



# The Ivory Tower Rethought

GenAI Disruption in White Collar  
Strongholds



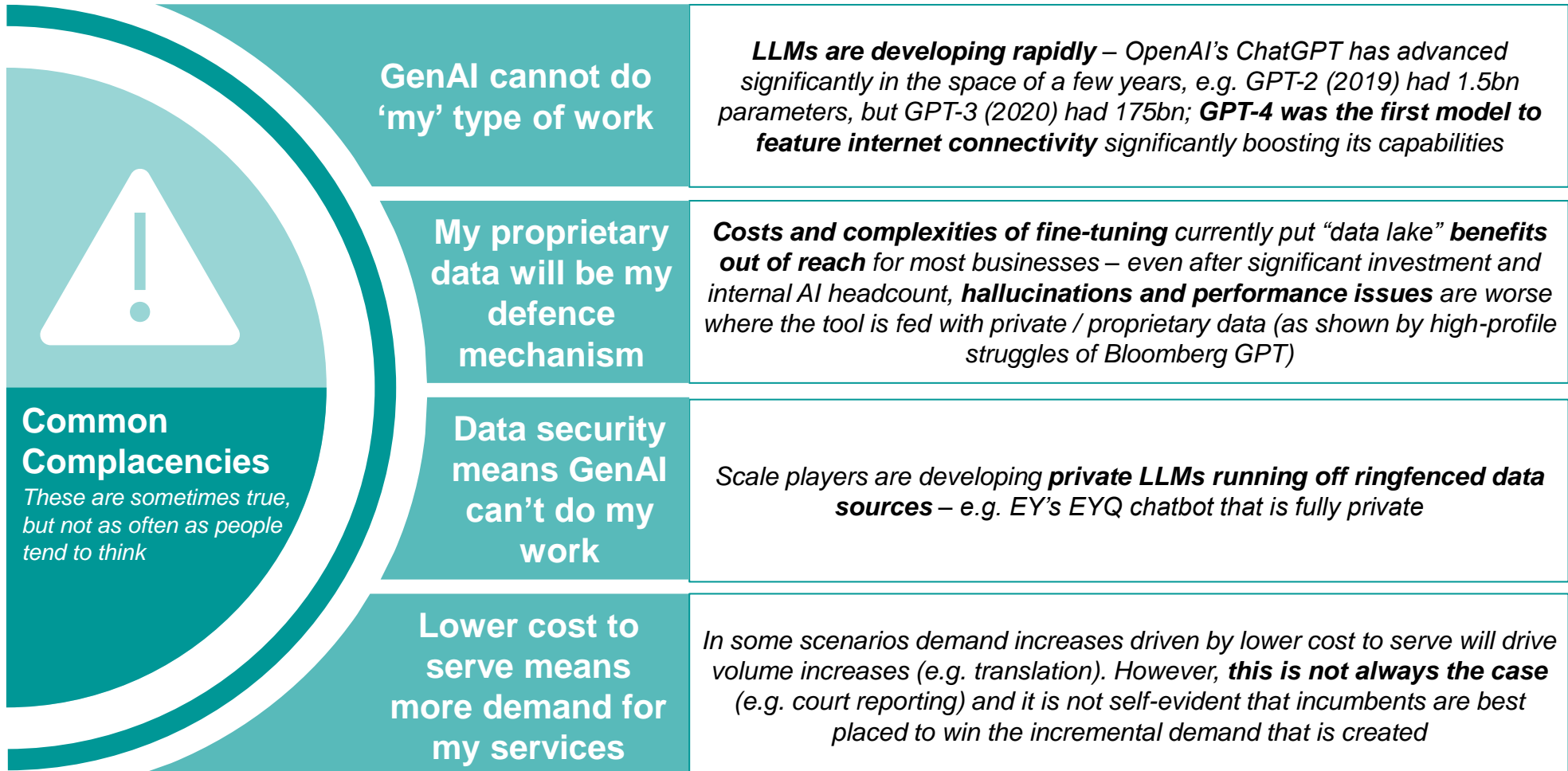
**OC&C**  
Strategy consultants

uncommon sense™

# A rude awakening: white collar businesses are often complacent about the 'defensive moat' the complexity of their work provides against GenAI

