

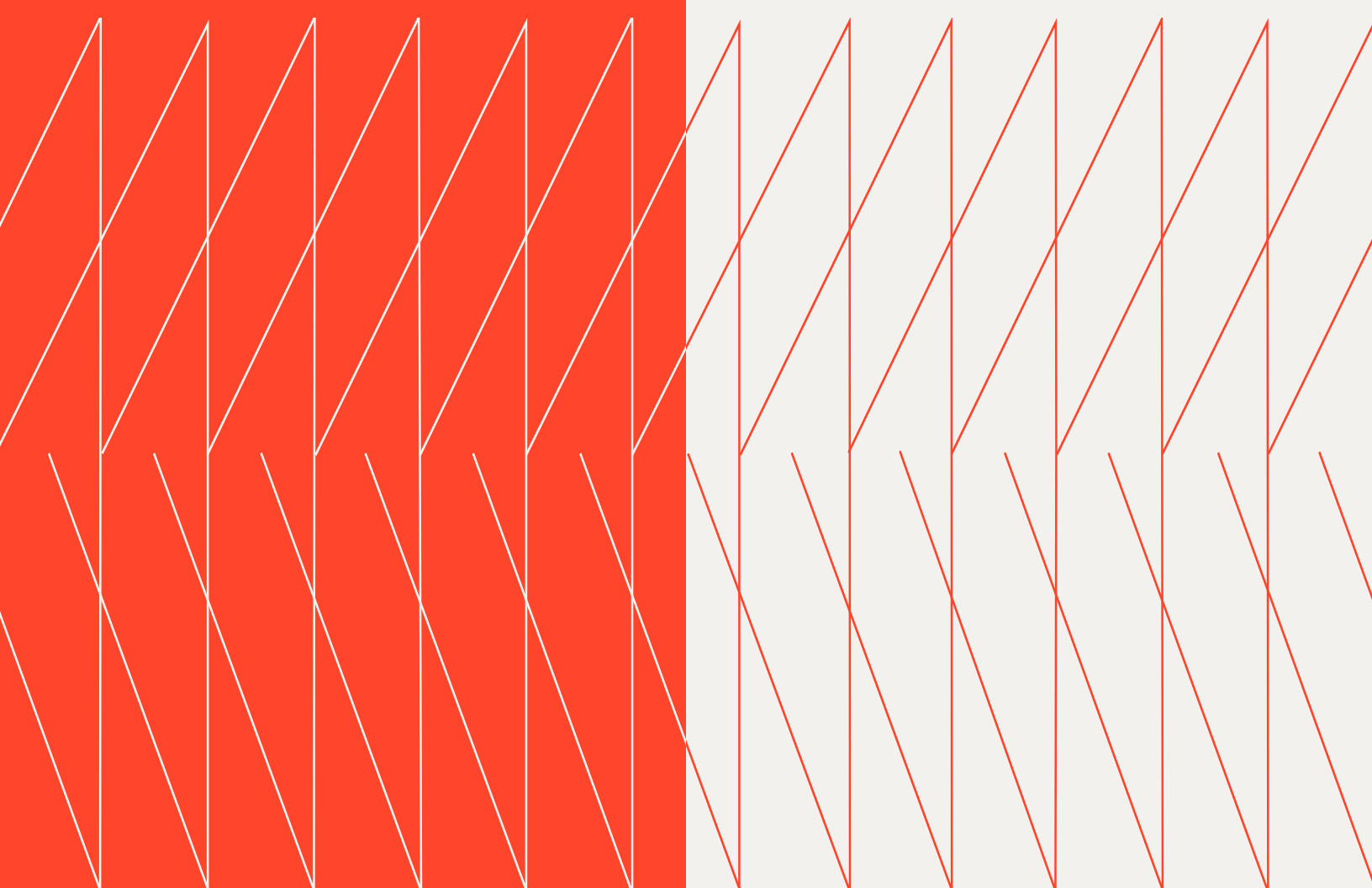
CIO

# Expert Exchange

January 23, 2024

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## Executive Summary



Host:

**Stewart Hyman**

Chief Technology Officer, Kyndryl Canada

## Overview

In this Expert Exchange session, a group of CIOs convened to discuss the below topics. The agenda was based on topics of mutual interest, determined through advance interviews with participants.

## Kyndryl's Experience with Transformation

- The group was interested in beginning the year by discussing the large scale transformations taking place at many organizations. Kyndryl's experience going through it's own complex, large-scale, and time bound transformation when it split off from IBM helped frame the roundtable discussion. Host Stewart Hyman gave a brief, high-level overview of the company's experience and emphasized the dual approaches from the "CIO side" (digitization) and the "CTO side" (automation). One involved rationalizing large disparate datasets and integrating them into one system. The second necessitated a significant amount of change management to bring employees along to get them prepared and excited for automation.
- *"There was a massive data rationalization effort in there to make sure we went to a 100% trusted enterprise data model, where we know where all of that data is. The goal is not only to transform to the off-the-shelf applications, but to transform our processes and our use of data to be much, much more streamlined, and to find savings there."*

## Change Management Through Transformation

- Companies are at various stages in their digital transformation journeys. Some have already moved their digital operations into the cloud and are working on RPA and generative AI initiatives. Others are earlier in the process and are still selecting platforms and tools or just beginning conversations around AI.
- Regardless of where they are in their digital transformation journeys, top leaders at companies throughout Canada are focused on change management. Companies are asking themselves and their employees how committed they are to automating processes to keep up with progress, and how they can help employees transition to different kinds of tasks that only humans can do. Leaders at this point do not foresee removing human decision making from the process, but instead anticipate an outcome of better-informed decisions.
- *"We've proven that we can do it one way, proven that there can be a different mentality, but we're not necessarily executing on that in the day-to-day. The day-to-day outcome doesn't change without centering and driving towards a defined goal."*

## Demonstrating ROI on Automation and Generative AI

- While there is broad consensus that automation and generative AI are here to stay, CIOs and CTOs are finding it challenging to prove ROI on the applications, which are very costly up-front. Automating some processes can make them more efficient, yet companies aren't necessarily seeing a net savings in reduced headcount and other costs. While some companies may not be seeing direct cost savings by implementing AI, if they factor in what employees are accomplishing instead of doing more mundane tasks, retention, and downstream efficiencies, they will get a more holistic view of savings to be had.
- While companies may not be seeing short-term cost savings, they may well be seeing greater productivity and outputs. For example, if a company can automate repetitious physical movements done by people, such as a robot on a production line, or if it can do administrative processes, such as generating reports for invoicing, then it can increase outputs for the same cost. However, this logic does not work in certain industries such as medicine or law where more throughput by highly skilled humans can cost more money, not less.
- *"We haven't been able to realize what I would say are the true cost savings associated with the implementation of automation technology, which I think creates challenges for us going forward. Everybody here has bought into the technology. It's just the question of how it's getting applied and how do we get greater momentum within the organization."*

The Expert Exchange is hosted by Kyndryl, Inc. Please contact [Jose George](#) with any questions about Kyndryl or this Exchange.

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09/12/2023