

SMART FINANCE: THE INTERSECTION OF AI, TECHNOLOGY, TALENT, AND TRANSFORMATION

Announcer 00:01

Please welcome the panel on “Smart Finance: The Intersection of AI, Technology, Talent, and Transformation.”

Krist Boo 00:31

Good morning everyone, and thank you for being here. So with today's topic, we could talk about anything under the sky. But what this panel will try to do today is to give you a good snapshot of how AI is shaking out industries and business, and hopefully it also gives you some practical insights that you could use. We have three very distinguished panelists with diverse backgrounds. We've got Asilah, the consultant, with a clear eye view of the struggles that businesses have in adopting AI. Of course, we have Marcelo, who is an entrepreneur and investor. So Marcelo looks for AI value in industries ranging from tech to critical minerals to lifestyle. He sits on the board of SHEIN as well. So—last but not least, we have Andreas, a quant fund investor, if anybody, is going to be at the forefront of adopting AI, I think will be the quant fund managers, because—that's how they make money. And so Andreas will be in a very good position to talk about the potential pitfalls and the potential of this technology. Now we've got about 45 minutes, and then if we have time, I would really love to have some questions from the floor. We have got roving mics, so at the right moment, if you have a burning question, please jump on your chair, flail your arms, and then we'll get to you. Okay, so I'm going to start with the first question, and that's for Marcelo. So Marcelo in Singapore, when we are talking about the business, we tend to look to the government for cues. And for 2025 it is very clear to us that the AI narrative has moved beyond proof of concepts and beyond awareness building. The Singapore government is really nudging businesses to implement AI at scale and to commercialize it and to derive value from it. So from your vantage point, looking across so many industries and so many businesses, I have a double barrel question for you, and that is, which industries do you see the potential to derive the most value from the AI, but which industries are the fastest adopting the technology?

Marcelo Claire 02:46

Great. So first, thanks for having me here, and I'll tell you that I wish that more countries would be like Singapore—they're actually you know—we've been studying the—if I'm not mistaken ECI or enterprise compute initiative, and the fact that the government is actually providing financial assistance for companies to make AI a necessity and not AI optional, per se, is fascinating, right? And I don't think there's any other government the world that is actually so proactively pushing its enterprises and its citizens to adopt AI. And we find that fascinating. I think that's great. AI, it's an interesting topic today because the conversation is starting to switch from hundreds of billions of dollars being invested every single year, lately, and with projections getting close to 500 billion in what we like to call it the AI factory, which is power, chipsets, data centers and some language models. But the question is, when are we going to start seeing a return right when a total spend of AI is 12 billion, and companies, just the hyperscalers alone, are spending close to 500 billion at one point in time. That needs to change, and they have to generate returns. I do think I'm a huge believer in AI. I can share with you some of the AI initiatives that we are leading that are transformational, but we're seeing that most of the companies that try to implement AI are failing. I mean, depends what you read, you read McKinsey, you read MIT. There's a report every couple of weeks that showed about 95% of all AI initiatives actually do not have a payback. But on a good side, the 5% that are being done are phenomenal or seen incredible payback. But I think that needs to switch. Now, if you look on a long term basis, depends which report or what piece of research you read, if AI comes to full realization, you're talking that the potential value creation will be in the tune of four to six trillion dollars a year. So then it makes sense, you invest 500 million you'll get returns in terms of efficiency in terms of four to \$6 trillion so it makes sense, but so far, we haven't seen that. And what makes this revolution completely different than any previous revolution, is the fact that most of the value is going to happen at our industry, in our countries, in our industry, is not going to happen in the AI first companies, or in many cases, the LLMs or the applications, is going to happen. The power of this technology is going to make enterprises be significantly more efficient and therefore be able to generate more profitability, and so on. But it's not going to happen to all and companies or governments that actually do not adopt AI, they have a chance to lag behind. Right? I came from the wireless business, and I've experienced myself when—companies like Nokia or Blackberry or Motorola didn't adopt the technology, and fast forward, three years later, they were out of business. And I think we're going to see a lot of that in the AI world. Countries that do not adopt AI will lag behind, and enterprises that stand behind do not—I'm very lucky to be in the board of T-Mobile, which today is the world's most valuable telecommunications company, and one of the main drivers has been our AI intervention. And we're able to surpass pretty much every telco in the world in terms of valuation, because we were early adopters, and we made a decision to say, we're going to be an AI telco first. And we've completely redefined our workflows, redefined our companies and all that. Now to answer your questions, which industries—from our private equity side, from Braxton capital, which we're focused on, buying companies and applying AI to those companies. We take a company lens first meaning, we look for companies that have a high spend in areas where technology is mature enough today, AI is mature in terms of solving customer service issues, sales and marketing, internal software development, supply chain and some of the back office functions. So we look at companies that have a high spending those areas, and we correlate them with industries that traditional companies sit in. So if I tell you the industries where you're going to see a lot of change, obviously I like to say telecoms, since I'm part of that industry. But you see telecom, you see financial services, you see business services, you see insurance, supply chain, manufacturing, education, healthcare. And I think what's important, at least from my end, from an AI perspective, is this is a general purpose tool, meaning this is going to transform, let's start with every country. You're going to transform every industry, every company, every function, every industry, and thereby there's going to be so much value created in the next few years for those that have the ability to adopt that technology that has so much capital has been invested. So I think now we're going to transition from, I call it foundational investment. Now we're going to start moving to actually implementing the technology, which we call it, apply AI, right? So that's where we see where we sit today in the world of AI.

