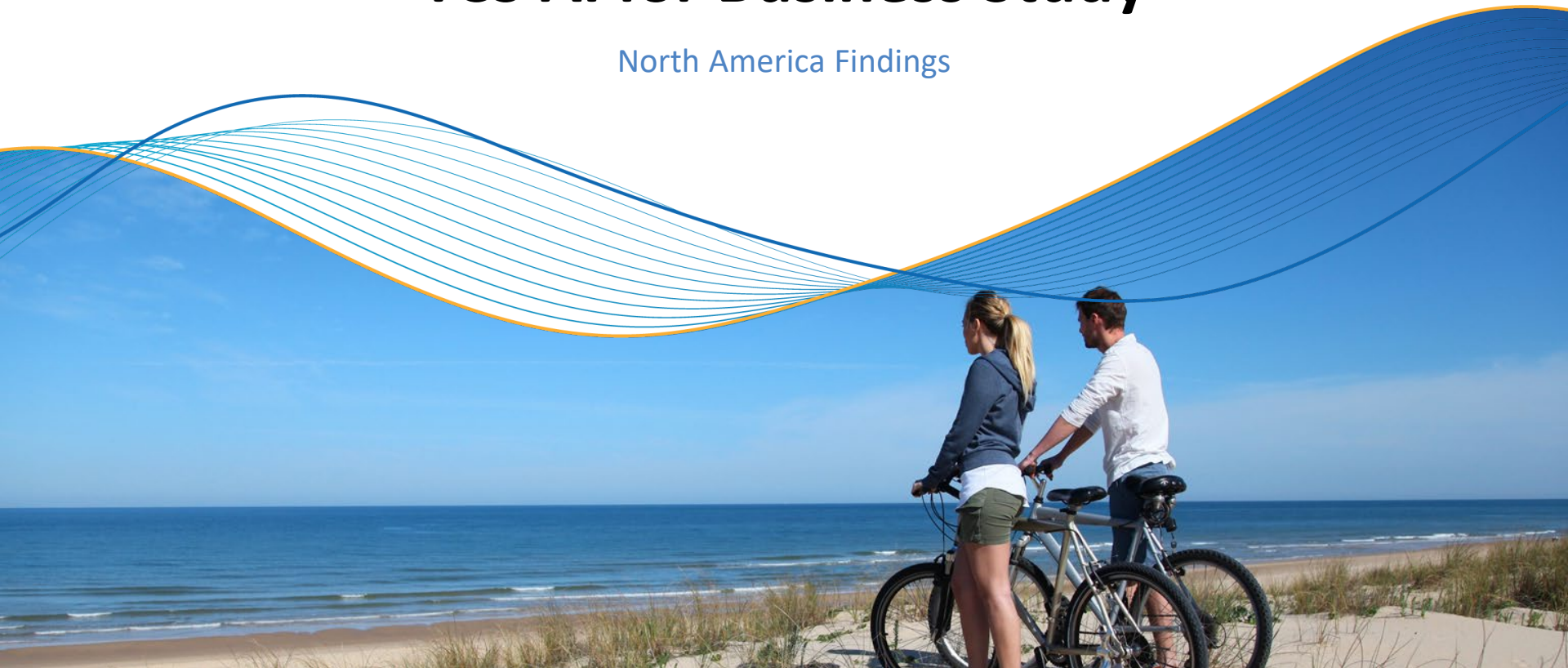
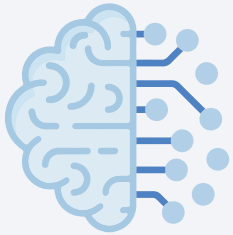
TCS AI for Business Study

North America Findings



About the TCS AI for Business Study



TCS surveyed approximately 1,300 senior executives in multiple sectors across Asia-Pacific, Latin America, Continental Europe, United Kingdom & Ireland, and North America, more than half with revenue over $5 billion.

The survey results from the North American region included 335 survey respondents from across the US and Canada.

What's driving AI implementations?

How are employees, skills and roles shifting?