Common GenAI 'Myths' for White Collar Businesses

## Evidence to the Contrary



### Common Complacencies

*These are sometimes true, but not as often as people tend to think*



In the face of this, there are 3 key questions that white collar businesses should be considering in the age of GenAI

## Key Questions in the Age of GenAI



*Where and how is GenAI going to impact my business?*



*What is the nature of the competitive threat that I face, and how do I create sustainable competitive advantage?*



*Even if I can be front-footed on GenAI, what are the implications for my business, commercially and operationally?*

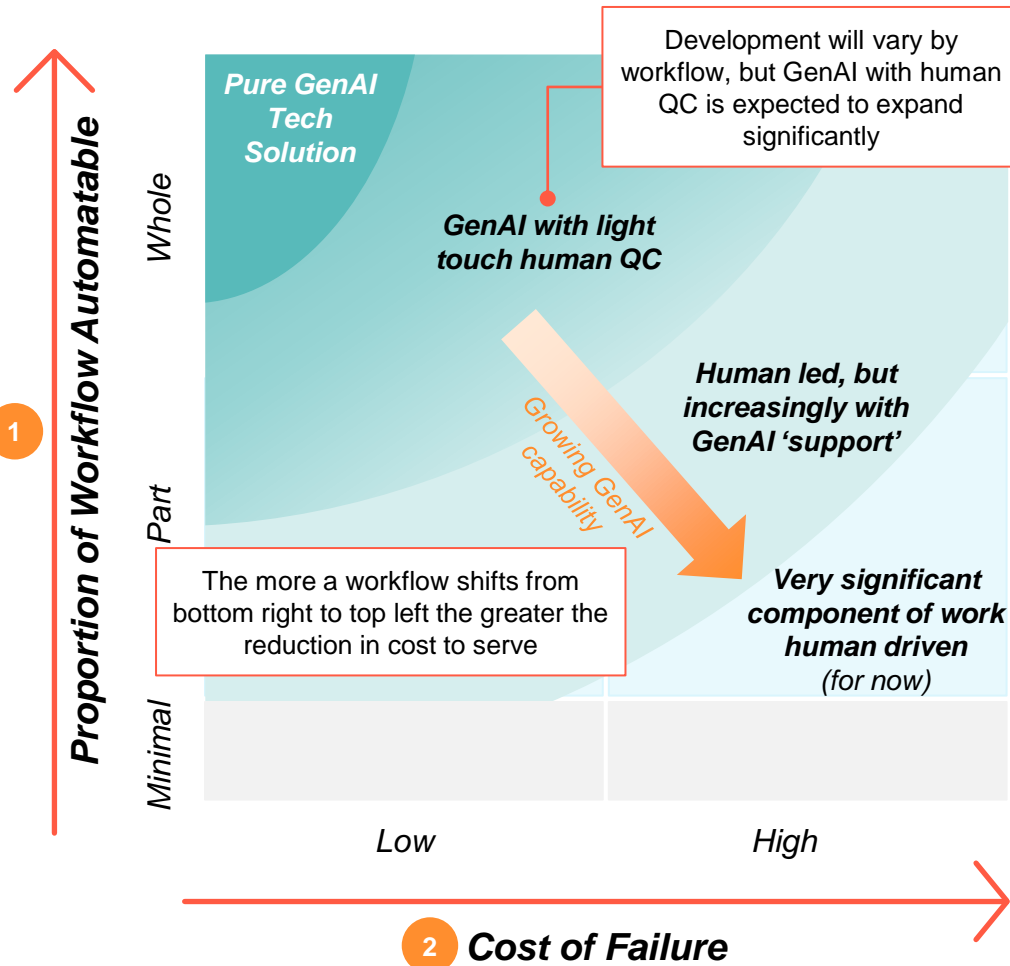


*What is the right speed for me? Should I leave others to lead the way and act as a fast follower? What are the risks of doing so?*

# At a basic level, impact of GenAI is determined by proportion of a workflow it can automate and customer willingness to adopt (driven by cost of failure)

