

The Intelligent Path Forward: *GenAI in the Enterprise*

- A Survey Report



Study Purpose

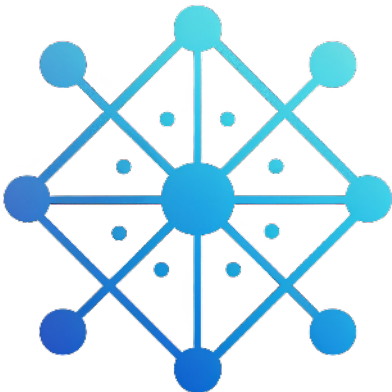
Investigate usage, applications, technology, partner and vendor preferences of Generative AI (GenAI) tools and their impact in US-based businesses

Methodology

Web-based survey of 1,010 US-based IT Decision Makers (ITDMs), split across 2 company sizes and 10 industries, involved with their company's GenAI technology implementations

- Survey fielded June and July of 2024

Sample Characteristics

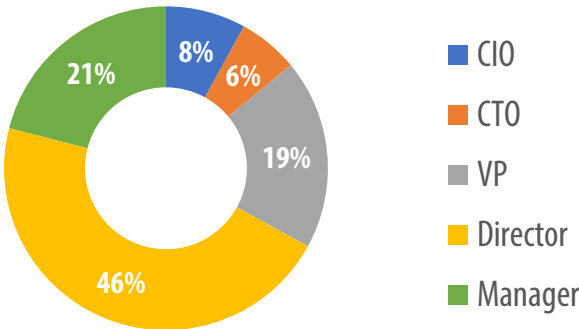


Industry Representation	
▪ Retail	▪ Transportation and Logistics
▪ Manufacturing	▪ Healthcare
▪ Financial Services	▪ Media and Entertainment
▪ IT and Telecom	▪ Education
▪ Professional and Business Services	▪ Government and Public Sector

Age of Respondents

Average Age: 46 years

Respondent Titles



Role in AI Initiatives

- Majority (54%) controlled AI Initiatives
- Remaining 46% were either influencers or otherwise involved in GenAI initiatives

Technology Adoption

- **56%** considered themselves earlier than average adopters of technology

Top Level Results, Part 1

GenAI Apps	Satisfaction	Benefits	Employee Licenses	Models and Platforms	Location	Fine Tuning
• Nearly all organizations have multiple GenAI applications in production • Text-Based Document Creation and Collaboration are the most common	• Satisfaction with GenAI apps overall is good (70% rate somewhat or very satisfied) but there's clear room for improvement	• Most commonly sought benefit from GenAI is increased efficiency and productivity	• Companies are purchasing GenAI licenses for about 1/3 of employees, but that percentage will remain relatively flat in the near term	• Open AI's GPT family is the most popular GenAI model, followed by Amazon's Titan and Google's Gemini • Top GenAI platforms are OpenAI, Microsoft and Amazon	• Despite early cloud focus, 80% of organizations are interested in running GenAI applications and models on-prem • Implementation challenges remain	• Human feedback-based technologies and synthetic data generation are the top techniques for fine tuning GenAI models

Top Level Results, Part 2

Challenges

- Biggest challenges for GenAI implementations are Security/Trust and Cost

Provenance/ Governance

- More than 1/3 of large enterprises and 84% of medium businesses have no GenAI provenance policies
- Governance policy numbers only slightly better

Agents

- GenAI agent efforts are surprisingly high at 80% adoption
- Most common areas are Document Creation and Process Automation

Edge Apps

- GenAI applications on the edge are also growing strongly, with Text Based Document Creation and Chatbots being the most common

PC and Smartphone

- GenAI apps for PCs more common than ones for smartphones but both are still modest at just over 20% for PCs and around 15% for smartphones

Partners

- Companies looking for partners for GenAI efforts most commonly turn to AI Platform suppliers
- Most common requests are for overall deployment and model selection

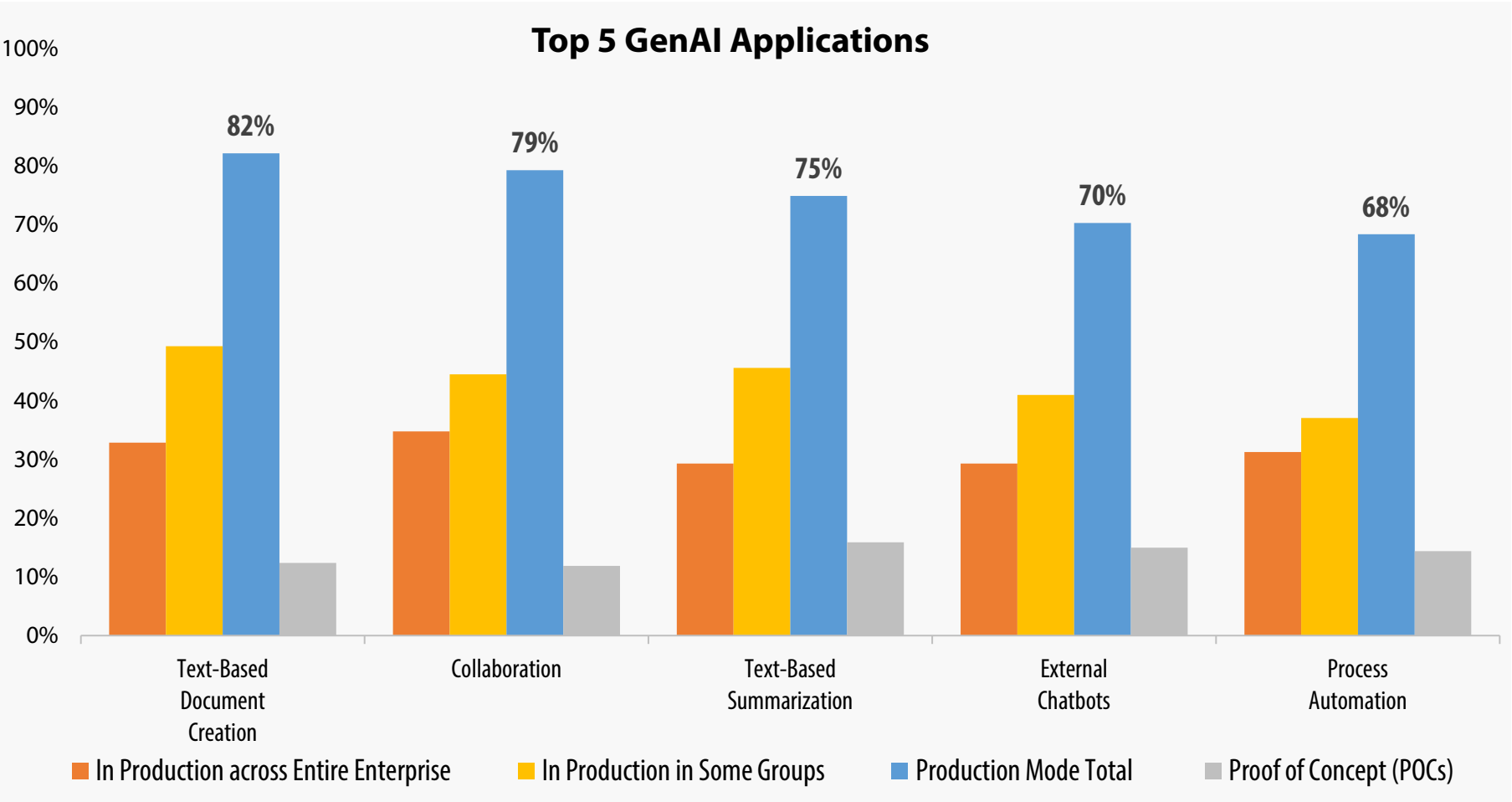
Funding

- More than 50% of organizations are using monies outside of normal IT funds for GenAI initiatives

Job Loss

- 55% of organizations have replaced staff with GenAI and another 10% expect to
- Extent of replacement has been less than 10 employees in most cases

GenAI Applications in Use



The top 5 GenAI applications are being used by more than 2/3 of organizations

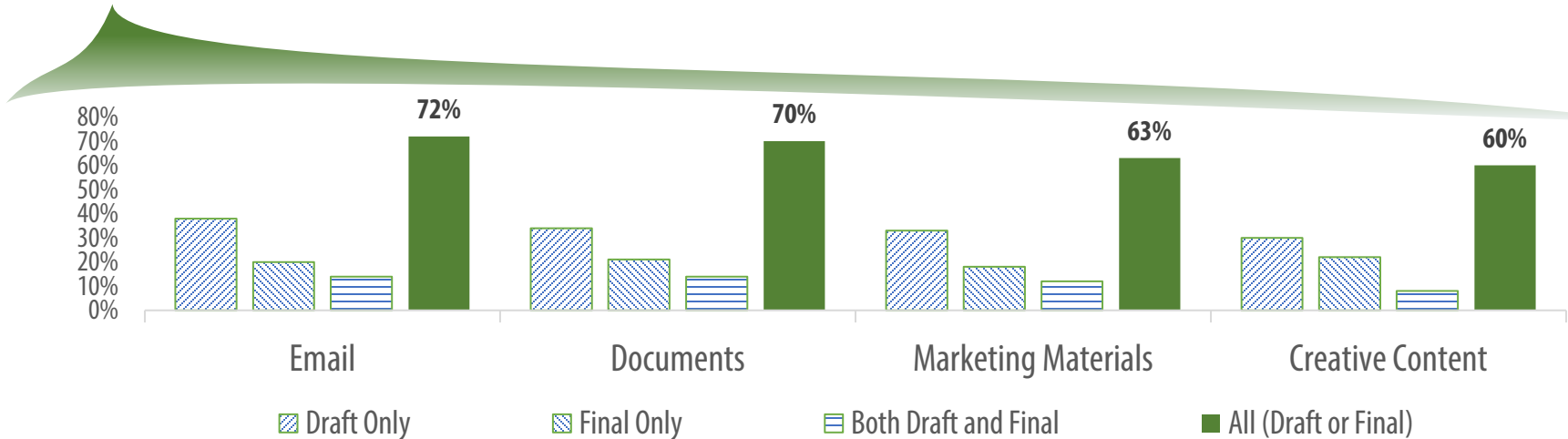
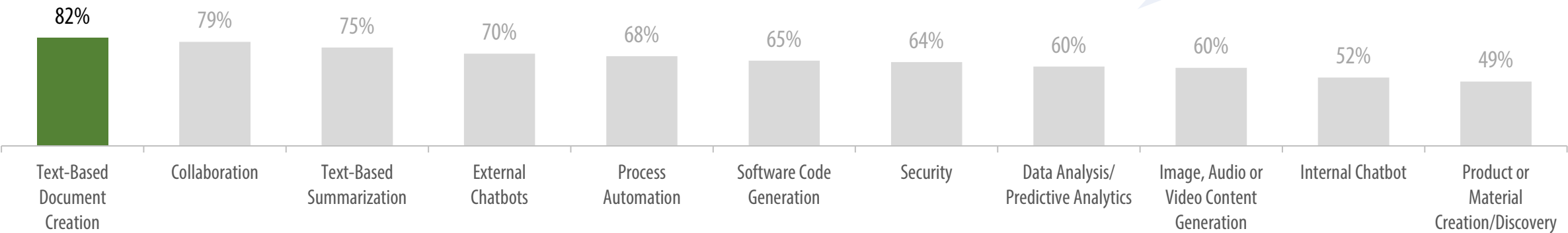
90%

