



AI survey shows investment boosts ROI, but leaders continue to see risks

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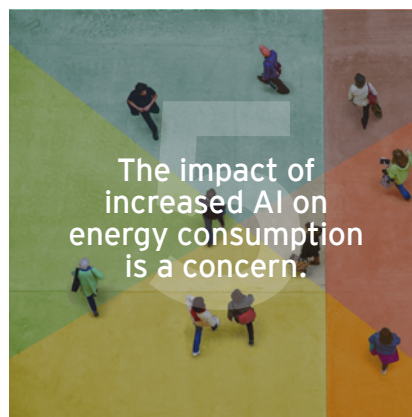
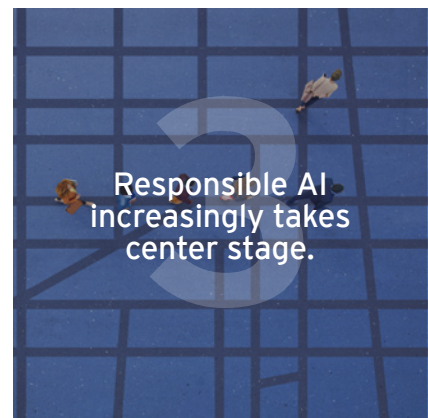
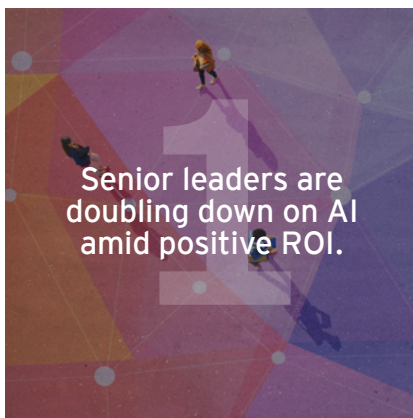
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As generative artificial intelligence (GenAI) toddles into greater maturity, a new AI survey of senior decision-makers pushes back on the narrative of a bubble, showing that investments remain strong and diversified and that the ROI is increasingly positive. Yet organizations are recognizing their limitations in data and governance, while “AI fatigue” also threatens to smother employee enthusiasm and adoption.

Virtually every organization is putting money into AI, and compared to six months ago, slightly more are investing at the levels of \$1 million or at least \$10 million today. Looking ahead to 2025, respondents are more likely to say they will spend as much next year. Senior leaders with higher total budget for AI investments continue to be more likely to see a positive ROI, with such results noted across all categories at higher levels compared with the previous survey.

Yet a closer look at the data reveals that the nature of those investments is changing, relying more on off-the-shelf AI platforms, custom solutions built in-house and bespoke solutions built by external vendors – but less on outright acquisitions. Senior leaders also increasingly focused on their data infrastructures and responsible AI practices. And amid the pressure to get results quickly, respondents say that they are less confident in their leadership abilities as employees feel overwhelmed, and that they are concerned about the impact of energy usage on costs and sustainability. This highlights how AI has profound implications not just on our workforces but also our planet.

Collectively, these results affirm that organizations are banking on AI as the future – and that, two years into the GenAI gold rush, familiar concerns are delaying that future: data infrastructure, governance and employee change management. As organizations continue to grapple with the bread-and-butter of transformation, here is what senior leaders are telling us about what’s next.





Senior leaders are doubling down on AI amid positive ROI.

Nearly all survey respondents (95%) say their organization is investing in AI. And in just six months since our previous survey, they are now significantly more likely to tell us that they have seen a positive ROI from it, across cost-focused use cases such as operational efficiencies to more value-oriented efforts such as product innovation, and all points in between. Further, senior leaders are more likely to see positive ROI when their organizations have a budget for AI investments that is 5% or more of their total budget, compared with those whose budget is less than 5%.

Figure 1.1:

Senior leaders are seeing positive ROI across a multitude of business priorities ...

Operational efficiencies	(84% vs. 77% in Wave 1)
Employee productivity	(82% vs. 74% in Wave 1)
Technology upgrades	(79% vs. 71% in Wave 1)
Cybersecurity	(78% vs. 72% in Wave 1)
Competitive advantages	(77% vs. 70% in Wave 1)
Customer satisfaction	(75% and 72% in Wave 1)
Product innovation	(75% vs. 69% in Wave 1)

Figure 1.2:

... and organizations investing 5% of their total budget in AI are more likely to see positive ROI than those investing under 5%.

