



## THE INFLUENCERS: DIGITAL TRANSFORMATION

### TRANSCRIPT BARBARA HOLZER

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Introduction	Welcome to Season 2 of The Influencers. We've expanded our scope to bring you interviews with some of the most interesting and thoughtful voices from the digitally driven seismic transformation happening at the intersection of law, business and technology. We'll be sharing with you the rapidly evolving information that you need to know.
Leo Von Gerlach (00:23.9)	Hello everybody and welcome to another edition of The Influencers on Digital Transformation and Law. I'm Leo Von Gerlach and with me today in the studio is Barbara Holzer. Barbara is a senior director for government affairs at Salesforce in Europe. Before joining Salesforce some time ago, Barbara had a long-term career with a German car manufacturer, Mercedes, where she also worked on government affairs. Barbara, that is a lot of government affairs. What is it actually mean to work in government affairs and what brought you from Mercedes to a very different field now with Salesforce?
Barbara Holzer (01:08.4)	Thanks Leo. First of all, thanks for having me today. It's a real pleasure and this is a really good question. So as working in the government affairs sphere, we see ourselves as advocates for corporate interests. So, we're basically the interface between government and businesses. Especially in these times, it's really very important to have the right political framework and conditions to do our business properly. And we're all working with business society and government representatives to make sure we have a framework and businesses can prosper. Now to your second question, what made me come from Mercedes to Salesforce? First of all, the sphere and working in political or external affairs is the same, only the subject has changed. While with Mercedes, it was a lot about production size, frameworks, in the different countries. I'm now focusing on data. And also, at the German car manufacturers data has started to play a very important role. Because everybody is now connected and data are used to make the services in the car better. So I was really interested to get into this field because I think data is the new gold and this is what we do what we try to do at Salesforce to make sure that digitalization is progressing and we help customers to transform their businesses. So, I think it's a very interesting field and with a lot of momentum right now, just looking at the AI development.

<p>Leo Von Gerlach (02:57.9)</p>	<p>Yeah, that obviously brings us into the subject matters already and you mentioned data, digital transformation, AI, perhaps we can break this a little bit further down, to what other most relevant topics that you are actually working on, what drives Salesforce around when it comes to dealing with governments?</p>
<p>Barbara Holzer (03:21.3)</p>	<p>First of all, it's always on tops of our minds when it comes to data flows and free data flows because this is the basic for everything. As you know, Salesforce, we are a cloud provider so our data are stored in clouds, and we have to make sure that customers all over the world can access these data. And so, we have to make sure that they can do so with safe access and a framework that allows the same conditions everywhere in the world. So, this is always on top of our mind to ensure free data flows for secure and safe data transfers. Secondly, it's all about ensuring that these data really can flow without the necessity for instance to have legal entity requirements in one market. you might have heard of the European certification scheme and the idea from the EU commission to regulate that with sovereignty requirements and some member states are looking into this direction and for us why they accept it's a legitimate approach for Europe, for instance, to have their own industry, we really want to make sure that customers are free to decide what services from which providers they want to choose. So we also advocate for a level playing field when it comes to data flows without the sovereignty requirements. These are on top of my agenda as well. and first and foremost, I would say that it has been and it will be artificial intelligence for quite some time.</p>
<p>Leo Von Gerlach (04:53.8)</p>	<p>So, there are many interesting topics now in the you mentioned, data flow, you mentioned the resilience or robustness of the system for creating security. Let me just focus on one particular point and that is certainty on which role every player has in the system and in terms of what your responsibilities and what are the responsibilities of the customers when it comes to data? Is that also something where you say having clear defined boundaries for what the infrastructure operator, the cloud operator is responsible and what the customer is responsible for is clearly defined and can be divided into corners?</p>

<p>Barbara Holzer (05:42.7)</p>	<p>Absolutely, but maybe let's just get one step back. I think we're talking about how to regulate AI and data in a way that make sense. And for us, as a software as a service, as a SAAS provider, it's very important that the data we're dealing with these are not ours. So the data we're handling these are in the hands of the customers so we have to make sure that we protect them properly. So, it's absolutely right what you are saying here we have to make sure that the different roles have different responsibilities. This responsibility is basically divided in the complete value chain and who is doing what with what responsibility, and we hope to see that in the current regulation as well. I think when we talk about regulating, especially in the field of AI, we have to strike a balance on the one hand to make sure the data are safer and secure, especially for the consumer who's providing us with the data but on the other hand, not to overregulate so that we're disadvantaged compared with other regions in the world. So I think it's very important and that's what we see actually that the members stakes or the EU is trying to hammer out right now while we speak when the trial negotiations on the AI act are currently ongoing to really strike a balance on that the EU will have good competitive position here to compare with other markets as well.</p>
<p>Leo Von Gerlach (07:18.8)</p>	<p>Okay, let's stay with the topic of data for a little longer. We all know data has become ever more relevant. Is there any advice to Salesforce customers to best explore their data in addition to all the incredible services that you render in any events so how to make most of customers data. What could we take away here?</p>

