Rise of the humans 2

Practical advice for shaping a workforce of bots and their bosses

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In brief

This paper continues our exploration from our original Rise of the Humans published in 2016. Part 1 we focus on the issues arising from Intelligent Automation in the workplace and its impact on shaping the workforce of the future.

Part 2 explores in more detail what is involved in workforce shaping and is based on our observations and experiences when working with clients.

Specifically we conclude that:

— **Now is the time for leaders of business to conduct conversations for a higher purpose:** to identify the dilemmas, challenges and key considerations that will shape the future workforce we want to create to deliver business objectives.

— **Organizations need to develop transition strategies to manage the disruption to the workforce**. Leaders need to be aware of their role and develop the skills required to ensure success.

— **Traditional supply and demand forecasting must be replaced with agile workforce shaping:** a structured yet agile approach to determine the appropriate shape and size of the workforce incorporating all elements – e.g., employed vs. contingent, human vs. digital, career ladder vs. career lattice, etc.

— **Early movers are already learning lessons** about the best way to deploy Intelligent Automation. One lesson is the importance of preparing the workforce and enabling them to re-skill themselves for new roles.

65% of organizations say they view technological disruption as an opportunity rather than a threat.

Source: KPMG 2017 CEO Outlook survey

KPMG

Part 1

Since we wrote our first report last year on Rise of the Humans,[1] we have already seen a significant uptick in the number of organizations seeking advice on how they should understand the implications of Intelligent Automation (IA) on their employee base and how they should shape their workforce of the future.

In particular, banks, insurance companies, retailers and professional services firms are seeking to understand what type of workforce they will need by a given date: 2025 is popular but equally some are looking at 2030 and others are looking to the near horizon of 2020. What is consistent among all organizations is that the current shape and size of their workforce is not necessarily what they think they will need in the future.

As we concluded in our first report, the jury is still out on whether Intelligent Automation will create or destroy jobs, but there's no doubt that the kinds of jobs themselves will change. We further predicted that many middle-income routine jobs would be replaced by cognitive platforms. Sure enough, we're seeing lots of experimentation and pilots in the telecommunications, banking and insurance sectors. To cite just one example: in-person claims adjusters are being replaced by self-service apps in mobile devices. In fact, it has been stated that humans will increasingly be working side by side with robots. As tasks become automated, jobs will change—some drastically—in terms of the tasks humans do versus those tasks undertaken by machines. Automation will change every job category by at least 25 percent, according to independent research firm, Forrester Research, Inc.[2]

Indeed, the experience of KPMG clients that are adopting Intelligent Automation is that it is the tasks in a job that are being automated but rarely is it the whole job. The overall effect, therefore, which we believe will continue for a few years yet, is that jobs, work teams, processes and functions will need to be redesigned as a result of task automation and decision enablement. In time we will see jobs being automated, such as will happen with driver-less cars, and this will herald an acceleration in transformation, but we have not yet reached that point for most organizations.

Looking at IA through a functional lens—in this case the human resource (HR) function—new KPMG research finds that 36 percent of organizations will use or deploy robotics process automation (RPA) technologies to automate parts of the HR function in the next 12 months.[3] A full 84 percent of organizations currently using robotic process automation (RPA) feel that process automation will have a moderate or significant impact on how HR services are delivered in the future. A further 89 percent feel that RPA will have a moderate to significant impact on the HR operating model and structure.

Perhaps of most interest from the KPMG research is the fact that 45 percent of respondents see that Intelligent Automation will have a significant impact on society and that the HR function has an important role to play in helping their organization prepare for and address these big challenges.[4] (It does raise the question about what the other 55% are thinking, but this paper is not for them.)

And, of course, any move to IA needs to be connected to business strategy and sources of competitive advantage. It's not all about cost. Robotics and other forms of digital transformation represent an opportunity to rethink the business and operating models, reduce costs and enhance customer service. Moving to Intelligent Automation offers the potential to achieve operational excellence, improve customer intimacy and experience, and accelerate product innovation. However it should be noted that this can be fraught with peril, and that the implementation of automation for these purposes will involve a lot of trial and error, some failures and learning along the way. One thing remains constant in what we've seen, heard and researched: without a connection to strategy, deployment of robotics and IA is likely to be sub-optimal.

