



Women**Corporate**Directors
A Foundation Inspiring Visionary Boards Worldwide

7 Questions Boards Need to Ask about Artificial Intelligence and Other Transformative Technologies

Directors seeking better insight into new digital and tech developments

As risk oversight is increasingly complicated by advances in artificial intelligence and other digital innovations, [WomenCorporateDirectors \(WCD\)](#) is making a top priority the education of directors about the impact and risks of new technologies. “The sheer scope of what directors need to be on top of is challenging,” says **Susan C. Keating**, CEO of WCD, which for the first time is holding its [Global Institute](#) in Silicon Valley, May 19-22, 2019. “Every corporate director, no matter what industry, is seeking to get a grasp on the latest advances and needs the right questions in hand when sitting down with CEOs and senior management.”

“**Why Boards Need to Understand the Impact of Artificial Intelligence (AI), Machine Learning, and Robotics**” was a panel hosted by the WCD Greater New Mexico Chapter this summer and part of a series of tech and digital programming from WCD leading up to the Global Institute. With experts from the Santa Fe Institute and others in cybersecurity, complexity science, and enterprise IT, the discussion – moderated by Susan Keating – raised key questions for directors to take back to their companies.

Highlights included:

7 Questions Boards Need to Ask about AI and Other Transformative Technologies

- 1. Are we training the right people?** Training in organizations is becoming increasingly more important as new technologies continue to supplement or replace current processes or enable whole new types of products and services to be offered. But training is often directed to the wrong people. For example, force-feeding IT people to be the “business people” could be a recipe for disaster; traditional IT folks aren’t as fluent in the business domain – they are trained on the software. Companies should instead do the reverse: train the business leader and the domain expert in IT.
- 2. What’s our corporate responsibility around retraining for new technologies?** There is a conversation beginning about the responsibilities companies have around employment and training. Robotics and AI are causing job displacement; these workers need training for their next job, but the programs available from the government are limited in availability and effectiveness. This leaves companies – that are going to need talent that is trained in the latest technology anyway – with the responsibility to retrain

them. So when a company implements the use of robotics in a factory, for instance, what is the impact down the line on its workers, and what kind of skills is it setting itself up to require in the future? How can this be factored into the company's social compact with employees?

- 3. Where can we deploy new technologies and retrained talent in our organization?** With retraining, the introduction of new technologies does not mean unemployment but rather a two-generation training process. Robots can take over the repetitive work, improving the productivity in these tasks and thus allowing newly retrained employees to do more knowledge-based work. This will create a large organizational shift, so companies will need to think creatively about how to capitalize on this strategically, and where the retrained talent can create competitive advantage.
- 4. What kinds of threats are we creating on the home front?** As we build smart cities and interconnected infrastructures, we are increasing risks in our own cities and homes. Solar energy panels and wind generators are just one area creating additional risk of cyber-attacks that could shut down power grids and cut large portions of our power supply. Where is the threat coming from? What are the targets? Are the hackers looking to cause destruction or to steal data? As you evaluate the interconnected technology your company is exploring, it's important to think of all the vectors for risk.
- 5. How will changing technology standards affect our ability to commercialize technology in different markets?** U.S. companies have long enjoyed the benefits of being able to define the global standards for technology – setting domestic standards for things from USB ports to more complex tech which would then be exported globally; this conferred great competitive advantage for companies here. But the power has shifted. China is investing billions as a nation, coordinating and creating the standards for all tech and AI by 2030. In local industries and at the enterprise level, they are setting the stage for what it means to work and be competitive, and also setting the standards within critical infrastructure, energy, utilities, and transportation. All of this affects how companies in the U.S. will be able to take their products to market overseas.
- 6. How are we vulnerable to attack, and what are we doing about it?** As transformative technologies like AI continue to spread throughout the organization – as well as both upstream to the supply chain and downstream to the consumer – this only expands a company's attack surface. This is the trade-off, and boards have to ask where the data resides, what is being done with it, and how it is being secured from hackers who are capitalizing on the higher number of potential entry points. Cyber insurance coverage is getting very expensive, and has limitations – which could range from regulatory fines and penalties to losses arising from “social engineering,” and the reputational hit from a publicized attack is practically immeasurable.
- 7. What are the opportunities and how do we monetize them?** AI and machine learning are a vast field, and most lay people have a limited understanding of robotics. And

advances in these fields are changing the power and capacity and capabilities of these technologies every day. But even as directors learn more about these emerging tools, it's understanding what these mean in your own firm, to your own suppliers, and throughout your own supply chain that is key. The senior team also has to be able to clearly communicate this value within the firm. It's not just about being "new" – but how the company can capture value with this new tech.

Definitions:

- **Artificial Intelligence (AI):** Branch of computer science dealing with the simulation of intelligent behavior in computers.
- **Machine learning:** Subset of artificial intelligence in the field of computer science that often uses statistical techniques to give computers the ability to "learn" with data, without being explicitly programmed.
- **Robotics:** Technology dealing with the design, construction, and operation of robots in automation.

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About WomenCorporateDirectors Education and Development Foundation, Inc.

The WomenCorporateDirectors Education and Development Foundation, Inc. (WCD) is the only global membership organization and community of women corporate directors. A 501(c)(3) not-for-profit organization, WCD has 80 chapters around the world. The aggregate market capitalization of public companies on whose boards WCD members serve is over \$8 trillion. In addition, WCD members serve on numerous boards of large private and family-run companies globally. For more information visit www.womencorporatedirectors.org or follow us on Twitter [@WomenCorpDir](https://twitter.com/WomenCorpDir), #WCDboards.

Upcoming WCD events:

[Private & Family Company Director Summit: January 9, 2019, Orlando, Florida](#)

"Key Risks Impacting Private and Family Companies"

[WCD Asia Pacific Institute: February 21-22, 2019, Tokyo, Japan](#)

"Resilient Leadership for a Disruptive Era"

[WCD Global Institute: May 19-22, 2019: Silicon Valley, California](#)

"Harnessing the Transformative Power of Technology"

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