How is AI redefining North American businesses?

What customer engagement AI trends are emerging?

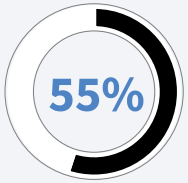
Where is AI strategy headed?

Are business results aligning with aspirations?

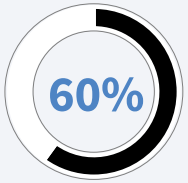
The transformative potential of AI

An optimistic outlook on AI's impact

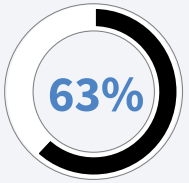
Few technology advancements have gripped the public imagination like artificial intelligence. Most of North American executives believe **AI's impact on their business model will be greater or equal to earlier disruptive technologies, and they're optimistic about its potential.**



More than half believe **the impact of AI will be greater than or equal to the Internet**



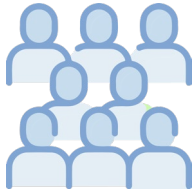
More than half believe the impact of AI will **be greater than or equal to the smartphone**



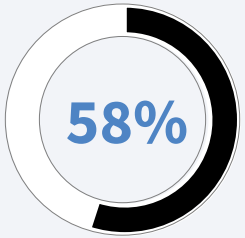
Nearly two-thirds say they are optimistic or excited about AI's potential impact on their business

Q. How would you compare AI's potential impact on your business model with the following technological developments: Internet; smartphone. Q. Which of the following is closest to how you're feeling about AI's potential impact on your business?

Humans, not AI, expected to remain the competitive differentiator



Most North American executives believe that rather than replacing human workers, AI will augment and enhance human capabilities, enabling people to focus on higher-value activities that require creativity, empathy, and strategic thinking.



More than half of North American executives say human creativity or strategic thinking will remain their company's competitive advantage.

37%

expect AI to make more tactical decisions, freeing up workers to think more strategically

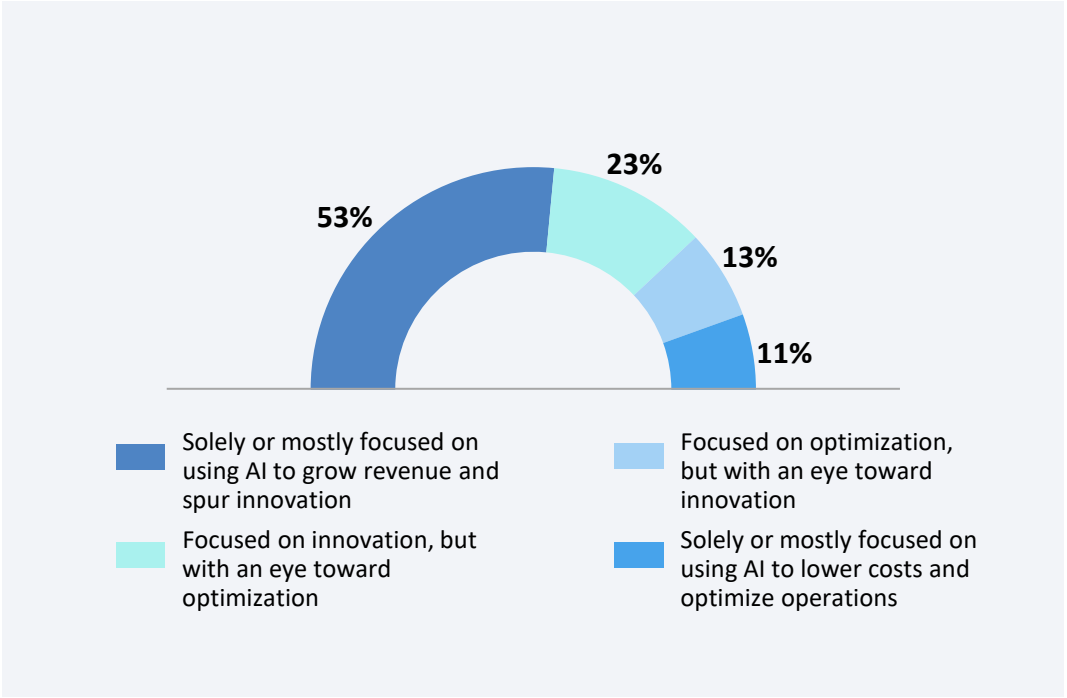
21%

Believe human intuition and creativity will remain central to their company's competitiveness

Q. In your business, which of these statements most closely matches your own expectations for how AI will impact decision making in the next 3-5 years?

