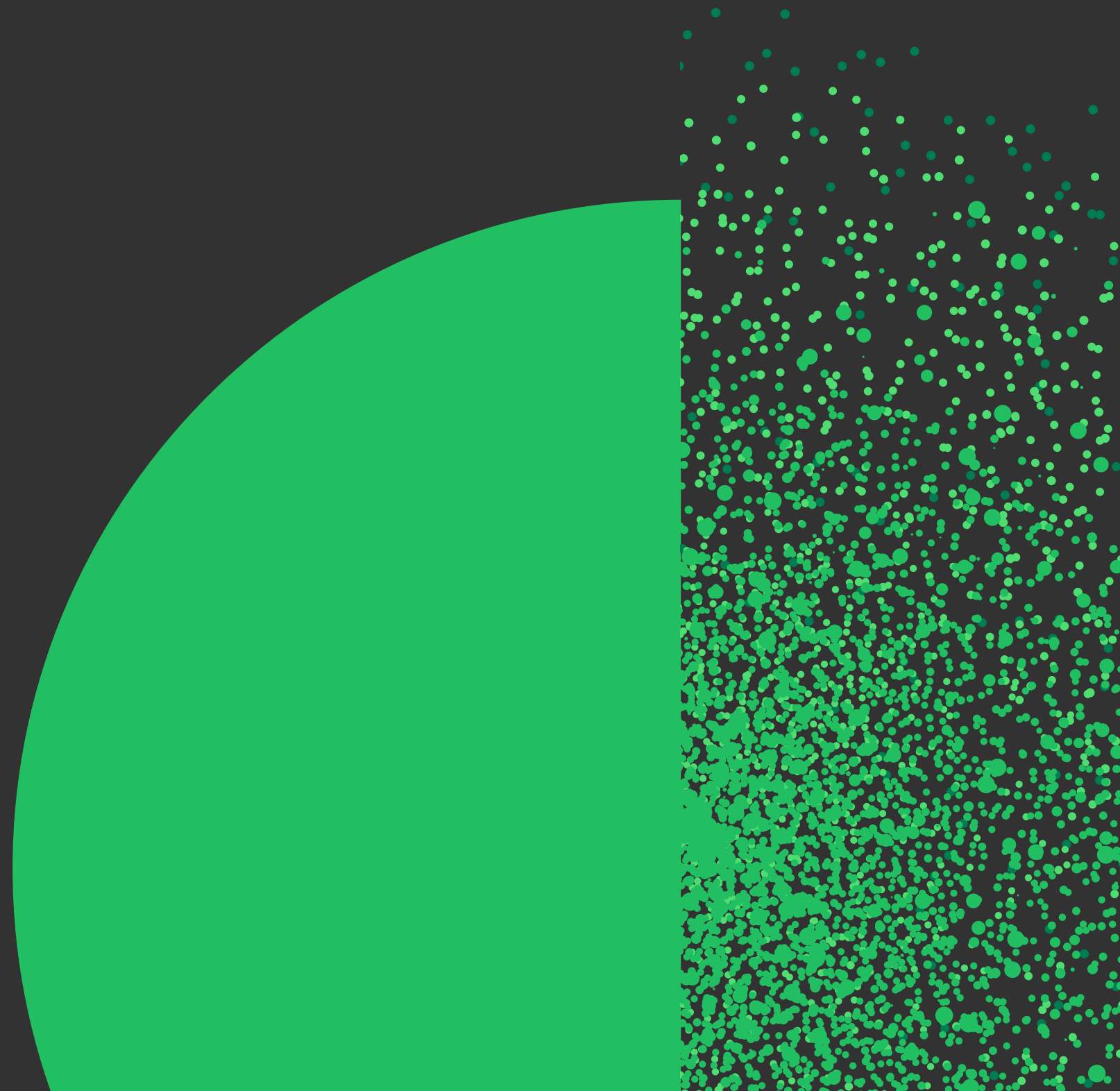




BCG AI RADAR

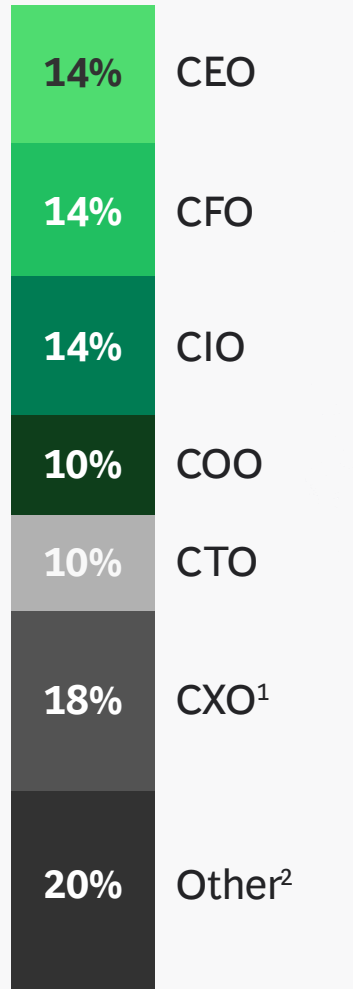
From Potential to Profit with GenAI

JANUARY 2024



Survey of 1,406 executives provides insights into AI and GenAI sentiment in 2024

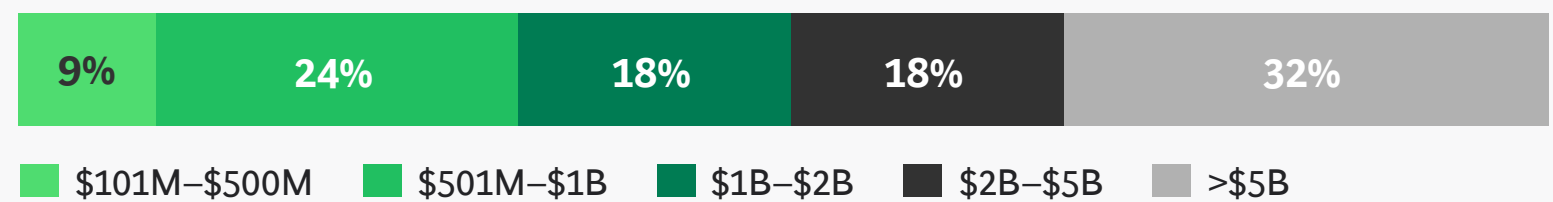
Executive roles



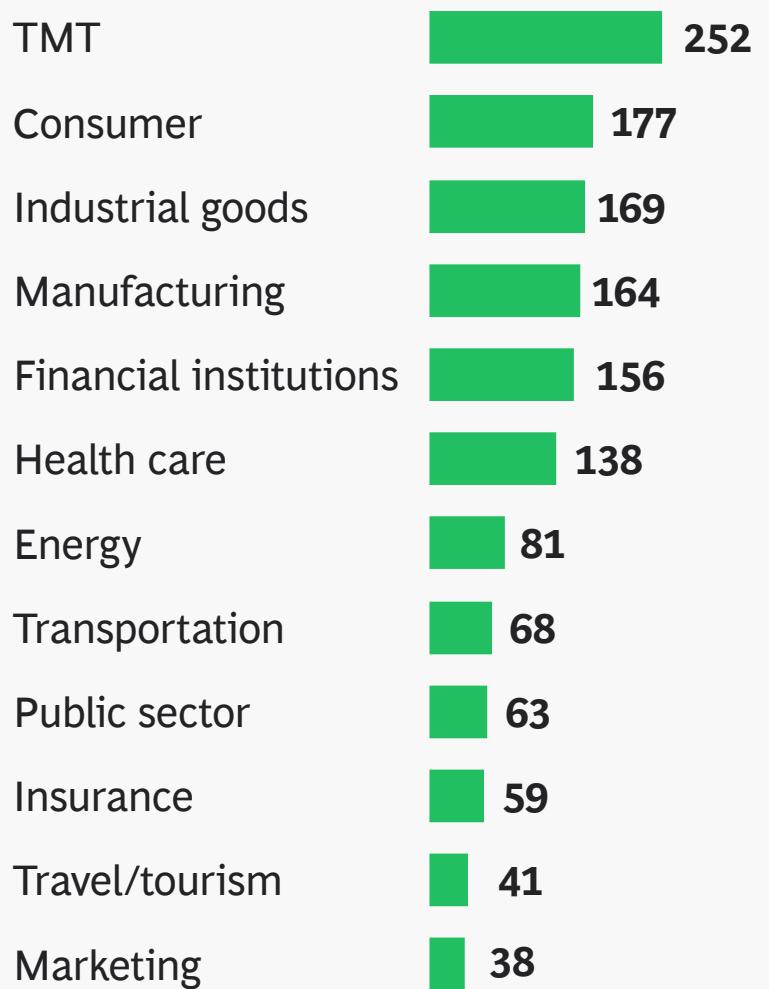
Respondents from 50 markets (the 13 markets in green have >25 respondents)



Company revenue



Industries and key functions



Source: BCG AI Radar (2024); n = 1,406 in 50 markets.
Note: Because of rounding, not all percentage totals add up to 100%. TMT = technology, media, and telecommunications.
¹“CxO” represents executives who directly report to the CEO (e.g., CMO, CSO, CISO).
²“Other” executive titles include chair of the board and president.

