



CRITICLEYE
The peer to peer Board Community

AI AND THE NEW FRONTIER OF TECH

Artificial intelligence (AI) and especially Generative AI (GenAI) have reached fever pitch – and not just among the tech companies of Silicon Valley. Criticleye's **Bridgette Hall** talks to business leaders in the Community about how this technology has the potential to transform businesses

Tech trends have come and gone in recent years. Non-fungible tokens – or NFTs as they're more commonly known – were all the rage barely 12 months ago, while the metaverse seems to have dropped off the radar.

Instead, artificial intelligence (AI) and especially Generative AI (GenAI) have reached fever pitch – and not just among the tech companies of Silicon Valley. What sets GenAI apart from its automation predecessor is its ability to

generate text, images, or other media in response to prompts.

After its launch, OpenAI's ChatGPT garnered more than 100 million users in its first two months. In January, when >



BuzzFeed announced it would use the platform to write some of its articles, its share price more than doubled.

Now there is somewhat of an AI arms race between the tech giants of Silicon Valley, with Google and Microsoft following suit by developing their own applications. Chip manufacturer Nvidia has also seen its market cap skyrocket over the last year, having come to dominate the market for chips used in AI systems.

“AI’s disruptive potential is far-reaching and spans multiple industries. Embracing AI is no longer a choice but a necessity for businesses aiming to stay competitive in a rapidly evolving market.” At least that’s what ChatGPT says about itself.

This isn’t just hyperbole from the chatbot. According to Accenture’s, [A New Era of Generative AI for Everyone](#) report, “98% of global executives agree AI foundation models will play an important role in their organisations’ strategies in the next three to five years”. The report further states that nearly six in ten organisations plan to use ChatGPT for learning purposes and over half are planning pilot cases in 2023. More than 4 in 10 want to make a large investment.

Speaking at Criticleye’s recent Chair and Non-executive Director Forum, **Fernando Lucini**, Chief Data Scientist at Accenture, told the audience: “AI is contextually important now. Especially for Boards, I think there is uncertainty.

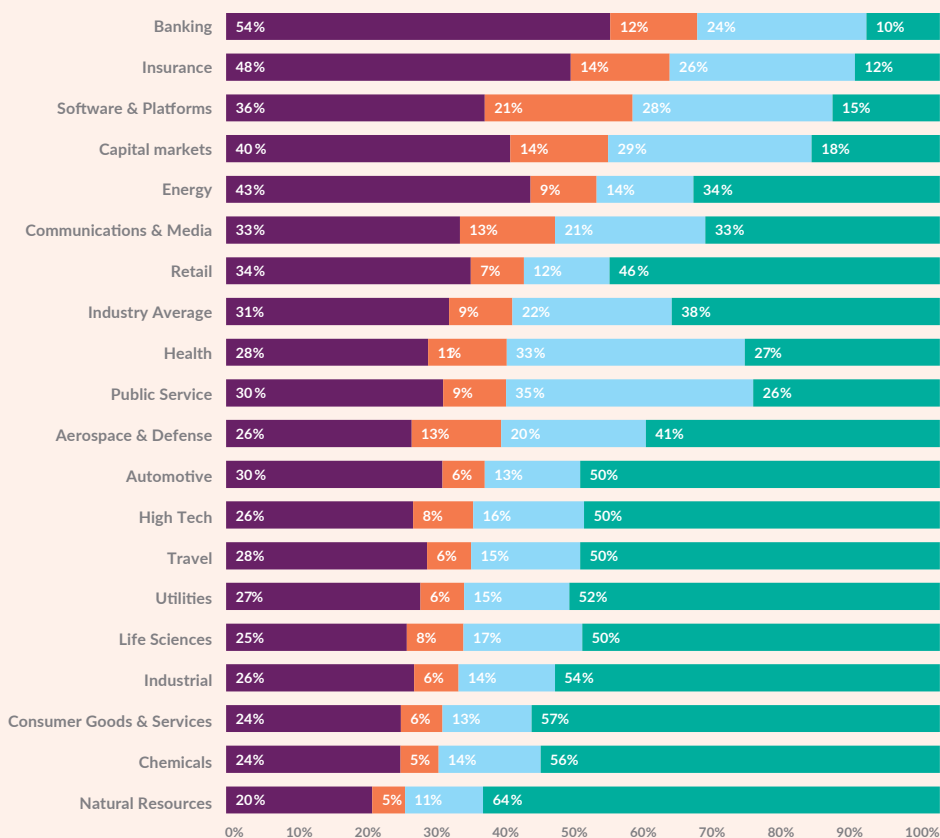
There’s this enormous fear of missing out because this ‘GenAI thing’ has suddenly thrown a bit of a spanner in the works and they don’t know what to do with it because it’s moving incredibly fast.”

