Deloitte AI360 Podcast

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Title: AI in Risk Management and Governance

Description: Trustworthy AI practice leader Derek Snaidauf AI sits down with Jim to talk about balancing AI innovation with strong governance and risk management.

Duration: 9:41

Jim Rowan: Derek Snaidauf, welcome to our AI 360 podcast. Super excited to have you on today.

Derek Snaidauf: Yeah, thanks, Jim. I really appreciate the opportunity to join you today. Big fan of the podcast and excited to share some of my thoughts with our listeners.

Jim Rowan: Awesome. So Derek, why don't you tell me a little bit about your role at Deloitte and some of the things you're spending your time on in the AI space?

Derek Snaidauf: Sure. Yeah, so my name is Derek Snaidauf, and I'm a principal in Deloitte Consulting's Trustworthy AI practice. And I lead our AI Risk Management and Governance business, which is focused on helping clients set up their enterprise approach to accelerating AI innovation and managing its risk. And this spans strategy, policy, organizational design, process, and tech enablement.

Jim Rowan: That's great. I mean, that's a topic that I hear a ton of time from our clients as they think about what they're trying to implement with AI. They're like, "Regulation, what do I think about it? How do I handle it?" So, what's the current state of this environment, Derek? How do you think about it? How do you advise our clients?

Derek Snaidauf: Well, the landscape of AI regulation today, it's rapidly evolving and it's very fragmented. So global governments are moving at different speeds, with the EU leading through its comprehensive AI Act, while the US and other regions focus more on sector-specific guidance and voluntary frameworks. So for business leaders, I think three key considerations stand out. Number one is, be sure to stay up-to-date on emerging regulations, especially around transparency, data usage, accountability, and evaluate not just local rules, but also global standards that may affect cross-border operations. Number two, build internal protocols for responsible AI, prioritizing fairness, privacy, and minimizing bias, even ahead of any regulation that may be forthcoming. And this mitigates reputational and operational risks. And then number three, design AI governance initiatives to adapt quickly. As rules change, flexibility in processes and models will be critical to sustain innovation while remaining compliant. In short, proactive engagement on AI governance is essential as regulation rapidly takes shape.

Jim Rowan: That makes a ton of sense, and I think what we've seen, too, with our clients is this big move from a lot of POCs and a lot of trying things out to getting solutions into production. As you think about this, how can leaders balance this idea of innovation, risk management, governance—some of the principles you mentioned—with trying to get these things into production and trying to drive that enterprise value?

Derek Snaidauf: Yeah, I'm actually going to start here and cite some of our own Deloitte research that finds that several of the top reasons why companies may be having difficulty getting those models into production or really realizing value from AI are related to governance limitations. So to really promote moving from AI pilots to more enterprise-wide deployments, leaders really need to balance promoting

rapid innovation while at the same time ensuring strong governance and risk controls. So, here's a few tips I would offer. First, foster a culture of responsible innovation. So, encourage your teams to experiment and scale, but reinforce that ethical and transparent AI is a non-negotiable. Embedding responsibility into the culture accelerates trust and buy-in. Second, build adaptive governance structures. Move beyond rigid compliance checklists to more risk frameworks that can evolve alongside the technology. And use cross-functional teams including IT, risk, legal, and the business to quickly assess use case risk, address compliance, and close gaps without stifling creativity. Third, implement continuous monitoring and feedback loops. So, monitor your deployed systems for unintended consequences like bias or security risks, and create mechanisms so that you can quickly correct anything that may occur. Also, routine audits can help flag emerging issues and support ongoing improvement. And then fourth, align AI initiatives with business strategy. Tie your AI projects to clear business outcomes, setting measurable goals for both growth and risk. And this clarity helps prioritize investments while ensuring a balanced approach to opportunity and controls. So, in essence, successful leaders treat responsible risk management as a driver of innovation and embed flexibility and oversight together, so that you can get more of a sustained and trusted AI growth.

