DECEMBER 2023

The Enterprise AI Journey

Decoding how corporations are
buying and deploying AI solutions

NRGMR.COM

nrg

For many businesses, investment in AI is no longer seen as optional

Over the past 12 months, we've seen a sea change in how businesses think about AI. What was once "the next big thing" has become a core part of the modern corporate computing landscape. In particular, the rapid development of generative AI platforms and Large Language Models such as OpenAI's GPT4, Microsoft Copilot, and Google Gemini has forced many of today's corporate leaders to a stark realization: either embrace the potential of these new tools, or risk being left behind by competitors who do.

Figuring out how to navigate this new landscape, however, is not always an easy task. As the market for AI products and services has become more crowded, separating hype from reality—and figuring out how these tools can add real value to an organization—has become increasingly difficult.

Moreover, the deployment of these solutions within enterprise-level organizations often brings with it a whole host of implementation challenges. In many cases, these challenges have less to do with the technology itself than with the human, cultural, and governance questions it creates. How, for example, can you equip your team members with the skills necessary to extract meaningful value from these new technologies? And how can you ensure that your use of AI—especially generative AI— doesn't create new risks or legal liabilities for your organization?

METHODOLOGY

To develop the insights in this report, NRG conducted case study interviews with key decision makers across 10 US-based enterprise-level organizations (businesses with a headcount of at least 500). All interviewees had been directly involved in overseeing the purchase and/or deployment of AI products and services. The organizations profiled for this research represented a broad range of sectors, including but not limited to technology, financial services, manufacturing, education, and aviation.

Additionally, this report also draws on insights from NRG's recent white paper, *The Accountable AI Playbook*—the findings of which were based on a quantitative study of 1,500 US consumers, ages 18 to 64, along with interviews with AI experts and influencers.
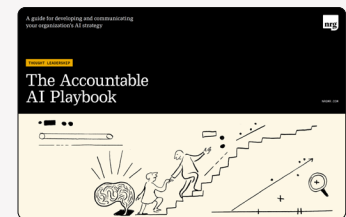
This paper aims to unpack the relationship between enterprise-level organizations and the emerging B2B market for AI products and services—focusing, in particular, on how key decision makers within these organizations are currently approaching these technologies, and what they're looking for from solutions in this space. By doing so, we identify the key challenges and opportunities facing vendors in today's AI market—and how those vendors can most effectively position their products for long-term success.

nrg

AI, especially generative AI, is more than just a technology; it's a wholesale cultural transformation

"

Right now, there's no uniform understanding of what generative AI really is. So the messaging from vendors is not at all consistent."
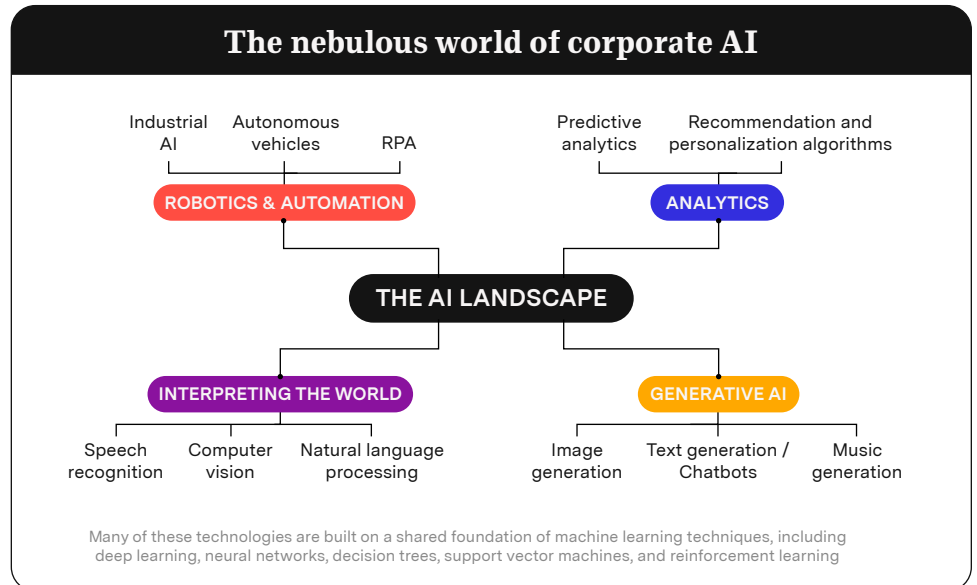
CIO, VR & AR

One of the biggest challenges in trying to understand the relationship that businesses have with AI is the fact that the term itself is so hard to pin down. Depending on the context and the speaker, "Artificial Intelligence" can have a vast number of different meanings—some of which are highly technical and specific, whereas others are more nebulous.

