

## Audio file

[Session 7 Martin & Julia.mp3](#)

## Transcript

### Martin Coughlan

I said to Nick, I said, there's no way we can go through a day of just talking about how AI is going to be great. We need to have somebody with a different view on this. And why not do it at the end? So firstly, Julia, congratulations for not saying anything during any of the other panels. I'm going to give you a chance to talk about what you completely disagreed with in a minute. I first met Julia going back The CFA Global Conference was this year. She was on a panel with three other people. I said to my friends that were there, I said, you know, if the other three people could just shut up and let her talk, I think a lot of people would learn a lot more. And I went up to her afterwards and I said, Julia, can I ask you a question? And I'll tell you the question during the panel discussion. And she looked at me and she said, who are you? in the media? Why are you asking this question? Today she'll answer it for you and I think some of you will find it enlightening. So just to kind of kick us off, Julia, maybe give people some background on who you are and what you've done over your career. Please.

### Julia Carreon

Thanks for having me, Quinn and Katie and Martin and Nick. Appreciate it. My background is 20 years in financial services, 14 years as the Chief Digital Officer of Wells Fargo's private bank, and three years as the Global Head of Client Experience and Platforms for City Wealth, which is a global business. But more interestingly, I'll just kind of dimension some of the projects that I've led or been a part of over the last 20 years. I built Wells Fargo's private bank across all channels with a chief technology officer and I 18 years ago. We made some different choices at the time, which were considered contrarian and which ended up paying off. JP Morgan recently copied our architecture, which is really saying something because 18 years is a long time in this business. And we made the right call and it wasn't necessarily obvious at the time. I also led the team that got the first mobile app for financial advisors out on Wall Street. We beat Morgan and Merrill to the table. It, as of 2020, when I left Wells, that was used, the chassis was used by 16,000 financial advisors, which is a difficult thing to do at scale. I also led the largest conversion of managed investment accounts in U.S. banking history with the Wachovia merger and Wells Fargo. And that particular integration, we literally did not miss a single data field. And the C-suite of SEI will

tell you it is the cleanest conversion they have ever witnessed of a firm of any size. And then finally, I was responsible for salvaging. I wasn't, please, let me, my team was, okay? I should clarify that. But my team salvaged \$175 million failed implementation of a specialty asset business. And at the time, our regulator told us she did not think it could be fixed. So they gave us a year and they handed the project to me and we got it done. So obviously, all of those things sound like I'm saying all these great things about my team and myself. And the reality is, that 78% of IT projects fail across all sectors. Think about the billions of dollars that is wasted because people don't execute. So when I heard the statistic of... 95% of AI projects failing. Of course, I wasn't surprised at all because the froth that we are sitting on right now is one that will naturally make for a lot of losers. And when I look back on my career, I think about what were we doing right to be so good at execution. And so the reality is that I'm sitting here as somebody who thinks execution is absolutely critical and thinks that we have failed as an industry at getting execution completely right. Because there is a way to do it, and we're going to talk about that today, that makes it so that there are happier endings. And before I pause, I just want to say The reason that I am good at this work is because I have failed. And human beings don't like to talk about failure because it doesn't make us feel good. But all of the things that I've learned the most and the best at what I do is because of failure. So I would welcome you to ask a question about what that looks like and what that means and what I've learned from it because I do think that that's really important. And I am an open book. So, it's welcome to ask me anything.

## Martin Coughlan

So, sometimes if you say somebody is spicy, it's kind of an insult. Julia describes herself as spicy, so that's why I'm allowed to say this. So here's your chance to be spicy. You listened to some things today. I know there's a few things that you shook your head violently or non-violently yet. What did you hear today that you kind of went, I don't agree with that.

