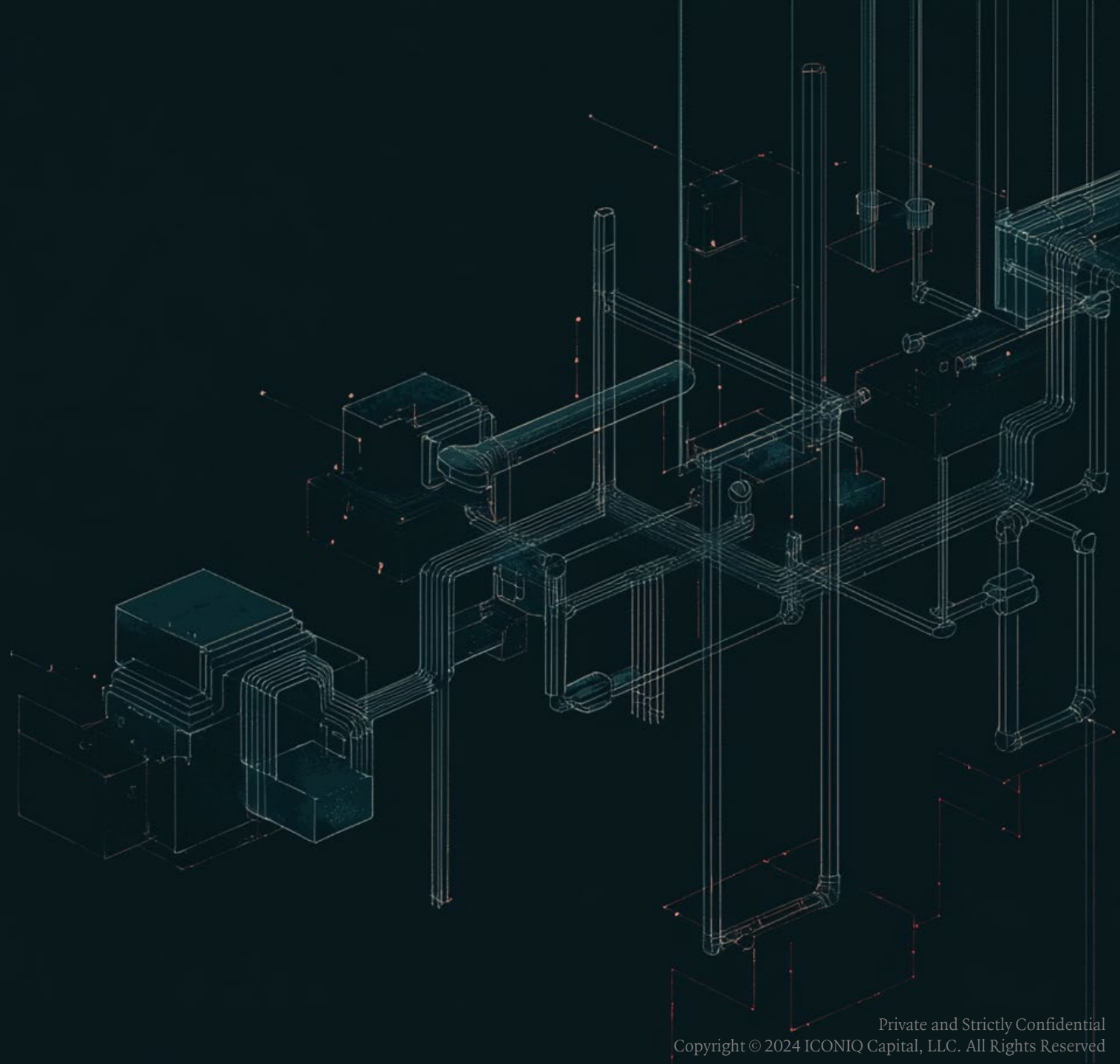
September 2024

The State of AI

Navigating the present and promise of Generative AI



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Author's Note

We believe the rise of Generative AI is not just a trend; it's a revolution reshaping the business landscape. In particular, large enterprises are recognizing the transformative power of artificial intelligence, moving from mere experimentation to strategic implementation.

Generative AI adoption is a key imperative for enterprises this year, with 89% of CXOs in our June 2024 survey rating adoption of Generative AI tools in their company as a 4 or 5 in terms of importance.

In this report, we delve into the current state and future potential of Generative AI, exploring how enterprises are leveraging Generative AI to drive innovation, enhance productivity, and maintain a competitive edge, leveraging insights from a proprietary survey we conducted with CEOs, CTOs, CIOs, and functional leaders in June 2024 as well as conversations with AI leaders across the ICONIQ community.

Explore our AI perspectives

Meet the Team

ICONIQ Growth Analytics

Contact us at ICONIQGrowthInsights@iconiqcapital.com

Seeking to empower our portfolio with proprietary insights and advisory across business operations, hiring, and strategy

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Key performance indicators of Enterprise SaaS companies

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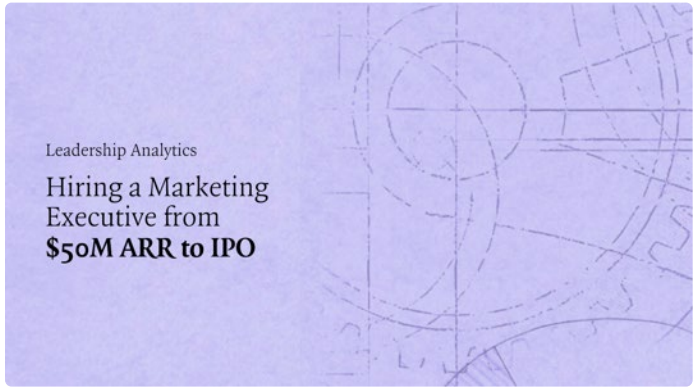
A guide to understanding and tracking key SaaS metrics



[Hiring Your Next Marketing Leader]
What to prioritize when hiring a Marketing executive from $50M ARR to IPO

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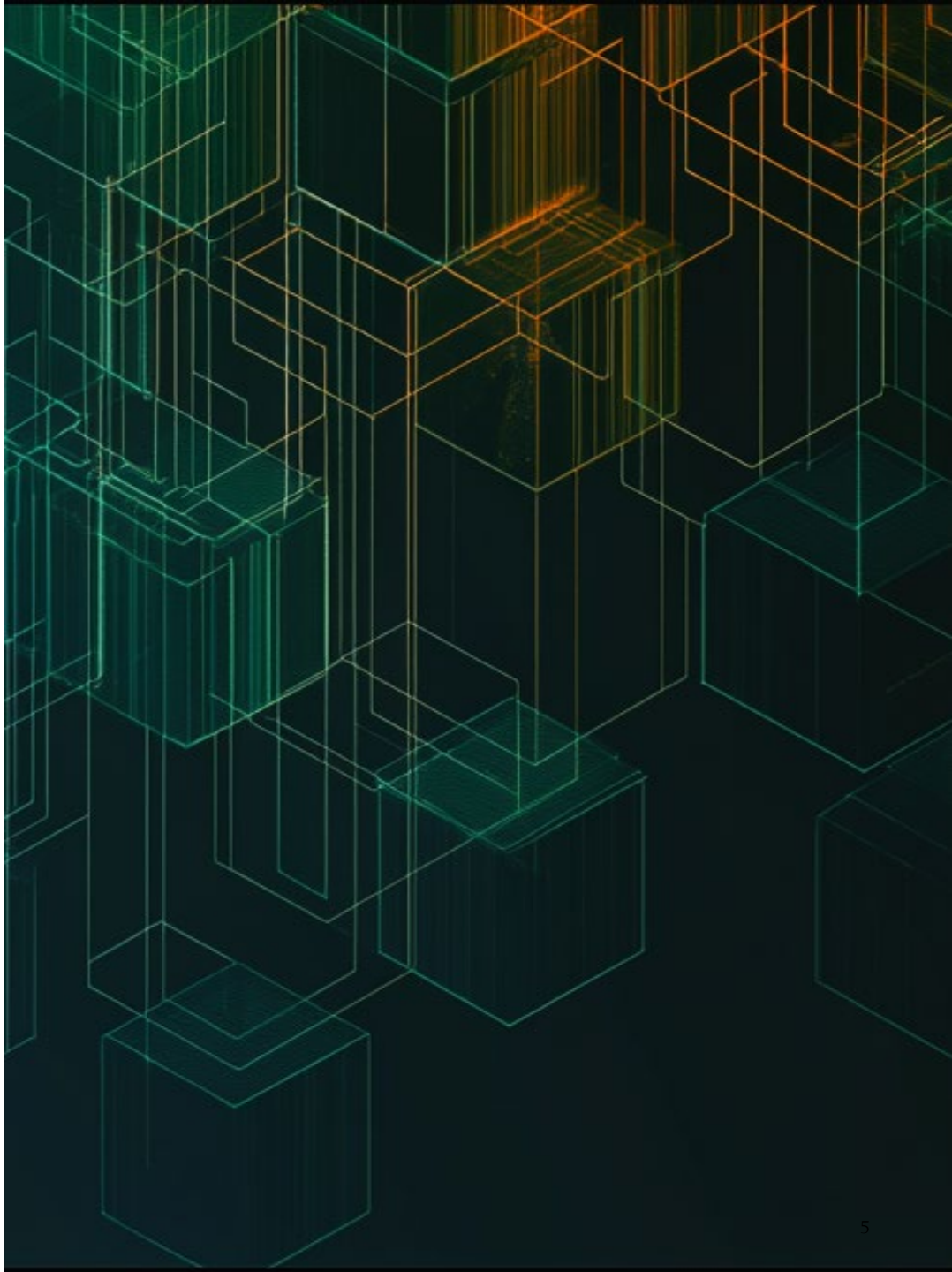


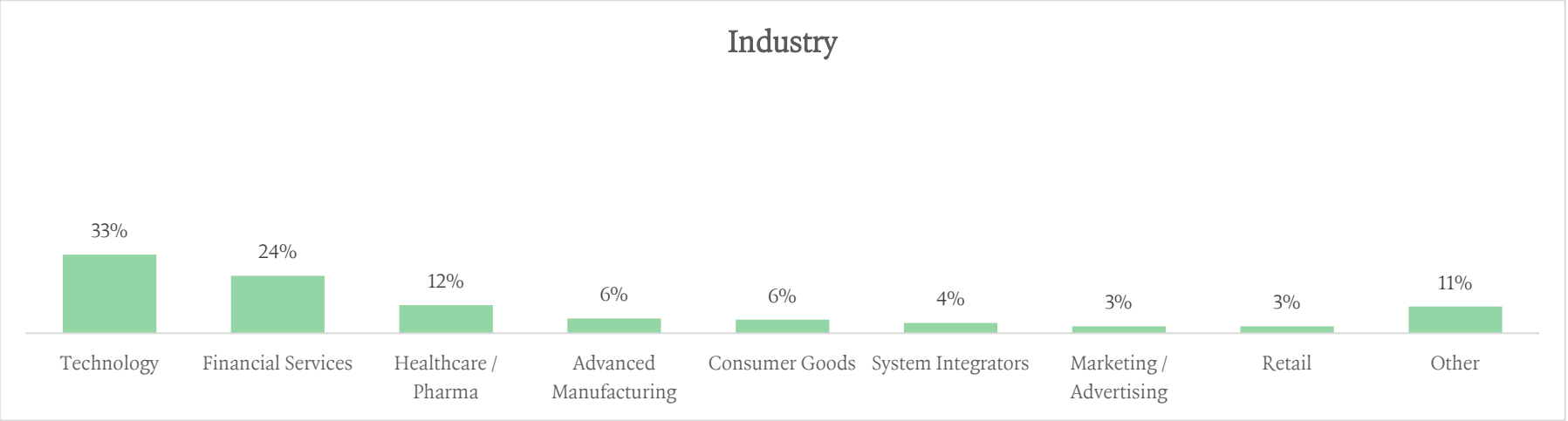
Data Sources
& Methodology

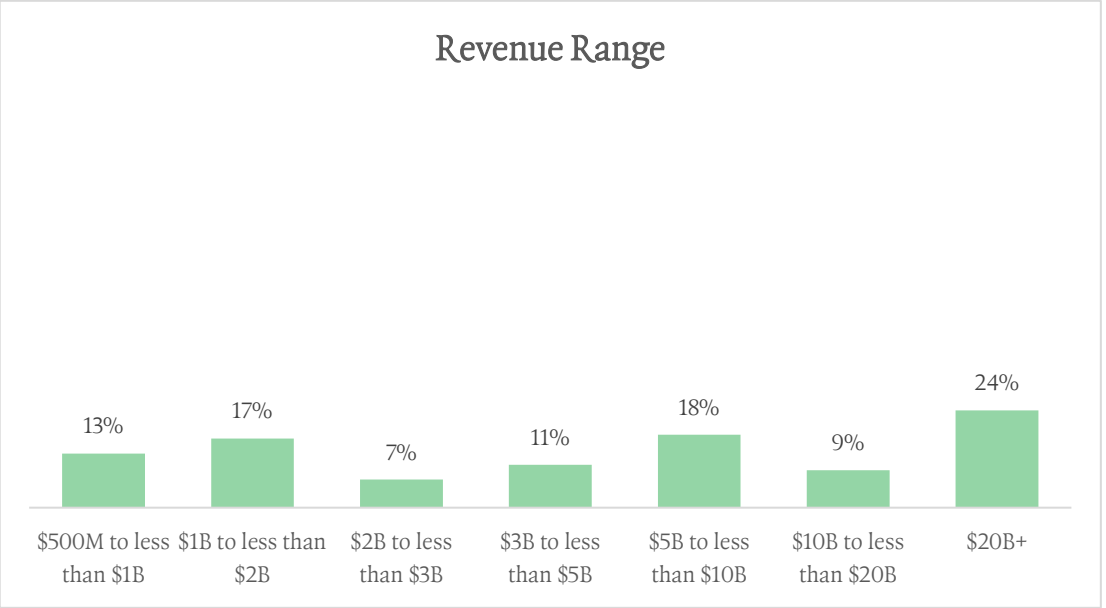
This study summarizes data from a June 2024 survey[1] of 215 executives[2] at enterprises with $500M+ annual revenue, including CEOs, CIOs, CTO, and functional leaders.

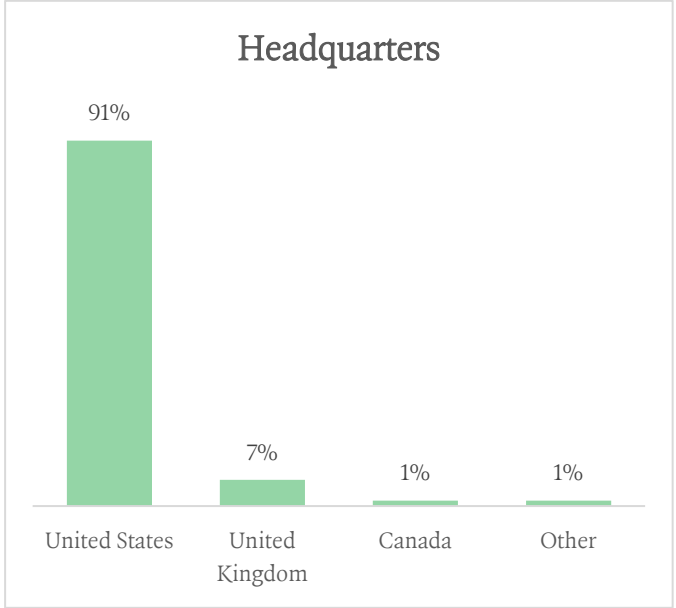
Throughout this series, we also weave in perspectives, insights, and what we believe to be best practices from AI leaders from the ICONIQ Growth community.

