

The HCLTech Trends and Insights podcast

Nick Ismail

Hello everyone and welcome to the HCLTech Trends and Insights podcast. Today, we're going to be exploring a big theme - products, platforms and the path to an AI-led operating model. I'm joined by Sadagopan Singam, Executive Vice President, Global Head of SaaS and Enterprise platform, Edge Services, Digital Business Services at HCLTech, who works closely with global enterprises on large scale transformations. He'll be providing key insights from HCLTech latest research report, the blueprint to AI-led operating model covering everything from leadership alignment and cultural change to measuring value delivery and the role of platforms in scaling AI across the enterprise. Before we start, Sada, how are you?

Sadagopan Singam

I'm doing very good, Nick and happy to connect again.

Nick Ismail

That's great. Well, thank you for joining us and let's dive in. So given the rapid pace of GenAI innovation, what should enterprises prioritize first - technology readiness, leadership alignment or cultural transformation?

Sadagopan Singam

I think all the three need to sort of happen in parallel. I think one can't make the desired effect without the other being in place. The key thing for any enterprise is to take a holistic view because this revolution of GenAI inside the enterprises is going to be fundamental, it is going to develop deep roots and it is going to have every part of the organization touched through its power, versatility and robustness, which means that every organization will have to focus on all the three in parallel and there isn't anything that can be prioritized better than one another in this case.

Nick Ismail

That's great, Sada. Thank you and we're going to get into those areas in a bit more detail later. But looking at the report, it highlights that only 34 percent of large organizations link funding with value delivery. In your experience, what's holding enterprises back from making this shift and how can they bridge this gap?

Sadagopan Singam

So the observation that only 34 percent of the large enterprises are embracing this is indeed a very telling indicator. One is one third of the world is ready to sort of now, embrace this and move faster. There are two-thirds of the world that is actually had to do a significant catchup and it comes out of, you know, several things. I would say, four important things that come to my mind. One is the legacy project-centric funding models that exist within the organizations that is the biggest barrier in terms of moving to the GenAI era. And the second thing is there is a difficulty in quantifying an ROI. In the past, we used to have a longer duration of taking a view about how organizations and their programs deliver results. With GenAI, this is

movement on steroids progress on steroids, which means that you'll be able to get the outcomes much, much faster than what you were even ready for. That will call for a different paradigm in terms of understanding what value these initiatives drive to organizations. The third is IT business alignments, in many organizations it is a work in progress rightfully so because there is no way that you can get it into a perfect model. But in organizations which have a greater maturity in getting the alignments right basis, the decisions and the readiness they have exhibited in the past, they're able to embrace GenAI much faster. I would think the one third of the organizations which are able to embrace GenAI much faster belong to that category. The fundamental thing of getting the leadership to align with business as well as through with IT and to make sure that the business IT works cohesively together in this progress becomes very critical to accomplish the results GenAI can deliver for any enterprise that becomes an important barrier if it is not really or fully evolved. And the last but not the least thing is, there is nothing you know, perfect at every point in time. There must be opportunity. There must be an avenue to sort of, continuously monitor, and look for ways and means of improving both at the process level, at the technology level, at the business level, overall, at the enterprise level, to make sure that the outcomes of today are actually serving, not today's needs, but tomorrow's outcomes can serve tomorrow's needs better, that degree of adaptability and being ready for the future pretty much determines how much organizations on a continual basis are able to leverage the GenAI effects.

Nick Ismail

That's great thank you for sharing. And the research also shows that 70 percent of product aligned organizations emphasize the importance of customer feedback loops. So how do you see enterprise platforms helping clients integrate feedback directly into development cycles?

Sadagopan Singam

This is a very important topic. This goes at the heart of you know what can make GenAI effective for enterprise adoption and outcomes therein. I would think that there are four things that really matter here at the highest level, one is you know. the centralized data collections. In many organizations, data is still work in progress. Maturing data, harvesting data and making sure data continuously pumps in at real time to provide a realistic perspective of operational performance of enterprises - ease and art and discipline is skill by itself and the centralized data collection therefore becomes extremely important to be set in place. The second important thing is cross-functional collaboration with a wide wing that GenAI has. It is able to collapse and bring it under its wings multiple functions in terms of how they collaborate, how they feed into each other and provide the outcomes that in synergistic way, driving those towards a common business objective to. That is something enabled by GenAI at I would say, a rocket speed. An organization therefore need to leverage that well and towards that all the organization people and process need to come together. That becomes the second most important catalyst in this adoption. The third one is all the analysis should become data driven which means the analysis itself can become an AI-powered. Too often organizations get to settle down to a few chosen models of how to access performance which is good for simplicity and scalability, but it probably does not

have the organization to look at the trees in the forest together at every point in time, which is what GenAI provides. So this becomes an important barrier that the organization need to overcome and the last but not the least is the ideal development on integration that organizations need to embrace because the pace of deployment, the pace of development, the pace of change, everything has been shifted to a different quadrant with GenAI and the ability for organization to leverage those adopt to those spaces and make those changes at real time. It's like being on the front gear and be able to sort of coordinate. You know, running the car as well as changing the tyres and be that in the track and looking at the competition, looking at the lab, looking at engine performance, looking at the overall situation to make sure that we keep pumping in. That's the type of rhythm and velocity organizations need to embrace and GenAI enables organization to get there and all other parts of the organization need to synchronize with that. These in my opinion are the high level adaption issues that organization need to come to develop a muscle, to develop a certain organizational ethos to get the best value out of GenAI efforts.

