Speaker A 00:00:01

Welcome to the Future of the Firm podcast. I'm Emma Carroll, head of Client Voice here at Source. I'm really, really pleased to welcome Brent Tomlinson, who's joining us today. And Brent is President for Risk Advisory at Kroll. Together we're going to be exploring how firms can help clients navigate the macroeconomic uncertainty that's around today. And that is certainly something we're being asked about all the time by clients. They're saying they want help navigating the unknowns and that all this change has just become business as usual.

Speaker A 00:00:32

So we're going to be chatting to Brent, all about that. Brent, before we jump into that, tell us about yourself.

Speaker B 00:00:39

Thank you, Emma. Lovely to be with you. Thank you for having me on. As you said, my name is Brent Tomlinson and I sit on our execo at Croll. As a person, I am an American masquerading as a Brit, walking around London at the moment with my family. We moved here a few years ago. Two young kids who are loving being here.

Speaker B 00:01:00

I'm from America originally, but was a lawyer, a banker and entrepreneur. And so I've worn many hats outside of Kroll and within Kroll. I am a avid Leeds United supporter, even as an American, which usually surprises everyone in England, but really excited to be here and just have a great conversation about what's happening in the market.

Speaker A 00:01:22

Wonderful. Thank you so much. And tell us about Kroll. It'd be great to hear about sort of the areas that you work in and also kind of sum up your place in the market.

Speaker B 00:01:31

Yeah, yeah. So Kroll is, you know, the tagline is a kind of a leading global financial and risk advisory firm. What that means is Kroll has a really unique vantage point across some of the most important areas of business impact, investor decision making right

now. And our work extends across a few key spikes. We have a bunch of other sub verticals, but ones that will resonate with your listeners around valuation, you know, private credit. How are we making the right decisions financially? Geopolitical risk, regulatory risk, cybersecurity and enterprise resilience investigations.

Speaker B 00:02:11

And so really thinking around the concepts of, you know, valuation, deal making and risk prevention is what we are. We're about just north of 6,000 people globally across 30 different countries, across 70 cities. And I think the way I like to think about who we are versus some of our competitors, and there are many wonderful professional services firms out there. What we like to think of ourselves is a little bit different. Unlike a big four, we are global in nature. We cross borders, we bring global Teams together seamlessly overnight. Unlike super boutiques or small boutiques, we're not known for one thing. We're not known for, you know, a single issue or single topic in, in one or two markets.

Speaker B 00:02:58

The whole thesis of Kroll is how can we provide board members, investors and C suite decision makers real peace of mind on the decisions they have to make either on an offensive investment decision or defensively of how do they make sure they have the right risk managed. And so for us we have, you know, some of the big best in class experts in each vertical and each solution. But we show up as one croll across the globe and it's very easy for us to marshal resources globally overnight with best of breed experts in everything they do. And what underpins a lot of that is all of our experts show up with access to crawl data and our data and our insights and our, you'll hear a term I like to use our intelligence fabric informing our expertise. While you also have those who have some of the best judgment in the world and have seen many of the issues firsthand. And so that combination of just global solution set, multi jurisdiction, multidiscipline approach. But also one of the things I'd say about people is we have a very entrepreneurial spirit at quantity. Many parts of our business have come from acquisitions that tend to be management owned, founder owned businesses.

Speaker B 00:04:20

The entrepreneurial mindset is key to who we are. Management owns a significant portion of Kroll, we have thousands of shareholders in our business. And so that kind of entrepreneurial, the word I like to use is kind of that grittiness, that sense of ownership

shows up in how we interact with our clients and our colleagues to provide a solution and build a business business together. And that culturally matters. And I think it comes out in how clients interact with us on a global basis.

Speaker A 00:04:54

Okay, thank you. And there are a few things you said there that I'd love to home in on as we go through. And I think I'll save this one for a bit, but I love your term intelligence fabric, so I'm keeping that one up my sleeve. Yeah. So turning to the macroeconomic, macroeconomic environment and clients needs around that.

Speaker B 00:05:11

Yeah.