## Julia Carreon

Yeah. Well, I'm sad Brandon isn't here to hear me tell him, to say what I thought was not correct. I absolutely do not believe that financial advisors are going away. And they're certainly not going away in five to 10 years. And I'm going to talk about why. But The reality is that if you work with no financial advisors, they are in a human psychology game. And there isn't anybody, and he did mention the robo piece of it, but as this being different from robo, but I still would suggest to you that if we are in fact in a recession and we start to see some bumpy stock markets goings on this year, people want to call their advisor, right? They couldn't call their robo during the Great Recession. I mean, that just isn't the way human psychology is. And then as it relates to other jobs disappearing en masse, the reality

is that consumer services are all for humans. So all humans aren't going to just want to be talking to bots and AI. So I just don't think it's a realistic thing. But the reason, even more so than that, why I feel it's important to know that the timeline of five to 10 years is unrealistic, even if you believe that AI is going to eat everything. Let's just say, okay? And I'm going to tell you why. How many of you know what haptic memory is? And it's okay if you don't, but does anybody know what haptic, wow, oh, that's cool. Oh, this is fun. So haptic memory is your senses that form between the ages of zero and three. And everything about how you live your life for the entirety of your life is reminiscent of your haptics, okay? So I give a national talk on the rise of Gen. Z and have done quite a bit of research on haptic memory. And the reality is that things don't change as quickly as you expect because They're dealing with humans, and humans have our haptic memory, which is guiding how we live. So I started my career in the early 90s at an AI company, and it was in San Francisco. So we would always go to talks at Stanford as part of my firm's mission. And I saw a futurist, speak at Stanford, and he said, this is 1992, guys, he said that the paper newspapers would be gone, completely gone within the next 10 years, which means by 2002, you were not to see a piece of paper. Guess what? Even today, of course, paper sales have dropped dramatically, so that's not the point. But baby boomers' primary haptic memory is of paper. So there is no way that paper was going to be gone by 2002 because baby boomers were in their prime then. So if you think about kind of how all of us are living our lives and interacting with the world, I want to just say one last thing about this is Gen. Z is the first digital native human. And a lot of people don't realize that. And it's young Gen. Z, so my son is 19. He is the first generation of human beings with, this is it, primary haptic memory of the phone. And that makes them completely different than any other generation that came before. And maybe Brandon is right that when that generation is in their buying power prime, they might almost always want to be interacting with AI. I have no idea. But I'm just saying, right now, when it comes to total pure play adoption, Gen. Z is going to break glass, and that is why I started blogging and writing, and I had given a speech at Brandeis and UC Irvine about it, they are going to be very different and unexpected. And so you can imagine that I was super excited when Gen. Z overthrew the government in Nepal, because for eight years I've been saying they're going to be disruptive in ways we are not expecting. And when they overthrew the government, I kind of felt vindicated.

## Martin Coughlan

So kind of Looking at where we are, you've been through other technological cycles and innovations. What are the similarities this time around to what you've seen before? And how deep is the hype cycle right now? Yeah.

