

Emma Carroll..... 00:00:01

Welcome to the Future of the Firm podcast. I'm Emma Carroll, head of content here at Source, and in this episode we're going to talk about how service delivery is being transformed. We'll explore what customers are looking for in the market today and later on we'll also touch on how firms themselves are thinking about service delivery. And I'm delighted to welcome our speakers. Uta Niendorf, excomm member at Wavestone and partner for Digital Customer in Germany, and Neil Sharp, head of Proposition and Go to Market also at Wavestone. Welcome to you both.

Uta Niendorf..... 00:00:35

Ute.

Emma Carroll..... 00:00:35

It'd be great to come to you. First, tell us a bit about yourself, tell us a bit about your role and then if I could get you to set the scene for today's conversation, could you pull out a couple of ways, maybe the two biggest ways you see customer needs changing service delivery today?

Uta Niendorf..... 00:00:52

Sure. So thanks again Emma for inviting us today to your podcast. Happy to be here. I'll start with a short introduction of myself. So Uten. I'm a partner, as you said, based out of Berlin, out of our Wavestone Germany entity. And I've been working in consulting for the last 25 years with customers from different industries and sectors.

Uta Niendorf..... 00:01:19

My main industry focus is financial services, but obviously we as Wavestone have a large variety of customers from all different industries and regions. And our focus here today in the practice digital customer is helping our clients to, you know, transform their business models to become more customer centric. That has to do not only obviously with customer journeys, customer interfaces, but also with things like, you know, how do I design my products, how do I structure my sales and my service departments, how do I make sure that I reach out to the right customers that I want to reach. And back to your question, how have customer needs or behaviors changed? To be frank, I don't think they have changed so much. It is just that the experience that we all have being customers, consumers for different products and services has changed to a certain

degree thanks to the digitalization that has taken place, thanks to good customer experiences that we see across huge platforms. I mean obviously Amazon just to mention one, but there in my opinion, multiple examples out there where customers do have a great customer experience. And what has changed in my opinion to a certain extent is that obviously this experience that customers see and perceive and experience is then transfer, transferred and is expected by customers also when they buy different products or services and they try to apply that and obviously it is not yet the case that this is always matched by all, you know, our clients from different industries or Sectors because they are themselves in this kind of transformation process and they're trying to become more customer centric, but there are obviously obstacles and we're trying to help them to solve that.

Emma Carroll..... 00:03:42

Thank you, Ute. And what are the kind of things that we've learned to want from services like Amazon? I think one of the things maybe that we kind of touched on previously was seamlessness. Any other things that you think that we've taken from our other experiences and are expecting from all of our interactions?

Uta Niendorf..... 00:04:01

Right. Okay. So I mean, I think there are some very obvious examples like transparency. I mean, people tend to want to see, you know, when they buy a service, buy a product, where that actually stands when they have purchased a product. And maybe there's some, you know, after sales, maintenance stuff that, you know, your car needs or whatever. So this kind of transparency is something that was not there in the past, which is now possible. And I feel that customers do expect to see that from different service providers and product providers.

Uta Niendorf..... 00:04:35

That is one thing. The other is obviously the seamless, and you were mentioning this word, seamless integration of digital touch points and physical or analog touch points that customers these days are looking for. And I think that is sometimes, in my opinion, the hardest to achieve. If you have a pure digital customer journey, then it might be even a bit easier. But if you have a traditional business model with physical touch points being that agencies or warehouses or shops or whatever, obviously customers expect these different providers to have that integrated in their digital experience. So to give you a concrete example, if I go online and I look for a certain product and service and maybe this can also be done, you know, designed in a particular way to my needs and I want to

then go and see this product in a shop or in a, in a warehouse or in a, in a, in a dealership and it's not available or it cannot, you know, be recreated and nobody knows what I've actually, you know, looked at in the, in a virtual world, this might be a disappointment. So I think there are some areas where that works well, but some areas where there's a lot, a lot of room for improvement to integrate great digital worlds where customers interact with a certain product or service provider and then others where they would like to have a physical, a personal interaction with a product, with a distribution partner, with an advisor, and they don't experience the seamlessness that we were describing.

Emma Carroll..... 00:06:22

Thanks so much, Juta, you've really set us up well for the conversation there. And Neil, welcome to you as well. And tell us a bit about yourself and Then I'd love to hear a little bit about what your clients at Wavestone are asking you about when it comes to service delivery.

Neil Sharp..... 00:06:36

Absolutely. And thanks again for having us both. But I'm a little bit longer in the tooth than Ute even. I've been doing consulting for about 30 years. I was previously in industry in various different marketing and customer experience roles. So I've been doing customer experience since before it was called that. We used to call it all sorts of different things, but the terminology has come of age over the last few years.

