LTIMindtree

The State of
Generative AI
ADOPTION

The Current Landscape and
Lessons from Early Adopters

Generative AI – From Hype to Business Impact

Pascal Bornet

Pascal Bornet is an award-winning expert, author, keynote speaker, and influencer in Artificial Intelligence (AI). Bornet, with 20+ years of executive experience at McKinsey and EY, regularly ranks as one of the top 10 global AI experts. He's a tech influencer with over a million social media followers.

Generative AI has surged onto the global stage, disrupting traditional business practices and models. As leaders, innovators, and analysts, we are engaged in a race to effectively harness and apply generative AI tools. While we marvel at the capabilities of tools like ChatGPT and Google Bard, which produce lifelike content, it is now crucial for businesses to shift their focus towards achieving measurable returns on investment.

Drawing from my extensive experience collaborating with global corporate clients, it is clear that generative AI currently finds itself in the 'Hype' phase—a natural stage for emerging technologies. The real challenge lies in how businesses can adapt, scale, and ethically deploy these tools to realize tangible outcomes. As I have emphasized over time, businesses investing in Gen AI should expect substantial and measurable results.

So, where should they embark on this journey?
Based on my experience, corroborated by the research conducted by LTIMindtree, two key areas are critical for transitioning generative AI from hype to lasting impact: a well-defined strategy to enable scale and a responsible approach to ensure the sustainability of the transformation.

Firstly, business leaders must craft a **well-defined strategy for scaling generative AI** deployment to yield enduring, high-impact results. Isolated pilot programs will not suffice; what's needed is a strategic approach that encompasses platformization, industry-specific training, and an unwavering commitment to ethics, aligning with the demands of our times.

I have led numerous AI projects globally, and my experience underscores the importance of having a clear AI strategy aligned with business objectives. This begins with identifying high-impact use cases, ensuring that AI initiatives are purposeful and value-driven.

My experience and this research affirm that the accuracy and effectiveness of generative AI solutions hinge on the quality, diversity, and relevance of the underlying data used to train AI models. Hence, developing and fine-tuning narrow, industry-specific Language Models (LLMs) are crucial. These models, enriched with industry-specific knowledge, enhance content generation and task performance. For instance, a 'law' domain-specific model undergoes specialized training encompassing terminology, legal texts, cases, and specific terminology. Once fine-tuned, these industry-specific models excel in generating content, answering questions, or performing tasks tailored to their respective industries.

Businesses must also embrace a 'platformization strategy' to ensure robust and rapid scalability. Based on my experience, neglecting this aspect may hinder the development of the robust and scalable technology infrastructure necessary for successful AI deployment.

Secondly, this study is a timely reminder that our technological aspirations must never outpace **our commitment to responsible and ethical practices.** Businesses need to proactively manage the limitations and risks associated with generative AI. As the potential of this transformative technology grows, so does our responsibility to use it ethically and securely. My observations have shown how AI can bring remarkable benefits to humanity, but groundbreaking technology demands even greater responsibility. As we strive for technological advancement, businesses must handle data reliably, ethically, and securely, keeping a firm foothold on ethical and practical grounds.

Leaders must engage in 'Mindful AI' practices, educating themselves and their stakeholders about the risks when designing AI solutions. When AI is employed, team members should have a say in shaping AI development. Businesses must prioritize human values in their endeavors, empowering team members to voice concerns and advocate against AI usage if necessary.

How can businesses implement Mindful AI?

Businesses must routinely audit and update their AI systems to ensure adherence to the highest ethical standards. Strict data privacy and security standards must be upheld, and models should be scrutinized to prevent the perpetuation of harmful biases. Additionally, robust cybersecurity measures should be implemented, and businesses should comply with relevant data protection regulations to safeguard sensitive information.

Lastly, having acquired the necessary talent and expertise in AI, machine learning, and domain-specific knowledge, skilled resources should prioritize transparent and explainable AI models. The next generation of workers entering the workforce will be AI natives. It is crucial to ensure that AI natives and stakeholders understand how AI makes decisions, fostering trust in AI and enabling better risk management practices associated with responsible AI.

The transformation brought about by generative AI transcends the mere adoption of a new technology. It involves reshaping business strategies, prioritizing ethical considerations, and continuously aligning with evolving societal needs. This report distills the essential strategy for businesses to successfully navigate the generative era. Whether businesses are on the cusp of this AI revolution or deeply immersed in their AI journey, this work serves as both a guiding light

and a cautionary tale. It encourages innovation with a sense of purpose and responsibility. It is essential reading for anyone committed to making a meaningful impact in our generative AI-fueled future.

