THE ROARING DIGITAL TWENTIES

Four For Four – Four Focus Areas For Four Years

Sakthivel, April 04 2023

thank you!

thank you!

For Your Industry Leadership

For **Your** Support

CAFII Reception

WELCOME!

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Global Chief Information Officer,
Regional Chief Executive Officer (Asia West)
LIMRA and LOMA

- 25 years in Information Technology

- Diverse technology experience

- Broad range of industries

- ~15 years in Insurance/Financial Services

- Dover, NH resident for 26+ years

cafii25acifa
The Canadian Association of Financial Institutions in Insurance | 1997-2022 | L'association canadienne des institutions financières en assurance

LIMRA LOMA
Navigate With Confidence

REFLECTIONS

1 **What lessons did we learn through the pandemic?**

2 **Knowing what you know now, what advice would you give yourself in March of 2020?**

1. Let's Talk About CX

2. Data As A First Class Citizen

3. Paying Down The Piper

4. Culture of Innovation AND Integration

Generation	Age Range 2020	Age Range 2030
Silent	75 – 92	85 - 102
Boomer	56 - 74	66 - 84
Gen X	40 - 55	50 - 65
Millennial	24 - 39	34 - 49
Gen Z	8 - 23	18 - 33

In 2030…

Most CxOs are Gen X, whose leadership experience is born of the Internet age

Most employees are Millennials, who prize tech-enabled capabilities, collaborative work, rapid promotion

New employees are Gen Z, who have had smartphones since elementary school

1920

TODAY
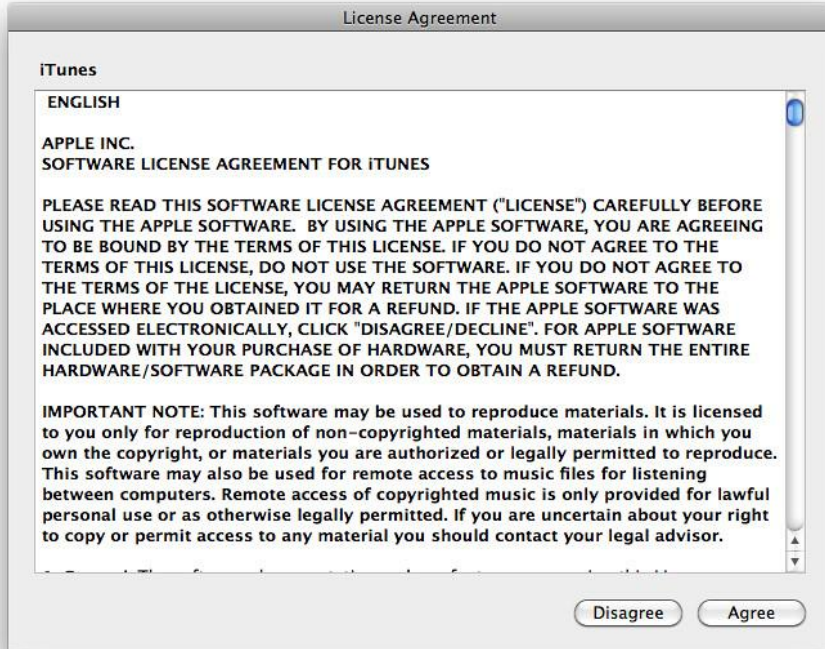
Even the greatest of digital customer engagement tools

…don't necessarily mean the best customer experience

Customer Experience

Customer's Experience
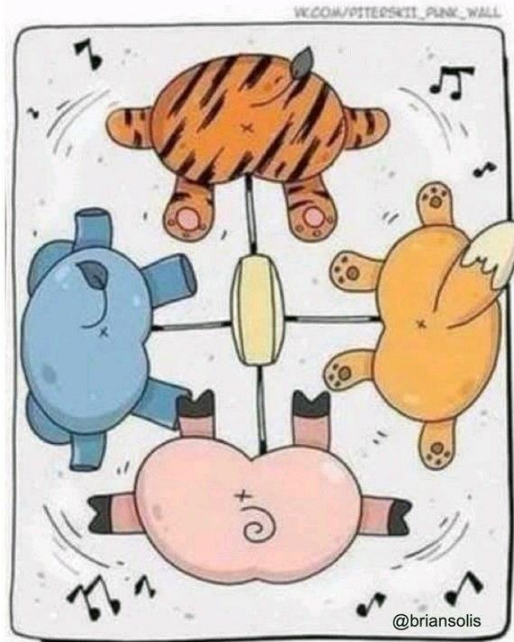
Our end users might not have the most say in the CX process….

