Unboxing Future of Work

Season 2

Episode: 1 Unboxing Automation Challenges Over the Years in Enterprises

[Audio Transcript]

Vijay 0:33

Hey, Tom, great having you here with me today in the Unboxing Future of Work series. Tom, I know you're a great writer in the tech and finance space, especially talking about tech companies, how they're progressing, what is the impact that they're making.

And here in the series we talk about, we invite the future of work gurus who can, a little bit talk about a specific area of future of work that's impacting and in their area of expertise.

Great to have you here.

Tom

Okay, thanks for having me.

Vijay

Absolutely. Tom, just want to get started with a little bit about yourself. What do you do, where's home, what is your drive, what you're doing. A bit of personal stuff and professional stuff about how you came here.

Tom

I'm based in Southern California, been here my whole life, close to LA area. I live in Pasadena, which is close to the LA area. So can't complain about the weather, it's always good here.

Vijay

Yeah

Tom

It’s actually summer. But I do head up to Silicon Valley quite a bit. In pre-COVID, I was probably there once or twice a month. And then I write for Forbes.com, that gets me kind of in contact with people, that are doing interesting things. And I've been writing for that publication since it started in the 90s.

I also advise a couple of companies here in Southern California- tech companies. I've written some books, and it's kind of basically how I spend my time.

So, I can usually put in a full day, on most days.

Vijay

So, you are full-time into writing, right?

The interesting thing about your writing, which I follow very closely is, that you keep it very clear and simple about how some of these tech companies are doing, not just technically, but also financially, and what it means to the industry. I think that's really interesting for people who are tech investors, or tech stock investors at the same time who really follow technology.

And I'm just curious, how do you go about it, I mean, being a writer, I can understand somebody writing a fictional novel, like, I'll write something about, some inspirational stuff. But writing about tech stuff, this stuff changes very, very fast. What you know in a month, cannot be the same thing here. They might have bought a company, they would have done things differently, they will have pivoted.

So how do you go about it? What is your approach in writing? How do you think, how do you approach the research, and how do you get what you want to write?

Tom

Well, in terms of writing, I've actually been writing since I was in high school. So, that's also when I started in computers. And I used to write programs for magazines back in the 80s. So, I'd write magazines where the code was actually in the magazines.

And then I would write an article that explained the code. So, I have more of a technical background, but my background was, explaining to someone who really didn't know coding, how to code. And so, I've been doing this for a long time.

Vijay

Yeah. Yeah, probably in 90s. Early 90s. When is that?

Tom

Early 80s…

Vijay

Oh, 1980's? Wow!

Tom

1980s. Yeah. So...

Vijay

I was born then!

Tom

Okay, yeah, I was in high school at the time. And that's kind of how I got my start. And then I just continued with technology and writing about these two things. And the interesting thing, is that writing code is like writing, like any kind of writing. It is a language; it has its own…

Vijay

Yeah, you just need to know the language. Yeah.

Tom

Exactly. So, it's about clarity and making your point. I spent a lot of time early in high school actually trying to be a good writer, and practicing, so I think those are the two main things...

Vijay

That gave you a clear and simple signal for you to start writing about tech companies. And you have very good catch on finance as well. I mean, you really can look at the numbers and talk about what's happening behind the numbers.

Tom

Yeah, finance to me, it's not that difficult. There's a balance sheet and income statement, cash flow statement. I took accounting when I was in high school, a year of accounting. I was a business major in college. I only took one computer class in college. Because I felt like I spent like half my life in computers anyway. I wanted to learn business, the business side of things and by the time I was out of college, I had a lot of classes on the cores of finance and accounting.

Vijay

So, you know how to read a balance sheet, write a financial report.

Tom

Yeah, exactly. When you look at it, it’s actually not that hard.

Vijay 4:29

But you pick some very interesting companies like Twilio? I see one of them, you really follow closely. So how do you pick some or the other kinds of companies? Which ones do you normally follow? What's your approach towards which company to write about?

Tom

Yeah, that's a good question. I do get pitched; I have PR people. So that's my source.

Vijay

Okay.

Tom

I read just like everyone else. And what's happening. I go to different conferences. In terms of Twilio, I actually met Jeff Lawson, eight or nine years ago, in the early days. So, I had a connection.

Vijay

That's the good thing about writing early, right.