"

It's not about the technology itself, it's about the implications it has for productivity and our ways of working. Like cloud migration, I think AI is going to become inevitable for our sector."

COO, financial services

As a technology category, "AI" refers to a wide range of different applications, most of which are built on a common foundation of Machine Learning techniques; from the kind of predictive analytics that have been commonplace in many large organizations for years now, through to the Large Language Models and generative AI platforms that have only entered the corporate and cultural mainstream within the past 18 months. The diagram above

The nebulous world of corporate AI

Industrial AI · Autonomous vehicles · RPA → **ROBOTICS & AUTOMATION**

Predictive analytics · Recommendation and personalization algorithms → **ANALYTICS**

THE AI LANDSCAPE

INTERPRETING THE WORLD → Speech recognition · Computer vision · Natural language processing

GENERATIVE AI → Image generation · Text generation / Chatbots · Music generation

Many of these technologies are built on a shared foundation of machine learning techniques, including deep learning, neural networks, decision trees, support vector machines, and reinforcement learning

highlights just some of the corporate technologies to which the label "AI" has often been applied.

But trying to define AI simply by documenting all of the various technologies to which the label has been applied would fail to capture something important about how the term is used and applied in modern business contexts. For many stakeholders, AI is more than just a class of technology products; rather, it has become a kind of shorthand for a major cultural shift in how businesses think about their investment in technology, and the relationship between their human capital, their data, and their technology stacks.

In this respect, AI can best be understood as the latest in a long line of revolutions in corporate computing: like Cloud or Web3 before it, it represents a step change in what businesses are capable of and how they are able to serve their customers. Moreover, much like those previous technological waves of disruption, the AI revolution looks set to have significant implications for enterprise-level organizations that will extend far beyond their IT and data teams.

"

We have to invest a lot of time understanding what every different vendor is actually selling—because there have been so many times where, deliberately or inadvertently, they'll position something as AI when it's actually a pretty vanilla recommendation system."

CIO, VR & AR

nrg

As AI matures, the focus shifts from optimization to reinvention

As with previous waves of technological disruption, AI has put many businesses in a position where they feel obligated to invest purely out of a vague sense of needing to keep up with the competition. Often, corporate investment in AI solutions is driven as much by a need to signal a culture of innovation to investors as it is by any real sense of how the technology can deliver tangible benefits to stakeholders.

It certainly doesn't help that the term has now become near-ubiquitous in the marketing for B2B technology. When so many products are now described as "powered by AI," it's easy to understand why buyers would struggle to navigate this new product landscape—or why they might be left in the dark about

> "
> **A big concern for us is getting the timing right with jumping into AI: are we investing in the right generation of the technology? We don't want to spend money on something that will be obsolete in a few months."**
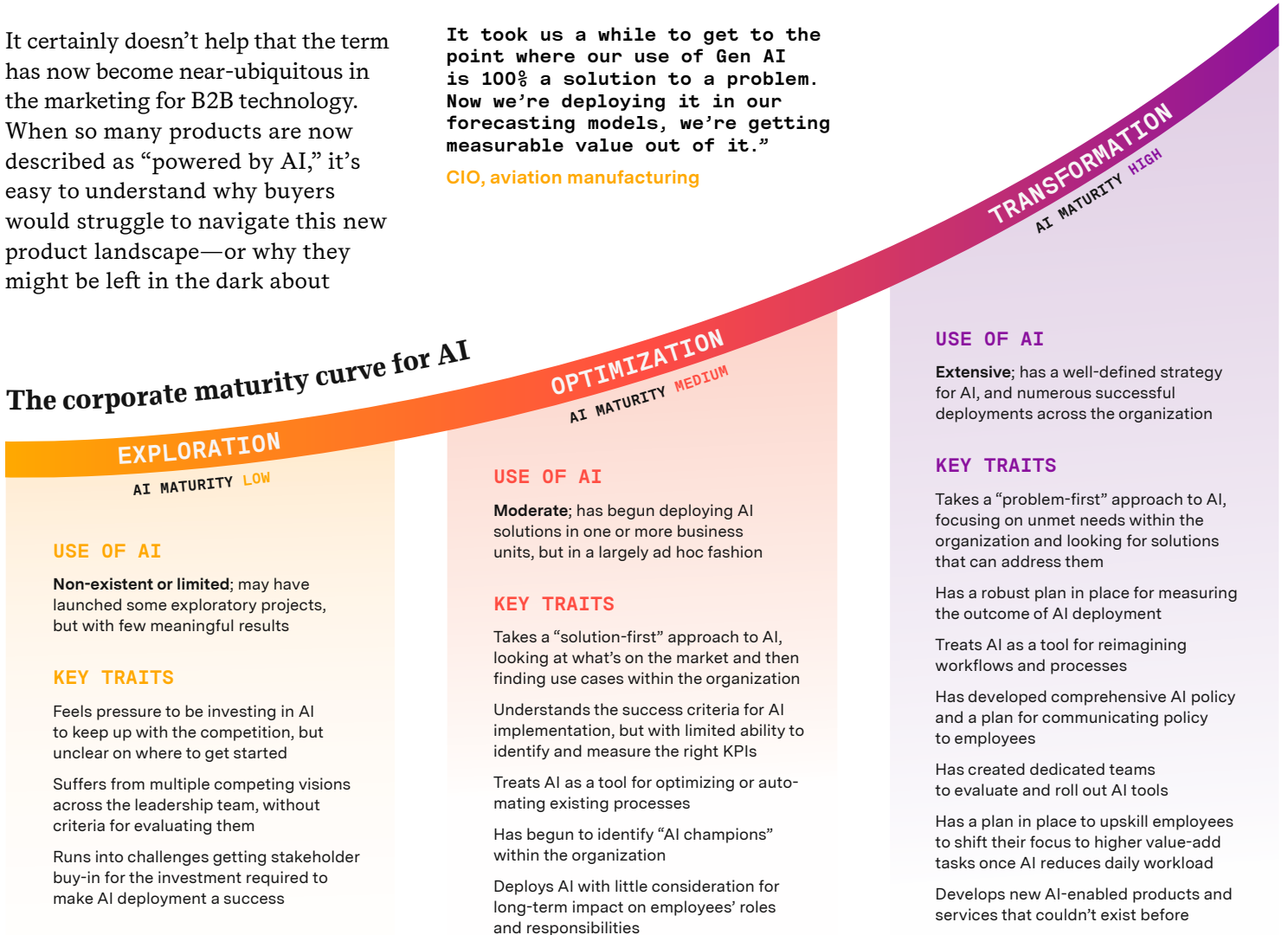>
> **COO, logistics & manufacturing**

