Generative AI Adoption Index

Data is our foundation. Generative is our future.

June 2023

KPMG in Canada

Image prompt: Wave + ocean + tide + foam + sea + abstract + dark + blue + purple + pink (Midjourney V4)
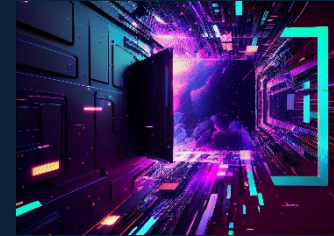
Contents

Introduction

The Generative AI Adoption Index is based on a KPMG in Canada survey of 5,140 Canadians conducted from May 17-29, 2023, using Sago's Methodify online research platform.
The margin of error is +/− 3 percentage points, with a confidence level of 95%.

This report highlights key survey data about the rising adoption of Generative AI in Canada. It serves as a valuable resource providing data, insights and guidance to make informed decisions, manage risks, and gain competitive advantage in the evolving landscape of AI-driven innovation.

Highlights include:

Generative AI adoption is high but still has room to grow, with only 20% saying they use Generative AI.

Generative AI is helping workers do more in less time, but is creating new threats that are going unchecked.

Customers prefer to engage with brands that have Responsible AI frameworks in place, making it a key to building customer trust and competitive advantage.

For a comprehensive overview of the Generative AI Adoption Index data and access to benchmarking and sector-specific use cases, please contact us.

Request a consultation

Data and insights

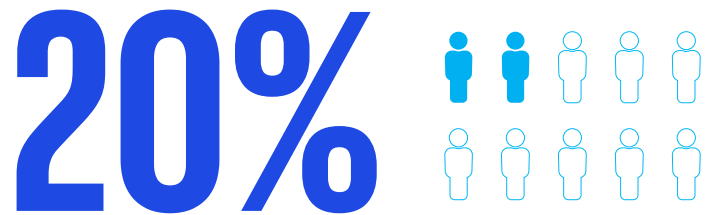**Highlights from the Generative AI Adoption Index**

Image prompt: Abstract + cinematic + HDR + painting + technology + blue, purple and pink + light upscale (Midjourney V4)
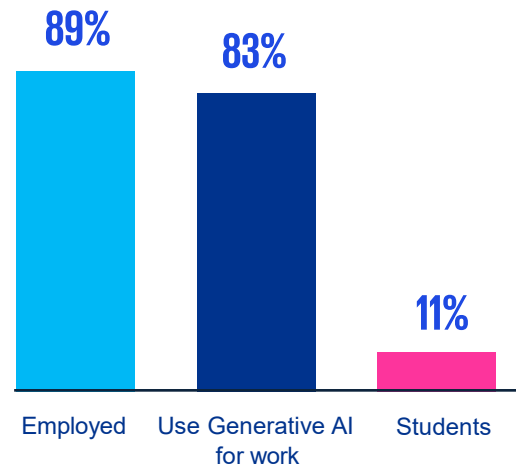
Canada's AI-empowered workforce has untapped potential.

Generative AI took the world by storm with ChatGPT becoming the fastest growing technology platform in history. Many Canadians have quickly made it part of their professional routines.

We now have new insight about when, where, why and how professionals and students are using this powerful technology, and it's clear that it is revolutionizing the way they work and study.

20%

of Canadians use Generative AI.

Among Generative AI users:

89%	83%	11%
Employed	Use Generative AI for work	Students

Of those employed:

54%	22%	15%	10%
Work at a private company	Work at a publicly traded company	Work in public sector	Work in government
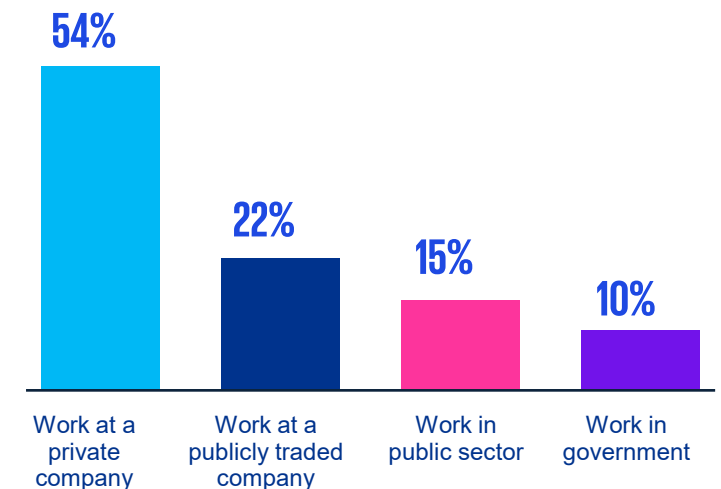
Generative AI is becoming indispensable for helping workers do more with less.