Speaker A 00:05:12

What are the big conversations that are going on around board tables at the moment?

Speaker B 00:05:17

Yeah, it's funny, it's. I think if you ask many people in my position, they'd all kind of give you a similar answer right now. I think, you know, we're recording this the day after the anthropic, you know, IPO disclosures and whatnot and even their Big topics. Everyone kind of is, is centering on the same, same want. Right now we're in this strange geopolitical landscape where there are kinetic wars, cyber wars happening apart, you know, throughout the entire world. There's a shift in GDP and economic strength that's happening based on population changes and shifts. You have interest rates in national banks and sanctions regimes diverging or you know, in an unknown.

Speaker B 00:06:06

And so you have geopolitical tension, regulators trying to keep up with new technology, new innovation. You have interest rate environments. There's a lot essentially. And what's really interesting is how do investors or companies grow through that? Because at the end of the day, doesn't matter what environment you're in. Boards and companies are tasked with growing and returning capital. Now the two parts that I'd add, which are what I just said is pretty predictable here listeners. It's on the front page of every type of, you know, Wall Street Journal FT right now.

Speaker B 00:06:44

The, the two pieces that are coming up in the boardroom right now that are more interesting that I haven't seen before. One, it's the idea of an existential question. For the first time, you know, because of the advent of AI, because of some of the geopolitical tensions, there are real discussions now of not if a business is a good business to invest behind or an idea is a good strategy or market to enter is a question of whether that market or business will exist in five years. And so it's no longer a kind of what's your base case? What's your investment thesis there. There's an existential question that's happening first that a few years ago wouldn't have been the case outside of like looking at macro restructuring trends. But this is bigger than that. This is whether that market will exist still, which is fascinating.

Speaker B 00:07:31

And then two is the idea of what is normaly right. I always. One of my favorite quotes and I think we talked about this in our you have pre session. I forgot which historian said it but one of the most dangerous thoughts in human history is the idea that normaly will return. And right now we're seeing a lot of CEOs and executives trying to figure out what is you, what does normalcy even mean anymore. And right now people just have to operate in the current state environment and are not trying to figure out if the yesteryear of interest rates or macro or geopolitical tensions is how to invest, but rather how do we invest forward knowing that, you know, we're just in this world of volatility at the moment. And that's okay. But those are really the discussions that are coming up.

Speaker B 00:08:17

And naturally AI is at the forefront or underneath the water. And most of those, AI governance tension, cyber, et cetera.

Speaker A 00:08:25

What about how they're asking you for help with those things? What could you pull out there?

Speaker B 00:08:29

So as I said in the intro, we are not, and I have some of my best friends work at McKinsey. We're not McKinsey. We're not trying to get here. Strategy, big transformation, pie in the sky. With all due respect of like, you know, here's where to go hunt. What we are really focused on is looking and partnering with our clients and our and their boards of targeting, how they're spending money, making sure they feel like they are investing wisely, growing wisely, and then how are they prioritizing their risk issues and resiliency and then going after those. And so I'll give you a few more concrete examples.

Speaker B 00:09:10

You know, Kroll is the leading valuation firm in the world. We work on more asset classes than anyone else. We have more experts than anyone else. And in private credit, which is seeing a huge up and down, good and bad press, we are at the forefront of some of the private credit valuation work. Clients are trying to make sure that they are staying up on valuation and there's not cracks in their portfolio as well as how do they continue to grow private credit. So this idea of retail vacation, of private credit, making it more accessible to regular way investors, how do you do that in a way that doesn't create liquidity issues, risk issues, valuation issues? And so we're partnering with people. There is a great example.

Speaker B 00:09:53

Another example is on Cyber and AI. We have a unique partnership with CrowdStrike. We're one of their most awarded partners, MSSPs. We work with them quite a bit and we have developed with them. How do you go work with a CISO or a risk officer to say, look, here is the long laundry list of cyber issues or risk in every firm. Everyone has them. No one is, you know, lacking a long list of things to fix. But how do you force rank and ROI rank, where to put AI defenses in place?

