2020: AI SPACE ODYSSEY

Uniting board-level executives to discuss the most relevant challenges facing their organisations

THE DISCUSSION TOPIC

Until AI can predict the future for us, we must rely on the opinions of our peers and trusted thought leaders.

This is why our predictions event is always one of the most popular sessions of the Boardroom Club. This year, we took a Kubrickesque look at the year ahead. In A Space Odyssey, Stanley Kubrick explored many of the issues and ethical dilemmas of AI that face us today.

Inspired by this, the Boardroom Club convened some of London's most forward-thinking business leaders at its last session of 2019 to ask:
- What ethical questions will be asked of us by AI in 2020?
- Will Gen Z be the catalyst for a workplace of the future?
- How will the wider political and economic environment affect us in the year ahead?

As always, the great thing about a bold prediction is that it creates discussion.

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 latest meeting of the Boardroom Club.

OUR SPEAKER

Leading the discussion is David Smith, Economics Editor, The Sunday Times.

PREDICTIONS 2020

Our Chair made a series of predictions for 2020.

It is possible to be a bit more optimistic about the state of the global economy in 2020 because Trump will sign a trade deal with China.

Trump will not win the 2020 USA Presidential election because he is losing too much of his base in Rust Belt States.

There are two plausible outcomes to this year's UK general election: a Conservative majority and a situation where there is no overall majority but the Conservatives are the largest party.

The next chapter of the Brexit saga will depend on the outcome of the election. If we get a minority Labour government, there's a 50% to 60% probability of the second referendum and Britain not leaving the EU. However, it's more probable (70%) that we'll get a Conservative majority, which means the withdrawal agreement will be concluded by the end of January.

The transition period will last a lot longer than December 2020. Boris Johnson has shown how easy it is for him to break a promise before an election and it is even easier to break a promise after an election.

Assuming we do leave on January 31st, Sterling will appreciate (up to $1.40 territory).

Consumer confidence will rise, but business uncertainty will continue and investment will reflect that. We won't see business turn on the taps until they can see what the future relationship will look like.

Interest rates will remain low during 2020. Although the Bank of England has indicated it would like to raise rates to the "new norm" of approx. 2%, circumstances will mean it won't be possible to do this until 2021.

It's hard to predict to whom Donald Trump will lose since the Democratic field remains so wide open, but it's likely to be Joe Biden or Pete Buttigieg.

AI IN THE JUDICIAL PROCESS

We asked our guests, if you were on trial would you prefer to be judged by a human or AI?

62% of attendees said they would prefer to be judged by a human.

"If you're innocent, the answer has to be AI. AI can forget the evidence. A judge won't. So, if you're not guilty, you're better off with AI."

"There is an intrinsic risk in data. Is the data enough for AI to make the right decisions? Does the data we're using to teach the AI contain biases? AI is not a silver bullet that can solve all ills. We need to analyse how data is collected and how AI reaches its outcomes."

"People are reluctant to be judged by a machine because we all have a tendency to overstate our own charm – and our ability to charm other people!"

"What happens when the law itself is wrong?"

THE DISCUSSION TOPIC

WHAT DOES THE DATA TEACH US?

We need to always ask ourselves whether we are using the right data: is this the right data on which to base those decisions?

"Rory Sutherland at Ogilvy made the point that Big Data is just data from the past. If we make our decisions based on past decisions, how can we expect any different result? We will simply repeat existing bias."

"Policing software used to predict the locations where crime may occur is used by several police forces to determine where patrols should drive. There is a 30% accuracy to predictions, which has enabled a 10% reduction in crime. However, the predictions are accused of being racially biased. It is more comfortable for us to think that the AI is racist, because we don't want to confront the racism and social issues that lie behind these predictions."

THE PROBLEM OF BIAS

Bias can be shown by humans. A University of Columbia study showed how judges are more lenient in the first three cases they hear in the morning, then gradually become less lenient as the day wears on – until they get a sugar hit.

However, machines can show bias too. Microsoft had to withdraw its chatbot from Twitter after it learnt to post offensive, racist comments.

