


## An AI-First Data Scientist on Its Limits and Potential

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Podcast

### An AI-First Data Scientist on the Technology's Current Limits and Future Potential

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Tech industry veteran and VC Kevin Novak says AI will intensify competition, transform the internet, and challenge our expectations for what's next.

WorkLab Guest Kevin Novak

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Kevin Novak founded the AI-focused VC firm Rackhouse Ventures in 2021 after a decade of trailblazing leadership roles in data science. He works closely with the founders of the AI-native startups he backs, giving him a bird's eye view of how they're leveraging AI to reinvent work. He joined the *WorkLab* podcast to share some of his learnings, as well as insights on the promise of AI agents, how AI is transforming what we'll be able to do with our data, and the perils of how we think about the future.

**Three big takeaways from the conversation:**

1. **AI agents will help us spend more time doing “type 1” work.** Novak says that he divides all business functions into “type 1” and “type 2” work. “Type 1 work is the thing that is attached to your job title, the thing that brings you joy, why you chose to become whatever you chose to become,” he says. Type 2 work is less rewarding, and he believes that AI can take over many of those more menial tasks: “I think agent-level AI, with the ability to respond and make decisions, will be very, very good at that, and we’ll all spend more time doing the type 1 stuff.”
2. **AI will increase productivity and performance—and intensify competition.** “Companies that are using this technology right are definitely going to automate some amount of the low-complexity work, and the best companies are going to take all that bandwidth back and raise the bar,” Novak says. But he also expects AI to create a new baseline quality expectation that every company will then have to strive to deliver. “Expect your competitors, especially the most AI-forward ones, to start raising the stakes of competition with you,” he says.
3. **AI is a game changer, but it’s still early days.** “We as an industry, as a society, have not yet really figured out the working norms of AI,” Novak says. He warns against leaders thinking they can use the technology to somehow “skip ahead.” That approach may seem more efficient, but ultimately it will be less productive: “If you’re living 10 years in the future, you might be making very wrong guesses about what the future ends up looking like.”

*WorkLab* is a place for experts to share their insights and opinions. As students of the future of work, Microsoft values inputs from a diverse set of voices. That said, the opinions and findings of the experts we interview are their own and do not reflect Microsoft’s own research or opinions. Follow the show on Apple Podcasts, Spotify, or wherever you get your podcasts.

Here’s a transcript of the conversation.

**MOLLY WOOD:** This is *WorkLab*, the podcast from Microsoft. I’m your host, Molly Wood. On *WorkLab* we hear from experts about the future of work, from how to use AI effectively to what it takes to thrive in the digital age. Today I’m talking to Kevin Novak. He’s the founder of Rackhouse Ventures, a venture firm focused on opportunities in the AI space. That gives him a special vantage point on one of our favorite topics: how AI-native organizations are changing the game.

**KEVIN NOVAK:** What I believe will happen are companies that are using this technology right are definitely going to automate some amount of the low-complexity work, and the best companies are going to take all that bandwidth back and raise the bar.