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AI Ignition

Ignite your AI curiosity with

Katia Walsh

Beena Ammanath: Katia, welcome to the show. I am fascinated by your career, your journey—let's just start right there. You started your career in journalism, and then made the transition to technology, AI, data, and digital transformation. Can you start our audience with your background, and what enticed you to make all these different moves?

Katia Walsh: Well, I'm glad you asked this question—and by the way, it's a pleasure to be with you. I enjoyed your book, Trustworthy AI, and I highly recommend it to everyone I speak with. In terms of the question that you asked, my path shows that people in this field come from all kinds of backgrounds.

Certainly, you have the usual engineering and computer science background, but also people like me who started in journalism and in social science. In fact, I would challenge this notion of transitioning to technology for two reasons. One is that, based on my experience, journalism actually teaches a skill set that's incredibly valuable in any field of life. For example, it teaches you information gathering, how to talk to people, how to distill information, and identify patterns. It teaches storytelling, critical thinking, challenging the status quo, and more.

The other reason that I challenged this notion of transitioning to technology is that technology is in every field, today, that we live in. If I'm in consulting, then I'm in technology; if I'm in retail, then I'm in technology. Everywhere we are—from agriculture, to medicine, to business, to politics—technology is dominant and plays a big role in how we live our lives, run our businesses, and go through society.

In my case, throughout my formal education, I learned the value of, and developed the passion for, what I call the three powers. The first power, I mentioned earlier, is the power of information. I grew up in communist Bulgaria many, many years ago, and as a high school student—still a child, really—I wrote a story that was published in a local newspaper. I didn't think anything of it; it was just reflecting on some of the practices in communist society at the time.

It was not identifying any people. Unfortunately, it happened to upset the wife of the district's communist leader, and I realized from that very early age that information has a lot of power. Instead of being deterred by how I was treated by that wife of the communist leader, I actually summoned more courage, and I wanted to make sure that I had a career in that field.

I thought, if one high school student, 15 years old, could cause such turmoil with one story in one local newspaper, imagine what you could do if you had a platform for that. That's the first power of information, which we still have today. And then after communism fell, I had a great opportunity, on a full scholarship, to continue my education in the United States at Indiana University, and it was in the heyday of the internet, at the time of bulletin boards and the first computers as a mainstream technology.

That's when I learned and developed the passion for the second power: the power of technology. And why I loved it so much is because I discovered the power of technology to amplify the power of information; this was the platform. If you could take one person with one story in one paper, this technology, the internet, was allowing us to spread it all over the world in a matter of seconds. That is still incredibly powerful.

The third power that I discovered was when I continued my education through a doctorate program, and that power is the power of machine learning and how it helps us to make sense of the world. But more importantly, after we make sense of the world, to drive desired outcomes. For example, my doctoral dissertation at the time was one of the first large-scale experiments on the importance of source credibility online. I happened to get a grant, and I was able to invite real people in my lab, and these were people who are coming from construction projects—you know, muddy boots—some of them had never been in front of a newspaper online at the time. I sat them in my lab, and I had four conditions, I remember: a newspaper online, a TV station online, a travel agency, and an unidentified source to control, and I measured how people evaluated and identified the credibility of the information online based on the source of that same information.

And as you know, this is still relevant today in the context of fake news. That was the third power in terms of helping us drive desired outcomes, and when I translate this to what we do in business today, a lot of people talk about the power of insights and data-driven insights, but that actually is incredibly outdated. Information and machine learning, through technology, have the ability to drive desired outcomes; we set certain goals, and hopefully they are goals that are good for society, and then we can achieve them once we use these other powers of technology, information, and machine learning.

Beena Ammanath: Katia, you were way ahead of your time, in terms of your PhD and the topic that you chose. I'm curious, how you chose that topic to start with?not biased, you're just talking to this person—five people talking to this person—evaluating them. Many things that are good on the surface, that's why you end up hiring them. But there are a few things that surface that will be an area of development for this person, and that should go into the career development of this person on day one.

Katia Walsh: I don't know if I was ahead of my time—it was really interesting. The trigger of that was that there was a cartoon in the New Yorker magazine: "Nobody on the internet knows that I'm a dog." That was really the inspiration for my dissertation, but as the technology really proliferated our lives and became mainstream, that became an issue of anonymity and credibility.

