Privacy and AI: Bridging the divide

Thursday, 25 July
08:00–09:00 PDT
11:00–12:00 EDT
17:00–18:00 CEST

iapp

Speakers

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Agenda

01. Current state: Privacy

02. Current state: AI

03. The privacy and data partnership for responsible use of AI

04. Getting started

2024 is an inflection point for privacy and AI

Three catalysts for responsible use

ANALYST REPORT

"OneTrust differentiates with an unrivaled vision for the future of privacy..."

The Forrester Wave™: Privacy Management Software, Q4 2023

Urgency of first-party data

Regulatory expansion

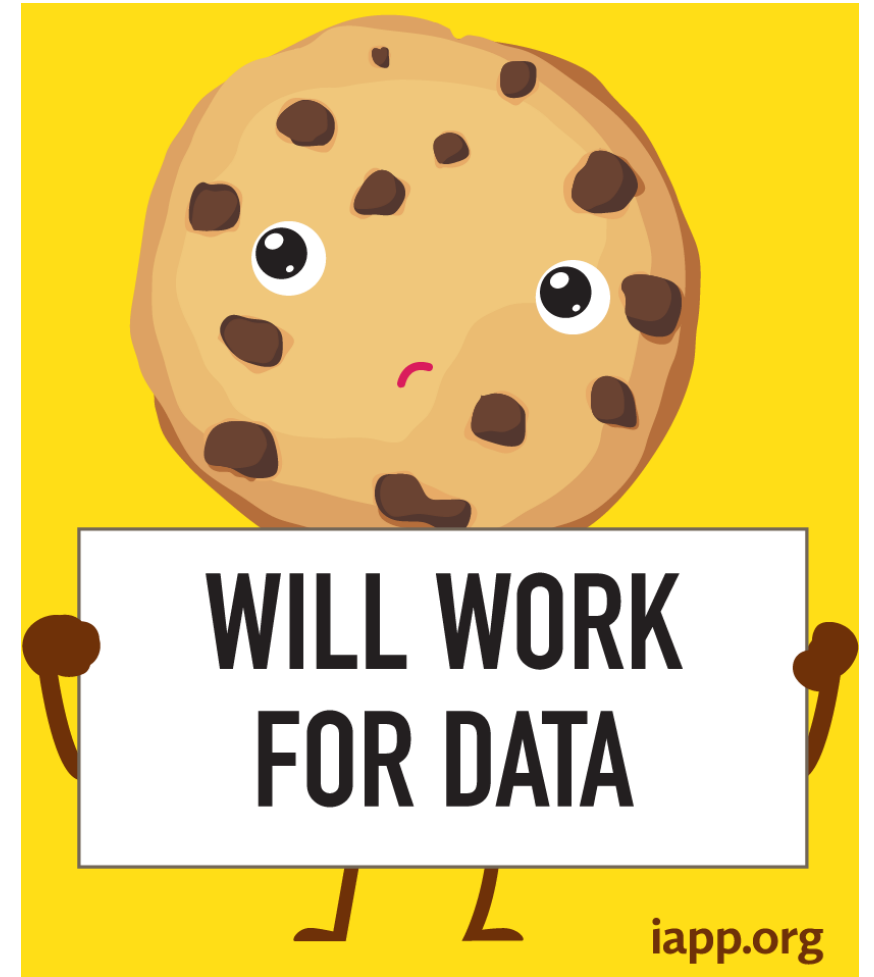**Data-hungry AI models**

Urgent need for first-party data

Deprecation (maybe?) of 3rd-party cookies

Deceptive consumer practices

Rise of first-party data

WILL WORK FOR DATA

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STATE OF DATA 2024

HOW THE DIGITAL AD INDUSTRY IS ADAPTING TO THE PRIVACY-BY-DESIGN ECOSYSTEM

MARCH 2024

iab. x BWGStrategy

"Embracing **privacy-by-design** collectively can spark a wave of **innovation and growth**...

"This concerted effort can significantly enhance the **industry's standing** and pave the way to for **economic opportunities** previously unimagined."

