A New Beginning: Generative AI in the Enterprise
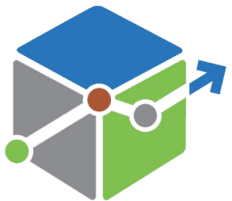
A Survey Report

Purpose

Investigate interest, usage, applications, vendor preferences and understanding of Generative AI (GenAI) tools and their impact in US-based businesses

Methodology

Telephone survey of 1,000 US-based IT Decision Makers (ITDMs), split across 2 company sizes and 10 industries, involved with their company's GenAI technology implementations

- Survey fielded May 2023

Key Findings, Part 1

1 Real-world usage of GenAI is already near 90% and excitement around its potential is huge

2 GenAI benefits expected to be around improved productivity and efficiency but how it's measured and its long-term implications still unclear

3 Top application usage is core productivity and content creation, though other apps like software coding have huge potential in some industries

4 Huge diversity of top app choices across industries suggests people are still trying to figure out best applications for their needs

5 There's a gap between current usage and perceived value of different GenAI apps suggesting opportunities to improve existing apps and build new ones

6 Serious challenges in customers' capabilities and internal skills remain

7 Education gap is large as knowledge around what's possible isn't evenly distributed

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Key Findings, Part 2

8 — Fear factor of the technology and its impact is real both in terms of IP leakage and data security, as well as job loss

9 — Great deal of interest in integrated prompt training, watermarking and other features that aren't yet widely available

10 — Big names lead GenAI vendor preferences but it's clear companies are planning to use multiple, with distinct viewpoints on who they plan to choose and why

11 — Organizations open to hybrid GenAI architectures, but the need to leverage custom data is essential

12 — Very little interest in companies building their own models (except in tech and comms)

13 — Great deal of uncertainty around best go-to-market strategies in terms of separate models, standalone apps vs. APIs and more
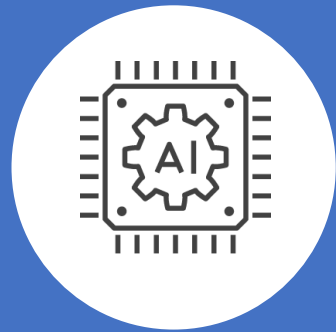
14 — Interest in running GenAI on devices is there, but not as strong as might be expected

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Generative AI Usage Already Mainstream

88% of companies already using generative AI

- Only about 7% of companies using GenAI have a formal policy permitting its usage

95% of respondents believe GenAI will or possibly could have a profound impact on work

Almost 22% of respondents are already generating new revenue streams or creating new business models
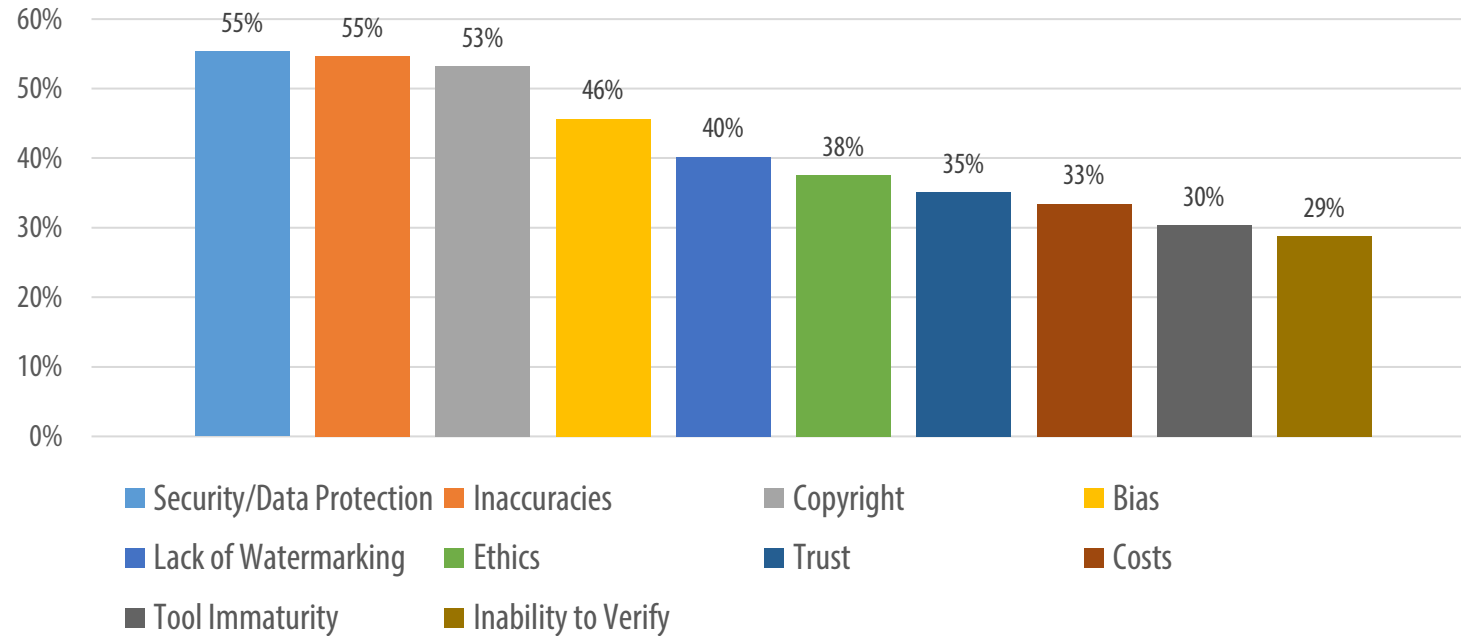
¾ of respondents who control GenAI initiatives come from C-Suite

