



The evolution of AI - From artificial intelligence to agentic AI

KPMG insights live

Susanto

Hi everyone! Welcome to the second episode of KPMG Insights Live. I'm Susanto, the host for the day, and with me today is Mas Freddy Mulyadi, the Partner-in-Charge for KPMG Digital Lab.

Freddie

Hi everyone!

Susanto

Today we've invited Freddy to discuss the evolution of artificial intelligence and a hot topic that we are all talking about, which is Agentic AI. So, welcome Freddy.

Freddie

Happy to be here.

Susanto

My very first question to you is, why is artificial intelligence evolving so fast today?

Freddie

If we look at artificial intelligence, this topic has actually been around for many years. However, over the past few years, it has evolved very rapidly. In my opinion, there are two main triggers. The first is the availability of computing power. Currently, we are seeing advanced, modern technology, which allows AI to develop. There is enough processing power to run the AI. But computing power itself is not enough. Because for AI to be smart, for AI to generate content, it needs one ingredient, which is data.

And we see what's happening in the digital ecosystem over these past years. Everything that we do, everything that we know, is available digitally. So, everything that is digital can be processed by the AI. Thus, we see why AI is developing, because it has the technology to process data and output it again so it can be consumed.

So, with the development of technology, we are very confident that AI will continue to evolve, with more data being fed into the AI.

Susanto

Okay, thank you. So, two big drivers. First is indeed processing power, or what we call computing power. The second is the amount of data collected across all our media. In the past 10 years, as a professional, I've heard many terms like machine learning, deep learning, 10 years ago if I'm not mistaken, right? Then there's also what we call generative AI which we might use day-to-day on our smartphones, we're talking about generative AI tools to generate insights, asking questions, and even asking it to give us some kind of advice on where to travel, what are the major attractions in the city, right? Things that we used to do through search engines. Now we probably use AI for many things. We also started hearing about agentic AI. Is this something that's coming or perhaps already exists in the real business world?

Can you help us to explain conceptually, what is the relationship between all of this, from machine learning to the agentic AI that we have now?

Freddie

So, actually, when we discuss the topic of AI, there are many different ideas we need to understand. Academically, of course, we've heard of machine learning, heard of neural networks, up to deep learning, and of course, over the past few years, related to generative AI, and what's currently trending, which is agentic AI. Actually, to appreciate AI or Artificial Intelligence we don't need to understand everything. But I want to highlight that machine learning was actually very popular maybe five to ten years ago. When machine learning was heavily used for analyzing large amounts of data.

It was very popular with data scientists and data analysts, using tools to perform data analysis to help them produce outputs, whether for predictions or to understand the behavior of a piece of data.

Now, if we fast forward to today, many are already using generative AI. Generative AI, because of the word “generative”, we’ve associate generative AI as an AI that will generate content. Generate content, generate context, and assist us. And lastly, Pak Susanto mentioned agentic AI. Yes, agentic AI is becoming popular now. Agentic AI is synonymous with a digital worker. Where agentic AI helps us to take action with something. So, the difference between generative and agentic AI is only the output. Generative AI creates content, but agentic AI will actually do something for you.

Susanto

Okay, can you give us some examples in daily life? What is narrow AI, generative AI, and agentic AI?

Freddie

Well, the easiest ones are probably what we experience every day, what we use every day. Now, narrow AI is like when we want to go somewhere, so say from destination A to destination B. I want to go here. What’s the best route? And that is narrow AI. Very, very specific instructions for a very small task.

But if we talk about generative AI, from destination A to destination B, we’ll ask for route recommendations. Route A, route B. And are there other alternatives, if we don’t want to take the toll road?

Susanto

So, they generate insights?

Freddie

They generate insights, give you recommendations, but generative AI does not take out or remove the driver. You still have to choose, you still have to drive the car. If we enter the world of agentic AI, the analogy is that we don’t just provide the destination but we will also be taken there automatically. Just like a self-driving car that we know is popular in America. When the car arrives, we tell it the destination, and the car will choose the route, it will stop at red lights, if another car passes by, it will stop. So self-driving cars are like one form of agentic AI that helps us get from destination A to destination B without a driver.

Susanto

If so, for generative AI, I think we are all quite familiar with that, but agentic AI might be something that is still a bit foreign to all of us.

So, can you elaborate more on agentic AI? What are its benefits? And what are the key features of agentic AI?

Freddie

Thank you, Pak Sus. This is indeed still quite new, So everyone is still learning. What exactly is an agentic AI, really? But as an example, maybe we can see agentic AI as a digital worker. A super intern who can help us. There are actually many benefit to agentic AI if it is done correctly.

