

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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00:00 Jacob: Hello everyone, welcome to another episode of The Future of Work podcast. My guest today is Chuck Kosal, he's the Chief Transformation Officer at Deloitte Tax. Chuck, thank you for joining me.

00:12 Chuck: Thanks for having me.

00:13 Jacob: So, I gotta ask, you have a pretty interesting job title: Chief Transformation Officer. Sounds pretty cool. What does a Chief Transformation Officer actually do?

00:25 Chuck: Well, maybe I will tell you when I figure it out, it's actually... It's probably the most difficult job I've had in my career. At Deloitte, I'm responsible for our strategy, obviously delivered against our vision to be the undisputed leader of our profession, with that comes responsibility over innovation, and corporate development which is really in organic growth and it's really the idea of how do we change how we serve our clients. And today, obviously the focus of that is in a digital way, and then also how do we attract and retain the best and the brightest talent. How do we focus on creating a work space for our future? And so I have a lot of responsibilities with that title. It seems to change every single day as to what I spend my time on, but that's really the summary of what I do.

01:11 Jacob: So transformation officer with a transforming job title and function. Makes sense, it all fits together.

01:17 Chuck: Absolutely.

01:18 Jacob: So how did you get involved with this? We can go back maybe before even Deloitte, how did you become a Chief Transformation Officer? What was your career path that led you up to this?

01:29 Chuck: Well, that's an interesting question, I'm not sure I have a career path that logically results in you becoming a Chief Transformation Officer. I actually started my career in the military, I'm a veteran and a proud veteran of the United States Army. And so I served four years active duty, and then went to the reserves, and went to Michigan State University for my Bachelors in Law degree, and then I became a practitioner at Deloitte Tax, serving large global multinational clients. I think that the role... I became qualified for the role, because I've been very focused throughout my career on practical applications, actually solution sets, figuring out how to make small impacts, how to motivate people to change, how to do things different, how to always think creatively around how we deliver.

02:18 Chuck: And so I think I ended up in a really kind of natural way versus maybe the resume way. I don't have an MBA. And I think many of the folks that have roles like mine came through with an experience of doing large transformational type projects before they became the transformation leader. I think for our CEO today Steve Kimball, he was very focused on some of the innovation I'd done and some of the practices I led, in how we actually were able to not just innovate, but then commercialize and really focus on serving our clients in a way that resulted in them being very, very happy with the value we delivered.

02:51 Jacob: So after the military, how did you end up at Deloitte and what were you doing right before you were Chief Transformation Officer?

03:00 Chuck: Oh, it's a great question around how did I end up at Deloitte. And I often get the question also as a lawyer, how did I end up working at an accounting firm, or a professional services firm rather than a law firm. I will admit that growing up in Michigan, and interviewing out of law school, I wanted to serve the big companies, I wanted to do the really exciting things and obviously the public accounting firms locally were serving General Motors and Chrysler and Ford and all the big companies here locally. And I interviewed with our tax managing partner, the office tax managing partner, and he shared with me an interesting point which was, when you think about a company's finances, and their expenses specifically the largest expense for most companies is actually their tax expense. And that was actually an interesting draw for me that every decision that most of our clients think about, actually there's a tax impact that is often material.

03:48 Chuck: And so that was kind of the beginning of my career, I did a lot of different things working with Deloitte and most recently I led our NFTS business. And our NFTS business is an advisory business, a tax advisory business at Deloitte, responsible for doing planning and compliance in the partnership space, and planning like R&D studies. And just serving our clients where they have needs, and in very specific offerings, but we're a very innovative group as I mentioned, very focused on how we can actually use technology to deliver better, to deliver more efficiently, to deliver really in much of the area that I worked more quickly, was very important. When you think about, I mentioned Asset Management, a partnership or pass through, private equity, asset management in particular. Looking for how quick can we issue K1s, how quick can we get shareholder information out to their investors? And so we created some really interesting solutions to problems that were out there and I think that was the beginning in the journey that brought me to here.

04:49 Jacob: Well, it sounds like a fascinating journey indeed. As Chief Transformation Officer, what does a typical day you look like for you? And people are even curious, from when you wake up. Do you have a typical day, are you dropping the kids off to school, are you exercising at four in the morning, and then what does your day look like at work and how do you end it?

05:11 Chuck: Well, I should be exercising at four in the morning, and I'm not, that's another podcast probably for another day.

05:18 Jacob: We're gonna have to get you up earlier.

05:19 Chuck: Yeah, absolutely, I do have four kids so they do definitely keep me hopping. And I think one of the great things about the Deloitte organization is the idea of balance. And again, this sounds a little bit of a marketing campaign, but it's actually very true. There's great flexibility when

I'm home to spend my morning getting the kids ready for school and off to the bus and being able to spend time with them before I get to work. But when you get into the question on what does a transformation leader do every day, I suspect that everybody that has a role like mine would answer it in a very succinct way to say, it's a challenge every single day. Change is hard, change is really hard. And as I mentioned early in the podcast, I did not anticipate how difficult this role would actually be.

06:05 Chuck: You think in any conversation people always embrace change, they talk about how they want things to be better, how they want things to be different, but the reality is often, human nature is they want everybody around them to change, they think what they're doing is pretty spiffy, right? And so I could share an anecdotal example of a current technology we have in place, that everybody has complained about for a number of years. We announce that we're gonna change it and people scream and yell and drop to the floor and kick and scream like my youngest child, that, don't take it away for me this terrible technology.

06:36 Chuck: So, it's every day is spent navigating the organization, navigating the stakeholders, doing audience analysis to ensure I understand what's in it for the other side, showing empathy. And then most importantly, being very specific on the vision, consistency in our messaging and communication and doing my best to make sure everybody understands. I often use comparisons to the rowboat. Everybody in the boat rowing together will get us where we need to go, and it sounds pretty obvious, or cliché, but the reality is if you have one person in the boat that's got their oar in the water you'll go in circles. And so, I spend long, long days working with all of our stakeholders to ensure that I'm meeting their needs, I'm helping them win in the marketplace, serve their clients, meet all their goals, but also actually do change in our business for the better.

