Leo von Gerlach	Hello everybody. Welcome to another edition of *The Influencers*, our podcast conversation on Digital Transformation and Law. I'm Leo von Gerlach and with me today is Sebastian Schirber. Sebastian is a partner at Artefact, one of the global leaders in AI and data consulting. He has extensive experience in helping businesses leverage AI data and analytics to drive transformation and their competitive edge. He has also a strong scientific background and a Phd in climate science. So, Sebastian. Great to have you.
Sebastian Schirber	Hi Leo, glad to be here. Thank you for the invitation.
Leo von Gerlach	So just start on a very simple basis. You have a very broad range of experiences. You had a number of roles in climate science and in capital management and now consultanc,y all circling around digital technology. Can you tell us a little bit of how all those capabilities come together and how that relates to your current role at Artefact?
Sebastian Schirber	So I have a background in physics, which is very data heavy, ultimately. And since then I think data, and now back then it was called statistics, and now its called AI, has been at the core of what I've been doing through my career. That goes to various stages and if you named a few … one is in classic research as a climate scientist working with like a lot of data, parallel computing, a lot of coding and analytics. And then continuing that in the consulting industry, in financial services, where I also worked on capital management, optimizing balance sheets and investment portfolios, which was good, good fun but again very data-driven. And most recently, before my current role I joined a software scale up in the tech space. I'm working with digital trends, so digital solutions of very old infrastructure. Again, lots of data floating around in the live setting, so even though those were very different industries from, you know, climate research, financial services, utilities. And that's what gets me excited is learning these new things and applying data in AI which is everywhere in all of these industries at the same time. And that's what brings me to Artefact, my current role, where we serve our clients in all different

	industries on one topic, which is data and AI, which is like a universal topic but still very different in some aspects of the industry.
Leo von Gerlach	That makes total sense. And as many people say, I mean the really juicy part of AI seems to be the data science, and the understanding and the deep understanding and the ever better understanding of the data. And that brings me to actually, our discussion of a few months ago during a panel discussion where we spoke about competitiveness of enterprises of companies, in particular, those located in Europe. So with your good and deep understanding of what really differentiates the competitive use of AI and analytical systems, what would you see as the most relevant factor in promoting companies located in Europe in their global competition with those located in the US, in China, in other hubs that are currently so much in the news with their advantage of driving this industry?
Sebastian Schirber	Yeah, we'll differentiate between maybe two aspects. So one is the providers of, let's say, large language models and latest technologies, who I think yes, are very US based. But at the same time in Europe we also have some of those players. And I think we're lacking a bit in Europe but we're not like miles away from that. So I think there's some light there and there's some good examples. So that's one element. The second one is then corporates or companies, small, medium, very large. They're basically "tap and use" these latest technologies to create value from those, and there I don't see a huge difference between let's say, U.S. based companies against South America or in Europe. I think they're all running. They're all trying to understand where is the biggest value, where is the biggest benefit of this AI thing is, and identifying that is the biggest challenge at the moment. So companies know they need to be doing something, but identifying how their processes work, where's the biggest pain, how can AI, with this fluffy word actually change things. And I think that is quite universal at the moment for companies to actually use AI and get going.
Leo von Gerlach	That's an interesting point. So I understand you in a sense that technology has evolved to a certain point as kind of a level playing field, possibly now and what really now sets the scene and makes the difference is understanding and getting ever better in singling out use cases, and know[ing] how to apply it, and how possibly to integrate anything in the specific needs for a given company and their individual use cases. Is that a fair summary of what you said?
Sebastian Schirber	Yes, exactly so. Let's give you an example. So one of the topics that we had Artefact really spear heading is - let's say you have a huge marketing budget of several hundred million or tens of millions dollars, or pounds, or euros and which channel you use that - so there's like various digital channels, various digital platforms. And there's a solution, a data science solution called MMM, Marketing Mixed Models, which basically optimizes the best mix of how to use your

	marketing budget across these different channels. And at the moment we're having a lot of traction on that topic across the world, right. So, there's not one single country where companies have already like implemented this. So the same in the U.S., the same group discussions going on as in Europe as in France as in any other country.
Leo von Gerlach	Again very interesting. So if we now say, well, there isn't that big of a difference in terms of the starting point, wherever you are from the world and you are not that disadvantaged in Europe, potentially, is it that our kind of unique approach to regulation and how the EU has kind of taken on this role of just regulating anything in the realm of digital technology something that makes life for European companies more difficult, or potentially the opposite?
Sebastian Schirber	Yes, I think, that's a fair point. I mean, if you think about the specific type of data - let's take the example of personal data. GDPR regulated data. There is definitely more skepticism in Europe by companies to violate those than I think in other jurisdictions in the world. Another example might be in the financial industry, which also more regulated and how to use data and kind of how to use models for, let's say credit scoring. Where AI could, if you blindly applied it, do a lot more like you could automize a lot more with less guardrails or less borders than in other jurisdictions that's fair. At the same time, I think there's other areas. So I think maybe that's where the use case based approach is actually quite nice. So there's other areas where I think less regulation is needed and I think there is less of barriers for European countries to also use AI in other countries.
Leo von Gerlach	Let's stick with those areas that are a little bit higher regulated. You mentioned credit scoring in the financial industry, and that's certainly something that is very much in the focus of the AI Act, as it is seen as a high risk application so a lot of regulatory burden comes upon a given…let's say, Fintech company or financial institution. Is that something that makes it particularly hard for newcomers in the industry, for startups, for those that may not have the strong bandwidth of institutionally dealing with regulatory risks. So how much more of a burden is it for startups and younger companies to have that kind of stronger emphasis on regulation?
Sebastian Schirber	That's an interesting one. I would maybe explore one for now. Start with an example, let's take the financial services industry. There's a couple of banks and the fastest growing banks these days are new banks, right. So those small digital only banks which are in the privileged situation to kind of reinvent the internal processes, or put them up from scratch, which have a much, much easier way to lower costs to serve, so to speak, than very traditional banks. They still have to abide by the same regulation, of course, because they're regulated by the same bodies and by the same local and European supervisors