All industry perspectives shared in this report have been anonymized to protect company-level information.

Respondent Firmographics







Notes: (1) This data was collected anonymously by an external survey. Survey responses include some but not all ICONIQ Growth portfolio companies as well as companies not part of ICONIQ Growth's portfolio.
(2) Certain questions in the survey were optional. Accordingly, some N-Size numbers in this presentation are less than 215

6 Predictions for the Future

Themes		Predictions
The Rise of Specialized Use Cases	1	Well-entrenched infrastructure and application software vendors will force AI native startups to focus on **specialized use cases or underserved business functions to demonstrate value and quick paths to ROI**
	2	While coding co-pilots like GitHub Co-Pilot have seen outsized adoption[1], significant opportunity still exists for **specialized tools for the R&D organization to solve age-old problems where AI can uplevel engineering work** (site reliability, DevOps, QA testing, code refactoring, penetration testing, etc.)
The Battle of Models	3	Large model vendors like OpenAI and Anthropic and big tech vendors like Meta, Google, MSFT, AWS will make it **difficult for newer startups building out private general-purpose foundation models given those vendors' scale, distribution, and robust balance sheets**
	4	Further, we expect to see an **increase in smaller and domain or industry specific models** as enterprises increasingly rely on a mixture of models that can drive specific business outcomes under performance, speed, and cost constraints
Exponential Growth	5	Current spend on gen AI within enterprises is only ~10% of the total software procurement spend[2], indicating that we are still in the **early innings of adoption and could expect GenAI adoption to accelerate significantly in the coming years as things move into production and enterprises start to see real business outcomes and ROI from GenAI investments.**
	6	**Co-creation between employees and AI tools** will drive much of the adoption of generative AI within enterprises. Companies that deliver products or solutions that augment existing workflows stand to benefit the most; similarly, **teams that adopt these products and rethink jobs-to-be done should reap the greatest benefits**

Notes: (1) Quantifying Github Copilot's Impact in the Enterprise with Accenture (May 2024); (2) Perspectives from the ICONIQ Growth GenAI Survey (June 2024)
Source: Perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Executive Summary

We believe Generative AI brings with it significant promise to augment product offerings and improve internal productivity, but also challenges for large organizations trying to implement AI.

Many enterprise buyers are still developing their vision of the future and understanding of when or how generative AI might change their businesses; however, we are starting to see initial spikes in adoption across core use cases and early signals of ROI and business value.

1 Navigating Generative AI Purchasing Decisions

- With AI adoption being a key imperative for companies, **88% of companies analyzed have an approved budget** for AI investments; however, most AI dollars are **coming from existing budgets** vs net new dollars
- On average, companies allocated **10-15% of their software procurement budget towards GenAI,** implying there is additional white space for AI solutions to capture in the future
- The decision makers for GenAI decisions seem to be **predominantly CTOs**, likely driven by the fact that most AI spend is coming from existing budgets (R&D being the most common source)
- **New AI-native vendors might have a difficult road ahead to break into enterprises;** when procuring generative AI products, CXOs generally prefer to **source from existing vendors, followed by tech incumbents**
- CXOs generally prioritize the **performance of LLMs above all other factors**, with **cost being the least important purchasing criterion**

2 Quantifying Business Value and ROI

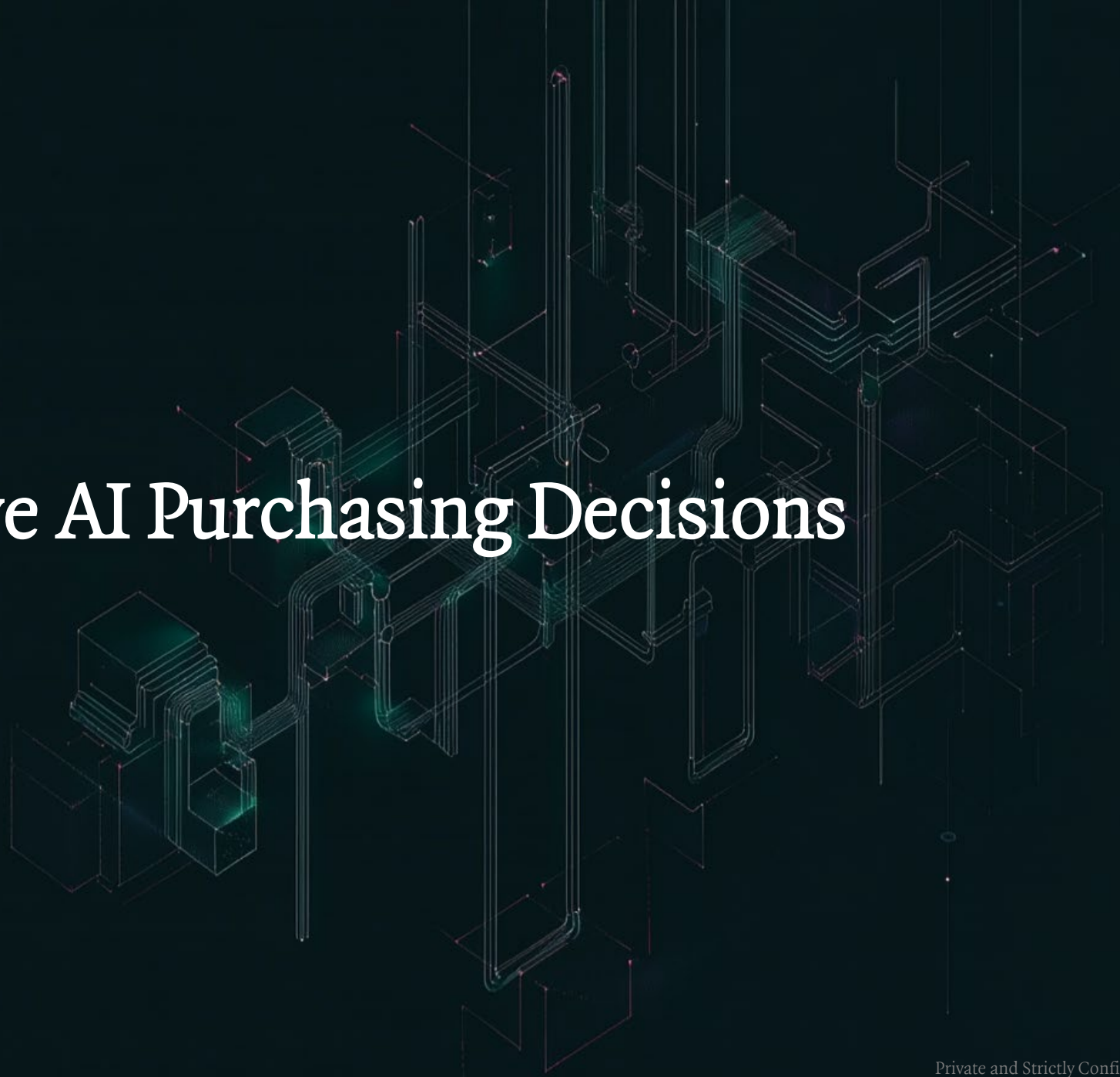
- There remain several barriers to adoption in enterprises, including **lack of in-house expertise, quality and accuracy, data security / privacy, infrastructure readiness, and the unproven ROI** of generative AI
- A key component of AI spend and readiness in enterprises is upskilling and identifying the right resources to enable AI adoption; **the majority of AI roles being hired include data scientists, machine learning engineers, and data engineers**
- While a large portion of generative AI budgets are still going **toward experimental use cases,** enterprises have started to see **ROI for use cases spanning customer service, IT, software code development, operations, and sales**
- **Executives expect ROI from generative AI to be in the 5-20% range** on average, with productivity gains and cost savings easier to quantify than true revenue impact

3 Deep Dive on Implementation and Use Cases

- A greater proportion of **technology firms prefer to build GenAI products,** whereas **financial services and healthcare companies prefer to buy** from existing providers
- ~70% of enterprises are **augmenting their generative AI models via finetuning or retrieval augmented generation** (RAG)
- Enterprises generally prefer to utilize proprietary models like GPT-4 over open-source models like Llama with **on average ~60% of workloads being built with proprietary models**
- In addition to investments in foundation models, enterprises are also **procuring infrastructure tooling to support areas like data observability, database augmentation, and data pre-processing**
- **Technical teams lead in adoption** of generative AI for internal productivity use cases, while **HR and legal functions lag, likely hindered by data privacy and quality concerns**

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from AI leaders in the ICONIQ Growth network

Navigating Generative AI Purchasing Decisions



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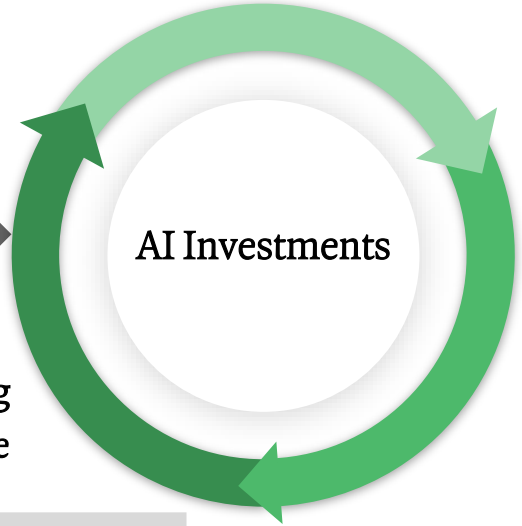
We believe Generative AI brings with it significant promise to augment product offerings and improve internal productivity, but also challenges for large organizations trying to implement AI

Many enterprises are **starting with leveraging AI to boost internal productivity** before expanding to product use cases.

1. Improved Employee Productivity

Leading AI Goals for Enterprises



This could yield significant operational efficiency opportunities for enterprises, including the **potential for labor cost savings, process automation, and additional capacity for humans to focus on higher-level tasks**.

2. Increasing Operational Efficiency

3. Growing Revenue

75% of companies surveyed have applied generative AI to one or more product use cases.

The majority of CXOs think **adoption of generative AI has resulted in either defending / gaining market share or increasing pricing power.**

Key Considerations

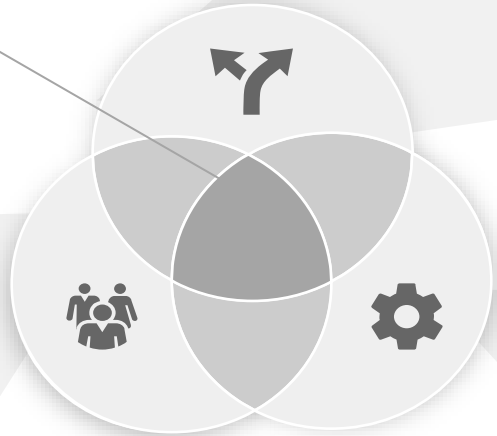
- We are starting to see a slow down in the initial hype from generative AI, with CXOs having found some of the initial investments in AI a heavy lift to implement
- Showing ROI from productivity gains has generally been a lot easier and quicker than quantifying revenue impact, especially as CXOs are defaulting to purchasing solutions rather than building in-house
- There are also significant costs involved with ensuring enterprises are ready to adopt AI, across infrastructure, training, change management, etc.

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

A Decision-Making Framework

When making decisions around GenAI investments, we believe it will be important to assess organization readiness, put in place a framework and processes for use case evaluation, and proactively mitigate risks

Accelerate Value
Find synergies between organizational readiness, use cases, and risk mitigation when making GenAI investment decisions



Use Case Identification & Evaluation

When determining use cases for GenAI, we believe stakeholders will need to assess business value, the fluency vs. accuracy of solutions, and the level of risk associated. Given the risks involved with using GenAI to build new products, many organizations are first starting with use cases for internal productivity.

It is also important to implement feedback loops and a system for measuring ROI to evaluate use cases.

Organizational Readiness

For enterprises adopting GenAI solutions for the first time, we believe it will be important to ensure various components of the organization are ready to support the development and integration needs involved. Organizational readiness components to assess could include:

- Employee readiness and training
- IT / data team expertise
- Security
- Governance structure and policies
- Data ecosystem maturity

Risk Mitigation

We believe enterprises will need to account for various risks like data security and privacy concerns, algorithm accuracy / bias, integration complexity, etc. when evaluating GenAI solutions.

Organizations can employ various strategies to mitigate some of these risks. For example, it may make sense to invest in fine-tuning or retrieval augmented generation (RAG) techniques to mitigate concerns of model accuracy.

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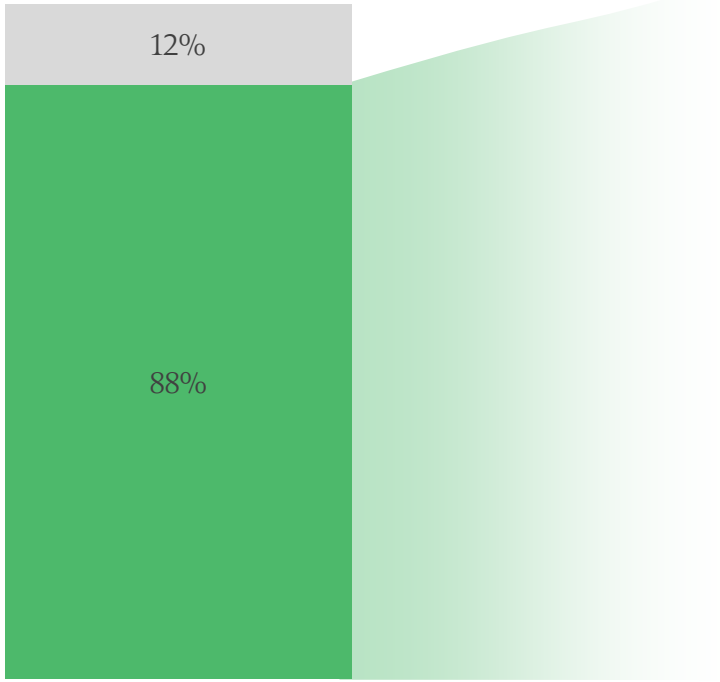
With generative AI being a key imperative for most companies, 88% of companies analyzed have an approved budget for AI investments; however, most AI dollars are coming from existing budgets vs net new dollars being created

