

Rethinking responsible AI: a conversation with Valerio Cencig, Intesa Sanpaolo

VIDEO TRANSCRIPT

[00:00:05] **Arnab Chakraborty** Hello, everybody. I'm Arnab Chakraborty, Chief Responsible AI Officer at Accenture. In our new thought leadership "Rethinking responsible AI: from readiness to value", we surveyed thousand plus C-level executives spanning across 19 industries and 22 countries in collaboration with Stanford University. Our research report really explores the attitudes of responsible AI, the evolving risk landscape that companies are facing, and the organizational level of readiness when it comes to implementing responsible AI. So today to discuss these themes around the research and our thought leadership, I have with me Valerio Cencig from Intesa Sanpaolo. He is the lead for the compliance and digital transformation for the company, and I'm very excited to have you Valerio join us today for this discussion.

[00:00:59] **Valerio Cencig** Yeah, thank you, Arnab. Hi to everybody and thanks for the opportunity to share my thoughts on such a hot, very hot topic.

[00:01:10] **Arnab Chakraborty** Great. Awesome, Valerio. Thank you. So, Valerio, as we, as you know about the research and the, you know, thought leadership that we have been working on with Stanford. And as we as we spoke to a number of C-level executives, one of the big topics that came in really was around the risks, you know, that comes with the AI technology and especially with the momentum we are seeing with gen AI. This is becoming very loud and clear. And one of the findings we

had was that 88% of the companies that we surveyed, they believe that the mitigation of these risks is very important, and it is the responsibility of the foundation model providers. So, you know, given the fact that the European Union AI Act has got passed and now there is such a big focus around the risk-based approach, especially for the European-headquartered companies. And with your role in the in your organization, I would love to get your perspective, you know, in terms of the risk landscape that is evolving, you know, with the AI technology and more importantly, across the entire AI value chain. How do you see the different roles that a model developer along with companies like yourself, needs to play in managing the risk across the entire AI value chain? So, would love to get your thoughts on that.

[00:02:31] **Valerio Cencig** Well, thank you, Arnab. And to be honest, I don't think that the situation is quite different from today, because as a bank, we already manage the value chain, additional software and artificial intelligence, at the end of the day, is software. So current regulation and safeguards, in particular in the compliance are, in my opinion, quite sufficient and applicable. Anyway, some problems may arise from the difficulty to perform checks and controls over the value chain, in particular regarding large language models and that generative AI in general, because of the lack of, for example, transparency, explainability and so on. The artificial intelligence Regulation, European regulation, imposes specific requirements on general purpose AI providers.



We'll see if they will be sufficient and effective. In general, I expect the market will define standards; at the moment not yet available, that will help to consolidate best practice. Also, certification by notified third parties will be useful to guarantee the quality of each layer in the value chain. I also think that the problems in the value chain may arise, for example, from market concentration and outsourcing of critical services that are not new in general because, as I said before, we already manage them for traditional software. But regarding the first, market concentration, AI offering in particular for a general purpose AI models is very concentrated. But again, it's the same with all hyperscalers. For example, cloud is basically concentrated on three market leaders. So anyway, concentration implies several potential problems. For example, there is a concentration of market risk together with a reduced negotiation power by the demand side. And this is a problem that must be addressed in the near future. Regarding outsourcing. There will be an ever-increasing dependency on external providers for mission-critical services. The best way, in my opinion, to address this potential risk is investing in skills and controls in order, with the purpose to keep a strong governance over outsourced services and basically a stronger governance on the overall value chain.

[00:05:53] **Arnab Chakraborty** Great. I think those are really some great points, you know, you touched upon Valerio and obviously with the focus of the industry and, you know, the financial services industry that you come from, and your role as you rightly say that this is not new, you know, to do the DNA of your organization and your own own experience. I fully, fully appreciate that. The question you know, the question that comes especially as you as you highlighted about the risks and the need for a strong governance, and that's where the topic of responsible AI and the responsible governance of AI becomes front and center on this topic. And the question and that we well, we saw, you know, during our research effort was that what's the value, you know, that responsible AI governance, both the way you design your AI and the way you use your AI, what value that it brings to the organization. And 49% of the companies that we surveyed, their view was that responsible AI can be a huge contributor to the company's growth, to the company's brand, you know the different aspects of the organization. And the big question mark was,

you know, how do they decide you know in terms of with that value potential of responsibility and what is the way they should be investing in this topic so that there is adequate investment made in building a responsible AI foundation for the organization. So you know, my my question to you, Valerio, is that, you know, as you're driving the compliance agenda and the digital transformation agenda with data and AI, how do you think about the value, you know, a topic like responsible AI brings to an organization, you know, financial services industry in general, And what are those specific value elements that you see that organizations need to really care for when they are implementing responsible AI, and how should they think about investing in responsible AI?

[00:07:56] **Valerio Cencig** Well, first of all, I fully agree with your consideration, Arnab. But, but I wouldn't take it for granted. Because responsible AI was born first and foremost as a protection against the potential risks of artificial intelligence and as a reply to the growing attention and concerns about the possible damages induced by the diffusion, the large diffusion of artificial intelligence in the market. So, it was born as a cost, let me say. But as you said, and I fully agree, it's a cost that may and should be also considered an element of value. We need a shift in perspective. Let me give you an example. In a car, in a vehicle, the ABS system is not only a useful safety component, but also a plus, a plus that all customers are happy to pay for. Since it protects you, protects your family, protects all people driving with you. And I think that this is particularly true in finance and banking. Why? Because in finance and banking, trust and reliability are the basis of our customer relationships and loyalty. Besides that. Besides, I'm strongly convinced that responsible AI means better quality. I mean, a product or service is better if developed in compliance with the responsible AI framework. Like another example, like a product or service developed in compliance with the ESG framework. In applying the responsible AI framework, we promote a safe, respectful, human-centric adoption of artificial intelligence. And I think that this is a primary objective of all individuals, all companies, and all the society has a role. So, for me, and according to my perspective, responsible AI for sure, is a duty. For sure is a moral obligation, but it's also a source of value because there is no real value without responsibility in what we create.