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

71%

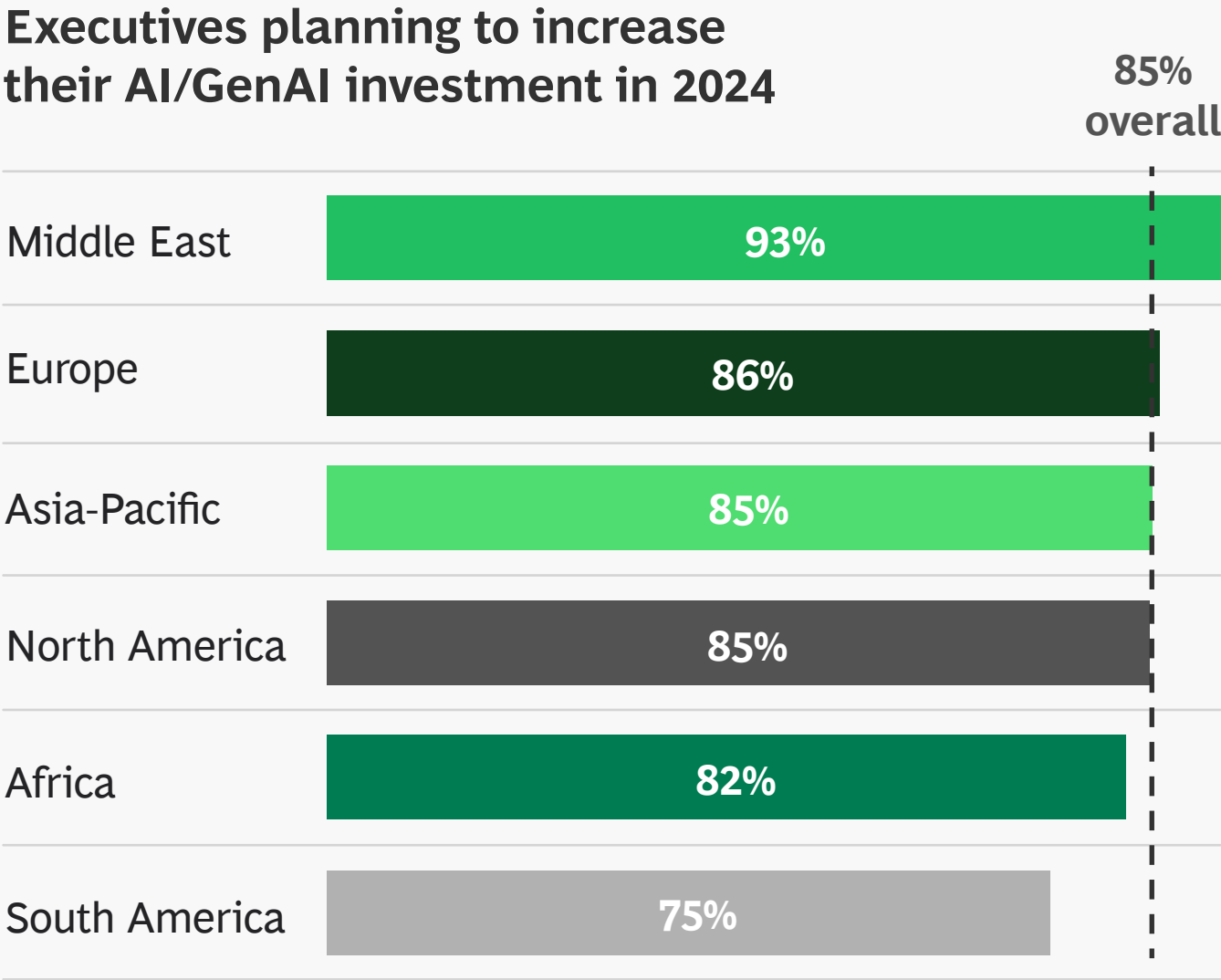
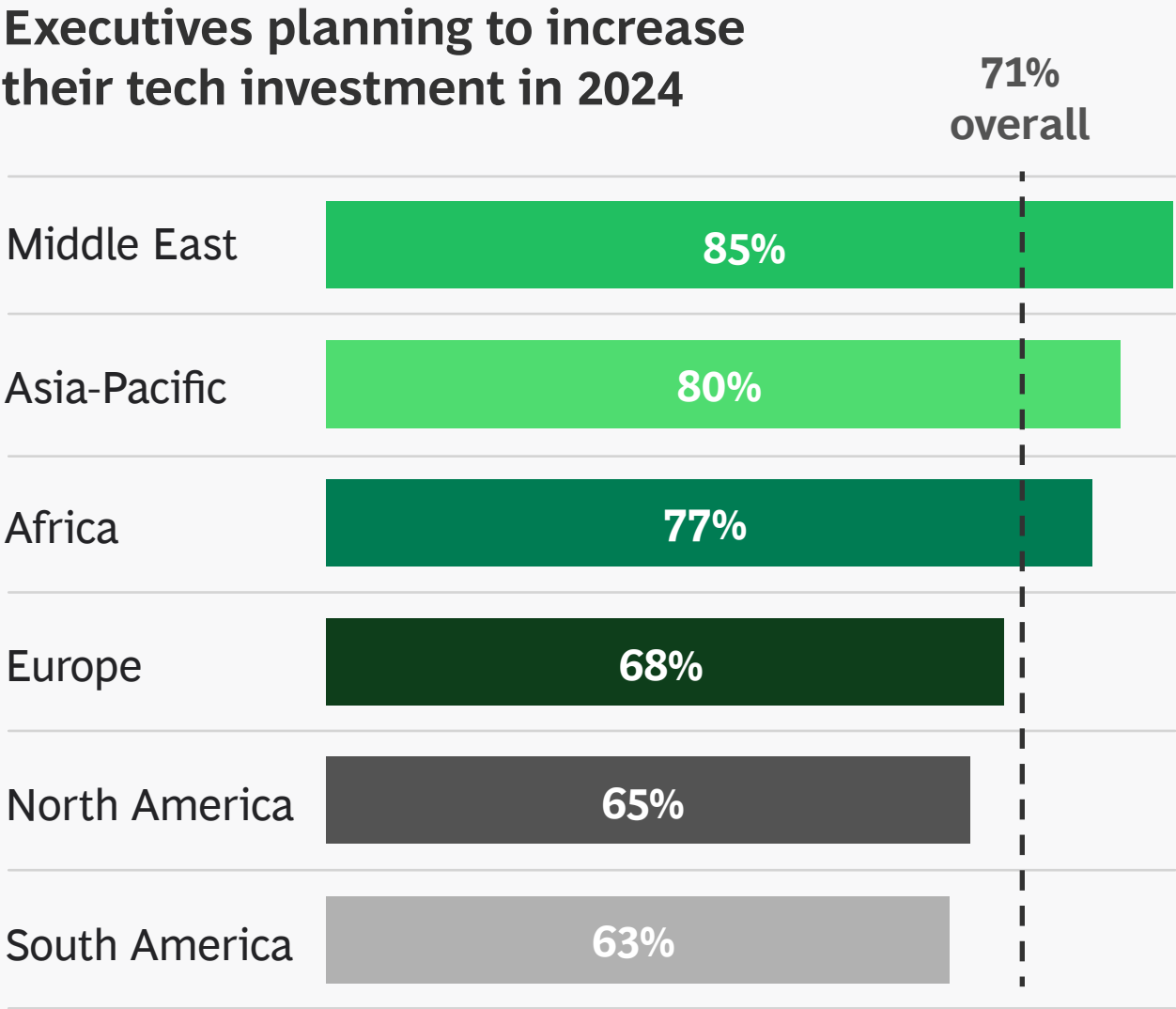
of executives surveyed say that they plan to **increase tech investments** in 2024—an 11-point jump from 2023



