Procurement Block S1E11 Edo Vignani

SPEAKERS

April Harrison, Edoardo Vignani

April Harrison 00:03

Welcome to Procurement Block, a podcast all about digital transformation in procurement and supply chain and how blockchain risk management and change management all factor in. I'm your host April Harrison, Marketing Director for Trust Your Supplier. I'm a procurement novice eager to learn more from the people who are at the forefront of procurement innovation. On today's episode, I am being schooled by Edoardo Vignani. Edoardo is the Marketing Category Vice President for Globality, a company that provides AI-powered Smart Sourcing technology. Edo has led the optimization of third-party marketing spend for 15+ years. Prior to joining Globality, he drove provider identification, selection, and performance at Accenture. Edo has also built, run, and optimized global marketing procurement organizations, launched startups in the travel/social categories, and ran a company focused on legal technology implementations. Join us as Edo and I discuss artificial intelligence. Learn about the ways AI is helping procurement today, the future of AI, and how the leapfrog effect means it's never too late to get started with AI. Edo, welcome to the podcast!

Edoardo Vignani 01:23

Thank you so much for having me.

April Harrison 01:24

It's great to have you here. Can you tell me a little bit more about yourself what kinds of things you enjoy outside of work?

Edoardo Vignani 01:30

Sure, you know, I enjoy the usual fun things, like travel and dining, etc. But so much of who I am is really embedded into my passions,for diplomacy, for behavioral science, and really the learnings we can find from history. It's really tied into the fact that growing up, I had a kind of a weird, singular dream for a kid growing up in Italy, which was to join the US Foreign Service and actually work as a diplomat. So when I look at sort of everything that I've done in my life, it all circles back to a passion towards the art of brokering deals, the art of finding cooperation and the art of learning from what we've done in the past. So in many ways, I feel that my entire life has been summing up towards my work in procurement, and now sort of AI and procurement itself. So it's a bit boring, perhaps about myself. But reality is that I'm so passionate about what I do, but it's just spills over all my daily life as well.

April Harrison 02:38

I don't find that boring at all. In fact, my background is in history and psychology. So I relate to a bit of what you said there.

Edoardo Vignani 02:46
Unfortunately, my academic background is a bit obsolete by now. But the passion is still there.

April Harrison 02:50
I did notice on LinkedIn that you are involved with a Habitat for Humanity and Philadelphia.

Edoardo Vignani 02:55
in many ways the sustainability and diversity as broad topics are ones that have always been close to my heart. And are ones also brought me to where I am today. Between that and cat rescues, volunteer photography services for dog walking events at a local rescue shelter. I got to stay engaged as much as I kind of have time to with my local community here in Philly.

April Harrison 03:19
Well, I almost hesitate to ask you this next question, because I feel like you've already answered it. If you had one superpower, what would that be?

Edoardo Vignani 03:29
You know, if I could have only had one superpower, I, as silly as it may sound, I just wish I couldn't make everyone happy. And you know, it sounds cheesy. But if you think about it, it actually means that it's a sneaky type of omnipotence. Because unfortunately, reality is that there are some zero sum situations. So it's really hard without breaking the laws of physics to be able to make everybody happy at the same time. But it's a superpower. So that's what I'm going for.

April Harrison 03:59
I think that might be my favorite one of the season. It's such a lovely place to try to get to.

Edoardo Vignani 04:05
Well, you know, it's funny, and that's why I like when I will go back to my history as well. And my work in procurement and AI, it's all related to each other. Because when I think about making already happy, that's the goal that I always drove for, in helping, you know, find partners, broker deals, and enable conflict resolution across all different aspects of procurement. And that's why I think that AI can be such an enabler for that because it's the ability to help scale it up that take out a lot of intrinsic bias, enable a lot of opportunities for emerging suppliers and providers out there and ultimately make it repeatable over time. So but we keep learning from our past interactions.

April Harrison 04:51
Well, I'm going to need to take a lot of notes today because this is a new topic for me, artificial intelligence, and actually you are my last guest for season one. And we have one episode left, which is going to be sort of a final exam for me, my production team is going to ask me questions from all the different episodes from the whole season, I am really a novice in this area. So much so that when I think of AI, what comes to mind is either the movie The Matrix or Vision from the Avengers. Can you give me just some basics as to what exactly is AI?

