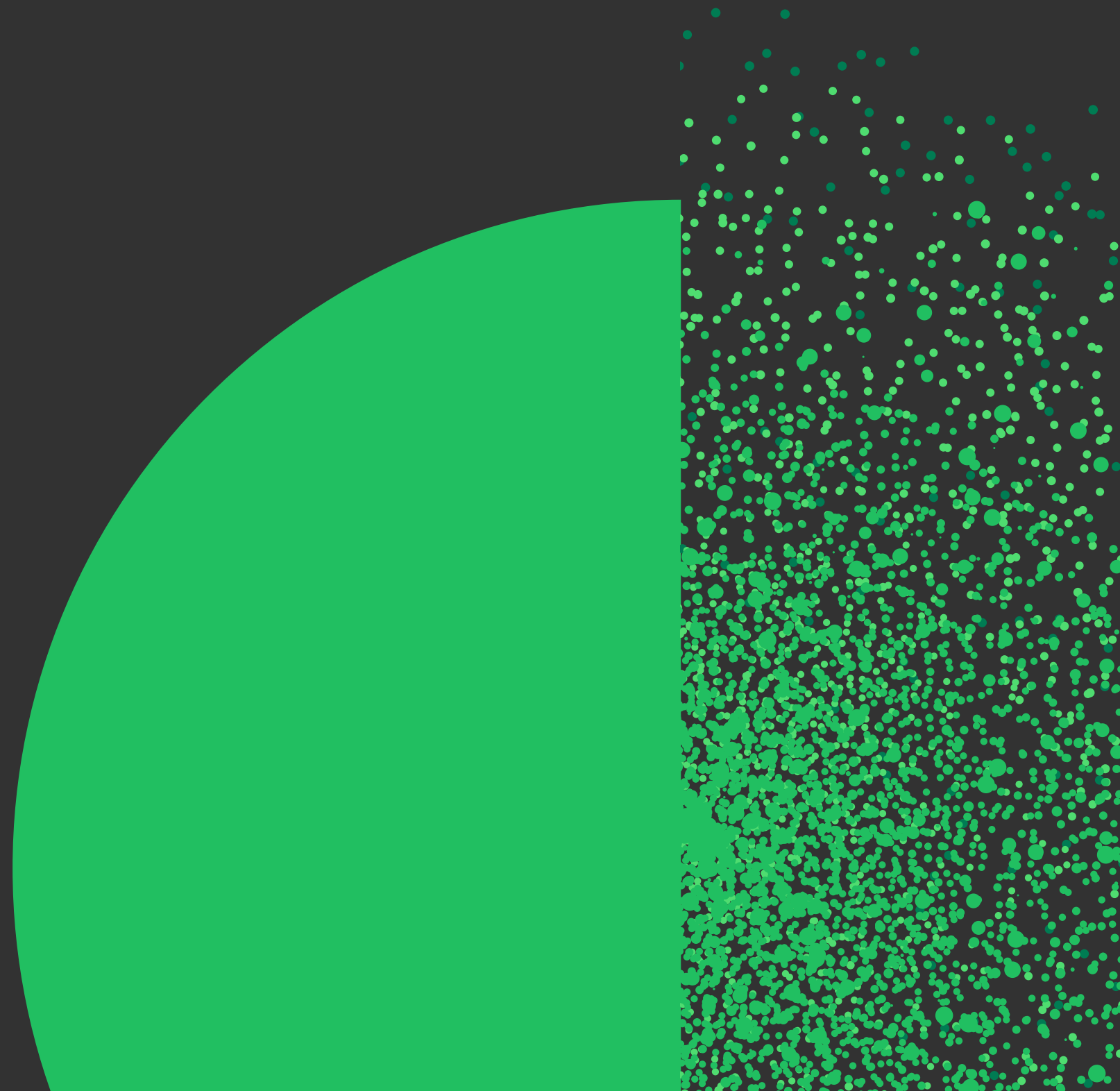


BCG AI RADAR

From Potential to Profit with GenAI

JANUARY 2024



Generative AI
will revolutionize
the world—and
**executives want
to capitalize**

71%