07:29 Jacob: What are you focusing on now? As the Chief Transformation Officer, obviously you were brought into this role for a reason. What is it that you are transforming at Deloitte? What are you trying to go from today to what?

07:42 Chuck: That's a great question, and we're very focused on our Tax in 2020 strategy, which is really a digital transformation of our business. And I like the way you ask the question because what we're trying to go from is doing digital and our to be is being digital. And the difference between the two is, we have a collection of disparate applications that are all individually very, very good, but what we need to continue to focus on is creating a globally integrated platform, where every experience our clients have with anybody in Deloitte Tax around the world is the same experience. You expect that today in any interaction you have from a digital perspective. And so we're very focused on a re-imagining of our business and that includes how we operate, how we go to market, what services we deliver to our clients. We are very focused on truly transforming the business and that's a big change. It's a really big change because it isn't broken in today's sense, like when you think about any type of snapshot of how it looks today, we're doing very well, largest firm in the world. And you would say, great compliments from our clients, we always have room to improve, but do we really need to transform, and we believe the answer is absolutely yes. And so we've invested heavily in this strategy and it's really what my team is focused on each and every day.

08:58 Jacob: So are you doing this because customers are giving you feedback or what? I'm just trying to understand what are some of the areas that you're transforming, it sounds like you're making it easier for your customers to do business with you.

09:10 Chuck: That's exactly right, and it's funny, I get that question a lot inside the organization. Well, whatever our clients said, [09:18] ____ your clients when we ask, will tell us that, but if we don't ask, they don't tell us. The reality is what we're really focused on is the rest of the world around us, right? I think the world around us is becoming digital, our experiences that we have each and every day, how we live our lives is very digital, and our expectations are changing. There's a phrase out there, I'd love to be able to cite the author of the phrase and I don't remember his name, but he talked about liquid expectations. I think there are liquid expectations out there for our clients. And when you think about they're gonna move if they're in the city, if they're in New York city and they're gonna move from one of their offices to another and they're gonna Uber, their experience of transparency, they're experience of communications, and the way they operate in that platform, quickly becomes the experience they expect from us.

10:02 Chuck: And so I would say in professional services, I think there's still room to go, and I mean that in the context of public accounting, in the legal field, in many of the areas of truly, of engineering, architecture, all of those businesses, professional services businesses, medicine, I think they're all kind of behind the times when you compare them to the digital experiences we have in maybe the B2C world. When you expect... What do you expect from Amazon? What do you expect from Uber as I mentioned? And so I think from our perspective, it's not just what our clients are telling us, and our clients are providing a somatic points of view. They would like to see, they'd like to have more transparency like they experience with Amazon. They'd like to get more connectivity with us like they experience through their use of their Apple iPhone or any Google platform. They actually really expect us to work and operate like everything that they have in their life, and so that's really the focus. It's not just individual clients and "Hey, I'd like to be served a little bit different." It's the world, it's really the world around us.

11:06 Jacob: Do you have a specific example of a particular... And I know this is gonna sound weird, but like a particular, I guess you could call it a pain point or something that you're working on now that your clients or employees have said, "Hey, you know what, this is how we're doing things, this is how we wanna do it." Do you have anything like that that you can share and kind of walk through?

11:30 Chuck: Sure, well, I'm actually very transparent and I want us to be the best. And I think our entire leadership team feels the same way, and so we're very transparent in the things that we believe we don't do as well as we should. We've received validation, you asked about our clients' points of view, I spend a lot of time with clients doing client sensing, and one good example is silly, it's actually, it's almost humorous, it's kinda disappointing in the context of the role I sit in. And that is how we collect data from our clients is actually a process that's incredibly manual, and any use of technology we have might be the Microsoft platform, where we send an email and say, "Hey could you send us this." A client...

12:08 Jacob: What type of data would you be collecting, for example?

12:11 Chuck: Financial data, their financial statements or trial balance, their W-2s, their 1099s, anything we need to actually do your tax compliance or tax planning or tax advisory work, to support them in a deliverable that they've hired us to generate.

12:26 Jacob: Got it.

12:27 Chuck: And it's funny when you think about it, we will have people who will send an

information request to a client and then three days later the person in the office next to them will send an almost exact replica of that request to someone different in our client organization. And so, that's a pain-point. We think this idea of collecting data one time and providing visibility to the practitioners that are serving that client so that we can reduce the burden on our clients, and I think you said it earlier and I know you're a big advocate of this, the customer experience, the user experience for us must get better, and that's a major focus for us.

13:01 Jacob: Got it. Okay. Yeah, that's a very tangible and I think an example that a lot of people can relate with, just collecting data, a simple... [chuckle] How big is Deloitte Tax? I realized I never asked you about the company itself. So how big is the company and what do you guys specifically do? Although the name I'm sure gives it away.

13:22 Chuck: Well, we're the tax function of Deloitte, the global firm Deloitte, and for the tax function specifically, we have about 12,000 people around the world. That's the US part of the business that has people around the world as well. And so, it's a large organization and we serve clients big and small. I think there's often a view that we only serve the biggest companies in the world, and that's not necessarily true. We do all sorts of services in the context of the obvious types of things like tax compliance where we do tax returns. We do things for companies as I mentioned, where we help them with their credits and incentives that they might negotiate with their local governments or federal government in the context of investments they might make.

14:11 Chuck: We do things like mobility, where we help companies when their employees move, become expatriates abroad, around the world. And obviously that's a... It could be viewed as a traumatic experience for the employees. We help them through that in the context of the financial sense. Lots of, lots of work that we do in the tax world, but the one thing we don't... That's often misunderstood about our business is, it's not just tax compliance. That's certainly a big part of our business, which is kind of a regulatory requirement for every company and individual in the world, but we also do a lot of work around M and A, and the idea of potential acquisitions and due diligence and post-merger integration when two clients merge. You gotta figure out where do you centralize, how do you actually get the synthesis of value of combining the two organizations? We do management consulting, with what technology should companies be thinking about using in implementation integration services through our tax management consulting business. And it's much more broad than most think, but I will admit that most don't understand what we do, and including my family and friends, they ask me repeatedly what I do.