Krist Boo 07:45

Just a footnote before I move on to Andreas, the enterprise compute initiative that Marcelo mentioned was the Singapore government's support policy for small and medium enterprises. So they have put together 100 million grants and partner the big technology companies like Google, Microsoft and AWS Oracle, to—give computing credits to the smaller companies and to encourage them to take their proof of concepts into commercialization. Now I want to go on to Andreas, our quant fund investor. So I think Andreas, they've talked about how generative AI in particular, has unlocked that kind of value to unstructured data for quant investing, and also given you unprecedented access to data points that your researchers never had before. Now you're at the forefront of this technology because quant funds depend on technology to survive. So can you tell us more about that, and also tell us about the adoption in your industry. How has it been? What have your experience been?

Andreas Kreuz 08:48

Absolutely, thank you. And I do certainly share the passion for AI and developments in the advanced technology space that we have been seeing. You're right. I think the driving force behind a quant hedge fund or asset manager is this combination of technology, data and talent that can put all those ingredients to work. Now, data is the fuel that goes into any quant operation or quant engine. That's what our researchers use to find new sources of alpha that we can monetize on—the other side. Now—for a while now, we are in this era of true data explosion around us. There's so much data becoming available on a daily basis almost. Now, the problem is 90% plus of that data is unstructured, and traditionally, that meant that it was useless for quant research, or very challenging for quants to take advantage of. Now, AI changes all of that, we can put AI to work to really put some structure into this chaotic data and then uncover new sources of alpha—To put an example behind that, I think it took humanity about 5000 years to generate 5 billion gigabytes of data, and that amount is today, created in two hours. So between now and lunchtime, we created what we have done in 5000 years. And to put that all to work is a tremendous opportunity. It can be a competitive advantage in our space. And the real accelerator of that is AI.

Krist Boo 10:24

At what stage is the industry adopting AI? Are you very comfortable with it, experimenting with it?

Marcelo Claure 10:41

And are there better returns with it—?

Krist Boo 10:31

Are you making fun with it already?

Marcelo Claure 10:33

—more than traditional hedge funds?

Andreas Kreuz 10:41

I would hope so. That's the that's the goal. So what stage are we at? You know, we are at an interesting point. I think it's another inflection point when it comes to AI adoption. A couple of years ago, it was the rise of generative AI, LLMs on the back of that, but now it's agentic systems which are the next layer on top of the previous ones. And that really brings us from a more passive analytical tool to a more proactive problem solving capability, and that is huge. So with that, we can really train systems to become co-workers, collaborators in a creative way. And with that—have them be quite autonomous. Have them pursue multi step tasks with their own degree of creativity and freedom, and then really act as a relentless, never sleeping type of collaborator, along with our research.

Krist Boo 11:34

Yeah, I want to talk about agentic systems next, but first I must talk to Asilah she has very important insights, because she gets the insights into the levels at which companies are trying to adopt AI and the struggles and the pitfalls and the potential—Asilah, what are you seeing? You know, in your line of work, are companies adopting AI? And you know what really is happening on the ground?