Neil Sharp..... 00:07:02

So background in consulting across many different sectors, but with a particular specialism and interest in everything to do with customer experience, from, you know, defining that at a strategic level for businesses, through to measuring IT and getting ROI out of it. So that's the kind of work that I do. And yeah, I mean in terms of what we do in the uk. So I work within the UK practice of Wavestone, which is based in London. And although we specialise in financial services and life science, we do work across a number of other sectors as well, particularly in the context of, I guess, customer experience and digital transformation. I guess a lot of stuff that us has already articulated, really, it's very, very similar set of demands. How do you create what I'd call sort of frictionless omnichannel and genuine omnichannel, so not just multi channel, but, you know, I've given you my data once, I don't expect to have to give it to you again. So that might be in one platform and then I go somewhere else and I expect to be able to

pick up where I've left off from increasing self service, particularly off the back of COVID which I'm sure we'll get on to talk a bit more about.

Neil Sharp..... 00:08:14

But the acceleration that took place very rapidly forced organizations to probably push themselves forward a little bit further than perhaps their technology and their underlying operating models could actually support. And so therefore, I think we're helping organizations to play catch up internally with some of those things at the moment. And that's technology and business light sort of key areas. And then obviously goes without saying, we couldn't possibly have a podcast without talking about Gen AI, but how do you integrate that? And what I mean by that is everything from experimenting. So what use cases, if I can use that language, you know, what kind of use can we put Genii to? Both internally to actually make ourselves more efficient, but also to try and expose that to our customers in some way and do that in a way that actually improves the client experience. And the customer experience again, I'm sure we'll come back to talk about it.

Neil Sharp..... 00:09:15

I'm not sure we as an industry, and I'll count us in that have quite cracked that yet. I think we're certainly experimenting and we're trying to work with clients to figure all of that out, but there's a lot of work to do there. So I guess to summarize, everything we do, we try and do it with an eye on what's the impact on the customer, even if it's quite a deep technology related project. But on the technology side, it's kind of refurbishing the estate to a certain extent and trying to change things whilst the train is still running on the tracks is another analogy I would use and try and keep the wheels on whilst we're actually sort of renovating the core of organizations. That's a lot of work we do at the moment.

Emma Carroll..... 00:09:54

Okay, thank you, Neil. And you've talked about so many things that are changing or have changed since COVID since the pandemic thinking about service delivery. Would you say it's improved? Have these changes been for the better?

Neil Sharp..... 00:10:08

Well, no, not yet. I think we're still setting the scene for that. I think my hypothesis, probably backed up by various conversations and observations I would make from various different organizations that I've seen, is that Covid obviously came out of the blue and there are a number of different reactions to it. But if you just think about particularly customer touch points, a few things happen. Number one, organizations had to adapt almost overnight to a hybrid working environment which changed the employee experience and tried to do that in a way that didn't disrupt the customer experience too much. And now I think off the back of that there was a lot of disruption to workforce, both in terms of how they work, but also where people work. So people moved around to perhaps pursue different types of work.

Neil Sharp..... 00:11:00

And that's particularly impacted the ability to retain workforces that you want and need in client facing operations, both through digital and telephone channels, but also in face to face world. So there's been a real interruption on that front. And at the same time, as we sort of talked about earlier, trying to get self service and digital working very, very quickly. All of the surveys I'm reading at the moment, and there are lots of them and reports by very trustworthy and tried and tested organizations, if I could put that that way, seem to be pointing to a downward trend in customer experience. And there's a lot of hypotheses put forward which I think are kind of along the same sort of lines that I've just talked about there. But so. So I think at the moment we're at quite an interesting point. I'm sure it will get better and I'm sure that the plans that people are making.

Neil Sharp..... 00:11:55

And I'm not talking about a disaster here, Right. I'm not saying the world is terrible now, but I think we're sort of at an inflection point where perhaps people haven't quite brought back the numbers of staff they had facing customers. In some cases they may be relying perhaps slightly too early on self serve in some areas and also experimenting with new technologies at the same time. So there's been a bit of a diplomatic. I'm sure it will improve and I'm sure that some of the efficiency gains will be fantastic once we get there. But we're kind of work in progress, I would put it.

Emma Carroll..... 00:12:23

Thank you, Neil. And you talked about interesting surveys here at Source. We do a survey every quarter like business leaders, and one of the things we ask them about is their priorities. And I think for the last 18 months, little dip this last quarter, but the last

18 months productivity and cost cutting has been right there at the top. Do you feel that's had an impact on service delivery, on customer experience?

