Info~Tech Research Group

Reputation Equals Revenue

What the Professional Services CIO should consider when seeking to sustain revenue and reputation through the support of professional ethics in a world where automation will undoubtedly change the business and IT landscape.

"If personal integrity is lacking, the lawyer's usefulness to the client and reputation within the profession will be destroyed regardless of how competent the lawyer may be."

– Canadian Bar Association

By John Kemp

Why reputation equals revenue

It is odd that in this world where so much value is placed upon the individual's public perception that the notion of reputation seems an old-fashioned thing, antiquated, and quaint. Yet, in this world of "likes" and "hearts," of frowning cartoon faces and animations of emotion, we are still bound up in the necessity of reputation. You are how you act, how you act leaves an impression, and you are judged on the impression you make. This, of course, is most prevalent in the world of the professional services organization, where personal ability and integrity are part of the service delivered to clients along with the application of deep and correct knowledge to a just task. In the professional services firm, the application of individual skill and capability is the product, and this product is variably applied across the clients' unique situations and characteristics. While one would not be pressed terribly hard to make an argument that reputation matters in all aspects of business, it is in the professional services realm where we see it rise to the apex of necessity. It is, in short, true that reputation is "all" in the world of professional services.

Cash businesses depend upon individual client revenue streams that are often created through necessity and shaped by reputation: "I choose this lawyer or that one because of cases won," "that realtor before this one because my friend says they are honest dealing brokers," and so on. Reputation, if tarnished, can negatively impact future revenue streams and perhaps destroy them. Retainers and longer-term contracts notwithstanding, the professional service is a transactional world where reputation informs decision-making and choice.

Who are we speaking of when we talk of "professional services"? Lawyers, accountants, engineers, architects, and realtors are certainly in the group. However, almost anyone who deals in a "cash business"[i] where the product is the application of knowledge and skill can ably be associated with professional services. Whether a consultant, cabinet maker, or roofer, the practitioner is no less a professional service provider than a lawyer or general practitioner's office, although truthfully not as constrained by oversight. Professional services organizations differentiate themselves often on reputation and indeed, in certain cases, even the practitioners of the profession separate themselves, one from another, based upon their reputations in delivery of their services be it cases won, dollars saved, audits avoided, or simply repeat business.

Automation, the organization, and the CIO

Automation, especially through AI and generative AI, will not only influence and change businesses, but will inexorably change IT. The ethical requirements of the business will have thrust upon them a new set of ethical expectations and potentially draconian laws to govern the use of AI. The ways in which AI works, the availability of data, data sources, and their trustworthiness will all also factor into the use of AI in the work environment. Given the focus on reputation of the professional services firm, it would be unwise to take lightly the potential for enormous differentiation between competitors, and likewise the potential risks of automation and generative automation in professional services firms. The CIO therefore is likely the closest to the meaning and potential of AI in the professional services landscape. The CIO's value to the firm will in large part be determined by their ability to deliver, administer, and manage AI and generative AI solutions that will inevitably enter the business environment. Given the importance of reputation to the firm, the CIO will need to account for reputation management as a part of AI delivery and risk mitigation.

Reputation management

> *"The purest treasure mortal times can afford is a spotless reputation."*
> *– Richard II* [ii]

As the professional services organization thrives or dies based on its reputation, one may ask where the guides of these reputations come from and how they manifest? In short, ethics and codes of conduct guide the reputation management of the professional services firm. All the professions mentioned above have professional associations aligned to them, and they promote codes of conduct based on the ethical requirements of their practices. In certain cases, the ethical requirements extend to members being vigilant in the maintenance of their ethics to the point where they are to report infractions by similarly qualified members who stray from the ethical path. This is important, as a "card carrying" lawyer, engineer, HR specialist, accountant, or realtor can find themselves stripped of their accreditation to work in the field should they violate the terms of their code of conduct. This elevates, in the minds of the accreditation holders, the privilege attained by being so accredited and the importance of remaining true to their respective codes.

Across the spectrum of ethical codes imposed on lawyers, accountants, engineers, architects, HR practitioners, and realtors there are some consistencies in content, if not in degree. For example, each of these professions professes to the degree appropriate in their discipline a need for confidentiality of client information. Nowhere are these tenets more rigidly defined or clinically expressed than in the field of law.

