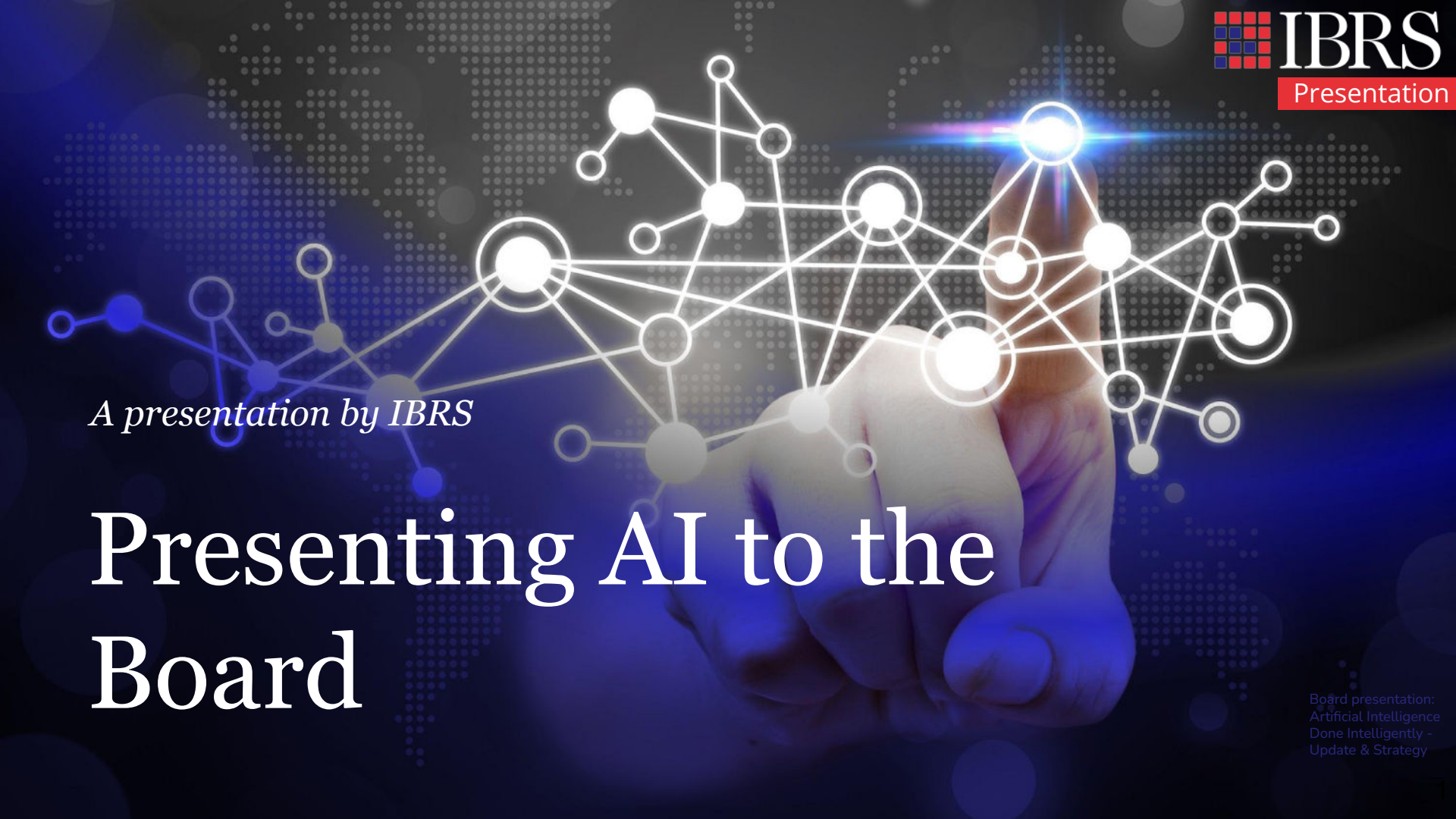

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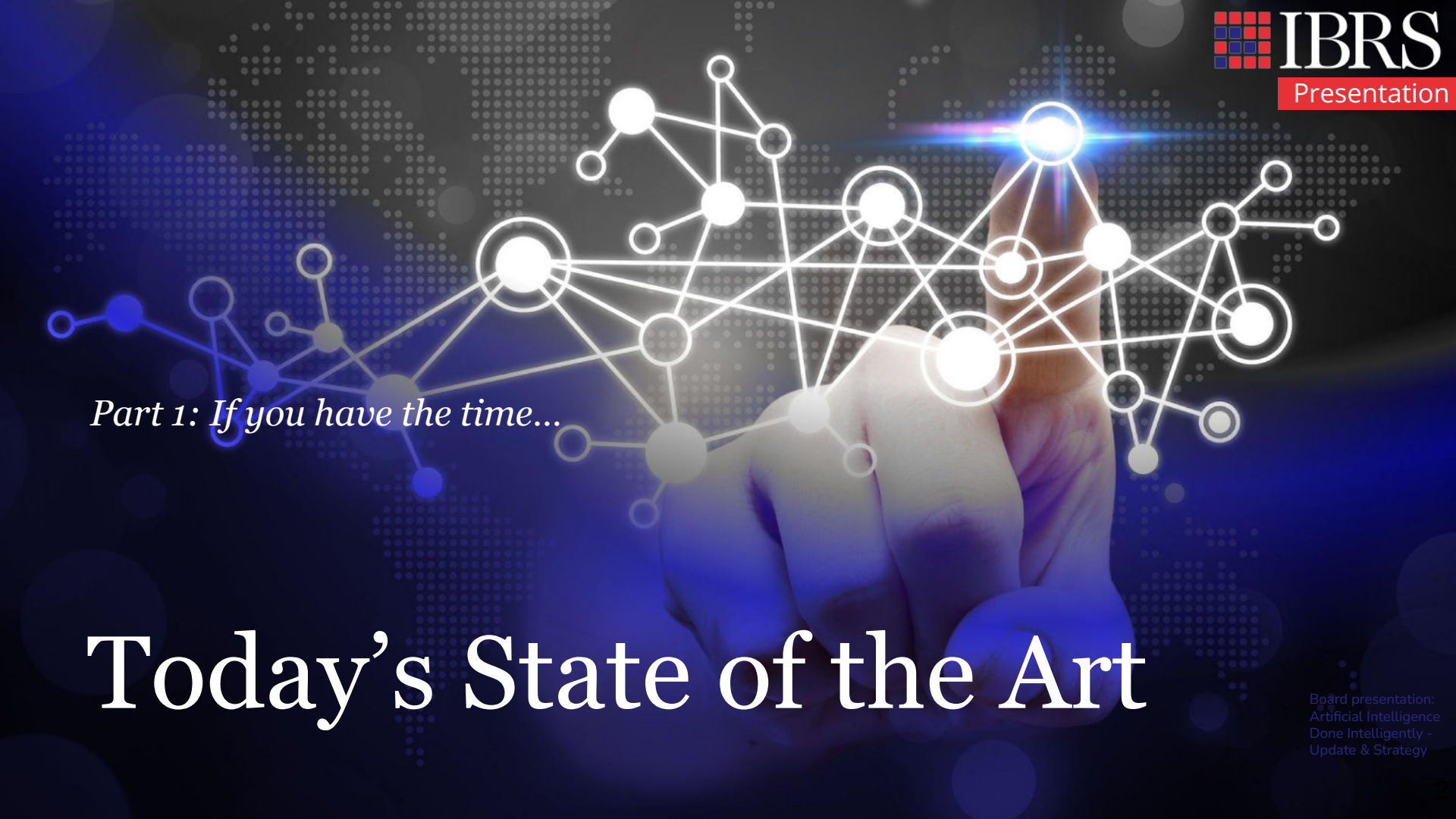
Presentation

A presentation by IBRS

Presenting AI to the Board

Board presentation: Artificial Intelligence Done Intelligently - Update & Strategy



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Presentation

Part 1: If you have the time…

Today's State of the Art

AI Leadership: Why digital culture leads

- Generative AI reinforces the importance of asking good questions and requires a culture of continual improvement:
  - ***this is about lifting our strategic capacities***.
- Requires letting go of needing to be the expert in all matters:
  - ***this is about leading adaptively and collaboratively***.
- AI can be an tool for empowerment:
  - ***this is about enhancing self agency within our teams***.
- AI also demands careful consideration of what is *right* -
  - ***this is about clarity of purpose, quality of information and governance***.

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AI is Not New… and It's Progress is Predictable

