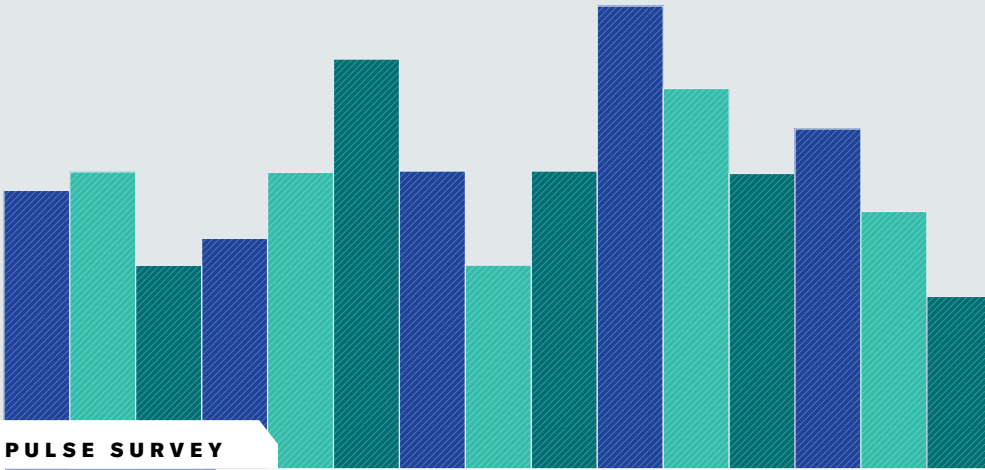




**Harvard
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ANALYTIC SERVICES



PULSE SURVEY

Realizing the Generative AI Opportunity:

Embracing Change to Create Business Value



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Generative artificial intelligence (gen AI) has sparked a revolution, and today's organizations are racing to unlock the technology's business value. Expected to reshape the economy over the next few years, gen AI will have a massive impact across all industries. Goldman Sachs forecasts a \$7 trillion increase in global GDP and a 1.5 percentage point boost in productivity growth over a 10-year period. With this technology being set to impact two-thirds of U.S. and EU jobs, organizations are feeling pressure to keep up the pace. But how? What is the best way to implement gen AI to stay in the forefront and maximize ROI? And how do you do it securely and effectively?

One thing is for certain—there is no one-size-fits-all solution for gen AI, and there are multitudes of options. These include choosing between building or buying foundation models, exploring prompt engineering approaches, or developing custom gen AI solutions.

The human factor also plays a crucial role in gen AI implementation. Organizations face a skills gap as they rush to leverage this technology. Effective change management becomes essential to help employees embrace and effectively use gen AI tools. This change management involves training programs and creating a culture that supports innovation while addressing concerns about job security and technological change.

Navigating these complex decisions can be overwhelming, especially if you're just getting started. But as you progress in your gen AI journey, you'll gain insights into effective strategies and foundational components, leading to more structured, long-term solutions.

At AWS, we recognize the challenges in embracing this transformative technology. Organizations need guidance to select the right strategy—one that includes a plan for managing and mitigating risks associated with gen AI. In this process, support from AWS partners can be invaluable. These partners can offer expertise in implementing gen AI solutions, helping organizations overcome technical hurdles and develop effective change management strategies. They can also assist in customizing gen AI applications to meet specific industry needs and ensuring compliance with data privacy and security regulations.

While we offer a wealth of guidance at AWS alongside our partners, we also want to provide you with deeper insights. That's why AWS sponsored a report by Harvard Business Review Analytic Services to examine obstacles preventing organizations from fully adopting gen AI. In doing so, we aim to help readers like you accelerate your artificial intelligence journey responsibly and with confidence.

As you explore how to ideate, nurture, and leverage gen AI, you will become more adept at structuring solutions for repeatable success. The goal is to innovate while tackling the unique challenges that impact your productivity, efficiency, and customer experiences. We encourage you to leverage these resources and consider the ways in which organizations in this report have responded to gen AI. With these learnings, we hope you feel inspired and better prepared to harness gen AI and stay competitive in this rapidly evolving technological landscape.

Realizing the Generative AI Opportunity:

Embracing Change to Create Business Value

There is a great deal of expectation around how generative artificial intelligence (gen AI) will substantially transform businesses and create value. Broadly, gen AI describes artificial intelligence that learns from existing data to generate new, unique content, including audio, source code, images, text, and videos. Due to these humanlike capabilities, organizations in a wide variety of sectors around the world are planning to implement gen AI or are on the journey of piloting and scaling use cases. Embracing change is critical, as now is the time to extract value from gen AI and scale it to be truly functional—or else face the prospect of losing ground.

“Gen AI is not optional,” says Abid Rahman, senior vice president of innovation at Chicago-based Eversana, a global provider of commercial services to the life sciences and pharmaceutical industry. “Every industry and every company should be looking at gen AI. If they don’t, they’re going to fall behind. It’s really as simple as that.”

