Research on Conversational Systems is in vogue again spurred by consumer facing conversational agents such as Apple's Siri, Amazon's Alexa and Microsoft's Cortana. To enable natural, personalized and compassionate conversations, we argue that Conversational Systems must be equipped with User Models. User Models are models of people/users, who use computer systems, that capture users' context, preferences, personality, emotions, intentions etc. While User Modeling has been an area of research in the field of Human-Computer Interaction (HCI) for quite some time, the emergence and rise of social media platforms such as Twitter, Facebook and Instagram, where users share/broadcast their daily activities and have social conversations with friends, is providing increased access to user data that can be analyzed (with users' permission) for personalization. In this panel discussion, I will share an overview of the work we are doing to build user models using psycho-linguistic, natural language processing and machine learning approaches in service of enabling natural, personalized and compassionate conversations. Many interesting questions arise when we consider human-technology frontiers for next-generation service systems: should automated computer systems pretend to be compassionate? How far should they go in their language and actions in personalizing conversations? Where are the boundaries? What about privacy and ownership issues around creating, sharing and managing user models? I will raise some of these issues in my discussion and propose some ways in which Industry and Academia can collaborate to develop practical and useful applications without getting bogged down