Any positive ROI	(98% for 5% or more vs. 92% for under 5%)
Technology upgrades	(82% for 5% or more vs. 63% for under 5%)
Cybersecurity	(81% for 5% or more vs. 60% for under 5%)
Competitive advantages	(80% for 5% or more vs. 58% for under 5%)
Customer satisfaction	(79% for 5% or more vs. 55% for under 5%)
Product innovation	(78% for 5% or more vs. 54% for under 5%)

In cybersecurity, [AI has been a powerful enabler](#) (for decades) in a function that has historically struggled with talent shortages, helping to automate routine tasks, shortening response times during a cyber event, and optimizing visibility across informational and operational technology layers. AI and machine learning are being integrated into detection, response and recovery processes in new ways, allowing organizations to stay ahead of adversaries, including by automatically detecting different attack signatures and new attack methods. Yet adversaries are using AI to supercharge attacks and, within organizations, [the technology can in turn lead to more cyber risk if not implemented into the workforce carefully](#).

“It’s an encouraging sign that senior leaders are seeing positive ROI on AI projects in cybersecurity,” said Jim Guinn II, EY Americas Cybersecurity Leader. “The technology is vital for modern-day defenses, in areas where humans simply cannot keep up. However, more broadly across the organizations, cybersecurity functions must have a seat at the table to support responsible acceleration of AI while taking balanced approaches around the risks and rewards.”

Given those figures on ROI, it’s perhaps not a surprise – although contrary to the narrative commonly heard in the media – that senior leaders are maintaining their levels of investment. In fact, marginally more of the organizations we surveyed said that they are investing \$10 million or more across business units: 19% today compared with 16% six months ago. However, the nature of those investments shows signs of evolving.

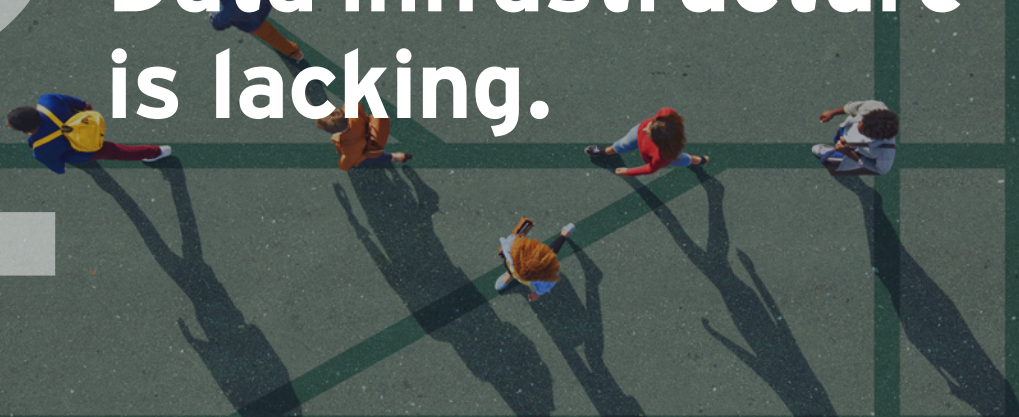
Unlike six months ago, fewer senior leaders say they are acquiring a company with AI capabilities (45% today vs. 51%). Now their focus has shifted to either buying off-the-shelf solutions (60%) and hiring external vendors to build a bespoke AI solution (57%), both areas that saw gains of 4 percentage points compared with six months ago. And more tell us that forming joint ventures/partnerships with other organizations that have AI capabilities is a priority (54%, up from 51%).

“The research affirms that AI is delivering substantive value already that merits continued investment,” said Dan Diasio, EY Global Artificial Intelligence Consulting Leader. “The paradigm of buy, build or partner is especially vital to understand in an environment where few organizations are positioned to go it alone, where capital is not endlessly available and where interest rates remain stubbornly high.”

This rapidly changing world demands new solutions, new data sets and new capabilities that few companies can call upon solely within their own four walls. [A robust ecosystem of alliances](#) helps organizations fill those gaps quickly – and flexibly – to gain ROI while evolving with the changing landscape. Companies gain clarity up front by defining where they get unique, differentiating value from AI in their core business, which merits bespoke focus. Separately, existing off-the-shelf solutions that anyone can access can provide necessary accelerators in noncore areas.