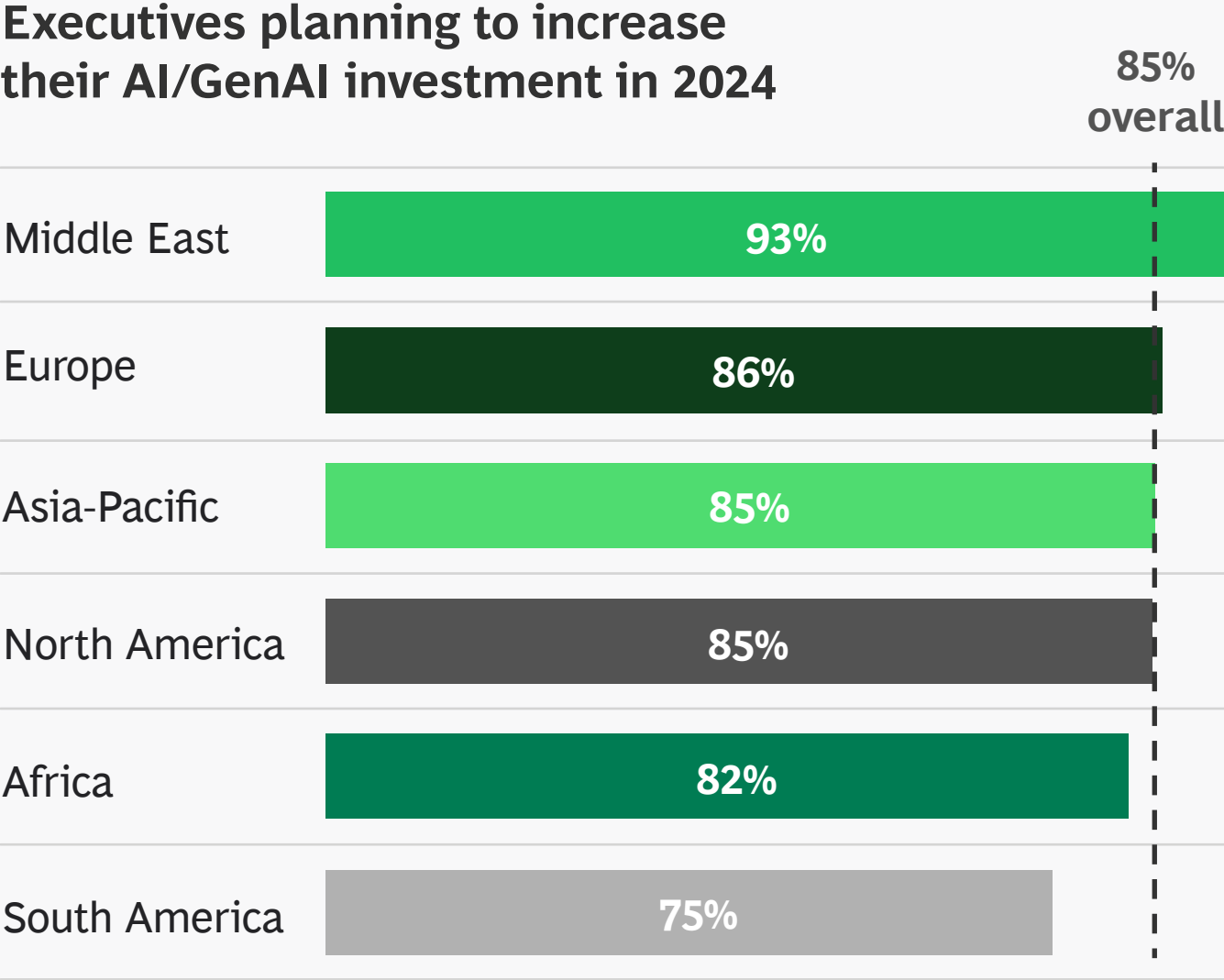
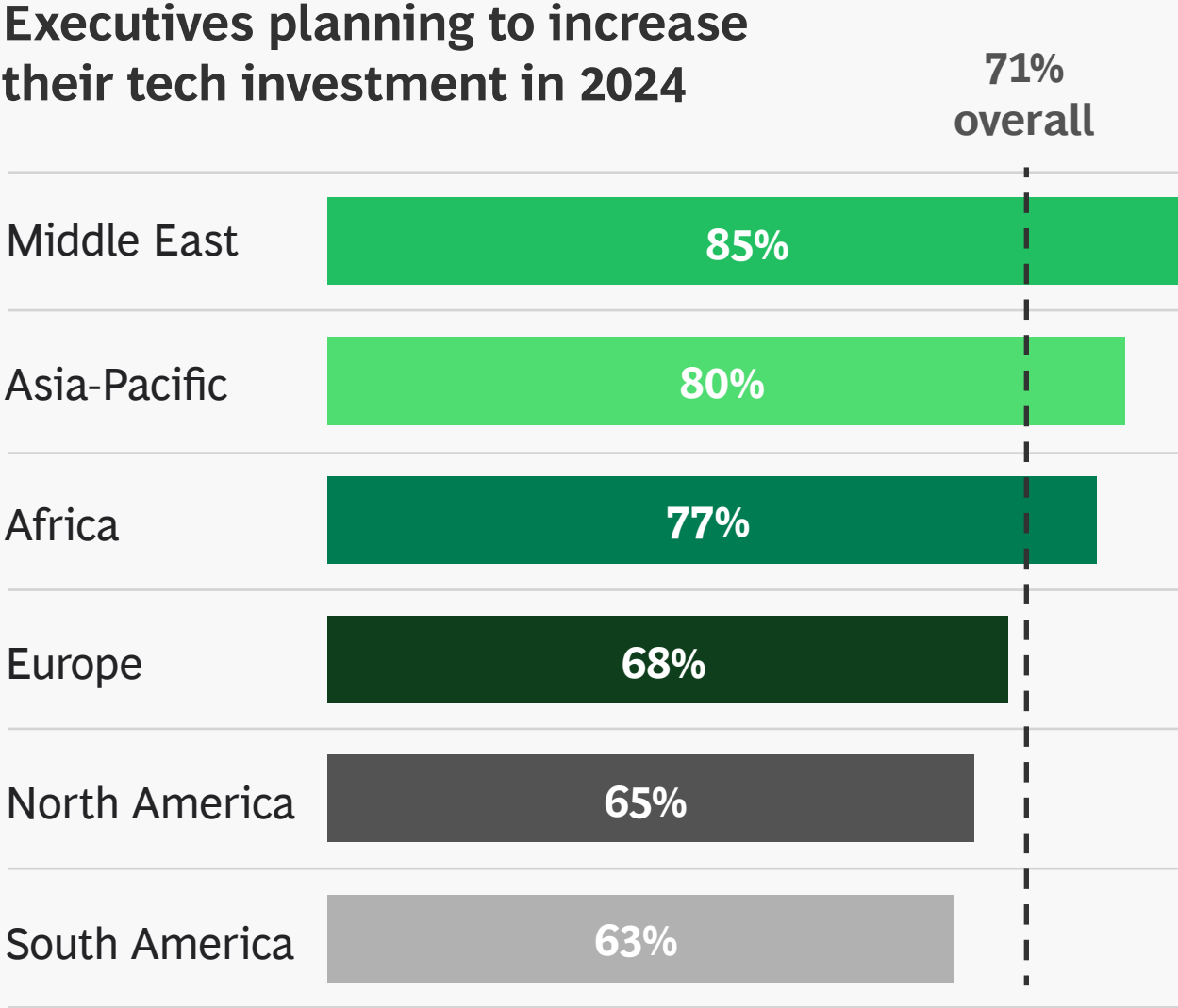
of executives surveyed say that they plan to **increase tech investments** in 2024—an 11-point jump from 2023



