

Decoding generative AI

VP and Principal Analyst from Forrester, Michele Goetz, joined *The Data Download* to answer questions on the development of generative AI and the future of AI governance.



How have you seen the conversation around AI change over the years? How has ChatGPT and other accessible AI tools changed the conversation?

AI took on new life about 10 years ago, when companies such as Amazon Web Services (AWS), Google, IBM, and Microsoft released machine learning libraries and platforms to build more intelligent solutions. Forrester saw every three out of four enterprises adopt AI. AI sparked new ideas and new ways to be a more insights-driven business. But the ability to deploy machine learning models, have reliable data and data management, and get the talent needed to create AI solutions was a heavy tax.

Enter generative AI and, specifically, ChatGPT. Suddenly the barrier to AI entry and scale melted away. Everyone could consume content from AI and create their own AI-driven content and solutions. AI is now democratized, and that democratization is sparking the next age of technology and creativity.



How have you seen AI used in business today?

The exciting thing about AI use is that organizations have adapted quickly to adopting AI and ML, for everything from the most mundane tasks to new capabilities and business models. AI helps generate personalized experiences, adapt supply chains in real time, and monitor systems and predict when they need maintenance and repair. Prior to ChatGPT, genAI improved online chat for support and even generated news content. While early deployments can be small and simple, AI quickly iterates to take on more business tasks and experiences and eventually bridges business silos for consistent operations.



What are the benefits and risks of AI?

Efficiency gains have been the most obvious benefit of AI. Value is measurable due to existing metrics. In addition, AI was trained in the context of specific business metrics and outcomes. As organizations used AI further, they recognized how it could help or hurt customer experience or contribute to increased revenues. Organizations might not have had a specific ROI calculation, but they recognized how AI was a contributing factor to success.



What are the benefits and risks of AI? (continued)

Today, specifically with the adoption of genAI, risks are higher. For example, places such as the EU have made updates to AI regulations. An AI solution or model can be a black box. The majority of AI capabilities are a collection of ML models and data sources, making it more difficult to gain transparency into how AI makes a decision and drives an action. Explainability techniques to uncover bias, data drift, and anomalies of a model are there to offset. But firms will need to be more mindful of not only the AI outputs but also the inputs and methods to continuously train these systems. Another risk is that as genAI leads to the democratization of AI, non-data-science and non-technical users and builders may not be literate on AI's viability. A recent example was a legal team arguing a case with existing cases uncovered by ChatGPT. Unfortunately, those cases were bogus.



What are the best practices of AI governance? Why is it important?

There is a four-point AI governance model regardless of data protection, regulation, or trust. AI governance starts with stating the purpose for the AI capability, enabling AI within existing cultural principles and practices, enabling processes and automation that scale controls to AI creation and use, and having a strong assessment framework to ensure policy compliance and measure AI outcomes. Ultimately, this framework becomes a decisioning mechanism for AI strategy, AI use and consumption, and AI creation that allows organizations to make the right trade-offs and take the correct offensive and defensive actions in their AI journey. AI is also no longer just a data science and technical lift. GenAI forces subject matter experts (SMEs) to become more involved in and accountable for compliance with AI governance policies. This means that training and validating AI has to happen in ways that non-data-science and non-technical members understand. Reports, prototypes, and testing new ways of working all help ensure AI trust and keep SMEs engaged, knowledgeable, and committed.



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How can AI governance enable innovation rather than block it?

Any governance practice is often considered a “culture of no.” This is even more true in relation to data security and privacy. For regulations, legal teams can encourage executives to not adopt new capabilities due to known and unknown risks. No adoption is the biggest innovation blocker. However, AI governance is evolving and taking a different approach. AI governance leaders are educating companies on modern AI and AI approaches to drive further adoption and encourage that creative spark for new AI use cases. At the same time, they are shaping AI adoption and rollout practices iteratively (start small and build on top) to allow for fast deployment and value but in a risk-minded manner. AI governance leaders are also working with risk and legal teams to change decisioning from “no ” and “thou shall not...” to an offensive and defensive approach. This allows organizations to figure out not only what they can do but also what they can’t do or is ill-advised. At the heart, AI governance is making sure that data governance is a core competency, not a side one. Data governance is expanding to cover all data — structured, unstructured, and semi structured — as a way to allow all information to train and feed AI. Data governance is also shifting to use genAI itself to curate, label, classify, and extract metadata and concepts so that content can be used for analytics and AI. Data governance provides the foundation to establish consistent knowledge and insights, enable reuse of data products across multiple use cases and partners, and provide the observability and lineage of AI capabilities once the machine learning models are in production. Where model ops observe and are responsible for things like bias, drift, and anomalies, data ops and data governance offer the insights that help companies gain value from AI, trust AI, and provide a platform to innovate and build the next AI capability.



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