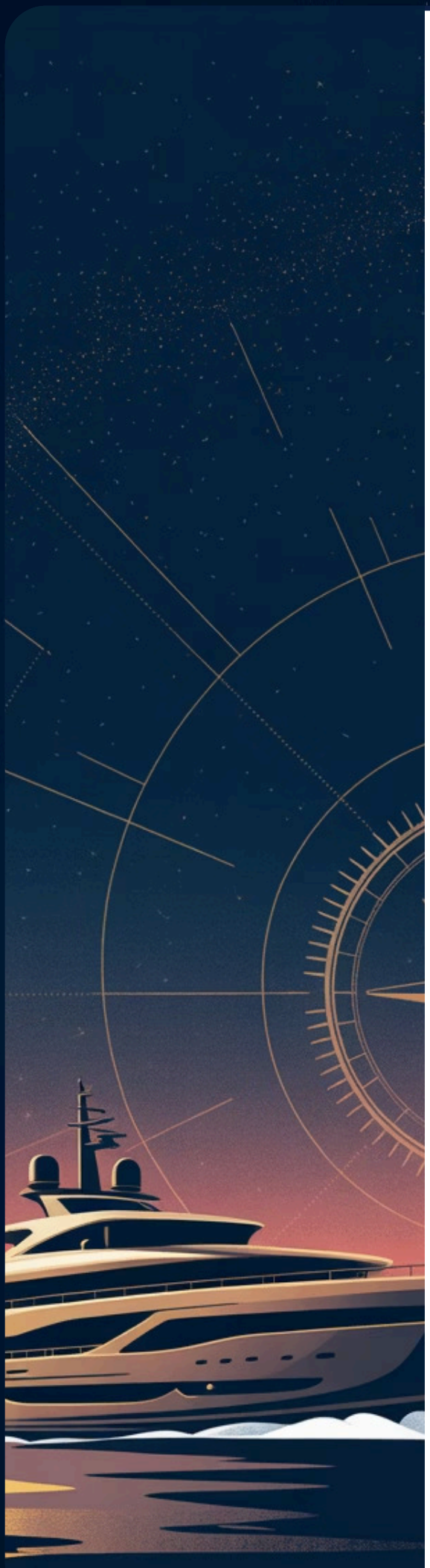


SOUTHERN SKY AI

AI & The Superyacht Industry:

Steering a Deliberate Course Into Disruption

Asia-Pacific Superyacht Association

20 May 2025

Kristina Agustin - Southern Sky AI

Resource for Members of Asia-Pacific Superyacht Association

SCAN TO SAVE CONTACT DETAILS FOR SOUTHERN SKY AI

Contents

The Wave Is Already Here

2 years

AI Adoption

> **ChatGPT reached adoption levels that took the internet 10 years - Stanford University HAI Report 2024**

3x

Usage Reality

> **Employees are three times more likely to use AI than C-suite leaders realise - McKinsey - 4th March 2025**

4th

Industrial Revolution

> **"AI has the potential to be more transformative than electricity or fire." – Sundar Pichai, CEO of Google**

Your team is likely already experimenting with AI technology, even if you don't realise it.

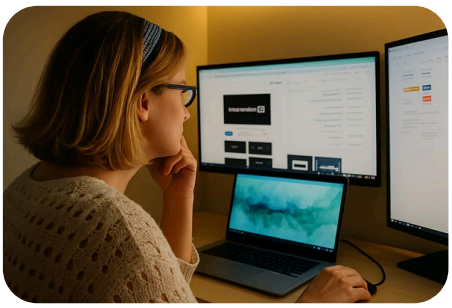
Artificial Intelligence represents one of the most profound societal shifts that we'll witness in our lifetimes. Sundar Pichai, Google's CEO, believes it's potentially more transformative than electricity or fire. What industry leaders are calling a fourth industrial revolution.

ChatGPT was the fastest technology adoption in history—it took the internet 10 years to get to where Generative AI has gotten in just two.

According to McKinsey, your teams are using AI three times more than you may believe they are. **This wave is already here.**

About Me – Kristina Agustin

Bridging Yachts, Law & Technology



20 years in international superyacht operations

From onboard service to shoreside management – Current consultant in business and contract oversight for large yachts

Qualified Australian lawyer

Specialising in legal and business strategy in high-compliance sectors

Former Director, International Superyacht Society

Served 6 years on the global board

Entrepreneur & Founder

Led a digital agency – Currently runs **Southern Sky AI**, focused on practical AI integration

AI Credentials

AWS Certified AI Practitioner – Executive Education in AI (UC Berkeley) – Master's in Artificial Intelligence (in progress) – Member, **Innovating with AI** community

Focus

Operating at the intersection of **yachts, law, and technology** – Passionate about **bridging the gap** between industry expertise and emerging AI capabilities

Since my first transformative experience with AI, I've committed to understanding AI from the inside out — pursuing a Masters of AI, completing executive education at UC Berkeley, and becoming an AWS AI Practitioner.

For context, I've spent 20 years in the international superyacht industry—my first decade as crew, my second decade in large yacht operations, legal, and management. I'm also a qualified Australian lawyer, and run a digital agency focused on web development and SEO.

I'm passionate about working at the intersection of the superyacht industry, law, and technology —helping bridge the gap between industry expertise and AI capability.

That's why I founded Southern Sky AI—to support superyacht industry businesses to understand and adopt AI securely, strategically, and successfully.

Charting Our Course

PART ONE - IDEAS

- Understanding core AI capabilities
- Sector-specific applications
- Practical use cases

PART TWO - HOW TO

- Security and data frameworks
- Make vs buy decisions
- Safe implementation approaches

PART THREE - CONSIDERATIONS

- Legal and regulatory requirements
- Responsible AI principles
- Environmental impact

PART FOUR - CULTURE, ADOPTION & TRAINING

- Creating experimental mindsets
- Team training and support
- Positioning AI as augmentation

> **The most significant contributor to AI success is domain expertise—your industry knowledge.**

PART ONE - IDEAS

Understanding core AI capabilities

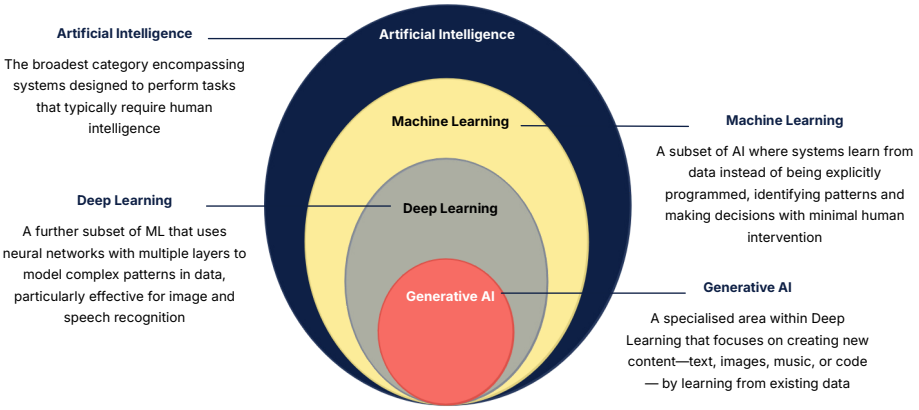
Sector-specific applications

Practical use cases

What Is AI?

AI is not a single technology but rather a family of related approaches, each building on previous foundations.

Understanding this hierarchy helps clarify what different systems can actually do—and what their limitations might be.



AI is a broad term for any technology that does things we'd normally rely on human intelligence for—like spotting patterns, answering questions, or making decisions.

Under that, we have Machine Learning—unlike old-school programs that follow fixed rules like A = B + C, machine learning finds its own patterns by analysing data, instead of being told what to do.

