

CULTURAL ANALYSIS AND ARTIFICIAL INTELLIGENCE

- Navigating the risk and compliance landscape

THE OPPORTUNITY

Have you ever noticed that following poor business performance such as Deepwater Horizon, Staples and Wells-Fargo for example, that subsequent investigations always reveal that the cultural and behavioral conditions must have existed for the poor performance to emerge and become a reality?

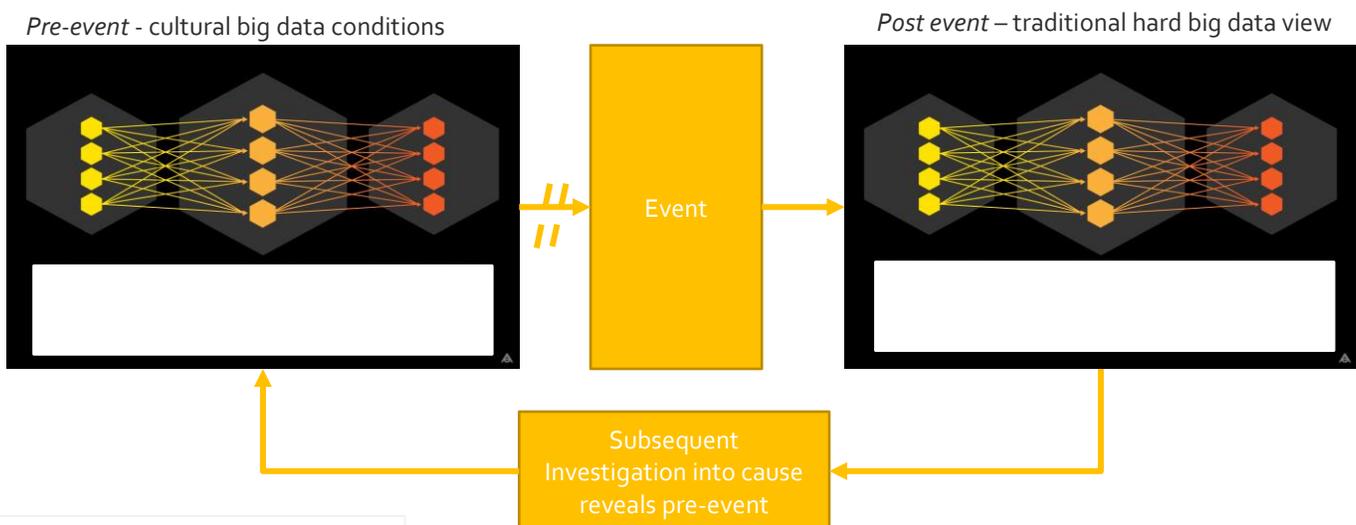
By the time poor performance appears on a KPI, graph, or any form of traditional big data, it is too late. The impacts can only be managed by them, damage to brand, business results or compliance failures. As an analogy, it is like driving a car by looking in the rear-view mirror.

Of course, the same dynamic is happening all the time, 365 days year in every organisation in every sector across practically every product or service supplied - an ongoing uncontrolled business risk.

But what if we could measure the impact of how people behave and from this determine the risk to poor performance before it becomes a reality!!!

But how can we capture what is currently invisible? This requires a different approach simply because traditionally KPIs and numbers could not be produced from events that have yet to happen, no matter how deeply that lag-data is mined. Understanding what is visible is easy – understanding the invisible is much more difficult but quite straight forward.

What is needed is an approach that puts numbers to the impact or outcome of how people behave, quantifying what is currently invisible to expose the level of risk that behaviour poses to the business. Culture is truly a lead indicator of risk, this time, akin to driving the car by looking through the windscreen!



That is not to say that past, post event measurement techniques are not valid, just that they provide an incomplete picture of risk and performance, we need a more holistic view. One that is backward as well as forward looking to create a wider picture of performance risk.

