Microsoft

The AI Strategy Roadmap: Navigating the Stages of AI Value Creation

The following materials will help you prepare your AI strategy roadmap. As you navigate the contents, we encourage you to:

1. Explore the drivers of AI readiness

and the opportunities that suit your organization's unique needs.

- Business strategy
- Technology and data strategy
- AI strategy and experience
- Organization and culture
- AI governance

Explore the drivers

2. Get guidance on the profiles of each stage

of AI readiness to map out your roadmap and create value with AI.

- Exploring
- Planning
- Implementing
- Scaling
- Realizing

Explore the stages

Introduction

Executive summary 4

Part 1

Understanding the factors that drive AI readiness

Business strategy 10
Technology and data strategy 13
AI strategy and experience 15
Organization and culture 17
AI governance 20

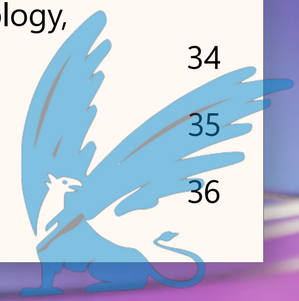
Part 2

Guidance for leaders at every stage

Exploring 26
Planning 27
Implementing 28
Scaling 29
Realizing 30

Conclusion

Conclusion 32
Definitions 33
Research, methodology, and modeling 34
Endnotes 35
Disclosures 36

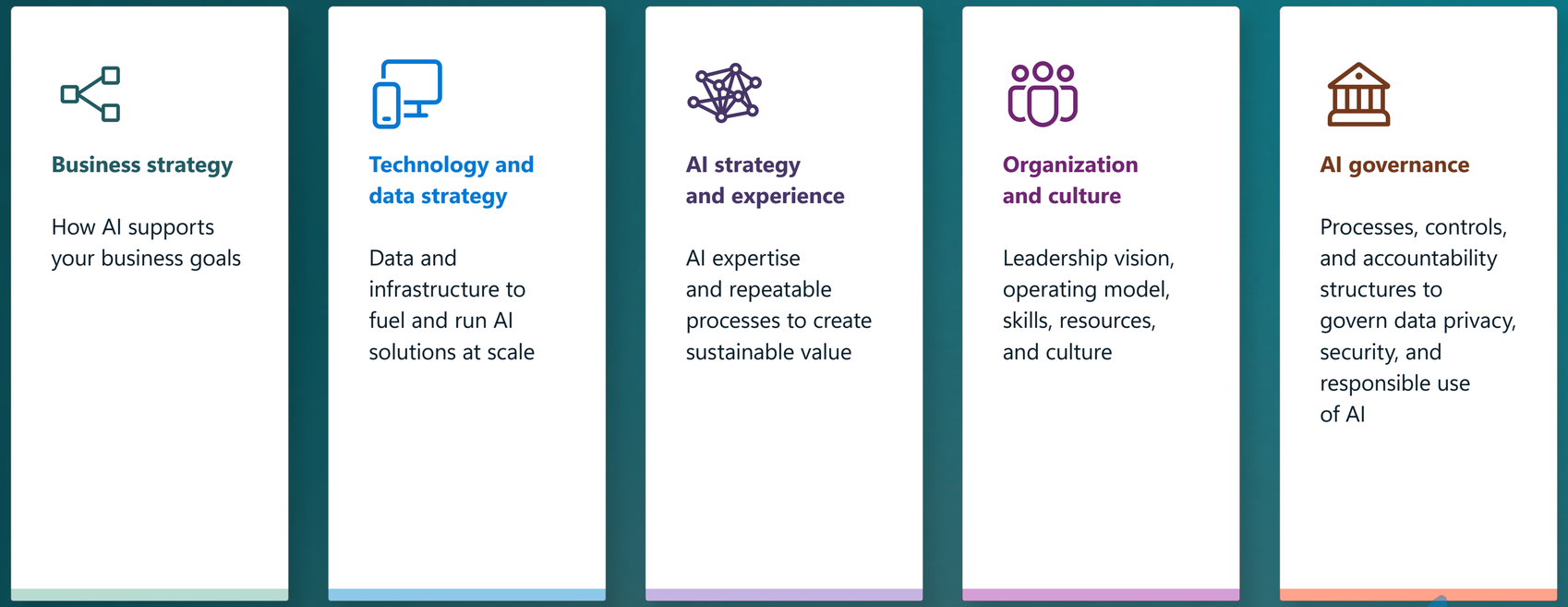


Executive summary

AI has come a long way since 1956, when John McCarthy first coined the term at a conference he organized at Dartmouth College.[1] The unprecedented pace of innovation, along with the accessibility of ChatGPT and other generative AI tools, has galvanized virtually every organization. AI is already augmenting customer and employee experience, improving business processes, and revealing opportunities for innovation and growth across teams, organizations, and industries.

Given the number of AI technologies, the number of possible uses, and the range of opportunities, it can be challenging to know what to prioritize and where to start. In *Building a Foundation for AI Success: A Leader's Guide*, we identified five drivers of organizational readiness to deliver value with AI (see Figure 1).

Figure 1: Five drivers of AI readiness



Research study from

1,300+

information technology and business leaders across a range of industries and regions

Microsoft commissioned IPSOS to conduct a research study to better understand these drivers and their impact on AI readiness, including qualitative data from experts and quantitative data from more than 1,300 information technology and business leaders across a range of industries and regions.[2] IPSOS then used the survey data to build a predictive model to help leaders focus on the highest-value actions they can take to realize value with AI.

The study that follows is based on the survey findings. It identifies emerging best practices for organizations at every stage of AI readiness and includes guidance on the next best steps that are most likely—based on your organization's unique profile—to help you achieve your goals.

Following are the key findings:

AI value creation isn't only about technology.

It's well understood that successful technology projects depend as much on people and processes as they do on the technology itself. Our research offers insights into the five drivers that contribute to an organization's readiness to deliver value with AI.

While operational efficiency and cost optimization will always be important, organizations increasingly prioritize growth-oriented use cases as they realize value from AI.

