

Jan van de Poll | The future of AI consulting

Speaker A 00:00:01

Welcome to the Future of Affirm podcast. I'm Emma Carroll, head of content here at Source, and in this episode we're going to talk about the future of AI consulting. I'm pleased to welcome Dr. Jan van der Poel back to the podcast. Jan is MD and founder of Prioritise. And Jan, you were last a guest on the podcast just over two years ago, but this is such a hot topic that we really wanted to get you back. So welcome back.

Speaker A 00:00:27

It's great to have you here again.

Speaker B 00:00:29

Thank you, Emma, and it's absolutely a pleasure to be here.

Speaker A 00:00:32

Wonderful, thank you. And tell us a bit about yourself, Jan, and feel free to talk about prioritize as you do that.

Speaker B 00:00:39

Yeah, I'm trained as a business economist. I worked in Silicon Valley, then later on in consultancy. And combining the two, I thought, can we use AI, automation, Internet technology to improve consultancy? And that led to this platform, Prioritize virtual consultants as a service and for a very simple reason. Consultants serve 1% of organizations in the developed world and only 0.01% of organizations worldwide. There are 3 to 4 million consultants. There are 300 to 400 million organizations according to the World Bank.

Speaker B 00:01:20

So, you know, we got some scaling thing to do.

Speaker A 00:01:24

So this is potentially a big challenge to the traditional consulting model.

Speaker B 00:01:30

Yes. And you could also see it as an enrichment of. So it's not so much that traditional consulting is wrong, so to say, but you could say it's not so much more in tune with today's requirements, especially when you think about organizational transformation, digital transformation, then everyone is part of the problem and everyone is part of the solution. So, yeah, you can talk to the inner circle close to the boardroom, but then you have these other thousands of people you haven't touched and you can give a PowerPoint presentation to the board. But wouldn't you need advice to all those other thousands of people who need to change as well? You cannot out PowerPoint those numbers and therefore automation, AI.

Speaker A 00:02:18

And I'm going to ask you a little bit more about that in a moment. So thank you. What type of projects are virtual consultants doing at the moment, Jan?

Speaker B 00:02:25

Yeah, we see consultancy basically divided in three different segments. You either have a data scientist discovering, you know, treasures in a database, then you have consultants that produce deliverables, a marketing plan, a tax advice, a process design. And then you have consultants who help organizations to work in a different way and go through the curve. Now what we see is that this latter part is something that we cover with prioritize. Everyone part of the problem, everyone Part of the solution, give advice. But we also see that things like multi agent systems are slowly taking over and probably quickly taking over this middle part of the delivery. Can we make indeed this communication plan or that process design using AI?

Speaker B 00:03:20

There are already so many examples of that's happening.

Speaker A 00:03:24

Okay, and have you been able to completely automate the consulting process now or are there still humans involved at your end?

Speaker B 00:03:32

Well, Emma, our goal is, let's say, no humans at all as a flag, a point on the horizon to work to. And we're getting very, very close. We have now the option for users who visit our website just to configure a virtual consultant by entering some keywords or maybe a small prompt. And you could work with that. And we say it's 90% okay in five minutes. And then you could say, well, it's artificial intelligence, but it's actually also hybrid intelligence. No, it's any artificial and the human.

Speaker B 00:04:08

So AI where you can, but human intervention where you must. So AI can prepare everything, but humans might feel free to cross the T's and dot the I's where needed.

Speaker A 00:04:20

Okay, thank you. And I was looking at a bit of Source's most recent research before this call. In our most recently quarterly survey, 98% of the bias and consulting that we spoke to thought that GenAI would replace the external consultants they used to at least some extent. And 55% thought that would be to a great extent. Does that resonate with you that the kind of figures you're thinking of?

Speaker B 00:04:45

Oh, yeah, definitely. And for two simple reasons. You mentioned generative AI and we all are accustomed to ChatGPT and so we know AI basically. But AI is also analytical AI, more the calculation part, the analysis part, rather than the creative, the generating part. Combining the two gives an unprecedented power because consultants were used for their knowledge, their expertise, and they were able to package it in a way that it would resonate specifically for that client. Now, if the knowledge is already there, let's say in ChatGPT, to make things simple, if the knowledge is already there out there for everyone to use, then consultancy becomes more of an interface game. It's about just the packaging.