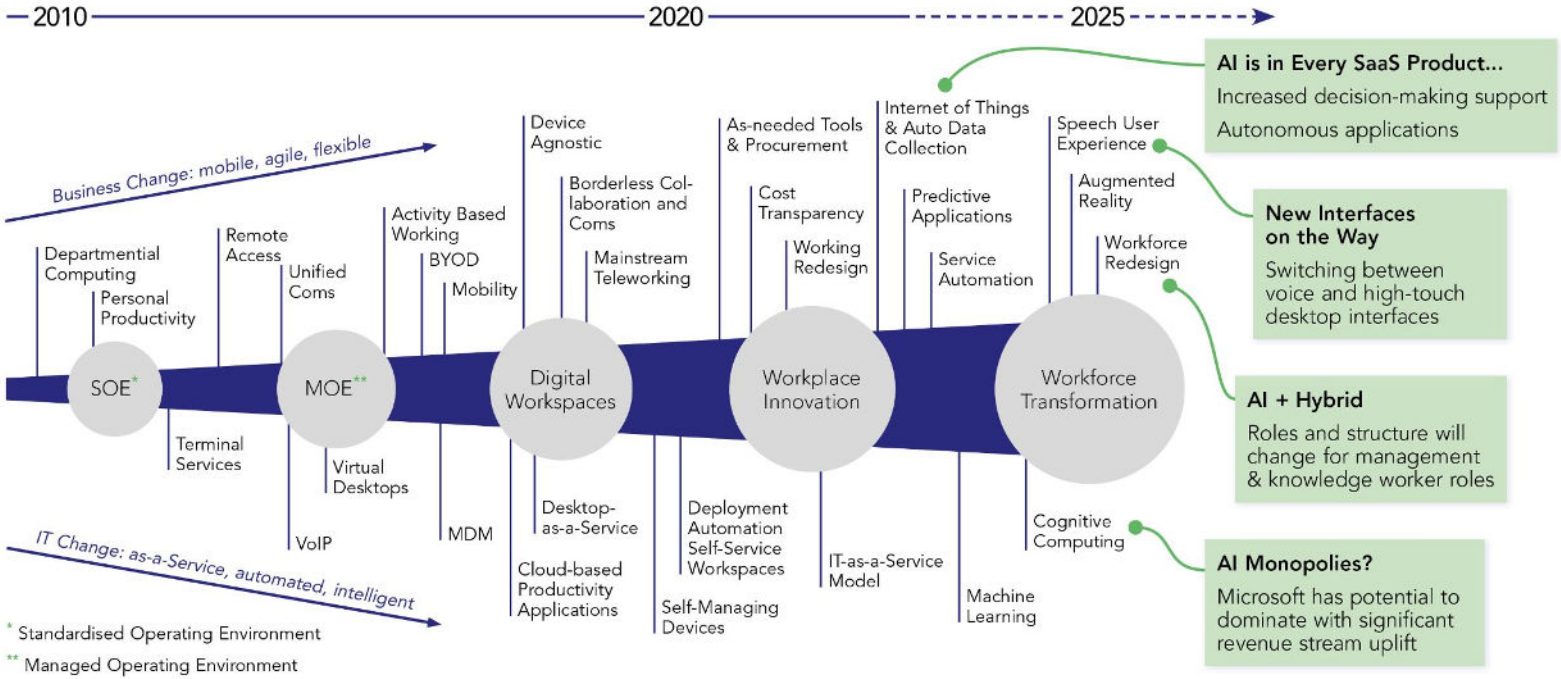


Figure 1: The Journey Towards the Workforce Transformation

Source: 'Market forces driving digital transformation and the trend towards digital workplaces', IBRS, 2016.

What is Artificial Intelligence Today?

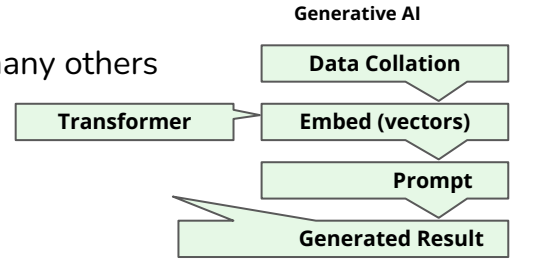
Artificial Intelligence is NOT a single thing: it is a collection of different algorithms (software and data) each of which has specific uses:

Machine Learning: Identifies patterns in large data sets to…

- Provide decision support - recommendations on what to do next
- Reveal trends and opportunities - new insights, planning
- Identify aberrations - alerting, failure and fraud detection
- Identification - computer vision, auto-labelling, voice recognition, computer speech

Generative AI: uses large patterns of information to generate new information

- Summarisation of large amounts of text
- Production of text: e.g. OpenAI's ChatGPT services, among many others
- Image generation
- Machine translation
- Computer text to speech based on natural voices



There are other forms of AI, but these are the two most significant categories at this time, and many AI services use combinations of both of these broad approaches.

