# PRODUCTIVITY

Improving productivity across all company processes is a key objective of AI. In the TRAIDA approach, achieving productivity gains is the primary objective to reach an initial return on investment from AI at the enterprise level. This is achieved through an analysis of hidden costs.



## 1. CONDITIONS OF SUCCESS

In the TRAIDA approach, achieving productivity gains is the primary objective to reach an initial return on investment from AI at the enterprise level. In other words, AI is first deployed to improve existing processes before being used for business model transformation. This is an important step aimed at securing initial successes and gaining experience, allowing for more creative action later on.

According to the consulting firm McKinsey (2024), 70% of tasks performed by each employee can be automated by 50% thanks to AI. This represents a significant source of productivity that does not require disrupting business models. By leveraging this productivity potential, the benefits for managing the transformation with AI are as follows:

- It does not require prior consideration of changing business models.

- In the event of failure, it does not disrupt the company's operations.

- It offers the opportunity to achieve financial gains through incremental deployments, without tunnel effects or big-bang scenarios.

These productivity gains must cover the cost of the minimal architecture necessary for AI deployment at the enterprise level (see the TRAIDA technical cards, particularly ODS, MDM, and EKG). To recall, the goal is to set up a semantic platform from the deployment of the first AI use case. Since the cost of this architecture is added to that of the initial use cases, it is important for it to become profitable quickly.

Let's take the example of a company starting its transformation in this way:

- An impact study shows that AI will save two workdays per employee. With 10 employees, each with an average monthly salary of 5,000 euros, the total payroll is 600,000 euros per year. The estimated productivity gain is 60,000 euros per year, or 240,000 euros over four years. This amount is allocated for implementing the first version of the minimal viable architecture for AI.

- The workload saved by this AI exceeds 200 days per year. This productivity gain will enable team reorganization and increase value creation (see the TRAIDA business card for Creativity).

- Once in place, the semantic platform serves as a springboard to quickly deploy additional AI and data governance mechanisms, thus adding other use cases that will target both productivity gains and creativity in business models.

- Before committing this 240,000-euro budget, a decision-making dossier demonstrates the reality of the expected gains and proposes a roadmap with intermediate results. An initial release of 20% of the financial resources is used to develop an AI prototype. Thus, the initial commitment of 48,000 euros represents the maximum financial risk to confirm that the business and technical

constraints are well understood by stakeholders. Once the prototype succeeds, the remaining budget of 192,000 euros is released to continue the implementation.

The transformation with AI is therefore initiated by pursuing productivity gains before even starting value creation projects. This approach is important to avoid the trap of unprofitable AI projects that could lead the company into an AI winter.

**The socio-economic approach**

To benefit from productivity gains, hidden costs in work processes are reduced or eliminated through AI. To identify them, it is useful to rely on the socio-economic approach of the ISEOR school (*), which provides a classification:

- Quality-related extra costs: reduction of errors; production defects.

- Non-productivity extra costs: poor resource utilization; time loss.

- Absenteeism-related extra costs: unplanned absences; difficulty in replacing and reorganizing.

- Turnover-related extra costs: loss of knowledge; loss of motivation.

- Workplace accident-related extra costs: lack of employee information; poor practices.

- Social climate-related extra costs: conflicts; lack of communication.

- Etc.

(*) Socio-Economic Approach to Management (SEAM) - ISEOR has created a set of processes and tools to help organizations turn dysfunctions into productivity - https://recherche.iseor.com.

**The AI transformation plan**

Each actor in the organization reviews their work processes to document their hidden costs and those related to other stakeholders. Think tanks are set up to encourage the sharing of results. This exercise takes place over two or three weeks at most, following a TRAIDA master class to raise awareness about AI. The McKinsey study (2024), mentioned earlier, helps define quantified profitability objectives.

The results of the hidden cost analysis feed into the AI transformation plan. The first step of this plan is to implement an initial version of the minimal architecture to scale AI within the company. Therefore, AI use cases that sufficiently reduce hidden costs should be selected to make this semantic platform profitable. As mentioned earlier, TRAIDA recommends starting with the productivity card to create financial flexibility, ensuring a concrete return on investment from AI. Only after the initial productivity successes is the creativity card used.

