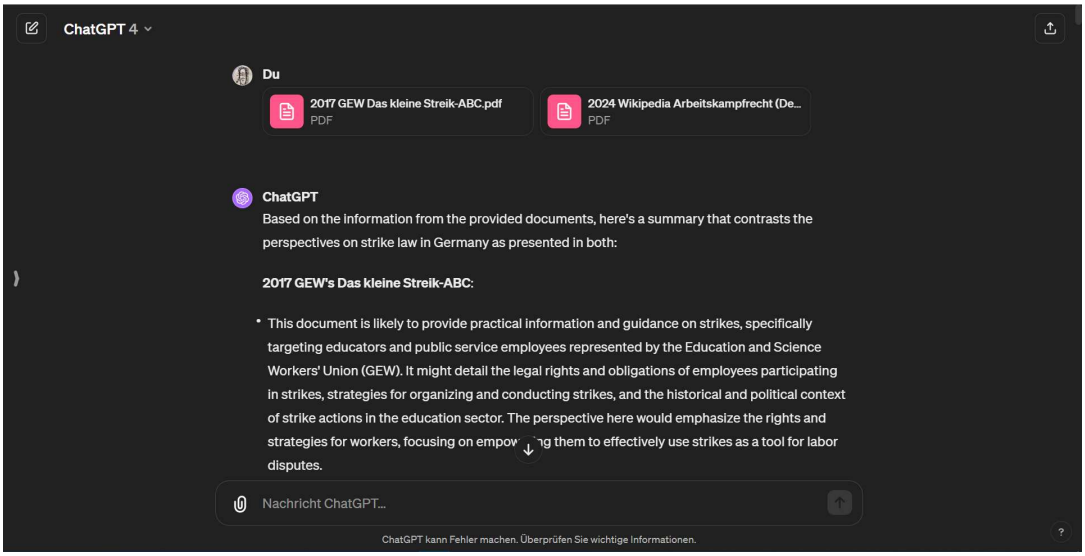
ChatGPT Consultancy Work Demo: GDL Strike March 2024



Set in the capital city of Germany, this presentation showcases a consultancy task rooted in political strategy. A political advisor receives a commission from a German Bundestag member to draft a proposal aimed at stoking the public discourse ignited by the months-long strikes of the German Train Drivers' Union (GDL) around the transition from 2023 to 2024.

The demonstration meticulously begins with gathering pertinent documents, methodically processes the data to forge a compelling and viable proposal, and concludes with a draft for the initiation of a speech in the Bundestag, inclusive of directorial notes for the parliamentarian's delivery.

This case study exemplifies that the effectiveness of the endeavor is less about the raw computational prowess of the ChatGPT model and more about the adeptness with which human insight can leverage its potential and navigate its constraints.

The Impact of ChatGPT on the Consultancy Value Chain

GfWM Event, Berlin, Germany
March 2024

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In the realm of knowledge work, the emergence of ChatGPT in November 2022 has sparked widespread discussion and speculation about its potential to disrupt various domains.

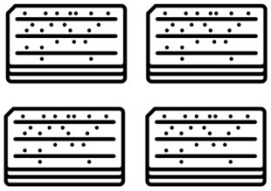
Despite this, a significant gap persists between the lofty discussions on its impact and the practical understanding of how it affects specific areas of dedicated knowledge work.

This presentation delves into this issue, aiming to bridge the understanding gap by highlighting three specific ways ChatGPT can integrate into and potentially transform the existing consultancy value chain. These 'injections' of ChatGPT into consultancy practices could revolutionize how consultants operate, especially for those who have adeptly incorporated Large Language Models (LLMs) into their business models.

By exploring these integrations, we will shed light on the tangible ways ChatGPT could alter the competitive landscape for consultants, providing strategic advice, and offering insights into the future of consultancy in an AI-driven world.

User-Interface Paradigms in Computing [Nielsen 2023]

Batch Processing



1940s

Command-Based Interaction

1960s

Intent-Based Outcome Specification

since 2022

March 2024
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3

The evolution of human-computer interaction has unfolded in three significant phases:

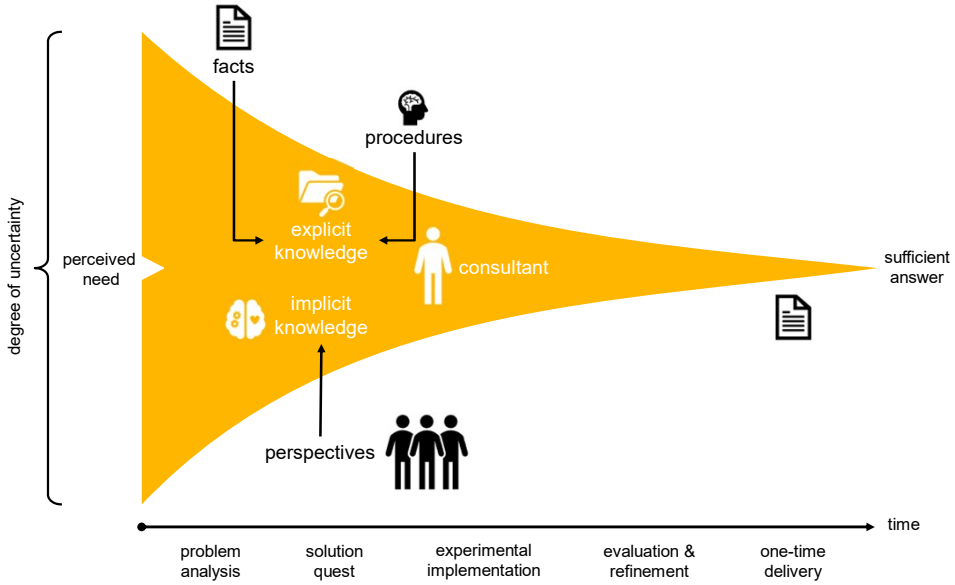
1. Batch Processing (1940s): Initially, computing relied on indirect batch processing with punch cards, a method fraught with errors due to its indirectness and the necessity for precise preparation.

2. Command-Line Interfaces (1960s): This era introduced direct interactions through command-line interfaces, allowing users to input commands and parameters in a straightforward manner. This improved interaction efficiency but required knowledge on the use of specific, strongly limited commands.

3. Intention-Based Specification (2022 onwards): The most recent phase has shifted towards natural language interactions, exemplified by technologies like ChatGPT. This era emphasizes understanding and expressing intentions in natural language, especially English, vastly broadening computing's potential by focusing on the user's ability to articulate desires rather than a small vein of command syntax knowledge.

These stages highlight the transition from cumbersome, error-prone methods to intuitive, intention-driven communication, drastically expanding the scope of possible interactions and making technology more accessible and aligned with human thought processes – which can be a bless and a curse at the same time.

Consultancy Business “Cone of Uncertainty”



In the consultancy value chain, each journey starts with a broad ‘perceived need’ marked by uncertainty and aims for a ‘sufficient answer’ that mitigates this uncertainty to an acceptable level for the client. This pathway is envisioned as a narrowing ‘cone of uncertainty’. Consultants navigate through this cone by a structured sequence involving six stages to achieve this:

1. Problem Analysis: Pinpointing the issues at hand
2. Solution Quest: Searching for potential solutions
3. Experimental Implementation: Testing the solutions in practice
4. Evaluation & Refinement: Assessing results and adjusting as needed
5. One-Time Delivery: Finalizing the solution through presentations or reports

A consultant's key responsibility lies in juggling explicit and implicit knowledge. Explicitly, they deal with available facts (declarative knowledge) and apply established procedures and best practices of consultancy (procedural knowledge). Implicitly, they delve into the less tangible insights and perspectives of stakeholders involved.

The essence of consultancy is to amalgamate and apply these diverse y
types of knowledge effectively, guiding the project from uncertainty to an endorsed outcome. This not only requires expertise in the specific field but also skills in integrating different perspectives and knowledge forms to navigate towards the project's successful completion.

How to Balance Consultancy Project Outcomes?

	Cheap	Fast	Good
Cheap + …	x	= low quality	= more time
Fast + …	x	x	= more money
Good + …	x	x	x

In managing consultancy projects, we're governed by the Project Iron Triangle, a principle that indicates a constant juggling act between three key factors: cost, quality, and time. Termed as 'cheap, fast, and good,' these elements outline the essential trade-offs at play.

Unfortunately, it's a balancing act where optimizing all three corners simultaneously is a myth; each choice comes with a sacrifice. For example, achieving a quick and low-cost result often compromises quality, while high-quality outcomes at a reduced price point necessitate extended timelines. Conversely, when speed and excellence are non-negotiable, budget constraints are likely to be stretched.

These trade-offs are a reality of project management, raising the question: How can one mitigate the inevitable compromises to meet project objectives effectively? It's about finding the sweet spot, where the impact of these trade-offs is minimized, ensuring project success within the defined constraints.

Does ChatGPT Disrupt the 'Cheap-Fast-Good' Equilibrium?

