

The logo for GLG, consisting of the letters 'GLG' in a bold, white, sans-serif font. The background of the entire page is a vibrant, abstract composition of overlapping, wavy bands in shades of blue, orange, red, and purple, creating a sense of movement and depth. Four yellow L-shaped corner markers are positioned at the corners of the page, framing the central content.

GLG

NAVIGATING *GENERATIVE AI*

Corporate Perspectives from Business Leaders

By a subject matter expert and GLG Network Member



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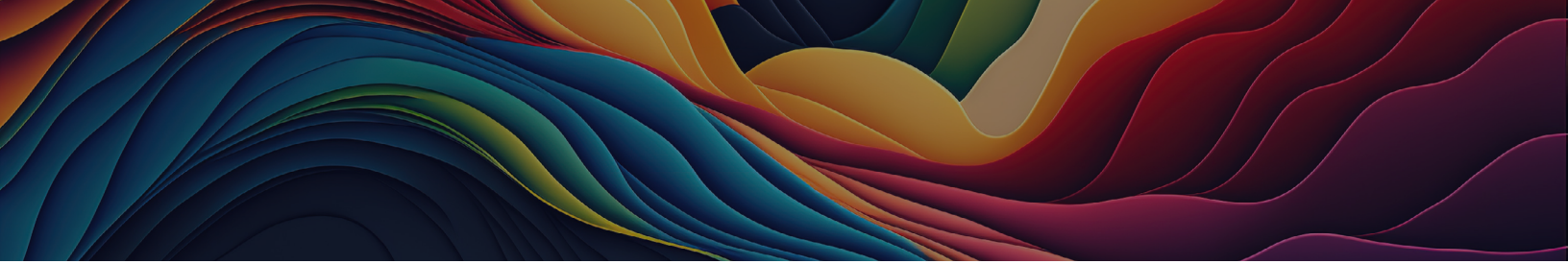
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EXECUTIVE SUMMARY

Generative AI tools have created intense excitement in many sectors, as businesses discover the potential for large language models (LLMs), image generation tools, and related technologies to reduce repetitive work, augment workers' capabilities and creativity, and enable individual workers to substantially scale their productivity. At the same time, businesses are concerned about potential risks, such as erroneous or problematic outputs, potential liability for the misuse of intellectual property, or excessive costs and energy consumption.

A survey of corporate leaders and IT decision makers demonstrates high enthusiasm for experimenting with generative AI, but also a lack of preparedness to adopt the new technology. As businesses move forward with pilots, they are looking for answers on how to benefit from generative AI while avoiding potential pitfalls.

“Our story is definitely at the beginning ... When ChatGPT dropped, we fed it way more than we should, being wowed and amazed by how it would do “magic.” Then there was the aftershock of how this changes virtually every job at a certain level.

— VP of IT at a Technology Company

GLG's Survey Revealed:

77%

of respondents are using generative AI to improve internal process efficiency

74%

of respondents are concerned about how generative AI may impact the privacy of customer data

88%

of respondents believe generative AI could reduce costs over the next five years

ABOUT THE RESEARCH

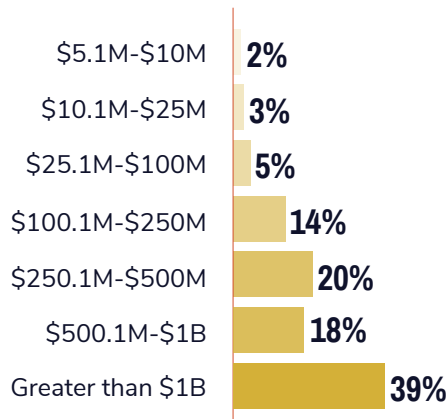
GLG, The World's Insight Network, brings decision makers the insight it takes to get ahead, providing meaningful connections through the world's most varied, senior, and qualified source of first-hand expertise. In October 2023, GLG conducted an online survey of 101 senior IT and business leaders in the United States and Canada with decision-making authority over the selection of generative AI technologies and services to capture their perspectives on key areas of opportunity and concern. This report was written by a subject matter expert and GLG Network Member who independently interpreted and analyzed the results.