Asilah Azil 11:57

Thank you, Krist. First of all, it's a pleasure to be here. And I think that's a very interesting question. You know, what's interesting is that the value the productivity growth potential of AI is USD \$4 trillion globally, but the ability to realize impact from that, a lot of companies and organizations are still struggling. We conducted a survey across hundreds of organizations, while 92% of companies said that they're going to increase investments in AI, only 1% has said that they've been able to realize any sort of bottom line impact so far. So you could see that where organizations are at now is that they're in this, what we call pilot purgatory. So they've picked a couple of use cases. They're experimenting with some tools. They've had a few POCs that are relatively successful, but they don't know how to take that forward enterprise wide. So that's what we're really seeing right now. And for that, where we see the winners are in the AI space, are those that are able to think about scaling up by looking at, how do you rewire organizations? And to that aspect is really thinking about you need to transform your workflows. You need to put some rigorous KPIs and mechanisms to track impact. But you also need CEO level, classic change management, about adoption and use as well. So that's kind of what we're seeing right now.

Marcelo Claure 13:20

I might take your fundraising with me. Yeah?

Krist Boo 13:24

I'm going to give you four variables, so please choose one that is the biggest impediment to organizations adopting AI. So number one is data, two is governance or security, third is people, and the fourth will be partners, your technology partners. So all of these four variables, which is the biggest impediment, or do you want to rank them?

Asilah Azil 08:41

I think they're all important. So ranking would be the way I go about answering a question. I think number one is about people. Right now, your people in most organizations are AI experimenters. You've got to think about how to turn them into AI accelerators. That means also touching upon what Andreas has said, how do you work alongside agents to really amplify your people and processes? And it's not about replacing I would say, the second I would say would be important is definitely data. If you are unable to really make sense of your data and structure it in a way that AI is able to learn from it, that becomes a real impediment as well. Governance particularly important, especially in the agentic AI world, right? Thinking about data security, cyber security as well. And I think the last one was, what was partners? Partners? I think partners are good—

Krist Boo 14:39

Okay, I want to go to agentic and then my question, first question about agentic, it goes to Andres, right? So you talk about agentic earlier, and we are hearing a lot of concerns about agentic, because these are automatic assistance that can learn they can work without human supervision. And what happens if you're my personal agent, goes out and shop at SHEIN without my consent, and who pays the bill? You know, where does the liability? Who am I going to blame? And what happens if an agent trades without your authorization, or if there's a leakage or privacy and already we are seeing cases where Siri is listening into or being trained on private messages. So these are the things that are coming out in the world of agentic AI, what are you seeing and how are you dealing with this?

Andreas Kreuz 15:30

I think it's a real concern. Absolutely. I think this objective function drift that could find its way into agentic systems is something that we are not worried about, but conscious of, and as such, to Asilah's point, before, it's important for the machines and the humans still to go hand in hand. The humans still play a big role. They still need to set the guardrails in which agentic system should operate. They need to understand what agentic systems are designed for and what's happening in that black box. Just putting that to work blindly can cause quite some side effects which are undesired. Now it was interesting, earlier this week, we hosted—WorldQuant, was hosting the International Quant Championship. It is a way for us to source talent from all over the world. It's a competition of quant researchers to submit signals, which we then assess, and then we invite the finalists to come to Singapore. There were 80,000 participants, and the top 12 came to Singapore to battle out who is going to take the trophy. All 12 of those teams generated their trading ideas, which they presented in the finals based on agentic systems. So there is definitely a generational change when it comes to the adoption of AI in quant finance and how to put that to work. But it was equally interesting to us to see how conscious even this young pool of talent was in regards to the risk that such tools can present to quant finance operation. So—the concerns are real, but there were concerns with any new tech that became available, and this is just something that we have to factor in as part of our risk management.

Krist Boo 17:20

Yeah, Marcelo, Asilah, would you like to weigh in on agents?

