

CR063

The impact of AI powered automation with Gretchen Alarcon, ServiceNow





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[00:00:00] So take like really bad trash TV, let me describe for you really bad trash TV with salacious gossip and you know, all that sort of stuff times it by 10 and that's what below deck is right? And it's a guilty pleasure.

Welcome to Cloud Realities, a conversation show exploring the practical and exciting alternate realities that can be unleashed through cloud driven transformation. I'm David Chapman. I'm Sjoukje Zaal, and I'm Rob Kernahan. And in today's show, we are. are going to talk to service now, a company that's putting AI to work for people.

And we're going to talk in some detail about how automation and AI impacts both employee experience and the overall organizational shape that we're used to with [00:01:00] organizations today. But before we get to that, I was looking for Robin, the office. The other day, and I was asking around and they're like, I haven't seen him for a little while.

And I was, I went down to the fourth floor, no sign of him, haven't seen him. And then I walked down to reception and they said, well, I think he just walked out into the local park. So as I grailed out of the office over the road, I could see Rob standing in amongst a beautiful array of cherry blossom trees, staring up at a tree.

And looking pretty confused as he often does trying to work something out. And I'm like, Rob, what are you looking at? And he's like, chaos theory, chaos theory, David. I'm trying to work my way through chaos theory using cherry blossoms, but it's not the only thing I'm confused about this week. And I'm like, well, Rob, what else can you be confused about?

Be tough, wouldn't it? Trying to solve such a complicated thing. But did I do it justice, Rob? You did, obviously. We were talking before we started that like, I [00:02:00] was struggling to come up with a big surrealist epic for Rob to be confused about this week. And that's the one he came up with, like, a beautiful use of like, nature and chaos there.

I'm like, I was impressed, Rob. It's gorgeous. You see, Dave, not just a hat rack, my friend, not just a hat rack. You did well, you did well. You tell us you've got a good confusion as well. I know it is. Well, this one's a corker, this one. think it's going to land fast. So I have been pondering about the future of search and we've been used to search, uh, and the traditional search engine serving us in a particular way from the early days when the internet romped over the horizon.

And actually there is evidence to show that people are turning to AI platforms like chat GPT to search or going to specific places like Reddit to find an answer where there is a corpus of knowledge. So cutting out. The middle system or getting an aggregator to do it through transformer engines and such like and there's a change has started it's moving quite quickly as people are understanding that they can get a better response much faster [00:03:00] from these new systems so i am wondering about what happens to the old search engine because obviously a lot of organizations revenues are built off the back of what searches and powered by that.

And et cetera. And we're already seeing behavior changes. Something that's been very flat is starting to dip. There's some conversations going on the Internet. And it suddenly made me think about actually, are we going to see a dramatic turn in the way people hunt for information off the back of this revolution that has occurred?

And quite frankly, I'm very confused about If they'll dip and come back or actually we will change the way we find information I think it's inevitable almost isn't it because I think the implementation of. Generative AI in just into tooling whether that tooling is large scale automation platforms or whether that tooling is productivity.



Tools when you're in the middle of a tool nowadays, you don't necessarily need to drop out a go to a search engine and search for something separately and then bring [00:04:00] that together. You can use the tool itself to just aggregate information for you. So I think the shift. Is almost inevitable the other thing that occurs to me as you talk about it is the new style of device.

So the, you know, the, the, just the voice operate device, which is rumored to overtake, you know, traditional phone type device or the, you know, the touch, the touch screen device that we've been used to for the last. 10 years or so. My sense of it though, is it probably ain't going to happen overnight. So yeah, if you see the new device, the one that sits on your chest,

let's just say it's results were deeply mixed. Uh, don't be an early adopter of that particular tech more consumer advice, but there is a, you can see within 12 months, 18 months when they perfect that actually you won't use a browser engine to go to your search site anymore. It'll all be presented.

Different way. I just think the change is happening faster than I initially thought, and I'm confused about where it's gonna end up. But I think it like you say, [00:05:00] an inevitable change is coming because it's so much better when you get used to the new style of interface. Yeah, I think I think it is. It is just it's a question of it's if not when.

I would probably say that even though we have a vast rate of change going on at the moment, it probably isn't going to be overnight. There's a lot of embedded behaviors in different demographics of society using the internet based tools. in certain ways that are going to struggle to make the shift quickly.