Beena Ammanath: Katia, I love that story. And it's funny, the sources of inspiration that we have. Thank you for sharing your background and how one thing led to the other. It almost seems like there is a pathway towards working in technology if you're keen on it, for anybody. It doesn't matter what your background is.

I know you're a huge advocate for driving more AI fluency and tech fluency. Can you share a little bit about why you think it is important for everybody in the organization to know and be fluent with AI and technology in general?

Katia Walsh: We are now speaking a lot in business about digital transformation. The fact is the world has been digital for the past 25 years. Our children, for example, do not differentiate between physical and digital channels, they just live their lives in a blend of them. Similarly, when a consumer wakes up, they don't really say, "I'm going to go online, or I'm going to go to a physical store." They just go to buy whatever they need, wherever it is convenient for them.

I'm saying that because businesses really need to catch up with consumers, and with our children. COVID, actually, as much as it has been a very challenging time around the world, it was that wake-up call for businesses that helped them accelerate their digital transformation efforts.

One reason that we want to make sure that there's AI fluency in organizations is to help organizations accelerate their digital transformation efforts. When employees know technology, when they know what data can do, when they have the skills to analyze data and to put models in production, or even when they understand what it means, even if they don't do it themselves, they become ambassadors and drivers of digital transformation.

That's one reason to work very hard to increase AI and data fluency in businesses. Another reason is an area that I am very passionate about—and you, too, with your book, *Trustworthy AI*—and that is responsible AI, trustworthy AI. AI is only as good as the humans who make it, and the humans who make it can only be better when they are diverse.

When we upskill people throughout an organization, we give an opportunity for many different people of various backgrounds to enter this field and to make it more diverse: to have more women, to have more people of color, to have more people who were told—like me—as children that they were not good at math, even if they actually ended up loving math, as I did.

As just one example that I will share, we at Levi Strauss & Company have seen a tremendous benefit of that, both in terms of accelerating our digital transformation efforts and in terms of bringing more diversity in our teams that capture data, work with data, and accelerate our AI work. For example, in the past two years, we upskilled 160 people, and these are people who have come from all walks of life—people who are store managers, designers, marketing people, analysts, people who work in distribution centers. We achieved that because we did not require as previous experience any fluency in statistics, math, or coding—we taught them all that. What we did screen for, and we did have a very rigorous application process, were things like curiosity, problem-solving, resilience, and perseverance. These are very important in this field, but it also allowed us to accept people of all backgrounds—including one person who had been homeless in his life before that, and now he is a data scientist working at the restaurants and companies. Just one example.

Beena Ammanath: Wow, that's fascinating. You know, what—everything you're saying resonates with what's happening in the industry as well, right? Talent transformation, the future of work, cultural transformation—all of that can be enabled through these fluency programs, but what are some of the challenges you faced when you were initially starting the program? Were there any unexpected learnings as you started this fluency program within the organization? .

Katia Walsh: Well, there are always challenges; there are all kinds of challenges in anything one does with this kind of transformation because, ultimately, this upskilling that gives an opportunity to every employee in the company around the world is a form of transformation—but all challenges. There are challenges with budget, with prioritization, with buying, with education. They're always challenging, but that's actually why I love it.

I often think about any kind of transformational effort that I've had the privilege to drive as having a new baby; it's exhausting and exhilarating at the same time!

Beena Ammanath: Katia, you've done this at several organizations, so can you share a few of your stories and experiences from your prior life before Levi's?

Katia Walsh: Yes, certainly. Let me just clarify that I never set out to do this. I never said that my five-year or 10-year plan is to become a leader in digital transformation across different industries. That was never the case, but as it happened in the past decade, I've been fortunate to initiate and lead transformations across global companies in financial services, in telecommunications, and now, with help from my peers and across the organization at Levi Strauss & Company, in retail.

The reason I love this is that it's not a transformation for the sake of technology. Instead, a digital transformation enables businesses to thrive on technology change and disruption.

At Levi Strauss & Company, it is such an honor and a privilege to be one of the team members that is helping drive transformation in an iconic brand that everyone in the world knows, wears, and loves. I'm wearing a personalized trucker jacket now.

We are helping the Levi's brand endure for the next 200 years, and we are doing that through what we call the three smart C's: smarter connections with the dealers—here's the connection with consumers again—smarter commerce, and smarter creativity.

