Season 2 | Episode 1

ON THE PLATFORM
BUILDING TRUST IN A POST-COVID WORLD (PART 1)

Host: Mark Egner, Senior Manager, Accenture Security
Guest: Robin Murdoch, Global Industry Lead, Accenture Software & Platforms
Guest: Steve Curtis, Managing Director, Accenture Security

Mark Egner [00:00:00] Hello and welcome to **On the Platform** where we're talking to the most influential and innovative thinkers in platform technology on the hottest topics and trends. My name is Mark Egner, Accenture Security, where I lead the Platform Integrity Agenda for our software and platform clients, solving the business problem created by security, identity, privacy, compliance and fraud challenges on modern platforms. And 'On The Platform' today, we're kicking off a mini series of sorts, a series that explores what's changing about consumer trust in platforms and what's the reality behind the perception of trust today. This is part one of this series, and I'm really thrilled to have as my guests today the leader of Accenture Software and Platforms Industry, Robin Murdoch, and the leader of Accenture Security for Software and Platforms, Steve Curtis. Guys, really happy to have both of you here. Welcome to the program.

Robin Murdoch [00:00:55] Thanks, Mark. It's great to be here as well. And look forward to the conversation.

Steve Curtis [00:00:58] Yes. Thanks, Mark. Great to talk with you today.

Mark Egner [00:01:02] Agreed. Agreed. Let's get started. I want to just put a little context down. 10 years ago, there was only one platform company on the list of the ten most valuable companies, and that was Microsoft. This time last year, there were seven. That's an amazing change in a decade. This time last year, we were looking at Airbnb's imminent IPO as one of the Valley's biggest ever. TikTok had exploded on the scene as one of the biggest apps ever. Microsoft was squaring off

with Amazon. The move of the US military into the cloud. By all measures, platforms were poised to be bigger and better than ever. But there were little cracks. WhatsApp was hacked. Russia implemented a sovereign Internet. And we learned that hackers had booby trapped websites to exploit previously unidentified flaws in iOS involving redirects. All these felt small in comparison. Then 2020 happened. Right? Health, political, climate, social issues took over and the landscape affecting platforms in many ways changed. We stayed home. Work from home happened. We shopped online though. Wherever we could, online communities and information sources began to replace the contact based social networks we had had. And, as both of you were aware, there's been a tremendous uptick in cyber events, tremendous uptick in uncertainty about the information we're getting. A massive upswell in online purchasing as more and more local businesses close, reopen, reclose. Real anxiety about a new normal and that it may be very different. Now only some of those issues have to do with what we would have called cybersecurity years ago but these are all issues of trust. They are business problems facing our customers. Awareness of these issues is really at an all-time high. Can either of you shed some light on what what's going on here?

Steve Curtis [00:03:12] it seems to me that, you know, we're talking with our clients and large Internet companies about trust. I mean, there is this bifurcation. I think you alluded to it in the beginning, which is a bifurcation between the perception of the trust and the reality. And I think that when you look at kind of different kinds of breaches that have happened, regulatory concerns, privacy

issues, data, data integrity or data loss, there is a reality that the information is going out there but the perception and the reality don't always match. What we're seeing is that a lot of folks just don't recognize that their privacy, for example, and the impact of the loss of that data really has a major impact on their life. And so I do think that there is a little bit of a 'what's really happening, what's the real impact?' of some of these issues in terms of how much I trust the product that I'm using, whether that's a social media outlet or an electronic device or what have you. I mean, it seems to me that the reality is, is that no matter kind of what happens, people want to move forward. They want to use the technology. They want to do the new stuff.

Robin Murdoch [00:04:55] Yeah, I think that's absolutely right, Steve, I think the reality is this massive growth, as Mark you mentioned, about platforms becoming seven of the top ten most valuable companies on Earth, that's just increasing economic and societal activity that is happening on these platforms. And with that massive economic and societal activity, that means bad actors are joining those platforms to potentially misinform people, to economically gain from bad actions on these platforms. And at the same time as that's happening, these platforms and the services are evolving in many, many new ways with new vectors of threats: voice services, having 'always on' speakers, having cameras everywhere. All of these sort of expose a larger surface area of opportunity for bad actors to sort of, you know, succeed. But to Steve's point, you know, we're all - and particularly during Covid - we're all adopting these technologies and these services at breakneck pace. And for the most part, the vast majority of people are just enjoying those experiences. And the impact of bad actors, while we very much hear it and see it, is not really picked up by the vast majority of users. And maybe that's the way it should be. Maybe users really shouldn't have to worry about it and can't, because the surface area, the complexity, is so great.

