

VIEWPOINTS

# Assessing the state of artificial intelligence

January 2024



The 2020s have been called “the decade of generative AI” (artificial intelligence)— “the ‘what’s next’ that we’ve been waiting for.”<sup>1</sup> A technology this transformative has tremendous implications for companies as they expand adoption. Boards and management teams are discussing how to unlock the potential of AI while balancing an increasingly complex web of strategic, operational, legal, and political considerations. Organizations that can effectively navigate these issues and adopt a holistic, multidisciplinary approach to responsibly deploying the technology will be best positioned to gain competitive advantage in an AI-enabled future.

On November 28, 2023, board members, executives, and subject matter experts joined teams from Clifford Chance and Tapestry Networks to discuss the current AI wave, emerging applications, public policy and regulation, and responsible adoption.

This *ViewPoints* highlights the following key themes that emerged from the meeting and related conversations:

[A new AI ecosystem is emerging](#)

[Companies are moving at very different speeds](#)

[Risks associated with AI abound](#)

[Governance and oversight are racing to keep up with the technology](#)

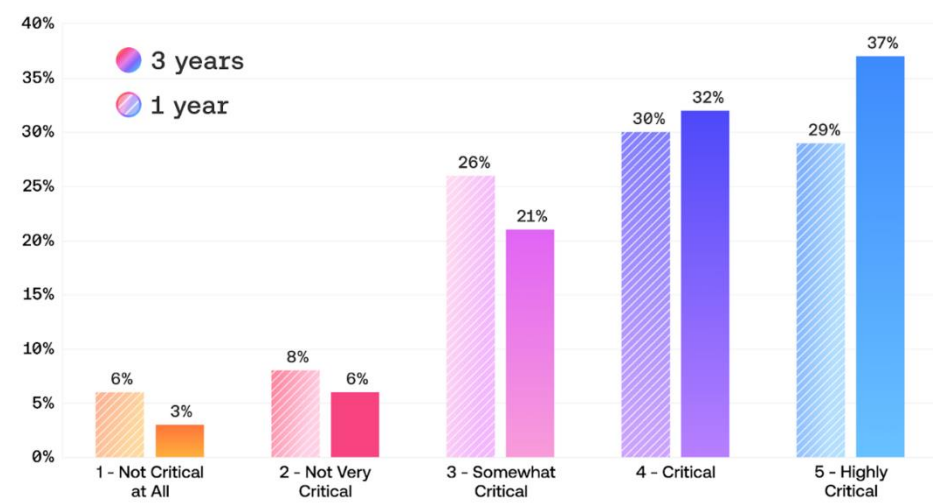
[The regulatory landscape is fluid and fragmented](#)

*For a list of participants, please see Appendix 1 (page 13).*

## A new AI ecosystem is emerging

The generative AI wave “feels more frantic than the early days of the internet,” a seasoned industry leader commented.<sup>2</sup> The World Economic Forum’s *Scale Zeitgeist: AI Readiness Report* published in June 2023 indicates that 70% of business leaders believe that AI is either critical or highly critical to their business in the next three years.<sup>3</sup>

How critical is AI to your business in the next 1 - 3 years?



Source: Vijay Karunamurthy, “[Scale Zeitgeist: AI Readiness Report Looks Past the Hype of Generative AI](#),” World Economic Forum, June 2, 2023.

Much like with the internet, a new ecosystem is forming, which will allow companies to deploy AI in novel ways and create an entirely new group of winners across the value chain. A participant noted, “*With AI, you are not a customer but a partner. This is not an area where you ‘buy’—you partner, and, as a result, I am seeing very different approaches.*”

### Entering a new era of AI

A participant observed, “*Prior to 2022, all applications of AI were analytical in nature and didn’t involve generating content.*”

Understanding the distinction between generative AI and other applications like machine learning is important for firms when assessing potential use cases. An executive explained, “*Generative AI is most useful for creative and probabilistic use cases. Most deterministic problems are best suited to machine learning, not generative AI.*” As such, generative AI expands the universe of problems that AI can solve, at scale. Whether in search capabilities, document review, customer-service optimization, coding, or product development, there is a sense that we are just scratching the surface on where things could go. “*There*

“*There is a wave of new use cases coming, and what has changed is the ability to generate new content. It’s a capability that has massive implications across industries.*”

— Participant

is a wave of new use cases coming, and what has changed is the ability to generate new content. It's a capability that has massive implications across industries," a participant asserted.