Thirty-seven percent of organizations in the most advanced AI readiness stage report a focus on use cases such as expanding their product and service portfolio and accelerating innovation, compared to 20% in the earliest stage.

Leaders tend to overestimate how prepared their organizations are to realize value from AI.

At the beginning of our survey, we asked leaders to assess their organization's level of AI readiness. We then repeated the question once they'd completed the survey. While 34% initially placed their organizations at the highest two stages of AI readiness, only 28% still did so after answering all questions, suggesting that the survey raised points they may not have initially considered. IPSOS then built a predictive model to determine where organizations would actually fall based on their answers to all questions.[3] The model yielded an even more conservative view: Only 25% fell into the highest two stages of AI readiness—nine percentage points lower than their initial assessment.

Leadership vision and support are by far the strongest drivers of success.

This doesn't replace other critical success factors. It simply means that a leader-driven AI strategy correlates most strongly with the ability to create value with AI.

Your roadmap depends on where you start.

Your AI strategy needs to account for the unique characteristics of your organization and, critically, where it is on its AI journey, whether it is just starting out with AI, in the planning stage, actively implementing AI projects, scaling AI across the business, or realizing measurable value at scale.

Part 1

This section lays out the factors that drive AI readiness and include guidance to help you accelerate your organization's ability to create value with AI.

Business strategy	10
Technology and data strategy	13
AI strategy and experience	15
Organization and culture	17
AI governance	20

There is no single path to value creation with AI, and each organization has different business models, histories, and experiences.

A company in a highly regulated industry is likely to have a well-developed set of governance processes. A larger organization that has been using machine learning or neural networks for years is likely to be well-versed in agile development methodologies. Given the newness of generative AI, most organizations are still likely to be exploring use cases and potential impacts. And, of course, individual leaders differ in their approach to technology as a business enabler.

The pages that follow represent the emerging best practices related to business strategy, technology and data readiness, AI strategy and experience, organization and culture, and AI governance. The intent is to help you identify areas of strength or opportunity so you can build or refine an AI strategy that is personalized to your organization's unique needs.

Driver 1: Business strategy

Ensuring that AI projects serve strategic business objectives

The first step in any AI business strategy is to determine what you're solving for. This will inform which use cases you'll select, how you'll prioritize them, how you'll measure success, and how you'll invest in AI for maximum impact. Clear business goals for AI promote alignment of AI projects to strategic objectives—such as efficiency and revenue generation—that the C-suite and board care about and that are therefore more likely to generate visibility and funding.

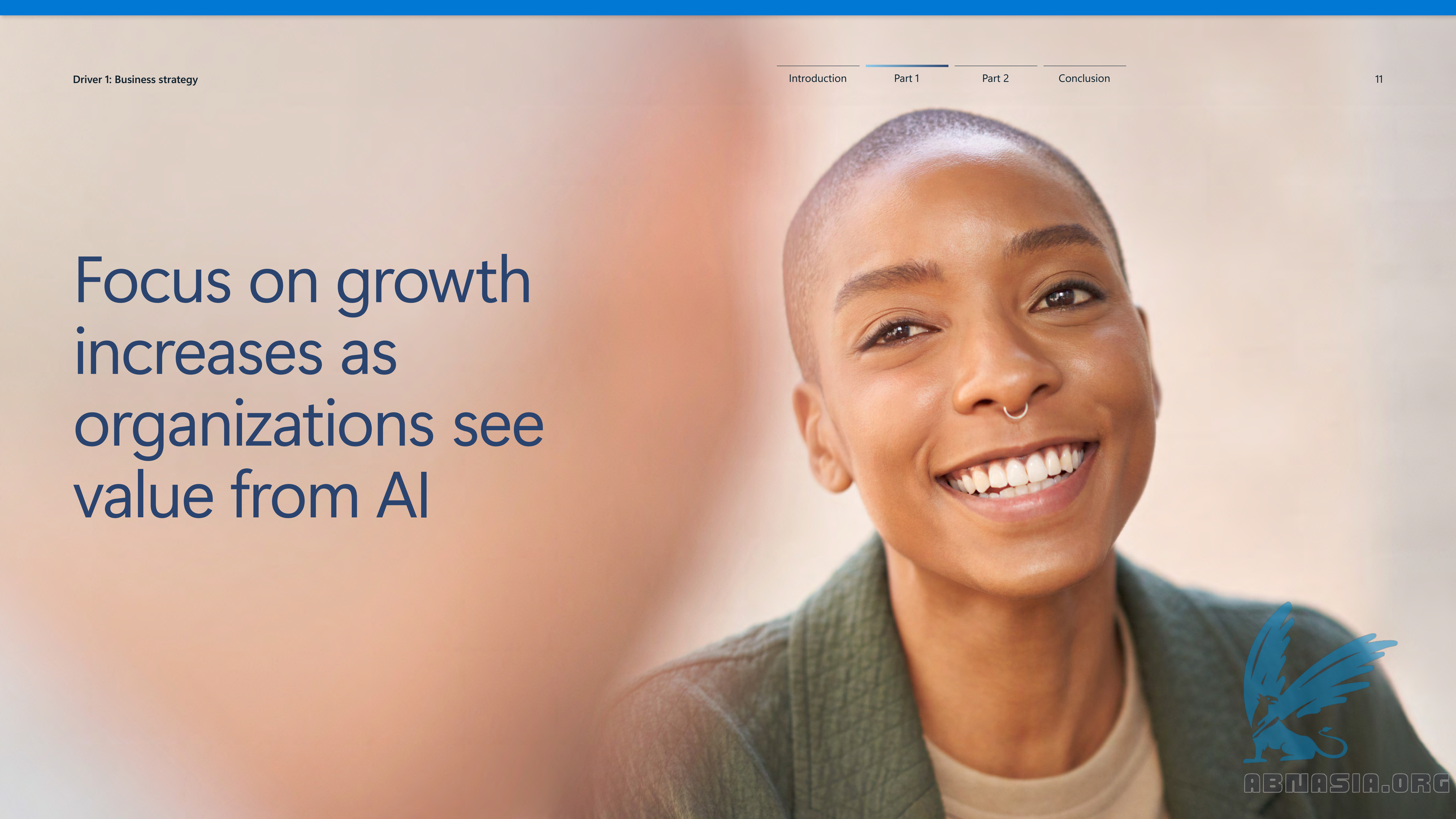
As organizations progress along their AI journey, some priorities remain at the top, while others change over time (see Figure 2). For example, organizations in the "exploring" stage should begin by making sure that their AI projects support business objectives but progress to use case selection and approval by the "planning" stage.