IAB State of Data 2024
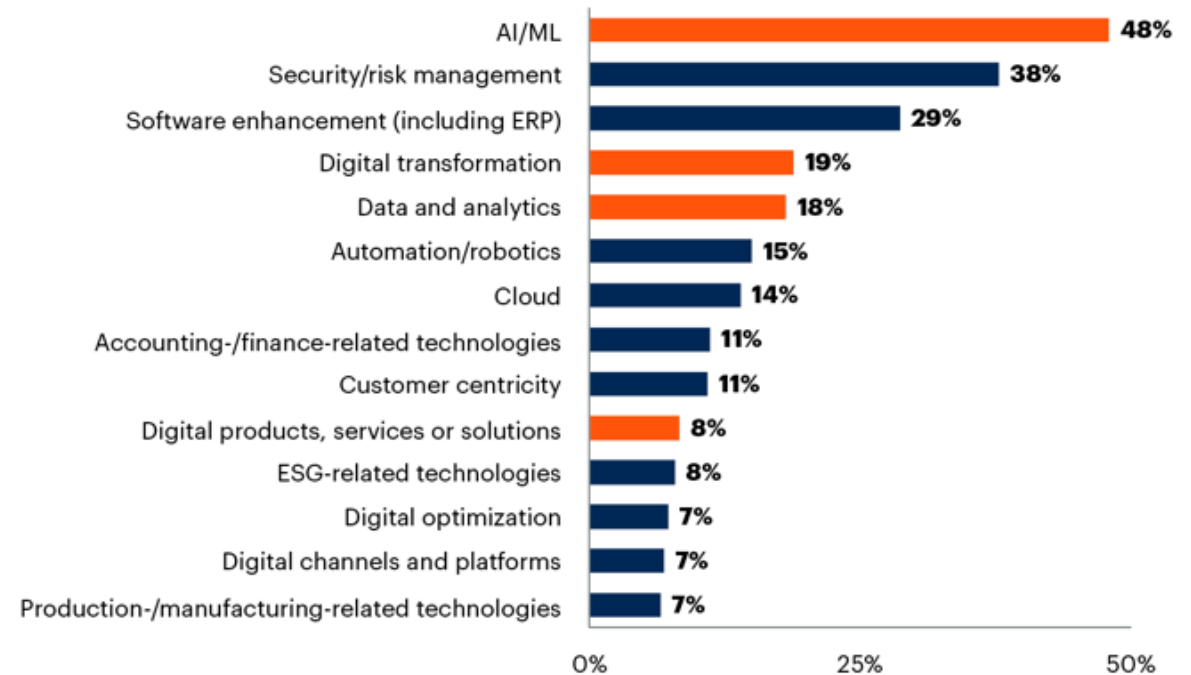*How the Digital Ad Industry is Adapting to the Privacy-by-Design Ecosystem*
March 2024

AI innovation is already a board-level discussion

- AI is the top technology topic being discussed at the board level for every company today.

- AI cannot be governed without also governing a company's entire data estate.

- As Bart Willemsen of Gartner shared with us recently, "*AI is an amplifier of every privacy and data governance gap in your organization*."

Top Technologies Being Discussed at the Board Level
Sum of top three, coded multiple responses

Technology	Percentage
AI/ML	48%
Security/risk management	38%
Software enhancement (including ERP)	29%
Digital transformation	19%
Data and analytics	18%
Automation/robotics	15%
Cloud	14%
Accounting-/finance-related technologies	11%
Customer centricity	11%
Digital products, services or solutions	8%
ESG-related technologies	8%
Digital optimization	7%
Digital channels and platforms	7%
Production-/manufacturing-related technologies	7%

n = 285; nonexecutive boards of directors, excluding "other," "can't disclose/not sure/none/don't know" and answers with less than a 5% response rate

Q. What are the top three technologies that have come up for discussion at the board level in the past year?
Source: 2024 Gartner Board of Directors Survey on Driving Business Success in an Uncertain World
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Source: Bart Willemsen, "3 Privacy Challenges CDAOs Must Prioritize", Gartner, June 13, 2024

Gartner

What happens when you get it wrong?

PRIVACY

The FTC's biggest AI enforcement tool? Forcing companies to delete their algorithms

Algorithm disgorgement requires companies to remove products built on data they shouldn't have used in the first place.

Source: https://cyberscoop.com/ftc-algorithm-disgorgement-ai-regulation (July 5, 2023)

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Starting point for AI governance, using a privacy lens

Risk assessment
Data enablement

INPUTS	MODEL	OUTPUTS
Data sets	(black box)	Outcomes

Which data sets are being used for model training?

Are there sensitive categories?

What is the potential for harm from the intended use of the project?

What controls need to be applied at the data layer to mitigate the risk?

These questions apply equally to buy or build AI initiatives

AI you buy	
Shadow	Procured

AI you build	
Third-party	First-party

Intersection of privacy, AI governance, and data governance

Future-proofing data and systems

Role of consent

Privacy pitfalls for AI

Purpose limitation

AI may use data in ways not originally agreed upon by consumers

Proportionality

AI is data hungry and may conflict with data minimization practices

Continuity

AI is a one-way street for data, misuse can lead to street closures

Source: **Recently published OneTrust** blog post.