Tom

Yeah.

Vijay

So, you know all the kids.

Tom

I know all kind of the CEOs. I got to know Marc Benioff at Salesforce, during the early days of Salesforce

Vijay

Yeah, 2000.

Tom

Yeah. So, a lot of times I learned about these companies before they go public, so by the time they're already up and running and their stock is trading, I have already been following them for years,

Vijay

And then you'll start picking up them for writing…

Tom

Even before, so like for Forbes, I'll do a lot of pre-IPO companies, the public, it won't say public. It's kind of interesting because then you really know what's going on because they have to disclose

Vijay

That they have disclosed everything. Awesome.

Vijay 5:36

I can see there as well, you wrote a book about RPA, the RPA Handbook, which is popular, and I think it's one of the very early-stage books actually written. RPA is very recent and it's an industry that was just created literally in five years in the software category. What made you pick that you should write about RPA, out of all the technologies out there.

How do you think RPA is changing the future of work? In general, I'd say automation. What's your opinion about it? And I'm thinking you have some really good affinity about automation and how it's going to impact it in general?

Tom

Well, I mean, automation has been around for a long time. I mean, GM, automated their factories during the 60s with robots and business process management, BPM has been around since the 1970s.

Vijay

Yeah,

Tom

Automation has generally been difficult and complicated for companies to pull off. With BPM, you have to really think about a lot of the processes on a very scaled out way. And that tends to take time. And it's expensive, and the ROI is not necessarily clear. So the BPM business is kind of lagged for a long time until the whole low code - no code has come about. But RPA has actually been around for 20 years, a lot of people don't know that.

And the key there with RPA is that the return on investment tends to be very quick if you do it right. That's the key thing if you do it, right, just like with anything. But as opposed to a lot of other automation technologies, like I said, which the ROI wasn't always clear, and it took a long time.

That's not the case with RPA. So, the way I learned about it a few years ago, just because I read an article in the Wall Street Journal. And I started writing about it for Forbes. And then I got more interested in that. And saw that the value of this, this business, and the potential and then I decided to write the book.

Vijay 7:19

And how was your journey like? What was the kind of research that you did - you spoke to some customers about it, like, what are the challenges. How did you see this whole thing coming up? Did you talk to customers and administrators of some companies, from individuals? What was the story?

Tom

I talked to the main players, and some of the other smaller players, the software vendors. I talked to some of the consultants like at KPMG and Accenture. And then like the customers, whether it be non tech customers or tech customers. I mean, the internet is a great place to do research.

Vijay

Did you find any of the facts? Did you find it was fascinating on the paper, but did you find that you've come into a lot of lessons learned by people working with these companies' implementing automation.

There's the marketing hype from some of these companies and there's actually reality behind it, if you look at the average number of bots deployed are not more than five. There are so many statistics talking about the scale, the problem of this technology. So, did you find any of them? What are the some of the wooden bags?

Tom

Yeah, no, there's, like I said, it depends, if you do it, right…

Vijay

Yeah, that was the key.

Tom

Yeah. I mean, there are cases where companies jumped into something, they didn't really have a plan, they didn't have a COE. I don't think it's necessarily that number of bots that matters. It's just like he's solving the problems you need to solve. And if you only need five bots to do that, that's great. You need 1000 bots? Maybe that's what you need.

Vijay

Yeah, exactly.

Tom

There's a company that actually just recently went public this week called First Advantage. They do background checks for companies, on employees and partners. And then reading through the perspectives, they say that RPA was key to their company's success. And they have over 2200 bots.

Vijay

Wow.

Tom

And because they have huge data sources, criminal records…

Vijay

Yeah, they got to do 100 things, right, one background check they must be doing on it.

Tom

So yeah, you can hire 1000 people to do that. Or you can create 2200 bots to do that. And that's what they did. They were able to scale.

RPA can scale. ITs just takes time.

Vijay

It just takes time. Like any technology to scale, it just takes time. And it just takes the right approach, as you mentioned, and now it's a commodity. I think it's about, the hype curve now, and people are now able to start taking it right and that’s where we see value.

There's an interesting perspective, that's coming up Tom, like, the whole digital skills in the future of work. Coming back to that side of the story.

Technology is evolving so fast. There are so many technologies coming and, the low-code, no-code explosion, people can just literally create apps in weeks now, and then just put it out there for users to use them. But somebody has to absorb that, right.