Speaker B 00:05:37

And we see there that automation and AI makes enormous steps in making it very simple for organizations themselves to do that personalization, to have that localization of that knowledge for them.

Speaker A 00:05:52

Okay. And we last spoke to you two years ago. I'd really like to get your view on what's really changed in those last two years when it comes to virtual consulting.

Speaker B 00:06:01

Yeah, it's so cool that you Asked that it was in spring 2023 and it was just when AI, or let's say OpenAI ChatGPT was making a tremendous boom. And suddenly there was acceptance everywhere. And what we now see is that organizations themselves, managers, they use ChatGPT or related gen AI. The clause, of course, for this interview we mentioned ChatGPT, but it's also their brethren that are used. So suddenly organizations are not just calling someone like, give me some knowledge, we can find it out ourselves. And so this acceptance that you can ask something and you can get knowledge in return, much more specific than we were used to with Google, that has created enormous acceptance like, okay, I put in a prompt and I get something. Well, I can get an answer.

Speaker B 00:06:58

But now you can also get a configured virtual consultant.

Speaker A 00:07:03

Yeah. And do you know, I'd love to explore that kind of client experience a bit more. You've, you've mentioned a few things. You've mentioned about people being able to interact with it directly, about people at all levels of the organization being able to use it. But for a client using a virtual consultant, take me through that journey. What would it be like if we.

Speaker B 00:07:25

Compare traditional consulting as a reference? We have a round of interviews and then we make a PowerPoint to put things more in black and white. Now if you translate the interviews into a smart questionnaire, because we don't want just have those 10

interviews, we have to talk to those 200 or 2,000 or maybe even 20,000 people of the client. We need to scale. So first of all, the traditional interview is replaced by a smart questionnaire that even AI can create. And it needs to use AI because that questionnaire has also to give advice in return. And you're not making 20, let alone 2,000 or 20,000 PowerPoints.

Speaker B 00:08:16

So therefore you have this online virtual consultant that in real time answers and is updated. And even those virtual consultants talk to each other and they can point their masters, the managers and their employees, to like, hey, maybe you should talk to these and these colleagues of yours because they have done what you need to improve. And by the way, here are best practices. And if you have questions, you can ask me.

Speaker A 00:08:45

Best practice from within the organization as well as advice external.

Speaker B 00:08:51

Absolutely, absolutely. Because there are already so many things going well in an organization and especially if you do a 360 questionnaire. So to say, we've seen that after doing over a thousand transformation projects that clients realized that they were far richer than they thought they were. And it's a fantastic breeding ground to start a transformation to get into the Curve into that new direction, into that new way of working and tell me.

Speaker A 00:09:20

What the people at the top of the organization or the buyers of the project would see as well. How would it differ from individuals?

Speaker B 00:09:26

Usually. And then I refer again to traditional consulting. Think about the interviews, the post, its, the PowerPoints, the flip charts. That's usually focused on a, well, let's say a detailed analysis and then a rough idea about, you know, which direction now to take. The moment that you are more data driven because you have objective quantification of every respondent, say every manager and employee in the organization, you get a far

richer data driven analysis. And that's the beauty of AI. Also examples of how to improve and if you choose for a certain improvement, course of action, what to do next, who has to do what, what are the priorities?

Speaker B 00:10:12

Where are we most behind Target? So AI allows for many more refined algorithms that are not just doing the analysis, but helps the organization really to change on the workflow.

Speaker A 00:10:27

Okay, and Jan, bring this even more to life for me. Can you share a recent example of a project? What was the goal of it? What were the outcomes?

Speaker B 00:10:37

Yes, so many to choose from. But let's take a simple thing that we're all accustomed to. We're all going to a store, and this is about a fashion retailer that said, like, okay, we have a great online presence, we have our wrappers that are part of our media exposure, we have a great collection of stuff. But how can we bring all these high street stores, all these outlets in tune with that? And so what they wanted to do is say, like, what are the knobs that I have to turn when managing my stores in order to get the store performance up a notch or a couple of notches. And so we created a smart questionnaire about visual merchandising, about the fitting room experience, about how clients were treated, et cetera. And Emma, the interesting thing is that the moment that you're going to really operationalize.

