



**CIONET UK COMMUNITY
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GENERATIVE AI

THE WAY FORWARD

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Discussion Documents

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GENERATIVE AI: THE WAY FORWARD

This article is written by [Roger Camrass](#), Director of Research at CIONET International, and [Mark Samuels](#), Chief Editor at CIONET UK. The content is based on the first UK Community Programme event of 2024 on 24 January, held at the Bafta headquarters in Piccadilly, London.

The context for the event

Artificial intelligence (AI) has been with us for decades but the launch of Open AI's ChatGPT in late 2022 created a tsunami of interest. While there is considerable hype about generative AI (Gen AI) tools like ChatGPT, organisations are confused about how to harness the technology. Responses vary from comprehensive bans on popular tools to limited experimentations and top-down, CEO-sponsored initiatives.

Roger Camrass introduced the event by setting the rise of Gen AI in the context of digital leadership. He said most CIOs are still experimenting and many are encountering legal and cultural issues relating to full-scale deployment. Few CIOs have a long-term vision for the outcomes of Gen AI.



Session One: A Fireside Chat

Roger welcomed John Neill, Founder and Executive Chair of the Unipart Group, and Richard Neill, CEO of Telos Digital. As background to the fireside chat, Roger said Unipart was an early adopter of Gen AI. John set out the strategy he believed the company should follow in March 2023. Richard, formerly the Chief Digital Officer of Unipart before setting up Telos Digital, advised on the technical implementation of Unipart's Gen AI platform.

1. John, why were you an early adopter of ChatGPT?

John shared Unipart's corporate mantra: 'People don't buy what you do, they buy why you do it'. Unipart's success over many decades has been built on a unique set of principles, known as the Unipart Way, that focus on delivering operational excellence through 12,500 staff. The company had already adopted AI across its operations and John was keen to exploit Gen AI and ChatGPT 3.5. He saw a close fit between the Unipart Way and Gen AI, especially as he felt his skilled staff could use the technology to find imaginative ways to improve operational performance.

2. How does Gen AI fit into current ways of working?

A key driver for Gen AI adoption is its ability to enhance how shopfloor staff work. John described Unipart's Digital Communications Cells, which enable workers at every level of the organisation to discuss daily operational issues and achievements. Staff meet in small groups around a digital display that provides detailed information about day-to-day operations.

John saw a direct link between Gen AI and the digital systems that Richard designed to support this collective way of working, which is similar to the Toyota Production System. Gen AI enables Unipart's Communication Cells to interact with the company's knowledge management system via its digital display system to ask operational questions and receive insights.

3. How did you launch Gen AI into the organisation?

John brought together his top 100 executives in March 2023 to outline the strategic intent behind Gen AI adoption and to share his deployment blueprint. He stressed the need to move quickly because of the advantages Gen AI could give the group. He also held regular board-level briefings to ensure top-level commitment to the plan.

John recognised that embracing Gen AI would be a challenge if it was not incorporated into staff's working processes. Given the close fit between Gen AI and Unipart's Digital Communications Cells, he commissioned Telos Digital to implement an intelligent interface. This interface would encourage staff to use the technology with immediate effect.

4. Richard, what did you do to implement ChatGPT?

Richard said the deployment of ChatGPT 3.5 had to deliver the control and information privacy the group demanded at a reasonable cost (not tens of millions of pounds). Furthermore, the group needed an LLM (large language model) that knew its own private/internal data; this meant enhancing the model using RAG (retrieval augmented generation).

For data privacy and long-term control, Richard chose an open-source solution based on Llama 2 (avoiding vendor lock-in), and his team adapted the model to suit Unipart's environment, including integration with the knowledge management system and Digital Communication Cells.

Richard believes the in-house adaptation of ChatGPT/Llama 2 has produced many benefits, including lower cost, faster implementation, and simpler integration into the existing IT environment. Senior managers can see the questions and assess the accuracy of the answers generated by the system. He plans to implement Llama 3 when it becomes available.

