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## **Podcast: Process Transformers**

Episode 27: The Future of Work and How to Build the Adaptive Enterprise | Feat. Ross Dawson



**Fig. 1 – Cover art of Process Transformers podcast**

Figure description – A square cover image with decorative geometric designs representing workflows and connections with blocks, circles, and arrows in varying shades of blue. The title “Process Transformers” is featured at the top of the image, and logos for “SAP” and “SAP Signavio” are featured underneath the image

## Transcript

**Lukas Egger:** Hello and welcome to Process Transformers, the podcast that talks about business transformation at the intersection of processes and AI. For those of you who have listened before, welcome back. And if you're new to the show, thanks for tuning in. My name is Lukas Egger and I'm the head of innovation at SAP Signavio. I'll be your host for today's episode titled, *The Future of Work and How to Build the Adaptive Enterprise*. I'm honored to introduce today's guest, Ross Dawson, a futurist and author known for predicting the social network revolution, among other things.

Ross, welcome to the podcast.

**Ross Dawson:** Thanks for having me, Lukas.

**Lukas Egger:** Ross, you have written and spoken about AI and how business adapt innovation. Now, a lot of people have a hard time discerning whether business is really changing or whether they're just slapping on the newest technology in some sort of fads that they're engaging with. How can you discern the two? What's the real evolving technology and how can you see from the outside what's happening in a business?

**Ross Dawson:** Well, there's the whole array in which AI can be applied to create value. And one of them is in scaling efficiencies of various kinds and increasing productivity. I wouldn't. I suppose discount that but it is still just a tool to apply to doing the same thing you've done except a little bit better. So where it starts to get more interesting is where it changes the nature of the product which product or service your offering so your customer client receives something different as a result but even more it is a changing structure value creation. where rather than necessarily providing those products to the customers, it becomes a process of co-creation of value, where you have a different dynamic to how the customer is involved in your co-creation or your partners, you're building more a ecosystem or structure. So part of it is in terms of this nature of value creation with your customers or suppliers or partners but also around the way in which you redesign the organization so it becomes not simply existing process structures. re-ret or made a bit more efficient or more productive with the actual nature of how you are creating the value for your customers changes by reconfiguring what

humans do, what AI does, what is the structure of the organization, re-architecting the organization.

**Lukas Egger:** Now, you said changing the value creation. Does that mean companies now with AI need to look for new opportunities of value creation? Or is it different ways of the value creation they have engaged in before? And also, is there a good example of what co-creation could mean? Is it active? Is it passive? Because a lot of people are worried about their data being used. What are like, the good practice or the good examples to frame value creation, co-creation, and the like?

**Ross Dawson:** So this is always an ad, so we shouldn't be discounting ways of being able to do what has already been done better. In addition, you can find new ways to be able to create value and interact with customers. So on a writ large, I mean one wonderful example is Melody Consortium, which is a... Consortium of pharmaceutical companies where they have a federated data structures which identify data is relevant in the drug discovery process, being able to anonymize that pull that data so that all of the pharmaceutical companies can use that. So this of course is a whole lot of tools are required to be able to do that to be able to identify relevant data to. anonymize to extract, to add relevant metadata and then to create a data pool which is then accessible. I'm sure so that is creating massive value for all of the participants that consortium without the tracking from the value of anyone even though they are in fact all competitors. And so this is a new opportunity of sort of a very large scale of how you can create new ecosystems or opportunities. So one of the many ways in which AI can be applied is actually finding new ways in which the platforms or ecosystems can be done better. So I mean, on a fast, more simple example, Airbnb can use AI to be able to detect who might be a unpleasant guest. And so this means that great value in the ecosystem, this means people are more happier to provide their houses on a platform. And if you just think about all of the interaction points in a platform or an ecosystem, there's many ways in which AI amplifies and extends that scope of value creation across multiple parties.

**Lukas Egger:** I think that's super relevant. Now the two parts you pointed out, sharing data and also being more personalized, they seem to be revolving around the common theme of data. Would you say that is also then the unifying theme and also what's most important to differentiate and take part in the AI revolution? Or are there other parts in terms of like how to work out the strategy, what is the best way to create additional value for any given company?

