



 Rainfall

PSI

FUTURE-READY BUSINESS: ASSESSING TAIWAN'S GROWTH POTENTIAL THROUGH AI

 Humidity

 Temp

Research Scope



Business
leaders

Sample Size for all up Asia Pacific

1,605 Business Leaders

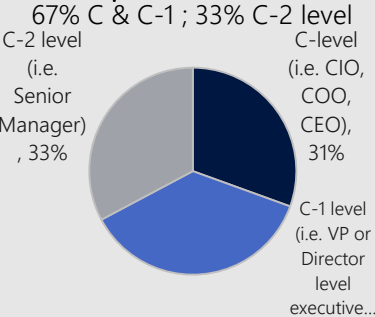


Workers

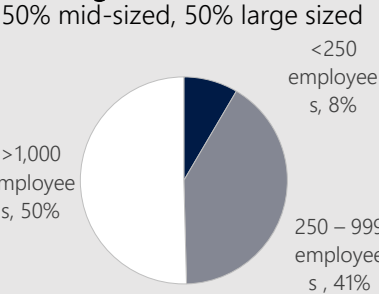
Sample Size for all up Asia Pacific

1,585 Workers

Respondents Profile



Organizations Sizes



Verticals

- | | |
|--------------|---------------|
| Agricultural | Healthcare |
| Automotive | Manufacturing |
| Education | Retail |
| FSI | Services |
| Government | Telco / Media |

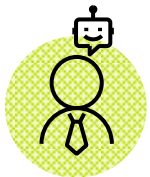
Respondents Roles

- | | |
|-------------------------------|--------------------------|
| Administrative/
Operations | Mechanic /
Technician |
| Customer Facing | Production |
| Functional
Specialists | R&D/ Creative |
| IT Specialists | Supervisory |
| Junior Managers | |

Markets
Involved



Research Scope

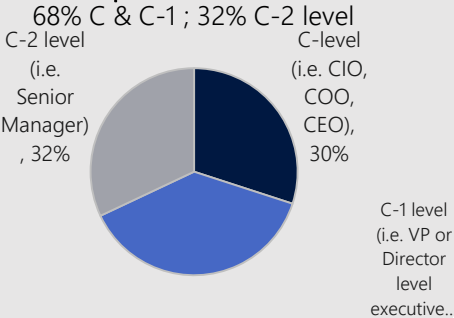


Business
Leaders

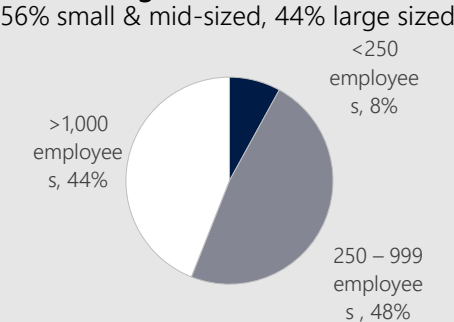
Sample Size for all up Taiwan

100 Business Leaders

Respondents Profile



Organizations Sizes



Verticals

- | | |
|--------------|---------------|
| Agricultural | Healthcare |
| Automotive | Manufacturing |
| Education | Retail |
| FSI | Services |
| Government | Telco / Media |



Workers

Sample Size for all up Taiwan

104 Workers

Respondents Roles

- | | |
|----------------------------|-----------------------|
| Administrative/ Operations | Mechanic / Technician |
| Customer Facing | Production |
| Functional Specialists | R&D/ Creative |
| IT Specialists | Supervisory |
| Junior Managers | |

[illegible]

A person wearing a blue and white plaid shirt is shown from the chest down, holding a green corn leaf. They are standing in a field of corn plants. The image is overlaid with several semi-transparent blue icons: a water drop icon in the top left, a circular diagram with 'N', 'K', and 'P' in the bottom left, a group of three insects in the bottom center, and a circular arrow icon in the top center. A large, faint circular graphic with concentric rings is centered over the person's hand. The text 'AI is a game changer' is written in white across the middle of the image.

AI is a game changer

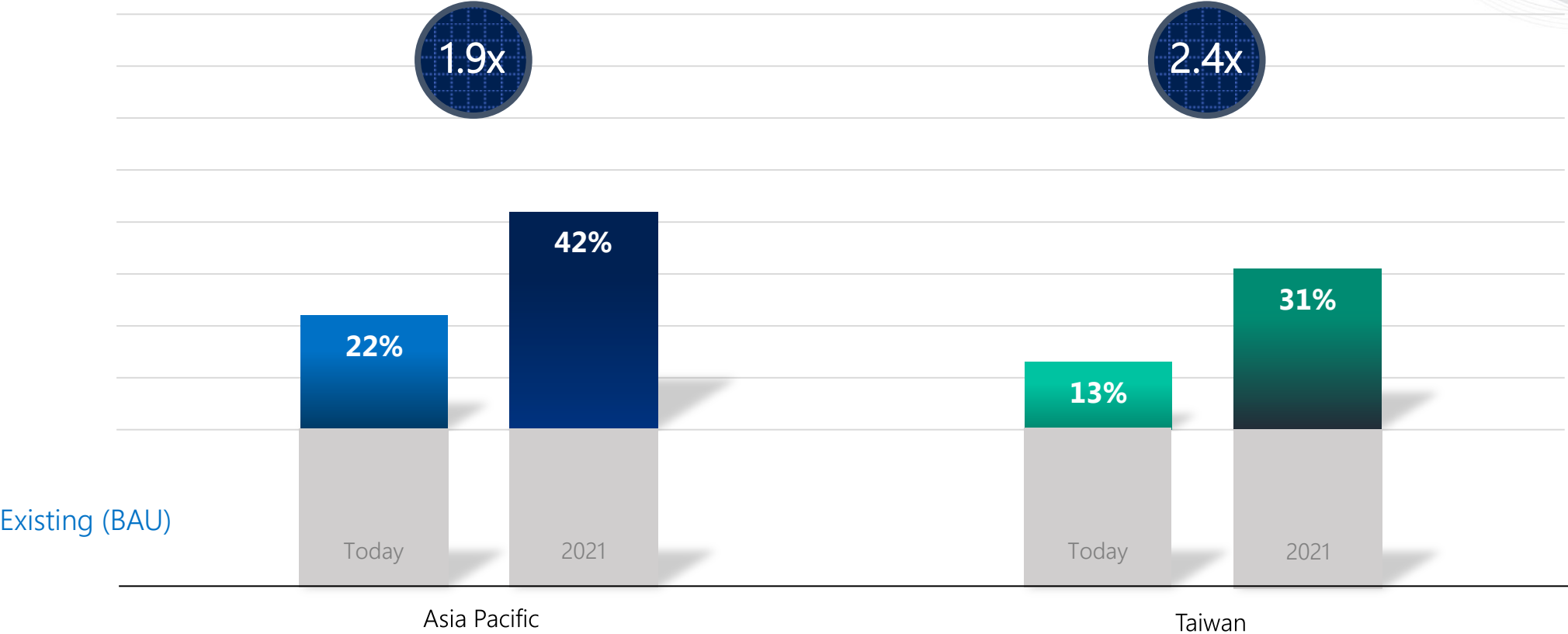


Addressing the Opportunities

AI will more than double the rate of innovation improvements in Taiwan



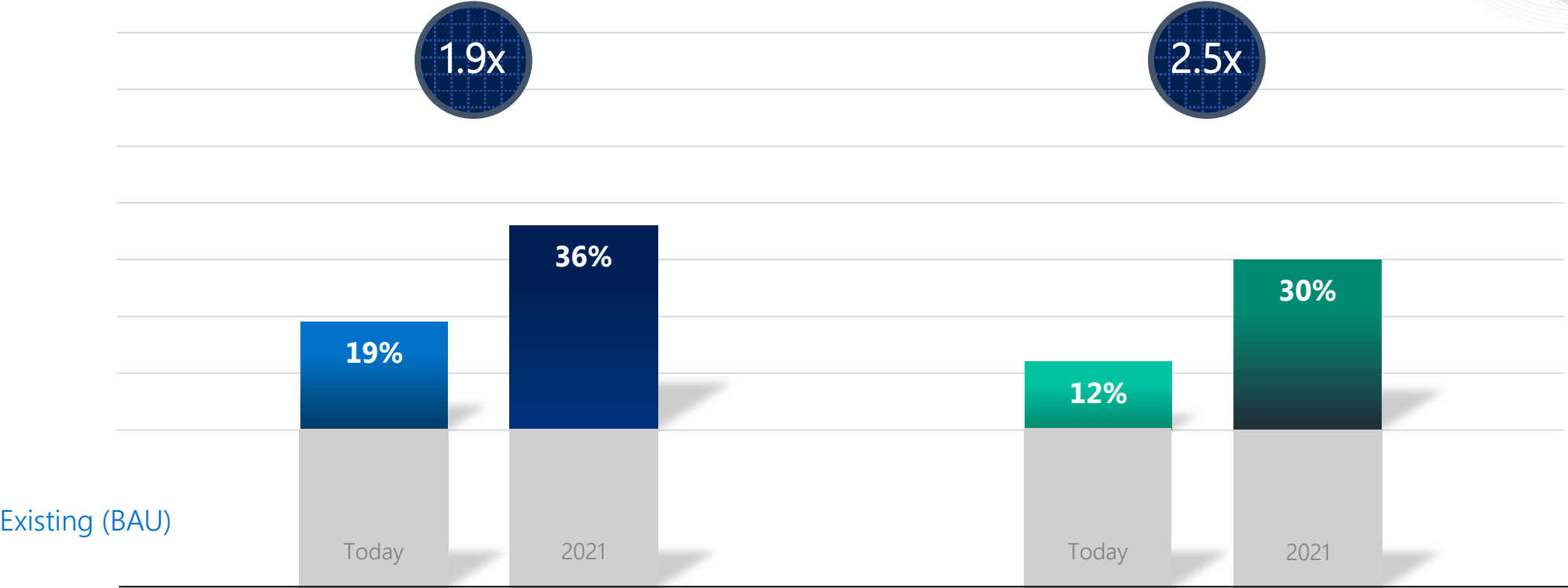
Percentage of new, innovative products and services organizations produced today and in three years with the introduction of AI



AI will more than double the rate of employee productivity gains in Taiwan



Improved productivity gains among employees today and in 3 years

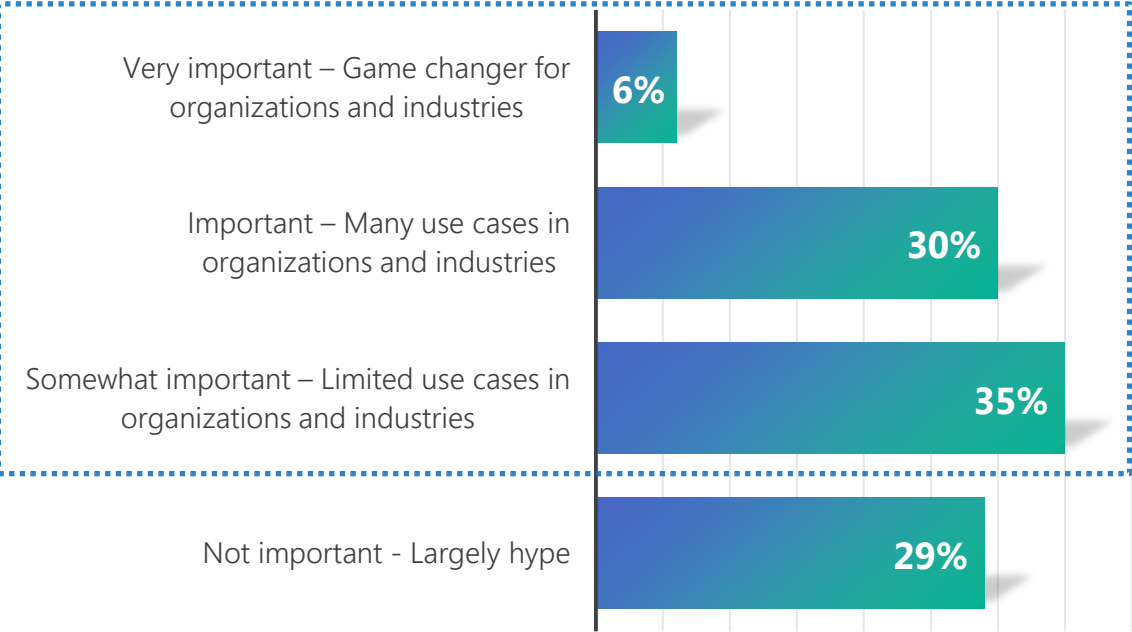


Q: What are your organization's key drivers for adopting AI-related solutions?
Q: For the top 3 areas above, please indicate the level of improvement seen today and the expected increase in 3 years' time
Asia Pacific Business = N=1605
Taiwan Business = N=100