Speaker B 00:11:37

Is that English? Yeah. The moment that you put it in operation, into detail, into knobs that you can really turn in order by changing processes or behavior of people, then it turns out that you have not millions, but billions of possibilities how to tune, you know, what you're doing in a store. Now, a manager can be bold and brave and says, like, we're going to the left. The thing is that if you use AI, you can really sift through those billions of opportunities and find the needle in the haystack that really does something for the store. And the nice thing is it's based on the data of this organization. So essentially you are quantifying the DNA of the organization and then use AI that to create offspring, so to say that yields the best performance. So suddenly there is a roadmap for every store,

but even for every store employee to do their part of the change and therefore ensure that these very significant steps in key performance indicators are also actually implemented.

Speaker A 00:12:55

Really interesting there. And you've taken me back to the past as well as to the future. Taking me back to my internal audit days at Marks and Spencer's, going out to stores and looking availability and things like that. So thank you for that. Really interesting. I can, you know, you'd lead so few people doing that. The kind of thing I was out doing.

Speaker A 00:13:11

Yeah, if you had these, you know, smart questionnaires and.

Speaker B 00:13:15

Yeah, and so what would happen if you take this Marks and Spencer example? That would be that we would create a virtual Emma and maybe discuss Emma with your two other well trained colleagues and create a sort of a digital twin, the best of the three of you that suddenly could go to, well, tens or hundreds or even thousands of stores if needed.

Speaker A 00:13:37

Yeah, no, thank you. And what about the limitations of virtual consultants? Where do you see the drawbacks or the things they don't do as well?

Speaker B 00:13:47

Yeah, well, of course this is a field in development, so whatever is happening now can be done tomorrow. Like the virtual consultant is now a photo of Emma in the Marks and Spencer example. I cannot yet talk to an avatar with your voice, voice cloning your face, etc. But you could also say that's more a gimmicky thing than that it really contributes to the knowledge transfer. I think the biggest drawback is that it's not so much as we said, it enhances traditional consulting, but it requires also, I think, serious sacrifices. In the business model of traditional consultants, if the, let's say the virtual Emma is now available and whether she goes to 10 stores or to a thousand stores, it's not more hours

built, it was just training Virtual Emma. On the other hand, you can ask more money as a consultant if you provide not 10 virtual emmas, but a thousand.

Speaker B 00:14:57

And we have clients where we have supplied 5,000 virtual consultants or 10,000 virtual consultants. So that goes more into the direction of asset based consulting. You're not selling effort, but you're selling products or assets and that means a change in governance. For instance, partners are currently evaluated on production revenue, maybe profit, certainly utilization percentages. But the moment that you work with virtual consultants, or in more general terms with asset driven consultancy partners should not only be judged on their production, but also on their progress. How many patterns have you discovered, how many scientific papers have you written, etc. Etc. So virtual consultancy itself I think is an absolute blessing in general for clients, but it requires a significant rethinking and let's say reframing of how organization, how consultancy organizations create or construct or manage their governance.

Speaker A 00:16:15

And do you see the two forms of consulting coexisting? Is it okay to talk a little bit more about that?

Speaker B 00:16:23

Yes. And that has to do with the following. Consultants serve 1% of the organizations, as we said. So there are still 99% to serve. And that never works with putting on a suit, stepping in a lease car, because that will never scale enough. With virtual consultancy that means that you can also serve those other 99% of the market. But of course that requires a different way of selling.

