

While robots rise, is your customer winning?



Every year, a collection of billionaires, top business executives, academics, politicians and even a smattering of celebrities get together in a luxury ski resort in the Swiss Alps to talk about the problems facing the world.

The theme of this year's World Economic Forum (WEF) in Davos was "creating a shared future in a fractured world", with a special focus on areas like technological advances, climate change and rising inequality.

Apart from hot topics like the booming world economy and Brexit, the delegates talked at length about a topic that's of huge interest to us in the financial services sector: the rise of the machines, and the impact of the digital revolution on society, businesses, consumers and the world of work.

We find ourselves increasingly talking about new technologies – blockchain, artificial intelligence (AI), robotics, augmented reality, virtual reality, the automation of jobs. In fact, it's all everyone seems to be talking about these days. As advisers and consultants, this is both exciting and terrifying.

Exciting, because this so-called Fourth Industrial Revolution that we're living through right now is the greatest transformation we have ever seen, with the power to transform practically every aspect of our lives and businesses.

Terrifying, because in the process of creating a world that is constantly connected and constantly innovating, we are also constantly confounding conventional wisdom. Staying on top of trends, and planning for likely scenarios, has become a deeply humbling and vulnerable process, because we're caught off guard so often by the sheer speed and scale of new developments.

So how do we make sense of the possibilities being opened up by incredible computer power, and analytics that allow us to understand consumer behavior like never before? For us, it's important to remember that technology is just an enabler for something far bigger – creating better experiences for the consumers and ordinary people who use our products and services. The machines may be rising, but they work for us.

We're warned regularly by people like Elon Musk about the dangers of AI, and machines becoming self-aware.

I don't think the danger is of Skynet, the self-aware intelligence that turns on humanity in Terminator. The real danger is that we fail to realise the full potential of harnessing the power of machines that have become astonishingly good at making decisions for us by processing vast amounts of data.

Let us be clear here. Simply making your business more efficient isn't the end goal here.

Efficiency is just a measure of our progress. The real promise is letting the machines make routine decisions for us, while we find ways of truly delighting our customers at a time when customers have never had higher expectations or lower loyalty.

Your customers will go where they get the best deal or the richest experience. This means your job is to use the insights being given to you by the machines, sense-testing them in the real world, and adding a layer

of humanity, creativity and compassion that makes a lasting connection with them.

We've been given the greatest set of tools any businesses have had at their disposal in the history of work. Our challenge is to make sense of them, and use them well. And that's probably our biggest action as senior leaders right now: to know what it means to lead a company in the digital age. That means understanding what technologies like AI and VR are, and what that could mean for your business. You don't need to be a technology guru, but you need to know what's going to change your industry and company in the very near future.

In a nutshell, if you are investing in technology in any way and your customer isn't winning then you are wasting your money.



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