Speaker A 00:00:01

Welcome to the Future of the Firm podcast. I'm Emma Carroll, head of Client Voice here at Source, and today I'm really pleased to welcome Kim Buzzella to the podcast. Kim is global CIO Solutions leader at Protiviti and together we're going to be exploring what really unlocks value for clients in their tech transformations. So, Kim, it's wonderful to have you on the podcast. Would you mind spending a little bit of time introducing yourself to the listeners? Sure.

Speaker B 00:00:29

Great. Thank you, Emma. I really appreciate you including me in your podcast in your series. So, as you mentioned, I currently lead our CIO and CISO C Suite solution for productivity globally. In this role, I spend a lot of time, the majority of my time in conversations with these C suite members and their teams, listening and sharing perspectives of challenges, innovations, long term strategies. I work with our capability teams within Protiviti to support, you know, in the building of solutions to meet a lot of our client needs. Prior to Protiviti, I was in industry for quite a few years at a global bank where I was a CIO for all of their global corporate technology and also the America cio.

Speaker A 00:01:14

Thank you. And much of our conversation today is going to be centered around the results of your latest global exec survey. So just to set things up for everyone, what were you setting out to explore with the research?

Speaker B 00:01:27

Yeah, I mean, we launched the survey or the research really, because we see organizations continuing to invest heavily in transformation. Obviously today a lot of that is around a lot of their AI journeys, but broader transformation than just AI. And at the same time that we see companies making these significant investments in capital and leadership, attention and just broad programs, we still see a lot of struggle in them clearly being able to demonstrate the measurable value from all of those, those investments. So we wanted to understand, you know, how executives are measuring the transformation success, how do they measure value? And we assume, while we assume the CIO would be an important part of the story, we were surprised how much of the conversation came back to kind of leadership alignment when, when we really talked about value realization.

Speaker A 00:02:19

Thank you. And everything you're saying so far really aligns with what we're hearing too. We often hear that clients don't understand or just simply feel they're not getting the full value of their transformations, especially when AI is involved. So I'm really looking forward to digging into that a bit with you. You already started to talk about some of the key findings, but what are the key findings that stand out for you most?

Speaker B 00:02:42

I'd say one of the most immediate was that the executives are often very different, have very different views on that same transformation effort. In fact, technology leaders report more than two times greater confidence that the transformation in AI was going to generate value and cost savings or whatever value was measured from two times more than the CEO or some of the board members for firms. Similarly, we did an AI Pulse survey recently and we found there that 36% of technology leaders felt kind of above and beyond what other functions felt from a. From an ability to drive value.

Speaker A 00:03:23

Does that surprise you? Because sometimes in the research we do, we find that the CIOs, CTOs are a bit more realistic about the value.

Speaker B 00:03:33

Yeah, for sure. And I think what we, what we sensed was they would be more about. We would felt they'd have greater value or sense the value. It was the difference across the other C suite members that was so surprising.

Speaker A 00:03:46

Got it. So do you mind delving into that a little bit more? What would you add in terms of that divergence of views?

Speaker B 00:03:53

Yeah, so the CEOs and board members were most skeptical. And maybe it's more they found, you know, we found that only 30% of the CEOs felt confident that those AI journeys were going to generate the value and, or whether that was cost savings or, you know, cost reduction opportunities with measurable value there CFOs who primarily look at the value from a financial performance lend, they were fairly confident in that value. CEOs were probably the most optimistic as far as some of the leaders. And I think again, most are seeing a lot of the early activities around AI being in efficiency process changes areas where they themselves are very heavily engaged and their focus is can we do this faster, serve our customers better or more efficiently, or scale that growth. I'd say the C Suite outside and I spoke about the CIOs already the C suite member that was probably least comfortable was the Chro. Where they are viewing success and the transformation through the lens of the workforce and workforce readiness, organizational adoption. They tended to feel that do we have the right skills to take on this large journey?

Speaker B 00:05:20

Are our employees ready to embrace the change? Have we brought them along in the journey? Often the answer to a lot of those questions was no. But more were they involved in a lot of those discussions up front? So I'd say that was a piece of, you know, as far as like the difference of that alignment that we saw pretty significantly.