<p>Barbara Holzer (07:45.7)</p>	<p>Actually, when we speak with customers, I think this is the most important or the most often question we get is how to make sure of the new technologies such as AI when applying our data. And first and foremost, we have to make sure that the data are in one place. So, what we experience sometimes is that customers have different silos in their operations to the data cannot really be used properly if they're not connected. So before making use and benefiting from these new technologies, we have to make sure that these data are properly collected and properly allocated so that all the benefit from for instance, AI, kicks in. And this is also where we help our customer to bring these data together. We have so called AI and trust layer where we collect the data and then we can use all the technologies, whether the customers have their own large language model just to stick with AI or we use our own language model and then we build our applications you know, on top of the data we have just collected. But also here, data safe and data security, how to retrieve the data and make sure that there cannot be seen by someone or used by someone else. This is the most important part of the whole operation so to say. You might have heard that our company has been founded on a number of values and our number one value is trust. And I think it's especially right now in the environment and on AI, trust is ever more important because people have to know when they work with us, when they provide us with their data they have to be sure that we , we're not doing anything with their data which they do not want, be it that language models are trained and so on and so forth, so I think this is a very important topic.</p>
<p>Leo Von Gerlach (09:46.9)</p>	<p>So trust is obviously kind of super important in the digital world and has probably has many phases one is safety and security, another is probably responsibility, how do you go about data treatment used in the very responsible way? And that's probably also where companies your customers just need to go a long way in order to have systems in place to have an ever more responsible and clear idea of how they govern all this right?</p>

<p>Barbara Holzer (10:23.3)</p>	<p>Absolutely, and here the journey does not only start when you use the applications but the journey starts actually when you design and develop the models. Yeah, at the very beginning, trust has to be incorporated already in the development process. So, we have actually established a so called office of ethical and humane use. What do they do? Basically they set the framework and the principles how AI and any other technology is developed based on the set of rules and guidelines to make sure that we detect bias and toxicity right up front. Make sure that it does not happen. That we have checks and that we always have a human in the loop just to name a couple of those. Just to make sure that even then the technology is developed we have some sort of guardrails to make sure they do in the right direction. And this continues basically throughout the whole process. How we use the data. When do we mask the data? How do we ensure the data is not passed on to someone else? This is why our model is based on these values. And for Salesforce, this journey hasn't only just started with the popularity with Check EPT, for instance one year ago. But at Salesforce, we have started with our AI research already almost 10 years ago and have launched our first artificial intelligence at the time only predictive not generative already in 2016. So I think this is really the understanding of how do we want to develop that tools and models to make sure that the customer gets the quality he can expect.</p>
<p>Leo Von Gerlach (12:11.2)</p>	<p>So that's interesting because we all know that it's very important and it's very obvious that we need to have the tools for this ethical treatment of human centric data use. It's much harder to actually get there because technology is moving fast. Organizations need to adapt. Perhaps you could share with us what are good pieces of advice, what are good ideas and just ways to ever improve the way corporations, organizations, set that governance right, adjust it ever more to the human needs. To make it ever more ethically robust ... so how should we actually go about it to deliver it?</p>
<p>Barbara Hollzer (13:00.9)</p>	<p>That's a really good question because the devil always lies in the details I absolutely agree. But I can only reiterate what I just said. You have to make sure that the organization has its purpose. Really believing that trust is not only just a value that you put on a screen or somewhere, but this is incorporated in the corporate culture, that whatever you do has to be based on these values. Make sure that the processes are designed around it. So, I think that this is the most important thing. Second, as I mentioned, you need to have top management backing for that. So that everybody should believe this is the right way to go. And you have to have good personnel, skilled and talented staff who's carrying out and following these guidelines and then I think you have good conditions to go in the right direction.</p>

