



Daniel Newman: Joe Burton, CEO at TeleSign, welcome to the Six Five Summit 2022. It is great to have you here.

Joe Burton: Thanks for having me, Daniel, always a lot of fun.

Daniel Newman: Would you be surprised if I made a joke about the fact that we have the same person helping us pick out our clothes? Did your wife pick this out for you too?

Joe Burton: Of course. I think they coordinate, so we don't have to.

Daniel Newman: I have terrible fashion taste, but I'm hoping that that is a sign that we have great help. You know what I mean?

Joe Burton: Indeed.

Daniel Newman: Well, it's so great to see you. We have a bit of history together, been following your career. Great to see you over at TeleSign, a company that's doing really interesting things. Then I'm excited to have here at the summit. I'm excited to introduce to the world, not that the company isn't already doing big things and being seen, but this summit, 70 plus speakers, more than 50 of the world's most prolific tech companies, it's just a great platform. And having someone like yourself that's been doing this for some time is going to make a great conversation, especially talking about the big picture of digital transformation, the economy, and so much more.

Joe Burton: No, that's terrific. We're really honored to be included with such a fantastic group of companies and speakers. It's going to be great hearing what everybody else has to say as well and see what we can learn.

Daniel Newman: So before I get to the big questions, how are you settling in there at TeleSign? You've been there now a little bit, been watching your work. You're getting comfortable, feeling good?

Joe Burton: Like all great companies, I feel like I've been here forever and 15 minutes all at the same time. Actually settled in about 18 months ago. Now it's been a little while, but running at startup speed, 18 months is two or three major release cycles. Couple of big pushes with customers. I think we're in the rhythm and rocking and rolling. Now, it's great.

Daniel Newman: One of my favorite quotes is that the days go slow and the years go fast. That is how my life feels absolutely as well, you see your kids growing up around you, the people you're working with, your tenure in different jobs, you see your favorite sporting teams age out or... Remember when we were good?

Joe Burton: Unless you're a Brady fan, but yes. Right.

Daniel Newman: Yeah, he never ages out. It's the hyperbaric chamber, I'm pretty sure.

Joe Burton: Yeah.



Daniel Newman: So let's talk about digital transformation. I think topically speaking it's here to stay. It has a bit of a continuum of meanings, but I think the world has agreed that digital transformation is here, but everybody's in varying stages of their transformation. As they transform, what do you see in your role as to how that's changing for companies and for consumers about the way they're able to live these blended hybrid digital and in real life lives, especially after the pandemic?

Joe Burton: I think digital transformation, like you said, I think everybody has started. Nobody has finished. As soon as you're through transforming, you're going to start again. Technology moves pretty fast. As soon as you've put all your systems online and you've got them down to a couple of our response time for complicated things, we're going to turn around and make them real time instead. I think it's incredibly exciting, the speed that we're moving at going forward.

I think at the end of the day, people want to connect with each other and the brands and the companies they love, they want to do it without compromise. Of course the companies want to engage, communicate, and ultimately transact with their customers free of fear. All of this happens as part of digital transformation, can we go faster and easier? I think at TeleSign what makes me so excited is we exist to make the digital world a safer place for everyone. Frankly without that safety, without that continuous trust, the promise of the digital economy is just not possible and we are going to make it oar.

Daniel Newman: I love that you said that. I've been studying, writing books, researching, doing trending pieces on digital transformation. Now I think it's going on a decade. I still remember the first time I mentioned it to some people they were like, "Digital what?" But I think as a whole, what we have come to realize is that it is a process. It is never finished. I still remember a line from a movie, The Social Network. I love that movie, the one about Facebook. So it's like fashion, it's never finished. Well, digital transformation's kind of the same thing. Once we get to where we think it's supposed to be, maybe you get something to the cloud and then it's like, well, wait, we're not doing public cloud, we're going to do hybrid cloud. So you're going to have some on-prem and some... And then it's like, well, no, there's three different clouds.