Speaker B 00:10:30

And so we're working with companies right now to say here's where AI can help you solve the highest risk. You know, risk issues and areas where AI offensively, someone could come in and attack you. Compliance programs, regulatory programs, helping manage the sanctions and terrorist landscape. Right now we're doing quite a bit that can be around national security issues, digital asset issues, you know, mainly any sector right now. When someone's trying to figure out are they making the right decision or if something's gone wrong, how do we solve that and get to truth in the data and

decision making? That's where we're really partnering. We're trying to give concrete advice on specific issues and topics.

Speaker A 00:11:09

Okay, thank you. And what about growth? Are clients talking to you about growth or is it more about surviving? At the moment, both.

Speaker B 00:11:16

It depends on the situation. There are many calls where you know the fire alarm is ringing and they just need to get through a crisis. But most of what we work on tends to be companies making decisions and trying to make sure they're making the right decisions to drive growth and reinvestment and return on capital. So from a growth perspective, a lot of interesting discussions around new markets, new products, you know, what market, you know, five, 10 years ago was the right one to enter industry verticals has changed. You can see that around data centers and AI, the entire ecosystems that have been built around the idea of AI have just exploded. I think it's very easy for people to think of AI as one thing, but when you start to look at all of the subcategories behind it, the CapEx deployment, the construction, the infrastructure energization, national security, grid issues, cyber issues, NEO cloud, suppliers of servers, suppliers, on and on and on, that's a good example where people are constantly trying to figure out for many of our investors and as context, we work with almost all of the top 300 private equity firms, almost all of the top 100 hedge funds. So we're working with a lot of the most thoughtful investors in the world are constantly trying to figure out where do they deploy their capital and what's the return they should be expecting.

Speaker B 00:12:41

So we're always helping people look at from a deal perspective, the diligence, the macro sanctions, geopolitical regulatory landscape they're investing behind, the team they're investing behind and the financial analysis behind it, the geopolitical kind of economic modeling behind it. So from a growth perspective, that's where most of our discussion is actually happening. And the whole reason we have a, you know, we, we pride ourselves in being financial and risk advisory are kind of the same things depending on who you speak to. If you're talking to a cfo, they are trying to risk adjust their financial decisions. If you're talking to a GC or chief risk officer, they are trying to risk mitigate for as financial, as much financial efficiency as they can. Their largest risk

issue. So it's kind of boards and C suite members are all working towards the same goal and our jobs to partner with them.

Speaker A 00:13:37

Thank you. And I love the term used earlier about helping clients have peace of mind around their decision making. You've given us quite a few examples there of decision making, but anything else in terms of supporting decision making, and I'm not sure this would be relevant, but I love to know if there's anything more soft skills around decision making that you're also helping with.

Speaker B 00:13:56

Yes and no. I think we don't have some. Some boutiques have, you know, coaching and executive trainings and whatnot. We don't. But what I will say is kind of goes to that entrepreneurial, gritty grit mindset. Everyone that we have are best at what they do. Yeah, I can say that confidently.

Speaker B 00:14:21

We have you almost leading market share or key players in almost every industry we're in. That's how we kind of make sure we're in the right ones. And with that comes just the ability to understand how to partner with clients. And so the soft skill around that, I would say you see that during crisis. You see it during crisis, or you see it on the most complex issues where there's so many different counterparties that need to be brought to the table. A rest working right now somewhere, you know, Africa, Middle East. On restarting a banking system, I'll put it that way, because it's confidential. The number of parties from governments and regulators and on the ground, you know, overseas partners that you have to bring to the table is really complex.

Speaker B 00:15:11

And I similarly, when a company goes through a cyber breach, everyone thinks they have a plan. It's like the famous Mike Tyson quote, everyone has a plan and so they're punched in the face. You know, cyber security. You see firsthand how strong executive teams are when they go through a cyber breach. And what I mean by that is, I'll give you an example. And people who've lived it will know the first thing that happens is a CEO wants an answer tomorrow, immediately, what happened. Often it's not that easy to get

an answer or, you know, immediately. And there's also lawyers will say, you, you know, who knows what.