## Understanding the AI value chain

As investment in AI matures and companies look to both leverage their investments and build the necessary capacity to support emerging uses, a new value chain has emerged. Several large players have already seen a significant increase in their market capitalizations relative to the S&P 500 as value begins to flow to key players in this emerging ecosystem.

*"The game is not over, and the chip landscape could look very different in the future."*

— Participant



Source: Created with ChatGPT4 based on data from [Yahoo Finance](#)

## Hardware

More powerful models require more specialized and more powerful graphics processing units (GPUs). One executive asserted, *"The king of chips is Nvidia."* Another participant said, *"Access to H100 [Nvidia's GPUs] can make or break start-ups."* While the markets would suggest that Nvidia is poised to dominate the hardware space, a director challenged this notion: *"Nvidia has a problem. They have a lot of opportunities, but they have issues with the silicon layer. They can solve for it, but things have to change for models to continue to scale and the silicon to support that."* A number of companies are looking to contest Nvidia's dominance. *"The game is not over, and the chip landscape could look very different in the future,"* a participant noted.

## Model providers

OpenAI is perhaps the most well-known provider of Large Language Models (LLMs). However, it too faces stiff competition, as Google, Amazon, and other established technology companies race to include similar generative AI tools in their cloud offerings. Start-ups in this space are also raising billions. A participant predicted, *“I believe the model layer is not going to be a winner-take-all situation. Start-ups are challenging; we see a number of them creating LLMs like Anthropic and Cohere. It is capital intensive enough that there won’t be hundreds of model providers, but there won’t be a runaway provider, like Google was to search. It won’t be hundreds of providers, but whether it is three, eight, or 10 is harder to predict. But those will all be massive businesses.”* The business model for these model providers may involve some kind of usage-based pricing, whereby they build models and provide access via application programming interfaces to all except for the largest companies, who will build bespoke models on massive proprietary datasets.

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*“It is capital intensive enough that there won’t be hundreds of model providers, but there won’t be a runaway provider, like Google was to search.”*

— Participant

## Data infrastructure

There is another layer of providers that are facilitating the use of generative AI by improving the way data can be stored, translated, and accessed for use in LLMs. One participant explained, *“These tools help make use of models and systematize them at scale. Vector databases are designed to store data inputs and outputs that models use and that look different from structured data. That lets you easily search and retrieve data to produce model results. Data curation and quality is necessary to help companies prepare datasets to train models on. Retrieval-augmented generation and being able to connect LLMs to your internal data so they are trained on internal company data and responsive in a specific way is so important.”*

However, an executive said, the infrastructure layer may be *“very hard to invest in”* because *“a lot of tools will end up being offered by large-model companies as a one-stop shop.”* Amazon Web Services, for example, currently offers infrastructure solutions in addition to its own foundational model, Titan.<sup>4</sup> Irrespective of where these tools come from, *“it is an important, if unheralded, data layer that helps models become actionable,”* the executive noted.

## AI applications

Companies developing business-to-business and business-to-consumer

AI applications will play a pivotal role and have huge growth potential. “This is where the rubber meets the road,” said a participant, noting that “the applications are what bring AI into people’s lives.” OpenAI’s ChatGPT and DALL-E are high-profile AI apps, but the full potential of the application space has yet to be realized. “Several applications are obvious and compelling, but most haven’t been built or explored. As of now, the model layer is where most money has flowed. Five to 10 years from now, the money will be flowing here as opposed to the models,” an executive opined.

“It’s a very different adoption curve to what we’ve seen emerging technologies go through before.”

