the future of us_

Innovation Forum

Forum Members Insight Report

by Ant Morse – Chair | Innovation Forum

Aug|25

adventa_

> ***In God we trust…. Everyone else must bring data***
>
> W. Edwards Deming

Executive Summary

We are living through a time of truly unprecedented transformation…a saying that echoes through each of our reports. As I reflect on developments and my research over the past few months, there hasn't been a week, or often even a day, without some groundbreaking advancement filling our newsfeeds. Whether technical, societal, or economic, the pace of collective change is such that we really are shaping the contents of that 'history lesson of the future' I often reference.

And collectively as leaders, we are under no illusion about the scale of the task in hand. The responsibility of navigating this remarkable moment in history falls on our watch, and it is the reason we began this forum in the first place: to support each another as we steer through an inevitable period of disruption and change. The answers of which will not be found in the pages of any brochures.

While we continue to navigate the future of AI, seeking to lead on behalf of our organisations and capture the promise of its value, we are reminded again of the scale of the challenge. Only a few months ago, Harvard Business Review warned that 80% of AI projects would fail. Now, MIT goes further, suggesting that 95% are failing to deliver any return on investment. Against this backdrop, the choices we make (or fail to make) will shape our organisations of the future. And as I reflect on this final edit of the report, I'd suggest : our jobs just got bigger…a lot bigger.

So, at Adventa, we continue to scan the horizon and share our thoughts of what's on our minds, what's exciting us, and what's keeping us awake at night, in this ever-evolving world. Here are a few topics in play.

- **AI Agents** – We were early to highlight the potential of Agents, but it has taken some time for them to come to reality. So, are Agents now beginning to 'actually' support everyday duties and deliver on the promised time saving ? or to the MIT stat above, is this just another false dawn ?
- **How accurate is AI?** – When can we fully trust AI? As useful as it may be, it is flawed if we must continually mark its homework. And If AI has been generating content over the past 2.5 years with a high error rate, what has that done to the integrity of our information ecosystems ? Where is the truth we can rely on ?
- **The Future of the Phone** – Our smartphones are about to undergo a profound transformation to AI Assistants, and now is the time to start sharing a heads-up with our boards. (See page 9.)
- **People** – Above all recent progress and news, the issue keeping me awake at night is how we take our people on the journey of transformation. History reminds us that change is tough, and the transformation ahead will be enormous. So, do we have the plans and actions to support our people through this ? For me this is now the most important topic in play.

The convergence of these forces, from AI agents to questions of accuracy and trust, to the human cost of transformation, demands more than passive observation. I'd say we are now at an inflection point: the luxury of cautious, gradual adaptation has evaporated. Organisations that thrive and survive will be those that move from watching to actively architecting their response, making bold but considered decisions on AI integration, and actively taking their people on the journey with them.

I suggest we leave the seatbelt sign on, and return our tray tables to the upright position, as we head into yet another stage on our extraordinary, and a little turbulent, journey of change.

Very Best,

Ant

Ant Morse – Chair | Innovation Forum

Q4 Report Content_

adventa_
observing the future, for our future

Tech News_

Stories and noteworthy updates we've compiled during our horizon scanning & research

The AI 'Bubble' debate continues

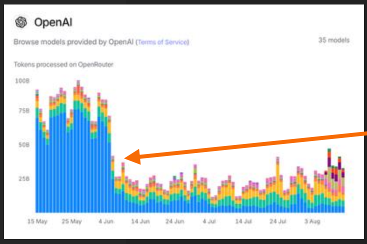
It's a point we've covered in previous issues and many group and 1:1 discussions, and one we need to keep addressing, as our wider leadership teams will inevitably raise it. So, here's a quick check-in on where we actually are beyond the headlines of hype.

Is AI a bubble? No. It's a revolutionary technology that will undoubtedly transform work and society. Is it currently overrated? Possibly, but who set those expectations in the first place? Our view is AI is still in its infancy of impact. The transformation will happen, but perhaps a little slower than some predict. Behind the new MIT and earlier Harvard Business Review referenced in Ant's Exec summary, lies one word: **caution**. While the promise of AI is huge, businesses are rightly weighing data security, hard ROI, compliance, regulation (or the lack of it), ethics, and bias. We're not kids using AI to do our homework, we are structured organisations with governance and experienced boards whose decisions carry real consequences. From this perspective, AI isn't failing. Our business processes are succeeding. AI will catch up. The gaps will close, the concerns will be addressed, and then transformation will truly accelerate. Hold tight…it's happening faster than it feels.

You're not still using AI to do your homework are you, Son? ….Of course not Dad!

Many of you will have heard my story of catching the kids using AI to cheat on homework in the early days. After some firm counsel, they know learning matters, and when AI is useful, and when it isn't. They insist they don't use it much now, but they do have a very detailed view of their 'friends' use it, from cheating on their maths homework, or to help with creative writing, and how they spend time to carefully remove the emoji's, dashes and interesting formatting… apparently

This point was brought to life by forum member Charles Gentry, who shared a chart showing a dramatic drop in ChatGPT use as the school holidays began, neatly closing the case on whether kids are indeed using AI in their schoolwork.



The graph showing Chat GPT usage during term time then the massive drop off here at the start of the school holidays

Do we still need to break up Google?

I understand the monopoly of search aspect, but I also see the transformation of how people use search under way and the rapid migration away from traditional 'googling it' as more people are switching to GPT Assistants as their first port of call. Granted that many then do flip back to google based on the nature of their ask, but I think this will be addressed as AI Agents start to power AI Assistants. Is this why regulatory pressure has slowed slightly on any real action? Possible, but it hasn't stopped the bidders coming for parts of the Google estate, as Perplexity make a $34.5b for Chrome, A bold bid from a company worth less than half their offer but well backed and a sensible combination of services could lead to an incredible LLM and Search powered Assistant.. But don't rule out a bid from Open AI…

In other news

Zuckerberg pushes ahead with a huge AI mega lab facility talent drive

Notebook LM introduces Video Overviews – we test on this report, see email

MIT suggest 95% of AI project are failing

China's State regulator reins in AI with tight control on the $1.4T sector, risking slower innovation

China drop order to stop tech companies buying Nvidia chips due to security concerns

Silicon Valley firms deepen Pentagon ties, embedding AI in future defence strategy

Google launches VEO, their latest text prompt to film model, setting a new bar for quality and capability

...a bit more Tech News_

The Future of TV – We ain't 'seen' nothing yet...