Speaker A 00:05:39

Okay, yeah. So a lot of divergence there and different opinions. Why does it matter practically?

Speaker B 00:05:46

So I think the alignment's more, it's more than a leadership issue. I think it's more business performance issue. You know, when, when, when leaders have different expectations for the transformation, it becomes harder to prioritize investments and then even just to sustain momentum. The journey itself, like the technology transformation, if it's a larger technology, are hard enough. But to not have that support and that alignment across the executive team makes it hard and also makes it harder to accelerate the value at the end. So we see it. I see it more as a business performance issue than a softer leadership topic.

Speaker A 00:06:27

And what can firms do to help?

Speaker B 00:06:31

Yeah, that's a great question. I mean, I think advisors, firms can play a large role in that, you know, really helping to bring that, that group together and aligning on those outcomes, you know, and helping whatever that Right. Stakeholder group is to create that shared vision of value. Like help help to identify what is the value, what are the metrics that need to be defined and supported by all, and then make sure that those are all connected across the ecosystems with the investments you're making and the outcomes that should be delivered. I think it's a great sweet spot for a lot of providers to really help our clients in.

Speaker A 00:07:10

Okay. And I thought it'd be useful to delve into some other aspects of successful transformations and I'm sure you'll be drawing on the report for that as well. One of the things that we often find in our quarterly client survey, we do a pulse check of the market and see what clients are saying as well. So a similar activity. And clients for frequently say that they're investing in tech infrastructure, that their adoption of advanced tech is at the real top of their priority list and right down at the bottom, over and over is people topics.

Speaker B 00:07:42

Yes.

Speaker A 00:07:43

And is that what you're seeing too? And if it is, I'd love your interpretation.

Speaker B 00:07:48

Yeah, it, it is. And it's interesting as a CIO in my prior life and trying to work through large transformations, the people topics usually came at the end. Like we were so focused on like the delivery. It's like, oh, right now we need to make sure our people are trained and adopted. And that's still happening many, many years later. And we saw the same thing in our survey. I think the number was one third of executives identified a shortage in critical skills.

Speaker B 00:08:16

Now again, very heavy AI focused. A lot of the lens that came out during our, during our survey felt shortage of skills. And whether that, you know, you should prioritize training as a primary barrier to that. You know, can we get enough training done or just workforce readiness. But skills was a big piece. The CIOs, I think, was 40% of the CEOs and 46% of the CFOs identified talent and skill gaps as their number one challenge for transformation. So much like you were hearing, put that almost toward the top, you know, I think it, it's positive in that it suggests that, you know, the executive team is acknowledging it, which makes it then easier than to do something about it up front. But it's just, again, it's, it's a big catalyst for the transformation success, making sure your workforce is ready and on board with the transformation before you move forward.

Speaker A 00:09:12

And I know that partnerships came up quite a lot as well, and we are talking about those quite a lot at the moment, and we talk about them a lot here at Source, about firms and their ecosystems and their partnerships. But they're important for clients too, aren't they? And I'd love to hear from you how you think partnerships feed into successful transformations for clients.

Speaker B 00:09:33

Yeah, so I think very few transformations are an internal only activity. There's at least an ecosystem out there, a partner out there in that technology stack. And when you're looking at AI, a lot of the large partners that are out there are making those investments in their own AI within their platforms and are doing a lot to enable transformations for their clients. In our survey, we asked respondents if they're using any of their big partners or ecosystem alliances, and the ones you would expect, Microsoft came up significantly. SAP, aws, Oracle, all of the big ones. And not just as, but really as a partner, which tells me even more so that transformation is really a team sport if you think about it. And often it's not just you and one partner, it's you and multiple.

Speaker B 00:10:31

So it's as much about aligning your ecosystem and really trying to understand that orchestration between them, which can be more complex, but ultimately can deliver multiples of the value. Because clients can take advantage of the investments and the innovation that partners are doing in their platforms. Yes, I think for, for, for us as advisors to our clients and for our clients, it's making sure you know that the conversations not just do you have the right partner, have you picked the right technology? But are you really managing that ecosystem in the most effective way to drive that value? I think the transformations today are much more sophisticated and complex, but the value.