Jim Rowan: It makes so much sense, too, to have this focus on frameworks. I think I heard you mention that in maybe the second point of what you were saying. It's just so critical because the space is moving so fast. It's really hard to define a rule today and have it change tomorrow, but the frame works, at least from my understanding of it, too, that gives you that kind of flexibility to be able to adapt to the changing pace of technology, which I think is super critical. As you continue to move forward though, how are you thinking about the core pillars, if you will, of the AI governance program, and do you apply them to individual use cases? How does that transpire?

Derek Snaidauf: Yeah, this is a very frequent question from my clients. A successful AI governance program is built on several foundational pillars, and each is really essential to managing both the risk and the opportunity across a growing set of AI applications. So I'd call out these five key pillars, and these are the ones I recommend leaders really focus on. So the first one is clear accountability and ownership. So kind of the people side of things. You want to designate responsible leaders, both business and technical, to oversee AI systems throughout their life cycle. And this promotes consistent stewardship and quick escalation when issues arise. Your second area is around the policy and guidelines aspects. You want robust policies and standards. So, develop and regularly update guidelines covering ethics, data privacy, fairness, model transparency, compliance, and more. And these standards should be practical, actionable, and align with evolving regulations. Then on kind of the process side of things, you want scalable governance frameworks. And the framework is key, as you mentioned, Jim. So you want to use flexible, modular frameworks, such as decision matrices, checklists, automated controls, so that governance scales effortlessly with new use cases, business lines, and even geographies. And also, further on the process side, the fourth area is just the whole risk management and ongoing monitoring. Implementing processes for continuous risk assessment, looking at data quality, model performance, security, bias, and automated monitoring tools and routine reviews can really help maintain control without slowing progress. And then, of course, a key pillar is effective education and engagement. You want to really train all your stakeholders, from developers to executives, on responsible AI practices, so that governance principles become part of the organizational DNA, not just a box-checking exercise. And so to the other piece of your question, too, about how do you really scale these pillars out then, leaders really should embed these pillars into the product, model development, and even procurement processes from the start. Also important to leverage technology like governance platforms and AI toolkits, so you can drive consistency and efficiency. And I really encourage open dialogue, too, across all the teams. This is a very cross-functional topic, but so that lessons learned in one area can rapidly inform another.

Jim Rowan: That's great advice. I think as you continue to move forward and look ahead, Derek, on this and you're advising your clients—I don't know if you get these questions, but I do a lot—of like, "How do you future-proof your organization?" If that's even a thing in the world of AI at the moment, too. Is there some advice for leaders around how to do that?

Derek Snaidauf: Yeah, Jim, great question. So, you know, to future-proof your organization around this topic of AI governance and risk management, I really think business leaders should combine technology, a robust governance approach, and advanced automation. And these are a little bit of some forward-looking thoughts as well that I'll offer. So the first one is, really drive tech enablement through a governance platform. So adopting an integrated platform that standardizes the processes, unifies controls, streamlines the compliance across the business—that really creates a flexible foundation for rapid adoption of new technologies. Second, I would say is, while we're focused on AI governance, make sure that you have tie-ins to data governance and cybersecurity as well. So build strong data governance and cybersecurity into every initiative from the start. Treat these as essential for both operational resilience and ongoing innovation. Third, I would say, everyone's obviously talking about agentic these days, and there's a real opportunity to use agentic to automate some of the governance steps. So deploy agentic AI systems capable of autonomously monitoring the policies, enforcing standards, maybe alerting leaders to compliance issues in real time. I think automating governance in this way enables responsible practices to scale with business growth. And fourth, be a champion of this as an organizational priority and as a way to engender trust. So lead with ethics, accountability, and transparency to earn the trust of your customers, your partners, your employees, and even regulators—and, in turn, kind of turning responsibility into more of a competitive advantage. And I really think by embracing tech enablement, automated governance, and these advanced safeguards, leaders can position themselves and their organizations to be ready for whatever the future brings.

Jim Rowan: Derek, this is awesome. I think our leaders listening in are going to really appreciate all this amazing advice. I feel like there's no more excuses around regulatory and AI. Like, you've got to make these things work within your enterprise. So, thanks for the great advice. Appreciate the time today. Looking forward to chatting again soon.

Derek Snaidauf: Thanks, Jim. Enjoyed it!

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