In recent reports, we've tracked the shifting role of our trusty TVs and the habits that shape how we consume entertainment. Ofcom data shows YouTube is now the UK's second most-watched media service, behind the BBC and ahead of ITV. And it's no longer just accessed on our phones, YouTube is increasingly watched on the TVs in our homes. Yet, as I pack our son off to university, he's leaving his TV behind, having not switched it on in years. For younger generations, traditional broadcasts already feel irrelevant. Looking back to lockdown, many of us binge-watched box sets to pass the time, creating new rituals and fuelling a booming industry. Fast forward to today, and some streaming giants like Apple TV are now reporting heavy losses as they scramble for subscribers. After nearly 80 years, the relationship between audiences and the TV is shifting fast.

So, what is the future of TV ?

When I reflect on my career, I remember the industry push for "quad-play" bundling telephone, internet, mobile, and media, with TV the crown jewel. Today, the model is shifting again, driven by two powerful forces: changing lifestyles & relentless market saturation.

Is streaming dying ?

Not yet, but the warning signs are clear. Busy lives mean we rarely have the time to watch what we pay for. After work, family, dinner, and the dog walk, there's barely an hour left. Yet many of us carry multiple subscriptions, some we rarely use, others we've forgotten we even have. If you can't remember the last time you opened half your streaming apps, you're not alone.

Who killed the streaming star ?

- **Busy lives** – Audiences are stretched thin, and streaming often falls to the bottom of the list.
- **Demographic shifts** – Kids may still have TVs in their rooms, but they're gathering dust. Their media world lives on phones, PCs, and in short form fast entertainment services such as TikTok.
- **Market saturation** – Too many platforms, too many paywalls. Disney locks users into its own catalogue, Apple struggles to reach mass audiences, and Prime and Netflix feel like the "safe bets" simply because of breadth. Looking ahead, AI assistants will soon cancel unused subs on our behalf, pushing churn rates higher and revenues lower.

The battle for viewers

So, who are the platforms really fighting for ? Traditional TV viewers are watching less and cutting back subscriptions under economic pressure. In my own house, a recent direct debit review saw us cancel Apple TV and Disney, subscriptions we'd forgotten we even had. Netflix even went into the family diary for review. Meanwhile, younger generations simply don't carve out time for films or even series, instead drifting toward the rapid-fire entertainment of TikTok.

Change in our time

Just as video once killed the radio star, the future of TV is now at a crossroads. Is it worth the battle ? Is Netflix still a growth engine, or a swan in slow decline ? Or could the next evolution of TV, more flexible, affordable, and accessible, be exactly what a cash-strapped economy needs? And where does AI generated content to our exact preferences start to appear in the main stream ?
One to watch... (sorry, couldn't resist 🤦♂).

UK–Apple Encryption Dispute Set to Shape Global Policy

In early 2025, the UK Home Office issued a **Technical Capability Notice (TCN)** requiring Apple to create a backdoor to its most secure iCloud feature, Advanced Data Protection (ADP). Apple responded by disabling ADP for UK users, urging existing customers to switch it off, and has since launched a legal challenge at the **Investigatory Powers Tribunal**, joined by WhatsApp and supported by civil liberties groups.

Although U.S. officials announced in August 2025 that the UK had withdrawn its request following diplomatic pressure, recent filings suggest the legal order has not been fully rescinded and may still apply globally. The case now moves toward public hearings in early 2026, with NGOs, industry leaders, and governments warning that forcing decryption capabilities would undermine global cybersecurity and user privacy. The outcome could set one of the most significant precedents yet for encryption policy worldwide.

Generative AI what's new_

While AI is widely seen as one of the most transformative technologies of all time, it also remains one of the most questioned. Its rapid adoption has outpaced clear use cases, ROI measures, and safe deployment. With OpenAI's latest release, GPT-5, the question is whether this marks the shift from useful tool to true game changer.

GPT-5.0 – What's So Special?

On 7 August 2025, OpenAI launched GPT-5, its most capable and polished AI model to date. And unlike past updates, which often felt like more hype than helpful for business users, this one changes how the technology works, how it can be applied, and how accessible it is, and in that its ready to truly power their new Agent mode, with Sam Altman calling this a step closer to AGI. Well, I'm still not sure on the last point… but is this the update that might allow us to bring some true automation into our days and to trust AI a little bit more?

One Model, Many Capabilities

Previous ChatGPT versions came in different flavours. GPT-5 combines them into a single system that automatically routes tasks to the right 'engine' from simple asks, drafting emails, to deep data analysis or complex coding. Although early use issues sees complaints and Open AI offer the option for Pro & Plus users to switch back to GPT-4 if a more consistent models is needed. **NOTE:** the main critic was that the new version would jump around the models, lacking consistency for API's, and often provide worse results.

Clear Performance Gains

GPT-5 improves across writing, coding, maths, science, and health reasoning. It adopts your tone of voice, making it sound less AI generated and avoids 'hallucinations' far better, due to better reasoning, reducing them by 45% in 'main' mode and 80% in 'thinking' mode, compared to previous models. This comes from a split-model design plus 'tool' use like web browsing and enhanced training for factual accuracy. However, while this is great progress, by our maths it would still see errors or hallucinations at 7% to 10%, so a great progress, but still needing the human check point, in my opinion

Longer Memory & Richer Conversations

GPT-5's expanded 'context window' can now handle millions of words in one conversation, keeping track without losing the thread. It also remembers details across sessions, invaluable for ongoing stop start projects and multitasking between different chats, although our early tests have seen it forget recent chats on occasions.

Personalisation & Business Integration

GPT-5 introduces 'Personalities' allowing us to pre-set conversation styles from Analytical, Friendly, and Creative to Precise and Casual. Switch to Analytical for detailed reasoning or Concise for quick executive updates. It also now works directly with Gmail, Google Calendar, and more, helping manage schedules, emails, and tasks.

