Cognizant & Oxford Economics' Companion Study to their "New Work, New World" Report Shows Cautious Optimism Among Enterprises Adopting AI

- 77% of global companies surveyed want to grow revenues through AI

- Survey reveals that companies' average AI investment planned this year is nearly $50M

- Enterprises are cautious about scaling AI, with only 26% having implemented cross-enterprise use cases

TEANECK, N.J., July 30, 2024 /PRNewswire/ -- Cognizant (NASDAQ: CTSH) has released a companion analysis to its comprehensive 2023 study with Oxford Economics, and the new report - titled "New Work, New World: Quantifying Global Gen AI Momentum" - outlines cautious optimism is driving current market adoption of generative AI across various industries and geographies.

Key findings from the survey reveal that the greatest strategic priority for generative AI adoption is enhancing productivity. Additionally, an impressive 76% of businesses are looking to leverage the technology to create new revenue streams, while 58% are incorporating revenue increases into their business cases.

In terms of readiness and business cases, the companies surveyed indicated that they plan to invest an average of $47.5 million in generative AI this financial year. Most funding is expected to come from IT and technology budgets, with contributions also from marketing and R&D. Furthermore, the survey highlights a commitment to workforce transformation, with 54% of companies planning to upskill workers to address skills gaps and 44% seeking to transition displaced workers to new roles.

Despite the enthusiasm for adopting generative AI, businesses also recognize the challenges of scaling the technology. Only 26% of companies have implemented cross-enterprise use cases, and there is widespread concern that delays in adoption could give competitors an advantage. Globally, 70% of companies say they are not moving fast enough while 82% suggest that same delay in execution could place them at a competitive disadvantage. The data also points to the need for outside expertise to help with AI adoption, with 43% of companies indicating they plan to work with external consultants to develop a plan for generative AI.

Cognizant CEO Ravi Kumar S said, "With our prior study predicting that generative AI tools could inject nearly $1 trillion into the U.S. economy and even more globally over ten years, it is not surprising that our latest survey identified gen AI as a core source of potential growth for most companies. Simultaneously we see a cautious approach in adopting this technology, as executives around the world are looking for experts to help them traverse the AI productivity-to-growth journey."

The survey, conducted in June 2024, includes insights from 2,200 executives spanning 23 countries and 15 industries, offering a view of how leaders plan to integrate generative AI into their businesses with the goal of driving significant productivity gains and growth. The analysis introduces a "momentum score," derived from analyzing factors that could either inhibit or accelerate business adoption of generative AI within each country, from the regulatory environment and local infrastructure to the cost of capital and talent availability. North America leads with a momentum score 15% above the global baseline and indicating a bullish outlook, while EMEA and APAC trail behind at -4% and -14 respectively, indicating a more cautious approach.

Cognizant's ""New Work, New World: Quantifying Global GenAI Momentum" survey serves as a pivotal resource for understanding the current landscape and future potential of generative AI, providing valuable insights for businesses aiming to harness the power of this transformative technology for productivity and growth. The initial 2023 "New Work, New World" report predicted that generative AI could inject $1 trillion into the U.S. economy over the next decade. The newly released survey is the first look at global geographies and the potential business impact of generative AI.

Methodology of the survey: Cognizant partnered with Oxford Economics to design and conduct a survey of 2,200 C-suite and senior executives, including individuals at the C-suite and VP levels, from large corporations around the world. The focus was on those who play a significant role in shaping, contributing to or making final decisions on their organization's generative AI strategy. The survey was conducted in June 2024 via computer-assisted telephone interviewing (CATI).

Countries: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, India, Ireland, Japan, Luxembourg, New Zealand, Norway, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, The Netherlands, United Arab Emirates, United Kingdom, United States

Industries: Banking and Financial Services, CMT, Energy and Utilities, Healthcare, Insurance, Life Sciences, Manufacturing, Public Sector, Resources (Mining & Oil), Retail, Transport and Logistics

About Cognizant

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