Marcelo Claure 17:20

So I'll give you a good example and a bad example. Actually, the other day, there was an article written that was it sort of brought everything to realization. Somebody had an agent that was pretty much getting all their emails ready every morning and organizing calendar and all that. But the boss actually didn't like this agent, so he actually wrote an email to somebody says, I think I'm going to change agents. I'm going to get somebody else. Within two minutes, the owner got notification that says, "Hey, I know you're cheating on your wife, and if you're going to switch, we have everything prepared to actually send this to your wife." The agent on its own. So—the agents were not set up to do that. That was not the purpose of having an agent like that. And it's an absolutely true story. So an agent, and if you think about it, the agent outsmarted the human. In this case, well, we still don't know if actually the agent got fired or not, so maybe the agent is still there. So that's an example. I'll give another example in one of our AI healthcare companies that we own in the US, and basically this is a [inaudible] in the US—in the US we lack the amount of doctors that we have in primary care physician. If you want to get an appointment with a primary care physician, doctor, it'll take you three weeks, four weeks, five weeks. And when you go in, it's an in and out. It's actually not well set. So we own a company called K Health. And what they do is, we operate inside the world's best hospital. We operate inside Mayo Clinic, inside NYU, Hackensack, and Mass General and so on. And what we do is the agent, pretty much is the first line of defense. When somebody walks in, they're asked to download an app, and within the app, an agent ask anywhere between 80 to 120 questions to truly identify what the symptoms are that you have. That's very important, because any of you that have gone to a doctor, the doctor usually asks you two or three pretty superficial questions in terms of trying to understand your symptoms. This goes really deep. You know, it's your headache on the left, on the right, et cetera, and then you put it on with the model that goes and tracks your electronic medical records, and then it combines them with our clinical AI, and thereby we're able to come up with the recommendation of, what are the patients—what does the patient have? What is the best treatment? What are we going to diagnose, and what cure package do we developed for them. Now we don't go directly to the patient, because there's still some mistakes to happen, a lot less than doctors, and we basically pass that information to a doctor who now has the ability to diagnose the patient, and most of the time they just follow the recommendation. Now this is the true power of AI, why? We're able to provide much better care. The level of misdiagnosis is significantly lower. We do at a much faster speed. And the cost of a US patient that goes through a hospital is about 200 to \$220 we're able to do it for less than \$20 and that's because we have a doctor if there were no doctor. So if you think about it, we think 2x better care for about 90% lower cost, right? And this wouldn't be possible if the first line of defense wouldn't be an agent who's actually asking the right questions. You know, an AI power decision tree that in the past was just a doctor. So—I think a lot is going to happen—agents are going to be part of our everyday life, not one, but two, but 30, but 40 by 50, agents who want to communicate with each other. And I think there's going to be a lot of jobs that are going to cease to exist.

Krist Boo 20:51

When would that happen? You think?

Marcelo Claure 20:53

I think it's going to happen a lot faster than what people envision. Because once you start putting agents into your everyday life—you see the difference? I don't know how many of you use an AI note taker, right? And before I have a chief of staff, used to come to my meeting and take notes, and the notes were terrible. I mean, they were they were simply good. Once in a while they were good. Today, you grab a phone, you put an AI note taker, right? I use Granola, and then at the end of the meeting, it's just perfection. It assesses everything that we discussed, puts the follow ups, and when you go to your next meeting, you just pull out your Granola and—your ability to follow up on your employees—is significant, significantly better. Am I going to go back to the Chief of Staff for taking notes? Never. This is significantly better Chief of Staff. It's not that you're getting rid of them. My Chief of Staff sitting in the front row. They will play a complete different role. They do a lot more smart things than just be sitting in a meeting taking notes, and that's going to happen pretty much on everything. I mean, in customer service, I mean, we've seen some amazing improvements, where agents do a much better job of answering questions of customers because they have access to unlimited information. It's kind of unfair for your traditional customer service agent who has lack of information, lack of education, they're tired, they're overworked, they're underpaid, they're never going to provide the same level of service that an agent that has the latest information even ahead of why did you call, compared to an agent. So I think the moment any company starts utilizing agents and working on a just in time basis, you never go back. The difference is just astronomical.

Krist Boo 22:28

Just a very quick question, on behalf of everyone, did the CEO manage to fire the agent?

Marcelo Claure 22:32

I don't know, we should find out—it's actually a true story.

Krist Boo 22:39

Right, interesting one.

Asilah Azil 22:51

I loved hearing the views of my co panelists, because it touches upon the risk and the possibilities. And the question is, how do you manage this reality going forward?