## 2. IMPORTANCE OF THIS CARD FOR YOUR TRANSFORMATIVE AI

The ease of access to AI tools allows everyone to use them, regardless of their level of training and professional experience. For example, using ChatGPT is simpler than using an Excel spreadsheet. However, the power of AI surpasses that of office tools, which is akin to putting potentially dangerous technology in everyone's hands. The goal is not to prohibit the free use of AI to increase knowledge, but it should certainly not be allowed on company processes and data without strict governance. If decision-makers fail to take this point of caution into account, the risk of AI usage failure is likely for the following reasons:

1. Augmented one-off tasks using AI do not guarantee an overall and long-term gain for the organization. Worse, in the absence of minimal governance, these free implementations backfire on their creators and cause dysfunctions within the company. In other words, AI is too powerful a technology to be deployed in successive patches without a governance and security architecture.

2. Misuse of AI can create a negative atmosphere and spread false ideas about its impacts, which are then difficult to correct.

Thus, the success of AI at the enterprise level relies on a minimal technical architecture to accommodate use cases in a profitable and secure manner. TRAIDA provides the technical and governance frameworks for its implementation in the form of a semantic platform.

This architectural effort is a *sine qua non* condition for sustainable AI profitability and a well-managed transformation of business models. However, its startup cost must be justified; otherwise, teams may develop AI applications without an architectural framework, leading to financial losses and poor quality, risks we have already highlighted.

The first AI use cases aimed at seeking productivity gains are selected in the following activity domains: internal organizational processes, those related to clients, and more broadly, all external stakeholders of the company, as well as compliance support with regulations.

The next part of this TRAIDA card presents some of the most common and easy-to-deploy use cases. They are limited to seeking productivity gains without any specific innovation effort.

## INTERNAL PROCESS

Certain time-consuming administrative tasks, such as writing meeting minutes, drafting summary notes, or translation, represent significant sources of productivity. AI assistants are capable of automating 50% of these tasks.

The recruitment field also benefits from AI in the pursuit of productivity gains, with automatic analysis of applications, responding to candidates, and training new employees through assistants that act as virtual mentors. For example, a company can assign a specific AI assistant to each individual, playing the role of their digital twin. It then helps the employee with their daily tasks by accumulating knowledge on their behalf.

Still within the realm of human resource management, it is also beneficial to use AI to anticipate job dissatisfaction and correct it early enough to improve team retention.

AI is also an effective tool for optimizing the time spent on data entry, complementing the traditional operation of management applications: suggesting default values, verifying the relevance of information, and generally supporting users. Each IT application is thus enhanced by AI to optimize data entry, opening the door to productivity gains.

## CLIENT PROCESS

The first use case is customer support, with the implementation of chatbot-type assistants to improve support availability and accumulate knowledge.

For better commercial management, predictive AI is used to detect risks of customer loss through weak signals that are sometimes difficult to interpret by humans.

Another area focuses on optimizing sales cycles to detect overly complex commercial negotiations with a low probability of leading to profitable sales. For complex offers, the customer's needs are analyzed by an AI assistant to determine whether it is profitable to respond to them or not.

Finally, AI is also a powerful tool for anticipating market needs to better forecast resource allocations, merchandise purchases, production means assignments, etc.

## THIRD PARTY PROCESS

In the pursuit of productivity gains in external processes (after client process) of the company, the first area of interest is optimizing the supply chain through better coordination of stakeholders. For example, an AI assistant takes in the delivery conditions of several suppliers that need to be synchronized in an overall plan. It identifies possible optimizations in collaboration with the supply chain manager.

Still within the supply chain domain, reviewing supplier contracts based on general conditions, return policies, or negotiated pricing is time-consuming. The use of AI significantly optimizes these reviews and reduces errors.

