



GenAI Survey – 2024

Key insights

August 2024



Executive Summary

- **GenAI is dramatically shifting how leaders are charting the course for their organizations:** 71% are leveraging data in decision making, 52% say it is shaping competitive positioning, and 47% say it is opening new revenue opportunities.
- **Executives say AI investment and ROI will increase in the short term.** 83% of respondents say their GenAI investments will increase over the next 3 years, and 78% are confident in the ROI of planned investments.
- **Investment and ROI coincides with near-term plans to integrate GenAI into the business.** In the next 1-3 years, 61% plan to expand the scope of current GenAI initiatives and 55% will introduce GenAI into new business functions.
- **After significant push for training and hiring, workforce readiness is increasing but significant gaps remain.** Only 16% of organizations have a workforce that is highly equipped for GenAI utilization; however, 78% say their teams are moderately equipped reflecting major increases in training (69% up from 12% in 2023) and hiring/acquiring talent (61% up from 24% in 2023).
- **Risk mitigation is a major focus with cyber and data quality top concerns:** While risk remains a top concern, regulatory uncertainty has dramatically decreased as a limiting factor.
- **Regulatory uncertainty as a key risk has decreased.** In 2023 it was 24% compared to just 13% in 2024.

Methodology

The KPMG GenAI Survey 2024 captured perspectives from 225 C-Suite and senior business leaders representing organizations with an annual revenue of \$1 billion or more.

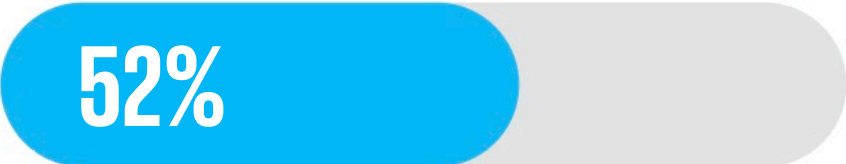
Survey was conducted June 21-July 12, 2024.

GenAI is already having significant impact on business models

IMPACT ON BUSINESS MODEL



Leveraging data in decision making



Opening new revenue opportunities



Shaping competitive positioning

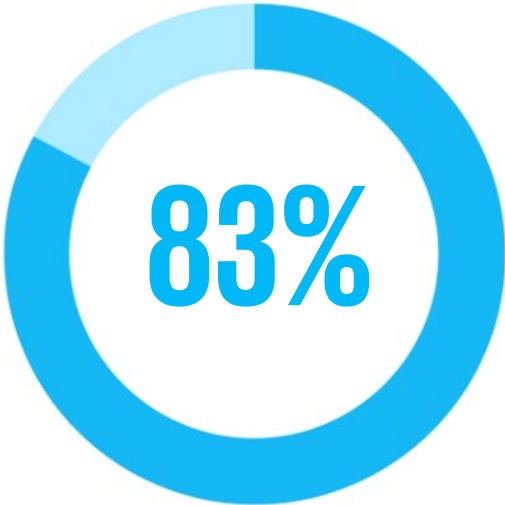
How is GenAI impacting your organization's business model?

Source(s): GenAI survey, Jul'24



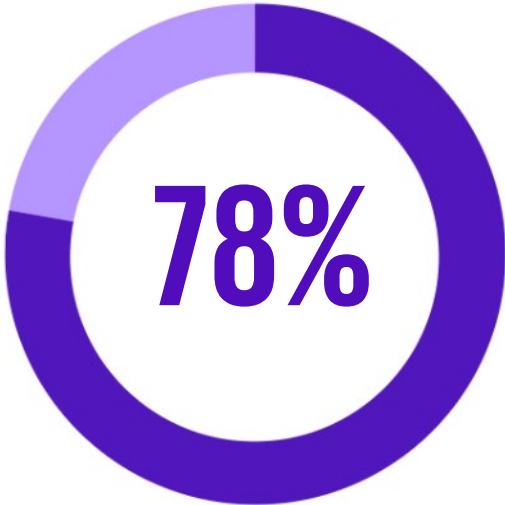
Vast majority expect investment to increase and are confident it will deliver ROI

FUTURE INVESTMENTS AND ROI



of the respondents believe that GenAI investments are expected to increase over the next 3 years

Over the next 3 years, how do you estimate your investment in Generative AI will change?



of the respondents are confident they will see returns on their investments in GenAI over the next 1 to 3 years
This includes 11% respondents that indicate high confidence

How confident are you in the ROI of your planned investments in Generative AI over the next 1-3 years?