Pascal Bornet
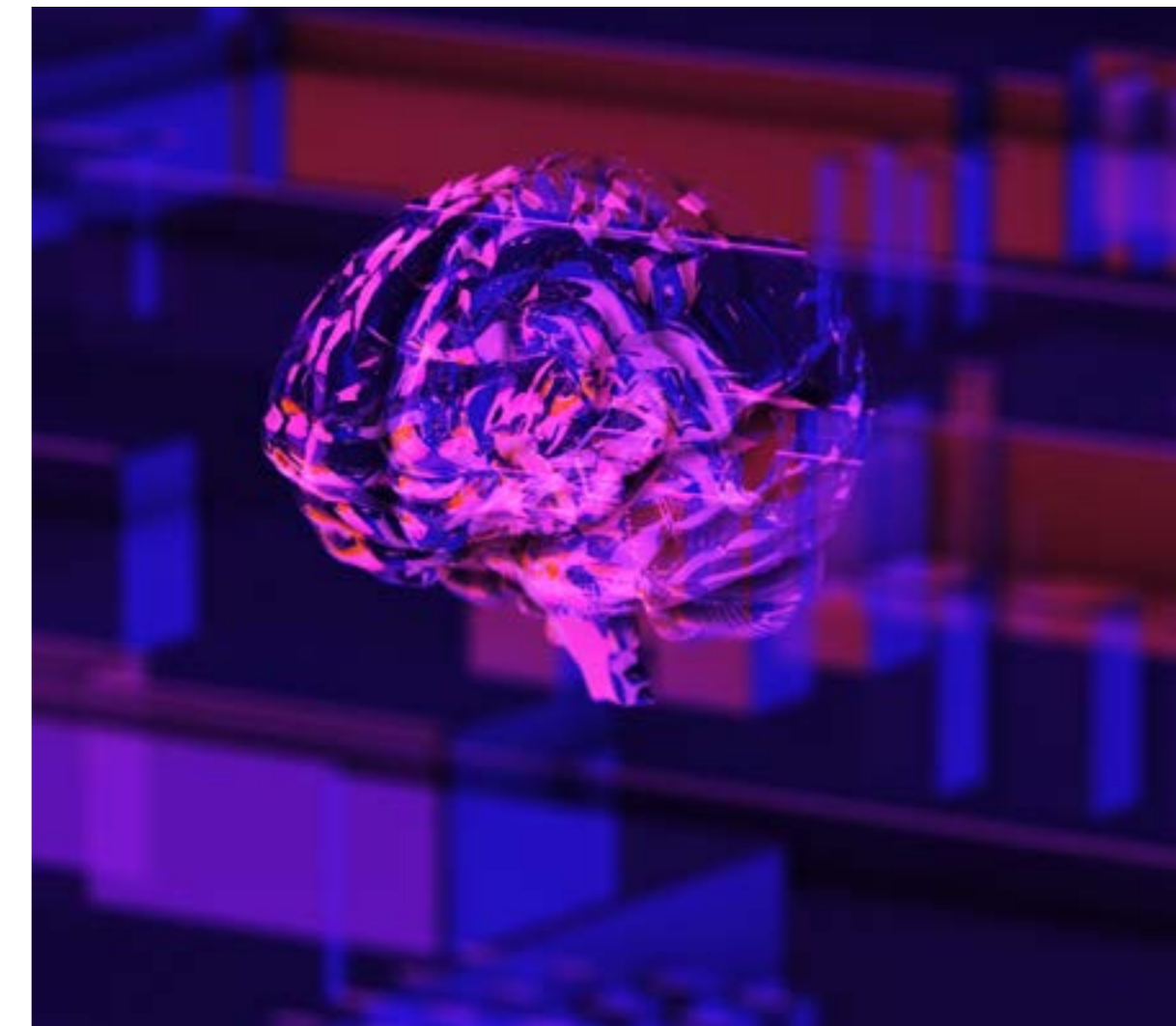
Navigating the Generative AI Frontier — An Early Roadmap Emerges

What sets leaders in Gen AI apart?

In a world defined by relentless technological advancements, one innovation stands out as a transformative powerhouse: generative AI. It embodies a seismic shift that is indelibly shaping the contemporary business landscape. Our report, The State of Generative AI Adoption: The Current Landscape and Lessons from Early Adopters delves into one core question: what sets the leaders in generative AI apart, and how can others emulate their success?

Our survey was conducted in August 2023. Its findings reveal widespread experimentation with Gen AI tools, despite their relative novelty. Respondents not only embrace experimental use but also anticipate a profound transformation within their industries.[1] Globally, the United States leads in Gen AI adoption, surpassing UK and Continental Europe, while the Nordic regions fall behind.

Our report unveils a comprehensive roadmap for the Gen AI journey. This roadmap highlights five pivotal success factors: unwavering leadership, access to skilled personnel, effective training programs,

user-friendly AI technology, and effective communication and change management.

The data reveals that leaders and moderate adopters are keen to co-develop Gen AI solutions in close partnership with technology providers, with a resounding 52% of both groups choosing this path. However, for enterprises yet to embark on their Gen AI journey, formidable barriers loom large, including operational costs, challenges related to data quality and availability, and the need for precise identification of suitable use cases. A staggering 79% of leaders cite ethical, security, or regulatory issues as barriers to the successful adoption or scaling of Gen AI, while 78% identify a lack of suitable skills, expertise, or knowledge as their greatest challenge.

Early adopters share a common vision: harnessing Gen AI to elevate customer experience, drive revolutionary product design, and unlock the transformative capabilities of data analytics. Gen AI is proving to be a sound investment for these pioneers, delivering benefits such as improved operational efficiency, greater revenue, and streamlined costs.

[1] For the purposes of this roadmap, we will refer to those who state that they have extensively adopted Gen AI, across multiple functions of their business, or their entire organisation, as leaders.
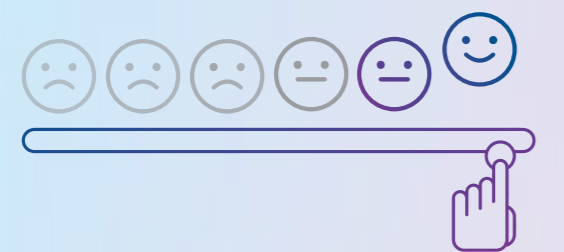
Survey Unveils Blueprint for Shaping the Future