of organizations have at least one app in production across the Enterprise

Top Text-Based GenAI Applications

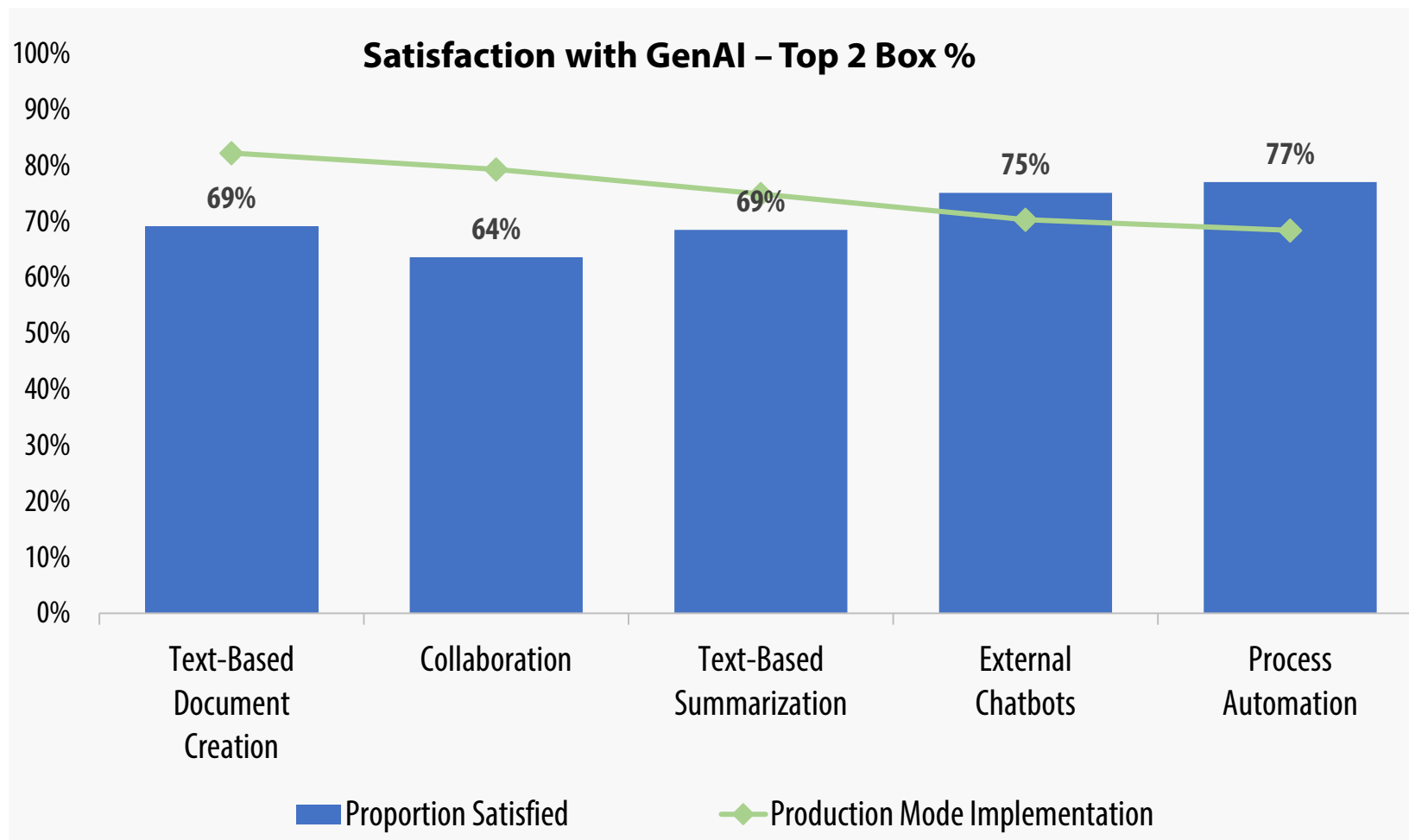
“ Currently used to generate marketing content and various documents; expect to see its role expand and deepen further over next few years. ”

Production Mode Implementation of GenAI



“ It has demonstrated strong capabilities in many areas and can automatically generate text and creative content for client-facing materials. ”

Satisfaction with GenAI Applications

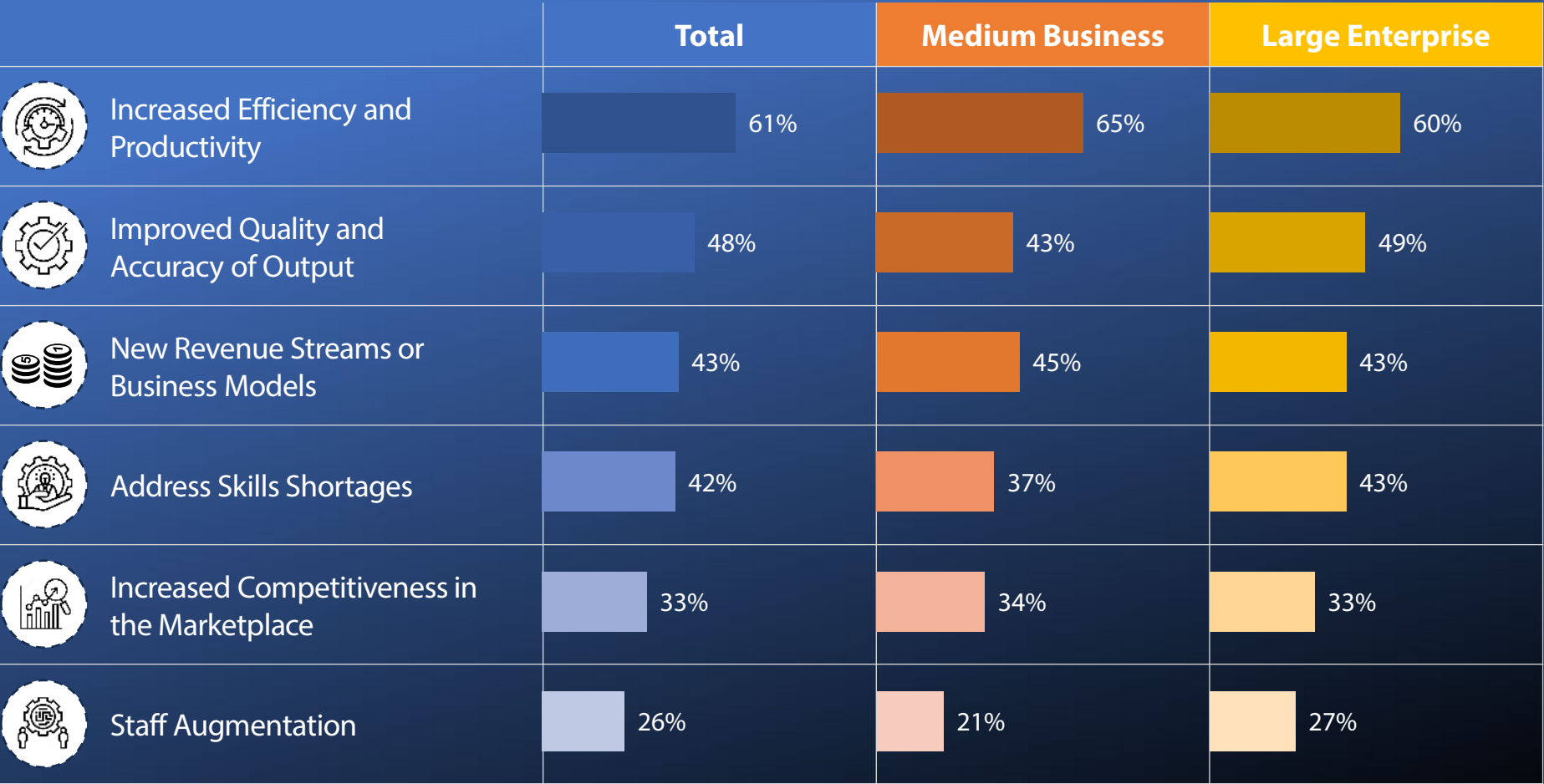


**On average,
70% are satisfied
across all GenAI
applications**

- At least 60% are satisfied with any of the apps
- Satisfaction is higher than average for the less commonly used applications