[chuckle]

15:18 Jacob: Yeah, it sounds like a fun problem to have though, but that's good. That means you don't have a routine, a typical job which could make it interesting. Do you have things that you do that are also internal-focused, so looking at your employees or is everything customer focused?

15:36 Chuck: Well, it's a good question. I think there's a symbiotic relationship between how we serve our customers and how we deploy our people and how we train our people and I mentioned attraction and retaining our people. There's a big part of our project that also wants to make the experience for our professionals better. There's a lot of tedious work that we do, a lot of monotonous work that we do. It's a very data-intensive business that we're in. We receive just an enormous amount of data from our clients that we have to translate into these very complex tax rules and regulations. And so, we are very focused on the experience for our professionals as well, how we help them as it relates to my specific role.

16:21 Jacob: My group, I have three areas of focus: How we support all of our practitioners in their pursuit of wins in the marketplace, how do we help them with marketing materials, how we help them with new technology to help them in the marketplace. Then specifically, how do we help them become more profitable? We are running a business and that's not something that we're afraid of admitting. The reality is we are... When we serve our clients, we wanna do it in a profitable way. And so my group is also very responsible for how do we deploy things like RPA or analytics, AI or cognitive technologies to help us become more profitable to do things more efficiently? And then, as I mentioned, the last thing is this idea of how do we look at inorganic opportunities, how do we look at ecosystems, how do we look at potential alliances out there to again, help our professionals serve our clients in a better way than they have in the past.

17:13 Jacob: If you were to look from a macro level, just at what's happening in the world of work, what are some of the big trends that you are particularly paying attention to that you think are gonna disrupt how work gets done?

17:30 Chuck: Well, that's interesting. One of the things that I'm really focused on right now is actually management and kind of we have seen to maybe take a step from a small group of visionary leaders in corporate America or a public company or private company America that are trying to be visionary of how to become more digital or how to get more out of their own entity in the context of their own profitability. And that continuum or that journey seems like we've gotten to a point now where this has become the new normal. How do we get more from less, how do we... A lot of folks in the C-suite are hearing about those technologies like artificial intelligence or the robotics process automation and they're saying, "Wait a minute, what can we do with that?" So the trend is, it's really important for us and it's actually a marketplace trying to be honest with you, for Deloitte Tax is, we have a lot of our clients that are coming to us saying, "You know what, we can't invest in all of these technologies."

18:29 Chuck: It doesn't make sense for an individual entity to invest in all these types of technologies because they can't get the scale value out of it. And so, how do we partner? How do we work together? How do we work in the context of us doing more for their department or even taking over their department in some cases, where we become almost a managed service, where we're actually doing the investments but we're also delivering the day-to-day work?

18:50 Chuck: There's another thing that's out there, and I'm not sure I would call it a trend, but it's something I find very fascinating, I'd actually like to hear your perspective on it too, and that is the productivity that we get from humans with this new accelerated focus as it relates to Moore's law in technology. What I'm finding is that, the technology is helping us be more efficient. We're certainly moving through things more quickly, but I think our individual, the human part of it is actually becoming less productive and it's because of the distractions, it's because of chat, it's because of instant messaging and all the different mediums that are out there that I think all of our friends and family love and they're the most important things in the world for them. But I wonder, is it gonna have a change in the future work for all of us because productivity is actually going down a little bit because of all the emerging technologies. I was curious if you had a point of view on that.

19:47 Jacob: That's an interesting one. And that actually comes up quite a lot. Will these technologies make us more productive or are they more distracting? I think it depends on how you use it because the tool is always just a tool, but it's the type of corporate culture that you create. So for example, I saw that Microsoft recently, and some people may have seen this article, they

recently tried a four-day work week in Japan. And they actually found that employees were 40% more productive, which I thought was completely fascinating. So you're working less but you are actually more productive. And why is that the case? What's... I mean... You people wanna read the article, it's a pretty interesting dive into that. But it just goes to show that sometimes I think we can be a little bit too reliant on technology and the more of it we have, we always assume we have to be connected and available and we can get burned out and we can get stressed out and we gotta just include everybody in the conversation and then we're just having these big group chats and nothing's getting done.

20:45 Jacob: So I definitely see that, that that absolutely does happen in a lot of organizations. But I think it's also coming down to the cultural aspect of, can you give employees more autonomy? Can you give them more freedom? A classic example of where we see this and you could probably relate to this inside of Deloitte, everybody's always talking about how they can't get rid of all their emails to the point where Inbox Zero is like a term, it's like a phrase that we use. And whenever I... And people tell me this all the time. "I get 500 emails a day, 400 emails a day." And I ask them, "What kind of emails are you getting?" "Oh, my team is CC-ing me in everything, I gotta respond to everything."

21:27 Jacob: So when I hear stories like that, that's a classic example of how you're trying to use technology but you're also not giving your employees more freedom, more decision-making power. If you give employees a technology that connects everybody together, but everybody feels that they always have to CC you in everything and they always need to include you in everything because they can't make the decisions themselves, then the technology is gonna be more of a problem than it is a solution. But if you give employees the technology that says everybody can be connected, everyone can share information, but you also have the power to make decisions on your own, you don't need to include me in anything and in everything, you don't need to CC me in everything, I trust you to make these right decisions, then technology will be more of a benefit instead of a hindrance. So I think it really depends on how we use it.

22:18 Chuck: Well, I think that's a really good point. It's funny, I think about you asked... How you did I end up in the role. [chuckle] Well, I think that's one of the big things is I've always recognized the technologies are means to an end. It's part of a solution, it's not the solution itself. And I think you're exactly right. I think that where you see that disconnect, it's where people think it becomes the solution in its entirety. And we lose that empathy, we lose the emotion, we lose the idea of creativity. We lose a lot of the really important parts of the process whether that's the creative process, whether that's even a conclusive process, we lose a lot of that because we think we have a solution that is "technology".

