# AI won't lead to a Terminator-style showdown: Innover's Shishir Saxena

By Pranbihanga Borpuzari, ET Online • Last Updated: Dec 20, 2024, 12:32:00 PM IST

**Synopsis**
With AI, Innover's Shishir Saxena says the nature of work will undoubtedly change, but he doesn't foresee a significant reduction in overall job numbers.


In a world, where customers are still grasping the capabilities of AI, Saxena says by employing technology intelligently and adopting a 'human in the loop' approach, companies can significantly reduce the time needed for modernisation initiatives.

We are in the midst of an AI frenzy, but Shishir Saxena, India Head and Executive Vice President, Innover, says many still view AI as a magical solution, leading to unrealistic expectations. Innover is an Atlanta-based technology and process digitisation company that aims to help companies transform service & supply value-chains for its customers.

In a world, where customers are still grasping the capabilities of AI, Saxena says by employing technology intelligently and adopting a 'human in the loop' approach, companies can significantly reduce the time needed for modernisation initiatives. In a chat with ET Digital, Saxena talks about how firms can leverage AI, the nature of jobs, the work Innover is doing in the country and the changes in the technology landscape. Edited excerpts.

**Economic Times (ET): What is the status of Innover's operations and growth strategy in India?**
**Shishir Saxena (SS):** This year is positioned as a year of strategic investment for us, focused on building the capabilities and infrastructure that will enable significant growth and scalability in the coming year.

That means we are actively engaging in collaborative working sessions with our customers to really whiteboard their goals, understand the technologies they are looking to invest in, and help shape their strategic direction. Particularly for customers with a significant presence in India, we are noticing a shift where more decision-making authority is being centralized in India. To align with this, we are heavily investing in leadership talent across key roles in India, ensuring we have the right people in place to map directly to client leadership here. This enables us to stay closely aligned with their evolving needs and offer localised expertise.

When we first started, much of the decision-making for our clients was centred in the US, given that many of them were headquartered there. However, we are now seeing a significant shift, with more authority moving to India, particularly with the rise of captive centres and the increasing importance of India in global operations. This shift presents a key moment for us to reassess what we have done this year and evaluate the progress we have made since the beginning of the year.

We have exceeded our targets and are on track to continue growing in the high 40s in terms of year-over-year CAGR.

Shishir Saxena, India Head and Executive Vice President, Innover says that if customers truly grasp the capabilities of AI, they can make better-informed decisions.

**ET: You have been in India for over five years now. Who are your typical clients and who are your competitors?**

**SS:** Interestingly, we compete with major players that have large customers who are clear about what they want to leverage. In the past, clients often issued large-scale RFPs and relied on intermediaries to select partners for multi-year, multi-faceted engagements. However, today's clients are much more discerning. They understand that giving everything to a single provider does not yield the best value. Instead, they prefer to be specific about what each partner can deliver.

For example, we work with Fortune 50 and 100 companies in targeted areas where we have a strong presence, focusing primarily on data insights, **automation**, and engineering. Additionally, we have a significant segment dedicated to small and medium enterprises (SMEs). These companies are often well-funded with a clear vision, yet they may not have the resources to invest heavily in technology. As a result, they rely on us as their de facto CTO organisation, helping them build greenfield infrastructure from the ground up and scaling that infrastructure as they grow.

Both segments are crucial to our strategy. We prioritise working with customers who share our vision for investment in the areas we are passionate about. While we can assist clients who prefer to operate their systems in a maintenance mode, we prefer to collaborate with those who have a transformative vision and a plan to adopt new technologies for the future.

Our competitors vary significantly depending on the type of opportunity. In some cases, we find ourselves competing with large systems integrators (SIs) focused on large-scale efficiencies, while in others, we face niche data and analytics companies. The problem statement defines our competitive landscape, and it shifts based on the specific challenges we address.

For instance, we recently competed against some of the top three SIs when they were setting up an intelligent service desk operation. They aimed to leverage AI agents to enhance efficiency rather than relying solely on human resources. They recognized the value we could bring by using newer technologies, as traditional SIs often approach these challenges by simply increasing manpower.

**ET: So, when you are talking about AI and ML, what are your clients talking about now? What is it that they want? Are they seeing value because we see a lot of talk from the tech side on how AI is going to revolutionise everything, but what's actually the narrative from the client side?**
**SS:** We experienced a blockchain frenzy a few years ago, where everyone was investing heavily in the technology. Then, with the rise of AI, particularly after the release of ChatGPT, there was a lot of excitement about how it would transform the world. As a result, we now encounter two distinct types of customers, along with a spectrum of those in between.

