


# How to maximize Generative AI in and around the boardroom

Enhancing the work of governance leadership

Paul Smith, Founder  FUTURE DIRECTORS.

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## FUTURE DIRECTORS GROWS GOVERNANCE INTELLIGENCE

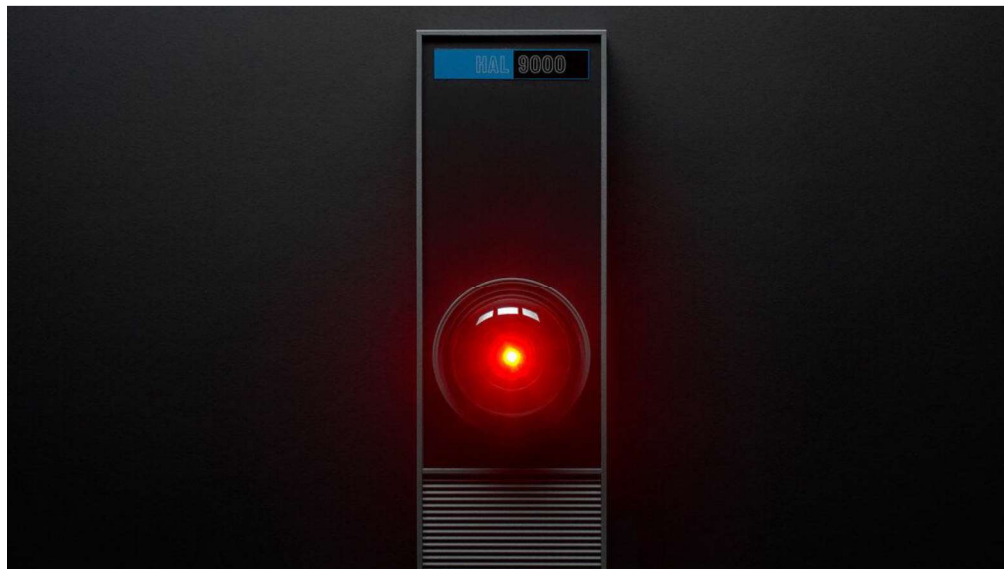
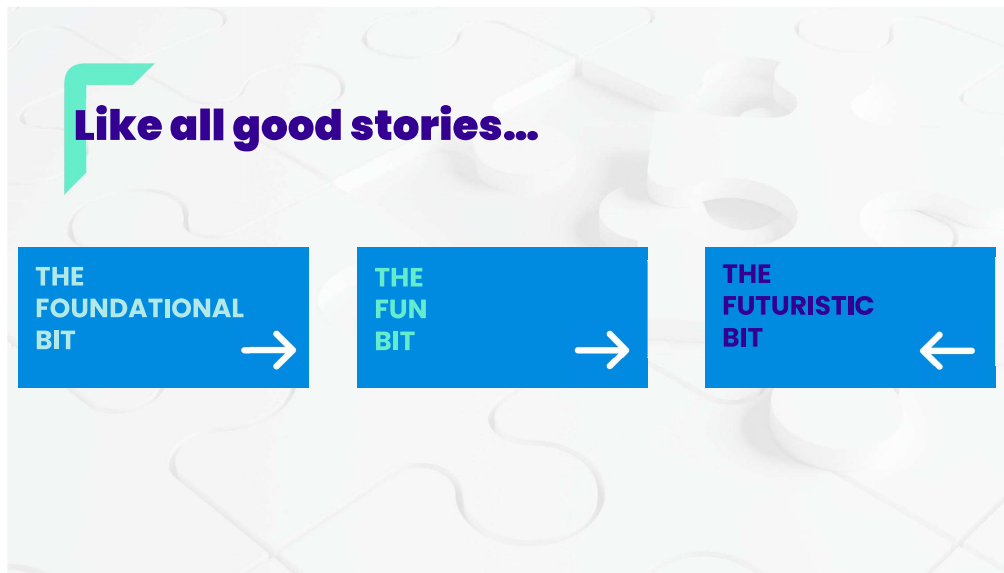
Education, insights and guidance enabling continuous performance enhancement.

More intelligence  
More efficiency  
Better risk management  
Better decisions  
= impact & effectiveness



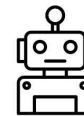
## Like all good stories...

