

AI Maturity for Compliance-Critical Products

Transcript

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Caryn Lusinchi: Hi, I'm Karen Lusinchi, and thank you for joining us from risk to readiness, for today's April 20, second Webinar. I'm going to jump right in in the interest of time

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Caryn Lusinchi: before we go ahead and start. I'm going to just tell you a little bit about my background and me. I, essentially Nemko's AI Strategy lead. I have comprehensive expertise in governance and risk management in terms of implementing NIST generative AI EU's Gdpr. And the EU AI

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Caryn Lusinchi: act tactically across the software development process as well as AI. ML. Ops life cycles from a academic background. I'm a credentialed AI auditor under the EU AI Act and Gdpr. With the foundations of independent audit and AI systems.

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Caryn Lusinchi: not only on the strategic side but also on the policy development side. I'm a non-resident fellow for AI global governance within an institute in Brussels, on emerging technology evolution as well as responsible and sustainable AI development.

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Caryn Lusinchi: And lastly, have really worked tactically and strategically in scaling conversational AI products and generative AI monitoring across different regions globally, North America, Emea, Apac, and Latam, both in in big tech as well as enterprise. So that's a little bit about me.

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Caryn Lusinchi: We're going to go ahead and just dive in Nemko just for some background, essentially, as you know, has been creating physical trust since 1933. And now we're in the new era kind of of digital trust. And how can we extend that physical trust and compliance into a digital world. And this becomes really important when we're dealing with AI embedded

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Caryn Lusinchi: products, because ultimately it's going to be the intersection of physical trust and digital trust to create kind of a new paradigm of AI Trust which sits in the middle.

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Caryn Lusinchi: What are some value? Drivers for AI governance, compliance, and quality management. There are a few number one, as you know, depending on where you're bringing your products to market is really, how do you comply with upcoming regulation, the EU being probably the best example of a tsunami of regulation and then emerging and evolving regulation that's happening around the world.

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Caryn Lusinchi: Number 2. A lot of companies are essentially putting kind of an AI forward approach in terms of brand perception and reputation.

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Caryn Lusinchi: The 3, rd big reason is really around control as far as safety. To prevent both incidences and harm and negative externality to end users, I would say, 4th is really the stakeholder demands around the use of AI, and that could be internal users or employees within your organization.

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Caryn Lusinchi: That could be a 3rd party supply chain, stakeholder demands, or even your customers.

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Caryn Lusinchi: And then, really, 5th is really, how do you leverage kind of AI governance to do? Kind of a 1st market competitive advantage given? The other competitors in the market.

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Caryn Lusinchi: So where does kind of AI governance fit in? So Nemko has various different services across kind of AI, and it kind of runs into kind of 2 key parts. Number one is, where are you using AI and products? What is kind of your roadmap to compliance, global market access.

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Caryn Lusinchi: risk categorization as well as how can you develop more trust in those products? And really, I think the success of that is really based on the foundation of how well is your organization leading and providing foundational groundwork to allow your your products to essentially go to market more successfully.

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Caryn Lusinchi: And so AI governance assessment for the purpose of this seminar. We're really going to dive deep into kind of what does a maturity model look like? Why does it matter what are some of the things that you should expect from kind of an AI governance readout, and kind of where it can take you in the future.

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Caryn Lusinchi: So we're going to dive right into a little bit of going a layer deeper into kind of what is an AI maturity, governance, assessment. And why does it matter. And what are some things that you should be aware of to move forward?

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Caryn Lusinchi: Why, companies even want to conduct an AI governance, maturity, assessment. Again, a lot of this is based on some of the reasons why maturity matters. I think the 1st thing is really, how do you understand the current landscape? And how do you use governance as a lever through different layers of the organization?

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Caryn Lusinchi: Number 2 is really around how to align leadership on priorities. Oftentimes there's a chief AI officer, a chief data officer, cyber, as well as a chief risk and a legal and compliance, as well as a board of directors. And so how do you really reach consensus to move forward as kind of one

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Caryn Lusinchi: enterprise to essentially garner more trust in the marketplace? Number 3 is really around. How do you scale operations to provide essentially oversight as you mature

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Caryn Lusinchi: number 4 is really around how to stay ahead of evolving global regulations, some of them may be law. Some of them may be frameworks, some of them may be standards. How do they all kind of come together?

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Caryn Lusinchi: The next thing is really around. Kind of ethical reputation and operational risks associated with AI systems which are really get kind of at the crux of kind of responsible AI trust pillars. And then, really, how do you benchmark against industry standards to not only against your competitors, but essentially

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Caryn Lusinchi: move from one level of maturity to another? And then, really, the last thing is really around stakeholder and Customer Trust as well as market positioning.

