

Suffolk University Sawyer Business School Commencement
Sunday, May 18, 2014
Blue Hills Bank Pavilion, Boston
Commencement Speaker
Joseph L. Hooley
Chairman, President and CEO, State Street Corporation
“Navigating the Digital Revolution and Finding Balance in a Big Data World”

- Good afternoon, distinguished trustees and faculty, proud parents and grandparents, honored guests and, most importantly, members of the class of 2014. *[What a great day to be here on the Boston waterfront!]*
- It’s my honor and privilege to be invited to speak to you today, and to be presented an honorary doctorate from the Sawyer School of Business.
- Knowing the keen intellect and impressive accomplishments of my fellow honorary degree recipients, I consider myself fortunate to be in such exceptionally good company.

[Pause, look around the pavilion]

- I must confess, it’s pretty cool to be on stage here at the Blue Hills Bank Pavilion. Each summer, this venue hosts some great performances.
- As a matter of fact, in just a few weeks music lovers will pack this place to see performers such as One Republic, Widespread Panic, the Goo Goo Dolls and Willie Nelson.

- Unfortunately – or perhaps fortunately – for you, I didn't bring a back-up band. It's just me. This is all you get.

[Pause]

- Before I go any further, I want to congratulate each of you receiving your degree today. I know you have worked extremely hard, and in many cases made significant sacrifices. I salute you.
- I also want to recognize everyone who has helped to nurture these graduates and sustain them along their journey. This is *your* day too, and I salute you as well!
- In fact, as the father of two recent college grads, I have experienced the same sense of pride – *and relief* – that many of you are feeling today.
- Graduates, today marks a major milestone in your lives, though it's certainly not the end of your journey. There's a good reason we call it "commencement." This marks a beginning, not an end.
- Education and the quest for knowledge is a lifelong pursuit. Tomorrow you will be moving along toward your next milestone. But for today, it's fitting to celebrate where you are and how far you've come.

- You are graduating at an exciting time ... as the Digital Revolution transforms the way people all over the world connect and interact with one another ... and as globalization spurs innovation on a grand scale.
- That's the focus of my remarks today – how the rapid shift to digital technology is transforming the way we live, work, socialize and play ... and what that means for someone heading out into the world to build a career.

The Digital Revolution

- The Digital Revolution is moving rapidly. In the last decade alone we have seen massive growth of interconnectivity and information flows.
- According to a recent study by the Boston Consulting Group, the share of the global population using the Internet tripled between 2003 and 2013 – from 13% to 39%.
- In the next five years, another billion people are expected to go online – pushing the total to **half** the world's population.
- And many if not most of that next billion people will access the Internet exclusively on mobile devices, never having used a traditional computer.
- This rise of mobile connectivity is spurring explosive growth in the exchange of information and knowledge – with vast information available to practically **anyone, anywhere, anytime**.

- I imagine many of you are familiar with TED – a nonprofit devoted to spreading ideas, usually in the form of short, powerful talks – 18 minutes or less.
- TED Talks cover every imaginable topic – in more than 100 languages – and have been at the vanguard of this democratization of information and insights. We're proud at State Street to be a sponsor of TED and very much believe in what they stand for
- Social networking and crowdsourcing are taking collaboration and knowledge-sharing to a new level – and creating huge opportunities for people to engage with one another where they *live, work, shop and play*.
- And companies are now using these tools to connect employees, clients, suppliers and partners.
- Indeed, the Digital Revolution is radically redefining industries.
- Businesses can no longer afford to think of technology as just a support function. For most organizations today, technology is a key driver – if not the key driver – of strategy, decision-making, execution and innovation.
- Technology is also the great disintermediator – allowing innovative companies to overtake established firms by creating new or better ways to meet customer needs.

- Companies that once had seemingly invincible market leadership positions are being threatened by competitors that just a few years ago weren't even on their radar screens.
 - Think about the disruptive business models that have sprung up in recent years, such as iTunes, Google and Netflix.
 - Consider Amazon – which transformed the publishing industry before morphing into a retail behemoth – and more recently establishing a major presence in cloud computing.
 - ...Look at how Uber is shaking up the taxi industry...
 - ...or how Zipcar is making owning a car passé for many city dwellers.
- **Every** company in **every** industry is focused on how to adapt to the new digital environment – and if they're not, they certainly should be.

The State Street story

- I can assure you the company I lead is **sharply** focused on it.
- Technology has been the key driver of State Street's transformation over the past 40 years from a traditional Boston-based bank to a global financial services company.

- We were founded in 1792 as Union Bank – with roots supporting the maritime trade here in Boston.
- And for nearly 200 years, we were a bank.
- Over the past four decades, however, we have evolved into a technology-enabled financial services company that focuses on serving institutional investors. In fact, today we are much closer to a technology company than a bank.
- Technology has enabled us to expand into new markets around the globe and offer innovative solutions that our clients value and depend on.
- Today, we have a truly global franchise... with operations in 30 countries. 40% of our revenue and 45% of our staff are outside the U.S.
- Our clients count on us for our expertise and market insights that allow them to address complex challenges related to global investing.
- The latest chapter of our evolution involves becoming a truly digital enterprise... with the ability to respond even more quickly to our client's changing needs.

