## **Conversations with your toaster?**



Time for a digital detox.

Duncan Stuart FRANZ









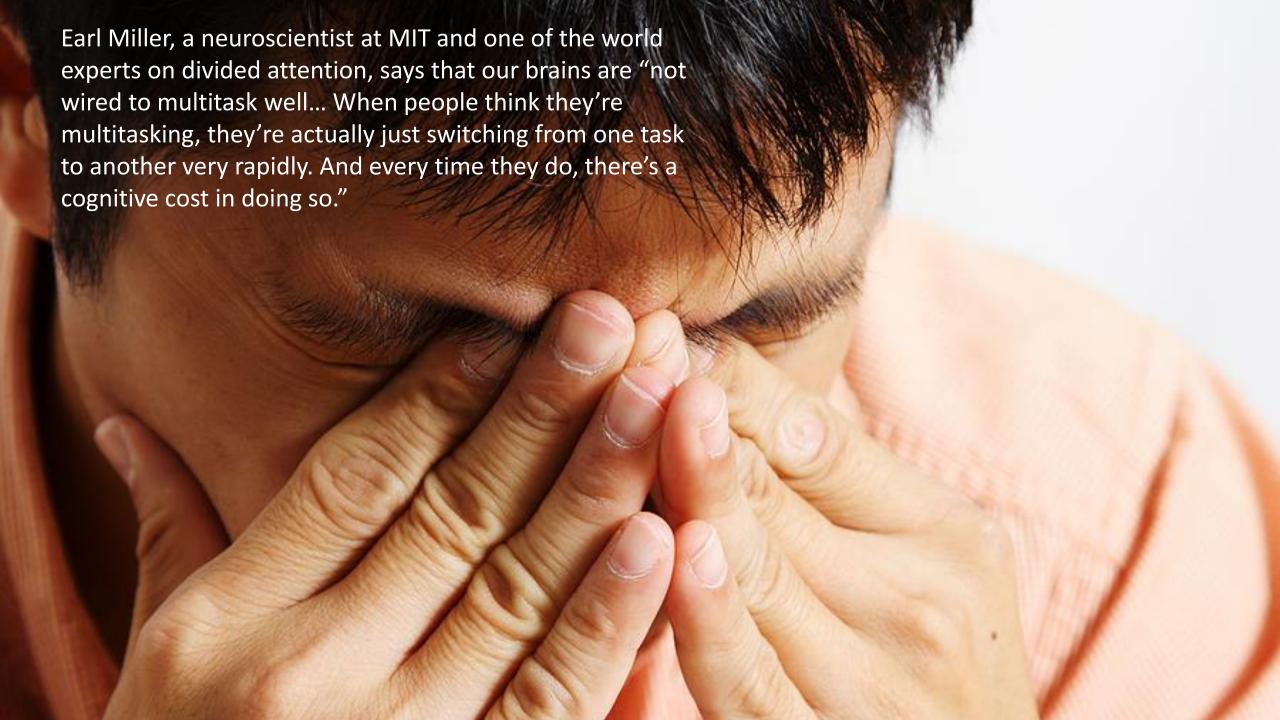




Within five years there will be over 50 billion smart connected devices in the world, all developed to collect, analyze and share data.

More data has been created in the past two years than in the entire previous history of the human race. At the moment less than 0.5% of all data is ever analysed and used.





There's a basic toxicity from too much information. We've reached saturation point. Time to simplify.



But there are hidden data toxins that I want to focus on.

The first is what I call Toxic Exposure.