Greater innovation, productivity lead AI business imperatives

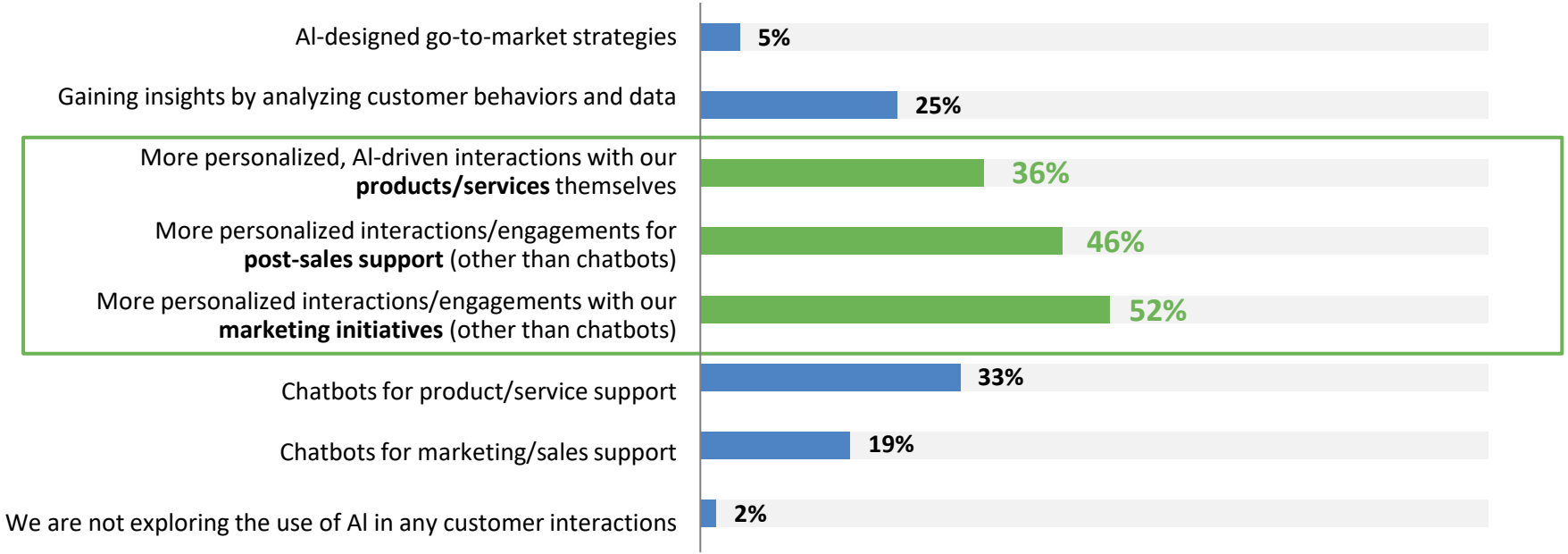
Like their global counterparts, North American respondents are more interested in using AI for spurring innovation and growing revenue than for optimization and cutting costs. In fact, 89% say they have AI projects aimed at growing revenue.



Q. On a scale of 1 to 10 — where 1 is solely interested in using AI to lower costs and optimize operations and 10 is solely focused on spurring innovation and revenue growth — where would your company's current approach toward AI fall?

Personalized interactions are top AI customer focus areas

When it comes to customer engagement, organizations say they're moving beyond commonplace chatbots. The majority of North American executives are more focused on AI's ability to help deliver deeply contextual, personalized interactions at critical moments of truth.