Just because you can replace humans with bots doesn't mean you must – or should. As more cognitive solutions are deployed, greater coordination and governance is required in order for organizations to scale up from pilots and realize widespread benefits. Businesses also need to think about their reputation and brand when considering a move to robotics, particularly for customer-facing activities.

Dealing with the transition – and change management – associated with the automation revolution will involve pain, too. The company's core values and corporate social responsibility focus may need to be updated. [5]

Now is the time for leaders of business to conduct conversations for a higher purpose: to identify the dilemmas, challenges and key considerations that will shape the future they want to create.

Shape or be shaped

Philip Tetlock, noted thought leader on forecasting, points out that our ability to predict the future is now down to two years, the shortest time horizon in history.[6] Whole business value chains are being entirely reinvented with digital technology, as we see with fintech and insurtech start-ups in financial services. This just adds to the unpredictability and ambiguity, raising the question of whether it's worth undertaking any strategic planning. Perhaps instead our only recourse is to be highly adaptive and fleet of foot in the face of all this uncertainty?

Yes and no. The paradox for people leaders is that not only do they not have all the answers – if they ever did – but the only way they can lead organizations into a viable future is by reassessing approaches to workforce planning.

Of course, leaders need to forecast and plan; otherwise they and their organizations will be forever at the whim of external forces. But the nature of leadership and planning is fundamentally changing in the face of digital disruption.

Digital disruption requires taking a fresh look at the shape and size of the workforce. This does not happen in isolation from the wider societal challenges and changes that are likely to take place. The workforce shaping process stresses the organizational choices and key questions that leaders must focus on that are unique to their own companies.

Addressing and planning for the required shape of the workforce can allow leaders to manage employee expectations and stay agile in the face of rapid workforce change. Evidence from organizations, particularly in financial and professional services, suggests that ignoring workforce concerns means that employees are drawing their own conclusions about where they want to work to the detriment of overall organization morale and performance.

Automation will change
every job
category
by at least **25%**

Trends affecting the shape of the workforce

Before an organization can successfully explore the required shape and size of the workforce of the future, it also must be aware of the macro changes occurring in many geographies that have an impact in addition to IA. These include:

The 100-year life combined with increasing job losses

Fifty percent of children growing up now are likely to live to 100.[7] People will be economically active for 60 to 70 years – far longer than they are today – at the same time that the world of work will not necessarily require them.[8] The analyst firm Forrester estimates that by 2027 the US economy will lose 17 percent of jobs to robotics but will create 10 percent. The net loss of seven percent is equal to the job losses experienced in the Great Depression of the last century.[9]

Organizations already employ multiple generations in the workplace but they tend to deploy one overarching employee value proposition (EVP). Increasingly, organizations need to reevaluate their core offer to employees and consider multiple EVPs, as well as use consumer marketing techniques applied to different employee segments to attract, retain and engage them.

The gig economy

We're not just talking about driving for Uber. Traditional jobs in retail, healthcare and academia have been affected by the gig economy. Estimates in the U.S. show that 34 percent of the workforce is engaged in gig work in some way, a figure expected to be 43 percent by 2020.[10]

New forms of contingent workforces are spreading into professional domains and are also being disintermediated by new platform providers, such as Amazon Mechanical Turk, Fiverr, Task Rabbit and Upwork. This complicates the planning task because the optimum shape and size of the workforce is much more contingent on organization and economic choices. There is potentially more than one right answer.

Lifelong learning

Alexandra Badenoch, Telstra group executive of HR, recently said at a KPMG forum on the Future of Work: "What we can see is that about a sixth of the core skills of our workforce will need to be different in about three years from what they are today. That's a massive volume shift."[11] Added to this is the evidence that millennials are changing jobs much more frequently, including entire occupations at the rate of four job changes in their first 10 years of work.[12] Bernard Salt, the commentator and thought leader on all things demographics in Australia, predicts that in their lifetime millennials are on track for 25 job changes over a 40-year career.[13]

All of this points to one abiding constant: Increasing numbers of economically active people are going to need to embark on lifelong learning in order to maintain skills and capabilities. The extent to which employers facilitate this is an increasingly important question. It also adds to the complexity of forecasting future workforce needs because to some extent, the rate and effectiveness of reskilling employees will dictate future organization performance and competitive advantage.

