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A CEO's guide to envisioning the Generative AI enterprise

Leading a Generative AI-fueled enterprise:
A CEO series

Deloitte Global CEO Program
Deloitte AI Institute™

About the Deloitte Global CEO Program

The Deloitte Global CEO Program is dedicated to advising chief executive officers throughout their careers—from navigating critical points of inflection, to designing a strategic agenda, to leading through personal and organizational change. The program offers innovative insight and immersive experiences to help:

- Facilitate the personal success of individual executives, new or tenured, throughout their life cycle.
- Elevate the relationships between them, their leadership teams, and their boards
- Support the strategic agenda for their organizations in times of disruption and transformation.

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About the Deloitte AI Institute

The Deloitte AI Institute helps organizations connect the different dimensions of a robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, with cutting-edge insights, to promote human-machine collaboration in the “Age of With”.

The Deloitte AI Institute aims to promote a dialogue and development of artificial intelligence, stimulate innovation, and examine challenges to AI implementation and ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, start-ups, 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, and as a result, deliver impactful perspectives to help organizations succeed by making informed AI decisions.

No matter what stage of the AI journey you're in; whether you're a board member or a C-Suite leader driving strategy for your organization, or a hands on data scientist, bringing an AI strategy to life, the Deloitte AI Institute can help you learn more about how enterprises across the world are leveraging AI for a competitive advantage. Visit us at the Deloitte AI Institute for a full body of our work, subscribe to our podcasts and newsletter, and join us at our meet ups and live events. Let's explore the future of AI together.

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Few technologies have debuted to as much consumer and media fanfare as Generative AI, especially upon the November 2022 launch of the first conversational Generative AI chatbot.

Over the past year, user adoption, experimentation, and awareness of Generative AI's seemingly boundless possibilities have continued to expand. This exponential growth has instilled a growing belief among businesses and CEOs that Generative AI has the potential to significantly augment, if not substitute, even the most intricate and unstructured avenues of value creation.

For example, computer code, once considered the work of specialized masters, can now be easily created by Generative AI. Even elements of the nuanced art of strategy development, **a most critical executive discipline, can be increasingly augmented by AI.** Consider the application and use of scenarios or strategic foresight in the formulation and refinement of enterprise strategy. Ever more powerful and generative AI could:

- Dramatically broaden and structure the basis of evidence by which to anticipate the future of markets
- Create rich and divergent stories about different plausible futures
- Continuously monitor the environment for signals regarding the critical uncertainties that underpin the plausible futures and their likelihood
- Assess the suitability of strategic positions and options in the context of the different futures and suggest adaptations



In a Generative AI-driven autonomous enterprise, such capabilities will likely become more commonplace over time.

At the risk of adding fuel to an already frenetic hype cycle, Generative AI opens up possibilities for entirely new business models and market capture. But the reality of the past year is stark: There has been a lot of activity and interest, and plenty of proofs of concept and demos, but a disjointed approach has prevented most companies from fully harnessing the potential of Generative AI.

Moreover, the hard investment tradeoffs that CEOs have had to face have limited their ability to develop critical capabilities, including foundational technology and workforce investments. **The Generative AI shift requires business leaders—most acutely, CEOs—to alter how they lead the enterprise.**

An opportunity to rebuild

For certain jobs and industries, especially those that involve knowledge work, Generative AI is poised to have a widespread impact, and **early movers can take advantage.**





Our analysis has shown that successful digital transformation can result in up to **\$1.25 trillion** (USD) in additional market cap, and Generative AI is proving to be a powerful accelerant for transformation.¹ Over the next decade, productivity gains and capabilities enabled by AI are expected to **increase global GDP by \$7 trillion**, while the Generative AI market doubles every other year.^{2,3}

CEOs can capture this value by setting the right vision, drawing their perspective from both a strategic understanding of the technology and its potential to drive value and marketplace advantage. Indeed, Generative AI represents the unequivocal catalyst reshaping industries and redefining business strategies, empowering forward-thinking CEOs as architects of an AI-infused future.

Generative AI is much more than the evolution of a chatbot—it can be the compressed digital representation of the entire enterprise, capturing knowledge and communicating it through natural language (as opposed to programming languages). To truly capture its actual value, rather than focusing on accomplishing discrete tasks or “shallow” use cases that are disconnected from the core business, CEOs have an opportunity to envision how to align Generative AI to their overall business strategy. Generative AI embodies the potential to encapsulate and disseminate the entirety of an enterprise, not merely in completing tasks but in reshaping the fundamental business framework.

