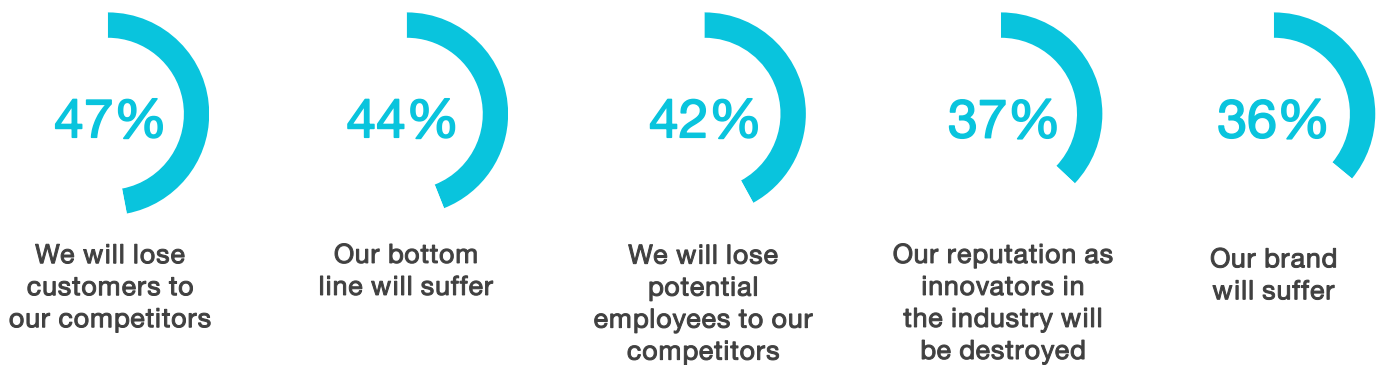


AUTOMATING WITH AI

How to apply AI and automation to create an intelligent enterprise

Pressure to implement the latest emerging technologies is nothing new to senior executives, but the latest wave of AI adoption has been particularly powerful. As companies look to increase agility, flexibility, and efficiency in response to the COVID-19 pandemic and associated economic and operational challenges, many are turning to artificial intelligence and automation to create an intelligent enterprise with redesigned roles, new processes, and innovative business models.

Executives worry about the implications of failing to implement AI



To understand how well organizations are responding to this call for rapid transformation—and the extent to which they are adopting technologies methodically and ethically, with a view to long-term risk and reward—Oxford Economics and NTT DATA surveyed 1,000 executives and employees in North America. This report highlights key findings from our surveys and outlines next steps for organizations across sectors as they move along the adoption journey.

For more information on the research study, see the [full report](#).

AI STRATEGY: THE DECISIVE FACTOR

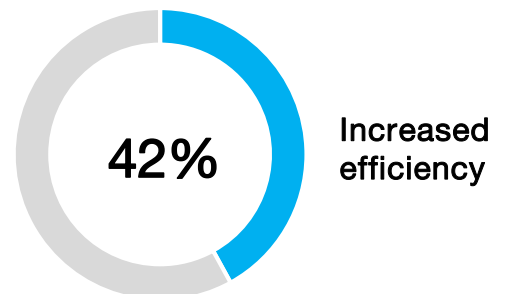
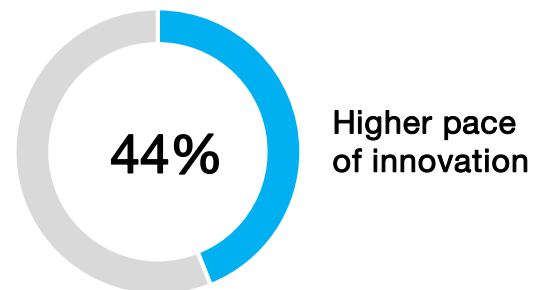
AI adoption is expected to become critical to competitive advantage, agility and resilience, and innovation—and many are already seeing early payoffs from their efforts.

- Over half of executives say AI is very or critically important to their team’s performance, efficiency, and productivity. Other related technologies like machine learning, automation, and predictive analytics are also seen as important.
- Yet most still have far to go in implementing AI. Nearly all organizations surveyed are planning to implement AI in some way, but only 36% of executives have fully implemented the technology in at least one business area. Executives from insurance are most likely to say AI has been fully implemented across the organization.
- Many are worried about what will happen to their organizations if they fail to keep up. Nearly half of executives say not implementing AI will cost them customers or threaten the bottom line, and 42% think employees would leave for competitors.
- A small group of executives in our survey sample are further ahead in adopting AI, and more likely to expect a big return on their efforts: 95% of leaders vs. 69% of others say AI will help employees do their jobs more efficiently; almost as many say AI will speed up innovation (92% of leaders vs. 63% of others).

Q: How has implementing AI improved your team’s performance?

