June 2024

Cognizant CMT Product & Engineering Officers Forum

Eleven product and engineering officers from major companies met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through advance interviews. The discussion centered on Artificial Intelligence (AI) adoption and implementation challenges, data management and protection, expectation management as well as measuring the success of AI.

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Increasing the Velocity of AI

Key takeaways

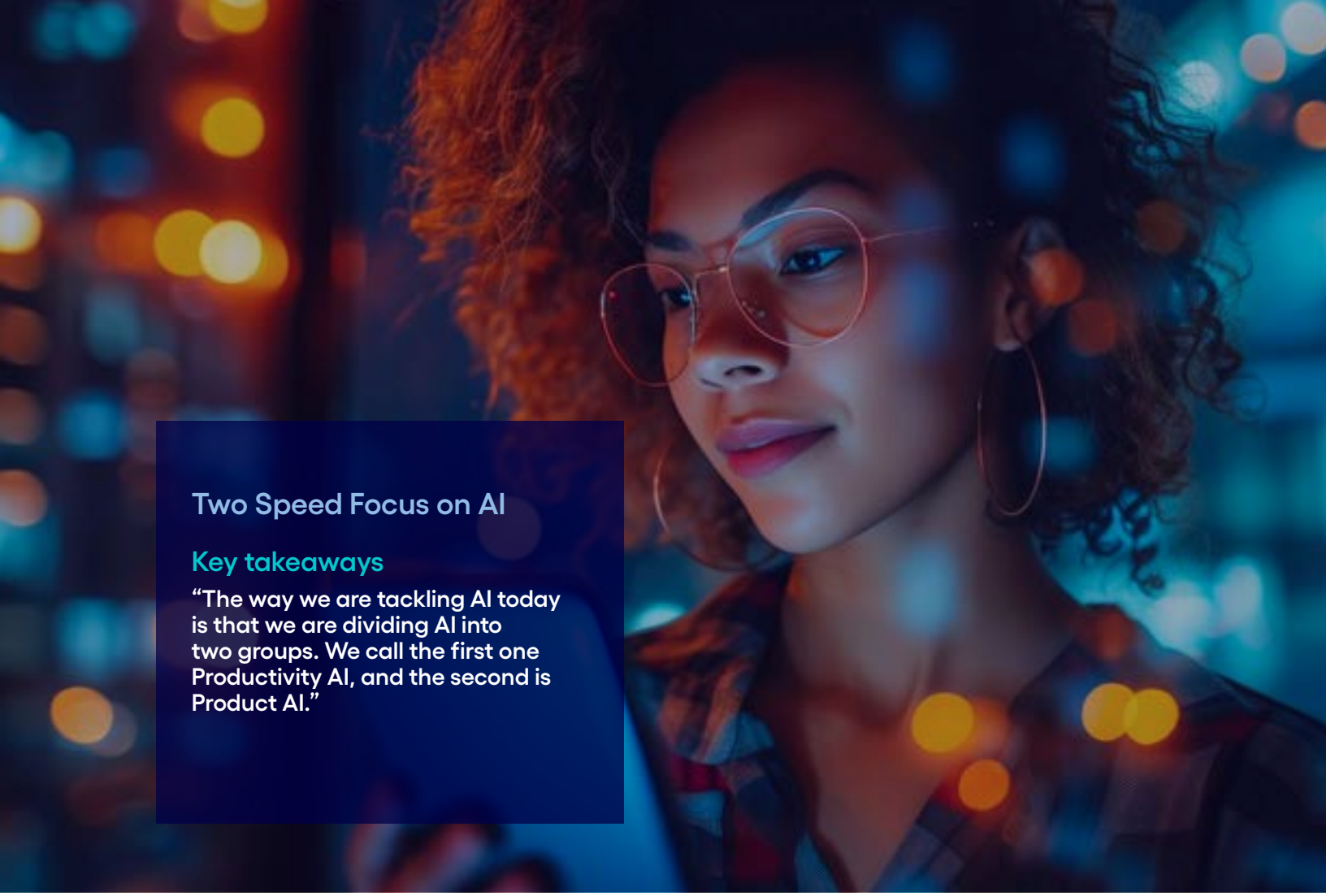
"I think that our success has been in a variety of areas, both in the situations where we have used the technology to accelerate the work of humans doing things like looking at content for particular breakpoints and markers or doing the work to serve properly recognized and transcribed content. We as an organization, are significantly invested in the concepts here and our leadership, our senior leadership team, very much believes that there is a tremendous opportunity for us to take cost out of what are very human heavy practices today."

- With the proliferation of AI tools and technologies, firms are seeing success in using AI to assist human tasks. Early successes have convinced leaders to invest in these technologies, believing they can reduce costs associated with manual practices. There is, however, a gap between expectations of AI as a quick solution for efficiency and revenue growth and the slower, more cautious approach needed for responsible and ethical deployment.

- The group stressed the importance of scalability, security, and accuracy in the implementation of AI projects. One executive mentioned that AI initiatives should not be rushed to market but developed carefully over time to avoid potential pitfalls. Another participant also stated that effective AI implementation requires strong support and understanding from company leadership and should be viewed in terms of long-term investments rather than quick wins.