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Generative AI Non-Users

Top 7 Reasons for Not Using GenAI

- Copyright: 70%
- IP Leakage: 64%
- Internal Skill Set Limits: 52%
- Costs: 47%
- Inaccuracies: 39%
- Fear of Tools: 37%
- Trust: 37%

Legend:
- Copyright
- IP Leakage
- Internal Skill Set Limits
- Costs
- Inaccuracies
- Fear of Tools
- Trust
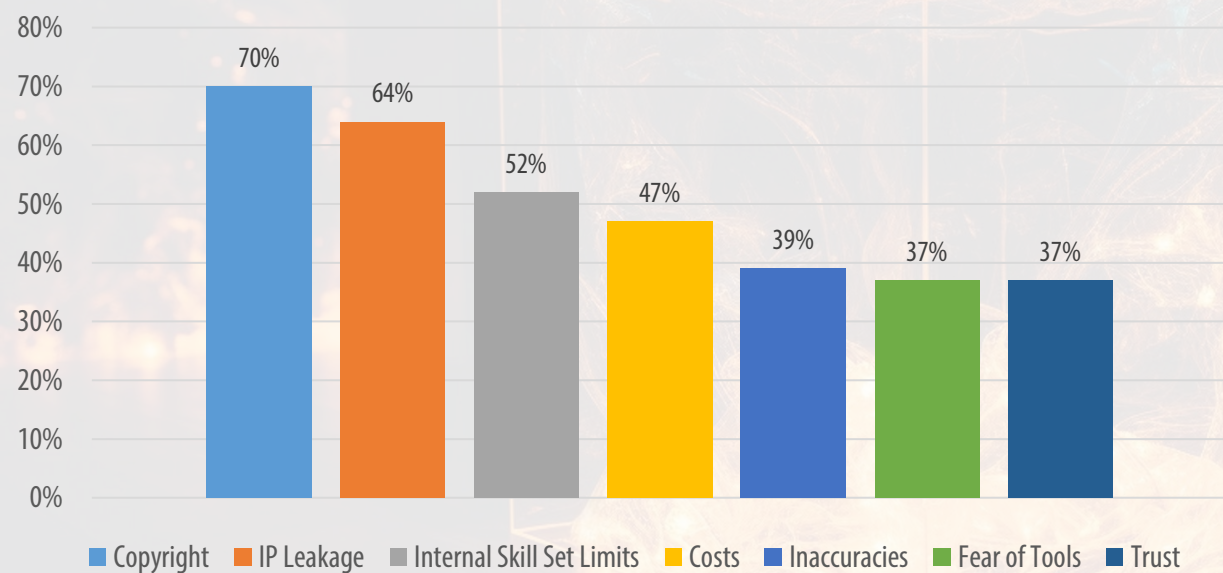
Top 7 Factors for Reconsideration

- Internal IP Protection: 70%
- Improved Output Verification: 68%
- Customizability: 63%
- Explainability: 56%
- Copyright Clarity: 56%
- Watermarking: 55%
- Improved Accuracy: 51%

Legend:
- Internal IP Protection
- Improved Output Verification
- Customizability
- Explainability
- Copyright Clarity
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- Improved Accuracy
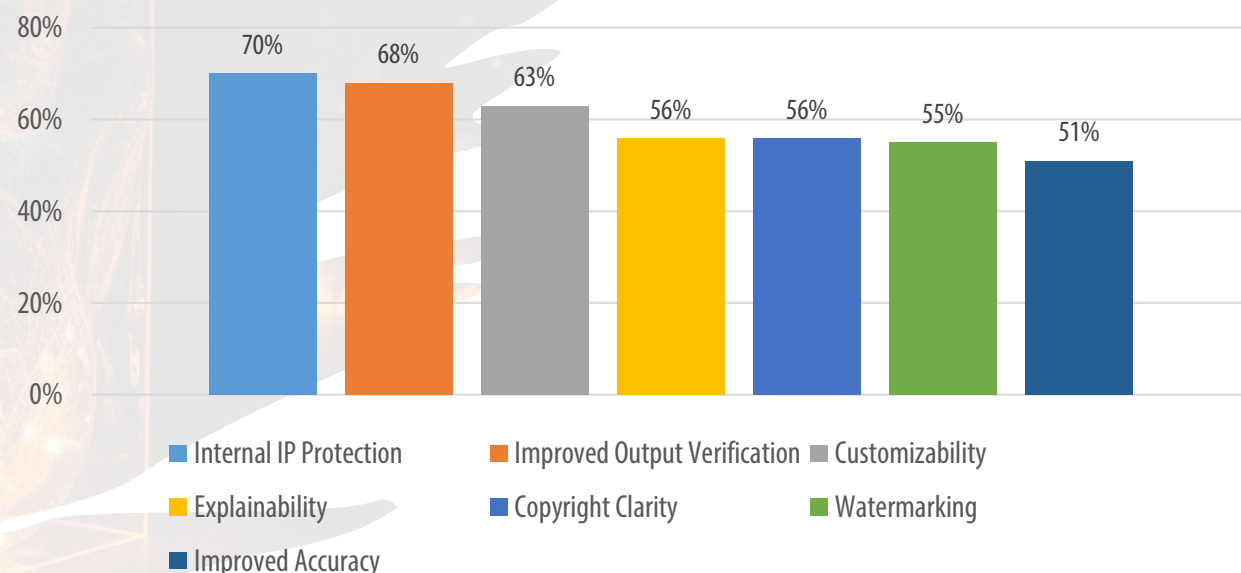
Only 7% say they're not considering deployment

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Generative AI Benefits

Top GenAI Benefits

- 56% — Increased Efficiency
- 49% — New Business Revenue
- 47% — Improved Quality
- 41% — Address Skills Shortages
- 37% — Increased Competitiveness
- 30% — Staff Augmentation

