



Fact Sheet

Helping sector firms adopt AI & ML through collaborative design

What is the project?

A Government-funded research project to identify the challenges and friction costs that, if addressed, are likely to speed up adoption and diffusion of artificial intelligence (AI), machine learning (ML) and similar new technologies by professional services firms, and to propose solutions that the sector can implement.

Why is Government funding the project?

Sector firms are recognised as global leaders that rely on the knowledge, experience and skills of their trained advisers to maintain competitive advantage in delivering client services. Government is eager that such firms should make greater use of new technologies to become more innovative, productive, successful and able to compete internationally. Given the extensive regional footprint of the sector and the emphasis in the Government's Industrial Strategy White Paper on the place agenda, the project is also seen as important for the productivity and prosperity of cities and regions across the UK.

Would investment in AI not happen anyway without Government support?

Government recognises that while many large firms are making significant investments in new technologies, leaders of mid-sized firms are mostly cautious and/or uncertain over how to implement technological change, and particularly sensitive due to their size, the threat of competition and limited resources. Regional offices of large firms are seen as remote with mid-sized firms acting as key opinion formers for smaller firms. The mid-market is therefore the segment where intervention will have maximum impact on the continued success of the overall sector. However, when faced by an AI revolution, there is a significant risk that, without Government intervention, mid-sized firms will struggle.

How did the Government select the winning projects?

UK Research & Innovation, an independent Government agency, and the Industrial Strategy Challenge Fund, working through ESRC, invited UK business schools to compete for around £3m of research funding for projects lasting up to three years. 15 bids were received with three being successful – Loughborough for insurance companies; Oxford focusing on the implementation of AI at law firms; and Sheffield et al for an 18 month project to help mid-sized law and accountancy firms adopt new technologies through collaborative design.

What is collaborative design?

Design thinking and its impact may be poorly theorised and understudied, but there is a broad understanding and recognition that design expertise is critical to structuring problems, engaging stakeholders and iterative solution-making. It is not currently in common usage by sector firms.

What is the benefit of using researchers?

The rapid pace of change in information & communication technologies such as AI and data analytics means that it is no longer sufficient for sector firms to rely on others to develop technologies. Firms need to partner with multi-disciplinary researchers if they are to gain competitive advantage and remain world-class. However, it is also vital that the researchers work closely with industry partners such as the Managing Partners' Forum to ensure that the project focuses on relevant sector issues.

Who's behind the Sheffield project?

Senior researchers from the business schools of Sheffield, Lancaster and Manchester; The University of the Arts London; the Forum; and specialist futures consultancy Normann Partners. Confirmed project supporters include: ICAEW; ACCA; ICAS; The Law Society; and The Law Society of Scotland.

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What's special about the Sheffield project?

Rather than focusing solely on the opportunities and threats of AI technologies, the project aims to:

- Provide those at the coalface with strategies and business solutions based on a human-centric role for innovation and transformative technologies. Understanding this potential involves looking at individual firms, engagement levels, the outcomes provided to clients, and the business processes and predictions that are deployed;
- Develop a version of design thinking that helps sector leaders adopt new technologies. This involves exploratory prototyping of solutions designed in collaboration with a small group of 'pragmatic' firms to enable a rapid generation and assessment of potential future applications of AI across businesses.
- Recognise that the potential of AI remains hypothetical unless and until the leadership team at a firm has the authority, confidence and knowledge to persuade frontline advisers to embrace new ways of working. 'Command & control' is seldom a viable route to bring about change at a sector firm.

How will participating firms be selected?

There are some 600 law and accountancy firms with UK revenues between £5m and £250m. Only 2% are likely to be directly involved in exploratory prototyping of solutions. A public competition may be organised for these privileged places.

What about the 98% that are not selected?

One of the biggest challenges with any research project is how best to engage with organisations that are not directly involved but could make a valuable contribution as the project progresses and/or benefit from the outcomes. To help the 98%, the Forum has formed three online AI consortia. Their primary role is to accelerate the cascade of knowledge from visionaries' (high use of AI) to 'pragmatists' (willing to experiment with AI) to 'conservatives' (low use of AI). The Consortia will also inform the project, allow emerging issues to be road-tested and disseminate the findings. Large firms are being actively encouraged by the Forum and Government to contribute their AI expertise through their people joining a suitable AI consortium.

What about sector firms outside the project scope - consultants, architects, engineers, marketers etc?

Given the human-centric nature of the project, it is anticipated that the findings will be relevant to knowledge-based firms of all sizes and sectors. The funding is also described by Government as 'pioneer' so, if deemed successful, the project could well be extended to other sector firms.

What are the benefits for clients?

There are numerous opportunities to improve client services with new technology. There is also a huge opportunity for the leadership teams at sector firms to use the findings of the project to help their clients with productivity challenges given the vast majority are also local mid-sized services businesses with leaders who are cautious and/or uncertain over how to implement technological change. This could be a useful new revenue stream as well as helping resolve the UK productivity problem.

How can we get involved?

For more information about the project, or if you are interested to participate please contact Professor Tim Vorley (tim.vorley@sheffield.ac.uk) or Richard Chaplin (richard.chaplin@pmint.co.uk) for further details.

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