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AI in the Enterprise

Management is on board the AI ship
but without a crew or a compass



2024 AI in the Enterprise:
Survey Results

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A portrait of Krishna Sudheendra, a man with short dark hair, smiling, wearing a grey blazer over a blue and white checkered shirt. The background is a light grey and white gradient.

Foreword

by **Krishna Sudheendra**
Chief Executive Officer, UST

The transformative impact of Artificial Intelligence (AI) on the global stage is undeniable. As we witness the Fourth Industrial Revolution, this groundbreaking technology is accelerating innovation across industry sectors, enhancing productivity, and redefining what is possible in unimaginable ways.

It is with great pleasure that we present the results of our international survey on AI in the Enterprise – spanning insights from the US, UK, India and Spain. Through the perspectives of senior IT decision-makers in large companies (\$500m+ revenue), this research aims to capture the current state of AI adoption – including digitalization and, more broadly, the benefits and challenges of AI for businesses and workforce trends. The insights gathered here are invaluable for understanding the trajectory of AI development and its far-reaching implications.

Businesses still face hurdles in AI integration due to talent scarcity and technical intricacies like data quality, alongside challenges in strategic planning and ethical considerations, all of which affect successful implementation. The survey findings reveal a picture of management teams within organizations on board and understanding the potential benefits of AI adoption. However, the need for more talent and tools to navigate complex issues prevents them from reaching

their destination. The title of our report, 'Management is on board the AI ship but without a crew and compass,' aptly presents this situation through an analogy.

AI has rapidly transitioned from a futuristic concept to an integral component of contemporary business and societal frameworks. AI has vast and varied applications in healthcare, retail, education, finance, and manufacturing. It is revolutionizing industries by automating processes, enhancing decision-making, and creating new opportunities for growth and innovation. Yet, as with any transformative technology, AI presents a complex array of challenges and ethical considerations. Tackling issues such as data privacy, algorithmic bias, and impact on future of work should be at the forefront of discussions surrounding AI.

We extend our gratitude to all the participants who contributed their time and expertise to this survey. Your insights are vital in shaping a future where AI serves as a force for good, driving progress and improving lives across the globe.

We invite you to read the findings of this survey, reflect on its implications, and join us in the ongoing journey to unlock the full potential of AI.

Introduction and survey overview

Introduction

To gain insights on AI in the Enterprise, UST commissioned a comprehensive survey where respondents were asked questions about the following:

- Digital transformation progress
- AI implementation across the enterprise
- Digital & AI spending and return on investment
- AI skills and workforce diversity
- Responsible AI and regulation
- ESG benefits of AI
- AI governance and ethics

This research aims to demonstrate the advantages of AI implementation for large companies undergoing digital transformation. It also addresses the challenges of integrating AI and suggests potential collaborations between industries, educational institutions, and governments to tackle these challenges.

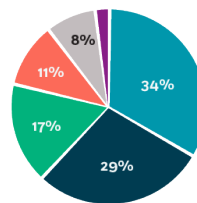
This research is based on a survey of 600 senior IT decision-makers in large companies with a minimum annual revenue of \$500 million in the USA, UK, India, and Spain, with 150 respondents from each country.

The online survey of 40 questions was completed at a time and on a device convenient for respondents. It was conducted online by FTI Consulting from March-April 2024.

Profile of respondents

The surveyed companies have combined revenue of over \$10 trillion and span over ten industry sectors, including technology, financial services, manufacturing, retail and energy.

Size of organizations

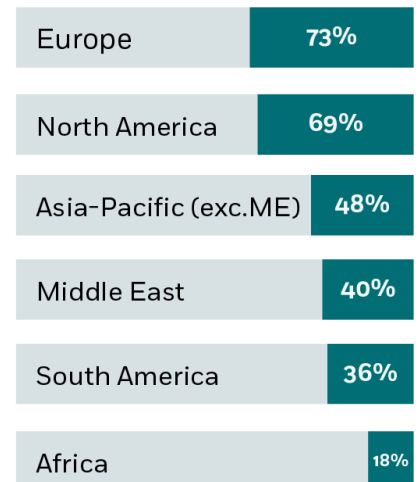


Seniority

- C-Suite
- Senior management
- Executive director / or equivalent
- Head of a business function
- Other management with decision making control
- Board-level management



Regions of operation (not exclusive)



Key findings

The broad view emerging from the data shows that Management is on board the AI ship but without a crew and compass.