Neil Sharp..... 00:12:46

Yeah, absolutely, yes. And again, the thing is, how do you do that without interrupting the customer experience? The only way you can really do it is to get customers to do things themselves, which is self service or streamline your processes to such an extent that it actually does make an impact on the number of people that you have within your organization. And anyone who's been through that kind of change. Implementing stuff's one thing, but actually implementing it to such an extent that you can significantly reduce your cost base as a result of it does require courage, if I can put it that way. It does require quite a long term view. And yeah, I'm sure a lot of that is driving it, but at the same time some very interesting and innovative stuff being experimented with, things like AI that will change certain ways in which we deal with customers.

Neil Sharp..... 00:13:36

But I'm sure that that focus and again, the interruption that took place four years ago and the sort of recovery from that, you know, we're still reeling from that, both at a macroeconomic level but also within organizations. So yes, I'm sure that's the case.

Emma Carroll..... 00:13:49

Okay. And Uta, I will take this to an optimistic place later, but while we're on it at the moment, where do you think businesses are most disappointing their customers when it comes to their experience?

Uta Niendorf..... 00:14:00

I think that where, I mean the customers themselves feel it the most are these what we call moments of truth. So where you have a real, I mean, or perceived issue or problem that you would like your product or service provider to be solved. And there are lots of studies out there that show that there are these some crucial interactions with customers where that could be, you know, make or break points in if, if they want to continue and pursue their customer relationship with a certain product or service provider or not. So I said earlier, I come from the financial services industry, so I've consulted a lot of insurance companies and it's a very typical scenario. For example, the customer interaction is on a perceptual level, not so relevant when it comes to the sales

process or the, the point where you buy the product. But obviously when you actually have a claim, when you have a damage, when you have a loss and you rely on your insurance company to solve your problem. So this is to give you an example, a moment of truth where a customer feels this is a relevant, you know, relationship and I can rely on my provider in that case or not.

Uta Niendorf..... 00:15:26

And there are many other examples from different industries of, of course, but and what is really interesting in our experience is that these moments of truth, as we call them, obviously not always perceived as the same on the same level by end customers than from an inside out view by product or service providers. So in order to make that more tangible, obviously there's sometimes a lot of focus on marketing and sales to get, you know, customers interested to buy your product or services, which is obviously important, but not so much emphasized emphasis put on anything related to sales and after, after sales and service. So in that case, obviously there are a lot of situations where you actually lose a customer or at least you lose their trust. And that could might lead in a lack of cross and upselling opportunities or a lack of, you know, recommendations for you as a product or service provider. And in that case, I think there is still a lot of room for improvement and things that the companies can work on. And it fits very nicely into what Neil was saying earlier. And you also mentioned that a lot of our clients are currently focusing on operational efficiency. So there are many business that need to restructure and need to make sure that their operations are more efficient or as Neil was pointing out, there could also be a lack in workforce so they don't have the manpower, power to provide some of these services in an intensity that they used to and so that also customers were used to.

Uta Niendorf..... 00:17:09

And I think these cases are in the, in the current environment most relevant and also crucial for a lot of industries to create more, you know, efficiency by optimizing and using these, these areas and services and after sales for conversational AI use cases as Neil but at the same time not disappointing their, you know, trusted customers and not losing them. And I think that's a thin line and that will be very interesting to see where, where industries, you know, appear that manage this transition in a way without losing their customers.

Emma Carroll..... 00:17:52

And Uttar, I was really interested in what you were saying on those moments of truth. Do you think most businesses are aware of their moments of truth and any tips on finding what they are for your individual business?

Uta Niendorf..... 00:18:04

Yeah, in my experience and opinion, I think most businesses are aware still there might be conflicts of interest as in any case, to give you a very, you know, example here that I mean obviously everyone is interested in gaining new customers, generating sales and selling products and there's a lot of emphasis on focus on that which makes sense obviously if you want to grow its business. But to keep your customers is not, I mean it's relevant but sometimes the emphasis is not placed on that in terms of steering. So and there are numerous studies where you can see it's actually much, you know, it's much easier to keep a customer satisfied and to make sure he or she continues buying and recommending your products and services then, you know, gaining new customers. But I understand to a certain extent that business models are driven by revenue, by growth and that there is a certain focus on those areas that are actually happening earlier in the value chain to gain new customers and not so much emphasis put on keeping and retaining customers.

Emma Carroll..... 00:19:18

Okay, and do you think there are any business models that are kind of doomed because they just can't get CX right anymore?