> *"The lawyer has a duty to hold in strict confidence all information concerning the business and affairs of the client acquired in the course of the professional relationship, and shall not divulge any such information except as expressly or impliedly authorized by the client, required by law or otherwise required by this Code."*
> – Canadian Bar Association[iii]

> *You keep the affairs of current and former clients confidential unless disclosure is required or permitted by law or the client consents.*
> – Solicitors Regulatory Authority – UK[iv]

> *(a) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).*
> – American Bar Association [v]

The measure of these tenets, their achievement and maintenance, is in part a component of the reputation of the firm. A "loose-lipped" lawyer is of little use to themselves or the firm. Reputation damage can occur in many ways, and reputation management begins by addressing ethics. For the profession to maintain a positive reputation, it first must express, achieve, and maintain its ethical alignment to the certifying authorities which grant accreditation to the professional within the field of endeavor they participate. Given that technology plays a role in everything today, the accountability for maintaining ethical compliance is distributed[vi] from the professional to supporting personnel within firms. As revenue is driven in large part by the reputation of the professional, the professional's reputation is supported by their own actions and those supporting him or her in their practice. A failure of the latter reflects on the former. Damage reputation, damage revenue.

> *"Southwest starts on reputation repair after cancellations"*
> – National Post[vii]

As professional services automate, the use of both internally managed and externally sourced tools will drive new capabilities in the nature of the way professional services run in the back office, but also in the nature of products and their processing for customers.

> *"The design, development, and use of AI systems must be safe, and must respect the values of Canadians."*
> – Government of Canada[viii]

> *"In February, President Biden signed an Executive Order that directs federal agencies to root out bias in their design and use of new technologies, including AI, and to protect the public from algorithmic discrimination."*
> – The White House[ix]

For example, the Canadian government has taken the view that AI and its generative forms needs regulation to "guide AI innovation in a positive direction".[x] In addition to the ethical boundaries established by various professional authorities, the regulation of AI and its capabilities by governments will likewise influence IT delivery and services. This new requirement adds to the challenge of managing reputation risks in professional services firms, rather than detracting from it.[xi] The potential infringement of government regulation, especially due to machine bias, may have significant penalties and cause public humiliation, which will undoubtedly impact reputation. While it is likely recognized that any AI system is at its heart a discrimination engine in a broad sense, the matter of transparency and ethical bounds will require that it is discriminatory in the *right* way and not the *wrong* way. The *Canadian Charter of Rights and Freedoms* and similar documents around the world will definitively influence the nature of service delivery and what constitutes "ethical" AI. The risk due to a failure to comply, or even exoneration after an accusation of the firm clearing them of any wrongdoing, can irreparably damage a professional services firm's reputation. As we have seen with individuals, and indeed larger corporations, the accusation can be enough to do damage. In this, the CIO has unique accountabilities in supporting the preservation of the firm's reputation, very likely in concert with corporate counsel, with whom the CIO should have an abiding and effective relationship. This alignment should guide the governance of AI under the CIO's watchful care.

Ethical drivers in professional services organizations

> *"Although the issue has not garnered much detailed attention in commentary to date, there have been at least four recent misuse of private information ('MOPI') cases where the High Court has had to consider the availability of damages for reputational harm."*
> *– Journal of Media Law*[xii]

For IT there are a few clear ethical drivers which transcend the varied professional services. These are:

- Privacy protection for the "client" within the bounds of law and often in perpetuity and transition.[xiii]
- Transparency upon legal need.
- Clarity and accuracy of information.
- The absence of inappropriate or illegal behaviors by people and automated systems, or of the misuse of data in the determination of actions pertaining to clients.
- Supporting the professional in alignment to cultural norms and regional considerations.

For the IT professional supporting a professional services firm, these translate to:

- Data security, control, maintenance, governance, and management.
- Rights of access and preservation, retention management, and support of legal hold.
- Reporting and analytics and the assurance of correctness of interpretation by system or service.
- Maintaining a vigilant watch (governance)[xiv] over and understanding of the ways in which AI is used, and over its operation and processes, and maintaining transparency about how AI determines outcomes based upon inputs that are ethically permissible.[xv]
- Ensuring professionals' supporting technology works when needed and does not, in failure, infringe upon the effectiveness of the professional providing a continuity of service regardless of conditions.

The ethical drivers in professional services organizations vary widely in degree between professions, as do IT's responses to them. The implications of the dichotomy between professionals and support personnel are discussed at length elsewhere,[xvi] so we can dispense with rehashing the cultural barriers existing between professionals and those who support them. However, it is important to point out a significant means of softening this barrier lies in the CIO taking the ethical obligations of the professional seriously and working to deliver technology and capabilities that maintain the reputation of the professional and the firm. Placing reputation management at the forefront of service delivery provides the CIO with an immediate link to business outcomes within the firm.