Beena Ammanath: Your journey is—it has so many lessons, right? There are so many things that you've learned just working across the different industries and different sectors. What are some of the common themes you would pull out as the key tenets for digital transformation? There is a technology component, there's talent. What are some of the other dimensions of digital transformation that companies who are still early in their journey, or your peers, can learn from you?

Katia Walsh: I have developed a blueprint, as I call it, and it's not on my own—always with great teams. The challenges that I mentioned become a great learning opportunity, and once you overcome them, they become a source of pride. So, I don't start with the technology, or even the talent, as important as it is; we start, usually, with the vision. Why is it that we are transforming ourselves? At Levi's, it's about enduring for the next 200 years, being the best apparel company across any industry—I'm sorry, across the world—famous for its brands and its values, a platform for doing good.

If you're not around, if you're not a company business, if you're not relevant, you cannot do that. So, it really starts with a vision, and then of course, we go about, how do we deliver on that vision? It's through a combination of talent—like you said, always talent. People are the most important building block in a digital transformation. The processes, they're also important; and I don't mean bureaucratic processes, but I do mean changed ways of doing business, whether it's helping technology transition from a mindset of being a service provider to a partner and an embedded member of the business.

I frequently correct people in my teams when I say the business says that to us; we are a part of the business. People, processes, technology, obviously, and data are very important—the four building blocks of digital transformation that help us drive toward the vision we have set in mind: the people, the processes, the data, and the technology.

Beena Ammanath: How crucial is AI for a digital transformation journey? Where does it come in? You hear too often that data is fueling the digital transformation, but it's AI driving a lot of the insights, right? Where in your vision, in your experience, have you seen AI coming into the picture, and what kind of impact does AI bring to a digital transformation?

Katia Walsh: Well, this is like you asking me to choose between my children. I love them, all my children, but when you think about the essence and the drivers of a digital transformation, it really is a flywheel. It starts with digital products and services; it's digital products and services that have given us big data. As much as I didn't like the term because it sounds like Big Brother, we are living in a time of so much data, and this podcast, because it is being recorded, is data. Whatever the cost of that in the future—in addition to all the other podcasts—that will be some kind of a data set for them.

Digital products and services give us a lot of data, and it is all of this data that fuels artificial intelligence. Without that kind of data, until recently, AI was just not possible, even though the term has been around for much, much longer—since the '50s really. It's artificial intelligence that, in turn, goes back and helps us craft and deliver even smarter digital products and services.

It's this flywheel that keeps going and going; so, I cannot choose among the three. Digital data and AI are the essence of digital transformation.

Beena Ammanath: I love it, I love it. You touched on this briefly, Katia, about bias and building responsible, trustworthy AI—one of the key challenges, especially in industries that are focused on consumers, are the end customers working with lots of human data. There's a huge challenge around bias. How are you looking to address a wide bias in the platforms that you're designing, building, and implementing? What are some of the best practices that you've learned over the years?

Katia Walsh: One thing that I learned from a long time ago—we'll go back to my dissertation—is that you can never fully eliminate bias. It doesn't mean that we should not try for it, but bias is just part of life, so we have to do our very best to minimize bias. But if we set our sights on completely eliminating it, we would be disappointed.

It would be not just a lofty goal; it would be impossible. The high but achievable goal is to minimize bias, which is imperative, absolutely imperative, for any organization that is using AI, or that will be using AI in the future, because if the AI products are biased, it would ultimately mean for the organization that it's not able to achieve the outcomes that it desires. In fact, it can very often lead to unintended consequences, sometimes with catastrophic results. I float this by people, talk to them, and paint a picture of what's possible, and then make it happen together, but at the same time we have to be aware of the pitfalls and the dangers because they are there, and we have to guard against them.

How do we minimize bias? I mentioned one of them—a very critical factor—diversity of people. It's the humans that create artificial intelligence, at least for now and the foreseeable future; it's the humans that write the algorithms. If the humans who are the architects of it are not diverse, then that's a big problem. That is why it is so important to upskill people, to get people of different backgrounds, to not have the stereotypical profile that has been around for years; to augment that, to enrich it, and in fact, to break that stereotype completely.