One area that becomes markedly more important over time is a clear investment plan for AI across the business. It stands to reason that this would be less urgent in the earlier stages, when there are fewer AI projects to manage, but it becomes critical by the time organizations reach the implementation stage as by then they tend to have a larger portfolio of AI projects to rationalize.

Figure 2: Business strategy opportunities by stage of AI readiness

Stage	Top opportunities	Next area(s)
Exploring	• AI objectives support business objectives • AI used for real-time decision-making	• Prioritized, approved, and socialized use cases for AI • A clear investment plan for AI implementation across the business
Planning	• Prioritized, approved, and socialized use cases for AI	• AI used for real-time decision-making
Implementing	• Prioritized, approved, and socialized use cases for AI	• AI objectives support business objectives • AI used for real-time decision-making • A clear investment plan or AI implementation across the business
Scaling	• Prioritized, approved, and socialized use cases for AI	• A clear investment plan for AI implementation across the business
Realizing	• Prioritized, approved, and socialized use cases for AI	• A clear investment plan for AI implementation across the business

Focus on growth increases as organizations see value from AI



Increasing operational efficiencies, reducing costs, improving productivity, and optimizing costs are the most commonly cited goals for AI among business and technology leaders. But our research also found that as organizations realize greater value from AI, they tend to increase their focus on growth-oriented objectives such as accelerating innovation, retaining and increasing revenue, and attracting investments and funding.

Figure 3 shows the percentage of organizations that report that they are seeing value at each stage of readiness, from 3% at the earliest "exploring" stage to 96% at the most advanced "realizing" stage. Figure 4 demonstrates how focus on growth nearly doubles as organizations report value from AI: 37% at the "realizing" stage prioritize growth compared to 20% in the "exploring" stage.

Figure 3: Percentage of organizations that report realizing value at each stage of AI readiness

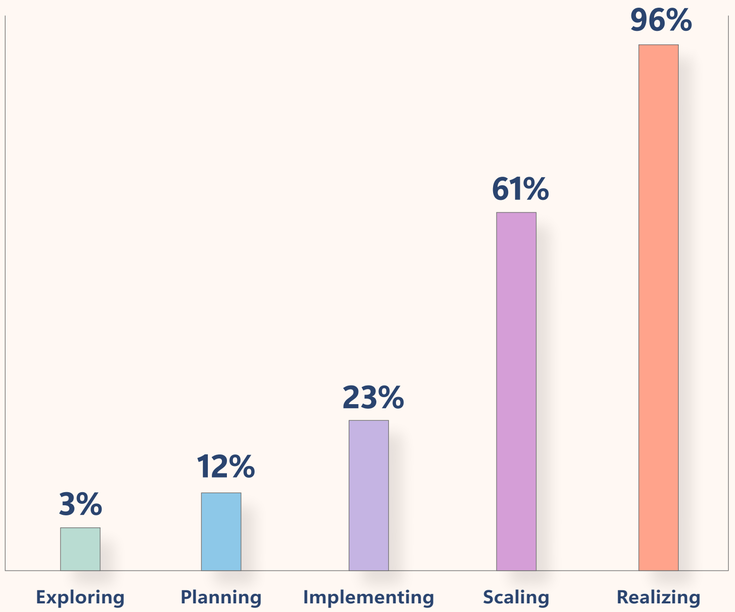
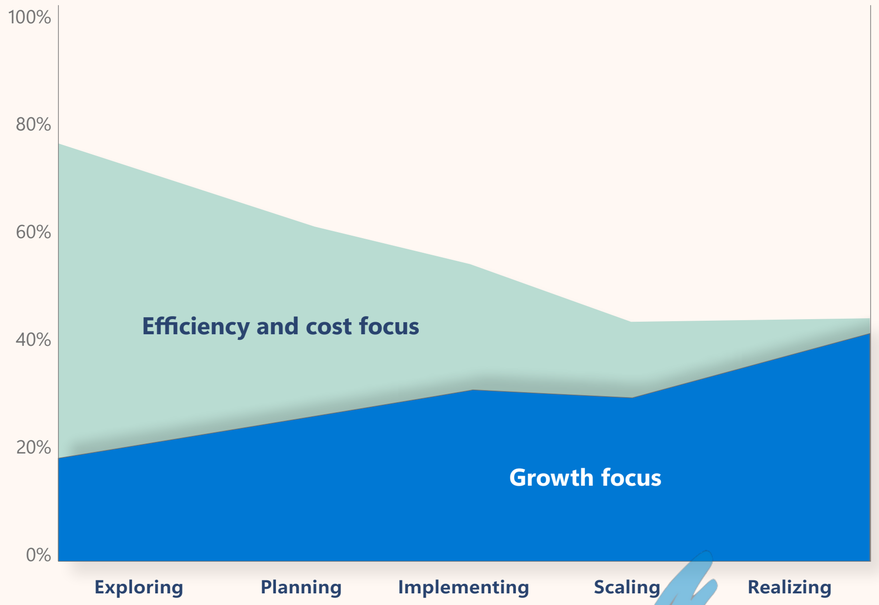


Figure 4: Focus on growth increases as organizations realize value from AI



Driver 2: Technology and data strategy

The data and infrastructure needed to deploy AI at scale

While aligning AI projects with organizational objectives is key to building a business case for AI, technology and data strategy makes it possible to progress from proof of concept to production and, eventually, scale. As shown in Figure 5, access to quality data is the first priority from the "exploring" to "implementing" stages, but it falls to second position as organizations progress to the "realizing" stage.