## Map of GenAI Impact on a Given Workflow

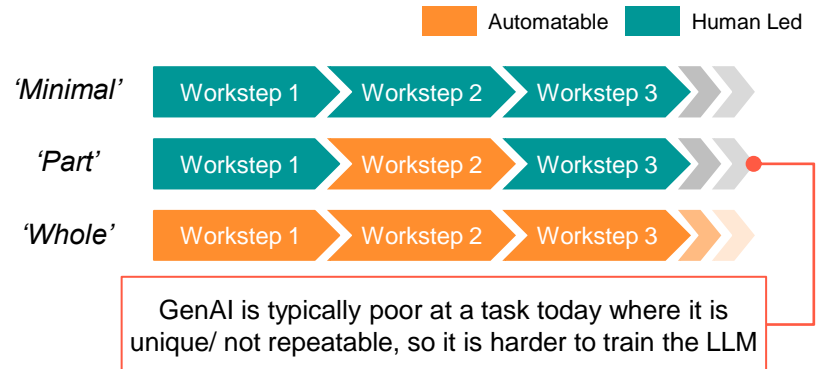
Workflows assumed to be done by Humans ~3 years ago



### 1 Proportion of Workflow Automatable

- Composite function of **how good GenAI is at a given task**, and extent of **bundling** of that task into a **wider workflow** which is harder to automate

#### Illustrative Workflows (Series of Worksteps/ Tasks)



### 2 Cost of Failure

- Concerns around risk and regulation inhibit GenAI usage today, especially given unclear accountability (for example need to have clear audit trails)

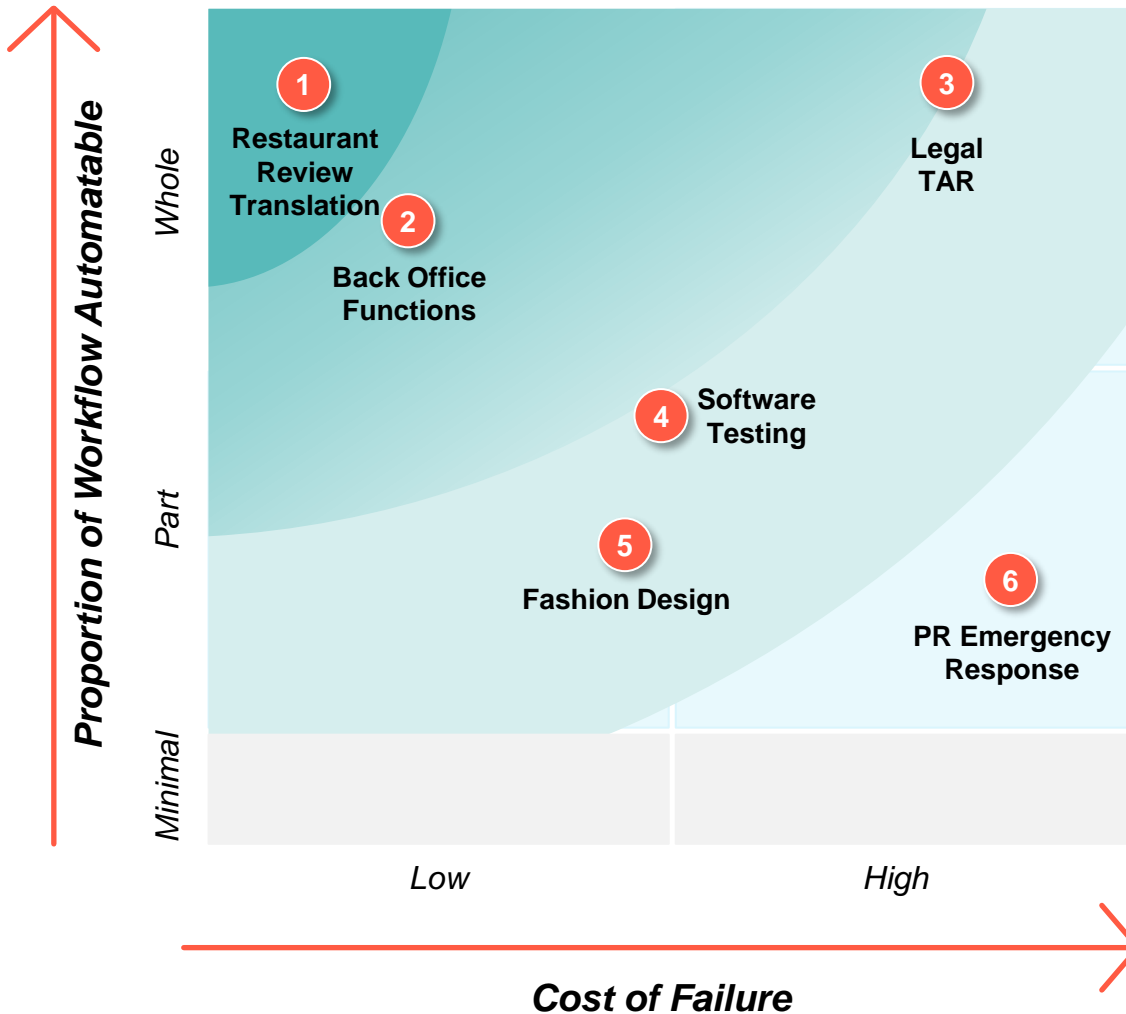
It is highly unlikely that an incumbent's revenue sits in a single place on this framework: the nature and level of threat will vary by segment