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Caryn Lusinchi: So, as you know, depending on where you sit, whether it's Asia, South America, the EU and the Us. There is a lot of regulation standards and framework out there that have a lot of overlaps, and our AI maturity governance model was kind of based around 3 global frameworks. Iso 4, 2 0 0 1,

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Caryn Lusinchi: which is really kind of the global certifiable international standard for AI governance, risk, management, and accountability, as it relates to AI management systems.

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Caryn Lusinchi: The EU AI Act, which is really a risk-based framework and NIST, which essentially is best practices for kind of operational integrity, cybersecurity and safety.

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Caryn Lusinchi: Our governance model looks almost as a kaleidoscope view of essentially looking at where the overlap is across a lot of these global regulations. Or we can customize the governance model based on local policies, national regulations depending on your level of kind of interest and jurisdiction.

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Caryn Lusinchi: What does essentially an AI governance maturity framework comprise that once you suppose, break it down, it's really around 8 core areas. And it really starts with leadership and governance. How do you really reach consensus and get your board of directors as well as your C-suite

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Caryn Lusinchi: and your executive leaders on board, to essentially developing a charter use case policies as well as steering committees to really drive innovation and inspiration in your companies. The next thing is around AI lifecycle management. That's really everything, from design to scoping to data, acquisition.

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Caryn Lusinchi: model development and training to deployment and decommissioning to retirement. The 3rd category is around external stakeholders. The supply chain, as

well as customers, are increasingly important as AI systems get more complex in terms of data and

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Caryn Lusinchi: model chain of custody. People and culture, again, is really at the root of literacy, recruiting, upskilling and development operations. How you go ahead and create controls, whether that be human insight or repeatable automated processes to allow your maturity to grow. Then there's the area

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Caryn Lusinchi: risk management. How do you really create both your ability to sit set risk tolerance? Given the fact, there's a lot of black box systems within. AI compliance goes without saying, how do you adhere to certain global regulations as well as best practices? And last but not least, technology.

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Caryn Lusinchi: How do you go ahead and scale your infrastructure data and cyber security to go along with the maturity of these other categories?

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Caryn Lusinchi: If we're to go even one layer deeper. Each of these 8 categories have various different pillars underneath, and I won't go through all of them. But leadership and governance really is around. You know how? What's the AI strategy? How does it impact your business? What are the best use cases that are going to

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Caryn Lusinchi: drive. Roi. How do you design governance in your organization? Is that essentially, from a leadership down? Is that from a top up perspective, what are the ethical and principles of your organization? And how do they align with kind of AI ethical and principles for mission vision and values?

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Caryn Lusinchi: And then there's, you know, definitely finance and resources and budgets to balance cyber security versus AI versus kind of data governance lifecycle management. We talked a little bit about, how do you do? Kind of end to end governance across

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Caryn Lusinchi: scaling AI models, taking them from experimentation into deployment. External stakeholders is really around partnerships, vendors, customers, as well as your supply chain people and culture is really, how do you create incentives training? As well as policy and alignment to allow deeper

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Caryn Lusinchi: adoption within employees as well as your end users. Operations is really around procedures, processes continuous improvement. An AI inventory understanding. Where in your organization AI is being used across multiple business. Use cases.

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Caryn Lusinchi: Risk management. Is really about managing, tracking, escalating and having incident and crisis management. Compliance. A lot of those things are around. How do you keep centralized record keeping, regulatory monitoring? How do you become proactive in audit readiness, data, privacy as well as responsible? AI pillars of transparency, explainability and fairness.

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Caryn Lusinchi: And then we get down to tech which is really around infrastructure architecture. And your pipelines and platforms.

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Caryn Lusinchi: So how does AI kind of governance work across maturity levels? Where it's pretty much ranked on a 1 to 5 scale. Believe it or not, I would say, probably around 80, to

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Caryn Lusinchi: say 85% of organizations right now are really somewhere between the exploring and founding stage. With another, say 10% trying to make their way from evolving advanced and and market leading, so I would say, AI governance. Maturity across most enterprises is still very nascent

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Caryn Lusinchi: and really understanding where you are and where you want to be, in what timeline is really, essentially the key to understanding the complexities of implementing it responsibly, efficiently, and safely in the future.

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Caryn Lusinchi: As I mentioned before, it's really understanding where you are today and what needs to be done, and then creating a roadmap of how to get there across those 8 categories.

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Caryn Lusinchi: So I'm going to dive a little bit more in into each of these categories. And essentially, to give you a better, essentially preview of really what does level one versus Level 5 mean across these 8 categories. And we'll start with kind of leadership and governance maturity. I think it's really important to make informed and strategic decisions

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Caryn Lusinchi: that are supported by a very strong governance framework. Different organizations will decide to do this in different ways. Sometimes they'll create a charter, sometimes they'll create like a steering committee that's representative of all the different departments to have a say in kind of AI decision making as well as buying decisions.

