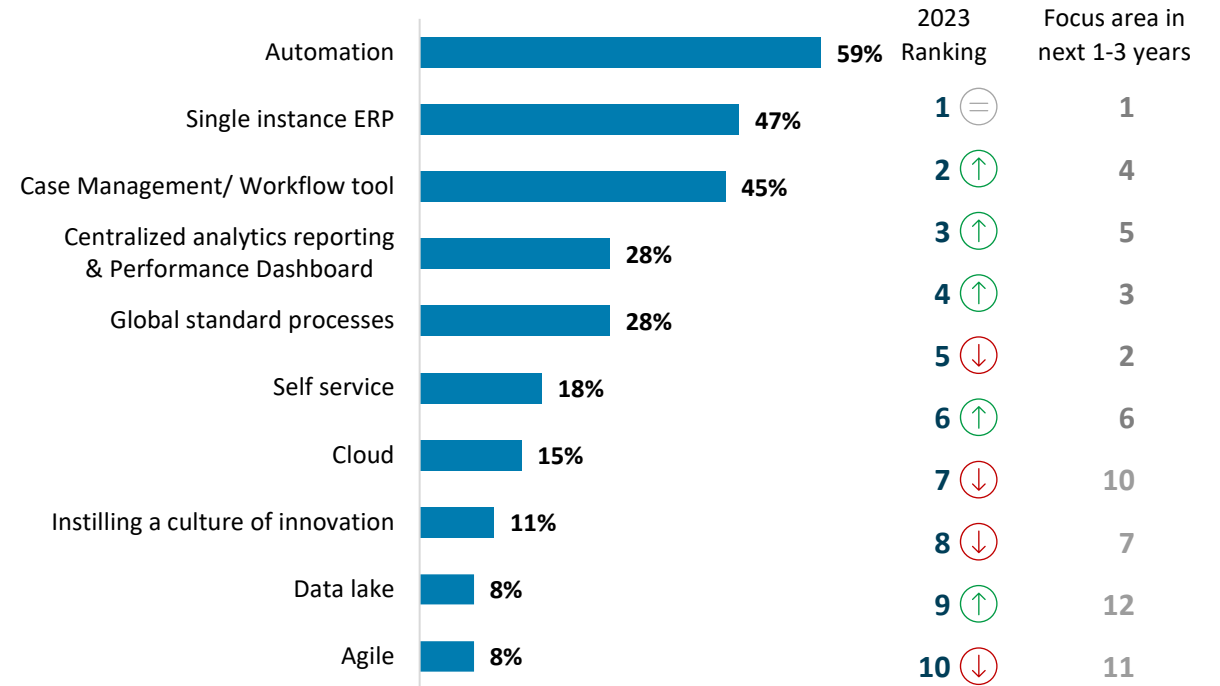
Digital infused operations are harnessing new-age technologies like intelligent automation, AI (& Gen AI), and process mining to drive process enhancements & efficiencies

