

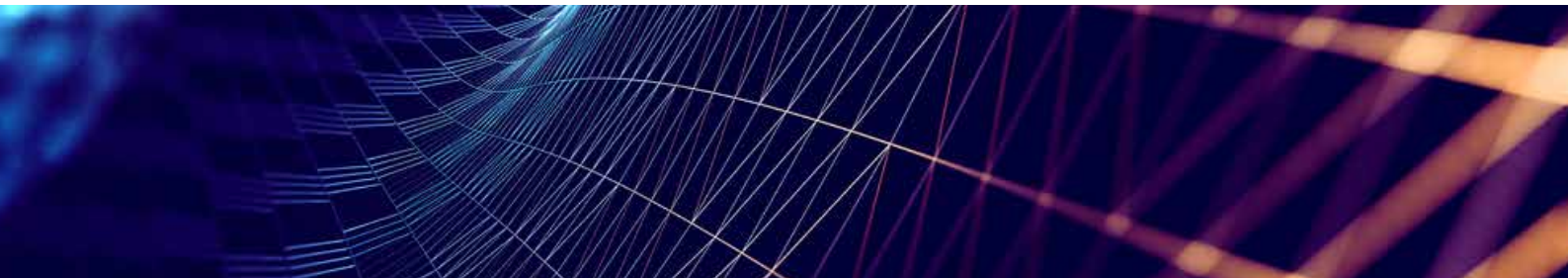
Navigating the AI Risks and Opportunities In Tech Companies



Artificial Intelligence (AI) is a transformative force reshaping industries and defining our future. However, it brings with it a unique set of risks and challenges. In this exploration, we will delve into both the exceptional opportunities and the formidable challenges that AI presents in our rapidly evolving business landscape, drawing upon insights from the Risk Information Services division at Udbhata Technologies.

This whitepaper is to help readers gain a corporate perspective on the impact of Generation AI (Gen AI) and the risks associated with it. As proliferation of AI continues, Indian tech services companies and soon others too may face unprecedented challenges that require in-depth understanding and strategic navigation.

This paper harnesses the risk mitigation approaches employed by some of the key tech services companies in India, to enhance organizational resilience and streamline operations. Our aim is to equip our readers with the knowledge and tools necessary to navigate the AI landscape effectively.



1

Cost Implications

What potential challenges are the companies seeing (Challenges):

Rise in capex due to the need for ongoing technology upgrades driven by AI advancements.

How are companies choosing to respond (Responses):

- Implementation of a strategy that combines automation, reusable components, expertise, and optimized processes is crucial for effectively harnessing intelligent technologies and developing forward-thinking solutions.
- Replace equipment with energy-efficient alternatives, incorporate renewable energy investments and employ green data centers while monitoring Power Usage Effectiveness (PUE), to achieve power and capital expenditure savings.
- Sustainable practices through low-emission technology adoption, resource-efficient procurement, and circular economy compliance with certifications



2 Business Disruptions

Challenges:

Cyberattacks, Inadequacy of existing infrastructure, Legal Liabilities, Privacy and copyright infringement, Software development and testing disruption, Customer expectation distortions

Responses:

- Restricted access to generative AI technologies on company network
- Implementation of controlled pilots and research for technology use
- Collaboration with government bodies, regulators, and academia to build consensus about policies and guidelines.
- Large-scale skilling of employees for deployment of market-oriented products and services.

3 Cybersecurity threats

Challenges:

Potential incidents of heightened cybersecurity threats and vulnerabilities pose risks to business continuity, client services, and data security due to the increased reliance on emerging IT technologies, cloud computing, AI, and remote work.

Responses:

- Implementation of security policies, standards, and procedures
- Establishment of threat intelligence, monitoring, and incident response processes
- Building positive security culture through employee engagement

4 Data Compliance

Challenges:

Data leakage, data privacy violations, IP infringement, and data bias challenge IT companies by risking reputation damage, legal issues, intellectual property threats, and compromised data quality.

Responses:

- Development of a comprehensive 'Security Policy on the use of AI
- Implementation of DLP (Data Loss Prevention) agents to detect and notify data leakage.
- Guidance to employees for responsible technology use



5

Societal concerns

Challenges:

AI-Induced Inequality and Divisiveness, Information Convergence, Automation of Creative Workers, Technology Over reliance, and Increased Energy Footprint

Responses:

- Regulation of AI development and collaboration with enterprises by the Government to meet citizen's needs.
- Emphasize AI limitations and the role of meta-AI in addressing interpretability issues.
- Cautious adoption of Gen-AI by enterprises, following regulatory and ethical guidelines.
- Prioritizing early AI and tech education using best practices for real-world readiness
- Focusing on green AI design, disclosing energy metrics, and adopting sustainable best practices.

Conclusion

As technology continues to evolve, what steps can you take to strike the right balance between embracing innovation and mitigating associated risks within your organization?



About Udbhata

Udbhata is a risk technologies and consulting company based in India. Operating in the confluence of risk management practice, technology, and risk information, our vision is to be a high-quality risk technologies player. We research, develop and commercialize solutions that provide a timely and meaningful benefit to businesses or society. Our primary choice of solutions is driven by a beneficial Total Cost of Ownership for our customers and clients.

Risk Information Services Division

Udbhata Technologies

Tel : +91 9121004559

info@udbhata.com

