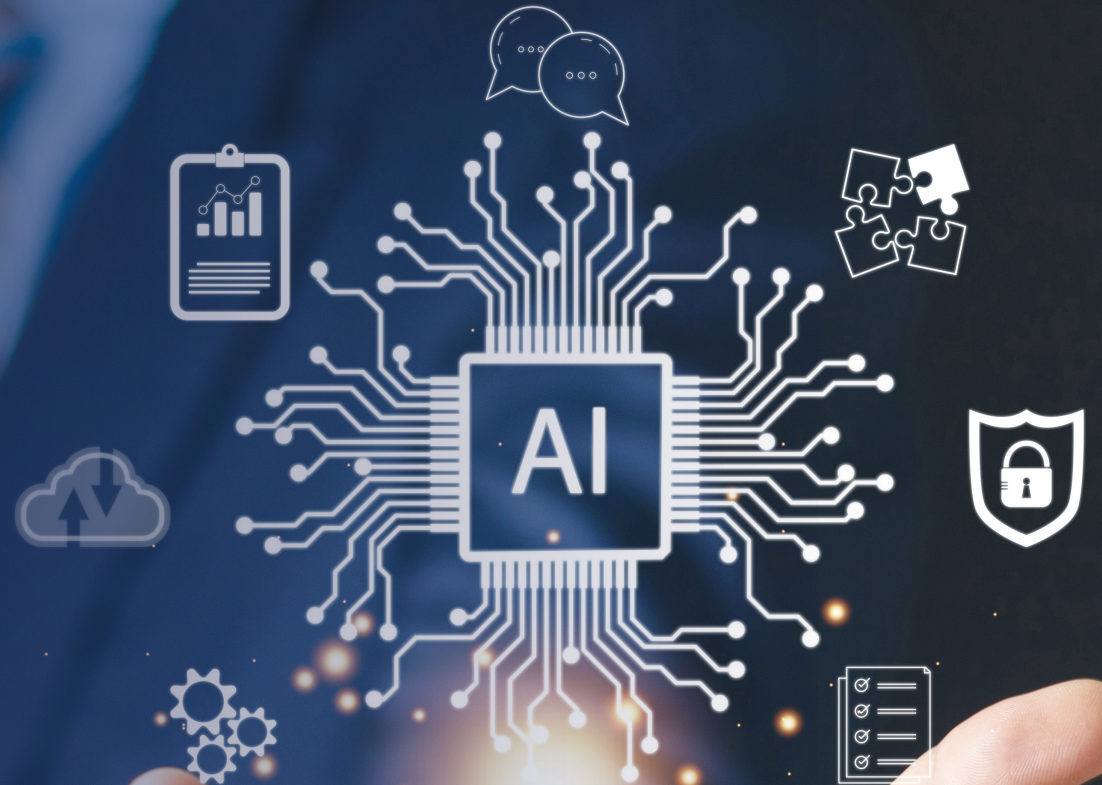


2024

Putting Generative AI to Work

Chapter 1:
Enterprise adoption

MAY | 2024



We surveyed 400+ global IT decision-makers and conducted 13 interviews

Global Survey of Executives and Senior Business Leaders

Overview

We surveyed **400+ executives and senior business leaders sourced through expert networks**. Survey respondents are decision-makers involved in selecting and evaluating tools and software, spanning:

- North America, Latin America, Europe, and Asia-Pacific
- Different industries and business sizes

We asked respondents about the following:

- **Current and future adoption of generative AI** for 11 functions
- **Considerations when developing** or deploying a generative AI tool (e.g., off-the-shelf vs. custom, hosted privately or in the cloud, etc.)

Example position titles

- Chief Executive Officer
- Chief Product Officer
- Head of Customer Experience
- Chief Revenue Officer
- Marketing Director
- Vice President of Operations

Industry Interviews

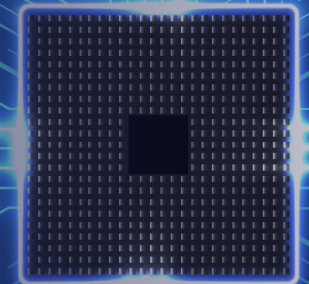
We interviewed **13 industry and subject matter experts** within the following categories:

- Experts who have expertise on how generative AI applications are expected to be adopted by businesses
- Executive decision makers who are currently adopting generative AI applications for their business use
- Generative AI providers who have knowledge on generative AI adoption's impact to infrastructure

Interviews were conducted to understand:

- How and why businesses are currently and, in the future, adopting generative AI
- The magnitude of impact that adoption of generative AI will have on underlying infrastructure

- Senior Director of Software
- Head of Product for AI
- Digital Transformation Leader
- Chief Operations Officer
- Executive Director, AI Platforms
- Chief Technology Officer



Executive Summary

Enterprise adoption of generative AI has accelerated over the last 12 months, with 67% of large enterprises surveyed currently using or implementing

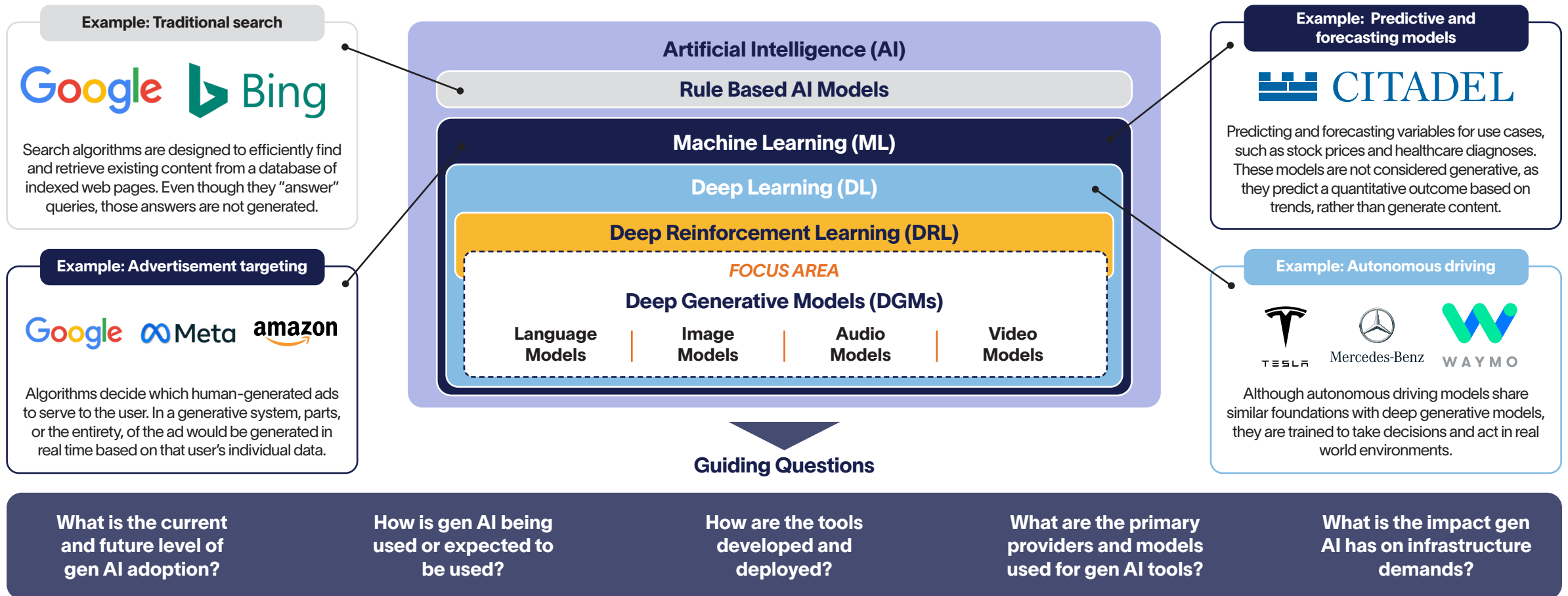
Enterprise adoption

- **Adoption of generative AI tools has accelerated among enterprises:** 67% of all respondents are currently using or implementing, with 14% currently evaluating
 - Adjusting for geography and corporate function, this represents a **+54 p.p. increase in adoption compared to our 2023 study** (11% 2023 vs. 65% 2024 on a like-for-like basis)
- **Enterprises are beginning to see the value that generative AI tools can bring to their organizations.** Compared to last year's survey, fewer respondents indicated that tools provide an unclear value (68% 2023 vs. 28% 2024) or that their current processes are sufficient (45% 2023 vs. 12% 2024)
 - **Despite improvements in perceived value, security remains a top concern;** 72% of respondents indicate data security is a critical and growing concern (32% 2023)
- **Adoption of multiple generative AI tools is common:** 51% of respondents report leveraging multiple tools across a range of text, image, audio, and visual modalities
 - Despite current multi-tool usage, **strong interest in multimodal tools may indicate room for future consolidation;** 13% of respondents are leveraging multimodal tools, and another 59% are highly likely to adopt them within the next 3 years