**Ross Dawson:** Well, the answer is the same one, and as both. So, AI does not exist without data. If you look at classic machine learning, machine learning only exists because you have quality data in a particular domain where you can train models and be able to predict outcomes in that particular domain. And without the data, that does not exist. Same thing with generative AI, where it is again a far more disparate and diverse data but again that data is the underpinning of that, and so if you start to, for example, look at RAG old man RAG type system with generative AI where you say, we have the data in the enterprise. And from these more general LLMs, we can actually extend the data in the enterprise to be able to find new insights, to be able to find emergent patterns, to be able to gain perspectives that inform our strategic decision-making. So all of that is based on data. So AI only exists because it is applied, you know, these algorithms on top of data. But by itself, you know, those are simply just some algorithms or some ways to be able to access data. The value resides then in the ability to frame. What are the ways, where is it that this can be most valuable to us? There are many arrays from being able to process optimization through to expanding strategic options and being able to get a deeper understanding of where it is that you can. Identify new strategic options and generative AI design well, could in fact identify some of the kinds of opportunities that I was mentioning in terms of applying AI to ecosystems or to be able to redesign customer relationship, co-creation of value or whatever it may be. It is in the application and visiting the potential of these that we can really create the value.

**Lukas Egger:** When you say envisioning the value, how do you recommend that companies go about assessing the potential value? There is probably at least two different schools so far, right? There is one saying, you just get it out, iterate. You do the POCs, the MVPs, you try and see what works and most likely you will fail on the way. And then there's the school of art saying, "Well, we have to plan. We need to assess which are the strategically important treasure troves of our data and we need to really plan." Do you recommend a little bit of both? Do you have methodologies? How, even if a company says, well, we want to do this. I want to engage. I want to use my data. What is the best methodology to get into the first steps? Trying or planning?

**Ross Dawson:** Well, once again, my answer is and both. But I would replace the word plan with envision because you can't plan because you don't know. I mean, they'll be completely different landscape of tools. They'll be completed landscape competition. There's different architectures which will evolve so to over plan is the mistake, but you do need a vision. That requires that's where of course in order to be able to assess what might be potential useful interesting pilots you do need to be able to say is this does this either

align with. Why i'm not that's part point is you can align with existing strategy or strategic vision or can it compliment or even expand strategic vision. So this envisioning is being able to be clear on what it is it really is the purpose and the identity organization what are we looking to create what is the. What is the value what is our role what is where aspirations but also being able to understand that what you do with a i am building those experiments and what they might become will support that. You in fact have this opportunity to expand the vision of what the organization might become because there are so many more tools and possibilities to be able to do that. So there has to be others the stretch of this tension with the vision is. By its nature not crystal clear but it is it has a shape to it and it has a direction. And so you have then this sort of these vectors of momentum vectors where you have a direction and you try to increase the amplitude by experimenting. You have to do the experiments as you said you have to fail you have to find the ones which work in to build on those but those have to be guided by some kind of vision and the directions in which you are going and where you see the potential opportunity spaces that are aligned with who you are as an organization and what your destiny could be.

**Lukas Egger:** I like the expression of shape of a vision. I think that's a beautiful concept. Now, I want to go back to something you said earlier, namely, the need to redesign an organization in order to take advantage of it. Now, Redesigning organization sounds great from the outside, but from the inside it mostly feels like pain. It's never an easier fun exercise to redesign an organization. So I guess the obvious questions that come up are, why do we have to redesign the organization? And in what way? Because there is tons of ways. And are there any Northstars or ideas that can help not to go wrong with that exercise? Because there's multiple agendas and incentives and just redesigning can also lead a stray, right? So what's the best practice there and then how do you start it, I guess?