2

Data infrastructure is lacking.



While strong ROI has been achieved, senior leaders also acknowledge that it could be better if they had addressed a perennial AI roadblock: a more robust data foundation. Most respondents (83%) said AI adoption would be faster if they had a stronger data infrastructure, and 67% say they could move faster on AI adoption, but the lack of data infrastructure is holding them back.

And those who are likely closer to the day-to-day workings of that infrastructure see the challenges more acutely. Senior or executive vice presidents are more likely to agree (88%) that stronger data infrastructure would accelerate AI adoption than their superiors in the C-suite (78%), the survey shows.

This aligns with what EY consultants see in their work with clients, particularly large and complex organizations that operate on multiple platforms and legacy manual processes. Evolving into an AI-ready organization requires setting a clear strategy and priorities for focused data maturity, said Traci Gusher, EY Americas AI and Data Leader.

“Organizations need an enterprise-wide, fit-for-purpose data strategy, so you’re not trying to ‘boil your data ocean,’” Gusher said. “Your data strategy should inform how you invest effectively, targeted to your highest priorities, with tight governance based on how data will be utilized.”

This is partly an acknowledgment that getting your data infrastructure perfect, on a timeline that enables rapid AI adoption, is an enormous challenge for most companies – if “perfect” is even possible. Striking a balance today while [mobilizing the entire organization to continue to make strides is paramount](#).

3

Responsible AI increasingly takes center stage.



As organizational interest in AI has grown and as capabilities advance, senior leaders are now reckoning with the ethical implications and risks, and they are increasingly focused on how employees are using the technology responsibly and how to communicate with customers about it transparently.

Senior leaders say their interest in responsible AI has increased over the past year (61% today vs. 53% six months ago). And, by nearly the same margin, respondents say that interest will continue to increase over the next year (60% vs. 54%). And about half of respondents, representing an increase of 3 percentage points from the prior survey, say their organization's focus on the risks AI creates will increase over the next year.

Additionally, significantly more organizations say they have spent more time on training employees in responsible AI use over the past year (58% vs. 49% six months ago), as well as increasing transparency with customers on AI use over the next year (55% vs. 47%).

Too often, responsible AI is an afterthought instead of [a guiding North Star built into program by design](#) – it can be difficult to define without a solid set of objective standards. “Creating a framework with clear policies and procedures about how AI can and cannot be used, aligned to the values of your organization, is a great place to start,” said Kapish Vanvaria, EY Americas Risk Leader and board member of the Coalition for Secure AI. “EY leaders have oriented our AI efforts around [fairness, accountability and reliability](#), correlated to metrics that measure the confidence of any particular solution we deploy.”

The survey shows that senior leaders understand the focus areas needed for [how to achieve ethical AI use](#). Core action steps include investing in continuous monitoring, working to ensure ongoing transparency and accountability by keeping humans front and center, and creating a rigorous employee training program anchored in real-world scenarios. It is in this last area of training in which the survey reveals some of its thorniest implications for AI adoption.

4

Employee burnout and AI fatigue are real.