Developer Tools & Enterprise Control

Organisations can fine-tune reasoning depth, verbosity, and tool access. GPT-5 is available in three versions, full-strength, mini, and nano, balancing performance with cost. Benchmark tests show it outperforms earlier models in factual accuracy and problem-solving, but the internet has been quick to call out it's not as strong in coding as Claude and other models. And the thinking & thinking pro for the paid users is slower but far more accurate.

What This Means for us (as business leaders)

- Better decision support: More accurate, context-aware outputs with built-in checks.
- Operational efficiency: Greater automation potential with direct integration into tools.
- Scalability: Handles large, complex information without losing track.
- Future-readiness: Adapts to a wide range of business needs with minimal oversight.

And last but not least Agent mode – is this the game changer we've been waiting for ?

Give it a try for yourself, set it a task and watch it go to work, the browser appears showing you its steps and action in real time, I'm impressed! and keen to see where this will take us on our journey to true AI Assistants.

And it's still all for free!....for now

With only 15% of our forum members paying for Premium/Plus AI tools, and just two of you (myself included) paying over £100 a month, and many are still testing the ROI of Microsoft CoPilot. AI providers expected 75% of users to be willingly paying at least £20 per month by now, but is that really the model that will change everything? My view is that they're still in a land-grab phase: free models designed to hook us into daily use and their interfaces. The expansion of memory, hugely expensive for providers, is no accident; the better they 'know' us, the better our experience feels.

Conclusion

A great step forward, Ignore the bad press of teething issues they will be fixed quickly. The memory mode is a big issue commercially, competitively, and environmentally, and let's see how the competition respond to this.

And let's not dress this up, despite our direction to use Enterprise AI such as CoPilot, our people are using GPT in separate windows and then cutting and pasting so the pressure is on for Microsoft to keeping using it, and for us to educate our people on safe AI enterprise usage and consider how we provide individual memory modes…more on this next time.

Special(ish) Agents

The Rise of AI Agents: Business Use Cases & Transformation

In our last edition, we explored the spectrum of build options, from no-code platforms through to fully bespoke agentic solutions. This time, we shift from the *how* to the *where*, asking where are AI agents actually being deployed across enterprises, and how they are beginning to transform the way organisations deliver services, support teams, and engage customers.

Agentic AI has now moved firmly from concept to practice. These systems, built on large language models and advanced machine learning, or simply to empower old school RPA (Robotic Process Automation), can now interpret context, make independent decisions, and execute user-defined goals. The result is a new class of business asset: the AI agent.

Automating Repetitive Workflows & Boosting Efficiency

From software engineering to finance, AI agents are alleviating repetitive workloads and freeing human talent for strategic focus. Developer agents like *Devin* or OpenAI's O3 models already outperform benchmarks in writing and testing code, while finance teams use frameworks such as *FinRobot* to cut processing times by 40% and reduce errors by more than 90%. In IT services, AI agents are being trialled to automate up to a third of routine support and compliance tasks.

> " Are AI Agents the pin needed to burst the hype bubble of AI, and means to deliver real AI ROI ? "

Elevating Customer Service & Engagement

AI agents are reinventing customer interactions through chat, voice, and proactive support. Voice-based systems now underpin healthcare helplines, retail ordering, and Quick Service Restaurant drive-thrus (much to the delight of my children), while Salesforce's *Agentforce* is reported to resolve more than four-fifths of service queries in certain scenarios. Within the enterprise, intelligent support agents such as Moveworks' workplace assistant are becoming the first port of call for employees seeking IT or HR help.

Redefining Finance, Sales & Operations

Finance and sales are seeing some of the fastest adoption. UBS's AI agent 'Red' supports tens of thousands of employees in client onboarding and compliance. Hedge funds deploy agents to replicate analyst tasks such as discounted cash-flow modelling and trade vetting, achieving multiple-fold productivity gains. In parallel, marketing and sales teams are harnessing agents to personalise campaigns, automate prospecting, and enrich CRM systems.

Enhancing Decision Intelligence & Internal Productivity

AI agents are increasingly being applied inside organisations to improve decision-making and productivity. PwC reports that businesses adopting AI agents are achieving 66% productivity gains and 57% cost savings. Consulting firms such as McKinsey now operate thousands of agents to support analysts and consultants, embedding AI into everyday workflows and reshaping service delivery. But also raising a big question for the industry, talent and how we nurture junior roles and future talent if we automate key learning steps.. more on this on page 13

Embracing Autonomous, Agentic AI

The most advanced use cases are moving beyond assistance to autonomy. These agents anticipate needs, orchestrate tools, and collaborate directly with human teams. Practical applications are already seen in manufacturing (e.g. reducing downtime by 25%), cybersecurity (where most of this started), logistics, healthcare, and business intelligence.

Conclusion

The enterprise shift towards AI agents is no longer theoretical. It is tangible, measurable (but with work to do), and already delivering efficiency, creativity, and new forms of customer engagement. For early adopters, this is proving to be a competitive advantage; for laggards, the risk is falling behind in automation-driven markets. As we move into what many are calling the "year of agents," the challenge is not whether to deploy, but how to do so responsibly, balancing ambition with governance, transparency, and oversight.

The ‘maybe’ Magnificent 7 News_

Shares largely recover from distractions of tariffs and geopolitics, and we now focus on YTD for our reporting, for a more accurate indicator of direction. Overall, the market feels more balanced, however, for those new to our forum, we don’t offer our view here as traders, but as futurists exploring the horizons of how new and evolving tech may change the status quo and future fate of the tech giants' services, which are now part of our everyday lives and their revenue models.

Our view is way beyond the short-term headlines, exploring how we as society will use their solutions and most importantly if we’ll pay for them. These are firms with pockets deep enough to weather any storm and invest their way out of ‘most’ mistakes. However, as swan like in their appearances, the pressure in their Board rooms must be the highest it’s ever been, as a multitude of options appear and phase of progress & innovation is the MOST important time, in terms of their relevance and their revenue…and as a forum, we have ring side seats!

