

Part Two: Veteran CTO Shares Real World Experiences Leveraging Enterprise AI

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Earlier this week, we heard from Mike Brady, Former CTO at AIG and SVP at Kaiser Permanente, Fidelity Investments and Merrill Lynch, as he discussed shifting beyond RPA, the importance of process thinking, co-bots and avoiding the corporate immune system.

To continue the conversation, Frank Casale, IRPA AI Founder, came together with Mike Brady to explore the tectonic shift to immense productivity gains, why scale is more of a hinderance than a benefit, and how we can benefit from a hybrid workforce where Co-Bots are augmenting the customer interaction in this interview.

Frank: I read through your background, and you are a big fan of intelligent automation, machine learning and AI, so this is a loaded question, but why? When you first saw this, you said this is where we need to go. Was it the power? Was it the versatility?

Mike: I think it speaks to the tectonic shift that I feel we are all approaching. If you look at technology capabilities by decade, in the early 80's, when I got out of school, the IBM PC was just invented. That was really an age of large-scale ERP system deployments and mainframe-scale technology. That created a wave of associated business productivity through highly automated, albeit brittle processes. It drove substantial workforce productivity.

Then we hit the late 90's and it was the incredible waves of "The World is Flat" began. Work moved, dispersing for different geographies for additional cost benefit through labor arbitrage. That's pretty much run its course, yet we still need productivity. We are a growing population in this world. How do we support it?

When I started seeing that I could get 45% - 60% of transactional work completed without adding a single person, and the work that was remaining was more fulfilling for our employees, I realized that this is yet another complete cycle of immense productivity gains.

Frank: I agree. That is very exciting indeed. You have used the term Co-Bots here - can you explain in a little more detail what you mean by that?

Mike: What I find is just incredible value in our employees, their experience, their insights, their knowledge. At the same time, as the population grows and transactions increase, their days get extremely busy. By augmenting employees with their own Digital Worker Co-Bot, the more straightforward tasks can be handled automatically.

More complex tasks are then handed from the Co-Bot to the employee, often with some advice. That makes the employee's work more rewarding because they get to use their experience and skills. The Co-Bots are learning from that and, when they build enough knowledge, will propose updates to their level of process acumen. By having employees manage Co-Bots, employees curate that training and ultimately approve the enhanced processes. So, you always keep the benefit of all that intense knowledge, that history, intuition, which rolls right back into updating and expanding the learning.

At the same time, it creates a hybrid workforce where Co-Bots are augmenting the customer interaction, the employee insights and scaling it horizontally.

You know what - teams loved it, because they get more results and the work is more fulfilling. That also helps retention go up, because people enjoy the complexity of what they are doing.

Frank: That is a good point and I agree. Let's switch over to commercial models. Many of the IRPA AI members are either overwhelmed or a bit frustrated with pricing models. Many people refer to it as the wild west. You have probably seen it all. Is there one that you prefer?

Mike: When I look at the different pricing models, what provides a little bit of certainty is the traditional perpetual software license model. You buy licenses and then pay maintenance fees. That's very predictable and your benefit grows as you scale.

The pace of business is also changing. Businesses are accelerating, and as I looked at the ability to scale incrementally, I prefer variable costs in those situations. It's an easy conversation to have with business executives and business leaders, and it is tied completely to the scale of the transaction. As automated transactions grow, everyone is growing.

Frank: I agree with you. So, beyond cost save, what other benefits have you realized?

Mike: Beyond cost savings, the first thing I realized is we are really underestimating the impact of the breathtaking speed. We were having technicians perform

tasks and respond to tickets. It would take them on average eight to nine minutes to handle each ticket end-to-end. But those transactions were sitting in queue for three and a half hours. Suddenly, with machine learning applied, it still takes the same eight minutes per transaction, but there was no queue time.

The second benefit was the insights we gained through extreme correlation. Instead of handling these items as hundreds of thousands of individual transactions a month, all of a sudden, we were identifying patterns. We found that we had flaws in specific modules and business logic that were causing things to go into a rework loop. We fixed those modules and the individual issues disappeared. As a result, we reduced incidents by 50% in just over a year.