We're in an era where human output can be amplified by Generative AI, and many Canadians are embracing the possibilities because it allows them to accomplish tasks at a scale and efficiency level previously unattainable.

As we move forward, the most productive employees will be those empowered by Generative AI. Highly-skilled employees with knowledge of their organizations and customers will be well-positioned to leverage Generative AI because they have context that helps them create more effective prompts which yield more impactful results.
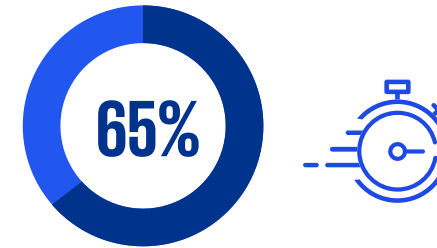
Among those who use Generative AI at work:

55%
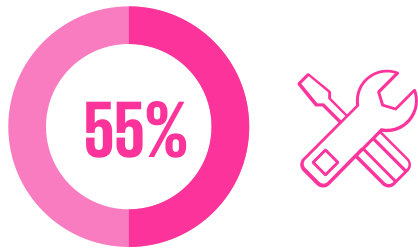
55% say the tools save them between 1-5 hours per week.

67%
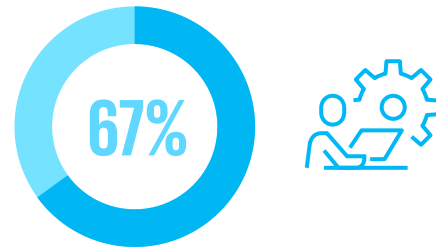
67% say it lets them take on additional work that they otherwise would not have capacity for.

65%

65% say Generative AI is now essential to managing their workloads.

Companies have a Generative AI blind spot.

Generative AI is widely used but underreported, creating an awareness gap for many companies and customers.

With Generative AI evolving faster than the controls designed to manage it, organizations need to clearly define how they're using it, prepare their workforce accordingly, and promote transparency.

Among those who use Generative AI at work:

How frequently do you use it?

18%	
34%	
26%	
22%	

■ Daily

■ Few times per week

■ Few times per month

■ Other

64%	16%	20%
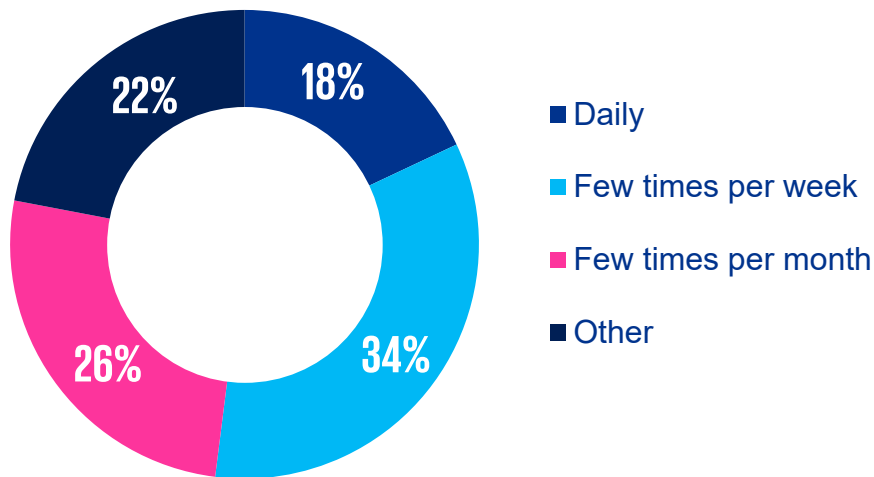
64% say their boss knows they use Generative AI tools for work, **16%** say they don't know, **20%** say they're not sure.