Drivers and Benefits of GenAI Implementations

Top 6 Benefits of Using GenAI

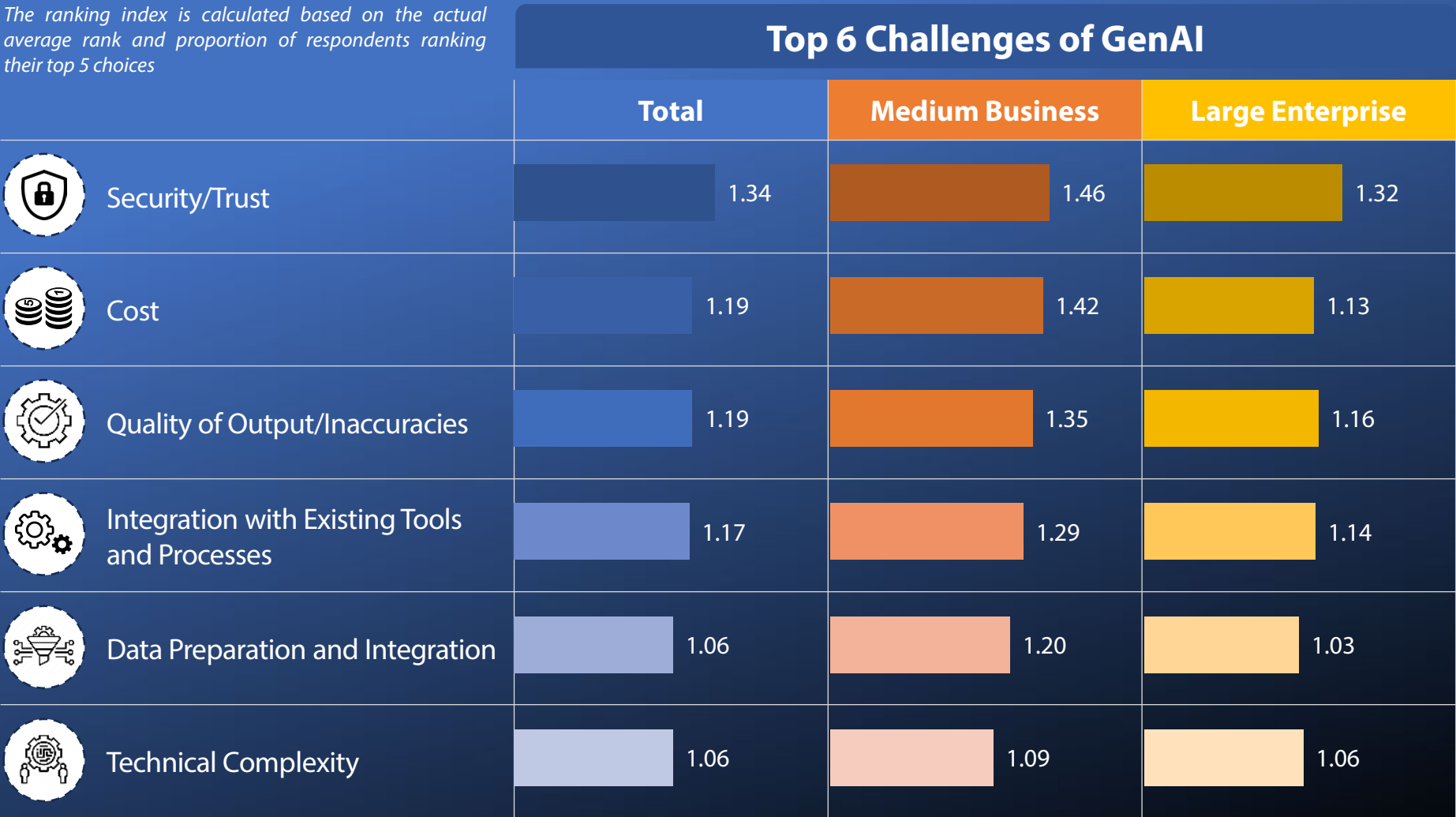


"It has significantly transformed various facets of our company, offering both immediate benefits and promising future potential. Currently, these tools enhance productivity by automating repetitive tasks and thereby allowing employees to focus on more strategic activities."

- Companies of all sizes have similar goals for what GenAI can achieve
- Efficiency leads the way, with new revenue streams second for medium business and improved output second for large enterprise

Challenges of GenAI Implementations

The ranking index is calculated based on the actual average rank and proportion of respondents ranking their top 5 choices



“Our experience with generative AI tools has been mixed. In certain aspects it has been quite successful, while in others, there are still bugs and glitches within the system that we hope will improve over time.”

- Numerous factors are seen as challenges across different organizations
- The relative closeness of the ranking scores highlights the diversity of top-level choices that respondents selected
 - In other words, different organizations picked different issues as their top concerns

Importance of GenAI Outcomes

The ranking index is calculated based on the actual average rank and proportion of respondents ranking their top 5 choices

Overall Importance of GenAI Initiatives

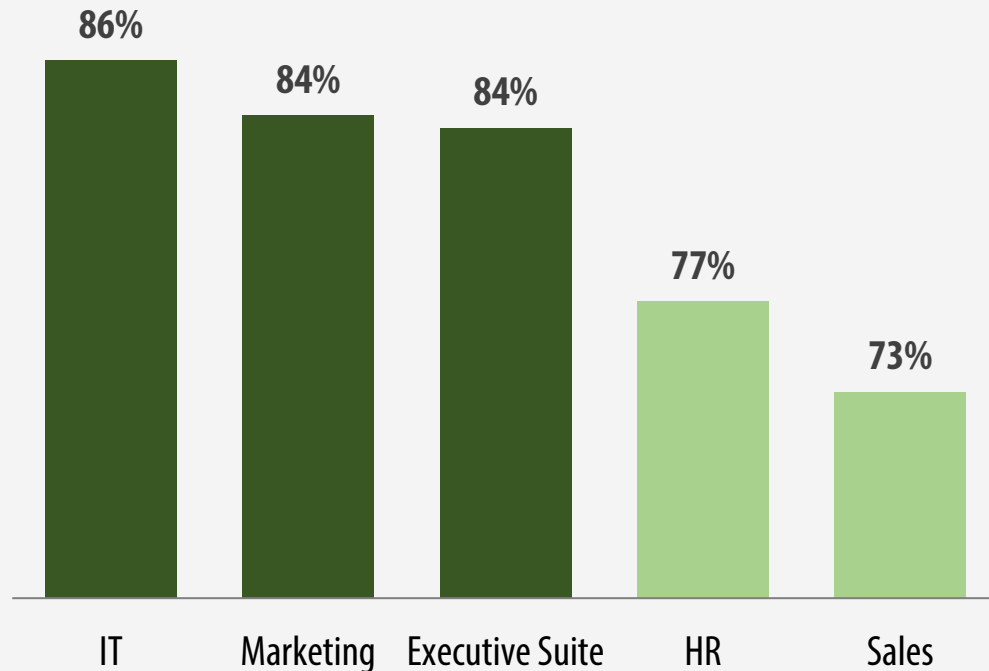
	Total	Medium Business	Large Enterprise
 Productivity Improvements	2.40	2.54	2.35
 Improved Quality	2.30	2.42	2.27
 Cost Savings	2.25	2.39	2.22
 Customer Experience	2.11	1.88	2.16
 Revenue Generation	1.98	2.08	1.95
 Competitiveness	1.89	1.85	1.91
 New Products or Services	1.87	1.72	1.90

"Over the past few years, generative AI has become an important tool for solving complex problems and innovating. We use AI to simulate various business scenarios and predict the results to evaluate the effectiveness of various strategies before implementation."

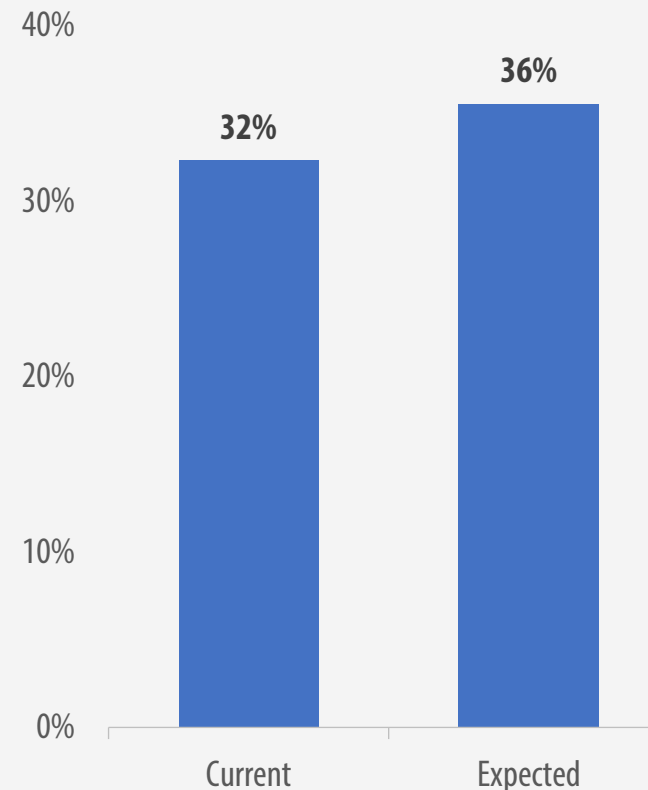
- As with benefits, Productivity Improvement is the most the important outcome of GenAI initiatives
- Cost Savings is third, suggesting traditional ROI metrics aren't the way companies are measuring the success of GenAI projects