The next 5 years in privacy?
It's all about data

What's happening in data? Context from the last 5 years
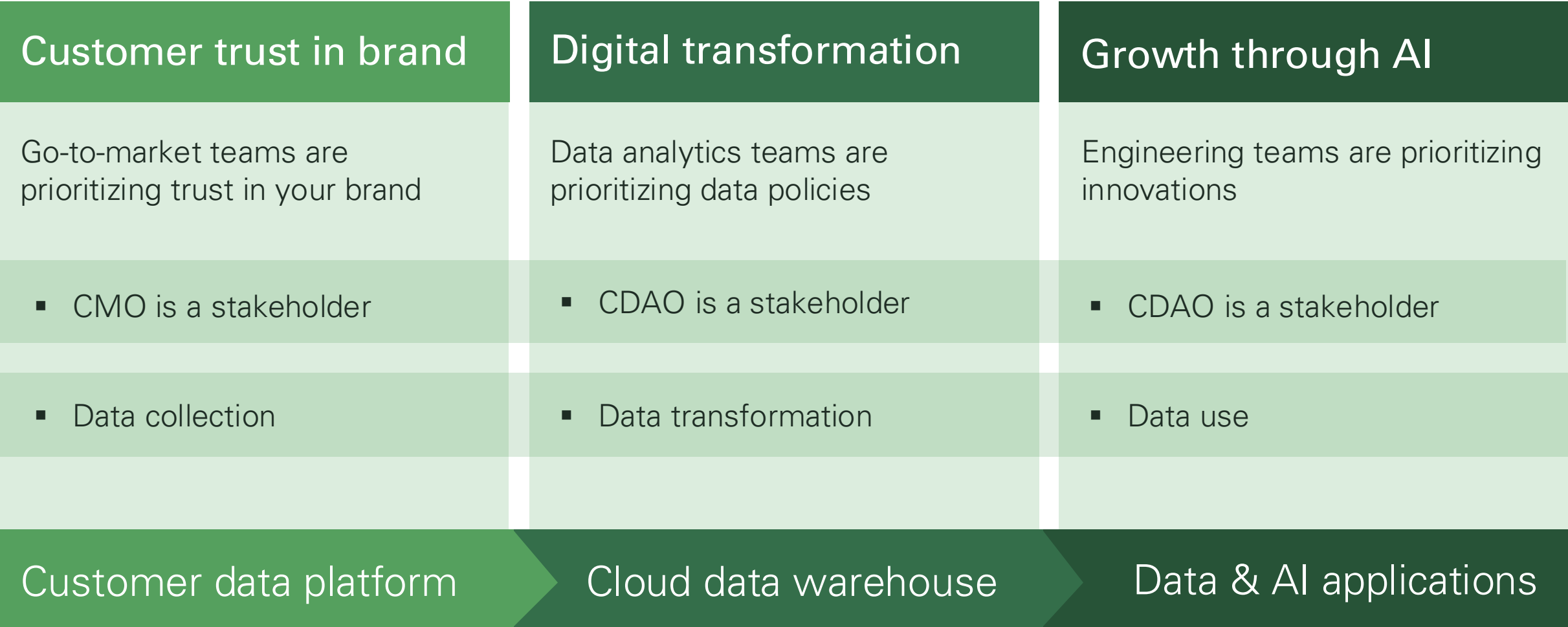

01

Building a data culture

02

Modernizing our data architecture to scale

03

Re-building our data pipelines

Photo by Mimi Thian on Unsplash

2024 opens new opportunity to get it right from the beginning

Customer trust in brand	Digital transformation	Growth through AI
Go-to-market teams are prioritizing trust in your brand	Data analytics teams are prioritizing data policies	Engineering teams are prioritizing innovations
▪ CMO is a stakeholder	▪ CDAO is a stakeholder	▪ CDAO is a stakeholder
▪ Data collection	▪ Data transformation	▪ Data use