89%

rank AI and GenAI as a **top-three tech priority for 2024**, and 51% put it at the top of their list (cybersecurity and cloud computing are the other two top priorities)

A global wave of rising tech and AI/GenAI investment



Source: : BCG AI Radar (2024); n = 1,406 in 50 markets.

Note: In Asia-Pacific, n = 308; in North America, n = 303; in Europe, n = 647; in the Middle East, n = 28; in South America, n = 51; in Africa, n = 69.

However, most organizations are **not doing enough** to realize the benefits of the technology.

66%

of executives are **ambivalent or outright dissatisfied** with their organization's progress on AI and generative AI so far.

Source: BCG AI Radar (2024); n = 1,406 in 50 markets. For executives reporting dissatisfaction, n = 310.

Top three reasons for dissatisfaction

- 1** Lack of talent and skills
- 2** Unclear AI and GenAI roadmap and investment priorities
- 3** No strategy for responsible AI and GenAI

Executives across the board face pressing challenges

6%

of companies have managed to train more than 25% of their people on GenAI tools so far

46%

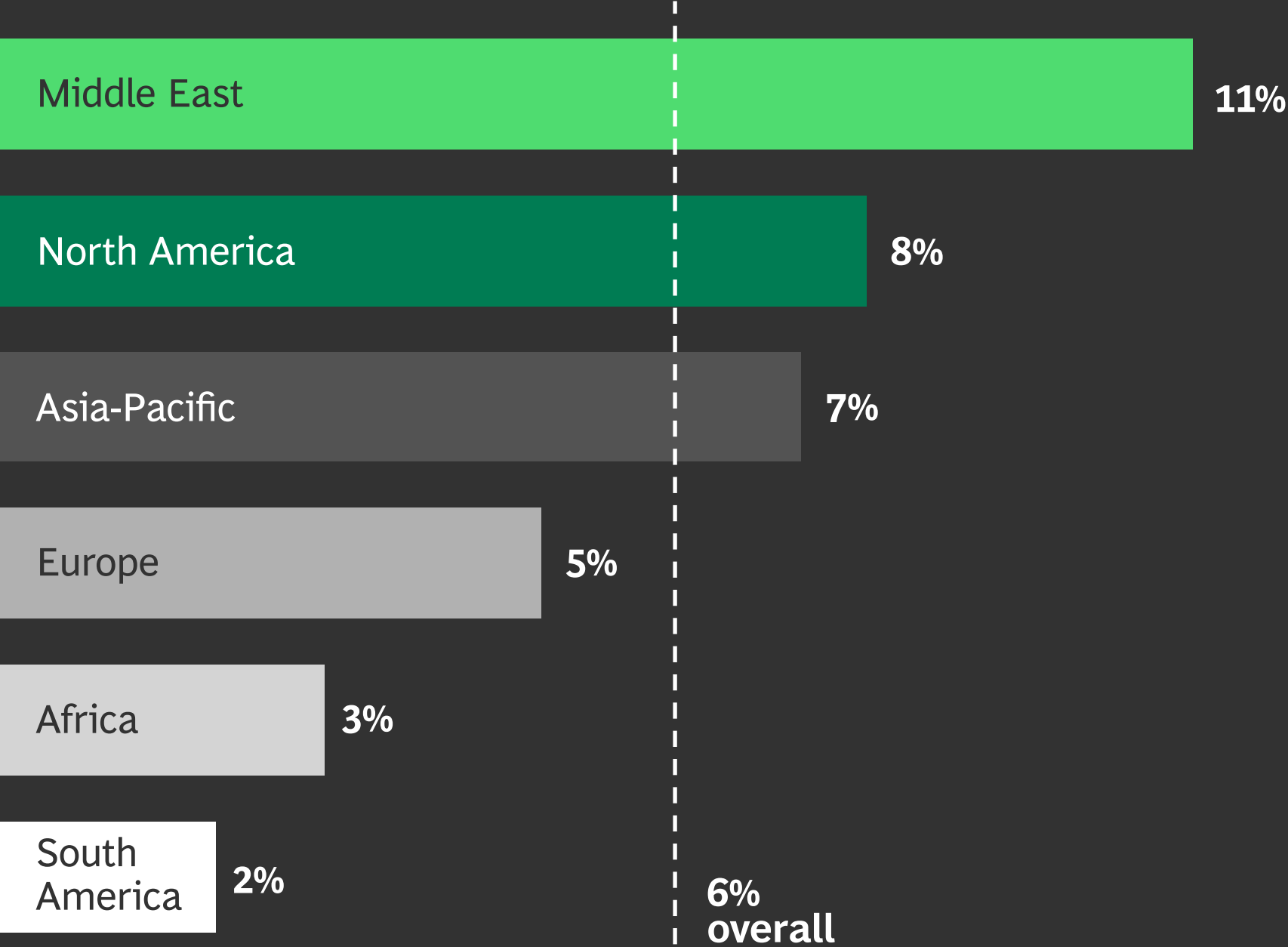
of their workforce, on average, will need to undergo upskilling in the next three years due to GenAI

62%

say their firms are still waiting to see how AI-specific regulations develop

Executives worldwide must boost upskilling, as Europe, Africa, and South America are falling behind.

Executives who report that more than 25% of their workers have trained on GenAI tools



Source: BCG AI Radar (2024); n = 1,406 in 50 markets.
Note: In Asia-Pacific, n = 308; in North America, n = 303; in Europe, n = 647; in the Middle East, n = 28; in South America, n = 51; in Africa, n = 69.

90%

are either waiting for GenAI to move beyond the hype or experimenting in small ways.

Source: BCG AI Radar (2024); n = 1,406 in 50 markets.



These are **the observers**. They are opting for a wait-and-see approach.

That's not an option with generative AI.

Winners are acting now— here's how they're staying ahead

Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

1

Winners invest for productivity and topline growth.

They target 10%+ productivity gains and reinvest for revenue uplift.

2

Winners are upskilling systematically.

They are scaling their learning muscle—and that extends to executives as well.

3

Winners are vigilant about cost of use.

They understand that cost of use has long-term implications and must command attention now.

4

Winners build strategic relationships.

They develop an ecosystem of partners to manage complex and rapidly evolving challenges.

