

Artificial Intelligence: Regulation – How & When?

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ABOUT HIGH-TECH



«Let's do it!»



«Let's also
do it!»



«Let's regulate it!»

DISRUPTIVE INNOVATION

THE CHALLENGE IS THE MARKET

- A new disruptive technology does not automatically mean success
- Do not forget:
 - Technology may solve technological problems
 - Business may solve business issues – including with the help of new business models
 - Technology & Business can solve real problems

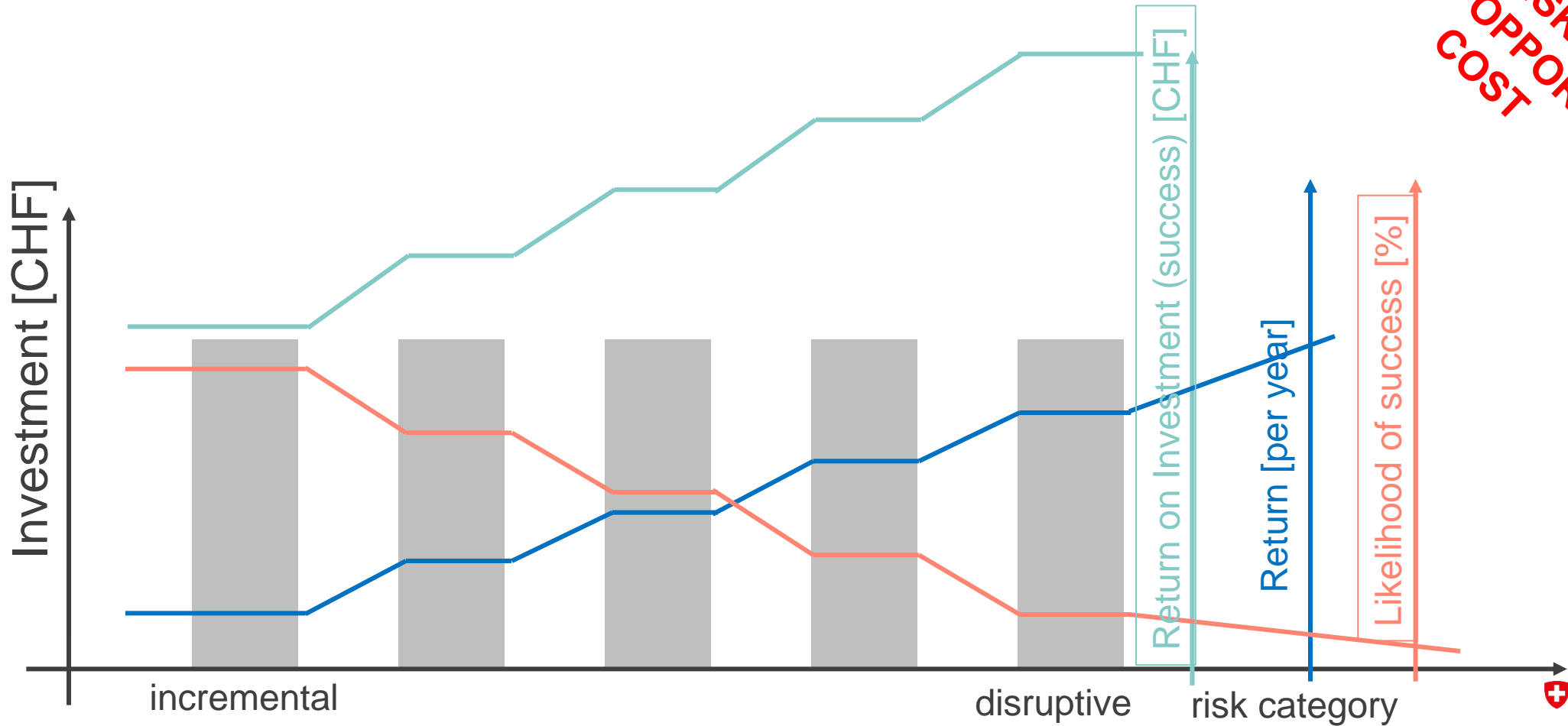
DISRUPTIVE INNOVATION

ABOUT UNKNOWN UNKNOWNNS

- It is about doing things that no one has done before
- The number of possible scenarios is exponential
 - You have about 100% chance to be wrong before you correct your errors
 - The best strategy is to try, fail and then correct
 - It is about agility & A/B testing
- This is largely incompatible with heavy regulation