It's just too many apps coming in towards them. For doing one particular end to -to-end task, or process, they might be having three or four apps minimum. With this all these apps coming in and people have learned that there is digital skills gap, they say that almost 55% of the people have to immediately reskill to be digitally relevant..

Vijay 10:14

How do you see AI and automation putting a helping hand there? It's just not about automating for the sake of automating work. But actually automating and AI assisting and enabling people?

Do you think that there is a problem that can be solved using AI and automation, the whole digital skills problem that we're getting into?

Tom

Well, I think the solution is probably automation in the near term. AI is a tougher, tougher thing to pull off. We can identify a picture of something, like, I put my phone on something that says, oh, that's a giraffe or whatever, we're getting a lot better at AI.

But can AI really create a self-driving company right now? No, no, the answer is absolutely no. But can automation save time, effort, hours? Absolutely.

And we got a taste of that, because of COVID. And the reason is that companies had no choice but to do that. They had all these workers that were remote, or they had let go people. And so, they were forced into automation. And it was a big boost to the low code players, I would say that,I think in the next few years, it'll still be the automation RPA part of the, part of technology...

Vijay

The adoption going much more. Yeah...

Tom

AI is about taking lots of data and running algorithms across it and coming up with insights. And there are large companies that are successful with that, they can do predictive maintenance on oil rigs, or, things of that sort, but as to automate the worker or kind of the work experience. I think that's more the game for RPA right now.

Vijay 12:06

And I think Gartner is now talking about total experience. It's just not about, back office, some of these RPA companies are limited to. There's a lot happening on the front office and the customer experience side.

So, it's just not about customer experience and employee experience. It's all about total experience now and RPA could be one of the key pillars there. Right?

And you mentioned low code, no code as well briefly. What could be some of these future of work techs, if you can call it right, what are these?

There were CRMs, there were ERPs and there were all these analytics and BI. We know we've been seeing waves of these technologies being at the peak and companies adopting them started relating value, and still investing in those technologies.

Now the time is automation and AI is one of the waves, right? What else is the future of tech for you? What are the combination of pillars of technology which will drive the next wave of productivity and experience?

Tom

Yeah, so I think longer term, it'll be AI. And I think AI will be something like CRM, it's like today, if you have a company and you don't have a CRM or ERP, you're in trouble. You're probably not going to be a great company.

Those are just tools you just have to have right; I think AI will be similar. I think 10 years from now, AI will be just like having CRM today. It's just like, it's just something you just have.

Now, what's ironic about it is I talked to Tom Siebel, recently who's the CEO, he created Siebel system, which happened to be the CRM, the original.

Vijay

Yeah, Tom Siebel, who doesn't know Tom Siebel. I think he started C3 now, right?

Tom

C3.ai, which he took public recently.

And it's one of the Yeah, it's kind of there with Palantir is one of the major enterprise, AI companies. But he told me that he's worked at Oracle. Back in the early days of Oracle, companies would build their own database, and it got to the point where they were saying, this is ridiculous, we're not going to do that, we're just going to buy it from Oracle or Siebel.

And then the early days of CRM, companies would actually build their own CRM systems. Yeah. And that got to be ridiculous. And so, then would go to Salesforce receive, or whoever to get my CRM was just much better way of doing it., Today, we have a lot of companies that do their own AI, with not a lot of success.

Vijay

Yeah

Tom 14:27

I think eventually, over the next 10 years, it could be C3.ai, could be Palantir. I don't know, what companies. Microsoft, or some start-up we never heard of, but they'll probably have a variety of start-ups and/or a variety of companies that will dominate this AI space.

And companies will just probably buy it, from these companies, because I don't think many companies have the technical capacity to run these AI projects. And so I think, over the years, AI is going to look like the CRM or ERP market, but I think you'll provide a lot of value to companies I really do. And in different types of value, in terms of understanding your customers, improving your churn rate, or like you said,

instead of just the typical back office things, but really more customer-facing parts of the business is where we can really add tremendous value to your company.

Vijay

As you rightly mentioned about AI, the adoption becoming much more mainstream now. The cloud is mainstream, open source is mainstream. Some of these things were not existing in in the erstwhile era when other technologies were becoming popular. That was only commercial software era.