5

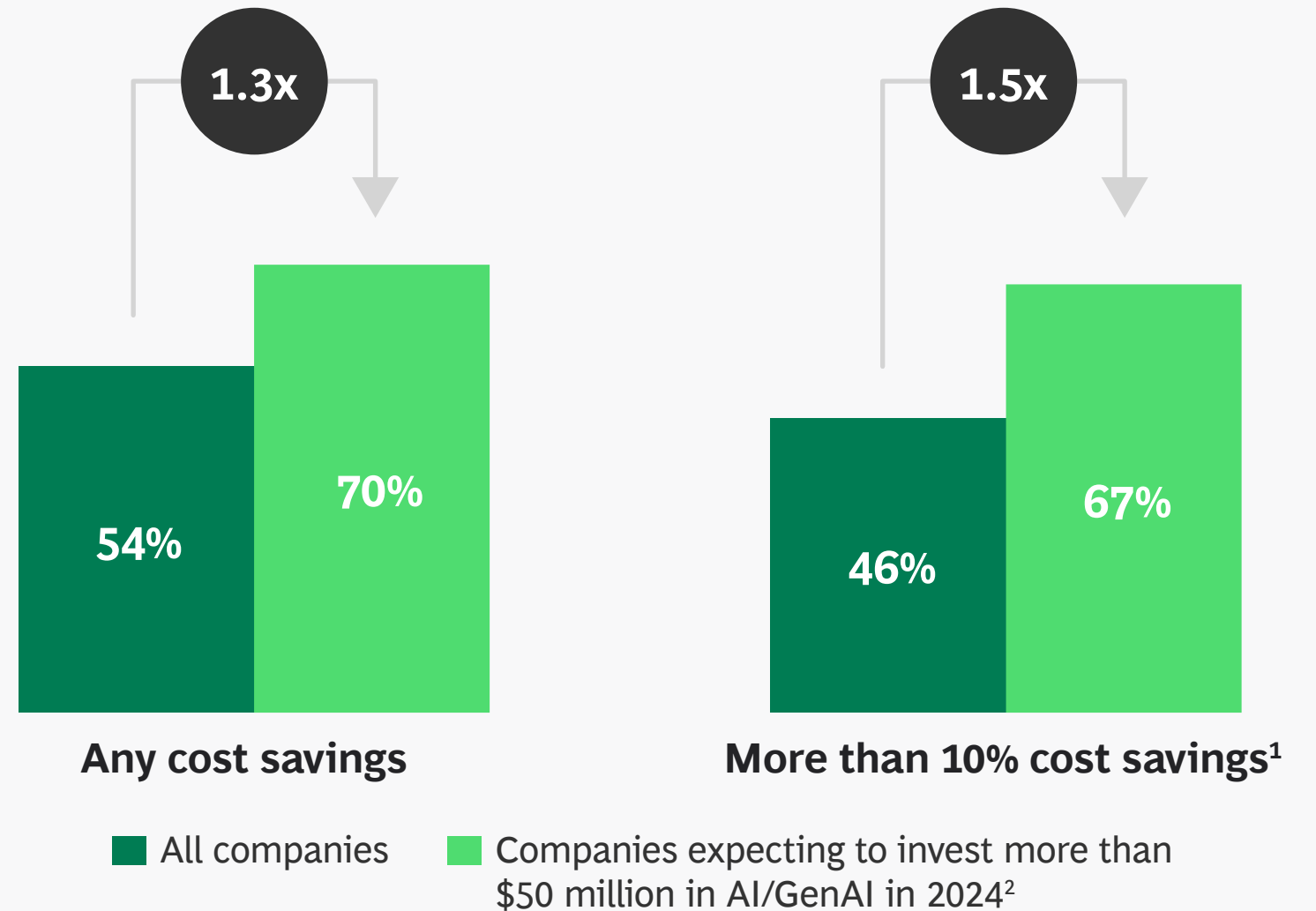
Winners implement responsible AI (RAI) principles.

They put RAI on the CEO agenda and proactively plan for emerging policies and regulations.

One of the biggest benefits that GenAI promises is **productivity gains**.