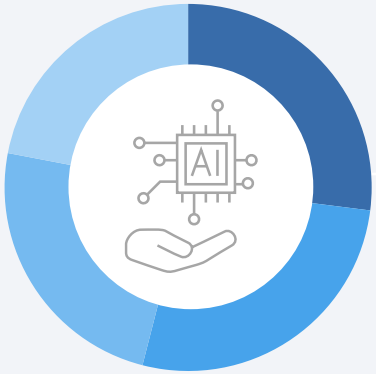


Q. In what ways are you exploring AI's impact on your relationships with customers?

The journey to AI

One size fits one? AI adoption strategies vary

AI is not plug-and-play technology with a one-size-fits-all strategy, and the findings from North American executives reflect the varied approaches to AI across individual organizations. Some favor bold experimentation and fail-fast methods; others prefer a more conservative wait-and-see approach.



27%

want to establish an enterprise-wide AI strategy to maximize its benefits to the company

24%

say they want to stay true to their purpose and success model in exploring how they might leverage AI

22%

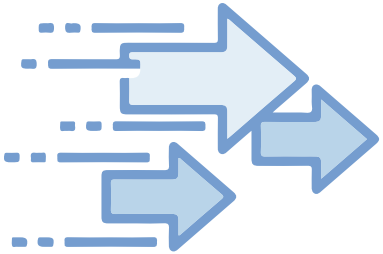
want to experiment and take risks with AI to maximize its benefits

27%

want to wait and see how AI gets used in their industry and follow the lead of others

Q. Rank three areas in order of importance to your company's leadership regarding the use of AI in the enterprise.

Fast or slow, most North American organizations are adopting AI



While the pace of AI adoption differs, the ultimate objective is overwhelmingly consistent.

The vast majority of NA executives (95%) have AI implementations planned, in process or already completed.

65%

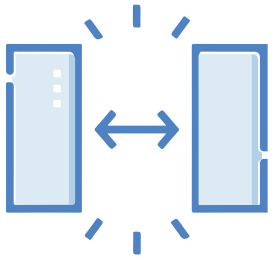
of corporate functions have AI implementations in-process or completed

30%

of departments are planning AI implementations

Q. What is the state of implementation for AI-enabled operations in the following areas of your company?

A gap between aspiration and reality



The merging of reasoning and recognition intelligence into generative models offers tremendous potential to help companies reimagine entire value chains and transform the way they do business. **But the vast majority of North American respondents say they have a long way to go to realize these outcomes.**

Only **6%** say it's a differentiating factor for business transformation at this time

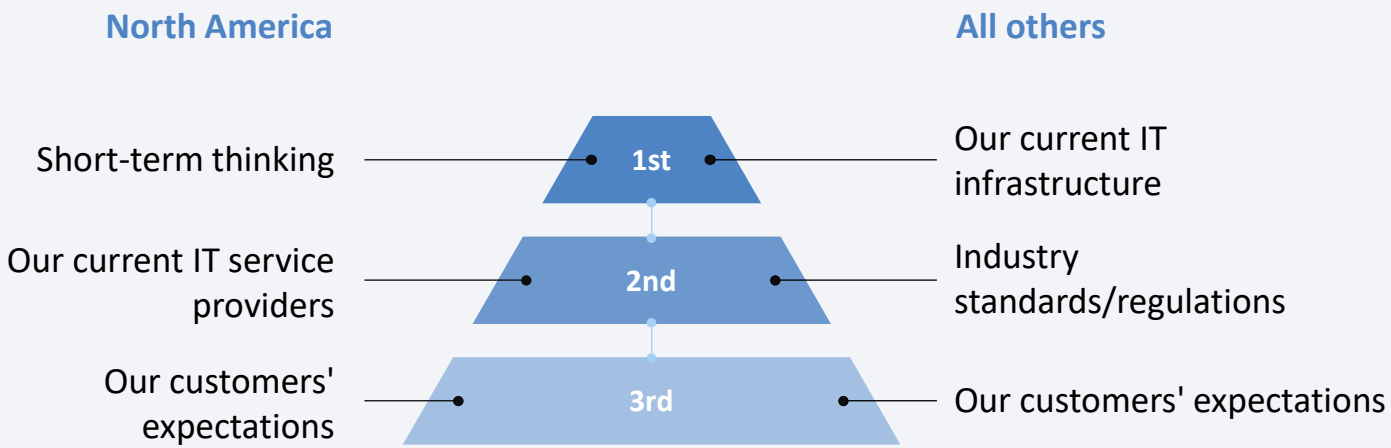
19% haven't even moved beyond the initial AI exploration phase