WHO IS ACCOUNTABLE FOR AI DECISIONS?

We asked our audience where the responsibility for AI-driven decision making lies. 45% of attendees said AI is the responsibility of its creator, 42% the user, while 13% said responsibility lies with the regulator.

"Should we have had a fourth item on that list? The data."
"It's the person who has the purpose of teaching the algorithm; that process – of teach, align, add data, realign – is quite easy to abuse."

"Transparency and explainability within the development of these processes is absolutely key."

"Organisations need to think about what decisions these AI algorithms will be used to make."

WHAT IS THE ROLE OF THE REGULATOR?

"I am very pleased to hear that regulators were so low down because we shouldn't be waiting for the regulator to pin things down for us. We should be pushing the organisations we work in to put those controls in place first, before it becomes an issue."
"We need a regulator: have we not proven that, if left to our own devices, we mess it up?"

"Show me a regulator that's done something really useful!"
"I can't – but that doesn't change the fact that when left to our own devices, we mess it up!"

"And that doesn't change the fact the regulator messes it up too!"

"In general, regulators are nice people; they have a high turnover; are poorly paid; are really badly trained; they don't understand the business they are looking at; and they don't add value."

"Don't you think it's the case that, by having a regulator, companies behave better because of it?"

"That's absolutely right, but I don't think a regulator is going to come up with the answer."

"I agree – but they are still responsible."

"The regulator fulfils the role of enabling the company to abdicate its responsibility."

THE DISCUSSION TOPIC

WHERE DO YOU PITCH YOUR TOLERANCE FOR ACCURACY?

"We keep thinking of AI as being either 100% or zero percent. But actually, there is a massive range – and you've got to decide what your tolerance is for accuracy, because it changes things massively."

"AI should be supplementary and supportive."

"Consider how accurate you wish your fitbit to be… it doesn't have to be that accurate, really. But what if it is linked to your insurance premiums – what level of accuracy is acceptable now? And what if it is linked to an insulin pump in your arm? Well, that's a whole new level of accuracy. It comes down to how much you care about whether the AI gets the answer right. And the challenge for the regulator is: how can you create a system that reflects all those different tolerances?"

NET EMPLOYMENT GAIN OR LOSS?

Boardroom club members were optimistic about the potential of AI. A recent study found 52% of its respondents thought AI would lead to a net gain. In the Boardroom Club survey, that rose to 59%.

"I think there will be a transition period – and there is a skills issue. There is a whole population that has the skills that are needed at the moment, but in an AI world they may not have the skills."

"AI delivers a 30% productivity improvement and even greater accuracy when used instead of junior lawyers to do discovery work. So there is no longer a need to have junior lawyers to do discovery work. But, if they don't, how do we train up our junior people?"

"I was over-trained for the work I did when I began my career. If you take away the fodder work, it cuts down the intake, so you get better people."

THE FUTURE OF WORK

"In the long-term are we all going to be poets in 50 years' time? Or do we all just work fewer hours?"

"We need to differentiate between jobs and employment. If you had predicted 50 or 60 years ago that there'd be no coal miners in the UK, you'd have been laughed at. But even though those jobs have gone, we have full employment."

"It might not feel like that if you went to a Welsh mining village today."

"It doesn't have to be doom and gloom. In my experience, RPA has driven efficiency and accuracy and allowed people to move on to higher-value work. It doesn't necessarily end up in job losses."

"There are going to be winners and losers. It's easier to describe what you will be replacing because you can observe it. You can't describe what will come next… so how do we factor that in confidently?"

"We don't know what the future holds, so our predictions have to be based on the past."

THE CONCLUSION

Our discussion considered what 2020 holds for us all. Inspired by the predictions of our Chair, Boardroom Club members enjoyed a lively debate about the politics, economics, technology and the business trends we'll all be grappling with during the coming year. CEOs, COOs, CIOs and other senior leaders from organisations such as BNP Paribas, Legal & General, Kantar Media, Ogilvy, Greene King and select others convened for this meeting of the Boardroom Cub 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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