Uta Niendorf..... 00:19:24

Well, I'm not sure. I mean, I would be interested in Neil's opinion. I'm not saying they're really doomed, but we've seen, you know, especially in the startup area, business that have grown very fast and they have gained a lot of momentum and traction and you know, gained new customers and revenues but obviously they, as I said, they did not have so much focus and emphasis on their after sales services and back office processes and, and I think especially in the, in the startup world we've all seen, you know, these business models that have grown substantially but they kind of forgot they do their homework in the background. So this could have been in the financial services area where they, you know, kind of forgot to look into the regulatory requirements or were just not big enough to provide excellent services. And back office activities afterwards to the, to the customers they had that gained. That is not so much true in my experience for established businesses, but more for new ones. But Neil, I don't know what your, your insights or opinion on that are.

Neil Sharp..... 00:20:31

That's a good question. To sidestep it slightly, I think the ways of doing business, I think there's, there's some of those that are probably extinct already. This is quite a difficult thing to articulate. But there are a number of organizations that survive based upon business that they wrote a very long time ago. So there's organizations that still benefit from the income that they receive from sort of back books of business, if you like. And that sort of churns away. And so they have a grace period by which they can sort of gradually evolve because they have that sort of buffer if you like.

Neil Sharp..... 00:21:10

It's not just cash in the bank, but actually it's sort of of, you know, the, the existing book throws off value for a long time, which is a good thing I think if you're a startup now, particularly to sort of answer it in the same way that Ute did. I, I totally agree. I, I, the concept of an agile business model and an agile business plan is, is not just a, a kind of a, an interesting academic exercise. It's probably the only way you can move forward nowadays. And what I mean by that is you, you kind of have to sort of, of conceptually work out what you think this business is and then get going and try things as you go and have a very controlled pattern of trial and error and then adaptation, particularly with the way in which technology works now because I think the days of sort of building a business plan and spending three years building something, by the time you get to three years, the world's literally moved on in, in so many ways. And I just don't think that is, is viable anymore and I'm sure it hasn't been for a while. So I'm saying these things not in a naive way but for effect. But hopefully you take my point, which is that the way in which you do business, that the nature of the people that you have within businesses, particularly startups, is very different to how it was I think in a lot of sectors.

Neil Sharp..... 00:22:20

And so that kind of rather energetic agile model I think is a reality now. I think it has to be. And that is the case in big organizations as well. And it's the challenge for big organizations is how do you, how do you bring that in in a controlled fashion and do that in a way because I think we're all still learning how that is actually going to work in practice, because in some cases it's very difficult, and particularly if you have a, for example, regulatory deadline to meet on something, then you know you've got an end date. So someone says, well, I'll set up a sprint and hopefully we'll. We'll make some progress in the next few weeks and then I'll let you know how we're doing. That doesn't quite cut it in that world. So it's a bit of a tension between the old ways of doing things

and the new ways, and sometimes we have to adapt so that we have a real hybrid approach to things.

Neil Sharp..... 00:23:04

But hopefully that makes some sense, what I'm saying there in terms of the way of doing business.

Emma Carroll..... 00:23:09

Definitely. And you ended by talking about the new things and you've both mentioned AI, so let's go there for a moment. It'd be great to hear what you see Genai or AI already doing in terms of elevating service delivery, customer experience and what you expect to be the most interesting, most exciting, what you're most excited about. Neil, do you want to go first?

Neil Sharp..... 00:23:31

Yeah, I'll start. So we're in the age of experimentation, as I've said a few times. I don't think I've yet seen a particularly mature approach to something that's exposed to customers and is kind of working exactly as it should be. I think that there's some obvious things around taking data and consolidating it, transcribing things and making sense of it, producing outputs, you know, marketing literature or copy or whatever, you know, things that you need to write. AI seems to be very, very good at sort of getting a base level, albeit, you know, that needs usually some kind of human overlay to do those kinds of things. And then I think we're starting to see more advanced uses of it, not just from an efficiency perspective, but more from actually getting it to do quite complex tasks and the sort of age of creating agents that are AI agents that might be constructed from a number of different components. If I could sort of articulate it that way, where you sort of build various different elements and get them to work in sync and actually not trying to copy humans.

Neil Sharp..... 00:24:47

I mean, obviously there's. There's chat and things like that, where you are actually literally trying to simulate how a human would work, but actually doing jobs that are perhaps different to a job that a human would do, but doing very complex tasks and starting to sort of piece together those kinds of work. Packages and, and things together so that you end up doing quite complicated things. So we're seeing quite a lot of that

sort of experimentation. But when it comes down to actually, you know, customer facing, I think right now it's definitely in chat. Obviously I think most people would have experienced that. They might not have even realized that they've experienced it and a movement of data. And one of the points I wanted to make here is, you know, AI.

