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TABLE OF EXPERTS

***IMPERFECT HARMONY** Austin thought leaders on the clumsy first dance of man and machine

by Stacy Evans

hile figures in popular culture continue to meditate on the dangers of a socalled robot revolution, local leaders in Austin remain optimistic as they celebrate the many benefits of artificial intelligence in business. In a competitive labor market, companies can now pitch Al to young workers as a means of obliterating mind-numbing busy work. Indeed, as Gen Z begins to take up a fair amount of real

estate in the larger talent pool-particularly in tech-job perks that promise "quality of life" may very well seal the deal. Other advantages of AI include the potential for customized training, and more efficient quality assurance measures.

To discuss the many possibilities, the Austin Business Journal recently cohosted a panel with Crowe LLP, a public accounting, consulting and technology firm. Participants included James Messer, CEO, Gotransverse; Jason Chicola, CEO, Rev; Scott Lingren, President, Schunk Xycarb; Bjorn Billhardt, CEO, Abilitie; Jacqueline Samira, CEO, Howdy.com and Sheryl Falk, Digital Forensics Principal, Crowe LLP. The discussion was co-moderated by Ray **Cheung, Process Automation Practice** Leader at Crowe LLP, and Abby Mellott, Publisher and Market President of the Austin Business Journal.



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JASON CHICOLA CEO. Rev



JAMES MESSER CEO, Gotransverse



SCOTT LINGREN President. Schunk Xvcarb



JACQUELINE SAMIRA CEO. Howdy



Left side, front to back - Abby Mellott (ABJ), Bijorn Billhardt (Abilite), Sheryl Falk (Crowe), Jason Chicola (Rev), Kat Kalbitz (ABJ) Right side, front to back - James Messer (Gotransverse), Edward Fowler (Crowe), Jacqueline Samira (Howdy), Ray Cheung (Crowe), Scott Lingren (Schunk Xycarb), Stacy Evans (ABJ)

Abby Mellott, ABJ: I'd like to kick things off by having you share your organization's current involvement with AI. We have a diverse set of folks around this table-has your business been significantly impacted by this new technology?

JASON CHICOLA, REV: I started Rev as a labor platform. I wanted to create jobs for people. So looking at the types of work that could be done from home on a computer, I settled upon speech to text services. We built marketplaces around audio transcription, closed captioning, and foreign subtitles. Think of it as an Uber for typing. That was back in 2010, and although we knew Al was on the horizon, we concluded that it would not be good at the high end for decades. So we got ahead of it by hiring some scientists to build AI for us. We disrupted ourselves, in a sense.

Then we made a decision to focus on the top of the market. For instance, in Hollywood–when vou're captioning films for very large brands-guality is paramount. At the top end, you really need a human to be involved, right? Likewise, we now have a fast growing business in the legal industry-transcribing depositions and trials—where AI is the first pass, but then humans go beyond that. I don't want to suggest that it's all good. Some of our customers today are spending less money on this, because half the work goes to Al. It's forced us to change the markets that we target, and we've had to reinvent ourselves.

SCOTT LINGREN, SCHUNK XYCARB: In my factory, I've got these highly skilled workers, and it often takes them decades to reach the highest level of their game. I brought in automation as a way to scale up the business. It does the grunt work that nobody really wants to do anyway, and then it allows your best and brightest to concentrate on the parts where there's the greatest value-add. At my factory, I will always need these types of workers, no matter how much automation I have. So that feels great.

BJORN BILLHARDT, ABILITE: No doubt. In the training world, our specific offering is putting people into leadership competitions. So it's like Shark Tank meets SimCity, and people are playing in these virtual worlds, competing for money and employees. So it's really cool, but the one thing that was always really hard for us was trying to model any type of human interaction. It was always really awkward. So now there's an opportunity for AI to become your training partner in a way that was never possible before. It's really an interesting proposition.



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We do a lot of work with media and telecommunication companies. So most of these tech companies know where they want to extend their market share worldwide, and yet there are different rules and regulations for security and privacy, depending on the location.

> **RAY CHEUNG** Crowe

JACQUELINE SAMIRA, HOWDY: At Howdy.com, we provide staffing services-largely for US tech companies. In 2023, people were fearful of AI when the topic came up. There was definitely this feeling of "Oh my gosh, all these software development jobs are going to go away,"--and then what? But if you look throughout history, during the various workforce revolutions that have occurred over time, some jobs did go awav-but at the same time, more jobs were created. So I see that same thing happening again. Al will end up being the biggest thing that's happened in my lifetime, and that is very, very exciting.

JAMES MESSER, GOTRANSVERSE: Our customers are large energy companies, large telecommunications companies, so we're managing billions of dollars. and we're concerned with how people get paid. Our analysis shows that three to five percent of their money is revenue leakage. Where does that go? So that's the problem we focus on. If you study how CFOs get fired. I think you'll find that it's typically because they don't where they're losing money. So we do an audit trail, and we'll try to line up Al along that process, but a lot of it is dependent on the quality of the data coming in.