Source: Altman Solon

Executive Summary

Expanding on our 2023 study, our focus is to investigate enterprise adoption of generative AI, use cases, implementation, providers, and impact on infrastructure



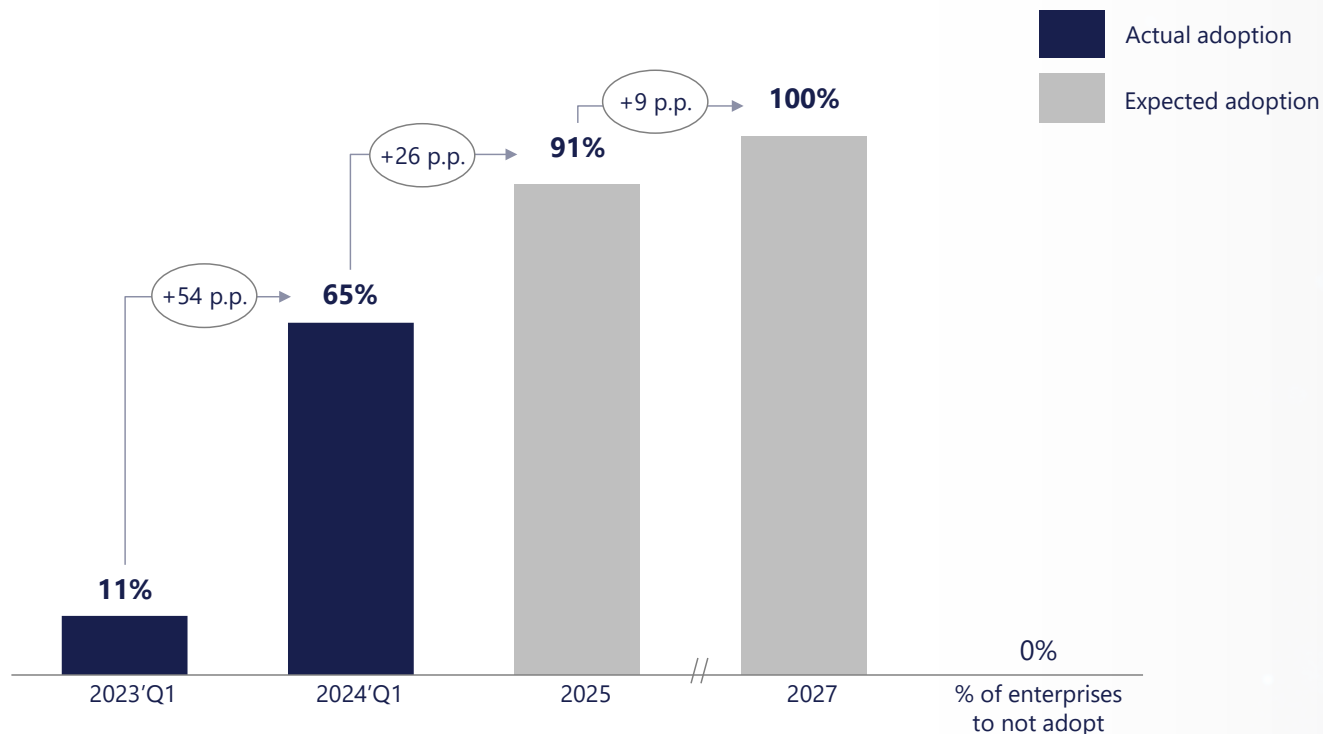
Source: Altman Solon

Enterprise Adoption

On a like-for-like basis, usage of generative AI tools increased 54 p.p. in the last year

Current and Projected Enterprise Adoption of Generative AI Tools, 2023 – 2027

Comparison of comparable respondents (U.S.-based marketing, software development, and customer service departments) 2023 n = 292 and 2024 n = 78



Sources: Altman Solon

Takeaways:

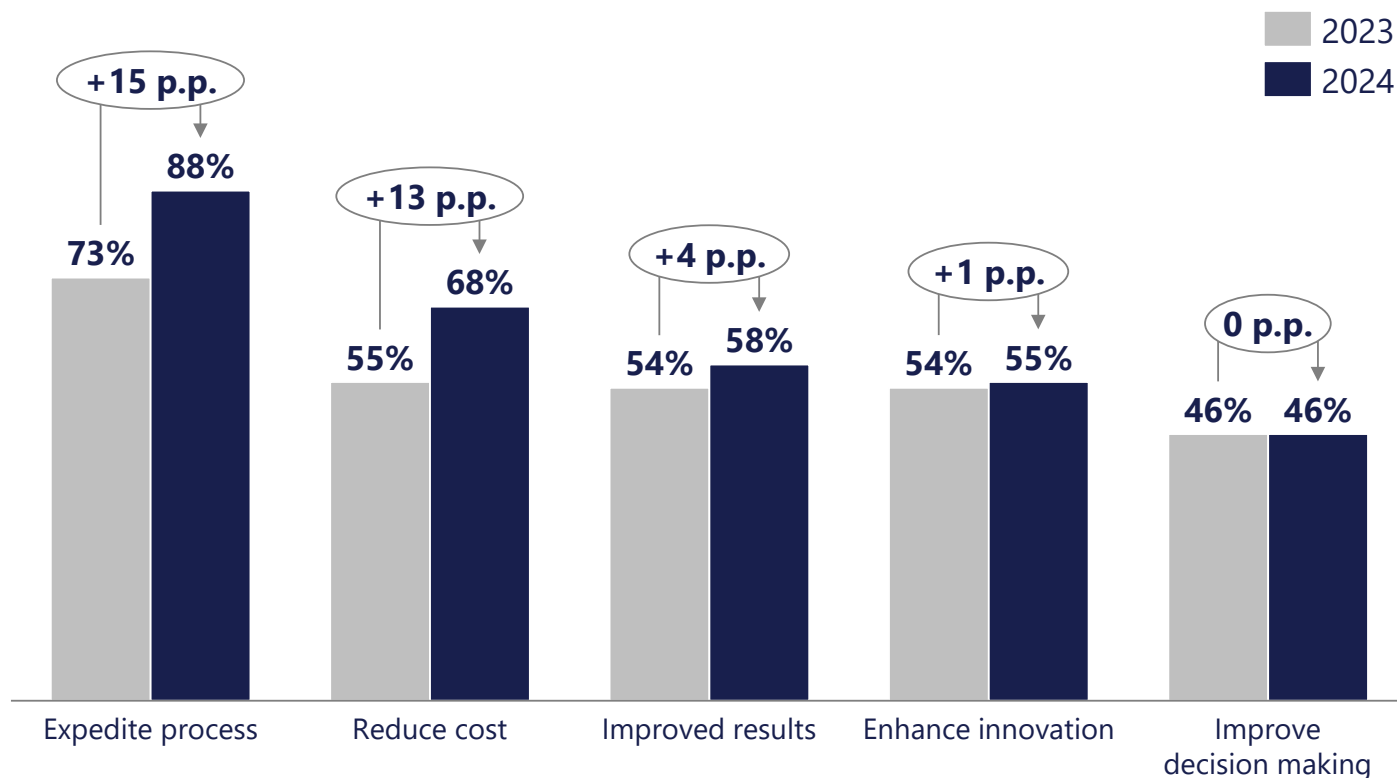
- At the start of 2023, generative AI tools were new and primarily in the evaluation/discovery process with **only 11% leveraging them**
- Over the course of 2023, there was a notable increase in adoption (+54 p.p. of enterprises)
- Another notable adoption increase is expected (+26 p.p. of enterprises) by the end of 2025
- Within 3 years ~100% of all relevant respondents are projecting to leverage generative AI tools as enterprises continue to gain comfort and find broader use cases for gen AI models

Enterprise Adoption

In 2023, the primary drivers of adoption were expedited process, reduced cost, and improved results

Key Reasons for Generative AI Adoption in 2023 vs. 2024

Global survey responses, 2023 n = 244, 2024 n = 257



Sources: Altman Solon, Industry Interviews

“We used generative AI tools to enhance images and content provided by marketplace sellers, aimed at **improving the customer experience.**”