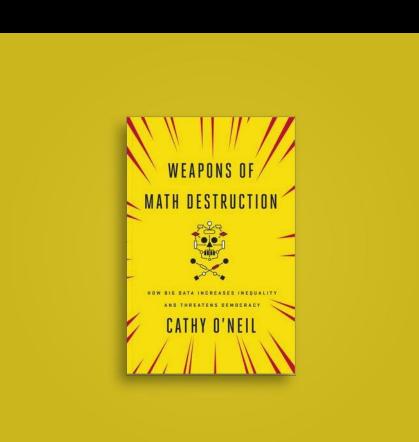




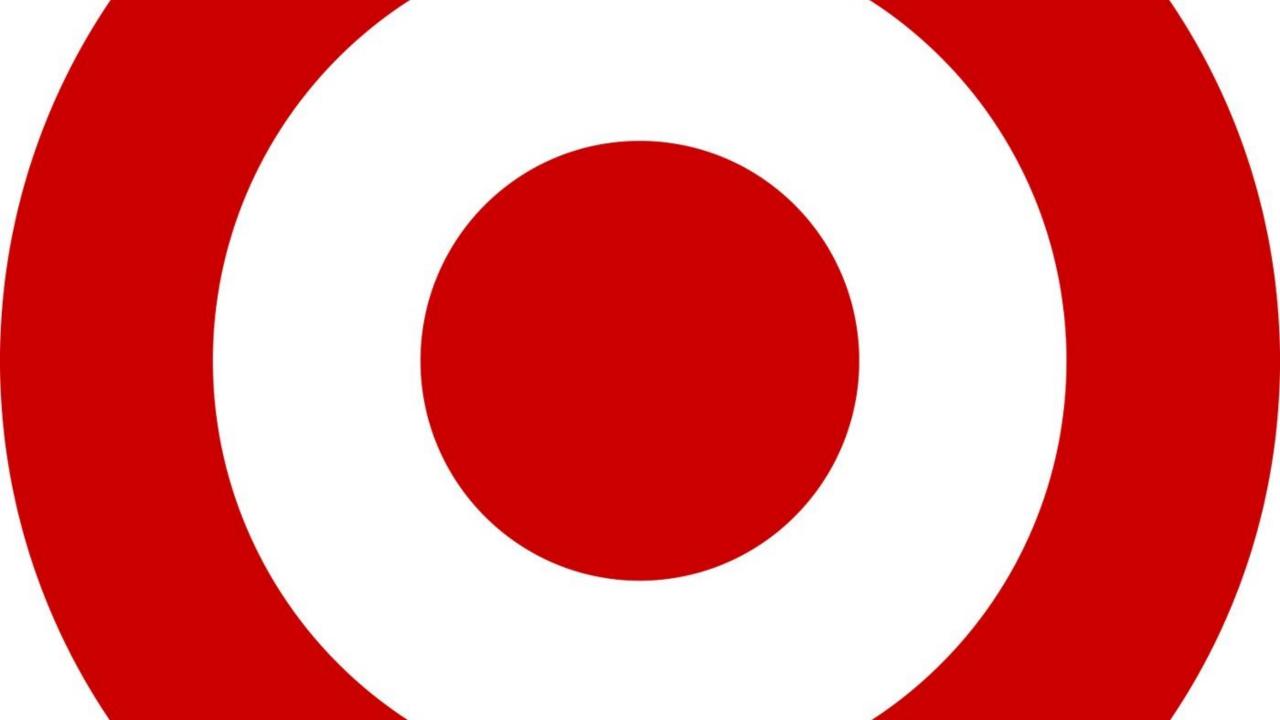




## The second is Calculated Toxic Damage.