20% are cleaning up their data and moving it to the cloud

Q. Looking at your organization overall, which most closely describes your company's current relationship to AI?

What’s hampering AI progress?

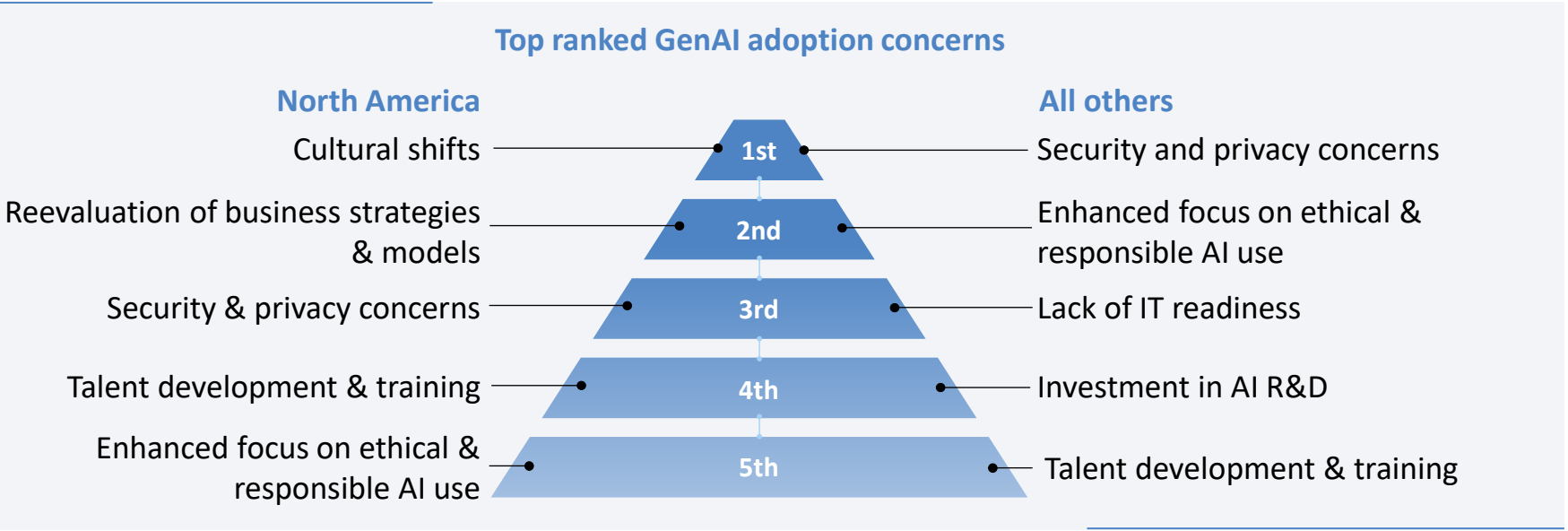
North America executives say **short-term thinking, their current service providers, and customer expectations** are hampering overall AI efforts.



Q. What are the top 3 challenges to making effective use of AI in your company?

Generative AI brings its own set of challenges

50% of NA executives surveyed expect up to half of their employees to be using GenAI on a daily basis within the next **3 years**. North America executives say culture shifts concern them the most, even above security and privacy.