Edoardo Vignani 05:30

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I could absolutely try it. This is such a huge and broad field. But when I think about it, I like to think about the one of the founders of a modern concept of AI, Alan Turing, British mathematician, you know, instrumental to a World War II effort. And one of the fundamental questions that he posited about AI was, "Can machines think?", and, in a nutshell, AI is really a broad, multidisciplinary technologies and scientific processes and advancements that seek to answer Turing's question Can machines think? Now, that is very multifaceted, right? So it's a provocative thought. And when you think about AI in popular media, from Asimov's Laws of Robotics, to Jarvis, or Vision in the Marvel Universe, so much of it has focused on sentient AIs. It is AIs that already do think, and therefore have skipped almost to a final stage of what AI actually is, and will be eventually. Now, that having been said, we're still quite a ways away from having that kind of AI involved, that is the ultimate goal of of a discipline. So when I think about sort of how to think of AI today, I think that it is an incremental set of technologies and processes that are moving from kind of narrow definitions, that is limited set of algorithmic optimization, we provide an input, you get a set of default outputs that can be optimized and as you know, self learning fashion, and are moving towards instead more cognitive type of disciplines where AI is listening and understanding some of the complex intent behind the types of asks. Now that being said, it's still a very broad field. So what I would call out is, AI is a portmanteau for a lot of different technologies that work with each other, and are ultimately intended to advance the abilities for machines to help support humans and support processes, and eventually perhaps, got to a level of self awareness or been having a mind whether we can finally answer Alan Turing's question as to whether machines can think or not.

April Harrison 08:11
I'm guessing this is part of what's already in our everyday lives, my phone is sitting right here, there's so much I don't even think of as AI.

Edoardo Vignani 08:19
We use AI in our daily lives in every single way. I mean, many industries are quite mature in using AI. If you use you know, Siri or, or similar voice assistants, we definitely use a processing in the video gaming industry, neural networks are a way to optimize and be more efficient in the way that display graphics are rendered. There's a lot of very, you know, transactional banal examples as well, which are really just simple, high volumes of inputs here in marketing. An example is dynamic content optimization to create a piece of digital display asset and you verbalize a few components. And then you cast it out there, and you see what people like and what they don't. And then an AI like algorithm can actually optimize it on the fly, and then propose iterations and versions that just people respond to better. So it's really embedded already in our daily life. So the question is, it's the, you know, consumer side of of AI is highly advanced, but how is the procurement and B2B side of it actually advancing? Which is related, but also quite different because of the nature of what procurement does.

April Harrison 09:33
I'm specifically trying to learn more about technologies and initiatives around procurement. So can you give me some examples of how AI helps procurement?

Edoardo Vignani 09:43

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It's almost almost a shorter discussion as to where AI does not help procurement, but just a few main families, right. So a huge a lot of companies use AI to organize data procurement, and large corporation live in a universe. We're very massive amounts of data sources, data pools, vast information of ever changing signals. And AI can be used as a way to help process and elevate the signals of the data that matters more and deprecate the one but it's not just not as relevant. So it's a way to capture knowledge and information, so that you don't have to deploy vast amounts of people to try to do it manually, which is really an unsustainable model. Many other programming organizations also use it to improve operations, which is looking to streamline, automate manual tasks free up time, and only take out people out of doing very transactional day to day tasks. Instead focus focusing more on becoming knowledge workers and figuring out insights or information from that. Beyond that, even more use cases are to identify new suppliers find out what who could do and provide services on behalf of companies out there. It's a global marketplace these days. So a problem is there's almost too much information out there. So you need systems and ways to figure out who and where and how. And we know why you'd want to use any one provider and how you can trust them in that regard. And not only on the selection stage, but also for the entire lifecycle of managing performance, and ensuring you're building long term relationships. In all of these ways. There are Ay ay ay ay applets are tools that can help enable all that and the outcome of this is really a reason why procurement is getting so engaged on it is really because of the need to draw to support this increasing level of complexity and get to manage like this vast amount of data, but otherwise it just sit in her own pools and really be unmanageable for any one set of individuals.

April Harrison 11:54
Is there a shifting mindset then around AI and digital transformation within procurement?