Disruptive Tech

Even when new innovations have obvious advantages, diffusing them across an entire organisation can be challenging, especially if the innovation is disruptive to the status quo of working habits.

David Hardoon, Group Chief Data and AI Officer at Union Bank of the Philippines and Chief Executive Officer at Aboitiz Data Innovation, explains that — first and foremost — a business needs to be clear >

Generative AI will transform work across industries

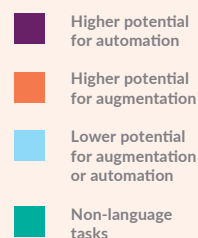


Source: [Accenture Report: A New Era of Generative AI for Everyone](#)

Work time distribution by industry and potential AI impact

Based on their employment levels in the US in 2021

40% of working hours across industries can be impacted by Large Language Models (LLMs)





on its objectives and business strategy; only then should it treat AI as a tool to achieve its strategy.

“From my perspective, it’s about either making more money, or reducing operational costs and mitigating risk. The question is: what is your strategy that would accelerate these effectively? And how does AI play a part in it?”

Aboitiz Equity Ventures is the public holding company of the Aboitiz Group with investments in power, banking and financial services, food and infrastructure. **David** says the multinational is looking at all aspects of the business in relation to how AI can play its part in making it move faster and with greater efficiency.

“I want to emphasise that AI is a tool. If you look at it on the bank side, the power side, the customer engagement side or the food side, [we ask]: ‘How does it help the business from services, revenue, operations and risk?’ We are proactively looking at identifying all opportunities on a contextual level. It’s not applying AI for the sake of applying AI. It’s applying AI because it is able to create an improvement downstream,” he states.

For **David**, being a self-proclaimed ‘data guy’, this means being able to show clearer commercial results. “The exciting thing to me about Generative AI, or other aspects of it, is that it should be easier to demonstrate ROI and create that linkage between data and revenue.”

David encourages Chairs and independent directors to challenge executives on how they are leveraging new technologies and innovations. He says: “Boards need to ask ‘What are we doing? Are we leveraging

“You need to get people to build [the AI] muscle, make sure you’re governing it and keep a team that looks at what’s going on in real time”

Fernando Lucini

on what’s available already in the market to achieve our goals and targets or even exceed them?”

Companies will need to crawl before they can walk. Without proper ‘data literacy, infrastructure and data quality’, jumping into Generative AI will be very difficult, explains **David**. “We’ve all heard the saying ‘junk in, junk out’. And with generative AI, it’s not just ‘junk in junk out’, it’s hallucinations out.”

An AI hallucination refers to when a large language model (LLM) like OpenAI’s GPT4 or Google PaLM makes up false information or facts that aren’t based on real data or events.

Gamma Communications Managing Director **David Macfarlane** echoes this sentiment. “If an organisation doesn’t have structured data, or good quality data, quite

frankly, the Generative AI can’t learn. And in fact, it does learn a lot of garbage.”

The AIM-listed telecommunications business adopts AI both in its external products to customers and as part of its operations, **David** explains. “We’re an unusual organisation in that most of our [market] leadership is driven through product development for our customers. However, we’re also trying to start to use it to add value to a proposition rather than save money.”

For companies wanting to enter the AI space to aid productivity, engagement and growth strategies, the biggest hurdle can be around the unknown. “It was a bit of a brave new world. You go into this thinking: ‘Is this truly going to email our customers? How do you audit what’s being said? If we let the technology run free, it could potentially give our customers a poor service.”

There are lots of quick lessons to be learnt immediately after adopting the technology, **David** explains. The key however, is to roll it out slowly. “Controlling it and making sure that you’re not extending its use is quite important. You have to go into this gradually.”