THE FOUNDATIONAL BIT → THE FUN BIT → THE FUTURISTIC BIT →



## What is AI?

ANI v AGI v ASI



**Artificial Narrow Intelligence (ANI)**

Designed to perform specific tasks



**Artificial General Intelligence (AGI)**

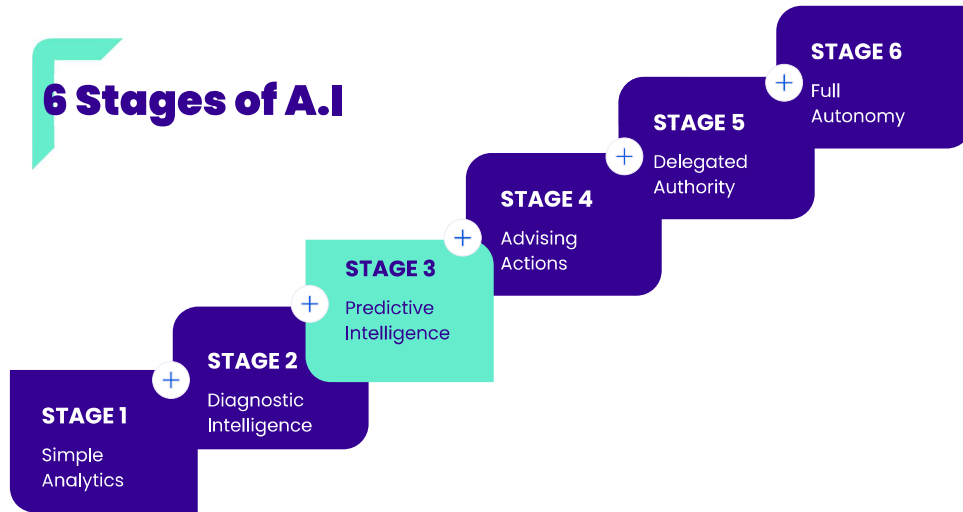
Can behave in a human like way across all tasks



**Artificial Super Intelligence (ASI)**

Hypothetical smarter and more capable than humans

## 6 Stages of A.I



Source: McKinsey & Co 2023

"The full-scale use of AI will alter the way work gets done in nearly every organization, challenge existing business models and change the ways companies engage with individuals and each other."

## Recognizing the need...

**89%**

of execs believe AI is necessary to **STAY** competitive

**62%**

of high-performance co's using GenAI report **IMPROVEMENTS** in customer engagement & operational efficiency

**56%**

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time saved using GenAI to prepare & review board reports led to more focus on strategic decision-making

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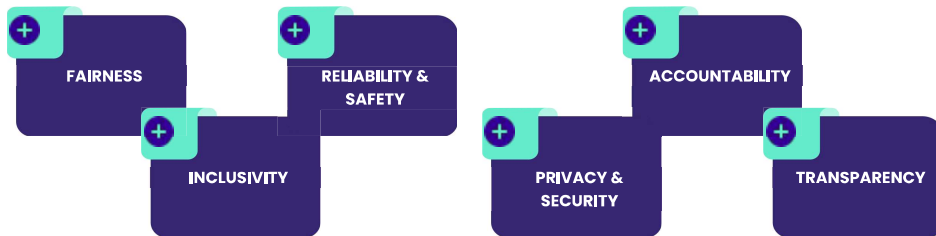
improvement in early risk identification using GenAI, leading to better risk mitigation strategies

## What can boards do at this stage?

- 1 TAKE AN ACTIVE ROLE. ELEVATE IMPORTANCE
- 2 SET A LEARNING CULTURE. UPSKILL YOURSELVES.
- 3 ASSIGN A.I. TO THE RIGHT COMMITTEE
- 4 SUPPORT STAFF ON THEIR AI JOURNEY
- 5 HOLD MANAGEMENT TO ACCOUNT
- 6 HAVE REALISTIC & FLEXIBLE EXPECTATIONS



## Principles of Responsible AI...



## "But it makes mistakes!"

Performance Risk

Security Risk

Control Risk

Enterprise Risk

Societal Risk

Economic Risk

Opportunity  
or  
Risk?