Starting with the reputation of the firm, the CIO must ensure that services not only meet the needs of the practitioners of a professional service, but those of the clients who might engage with the firm's professionals. This is achieved in the following areas:

1. Supporting compliance with and delivery of ethical demands as set out in pertinent codes of conduct and practice. For example: supporting the maintenance of client confidentiality, or the authorized distribution of information that may be shared with clients and other professionals through practice, policies, standards, and training. These actions further extend to regulatory requirements from external governing bodies.
2. The appearance of competence. While the CIO cannot exert influence on how a professional practices their discipline, he or she has considerable influence on how the professional appears in terms of the various interactive capabilities supported through technology. Websites, online forms, checklists, and other interactive tools supported by IT must be presented consistently and with suitable availability to ensure the appearance of professionalism and competence to those who interact with the firm. Tools must function correctly. In the face of failing on-line interfaces, clients will, in frustration, leave the site altogether and seek help elsewhere. In short, technology must never detract from the image of professionalism projected by the professional or the firm.
3. The accuracy and timeliness of data, especially when processed in the form of reports generated through automation or generative AI, must be correct and, where required, transparent in how these data are presented and created. Data entry notwithstanding, the CIO, and IT generally, plays a considerable role in data processing. This role, while largely custodial, includes the accurate processing of data especially in reporting, or in the case of AI and Gen AI answering queries.
4. Personal support. The professional should not be impeded by an inability to apply technology or through its use convey inappropriate information,

especially to clients. As such, the CIO must ensure that support for professionals preempts or immediately addresses technological issues that may impact the perception of the professional or the firm in the eyes of the client or other associated authorities. In both individual continuity and broader business continuity and service capabilities, the CIO must demonstrate the ability to ensure consistency and reliability in supporting information systems. This extends to external impediments to support, where practical of course, in which IT must have compensatory capabilities to address external issues.[xvii]

"Present and review theory, evidence and interpretation honestly, accurately, objectively and without bias, while respecting reasoned alternative views."
– Royal Academy of Engineering[xviii]

Making the professional look professional

Let us, from the onset, assume professionals are professionals, they are duly qualified and certified to act on behalf of the firm and their clients, and in that practice require no support from the IT department. It is in the application of tools supporting professional actions, so many of which are technology-based, that support is required. The IT professional is just that, an IT professional. The IT professional is not a realtor, engineer, lawyer, or accountant. This, of course, does not negate the insights an IT professional may have, or the familiarity with some aspect of the profession supported, he or she may possess. In fact, insight into how the business is run and what it does is the mark of a good IT professional. This can be a valuable contribution when IT can, with clarity and conviction, describe the nature of how technologies work in relation to the business tasks it supports; and, as if that were not enough, describe the necessities required by the technologies to achieve business outcomes.[xix]

Supporting the ethical requirement

In the execution of work, the professional is bound by ethics that drive their actions and practices. They may or may not do certain things. They may or may not use data in certain ways. They must or must not treat their clients after a certain fashion depending upon circumstance and often the law. IT's role in this is to ensure that the requirements of ethical bounds of the professional are reflected in the capabilities of the technical services and tools offered up to the firm to support professional work. An IT system or practice cannot, through design, contravene or through execution create an opportunity for contravention of an ethical requirement of the profession served.

> *"The obligation of REALTORS to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS shall not knowingly, during or following the termination of professional relationships with their clients…"*
> – National Association of Realtors[xx]

Many professions, to varying levels, must address confidentiality in their practices. The use of client data and its protection are ethical considerations which transcend the policies of the firm, and if mishandled, can impact the professional exclusive of the firm, or if impacting the professional can cause collateral impact to the firm. As data is not held exclusively by the professional but is under the custody of IT, there are special considerations IT must make to ensure the professional is protected from unwanted transgressions of ethical codes in, in this example, client confidentiality. Systems, policies, controls, actions, and prohibitions must exist and be maintained to ensure the ethical requirements of a single practitioner – and those of the broader firm – are enforced. For example, in legal firms, lawyers of the same firm may not share client data among themselves if sharing it may prejudice one lawyer or another or one case or another. The legal firm's restrictions are far more stringent than in a local realtor's office, yet both professions insist on confidentiality. It is in this that proportionality is a servant of the firm and the CIO. The use of the ethical requirements to justify the degree of rigor applied to a supporting function is a strong support for a proportional response by IT to sustain professional practices. These justifications can come from external sources as well: governments and regulatory bodies can influence business and IT behaviors to a large extent.