ENTER ARTIFICIAL INTELLIGENCE & THE MARRIAGE

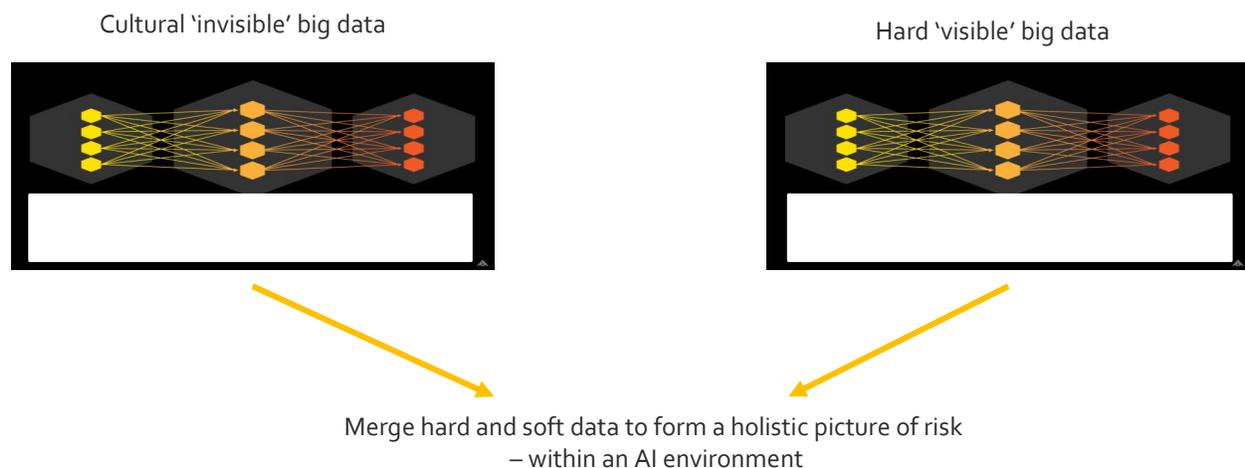
Critically cultural and behavioural analysis is focused on what is achieved, the business benefit, not just what is delivered. What is achieved is the 'outcome', not the 'output'.

This proven approach to measuring culture requires a non-linear, omni-channel approach to the collection of data and then the consistent analysis of that data to report the myriad of human behavioural impacts against desired *business outcomes*.

Non-AI IT approaches are linear using predetermined criteria based on *outputs*. They deliver data but not what that data *means* to the user in terms of *outcomes*. Consequently, the user cannot routinely question or query the data to extract its meaning without further analysis.

AI, on the other hand, allows meaning to be extracted from that data when requested by the user. However, if that data is only based on past events as well as traditional thoughts, feelings and perceptions rather than data derived from understanding of the impact or outcome of human behaviour that meaning will be incomplete – there will be a gap.

'Combining Cultural analysis with AI is the perfect marriage'



THE MARRIAGE, MACHINE LEARNING AND MANAGEMENT ECO-SYSTEMS

As mentioned, the approach to understanding culture is based on omni-channels what we call stakeholders or interested parties – crowd sourcing. Each channel will have a different experience of people’s behaviour, at a different frequency and with different levels of impact. These differences will also be different within the same omni-channel i.e. its complex.

What AI allows is for this complexity of channels to be managed and critically merged with other data from other more traditional channels to provide the user with a holistic picture of risk to business performance and their desired business *outcomes*.

This holistic picture of risk, a combination of lag and lead data, expressed in a meaningful way allows users to invest in improvement activity and management time knowing that they are addressing real issues. The success being monitored by the AI system in a dynamic and real-time form, i.e. machine learning or what we would call a *business eco-system*.

APPLICATION OF THE MARRIAGE – ALL MOST ENDLESS

Sectors being targeted or where Cultural Analysis has been delivered which disrupt existing business models include:

- Large scale Trading Platform requiring significant funding
- Contractual obligations
- Any auditing, assessment activity undertaken by any second or third party across any subject as they are identified including supply chains
- Assessment of any business process to determine risk to business outcomes and compliance simultaneously
- Resilience Bonds - Insurance underwriting and risk pooling generally
- Due diligence on commercial lending with the aim reducing bad debt and improve compliance to regulations
- Conduct and operational risks
- Users of business performance data on which procurement decisions are based
- Large projects that would have previously used a none AI and silo-based approach to management
- Health & Safety
- Leadership, ethics.