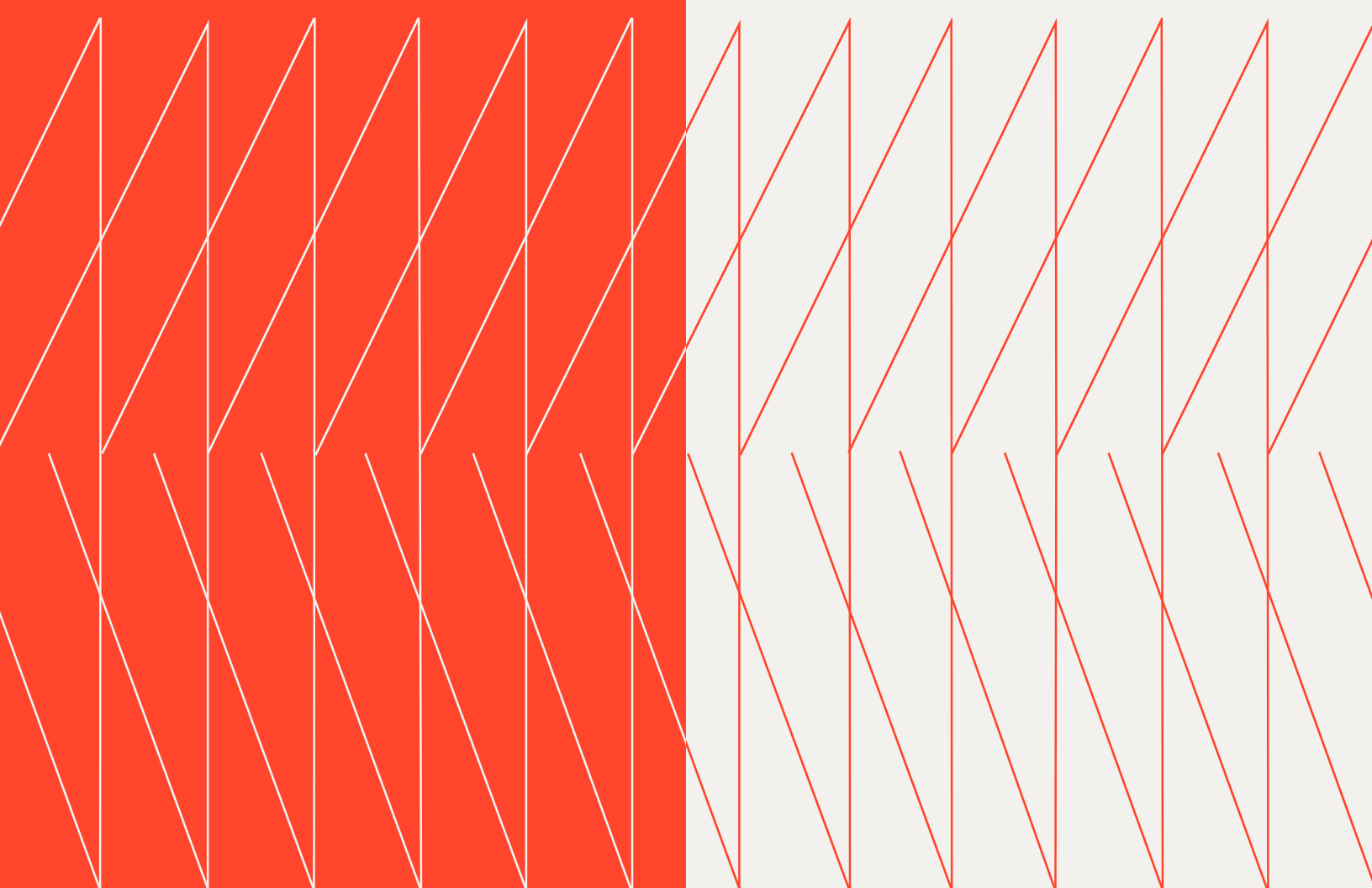CIO

Kyndryl Expert Exchange Summary

**Wednesday,
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Host:

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Overview

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

Current Economic Trends

– Following COVID, consumer buying patterns shifted such that traditionally discretionary spending such as airfare has been prioritized in household budgets. Economic downturn is no longer seeing a direct correlation with a drop in sales, but investments in IT help companies prepare for rapid responses to the market should they become necessary. In a similar vein, centralizing systems into either the cloud or an on-premises structure enables the IT team to develop expertise in one discipline and ensures a better support design.

– The pressure of unions and the broader inflation of wages have been top-of-mind concerns for the airline industry, where wages for highly specialized roles have increased significantly. Alongside wage inflation, hiring is a major concern, especially for businesses based outside of large metropolitan hubs as prospective employees are less willing to relocate.

– Despite economic uncertainty, some businesses are seeing massive growth in their sales. This growth is becoming harder to sustain given current labor market pressures. Hiring locally is still a priority for some companies, with an emphasis on the ability to come into the office or be close to company metropolitan hubs, but finding local talent remains a challenge—prospective employees are looking for more remote work time and bigger salaries. Talent challenges are such that some organizations are considering offshore solutions.

– *"We've absolutely debated a couple of times, but never committed to, an IT team in a place like India or Mexico or somewhere else that makes sense. We haven't pulled the trigger on it."*

Artificial Intelligence and Automation

– Talent scarcity and rising wages have increased organizations' interest in automation and artificial intelligence solutions. Artificial intelligence can be leveraged across multiple functions, but is extremely useful for identifying problematic servers, reducing manual server review. Using AI to build dashboards with clear and actionable insights about how to improve performance through server improvements can produce quick wins for leaders in IT.

– Businesses are clamoring to get access to various AI tools, seeing the potential for application in test case development and marketing collateral design. However, AI tools such as ChatGPT are only as good as the prompts that users use. With training on how to properly leverage these tools, productivity gains can be even more significant than they are currently. Leaders expect to see business established tools leverage ChatGPT or AI models in the near future (e.g., Microsoft integrating AI across its suite of tools), allowing for expanding use cases.

– In some industries, the pressure from competitors to adopt and deploy AI-enabled tools forces the hand of CIOs. Even municipalities are under pressure to adopt AI tools to reduce their staffing needs through automation. While it pays to be an early adopter, caution is needed when interacting with open source AI models that learn from prompts, as businesses have already learned from worst case scenarios like Samsung's employees' misuse of ChatGPT and exposure of sensitive data. AI bias is another major concern, particularly in use cases related to human resources. Controlling bias is a top priority for leaders looking to implement AI tools in their processes.

– There is massive potential for AI use in improving user experience and omnichannel sales. Customer support can be supercharged with the power of a large language model, providing better and faster results for customers. As these AI tools develop, it's becoming more likely that Canada will adopt consumer data privacy rules requiring businesses to be able to point to user data and remove it upon request. This should be a guiding consideration going forward for AI use.

– *"I think the potential for this type of technology is huge. It's just like anything else, we have to kind of proceed with caution and make sure there's an awareness that there are certain implications to using this."*

The Expert Exchange is hosted by Kyndryl, Inc. Please contact Matthew Johnson with any questions about Kyndryl or this Exchange.

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