Neil Sharp..... 00:25:27

Yes, of course, that is part of it. At the heart of it, you have to have your data right in order for AI to work correctly. Most AI bots won't just be dependent upon accessing the web and, and using open data. That's not how it works as we know. But the sort of experimentation requires quite often organizations to really sit down and think about the quality of their data, the architecture in which their data is constructed and how they can then surface that and use it in the right way. And in most cases it usually exposes some kind of, I would call it, weakness. But certainly work to be done in order to do that which perhaps hasn't been quite so acutely required previously. So a bit of a roundabout way in saying yeah, good, good at taking data and moving stuff around and pushing out output and in some cases mimicking the nature of how agents work.

Neil Sharp..... 00:26:21

But, but increasingly quite complicated tasks that perhaps a human would take a lot longer to do because you're assimilating stuff from all over the place and then placing an interpretation of that within a bot that then goes and does it. And that's, that's quite interesting. I think some people would say scary but I find it quite interesting and stimulating. Having been in business for nearly 40 years and seeing how some of this stuff's evolving at a pace is fascinating, brilliant.

Emma Carroll..... 00:26:47

And Uta, what have you seen working really well? What are you equally excited by?

Uta Niendorf..... 00:26:52

Well, I'm a bit with Neil. I think there's a lot of, you know, trying going on right now and I can, I think we all, we've all seen this, this, this bot for, you know, more like simple first level support type of, you know, tasks that can be easily implemented in most industries. I also agree with Neil that it's all about the data and the data quality to have a good experience there because no AI will actually be useful if they cannot, you know, access and make sense of data that is available in the organization than otherwise it

would be completely detached. What I've not seen yet, but I'd be interested, but also as Neil was saying, a bit scared is the entire part of where conversational AI interfaces with emotional AI, where AI really tries to sense emotions and react to that. I mean, we've all seen that with ChatGPT and other solutions so far. We have not really seen it, at least in my opinion, put into full use by, in business models that I do expect that to be the next level of interaction, especially on the customer interface. I know it sounds scary and I think it is also a bit scary, but I do expect that to happen in the near future.

Uta Niendorf..... 00:28:16

I think there has been a huge push this obviously the, the chatg things that we've seen that people try and test now. And I think it's only a matter of a, you know, regulation also to a certain extent, compliance or ethics, how much that should be used in and integrated in different business models. But I would, I would predict this, this coming especially when we talk about as, as Neil was pointing out, labor shortages in some markets and, or pressure to be more operationally efficient. So I see that coming because technical, technically it's possible. The limitations are probably more on the regulatory part and, or on the ethical part because people need to know whether they're actually dealing with a human being and their interaction or when it's really based on, on emotional stuff. So I think that. But that is someh future and I expect that to happen in the near future.

Neil Sharp..... 00:29:29

I put an article out recently where I was challenging and it was deliberately being provocative, challenging whether AI could really have empathy at any point. Because actually when you look at customer experience and when you study customer experience, really what you're told is it all boils down to empathy, right? Putting yourself in the shoes of the customer and trying to work out what they want, be that a B2B or a B2C environment. My view is, I've not seen it. I've not seen empathy, not genuine empathy, not at the kind of the really human level. Whether it will come, I don't know. And at that point, that's when it does start to worry me a little bit.

Neil Sharp..... 00:30:06

At the same time, I think right now we're a little bit away from that. And when that happens, then I think we'll be on a completely different level again. Because if you're at that point there where, if you think what empathy is and how you respond to another human being when you're having a difficult conversation about something that's got what I'd call emotional content, you know, it might might be a financial matter, for

example, but it might be your pension. It might be about your retirement and the implications of the products and services that financial services firms sell, for example, they have big impacts on people's lives, you know, and I think good contact center operatives completely get that and they understand that because they deal with it day in, day out. Trying to get that with AI, I think is challenging for certain types of transactions. And maybe it will never be used for that. I don't know, maybe it's for other things. But that's an area where I think we're yet to see real breakthrough, probably for the best.

Neil Sharp..... 00:30:59

But someone I'm sure would have a different view on that.

Emma Carroll..... 00:31:02

And I mean, that would be a real superpower, wouldn't it? To have a machine that has empathy, that can respond to it, but doesn't get affected by that emotion itself. I guess.

Neil Sharp..... 00:31:11

Yeah, with consequences. I don't even want to think too much about it, but, you know. Yes, exactly.

Emma Carroll..... 00:31:17

We're writing a distinct.

