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While only 2% are ready, most companies expect productivity gains of 10-40% with Enterprise AI: Infosys Research

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Enterprises need to prepare themselves in five key areas – strategy, governance, talent, data, and technology – to achieve significant productivity gains from AI

Companies globally recognize the potential of artificial intelligence (AI) and are eager to adopt enterprise AI, yet most are far from fully integrating AI into their businesses and operations owing to large gaps in basic AI readiness, reveals a new research from the <u>Infosys Knowledge Institute</u> (IKI), the research arm of <u>Infosys</u> (NSE: INFY), (BSE: INFY), (NYSE: INFY).

The Infosys **Enterprise AI Readiness** report includes insights from over 1,500 respondents across Australia, New Zealand, France, Germany, the United Kingdom, and the United States, backed up with in-depth interviews with 40 senior executives in the US and UK.

The Infosys research highlights that while executives envision AI as the next industrial revolution, transforming business models and shaping the new economy, many companies lack the foundational building blocks for successful enterprise AI adoption. According to the research, enterprises expect an average increase of 15% in productivity from their current AI projects, with some anticipating up to 40% gains, yet only 2% of organizations are ready across all five key dimensions: talent, strategy, governance, data, and technology. The biggest gaps lie in technology readiness, with only 9% of companies possessing the necessary AI capabilities like machine learning frameworks, prebuilt algorithms, and dynamic compute. Additionally, data accuracy, processes, and accessibility are significant challenges, with only about 10% of respondents reporting ease of data location and access for AI projects.

To overcome these hurdles and realize the full potential of AI, including gen AI, companies must address readiness gaps and foster a culture of innovation. A clear AI strategy aligned with business objectives is essential, encompassing technology investments, talent acquisition, and ethical considerations.

The research outlines five steps to close the gaps and reduce apprehensions about AI to accelerate adoption:

- **Develop a comprehensive AI strategy**: A strong AI strategy aligns with business objectives, enhances revenue growth, and ensures desirable, feasible, and viable use cases. Only 23% of our respondents show readiness in this area.
- Establish responsible Al governance: Al governance is crucial for managing risks like bias, misuse, and security threats. Only 10% of companies have well-defined governance processes. Responsible Al requires tailored guidelines, and a centralized Al governance team. Infosys' Responsible Al Office, part of Infosys Topaz, demonstrates this approach by establishing policies to ensure data security and mitigate risks, enhancing Al's value for enterprises.
- **Upskill the workforce**: Despite the critical role of AI in enterprises, only 21% said their employees have the requisite knowledge to adopt AI tools and techniques. Upskilling is key, yet just 12% offer adequate training. Effective AI integration hinges on closing skills gaps and fostering collaboration. Forward-thinking firms are creating AI skill pathways to ensure readiness.
- Prepare data infrastructure for AI: Data health is crucial for AI success but remains a challenge. Only 10% of the companies find their data easy to access, while 30% rate their data accuracy and governance as poor. Enterprises need to constantly assess their systems, improve data quality, and ensure proper storage for effective AI implementation.
- Cultivate a culture of tech-powered innovation: Technology is a significant gap in enterprise AI readiness, with only 9% of companies fully prepared. Investing in foundational technologies like machine learning and automation can improve customer experience, reduce errors, and enhance compliance. Fostering a culture of innovation and employee readiness for AI adoption enables enterprises to create better value.

Mohammed Rafee Tarafdar, Chief Technology Officer, Infosys, said: "To become enterprise-wide Al-ready and realize the promise of this technology, including gen Al, it is imperative to establish a robust and scalable foundation. Our research and learnings from our Al-first transformation journey has shown that data readiness, enterprise gen Al platform with responsible Al guardrails, and Al talent transformation are key to accelerate and democratize Al development. This must be complemented by an Al foundry and factory model for scaling Al initiatives across the enterprise."

Jeff Kavanaugh, Head of Infosys Knowledge Institute, said, "Our research found that Enterprise AI, including gen AI, promises to unlock up to 40% in productivity gains, yet only 2% of companies are truly ready. This readiness gap represents both a challenge and a massive opportunity. Those who act now – by building a clear AI strategy, including gen AI, establishing strong governance, and upskilling talent – will not only lead the next wave of innovation but will fundamentally reshape their industries. AI is not a distant goal; it is the prerequisite foundation for future competitiveness. The time to invest in AI readiness is now."

To read the full report with detailed insights, please visit here.

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