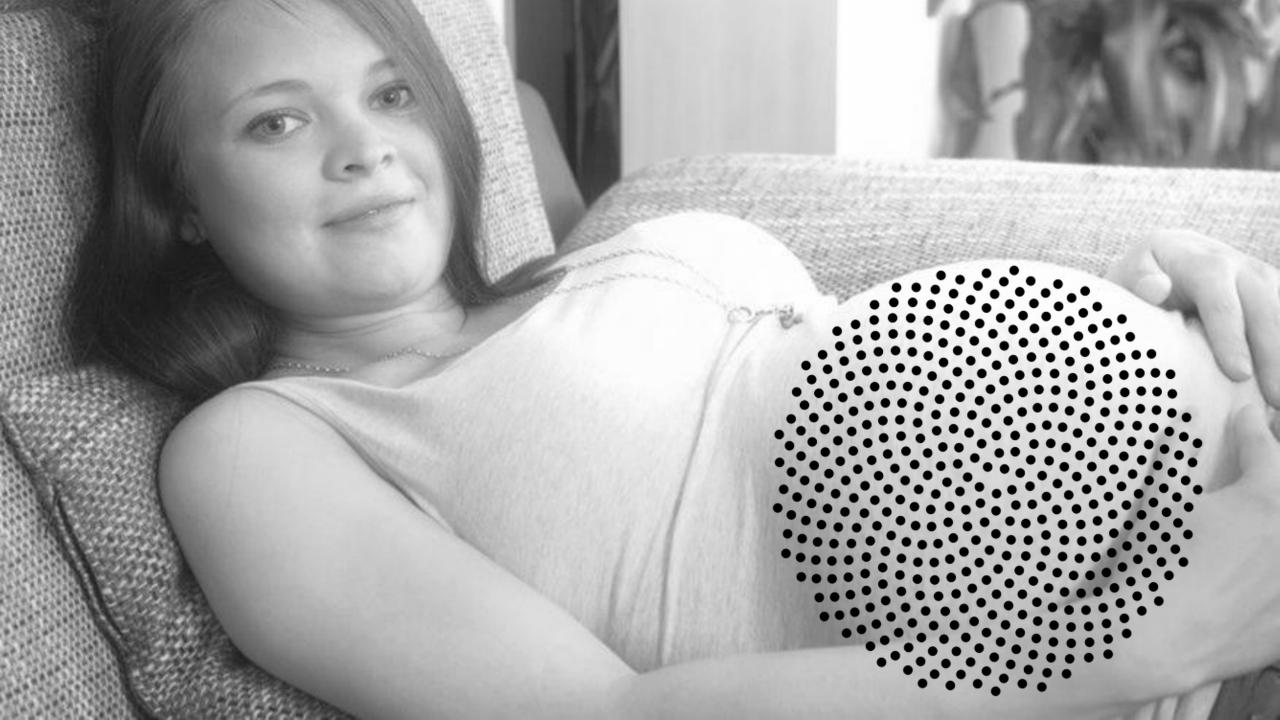


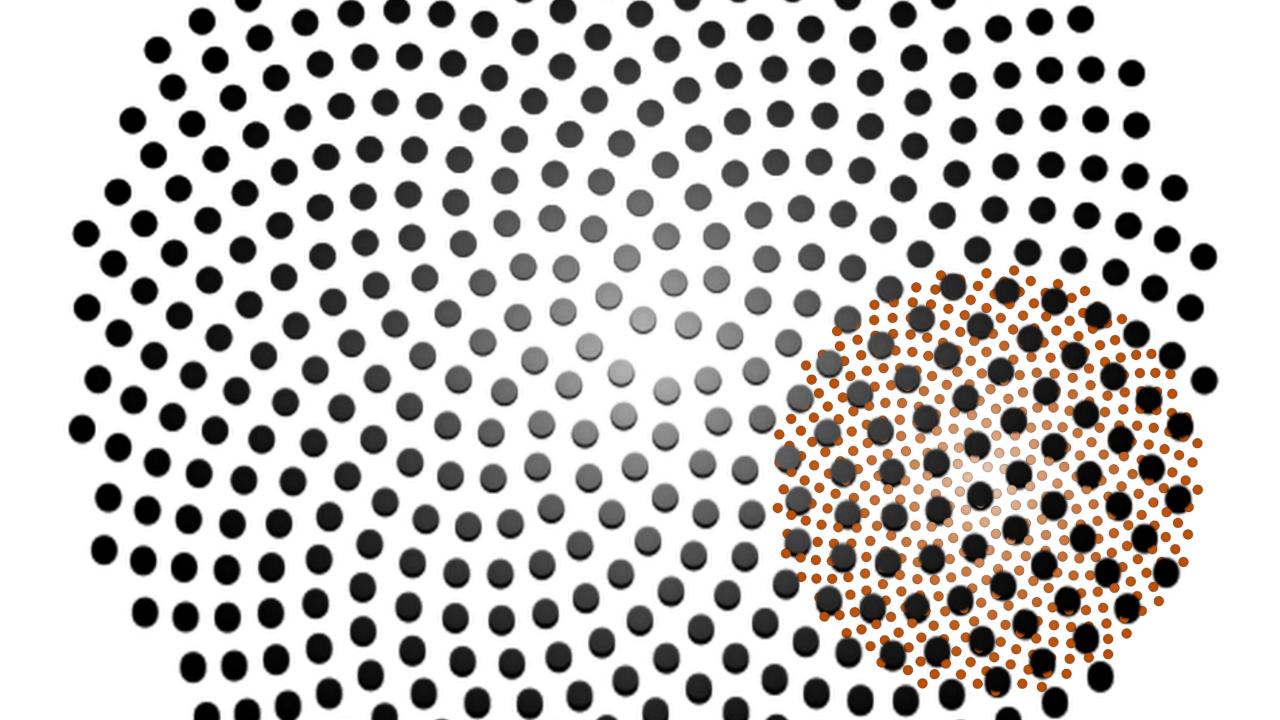














Ashley Seay – victim of a motor accident.