**Ross Dawson:** Well, echoing a little bit what I said in the last time, they could look at it in two ways, as in present, forward and future back. And present for to say this is what i can process and we can see all of these opportunities for improvement will follow those directions. The other is the envisioning process and i think it a macro level i think in terms of the what is the environment business environment going to look like in whatever time period you choose, three, five years, three, five, seven years, whatever's relevant, to be able to frame what is the shape of organization that can be extraordinarily successful in that world. And this will, I think, necessarily be substantially, at very least different than the organizational structures of today. When that starts to, you know, take away that thing of saying, "Where are we today and how can we

tweak it?" As opposed to saying let's reimagine completely. You may not then be that transition from where you are to that ideal state or what you envisage is an ideal state is then obviously difficult for provide you something which goes beyond this. Just iteration which gives you incremental improvement or change and doesn't get you something which is dramatically different as you say the change process is deeply challenging. But the organization of structures of today and yesterday are not going to be fit for the dramatically shifting environment we're going to see in the coming years. So we do need to pull back and say, well, what is? humans plus AI workflow in our organization look like what might those human roles look like what might the rules look like how will they come to each other. What are the structures what are the skills we need to develop and what is the architectures that will support that. And I think it is, you know, if I'm balancing, yes, you do need a little bit of present forward, but I think the future back is far more important into really providing a big, big frame around what the organization could or even should become in order to be able to design that pathway.

**Lukas Egger:** The future back. Again, I guess there's multiple ways in how this could play out. You mentioned processes, but also we talked about roles, right? So it could be skill sets, it could be the setup of the teams, it could be the value creation enablement through the processes. What do you have found is the best starting place for getting into this rich conversation, the art of the possible, or where you want to see your organization? Is it more process-led or more human-centric?

**Ross Dawson:** Well, I mean, I think it's around outcome. What is the outcome that we want? whether it's a correctly processed invoice or a delighted customer or whatever it may be, it's you start from the outcome. And so I think you can't really separate all of the elements for that as in saying, well, what will support that happening? And, the old framing was, merged around people, process, and technology, and the intersection of those. You know, those are all still relevant. But I think we can start to reimagine this as not just a flow of work, that work being done both by. human work as digital workers, being able to create that ecosystem, but also being able to make that fluid. And that is fundamental, is where, when I describe this future state, The future state is not fixed. The future state is highly fluid and dynamic. And part of the process is saying, how do we create these fundamentally fluid and flexible workflows, systems, ways in which humans work, ways in which individual talent of human can be applied in conjunction with AI. And so that this is then dynamic and responsive to changes in the business environment or challenges or opportunities as they arise. So this is not just around saying what is the right process but how do we design a ultimately self optimizing process or self



optimizing work flow and structure which brings to bear. As is most relevant. You know the human talent and the AI talent in new configurations that are relevant to that so this is a little bit of a, I suppose a stretch from where we are today but I think you have to be thinking those frames in order to have any chance of getting to what I think is going to be absolutely fundamental to success.

**Lukas Egger:** Now, if that weren't challenging enough, we haven't even talked about agentic AI or agents, which are all the rage these days, right? And that could add a bit of a wrinkle there as well, because if we imagine AI are actively participating in the transactions, in the processes, in the value creation, which we hope it will, that would make the entire idea of reorganizing and redesigning an organization much more important and also I guess daring. Do you have a conceptual framework of how to think about that and where to start there and how to think about the interoperability, the work between AI and humans? What are some ideas that guided you or help you to make sense of that?

**Ross Dawson:** Well, there's, not surprisingly, there's quite a few layers to the answer. And so part of it is, I mean, as I was alluding to, we have digital workers or, you know, AI agents. And this becomes, when we think about, almost think about not agentic AI, but agentic work, where you have human agents as well as AI agents. And so then it becomes around this architecture of orchestration. So how do you then orchestrate the participation of humans and AI in a particular process or to get a particular outcome? And essentially, we will have both human orchestrators. AI orchestrators depending on the types of processes or outcomes we're looking for. And of course, combinations of those which can be fluid where you can have a human augmented AI or an AI with human in the loop to be the orchestrator of all of these. So in a way, it's... It is a step from where we are, but in a way, as soon as you start to create these flexible workflow structures and processes, then you are able to then orchestrate, bring in new agents, human or AI, in order to be able to be part of these processes. So there are a number of underlying layers to support that. So one of them of course is, the agent discovery. And we've obviously have tools such as, MCP now, which starts to make that process of discovering AI agents more, easier and, able to be done, but it also means that there are some interoperability issues. So we need to be able to ensure that, amongst other things, that human agents and AI agents can be interoperable in processes, that the AI agents we build within our structures are things that they have built on standards, and that there do need to be a number of layers of essentially governance. And one of the advantages of an agentic structure is you are able to observe what is the interaction between the agents. If it's all

one monolithic system, it's very hard to have that explainability. And in fact, in a multi-agent system, you do have more explainability because you actually can see what is the interaction between the agents. And so these governance, this is part of fundamental enabler of this new layers of organizations, is in fact these governance structures which can both observe and intervene or flag different behaviors around how these processes are emerging.