22:57 Jacob: Yeah, absolutely. And this also extends into our personal lives. A lot of people are so addicted to just even social media. I was sharing this story. So I have a Facebook group that I have of a couple of thousand business leaders from around the world and I shared this story in there. I was at the gym a couple of days ago, and there was this guy working out. There weren't that many people in the gym. It was just me, this guy, maybe one or two other people because it was some off-hours. And I was amazed because this guy was... He was doing the bench press and he would do a rep and then he would stop and he would take a selfie of himself.

23:36 Jacob: And each time, he would do a different selfie and a different pose, do a little peace sign, do a little video of him smiling, and then he would put more weight on the bench press, not actually lift it but take a picture of himself with the weight and it was just, it was completely mind-

blowing to me. He was just... I don't know what you would even call it? And making it look like, obviously, he's lifting more weight than he's doing so that the people on social media would say, "Oh, my God. You're so strong." But it's to the point where I think technology, social media is really starting to interfere in our lives unless we start to take control over it. I don't know about you, but I've never once done these crazy selfies of myself at the gym and look at how much weight I'm doing. [chuckle] Maybe I should start, maybe that's my problem.

24:24 Chuck: Well, is that [24:25] _____ whether I start my day at the gym? It wasn't me. Certainly. It wasn't me. [chuckle]

24:26 Jacob: Exactly. And if you see...

24:26 Chuck: No, I think... The only thing I'd laughed at about that is the food craze, people taking pictures of their plates.

24:34 Jacob: Yeah.

24:35 Chuck: It's sort of those... I'm not quite sure I understand that, but people like to take pictures of the food they prepare, the food they're about to eat at a restaurant and they share it, they post it. Interesting. [chuckle]

24:44 Jacob: Yeah, there's just a lot of technology madness out there, honestly. I've seen people walk into poles, falling to fountains because they were staring at their phones. I've seen people almost get hit by cars as they walk into oncoming traffic. It's just... We gotta take a little bit more of control of technology. Get working in our lives, but I digress, that's a little tangential story. But I think the behaviors in our personal lives very much translate into what we're seeing inside of our organizations. But going back to your original point. I do think that technology can be used either way. I think it can be a massive time suck but I also think it can be extremely valuable and beneficial depending on how we decide to use it.

25:27 Chuck: Yeah, I definitely agree. I agree. And again, I think that's when we talk about future of work, it's interesting that there's a tendency for a lot of people to think that means less people. That's not what future work means at all. And it's again, how do you actually... From our perspective, when you think about the tax in 2020 strategy, it's a redeployment strategy. We received the question all the time, "Well, wait a minute. Does that mean you're gonna reduce your head count?" No, absolutely not. We think we can actually... We can redeploy our people to doing more valuable work for our clients and actually more fulfilling work for them personally. And so, it's absolutely redeployment. The build out of our globally integrated platform is actually going to help us with our people and our clients, it's not gonna actually reduce the amount of people we have.

26:10 Jacob: I was actually just gonna ask you about that because most of the studies that you see, and there've been so many of them out there around, jobs that are gonna be automated and what areas those are gonna be, and a lot of those the studies find are in tax and they're in finance. Everybody says, "Oh, if you're in tax and you're in finance, those jobs are gonna go away. It's gonna be all robots all technology and automation." But clearly, what you're saying is that's not the case.

26:39 Chuck: Well, I don't think it's the case. Now, I'm not gonna be naive. And I know you're also a big proponent of this idea of disruption in your business. If you're not disrupting, someone will

disrupt you. And so, I don't wanna ignore the fact that the business will change. In the short term, I don't see that at all. In the long term, as we make significant advances with artificial intelligence, I'm sure there are more and more things that technology will be able to do that right now people do. But it's not something I think is gonna happen in the rest of my career. I think it's on the horizon and it's out there and we should be cognizant, of it we should be focused on it, but I think in the short term, what we're finding is every time we've built really good technology that it's actually helped us with, again, productivity, as I mentioned, we can deliver faster, we can deliver more your business intelligence to our clients. The interesting reaction to that is often, they ask for more output.

27:35 Chuck: Now that you've shown us X, what we'd really like to see is Y. And that Y actually requires us to add 20% of the headcount to the team to actually deliver what they're looking for until we can build out a technology. I think what's happening is that the needs are changing with the technology, the needs are not staying static. They're also dynamic. And I think that's another thing that people miss frequently when they have this conversation is the world isn't staying, standing still while we build technology to solve all the problems, it's also changing.

28:02 Jacob: Yeah, that's very true. That's very, very true. I think Amazon is a great example. They use probably arguably more automation and technology than most companies on the planet, but their needs also change. Instead of doing delivery every two days, they're trying to offer a same-day delivery, they're expanding in new business models. They're doing all sorts of different things while using technology, but they're continuously growing. So that's actually a very good point that people do oftentimes forget is that just because we use technology doesn't mean the world stands still and we're just automating things. The business will change, new needs will emerge, things have to be done faster, it's very dynamic. That's a very, very fair point.

28:43 Jacob: So getting back to maybe the trends, were there anything or is there anything else that you're paying attention to? I think you mentioned management, you mentioned a little bit on technology, you're talking about a few different technologies though. Are there any particular ones that are catching your eye more than others?

29:03 Chuck: Well, my eye is always focused on real practical solutions. So I hear a lot about quantum computing. Someone actually tried to explain to me what it was and maybe a couple of weeks so, I had in San Francisco. I'm glad that there are smarter people in the planet than me so they can work in that space 'cause it was very complicated. But I don't wanna spend a lot of time on it because it is the future, but I wanna focus on what we can use now. And so, my eye is entirely on those technologies that actually can create practical solutions to today's problems. And so, what I would say is, there's a lot in the tax business where we'll see press releases, we'll see announcements around how AI has done this or AI has done that. In the reality of what we do, if you actually don't make a problem go away, then it's just a shiny object. I would say right now, RPA is something that's obviously on the tip of everybody's tongue and that the tax business...

30:00 Jacob: Robotic Process Automation, for people who don't... That's I'm assuming what you referring to.