88% of organizations have an approved budget for generative AI investments

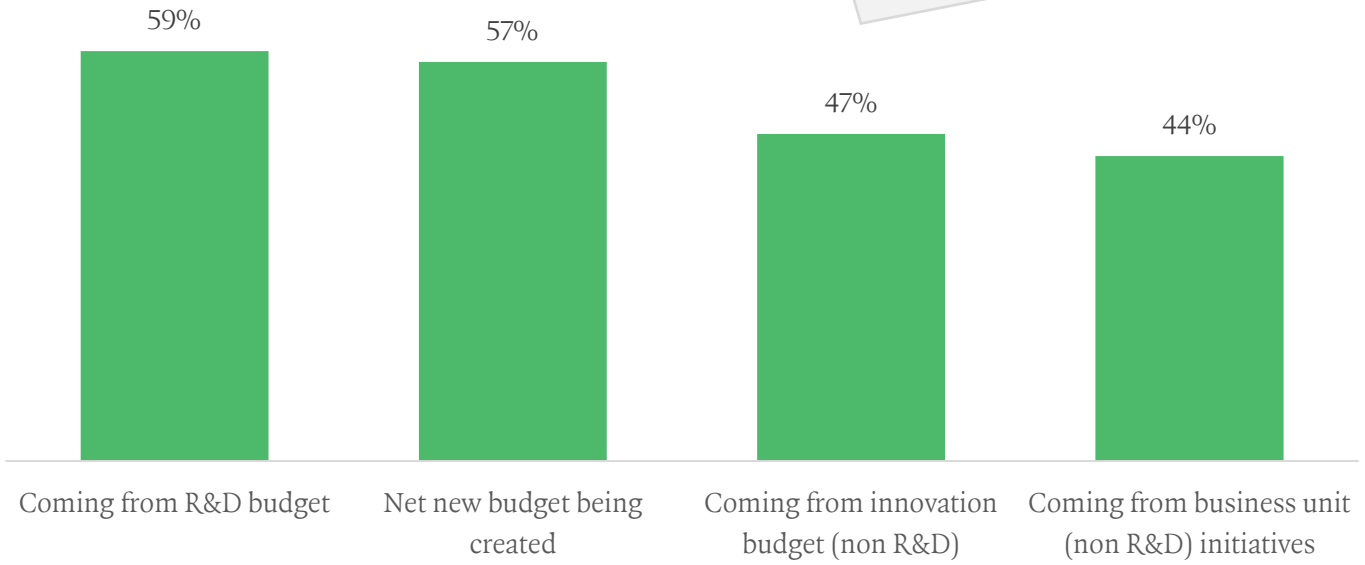
% of Respondents, N = 143



Most respondents are leveraging existing R&D budgets for generative AI investments

% of Respondents (Multi-select), N = 126

"Having AI investments be centrally funded can enable greater speed of innovation. However, having business units take on some amount of the budget also gives those leaders skin in the game. At the end of the day, the last mile across change management, operationalizing, and enabling SMEs is the most important and often the most challenging."
- Chief Data and Analytics Officer, Healthcare Company

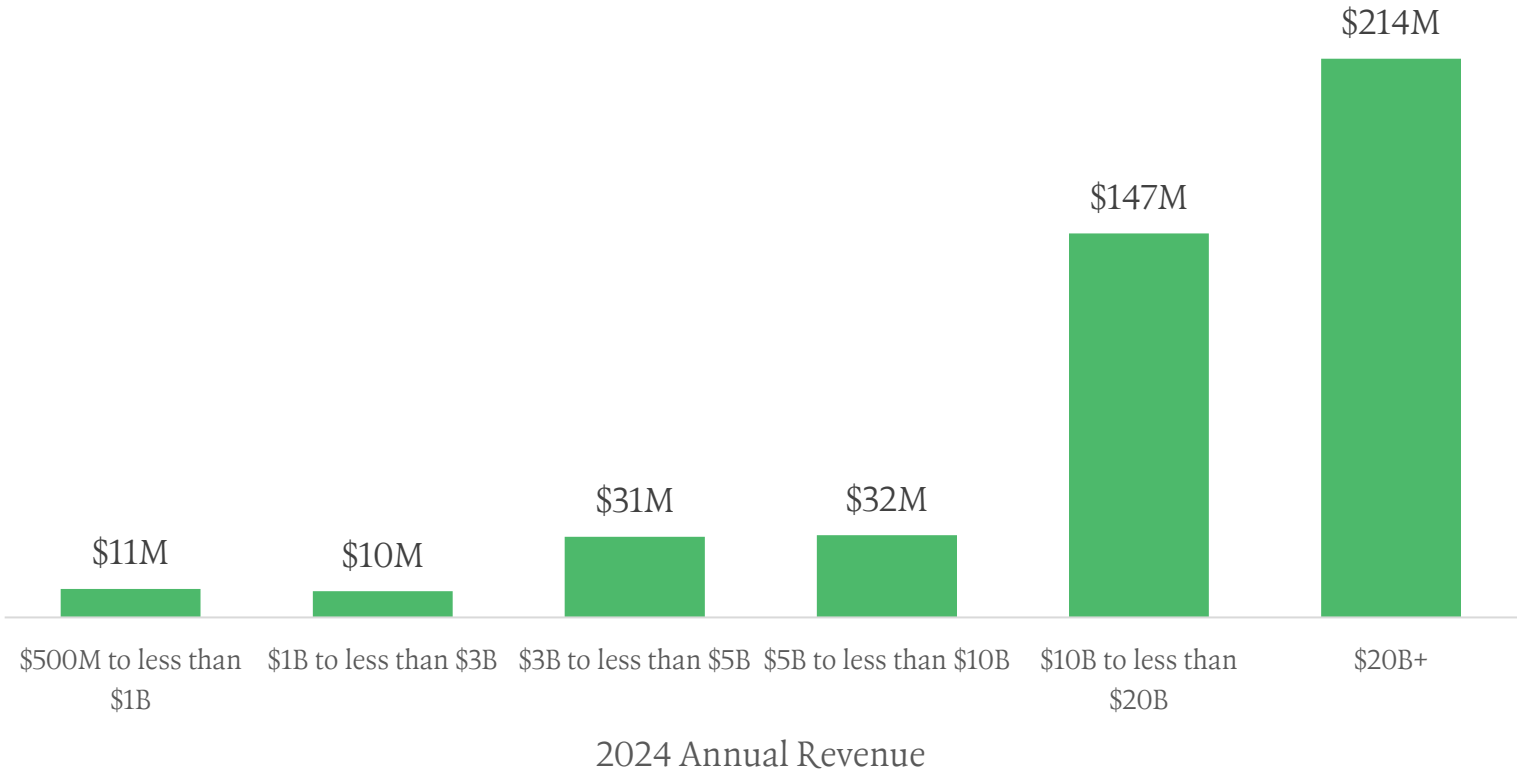


Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

The dollars spent on generative AI in 2024 vary significantly based on company size, ranging anywhere from ~$10M to ~$200M; most companies expect to increase AI spending in 2025 by 22% on average

Approximately, what is your organization's annual generative AI budget in 2024?

% of Respondents (N = 143)



CXOs expect to increase generative AI budgets by on average in 2025 **22%**

"We've already earmarked spend in our 2025 budget for a tool that is driving a ~30% reduction in time savings"
- VP Services & Partner Strategy of F1000 Tech Company

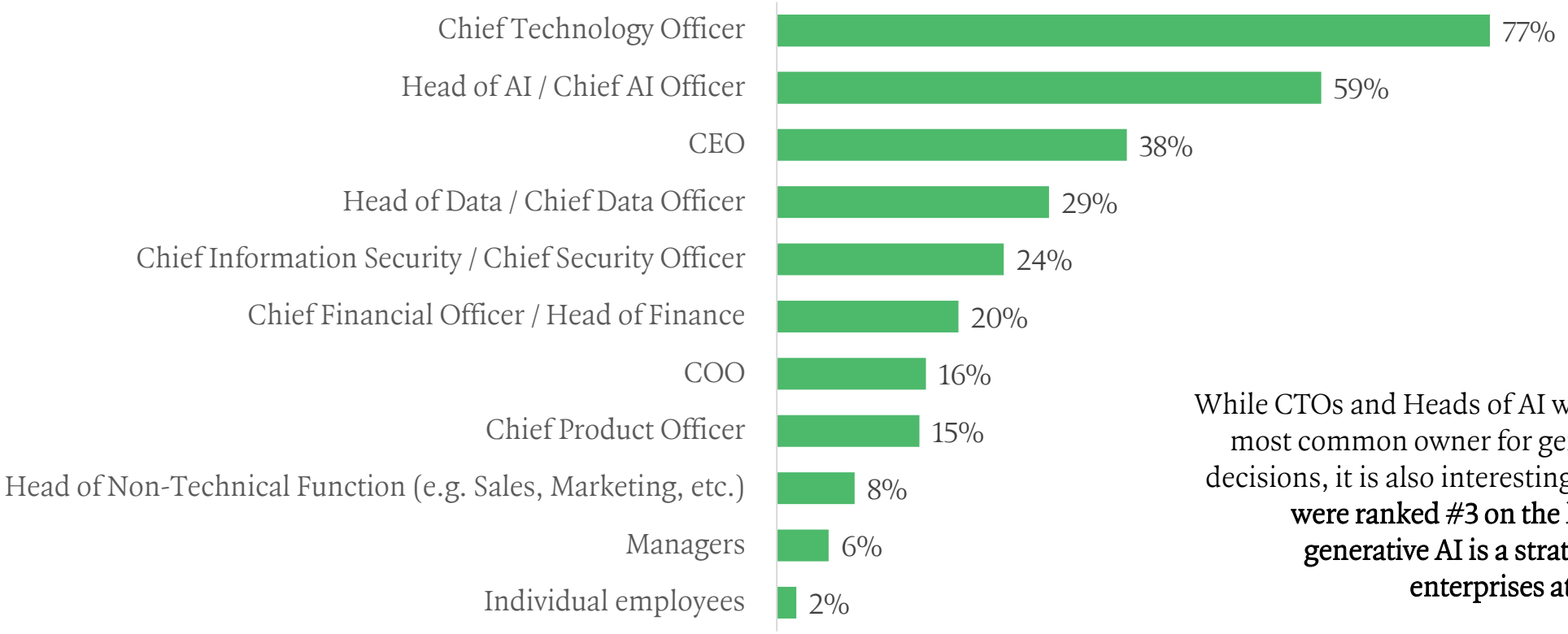
It is also important to note that on average, companies allocated only **10-15% of their total software procurement budget in 2024 towards generative AI**. This implies that there is additional white space (and budget dollars) for generative AI solutions to capture in the coming years.

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

The key decision makers for generative AI-related decisions seem to be predominantly CTOs, likely driven by the fact that most AI spend is coming from existing budgets, with the most common source being R&D budgets

Please rank up to 5 key owners for generative AI-related decisions (software procurement, building AI capabilities, etc.) in your organization.

% of Respondents Listing in Top 3 (N = 143)



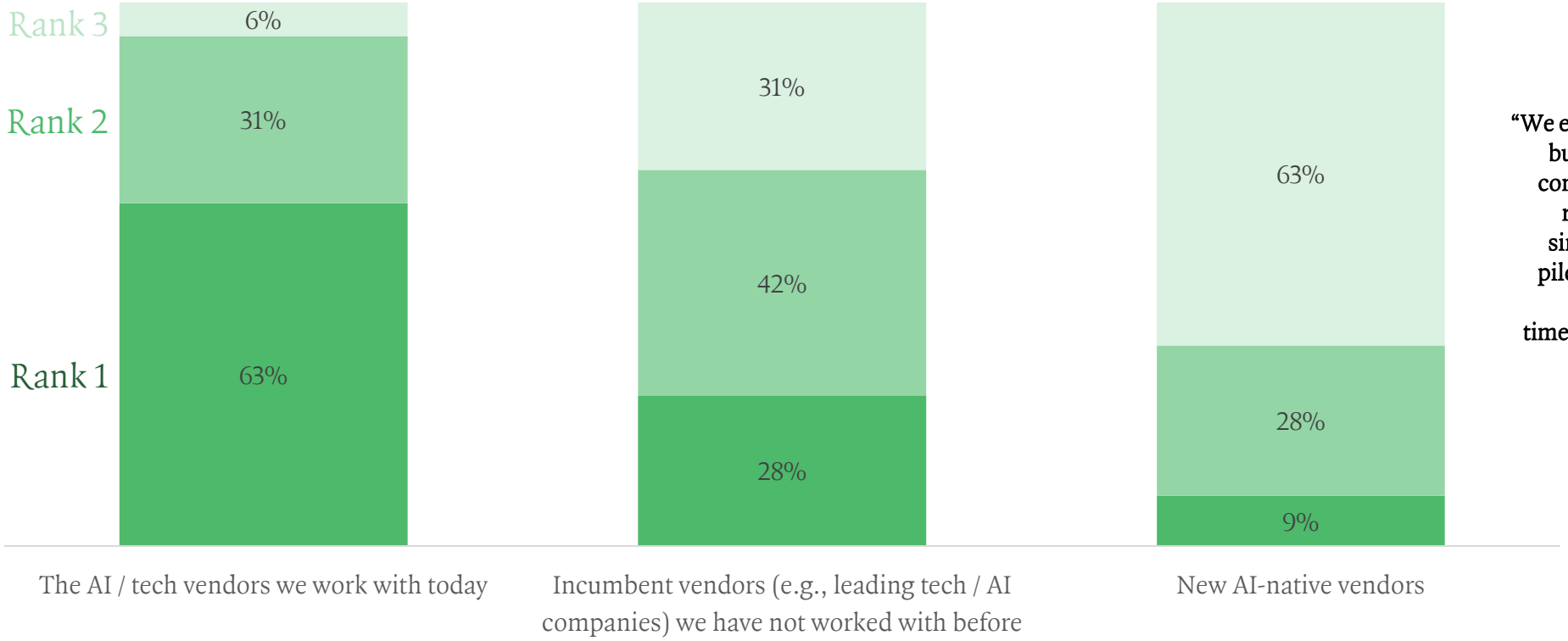
While CTOs and Heads of AI were selected as the most common owner for generative AI-related decisions, it is also interesting to note that **CEOs were ranked #3 on the list, indicating that generative AI is a strategic imperative for enterprises at the highest levels.**

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

New AI-native vendors might have a difficult road ahead to break into enterprises; when procuring generative AI products, CXOs generally prefer to source from existing vendors, followed by tech incumbents

Which of the following is your company most likely to procure generative AI-enabled products from? Please rank in order of most to least likely.