> "
> **It took us a while to get to the point where our use of Gen AI is 100% a solution to a problem. Now we're deploying it in our forecasting models, we're getting measurable value out of it."**
>
> **CIO, aviation manufacturing**

what the terminology actually means and how it can meaningfully benefit their organization.

If vendors want to help their buyers extract long-term value from their AI products and services, it's imperative, therefore, that they invest time and energy into helping those buyers develop a more sophisticated approach to AI and move further along the AI maturity curve.

The corporate maturity curve for AI

EXPLORATION
AI MATURITY LOW

USE OF AI

Non-existent or limited; may have launched some exploratory projects, but with few meaningful results

KEY TRAITS

Feels pressure to be investing in AI to keep up with the competition, but unclear on where to get started

Suffers from multiple competing visions across the leadership team, without criteria for evaluating them

Runs into challenges getting stakeholder buy-in for the investment required to make AI deployment a success

OPTIMIZATION
AI MATURITY MEDIUM

USE OF AI

Moderate; has begun deploying AI solutions in one or more business units, but in a largely ad hoc fashion

KEY TRAITS

Takes a "solution-first" approach to AI, looking at what's on the market and then finding use cases within the organization

Understands the success criteria for AI implementation, but with limited ability to identify and measure the right KPIs

Treats AI as a tool for optimizing or auto-mating existing processes

Has begun to identify "AI champions" within the organization

Deploys AI with little consideration for long-term impact on employees' roles and responsibilities

TRANSFORMATION
AI MATURITY HIGH

USE OF AI

Extensive; has a well-defined strategy for AI, and numerous successful deployments across the organization

KEY TRAITS

Takes a "problem-first" approach to AI, focusing on unmet needs within the organization and looking for solutions that can address them

Has a robust plan in place for measuring the outcome of AI deployment

Treats AI as a tool for reimagining workflows and processes

Has developed comprehensive AI policy and a plan for communicating policy to employees

Has created dedicated teams to evaluate and roll out AI tools

Has a plan in place to upskill employees to shift their focus to higher value-add tasks once AI reduces daily workload

Develops new AI-enabled products and services that couldn't exist before

nrg

One of the defining features of this maturity curve is a shift in buyer motivations. At the onset of many organizations' AI journeys, they treat the technology as, primarily, a shiny object; investing in "AI for AI's sake" more than anything else.

Then, as they begin to develop a more sophisticated understanding of the AI landscape, they shift to a "solution-first" approach: they look at the products and services that are out there on the market and try to retrofit those solutions to specific use cases within their organization.

> "The reason, for us, for having dedicated AI experts in the business is so that there's someone we can trust to go out and find all the innovations on the market, then tell us where the actual value is. We want to know what's just a shiny toy versus what's going to actually impact our business."
>
> **CEO, education sector**

And finally, as they become truly mature buyers of the technology, they embrace a "problem-first" mindset. Instead of treating AI as an answer in need of a question, they begin their purchase journey with a sense of the unmet needs within their organization where AI could form part of the solution. That, in turn, means that these buyers tend to have a much better sense of the success criteria for AI deployment, and the metrics they need to capture to evaluate the effectiveness of whatever AI solutions they end up incorporating into their workflows.