To put this into a more specific context, our research shows that: 1) there is clear management buy-in on AI; 2) skills to deliver AI implementation are lacking – both internally and externally; and 3) concerns around ethics, diversity and regulation prevail. As such, the first three chapters of this report look at each of these trends in depth, while the fourth and final chapter highlights standout findings from each geography surveyed.

92%

of companies say their AI implementation aligns with their strategic goals

93%

of organizations say AI will be essential in almost all organizations in their industry in the next five years

76%

say there is a severe shortage of AI-skilled personnel within their organization

92%

of companies agree that more regulation is required for successful and responsible AI implementation



CHAPTER 1

Clear management buy-in is a must for AI implementation

AI implementation is viewed as a strategic priority

With the opportunities and risks of AI dominating headlines in the past few years, it's no surprise that its implementation across businesses has been rising to the top of boardroom agendas. This is supported by the survey findings, with more than 9 in 10 large companies saying their AI implementation aligns with their strategic goals (92%) and that AI will be essential in almost all organizations in their industry in the next five years (93%).

When asked about the challenges to implementing AI in their organization, only 14% said they had "No clear understanding of the benefits," showing that there is certainly internal buy-in for the value of AI. Governments to tackle these challenges.

The use of AI in the enterprise is already widespread. In terms of the state of current implementation, almost all large organizations are in the process of using AI; over half are using and fully integrating AI throughout their business (54%), nearly a third are using it but in an unstructured way (28%) and 16% are in early experimental stages. Only 1% did not use AI and had no plans.

However, nearly half of respondents (44%) describe AI implementation process as challenging, suggesting that businesses and governments need to do more to address security, workforce, and regulation concerns.



Globally, AI is rightly being increasingly recognized as a pivotal force for driving competitive advantages and operational excellence and helping companies meet specific business goals. Despite this, the obstacles surrounding AI implementation, including governance and security concerns and skills and hardware shortage, must be acknowledged and tackled as a priority.

Niranjan Ramsunder
Chief Technology Officer, UST

Drivers for AI Implementation



Gain insights from large volumes of data sets to improve or inform our decision-making processes (52%)



Improve customer experience (51%)



To reduce operational cost or improve productivity and/or efficiency (50%)

Barriers to AI Implementation



Security concerns (40%)



Shortage of in-house expertise (33%)



Compliance/regulatory challenges (33%)

Lastly, large companies are optimistic about the sustainability benefits offered by AI. Almost 9 in 10 (89%) believe AI can help their organization work towards net zero emissions, and a similar proportion say that it has significant ESG benefits (91%). More specifically, respondents deem AI to be most helpful for improving sustainability measurements and reporting (68%), reducing carbon emissions/accelerating efforts to reach net zero (58%), and reducing resource consumption (55%). With companies under more pressure than ever to meet ambitious sustainability goals, the opportunity to leverage AI to turbocharge these efforts can be seen as a key reason for the increasing uptake of the technology across large enterprises.

AI is part of broader digital transformation efforts

The data findings highlight that AI is being implemented as part of broader digital transformation efforts as companies seek to capitalize on opportunities to improve customer experience, create operational efficiencies, and reduce costs over the long term. For example, the proportion of companies' products and services with a significant digital component has increased by 45% in the past three years.

A few key technologies are essential for driving digital transformation efforts. When respondents were asked to rate the importance of seven technologies to their company's digital transformation strategy, cloud computing, AI, and predictive analytics were ranked most highly across all four geographies—except India, where Web 3.0 replaced predictive analytics.

In terms of investment, a significant proportion of revenues in large organizations have been invested in digital tools and technology in the past year—approximately a fifth (22%).