Quantified workforce technology

According to Forrester[14], the next five years will see a significant expansion in workforce analytics applications designed to give real-time insight into individual, team and organization-wide employee performance. There are already many technology providers offering various forms of wearable technology that provide data on everything from health and sentiment to collaboration levels and performance focus. There are also developments from large technology providers such as Microsoft and their Workplace Analytics solution (for Office 365 customers) that bring new levels of insight for both individuals as well as for organization leaders, focusing on productivity, optimal utilization of the working day, and collaboration and networking across the enterprise. Handled well, these technologies will be empowering to the individual and informative to organizations seeking to create better working environments. The danger, however, will be that such data will point to symptoms, not systemic root causes. Much dysfunctional behavior seen in organizations comes from the systems and structures that we place people in; no amount of data and feedback about an individual will overcome the inefficiencies created by poorly designed organization structures. This raises the question of whether managers have the systems thinking skills to see beyond the data to why something is happening. The technology also raises questions of privacy of data and trust between employer and employee. Forrester contends that in the next two years, for every exemplar use of these applications we are likely to see organizations creating a "big brother" world where the long-term effects are likely to be declining trust and disengagement from work. Conceivably, the risks arising from the combination of Intelligent Automation and quantified workforce technologies may create a dangerous mix of rising automation anxiety as well as "job paranoia."

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What we can see is that about a sixth of the core skills of our workforce will need to be different in about three years from what they are today. That's a massive volume shift.

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Alexandra Badenoch
Telstra group executive of HR

Shaping the workforce

At the organizational level the challenges and choices become more tangible and immediate, including:

Job losses

Some dilemmas are obvious, such as how to handle those who will lose their job because they are training the bot that will do their job.

However, as we have already stated, early adopters of IA are automating tasks rather than whole jobs or they are providing decision support to professionals. This requires reconfiguration of the workforce first and foremost although some job losses may then follow.

One global insurance company addresses this dilemma by communicating to its workforce that with the onset of Intelligent Automation, human labor at their company won't be replaced but will likely move up the food chain instead, allowing employees to focus more time on strategic analysis, building customer relationships and other higher value-add work. This will require individuals to acquire different and in some cases more advanced skill sets.

This insurer realizes it will need to reconfigure its workforce through reskilling and retraining employees to prepare them for the competencies they'll need in the future. The company also recognizes, as do many other similar clients, that the IA journey and workforce optimization is a marathon not a sprint.

One first step that many clients are taking in this marathon is creating Intelligent Automation Centers of Excellence to manage and govern IA opportunities and inform and educate the workforce on what is to come.

Skills and capabilities

Five years from now, over one-third (35 percent) of the skills considered important in today's workforce will have changed.[15] By 2020, creativity will become one of the top three skills workers will need, according to the World Economic Forum. With the avalanche of new products, new technologies and new ways of working, workers will need to become more creative to benefit from these changes. Whereas negotiation and flexibility are high on the list of skills for 2015, in 2020 they will begin to drop from the top 10 as machines, using masses of data, begin to make our decisions for us.

As these developments transform the way we live and work, some jobs will disappear and others will grow and be enhanced through working alongside intelligent machines to make better decisions. For example, doctors aren't disappearing; they're increasingly collaborating with cognitive computing technologies to make better diagnoses. Dr. Herbert Chase realized the value of IBM Watson when attempting to diagnose a woman with symptoms of low strength and muscular weakness. By crunching the data, Watson determined that she suffered from either hyperthyroidism or rickets, including the possibility of a rare type of rickets resistant to treatment with vitamin D. It turned out that she had the latter, unusual type of rickets; Watson determined this possibility in a few seconds, but the initial care team had failed to diagnose it for days.[16]

Jobs that don't even exist today will become commonplace. What is certain is that the future workforce will need to align its skill set to keep pace.