Edoardo Vignani 12:00
Sure, I would say that every procurement organization that I talked to and see has AI on their digitalization strategy. So AI is here. So the question always is, what type of AI, how to deploy it and how to make the best use of it, in and of itself. And many organizations have already been using or upgrading to AI concepts for areas such as spend analysis or some identification. But really, the changing mindset is more about, well, AI exists. It's not only a trend, but really has real measurable value and impacts. So the question becomes how best in work? Can we use it? Where do we get started? And what is the value proposition for us going forward? So I would say AI is here certainly is here to stay. It's only a matter of how quickly and how best to work with it.

April Harrison 12:58
Do you have an area two of how how do you do think it's best to work with it? Or are there any pitfalls to avoid when you're implementing AI?

Edoardo Vignani 13:08
Those are huge things, I think the was a few I think basic precepts that are that are universally applicable, no matter what type of AI you're considering the AI is at the stage AI still very much of a data centric discipline, meaning that it requires inputs in order for it to be able to gather insights and outcomes. So it really having a strong data strategy, in procurement intersects with the various data pools in the internal, you know, client business units. I'm a specialist in marketing. So it would be that

NPS out of management repositories that sit within about marketing, for example, for example, are absolutely vital. So it requires a level of procurement technologists in order to be able to enable it. Now, that can often be really scary, but because people say, well, there's so much data, where do I start, and really big, beautiful, elegant way, particularly of emerging AI cognitive technologies, is that they are able to really start working with unstructured data and outsourced algorithmic optimization, get to a point where you don't need to have your entire data strategy figured out all your data mapped out, but it can actually help you to have a I helped actually set that up. So a huge barrier and a pitfall that I've seen is not having your data, that piece in place and AI itself can actually be a solution as well as an outcome for it. And the logic of that is, and this is what AI ultimately is, so much of it is really all about is that the concept of it is for it to be experimental. The concept is for AI to help you customize and, and grow in a way that makes sense the best for you. If I think of an analogy but might help a lot. Think about the AI as being a naturally talented athlete. But depending on how you train that athlete, with athletes could end up becoming a Serena Williams or Usain Bolt, David Beckham, right, they could just be going fast in their disciplines. So but but you but what you're really getting into AI is getting to the ability to have somebody that can be trained in so many different ways. And therefore engaging with it is and training it is the way to, for it to then become but roll star athlete.

April Harrison 15:36
So agility?

Edoardo Vignani 15:37
Agility is huge. I mean that. And it's funny because you know, I spent half my life in procurement. So I know that procurement intrinsically can often be a bit risk avoidant, and a bit cost conscious, because that's what it represents on behalf of companies. So jumping into such a rapidly evolving technology can sometimes feel a bit, you know, outside a bit uncomfortable, because it's not what you know, traditional procurement may have been. Now the good news is that I don't really know of any traditional procurement organizations as such, but a little bit of the DNA still carries through. So my other advice to anybody that's embarking on journeys of AI is, don't be worried if the AI that you planned to develop to deploy doesn't exactly pan out as you expected. Because one of the other cool things about this entire segment is that the underlying things that it enables that is data strategy, talent, upskilling process optimizations, because of course, and change management, but things that are ultimately organizational supporting entities have our own value, our own benefits. And the cool thing about about buying them in AI is that you may think you may be doing something for a purpose. But once you actually go through a journey, you will find great value, maybe in the same place, maybe that and more places, or maybe somewhere else you were not expecting. A value is to be found no matter what. Because that's where the world is, is evolving to. You have to get started in order to be able to get value from it.

April Harrison 17:20
I like that philosophy that you can find value staying curious and being agile. You mentioned change management. And we actually had an episode featuring Canda, Rozier on change management. I imagine staying on top of any transition to using AI must be particularly important.

