

Konecta

INTERVIEW WITH OUR GEN AI GROUP LEAD MASSIMO CANTURI:

GenAI a threat or an opportunity?



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Date: 30/10/2023

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Introduction to GenAI:

Could you introduce us to GenAI and explain why this initiative is so strategically important for the future of Konec! Group?

Konec! has been providing expertise across all dimensions of Artificial Intelligence for many years. We have long incorporated “traditional AI” solutions into our offerings, developing various services and products tailored to BPO business needs, such as predicting customer churn, volume forecasting, product recommendations, and insights extraction from image, text, and voice, such as speech and text analytics.

With the advent of Generative AI (aka GenAI), the next frontier in Artificial Intelligence, Konec! is further developing its AI proposition with new products and services around GenAI. We

recognized the potential of a transformative approach to how we operate, serve our clients, and innovate.

GenAI unlocks three unique abilities that traditional AI cannot: rapid insight extraction, hyper-personalized content generation, and “out of the box” ability to create human-like conversation. These unique abilities allow Konec! and its clients to create value at scale through automation, augmentation, and personalization in many applicable use cases.

By embracing GenAI and blending with traditional AI, we're poised to further enhance the performance of our operations, generate new revenue streams, and boost our competitiveness,

Thanks to the addition of GenAI, we will have more tools to innovate, scale, and meet the evolving needs of our clients and their customers, ultimately contributing to our long-term sustainability and success.

Do you see GenAI as a threat or an opportunity?

For Konecta, GenAI is decidedly not a threat but a big opportunity to boost our future growth, expanding total addressable market, and a driving force to strengthen our position as a “diversified BPO” player, expanding our service offering. We consider Generative AI a substantial stepchange for our Group and industry, and we are approaching its adoption at Group level, with a commitment to embrace it immediately to leverage our leadership.

We see opportunities in enhancing our operational efficiencies and augmenting our human team with super-agent capabilities and more efficient streamlining of processes. Moreover, thanks to the democratization of capabilities enabled by this technology, we aim to expand and deepen our service offerings, introducing innovative solutions in multiple industries and penetrating new verticals by addressing sector-driven needs.

Goals and Aspirations of the GenAI Office:

As the leader of the AI Acceleration Office at Group level, what are the key missions and ambitions you have set to propel Konecta forward in its journey toward embracing AI?

Based on our understanding of this technology, GenAI is not a fad: in contrast, it's here to stay, which is why we are handling it at Konecta Group level, creating the AI Acceleration Office.

This office is a dedicated global cross-functional and cross-country team and it is concentrated on capturing GenAI's boundless potential and propelling multiple initiatives around efficiency, internal productivity, and service expansion.

Scalability is a critical factor for the success of the introduction of GenAI and to enhance the effectiveness of this change is pivotal, managing it with a top-down approach. Adopting this technology, the Group is focused on cultivating knowledge and initiatives, pinpointing ‘golden’ use cases that can scale within our operations, tailored to accommodate the various geographical, industry, and regulatory differences.

Within the AI Acceleration Office, we are blending our internal talent expertise and business knowledge with AI and broader technical expertise, supported by Globant – an AI-focused, digitally-native consulting & IT services firm. We are actively engaged in identifying global-scale partners for collaboration.

Group-wide Implementation Strategy

Can you detail the strategy for implementing the GenAI initiative across the various regions where Konecta operates and can you explain how you ensure cohesion across the different branches of the business?

In the context of our GenAI initiative, we are pursuing a 'glocal' approach. Konecta created a central hub with a top-down strategic mindset that recognizes the importance of global consistency while respecting the necessity for local customization.

This approach not only ensures that our GenAI initiative remains cohesive and aligned with our Group's mission but also enables us to address the unique challenges and opportunities presented by different geographical and sectoral contexts. By combining the strengths of both global and local perspectives, we can maximize the effectiveness and relevance of our GenAI implementation, ultimately driving greater success and impact across diverse markets

Consequently, to push the boundaries of what can be achieved with Generative AI and to foster a culture of innovation, we've created an environment where we can brainstorm potential use cases, experiment, prototype, test, and subsequently deploy it in each region with the assistance of local technical and business teams.

Early Indications and Feedback on GenAI Initiatives:

While the detailed study from the GenAI Office is still in progress, are there any early indications or feedback that you can share about the preliminary impact or reception of GenAI initiatives within the Konecta Group?

That's an excellent question! Before addressing it, I'd like to clarify that GenAI will have a profound impact on all the company's business functions, necessitating a multidisciplinary approach. It represents a significant business transformation enabled by technology, rather than just a new technology adoption.

Considering this concept, our initial efforts to introduce GenAI can be encapsulated in one motto: 'Think big, start small, and scale fast.' 'Think big' involves identifying our 'golden' use cases to maximize value creation for the Group. We've pinpointed about 40 global use cases, categorized into seven product families. 'Start small' entails following a standard product-like implementation approach by breaking down functionalities and prioritizing implementation based on their impact. 'Scale fast' means precisely defining regional requirements and constraints for the introduction, such as regulatory considerations, while also focusing on educating and training our workforce to maximize the adoption of these new tools.