This is not because access to data becomes less important, but rather because the organization has addressed its initial access needs and is now concerned with higher-order questions such as whether the data is in the right format and accurately represents their target audiences and objectives.

The next priority for organizations implementing AI is, of course, a dedicated cloud infrastructure built to run large AI models at scale.

While data may be the fuel for AI, cloud infrastructure is the engine. Access to the computing power, analytics capability, storage, reliability, security, and performance capability of a cloud platform is what enables AI projects to generate value so they can move beyond the proof-of-concept stage.

Figure 5: Technology and data strategy opportunities by stage of AI readiness

Stage	Top opportunities	Next area(s)
Exploring	• Access to complete and relevant data for AI modeling purposes • Using AI for improving security	• Dedicated cloud infrastructure
Planning	• Access to complete and relevant data for AI modeling purposes	• Dedicated cloud infrastructure
Implementing	• Access to complete and relevant data for AI modeling purposes	• Dedicated cloud infrastructure • Data accurately represents relevant customers and business objectives
Scaling	• Data accurately represents relevant customers and business objectives	• Access to complete and relevant data for AI modeling purposes
Realizing	• Data accurately represents relevant customers and business objectives	• Access to complete and relevant data for AI modeling purposes • Having the right data in the right format

The good news

Most organizations already understand the importance of data and technology infrastructure. Among organizations at the “exploring” and “planning” stages, more than two out of three began with their infrastructure on premises and are already in the process of migrating to the cloud. As they continue to progress, we see a corresponding shift as more of their infrastructure moves to the cloud.

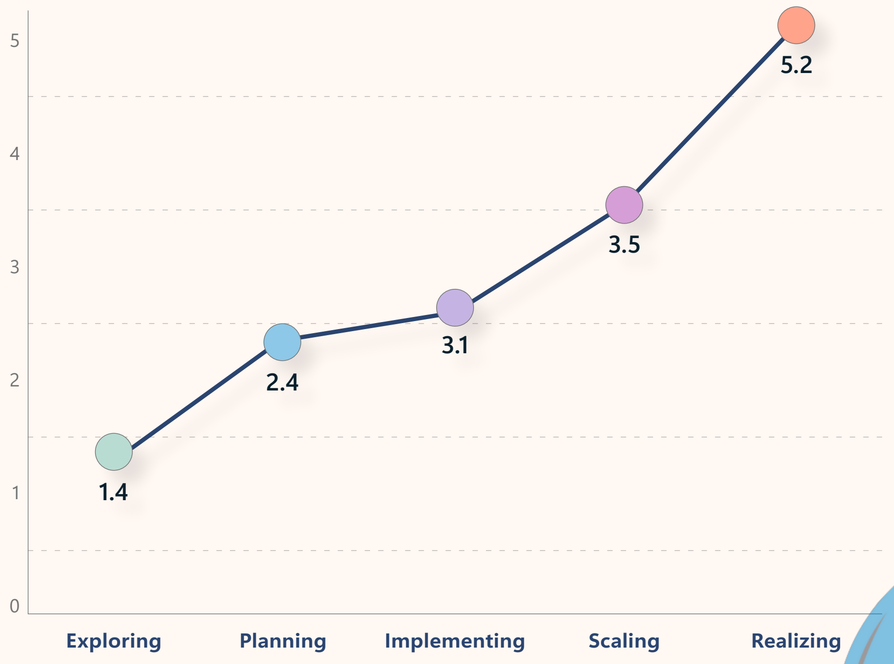
Driver 3: AI strategy and experience

The organization's understanding of, experience with, and processes to support AI at scale

AI is a spectrum of technologies with differing histories, approaches, and use cases. For the purposes of this study, we defined AI to include machine learning, neural networks, and generative AI. Despite their differences, each requires a degree of understanding (of the respective models and technologies and how to use them), repeatable processes and workflows (to enable scale), and organizational capability (to speed the path to value).

One metric that correlates with value creation is the number of departments within an organization that are using AI. Organizations in the "realizing" stage report more than three times the number of departments using AI as those in the "exploring" stage. (See Figure 6.)

Figure 6: Average number of departments using AI in their day-to-day functions



It’s (mostly) about the use cases

For those in the “exploring” stage, the priorities are people (diverse business and technology roles and experiences) and processes (standard, repeatable processes to develop and deploy AI solutions). Once the organization is in the “implementing” stage, however, the focus shifts to aligning AI models with use cases, as using the right tool for the right job can make or break the ability to realize value (see Figure 7).

Interestingly, repeatable processes and workflows shift back to first position at the “scaling” and “realizing” stages, albeit with a different focus this time. While organizations are keen to develop repeatable processes and workflows at the beginning of their AI journey, their focus later shifts to scaling them so they can enable systematic, repeatable ROI across the business. This also tracks with the fact that AI has higher stakes at the later stages, as by now it has proliferated across much more of the organization.

Figure 7: Drivers of AI strategy and experience by stage of AI readiness

Stage	Top opportunities	Next area(s)
Exploring	• Processes to create a standard repeatable process for development and deployment of AI • Diversity of roles and experiences of people involved in AI projects	Identifying AI models best suited for an organization’s AI use cases
Planning	• Identifying AI models best suited for an organization’s AI use cases	Processes and workflows to create a standard repeatable process for development and deployment of AI
Implementing	• Identifying AI models best suited for an organization’s AI use cases	Diversity of roles and experiences of people involved in AI projects
Scaling	• Processes and workflows to create a repeatable process for development and deployment of AI solutions	Identifying AI models best suited for an organization’s AI use cases
Realizing	• Processes and workflows to create a repeatable process for development and deployment of AI solutions	Identifying AI models best suited for an organization’s AI use cases