Speaker B 00:15:50

When is intentional. And so where I'm going with this is our executives and our team and our practitioners know how to bring people through crisis or how to bring executives and board members through major shifts in decision making or investment theses, because it is not based on how we started the call. It's a macro backdrop and everything that's happening, people feeling really confident they're making the right decision over and over again. And Bringing their teams and their organizations along for that journey is really hard. And so that's where we work with many of our executives and counterparts and clients to make sure that they know that the entire crawl ecosystem, everyone is available to them at any given point in time to help their entire team feel confident that they are making the right decisions. And so a lot of that does come down to soft skills as much as the actual financial or investigation capabilities, but it's something we pride ourselves in.

Speaker A 00:16:56

Okay, and let's talk a bit about data and the data challenges that clients are facing at the moment. What are the needs they're talking to you about around their data and how are you going about tackling that?

Speaker B 00:17:09

Yeah, there's a few different. You and I spoke about this and it's kind of interesting. There's kind of three lens that jump to my mind on this. You have some clients who say, hey, help us make smarter decisions using our data. You have some clients who say, hey, crawl, or others, how are you using data to make sure I have the best information? And then you have those who are saying, help me sell the data, help me figure out if there's value in it, etc. So it's kind of all different camps of where you are at the moment.

Speaker B 00:17:40

One of the most interesting things, I cut across that because the advent of AI is still relatively new. When you think about how long many of these companies have been around, people are trying to figure out where they put AI into the system, how much

access do they give to the data, how much access does it help them accelerate those issues, or how much risk is intertwined in that. So I'll give you a good data point. We surveyed about a thousand different cyber experts or decision makers recently across 10 different countries. And, you know, over 75% of them have experienced some type of incident involving AI applications or models in the past two years. May not be a huge breach, but something that has been given them pause. And so maybe I'll take some of those in turn. You know, many of the clients, I often find that often people want data, but they don't know what they're actually asking for.

Speaker B 00:18:41

I think they'll say, hey, send me the data, look at our data, tell me what the answer is. And oftentimes it's backwards of kind of what's the business question or what's the strategy question you are trying to find insight into? And so we have, because of our financial expertise or forensics expertise or cyber expertise, we have, we have data analytics groups and teams that Whether on a healthy strategic situation or a house on fire situation will come in and really partner with professionals to figure out how do we use the data, what insights are in that? To solve a very specific question. And an example there is, we've worked with a very large social media platform. Easiest way to describe it looked at all their data and there were so many different correlations or best practices that they were leaving behind that they could have been using to increase just their customer acquisition, their dso. Like there's a lot of just hygiene that they didn't have. That's one instance.

Speaker B 00:19:47

Another instance is where is the data from a risk perspective and how much exposure does it create on the dark web. And so there's a how do you clean up the data inside bridges? At Kroll we take the view you heard my term the intelligence fabric. And some people may disagree with Crawl. I do not believe we are a data provider or a data firm. We are a world class professional services firm. But what's unique about us is we have data products because we are world class professionals and experts. And so how do we capture that data exhaust how do we capture that data intelligence and and provide it to our clients which we do with a private credit.

Speaker B 00:20:27

We have a benchmark with Stepstone that we built first of its kind. All of that data that we're using is just based on our decades of expertise and experience and our own tools.

So we build things for ourselves. We build the best in tools, bring the best professionals, add analytics to it and then every time we pitch go to market bring insights. We're trying to be informed by that data. And the key, we're not there yet but what we're working on and continuing to see progress towards is how we started. Every issue is more multi discipline and multi jurisdictional than ever before. The cyber incident is no longer just cyber.

Speaker B 00:21:04

A tariff, a sanctions, a whistleblower, forensics, a investment thesis, a transaction all starts to intertwine with all the topics we've talked about. Cyber required creates regulatory issues depending on the industry, which creates national security issues, which creates compliance issues on and on and on, which then has valuation impact. We're bringing our data together across all of our solutions so that when we go to a client we can say in your industry, in your vertical, in your relevant xyz, here are the issues or issues of the day that are not just siloed and breaking down those silos is why we're structured the way we are, why we are not the big force or siloed boutique. And we See, that resonate with our clients when we can talk to them about a key decision they have to make. And looking at it from a multifaceted point of view with experts who've done it before, but also with data behind it that can benchmark and provide insights, is where we're going to continue to lean in on.