**Lukas Egger:** Now, when you say governance, a lot of people, I guess, would first think about probably compliance. Do you see this governance and interaction with agents to be on the level of natural language? Do you think there will be new systems? How can we envision how we will make sure agents work within the confines of the business roles and guardrails that we'll set up? Have you seen any interesting ideas on that, or how do you envision that we can tackle that problem?

**Ross Dawson:** Well, this goes to a bigger thing, which I'm working on, which is the idea of fluid governance, where on the first level, we can have this... Compliance is simply governance which is regulated. All right, you have to comply with the laws. And then of course there is the ethical and the responsible AI layers. Who are we as an organization? What are we comfortable with in terms of the risk parameters around how, for example, decisions are made that impact customers? Depends on the industry, this to how those, you know, the impacts of those decisions and what you want the parameters to be and what we're and critically where accountability resides. And so in any process, any structure, any business accountability resides somewhere and often that is of course not just at the board level but cascading down so there's clarity around where accountability resides for any particular processes or decisions or structures. But if because this is evolving so fast, we need to be able to both allocate how decisions are made, where decisions are made, where information required, and that these start to evolve real time. So this is where there's a real opportunity to apply AI. to the governance process. So there's not a governance as this is a document. there will still be governance things as saying these are our principles, and these are the guidelines, and these are the rules and regulations, but there will need to be aspects of that that do evolve in the way in which we design the, you know, what I'm describing as fluid workflow, which does mean that we do need to have significant degree fluid governance.

**Lukas Egger:** Now, one question that comes up for me regarding agents, and especially in this dynamic of governance and working with them, do you believe that agents will be a force deployed by human employees of a company? Or in terms of let's say empowering the workflows and the work of



what is currently happening for any employee of the organization? Or do you feel like the gravitational pull will be more with the organizations? Meaning we will see the rollout of agents that replace work or like work for the organization. Do you see it more as an empowerment of the people already working, or on a higher level, taking responsibility as part of the organization, if that makes sense?

**Ross Dawson:** So I see that as one of the fundamental strategic choices that organizations have. I think you know there are more and more ways that organizations are becoming more different. And that's a whole array of parameters from how you structure yourself from hierarchical network structures through to, no where your work is human workers are located in offices or elsewhere through to now many dimensions to the way in which you deploy. The legacy organizations will tend to be more organization and structure focused, and younger, more dynamic organizations will tend to be more emergent in their structures. So there are choices. I think quite of this will unfold necessarily without the explicit or deliberate guidance of their leaders. We will see more and more emerging organizations just by the nature of the world and how it emerges. But I think essentially that large organizations will have to make choices. And they need to make those choices explicit. And so ask the question which you asked to themselves and shoot, make a choice, and then try to implement that choice in the architecture of the organization they're creating.

**Lukas Egger:** I love the concept of fluid governance, so I kind of want to revert back one more time. This is definitely something new and genuinely interesting. Now in terms of getting started with fluid governance, if somebody sees like, well, actually I really do want to be in a position where I can work with maybe more agile kind of versions of a chentic or AI collaboration. What are the pillars or the foundational pieces to get to fluid governance? Do I need, apart from, let's say, the compliance pieces, right? Having everything settled and ready to go in terms of the rules and regulations I need to follow. But in terms of fluid governance, do I need to make explicit... what the culture looks like? Do I need to formulate out the strategic north stars? What are the things that I need to get ready in order to jump on fluid governance and make it a possibility for me? What are the things that I need to get ready or need to understand?

