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The Deloitte On Cloud Podcast

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Title: **AI is the future, but how do we manage the disruption it's causing?**

Description: There's little doubt that AI, and especially generative AI, is already upending markets. But how do we manage the change and disruption? In this episode, David Linthicum talks with Interarbor Solutions President and Owner Dana Gardner about some of the more challenging issues with AI. Dana's opinion is that the use of AI should be governed, moderated, and balanced in order to ensure that its power is harnessed as a positive force that adds value to our lives.

Duration: **00:17:27**

David Linthicum:

Welcome back to the On Cloud podcast. Today on the show I'm joined by Dana Gardner, and he's got an interesting story. So, beginning as a journalist and editor in global technology industry news, over time, Dana evolved into a research and analysis specialist with practical insights into the rapidly advancing world of Internet infrastructure and related software platforms. In 2005, he was eager to apply his expertise by founding a project-based media concern, Interarbor Solutions, where he's currently the president and owner. They pioneered sponsored multimedia content development business models specifically for social media distribution, the IT success stories. So, Dana, catch us up. You've been on the podcast a few times. What's been going on since then and fill in the blanks, something that's not in your bio.

Dana Gardner:
Well, Dave, I'm of the mind that if it's not broke, don't fix it, so I'm doing pretty much the same thing that I was doing 17 years ago. I guess you could say I've slowed down. I'm more interested in quality than just quantity, And, so, I'm pretty choosy and picky about what I discuss and look into. But the topics that we've had an opportunity to examine over the past 20 years have been nothing but fascinating, and in many cases, world shaking. So, I continue to follow the cutting edge of where technology, economics, behavior, and the zeitgeist all collide.

David Linthicum:
Yeah, there's never a boring day in this world, is there? It seems like if you're concerned about what you're doing, just wait a minute and it'll change, and certainly we've seen just in the last year some fundamental shifts in how people are consuming technology, different concerns. Cloud's got into from something was pretty hyped, probably overestimated in terms of the value, into truly getting to work and getting the value place within the enterprises that are approaching 30-percent-plus workloads migrated to the cloud. Of course, that depends on who you talk to. But as far as a career goes, if you like a dynamic career, this is pretty much the place to be. Would you agree?

Dana Gardner:
Yeah, early in my career, very early, I had a choice to make. I wanted to write, I wanted to communicate, I wanted to look at ideas and extend them into new areas, and I could have gone fiction, but I went nonfiction. I went journalism, and I went technology. And, so, the interesting thing is you can't make this stuff up that happened over the last 20 years. So, it seems to me that sort of the creative, interesting, unpredictable side has not been fiction, but the nonfiction, the world as it's unfolded. So, like you pointed out, never a boring day.

David Linthicum:
Yeah, it's never a boring day, and speaking of not being boring, we've had a huge revolution that's occurred in the past few months, and that's the onslaught of generative AI. So, even though AI's been around since the '50s, certainly conceptually, and I'm pushing 61, and I was an AI analyst my first job out of college. So, it's evolved into something where it's getting pragmatic and useful. It's also getting to a set of feature functions that are extremely impressive and extremely helpful for building business applications. So, as generative AI takes off, what's your take on why people are moving in this direction and why we care about AI again after cycles of caring and not caring, cycles of not caring and then caring, and then now we care again? Is it just because of the impressiveness of the technology, or is this something that's been waiting in the wings?

Dana Gardner:
I think it's sort of been waiting in the wings. A lot of times, we have technology sitting in front of us. And, some combination of events and perceptions and even the way it's projected through media and conceptually, the rubber suddenly hits the road. We saw that even with smartphones. Smartphones and mobile phones had been around for a while, but suddenly it just sort of stuck maybe around 2007, 2008. Similar with the Internet. Back in '95, '96, people were thinking this is a crackpot thing, it's never going to go anywhere, all you're going to do is hit a red button on the screen. But then, boom, suddenly it stuck. So, I think that's what we've seen too with AI is that suddenly people see it as pragmatic and relevant, and whether that's due to the technology or the way the human sociological dynamic works is up for question, but we are here and now, and it is top of mind, and it's drawing lots of attention and financing. So, follow the money. In this case, a lot of money is getting lined up behind this.

David Linthicum:
Yeah, a lot of money's getting lined up behind it, and I think there's tremendous amount of business value that can be mined from this. And I do see a revolution in the way in which we're going to develop things at the speed of need and also the ability to build these systems in such a way they're going to be much more valuable to the business, but I also see the risk being that it's going to be overapplied. I've seen this a bunch of times where it's going to overcomplicate an application that certainly can be built using procedural logic, but for some reason we want to force fit AI in there. I call it AI washing, everything's AI enabled these days.