There's still that confusion and Google actually changed their interface. So if you typed a URL into the search bar by actually went, I think you actually wanted to put that in that bar and such light. So if you're still a person who struggles with which box to stick the data in, then maybe you might be a slower adopter, but, uh, that's, you can't really think much about that.

Yeah cool. Well, that was a good one. That's a good one. And I love the cherry blossoms, Rob. It's a very beautiful way to start. Have I helped, Dave? Have I helped? Have I automated a bit of your day? Good day at work, Rob. Good day at work. Solid. Well, look, let's get on to the main subject of [00:06:00] today's show where we're going to dig into ServiceNow and the future of AI and automation platforms.

And I am delighted to say that Gretchen Alarcon, SVP & GM, Employee Workflows Products at ServiceNow is joining us. Gretchen, Great to see you. Thanks for taking some time out to spend some time chatting with us today. How are you doing? Great. It's so great to talk with you all. You just want to say hello and introduce yourself a little bit.

Sure. I'm Gretchen Alarcon, as you mentioned, I lead employee workflows for ServiceNow. My background is in HR technology, but I've been at ServiceNow for four years, focusing on the employee experience and how employees engage with all manner of technology in order to support their needs across the enterprise.

So I think most people will know service now that are listening to this show. It's extremely well adopted across the industry and has been for, you know, probably a decade or so now, but let's just take a little bit of a step back because I think a lot of people. [00:07:00] leap to the conclusion. Sometimes the service now is really in the IT Space and in the IT Service management space. But I know over the over a number of years, it's significantly broadened its impact across organizations and enterprises. So Gretchen, maybe start with just some



basics. Functionally, what's the footprint of service now today? Sure. You know, if you think about ServiceNow, we're a platform company, and everything comes back to the core platform, which serves all of our business units.

, as you mentioned, we started in IT with our IT service management. Uh, today we have broadened that. We actually call that business unit technology workflows now. So it encompasses ITSM, but it also has other IT capabilities to support people who are in the IT function. We also have a customer workflows business unit, which is focused on all things related to customer support.

So if you think about, you know, when you reach out because you can't remember your password to whatever your current television program is, [00:08:00] Rob never has that problem. Gretchen, he's a, he's a big fan of the password manager. Oh yeah. It's just good, good advice, Dave. I'm sorry. You've got weak password control.

Don't say that one out, Rob. Don't say that one out. Fair enough. Okay, so let's, let's say you know your password. But what if you like want to change your, your, your subscription, right? That's the thing you need a new subscription. So, you know, customer success, customer workflows does that. Uh, then we have employee workflows, which is the group that I'm responsible for, which is all about employees inside a company looking for.

Help. How do I figure out what I can do in terms of time off or I'm looking for a promotion. What would I need to do to do that? So anything that employee might ask across the enterprise. And then our last group is the creator workflows, which is really more focused on things tied to if you want to build your own capabilities.

So we have delivered functions and capabilities that we do. But you know, we want to empower people to build what they want on the service now platform. And so the [00:09:00] creator workflows is that last pillar. Tremendous and it is the subject of the day and you know, we cover it quite a lot on here. It's sometimes when we intend to, and sometimes when we don't, but of course, AI is prominent in pretty much every conversation at the moment.

I know you guys are leaning into that. So why don't you give us a state of, How you guys are thinking of integrating that and where you're up to with that process. Absolutely. You know, I agree with you. AI is everywhere. I think it's worth noting. You know, AI has been around for a while. This is not a new concept.

It's really generative AI that jumped in. Kind of a year ago, actually, was the first time we were demoing at Knowledge23, our user conference, was the first time we demoed on stage what we thought we could bring to customers with generative AI. I think the thing that really has shifted here is If you think about when, whether you're talking about chat GPT, or you're talking about whatever other technology people have thought of for generative AI, [00:10:00] you know, it started in the consumer space first, or that's where people picked it up and then started thinking about how it applies to business.

And when it happens that way, We actually see much faster adoption in our customer base because people understand it at a personal level, and then they're applying it to business. So this is a giant shift. I think it's gonna have ramifications across organizations and across technology. So It's a big one and I'm super excited to be in the middle of it right now.

It's a lot of fun. And that's a, that's a thing that's, that changed a lot in like 2007. The enterprise used to drive this type of technology and corporates used it. And then Steve Jobs stood on stage and said, Ooh, look at iPhone. It can be different. And then everybody went, my consumer life's like this. I now want my enterprise life to be the same.