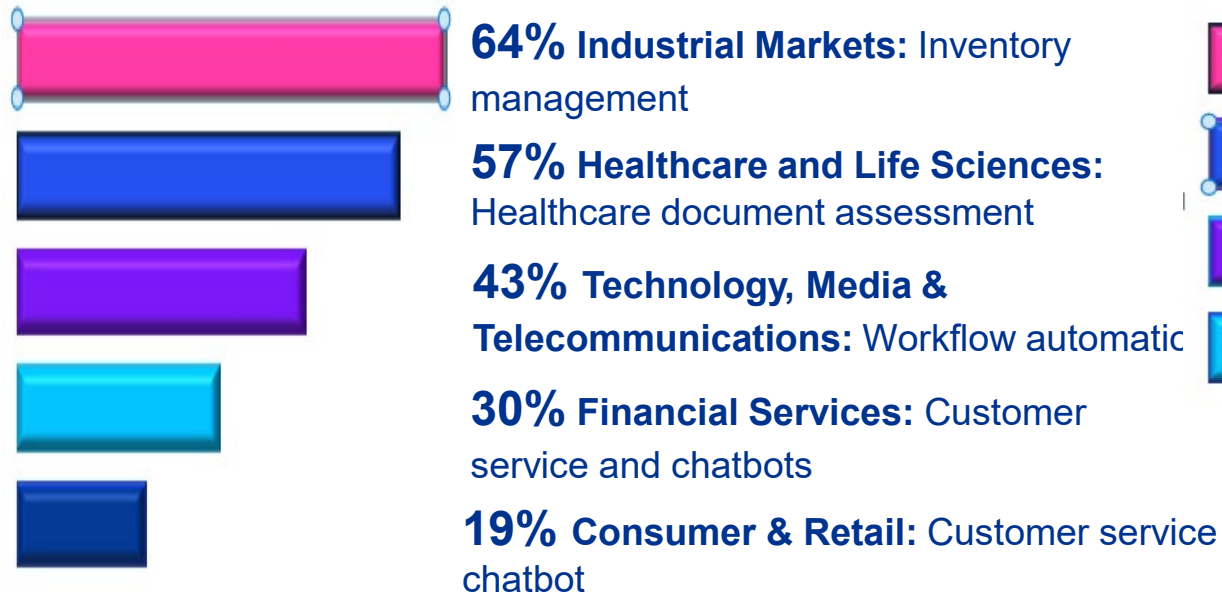
Source(s): GenAI survey, Jul'24

GenAI is Currently Being Embedded into Sectors and Functions

BY SECTOR

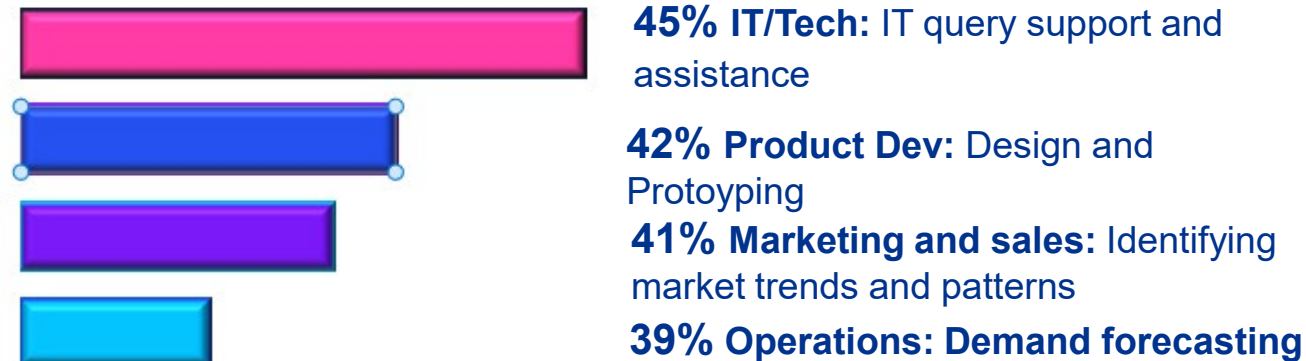


Some industries saw a larger concentration around certain use cases, while others were more widespread



