



ARTICLE

# Why 2020 will be a watershed year for automation



By Nitin Mishra  
SVP & Chief Product Officer  
NTT Global Data Centers and  
Cloud Infrastructure, India  
(erstwhile NTT-Netmagic)

While the need for automation has always been necessary, the Covid 19 pandemic has forced organizations to step on the accelerator. In a recent report, titled, 'Covid-19 – Tipping Point for Automation', Nasscom, has said that the Covid-19 pandemic has acted as a catalyst for the development of automation technologies by global and Indian companies. Citing the key reasons, Nasscom says that geopolitics, EHS (Environmental, Health & Safety) and supply chain reliability will create massive opportunities for the automation industry.

If one looks at the current situation, it is clear that the Covid 19 crisis has exposed many organizations on their lack of digital maturity. Firms which have invested in digital

technologies have fared much better than those who have not. This has pushed firms to increase their investments in automation. According to KPMG research, before COVID-19, over 40 percent of companies were actively investigating automation, self-service, machine learning and AI. Since February, KPMG estimates that this number has increased to over 55 percent.

As organizations seek to lessen the impact of the Covid 19 crisis, there will be a huge emphasis on automation. In the current and post-Covid world, many organizations will look to leverage digital technologies for improving their productivity and profitability.



## Key trends

In the post Covid world, the following key trends will be visible and dominant:

### Rise of self-service channels

As the world gets ready for a contactless world, there will be a rise in the demand for self-service channels. Increasingly, customers will prefer self-service channels such as chatbots or apps to access and consume services. For example, in the case of an insurance firm, chatbots will be able to address a policy holder's queries such as fund value, policy details, request for premium receipts etc. Chatbots can provide accurate answers and are available on a 24/7 basis. Chatbots leveraged for customer service have a strong potential to reduce costs with deployments realizing annual savings for retailers of \$439 million globally by 2023, up from just \$7 million in 2019. Gartner estimates that by 2021, 25 percent of digital workers will use a virtual employee assistant on a daily basis. These statistics will go up by a significant percentage, as these statistics were predicted before the Covid 19 crisis hit us.

### Remote workspaces

Covid 19 has transformed the way we work. Already, firms have started becoming comfortable with the Work from Home concept. In the future, this trend will become the norm than the exception. Employers will increasingly offer alternative work models, powered by digital technologies. Virtual onboarding will be the preferred medium for onboarding new recruits. Flexible working hours will become more common, and organizations will increasingly use AI-based technologies to ensure productivity and satisfaction of employees.

### Rise of 'as a service' models

In an economy that will increasingly become more cost focused, there will be a rise in as a service models, that are outcome based. With the rise of the cloud, many organizations will prefer OPEX models vis-a-vis CAPEX. Cloud-models are also scalable, which help in making the business ready for future growth and expansion.

### Productized services

Automation can help enterprises provide productized services at scale. For example, Bajaj Allianz General Insurance has launched an IoT powered service called DriveSmart that helps customers monitor their driving habits. The company rewards good driving behaviour with discounts. Similarly, Blue Star, uses IoT to provide proactive predictive maintenance services and use the data collected to prevent further issues in its chillers. JCB, a leading construction equipment manufacturer, uses IoT to improve uptime of its machines and proactively provide insights into utilization to its end customers. With Covid 19, one can expect an uptick in the plans of companies to provide productized services.

### AI will be omnipresent

The combination of the cloud, large volumes of data available for analysis, and the ability to collect data effortlessly through low cost IoT devices, makes it the perfect environment for application of AI. Besides automated customer service agents, AI will be increasingly used for automated preventative maintenance, diagnosis and treatment systems and fraud analysis and investigation

Automation is already driving a lot of efficiencies, and Covid 19 will only force organizations to quickly relook at their business processes. For example, in the current WFH scenario, a call center firm can use bots to automate the monitoring of productivity of agents who can be spread across the world. Similarly, a pharmaceutical firm can use bots to collect and aggregate information from multiple sources to enable fast filing of regulatory documents. A bank can similarly aggregate information to review loan applications, validate the credit profile, and automate the processing of loan to the customer. There are many such use cases across different industries.

If one looks at the above trends, it is clear that Covid 19 will perhaps drive digital transformation at a pace that was never seen before. 2020, hence, will be a year, that will set the pace for automation for the future.