Speaker A 00:22:08

That was really interesting and you really brought that to life because clients are often telling us they want firms to come with their proprietary data and, you know, it's something they really value in the work that they do with them. So thanks for bringing that to life. I know also that you're launching your geoeconomic risk index, I think 5th of November. So next week, by the time this podcast goes live, that will be ready for people to look at. Tell us about that. What is it? How does it work?

Speaker B 00:22:37

Yeah, yeah. So it kind of is a synthesis of everything we've been discussing. So we have an incredible team of economists, financial experts, risk experts, etc, from around the world. They're not in one office. They are global by nature, who have built a proprietary, if you will. The way I articulate this, and it does not do it justice, so forgive me, is if you think of a hurricane tractor, if you have a hurricane tracker, and there's all these

different lines of where a hurricane can go. Well, look, there's a lot of models that can predict a wide outcome.

Speaker B 00:23:13

What our team has done is they have built something where they will partner with clients or customers or investors and tailor it. And so we can, we can now, with AI, you can run agentic AI behind it to go to a correlation level that not only correlates the macro correlate to your internal risk thesis or investment thesis, your internal supply chain connectivity. And so a good example is this. How do we take all of the insights of Kroll from a financial, a cyber, a macro risk AI perspective? How do we look at where the world regulators and thought leaders and banks are, you know, imf, etc and then how do we bring that to bear into an economic model that a CFO of a major or a chief investment officer can tailor? And so an example right now is this is live with one large, very large investor. They will run different models that they can just build. Does the conflict in some part of the world continue for 3, 6, 9 or 12 months?

Speaker B 00:24:16

Do commodities go up and down? So we've made it tangible and fungible for clients to use and then have that implicate what that means for their portfolios. So it's entirely customizable, but it's leveraging a lot of the crawl data, external data, and then clients who don't have to build it themselves. And so it becomes. And with that, we kind of classically will give a risk indicator of where we see geopolitical risk at the moment versus historically by trying to take in all those factors. But what I'm excited by is it gives our clients a chance to make it real for them. Make it real for them to scenario plan without having to go employ hundreds of economists and modelers, but make it real for their business in different scenarios. That is extremely easy to update and play with and benefit from the CRO intelligence fabric.

Speaker A 00:25:11

I'd love to hear a bit about how it works commercially. Is it a standalone service that's paid for? Is it part of other work? How's that working?

Speaker B 00:25:19

That's a great question. And so I'm going to do something on the podcast that I didn't necessarily plan to do because we haven't launched it yet. That's a debate. Of course,

we are a for profit company, so we like to make money. But at the same time I think it'll be a mix. And so I will say it this way, if anyone hears this podcast and wants to reach out to me and use it as a demo or try it, I'm happy to do that and let people have it for X number of months to see what works. Because, you know, we built it again, it goes back to our private credit benchmark.

Speaker B 00:25:56

We built it as a response to how we were working with clients and advising clients. We are not trying to build data and tech products going, you know, as a, as a firm, that's not who we are. When we are building and using tools and tech platforms and clients are asking them for it, we'll bring it to market and intertwine our services and technology. And this is a good example of that. So this has been more so we've actually co created it with some of our largest clients, but we could always fine tune it. And if other clients or prospective clients want to try it and use it, I'm happy to partner and let them have it for free for a certain part of time. Because it's a real debate of how do we do it. Eventually we will monetize it in some way, but right now I think it's more important for us to bring that multifaceted perspective of risk to the market in a way that is beyond one or two headlines and one or two correlations.

Speaker B 00:26:53

This is truly a very highly sophisticated economic AI driven model that is Customizable down to everything in a company.

Speaker A 00:27:03

Do you know what? Your answer there is just as interesting as, if not more interesting probably than if you'd given me your exact commercial model because essentially you're evolving it, you're innovating as you go. Yep.