GenAI Usage by Department and Employee

Top 5 Departments Using GenAI

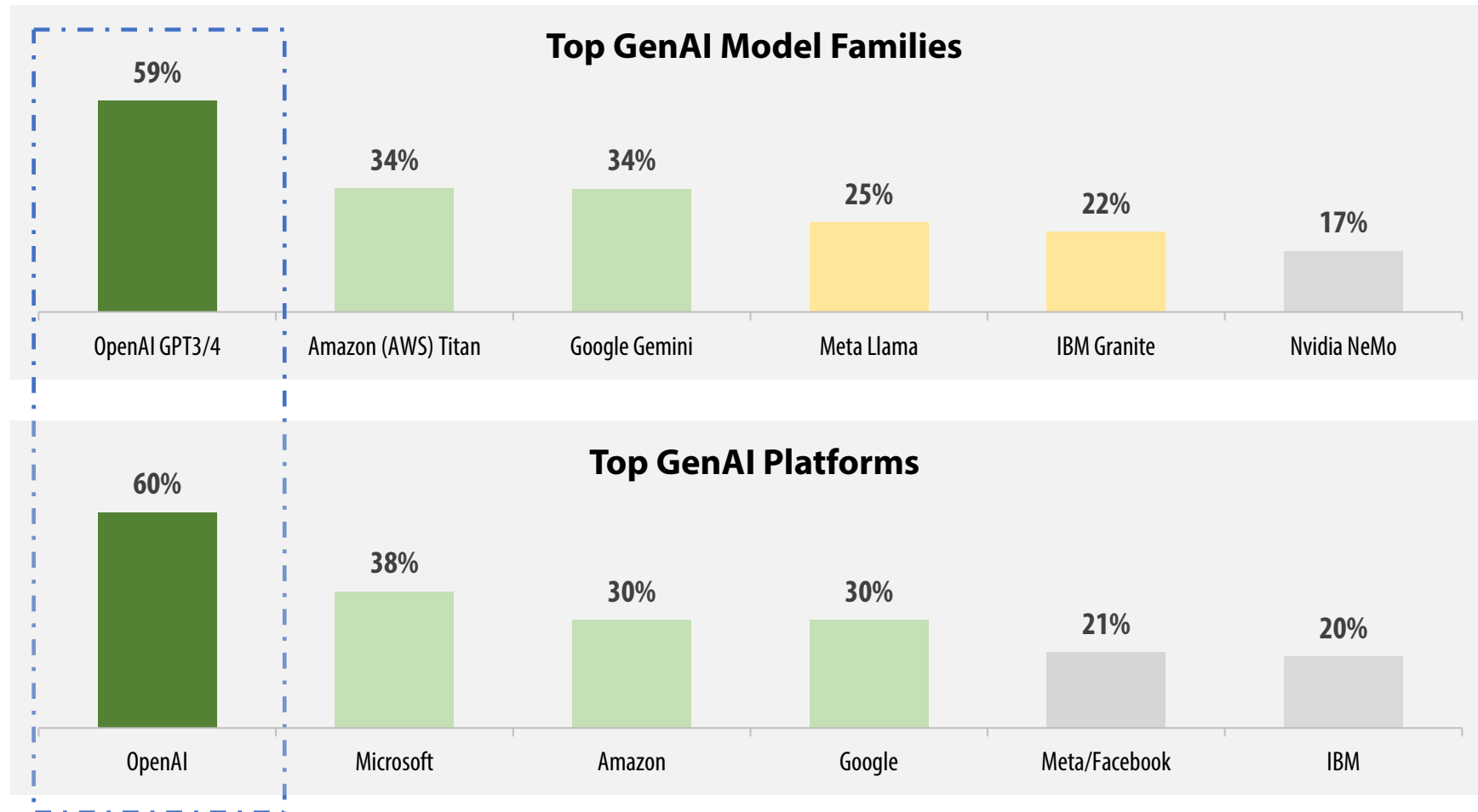


Proportion of Employees Covered by Paid GenAI Licenses



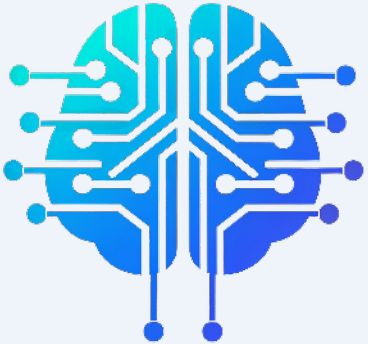
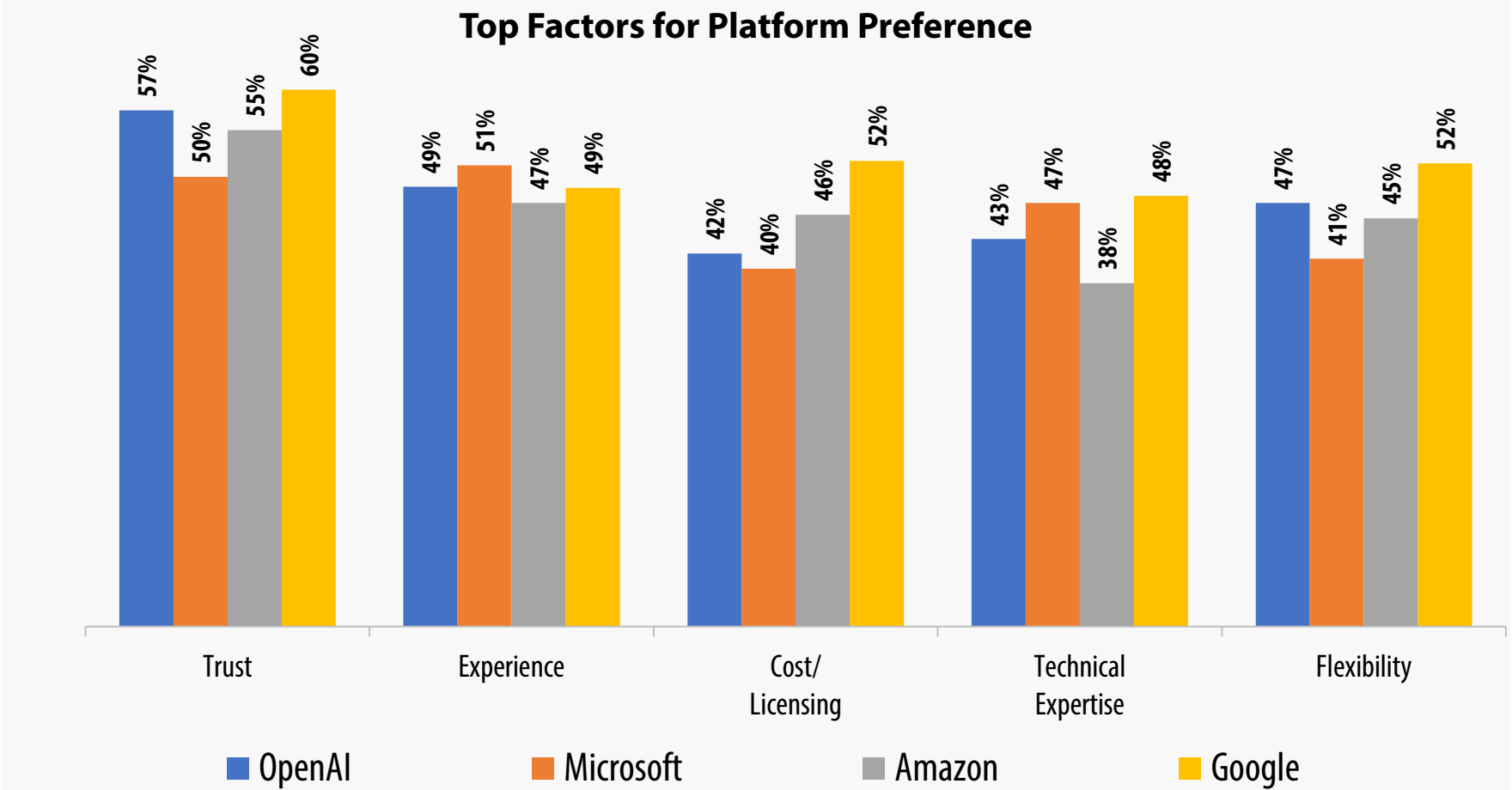
- While GenAI is used across most organizations, IT, Marketing and the Executive Suite top the list
- Organizations already pay for services like ChatGPT and Office Copilot for about 1/3 of their employees, but the early excitement is levelling off

Most Commonly Used GenAI Models and Platforms



- OpenAI's models and platforms were the most common choice among respondents followed by Amazon, Google and Meta
 - Microsoft's platforms were 2nd, but their models are based on OpenAI
- The consistency of model and platform preference suggests there isn't much mixing and matching of different models with different platforms

Drivers of Choice for GenAI Platforms



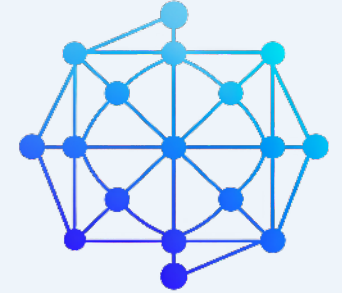
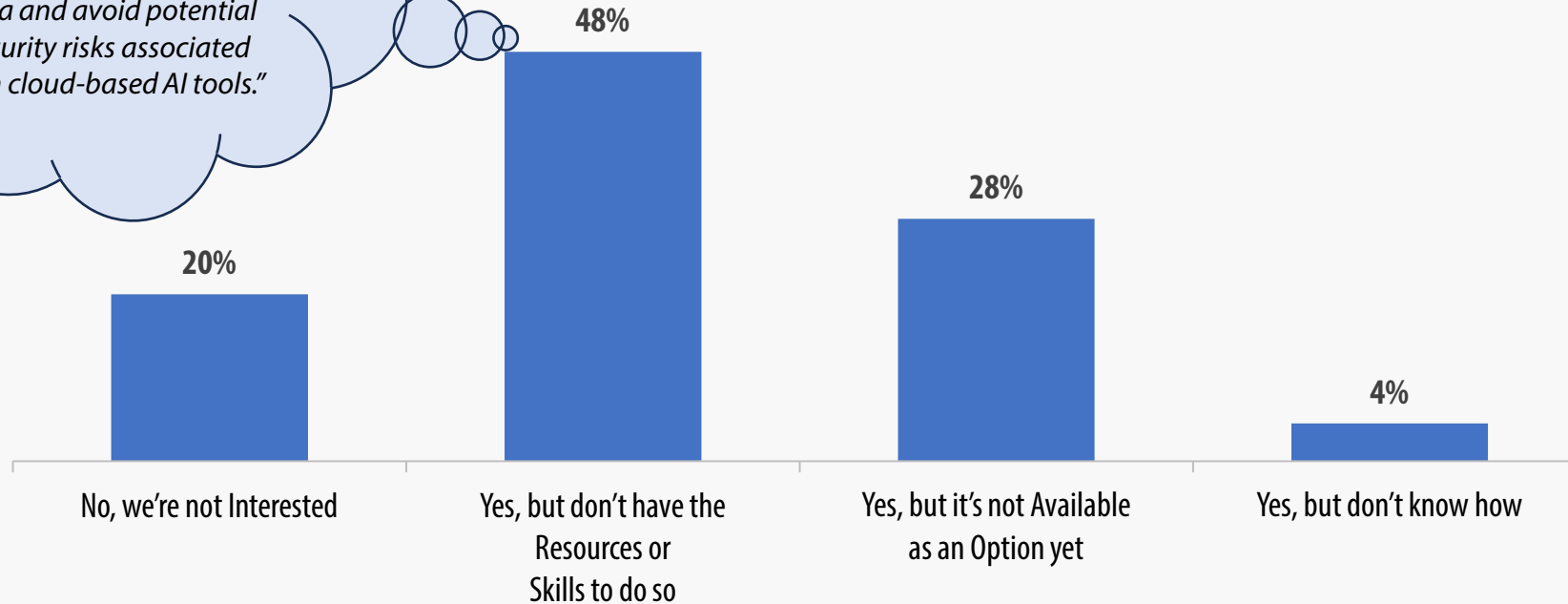
- Interestingly, the Google Platform is the clear leader in user perceptions on most choice parameters