39%	61%

39% say their customers know they use Generative AI for work, and the rest don't know or aren't sure.

Data leaks pose a new danger for security and trust.

High-profile data leaks and jurisdictions banning AI tools have created a climate of uncertainty. Companies grapple with issues of data governance, residency, and security, as they look to integrate AI into their operations.

An AI engine is constantly learning, so there's a risk that it could ingest confidential intellectual property and make it available to other parties. It is important to safeguard the data used to train AI models by implementing security protocols, such as access controls, encryption, and secure storage.

Information included in Generative AI prompts (at work):
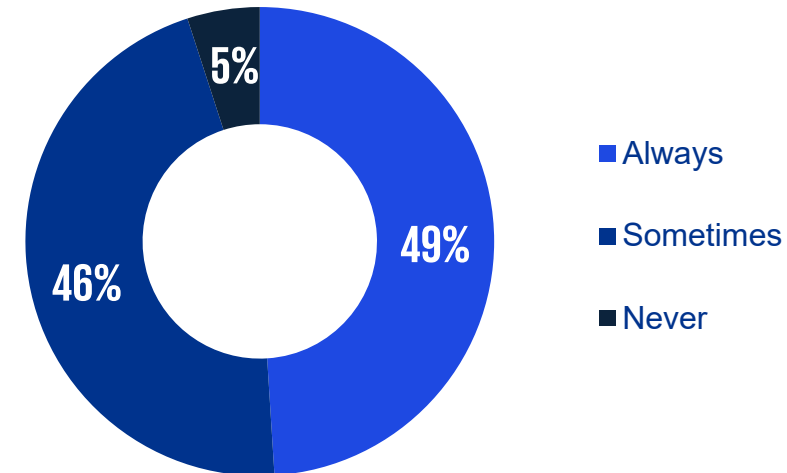
23% Information about the company, including its name

10% Private financial data about their company

15% Proprietary, non-financial company data

13% Information about customers/ clients, with their names

How often do you check the accuracy of Generative AI outputs (at work?)

- Always 49%
- Sometimes 46%
- Never 5%

Companies and workers are getting lost in a maze of policies and grey areas.

Develop a policy even if you're not yet using Generative AI.

Organizations need to start building an AI-ready culture that includes upskilling their workforce on the latest Generative AI trends and tools, and implementing appropriate policies, parameters and frameworks for using AI responsibly.

For many organizations, it will require a major shift in mindset.

25%

25% of employers that allow Generative AI have vague policies that are open to interpretation.

25%
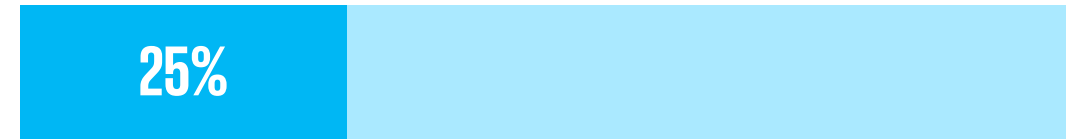
25% said their employer blocks Generative AI web pages from work laptops and/or internal networks.

12% **18%**

12% are prohibited from using Generative AI tools at work (**18%** at publicly traded companies).

16%

Only **16%** of employers have a comprehensive Generative AI policy that outlines specific uses cases.

Left uncontrolled... Generative AI amplifies business risks.

Leaders need to fully understand the impacts of Generative AI on data privacy, consumer protections, copyright infringement, and other compliance or legal requirements.

Additionally, billions of dollars could be wasted if enterprises invest in the wrong tools, applications, or use cases, or fail to align initial pilot projects with business and risk requirements.

Among those who use Generative AI at work:

40%
Are not aware of any controls from their employer over the use of Generative AI.

34%
Say their employer runs software that checks algorithms and AI models for data compliance.