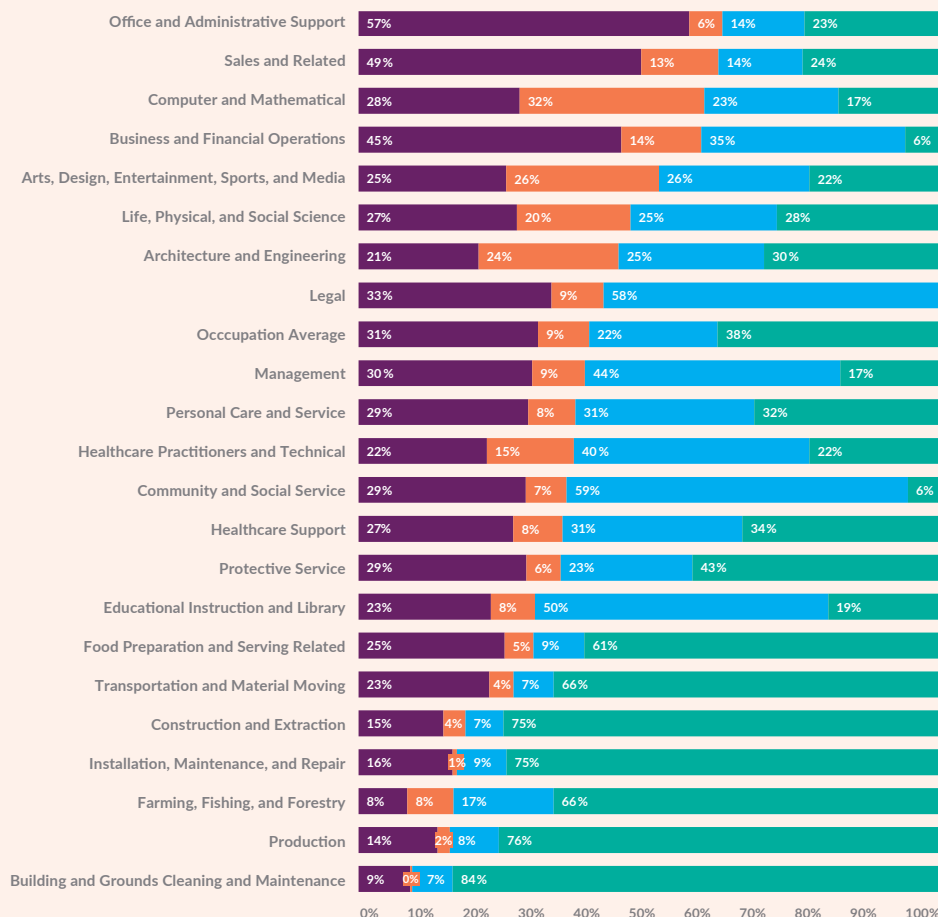
Endless Possibilities

GenAI has become a transformative tool for optimising business processes, enhancing customer experiences and driving innovation.

“You personally need to be using it,” advises **Fernando**. “You need to get people to build muscle, make sure you’re governing it and keep a team that looks at what’s going on in real time because it’s happening so fast. ➤



Generative AI will transform work across every job category

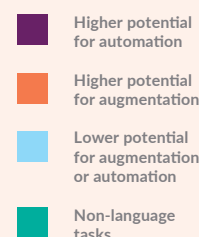


Source: [Accenture Report: A New Era of Generative AI for Everyone](#)

Work time distribution by industry and potential AI impact

Based on their employment levels in the US in 2021

In five out of 22 occupation groups, Generative AI can affect more than half of all hours worked



“Your data is your IP, your craft is your IP, and how you use it with AI to accelerate outcomes of this journey – AI is just the medium.”

AI is not just a passing trend. It is a transformative force that continues to reshape traditional business models across the globe. Embracing AI-driven solutions will not only drive growth and profitability but also empower businesses to thrive in the dynamic and challenging future that lies ahead.

As AI technology continues to evolve, its potential to revolutionise business

models and industries is only likely to increase, making it an indispensable tool for the enterprises of tomorrow.

“If you’re on the Board or have a business, you need to understand this because your competitors will be using it,” says **David** of Gamma. “You need to identify where it’s going to bring you the best value and enhance your customer experience.

“Every organisation has customer-to-customer communication and AI can enhance it. I call it putting humans to work where they offer the best value. In general, that’s normally with people.” ■

Featuring commentary from:

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