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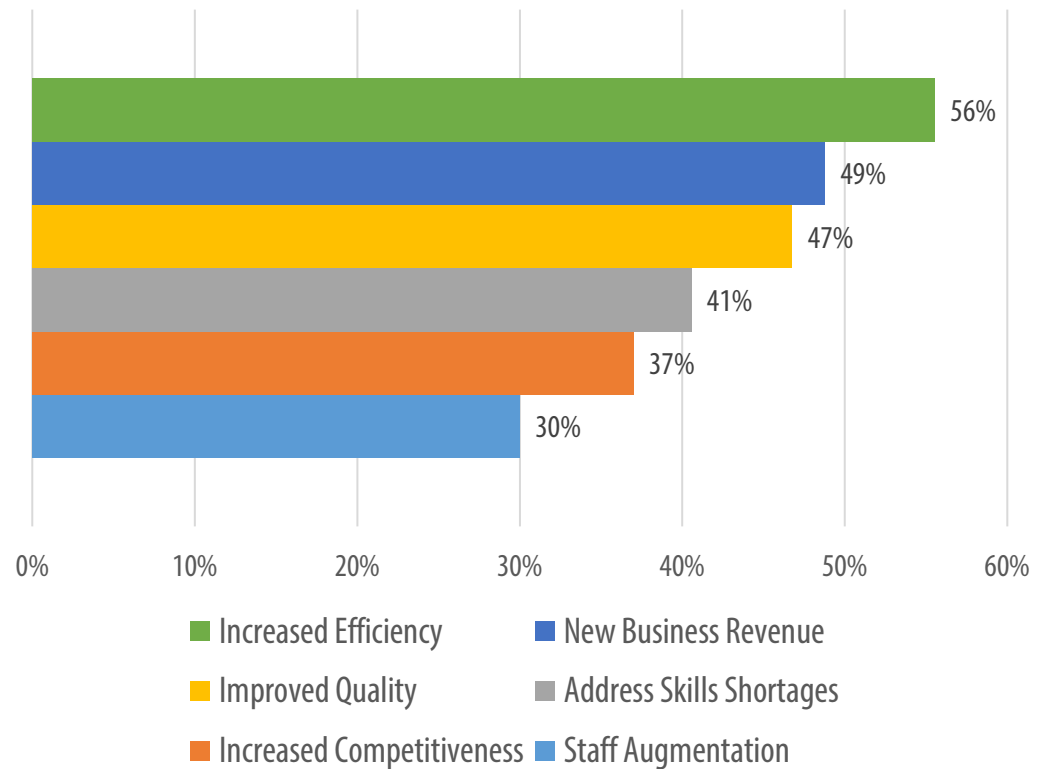
Productivity Leads Current Generative AI Apps

GenAI App Usage and Plans

	Currently Using	Expect to Use Soon	No Plan to Use
Word Processing	42%	13%	45%
Presentations	38%	22%	40%
Digital Assistant	37%	27%	37%
CRM	33%	25%	42%
Image Generation	33%	30%	37%
Text Generation	29%	31%	40%
Page Design	23%	18%	59%
Health & Science	17%	3%	80%
Software Code	17%	17%	66%
Spreadsheets	7%	40%	52%

■ Currently Using   ■ Expect to Use Soon   ■ No Plan to Use

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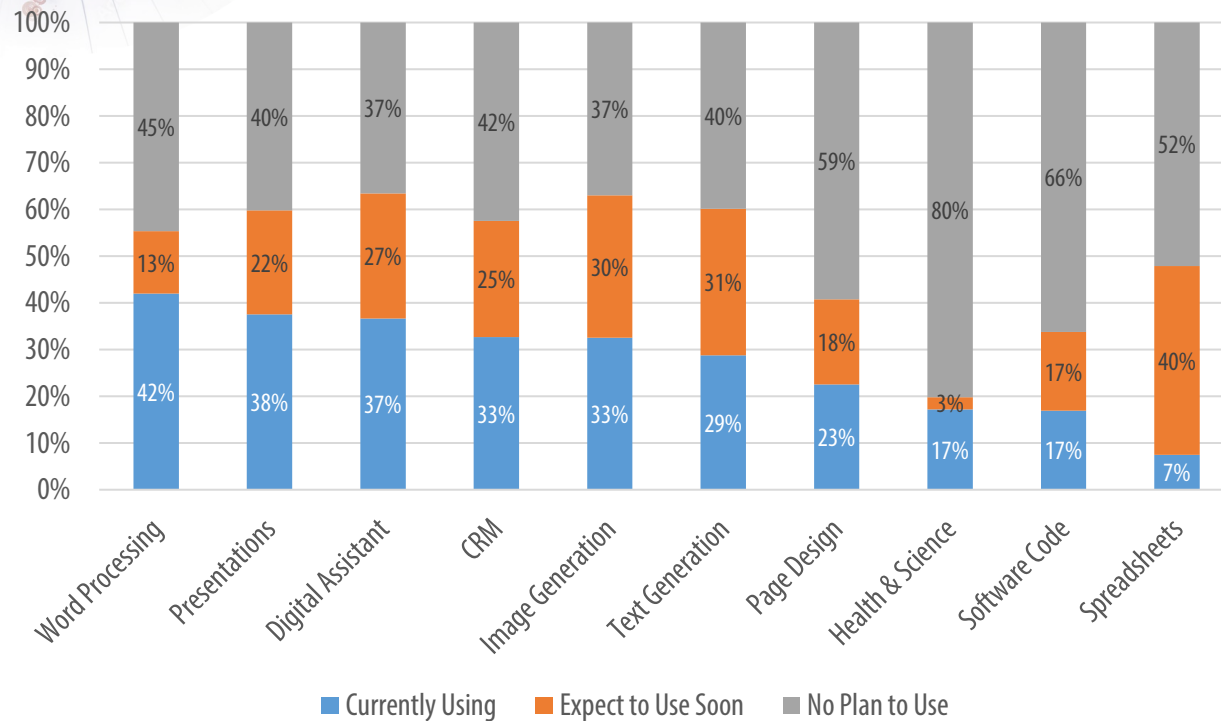
Most Desired GenAI Apps