Customer data platform	Cloud data warehouse	Data & AI applications

Get it right from the beginning with privacy by design

Design data collection with **consent & preference mgmt**

Design data transformation with **data governance**

Design data use with **responsible AI & data principles**

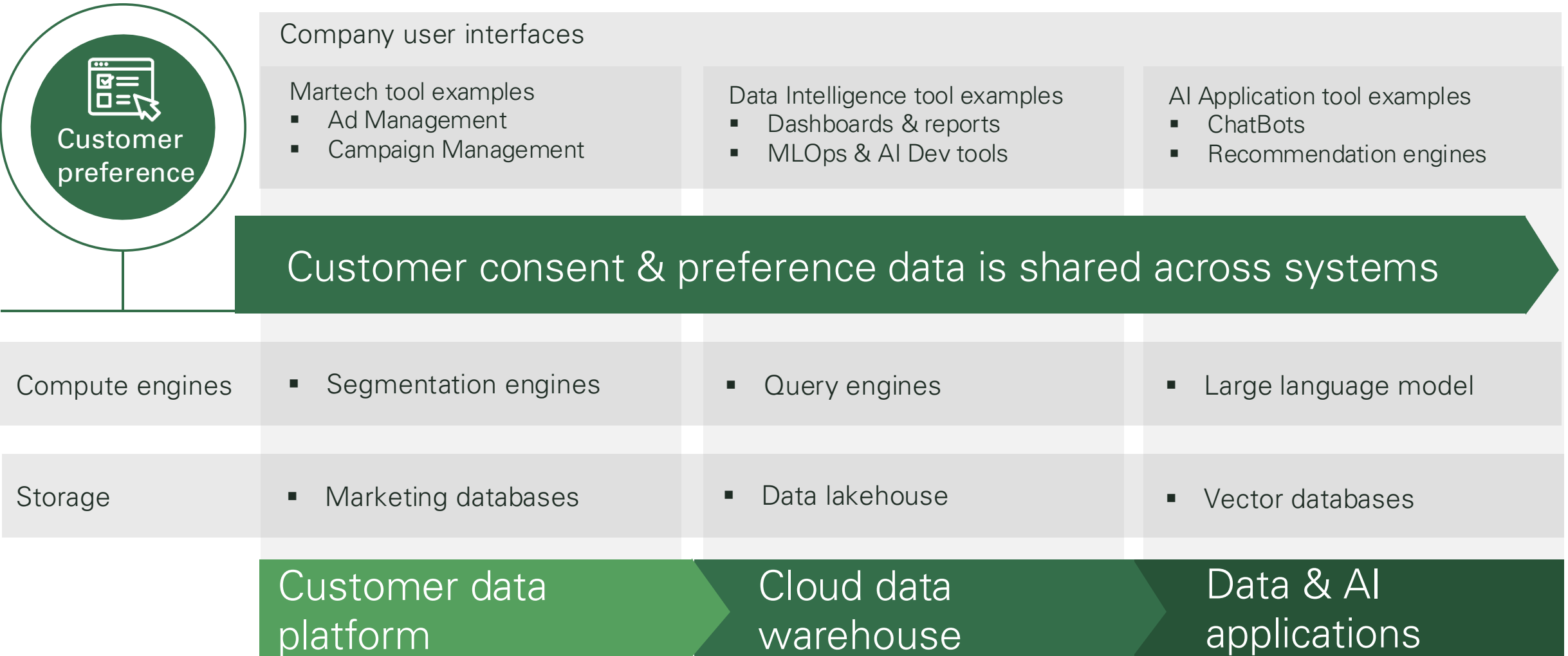Customer data platform

Cloud data warehouse

Data & AI applications

Design across systems, but take into account siloed controls

Customer preference

Company user interfaces

Martech tool examples ▪ Ad Management ▪ Campaign Management	Data Intelligence tool examples ▪ Dashboards & reports ▪ MLOps & AI Dev tools	AI Application tool examples ▪ ChatBots ▪ Recommendation engines

Customer consent & preference data is shared across systems

Compute engines	▪ Segmentation engines	▪ Query engines	▪ Large language model
Storage	▪ Marketing databases	▪ Data lakehouse	▪ Vector databases

Customer data platform → **Cloud data warehouse** → **Data & AI applications**

One key person to align with

Chief Data and Analytics Officer: CDAO

Rapid rise in this role over the last few years.

82.6% of F500 companies now have a CDAO.