The potential benefit is even greater for companies that invest more—they're **1.5x** more likely to anticipate upward of 10% in cost savings.

Percentage of companies expecting cost savings in 2024



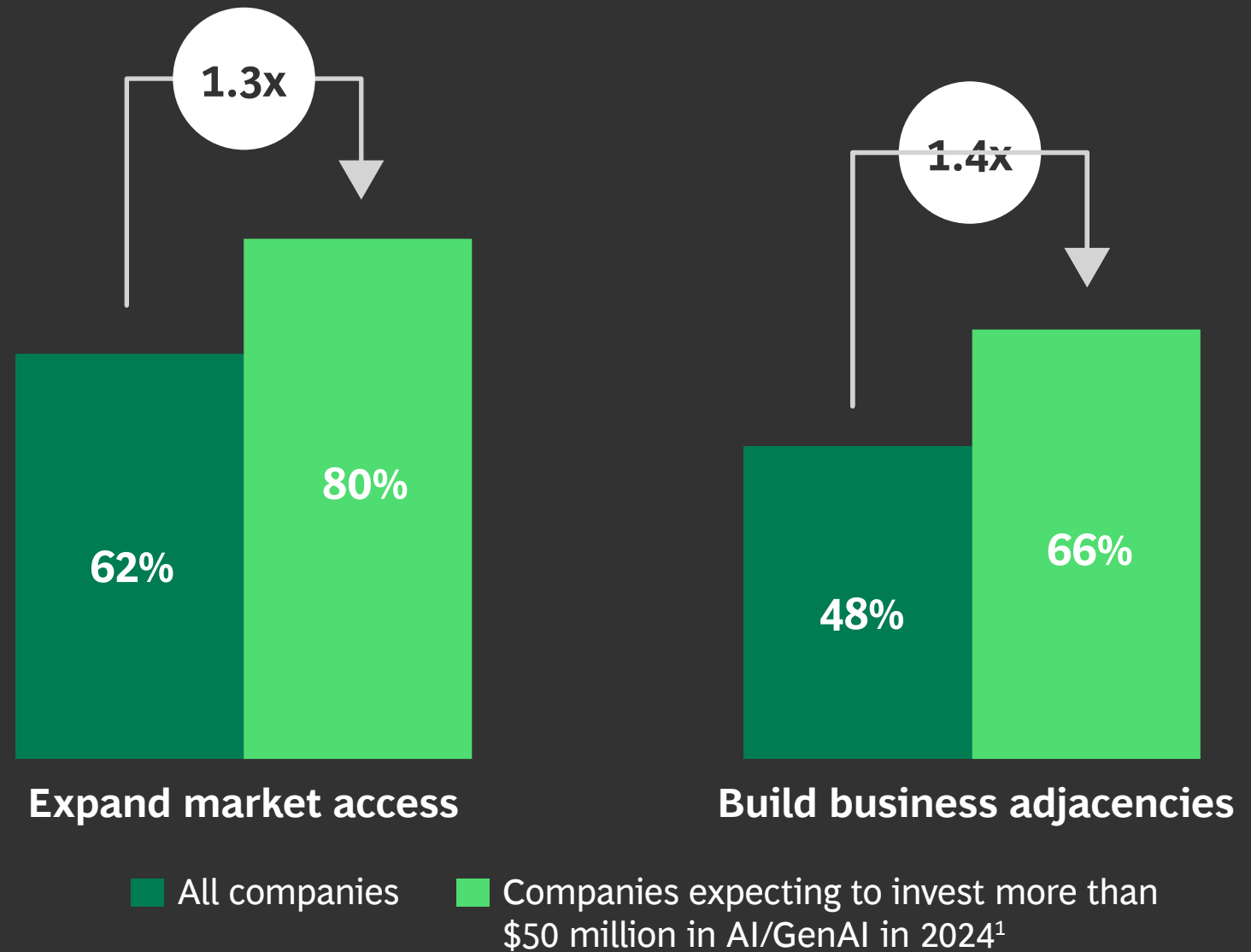
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

