

## 'Dorthe Keilberg: Increase the level of digital awareness within management'

### Gen AI: evolutionary or revolutionary?



Why does the payoff of investments in digitalisation remain unclear? What is holding CFOs back from implementing Gen AI more broadly throughout their organisation? And how can shared service organisations facilitate the overall digitalisation of a business? Dorthe Keilberg, partner at Deloitte Consulting Netherlands and expert in CFO strategy and transformation, explains.

#### Digitalisation and investment payoff

Finance has been making investments in digitalisation for some time now, but for many CFOs, the investment payoff remains unclear. According to Dorthe, there are similarities with the rise of Robotic Process Automation (RPA), not so long ago. 'Robots have become an important lever for productivity in our way of working, but they

The Gen AI focus remains on point solutions within processes, emphasising automation, rather than taking the opportunity to forget the as-is design altogether and develop a fresh look on the organisation.'

#### Digital awareness is pivotal

Why don't we recognise the full potential of Gen AI yet? Dorthe: 'That might be due to a lack of imagination. Or maybe there's a

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haven't delivered the anticipated hockey stick effect. Likewise, Gen AI is helping us to make improvements within processes, but it doesn't make us question if a process is truly necessary.

generational issue: the current management generation is not intuitively designing for technology.' Which means that we are missing out on a higher investment payoff.

Dorthe Keilberg is a partner at Deloitte Consulting Netherlands, serving the CFOs of large international companies in their pursuit of resilience and better ways of working. She graduated in Engineering from the University of Southern Denmark and holds an executive MBA degree from Copenhagen Business School. As an advisor, she has worked in a variety of cultures and organisations across Europe. Her core competencies are CFO strategy and transformation, shared services and global business services.

Whether Gen AI will continue to go down the path of robotics remains to be seen. 'It's a coin toss, it could go either way. Robots were actually quite successful - in an evolutionary

way rather than a revolutionary way.’ In order to use the full potential of Gen AI, digital awareness within the entire organisation is pivotal. ‘I am currently challenging leadership at a client to not only lean on younger generations for technology, but to make sure they also focus on increasing the level of digital awareness within the management layer.’

### **Future outlook for Gen AI**

The results of the CFO Survey indicate that CFOs are not yet encouraging the broad implementation of Gen AI as a technology. Two factors seem

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to be holding them back: the uncertainty relating to issues of hallucination, and the question of where data ends up. Dorthé: ‘We have all seen the questionable results that Gen AI can come up with, so we know we can’t fully trust the output. It makes no sense to increase the extent of your decision making that relies on AI, if it’s potential benefits are lost because you need a human to check the results created by Gen AI.’ So, as long as the results are questionable, and we don’t know where the information will go, broad implementation of Gen AI seems unlikely.

### **AI and labour arbitrage**

In theory, AI offers interesting opportunities in the field of labour arbitrage to global

business services. But does it really? Dorthé: ‘Again, as long as we stay focused on point solutions, the options are limited. You can only do 100% labour arbitrage and eliminate jobs completely when the entire process is fully digitalised. Currently, even when a business manages to achieve this, they will still need people to implement regulatory changes, with the shared services organisation in a coordinating role, overseeing and managing changes.’

### **Beware of organisational inertia**

The benefits of going the last mile with full automation often

do not yet outweigh the costs. Dorthé expects that this will likely lead to organisational inertia. ‘As no one can quickly adapt the process, firms will want to keep operations running the way they do now. Not only do humans still have better adaptive abilities than computerised systems, but they also bring the necessary values and emotions. While

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the latter two evolve through experience in humans, I’m not sure AI can render the same results.’

**Shared services organisations: critical mass for experiments**

Shared services organisations were already briefly mentioned above in relation to their coordinating role. Why should they be considered as innovation hubs, and how do they facilitate the overall digitalisation of a business? Dorthé: ‘The set-up of a shared services organisation offers businesses the opportunity to fundamentally rethink their operations. This creates room for new activities and competencies, attracts talent that is digitally native and has a global mindset, and also generates the critical mass that an incubator needs for experiments.’

### **Global representation**

Additionally, shared services organisations offer the potential to collect information about everything that is going on in all regions, functions, and business units. This enables them to represent the entire global company. Dorthé: ‘With the right amount of funding and freedom, they will be able to innovate more and better than local functions could ever do. Take for instance the FP&A function, which is often smaller and is already struggling to

collect data of sufficient quality. A shared services organisation will generate more critical mass for scenario analysis, statistical experiments and more control over the origins of the data, thus improving data control.’



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