— Participant

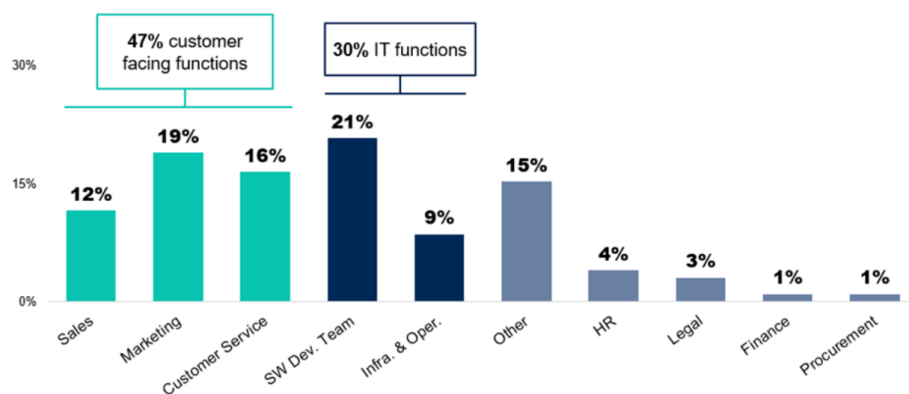
## Companies are moving at very different speeds

As the AI value chain evolves, the companies that may benefit most broadly will be the owners of large, proprietary datasets. And yet companies of all sizes are at vastly different places in their application of AI. Use cases, investment dollars, and even sentiment about AI vary significantly between industries and even within businesses in the same industry. As one participant observed, “It’s a very different adoption curve to what we’ve seen emerging technologies go through before.”

### Some companies are already deploying generative AI at scale

Many businesses see real value in generative AI and advanced machine-learning applications and are moving forward at pace. A Gartner poll conducted in October 2023 found that 55% of organizations are in piloting or production mode with generative AI, with 47% of generative AI investment going towards customer facing functions.<sup>5</sup>

Figure 1. Generative AI Investment by Business Function



Source: “[Gartner Poll Finds 55% of Organizations Are in Piloting or Production Mode with Generative AI](#),” Gartner, October 3, 2023.

Participants discussed areas where they are already actively deploying the technology:

- **Improving customer service.** An executive said, *“I use generative AI and other machine learning daily at scale in the application layer. In the [business-to-consumer] personal assistant space, we are already benefiting greatly from being in the application layer and serving our members with a lot less cost. Yes, we deal with hallucination, limitations of the current LLM dataset, etcetera, but that isn’t stopping us from getting the benefits.”* Another participant agreed, stating, *“Over the next year, the majority of companies that are customer facing will utilize someone’s LLM to create chatbots.”*
- **Enhancing document and data management.** Participants see great promise for these more powerful models to help with the preparation of tedious documentation. One director observed, *“AI is transforming healthcare literacy. You can use AI to translate consent forms or medical directions into different languages to meet patients where they are.”* AI can also help to glean insight more efficiently from those forms once completed. An executive cited the example of smart optical character recognition: *“It takes data, say, from a loan document and converts it into a database extremely accurately and fast.”*
- **Streamlining internal processes.** Participants see huge potential efficiency gains. One stated, *“Reducing time and cost is where we’re using AI. That’s what I’m looking for.”* Many companies are experimenting with AI-powered “co-pilots” to help employees perform tasks more effectively. One executive reported that AI shows great promise with internal search functions. *“We looked at our internal knowledge base and asked, ‘How do we use this as better search?’ It sounds trite, but when you have thousands of people looking up information, it really makes a difference. If you keep peeling across the problem set internally, then you can find value that you can do in a reasonable time frame for a few million dollars, and it’s tractable.”*
- **Developing products.** Some companies are moving aggressively to apply these more powerful tools to help grow their businesses. A participant said, *“I am an optimist. People are getting spooked by the magnitude of the change, but I am excited by what this can do for customers. It can improve product development by orders of magnitude.”* For example, a director commented, *“It can*

*“I use generative AI and other machine learning daily at scale in the application layer.”*

— Executive

*democratize health. For years, you had to run chemical experiments for drug discovery, but now really great models are predicting these things and being used in drug-development processes.” Data-centric businesses are beginning to use generative AI to create written analyses for customers, and another director noted that their company is “building AI products now and shipping products now.”*

## Other companies are more cautious

While some companies are moving quickly to deploy generative AI, others have adopted a much more cautious approach. *“We’re at the top of the first inning on the technology, tooling, and how it will get applied,”* said one executive, suggested the most valuable use cases for many companies are not yet in production.