Frank: So, what role do you see for the service providers? In other words, do you see the new ideal place to get your automation, get it here? And then, how optimistic or pessimistic are you as to the future role of the traditional player?

Mike: When you look at the evolution of service providers, they grew up in an era where scale mattered, where you are building systems, you are building capabilities, training competency that you could amortize across multiple customers - and that worked beautifully.

We are setting a pace of crowd-based services, variable tech services, that you can get that scale without the capital investment. Suddenly, scale is not as much of a benefit anymore as you described, Frank; scale is a hindrance because it slows you down.

I think the service providers, especially the contact center or back office service providers, have an untapped opportunity. IT ticketed and help desk work is well instrumented, and I feel that is going to mechanize incredibly quickly because it is in the DNA of the systems. That is taking off now. I think when you look at the business transactions, invoice processing, accounts payable, expense processing, back office servicing, and contact center front office servicing – these are a little bit less discrete and just ripe for an ML driven overhaul in productivity.

I see where service providers can honestly make a big difference. Again, with Co-Bots you are multiplying base human knowledge, intellect, intuition, and experience. This can completely overhaul their business delivery model to so many clients worldwide. Conversely, the world is wide open for smaller entrants and disruptors because the time to value is so short. It is all about speed at this point. It works, and you are seeing startup companies grow to a billion-market cap in almost no time at all because they are solving these big problems.

Frank: What is your sense of what a typical enterprise will look like in five years? What is different?

Mike: I can honestly envision a workforce where we have skilled knowledge workers actually managing and being a curated trainer for their own AI Co-Bots that are digital assistants for every employee. Each employee will have a dedicated Co-Bot helping them manage everything from e-mails to approvals to transactional tasks.

On the application architecture side, it's possible to see applications themselves begin to collapse down and consolidate into essentially data repositories only. Beyond that database, much of an application is hard coded rules (if this, then do that) which embody business logic. Well, with employees or Co-Bots, you're providing that same business logic. Co-Bots do that at IT system speeds.

Then, look at the brittleness of introducing changes to traditional IT systems versus the ease of training Co-Bots. You essentially create an IT empowered workforce that does not have to submit requests and wait for application releases. The company can then evolve and change every single day with a front end that is all AI/ML driven and a backend that is very strong.

We take off layers and layers of complexity and brittleness, and we empower every knowledge worker with their own ability to transact. Is that provocative, or possible?

Frank: You and I assume everybody is automating, because it is the world we live in. When I look out there, we have pretty good radar. Depending on who you ask, 80% to 90% of the managers have not automated anything. They are still hesitant. What is your message to them?

Mike: My message is to join networks, like the Institute for Robotic Process Automation & AI (IRPA AI) and do so quickly. Use this community to reach out to people who have already done it. Connect with people, learn as much as you can, identify potential initial targets, and then pilot.

Frank: I appreciate that. You are clearly a thought leader and a pioneer in RPA and AI, so I appreciate you sharing your insights with our members. For those who haven't become a member, it's a free membership, and you can [join here](#).

ABOUT MIKE BRADY



Mike Brady serves as a Co-Chair and Executive Committee member of the AI Pioneers, as well as a Board of Directors member of the Technology Business Council and an Advisory Board member of DocuSign. He's a globally recognized transformative IT leader focused on enabling business strategy, enhancing the customer-service experience and driving performance improvements through highly engaged and globally mobilized organizations...[Learn More and connect on LinkedIn](#).

ABOUT FRANK CASALE



Frank J. Casale is Founder and CEO of the Outsourcing Institute (OI) as well as the Institute for Robotic Process Automation & AI (IRPA AI). Established in 1993, OI is a global marketplace and community of 70,000+ executive members including leading practitioners, service providers, advisors, thought leaders, industry observers and analysts...[Learn More and connect on LinkedIn](#).

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