…and their view – maybe a bottom-up perspective, is invaluable

- Male
- Born in 1948
- Raised in the UK
- Married Twice
- Lives in a Castle
- Wealthy and Famous

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CX and Personalization by data points to create a proxy – a persona – is not the same as personalization

We might think we are designing our products for the right audience….

…but are we really?

DATA IS A BUSINESS ISSUE LONG MASQUERADING AS AN IT ISSUE

|			
01		Data is nowhere, anywhere and everywhere	Data Management
02		Data quality is inconsistent?	Data Quality
03		Is it the right type of data for use?	Data Mastery
04		Is it the right system for the right data?	Data Governance
05		We have data, where are the insights?	Data Surfacing / Analytics

Data as a By-Product

Data as a Product

Think of How Much Data We Produce Today

**IBM Storage Drive
5 MB
1960s**
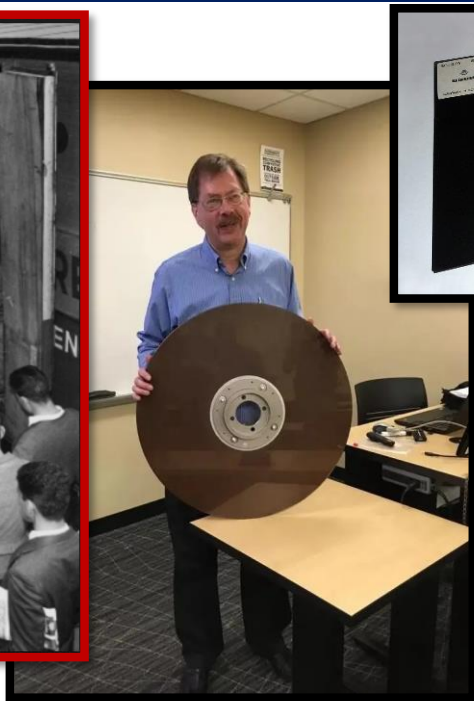
**Storage Disc
10 MB
1980s**

**Floppy Disk
1.44 MB
1990s**

**Micron MicroSD – Year 2020
1TB (1,000,000 MB),
200,000 5 MB drives
40-story building in 1956 terms**

Think Of How Much Data We Produce Today

The total amount of data consumed globally in 2021 was 79 zettabytes, an annual number projected to grow to over 180 zettabytes by 2025

ONE zettabyte is equal to a thousand exabytes, a billion terabytes, or a trillion gigabytes.

One zettabyte is roughly equal to 1125899906842600 megabytes (MB).
79 zettabytes equates to 88946092640567000 megabytes (MB) - or 8.8946092640567 × 1016 megabyte in scientific notation

Consider how unimaginably large a zettabyte is. Megabytes, gigabytes, and terabytes seem quite arbitrary to most people, so let's use time as an analogy

A single day on Earth, 24 hours, converts to 86,400 seconds.
A million seconds is 12 days.
A billion seconds is approximately 32 years.
A trillion seconds is approximately 32,000 years.

Consider 1 byte as 1 second, and you can begin to fathom the incredibly large amounts of data

Why are we talking about data as a business issue?

Industry leaders from CEOs to COOs to CUOs to CMOs to CIOs are talking about AI

Everyone expects something different – revenue potential, new opportunities, operational efficiencies, streamlining, etc.

AI is Machine Learning. AI self-learns. Humans don't. We're here today to talk about HUMAN Learning in relation to AI. HELPING humans to learn is a leadership responsibility

How To Understand Humans

ChatGPT has triggered a global "AI Arms Race", spending on AI BEFORE ChatGPT projected at $500B in 2024

Investment of $10 billion from Microsoft in December of 2022

ChatGPT is the fastest growing consumer application in human history

- Estimated 100 million active monthly users in January, just two months after its launch
- Reached one million users in just 5 days

Contrast this growth to reaching one million users to other platforms:

- Instagram (2.5 months since launch in 2010),
- Spotify (5 months since launch in 2008),
- Dropbox (7 months since launch in 2008),
- Facebook (10 months since launch in 2004),
- Twitter (2 years since launch in 2006),
- Airbnb (2.5 years since launch in 2008),
- Netflix (3.5 years since launch in 1999)