How Leaders Use Gen AI

Early or Extensive Adopters

81% Improve **Customer Experience**

57% Enhance **Product Design/Innovation**

68% Optimize **Processes**

49% Enhance **Data and Analytics**

Pre-Adopters' Intended Use

78% Improve **Efficiency**

75% Enhance **Customer Experience**

Top Use Cases in the US, UK and Continental Europe, and the Nordics

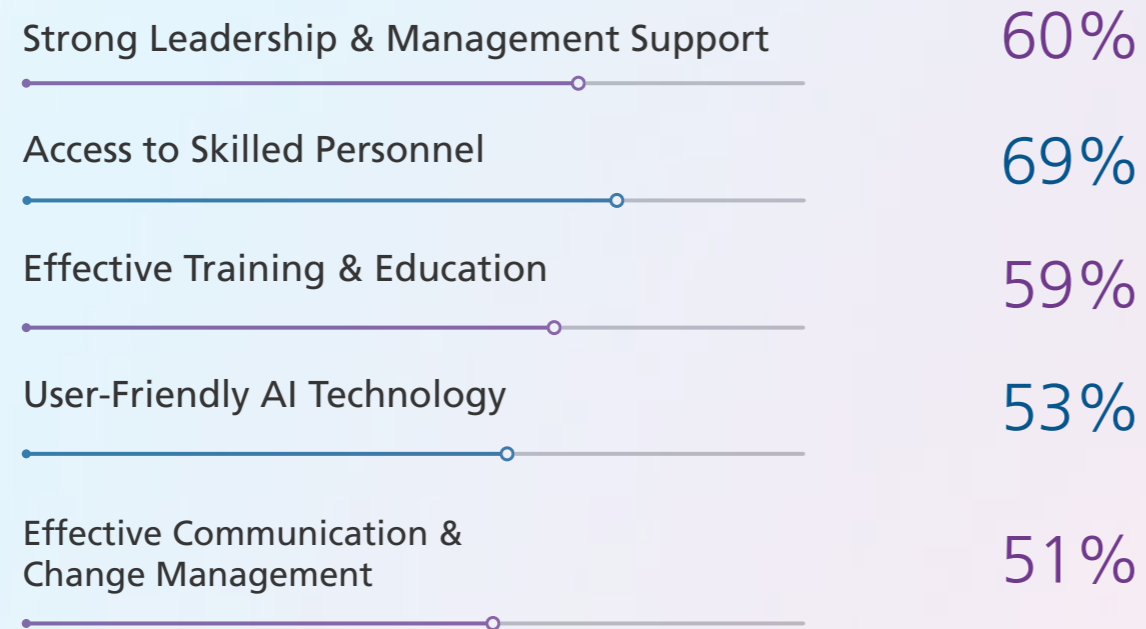Improving **Customer Experience**

Investments in Gen AI

Pre-Adopters Invest in Research and Development

Early Adopters Explore New Use Cases
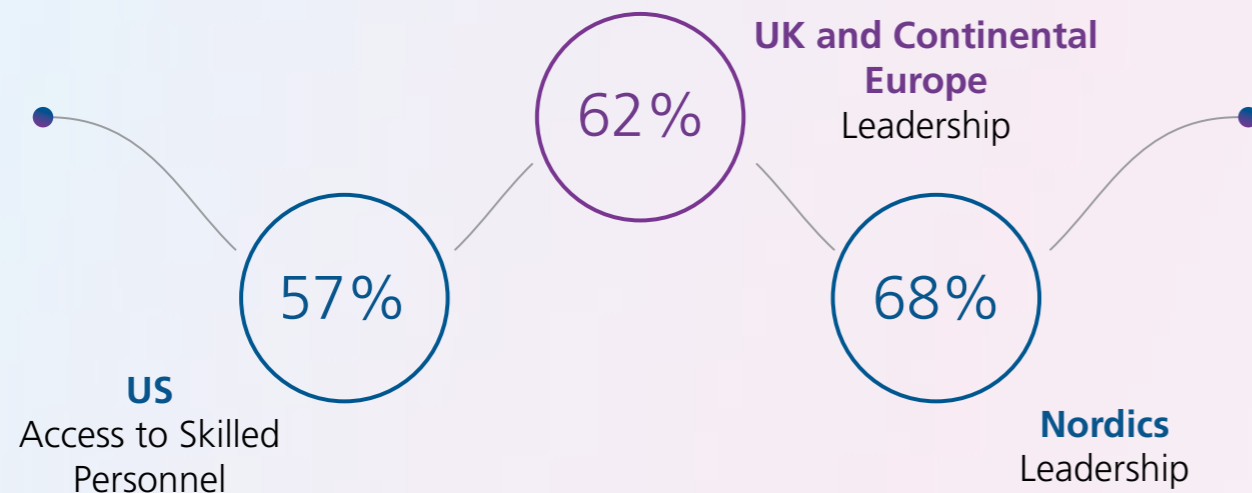
75%