Proportion of revenue spent on digital technology and tools

USA
20%

UK
22%

Spain
20%

India
24%

Top 3 crucial/very important technologies per market



Predictive analytics (87%)



Cloud computing (84%)



AI (83%)



Cloud computing (93%)



AI (86%)



Predictive analytics (83%)



Cloud computing (87%)



Predictive analytics (85%)



AI (85%)



AI (94%)



Cloud computing (93%)



Web 3.0 (92%)

Increased AI spending needed to maintain competitiveness

As has been established, large companies understand the benefits of AI and believe its implementation aligns with their broader strategic goals. However, regarding funding, approximately 9 in 10 respondents (89%) say their organization needs to increase its spending on AI implementation to keep up with its competitors.

My organization needs to increase its spend on AI implementation to keep up with its competitors



89%
agree



11%
disagree

The data findings suggest that AI spending is on an upward trajectory. While currently only 1 in 20 (5%) are spending over half of their technology budget on AI implementation, in three years, 1 in 5 (18%) predict they will be doing so. These figures indicate that companies continue to allocate significant parts of their technology budget to other digital transformation projects beyond AI.

On average, organizations expect to see a return on investments in AI technology in approximately two years. However, almost a quarter (23%) expect this to take four or more years.

When ROI is expected



CHAPTER 2

















Shortage of in-house AI skills is hampering progress

Shortage of in-house AI skills

While decision-makers at large companies are bought into AI implementation, the findings reveal they lack a well-skilled "crew" to execute this successfully. Three-quarters of respondents (76%) say there is a severe shortage of AI-skilled personnel within their organization.

Interestingly, the key skills believed to be currently lacking are data science/analysis (47%), analytical thinking (43%) and problem-solving skills (40%).

Top 3 in-house skills related to AI currently lacking

	 Data science/analysis (44%)	 People skills (40%)	 Analytical thinking (39%)
	 Data science/analysis (50%)	 Coding/programming (42%)	 Analytical thinking (41%)
	 Data science/analysis (47%)	 Analytical thinking (43%)	 Problem-solving skills (41%)
	 Creativity (51%)	 Problem-solving skills (51%)	 Analytical thinking (47%)



“ Digital transformation is accelerating across all sectors. The demand for skilled people in the industry is outweighing market supply, and technology innovation is developing faster than the skills needed to apply it. Pinpointing where the gaps are allows us to target specific industries, identify which business functions are suffering from a digital skills shortage, and encourage us to train and develop new talent. We must open up pathways for people from diverse backgrounds and across regions to truly close the digital skills gap and keep up with demand in creating new innovative solutions.

Heather Dawe
Chief Data Scientist, UST

External navigation tools and guidance needed

With in-house AI skills in short supply, large organizations are turning to external expertise to help them effectively implement and benefit from AI technologies. Almost 9 in 10 say their organization needs external guidance on implementing AI most effectively (89%), and over half plan to engage with external third-party AI expertise in the next three years (57%). Looking at the current landscape, large organizations supplement in-house AI skills with external expertise. Amongst those respondents implementing AI, just over two-thirds use a mix of internal and external developers (64%), while 15% use only external developers or third-party technology providers. Only a fifth are developing and implementing it in-house with no external guidance (21%).

My organization needs external guidance on **how** to most effectively implement AI



89%
agree



11%
disagree

My organization needs external guidance on **where** to most effectively implement AI



90%
agree



10%
disagree

The main motivations for using external expertise are that it is cheaper than in-house (38%) and the lack of training capabilities for internal upskilling (31%). However, two-thirds also believe there are not enough external advisors on AI implementation (67%), compounding the existing shortage of in-house AI skills.

To address these shortages, respondents suggest three main strategies for government intervention to secure future AI workforce demand: providing greater incentives for businesses to invest in R&D (58%), fostering increased collaboration among the public, private and educational sectors (58%), and supporting the expansion of STEM programs in schools and higher education (55%).

Read

our CIO's Guide to Generative AI and leverage the power of AI for your organization.



Learn more



Read

CTO's Guide to MLOps and accelerate your AI/ML journey.



Read now



Sign up

for our workshop to harness the power of Generative AI and drive the next wave of innovation.