% of Respondents (N = 65)



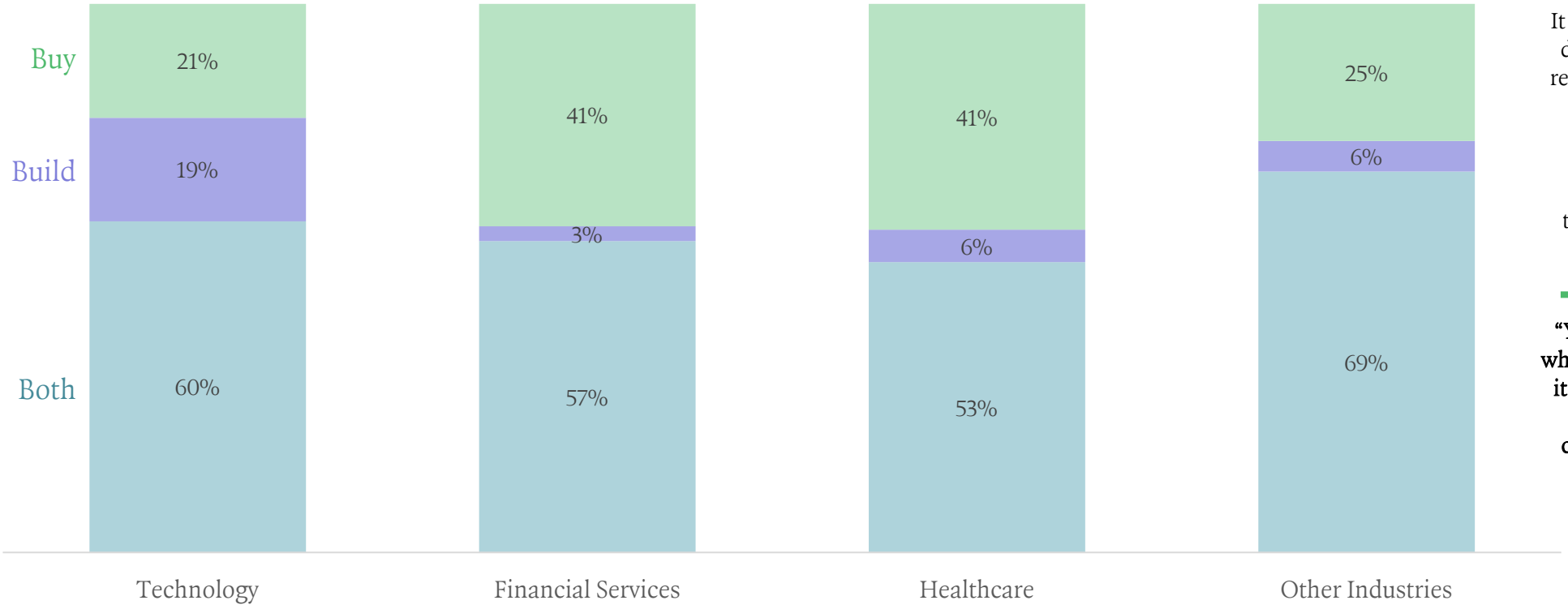
"We evaluate startups all the time but we have an AI governance committee that does a detailed review and approval of every single AI tool that we explore, pilot, or adopt. This means the procurement process and timeline can be very challenging for new solutions"
- CIO of F500 Company

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

A greater proportion of technology firms prefer to build generative AI products, whereas financial services and healthcare companies tend to prefer to buy from existing providers

Does your organization prefer to build or buy from existing providers for generative AI enabled products?

% of Respondents by Industry (N = 143)

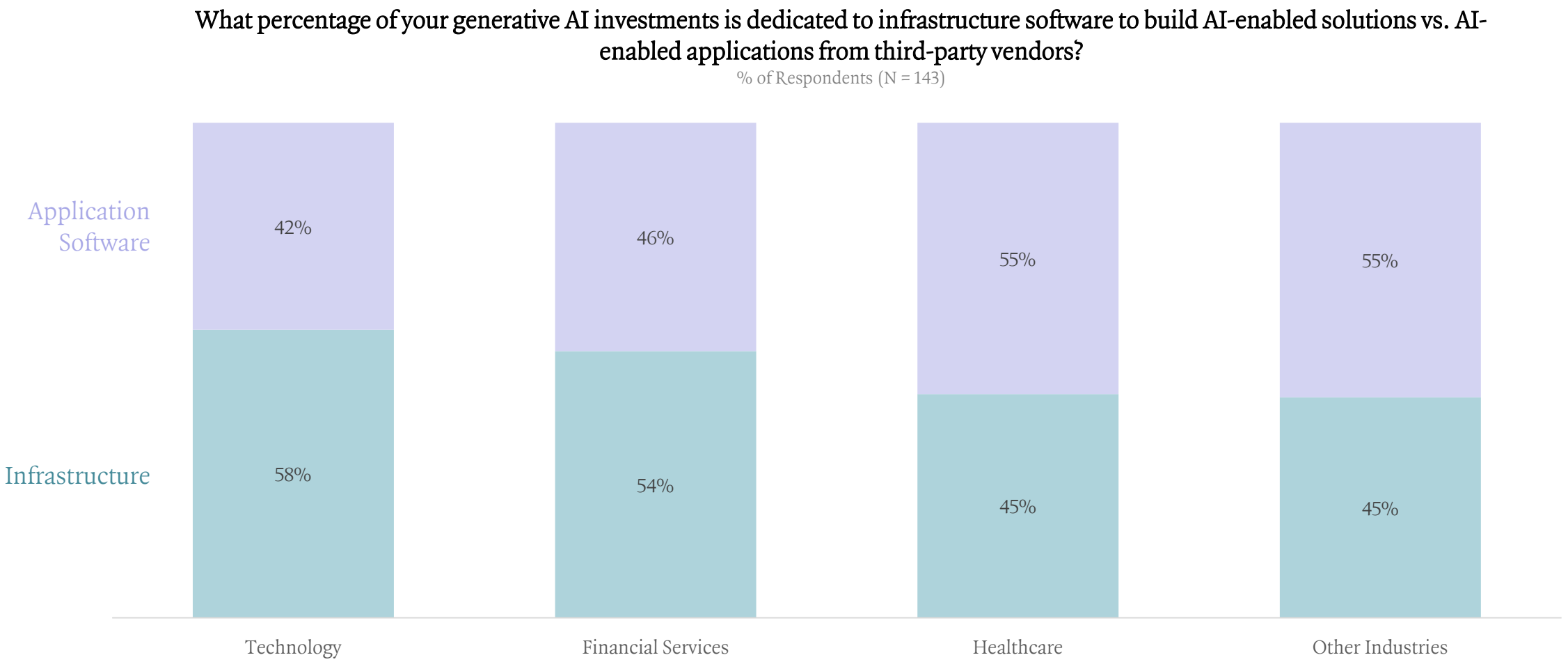


It is interesting to observe that despite being in more heavily regulated industries, Financial Services and Healthcare companies prefer to buy solutions which could imply that there is significant technical uplift involved with building-house.

"You need to challenge people who want to build everything. If it's not a core competency and it's not going to yield a competitive advantage for the company, let's buy and just build on top of a solution"
- CIO of F500 Company

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Enterprises are spending a relatively equal amount of invested dollars across models / infrastructure and applications, with technology firms spending a higher proportion of their budget on infrastructure



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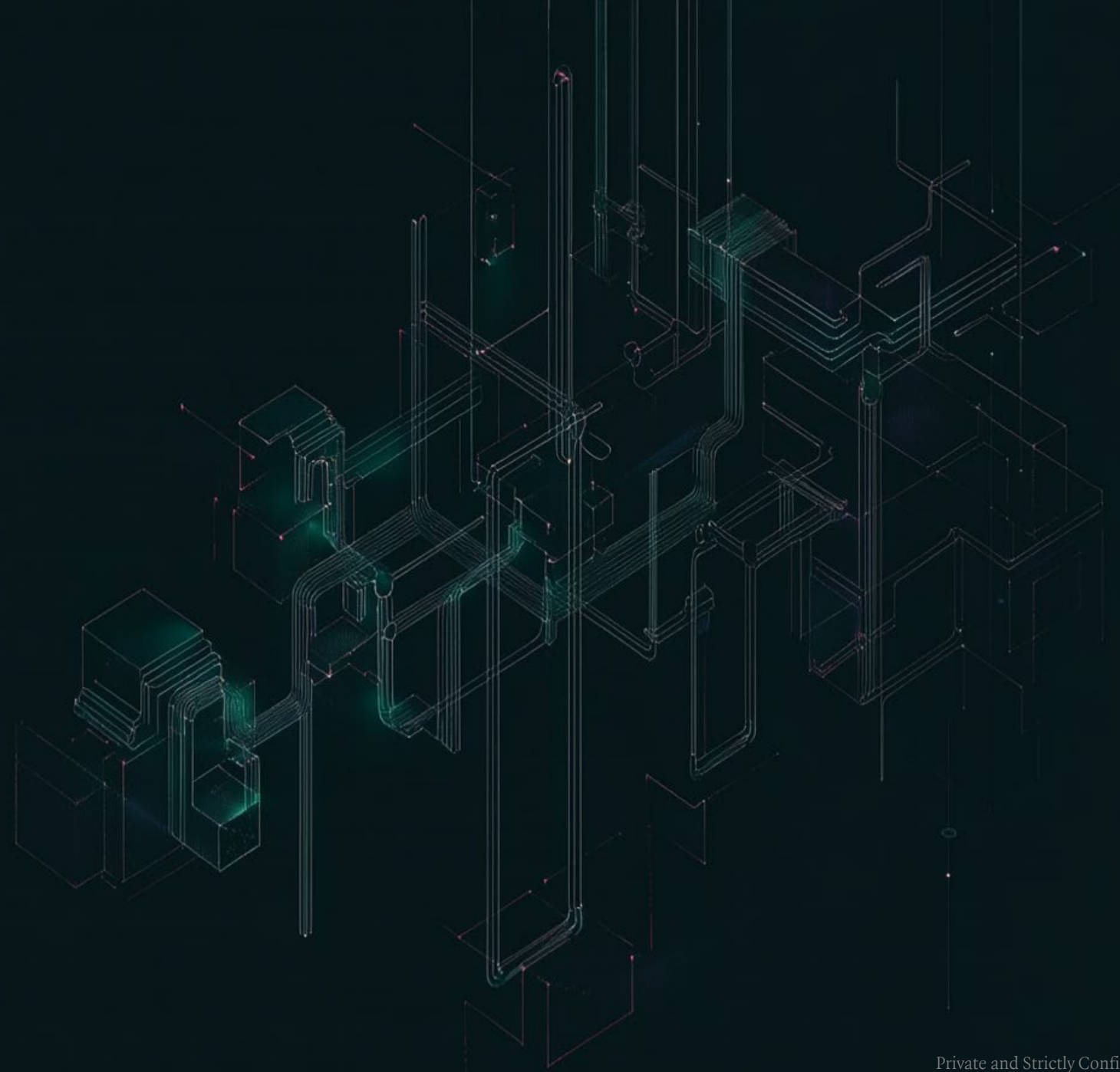
Measuring ROI



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Barriers to Adoption

There remain several barriers to adoption in enterprises, including lack of in-house expertise, quality and accuracy, data security / privacy, infrastructure readiness, and the unproven ROI of generative AI

Data Security & Privacy

If sensitive or confidential data is used as input for generative AI models, there is a risk that this **data could be exposed through model outputs**.

There are also potential **IP risks involved with leveraging AI-generated content.**

Quality & Accuracy

Generative AI models can produce outputs that are factually incorrect or misleading, especially if the **training data contains errors or if the model misinterprets the input**.
Generative AI models can also **inadvertently perpetuate biases present in the training data**.

Data & Infrastructure Readiness

Many enterprises may not have **underlying infrastructure in the ideal state to embrace AI** (e.g., data silos across on-prem and cloud, lack of clean and labeled data, tech debt, etc). In particular, we believe **strong data governance is a key prequisite for AI adoption.**

Lack of In-House Expertise

Organizations will generally need to hire **skilled AI professionals like data scientists, machine learning engineers, and AI researchers**, which can be difficult in an increasingly competitive market.

Cost Constraints

There are several costs beyond procuring generative AI solutions, such as costs associated with **labor, change management, tech debt cleanup, data management**, etc. can be significant and are often required for enterprises to be ready to embrace AI.

In addition to the costs involved with procuring generative AI solutions, enterprises estimate they will need to spend on average **$75M to enable their organizations to be ready to fully adopt generative AI** (e.g., training, data cleanup costs, process changes, etc.)

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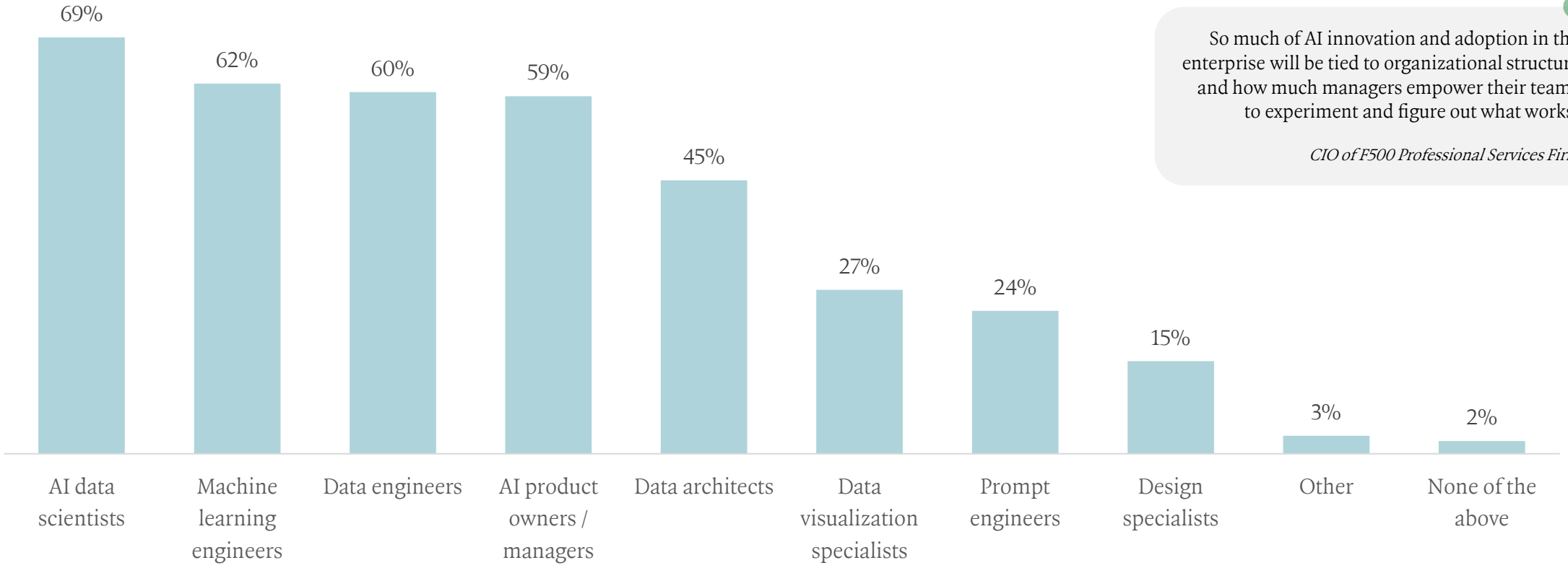
We believe a key component of AI spend and readiness in enterprises is upskilling and identifying the right resources to enable AI adoption; the majority of AI roles being hired include data scientists, machine learning engineers, and data engineers

Which of the following roles is your company hiring for in 2024 specifically for AI?