Now, in the open-source era, what's happening is it's being democratized. And I think the differentiation is going to be about who has the right set of data. Right.

So, there are the big tech companies, like, Microsoft, Amazon, and then Google, Facebook, they have their own data sets. But I think what we feel would be, industry leaders, like, GEs of the world or, iron companies, the top industry they might start thinking their data is their new asset, and they can create these models, which actually can be given to other players in the industry.

So slowly, it's just not about resources, natural resources like what AWS did with its cloud business, right Amazon did with AWS. They invested in huge capacity and then they started selling it to others.

There could be interesting business models coming up new business players coming up, whoever has the best data, who can solve some problems industry-wide. They could be the new winners. That's what I kind of think. There are some specialized AI companies out there, they never have data, they are still relying on some customer data to really build their models that you mentioned. Whoever is going to have data is going to be the key.

Vijay 16:54

That brings us to the quick rapid-fire round.

So favorite book?

Tom

Oh, wow, I read a lot of books.

Vijay

I know you're a writer. So, it's a tricky question for you.

Tom

This is the fast round?

Vijay

Top of the mind.

Tom

I like to read thrillers. So, I have the Needle by Ken Follett.

Vijay

Okay, nice one!

Tom

I read it while I was in high school, I'll read it like every three or four years, a lot.

Vijay

Just to go back to those memories.

Books have the capability that when you read it for the first time, and then you read it again, you can go back to that time when you read for the first time, where you relate how you read it.

Vijay 17:32

Then the favourite company?

Tom

Oh, wow, what's my favourite company. This might be controversial. Microsoft.

Vijay

Why? Is it the way Satya is leading it now? Or?

Tom

I think it's one of those rare companies that has built both the consumer and enterprise business. It understands, was one of the first companies to really understand ecosystems and platforms. I got to know Bill Gates when I was in high school, he used to come to our Computer Club.

Vijay

Oh, wow.

Tom

And I always thought that they were smart. Because most companies can't come up with all the ideas. And Microsoft is clearly one of those companies. But they were always at least in the early days, they were always able to find the great ideas and execute on them extremely well.

Vijay

Even today, even today.

Tom

I think today. Yeah, I think during the Ballmer era, things kind of went off the rails. But, new leadership has brought back that…

Vijay

That mojo back

Tom

The profit back. Yeah, I also like, their history and developments. I grew up on Microsoft development tools, like, Visual Basic…

Vijay

That's like kind of first love…

Tom

Yeah. I spend a lot of time with Microsoft and appreciate what they have built over the years, and how they've been able to deal with adversity, come back from adversity. Now, I think Apple is another great company. I have Apple products, but I have more of an affinity for Microsoft. So that's my take.

Vijay

And Windows 11 looks exciting.

Tom

Yeah, yeah, exactly. Yeah. Who would have thought?

Vijay

Yeah, they're really rethinking and innovating quickly

Tom

Yeah. Yeah. I think they're doing a good job. I own stock in the company, always have, so that's it. That made a lot of money on that stock, too. So hopefully.

Vijay

Full disclosure

Tom

I can't. Yeah. Can't complain.

Vijay 19:24

Right. The app that you use the most?

Vijay

You got to check your screen history to tell you what app you use the most.

Tom

Yeah, because…I mean, I use throughout the day, I use my Yahoo Finance.

Vijay

Okay

Tom

I do follow stocks a lot. Maybe like Pandora.

Vijay

Pandora?

Tom

Yeah. I mean, I know, it's not as cool as Spotify and Audibles and other ones. I mean, there's a variety, I don't know which one is like my favourite. I'll listen to music throughout the day, or when I go to the gym or go for a walk. So, I use a lot of music apps. And then the finance app, I rely on quite a bit.

Vijay

There is a small trick to it, to answer. The first app, you click when you get up, when you take your phone.

Tom

My alarm app? Right, it wakes me up.

No, well, my email is always what I look at first, actually, probably email is my most used app.

Vijay

Yeah, then that's it. And because that's the one thing that you click, because that's what your mind tells it is what I need to do. Helps you limit the options

Tom

Yeah. Yeah, so I have an iPhone, but after I get awakened by the alarm, the first thing I always do is look at my email.

Vijay

Old habits...

Tom

Yeah.

Vijay 20:32

Yeah. So that's awesome. That completes the rapid fire round! You did great.