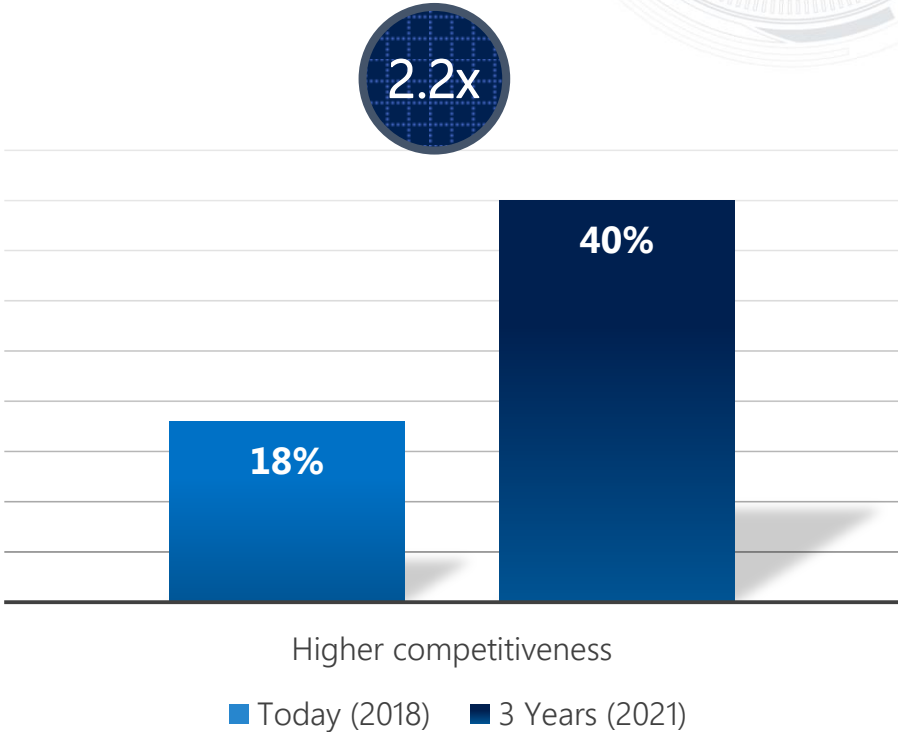
AI drives competitive advantages

- 71% say that AI is instrumental to organization's competitiveness in the next 3 years

Importance of AI to organization's competitiveness in next 3 years



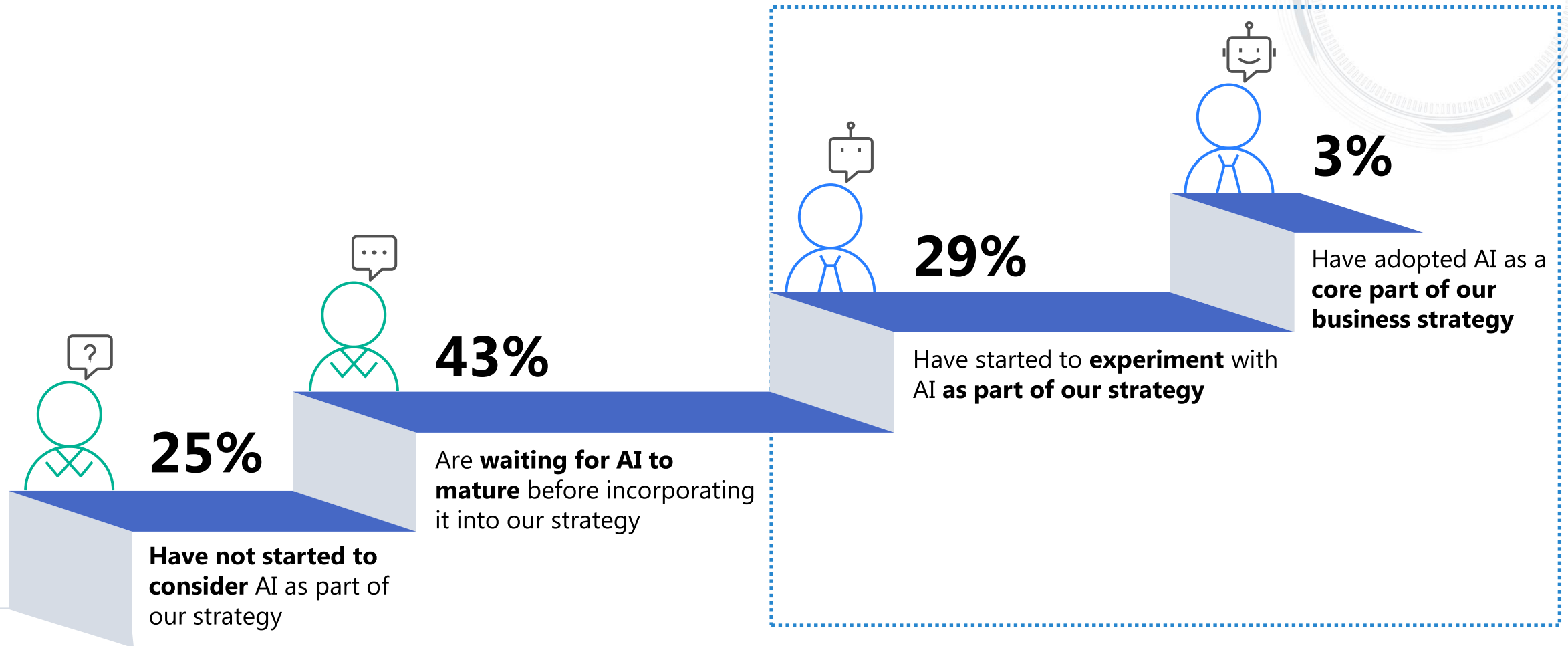
- Organizations with AI in Taiwan expect it to increase their competitiveness by 2.2 times in 3 years





Drivers to Adopt AI

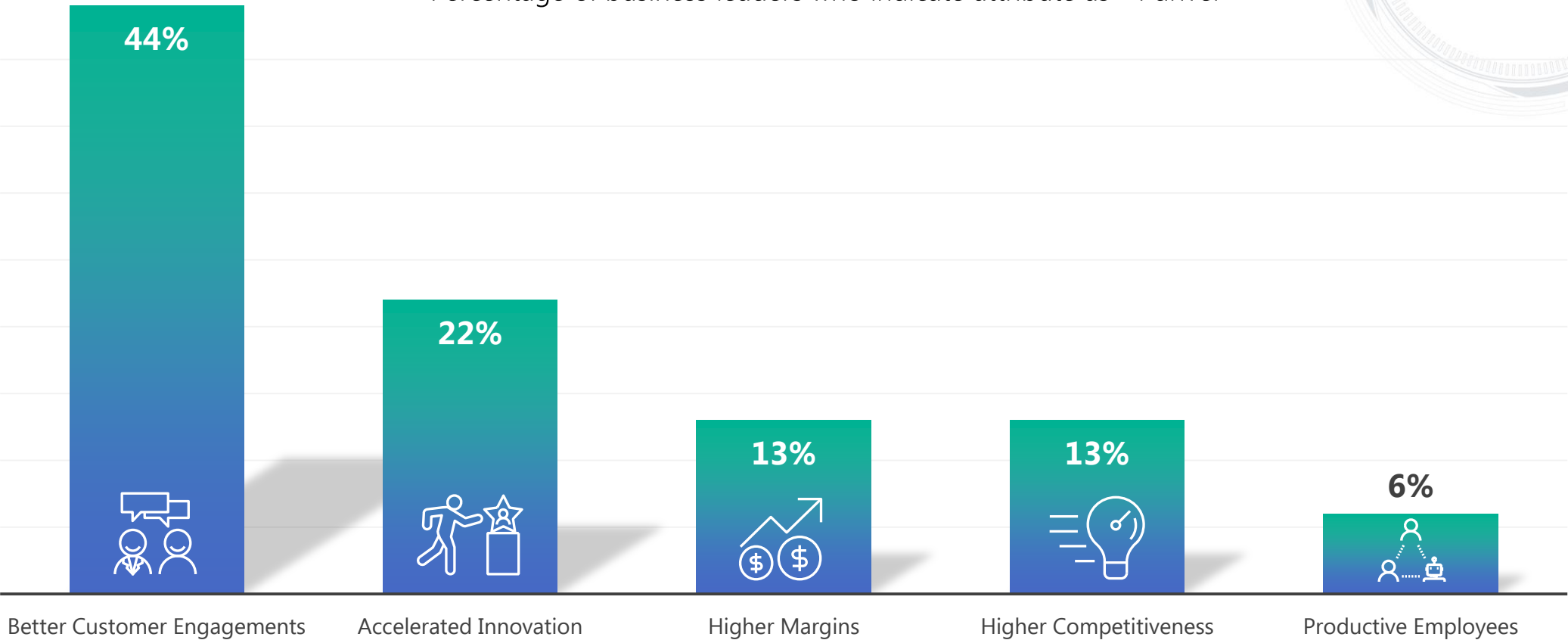
Close to a third of organizations in Taiwan have started on their AI journeys