Which of the following use-cases of Generative AI deliver the most value to your organization?

BY FUNCTION



For which of the following purposes is Generative AI being utilized within function?

Source(s): GenAI survey, Jul'24



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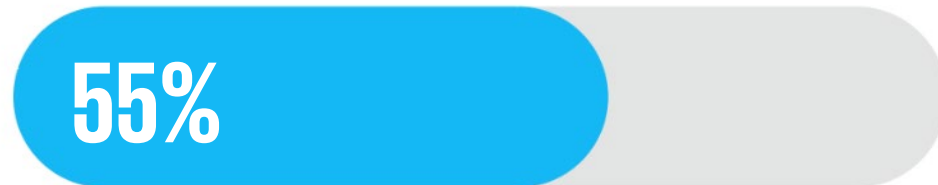
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Leaders plan to deeply integrate GenAI into business processes in next 1 – 3 years

FUTURE AMBITION AND NEXT STEPS



Expand the application scope of current GenAI initiatives



Introduce GenAI into new business functions

What are the next steps in your organization's Generative AI journey in the next 1 to 3 years?

Source(s): GenAI survey, Jul'24

Executive management ranks revenue growth #1 among GenAI investment goals today; respondents as a whole rank increased productivity #1

OBJECTIVES DRIVING THE INITIATIVES

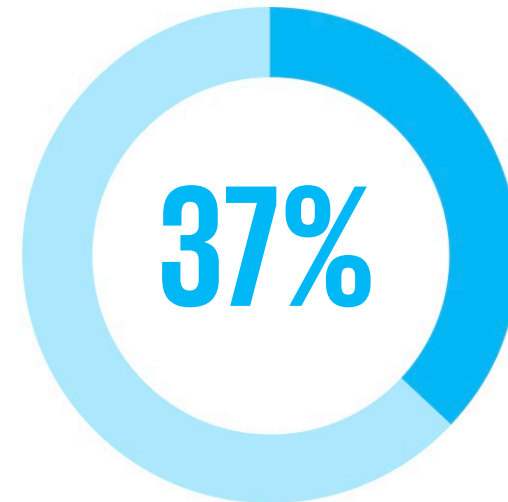


Revenue Growth
Main goal for C-suite



Increasing productivity
Main goal for all respondents

What were the initial objectives for getting started with Generative AI?



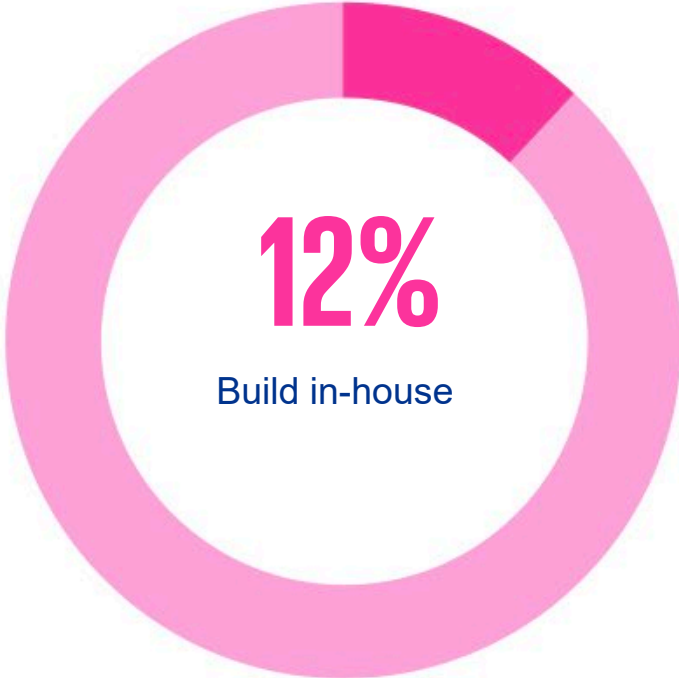
of those that have not yet assigned a dedicated CAIO position, plan to do so within the next 12 months

