

AISWITCH AI-automation Prioritization Logic: EFAN- Eliminate First, Automate Next

Who should read this: End-user AI leaders/ strategists/ digital business leaders/ service provider client partners/ AI-automation leaders

Enterprise AI-automation (IT/ business) leaders and end-users/ service providers/ business leaders who are working on AI-automation strategies and road-mapping initiatives.

Why is EFAN needed?

In a global survey conducted on 1000+ leaders, 43% leaders identified that inflexible legacy processes to be the biggest barriers against realizing value from digital tech such as AI and automation. 90%+ enterprise leaders say that their teams and functions are only in intermediate stages of adoption of AI and intelligent automation, with the biggest group having successfully done 10+ POCs on point applications and task automation.

Now, when this huge group of users move these AI-automation solutions into production, two things become imperative for their success: 1- Their priorities of actions must be right-first-time, given the cost, time and efforts that go into operationalizing AI-automation initiatives beyond just experimentations, 2- Basic house-keeping is the first place to start. EFAN (Eliminate First, Automate Next) is the most common-sensical way to ensure the right priorities and a clean-slate approach.

What is EFAN: The 'Eliminate First, Automate Next' prioritization logic for AI-automation

To succeed in AI-automation investments, the priority queue for use-case selection and business case development must factor in two simple principles:

- 1- Eliminate all the baggage of yesterday
- 2-Automate like there is no tomorrow.

1- Eliminate all those tasks and activities within every process, which won't yield any direct actionable value.

- 'Unthink' or unlearning yesterday's ways of doing work is the first biggest step towards intelligent automation. The baggage is often so ingrained in every FTE's work-habits, that they find it extremely hard to let go.
- In a non-digital-native i.e. traditional organization, this is often the biggest reason why automation investments fail. People get trained in new tools but the very next Monday morning they go back to their 'comfort zones'- their work-desks for years, and start doing stuff exactly the same way they have been doing so far.

- If they are pressurized from the top to use the new tools or change their work-habits, they start finding all possible faults and inaccuracies with the new tool [which is highly likely -teething troubles with any new tech] and at times even go to the extent of making intentional omissions and commissions and then blame the tool for not being 'smart' enough to catch those errors and exceptions.

To minimize the 'baggage' effects as depicted, following activities can be tried:

- A- Engage some external consultants who have proven experience in organizational change management and improving adoption of new technologies. Many organizations often act 'penny-wise pound-foolish' in terms of avoiding expensive external change agents and trying to make do with internal 'change coaches' who often evolve from project/ program managers. Why doesn't internal sourcing succeed in bringing in the change?
- B- The reason is twofold:
 - 1- The change coaches themselves often have exactly the same baggage, hence they empathize far too much and fail to accept the simple fact themselves that any big change can be painful to some or many.
 - 2- People don't take internal folks too seriously, knowing at the back of their minds fully well that these are friends, and they will sympathize and act in the same way as the folks under change themselves.

External consultants are seen as expert interventionists, and especially when they are folks with solid experience, they can share stories, from inspiring to scary [depending on what works where- carrots or sticks], from their experience in different organizations. That gives the critical 'out-of-the-well' aspect to the internal teams and also kind of explains why it's crucial for the company and for them, to change.

B- Link the effects of 'Elimination' to steep career and productivity targets, or rewards and recognition programs, e.g.

=> To get eligible to apply for the next promotion, you should become a six sigma green belt or a lean champion and practically prove at least 30% reduction in process-related efforts wastage or efficiency leakages, thanks to elimination of unnecessary steps.

=> Institutionalizing a 'Change Championship' race and rewards for those candidates/ teams that have achieved highest cost and waste reductions in their processes within the shortest span of time [speed is of essence for any change to work]

Case in point: The story-card of a multi-national bank- How they optimized their smart analytics applications portfolio

One example of the 'stick' approach that worked beautifully, in a very traditional, change-averse, global MNC bank: They had an analytics shared services group of some 300+ highly paid and highly capable statisticians and data scientists, who were churning out some 600+ odd reports on a daily, weekly and monthly basis. No one knew what exactly those reports were used for, what - if any- were the effects of those insights and fantastic analyses etc. on the bank's top/ bottom lines or on the users' productivity or end-customers' experience, etc. Leave alone business outcomes, hardly anybody even questioned whether those reports- either sent through emails, or available in portals for specific users with just one-click access, were even opened or downloaded in the first place. Naturally, this amazing bunch of people were therefore seen by the rest of the bank, and also by other shared services teams, as an expensive overhead, a cost center which didn't really 'do' anything, or produced any 'value'.

A simple thing was done. **One fine morning, no reports were sent.** Slowly, through the day, escalation emails started knocking at their doors. The team had 3 buckets: 1- where the escalation emails came within 2 hours, those reports were immediately sent/ uploaded and requests closed, and were marked green. There were just about 20-30 odd such cases. 2- then, for all other reports, where some form of escalations happened within the next day to 1 week, those were put in amber bucket- candidates for potential consolidation and reduced frequency and granularity. The 3rd bucket was the heaviest- nearly 70-80% of the reports were not even noticed by their absence, no one seemed to have been waiting for them, no one seemingly even cared! These were sun-set after a month.

After this simple but brute-force elimination, the team had to routinely send only about 65-70 reports on a regular basis. With the expensive but talented bandwidth now freed up, they slowly started working directly with BU's, providing useful advice - proactively at times, and answering queries in real-time, basis real, 'active' predictive analytics using ML, and not just post-mortem BI/ MIS reporting of trends etc.

As the story-card depicting a real case shows, in many enterprise scenarios, a brutal 'cut-off' works best, rather than a "parallel-first, then sun-setting old and slowly new way up" approach. It's somewhat like emulating or simulating the 'Change Island' approach described in the great change management book SWITCH, by Chip and Dan Heath [The inspiration behind AISWITCH]. Key idea is to proliferate more and more 'Change Islands', in a switch on-off way, rather than the slow overlapping resistance-accepting approaches.

2- Automate- like there is no tomorrow.

An extreme sense of urgency is critical for intelligent automation to work. It's never going to be perfect on day 1- machine learning is fundamentally a learning process. So there is no need to try to achieve perfection or even 80% + accuracy from day 1. A 'minimal viable automation' accuracy to start off with is a good way- even if that's as low as a 50-60% threshold. Obviously, this method will NEVER work for life-critical stuff. But most things in the business world, if we think rationally, can live with certain amount of inaccuracies anyways. [After all, we expect machines to be 100% certain that their decisions and actions are correct & good, 100% of times. Well, how much certain are we exactly, with our own decisions and actions? Isn't there always a trade-off?]

No point postponing the pain. Like any progressive disease, it will only get worse with time. That's why, no point waiting to try it out tomorrow. The pace at which technologies are evolving, this option may not even exist tomorrow! If we cannot cash in basis what's available today, we won't be able to even make any sense of what's coming tomorrow, we will fall far behind.

It's not a race against competition, because today's competition also most likely won't exist tomorrow. It's all of us running a race against time.

Can we automate without "eliminate first"?

Technically, yes, of course! But, as one of my all-time fav bosses used to say- if you automate a mess, you end up in a bigger mess. Even automation becomes messy, non-lean, difficult to maintain, high TCO. Going back to the story of the bank, if they automated all 600+ reports without eliminating first, for one thing- their cost of automation would have been at least 10X - which would have definitely made their RPA tool vendors very happy for example- 10X license costs. Plus factor in all the wastes in talent utilization, value, IT infra to run all those reports, integration and migration project costs, and so on.