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KPO in the Age of GenAI

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Introduction

The integration of advanced technologies has become a pivotal force driving growth and innovation in the rapidly evolving landscape of today's industries. One such groundbreaking technology that has reshaped the way businesses operate is GenAI, a subset of AI that holds immense potential across diverse sectors, revolutionizing processes, decision-making, and problem-solving. North American businesses, as reported by Infosys, are set to invest 67% more in GenAI in 2024 to enhance efficiency, experience, and overall growth.

The significance of GenAI in diverse industries lies in its ability to generate human-like outputs, understand context, and learn from vast datasets. GenAI has demonstrated its ability to enhance efficiency, accuracy, and creativity from healthcare to finance, manufacturing to marketing.

Amidst this technological shift, it is imperative to highlight the significance of Knowledge Process Outsourcing (KPO) firms in steering decision-making and problem-solving endeavors. Recognized for their proficiency in knowledge-intensive tasks, KPOs have become essential collaborators, serving as strategic partners with deep domain expertise. Positioned to integrate GenAI, they play a crucial role in transitioning from facilitators to catalysts in the GenAI era. This synergy beyond technological integration forms a narrative of industry leadership, empowering businesses for success in the age of AI.

Importance of AI/GenAI in Decision-making for Diverse Industries

In a recent survey involving 200 senior business leaders in the US, a significant 80% stated that GenAI will disrupt their respective industries. Additionally, more than 90% are confident in the value that GenAI can bring to their businesses. In the contemporary world driven by data, making informed decisions becomes the key to notable success or potential failure. From the bustling Wall Street to the humming manufacturing belt, businesses grapple with myriad decisions—ranging from market investments and tailored marketing campaigns to operational upgrades.

GenAI emerges as a transformative force in navigating this continuous decision-making landscape, fundamentally reshaping the decision-making paradigm for companies across diverse industries. Even critical business functions, such as Finance, are now adopting GenAI tools. These tools analyze market trends, economic indicators, and even news sentiment with remarkable speed and precision, predicting potential investment opportunities in the tech sector. According to an EY US survey, 77% of executives express long-term optimism, foreseeing GenAI as a significant boon to the financial services industry in the next 5-10 years. GenAI in the financial services market is set to multiply nearly tenfold between 2023 and 2032—from \$1,186 million to \$11,220 million at a CAGR of ~28%.



Consumer packaged goods (CPG) companies are also now leveraging GenAI to analyze consumers' preferences and emerging trends to predict future demands. The potential value GenAI could generate for the retail and CPG industry is substantial, potentially increasing productivity by 1.2 to 2% of annual revenues—or an additional \$400 billion to \$660 billion. Imagine the strategic advantage of developing a product line precisely tailored to your target audience's desires before they even recognize them—an advantage propelled by GenAI's digital prowess.

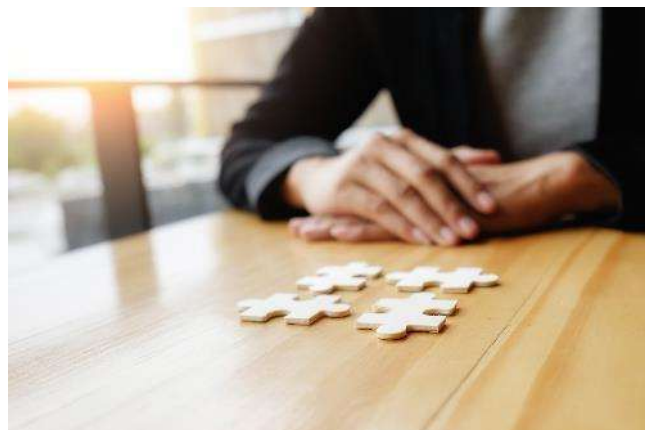
Role of KPO Firms in Decision-making Support

Amidst the transformation of decision-making in the business world, KPO firms have emerged as influential contributors, providing specialized expertise and insights to diverse industries such as finance, technology, healthcare, manufacturing, and retail. Serving as silent support pillars, KPO firms can be crucial in guiding businesses through strategic initiatives.

