BoardMatters Forum

Generative AI for Boards

January 2024

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Building a better working world

EY India hosted the BoardMatters Forum (BMF) meeting on 11 January 2024. The event included a panel discussion on 'Generative AI for Boards', wherein various aspects of Gen AI were discussed, including current domestic and global trends, the evolution of Gen AI, the sector outlook, potential applicability and impact, and some perspectives on the same.

Gen AI has been the most important buzzword in 2023. Ever since OpenAI launched ChatGPT, which brought the power and possibilities of using an artificially intelligent assistant to a common man directly in a simple chatbot interface, the world has been focusing on applications and business impact of Gen AI. Within a short span of time, multiple start-ups have spawned to leverage this technology to solve crucial problems in almost every sector, including finance, manufacturing, media and entertainment, healthcare, and hospitality. Beyond start-ups, leveraging this technology to increase revenues, save costs and ramp up productivity has been the center point of discussion for established and large companies as well. BMF focused on independent directors' role in shaping appropriate conversations around Gen AI at the Board level. The Forum drew attention to a higher-level understanding of the technology, people strategy, research and innovation and Responsible AI frameworks to address with risks arising from adoption of Gen AI.

Keynote address: an introduction to Gen AI by Prof Mausam, IIT Delhi

Gen AI is the area of artificial intelligence (AI) that can generate creative outputs on its own in the form of text, images, videos, code, audio, etc. It has direct business applications that can have a massive impact on profitability and differentiation for companies in most sectors. Automated customer care, creation of new content like writing story scripts, poems and summarizing a large set of documents to arrive at algorithmic decisions like loan approvals are just a few examples of how the technology can benefit companies. The rise of Gen AI from initial generative pretrained transformer (GPT) models to modern models like GPT 4.0 (OpenAI) and Mixtral (open source) is indicative of the rapid changes in these AI models' capabilities within a year. While the technology has been able to solve complex problems like solving IIT JEE entrance exam questions, there are also some challenges posed by these almost magical models like hallucination (giving inaccurate facts) or providing answers to unethical and harmful questions. It might be worth using Gen AI for specific use cases such as repetitive tasks and getting to version zero draft of a creative task. It may be advisable to use Gen AI with a human in the loop mechanism when the cost of errors can be high, for instance in disease diagnostics. It is also important to be aware of the use of proprietary and private data in training large language models and the data that gets entered into the AI bots during the process of asking queries as well, since it can create challenges like copyright infringement or loss of privacy.

Panel discussion: Gen AI for Boards

Moderated by Mahesh Makhija, India Technology Consulting Leader, EY India

Panelists:
- ► Shailesh Haribhakti, Independent Director
- ► Sonali Subudhi, Chief Data Strategy Officer, Experian India
- ► Prof Mausam, Department of Computer Science and Engineering, IIT Delhi
- ► Burgess Cooper, Partner and Deputy Cyber Security Leader, EY India

Key takeaways:

General status of Gen AI discussions and narrative at company Boards in India today

Boards in India at present have broadly adopted one of these stances: "aggressive adopters", "cautious followers", and "wait and watch".

There are a few typical stances adopted by Boards in India; first being "aggressive adopters", second being "cautious followers", and third being "wait and watch". Companies are likely to focus more on 'narrow AI', which are custom-built Gen AI models developed on top of an enterprise's own internal proprietary data. Several companies in India have already deployed Gen AI applications at scale, especially in the areas of customer experience. To be in a position to comment on or provide direction to companies, -Independent Directors must keep abreast with the latest developments in the world around Gen AI.

People strategy around Gen AI

It is the right time to create a specific AI focused people vertical in companies. However, it needs to be built through a milestone-based transformation roadmap that may take a slightly longer journey and cannot happen overnight. As part of the roadmap, companies could train junior level resources in-house, through an AI academy internally. Senior leaders could be hired from the industry laterally if such skills are not present within the firm. There is also a need to hire Data Scientists, Data Engineers, and machine learning operations (MLOps) engineers to build comprehensive AI skillsets within the company. The AI team can start with a few executive sponsored pilots/proof-of-concept projects.

Research and innovation around Gen AI within India

The BFSI sector has been at the forefront of Gen AI innovation in India, especially in the areas of enhancing customer experience using chatbots and fraud detection using real-time AI driven transaction monitoring engines.

India has traditionally been 'leapfrogging' in use of technology at scale (though the technology may have been invented by other countries). Today, the country lags developed nations such as the US and China in terms of building its own country specific/language specific large language models. We will soon see India-focused large language models, though they are likely to be smaller in scale than a GPT 4.0 kind of model due to the difference in investments in model training and building.

Key tenets of responsible AI

Ensure data privacy: Do not use or capture data that you do not need. Take explicit consent from customers whenever critical data is being captured. Sensitive data should be hashed and encrypted.

Avoid bias: Do not let prevailing social biases around protected classes or attributes come into the AI models. Ensure parity in demography and other classes in training data.

Ensure monitoring to avoid harmful and illegal usage of AI: The AI chatbots should not be used to get or extract harmful information or carry out illegal acts.

Implications of DPDP Act (Digital Personal Data Protection Act): Personally Identifiable Information (PII) should be captured only with consent, should be stored with enough security provisions and should follow appropriate geographical restrictions for storage and transfer.

Our offices

Ahmedabad
22nd Floor, B Wing, Privilon
Ambli BRT Road,
Behind Iskcon Temple,
Off SG Highway
Ahmedabad - 380 059
Tel: + 91 79 6608 3800

Bengaluru
12th & 13th floor
"UB City", Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

Ground Floor, 'A' wing
Divyasree Chambers
11, Langford Gardens
Bengaluru - 560 025
Tel: + 91 80 6727 5000

Chandigarh
Elante offices, Unit No. B-613 & 614
6th Floor, Plot No- 178-178A
Industrial & Business Park, Phase-I
Chandigarh - 160 002
Tel: + 91 172 6717800

Chennai
Tidel Park, 6th & 7th Floor
A Block, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113
Tel: + 91 44 6654 8100

Delhi NCR
Ground Floor
67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana
Tel: +91 124 443 4000

3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity, New Delhi - 110 037
Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
Gautam Budh Nagar, U.P.
Noida - 201 304
Tel: + 91 120 671 7000

Hyderabad
THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jamshedpur
1st Floor, Fairdeal Complex
Holding No. 7, SB Shop Area
Bistupur, Jamshedpur – 831 001
East Singhbhum Jharkhand
Tel: + 91 657 663 1000

Kochi
9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata
22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400

Mumbai
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

Pune
C-401, 4th floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

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