Steve Curtis [00:06:31] You know, at the same time, though, I think when we look at more of the B2B market rather than the consumer market, businesses do seem to care a lot more. And I think it's important to recognize that there is a distinction between, you know, how a consumer product may be perceived in the market versus a business product. And I also think that a lot of consumers just simply believe that the services they are using, that the business that

runs that service really has the onus to make sure that they are doing smart, trusted things. And I guess the evidence that's out there today is that, by and large, most companies, most consumers feel that most companies are doing a good enough job. I think when you look at the business side of things, the business community, they seem to struggle more in terms of being able to get a real quality check on 'the input products that I'm using to make my service, my platform, are those trusted? Should I trust those input products in order to be able to convey a trusted output product?'

Mark Egner [00:07:47] So interesting. I'm hearing from both of you that massive growth is driving massive uptake, but security is not slowing this down right now from the user side. Do we really know what will affect user adoption in this security space? Is there anything out there that we think of as slowing this adoption? Will there be an event? What complicates this?

Steve Curtis [00:08:21] I mean, honestly, Mark, what we're seeing, at least in my conversations, is that most platforms are concerned about inconvenience, slowing down their user adoption. And so, there's more concern about ensuring that the security and the privacy and the compliance are being applied. Everybody wants that, but they don't necessarily want to make that tradeoff between more security versus more inconvenience or less convenience. I think that at the margin most of the platforms that we see out there will emphasize convenience as much as security. That's my perception.

Robin Murdoch [00:09:03] Yeah, I think that's absolutely right, Steve and, I think really the only time that one would really expect the end user to notice and vote with their feet is if that experience becomes degraded by different incidents, misinformation, bad actors. So long as the experience continues to be a great one, you know, we'll see more and more adoption.

Mark Egner [00:09:29] So it sounds like in this balance of perception and reality, we know where the consumers are weighing in. What are the platforms to do then? I mean, it sounds like they're the ones holding the bag on both managing the perception and the reality portion alone. What are we seeing happen and how are they responding to this increased challenge?

Steve Curtis [00:09:57] Well, we see an interesting issue where if the user perceives that the service is not to be trusted and then it proves itself as such, there's not a lot of backlash. On the other hand, if the service presents itself as a 'to be trusted service' and then it turns out that they should not be trusted, then we see a lot of evidence to suggest that that's a very bad situation. And so what we're talking with companies about right now is how do you ensure that you can increase the perception of trust where that you have the reality actually be pretty closely matching so that the perception is warranted that it's not an unwarranted perception of trust. And I think it's very important to have the reality and perception be pretty, pretty closely aligned. If you want to drive that perception of trust, which I think a lot of platforms would like to do, then they do have to be able to back it up with reality. And that can include privacy, compliance, data integrity even if the consumer is not explicitly demanding that. If they're going to state it, they have to be able to back it up. They have to walk the walk and not just talk the talk.

Mark Egner [00:11:20] And that brings up an interesting point, because Accenture has some research in the area of application security. And I'm drawn to a data point that says currently the most common and fastest growing threat vector for our customers are security breaches. Eighty four percent of security breaches are occurring at this application layer and platforms are...help me here... a collection of applications and services that our users are dialing into. So, this speaks to the heart of the problem. It's also the heart of the defenses and the experiences for our platform. I mean, this must mean constant refocusing on investments and keeping pace. Is there an endgame here?

Steve Curtis [00:12:08] Well, maybe, maybe not. I think what we are seeing is, is that there is an explosion of features and applications coming into the market. I mean, that's what the consumers demand. That's part of what the platform is offering is constant innovation, constant newness. That's part of what you buy. And so to be able to keep pace with that, I think that's super important. I mean, some of our clients actually use Accenture to help us scale that out and I think that is the essence. If you look on the demand supply side of things in the security market today, there's approximately a demand for three people for every one security professional globally. And

this speaks to the challenge that most organizations are really presented with, which is 'I want to do the right thing. I want to go fast. I have to be able to win in the market and be competitive. But I just don't have the talent to necessarily drive everything I want to do. I can do the basics or I can do the most highly prioritized items but I don't have that scale to go to the totality of my entire platform or all the new features that I'm bringing to the market.' So how do you gain that scale?