5. John, what challenges did you encounter?

John talked about his experiences of introducing change programmes during his long tenure as CEO of Unipart. He drew on George Moore's famous book 'Crossing the Chasm' to illustrate the need to evolve people and cultures through collaborative learning and experiences.

He mentioned several challenges of introducing Gen AI, including customer resistance due to information sensitivities and lawyers' unease about data privacy risks and copyright. He also referred to the challenge of getting full engagement from busy executives for Gen AI.

6. What have you learnt, and what are your next steps?

Gen AI and ChatGPT are still nascent technologies. Unipart's success is due to its ability to integrate emerging technologies with established systems and work practices, such as its Digital Communications Cells.

Unipart's in-house development of an LLM has allowed it to move quickly at a relatively low cost. This approach has enabled rapid experimentation at scale across the workforce.



Keynote: Catriona Campbell, Client Technology & Innovation Officer, EY UK&I

Catriona was awarded an MBE in the 2024 New Year's Honours List for services to technology and innovation. She is the author of 'AI by Design' and the founder of Seren, which was acquired by EY in 2015.

1. Are we witnessing an acceleration in AI adoption and why?

Catriona said the pace of transformation during 2024 will make the previous 12 months look like a warm-up. Goldman Sachs estimates AI could raise global GDP by 7%, equivalent to adding two economies to the G7. This rise compares starkly to decades of economic stagnation across Europe.

EY is keen to see how emerging technology can make workplaces more attractive for its professional staff. Acquiring and retaining talent is increasingly difficult in a competitive labour market. She believes EY can use AI to give its clients better value for money.

2. How has EY equipped its workforce with AI capabilities?

The first step was to bring all AI-related developments under a single platform, EY.ai. The firm then rolled out an LLM called EYQ. This model's operations are comparable to ChatGPT. Since last September, there have been over 4.5 million prompts and 1.5 million visits to EYQ, which has supported a 40% rise in staff productivity. EY is aiming for a 100% gain in productivity during the coming year.

Catriona provided further context for the pace of change by saying that EY had 2,100 data scientists in 2018 and has over 60,000 today.

3. What do you consider are best practices in AI?

EY has implemented tight policies to protect confidential client data, achieved compliance with evolving regulatory requirements, and introduced codes of practice to mitigate risks and maintain client trust.

The firm works with its clients to identify gaps and provide recommendations for the ethical use of AI. EY has developed tools to help clients assess ethics, risks and governance. One such tool is the EY.ai Confidence Index, which assesses ethical practices and security challenges.

4. How might AI affect workforce skills?

Carmine Di Sibio, Chair and CEO of EY, has encouraged the firm to focus on reskilling its existing workforce and creating career opportunities to attract newcomers. Catriona says there are many challenges in achieving this vision, but the opportunities far out way the difficulties. The organisation-wide transformation continues to gather steam.



Panel Session: Rohit Talwar, CEO of FastFuture

Rohit is an eminent futurist and keynote speaker.

1. How do Gen AI tools differ from earlier generations of AI products?

ChatGPT has enjoyed mass adoption since its launch in 2023. This success reflects the ease of use of consumer-focused tools compared to traditional enterprise applications. ChatGPT's popularity follows a broader trend in technology adoption, such as WeTransfer, Facebook, Dropbox and many other internet-based applications.

Corporate executives are concerned about reliability and security. Some organisations have banned the use of ChatGPT, which also happened in the early days of Facebook and Dropbox. While 67% of executives believe Gen AI is critical to success, only 30% are familiar with ChatGPT and other Gen AI tools.

2. How do you see Gen AI developing? What will be the drivers and applications?

ChatGPT and other Gen AI tools are in use today despite corporate reluctance. It is difficult to control how these internet-enabled tools are used. There are numerous ways to learn how to use Gen AI, whether via YouTube or formal one-day courses.