Do you plan to assign a dedicated Chief Artificial Intelligence Officer (CAIO) position?

Source(s): GenAI survey, Jul'24

While a small minority are building GenAI in-house, most seek outside help

BUILD VS BUY



How organization primarily manage various Gen AI initiatives in terms of build, buy, or partner?

Source(s): GenAI survey, Jul'24



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Data and privacy considered chief risks with engaging third parties

RISK ASSOCIATED WITH PARTNERS



What risks do you associate with engaging partners?

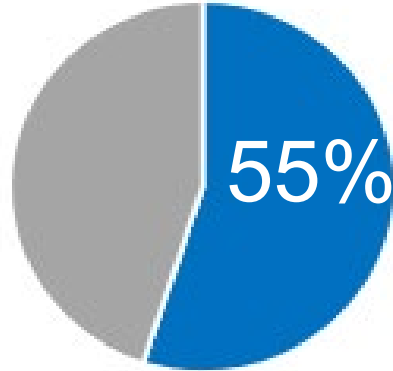
Source(s): GenAI survey, Jul'24

Workforce Preparedness: Steps leaders are taking to bridge GenAI skills gap

WORKFORCE PREPAREDNESS

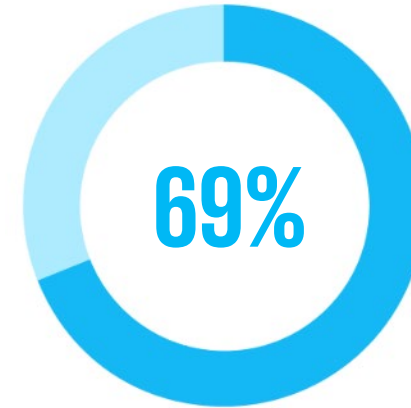


only **16%** of organizations have a workforce that is highly **equipped and capable** across all areas necessary for GenAI utilization, while **78%** are **moderately equipped**. *What percent is your organization equipped with the appropriate workforce skills and solution capabilities?*



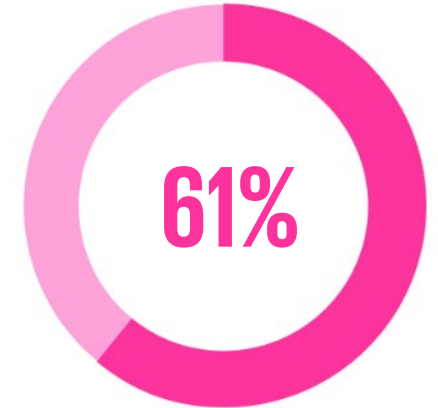
Invest in upskilling employees for GenAI

What are the next steps in your organization's Generative AI journey in the next 1 to 3 years?



Training current workforce

What steps has your organization already taken to close the gaps in skills and capabilities?



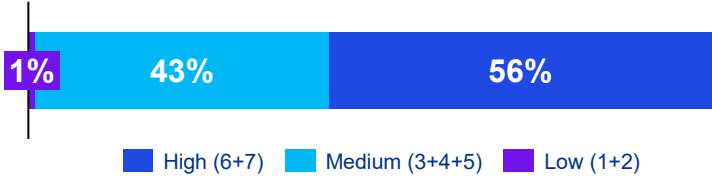
Hiring new talent

This is a significant increase from 2023 when Training and Hiring were at 12% and 24% respectively.