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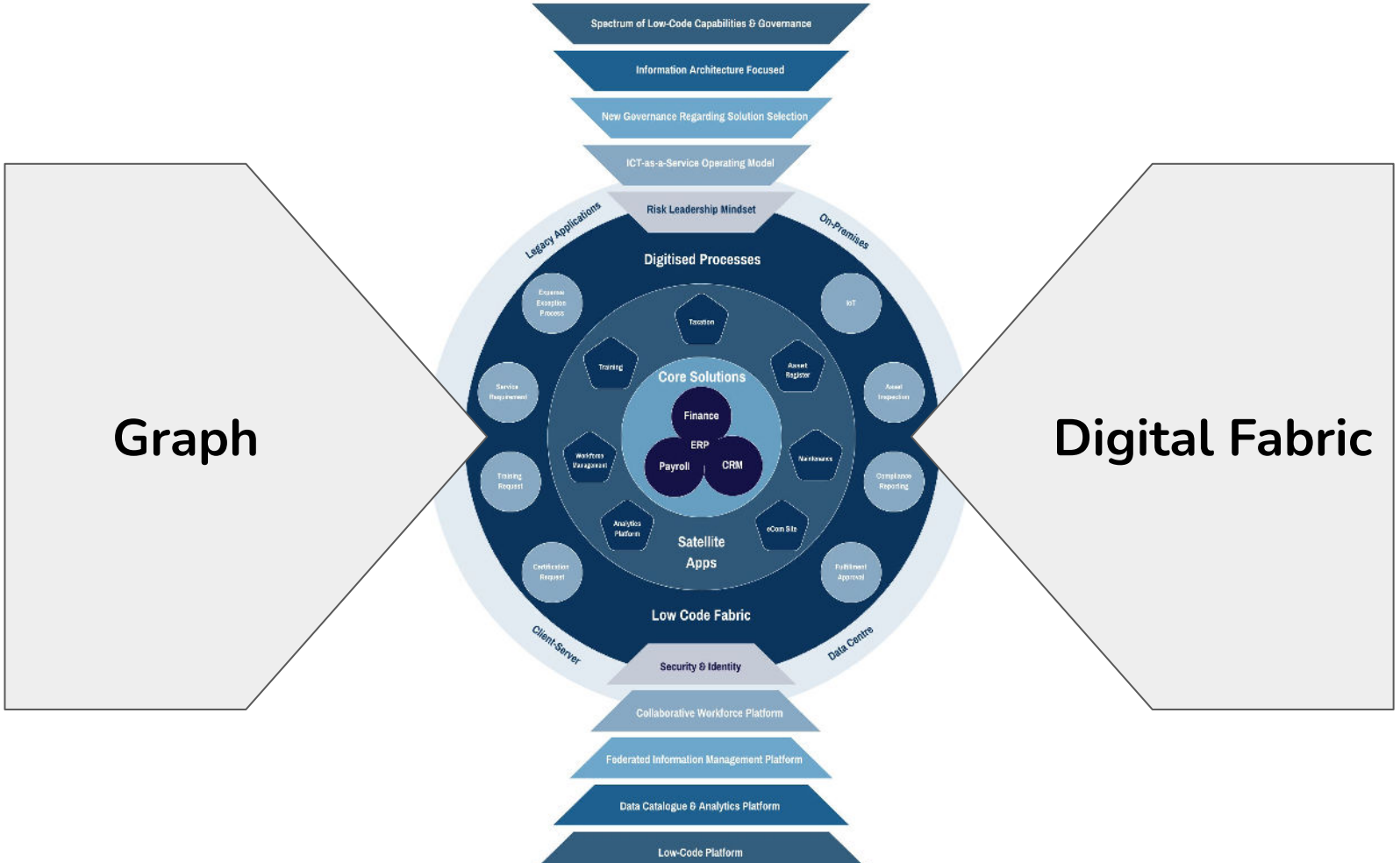
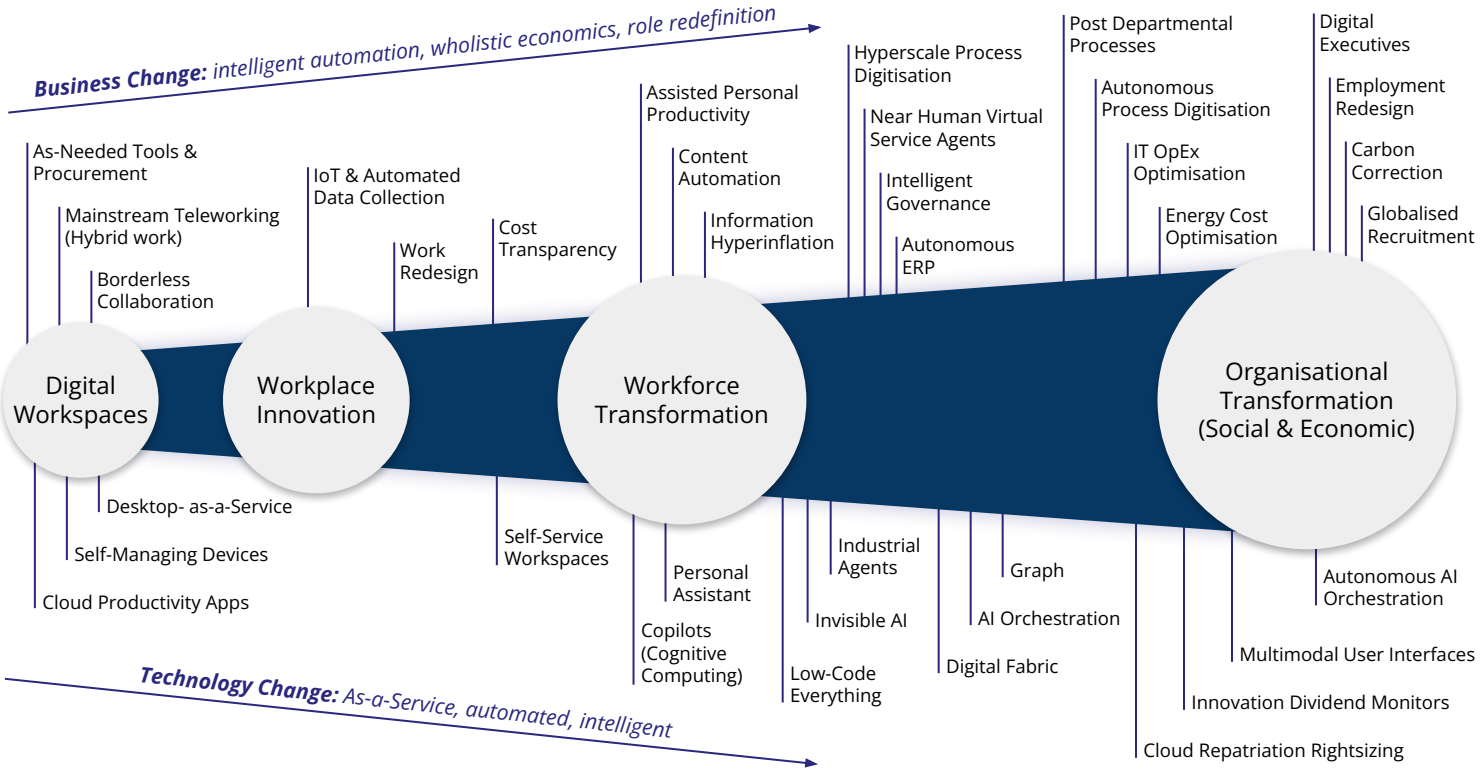
Part 2: Optional

Tomorrow's State of the Art

Two Coming Technologies



Forecast to 2040: Workplace Innovation to Social Transformation



Welcome to the AI Matrix

	Manual / Personal	Automated / Self-Driving
Open	**Tinkers** Precision, customised AI models & AI workflows. Guided code assistants.	**Hackables** Highly customisable agents & AI workflows. Self-coding agents.
Closed	**Copilots** AI assistants, information gathering and summarisation agents. Guided low-code	**Invisibles** Self-driving ERP, common processes & 'safe' approvals handed over to AI.

