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BI PRIME

A secretive AI startup just raised \$185 million. Here's how its CEO says the company is helping corporations better manage the huge increase in customer-service calls from the coronavirus pandemic.

By Joe Williams

- Companies are getting inundated with customer-service calls as the coronavirus pandemic upends life for most Americans.
- For help, some turn to ASAPP. The secretive AI startup augments the work done by call-center employees through its platform that, among other things, provides automated responses and full customer-call histories.
- CEO Gustavo Sapoznik thinks it could beat industry leaders like Microsoft and become the next great enterprise-software company built around AI.
- “A lot of those are not interested in playing in that space, even if they have those capabilities,” he told *Business Insider* in an exclusive interview, referring to tech giants.
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ASAPP

Gustavo Sapoznik is the founder and CEO of ASAPP.

On March 12, right as the coronavirus outbreak began to upend many aspects of life in the US, American Airlines received five times the call volume for a regular day.

Such a significant increase puts immense pressure on customer-service centers – even for the nation's largest carrier, which has tens of thousands of agents to field requests.

American isn't alone. Rivals like Delta

Air Lines and Southwest Airlines also saw increases in customer-service inquiries as the coronavirus pandemic wreaked havoc on travel plans.

And it's not just corporations. New York's unemployment office fielded 7.8 million calls in late March as people who were laid off as a result of the pandemic sought financial assistance in droves.

For help, some are turning to ASAPP.

The secretive startup is empowering agents with tools such as automated responses and a complete customer-interaction history, with the goal of revolutionary seamless interactions for employees and customers.

On Friday, the company announced a \$185 million funding round – bringing its total funding to \$260 million. But apart from publishing academic papers on its technology,

ASAPP has done few outside interviews.

In an exclusive interview with Business Insider at its headquarters in One World Trade Center, CEO Gustavo Sapoznik laid out his plans to create the next great enterprise-software company built around artificial intelligence.

While it's a crowded space, he said there was immense opportunity that industry behemoths like Microsoft are poorly positioned to take advantage of, creating opportunity for a player like ASAPP.

"Someone will build the next big tech company on the backs of machine learning. We would argue it's likely going to be a new company, not one of the incumbents," he said. "A lot of those are not interested in playing in that space even if they have those capabilities."

The company's initial product, for example, is targeted at call centers. But it plans to expand into a new sector every three to five years.

And Sapoznik has the healthcare sector in mind. He said the goal for the next platform is one that lets insurance companies and hospitals have better digital interactions with customers.

Tackling the call-center challenge

Customer service is one of the largest divisions within corporations, often employing tens of thousands of people, but for many consumers, it is still a maddening experience.

Resolving issues can take hours, with hold times, other delays, and archaic systems. And there are too many gaps.

Information discussed with an agent

over the phone, for example, isn't easily transferred if a customer wants to transition to chatting via the company's mobile app instead. Recent "solutions," like online chatbots, have been largely ineffective in solving many of these problems.

"Large enterprises need to become digitally competent in how they deal and interact with their customers," Sapoznik said. "A lot of organizations operate, because of the historical technological decisions they made, with digital incompetence."

That's where ASAPP's platform comes in.

The system uses speech-recognition software to analyze customer inquiries on any medium – phone, mobile app, or website – and provide automated replies that agents can use. And the interaction history is all stored for quick reference, regardless of how a person is reaching the customer-service center.

Say someone wanted to contact Verizon to complain about slow internet. An agent would be able to see if he or she had a similar problem several months ago. And if the person were to ask about an upgrade to faster speeds, the system would automatically present the agent with an option to send the available offerings.

It's all part of an effort to support call-center agents instead of replacing them entirely.

"What would happen if 99% of your workforce was as good as your top 1%?" Sapoznik said. "Just by focusing on making people better, we augment away 60% of their workload. When we do that, we can increase the capacity of that person."

Using the research arm

Part of what makes ASAPP's approach unique, Sapoznik said, is a robust research arm that pairs more academic-focused studies on still novel technology – like automated text summarization – with practical efforts to improve existing product offerings.

"One of our proudest accomplishments today is that we have one of the most significant industry-research organizations out there," he said. "Everything that we're developing from an algorithmic-capability perspective can then be productized in different ways."

Most of the employees in the research unit fall into one area of expertise: natural language processing, machine learning, and speech recognition.

And most of the ongoing studies are related to one specific feature the company hopes to add to its platform.

"Everything the research does is not product-specific; it's task-specific," Sapoznik said. ASAPP then "cross-pollinates the efforts of our research organization across different product lines."

While fears are rampant that automation will destroy jobs, the reality for many is that the technology remains too nascent to fully replace humans.

That's why companies like ASAPP have been so successful – because they aim to augment employees instead of ousting them. Whether that goal changes, however, is largely dependent on how quickly technology advances.