Neil Sharp..... 00:31:19

Yeah, exactly, exactly. Well, but I mean, you know, I'm not being funny. I went and saw 1984 at my local theater recently and it's a very fantastic play. But the terminology and everything, it was, it was way ahead of its time when you look at it, because actually a lot of the, the kind of, the concepts behind it, if you get over some of the prose that is in it is. Is not dissimilar in one very negative viewpoint in terms of how this stuff is used. But anyway, sorry, I. I'm going off track a little.

Uta Niendorf..... 00:31:45

Yeah, I agree, Neil. I think I would like to make an analogy with social media. I mean, we see people sharing a lot of content and information, also personal information on social media, which I personally would have found incredible, I mean, just a couple of years ago and. But somehow there must be a reason why people feel it's to their, you know, favor, convenience or benefit. So I think that that happens and that, you know, people will use that if they feel they get something out of it. So having said that, you know, we see a lot of data sharing in areas where we would not have. Would have expected that.

Uta Niendorf..... 00:32:25

And I kind of have the impression if we like it or not, something similar could happen with AI. As long as people feel there it is beneficial to their whatever personal situation or needs in that, in that particular.

Neil Sharp..... 00:32:40

Case, which is almost at the heart of personalization as a concept, isn't it? I mean, you know, if you think about. We've been talking about personalization for many years in customer experience world, and it's usually in a lot of instances, it's very, very crude. It's very basic levels of personalization. I guess AI to Utes point could take that to a very different level because if you're. If the contracts that you make with an organization is. If I give you this data, you use it intelligently to give me a very personalized experience.

Neil Sharp..... 00:33:10

It's not just personalizing the marketing you send me, but actually the way in which you then allow me to transact with you at a very deep level. Then I think then you're. You. You can see the value in that from a customer point of view. But that, that requires genuine segments of one as opposed to, you know, many sort of thing.

Emma Carroll..... 00:33:27

And I promised that we'd touch on professional services firms themselves. So where do we think consulting firms, professional services firms are when it comes to service delivery themselves? And, and do you see them falling short? Neil, what's your view?

Neil Sharp..... 00:33:43

Thanks for that. Well, I think we've got work to do and we're not perfect. Of course we are not. I mean, first of all. So what does a consulting firm do? Let's just talk about that. We provide professional services in a business to business context.

Neil Sharp..... 00:34:00

We're not dealing with. I mean, we might end up dealing with end customers in some indirect way, but effectively we've got business customers and they're usually trying to go through some kind of change or they're trying to put something new in that they haven't done before, whether that's technology or a new business process or a new product. And they need experts that have done it somewhere else or they might just need more people to come in and do these things. So I don't think we're falling short in terms of the basics of kind of what a consultant is. And I think it's also fair to say that this is a rapidly moving landscape where we are all learning and trying to learn as fast as we can. Now, you know, as a consultancy firm, if you're buying that as a client, let's be very frank with you. You're not going to be comfortable having an army of junior people learning on your time, are you? That's something that is a criticism that's often levied at consulting firms.

Neil Sharp..... 00:34:57

And I think the key thing here is working out roles and responsibilities in the right way in projects going forward and making sure that we deal with things like the use of AI ourselves in an appropriate fashion, which I think can be transparent and I think it can be very productive in terms of a contract that you make with clients. Have we worked it all out yet? No, I think we're still learning that as well. So I think we're trying very hard. If we were getting a school report, probably a bit of must try harder, probably C plus so far. But keep going, you know, and try and try and get that excellence. But I think a lot of consulting firms are investing a huge amount of energy and resources into trying to get ahead of the curve in terms of learning this stuff. And we're doing the same at Wavestone and we're trying to learn and I think the more transparent and the more conversation we can have in the terrible word, but I'm going to use the ecosystems in which we operate has got to be better for everybody.

Neil Sharp..... 00:35:59

And that means regulation, it means clients, it means us, it means vendors. And you know, maybe we, we just deal with each other in a different way going forward, that, that could be a different future. But at the heart, most stuff hasn't really changed yet. I don't think.

Emma Carroll..... 00:36:13

Uta, it'd be great to hear from you couple of things you think firms could do better to become more customer centric.

Uta Niendorf..... 00:36:18

Yeah, yeah. If, if I may also reply to your first question. Adding to what Neil just said with regard to changes in the consulting industry, what I find really interesting that we are starting, at least in my experience, to see requests from our clients if we could use AI in our projects. So I find that highly interesting and what it actually comes down to that they are asking for some very, you know, labor intensive tasks that are usually currently performed by our junior staffs like business analysts and so to be performed by AI solutions. Because obviously when, when it's about gathering data, consolidating that, you know, analyzing that. So typical business analysis tasks that any consulting firm would have, you know, people doing. This is definitely a use case that could in the future, partly not fully, but partly be done by AI solutions.