Randy Bean & Thomas Davenport, Wavestone

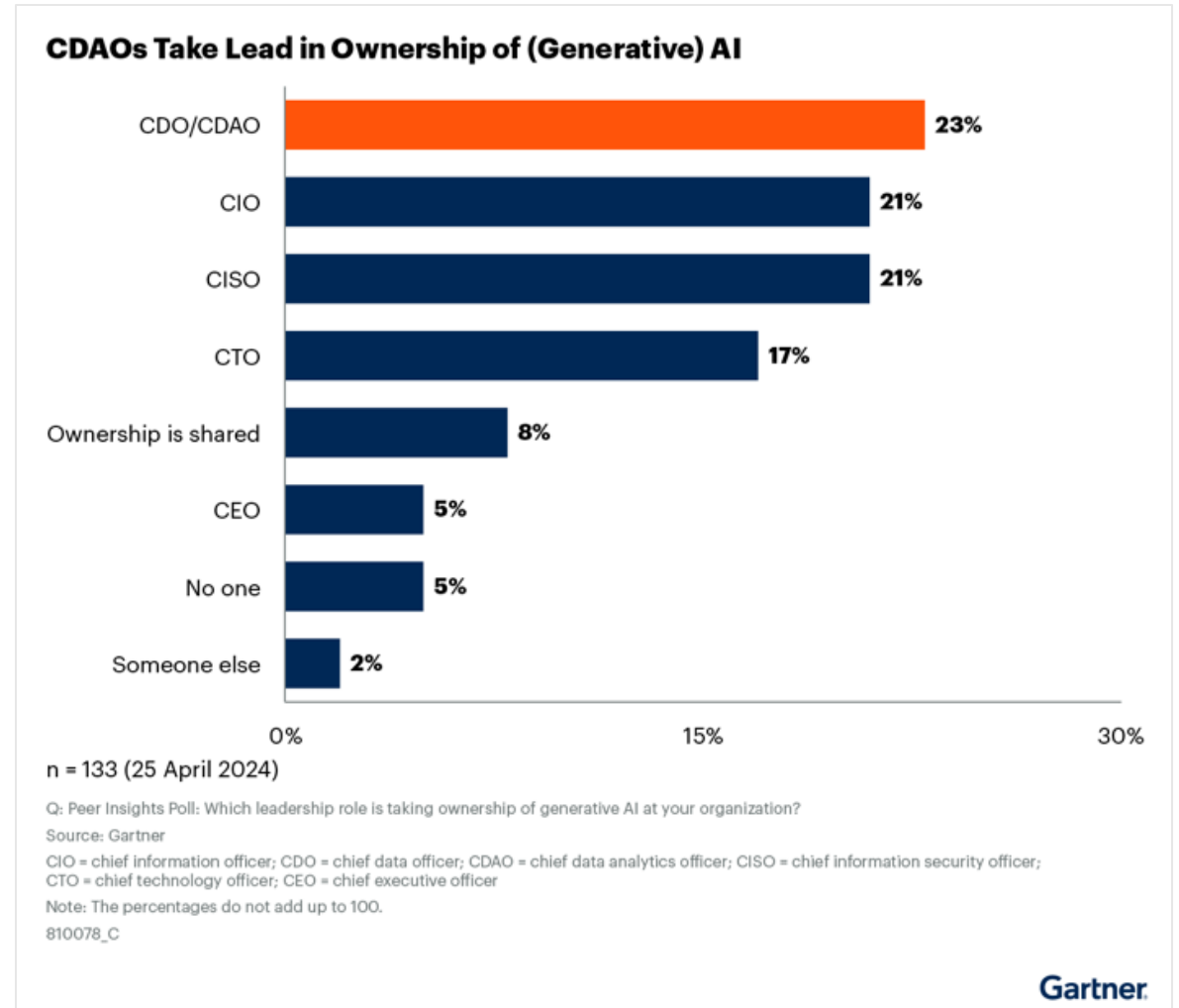12th Annual Data & Analytics Leadership Executive Survey

January 9, 2024

Role Title Variations

- Chief Data and Information Officer
- Chief Data Officer
- Head of Data and Analytics
- CDAO
- Chief Analytics Officer
- Director, Data Management
- Chief Digital Officer