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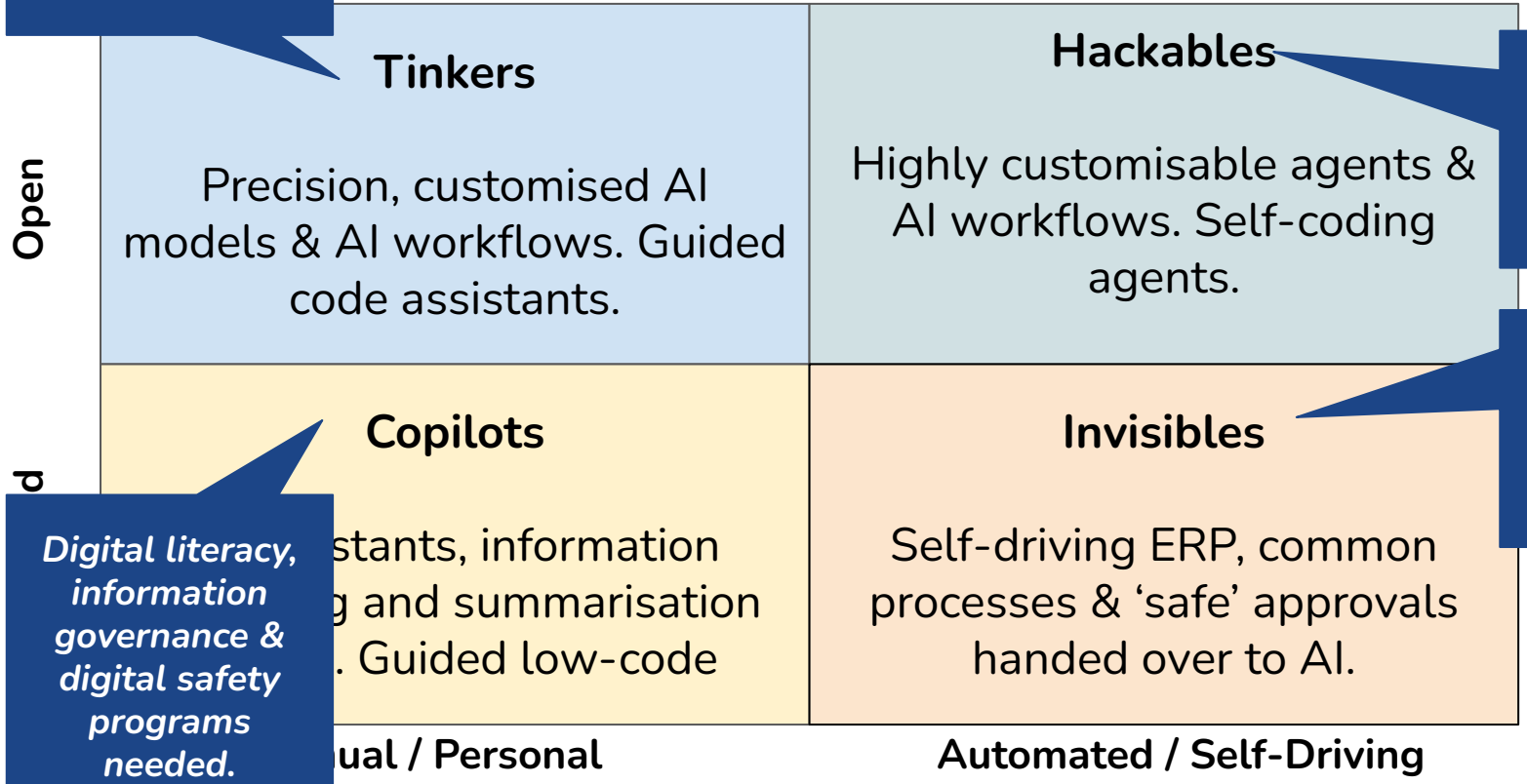
me to the AI Matrix



Specialised skills needed.

Innovation / Continuous Improvement Culture needed.

Licensing upgrades & change management needed.

Digital literacy, information governance & digital safety programs needed.

The Future of AI: “You Ain’t Seen Nothing Yet”

When we think of AI, we think of *manual services*.

Prompting, conversational, cut & paste…

	Usage	Behavior
Today	We are at the ‘manual dial-up’ phase of AI.	Socially, we are at the netiquette stage of AI.
In Future	Deeply automated with most AI being invisible, deeply integrated into all software	AI will self-filter, social interactions will be AI monitored, cultural ‘norms’ for use will emerge.

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Do we really need an ‘AI strategy’?

Undifferentiated AI	Low-Code Everything	Differentiated AI
Most (more than 90%) of AI will appear in existing solutions.	AI will discover, recommend, and build digital processes that include AI smarts.	Custom AIs to advise, make decisions and automate at scale.

The Role of Leadership

Decide on what to ‘switch on’ and when. Managing expectations, change fatigue and fear.	Support culture of ideation & continual improvement. Empower and uplift the 5% of staff that act as ‘citizen developers.’	Investment in data science & data sharing. Governance: risk, reward and social responsibility.