Head of Product & Tech,
Global E-commerce Company

“Generative AI tools are used for molecule design, predicting activity, and toxicology. This aids in **faster, more innovative drug development processes.**”

Associate Director AI / ML,
Pharmaceutical Company

“Generative AI tools help us augment customer service workflows, providing **quicker and more accurate responses.**”

Head of Technology Officer,
Global Financial Service Firm

“Our clients are pushing for a shift from hourly billing to flat fees for certain tasks, prompting us to rapidly adopt and train generative AI tools to **maintain profitability.**”

Chief Technology Office,
Global Law Firm

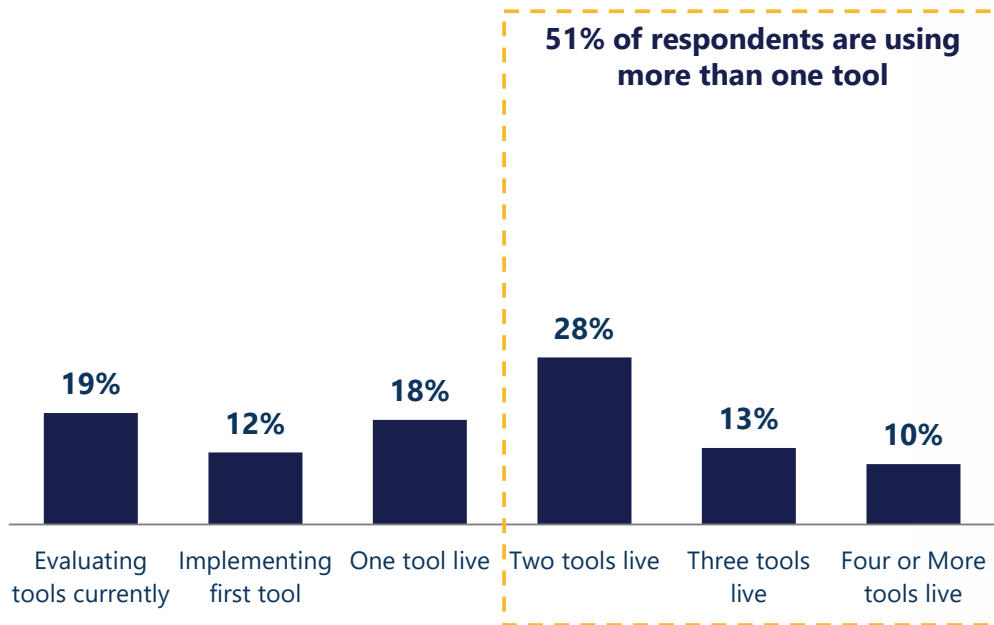
Enterprise Adoption

Adopters of generative AI typically leverage more than one tool for text and image generation

Number of Gen AI Tools Used by Enterprises

% of respondents with various tool usage, n = 257

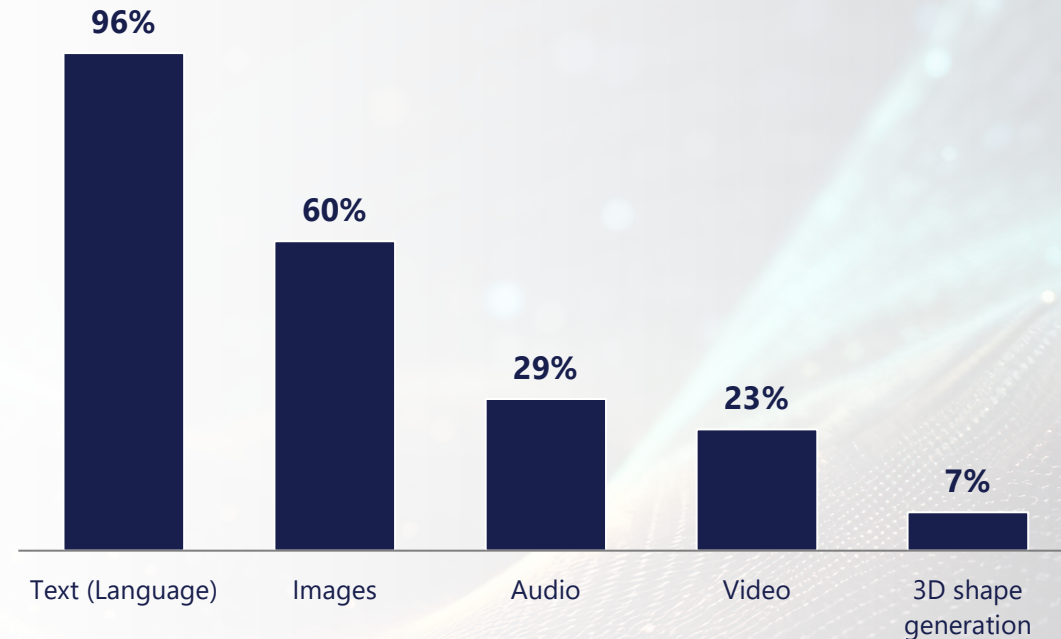
How many generative AI-enabled tools does your company use or are actively implementing?