Another area for seeking productivity gains is supplier review. Monitoring their financial stability, the quality of their services, and publicly available information is time-consuming and can be partially automated with AI. Finally, for complex organizations exposed to the risk of errors in invoice payments, an AI assistant detects overpayments.
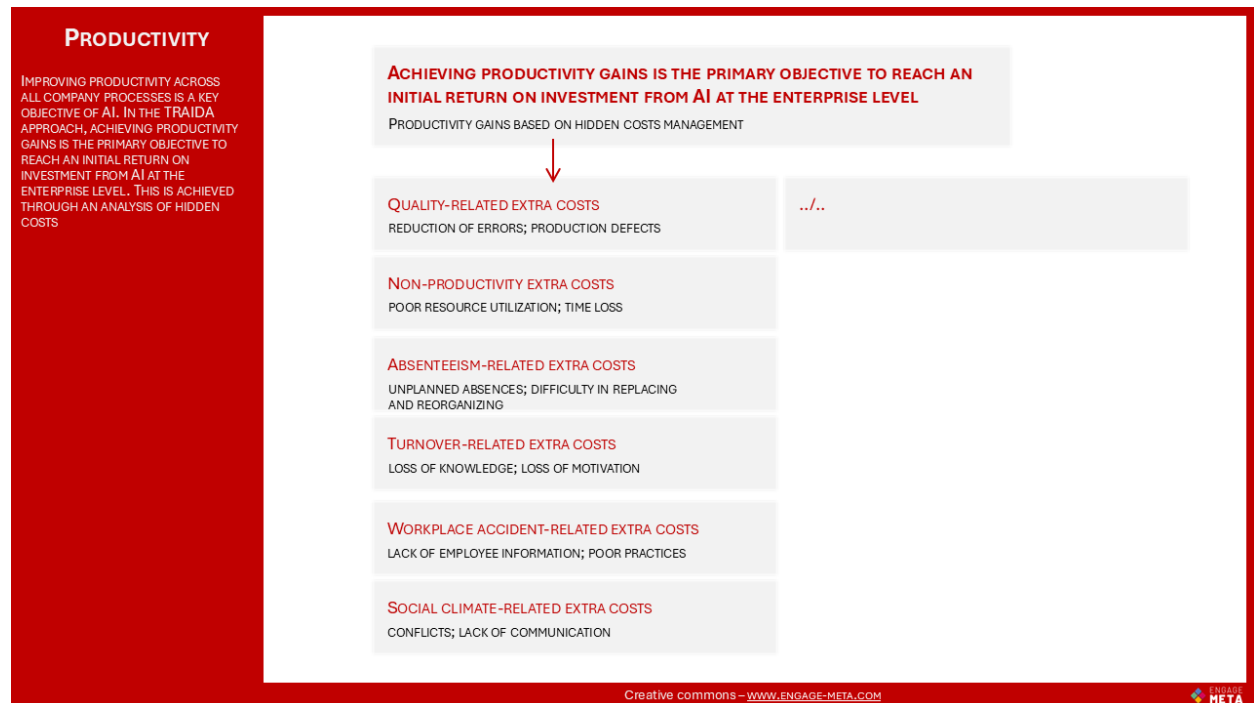
## COMPLIANCE PROCESS

It is possible to train an AI assistant using regulatory texts. It then acts as a legal advisor for teams that have questions about compliance requirements. It also operates in a practical manner by analyzing data flows generated by business activities to monitor regulatory compliance.

Another significant source of productivity arises when a new version of the regulation is introduced, requiring an analysis of its impact on existing processes. AI instantly conducts a gap analysis between the different versions of the regulation to propose an action plan to address the impacts.

Finally, a last example involves data protection regulations. Rather than relying solely on human inspections or developing complex verification software, AI is trained with the applicable rules and then analyzes the exchanged data flows to detect non-compliance. For example, this AI is useful for verifying that communications with clients comply with data protection and ethical standards.

# 3. BLUEPRINT

## PRODUCTIVITY

IMPROVING PRODUCTIVITY ACROSS ALL COMPANY PROCESSES IS A KEY OBJECTIVE OF AI. IN THE TRAIDA APPROACH, ACHIEVING PRODUCTIVITY GAINS IS THE PRIMARY OBJECTIVE TO REACH AN INITIAL RETURN ON INVESTMENT FROM AI AT THE ENTERPRISE LEVEL. THIS IS ACHIEVED THROUGH AN ANALYSIS OF HIDDEN COSTS

**ACHIEVING PRODUCTIVITY GAINS IS THE PRIMARY OBJECTIVE TO REACH AN INITIAL RETURN ON INVESTMENT FROM AI AT THE ENTERPRISE LEVEL**
PRODUCTIVITY GAINS BASED ON HIDDEN COSTS MANAGEMENT

QUALITY-RELATED EXTRA COSTS
REDUCTION OF ERRORS; PRODUCTION DEFECTS

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NON-PRODUCTIVITY EXTRA COSTS
POOR RESOURCE UTILIZATION; TIME LOSS

ABSENTEEISM-RELATED EXTRA COSTS
UNPLANNED ABSENCES; DIFFICULTY IN REPLACING AND REORGANIZING

TURNOVER-RELATED EXTRA COSTS
LOSS OF KNOWLEDGE; LOSS OF MOTIVATION

WORKPLACE ACCIDENT-RELATED EXTRA COSTS
LACK OF EMPLOYEE INFORMATION; POOR PRACTICES

SOCIAL CLIMATE-RELATED EXTRA COSTS
CONFLICTS; LACK OF COMMUNICATION

Creative commons – WWW.ENGAGE-META.COM

## 4. YOUR SITUATION & OBJECTIVES