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

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

6%

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

46%

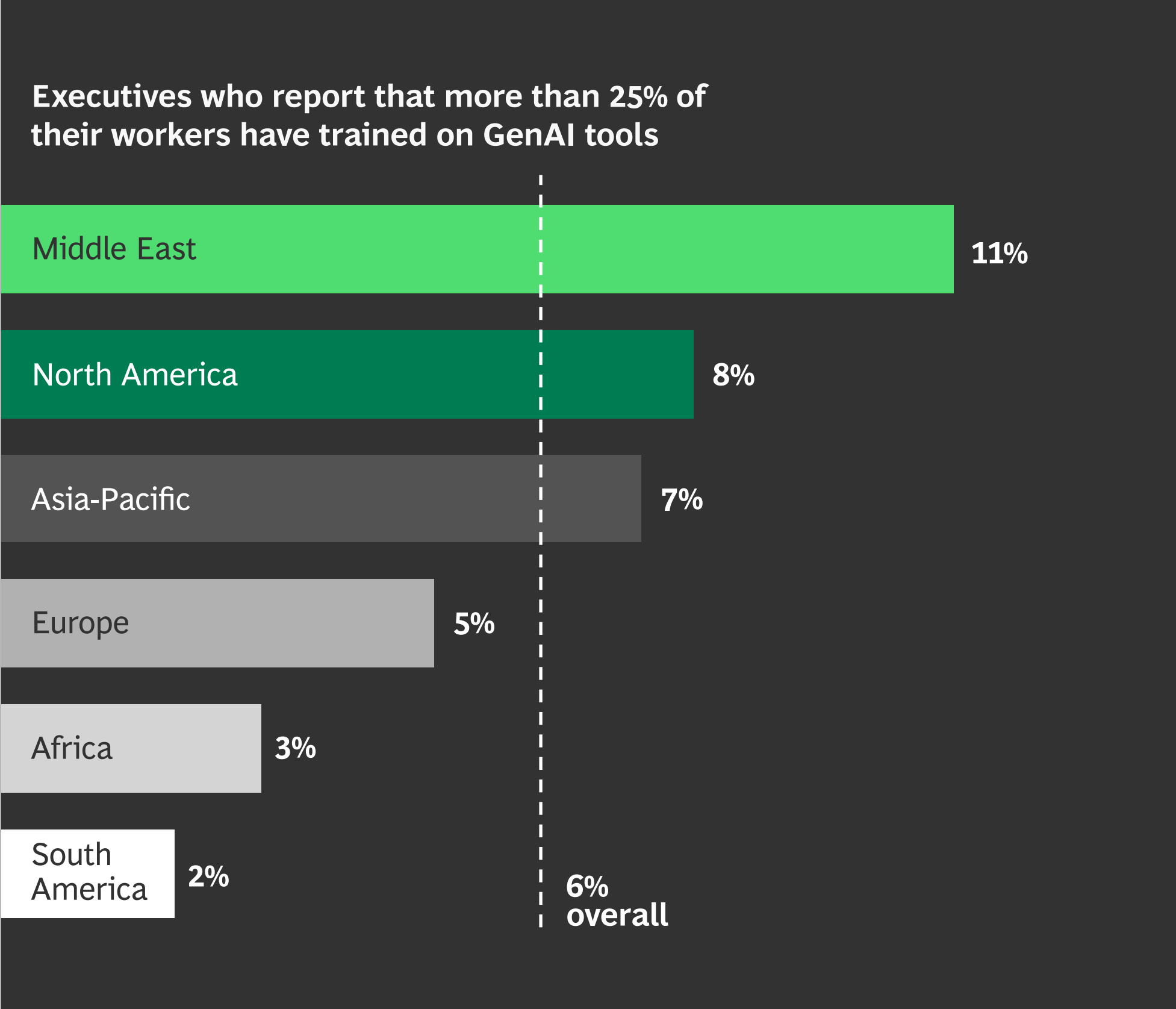
of their workforce,
on average, will need
to undergo upskilling
in the next three
years due to GenAI

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.