Top 5 Drivers to Adopt AI

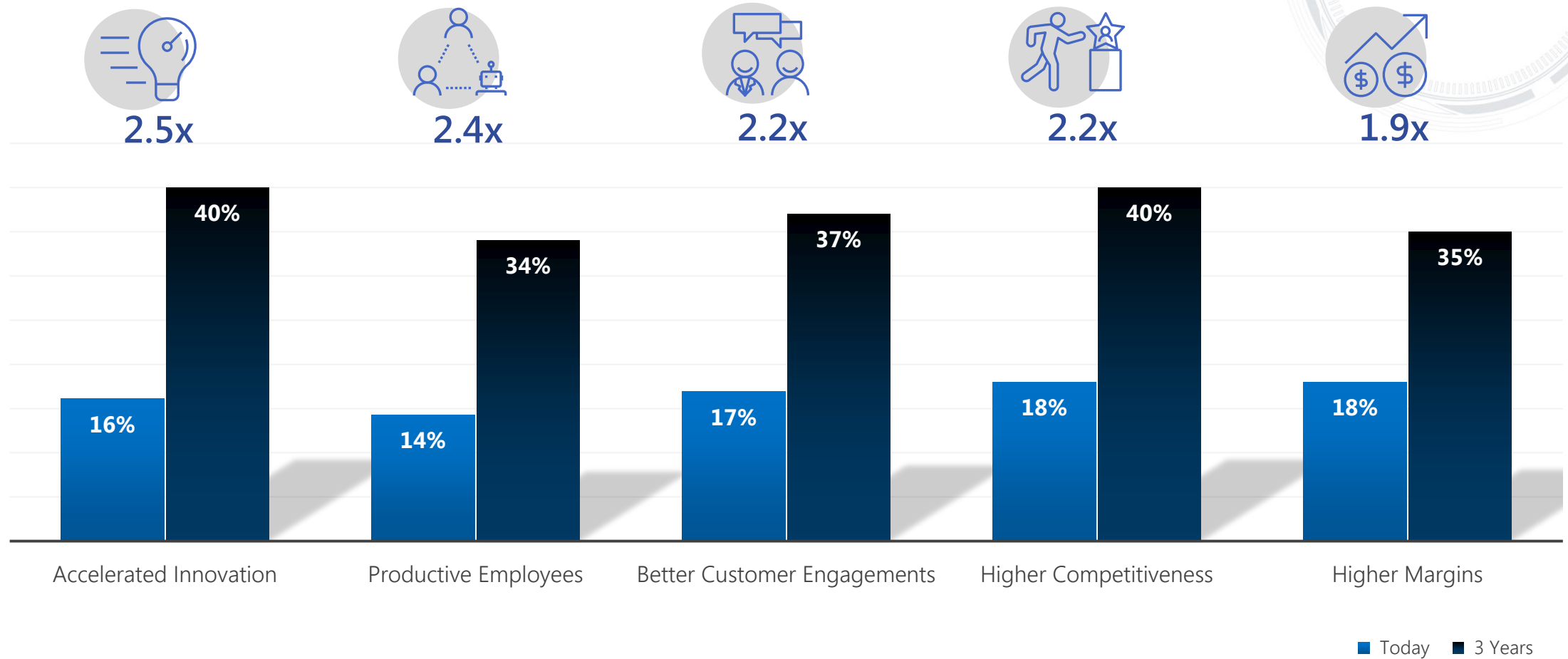
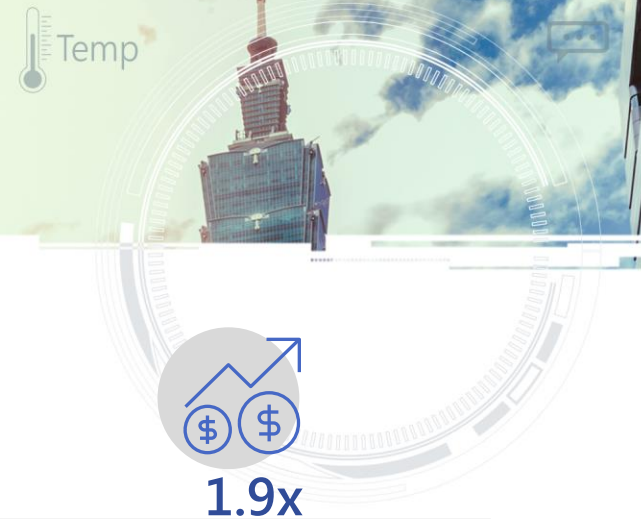


Percentage of business leaders who indicate attribute as #1 driver



Q: What are your organization's key drivers for adopting AI-related solutions? If your organization has not adopted AI-related solutions, what do you think would be the key drivers that would influence your organization to adopt AI-related solutions?
Taiwan Business with AI = N= 32

Business Improvements from AI: Today and in 3 years

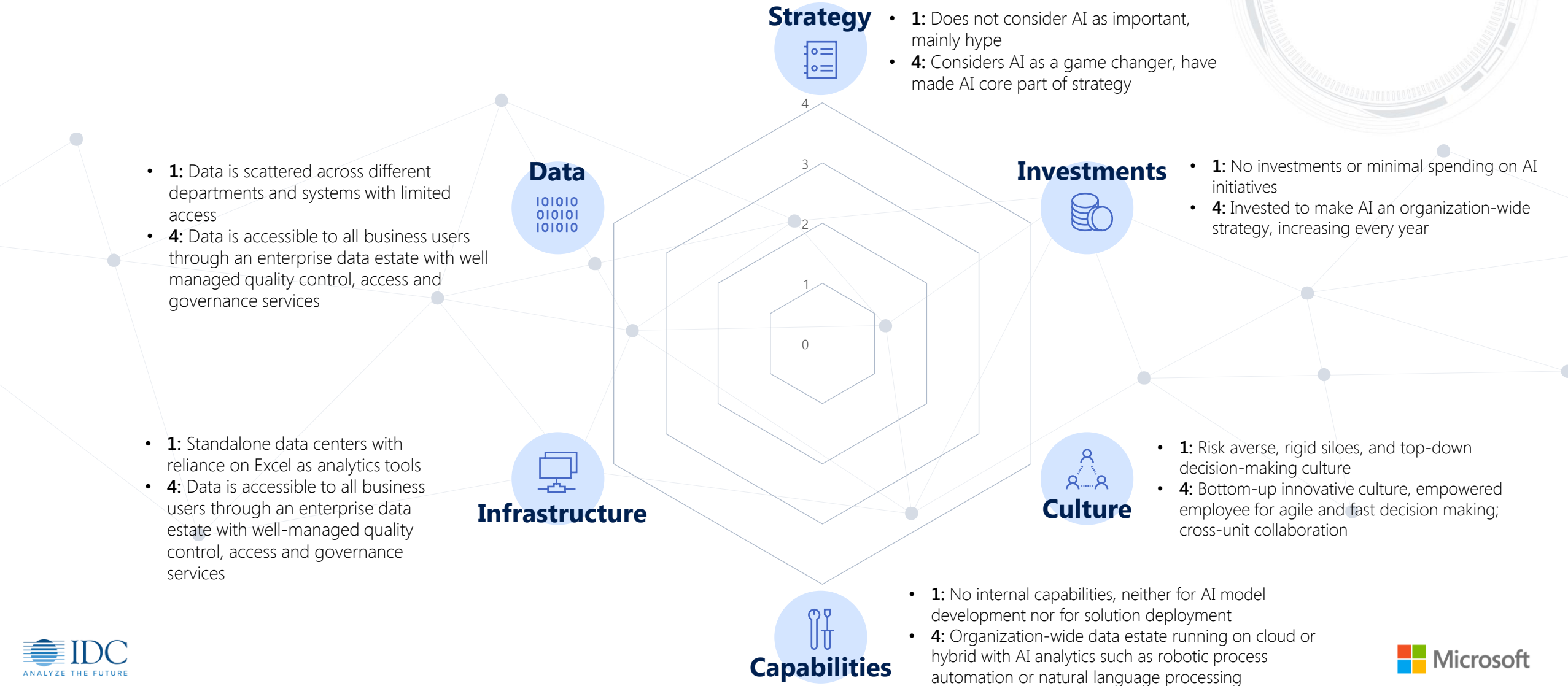


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Taiwan Business with AI = N= 32



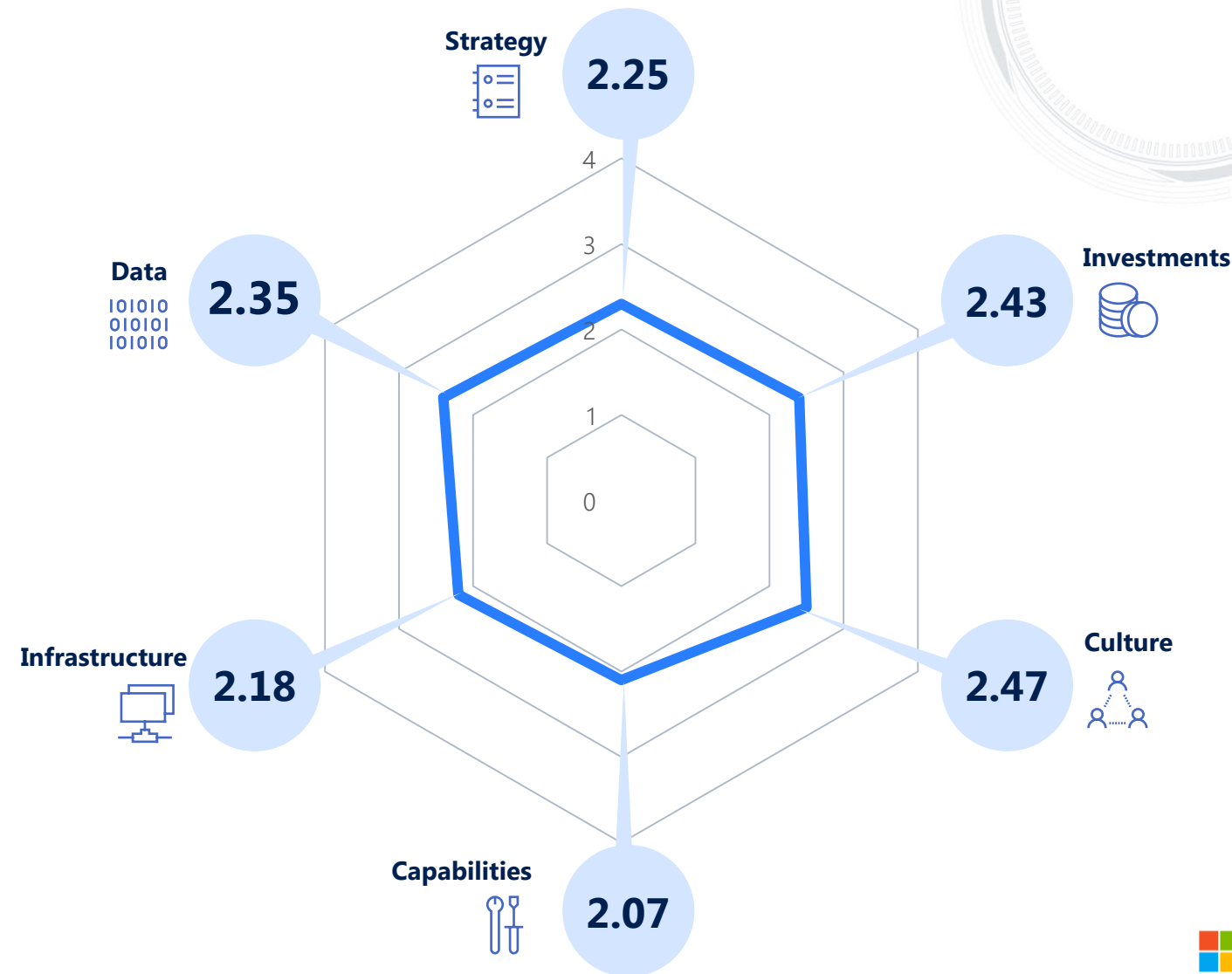
Assessing **AI Readiness** in Asia Pacific and Taiwan