**Ross Dawson:** Well, part of it is I'm currently working on it. So I don't have all the answers yet. I think that these are emerging. But a few points. The fluid, or call it real-time dynamic, adaptive governance, whatever it may be, is completely aligned with the real-time dynamic, adaptive strategy. So strategy

cannot be static. The world's moving too fast. You can't have a static strategy, and your strategy needs to be evolving dynamically with the world, its environment, and the new opportunities that are emerging, and so on. And alongside that, the governance, as in fact I would argue a key component or element of strategy, needs to at the same time evolve and be dynamic and move according to environment and situation. But in order to have effective fluid governance, you actually need to have a high degree of definition. So, around, well, what are our current allocation of decision rights? What is our boundary cases for exceptions or things which we consider acceptable or not conceptual in this particular domain? What are the risk parameters around these things? And when those are defined... then you can vary them. And if you don't have them defined, then it's undefined. You don't know what your governance structure is. So either it is what you can lock it down by definition. But once you have clarity on definition at quite a granular level, that's when you can sort of rather than sort of throw out the old thing, "Oh, we're going to change our fundamental principles." Say well actually we can change the ways which we allocate our decision rights and the way in which accountability is done for a particular customer impacting decision. For example so that clarity then of governance structures at a quite granular level then allows you to iterate into even experiment. I would be able to try different variations on what the governance is and in a way in which that is completely clear to everyone in the organization at all times. And in forming, of course, the AI models that are, again, there's not just human oversight, there's AI oversight. Where AI oversight looks at data and be able to flag exceptions and where parameters aren't being met and so on. And these become part of those governance structures where they are embedded. in AI as well as in the attitudes and the mindset and the culture of the organization.

**Lukas Egger:** It sounds like a company that wants to be successful in the future really needs to get really good at modeling out the decisions and the responsibilities as well as their processes. So, that's often not perceived as the sexy part of innovation, but I think you're making... Is it a fair statement to say that that is one of the necessary parts of getting good at what you're envisioning with fluid governance and other things you talked about, being really good at modeling out decisions and processes?

**Ross Dawson:** Yeah, absolutely right. I think you can't have a good governance structure without good definition of decision rights. And arguably you could say an organization is a set of decision rights. More often implicit than explicit. But essentially say who has the right to make these decisions. And now if you map that onto a so i've created one of my frameworks basically creates the different levels of delegation to a. Into way on one level

you've got fully delegated to a i am going to other levels with a i with oversight i would exceptions a i was. with reasoning AI with humans in the loop. Through the human first decisions, we have AI provide recommendations, AI provides decision reasoning, AI provides alternative perspectives on decisions through the human only decisions. And so for each of those levels of AI delegation of decisions, That then cascades into, okay, so what is the nature of the oversight? What does the human in the loop do? What is their role? How frequently do they do that? What is the oversight on that person? And so this then starts to cascade amongst other things. It actually generates a whole range of new jobs and roles in the organizations with often new skill sets and parameters. All right. What is the role of a bias auditor of a machine learning algorithm? What is the role of somebody who is doing appropriate checking of customer-facing decisions in a particular parameter? What is the role of this verification of impact of decisions and how that flows back into refining algorithms and so on. So this all is challenging to map out and define, but in fact, those organizations that do this well can then provide not just a highly effective organization, but one that can continuously improve its processes and its structures within very strong governance parameters and still have extraordinarily high performance.

**Lukas Egger:** What I absolutely love about what you just said is, I guess, in between the lines, that decision making in the past has often been like a command and control way of structuring the organizations and what is happening. But now, by virtue of thinking what can be done with AI, it also becomes then an upside opportunity about innovation. So that kind of changes the perspective of how an organization works. And I think that's a really interesting novel approach about thinking, what is our organization? How do we make decisions? And not just as we need to downside protect or we need to... like command and control our decision making process, but also like where can we differentiate? Where can we create more value? And that ties back into the very beginning, right? Then finding the opportunities of creating new value that wasn't there before, which... You go to the boring parts of the organization, you really make them transparent, you think about them clearly, and all of a sudden you get like tons of opportunities to get better and not just do it differently. I think that's really, that's very powerful.

**Ross Dawson:** Yeah, I was just about to make the same point. Then we're back to the beginning of our conversation as in, yeah, describing this organizational innovation. All right, there's many types of innovation. You can apply to products and services. supply chain and but also to the organizational structure and the nature of the organization and how it functions and that is one of the fundamental ways where applying ai. Yeah in

some of the ways i described in many more can create a completely different organization which creates value in new ways.

