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Letter from the Editor

By: [Scott St. John](#)

In [my last letter](#), I wrote “Automation has become a business imperative.” I went on to explain how automation could be applied to solve a whole host of challenges facing businesses today. But I stopped a little short of talking about how some organizations are leveraging automation to thrive in today’s, let’s just say, “dynamic” environment. It wasn’t unintentional, and it’s really what this month’s issue is all about.



If you view automation as the secret sauce behind many of today’s most successful businesses, you can think of innovation as the kitchen in which it’s cooked. For example, several years ago, I met with a man that had built a quite lucrative venture by comparing price fluctuations on online marketplaces. At first, he would simply buy from the lowest cost market, and sell on the other, where the prices were higher. At that time, he was exploring artificial intelligence (AI) and machine learning (ML) to automate the process, to accelerate growth, and to spot emerging growth trends. For example, when a new movie sequel would be announced, it could identify the increase in price of movie merchandise, which he would then buy multiple items (at the lowest cost) and sell together as a package (at the highest cost, with a package premium added). Quite elegant in its simplicity. Buy low, sell higher, and add a premium on top. That’s just good business.

Less anecdotally, financial technology has been leveraging sophisticated automation for years to both innovate, and profit. They are not just leveraging AI either, they’re investing in it. In 2019, Goldman Sachs announced that it had increased its investment in H2O.ai, to a total of 147 million dollars to “adopt AI models more broadly across its equities and trading division” and cited promising results as the impetus behind the move. Between 2018 and 2021, Goldman Sachs saw an increase in revenues growing from 36.5 to 58.4 billion dollars, and an increase in net income from 7.9 to 21.1 billion dollars. That’s nothing to sneeze at. Is AI Goldman’s secret sauce? No one can say for sure, but it’s almost certainly one, key ingredient.

The world is rife with stark comparisons. You could compare Blockbuster Video to Netflix, Amazon to Radio Shack, Google to Yahoo!, Facebook to MySpace, or, perhaps even more contemporary, Ford to Telsa. Have you seen a [Tesla Gigafactory](#)? It's enough to make ol' Henry weep from beyond the grave.

So why is it so hard to innovate? If I were to speculate, I'd say it's one part fear and one part culture – and they are intertwined. Pepper in a little cost, complexity, and lack of technical prowess; and you have yourself a brew. This is why digital native companies (think OTT, cloud, and content streaming companies) are probably eating your lunch right now. They were born into the technology, natively innovated to enter the market, and have never had to overcome decades of stagnant, fear-of-change culture. Disruption *is* their culture. Today, it's either innovate or die and if you're not innovating...well, you see where I'm going. Which is why this issue of *Pipeline* is so important.

In this issue of *Pipeline*, we explore the facets of innovation. Redhat demonstrates how enterprises are [leveraging emerging IT to create and innovation engine](#), and Beyond Now underscores the importance of [unlocking partner ecosystem value](#) for digital transformation and new use cases, such as 5G. Cortical explains [high-efficiency AI](#); Subex shows us how [AI is being used to detect and prevent fraud](#) for 5G and IoT; Tupl tells us how AI can be leveraged to enable [energy and power savings in mobile networks](#); and UJET demonstrates how [AI is being applied to provide smarter CX](#). Nitel explains how the network may be [digital transformation's unsung hero](#), Experio discusses a [non-disruptive approach to SD-WAN](#), DartPoints spotlights the critical role of [carrier-neutral data centers for the new, digital economy](#), and the MoCA Alliance shows us how coax and fiber can work in harmony to provide [connectivity equity for urban MTEs](#). All this plus the latest [telecom and technology industry news](#) and [more](#).

We hope you enjoy this and every issue of *Pipeline*,

Scott St. John

Managing Editor

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