First, there are organisations that are convinced a disruption is imminent and don't want to be left behind. They seek a partner like us to help them understand how their world will change once AI becomes mainstream. They know it's coming, having heard it from influencers and media experts, but they are uncertain about what it specifically means for them. We aim to simplify their ecosystem by guiding them through a series of experiments. For instance, we might show them how an agent solution can transform their finance control functions or enhance their fraud detection processes and then they understand the possibilities.

There are smarter, more evolved engineering organizations who have done the experimentation enough. They understand the potential of AI, but need a partner to scale those insights to an enterprise level. Their challenge differs; they have assembled teams that can articulate the 'art of the possible,' but they require a clear ROI to justify broader implementation. These clients recognize that while a solution may work on a small scale with a few variables, they need to consider how to truly transform their value chain by embedding these technologies. In such cases, the process becomes about institutionalizing AI in their operations, rather than treating it as an added feature. This transformation represents a significant change management exercise, as it requires integrating new practices into the daily workflows of their teams.

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For example, in today's e-commerce-driven landscape, every company needs a strong digital presence alongside their retail operations. Consider something as straightforward as product label generation for a new coffee blend. Each country has its own regulations about what information must be included on the label, such as the source of the beans, the roast level, and the coarseness of the grind. In some cases, you also need to address sustainability practices and labor standards.

Imagine the effort involved in generating labels for every product launch manually. Now, picture a generative AI model trained to understand these varied regulations. With just one entry of label information, this AI can automatically create all the necessary versions—one for Poland, one for France, one for India, and so on.

If customers truly grasp the capabilities of AI, they can make better-informed decisions. However, many still view AI as a magical solution, leading to unrealistic expectations. We've observed clients who committed to their leadership teams

about the transformative power of AI without having a clear vision of how it will actually change their operations.

There are two types of customers in this scenario: the first recognizes that disruption is imminent and seeks our guidance to navigate their future. We assist them in exploring what's possible. The second group has conducted proof-of-concept (POC) experiments and is now focused on institutionalizing AI within their organizations, which is where they are directing their investments.

**ET: So, what are the functional areas where you are seeing the maximum application of AI?**
**SS:** It's a function of the business domains where you're looking at it. For instance, certain industry segments, like banking and financial services, have always been data-rich, built on robust data ecosystems. In contrast, sectors such as traditional retail or construction have historically utilized technology and IT primarily for basic functions like invoicing and material information exchange.

Take anti-money laundering (AML) as an example within the financial sector. Every year, global agencies release updated standards and new methods that criminals use to circumvent regulations. These agencies inform institutions about the evolving landscape of financial crime, urging them to adapt their AML systems accordingly. Given the rapid pace at which these criminal tactics evolve, organizations cannot keep up without infusing AI into their operations. They possess extensive historical data sets that can inform and enhance their strategies.

In data-rich industries, where the infrastructure for implementing AI already exists, the integration can be swift and effective. Companies that have traditionally engaged in pattern detection through standard analytics can now leverage AI to supercharge their capabilities, making their fraud detection efforts much more impactful. This positions them to respond rapidly to emerging threats and continuously refine their strategies in an ever-evolving landscape.

On the developer side, creating a new app for a specific domain often involves navigating a complex landscape of consensus-building among various business users. Each stakeholder has their own perspective on how the app should look and function, making the process of defining requirements, determining features, and ensuring security quite chaotic.

However, if you have a skilled developer and a competent product manager, they can leverage AI capabilities throughout the entire product lifecycle, starting with requirements gathering. Instead of saying, 'I need an app for you,'. You will first say, tell me what the world is doing. By utilizing resources like the Wall Street Journal and Financial Times, a generative AI application can provide insights into the competitive landscape, allowing teams to avoid starting from scratch. This is arguably one of the most underutilized aspects of AI; it enables teams to engage in discussions based on AI-generated frameworks rather than entering into blank-slate conversations.

We frequently collaborate with customers who face the challenge of modernizing systems built decades ago. Often, they encounter difficulties because they lack documentation or understanding of the original code, especially when key team members are retiring. In these scenarios, AI can play a critical role by analyzing existing codebases, uncovering business logic, organizing components, and suggesting modernization pathways. This can all be achieved within a well-configured developer ecosystem.

Furthermore, the concept of 'human in the loop' is gaining acceptance. This approach allows developers to benefit from AI assistance while retaining the ability to make informed decisions, ensuring that the modernization process aligns with both technical needs and business objectives.