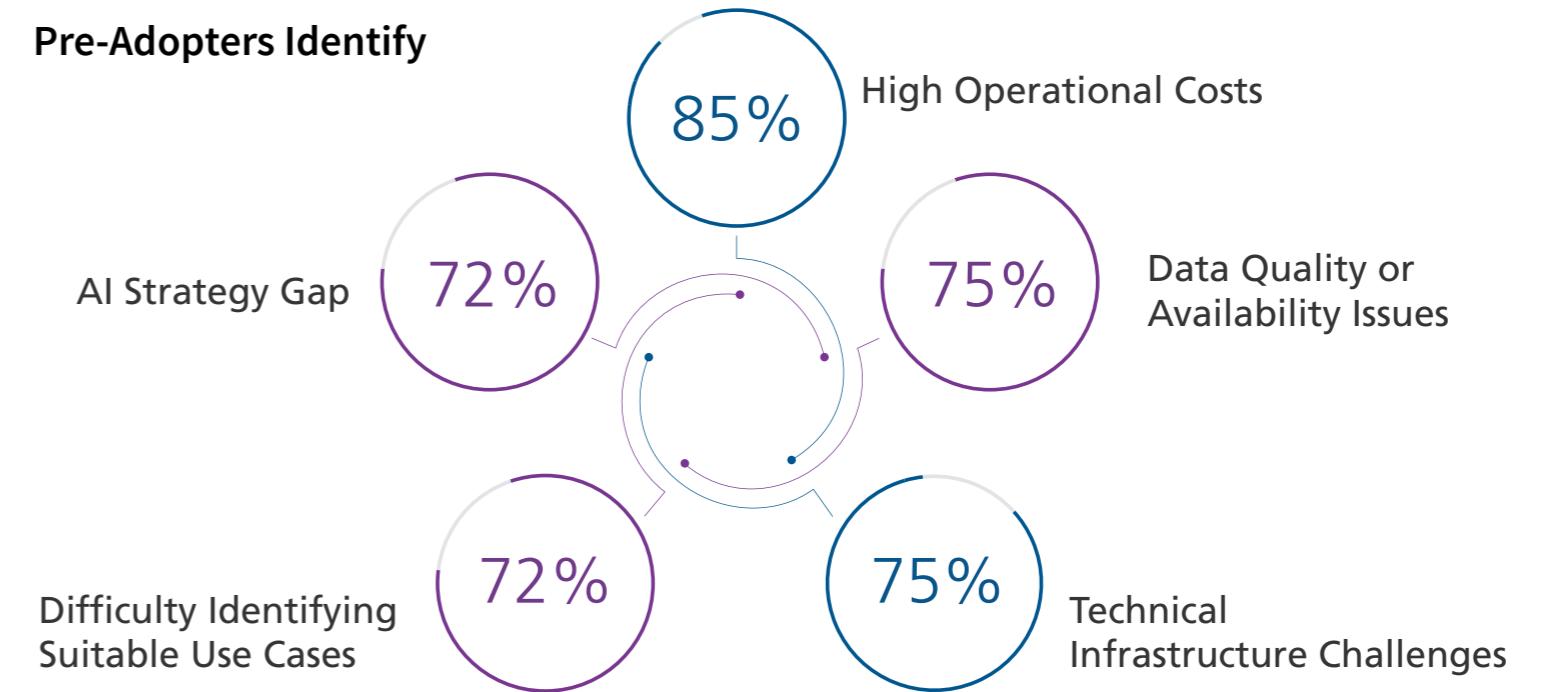**80%**

Successful Gen AI Adoption: Key Factors

Strong Leadership & Management Support — **60%**

Access to Skilled Personnel — **69%**

Effective Training & Education — **59%**

User-Friendly AI Technology — **53%**

Effective Communication & Change Management — **51%**

Critical Success Factors Across Regions

UK and Continental Europe — 62% — Leadership

US — 57% — Access to Skilled Personnel

Nordics — 68% — Leadership

Barriers to Successful Gen AI Adoption

Pre-Adopters Identify

85% — High Operational Costs

72% — AI Strategy Gap

75% — Data Quality or Availability Issues

72% — Difficulty Identifying Suitable Use Cases

75% — Technical Infrastructure Challenges

Critical Challenges Across Regions

80% — **US** — Selecting Appropriate Use Cases

78% — **UK and Continental Europe** — Data Quality or Availability Issues

81% — **Nordics** — Technical Infrastructure Challenges
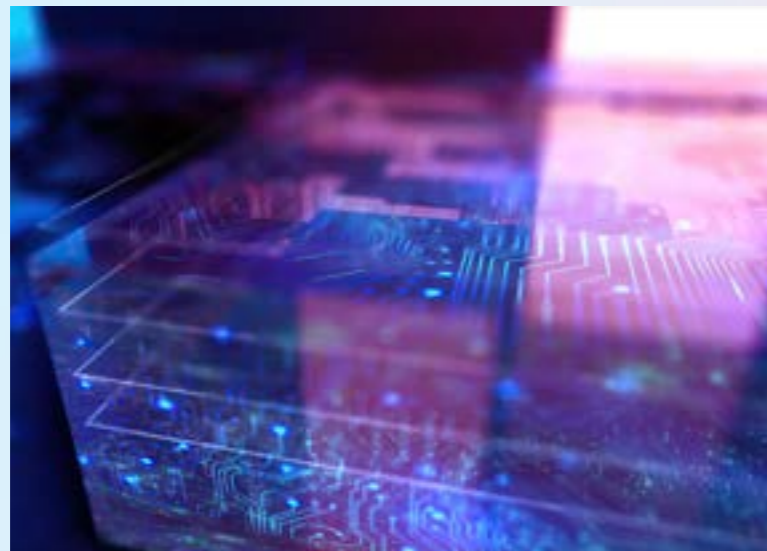
Key Findings

Corporate Leadership in Gen AI Adoption

41% of Gen AI leaders are large corporations with an annual turnover exceeding $20 billion, while smaller businesses tend to collaborate with service providers for tailored solutions.

The US Leads the Way

The **United States (61%) surpasses UK and Continental Europe (39%)** in Gen AI adoption due to thriving tech giants and a vibrant venture capital scene, while UK and Continental Europe emphasizes ethics and privacy.

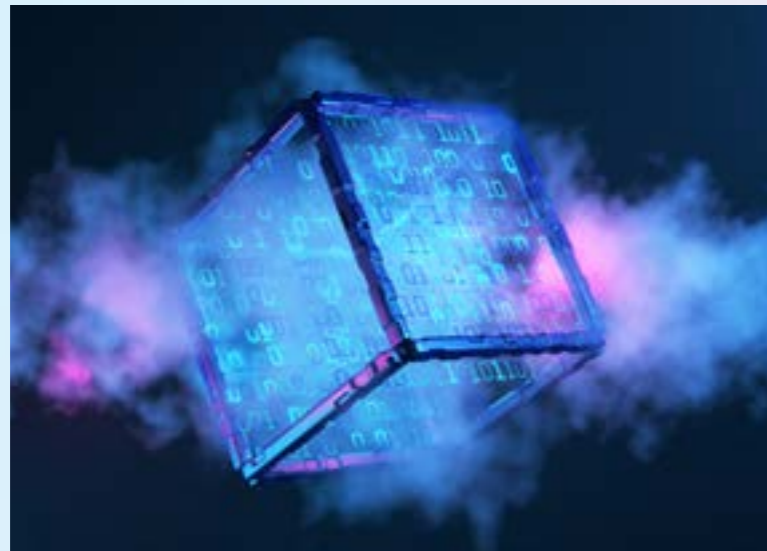## Retail and Manufacturing Lead Early Adoption