Less than a year later, her father received a promotional mailer from OfficeMax addressed to "Mike Seay/Daughter Killed in Car Crash/Or Current Business."



So who is behind this?











## Can I interest you in car insurance?

Insurance company buys data from other agencies including credit agencies.

Adds \$255 to the premium if your credit rating is Good, but not Very Good.

Dials up the premium further if you've ever missed a credit card repayment.

And further again if you are behind on your mortgage.







"When someone is classed as "high risk", they're more likely to get a longer sentence and find it harder to find a job when they eventually do get out. That person is then more likely to commit another crime, and so the model looks like it got it right."

Cathy O'Neil



## "Models are opinions embedded in mathematics"

Cathy O'Neil

### These are calculated failures

# Calculated Toxic Damage. Due to...

Judgements

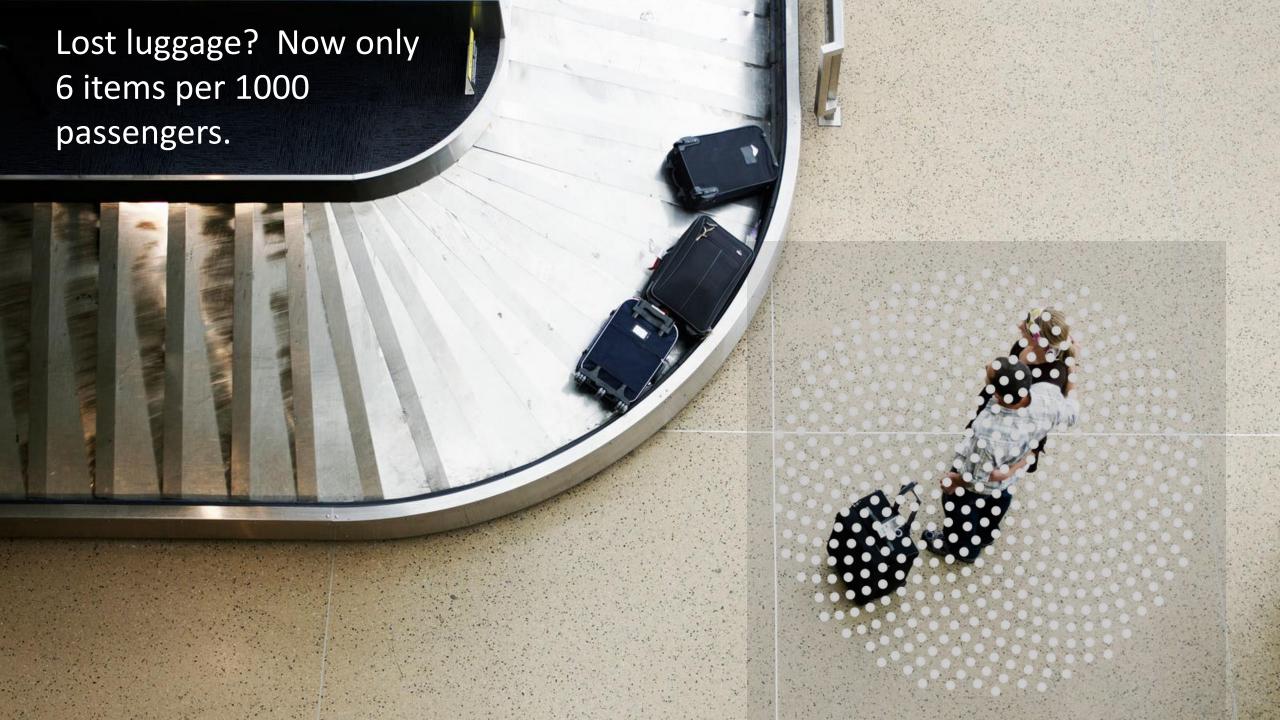
**Errors** 

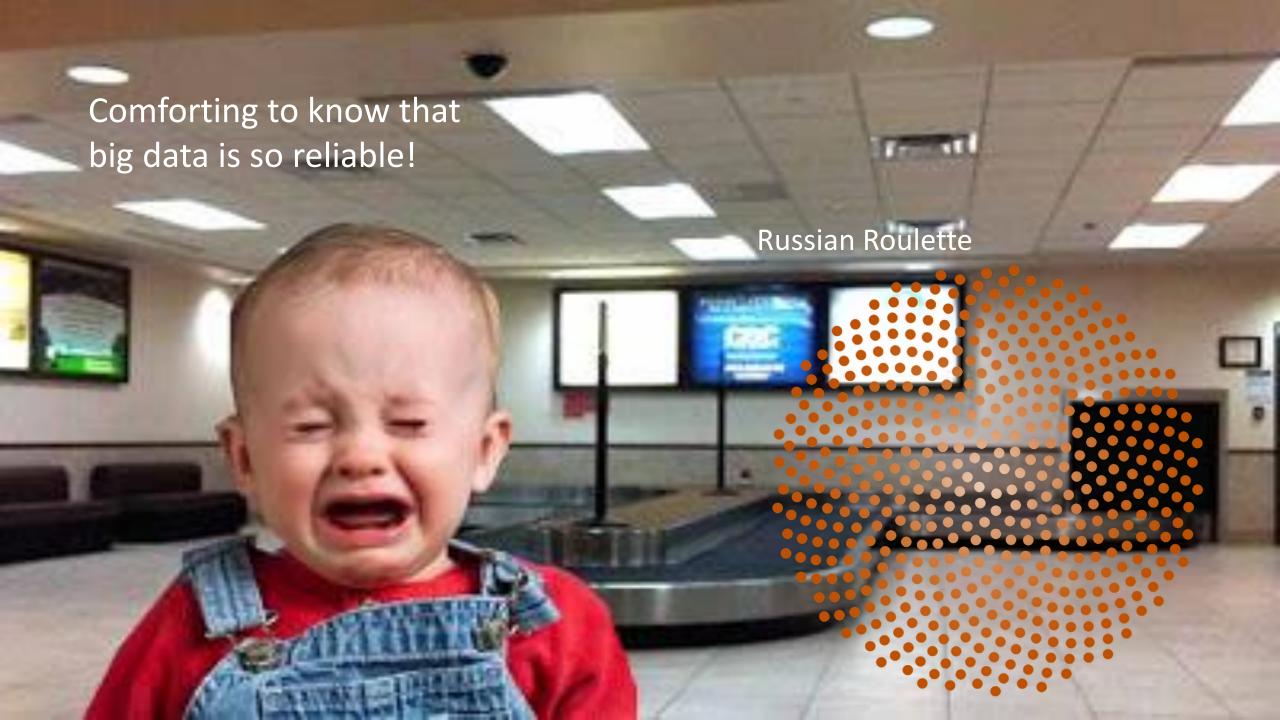
The nature of algorithms

There are an estimated 15-50 errors per thousand lines of delivered computer code. Microsoft have got this down to 10-20 defects per thousand lines.

Ahem. Windows has 22 million lines of code.

That translates as 22–44,000 probable bugs





Then there is the nature of algorithms.

