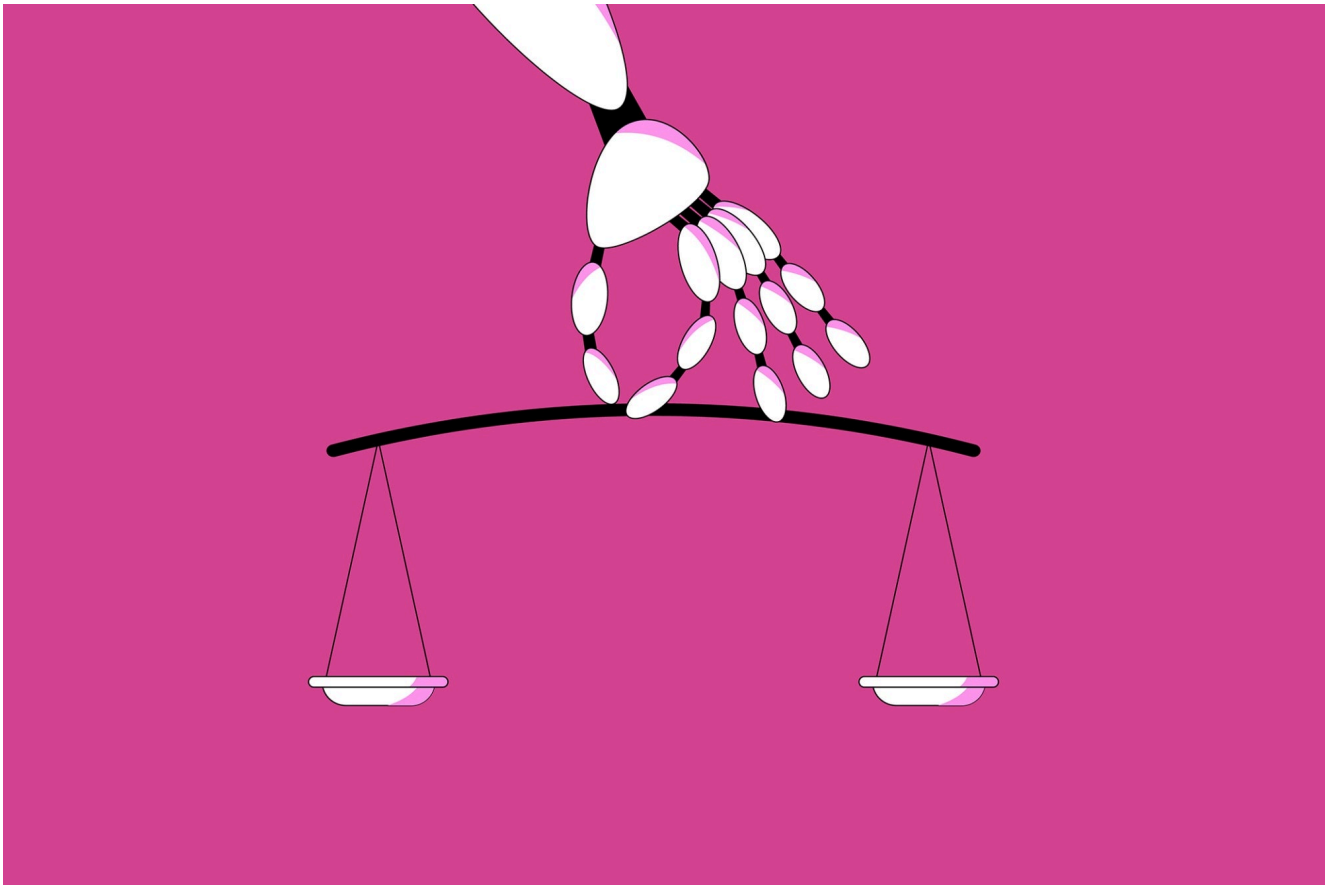
# Why Every Entrepreneur Must Prioritize Ethical AI — Now



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It’s not a secret to the world that artificial intelligence is here, and it’s no longer just a buzzword — it’s quickly becoming a fundamental force that’s reshaping thought processes and actual landscapes for entrepreneurs everywhere. Whether streamlining operations, enhancing customer experiences, unlocking innovation within the workforce or just dabbling and playing around with what AI can do, it is occurring at an unprecedented scale today.

The technology presents boundless opportunities and exponential value … once tamed. However, with all of this innovation, opportunity and great potential comes even more responsibility. As we rapidly accelerate the adoption of AI, many, many entrepreneurs are facing significant, urgent

questions revolving around the ethics, fairness and responsibility of such technology.