# Professional services' workflows span the full breadth of both these axes – understanding where a business sits across them is a key first step

Map of GenAI Impact on Example Workflows

Illustrative



## Example Workflows

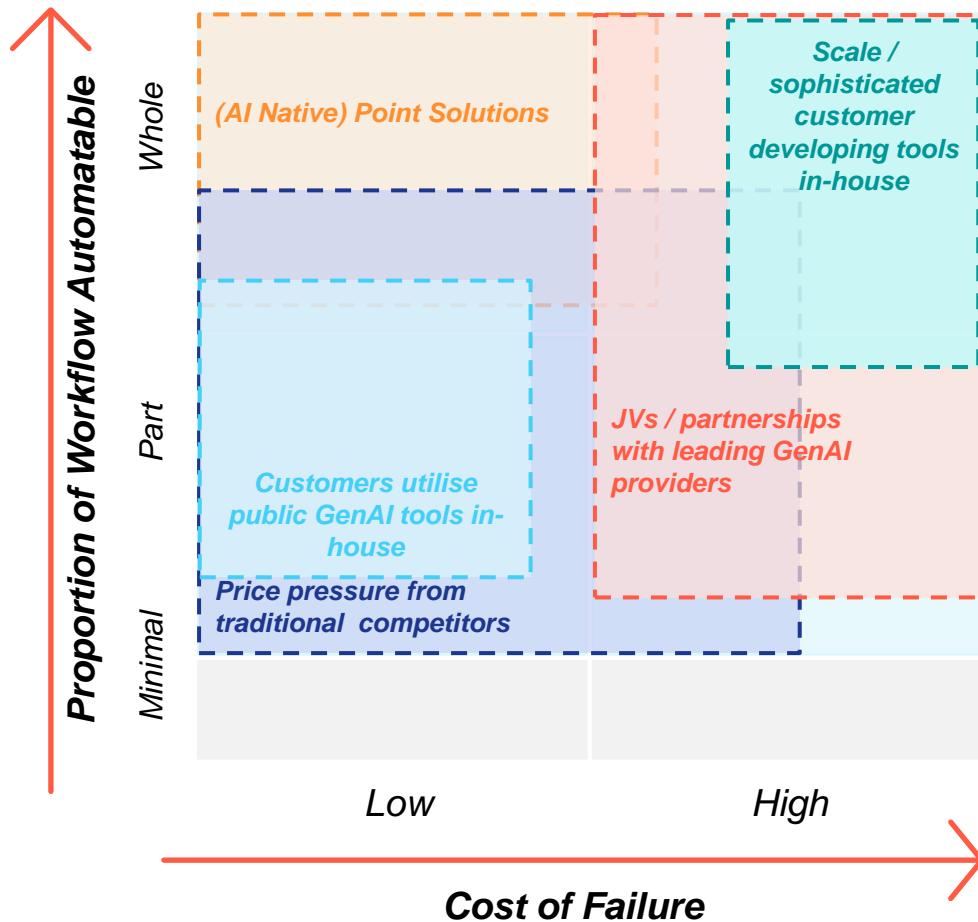
- 1 Restaurant Review Translation**  
*GenAI translation services are much faster than human led and are typically more accurate*
- 2 Back Office Functions (e.g. Accounts Payable)**  
*GenAI can significantly automate some back-office functions – improving the precision & speed of repetitive tasks*
- 3 Legal Tech Assisted Review ('TAR')**  
*Faster than humans, but humans are required to train the ML algorithms & perform QC checks*
- 4 Software Testing**  
*GenAI can do elements of repeatable testing, though humans still lead on test design & ideation*
- 5 Fashion Design**  
*Elements are automatable, but still requires human involvement beyond QC checks*
- 6 Public Relations Emergency Response**  
*Reliant on building relationships & people skills, so harder to automate, and these skills are key differentiators*

