



Grant Thornton

The Essential Guide to Business Transformation in 2024

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Introduction

2024 is set to be a year of mass disruption as long-standing business models are tested by the rapid pace of technological advancement, causing economic upheaval around the world. In the last great technological leap, we saw traditional businesses such as Blockbuster, Tower Records and Kodak disappear as Netflix, Spotify and Instagram came from nowhere to dominate.

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We expect 2024 to have a similarly seismic impact on long-established businesses as the fourth industrial revolution ignites. In 2024, it will not only be consumer-facing, high street businesses which feel the pinch of digital transformation. As you'd expect, blue collar jobs will continue to face increasing competition from automation while white collar jobs, which once seemed irreplaceable, are increasingly augmented or replaced by artificial intelligence-enabled technologies, in particular generative AI.

Over the coming year, we anticipate many opportunities for businesses willing to embrace change. These businesses will be leaner and more agile, with technology replacing many non-core roles. As a result, these companies will be able to free up their key people to focus on high-value strategy, research & development, and client-facing work.

Conversely, companies which bury their heads in the sand are going to find themselves in a cumbersome position — slow to adapt, and carrying unnecessary headcount in comparison to their more innovative counterparts.

Troublingly, the latest **Grant Thornton International Business Report** suggests that fewer businesses in Thailand were actually investing in technology in H2 2023 (60%) than in H1 2023 (47%). This national data stands in stark contrast to **global trends suggesting** widespread increases in technology investment, especially around AI.

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To compound matters, serious Thai economists **predict** with “90% confidence” that the economy will run into a financial crisis in 2024 akin to the catastrophe of 1997, due to low levels of income growth and high levels of public and private debt.

Grant Thornton in Thailand has produced this document as a roadmap for your business to navigate through this transformative epoch. Within Grant Thornton is an experienced team of business transformation experts, alongside a full team of professional service personnel, many of whom have contributed to this report.

For companies seeking to adapt and grow, we'll provide advice on refining existing systems, optimising processes, integrating technology, and maximising human resources. We'll be taking a holistic approach to assess the present state of your enterprise, while suggesting areas of improvement to create leaner, more agile businesses. We'll also be looking at ways to fix inefficiencies, identify bottlenecks, remove redundancies and incorporate new technology wherever possible.

A highly focused and streamlined org chart unlocks many opportunities for augmenting existing functions via outsourcing. From marketing to recruitment, tax and accounting, and technology, we'll be recommending that your key people are laser focused on your core business, with fractional teams handling non-core activities. This approach not only simplifies complex processes, but also provides a competitive edge in a rapidly evolving business environment.

In summary, this document encapsulates our commitment to guiding businesses through a year of mass disruption. In the coming chapters, we'll explore technology, process, risk, talent, key demographics, and more in order to provide you with a multipronged approach to business transformation.



Process Optimisation in Modern Business

by Andrew McBean

Though technological progress is advancing at an ever-increasing pace, global economy markets remain on shaky ground. The **World Bank** forecasts just 2.4% global economic growth year on year in 2024. Here in Thailand, the SET experienced a notable decline throughout 2023, falling by 15.86% over the year.

Even more troubling for the long term, Thailand is on the path to being a super-aged society with a serious skills shortage. Due to low birth rates in the kingdom, **experts** are now saying that if current trends continue, Thailand's population will drop to about 33 million in about six decades.

In this context, it is essential that businesses in Thailand — and their key people by extension — are focusing on the key priorities of their business: Maximising profit, driving efficiency, increasing productivity, exceeding customer expectations, delivering faster and more valuable service for customers, unlocking employee potential, building new revenue streams, and responding in a more agile way to digitally unlocked market insights.

However, at the most fundamental level of this effort, many businesses are still falling short. Without processes and procedures that are both documented and optimised, any growth is akin to building upon a fragile house of cards.

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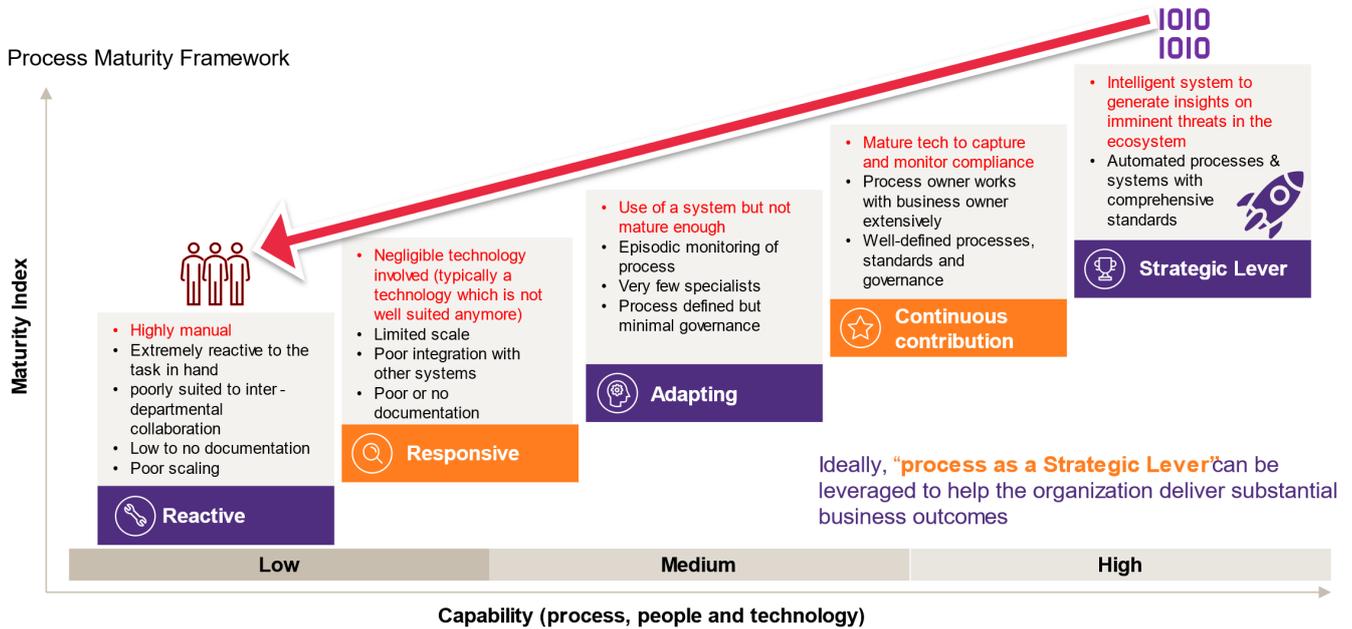
Without processes and procedures that are both documented and optimised, any growth is akin to building upon a fragile house of cards.”