Simulate evolution

Fill in gaps in existing knowledge

Look for similarities between old and new

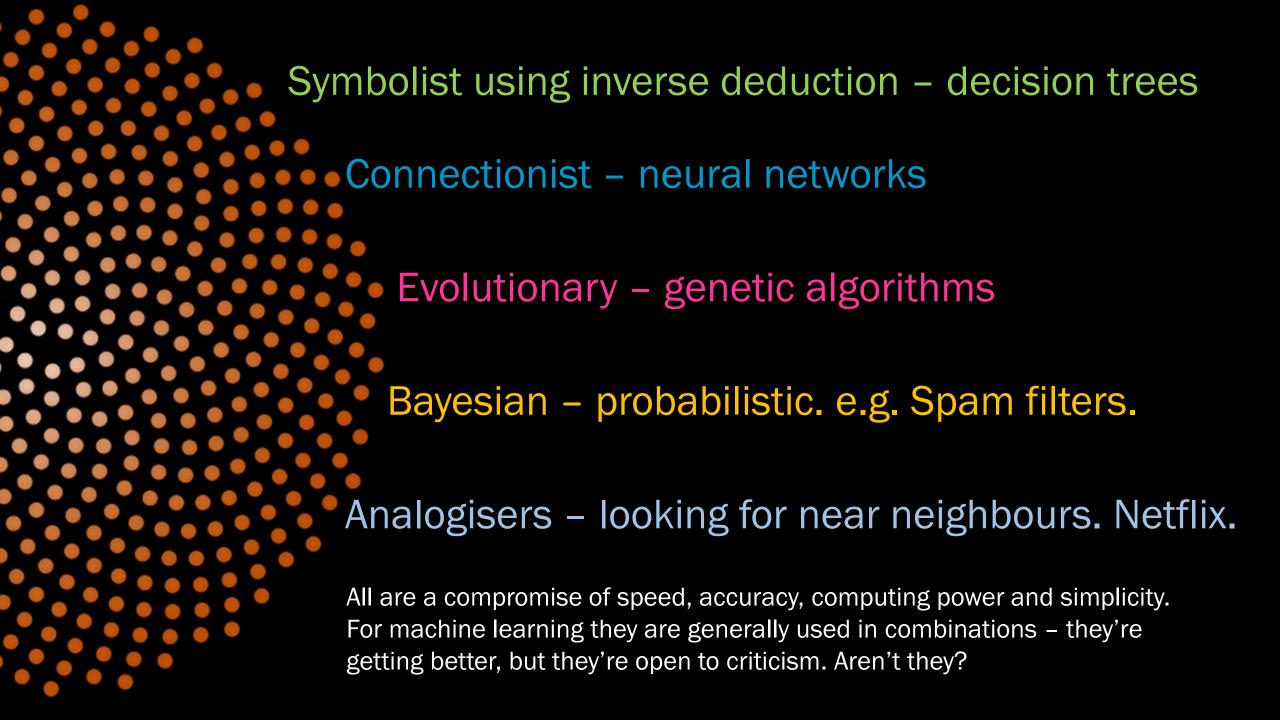
Systematically reduce uncertainty



"PEDRO DOMINGOS DENYSTIFIES MACHINE LEARNING AND SHOWS HOW WONDROUS

AND EXCITING THE FUTURE WILL BE." -WALTER ISAACSON

# HOW THE QUEST FOR THE ULTIMATE LEARNING MACHINE WILL REMAKE OUR WORLD





#### 3 Questions for my smart toaster

How accurate is good enough?

How many lost luggage moments are acceptable?

Do we really want parts of our society systematically written out of the script?







# **BIG PICTURE OPERATIONS**

Imaginative Subject
Matter Experts
HOLISTIC. NOT JUST
ABOUT MONEY

Technical gurus and problem solvers
RESPONSIBLE
ENGINEERS

**Data Scientists** 

CORPORATE FOCUS

**Data Geeks** 

ETHICALLY AGNOSTIC

**OPERATIONS** 

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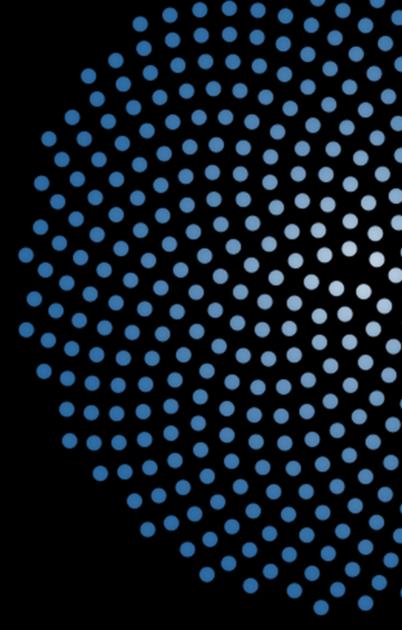
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# **OPERATIONS**

Our digitised world may serve people better, but disempowers us too.

The question is: who is going to protect society from the potentially toxic side of big data and machine learning?

A lot of big data is used judiciously – but where is the voice of our society being heard?



Market Researchers work in close proximity to these issues.

Dare I say it – we have an ethical basis as professionals to have a role in helping form a data-led society that serves the need for privacy, fairness and social justice as well.