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Caryn Lusinchi: or even prototyping or use cases going forward. And it can really make the the big difference in essentially showing leadership's commitment to essentially advancing AI from an innovation

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Caryn Lusinchi: as well as a competitive aspect within the marketplace.

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Caryn Lusinchi: The second thing is really AI lifecycle management maturity, even if you're just using AI right now within kind of R&D or prototyping, and have very few models that are post deployed into production. I think AI lifecycle management is probably the area where most companies, I would say.

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Caryn Lusinchi: are more at the level, one or 2. With maybe one use case, maybe being more mature. But really, you need to have AI lifecycle management maturity essentially advanced levels in order to lead to kind of better performance, scalability and long term success

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Caryn Lusinchi: for continuous improvement of essentially bringing more models, data, and code through that pipeline

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Caryn Lusinchi: enterprise, stakeholder maturity. This is really a better understanding. Your enterprise. Stakeholder goals. Whether that be from your internal employees who are embracing AI for automation to your end users and kind of customers understanding what their goals are getting their feedback and understanding the impact.

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Caryn Lusinchi: And a lot of that really goes with communication, transparency and accountability to allow you to move and and up level. This would even extend to vendors, and partners. As enterprises use more commercially embedded AI like copilot or apple intelligence.

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Caryn Lusinchi: or open AI chat gpt, or perhaps your own kind of Llm conformity assessments and and building trust to make sure there's robustness as well as security within. Those contracts. That you inherit are increasingly important.

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Caryn Lusinchi: People in organization, cultural maturity really runs the gamut of literacy, recruiting, upskilling development and training incentives and make sure that you just don't have. I would say, kind of early adopters in your organization really embracing AI. But you're bringing everybody along together.

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Caryn Lusinchi: To essentially enable and empower your organization. Going forward. And it's really part of your organizational DNA, and just not for specific use case or tasks.

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Caryn Lusinchi: We talked previously about kind of people and culture. So you have your people processes and technology operations is really focused on processes. Within kind of AI, it's really important for role-based access controls from both a cyber security perspective and a human oversight perspective

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Caryn Lusinchi: of how to really get yourself from level one to level 5 in in terms of both, adapting that from agility, perspective, and improving those processes and workflows over time.

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Caryn Lusinchi: To essentially speed the the timeline in which you take models from design and scoping to deployment faster, and more more safely.

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Caryn Lusinchi: Risk management, I think, is a huge component of a maturity assessment and model. As we all know, a 0 risk is not feasible in a new kind of generative AI environment. And it's really an organization's ability to both set your risk, tolerance.

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Caryn Lusinchi: what your risks are not only across an organization, but perhaps at a project level. How do you measure your risk? How do you manage it. How do you monitor it? And how do you mitigate it? So there's very different layer cake levels of how to really look at risk management and given a lot of kind of the EU AI act and other best practices like

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Caryn Lusinchi: is based on a risk management framework. I think this is essential to have this in place in order to reduce operational and financial uncertainty

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Caryn Lusinchi: and compliance. Maturity is really, you know how well is your legal risk and compliance essentially incorporating not only current regulations, standards, and best practice, but how well do you have a pulse on how quickly things are evolving? Given the speed and acceleration of technology.

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Caryn Lusinchi: A lot of compliance is, very quickly evolving and very agile. So how are you really adhering to what the current standard is, as well as remaining flexible in terms of a record keeping and audit perspective to be proactive, to anticipate. Any future regulation coming down the

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Caryn Lusinchi: pipe.

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Caryn Lusinchi: and last, but not least, is really around infrastructure, cyber security and data. Increasingly in the air of deep fakes as well as open source development. Really having mature AI systems to ensure infrastructure, cyber security measures

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Caryn Lusinchi: and relatable data. Governance as well as management, is really essential to better foster that sense of trustworthiness across the organization. This can really depend on, you know. How do you treat R&D and prototypes for AI by putting into sandbox environments?

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Caryn Lusinchi: Before actually accelerating it to deployment, creating checklists for a readiness before a model is actually deployed. Do you have red, blue, and purple teaming, or even using 3rd parties to essentially essentially do a threat modeling

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Caryn Lusinchi: and penetration testing from a cyber security perspective and a lot of organizations. Take a very, I would say, reactive approach versus a proactive approach in this area. But a breach can really both damage brand as well as kind of erosion of trust among among customers.