Source(s): GenAI survey, Jul'24

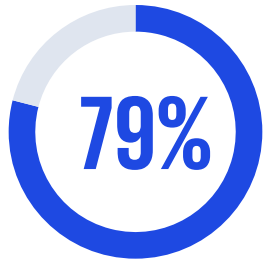
Cybersecurity and Data Quality are key focuses for risk mitigation when implementing GenAI

GENAI RISK

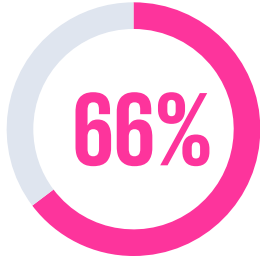


56% consider risk mitigation of high significance in Gen AI implementation

KEY AREAS OF RISK MITIGATION

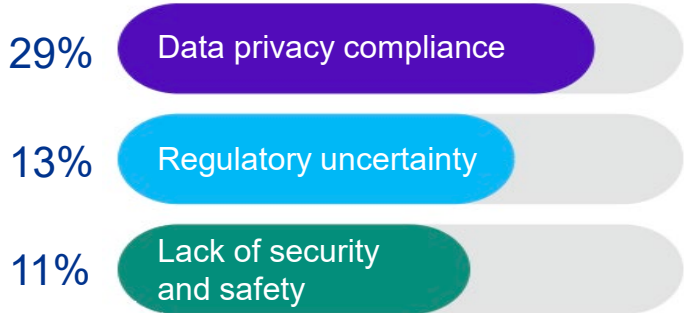


Cybersecurity

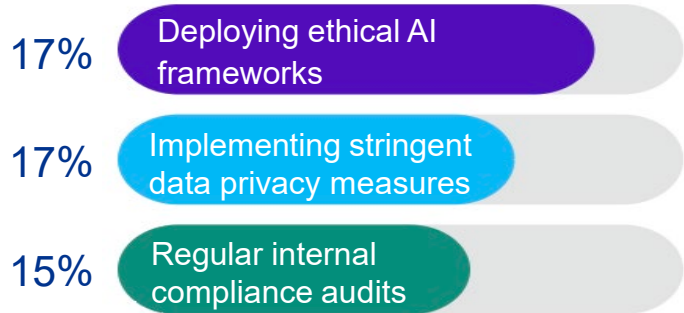


Data quality

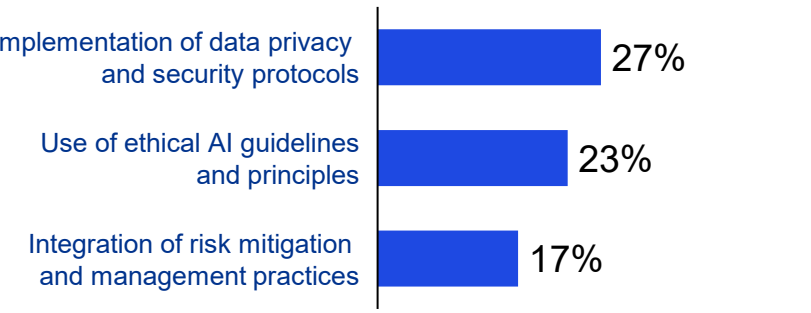
KEY RISK AND LEGAL CHALLENGES



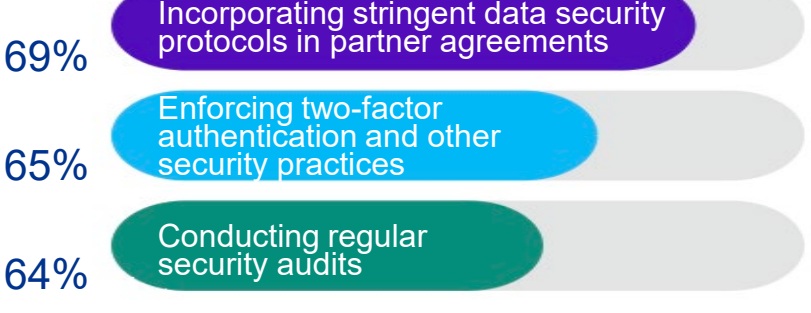
MANAGING THE RISKS



SAFEGUARDS EXPECTED FROM PARTNERS



MANAGING THE PARTNER RELATED RISKS



Source(s): GenAI survey, Jul'24

AI regulation may lead to more stringent data privacy & security measures, and increased cost