Consumer-facing industries, like retail and manufacturing, are at the forefront of Gen AI adoption, **utilizing personalization and predictive analytics.**

Reshaping and Transforming Businesses

Gen AI adoption leads to increased revenue **(80% of leaders report at least 5% growth)** and cost savings **(up to 40%).**
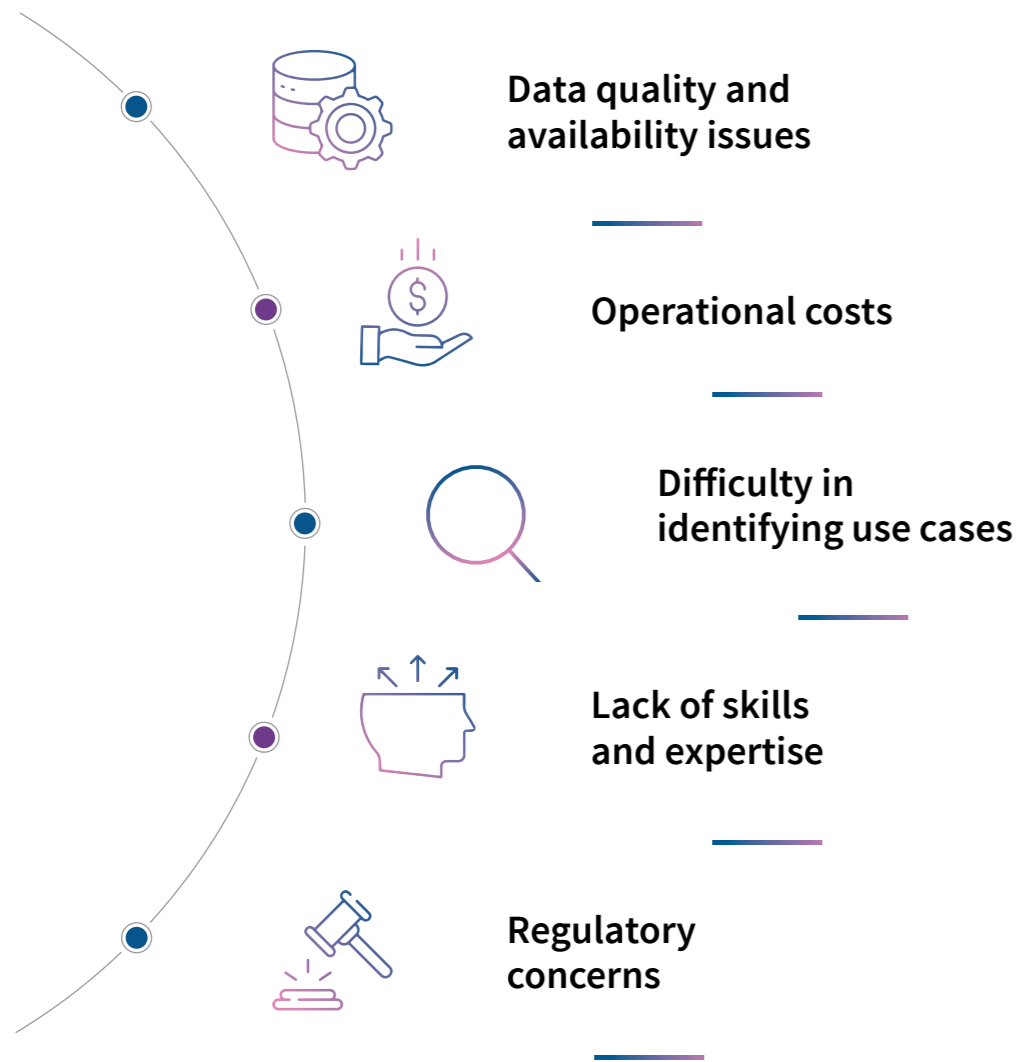