22%
Say their employer will discipline or terminate employees caught using Generative AI.

# Responsible AI creates customer trust and competitive advantage.

Generative AI can transform the way customers engage with organizations, so it's critical to adopt a customer-first perspective.

AI that is explainable, reliable, and fair is becoming more than an "ask" – it's a demand.

Responsible AI also provides your employees with a safe environment where they feel empowered to leverage AI in a secure and ethical manner. As customers get ready to reward trustworthy brands with their wallets, the business case for Responsible AI goes well beyond regulatory compliance.
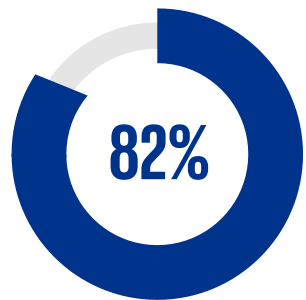
82% say all organizations that use AI should implement and adhere to Responsible AI frameworks.
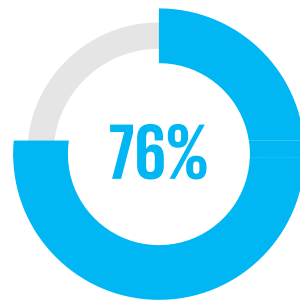
76% of customers prefer to engage with brands or organizations that have Responsible AI frameworks over those that don't.
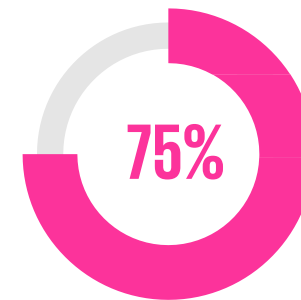
75% say organization that adopt and adhere to responsible AI frameworks are more trustworthy than those that don't.

* Responsible AI is defined as the frameworks, tools and processes that ensure an organization is using AI in accordance with eight guiding principles: Fairness • Explainability • Accountability • Security • Privacy • Safety • Data integrity • Reliability

Generative AI adoption is uneven across Canadian regions.

Generative AI adoption rates across Canada

There is significant opportunity across Canada to scale AI-driven innovation.

Demographic factors such as location, age, and education can impact the adoption rate of exponential technologies like Generative AI.

Understanding the reasons behind these differences can help organizations adapt and implement an unbiased AI strategy that is tailored to its unique environment and talent needs.

