AI governance: How can management hold boards accountable?

Transcript

SPEAKER

Enzo Santilli, Chief Transformation Officer

Should AI be included in management's scorecards?

ENZO SANTILLI: Well, if you believe in the time-tested management phrase, I believe it was Chuck Knight who said it, "What gets measured gets done," then that answer is an obvious one. It should be in the management scorecard.

But addressing the first part of the question, the how, that is where boards need to be realistic. They should be asking themselves first, are we resourcing this? Did we put our best minds on it? Did we fully understand management's plans, both in the early evaluation stage as well as the longer game?

Once the board starts to get comfortable with the general direction that management is taking, it can then start to build milestones and track to them as they would with any long-term strategic priority.

The earliest metrics we are seeing are interesting, however. Many of them don't deal with trying to hold to a budget or provide X number of use cases, though that can be a small part of it. The most forward-leaning organizations are looking at objectives that center around how AI can be infused into the least risky areas and measuring the impact and level of adoption on a journey. Those same organizations always also want to see how their management is trying and failing and learning from the failures, because they know that this is an iterative process and learning is the best way of improving all of the time.

Some of them at this stage are literally saying, "We want a roadmap and an investment model this year, and we'll worry about the outputs later." Being in denial or silent about the role of AI is not a good path for the board right now, but neither is senseless hype and making bold investment dollars without a plan.

AI's adoption timeline

ENZO SANTILLI: Do I think AI governance will be creating so much buzz in five years or in ten years? Well, I think in five years, yes, but maybe in ten years no, and here's why. Over the next five years, we'll be figuring out where generative AI plays and doesn't play and seeing so much infused AI in products that the goal of enterprises will be to see how they can put the technologies together to deliver superior outcomes.

But if we fast forward to ten years, I think we'll already be on to the next generation of AI and some level of true adoption will be simply table stakes at that point. Look at the internet. At one point we thought it would be just some sort of information superhighway. Now we don't know of one business, even a very small mom and pop, that doesn't have some level of e-commerce built in. Perhaps you've already ordered three times on Amazon in the time it's taken you to watch this.