CE CFO Survey 2024
Getting ready
for GenAI journey?

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Contents

Introduction

These are the early days of generative AI, but the technology is rapidly maturing.

As it does so, organisations in every industry will probe how this type of AI can contribute to their business and open doors to transformative opportunities. As such, an important part of understanding and working with generative AI is shaping the vision for the future, acknowledging both the potential benefits and the risks involved.

For this edition of the CE CFO Survey, we asked almost 500 respondents about their views on generative AI, what they are doing now, and what they think the benefits and challenges will be. About a year after ChatGPT was launched, three out of every four financial executives in CE think that generative AI is to some degree important for their strategy. Generative AI, in the view of CE's CFOs, is a way in which they might achieve cost reductions – and they see this as one of the chief benefits of the new technology.

But today the deeper question is more about how to deploy these cognitive tools in ways that deliver real business impact. The true value of generative AI is only likely to be unlocked when organisations can use it to transform business functions, create products and services, enhance consumer experience and create previously unachievable process efficiencies.

The role of CFOs in digital transformation is crucial due to their ability to combine a business perspective with a technological one: this remains essential for deriving the greatest value from digital investments.

We hope that this publication will help readers to take a more strategic approach to the adoption of GenAI, suggesting where they can derive the greatest value from AI implementations and so accelerating the business transformation of CE-based enterprises.

FERENC PÓCZAK
CFO Programme Leader, Deloitte CE

JAN MICHALSKI
Partner, GenAI Deloitte CE Leader

Summary

This report constitutes a supplement
to the main 2024 CFO report, based on a survey
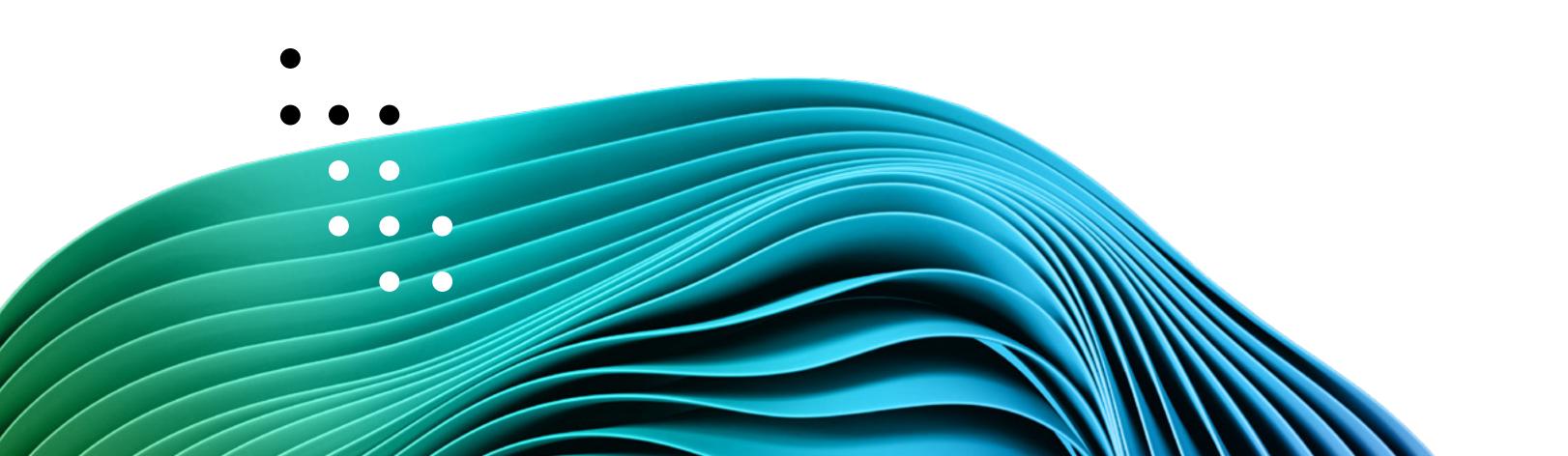carried out between October and December 2023.

Half of all surveyed CFOs expect cost reductions to be a result of adopting GenAI in their business operations.

Only 4% of companies are passively waiting for competitors to make the first move.

The financial sector seems set to divert the highest percentage of their budget into GenAI next year.

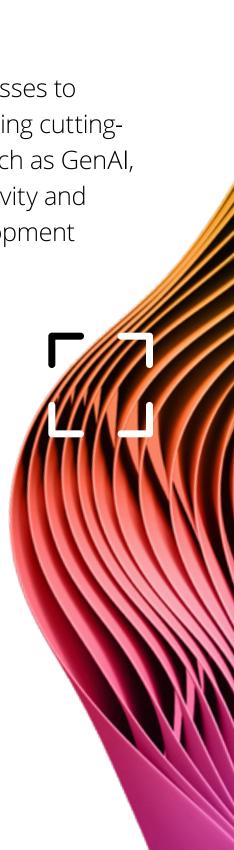**56% of CFOs** see skills-related challenges as the main barrier to the adoption and application of GenAI in their businesses.
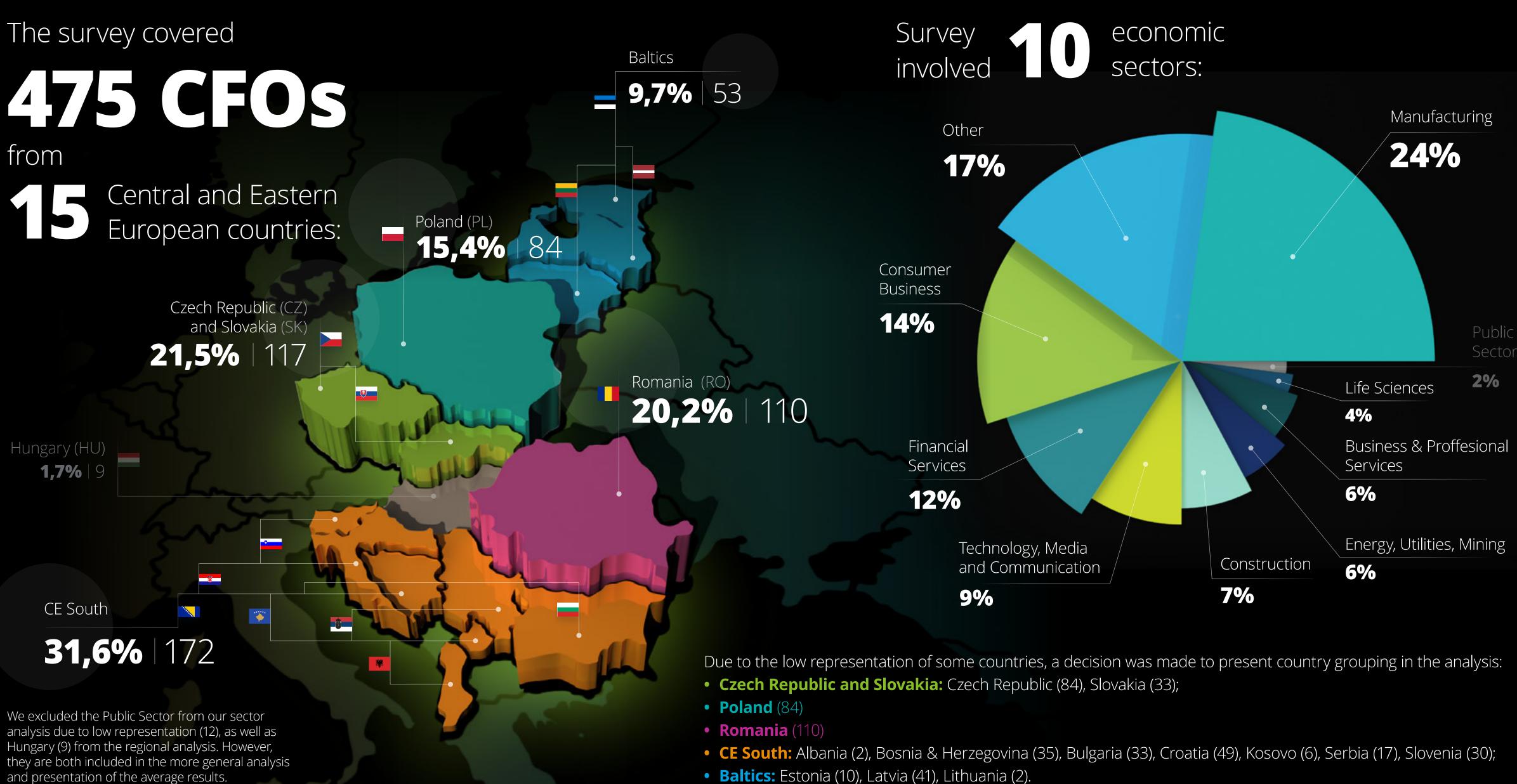
Lower costs and more accurate forecasting are the most widely expected benefits of GenAI.