Source: Gartner Technology Buying Behavior Research Team, "Chief Data and Analytics Officer Persona Priorities," Gartner, 2023.
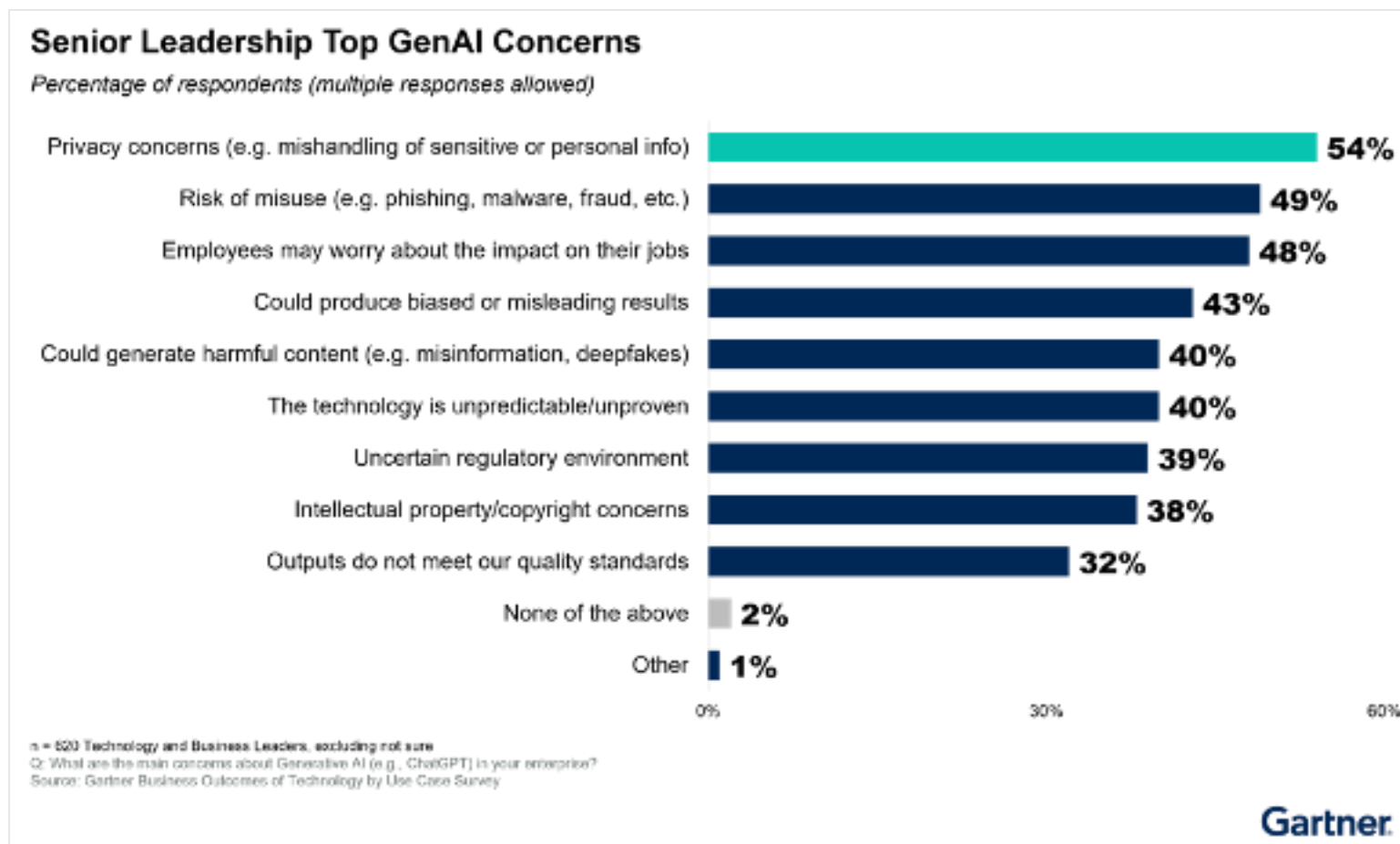
The CDAO is the owner of all data & AI Initiatives

- Taking the lead in owning all Generative AI initiatives

- Emerging as the top executive in charge of data governance.[1]

- Data governance is now a Top 5 priority for the CDAO.

- AI and GenAI governance is also now a priority for the CDAO.

CDAOs Take Lead in Ownership of (Generative) AI

Role	Percentage
CDO/CDAO	23%
CIO	21%
CISO	21%
CTO	17%
Ownership is shared	8%
CEO	5%
No one	5%
Someone else	2%

n = 133 (25 April 2024)

Q: Peer Insights Poll: Which leadership role is taking ownership of generative AI at your organization?

Source: Gartner

CIO = chief information officer; CDO = chief data officer; CDAO = chief data analytics officer; CISO = chief information security officer; CTO = chief technology officer; CEO = chief executive officer

Note: The percentages do not add up to 100.

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Gartner.

Source
1. Data Intelligence and Governance Market: Managing Data Duality in a Digital-First World, William Blair, June 23, 2022.

