

# Boardroom Questions

## Cognitive automation

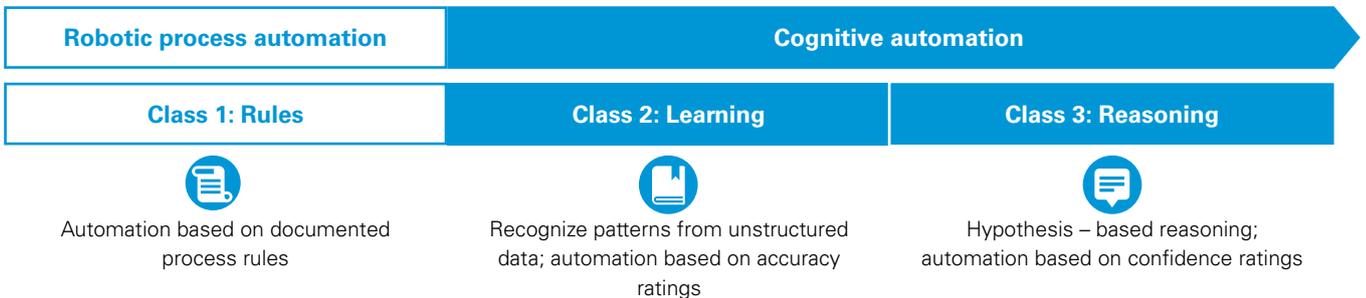


What can organizations expect from artificial intelligence and what needs to be in place to benefit from it?

**60%** of CEOs are concerned about integrating cognitive processes and artificial intelligence (AI).  
*Global CEO Outlook, KPMG, 2017*

**< 3 years** CEOs expect to add headcount to address AI.  
*Global CEO Outlook, KPMG, 2017*

**\$12 billion** Revenue will be generated by AI or cognitive computing by 2019.  
*MarketsandMarkets, March 2016*



### Why is it relevant?

Cognitive automation is the convergence of **Robotic Process Automation (RPA)** and **cognitive technologies**. These cognitive systems including **natural language processing, machine learning, data analytics and probabilistic reasoning**, can perform tasks that have historically required human intelligence and situational analysis.

Cognitive software mimics human activities such as **perceiving, inferring, gathering evidence, hypothesizing, and reasoning**. When combined with advanced automation, these systems can be trained to execute **judgment-intensive tasks**.

With cognitive systems, scaling expertise becomes much easier. Cognitive systems can be **trained on the basis of the top performers**, and then used to assist and augment other employees in a digital assistant mode.

### What are the benefits?

- **Frees up the workforce** from doing significant transactional work in order to **focus on higher value work** and innovation
- **Streamlines** transactional work with **improved quality and outcome consistency** and **reduces delivery costs**
- **Enhances** core business process service delivery models such as **finance, HR, procurement and IT**

## Boardroom Questions



- 1 Do we understand how a **new competitor** entering our market place would leverage Artificial Intelligence and other new technologies to disrupt the sector?
- 2 Are our people are focused on creating a **true differentiation to our client** rather than undertaking tasks that could be automated?
- 3 Do we understand how our points of differentiation may change as our **sector starts to embrace new technology**?
- 4 What are the **work force planning assumptions** we have made over the coming 3 to 5 years?
- 5 If data is the new gold... do we understand the data we **have**, the data we **could have** and the data we **need** to differentiate us?
- 6 Do we understand the impact of **AI on our customers** and our supply chain?

## Questions for senior management



- 1 How do our customers rate their experiences of dealing with us. Are they always totally satisfied? Outsourcing large volumes of customer transactions has been the approach until now but is this the only way?
- 2 Are our myriad of processes and systems still difficult to manage even after many years of trying to merge and consolidate these? Is there a better way?
- 3 Are we getting the most from our people? Do we get a sense that they are satisfied in their roles or could they be adding more value to our organization?
- 4 Are we really maximizing the opportunities that new and disruptive technologies can offer us to allow us to stay ahead of our competition?
- 5 What are we doing to collect, curate and manage the vast amounts of data we have access to?

## What actions can the Board consider?



- 1 Conduct a review of core processes and systems to identify opportunities where you could consider new technologies. It is important however to streamline your processes first and only automate those that you really need
- 2 Identify where the pain points are: does technology now offer a solution to addressing these that didn't exist previously?
- 3 Technology and disruption is moving at such a pace that there is a need to stay focused – consider appointing a Chief Technology or Disruption Officer sitting on the Board or reporting to it with ownership and accountability for this area of expertise

## Contact

### KPMG AG

Badenerstrasse 172  
PO Box  
CH-8036 Zurich

[kpmg.ch/aci](http://kpmg.ch/aci)

### Prafull Sharma

Partner  
Head Digital Transformation  
Advisory & Services  
+41 58 249 77 91  
[prafullsharma@kpmg.com](mailto:prafullsharma@kpmg.com)

### Chinmay Nair

Director  
Digital Transformation  
Advisory & Services  
+41 58 249 54 66  
[chinmaynair@kpmg.com](mailto:chinmaynair@kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence.

© 2018 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.