Speaker B 00:16:52

It's not just the partner with his or her network. There is more marketing, it's more institutional, there is more sort of not just a consistent branding, but there's also a need for more consistency in the go to market in how to solve the issues. If we just have every partner with their own way of working, you cannot scale the moment that partners or practices they work in a, in a similar way, then we can do all kinds of cross pollination, we can detect patterns. Now that all has an effect on how you organize your consultancy firm. So can they coexist? Absolutely. But not saying like okay, I retract my

hourly hours and I just go sit and talk strategically with the board because if everybody is thinking that, then it's very crowded around the board and prices drop accordingly. I think that they coexist because just like you, rather than going to Marks and Spencer, we now have virtual Emma that can go to not only Marks and Spencer's, but to all those other high street retailers as well.

Speaker B 00:18:00

So that requires a more strategic outlook to the market than there currently is today.

Speaker A 00:18:08

Thank you. What are the next steps for AI consulting? What do you see coming along the line?

Speaker B 00:18:14

What we do with prioritise is that we objectively quantify soft aspects. Culture, leadership, processes, innovation, organizational alignment, all kinds of stuff. Where usually we had opinions, maybe post its, we had an idea, but mostly we had a lot of noise. The moment you can objectively quantify soft aspect, then you can correlate them with those KPIs. Then you know, in the example of the retailer, what knobs to turn. Now if a consultant does that 10 times 50 times 10 patterns emerge. What kind of knob settings are more Successful and then you come to prediction.

Speaker B 00:18:59

So consultants now are rarely giving, you know, substantiated predictions about, okay, if we do this, you can increase your revenue by so much. But the moment that becomes commonplace, then consultants again offer that specific knowledge which, which is beyond the knowledge from GPT, it's beyond the packaging because it's this new level of understanding of comparing individual projects, which means work in a unified way, objectively quantify soft topics.

Speaker A 00:19:33

And Jan, one of the things you talked to me about when we were prepping, which I've also heard from other people and sounds really interesting, is about the use of multiple

agents at the same time. Yeah, yeah, yeah, yeah. What's happening there? And are there any new developments around that?

Speaker B 00:19:48

It is exploding at the moment. If you mean you just open your LinkedIn feed and it's about agent here and agent there. And it will have a profound ramification for the consulting industry. Now let me take you a step back because we talk about agents and if we take another step back, if you think about ChatGPT and you could say, hey ChatGPT, give me a communication plan, yeah, that might at the end of the document stray away so far from your original idea of what you needed. We call it hallucination. The longer you want the output to be, the less you have control. The technical term for hallucination is long range semantic inconsistency.

Speaker B 00:20:35

Flip side is short range semantic consistency. So if you do all kinds of small questions to ChatGPT and you get something back and you take the output and then you do something with it and then you give it back. And so you are in basically in a constant conversation with ChatGPT rather than you are in that conversation. It's an agent. Well, actually there are multiple agents because there's one agent that does for this communication plan, a market analysis, another one comes up with branding and taglines, et cetera. So the more complex the deliverable is that you want to have created, simply put, the more agents you need a multi agent system. And now the thing is, based on this exponential thing that AI is, is that we are also working on multi agent system that, that can create multi agent systems so that you can have a conversation about, okay, so what kind of communication plan do you need? B2B B2C budget, low, high, what kind of market?

Speaker B 00:21:42

And then basically you set the stage for a multi agent system to create a communication plan. So one multi agent system configures the next multi agent system to create this deliverable. But then again, at a price point that is, you know, insignificant compared to traditional consultancy.

Speaker A 00:22:04

Jan, final question. What are you most excited about? And maybe what should our listeners today be most excited about?

Speaker B 00:22:12

Years ago when you had technology man, it was difficult. You needed architects and developers and, and we get now into this low code or no code, you can create assistance with ChatGPT by just giving some prompts and we haven't seen the end of it. Of course, we hear now about how large language models can do a lot of coding, etc. But it will become easier and easier to do more and more sophisticated stuff, which means for consultants, you better jump on the bandwagon now and go for it very, very fast. Because what will happen is that we mentioned about this packaging, that this packaging becomes so simple that clients can do it themselves. Do I need a communication plan? Well, I can have a virtual intake.

Speaker B 00:23:03

I can answer five or eight questions about what I would like to have and bang, there it is.

Speaker A 00:23:10

Jan, thank you so much for your time today. Fascinating conversation.

Speaker B 00:23:14

Thank you.