AI REGULATION

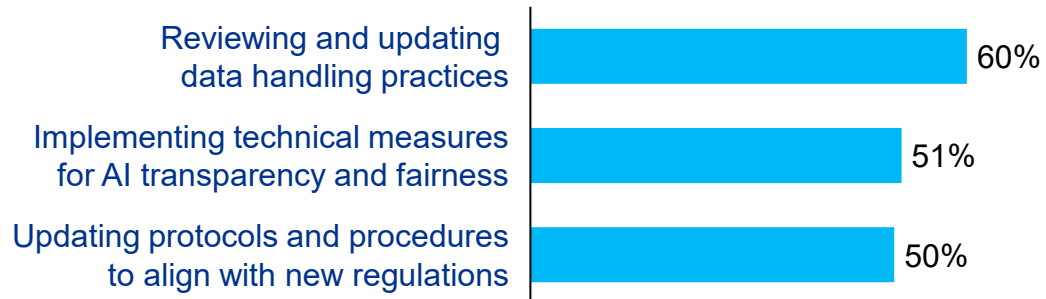


ANTICIPATED IMPACT OF AI REGULATIONS

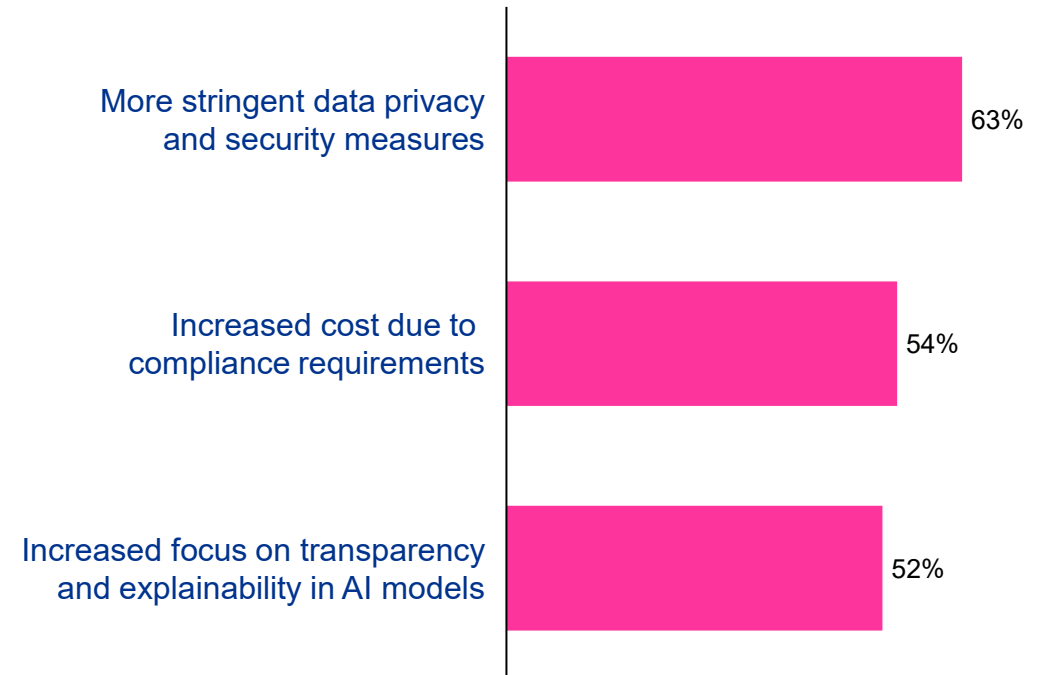


39% anticipate AI regulations to have a high impact on Gen AI implementation

KEY STEPS TO PREPARE FOR AI REGULATIONS



POTENTIAL IMPLICATIONS OF AI REGULATIONS



Source(s): GenAI survey, Jul'24