URL: https://stvp.stanford.edu/clips/coping-with-copycats

How did Voicea think about copycats? First, advises Voicea founder and Cisco Contact Center VP and GM Omar Tawakol, it's crucial to avoid a business model with a built-in data disadvantage. After that, he says, it's all about building an extraordinary team that can create the right user experience. In the AI space, he adds, there's a new kind of competitive advantage: User loyalty will compound if your product can automate the loop between data collection and algorithm creation, and continuously improve the user experience for everyone.

Transcript

I'll repeat the question, did we do anything at the early stage to prevent people from copying us.. There were so many copy-cats, why was I comfortable with that? I had an amazing tech team, in a very hard problem space, and I knew that nailing the interaction with the customer was so damn hard.. It was, and I'll talk a little about that.. Here's an interesting story.. Before I started, Voicea, me and the CTO, and my co-founder, who runs product, were experimenting with this other idea, that I refused to take funding for.. We had built an assistant, that wasn't a voice assistant, it would read your calendar, and your email, and it learned very quickly, to do things like, hey, respond to this email, you forgot it, hey, this person responds in 30 minutes you take four days.. Don't double cancel this meeting, you've already canceled before, stuff like that, it was a really cool tool.. Why didn't I start that company? Because exactly what you're saying.. I realized that I would not have a data advantage.. That Google and Microsoft own, each, half of the world's email and calendar data, and I as a start-up would be competing to get more and more data, and all they had to do is buy crappy competitor number 72, and they could still beat me because they'd have more data..

So I didn't found that company.. This company I founded because I realized that 99.99% of all voice in the enterprises in the ether are not stored in a system of record, so nobody has a data advantage, literally nobody.. So I figured if we had that right algorithms, and we created the right user experience, we could get ahead of competitors, and we had a lot of competitors, they didn't scare me.. I was worried about, it's actually the same insight, behind the folks that started Intuit.. When they started Intuit they said, they're not competing with other creators of software for accounting, they're competing with a paper and pencil.. So I was competing with people who just took manual notes.. Not a bunch of start-ups who were trying to solve a hard problem and didn't necessarily have an advantage, so great question.. The other thing we discovered, to your question, was there is a new type of competitive advantage that I didn't think of before.. BlueKai had a classic network model, meaning the more data suppliers I had, the more data buyers wanted it, which created liquidity, which made it easier for me to close the next data buyer.. And that loop continued..

That was a classic network model.. This had a new type of network model.. I call it a compounding competitive advantage.. Because if you could build AI that is constantly training on this data, it's different, all the, everybody who does AI say's their model's concentrating.. The hard part is to automate the entire loop of data collection, to algorithm creation, to making sure that you haven't created more false positives, or changed the profile of how the system works, and automatically deploying it every hour, if you could do that, you're competing with other AI companies, who will ship new algorithms every quarter.. So if you can learn people's language model, so you walk into a meeting, and you say new acronym, the system doesn't know it, and an hour later it knows it, and updates the language model, it gets better and better, it's stickier for the consumer, and they stay with you, and you get more data.. So that kind of compounding competitive advantage is really interesting in this new breed of company...