> *"Fairness and Equity means building high-impact[xxi] AI systems with an awareness of the potential for discriminatory outcomes.*
>
> *"Appropriate actions must be taken to mitigate discriminatory outcomes for individuals and groups."*
> – Government of Canada[xxii]

Given this example and other areas of consideration in the ethical frameworks of many professions, the CIO can easily justify their efforts on the founding principle of reputation protection as reputation management, as these efforts protect the revenue stream. Each professional, whether assigned a client or acquiring them independently, creates an independent revenue opportunity. All things going as they should, the service rendered being correct and appropriate, the client pays, and all is well. Indiscretions on the part of the professional, however – even those created by supporting personnel – can be impactful to the client and, if made public, to future clients as well. The CIO is no less accountable to ensure, for his or her scope of control, that the ethics of the profession are maintained and supported, and those regulatory necessities are met vigorously and are defensible in their application.[xxiii]

The CIO must, in concert with the business and its supports, ensure no overt or collateral bias can result from the selection processes of the system or its processing logic. Using AI to "pre-qualify" clients, for example, may certainly be done, but the criteria applied for the assessment must be demonstrably free from any criteria precluded for discriminatory selection by relevant legislation, and further, cannot in its execution result in discriminatory outcomes even if the overt selection criteria seemingly pass muster as being free from bias. In the rush to innovate, in which the CIO plays a fundamental part, the CIO must ensure that the attainment of new capabilities does not expose the firm to risks to its capabilities or reputation.

The appearance of competence

> *"Winnipeg man awarded $500K in damages in defamation case."*[xxiv]
> – CBC News

> *"To maintain and broaden public confidence, members should perform all professional responsibilities with the highest sense of integrity."*
> *– AICPA Code of professional Conduct.*[xxv]

It would be imprudent to think the competence of a professional is manufactured. The CIO must ensure the professional's appearance of competence is not undermined by collateral incompetence from sources outside the professional's control. In short, the CIO must ensure that IT doesn't make the professional look bad in front of the client because of some IT-related failure or lack of capability.

This is a broad topic. The matter of individual service will be left to the following section. In this section, we talk about more systemic matters: reliability, business continuity, and resilience.

The CIO must ensure that systems and services are available. Despite the renowned crankiness of the individual high-performer, whose world cannot be shattered by the failure of a PC or other device to do its thing, the fact remains that avoiding potential poor outcomes requires IT to preemptively build capabilities to address threats to effective delivery on the part of the professional.

On the matter of continuity, this can occur at the firm level or individual level, and therefore IT must ensure there are contingencies built into both behavior and technology to support the firm and professionals in their day-to-day work. As many professionals are mobile, addressing how challenges to mobility can impact effectiveness must be thought about and planned for, and contingencies must be built in to support the roving professional who is confronted with an interruption to services or a breakdown of technology. This, of course, leads to the resilience of the technology itself. The CIO must be assured the technological choices made in the organization are sufficiently robust to address the nature of the business and its professional practice. The engineer who is onsite in construction zones, wilderness, and in varied weather likely requires devices that can stand up to those environments, whereas the architect might manage with lesser physical resilience but similar processing requirements. These factors must be considered and addressed in IT's approach to service.

Service as a contributor to competence

> *"A Member shall pursue the interests of their client or employer setting aside personal motivations and beliefs."*
> – North America Human Resource Management Association[xxvi]

Simply stated, as the professional "is" the process, the professional gets support commensurate with the importance of their function. IT must resource itself, create processes, and empower capabilities that promptly and efficiently ensure service support meets or exceeds need. This is a tall order. Nowhere else is there greater risk to the reputation of the IT function than in the delivery of service support to professionals in need of assistance. The term often associated with such support is "white glove" service, where the afflicted professional is supported with immediacy and correctness, the supporting agent appearing, fixing the issue, and disappearing.

This may sound obvious and pedestrian, but herein lies IT's reputation in a professional services firm. IT must be seen to be supportive and unseen in virtually all other client interactions. While this may sound like a call for the "utilitarian" approach to IT, it is not. To achieve this level of support and capability IT must:

- Have a clear and unambiguous understanding of business needs and processes, occasions, and situations that can create risk, and must have a system of response that minimizes delays in getting support to where it is needed.
    - Business and process understanding comes from exploring and comprehending the drivers that create business challenges, the objectives of the business in addressing client needs, and translating those into supporting technical capabilities that reliably support these requirements.[xxvii] Having both corrective action plans and contingency plans, which the affected industry professional and the IT professional can execute and facilitate, is necessary.
    - Situationally, there are obvious times where prompt and correct service support is needed and where, given conditions, such support must both be effective and be seen to be effective. Certainly, anything which occurs in front of a client or impedes timely collaboration with a client must fall into this category. IT must recognize these situations and have capabilities or contingencies to address them promptly and professionally.
    - Finally, the service desk is the means whereby all issues are distributed and administered. It must be effective and uncompromising in its follow-through on support requirements. It is necessary that the incident management process is followed from start to end, consistently.[xxviii]

> *"Members should be candid and truthful in their professional communications and keep their clients reasonably informed about the clients' projects."*
> – AIA US (Architects)[xxix]

Reporting and analytics are vital to any organization. While it has always been a consideration that we understand how answers are obtained in systems so we can validate their correctness, of late, with the advent of generative AI, this requirement has become even more important. Correctness and transparency are vital.