The On-Premise Opportunity

Interest in Running GenAI On-Premise

"We are considering on-premise deployment to keep full control of our data and avoid potential security risks associated with cloud-based AI tools."

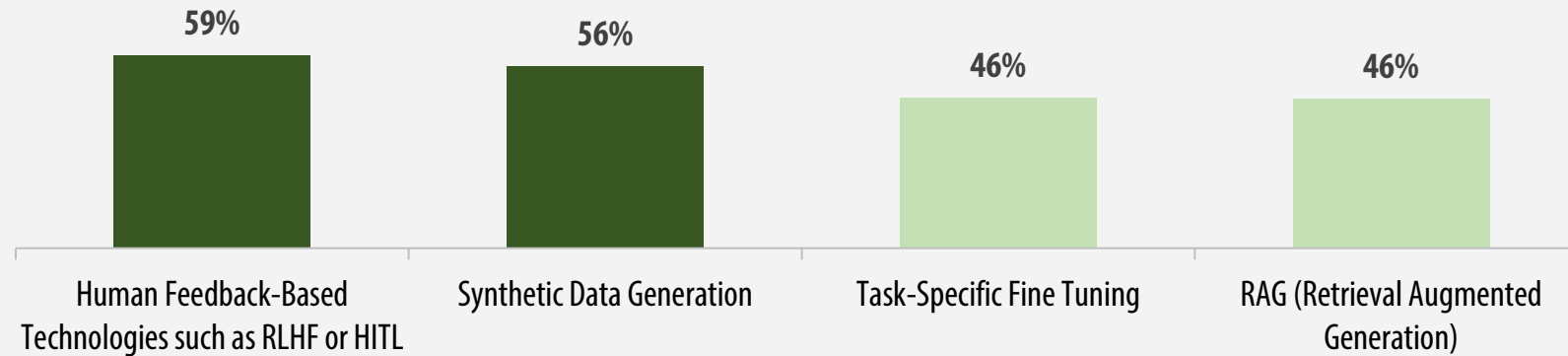


- A very small percentage of companies are currently running AI models in house
- However, while there are a number of issues to overcome, a huge **80%** of respondents have some degree of interest in bringing their GenAI efforts on prem

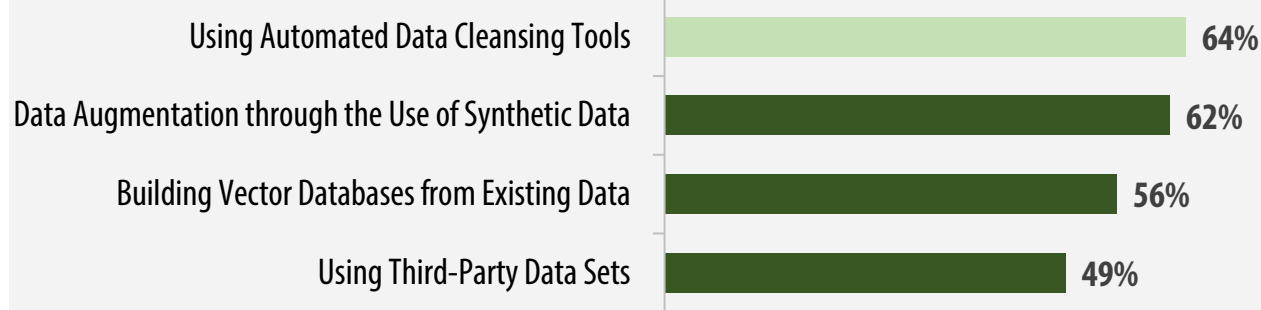
Training, Tuning and Data Prep for GenAI Models



Technologies for Training and Tuning GenAI Models



Methods of Data Preparation for GenAI



- Few organizations are building their own GenAI foundation models, but most are fine-tuning existing ones using a variety of techniques
- Synthetic data generation is being used for both training and as part of the data preparation process

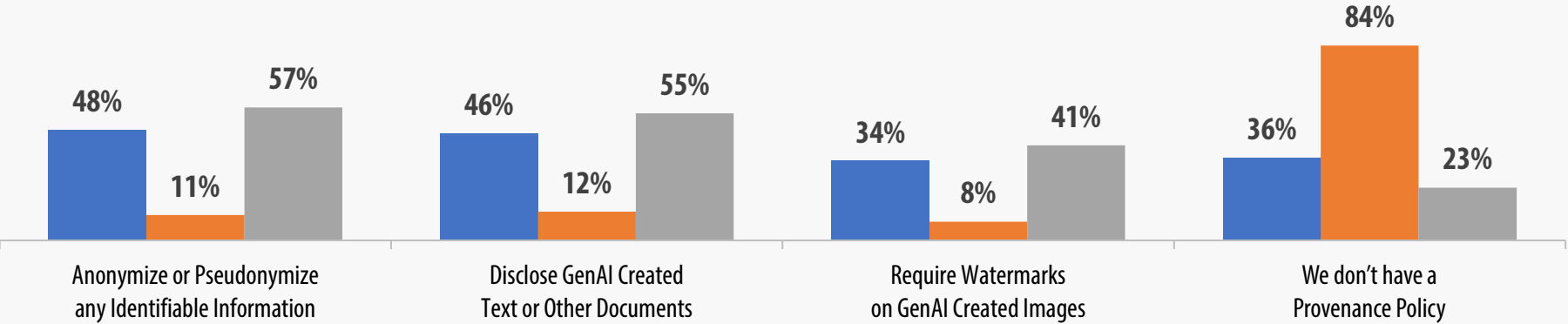
98%

of organizations use some method of data preparation before using data for GenAI models

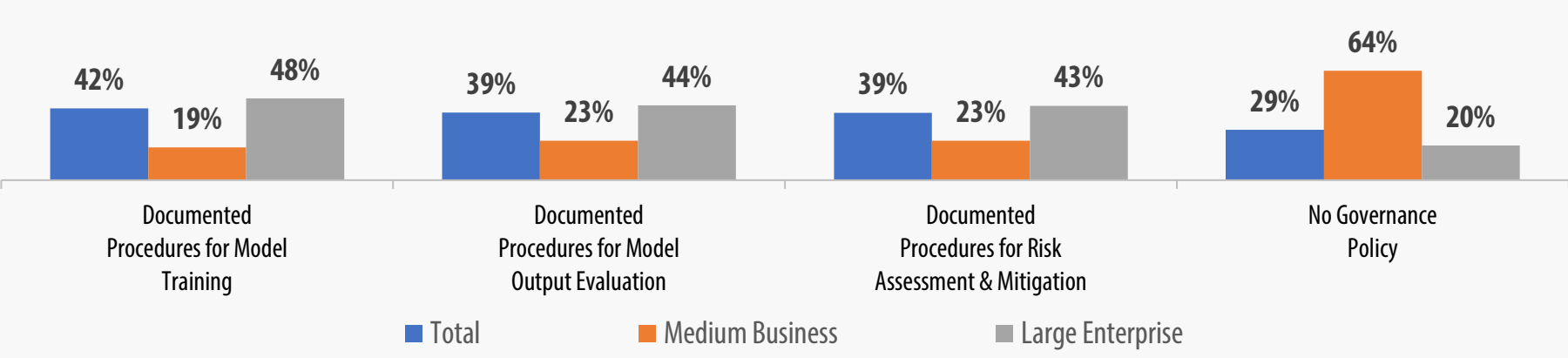
Provenance and Governance Policies for GenAI