In my view, agentic AI, it started out as a fringe concept, but now it's really being a key enterprise level shift. One of our surveys indicated that 47% of companies, almost half, has experienced a risk incident in the past 12 months, this included misuse of IP, data privacy, as well as inaccuracy in terms of insights and findings. Now the question is, how do you think about leveraging agentic AI but also managing the risk? And what we see the difference being is that you have to think about agents pretty much the same as you think about your corporate employees or your corporate citizens. They need governance, they need guardrails, and they need oversight. So leading companies have actually started piloting this concept of managers of agents, because I think Andreas you mentioned this in an article as well, human in the loop, especially for decision making, to exercise the judgment and insight that's needed for that is still important, whereas the agents can do a lot of the execution of operations as well. So that's how I think—going forward, organizations can think about it, putting—the guardrails in place and the governance frameworks to manage agents and really leveraging value out of them.

Krist Boo 24:04

I saw this McKinsey podcast, actually, where you talk about the possibility that one day organizations having organization charts where you have agents alongside people. That was really quite mind boggling. Now we can't talk about technology without talking about geopolitics, and we are at a very interesting inflection point. I have this question for Andreas, and maybe you can give our businesses some advice. I have a business, and—I have to invest in AI—and I am a Southeast Asian business, for example. So I'm doing business with China, my vendors are American. What do I do? I mean—looking at the way that payment systems and social media have gone, it's bifurcation, right? I have to have two systems, WhatsApp and WeChat. They don't they are not interoperable. What is your advice? To businesses operating in this part of the world that are doing business with both countries. What should they do?

Andreas Kreuz 25:07

I think you need to embrace the duality to some extent, you know. And I'm saying that because our organization, we are in 28 offices in 17 countries, we have a lot of different cultures and technologies at work. And we truly believe that there is not one best idea or one best model. Every idea matters, and if we can put it to work in an efficient way, then we want to be able to do so. And I think that applies to this question as well, as long as we can create strategic flexibility, adaptability and interoperability, to work with those dualities of systems, then I think it's a strategic advantage for your organization. That's what we believe we need to do.

Krist Boo 25:50

Yeah, and Marcelo, I want to follow up on what Andreas just said. I mean, from your point of view, there's always a trade off. If you have to kind of invest on both sides, there's a cost, right? You have to have duplicate resources. I mean, from investors point of view, how do you see this?

Marcelo Claire 26:07

Embrace the best of both worlds, right? In my previous job, I was the CEO of SoftBank International, and we were the largest foreign direct investor in China, in India, and in the US, in the three of them. And it's fascinating to see—there are certain areas where the US has an edge, right? There are certain areas where China had an edge. I always remember—I had a chance to meet in the same day, the CEO of Uber, the CEO of Didi and the CEO of Grab here, right? And back then, those were sort of the AI companies, right? And it was fascinating to see that each of these countries will have an edge in different areas today, the US as an edge semis, the big edge that we were looking a couple of years ago in the language models is gone—I look at DeepSeek and other Chinese models who are as good—I'm a huge believer in Chinese efficiency. I mean, I've seen it with [inaudible], I see it with SHEIN, I see with Alibaba. I see it with a lot of different companies that we've been involved with—that's one advice that I always give my American counterparts, is absolutely never count China out. I mean, China will, in many cases, get at the same place and surpass, you know, American companies in AI and I think in certain areas, China is going to be better, in certain areas the US is going to be better. The beauty of Southeast Asia is you can play with both and having a strategy that allows you to have both—I think it will be a winning strategy. In the US, we have a lot of pressure not to do Chinese and in China, you have a lot of pressure not to do American companies. But I think if you're able to have the ability to invest in both, experiment in this new AI world with both—there's going to be a fascinating—battle of who but I think nobody will win. I think the two will be amazing powerhouses and—leverage both of them.

Asilah Azil 27:55

Yeah, and I fully agree with you, Marcelo, I think the question is not picking one side over the other, or one technology over another. The key word here is really thinking about, how do companies now build the resilience and the flexibility they need to think about—being able to be highly interoperable across multiple stacks, multiple jurisdictions, multiple regulatory landscapes as well. And that goes to show that—things like thinking about AI capabilities in a much more modular way, thinking about how do you protect your data but also allow—companies and organizations to access—across borders as well. So these are the key questions that I think are more pertinent as we think about a multipolar world nowadays.