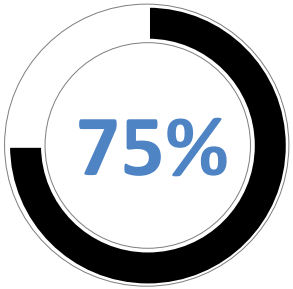
Q. Rank the top 3 statements, which most closely reflect how recent attention to Generative AI (specifically) has changed your company's assessment of AI's benefits and risks more generally; Q. In three years, what percentage of your employees do you believe will be using/interacting with Generative AI capabilities on a daily basis?

Balancing risk with opportunity

Making way for AI

Introducing such powerful technology into organizations comes with a great weight of responsibility. Extensive preparation and stringent governance that foster trust in outcomes and investment values must go hand in hand with AI adoption.

North American businesses are not only aware of the changes involved, but actively planning for them.



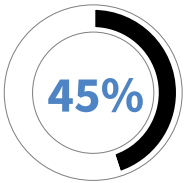
of North American companies are currently reworking or are planning to rework- how they operate across the enterprise

Q. Have you given any thought to how your company's strategic direction needs to be revised due to AI's potential benefits or risks for your organization or your industry? n=335

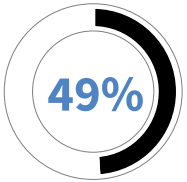
Homegrown implementation prevails for now

As AI preparation turns to implementation, organizations face numerous decisions to achieve the right mix of artificial intelligence and investment.

Despite the complexity, nearly half of North American companies **are likely to rely on internal teams** to develop and implement AI, or to create their own enterprise-specific LLMs.



Nearly **half** say they plan to rely on in-house talent to implement AI



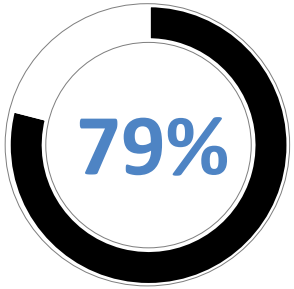
Just under half plan to create their own enterprise-specific LLMs for use in GenAI implementations

Q. On a scale of 1 to 5, how much are you relying on external vendor and partnerships (including academic or government partners) for your AI implementations and how much are you doing in-house? n=335; Are you planning to create your own enterprise-specific LLMs for use in Generative AI implementations?

Implementation metrics fall short

North American executives say they need better KPIs to measure the success of their AI implementations. Without KPIs, organizations will struggle to demonstrate AI's value and gain internal traction for its adoption.

Only **16%** say they have "good enough" metrics and KPIs for their current stage of AI deployment. **6%** said they aren't even aware of any useful metrics for AI implementations.



say they need better metrics to measure the success of their AI implementations

19%

need better financial KPIs for AI-enabled operations

33%

need better non-financial KPIs for AI-enabled operations

27%

Need both

Q. Which statement most closely matches how you feel about measuring the success of and financial return on AI implementations? n=335

Navigating ethical, security and privacy dimensions

The debut of sophisticated AI applications has intensified the focus on security and privacy concerns, and the ethical dimensions of AI use have also garnered significant attention. Many senior executives in North America prefer global and regional regulations in this fast-changing landscape.

38% prefer global AI standards regulating specific use cases and outcomes

40% prefer global AI standards, plus specific regional controls

21% prefer a heterogenous environment of local regulations

2% think it's too early or unnecessary to regulate AI

Q. Which regulatory landscape is most appropriate for your business's use of AI? n=335

Industry leaders are preferred regulatory champions

Many industry leaders are already advocating for regulations around AI, particularly in sectors that have an outsize impact, such as finance and healthcare. North American leaders surveyed concur, preferring industry regulatory champions over government, academia, and NGOs.

48%

Government

58%

Industry

49%

Academia

32%

NGOs

Q. Which organizations should be involved in establishing regulations about AI?

TCS recommendations

Based on this research, here are our recommended next steps.

Focus on the business value, not the technology

Embrace an AI strategy based on prioritized initiatives and use cases that have the potential to drive tangible business outcomes.

Make your business & culture AI-ready

Invest not only in the necessary technology and infrastructure but in a culture that embraces change, experimentation, and continuous learning.