## Julia Carreon

Great. So I think about four major cycles in my lifetime. I started early in my career during the dot-com boom, then obviously mobile applications took off in the early, in the 2010s. And I was part of that by getting the first mobile app out on the street to advisors. And then I think of the migration to the cloud from an enterprise perspective as being kind of a major cultural shift and cycle. And then of course we have AI. And if you think about it, like really think about it, Every single cycle, we were meant to believe that this time was so different that everything needed to get thrown out. The baby needed to get thrown out with the bathwater, and we needed to think through everything from scratch. And I want to make a distinction. Sanjeev said something I thought was so great when he said that he was in a place of reimagining payments, and they had to throw everything away from scratch. You're building a product. You are innovating in that regard. And I do think it is appropriate to completely white label. I think you have to. But if you are living in a bank and you're managing a budget like I was of \$660 million and you're in a regulated environment, the fundamentals don't change, guys. And if you are executing with any kind of regularity, You need those fundamentals and you want them because they will help ensure that you can execute. Again, 78% of IT projects fail. And when an IT project fails, it doesn't just mean that you've lost the capital or the money behind that project and you have to start from scratch or you lose some of the money and salvage the rest. It's that you have stalled your innovation because you have had to take a step back. And one of the reasons I'm so passionate about making sure that as an industry, we talk about the importance of execution at scale and what does that look like and how do we get better as an industry, it's because I've watched 2 projects, over a billion dollars, not mine, thank God, get scrapped. Okay, and if you think about the compounding effect of that and that happening at every firm on the street, again, I am talking about the big players, my experience, but... it doesn't have to be that way, right? Like we are as an industry chasing relevance. So if you are chasing relevance, you need as little waste as possible and you need to be excellent at what you do so that you are careful with your shareholder dollars and your investment dollars. So I want to leave, I want to say three things about the fundamentals of execution because I think it's really important. Number one is it's a people business, okay? Don't forget that. AI, even AI can't execute itself, okay? You need people. So make sure you don't lose sight of the fact that it's a people business. And I mean execution is a people business. Number 2, you need a playbook. And it doesn't have to be the kind of playbook that I would have to deal with maybe executing at Citi where there's so many different milestones and people and compliance and legal and regulatory. And then actually working across the globe, I loved all the people who were talking about how hellacious European EMEA regs are because we spent \$300 million a year, right, just trying to keep up. So the regulatory, so you've got to have a playbook. And we could talk about that more in terms of my suggestions there. And then finally, I'd love that people talked about this today. You have to

have change management. So a lot of what I've seen, especially growing up in the brokerage business, We do a good job of delivering tech, but we don't always do a good job at making sure people use it. And at the end of the day, if you're, this is not the field of dreams. You don't build it and they come in the wealth management business. So having a solid change management place, I think, is a really important foundational item.

## Martin Coughlan

So why do people get execution wrong? Like if the stats are there, and the examples are there. Why is there no improvement, like really no improvement in execution?

## Julia Carreon

I'm gonna tell you why, and you're gonna laugh. It's because it's not sexy. And we live in an environment where execution is hard, and at least in the places that I've been in, There's a lot of managing directors who make a lot of money, and we are in love with our title, and not necessarily in love with the idea of doing the hard work. And we often think that we're going to say to our IT guy, look, I'm going to pretend that it's actually happened to me, new head of investments, and he came from somewhere else, and he handed me a performance statement and said, when I was at Wells, and he said, build this for me. I mean, in reality, it's like, what are you talking about? You have to, it's a completely different infrastructure. We have different data. Everything is completely different. So yes, I can build it for him, but I needed him to be my partner to build it with me. And there is a lot of this in our business where we just think, okay, I'm going to hand it to IT and they're going to work a miracle for me. So one of the things that I talk about a lot is you need to be instilling a culture of execution and modeling it and showing what it means to do it well. I wrote down some of the things that I think are really important, which is transparent metrics, which are not just about vanity KPIs. We talked today about having short feedback loops so that you don't get too far afield and then realize something is wrong. This one is really important. You want to reward your truth tellers. When you are working on a large initiative that could potentially go over 18 months, two years, obviously some of the things I've been involved in have gone on for four years. People lose focus. They get bored. They don't want to be there anymore. And so you have to model focus, right? You have to show that you can, that at the end, this is going to be amazing, but you've got to do the hard work and not allow for a situation where everybody just gets to be a chief. Now, again, I don't know, I know these are some problems that are inherent at larger institutions, But I do see that as you all scale and get bigger, all of these same principles apply. And there will be winners and losers at the end of this game. And if you are going to win, my suggestion is to really figure out and assess, are you good at execution? And if you're not, what are you going to do to fix that? Because you can outpace

the big players at this point, given all of the distractions and dysfunction, right, that goes on at the major players where you're seeing a fleeing of advisors going to RIAs. So I think we are at an inflection point, and RIAs do have an opportunity to win against the big guys. if they can get execution right.