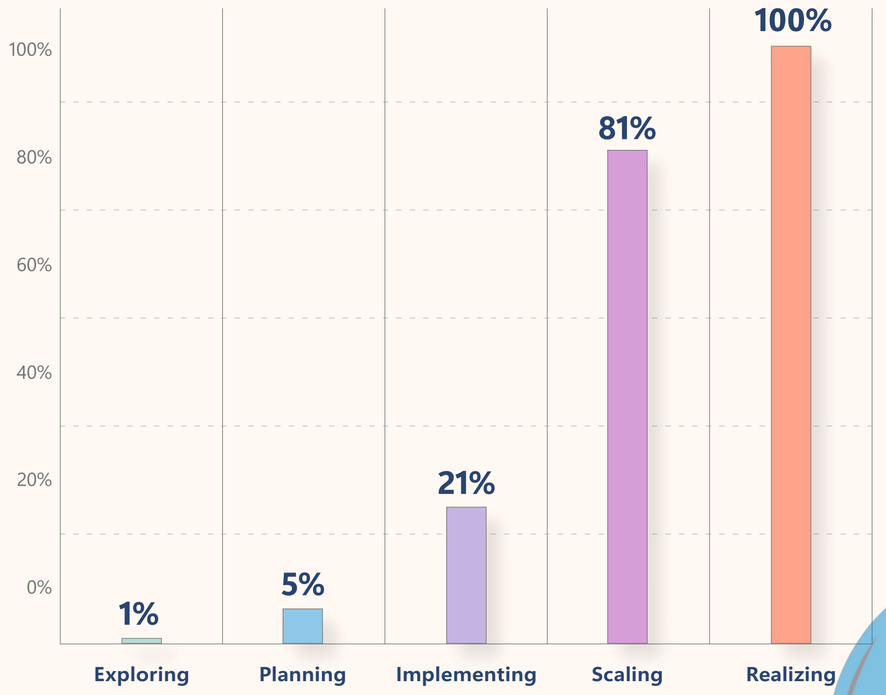
Driver 4: Organization and culture

Operational and human factors that support value creation with AI

Senior leaders play a critical role in the organization's ability to create value with AI. One hundred percent of leaders of organizations at the "realizing" stage have clearly communicated their vision of, and commitment to, AI as critical to the business, compared to 1% at the "exploring" stage (see Figure 8).

This does not mean that leadership support replaces other critical success factors. It simply means that a leader-driven AI strategy is most strongly associated with AI value creation, especially when considering that business objectives, investment strategy, and resourcing all start at the top and require ongoing leadership support.

Figure 8: Percentage of organizations whose leadership clearly communicates vision and commitment to AI



100%

of leaders of organizations at the “realizing” stage have clearly communicated their vision of, and commitment to, AI as critical to the business.

Many additional factors contribute to the ability to realize value with AI (see Figure 9). The availability of AI subject-matter experts is the second organizational priority for all levels, as they contribute to institutional knowledge and ground what's possible in practical realities. An operating model for AI—whether it's a center of excellence (also called a "center of enablement") or an aligned team of experts—becomes a necessity as AI becomes more prevalent throughout the organization and requires more programmatic attention.

We also see that organizations tend to add a chief AI officer as they mature in their use of AI. The survey shows that 64% of organizations in the "realizing" stage have appointed a chief AI officer, compared to 6% in the "exploring stage". Finally, a culture that values agile decision-making and the scientific method is an important driver of success, as it creates a climate for testing and learning that is essential to continuous improvement and organizational agility.

Percentage of organizations that have appointed a chief AI officer

64% in the "realizing" stage

36% in the "scaling" stage

18% in the "implementing" stage

9% in the "planning" stage

6% in the "exploring" stage

Figure 9: Organization and culture opportunities by stage of AI readiness

Stage	Top opportunities	Next area(s)
Exploring	Leadership has clearly communicated vision and importance of AI	• Availability of experts to contribute to AI projects
Planning	Leadership has clearly communicated vision and importance of AI	• Availability of experts to contribute to AI projects
Implementing	Leadership has clearly communicated vision and importance of AI	• Availability of experts to contribute to AI projects
Scaling	Leadership has clearly communicated vision and importance of AI	• Availability of experts to contribute to AI projects
Realizing	Leadership has clearly communicated vision and importance of AI	• Availability of experts to contribute to AI projects • Employee understanding of how AI supports strategy

Driver 5: AI governance

The processes, controls, and accountability structures to govern AI at scale

AI governance—encompassing data privacy, security, and responsible development and use of AI—did not emerge as a top overall driver of AI value in this study, suggesting perhaps that both IT and business decision-makers see AI governance as an organizational necessity rather than an enabler of business value. This may seem surprising given its critical importance for reducing risk and promoting trust, but a deeper look yields some useful insights.

On average, organizations reported the lowest readiness scores in AI governance (49% in the "exploring" and "planning" stages) compared to the other four drivers. Industry affiliation matters as well; organizations in highly-regulated industries are, understandably, likely to be more advanced in their AI governance maturity. For example, the healthcare industry reported the highest percentage in the top two stages (26%) compared to the average (22%). It is possible that these numbers may change as the regulatory landscape evolves. Nevertheless, AI governance—comprising security, data privacy, and responsible development and deployment of AI systems—remains a critical enabler of business value and trust.

In the early stages, organizations can most effectively increase their AI readiness by focusing on processes and controls for transparency and explainability of AI tools (see Figure 10). Security and compliance of third-party tools ties for the first position in the "exploring" stage, while the focus on using AI to proactively prevent malicious attacks increases as organizations move into the "planning" stage.

By the time they have reached the "realizing" stage, however, organizations are looking at a more complex and sophisticated AI environment. At this stage, priority is given to systems and processes to inform users of the applicable use cases of models and tools, along with performance metrics to identify issues and opportunities that may be affecting results.

On average, organizations reported the lowest readiness scores in AI governance (49% in the "exploring" and "planning" stages) compared to the other four drivers.