CFOs expect businesses to create value by utilising cutting-edge technology, such as GenAI, to increase productivity and stimulate the development of innovative goods and services.

The survey covered

475 CFOs

from

15 Central and Eastern European countries:

Baltics
9,7% | 53

Poland (PL)
15,4% | 84

Czech Republic (CZ) and Slovakia (SK)
21,5% | 117

Romania (RO)
20,2% | 110

Hungary (HU)
1,7% | 9

CE South
31,6% | 172

We excluded the Public Sector from our sector analysis due to low representation (12), as well as Hungary (9) from the regional analysis. However, they are both included in the more general analysis and presentation of the average results.

Survey involved **10** economic sectors:

Other
17%

Manufacturing
24%

Consumer Business
14%

Public Sector
2%

Life Sciences
4%

Financial Services
12%

Business & Proffesional Services
6%

Technology, Media and Communication
9%

Construction
7%

Energy, Utilities, Mining
6%

Due to the low representation of some countries, a decision was made to present country grouping in the analysis:
- **Czech Republic and Slovakia:** Czech Republic (84), Slovakia (33);
- **Poland** (84)
- **Romania** (110)
- **CE South:** Albania (2), Bosnia & Herzegovina (35), Bulgaria (33), Croatia (49), Kosovo (6), Serbia (17), Slovenia (30);
- **Baltics:** Estonia (10), Latvia (41), Lithuania (2).

Results

Modern artificial intelligence is capable of superhuman decision-making in some areas, due to its machine learning-based perception and learning skills.

This might suggest that a new entity, separate from humans, is forming—a force that could determine, create and alter the real world. The advancement of generative artificial intelligence will undoubtedly influence contemporary civilization in a manner comparable to those of the steam engine and the internet. In addition, it's not just a portion of the market or sector that will be shaped by this general-purpose technology, but the economy as a whole.

The potential for generative artificial intelligence to revolutionise the world economy is immense. It goes without saying that change will occur in different nations at different rates and to differing degrees. Artificial intelligence is set to affect nearly 40% of all jobs, according to an analysis by the International Monetary Fund . According to this study, the advantages and drawbacks of artificial intelligence will be seen by developed economies sooner than by developing and emerging markets. Companies in the CE region will therefore be able to watch and build on the experience of other markets that have previously adopted GenAI, learning how to benefit from new opportunities and mitigate the risks involved.

The survey's findings shine a light on the current state of GenAI in companies located in Central Europe through the perceptions of CFOs in numerous sectors, outlining the expected benefits and challenges of implementing generative AI. According to our respondents in our previous reports (the General CFO Survey 2024, and its Business Operations Supplement), automation, artificial intelligence and machine learning will likely become the preferred methods for finance-department operations and provide opportunities for cost savings. Although CFOs expect only minor reorganisation in their finance departments, they see artificial intelligence (together with machine learning) and its use in financial activities as having a significant impact on the operating procedures of these departments and of entire organisations. Integrating GenAI into routine processes may help to address one of the most often identified issues affecting finance departments – that of securing new talent (CFO Survey Operate Supplement 2024). It will do this by implementing AI to forecast hiring needs, predict candidates' success in specific roles, and estimate employee turnover.

Generative AI:

The term 'generative artificial intelligence' (GenAI) refers to a field of AI that can generate new and original content or data. While traditional AI has focused on the sorting and cataloguing of data, GenAI is the 'artistic spirit' of AI, crafting everything from text to images, videos and even tunes.

1. Cazzaniga, M., F. Jaumotte, L. Li; G. Melina, A. Panton; C. Pizzinelli, E. J. Rockall, M. Mendes Tavares, Gen-AI: Artificial Intelligence and the Future of Work, Staff Discussion Notes No. 2024/001, 2024.

QUESTION 1:

GenAI is important, but not yet strategic.

While our respondents perceive and understand the importance of generative AI for the future of business, its significant importance for business strategy is recognised by less than 30% of the CFOs we surveyed.

There are noticeable regional differences in the perceived level of relevance of GenAI in achieving

business strategy. It is worth noting that Poland and Romania, on average, perceive the greatest relevance of GenAI for business strategy, while the Czech Republic and Slovakia scored the lowest. Polish respondents also expressed this belief more frequently than respondents from any other nation: 'generative artificial intelligence is essential to a strategy's execution'.
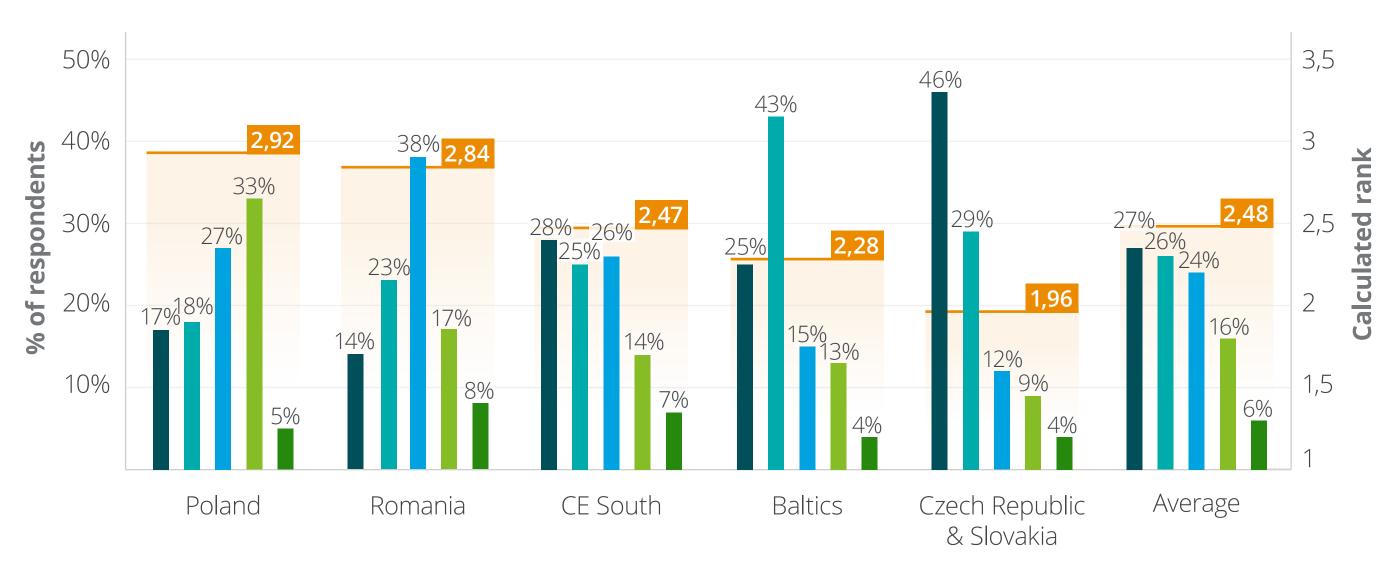
Chart 1. How important is GenAI to achieving your business strategy? Country perspective (%)

Key

- **Not very important**
- **Slightly important**
- **Moderately important**
- **Important**
- **Very important**
- **—** Calculated rank*

*Calculated as follows: respondents were asked to gauge from "Not very important" as 1 to "Very important as 5". The results were multiplied by the percentage of responses that made the selection, and the results were then added together.
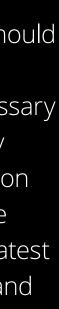
"The implementation of generative AI requires a well-thought-out strategy. It should take into account not only the financial aspects, but also the competences necessary for the whole process and key regulatory issues. In the era of increasing digitalisation of the economy, companies striving to be leaders in their sectors must adopt the latest solutions based on artificial intelligence and machine learning. This is the only way to maintain a competitive position at a time when information is the most valuable market asset. In the near future, the ability to implement modern solutions, as well as the openness of the workforce to change, may determine whether or not a business will gain competitive advantage in a world that's changing with increasing dynamism."