- Despite the early stage promise of AI, organizations continue to grapple with challenges related to implementation timelines, governance mandates, technical deployment complexities, and safeguarding intellectual property and business data. To navigate these hurdles, one participant emphasized the need for companies to engage in continuous experimentation to maintain a competitive edge, while simultaneously addressing concerns and ensuring robust human oversight in AI-generated content.

- Although the industry has a solid governance framework to manage new technologies, there is a challenge in experimenting and implementing these technologies rapidly. One attendee discussed the need to experiment quickly and make decisions efficiently, particularly in scenarios like GitHub Copilot and data usage for deriving value. This rapid experimentation is crucial to avoid falling behind in the fast-evolving tech landscape.



Two Speed Focus on AI

Key takeaways

"The way we are tackling AI today is that we are dividing AI into two groups. We call the first one Productivity AI, and the second is Product AI."

- As they pursue AI, product and engineering leaders are often taking a two-speed approach of parallel tracks: AI for productivity and AI for monetization. AI for productivity focuses on engineers' productivity and AI for monetization focuses on bringing AI into the product. Leaders face an enormous amount of pressure to adopt AI, often from senior leaders interested in the "shiny new object," but adoption just for adoption's sake can lead to issues down the line. Establishing this dual track early on gives a focus to POC development and helps keep considerations such as security and scalability top of mind.

- One participant is dividing AI initiatives into two groups: "AI Plus" focused on leveraging tools to increase the productivity and efficiency of the workforce, and client-facing AI aimed at bringing more features and capabilities to customers. For productivity, they were early adopters of Microsoft Copilot for code assistance but have been cautious with who can access it—to this point, only experienced developers can use it so that new developers must still learn how to code without AI. On the customer side, the focus is on making sure any AI offering is secure and scalable, with these goals stated early in the development process.

- Organizations face high costs as they seek to implement generative AI on a larger scale, prompting a focus on being able to monetize the tools and get a decent return on investments. A member shared their experience with working with external vendors like Microsoft and mentioned that the high cost of scaling AI was a huge challenge to their firm. The member stressed the need for predictable cost structures and clear business outcomes to be able to manage these high costs.

Data management and protection

Key takeaways

"It may not be critical in low-code, no-code, code-assist scenarios, but everything else is all about the data. If your data that you're going to use in any of these tools is not clean, is not good, you've got a problem".

- Protection of data is a crucial part of AI implementation as organizations begin to utilize open Large Language Models (LLMs) to automate their operations. As a result of the data security risks posed by open LLMs, one attendee mentioned that their firm had established a governance team to help protect its data, ensuring its accuracy when utilized in open LLMs, and leveraging it for strategic purposes.

- The role of data officers is evolving and becoming central to both enterprise and product functions. This shift is largely due to the ever-increasing importance of data management—clean, well-governed data is crucial for successful AI applications. Recognizing that responsibility for data extends beyond the data function, some organizations are establishing cross-functional committees to ensure that AI projects align with broader organizational goals and security standards.

- Proper data management is fundamental for the success of AI implementation. A participant mentioned a shift in budget allocation at their firm to prioritize foundational data investments, likening it to funding a power plant before distributing electricity to homes. This ensures that data curation, governance, and other essential activities are adequately funded.

Expectation management and measuring the success of AI

Key takeaways

"With every use case, we're trying to do a ROI calculator up front as we prioritize it, and then make sure that we have the ability to track it. And as we're building those success stories incrementally, that's building some support."

- To maximize the potential of AI, it is important to continuously educate stakeholders on the differences between technological advancements such as machine learning, vector search, and generative AI. This education is essential for setting realistic expectations among stakeholders and enabling organizations to develop pragmatic use cases that effectively deliver value from their AI investments.

- In measuring the success of AI implementation, it may be crucial for firms to prioritize projects that can be measured in terms of their ROI. One of the executives cited an example of how the tracking of call center performance and consumer response rates could help demonstrate tangible benefits and build support for further investments.

- The spread of AI, coupled with its high potential has led to significant changes in the expectations of executives. Several participants now face senior executives setting high expectations for productivity while maintaining the same budget, a challenge that requires careful planning, asking the right questions, and realistic goal setting along with education on the true capabilities of AI.

Cognizant CMT Product and Engineering Officer Forum Host: Badhrinath (Badhri) Krishnamoorthy leads one of the Global Strategic Business Unit for CMT industries at Cognizant. A passionate leader, Badhri partners with client executives achieve their transformation goals by leveraging Customer Experience, AI & Data, and Digital & Technology solutions. He's a strong industry advocate, fostering connections through forums and sharing valuable insights with the community. He can be reached at Badhrinath.Krishnamoorthy@Cognizant.com.

The Cognizant CMT Product and Engineering Officer Forum: The forum is comprised of Chief Product & Engineering leaders from leading Communications, Media, and Technology companies. The group gets together on a quarterly basis to share best practices, exchange insights, learn from one another, and navigate these unprecedented times. Members decide the exchange agendas; interactions focus on the questions and interests of the members.

Profitable ideas exchange (PIE): PIE brings together communities of Fortune 500 executives from across the globe to connect, collaborate and learn from one another. PIE stands out for its ability to bring diverse voices to the table and facilitate ongoing high-value conversations. Two key components of PIE's practice are pre-interviewing participants to build relevant agendas, and a time-efficient format (virtual as well as in-person) to allow for executives to convene despite time and geographic constraints.

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