

[IBM Think 2019 - Dear Tech: We Need to Talk](#)

DISCLOSURE: IBM provided me with a complimentary conference pass as part of a social media influencer program. My travel to the event was covered by my team at Turbonomic. All opinions within this blog are mine and do not derive from any specific partner relationship or insider information. Thank you to the IBM Canada team for inviting me to the event. These are my notes from the Chairman's Keynote on Tuesday February 12th.

IBM Think 2019 Keynote - Day 1 Opener with Ginni Rometty

It's worth mentioning from the start that Ginni is a compelling speaker, and one of the most widely-respected leaders in the technology industry. She led with providing the keynote room with an idea of themes that will be prevalent throughout the event which is happening in San Francisco from February 11th-15th. There is a definite keynote feel to the discussion and the content is centered around customer stories and business outcomes.

There were some product mentions due to the announcements that launched this week including these as a sampler:

- **Watson Anywhere** - On-Premises, any cloud, private, public - the most open and scalable AI for business - <https://www.ibm.com/blogs/think/2019/02/enabling-watson-anywhere/>
- **IBM Business Automation with Watson** - business process and workflow with "moments of intelligence" or also described as digital and AI with guardrails of policy - <https://www.ibm.com/automation/business>
- **IBM Hyper Protect** - Consistent security and management across hybrid platforms. <https://www.ibm.com/cloud/hyper-protect-services>

Digital Reinvention versus Digital Transformation

I'm a fan of the change from "transformation" to "reinvention" in describing the changes. This may seem small and just a single word, but it's important to the way things are actually playing out in the industry. Ginni described the state of digital reinvention as happening in 2 chapters:

- **Chapter 1** - Discovery and first attempts with some missteps and learnings
- **Chapter 2** - Enterprise-driven digital reinvention - It's cloud, it's hybrid

Many have deployed in new ways, new apps.. Often described as "random acts of digital". This did not get to the result we, as an industry, may have hoped. What it did do as part of Chapter 1 in the digital reinvention was to let us know how we can do things so that when the planning and execution are designed for this next chapter that we have a better result and clear understanding of the outcome.

Five Lessons Learned scaling Digital and AI

Another interesting series of points that Ginni described was the 5 lessons learned by organizations scaling digital projects and the addition of AI. These 5 stages play out to a final result that achieves the desired business outcome and moves the organization through a natural evolution to get there.

1. **Outside-In** - change all the customer experience apps

2. **Inside-Out** - workflow, data, and driving change. Modernizing core apps
3. **Business platform to connect these two** - AI-infused workflows to empower people using these apps
4. **AI platform is the new lifecycle manager** - AI powering and building AI
5. **No AI with out IA** - Information Architecture is a must-have

Research in AI is being done by IBM in three distinct coverage areas.

- **Core AI** - Getting AI to learn with less data (transfer learning or “one-shot” learning)
- **Trusted AI** - fairness, explainability, robustness, and the fully lifecycle
- **Scaling AI** - This is AI to automate AI being shown in portions with Watson Studio today

There was also clear segmentation in what Ginni describes as the four pillars of digital reinvention that are prevalent in the keynote:

- **Digital & AI** - this combination is proving to be the key to the reinvention
- **Hybrid is the baseline** - The proof is playing out in the market
- **Mission-Critical Apps** - This is the largest second and third order effect on outcomes
- **Trust and Responsible Stewardship** - Trust is going to be a pre-condition for all the great technologies we are talking about (blockchain, 5G, services, networking)

As far as the hybrid numbers, there was mention of the average distribution of public/private infrastructure as 40/60 private versus public with the reverse for regulated industries at 40/60. It is also typical to find 5 clouds involved including private and public in most environments at reasonable scale.

Customer stories from the keynote

Geico - Greg Kalinsky

Using Watson to interact with the call center. The story was very cool, but one that you can probably read elsewhere. The real value I drew from the discussion was the proof on how hybrid is the reality, data is a key first layer in movement. The theme that was called out here strongly was the fact that these are mission-critical

Leadership lesson in adopting AI and taking on digital: “The opportunity may appear to you to be obvious, but folks don’t like to change and you really have to work together to demonstrate the differentiation and how your enterprise will use technology to change the customer experience.”

Hyundai Finance - Ted Chung

Ted’s story is not unlike that of The Phoenix Project. Brought into a losing business that was destined for failure and now turned that into a rebrand and transformation of products and the core business, including the technology. Ted’s story took an obvious move towards blockchain and AI which is more than just a buzzword festival in this case as he and the team actually has proven experience of an active use-case. Very cool.

Through digital reinvention and process and business reinvention, they’ve achieved less than 10% turnover rate of customers. The focus again is on customer experience. The Hyundai choice was to use an AI-driven customer interaction system with Watson.

Leadership tip: “It’s coming. You cannot take 2 years testing or pioneering something new.”

Jim Whitehurst - CEO Red Hat

Jim’s story of building up Red Hat to what would become a 33 Billion dollar acquisition by IBM and one of the most powerful open source companies in the industry (if not the most powerful by most measures). I’m a fan of Jim’s management style, his company’s approach, and the drive of open source as a commercially-viable model without sacrificing the value of both the open community or the enterprise value.

It was a great discussion between Jim and Ginni that touched on how the future of open at IBM and

Red Hat together is also now becoming deeply involved in the full IBM portfolio. It will be exciting to see how it plays out in the next couple of years.

Kaiser Permanente - Bernard Tyson

If you spend a little time online, you can find Bernard Tyson sharing lots of very helpful guidance and lessons on disrupting health care with the use of technology. If you choose any story that shows the difficulty of change yet the profound capability to affect a positive outcome, healthcare highlights both the challenges and the benefit.

Moving healthcare from “you come to us” to “bringing healthcare to you” has been driven by incredible shifts in technology and the advent of networks, AI, and ML. There are so many great stories that Bernard has shared over the years so I recommend you searching out his content.

Bernard and his team were early adopters of cloud which he himself recalled on stage as having no idea of when first exploring it. He’s also a great speaker and story teller as well as a proven leader. Leadership lesson: “It’s a journey. We have to embrace this new reality.”... “We are enabled in ways we could never imagine by technology”

AT&T - John Donovan

“Let’s move everything to the cloud” was the first tactic that was used with a lot of the AT&T systems. They took legacy systems and transformed them to new deployment methodologies which trained the teams for dealing with massive process and application transformation plus the availability of new services. This triggered a move to step back and re-architect away from efficiency to effectiveness.

John brought up content that really should be baseline for any application architect, enterprise architect, and CIO together. The core of changing the way they do technology as a business while first evaluation “why” they need to do it. Like Simon Sinek says, start with why.

Other Quotes worth mentioning

“Skills are going to matter as much or more than a degree” - Ginni Rometty

“Being trusted means to prepare society to live and work in this age” - Ginni Rometty

“AI, like any technology, jobs are going to come, jobs are going to go. This will change 100% of jobs.” - Ginni Rometty

Quick Summary

The event is exciting, the conversations are great. I’ll bring more content to the podcast and in some blogs as I dive into coding sessions and some other key areas of the event. It’s a lot to take and hopefully you find these little updates helpful!