30:04 Chuck: Yup. Absolutely, yes. And it's one of those what I would describe as an interim solution set. It's not fixing the disease. It's treating a symptom of a disease. So if our clients have bad data, or we're working in a process and we have to do a manual manipulation of that data repetitively for, in some cases, weeks and weeks with individuals, we can actually train a bot to actually do that. And so, in the context of today, RPA is relatively hot. AI is certainly there. We've

got some great practical applications where we're using artificial intelligence to analyze things like indirect tax reporting. Should you pay sales tax on an asset or not, or to purchase or not, or at a sale or not depending on where you are in the continuum. And so, I think artificial intelligence is probably our, I don't wanna say frontier because it's here, it's right now, it's maybe the next step. And so, those are the ones I'm really focused on. RPA and cognitive technologies like artificial intelligence.

31:10 Jacob: How do you keep up with all the technologies? This is actually a very common question that I get asked from either business leaders or even from individuals. There is so much technology that's floating around out there and as business leaders, as a Chief Transformation Officer, obviously, you can't invest in every single technology all the time when something new pops up. So what is your process like, what is your thinking like for deciding which technologies to focus on? Do you just do a bunch of experiments all the time? How do you approach this constantly changing landscape?

31:44 Chuck: That's a great question. And it's something that we spend an amount of time thinking about because you don't wanna create a process that stifles potential innovation, yet at the same time, you could do a whole bunch of experiments. In fact, if you let many people in the world today, if you gave them a blank cheque, they would experiment all day long, all weekend long. And never actually getting it done. So there's great balance in this idea of what we do in our process is we look again, what is the solution... What is the issue you're trying to fix what is the problem. What's the client's problem, what do we think the potential solution might be, and what potential applicable technologies exist actually to fix that problem. It's not always technology. Today, it's most often technology, but it's not always technology. And so, we look at that and then we begin to do a little bit of what I consider to be a modular approach is a way for us to build a proof of concept, and work with our clients.

32:36 Chuck: Often, we do co-development where we actually work directly with a client to say, "Let's work to the other side by side. Because another thing, it's very, very important that this is coming from a guy who grew up... As a tax lawyer, this idea of use cases, real use cases versus an experiment. A lot of experiments that are done are actually use cases, there's hypothesis or there's a potential thought of where applications might apply, but there's not a use case. And so, I'm very, very focused with our team to make sure that we have a real pragmatic use case to make sure we can test as we do our proofs of concept in the first module of build. That minimum viable product to say, "Hey, we actually solved the problem and this was valuable."

33:17 Chuck: And so that's how we do it. And it's funny, there's some things out there. I made light of quantum 'cause it's far out there but there's all the things that have been out there like Cloud, excuse me, like blockchain. Blockchain is one of those things that I make a joke all the time about, If someone would give me a dollar for every time someone came to me [33:32] ____ blockchain, I would have just retire right now. But it's an interesting technology and the use cases are a challenge. They're a challenge and people will talk about different things that have happened out there in the world, but good luck finding real practical applications in my business, in particular, that's really valuable for our clients.

33:52 Chuck: And then, by the way, not just valuable but also a cost There's a cost consciousness that goes into that because the build can be very, very expensive. So you could create that, the proverbial, the sledge hammer approach and attack.

34:05 Jacob: Yeah, no, that makes sense. So I guess would blockchain be an example of a technology that's maybe interesting but you wouldn't prioritize investing in that one versus for example, robotic process automation?

34:19 Chuck: Well, that's a loaded question, actually. I'm sure that there's folks out there including we have folks at Deloitte who spend all their time in that space that would say... Oh, no, no, you've lost your mind. This is the best investment we can make, so I might answer it in a very personal way versus on behalf of Deloitte tax and say, for me, I wanna understand a viable use case for our business of how we would serve our clients with an open or closed blockchain that the government will accept. And then I'd be all in... But those are a lot of inputs or variables that are incredibly important, that to date, we haven't found a great application for those.

34:57 Chuck: I will tell you that we do a lot of work as an organization supporting companies who have found use cases, whether it's the crypto currency world, we have a whole practice that focuses their attention on how to help those companies, you navigate, when you talk about new currencies, think about in the tax world that we live in, the challenges that come with that, how do you tax new currencies? What is income, what is an asset? Is this equity or is this compensation?

35:21 Chuck: Just all sorts of different questions that pop out there, but our people need to help our crypto clients with. And so, there's things out there in the space of the blockchain and broader space when you get into crypto that are relevant. But just for me, personally, I'm still looking for a very practical use case, that I would deploy.

35:41 Jacob: Fair enough, fair enough. Earlier, you also mentioned something interesting, which was dealing with change, and you didn't actually specify the technology, but you said that you guys, I think were replacing a technology, and you had a bunch of people kicking and screaming, your kids who didn't want it to be replaced. Can you share a little bit more about that and how do you actually deal with the change?

36:04 Chuck: Well, I certainly am not an expert on it, it's something I work hard at every single day. And that specific fact pattern, I think that the actual technology itself is actually a little bit of red herring. I think the point is that I think it ties back to productivity conversation we had. People are so busy, and they have so many... Every single moment they have five, 10, 12 screens open on their machines, we have multiple monitors, they have a busy day, they have personal life commitments. And when they see change, they see disruption. And I think the biggest challenge is that the disruption is probably accurate, but the point is, in the long term we're even arguably in the medium-term, you'll end up with a better situation, but people are very myopically-focused on the pain of the day.

36:50 Chuck: The pain of the change period, and so it's really not so much as anybody would debate. Hey, we need a new technology to do what that does. In fact, I think a lot of people would applaud it, but they just don't wanna endure the pain that will come with the idea of deployment, this idea of migration and deployment and the setup and pilot and all the different steps that go through a transformation like this. And so I think that's the real issue is how do you try to limit the pain for the user, whether that's a client, whether that's our professionals, it doesn't matter. I think that's the biggest barrier for change. And also, how will that impact them individually, the idea of not thinking about what's in it for them, that's a big miss, folks that are on the transformation business if you're not cognizant of thinking all the time about that question, What's in it for them, what's in it for me in the context of your user group you're going to fail.