And yet, analysis by Grant Thornton in Thailand reveals that sound practices in this area are often overlooked in the corporate world in Thailand. This oversight not only limits operational efficiency but also leaves enterprises vulnerable to the loss of critical institutional knowledge.

Money is being left on the table by not taking the time to identify opportunities for automation. I guarantee you that if my team were to assess your present systems, we'd identify dozens of high value, low complexity processes in your present system that can be quickly optimised to start creating return on investment almost immediately.

But over time...

Become fused with the person. Workforce become biological robots



The way forward can be understood through the 5 steps in the infographic above — from documenting existing processes, all the way to fully automating processes which can generate insights on imminent threats and opportunities within the ecosystem. Companies that prove adept at adaptation will find themselves at a distinct advantage moving forward.

Starting with a Foundation of Visibility

It is widely acknowledged in business and management literature that a significant portion of organisational knowledge, especially in less digitally mature companies, tends to passively reside in the minds of employees rather than in well-documented procedures.

This approach, while seemingly pragmatic, harbours significant risks. When these key people exit the organisation, they often take their expertise with them. The resultant knowledge gap can regress a business to its embryonic stages of process development, necessitating a reconstitution of these vital operational mechanisms from scratch.

Process documentation has long served as the backbone of operational clarity and consistency. It is the systematic recording of how business tasks are executed, ensuring that operational knowledge is democratically accessible, rather than being siloed within individuals. This effort has traditionally looked something like the below:

1. Inventory and analysis of all business processes
2. Detail accumulation among multiple stakeholders
3. Validation of processes to ensure accuracy
4. Documentation strategies such as SOPs and flowcharts
5. Iterative improvement via regular reviews and updates

While this approach was effective, it is laborious and time-consuming for key individuals within organisations to do this all manually. However, given that we're talking now about digital transformation, the obvious approach is to engage in an initial digital assessment from an external, unbiased third party.

My team recently worked with an industry-leading organisation in Thailand, conducting a high level scan to identify where the organisation's problems were coming from by capturing processes and identifying weaknesses.

From this initial assessment, we were able to identify a list of 108 areas of the business that could be directly improved with digital solutions. We were able to turn this information into a tangible, future-facing business plan including expected ROI in both financial and time-saved terms.

Companies of all types should, at minimum, increase their internal stability by documenting and refining their internal processes by the means described above. In our current age of AI, however, the potential for improvement has a much higher ceiling.

Beyond Documentation: Optimisation and Automation

Having developed a robust framework of documented processes, businesses can then pivot towards optimisation and automation. Streamlining processes by eliminating redundancies not only enhances efficiency but also paves the way for integrating advanced technologies like Robotic Process Automation (RPA).

RPA is a transformative technology that automates routine tasks by emulating human interactions with digital systems. It is particularly effective in repetitive, rule-based tasks that require minimal judgement. Its implementation requires a Process Definition Document, which essentially encodes the flow diagram for each process. From there, a Solution Design Document is designed and created, which encodes each step of the automated procedure that replaces manual completion of the task. These two documents serve as the blueprint for the successful automation of well-defined tasks, enabling the efficiency improvements that RPA then delivers.

I mentioned in the previous section how we'd identified 108 areas of business improvement. Two of these sections were the processes used for sales and accounting — major functions of any business, I'm sure you will agree. These digital upgrades have allowed the company to streamline appointment scheduling, inventory management, tracking customer orders, and analysing purchase patterns, and to improve inventory control and customer service.

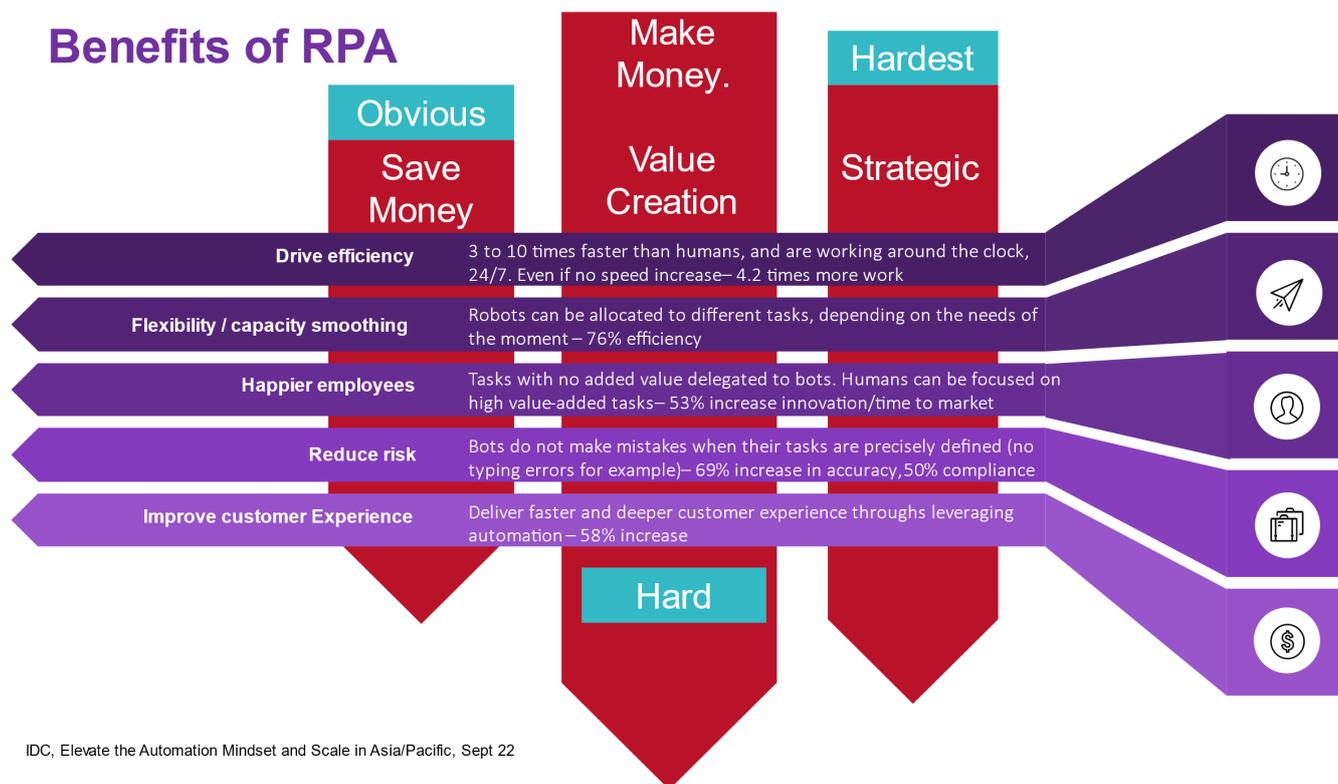
RPA is a concept which has gone mainstream over recent years and is being used in all major industries. For example, in the banking sector, RPA has been instrumental in automating tasks such as customer onboarding, data validation, and fraud detection, thereby reducing manual errors and increasing efficiency.