% of Respondents (N = 143)



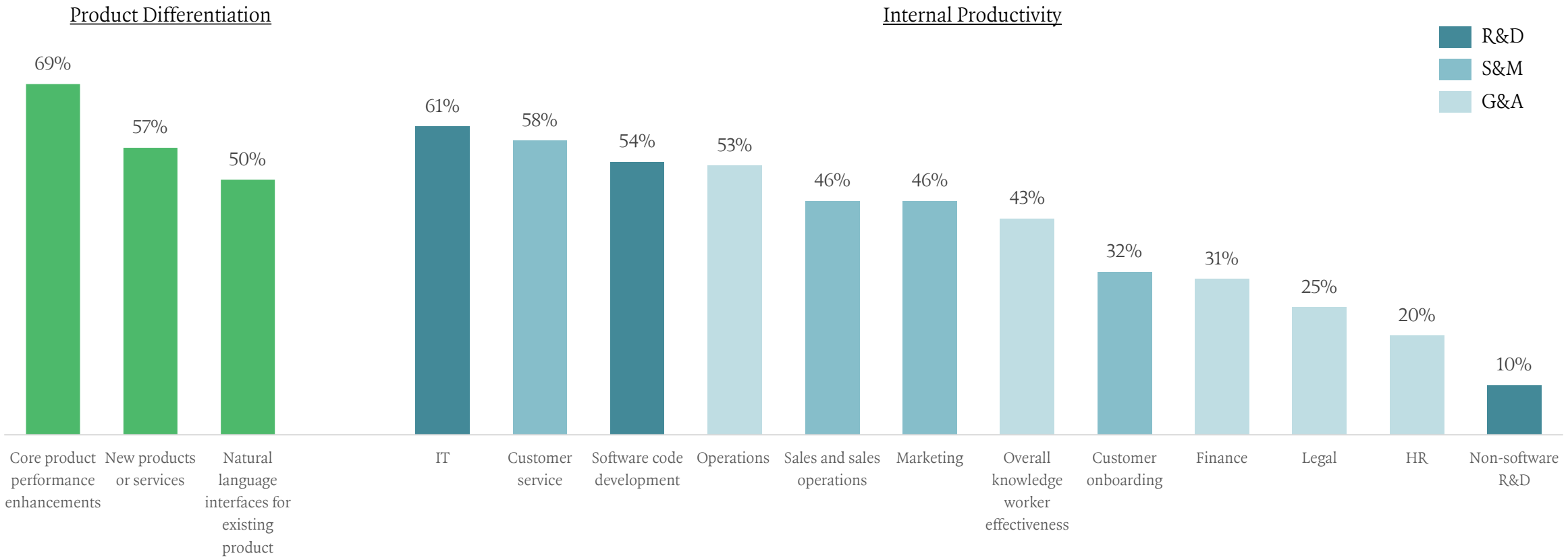
> So much of AI innovation and adoption in the enterprise will be tied to organizational structure and how much managers empower their teams to experiment and figure out what works.
>
> *CIO of F500 Professional Services Firm*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Generative AI has shown significant adoption with use cases spanning product enhancements, IT, customer service, and software code development while HR and legal functions lag, likely due to data / security concerns

For which use cases has your company adopted Generative AI?

Multi-select, % of Respondents (N = 143)



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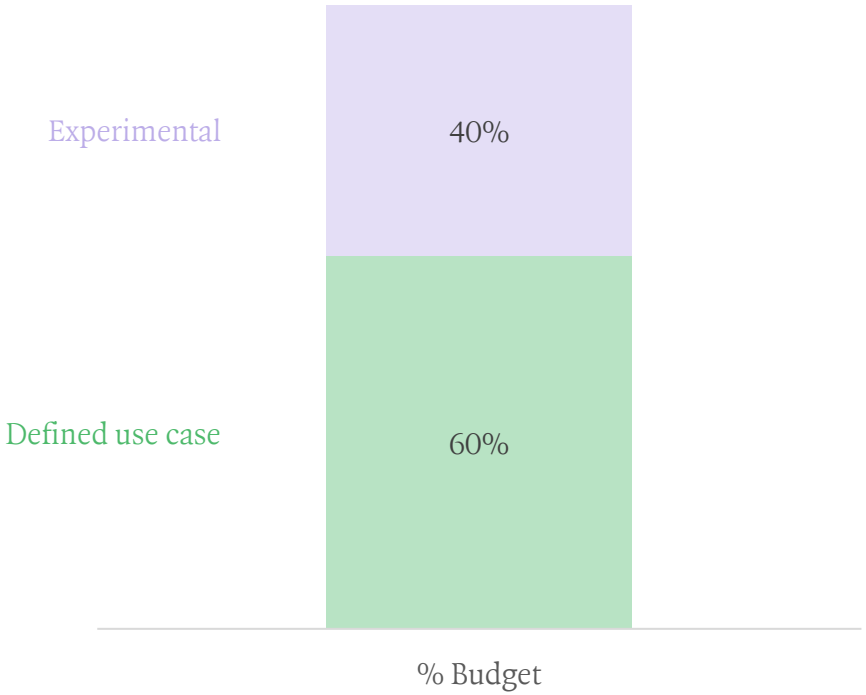
While a large portion of generative AI budgets are still going toward experimental use cases, enterprises have started to see ROI among the top 5 use cases

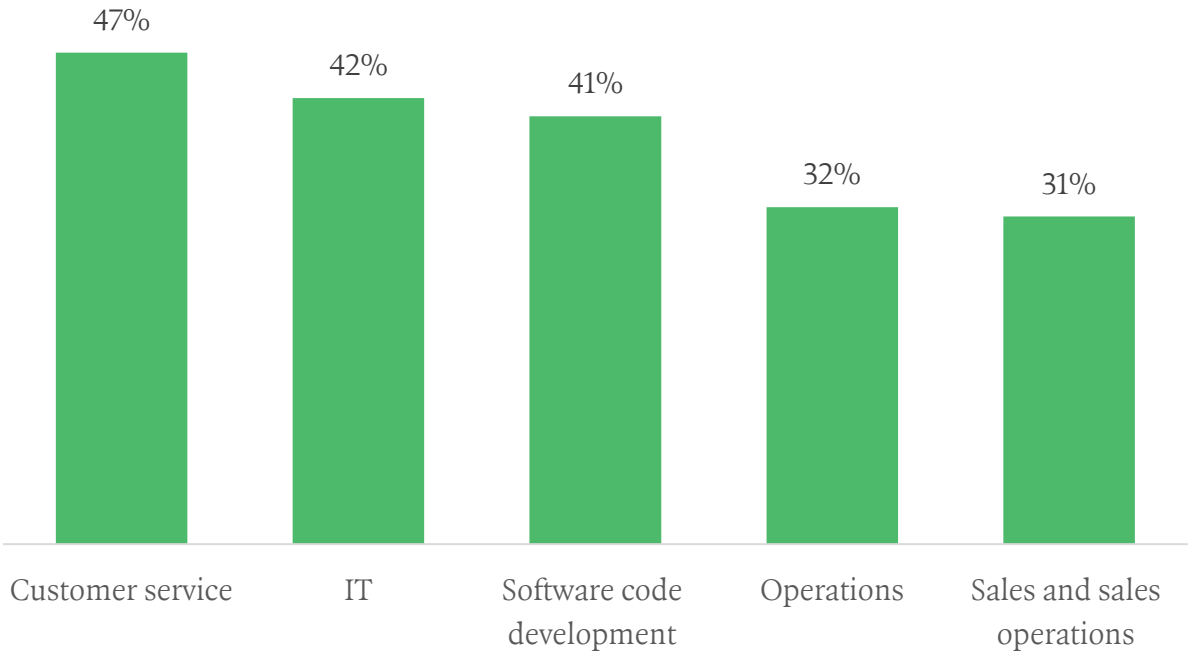
What % of your generative AI budget would you consider experimental vs. defined?

% of Respondents (N = 143)



What uses of generative AI have exhibited the most ROI to date?

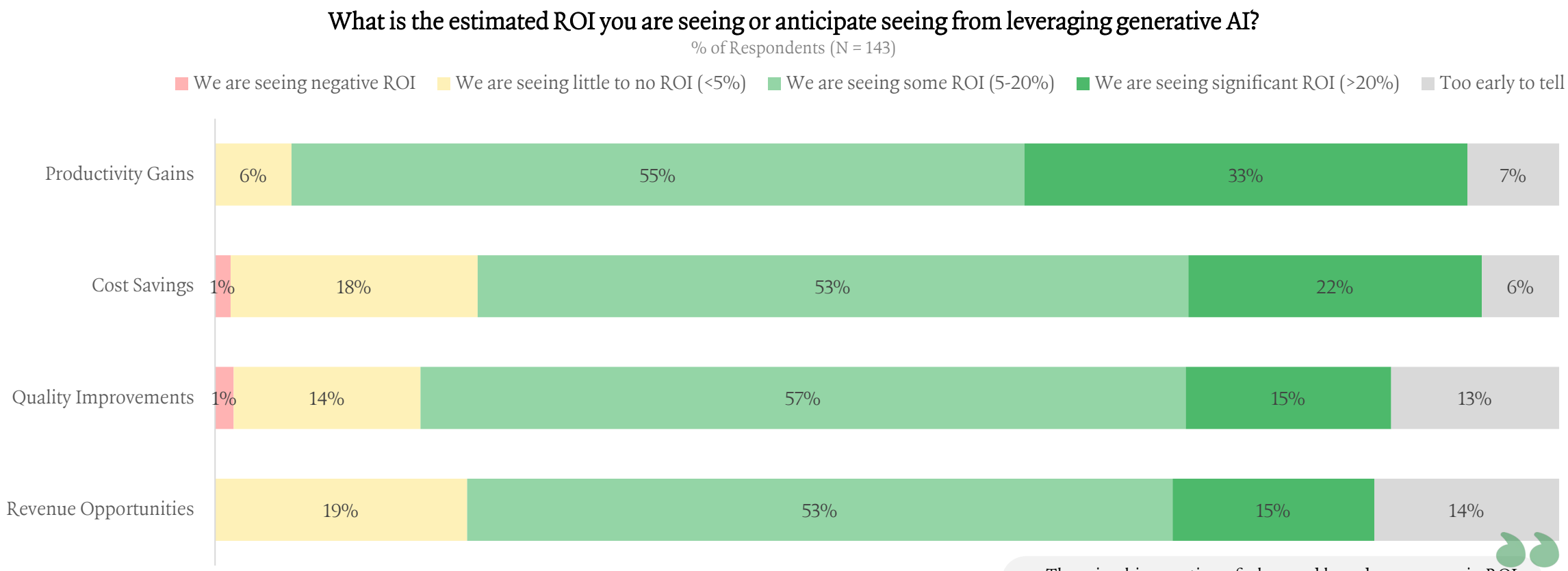
% Mentions in Top 5 Use Case (N = 116)



Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Estimated ROI

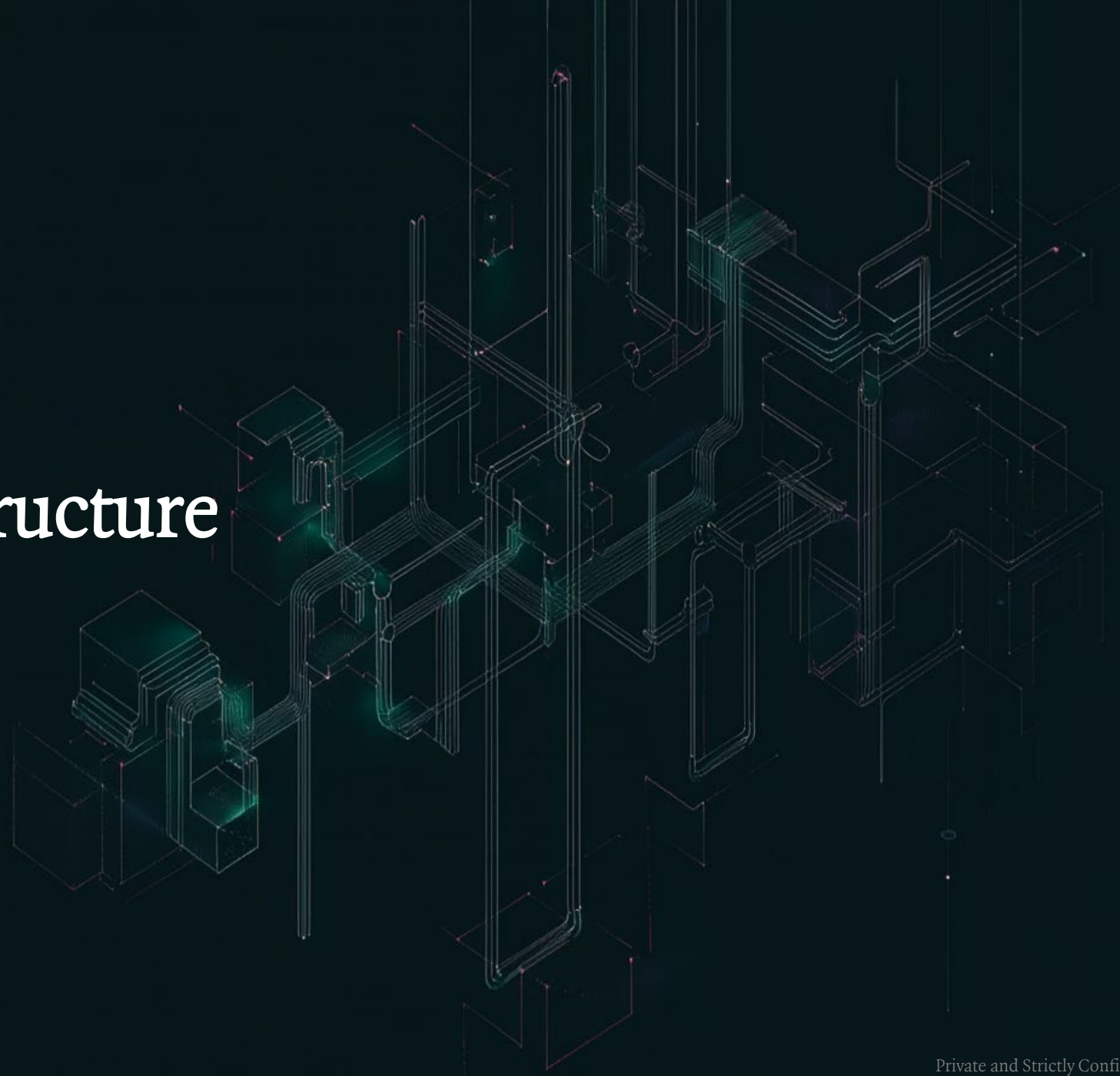
Executives are seeing or anticipate seeing ROI from generative AI in the 5-20% range on average, with productivity gains and cost savings easier to quantify than true revenue impact



> There is a big question of when and how do you weave in ROI. Some firms have oriented on learning and treating this like a R&D cost. Ultimately what moves the needle for our business will manifest itself but it may take some time to quantify
>
> *CXO of F100 Insurance Company*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Deep Dive on Infrastructure



