

The HCLTech Trends and Insights Podcast

Nick Ismail

Alan, thank you for joining us at the HCLTech Trends and Insights podcast here at the World Economic Forum. How are you doing?

Alan Flower

Well, Nick, first, thanks very much for inviting me, of course and what a wonderful event. And we've brought the HCLTech AI Lab to Davos, so we're really looking forward to engaging the lab with business leaders this week.

Nick Ismail

That's right. And we're going to be talking about AI and ethical innovation. What are the trends shaping AI and how is it enabling innovation in terms of driving sectors forward?

Alan Flower

So it's a good question, isn't it, Nick, in terms of what is the evidence for AI-enabled innovation? I think the remarkable thing that we've all seen, particularly over the last nine months, is a lot of the world's leading business organizations have done all the experimentation they need to do. They may have started this journey perhaps a couple of years ago, a little bit of kind of horizontal experimentation. And really what we've seen in the last nine months is a very strong, tight focus in terms of helping now drive AI deeper into my organization. But you're asking about innovation, of course and this kind of growing confidence in clients in terms of what the technology can do is sparking an awful lot of creative thought and excitement within business leaders. And this obviously is driving an awful lot of innovation, right? We're almost overwhelmed with clients with some remarkably strong vision about where they expect AI to bring benefit to their business. And not surprisingly, in our AI labs, we're very busy helping clients kind of drive this innovation approach to the deployment of AI at the heart of a client's business.

Nick Ismail

Sure. And are there any advancements that you're particularly excited about?

Alan Flower

Well, look, I mean, the theme this week at Davos is not just AI, it's agentic AI. It's going to be the theme, I think, that will dominate the entire year. This is the next step in the journey, Nick, right? So this is where we're prepared to give AI responsibility for delivering an outcome. And along with that responsibility, we expect AI to kind of orchestrate everything that needs to be done to kind of come to that conclusion. And this is the really big kind of trend. And I think, again, this is driving so much client interest. Many of these AI systems that we've all been using recently, like ChatGPT, for example, they really rely on you and I asking good questions. Going forwards with agentic AI, you're not going to be asking questions. You're going to be issuing instructions and then having automatic. Here's a problem, go away and solve it, please. All right, so it's just remarkable the shift that's bringing, of course, in clients' appetite now for AI enabled value stream transformation. There's also a move to industry specific AI.

Nick Ismail

Are there any strategies you can advise organizations on how they can build solutions to meet their industry needs?

Alan Flower

It's an obvious trend that we're seeing that as clients now have so much confidence about the expected impact of AI, as they drive it deeper into their business, you're going to see, we are seeing that industry specialization. And then you get to a point where clients are typically saying, starters, this approach using general purpose foundational models, it can only take me so far. I need to be working with a model environment that understands my business or my domain in particular. So one of the key trends that we're seeing, of course, is this movement towards small language models, domain specific models, where typically we or the client have taken a foundational model and fine-tuned it to be more relevant to the client's business. So that relevance gives us improved accuracy. Previous concerns around things like hallucination, for example, they just disappear. When I fine-tune a model to suit the needs of my industry and my business, the level of accuracy just comes forward dramatically. So that is the core trend. So for any business leader that wants to kind of now drive AI deeper into their organization, an obvious opportunity, of course, is for you to work with our AI labs. We can show you how to create these fine-tuned models that are relevant to your business. You can come into our labs. Of course, we help you build an initial solution as well. So clearly, lots of advice that we can give. But also, one of the things that makes HCLTech so different is the opportunity for a business leader to come into our labs, sit alongside us and we'll do this together.

Nick Ismail

Absolutely. And when it comes to the workforce, AI is going to dramatically shape it up. How can organizations effectively reskill or upskill their workforce so that they're leveraging the tools, the AI tools and not being replaced by them?