Mindful AI Development

Leaders (79%) regularly audit their Gen AI usage for ethical compliance and potential bias, focusing on reliability, safety, and ethical use of the technology.
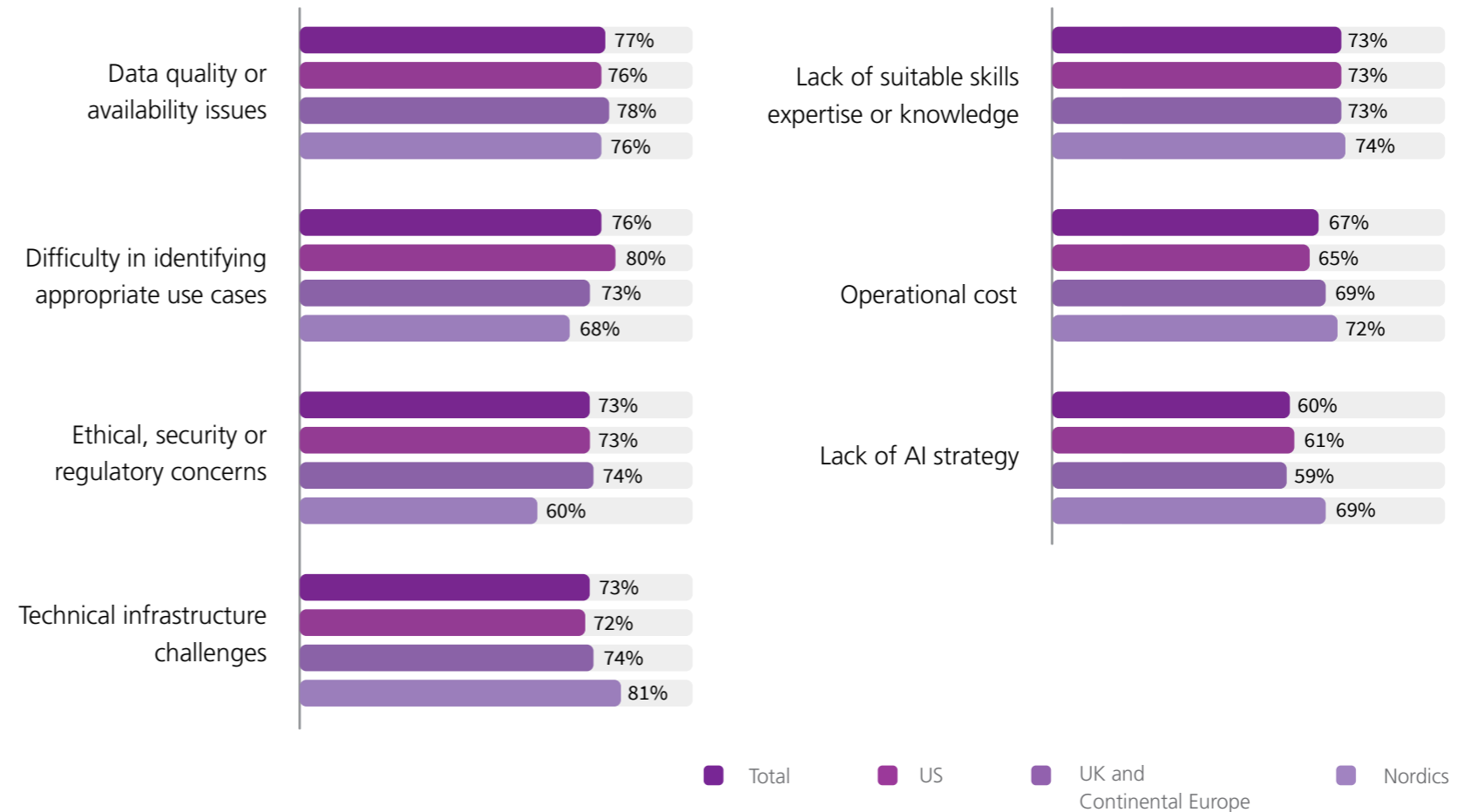

Collaboration and Workforce Reskilling
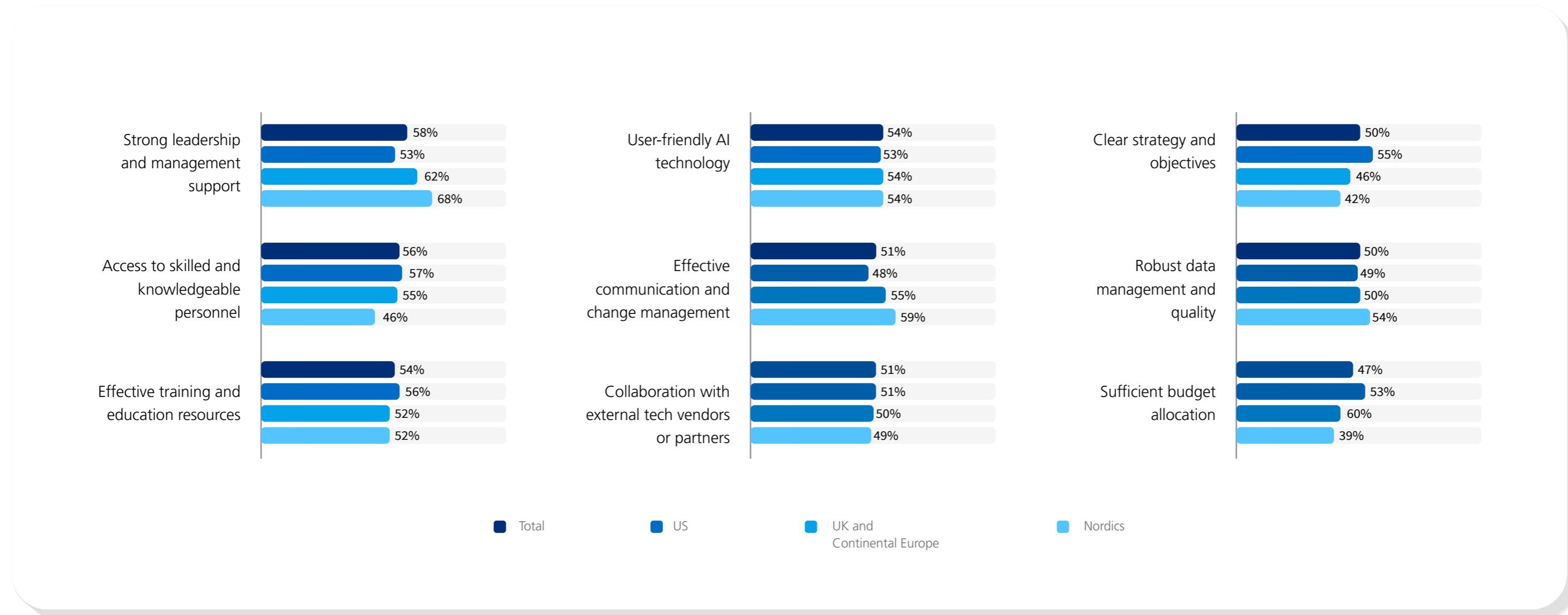
Leaders upskill their **workforce (71%)** and collaborate with **tech vendors (46%)** to support Gen AI adoption.