Participants noted some of the concerns they have as they explore potential use cases:

- **Generative AI is relatively immature and untested.** The most powerful generative AI tools are still in their infancy, and this gives some senior leaders pause. A participant said, *“The potential is there. But on the higher end, with truly generative cases, the issues are real but the tech isn’t there yet. You can see it will get there, but it’s a timing question.”*
- **The potential for errors currently limits customer-facing applications.** Some participants see limited use cases for the technology, particularly in customer-facing applications. A director said, *“Client-facing products are hard, and they’re fraught with errors and issues.”* Another participant went even further, asserting, *“Chatbots sound really great, but none of us have found one that works well. And if you get into the revenue side of AI, it generates nothing.”*
- **Probabilistic models are limited when certainty is required.** In many businesses and industries, certainty and predictability are required. In these instances, probabilistic AI models may have more limited application. For example, despite the potential of chatbots, in some regulated industries, it’s a nonstarter. An executive said, *“For financial services, the idea of a chatbot being generative is almost a nonstarter. It can’t be generative by regulation because we need to be able to catalog all of the potential responses.”* Another concurred: *“There’s no room for error for regulated industries.”*

Despite these concerns, some of the skeptics are still investing. One

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*“We’re at the top of the first inning on the technology, tooling, and how it will get applied.”*

— Executive

executive acknowledged that their company has made a significant investment into buying GPUs, despite “not having a clear use” for them and being “uncertain that we ever will.” The alternative, of needing the GPUs and not having them, is too great a risk: “We’re hedging our bets.”

## Risks associated with AI abound

The launch of ChatGPT and similar generative AI tools has created great concern among leading technologists, policymakers, and the general public. Some have focused on very specific issues like the possibility of hallucinations and deep fakes, while others have even raised the existential threat to humanity. A Clifford Chance expert boiled it down to this: “We always say to remember that generative AI is like a child that wants to make you happy. If you want an answer, AI is going to give you an answer, but not necessarily a right one, a true one, or a referenceable one.”

Participants identified several of the key risks that concern them most about the technology:

- **Separating hype from reality.** All the buzz around AI presents a dilemma for senior business leaders. An executive said, “This hype cycle is at a speed I’ve never seen. A big risk is that people spend too much time, money, and focus on something that may not deliver value in the near or long term. Can you tell reality from hype at that level of a company? How much time and money are you going to spend, and how do you know if it’s real? How do you measure it? There is so much [fear of missing out] going on here. Not getting overly rotated on something like this is the first big risk to address.”
- **Concerns about data governance and privacy.** Organizing, maintaining, and gaining insight from data has always presented a challenge. That challenge is magnified as companies seek to take advantage of advanced AI models. A Clifford Chance expert explained, “What we’re seeing people be most worried about is data provenance. Garbage in means garbage out, and this is super charged when it comes to generative AI. When you start to fine-tune with confidential data, things start to get more problematic. Am I doing this lawfully? If there isn’t a law yet, how am I going to adapt?” A participant added, “We all want to use our own data and to be able to protect that data, but in the US, privacy laws are state by state. Outside of the US, now you have entirely different privacy

### Meeting by the numbers:

TOTAL PARTICIPANTS:

21

DIRECTORS:

12

EXECUTIVES:

9

13  
WOMEN

8  
MEN



*laws. There are all sorts of complexities.”*

- **More sophisticated cyber threats.** AI’s leap forward could have more sinister implications. A participant acknowledged, *“Generative AI has revolutionized the cyber bad-actor side.”* An executive agreed, stating, *“Cybersecurity is one of the biggest concerns. How are we protecting models and data? We need to ensure models can’t be spoofed and that models are transparent and can be explained.”*
- **The potential for bias.** The implicit biases of developers can result in biased models, and biased training data can generate inequitable outcomes. One director observed, *“Bias in models isn’t something AI created, but I am concerned AI will amplify it. Yes, we’ve always had bias, but how bad is it going to get?”*
- **Dealing with opacity.** The inability to clearly explain why a model produces the results it does continues to limit trust in the AI. *“Explainability is a key point. How do you go from A to Z? There will be a regulatory requirement for explainability. For consumer-facing companies, the explainability piece is something they’re not used to. It’s difficult to make the choice of ‘I can’t explain it, so I’m not going to use it,’”* a Clifford Chance expert noted.
- **Ambiguity with intellectual property (IP) rights and litigation risk.** *“LLMs are trained on broad swaths of the internet. The copyright issues around that remain an unanswered question with huge implications.”* As models are trained on wider datasets, participants see a wave of litigation coming as companies battle over IP rights. *“We have to have more lawsuits to set precedent. IP law for copyright and patents is constitutional, but how it’s regulated gets applied from cases. We need to have more cases because we need to have some case law come out to set precedent,”* observed a Clifford Chance expert. Some foresee AI creating a boon for innovation as it unleashes a new wave of creativity. Not all will benefit equally, however, as some fear their IP will be difficult to protect. The expert continued, *“For pharmaceutical companies, this is awful. We talk through [the question], How do you start protecting IP? You have to keep innovating and keep patents alive.”*
- **Reputational and third-party vulnerabilities.** As companies become more reliant on third parties to develop models and AI applications, they increase third-party risk. An executive said, *“Even the experimentation, whether it creates good business value or not,*

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*“Even the experimentation, whether it creates good business value or not, has created reputational risk.”*

— Executive

*has created reputational risk. For example, several of Sports Illustrated's recent articles were AI generated. The authors, their profiles were all created by AI. They blamed it on a third party. So if you analogize back to cyber, this is a classic case of vendor risk management. A lot of the frameworks already exist, so do we need to moderate them to fit AI?"*

## Governance and oversight are racing to keep up with the technology

AI is evolving so quickly that standards and frameworks for board and management oversight are unable to keep up. *"It feels like we're where cyber was five years ago, where there were no good or best practices, and everyone was just trying things,"* a director noted. The aim is for senior leaders is *"to create an effective governance framework that enables innovation but also creates the necessary guardrails."*

### Accountability and ownership need to be formalized

Firms are still debating who should govern AI internally. Some believe a more centralized approach under a designated AI function and C-suite officer is required to create clear accountability. One director stated, *"If you make it everybody's job, then it's nobody's job."* Having a designated AI head may also help to clarify decision-making authority. *"Without it, who is going to own the [profit and loss] and have the budget? Structuring it that way has allowed for systems to move quickly,"* a participant commented. Who that person is may vary by company.

Others believe a leadership committee that provides broader oversight and coordinates the efforts of existing functions is the better strategy. One participant said, *"It is very hard in the majority of companies to identify the right person to be in charge. This should play out as a committee structure that has business challenges and technology knowledge and works cross-functionally with compliance, cybersecurity, and data."* Another noted that a committee structure could work, so long as there is one person with ultimate ownership: *"You absolutely need a committee, but I strongly believe the buck needs to stop with somebody. In those corporate crisis moments, I believe everyone needs to know who that person is. That person needs to know that they are that."*

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*"It is very hard in the majority of companies to identify the right person to be in charge."*

— Participant

## Effective risk oversight requires comprehensive frameworks, policies, and procedures

Participants described some of the approaches they are taking to try to mitigate the risks generative AI presents:

- Utilize the existing enterprise risk management framework.** One director suggested working through the existing enterprise risk management process. Interestingly, among the companies represented in the meeting, only a fraction said AI had reached the top of their list of risks. Companies that have already adopted other AI and machine-learning applications can leverage existing approaches to governance as well. *“The existing state of AI maturity is very important. A lot of companies invested heavily 10 years ago. For instance, financial services and risk management have a head start in AI governance. For those that have a ‘move fast, break things’ mindset, the risks are that much higher because they don’t have that framework,”* a participant observed.
- Know your data and rigorously test models.** Organizations need to obsess over the quality of their data and promote diversity among the people who use it. *“We worry a lot about making sure data is as clean and complete as possible so it’s the best representation of whatever we’re looking at,”* one executive said. It is not enough to clean the data, especially as applications become more focused on core business challenges. A participant advised, *“If and when you decide to use AI to move the needle, it is in your best interest to make sure that you have very clear processes for validation, verification, and testing that capability.”* An executive agreed: *“The accuracy of models is a big area of concern, so lots of testing and analysis is done before ever putting capability into operation. The accuracy is rigorously tested.”*
- Human intervention remains critical.** In reflecting on lessons learned from the military, a participant said, *“When you’re talking about life-or-death decisions made within minutes, you’re very careful about what you’re going to allow a machine to do without a human in the loop.”* While the risks in the corporate world may not be so stark, as Sam Altman, the CEO of OpenAI, acknowledged at the World Economic Forum in Davos, AI is “good at some things but not good at a life-and-death situation” because it is “a system that is sometimes right, sometimes creative, often totally wrong.”<sup>6</sup> Keeping humans in the loop becomes a key control

### Meeting by the numbers:

PUBLIC COMPANIES  
REPRESENTED:



MARKET CAP  
REPRESENTED:

\$2.10T

mechanism. That involves creating a culture that recognizes that AI presents both real opportunities and profound risks. The same participant said of the military, *“There is not a lot of regulatory oversight of defense, but there is a lot of internal culture that drives rules of engagement and fundamental laws on conflict. It causes people to take a step back and really think through how to use AI.”*

## The regulatory landscape is fluid and fragmented

Public policy and regulation will play a crucial role in guiding the responsible development of AI. One executive stated, *“AI has to be accompanied throughout its development by ethical inquiry: for what purpose, to what end, and whom might it fail?”* These questions are being asked by governments, which are developing policies and regulations to address the responsible adoption of AI and its potential societal implications.

The Biden administration announced in October an “Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence” as a first step in governing the use of AI in the US.<sup>7</sup> In early December, lawmakers in the EU agreed to a political deal on landmark AI legislation after months of deliberation. The EU AI Act adopts a risk-based approach, with higher-risk systems subject to greater regulatory requirements and some activities banned outright.<sup>8</sup> Other jurisdictions, such as Canada, China, and Israel, are also legislating—some taking a cross-sectoral “horizontal” approach and others considering a sector-specific “vertical” approach.<sup>9</sup>

In an attempt to facilitate better coordination across jurisdictions, in November, the UK hosted the first global AI Safety Summit, where policymakers and technologists agreed to a collaborative plan for AI governance, looking at a range of technical and societal risks. The summit culminated with a declaration signed by various countries, including the US, EU, UK, and China, which designates the focus areas for AI governance as the protection of human rights, transparency and explainability, fairness, accountability, regulation, safety, appropriate human oversight, ethics, bias mitigation, privacy, and data protection.

Senior business leaders welcome a role for policymakers in setting guardrails for AI. However, concerns persist about uneven regulations, their application across markets, and the ability of governments to strike the balance between enabling innovation and controlling for risks. A

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*“We typically regulate things when the genie is already out of the bottle, when something goes wrong.”*

— Director

Clifford Chance expert explained, “A big risk area is when you’ve got a decentralized power structure. In the US and EU and China, these technologies are being built, trained, and deployed. All are in different parts of world, and regulation is very fragmented. Do you also have to think about conformity assessments and framing what you need to do? What if you have to put the brakes on six months later?” A director echoed the concern: “I am worried about regional governance with multinational products. It’s really challenging because you don’t want to invest all this time and money and then have the regulators turn around and say, ‘You can’t put a product like that into the market.’”

Some participants are skeptical that regulations and policy will keep up with the pace of development. “We typically regulate things when the genie is already out of the bottle, when something goes wrong,” noted a director. Others are unconvinced that regulators are up to the task ahead of them. An executive remarked, “Regulatory understanding and capacity is a real problem. They will use a blunt-force weapon, especially where they don’t understand. Some are better than others in their understanding.”

