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Artificial Intelligence: Practical Tips for Balancing Risk with Reward

GC Advantage[SM] Webinar

October 30, 2024

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Questions & Answers

Submit questions to panelists at any time throughout the presentation via the Zoom Q&A feature.

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Featured Speakers

Marla Persky
Strategic Advisor & Coach – **BarkerGilmore**
Former SVP, General Counsel, and Corporate
Secretary – **Boehringer Ingelheim USA**

Tim Fraser
VP, Chief Legal Officer, and Corporate Secretary – **Toshiba America**

Brian Conner
SVP, Chief Compliance and Risk Officer – **Xeris
Pharmaceuticals**

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Artificial Intelligence (AI)

- **Types of Artificial Intelligence**

- **AI Lingo: ML, NLP, LLM**

- **Rise of Generative AI**

- **Today: AI as a Legal Department Tool**

- **Today: AI as a Compliance Department Tool**

- **AI's Risk Landscape**

Types of Artificial Intelligence

Types of AI

Reactive Machines
- e.g. Google search
- e.g. Industrial automation

Limited Memory
- Learn quickly to make informed decisions
- e.g. **self-driving car**

Theory of Mind
- **Social robots** – ability to understand and react to human needs and emotions

Kismet (late 90's – MIT) Sophia (2016 – Hanson Robotics)

Self-Aware
- Advanced consciousness; discuss its thoughts and ideas
- e.g. "Data" from Star Trek

Fully Autonomous
- Set its own goals, create plans and execute
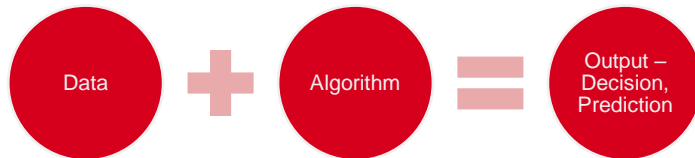
Theoretical Concepts

Remain beyond our technological reach.

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AI Lingo: ML, NLP, LLM

Machine Learning (ML)

A computer's ability to learn without being explicitly programmed

Data **+** Algorithm **=** Output – Decision, Prediction

Natural Language Processing (NLP)

A computer's ability to understand human language as it is spoken and written

Text
Video
Audio
NLP

Large Language Model (LLM)

Deep learning algorithm that can perform a variety of NLP tasks aka "neural networks (NN)" – *massive amounts of data*

Google AI OpenAI
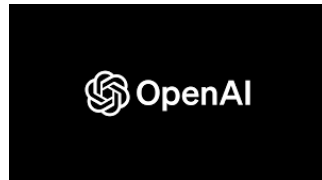
Output Examples

Common
- Spam email filters
- Google search
- Virtual assistants (Siri, Alexa)
- Chatbots

Behind the Scenes
- Sentiment analysis (classify opinions - positive, negative, neutral)
- Text classification (organizing qualitative feedback – product reviews, social media conversations, surveys, etc.)
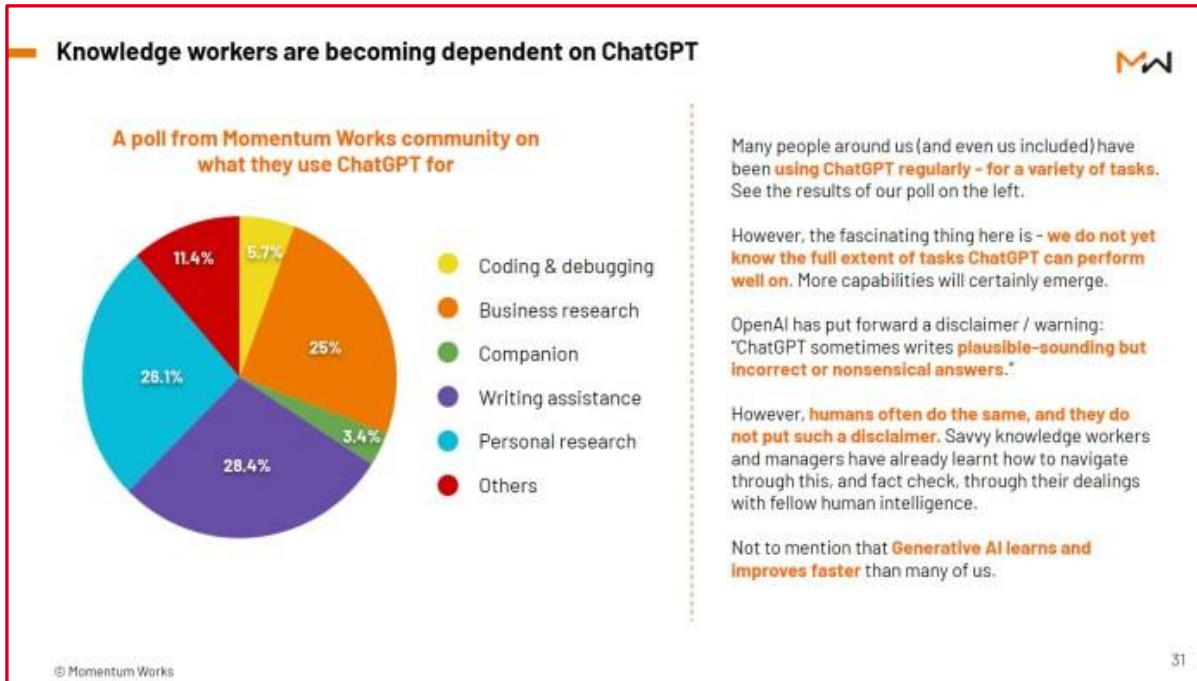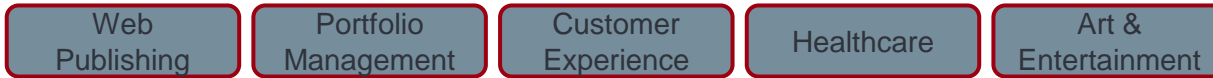
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Rise of Generative AI (Gen AI)

