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Body

Australian companies have been given an artificial intelligence reality check, with 58 per cent that have invested in artificial programs and applications saying the technology has fallen short of expectations.

Meanwhile, about 70 per cent of investors have pulled out of active deals due to AI consideration. **Cisco's** AI readiness index, undertaken for the second time this year, found 38 per cent of companies had allocated between 10 to 30 per cent of their IT budget to AI, despite many not seeing a return on the investment.

The firm's Australian chief technology officer Carl Solder said **Cisco's** index found about half of the companies surveyed found assistance from AI with processes and operations did not hit the mark. About 44 per cent saw either no or not enough improvement in the technology automating their business.

"I think the reality is that they started to appreciate the work and effort involved in getting all those building blocks squared away, and the strategy, infrastructure data governance, talent and culture," he said. "The reality is that maybe there is a bit more work that we have to do to be fully prepared." **Cisco's** Index measured the responses of 3660 senior business leaders from companies with 500 or more staff across 14 countries in the Asia Pacific. The index found just 4 per cent of the country was in a position to leverage AI, a figure that dropped from 5 per cent the previous year. Mr Solder said 92 per cent of companies were facing increasing pressure to adopt AI despite much of it not showing a return on investment over the past year. Most of that pressure came from company chief executives and boards.

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