- We're ***fundamentally*** changing the way we deliver solutions to our clients, whether by automating processes to achieve greater speed to market, accuracy and efficiency... or interpreting data to develop better insights for them.
- We've built a private cloud computing infrastructure, which is opening up vast opportunities to create value for our clients through enhanced data services and faster speed to market.
- And we're finding new and creative ways to engage our employees and help them collaborate more effectively.
- We believe collaboration is a critical success factor.
- We recently launched an internal social networking site – essentially an in-house version of Facebook – to encourage information sharing and collaboration among our employees.
- I must confess, I was a bit skeptical of this at first. Why would we want to encourage employees to talk about their pets or favorite restaurants? Well, because we also want them to engage with one another about ways to work more effectively and use their vast experience to address client concerns.
- As it turns out, our employee collaboration site has been hugely popular – with 20,000 employees visiting the site daily. It's been great for bubbling up solutions to issues that our employees and clients are facing.

- We have groups of employees collaborating on this internal social space to resolve all kinds of issues. We have, for example, a community of more than 3,000 client services people around the globe who use the platform to solve problems and share tips for getting things done.
- So, on any given day, we might have a client service representative in Luxembourg asking a question that's answered by someone in Singapore ... or an employee in Hong Kong posting a question that's addressed by a colleague in Dublin.
- Without social networking, these connections would not be happening.
- The bottom line is this: State Street's ability to use information – *in all its forms* – is absolutely essential to our ability to remain relevant – and continue to grow.
- And we're not unique in this regard.
- You've likely heard the term "big data" used to represent the volume, velocity and variety of data that companies have access to today.
- Big data, in itself, is *no big deal*. It's only useful if you are able to derive value from it – by turning *big* data into *smart* data.

- That's a big challenge, given the vast volume of data being created every day.
- IBM estimates that 2.5 quintillion bytes of data are created every day. To put that in context, that's more than 110 times all of the information estimated to have been created — ever — until 2003.
- Think about that. As much information created in a single day as during the entire course of history up until just 11 years ago.
- Companies that can transform this massive quantity of data into smart data will be better able to understand client needs, operate more efficiently, manage risk more effectively, and make smarter decisions.
- Smart data will spark innovation and the creation of new business models in nearly all industries, with immense potential to improve people's lives.

What does this mean for you?

- So, what does all this mean for you?
- You're stepping into a rapidly changing business environment.
- As Andrew MacAfee argues in "Race Against the Machine," the Digital Revolution will lead to a restructuring of the economy more profound and far-reaching than that ushered in by the Industrial Revolution.

- We're beginning to see the convergence of machines and intelligent data in what technologists are calling the Internet of Things ... or the Industrial Internet.
- The Industrial Internet will transform industry through intelligent, interconnected objects that dramatically improve performance, lower operating costs and increase reliability.
- Imagine a highway where cars are able to safely navigate to their destinations without a driver...
- Imagine a home where an elderly patient's health is closely monitored by her hospital physician...
- Imagine a city that significantly reduces waste through sensor-embedded water pipes, buildings, parking meters and more.
- These are no longer part of the distant future. These scenarios are unfolding now.
- All this innovation and change creates opportunities – but also risks.
- Creative Destruction – the process through which something new brings about the demise of whatever existed before it – remains a potent force in business and in life. And it continues to create winners and losers.

- **You** have the chance to be part of the disruptive and creative phase of business evolution.
- Naturally, companies need smart, engaged and committed workers to succeed in today's highly competitive business environment.
- Employers are looking for business and technology-savvy workers with strong analytical skills and real-world experience...
- They need employees who can communicate and collaborate effectively...
- They need people who are entrepreneurial, inquisitive, and not afraid to challenge the status quo...
- They need workers who come up with bold ideas and aren't afraid to express them...
- They need workers with diverse backgrounds and experiences, and a global perspective.
- In short, they need people with the skills and knowledge that you have acquired and honed during your time here at Suffolk.
- I know that the skills you have learned and the experience you have gained here at Suffolk will position you well for the next phase of your journey.

Keys to success in the Digital Age

- Wherever your journey takes you, I'd like to offer just a few words of advice.
- Relax. I'm not going to rattle off a bunch of platitudes about how you can change the world.
- I just want to leave you with a few practical suggestions on how to succeed in the digital age – and a lot of them involve real human interaction!
- First, managing the steady torrent of information racing at you from all directions will be essential to your success – **and sanity**.
- Don't get so consumed by data that you lose balance or perspective.
- Information is only a commodity – it's what you **do with it** that matters.
- So reserve time to **think** -- and develop your ideas into insights.
- Put down your devices ... tune out now and then.
- Find balance in your personal and professional lives.
- My greatest challenge as a leader is finding that balance – the time to think, reflect and recharge.

- It's really, really important.
- I also would urge you to remember that no matter where technology takes us, personal relationships will always matter.
- Relationships can be enhanced and enriched by the digital world. But relationships can't be supplanted by technology.
- Take time to connect with people – face to face – preferably while you are in the same room!
- That includes your parents and your grandparents. And maybe even your in-laws at some point.
- And, most important: Figure out what you enjoy doing, what you're really good at, and pursue it with passion. Life is too short to just go through the motions.
- I would like to close with a quote by Abraham Lincoln, who said: “I will study and prepare myself. And some day my chance will come.”
- Graduates, your chances are coming. You've studied hard and prepared yourselves well. Now go forward with confidence and make the most of the opportunities before you.

- More than any other generation that has come before, you have the advantage of all that digitization can bring, *literally at your fingertips*. How you harness this advantage will be up to you.
- Thank you for allowing me to share this great occasion with you.
- I wish you all the best!

2283 words, 16 minutes