And then loads of corporates have spent ages trying to catch up. And just as they're arriving, uh, probably parity, then suddenly something like generative AI romps over the horizon and the whole expectation lifts again. So, uh, so [00:11:00] yeah, it's, I think it's been a constant headache ever since the iPhone popped up on the horizon.

When you, when you take that framing of the sort of consumer experience and expectation and that pushing into the world of the enterprise. Yeah, and the and the reversal of, you know, it used to be enterprise it in your work laptop being your good laptop and you know, the, you know, whatever, whatever Nokia phone you got at the time is being like a cool phone and then that flipped.

You're right. The access point was probably somewhere around the around the iPhone and then certainly double down on by things like the iPad. What's your read on? Where enterprises have got to Gretchen, do you think with the experiences that they're providing to their employees today? Yeah, I think that where a lot of them have done great work is they've thought about lots of different ways that they can serve their employees.

The challenge, I think, is that it's become lots of different technologies. So if you think about a [00:12:00] typical employee, Trying to just go through their day at work. They're probably in and out of multiple different systems, and they all look and behave slightly differently, right? So where we see a huge opportunity is to kind of come back in and say, How can we make this so it's streamlined for your employee base so they can start in one place?

And ideally, can they have bot where gender of AI is actually Helping guide them and either handling the transaction for them or summarizing and getting them to where they need to go to do the transaction so very different than here's a bunch of places to go. Good luck figuring it out in returning to a I in the building of a I into the into the service now product set by coming out from the point of view of the employee experience how would that show up to me.

Sure. So two different ways to think about it from an employee standpoint. The first one is, if you are starting [00:13:00] with a question, I want to know what the policies are to go on leave. Today, most likely what we would do is you would be sent to a 50 page document where somebody in HR wrote every possible permutation.

And no one's going to read that or a completely unsearchable intranet site where you put in exactly vacation and you get back like 15 year old documents that have the world vacation in them or they had to get through 75 clicks to find that exactly. So where we see generative AI really running a role is for you to say, I'm looking for this information and first for it to start with summarizing for you.

From this document what you most likely need to know based on the question that you've asked And then the ability for you to actually refine that so maybe i'm looking for an internal transfer for example, and I might ask What is the internal transfer process? I only need a couple bullet points. I don't need seven pages Uh, but then I might say when in this process do I have to notify my manager?

And generative AI can [00:14:00] actually say, once you've applied and been selected for interview, now you apply. So again, you don't have to read that entire document. So just summarizing and guiding you to the right information is a fantastic first step. The next step is if it's something that is actionable, generative AI can actually help you with that action.

Right through that same interface. So, you know, maybe again, you know, applying online isn't the best example, but maybe I'm thinking that I am going to go on leave. I need to go



out earlier than I thought. Generative AI could say, you know, you're currently scheduled to go on leave on June 1st. Based on what you just said it looks like you need to go out may thirty or may thirtieth do you want me to adjust that date and can actually take you to the transaction to make that change so again you as the employee aren't having to go through all the systems call HR figure out how to make these changes happen.

I mean there's a thing in this about. [00:15:00] We've worked in such a way for so long. Suddenly there's this new interface which gives us better accessibility and much easier. But there's this skill in being able to ask the right question the right way or even remembering that you can go in and ask the question.

How are you finding? Uh, when you present these new types of interface, the users, is it taking them a long time to get used to it? Is it relatively quick? Are you having to provide examples? It's this world is look, you can work differently, but we need to build an internal muscle memory to say, Oh, yeah, I can do it this way and not have to go into that horrible 20 year old corporate system that I hate.

I usually use it as a prompt engineer. That's exactly what I was going to say. Rob, do you know where the holiday rules are? I'm basically like a human search engine for Dave corporately. He can't do something, so he asks me to tell him how to do it. Then I spend ages writing the prompt response. I'm just like a really cheap AI implementation.

I mean, that's not a bad approach. Personal agents, Rob. It's exactly, it's where, it's where [00:16:00] AI is trying to get to, isn't it? Does he also fill in your hours, uh, Dave? He would ask me to if he thought he could get away with it, if I'm brutally honest. Sorry. No, it's all good. You know, I think this is exactly the problem though, right?

So today, In a lot of organizations, you do rely on your friend, right? Because it's easier than going through all this data and trying to find things out. And when you think about how the first generation of bots worked, for a lot of organizations, what they did was they tied it to one specific system, right?