AI/ML CAUTIONARY TALES

1 — Amazon Recruitment

2 — Microsoft Tay

3 Mortgage Industry

4 Credit Lending Industry

5 Medical Insurance

6 Automobile Insurance and Zip Codes

REUTERS — World Business Markets Breakingviews Video More

RETAIL   OCTOBER 10, 2018 / 7:04 PM / UPDATED 3 YEARS AGO

Amazon scraps secret AI recruiting tool that showed bias against women
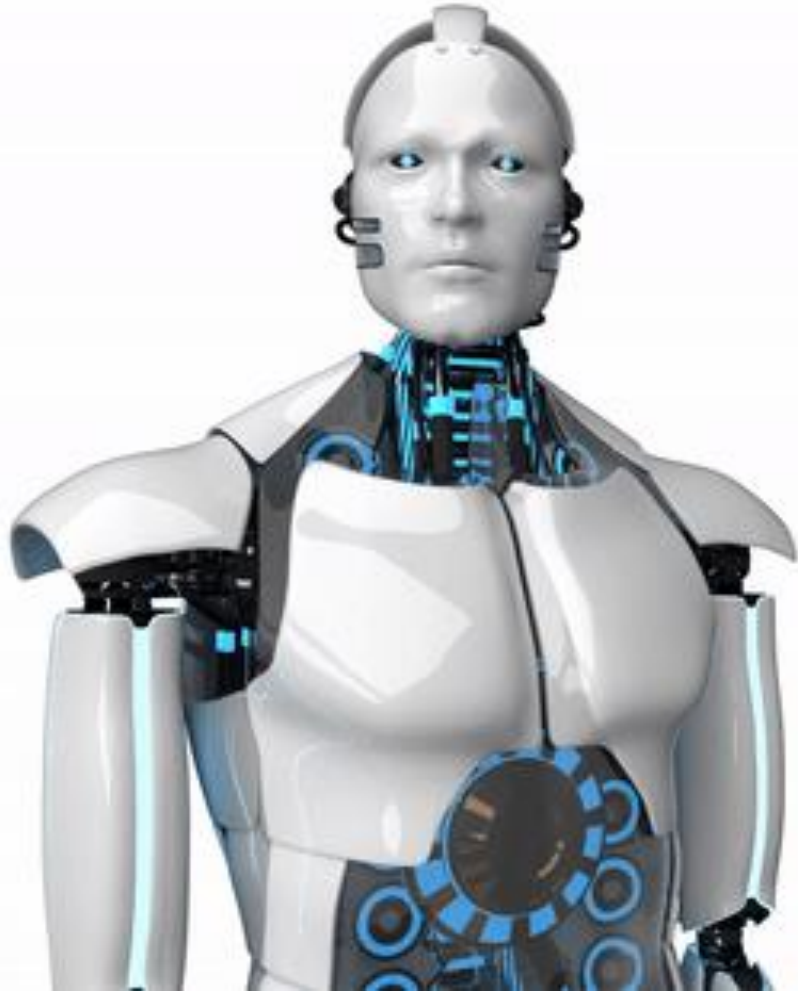
By Jeffrey Dastin   8 MIN READ   f 🐦

SAN FRANCISCO (Reuters) - Amazon.com Inc's AMZN.O machine-learning specialists uncovered a big problem: their new recruiting engine did not like women.

IF THIS CAN HAPPEN TO ESTABLISHED **TECHNOLOGY** COMPANIES, WHAT ARE THE CHANCES THAT INDUSTRIES SLOW TO TECHNOLOGY ALSO EXPERIENCE THESE ISSUES?

**GREAT AI
+ BAD DATA
= AWFUL AI**

Think about OUR industry…

AI could contribute up to $15.7 trillion to the global economy in 2030 - more than the current output of China and India combined. Of this, $6.6 trillion is likely to come from increased productivity and $9.1 trillion is likely to come from consumption-side effect

What is Data Literacy?

The ability to **read, write and communicate data** in context, including an understanding of data sources and constructs, analytical methods and techniques applied, and the ability to describe the use case, application and resulting value.

Data literacy describes the ability to **read, work with, analyze, and argue** with data

Data literacy is the ability to **read, work with, analyze and communicate with data**. It's a skill that empowers all levels of workers to ask the right questions of data and machines, build knowledge, make decisions, and communicate meaning to others.

Data literacy is the ability of LIMRA LOMA associates to be **able to read, analyze, synthesize, share, and leverage our high quality data assets using a shared understanding**, in order to help our members navigate with data-driven confidence, increase internal efficiencies, and optimize our revenue potential by allowing us to monetize and apply our data.