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Caryn Lusinchi: So what does the pathway look like? For? AI governance and maturity assessment at Nemko? Essentially, it's engaging your stakeholders across your enterprise? And again, that's both technical and non technical users, both executive, operational as well as

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Caryn Lusinchi: down to the data science and ML. Engineering folks giving a readiness readout across various categories, how they align to that regulation, and also kind of a swot analysis. What might a roadmap to look like, based on kind of your 1, 3 and 5 year plan to essentially a ladder up to the next level of maturity, and then how to create

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Caryn Lusinchi: essentially advisory support where needed, across different areas where that gap might be, and Delta might be a little wider.

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Caryn Lusinchi: What exactly kind of does a roadmap look like? It could really be based on? How do you align and get to maturity, focusing on certain use cases? How to build capacity? Within your organization and infrastructure, how to get better alignment of a regulation, not only

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Caryn Lusinchi: one, but a kaleidoscope of regulation that we discussed earlier, where kind of the quick wins or the low hanging fruit, and which things will become long term differentiators or enablers from an AI innovation perspective. Where can there be technology or infrastructure investments to help advance that development environment?

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Caryn Lusinchi: Or where can you leverage open source versus proprietary? In order to achieve certain business goals? Organizational enablement. From literacy to training as well as monitoring and and kpis to to assess performance benchmarks and understand or get alerts. When there could be data or model drift to attract progress and adjust as needed.

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Caryn Lusinchi: This is a little bit of preview of what perhaps the supporting implementation guide will contain. I think a lot of organizations. Or companies approach AI governance as a strategy. But really, you know the real measure from an Roi and a value perspective is.

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Caryn Lusinchi: how do you then go from strategy to implementation? To really help innovate and accelerate and so that can really be, you know, action plans per work, streams or departments setting new roles within your organization and the the accountability structures and escalation paths

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Caryn Lusinchi: within that org structure, resource and budget estimates. How do you do really more with less templates and tools? How do you create monitoring and

evaluation framework? Monitoring is a huge component of a lot of the current regulation globally. So it really emphasizes 24,

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Caryn Lusinchi: 7 monitoring. And what metrics should you really be monitoring in order to allow you to move to a higher maturity level, and then again, risk management measures.

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Caryn Lusinchi: I would say, AI governance, maturity, assessment, one size does not fit all. So we offer kind of 3 different layers of services. One, if a company is pretty nascent and is just kind of emerging, and really kind of time is money.

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Caryn Lusinchi: We offer a AI maturity, quick scan, which is kind of a high level assessment with a much smaller, I guess. Venn diagram of key stakeholders. We look at kind of a swot immediate action areas, and then a quick orientation around AI readiness and governance. I kind of look at that as kind of a snack

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Caryn Lusinchi: the second tier is really around a focused assessment. Perhaps you have a specific business use case, or you want to focus on one category, or one department, or maybe a a hub or a regional spoke so we go a little bit deeper, and towards of a scorecard prioritize recommendations and tailored insights.

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Caryn Lusinchi: And then kind of the full, comprehensive aspect is really evaluation across the whole organization. Doing definitely deeper dives into technical architecture infrastructure data, governance and management. Where you might be leveraging a 3rd party tools.

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Caryn Lusinchi: And how well those are aligned to kind of compliance. mandates, as well as delivering a benchmark of where you are now, and where you want to go, and also equipping enabling leadership with the support to drive AI transformation within the organization.

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Caryn Lusinchi: So how can you really deepen your knowledge and gain new AI insights beyond what we discussed here? The knowledge just doesn't stop here. I would encourage you. Depending on your level of interest. We have upcoming 30 min webinars. You can sign up on our website

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Caryn Lusinchi: as well as if you are enrolled in this webinar, you should get notifications or emails of upcoming webinars. AI literacy is on June 12th we have the EU AI act on May 27.th

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Caryn Lusinchi: The trust mark, which is very popular among our Apac clients in terms of creating user confidence and market credibility when going to market with AI embedded products. And then Iso and lec 4, 2, 0 0, 1 readiness which is really how to fully implement it across your AI

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Caryn Lusinchi: management systems

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Caryn Lusinchi: to learn more about our service offering, we definitely encourage you to become an active participant to get notifications through our LinkedIn community and also to avail our free resources on our AI Trust Hub, you can go ahead and scan the QR. Code to get more information.

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Caryn Lusinchi: And if you're interested in a 15 min. AI. Consultation for your business. We definitely encourage you to get more involved. So

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Caryn Lusinchi: I'm gonna stop there and open it up to Q&A so you can get the most out of this and happy to

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Caryn Lusinchi: Get any questions.

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Caryn Lusinchi: Great. Thanks for joining us today? I don't believe there are any other questions but encourage you to reach out in the future via email or on our LinkedIn community. If you want to engage deeper.

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Caryn Lusinchi: Thank you.