The study revealed that most respondents:

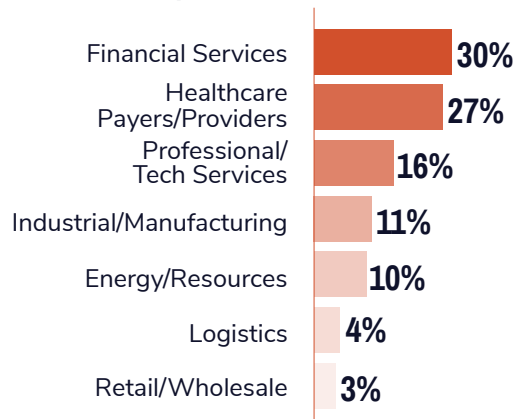
- Are adopting generative AI rapidly but have not moved past the stage of pilots or experiments.
- Focus first on applying generative AI to optimize customer experience or improve efficiency.
- Worry about protecting their intellectual property and their customers' data.

The figures below indicate respondents' level of seniority, their roles, and the distribution of their companies by annual revenue and industry.

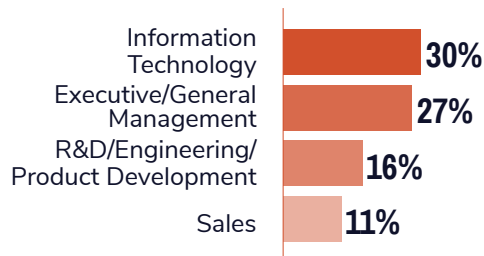
Annual Revenue



Industry



Job Function



Role





GLG SURVEY INSIGHTS

55%

of respondents indicated that their organizations are not prepared to adopt generative AI

“We’re trying to understand what policies we should develop and how we want to educate our employees on the usage of AI tools. We already know they are using them, but we want to ensure that they are doing so in a way that does not present undue risk to the company.

— C-Level Corporate IT Leader

Organizations want to adopt generative AI but are unprepared to do so.

Respondents indicate that their organizations are enthusiastic about adopting generative AI, with 91% indicating that middle management in their organizations is “eager to” or “considering” adoption of generative AI. These leaders see significant opportunities for generative AI to change the way their organizations work: 76% expect generative AI to increase the productivity of many types of workers, and 69% see the potential for generative AI to impact the ways that almost all users interact with information systems. Yet most respondents feel that, despite this enthusiasm, their organizations are not prepared to adopt generative AI, with only 45% of respondents indicating that their organizations are “very” or even “somewhat prepared” to do so.

Successful implementations of generative AI are still rare, and most organizations lack formal leadership in this space.

This perceived gap in preparation may stem from a scarcity of full-scale production implementations of generative AI. Most respondents indicate that their organizations are still at the experimental stage and have not implemented generative AI at scale: only 6% report that generative AI was in day-to-day use within a major function of their companies. While 46% of participants surveyed have pilots or formal programs in place around generative AI, 24% report that their companies have taken no steps to actually implement the technology. One reason for these low levels of full-scale adoption may be the lack of formal leadership over generative AI. Only 18% of participants report that their companies have a dedicated, company-wide leader for AI, and only 23% are working with a system integrator or other vendor who could help guide their adoption of the technology.

84%

of respondents indicated that generative AI adoption could contribute significantly to top-line revenue growth in the next five years

Generative AI is being applied to some use cases, but its full potential is not yet being realized.

Where generative AI is being adopted, it is being applied first to internal processes to improve their efficiency or to front-line customer service requirements (77% of respondents are already doing the former, or plan to within two years, while 74% are

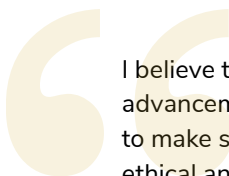
already doing the latter, or plan to within two years). Only 58% of respondents have plans to leverage generative AI to improve their sales and marketing content, and only 50% have plans to utilize generative AI in product development processes, indicating that organizations lack a clear picture for how benefits might accrue from applying generative AI in these areas.