JAN MICHALSKI
Partner, GenAI Deloitte CE Leader

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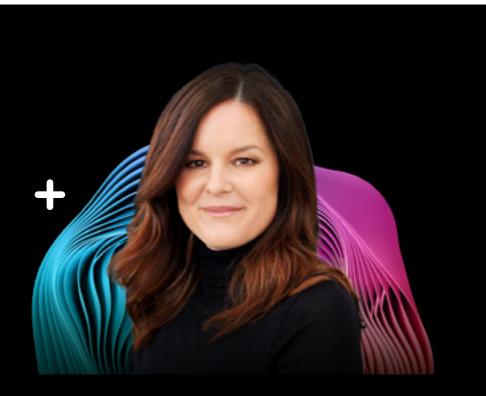RESULTS: **QUESTION 1** **QUESTION 2** **QUESTION 3** **QUESTION 4**

If we take the sector perspective, Technology, Media, Telecommunication as well as Consumer Business and Business & Professional Services are distinguished by their attribution of major importance to GenAI. Financial services also score high on the list. Repetitive but labour-intensive tasks - which are the easiest to automate - are given priority when it comes to the application of artificial intelligence and automation.

Chart 2. How important is GenAI to achieving your business strategy? Sector perspective (%)

Chart 3. Indicate GenAI as important/very important to achieving business strategy

Calculated rank	Not very important	Slightly important	Moderately important	Important	Very important	Calculated rank*	Chart 3 (%)
Technology, Media, Telecomunnication	13%	23%	26%	19%	19%	3,08	38%
Consumer Business	20%	21%	34%	19%	6%	2,69	24%
Business & Proffesional Services	20%	33%	13%	30%	3%	2,63	33%
Financial Services	23%	23%	27%	22%	5%	2,62	27%
Other	25%	31%	22%	13%	9%	2,52	22%
Life Sciences	35%	20%	20%	15%	10%	2,45	25%
Manufacturing	36%	21%	25%	14%	3%	2,27	17%
Energy, Utilities, Mining	24%	42%	21%	12%		2,21	12%
Construction	37%	46%	9%	9%		1,88	9%

Key

- ■ Not very important
- ■ Slightly important
- ■ Moderately important
- ■ Important
- ■ Very important
- — Calculated rank*

*Calculated as follows: respondents were asked to gauge from "Not very important" as 1 to "Very important as 5". The results were multiplied by the percentage of responses that made the selection, and the results were then added together.
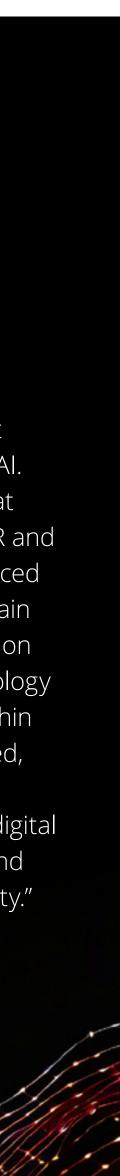
"Professional Services continue to be at the forefront of harnessing value from AI. This emphasis is unsurprising, given that functions like Finance, Procurement, HR and IT — commonly nearshored or outsourced to global business centres —stand to gain substantial benefits from the optimisation and cost reduction facilitated by technology and AI. The service-delivery models within these domains have consistently evolved, not only expanding their traditional functional scope but also accelerating digital capabilities like automation, analytics and reporting to enhance customer-centricity."

TEREZA DE BARDI
Partner, Deloitte Central Europe
Global Business Services Leader

QUESTION 2:

Getting ready for the GenAI journey – the 'realistic' approach to GenAI.

According to the survey results, business isn't ready to conduct artificial intelligence-based processes when reorganising the value chain. On the one hand, the great majority of surveyed CFOs are fully aware of its possible impact and how it may affect the business environment and the organisation itself. However, the majority have not deviated too far from the beginning, with just one in three organisations gaining first-hand knowledge of generative AI. The most advanced are the 11% that are incorporating generative AI into their strategy, while a quarter are starting to experiment with AI.

At the same time, one in three respondents said they are still in the discussion phase, while the same proportion felt it is too soon to tell how to adapt to the new technology. Although it is clear from responses to the survey that most companies have no clear vision about how to embark on the GenAI journey only a small percentage of companies are passively waiting for competitors to make the first move (about 4%). Poland and the CE South region continue to be the most unsure, while Slovakia and the Czech Republic are well ahead of average in incorporating GenAI into strategy (almost 20% as opposed to an average of 11%). Companies from the Baltics are experiencing an int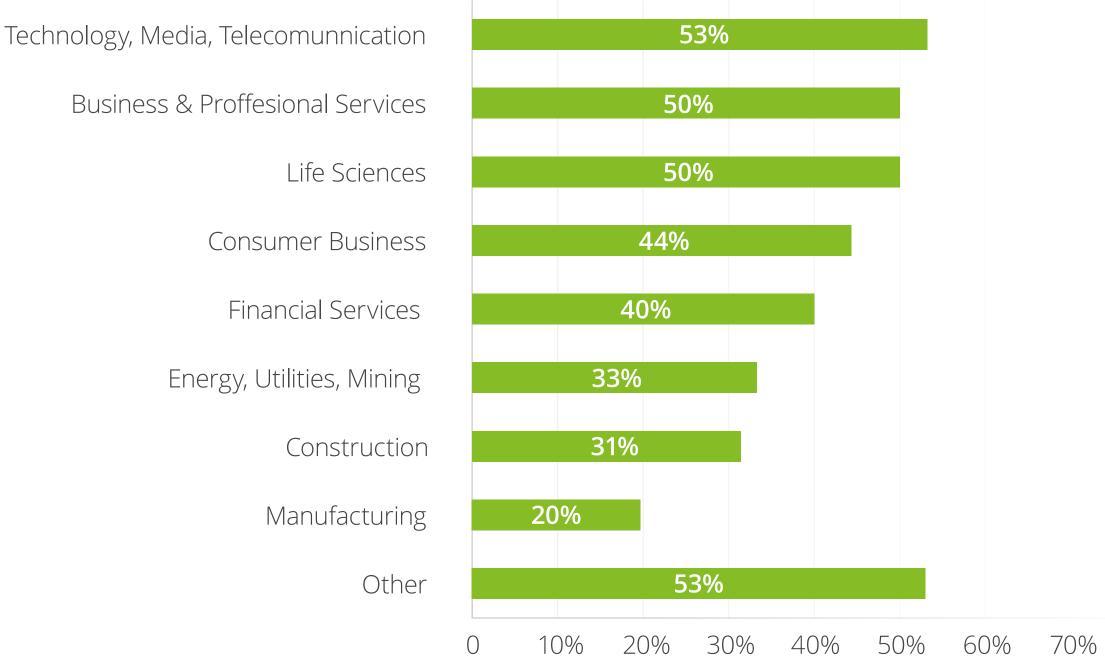eresting phenomenon: despite a significantly higher percentage of respondents attesting that GenAI is in the experimental phase, less than 2% are actively implementing it into strategy (compared to the 11% average for CE as a whole).

