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Deloitte AI360 Podcast

Jim Rowan, Head of Applied AI
Rick Whitford, Automotive AI Lead

Title: AI for automotive: Four key use cases and insights about business process transformation

Description: Our Automotive AI lead joins to discuss the road so far and why taking a step back can help companies capitalize on agentic AI's giant leap forward.

Duration: 7:22

Jim Rowan:
All right, everyone. This is Jim Rowan here for the AI360 podcast. I've got Rick Whitford. We're going to do a bit of a deep dive on the auto industry and what's happening from an AI perspective. Rick, thanks for joining us today.

Rick Whitford:
Thanks for having me.

Jim Rowan:
Awesome. So I mentioned we're covering auto and AI. Maybe you could talk a little bit about your role in the firm before we dive in.

Rick Whitford:
Yeah, happy to. So, as you mentioned, I'm Rick Whitford. I am the AI & Data Engineering practice leader for our auto industry. For me, it's been a lifelong passion. I grew up in the Detroit metro area. My first real job was working at a stamping plant. Throughout my consulting career, I've kind of been the "prodigal son," if you will—coming and going, back and forth to the auto industry and others. But it's truly where my heart is. So I'm happy to finally have a leadership role there, delivering huge value for our clients and actually getting to see and be part of some of this revolution that's going on right now.

Jim Rowan:
Well, that's awesome. And I love that you're talking about the space. So let's talk a little bit about some interesting use cases. What are things happening in auto from an AI perspective?

Rick Whitford:
Yeah, it's actually kind of crazy, right? Auto was at the forefront of AI before it was a thing. About 10 years ago, when we started talking about autonomous driving, that was AI before there was the GenAI boom two years ago. But it stayed in that really small, specific area and was kind of slow to grow—except in the last 12 months. Now we're really seeing it in those heart-of-the-business areas, so it's really cool. Over the last couple of years, cars have changed; they're more software, less mechanics. In that position, we're seeing a lot of AI used around software-defined vehicles: How do we develop software more efficiently using copilots, etc. to help with that? Another good piece is around the customer experience: How do we make it a more efficient, more seamless transition between manufacturers and dealerships? One of my favorites is in the warranty and quality space: How do we catch issues before they become real safety problems? And finally, just because of the cost of material these days, a lot is happening around supply chain and manufacturing efficiencies.

Jim Rowan:
Those are great. So it's really interesting that auto is spending so much time in the heart of the business, as you mentioned, with AI use cases. Is the back office still a focus area, too, or is it more really the heart-of-the-business solutions?
Rick Whitford:

Yeah, great question. So yes, 100%. The back office was sort of the first place where everybody felt safe to try some things—like, "Hey, can we use a GenAI chatbot here?" Now, over the last couple of months, "Can we do an agent here?" But again, it's been a rapid change from that back office to the front, really seeing how we can use this in the heart of the business. But cost efficiency is a huge thing in auto, so it is still a big part of it.

Jim Rowan:
That's great. So when you think about it—it's interesting you mentioned chatbots, you mentioned agents. We hear a lot about those two things whenever we talk about AI. Is the ability of having AI agents opening up more of those heart-of-the-business use cases? Are you seeing those really transform some of those business processes?

Rick Whitford:
Yeah, I think so. The GenAI revolution was huge, particularly when we started to put that chatbot interface onto it. But it was still a little bit, at least in auto, experimental. Now, with really thinking about business process improvement and how we can rethink some of the legacy ways we've done stuff, and then think about where agents fit into that to make it more efficient, it's really moved the needle forward. It's really energized a lot of the conversations I've had, both in the C-suite and just below, over the last couple of months about really taking that step back. We've done this process the same way for the last 20 years. How can we do it better and really reimagine how it works?

Jim Rowan:
Yeah. That reimagination—we hear that so much around AI agents, and we try to drive that internally for ourselves as well. I've got to imagine that's also a challenge. It's exciting; it's fun for us to say, "Let's go reimagine these processes," but what are some things you run into from a challenge perspective as you try to drive that type of transformation?

Rick Whitford:
Yeah, now we'll kind of take the flip side of that coin, particularly in auto. It's a 120-year-old industry; most of it is still run on AS/400s, mainframes, COBOL. So there is a desire and a need to revolutionize the industry, to think more digitally, more AI-focused, but a lot of the data continues to be locked up in 1970s technology. Right now, there's a big push to figure out how we balance the need to advance with also making sure we move some of that legacy away.

Jim Rowan:
I can imagine, too, there's a little bit of a challenge where you've talked about the software-defined vehicles. So that's new data, new systems. And it sounds like there's also important data—I don't want to call it "old" data, that sounds mean—but data locked in the legacy systems. So that combination of those two things—there's probably a ton of value as you think about how you bridge those gaps. That's a big area of challenge and advantage, or area that they're playing in?

Rick Whitford:
Yeah, it is. And I think actually one of the things that's helping to move the needle there, too, is going all the way back to AI. Now that we have agents and AI that allow us to actually modernize that code without trying to find the person who wrote it in 1975, that can help us detangle the spaghetti noodles all together. We can use an agent to actually do that for us. And surprisingly, AI—one of the things it's really good at is interpreting old code and converting it to, say, Python or R.

Jim Rowan:
I can imagine a rogue prompt that says, "Still make this code a little bit like spaghetti in the future for me, so I can do an easy QR job in that prompt." [laughs] Let's hope that's not happening, because what I've seen, Rick, is that you get better comments in the code, better definition of the rules that are being embedded. So hopefully, that helps modernize the systems. As you think about this—very quick—what's one piece of advice that you're sharing with most of these auto leaders in the AI space as you're having these conversations?

Rick Whitford:
Yeah, a few quick points. First is, we mentioned it already: take the opportunity, take a step back, use this as that moment to reimagine your business processes. Don't just lift and shift—let's think differently about how we do it, and let AI be the facilitator of the efficiencies. The other is, most of these companies, like I mentioned, are over 100 years old. They have brands that are worth a significant amount of money. So there's some reticence about how do we keep moving this closer to the customer. But again, I'd say be bold, because you have to in this industry right now. We're at a moment where it's asking for that boldness in order to push it forward. Those are my two big points.

Jim Rowan:
I think those are great. There's no risk, I think, right now with being fast in the space around AI. Getting ahead of this transformation is so important. Rick, thank you so much for your time today. This was a great discussion on auto, and I can't wait to hear what's next—the use cases you guys are driving in the industry. Really appreciate the time.

Rick Whitford:
Thanks.

Jim Rowan:
Take care, everyone.

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