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

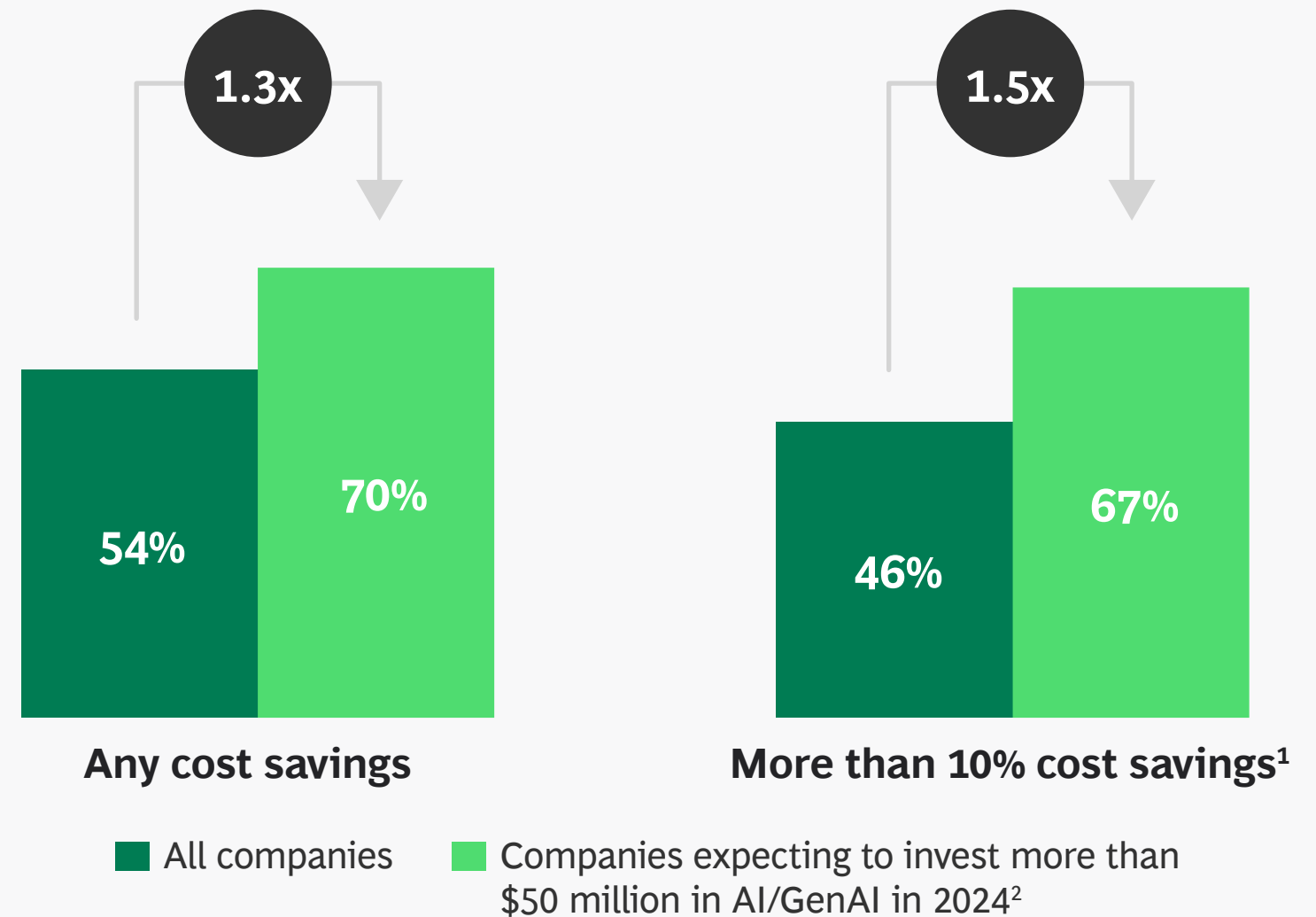
Winners implement responsible AI (RAI) principles.

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



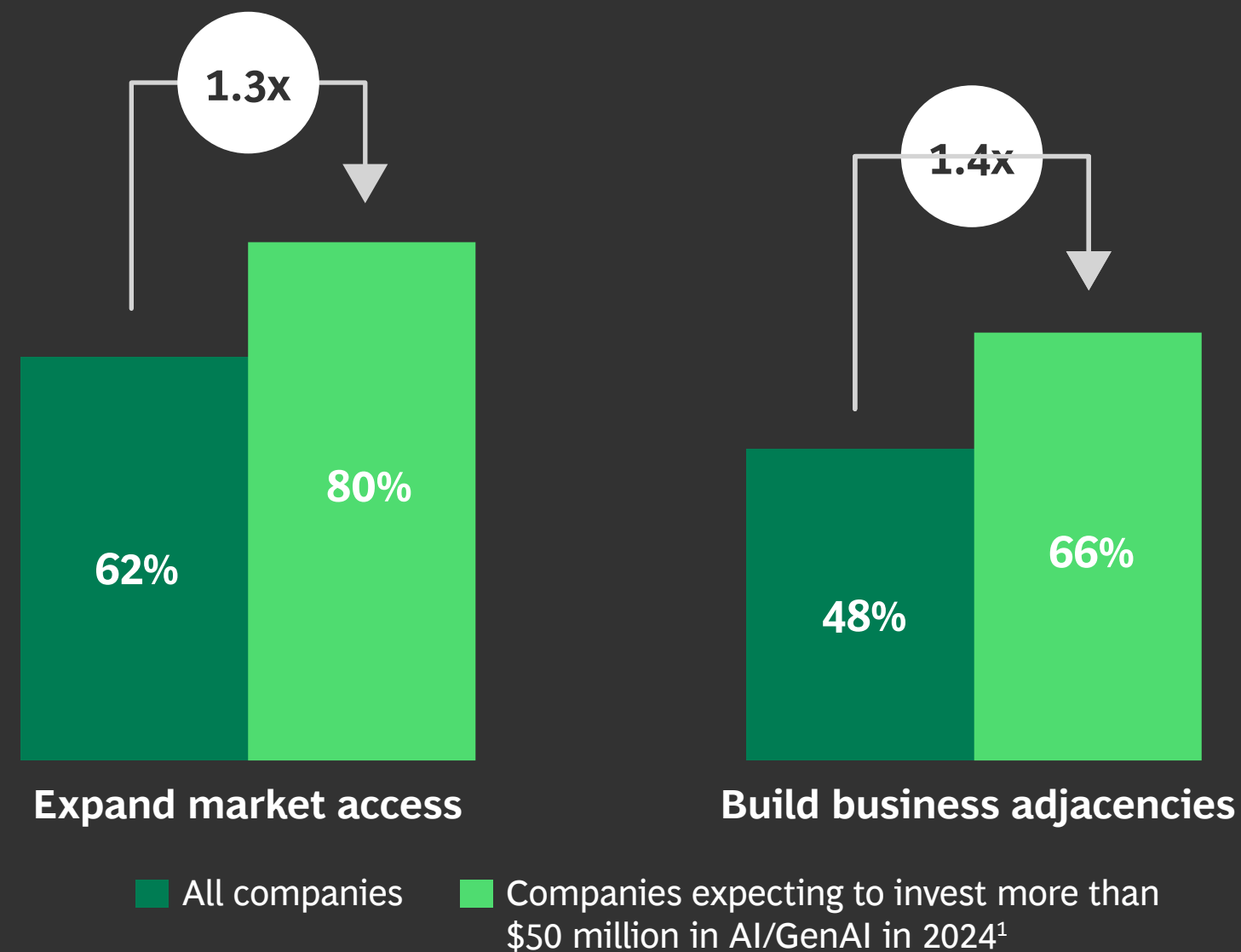
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