20% National average

BC 22%

AB 20%

SK 15%

MB 15%

ON 23%

QC 17%

Atlantic 18%
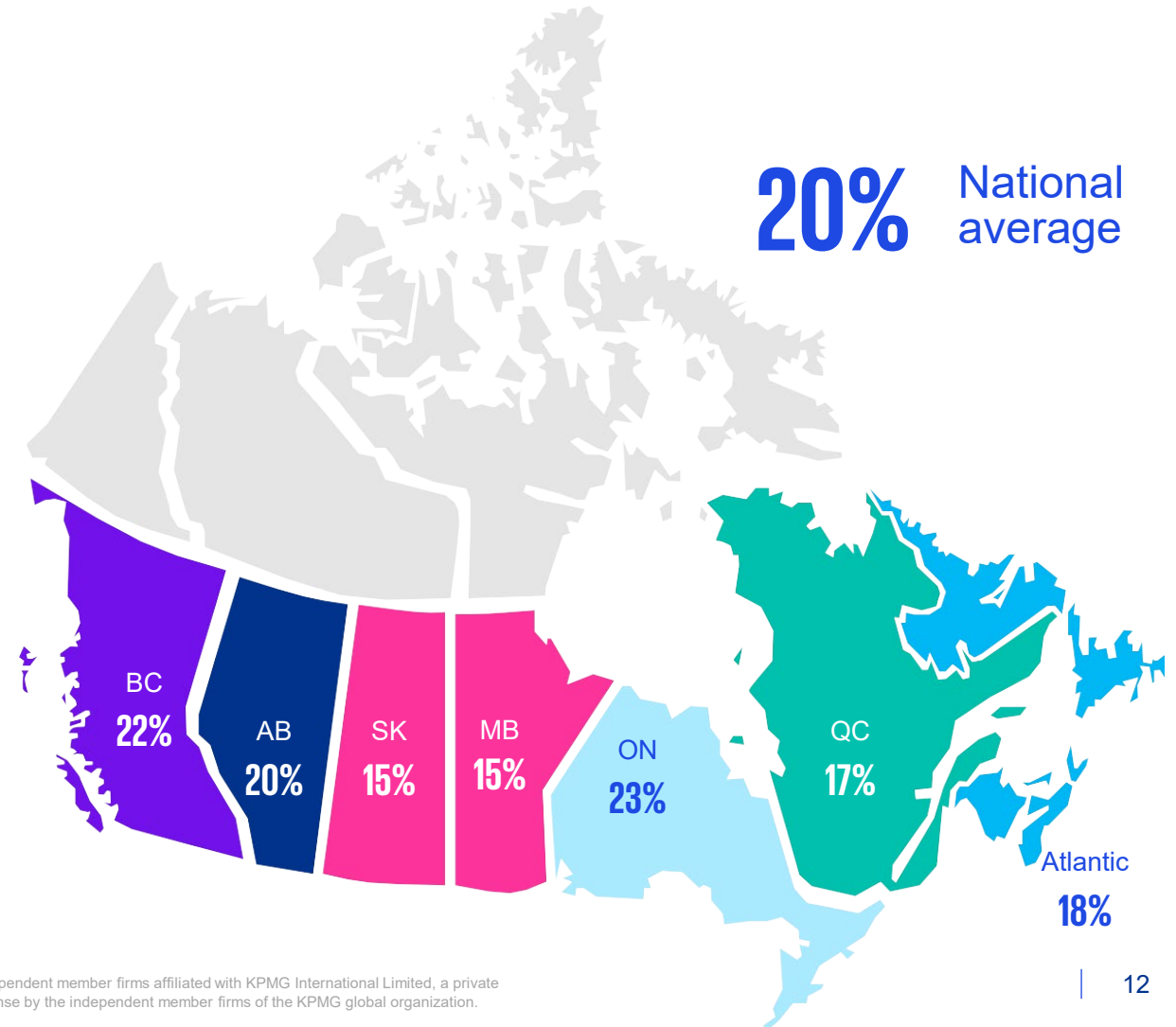
Generative AI adoption shows no sign of slowing down.

Generative AI will continue to thrive as the population sees its potential for driving innovation and improving efficiency.

To capitalize on the promise, organizations need a sound strategy and a clear playbook for integrating this technology safely, securely, and responsibly.

Among those who use Generative AI at work:
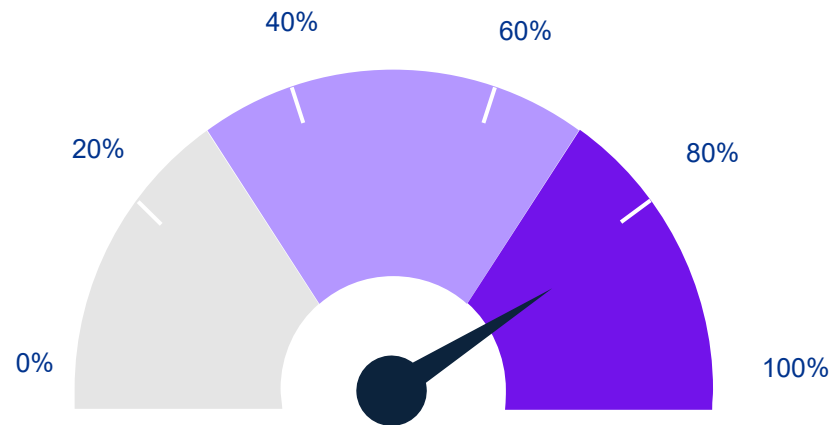
81%