Krist Boo 28:42

Okay, I'm going to open the questions to the floor. Any questions from the floor for our panelists, put up your hand.

Audience 28:51

What is the most difficult part of AI transformation within your own businesses and businesses?

Krist Boo 29:04

Who would you like to answer your question first?

Marcelo Claure 29:06

I think it's people, right. I mean, I'll share with your AI transformation at T-Mobile. It all went from a learning day at one of the best universities in the world, in which we took the entire management team and we show them what the art of the possible was. Second was inviting all the CEOs and the leaders of the best AI or LLM companies, and then you have a management team led by a CEO and a team of executives who basically chose four to five amazing use cases, and we, as the board, we set him a goal. I remember the goal used to be, you know, 4 billion in growth, 4 billion in cost savings and 2 billion in new businesses. The team went at it. And—a year ago, we announced that we plan to increase profitability by 10 billion dollars, the power of AI, took 120 years to get to 30 billion dollars. It'll take three years to get to 40 billion if it wasn't because you had a management team who basically made sure that the whole organization was rallying behind it, that they were going to avoid the traditional use cases that go nowhere, or the proof of concept that are a waste of time, but actually decided to move forward. I think it all starts with leadership. And again, you're gonna see the same, right? I say I like the way Singapore behaves, because leadership at the top says, this is a very strong word when you call it AI, in this country, being a necessity, right? And the same thing happens with companies. You will see companies that know how to use AI, they will completely detach from the competition and companies that don't, and it all starts with people and the luck. And—middle management is a problem, and I don't blame people, right? Because people are scared of AI. AI is going to come, AI might take my job. You know, it's like—you don't want to let them in. A middle management is traditionally problem, but it's people, you know, it's people then, then it's also data, right? A lot of companies don't have their data strategy well set, and they just try to basically put technology at the top, to us an AI—I like to call them intervention, not transformations. You need to have a CEO who understands how we're going to change the workflows of the company, redesign the company. You need to have traditional CIOs that have the ability to get a company ready, and then you put technology at the top, but you just try to put technology, it always fails, right?

Krist Boo 31:27

I'm going to maybe drill down a little bit on what you just said, leadership from the top. And this question is for Asilah. So—when we drill it down, we are seeing conflicting reports. Some are saying the leadership are saying they are adopting AI, but the—rank and file are saying—we don't know how to we're not given the tools, right. And sometimes I also encountered CEOs that struggle because they don't know the technology. They have to act like they know, and they don't have the time, because they are fighting so many battles, tariffs and other battles and just trying to stay afloat. So from—your perspective, what can be done to help CEOs better, to really understand the technology and what can be done to help the rank and file accept, you know, embrace changes they might make mistakes.

Krist Boo 32:17

I think at the CEO or CXO level, it's very important to understand what really is the true definition of mature deployment, right? It's not just about arming your employees with Microsoft copilot or any—other such tools out there. It's really thinking about, how are you going to truly transform or redesign workflows so that the way people work really changes, and that takes a lot of courage, a lot of change management that needs to happen. It's a lot of hard work. And I would also say, and maybe this is—an unpopular opinion, that CEOs need to understand the

technology they themselves, need to role model the change. I loved what you said about the AI note taker. Now the rest of your organizations and your employees will follow suit, because you did that right? So that is very important. Tone at the top, type role modeling. After that, you would be able to unleash your own employees to experiment, to use it, and not to just save a couple of minutes in the day, but really think about, how do they do things differently? Only then would organizations see the EBITDA impact that they've been desiring to have because of AI adoption. Essentially, and actually, our work shows that the single strongest correlation of EBITDA impact is really through the amount of investment that goes into redesigning workflows, not actually investment that goes into the tools itself.

Krist Boo 33:45

Yeah, any other questions? Andreas, do you have anything to add to that?