Figure 10: AI governance opportunities by stage of AI readiness

Stage	Top opportunities	Next area(s)
Exploring	• Controls for ensuring transparency, explainability, and interpretability of results • Security and compliance for third party sharing of AI-generated data	• Assessing the impact of AI on people, organizations, and society • AI system accountability for bias, impacts, safety, and security
Planning	• Controls for ensuring transparency, explainability, and interpretability of results • Security and compliance for third party sharing of AI-generated data	• AI system accountability for bias, impacts, safety, and security
Implementing	• Controls for ensuring transparency, explainability, and interpretability of results • AI proactively prevents cyberattacks on infrastructure and data	• AI system accountability for bias, impacts, safety, and security
Scaling	• Systems to inform AI use cases, performance metrics, and limitations	• AI proactively prevents cyberattacks on infrastructure and data • System to address copyright and IP ownership • Controls for storage, processing, and sharing of sensitive information and personally identifiable information (PII) • Controls for ensuring transparency, explainability, and interpretability of results
Realizing	• Systems to inform AI use cases, performance metrics, and limitations	• Controls for storage, processing, and sharing of sensitive information and personally identifiable information (PII)

Part 2

This section gives guidance for leaders at every stage of AI readiness to map out your roadmap and create value with AI.

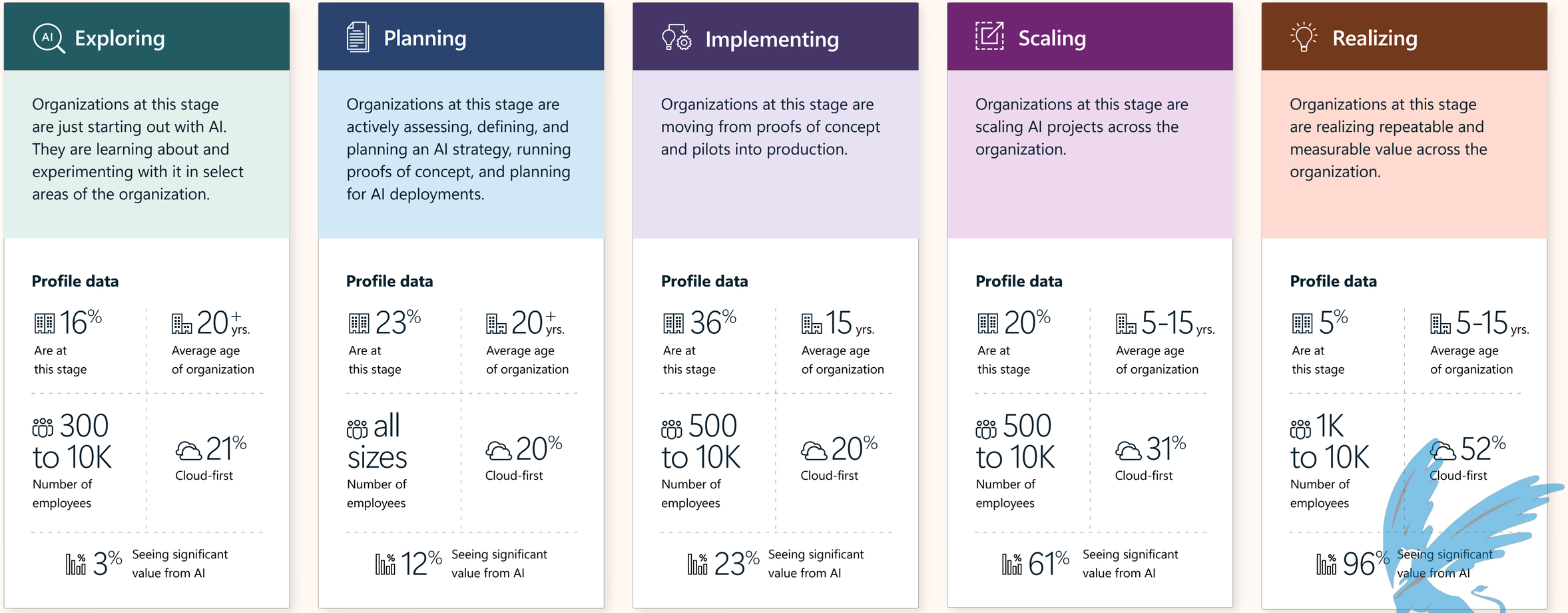
Exploring 26
Planning 27
Implementing 28
Scaling 29
Realizing 30

Your roadmap to creating value with AI depends on where you are on your AI journey.

What makes sense for a midsize, cloud-first retailer in the United States may not be relevant for a German pharmaceutical company, a Japanese manufacturer, or a financial services firm based in India. Similarly, your next best step depends on where you are today—whether you're starting to explore AI, are in the planning phase, or are scaling large implementations across the business. Each stage comes with a set of priorities that lays the foundation for the next stage.

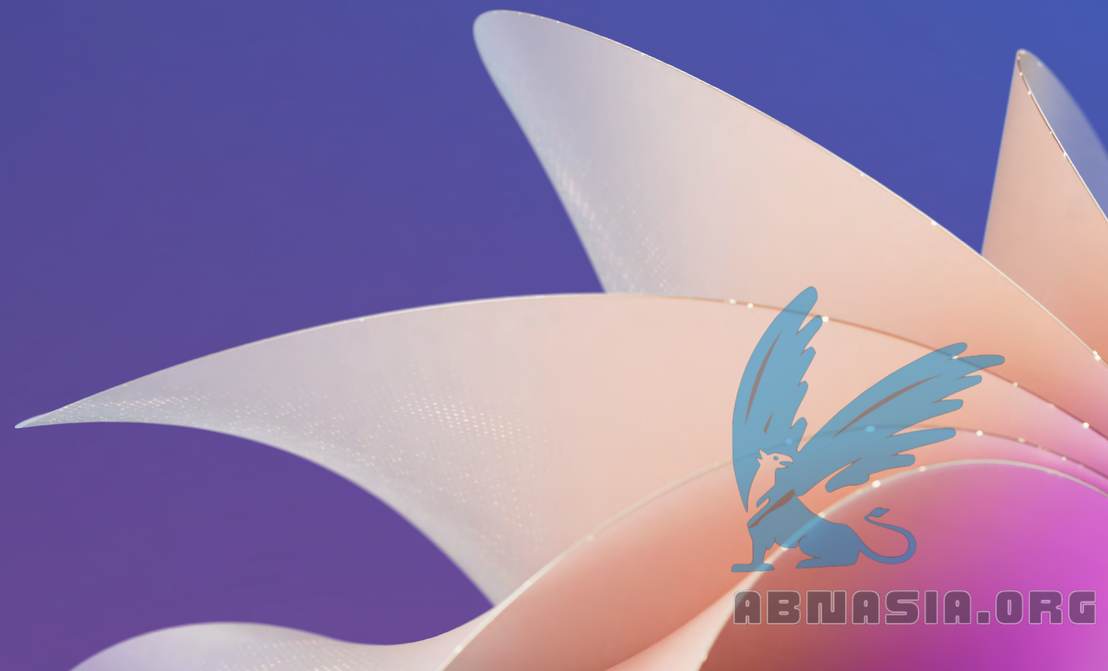
Figure 11, on the following page, describes the five stages of AI readiness we have identified based on our survey data.