So, when we say AI, somehow, we start thinking about the Terminator kind of stuff, where there is no human involved ever, versus maybe having a little bit of a layer that keeps the thing sane. So instead of having an army of people figure out what the code was, you probably just need a couple of skilled individuals to effectively evaluate recommendations from an AI crawler. They can assess the output and determine, for instance, which functions to keep and which to ignore, especially if some are redundant.

By employing AI intelligently and adopting a 'human in the loop' approach, we can significantly reduce the time needed for modernization initiatives. This efficiency extends to every phase of the development lifecycle, including mockups, testing, and test data generation. When teams are equipped with the right tools and knowledge, they can streamline processes effectively. As I mentioned earlier, we are fully embracing this AI potential. All the work we undertake for our clients, regardless of the engagement type, places a responsibility on us to create a development pathway that maximizes the use of AI. It's essential for us to leverage AI while ensuring we uphold non-negotiable standards around security and other critical factors.

**ET: How do you ensure that AI does not hallucinate sometimes?**
**SS:** That's why it's crucial to implement a testing phase where we evaluate the AI outputs thoroughly and establish guardrails. Hallucination is one of the primary challenges you face when deploying AI without the appropriate safeguards and the ability to reject outputs based on established criteria.

When we launch a new AI initiative, we take an approach similar to pair programming. We assign a senior team member to continuously monitor and assess the AI's outputs to ensure they are on the right track. Additionally, we utilize adversarial models where competing methods evaluate and automatically reject less effective outputs, ensuring that only the best solutions emerge.

This process is a collaborative effort. While we leverage AI to help mitigate hallucinations, we remain vigilant about maintaining human oversight. It's essential to recognize that this is not a hands-off approach; we cannot simply hand over control to AI and expect it to navigate autonomously.

**ET: Do you believe this will be the approach moving forward, where human involvement is needed and not completely autonomous?**
**SS:** Let's break down scenarios where human involvement might not be necessary. In the experimental phase, such as when providing clients with mockup options, human oversight may not be required. During the ideation stage, I can afford to be less specific. However, when developing critical systems like fraud detection or financial applications, human

afford to be less specific. However, when developing critical systems like fraud detection or financial applications, human input becomes essential because the risks associated with errors can be significant.

Saxena explains that while it's true that certain jobs may diminish due to automation, it doesn't necessarily mean there will be fewer jobs overall. Instead, we should view automation as another tool in our toolbox.

We need to move beyond binary thinking and assess the specific context in which we are using AI. The level of human intervention should depend on the potential consequences of any errors. Our approach is to ensure that nothing is entirely entrusted to AI at any stage. Given the relatively short history of AI technology, we're not ready to hand over complete control. Interestingly, this mindset fosters a culture within our company where we proactively identify tasks that can be automated. If a task is being performed manually, we challenge ourselves to find ways to automate it.

The stakes change dramatically in high-risk scenarios. Take a cheque-matching system in B2B transactions where AI might auto-reject cheques based on certain criteria. In such cases, the AI's suggestions would still need to be reviewed by a controller who can assess the probable reasons for the rejection and ensure accuracy. Similarly, in medical diagnostics, while AI can analyze historical data to suggest probabilities of diseases, the consequences of misdiagnosis are far too significant to leave entirely to AI. Thus, human oversight remains crucial in these areas, ensuring that we mitigate risks effectively.

**ET: There's another aspect where AI is expected to take over repetitive and mundane tasks. However, the question is about the subjective nature of these tasks—what may be considered drudgery for one person could be an opportunity for creativity for another. What are your thoughts on this perspective?**
**SS:** It's a very interesting discussion. Recently, I read about the strikes along the entire East Coast of the US, where workers were demanding a slowdown in the pace of automation. It raises an important question: should cars have not been invented because bullock carts were giving somebody employment? This debate is ongoing. We need to ask ourselves whether those jobs are truly necessary or if we are doing enough to transition, individuals engaged in what might be considered 'drudgery' into more meaningful roles.

While it's true that certain jobs may diminish due to automation, it doesn't necessarily mean there will be fewer jobs overall. Instead, we should view automation as another tool in our toolbox. As industry leaders, our responsibility is to ensure that everyone we hire understands these tools and how to leverage them effectively.

In short, while the nature of work will undoubtedly change, I don't foresee a significant reduction in overall job numbers. Instead, there will be a transformation in how we perform our jobs, leading to new roles and opportunities that we may not yet envision.

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