Invisible AI ***AI Agents***

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Leadership and AI – What We Can Do as Leaders

1. Understand the basics – Al as augmentation
2. Align with business objectives – specific organisational problems/opportunities
3. Foster a culture of learning about Al – sharing how people use it
4. Address ethical and bias concerns and risks
5. Start with small pilots
6. Collaborate with stakeholders
7. Focus on data quality
8. Measure impact and performance
9. Encourage sandboxing and experimentation

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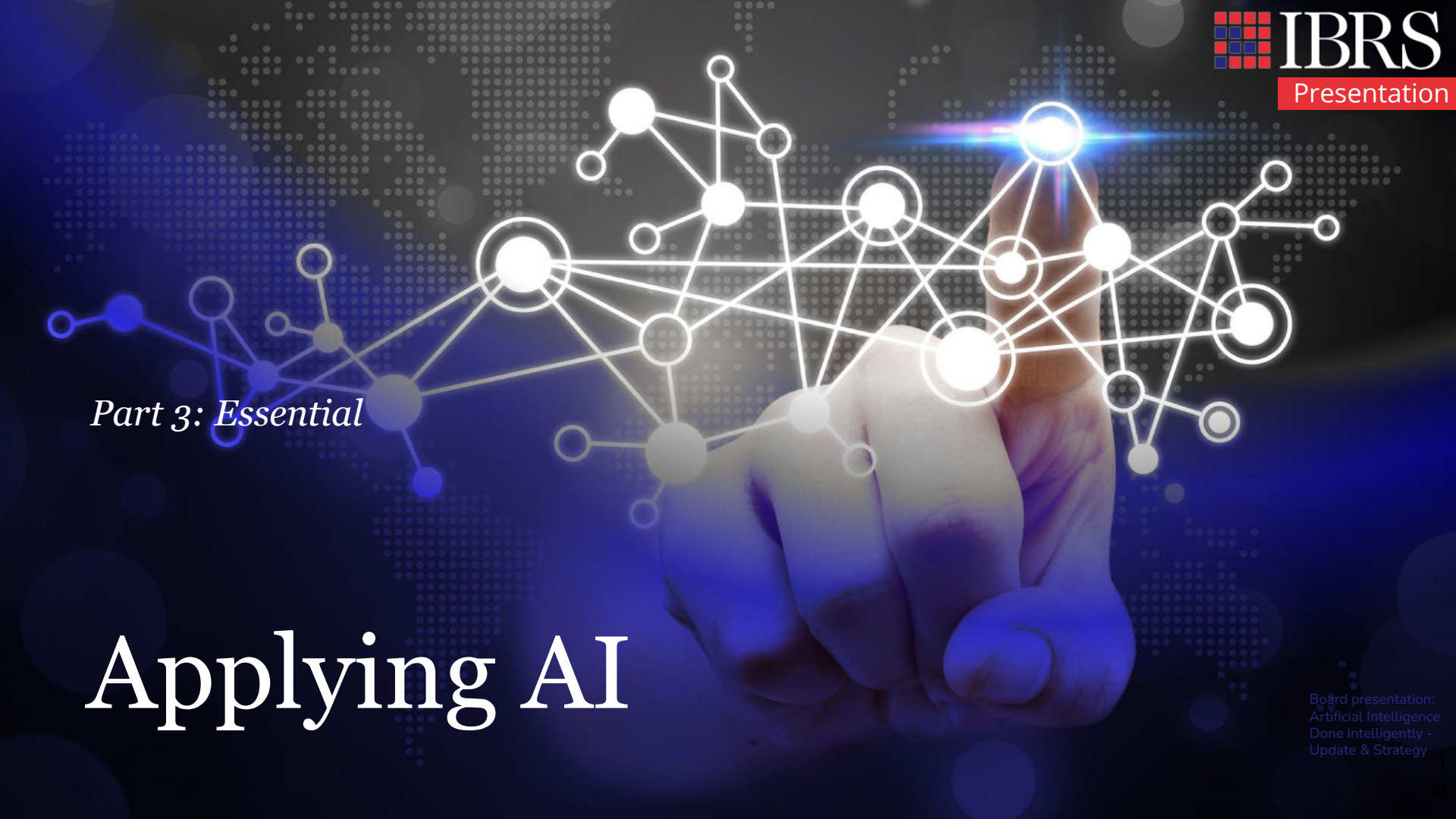

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Presentation

Part 3: Essential

Applying AI

Option 1
AI for our Business

Board Considerations

Machine Learning	Generative	Graph
Finds patterns and provides insights and predictions on large sets of data.	Constructs patterns from data and derive new patterns	Construct networks of real-world objects and support evaluation and analysis of these relationships
Board Considerations • What questions, if answered, would have the greatest impact on Acme's ability to deliver outcomes for participants most effectively? • What constitutes the ethical use of machine learning in relation to Acme?	**Board Considerations** • How well positioned is Acme to ensure that the information being accessed by generative AI meets privacy and governance requirements? • What legal risks are possessed by generative AI's flaws (hallucination, privacy governance, etc)? • What are the data usage rights of solution vendors working with Acme, and what are the legal ramifications?	**Board Considerations** • What duty of care policies are needed for AI-generated recommendations? • How well positioned will Acme be in approaching the potential privacy and confidentiality challenges posed by Graph AI?

