

Maintaining an edge in the era of pervasive AI

State of AI in the Enterprise, 3rd edition

UK insights

Exploring the behaviour of AI adopters, discovering what it takes to manage risks and harness the benefits of AI.



It's time to push the boundaries of AI.

UK executives believe the key benefits of AI for their organisation are:

- ✓ Improving decision making
- ✓ Enhancing existing products and services
- ✓ Creating new products and services

AI is seen as critical to business success

Business enthusiasm and strategic importance of AI is at its highest. UK businesses are betting on the future with AI by planning to invest more

71%

Adopters believe that AI will **substantially transform** their organisation within three years

64%

Of adopters expect to increase their investment in the next year by an average of 21%

82%

Of executive expect AI to be very or critically important to their business success in two years

64%

UK adopters believe that AI is **critical to business success** today

And we see UK adopters tend to buy AI technologies more than build them

Many AI adopters may go through a period of internal learning and experimentation before they know what's necessary and then seek it from the market

45% Buy More

25% Build More



But there is an internal skills gap across majority of AI adopters

AI adopters can gain an edge by building internal capabilities and closing the skill gap

50%

of UK adopters say that they have a **high level of skill** around **selecting AI technologies** and technology suppliers



61%

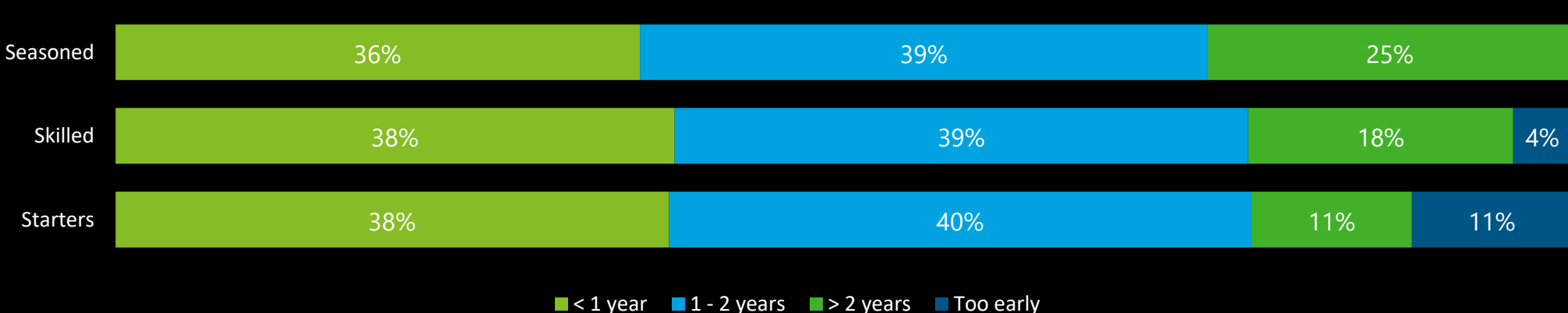
of UK adopters say that they have **no skills or low to medium skill levels** around **integrating AI technology** into the existing IT environment

Regardless majority see payback periods of less than 2 years...

UK starters are benefitting from lessons learned by first movers but starters still have expertise in building, integrating and managing AI and have AI products in deployment.

Investment is being encouraged by shorter reported payback periods as businesses manage to articulate AI use cases more effectively and solve clearly defined business problems.

Typical payback period for AI projects by maturity



Maturity is defined based on two indicators: level of expertise in building, integrating and managing AI, and number of AI production deployments. UK starters account for 30% of respondents; skilled – 53%; seasoned – 17%

It is important to notice that whilst we see a relatively short payback period for AI Adopters, these organisations already have in place infrastructure to allow for AI production and deployment.

UK adopters feel less prepared to deal with the following risks:

• Liability for AI decisions and actions

• Cybersecurity vulnerabilities

• New and changing regulations

UK AI adopters are concerned about regulations and ethics

Most UK adopters are concerned about regulation, AI risks and public perception hampering innovation

63%

of adopters agree that AI technologies should be heavily regulated by the government

61%

of adopters have a major or extreme worry around how new and changing regulations could impact their AI

Despite strong enthusiasm around their efforts, adopters face a preparedness gap in facing AI ethical risks. To build confidence and manage uncertainty, all adopters would do well by undertaking a wide range of risk-management practices.

60%

of executives agree that their organisation is slowing its adoption of AI technologies because of the emerging risks and potential negative public perceptions

AI Adopters prioritise risk management activities differently but ethics was found to be addressed using a set of defined activities:

Improved Knowledge	Keeping a formal inventory of AI implementations
Better Alignment	Aligning AI risk management with broader risk efforts
Auditing and Testing	Conducting internal audit and testing
	Using outside vendors to conduct independent audit and testing
Addressing Ethics	Training practitioners how to recognise and resolve ethical issues
	Collaborating with external parties on leading practices
	Ensuring that AI vendors provide unbiased systems
	Establishing policies or a board to guide AI ethics

A report by the Deloitte AI Institute

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