## Martin Coughlan

So I'm sure many of you have seen, as well as the traditional consultants that have always been in the financial services arena, you've seen some newer entrants. And probably one of the bigger announcements over the last year is that Palantir are now entering the financial services industry, and they're making it a key growth initiative. One of their first marquee clients was actually Citi. And I would recommend to everybody to have a look at the Q1 Citi earnings call and the presentation. They kind of list some of the initiatives that Palantir are working on for them. I was frankly underwhelmed with what those initiatives were. So when I met Julia, that was the question I asked her and that's why she said, are you from the media? Now that she's not at Citi anymore, I just, and you talk about dysfunction at the bigger firms. When you look at somebody like a Palantir... And I think it's fair to say that the word on the street has been it hasn't been an undocumented success at Citi. Why do you think that firms like that probably won't get it right, both Citi and Palantir? Yeah.

## Julia Carreon

Okay. Is somebody going to come at the door? Alex Karp is going to show up at the door. I'm done for it, folks. I'm cooked. No. Look, I have been around for a very long time. And I will admit my bias. I would not hire a firm that does not specialize in my domain in these early days for one reason. You are paying for them to get up to speed. on your business. And who was the gentleman from F2? I thought he was so outstanding. Hi, gentleman from F2, fantastic. When you listened, what's your name again? I'm sorry. Don. Don, I apologize, I've got short-term memory loss. I know, you're like, oh, I like her, she said a nice thing. So thank you, Don. I was like hanging on every word Don said because he was talking in our language And he has an advantage to getting you live over somebody like a Palantir because he doesn't have to learn your business from scratch. Same deal with Avantos AI. I don't know if anybody's heard of them for onboarding. I am never impressed with onboarding products, and I am blown away by how impressive they are. But they are also a player that is looking to disrupt and finally fix the horrible, horrible 800-pound gorilla that onboarding is in a wealth management business, especially if you are selling all different kinds of complex products. So the number one reason that you don't want to sign up, I think, with a generic vendor is because you are paying for them. to learn from you and your team. And that is lost on somebody that really just wants to go out there and make a splashy, sexy

announcement where they're like, oh, it's so cool that we're, you know, partnering with this team. Yeah, great, but there's gonna be, there is gonna be, you know, chaff left on the floor when you're done that will have been a waste of money. And I, given the statistics of how many projects fail, even with unintended consequences, you are going to have a higher likelihood of failure. if you aren't partnering with somebody, especially in these early days, that is a solid domain expertise. And fortunately, when I started the business in the business of wealth management, there was nobody was doing tech consulting for wealth managers back then, I promise you. So you have the advantage of having players and partners out there that you can work with that will help accelerate your agenda in a meaningful way.

**Martin Coughlan**

The number that Citi paid Palantir is out there somewhere for people who want to find it. wasn't 1,000,000 or 2 million or 20 million?

**Julia Carreon**

430.

**Martin Coughlan**

I know I'm kind of going back and forth on some of the questions. I couldn't let that one go given your comments earlier about dysfunctional large companies. When you think about AI, How much of it is the fact that people are sitting there with legacy tech and bad data versus the execution component that you feel so strongly about? Like, which is the bigger impact, do you think?

**Julia Carreon**

So say that again.

**Martin Coughlan**

So is it the legacy technology that is sitting at some of these firms? Is it the fact that the data is not organized? Like, is that a huge problem? Or is it the fact that even with that solved, execution is very, very difficult for larger groups?

**Julia Carreon**

Yeah, I think that it's both and. What I would say is it is, and I'm going to admit I don't have the answer, right? I am, it's going to be fascinating to see kind of which CTOs are able to