Sign up now



CHAPTER 3

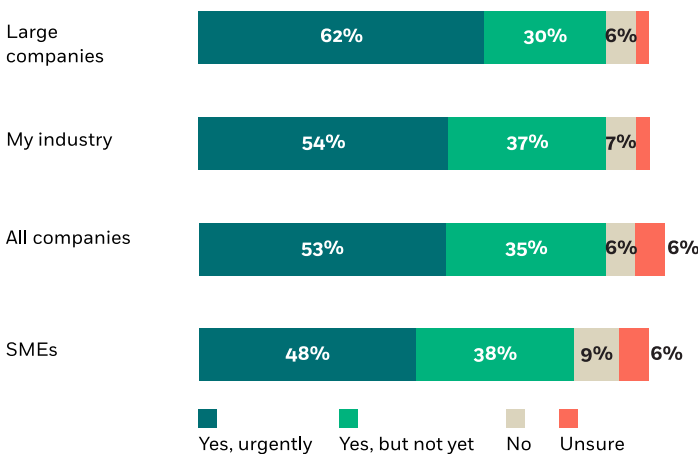
Navigating through the complexity of ethics, regulation and diversity concerns is paramount

Shortcomings in addressing AI regulation

There is consensus amongst respondents that more regulation is required for successful and responsible AI implementation in their industry (91%) and large companies (92%). Several key benefits companies drive the push for more stringent AI regulation anticipate. Ensuring data privacy tops the list, with 62% of companies recognizing its importance in protecting sensitive information from misuse and breaches. Meanwhile, 57% of companies highlight the need for better transparency, advocating for clearer guidelines and disclosures about AI systems' functioning and decision-making processes. Ethical usage of AI is ranked as the third most important driver, underscoring the necessity of frameworks that prevent biases and promote fairness in AI applications.

Yet, a significant majority of large companies express concerns that their government (71%) and industry (64%) are falling short in appropriately addressing AI regulation. This sentiment reflects a critical need for clearer governance to keep pace with the rapid advancements in AI. The prevalent view of those surveyed is that current regulatory frameworks are insufficient, potentially leaving gaps in managing impacts of AI technologies on society and economy.

Is more regulation required for successful and responsible AI implementation into the following?



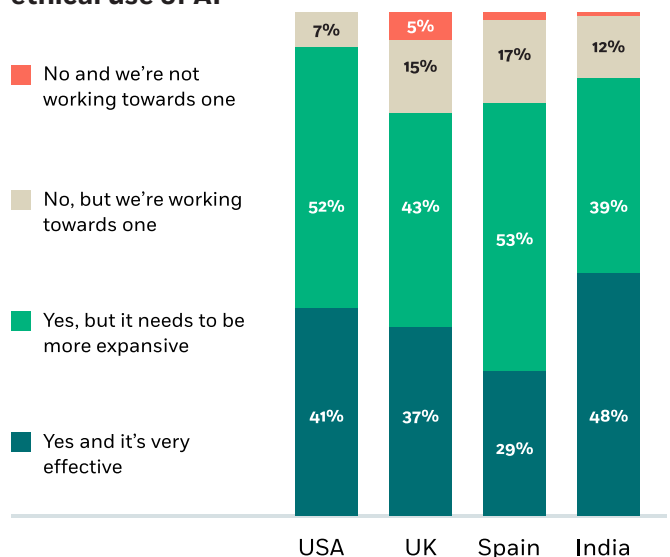
Bridging the AI governance gap

When asked about AI governance, nearly all large companies surveyed (91%) agree that their organization must have a responsible AI framework/policy. However, concerningly, only 39% consider theirs to be “very effective,” revealing a significant gap between acknowledgment and effective implementation and highlighting a substantial shortfall in readiness and capability.

The lag in establishing robust AI governance frameworks suggests that many organizations may struggle with the complexities of designing, executing, and maintaining policies that ensure responsible AI use. This lack of foundational governance leaves these organizations vulnerable to ethical pitfalls, data privacy issues and potential regulatory non-compliance.

On a positive note, it is encouraging that over three-quarters of large companies (78%) are currently providing training on ethical AI use, with an approximately equal share being either internally supplied or externally outsourced.

