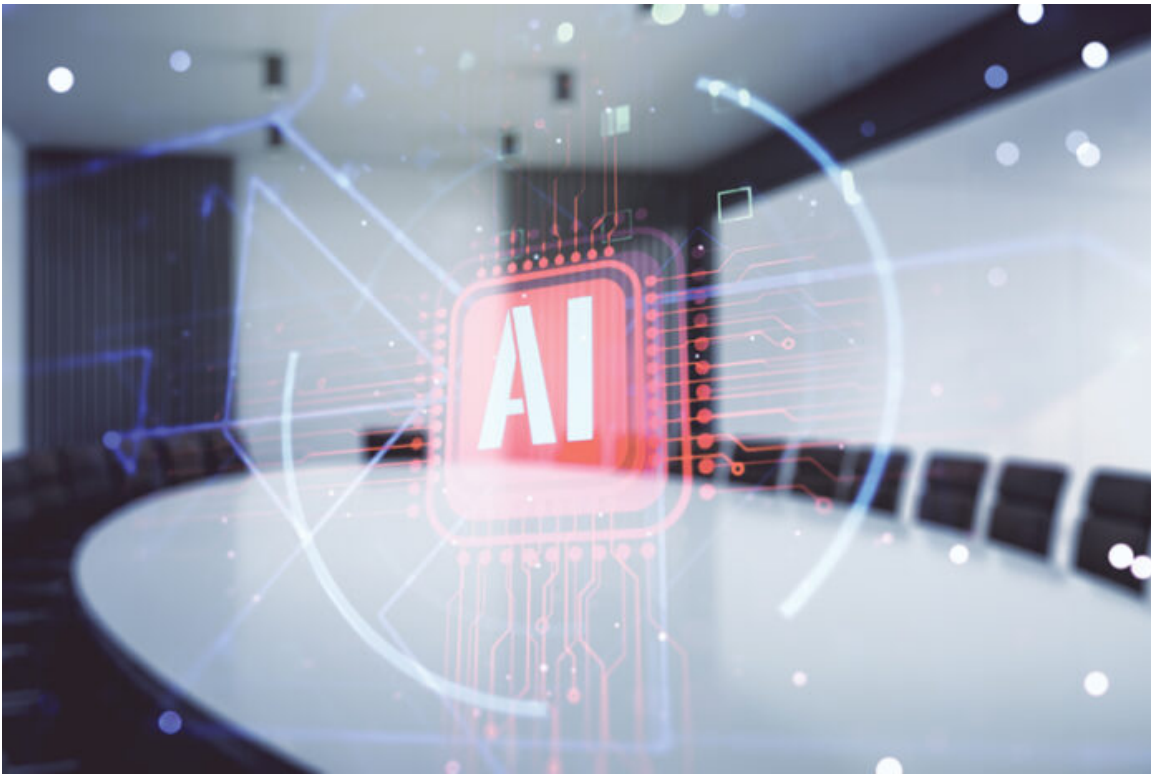


What Directors Should Be Asking About AI

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The integration of AI into businesses isn't just a novel trend; it's increasingly a core component of modern corporate strategies. For directors, understanding and navigating this transformation is not only essential for strategic oversight but also critical for keeping ahead of the competition.

What defines our company's AI strategy? For companies to thrive in an AI-driven world, they must have a well-defined AI blueprint. This doesn't simply entail adding AI to existing processes; companies must envision how AI can revolutionize their trajectory. All directors should familiarize themselves with this plan, diving deep into its goals,



objectives and expected milestones. Beyond that, ensuring that this AI-centric vision meshes seamlessly with the broader business direction is paramount. An aligned AI strategy can be the propelling force that elevates a company, rapidly setting it ahead of its competitors ... or it can be a waste of misapplied cash.



Joshua Klein

How is AI currently utilized in our organization? Understanding the present is crucial for shaping the future. Directors need to be up to date on how AI is currently being used within the company — or if leadership is even aware. In many cases, employees are using AI without sharing this information with their managers, a practice that deprives the organization of significant competitive advantage. By grasping the practical AI landscape within the organization, directors can better anticipate future needs and opportunities.

What risks and challenges does AI present? Every technological innovation brings its own set of challenges, and AI is no exception. Its vast potential is coupled with risks that boards cannot afford to overlook. These encompass technical challenges, such as data biases and cybersecurity vulnerabilities, but also broader concerns like ethical dilemmas and public perception. By acknowledging and preparing for these challenges, organizations can minimize pitfalls and harness AI's benefits responsibly.

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An advertisement for RSM Assurance | Tax | Consulting. On the left, a man in a suit and tie is shown from the chest up. To his right, a blue rounded rectangle contains the text: "Your journey to switching auditors starts here. Make an informed decision with these five considerations." To the right of the text is the RSM logo, which consists of three horizontal bars (grey, green, blue) above the letters "RSM" in a bold, sans-serif font. Below the logo, the text "ASSURANCE | TAX | CONSULTING" is written in a smaller, all-caps font.

What is our commitment to ethical AI practices? Ethics in AI isn't just a checkbox; it's a vital component of responsible integration. Boards must ensure not only



that the organization sets stringent ethical guidelines but also that its operations and outputs consistently align with these standards. The results of this practice impact policy and process as well as the end user and the customer experience – with all the risks and repercussions that scope entails. Done right, this commitment safeguards the company's reputation and mitigates potential legal and social ramifications.

Through comprehensive understanding, ethical commitments and strategic foresight, directors can lead their companies to a promising AI-augmented future.

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How are we preparing for the evolving AI landscape? The world of AI is dynamic, with rapid advancements rendering yesterday's innovations obsolete. Thus, adaptability and foresight become essential traits for companies. Directors should self-educate and spearhead conversations around AI's evolving landscape, pushing the organization to invest in research, collaborations and talent that will keep it at the cutting edge.

How will AI influence our workforce going forward? AI's influence extends beyond products and processes, deeply impacting the workforce as well as the company's markets. Directors must be attuned to this shift. While AI might lead to certain roles becoming redundant, it also paves the way for novel professions – and impacts almost all existing roles in between. A forward-thinking board will engage with management to ensure strategies are in place for workforce adaptation, focusing on continuous learning, upskilling and information sharing. In conclusion, given the broad impact and rapid development of AI, it's not enough for directors to be passive observers. A proactive stance, combined with informed decision-making, can ensure companies not only adapt to the AI era but also thrive in it. Through comprehensive understanding, ethical commitments and strategic foresight, directors can lead their companies to a promising AI-augmented future.

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