Organizations are still discovering the benefits of generative AI.

Similar gaps in the perception of opportunity are visible in responses to questions about how generative AI is most likely to provide benefit. The majority of respondents (66%) perceive generative AI as useful in augmenting skilled workers by helping them do their jobs more effectively and in reducing repetitive, low-value labor (56%), but only a minority of respondents saw the potential for generative AI to enable rich personalization (15%), generate new product possibilities (22%), or generate ideas to provide inspiration to human workers (16%). In-depth qualitative studies by GLG have shown that organizations that adopt generative AI for these purposes have already seen significant benefit, meaning that while individual experts have found value in generative AI for these purposes, respondents more broadly are not aware of how generative AI can be applied to these use cases, or are not sure how to obtain maximum value from generative AI in these contexts.

Organizations lack tools to manage generative AI risks.

When it comes to concerns raised by generative AI, respondents are in strong agreement that ensuring the privacy of company and customer data and ensuring that the use of generative AI did not introduce legal liabilities, such as intellectual property misuse, are the largest concerns (74% and 65% of respondents ranked these among their top three concerns, respectively). Respondents are less concerned about how to make generative AI available to nonspecialists (37% put this concern in their top three) and how to differentiate their companies' use of generative AI from that of competitors (26% put this concern in their top three).



I believe that AI will be one of the most transformative technological advancements we've seen since the invention of the smartphone. It's now up to us to make sure we take advantage of this opportunity but ensure that we do so in an ethical and legal way.

— VP of IT at a Technology Company

This highlights a significant challenge in the way that generative AI has reached businesses: as generative AI services become rapidly accessible to end users, companies lack the tools to effectively govern their use. Experts who have already led implementations of generative AI may help companies find effective strategies for reducing widely understood risks, such as data protection and liability reduction, and may help companies identify and mitigate concerns that are only beginning to be discussed, such as the high energy consumption of generative AI workloads and the challenge to sustainability goals that may pose for companies.

Organizations are increasing their investment in generative AI.

Despite these hesitations and areas of concern, participants strongly agree that adopting generative AI represents an important opportunity to improve margins, with 84% of respondents saying generative AI is “very” or “somewhat” important to top-line revenue growth in the next five years and 88% saying generative AI would be “very” or “somewhat” important to reducing costs in the same time period. Given this level of opportunity, it is not surprising that overall investment in generative AI will grow; while 61% of respondents spend under \$1 million annually on generative AI technologies today, 52% expect to spend more than \$5 million on the technology over the next five years and 21% expect to spend more than \$10 million.

CONCLUSION

GLG’s survey of business leaders and IT decision makers indicates that companies are excited about the potential benefits of generative AI but are struggling to transition from pilots to full-scale implementations. Many organizations have yet to appoint leadership over generative and other AI technologies and are unsure how to develop a strategy for AI that will lead to meaningful benefits. Tapping into a trusted network of AI thought leaders, innovation researchers, and regulatory perspectives may help companies take the right first steps to transition their pilots to full-scale implementations and leverage generative AI in key business processes such as product development and marketing.

GLG can help organizations access peer insights, benchmarks, and best practices to accelerate their build-out of a robust capacity around generative AI, improving their ability to engage customers, develop better products, and operate efficiently while minimizing risk and maintaining sustainability goals.

**Interested in unlocking the potential of Generative AI
for your organization?**

Contact us to learn more.



The survey and interview research contained in this document has been conducted by a consultant engaged by GLG through Gerson Lehrman Group's network of independent consultants and subject matter experts ("Network Members"). Network Member survey respondents and interviewees were compensated for their participation in the research. All information is as of October 22, 2023, is for informational purposes, and does not constitute legal, accounting, tax, investment or other professional advice. No representations or warranties (express or implied) are made regarding this document. Neither GLG nor any Network Member shall have any liability whatsoever in connection with the use of this document.