Most Requested GenAI Apps

Total
Spreadsheets 60%
Industry-Specific 56%
Digital Assistant 50%
CRM 48%
Design and Layout 40%

■ Spreadsheets   ■ Industry-Specific
■ Digital Assistant   ■ CRM
■ Design and Layout
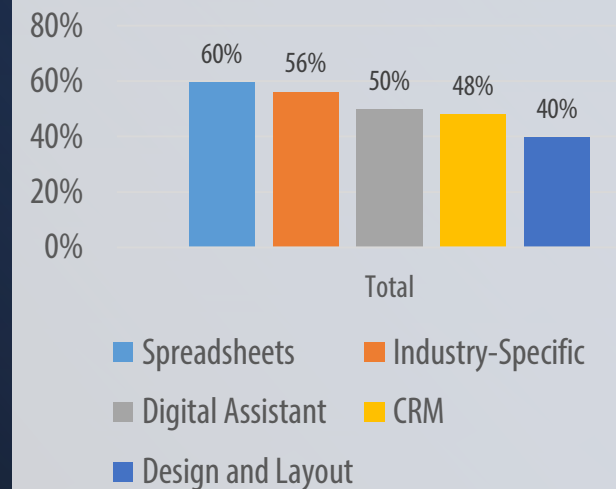
Despite low current usage, there's big pent-up demand for spreadsheets as well as industry-specific solutions

Usage vs. Perceived Value

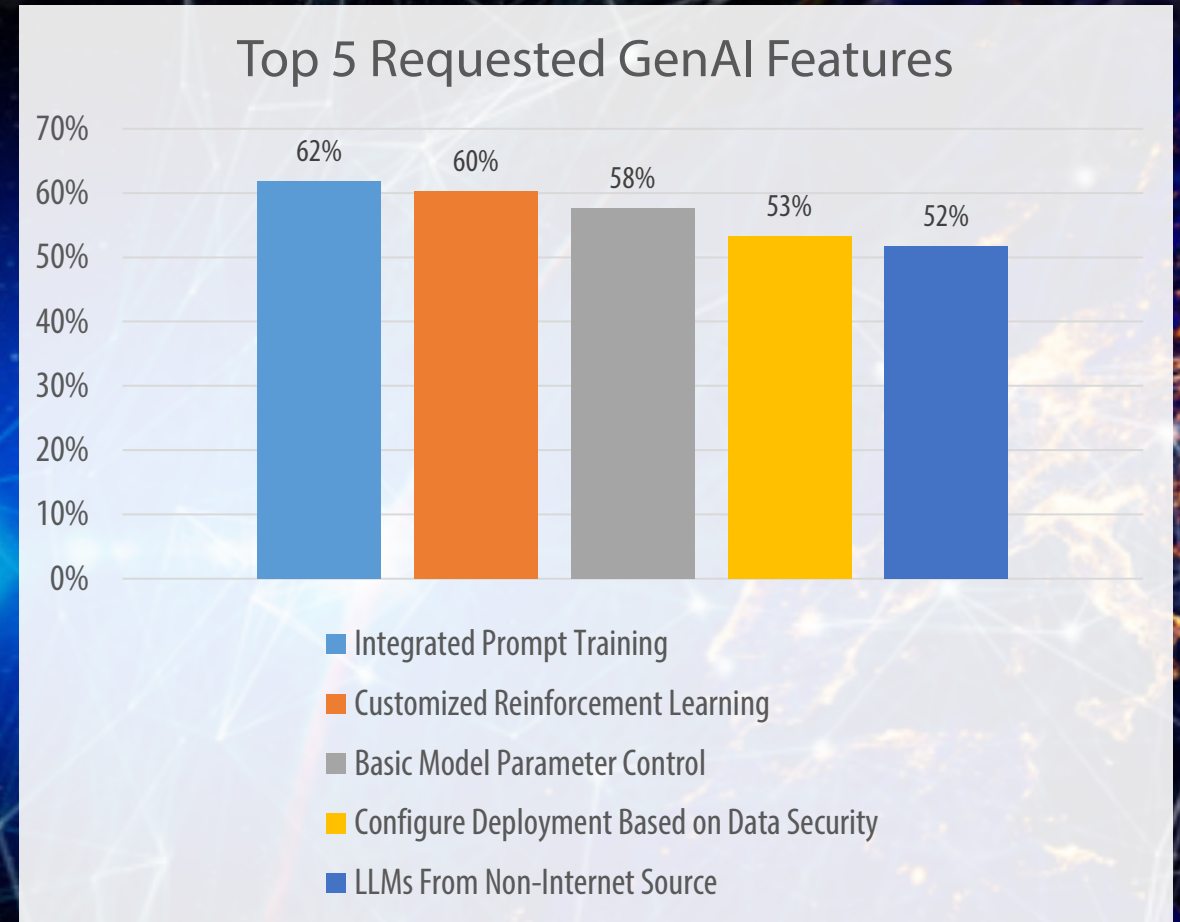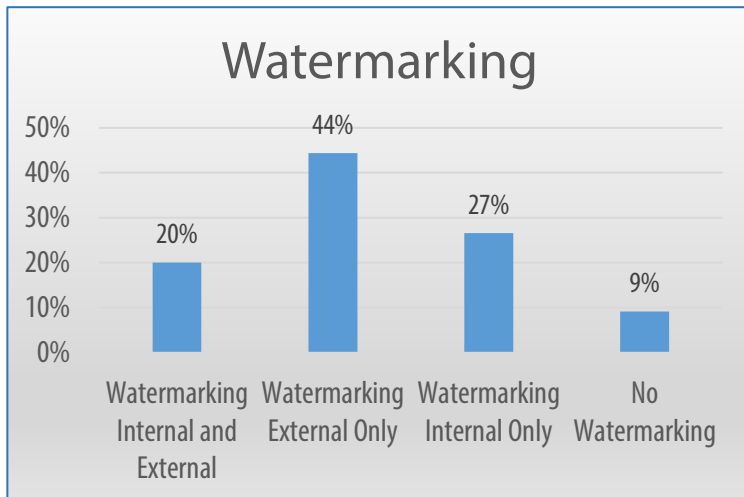| Top 5 Currently Used GenAI Apps	Top 5 Ranked GenAI Apps
Word Processing	Company Intranet Search
Presentations	Productivity Apps
Digital Assistant	CRM
CRM	Content Creation
Image Generation	Internet Search

