

THE BOARD'S NEW QUESTION: HOW DO WE GOVERN AI WITHOUT SLOWING INNOVATION?

WRITTEN BY: FUMBI CHIMA



GOVERNANCE ISN'T THE ENEMY, BUT IT CAN FEEL LIKE IT

In boardrooms across the globe, I regularly hear an emergent question. It seems as if the answer to the question - **does artificial intelligence (AI) really matter?** - is more rudimentary than ever, due to the increasing number of people embracing AI every day. The more pertinent query, at least for me, is: How can we ensure that we do not unintentionally impede the level of innovation that we hope to unlock with AI?

On the surface, this may appear to be an easy question to answer, however, once you find yourself sitting in a room and measuring the potential trades of consequence, it quickly becomes impossible to find a singular answer.



By design, boards are cautious and prudent with their words and actions; they should be. The board's native language is risk. However, AI does not behave like a legacy system fundamentally built upon historically-defined governance principles, and because of this, many forms of governance will likely experience difficulties regulating AI for many months or years to come.

Because AI is a rapidly evolving and learning system with results that can sometimes create explanations to outcomes produced in ways that cannot be fully explained by those who designed and developed the AI systems, the instinctive governance reaction is to enact greater forms of control (i.e.)

MORE APPROVALS



GREATER LEVELS OF OVERSIGHT



Unfortunately, I have personally witnessed older and very traditional forms of governance being acted upon. I remember a global organization and their well-intentioned governance efforts with a review process for releasing new digital products. Six months after we enacting this review process, the teams submitting new products were waiting weeks for approval to launch when they previously waited days. Innovation did not stop or cease; however, the pace of innovation slowed enough for competitors to catch up.

AI governance is immersed in risk and uncertainty; therefore, governance can experience the same fate that many other types of governance have experienced as a result of risk creation.



In my experience, the governance of the successful implementation of AI fundamentally requires a shift in thinking from control to guardrails. Generally speaking, guardrails are not intended to tell teams precisely what to do; instead, they define what is prohibited with respect to risk (i.e.)

DATA BREACHES



BIASED DECISION-MAKING



REGULATORY FAILURES



while providing teams with ample opportunities to explore innovative solutions.

One example of this was when I introduced a principle of guardrails in a large financial services organization. The guardrail for models that directly impacted customer outcomes was: if the model directly impacts customer outcomes, the model must be explainable; otherwise, speed of deployment takes precedence. This small change in governance principles reduced barriers to innovation significantly greater than any 40-page policy could.

While no governance effort is perfect (and, as is often the case, there are many outliers), there is sufficient clarity created within the governance framework to enable innovation to occur by establishing governance principles that allow teams to produce innovative products with minimal delay, while also providing an adequate level of protection for customers.



Here is the harsh reality; many boards or board members do not yet have the level of digital fluency that would enable them to have the level of proficiency required to effectively govern AI. The questions I now hear being asked are either too broadly stated or too much in the technical category.

Few questions being asked are directly related to significant issues of governance and innovation. In many cases, bringing a single "AI expert" to serve as a source of governance does not fundamentally change the shocking awareness of how limited the board's understanding is with respect to AI, as one voice cannot carry the weight of nine or ten voices when governing AI.

Having had the opportunity to work with multiple boards to improve the level of understanding of AI, I can attest to the effectiveness of raising the overall level of team member understanding of AI through the board by engaging in immersive, short-duration education sessions. Sharing real-life case studies/examples of the role of AI in the delivery of customer services creates a higher level of understanding for all board members than presentations that create governance principles using slides.

The overall governance of AI within boards is very much still in an evolution of advancement; however, the time it takes to create this understanding is significant and cannot happen overnight, thus making it impossible for governance to be created in a proactive and intentional manner.



There remains a premise that the more responsible use of AI results in the slower pace of AI becoming the norm. I do not believe this premise is true. In fact, with the successful creation of an effective governance process, the speed of innovation will be enhanced, as the speed of decision-making will be enhanced because the rules governing the team's actions have already been determined.

Of course, some industry sectors will always require that more effort be applied due to government agencies placing significant restrictions on new business innovation; therefore, there will always be a need to ensure that AI uses standards established for those industries meet critical legal regulatory requirements.

Finally, it is time for boards to rethink the premise that moves AI from being used at a pace of speed to using AI at a pace of responsibility.



While the question remains how to govern AI without impeding innovation, the better question is: Where can governance provide us with a means to achieve our goals faster with greater levels of confidence, and where will governance continue to inhibit us from achieving our goals?

The first part of answering this question is the identification of the essential elements of governance in driving AI innovation; the second part of answering this question is identifying the elements that must be removed from governance.

This realization is significantly different than the original premise for many boards or board members. Establishing whether a process is essential or should be removed from the governance process will not be easy; however, using the analogy of leading through a significant transformation as we are currently undergoing will take longer than we would like.

About the Author

Dr. Fumbi Chima is a global technology executive who has led digital and operational transformation initiatives at industry-leading brands including adidas, Burberry, Walmart, Boeing Credit Union, and Fox Networks. Her experience spans P&L ownership, M&A, operations, and enterprise technology leadership across retail, CPG, digital, and financial services.

She is widely recognized as an AI thought leader with a strong reputation for aligning innovation with business goals to deliver sustainable value and competitive advantage. At adidas AG, she spearheaded large-scale infrastructure and process transformations, achieving cost savings, accelerating speed to market, and enabling cross-market scalability.

Known for bridging the gap between technology and business, she fosters high-performance cultures rooted in innovation, accountability, and transparency. Her leadership has consistently increased employee engagement and organizational impact.

Throughout her career, she has championed innovative solutions in data strategy, digital marketing, and cybersecurity, always with a relentless focus on driving growth and enhancing customer experience.



Fumbi Chima

Check her [LinkedIn Profile](#)