FOSTERING VALUE CREATION BY BETTING ON HIGH POTENTIAL OPPORTUNITIES

**RISK IS THE
OPPORTUNITY
COST**



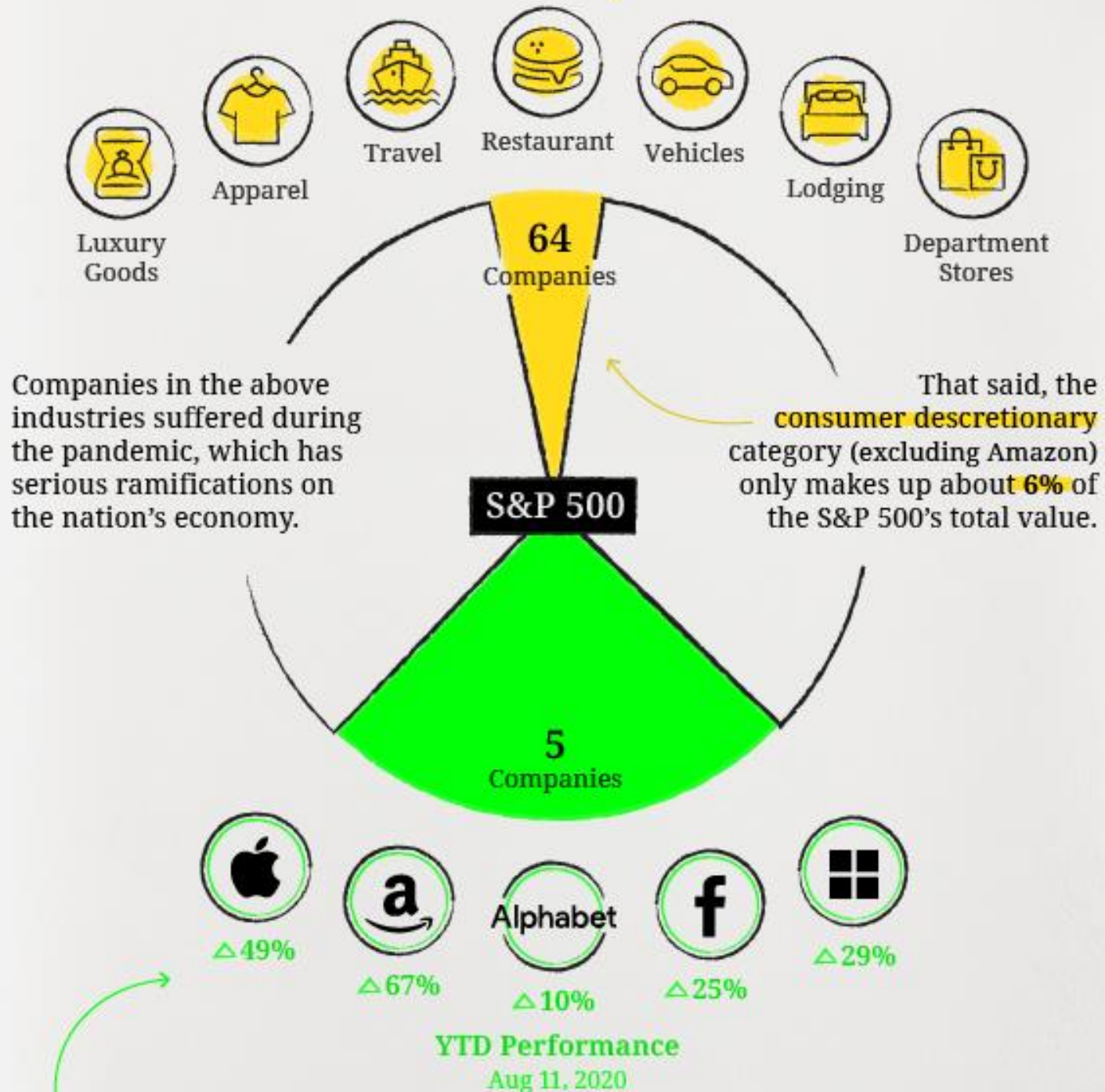
DISRUPTIVE INNOVATION

EXAMPLES

- Amazon
- NETFLIX
- Google
- Uber / Airbnb

In common: Not regulated at all in the early days and competing with heavily regulated incumbents