Adopt a more strategic approach

Consider the broader strategic value of AI initiatives and how they can be used to improve operational efficiency, reduce risk, and enhance decision-making — all of which can contribute to overall business performance.

Don't go it alone

Let business and IT staffs focus on core competencies and strategic objectives, seeking partnerships and external expertise where appropriate, rather than shouldering the entire burden of AI implementation internally.

Plan for success, not scarcity

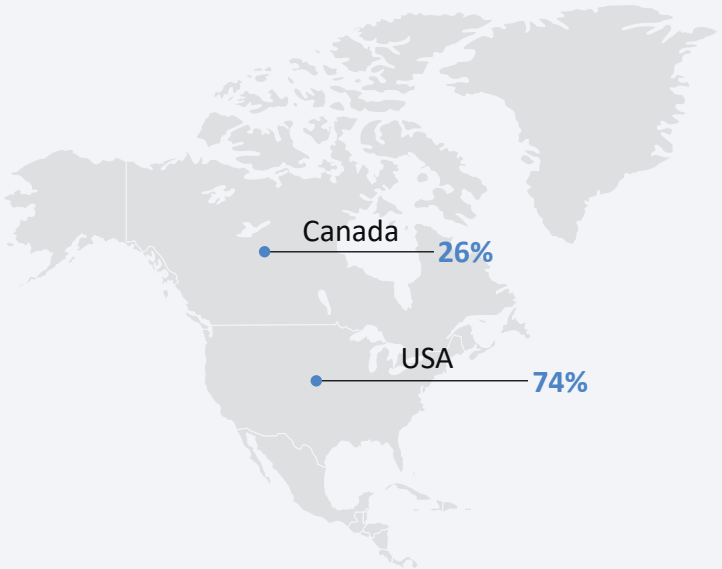
Implement AI with the goals of expanding revenue, opportunity, and innovation, which offers the potential to create new jobs and enhance human capabilities.

Create higher-level relationships with customers

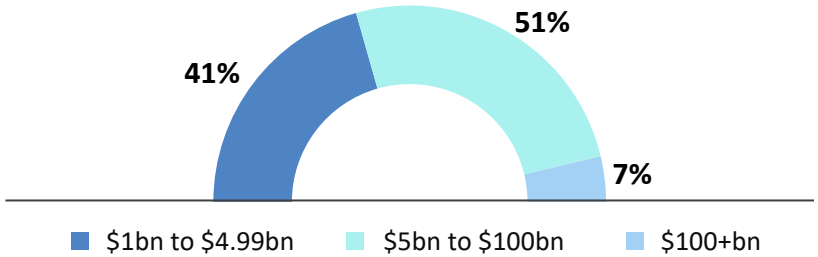
Leverage modern AI to deliver highly personalized, proactive and more value-added experiences across the customer journey for competitive differentiation and to build long-term loyalty.