In embracing the 'think big, start small, and scale fast' motto, Konecta not only envisages the global potential of Gen AI but also recognizes the importance of adapting and tailoring our strategies to meet the unique needs of different regions and industries. This embodies our 'glocal' approach, where global vision and local context converge to drive the success of our GenAI initiative.

Challenges and Solutions in Deploying GenAI:

What major challenges have you encountered in deploying GenAI across the group, and what solutions have you implemented to overcome them?

Deploying GenAI across our organization has presented, and is presenting, several challenges but I will focus on two of them that at Konecta we believe are critical: the organization's readiness and the concerns related to data privacy and security.

For the organization's readiness, as I said above, GenAI represents a significant shift in the way an organization conducts its business functions; in other words, its operating model. It involves not just adopting new technology but fundamentally changing how the organization operates.

To successfully implement GenAI, we are working on the mindset and culture within the organization, especially in our operations, internal

support, sales and go-to-market functions. Each of these areas needs to understand and incorporate GenAI capabilities into its workflows and, for this reason, Konecta is actively investing in training and educating our workforce, providing them with the knowledge and skills required to effectively utilize GenAI technologies.

The second relevant topic is data and security. Regulating AI and Generative AI is a complex, globally scrutinized issue, with challenges related to geographical regulatory differences. Over the next months and years, EU, US and many other national institutions will issue new rules about the use of AI and GenAI, in order to balance innovation with protection against misuse, encouraging open standards.

The outcome will significantly influence the use and future development of this technology on a global and regional scale. In our commitment to data privacy and security, safeguarding our clients' sensitive information remains our top priority. We are adopting enterprise-ready AI and Generative AI models but maintaining the flexibility of being as agnostic as possible and API-driven to reflect the varying regulatory landscapes in different geographic regions.

Practical Application of AI through GenAI:

Could you share a concrete example where AI technology, through the GenAI initiative, has substantially improved or innovated a

particular aspect of Konecta's operations or services?

Preliminary feedback about the Generative AI introduction has been encouraging.

Our early-stage projects, especially in key areas of the agent's journey like training and nesting and agent augmentation, have shown GenAI's potential in accelerating the experience learning curve, reducing the ramp-up period, and optimizing processes with better responses to customers' inquiries, reduced handling time and higher levels of first contact resolution. Internally, we've witnessed enhanced efficiency in our tech and HR support through GenAI.

However, it's essential to note that while GenAI shows immense promise, its real-world, large-scale applications and consumer reception are yet to be fully realized. We're making strides with a cautious yet optimistic approach, always prioritizing user experience and feedback.

Success Stories and Testimonials with GenAI

Could you share a particular success story related to GenAI that symbolizes for you the value and potential that artificial intelligence brings to the entire group?

One of our initial implementations was for an insurance client, specifically focusing on car and motorcycle claims management. We assisted this client in redesigning and implementing a new,

streamlined claims management process. The initial process was overly complex due to extensive data input requirements for claim registration and the need to integrate various legacy systems. Additionally, the client faced challenges in tracking the progress of its claims management process.

After assessing the existing process, we devised a new approach that combines traditional AI capabilities (such as OCR and RPA) with cutting-edge Generative AI capabilities powered by Microsoft and OpenAI's GPT-4. This end-to-end process is seamlessly orchestrated by our proprietary SaaS orchestration engine, blending traditional AI and Generative AI functionalities.

For instance, by utilizing OCR, RPA, and GenAI, the client can now efficiently handle document indexing, registration, classification, data extraction, and archiving with minimal human intervention. Furthermore, the introduction of an agent co-pilot enables augmented agents to access a consolidated screen displaying document information summaries, actionable suggestions (e.g., recommended email content), and the monitoring of personalized communications sent to clients (e.g., notifications regarding missing mandatory data during the registration process).

With the implementation of this solution, the client achieved remarkable results, including a 30% reduction in claim processing time, a 90% decrease in errors, and a 40% reduction in the learning curve for new agents.

Anticipating Future Possibilities with GenAI:

Even though the comprehensive study is still underway, how do you foresee the potential impact of GenAI on the strategic decision-making and operational dynamics of Konecta once the findings are fully analyzed and implemented?

That's a very interesting question! I anticipate that GenAI will have a transformative impact on our organization. Based on preliminary feedback, we will be able to have more efficient operations empowering operational managers with new tools, enabling faster and more accurate governance but, also, to deliver unparalleled and top-notch customer experiences thanks to GenAI-powered chatbots and co-pilot collaborating with our "super agents".

GenAI will not only optimize our internal processes and operations but also will be an enabler of an extended service offer to our client becoming a "diversified BPO". GenAI democratizes capabilities and knowledge, facilitating both the entrance to new verticals and the ability to provide new services. It is increasing our credibility for clients when it comes to offering 'blended' services, which are a combination of super agents and technology services.

This combination is, and may be further perceived in the future as, more advantageous by the clients because we are bringing along with our multi-year

deep business process expertise the technology ecosystem to make the change real and effective.

Moreover, we expect new lines of business related to GenAI-specific services, such as data annotation and machine training, AI supervision and moderation, and prompt engineering.

In summary, GenAI will play a pivotal role in shaping our strategic decision-making and operating model. It will drive efficiency and expand the service portfolio with new services, ultimately reinforcing Konecta's position as a "diversified BPO" in the market.



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