While many executives believe it’s important to adopt gen AI, organizations are not yet fully prepared to do so. In June 2024, Harvard Business Review Analytic Services conducted a global survey of 257 respondents from the *Harvard Business Review* audience, each involved in their organization’s decisions about using, or not using, gen AI. The survey shows that while 60% of respondents believe gen AI is a priority for their organization, fewer (48%) say their organization is ready to adopt it. Survey results also surfaced an urgency to act, as a vast majority of respondents (83%) agree that if businesses in their organization’s industry don’t use gen AI, they will get left behind.

HIGHLIGHTS



83% of survey respondents believe that if businesses in their organization's industry **don't use generative AI (gen AI)**, they will get left behind.



81% say that gen AI is going to **transform their organization's industry**.



60% agree that gen AI is a **priority for their organization**, but fewer (48%) agree their organization is ready to adopt gen AI.

Due to rounding, some figures in this report may not add up to 100%.



“Gen AI is not optional. Every industry and every company should be looking at gen AI. If they don’t, they’re going to fall behind. It’s really as simple as that,” says Abid Rahman, senior vice president of innovation at Eversana.

Kick-starting gen AI adoption efforts thus becomes a strategic imperative. But to meet the moment, organizations have to deal with the potential risks of gen AI—such as ethical, legal, cybersecurity, or customer impacts—which 56% of respondents say are the most prevalent barrier to expanding adoption of the technology.

According to Thibault Main de Boissière, machine learning platform lead at Canva, the online graphic design platform headquartered in Sydney, Australia, forward momentum on gen AI requires two elements: a calculated approach to risk and the ability to iterate quickly. “We are very conservative about how, when, and why we use customer data to train our systems, and we must be regulatory compliant. Safety is also a very important issue, and we are building layers upon layers of security around our AI systems,” he explains. “At the same time, moving forward is all about building a good feedback loop, where you can try your ideas quickly, validate with users, get feedback, and send that feedback to the R&D team. And you must have some way to measure performance—and continuously measure it. This loop will help you show incremental improvements that can convince your stakeholders that you’re going in the right direction—that’s really critical.”

This paper examines what may be holding organizations back from pursuing gen AI and how they can overcome these barriers and move forward with adoption and gain scale. Given that the approach to risk and change is a key component of the gen AI journey, the paper looks at how organizations accept and manage risk and how they prepare themselves and their employees for the change that gen AI brings. It also highlights best practices in diverse sectors, including health care and life sciences, design, and human resources, for ensuring that gen AI initiatives reap the intended benefits.

Edoardo Conte, the chief technology officer of Restworld, a Torino, Italy-based employment platform for the Italian hospitality industry, cautions that bad or hasty decision making is more of a risk than anything to do with technology going wrong. “In the startup world, we embrace risk every day. I don’t see gen AI as risky in itself,” he says. “It’s only risky if you don’t understand it. The ecosystem is evolving and changing very rapidly, and if you rush in on some solution which is not complete or not a good fit for you, it won’t bring all the value

you expect. You shouldn’t add gen AI for the sake of it. Rather, start from a place of knowledge and proceed step by step.”

Get Prepared and Embrace Change

Despite the hype and expectations, the survey finds that most organizations are in the exploratory, consideration, or planning phases of gen AI adoption—but these plans have not yet led to widescale use. Sixteen percent of respondents say their organization has established one or more full-scale use cases. At the other end of the spectrum, only 7% say their organization is not moving forward with gen AI adoption at all. For the rest, it seems that the majority of organizations are still in the exploratory or early phases of gen AI use (49% are currently exploring or making plans for gen AI use, and 28% have one or more early use cases).

This relatively slow progress is perhaps linked to the state of gen AI readiness, as organizations are slightly more unprepared than prepared for gen AI. When asked to rate their organization’s level of preparedness across six areas (employee skills/knowledge, technology infrastructure, data foundation, risk mitigation, gen AI guidelines, and organizational culture), between 32% and 54% of respondents say their organization is “prepared for gen AI.” This response implies that around half—or more—are not confident their organization is prepared in any given area. And more respondents say that their organization is unprepared than say theirs is prepared across four of the six listed areas. The exceptions are tech infrastructure, where more feel prepared (54%) than unprepared (28%), and, to a lesser extent, data foundation (43% prepared; 39% unprepared).

Closing the Technology-Knowledge Gap

Eversana’s Rahman credits the organization’s adoption of gen AI partly to its focus on change management. “In many ways, gen AI is probably the biggest technology shift that we’ve seen in our lifetime—at least as big as the internet. From that standpoint, preparedness and adoption require massive change management,” he says. “We realized early on that we had to embrace gen AI in the right way, which means a focus on guidelines and training.”

