PUBLIC

Podcast: Process Transformers Unplugged

Episode 02: No Knowledge Management, No Value Unlock

Fig. 1 – Cover art of Process Transformers Unplugged podcast
Figure description – A square cover image with a decorative geometric design of the SAP anvil in light blue. The title “Process Transformers” is featured in the middle of the anvil shape, with the label “Unplugged” appearing above the anvil design, and the logo for “SAP Signavio” is featured at the bottom left corner.

Transcript

Introduction to Process Transformers Unplugged

Lukas Egger: Hello and welcome to *Process Transformers*, the podcast that explores business transformation at the intersection of AI and processes.

My name is Lukas Egger, and I'm the head of innovation at SAP Signavio. You've tuned in to another episode of *Process Transformers Unplugged*. Unlike our usual episodes with expert guests, *Unplugged* episodes are just me unpacking one key idea on how AI is transforming business processes. No hype, no clickbait. Just one clear, thought-provoking insight.

The Importance of Contextual Data in AI

Today we'll explore the idea of no knowledge management, no value unlock; meaning that in a world where generative AI can effortlessly synthesize digital information, unique, contextualized data becomes a business's most important asset.

Generative AI and Data Integration

Now, let's unpack that. So, one of the key ways generative AI is distinct from previous technologies is how it enables us to connect and integrate data.

Previously, large-scale data aggregation required complex and rigid processes, including unified schemas and elaborate ontologies. Imagine trying to merge the libraries of 10 universities, each using entirely different cataloging systems. You'd first need to painstakingly agree on a single unified schema to integrate them. Well, today, generative AI just scoffs at these complexities – effortlessly extracting metastructures directly from data and context, massively accelerating our ability to bring together diverse datasets.

Now that's great, but at the same time, publicly accessible data is being rapidly hoovered up. Trillions upon trillions of tokens. Humanity's collective public data has essentially already been loaded into AI models.

Well, regardless of the legality of some of the training data, the genie is out of the ball and it won't go back. This means the remaining competitive differentiator lies in private, non-derivable, context-rich data. What you need, what your business needs, is data that is exclusive to your organization, cannot be easily derived or predicted from publicly available data, and captures contextual nuance, meaning the way to get to the solution, not just the end result.

Now, let's put this into an analogy that captures this situation. Let's think about the America's Cup, which is a very prestigious sailing race. In this cup, all teams start with essentially the same rules and constraints for designing and building their ships. Similar to how AI models are becoming commoditized. No matter where you are, you will use one or the other of the frontier lapses models.

Now imagine if you focused only on the outcome. The picture of the team lifting the trophy, that single victorious moment at the end of the regatta. In reality, winning requires mastering countless factors, whether it's the training, the crew dynamics, boat tuning, race strategies, weather prediction, and so many more factors. The race itself is merely the tip of the iceberg, so to speak.

The Contextual Data Gap

Lukas Egger: And quite similarly, businesses often capture only the outcomes, the picture with the trophy, the end states of processes or their work, while ignoring the critical contextual details that led to the outcomes, the people and the tacit knowledge that made it possible. Now, this is what I call the contextual data gap. And it means missing out on significant value on locks because you're not having that context. And AI's true potential can only be unlocked if you are enabled by this contextual information. If you have not only the outcome, but all the steps that are needed on the way to get there.

So, companies must shift from their current need-to-know mindset when capturing data to almost an everything-but-noise kind of approach, which encompasses not just the results, but also all of the parts and the implicit processes that end up in the outcome.

Harnessing Contextual Data for AI Success

Lukas Egger: But contextual data's value isn't merely about the data itself. If the hype around AI agents holds true, their critical success factor will be the feedback loop that we are able to create when agents generate new data and continually learn from it. So unlike robotic process automation, which efficiently automates normal tasks, AI agents aim to explore and innovate. They are meant to discover new ways of handling business processes and work in rich, dynamically involving environments.

The value of the data more resembles, if you want to go with an analogy, wind energy. Its value is activated and harnessed continuously, flowing and dynamically converted if you have actionable insights. And like wind, data must be captured and immediately utilized to provide competitive energy and differentiation. So, think of data generation and management not just as a byproduct of your processes, but as a core capability, just as critical as hiring, training, and developing people. Future success depends on deploying and continuously refining agent capabilities through data, enabling them to explore and innovate within your processes.

Moreover, contextual data captures unexpected insights at times. What I mean by that is that, sometimes, you don't know what kind of insights you will be able to glean later on.

As an example, I remember over a decade ago, researchers discovered that they could extract physiological data, like the heart rate, from existing and old video footage, just by analyzing solo pixel color change over time. Now, this highlights how investing in capturing rich data today might unlock unforeseen advantages tomorrow.

The Future of Knowledge Management

Lukas Egger: So here's the bottom line:

To succeed in the AI era, organizations must treat knowledge management as a core capability. That means systematically capturing contextual, implicit, and dynamically evolving process data; designing feedback loops that help agents learn and adapt. and building proprietary data assets that fuel continuous differentiation.

Smart leaders will integrate AI in ways that are deeply aligned with the organization's data and decision landscapes, continually refining processes, learning, and trading loops.

In the end, it's simple. No knowledge management, no value unlock.

Conclusion and Acknowledgements

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 the hard work of our team. So a heartfelt thank you to Beyza Ketal, Reagan Nyandoro, Erica Davis, Cecilia Sarkis, Vazi Murad, and Julian Thevenod. If you have questions or comments, email us at process transformers@sap.com, and until next time, for another transformative conversation.

End of transcript. www.sap.com.