**GenAI enables some tasks** which were either **not possible previously**, or were uneconomical to do with humans



# The competitive threat created by GenAI is not uniform – with different competitors more likely to win in different segments

Nature of Competitive Threat



Threats

Examples

**(AI Native) Point Solutions** can 'pick off' E2E automatable workflows, but lack trust for high cost of failure tasks, and domain knowledge for more complex workflows



**Traditional competitors can pass on savings** to customers by leveraging Gen AI tools (delivering the same 'job volume' for less money by automating part of workflow)



**Customers can deploy public tools** on an 'ad hoc' basis to improve their efficiency (but are unlikely to trust outputs for high cost of failure tasks)



**Sophisticated customers** will be able to invest in proprietary GenAI tools to tackle their domain, or more sensitive work; this is more likely to lead to full automation of workflows than ad hoc usage



Incumbents with **JVs/ partnerships with leading GenAI providers** are well equipped to deal with the highest cost of failure tasks given their ability to add experienced human capital to the technology solution



# All is not lost, but incumbents need to identify what advantages will help them hold off the specific threat they face

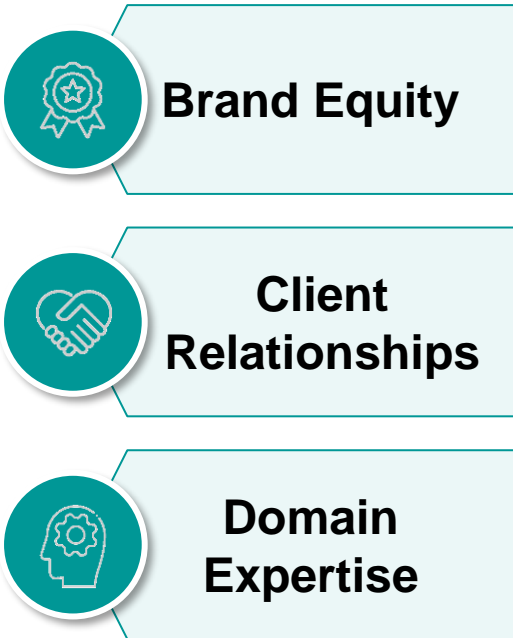
GenAI Defensive Levers

Illustrative