The other major difference that defines where an organization sits on this maturity curve relates to the scope of their ambitions for AI. Businesses that fall along the early and mid stages of the curve tend to view AI as, primarily, a tool for optimization and enhancement: a technology that can enable their teams to do what they're already doing but more accurately, more quickly, or in a more cost-effective way.

Conversely, organizations with a more mature approach to AI embrace the truly transformational potential of the technology. Instead of asking themselves, "How can AI help us do what we're doing more efficiently?", they ask the question: "How can I reimagine my core operating model and ways of working in response to the possibilities that this technology has created?"

Take, for example, a consulting firm that wants to use AI to better serve its corporate clients. A firm that sits somewhere around the midpoint of the maturity curve might focus on using some of the generative AI tools currently on the market to help its project teams produce higher quality slide decks in a more time-effective manner. But a firm that has truly embraced the possibilities of AI would go one level deeper, and ask itself: "Do we even need to be making slides at all anymore? Given the potential of these new technologies, can we find new ways of delivering our recommendations that creates a better experience for the end user?"[1]

> "Early on, we spent a lot of time familiarizing ourselves with these tools and their limitations. But now, we're very much in the phase of asking how we're going to use these technologies effectively—both for our internal work as well as in products that we're selling to our customers."
>
> **CIO, AR & VR**

This type of thinking, ultimately, is what separates the truly mature buyers of AI solutions from the rest of the market: a willingness to embrace AI as more than simply a tool for process optimization, and instead to recognize its transformational potential for unlocking new business models and new ways of interacting with customers.

[1] Dr. Jan van de Poll, "Big-4 Or Big Tech: Who Drills First?" Transparency Lab B.V., December 18, 2020

nrg

The nature of AI use cases defines how businesses approach procurement and deployment challenges

As buyers shift to a "problem-first" approach to AI, and become more cognizant of the specific need states within their organization that the technology can help to address, they are able to make more intelligent and nuanced evaluations of potential AI solutions—and the alignment between those solutions and their specific implementation goals. And when evaluating potential use cases for AI, there are two questions, in particular, that play a major role in informing an organization's approach to AI procurement.

The first of these revolves around who, specifically, will be interacting with the AI in question: will end customers interact with it directly, or will its role be limited to back-office functions? And if the latter, then which employees, specifically, will be personally affected by the technology's deployment?

This question not only helps organizations to clarify where the benefits of their AI investment will sit—and thus, what metrics should be used to quantify an ROI—but also provides direction on the type of marketing and communications approach needed to support product deployment.

After all, if customers are going to be interacting with AI tools directly in some capacity, then the organization in question will need to develop a communications plan that allows them to proactively set user expectations around the technology. Conversely, if the use case does not involve direct customer interaction, they can instead focus their efforts on addressing whatever concerns may exist among their workforce around the impact of AI on their roles and career paths.

The other major question that dictates how an organization approaches the use of AI is one of stakes: if something goes wrong with the product or service in question, how serious are the repercussions? Would failure be a minor inconvenience, or would it create serious reputational risk and/or open the business up to substantial legal liabilities?

Low stakes use cases may not provide the same potential rate of return, but do represent an excellent opportunity for businesses to dip their toes into the water of AI. These are, after all, the use cases where buyers are most likely to be willing to embrace an agile, "test and learn" approach to AI deployment. For higher stakes use cases, on the other hand, buyers will typically require stronger assurances of success before being willing to commit financial and political capital to the project—which may mean bringing in external advisory support or requesting a more hands-on approach from vendors.

Example AI use cases

CUSTOMER·FACING

LOW STAKES

First-line customer support

Product recommendations

Virtual assistants

AI-generated marketing and sales content

Collecting customer feedback

CUSTOMER·FACING

HIGH STAKES

Healthcare diagnostics and patient interaction

Personalized financial advice

Legal advice

Automated driving systems

Emergency response systems

Credit and loan evaluation

BACK·OFFICE

LOW STAKES

AI coding assistance

Graphic design and data visualization

Workforce efficiency tools

Personal admin (including messaging, notes, scheduling)

Document translation

Customer journey and behavior analysis

BACK·OFFICE

HIGH STAKES

Invoice automation

Strategic decision making

HR screening

Legal documentation support

Quality control and anomaly detection

Predictive maintenance

Cybersecurity threat detection

Supply chain management and logistics

nrg

Increasingly, vendors need to focus on the human and emotional benefits of these use cases

Once buyers have a clearer understanding of the specific use cases and problem statements to which AI can be applied, this also puts them in a much better position to understand and quantify the benefits of the technology.