Chart 4. Where is your organisation on its GenAI journey? Country perspective (%)

Key

- Too soon to tell
- Reading and talking about it
- Experimenting with it
- Incorporating it into our strategy
- Waiting to see what competitors do
- Other

	Too soon to tell	Reading and talking about it	Experimenting with it	Incorporating it into our strategy	Waiting to see what competitors do	Other
Baltics	21%	30%	38%		2%	9%
CE South	41%	19%	24%	9%	7%	1%
Czech Republic & Slovakia	21%	29%	22%	20%	3%	6%
Romania	33%	31%	23%	12%	2%	
Poland	39%	25%	24%	8%	1%	2%
Average	32%	26%	25%	11%	4%	2%

The most advanced companies in experimenting with GenAI implementation, or that have already incorporated it into their strategies, are in the same sectors as indicated in the previous question: Technology, Media, Telecommunications and Business & Professional Services. The Life Sciences sector is also noticeable for experimenting with or implementing GenAI technology.

Life Sciences also stands out for its use of and experimentation with GenAI. In turn, artificial intelligence tools are used for support in creating solutions, scenarios and knowledge-intensive research tasks.

Chart 5. Where is your organisation on its GenAI journey? Sector perspective (%)

Key

■ Experimenting /incorporating into strategy

"We are seeing the progressive adoption of generative AI among Central European companies. While roughly one in 10 companies in the CE region is currently incorporating such solutions, the adoption process will continue to accelerate. As was the case with other technologies, with the use of generative AI, CE companies will be able to benefit from the experience of other markets that have previously implemented new solutions in their organisations. To truly capture the actual value of generative AI, it's crucial to integrate it seamlessly into the broader business strategy, going beyond mere task completion to a profound reshaping of business models and way the company operates. The generative AI journey involves establishing a solid foundation in digital and AI capabilities. This encompasses technology infrastructure to provide the flexibility and computing power necessary to effectively empower AI, data management for integrating the organisation's digital blueprint into AI models, and change management involving upskilling, cultural shifts and potential restructuring to align with new modes of operation. Additionally, addressing concerns related to privacy, security, trust and compliance becomes a crucial aspect of this transformation process."
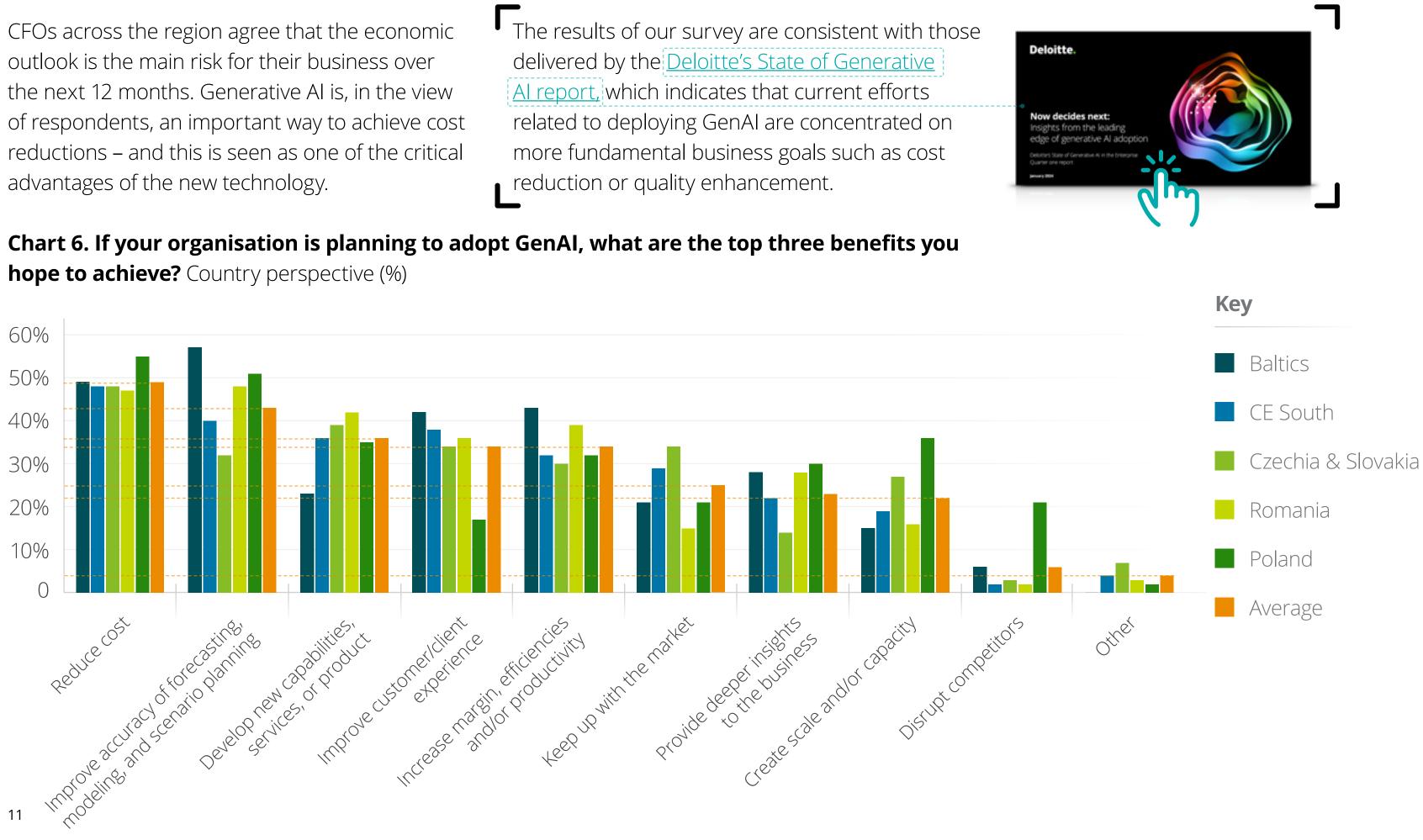
JAN MICHALSKI
Partner, GenAI Deloitte CE Leader

QUESTION 3:

AI usage is primarily focused on cost savings and forecasting accuracy.

CFOs across the region agree that the economic outlook is the main risk for their business over the next 12 months. Generative AI is, in the view of respondents, an important way to achieve cost reductions – and this is seen as one of the critical advantages of the new technology.

The results of our survey are consistent with those delivered by the Deloitte's State of Generative AI report, which indicates that current efforts related to deploying GenAI are concentrated on more fundamental business goals such as cost reduction or quality enhancement.