Alan Flower

Well, that's a good point. Okay. You're talking about shaking up the workforce. I think all the evidence that we see today and everything we hear from our clients, of course, is they see AI as a massive augmentation. It's an opportunity for me to increase the productivity, the quality of work that we're doing. Obviously, hopefully, things will speed up as well. So there is this growing expectation from businesses, quite frankly, where they really want their workforce to take maximum value from these tools. And there is an opportunity for an organization to do two things, right? Obviously, we might want to train what I would call the technical community so they know how to build and operate these AI-enabled sound solutions. But the larger development, quite frankly, Nick, is to help the general employee workforce understand how they can use these tools to increase their productivity, offload and look, be quite frank, everyone has aspects of their job that they don't particularly enjoy, right? If I can offload those aspects of my job to AI, it gives me more time, more capacity to do the high-value tasks and activities. So what we need to do really as an industry is help people understand how they can re-engineer their roles so AI takes up a lot of that less interesting work, if I can describe it in that way.

But one great thing that should reassure everyone, quite frankly, is there is an overabundance of education and training material available here within HCLTech. We have our AI academies, for example. We share those with our clients as well. So if a client is concerned about how they're going to reskill their workforce, we can come in and volunteer at one of our academies to accelerate that journey for clients as well. But in general, everywhere we look, as more of us as individuals receive the benefits from these tools, the enthusiasm grows and it just seems to be accelerating and that is one key trend. You may recall that towards the end of last year, we sponsored this global survey, we called it the Cloud Evolutions Survey and we asked the world's business and technology leaders their opinion and their experiences with GenAI. But one of the key findings that came out of that survey was clients were telling us that once they had done one or two deployments of these new AI tools in their organization, their enthusiasm, confidence, their commitment just accelerated. And that is another trend that we see. As an organization takes those early tentative steps and they see the benefit pretty much immediately, typically they're coming out to us to ask us to accelerate the journey and along the way, accelerate the reskilling of the workforce too. Yeah, and I imagine being transparent, introducing kind of co-creative ideas with your employee base will help accelerate that trust further. Well, it ultimately does come down to trust. I think most of us now realize that AI is an opportunity, not a threat, quite frankly. That opportunity for me, you, anyone quite frankly, to offload some of those less interesting tasks to AI is a great motivator, I think, for a lot of people. And I think, again, as we get more exposure to these tools, ChatGPT for many people is just the start of the journey, but as we get more accustomed to using co-pilots, not just in office suites or within software engineering, for example, but within four business processes, I think the obvious value will increase. And I think, as I said before, I think that's going to encourage a lot of people to just open their arms and kind of welcome AI into their role, just to help them be more productive and just deliver a greater kind of quality experience.

Nick Ismail

Sure. And for all the benefits of AI, it is energy intensive. How can organizations balance that desire for innovation with sustainability goals?

Alan Flower

It's a good point. It's quite obvious that if you look at the investments that are taking place, whether with the hyperscalers or whether you look at what organizations are doing with their own kind of on-prem IT estate, you can see this massive investment in increasing compute capacity to handle these AI workloads. Inevitably, AI is going to be a very large consumer of the world's energy supply. And I do think we need to be thinking a little bit more carefully about how we use that. As an example, if AI has been used to help your kids or my kids cheat with their homework, that's not a great use of energy, right? But if that energy is being used to deliver really focused, high value experiences, I think it's a very good thing.

Nick Ismail

It's a great point. When it comes to data privacy bias, there are challenges with AI. And now we're seeing a move towards really implementing responsible AI. How important is that as a purpose of an organization, but also as a competitive advantage for them?

Alan Flower

Well, you know, you talk about responsible AI being a competitive advantage, right? I think we'll quickly get to a point where a solid approach to responsible AI would be what I would call table stakes, right? You can't continue in business unless you can demonstrate that you've got a very solid approach to using AI in an ethical and responsible way. We see in our own organization, for example, that we put in place all of those governance structures, but not just that. Coming back to the topic of education, helping people understand the pitfalls around the incorrect use of AI, helping people understand how to use it in a more responsible way is absolutely key. So this is kind of shared joint responsibility, right? As employees, I have to make sure that I can use these tools in a responsible way to keep my employer as well as myself out of trouble, right? But as an employer, I've also got a duty to put in place the right guardrails, the right frameworks to ensure that we can all operate safely today.

Nick Ismail

Alan, thank you very much.

Alan Flower

Thanks, Nick.