Nick Ismail

Okay and you work closely with clients going through operating model transformations. What are the most common misconceptions you see about shifting to a product aligned approach?

Sadagopan Singam

The first thing is change management, ability for organizations to change and get to a level where there is some a real time alignment on objectives both at operational and strategic levels is becoming very, very important for GenAI to deliver the right type of results organization expected to bring home. The first thing is, I would say, even the organizational charts and the operating models will have to be able to completely change from a completely hierarchical setup or a geographically diversified setup or a multifunctional setup. The opportunity here is to come together as an agile executive team that can drive and take decisions across the board in real time. Because all these get synchronized in real time across functions and that ability for organizations to provide and empower executives at various levels, to embrace that model is the first requirement to get the right result out of GenAI. The second thing is there are many fake agile and output focus teams. For example, while we are on a particular path of exploring GenAI, there is this theorem, this postulation, this niche, this exception or this type of nuance that we need to accommodate, so these becomes a very locally optimal, but perhaps not necessarily globally optimal every time and that is something that organizations need to really cut through. And that's not an easy task. And that goes back to the earlier point I made in terms of change management being robust, being versatile, being there available under all the time that takes it. That comes into effect while we explore the fake aisle and approaching GenAI from multiple prisms. And the third one but not the least important is the ability for doing something what is called a product operating model in a way that one it becomes a product aligned growth. That means that from strategy to execution we got a particular method through which we drive both execution as well as the strategic decisions that we take which means now it will impact in

terms of the decision that we take on men, material and labor and that is something that actually prevents organizations from fully embracing GenAI in its true spirit and that need to be put in place as organizations begin to leverage GenAI to the core.

Nick Ismail

And to go back to the leadership alignment area we were talking about. The report found that 64 percent of decision makers say their leadership doesn't fully understand the importance of measuring value flow. So how can executive leadership better align strategy with measurable outcomes?

Sadagopan Singam

This is a great question, Nick. See again if you look at the four corners. Often how this can be enabled. The first corner is getting the strategic intent right which means that defining the strategic intent of the organizations objectives in terms of embracing GenAI in terms of improving across enterprise, the process flow as far as the value that organization wants to deliver. Making the strategic intent as crisp as possible as sharp as possible as clear as possible becomes a number one requirement in aligning strategy with measurable value flow. The second is developing outcome-based goals. Many organizations operated various levels in terms of driving value. And typically what happens is when you move across the ladder what really happens is, or either across the ladder or across the aisle, what we see is are different organizations moving at different pace, a different rhythm are not necessarily synchronized and that has got to be plugged in a way that each one of them understand what the other one does in terms of outcomes, in terms of dependencies, in terms of clearly defining the co-dependencies, pre-dependencies and post-dependencies, the reach part of the organization has on a related set of organizational entities that becomes the second corner on which organizations need to make some clear determinations. The third is embracing data-driven decisions. Too often the pace at which GenAI moves means that data keeps coming from different directions and sometimes you know, organizations revert to what I call as a method of habits where decisions get taken basis what was done routinely, but failing to embrace the ability for GenAI to really pump in data at various levels to facilitate taking the right type of decisions centered around data that becomes very, very important. That becomes the third counter on which the strategic imperatives in terms of measuring the value flows becomes very critical. The fourth one is obviously governance. All these are going to happen in real time. All these are going to touch every nook and corner of the organization and all these requires real time synchronization which means from technology sign, from process sign, from paper sign. As far as in terms of material, every resource available in the organization need to sort of come together and continually keep improving. That will call for the highest level of governance standards that organizations need to have to reap the benefits here.

Nick Ismail

And in your view, what does leadership look like in a truly AI-led organization? What new behaviors or KPIs or rituals are emerging among the most successful leaders that you've seen?