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Industry Differences

- Variety of top choices highlights both the diversity of opinions on where the technology is best suited and the fact that people are still trying to discover the best options
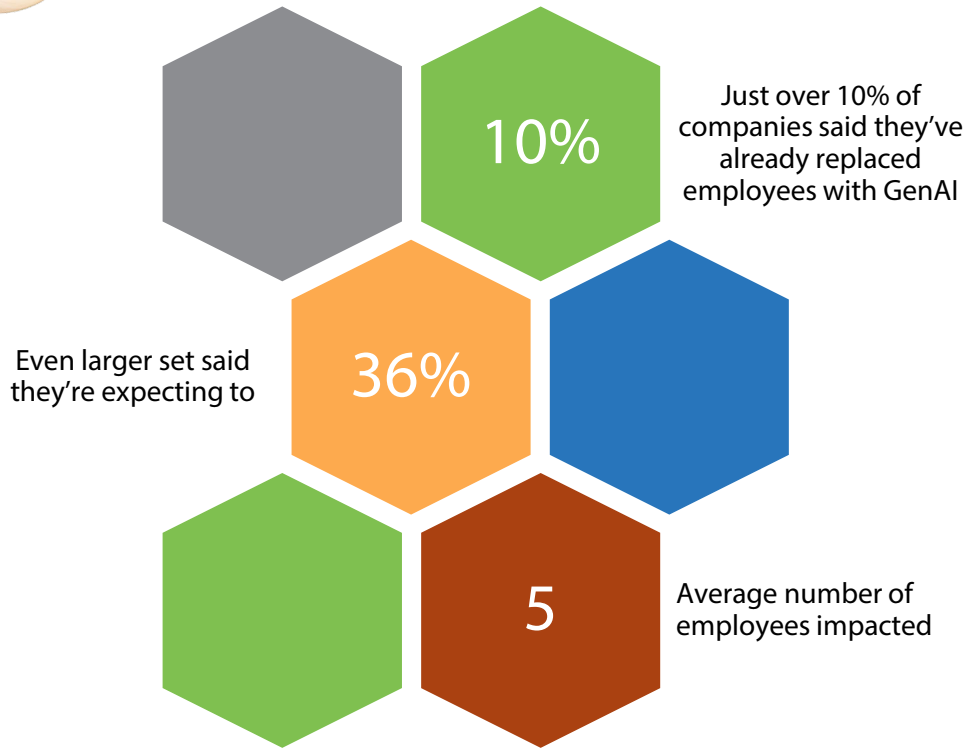
Top 3 GenAI App Rankings by Industry

Real Estate, Finance	Professional Services	Government	Manufacturing	Education, Health Care
Productivity Apps	Software Coding	Productivity Apps	Content Creation	Software Coding
Educational Tool	Content Creation	Content Creation	CRM	Productivity Apps
Company Intranet Search	Productivity Apps	CRM	Productivity Apps	Educational Tool
Wholesale	**Retail**	**ICT**	**Entertainment, Hospitality**	**Construction**
Content Creation	Company Intranet Search	Productivity Apps	CRM	Software Coding
Software Coding	Software Coding	CRM	Productivity Apps	Content Creation
External Customer Support	Content Creation	Content Creation	Software Coding	Productivity Apps

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Missing Generative AI Capabilities

- 5 different features were requested by more than half of all respondents

Watermarking

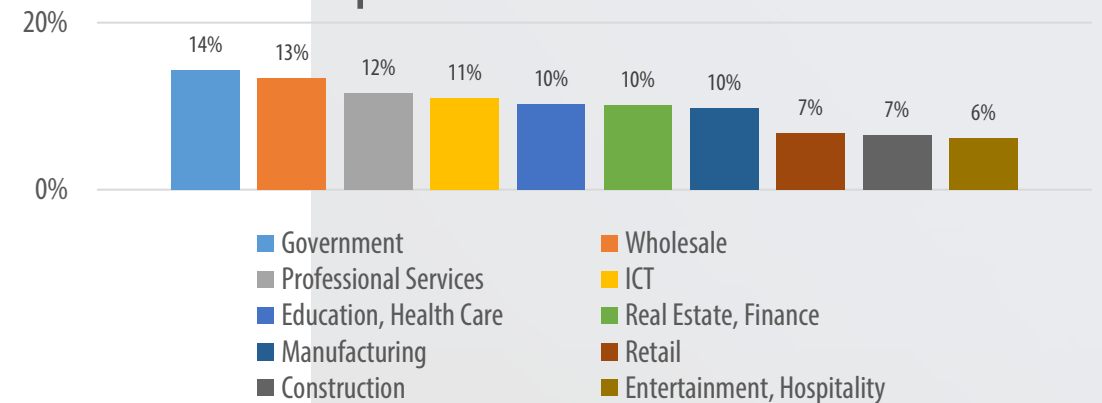**Top 5 Requested GenAI Features**

- Integrated Prompt Training
- Customized Reinforcement Learning
- Basic Model Parameter Control
- Configure Deployment Based on Data Security
- LLMs From Non-Internet Source