Edoardo Vignani 17:39

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It absolutely is. And and that's because AI is a discipline that spans across people, process, and technology. So it is truly the the underpinning pillars of any change management program. The best he is everyone's that, of course make it as painless as possible, and really oibre concepts of consumerization. But it is making it as simple as using your, your iPhone or Google devices. But practically, it still requires a low. And we still need to plan for a level of enablement, to make sure companies make the most of it. The distinction, I think what is a little bit unique about change management in AI, is that it's a bit different from deploying other technologies where you're looking or you already have a benchmark for maturity, because you need to plan for a fact. But it's not just a one time wave of change management. You know, by business unit, by region, by function. But really, it's going to need to have smaller and more evolutionary touchpoints as the AI and as a processes themselves and hats. So my guidance to all anybody who's going to AI when you work with external partners in particular, is to make sure that you work with your partners as part of a change management strategy. And that for systems have embedded the ability to make it easy for the end users. To keep abreast of the changes, I mean, enhancements get rolled out as the AI itself delivers more and more value.

April Harrison 19:10
Do you see AI being assessable to small and medium sized companies?

Edoardo Vignani 19:17
Absolutely. And funnily enough, AI is one of those equalizer type technologies for both companies as well as the suppliers themselves because it helps bridge gaps and helps put people on a level playing field and the strengths of large corporations. You know, the budgets and the resources and diligence are can also be liabilities and it ties to the time of implementation. So we all I often work with companies that are more mid sized and or use deployment of AI as a way to leap frog from the transitional stages and jump right into another modern era. I mean an analogy is if you look at the Mobile Network Development in some emerging nations, such as Kenya, it's a well known case study, they never really developed a landline telephone infrastructure, because by the time they had the wealth and the ability to develop a communication infrastructure, it made sense for them to jump straight into mobile phones, as compared to rely on landlines. And therefore, they never had to spend my money to change into landlines and change out of landlines, so but for that reason, and that kind of analogy, I truly believe that AI is highly accessible to smaller companies. Also, because the best AI is intended to be easy for users. That's the whole point. So you don't need to have your entire organization know how to code in order to understand or deploy AI. You don't need to have super complex hosting or on premises, staring at strategies to deploy it. So much of it is the site is designed to plug and play and integrate in a dynamic fashion of your other elements of a technology stack. So I would say that there's very low barriers of entry to do so. Now, one piece of advice I would have though, is, even the largest organizations recognize the value of it, and are looking to train and educate their end user populations and ever procurement organizations. I mean, even one of the largest procurement organizations in the world, the US Federal Government, literally as there's a bill on the floor coming up soon, I think it's called the AI training for acquisition workforce act. And they recognize the importance of upskilling and training people into the concept. So that's one thing that is accessible to any company is training your workforce, educate yourselves a bit of AI. And then realize once you do that, but it's really very low barrier to get started.

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April Harrison 21:58
I really liked that example that you gave about the LeapFrog. I feel like I kind of do that on my own, because I moved up from an iphone four to an iPhone 10 and skipped all the ones in between.

Edoardo Vignani 22:09
Exactly. Now, the interesting thing about that is, you know, the iPhone is an iPhone, right? So it added a lot of features. And the features are developed for a lot of a lot of functionality. But the when people make decisions as to what they like to buy, they often do so based not just on the foundational technology, but also on certain preferences that really matter to them. And only to them. An analogy here is like and is like buying a car, like when you buy a car, people often will not pick it just because of the engine or a safety but men want to customize it based on sound system, but color, the options and so many of the other things that are unique just to them. And that's another facet of AI to consider is your LeapFrog. But the reason why you need to get started on it is also because AI learns from who you are as a company and as an as an entity, and is therefore ends up more and more being customized to your liking. So earlier get started and more ability have for it to work best for you. You still will get the incremental upgrades and sit behind it on benefits of anybody using it. But really it the cool thing about it is that it is personalized is a custom fit.

April Harrison 23:23
So it sounds like Doc in Back to the Future got started really early with that. What was that the DeLorean?

Edoardo Vignani 23:31
Yeah, it's really an evolution. I mean, you mentioned earlier Vision. But you know, Vision started as Jarvis. Jarvis was just a helper in Tony Stark's lab, and he also was upgraded to a limited AI and then he was loaded into I believe it Mark 2 Iron Men Suits. And only eventually he he gained true sentience. So I think that's a perfect analogy. He's is a companion. He's an assistant. And he grows with us and just enables us to become that much more efficient. And you know, do cool stuff like save a universe.

April Harrison 24:10
Yes, that is really cool stuff. Where do you see the AI powered future of businesses and in particular procurement?

