

Workshop Session VI

Are emerging technologies a threat or an opportunity for entrepreneurs?

Thursday, January 30th, 2020

Chair: Davis Hsu, Richard A. Sapp Professor of Management, The Wharton School, University of Pennsylvania

Panelists:

- *Jean Camp, Professor of Informatics and Director of Center for Security and Privacy in Informatics, Computing, and Engineering, University of Indiana*
- *Sameeksha Desai, Director of Knowledge Creation & Research in Entrepreneurship, Ewing Marion Kauffman Foundation*
- *Deepak Gopalakrishna, Principal, Boston Consulting Group*
- *Sanjay Gupta, Chief Technology Officer, SBA*
- *Matthew Rhodes-Kropf, Associate Professor of Finance, MIT Sloan School; Managing Partner, Tectonic Ventures*

New technologies continue to reshape and disrupt the competitive landscape for new entrepreneurial firms. But how can new firms leverage technological innovation to gain a competitive advantage?

David Hsu kicked off the session by introducing the panel, a diverse mix of academics and practitioners, and asking them to think of the goals for the session. “We want to drive towards an open question about emerging technologies and how entrepreneurial firms fit in,” said Hsu, “and next year bring back that question and update the audience.” The panel members then moved into introductions on the topic and spoke about what in the research question was most salient to them.

Jean Camp framed the conversation around the collision between artificial intelligence and security. One significant problem Camp sees for entrepreneurs dealing with emerging technologies is the ownership of data. Important questions arise over who owns data and the security that is attached to it. “Data is the new oil,” Camp said, “If you own the oil, you shouldn’t necessarily be paying others to mine the oil for you – there are risks of having another company mine the oil.” Entrepreneurs must address the trade-offs of security versus privacy, and whether it is worthwhile to give up privacy with the promise of more security.

Sameeksha Desai added that privacy and security concerns have a number of implications for policy, data and entrepreneurs. At the industry level, there is a question bubbling up about data fairness and governance. In an environment where data is becoming more and more valuable, what does it mean for firms to be able to access data fairly so they can do business? Questions around fairness, access, logistics and the ethics of data are important questions the industry must address for startups.

Deepak Gopalakrishna expressed interest in how startups create and capture value through the use of data extraction and by creating data pools. “How do we take what we learned that worked and what doesn’t work and apply these best practices to startups to launch and scale changing businesses?” he asked.

Matthew Rhodes-Kropf ran with a similar idea by asking how new firms can compete with incumbents. Rhodes-Kropf thinks it is important to ask if startups have access not only to data but to what they need to innovate around. He believes that the market is making it possible for new firms to enter because the market is becoming modularized. He believes AI is a good example of how the market is modularizing itself. Startups can rent AI and other algorithms from the market in pieces, which makes it possible for them to compete. “Everywhere, the market is stepping forward to allow startups to compete, and it is easier to compete because the market is breaking up pieces of the market,” said Rhodes-Kropf.

Sanjay Gupta turned back to the discussion of data and how it links to the entrepreneurial world. “Data is the digital currency of our world,” said Gupta, “but data does not matter if you do not have the context around it.” Gupta went on to explain that by itself, data does not mean much. Once data is given context, it begins to make sense, and you can pull information, see trends and make forecasts, which is useful for entrepreneurs.

Gupta views public-private data partnerships as an important frontier. He believes there is a lot of power in bringing together the data and information of private enterprise and government. Open data provided by the government is waiting for a startup to monetize it and unlock its power to benefit society.

“One big thing I heard across speakers,” concluded David Hsu, “is that access, particularly concerning its scarcity, will lead to power.” Academics and practitioners have to assess the bottlenecks for the entrepreneur and how they’re affected by changes in technology. Thinking about the bottlenecks and what is scarce can help entrepreneurs gain traction in an industry and disrupt it because technology and technological advance by themselves are not sufficient to overturn an incumbent, Hsu added.