Uta Niendorf..... 00:37:27

And we're getting these requests from our clients, which I find highly interesting, obviously not on big, big scale and usually those that are already very mature and advanced themselves and there will be obviously a transition time where a lot of our clients won't request that. But I do see that coming to a certain degree that also parts of consulting projects could be delivered by AI solutions together obviously with human consultants. And I find that, that very interesting because that is a good use case. I, I personally did not see coming so, so fast basically. But that was just to add to, to, to Neil's answer to your previous question.

Emma Carroll..... 00:38:14

Ute, that's like fascinating that people have actually approached you for that. And it's interesting because Some of it is about the roles that the junior consultants might be doing, which aligns a little bit with what Neil was saying as well about not wanting a team of junior consultants out learning on the job. So it feels like it's sort of speaking to a similar tension maybe, I don't know.

Uta Niendorf..... 00:38:34

Absolutely. That could have an impact on our industry, on our career models and how we do business with our clients. Obviously it also applies to other roles, like typical roles, not, I mean, not all consultancies offer, but if you look at those that have end to end services, including implementation parts, there could be other roles like really implementation code coding roles that are, are, you know, could be taken over by AI solutions in the future. And those were roles where there was very labor intensive, they needed a lot of resources. There is a lot of talk about near shoring offshoring because of, you know, price competition on these roles. And if this changes because some of this can be done by an AI, obviously it will change the game in my opinion a lot because it won't be so much about who has the cheapest, you know, resources somewhere in the world in offshore nearshore locations, doing a lot of the labor intensive, you know, developing and coding stuff. It could be who is the most advanced in implementing that and aligning AI solutions with human consultants, obviously who are close to the customer, who can actually do, you know, the evaluation and also make sure that whatever is designed is then, you know, put into the right context at the customer and into their business model.

Uta Niendorf..... 00:40:05

And I find that super interesting because if we look at the future of what is actually needed when we look at the consulting business, this could be that some of the topics that have been emphasized a lot in the last decades, like these very technical roles, might not be that relevant anymore. And anything that is more related again to the interaction, to the relation and to the integration at the client side could become more of value again. And I find that highly fascinating and interesting. Challenges and questions when it comes to the future of our industry.

Emma Carroll..... 00:40:41

Definitely. Neil, anything you wanted to add there?

Neil Sharp..... 00:40:44

Not really. I mean, I think, you know, we've talked a lot about what I'd call sort of process automation and things like that in, in terms of the sort of tonality of what we've been talking about here and certainly just to bring that point to life and to close it sort of thing. You know, I, I genuinely believe, and I'm sure people listening to this will probably disagree, but you know, an example would be instead of interviewing 30 executives about a particular subject area and then Consolidating that into a set of themes and then kind of working out what you need to do off the back of that. You know, the view is,

well, you could just get AI to do a survey and then consolidate those informations. But I, I still believe that an experienced consultant having that conversation would get a lot more than doing a survey, for example, because you're having a two way conversation and you're applying however long of knowledge, you know, into a situation. So I think, you know, in those situations, yeah, they could do the consolidation bit and they could probably read a transcript so they, you know, AI bots could, can do that. And that, that is absolutely brilliant use of it because what that's doing is it's just helping you to, to do kind of slow tasks much, much more quickly, you know, ridiculously quickly, and then, and hopefully spending that time that you have available now doing more, you know, and actually going further.

Neil Sharp..... 00:41:56

So I think it's going to make the industry interesting. But the only other thing I would add is, I mean the other sector we do a lot of work in is life sciences and it's not my specialist area in terms of the AI application in life sciences, but on top of just process and work automation, you know, having technology that makes stuff possible that wouldn't have been possible before either because it can process a lot more data, or, or it can just do things that, you know, humans can't do is, is amazing, you know, fantastic. And, and if you sort of think about the potential advances in science and technology applied into the life sciences sector, just as one particular area, and the sort of the, the speed at which you could bring things to market, potentially, as long as the regulatory side of it can be useful, sorry, it can be brought to line as well, then those kind of uses, I think are going to change everything. And I know that we started talking about consultancy, but quite often the advisory elements of the work that we do in that space is often about bringing a drug or a new therapy to market and actually working with the organization. And quite often the challenge is through different channels, through digital. What about the data? What about the regulatory side of it? What about patient services?

Neil Sharp..... 00:43:11

And AI can play an incredibly important role in all of that. But I think we're at a very early stage of experimentation, so lots to learn, I think.

Emma Carroll..... 00:43:20

Fantastic. And we always like to end on a really practical point. So I'm wondering if I can ask each of you for your number one idea of what you think a consulting firm could do to

really drive up their customer experience. What would each of you say? Ute, are you happy to go first?

