Insights: Publications

4 Key Takeaways | Digital Transformation – AI and Silicon Valley Mindset as Drivers for Innovation

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Kilpatrick's Siegmar Pohl, a partner in the firm's San Francisco and Walnut Creek Offices, was a panelist on at the 10th German American Business Forum in Munich, entitled "**Digital Transformation – AI and Silicon Valley Mindset as Drivers for Innovation**." Moderated by Vice President of the German American Chamber of Commerce of the West, Mirko Wutzler, the panel discussed how medium sized enterprises from Germany can use the Silicon Valley Mindset to participate in the incredibly fast-paced innovation and roll-out of artificial intelligence (AI) technologies.

Key takeaways from the panel discussion include:

1. Mindset and Legal Framework: focus on opportunity rather than risk.
The United States would have almost adopted a federal ban on state regulation of AI this year. Short of a ban, almost all States are regulating specific selected aspects and use cases of AI that are deemed risky. Europe considers AI to be a risky technology and regulating its use altogether, but, after review, some non-concerning uses will be allowed. The US-system encourages rapid development and prototyping and iterative testing helps learn quickly what works – and what doesn't – enabling faster adaptation and innovation.

2. Don't fear mistakes.
The panel discussed that failure is an inevitable part of the learning process and provides invaluable insights that drive growth and improvement. This attitude is more difficult to take where legislation threatens with sanctions and even personal liability of management in case a technology is not compliant, or a company fails altogether.

3. There is no one perfect AI solution.
The speakers advised AI companies not to strive for perfection is a rapidly developing technology like AI, but instead to start with a pilot project that addresses a real business challenge and promises a positive return on investment. This approach allows organizations to validate AI benefits early and build momentum.

4. Focus on data management, data quality and robust IT infrastructure.
Even if innovation in actual AI innovation might be turbulent, these elements are an essential longer-term and slower moving basis for successful and sustainable AI initiatives.

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