While the legislation on this is vague in many jurisdictions currently, there are plans aplenty to oversee the use of AI in business in the public sphere.

> *"Transparency means providing the public with appropriate information about how high-impact AI systems are being used.*
>
> *"The information provided should be sufficient to allow the public to understand the capabilities, limitations, and potential impacts of the systems."*
> – Government of Canada[xxx]

Reporting and data processing systems, whether human-initiated or AI-driven, must, for want of a better expression, be able to "show their work." Moreover, the notion that the processing of data is free from technical error, non-factual interpretation, and bias is likewise critical. The CIO must ensure that there is a clear understanding in the organization of how systems producing analytical data operate and that their correctness is unquestionable and defensible where needed.

Freedom from bias is a challenging matter. While Info-Tech Research Group has an abundance of materials regarding avoiding bias in AI and other reporting capabilities, the guidance on this from governments seeking to oversee AI can be challenging to say the least. For example, where "*transparency*" in the Canadian government's companion document to its AI legislation appears twice, "bias" appears no less than 15 times.

> *"The AIDA would address this risk by requiring businesses conducting regulated activities to proactively assess and mitigate the risk of bias on grounds prohibited in the [Canadian Human Rights Act]."*
> – Government of Canada[xxxi]

The challenge for the CIO is to support the business in building out reporting and discriminatory processes (that is processes designed to discriminate between conditions, situations, or people), in a manner which does not unjustly favor any particular outcome based on inherent characteristics protected by various charters of human rights. This is not something the CIO can do alone. Consultation with corporate legal, HR, and business executives and partners is vital to ensuring this issue does not result in a negative reputational impact to the firm.

> *"Not release or misuse any information confidential to your client without their express permission, or unless legally required to do so."*
> *– RICS*[xxxii]

Data is an interesting thing. It is not, as any corporate lawyer will tell you, perpetually valuable. There are times when data can be a liability. How long do we retain data? When can data be shared? To what use can client data be put and in what form? These questions need to be asked, and the CIO needs to be able to assist the firm in determining its policy toward data and enshrining these decisions appropriately and consistently in the practice. Data is perhaps the most valuable thing a firm has, and it is also potentially the most damning in that its misuse can thoroughly undermine the firm, its reputation, and its ability to practice.

For example, in certain professions, some data can outlive its usefulness and necessity. This is often a problem that materializes during "legal hold" actions where a firm or one of its clients is being sued and the court has demanded that all data pertaining to the named persons or groups in the suit are held apart, not altered or erased, and made available to the participants. This can mean that data not pertinent to the matter at hand can, in some cases, create collateral issues for the client where data from outside the point of concern can negatively impact the matter at hand. While there are legal constraints to deleting data and government regulations to follow, the firm should have a policy on privacy and data retention which reflects these requirements. The CIO therefore should support this with standards and processes that ensure the policies are followed and the needs of these policies are met in practice.[xxxiii]

Building out a data strategy and governance model is critical to the professional services firm. How shall you manage your data? The firm should not tolerate misuse of data, and the CIO should be at the forefront of capabilities to protect the firm and its data from careless use by professionals or interpretation by systems which misleads professionals or clients.

IT obligations to professionals

The CIO must ensure that the technology provided to the business is supported, economically viable, managed with moderation and sensitivity toward future concerns and conditions, and meets the internal and external needs of the business served to the degree necessary to ensure business success.

The CIO must deliver these in a principled manner, which in a professional services organization means "professionally," that is: the function of IT must appear to be a professionally run, process-driven, and responsive organization not dissimilar to a third-party consultancy or service provider. IT supports the business. It is not, per se, a part of it. The bridge between the business and IT is professionalism, a respect for the ethical and operational needs of the professionals, and a visible desire to support the preservation of the firm's reputation.

