KPMG

Living in an AI World 2020 Report:

Technology insiders

KPMG survey says: Technology industry leading in AI adoption
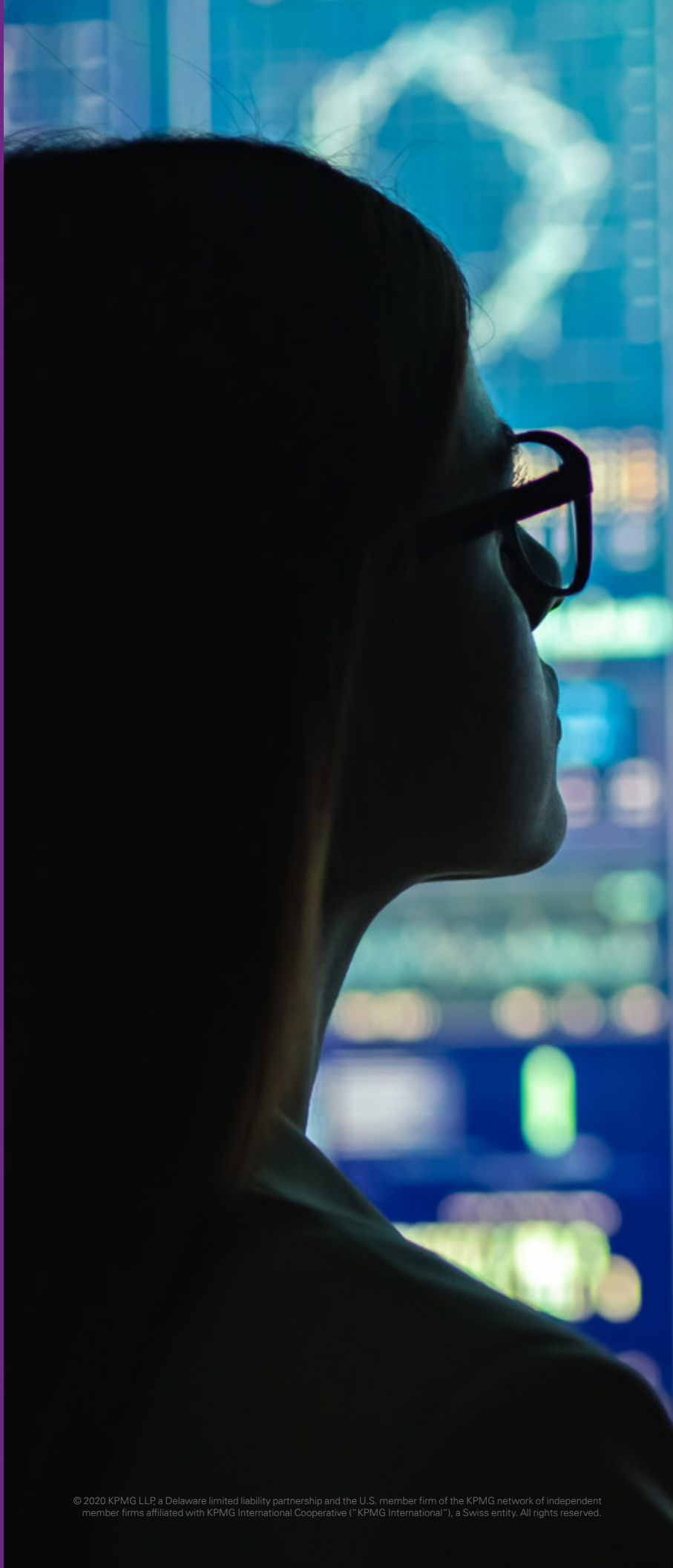
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Methodology

The KPMG Living in an AI World 2020: Achievements and Challenges of Artificial Intelligence across Five Industries survey was conducted by Ketchum Analytics to support KPMG's thought leadership efforts on AI. The findings in this report are based on the results from a survey of 751 U.S. business decision-makers with at least a moderate knowledge of AI in their industry.
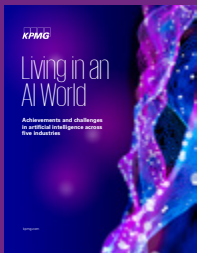
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This study was designed and conducted to assess the perception of AI as it relates to five specific industries: healthcare, financial services, transportation, technology, and retail. The survey serves to uncover the pain points, perceived risks and challenges of U.S. companies related to AI. This report is focused solely on the technology industry.