One participant suggested past experience can inform the approach to regulating AI: “The internet was successfully controlled in a way that was utilized effectively across the globe. We need to take a step back and look at how we have historically regulated while also allowing for innovation.”

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Reflecting on the current AI wave, a director commented, “It feels like we’re where cyber was five years ago, where there were no good or best practices and everyone was just trying things.” The investment in AI and usage of the technology differs widely across industries and businesses, and significant concern over the associated risks persists. Current standards for oversight are lagging AI’s rapid development. While governments are working toward regulating the use of the technology, the regulatory landscape remains inconsistent.

Despite these challenges, it is evident that a new AI ecosystem is emerging, with potentially material implications for virtually every sector. The World Economic Forum’s 2024 Annual meeting in Davos was abuzz with AI, with the *New York Times* proclaiming that AI was “the unofficial theme” of the meetings.<sup>10</sup> The task ahead for senior business leaders is clear: to capitalize on the benefits of AI while successfully navigating the associated challenges—or, as one board member remarked, “to get

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*“It feels like we’re where cyber was five years ago, where there were no good or best practices, and everyone is just trying things.”*

— Director

*smart about this and form a point of view” about the path forward.*

As the potential for generative AI, LLMs, and its influence on other forms of AI remains in its infancy, 2024 is likely to see more experimentation, a shifting regulatory landscape, and maturing approaches to governance and oversight. We look forward to continuing to support these efforts through the AI Connect Forum.

## Appendix 1: Participants

The following members participated in all or part of the meeting:



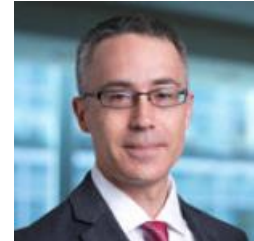
Dennis Andrade  
Managing Director,  
Tapestry Networks



Raman Chitkara  
Audit Chair, Arteris and  
SiTime



Kim Crider  
Maj. Gen. USAF (ret.);  
Former Chief  
Technology Innovation  
Officer, US Space Force



Tim Heier  
Managing Director,  
Chief Technology  
Officer, Charles Schwab



Laurie Hodrick  
Audit Chair, Roku;  
Non-Executive Director,  
PGIM High Yield Bond  
Fund and Prudential  
Global Short Duration  
Yield Fund



Marie Oh Huber  
SVP, Chief Legal  
Officer, General Counsel  
& Secretary, eBay;  
Non-Executive Director,  
Portland General  
Electric Company



Suzanne Nora Johnson  
Chair of the Board,  
Intuit; Audit Chair,  
Pfizer



Arnav Joshi  
Senior Associate,  
Clifford Chance



Christine Kim  
Associate, Clifford  
Chance



Devika Kornbacher  
Technology Law Partner  
and Co-Head of Tech  
Group, Clifford Chance



Laura Koski  
Project and Event  
Manager, Tapestry  
Networks



Jack Lazar  
Audit Chair, Box,  
GlobalFoundries,  
Resideo Technologies,  
and Thredup



Anja Manuel  
Non-Executive Director,  
Ripple Labs



Yoky Matsuoka  
Chief Executive Officer,  
PanasonicWELL



Bethany Mayer  
Chair of the Board and  
Compensation Chair,  
Box; Safety,  
Sustainability and  
Technology Chair,  
Sempra; Non-Executive  
Director, Hewlett  
Packard Enterprise and  
Lam Research



Brenna McNeill  
Associate, Tapestry  
Networks



Debby McWhinney  
Compensation Chair,  
BorgWarner; Non-  
Executive Director, S&P  
Global



Jess Mega  
Non-Executive Director,  
Boston Scientific and  
Danaher



Tom Mildenhall  
Managing Director,  
Global Head of  
Technology Partnership  
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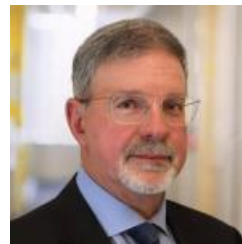
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Rich Steele  
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Moody's