In human resources, RPA can transform the recruitment process by automating resume screening and initial candidate communications, allowing HR professionals to focus on more nuanced aspects of talent acquisition and employee engagement.

This versatility of RPA not only demonstrates its broad applicability across industries, but also underscores its role as a key driver in the modernisation of business processes, enabling companies to achieve greater operational excellence and agility.

Yet even this level of automation does not exhaust businesses' potential for process improvement. Far from it; recent advancements in generative AI allow software to produce genuinely creative and insightful output, streamlining processes which would have only recently required human judgement and input.

Benefits of RPA



IDC, Elevate the Automation Mindset and Scale in Asia/Pacific, Sept 22

A New Formula for Improved Quality and Value Creation

Until now, we have spoken only of the type of AI that can follow precise orders. Generative AI, however, can add a healthy dose of creativity and common sense to its output — delivering human-quality content from open-ended prompts. This form of AI can complete far more advanced tasks than were possible just two years ago, such as chatting with users online, answering phone calls, writing marketing material, summarising reports, and making educated predictions about future scenarios.

The key for businesses involves learning how to think of AI not just as a replacement for low-level labour, but as a generator for true value creation within their markets. The form this takes will vary considerably from one industry to another, and indeed one company to another, but will nevertheless significantly differentiate the forward-looking businesses from those that remain stuck following tradition.

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Creativity is the selling point for today’s most advanced AI software, but it will also take real creativity among its adopters to figure out how to best put this new tool to use on the essential task of value generation. From designing promising new medicinal compounds for pharmaceutical companies, to enabling self-driving vehicles and more, impactful uses of generative AI are already giving smart businesses a leg up on their competition.



Conclusion

The documentation of business processes is not merely an operational necessity but a strategic imperative. It lays the groundwork for process optimization and paves the way for the integration of innovative technologies like RPA and generative AI.

The procedures described above both safeguard institutional knowledge, and open the door for its dramatic improvement. Yet these efforts first require the establishment of a culture of efficiency, adaptability, and continuous improvement – hallmarks of a resilient and future-ready enterprise.

However, exceptional project management is required to complete transformation at this scale. Doing it in-house will inevitably require ruffling some feathers and will be a serious resource drain on your most competent people. Traditional IT vendors also struggle with these kinds of projects, as they are often unable to see the business logic of transformation, rather than making expensive changes just to be trendy.

For these reasons, we recommend working with a partner who is able to talk to you in digital transformation terms that have tangible benefits to the bottom line. Ask them how engaging in such a project will generate return on investment for you, and dig down into the specifics. When done right, digital transformation not only improves efficiency and profit margins, but allows you to create new revenue streams by genuinely transforming your business.

While incredible business transformations are now easier than ever, organisations should understand the head-winds they are likely to face. These include an ageing workforce which may prove resistant to change, on account of cultural inertia and the lack of a sense of urgency among employees to maximise their productivity using digital tools.

Employers must therefore inspire real cultural buy-in, while providing digital upskilling, when pushing for any type of process transformation. Properly executed, this combined effort will minimise the tendency of employees to revert back to a manual completion of their tasks, and move them toward a more modern standard of efficiency.

Looking for an outside, neutral perspective to support your operational improvement? At Grant Thornton, my team and I specialise in identifying strategic business transformation solutions for our clients. Get in touch for a conversation about how we can help.

If you'd like to learn more about how digital transformation can improve your business, I invite you to join a Grant Thornton workshop on the subject, led by me. These happen every quarter and provide a solid foundation for engaging in business transformation projects of all sizes.

Digital Assessment



1

Workshop notes and long list of opportunities

Conduct workshops with relevant SMEs at L2 process level

2

List of individual prioritized opportunities

Individual prioritization scores for each opportunity bases prioritization principles



3

Aggregation and end to end High Priority Use -cases

Synergy principles such as vertical integration, processing/system similarity, i/o similarity will be used to Aggregate opportunities to create end to end digitalization usecases



4

Quantify business value and benefits

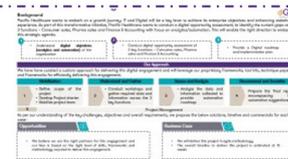
Validate data inputs and interim findings on digital opportunity assessment



5

Recommend and socialize digital opportunity report

Including digital roadmap and implementation plan



About the Author:

Andrew McBean is a Partner in Business Consulting at Grant Thornton, with a rich background in technology and global accounting from his time at Microsoft, IBM, and other firms. His work spans across Indonesia, Japan, South Africa, and Thailand, emphasising inclusivity and cultural sensitivity. At Grant Thornton, Andrew focuses on delivering client-centric solutions, leveraging his expertise in digital transformation and process optimization. He specialises in guiding businesses through digital upgrades and efficiency improvements, helping them to harness technologies like RPA and AI to enhance their operational agility and drive growth.

Navigating the Future: The CEO's Guide to Organisational Efficiency through AI Integration