Speaker B 00:27:14

And we'll, we'll go where the market goes and we'll go where the clients go. And yeah, this isn't, we're not building this because we think it's going to be, you know, hundreds of millions of dollars. Instead it's, it is the manifestation of much of what we spoke about for the last 30 minutes of our entire experience and expertise. And how do we make sure clients have that more read available without always having to call us as part of the thesis behind it?

Speaker A 00:27:40

Anything else in terms of tools or offerings that you're, you're selling or providing under the term of navigating uncertainty?

Speaker B 00:27:48

Yeah, I mean, there's a handful, actually. I mean we have more again because of our breadth and sophistication across different verticals. There's quite a few. So the biggest one that I think is most key in the market right now is our private credit benchmark with Stepstone and our ability for internal valuation teams at private equity funds, investors, hedge funds, et cetera, to readily access data that is opaque, that is data that you cannot find consistently at scale. And that allows people to truly have an idea of what's happening in the private credit market. And that has just been a market that has exploded in the last five years. And so the scale of that is critical.

Speaker B 00:28:30

And that's something we continue to see outreach on, investment behind and something we'll continue to invest behind because we have a unique position given our valuation history and just our best in class teams that are driving that every day. So that's one, the geopolitical risk is another one. Our cyber partnership with CrowdStrike has yielded a lot of interesting capabilities and products. The one I mentioned around being able to evaluate AI cyber, AI defenses and deployment from an economic lens is really interesting. How are we offensive pen testing, red teaming, all the great cyber terms, red team, you know, purple hats, whatever it may be, we're continuing to be more forward, leaning on the technology and platforms people can use there. And then from a regulatory compliance perspective, you know, we have, we are as Crohl should have said this in the beginning, we're in nearly every major financial market, intentionally so. And we have financial services experts and compliance and regulatory experts in all those markets. And how do we bring some software product or Capability along with that continues to be more and more required by some of the sophisticated investors in the world.

Speaker B 00:29:49

And so we have products there as well. So there's some that I'm missing and I'm sure someone at Kroll will yell at me that I forgot to plug the product that they're, they're

working on. But the most important comment is all of that is expertise led. We use it all internally and then we figure out how do we bring it to clients to bear to complement our expertise. Because what we often have found people who have technology still come to us saying what the hell do I do with it?

Speaker A 00:30:16

Right?

Speaker B 00:30:16

Or the data question. And so trying to pair that very thoughtfully. Where we have, you know, world class experts is the focus.

Speaker A 00:30:24

And Brent, helping clients navigate uncertainty. What haven't we talked about that we should have done? What have we missed?

Speaker B 00:30:30

The one thing that we haven't talked about that's interesting that we're focused on and maybe it's not a perfect analogy, but it's something I don't think is getting enough attention or analysis is we use the term zombie funds, right? 90% Of the return of a fund that's created is usually within the first five or six years. Right. Once you get past year seven, historically most the best returns have been yielded already. We're in a situation right now where there's nearly 4 trillion of deployed capital that has aged over eight years. The secondary's market is only about a trillion. There is a gap now not all that 4 trillion is distressed or bad or any of that.

Speaker B 00:31:14

I'm not, you know, sounding an alarm. However, we are seeing and we have a offering we call Fund Solutions where we go in either the end of the life of the fund or we have LPs who don't see a clear path to liquidity and rethink. How do you find a path of liquidity that is not a secondaries market, a continuation fund and a new valuation is not liquidity. It's kicking the can down the road. And so everything we've talked about, geopolitical interest rates, AI disruption, regulatory, there's also this huge giant chunk of capital that's sitting out there that people have not realized their return on have either

kicked the can down the road, but many of those funds eventually run out of life or those assets are also in markets that have the existential question on top of it. So how is the, how is the market going to absorb that issue, that kind of zombie fund issue over the next few years while also absorbing the AI HYPE issue. There's really two interesting things that we think about all the time. So to say it another way, AI will be a wildly successful technology.