Agentic AI is very suitable for helping if we want to automate a few tasks. Agentic AI can help us. From task A to B to C. And it can help as long as our instructions are correct. Or if we want to ask the agentic AI to compare data and identify if something is missing or wrong, please correct it. Now, agentic AI is very good at that kind of stuff. And we give it one goal.

For example, in our own world, in everyday life, if we use an agentic AI, like a self-driving car, we can tell the self-driving car that I want to go to destination B, to Bogor for instance, but I don’t want to use the toll road and I don’t want to use small streets. Then the self-driving car will figure out which route is most suitable with the parameters we provide, not using the toll road and not using small streets, so it will choose normal roads.

Agentic AI is really appropriate for something where you can provide instructions. So as humans, we give control to the AI. Yes, we give control. But we have to maintain the parameters. Don’t let it be that we say we want to go to Bogor, but we end up in Bandung.

Susanto

Well, as an old-school person, I imagine that giving control is not something we are always comfortable with. So, based on your experience, I know you have been talking to many organizations in Indonesia about the deployment of agentic AI. And indeed, in our event last week the AI Center of Excellence, I saw some people also come up to me, and it’s seems like we have attracted a lot of interest in the topic. So, can you share your experience with talking to organizations in Indonesia, what are their plans for adopting agentic AI, and what are the main challenges you have been observing?

Freddie

Based on my experience, perhaps we don’t need to immediately jump into agentic AI deployment. One of the challenges in many places is related to what we are actually using AI for. What are the objectives? What business value are we trying to achieve?

From one deployment of AI, it's not yet at the agentic AI stage. Not yet at deployment itself. It's more about stakeholder engagement and convincing management that AI actually helps with efficiency, AI actually helps with, you know, making tasks a little bit faster, the quality of output can be maintained. I think at the beginning, there are more challenges, how do we get business value out of AI implementation? In my opinion, that is the primary challenge being experienced. We shouldn't just undertake AI projects because they're currently popular, leading us to follow trends without gaining any tangible business value from AI. That's the first challenge, in my view.

And if I may share, the second challenge being widely discussed externally is whether AI is safe. How can we ensure that AI usage remains safe, our data can still be protected, and if AI can work without instruction? Now, things like that require a lot of education that we must provide, both to management and to the technology team. But, in my opinion, we must enable this understanding across the organization. So, not just for some existing groups.

Susanto

Okay. So, an organization if they really want to deploy agentic AI, just don't talk about the deployment of the technology itself, but more about the transformation of the business process, and how we must start with stakeholder engagement, how to make sure that everybody in the organization, every function, they are comfortable. And I can relate to that. It's not a very easy process.

Why? Because, as we go back to the example earlier, the autonomous car, it's more about giving away your control. People are usually uncomfortable giving their power to something like AI. And how can we be sure? And also, yes, as I think you spoke about, people are not very sure of the value, and sometimes it might also cause businesses to be a bit hesitant, whether they should be at the frontier of doing this or maybe wait and see. So, even though agentic AI seems like very big concept, but how it's implemented, I think we are still waiting to see.

Freddie

Yes, that's right. So, the most important part is – we start with why. Why do we want to do this?

Susanto

Why we want to do it, yes. Perhaps you can give more specific examples for any businesses function that can better help listeners to understand what agentic AI is when applied to business.

Freddie

In a business context, perhaps an example I can draw on, maybe something that happens daily

like when we process loans at the bank and we know that filling out forms requires a lot of information or data. Well, after filling out the form, we submit it for the bank to review. Not to mention that we have to attach an ID card, tax ID, driver's license, salary slip, and so on. Now, when it reaches the bank, if we consider the traditional process, everything must be checked. Is the ID card correct? Does it match the form? Is the tax ID correct? Does it match the form? And then there are more - family cards up to the salary slips. Is the salary slip really from the current company? It needs to be checked, cross-checked. And before it can be approved or not approved, simply put, now these kinds of steps can actually be automated starting with a digital worker or agentic AI that checks the forms, another agentic AI that scans the data or attachments, and that can be cross-checked again by that agentic AI. Because what is done is comparing A with B, right? Now, this comparison can actually be automated. And agentic AI can help us do that.

And if we implement agentic AI in loan processing for example, so, whenever we submit the form, whenever we submit the missing data, the bank or the loan officer in this example can work 24/7. So, it can be processed anytime and we can expedite it. Will this really take 3 days? Or perhaps with an agentic AI, we can reduce it to 3 hours. And of course, are these the benefits that the management wants? Does this increase efficiency? Does this improve customer service? And that's what I mean by starting from why. Do you want to do this? Why do you want to do this?