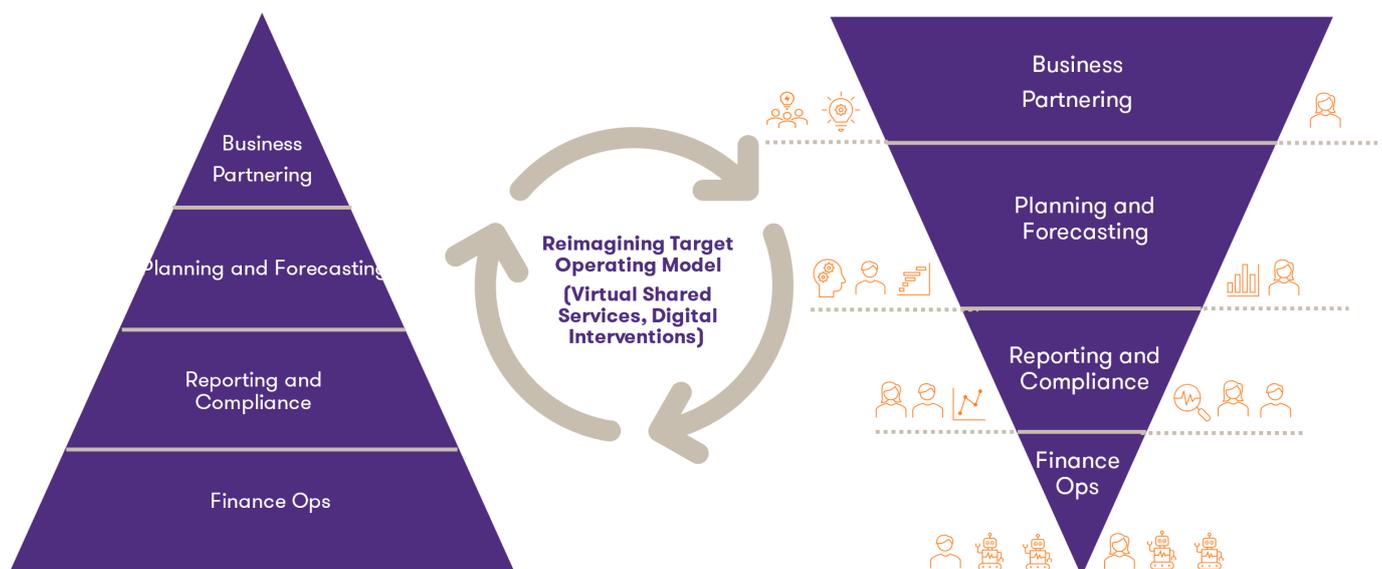
by Ratna Wright

For a leader whose time is at a premium, understanding the structure and functions of their organisation is not just about managing the present; it's equally about architecting the future. In this section, we explore the transformative power of clearly defining roles within an organisation, alongside the judicious use of AI and automation tools to enhance efficiency and competitiveness.

The Imperative of a Streamlined Organisational Chart

An organisational chart is the blueprint of a company's structure, crucial for any CEO aiming to optimise operations. The key lies in defining no more than five essential functions for each critical role. This approach ensures that roles are not just titles but are aligned with the company's strategic objectives and are manageable in scope. For instance, a Chief Financial Officer's functions could include financial reporting, risk management, budgeting, investment strategies, and regulatory compliance. Such precision in role definition offers a clear roadmap for responsibility and accountability.

Link experience with dexterity Finance as an example



Once the organisational structure is streamlined, the next step is to identify areas within these key functions which are ripe for technological augmentation. AI and automation tools can significantly enhance efficiency by taking over repetitive, time-consuming tasks, allowing your skilled professionals to focus on higher-value activities.

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Consider a legal department where significant time is spent drafting contracts. Implementing an AI tool like ChatGPT can lead to 82% time savings when using document automation to generate contracts and other legal documents, **according to** Thomson Reuters.

With the ability to generate contracts automatically based on set parameters, lawyers can dedicate more of their time to advancing complex legal strategies, negotiations, and client relations, projects which directly contribute to the business's bottom line.

In the finance department, AI can revolutionise data analysis and reporting. Tools like IBM Watson can sift through vast amounts of financial data, providing real-time analytics and predictive insights. This added visibility allows the finance team to move beyond data entry and report generation to more strategic financial planning and decision-making.

For customer service roles, AI-powered chatbots can handle a substantial volume of customer inquiries, freeing human agents to tackle the more complex issues. The result is not only an improvement in efficiency, but also an elevated level of customer service, which enhances brand loyalty and customer satisfaction.

Within human resources, AI tools can streamline the recruitment process, from resume sorting to initial candidate screenings. The resulting efficiency gains let HR teams focus on more strategic aspects such as employee engagement, training, and retention strategies.

For marketing, AI can analyse consumer data to provide insights into market trends and customer preferences. This knowledge allows the marketing team to craft more targeted and effective campaigns.

Integrating AI into key business functions is not just about the efficiency that comes from technological advancement; it's about giving your organisation a strategic edge. With AI handling routine tasks, your key personnel are free to focus on the core aspects of their roles, driving innovation and business growth. In this way, the smart implementation of AI tools also helps your organisation remain competitive, adapting to market changes with agility and foresight.

Even as AI brings efficiency, it is imperative to maintain the human element in your business. AI augments human skills; it does not replace them. The goal is to create a symbiotic relationship between your workforce and technology, where each complements the other. Training your team to work with AI will be crucial in this digital transformation journey.

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Conclusion

For the visionary CEO, an organisational chart is more than a hierarchical depiction; it's a strategic tool for operational efficiency. By defining key roles and their functions, then strategically integrating AI and automation, your company can eliminate redundancies, enhance productivity, and free your team to focus on what it does best – driving the business forward. In the era of digital transformation, this approach is not just beneficial; it's essential for staying ahead in the competitive business landscape.

As you navigate these changes, remember: The integration of AI in your business is a journey of continuous learning and adaptation — one that promises a future of innovation and sustained success.

And as ever, if you need some outside help, the team at Grant Thornton is standing by.



About the Author:

Ratna Wright is a Partner in Business Consulting at Grant Thornton, bringing over 20 years of experience in enhancing human capital and business transformation across various industries. Her expertise enables her to guide companies through the strategic integration of AI and automation, focusing on optimising organisational efficiency and human resource development. At Grant Thornton, Ratna is dedicated to providing client-focused solutions, leveraging her deep understanding of human capital dynamics to help businesses adapt, thrive, and maintain a competitive edge in the digital era. She empowers organisations to align their human capital strategies with innovative technologies, ensuring they are well-equipped for future challenges and opportunities.



Navigating the Silver Tsunami - Technological Solutions for Thailand's Ageing Society

by Chris Cracknell

A silent storm is brewing in Thailand.

The nation is standing on the precipice of a demographic transformation that poses unprecedented challenges. The birth rate is plummeting at an alarming rate, while projections paint a grim picture of a population dwindling by 50% **within decades**.

The nation is on track to becoming a super-aged society by 2029; and 2023 was the first time in Thai history that the number of **retirees** (60-64) was larger than those entering the workforce (20-24).

Thailand's Total Fertility Rate (TFR) has been below the replacement level of about 2.1 children per woman since 1993. And in 2022, Thailand's TFR was as low as 1.16 in nearly every province.

This trend continued to worsen in 2023 when only **485,085** children were born — the lowest number in 70 years.

According to Public Health Minister Cholnan Srikaew, within this **century**, Thailand will reach a desperate state where there are about 18 million senior citizens, 14 million working-age adults and only 1 million individuals aged 0-14.

Therefore, the question needs to be asked: who is going to fund this ageing population with fewer people paying taxes to support the elderly?

Japan provides an interesting reference point with a similarly ageing society (1.26 births per woman; 10% of the population over 80). However, Japan experienced decades of economic prosperity before slowing birth rates tilted the nation's demographics towards its grey-haired citizens. Additionally, the nation has long provided a robust welfare system, including universal healthcare and pension support for the elderly.

By comparison, Thailand is still considered a developing country by most metrics, including income levels, infrastructure, and human development indices.

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Skills Shortage and Economic Strain

While the ageing population of Thailand presents serious long-term concerns, we don't need to look decades into the future to recognize the labour crisis unfolding before our eyes.