Framework/policy in place for responsible/ethical use of AI



Tackling diversity concerns

Another ethical concern for companies is ensuring a diverse workforce, particularly regarding technology teams, given that AI outputs can be biased and discriminatory when minority groups are not involved in the data input and machine learning processes. Regarding their AI workforce, 80% of respondents say diversity is crucial. However, nearly a third (32%) would describe the current diversity of their AI team as lacking. Additionally, 70% are concerned that lacking diversity within their AI workforce leads to biased outcomes.

This highlights the need to expand training and job opportunities for people from more diverse backgrounds. A collaborative approach between educational institutions, governments and industry is needed to achieve this.

Proportion of companies whose diversity in AI experts is 'lacking'



33%



32%



27%



36%



The absence of mature AI governance frameworks is a glaring problem that enterprises can no longer ignore. As AI becomes deeply embedded in society, robust policies are urgently needed to guide its development and mitigate risks. In the near future, AI regulations and privacy-first AI will become essential to modern platforms, with algorithmic transparency, explainability, and risk metrics as the gold standard - and only ethically-designed AI systems earning public trust.

Society already recognizes both AI's immense potential benefits and dangers if left unchecked. We must accelerate efforts to develop and implement sound AI governance policies - the stakes could not be higher for high-risk applications of Artificial Intelligence. With focus and foresight, we can create a future where AI systems are powerful for the net good - but only if we have the wisdom to govern well.

Dr. Adnan Masood, PhD.
Chief AI Architect, UST

CHAPTER 4

Regional variations

The survey highlights the areas where AI is making significant impacts and the stark differences in priorities and challenges across these regions. It offers a vital snapshot of how businesses integrate AI into their operations and strategies, aiming to leverage its potential while mitigating associated risks. This global perspective provides invaluable insights for stakeholders aiming to understand the trajectory of AI development and its far-reaching implications across different markets.

Key findings and supporting metrics:



Predictive analytics is #1 Priority in the USA

It is ranked as the top technology important for digital transformation strategy in the USA.



AI skills shortage in the UK

Over half (53%) of UK respondents describe AI implementation as challenging, underscoring a significant skills gap.



Ethical AI frameworks in Spain

Only 29% of Spanish companies have ethical AI systems which they consider to be "very effective", indicating a need for improvement.



Rapid digitalization in India

Indian companies reported an average of 56% increase in proportion of their significant digital services, the highest among surveyed regions.

USA:

Emphasis on predictive analytics

In the USA, predictive analytics stands out as the foremost technology driving digital transformation efforts, underscoring a focus on data-driven decision-making and risk management. This emphasis reflects a strategic approach where companies prioritize technologies that provide actionable insights and competitive advantages. The prioritization of predictive analytics over other technologies like cloud computing and AI suggests a mature market where data analytics provides a cornerstone for strategic initiatives.

The focus on predictive analytics likely stems from the competitive nature of the US market and a strong inclination toward innovation. By leveraging predictive analytics, companies aim to stay ahead of market trends and customer behaviors, maintaining a competitive edge. Additionally, the emphasis on sustainability and reducing carbon emissions as primary drivers for AI adoption indicates a growing trend towards responsible business practices, which align with broader societal and regulatory expectations.

UK:**Challenges with skills and legacy systems**

The UK's AI landscape is particularly challenged by a severe shortage of necessary skills and the prevalence of legacy systems, with 37% of respondents indicating that AI implementation could be more challenging. This highlights a critical barrier where the existing infrastructure and skill levels are not sufficiently aligned with the technological advancements AI requires. The data suggests that despite high levels of buy-in at the managerial level, practical implementation lags due to these foundational issues.

Analyzing the underlying reasons, it's evident that the UK's established industries might need help with transformation due to outdated systems that are less adaptable to new technologies. Moreover, education and training systems are not at par with the demands of contemporary AI technologies, leading to a shortfall in talent. Addressing these issues would require strategic reforms in infrastructure and education sectors to enhance digital literacy and modernize operational frameworks.