We call this vision of the future the **autonomous enterprise**: a future-state organization that capitalizes on the unique advantages of pairing humans with AI to help people become far more effective and the work more fulfilling as digital agents complement and support them.



Realizing a future-state autonomous enterprise

Previously, value creation through automation was limited by the inability to process large amounts of unstructured data, which restricted it to tasks requiring low creative difficulty, low context variability, and high accuracy.

That's no longer the case with Generative AI.



As we know from studying the progression of information technology over time, cognitive automation systems are only going to become more intelligent.⁴ Generative AI capabilities could enable the use of digital bots or agents that operate throughout an enterprise in a supportive role. Such bots could be given goals instead of specific commands and could develop plans, execute tasks, and even assign other digital agents tasks.

Imagine a planning meeting in an autonomous enterprise. Digital agents are tasked with synthesizing the company's prior fiscal year sales and creating a forecast based on current and expected market conditions. The CEO and the executive team interrogate the enterprise AI model about its forecasting methods and assumptions, which are communicated with clear rationales.

Technical teams in the background are constantly monitoring the data and models the digital agents are using to compile such assessments. Doing so maintains confidence in the integrity and accuracy of the forecasts. After minor modifications, the CEO and executive team agrees on next steps. Humans then execute the agreed vision by activating additional agents that independently assist them with making project plans, designing products and digital twins, and generating marketing content. The digital agents can even alert humans when they should adjust strategies to changes in market conditions to ensure resiliency.

In the autonomous enterprise of the future, the blueprints of the organization, its complex ways of working, and years of institutional knowledge are at our fingertips,

accessible through sophisticated AI models. The transformative potential of Generative AI transcends prior limitations in value creation through automation, heralding a future where fully autonomous bots operate within enterprises, helping humans formulate strategies, execute tasks, and adapt to market dynamics, fundamentally altering the landscape of business operations.



Humans with AI

Creating this level of value through Generative AI requires CEOs to reimagine ways of working and the role of human contributions to the workplace. Articulating a compelling vision of humans with AI (**the human + AI advantage**) can help a CEO outpace the competition.





First and foremost, the CEO should be specific about how Generative AI can increase human employees' skills, efficiency, and productivity, thanks to new interfaces that ease human interaction and allow for engagement through natural language. Current Generative AI capabilities enhance individual productivity by partnering with humans to serve three primary roles: synthesizing disparate data sources, copiloting as virtual assistants for complex tasks, and creating content much more efficiently than humans. **In this way, Generative AI democratizes capabilities and acts as a great equalizer to level up talent:** New or inexperienced workers can immediately increase their contributions and value while experienced workers reach new productivity levels.

Second, CEOs should recognize that an autonomous enterprise frees humans to focus on problems requiring a human touch. In fact, organizations competing in a marketplace where every company has access to the same Generative AI tools will likely need to rely on enduring human capabilities, such as curiosity, empathy, and creativity

to create differentiation; and it will be the role of its leaders to find that "differentiation" by designing unique ways for humans and AI to interact.⁵ Humans will continue to excel at ensuring that a strategy balances the conflicting goals of multiple stakeholders, meeting new customers face-to-face, or leveraging outside-the-box creativity to overcome seemingly unsurpassable obstacles. Because Generative AI is more adept at churning out iterations than generating breakthrough ideas,⁶ the benefits of Generative AI may only be limited by our imaginations: The World Economic Forum, surveying 800 global business leaders, predicts that "leadership and imagination skills will be largely unaffected by AI."⁷ If this prediction holds, the CEO's role will be to imagine how the creativity of their people can be combined with the capabilities of AI to build competitive advantage. In fact, CEOs can strive to create an environment in which the human workforce is incentivized to create and share content. Otherwise, AI models will over time begin to be trained on their own content, creating an "AI echo chamber" that could markedly degrade the quality and diversity of output.⁸

The CEO's role: Set the vision, tell the story, and invest well

To better capture value and realize the full potential of the autonomous enterprise, **CEOs play a vital role in three significant areas:** setting the vision, communicating it, and making the right investments to accelerate the journey toward that future.

1 | Set the vision.