It is already true today that finding skilled employees in the white collar sector is a challenge for many companies.

Thailand's Board of Investment in **2022** found a shortage of skilled labour, particularly in the machinery and automotive industries as well as the electrical and electronics industry, accounting for up to 12,000 positions.

The Digital Council of Thailand has set a **target** of ensuring that 70% of the population has basic to expert-level digital skills by 2025. Today the number is 28%.

Additionally, research from **Kasikorn Bank** claims that labour shortages are only going to get worse, especially in labour-intensive industries. They highlight for special concern the agricultural and service sectors, such as hotels and restaurants, and construction businesses.

What's more, Thailand is stuck in a middle income trap, seemingly unable to further advance and move into the high-income category. Countries caught in this trap find it challenging to sustain the high growth rates that characterised their earlier development, usually due to a failure to enact necessary structural reforms.

This is an alarming situation to be in, when Thailand's wage rates are already higher than those of its local rivals. High labour costs combined with poor productivity and inefficient processes create a recipe for disaster.

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Educational reform is often spoken of by governments of all types, yet is rarely acted upon. Nonetheless, a push towards a higher level of nationwide technical skills through vocational training and traditional education is a must if Thailand is to remain competitive and break out of the middle income trap.

At the same time, the pull towards low-skilled labour is strong, with a dozen staff seemingly on-site at every convenience store and car park.

Already grappling with a skills shortage, Thailand's economic landscape faces the daunting prospect of further depletion due to the nation's low birth rates.

Automation: A Panacea for the Labour Void

In the face of this crisis, augmentation of the human workforce with technological solutions makes more sense than ever. Rather than have a dozen employees doing routine work, picture a fleet of autonomous systems efficiently overseeing convenience stores, managing parking lots, and handling routine tasks, liberating human resources for more strategic and complex roles.

As outlined in earlier chapters, the clarion call for business transformation resonates now more than ever. Companies must embrace technology as a catalyst for change, especially in sectors grappling with a shrinking workforce. The ageing society demands a paradigm shift, with businesses at the forefront of ushering in this transformation to ensure economic resilience.

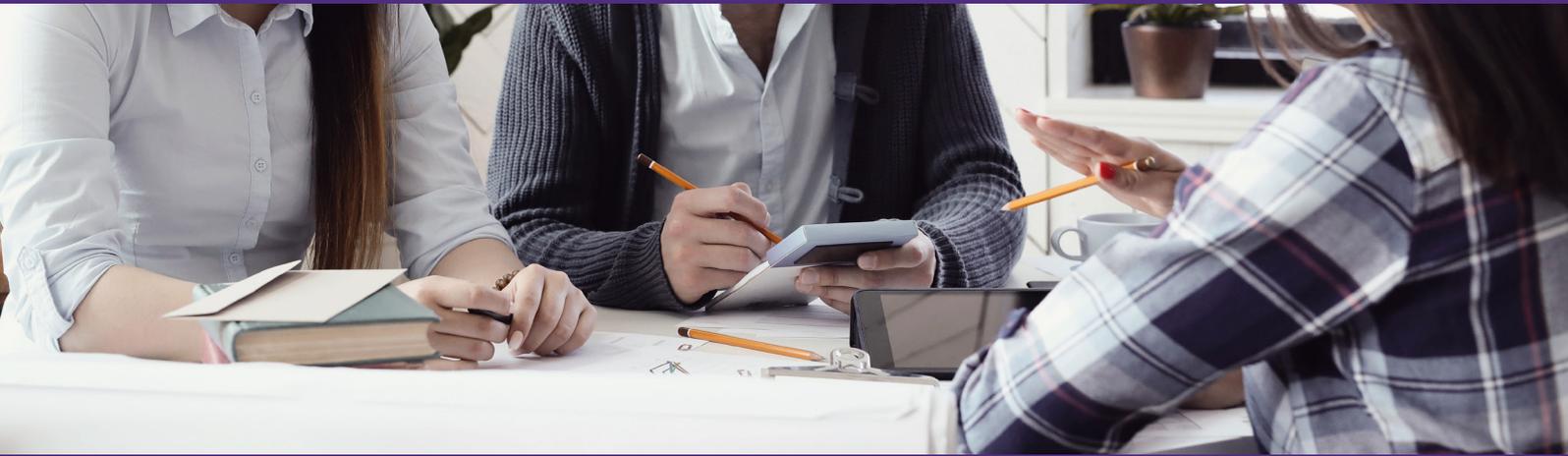
As with educational reform, immigration reform does not seem likely in the near future. In that context, technology provides Thailand with its best chance of long-term success. Automated systems and artificial intelligence can bridge the widening gap in the labour market, injecting efficiency, reducing costs, and mitigating the strain on resources.

The need for rapid engagement in technological adoption is no longer just a choice but a survival strategy for businesses navigating this demographic storm.



About the Author:

Chris Cracknell is the Chairman at Grant Thornton, a position he has held since 2016. He has had an esteemed 47-year career in business, driving international growth as a CEO and Board Director. Chris has a deep understanding of diverse sectors, especially in Thailand and Asia, as well as a commitment to sustainable business practices. His experience spans outsourcing, healthcare, and education, among others. At Grant Thornton, Chris focuses on guiding businesses through technological and strategic transformations, ensuring they adapt and thrive in changing economic landscapes, particularly in response to demographic shifts like Thailand's ageing population.



Focus on your Core, Outsource the Rest: Navigating the Future of Competitive Business

by Tikomporn Kuanpoonpol

In the rapidly evolving landscape of business, the integration of artificial intelligence into core processes is not just a trend but a critical strategy for staying competitive. This approach is reshaping the traditional business model, presenting both opportunities and risks.

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The integration of artificial intelligence into core processes is not just a trend but a critical strategy for staying competitive.”

As companies become more agile, innovative, and cost-effective through AI, those failing to adapt risk obsolescence. Conversely, embracing these changes not only fosters new business models but also liberates CEOs and their teams to focus on what they do best – delivering exceptional services.

The mantra for modern success has therefore been clear for some time: Focus on core competencies, and outsource non-core functions.

The Evolution of Business in the AI Era

The advent of AI and automation technologies has ushered in a new era for businesses. As we explored in the previous chapter, companies that successfully integrate AI into their operations gain a significant edge in agility, innovation, and cost-effectiveness. This technological integration enables businesses to streamline operations, reduce redundancies, and focus resources on core business functions that drive growth and customer satisfaction.

However, the rapid pace of technological change presents a dual challenge. On one side, the failure to adapt and integrate AI can lead to a gradual decline relative to competitors, as rival companies harness these technologies to operate more efficiently and offer superior customer experiences. On the other side, embracing AI and automation opens up unprecedented opportunities for business transformation, leading to more innovative, efficient, and customer-centric business models.