Robin Murdoch [00:13:29] I think with that, I'd just say that, you know, platforms are taking more and more responsibility for that end user security. And if you look at it, we're not asking the end user to jump through more and more hoops. We're making that security experience much more invisible, actually, to the end user. And I think we all saw that in the last year with us now having to wear face masks and suddenly facial identity doesn't work on your phone and you're back to putting in passcodes. That's kind of an example of we were moving in a direction where you didn't have to remember passwords and then things like two factor authentications are becoming much more seamless and integrated into the experience. So really, it's an elevation of the responsibility the platforms are taking for the end user, so they don't have to be immersed in what it takes to keep their experiences secure.

Mark Egner [00:14:22] And if I map those two together, I think we're bumping up against the fundamental here, which is high acceleration, a lot of new experiences, higher responsibility on the platform side but, Steve, I've heard you talk about this pace of services out there meaning security doesn't stop with just the new products. Platforms are now having to contend with the new products from yesterday and the new products from two months ago. What's old is still out there and still functioning. I mean, is this a security problem that is a bubble underneath platforms that's waiting to explode?

Steve Curtis [00:15:02] Yeah. I mean, one of my colleagues actually thinks this is a huge issue where...kind of back to the earlier point...where there's simply not enough capacity to address all of the security concerns at any given time. So then where do you put your staff or your resources? And generally speaking, we're seeing that the resources are being prioritized and they're being allocated to the next generation products. They're being allocated to the

highest revenue generating products. They're being allocated to what's perceived as the most risky thing to do but it's all a balance. It's a business decision between risk and reward. And so, I think if you're taking the top 30 percent or 33 percent... If you can supply one out of three needs, I think that probably does represent your last generation products and maybe nobody's minding the shop on those anymore. I know for sure that this is one of the highest risk issues we're seeing in the community today.

Mark Egner [00:16:15] And what about then the consumer's data that's underneath all of this change? We're seeing changes in global regulations; we're seeing changes in the requirements governments are imposing to try to keep up on some of this change. What does that mean for our platform customers that regulators aren't ahead of this game?

Robin Murdoch [00:16:40] Well, I think you're going to see more and more regulation. We're starting to see it kick in and the complexity, certainly for platform companies that operate globally, is significant because there isn't standardized regulation. And we're also dealing with really, really difficult topics where there isn't necessarily a simple solution and any solution that regulators do come up with gets outdated very quickly. So, we're certainly entering a period of time where lots more regulation is going to occur and it's going to get even more complicated and sort of diverse in how the platforms have to deal with it.

Steve Curtis [00:17:17] Yeah, and just to add on to that, I mean, you know, the regulation is decided by people and people have different opinions about what it means to be secure, private and compliant. And so, you know, you do see a lot of regulations coming out of the market today that perhaps conflicts with other policies. I think it's actually not just complicated it, but I actually think in some ways it is specifically designed to drive additional complication so that you have to make a choice. You have to prioritize one market over another market. This is in some ways by design.

Mark Egner [00:17:58] So is security and trust going to be driving differentiation into our platform clients and into the platform industry? Will some make the bar and some fail?

Steve Curtis [00:18:17] Yes, simply yes. I mean, what we're already seeing is that some companies have chosen to prioritize trust as a marketing competitive advantage and it works. It works awesome. I mean, there are a lot of cloud providers out there today that are sort of advancing this idea that they can be more trusted than your own infrastructure. If you believe that, then this is a fantastic innovation for organizations who want to drive adoption of those cloud services based on the concept that those services can be very, very trusted. And so if you believe that, one of your buying factors would be to find which of the platforms that you believe is not only the most convenient for you or the most cost effective for you, but also the most trusted for you. And then, at the margin, the more trusted product is the one that you're going to go with.

Mark Egner [00:19:26] And is that trust being priced in Steve and Robin? I mean, this all sounds really expensive because Steve, you said there's not enough people. Robin has pointed out there will be more regulations, but we know that platforms are, by and large, not getting smaller. Help me here. I mean, this starts to sound like securing more and more. Is there a resource game that runs out? How do we navigate what we focus on as platforms and gaining hearts and minds of consumers? How do we focus?