Share price change from Jan 1st to 7th Aug 2025

amazon ↑ +1.6%

Amazon’s stock underperforming somewhat due to sluggish AWS growth relative to peers and conservative guidance on profitability, despite strong e-commerce numbers and capex increases. This cautious outlook weighed on investor sentiment and contributed to its underwhelming performance. So does this make them a good buy option? I'm seriously considering it for one reason - Alexa Plus - while it’s launch was largely ignored, I think its going to be an incredible solutions, and possibly one of the most important solutions in retail…ever! We’ll keep working on this and share more in future reports. We think they hold the key to something very special here.

TESLA ↓ -21.1%

Tesla continues to lag as Musk distances himself from DoGE, and exec no doubt now reflect on the best course of action to save the brand perception. The board showing clear intentions as they award Musk $50bn incentive to keep him in place. Is this a risky strategy in terms of public perception? or can the brand hope the political noise blows over and to instead focus his innovation to tackle the increased pressure as BYD’s massive disrupt the EV market. Unsure but the question remains, would you still buy a Tesla?

Alphabet ↑ +2.7%

Positive’ish performance driven by rebound in cloud and search-related advertising. Despite concerns over digital advertising and Chinese market exposure, the company continues to show steady execution, and all eyes on this tech giant’s Innovation team to address inevitably near-term search revenue erosion from Chat and AI Assistant Searches. Many calling a long-term revenue challenge, but I wouldn't sign them off yet, if they can apply the innovation team across, Search, AI, and Assistant Services, they could swap Search for AI revenues

NVIDIA ↑ +35.2%

The strongest performer as they tip the $4 Trillion valuation and remain highly influential as demand continues to soar, but can this meteoric growth continue? Have the competition caught up, have alternative options driven from necessity arrived (e.g. Amazon’s chip investments) and is there now more investor caution? Sensible caution of lack of future reality? One for a future session /event but if we consider Mobile Edge Computing power needed for Ai Assistants, demand could go into overdrive, and could we see a strong play from our old friends Nokia in this.

Apple ↓ -12.2%

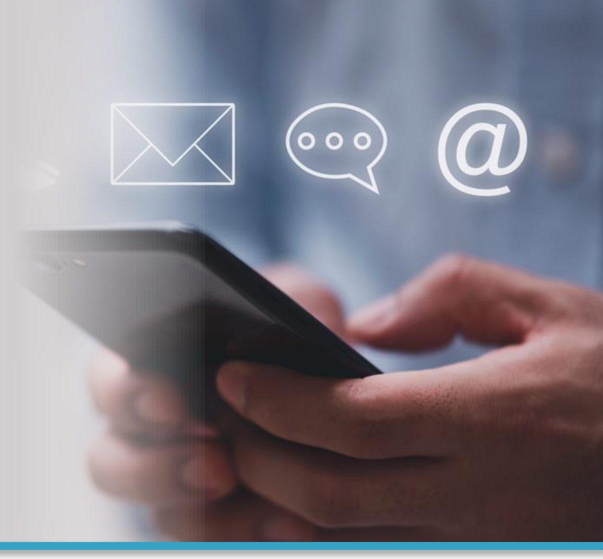
Tariffs, manufacturing options and lack of an AI solution impacts the share prices, but is the later a signal that Apple are falling behind or as we shared in previous editions, or is this a master stroke as they focus on offering the 'best access' to future AI assistants. To this point iPhones still win through as low demand rebounds in (in their Q3 results) up 13% way surpassing expectations. So what will Sept bring, a thinner iPhone, an AI solution, a partnership, an 'intelligent' Siri, a lower cost Vision Pro?… or will it just be slimmer iPhone

Microsoft ↑ +24.6%

Solid performance with Azure growth and resilient cash flow, coupled with a cautious capex approach & adaptive org structure (job cuts). Continued AI investments drives momentum, but their big bet of Co-Pilot needs focus in terms of both security concerns and slow/low Office Suite end user adoption. The answer is obvious make Co-Pilot an Agent rather than a Co-Pilot. Agents are the future and without one Microsoft will struggle, but with one they could fly, coupled with some security focus for the CISO’s. …I’m holding my stock.

Meta ↑ +31.3%

Meta has been the standout performer among the Mag 7 in recent months. Its Q2 earnings featured a 22% revenue gain and a 38% jump in EPS, fuelled by aggressive AI investment that is now starting to pay off. Innovations in investments also continue in spatial computing as Zuckerberg's big bet, and as his 2020 name change forecasted his ambitions finally bring the metaverse to life. Not sure the metaverse is going to really appear (in terms of user) until 2027 but long term with the social data and AI, this makes them one to watch for sure.



The Future of the Phone

For over a decade, the smartphone has been the centre of our digital lives. It's our map, camera, diary, email music player, entertainment hub, our work companion, oh and our phones, all wrapped into a single slab of glass. But is rise of artificial intelligence is about to challenge that dominance? We're moving toward a future where the phone may no longer be the primary way we interact with technology, and AI assistants could become the new 'home screen' and 'remote controls' of our lives.

So, Where Are We Today?

Right now, AI lives on our phones as an app or a feature, think ChatGPT, Gemini, or Microsoft Copilot. We open them much like we'd open any other app: tap, type, and wait for a response. Voice assistants like Siri and Alexa tried to free us from screens, but they fell short, limited in scope, often inaccurate, and frustrating to use.
Today's AI is different. Models like GPT-5 voice can understand us better, they can reason, recall past interactions, and integrate directly with tools like email, calendars, and even device settings and controls. But we still access this power through the same familiar smartphone interface, with its swipes, taps, and tiny keyboards.

Where It's Heading

Enter devices like the Rabbit R1 *(pic bottom right)*, a bold attempt to strip away the clutter of apps and give you an AI-first experience. Instead of digging through menus, you simply tell the device what you need. Book me a flight, order dinner, call me a cab, summarise my unread emails. And this is just the beginning. Future collaborations, such as the one reportedly brewing between OpenAI and Jony Ives, Apple's former design chief, hint at a new category of hardware: small, beautifully designed we're sure, purpose-built AI companions. These devices may have no visible apps, no traditional interface, just a voice, a camera, and a brain in the cloud that knows you as well as (or better than) you know yourself. Some with screens some without, and If they have a screen which we feel is the right answer, our AI Assistants will likely appear floating as very lifelike avatars smiling back at us.