Evolution of Process Improvement



Source: Deloitte Research and Analysis

% of GS implementing different transformation levers

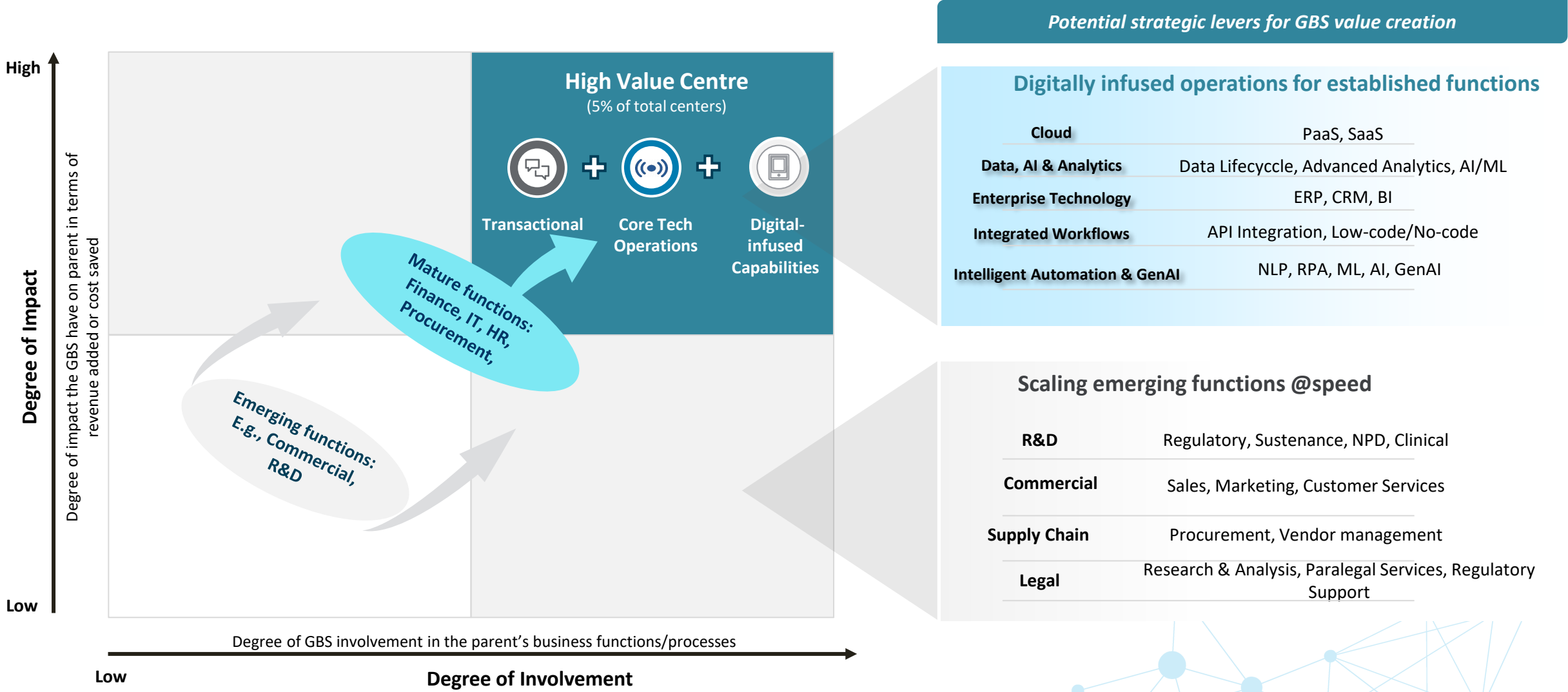


Source: Deloitte 2023 Shared Services Outsourcing Survey

- Organizations are increasingly looking at their **GBS centers to drive Process Improvement initiatives**
- More than **50% of GBS organizations are prioritizing process transformation and improvement** as a key skill to be developed within their centers
- For the next 3-5 years, there is an **increased interest in global standard processes, centralized analytics, AI & Data and self-service**

GBS organizations are pushing the boundaries to maximize value creation

GBS should expand its functional portfolio to include new service areas, while pioneering data-driven, digitally-infused operations and facilitating enterprise-wide adoption of emerging technologies like GenAI