	but they're able to leapfrog and optimize the processes. Let's say when I apply for a mortgage it's much faster than kind of a traditional house. So the disruptive potential for very process heavy businesses is huge for kind of smaller or medium companies. And I think coming back maybe to the question of "is regulation inhibiting smaller companies?" I'm not sure. If I take the stats example … I mean, there are some newer banks which are growing really fast compared to the traditional banks. Maybe they grow despite the regulation or the regulatory body, but I think it's definitely not impossible.
Leo von Gerlach	So in a sense, it just makes them just more ready for competition because they have gone through the steel bar of European regulation. I think that's maybe just a thorny way of putting their competitive, perhaps slight overall, disadvantage. But be that as it may, be it as an advantage, be it a disadvantage, in Europe we clearly see that there are some areas that do better than others. And I think it was you who doubled down on the situation in Netherlands, where we have a particularly flourishing landscape of startups and promising companies. Perhaps you [could] share some of the impressions that you got from that ecosystems and what could be extrapolated, what could be generalized from that?
Sebastian Schirber	So maybe for context, I'm currently living in the Netherlands as a foreigner, and I'm very curious to observe how the system is working and how the culture is, and so I am happy to share some of those aspects. I think the Netherlands in the big and grand scheme of things is a trading country. They're not a super big heritage, but they're very used to kind of being opportunistic, being fast, getting things done in that sense. I think and that helps when you want to attract talent, for example. So I think the Netherlands is particularly good in attracting foreign talents and especially in the tech sector. So for example, if I look at Artefacts Dutch office, they're a bit less than 100 people and we have like 26 different nationalities. They all came here to study in the Netherlands, to take advantage of not too expensive student fees. Then they stay and especially in the in the data science, data engineering space, so really impressive. And not only people from outside of Europe, but also within Europe. So there's 28/36 nationalities are also like different European nationalities. You know another reason, what works really well also in attracting talent to work in tech, there is certain tax incentives for employees in the Netherlands for the first couple of years to pay less taxes, so to make basically attractive to come in the 1st place and then to stay long term. And then the last thing maybe which is more observation maybe from a German who is very surprised how efficient the country is when it comes to anything like driving infrastructure paired with a high maturity of digital processes and everything that's around digital is very impressive to see in the Netherlands and all of that makes them a nice

	breeding ground for kind of startups and like a very advanced, I think tech landscape.
Leo von Gerlach	Intriguing. So I see a number of things coming together on the cultural side, people seem to be swift in acting on the policy side, you see some tax advantages on the side of where these things come together, you see a efficiency in the system and the way of operation. If one tries to learn something from that and pass that learning on to, let's say, a legislator, a regulator, somebody who wants to set up a well running system that is very supportive and to become ever better in just bringing good business technology ideas to the market and transform them into successful businesses. Would any such lesson exist?
Sebastian Schirber	Maybe two aspects. So one you need talent, right. So I think some of the things I mentioned really helped because in order to attract talent, I think the tax attractiveness in especially universities that are in English and that are open to foreigners. I think that's definitely one key element because those are the people to build new businesses and to have that growth mindset. They may be also related to universities. I think many of the Deutsch universities have incubators already associated directly at the university at the campus and those other I think European universities also try that but I've personally experienced these as very productive and very flourishing environments for young founders to start a business and on the more political side, I think money definitely helps to be able to invest and I think then the one thing that I've seen now with a couple of founders and I'm not sure how politically that can be achieved but like very successful founders, they just really believe in the idea, and the perseverance is enormous and outstanding. I see that my current company, I saw in my previous company, which was a scale up is like having that conviction and I believe that it's working. And if we somehow can get more of that, I know that's hard. But that is like that reminded me a lot about the US, this attitude of making it work.
Leo von Gerlach	I really like that focus Sebastian, on picking the right talent and instilling the right beliefs in just the ability to make it in the end, to make a contribution to a more just, more advanced, better digital world. I think those are wonderful messages. I would like to leave it with that, and thank you so much for the interview Sebastian, and thank you so much everybody for joining. Hope to see you soon again for the next addition of *The Influencers* that will be coming up soon. Until then take care, goodbye.