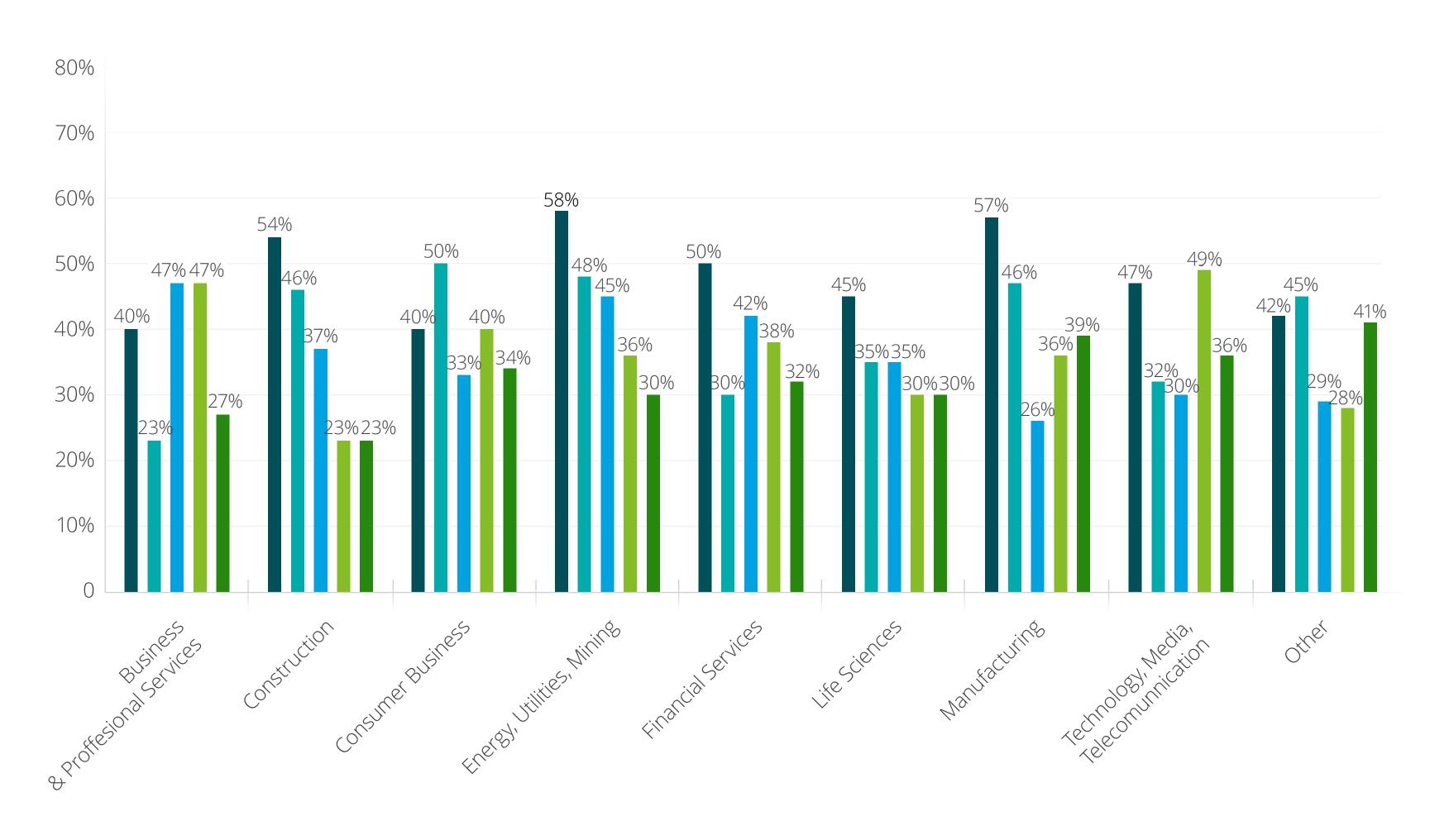**Chart 6. If your organisation is planning to adopt GenAI, what are the top three benefits you hope to achieve?** Country perspective (%)

Key

- Baltics
- CE South
- Czechia & Slovakia
- Romania
- Poland
- Average

"Investing into any technology always leads to savings. Generative AI should be viewed not only as a cost-cutting measure but predominantly as a catalyst to unlock long-term growth opportunities. Currently, organisations in Central and Eastern Europe are just starting to grasp the potential of GenAI, finding out it is not their next core system. The company's prior experience with AI and machine-learning implementations may pose a significant factor in their ability to embrace GenAI. The next crucial step involves understanding how to scale proof-of-concept pilots and projects into reimagined processes and business models. To accelerate their path to generate GenAI value, organisations need to undergo a process of reimagining their operations and reinventing their business to secure a competitive advantage while prudently managing associated risks."

JAN HEJTMANEK
Partner, Deloitte AI Institute Leader

According to CFOs' responses, the benefit they expect most often is cost reduction (49% on average), with an expected gain in forecast accuracy coming in second for the CE region (43%) as a whole.

Certainly, productivity and efficiency can be transformational, especially given the massive scale that generative AI has the potential to enable. However, the greatest value and strategic differentiation will most likely come from using technology to innovate. First, by helping to generate new products, services and capabilities that wouldn't otherwise be possible. And second, by enabling new business models and ways of working across an enterprise.

When it comes to recognising the advantages of GenAI against the backdrop of the economies of Central Europe, Poland appears to be the exception. Interestingly, a relatively large number of Polish respondents expressed interest in the

potential advantages of using GenAI to expand the business (36%, as opposed to a CE average of 22%) as well as to disrupt competitors (21%, as opposed to an average of 6%). However, a notably smaller percentage of Poles (17%) than respondents from other parts of the region (34%) are seeking to enhance customer experience through the use of GenAI.

Key finding from Deloitte's State of Generative AI report, quarter one report, January 2024: Current generative AI efforts remain more focused on efficiency, productivity and cost reduction than on innovation and growth.

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RESULTS: **QUESTION 3** QUESTION 4 QUESTION 5

With a few notable exceptions, cost reduction is typically cited as the primary benefit for most industries, but especially for the most capital-intensive sectors such as Manufacturing and Energy, Utility, Mining.

Key

■ Reduce costs

■ Improve accuracy of forecasting, modeling, and scenario planning

■ Improve customer/client experience

■ Develop new capabilities, services, or products

■ Increase margin, efficiencies and/or productivity

Chart 7. If your organisation is planning to adopt GenAI, what are the top three benefits you hope to achieve? Sector perspective (%)

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RESULTS: **QUESTION 3** QUESTION 4 QUESTION 5

CFOs in the Professional & Business Services sector appear to be client-focused, with the development of new products and services, as well as enhanced customer satisfaction, ranking among the primary advantages of implementing GenAI. Increased forecasting, modelling and scenario-planning accuracy are most valued in the Consumer Business sector. Meanwhile, the Technology, Media and Communication industry places the cost reduction as its second priority, after development of new capabilities, products and services.

Table 1. If your organisation is planning to adopt GenAI, what are the top three benefits you hope to achieve? (%)

	Business & Professional Services	Construction	Consumer Business	Energy, Utilities, Mining	Financial Services	Life Sciences	Manufacturing	Technology, Media, Telecommunication	Other
Reduce costs	**40%**	**54%**	**40%**	**58%**	**50%**	**45%**	**57%**	**47%**	**42%**
Create scale and/or capacity	33%	14%	19%	15%	32%	30%	18%	34%	20%
Develop new capabilities, services, or products	**47%**	23%	**40%**	36%	**38%**	30%	36%	**49%**	28%
Improve customer/client experience	**47%**	**37%**	33%	**45%**	**42%**	**35%**	26%	30%	29%
Improve accuracy of forecasting, modelling, and scenario planning	23%	**46%**	**50%**	**48%**	30%	**35%**	**47%**	32%	**45%**
Increase margin, efficiencies and/or productivity	27%	23%	34%	30%	32%	30%	**39%**	**36%**	**41%**
Provide deeper insights to the business	10%	23%	31%	21%	28%	15%	20%	26%	27%
Keep up with the market	2%	2%	2%	2%	3%	1%	5%	3%	4%
Disrupt competitors	10%	6%	6%	3%	5%	5%	3%	6%	7%
Other	0%	6%	4%	3%	2%	5%	5%	2%	7%

QUESTION 4:

AI in business is driven by people.