And so this particular cloud is really good for A, and this one's good for B. Oh, wait, don't forget about the edge, we need that too. And so that's what I think our future is going to look like. By the way, Joe, one thing that I think we're going to see more than anything continue to transform is security. This is an area that you guys are pretty focused on I want to pivot to, because during the pandemic we've sent everyone home, everybody's got a laptop, everybody's got a mobile device, we got our email. What happened by the way is we created this massive attack surface that was already really large. And then we basically sent everyone home with no real training, reconfigured our networks, VPNs, software defined WANs. And then of course no security on some things, and we just sent everyone into the wild, huge issue.

I mean, online security, talk about a transformation, it's going to be a huge concern for business, for consumers, for governments, and every one of our daily lives is affected by it. Talk a little bit about digital identity, because I think this is going to be one of the best ways that we're going to be able to start to solve for all the cyber issues is getting the digital identity proposition correct.



Joe Burton:

I certainly will, Daniel, but I do have to say as bad as the pandemic was and still is for many people, as an optimist I'm surprised and impressed with just how well it all did work. The fact that we sent everybody home, no training, no systems, we started email or FedExing laptops to people, emailing onboarding and whatnot. Yes, there was a rise in cyber crime, but my goodness did the economy hang together. I actually think that it is a real testament to the great work the industry's done.

Now, you mentioned digital identity though. How do we make this even more robust and even more simple going forward? As with other digital concepts, we've often used the physical world to shape our identity verification experience in the digital world. However, the digital world has these unique challenges. In the physical world, when I go into my bank to withdraw funds they might ask me for a government picture ID and a password for my account. The banker thing compares it with the thing I brought with me, the thing I brought with me being my face so they can do it, because I'm standing right there.

The real challenge is, in the digital world, the person providing the document, the password could be a fraudster that has stolen my identity. It could be anyone. That's why the digital, something you know schemes, like a password or challenge questions frankly don't really work. It's too easy to steal for the bad guy, and it's too cumbersome for the real person. A better idea is a continuous in the background assessment of hundreds of security and behavioral factors to make sure the person really is who they say they are. And then for a really critical transaction, right at the end, maybe a robust quality two-factor check.

That's very much what TeleSign's been focused on. How do we look at all of these identity signals to continuously know that Daniel really is Daniel, and we don't have to go back on those very laborious, what's your wife's dog's maiden's name? I can't ever remember.

Daniel Newman:

Well, I've gotten quite good at those. I have sticky notes on my laptop that I have out in public for people to take pictures of. I often post pictures of my passwords on the Internet accidentally just to see how easily I can be hacked. No, I'm joking. And serious, I love your optimism, Joe, about how well we did, because I do agree. We definitely kept things rolling. I mean, for all the negativity in the beginning, we did keep things rolling. I mean, it was absolutely a tragedy, what happened over the years from a health standpoint and of our society, but the ability for companies to make investments in tech and to quickly deploy, roll them out and keep operations and businesses flowing was impressive.

By the way, I think it also gave us a very clear indicator of just how fast we can move when we put our minds to it. And we maybe learned a few things about just how necessary are some of our travel expenses, things that we do. But of course, now that we're in the later innings and we're starting to see a lot of relaxation of all the rules, I have noticed a huge uptick in mobility and events and getting back in-person. So I think some of us, maybe our CPUs were running a little too hot and we need a little social time because you can only work 20 hours a day for so long before your head explodes. Go ahead. What were you going to say?



Joe Burton: Oh, I was going to say it's very fascinating, this human need to connect in-person that you're talking about. I'm trying to figure out. Of course, I have loved the remote work, the not traveling, frankly lowering my carbon footprint considerably. I am seeing this travel uptick right now and I'm trying to figure out, is this catch up travel? Is this just, we all need to connect after two years apart, or is this back to the old days? I suspect and I hope that it's catch up travel, and then maybe we can go back to halfway in between pandemic and the old days, but [inaudible].