AI Readiness Model



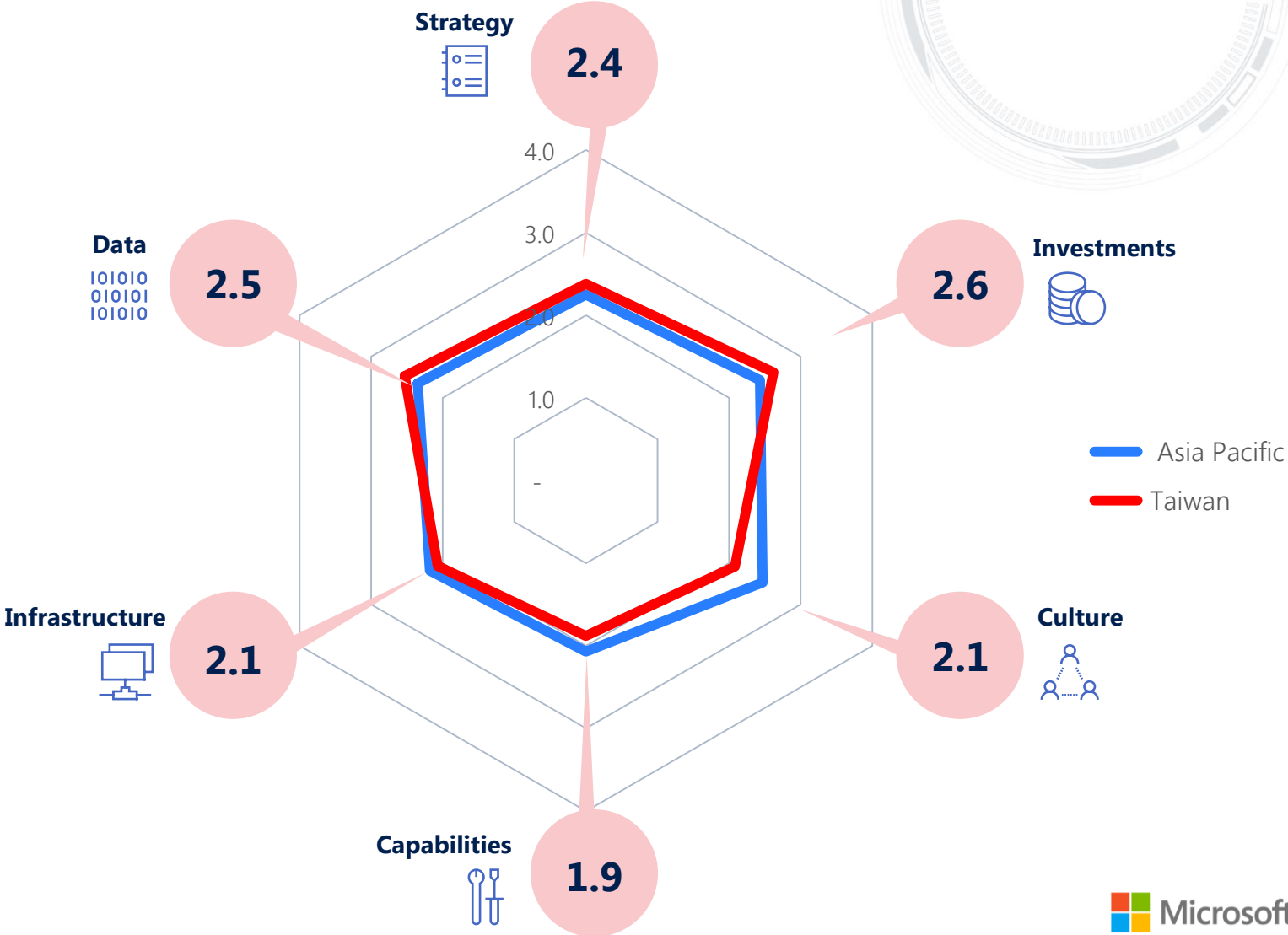
Asia Pacific's AI Readiness

Asia Pacific needs to focus on improving its AI **strategy**, **capabilities** and **infrastructure**



AI Readiness: Asia Pacific vs Taiwan

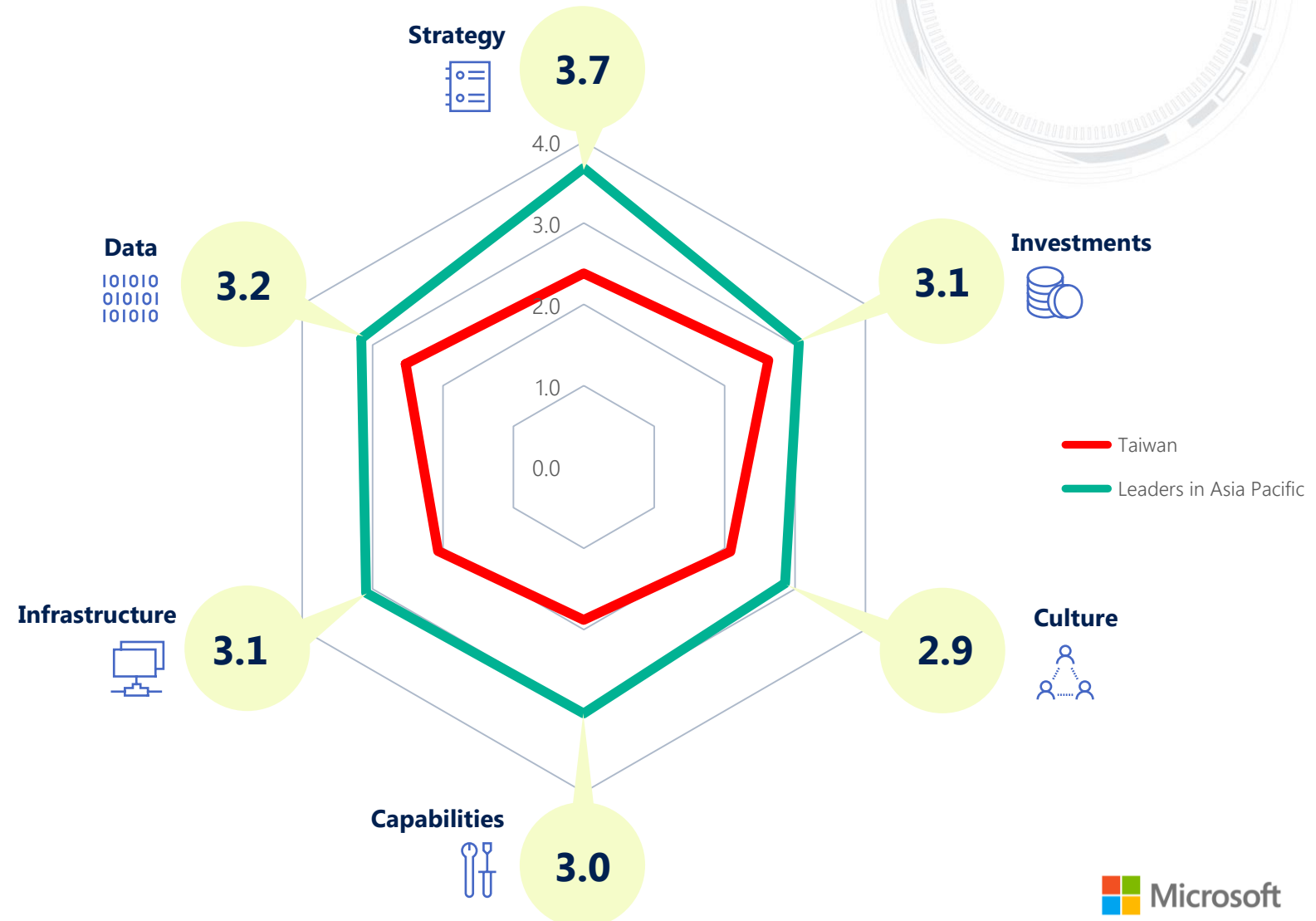
Taiwan is on par with Asia Pacific in most areas, but are slightly behind in terms of **Culture**.



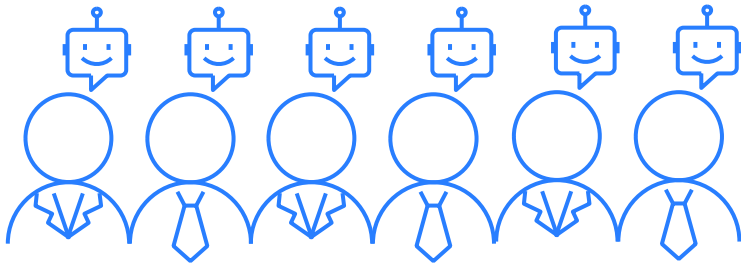
AI Readiness: Taiwan vs Leaders in Asia Pacific



Taiwan is behind AI Leaders in all areas, with the widest gap in **Strategy, Capabilities** and **Infrastructure**



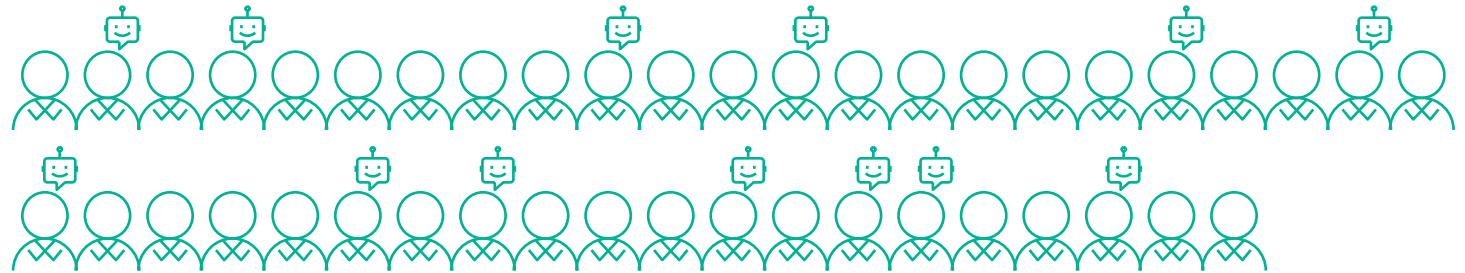
Who are the AI Leaders in Asia Pacific?



6%

Leaders

- Incorporated AI into their core strategy or started to experiment with AI
- Have experienced higher improvements of benefits from AI



94%

Followers

- Have started to experiment with AI or have not started with AI
- Moderate to low improvements of benefits from AI, or no benefits

Q: Which of the following statements best describes your organization's view on AI?

Q: Please indicate the level of improvements seen today as a result of your AI deployment/solution.

Followers = N = 1,514

Leaders = N = 91

What Makes an AI Leader Different?

Increase investments every year to support organization-wide AI strategy

Have a **centralized team of specialized roles** to develop and validate AI models & complex analytics

Have **AI analytics and tools** such as Robotic Process Automation, Natural Language Processing

Have **in-house capabilities of developers, specialists and data engineers** to deploy and monitor AI applications

Have **ongoing enterprise data governance practices** performed jointly by IT as well as those in business and compliance functions