The key dilemma for organizations is reconciling human, digital and gig economy labor. In achieving the reconciliation it is important to understand:

Key questions that will shape the workforce

What is the art of the possible with digital technology?

What skills and capabilities are needed in your organization in the next two to five years?

Which organization models and structures achieve the best integration of human and Intelligent Automation?

How should organizations integrate contingent workers with permanent core employees?

What is the moral and ethical framework that leaders wish to work within in relation to workforce displacement, transition and replacement?

How can the existing (human) workforce expand the scope of its current role in the organization to provide value-added services beyond the scope of the bots?

How can organizations develop a comprehensive strategy to reform the education and training system to be more responsive to demands of the future workforce?

How can organizations redesign their current job profiles to attract, retain and absorb future talent with advanced technological skills?

Out of the many emerging technologies claiming to automate work, which ones will work in the context of your organization – and which ones are not applicable, or simply hype?

Lessons from first movers

In the Spring of 2017, KPMG ran a workshop for member firm clients who are interested in governance of Intelligent Automation. Attendees included global retailers, banks, insurance companies and aerospace manufacturers. What was striking was that these early movers into Intelligent Automation told a consistent story about the lessons they had experienced.

1

Don't focus only on cost

While Intelligent Automation does enable organizations to save time and create additional capacity, it is no longer just about cost, about a "quick fix" automation. If organizations are ready to consider the true potential of IA, they will be able to redefine their business processes to create a better overall customer and employee experience. But this requires a more holistic approach drawing on disciplines such as design thinking to be successful.

2

Start small but address the end-to-end process

Start with small, initial automation pilots to demonstrate quick wins and obtain buy-in from leadership and the workforce to build momentum. But ensure such pilots are based on an end-to-end view of the process, not just the bits that are being automated. Early adopters that did not redesign the entire process sometimes ended up making the process less efficient and effective overall. However, it is easy for a series of small-scale pilots to turn into a "Wild West of experimentation" as one organization described where automation anxiety became evident and there was no overall governance. (See point 5)

3

It's not just about IT. Ensure business involvement and ownership

The right resource mix will help drive efforts forward. Make sure you have sufficient resources in place to support IA efforts, including resources with technical, functional, strategic and creative expertise. Design thinking and customer journey skills in particular are just as important as "bot building" expertise. And perhaps most important: don't drive IA initiatives solely from the IT function. Without business buy-in, IT-driven automation initiatives nearly always fail to deliver sustainable outcomes.

4

Learning and Development is key

Education (and Learning and Development) is imperative. Participants were consistent in stating the need for increased levels of education and training as a result of Intelligent Automation, both for the people involved in the IA program and also, of course, for reskilling people whose jobs are automated. Effective education created a buzz and excitement and minimized automation anxiety for many organizations. More importantly is the fact that with role changes there will be many people in the workforce who are suitable for new roles if they have the necessary training—e.g., for more complex problem-solving interactions in customer-facing roles, or for bot lifecycle management and customer experience design. A number of participants were successful in such redeployments of people following re-skilling. The problem described by organizations is that many existing L&D functions are not configured to provide the new kind of learning, which requires a platform capability for delivery as well as a more dynamic and blended approach to learning, needs assessment and delivery. We see a need for a radical redesign of learning and development capability to respond to these emerging needs. Also, there is a need to train people to build and manage the bots. Our panel described initial attempts at bot building as poor owing to weak skills, which meant that the early bots were not as reusable as they should have been.

5

Build governance early on

Most clients describe the need to evolve from the "Wild West" of functional experimentation toward a more organized and managed approach. As one participant noted, for their organization they have moved beyond pilots to scaling; therefore, they are more concerned with working through organization, people and change, and governance issues. For others, they say that the technology is immature (if innovative) and ever changing, so a focus on organization people, change management and governance is the best way to deal with the uncertainty and dynamism resulting from these new technologies. Finally, participants such as a global retailer and a global insurer describe the need to create an Intelligent Automation Center of Excellence to coordinate planning, building and maintaining of bots as well as foundational aspects, such as risk, people implications and governance.