In the past, vendors have often attempted to frame the benefits of AI-powered products in terms of cost and efficiency—focusing on the financial and time savings, or the commensurate increases in speed and accuracy. This approach, however, may no longer be sufficient to break through in today's market.

Most buyers, by now, are already well aware of the productivity benefits of AI tools. Many of them will have had direct experience using generative AI in their personal or professional lives; one recent study found that, by early 2023, 44% of CEOs were already using ChatGPT at work.[2] By this point, buyers know what these services are capable of. And that means that, to truly stand out from the crowd, vendors need to develop marketing messages that go beyond these essential table stakes benefits.

Instead, vendors ought to be developing more human-centric narratives around their products: ones that focus on the aspirational benefits of AI, rather than the purely functional ones. In particular, they need to invest in messaging that addresses the emotional questions that buyers have around how this technology is set to impact both them

personally and their organizations—questions like, "How will AI impact the day to day responsibilities of my team members?" or "What is this going to mean for career paths within my organization?"

In practical terms, this means that marketing materials for commercial AI products should avoid simply showing customers or employees completing tasks more quickly or more efficiently; instead, they should show people using this technology to achieve things they wouldn't have been able to without it.

By investing in this sort of messaging, vendors can help move their customers into the third and final phase of the AI maturity curve—the phase at which they're able to understand the technology in terms of the truly transformative impacts it can have on their business model and ways of working.

What that sort of transformation will look like will, of course, vary depending on the needs and priorities of the organization. A business that cares deeply about inclusion and accessibility, for example, might see the rollout of generative AI tools as a crucial stepping stone for making certain positions more accessible to a broader range of applicants. Another company, meanwhile, might seek to use AI-powered analytics products to democratize data and insights within the organization and empower individual teams with a greater degree of autonomy.

But regardless of the form that this transformation takes, it's now clear that long-term success in this market is going to require vendors to be able to articulate a more aspirational vision for their customers; one that goes beyond the table stakes that buyers have already come to expect from AI products and services.

[2] "Gartner Survey Finds CEOs Cite AI as the Top Disruptive Technology Impacting Industries," Gartner, May 17, 2023

nrg

Emotional benefits of AI for stakeholders

LEADERSHIP TEAM

Increased confidence in decision making and strategic direction

Sense of pride through positioning business as forward-thinking and innovative

Improved ability to determine areas of focus and manage competing priorities

> "Using AI to detect data anomalies and exceptions is hugely beneficial for us, because it equips our leaders with so much more information they can use to figure out where their teams should be focusing on."

COO, financial services

EMPLOYEES

Reduced need for personal sacrifice through improved efficiency

> "This is an industry where people really push themselves; I've seen so many colleagues miss their daughter's concert or a school play over the years. And yes, machine learning isn't going to eliminate that, but it could substantially improve things."

CTO, financial services

Opportunities for upskilling and personal development, leading to new career opportunities and professional growth

> "If we don't educate ourselves, we are going to fall behind."

COO, financial services

> "Expertise and creative problem solving are becoming more valuable commodities than ever. Your analytical capabilities are going to be more valuable than your ability to code."

CTO, financial services

Improved personal communication skills

> "I've noticed myself that this technology is improving my language capabilities. I'm not just talking about coding but also my actual English language skills, because it's reviewing my emails and showing me new ways to phrase things."

CIO, AR & VR

Enhanced job satisfaction through elimination of repetitive and mundane activities

IT & TECH TEAMS

DEVELOPERS

Satisfaction and intellectual stimulation of solving more complex technical problems

More time to focus on creative and analytical challenges

> "Thanks to our investment in AI, we've been able to cut down coding tasks that usually take one to two weeks to a matter of hours."

CEO, education sector

Ability to push coding skills by partnering with and learning from AI code assistants

> "For somebody who is aggressively trying to go from a junior developer to a mid-level one, then this is a great new set of tools in your tool belt."

CEO, education sector

DATA ENGINEERING/SCIENCE

Increased visibility and prominence within the business as crucial stakeholders for ensuring successful AI deployment

Opportunities to collaborate with teams across the organization

Ability to see tangible impact of their AI-driven solutions on business operations

NON-IT STAFF

CUSTOMER SERVICE

More rewarding and meaningful customer interactions

Ability to deliver "empathy at scale," using AI to handle mundane tasks and focusing on more complex challenges

> "Customer service agents can have literally hundreds of different ongoing chats. AI assistants can make it much easier to navigate through those conversations and ensure accurate and timely responses."