Potential Use Cases for Participant Outcomes

Machine Learning	Generative	Graph
Example Acme Use Cases • Harmful incidents minimisation. • Improve the efficacy of participant rehabilitation • Minimise costs while maximising participant outcomes • Personalised rehabilitation plans. • Alerting of future adverse events. • Recommending participant call-back dates and topics. • Fraud detection. • IoT / personal device-based predictive alerting and monitoring against treatment plans and checkpoints.	**Example Acme Use Cases** • Draft rehabilitation plans. • Office administration automation • Improve participant engagement quality. • Automate note-taking and summation. • Information governance • Semantic search • Self-service agents • Streamline participant checkpoints with conservational inquiry agents.	**Example Acme Use Cases** • Data-driven harm minimisation policy. • Generate effective personalised rehabilitation plans, with recommendations for specific support services, factoring medical, situational, and behavioural considerations. • Self-service virtual agents/apps that guide the participant to speedier recovery / better lifetime outcomes.

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Option 2
How to be Intentional with Artificial Intelligence

Where can AI play a role in local government?

Insight 1: AI must be designed and implemented with integrity

Insight 2: Using AI shouldn't come at the expense of empathy

Insight 3: AI should improve performance

Insight 4: Successful service delivery depends on supporting people to engage with AI-enabled services in the long term

AI should be placed into the realm of *automation*. Prioritisation of any investment (time or money) should be based on the potential for efficiency gains and service quality, though not at the expense of citizens dignity.

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Examples of AI in local government

Finance	Governance & Legal	Urban Living
• Budget development assistants • Trends and alerting against budget • eInvoicing	• Contract analysis for supplier optimisation • eDiscovery • Contextual search & summation for FoI requests • Fraud detection & alerting (e.g. in procurement)	• Rapid streamlining and digitisation of civic services with AI low-code workflow tools. • AI search of policy and prior development documentation.

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Examples of AI in local government

Community Support	Places & Spaces	People Culture & Development
• Accessibility of council services (web text-to-speech, agents) • Intelligent spacial tagging of council spaces with digital assistants • AI search of library resources	• Public-facing asset reporting agents • Public facing service request agents • Public-facing services search and guidance • Automated scanning of assets… • Predictive asset maintenance • Environmental planning support agents / search	• Culture and values assessment and recommendations • Augmented training with AI roleplay • OH&S behavior analysis and training alignment • Recruitment automation

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Examples of Efficiency

- New Zealand Council say cost *per transaction* for invoice processing drop from $8 to $1 and from 10 days to less than an hour.
- 2019 - 2020 study of councils
  - small processes (mostly civic services) save between $20 and $50 *per transaction*.
  - Complex transaction save $90- $350 per transaction

The secret sauce here is low-code. With AI empowering low-code, and adding new capabilities to low-code processes, automation and streamlining of smaller processes backing into the core systems is accelerated.

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Q & A

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Additional Information

The following pages have been prepared should specific questions arise in the Q&A session

IBRS | ANALYSIS INSIGHT JUDGEMENT

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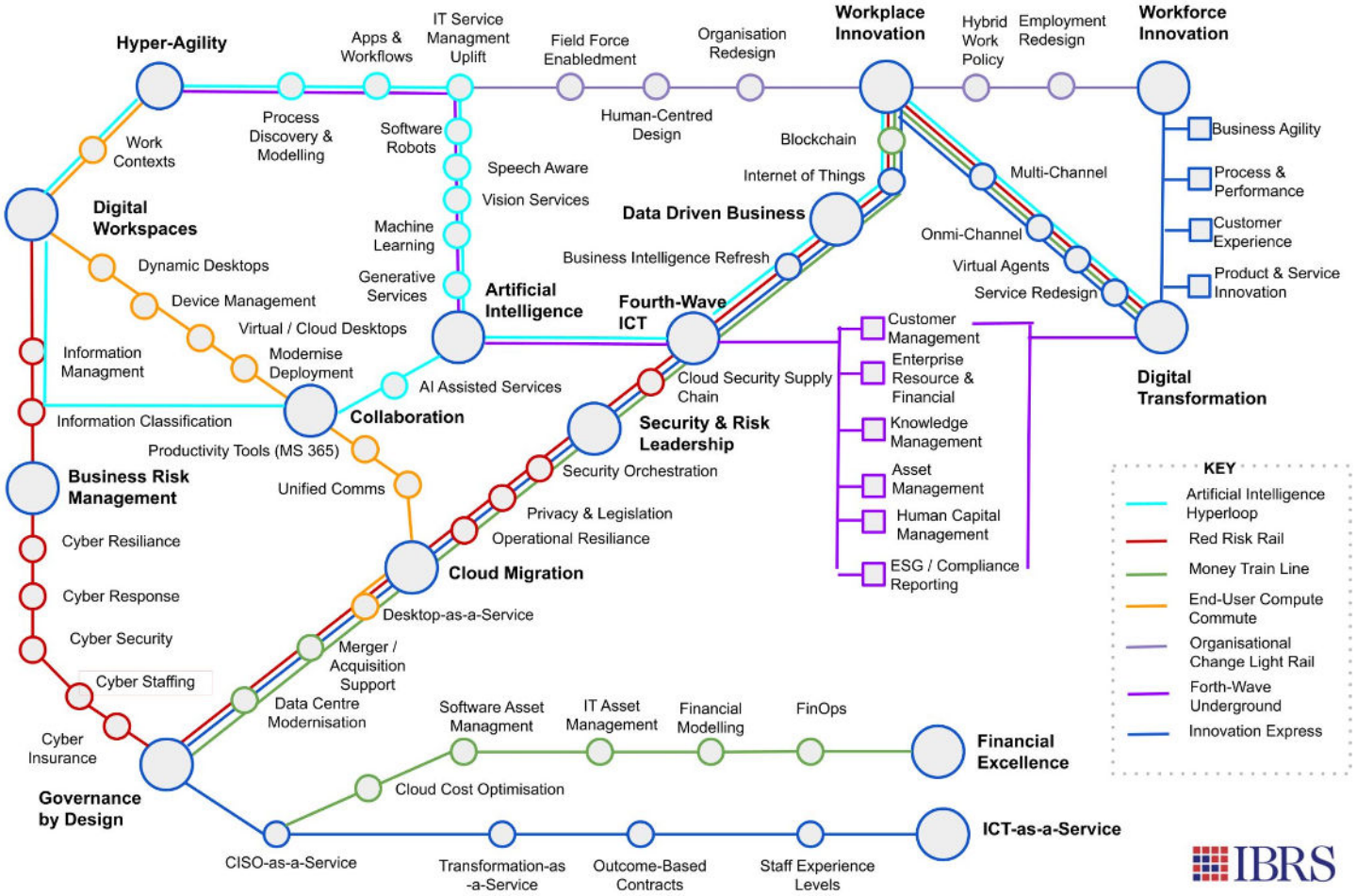
We help our clients mitigate risk and validate their strategic decisions by providing independent and pragmatic advice while taking the time to understand their specific business issues.