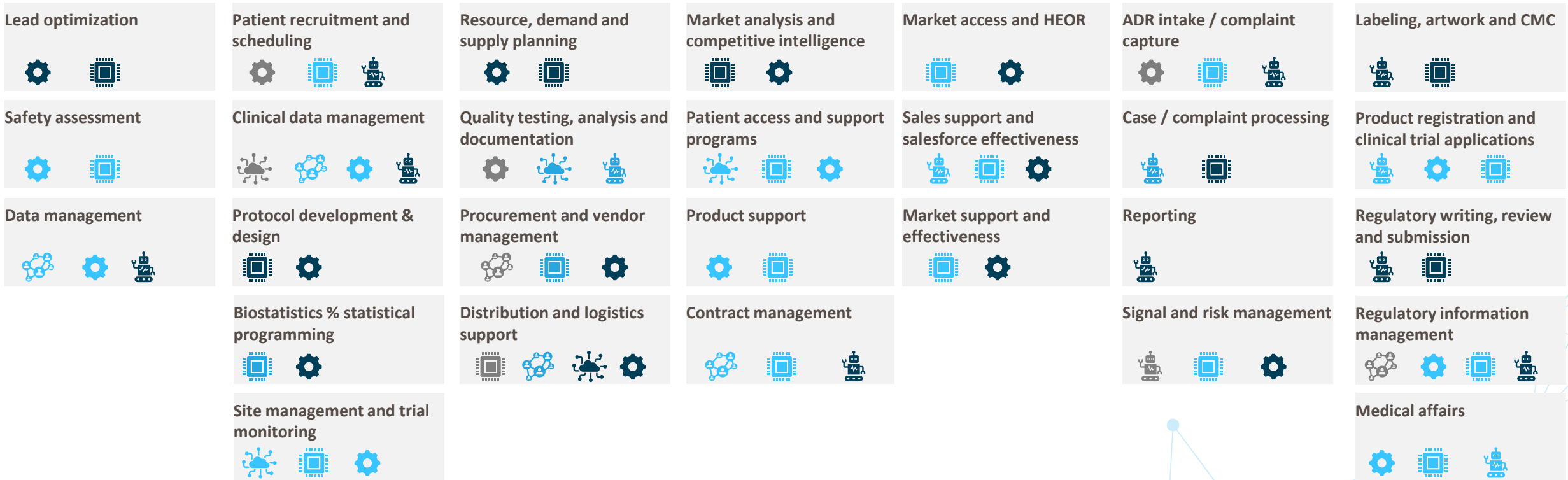


Life Sciences Example - Adoption of emerging technologies across the GS value chain

Illustrative Example



Potential impact: Low Medium High



As organizations continue to invest in its digital core capability, GBS needs to integrate Intelligent Automation, Generative AI and Data Management to accelerate value capture

TODAY	WHAT IS NEXT	WHY INTEGRATING GEN AI WITH IA IS IMPORTANT
<p>Automation has delivered solid and sustainable value</p>	<p>GenAI is poised to disrupt skilled workforce in dramatic ways</p>	<p>GenAI unlocks use-cases too complex for traditional IA, but it requires data, new capabilities, and a centralized approach</p>
<p>Many GBS organizations have delivered solid and sustainable value through automation, achieving 10%-40% savings</p>	<p>GenAI is poised to offer 25-35% additional value¹ when combined with traditional automation and AI tooling</p> <p>GenAI Capability support requires new ways to deal with trust in AI, data management and change mgmt. retooling</p> <p>Avoiding GenAI duplication (and lower returns) requires centralized and coordinated support to bring E2E & Cross-Functional use-cases forward</p>	
<p>Capabilities are self-sustaining IA Capabilities and goals are driven largely by functional and enterprise goals</p>		
<p>Function Demand is narrowing Demand support from functions is narrowing on GenAI, GBS Capabilities, and external thought-leadership</p>		