Provenance Policies for GenAI

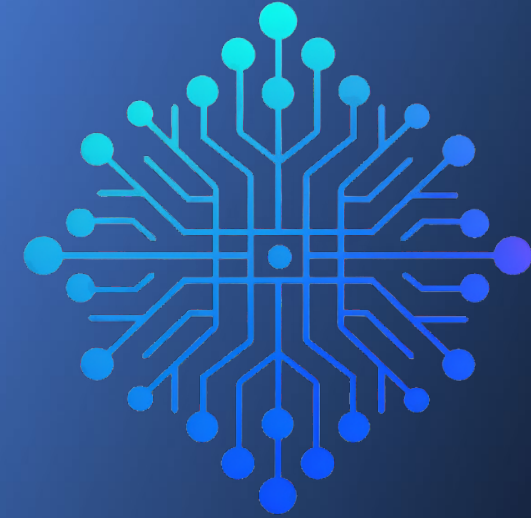


Governance Policies for GenAI

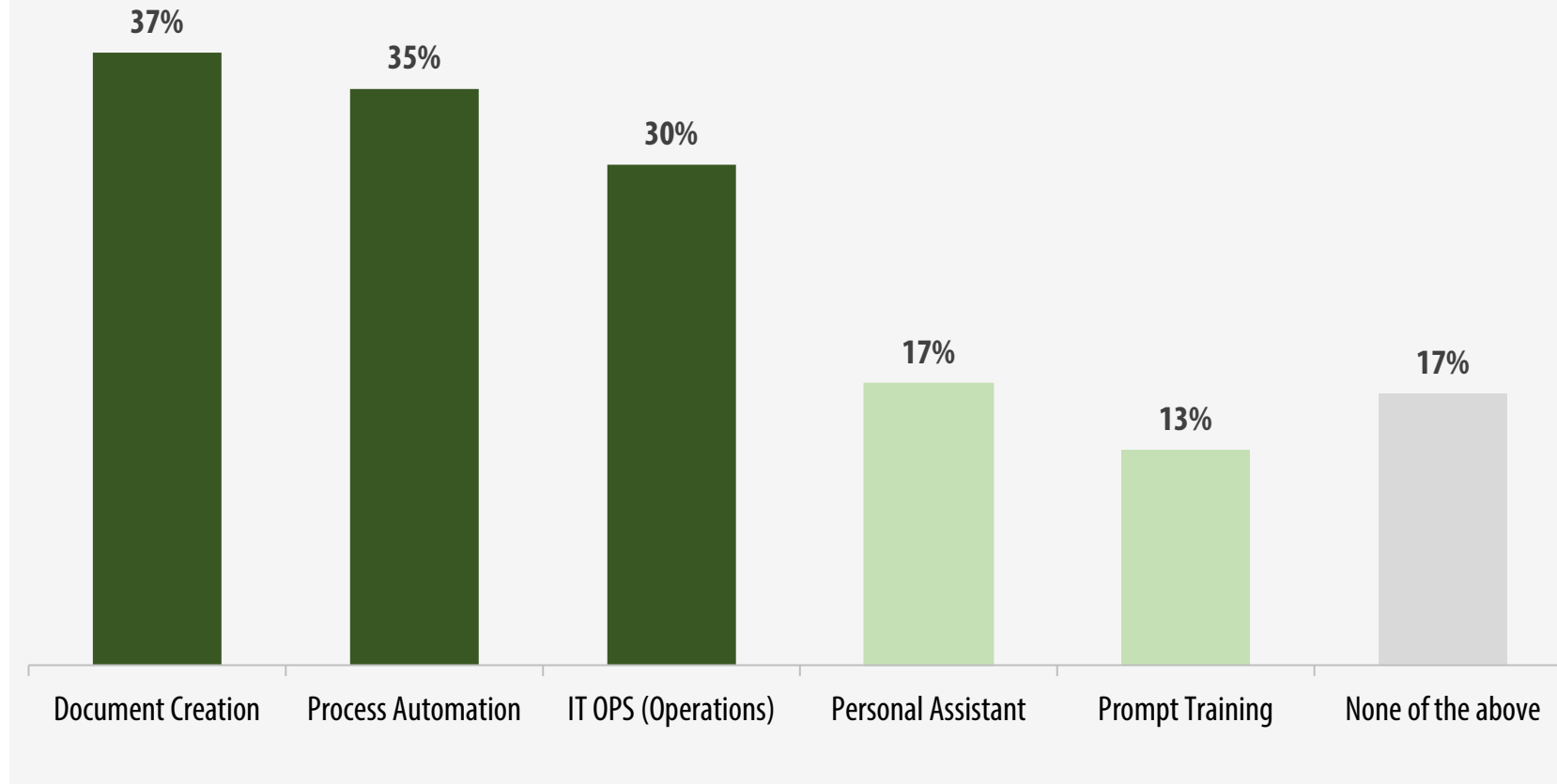


- The lack of provenance and governance policies, particularly among medium businesses, presents a big risk for many organizations
- Also provides an opportunity for vendors and partners to guide their customers and help better ensure successful GenAI projects

GenAI Agents Already in Use



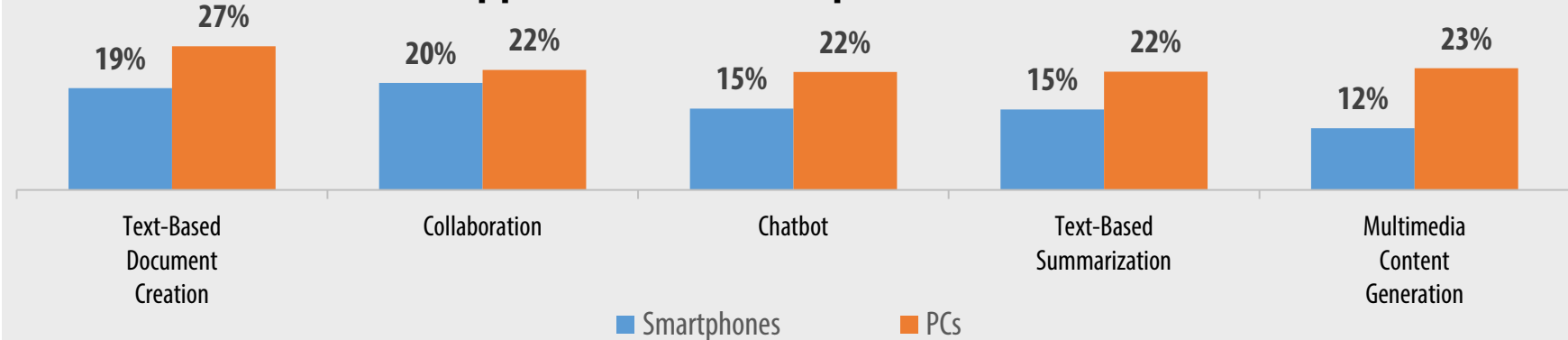
Applications for Which GenAI Agents Developed



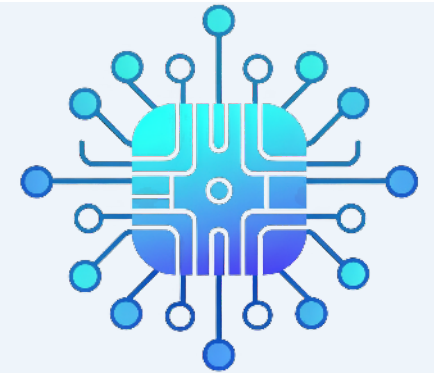
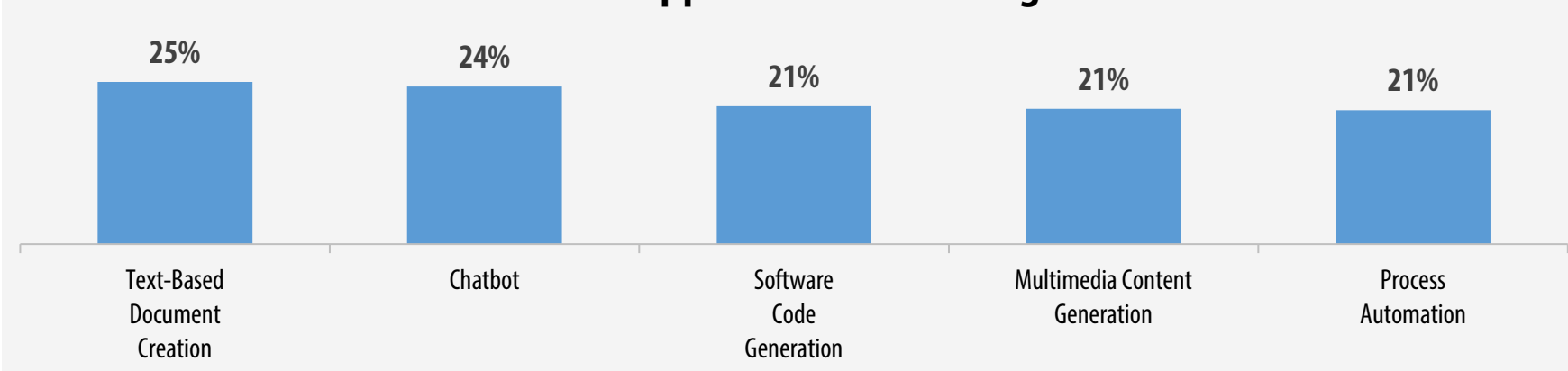
- More than 80% of organizations overall have developed GenAI agents for use in applications
- While there's some similarity to overall GenAI application usage, it's also clear that agents are being used for more automation-type tasks