First, Eversana created guidelines for employees to make sure they use the tech in the appropriate way and understand what data can be used as inputs and how the outputs can be used. For the highly regulated pharmaceutical industry, compliance and human oversight are fundamentals that shape gen AI use. Second, the company took an ongoing approach to training. “The initial training covered what to do and what not to do but evolved quickly into sharing best practices and how to get more value from the tools. Within weeks, people got so much better at using gen AI tools. The technology-knowledge gap can be mitigated.”

Eversana empowers divisions and service line teams to look at gen AI use cases and come up with their own solutions. One example: tools to assist clients with content approval for legal and regulatory purposes or to ensure compliance when handling clinical trial documents. “We have an internal AI council to approve all of those different ideas, and then we’ll fund them appropriately to make sure we can pilot them with a view to moving from pilot to production with all the necessary checks and balances in place,” Rahman explains.

Survey respondents indicate that their organizations are making similar efforts to boost gen AI preparedness through establishing guidelines. The most popular efforts being made, cited by just over half of survey respondents, are improving data/technology infrastructure (53%) and developing guidance and governance around gen AI use (53%). Additionally, around one-third are adjusting processes (35%), developing a change management strategy (33%), or addressing employee fears and concerns around gen AI (31%). **FIGURE 1**

Restworld took deliberate steps to aid preparedness and acceptance. “We held workshops to demystify some concepts about AI when we decided to integrate it into the platform,” says Conte, the chief technology officer. “It was very important to get all the people involved to understand their part in guiding this tool and improving it and to know that they could give feedback and determine how they want the gen AI model to behave. The product requires iteration, and they have a voice in the process.”

Conte describes the company’s gen AI journey. “We don’t offer software as a service to our clients,” he says. “We have a team of recruiters who use our proprietary platforms and search our database of around 150,000 job seekers to find people who match our clients’ recruitment requirements. Essentially, we started to use gen AI to create better matching algorithms for the recruiters to do their jobs.”

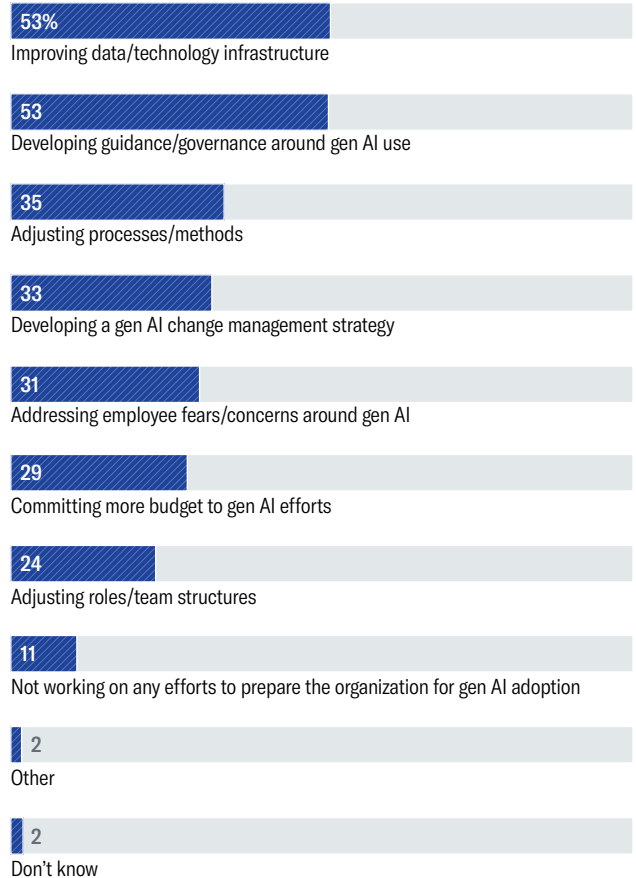
The company soon branched into developing its own gen AI solution, with the help of a partner. “I believe that to extract the biggest possible value for your company, you need to fuel gen AI with your proprietary data,” Conte asserts. “But manipulating, creating, and implementing tools in-house can be tricky—you need a lot of research and experimentation.

FIGURE 1

Spadework for Generative AI Adoption

Data/tech infrastructure and guidance for artificial intelligence use are key ways to prepare

What efforts is your organization working on, if any, to better prepare the organization for gen AI adoption? *Select all that apply.*



Base: 257 respondents

Source: Harvard Business Review Analytic Services survey, June 2024

That’s why we found a partner to build a solution together so we can quickly see how it works and measure the value it generates.”

Risk and Other Barriers

Barriers to scaling gen AI are varied, but concerns about potential legal, ethical, and cybersecurity risks are what keep most executives awake at night. It’s understandable that almost all organizations face some barriers to expanding gen AI adoption (only 1% of survey respondents say they experience