

# Reading: Economic Potential of Generative AI

## Learning Objectives

After completing this reading, you will be able to:

- Explain the industry impacts of generative AI.
- Reflect on the insights from Gartner and McKinsey on the business value and industry implications of generative AI.

Generative AI strongly impacts businesses and industries across various domains, offering increased productivity and efficiency, an improved customer experience, and opportunities for growth and innovation. Research and advisory firms like Gartner and McKinsey have been tracking the impact of generative AI on business value and its economic potential for industries.

Gartner splits the business opportunities offered by generative AI into three categories:

1. Revenue opportunities by enabling enterprises to create new products and generate new revenue channels.
2. Cost and productivity opportunities by augmenting the workers' ability to draft and edit text, images, and other media. As generative AI becomes more prevalent in the workplace, employees will be distinguished by their ability to conceive, implement, and refine ideas, projects, processes, services, and collaborations in partnership with AI.
3. Risk opportunities through risk mitigation. Generative AI's ability to analyze and offer more insights into data, such as customer transactions and potentially flawed software code, improves the recognition of patterns and the speed at which potential risks to the enterprise can be identified.

Further, Gartner reflects on the industries that are most impacted by generative AI. Generative AI will affect the pharmaceutical, manufacturing, media, architecture, interior design, engineering, automotive, aerospace, defense, medical, electronics, and energy industries by augmenting core processes with AI models. It will impact marketing, design, corporate communications, training, and software engineering by augmenting the supporting processes that span many organizations.

Source: <https://www.gartner.com/en/topics/generative-ai>

A report from McKinsey: The economic potential of generative AI: The next productivity frontier

McKinsey provides significant insight into the business value, industry impacts, and work and productivity implications achieved through generative AI in a report.

The detailed report from McKinsey is available here: [The economic potential of generative AI: The next productivity frontier](#)

## Summary

In this reading, you learned about the insights from Gartner and McKinsey on the business value and industry impact of generative AI.



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