

How boards can enable AI by digging in on systems capabilities

Transcript

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ETHAN ROJHANI: So what do boards need to be asking their management team about systems and technology in order to enable AI, I think, is the question. From my perspective, it's very basic things from what would be the cloud era of computing, right? And a lot of AI technology is enabled by cloud technologies. The vast majority of companies have migrated to a cloud infrastructure in some way, shape or form. And if they don't have that in place, they need to get that in place.

But then you want to look at basic governance around cloud infrastructure to begin with. That's kind of the foundational element. And then you start asking questions around if their technology will enable AI, do they actually have the tools and systems that will enable the use of it. So for example, Microsoft Office, a lot of people use Copilot now. That's a basic, bedrock, AI-enabling technology.

What are the systems and controls that you have in place for use of Microsoft Office, or now 365 as they call it?

JOHNNY LEE: I agree with that. If you think in first principles about the guardrails that should be in place by management, cloud simplifies that picture a lot, but cloud migration presupposes you know where your data are, you know what are sensitive, you know what you have a license to use for monetization strategies, product development, etc.

So for me, it's about a risk-focused approach focused on the two animating elements in this space. One being privacy. How do we make sure we're not creating a privacy issue for the company? And the other is about IP dilution or protection. How do we know the things we have a license to use for product development, the things we don't want made public if we're using a public model? And the nature of risks with AI adoption really should start with those two things.

There are four or five other key considerations, but for me privacy and intellectual property development, or protection, better said, are the two animating concerns.