The key to navigating this new landscape lies in a two-pronged approach: focusing on core business functions and outsourcing non-essential tasks. By leveraging AI and technology in core areas, businesses can enhance their service delivery and operational efficiency. Alternatively, outsourcing tasks like accounting, recruitment, and marketing to specialised agencies or freelancers can also optimise resource utilisation and streamline operations.

Benefits of Outsourcing Non-Core Functions

Cost Efficiency: Outsourcing can significantly reduce operational costs. Businesses save on expenses related to hiring, training, benefits, and office space. By paying only for the services needed, companies can manage their budgets more effectively.

Specialised Expertise: Outsourcing lets companies access a pool of fully resourced professionals who possess the latest skills and knowledge in their respective fields. This approach ensures that tasks such as digital marketing, financial management, and recruitment are handled by experts, leading to higher quality outcomes with minimal need for supervision.

Emphasis on Core Business Activities: By outsourcing non-core functions, CEOs and their teams can concentrate on their primary business objectives and strategies. This focus lets them more effectively develop innovative products and services, enhance customer relationships, and explore new market opportunities.

Scalability and Flexibility: Outsourcing provides the flexibility to scale operations up or down based on business needs, without the complexities of hiring or laying off employees. This agility is crucial in adapting to market changes and customer demands.

Risk Mitigation: Outsourcing firms often have better knowledge of compliance and regulatory requirements in their areas of expertise, reducing the risk of non-compliance for the business. Additionally, outsourcing firms are equipped to handle operational risks associated with their tasks.

Improved Service Quality and Efficiency: External firms bring fresh perspectives and innovative approaches, which can lead to better outcomes. Their specialisation ensures that tasks are performed efficiently and effectively, often employing the latest technologies and methodologies.

Enhanced Market Performance: By focusing on core competencies and outsourcing other functions, businesses can improve their overall competitiveness. They can deliver superior products and services, respond quickly to market changes, and maintain a lean, agile operation.

Reduced Management Overhead: Overseeing a large workforce can be time-consuming and complex. Outsourcing reduces the burden of management and administration, allowing business leaders to focus on strategic decision-making and growth.

Conclusion

The integration of AI and strategic outsourcing represents a paradigm shift in how businesses operate in the 21st century. This approach lets companies focus on their core competencies while leveraging both external and software-based expertise for all other functions. Companies applying this strategy can optimise their resource use, reduce costs, and increase their agility and responsiveness to market changes and customer needs.

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Companies urgently need to optimise their resource use, reduce costs, and increase their agility and responsiveness to market changes.”

The future of business demands adaptability, innovation, differentiation, and a keen focus on core strengths, with outsourcing playing a pivotal role in this transformative journey. The degree to which growing businesses adopt this dual strategy will in large part determine whether they survive and thrive in the competitive landscape of tomorrow.

At Grant Thornton, we offer a wide range of business process outsourcing services, including Technology and Robotics, Technical Accounting Solutions, Accounting Services, Staff Augmentation, and Payroll Services.



About the Author:

Tikomporn Kuanpoonpol is the Director of Tax & Legal at Grant Thornton, where she applies her extensive expertise to guide businesses through the complexities of modern competitive landscapes. With a focus on integrating artificial intelligence and strategic outsourcing, Tikomporn helps companies optimise their operations and focus on core competencies. Her strategic insights enable businesses to navigate the challenges and opportunities presented by technological advancements, ensuring they remain agile, innovative, and cost-effective. In her role, Tikomporn is committed to delivering tailored solutions that enhance efficiency, reduce costs, and drive growth, positioning businesses for success in today's dynamic market environment.

The Workforce of Tomorrow: Balancing AI Integration and Employee Engagement

by Charasporn Uppawong

The increasing incorporation of AI in various industries has triggered a paradigm shift in employment dynamics. On one end, there's the undeniable concern of job displacement. Roles centred on routine, repetitive tasks are particularly susceptible to being automated, potentially leading to significant job losses in certain sectors. However, this is just one facet of the AI-employment nexus.

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The increasing incorporation of AI in various industries has triggered a paradigm shift in employment dynamics.”

On the flip side, AI can be a major catalyst for job creation and transformation. New roles are emerging in the wake of AI's ascent – roles that require a new set of skills focused on managing, interpreting, and leveraging the outputs of AI systems. Moreover, as AI takes over the relatively mundane tasks, existing employees will be afforded the opportunity to engage in more meaningful, creative, and strategic work, potentially leading to more fulfilling job experiences.



The Evolving Employment Landscape

As we progress deeper into the AI era, an understanding of AI and its applications is becoming increasingly valuable across various job roles. Employees proficient at working with AI are finding themselves at a premium, as they can bridge the gap between human and machine intelligence.

The skill set required in this new workplace is therefore undergoing a transformation. We currently see a heightened emphasis on cognitive skills like problem-solving, critical thinking, and creativity – skills that AI, in its current form, cannot replicate. Emotional intelligence and interpersonal skills are also increasingly vital, as they are crucial for roles that AI cannot fill.

The future of employment is not about human versus machine, but rather, human with machine. We are witnessing the emergence of hybrid roles where human expertise is augmented by AI, leading to more efficient and effective job performance.

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The future of employment is not about human versus machine, but rather, human with machine.”

The rapid evolution of technology necessitates a culture of lifelong learning and adaptability among employees. Upskilling and reskilling have become essential, as employers have a pivotal role in helping their workforce adapt to changing job requirements.

Leveraging AI for Employee Well-being and Company Values

While AI's impact on operational efficiency is widely acknowledged, its role in enhancing company ethics and employee well-being are less discussed but equally significant. Tools like Happily.ai are at the forefront of this pursuit, utilising AI to measure and improve both employee engagement and satisfaction.

These kinds of AI-powered platforms offer real-time feedback mechanisms, letting employees help each other on projects while also giving them a valuable outlet to voice their concerns and opinions. This ongoing communication is essential for identifying and addressing workplace issues, in turn fostering a culture of openness and transparency.

Through AI, companies can analyse individual employee preferences and needs, paving the way for personalised experiences. Results include tailored benefits, learning opportunities, and career development paths — all of which contribute significantly to job satisfaction and loyalty.

AI's predictive capabilities can likewise be harnessed to identify patterns related to employee burnout and disengagement. By recognising these trends early, companies can take preventative measures to ensure a healthy work-life balance and mitigate stress.

AI-driven platforms also facilitate a culture of recognition, where employees feel valued and appreciated. This recognition not only boosts morale but also encourages a collaborative and supportive work environment.