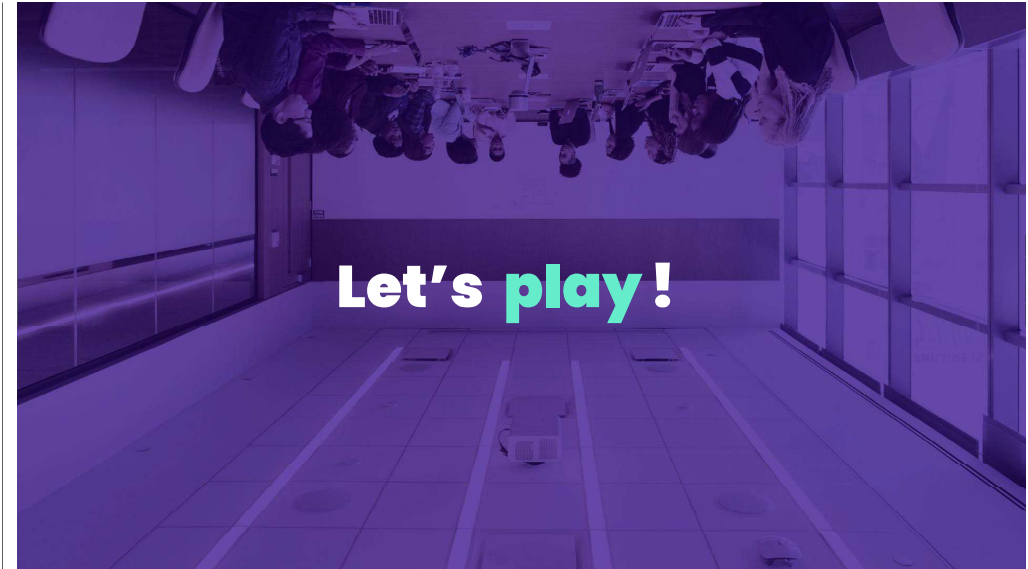


AI inside the  
boardroom

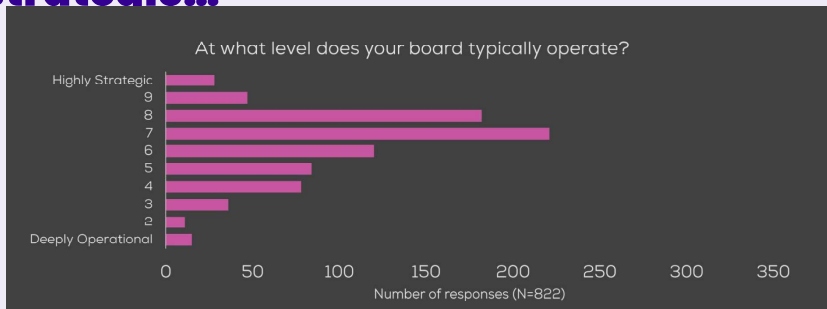
## Which AI tools are useful to Boards?