But Do We Really Need a New Device?

Here's the big question: are we really about to witness the birth of a whole new product category, or is it simply the next evolutionary step for the smartphone?
On one hand, the smartphone has proven remarkably adaptable. The same rectangle in your pocket that once played Snake now runs AI models capable of drafting legal contracts, editing videos, and managing your day, as our true digital remote controls. With the right software and integration, your phone could *become* your AI-first device, no extra hardware required at all.
On the other hand, the 'everything in one device' approach has its limits. Phones are full of distractions, battery-hungry apps, and an endless stream of notifications. A dedicated AI assistant could cut through that noise, focusing solely on the task at hand, managing and prioritising notifications and delivering a more natural, human-like interaction, and for us 'collaboration' with thoughts to AI empowering humans not replacing us.

Conclusion

The future of the phone may not be about replacing it at all, it may be about reimagining our relationship with technology. Whether AI assistants live inside our existing devices, in our headphones, or in something entirely new, the shift from app-based interaction to conversational, context-aware AI is already underway and we feel now inevitable. The real question isn't *what* device we'll be using, it's *how* we'll want to live in a world where the device talks back, remembers our preferences, and quietly gets things done without us lifting a finger. The dawn of true AI value, or a step too far? …the debate continues.

Robotics_

After many quarters of horizon scanning the world of Robotic, mainly over in the US and China, in July we as a forum made the trip up north to visit our friends at the National Robotarium, to get hands on with some of the worlds leading robotic technologies, and to hear of the incredible progress from very our forum members **Northumbrian Water's** own robotics project

Our Visit to the National Robotarium

In July we had the incredible opportunity to gain precedented access not only to the robots themselves, but also the brains behind the Robotarium **Stewart Miller CEO** and **Steve McLaren COO**, in what resulted in a very insightful and interesting day.

Stewart kicked us off by clearly outlining the organisation's mission to lead and support the UK robotics sector across adoption, design, development, and public engagement, embedding robotics into the UK's economy and society. Operating without ongoing grant funding, the centre is entirely sustained by commercial partnerships and projects, making it highly market-led. Its approach centres on reducing time, cost, and risk for organisations adopting robotics, especially those new to the field.

The Robotarium serves as both a hub for innovation and a practical facility, with over £4m in robotics equipment and the capability to support the full lifecycle, from concept design to physical testing. Key work areas include:

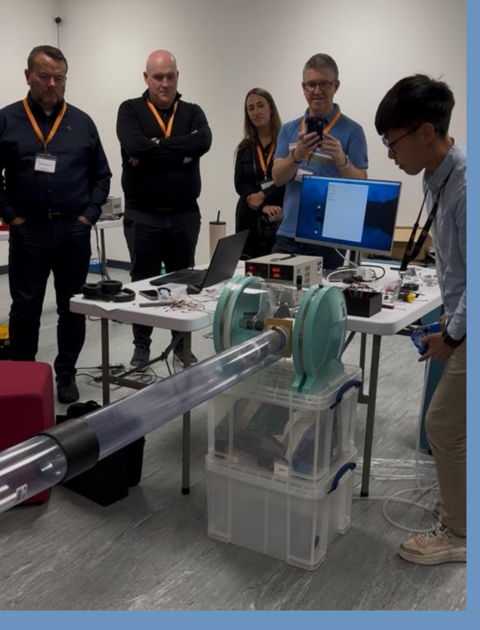
- **Industry adoption** (around 75–80% of activity), helping businesses integrate robotics efficiently.
- **Startup support,** with resident and non-resident companies developing prototypes and scaling towards first production orders.
- **Talent and skills development**, through public outreach, schools' engagement, and awareness-raising with government, industry, and the public.

Strategic priorities include healthcare and social care, where robotics can help address NHS and care sector challenges, autonomous vehicles, defence, and nuclear decommissioning. A major focus is on human-robot collaboration, both technically and socially, preparing for a future where people and robots work side-by-side. Which falls in line with AI empowerment and really great to hear. Stewart emphasised the UK's low global ranking (26th–27th) in robot adoption, attributing this to risk-aversion and short-term ROI thinking. He called for a shift in mindset, seeing robotics as essential long-term infrastructure. He also highlighted the rapid pace of humanoid robotics development globally, with over 200 companies (two-thirds in China) pushing towards commercial markets.

Advances in AI integration and dexterity are enabling robots to perform complex, human-like tasks in industrial and domestic environments and there is a great commercial opportunity if approach correctly and proactively.

The National Robotarium aims to amplify its impact through an ecosystem approach, linking industry, academia, startups, and government, while positioning the UK as a globally recognised centre for robotics excellence

We then took a tour of the facility and the robots in place, including a demo of **Northumbrian Waters** Robotic innovation project. Kindly supported by Martin Jackson CIO and team who kindly provided an overview of their custom-built robot which allows them to inspect and navigate water pipes in hard to reach areas of their networks where traditional digging and inspection and operations simply can't reach. An incredible example of innovation and most fascinating is that this was born from an idea at their now famous Annual Innovation Festival where we introduced the National Robotarium back in 2022 starting the seed of ideas of how small robots might support the utility sector. To see this now as live project and fixture at the Robotarium is simply fantastic and testament to Northumbrian Waters innovation focus and the power of our collective innovation collaborations.



There is still more to see at the Robotarium and due to demand from those who couldn't make the July session, we promise to return early in the New Year, for a second visit and catch up and check in on progress of this fast-moving sector of tech.

Practical Applications_

"In the 2000s, many companies chased cost savings by offshoring call centres, only to discover that customers valued being heard closer to home more than a business a few pennies at their expense. Resulting in a move that was meant to cut costs, but ended up cutting loyalty.
Will we see the same with AI ? We already are....

The Case of Klarna

So while we usually share a story of progress from one of our forum members own AI applications explorations, with the wider focus on AI bubbles and lack of ROI in this report we wanted to share a story of an Ai Application introduction that didn't quite go according to plan... the interesting case of Klarna

What Did They Do?