5.4x



4.8x



3.7x



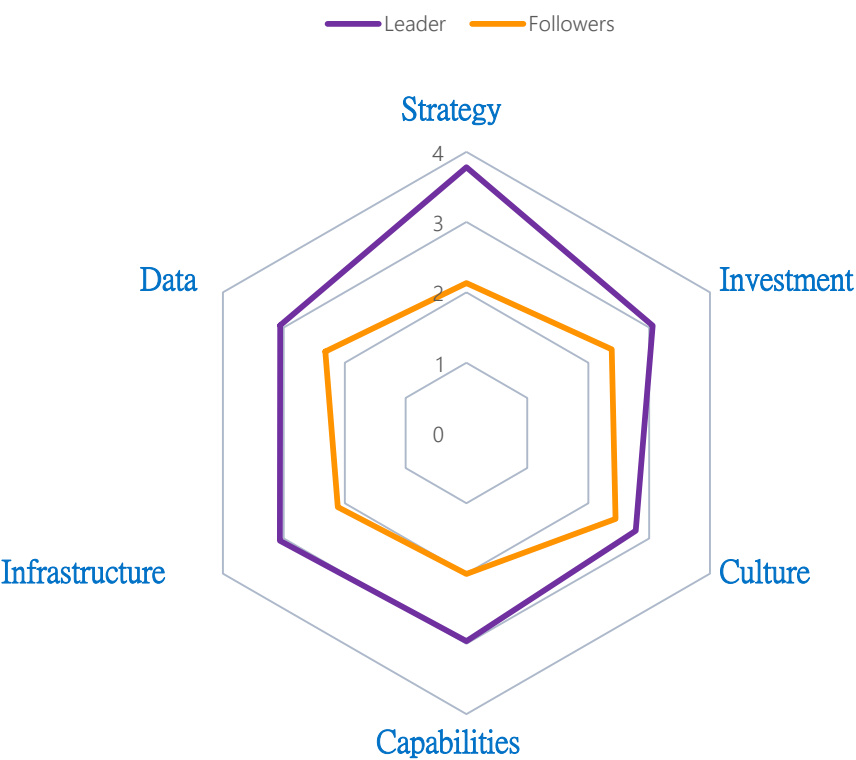
3.6x



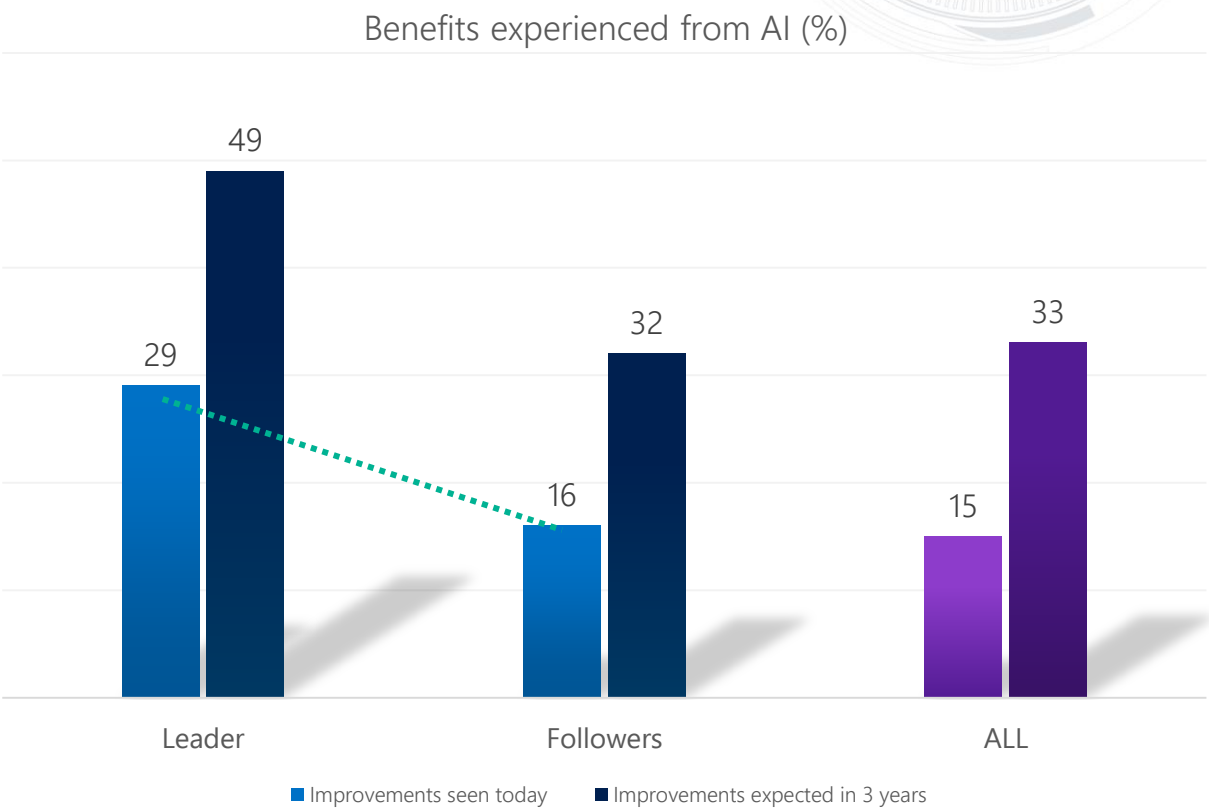
3.4x

Leaders in Asia Pacific vs Followers

Leaders have a significant edge in all dimensions, especially in **Strategy, Infrastructure and Capabilities**.



Today, leaders see **1.8x the benefits** from adopting AI.



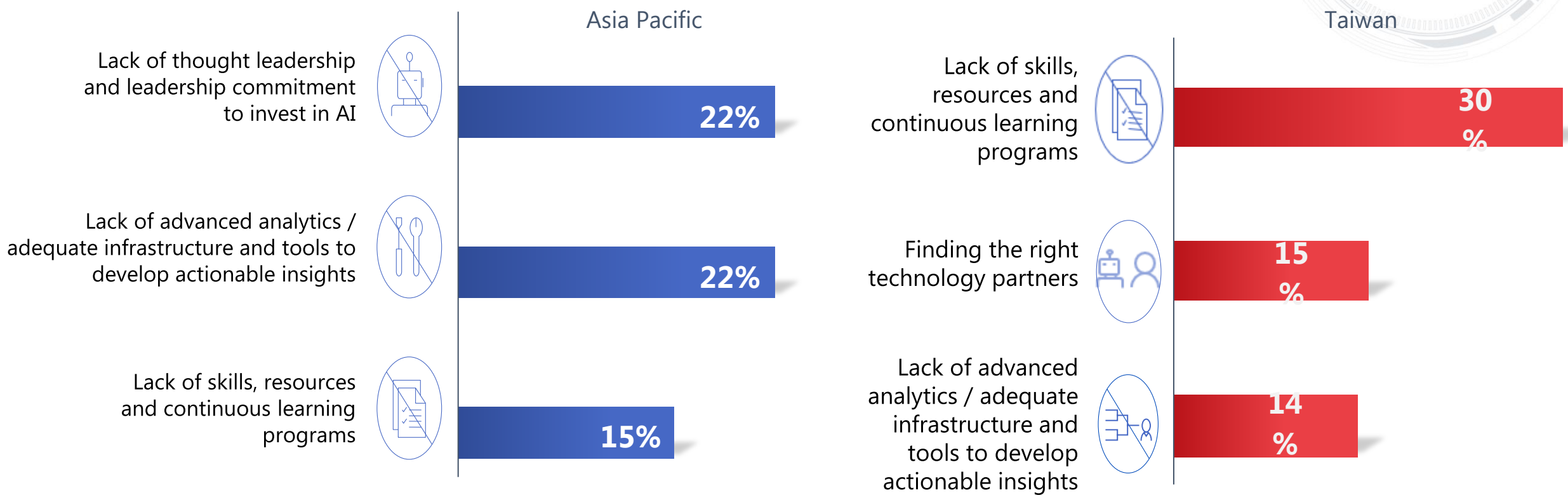
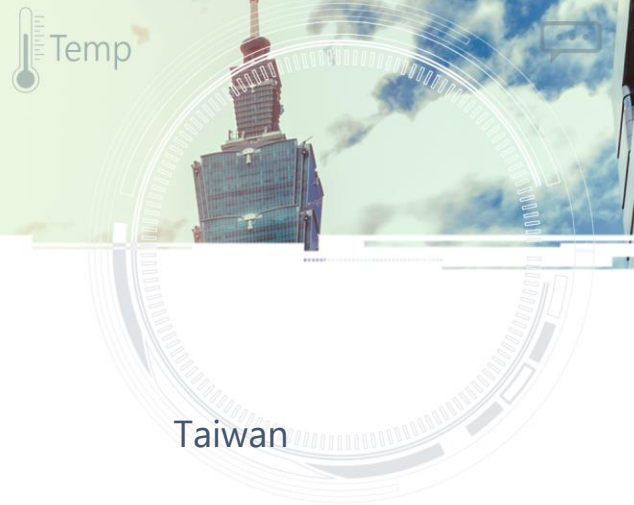
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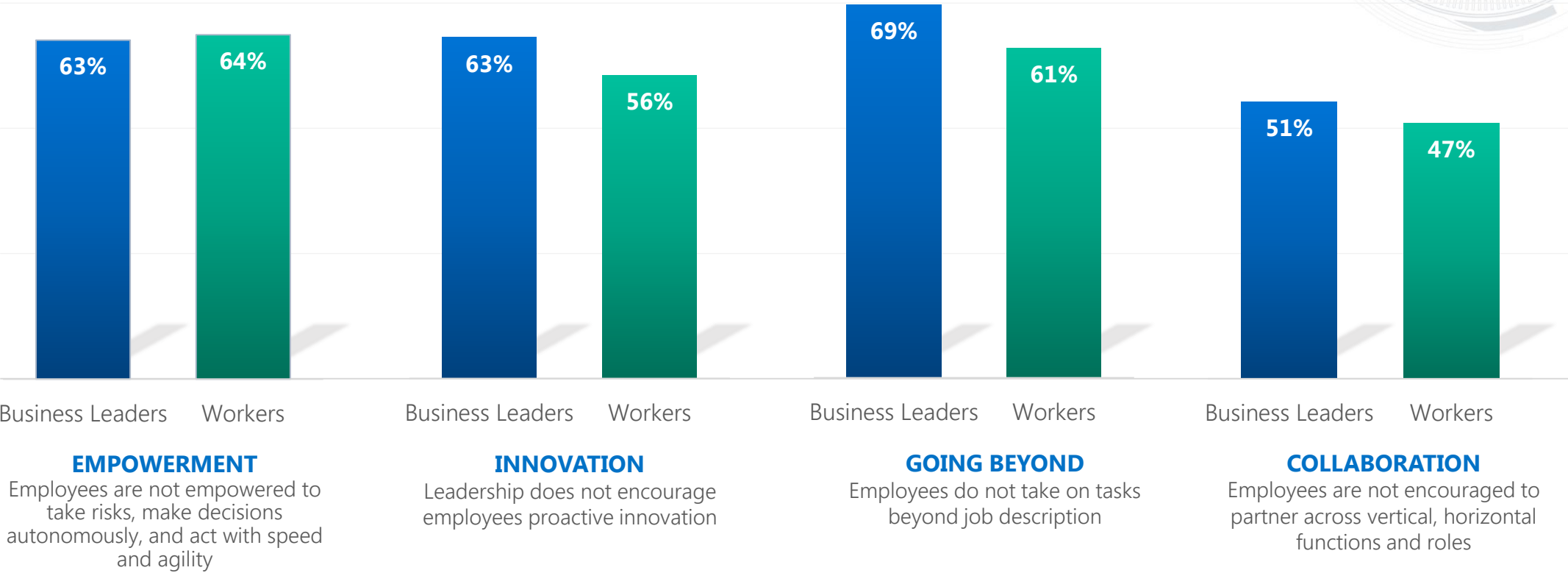