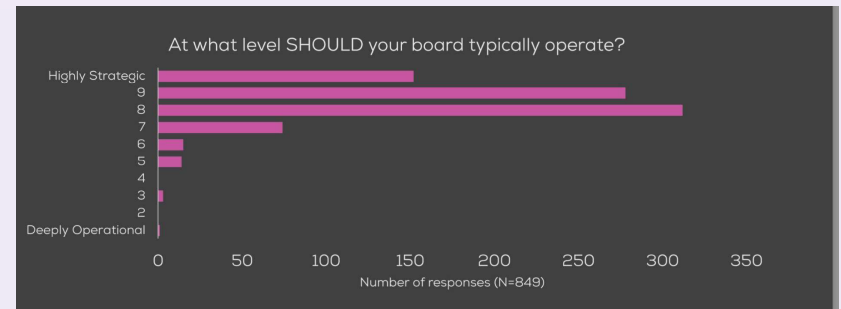
ChatGPT

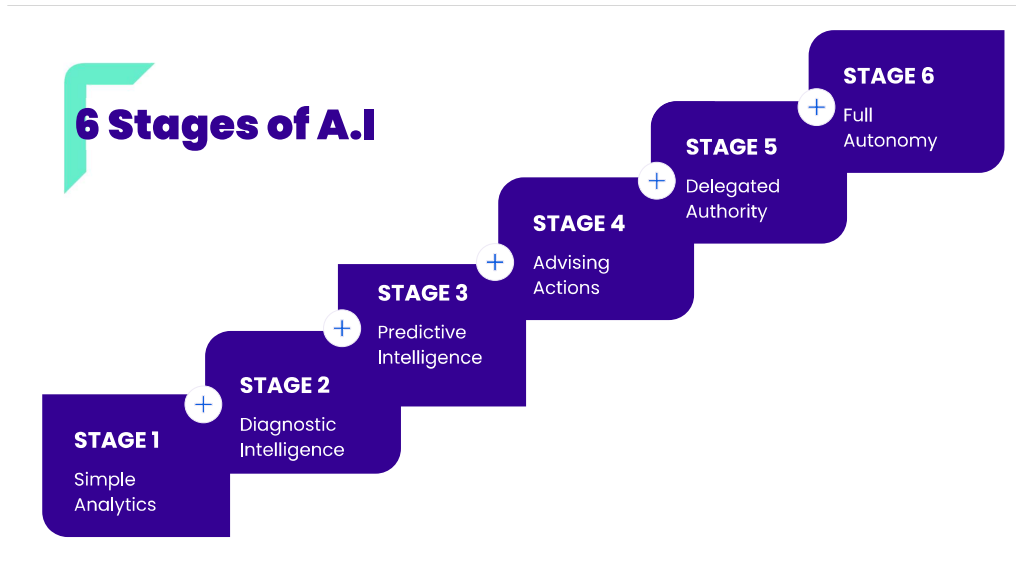


## Boards want to be more strategic...



## But don't know where to start...







## Levels of AI delegation in decision-making

Level	Description	Example
<b>Human only</b>	Decisions made solely by humans without any AI assistance.	High human impact decisions such as personal healthcare choices or allocation of humanitarian aid.
<b>Human with AI red-teaming</b>	AI is used to simulate adversarial scenarios to usefully challenge human decisions.	Identifying potential risks or weaknesses in a proposed business strategy as a robustness check.
<b>Humans + AI collaboration</b>	Humans and AI work together through decision-making processes to optimize complementary capabilities.	Board members use AI in a multi-step process of exploring options and scenarios for a major strategic decision.
<b>AI input: decision reasoning</b>	AI provides reasoning, logic, or explanations to support and improve human decisions.	Analytics based-proposals for corporate ESG initiatives, with full rationale and underlying research for decision-makers.
<b>AI input: decision analytics</b>	AI provides data analysis or insights that inform human decisions.	Structured implications of data analytics presented to support decisions on marketing channel allocations.
<b>AI recommendation</b>	AI proposes its preferred actions based on its analysis, with humans approving or using as input to their decision-making.	Recommending a retail investment portfolio based on risk tolerance and financial goals, with final human decision.
<b>AI with human-in-the-loop</b>	AI makes decisions, but humans are involved at one or more points in the process to provide input, refine, or modify decisions.	Predictive maintenance with humans checking recommendations and providing feedback to improve models.
<b>AI with human approval</b>	AI operates autonomously but requires human approval before execution.	Recommendation to change suppliers in a supply chain with supporting reasons.
<b>Conditional autonomy</b>	AI operates autonomously in normal conditions, routing to humans in the case of anomalies or unexpected situations.	Responding to customer enquiries, with unclear situations or customer sentiment triggers directed to humans.
<b>AI with exceptions</b>	AI makes decisions within its defined scope of capability, directing those that fall outside to humans.	Managing accounts receivable, directing any overdue payments or disputes to humans.
<b>AI with oversight</b>	AI operates autonomously in decision-making, but humans monitor the process and outcomes for compliance.	AI for inventory management and automated ordering, with regular human review and adjustment.
<b>Full AI delegation</b>	AI has complete autonomy in decision-making without human intervention, trusted in all scenarios.	AI autonomously managing and optimizing traffic flow.



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## The Future: Opportunities

1. More inclusive boards via AI
2. Data integrity, reporting and basic task delegation
3. Board monitoring, oversight and the AI Board Member

## The Future: Challenges

1. We are vulnerable to believing what it says

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1. We are vulnerable to believing what it says
2. We are vulnerable to becoming over reliant
3. We are vulnerable to being left behind






*"They don't appear to want to take over. They just want to dance."*

**Oh, before I go...**

**Will A.I. be the  
Death of the Boardroom**

**Will A.I. be the  
Death of the Boardroom  
as we know it?**



« The future of high performing boards will be simultaneously more human and less human. »

Paul Smith

## What can Gen AI be used for?

1. Strategic planning & scenario analysis
2. Data-driven insights & risk assessments
3. Decision support
4. Automated report generation
5. Stakeholder analysis
6. Idea generation & analysis
7. Ethical decision-making
8. Communication materials
9. Compliance monitoring
10. Predictive analytics

## How should Gen AI NOT be used?

1. Fact-checking
2. Bias reinforcement
3. Replacing human judgement
4. Sensitive legal or compliance decisions
5. Lack of transparency
6. Overdependence on AI
7. Risk of misinterpretation
8. Communication without human oversight
9. Creativity suppression
10. Unverified data dissemination