The CEO is not only critical to driving digital transformation, but also sets the tone for how ambitious a transformation will be.⁹ CEOs' most unique role is to develop and articulate a clear vision—an opportunity for a radically enhanced, augmented, and eventually automated business model that can bring value to employees, customers, and other stakeholders. But the autonomous enterprise will look different for each organization, and CEOs must determine the salience, as the application, speed, pace of change, and potential for advantage will vary by business.¹⁰ That said, the aggregate pace of change is only accelerating.

To shape their vision, CEOs may be inclined to take a technology and apply it directly to their business model, systematically examining the opportunities for AI to be infused at every step of the existing enterprise value chain. But, like the shift from candles to light bulbs, Generative AI could provide CEOs the opportunity to fully reshape and redefine their business models, thinking beyond

discrete use cases, pilots, and projects to scale AI in order to realize its full value. To do this, they can lean in on three drivers of AI scale: community, commonality, and coordination.¹¹



Nurture a community

of workers who are enthusiastic to explore the potential of Generative AI tools. In doing so, these communities will be able to identify areas where there may be duplicate efforts or similar structures.



Discover and exploit commonality

in order to build capabilities across the enterprise on integrated platforms, rather than delivering a set of disparate initiatives or capabilities.



Coordinate through a central group

in order to gain singular visibility to all initiatives and to better prioritize high-impact and transformational investments.

By building communities and better coordinating, organizations can find commonalities that lead to more integrated platforms and well orchestrated use cases.¹² This will likely lead to opportunities to simplify the value chain and create a more integrated enterprise.

2 | Communicate the vision.

There are multiple barriers to Generative AI that only a clearly articulated vision can unlock. In addition, our research shows that AI starts out in a trust deficit. When customers know a brand is using AI, their trust in the brand declines by a factor of 12, and they are significantly more likely to rate a brand as low in reliability. From a workforce perspective, workers perceive employers as less empathetic when AI tools are offered. Furthermore, it's not uncommon that leaders have their own concerns with AI, ranging from privacy, security, and transparency of results, to the **loss of human connection**—a critical factor in bridging the trust gap with AI and employee experiences.¹³ Failing to address these trust risks can lead to significant potential for value erosion.

For CEOs at AI-fueled organizations, trust is imperative to building a narrative that inspires confidence in employees and customers alike. Powerful narratives rooted in trust start with envisioning a positive future where AI enables and complements the human

experience and the values of the people it serves—from how humans create, connect, and make decisions to how they consume, learn, and grow. Leaders must emphasize how their employees and customers can flourish *with* machines, rather than against them. Intentional, humanity-powered augmentation of AI will create autonomous enterprises, productive environments, and flourishing futures that reflect what it really means to be human.

3 | Invest to accelerate transformation.

The CEO's path to enterprise adoption should give teams confidence as well as resources and freedom to experiment, with commitments to hard investments. The journey to an autonomous enterprise means building a foundation in digital and AI capabilities, such as technology infrastructure, for the flexibility and computing power needed to properly empower AI; data management, for feeding the organization's digital blueprint into AI models; and change management through upskilling, cultural changes, and restructuring

as needed to adapt to new ways of working. That's not to mention tackling concerns around privacy, security, trust, explainability¹⁴ and regulation.

In the coming articles of *Leading a Generative AI-fueled enterprise: A CEO's series*, we'll help CEOs navigate these challenges by guiding them through organizational readiness, ecosystem strategy, and leadership imperatives. This series is intended to support CEOs on their AI journeys as their organizations evolve from digital enterprises to intelligent enterprises, and finally, to the autonomous enterprise that is right for them.

Paul Graham, co-founder of technology startup accelerator Y Combinator, has noted “When you're dealing with exponential growth, the time to act is when it feels too early.”¹⁵ A year after the earliest versions of Generative AI have made their big debut, few are likely to claim that it's too early to act. It's not too late for CEOs to act—yet—on a bold vision to drive value and competitive advantage through the autonomous enterprise.

Reach out for a conversation



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About the CEO series: Leading a Generative AI-fueled enterprise

A veritable ocean of content exists in regard to Generative AI adoption for enterprises. Through *Leading a Generative AI-fueled enterprise: A CEO series*, we aim to provide a ship for CEOs and leaders to navigate that ocean.

Not all companies may need to board this ship, but for industries that involve knowledge work, Generative AI is poised to have widespread impact, and CEOs can take advantage.

Endnotes

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