Susanto

So, it makes sense if there is a high volume of repetitive transactions that are very monotonous that maybe in the past was handled clerically by humans. And that's where agentic AI can actually provide faster processing times so that humans still remain relevant. But humans are the ones who actually stop doing these monotonous jobs, but they can focus on more meaningful work as the last person involved in the process.

Freddie

Absolutely. This is an example - when we compare the advancement of AI in a banking example, at the moment when ATMs first appeared, Pak. Back then, when ATMs appeared, people were scared. So, tellers thought they'd be out of work. ATMs are still here today. Tellers are still here today. They are more focused on customer interaction, relationship building with customers. And I think, although agentic AI will automate some processes and tasks, but, it doesn't mean that the loan officer, doesn't have to provide judgement.

Whether we still need to contact the customer to inform them that their money has been approved. Things like that might change in the future.

Susanto

Okay, makes sense. Because, fundamentally, in all businesses, there must be accountability. And accountability is still sitting with people, not with an AI. You can't blame AI for something that is happening. But you must find somebody to be responsible for what happened. The human in the loop is there. So, our focus is more on the man behind the machine, which is actually important. But at least the man doesn't have to be the machine anymore. Meaning, it handles the tasks, the basic, the monotonous ones. So overall, people should have more meaningful jobs. Meaning they don't focus on things that are very routine and repetitive.

Freddie

Yes, that's right, and this is what I see, maybe many are trying to start from scratch, adopting AI right away within a year. And I think that big jump is too dangerous.

Susanto

And going back to what we said earlier, it's not about the deployment of technology. It's about the transformation of the business process. You have to engage the stakeholders. You have to make sure you answer the question of 'why' from everybody, right? Perhaps from our insight, it's that organizations should look at it step by step, not directly from one end to another, and cannot answer the 'why'. Why do we need to have this project? I think we've discussed agentic AI quite a lot, but perhaps it really makes sense for us to discuss a bit about how we apply AI in our day-to-day work at KPMG. So what's your experience?

Freddie

If we talk about, say, advisory. Certainly a lot has changed in the last few years. For example, globally we have adopted AI in our daily activities. So at KPMG, in advisory, we have AI tools that can help us with simple things like doing research. Every time we meet a new client, we do a bit of research anyway. What the client has been doing, what sector they are in, and of course, previously we would go to the internet browser check one by one. Now, with just the right question, the right prompt, we are given a summary. What the client has been focusing on, what are the highlights of the client's business. And we know quickly. I don't need to assign this task to my associates anymore. I can actually do that myself. I think... it frees up my time.

And I can also automate my research. Every time the calendar shows a meeting with a new client, my AI will automatically generate research content for me. So I can read it as pre-read or preparation before meeting the client. And also at KPMG, we have a division called the Digital Lab today. Where this Digital Lab also helps clients adopt AI going forward. So, we do a lot of research on how to implement AI into systems. But the most important part that I have to convey here is before we even go out and advise clients on how to deploy AI, we are the client zero. Meaning we are the ones who first understand how we ourselves as consultants adopt AI in our everyday lives. At work, how we make tasks easier for ourselves. How we do our work more efficiently using AI. How we start doing content generation, research using AI. So all of this we are doing today in advisory. I'm curious about you, Pak Susanto. It's this way in consulting. In audit, are there any impacts from using AI now?

Susanto

As an old school person, I probably at this moment use AI mainly when we have a lot of meetings, online meetings. I still remember what happened in the past is sometimes I would ask my team for time to summarize the meeting minutes. Usually they come back to me a week after that. And then it needs a lot of editing. With the AI tools we have at KPMG, actually I will automatically turn on something that can directly summarize our conversation, then my team, from that, they can actually prepare the meeting minutes of course, just like we always do. Everyone at KPMG knows that generative AI content cannot be used directly. We are still the ones responsible for the content today. But whatever is put together, the Indonesian language is already okay. I still remember a few years ago, we had to force ourselves to speak English. So that our AI tools could pick it up. But now they can speak Bahasa and yes, we tested the function today, it's quite good, well, that's something we can do daily.

Now, in our audits, we are also working with Clara 2.0 where we will incorporate more and more AI tools to help us do the audit in a more efficient way because that is a must because just like you said at the beginning, the more data we get, although to be clear, we need to have very, very strict governance with clients because we cannot use the client's data, okay, for not for this purpose. So we have to be very careful in how we discuss things with our clients, about how we can generate and use AI in audit. But this is a journey we will go through.