Andreas Kreuz 33:50

I agree with both of you. I think you know adaptability organizational is very important. Your people need to understand how to work with those tools in an effective way. And therefore training, education plays a big role, and we do that quite quite a bit at WorldQuant we want to make sure that AI is a backpack that our people can use and then deploy any methodology from this backpack given the problem that they're trying to solve. And I remember quite vividly about 12 years ago or so now, we started to dive quite deep into deep learning neural networks and deploying that as part of our research process. But many of our researchers and PMs, they didn't really know how to use it. They put some data in, something came out, and then they put this to work, and it was a lot of noise alongside signal. So we took a step back. Our Chief Science Officer organized voluntary workshops every week, and he started from scratch. The first session was about facial recognition algorithms, the very basic. And everybody started to understand, ah, this is how it works. And then he assigned homework for every week, and somebody brought back this homework and present that. So over the course of six months. We did that every week, and at the end of it, I think all of our people started to really understand what's in that black box and how to best deploy that so points being, I think education, training and making sure your people understand what they're working with is crucial for the AI adoption as well.

Andreas Kreuz 33:50

I do have one question for you, Andreas—you talked about this before that you are not going to replace your researchers with AI—they have a lot of—responsibilities and value to the company, like relationships with the customers and the human insights. But we are seeing a lot of layoffs right now happening in the economy as well. How do you assure people and in this era where layoffs are very common, there's an erosion of company culture, how do you ensure that you keep your employees engaged and really doing their best for the company? It could be lip service, you know. So how do they trust you?

Andreas Kreuz 36:00

Yeah, I mean, we are providing our researchers and PMs the confidence that they matter based on our belief in them, our ability to let them do what they enjoy doing with the tool sets that we now can provide and make them better along the way. So to us, it's really a vote of confidence in our people that ties them to the firm in the long run. And we are hiring at the moment. We have about 1100 people at the moment at WorldQuant we continue to hire top talent from everybody—from everywhere in the world. And that's also a sign that we're not going to step back. We're not going to replace the humans, with the machines, and that humans still matter quite a lot.

Krist Boo 36:44

That's interesting. Yeah, so I know we are, this is a session about AI, but I want to talk about what next, you know, what is the next big thing? Because we might see that pretty soon. And that question is for Marcelo, what are you looking at in terms of the next big thing?

Marcelo Claure 37:00

If we stay just within AI, you know, I don't like to disagree with my panelists, but I think we're being naive. If you look at any piece of research, I think 30 to 40% of jobs in the next three to five years are going to be completely different, and the world's going to change at an accelerated pace, both not only the digital AI, but on the physical AI, I mean, you're starting to see autonomous cars in the US. You're starting to see human—robots that will replace traditional humans. So I think that amount of change that is coming is substantially more, and it's—I call this predictable surprises. We know it's coming, but we don't want it to come. And I think we all, as leaders of our companies, countries and all that are going to be faced with: what happens if we actually make the world 30, 40% more efficient? What are you going to do with those employees? Right? How are you going to you're going to have a moral responsibility to reskill and upskill those jobs. And now, I don't think this is one way every job gets fired. And—we as humans have a way to redefine ourselves, and what are going to be the needs for those—yeah, call it higher value jobs. But I think the amount of change that is coming is just enormous, right? You cannot invest \$500 billion a year into something for the next—for last two years, the next three, four or five years, without seeing—you're talking two and a half trillion dollars, right? This is going to happen in every enterprise, every country, every job and every function, right? I mean, when I look at—like in his world, I mean stock pickers should be gone. I mean, they have limited information now you have access to a lot more data and I think they're going to make a better decision. So I do think the level of change that is coming is exponential. And I'm lucky to believe in it in some of the companies that we're in, where you see the power of the machine means significantly bigger than the power of humans, and it's something that we're going to have to adapt. So we're focused on that.

Krist Boo 38:57

What is your advice to those who cannot adapt?

Asilah Azil 39:01

I do believe that there will be a fundamental reset that's needed. When you say, cannot adapt, I think that is not a real option for many organizations. You asked the question earlier, Krist about which sectors are going to be impacted, but it's not about which sectors, all sectors are going to be impacted. It's just to what degree and what you do about it, what I think is going to happen, you know, in the next horizon, whatever technology it could be, quantum, et cetera, it will really expose leaders who are able to adapt, expose leaders who are able to do deep cultural change in their organizations, and those who can think about leveraging the technology together along with their human capital, I think that's what's going to set companies apart in the future, and the strategic distance between the winners and the losers, or leaders and laggards, will only get bigger and bigger I believe, in the near future.

