

CEOs and the Next Frontier: Initiating the Generative AI Journey

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“The development of AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone. It will change the way people work, learn, travel, get health care, and communicate with each other. Entire industries will reorient around it. Businesses will distinguish themselves by how well they use it.”

— Bill Gates

By Guhan Selva

With the frenzy of news and heightened attention around generative AI, perhaps no group has been thrust more into the spotlight than CEOs. Early last month, Sam Altman of OpenAI, Dario Amodei of Anthropic, Satya Nadella of Microsoft, and Sundar Pichai of Google were all asked to the White House to take part in frank discussions on responsible innovation around generative AI and risk mitigation. Before this, *60 Minutes* made AI its featured story and interviewed Pichai at length. “This is going to impact every product across every company,” he assured. “We need to adapt as a society for it.” It comes as no surprise, then, the extent to which other CEOs have also become preoccupied with generative AI. “Every single board meeting we’ve had this year has had a standing agenda item of AI and ChatGPT and this whole space to make sure we’ve got our board kind of pacing with us as we’re thinking about where we’re going,” Pat Geraghty, the CEO of GuideWell, shared with *Fortune*.

So, while few CEOs of big companies are disputing the transformative possibilities that AI presents, the “vast majority,” according to Alan Murray of *Fortune*, are nonetheless left wondering, “What the hell do I do with this?” It is one thing to acknowledge an encroaching AI revolution, but quite another to know how to prepare for it and seize the opportunities it presents.

What is most essential for leaders to remember at this juncture is twofold:

- Like all disruptive technologies that have preceded it, AI is a means to an end, applied to meet the most age-old business

goals—how to better serve customers and improve operational efficiency. Stay grounded by asking yourself what the core business problems are that you are trying to solve in the next few years, and then invest in learning how AI might help. Trying to understand AI’s full potential will be daunting. Instead, work backward from the end, keeping in mind that the novelty is solely in the means.

- The best way forward is through—to embrace AI, experiment with it, learn, and fail quickly. Above all, don’t stay on the receiving end, but be on the leading part of it. Rather than feeling overwhelmed by “how little I know,” we will all be better served by approaching it from a place of optimism, opportunity, and curiosity, focusing on growth and untapped potential.

Even the experts are learning as they go. “My sense is that this transformation moment has arrived way sooner than any of us anticipated. And even my colleagues in computer science at Harvard, they’re also stunned at the rate. So, there’s like this inflection point we have reached with these technologies,” explains Harvard Business School professor Karim Lakhani, author of *Competing in the Age of AI*.

What is undeniable is the economic potential that generative AI is already promising. New research by McKinsey & Company estimates that AI could add as much as \$2.6 trillion to \$4.4 trillion in value annually across the 63 potential usage cases they examined. Learning more about the possibilities for their own companies is where CEOs are being encouraged to put their energy and cast their imaginations.

The first and most obvious place to look is where automated technology can step in to alleviate the work absorbing too much valuable human labor. Microsoft's new [Work Trends Index](#), released on May 9, surveyed 31,000 workers across 31 markets in February and March of 2023 to highlight this "broken" nature of our work and the solutions that generative AI offers. Nearly two in three people polled say they struggle with having the time and energy to do their own job and that those same people are 3.5 times more likely to also struggle with innovations and strategic thinking. Every minute an employee spends managing their "digital debt" is a minute not spent on the creative work upon which organizational innovation depends, the report concludes. Microsoft CEO Nadella says that AI is here at just the right time to relieve this obstacle to human creative productivity. "If anything, it's moving from being on autopilot to being a copilot that helps us at our work. You put the human in the center and then create this tool around them so that it empowers them."

Conceiving of AI as a "copilot" is a critical step toward leaders' envisioning and strategizing around the possibilities for their own companies. "When human users treat GPT-4 as a copilot or collaborative partner, it becomes far more powerful," writes Reid Hoffman, the cofounder of LinkedIn and the new start-up Inflection AI, and author of (with GPT-4) *Impromptu: Amplifying Our Humanity Through AI*. "I call it an 'AHA' moment, to underscore the 'Amplifying Human Abilities' perspective at the heart of that choice." Hoffman encourages CEOs to imagine AI's impact for their own companies through three lenses:

- **Scope:** Every professional activity will have a personal AI assistant or copilot in two to five years.
- **Usage:** Capabilities will increase; it will be like having a research assistant that gives you an immediate answer.
- **Output:** Products and services can and will change.

Several long-standing companies have already ventured in. Bank of America, for example, launched an AI platform called "Erica," which uses a machine "copilot" to analyze customer data, like spending habits, income, and financial goals. This information is then used to create personalized financial plans for customers. General Electric has an AI platform called "Predix," which identifies inefficiencies in GE's manufacturing processes. Predix can identify machines that are not running at peak efficiency or that are likely to fail. Nike has trained a generative AI model on a massive dataset of shoe images, which it is now using to generate new designs. There are many more real-world examples. What is clear is that AI is already being deployed uniquely across different sectors to tap into completely new frontiers of efficiency, creativity, and innovation.

None of this, however, overrides obvious concerns and risks associated with generative AI. As the technology becomes more powerful, it is intensifying fears of machines marginalizing or even eliminating a wide range of human jobs, raising new questions about how to track potential biases embedded in the data and stirring fears overall over the looming risks of unintended consequences or misuse of the technology. Currently, one of the greatest problems being addressed is the technology's tendency to "hallucinate," or generate misinformation, often quite persuasively.

To address the overall concerns and mitigate corporate responsibility, the Business Roundtable launched the "[Roadmap for Responsible Artificial Intelligence \(AI\)](#)," representing more than 230 CEOs across industries, as a means to help their peers navigate these risks and benefits for their own companies in the journey ahead. The Roadmap for CEOs comes with a set of principles to guide businesses and reflects the experiences of companies from every sector of the economy, including AI developers, deployers, and end users.

We are all at the very beginning of the journey with generative AI. Historically, we have repeatedly erred on the side of overestimating the impact of disruptive technology in the short term and underestimating the long-term impact. That's to be expected at this juncture, especially when the projections are as revolutionary and far-reaching as those for AI are.

Will there be uncomfortable transitions and upheaval as the world of business adapts to AI? 100 percent. But again, the best way forward is through. To the inevitable question "Will machines replace humans?" Professor Lakhani says, "No, but humans with machines will replace humans without machines." Businesses that fail to trial, test, and learn how to best leverage AI to solve clearly defined business problems could become obsolete, left behind by those having the curiosity to lean in. May the best of our imaginations and intentions partner to bring this new [hu]man-made creation to the very best service of our companies, our communities, and the world at large.

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