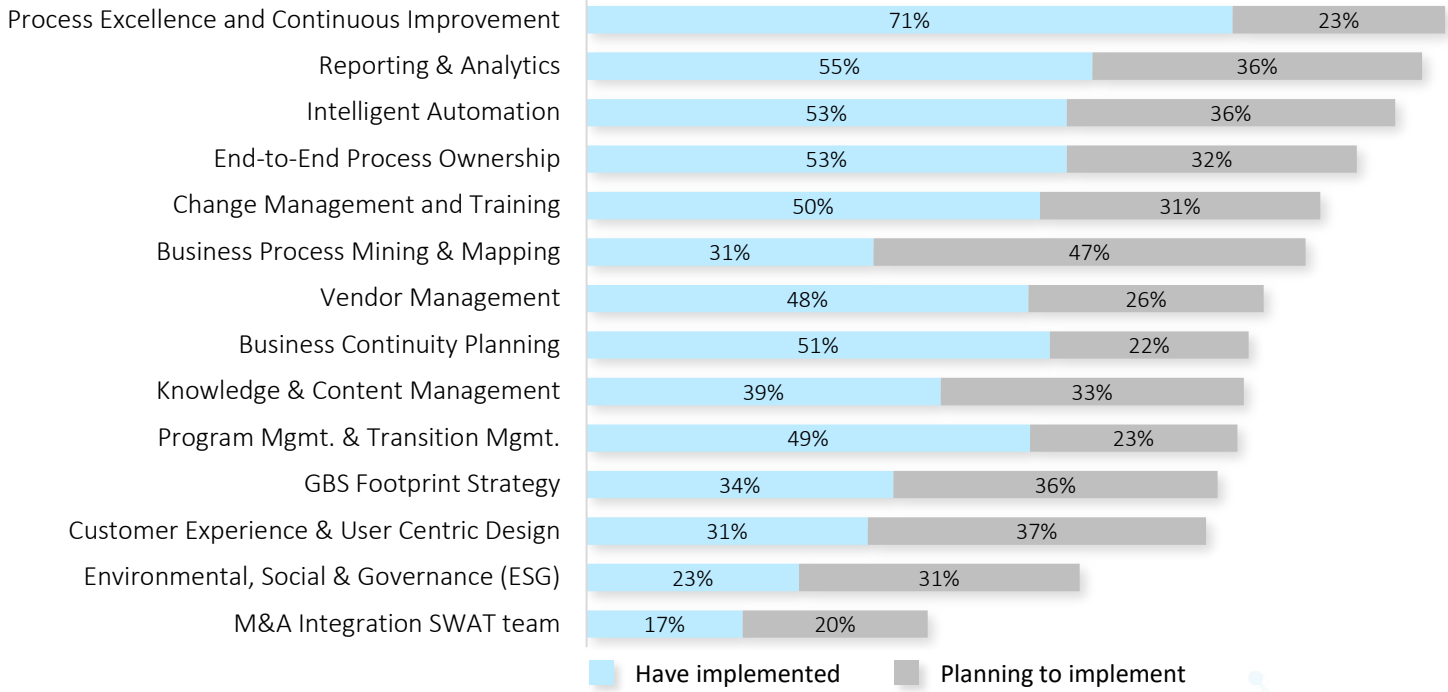
Use-cases represent common solution patterns for Generative AI

²Deloitte supported clients through Search, realizing 26% efficiency gains on RAG Retrieval and Semantic Search patterns

³Deloitte has built content generation GenAI applications for organizations in Finance, Marketing, Regulatory, Commercial, Med-Tech R&D and Pharma R&D

To deliver full benefits of AI/Gen AI, Shared Services must focus on foundational capabilities

Intelligent Automation and Analytics capabilities are among top capabilities delivered through Shared Service today...



Source: Deloitte Shared Services & Outsourcing Survey 2023

Shared Services should focus on developing core capabilities to deliver broader digital transformation impact

- 1 Foundational AI & Data Capability
- 2 Customer Experience & User Centric Design
- 3 End to end process ownership
- 4 Knowledge and Content Management
- 5 Talent Upskilling and Retention

To deliver full benefits of AI & Gen AI, Shared Services must focus on building the right foundations across 5 key pillars and enabling a “platform” for innovation



Strategy

- How do we consistently **ideate, prioritize and execute** a high volume of concurrent use case decisions to align funding model & value capture?
- How will the breadth of stakeholders impacted be aligned to achieve a cohesive Gen AI **vision and business case**?
- What should be the strategy to **convince the board** of an investment in the Gen AI space?



Governance

- How do we identify & address new **IP, legal, ethical and regulatory risk**?
- What are the **new data architecture, data governance** and **data science patterns**? How do we minimize AI & data silos?
- How to evaluate & adapt to a rapidly evolving **tech partner landscape**?



Technology

- What **unstructured data** is needed & how do we make it usable? What should be the approach – **training on public or private data** for creating Gen AI models?
- How do we combine Gen AI, Traditional AI, and Analytics? What new **data and data science tools** do we need?
- Should we **build, buy or adopt** Gen AI solutions and models?



Talent, Org & Culture

- What are the roles, responsibilities, skills and **delivery models** needed to be successful at delivering Gen AI at scale? How do we access talent?
- How do we support a culture of **“AI First”** & ensure Gen AI adoption?