figure out how to manage around these legacy tech stacks, which are incredibly complex. And this whole idea of like what do you do with these gigantic systems of record that are actually necessary today for every single one of your line of businesses in environments that are all siloed. I, part of my challenge as I'm thinking about what am I going to do next is part of me would be like super excited to go partner with a big with a really well-known CTO who's got a proven track record of execution and try to figure that problem out with somebody who was a great partner in that, because I do think that is one of the interesting challenges of our time. So I think you have to be doing both. I mean, obviously, we've beat to death the idea that AI is only as good as the ecosystem that it lives in, which means that it's only as good as the data that it has. And I see so many opportunities over the last 20 years for firms to have been doing. better data hygiene, more cleanup, making more sense of their client demographic data, and putting it in one place and massaging it so that we could finally realize the promise, which we've been hearing for at least five years, maybe 10, about delivering personalized advice at scale. And And the big firms are not there, and it is because of their legacy tech stacks and their challenges with them untrapping their data. But whoever figures that out will win, which is why I think the RIAs have a chance right now to get a leg up, because the legacy firms are really still grappling with their data situations. And then, I mean, there's the one thing that I would say to you all out there to try to give you practical advice and solutions, something that I think about a lot is there will continue to be a race for talent. And that talent is getting more expensive and it is getting harder. So the thing that I would say to you as somebody who remembers what it was like to be doing business in 2001 and 2010 is if you aren't getting to know your next Gen. talent in a meaningful way, you should be doing that now. because you probably have some gems on your team that you aren't even maybe aware of. I love to tell the story of everybody always wants to know how did we get a tablet app out on the street for such a large firm just months after the iPad was announced. And there was two ways that we did it, right? We were always doing the market research that was necessary to know where the puck was headed. So we knew there were, there were all kinds of rumors on the street back then about the iPad and what it was. And I don't know if you remember, there's a really famous interview with Erin Burnett where she revealed the name to Steve Jobs. And Steve Jobs was like, how did you know that, right? Like somebody had leaked it to, she's on CNN now, she's on CNBC back then. So how did we do that, right? Well, we had our strategy done. We had all of our market research done. We knew what our competitors were planning. We knew what our clients wanted and we knew where our bankers saw a gap. So we had that intersection. We were building it before it hit the street. And this is the secret. I heard that I had this gem on my team. who happened to actually have been a homeless guy. I mean, literally, he worked in our mailroom. And he rode his bike to work when he was in high school. He lived in a trailer on a relative's yard because he came from a broken home. He

had worked himself up to a business analyst, and I had heard rumors that he was a rock star. So I put him in charge of Mobile Advisor, that's the trademark name of our app. I put him in charge of mobile advisor, I stayed close to him and he rocked it out of the park. And he is now the head of innovation at a large asset manager in New York City. So This is an opportunity now. It doesn't, I think we tend to look in faraway places for answers, but often the answers are in our backyard. So one thing that I would be doing today is making sure you knew which person on your team happened to grow up in high school being obsessed with some, taking those classes that we talked about earlier about what should kids do, go find that person on your team and lean into them and make them a rock star because you aren't just doing yourself a favor, But you're doing the industry a favor because you're unleashing someone out as a talent in the industry for a long, time. I mean, I had dinner with Rod last night and he's like, oh my God, I can't believe that I'm turning 40. And it's like a great, it's a great story. So.

## Martin Coughlan

Yeah, I think we talked earlier about the people components and people management. I think it's a very, very different job going forward. And I'm not sure a lot of companies are going to be set up to do this. Any questions from people? We're conscious at the end of the day. We know there's been a lot said. Nick, it would be the very first panel you didn't ask a question of.

## Julia Carreon

Nick is tired. It's been a long day.

## Martin Coughlan

I had to put you on the spot, Nick. Give me a second.

## Julia Carreon

Okay. Here, you know what, Nick, you want to... Oh, yeah.

## Audience Question

Brian. I've been wondering how to ask this question all day, but so AI feels like it's going to make everything homogeneous. That it knows the best way to do things. It's going to see all the data it needs. So ultimately, if it's widespread, everyone gets the same result. And in this business, that means you do poorly. And so I'm wondering how, maybe a contrarian view here would help, but how do you see it, or does this enter into how AI, takes its place

in the business? And maybe it's just operational and it makes it efficient, but if it's going to be, make me a better analyst or make me a better portfolio manager, then the game's over kind of thing. How do you stay?