Figure 11: Profiles of each stage of AI readiness



The next section lays out the most effective steps you can take now to build momentum toward your goals, based on your organization's stage of readiness.

The charts on the following pages use standard competition ranking (also known as "1224" ranking, as used in sports such as golf), to assign the priority of each opportunity. This means that if there's a tie among opportunities, two or more have equal priority.



Stage 1: Exploring

If your organization is largely in the "exploring" stage, the most effective focus area is AI strategy and experience. This means gaining as much knowledge and experience with AI models as possible, ideating on potential processes or workflows to create or optimize, and building a diverse team that reflects the input of multiple stakeholder groups and experiences.

We also see a three-way tie for second position among technology and data strategy, organization and culture, and business strategy, reflecting that each of these drivers has comparable priority at this stage.

Top opportunities at the exploring stage

AI strategy and experience

Rank #1

- Processes to create a standard repeatable process for development and deployment of AI
- Diversity of roles and experiences of people involved in AI projects
- Identifying the AI models best suited for their respective AI use cases

Technology and data strategy

Rank #2 (tie)

- Access to complete and relevant data for AI modeling purposes
- Using AI for improving security
- Dedicated cloud infrastructure

Organization and culture

Rank #2 (tie)

- Leadership has clearly communicated vision and importance of AI
- Availability of experts to contribute to AI projects

Business strategy

Rank #2 (tie)

- AI objectives support business objectives
- AI used for real-time decision-making
- Prioritized, approved, and socialized use cases for AI
- A clear investment plan for AI implementation across the business

AI governance

Rank #5

- Controls for ensuring transparency, explainability, and interpretability of results
- Security and compliance for third-party sharing of AI generated data
- Assessing the impact of AI on people, organizations, and society
- AI system accountability including bias, impacts, safety, and security

Stage 2: Planning

As organizations move into this stage, a more formalized business strategy becomes the priority, as a strong business case is critical to any project's ability to move from proof of concept to implementation and scale. The priorities should be to identify the use cases most likely to drive value and align on how you will measure impact.

At this stage, we see a two-way tie for the second priority between technology and data strategy and organization and culture. This reflects the importance of choosing the right use cases to ensure that AI projects map to business priorities, access to complete and relevant data and a robust cloud infrastructure, as well leadership vision and support.

Top opportunities at the planning stage

Business strategy	Technology and data strategy	Organization and culture	AI strategy and experience	AI governance
Rank #1	Rank #2 (tie)	Rank #2 (tie)	Rank #4	Rank #5
• Prioritized, approved, and socialized use cases for AI • AI used for real-time decision-making	• Access to complete and relevant data for AI modeling purposes • Dedicated cloud infrastructure	• Leadership has clearly communicated vision and importance of AI • Availability of experts to contribute to AI projects	• Identifying AI models best suited for its AI use cases • Processes to create a standard repeatable process for development and deployment of AI	• Controls for ensuring transparency, explain-ability, and interpret-ability of results • AI system accountability measures including bias, impacts, safety, and security • Security and compliance for third-party sharing of AI generated data

Stage 3: Implementing

At this stage, the organization has addressed its initial AI platform and data needs and is now preparing to scale, which requires strong leadership support as well as AI and business expertise.

At this point, the focus should shift to organization and culture, which encompasses operations, skills, resources, leadership vision, and cultural readiness. This will prepare you for the next two stages: scaling AI solutions and realizing consistent and measurable value. Business strategy remains in second position, tied with AI strategy and experience.

Top opportunities at the implementing stage

Organization and culture

Rank #1

- Leadership has clearly communicated vision and importance of AI
- Availability of experts to contribute to AI projects

Business strategy

Rank #2 (tie)

- Prioritized, approved, and socialized use cases for AI
- AI objectives support business objectives
- AI used for real-time decision-making
- A clear investment plan for AI implementation across the business

AI strategy and experience

Rank #2 (tie)

- Identifying AI models best suited for AI use cases
- Diversity of roles and experiences of people involved in AI projects

Technology and data strategy

Rank #4

- Access to complete and relevant data for AI modeling purposes
- Data accurately represents relevant customer base and business objectives
- Dedicated cloud infrastructure

AI governance

Rank #5

- Controls for ensuring transparency, explain-ability, and interpret-ability of results
- AI proactively prevents attacks to infrastructure and data
- AI system accountability measures including bias, impacts, safety, and security

Stage 4: Scaling

By the time they have reached the "scaling" stage, organizations have deployed AI applications and systems across a few of their business functions. Organization and culture continue to be the top priority, while business strategy remains in second position, likely reflecting a focus on identifying and evaluating new use cases.

At this stage we also see the rising importance of a clear investment plan for AI, given the increasing prevalence of AI across the business and the importance of rationalizing the AI portfolio. From an industry perspective, we see that banking, financial services, and insurance over-index at this stage.