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.



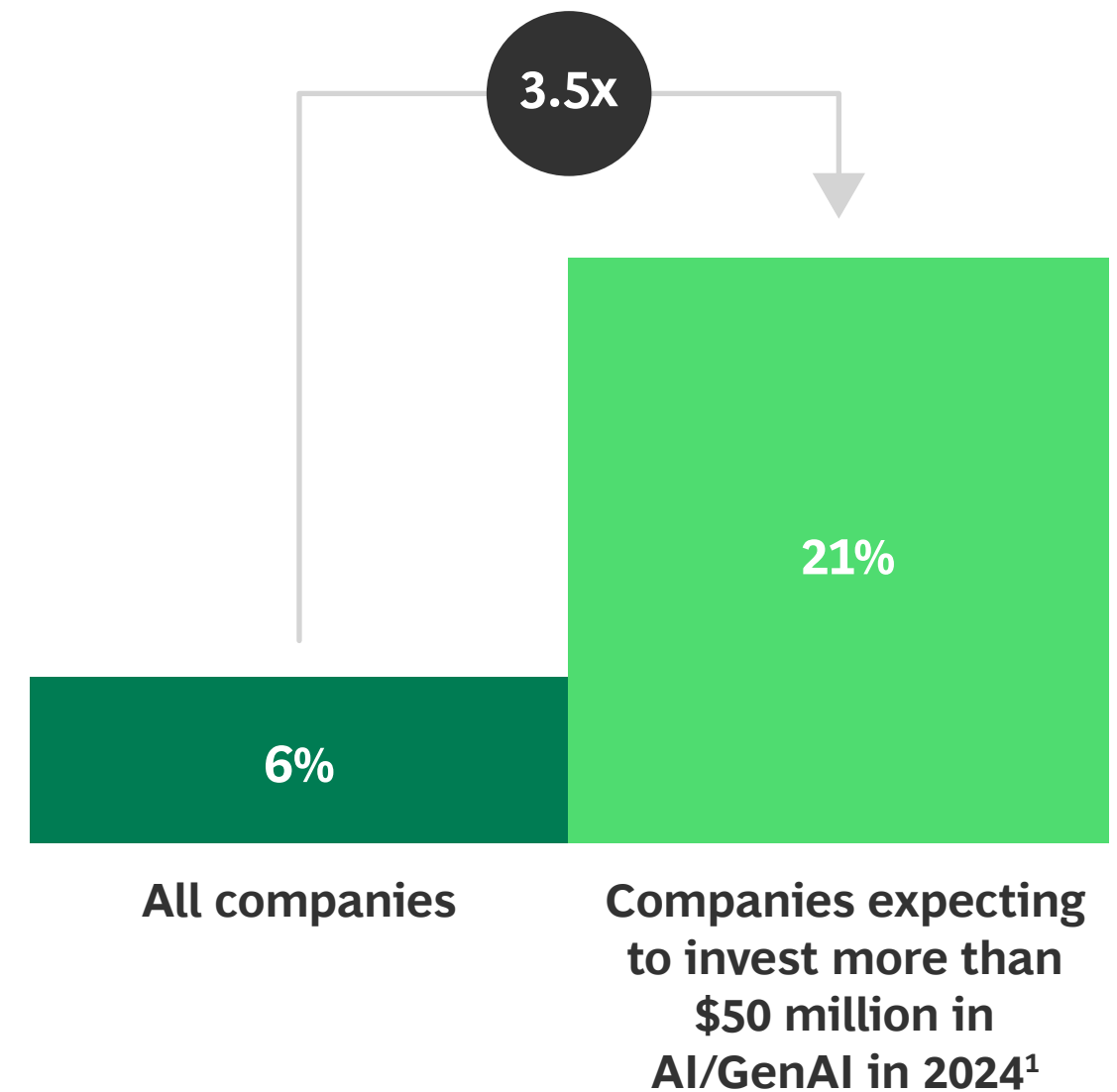
Overwhelming majorities
believe that GenAI will
create new roles (81%) and
require significant change
management (74%).