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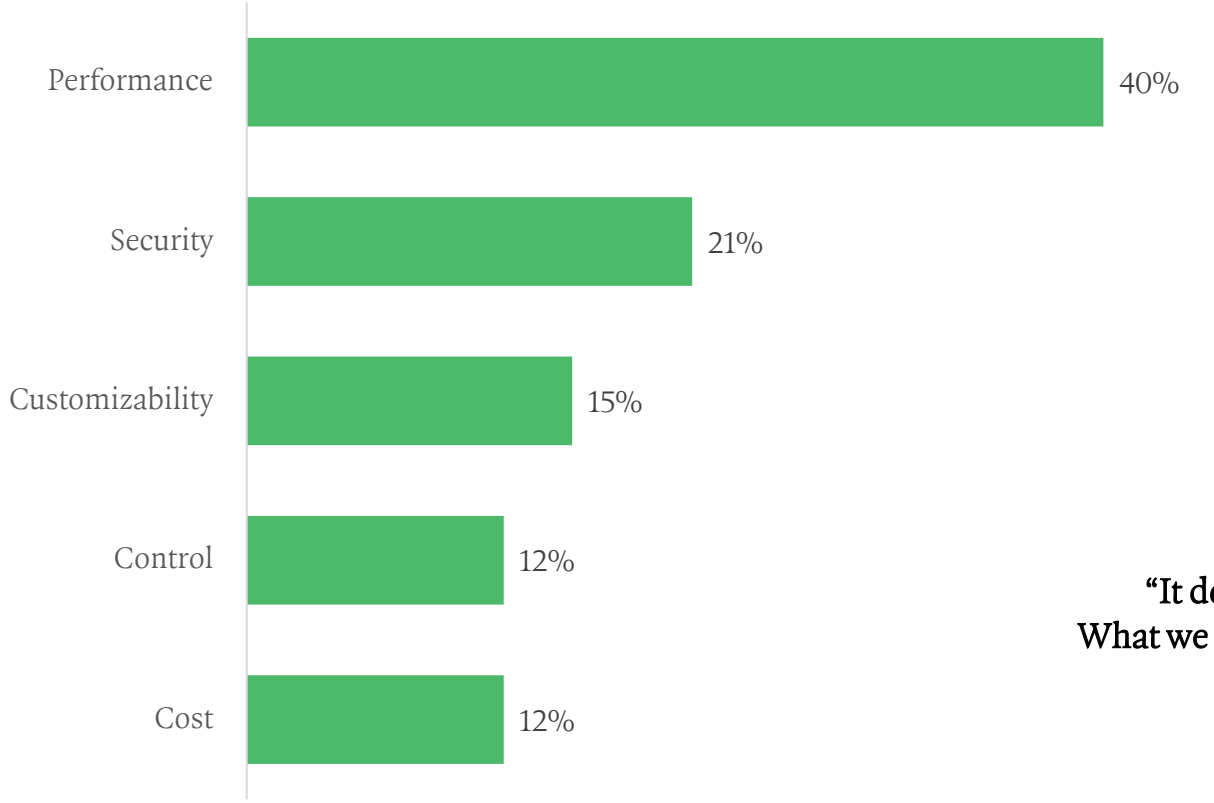
Key Purchasing Criteria

CXOs tend to prioritize the performance of LLMs above all other factors, with cost being the least important purchasing criterion

Which of the following factors are important to your organization when selecting an LLM or generative AI foundation model?

% of Respondents Ranked as Top Factor



Different models will have tradeoffs across performance, security, customizability, control, and cost, among other factors. However, it appears that CXOs are placing a **premium on performance**.

"It doesn't matter what you use. Nobody really cares what LLM you pick. What we care about is how it drives business outcomes for the business units that are allocating budget towards AI"

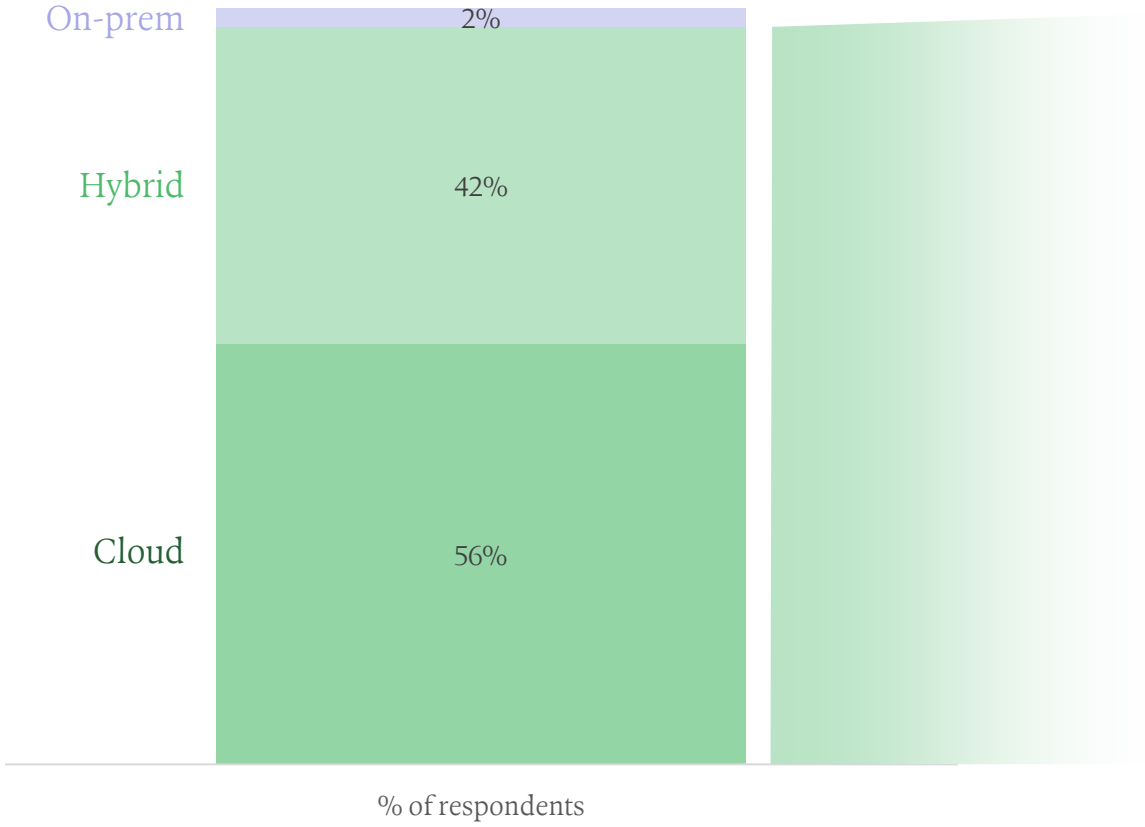
CDO of Financial Institution

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Enterprises are primarily hosting generative AI workloads on the cloud or via a hybrid approach; AWS and Azure are the most utilized cloud service providers

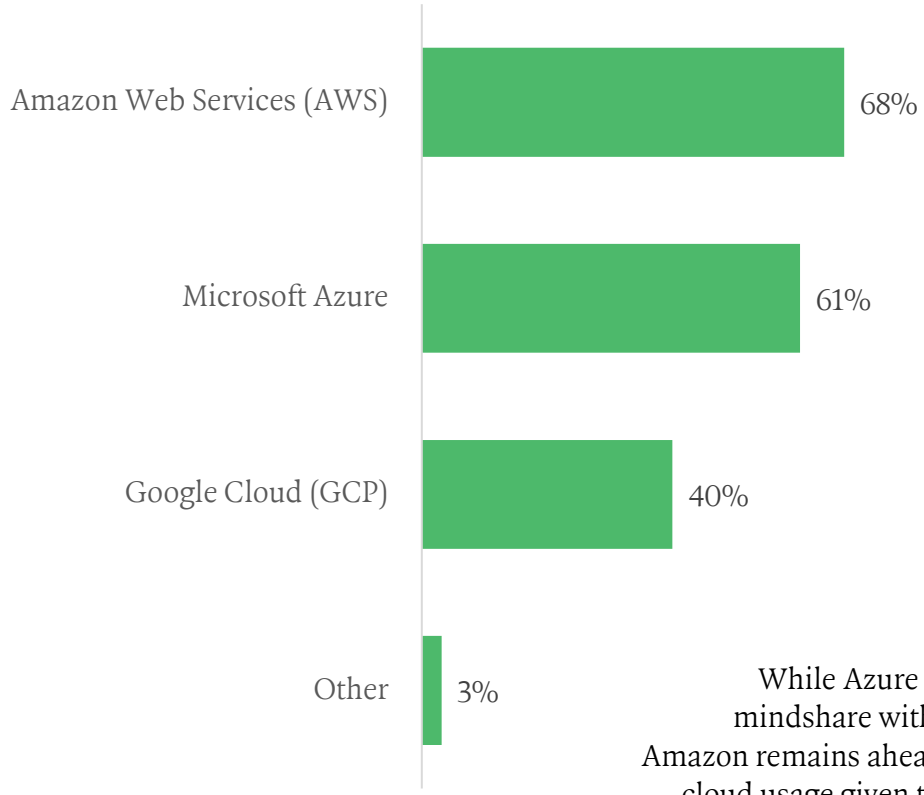
Preferred Deployment Method for GenAI Models

% of Respondents (N = 126)



CSP Used for GenAI Products

Multi-Select, % of Respondents (N = 218)



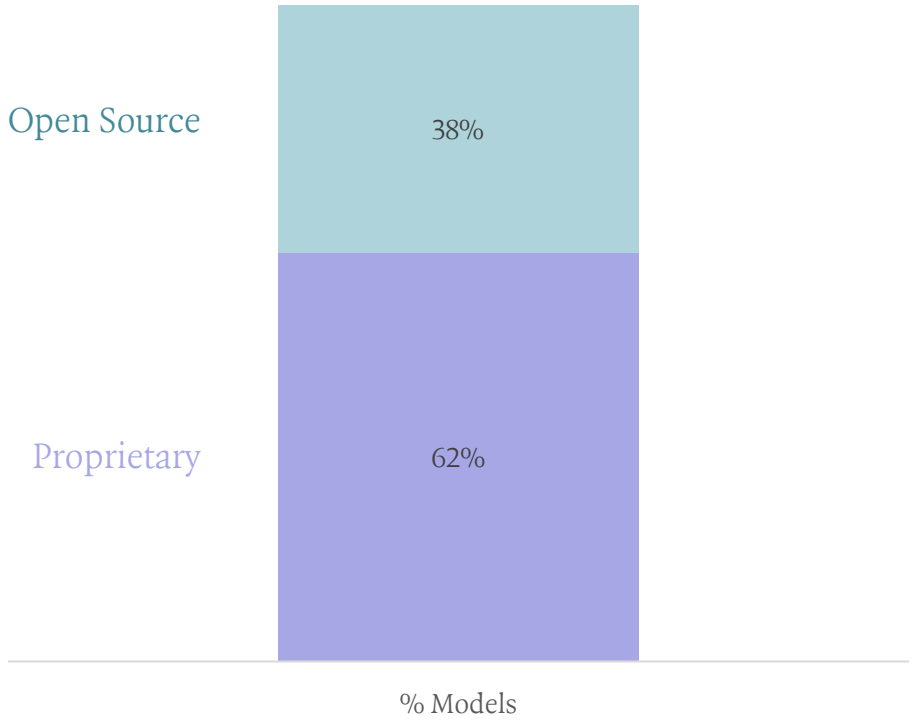
While Azure has captured mindshare with its OpenAI, Amazon remains ahead in terms of cloud usage given the dominant market share AWS has in cloud[1]

Notes: (1) Statista Worldwide Market Share of Leading Cloud Infrastructure Service Providers (May 2024)
Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Enterprises generally prefer to utilize proprietary models like GPT-4 over open-source models with on average ~60% of workloads being built with proprietary models; enterprises are primarily procuring LLMs via cloud service or model providers

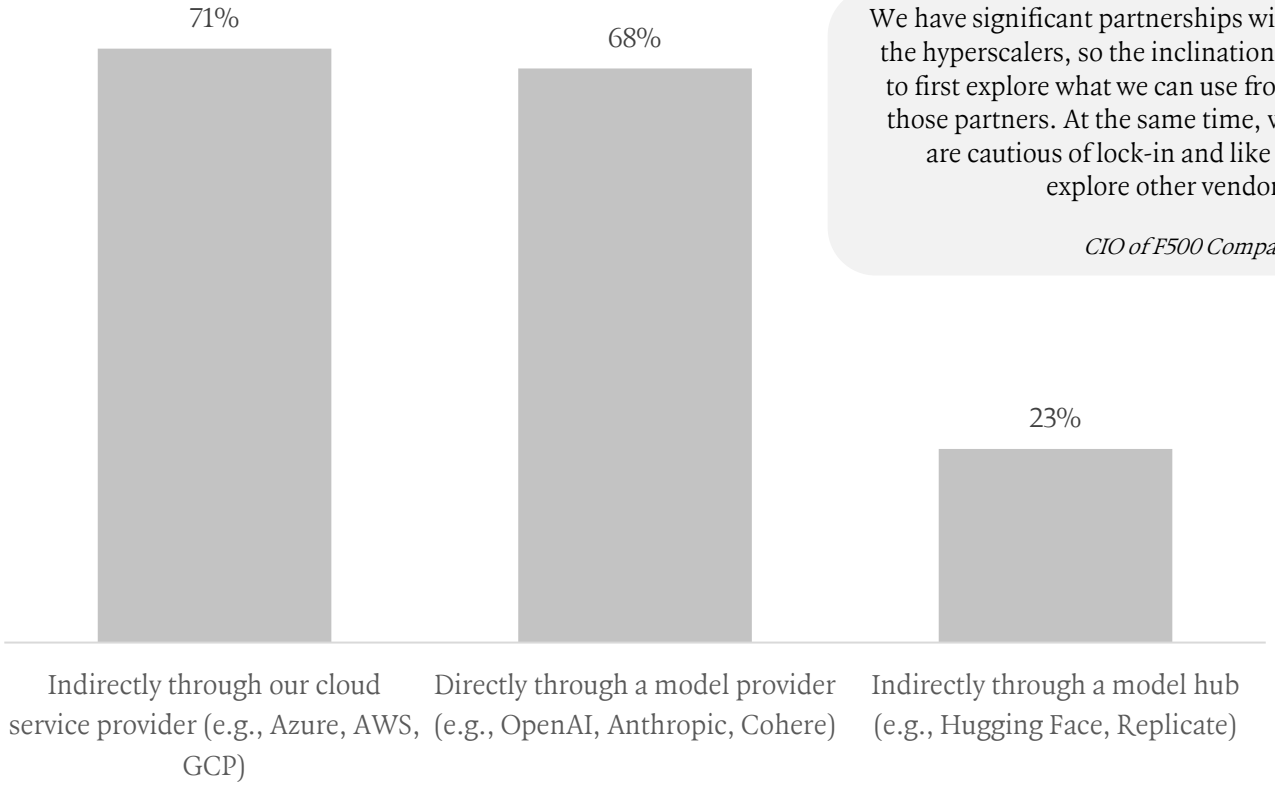
What percentage of your GenAI models are proprietary vs open source?

Average % of Models (N = 143)



How does your organization discover or procure LLMs?