37:44 Jacob: Yeah, no, that's a good point. So, do you have any, I don't know, techniques or things that you use to deal with that change? So when people are upset by it, like you said, a lot of people might applaud a new technology or a new change or a new process but they don't like going through that actual change. And the quote that I always like to use which somebody shared with me I think a couple of years ago was that nobody actually likes getting or driving or flying to Disneyland, but everybody likes Disneyland once they're there. So how do you deal with the pain of getting to that change?

38:22 Chuck: Well again, I'd love to tell you I have a magic solution, but I'll tell you what I attempt to do. And that is to ensure that I assess... I mentioned earlier, the stakeholders and the audience and those impacted, and to give them a voice as to what it is that they need because there's a lot of things we can actually do with the change that we could excite them about. It's a balance though, because if you try to bring everybody, quote "under the tent," you end up being paralyzed because it's interesting when we talk about, a willingness to change, a willingness to try something new, there was a great quote from one of the old movies, "Everybody's different, I'm not..."

39:00 Chuck: I think that's the point is, try to get them in and give them something that they're gonna wrap their hands around to say that's mine and there's a sense of ownership. I think the most important aspect of that is that sense of ownership in the change. It's them wanting to change versus us changing them. And so, I think that education, that communication, and it's really hard, it's really hard. If you get too far ahead of it, you create empty expectations where people are waiting for this change they keep hearing about and then they start to distrust the change that might be coming. And so, it's certainly one of the biggest challenges that we have in our strategy. But I think every transformation officer out there who pays attention to this would agree that you really have to... You have to thread the needle. You have to thread the needle in the context of getting the sense of ownership, put a great communication strategy together, ensuring that you answer that question, "What's in it for me?" and actually having them drive it versus actually feel like it's happening to them.

40:00 Jacob: Which other teams do you work with? So for example, do you work closely with HR, with IT, with operations? Are you kind of like the secret Task Force that sits in between all these?

40:10 Chuck: Yeah, we do. We work together with all of them. I think our talent leader is very focused in what we're doing, our Ops leader is focused. That's interesting when we talk about it, "What's in it for me?" it's what's in it for both of those leaders, our Chief Talent Officer, and our Chief Operations Officer, is different. It's very different, right? And so, obviously, the Chief Operations Officer is focused on the bottom-line and that's the job he has. And our Chief Talent Officer and his team, they're very focused on again, the idea of attracting and again, retaining the best and bright talent in the right training, in the right environment. We do a talent survey in our organization. We wanna make sure that people are proud to be part of our organization, they enjoy being part of our team. And so, how are the transformation, how are the changes that we're doing, how are those things actually serving their needs and the town organization, and there's lots of others that are impacted by this.

41:00 Chuck: It's our individual business owners. The idea of, they have their own goals, they have short-term goals they have long-term goals, they have people they wanna promote, they have people that they want to give raises to. And so, it takes a village. It really does. And if you find as the leader of a transformation like this that you're only focused on one, if you're only focused on the

operational impact, you will struggle. If you're only focused on making your talent folks happy but there's no quantifiable benefit as it relates to the operations of your business, you're also going to struggle. So, you better figure out a way to make sure that the community is with you together and you're communicating each and every day on the key decisions. One thing I really emphasize, I often tell our leadership team, "It's my job to facilitate the discussion. It's your job to make the decisions." And so I can make a recommendation based on what I know. You ask about technologies and different strategic ways to do things and I certainly will make those recommendations. But we as a leadership team and specifically the business owners need to kinda make the decision, make the choices.

42:09 Jacob: Yeah. No, fair enough. And I like that. I think that's a very good thing for a lot of people, not even in transformation roles, something that probably people in other roles can apply as well. Would you say that a lot of your job is focused specifically on transformation as it pertains to technology or are you also looking at other areas as well?

42:32 Chuck: I would say that today, a lot of it is technology focused but I actually think that when I answer that way, we may artificially limit the reach of technology. I mentioned technology is a solution or a potential opportunity to do a lot of different things different. I mentioned how we go to market. We need to work with our clients on the front-end of potential collaboration in a different way. We can't go with the monolithic, "Here's a 50-page PowerPoint presentation I'm gonna take you through. Let's now flip to page 35." The world is changing and so, there's a lot of things we do that it's not about building a blockchain or not about, "Oh, we built this amazing bot." Every day there are small victories as well where we actually change as I mentioned how we operate or we change what we offer. A big focus for our clients right now is their own digital transformation. That's a much more consultative type relationship with our clients than it is a solution set conversation with our clients.

43:37 Jacob: Earlier you also mentioned empathy, and that's not something that you hear... You're starting to hear it more in organizations now but you don't hear it often. And so, I was really curious, the role that empathy plays maybe for you personally and is this something that you teach your team? Is this like a conscious discussion that you're having?

44:01 Chuck: If my team listens to this, they're gonna be laughing out loud right now because I'm dogmatic with this principle. I share with them every single time I have a bad experience with a service provider and try to talk about situations where maybe we were on the other side of that, that maybe we did the same type of thing. And I'll share a story, I won't call on my service provider, but an example where I needed a "service" and I called and I talked to somebody and they said, "Well hey, I'm not the right person. Call back and ask for this person." And I thought to found myself spending two hours playing phone tag calling different folks within the same company. They all work for the same company. And so, this is parts, this is service, this is sales, these are all these different people.

44:45 Chuck: And so, I'm very, very focused on this idea of empathy and understanding how we impact our clients lives, how we make their lives better and how we make their jobs easier, how we make them look good and ensuring we really understand those things. I do think that there was a period of time in the professional services profession where, when you think about your market crashes, your...