Barriers to Gen AI Adoption

Data quality and availability issues

Operational costs

Difficulty in identifying use cases

Lack of skills and expertise

Regulatory concerns

Challenges vary across regions

|	Total	US	UK and Continental Europe	Nordics
Data quality or availability issues	77%	76%	78%	76%
Difficulty in identifying appropriate use cases	76%	80%	73%	68%
Ethical, security or regulatory concerns	73%	73%	74%	60%
Technical infrastructure challenges	73%	72%	74%	81%
Lack of suitable skills expertise or knowledge	73%	73%	73%	74%
Operational cost	67%	65%	69%	72%
Lack of AI strategy	60%	61%	59%	69%

Q. What are the greatest barriers to the successful adoption or scaling of generative AI solutions within your organization?
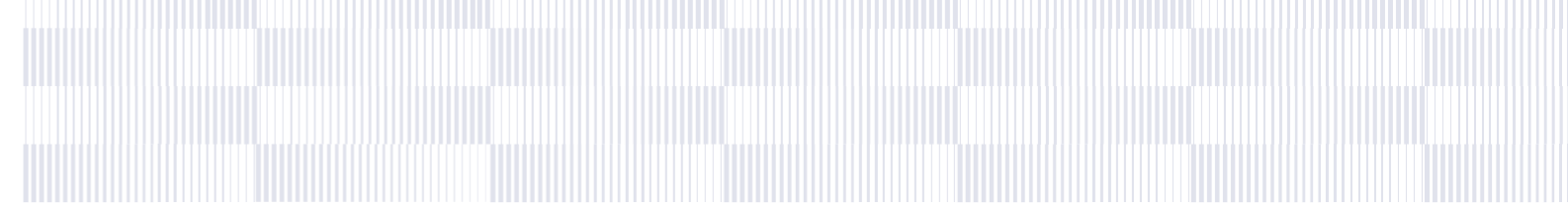
For UK and Continental Europe and the Nordics, effective communication and change management joins strong leadership as a priority

Strong leadership and management support
- 58%
- 53%
- 62%
- 68%

Access to skilled and knowledgeable personnel
- 56%
- 57%
- 55%
- 46%

Effective training and education resources
- 54%
- 56%
- 52%
- 52%

User-friendly AI technology
- 54%
- 53%
- 54%
- 54%

Effective communication and change management
- 51%
- 48%
- 55%
- 59%

Collaboration with external tech vendors or partners
- 51%
- 51%
- 50%
- 49%

Clear strategy and objectives
- 50%
- 55%
- 46%
- 42%

Robust data management and quality
- 50%
- 49%
- 50%
- 54%

Sufficient budget allocation
- 47%
- 53%
- 60%
- 39%

Legend: Total | US | UK and Continental Europe | Nordics

Q. Which of the following do you believe to be the key factors for successful adoption and implementation of generative AI in your organization?
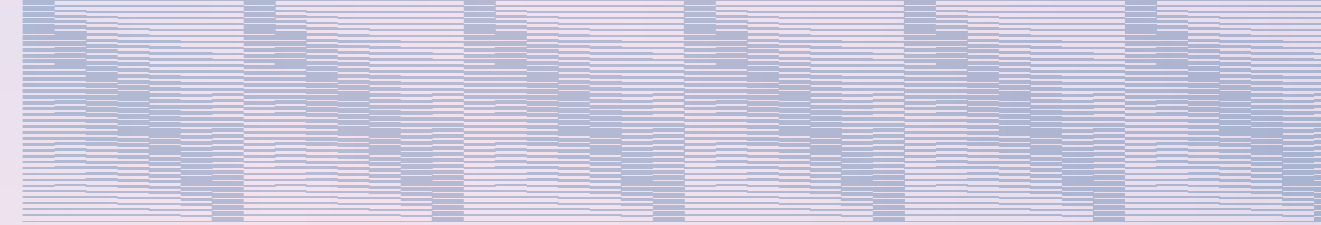
Key Success Factors in Gen AI Adoption