We deal with massive datasets. If the data integrity is not there, then we're screwed. So we have to tread lightly on this, and look at the end-to-end process. For us, Al can be helpful for dealing with stuff like billing invoice errors. It sounds trivial, but it's actually quite complex, and it moves the needle on that three to five percent, right? So if we can move that even one percent, we're making a very material impact for our clients.

RAY CHEUNG, CROWE: You know, Bjorn mentioned an AI training partner, and that made me think about our board of advisors, with experts in different areas such as consulting, technology and privacy. Imagine if they're discussing who has the most authoritative publications in their area. Then we use AI to capture the name of that person that we admire. Now we've got AI that can crawl the web and look through all of that individual's published work. What did they think about a given situation? What would they advise on this or that topic, and so on. I think this is going to be a game changer.

BJORN BILLHARDT, ABILITE: Absolutely. You know, for centuries the ideal training has involved one-on-one mentorship by a knowledgeable person, but that has not been possible for most of us, simply because of the numbers. There aren't as many mentors as there are people, so to get a personalized mentor that really understands what you're saying and gives you genuine



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BJORN BILLHARDT CEO, Abilitie

feedback on what you're doing has been incredibly rare. So there's a huge transformation on the horizon in the training world, because AI will soon be able to provide world class mentorship for everyone.

JACQUELINE SAMIRA, HOWDY: Right, there's an opportunity to create custom mentors. You could say "Hey, I want Gary Tannen to be my mentor," so then you build a robot of Gary Tannen. So suddenly you've got the perfect mentor there to coach you and teach you how to create this big beautiful business exactly the way you want it.

JAMES MESSER, GOTRANSVERSE: Absolutely. I have a friend who is probably the most famous living black artist in the world. Michael Ray Charles, We were out having martinis at Clark's recently when I pulled up the Switch Al app on my phone. He had no previous experience with AI whatsoever. So I brought up one of his paintings called Forever Free, done in his signature style. I then asked the app to create some additional artwork in this style, right? I kept showing him every release, and he was absolutely in shock. So the originators themselves are in awe of what this new technology can do.

Abby Mellott, ABJ: That's wild. So have any of you faced resistance from people within your companies? How well are folks adapting to the new technology? Are they embracing it?

JASON CHICOLA, REV: When you introduce Al or automation technology to a frontline worker, they are typically terrified until they learn more about it. It's like Scott said earlier, once they realize AI is only doing the grunt work, people begin to understand that they can get much more done in less time. As long as they can still do the part of the work they enjoy, you'll never be able to take the Al away from them once they've got it.

JACQUELINE SAMIRA, HOWDY: You know, 95% of my team is in South America. So we had a language barrier early on. Once we had the AI in place to facilitate

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communication, it gave them so much more confidence, and they could finally show up and be who they are, naturally. So today, we are using it a lot for screening. Last year we did over 10,000 screening interviews, and that's real human time doing that, right? So it's helped us a lot. Our teams are not fearful, they're excited, because they can get more done than they've been able to do in vears past.

JAMES MESSER, GOTRANSVERSE: In many cases, because of the computational power involved, we have to pay for it so the ROL is not there. We'd have to pass that cost on to our customer. I know it's tempting to say beautiful things about AI, but a lot of people don't want to talk about the cost. It's exceptionally expensive to work with large datasets, and that's probably not going to be solved any time soon. So the question to ask is, will it pay for itself? So that's where we're at right now.

Abby Mellott, Crowe: Tell me a little bit about how AI has transformed some of the core operations in your organization. Can anyone quantify the impact of Al on your business?

BJORN BILLHARDT, ABILITE: It has transformed every single product line for us. The old business game is now a conversation with a seller, and you have to negotiate. The price is not set with the click of a button, the price is negotiated with AL and only the AL knows how low they will go. So then you get to see how well you've negotiated versus 1000s of other people that have played the same simulation. That is really powerful stuff.

RAY CHEUNG, CROWE: We do a lot of work with technology, media and telecommunication companies. So most of these tech companies know where they want to extend their market share worldwide, and yet there are different rules and regulations for security and privacy, depending on the location. For instance, in the US, we have FedRAMP. So we will typically have a team of people working with these tech companies to help them build up foundational controls, so that when they go into another market—say Canada, where they have something similar to FedRAMP called protected B–the process can run more smoothly. In the past, we might have had eight to ten people working on this, all year round. Now we can use ChatGPT to compare the control languages and facilitate the control mapping. Are they similar or not? Then we can decide if we need to bring a human into the loop for review. So that is a great benefit. I think we can quantify productivity fairly guickly, especially considering the large size of a Fortune 500 company. Some of them probably have 60 to 90 different geo-regulations they need to remain in compliance with. If they don't do it, they can lose market share.