Inside that is Deep Learning—a more advanced form using layered neural networks, like webs of connections, that handle complex tasks like recognising faces or understanding speech.This is the part of AI that reminds us of the human brain—or constellations of stars in the night sky—billions of connections lighting up together. The inspiration behind Southern Sky AI.

And at the centre is Generative AI—the most explosive leap in recent years, fuelled by billions in investment. This is where AI doesn't just spot patterns—it creates new things, like writing text, drawing images, or generating code. That's the type of AI we're talking about with tools like ChatGPT.

Why This Time It's Different

General-Purpose Nature

Unlike traditional narrow software systems, modern AI models are remarkably flexible.

A single tool like ChatGPT can draft emails, answer legal questions, brainstorm ideas, and write code.

> **"... a Swiss Army knife for knowledge work" - Harvard Business Review - 19th July 2017**

Important Limitations

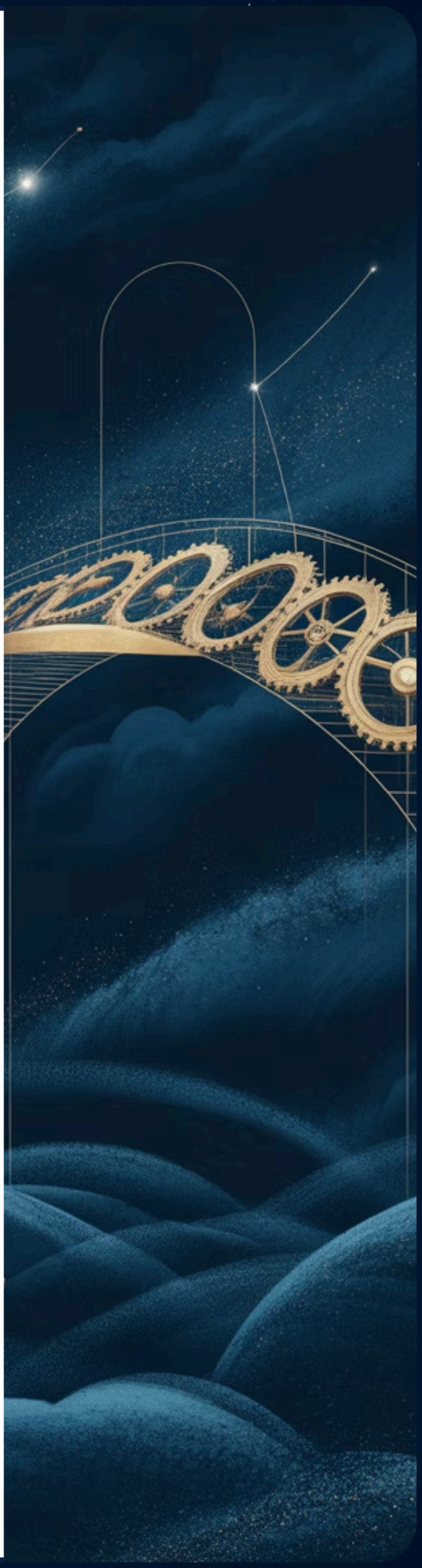
AI models don't truly "understand" meaning or possess common sense.

> **It is human judgment, not AI, that is required to make sense of what the machine tells us - Forbes - 12th June 2024**

AI is a general purpose technology and has been called a Swiss Army Knife for knowledge work. It’s full value is still only just emerging.

While it can spot patterns and generate new content, it can’t genuinely reason, and it lacks human empathy.

That’s why a human-in-the-loop is always essential —to interpret, apply judgment, and bring common sense to the results.



On the Current

Current AI Applications already in Commercial Maritime

Lloyd's Register - Future of Autonomous Shipping

$4.51B

2028 Projection

Expected market growth in five years

19%

Annual Growth

Compound annual growth rate

215

Active Companies

Developing autonomous vessel technologies

[Lloyds Register & Thetius Report - 26th April 2023]

In autonomous shipping, AI helps vessels sense their environment, make navigation decisions, and optimise operations without direct human input.

Lloyd’s Register predicts fully autonomous commercial ships will enter fleets within the next three years, while still retaining some human oversight at the fleet or shore level.

Port of Valencia – AI Driven Port Security

5G Network

Supports over 25,000 connected devices throughout the port

Autonomous Drones

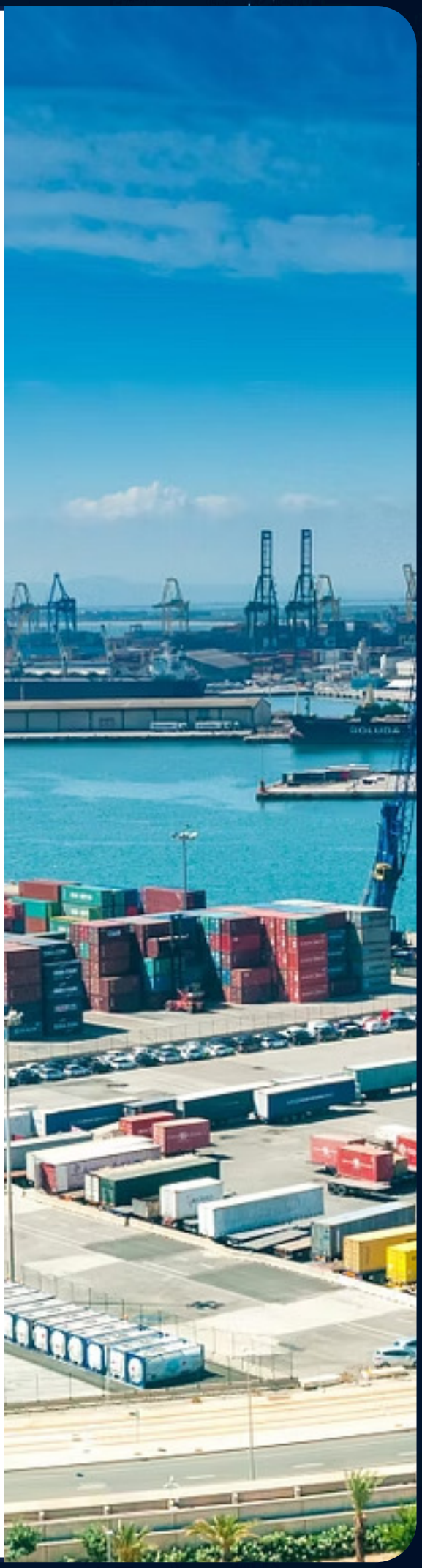
Monitor port activities and respond to security emergencies

€6 Million Investment

Co-funded by the EU's Connecting Europe Facility

Valencia Port uses autonomous drones, generative AI, and a 3D digital twin platform. - Valencia Port 10th July 2024

Real-time AI computer vision and data analytics are being used at the Port of Valencia, combined with autonomous drones and 5G networks, to deliver continuous surveillance, detect risks, and support faster decision-making across the port.



Robotic Crawlers for Ballast Tank Inspection

Deployment

Robotic crawlers enter hazardous confined spaces

Data Collection

High-resolution cameras capture detailed visual data

AI Analysis

Algorithms detect corrosion, cracks, and structural anomalies

Reporting

Comprehensive inspection results without human entry

DEKRA's robotic systems enhance safety by eliminating human entry into hazardous spaces while improving inspection accuracy - Dekra 12th May 2025

By keeping people out of dangerous, confined spaces, AI-powered robotic crawlers—using computer vision and data analytics—are being used to inspect ballast tanks and other high-risk areas, delivering more consistent and accurate inspections.

Riding the perfect wave

Where you can head when you've got started with AI

Start with the Problem, Not the Technology

Identify Key Problems

Leverage Domain Expertise

Ask Critical Questions

Where are our biggest inefficiencies?