	Cheap	Fast	Good
Cheap + …	~~x~~ ChatGPT	~~= low quality~~ ChatGPT	~~= more time~~ ChatGPT
Fast + …	x	~~x~~ ChatGPT	~~= more money~~ ChatGPT
Good + …	x	x	~~x~~ ChatGPT

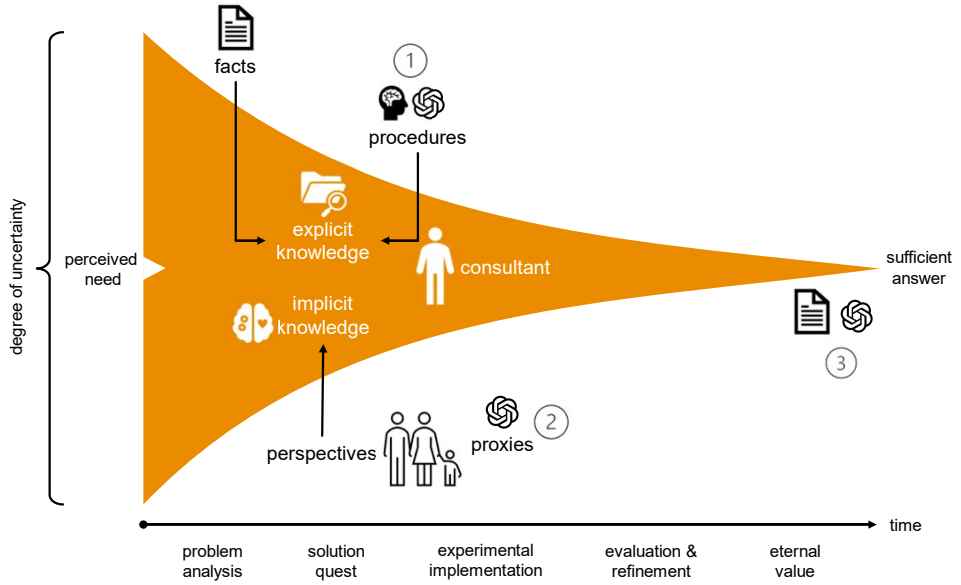
How might ChatGPT disrupt this traditional balance of cheap, fast, and good in consultancy?

It raises the question whether ChatGPT can enhance quality without additional costs or delays. Can it resolve the contradiction of improving quality without extending the timeline? Furthermore, is it possible to achieve speed and quality without extra investment? In the following we will explore three points where ChatGPT could significantly impact the consultancy value chain.

However, an even more intriguing possibility emerges: Could ChatGPT allow clients to exponentially benefit, achieving a kind of ‘cheap², fast², or good² outcome’, skipping external consultancy at all?

The potential of LLM to drastically leap forward in producing outstanding results, might potentially bypassing the need for consultants if expected results seem to be ‘good enough’ for the client, and therefore present a transformative shift in how consultancy services are delivered and perceived - or terminated.

Consultancy Cone of Uncertainty (by means of Language Models)



Utilizing the consultancy cone of uncertainty, we identify three “weak points” of breaking up the current consultancy value chain.

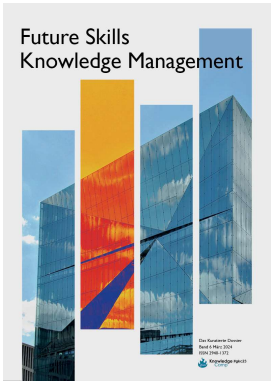
Firstly, consultants can be relieved from the burden of gathering and facilitating procedural knowledge, assuming they have a basic understanding of it and know how to leverage ChatGPT for that purpose.

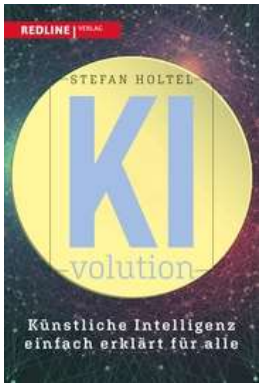
Secondly, leveraging ‘personas’ capabilities, such as LLMs simulating specific individuals for insights, opens up new avenues for uncovering crucial but elusive project knowledge, dramatically enhancing overall project success because uncertainties are further diminished or even eliminated.

Thirdly, the nature of consultancy deliverables will shift from one-off to continuous value contributions. Those deliverables remain current and can be updated in real-time by sophisticated users, introducing innovative business models like e.g. offering an initial version for free and charging afterwards for annual updates.

In this evolving landscape, the consultant's role transforms from a focus on specialized expertise to becoming a value-adding coach. This shift is facilitated by tools like ChatGPT, which provide constant support with methodologies, best practices, and access to hidden insights from key stakeholders, redefining the consultancy's value proposition.

References





The ideas of this slide deck are outlined in an essay that can be found here: https://www.gfwm.de/dossier-gkc23/ (in English).

The book “Droht das Ende der Experten? ChatGPT und die Zukunft der Wissensarbeit” (Is the End of Experts Near? ChatGPT and the Future of Knowledge Work) (currently available in German) describes some of the foundations on which the presentations in this slide deck are based.

The book “KI-volution: Künstliche Intelligenz einfach erklärt für alle” (KI-volution: Artificial Intelligence Made Simple for Everyone) (currently available in German) introduces a simple metaphor to understand AI without technical background and establishes an easy metaphor how to grasp the consequences of its use. It also forms the basis of the other book.

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