Local and Edge GenAI Applications

GenAI Applications on Smartphones and PCs

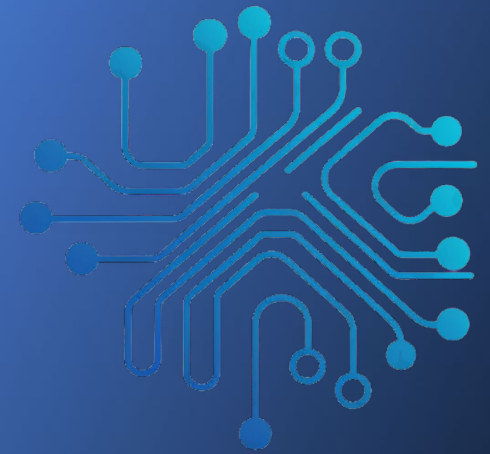


GenAI Applications on the Edge

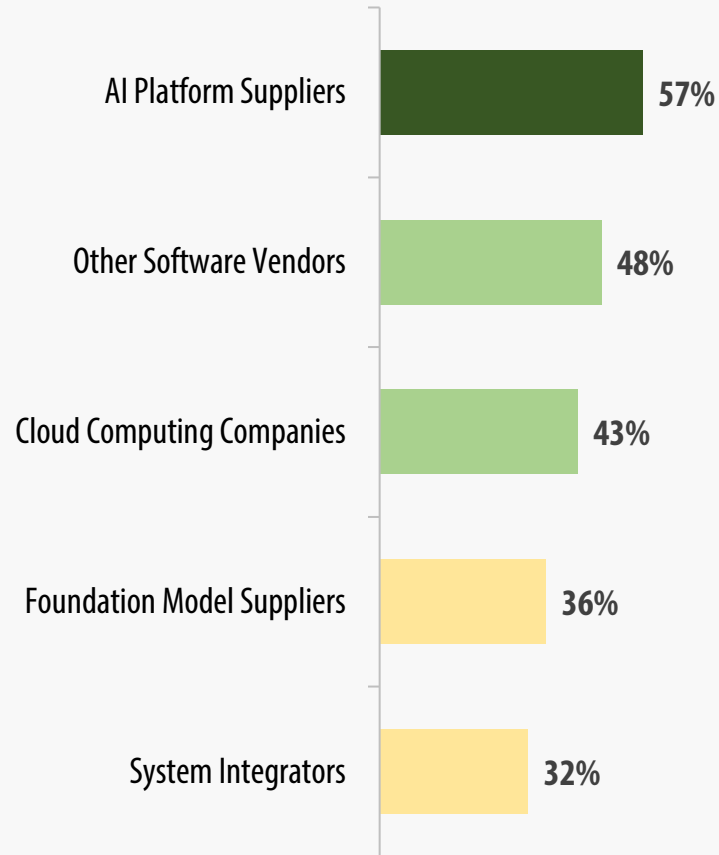


- As expected, overall GenAI application usage on devices is low, though it's currently much stronger on PCs than on smartphones
- On the edge, the range of GenAI applications differs from the overall usage of GenAI across organizations

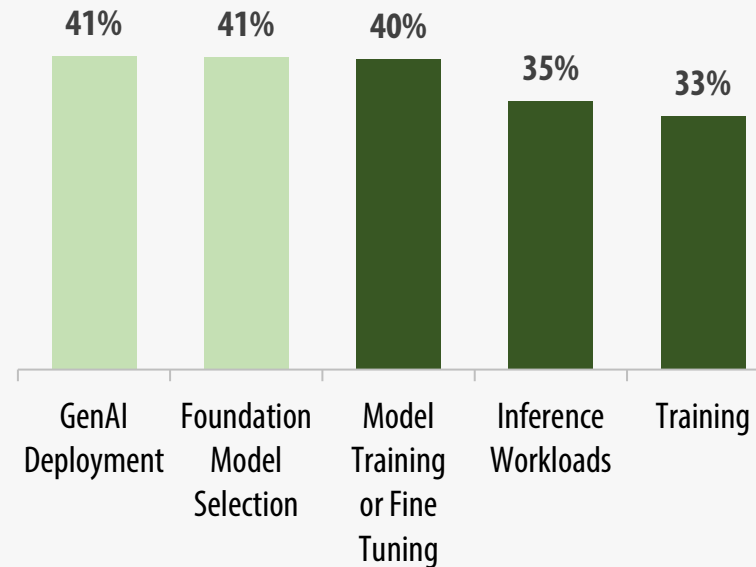
GenAI Partners and Services



Top 5 Support Partners



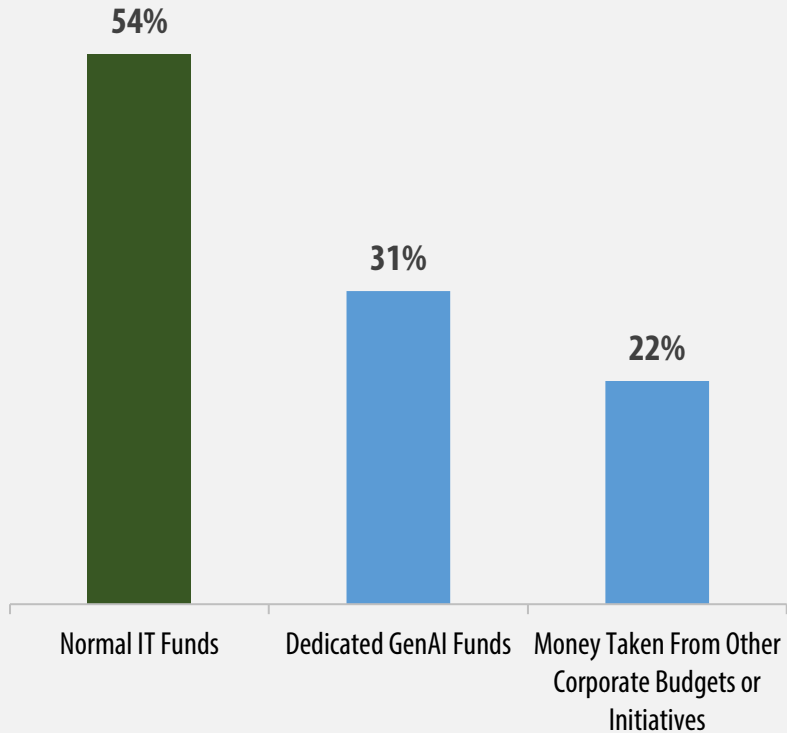
Top Services Requested



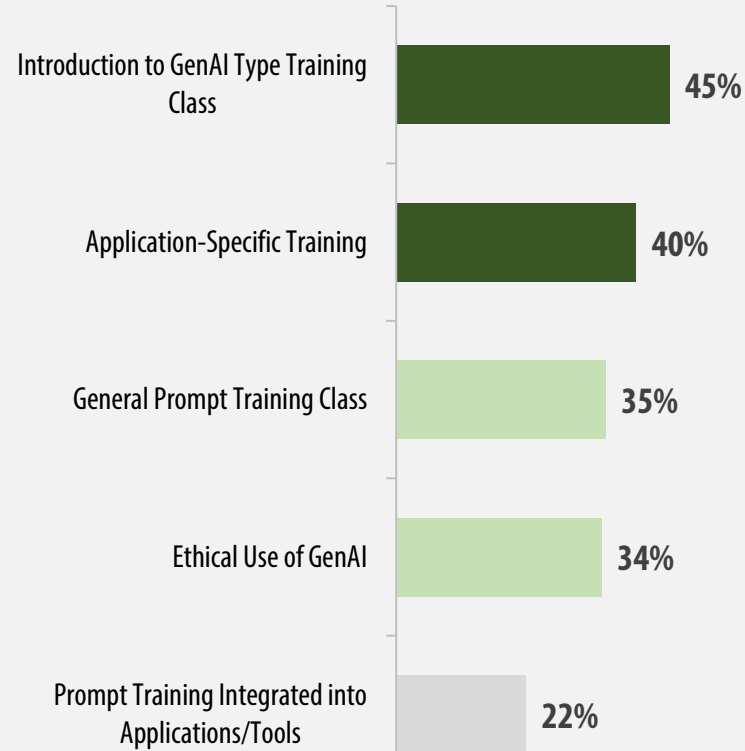
- AI platform suppliers offer tools as well as advice and consulting on their projects
 - Specialized software vendors and cloud computing providers also important
- In addition to overall deployment issues and model selection, many companies need help with model training and tuning

GenAI Funding and Training

Source of Funds for GenAI

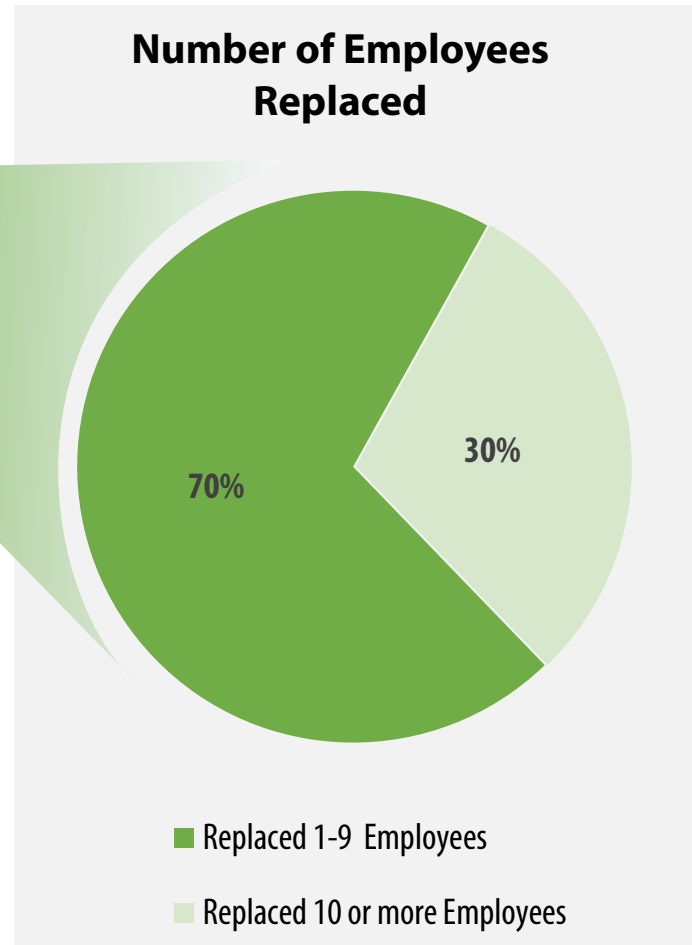
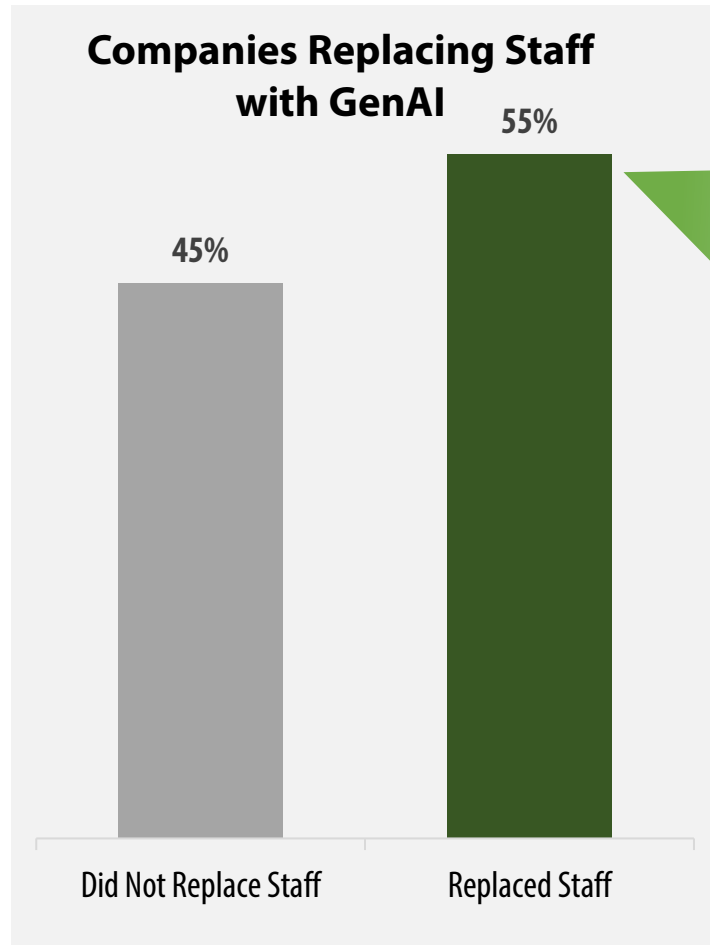