Diversity of teams is hugely important. The second pillar is diversity of data sets. I'm a huge proponent of that—all the data that you can flow together—internal data, structure data, but also external data, unstructured data. At Levi's, one of my proudest moments of the teams that I've worked with is that we have built a live streaming repository of data. We call it a "data ocean" that is aggregating all financial data transactions, what we know about our consumers—always with their permissions in place, always with their permission. But at the same time, we have put in our data ocean climate data, economic outlook, epidemiological models, social media trends and anything else that we can get our hands on—again, always with permissions.

When you marry data that have never met each other in the past, the power is immense, and you may not even have a hypothesis of what would happen until you put these data sources together. When you have diverse data sets, that's when you can also minimize bias.

The third—and by the way, these are not in order of importance, they're equally important—the third way of minimizing bias is to make sure that we use open-source tools, or at least diverse tools. The reasons I love open-source tools are because they are free; people from all over the world are working on them, so by definition, we marry the variety of people, the diversity of people, with a variety of tools. Having the combination of diverse people, diverse data, and diverse tools can truly help us minimize bias.

Beena Ammanath: That's so profound. Very closely tied to the conversation around bias is gender disparity in AI and the importance of having women in AI. We talk about diversity from different dimensions, but women just happen to be the largest minority group, and they are largely missing in AI, and I know this is something close to your heart as well. I feel, in general, as an industry, as leaders, we acknowledge the challenge, but what do you feel we can do to resolve this challenge that we've had for decades now?

Katia Walsh: Yes, so this relates to the notion of overall diversity, and as much as I'd love to see more women in any field and across the corporate ladder, particularly in top positions, I will bring this back to overall diversity because it's not just women. And you said that yourself, it's the largest minority, but there are people from all walks of life who have not had the opportunities that they should have had from the very beginning.

For example, I'm talking about people with no formal education. You know, I'll tell you, some of the   in the past decade of my career have been some people who never went to college, for whatever reason. Some of them dropped out, some of them were taking care of aging parents and they could not go on, they had to support their family. But they have been so on top of their field; they know all the tools, and they have been some of the best in this field. It really is about giving people a chance, talking to people, hiring them, training them—but giving them a chance, not simply looking at what this person has done in the past.

A lot of people talk about, "Oh, I'm hiring people for potential," but the reality is they don't. Let's really put our actions where our mouth is and give people of various backgrounds a chance.

Beena Ammanath: I hear you, and a lot of it is just talk without really walking that talk. But part of the reason, I feel, is also there is no clear playbook around—here is how you assess potential, or here is a kind of agency that you can look for, here are the kind of trainings that need to be provided.

What are some of the best practices that you've learned to really be able to give those opportunities to communities who don't have that access? Are you able to share any lessons that you've learned, or anything that our audience can take away from this conversation and can start implementing in their hiring or recruiting plans today?

Katia Walsh: The question is really not about practices; the question is about a mindset. Because when you start with an open mind, everything else will flow and follow. When you have an open mind that maybe someone that you're talking to does not fit all the requirements, but they can bring something that your team doesn't currently have, or they have a skill set that can further develop, or when you have the open mindset that you can nature someone, that will help.

It doesn't mean that everyone will achieve that potential when you give them a chance—there will be some people who cannot do it, and that's OK. You've given them a chance as a human being, as a mentor, as an executive—you can never feel bad about giving someone a chance. Even if they don't work out, you have given them a chance, so it really is about a way of thinking and giving people a chance.

Beena Ammanath: Wonderful. You've talked a lot about talent and opportunities, but what are some of the things that you would like to share with that audience about, how do you drive business value with AI? How do you begin defining that vision? Because we do an annual survey—which actually just came out a few weeks ago—and there are still a lot of companies that are early in their journey with AI and with digital transformation. What's your advice to companies that are just getting started?

Katia Walsh: Every company today is a data and AI company, whether it realizes it or not. So those companies that have realized it, that's great, and we can talk about how to get started. Those that haven't realized it—they'd better wake up and figure that out soon, because they will be left behind. It's about staying relevant.

But in terms of the blueprint of how to get started, I just mentioned that earlier. It all starts with a vision, and sometimes it's as simple as asking the question, Why? Why is a very powerful question. We asked that question as children all the time, incessantly, driving our parents crazy, and then somehow later in life, we lose that mindset of challenging, of questioning, of looking to understand. That is critical to getting started with a digital transformation.