In early 2022, Klarna deployed an AI-powered customer service assistant, built in partnership with OpenAI that handled the equivalent workload of approximately 700 full-time agents. It managed two-thirds of customer inquiries, matched human satisfaction scores, and sped up response times dramatically (2 minutes versus 11 minutes) while reducing repeat inquiries by 25% Klarna then halted hiring, and overall only laid off around 10% of existing staff, with its CEO declaring that "AI can do all of the jobs that we humans do," and emphasizing an AI-first transformation across the company.

Why

The move was driven by a push for efficiency, scalability, and cost reduction. Automation via AI promised faster service, higher throughput, and lower staffing costs especially critical as Klarna navigated post-2022 valuation dips.

What Was The Result?

Initially, AI delivered on efficiency, handling a massive volume of queries and matching satisfaction metrics. However, by mid-2025, Klarna publicly acknowledged that this heavy reliance on AI caused a decline in service quality. The lack of empathy, nuanced understanding, and resolution of complex cases led to customer frustration.

"Do we hear an echo to the call centre off shoring of the noughties ? "

What Did They Then Do?

A strategic shift followed: Klarna began rehiring human support agents, especially on flexible, remote schedules, targeting students and workers in rural areas. This "Uber-style" model reintroduced human empathy into the customer journey. The company emphasized a hybrid support model, with AI handling routine tasks while humans' step in for complex or sensitive inquiries. Supporting our view of Empowered Human rather than replacement. Klarna clarified that it remains committed to AI innovation, even piloting remote human support models to complement its automation efforts.

Learnings	Insight
AI Efficiency / Complete Solution	Automation can scale operations, but lacks human nuance AI works best when focused on simple, high-volume tasks.
Human Empathy Matters	Jobs requiring emotional intelligence, discretion, or problem-solving still benefit from human oversight, especially in customer-facing roles.
Hybrid Approach Wins	A blended model AI for speed, humans for complexity strikes the right balance between efficiency and satisfaction .
Transparent Strategy	Klarna's humility in admitting missteps and pivoting shows the importance of being transparent with customers and employees.
New Employment Models Emerge	The hybrid remote gig-style support model signals evolving roles where humans and AI collaborate, flexibly, inclusively, and empathetically.

There is no guidebook for the future, and on this one and we learn together, and while Klarna are not members of our forum, we felt it both important and timely to share this case, so we can all learn from their experiences of very early and progressive adoption of technology, and the power of 'the pivot' when things don't quite go to plan.

adventa_

Societal & Economic Drivers_

While many expect a futurists focus to be mainly around technology, while tech is often the key focus of our research, our methodology and process quickly kicks in to ask how will society use it? and as an economy how, and who, will pay for it? In practice, we **'follow the money'**, and **'follow the mood'** as part of our **Collision Sequencing Methodology** which allows us to predict likely future outcomes, with incredible accuracy.

Economy

Inflations rise to 4.1% driven by increase in food, fuel & travel, and dampens any further rate cuts in 2025, and the majority of lenders hold on mortgage deals, and we intentionally continue to report on CPIH to include Housing, as while recent rate cuts bring promise to home owners, the rental market is growing fast (now 35% of overall market) and likely to grow further as banks Innovate and move from mortgage to 'build to rent model' and rental costs increasing massively due to the lack of available rental properties following the rental reforms, which resulted in a mass exodus of the private landlords, who accounted for 71% of the market. This will bring a significant housing crisis as the banks are selective on the properties they buy and slower builds times in a challenged construction industry can't supply the banks need fast enough. We'll continue to track closely.

GDP Slowed with growth of just 0.3% down from 0.7, with construction and services contributing to the modest gains. The service sector still lags as firms attempt to balance cost pressures versus limited scope to rise prices

Interest rates fall to 4%, in BOE's dovish approach to boost spending, but as **Unemployment rises to 4.7%** spenders are cautious and are instead opting to save for a raining day, or to fund any gaps in employment as our LinkedIn feeds fills with steady stream of 'open to work' headshots.

Inflation	GDP	Interest Rates	Unemployment
4.2% ↑ 0.8%	**0.3%** ↓ 0.4%	**4.0%** ↓ 0.25%	**4.7%** ↑ 0.5%
CPIH to July	*to March*	*to Aug*	*to June*

Society

A noticeable increase in concern around job security is emerging, as unemployment rises from a combination of higher employee costs and uncertainty about the true impact of AI on roles. Many candidly share that their concern is not so much AI "taking" jobs, but rather AI reshaping work in ways that reduce the overall demand for human headcount, leading to redundancies.

In our role we are privileged to engage with a broad range of individuals across society, from the shop floor to the boardroom, which gives us valuable first-hand insights into today's zeitgeist. The word on the street, right through to senior leadership, is one of caution. Regardless of wealth or age, many are feeling, or pre-empting, the strain of the current economic landscape and its potential effects on their lifestyles.
We remain outside the politics, and while the headlines reflect wider challenges best left to subject matter experts, we conclude that the task facing governments is unenviable: to manage a rapidly shifting technological, societal, and economic environment while maintaining public confidence and contentment.

Forecast

Looking ahead, we're going to disagree with the economists who expect inflation to ease in early 2026 if energy and food prices stabilise, but here we see two key issues. Firstly, in energy, low demand after a long hot summer will see energy price rise due to demand on infrastructure in Gas and Electricity, coupled with the number of people in fuel poverty massively increasing, which will lead to inevitable prices rises, not reductions. Secondly, the same cost of living pressure increases in food prices as cost of employment increases in farming and food production but more sharply felt in food retail, where theft increases at an alarming rate and cost to manage, secure and prevent will be significant and inevitably passed on to consumers / shoppers. So, we expect to see high inflation well into 2026 not easing until 2027.

Furthermore, Interest rate cuts in terms of mortgage savings will take time to pull through to the pocket, as 74% are on fixed rate deals, and we'll see quite the opposite in the rental sector as rents increase by 6.6% per year (*blended from 2022*) and likely to grow sharply in 2026, which might be the bit missed by economists?