Types of Tools Used

All survey respondents, n = 257

Which media types are currently involved in either the input or output from your current or planned generative AI solution?



Sources: Altman Solon, Industry Interviews

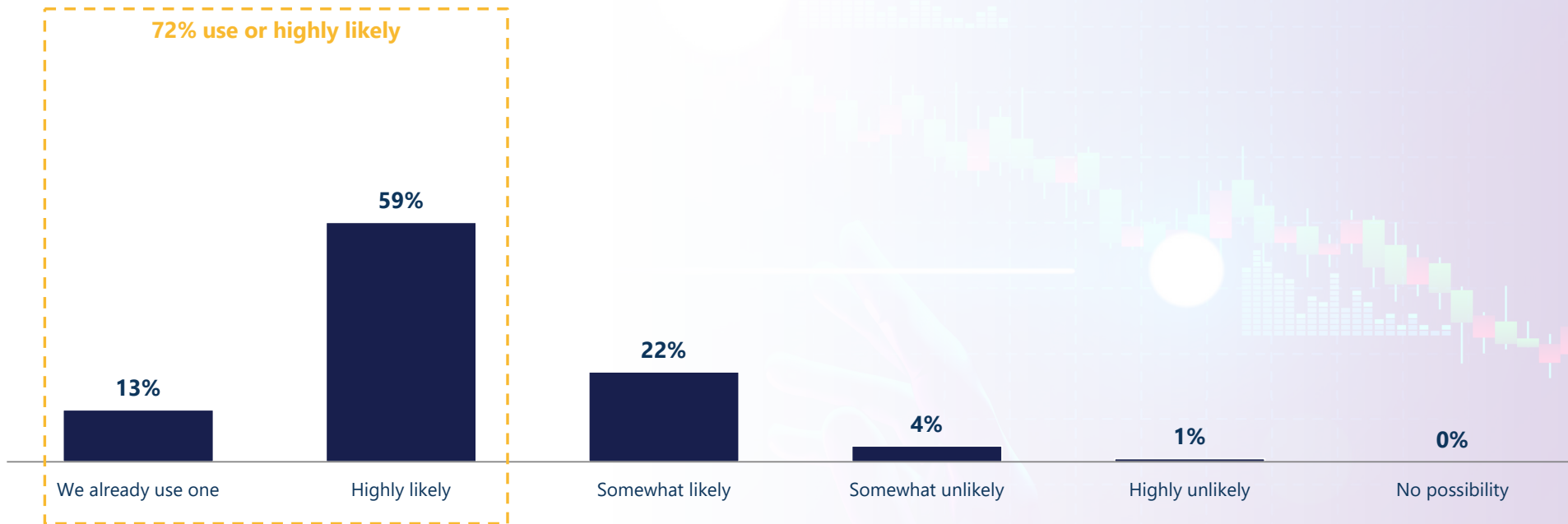
Enterprise Adoption

13% of respondents are leveraging multimodal tools, and another 59% are highly likely to adopt them within the next 3 years

Adoption of Multimodal Tools

All survey respondents, n = 257

How likely are you to adopt a multimodal AI solution (i.e., generating or consuming more than one media types) in the next 3 years?



Sources: Altman Solon, Industry Interviews

Enterprise Adoption

Enterprises typically adopt generative AI for operational efficiency and product improvement, but are weary of data leakage and faulty generations

Common reasons for adopting gen AI are...