Why is it that we are not as connected with consumers? Why is it that we are not getting more revenues from such and such? Why is it that our consumer scores are down when a competitor's are up? These are all examples of why, and when you ask the question why, and the answer is "because we've always done it this way" that's not a good answer, but that helps us get to that vision. When we have that vision, that's when we can start putting the building blocks in place. It's also about the realization that it's not about use cases. A lot of companies used to talk about use cases in this field—what I'm talking about is a capability, it's a way of doing business. We don't have use cases in marketing, we don't have use cases in product development, we don't have use cases in sales, we don't have use cases in HR or finance—these are the established functions. So, why should we have use cases in what is now a core of doing business? That is, again, a mindset shift that has to occur.

That's why a big part of getting started is the vision, but also the communication, the education, getting people on board, and showing the value. At Levi's, for example, we have been relentless at driving value—even when there were just a dozen of us. Usually when I go to an organization, because I'm transforming and building a new function, it's just me. I start from scratch, from zero, and then I start building teams and capabilities. But at Levi's, in the depths of the pandemic, we created a SWAT team that would meet every day, and we were just so focused on showing the organization at a time when everyone thought that it was unpredictable, that actually a lot in life is predictable.

Then we set out to predict what would consumers need, what would they do? When we reopened the stores, what they would pay. One of the reasons that Levi's has had one of its healthiest financial margins just in the past two years has been the fact that we have used technology and data, and AI to predict consumer demand and to predict the strength of the brand, and to predict the price that consumers would pay, which is incredibly powerful.

That's why we have this combination of three C's: smarter commerce (I just gave an example of that), smarter connections with consumers (this is how you engage with consumers)—the personalized messaging, the personalized experience, the personalized loyalty program. We have grown to 5.3 million loyalty program members in the US in a matter of months because of the use of data and machine learning as a pillar of our US loyalty program.

And then the smarter creativity is also very, very powerful in this industry because we are augmenting what our designers can do, using their experience and intuition, and natural creativity with incredible digital tools, with libraries that process thousands of images that a human being alone cannot process. So these are just some examples of how to get started, how to show value, how to get that momentum, and keep going.

Beena Ammanath: Thank you, Katia, that was phenomenal. I think any organization can learn from those experiences and chart their own course. Katia, there are a lot of advances happening in AI, as you know. What are some of the advances in research that are happening in the AI that you are most excited about?

Katia Walsh: I'm excited about everything! I'm very excited about OpenAI's ability to create images. I'm very excited about AI's ability to craft content. That's not to say that I want us to lose human creativity; I just gave an example that human creativity will always be paramount. But the ability of DALL-E, for example—of OpenAI's newest capability to create content—is a great way to augment human creativity. So, I'm excited about that.

I'm excited about deep learning developments and what we can achieve in terms of processing images and voice—really, data sets that have not been traditionally used. I'm excited about precision because AI is about driving precision in everything: in medicine, in agriculture, in retail.

The industry I work in, fashion, has not always been a great citizen of the planet. Traditionally, it has actually been responsible for a lot of waste. Why is that? Because the business model, until recently, has been you first manufacture, and then you sell.

Beena Ammanath: Yes.

Katia Walsh: But with AI, you can completely flip the paradigm! You can predict the exact demand for a product and then manufacture it to that demand, so there is no waste. I really believe that technology and AI can ultimately save fashion. They can give us the optimal combination of profitability and sustainability all at the same time.

Beena Ammanath: Wow, that's so inspiring. Katia, one last question for you: How can people stay connected with you? Where can they follow you, and follow this energy, this passion, that you bring?

Katia Walsh: I am very open to connections. I'm very active on LinkedIn, so if you'd like to, you can follow me there. Most of the content I post is not mine. I share what Levi Strauss & Company does—I'm very proud of that brand. I share what my teams do or people across the world when it's something really meaningful. But I'd love to stay in touch.

I have worked in telecommunications like you, Beena. I noticed that you and I share that in common, so you may remember that there's a saying in telecommunications: "The world runs on networks." The physics that give us connectivity, and the human connections and networks, like this one.

Beena Ammanath: With that, Katia, thanks again for being with us on the show today and thank you to our audience for tuning into AI Ignition. Be sure to stay connected with me and my amazing guests like Katia and the Deloitte AI Institute for more research, insights, and real stories. Thank you.

Katia Walsh: Thank you.

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