45:10 Chuck: The financial services market crash, some of the reactions that you saw was actually

to try to make things more efficient, try to make things tighten up so to speak. And often when you see organizations do that, the pain is actually not felt by the professionals in the professional services organizations it's actually felt by your clients. We start pushing work to them to actually help us help you do work, and so I'm incredibly focused on our client experience and then again, the empathetic view around what it feels like for them when they get that same information request for the third time in two weeks. How do they feel about that? And so, yes, it's something we talk about every single day. The outside-in perspective is incredibly important. I spend a lot of my time doing client sensing effect. Next week I'll be in Florida with 25 clients sitting together, going through what we've done so far as it relates to our 2020 strategies. To say, "Hey are we hitting the mark? Is this how you wanna be served? What would you do different? What would you say would look... What would better look like? What could we do to actually make your job easier? That's incredibly important to me.

46:15 Jacob: We've all been there, I've... Oh man this week, last week, I've had so many of those phone calls where you spend forever trying to get somebody on the phone. They tell you they can't help you, they don't have access to the right technology. You gotta call another department, but they happen to be closed right now, so you gotta wait over the weekend. Wait for Monday, call back between 9:00 to 5:00, and at that point, you just kinda wanna punch your wall.

46:37 Chuck: Yeah. Absolutely.

46:39 Jacob: It's completely bonkers.

46:40 Chuck: I have great respect for... I can give an an example of one that I really, I call them a lot, actually. That's Delta Airlines who I travel obviously frequently for work, and I live in Detroit Delta Hub, so I fly Delta all the time. And you think about what they've done from their digital investment, and the way they've created a level of transparency and communication with me. "Hey, your flight's on time, here's the gate, your bag's been loaded." I've stood on stage at Deloitte events and I've done a great TO kind of act out of this idea of losing a bag. What it was like, you walk into the bag room and the person behind the counter bangs away the keyboard. You have no idea what they're doing. They're just banging away the keyboard, you haven't actually given them any information. You're just standing there, but somehow they're banging away and then they tell you, your bag's lost. Then they ask you what color it is. That experience used to be so painful for a frequent traveler. And you think about the improvements that Delta made, and I'm sure I don't travel the other airlines as much...

[overlapping conversation]

47:36 Jacob: What did they do by the way? Yeah, I don't fly Delta either, so I'm curious, what did they do?

47:41 Chuck: They are completely digitally connected now with their passengers. I'm actually on a flight to Seattle this evening. I will get a notification, probably in the next 30 minutes to tell me my flight's on time, what gate it's at. To the extent that I was to check a bag, every time throughout the process, they use a scanning technology to tell me, "Your bag's gone into the turn-style, your bag's been loaded to the cart, your bag's now being shipped up to the plane. It's on the plane, it came off the carousel, it's on carousel two." And I'm getting push notifications for each one of those. There's a level of comfort that comes with knowing. I shouldn't worry about it, but you do, subconsciously you kinda do. And so this idea, "Hey, your flight's been delayed 15 minutes. Hey, you can now track

the plane that's flying in." You're sitting in an airport in Atlanta and you're trying to get from Atlanta to Detroit and your flight's delayed. Well, the flight is coming from Dallas to Atlanta and it's gonna arrive in 42 minutes. Just complete transparency, good or bad.

48:35 Chuck: Sometimes it's frustrating 'cause they're telling you, "Guess what? Your plane isn't in the air yet." The real difference though, when you think about the customer side of it is, if I was to get that same message today saying that we're delayed an hour, guess where I'm not gonna sit for an extra hour. That's in the airport, I'm gonna sit at home. So, that's just a... It's a minor or maybe major, depending how you look at it, but it's just a real focus on me. Trying to make the experience better for me. Trying to make that trip down to Disney World you're talking about, better for me. And I applaud organizations out there, and there's a bunch of them who've really invested in empathy and the idea of trying to make my experience a better experience.

49:15 Jacob: Got it. No, that's a good story. We only have a couple of minutes left, so maybe I'll ask you this one final question before we jump into a couple of fun ones. What are some of the big mistakes or pitfalls you see from leaders or organizations broadly speaking, that are trying to make some sort of transformation happen, but struggle. Are there any common mistakes?

49:37 Chuck: Yeah, I have one top of mind and it's really this idea of taking that first step. You'll hear a lot and I'm sure on your podcast, this idea of being bold. You don't actually need to be bold, you need to be brave. And you need to take the first step towards a change and I see that in the context of transformation. Digital or otherwise, any types of business transformation, even personal transformation, it's the first step that's the hardest. When you think about, it's that first workout that's the hardest, it's the first investment you make that's the hardest. And so I would say that's the biggest challenge that I would tell people. It's an easy challenge to overcome, just take your first step. Big or small, just take a step and see how it goes. And you might find that it's not as bad as you think and you might actually get some results that will inspire you to take a bigger step next time. But don't let paralysis be the enemy. Don't let this idea of how change might... What the outcome of change might be to not actually try it. And so I would say that's it, it's take that first step.

50:38 Jacob: Got it. Simple enough. You find that a lot of organizations or people, they talk about it, but they never actually do anything with it.

50:47 Chuck: They admire the problem. They admire the challenges, and then you sit around the room and you beat up the problem, and again, a lot of different ways. And you actually reach great consensus that there's a problem, but then no one really wants to take a risk. No one wants to actually take that first step. And their fear. Their fear of change, fear of failure. Fear of failure is huge in transformation. In fact, even with my own team, I have to continually reassure them and inspire them that, "Look what we're doing, we are gonna make mistakes. I'm not perfect. I'm absolutely not perfect and we as a team will make mistakes in what we're doing. In fact, we make mistakes every single day. Do we learn from them? As long as we don't repeat them, that's okay. How do we apply what we learned in that next step?" And so I think that's okay... But boy when you talk about specifically in an organization like ours, the immense talent we have, people aren't actually accustomed to failing. And in transformation, in innovation, you actually fail a lot. It's kind of like the baseball average. You're gonna fail 70% of the time and that's not normal for the people that you have on your team generally.

51:57 Jacob: Yeah, I think those are wise words. Well to wrap up, I had a couple fun questions for

you. These are just fun, rapid-fire personal questions about yourself. Starting off with, what has been your greatest failure?