Multi-select, % of Respondents (N = 143)



> We have significant partnerships with the hyperscalers, so the inclination is to first explore what we can use from those partners. At the same time, we are cautious of lock-in and like to explore other vendors.
>
> *CIO of F500 Company*

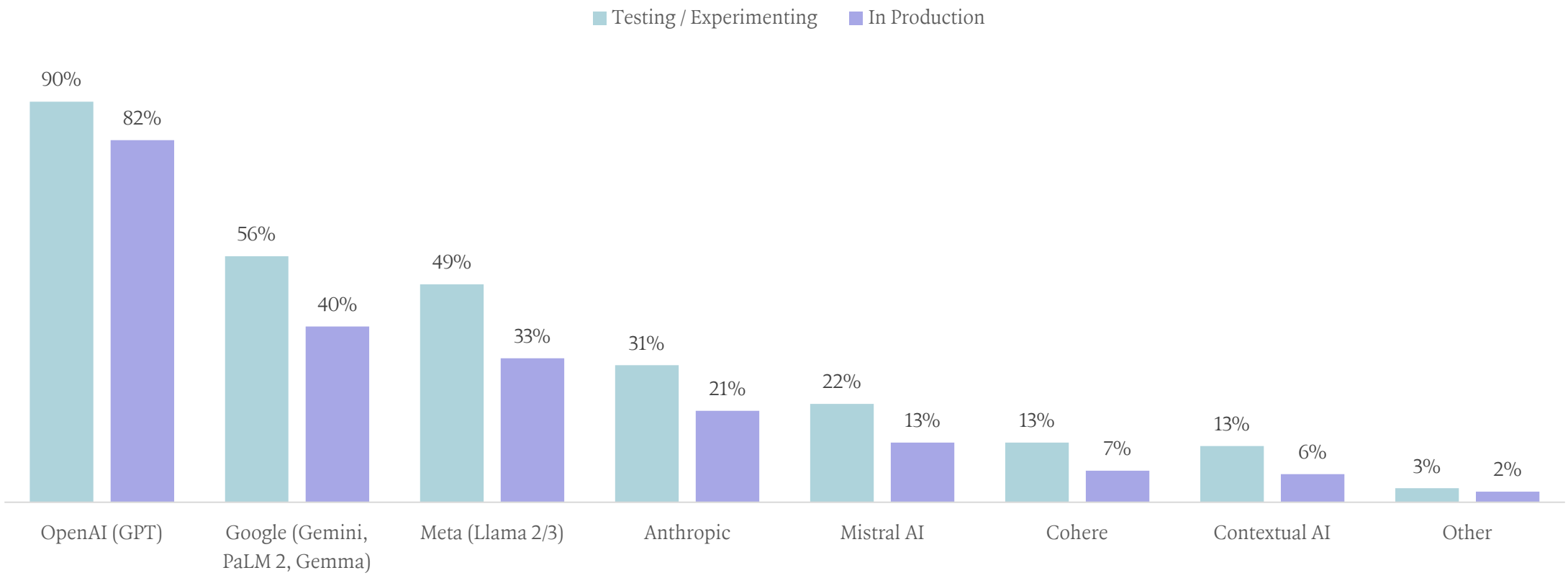
Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Models Used

OpenAI's GPT models are the most widely adopted generative AI models; however, ~30-50% of enterprises are also experimenting with Google, Meta, and Anthropic models

Which LLMs or generative AI foundation model providers is your organization currently using?

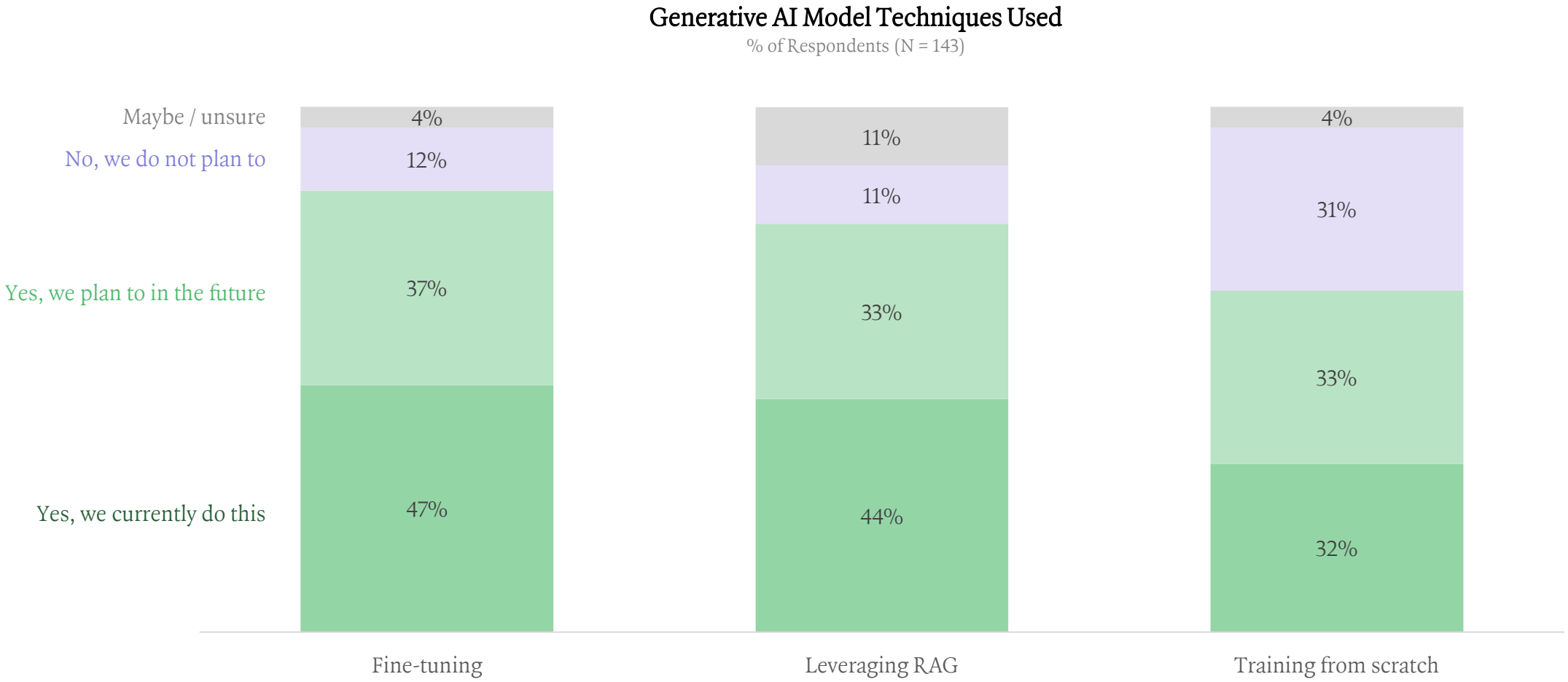
Multi-Select, % of Respondents (N = 126)



Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Modeling Techniques

A significant number of enterprises are augmenting their generative AI models via finetuning or retrieval augmented generation (RAG)

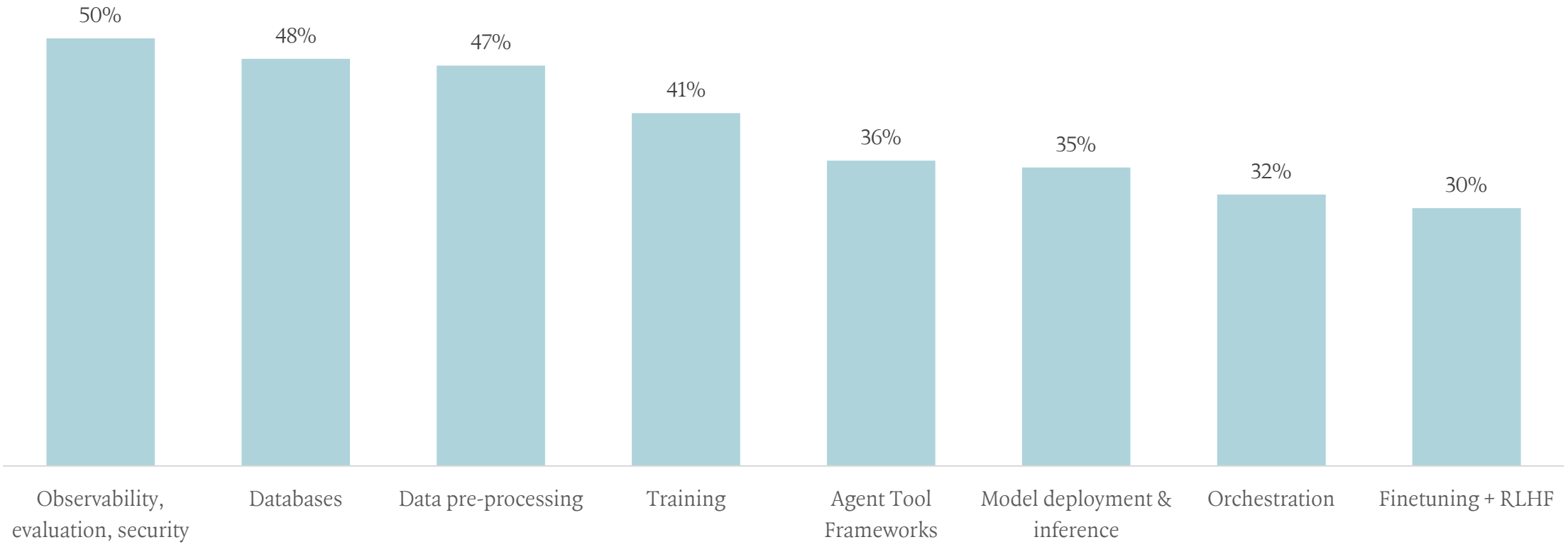


Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

In addition to investments in foundation models, enterprises are also procuring infrastructure tooling to support areas like data observability, database augmentation, and data pre-processing

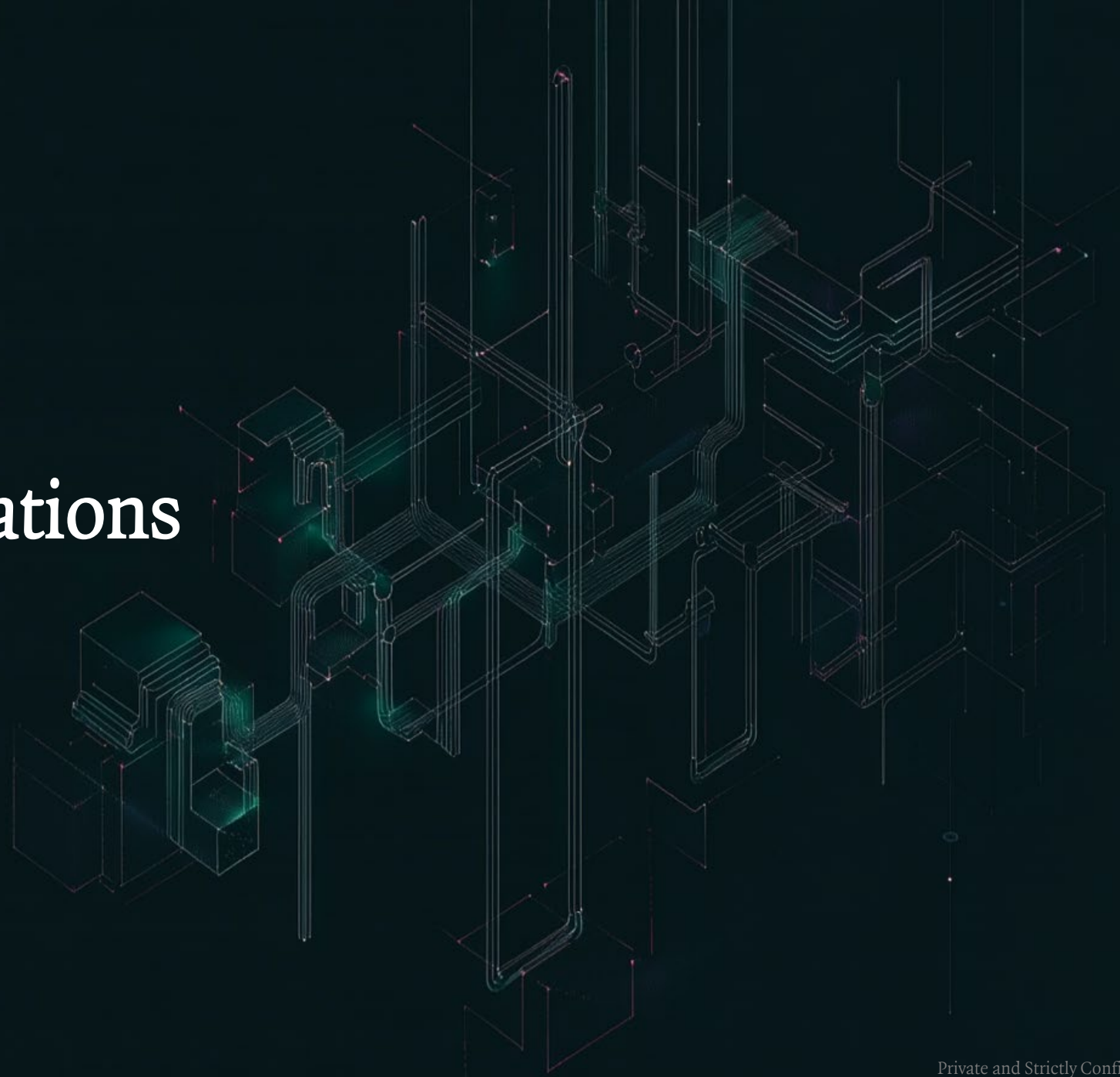
Which of the following areas are you procuring infrastructure tooling for in conjunction with these generative AI models?

Multi-select, % of Respondents (N = 126)



Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Deep Dive on Applications



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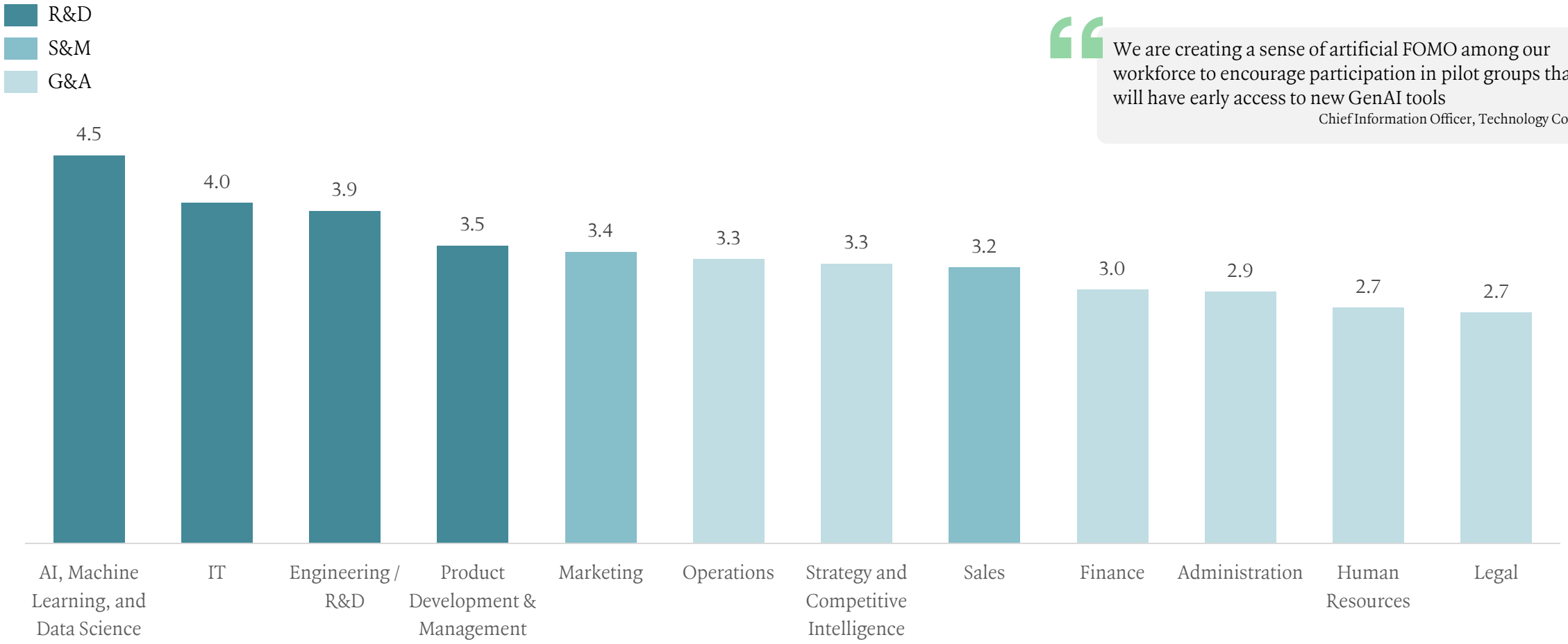
AI Usage by Function

Technical teams lead in adoption of generative AI for internal productivity, while HR and legal functions lag, likely hindered by data privacy and quality concerns

For each department / function in your company, please indicate their level of generative AI usage on a scale of 1-5.