It is difficult to overstate the benefits of artificial intelligence, but implementing it is not always simple. This requires organisation-specific planning and adaptation, as well as a strategy-oriented approach. Remarkably, human resources (talent resources and capabilities were mentioned by 59% of respondents) appear to be seen as one of the main obstacles mentioned by respondents.
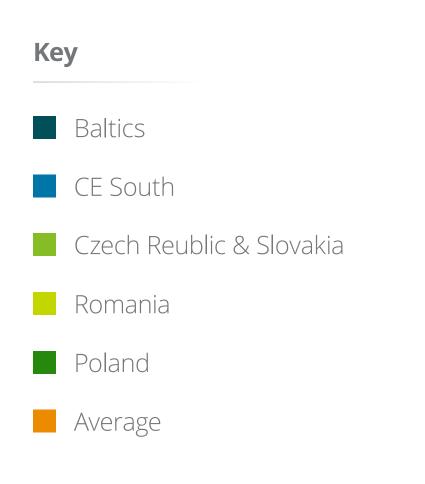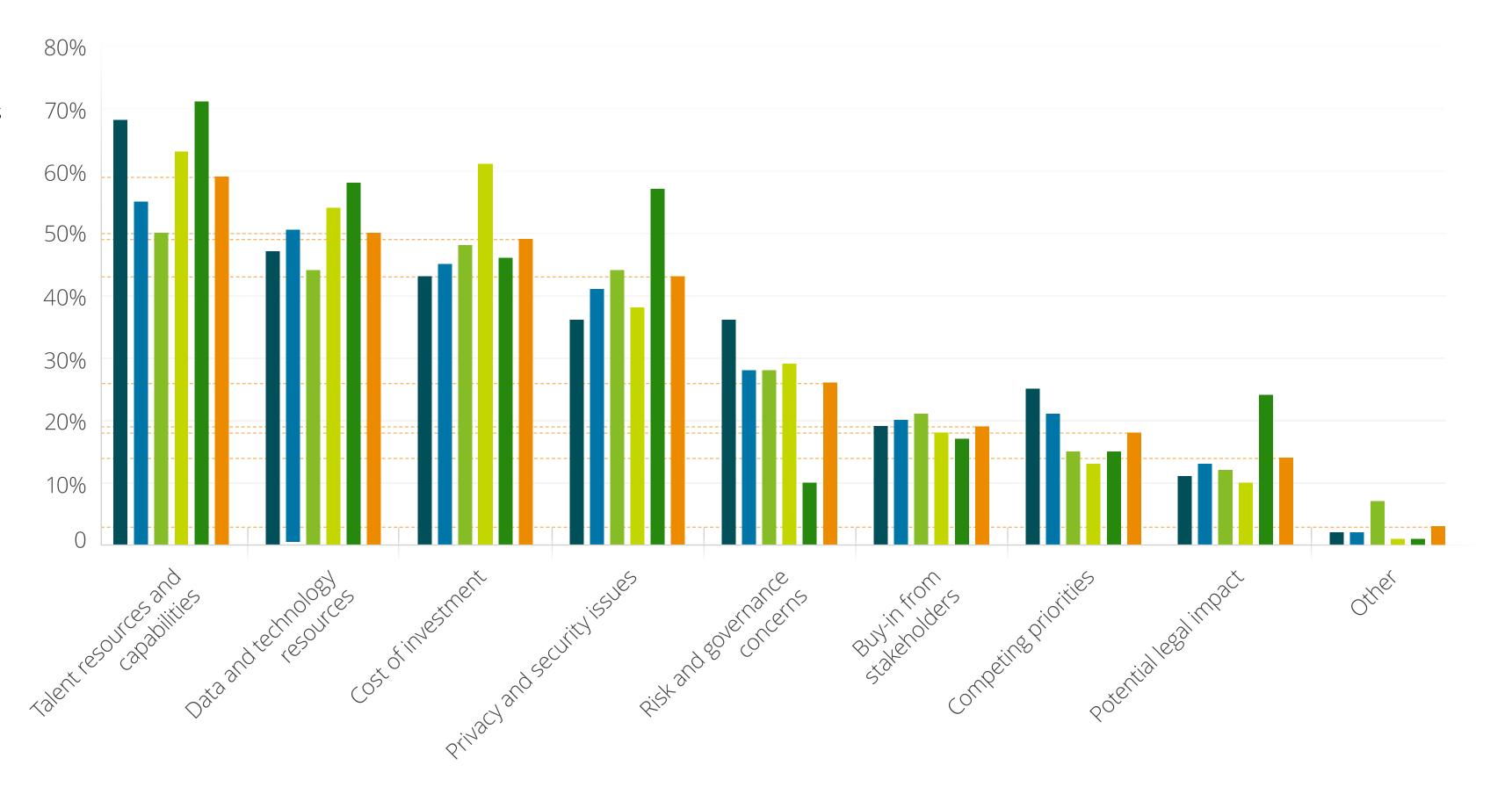
Key

- Baltics
- CE South
- Czech Reublic & Slovakia
- Romania
- Poland
- Average

Chart 8. What are the three greatest barriers your organisation might face in adopting and deploying GenAI? Country perspective (%)

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RESULTS: **QUESTION 4** **QUESTION 5**

Not surprisingly, data and technology-related challenges were identified among the top three concerns hampering companies' generative AI initiatives in the CE region (selected by 51% of respondents).

Chart 9. TOP 8 barriers organisation might face in adopting and deploying GenAI, according to CFOs (%)

1. **59%** Talent resources and capabilities.
2. **51%** Data and technology resources.
3. **49%** Cost of investment.
4. **43%** Privacy and security issues.
5. **26%** Risk and governance concerns.
6. **19%** Buy-in from stakeholders.
7. **18%** Competing priorities.
8. **14%** Potential legal impact.

"In already tight labour markets, it's recommended to plan technology and talent investments in tandem, looking at each as a source of critical skill sets—a unified human-with-machine workforce. An organisation early in its AI journey is likely to need to hire externally to get a baseline of AI talent that can then help train existing inhouse personnel, and help build more differentiated technology, as well as evaluate, partner with and implement ecosystem solutions and alliances more successfully. Given that even the most advanced organisations are still early in their AI transformations, a majority of organisations reported they still prioritise bringing new AI talent into the business from outside, rather than retraining existing workers. Companies with fewer years of AI experience tend to rely more on external partners and, over time, shift to acquiring smaller companies with skilled workforces as they better define their needs. While it is essential to deliver the technology, organisations also need to understand the impact on their people. Without this understanding, it will be difficult to provide people with the support they need to adopt new ways of working successfully."

JOHN GUZIAK
Partner, Deloitte Human Capital Team Leader

"Every company will face unique challenges depending on the types of digital capabilities and underlying technology infrastructure they currently have deployed. In particular, we see many CE organisations struggling with the burden of intergenerational tech debt, followed by the fragmentation of digital assets and data. The key success factor for achieving business success with AI is to first identify and tackle the barriers and blockers that are preventing organisations from scaling AI efforts beyond proofs of concept. An AI and data-maturity assessment often serves as the first logical step towards identifying potential gaps and getting your data and infrastructure ready to deliver tangible business value in a scalable way."
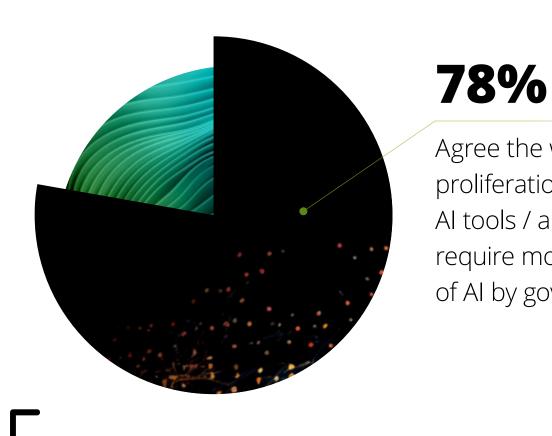
STEFAN IVIĆ
Partner, Deloitte Data & AI CE Leader

The expense of investing in GenAI is the third of the most mentioned challenges, selected by nearly half of all respondents. The barrier of securing funding for investments in generative artificial intelligence is also highlighted by the responses of the vast majority of surveyed organisations, which intend to allocate less than 1% of their budget to this purpose.

Poland appears once again to be somewhat different from other countries and regions, which is particularly evident when it comes to those barriers that are less frequently selected. When it comes to highlighting challenges like possible legal impact (24%) and privacy concerns (57%), Poland has noticeably higher scores than average (14% and 43% respectively). Non-economic issues also emerge most strongly in Poland, with the country's CFOs particularly expressing governance concerns as one of the main barriers to the introduction of GenAI. Ensuring compliance with evolving legal regulations has been a longstanding challenge for Polish businesses operating within the Polish legal system. This challenge is also reflected during the

implementation of AI-based solutions. However, well-prepared processes – that take regulatory, legal and cybersecurity issues into account – and properly conducted implementation processes for new solutions can ensure compliance with regulations and drive return on investment.

Chart 10. Support for increased regulation and global collaboration* (%)

78%

Agree the widespread proliferation of generative AI tools / applications will require more regulation of AI by governments.