think Generative AI will be hugely beneficial in certain industries.
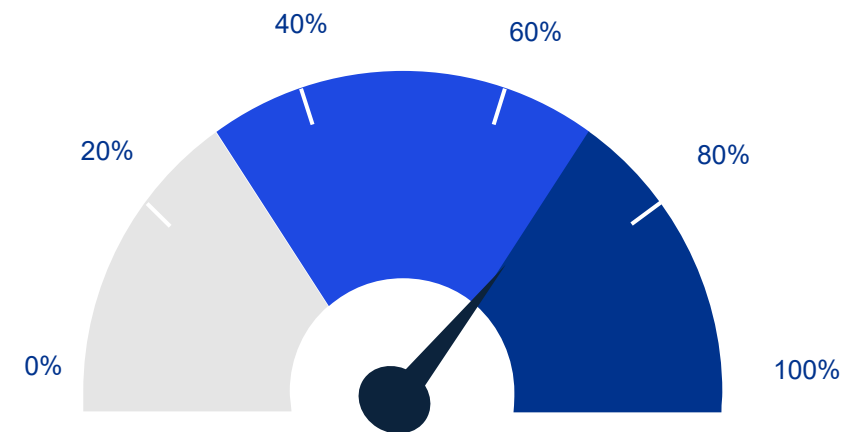
70%

will continue to use Generative AI regardless of the risks and controversy.

Next steps

- **Build an AI-ready enterprise**

- **Examine your operations to identify use cases**

- **Proactively manage the risks with Responsible AI**

- **KPMG's AI Development Framework**

- **How KPMG can help**

Build an **AI-ready** enterprise

Ask yourself:

- Does our code of conduct sufficiently address Generative AI?

- Is our strategy understood across our organization, including by non-technical employees and our Board?

- Do employees have the right knowledge and tools?

- What change management do we need to ensure responsible adoption?

- Who is responsible and accountable?

Key components of an AI Readiness assessment

- Organizational alignment

- Strategy and purpose

- People and culture

- Accountability, governance and risk

- Ethics

- Data

- Security

- Legal and privacy
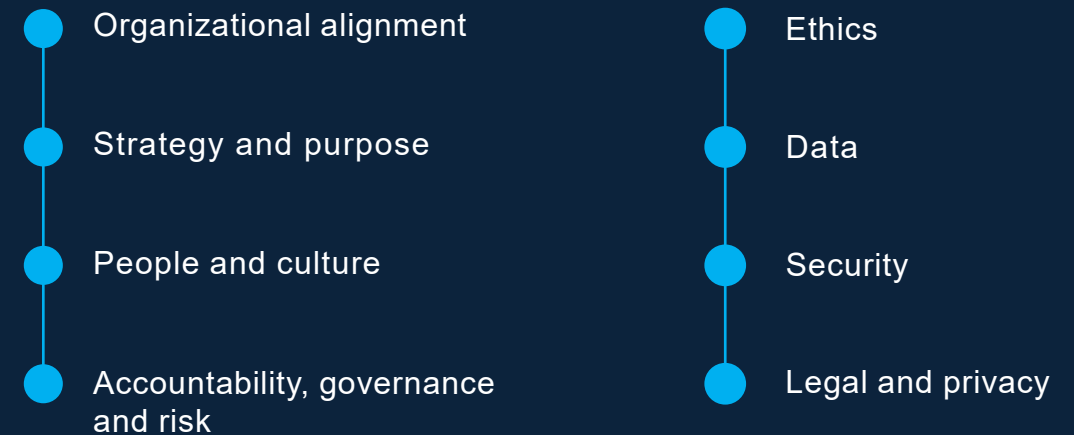
Bringing key functions together is the first step towards creating an actionable roadmap.

Examine your operations to identify use cases

Front office

- Customer insights
- Sales engagement
- Campaign Creative
- Copy Writing
- Sales engagement
- customer outreach
- UX Design
- Web Design
- Customer service
- Personalized Targeting

Middle office

- Marketing
- Product Development
- Advisor Enablement
- Risk assessment
- Financial forecasting
- Recruiting
- Distribution
- Client Onboarding
- Sales enablement
- Employee Training
- Knowledge management

Back office

- Fraud Detection
- Claims management
- Manufacturing
- Procurement
- Financial forecasting
- Productivity
- Legal
- Data security
- Policy administration
- Claims processing
- Contract Screening
- Data Operations Support

Ask yourself:

- Where can I find efficiencies?
- How can I drive revenue?
- Where am I strategically or competitively at risk?
- What data is available?
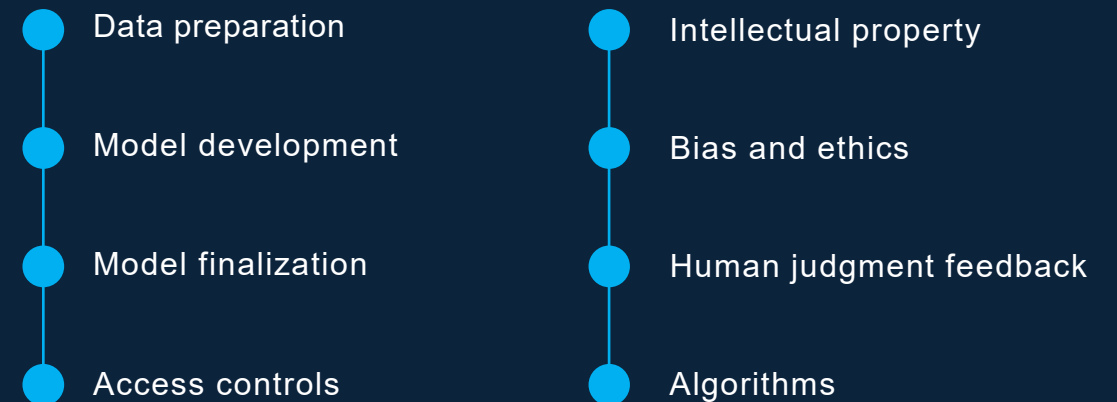- What is feasible with my current needs and resources?

Answering these questions can help you find the functions and use cases that will benefit most from Generative AI.

Proactively manage the risks with Responsible AI

Ask yourself:

- Is the solution I am adopting safe for proprietary data?
- What are the risks or consequences resulting from our use of AI?
- Does this align with legislation for data privacy?
- How will this affect our IT Security & Operations?
- Is this generating accurate, unbiased, and explainable results?

AI processes that require governance

- Data preparation
- Model development
- Model finalization
- Access controls

- Intellectual property
- Bias and ethics
- Human judgment feedback
- Algorithms

Answering these questions can help drive you towards responsible governance of AI in a way that is secure, ethical, and sustainable.

KPMG's AI Development **Framework**

Step 1: Discover

Start to discover opportunities to leverage Generative AI for process efficiency by answering the following questions:

- **Business objective**: What are the key business objectives that you want to achieve?

- **Use cases**: What is the specific use case that your organization is trying to address?

- **Data sources**: What are the data sources available to you?

- **AI model**: What is the appropriate AI model to address your use case?

Value-add

Drawing from KPMG's experience in data and analytics and value generation, our team can leverage a sample of your data to provide a demonstration of the potential value and insights that can be unlocked from your data.

KPMG's global network combines our data-driven technologies and capabilities with our deep-rooted domain experience.

Step 2: Define

Defining the guiding business objective and prioritized business area for use case discovery.

KPMG's AI Development Framework

Step 3: Identify

Identify and prioritize a list of feasible use cases. Identify the stakeholders of the use cases, key data sources and AI models.

Step 4: Develop

Develop a Proof of Concept (PoC) with the off-the-shelf AI models to test and validate prioritized use cases, assess the need for custom/fine-tuned models, taking into consideration your technology stack and data analytics platform.

Step 5: Execute

Develop a delivery roadmap for PoC implementation prioritized to your organization's business needs and resourcing.

# KPMG's AI Development Framework

Value-add

Leverage KPMG's industry-leading frameworks, methodologies, and tools will help unlock the full potential of your data.