Weighted Average Score by % of Respondents (N = 143)



> We are creating a sense of artificial FOMO among our workforce to encourage participation in pilot groups that will have early access to new GenAI tools
>
> Chief Information Officer, Technology Company

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

R&D teams have been quick to adopt generative AI for internal productivity, finding significant improvements to product development via tools like Github Copilot

Spotlight: AI in Product & Engineering

N = 51

Most Impactful Use Cases in Product & Engineering

- Improving coding velocity
- Code refactoring
- Augmenting test cases
- Summarization of business requirements
- Accelerating code reviews
- User research
- Prototyping and experimentation

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Training and onboarding
2. Budget
3. Compliance and legal concerns

4.1

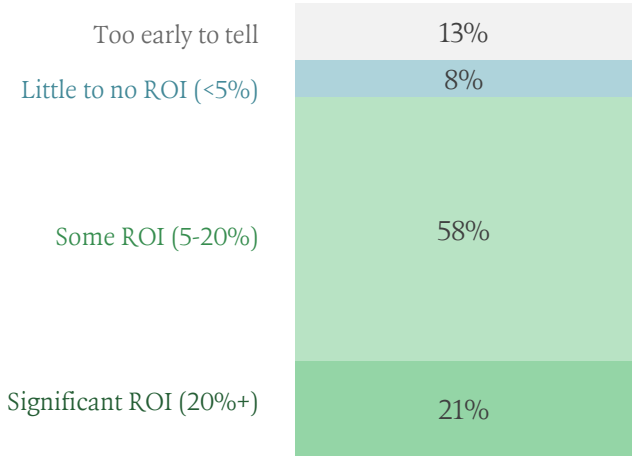
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in Product & Engineering

63%

Average % of employees in engineering who **use GenAI tools on an ongoing basis**

Average Productivity Gain

% of Respondents



> Generative AI has improved the productivity of existing and new engineers to understand our large, complex code bases and make changes with greater confidence.
>
> *Engineering Leader*
> *Technology*
> *$2-3B Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

IT teams have been one of the earliest adopters of Generative AI solutions, leveraging AI for use cases across customer support and ticket management

Spotlight: AI in IT

N = 50

Most Impactful Use Cases in IT

- Ticket management
- Chatbots
- Customer support / troubleshooting
- Knowledge management
- Case summarization

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Training and onboarding
2. Budget
3. Compliance and legal concerns

4.0

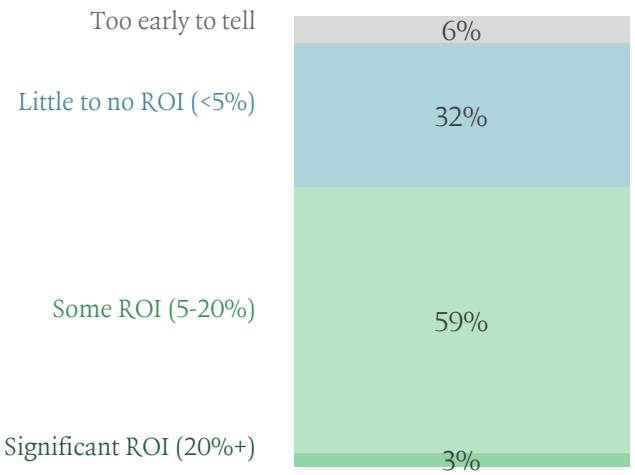
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in IT

45%

Average % of employees in IT who **use GenAI tools on an ongoing basis**

Average Productivity Gain

% of Respondents



> Auto-resolution of availability or error alerts has reduced our tickets by 20-30%. We've also been able to gather more telemetry and key data for systems that we were previous not able to monitor and manage
>
> *Engineering Leader*
> *Technology*
> *$2-3B Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Marketing use cases for GenAI include marketing campaign automation, copy writing, asset generation, and customer research

Spotlight: AI in Marketing

N = 36

Most Impactful Use Cases in Marketing

- Marketing campaign automation
- Copy writing, proofing
- Design, image generation
- Market and customer research
- Voice and conversational marketing

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Compliance and legal concerns
2. Training and onboarding
3. Unclear ROI

4.0

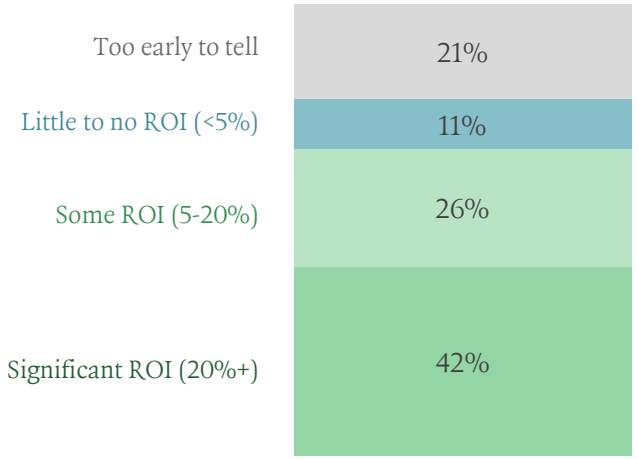
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in Marketing

42%

Average % of employees in Marketing who **use GenAI tools on an ongoing basis**

Average Productivity Gain

% of Respondents



> We have been using an AI-enabled design and image generation tool that has allowed us to save over $1 million in costs of enrollment asset production annually and allowed us to increase speed to market by up to 50%.
>
> *Marketing Leader*
> *Financial Services*
> *$20B+ Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Spotlight: AI in Sales

Generative AI solutions have been shown to allow sales teams to streamline both lead identification and outreach, with personalized and contextual customer information

Spotlight: AI in Sales

N = 36

Most Impactful Use Cases in Sales

- Target/lead identification and outreach
- Meeting summarization
- Contextual writing
- Insight generation

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Training and onboarding
2. Unclear ROI
3. Compliance and legal concerns

4.1

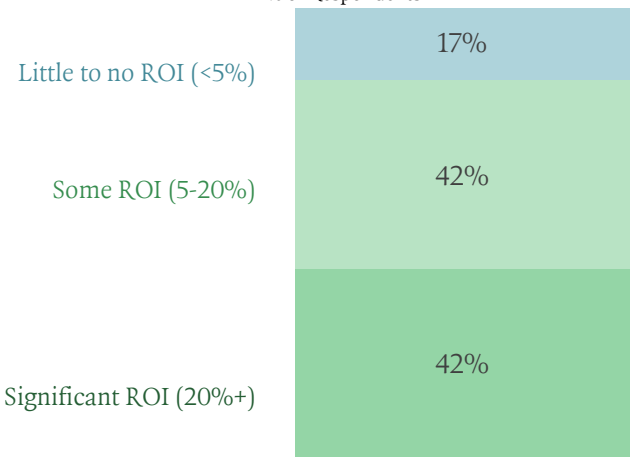
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in Sales

49%

Average % of employees in Sales who **use GenAI tools on an ongoing basis**

Average Productivity Gain

% of Respondents



> It is still too early to assess the impact to revenue but lead and opportunity nurturing is happening faster and better due to adoption of GenAI
>
> *Sales Leader*
> *Financial Services*
> *$20B+ Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Spotlight: AI in Finance

While the finance function has been slower to adopt GenAI solutions on a regular basis, we are starting to see GenAI be leveraged for use cases like report generation, cash management, and month end book close

Spotlight: AI in Finance

N = 22

Most Impactful Use Cases in Finance

- Report generation
- Cash management
- Month end book close
- Research
- Memo drafting

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Training and onboarding
2. Compliance and legal concerns
3. Lack of tools

3.6

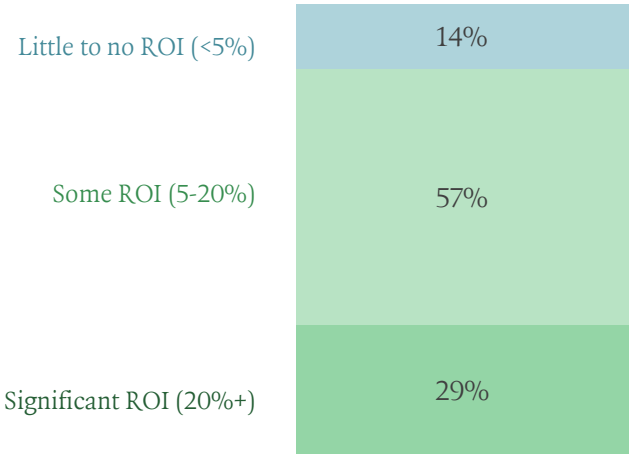
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in Finance

31%

Average % of employees in Finance who **use GenAI tools on an ongoing basis**

Average Productivity Gain

% of Respondents



> We have been able to decrease FTE hours in addition to improving quality by reducing errors from manual processes.
>
> *Finance Leader*
> *Technology*
> *$20B+ Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

Use cases in operations vary widely based on company and industry; however, common use cases include meeting summarization, ticket triage, knowledge management, and report generation

Spotlight: AI in Operations

N = 40

Most Impactful Use Cases in Operations

- Meeting summarization
- Ticket triage / management
- Knowledge management
- Report generation

Biggest Challenges to Adoption

Ranked by % of Respondents Selected in Top 3

1. Training and onboarding
2. Compliance and legal concerns
3. Unclear ROI

4.1

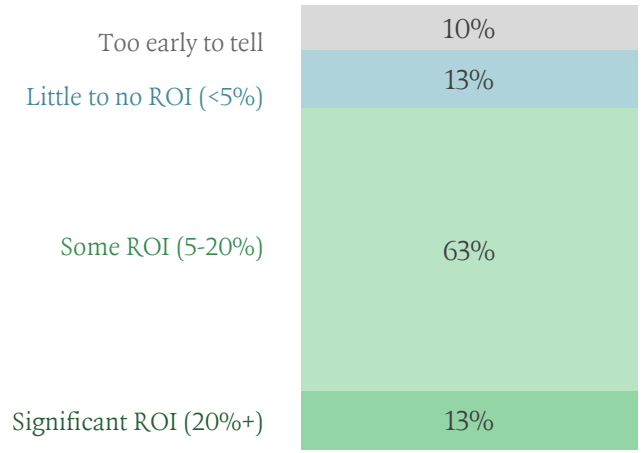
Average priority score (1-5 with 5 highest) for adoption of generative AI tools in Operations

32%

Average % of employees in Operations who **use GenAI tools on an ongoing basis**

Average Productivity Gain

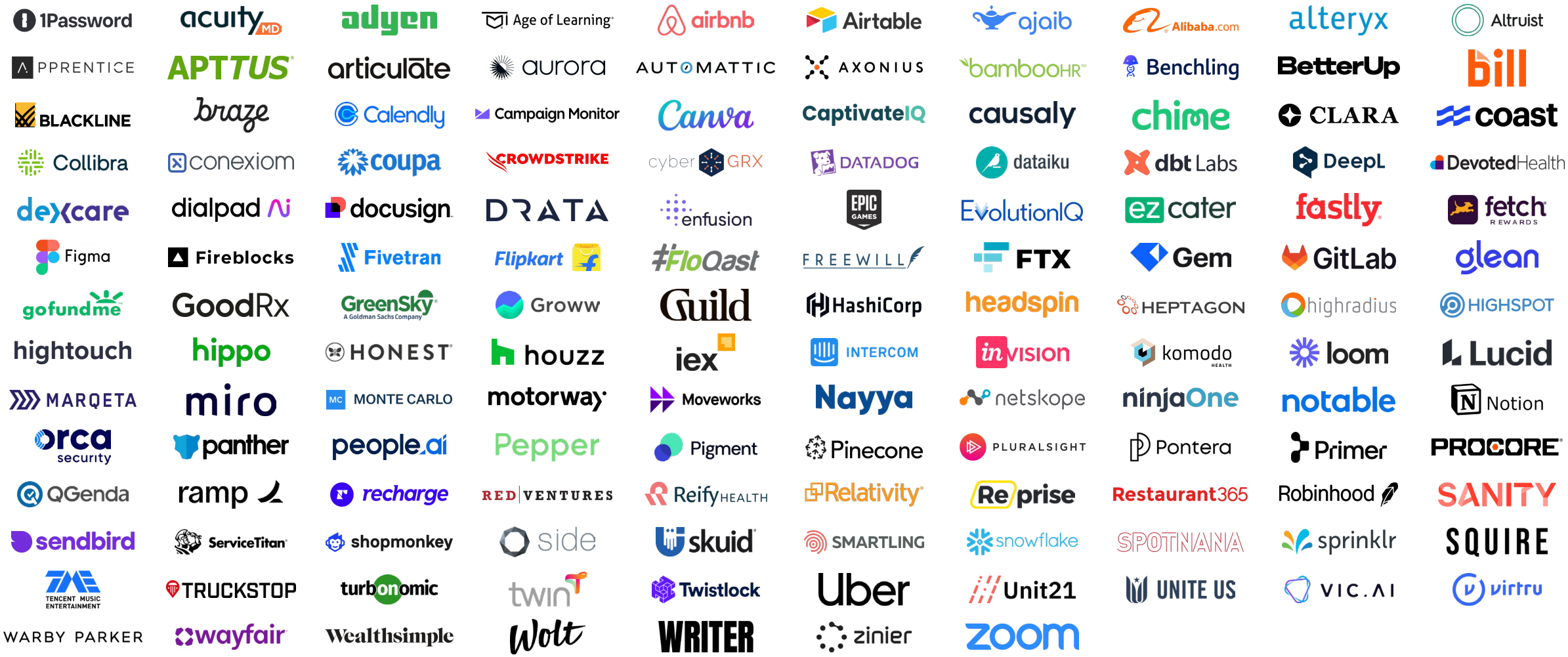
% of Respondents



> Our Operations department has developed an internal gen AI. It automates repetitive tasks in our ops workflows, such as data entry and doc processing, using natural language processing (NLP). and machine learning algorithms. It has also helped the AML dept handling routing tasks from a Fraud identification and risk standpoint.
>
> *Operations Leader*
> *Financial Services*
> *$20B+ Annual Revenue*

Source: Perspectives from the ICONIQ Growth GenAI Survey (June 2024) and perspectives from the ICONIQ Growth team and network of AI leaders consisting of our community of CIO/CDOs overseeing AI initiatives in enterprises, CTOs, our Technical Advisory Board, and others in our network

A global portfolio of category-defining businesses



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