CTO, financial services

OPERATIONS

Improved personal efficiency and agency over workload

Reduced fear of technology as user-friendly AI interfaces can alleviate anxiety and encourage tech adoption among non-specialists

SALES

By automating production of sales collateral and presentations, ability to focus more on content and understanding customers' emotional needs

nrg

For buyers, the human questions around the technology are often more important than the tech itself

But there's another reason that it's so important for vendors to develop human-centric narratives around their AI solutions. For many potential customers, questions about the human capital implications of the technology represent their biggest source of anxiety and uncertainty when it comes to their ability to successfully roll out AI products and services within their organization—and to ensure that these products actually deliver against their transformational potential.

Many of the buyers interviewed for this report noted that, given the speed at which the AI landscape has evolved over the past eighteen months, they typically found themselves poorly-equipped to evaluate vendors' AI solutions on their technical merits. As a result, buyers often have to rely on non-technical criteria to guide their

"

It begs the question of should I be retraining myself? And beyond that, we're seeing so many organizations in our sector creating functions to retrain people and make sure they have relevant, useful skills for the age of AI. Ultimately, people are the heart of any company; so it's crucial that we don't make them feel their jobs are being automated away."

Emerging technology lead, energy & resources

purchasing decisions. And one of the most common such criteria cited by buyers was the human capital and workforce management implications of any given AI solution.

Most buyers are keenly aware that maximizing the value of their AI investment is going to require thinking through the human dimension of the technology. Of course, any new technology is always going to create new training requirements—but with AI, the human capital implications are much more far-reaching than that. Businesses not only have to consider the question of how to educate their employees about the most effective way to use AI tools; they also have to invest in upskilling them and redefining their roles to account for the fact that this is a technology with the potential to make many of their previous day-to-day functions obsolete.

Previous NRG research has shown that employees, on the whole, recognize the various ways in which AI could make their professional lives easier—but are also deeply concerned that the technology could, by reducing business's reliance on human labor, end up limiting their opportunities for career development or even put their jobs at risk.[3]

To alleviate these concerns, executives are going to have to show their workforces that they see AI as a tool for enabling and empowering

Q: Has your employer provided any training courses on AI?
Survey of 921 US workers, August 2023

- Don't know: 8%
- Yes, and I have attended: 22%
- Yes, but I haven't attended: 14%
- No: 56%
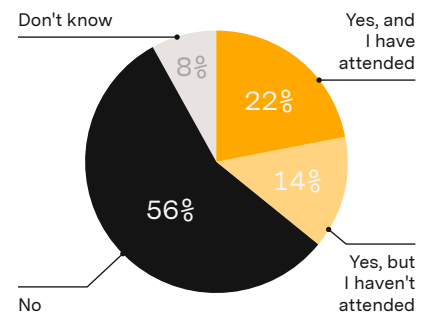
human creativity and decision-making—rather than a replacement for them. Already, we're seeing this manifest through an increased focus within the business community on the idea of developing models of AI implementation that keep the "human in the loop."[4]

In other words, businesses that are serious about getting value out of AI are going to have to tackle a myriad of thorny human capital questions—to the extent, in some cases, of entirely redesigning career paths, L&D programs, and hiring criteria. It's no surprise, therefore, that buyers for AI products are looking to work with vendors who are going to be able to hold their hand through as much of that process as possible, equipping them with the information and the collateral necessary to address these issues.

[3] "A guide for developing your organization's AI strategy," NRG, September 12, 2023
[4] "Human-centered AI: The power of putting people first," McKinsey & Company, December 11, 2023

nrg

Key questions buyers are asking themselves about the human component of AI

*How do I **communicate** our organization's AI policy to employees?*

*How will the use of AI change existing **career paths** within my organization?*

*Do I need a **dedicated** AI team or dedicated AI leads within business units?*

*How do I **upskill** my existing team members to make effective use of AI solutions?*

*What skills do I need within my organization to **maintain and optimize** AI solutions?*

*How can I provide staff with assurances that AI is **not a threat** to their careers or earning potential?*

*How can I ensure that time saved by AI solutions is redirected towards **higher value-add tasks**?*

nrg

Compliance concerns are one of the key factors holding back further investment in AI

"

When evaluating any AI provider, the first two questions we're going to ask are: 'What's the value proposition here?' and 'Does this meet our security and compliance demands?'"

COO, financial services

There was an AI solution we wanted to implement, but the struggle was the sheer amount of upfront effort required to make it work effectively. Our parent company is incredibly conservative, and very security·minded, so they had a lot of concerns that we didn't have time to fully address. As a result, the conversation stalled out and we ended up prioritizing other projects."

COO, logistics & manufacturing

I think anyone in our sector can tell you that risk and compliance are the biggest hurdles for them to adopt a specific solution or tech product. But with AI, it's not even clear what the regulations are in this space right now."