- ✓ AI Readiness Assessment Tool
- ✓ Responsible AI Diagnostic and Framework
- ✓ Data Privacy by Design
- ✓ Connected and Powered Enterprise Frameworks and Data Models
- ✓ Enterprise Data & Analytics Strategy & Platform Definition Framework
- ✓ Advanced Data Management Framework (similar to DMBOK)

Step 6: Iterate

Repeat and iterate based on success of PoC and organization's evolving business needs.
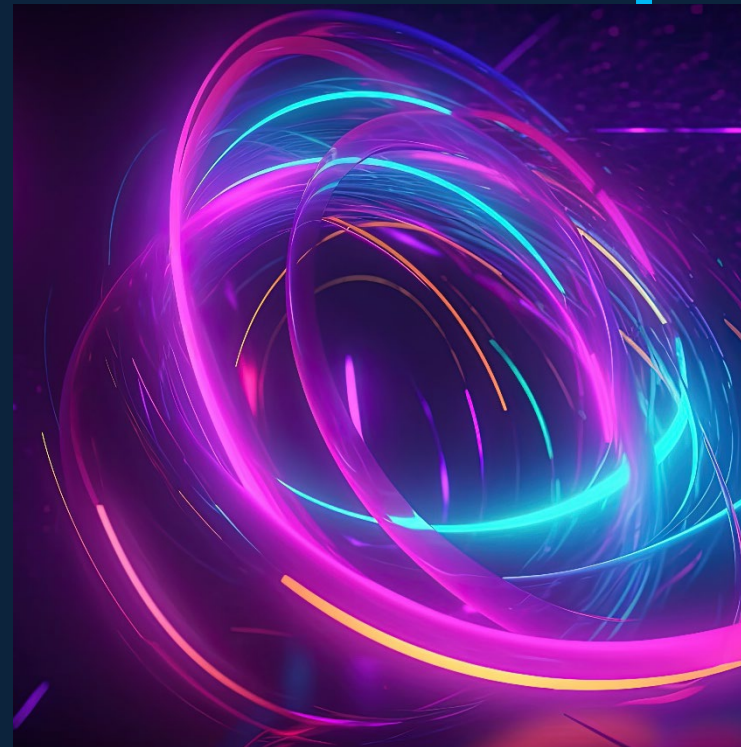
Sample deliverables:

- ✓ Design Thinking Creative Briefs
- ✓ Target Operating Model
- ✓ Prioritized AI Use Cases
- ✓ AI Proof of Concept
- ✓ Delivery Roadmap
- ✓ Governance Framework

How KPMG can help

We understand Generative AI involves complex business, regulatory and technical challenges and we are committed to helping clients put it into practice responsibly.

We combine our deep industry experience, modern technical skills, leading solutions and robust alliance ecosystem to help businesses harness the power of AI – from strategy and design through to implementation and ongoing operations.

Wherever you are in your AI journey, we tailor our solutions to your unique needs and challenges, helping you to accelerate the value of AI with confidence.

Contact a local Leader on the next page or use this form.

Contacts

Zoe Willis
Partner, National Data, Digital & Analytics Leader
zoemwillis@kpmg.ca
National

Stephen Charko
National Service Line Leader, Deal Advisory Analytics
scharko@kpmg.ca
GTA

Shripal Doshi
Partner, Healthcare Solutions
shripaldoshi@kpmg.ca
GTA

Jameel Ahamed
Partner, Technology Strategy & Digital Transformation
jahamed@kpmg.ca
GVA

Kareem Sadek
Partner, IT & Emerging Technology Risk, & Responsible AI Co-leader
ksadek@kpmg.ca
GTA

Marc Low
Ignition Vancouver Lead
marclow@kpmg.ca
GVA

Dina O'Donnell
Partner, Advisory
dodonnell@kpmg.ca
GTA

Seamus Blackmore
Partner, Product Lead
sblackmore@kpmg.ca
GTA

David Marotte
Québec Leader, Data and Artificial intelligence
dmarotte@kpmg.ca
Québec

Sam Balaz
Partner, Microsoft – Enterprise Solutions, Management Consulting
sbalaz@kpmg.ca
Québec

Ven Adamov
Partner, Data & Analytics, & Responsible AI Co-leader
vadamov@kpmg.ca
Regions East

JQ Lien
Partner, Technology Strategy & Transformation
jqlien@kpmg.ca
Calgary

Bryan Matthews
Partner, Deal Advisory
bgmatthews@kpmg.ca
Regions West

KPMG

kpmg.com/ca