Dana Gardner:
I'd say it's rewashing. We had AI washing two years ago and then it went away, and now it's back. So, it's sort of like we're going to put the laundry in one more time.

David Linthicum:
Yeah, and with me, like I said, I was a list programmer back—I was 18, 19 years old and did it in college, and then got out, and I expected it to be this huge revolution in technology, and while we built some AI systems, it just fell by the wayside. And, some of these things, and of course they didn't have the capabilities of what we see today. They were difficult to build, and I think some of these things were $20 million to deploy based on the speed and hardware and the fact we needed supercomputers to do it, but it didn't really go as far in the market as I thought it would, and everybody shifted over to other things, the PC local area network, client server, object-oriented development, those sorts of things. Then it would come back and start applying different capabilities, and like I said, it goes and comes, and here we are again. I guess as a skeptic. You could say it's going to run its course and fall by the wayside again, but I don't think that's going to happen. I think we're in this for the long run.

Dana Gardner:
Yeah, I don't think we should underestimate also that there's been a confluence of availability of data and the data at a cost point and the data in a way that can be streamed and is live and is both structured and unstructured and it's okay either way. So, there's also been that event, that sort of catalyst in the last

few years and months where, all of a sudden, it's not just the systems, it's not just the availability of the compute power; it's the availability and accessibility at cost of the data. So, we can actually do things with AI and algorithms and machine learning because of the data that's available. Organizations have truly become digital. We thought of them as digital 20 years ago. They were not. It's really not until all the data's digital and accessible that you're truly digital.

David Linthicum:
Yeah, I couldn't agree more, and I think the big change now, like I said, to your point, accessibility is really what's changing the game. The technology would have been around in terms of ramping AI up to be more helpful, but these systems are only as smart as the data they can get to. You look at something—the generative AI systems, it's accessing what they're able to access, and they don't know any different.

One of the things you mentioned—I'm not going to take credit for this; it's your idea—is looking at how this is going to evolve over the next several years, and certainly as related to enterprises and certainly related to cloud. And even look at the patterns of cloud adoption, cloud growth, cloud maturation, and how that really is going to be repeated or not repeated with the growth and explosion of generative AI. What are your thoughts on that?

Dana Gardner:
Yeah, one of the things I think is a little underappreciated and people being cautious and cynical and worried about AI and generative AI is the economics of it. And what we've seen around IT's evolution around probably the past 15 or 20 years is a lot of time it's the business model and it's the economics that drives the end or bigger trends, not the technology, even not the productivity. So, if that's what's become the case with the hyperscalers and the cloud—the public cloud providers—then I would have to imagine that that's going to be similar to how AI as a service evolves, and, the people who have the ability and the resources and the compute chops to develop to actually deliver AI as a service are the hyperscalers. So, let's look at the economics.

David Linthicum:
Yeah, that's a good point, and if you look at other market evolutions, not necessarily revolutions, we just saw edge computing, and of course, when edge computing hit the streets, everybody said they're going to move from public cloud to edge-based systems, and then I looked at edge computing and did an analysis of it, who are the major players in there, it's all the hyperscalers that—in that market that are building the edge. We have the same sort of thing here I think we are going to be segmented where you are going to get hyperscaler, big AI I guess is what we'll call it, hyperscalers that drive generative AI services but also independent AI services that start to pop up in terms of microclouds.

Do you see that market, that secondary market where we have the big hyperscalers that do generative AI and they've been doing AI for a long time, and it's really easy to build in your applications because it's native to the cloud platform that you're using, but other independent AI-as-a-service systems, we're seeing some of them pop up now where they're maybe focusing on a particular industry, so their knowledge models are trained for retail or trained for gas and oil expiration, things like that, or do you think the hyperscalers are going to move into this vertical market as well, the industry-specific clouds?

Dana Gardner:
Well, I think they'll do both, and I think that there will be a custom specialized segment of the overall market that will look into B2B niches or geographic niches, industry niches. And that's fine, that's good, there needs to be specialization, but the big enchilada is going to be what attracts the B2C, the population, the people who are doing commerce. Remember, discretionary consumer spending is still two-thirds of the economy, and the way people spend their money is fickle, and the way that they want things are driven by human behaviors.