Sadagopan Singam

I think you know the four corners again if you go back to the same example that we used last time. If we look at the four corners of how the emerging leadership behaviors in this era is defined, we will have to see at the highest level from these four corners. One is empathy and emotional intelligence, second is adaptability and continuous learning, third is transparency and I would say humility. Let me explain what I mean in a while and 4th is the mental agility and the strategic you know AI application that organization decides to bring to the fore. So from an emotional intelligence standpoint, we all know that soft is hard and hard is soft inside enterprises. The soft skills of the organization, the fabric that embraces of this soft skill, pretty much determines how we absorb, how we sort of reflect, how we sort of help and facilitate a proper outcome happening across the organization at all levels. That will mean while A will drive all the data, it will provide with options, there are multiple decisions that we need to take wherein the empathy and emotional intelligence becomes very important in taking the right type of choices. For example, if somebody were to think that A will drive everything, we are here just as a human in the lobe, one in crisis, we lack that is, one way to do the other is how I can actually keep contributing to how GenAI can drive better results on how I'm an active participant, how I will be able to sort of feed and facilitate and review what GenAI does on a real-time basis, very quite continuously and without losing motivation. That becomes a very important hallmark of professional success, which is what organizations should begin to demand of executives. The second is in terms of transparency and humility. When I call this again, the soft skill comes to the fore here. One of the things that GenAI can drive is massive change, which means that sometimes the preconceived notions about how different parts of the organization are coming together to drive success can become a question mark basis what we assume versus what is happening in the GenAI era. Ability for us to embrace the facts both in terms of process level, people level, technology level and outcome level and having that humility to make sure that yes there is a change that is possible, ability to sort of know look at the world from a different person to drive large success is something that is upon us and understanding that then with through change management, making people align to that process becomes very important. Therefore, this becomes absolutely critical for a continual success inside the organization while embracing GenAI. And the last one is mental agility and what I call is ability to strategically apply A for enterprises at the technology level, because one is we can pretty much today with advancements happening here 100 percent, we can make all this at some point in time. We'll be able to get all the applications, all the technology decisions inside the organizations and the processes inside the organization to be completely centered on GenAI, that doesn't mean that the ability for human in the loop to make decisions of interventions, decisions of facilitations, you know goes away and those will have to be happening at real time, which means the agility for the human in the loop will also need to be of a much higher order on a progressive basis and that becomes very important. Therefore, the sharpness, the ability to intervene at real time, ability to intervene, the right way, ability to intervene at the pace and velocity at which the organization wants to move and the leverage of GenAI means that this decision making process become more and more robust and therefore executives need to

sort of raise the bar here and these become important considerations in aligning leadership with the flow that is happening there, centered around GenAI.

Nick Ismail

And finally Sada. Following on from what you were just saying and going back to the cultural transformation piece, many large enterprises say that a culture of experimentation is key to becoming truly AI first. In your view how are enterprise platforms helping democratize access to AI and embedding this experimental mindset into everyday business operations?

Sadagopan Singam

I think you know in broadly speaking one is GenAI by itself is actually democratizing AI axis. If you look at the low code, no code platforms, I have seen today many organizations going to management schools and say that you don't require deep technological expertise to leverage GenAI and still be on the technology stream to drive greater business value so that is becoming a real possibility. With GenAI tools and frameworks and platforms they can become true technology companions which means that you're going to see a slew of professionals being able to leverage GenAI to develop what traditionally look like, ability to drive codes, ability to develop codes, ability to configure codes so we are truly moving to a low code, no code environment. So this is the first you know facilitator in this process. The second is citizen developer. Today, the specialization needs are completely varying. I'm not saying there is no specialization but what was considered the citadel of wisdom in terms of know the one person who can sort of drive this type of initiative in certain an enterprise are the one team that can really do development which can be rolled out across the enterprise. So those assumptions are now making open to the question with GenAI, which means that we'll be able to actively get developers, get technology enthusiastic enthusiasms sitting at different parts of the enterprise as well as sometimes outside the enterprise to come together. For example, many organizations used to grapple of the challenge of how do you get the street to the boardroom? Which means how do you here make the customer voice heard in the boardroom? GenAI provides an opportunity, we'll be able to create a cohort of citizen developers, citizen technology enthusiasts, citizen process evangelists who be able to come and define varied ways of thinking and implementing them through GenAI inside enterprises. And this becomes a critical poll in progressing the agenda of GenAI inside enterprises and last but not least data democratization. We all know that even in the closed chambers we used to get some very sensitive data for enterprises that help several executives take what in their mind thought were strategic decisions. With powerful tools like GenAI, the ability to get both process data, pre-processed as well post processed data in real time as well as our data that existed for a long, long time that helps executives take view about how this data is coming together, how the organization is performing and find a pattern in its in its behavior. All these are becoming available for a large set of executives who never had the access in the past. This type of democratization will mean that it's going to provide a lot more revenues for different executives of different walks inside the enterprises come and provide very strategic advice, very I would say ideas about how things can change and all these become very important for organizations to embrace the full power of GenAI.

Nick Ismail

Sada, thank you so much for running us through the findings of your insights and for those interested in taking a deeper dive into the research you can click the link below.

Sadagopan Singam

Thank you, Nick. Pleasure talking to you.