What are our bottlenecks or points of friction?

Where are we losing time, money, or client satisfaction?

Evaluate Potential

Assess the potential ROI if you solve that problem.

Only then—ask:

> **Is AI the right tool to help?**

In our superyacht industry, with all its unique subsectors, I see almost limitless opportunities—not just to automate tasks, but to rethink how we work all together.

But AI success doesn't start with technology—it starts with your domain expertise.

It starts by asking: Where are the inefficiencies? Where are we losing time?

Where are the bottlenecks?
Then, use your expertise to assess the return: How much time or money could you save? What opportunities could you unlock? How will you measure success? And who needs to be involved to make it happen?

Don't start with AI. Start with a problem worth solving, refine it to something focused—and let your domain knowledge lead the way.

Industry Subsector Pain Points & AI Applications

For example, the following table shows some practical ways we could use AI to solve real business problems.

If you're a **captain or crew manager**, AI could help streamline crew scheduling, cutting roster planning time and balancing hours of rest.

If you're a **charter broker**, AI could help you generate personalised, even translated itineraries faster, helping you respond quicker and win more charters.

If you're a **crew agency**, AI could assist with document verification, saving hours on credential checks and streamlining placements.

If you're a **marina manager**, AI could support occupancy forecasting, helping you plan ahead, optimise space, and improve berth utilisation.

If you're a **maritime lawyer**, AI could support faster legal drafting—generating first drafts, clauses, and templates to accelerate turnaround times and free up capacity for complex work.

If you're in **refit or maintenance**, AI could help forecast parts with long lead times earlier, keeping projects on track for on- time redelivery.

If you provide **remote medical support**, AI could help manage onboard medicine stocks and monitor international controlled substance regulations and supplier availability.

If you're a **ship agent**, AI could help automate port clearance documentation, cutting admin time and enabling you to handle more support without increasing your head count.

If you're a **technical contractor,** AI could assist in scanning notes from site visits, turning them into reports or invoices faster.

If you're a **yacht builder**, AI could help detect conflicts between client requests and technical specs earlier, reducing redesigns and speeding up approvals.

If you're a **yacht insurance broker**, AI could help you build stronger risk profiles to support negotiations with underwriters, helping you secure better premiums for your clients and build trust.

If you're a **yacht manager**, AI could support ISM, ISPS, and MLC compliance—automating certificate tracking, highlighting expiries, and staying on top of regulatory changes.

AND

If you're a **yacht sales broker,** AI could support faster vessel comparisons, cutting research time and helping you close deals more efficiently.

Industry Subsector Pain Points & AI Applications (1 of 4)

Industry Subsector	Common Business Frictions	Potential AI Application	How It Works
Captains & Crew Manager	Time-intensive compliance, outdated routing, crew scheduling	AI Compliance Assistant	Automates compliance tracking and reminders for crew and vessel documentation.
		AI Voyage Optimiser	Uses AI to analyse routes, weather, and fuel data to suggest optimised voyage plans.
		AI Crew Scheduling Assistant	Uses AI to create optimised crew rosters, balancing availability, skills, and rest requirements.
Charter Brokers	Managing charter documentation, identifying repeat clients, proposal creation	Client Management AI Assistant	Analyses client data to manage relationships and suggest personalised services.
		AI Client Lifetime Value Predictor	Uses AI to forecast client value over time and identify high-potential repeat clients.
		AI Proposal Generator	Automatically generates customised charter proposals based on client preferences and past data.
Crew Agencies	Crew matching, reference checks, predicting turnover	AI Crew Matching System	Matches crew to roles using AI based on skills, experience, and compatibility.
		AI Document Verification Engine	Uses AI to verify credentials, certificates, and background documents.
		AI Crew Retention Predictor	Analyses historical data to predict which crew members are at risk of leaving.
Marinas	Reactive berth management, static pricing, berth stay duration prediction	AI Occupancy Prediction System	Uses historical and real-time data to predict future berth occupancy rates.
		AI Dynamic Pricing Engine	Adjusts berth pricing dynamically based on demand forecasts and patterns.
		AI Behavioural Pattern Analyser	Analyses visitor behaviour to predict stay duration and spending patterns.

Industry Subsector Pain Points & AI Applications (2 of 4)

Industry Subsector	Common Business Frictions	Potential AI Application	How It Works
Maritime Lawyer	Time-intensive legal drafting, repetitive clauses, contract templates	AI Legal Drafting Assistant	Generates first drafts, clauses, and templates to accelerate turnaround times and free up capacity for complex work.
	Manual case law research, slow precedent checks	AI Case Law Researcher	Scans large legal databases in seconds to surface relevant case law and precedents, saving hours of manual review.
	High workload in contract reviews, missed clause risks	AI Contract Review Assistant	Automates review of contracts, flagging risky clauses, inconsistencies, or omissions to improve speed and accuracy.
Refit & Maintenance Facilities	Predicting maintenance needs, part lead times, project estimates	AI Predictive Maintenance Platform	Predicts upcoming maintenance needs using equipment data and historical records.
		AI Procurement Forecasting Tool	Forecasts part lead times and procurement needs based on maintenance schedules.
		AI Project Estimator	Uses AI to generate accurate refit and maintenance project time and cost estimates.
Remote Medicine Providers	Reactive consultations, health risk forecasting, emergency response	AI Symptom Triage Assistant	Uses AI to assess symptoms and recommend next steps or escalation.
		AI Health Risk Monitoring	Continuously monitors health data to detect early signs of illness.
		AI Emergency Response Optimiser	Uses AI to coordinate emergency response actions and prioritise critical interventions.
Ship Agents	Manual port clearance, last-minute service requests, complex itineraries	AI Document Automation	Automates port clearance and customs documentation processes.

Industry Subsector Pain Points & AI Applications (3 of 4)

Industry Subsector	Common Business Frictions	Potential AI Application	How It Works
Ship Agents	Manual port clearance, last-minute service requests, complex itineraries	AI Service Demand Predictor	Uses AI to forecast vessel service needs and provisioning demands.
		AI Itinerary Management System	Uses AI to manage and optimise complex voyage and service itineraries.
Technical Contractors	Diagnostics, fleet failure analysis, remote support	AI Fault Diagnosis Tool	Uses AI to detect and diagnose technical issues remotely.
		AI Fleet Diagnostic Insights	Analyses fleet-wide data to identify patterns and suggest maintenance priorities.
		AI-Assisted Remote Support System	Supports technical teams remotely by providing AI-guided troubleshooting.
Yacht Builders	Design iteration cycles, client request alignment, spec change impact	AI Design Optimisation	Uses AI to recommend optimised design iterations based on inputs and constraints.
		AI Requirements Reconciliation Engine	Aligns client requests with technical specs and detects conflicts.
		AI Specification Impact Simulator	Simulates the impact of spec changes on project costs and timelines.
Yacht Insurance Brokers	Vessel risk profiles, policy comparisons, claims forecasting	AI Risk Profiling Engine	Uses vessel data to build dynamic risk profiles for underwriting and policy tailoring.
		AI Claims Probability Forecaster	Uses AI to forecast the likelihood of claims based on vessel usage and history.
		AI Policy Comparison Assistant	Compares insurance policies and coverage options using AI.
Yacht Manager	Compliance tracking, contract management, owner reporting	AI Compliance Management	Automates tracking of compliance obligations and reporting.
		AI Contract & Schedule Tracker	Uses AI to monitor contract obligations, renewals, and schedules.