The relationship between ethical AI and company values can also be a fruitful one. Beyond the enhancement of employee well-being and workplace harmony described above, AI can also be used by HR departments to diversify hiring and promotion practices, calculate the effectiveness of sustainability initiatives, and produce regular reports on how effectively the workforce feels that the company is living up to its own stated values.

Such reports can keep companies on the right track relative to their ESG goals, while also serving to warn upper management when internal discontent may be brewing.



The Road Ahead: Balancing AI and Human Potential

As businesses navigate through 2024 and beyond, the integration of AI in the workplace is set to deepen. The challenge for CEOs and business leaders is to balance AI integration with the human aspects of their workforce. The goal is not to replace human intelligence but to augment it with AI, creating a symbiotic relationship that enhances both operational efficiency and employee fulfilment.

This approach requires a shift in perspective, viewing AI as a partner rather than a replacement. It involves a commitment to continual learning, adaptability, and investment in employee well-being. By embracing this approach, businesses can create a future where technology and human talent coalesce to drive innovation, productivity, and satisfaction.

As we stand on the cusp of a new era in business, the integration of AI presents an opportunity to redefine the workplace. It's an opportunity to create a work environment where technology empowers and elevates, leading to a more dynamic, innovative, and satisfied workforce that lives up to its values. For businesses willing to embrace this change, the future is not just about surviving; it's about thriving in a world where AI and human intelligence work in unison to achieve unprecedented success.

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About the Author:

Charasporn Uppawong is a Director of Business Consulting at Grant Thornton, where she leverages over 14 years of experience in human resources, focusing on talent acquisition, HR transformation, and strategic HR advisory, including compliance and organisational design. At Grant Thornton, Charasporn excels in applying the firm's methodologies to talent identification and development, providing consultative advice to clients on various HR aspects. Her expertise extends to leadership assessments, change management, and HR process improvement, helping businesses navigate the complexities of human resources in today's dynamic business environment.

Embracing AI: Understanding the Risks

by Ashish Chaturvedi

In the grand tapestry of technological progress, the ascension of Artificial Intelligence brings forth not only promises of efficiency and innovation but also a new frontier of risks that demand vigilant consideration. As businesses embark on the transformative journey propelled by AI, a critical aspect that must not be overlooked is the understanding and mitigation of potential risks.

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Phishing and Cybersecurity Threats: Navigating the Dark Waters

With the proliferation of AI, the nefarious realm of cyber threats has expanded, now boasting **AI-automated phishing attacks**. With the assistance of AI algorithms, attackers can sift through immense datasets, identifying nuanced patterns to fabricate personalised and compelling phishing emails. The transformative power of AI extends further, automating various stages of an attack, including the creation of tailored spear-phishing messages that seamlessly blend into the digital landscape, eluding conventional detection methods.

Beyond the crafting of deceptive emails, AI technology provides threat actors with the ability to amass extensive amounts of publicly available data about their targets, significantly amplifying the likelihood of a successful attack. By leveraging Machine Learning algorithms, phishing campaigns become adaptive and responsive, capable of evolving based on feedback.

This adaptability renders them more resilient and dynamic, posing an ongoing challenge to cybersecurity defences. In essence, AI not only augments the sophistication of phishing attacks but also bestows upon them an unprecedented level of agility and customisation.

In this digital age, where information is both power and vulnerability, safeguarding against these threats is of paramount importance. A robust risk assessment and mitigation strategy becomes the metaphorical shield that protects the organisation's digital fort.

Every function within a business has its own set of risks, and the AI landscape introduces a new dimension to this landscape. Cybersecurity risks, such as information management challenges and content leakages, loom as potential pitfalls. The territorial boundaries of risk appetite are tested as businesses navigate the uncharted waters of AI integration.

The Integral Role of Risk Management in Business Transformation

When orchestrating large-scale business transformation projects, the stakes are higher, and the margin for error is

thinner than ever. Without a comprehensive approach to risk management, the intricate threads of the transformation process are susceptible to unravelling.

The success of the transformative journey lies not just in the adoption of AI but in the meticulous attention given to potential pitfalls.

Each process within the metamorphosis of a business carries its own unique set of risks. Whether it's the potential for information leakages or the internal oversight of critical processes, understanding and addressing these risks will be integral to the success of the overarching transformation.

The Human Element: Risks Within Automated Processes

Even within the realm of AI automation, the human element remains a critical factor. As processes become more streamlined and automated, there arises the possibility of individuals — be they employees or vendors — exploiting the system's vulnerabilities for personal gain. The oversight of these automated processes becomes an art form, requiring a nuanced approach to minimise the risk of fraud.

In this light, proper fraud examination and forensic assessment emerge as essential components of the transformative process. As the business landscape evolves with AI, so too must the strategies for risk management and fraud prevention. The synergy between technological advancement and human diligence is the key to navigating the risks inherent in the embrace of AI.

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In conclusion, the journey of embracing AI is not just about leveraging its capabilities but also about fortifying the organisation against potential risks. The chapters that precede this have laid the foundation for understanding the transformative power of AI, and now, in this chapter, we emphasise the necessity of embracing this power with open eyes and a vigilant mindset. In the dynamic dance with AI, risk management becomes the partner that ensures the steps taken are not just bold but also secure, paving the way for a future where innovation and safety coexist harmoniously.



About the Author:

Ashish Chaturvedi is the Director of Forensic Advisory at Grant Thornton. His expertise in forensic accounting makes him an invaluable asset to clients navigating the complexities of AI integration and risk management. At Grant Thornton, Ashish plays a pivotal role in ensuring that businesses not only harness the power of AI for innovation and efficiency but also fortify their operations against the evolving landscape of cybersecurity threats and risks. His dynamic approach to forensic advisory provides clients and colleagues alike with unique learning opportunities and insights into the critical balance between technological advancement and risk mitigation.



Case Study: Transformation of Zenith Innovations

Grant Thornton in Thailand works with hundreds of clients, offering a variety of services from traditional accounting, audit and tax services, through to consulting on business process, transformation and technology.

Our experience lets us identify early warning signs when businesses are about to sail into turbulent waters. In this section, we'll outline the case of how we guided one of our clients through a complete business transformation during 2023. We believe that this company's story represents the kind of challenges and proven solutions that many businesses will face in 2024.

Introduction

Zenith Innovations, a multinational conglomerate operating in the technology, healthcare, consumer goods, energy, finance, retail, and automotive sectors, faced unprecedented challenges in the wake of the COVID-19 pandemic. This case study explores the strategic transformation Zenith Innovations underwent to adapt and thrive in a rapidly changing business environment.

Background

Zenith Innovations, with its seven business units, had been a leading player in various industries for over two decades. However, the post-COVID era posed significant challenges, including the need to adapt to remote work and the increasing influence of AI. While three of its business units were excelling, inefficiencies plagued the others, primarily due to outdated technologies and processes.

