Why traditional AI use cases provide reliable ROI

Transcript

SPEAKERS:

Chris Smith, Chief Strategy Officer, Grant Thornton Advisors LLC

Kjell Carlsson, Head of AI Strategy, Domino Data Lab

CHRIS SMITH: Hi, Chris Smith, Chief Strategy Officer of Grant Thornton. I'm here today with the Head of AI Strategy, Dr. Kjell Carlsson, of Domino Data Lab. Welcome.

KJELL CARLSSON: Chris, thank you very much for having me.

CHRIS SMITH: It's been an exciting year full of AI evolution, and the last time we spoke you talked a lot about how you feel there's been a huge emphasis on the ethics of AI; however, the governance of AI probably has some ground to make up. Can you share a little bit more about that?

KJELL CARLSSON: Absolutely. I mean, it's one of those things where AI ethics is obviously very important, but in reality, when it comes to enterprises, there is only a small set of AI use cases that actually have ethical implications.

Governance is about managing risks, and those are ethical risks, but those are also legal risks and even more importantly, business risks. For all your AI use cases, if you can't ensure that your models are functioning reliably, accurately and aligned to the business needs, then we might as well go home.

So governance is really where the rubber meets the road. It's going in and managing risk, whether that risk is an ethical risk or a legal risk or a business risk, versus when it comes to AI ethics, folks often get stuck at the 30,000-foot level.

So it's easy to go in and create an ethics committee. It's easy to go in and adopt ethical AI principles, but then how is that actually going translate into action? How is that going to be implemented in an actual project, versus when you're talking about governance, it's much easier to get to the tactical. It's much easier to go and say, "OK, well, now that we're thinking

about governance, let's think about the initial risk management we do at the startup project. Let's think about the ongoing tracking of and ensuring of lineage or data or models or code." It's much easier to get to that level of, "OK, well, how do we manage the approvals process around this?"

So ethics is important, but let's get to the level of governance faster.

CHRIS SMITH: Great. Recently, Domino Data Lab commissioned a research project and one of the findings that I thought was quite interesting was that one-third of management respondents say generative AI gets more support than it deserves, while other forms of AI lack sufficient support. With that as the context, what can boards be doing to see that management more appropriately supports all forms of AI development?

KJELL CARLSSON: Yes, and my apologies for caveating again, but this is one of those areas where, generative AI is amazing. It is cool. It is fascinating the amount of progress that we've made on this incredible [technology], and I bear a certain amount of responsibility for driving the hype around this, first trying to get folks to really embrace this and get excited about this back in 2021, a good 18 months before ChatGPT went live.

But folks have rotated just far too much. When it comes to these generative AI use cases, they're very immature. The technology is there, but our organizations aren't really there in terms of being able to align — figure out what it's good for, aligning it to value. What are the killer use cases for it, and how do we go in and have the processes and the people as well as the different technology components to get these things to actually work? So there are certain areas where gen AI is very powerful, and if you're in those industries you probably already know what those are.

But there's this giant backlog of incredible traditional AI-, machine learning-based use cases where we already know the value is there. We should have been tackling these things for the last 10 years or more. So when it comes to things like pricing forecasting, fraud, cybersecurity, there are already incredible numbers of machine learning use cases or traditional AI use cases that you can go in and execute right now. It's kind of unforgivable that you guys haven't been going in and implementing it in your organizations.

So when it comes to gen AI, yes, there are some opportunities there. It is important. It's a part of a healthy, balanced AI portfolio, but arguably the main bulk of that should be these traditional and machine learning use cases that aren't really leveraging AI.

You're going to see much faster return for those and have more to be able to sustain these AI initiatives versus you go all in on gen AI and there's just too much of a risk that some of these are not going to pan out and at the end of the day people are going to get disillusioned and you're not going to have those results and this will stall, which is not good for your investment and it's not good for your position relative to competitors.