Understanding the **Barriers**

Top AI Adoption Challenges in Taiwan: Skills, Partnership and Tools

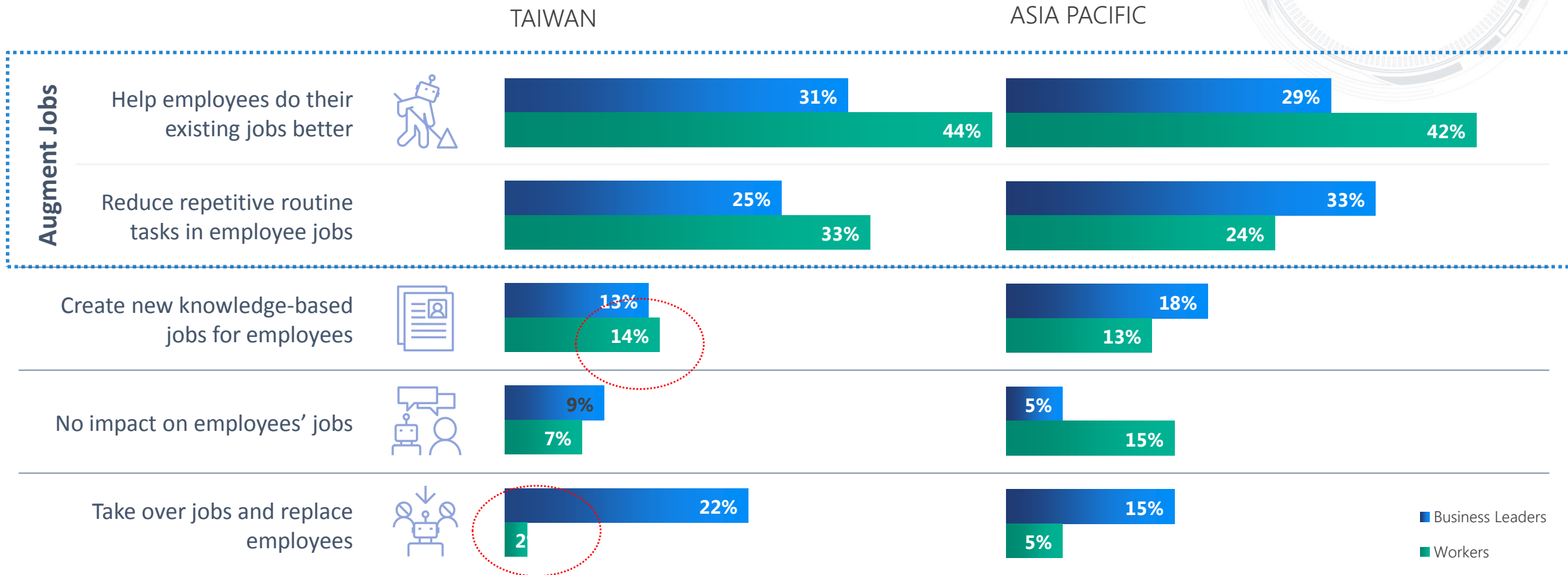
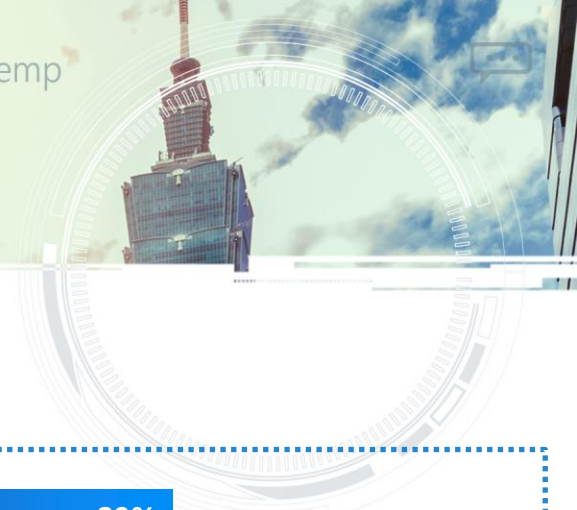


Cultural traits required for AI adoption are lacking in Taiwan



Q: Which of the following statements best describe your organization's culture and agility? (Choose from scale of 1 to 4, where 1 means that the trait is not seen at all within the organization and 4 is where the trait is pervasive across the organization)
Taiwan Businesses = N = 100
Taiwan Workers = N = 104

AI will **augment**, not displace jobs



Q: How do you think AI will impact the jobs in your organization in the next 3 years?

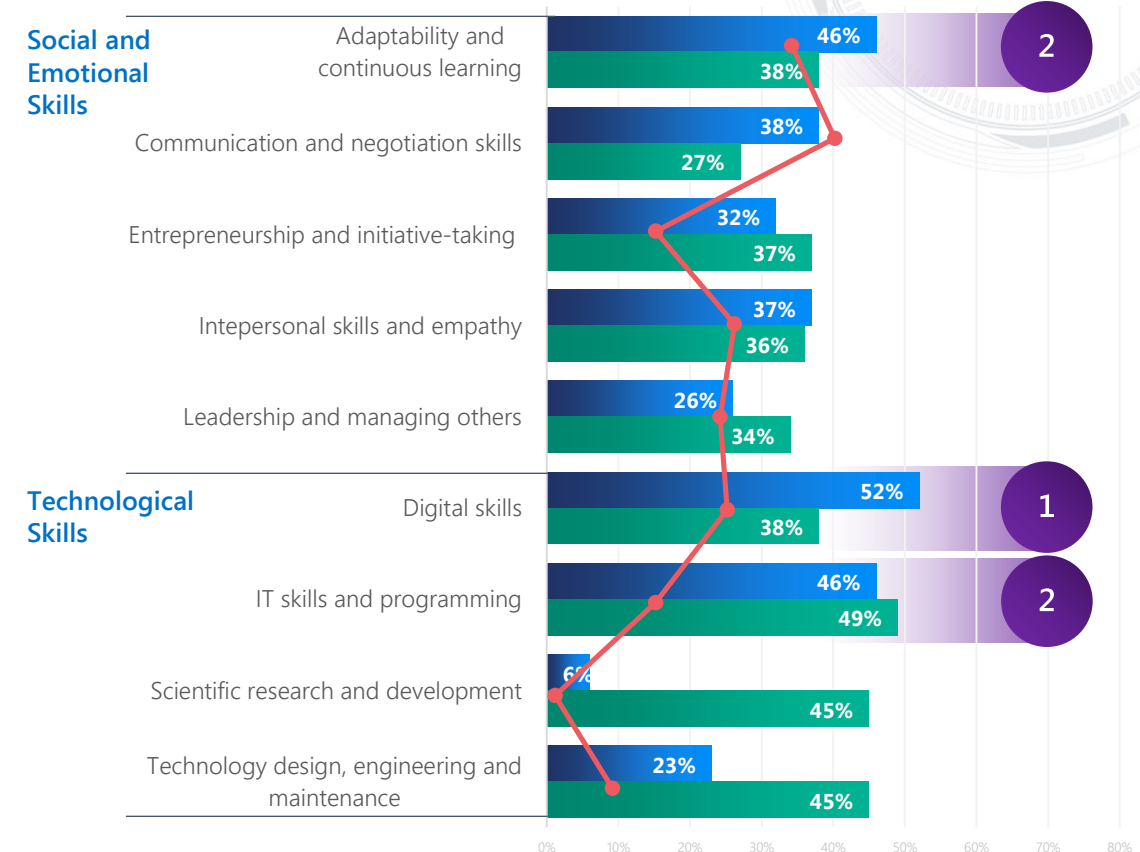
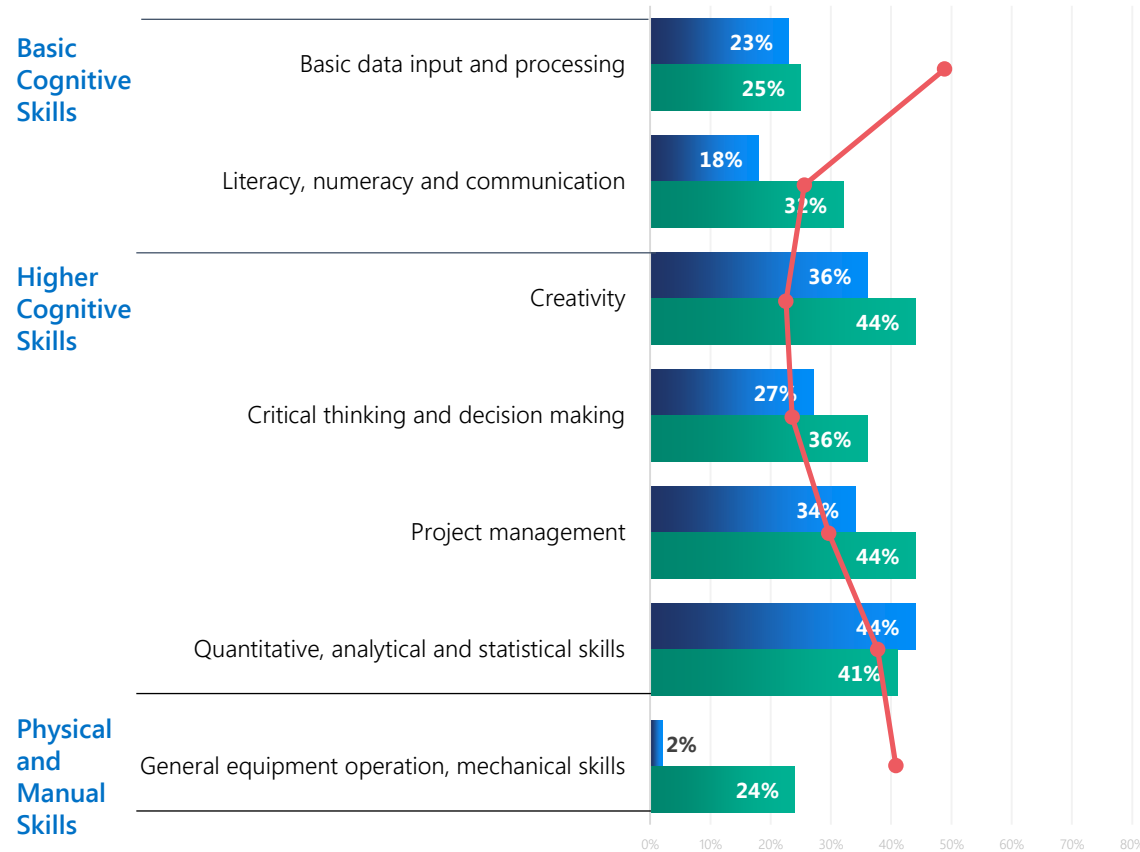
Asia Pacific Businesses = N=1605

Asia Pacific Workers = N=1585

Taiwan Businesses = N = 100

Taiwan Workers = N = 104

Skills for an AI Future: Taiwan



Q: Which of these skillsets do you see most commonly available in the workforce today, and which do you think is most needed 3 years from now in the AI-enabled workplace?

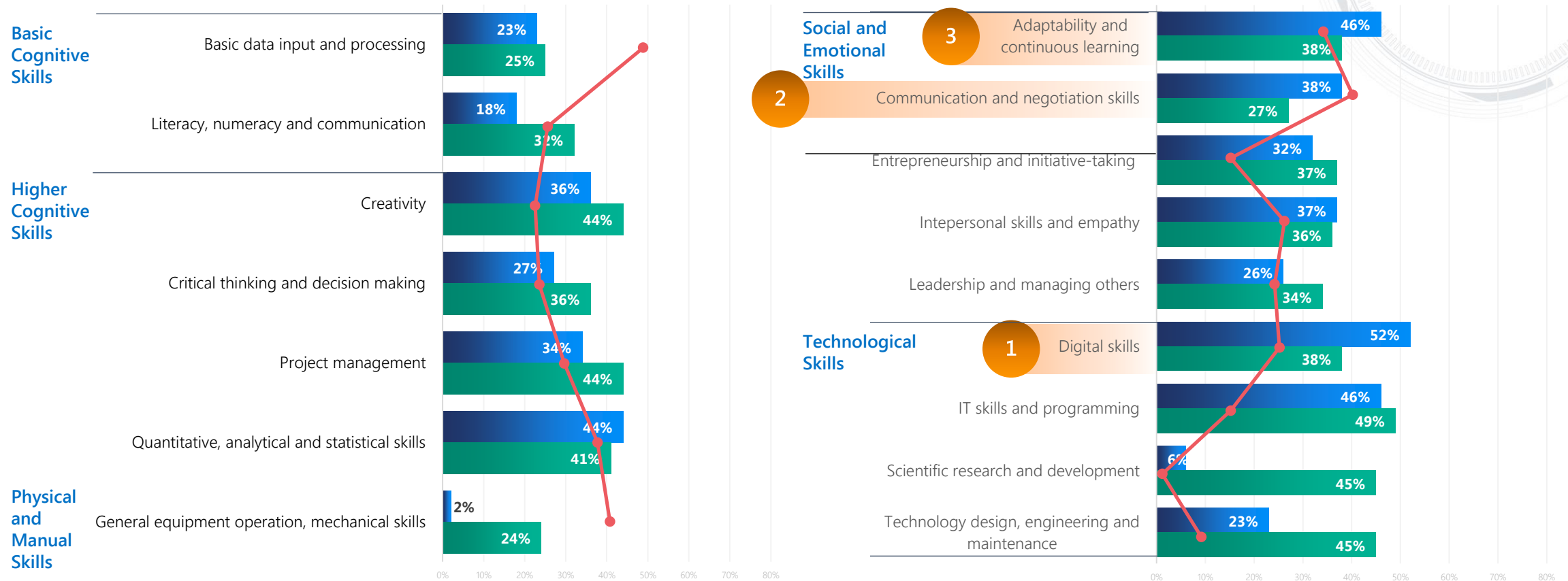
Taiwan Businesses = N = 100 Taiwan Workers = N = 104