6

Managing the transition

In addition to the capability changes already mentioned, the introduction of IA will affect organizational structures, HR policies, such as performance management, and work practices. In turn, this requires management of the transition from old world to new as well as a demand on leadership to bring about the required changes. For example, the early movers commented on things such as the impact of a blended human and digital workforce and what this meant for the performance management of the head of department, who is still accountable for the combined output. At a very basic level one Telco organization spoke about the need to change its Job Evaluation policies as without amendment, managing a workforce of bots and humans reduced the job grading but in reality the manager was delivering increased output and quality.

Conversations worth having now

Ultimately the most fundamental conversations posed by Intelligent Automation turn on these questions:

- **How can businesses profit from new economic opportunities while safeguarding the wellbeing of employees and other stakeholders?**

- **How do businesses capture the cost savings and other bottom-line benefits of automation while releasing the potential of human capital to do other, more valuable things?**

- **How should organizations manage the transition to the workforce of the future?**

- **What is the impact of automation on customer experience, and how can businesses ensure that they are prioritizing customers over cost-cutting?**

These are tough conversations, always aiming for a higher purpose, and they need to be engaged in now.

We see that the workforce issues arising from Intelligent Automation are profound. Not for nothing is the phrase "digital disruption" used to describe the organizational impacts of these new technologies. Assuming that how the workforce is currently organized is the way it will continue to be organized needs to be challenged. As an immediate next step we recommend that people leaders engage in an organization-wide process of understanding in what ways their workforce needs to evolve in terms of skills, numbers, type, etc.

When leaders consider how to approach these higher-purpose conversations, they should take note of the lessons learned from some of the first movers who have begun to implement Intelligent Automation within their organizations. These pioneers have discovered that implementing IA is a much more complex undertaking than originally thought. It is not just about embedding the right technology but also empowering their workforce with the right skill sets, structure and culture to be successful.

We call this Workforce Shaping. The next section of this document gives some practical advice on what this involves.

Leaders of the organization must engage in the "higher-purpose conversation." A good place to start is with the questions we refer to in this paper. Are we going to let the future happen to us or are we going to steer towards a preferable future? Do you want to shape the future of your organization or be shaped?

The choice is yours.

"

Are we going to let the future happen to us or are we going to steer towards a preferable future?

"

Part 2

Workforce Shaping, an introduction to what is involved

> **The challenge is how to enable and exploit but the opportunity is to leverage the capabilities.**

Shaping the future

The challenge and opportunity for the HR function

The need for accurate forecasting and planning has never been more important for people leaders and HR practitioners in particular. The old certainties about the future of our organizations no longer hold sway with the onset of robotics and artificial intelligence. Yet HR still needs to recruit the right number and types of people, it still needs to develop people with the required critical skills, and it needs to understand in what ways the shape and size of the workforce should evolve to take Intelligent Automation into account. But its forecasts need to occur in a more dynamic and ambiguous context.

To this end process automation is both a challenge and an opportunity for the HR function. The challenge is how to enable and exploit but the opportunity is to leverage the capabilities. Recent KPMG research cites talent management and talent acquisition and onboarding as the HR activities that will benefit the most from the increased use of process and more so cognitive automation technologies.

We need to replace the relative certainties of supply and demand forecasting that occurred under the heading of "Strategic Workforce Planning" with what should now be called "Agile Workforce Shaping."

From: Strategic Workforce Planning	To: Agile Workforce Shaping
Supply and demand analysis looking and "gap closing" over a three- to five-year time horizon	Continuous analysis of workforce impact and required skills as Intelligent Automation is deployed
Analysis based on existing job families	Analysis based on job families and new required capabilities based on "to-be" tasks and critical skills for end-to-end processes
Owned and conducted by HR, which consults with the business	Owned and conducted by the business units and end-to-end process owners, facilitated by HR
Employed workers	Human workers both employed and not employed as well as bots owned and not owned
Traditional pyramidal top-down work structures with critical roles driven by hierarchy	Team-based and an end-to-end process view of work organization with critical roles driven by skill scarcity and value-add to the business
Bias for "an answer" with sensitivity analysis on either side based on existing organization mindset	Bias for scenarios with probabilities attached, based on horizon scanning and "outside-in" mindset
Current workforce model (shape and structure of the workforce in terms of spans, layers, rates of attrition and promotion, etc.) provides the dominant mental model for the planning effort	Ongoing reexamination of the workforce model using a framework such as the 5Cs to ensure a more multidisciplinary approach to forecasting and the possibilities for the organization