Countless entrepreneurs are now asking themselves, “How can I harness the power of AI without losing sight of the ethical principles?” How can early-stage startups today continue to grow quickly while ensuring they’re also thinking of responsible, socially conscious decisions? With every new technology, the ethical repercussions are always a part of the decision to adopt. They’re not theoretical; they’re very practical, critical if missed, as today, customers, investors and regulators are increasingly focusing on how startups are answering this very important question.

**Related: 4 Steps Entrepreneurs Can Take to Ensure AI Is Being Used Ethically Within Their Companies**

## Do you understand ethical AI and what it means today?

If you’re thinking ethical AI is simply just a matter of avoiding harm, you’d be a ways away from fully understanding the overall concept. Ethical AI isn’t simply avoiding harm; it’s facing it head-on and understanding what to do in the moment. It’s actively ensuring that AI systems are fair, transparent and accountable as they can be from development into the hands of consumers. Today, there’s too much ambiguity and uncertainty within systems, whereas consumers and stakeholders of the organization expect it to align with the values of fairness, inclusivity and transparency, especially in the face of utilizing AI.

In a 2023 study, Deloitte revealed that a majority of consumers would stop buying from companies found using AI irresponsibly or unethically. Today, ethical AI is imperative, and embracing it doesn’t just minimize risks for entrepreneurs; it could potentially enhance brand value and

customer trust over others.

**Quick check:**

1. Does your AI application being developed respect the privacy of users and adhere to the transparency standards of your respective country or location?
2. Are you clearly communicating with customers and internal employees on how your AI makes decisions?

## Fairness and bias: It isn’t subsiding – it’s a growing concern

When it comes to bias within a system, many think of different things and different outcomes. When algorithmic biases are prevalent, AI systems unintentionally introduce and reinforce existing societal biases. This is quickly becoming one of the biggest ethical concerns of the AI industry as it continues to grow. Many biases are completely hidden, and you would never know you’ve been introduced to them. Many times, these biases often appear extremely subtle, such as within hiring algorithms that feed ATS systems, financial approvals within banks and personalized marketing programs.

MIT’s Media Lab is no stranger to AI. Research from the institute highlights instances where biased AI has negatively impacted hiring, explicitly disproportionately excluding women and minorities within qualified job applications. This is crucial to identify and recognize early on within AI applications. A company that proactively audits their AI algorithms being developed for fairness, unbiased results and analysis not only helps mitigate such risks but also positions your organization as a responsible and forward-thinking trusted party.

**Related:** **Avoid AI Disasters and Earn Trust – 8 Strategies for**

**Ethical and Responsible AI**

# Transparency builds trust

In today's AI marketplace, transparency isn't optional – it's essential to ensure consumers of your products know how decisions that could affect their lives are being made. Regulators worldwide are increasingly identifying ways to require businesses to disclose AI processes in a clear and understandable way. Whether these regulations stay around or not, the concept of regulating this new emerging technology was still there.

You must look at transparency as building credibility and trust, two increasingly important aspects for brand reputation. You don't need to go far to see a major player within the AI game promoting just this concept. OpenAI CEO Sam Altman underscores the importance by saying, *"AI must be understandable to earn trust; transparency isn't a burden – it's a strategic advantage."*

# Privacy and data responsibility

We're in the age of Big Data, and it's data that fuels AI like wildfire – but mishandled and inaccurate data can turn AI into a quick reputational disaster. Entrepreneurs must be ethical when obtaining data. They must balance company and product innovation with a rigorous effort on privacy protections, ensuring the security of personal data within frameworks such as GDPR and CCPA.

Apple has one of the most stringent proactive privacy stances within the industry, highlighting a competitive advantage: a 2022 Consumer Reports study found that 82% of customers prefer brands that actively protect their data privacy. Prioritizing consumer privacy, whether a customer or not, isn't just responsible – it's good business practice.

# Taking a stand for ethical AI: Your entrepreneurial imperative

Ultimately, emerging technologies with such potential as AI inherently come paired with significant responsibilities for those developing such technology. Entrepreneurs with ideas that thrive within the age of AI won't simply be those who utilize the most advanced systems but instead those who fully and completely understand the inherent risks and ethical implications that come with it.

**Related: What Will It Take to Build a Truly Ethical AI? These 3 Tips Can Help.**

The call to action here is clear: For those creating and developing such technologies, proactively embedding ethical standards into your AI strategies now will go a long way, safeguarding not only your customers but also your business continuity, reputation and future growth.

If you take one thing away here, it is to remember that ethical AI isn't about avoiding the problems that will present themselves; it's about seizing opportunities. The ethical image and leadership that you portray can define your brand, differentiate you from your competitors and position your startup as one of the premier AI companies seeking to succeed responsibly and sustainably in the ever-fast-changing world.

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