Expediting product or services – Typically derived through the automation of processes

Improving product service or quality – Through expanded departure set such as chatbots to improve time to resolution

Reducing costs – A byproduct of expediting products/services can translate into decreased resources required

Enhancing creativity – Certain proprietary tools enable dynamic exploration or generation based on prior works

Common risks of gen AI are...

Data-leakage – Concerns arise on products leveraging private information for training purposes that can be recalled

Model Hallucinations – Concerns arise over the validity of generated results

Unclear value – Lack of training around proper tool usage and avoidance of disruption can lead to further delays

Corporate policy limitations – Concerns over copyright infringement, e.g., if the model was trained with copyrighted materials, then the output could be subject to those rules

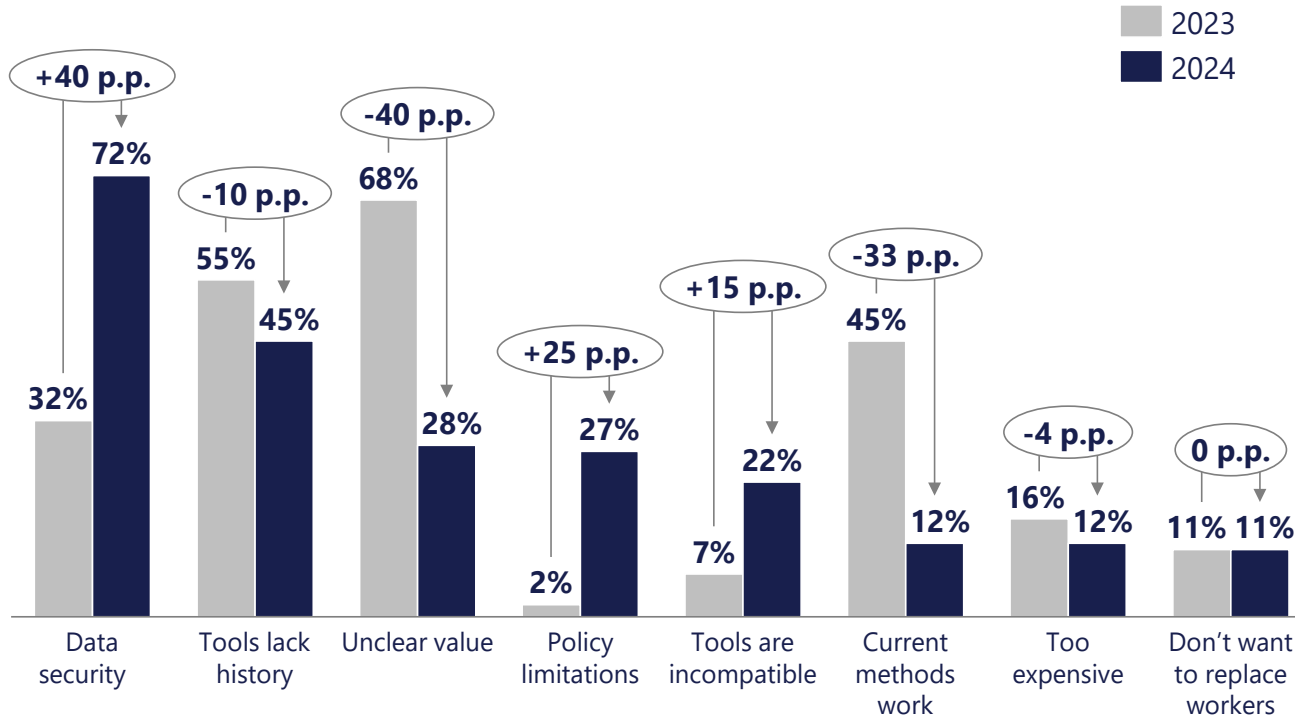
Sources: Altman Solon, Industry Interviews

Enterprise Adoption

Data security and lack of tool history, or no industry standard, were the primary reasons for delay in adoption

Key Risks for Generative AI Adoption

2023 n = 44, 2024 n = 257 (excludes respondents from professional services, tech services, & product development)



Sources: Altman Solon, Industry Interviews

“One of the main challenges we faced when adopting AI solutions was the fear of the unknown, particularly the concern that **sensitive information might become public.**”

Chief Technology Officer,
Global Law Firm

“The risk lies in the potential **copyright** issues associated with the images and content.”