Spain:**Focus on ethical AI**

Spain's distinct focus on the effectiveness of ethical AI frameworks highlights a critical area of concern within its AI strategy. Despite the high agreement on the importance of ethical AI, many Spanish companies feel their current frameworks could be more effective. This gap points to potential challenges in aligning AI applications with ethical standards and regulatory requirements.

The analysis suggests that while Spanish companies are keen to adopt AI responsibly, there may be a need for more clear guidelines or expertise in implementing robust ethical frameworks. Improving this could involve a more collaborative approach, engaging the public and private sectors to develop and enforce standards that ensure AI is used ethically. Strengthening these frameworks is crucial for building trust and reliability in AI technologies, facilitating broader acceptance and integration into business processes.

India:**Leading in digital transformation**

India shows remarkable progress in digital transformation, with the highest rate of increase in digital services among the surveyed countries. This aggressive digitalization is supported by substantial investment in technology, a significant part of corporate budgets. The concern about automation impacting jobs also reflects a rapidly evolving workforce that needs to adapt to new technologies.

The rapid digitalization in India could be driven by several factors, including strong government initiatives promoting digital infrastructure, a burgeoning tech-savvy population, and the growing presence of IT and technology sectors. However, the emphasis on improving data quality and accuracy as a regulatory concern indicates data management and governance challenges. Enhancing these areas could further boost India's position as a leader in digital transformation, effectively leveraging its substantial investments in technology.

USA-specific findings



At a glance:

KEY STATISTIC

Predictive analytics top priority for digital transformation.

KEY FINDING

41% driven by sustainability and carbon reduction goals.

CHALLENGES

Notable skills shortage in interpersonal and mgmt. capabilities.

Top 3 drivers for AI adoption

Sustainability
(41%)



Customer experience
(40%)



Gain/maintain competitive advantage (39%)



In the United States, the integration of AI within enterprises is strategically driven, with a strong emphasis on predictive analytics, setting it apart as a critical tool for future-proofing businesses against dynamic market changes. The survey underscores a robust commitment to enhancing sustainability and reducing carbon emissions, reflecting a unique convergence of technological advancement and environmental responsibility in American corporate strategies.

Top 3 barriers to AI deployment

Security
(31%)



In-house skills shortage
(30%)



Demonstrable ROI
(28%)



Top 3 in-house skills lacking

Data science/analysis
(44%)



People skills
(40%)



Analytical thinking
(39%)



Here are some key findings from the UST AI in the Enterprise Survey specifically applicable to the USA region:

- 1. Priority on Predictive Analytics:** In the USA, predictive analytics is ranked the top technology for digital transformation strategy, unlike other regions where AI and cloud computing generally take precedence. This emphasis on predictive analytics illustrates a significant focus on utilizing advanced data analysis tools to drive business decisions and strategies.
- 2. Sustainability and carbon emissions:** The USA places a high emphasis on AI's role in improving sustainability and reducing carbon emissions, with 41% of respondents identifying this as their biggest driver for AI implementation. This priority is notably higher than in other regions, where such environmental concerns rank lower in their AI implementation strategies.
- 3. Competitive advantage:** Gaining or maintaining competitive advantage is also a significant driver for AI implementation in the USA, ranking as the third most cited reason (39%). This indicates a highly competitive environment where companies leverage AI not just for operational efficiencies but also to stay ahead in the market.
- 4. Lack of buy-in from senior leaders:** The USA is noteworthy because it has the largest response percentage (27%), identifying a lack of buy-in from senior leadership as a barrier to AI implementation. This suggests a need to engage in a rapidly deliverable pilot project with the potential for quick wins to demonstrate the efficacy of AI without significant risks of costs.

UK-specific findings



At a glance:

KEY STATISTIC

53% find AI implementation challenging.

KEY FINDING

Major issues with legacy systems and skills gaps.

CHALLENGES

20% lack an ethical AI framework.

Top 3 drivers for AI adoption

Customer experience
(57%)



Improved decision making
(56%)



Productivity and efficiency
(53%)



The UK's approach to AI implementation reveals a landscape marked by significant challenges, primarily due to a substantial skills gap and the prevalence of legacy systems that hinder seamless integration. This region's focus on overcoming these barriers is critical as enterprises strive to align their advanced technological aspirations with the practical realities of existing infrastructures.