So I have a bot for IT or I have a bot for HR. So they're not across the enterprise. And then someone had to go in and train it and say, when someone asks for pay, or paycheck, or pay slip, or check, or remuneration, that's all about compensation. Take them to the payroll system, right? So there's a lot of work to do to make this content, you know, successful.

And where generative AI really is going to help [00:17:00] us is that the large language model behind it means that it can actually take all those synonyms and all those extra words. And say this is the most likely thing you're looking for so rather than having to know the words to actually get the AI to respond that natural language is a super important thing when you think about something that's employee facing.

Right let's focus on the it about me because it could be here or it could be finance. Almost doesn't matter, but let's say it's for the sake of the conversation. Say the CIO that's accountable for establishing the service now platform across the organization. What AI tooling is going to be in place that sort of helps them, you know, create the implementation, create and manage the platform, all of those sorts of things.

Yeah. So the thing that has been really exciting about the way we've thought about this, I mentioned being a platform company. We're building this into our platform as part of the capability. And our starting point really is how can we make this so that your search or [00:18:00] other content is accessible. You don't have to learn a new way of working.

You don't have to go to a new screen. You know, if you're an agent and you want to



summarize a case because you just picked it up and it's been open for a while and you don't want to read through seven pages of notes, you can hit the button and say, summarize and have the system tell you, here's what you need to know about this case.

Implementing that is Really easy because you already have cases you already have information you're just turning on the AI component of it so it's not a re implementation in any way it's just adding on that additional feature. I see and then when you sort of extrapolate out from this all the possibility that's contained in today's platform and I'm sure the enhancements are coming over the kind of end months or years ahead.

How fully automatable do you think we're getting for something like say. I. T. Tasks or tasks within H. R. Like you've got a I at the front end. You've got a I automating in the back end. [00:19:00] What's the purpose and ambition from a service perspective for automation? So a lot of what we look at when we think about this is can we deflect cases so we can see, you know, what really is the burden coming into agents?

And then can we shorten the time to respond for an agent? Right? Those are the first two value props we typically look at. So if an employee can get an answer and doesn't have to open a case That is a huge value and if I can reduce that by 10 to 15 even That's a load not coming into the service desk.

The service desk doesn't have to answer the other side of it is If the service providers or the agents are faster in their responses, or, you know, we can save them X number of minutes a day, you know, how do we either reallocate time? Do we spend more time on higher value work? So we're measuring both of those to make sure we're understanding what that impact is.

And honestly, what we're seeing so far is that [00:20:00] on its own adds significant value. I don't think we're ever going to get to 100 percent automation, because there are always going to be cases where we need creativity, where we need judgment, where someone needs to get in and actually understand that this is a sensitive case and needs some human empathy.

So I don't think we're ever going to get to 100%. But if I could take, you know, 20, 30 percent of a person's time and say, we're removing that repetitive work that you don't find valuable and you can redirect that time to something that is of more value, it's a win for the company and it's a win for the individual.

One of the most powerful things. But I think people appreciate is when the system can predict an event that's likely to occur and prompt you and say, Hey, you normally do this about this time. I've prepared this for you. Blah, blah, blah. And I think that that is when we get to that stage where the system is preempting and that preemption is good because you see some systems, the preempt and go, it started in retail where they said you bought one of these.

You probably aren't one of these and you go, No, [00:21:00] you bought, you bought a bag, these six of the bags you might like, and I just bought a bag. Oh, just bought a bag. Why would I buy another? But it's that thing about, in the corporate world particularly, where if you can get the repetitive tasks preempted, and then the system can say, oh, you normally do this at this time, you normally email so and so, I've started the email for you, that sort of stuff.

That's getting into a place where it's very useful, isn't it? Yeah, and I think that's where actually there's a really interesting opportunity to tie this into, again, What makes an



employee or a manager more successful in their role? And a lot of this is when that assistant actually works as an assistant, right?

So it kind of prompts you and says, you know, Hey, it's time for your quarterly growth conversation. Here's what you talked about last time. Here's what you might want to add based on what we're seeing. And by the way, here's a window on your calendar where we can schedule it. If that makes sense for you, right?

Like those sorts of things become value added. to me as an individual, the last thing I want is all sorts of people, you know, nagging and saying, dude, did [00:22:00] you fill out this form? Did you fill out this form? But if all of that comes together as a complete package, I'll absolutely do it. So if we then zoom out a little bit from from the ServiceNow platform and within that and another implementations of AI across businesses, there's a there's a large automation platform now sitting in the middle.