Speaker A 00:11:18

Could be multiples, as you say, it's difficult to even get the alignment internally. And then you throw external alliances in and, you know, that's a really complicated thing to manage, isn't it?

Speaker B 00:11:28

For sure, yeah.

Speaker A 00:11:31

Anything else in terms of advice around that alignment piece externally that you throw into the pot.

Speaker B 00:11:36

Yeah. I mean, again, I think you said it right. Calling them partners is the first part. They're not just vendors, they're not just your technology provider. If you treat them really like partners, you'll see that value. A lot of our clients can be advisory to some of those, those greater partners and give feedback and make sure that they're continuing to give that feedback as they bring in. And us as advisors help our clients with that quite a bit.

Speaker B 00:12:04

But I think you do have to treat them as just part of your broader ecosystem from the beginning.

Speaker A 00:12:09

Would it be possible to chat to you a bit about where you're seeing most investment in technology from clients at the moment?

Speaker B 00:12:15

So obviously a lot of investment in the AI space at the broader topic. But when you really kind of dig in a side like the experimentation and pure AI, they're really focused on the data platforms and the data components of it. At the end of the day, it is fundamental to getting your value from AI. So I'd say data and then the data platform. I'd say the governance around it. There's a lot of investment being spent on, you know, are we doing the right things? Do we have the right governance out there now that we have broader parts of the organization leveraging AI in different ways?

Speaker B 00:12:52

Let's make sure we have the guardrails right and we've got those use cases in a good spot. Some of our data that we received, I think greater than 70% of every executive group identify data as one of the top priorities, investment priorities, to ensure that they can achieve their AI transformations and AI journey. They also said data was one of like recognized as probably the biggest challenge they would have, because if you hadn't really been managing your data historically in a way to now leverage it today, it's a bigger initiative. It's not just to kind of fix it. You really are fixing things kind of fundamentally. I'd say beyond data, obviously a lot of cloud transformations, continuing focus on cyber. I think AI again amps up the need to think about cyber and kind of the threat profile. And then kind of back on the partner topic, I think they're looking at a lot of clients looking at the big ERP transformations and again, taking advantage of the AI that's built into those platforms and the inherent data management within those platforms.

Speaker A 00:14:03

Yeah, and again, what you're saying, that does align with a lot of our research as well. So I think last quarter the top priority for clients was data and getting Data right this quarter. I'm just looking at the data at this very moment and it's risk has shot up to the top, which I think really talks to your cyber point that you were making as well.

Speaker B 00:14:22

Yeah, I think it's the risk, the cyber side of it, but also just the spend. Right. So we're also hearing a lot around like finops is the AI finops and there's like financial risk and there's data risk and the cyber risk we're really looking at. You know, now that we're making these big investments, let's make sure we're governing it to manage the risk and then obviously the threat around cyber for sure.

Speaker A 00:14:48

And Kim, do you think clients are getting that their balance around what they're investing in in tech? Right.

Speaker B 00:14:56

That's a great question. I think they're making the right investments. I think now the piece on value and that was part of our where we landed after getting all of our survey back on that alignment piece. It's how do we ensure that the value is coming out. I think they're delivering their tech, but is it delivering the value? And that's the real conversation that they're having. I think the balance between run versus change and investment, I think those balances feel right now it's around.

Speaker B 00:15:29

Are you getting the value out of all the change investments you're making?

Speaker A 00:15:33

Our data still showing us, and I love to hear from you on this, that there's still quite a lot of skepticism from clients about getting true value out of AI. Some of them talk about it feels more like tinkering around the edges. And I think last quarter 54% of them characterized AI as a bubble that might burst. So, you know, clearly still some really strong worries there. Are you seeing that? Are you hearing that?

Speaker B 00:16:01

Yes. You know, I definitely understand and appreciate the skepticism and we are seeing like a similar shift in the conversations with executives. You know, not too long ago it was all around experimenting. Will it work? Can it work? Let's let everybody try, give licenses to everybody and let them kind of tinker. You know, today it's much more practical.

Speaker B 00:16:24

You know, where are we seeing the value? What are the things we really want people to focus on? What's ultimately the cost of this? I don't think it's a bubble, but I do think we're kind of moving out of like the hype phase. Right. And it's now getting more into, okay, let's really look at where we're seeing the adoption makes them make the most sense and really get into deploying it in a very thoughtful way. So I see kind of more moving kind of to the right now. Yeah.