Top 3 barriers to AI deployment

Security
(41%)



Regulatory compliance
(39%)



Legacy systems
(37%)



Top 3 in-house skills lacking

Data science/analysis
(50%)



Coding/programming
(42%)



Analytical thinking
(41%)



Here are some key findings from the UST AI in the Enterprise Survey for the UK region, along with relevant metrics:

- Challenges with AI implementation:** The UK is identified as the market most likely to find AI implementation challenging, with over half (53%) of the respondents describing the process as such. This is notably higher compared to other regions. The major challenges include security concerns (41%) and compliance and regulatory challenges (39%)
- Impact of legacy systems:** A major challenge in the UK is the presence of too many legacy systems, which has been identified as a significant barrier to AI implementation. 37% of respondents cited this issue as a more prominent problem in the UK than in other surveyed markets.
- Lack of responsible AI frameworks:** The UK shows a notable deficiency in having frameworks for AI's responsible and ethical use. 20% of large organizations in the UK do not have a framework for responsible AI, and they are the least likely to have training for ethical AI use in place, with 30% not currently providing such training.
- Regulatory and ethical concerns:** Consistent with global trends, there is a strong consensus in the UK on the need for more regulation to ensure successful and responsible AI implementation. Ethical concerns, particularly around data privacy and the use of AI, are significant, reflecting the critical need for more stringent regulatory frameworks.

Spain-specific findings



At a glance:

KEY STATISTIC

Only 29% have ethical AI systems they rate very effective.

KEY FINDING

54% prioritize AI for fault prediction and risk management.

CHALLENGES

Need for improved ethical AI frameworks.

Top 3 drivers for AI adoption

Improved decision making (**58%**)



Predict potential faults or risks (**54%**)



Gain/maintain competitive advantage (**53%**)
Improve efficiency/productivity (**53%**)



Spain's focus on AI within the enterprise sphere highlights a profound commitment to ethical frameworks. There is a significant emphasis on developing systems that are not only technologically advanced but also socially responsible. Despite challenges in achieving very effective ethical AI systems, Spanish companies prioritize risk management and predictive analytics to improve business resilience. Delve into how Spain is leading the charge in embedding ethical considerations into the core of AI strategies.

Top 3 barriers to AI deployment

Security (**42%**)



Shortage of skills (**38%**)



Workforce concerns (**32%**)



Top 3 in-house skills lacking

Data science/analysis (**47%**)



Analytical thinking (**43%**)



Problem-solving skills (**41%**)



Here are some key findings from the UST AI in Enterprise Survey for the Spain region, along with relevant metrics:

- 1. Predicting faults and risks:** In Spain, the ability to predict potential faults and risks is a standout driver for AI implementation, ranked second at 54%. This is a particular benefit for Spanish organizations as they seek to optimize their operations and improve resilience against future risks.
- 2. Decision-making insights:** Gaining insights from large volumes of data sets to improve or inform decision-making processes is a #3 priority for AI implementation in Spain, cited by 57% of respondents. This emphasis on data-driven decision-making is significant for enhancing operational efficiency and strategic planning.
- 3. Framework for ethical AI:** There is a critical focus on ethical AI in Spain, with 89% of respondents agreeing that it's vital for organizations to have a responsible AI framework or policy in place. However, only 29% consider their system "very effective," indicating significant room for improvement.
- 4. Recognition of AI's Regulatory Needs:** The need for better AI regulation was notably high, with a strong consensus among Spanish companies on the importance of establishing frameworks that ensure ethical use and data privacy.

India-specific findings



At a glance:

KEY STATISTIC

56% increase in digital services.

KEY FINDING

24% of revenue invested in digital technologies.

CHALLENGES

Concerns over automation's impact on jobs.

Top 3 drivers for AI adoption

Productivity and efficiency
(60%)



Improve customer experience
(60%)



Improved decision making
(57%)



India emerges as a leader in digital transformation within the AI space, demonstrating an aggressive push towards integrating advanced technologies across business practices. Substantial investments are driving a remarkable increase in digital services, and Indian enterprises are navigating the dual challenges of rapid digitalization and workforce concerns regarding automation.