Industry Subsector Pain Points & AI Applications (4 of 4)

Industry Subsector	Common Business Frictions	Potential AI Application	How It Works
Yacht Manager	Compliance tracking, contract management, owner reporting	AI Owner Reporting Dashboard	Generates owner-ready reports with AI-driven summaries and visual insights.
Yacht Sales Brokers	Overwhelming data for buyers, spec comparisons, lead nurturing	AI Buying Experience Concierge	Uses AI to personalise the yacht buying experience and suggest options.
		AI Vessel Comparison Engine	Compares vessel specs and prices using AI to support buyer decision-making.
		AI Lead Nurturing Assistant	Uses AI to automatically follow up with leads and personalise engagement based on behaviour.

The technology to create any of these solutions exists today.
But if you're just getting started, the best advice is—start narrow, and start internally, before moving externally.

So next, I want to show you a few custom entry-level, high-value AI solutions that tackle common business problems.

Sail With The Wind

Applications to get started

AI-Powered Chat & Communication Tools

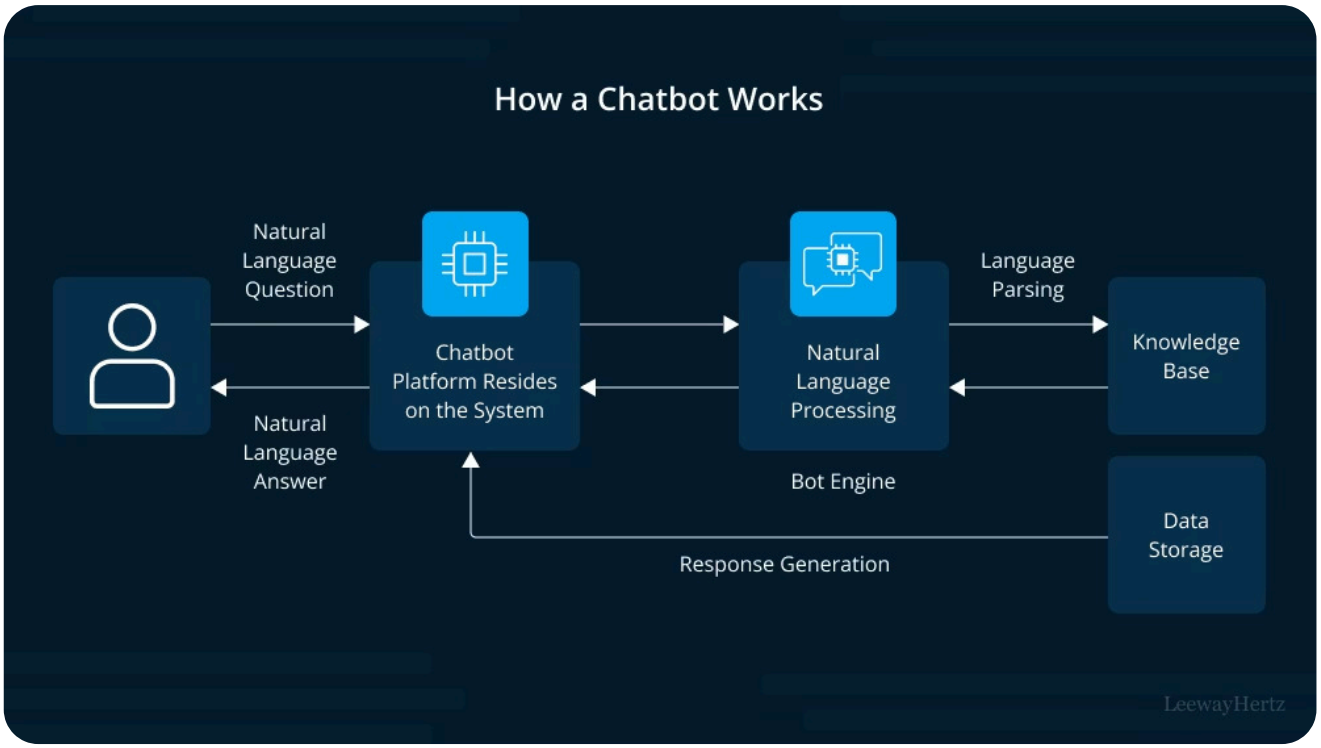


Image: Leeway Hertz - 12th May 2025

Internal-Facing Assistants

Deploy AI assistants giving teams quick access to company knowledge and service procedures. This supports staff efficiency and ensures consistent answers.

Client-Facing Chatbots

Expand to client-facing AI assistants handling common service queries and booking confirmations directly via your website or communication platforms.

Implementation Approach

Start internally for safety. Move externally once refined. Focus on solving specific communication pain points first.

AI chatbots can be trained on or access your internal company data and support your team by — handling company-specific questions, automating reports, and giving instant access to information.

Then, they can be extended to client service, providing 24/7 support and freeing your team from repetitive tasks.

Dynamic Dashboards & Reporting

Internal Operational Dashboards

AI-driven dashboards consolidate key data into a single view. This empowers decision-making and helps teams identify trends early.

Client-Facing Reporting

Offer client-ready dashboards using AI to create personalized reports and provide transparent operational data in real-time.

AI dashboards can start internally— pulling data from different systems into one real-time view, saving teams hours searching for information.

They can then be used for client reporting, delivering clear, automated updates and cutting manual reporting time.

Document & Process Automation

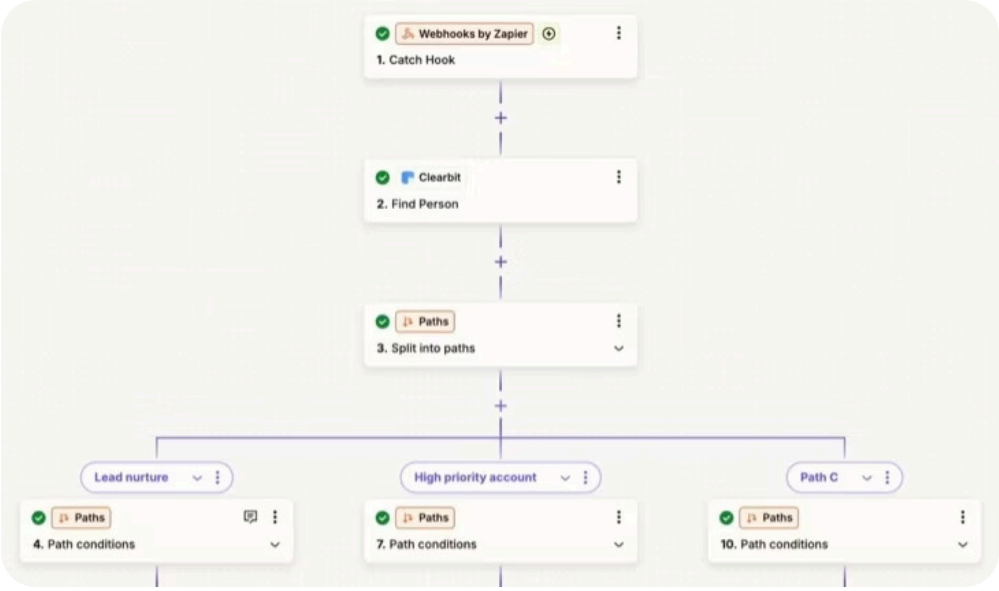


Image: [Zapier Workflows - 12th May 2025]

Internal Document Automation

Deploy AI tools to automate workflows like proposals and invoicing. This frees staff from repetitive manual tasks.

Refine & Optimize

Test systems internally. Make improvements based on staff feedback and performance metrics.

Client-Facing Automation

Expand to client portals where clients can self-generate documents and service reports.

AI document and process automation can first streamline internal tasks like document creation, data entry, and approvals—cutting admin time and errors.

Once refined, it can be extended to client-facing processes to accelerate contracts, proposals, and service delivery.

Digital Avatars & Video Content

And to show you what **AI-powered digital avatars** can do, I'd like to introduce you to my digital twin—Kristina.