Speaker B 00:32:32

It doesn't mean it was a good investment for many people. At the same time, there are investments in more traditional parts of the world that have been disrupted by AI. That people are stuck and the market right now and major economies like the US are growing and doing well partially behind that tech AI boom. But if there is a cascading series of disappointments, I don't want to say failures. Again, we're not naysayers, but just disappointments in different situations. And the volatility in the markets we talked about just heightens that potential. You have the collision of a bunch of investments who've not found a way to return liquidity all at the same time. When the market eventually can't absorb more capex, you're seeing that in the bond markets when we're recording right now of data center bond market issuances are just struggling with absorbing that CapEx requirement.

Speaker B 00:33:26

The combination of what's here in front of us now, but also a ton of aged capital that doesn't have a path to return to investors creates a really interesting dynamic that is hard to predict.

Speaker A 00:33:40

So fascinating. Thank you, I really enjoyed that. And I've got a final question for you. And for this one you can forget about everything we've talked about because you could give me an answer relating to anything in the consulting or the professional services industry. So I'm asking all speakers for the rest of the year looking ahead to 2027, what's the one big consulting or trend in wide professional services that you think we all ought to be looking.

Speaker B 00:34:05

Out for and why people overselling and I know I don't think I can curse on this and naturally I always do so BS on the deployment of AI in their platforms so that's less of a market opportunity. As consultants, what I have found is everyone is trying to rapidly deploy AI. The biggest watch out for customers, clients, investors, consultancies is spending a ton of money with little impact or efficiency gained from it. And that'll be true for investors because there's two things that are happening. One, everyone knows that we all need to bring AI to how we develop and advise companies as consultants. No one disagrees with that. The ability for large corporates or partnerships or geographically dispersed groups to do that at scale is hard.

Speaker B 00:34:59

Just the nature of many of those platforms do not lend itself to it. And the need from the internal just quite frankly younger generations to have Access to those tools all is the right impetus to do it. And it's something we are constantly investing in ourselves. We're being extremely, we are purposely being fast followers, put it that way because we know that, because we see that and because we advise companies on it. We're intentionally not going fast in big swings. We are constantly trying to evaluate how do we disrupt ourselves. The watch out for companies and clients and everything is people deploy all this capital and think AI is a panacea. And actually you're introducing a ton of risk, ton of risk from a data perspective, governance perspective, compliance, cyber, et cetera, with very little efficacy or plans around it.

Speaker B 00:35:52

I saw a survey recently where I think it was like a thousand executives who were who were surveyed and it was have you seen ROI from any AI investment? And only 20% said yes. But yet people are spending more and more money into it. And if you read the anthropic IPO filings their business model is going to continue to evolve. And so that is just the big watch out in terms of how do you make sure this is a slight plug for cool but clients still need two things, excellence and trust. How can they trust that you're giving advice that is thoughtful, that understands their business and as a level of excellence on a global scale. And AI will be part of that but for us it amplifies our human expertise. It is not going to replace it.

Speaker B 00:36:44

The watch out is people over swinging the pendulum and making really grave errors or mistakes and what they do with their client data or their customers data.

Speaker A 00:36:56

I guess it's hard for some firms not to over promise if it puts them at a competitive disadvantage. In a way it does.

Speaker B 00:37:06

That's right. But I think for us we're more focused on tangible proof points where if a customer called me right now and said how are you guys using AI in this question, happy to show it to them. Some areas we are, some areas we're not right. And it really depends on it goes back to first principles thinking of what is the problem we're trying to solve or help the client with and is that tool helpful or not in this situation? Yeah, that's my take. I'm sure that's probably not profound. And there's something else I'm missing right now, but that's the one that just you and I both know everyone's going to keep talking about it next year and everyone's going to kind of bang the drum that they're a cutting edge.

Speaker B 00:37:42

And again I'm actually proud to say we're going to be a fast follower and continue to invest in our human expertise to help clients think through these issues. Using tech, of course, but with the expertise overlaid.

Speaker A 00:37:55

Wonderful. Brent, thank you so much for that conversation today. Really enjoyed it. So much to take away. Thank you.

Speaker B 00:38:00

Appreciate you having me. Thanks for the time.