Top 3 barriers to AI deployment

Security
(47%)



Regulatory compliance
(44%)



Lack of external expertise
(32%)



Top 3 in-house skills lacking

Creativity
(51%)



Problem-solving skills
(51%)



Analytical thinking
(47%)



Here are some key findings from the UST AI in Enterprise Survey for the India region, along with relevant metrics:

- High digitalization rates:** Indian companies show a significant commitment to digital transformation, with a notable increase in digitalization rates over the past three years. The proportion of products/services that are significantly digital has increased by 56% in India, the highest among all surveyed markets.
- Budget allocation for digital technology:** Large Indian companies allocate a substantial portion of their revenue to digital technologies and tools. Almost a quarter of their revenue is spent in this area, which is higher than in other markets. This investment reflects the priority placed on technology and digital tools in driving business operations and strategy in India.
- Workforce concerns about automation:** The fear of automation taking away jobs is more pronounced in India than in other regions. 33% of respondents ranked this concern as one of the significant barriers to AI implementation, indicating a need for careful management of workforce transitions and upskilling programs.
- External expertise and regulation:** There is a considerable demand for external expertise in AI implementation in India, with a need for more suitable options highlighted as a barrier by 32% of respondents. Additionally, the top regulatory concern is to ensure higher-quality data sets and better accuracy (69%), which is more emphasized in India than in other markets.

Conclusions

The "AI in the Enterprise" survey provides vital insights into the current state of AI adoption among large organizations, highlighting potential and challenges. While management enthusiastically supports AI initiatives, turning strategic intent into operational success demands immediate and targeted action across six key areas.

First, a strategic embrace of AI is essential. Organizations need holistic AI strategies aligned with long-term business goals, integrating AI into core business processes for innovation and efficiency. AI adoption should not be an isolated initiative but an essential part of the organization's broader strategic framework.

Second, addressing AI skills gaps is urgent. The survey reveals a severe shortage of in-house AI talent hindering the total leverage of AI technologies. Organizations must invest in upskilling their workforce and build partnerships with educational institutions to bridge this gap. Without a skilled talent pool, organizations risk increased reliance on external providers, limiting agility.

Third, robust AI governance and ethical frameworks are non-negotiable. The demand for regulation and ethical AI practices calls for comprehensive policies addressing data privacy, algorithmic bias, and regulatory compliance. Solid governance not only mitigates risks but also builds trust among stakeholders.

Fourth, fostering a continuous learning and adaptation culture is imperative as AI technology evolves rapidly. Organizations must prioritize constant learning and adaptation, promoting AI literacy and an open mindset for ongoing education and innovation, ensuring agility and responsiveness to technological advancements.

Fifth, enhancing diversity and inclusion in AI teams is critical. Diverse perspectives mitigate biases and foster innovation. Inclusive hiring practices and designing AI systems with diverse data sets are vital. A diverse AI team provides broader insights, leading to more equitable and innovative solutions.

Finally, prioritizing AI investment and measuring ROI is essential for long-term success. Organizations must allocate sufficient resources for AI projects and implement metrics to track the return on investment, ensuring tangible value and maintaining competitiveness.

In conclusion, a thorough approach balancing strategic AI integration with talent development, governance, learning, diversity, and investment is necessary to navigate the complexities of AI implementation, seize new opportunities, and realize sustained success in a digital and data-driven world. Failing to take action risks leaving organizations at a competitive disadvantage, hindering the full realization of AI's transformative potential.

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our CIO's Guide to Generative AI and leverage the power of AI for your organization.



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Sign up now



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For more than 24 years, UST has worked side by side with the world's best companies to make a real impact through transformation. Powered by technology, inspired by people and led by our purpose, we partner with our clients from design to operation. Through our nimble approach, we identify their core challenges, and craft disruptive solutions that bring their vision to life. With deep domain expertise and a future-proof philosophy, we embed innovation and agility into our client's organizations—delivering measurable value and lasting change across industries, and around the world. Together, with over 29,000+ employees in 30+ countries, we build for boundless impact—touching billions of lives in the process.

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