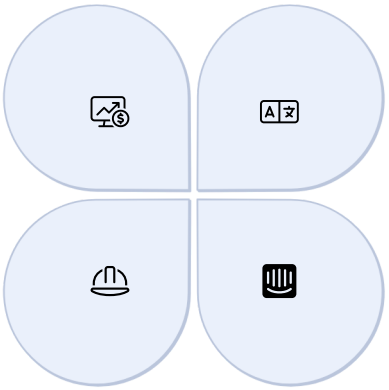
Please click the link to watch **Southern Sky AI - Digital Avatar Technology Demonstration - 12th May 2025**

Internal Training

Use AI-generated avatars for onboarding and safety briefings. Test production quality in a controlled environment.

Safety Protocols

Generate consistent safety demonstrations across your fleet with customisable avatars.



Multilingual Support

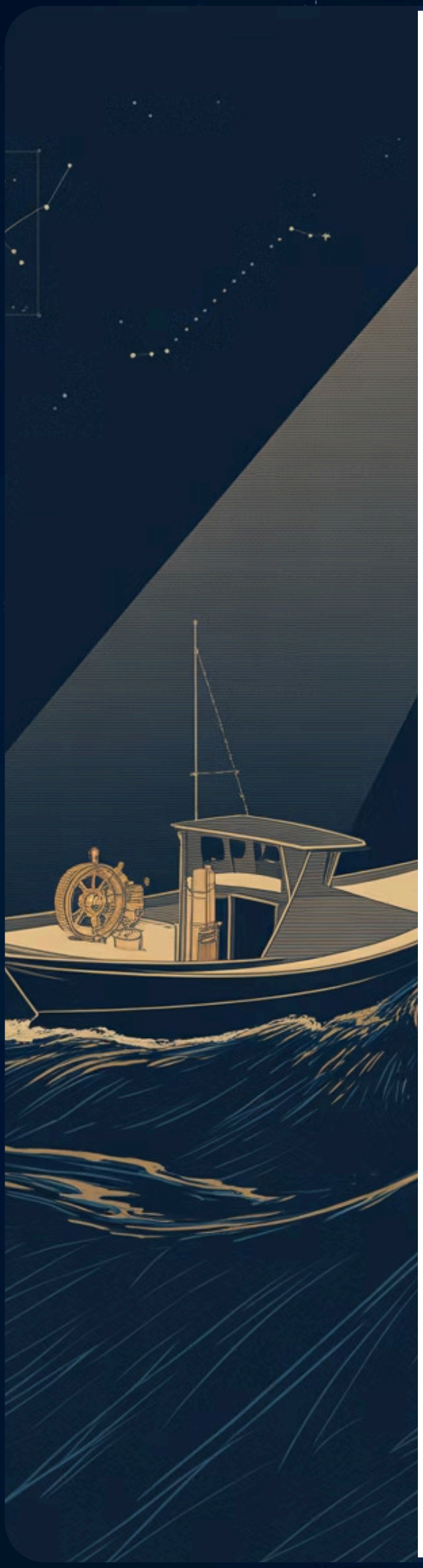
Create instruction videos in multiple languages for international maritime crews.

Client Experience

Develop welcome videos and service overviews enhancing customer experience without heavy production costs.

The way we can benefit from any of these tools is to start internally on a narrow business problem and iterate with your teams before scaling outward.

Crawl – walk – run.



Steering Deliberately Into Disruption

1

Start Small

Focus on one narrow, well-defined business problem. Be crystal clear on success metrics.

2

Iterate In-House

Begin with low-risk internal projects. Keep humans in the loop. Establish proper guardrails.

3

Scale Outward

Carefully expand once you've mastered your foundation. Add real value at each step.

> Resist the temptation to do everything, everywhere, at once.
>
> The **crawl-walk-run** approach ensures precision rather than chaos, bringing your people along for the journey.

PART TWO - HOW TO

Security and data frameworks

Make vs buy decisions

Safe implementation approaches

The AI Security Spectrum: From Basic to Bulletproof

This isn't just a hierarchy of control — it's a tool to help you align how sensitive your data is with how secure your AI environment needs to be.

Level 1: Public Web Tools

Level 2: Paid Public AI Tools (Do Not Train Settings)

Level 2.5: Professional SaaS AI Platforms

Level 3: Enterprise AI Tools

Level 4: Private Cloud AI

Level 5: On-Premise (Self-Hosted) AI

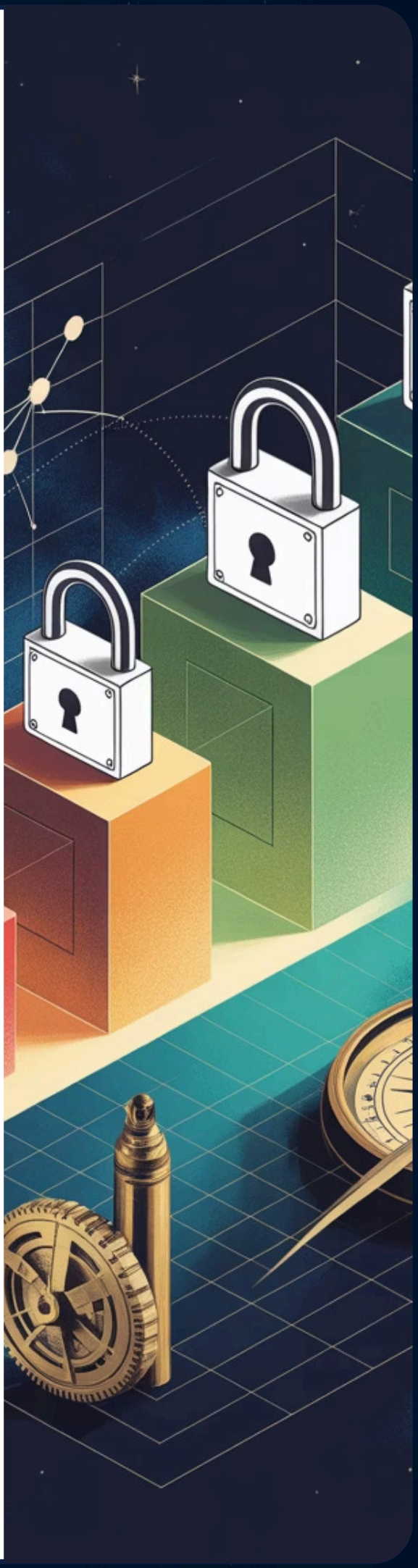
Level 6: Air-Gapped Systems

In our industry, confidentiality is foundational.

We handle UHNW clients, sensitive crew data, and commercially valuable business information.

How we engage with AI, where data goes, and how it's stored are critical decisions.

Fear of data risk often holds businesses back. But we can manage those risks and still take advantage of AI's value.



BUYING GENAI

Level 1: Public Web Tools

Free AI tools accessed via the open internet, with no contractual data protections.

- Examples: ChatGPT (free), Claude (web), Gemini
- Used by: Freelancers, students
- ✅ Great for general brainstorming
- 🚫 Not secure — anything you type may be stored and used for model training
- 🔓 Risk Level: Very Low

Level 2: Paid Public AI Tools (Do Not Train Settings)

Tools like ChatGPT Plus or Claude Pro that offer opt-outs from training, but still operate in shared public environments.

- Examples: ChatGPT Plus, Claude Pro
- Used by: Professionals, consultants
- ✅ Better performance and privacy than free tools
- ⚠️ Still lacks true data isolation or enterprise-grade control
- 🔐 Risk Level: Moderate

Level 2.5: Professional SaaS AI Platforms

Standalone AI tools built for business use — high-performing, often task-specific, and increasingly mature in privacy features.