“Substantial improvement” and “Transformative improvement” responses combined

● Executives



RECOMMENDATIONS

- Start with a clear strategy** of what business challenges an AI solution will resolve.
- Develop a business and operations plan** that incorporates the right processes and supporting tools. Getting the process right is even more important than having the tools.
- Plan for ongoing change.** Senior leaders must manage change in every phase of implementation, leverage partnerships, and apply function- and industry-specific best practices.

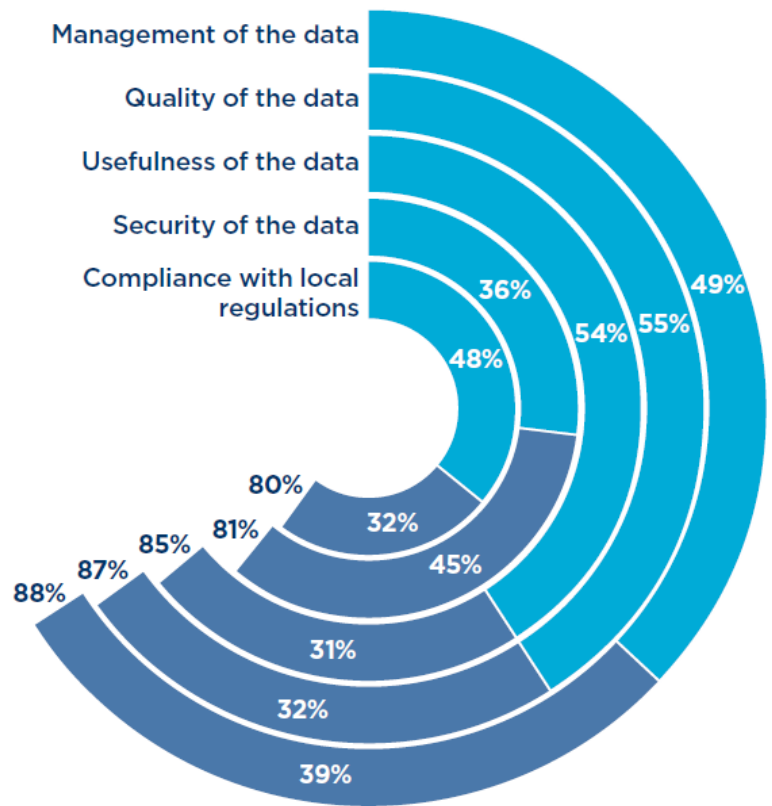
DATA: CRITICAL TO SUCCESS

Data is a foundational element of AI success, yet many may not adequately prioritize processes and skills development around analytics.

- Executives may be underestimating the importance of data in AI strategies. When asked about the factors most important in determining which AI applications are introduced, just 43% cite availability of relevant data, and fewer (34%) cite data analysis capabilities. (Expertise in emerging technologies, consultant recommendations, and budget are the top three factors chosen ahead of these factors.)
- Our survey respondents are reasonably confident in the management, quality, usefulness, and security of their data, though just one-third to one-half are completely confident.
- Employees could use more training on AI-powered technologies, including predictive analytics. Only one-third of employees say their company has sponsored training programs in these areas to reduce AI risk. (Employees from retail, manufacturing, and public sector are least likely to say this.)

Q: How confident are you in the following aspects of the data your organization collects and uses to make decisions?

- Moderately confident
- Completely confident



RECOMMENDATIONS

- **Eliminate “data islands”** within the organization; ensure that processes and supporting tools to facilitate data-sharing across functions and with external partners are in place.
- **Improve data quality and integration**, and tap into next-generation cloud architectures, analytics and AI to meet data objectives.
- **Establish a data governance and security approach and framework** — and apply it consistently.

PEOPLE, PROCESSES: THE CHANGE AGENTS

Responding to rapid change and innovating around digital technologies requires organizations to fundamentally alter the way they hire, train, and reskill employees; engage workers for the long term; and manage change across the organization.

Employees are optimistic about the changes AI will bring



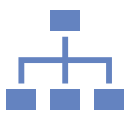
59% say AI will change their day-to-day responsibilities



57% say AI will reduce the number of mundane tasks they must complete



54% say AI will free them up to perform more strategic work



53% say their managers are equipped to manage organizational change throughout the digital transformation process

- AI is helping both executives and employees do their jobs better and with fewer errors. If used correctly, AI should eventually free up some employees to do more strategic work— increasingly important as automation replaces or fundamentally changes many tasks and job descriptions.
- But these changes come with risks, and executives and employees do not always see eye-to-eye about AI ethics. Employees tend to be more concerned about risks around AI like biased decision-making, job security, and overall risks to the business.
- Employees need structure, support, and training as they onboard new technologies. Yet only about half say managers at their organization are equipped to handle change throughout the transformation process.

RECOMMENDATIONS

- **Identify what employees need** to understand new ways of working, and provide them with the right training for their data environment.
- **Align the Human Resources function with the rest of the organization** to promote transformation processes for using data.
- **Focus on the long-term value from AI and automation**; provide employees freedom to work on high-level strategic processes and inspire them.
- **Reward AI implementations and teams** that return value to the company.