How boards can enable successful AI business outcomes

Transcript

SPEAKERS:

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CHRIS SMITH: There's a term, "Nose in, fingers out," when it comes to governance and specifically directorship. How can the board and the governance function be leaning in on management to make sure as new forms of AI use cases become more prevalent outside of generative AI, that there's real business impact, there's a real outcome that they can tie to the investment?

KJELL CARLSSON: Yes, I mean it's one of those things where in AI it's very easy to hide behind a lot of terminology here. Artificial intelligence. What does it mean?

AI governance. What does it mean? Machine learning. What does it mean? But at the end of the day, it's not that different from a business point of view than any of the technology trends that we've seen before.

This isn't that different from big data. This isn't that different from what the folks were going through during the dot com bubble. Those same valuable functions that a board can do in terms of guiding the organization to where the value is, asking those important questions that wouldn't otherwise get asked.

So when it comes to AI, so what are the top three use cases that are going to generate business for our organization and how is that going to happen? And you'll be amazed at how difficult it is for a lot of folks to articulate what that is. And that's an immediate warning sign then and there. If they're saying something along the lines of, "Well, we don't really know yet. We just need to experiment and we'll iterate our way toward something," that's really not a good enough answer.

And it is very likely in your organizations that you will find folks who are already going after those valuable use cases. They're just being lost in the sea of other, louder, more boasting parts of the organization who are saying, "Look at what we're doing this, we've got this great [proof of concept]. We built it over the weekend and you know it slices and dices, it goes in and reduces the amount of time that we need to spend by 70%." And then you scratch a little bit behind the surface and you find, OK, there's really no pathway for this to actually get into production and for us to trust any of this.

Versus, there will be folks in your organization, they're often folks who are in analytics, data science, AI, machine learning roles right now, so it might be your chief data analytics officer. It might be a VP of machine learning, a VP of data science, a chief data scientist, or someone along those lines who already has that proven track record of going in and tackling use cases with technology that are valuable for the business.

And if you're part of the board, there's the defensive part of go in and narrow this down. Focus this in toward those use cases, or deprioritize a lot of these use cases as long tail use cases that aren't really going to generate value anytime soon. But then go in and find and protect the spotlight on those ones where actually, this does seem like a good use case. We do have the people who seem like they've got the experience or have the capabilities to do this. And ideally we actually do have some of the capabilities, technology capabilities to execute on this.

And so I think there's a lot that the board can do in terms of that "fingers out, nose in," just by shining that spotlight on what is most successful because that carries an incredible amount of weight. And these folks who are in those roles, who are going after those right use cases, those killer use cases, they have an impossible job right now. They're fighting for attention with all of this chatter that's going on. Folks don't understand what they're doing. They're getting lost in this. They're not promising those kind of immediate, rapid rewards. They're building and saying, "OK, now this might take a year. This might take this might take a longer time and it might take more money to do."

And that doesn't sound good relative to everybody else is saying: "Yeah, we just had a developer team and we went connected it to ChatGPT and we've got this incredible thing right

now." So find those [realistic] ones and by focusing that light, focusing attention on them, you are automatically going to be helping them out, and you're also going to be putting them on the hook to deliver on this.

So you know there's a commitment device now. If you're paying attention to it, and the C-suite knows that you're paying attention to it, they're going to have to deliver on this in a way where right now, there's just so many things that it's too easy to overpromise, underdeliver, and get away with not actually showing results for it because it's hidden in this broader sea of enthusiasm.