The Cost of Poor Data Literacy

$3T — Bad data costs the US $3 Trillion each year

40% — 40% of enterprise data is either inaccurate, incomplete, or unavailable, which results in businesses failing to achieve their data-driven goals

25% — Cost of bad data is 15% to 25% of revenue for most companies

33% — Only one-third of us can confidently understand, analyze and argue with data

The Cost of Poor Data Literacy

2/3rds of employees cannot distinguish between good data and bad data

The View of the Majority

2/3rds of our employees look at data from their perspective.

Missing the bigger picture, they cannot discern bad information or find anomalies in the data.

The Full Picture

Without this bigger picture look, we might be missing obvious oddities in our data, oddities that have real costs associated with them.

Can we run a company relying only on a 1/3rd?

The Cost of Poor Data (1:10:100 Rule)

DURING CREATION

$1 - Cost of fixing bad data at creation

DURING DEVELOPMENT

$10 - Cost of fixing bad data during construction

IN PRODUCTION

$100 - Cost of fixing bad data in production

$1 ----- = cost of prevention

$10 ----- = cost of correction

$100 ----- = cost of failure

Five Steps to Data Literacy

1		MAKE DATA AN ENTERPRISE PRIORITY	Incorporate and feature data as a priority in the corporate vision and mission
2		COMMUNICATE FROM THE CEO ON DOWN	Your CEO HAS to set the tone. This tone NEEDS to be amplified by each of you
3		THINK GLOBAL, ACT LOCAL	Set ENTERPRISE standards for PEOPLE, PROCESS, TECHNOLOGY, but empower LOCAL implementation
4		TRAIN AND EDUCATE EMPLOYEES	Formalize industry education AND data education as part of your learning and development plans
5		ENGAGE AND EMPOWER EMPLOYEES	Communication, repeat, reiterate – BUILD a CULTURE around data

We all want to build skyscrapers….

…but no one can build a skyscraper on quicksand

"We single-handedly managed the successful upgrade and deployment of a new environmental illumination system, with zero cost overruns, zero defects, and no safety incidents…"

…but no one can build a skyscraper on quicksand

Some of your technical debt started off as BUGS….

…but are now a feature

Focus on the people we are creating for
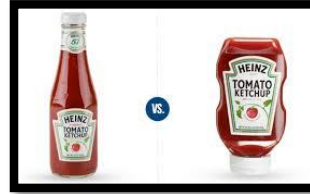
Focus on human-centered products, services, and internal processes
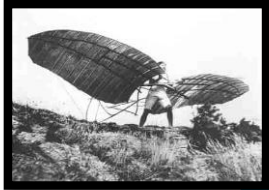
Reduce the risk associated with launching new ideas.

Fail fast, learn faster

Foster a fail fast culture that learns faster

Generate solutions that are innovative, not just incremental

Remember

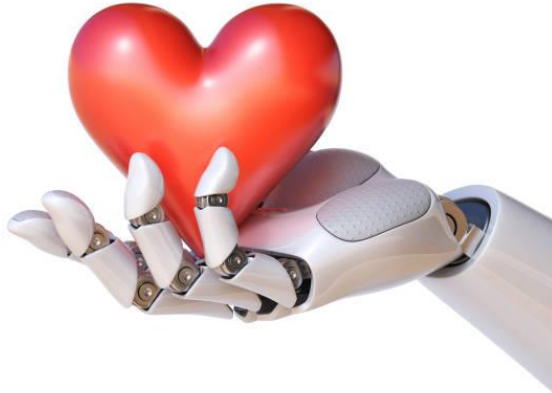**1** Regardless of Size, Everyone Has the SAME Challenges

2 Innovation Transformations are CULTURAL

3 Cultural Transformations Require Committed Leadership

AI and robots are thinking machines that try to feel….

Humans are feeling machines that try to think…

Four For Four - Recap

1. **EACH OF YOU HAVE AT ONCE A MASTERPIECE AND A BLANK CANVAS**

2. **THE NEXT INSURANCE DECADE WILL BE DRAMATICALLY DIFFERENT THAN THE PAST**

3. **EACH ONE OF US ARE INDUSTRY LEADERS**

4. **EACH ONE OF US ARE CRITICAL COGS IN THE GLOBAL FINANCIAL SERVICES INDUSTRY**

5. **DON'T WASTE A GOOD CRISIS**

THANK YOU FOR
YOUR SERVICE
TO THE GLOBAL
INDUSTRY