Professional obligations to IT

The partnership, board, and business leadership's obligation to IT is to properly fund and support the framework of technology delivery in the firm. This comes from their support for stated and well-explained and clarified IT standards and requirements that in their execution preserve the reputation of the firm and its effectiveness. Where IT requirements impact business leadership and processes, rather than dismissing them, the business must endorse and support these requirements fully, visibly, and without exception. Security requirements are the most obvious in this example, but there are others of equal importance. Chief among them is data management. While IT does not "own" data, IT is the custodian of it and is expected to support effective and efficient data access and processing. To accomplish this, the business has a role in data governance and quality which requires they work with IT to facilitate the creation and effective processing of quality data. While IT may be accountable for delivering technology, the business establishes the environment wherein this delivery occurs.

The morality question

> *"To thine own self be true, and it must follow, as the night the day, thou canst be false to any man."*
> *– Hamlet* [xxxiv]

Polonius' advice to his son upon departing for France to be educated lies at the heart of moral virtue in individuals. To "lie," of course, is to do double-duty in harm in that, when one person lies, two are injured: the liar, who must first lie to themselves to make convincing their fabrication, and of course secondly the individual or group lied to. Truthfulness is a foundation for leadership, and the CIO is definitively in a leadership role. Yet being "true to thyself" is not solely confined to the avoidance of lying. In fact, it is often an adherence to principles, which are certainly and hopefully possessed by the individual, that governs the moral framework of the CIO.[xxxv] The

CIO needs to possess principles and act in a principled manner and ensure the IT organization behaves after a similar fashion. Living up to its committed principles via the IT strategy is IT's obligation in taking actions seeking to add value to the firm and protecting its reputation.

The preservation of the reputation of the firm is the first order of duty of the CIO in the execution of their role. Reputation equals revenue. There is a risk to the CIO; the commitment to the preservation of the firm's reputation can run afoul of intent of the firm and its partnership. In short, the partnership may recommend actions which the CIO, due to his or her awareness and knowledge, would consider too risky, or worse, would create the potential for negative impacts to the firm's reputation or capability. If confronted with this challenge, what is a CIO to do?

The CIO must determine the degree and the persistence of his or her beliefs and their defense in the face of risk, and the strength of his or her opposition to those risks, even if the source of the threat is the firm's leadership. If there is a risk area which stands above others in this, it is around processing and possessing data. The power of data tools and the ability through automation to manipulate and process data are, as has been shown, a risk factor which the CIO must take seriously and be prepared to defend before the board and partnership/owners of the firm. Certainly, economic factors guide many decisions, yet in the matter of ethical behaviors and regulatory constraints, the CIO – and the professional too – cannot be guided solely by the potential economic benefit of one processing action or another.

Drawing the lines in the sand

The IT strategy sets the environment of behavior for the CIO and the organization and the expectations of the business. However, the interactions of the CIO with the partnership establish his or her credibility and focus. The CIO's focus is the maintenance and support of the reputation of the organization, and it must be supported in action and advice. The CIO must cultivate sufficient credibility to be able to constructively criticize any technology-supported plan of action, chiefly through risk factors, but perhaps on matters of execution, and not face immediate condemnation or dismissal for making the stand in defense of his or her objection. It is certainly within the CIO's power to build this trust.

The CIO is certainly not in an organization to be a "roadblock" or impediment to progress. However, while an advocate for "good" change, the CIO must in good conscience stand in the way of “bad” change or change without forethought and understanding of consequence.

The CIO may need to make a stand. To gain traction, the CIO must:

- Be aware of the requirements and from a nuanced perspective, (needs versus wants, and desires versus aspirations. Also, a well-rounded understanding of who is backing a particular initiative and who it is valuable to. Personalities play a large role in professional services organizations.)
- Understand the process to be automated, its constraints both internal and external, and the desired benefit.
- Be able to explain how automation changes execution of a process and how its benefit lies in the balance between automated processing and human knowledge intervention.[xxxvi]

As often approach is more the issue than the outcome, the CIO must be clear about where he or she stands on the matter of a proposed initiative and the needs this initiative meets. Requirements, i.e. process and business requirements, are augmented or perhaps impacted by the desires of the executives (partners) who propose them. It would not be unusual for an executive or partner to gain approval for a project by force of will. Organizational changes that seem contradictory to common sense can not only be endorsed but enacted. For example, a global organization with a centralized IT capability for common tools and cost sharing across regions can be dispersed to the regions through the desires of one or more of the regional partners. While this might seem fiscally irresponsible and potentially negatively impacting to cross-regional operations, it may serve the partners locally. The global CIO would naturally find themselves in a bind and rightly be concerned. Opposition to this plan from the CIO may gain some sympathetic ears, but the outcome, depending on the strength of supporting partners, may come to pass at a disadvantage to the global CIO.[xxxvii]