The cost of ChatGPT is around \$20 per month. Staff can afford this cost, even if their organisations are reluctant to pay for the subscription. The productivity gains per individual easily justify the personal investment. Organisations are already gaining efficiencies in areas such as product development that dwarf the cost of investing in AI platforms.

3. How will Gen AI develop during the next decade?

FastFuture envisages a revolution in the workplace and elsewhere thanks to Gen AI. The speed of adoption will be quicker than previous generations of AI tools and underscores consumerisation as an accelerating process. CIOs should encourage their staff to explore and seek education in Gen AI tooling.

While earlier versions of AI took years or decades to bed down, FastFuture expects widespread enterprise adoption of Gen AI tools during the next six months. FastFuture also expects developments in multimedia, especially within virtual reality.

4. What is the CIO's role in advancing the deployment of Gen AI?

The adoption of Gen AI requires a pincer movement. C-suite executives, particularly CIOs and their teams, need to set strategic direction and begin using tools. Staff must attend courses and build experience forums to help propagate learning.

CIOs must place guardrails around Gen AI tools to ensure data security. They should work closely with professionals responsible for corporate compliance and regulatory control.



Panel Session: Jenna Franklin, Partner in Data, Privacy and AI at SH Legal

Jenna specialises in data protection, data privacy, and regulatory compliance within the financial services sector.

1. What AI legal and privacy issues should CIOs inform the board about?

The board is focused on risk management and needs assurance that the policies and procedures are in place to deal with Gen AI tools and platforms. The board will need the CISO to confirm that Gen AI tools are included in the IT asset register. Jenna suggested boards could be particularly interested in how Gen AI affects supply chain resilience.

Boards are unlikely to be familiar with Gen AI tools. Each board member must be educated because of the speed of enterprise adoption. Some companies may be willing to accept a shadow IT amnesty if the use of Gen AI improves productivity.

2. How should CIOs work with legal counsel to develop governance principles for AI?

CIOs should organise regular catchups with their legal peers to explore the impact of Gen AI on information strategies and data governance. One issue will be the separation of personal and corporate IT access. Companies need policies around personal data access, especially in regulated sectors such as banking. A second issue is how to address corporate silos and ensure data visibility across boundaries.

3. What regulations might emerge in the UK and elsewhere to deal with legal and privacy?

Regulations vary geographically. China is well advanced in adopting AI regulations. The EU has introduced the AI Act in recent months. The UK, Japan and the USA are more concerned about the principles that affect Gen AI deployment and exploitation. CIOs and CISOs should consider regulatory developments and their potential impact on Gen AI and other AI tools.

CIOs should look at benchmarks for regulatory governance, such as those issued by the EU and OECD. Regulations will evolve alongside technologies, but speed is difficult to predict.

Conclusion of the event

Roger Camrass thanked the speakers, business partners and attendees for a stimulating event. He said Gen AI is here to stay and organisations should embrace the emerging tools through experimentation and partnerships with external parties.

He warned attendees there is no room for complacency and referred to the rapid rise of Amazon and Google during the dot com era. He said newcomers who exploit Gen AI successfully could challenge incumbent organisations during the coming decade.





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A pioneer of today's Internet as an ARPA research fellow at MIT in the seventies, Roger has spent over fifty years helping corporations harness the power of new technologies such as AI, cloud, mobile communications, e-commerce, voice recognition and satellite. He was a partner at EY responsible for e-commerce during the dot.com boom. He is a Cambridge University and MIT graduate and a visiting professor at the Hebrew University in Jerusalem.

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Mark is a business writer and editor, with extensive experience of the way technology is used and adopted by CIOs. His experience has been gained through senior editorships, investigative journalism and postgraduate research. Editorial clients include the Guardian, The Times, the Sunday Times and the Economist Intelligence Unit. Mark has written content for a range of IT companies and marketing agencies. He has a PhD from the University of Sheffield, and master's and undergraduate degrees in geography from the University of Birmingham.

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