## Martin Coughlan

So I think if we were to just talk about the asset management industry that you work in and that I worked in, there's probably too many asset managers is the first thing. There's probably a lot of average asset managers that have made a really good living for a very long time. I think AI is not going to fix an average investment process, but AI will amplify a really, really good one. So I don't think we're going to end up with a homogeneous performance. I think you're going to see the people who are really good, the people who want more data, the people who are paranoid about the future, the people who don't believe there's a ceiling, will get better. I think the egos in the industry, you know, the people who have made a lot of money. They're not, it's a bit like my comment earlier. They may be viewed as high performers. I don't know if those people will be able to amplify going forward if they're not willing to really take this on. And I think there's a lot of those people that won't take it on.

## Audience Question

So to paraphrase it, sounds like how you use AI, how one uses it, could be the differentiator.

## Martin Coughlan

How you use it, your openness to using it, And I think a few people talked earlier. I think there is rewiring of investment teams, investment processes, not your philosophy, but your process for how you invest money. And A broader look at organization charts. I know I spoke with Niall earlier in the week about this. I think businesses will look very, very different going forward if the leadership in our industries are the ones who are driving it. But it'll probably mean some businesses won't be around. And honestly, there's businesses that have disappeared over the last few years already. And you've probably forgotten some of their names, which tells you a lot about whether they were really needed in what we do.

## Audience Question

You mentioned your execution playbook. Can you kind of give us the framework of what that is? And then obviously you've been successful in the past. How does that playbook change based off of AI being different than maybe legacy technology that's been implemented?

## Julia Carreon

Yeah, I love that question. When I talk about a playbook, I think some people imagine project management, right? And they think that's what I, you know, sometimes they think that's what I'm talking about. I, for me, your playbook should very much depend on the context and the culture of the firm that you're in. And I believe that it changes, and you should be changing it and adapting it based on that culture, because I am not a bureaucrat, and I don't get up and enjoy bureaucracy for bureaucracy's sake. So I would say that you have to be kind of playing it by ear to watch What is working at your firm? And it varies between teams, right? You might have a team that just rocks at it. What you want to do is take that team and make an example out of them and try to spread that culture around. But it definitely is dependent on the ecosystem that you're in. And there are different kinds, there's a whole bunch of different steps that you can choose from, which I'm happy to share with you later. I've actually spent the last year writing a book about it, but the other book that I wrote got picked up by publishing last week, not this one. But I would say how it changes with AI is that you probably have to have a little bit faster feedback loops is the most important way that it changes. But I'll be honest, I really actually don't think that you cannot exist without a playbook. And I really mean that. And if you don't have one, you should be putting one down and then getting good at it and using it as a routine because it will help you execute faster, I think.

## Martin Coughlan

We're... pretty close on time, unless anybody's got anything else. Thank you all for bearing with us at the end of the day. I'm going to pass to Nick to wrap things up.

## Nick Platt

Thank you, Martin and Julia. Wow, my brain is seeping out of my ears at this stage. But I think that's the nature of this, what's going on right now with this technology. First of all, I want to thank everybody for bearing with us. Hopefully you got something out of it. At a minimum, when you read the newspaper tomorrow, you might read it with a slightly different framework. and a different critical framework, and that can be helpful. This is a huge topic. We tried to jam it into a day and obviously didn't really do it much service. But again, we're just trying to change the frame a little bit, get people to think, and hopefully you

made some new contacts today and new relationships, and you can follow up on those and get some value out of it. We are going to have a transcript of this, right? And we'll make that available. Although we'll probably have to edit it, though, because we won't have names and it might be a little bit funky. AI will, yeah, of course. But I just, again, I want to thank everyone and thank the panelists. thank the attendees. We will try to find more formal ways to follow up on this. You just have to think about it. We'll have to consult our AI on that. Now we go to the next, the fun phase, which is the Mets game.