Automating processes, which may be manual or partially automated, seeks to achieve some benefit, often in terms of efficiency. The balance between human intervention and wisdom and the automated system is leaning increasingly toward automation. AI can, and if not now soon will be able to, emulate human decision-making processes. Also, many services offered by professionals are grounded in well-documented rules, guidelines, and law, which AI can easily interpret. The likelihood of AI being the means whereby some functions are exclusively automated is high. While it is for the business to decide what that means and whether it is desirable, there are matters of ethics and behavior that also impact decisions to automate. Lawyers practice law. To date, this remains both an ethical requirement and a necessity. However, how much of this profession can be automated, and how much required verification by human lawyers must occur? How much can simply be left to the AI? The CIO needs to support the business in determining the answer to this question. Though, have no doubt, the professional associations will have an opinion on this matter too.

Finally, though, the CIO may find they are confronted by a moment of intractability, where the decision of the business or the proposal forwarded seems, in the mind of the CIO, in opposition to the principles of the CIO and the good of the firm. It is for the individual to determine whether to make one's case and, if denied, to accept the outcome, say "thy will be done," and move forward, or to consider other options. Every CIO will face these decisions at some point. We do not endorse one direction or the other, only that you should have the tools necessary and have established the credibility to make your case and your decision.

Concluding thoughts

Reputation equals revenue. There can be no simpler way of stating the primary motivation for CIOs in professional services firms. This statement transcends the business and extends to the supporting functions. IT leaders must help protect the reputation of the firm. IT leaders must also create and protect their reputation as a professional service provider to the firm. Reputation is a keystone for professional services and, as we have seen, is enshrined in the codes of conduct which guide professional behaviors in many disciplines. This keystone is composed of both overt actions to prevent damage to reputation and subtle actions to promote professionalism and the appearance of professionalism, such as providing "agents" with the latest capabilities to confirm for clients the firm is up to date and capable.

The impediment to success is often not in the desired outcome but in the approach to achieving that outcome.

The CIO must cultivate an understanding from the business that his or her role is to assist in protecting and enhancing the reputation of the business through the correct, effective, and appropriate application of IT services in support of the Firm's operations and desired outcomes. The CIO must be seen universally as a source of good advice on matters of technology rendered with an appreciation and respect for the challenges of the practicing professional. So that in those moments of opposition, where the CIO has the temerity to question a proposed initiative offered up by a professional, the professional will pause, consider, and perhaps rethink the initiative, not to stop but to adjust, as it is clear to that professional the CIO is offering up a good-faith argument based in knowledge, ethics, and principles.

> *"For honour travels in a strait so narrow where one but goes abreast. Keep then the path, for emulation has a thousand sons that one by one pursue."*
> *–Troilus and Cressida*[xxxviii]

End Notes

i "Cash Business" – where the organization service is engaged on a case-by-case basis, or retained for services to a particular individual for specific purposes where the achievement of the service is brought through the application of specific knowledge to the matter at hand. This differentiates it from retail in that each service is bespoke to each client.

ii Shakespeare, William. *Richard II*, 1.1.183-4.

iii Reference: Code of Professional Conduct – Canadian Bar Association Revised Edition 2009, Chapter 4.

iv Reference: Codes of Conduct for UK Lawyers – SRA Code of Conduct for Solicitors, RELs and RFLs, Section 6.3.

v Reference: Model Rules of Professional Conduct – American Bar Association, Rule 1.6.

vi The use of the term "distributed" is very deliberate. Accountability cannot be "transferred" from one to another and this is especially so in professional services where only the individual accredited can perform the role assigned. Yet each person who is accredited is supported, often critically as with IT, by "non-professional" professionals.

vii Reference: Koenig, David. "Southwest starts on reputation repair after cancellations." *National Post*, 5 Jan. 2023.

viii Reference: Government of Canada, The Artificial Intelligence and Data Act (AIDA) – Companion document (2022), Introduction.

ix Reference: "Biden-Harris Administration Announces New Actions to Promote Responsible AI Innovation that Protects Americans' Rights and Safety." The White House, 4 May 2023. Press Release.

x Reference: Government of Canada, The Artificial Intelligence and Data Act (AIDA) – Companion document (2022), Introduction.

xi It is certain that government regulations can add complexities to behaviors within organizations. In the case of AI, as so much is yet to be tabled before parliaments and congresses, the nature of legislation is unknown. Certainly though, whenever the matter of "rights" come up, interpretation can lead to complexities and challenges for organizations of all stripes. The power of AI will rightly lead to some constraints. However, it cannot be known whether legislation will favor unbiased actions alone or be infused with policy as well. Time will tell.