The technology industry is practicing what it preaches, but there is a realization that the industry has a way to go before reaping the full benefits of artificial intelligence (AI).

As the creator and leading proponent of AI, the technology industry is also the most advanced in adopting the groundbreaking technology. More than 751 business insiders from five industries (retail, financial services, healthcare, transportation and technology) agree on that point.

In KPMG's new study, "Living in an AI World 2020: Achievements and Challenges of Artificial Intelligence across Five Industries," executives share their views on the future of AI in their sectors, as well as the steps they are taking to maximize its benefits and mitigate its challenges.

AI in the technology industry

Seeing the advantages of AI playing out now, and appreciating its future potential, 87 percent of the technology respondents say their industry is ahead of the curve in AI adoption.

Among the other four industries surveyed, 83 percent of respondents agree that technology is the most advanced sector in operationalizing AI.

Most technology industry respondents (62 percent) believe that AI adoption is moving at an appropriate speed across their industry, but the majority (73 percent), think their company should be even more aggressive in AI investment and adoption, especially in the area of organizational improvement efficiencies. Why? Because… it works.

According to Sreekar Krishna, KPMG Principal, Innovation and Enterprise Solutions, the technology industry is ahead of the curve in AI deployments and effectiveness: "Companies are evolving and molding themselves in the digital space," said Krishna. "Those that are embedding AI and other forms of digitization into every process and functionality are disrupting the competition."

He added that most companies that lag behind have been slow to digitize overall. "The first step to AI maturity is to go through the digitization process across the enterprise," Krishna explained. "Those with big legacy technology infrastructures that have been hesitant to invest are being left behind."

Regardless of their current stage of AI adoption, most technology companies have a strong appetite for embracing the technology. In fact, the majority of technology respondents – 92 percent – agree that leveraging the spectrum of AI technologies will make their companies run more efficiently, with machine learning (59 percent) expected to have the greatest overall impact on the industry, followed by deep learning and facial recognition. According to respondents, AI technologies that could be the most impactful in the near-term (the next two years) are machine learning (28 percent), cognitive computing (19 percent) and robotics (18 percent). ●

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The challenges of AI adoption in the technology industry

Despite the popularity and growth of AI in the technology space, survey respondents are wary of or feel hampered by some significant challenges that may slow its impact. The first of these is the gap in skilled talent. While 61 percent feel existing employees are prepared for AI adoption, they need more workers who are ready for AI– and they need to improve how they are integrated into the business.

"Data science isn't magic. You can't hire a bunch of data scientists and expect the business to suddenly be transformed," Krishna said. "A big issue across all industries, including technology, is data and AI literacy. Not only do organizations need to reskill data scientists so they can see problems from a business perspective, but they need to ensure subject matter experts truly understand AI. Only then – when every question and solution is foundationally driven by data – will the full impact of AI be felt."

This disconnect between "new age" data scientists and the traditionalists who may have spent decades at an organization, can lead to misconceptions and disgruntled workers. While 81 percent of technology insiders believe their employees are open to the integration of AI into their workplace, a significant number (70 percent) also believe employees are concerned about how

it will be applied – and what that could mean for their own jobs. In fact, more than a third of technology industry insiders (37 percent) are worried that AI could replace their positions.

Security and data privacy are ongoing concerns, too. Most respondents (69 percent) are in favor of some level of government involvement in regulating AI, and many organizations are already making a push for that to happen; the Organization for Economic and Cooperation Development, the World Economic Forum and others have issued guidelines on responsible AI deployment that could form the basis of regulatory efforts. Furthermore, 88 percent of technology insiders say companies should implement an AI ethics policy to help govern their AI work. ●

What technology companies need to know before using AI

While barriers to further adoption exist, business insiders are vowing to move even more aggressively with investments, training, and governance to ensure that significant AI benefits are fully optimized.

Beyond efforts to embrace digitization and AI across the enterprise, companies seeking to ramp up – and, often, catch up – with AI must be bold in their approach. Krishna of KPMG suggests that companies must invest heavily in top-tier talent in order to attract the volume of experts needed.

"To become a powerhouse in AI, you need to show the world you're serious about it," he observed. "By recruiting top minds in AI, more talent will be attracted to your company."

The bottom line: if you show that you're serious about AI, the best talent will come. ●

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To see more of KPMG's perspective on artificial intelligence, please check out our other thought leadership papers:

read.kpmg.us/8trends

read.kpmg.us/ethicalAI

read.kpmg.us/AIinControl

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