Managing talent in the digital era

Intelligent Automation has a broad impact on roles and skill sets. The KPMG 5C Framework aims to ensure that organizations take a multidimensional analysis of people impacts and examine their future talent strategy from the perspective of five considerations:

Cost – Is it efficient and effective?

Capacity – Are there sufficient resources in the right locations?
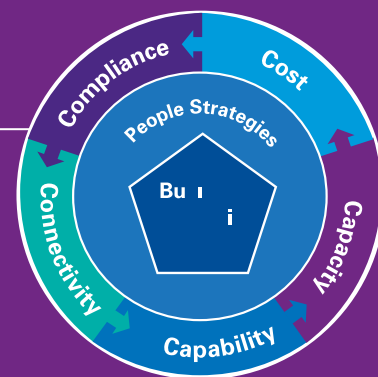
Capability – Is the workforce skilled and agile?

Connectivity – Are employees motivated?

Compliance – Is the reshaping of the workforce going to improve compliance behaviors such as good conduct in banking or health and safety in oil and gas?

Each area asks probing questions to help leaders determine what actions could improve results and the overall people agenda. Results are monitored as changes are implemented. Indicators help organizations identify what areas they might be able to improve and what areas need further follow-up.

Intelligent Automation: Navigating the changes using the 5C Framework

The banking industry provides a good opportunity to see the 5C framework in action. As this example shows, Intelligent Automation will make significant new demands on the HR function and the C-suite. The framework helps organizations analyze the impact on a typical workforce and navigate the changes.

IA's potential impact, Example: Financial institution

From	To
Cost	
Significant numbers of employees involved in roles that are highly procedural within a defined rules base. For instance, a great deal of work may be performed in contact centers.	Retraining of human labor into more complicated roles. Fewer employees overall, particularly in settlements, operations and customer support functions. Much of work previously performed in contact centers is now automated.
Capacity	
Scalable to extent labor can be scaled and in silos based on the value chain of product development, sales, distribution, operations, settlements and customer support. Organizations own primarily full-time resources, while outsourcing for labor arbitrage.	- Less complex products require less human interaction - Intelligent Automation will enable a more agile workforce; steady and rapid increase in part-time and contingent workers. Organizations now insource for high-contact roles. - Need for higher-level skills in relationship-based selling. Significant automation in credit, risk, application processing operations and customer support functions
Capability	
Capability based on the end-to-end operating model/value chain that is built from functions outward to the customer. Established, stable roles and career paths that are built from functions outward to the customer	- Retraining of the workforce will be a significant demand on HR - Data and artificial intelligence will increase cross-selling opportunities, requiring higher levels of skill in relationship-based selling.
Connectivity	
- Banking value chain disconnections - One size fits all products and pricing	- Boundaries between functions more open and fluid value chain; teams are now agile and more closely aligned to the customer journey rather than a function - Project-based teams; roles depend on work requirements - Omni channel enabled by cognitive augmentation of humans - The banking value chain can be more connected, e.g., sales and customer support - Need to engage employees in the drive to automation, e.g. such as we have seen with employers in Telco and Insurance - Culture of agility and innovation required as new entrants disintermediate the banking value chain.
Compliance	
Compliance based on human review and monitoring supported by analytics	- More product complexity creates greater risks but artificial intelligence may automate compliance - More automation of data review

Thinking through the implications

Our workforce shaping approach, which we are using across a number of sectors, helps clients analyze the broader implications of Intelligent Automation—including impact on the workforce and operating model and the subsequent opportunities to re-think the business.

We use the 5C Framework to think about the shape of the workforce, pairing it with two templates to show the step-by-step thinking required to consider the impact of IA and robotics on the workforce. This is where we start to generate answers to the many questions.