Generative AI Job Impacts Are Real

10%
Just over 10% of companies said they've already replaced employees with GenAI

36%
Even larger set said they're expecting to

5
Average number of employees impacted

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Industries Where Employees Replaced with GenAI

20%

14% — 13% — 12% — 11% — 10% — 10% — 10% — 7% — 7% — 6%

0%

- Government
- Professional Services
- Education, Health Care
- Manufacturing
- Construction
- Wholesale
- ICT
- Real Estate, Finance
- Retail
- Entertainment, Hospitality

Generative AI Vendor Preferences

- Big names are at the top, but each vendor brings a different set of qualities that customers will need to prioritize

- Even from this list, works out to an average of 4 vendors per customer so there's no runaway winners yet
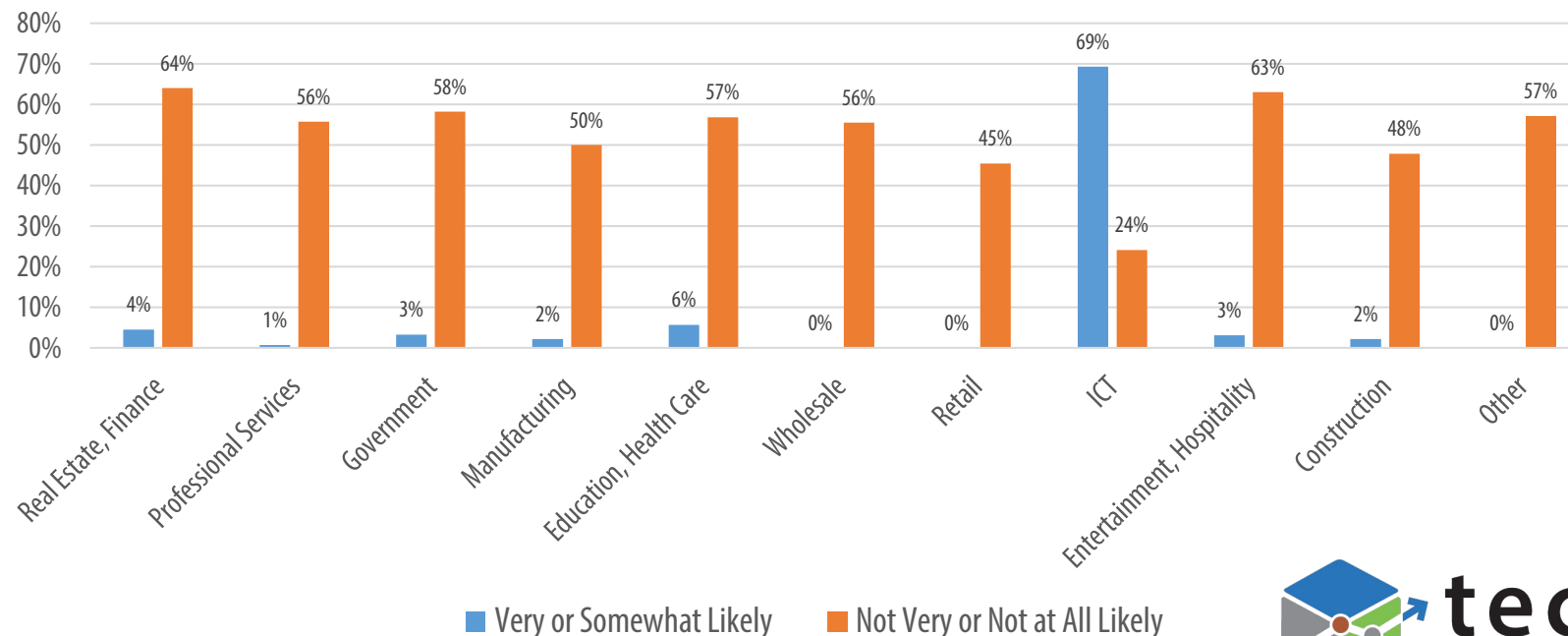
Vendor Preferences

Bar chart showing vendor preferences (Total):
- OpenAI: 67%
- Microsoft: 60%
- Google: 57%
- Amazon: 55%
- Meta/Facebook: 45%
- IBM: 40%
- Nvidia: 34%
- Salesforce: 28%
- Hugging Face: 11%
- Other: 4%