That's, you know, kind of automating workflow, taking tasks away. Dealing with that across multiple functions across the business what are you guys thinking about in terms of the impact that this then has on enterprise shapes so like organizational shapes organization operating models it seems to me that we've we've still got we've got quite a long way into the sort of the digital era if you like.

And organizational shapes haven't really changed that much that, you know, there's change at the front end, of course, because there's a lot of channel evolution. There's a lot of channel innovation, and there's a lot of experience based innovation at the front end, but often when you then plow back into businesses.

Particularly when [00:23:00] you're in corporate services and in the services sections of organizations, it looks pretty similar, doesn't it? To the way that it looked 10 years ago. I'm going to say maybe even 20 years ago, in some cases, depending on the nature of the sourcing that's there, depending on the nature of the, you know, the scale at which platforms have been enabled, for example, what's your perspective on what the next step 5 to 10 years might look like, you know, I had a really interesting conversation about that when I was traveling a couple of weeks ago, uh, about, you know, the shape of the organisation and the structure has stayed very much the same, even you could say the last 100 years, right?

So it's just, you know, it's industrial structures, dramatic changes. And so the question is, does this digital era really shift? That responsibility. I think there's some opportunity to really talk about what rules are needed and that, you know, you don't have as many maybe entry level roles as we define them today.

And that's going to be an interesting challenge because I think a lot of organizations have [00:24:00] used, you know, Entry level programmers, entry level service agents as the way to kind of learn how to do your role before we move you into something that involves more creativity or, you know, has more responsibility.

If AI takes those capabilities and says, you don't need that. Well, then what happens to that entry level? You know, what is the pipeline into a role? So, you know, we're going to see a lot more need for things like project managers or architects Because to make all these things work together, you're going to need people who understand how to put them together But understanding what that You know, entry into business looks like I think it's going to be a really interesting shift.

I also think you're going to see organizations do some things around. Hey, you know, if you can do things like text to code, for example, and AI can write the code for you, you know,



that makes everybody a developer. It makes everybody a, a, a creator. And so then how do you define the boundaries of what that role looks like?

It's gonna [00:25:00] affect early career paths massively accessibility to your earlier comment. I'm all in favor for more architects, but more project managers. I'm sorry. I can't subscribe. I can't subscribe to that concept. No, no, no, no, just more architects. But I mean, it's a very good point about AI taking away the junior positions because you can automate that in early life cycle. What does that mean? You still need the experts around to be able to validate that the technology is doing what it needs to do, albeit maybe fewer. That will dramatically change younger generation career paths. And will they, how will they diversify that? There's always that quote that said there was 30 million farmers in the U.S. At the end of the fifties, and now there's 3 million, but there aren't 90 million out of work farmers, sorry, not 90 million, 27 million out of work farmers, doing very well today, it's late in the day, but the point is the, you know, the retraining happens naturally. It's just how fast the shift occurs, which will be interesting to see.

[00:26:00] Yeah, I think I think devs is a good example. Gretchen of that exact situation, which is yes, there might not be, you know, kind of entry level jobs for devs coming up. But actually, the whole role of dev is almost certainly going to change. You know, hard to say at this point whether, you know, You're still gonna need your python skills in 10 years time or whether whether we are at that point.

So natural language in what we're creating that you know, the much vaunted move towards prompt engineering and use of natural languages is is perhaps an emergent skill set. Yeah, I think that's gonna be a big opportunity, frankly, for the organization to figure it out fast. And again, You know, I, as you mentioned with the phone earlier, we've seen this kind of change happen before in technology as well.

Technology is a fairly young, you know, a young skill set, and it has gone through multiple language changes, multiple ways of change overall, so yeah, this will be another one, and I think in some ways might be [00:27:00] a really interesting way to think about how does this impact other organizations? Because I think what you're going to find as well is, A lot of organizations who today would not consider themselves digital or digital first are going to actually have to shift and say it's a major component of our work and what do we do about that?

So there may be a new change as well around, you know, thinking about healthcare, right? Healthcare, when they introduced e health records and things like that, there was a big revolt of, wait a minute, you know, yes, we understand we're digitizing, but our job is serving the patient. Their job is still serving the patient, but there's a huge digital component to this role now.

