

AI and Risk Management: The Critical Role of Service Designers

Guiding organizations toward responsible AI adoption



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The growing hype around AI follows an all-too-familiar pattern: the desire by organisations to supplant human expertise with technological tools. Service designers have a crucial role to play here as informal risk managers, guiding organisations toward an adoption of AI that enhances, rather than replaces, the human element in service.

Optimisation. Digitisation. Efficiency. Profitability. On a long enough timeline, business leaders start reacting to the pressure to increase profits and grow their enterprise by turning to technological solutions as the means to boost efficiency and streamline service delivery. We've all witnessed (and often, suffered through) variations of this phenomenon, from offshored customer service call centres and IVR phone trees to the now ever-present call to 'download our app!'

The latest iteration of this phenomenon is the surging wave of AI, which promises to eventually be able to outperform human capabilities in everything from customer interactions to creative problem-solving. As AI begins to infiltrate the design realm, a natural question emerges: is the service design field living on borrowed time?

Not quite. While organisations will doubtlessly continue investing in AI-powered solutions, we argue that this technology is best leveraged as a complement to – rather than a replacement for – human expertise and tacit knowledge. And in this regard, service designers will have a critical role to play - not as AI experts, but as informal risk managers steering the responsible integration of this transformative tool.

The service designer's unique vantage point

At the heart of exceptional service delivery lies a nuanced understanding of customer needs and the ability to creatively problem-solve within ever-evolving constraints. These are also the hallmarks of the service designer's craft; skills honed through qualitative research, journey mapping and an empathetic approach that captures how people perceive and co-create value. It is precisely this toolkit that positions service designers to be invaluable partners in determining where AI can provide the



Credit: Marshall Sitten, with help from Midjourney

Midjourney prompt: Prometheus garbed in glowing robes, standing atop Mt. Olympus, handing a laptop computer down to a crowd of feral humans desperately climbing over each other to reach it, style baroque

greatest value, and how to deploy it in a way that enhances, rather than undermines, the customer experience.

Unlike AI, which is fundamentally constrained by its derivative nature - having been built and trained on content syphoned (or just outright stolen¹) from the product of creative human minds - service designers possess the cognitive flexibility to anticipate unique challenges and devise tailored solutions. This process on which AI is built fundamentally creates hard limitations around what AI is capable of delivering in a service experience, because it can either replicate what it has seen and been trained on, or it will innovate something new without the ability to truly think and understand what is needed or what is appropriate in that experience.

By contrast, service designers understand that services are not merely a linear checklist, but a lived experience

that varies interaction to interaction. This sensitivity to context is the antidote to the risks inherent in AI, which can all too easily result in the propagation of misinformation, perpetuation of biases and other unintended consequences that undermine an organisation's hard-won reputation and customer trust.

Service designers as informal risk managers

Examples of AI-related blunders – from embarrassing gaffes to financial or other kinds of actual harm – have become daily headlines, as organisations from Air Canada² to the National Eating Disorder Association³ have had to hurriedly pull their AI solutions offline after major public failures. Despite this, as AI researcher Gary Marcus explained, “companies press on to develop and release new AI systems without much transparency, and in many cases without sufficient vetting.”

As organisations rush to capitalise on the promise of AI, service designers must step into the role of informal risk managers, leveraging their existing toolkit to identify and mitigate the potential downsides of this potentially transformative technology. This responsibility extends far beyond the typical user experience considerations, encompassing broader issues of data governance, equity, sustainability and the preservation of the human touch that is essential to exceptional service delivery.

One area of critical importance is data integrity, privacy and security. AI systems are voracious consumers of information, which they leverage to hone their predictive capabilities. Service designers must work closely with cross-functional teams to ensure robust data governance frameworks are in place, protecting individuals' sensitive personal data from misuse or breach and ensuring that models are not being trained with data that infringes upon personal privacy or steals intellectual property. Failure to do so not only jeopardises customer trust, but also exposes the organisation to significant legal and reputational risks.

Equity and inclusion are another key consideration. AI-powered tools have a well-documented history of perpetuating biases, often to the detriment of vulnerable communities.⁴ They only know what they have been trained on, and training data contains biases that even the most sophisticated models are unable to contextually comprehend. Service designers must undertake rigorous testing and monitoring to identify and address these biases, ensuring that the deployment of AI does not exacerbate existing societal inequities.

Furthermore, service designers must ensure that organisations looking to deploy AI are actually capable of proper governance. Is the solution they are looking to use able to do its job properly and reliably? Who is responsible for overseeing and checking the quality and integrity of its work? Who is accountable when things go wrong, and is it possible to audit and remediate its output to diagnose and resolve issues? How will this solution affect the rest of how the organisation's services are produced? These are just some of the questions that need to be considered, and service designers are well positioned to ask them.

Perhaps most critically, service designers must serve as advocates for the irreplaceable human element in service delivery. While AI may excel at automating certain tasks and streamlining processes, it fundamentally lacks the empathy, creativity and nuanced understanding of customer needs that are essential to crafting truly meaningful experiences.

Service designers must work to ensure that the implementation of AI complements, rather than replaces, the human touch - preserving people's understanding of the rituals, interpersonal connections and other intangibles that define the essence of exceptional service.

Navigating the human-AI equilibrium

Ultimately, the service designer's role is not to become an AI expert, but rather to leverage their existing toolkit to help organisations strike the delicate balance between technological progress and human-centric values. This requires a clear-eyed understanding of AI's limitations and potential pitfalls, coupled with a steadfast commitment to preserving the irreplaceable human element in service delivery.

Service designers can help advise organisations on when it's best to resist the siren song of AI's promises of optimisation, efficiency and scalability. While these technological solutions may offer short-term gains, they invariably come at the cost of the nuanced understanding, creative problem-solving and collaborative effort that are the hallmarks of high-quality service experiences. Service designers must guard against the risk of intellectual laziness, ensuring that the integration of AI does not erode the essential skills and tacit knowledge required to deliver exceptional service.

Instead, service designers must employ their powers of empathy, qualitative research and counterfactual thinking to guide organisations in determining where AI can truly add value. This may involve streamlining certain processes, automating repetitive tasks, or enhancing customer self-service capabilities. But crucially, service designers must ensure that these AI-powered solutions complement, rather than replace, the human presence that is indispensable to successful service delivery.

As the AI revolution reshapes industries, service designers stand as the guardians of the customer experience, ensuring that technological progress serves to elevate, rather

than erode, the fundamental bonds that unite us as social beings. By embracing their role as informal risk managers, service designers can help organisations harness the power of AI in a way that is reliable, sustainable and aligned with the values of social cohesion and democratic processes.

This is no easy feat. The integration of AI comes with inherent risks, from the spread of misinformation to the compromising of data privacy and environmental sustainability. And frankly, AI's value currently has yet to extend very far beyond the hype. But service designers, armed with their established toolkit and human-centric mindset, are uniquely positioned to navigate these challenges, working in close collaboration with cross-functional teams to steer the responsible deployment of this technology.

In doing so, service designers can cement their position as indispensable catalysts for innovation as champions of the human experience. They can help organisations realise the promise and potential of AI while upholding the core tenets of exceptional service delivery. In this way, service designers play a vital role in shaping a future where technology enhances, rather than replaces, the essence of what it means to be human.

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