OpenAI Qualities
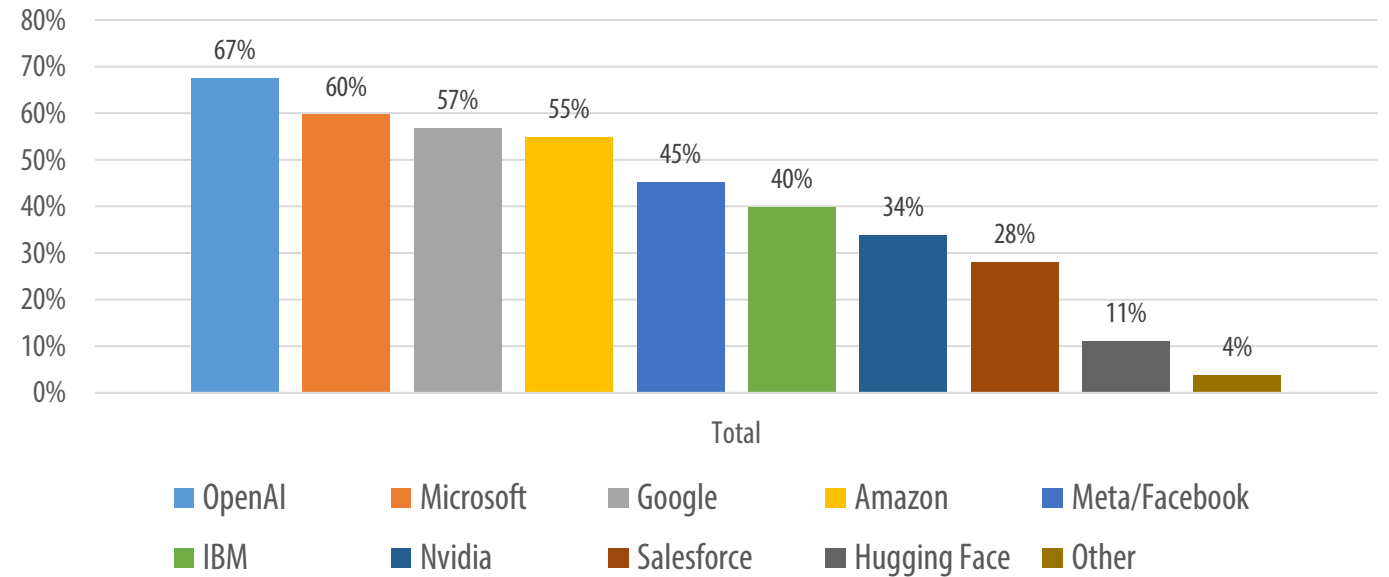
Radar chart with axes: Trust, Experience, Pricing, Technical Expertise, Flexibility, Integration with Existing Tools
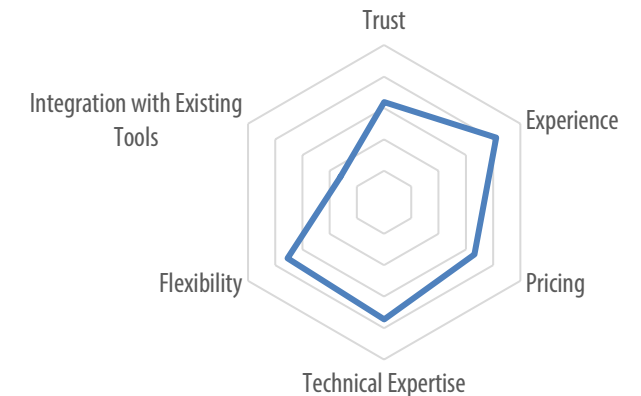
Custom GenAI Models

13%
Companies that want to build models
- *Tech challenges*
- *Limited skill sets*

- The tech-focused ICT (Information, Communications, Technology) vertical is the only one currently planning custom models

- Preference is so large and so dramatically different that it highlights knowledge gap

Likelihood of Building Custom Models

Category	Very or Somewhat Likely	Not Very or Not at All Likely
Real Estate, Finance	4%	64%
Professional Services	1%	56%
Government	3%	58%
Manufacturing	2%	50%
Education, Health Care	6%	57%
Wholesale	0%	56%
Retail	0%	45%
ICT	69%	24%
Entertainment, Hospitality	3%	63%
Construction	2%	48%
Other	0%	57%

■ Very or Somewhat Likely   ■ Not Very or Not at All Likely

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The Education Problem
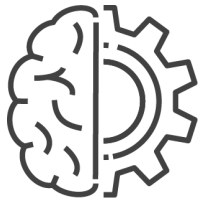
Confusion
- *"Generative AI tools can be hard to understand. This technology needs to improve in a lot of ways before we can use it for business purposes."*—Survey Respondent

Time Sink
- *"AI applications require a lot of resources and training time, which can be a major challenge for businesses and organizations looking to implement these technologies."*—Survey Respondent
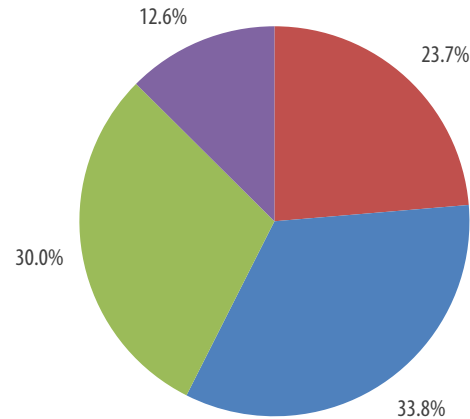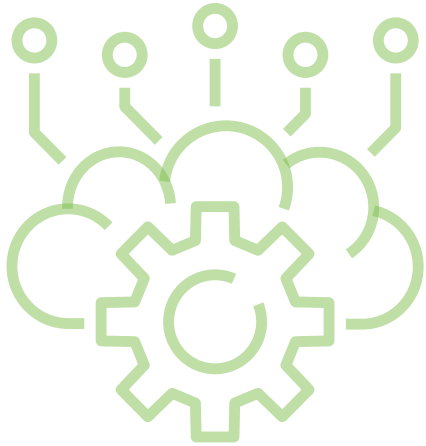
Training
- *"My experience using generative AI tools has shown us that training and education are essential for our workforce to be able to use these tools effectively."*—Survey Respondent
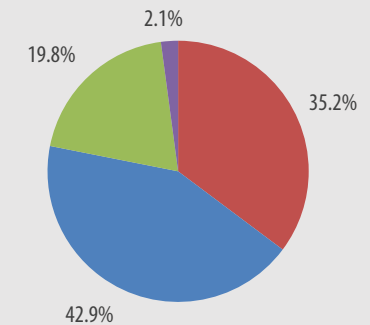
Generative AI Go to Market is Evolving
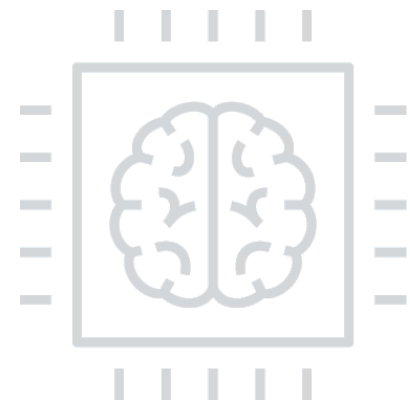
Model Integration Choices