And so there may be a very big shift in terms of the type of work where they find new ways. And again, that's an area where it's hard to get skilled workers. So there may be some other areas in some of these industries that are very ripe for disruption where AI can have a big impact. So, you know, for many arriving in a new organization, we talk about the complexity, all the systems they have to [00:28:00] deal with, you know, and they sit there day one.

They've been handed a laptop and a few talks about how the world works, they can often just sit there and go, where do I start? And so that experience is quite important, isn't it? That early interaction with corporate I. T. and the corporate environment can set perception for a long time. So I was interested to see what your view was on how you can help that, you know, day one experience really, really be exciting or compelling as opposed to the daunting



nature it often presents.

Yeah, you know, there are there are a couple things that really fit in here. Well, we have the capability today We call them journeys, but onboarding is one area where we can actually say before you start Let's actually let you see all the things that you need to do to be prepared We can give that to you on a website We can give that to you on a mobile so that you can actually do a lot of that onboarding prep work Before day one so day one can be focused on Learning the company, learning the organization, that [00:29:00] sort of a thing.

But then going further, if you think about when you have a request, I don't know about you, I default very much differently depending on what the type of request is, if it's a thing that I think has to do with a system, I'm much more likely to go to a portal, but if it has to do with it, I often pick up my phone just because often it's because my laptop's not working.

So understanding that employees are going to engage. On whatever channel they want to use and whatever device they want to use, and they need one place to go. And that's where we think ServiceNow has a huge opportunity is to say, start here, and then we can direct you either through AI or through other activities to the right place to get your question handled.

Not just IT, but employee questions, HR questions, facilities, all of that can be covered with ServiceNow as your starting point. And we talked a number of times on the show about the fact that from a leadership perspective, you know, leaders, [00:30:00] uh, historically have, you know, maybe been a leader in the area that they've particularly grown up through, and they've probably developed things like managerial skills and financial skills probably as, as part of their leadership and kind of leadership journey.

And it seems to me that digital skills now should be something that's absolutely part and parcel of leadership going forward. I think absolutely. And I think the other thing we're going to see is a very strong focus on what are the skills that, you know, we don't feel can be managed by an AI up front, right?

So things like, you know, communication skills or, you know, facilitation or team leadership, those sorts of things that we're going to see more growth of because this. Yeah. Yeah. It's not something that we expect AI to be able to take on, and it's going to require more of those, those human skills, those soft skills.

Yeah, there was that. I mean, we've talked about it on a previous episode, but there's a famous [00:31:00] video where in China they're automating a lot of their front door of the health care system, and there's a woman beating a robot to a pulp in the middle of this hospital because it has not given the response that was needed.

And that emotional connection, knowing when to change tact, I think is quite key. The very AI response may not be what we want. Absolutely. We're actually in some of the areas. I'm actually really excited around an area that we're investing in right now is the whole idea of how do you recognize sensitivity?

, so again, thinking about the employee workflows, if an employee starts a question, , with a I, And then starts to get into, you know, health care information or, you know, I've got a major problem with my manager. That's not something I should be trying to resolve. That's something that should be promoted to a live person to talk through.

, so I see that as a big opportunity for us to kind of say, yes, I can handle a lot. But let's be really clear on when it's better for a human to engage and let's make sure that we're [00:32:00] not forcing people to go through a pathway that just really isn't going to be productive on on either side. You can imagine somebody attacking their PC after a



conversation that just isn't responding in the way they were the first time.

I wonder maybe just to bring us a bit of a close today we can return to the platform. And talk about what good practice transformation actually looks like of an organization when implementing the service now platform because, you know, it gets implemented in multiple different ways. It's highly dimensional and how it can be used.

But actually, when you think about what great looks like, just take us through. Maybe I don't know the two or three major steps that you would advise organizations to think through as they're putting the platform in rather than just leaping on digitizing what they already do. You know, I think there are two things that I tend to focus on first.

One is which [00:33:00] personas are you trying to serve? So is this about making agents productive? Is this about making employees more productive? You know, what, what persona is really the persona that is driving That will drive the success and then what outcomes are you trying to get to because I think what happens a lot when people think about You know digitization there's kind of a when we do this thing Let's just move it to a digitized world and it's going to be better If you don't take the time to really think about it, you don't have to do it the same way You've done it.

We need to focus on the outcome. And so understanding the outcome is successful onboarding or You know fixing the the it issue in You You know, five minutes or less, or, you know, those sorts of measurements where we can say that's the outcome we're shooting for now. What's the process that best supports that?