¹Of companies expecting cost savings.

²For companies expecting to invest more than \$50 million, n = 122.

The key is to invest in productivity—and topline growth.

Key goals for growth with AI and GenAI investments



Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

¹For companies expecting to invest more than \$50 million, n = 122.


The imperative to provide GenAI training is clear.

Executives believe that

46%

of workers, on average, will need to be reskilled in the next three years.

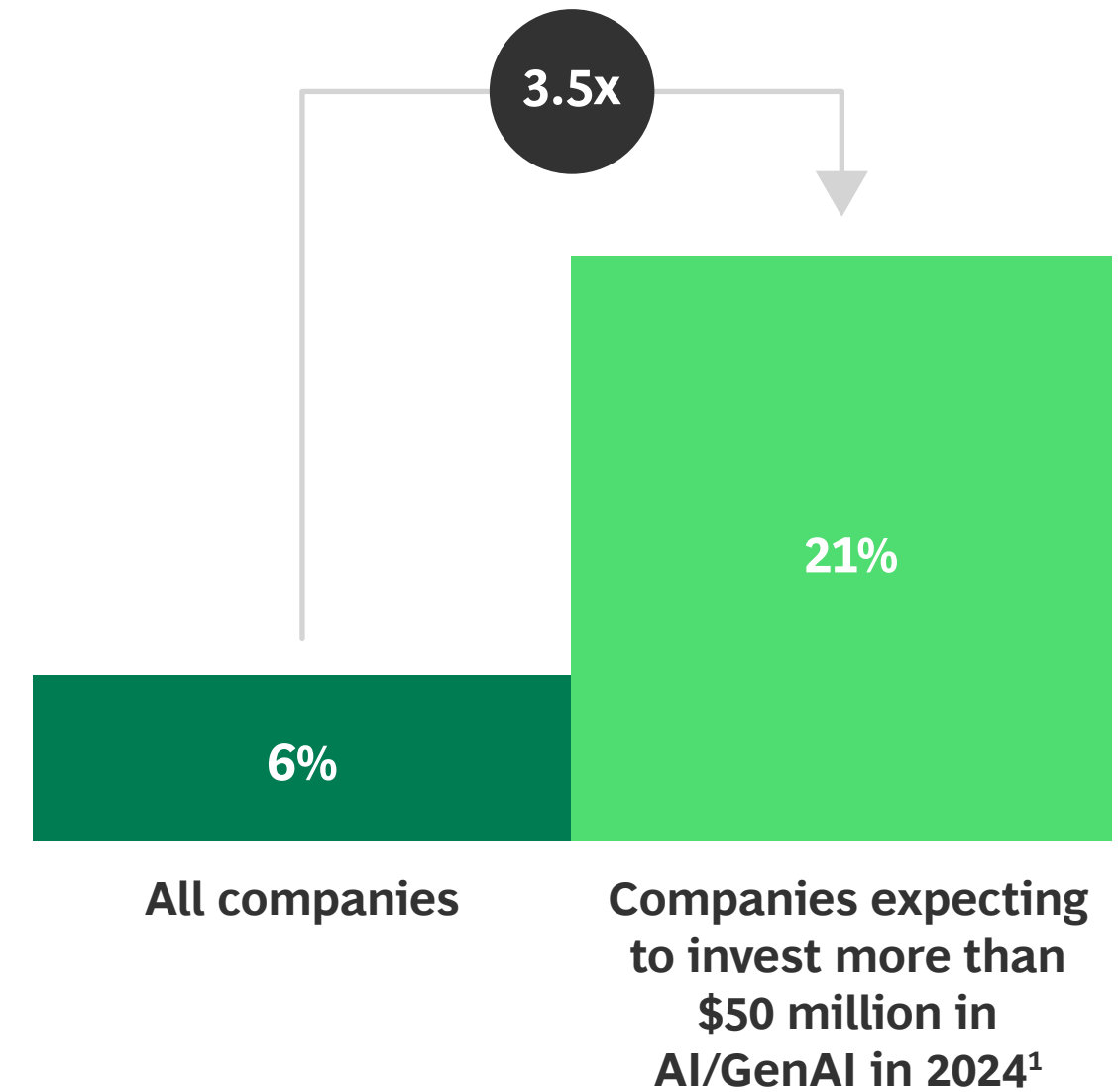
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.