And in tax, just 2 months ago, we also announced that we have a strategic alliance with Anthropic to incorporate their solution into KPMG Digital Gateway which is our tax solution. So, in my opinion, we are indeed on a journey. As you said, if you want to help clients use AI, we have to be client zero. And that's what we have to do. But we also have to, from all of this, KPMG Global has very strict regulations for using AI in everything, and definitely something that is not an approved tool, we cannot use it within the KPMG machine. And I think that's something very right. Where we have to ensure everyone understands about certain things, there are regulations in the use of AI, that we are not allowed to be completely open, we must truly understand and to make sure the older generation understands this, it's not an easy journey. So maybe that's all.

Freddie

If I may highlight, Pak Sus. The secret to KPMG being able to roll out various global and local AI initiatives safely is because we also use one framework to help us ensure that our AI system deployment, our AI solutions, remain safe. We have what is called the KPMG Trusted AI Framework. And the KPMG Trusted AI Framework that we use ourselves, we also explain to clients how we have used it at KPMG, and how clients should also expect to return to the development and deployment of AI, to remain safe, they can also use the KPMG Trusted AI Framework.

Susanto

Yes, that's right. As you mentioned earlier, what's most important is stakeholder engagement. And we have to answer the question why. Right. This is the point we are making. We've had a good discussion, yes, but it seems time will never be enough. So perhaps my last question to you is, could you perhaps share about what the future of artificial intelligence will look like?

Freddie

Well, I don't have a crystal ball, Pak Susanto. So perhaps from personal experience and also what I observe in the market, well, in my opinion, what AI will look like is definitely AI is here to stay. Despite the fact that there are many challenges that organizations will face with AI. I strongly believe AI will change the way we work. Definitely AI will be our companion when we want to write emails, do report submissions, or generate content so that the slides look nice and all that. AI will help us later, right? And beyond work, AI will help us in our personal lives. For example, from what is related to generative AI and agentic AI earlier, we can see that in our personal lives we can use AI to help us organize our holiday next time, Pak.

For example, if we want to go to China, of course we'll be confused about what the itinerary should look like. AI will help us to arrange that. You want 5 days? You can do it. Want 7 days? You can do it. Find accommodations that fit our budget. AI will help you shortlist that. I think AI will be embedded in our daily activities, starting from our daily planner, up to, perhaps, planning our expense budget. And it will be integrated into our lives. Well, of course, I hope AI is used responsibly. Of course, it can change the way we work. Change the way we live for the better. Look at it as an assistant. How the assistant can help us, depends on us. It all depends on us how we want to use AI in the future. Be it to help us 10%, 20%, 30%, it is up to us to decide. It is up to us to define.

And with more evolution that will happen in AI, more changes to come in AI, I believe there are lots of use cases that we haven't explored yet. But I also believe that, AI is not going to replace us. Because of the principle of 'human in the loop'. Who is behind the technology? Humans are still behind the technology. I'm still the one that is telling the AI how we expect it to behave. What we expect it to generate. Of course I hope AI continues to be a very, very good assistant, that is available 24/7 for us.

Susanto

Yes, that's right. Just like what I mentioned before, in the last ten years we've seen many things that we don't know, that we didn't know at that time would exist today. Maybe when we sit here together next year. There might be something new.

And if there is, we might be doing another session like this, for us to talk about it.

Freddie

That's right, Pak Susanto. Maybe... there might be the possibility that the people sitting here will be AI...

Susanto

...if they had enough data.

That's right. Thank you to the listeners and viewers who have watched the second episode of KPMG insights live. I hope you found this video helpful. And don't forget to subscribe, like and share. Thank you!

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.

KPMG's participation and contribution in this regard is not an endorsement, sponsorship or implied backing of any company's products or services. The views and opinions of external contributors expressed herein are those of the interviewees and do not necessarily represent the views and opinions of KPMG International Limited or any KPMG member firm.

Throughout this videocast, KPMG speakers using "we", "KPMG", "us" and "our" refers to the KPMG global organization, to KPMG International Limited ("KPMG International"), and/or to one or more of the member firms of KPMG International, each of which is a separate legal entity.

© 2026 Siddharta Widjaja & Rekan - Registered Public Accountants, an Indonesian partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Designed by Evalueserve.

Publication name: The evolution of AI - From artificial intelligence to agentic AI | Publication date: September 2026