Then digitize that process. The other thing I'd say, and this is something we've definitely seen over time. [00:34:00] Not trying to solve all issues at once, like picking the either rolling out pieces or picking a pilot population and getting the buy in so that it doesn't need to be a multiyear, big bang implementation.

ServiceNow can be up and running in four months. If you want to get something up and going and then learn over time, which I think drives a better overall experience and a better time to value as well.

Sjoukje, what have you been looking at this week? So each week I do some research on related ideas and transformation in tech. And this week I thought we should take a look at what the current automation trends are. But also, what will be the next big thing in automation? So is it going to be AI Shell? Is it AI?

No, no, no. It's different. That's why I chose, chose this one. Good one. You've got me on [00:35:00] tender hooks with this. Yeah, so some of the current trends in automation are of course, number one, generative AI and intelligent automation. We have digital worker first processes, strategic applications, Governance and security, but what will be the next big thing?

Of course, generative AI will be something that many organizations will look into in the upcoming years as well, but after AI, we will see a lot more ethical automation around evolving ESG regulations. So, more organizations will need to consider what ESG reporting is required in their region and industry, and will look to automation to solve factors such as their carbon footprint, data security, and employee satisfaction.

So, the question is, do we agree with this statement, where automation is heading in the upcoming years? Will sustainability goals be the next big thing in automation? For me, there's [00:36:00] a, there's an undercurrent there, which is completely turning it on its head. So, automation has always been about, help me with my task, but I initiate the task, I initiate the



contact.

I still think, and we discussed it a bit earlier in the episode, the power is where the automation, Ask us about a situation and what we want to do about it and then takes, takes it away. So I've recognized this data and condition is occurring in this situation. We think there might be a problem. Would you like me to do a, B, C or D?

And then it goes away and does the onward prescriptive action. And I think when automation starts to create. That where the systems prompting you asking you for a quick decision and then goes and takes it away. That's going to be fabulous, isn't it? Where the voice assistant just pipes up and says you're manufacturing lines going off a bit.

You're at 80 percent and you're dropping slowly. You know what you like to do? It's that reverse prompting. I think that will be a really powerful use case in the future of automation and sustainability, you know, you ask it to solve it or report [00:37:00] on it or it tells you where it's varying. That's Taking the labor out of having to you initiate.

I've not said that very eloquently. I'm perfectly aware apologies to the listeners, but hopefully my point was there. I don't know. I was tracking it till about halfway through there. I just went wobbling off the course. I fell off the the cliff and kept talking, isn't it? It's a classic. It was the connection to sustainability that threw you, I think.

And I think that's okay. Cause I'm trying to, I'm trying to make the connection too. So, so the article, what was it specifically saying that sustainability, the need to do it and the need to accelerate it is going to drive more automation or what? What was it? What was the sort of what's underneath it?, there was nothing underneath it, but I do think.

The ESG reporting thing is a mandatory thing, right? In Europe, I think. Yeah, you get big fines if you don't do it. So maybe they're talking about you need to automate this as much as possible, because [00:38:00] the organizational burden on creating that data is extensive. If you're in Europe and you've not thought about ESG reporting, you might have a problem.

So start thinking now, because you have to do your CO2 and your supply chain CO2. And quite frankly, that scares me with Having how do you get a hold of the data and process it effectively to meet the regulation is tricky and beyond the reporting part, right? Every company has sustainability goals now.

And if you can automate that, that's a perfect solution, right? Potentially. So Gretchen, when you think about drivers for automation and Yeah, maybe sustainability in the wealth of data that's going to be, you know, be required to try and track that situation. Or it could be just something more mundane within within a general enterprise.

Do you feel that there's that relationship between the two things, which is like, Oh, my God, giant task, let's automate it. Or are we still in the world of as we as we touched on in the main [00:39:00] conversation? Well, I understand this process. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10. Let me just implement that and repeat that. I didn't find item if you see what I mean.

Yeah, I think that especially as it relates to big projects, there's a tendency to kind of figure out which pieces could be automated rather than looking at the overall, but you know, to the example you gave earlier, there's absolutely interest right now from a lot of our customers to say, how can I help me with, you know, production down or, you know, Machinery reaching a deadline for recertification or anything like that, where we could actually have AI be the early warning indicator and ideally, the thing that kicks off all the other processes that are needed to keep the business running.

