CASINO ROYALE? GOING ALL-IN ON AI

Boardroom Club unites board-level executives from enterprise-scale companies for exclusive discussion

THE DISCUSSION TOPIC

It's no secret that most major organisations are investing heavily in AI. IDG says in the next 12 months there will be a 357 percent increase in the number of large companies operationalising their use of AI.

I t seems AI is about to start scaling. But this raises some unpredictable and thorny issues around culture, ethics, governance and data. These are all issues that could all undermine, delay or eliminate return on investment.

Boards are now playing a difficult balancing game: weighing investment returns against risk. To make sense of the risks and the opportunities, The Boardroom Club gathered together some of London's most forward-thinking CEOs and Directors to capture their thoughts on AI.

THE DISCUSSION

This report has been compiled based on the views and opinions of leaders from some of London's leading organisations, as voiced at The Boardroom Club's latest discussion.

OUR SPEAKER

Leading the discussion is Daniel Hulme. Daniel is the CEO of Satalia, a London-based company that provides Artificial Intelligence solutions to solve industries hardest problems. He is also the Director of UCL's Business Analytics MSc; applying Artificial Intelligence to solve business, governmental and social problems.

He is a serial speaker for Google and TEDx and is a faculty member of the Singularity University. He is passionate about how technology can be used to govern organisations and bring positive social impact. As a co-founder of ASI Data Science, he actively promotes positive entrepreneurship and technology innovation across the globe.

WHAT IS AI?

There are lots of different interpretations about what constitutes AI. To understand what AI is, perhaps we first need to ask what data is. Data is different to information. Data is "stuff"; it isn't necessarily informative.

"Ultimately, we want to understand the world so we can make good decisions. That means organising information in a way that we can do things with it."

Transforming data into information is one of the key roles of AI. The first stage is analytics. We are now moving to predictive analytics.

MAKING THE INVESTMENT CASE

Are we right to be investing in AI? The Boardroom Club agreed that it depends on the investment approach being taken.
- 55 percent of our members are investing where there is a business case.
- 36 percent of our members are still at the exploratory stage.
- 9 percent are going all in.

"We need to go back to why our organisation exists and what problems we are trying to solve... How will our investment in AI help us secure our purpose?"

THE DISCUSSION

WHEN WILL WE ACHIEVE ROI?

The majority of Boardroom Club members are expecting a return on investment.

- 30 percent of our members expect their AI investment to pay back within 5 years.
- A large number of our members expect ROI within 2 or 3 years.
- Just 15 percent of our members expect ROI within a year.
- Even fewer said they had no expectation of a return.

"Some projects will deliver ROI in two years, some in five years, but all must deliver ROI. It's no different to any other investment."

"Some organisations are making decisions based on fear – and that is when bad decisions are made. We need to make informed decisions based our ability to serve our customers."

"There is no doubt that AI will change the way we do business. The problem we're struggling with is timing. Invest too late and you will lose competitiveness. Invest too early and you risk putting your eggs in the wrong basket."

During the dotcom boom, the businesses that survived were the ones that had a clear, sustainable commercial proposition.

"Today, five years ahead looks really, really far away."

NOT JUST DATA, BUT THE RIGHT DATA

To make good decisions, we need data. But it isn't as simple as collecting as much data as you can: you have to be collecting the right data.

"I was asked by a low-cost airline to predict their customer churn. They had lots of information about their customers: their purchasing habits, demographic data, social data... but the one thing they weren't collecting was their competitors' pricing data. What is the one thing that can predict churn in the low-cost-airline market? It's price. There's just no point collecting data if it isn't the right data."

BUSINESS & SCIENCE

To ensure the success of any data analytics investment, it is necessary to bring together two different disciplines: business and science.

Data scientists are very good with data and analytics
Operational researches are very good with optimisation problems

To ensure that data is interrogated and applied in such a way that it answers your business problems, you need to bring these two types of people together.

"It's about how you get the people in the business to understand what's possible, so they can ask for something. Otherwise, when they see a problem in the business, they go back to finding a solution based on what they already know."

Case studies are a good way to build up knowledge about what's possible – you can create the kind of lateral thinking that says "it doesn't have to be this way".

MACHINE INTELLIGENCE

We can build systems now that can outperform humans on specific tasks, but creating a general intelligence system, i.e. one system that can do a range of things, is much more difficult.

"Super intelligence – when we create a machine that is cleverer than we are – is expected to happen in our lifetimes; sometime in the next 20 to 30 years. It will be the last thing our species ever creates. And then what will happen to humanity?"

The spectre of machines with superintelligence raises difficult questions about how we should programme machines.

"We need to decide as a species what is the right thing to do."

A QUESTION OF ETHICS

Our members considered some of the questions being raised by AI programming: what is ethics? What are we trying to achieve? What is the objective of humanity?
"As we build AI, we find ourselves reflected in it. Whatever we are building with AI, we are building our own bias into it. It isn't just the datasets that are mirrored in the design, but also the human."

"If we look at human society, it would be a pretty good assumption that the purpose of humanity is the increase GDP... but it's pretty clear to us that's not the right objective for humanity."

"When machines are cleverer, what happens to people? Can you create a superintelligence that can be controlled? No one really knows the answer to that. The challenge is: how does humanity survive... Perhaps we need to direct humanity to a more sustainable objective, and then hope that the superintelligence leaves us alone."

THE CONCLUSION

Our discussion considered what we mean by AI, and the various ways in which it is already being deployed in the real world. We asked whether we are now at the stage where AI is being operationalised, we considered the success factors, and we asked what the future holds – not only for business but for humankind.

CEOs, COOs, CFOs, Directors and business leaders from organisations such as HSBC, Lloyd's Banking Group, Ipsos. Greggs Plc, Capital One and select others convened for this meeting of The Boardroom Club at The Gherkin in London.

To gain the in-depth insights that our guests benefited from, book your place for next time via our website:

www.theboardroom.club/

CLUB PARTNER

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