https://ibrs.com.au info@ibrs.com.au 02 4758 9111 PO Box 519, Hazelbrook NSW 2779, Australia

Trends do not apply uniformly - The Business Technology Journey



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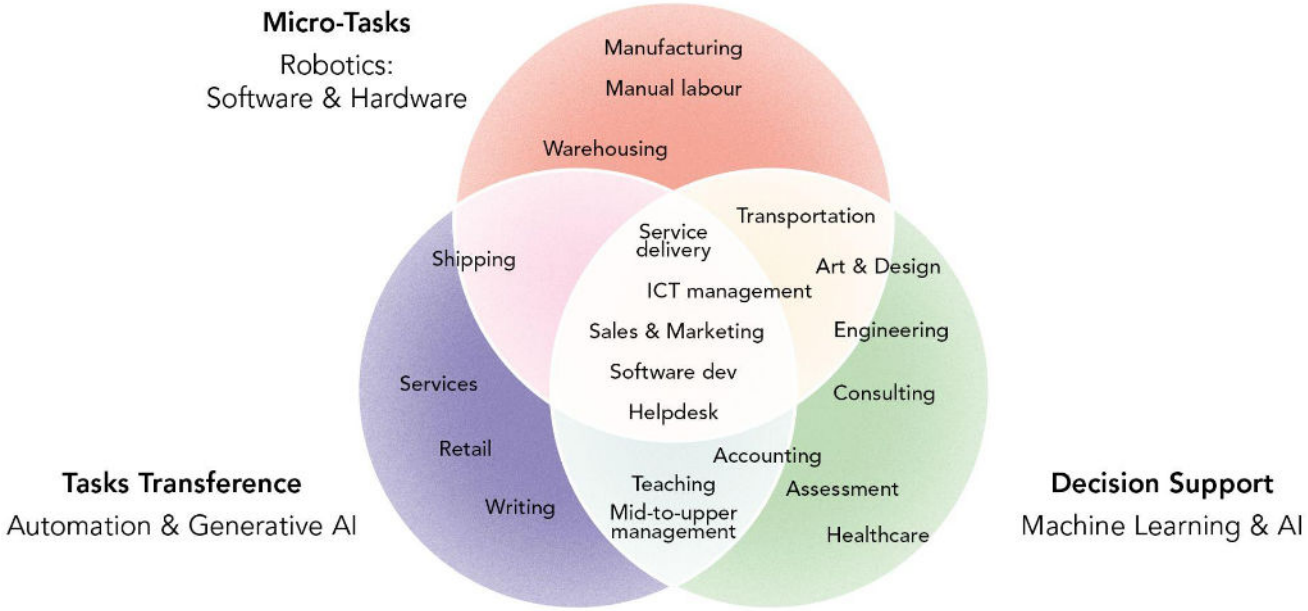
How to Zero in on AI Workforce Changes



What Work Will be Transformed?

Source: 'Market forces driving digital transformation and the trend towards digital workplaces', IBRS, 2016

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Future of how we work

Engagement 1: **Talking** Question & Awareness	Engagement 2: **Touch** Investigation, Organisation, Manipulation	Engagement 3: **Keyboard** Creation and Instruction

Uniform and consistent UX semantics	Almost there
Speech input	Check, but still a little wonky for all accents
Vision input	Check, but privacy considerations
Semantic/graph contextually aware search	Check
Ability to process both domain (organisational) and global information assets	Check
Human-like generative output/summarisation	Check
Acceptable text-to-speech	Double check

The Dark Side of AI Needs to be Managed

Risks Areas	Direct Risks	External Risks	Legal Risks
Bias	Hiring / Staffing	Reputational	Emerging legislation
Hallucinations	Harmful decisions	Misinformation Deep fakes	Litigation
Info Leakage	Privacy Information oversharing	Privacy Commercial sensitive AI 'Info-washing'	Violation of privacy laws
Intentional Misuse	Semantic stalking Treasure hunts	AI-powered attacks: - Automation at scale - Analytical at scale - Social at scale	
Staff Literacy	Inefficient Inappropriate usage		Practice misconduct
Social	Job fears	Role disruption Educational disruption Social disruption	Copyright infringement

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