- 9.4%
- 35.8%
- 54.8%

- ■ Integrated Into Each App
- ■ Single Shared AI Model Across Apps
- ■ Limited Number of Shared AI Models Across Apps
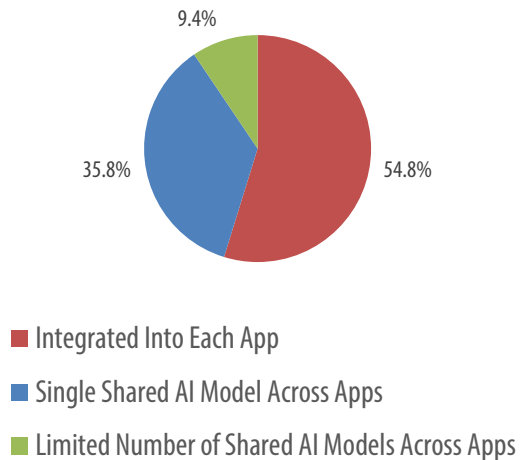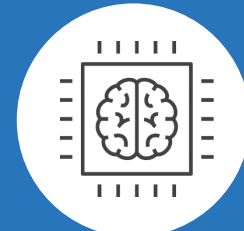
Many viewpoints on best approaches for GenAI packaging

- Single model across multiple apps versus models per app
- Standalone vs. API as-a-service

Only 12% of respondents expect to be using more than 2 or 3 foundation models

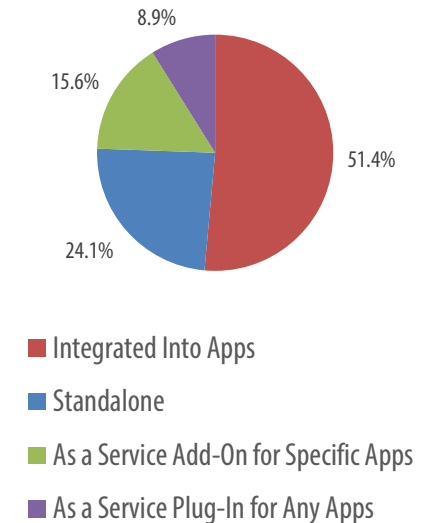**41% of companies think GenAI capabilities should be factored into cost of product**

- 1/3 hope that it's free

GenAI Packaging

- 8.9%
- 15.6%
- 24.1%
- 51.4%

- ■ Integrated Into Apps
- ■ Standalone
- ■ As a Service Add-On for Specific Apps
- ■ As a Service Plug-In for Any Apps

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Generative AI Client Interest Just Moderate

Interest in GenAI on Clients

11.6%

19.6%

31.6%

37.3%

- ■ Very Interested
- ■ Somewhat Interested
- ■ Not Very Interested
- ■ Not At All Interested

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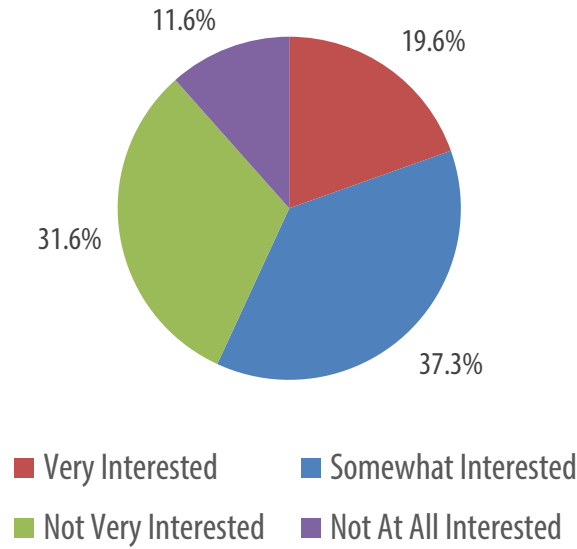
Translation to the Practical

Ideas are getting ahead of practicality in many cases

- Need more step-by-step instructions on how to leverage a company's existing data

Hype is getting ahead of reality

- Companies, especially in industries outside of tech, don't really know how to get started

Need more examples of how GenAI translates to improving jobs

- Education at multiple levels needs to be a core part of any generative AI offerings

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Conclusions and Recommendations

- To get past the GenAI hype phase, vendors need to directly address customer concerns

- The impact across software categories will be extensive
  - Early wins in productivity and content creation, but opportunities in software and CRM as well

- Educational efforts need to be at core of messaging and product offerings

- Different industries need tailored solutions and specific messaging

- Strong interest in revenue generation capabilities

- Plenty of opportunity for differentiation with new types of features, including integrated prompt training and better integration

- Go-to-market strategies and pricing for GenAI tools likely to evolve rapidly

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