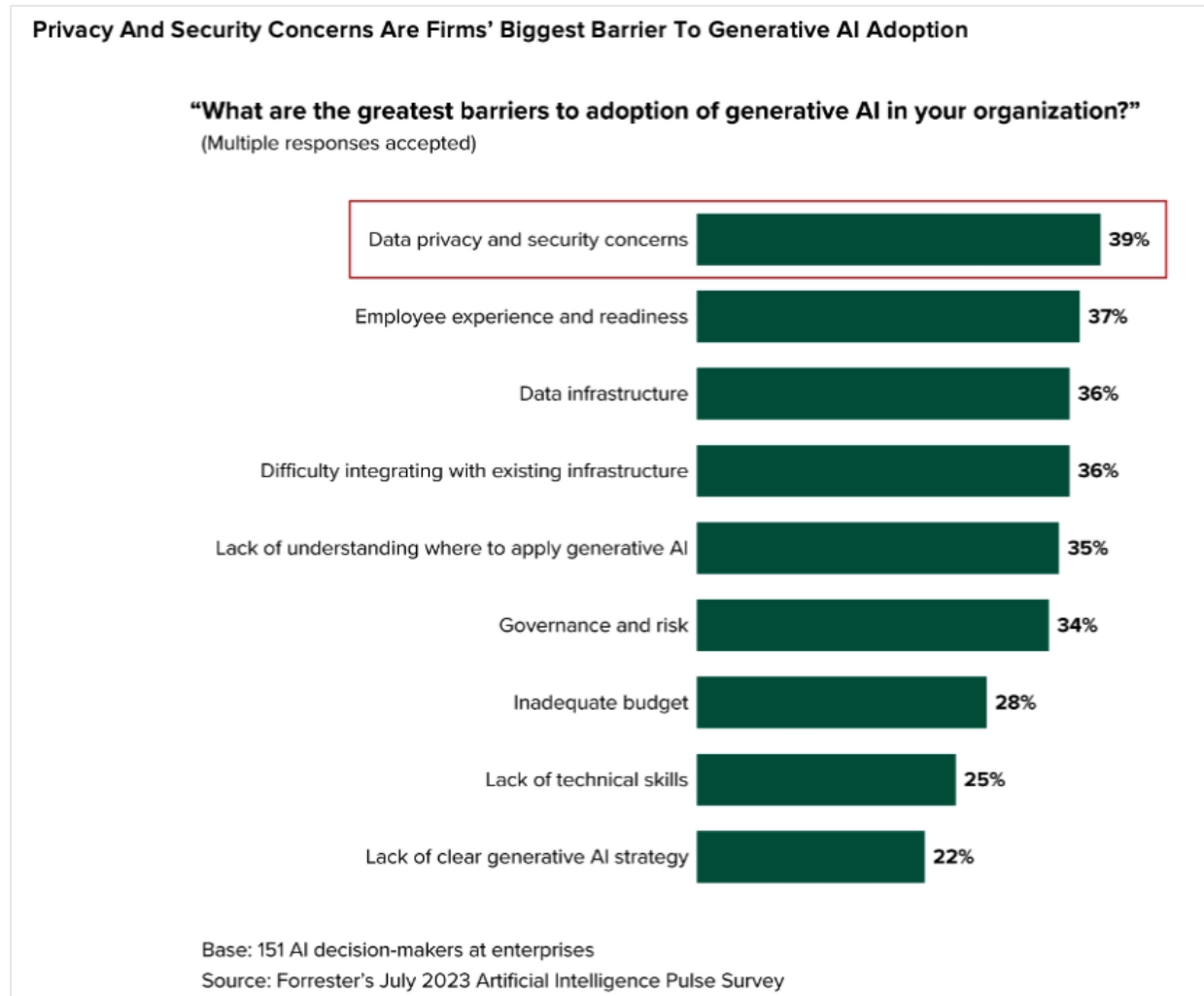# Top GenAI concerns according to Gartner, privacy

Senior Leadership Top GenAI Concerns

Percentage of respondents (multiple responses allowed)

Concern	Percentage
Privacy concerns (e.g. mishandling of sensitive or personal info)	54%
Risk of misuse (e.g. phishing, malware, fraud, etc.)	49%
Employees may worry about the impact on their jobs	48%
Could produce biased or misleading results	43%
Could generate harmful content (e.g. misinformation, deepfakes)	40%
The technology is unpredictable/unproven	40%
Uncertain regulatory environment	39%
Intellectual property/copyright concerns	38%
Outputs do not meet our quality standards	32%
None of the above	2%
Other	1%