David Linthicum:
Yeah, it's amazing what can be done. I built recommendation engines for big retailers that had e-commerce sites where you're leveraging AI, figuring out who the person you're talking to as behavior, even if they didn't set up a profile, we can tell that—what they're looking at and demographics and then put up recommendations and therefore increase the sales. But this is going to be that times 100, where we're able to put up videos that may depict something that happened in your life and then integrate a product pitch as part of it, all through AI that's fairly impressive. And that gets into the ethical concerns about AI we've been dealing with for years. I had an author on the podcast that wrote a book on just dealing with the ethics of AI, so it's not the fact that you have the power, you have the ability to do it; it's should you do it and should you do it from an ethical concern. It's like the cost patterns. And as we're looking at generative AI coming into play, obviously it's going to need compute and storage and data to drive it, but where do you think the cost patterns are going to be? Is it going to become more expensive, less expensive, very much like back in the 2010, 2011 when cloud took off, it was almost like airline prices. People were price war, “Oh, we reduced our price of storage. No, we reduced our price of storage.” Do you think we're going to have that reenactment occurring within the big hyperscalers? Do you think this is going to be something that's not necessarily that interesting?

Dana Gardner:
I think what's interesting about AI is that there's another commodity or another value element here, variable, and that's the data and the value of the data. And if you're giving up your data in order to get what you think is a discount on the cost of the AI, versus having your own AI in your own data center and the staff and risk and business continuity costs that go along with that, you're going to be probably compelled by your own fiduciary responsibilities to put your data in a cloud for AI, but the value of that data might not be coming back to you.

How do you value data? How do you value it in a tactical usage versus strategic uses when it's used to define entire markets or economies?

David Linthicum:
Yeah, isn't that a genie that's already out of the bottle, though?

Dana Gardner:
Yeah, it really is.

David Linthicum:

For social media and things like that, and I guess you do get some advantages from that, the more they know about you, the more they're able to serve your needs in terms of what you want you want to buy and where you want to eat and all the great things that comes with dealing with an automated intelligence system that's able to contribute to solving your problems. But we just give it up so freely. I think that's a big concern and it's going to be—we're going to have to revisit it again because the reality is—even if you've only given up parts of your data, AI can fill in the missing blanks. In other words, it can derive things—and I've seen this because I've built systems like this—that you didn't think they would know about you just based on bits and tidbits and understanding reoccurring patterns and the ability to learn through the consumption of other data what this likely means and get to a pretty accurate portrayal of you even if you've only given up fragments of information. What are your thoughts on that?

Dana Gardner:
I think that's right. The more data, the more value, the more insight and on and on, and it becomes the self-fulfilling prophecy. Here's an idea, Dave. Why don't we program AI to regulate itself?

David Linthicum:
Hey, there you go. So, let's put our future-looking hats on and go forward in five years. So, where do you think the market lies in general with the growth of the hyperscalers and their ability to leverage AI as a force multiplier and also what should the enterprises be looking at and expecting from these cloud services that are going to be maturing over time?

Dana Gardner:
Yeah, tough question. So, organizations need to be thinking not just about technology as an enabling functional force. They need to be thinking about this in terms of sustainability, governance, policy. “How am I responsible to my shareholders and my employees and my customers when it comes to this new and profound occurrence?” It's like a shift in the trajectory of the planet. It's big; it's important. It's not just another way to produce documents. It's not moving from carbon paper to photocopies to hyperscale web applications.

David Linthicum:
Yeah, and I think if you're looking at what enterprises are interested, they're actually interested in doing the right thing. I notice that when the sustainability thing, not a conversation I had a lot, sustainability in cloud computing and IT in general five years ago, I have it every week now, and also the ethical concerns and the ability to make sure we're doing no harm when it comes to leveraging AI in certain ways. We're all in this together, and we've all got to take care of each other, and we've all got to be good stewards of the human beings and the planet and everything else that's there. So, where can our listeners find out more about your services on the web, Dana?

Dana Gardner:
Well, I'm pretty much LinkedIn. That's where you can find me and reach me. Dana Gardner on LinkedIn. And become a follower and read my stuff, and I'd be delighted to have some more interactions at any time.

David Linthicum:
Yeah, let me tell you, Dana's the OG cloud thought leader and digital thought leader, and he has some great insights as we saw today on this podcast on many emerging technologies, and I would urge you, just like a lot of other people have on LinkedIn, to follow Dana and follow his company and keep up with his content, things like that. He's done more podcasts than me and he has had a lot of influence out there, and you always see him on the top ten influencer lists on pretty much every one of them. So, he's the default when people when they always say who should I be following to help me lead our knowledge into the next generation of technology, and Dana's always at the top of the list.

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Operator:

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