52:16 Chuck: My greatest failure. I would say there's been times when, and I can think of one in particular, 'cause you're asking for a greatest failure, where I didn't get the most out of a team. They were a talented team that I didn't spend enough time on the business chemistry to understand how they worked. I think this idea... I talk so much about empathy and then I use my style to command the room and my style was different than their style. I would say it's any time you don't get the most out of a team, I would put the biggest failure wrapper on that. When you have immense talent and you don't get the most out of it, that'd be a big failure.

52:57 Jacob: What is your most embarrassing moment at work?

53:03 Chuck: Most embarrassing moment at work. This is supposed to be fun? This was the fun part?

53:07 Jacob: Yeah. Well, I didn't say it was gonna be fun for you. It's fun for all of us who are listening.

53:13 Chuck: You know, I'll tell you that I had one... I had one and maybe this isn't the failure period, but I actually was asked to present at a global leadership meeting last minute. I flew over, landed at 6:00 in the morning, was on stage at 10 in the morning. 40 of our key global leaders are sitting in front of me in almost an amphitheater setting and didn't have a great day. I had a very, very tough day. That was probably my greatest failure. And it's one of those things that's hard to rebound from when you're leading a big program like I'm leading. Those are one of those things that's kind of a challenge to rebound from and I survived and I learned from it. But I would guess, if that's the fun part, that would be it. [chuckle]

53:52 Jacob: Okay, but it wasn't so much embarrassing was it?

53:55 Chuck: Well, it was embarrassing because I have so much passion and you want them to go so well. I guess I was personally disappointed.

54:05 Jacob: Okay.

54:06 Chuck: So from my perspective, I guess it probably was an embarrassment, but from my view, I carry the weight of the organization on my shoulders. I love the organization and I'm so fortunate, so blessed. They've given me so many great opportunities to do so many cool things like this and you sure hate to blow it, right? Embarrassment might not be the right word, I have to think about that one a little bit longer probably.

54:28 Jacob: What are you most proud of?

54:31 Chuck: The proudest thing I would say in an organization like Deloitte and doing what I do is the growth of people that you've supported in your career. I think watching people. I'm old enough now where I've hired kids off campus that are now partners in our organization. Watching their maturity and watching their development, and watching them take... Have some bad days, and sometimes tears in their eyes and working their way through our partner of the mission process, and then standing on stage being announced as a new partner or principal in our organization, those

days, they bring tears to my eyes. It's just incredibly prideful for me, because you know how hard people work to get there. So I think for that perspective, watching talent development is the thing I get the most pride out of it, professionally.

55:17 Jacob: What is your favorite business or non-business book that you recommend that other people check out?

55:23 Chuck: I'm gonna forget the author, and it'll come to me maybe when I'm speaking and I'm sure you're probably gonna know who it is. Getting Naked was a great short book. Can you remember who the author is?

55:35 Jacob: I do not, but I can probably check quickly.

55:38 Chuck: Yeah, well, I feel bad to not remember and it's at the tip of my tongue, but it's a great business book about empathy. It's a great business book around this idea of the bigger you are doesn't mean the better you are, doesn't mean you have all the answers, doesn't mean you know more than your clients and the idea of actually making sure...

55:56 Jacob: Patrick Lencioni.

55:56 Chuck: Yes, fantastic. Fantastic quick read, quick single flight read, great business book. I also am a big fan of Daniel Pink and I do think that the way he thinks is brilliant and I read everything he puts out.

56:11 Jacob: Okay. Who has been the best mentor you've ever had?

56:17 Chuck: I worked for a partner for a long time in our organization his name is Mike DelloStritto and he was just a fantastic mentor in this idea of always ensuring you understood your goals. Specifically what it takes to get to them and staying focused and driven and being very practical every single day. And so he was just... I always knew I could go to him, good days and bad. And he would actually help me out in the context of how to be better on my best days and how to not get too down on your toughest days. And so he still works with me every day and what he brings to business... There's a common sense that actually success is driven by in business that sometimes we forget. There was a levity with Mike every single day around let's not make this more complicated than we need to. Let's actually focus on where we're going, focus on what it is that we're trying to do. We're trying to solve client's problems here and as long as we do that, we'll win. He's always been there for me and continues to be.

57:24 Jacob: Very last question for you. If you would have ended up doing a different career, what do you think you would have ended up doing?

57:33 Chuck: Coaching and my son, my 7 year old son would right now shudder if he heard me say that 'cause I coach his flag football team and I think he thinks I'm the worst coach on the planet. But, the idea of leading, being a leader, I hate the idea of management, I like leadership. That's maybe something I learned in the military, but I think coaching young folks and again trying to help them reach heights that they don't even think are possible themselves. You'll continue to push them without breaking them. I think coaching would be incredibly rewarding and maybe I still will do it at some point in my life, but I think it would be coaching, I think that would be my thing. I love doing it, I love being on the sideline, it's my most intense days. Every single when we're coaching

the game, and making sure that they're more successful and we have fun.

58:19 Jacob: Yeah, it's fun. I have a 3 year old, I try to... Well, I'm not coaching a team. I'm coaching her in soccer, but it's a lot of fun. I get into it. I could definitely see why that would be something that you would wanna do. Well, Chuck, we are out of time. The hour has gone by so quickly were can people go to learn more about you or Deloitte tax or anything that you wanna share?

58:43 Chuck: Well, I have a LinkedIn identity, I guess, so if of people and find me on LinkedIn, I'm on LinkedIn, and obviously through our DeloitteTax.com and Deloitte.com specifically where you'll find us. But I think The easiest thing for me, to connect with me directly is through LinkedIn or through my email which is ckosal@deloitte.com. And so I'd love to hear from anybody, if anybody has any questions or any feedback and I hope it's been very transparently clear. I don't have all the answers, and so I'd love to get feedback from people and advice from people and not just questions, 'cause I can use all the help I can get. I appreciate your time too.

59:17 Jacob: Of course. Thanks for sharing your insights I'm sure people will wanna connect with you. Thank you very, very much for your time and thanks everyone for tuning in. My guest again has been Chuck Kosal his last name is K-O-S-A-L. You can find him on LinkedIn. He is the Chief Transformation Officer at Deloitte Tax, and I will see all of you next week.