The Challenge

The main challenge for Zenith Innovations was twofold: Firstly, to address the inefficiencies in its operations that were exacerbated by the pandemic; and secondly, to realign its business strategy in response to the growing dominance of AI in the market. The company needed a comprehensive transformation to stay competitive and profitable.

Assessment and Strategy Development

A 6-month in-depth assessment revealed several key issues:

Poor Technology and Process Duplication: Many of the company's processes were outdated, relying on legacy systems that led to redundancies and other inefficiencies.

Performance Discrepancies among Units: While three units were outperforming expectations, the others were lagging, primarily due to a lack of adaptation to new market realities.

Based on these findings, Zenith Innovations embarked on a transformative strategy focusing on technological advancement and organisational restructuring.

Implementation

The transformation strategy included several critical steps:

Outsourcing the Accounting System: Recognising the need for more efficient and modern accounting methods, the company outsourced this function. This move introduced a cutting-edge finance tool that automated many of the required financial processes, reducing errors and saving time.

Downsizing and Realigning Business Units: Zenith Innovations decided to downsize three of its underperforming business units and completely phase out one unit that was not projected to be competitive in the future. This decision was based on market analysis and future trends, particularly the impact of AI in these sectors.

Integrating AI across Operations: The company invested in AI technologies to optimise operations in its remaining business units. This project included the automation of routine tasks, the use of AI for market analysis and consumer insights, and the integration of AI in product development.

Results

By the end of 2023, the transformation strategy yielded significant results:

Increased Profitability: With reduced operational costs and more efficient processes, Zenith Innovations saw a much-improved bottom line. The outsourcing of the accounting system alone led to a 20% reduction in financial processing costs.

Employee Retention and Satisfaction: Despite the downsizing, the company experienced lower attrition rates. Employees were more satisfied due to the elimination of monotonous tasks and the opportunity to engage in more strategic and creative work, thanks to AI integration.

Renewed Competitive Edge: The realignment of business units and the incorporation of AI placed Zenith Innovations at the forefront of innovation in its industry. The company was not only able to keep up with the rapid pace of technological change, but also became a market leader in utilising AI for business growth.

Conclusion

Zenith Innovations' journey through 2023 serves as a compelling case study of how traditional businesses can transform themselves to meet the challenges and opportunities of the post-COVID era. By embracing technological advancements, particularly AI, and making strategic organisational changes, Zenith Innovations successfully positioned itself for sustained success in the dynamic landscape of 2024 and beyond. This case exemplifies the power of agility, foresight, and the willingness to embrace change in navigating the complexities of modern business.

In Conclusion: Embracing Transformation for Future Success by Ian Pascoe

As we enter 2024, the business landscape is poised for a seismic shift, driven by the relentless march of technology and the lingering aftereffects of the COVID-19 pandemic. The Essential Guide to Business Transformation in 2024, brought to you by Grant Thornton, encapsulates not just a roadmap for navigating these changes, but also a clarion call for businesses to adapt or face the risk of obsolescence.

The Inevitability of Change & the Transformation Imperative

The past few years have unequivocally demonstrated that clinging to traditional business models is a recipe for decline. Just as Blockbuster and Kodak were eclipsed by digital upstarts, companies that fail to embrace digital transformation and the AI revolution risk falling behind. The narrative for 2024 is clear: Adaptability is no longer an option but a necessity for survival and growth.

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Our analysis underscores the imperative for businesses to overhaul their processes, systems, and organisational structures. Process documentation and optimisation have emerged as fundamental needs, not just for operational efficiency but for building a resilient foundation for future growth. In a world where remote work and digital interactions are becoming the norm, businesses must have their processes clearly mapped and accessible.

The integration of AI into business operations is more than just a technological upgrade; it's a strategic reinvention. AI offers unprecedented opportunities for efficiency, from automating routine tasks to providing deep insights into market trends and consumer behaviour. However, its integration must be thoughtfully aligned with human skills and creativity.

Amidst this technological upheaval, the human aspect of business remains paramount. The future workplace is not about replacing humans with machines but creating a synergy where each enhances the other's capabilities. This new era demands a workforce that is not only technically proficient but also adaptable, creative, and emotionally intelligent.

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What's more, investors are now looking for businesses that not only acknowledge the need for change but also present practical plans for it. Companies with well-thought-out strategies for digital transformation, integrating AI, and staying adaptable are better positioned to secure financial support.

Such plans not only help businesses adapt to challenges but also position them to succeed amidst the uncertainties of 2024. The key lies in presenting a straightforward vision of future success – a vision that not only helps businesses navigate change but also attracts the financial backing necessary to reshape business practices in this era of significant transformation.

Grant Thornton: Your Partner in Transformation

At Grant Thornton, we are uniquely positioned to guide businesses through this transformative journey. Our expertise in business process mapping, AI integration, recruitment, and organisational restructuring enables us to offer tailored solutions that align with your specific needs and goals. We understand that transformation is not a one-size-fits-all process; it requires a deep understanding of your unique business context.

As we move into 2024, we foresee a landscape where agile, technology-empowered businesses thrive. Companies that have streamlined their processes, embraced AI, and fostered a culture of continuous learning and adaptation will lead the way. These organisations will not only survive the challenges ahead but will also seize new opportunities to innovate and grow.

The proclamation for 2024 is clear: businesses must either adapt or face decline. This is a year for bold decisions, for embracing change, and for redefining the way we do business. It's a year where technological prowess, aligned with human ingenuity, will set the winners apart from the rest.

Final Thoughts

The Essential Guide to Business Transformation in 2024 serves as both a warning and a beacon of hope. It warns against the perils of inaction and extols the virtues of embracing change. As Grant Thornton, we are committed to being your ally in this journey, offering our expertise, insights, and support to help you navigate these uncharted waters. Together, we can turn the challenges of 2024 into stepping stones for a brighter, more successful future.

In the end, 2024 will be remembered not just for the challenges it presented but for the opportunities it offered to those brave enough to embrace change. Let us move forward with confidence, knowing that with the right strategies, tools, and partners, we can not only adapt to the new realities but also thrive in them.



About the Author:

Ian Pascoe is the CEO and Managing Partner at Grant Thornton Thailand. He has over two decades of experience in corporate restructuring and finance. Since moving to Thailand in 1998, Ian has excelled in revitalising and streamlining underperforming business units, while also engaging with employees, trade unions, and regulatory authorities. His expertise includes corporate finance, mergers and acquisitions, fund management, and litigation. At Grant Thornton, Ian leads the charge in steering businesses through transformative changes, adeptly addressing the challenges and opportunities of the digital era. His leadership is pivotal in aiding companies to adapt, optimise operations, and secure their future success in an ever-evolving business environment.