## Incumbent Assets & Capabilities

## Paths to Win Competitive Battles

### Defensive (or Offensive) Plays By Battle

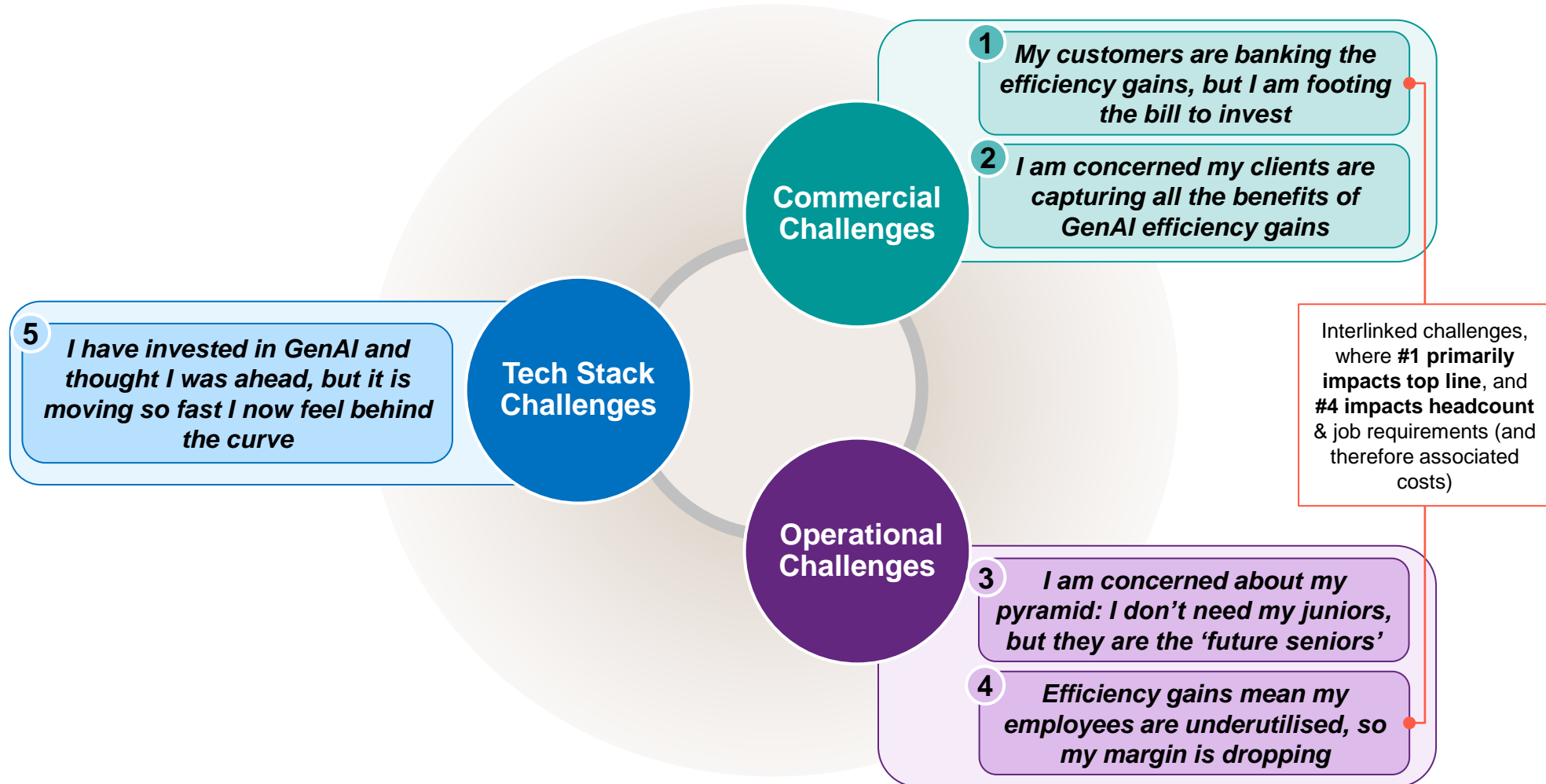


<b>Point solutions</b>	<ul style="list-style-type: none"> <li>Leverage <b>strong customer relationships and domain knowledge</b> to ensure you are <b>positioned between point solution and customer in value chain</b> (e.g. acquire/ incubate/ partner)</li> </ul>
<b>Traditional Comps</b>	<ul style="list-style-type: none"> <li><b>Invest to lead</b> on GenAI, to set rather than follow the price curve</li> <li>Consider adjusting monetisation model, to <b>ensure being paid for value delivered</b></li> </ul>
<b>Customer using public tools</b>	<ul style="list-style-type: none"> <li>Communicate value of your experience, synergies and learnings from broader industry experience</li> </ul>
<b>Customer using own tools</b>	<ul style="list-style-type: none"> <li><b>Invest to be ahead of the curve</b>; replicate previous arguments to win vs in-house: “there are clear synergies with my other customers, so marginal cost of working with me is much lower, and I have the breadth of experience to do this better”</li> </ul>
<b>Partnerships / JVs with GenAI providers</b>	<ul style="list-style-type: none"> <li>Leverage <b>domain specific knowledge to compete against generalists</b></li> <li>Seek <b>own partnerships</b> with leading GenAI players</li> </ul>