Gen AI used to create new text, images, video, audio, code or synthetic data.

CREATIVITY

| Art Generator | Creative Writing & Content | Music |

BUSINESS

| Web Publishing | Portfolio Management | Customer Experience | Healthcare | Art & Entertainment |

Knowledge workers are becoming dependent on ChatGPT

A poll from Momentum Works community on what they use ChatGPT for

- Coding & debugging — 5.7%
- Business research — 25%
- Companion — 3.4%
- Writing assistance — 28.4%
- Personal research — 26.1%
- Others — 11.4%

Many people around us (and even us included) have been using ChatGPT regularly - for a variety of tasks. See the results of our poll on the left.

However, the fascinating thing here is - we do not yet know the full extent of tasks ChatGPT can perform well on. More capabilities will certainly emerge.

OpenAI has put forward a disclaimer / warning: "ChatGPT sometimes writes plausible-sounding but incorrect or nonsensical answers."

However, humans often do the same, and they do not put such a disclaimer. Savvy knowledge workers and managers have already learnt how to navigate through this, and fact check, through their dealings with fellow human intelligence.

Not to mention that Generative AI learns and improves faster than many of us.

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Source: Momentum Works – The Emergence of Large Language Models - https://thelowdown.momentum.asia/the-emergence-of-large-language-models-llms/ - March 23, 2023

ChatGPT 3.5 - free	ChatGPT 4.0 - paid
Unimodal – text only	Multimodal – text and images
~3K word output (aka tokens)	~32K word output
	Generate different dialect
	Respond to expressed emotions
	10x more complex
	Cite sources
	Complex math and scientific concepts

Lowenstein Sandler Survey Published By ACC NJ

AI IN LEGAL WORKFLOWS: BENEFITS

	All Respondents	GC/VP Legal/Chief Legal Officer	Corporate Counsel/ Senior CC	Associate Counsel	All Other
Increases efficiency/productivity	41%	34%	40%	48%	52%
Complete work faster/saves time	39%	47%	40%	24%	28%
Helps generate content, ideas	23%	20%	29%	32%	8%
Handles repetitive, mundane tasks	12%	13%	12%	8%	16%
Saves money/lowers cost	9%	9%	7%	8%	12%
Reduces labor cost	7%	13%↑	5%	4%	0%
Improve accuracy, reduce error, more consistent	6%	7%	2%	0%	16%↑
Quickly handles large volumes of work	3%	1%	10%↑	0%	0%
Generally helpful	2%	6%↑	0%	0%	0%
Convenient	1%	3%	0%	0%	0%
Sample Size	164	70	42	25	25

AI IN LEGAL WORKFLOWS: RISKS

	All Respondents	GC/VP Legal/Chief Legal Officer	Corporate Counsel/ Senior CC	Associate Counsel	All Other
Potential for inaccuracy	44%	37%	45%	56%	42%
Privacy, confidentiality, data breach concerns	32%	31%	31%	36%	31%
Need for comprehensive review/potential for miss	11%	13%	19%	4%	0%
Lack of human understanding & context	10%	16%↑	5%	4%	8%
Potential for overreliance on AI	10%	11%	7%	8%	12%
Issues around accountability/liability	8%	10%	5%	16%	0%
Lack of reliability	7%	10%	7%	4%	0%
Quality concerns	5%	6%	5%	4%	4%
Potential for misuse (general)	5%	4%	7%	4%	4%
Loss of jobs	5%	0%↓	5%	8%	15%↑
Potential for bias	4%	7%	5%	0%	0%
Hallucination/fake results	4%	4%	5%	0%	8%
Potential for copyright/trademark/IP violation	4%	6%	2%	0%	4%
Potential for plagiarism	1%	0%	2%	0%	4%
Sample Size	165	70	42	25	26

Q14: In your opinion, what are the most significant (A) benefits and (B) risks associated with incorporating ChatGPT or similar technologies into legal workflows, and how do they impact your role?
Base: N=164; GC/VP/Chief=70; Corp. Counsel/Senior CC=42; Assoc. Counsel=25; All Other=25; New Jersey=49

Thank you for attending.

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Please let us know how BarkerGilmore can help you succeed.

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