Speaker A 00:16:53

And where are you seeing the most successful adoption and the most value created by AI?

Speaker B 00:16:58

Yeah, I mean, I think we're still seeing a lot of it in, you know, the operational processes and kind of redesigning some of the processes and workflow, which is more of a cost reduction play rather than kind of like a kind of pure like a revenue play. And I'd say right now that's still very heavy, whether it's in customer service or IT operations or software development engineering, have not seen as much beyond like obviously the firms that already have deep data scientists and looking at, you know, that was kind of their core outside of them. We haven't yet seen like the big high value on like the front office revenue side yet. But I, I believe it's coming and I think that's a lot of the work now on that. But the value today has been much more on the process optimization cost efficiency play.

Speaker A 00:17:51

It's a bit mean to put you on the spot, but when do you think you were going to see that shift to creation of value around the revenue side?

Speaker B 00:17:58

Yeah, I don't think it's that far away. Right. Because I do think, yeah, obviously there's size and scale of it. I think the firms that were very kind of digital native, you know, they're already that they've already in that mindset. But when you look at the larger firms that obviously it's the getting the data in the right place to be able to do it, I think they're already using today, I think clients are already using it almost in the producing of the analytics and doing a lot of that work and then still obviously having the human in that loop to take those ultimate decisions. I don't know that we'll ever get agentic in that space, but using it a much more robust way to support those processes.

Speaker A 00:18:42

And Kim, heading back to the research for the moment, is there anything else that really sort of surprised you and stood out?

Speaker B 00:18:48

I think some of it was on against the alignment piece was one and then I think it was a bit more on, you know, kind of shifting how, how our clients are thinking about transformation. Right. And historically, if you were to ask a lot of firms, they would have named the CIO or the CTO in charge of the program. Like they're running it now. When you look at transformations, and I'm sure our peers, my peers in the organization, other consulting firms would say you're not getting A decision by one C suite member we're now looking at. When you go to sit and take a decision at a table, the folks around that table are all of the executives. AI has really pushed this from being a technology topic to a topic that, as it should do, touches everyone.

Speaker B 00:19:37

So it's really shifting. And we saw it by just how many different people responded to the survey and very like specific feedback on their views of. Of these transformations. I think that's pushed quite a bit as far as, like, engagement across the C suites for these larger, you know, complex transformations.

Speaker A 00:19:58

Did the research tell you anything else about what makes a transformation?

Speaker B 00:20:01

Successful alignment would be the big piece engagement of that. And that was, you know, when we think about feedback, I would give others, you know, kind of in like, you know, where. Like a point of kind of closure almost, but where I would see people should think about, you know, historically, I would have said, you know, make sure you have your data strat. Make sure you have your strategy right before you kick off this transformation. Make sure you're focused on data and you're focused on people. Then you're in a good spot. After seeing the results of the survey, I would put an even greater emphasis on making sure you have that alignment from the very beginning, like, before you start that transformation journey, the question should be, how will we know if we're successful?

Speaker B 00:20:48

How will you know if you're successful? And have you designed all those success criteria up front? And do you have those right folks around the table in agreement?

Speaker A 00:21:00

Kim, we always like to end on a really practical note, and I feel you've given us lots of practical advice already. But I'm wondering, for a client thinking about embarking on a new tech transformation, what would you advise them as a result of this research that you might not have thought to talk to them about previously?

Speaker B 00:21:19

Yeah, I think at that point, I think, you know, before you start, make sure you know how you want to end and make sure that you all ultimately agree with what that looks like. It's less about purely selecting the right tech, but it's more about creating that environment of your ecosystems and partners and alignment so that you all are aligned to the right outcomes that you ultimately have to achieve. It sounds really simple and I'm sure people will always do that. The survey would suggest we don't always do that. So. And I say we as. I say that more as my old CIO days, but.

Speaker B 00:21:59

And I think that's where advisors can really help.

Speaker A 00:22:02

Kim, thank you so much for the conversation today. Some really interesting data and some really interesting insight.

Speaker B 00:22:09

Thank you.