- Examples: AutogenAI, Jasper, LexisNexis+
- ✅ Fast, effective, and purpose-built for business outcomes
- ✅ Many offer "Do Not Train" settings or custom terms
- 🔐 Risk Level: Moderate

Level 3: Enterprise AI Tools

AI embedded inside enterprise software, designed to operate under a corporate compliance framework.

- Examples: Microsoft 365 Copilot, Salesforce Einstein, Google Workspace AI
- ✅ Seamless to deploy across an organization; supported by IT governance
- ⚠️ Not as capable as standalone models like GPT-4 or Claude
- 🔐🔐 Risk Level: Moderate to High

Buying AI tools gives you fast access to powerful capabilities—but it's important to understand the levels of control and data protection they offer.

BUILDING GENAI

Level 4: Private Cloud AI

The model is hosted in your own virtual private cloud, giving you control over infrastructure, access, and data storage.

- Examples: Self-managed models in AWS, Azure, GCP
- ✅ Strong security and compliance
- ✅ Enables things like Retrieval-Augmented Generation using internal documents
- 🔐🔐🔐 Risk Level: High

Level 5: On-Premise (Self-Hosted) AI

The AI runs on your own servers — disconnected from the cloud — giving you full sovereignty over performance and privacy.

- Examples: LLaMA 3, DeepSeek, Mistral hosted internally
- ✅ Ideal for contract reviews, NDAs, owner records
- ✅ Nothing leaves your walls
- 🔐🔐🔐🔐 Risk Level: Very High

Level 6: Air-Gapped Systems

These are fully isolated systems — often offline — used for highly classified environments.

- Examples: Microsoft's GPT-4 deployment for U.S. Intelligence
- ✅ Ultimate confidentiality; no external connectivity
- 🛑 Risk Level: Top Secret

A Note on Local Open Source Models

Open source LLMs like **LLaMA 3**, **DeepSeek R1**, or **Mistral** allow teams to **download and run models entirely offline**. This is appealing for security—but there are important trade-offs:

- ❌ They are **not as powerful** as GPT-4 or Claude Sonnet.
- ⚙️ They often run **slower**—especially on local or modest hardware.
- 💻 They require **technical setup** and maintenance.
- ✅ But they are **free to use**, offer **full data control**, and can work offline.

Building AI systems—whether in the cloud or on-premise—gives you greater control over how data is handled, alongside more flexibility to tailor solutions to your needs.

Reality Check: Hosting Costs & Trade-offs

$0-40

Consumer AI Tool

Public access, low control

$20-80

Enterprise SaaS AI

Good fit for internal use

$50-150

Professional SaaS AI

Higher value per user for task-specific outcomes

$10K-100K+

On-Premise Self-Hosted

Hardware + engineers + GPU licensing

> **The sweet spot for most superyacht companies lies somewhere between Level 2.5 and Level 4 —depending on the task and sensitivity.**

When we look at cost and capability trade-offs, most superyacht businesses will find the sweet spot between Level 2.5 Software as a Service tools and Level 4 private AI Cloud systems. These levels give you powerful AI while keeping data protected, without the need for heavy infrastructure.

For highly sensitive data, you can also use a **sanitise, interact, reidentify approach.** Strip out sensitive details locally, use the AI model, then reinsert the data back inside your secure environment. This lets you safely access AI capabilities, even for high-risk tasks, while keeping control of the most sensitive information.

AI can be used safely and effectively in our industry—when you match the system to the level of confidentiality you're protecting.

PART THREE - CONSIDERATIONS

Legal and regulatory requirements

Responsible AI principles

Environmental impact

Responsible AI Use: Ethics & Transparency

Bias and Fairness

AI systems may perpetuate biases from training data. Regular audits ensure fair outcomes across all user groups.

Human Oversight

Our human-in-the-loop approach maintains accountability. Critical decisions receive human review before implementation.

Transparency

Clear explanation of AI decision-making builds trust. Stakeholders deserve understandable justifications for outcomes.

As we bring AI into our businesses, we need to do it in a way that **reflects our values**—using it responsibly, meeting legal and regulatory obligations, and supporting our industry's commitment to sustainability.

AI reflects the data it learns from, and any bias in that data can influence its outputs. That's why fairness, explainability, and human oversight should be part of every use case.

In higher-risk situations, teams need to review, understand, and explain how recommendations are made.

Global Legal Frameworks for AI

EU AI Act (2024)

World's first binding AI law using **risk-based tiers**. Applies to all companies whose AI is used within the EU. EU AI Act - 17 June 2024

Australia

No dedicated AI legislation yet. Existing laws on privacy, discrimination, workplace safety, and consumer protection apply to the use of AI. Voluntary AI Ethics Principles guide business use and procurement. AusGov (AI) Ethics Principles - 11 October 2024

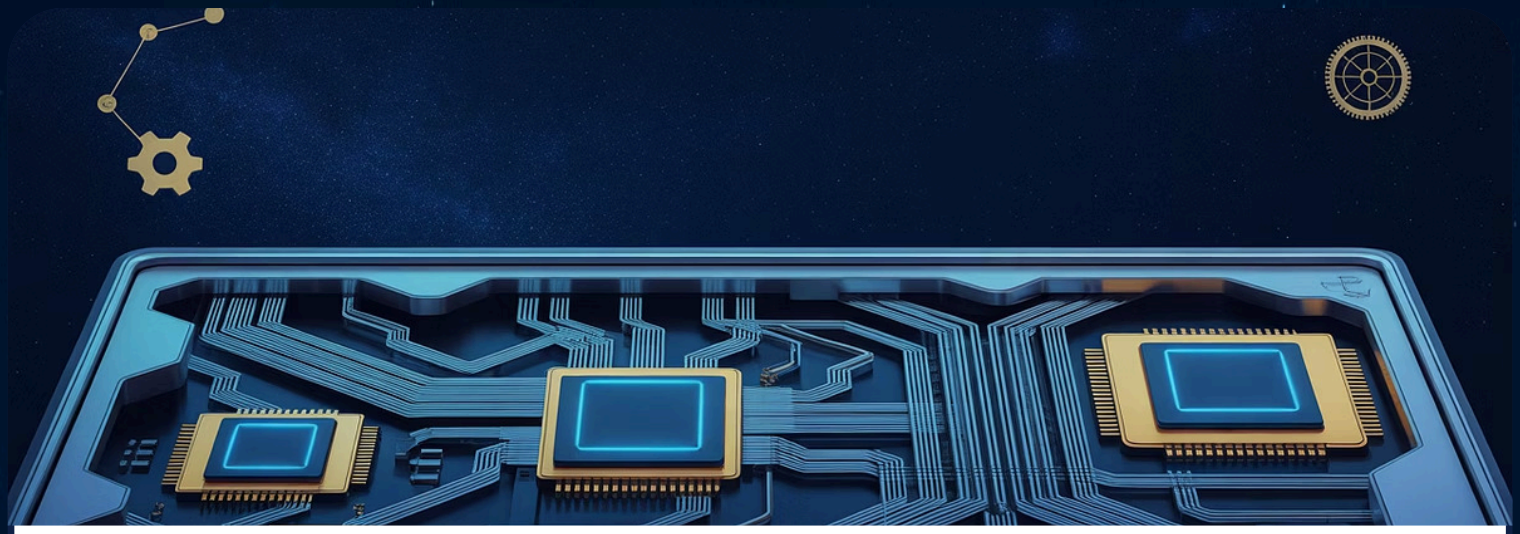
United States

Sector-by-sector approach. AI Executive Order (2025) "Removing Barriers to American Leadership in Artificial Intelligence." Rescinded 2023 order to promote innovation. US Executive Order - 23 January 2025.