So I think there's an interesting opportunity there to kind of see, you know, again, I'm



putting AI a bit more in the assisting the human in their job approach, but part of that assist [00:40:00] is to say, Okay. You know, this machine is due for maintenance and the following dates are available. Let's go ahead and get this scheduled.

So you don't run up with run up into a problem later on. So I think there's some opportunities there. Well, let's bring us to a bit of a close today. That is a very thought provoking conversation. I think we really just on the cusp as we discussed of the levels of organizational change in automation that's that's about to happen in large scale organizations over the course of the next Five years or so.

So, uh, you know, a fascinating period ahead of us. Gretchen, thanks so much for taking the time to talk to us today. Thank you for having me. It was a real pleasure. And now we end every episode of this podcast by asking our guests what they're excited about doing next. And that could be something interesting in your, in your personal life.

You might have a great restaurant booked at the weekend, or it could be something in your professional life.

So Gretchen, what are you excited about doing next? I've got two things going on. Our biggest conference of the year is. Next week, we're recording this a little ahead, but [00:41:00] so by the time this airs, I will have spent three days with all of our customers talking about what they're doing with their technology, which for me is the most exciting part of my of my work.

I love talking to customers about how they're using technology and where it's going to go. So I'll have some interesting things to share. It's the bit that I love to. It's the application of it is where it comes alive for me. You know, smaller, you know, without that, it's just yeah. But when, when you apply it to real world problems, yeah, I love that conversation too.

Now I understand you're also will be in Vegas for that conference. Is that right? Absolutely. Yep. With thousands of my best friends, we're running a separate, uh, we've got the main show floor as well as a lot of opportunities for people to focus on specific use cases. So I'm going to be facilitating, for example, an HR leadership track.

Okay. Specifically focused with HR people who are looking into how can they do more with AI and with ServiceNow overall. We'll have a special area for customer service, a [00:42:00] special area for creator. Again, hitting all those different areas that ServiceNow supports. Which, uh, conference venue is it at, at Vegas?

An important choice. Uh, we're at the, the conference center that's tied to the Wynn and the Venetians, so Oh yeah, the big one! Very well. The big one. The big one where you can get lost in the shopping district in the middle and never see daylight again. That, I've been in there multiple times and I just go, I'm lost, sorry.

I need one of those, you know, what is it, the, the little trail or the string dragging behind me so I can find my way back to and do you think you're going to get out of the Venetian at any time during a three day period? I would be very surprised if they let me up for air, either they've got me pretty closely booked, but honestly, again, I'd rather be in go, go, go mode when I can be around this many people.

And then I'll come home and collapse on Friday. Yeah, that is the feeling when you get back, isn't it? You need a holiday. When we got back from Google Next, Rob and I both [00:43:00] needed, .

I forgot the name of the pills we were on! Antibiotics. Antibiotics. We both needed antibiotics. Now Dave, you can't say that, because that's going to start a bad rumor, and I



don't think that's going to be You did maybe come out a bit wrong. You should avoid talking about that. You did maybe come out a bit wrong.

Chest infections, just for the record. It was, it was rough to your mind. So yes, good luck with that. So the other thing that I am excited about, and I'm looking for feedback, uh, my son is graduating from his graduate program here in another couple months, and he and his girlfriend are moving to Ohio, which is where she's going to start her residency.

So I've not spent any time in Ohio. I'm a Michigan grad. So this is going to be a very big, uh, learning opportunity for me as we figure out, what's, what is Columbus all about? Is there a bit of rivalry? I don't know, I know there's some rivalry in the, in the university system. Is that a rival university?

There is a big rivalry between the [00:44:00] University of Michigan and Ohio State. So, I've already asked questions about like, am I allowed to wear a big yellow M on my shirt? And I've been told that's a very bad idea. Just be highly provocative. Well, we wish you a lot of fun with that and a huge amount of luck in Vegas next week.

Thank you very much. So a huge thanks to our guests this week. Gretchen, thank you so much for being on the show. Thanks to our extremely loud producer Marcel, our sound and editing wizards, Ben and Louis, and of course, to all of our listeners.

We're on LinkedIn and X, Dave Chapman, Rob Kernahan, and Sjoukje Zaal. Feel free to follow or connect with us and please get in touch if you have any comments or ideas for the show. And of course, if you haven't already done that, rate and subscribe to our podcast.

See you in another reality next week [00:45:00].

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