Numbers rounded up to the nearest %

Skillsets defined here borrowed from the descriptions in the McKinsey Global Institute discussion paper of May 2018 titled Skill Shift: Automation and the future of the workforce

■ Future Skills by Business Leaders ■ Future Skills by Workers
 ■ Top Skills Demanded by Business Leaders

Skills for an AI Future: Taiwan



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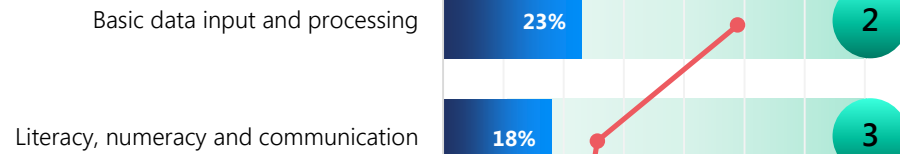
■ Future Skills by Business Leaders ■ Future Skills by Workers

○ Biggest Gaps: Future Skills Perception between Business Leaders and Workers

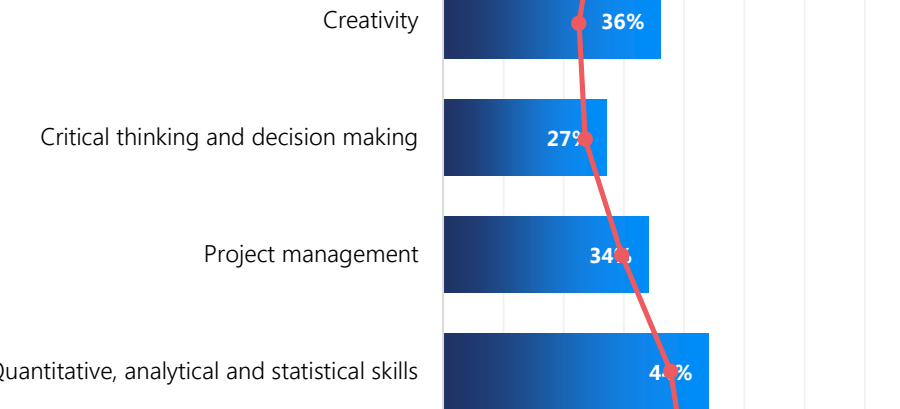
Demand and Supply of Skills in Taiwan: Today and in 3 years



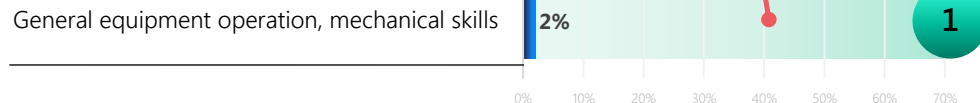
Basic Cognitive Skills



Higher Cognitive Skills



Physical and Manual Skills



Social and Emotional Skills



Technological Skills



Q: Which of these skillsets do you see most commonly available in the workforce today, and which do you think is most needed 3 years from now in the AI-enabled workplace?

Numbers rounded up to the nearest %

Taiwan Businesses = N = 100

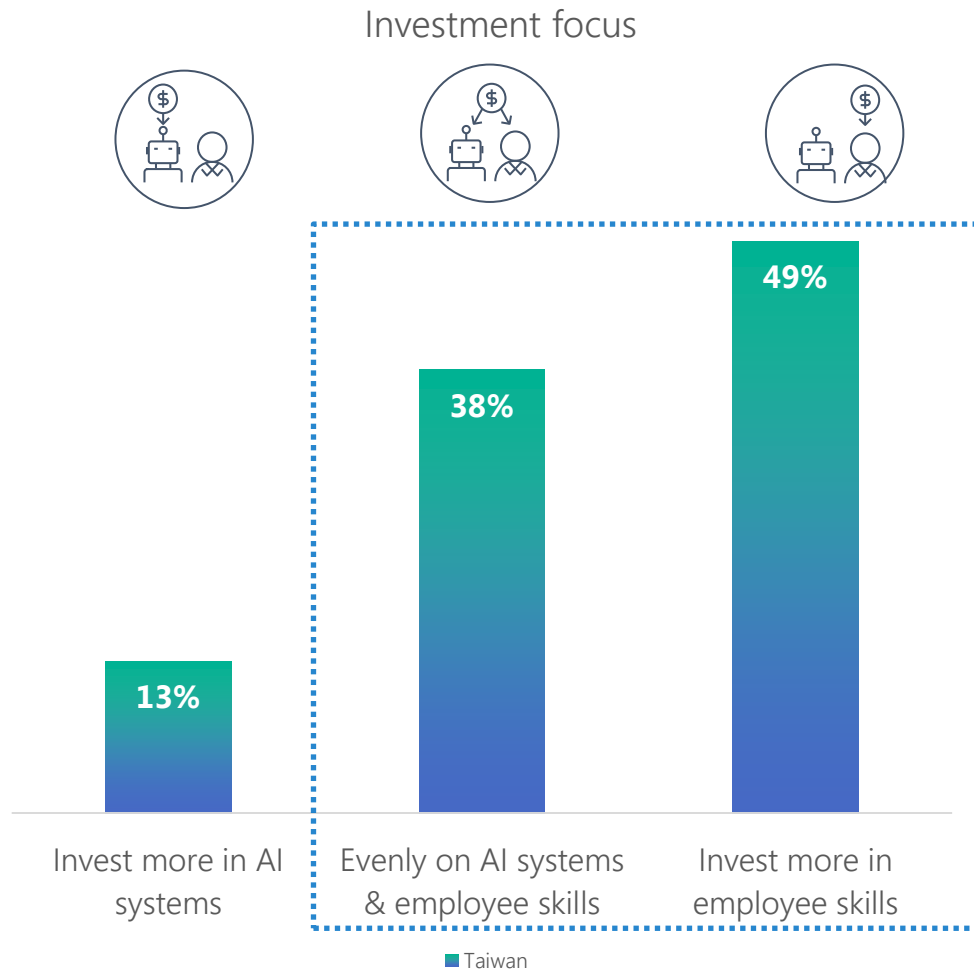
Taiwan Workers = N = 104

Skillsets defined here borrowed from the descriptions in the McKinsey Global Institute discussion paper of May 2018 titled Skill Shift: Automation and the future of the workforce

— Currently available ■ Future Skills by Business Leaders
■ Demand > Supply ■ Supply > Demand

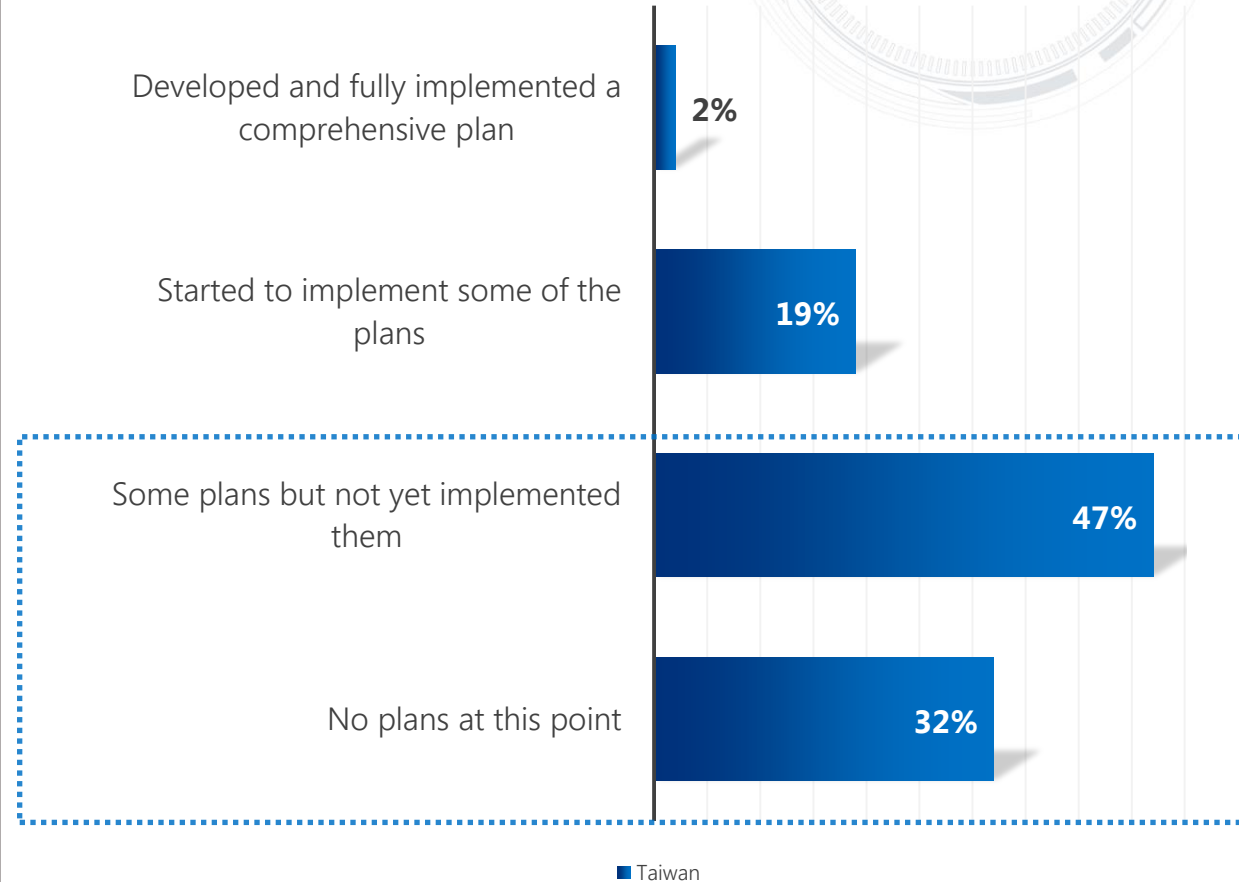
Good News: Companies are willing to invest in human capital