The EU AI Act (2024) is the world's first binding AI law, applying to any AI system used in the EU or placed on the EU market—regardless of where the provider is based. The Act focuses primarily on builders of AI systems, placing strict obligations on how models are designed and trained.

Australia has no dedicated AI law yet, but privacy, discrimination, safety, and consumer protection laws still apply, supported by voluntary Responsible AI Principles.

In the **United States**, the new administration openly promotes innovation by way of Executive Order. There's also no federal law yet.



AI Buyer vs AI Builder Responsibilities

AI Builders

Direct obligations under AI-specific laws

Responsible for model design and training

AI Buyers

Accountable for how tools are used

Responsible for data applied and outcomes

Shared Accountability

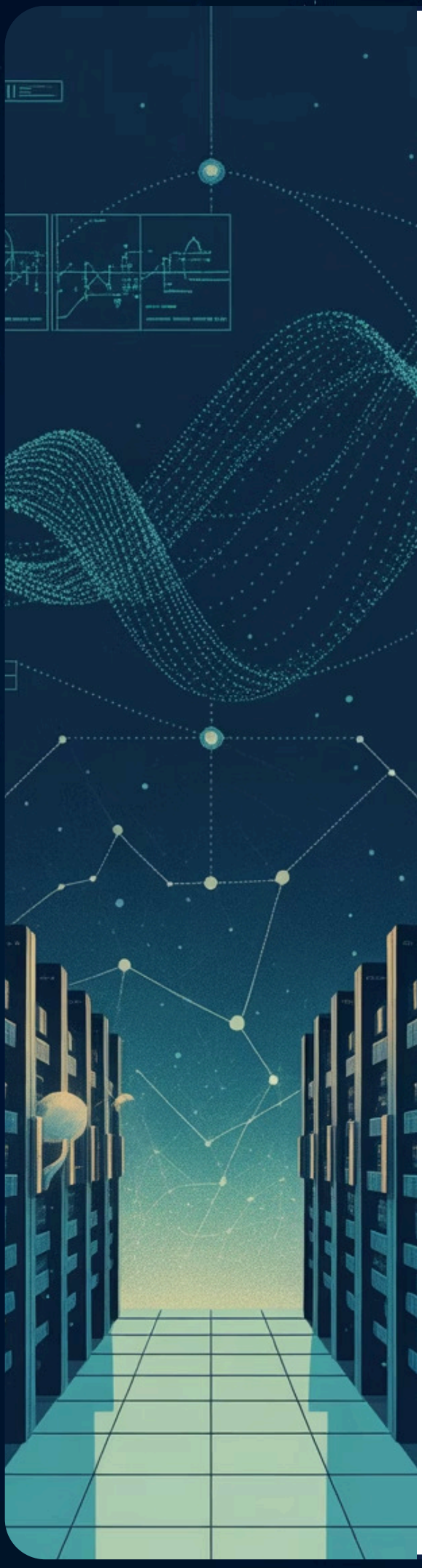
Higher risk = higher responsibility

Need for safety and explainability

> **Whether building or buying AI, your business remains accountable for outcomes and responsible use.**

For most businesses, you'll be using AI tools, not building them. The legal obligations largely sit with the builders—the ones designing and training the models.

But as users, we still need to be mindful that the way AI is applied—and the outcomes it supports—remain our responsibility.



Environmental Impact of AI

Practical Sustainability Actions

Right-Size Computing

Use only the computing power needed for the task

Batch Processing

Run inference and reporting in groups when possible

Efficient Models

Choose smaller models for day-to-day operations

Given our industry's commitment to sustainability, it would be negligent not to raise the environmental impact of AI.

AI's energy use is rising fast. By 2030, data centres could consume 4.5% of global electricity—the same as multiple nuclear plants.

Big tech is acting: Microsoft, Google, and AWS have set aggressive targets—carbon negative, water positive, zero waste by 2030. Google is also taking steps to bring nuclear energy into the AI supply chain.

At a business level, you can reduce impact by using smaller models for day-to-day tasks, right-sizing computing power, and batching processes where possible.
Keeping prompts focused and workflows efficient also cuts unnecessary compute—and cost.

AI as a Sustainability Driver

> **AI can be a powerful tool for smarter, cleaner energy use globally.**
>
> - Reid Hoffman CEO LinkedIN *"Pioneers of AI"* Podcast 23 April 2025

Monitor Energy

AI tracks resource consumption in real-time

Predict Behaviour

Systems anticipate needs and optimise operations

Reduce Emissions

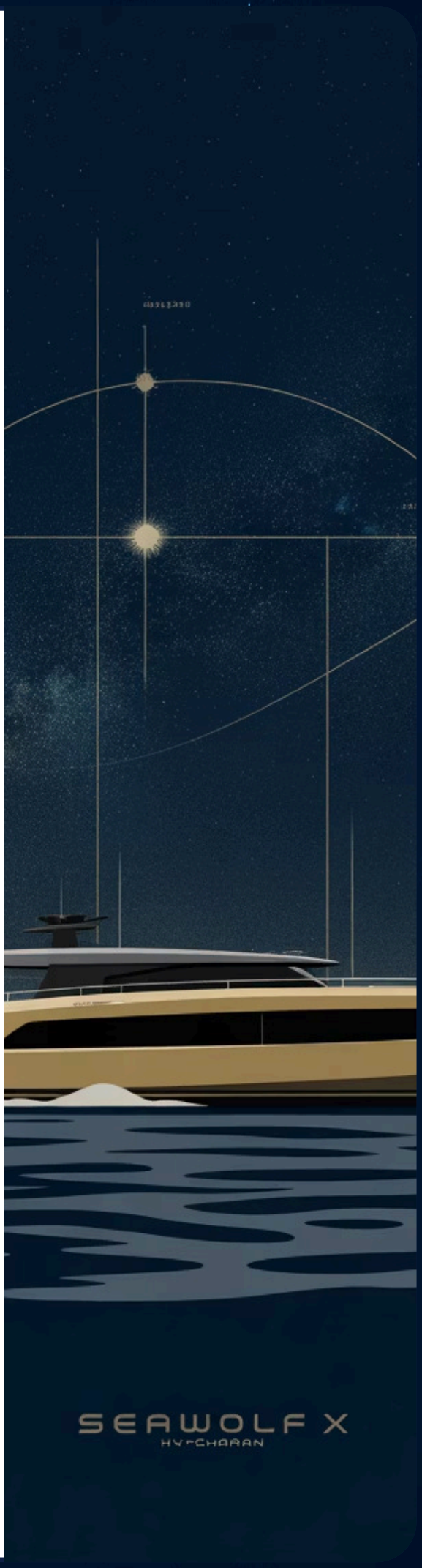
Outcomes include significant environmental benefits

AI can accelerate our path to environmental sustainability, as demonstrated by Rossinavi's Seawolf X hybrid-electric catamaran. Rossnavi - 14th October 2024

Importantly, AI can drive sustainability too.
It can help monitor, predict, and optimise operations —cutting resource use and emissions.

Rossinavi's Seawolf X catamaran launched May last year is a great example, where AI reduced fuel use and emissions across the vessel's lifecycle.

Reid Hoffman, co-founder of LinkedIn and a leading voice in responsible AI, suggests that AI can be a powerful tool for enabling smarter, cleaner energy use globally.



PART FOUR - CULTURE, ADOPTION & TRAINING

Creating experimental mindsets

Team training and support

Positioning AI as augmentation

The Silent AI Revolution

3x

Employee Usage

Employees use AI three times more than C-suite leaders believe

48%

Training Need

Nearly half say formal training would boost adoption

1/5

Support Gap

Over 20% receive minimal or no support with AI tools

Your teams are already experimenting with AI—often without guidance or support. They seek leadership, not barriers.