Employee Training for GenAI



- More than **50%** of organizations are using funds outside normal IT budgets for their GenAI initiatives
- Nearly half of companies are providing basic GenAI training to their employees

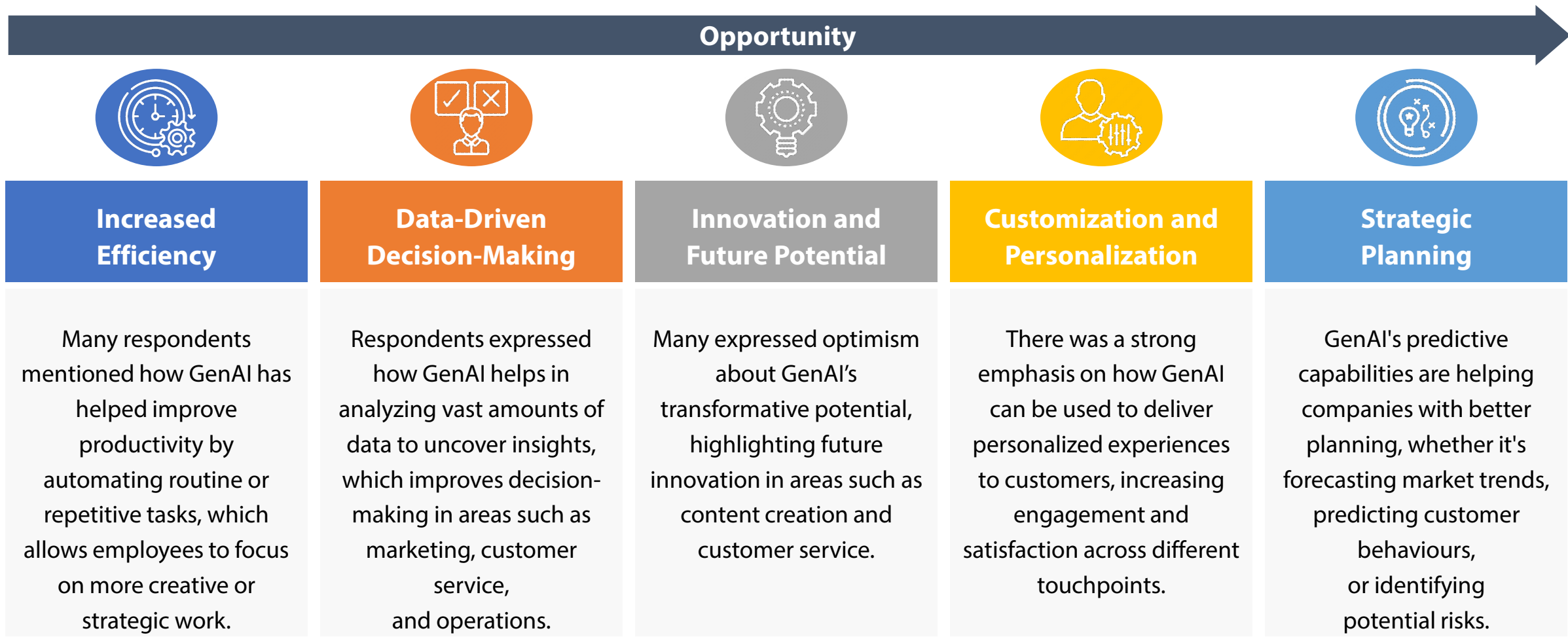
GenAI Job Impacts



“The workforce will change as technology will replace some low-end jobs while simultaneously creating a new field for AI-enabled jobs.”

- While the topic may be unpleasant, it's clear that GenAI has already begun to impact certain jobs across industries, but the number of people impacted is still small

Key Study Themes



Big Picture Concerns Still Need to Be Addressed

Challenges

Employee Adaptation and Learning:

While AI is beneficial, teams are still learning to adapt to its usage, indicating a need for more training and familiarity.

01

Ethical Considerations:

Respondents frequently brought up the need for ethical use of GenAI, particularly in areas such as bias, security, and data privacy.

02

Concerns Over Job Displacement:

Several responses revealed apprehensions about GenAI taking over jobs, particularly in repetitive or low-skill areas.

03

Security and Data Privacy:

Concerns about data privacy, breaches, and compliance with regulations like GDPR were mentioned.

04

Accuracy and Reliability of Output: Respondents reported issues with the accuracy of AI-generated outputs, especially in complex or nuanced tasks.

05

Integrating AI Tools into Legacy Systems or Existing Workflows: The lack of technical know-how and the need for vendor support were cited as obstacles.

06

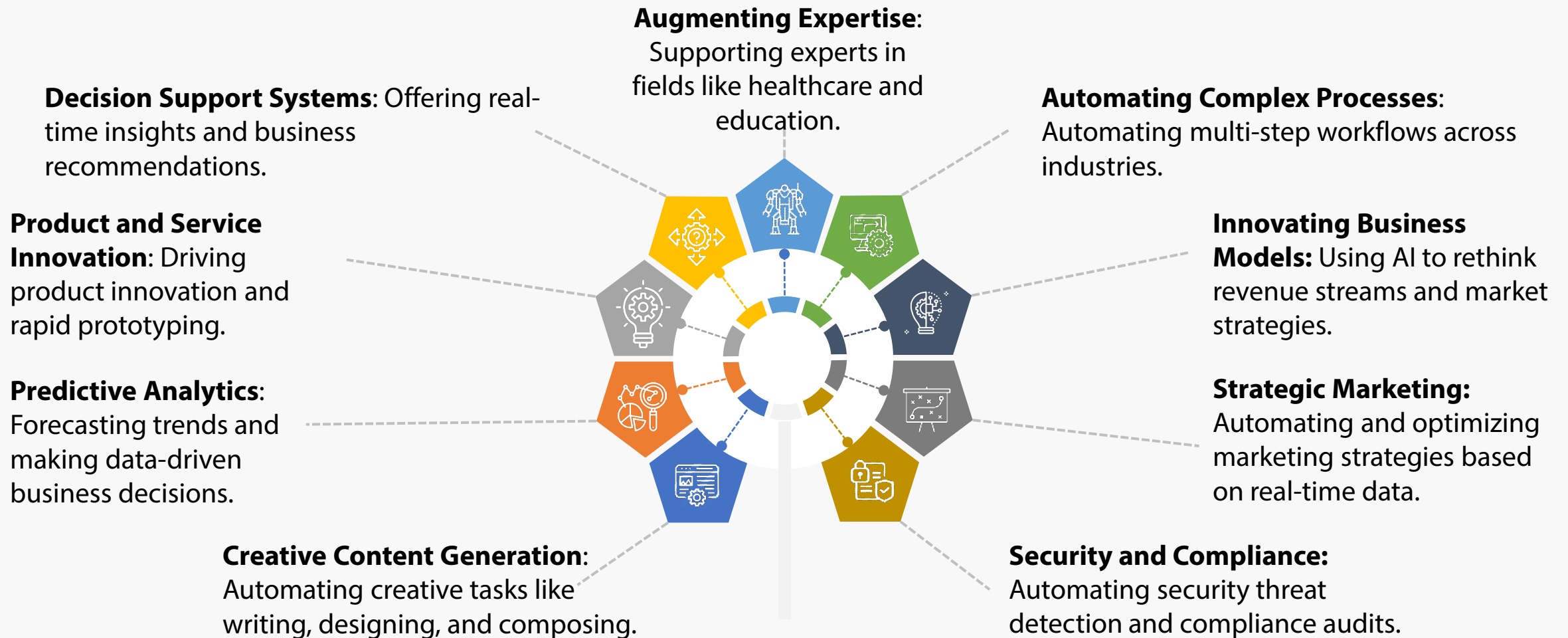
Complexity of Advanced Use Cases: While GenAI is useful for simple tasks, it struggles with complex, nuanced, high-level creative or strategic tasks.

07

Potential for GenAI-Enabled Cyber Attacks: As powerful as GenAI may be, there were also concerns raised about the potential new risks it could enable.

08

New Applications for GenAI



Final Thoughts



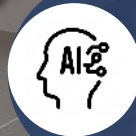
Companies still see huge opportunities for GenAI and are willing to tap into different resources



Overall sentiment towards GenAI remains positive despite the hype concerns



Tremendous amounts of education and training still necessary but unique opportunities to help are becoming available



Cloud-based offerings will be critical, but the desire to do more work in-house opens up new potential



While often overlooked, policies around provenance and governance will be essential to improve the success rate of GenAI projects

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