n = 820 Technology and Business Leaders, excluding not sure
Q: What are the main concerns about Generative AI (e.g., ChatGPT) in your enterprise?
Source: Gartner Business Outcomes of Technology by Use Case Survey
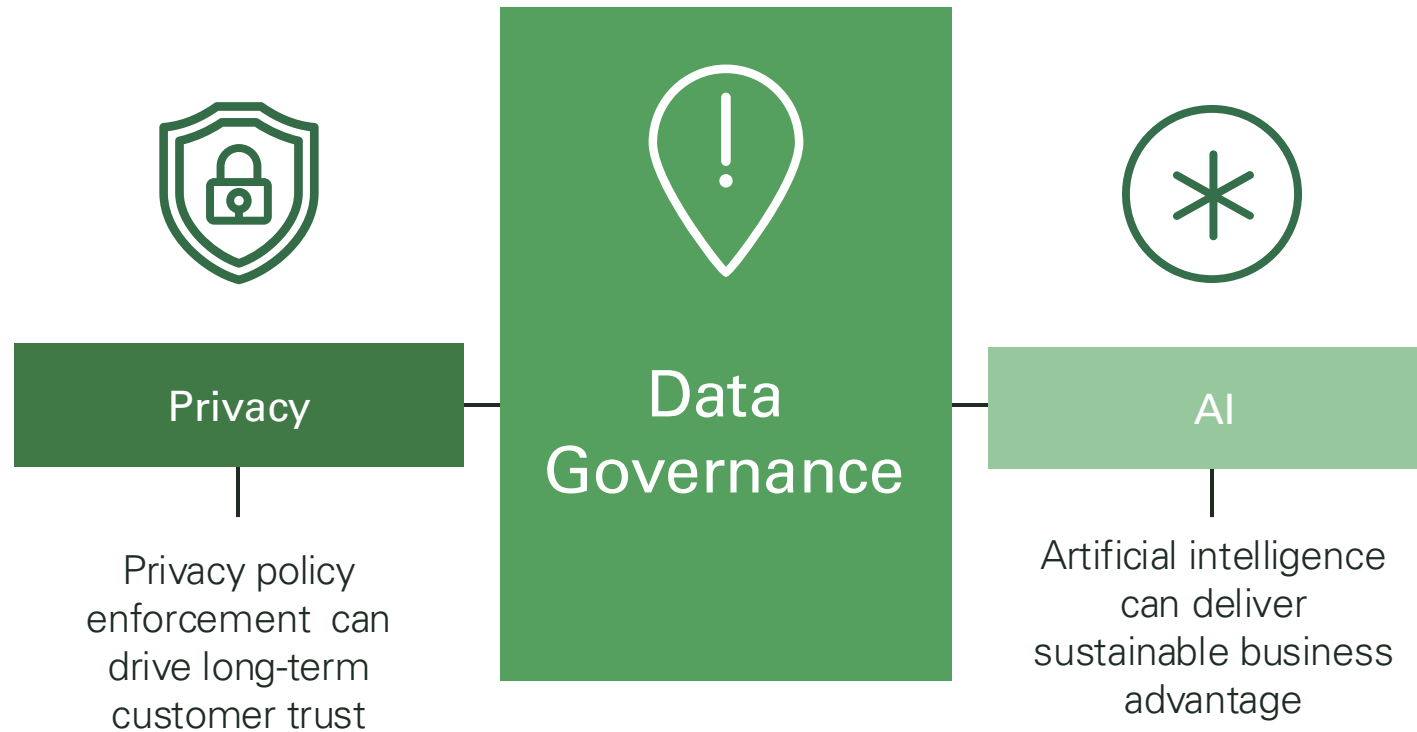
Gartner

Source: Thornton Craig, Gareth Herschel, Rita Sallam, Ramke Ramakrishnan, David Pidsley, Pieter den Hamer, "Top Trends in Data and Analytics 2024 – Presentation Materials," Gartner, May 8, 2024.

Top GenAI concerns according to Forrester, privacy

Privacy And Security Concerns Are Firms' Biggest Barrier To Generative AI Adoption

"What are the greatest barriers to adoption of generative AI in your organization?"
(Multiple responses accepted)

Data privacy and security concerns	39%
Employee experience and readiness	37%
Data infrastructure	36%
Difficulty integrating with existing infrastructure	36%
Lack of understanding where to apply generative AI	35%
Governance and risk	34%
Inadequate budget	28%
Lack of technical skills	25%
Lack of clear generative AI strategy	22%

Base: 151 AI decision-makers at enterprises
Source: Forrester's July 2023 Artificial Intelligence Pulse Survey

Data governance technology is key to bridging the divide

Privacy

Data Governance

AI

Privacy policy enforcement can drive long-term customer trust

Artificial intelligence can deliver sustainable business advantage

How to get started?

Privacy has evolved from a regulatory compliance initiative to a customer trust imperative that ensures responsible use across the data lifecycle

But responsible use
puts business teams
and risk teams
under increasing pressure.

And sometimes at odds.

Risk Teams

Security, Privacy, Governance, IT, Risk, Third-party, Ethics, Compliance

Under pressure to avoid unintended consequences that break trust or lead to enforcement actions.

Business Teams

Data and Analytics, BI, Marketing, Product, Data Engineers, AI/ML Teams

Under pressure to accelerate new data & AI initiatives and stay ahead of competitors.

The good news

Every team is asking the same question:

How do we responsibly use data that's future-proofed across all data risk angles

… at the speed and volume demanded by our data and AI initiatives?

Responsible AI is a team sport

Risk Teams

Business Teams

Privacy

Data Governance

Data & Analytics

Security

Responsible Use

Product Innovation

Risk

IT / Technology

Marketing

AI Governance Committee

AKA Technology Ethics Group, Innovation Ethics CoE, Digital Governance Council

Risk
Teams

onetrust

Use Data and AI,
Responsibly.

Business
Teams

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Thank you

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Thank you in advance!

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