Scott Stoll  
Audit Chair, Farmers  
Group and Farmers  
New World Life  
Insurance Company



Mimi Thigpen  
Audit Chair, Globe Life;  
Non-Executive Director,  
Hope Bancorp





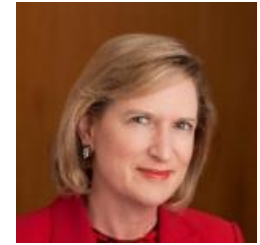
Rob Toews  
Partner, Radical  
Ventures



Reggie Townsend  
Vice President, Data  
Ethics, SAS



Suzanne Vautrinot  
Safety, Health &  
Environment Chair,  
Ecolab; Social  
Responsibility and  
Governance Chair,  
Parsons; Non-Executive  
Director, CSX and Wells  
Fargo



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Chair of the Board,  
DocuSign; Governance  
Chair, Lyft and Sana  
Biotechnology; Non-  
Executive Director,  
Costco Wholesale

## About this document

AI Connect is the definitive collaboration platform on AI for leaders of the world's foremost organizations. Its mission is to provide directors and executives from leading companies with a safe space to engage on AI's strategic implications and the social, ethical, policy, and governance concerns it presents. It will enable senior leaders to learn, to shape solutions, and to connect with one another and with top experts. AI Connect is run by Tapestry Networks with exclusive sponsorship by Clifford Chance.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive discussions about the choices confronting directors, management, and their advisers as they endeavor to carefully balance AI's possibilities with broader social, governance, and ethical considerations. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

## About Tapestry Networks

Since 2004, Tapestry has been the premier firm for building collaboration platforms with leaders of the world's foremost organizations. Tapestry Networks brings senior leaders together to learn and to shape solutions to today's most pressing challenges. We are a trusted convener of board directors, executives, policymakers, and other stakeholders, connecting them with information, insight, and each other. Top experts join our discussions to learn from the leaders we convene and to share their knowledge. Our platforms help educate the market, identify good practices, and develop shared solutions. We call this the power of connected thinking.

## About Clifford Chance

Clifford Chance is one of the world's pre-eminent law firms, with significant depth and range of resources across five continents. Our Tech Group is a global integrated multidisciplinary team of more than 600 tech-savvy lawyers delivering connected, expert legal advice to clients on their most exciting, complex and transformational tech-related matters. We recognize that rapid advances in technology are significantly impacting our clients' business models, their growth strategies and even day-to-day decision making, bringing opportunities to be harnessed and risks to be navigated.

## Endnotes

<sup>1</sup> According to Reid Menge, managing director at BlackRock. Blackrock Fundamental Equities, "[Nothing Artificial about Investment Opportunity in Generative AI](#)," BlackRock, March 1, 2023.

<sup>2</sup> *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals or corporations. Quotations in italics are drawn from conversations with participants in connection with the meeting.

<sup>3</sup> Vijay Karunamurthy, "[Scale Zeitgeist: AI Readiness Report Looks Past the Hype of Generative AI](#)," World Economic Forum, June 2, 2023.

<sup>4</sup> "[What are Foundation Models?](#)," Amazon Web Services, accessed January 24, 2023.

<sup>5</sup> "[Gartner Poll Finds 55% of Organizations Are in Piloting or Production Mode with Generative AI](#)," Gartner, October 3, 2023.

<sup>6</sup> Hanna Ziady, "[AI Shouldn't Make 'Life-or-Death' Decisions, Says OpenAI's Sam Altman](#)," *CNN*, January 18, 2024.

<sup>7</sup> "[Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence](#)," White House, October 30, 2023.

<sup>8</sup> Ryan Browne, "[EU Agrees to Landmark Rules as Governments Aim to Regulate Products like ChatGPT](#)," *CNBC*, December 8, 2023.

<sup>9</sup> OECD, [The State of Implementation of the OECD AI Principles Four Years On](#) (OECD Publishing, October 2023).

<sup>10</sup> Michael J. de la Merced and Lauren Hirsch, "[The Top Takeaways from Davos](#)," *New York Times*, January 20, 2024.