Krist Boo 40:02

Any other questions? Okay, so my last question is to ask each of our panelists to give three points that—of advice, three pieces of advice, or one—you know, one, if you want, to our audience here, of you know what—to help them try to manage the changes that they are facing now in the world of AI, maybe we start with Asilah.

Asilah Azil 40:28

The three things I would say, number one, think about redesigning and transforming workflows in your organization, not just using the tools on the fringe. Number two, it's really also increasing the potential and adaptability of your people and your talent. So that's through reskilling and upskilling. And third, I would say, always as and this is a more personal advice for leaders, that you have to be at the front end of understanding what the technology it is your responsibility and accountability to leading that organization, those are the three.

Marcelo Claire 41:02

So—people got to realize that we're moving from foundational to application, and this is going to come at a very fast pace, and we as leaders got to be prepared to adapt that people who are going to put AI into their countries to the companies, starts with leadership. And, you know, it starts by choosing. And one of the things that we do a lot is choose three or four big use cases, tie them to P&L, and then drive performance management. And that's how you're going to see results, avoid proof of concepts, avoid those little experiments that actually, actually don't lead to anywhere. They just basically lead to waste. And also, as people—I'll give you one example. And this doesn't go against consulting companies. We hired a great consulting company they—we asked him to do a value creation for a company that we bought in less than a minute. We put in ChatGPT to create a value creation and the quality. There's nothing different anymore, right? So, so, but they're going to change. They want to transform.

Asilah Azil 42:09

I'll pick another analogy outside our industries, yeah, you have say, a brain surgeon, and you have a brain surgeon that has AI tools. I think you always want to pick the brain surgeon with AI tools, and not just AI alone. So then to

analogize to consulting in any other profession that is impacted by AI, that's exactly what consulting firms need to think about. How are we actually amplified in terms of insight, counseling and advisory through AI?

Andreas Kreuz 42:46

So my advice number one would be embrace AI. Don't be afraid of AI. Embrace it and be willing and open to disrupt your own organization with AI. Number two, invest in the education and the training of your people, your talent, needs to be able to keep up with those developments that are happening. And number three, keep innovating. Innovation is crucial, especially in our fields, and AI is definitely something which amplifies innovation and creativity.

Krist Boo 43:13

And since we're in Singapore, maybe I just want to ask one last question on behalf of Singaporeans, so in the whole world of AI, where do you see Singapore's position? What can Singapore do to stay relevant? You know, as the world is kind of going through the upheavals, how can Singapore come up ahead of our competitive in this global new order? Maybe Marcelo?

Marcelo Claure 43:41

I'll say continue to do what you're doing—it starts with educating your citizens which I think—there are two countries that I deeply admire that are always punching about their weight, and it's you and UAE, right? Both countries have said we're going to make AI an integral part of what we do. An initiative like what you're doing is completely—looking forward. I mean, the fact that it's—\$150 million that the subsidy that goes to companies for them to do AI transformation, it's great that doesn't exist anywhere else in the world. Your disadvantage is size, right? But you're sitting here, and I think by continuing what you're doing in terms of educating your citizens, your companies to continue to be at the forefront of technology.

Krist Boo 44:26

And Andreas, you're from Switzerland, and you're working from Connecticut—what is your advice to Singapore?

Andreas Kreuz 44:34

It's quite similar. You know, we have a big office here in Singapore, more than 100 people, and they have all been some of our top people in the company. They are very forward looking. They embrace technology and the application of technology. So keep doing what you're doing. To Marcelo's point, the UAE is on the rise. So the Middle East is on the rise. So watch out for that, and make sure you keep up with that trend as well.

Krist Boo 44:58

As a Singaporean, I would say, really continuing to invest in talent and education, that is our biggest and most important export anyway. So I would say that's how we think about it. And—Singaporeans tend to have a mentality that we want to prove ourselves. To your point earlier about punching above our weight, and we cannot lose that, especially in the age of AI.

Krist Boo 45:26

Thank you very much. And thank you to the audience for being here with us today. Thank you. Thank you.

Announcer 45:43

Thank you for attending the Milken Institute Asia Summit. Please join us for food and drinks in the foyer as part of the closing networking reception.

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