*Source:

Deloitte's State of Generative AI, January 2024

"The EU AI Act was recently published in its agreed form, after lengthy political debates, and is expected to come into force in the next two years. This is a new layer of legislation that adds to the already complex framework of existing regulations (such as GDPR, IP, employment laws and more) which need to be considered for projects, business processes and technology solutions that include an element of artificial intelligence. Compliance with the EU AI Act will require thorough legal analysis on the category of risk in which a use case falls, with high-risk use cases (such as biometric identification, credit scoring etc.) requiring an important legal and compliance effort that should be considered early on in the project. In our experience, the increased regulatory complexity should be tackled on two fronts: first, by making sure legal advice is sought from the business-case phase of the project. And second, by complementing internal legal advice and business-specific expertise with external expert advice that includes the specialist knowledge required to navigate this complex legal maze."

SIMINA MUT
Partner, Leader of Deloitte Legal Central Europe

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R E S U L T S : **QUESTION 4** **QUESTION 5**

Similar barriers are identified across the sectors, although their distribution varies. The issue of talent availability is back again, this time as a major barrier to GenAI adoption and implementation in companies. CFOs from the Consumer Business, Financial Services, Manufacturing and Technology, Media, Telecommunication sectors place a high priority on talent resources and capabilities. In turn, technology-related issues are prioritised by CFOs from the Construction and Business & Professional Services sectors.

It is interesting to shed light on the Life Sciences sector, where investment costs are seen as a major barrier, as well as the country-strategic Energy, Utilities, Mining sector, where privacy and security are the biggest concerns.

Table 2. What are the three greatest barriers your organisation might face in adopting and deploying GenAI? (%)

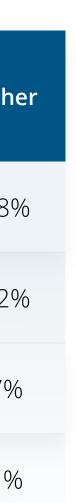|	Business & Professional Services	Construction	Consumer Business	Energy, Utilities, Mining	Financial Services	Life Sciences	Manufacturing	Technology, Media, Telecommunication	Other
Data and technology resources	**60%**	**69%**	**57%**	36%	**55%**	**45%**	**55%**	38%	39%
Cost of investment	40%	**49%**	**43%**	**42%**	**47%**	**55%**	**57%**	**47%**	**46%**
Talent resources and capabilities	**43%**	**54%**	**66%**	**55%**	**57%**	**40%**	**62%**	**62%**	**67%**
Privacy and security issues	**57%**	37%	40%	**64%**	42%	30%	39%	**49%**	**40%**
Buy-in from stakeholders	20%	11%	23%	30%	7%	30%	16%	21%	24%
Competing priorities	17%	20%	24%	9%	13%	25%	18%	19%	16%
Risk and governance concerns	23%	23%	24%	36%	32%	30%	19%	23%	31%
Potential legal impact	20%	9%	9%	24%	22%	10%	11%	13%	15%
Other	0%	3%	1%	0%	2%	5%	4%	4%	5%

QUESTION 5:

Vigorous debate on GenAI is not yet correlated with the budget allocated for adoption.

Recently, CFOs have been facing multiple obstacles to business development and, instead of planning to invest, are now focusing on major efforts to reduce costs. Most respondents undoubtedly anticipate that less than 1% of next year's overall budget will be for GenAI. But in this case, building value through the application of novel solutions—with an emphasis on realising the widest range of potential business advantages and anticipated return on investment—should be given even more weight.

Chart 11. What percentage of your overall organisation's budget/resources do you expect to be allocated to GenAI next year?* Country perspective (%)

Key

- ■ Less than 1%
- ■ 1% up to 5%
- ■ 5% up to 10%
- ■ 10% up to 25%
- ■ More than 25%
- ---- Average rank
- — Calculated rank

*Calculated as follows: respondents were asked to gauge from "Not very important" as 1 to "Very important as 5". The results were multiplied by the percentage of responses that made the selection, and the results were then added together.

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RESULTS: **QUESTION 5**

When it comes to expected funding, there is not much variation in the findings between regions. Nonetheless, it is important to note that Romania and CE South appear to be planning to allocate more resources to GenAI than other regions, particularly the Baltics.

As stated in the Deloitte State of Generative AI report, global business anticipates more significant transformational changes over the next one to three years. As a result, we expect soon to see a shift in the amount of budget allocated to GenAI.

*Source:

Deloitte's State of Generative AI, January 2024

Chart 12. When is generative AI likely to transform your organization?* (%)

1%
Never

14%
Now

17%
Less than one year

48%
In one to three years

20%
Beyond three years

Q: When is generative AI likely to substantially transform your organization and your industry, if at all? (Oct./Dec. 2023)
N (Total) = 2,835

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R E S U L T S :   **QUESTION 5**

The greatest proportion of survey respondents who are in favour of dedicating more funds to generative AI was from the Financial Services sector. This is consistent with findings in the previous part of this analysis on the state of AI development in this sector.

Table 3. What percentage of your overall organisation's budget/resources do you expect to be allocated to GenAI next year? (%)

	Business & Professional Services	Construction	Consumer Business	Energy, Utilities, Mining	Financial Services	Life Sciences	Manufacturing	Technology, Media, Telecommu-nication	Other
Less than 1%	63%	69%	64%	70%	52%	80%	76%	62%	68%
1% up to 5%	33%	26%	29%	24%	35%	15%	22%	23%	22%
5% up to 10%	3%	6%	6%	6%	7%	5%	2%	4%	7%
10% up to 25%	0%	0%	1%	0%	5%	0%	0%	9%	1%
More than 25%	0%	0%	0%	0%	2%	0%	0%	2%	1%

How you start your generative AI journey can determine where it ends

Although the specific applications of generative AI will vary from business to business, identifying projects that drive improvement in one area can be a good place to start.

Starting with use cases that are easier to achieve or that have a proportionally faster or higher return on investment can create momentum for further investment, making it easier to drive those internal cultural and organisational changes that can accelerate the benefits of AI. Organisations are implementing GenAI in a wide range of domain and industry processes, and they are tending to adopt use cases in a specific order.

"In the current developmental phase of generative AI, the most popular enterprise approach is to focus on efforts to optimise costs and improve productivity in the most mundane administrative support work (helpdesks).

Focusing on use cases tailored to specific domains such as Finance, IT, HR or the supply chain serves as a foundational low-risk step, paving the way for more specialised applications. Deploying initial use cases plays a crucial role in building capabilities, experience and trust in the technology, thereby establishing a compelling case for more a complex next generation of future applications.

Today, enterprises are successfully driving tangible returns from investments in so-called 'horizontal' use cases (those in functions that every company has and where the business case has already been confirmed in numerous cases). However, as with technologies that came before, there are often more opportunities to create value in industry-specific and more complex use cases. Without a doubt, text-based use cases may be the initial focus for deployment. The more a role is about writing and reading, the more it is being impacted by generative AI, irrespective of how long it took to train the person.

Generative AI has the potential to reshape business models and processes, fundamentally altering how individuals work, learn and interact: 80% of business leaders surveyed by Deloitte globally believe generative AI will change the way their organisation operates within three years."