CTO, fintech

Aside from the human capital implications, there's another major concern that many prospective buyers say is holding back their organizations from making more substantial investments in AI: specifically, the compliance and liability questions surrounding the technology. This is particularly true for businesses operating in highly regulated sectors—such as energy & resources or financial services—as well as those looking to deploy the technology in high-stakes scenarios such as fraud prevention, strategic decision making, or legal use cases.

While any technology implementation is going to have a governance component, the problem with AI is not just that businesses are going to need to spend money evaluating compliance requirements; it's that, in many cases, there is no clear answer to the question of what those requirements even are. The field of artificial intelligence has progressed so rapidly in recent years that governments and regulators have struggled to keep pace[5]—resulting in a situation where it's often unclear which existing standards apply to products in this category or where the legal liability sits in cases of failure.

Generative AI is one area where the legal foundation is particularly shaky. As of late 2023, there are still pending legal cases in many jurisdictions that could set key precedents for some of the intellectual property questions that the technology has thrown up[6]—such as who owns the copyright for artwork created using AI, or whether creatives have a right to be compensated or notified when their work is included in the training data for AI models.

Given the extent of the legal and regulatory uncertainty surrounding AI, helping to guide customers through these compliance concerns should be a top priority for vendors. Not only will vendors need to offer in-house risk assessment and legal forecasting services, they'll also have to offer the flexibility to allow customers to suspend or renegotiate certain elements of their service as the legal situation changes and evolves.

This is also why it's critical for vendors to position themselves as ethical AI leaders, and to demonstrate awareness of and engagement with the broader social debate around AI risk. Not all buyers are going to actively consider issues of AI ethics and morality during vendor selection; but even for those that don't, engagement with these issues can signal that a vendor understands the dynamics at play that are shaping the evolving regulatory landscape for AI, and that said vendor is well-equipped to help them navigate the compliance and liability issues thrown up by the technology.

[5] Kiran Stacey and Dan Milmo, "AI developing too fast for regulators to keep up, says Oliver Dowden," The Guardian, September 22, 2023
[6] Stephanie Drawdy, "Pending AI Suits in the US: Frivolous or Crucial?," The Institute of Art & Law, June 9, 2023

nrg

Risk and compliance implications across the AI maturity curve

TRANSFORMATION
AI MATURITY HIGH

OPTIMIZATION
AI MATURITY MEDIUM

EXPLORATION
AI MATURITY LOW

DATA PRIVACY

Evaluating impact of AI tools against existing data protection standards such as GDPR or CCPA

BIAS AND FAIRNESS

Awareness of model's ability to reproduce human bias

INTELLECTUAL PROPERTY

Attempts to understand legal footing for work created using AI

SECURITY

Identification of new cybersecurity and data vulnerabilities created by AI

LIABILITY AND ACCOUNTABILITY

Clarifying human accountability for decisions made by AI

COMPLIANCE MONITORING

Implementation of ongoing practices to ensure compliance with industry-specific regulations

REPUTATIONAL RISK

Proactively engaging with customer concerns around AI, and identifying potential for reputational blowback

AUDITABILITY

Ensuring that AI-driven processes are auditable for compliance purposes, with clear logs and decision trails

LEGAL FORECASTING

Looking ahead to understand long-term evolution of AI legal precedent and regulations

INNOVATIVE POLICY ENGAGEMENT

Actively helping to shape emerging AI norms and standards through engagement with policymakers and industry groups

TRANSPARENCY AND EXPLAINABILITY

Striving to understand how AI makes decisions to allow more meaningful human oversight

INTERNATIONAL COMPLIANCE

Managing compliance across different regions, where AI regulations can vary significantly

AI ETHICS

Establishing internal guidelines for AI use that go beyond legal requirements to maintain consumer trust and brand integrity

nrg

2024 looks set to be the year that vendors help customers unlock the transformative potential of AI

A year ago, it would have been impossible to imagine the extent to which AI would dominate the corporate agenda in 2023, or the degree to which enterprise-level organizations would end up reorienting their investment priorities around the technology. Generative AI, in particular, has opened up new models of interacting with customers and created new ways of working at a pace that few outside the community of dedicated AI researchers and strategists could have predicted.

It might seem foolish, therefore, to make concrete predictions about how this space will continue to evolve in 2024. There are, after all, countless unknown variables to consider. Of course, there's the question of how the technology itself will continue to progress over the next twelve months—but then we also need to consider how public sentiment

towards AI will continue to shift as consumers become more attuned to both the benefits and the risks of the technology. And that's before we even get into the question of how lawmakers and politicians will shift their approach to AI as voices calling for greater regulation continue to get louder.[7]

But if there's one safe bet, it's that the businesses that have already begun their AI journeys are going to continue to move along the maturity curve and develop a more sophisticated understanding of AI, its limitations, and the opportunities it can create. And that means that more and more organizations are going to be asking themselves about the role that this technology can play as an enabler and an accelerant for broader business model transformation.

