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# Cognizant CMT Product & Engineering Officers Forum

Nine product and engineering officers from major companies met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through advance interviews. The discussion centered on process automation and the utilization of artificial intelligence (AI) as well as the pros and cons of adopting seat-based subscription vs usage-based subscription in the monetization of AI tools.



## Process automation & leveraging AI

### Key takeaways

**“We’re looking to use AI to automate the low empathy tasks. But for the higher empathy stuff, we augment the human that is performing the task. And that’s where we start striking the balance on the general kind of automation process of the enterprise, where we map out all of these tasks that we’re performing.”**

- The group discussed process automation and AI, with members seeing the potential for automation to spur growth in businesses despite the additional costs it may bring. One member’s organization saw rapid growth in the past several years, leading to 5000 more employees and many extra costs. As part of the necessary transformation that accompanies this level of growth, the leader is focused on automating many manual tasks. They noted, however, that process automation could be a very complex initiative for B2B (business-to-business) corporations as they normally provide customized solutions which makes them difficult to generalize and automate.
- To leverage the full potential of AI, organizations are advised to prioritize tasks that demand minimal human emotional involvement over those requiring higher emotional input. An executive highlighted their firm’s strategy to identify optimal AI use cases, ensuring processes entailing emotional input remain exempt from complete automation to preserve their human-centric nature.
- Enterprises have the opportunity to leverage vendor solutions to streamline their workflow through AI automation. One participant noted that it’s not always essential for companies to develop AI solutions internally, as many are already procuring solutions from vendors that incorporate AI tools. Instead of prioritizing in-house AI development, the focus should shift towards identifying operational aspects that remain unautomated by existing vendor solutions.
- The leaders discussed the potential automation of the creative production process in light of emerging generative AI technologies and rapid automation trends. One participant asserted that creativity inherently possesses a human element, making it resistant to automation. They shared examples of “absurd” or humorous ads and Twitter channels that likely wouldn’t be produced by AI. Another member offered a contrasting viewpoint, suggesting that not all forms of creativity rely solely on human input. They argued that while certain creative endeavors necessitate human involvement for connection, there exist numerous creative tasks that could feasibly be automated without sacrificing quality or impact.
- Engineering firms are increasingly recognizing the distinctions between the automation, productivity, and monetization potential of AI. Particularly, there’s heightened attention on the productivity and monetization facets of AI, driven by the anticipation of AI’s substantial impact on enhancing productivity. Consequently, firms are establishing productivity benchmarks upon AI implementation.



## Monetizing AI and different subscription models

### Key takeaways

**“I think the bigger focus has been on the monetization things like, what more I can add onto the product? But there’s a lot more questions than action right now in terms of ethics, in terms of buyers, how to manage that.”**

- Given the often high costs of AI implementation, organizations are under pressure to monetize new AI offerings or realize some ROI on their investments. However, attempts to monetize products with generative AI capabilities can be met with the challenge of customers not willing to pay additional fees for products they are already paying for. One member noted that, as a buyer, they would expect vendors to constantly be improving their products by using generative AI (or other means) and that there shouldn't be a separate cost associated with that. To help deal with this challenge, they suggested that businesses modify their subscription models to reflect the cost of the AI capabilities rather than charging separate fees.
- The group explored the advantages and disadvantages of implementing a usage-based subscription model compared to a seat-based subscription model for monetizing AI tools. A participant highlighted the preference for businesses to opt for the seat-based subscription model, as it provides a higher level of predictability which in turn facilitates easier forecasting processes. Usage-based models are at the mercy of fluctuating seasonal usage changes, which can make it difficult for organizations to plan around costs.
- While seat-based models to provide greater predictability for forecasting costs, they also tie customers to big contracts. These contracts become an issue as customers become more efficient in their usage of cloud platform, which in turn makes a usage-based model more attractive.
- Another executive noted that seat-based subscriptions also force a user to use different tools (e.g., multiple chat bots, multiple LLMs, etc.) that might not integrate well together. Instead, they proposed that businesses would favor the flexibility to switch between various AI tools and pay based on their individual usage. This approach, they argued, would prevent impediments to progress if a particular model proves ineffective.
- The participant also highlighted the advantage usage-based models offer in allowing users to choose LLMs based on specific use cases. Users can now segment use cases with higher computational needs and optimize those for LLMs. For simpler tasks and use cases, they can turn to smaller models and save the cost of the LLM. This use case focus is not possible in a seat-based model.
- Members agreed that the proliferation of bots and AI tools only complicates the technology landscape further. One participant noted the value that a personalized bot would bring to administrative tasks. However, the only way to have a truly useful, personalized bot is to have it compartmentalized to a specific platform. A single bot or tool that could work across platforms would be ideal, but with data now a “coveted” asset, providers are typically not willing to make their data accessible to bots other than their own.

**Cognizant CMT Product and Engineering Officer Forum Host:** Badhrinath (Badhri) Krishnamoorthy is Head of Cognizant's Digital Services & Solutions – Communications, Media, Technology & Education at Cognizant. Badhri is a Customer Success Leader in helping clients in their transformation agenda embracing the power of Customer Experience, AI & Data, and Digital Engineering. He hosts several industry forums and enjoys connecting leaders and sharing insights with members. He can be reached at [Badhrinath.Krishnamoorthy@Cognizant.com](mailto:Badhrinath.Krishnamoorthy@Cognizant.com)

**The Cognizant CMT Product and Engineering Officer Forum:** The forum is comprised of Chief Product & Engineering leaders from leading Communications, Media, and Technology companies. The group gets together on a quarterly basis to share best practices, exchange insights, learn from one another, and navigate these unprecedented times. Members decide the exchange agendas; interactions focus on the questions and interests of the members.

**Profitable ideas exchange (PIE):** PIE brings together communities of Fortune 500 executives from across the globe to connect, collaborate and learn from one another. PIE stands out for its ability to bring diverse voices to the table and facilitate ongoing high-value conversations. Two key components of PIE's practice are pre-interviewing participants to build relevant agendas, and a time-efficient format (virtual as well as in-person) to allow for executives to convene despite time and geographic constraints.



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