These templates are used in a top-down approach based on a view of the future operating model. They are also used bottom-up by going into detail on selected processes and business

units to develop scenarios, triangulate them (top-down findings with bottom-up analysis) and seek to understand the preferred shape and size of the workforce. In the templates, we begin by identifying a process where there may be potential to implement Intelligent Automation, such as claims processing. Next, within the template we explore the "art of the possible" for that particular process. In an ideal end-to-end claims process, for example, customers are able to submit a claim virtually from their mobile device. Claims are then processed in real time. In addition, technology is leveraged to put preventive measures in place to reduce the number of overall claims.

Once the process is identified, we perform a deep-dive assessment to understand the specific highly manual steps that could be automated and which type of automation would be most appropriate to employ. Depending on the complexity

Intelligent Automation—people impact
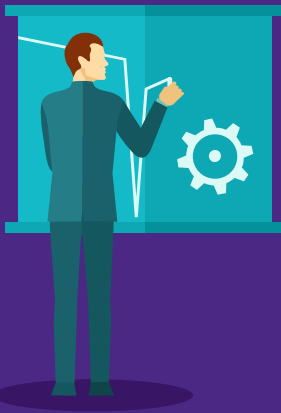
1 Which processes currently have pain points that could be ripe for Intelligent Automation?

What are the tactical steps in this process that we should examine for automation?

2 What is the "art of the possible"?

What do we want the end-to-end customer journey to look like when we're finished?

3 Which type of automation would be best to use?

4 How many employees currently are needed to execute this process today?

5 How many employees will be needed to execute this process in the future?

of the process, RPA, machine learning or cognitive automation may be most appropriate to use. To understand how many employees currently execute this process and how many will be needed in the future, we perform an activity-based analysis and a cost-benefit analysis within the template to measure the amount of FTE time currently spent managing and resolving claims. Then we predict the cost savings and capacity increases that would be realized with Intelligent Automation. As a result of this analysis, organizational leadership will have a clear view into what percentage of roles will be automated, which roles across their organization will be affected and what new roles may be required. Job impacts will vary. In some cases, roles will be fractionally impacted, where the FTE now has increased capacity that can be spent on other more value-add types of work. In other cases, roles will be cognitively augmented, allowing more junior-level employees to execute more complex

work, enabled and empowered by technology. Lastly, some new roles may emerge within the organization as a result of this technology (e.g., claims bot manager). These templates are meant to be used as tools to identify potential automation opportunities and the subsequent people impacts and to inform leadership how they must prepare their workforce for the future.

Finally, process by process we build a picture of functional workforces across the 5C model. Based on process that is IA enabled, we can assess capabilities retained and those needed that currently do not exist. Through applying the 5C lenses we build a model of the future shape and size of the workforce that can be scenario tested and updated as processes are redesigned. The key is understanding this to be an ongoing process.

6 What are the different roles and levels associated with this process?

**7** What percentage of the job will be automated as a result?

8 How will the job be affected as a result of automation?

- Fractionally
- Cognitively augmented
- New role required
- Managerial responsibilities required
- No change to role

In summary

This is an opportunity to reinforce the four key points we made in the beginning: start thinking and talking about this now, develop transition strategies, move to agile workforce shaping and learn from early movers

What
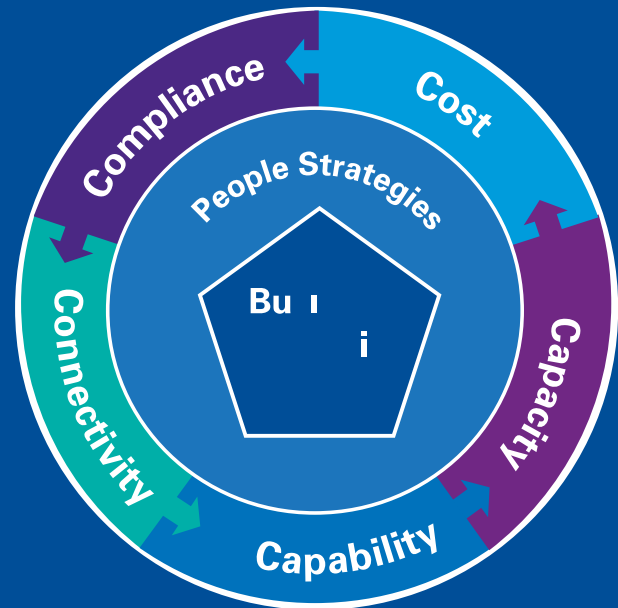
In what areas of the organization will IA deliver the biggest benefit? What are the end-to-end processes that will deliver both cost reduction and increased customer or employee experience?