Vendors, therefore, are going to need to meet their customers where they are—and come equipped with a strategic vision that stretches beyond the merely functional benefits of the technology. In the market for B2B AI solutions, simply having a great product is no longer going to be good enough. Instead, vendors are going to need to develop a more holistic go-to-market strategy: one that provides actionable solutions to the emotional and human challenges that customers are now beginning to run into.

FIVE KEY RECOMMENDATIONS FOR AI VENDORS

01
When marketing products, focus less on the efficiency benefits and more on the emotional and human questions around the impact of AI on people's roles and responsibilities.

02
Help customers to move to the transformation phase of the AI maturity curve by encouraging them to ask deeper questions about how AI can unlock new business models and drive innovation, rather than simply streamlining existing activities.

03
Provide a clear point of view on how customers can solve the human capital questions posed by AI, and support them as they upskill employees and redefine job roles and team structures.

04
Give customers the compliance support they need to unlock funding for AI initiatives, focusing on flexibility to accommodate the speed with which the legal landscape for AI is evolving.

05
Develop a brand identity as a leader in ethical AI through engagement with the wider AI community and emerging self-governance standards, to signal to customers that you have the knowledge necessary to help them navigate legal and communications challenges.
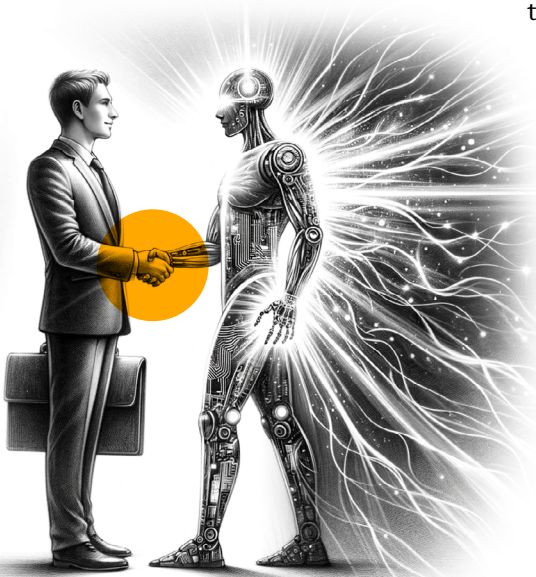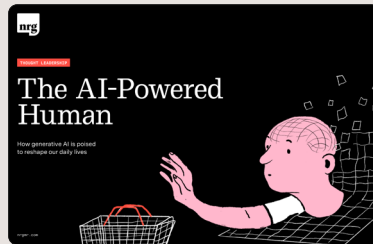

[7] Jacob Wolinsky, "Calls to Regulate AI Are Growing Louder: Can Governments Initiate A Pro-Innovation Approach?", Hackernoon, April 20, 2023
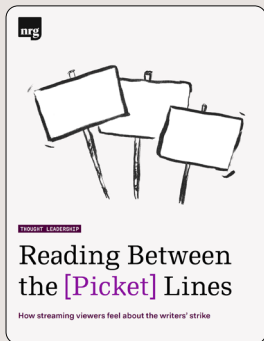
For more on AI, see NRG's previous reports...
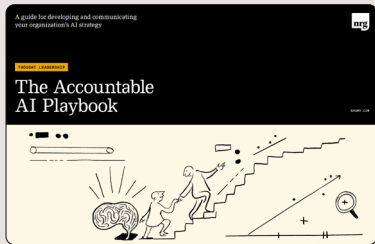
The Accountable AI Playbook

Understanding consumers' fears and anxieties around AI, and how businesses can develop messaging that accommodates them

The AI-Powered Human

How AI could transform consumers' daily lives, and the use cases they're most excited about
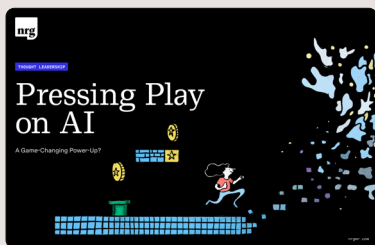

Reading Between the Picket Lines

The role of AI in Hollywood's WGA strike

Planes, Trains, and Large Language Models

How AI could revolutionize the travel and hospitality industry

Pressing Play on AI

The impact of AI on the video game industry

National Research Group is a leading global insights and strategy firm at the intersection of content, culture, and technology. The world's most powerful marketers turn to us for insights into growth and strategy for any content, anywhere, on any device.

WORDS AND ANALYSIS BY

Fergus Navaratnam-Blair

Jasmina Saleh

Rob Barrish

Nick Crofoot

Nicole Clouser

Susan Hoxie

Shannon Crocker

Lucy Murrey

DESIGN BY

Grace Stees