Within the technology sector, KPO firms guide the way in innovation by offering comprehensive R&D support. Their contributions extend to market analysis, assessment of technology trends, and competitive benchmarking. In a tech-driven world, KPO firms become instrumental in shaping decisions related to product development, fostering innovation, and determining market positioning.

Additionally, in the dynamic realm of retail, KPO firms help retail players become trendsetters. Through market research, analysis of consumer behavior, and a keen understanding of the competitive landscape, they empower businesses to tailor strategies, refine product offerings, and elevate customer experiences.

As businesses navigate the complexities of the modern era, the role of KPO firms in decision support cannot be overstated. Operating in the background, they bring a wealth of specialized knowledge and analytical prowess to the table.



How will GenAI Strengthen Knowledge Processing Outsourcing?

The integration of GenAI serves as a dynamic enabler, reshaping traditional approaches and advancing the KPO firms into new realms of efficiency and innovation. It introduces an ability to efficiently process vast amounts of data, promising to transform operations and provide an advantage.

It enables the analysis of extensive datasets, including financial and consumer data, to automatically generate reports and summaries highlighting key trends and insights. This streamlined process saves KPO firms valuable time and effort, allowing them to concentrate on more in-depth analysis and interpretation. According to a research study conducted by MIT, the utilization of GenAI has resulted in a notable 44% reduction in the time required for professional writing tasks. Moreover, GenAI's capacity to personalize insights for different organizational stakeholders is exemplified by its ability to generate reports tailored to the specific needs of individual executives or departments.

KPO firms can leverage GenAI to analyze market trends, assess news sentiment, and interpret economic indicators to predict future market movements. Combined with existing expertise, they can deliver tailored solutions to meet the specific needs of various firms. Additionally, GenAI proves instrumental in analyzing consumer demand, scrutinizing production data, and conducting extensive market research, expediting insights generation.



Challenges and Considerations

As companies embrace GenAI, they confront many challenges, especially in ensuring ethical use and governance. In this complex landscape, KPOs become valuable partners, assisting organizations in establishing ethical guidelines for GenAI utilization. These firms play a pivotal role in addressing biases, promoting transparency, and guiding companies through the intricacies of responsible GenAI deployment. Furthermore, KPOs provide essential support in navigating data privacy and security issues. Through the development and implementation of robust measures, they ensure compliance with regulations and safeguard sensitive information, recognizing that, despite the significant capabilities of AI systems, they remain susceptible to errors and ethical challenges.

Another critical aspect is the role of KPO firms in upholding quality and ethical standards, recognizing the dependency on human cognitive skills to analyze information critically. In tasks beyond GenAI's capabilities, consultants using GenAI were 19 percentage points less likely to provide accurate solutions than those without AI, emphasizing the importance of human expertise and specialized knowledge. KPO firms also address copyright concerns by ensuring thorough referencing and proper source citations. The diverse range of industries served necessitates a comprehensive approach, demanding an understanding of sector-specific nuances. Additionally, KPOs work on the delicate task of calibrating GenAI's adaptability to various data structures, ensuring seamless integration across industries. In achieving this delicate balance between innovation and ethical considerations, KPOs truly shine, unlocking the potential of GenAI and supporting organizations through the challenges of diverse sectors.



Conclusion

The integration of GenAI marks a transformative era, helping KPO firms become more efficient and innovative. As we stand on the cusp of a digital revolution, the strategic synergy between GenAI and KPO promises to be a driving force, helping industries into a future defined by innovation, effectiveness, and responsible technology integration.



About Benori Knowledge

Benori is a trusted partner for knowledge solutions across the globe, serving clients from a wide range of industries including Professional Services, Financial Services, Consumer & Retail, Technology & Internet, Industrials & Manufacturing, and more. Our customized solutions strengthen the insights value chain of our clients, empowering them with key insights needed to drive intelligent decision-making and accelerate growth.

Headquartered in India, Benori is uniquely positioned to deliver multilingual research needs of global clients, powered by its digital agility, deep research capabilities and a highly experienced leadership team. Adopting a 360-degree approach, our team employs a combination of diverse methodologies including primary research, secondary research and data modeling, and offers detailed foresight on market trends, competitive shifts, regulatory changes and technological advancements.

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