Robin Murdoch [00:20:07] Look, it's certainly the case historically that larger players with more resources are able to respond to regulation more effectively. And certainly, it seems to be that regulation impedes the evolution and development of platforms in certain markets where regulation is higher. So, it is going to have a material impact on development of new platform companies. I think what's interesting, though, is that we're starting to see a number of sort of emerging platform companies who are picking the product areas and services they're going to go for recognizing the security challenges that may be other choices would have made. So, you start to actually see that security considerations are built into the product choices at a much more early stage of these companies. So, you can obviate the need to worry about specific regulations.

Mark Egner [00:21:02] So this could portend really a renaissance in how we think of engineering and delivering experiences that are trusted from the beginning. We may be at the point where all of this uncertainty will be

starting to drive winners in the space of achieving certainty from the beginning.

Steve Curtis [00:21:26] Absolutely. I'll just use an analogy in the car market. If you look at automobiles and kind of what were the trusted brands, they were trusted for a different reason, but they were trusted. The trusted brands in the old days were Ford and GM and Chrysler. Right? At some point, there was a perception change that perhaps new entrants were of higher quality and that they could be more trusted. And so, they started to take away some of the market share. Today, I think probably generally speaking, the quality of many of the products on the market in that industry are of very high quality. But you still get into these conversations around 'at the margin.' And is one product at the margin a little bit better than another product? And I do think that, there is a little bit of this concept of a rising tide raises all ships. If you can't keep up, then you simply will sink. And so I think companies would not only be in a position to think about how to keep up, but also how to actually be at the forefront, at the vanguard of being the most trusted product in the market, because you will be able to use that as a differentiation for some period of time. You won't be able to do that forever. And so, you will have to constantly innovate, to be out in front, but isn't that better than being always in catch up mode?

Mark Egner [00:22:58] It's fascinating. So, a couple of things here. The rising tide elevates all boats and this new standard of what trust means may portend an evolution in how we engineer and deliver secured and trusted experiences on these platforms. So out of uncertainty may come some certainty. Really a fascinating topic, guys. Again, this is the first of several of these three-part series on this topic. And you're helping to tease out the fundamental tension that I think we wanted to talk about, which is trust is defining some element of the competitive environment for platforms. It is a changing game. And we're looking forward to our next discussion on how we'll be talking about product security and engineering products from the beginning for more trusted experiences. So, I appreciate very much your thoughts in helping set this landscape for this session. Anything you would like to say here as closing comments on thoughts about the perception versus reality of trust at this point, guys?

Steve Curtis [00:24:16] I recently read a news article highlighting an interview between a lot of different industry luminaries and one of them made a provocative statement, something like, 'in the future there will not be security companies.' This was the statement that they made. What they were really trying is that security will be so integral to all of the products and platforms that we buy that you won't need to have a third party security company come in and help you add that feature after the fact. I thought that was really ambitious. I don't know if I believe it, but I think that that's a really interesting point of view, perhaps high minded, that by building the security into everything, then security just sort of becomes de facto. I think that's an interesting concept. I don't know if that's going to happen, but I like the idea.

Robin Murdoch [00:25:16] I think the thing that I'm watching out for you know, and I really enjoyed the conversation, as we look at sort of the next five years of the platform economy, we're moving more and more from purely digital experiences to experiences that start to interact much more with the physical world. That could be the package delivery and the integration with your security cameras to recognize the package has got delivered to electric vehicles with autonomous capabilities. And so, I think the complexity of the environment we're talking about is going to exponentially grow. And so, this topic in solving this problem doesn't get to "done." We're looking at new surfaces of both opportunity for consumer experiences, but also threats. So fascinating conversation. Really enjoyed it Mark.

Mark Egner [00:26:04] Some terrific points here. Unfortunately, that's all we have time for today. Robin. Steve, thank you both so much for taking part in today's conversation and getting this topic kicked off.

Robin Murdoch [00:26:18] Thanks, Mark. Greatly enjoyed the conversation.

Steve Curtis [00:26:21] Yeah, Mark, any time you want to have us again, I'd love to join you.

Mark Egner [00:26:25] Terrific. We hope you all enjoyed this introductory episode. Join us next time for part two: creating end to end integrity from products to operations. Please help us get the word out and be sure to subscribe, share, rate and review our series. We love to hear from you and hope you tune in again for the next episode of 'On the Platform.'

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