



Are You Making the Most of Your Relationship with AI?

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A new study by BCG GAMMA, the BCG Henderson Institute, and the *MIT Sloan Management Review* suggests that in order to see significant financial returns, organizations need a multidimensional, complex relationship with AI—one that involves several methods of learning and different modes of interaction.

Businesses everywhere are recognizing the power of AI to improve processes, meet customer needs, enter new spaces, and, above all, to gain sustainable competitive advantage. With this recognition has come an increased adoption of—and investment in—AI technologies. A global survey of more than 3,000 executives revealed that more than half of respondents are deploying AI: six out of ten have an

AI strategy in 2020, up from four out of ten in 2018. **AI solutions** are more prolific and easier to deploy than ever before, and companies around the globe are seizing on the opportunity to keep up with this exciting trend. Yet despite their efforts—to hire data scientists, develop algorithms, and optimize processes and decision making—most companies aren't seeing a significant return on their investments.

10%

Only one in ten companies reports significant financial benefits from implementing AI.

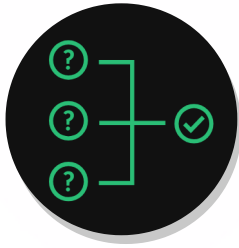
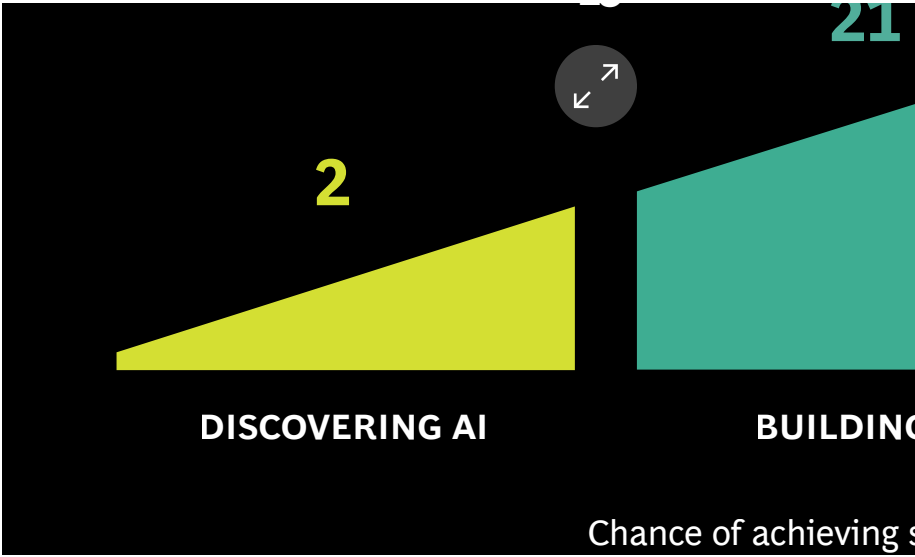
So, what allows a small number of companies to stand out from the crowd?

For them, AI isn't just a path to automation; it's an integral, strategic component of their businesses. To achieve significant financial benefits, companies must look beyond the initial, albeit fundamental, steps of AI adoption—of having the right data, technology, and talent in place, and organizing these elements around a corporate strategy. Currently, companies have only a 21% chance of achieving significant benefits with these fundamentals alone, though incorporating the ability to iterate on AI solutions with business users nearly doubles the number, to 39%. But it's the final stage of AI maturity, of successfully orchestrating the macro and micro interactions between humans and machines, that really unlocks value. The ability to learn as an organization—by bringing together human brains and the logic of machines—is what gives companies a 73% chance of reaping the financial benefits of AI implementation.

Working Toward Real ROI

To achieve significant financial benefits from AI, companies must engage in these four categories of activities:

+19



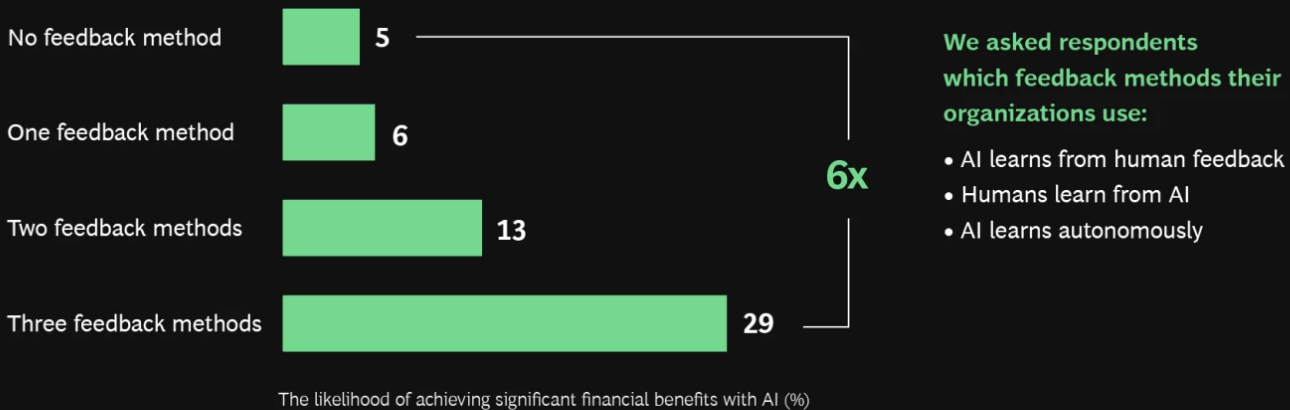
AUTOMATOR



DECIDER

Building Knowledge with Better Learning

Combining multiple feedback methods increases the potential for AI success



Source: BCG-MIT SMR analysis.

Note: Significant financial benefits based on a threshold determined by organization size.

The Road Ahead Is Long—and the Benefits Are Worth It

Too many organizations build a strong AI foundation but fail to see the potential of what it can bring.

Companies that have reaped the benefits have not succeeded simply because they've learned how to change in the era of AI. Instead, they've changed themselves to learn. They've committed to new organizational architectures, processes, behaviors, and attitudes. Such change can be uncomfortable and difficult to implement. It requires patience and flexibility, as well as the ability to adapt to new contexts and information. The good news? Companies that make significant changes see the biggest returns.

Businesses that make extensive changes to many processes are five times more likely to realize significant financial benefits than those making no or small changes to few business processes.

5x

To embrace AI's full potential, companies must recognize that humans play an equally important role in the equation—and reshape themselves accordingly.

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