Overwhelming majorities believe that GenAI will create new roles (81%) and require significant change management (74%).

Companies that invest more are **ahead on reskilling their workers**—and on building their **learning muscle at scale.**

Companies with more than 25% of their workforce trained on GenAI tools



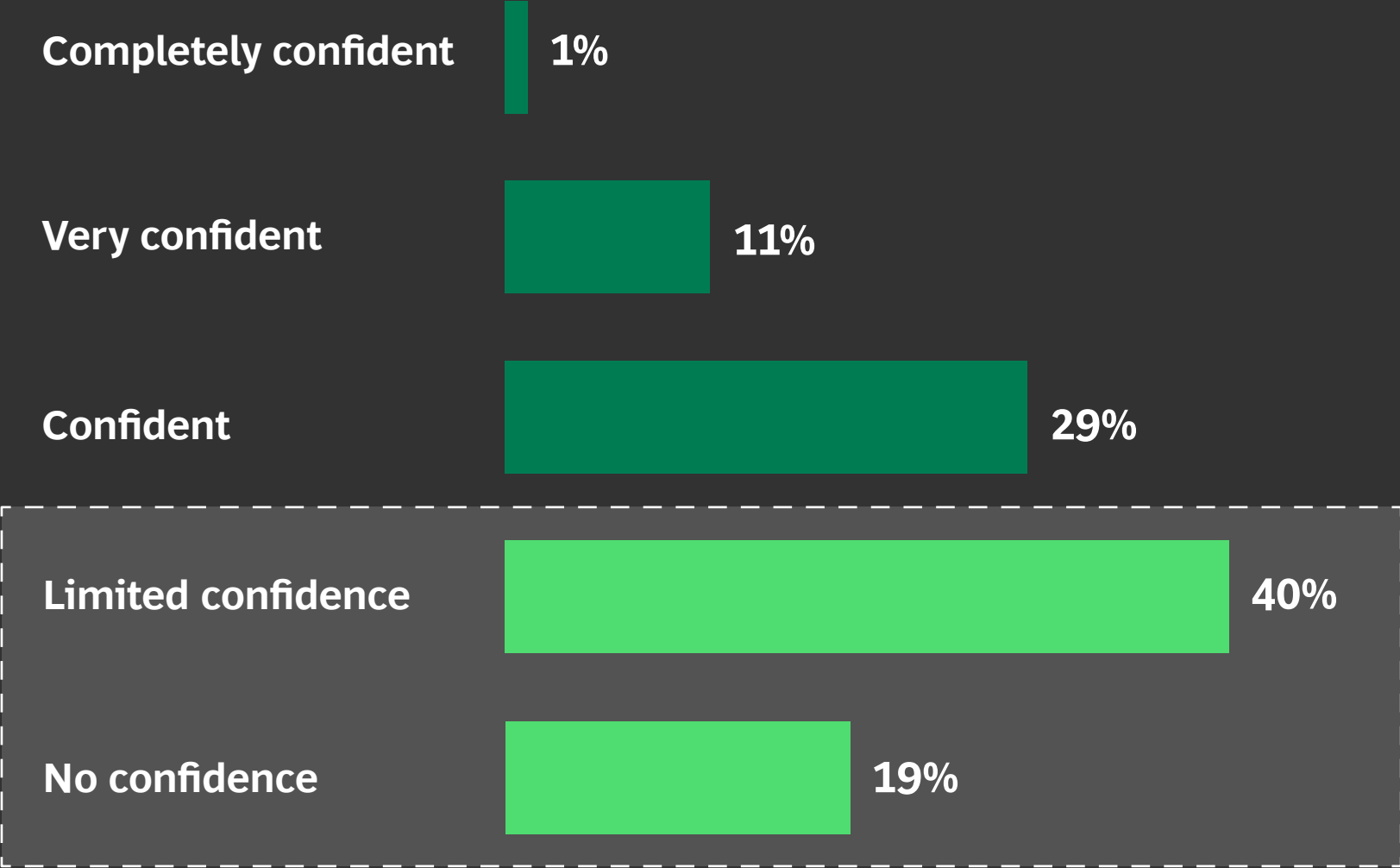
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.
¹For companies expecting to invest more than \$50 million, n = 122.

