PURPOSE

Responsible AI

An Interview with Richard Lumb,
Group Chief Executive-Financial Services, Accenture

EDITORS' NOTE *Richard Lumb is Group Chief Executive of Accenture's Financial Services operating group, which serves clients in the banking, capital markets and insurance industries. He is responsible for all services to clients in these industries and for the growth, strategy and financial performance of the group. Lumb also oversees the growth and strategy of Accenture Consulting, whose more-than 40,000 consultants serve clients across 40 industries. He represents Accenture Consulting and the firm's five operating groups on Accenture's Global Operating Committee and he is a member of the company's Global Management Committee. Lumb has enjoyed a 33-year career with Accenture and has been Group Chief Executive since 2010.*

Richard Lumb

Will you discuss the strength and growth that the financial services sector has achieved?

We're very fortunate to be serving our clients during this massive digital industry transformation. We have a great set of capabilities at the intersection of technology and business that we can bring to bear to help our clients execute their own digital transformation strategies. We can support them with strategic advice to execution and technology build and, ultimately, even with running these solutions on their behalf.

We're seeing tremendous demand today in digital, analytics, artificial intelligence, everything new in mobile and cloud, and new technologies such as blockchain as well as future technologies, such as augmented reality and quantum computing.

This is enhanced by the high quality of the clients we work with – many of the world's largest financial institutions – who are recognizing the threats and opportunities in front of them.

Does Accenture still have a strong focus on early stage start-ups?

It's important to be at the forefront of innovation and to be able to bring that innovation to our clients. Some of this is achieved by working with start-up companies. There are a small number of them that have reached the scale requiring the service Accenture provides. The bigger, mature Silicon Valley companies, whether private or public, are major clients of Accenture. Working with this group is important to ensure we're leading with innovation.

Just as important is the ecosystem of partners we work with. These are organizations that are bringing software and technology solutions to our clients.

While we work closely today with mature organizations like SAP, Oracle and Microsoft, we also work with small private start-ups. For instance, we're working with a company called nCino, a small privately held cloud-based banking platform and have taken a small equity stake in them to get closer to their solution.

We tap into start-ups to make sure that we can bring the latest technology to our clients. For example, we have programs like our FinTech Innovation Labs in London, New York and Hong Kong, which have been running for nearly eight years. Through these Labs, we work with 30-plus major financial institutions to help them identify new start-ups with major innovations and create a shortlist in each sector that we work with to go in-depth on their business uses.

Have the transformation taking place and evolving client needs changed the type of talent Accenture is recruiting?

We have a huge focus on our talent and people development strategies within the firm. We have trained over 170,000 people through massive internal programs in what we refer to as "New IT" – digital, cloud, cyber and emerging technologies. Within our Operations business, we have automated 20,000 roles and retrained virtually all of them to take on new demands elsewhere so they would not have to exit the company. This is fundamentally how we address talent changes.

I'd like to say our company is helping lead the transformation taking place. We've been able to pivot and scale our business to New IT very rapidly and it's put us in a market leading position. Three years ago, New IT accounted for 30 percent of our revenues; in the first half of this fiscal year, it made up 55 percent of our revenues. Sixty percent of our new bookings are around New IT.

Will you discuss the impact of AI and the event Accenture hosted at Davos on the responsible use of AI?

AI is still very new, but it's already beginning to change how we work. We see tremendous application within the firm and the industry. For example, within financial services over the past 10 years, a huge amount of money has gone into regulatory compliance. There are some estimates that spending has reached $280 billion per year.

We also know that banks struggle with this at times and the consequences of getting it wrong are significant – they can experience severe fines or even lose their licenses and be put out of business.

That is an area that is ripe for automation and that will experience significant transformation. It will also help society in fighting financial crime and money laundering.

We also think financial advice is ripe for AI transformation. If call center workers can be augmented with more information to draw from through AI and analytics, they will be able to provide better advice.

There are also many back office routine operations within financial services that are likely to be subject to massive automation in the future.

We're at a point in time where the technology is ahead of the regulatory and legal framework. This is going to have a massive impact on people and society, and the industry has to take a stronger leadership position in ensuring that AI is used responsibly, as opposed to waiting for politicians and regulators to lead.

Does the industry and business community understand that need?

Everyone believes in the long term that AI will be good for productivity and economic growth. Ultimately it will lead to job growth. Today, it's hard for firms to know what those jobs will be or to understand all the skills that will be needed to fill them. That is one of the most pressing questions facing clients.

There are also risks that humans can introduce bias and unintended consequences in decision making and the AI systems can amplify that at scale. We have to make sure in AI design and governance that we avoid the introduction of bias and reduce drift toward a particular outcome. We need to prevent unintended consequences that might come with machine learning.

We also need to make sure algorithms support transparency and that humans remain at the center of control of these AI systems. ●