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

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

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

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



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

Completely confident

1%

Very confident

11%

Confident

29%

Limited confidence

40%

No confidence

19%

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%

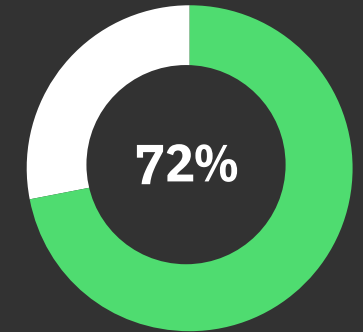
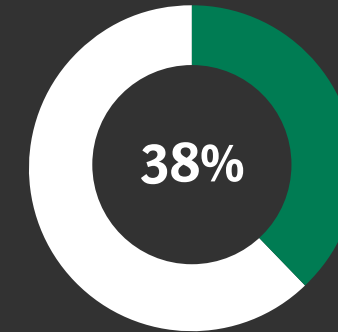
GenAI companies

38%

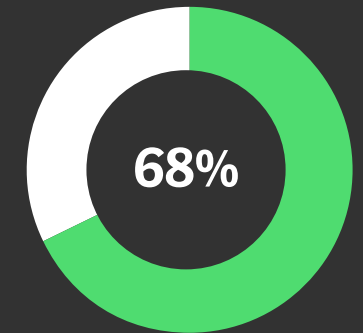
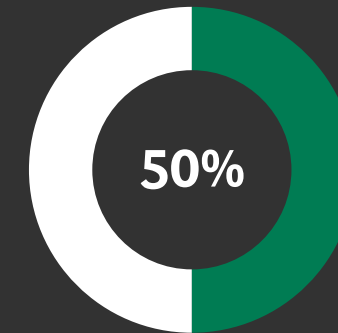
The sheer speed of GenAI adoption **makes RAI more important than ever**, and organizations must be proactive in addressing this.

Companies investing more are getting a head start

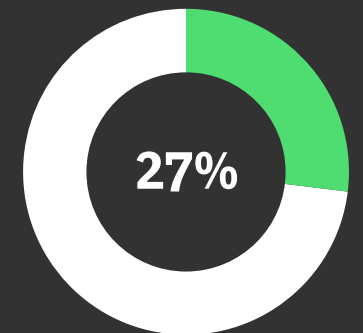
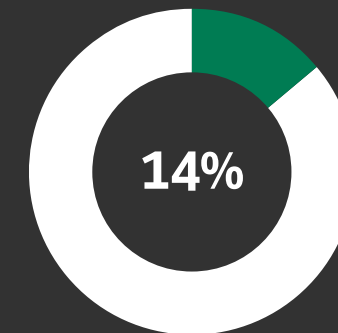
Company is already preparing for AI-specific regulations



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



CEO is in charge of RAI



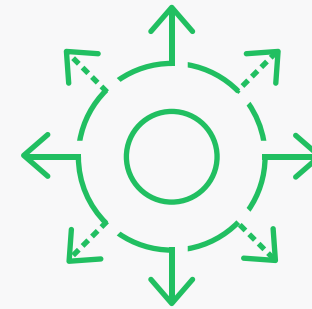
Source: BCG AI Radar (2024); n = 1,406 in 50 markets.

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

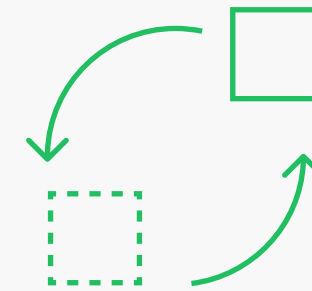
■ All companies

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

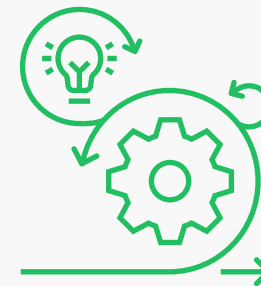
Three value plays to maximize GenAI's potential



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.