JAN HEJTMANEK
Partner, Deloitte AI Institute Leader

Table 4. Selected Use Cases

MODALITIES	Financial Service and Insurance	Life Science and Healthcare	Consumer	Tech, Media and Telecom	Government and Public Services	Energy, Resources and Industrials
Text	**Customer Due Diligence Reporting** Generate reports on new customers such as KYC processes and summarize them for employees to action and make decisions for customer onboarding	**Medical History Summary** Summarize patient demographics, medical history, allergies, medications, and other relevant details from EHR clinical notes to aid hospital intake	**Personalized Supermarket** Create custom meal plans and shopping lists fine-tuned for each buyer/family specific to the store and what's available	**Cybersecurity Threat Detection** Summarize areas of high-risk, answer questions, and generate executive reports for malware, anomalies, and potential threats	**Intelligent Case Management** Parse complex government case filesfor actionable details which are then summarized for rapid comprehension and used to generate reports	**Field Virtual Assistant** Enable field agents to access best practices and repair information using natural language while hands-free
Code	**Database Search** Query massive financial transaction databases to find specific items and insights using natural language instead of database languages such as SQL	**Clinical Trial Data Processing** Allow researchers to clean up data and generate graphs and insights for clinical trials and approvals processes using natural language	**Marketing Speed** Help marketers build websites and external collateral at the speed of natural language to go-to-market faster with new products and services	**Original Games Creation** Ideate and code novel computer and video games and accelerate the game testing process	**Knowledge Management** Allow government workers to cluster, search, and filter large amounts of unstructured data from images, video, and text files through natural language	**No-Code Physics-Based Environments** Allow researchers to create highly computational and accurate physics-based models of weather, fluid dynamics, and environments
Image	**Fraud Detection** Generate customer signatures to enhance internal fraud models in areas such as credit card authorization, and summarize potential fraud hotspots	**Improved Medical Imaging** Generate large sets of synthetic medical images to train imaging algorithms to better identify abnormalities as well as train clinicians to better identify issues	**Product Photography and Details** Generate details and ultra-realistic photographs of new and existing products in different environments	**Semiconductor Chip Design** Iterate and enhance designs based on performance parameters and reduce the development life cycle time	**Infrastructure Mapping** Enhance infrastructure mapping and planning processes by generating detailed plans and iterating using natural language	**New Product Development** Create detailed schematic drawings of industrial products and parts to aid in new product development and repairs
Video	**Claims Footage** Review video footage of claims (e.g., car crashes) to pull out summaries and eventually generate new video of potential crash scenarios	**Digital Therapy** AR/VR content generation for assets required in digital therapy or virtual environments	**Commercial Brainstorming** Rapidly brainstorm with generated video and video storyboards for pieces such as television/online commercials	**Virtual Anchors** Create virtual on-air anchors for high-demand events (e.g., live sports) where there are not enough people to support across languages/borders	**Citizen Support** Provide hyper-realistic, life-like personal assistants in places such as the airport, DMV, border patrol and immigration, to support citizen needs	**Technical Document Summarization** Extract information from detailed documentation and synthesize field-reports in specific formats
Audio	**Retail Banking Transaction Support** Provide human-like support for complex retail transactions including customer applications, questions, negotiations, and more	**Automated Follow-Ups** Ingest clinical notes to identify patients that will need follow-up and create audio messages that can be sent to schedule follow-ups and encourage healthy habits	**Conversational Retail** Provide detailed product support and guidance using human-like chatbots in retail stores focused on specific brands and/or categories	**Translations, Subtitles, and Descriptions** Translate audio into multiple languages (e.g., subtitle generation) and provide descriptions to visual media content	**Intelligent Agents / Student Office Hours** Provide natural language support for government services and on-demand access to information for students	**Event Identification** Absorb live video feeds of the end-to-end production chain and answer specific questions about processes and events
3D Models & Data	**Financial Model Enhancement** Generate synthetic data to improve and enhance financial models and pressure test an institution's liquidity and processes	**New Drug Discovery** Generate the structure and function of proteins and biomolecules, accelerating the creation of new drug candidates	**Rapid Product Design / Consumer Preferences** Accelerate product prototyping lifecycle through creation of unique and high-fidelity product mock-ups, and create synthetic behavioral data of buyers	**Telecom Network Maintenance** Train digital twins on synthetic data to help identify network faults and provide remediations for on-field technicians	**Disaster Recovery and Planning** Support urban planners and disaster recovery teams with synthetic data (e.g., traffic, population, 'what-if scenarios') to aid in planning and preparation	**Geological Assessments** Assess both real and synthetic data for oil exploration and the likelihood of finding resources

Potential generative AI use cases by function[1]

FINANCE & ACCOUNTING

1. Fraud, waste, and abuse prevention
2. Regulation and oversight analysis
3. Financial report analysis
4. Proactive value opportunity identifiaction
5. Budget and ROI analysis
6. Divestment recommendations

SALES & MARKETING

7. Video editing and generation
8. Metaverse 3D experience
9. Product desctiptions and reviews
10. Personalized consumer advertisements
11. Recommender systems of e-commerce
12. Chatbot/virtual assistant dialogue generation

HUMAN RESOURCES

13. Personal onboarding assistant
14. Compensation analysis
15. Workforce skill analys
16. 3D avatar creation
17. Metaverse 3D workforce experience
18. Metaverse 3D workforce upskilling

SUPPLY CHAIN & PROCUREMENT

19. Demand planning (Consumer Sentiment Analysis)
20. Inventory analysis
21. Global trade-logistics analysis
22. Contract adherence & anomaly detection
23. Scenario simulation
24. Language translation for global trade

GOVERNANCE & OPERATIONS

25. Intranet search (knowledge management)
26. Process analysis
27. Training for new team members
28. Document inventory analysis
29. News and media summaries
30. Sentiment Analysis for Workforce

INFORMATION TECHNOLOGY

31. Code generation across languages/frameworks/CSPs
32. Development lifecycle documentation
33. Test automation and test scenario creation
34. Training on new technologies
35. Peer review for optimized code writing
36. Legacy code summarization & translation

The GenAI journey is only just beginning. Companies are exploring the potential of GenAI to unlock business value, enhance efficiency and productivity, and pave the way for entirely new products, services and business models. As executives grapple with integrating this new technology and decide on the future of their enterprises, it's essential to stay attuned to the adoption trends at play.
We would like to thank all the participants in our survey whose input has shed light on those pivotal questions leaders are addressing now and the steps they should be taking to prepare their organisations for the road ahead. Their perspectives and feedback have significantly contributed to the understanding of the Central European generative AI landscape. Our aim is that this study not only provides insights but also sparks inspiration for those interested in the adoption of GenAI in Central Europe, fostering a deeper understanding of its business implications and the future prospects of the technology.

Source: Generative AI Dossier, Deloitte AI Institute

[1] Illustrative list

Executive Summary

Created by GenAI based Deloitte's solution.

The publication discusses the importance of generative artificial intelligence (GenAI) for business strategy. It highlights that while respondents recognize the importance of GenAI for the future of business, less than 30% of CFOs surveyed consider it strategically important. There are regional differences in the perceived relevance of GenAI, with Poland and Romania perceiving it as most relevant for business strategy, while the Czech Republic and Slovakia score the lowest. The technology, media, telecommunications, consumer business, and business & professional services sectors attribute major importance to GenAI. The text also mentions that companies are at different stages of incorporating GenAI into their strategies, with only a small percentage actively implementing it. The most advanced companies experimenting with or implementing GenAI are in sectors such as technology, media, telecommunications, and business & professional services. The text further discusses the use of GenAI for cost savings and forecasting accuracy, as well as the potential benefits and advantages of using GenAI in different industries.

While the benefits of artificial intelligence (AI) in business are significant, implementing it can be challenging. One of the main obstacles mentioned by respondents is the availability of human resources and talent, which was mentioned by 59% of respondents. Data and technology-related challenges were also identified as concerns, along with the expense of investing in AI. The text highlights that securing funding for AI investments is a barrier for many organizations, with most intending to allocate less than 1% of their budget to this purpose. Poland stands out in terms of barriers, with higher scores in areas such as legal impact and privacy concerns. Talent availability is seen as a major barrier in sectors like consumer business, financial services, manufacturing, and technology, media, and telecommunications.

Technology-related issues are prioritized in the construction and business & professional services sectors. The life sciences sector sees investment costs as a major barrier, while the energy, utilities, and mining sector is concerned about privacy and security. The text also mentions that CFOs are currently focused on cost reduction rather than planning to invest in AI, but there may be a shift in budget allocation in the future. The financial services sector shows the greatest interest in dedicating more funds to AI.

About Deloitte AI Institute™

The Deloitte AI Institute™ helps organisations connect all the different dimensions of the robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, using cutting-edge insights to promote human/machine collaboration. The Deloitte AI Institute aims to promote dialogue about the development of artificial intelligence, to stimulate innovation and to examine challenges to AI implementation and consider ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, startups, entrepreneurs, innovators, mature AI product leaders and AI visionaries to explore key areas of artificial intelligence, including risks, policies, ethics, future of work and talent, and applied AI use cases. Combined with Deloitte's deep knowledge and experience in artificial intelligence applications, the institute helps make sense of this complex ecosystem. As a result, it delivers impactful perspectives to help organisations succeed by making informed AI decisions.

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