Head of Product & Tech,
Global E-commerce Company

“**Data residency** is indeed a concern for us, as it aligns with **data privacy. Compliance** with laws is a necessity, given our global presence in 120 countries.”

Head of Technology Office,
International Financial Service Company

“The issue many people face is not understanding that if you have a large pre-trained model and then you're fine-tuning on top of it, the probability of **hallucination** actually increases.”

SVP of CTO Office,
International Banking Institution

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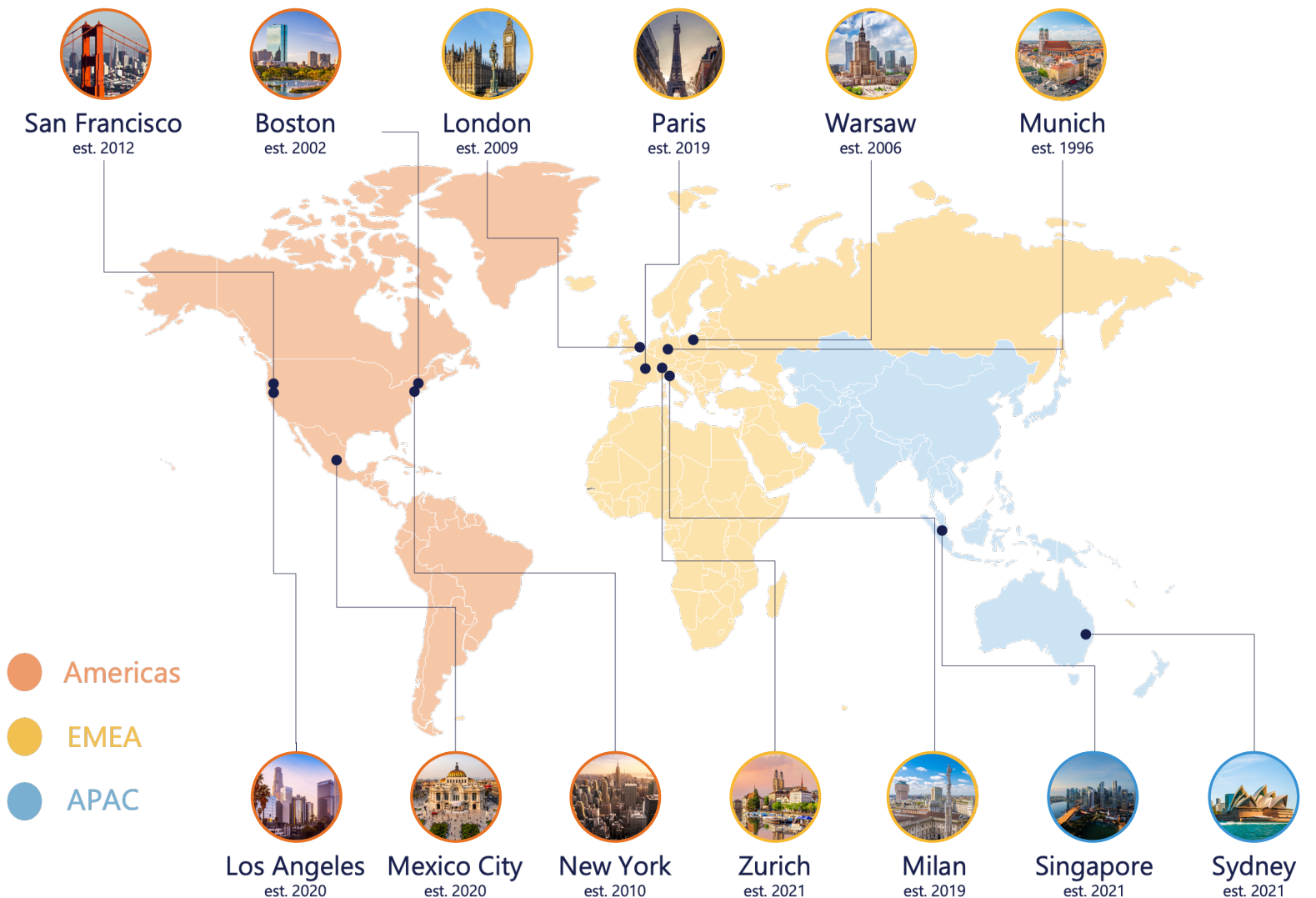
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