# Successfully building GenAI capabilities is not enough – to benefit from these new capabilities there are five key questions that need answering

## Challenges of GenAI Enablement





# Professional services' firms are not always great at innovation often leading to an attitude of "wait and see" – this is not always a bad thing

## Slow vs Fast – the Pros and Cons

The challenges of corporate venturing/innovation can be particularly stark in Professional Services	Opportunity Type	Advantages of Waiting	Advantages of Immediate Action
<ul style="list-style-type: none"> <li>All corporates can face challenges when it comes to innovation:                             <ul style="list-style-type: none"> <li>Concerns about putting capital at risk</li> <li>No obvious innovation owner</li> <li>Day-job getting in the way of tests and trials</li> <li>Wrong KPIs being tracked during MVPs and/or poor data/no data to track</li> <li>MVPs not being scaled even if they prove successful</li> <li>Unwillingness to pause/end trials even if shown not to deliver a benefit</li> </ul> </li> <li>These challenges can be exacerbated in some Professional Services businesses:                             <ul style="list-style-type: none"> <li>Resistance from employees (both junior and senior) in changing how they deliver work</li> <li>Partner model not conducive to capital outlay</li> <li>Belief that they are insulated from GenAI impact (<i>see page 2</i>)</li> </ul> </li> </ul>	<b>Productivity &amp; Effectiveness</b>	<ul style="list-style-type: none"> <li>Adoption of more intuitive technologies with less resistance</li> <li>Integration of advanced technologies requiring less user training</li> </ul>	<ul style="list-style-type: none"> <li>Early learning curve mastery leading to long-term productivity</li> <li>Development of proprietary knowledge through user training</li> <li>Influence future technology usability standards</li> </ul>
	<b>Business Function Improvement</b>	<ul style="list-style-type: none"> <li>Cost savings from competitive vendor solutions</li> <li>Learn from early adopters' challenges to refine internal deployment strategies</li> </ul>	<ul style="list-style-type: none"> <li>Earlier benefits from functional optimisations</li> <li>Establish leadership in operational efficiency</li> <li>Potential to guide vendor technology roadmaps</li> </ul>
	<b>New Features &amp; Disruptive Propositions</b>	<ul style="list-style-type: none"> <li>Reduced risk from observing market validation</li> <li>Strategic entry after evaluating market's critical success factors</li> </ul>	<ul style="list-style-type: none"> <li>First-mover advantage in setting market trends</li> <li>Early insights into critical success factors for disruptive technologies</li> <li>Potential to define industry standards</li> </ul>



# Ability to “wait and see” is partly driven by cost of failure and automatability

When is it Safe to Wait?

*You are more likely to be able to wait and see if...*

Cost of failure is perceived as high – this makes it less likely that client behaviour will evolve quickly

Gains from GenAI today are limited (e.g. some efficiency gain not full automation) meaning competitive advantage/benefit from being ahead on GenAI will tend to be modest

Clients are not tech natives – more likely to look upon GenAI with nervousness rather than excitement (and therefore less likely to privilege suppliers leading on innovation)

Competitors are not actively innovating/lack the capabilities and investment to do so – limits risk of falling behind

There are regulatory concerns/barriers to innovation – this also likely creates an opportunity to play a role in driving thrust of future regulation

You lack the internal capabilities to drive innovation and experimentation – likely makes fast following lower risk approach than driving ahead with weak capabilities

## OFFICES

Boston  
Hong Kong  
London  
Melbourne  
Milan  
Munich  
New York  
Paris  
Rotterdam  
Shanghai  
Sydney  
Warsaw

[occstrategy.com](https://occstrategy.com)

uncommon sense™

## Key contacts

Fred Ward, Associate Partner  
Telephone: +44 (0)7525 732816 (mobile)  
[Fred.Ward@occstrategy.com](mailto:Fred.Ward@occstrategy.com)

Chessy Whalen, Associate Partner  
Telephone: +44 (0)7841 995889  
[Chessy.Whalen@occstrategy.com](mailto:Chessy.Whalen@occstrategy.com)