Bad News: They lack concrete plans



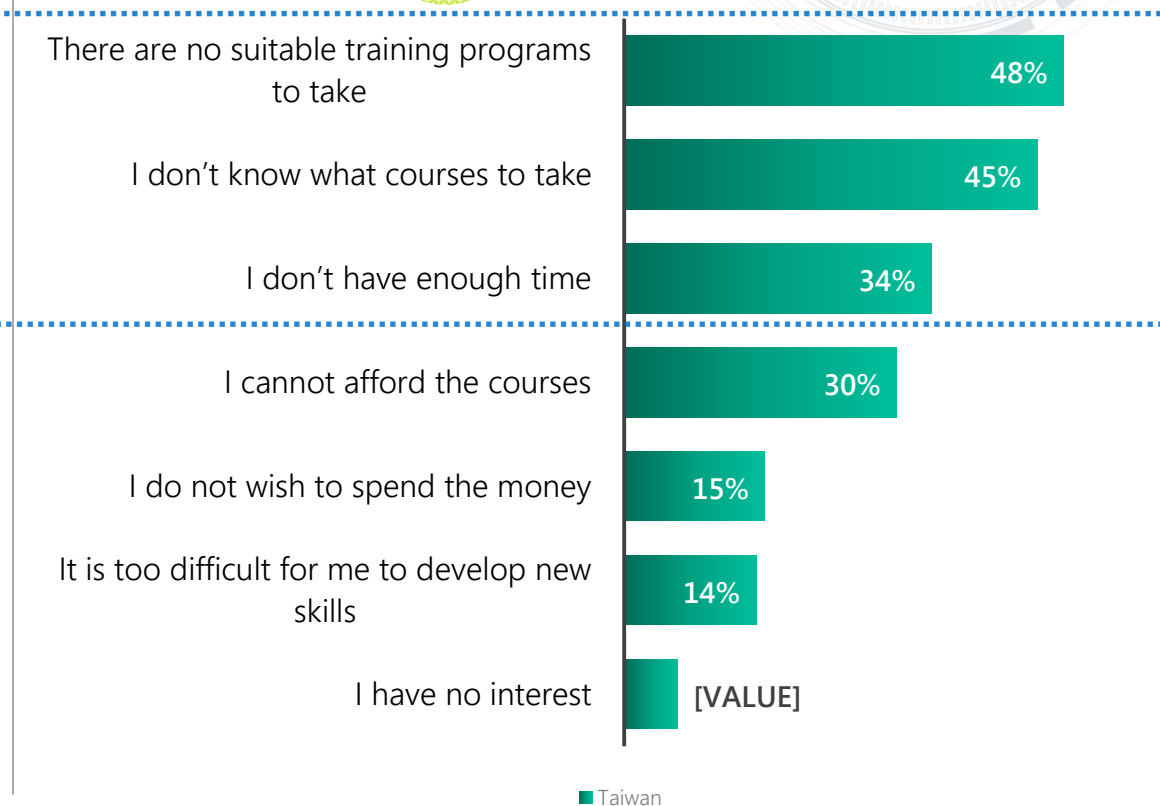
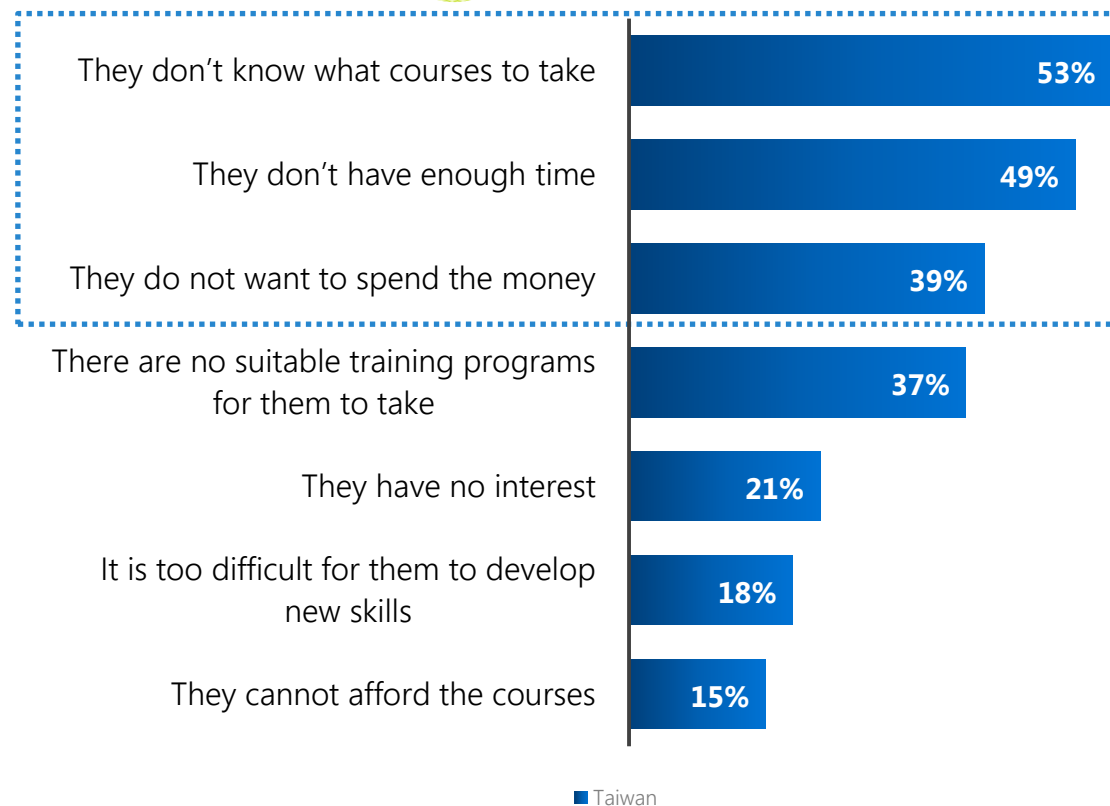
Q: Which area is your organization likely to focus its AI investments?
Taiwan Businesses = N = 100

Stage in developing an AI-ready workforce plan



Q: How is the organization taking steps to help employees acquire AI-related skills?

Time and Lack of Understanding of Where to Start are Key Challenges in Reskilling and Retraining

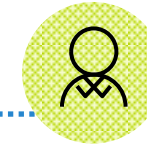
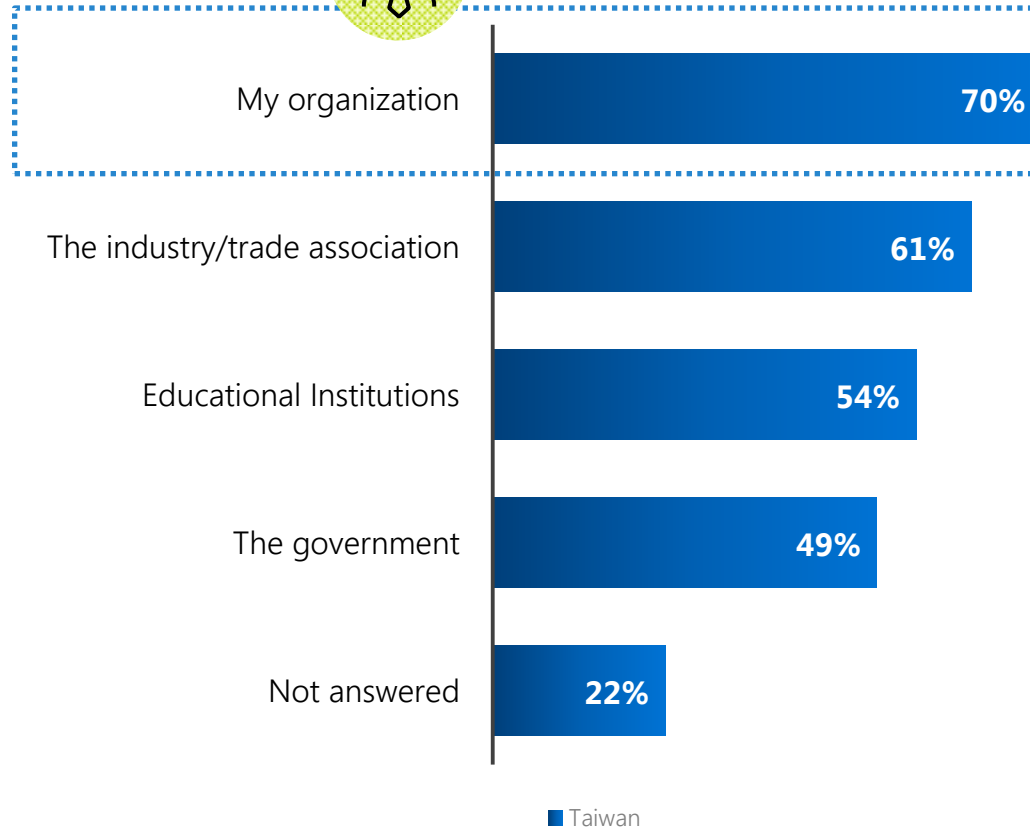


Q (Business): What are the challenges that your employees face in developing or acquiring the necessary skillsets for an AI-enabled workplace?
Q (Workers): What are the challenges that you face in developing or acquiring the necessary skillsets for an AI-enabled workplace?
Taiwan Businesses = N = 100
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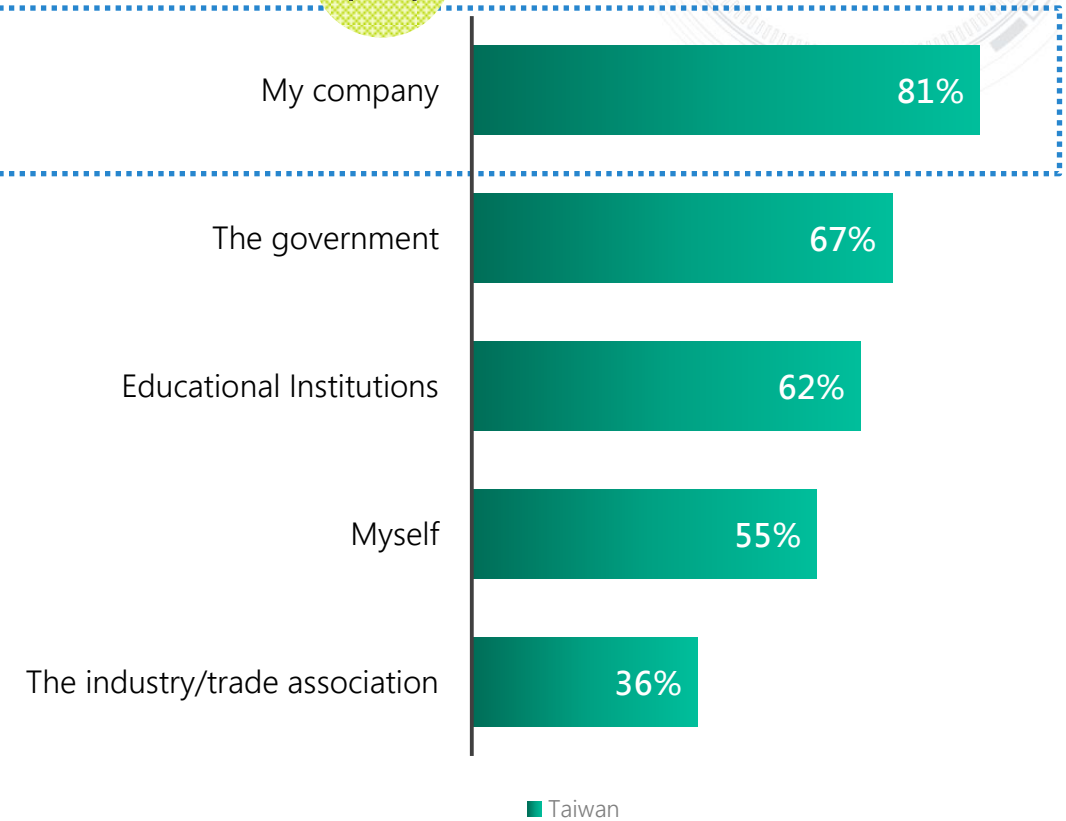
Organizations are Responsible for Retraining and Upskilling



BUSINESS



WORKERS



Q: Who do you expect should help you acquire the skills for an AI-enabled workplace through retraining or upskilling?
Taiwan Businesses = N = 100
Taiwan Workers = N = 104



**Tech intensity =
(Tech adoption)[^]Tech capability**



1. **Workforce trained** to use technology in a productive manner



2. **Foster environment** that encourages tech intensity



3. **Broad access to connectivity** to empower tools



Thank You.