Uta Niendorf..... 00:43:36

Oh, I was hoping for Neil to shop. The number one thing is really tricky.

Emma Carroll..... 00:43:42

I tell you what, it doesn't need to be number one.

Uta Niendorf..... 00:43:44

I still feel we're, I mean, okay, Neil and myself are both very old, but I feel we said that last time we spoke. Consulting is a people's business and it's still, with all the technological advancements, still very much based on personal relationships. And I think, I mean, I can definitely say from my experience, nothing, nothing really can, you know, be better than having a personal relationship with your client. In consulting, when it comes to delivering a project, when it comes to doing business development, gaining new projects, and even, especially in critical situations, because we all have large scale transformations where they're usually tricky and difficult conversations and situations happening. And in my experience, what always makes a difference is the relationship with the client. And I'm not sure, Emma, if that was the answer you were looking for, but maybe I'm old school here, but that is my firm belief that it makes a huge difference and will continue to make a huge difference independent of what technologies or solutions we'll see in the future. In consulting.

Emma Carroll..... 00:45:03

I like to, I'm running with that one. Neil, what's your one?

Neil Sharp..... 00:45:06

Well, I'm still reeling from being called old, but, you know.

Uta Niendorf..... 00:45:10

No, I, I, I'm sorry, Neil, we're both old. Is that better? I'm not sure. I'm German.

Neil Sharp..... 00:45:16

No, I heard you the first time and I'm joking. So I think that one of the big things that might happen. Okay, this is a might, this is a, a sharp hypothesis here is, I think as an industry, and we do this anyway, we do it quite a lot, but I think we might need to do this a lot more explicitly going forward. First of all, I totally agree with Uttar. I think, you know, the relationship is everything and, and that's critical and you've got to, to be a critical friend, if I can call it that, you know, you've, you've got to kind of know the person, you've got to build the trust and all those things, you know, that they're just skills that we have to retain and build on and get better at and better at by taking a real interest in, in our clients, businesses and, and having that open dialogue and maybe ways of working differently may open that up even more if you've got a right, a genuine partnership with an organization. And again, that's, it's a very hackneyed phrase. It's a phrase that Gets used a lot in, in, you know, with your, your partner.

Neil Sharp..... 00:46:11

Well, yeah, you might be, but you know, what does that actually mean in practice? But I think there's that sort of partnership working could evolve. But the thing that I think I can see starting to happen more is, is that as you move into this new world and let's just take the sort of things that we've been talking about, it may be that the role of an outside organization providing services to help organizations change might be less tell a more coach type approach. And what I mean by that is rather than providing information and saying, yeah, we've done that 100 times before, this is how you do it in certain circumstances going forward that it won't be useful anymore because the world will be changing and evolving so quickly in certain facets that no one's going to know the answer. And we'd almost be bluffing if we said we did because we're going to be facing new challenges on a daily basis. And so therefore, maybe one of the skills that a consulting firm or a firm that is a consulting firm of the future could offer is to help organizations to change, but not just in terms of providing bodies and boots on the ground, but actually as a coach, as an organization that can help them go through a process to do things. Because quite often the answer is within an organization. Quite often what we solve is communication challenges or we find the data within the organization, we just pull it out and straighten it out because it's not clear to the organization doing that in a very explicit way and doing that in a way that helps the people in the organization grow and become more skillful rather than giving it to a consultancy firm to go and solve.

Neil Sharp..... 00:47:52

We don't work in dark rooms anymore. But that was the old model. You know, you have a separate room and you go and do your work and go away again and no one really knows what happened. It doesn't work like that now. But I can see an extrapolation of the future being that actually we become more like a coach for organizations where we help them through the change. Of course we'll still bring, I hope, subject matter expertise in some areas, but I think that's a healthy relationship because I think then it becomes everyone's got a bit of skin in the game at that stage. And actually, you know, the success of the client and the success of the consulting intervention maybe, maybe much more about how you go about making change as opposed to just coming in and telling. And I think that for me is something that I'm personally very interested in, and it's something that I could see happening potentially.

Emma Carroll..... 00:48:40

I love the fact we've ended on two really human skills after all this conversation. So thank you both so much. Been a fascinating conversation. Neil Utter, thank you so much.

Uta Niendorf..... 00:48:49

Thanks you. Thanks for having us.

Emma Carroll..... 00:48:52

If you found today's discussion interesting, you can find more episodes on Spotify, Apple Podcasts, or anywhere else you get your podcasts. To find out more about how we're helping shape the firms of the future, head to sourceglobalresearch.com.