<p>Leo Von Gerlach (13:59.6)</p>	<p>Wow, this almost sounds like a textbook change management just exercise you need to have good instruction from the top and then you need to create the culture and the buy in to really bring it to life. That bringing it to life is something that reminded to this notion of teaming and efforts in an organization coming together is that also you would relate to when you speak about culture making it adjust to the situation? Making it the way it ought to be in a digital environment?</p>
<p>Barbara Holzer (14:42.8)</p>	<p>We are acting in a certain effort that we're undertaking as well. I think with the current development in AI, there is not one solution and not a single way to go. This is multi-faceted, I would say, because we cannot not even know how the future of AI might look like. We know that we might have autonomous, chat boxes assistance, and this is going in various directions so that's why something like teaming is an absolutely good means to figure out what might the risks be, how can we deal with it, how can we anticipate what's coming next. But there's a lot going on in parallel and it's going on really fast. That's why also everybody is so keen on having a regulation even though everybody knows this might not regulate everything on a detail level but at least it sets a certain framework and that's why also there are a lot of international initiatives we're really as supported of such as the G7 process to make sure that everybody is moving in the same direction, even though a couple of things might not be regulated at that point of time, but trying to figure out what this new technology might bring, be it that as opportunities, but also as risks. And there are many risks. That's why just look at the AI in safety summit in UK and the header was Safety Summit because everybody knows that if AI is applied in the wrong way that it could have massive negative impact so that's why we really are in favor of all these efforts that go on to ensure that the kind of can handle AI properly and really make use of the benefits rather than being afraid of the risks.</p>
<p>Leo Von Gerlach (16:36.4)</p>	<p>And that's also a nice combination actually combining regulation with self-regulation because what we see in many of those initiatives is the encouragement of the legislature to have self-regulation in place by the organizations but let's perhaps stay for a moment with the regulation piece of that. In addition to encouraging to self-regulation, what is top of your wish list that you would like to see coming from a good legislator in these fields?</p>
<p>Barbara Hollzer (17:10.9)</p>	<p>I think once more it's the right balance between regulating high risk cases, high risks applications where there could be harm to humans where really critical issues could happen. And on the other hand, make sure that the generative that the general purpose of AI for no risk applications is less or not regulated. I think that's the most important thing to be really or let's put it, you asked specific as possible in the cases that we try to regulate.</p>

Leo Von Gerlach (17:45.4)	Okay, so that means just regulation in accordance to risk levels and in that respect are you happy with the European legislator and the envisaged AI Act which actually is in tune with risk level but perhaps not so much to your liking?
Barbara Holzer (18:08.0)	Yes, it's in tune to risk that's why we like it, now let's just wait and see what the outcome looks like as they're still negotiating and we'll see how the compromise between the Parliaments propose the EU commission might look like. But I think we really appreciate the effort, not trying to overregulate this technology and I think this is very clearly that the EU knows how important and how the competitiveness of this state depend on good regulations here. So that's why I would say it's absolutely going in the right direction.
Leo Von Gerlach (18:45.5)	Well competitiveness of the economy in Europe is obviously something that concerns the European legislature quite a great deal. How do you look at this from the perspective perhaps from a corporation like Salesforce, who is with their headquarters domiciled in the US but of course has a very very strong base in Europe as well and other parts of the world. So how do you rate the efforts to bring Europe back into a good place?
Barbara Holzer (19:18.4)	First of all, we believe that this is certainly objective as does the U.S. and so that's true for the EU as well, so absolutely legitimate to try to foster the business environment and stay competitive so I think it's absolutely undertakable. The only thing we say is that everybody and European organizations and customers should really be able to be free and to be able to choose their service providers and make their bet choices also benefitting from the best technology available. While maintaining appropriate controls over how these services might be provided. We always say that the notion of you know promoting just EU companies might lead in the wrong direction because this is a political discussion. We really want to bring it down to a technical discussion and offer customers the best possible the most safe and secure solution possible. and this is what should be available to the customers.
Leo Von Gerlach (20:23.2)	Well this is a very nice way to end our interview because to me it kind of means as much as we want to have the free flow of data. We want to have the free flow of services. We want to have the free flow of technology so that everybody can basically make best use of it according to their capabilities. And with that Barbara thank you so much for your insights. I think they have been so greatly appreciated; it was wonderful speaking with you. And of course, thank you everybody for tuning in and join us again for the next session with The Influencers which will come up in two week from now. For today, have a good day, take care, goodbye everybody

Barbara Holzer (21:03.7)	Thank you.
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