And so last question, Tom, I ask every future of work guru.

There are a lot of youngsters coming into the workforce now. And the world is not the same, and it's not going to stay the same, because technology is now much more rapidly changing and developing.

Every two years there is new technology, and even the same technology is completely being rewritten. The way that AI was done in till 2018 is different from the way that AI is being done in 2021 and I'm sure in 2023-25, AI will be completely different.

So, how do they become successful? How do you really stay and, approach your career going forward? If you're starting your journey right now.

Tom

Okay, so I would, you talked about reskilling or upskilling. That's just a constant thing. So, a few years ago, I didn't really know anything about RPA. Now, some people think I'm an expert on RPA.

Nowadays, I spend a lot of time on RPA. Years ago, I didn't know what AI was, but now I've a good sense of what it is. The good thing is that you don't have to go to college anymore. To learn, you don't know have to get an MBA, or a data sciences degree or anything like that, you can go to YouTube.

So I think self-learning is very important in this day and age. And because, how many people have the time, but it's expensive, it takes time to go through these formal courses. And you just go to YouTube, and, there's, it's amazing the amount of content you can find on there.

So, I just think it's continuous educational process. I do.

So, in terms of, where to focus, I do think AI is important. But start with the basics. So, learn about statistics, and probabilities, what is Bayes theorem, what is the standard deviation, all this stuff you learned in high school, and you forgot, but for business people, it's going to be more and more important to understand that because AI is about probabilities. And you need to know some of those bedrock concepts of statistics to get by, and I think business is going to be more data driven and more analytical.

So, the tools that you have there for that are going to be very critical for you. So, start there, and then you can build up, learn about what is machine learning. And then maybe, what is NLP? And it's like I said, it's amazing what you can find on YouTube. And then they'll have these visual descriptions and how it works.

So, when I was reading my AI book, Bayes theorem, again, I knew what that was. But I hadn't studied that since I was probably in high school or college. So, I went on a YouTube video and started learning about Bayes theorem. And it was great. I re-learned it.

So constant re-learning, focused on kind of these analytical topics because I think that's going to become more, more and more important for you as a business. And then I think that the next lesson is don't get caught up in technology. After I said, I'll learn all this stuff about technology, and I say, don't get caught up in it.

Remember, when you're in a business, if you're a manager, or you're running the business or the CEO or whatever. It's not about buying the latest technology. It's about seeing how that technology can help solve your problems and improve your business and make your business better for your customers. Yeah, always start from there.

Vijay

Yeah. Understanding business is the most important skill. I mean, otherwise, where can you bring the tech?

Tom 24:10

Yeah, yeah. So, but I see a lot of times the other way around, start people will say we got to do AI. Okay, okay, so what are we going to do that? And you might realize that we, you could solve that problem. Without AI.

There's a lot of problems you can solve without AI. So, for example, if I go to an ATM, I want to get money from my ATM. And let's say that at an accuracy rate of 98%. For an AI model that's really good, for an ATM, that's horrible, you're not going to have really good customer experience.

You do not want AI for when you take money out of an ATM. Now, you may want AI for facial recognition in the ATM, or to recognize a signature, if you happen to have a signature or recognize that it is a valid check for security purposes, for fraud protection. Those are all the areas where the AI can work. But there's other functions in that ATM, where you just want it to be 100% all the time, at scale, globally, no matter what.

Vijay

Yeah.

Tom

And I think that's the other thing, too, is understanding these technologies, but also having a feel for where do you apply them, where they work and where they don’t.

Vijay

That's, that's the business sense. Absolutely.

Tom

Yeah. Exactly.

Vijay 25:33

Yeah, exactly. Imagine in healthcare, I mean, if you're doing an operation, AI doing an operation and a minor change from here and there can be a big problem.

So, it’s just about identifying where you want and keep honing AI to do more where it makes sense than trying to solve some unsolvable problem which doesn’t make sense.

Great, Tom, it's a pleasure talking to you. Happy to have you and it was a great conversation. I'm sure our audience would love some of the insights and inputs. Congratulations for the work that you've been doing.

Tom

Okay, sounds great. Really appreciate it. Thanks for everyone who listened and, good luck on your ventures.

Vijay

Thank you. Much appreciated.

Tom

Okay. Thanks.

[Outro]