STOCK MARKET: THE POWER OF DISRUPTIVE INNOVATION



Artificial intelligence: opportunities

DATA IS KING

ARTIFICIAL INTELLIGENCE: OPPORTUNITIES FOR RESEARCH & DEVELOPMENT



- Artificial intelligence (AI) is becoming a key differentiator in almost all fields and economic sectors
- AI changes the rules for new products and services on the market worldwide
- AI boosts structural changes incl. the digitalisation and the development of new business models
- AI makes niche markets attractive to big players [automation] – this is a risk for Swiss incumbents
- This applies to innovation: Try, adapt, innovate... or freeze and disappear

ABOUT NEXT GEN CARS [AS SEEN IN 1999]

At a computer expo (COMDEX) Bill Gates reportedly compared the computer industry with the auto industry and stated

“If GM had kept up with technology like the computer industry has, we would all be driving \$25 cars that got 1000 miles/gallon.”

Recently General Motors addressed this comment by releasing the statement: “Yeah, but would you want your car to crash twice a day?”

SELECTED SPECS CLAIMED BY GM FOR MICROSOFT CAR

- ❖ *For no reason whatsoever, your car would crash twice a day.*
 - ❖ *The airbag system would ask "Are you sure?" before deploying.*
 - ❖ *Occasionally, for no reason whatsoever, your car would lock you out and refuse to let you in until you simultaneously lifted the door handle, turned the key and grabbed hold of the radio antenna.*
 - ❖ *You'd have to press the "Start" button to turn the engine off."*
-

2021 REALITY – A COMPUTER ON WHEELS

2021 – Tesla 3 specs:

- Max speed 261 km/h
- 0 to 100 km/h 3.4s, range 570 km
- Gas usage eqv. 1.67 L/100 (4L /100 conservative)
- AI autopilot developed in DEVOPS...



Option 3 – Deep reset – Reset of most systems



- Shut all doors and keep them shut.
- Place foot on the brake.
- Hold both scroll wheels + both buttons above scroll wheels for 30+ seconds (total of 4 fingers required)
- Car resets.
- Continue to hold foot on the brake.
- Car jumps back to life.

Artificial intelligence: About regulation

NEW TECHNOLOGY: WHAT ABOUT REGULATION?



- Early regulation can kill innovation
- No regulation may lead to disaster later
- Players who are active in less regulated markets will be winners in the global market
- And will be able to continue expanding
- This is what has happened with GAFA

A possible solution: start with no regulation and ramp up progressively

NEW TECHNOLOGY: HOW TO REGULATE



- Classic regulation is too slow
- It kills innovation or is too late to help
- Need to invent new forms of regulation that can be much faster and more agile
- The fight against cybercrime is a perfect example:
 - slow and ineffective regulation
 - in a borderless world

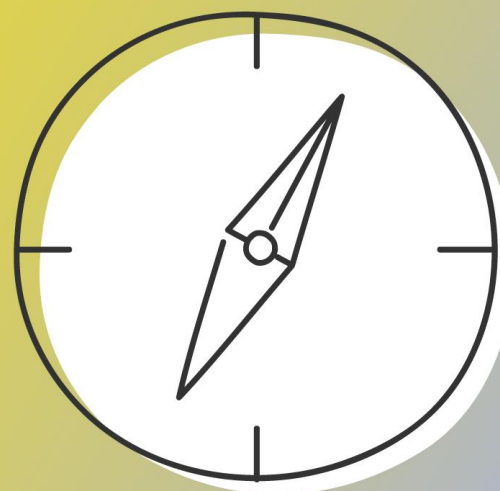
CONCLUSION

- To repeat the GAFA experience is not the best way to raise HI-TECH champions on the European continent and has not protected incumbents
- Need to give the opportunity for new [home grown] champions to win the market
- Then introduce a regulatory framework that will protect the market while allowing the new champions to expand
- The challenge is to manage a competitive ecosystem that will allow new future disrupters to succeed

INNOSUISSE OFFERS OVER 20 SUPPORT OFFERS: FIND THE RIGHT ONE IN JUST A FEW STEPS

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