How
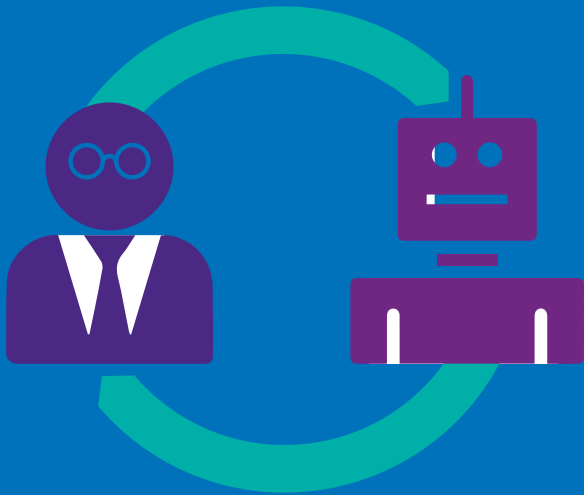
How do organizations need to redefine:

How they teach and train employees?

Where they source talent from?

How they develop their current talent?

How they keep the current workforce engaged and connected throughout these constant technology changes?

What the shape and size of their workforce needs to look like?

Why
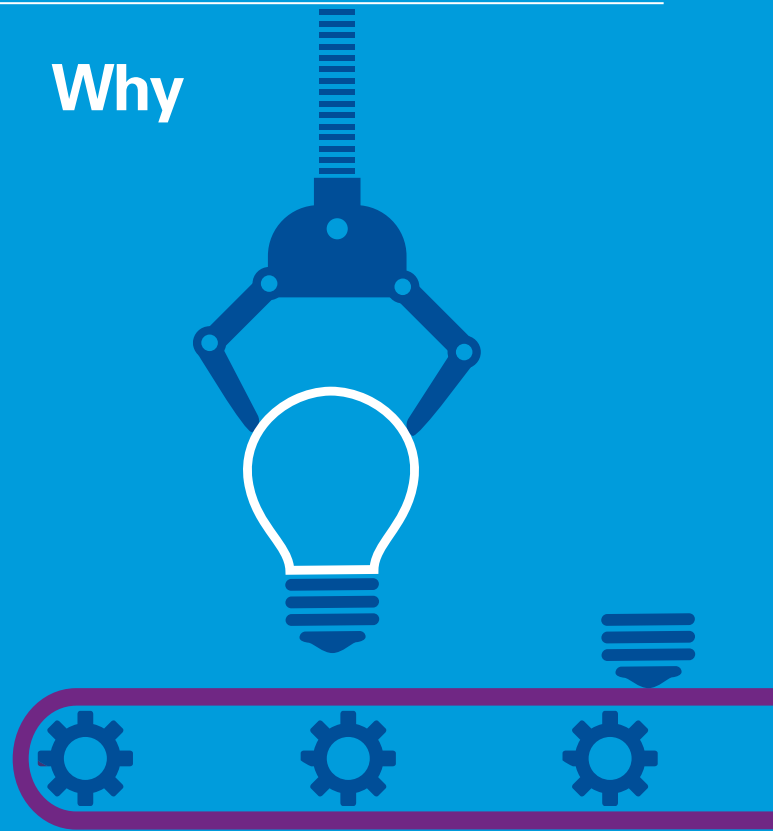
IA offers the opportunity to reinvent the enterprise—from business model to operating model and onwards to organizational structures, processes and practices. Done well, with a strong focus on the people agenda including the insightful combination of humans and bots, we believe IA and associated digital technologies will be a source of competitive advantage. Why not act now and get ahead of the game?

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