Demographics – Geo, role and revenue

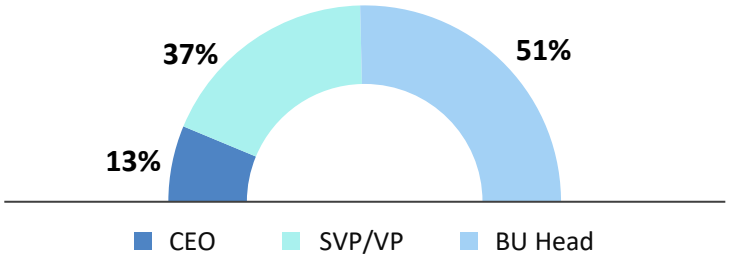
North America representation by %



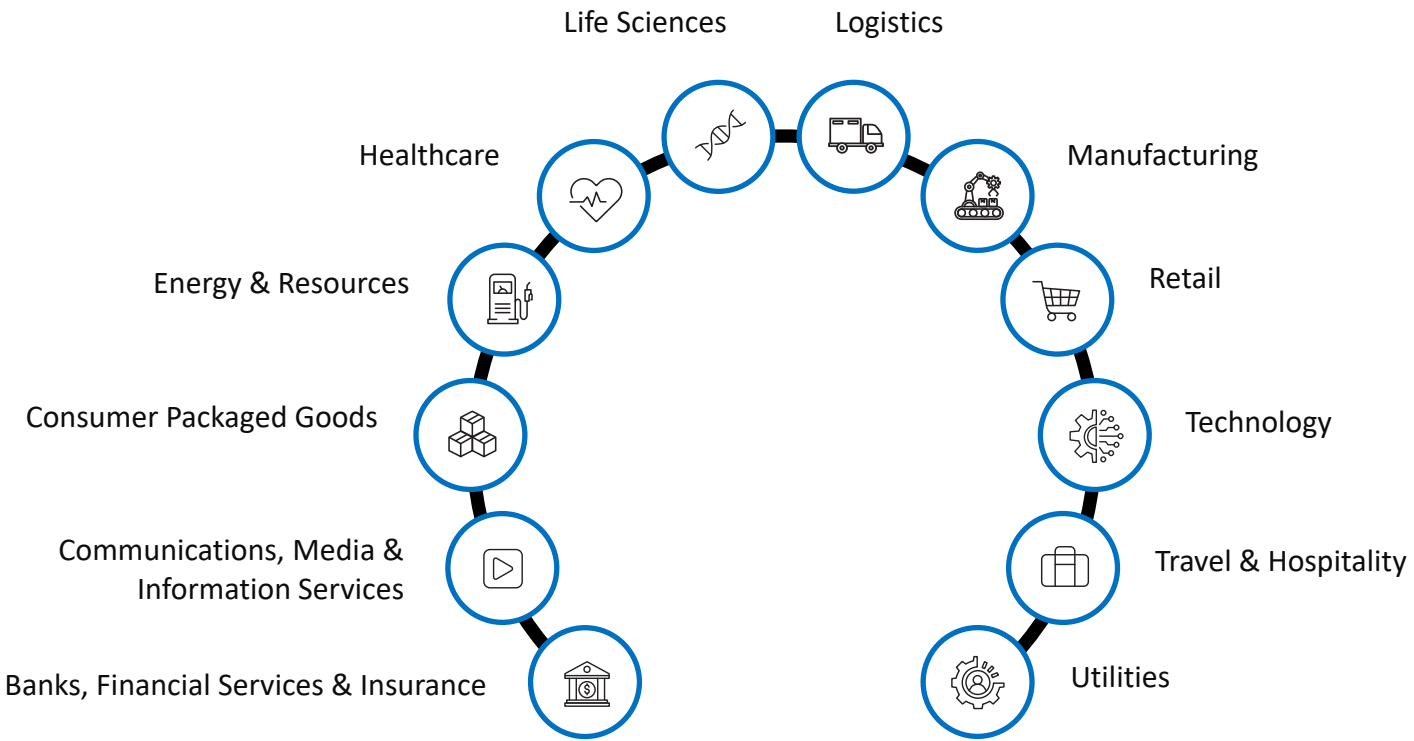
Revenue representation



Role representation



Demographics – Industry



n = 1,272
North America = 335

About the study

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Get more insights

If you would like to get additional research based on the TCS AI for Business Study, visit on.tcs.com/2024-global-AI-study

For more information or any feedback, email the TCS Thought Leadership Institute at TL.Institute@tcs.com

The TCS AI for Business Study explores how companies around the world are looking at the strategic implications of AI technologies and how they are responding to its transformative potential. A survey of 1,272 senior executives with profit-and-loss responsibility at their companies was conducted November 28, 2023, through January 17, 2024, with responses from 24 countries across 12 industries, exploring the strategic implications of artificial intelligence and their expected impact on large, for-profit enterprises.

Some data presented will not add up to one hundred percent due to rounding, and not every answer is included in the findings reported.

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A part of the Tata group, India's largest multinational business group, TCS has over 601,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US $29 billion in the fiscal year ended March 31, 2024, and is listed on the BSE and the NSE in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index. For more information, visit www.tcs.com

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