Delivery

- How do we establish a consistent and **repeatable approach** to execute the backlog of Gen AI initiatives?
- How can we **empower the business** to deliver Gen AI solutions with minimal investment?
- What are the delivery best practices required to rapidly propagate **Gen AI across the enterprise**?

Case Studies

Case Studies related to IA and GenAI delivery

	Case-Study	STRATEGIC DRIVER	APPROACH TO BUILDING MOMENTUM – Supported by Deloitte
Enterprise Wide	<p>Large Life Sciences Company</p> <p>Established GenAI COE to automate use cases across GBS, Corp, Commercial, R&D & Supply Chain functions</p> <p>Business Impact: ~\$3B</p>	<p>The CEO has tasked their leadership team to develop a multi-year AI/Generative AI (GenAI) strategy to deliver:</p> <ul style="list-style-type: none"> • 50+ GenAI use cases developed by end of year (spread across all functions) • Target 25%+ uplift in productivity from each use case • 10K colleagues access to internal platform (version of chatGPT) 	<ul style="list-style-type: none"> • Define Gen AI strategy, operating model, and delivery approach to productionize use cases supported by Deloitte team of ~200 resources) • Establish ethical AI framework for Gen AI • Establish 10+ value realization teams to identify & Qualify Gen AI use cases • Develop an organizational specific platform leveraging OpenAI and reusable solution pattern framework
	<p>Internal Audit at Large Bank</p> <p>Establish the GenAI capability and platform for addressing Internal Audit (IA) use case requirements</p> <p>Business Impact: 30% improvement in productivity</p>	<p>Internal Audit (IA) function wanted to establish capability and platform to drive critical productivity and innovation use cases for the function:</p> <ul style="list-style-type: none"> • Reduce labor costs associated with audit reviews and generating required standard documentations • Utilizing historical data (structured and unstructured) to augment audit findings • Establish a Gen AI CoE for IA that worked closely with broader organization Gen AI CoE 	<ul style="list-style-type: none"> • Defined the Gen AI strategy that covered the 5 critical dimensions – Strategy, Governance, Technology, Talent and Delivery / Op Model • Develop and mobilize the technology architecture curated to integrate with existing technology landscape • Develop and publish a playbook to support Gen AI use case development that factors all leading practices around LLM models, Model Ops, Trusted AI etc. • Develop, review, prioritize and mobilize critical use case development
	<p>GBS Finance at Global Company</p> <p>Automate Variance Anomalies Detection & Reporting for GBS-Finance</p> <p>Business Impact: 90% accuracy in anomaly detection</p>	<p>GBS function looking to automate financial anomalies detection to:</p> <ul style="list-style-type: none"> • Reduce labor costs associated with identifying fraud and the costs of unidentified fraud • Generate automatic text reports from identified fraud cases • Increase team’s throughput to service a large number of reports without additional headcount 	<ul style="list-style-type: none"> • Implemented automated anomaly detection model within the Azure Cloud to identify automated detection of anomalous transactions in the accounts receivable database • Utilized state-of-the-art advances in language modeling to generate text-based reports of explanations for anomalous transactions, greatly reducing time and labor costs required to report financial anomalies

Key Learnings And Take Aways

Platform Centric Approach

Setting up of the core platform, including its components and architecture

Democratize AI

Gen AI services should be built as a shared platform taking into consideration **scalability and data security**.

Prototype First

Validate your hypothesis with tools like **Jupyter notebooks** or just **GPT** directly to ensure your idea works.

Prompt Engineering/Validation takes time

Buffer time for **prompt engineering** and **testing real data**.

LLM Response Evaluation Framework

A **well-defined framework** during the High-Level Design phase

Product Mindset

Product-oriented mindset is essential, particularly for **application development work**.

Business Analysts' and Tech Teams

Techno-functional Business Analysts should work closely with Product Owners.

Cross-Functional Teams

Building Use cases is much more than just building a model. It heavily revolves around **application development** and **experience**.

Platform Education for Use case Teams

Understanding the **AI CoE's functionalities**, its capabilities
And how it can be leveraged to achieve business goals.

Learn how to Consume AI

Team needs to understand how to build products with AI. i.e., **AI fits into customer journeys** and not the other way around.

Q&A



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