Top opportunities at the scaling stage

Organization and culture

Rank #1

- Leadership has clearly communicated vision and importance of AI
- Availability of experts to contribute to AI projects

Business strategy

Rank #2

- Prioritized, approved, and socialized use cases for AI
- A clear investment plan for AI implementation across the business

AI strategy and experience

Rank #3

- Creating repeatable processes and work-flows for development and deployment of AI solutions
- Identifying AI models best suited for its AI use cases

Technology and data strategy

Rank #4

- Data accurately represents relevant customer base and business objectives
- Access to complete and relevant data for AI modeling purposes

AI governance

Rank #5

- Systems to inform stakeholders about applicable use cases of AI, performance metrics, and limitations
- AI proactively prevents attacks to infrastructure and data
- System to address copy-right and IP ownership
- Controls for storage, processing, and sharing of sensitive information and personally identifiable information
- Controls for ensuring transparency, explain-ability, and interpretability of AI results and tools

Stage 5: Realizing

By the time an organization has reached the "realizing" stage, it has demonstrated success in scaling AI projects and is achieving consistent and measurable value across the organization. Priorities are essentially similar to the "scaling" stage.

The most common industries in this stage are healthcare, technology, and retail, which are using AI applications and AI-enabled solutions across most of their business functions.

Top opportunities at the realizing stage

Organization and culture

Rank #1

- Leadership has clearly communicated vision and importance of AI
- Availability of experts to contribute to AI projects
- Employee under-standing of how AI supports strategy

Business strategy

Rank #2

- Prioritized, approved, and socialized use cases for AI
- A clear investment plan for AI implementation across the business

AI strategy and experience

Rank #3 (tie)

- Creating repeatable processes and work-flows for development and deployment of AI solutions
- Identifying AI models best suited for its AI use cases

Technology and data strategy

Rank #3 (tie)

- Data accurately represents relevant customer base and business objectives
- Access to complete and relevant data for AI modeling purposes
- Having the right data in the right format

AI governance

Rank #5

- Systems to inform stakeholders about applicable use cases of AI, performance metrics, and limitations
- Controls for storage, processing, and sharing of sensitive information and personally identifiable information

Conclusion

Conclusion	32
Definitions	33
Research, methodology, and modeling	34
Endnotes	35
Disclosures	36

Conclusion

This research is intended to share what we've learned from business and IT decision-makers about the emerging best practices for creating value with AI, and how they evolve as organizations progress along their AI journey. We hope these insights help you chart your path with a greater degree of clarity and confidence.

Take the next step on your AI transformation journey

1

Explore Microsoft AI solutions and see how Microsoft is empowering the world to achieve more with AI

2

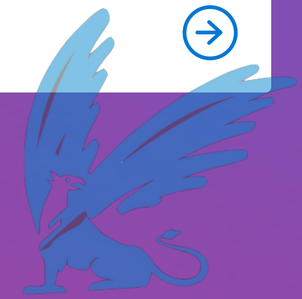
Learn how to plan, strategize, and scale AI projects on Microsoft Learn

3

Discover Microsoft Copilot, your everyday AI companion for work and life

4

Try the free version of Microsoft Copilot



Definitions

AI (artificial intelligence) (1950s):
the theory and development of computer systems that are able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision making, and translation between languages[4]

Machine learning (1990s):
a subset of AI and computer science where algorithmic models are trained to learn from existing data to make decisions or predictions

Deep learning (2010s):
a machine learning technique that uses layers of neural networks to process data and make decisions

Generative AI (2020s):
a type of AI technology that uses algorithmic models to create new written, visual, and auditory content when given prompts or existing data

Research, methodology, and modeling

Market	Total	IT decision-makers	Business decision-makers
United States	n=500	251	249
India	n=200	100	100
United Kingdom	n=200	100	100
Germany	n=207	103	104
Japan	n=206	105	101

The research behind this e-book included multiple phases conducted by IPSOS on behalf of Microsoft. In August of 2023, IPSOS conducted an expert workshop with representatives from business and academia. They then conducted a quantitative survey of enterprise business and IT decision-makers (BDMs and ITDMs) on the topic of AI readiness and success from September to October of 2023.

These decision-makers had budget responsibility; covered a mix of business functions, departments, and industries; and represented enterprise or higher mid-market organizations (500+ employees for U.S. organizations, 300+ employees for global markets). We obtained input from more than 1,300 decision-makers in multiple markets including the United States, India, United Kingdom, Germany, and Japan.

The survey included more than 40 questions related to each of the five drivers of AI success: business strategy, technology and data strategy, AI strategy and experience, organization and culture, and AI governance. The analyses and models described in this paper were created using multinomial logit analysis to predict the readiness level of each driver using the items in the survey for each and then the overall readiness from the predicted assessments of the five drivers.

For each stage of AI readiness, the study identified typical values to represent the stage's characteristics and opportunities. For example, in the initial "exploring" stage, the responses to all of the scale questions were set at a value of 1. Similarly, for the planning stage, all questions were set at a value of 2. The values serve as standard examples for each stage. However, the specific recommendations for an organization might differ, depending on the organization's unique situation and opportunities.

Endnotes

1. Grace Solomonoff, “The Meeting of the Minds that Launched AI,” May 6, 2023, accessed February 29, 2024, The Meeting of the Minds That Launched AI - IEEE Spectrum.

2. Please see the “Research, methodology and modeling” overview for more detail on the research and analytical approaches that support this study.

3. IPSOS created the analyses and models described in this paper using multinomial logit analyses to predict the readiness level of each driver using the items in the survey for each driver and then the overall readiness from the predicted assessments of the five drivers. The multinomial logit analysis produces probabilities for each level of readiness, which allows for identifying the differential opportunities that exist for each. To determine the next best opportunity, we took the predicted probabilities and calculated the expected value of readiness in each case, then estimated the increase in the expectation from increasing each item respectively.

4. Oxford Reference. Overview: Artificial Intelligence. Retrieved August 14, 2023, from Artificial intelligence - Oxford Reference.

Disclosures

About IPSOS

Ipsos is one of the world's largest insights and analytics companies, present in 90 markets and employing more than 18,000 people. Our research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers, or employees. We serve more than 5,000 clients across the world with 75 business solutions. ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP www.ipsos.com.