Edoardo Vignani 24:20
Great question. I mean, it's, of course, if I had an accurate in our future forecasting system, I probably would be living on an island somewhere but my personal best guess is a few major macro trends. One absolutely is fervor consumerization of AI in procurement. I mean, a lot of the things that procurement has been using has been built for procurement, by procurement geeks and often is not as user friendly as it can be. But mostly AI companies are working on making them easier to access better able to enter integrate with other systems. Because the demand the need of it keeps coming up, is the proverbial so what, you know, what are the insights? What are the actions or recommendations that gets summed up from these various systems. So the consumerization will help with then the integration trends will help with the convergence of these various AI applets and technologies, so they can better interface with

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each other. And then the huge huge switch is going to be really the enablement of cognitive AI, which has the ability for between highly advanced natural language processing mechanisms and iterative machine learnings, etc. The ability for AI to better understand complex intent, so, but it takes your taps, your swipes your interactions, for AI to know what you're really going after, and to understand your needs as a specific end user. That's a big leap. Right? It takes, it seems so intuitive for us, and it works so well. On the consumer side on iPhones, for example, when we're talking about procurement is so many nuances, unique situations, unstructured data, just variables. It's an order of magnitude more complex, but I'm confident we'll be getting there quite soon. I think it's going to take us for the next two or three years of AI and procurement. Beyond that, I think it's going to be the broader adoption by many more companies that definitely see that they have to get started or, or else lose the train.

April Harrison 26:46
And now have what I call extra credit time. I have just a couple more questions for you. I wanted to ask if you had any, either professional advice or life hacks that you would be willing to share with me in our listeners, something practical that we can try either at work or at home?

Edoardo Vignani 27:03
Sure, I mean, in the interesting spirit of keeping things simple, the concept that has really worked for me, especially these last couple years, trying times have been to make something of your own, make your own stuff, be a creator. And the advice around that is don't let perfection, don't let the carefully manufactured social media driven visability, all of it stand in your way. Just do something little for yourself and create something. And for me, it was as simple as making kombucha. I mean, I like drinking kombucha, and the barrier of entry was super low. And trust me my product will never be commercial, or like it should not be tasted by anyone without signing some kind of waiver. But I'm still so proud of, you know, having done it, of having played around a bit and experimented. And I'm a talentless individual. So that's pretty much it for me. But I've seen so many friends of mine, but are so happy just by the act of creation.

April Harrison 28:08
Well, that is really good advice. I disagree with what you said about you being talentless. Because if you're able to get me to understand the basics of artificial intelligence, then that's a talent right there. Edo, what projects do you have on the horizon?

Edoardo Vignani 28:25
Sure. I mean, my main project is what has been kind of my white whale all along from Moby Dick, which is how can I truly enable and AI cognitive AI in the facilitation of marketing sourcing, sourcing, a selection of marketing agencies. Every aspect of procurement is tricky, don't get me wrong, but a passion area for me has always been an area which is intrinsically qualitative, intrinsically driven by relationships, by perception by partnerships, how can we apply science and algorithms to an area that is so driven by the human condition? So for me, it's all going to be about how can I make it work best. It's already working, but how can I keep tweaking it and making it like immensely even better, so that the companies out there the agencies but the creators out there that exist are matched with folks who are in need of their services? And how can we make them successful so that we all benefit out of it goes back to them to the basic principle and conduct my life make everybody happy? So that's we're

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gonna see me is spanning across conversations and technologies and helping evangelize the concept for our from the advertiser side, the publisher, side and producer side as to how this really will work best for them.

April Harrison 30:00
Edo, thank you so much for joining me on the show. I really appreciate it. You've been a fabulous guest.

Edoardo Vignani 30:07
Thank you so much for presenting to you. I'd be delighted to come back at any time but you guys will help me of course.

April Harrison 30:13
Awesome. Take care.

Edoardo Vignani 30:16
And you.

April Harrison 30:18
That's it for this episode of Procurement Block. I'd like to thank my guest Edoardo Vignani for joining me on the show. Procurement Block is produced by Trust Your Supplier. You can reach us at procurement block.com Show notes are available on our website, and you can leave your questions and comments via the listener comment form. Thank you for learning with me today. I'll leave you with wise words from Benjamin Franklin, "An investment in knowledge pays the best interest."