**Lukas Egger:** Yeah, that's fascinating. Now we focused on, let's say, the myopic, the inside perspective of what an organization could be. But I guess it's very likely that we'll see dramatic shifts at the outside as well. So I kind of want your take on, do you believe that AI will be conducive to greater collaboration? Or do you think that in the next couple of years companies will have to straighten out their internal workings? One of the examples you mentioned at the beginning of our conversation was kind of a network of data providers in the healthcare space. So definitely there's opportunities for collaboration, but how do you see that play out? Do you think AI will be a power for connecting ecosystems, or do you think it will be more towards the core, looking inside and maybe shutting oneself off to the world at large.

**Ross Dawson:** I think to a significant degree it's what we make of it. And I think if we look at multiple layers of competition and business, that there are some ways in which AI is driving very significant competition in particular layers of... You know for example the data and architecture but the broadest level i think there are massive opportunities greater collaboration and co creation value. Typically between customers and the organization itself this nature of how there is no again you're not just said you are able to. hyper-personalization with feedback loops is co-creation of value. As in, you know, this is not just relevant to you, but more feedback you get, you're able to make it even more relevant and learn from that as to how that'd be relevant for more organization. That is a, you know, quite yeah, implicit form of co-creation of value. But there's other ways in which people using your tools to be able to, in novel ways, because they are more reconfigurable and flexible, starts to be able to new ways of which, and then you learn from them. I mean, this whole classic thing of open innovation, you, you know, customer driven innovation, you learn from your customers and how you use that to get more visibility of that, you're creating more options for your customers. You are co-creating value through giving them more possibilities and learning from those and applying those to other situations. I think there's a wealth of extraordinary ways in which AI can massively assist collaboration and co-creation of value, certainly specifically with customers and clients, but also very much in ecosystems where, as I mentioned before, there are many specific ways. If you look at all the dynamics of platform strategy, all of the enablers, In terms of data and participant experience and being able to network effects and a whole lot of structures, AI can assist in just about every single one of those aspects so that we can build more and more. You know, there's already a heavily platform and ecosystem economy, one which is even more so, and

those that are in the center and using the AI to augment the benefits to participants and thus growing the scope and the mutual value in those platforms and ecosystems will derive the most value.

**Lukas Egger:** You're definitely painting a very beguiling, interesting picture of the future that will be, it sounds wildly different in some aspects to today's world. I'm certainly excited, but let's bring it back one last time to the here and now. If you could magically change one process today that gets us on the way or that really creates outsized opportunity for value creation, what would it be and why?

**Ross Dawson:** I have to say the strategy process. And that in fact is the core of my work, as I work with leaders and organizations around their strategy process in order to be able to address all of these issues. And so this is something which can be massively augmented, but to the point of a number of other things that we discuss. First it needs to be made explicit. I think that in many organizations the strategy process is far more implicit than explicit. And be able to make clear what that strategy process starts to immediately identify all of these ways which can be AI-augmented in a plethora of different ways, from being able to generate new options, to be able to test them against a variety of scenarios, to be able to identify things that are missing in the process, to be able to assess options, to be able to do that strategy process faster, and cascade that out into more effective governance. So I think the strategy process, and I think we need to be describing it as a strategy process, not strategy making. It is a process itself. It's an ongoing process. There's not one where you start and you end. It has to be continuous and evolving, but I just see the strategy process as the heart of value creation. Everything else cascades from that. That's why it is the center of my work with leaders and organizations.

**Lukas Egger:** Yeah, fantastic. If there was ever like a motivational part about getting better at strategy, it certainly is that. Thank you so much, Ross.

**Ross Dawson:** It's been a real pleasure, Lukas.

**Lukas Egger:** And with that, thanks for listening to another episode of Process Transformers. This podcast is brought to you by the dedicated efforts and hard work of our team. So a heartfelt thank you to Beyza Katal, Jahanzeb Khan, Reagan Nyandoro, Erica Davis, Cecilia Sarkis, Vasi Murad, and Julian Thevenod.



If you have questions or comments, email us at [processtransformers@sap.com](mailto:processtransformers@sap.com), and until next time for another transformative conversation.

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