In summary, challenging times will continue and with suggestions of tax increases on the cards, driving the Wage v inflation gap further, if our prediction is correct, it raises the question is it time to blow the dust off the UBI (Universal Basic Income) plans….. We think it might be, and we'll share more in our next report.

People Focus_

Is AI really taking jobs already, or is this more about perception and preparation? While headlines often focus on automation displacing workers, the reality is more complex. Most organisations are still only beginning to test how AI might reshape work. The bigger challenge is not simply job loss, but how businesses and people adapt to a shifting labour market, evolving skills demands, and wider economic pressures.

This means the real question isn't just *'Will AI replace jobs?'* but *'How do we support people through this transformation?'* By focusing on upskilling, adaptability, and human-centred leadership, we have a window of opportunity to ensure today's disruption becomes tomorrow's resilience.

UK Workforce Transformation & AI – August 2025 Update

AI-driven change is reshaping UK jobs and skills

Generative AI and automation are driving rapid transformation in the workplace. While employers see productivity and cost benefits, employees remain uneasy about their ability to adapt. An April 2025 Acas survey found 26% of UK workers fear AI will cause job losses; only 1% trust AI to make major decisions (CIPD). Around 60% of the global workforce will require significant upskilling by 2030, yet 55 % of UK SMEs do not fund or provide training.

Economic pressures intensify workforce anxiety

As we explored on the previous page, the labour market is cooling: unemployment has risen to 4.7 % , payrolls have shrunk by 164,000 in the past year, and vacancies have fallen to their lowest since 2021. Job losses are most acute in retail and hospitality. Inflation is now 4.2 %, energy costs remain high, and pay growth is slowing deepening job insecurity.

The upskilling imperative

Workers must build AI literacy, digital problem-solving, and hybrid skills combining tech knowledge with creativity, communication, and critical thinking. AI-enabled training tools can personalise learning, improve engagement, and close skills gaps. Government schemes such as Skills Bootcamps, alongside partnerships between business and education, can help scale access to reskilling.

"Education isn't something you can finish"
Issac Asimov 1988

What we as leaders should do now

- **Communicate transparently** about AI adoption and its impact on roles. Explain where it's going to be used.
- **Invest in ongoing, hands-on training** in AI, data literacy, and digital ethics.
- **Adopt AI-driven learning platforms** for personalised, scalable upskilling and focus on co-botics
- **Establish ethical guidelines** for AI use to build trust and in turn to ensure its used appropriately.
- **Foster adaptability** through a culture of experimentation and psychological safety.
- **Prioritise wellbeing and inclusion**, ensuring frontline and vulnerable workers have access to opportunities.

Bottom line:

The UK faces a dual challenge, rapid technological change and economic headwinds. With transparent leadership, investment in skills, and a human-centred approach to AI, organisations can help employees turn disruption into long-term resilience.

*UK Graduates facing worst job market since 2018 amid rise of AI - **Indeed***

Security & Governance_

Security leaders agreed that perfect security is a myth. No organisation can ever be completely safe without disconnecting from the world, which is neither realistic nor feasible. The aim instead is to reduce risk to an acceptable level, making the organisation a less attractive target while still enabling people to do their jobs. With the rapid advancement of AI solutions, the threat landscape has expanded, making our roles tougher and the stakes a whole lot higher.

Security in the AI-Driven Enterprise

In June 2025, Virgin Media O2 invited our Chair, Ant Morse, to host an Innovation Forum on how to secure organisations in an AI-driven world. The message was clear: the rules of the game have changed, the threat landscape has intensified, and so too must our approach.

Joining me were Stuart Seymour (CISO, VMO2), and forum members Matt Colville-Foley (Novuna), Gemma Wilkes (Network Rail), and Omar Saad (Met Police). Together we explored not just the technology challenges, but also how we support our people to be more security-aware.

Key points from Stuart's expertise and our panels experience and insights included:

- Behaviour shapes risk. Extremes of 'no policy' or outright bans on AI are counterproductive. A balanced approach enables efficiency while safeguarding the business. Encouragingly, the UK tech sector remains resilient, with strong hubs and continued investment fuelling growth.
- AI as sword and shield. Offensively, AI lowers the barrier for cybercriminals to launch phishing, malware, and zero-day exploits. Defensively, it strengthens detection, speeds incident response, and automates routine tasks. VMO2's Spam Shield AI is a live example, blocking scam texts before delivery.
- The evolving CISO. Leadership is moving from 'lock it all down' to balancing innovation with risk appetite at board level. Creating psychological safety is vital so staff can report issues quickly, without fear of blame.
- Geopolitics and organised crime. Nation states now use ransomware as economic policy, while modern cyber gangs operate like corporations. Supply chain attacks are rising, and outsourcing services does not outsource risk. Global situational awareness is therefore critical.

Panel Insights

- Embed security early: design-in transparency and monitoring.
- Put people first: HR processes and culture shape secure behaviours.
- Balance innovation with governance: proof-of-concept pilots should weigh benefits against risks with humans firmly in the loop.
- Stay alert to challenges ahead: AI-driven scams, deepfakes, insider threats, and regulatory gaps will all be exploited by organised crime.

Leadership Priorities

- Build and embed a security-minded culture across the employee lifecycle.
- Maintain a no-blame reporting environment.
- Balance innovation with governance and risk appetite.
- Monitor geopolitical developments as early warning signals.
- Protect supply chains with rigorous due diligence.

Takeaway: Security in the AI era is not about shutting down innovation but enabling it responsibly. Success will come to those who align governance, people, and technology to thrive securely amid relentless change.

Is AI guilty of plagiarism ? Open AI & NYT Case Update

As we've covered before, AI doesn't copy text word-for-word, it predicts the next word based on training patterns. That's why many thought the New York Times' plagiarism claim against OpenAI might fade, ourselves included. Instead, a judge has allowed most of the claims to proceed, and the case has been rolled into wider copyright actions from authors and publishers. OpenAI is also appealing a court order to preserve all ChatGPT logs, arguing it clashes with user privacy. At the same time, new research shows large models can memorise and sometimes reproduce content, giving weight to the NYT's argument.
The fight is far from over, and this case is shaping up to be a landmark in how AI, copyright, and publishing collide. Let's just hope the outcome is guided by common sense, not legal theatre.