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JAMES MESSER, GOTRANSVERSE: This is a very important point for my business. We're dead in the water if we're not compliant, and our customers are as well. So we won't hesitate to use AI for compliance related stuff. Beyond that, quantifying the impact of AI on our organization's core operations involves setting clear KPIs, measuring baseline metrics, and continuously monitoring our performance.

Ray Cheung, Crowe: How do your current boards

view this emerging technology? Do they really have the right mix of infrastructure there to look at AI as a strategic asset, as opposed to just considering the operational efficiencies? What governance structures have you put in place?

JASON CHICOLA. REV: AI hasn't affected the way we do corporate governance, or the way the board operates. But for us, AI is central to our product strategy It's a big part of what we build. So we talk about it in terms of bringing products to market. In our case, we build a series of machine learning algorithms for a very specific purpose. For instance, the AI we build represents the human ear. It's about listening. So we naturally invest a lot in privacy and data security with SOC 2 compliance and HIPAA and other guardrails to protect client data. That's really important to our customer relationships. They wouldn't trust us with their data if we didn't have enterprise grade security. From a business strategy perspective, it's our most important investment in providence.

SHERYL FALK, CROWE: There's a patchwork of laws that regulate how you process your data. A couple of those laws talk about automated decision making, and the notices that you have to give-notably in California. California leads the way on this. So here in the US, it's a patchwork. But there is no one common standard. So the best you can do is find a good Al standard, and there's not a leader right now, right?

There is the FTC, who is enforcing privacy and data security in Al-often lumping those together. By the way, the FTC has said an omission can be unfair or deceptive, so you want to be careful with that. You've got to make sure that you've accurately disclosed and accurately disclosed enough.

Ray Cheung, Crowe: Do any of you closely follow the news on AI? What sorts of things have you found helpful or compelling?

BJORN BILLHARDT, ABILITE: So one of the things that I watched recently was the Senate testimony by



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Sam Altman. The question being asked was, "Is the cat out of the bag with AI?" Can we reasonably control and legislate it? One of the things that I found really interesting was Altman's assertion that the cat is not out of the bag. Even this rudimentary version of AI that we have right now requires the most advanced chips, and they're in short supply. There's only a few people that actually know how to create the machinery, right? So if we wanted to make sure that the cat doesn't get out of the bag, we could legislate that part of it. Scott, this is your business. Do you think that this is where AI is still controllable?

SCOTT LINGREN, SCHUNK XYCARB: I actually think that Sam is dead wrong on this issue. In fact, I kind of smell that he was using that as a way to completely deflect from the moral and ethical elements that come with this topic, because of the hardware behind it. The hardware part of this is the easy part. So I think he's being a little disingenuous with that particular take.

JAMES MESSER, GOTRANSVERSE: You don't think, vou know.

SCOTT LINGREN, SCHUNK XYCARB: | know. | built the first business level smartphone outside of Blackberry, okay? So I built this stuff. I'm more of a hardware guy than anything else.

Ray Cheung: Scott, you mentioned the "ethical elements" of AI, and Sheryl-you have a law background, so I'm anxious to hear from you on this. Can you speak to some ethical considerations that people should take into account when deploying AI technology?

SHERYL FALK, CROWE: I would hope that anyone using AI is transparent in their public facing statements about what they do, and how they do it. That's a good way to do the right thing and mitigate risk. As you say, I come from a legal background, so I think about this a lot. In the US, unlike in Europe, there's no real regulation of Al. So a lot of companies are using ethics as their self regulation. For example, five years ago, representatives for a software company said, "We're going to use AI ethically, and here's what that means.' So they defined that on their website, and it really helped them stay heard.

Ray Cheung, Crowe: What advice would you give to organizations that are in the beginning stages of their Al or GenAl journey?

SHERYL FALK, CROWE: If I were giving advice, I would say keep monitoring the laws. I don't think we'll see a federal AI law anytime soon, though. The US government seems very concerned right now with innovation. Companies went from fear, to fear of missing out. So everyone is rushing to become more efficient. The courts have to rule on copyright ownership, so everyone is keeping an eye on that. These rights can't be eroded just because of new technology. But how do you police it? How do you detect it? How do you enforce it? These things have vet to be determined. so time will tell.

JASON CHICOLA, REV: I would say "calm your fears." When most people think about AI, their fears align with two poles: I'm going to lose my job, or I'm going to be murdered. (Laughter) But that is not actually the reality. The reality is that AI is a good intern who is going to do your work for you, and make your job a little easier if you can get your head around it. Ray Kurzweil talked about the singularity, referring to a time when computers will supposedly surpass the abilities of the human brain in all aspects. People talk like this is right around the corner. When are we all going to die? When is it happening? I think this attitude is misleading and unhealthy. You guys probably know the story of the Luddites, right? There's a long history of people fighting new technology. It's natural, but it isn't particularly helpful.

BJORN BILLHARDT, ABILITE: Remember, these are the Netscape Navigator days of Al. Think about that, Some of the tools we have now are incredible, but this is the worst AI we will ever see. That's the scary part.



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