xii Reference: Hariharan, Jeevan. "Damages for reputational harm: can privacy actions tread on defamation's turf?" *Journal of Media Law*, 13:2, pp. 168-210.

xiii While this document speaks to the need to address document retention, in that it is unwise to keep documents which no longer have a requirement to be retained, it is also recognized that there are some documents, contracts often, which have no practical expiry and while the parties exist, so too to these documents.

xiv Governance should be understood as an auditable oversight of the ways and means whereby AI is applied to business problems and business operations.

xv This may potentially include any assessments which, on their face do not create a bias, but in action could exclude or include certain outcomes which as a result constitutes a bias against one client or another or one applicant and another.

xvi Professional Services IT Leadership – Addressing the cultural divide in professional services firms | Info-Tech Research Group

xvii Being prepared to address external challenges can be a difficult thing. The Guardian example shows the need for preparatory prevention in the form of contracts preventing 3rd parties from inserting content into hosted websites, uncommon for most firms, but not unheard of. However, as there is so much dependence upon 3rd parties by Firm IT organizations, IT must ensure that every possible and reasonable action is taken to avoid potential threats to reputation manifesting inadvertently or deliberately from 3rd parties. (Microsoft accused of damaging Guardian's reputation with AI-generated poll | The Guardian)

xviii Reference: Royal Academy of Engineering Statement of Ethical Principles for the engineering profession – 2017

xix Functional (business) and Non-functional (IT) requirements. Processing in a certain way is a business requirement; having security capabilities included and around a service is a non-functional IT requirement. IT is certainly accountable for the latter but may also have accountabilities in the former given a depth of knowledge in how systems process data which exceeds that of the professionals in a firm.

xx Reference: Codes of Ethics and Standards of Practice, National Association of Realtors – 2023 (US)

xxi It is important to note that "high-impact" in the vernacular of the Government of Canada means a system with a high potential for *negative* impact. Such systems, if not managed in accordance with legislation, may have impacts which infringe upon rights and freedoms, unnecessarily bias results, and cause "harms" which yet undefined will no doubt be taken seriously by adjudicating bodies.

xxii Reference: Government of Canada, The Artificial Intelligence and Data Act (AIDA) – Companion document (2022)

xxiii The CIO is not solely accountable for these capabilities but does share a distributed accountability with the professional and potentially could be accountable where systems logic, outside the skills of the professional to administer, fail to live up to ethical and regulatory requirements. As well, there are times where the transgression may, in the eyes of the business, be managed via punishment than correction. For example, it may be considered that an infraction is limited in its impact to reputation, the fine or penalty is bearable, and the cost of correction too high to consider.

xxiv Reference: Winnipeg businessman awarded $500K damages in defamation case | CBC News

xxv Reference: AICPA Code of professional Conduct (US) – 2014-16

xxvi Reference: NAHRMA – 2017 Version 1

xxvii Reference: Improve Requirements Gathering | Info-Tech Research Group (infotech.com)

xxviii Reference: Improve Incident and Problem Management | Info-Tech Research Group (infotech.com)

xxix Reference: 2020 Code of ethics and professional conduct AIA - US

xxx Reference: Government of Canada, The Artificial Intelligence and Data Act (AIDA) – Companion document (2022)

xxxi Reference: Government of Canada, The Artificial Intelligence and Data Act (AIDA) – Companion document (2022)

xxxii Reference: RICS – "Duty of Care" UK Realtors Ethical Guidance

xxxiii Reference: Build an Effective Data Retention Program | Info-Tech Research Group (infotech.com)

xxxiv Shakespeare, William. *Hamlet*, 1.3.84-6.

xxxv In the context of this document, "ethics" would be those behavioral requirements imposed from without by the organization or regulatory bodies, whereas "morals" would be behavioral requirements imposed from the perspective of the individual.

xxxvi This may need to occur in a one-on-one setting and not in the public forum. Moreover, the CIO in a professional services firm must, in certain cases, be prepared to campaign when objections or concerns arise. Diplomacy is the friend of the CIO in these situations.

xxxvii It is not unheard of for conglomerates and Swiss Vereins to flip-flop between centralized and decentralized control especially during periods of economic challenge. The issue is often that certain IT capabilities are not easily decoupled from the center, and may not be sought to be decoupled, but rather the desire is for "autonomy" at the regional level by the regional partner.

xxxviii Shakespeare, William. *Troilus and Cressida*, 3.3.160-2.

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