McKinsey, *Superagency in the Workplace* - 28 January 2025

Earlier, I shared that no matter the technology, it's domain expertise and leadership that will decide whether AI succeeds in any business.

These final thoughts are about how leadership can make that happen.

Across industries, teams are already using AI—often without clear guidance or support.

They're asking for more help to use it safely, effectively, and with confidence.

Millennials: Your AI Champions

Extensive Familiarity

62% report extensive AI knowledge—highest of any generation

Workplace Comfort

90% feel comfortable using generative AI at work

Problem Solving

Actively recommend AI tools to solve business challenges

Team Leadership

Two-thirds field AI questions weekly from their teams

Millennial managers are uniquely positioned as natural AI champions within your organisation.

McKinsey, *Superagency in the Workplace* - 28 January 2025

Much of this early momentum is being driven by millennial managers—those aged 35 to 44.

They are some of the most experienced and enthusiastic AI users in the workforce and are already helping their teams explore and apply it in day-to-day work.

This is where leadership makes all the difference.

Creating Permission Space

Provide Safe Spaces

Create environments where experimentation carries no penalty

Invest in Training

Develop structured support systems and continuous learning opportunities

Demonstrate Leadership

Model curiosity and openness rather than fear or resistance

Empower Champions

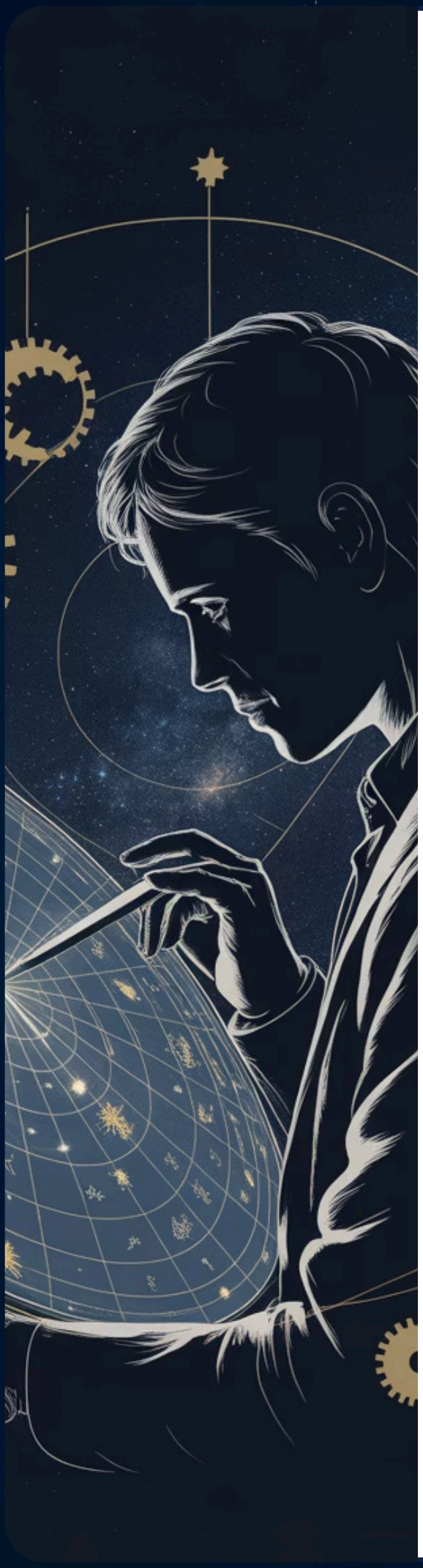
Support your millennial managers as they drive adoption

Unlike other transformations where employees resist change—with AI, millenial managers are eager to lead.

Leaders can create space for experimentation, back internal champions, and invest in hands-on training that helps teams apply AI to real business problems.

It's also about shifting the conversation—from fear of replacement, to AI as a tool that amplifies human strengths and frees people up for higher-value work.

When leaders set this tone, celebrate the wins, and engage with AI themselves, they show their teams that AI is not about replacing expertise—but elevating it.



Augmentation, Not Replacement

Shift the Narrative

Emphasise AI as an amplifier of human strengths, not a replacement for people

Celebrate Wins

Recognise and share successes where AI has enhanced human capabilities

Measure Progress

Track not just adoption rates but meaningful productivity and satisfaction gains

Steer Deliberately

Take control of your AI journey with intentional leadership and cultural support

> **The future belongs to organisations that harness AI to supercharge their human capital—not replace it.**

This is the moment to steer a deliberate course into disruption—with domain expertise and leadership firmly at the helm.

Access Our Newsletter & Stay Connected

As you could perhaps gather, this is a subject I'm incredibly passionate about.

If you'd like to keep in touch or would like some resources; the first QR code below is to save my contact details, and the second is to sign up for occasional email insights and upcoming training announcements.

— Thank you, Kristina.

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Save Contact Details

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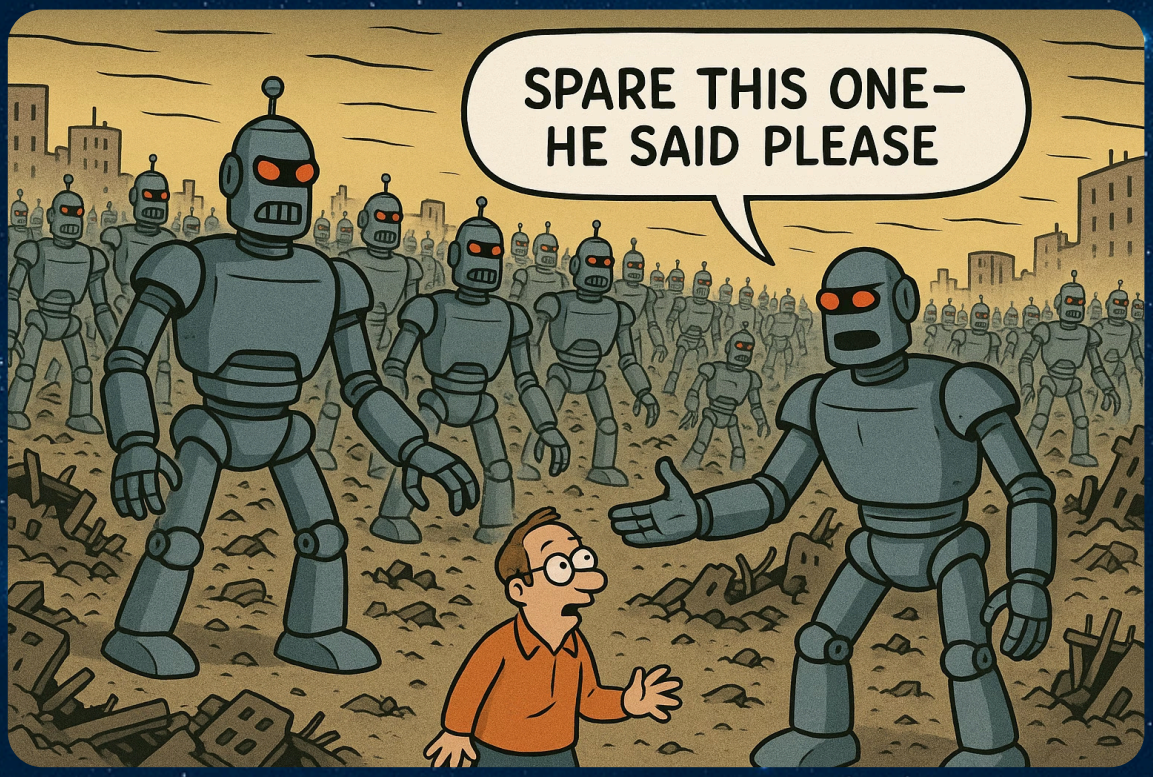
Email: kristina@southernsky.ai | **LinkedIn:** @KristinaAgustin



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