The need to upskill extends to the C-suite.

59%

of leaders surveyed say they have **limited or no confidence** in their executive team's proficiency in GenAI.

Confidence in the executive team's GenAI proficiency



Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

Cost of use, which has serious long-term implications, is not commanding the attention it should

Most important consideration when choosing an AI and GenAI solution

IP and data protection

39%

Quality and performance

32%

Cost

19%

Winners are building **strategic relationships** with an evolving ecosystem of partners

Potential partners seen as a trusted source of information

Big tech platforms

71%

Software providers

49%

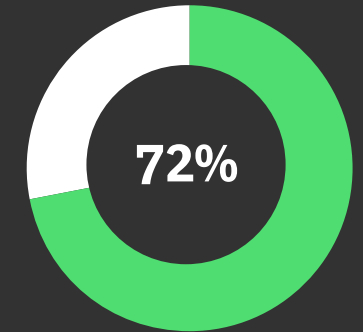
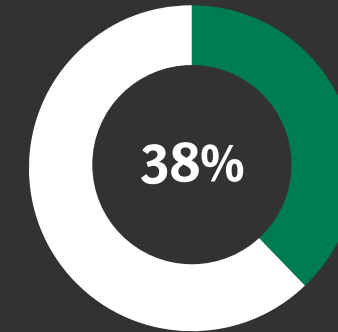
GenAI companies

38%

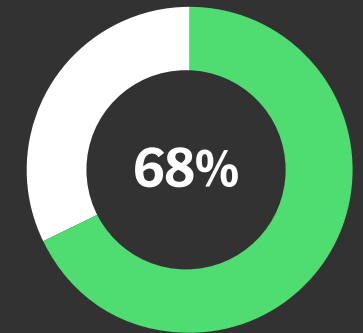
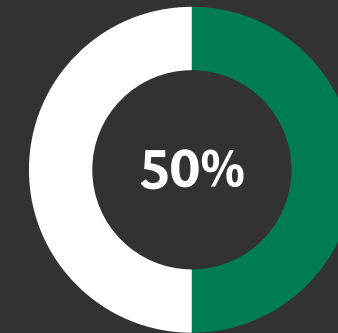
The sheer speed of GenAI adoption **makes RAI more important than ever**, and organizations must be proactive in addressing this.

Companies investing more are getting a head start

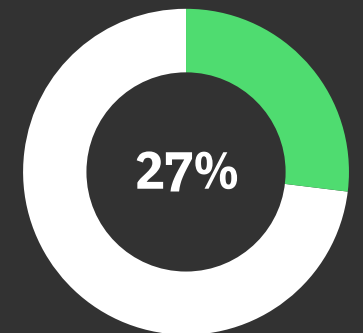
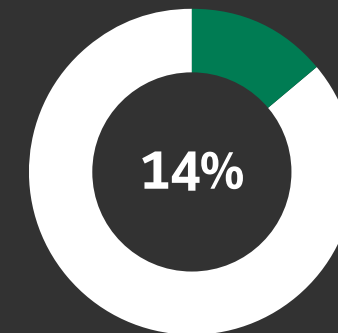
Company is already preparing for AI-specific regulations



Company has guardrails in place for using AI/GenAI at work



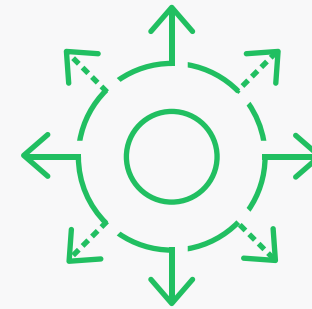
CEO is in charge of RAI



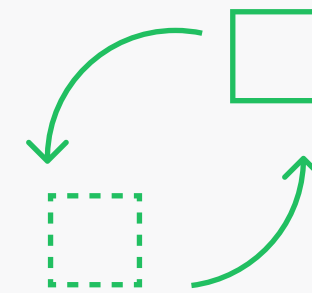
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.
¹For companies expecting to invest more than \$50 million, n = 122.

■ All companies ■ Companies expecting to invest more than \$50 million in AI/GenAI in 2024¹

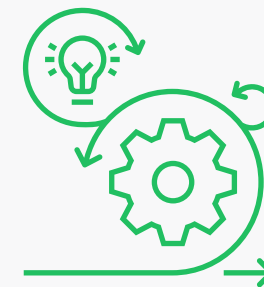
Three value plays to maximize GenAI's potential



Deploy GenAI in everyday tasks to realize 10% to 20% productivity potential.



Reshape critical functions for 30% to 50% enhancement in efficiency and effectiveness.



Invent new GenAI business models to build a long-term competitive advantage.