Unwavering leadership

Skilled personnel

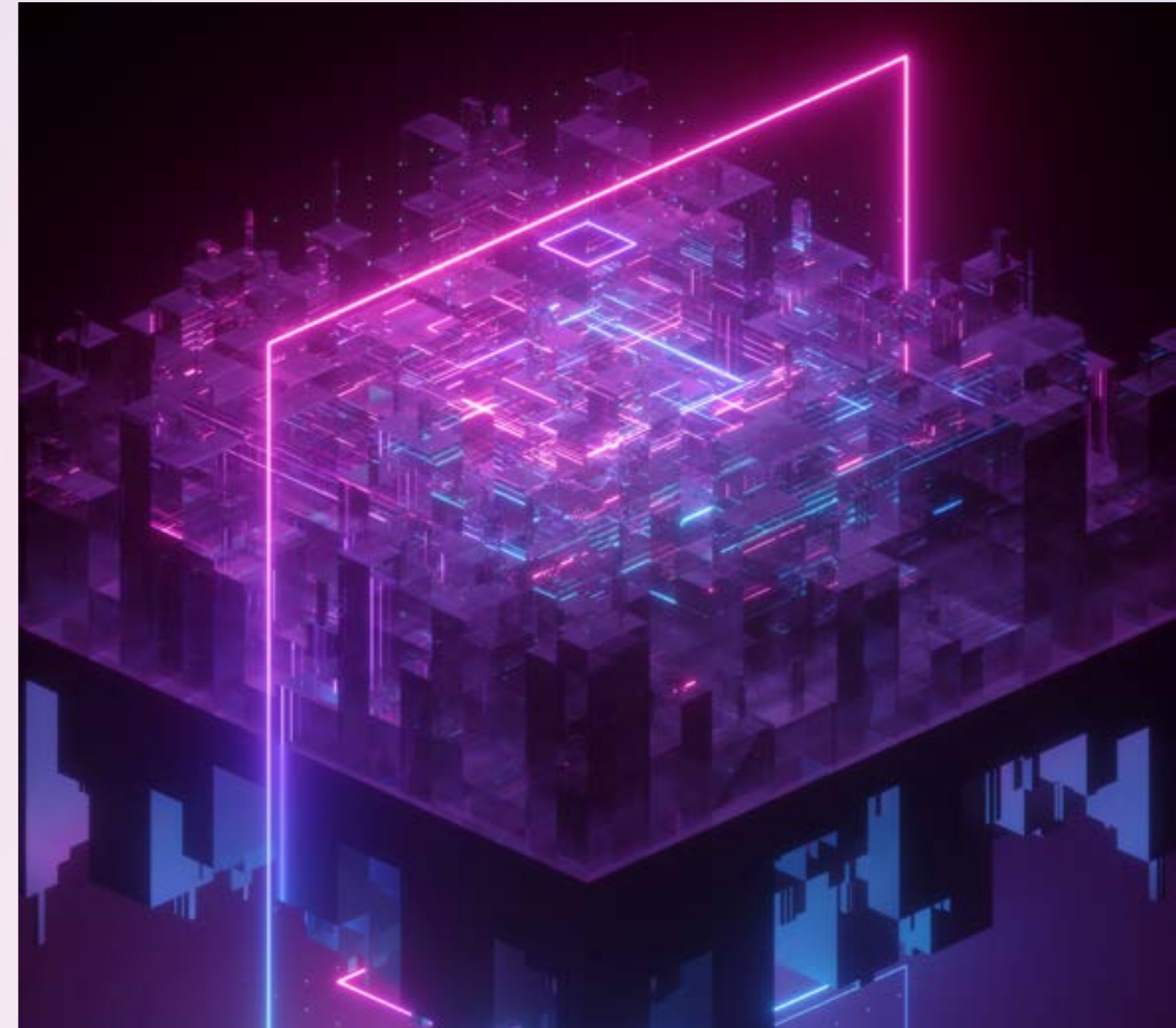Effective training programs

User-friendly technology

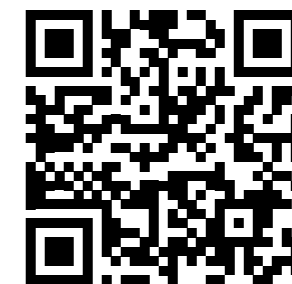Robust change management

About this research

In July and August 2023, a survey was conducted by LTIMindtree, which included 450 decision-makers from organizations with annual revenues exceeding $250 million, focusing on Gen AI adoption. Respondents were evenly split between the United States and Europe, with 18% in the Nordics. Of these organizations, 85% were actively using Gen AI, with 32% having limited usage and 53% moderate to extensive adoption.

The study encompassed various sectors, including 'Travel, Transport and hospitality,' 'Banking, Financial Services, and insurance,' 'Retail and Consumer Packaged Goods (CPG),' 'Manufacturing, Energy and utilities, Oil and gas,' 'Communications, Media and technology,' and 'Healthcare and Lifesciences.' Respondents held senior positions like Head of IT, Director of Strategy, Head of Finance, and Director of Digital. The survey employed a phone-to-web methodology, with respondents initially contacted via phone and later completed the survey online at their convenience.
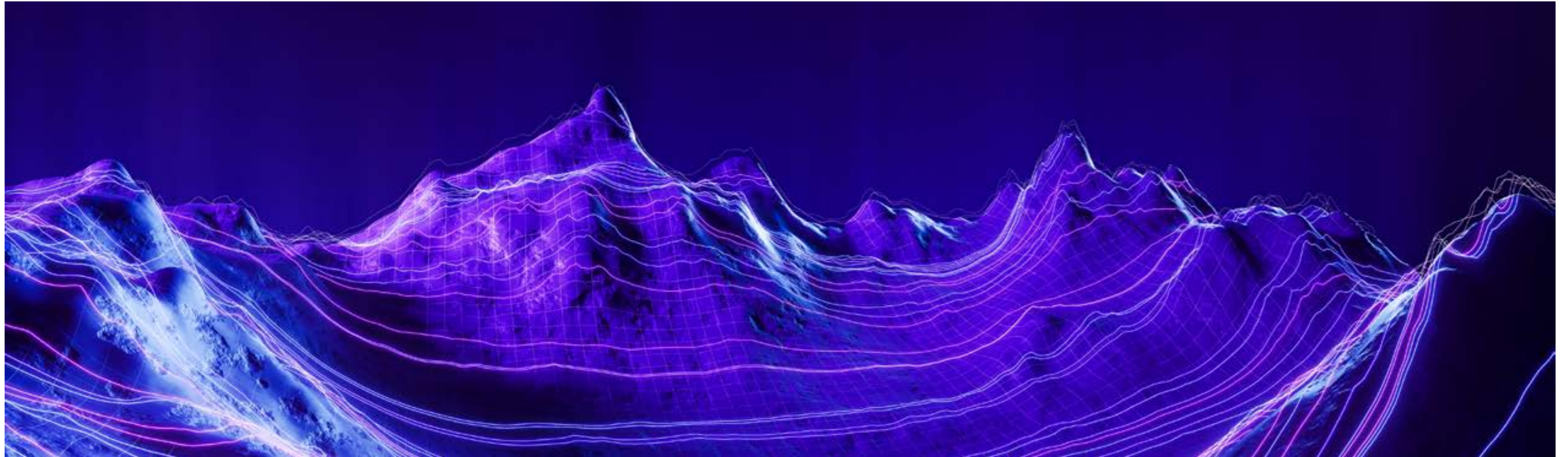
LTIMindtree

About LTIMindtree

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 83,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree — a Larsen & Toubro Group company — combines the industry-acclaimed strengths of erstwhile Larsen and Toubro Infotech and Mindtree in solving the most complex business challenges and delivering transformation at scale. For more information, please visit https://www.ltimindtree.com/.

Scan to
discover more