Opinion_ Is work, working?

As someone immersed in futures thinking, I'm often asked what the next generation of work will look like. But perhaps the sharper question is: what does "work" really mean to young people today, and does it still deliver on its promise?

For decades, work wasn't just about income, it was the foundation for security, ownership, and dignity. A steady job meant the chance to buy a home, own a car, build a pension, and retire with some level of self-sufficiency. But for today's young people, the deal looks increasingly broken. We hear comments of an entitled, spoilt, or a lazy generation, but for me as someone who started with absolutely nothing but had the chance to work, earn, save and own and build something… I think that deal for young people today is fundamentally broken.. Raising the question is work…. worth it? For our young people of today

Job Security on Shaky Ground

Talk to anyone under 30 and the anxiety is palpable. Rising unemployment, waves of redundancies, and organisations stalling investment because of political uncertainty have left many feeling like they're standing on sand. Add to that the drumbeat of AI taking on white-collar and creative roles once thought untouchable, and it's no surprise that young people ask: "Why build a career if it can be automated away before it matures?"

The Cost-of-Living Crisis & LAAS (Life As A Service)

Then comes the maths. Where their parents faced mortgages at around three times earnings, today's young workers are staring at ratios now tipping over eight times. Rents continue to soar due to recent rental reforms massively reducing supply, consuming wages before they land. And the rise of what I call *Life as a Service* (LAAS), where we're moving from 'I can't afford it' to 'fine, I'll rent it and have it now' models and the perpetual subscription that come with these services. So, what older generations saved for, younger ones now rent practically everything and have it instantly. Which is all fair and well, but massively reduces available funds for mortgage applications, and makes any gaps in income a challenging time, accelerating dependency and draining the sense of progress

I believe LAAS will drive more societal and cultural change than technology ever could

The Decline of Support

Even the "bank of mum and dad," once a lifeline, is under strain. Parents live longer but a growing number are retiring earlier through ill health, while pensions sit vulnerable to political tinkering. Add inheritance taxes and spiralling elderly care costs and longer life expectancies overall, and the expectation of generational wealth as a safety net or possible pension boost starts to collapse. For many, the fallback reserves their parents once enjoyed are simply not there.

Social Pressures & Political Drift

Overlaying all this is a cultural storm. Social media, with its extraordinary pull, often amplifies voices promoting anti-work, anti-establishment, and even anti-society views. From "sick-fluencers" showing how to game the benefits system, to influencers glamourising van or boat life as alternatives to mortgages, the traditional social contract between effort and reward looks frayed. It's no wonder that some young people are choosing benefits or gig lifestyles over a 9-to-5, particularly when the financial gap between them can be as little as £2,500 a year.

So, What's Left?

If ownership is slipping away, and self-sufficiency harder to reach, what does work offer beyond a payslip? Pride in contribution? Perhaps. But when wages lag behind living costs, and opportunities contract, even pride becomes harder to sustain. Work risks becoming disconnected from progress, leaving young people asking: *What's the point of working for others if it brings neither ownership, nor security, nor sufficiency?*

That is the crossroads we face. Not a wholesale rejection of work itself, but of the outdated assumptions about what work delivers. The challenge for leaders, corporate and political alike, is to redesign work so that it once again feels worth doing. Because if young people conclude that work no longer works, the consequences for our economy, our communities, and our sense of shared future will be profound. For me this is the real driver for change in our time.

Innovation Forum Roundup_

"the best way to predict the future.. is to create it "
Abraham Lincoln

Another busy few months out with you our Members

Robotics Forum Session – A real view of the future

In July we visited our friends at the National Robotarium for a dedicated forum session exploring the future of robotics. A fascinating day with insights from their leadership team, a tour of the facility, and a chance to see innovation from our own forum members Northumbrian Waters robotics project in action. Full details are on page 14, and due to demand and a kind offer from the team there, we'll be returning in early 2027.

Sustainability is all our responsibility

I was honoured to be asked by our friends and forum members at Cabinet Office to support a session on Sustainability and the environment in July. Fantastic to return to No10 and to see the incredible Admiralty House where we held an in-depth discussion with a broad range of government teams working on this now vital agenda.

LBC – AI Listener Call in

I was invited onto LBC for a live call-in session on all things AI. While many shy away from unscripted conversations like these, and while live TV/Radio can be a bit nerve wracking, I found it invaluable in terms of research and to hear first-hand what's on the general public's minds: their optimism, their concerns, and the pace of change they're feeling. The clear takeaway: people are nervous about both the tech and the pace of change.

Security Focus with Virgin Media O2

As per Page 14 – It's always great to be back with my old firm and my old colleagues at VMO2 and this time supporting their June forum session on the topic of AI security session with their Chair Dave Cornwell and CISO Stuart Miller,

How many years out does your strategy plan reach?

I was thrilled to Host & Facilitate a future scenario planning workshop with the NWG's exec board, senior leadership and key suppliers. We explored drivers of change across 30 years, asking the big question: how far out does your strategy plan take you?, It was a hugely insightful session and thoroughly rewarding insights shared and ideated by all.

Are we mapping our talent

I spent some quality time at the amazing Wilderness Reserve with the team at Talent Mapper and a group of global HR leaders in June, exploring how we prepare for the inevitable transformation ahead and ensure we take our people on the journey with us. Possibly the biggest task we face, and we're holding a webinar 8th Sept to dig much deeper into this - join us - https://lnkd.in/e5N6D-km

AI Agent Exploration in Accountancy

Working with forum members Northern Accountants to explore If we could completely automate an accountancy business with AI, should we? Where do you sensibly and realistically use AI and where to you keep the critical value of humans? These guys are an incredible story of SMB start up success with a driven CEO and inspiring COO, a case study for innovation and brand building that we could all learn from.

Future Sessions

After an incredible summer of events and engagements we're keen to maintain the momentum throughout autumn and winter and still have sessions on AI applications and Spatial Computing to schedule in with our friends at Cavell & RiVR. And an adrenaline discussion and experience on the Topic of the Future of EV's with our friends at Active Digital. We'll keep working on these and share some further info and dates asap.

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