Daniel Newman: We definitely miss each other. I've noticed that just having been out on the road, been to a number of events, I think everybody handshakes and hugs. Careful, of course. But I also think this is a bit of a habit thing, and by the way, fits really well with the security thing. The vulnerabilities over years, a lot of them have been just created through people's habits of passwords. By the way, as technology gets smarter, whether that's visual hacking, whether that's actually using dark data to be able to... It's our own bad habits that are often our demise.

But one of the things that I wanted to get your take on is this idea of friction. Okay. Because we are seeing it with the emergence of experience in the experience economy. Everybody wants to create these frictionless perfect seamless experiences so that you can go into the bank and get access to your accounts and your money seamlessly with a phone. By the way, in order to do it and make it really seamless, a lot of times the things we don't like about a process are done in the name of security. They're done in the name of protecting, like we need you to sign here, thumbprint, retinal scan, need to see your boarding pass three times before you actually sit on the plane. My point is this is insecurity, but it's also friction.

So I know you guys are thinking a lot about this with the tools you're building and identity and security. What's the balance? Because I'm afraid if we completely remove friction, can we do it in a way where we don't risk privacy and security in a way that's really could be negative?

Joe Burton: Daniel, I'm so glad you asked this one. Across my whole career, I very much lived where technology meets the consumer. That's always been my gig wherever I am. So inevitably I'm a CX junkie, a customer experience. This is what I'm all about. Customers expect a seamless experience, but they want to feel safe and protected. Together if they can feel safe and protected and it's simple and holistic, this inspires confidence and brand loyalty. It turns out, to get to your question, the right amount of friction to put into a user experience depends on the experience itself. No, it really, really does.

In theory, back to that technology optimist that I am, I think I could remove all friction from most of these experiences and keep you safe. But how would you know? The trick is people expect certain friction at certain times. When you're landing on a website or initially creating an account, maybe looking for low to mid value information, a [inaudible] of continuous trust, because we've been looking at all those background signals and no actual friction might be completely appropriate in that initial landing. But as the consumer starts to want to see more detailed information, or if they're asked to provide some personal details, they expect a little more friction. It's actually reassuring to them, what do you mean you're asking for this, that and the other, or you're letting me see order information that has my address and you have it asked me for anything?



Finally, then for a high stakes transaction, like transferring funds or resetting a password, they expect a little bit more, kind of a third level of friction. I think the real key, what we've been spending a lot of time on buyer journey, account onboarding, really studying this at TeleSign, by spreading the friction out, by asking for the right amount of information at the right time, we can have appropriate security and we can assure the customer and land on that optimal customer experience. So I think the answer is no friction, it's the right friction at the right time. We are hard at work on it.

Daniel Newman:

That's a great answer, Joe. I think it's something that the market needs to be thinking a lot about. It's, what are we willing to give up? By the way, in the name of experience, most of us as consumers have been willing to give up pretty much everything in terms of our personal data. So the idea though that we cannot give up anything in terms of experience and yet know that our data is safe and we are protected, it's going to be done not reactively, but proactively. That should provide the consumer, whether an enterprise or an individual, a bit of confidence that this technology is going to really transform, going back to the start of this conversation, digitally transform our lives.

Having said that, I think the challenges are material significant, palpable, perhaps is the word. Every time you guys will break through with your next thing to remove friction, there will be some hacker that will be working on a way to disrupt what you've done, and you'll have to play that game of continuously improving and staying ahead of it. But I do believe, Joe, and you and I talked about this offline, I'll say it online, I believe most of the problems we have in this world, education famine, intelligence, economics, jobs and shortages, and resources will be solved by tech security, will be solved by tech. I love seeing folks like yourselves at the helm making that happen.

Joe Burton:

Well, that's very kind of you, Daniel. I like you. I'm a huge optimist about the future of the world, about the future of where we're going as people. I do think caring individuals, applying tech to look after each other can make great improvements on many, many of these problems. So looking forward to the journey together.

Daniel Newman:

I look forward to keeping an eye, Joe, on what you are doing, what TeleSign's doing, and we'll have to have you back on the Six Five soon. Thanks so much for joining me for this year's 2022 Six Five Summit.