[00:10:47] **Arnab Chakraborty** That's that's very profound. Very profound, Valerio. Especially the aspect you talked about, you know, in terms of the societal impact, you know, of adopting responsible AI in your AI journey. And I love the car analogy, you know, and I lived in Germany for several years, so I can relate to being in autobahn and moving, you know, at 215 kilometers per hour. And I think if you look at AI technology with same analogy, if you have to move with speed, you know, with your AI technology, you need these guardrails that give you the confidence, that give you the trust. And it also brings trust with your stakeholders like your customers and your own employees as well. So, your ability to scale AI at speed and hence create the value becomes much faster. You know, when you have these strong guardrails with the responsible AI principles built in. So totally, totally agree with you and loved your analogy from the automotive sector. So maybe to to steer that forward, Valerio. You know, I think with that with, you know, we have covered about the risks, we have covered about the importance of responsible AI and the value it brings. The biggest challenge, you know, when we look at the maturity of responsible AI across the organizations, we saw that organizations are in four different stages. You know, they are at the starting stage more like principles where they are setting up principles. And then based on that, they are setting up, you know, a program for responsible AI you know, and based on the maturity of the program, it becomes a practice where responsible AI is now part of the business process. It's in the in the DNA of the company. And then based on that, organizations become pioneers, you know, in responsible AI. As for our research, I would say that we didn't see in a lot of companies in the pioneer sector, actually, it was it was almost like negligible. You know, in the pioneer sector, a big chunk of the companies were in the program set up, you know, after they have set up the principles and they have set up a program. And when we went down the details, what we saw was that all individuals are struggling, converting that intention of having responsible AI to implementing responsible AI across the whole enterprise front to back, back to front. So, again, you know, with your experience and your role, would love to get your perspective as to what are a few things that organizations need to do so

that they can implement responsibly into practice, what are some of the best practices, you know, that have worked in your organization? Anything you can share as tips for our audience here?

[00:13:33] **Valerio Cencig** Well, first of all, I confirm that we are too in the program stage as most of the banks, most of the companies. Well, starting from what in my opinion, in my opinion, are the main obstacles in operationalizing artificial intelligence. I think there are three main obstacles. The first is that the AI Act is principle based. So, it tells what to do but not how to do it. And so, there are not clear indications. Second, there are not yet consolidated standards and best practices. Best practices must still be consolidated. And there is a lot who create. Copying, in other words, is not possible at this stage. Third, there is still a gap. The topic is relatively, relatively new. We need to create a new generation of techno-legal people able to combine digital skills with legal ones in order to implement a pragmatic responsible AI. So, my suggestions are basically to, there are a lot of things that can be done, but the few important points are first, to adopt an incremental approach, little by little avoiding the risk of overregulating internally the development of the AI. Gaining progressively confidence thanks to testing and checking what really works and what doesn't work. And the second, invest in people. I always say people first. And this is particularly true when it comes to digital transformation, because digital transformation, in my opinion, is first and foremost people transformation. People are the most important enabler or obstacle enabling digital transformation. So, it's responsible AI is a revolution. We need people ready to cope with it, with the appropriate skills, the appropriate mindset, the appropriate motivation. Let me say that, luckily, it's not difficult to create the right momentum because AI is fascinating and responsible AI is even more meaningful. So, we can attract talent, committed people willing to be engaged on these topics. Honestly, I think that we are living in a beautiful moment, a beautiful era, and so it's time to play our part in it.



[00:16:26] **Arnab Chakraborty** I love the optimism, Valerio, that you bring, you know. And I think it's also the purpose behind the optimism that I think is a huge, huge differentiator. And I think I totally agree with you. You know, in the digital transformation era, people and the talent are the real asset. You know, yes, we have the technology, but it is the people and the talent which is at the center, and the human is at the center of it. And we need to invest in our people. And responsible AI is a great topic where, you know, the talent and the people that we bring have a real meaning and a real purpose that they can put behind it. And that is a huge way to even attract talent in this particular area and skill them in this area. So totally, totally appreciate that sentiment. And that's something, you know, we as Accenture have been living, Valerio, as well with the last two, two and a half years, our own responsible AI program, to your point, you know, it is an evolution, and I think it will never end. It will continue. And it's about making those incremental steps and see what works, what doesn't work, and make the changes and improve and then the talent, you know. And we have invested across our 750,000 employees, you know, that they, the talent program, the skilling program, responsible AI is a key part of that. So, Valerio, I think we covered a lot of topics, you know, right. From the risks to the need for responsible AI, how to think about it from a value creation, what are the important steps to be taken to operationalize responsible AI? Is there anything top of your mind that you want to leave with the audience here? You know, the one thing that you want people to take away from this conversation? Anything you want to say on that?

[00:18:12] **Valerio Cencig** Yeah, just a slogan. We have a big challenge in front of us, let's cope with it. It will be a beautiful journey.

[00:18:22] **Arnab Chakraborty** Awesome. Awesome; Valerio. A pleasure talking to you. Thanks for taking the time and really appreciate the partnership together on this journey.

[00:18:29] **Valerio Cencig** Thank you. Thank you.