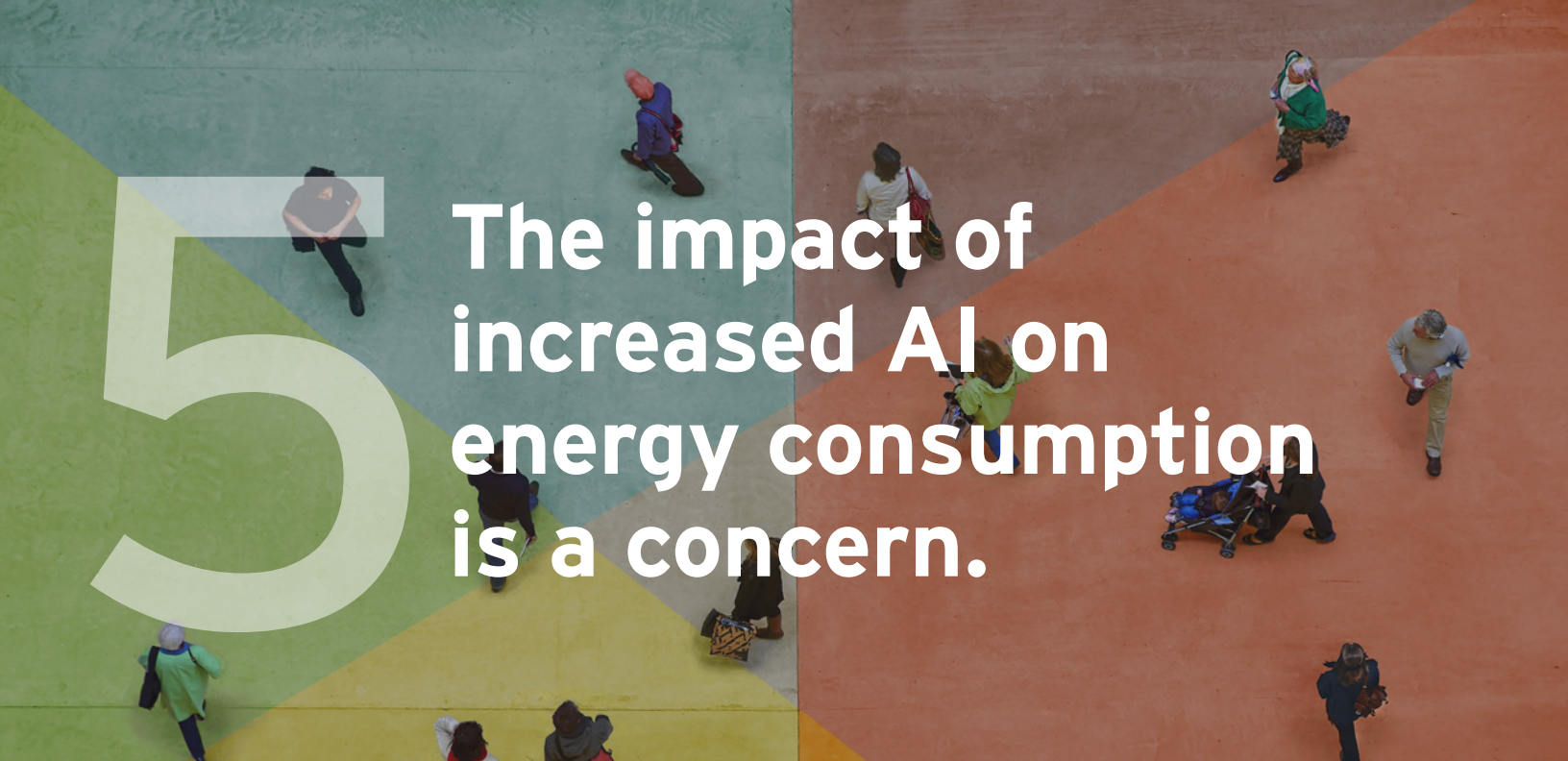
Much of the narrative around AI concerns productivity. Yet, ironically, AI feels like another full-time job for many leaders and employees – a technology to figure out, apply and enable, on top of everything else in the typical workday, within a business environment full of disruption. And that's taking a toll, senior leaders told us: In fact, 50% said enthusiasm around AI integration/adoption has declined at their organization, even as ROI has gone up.

Almost 90% of respondents say employees at their organizations are encouraged to use AI in their role daily. But more than half of senior leaders (53%) report that their employees are feeling overwhelmed or exhausted by the constant influx of AI information and developments, and almost two-thirds (65%) acknowledge that they struggle to keep workers motivated to embrace the technology.

These struggles are giving rise to impostor syndrome among senior leaders themselves: 54% say that when it comes to AI adoption, they sometimes feel like they fail as a leader. A closer look at the data reveals that this view is held more deeply among senior and executive vice presidents (61%) than the C-suite reveals itself (47%).

These results add a new dimension to our [AI Anxiety survey](#), in which 73% of respondents revealed concerns that there won't be sufficient training or upskilling in AI, and 63% expressed anxiety that they won't have access to AI learning opportunities. Overall, 80% say they would be more comfortable using AI at work if they had more AI training and upskilling opportunities. And anecdotally, we know that executives conceptually understand AI, but they are the least likely to actually use it, laying bare how they can easily fall into the "impostor syndrome" trap.

To [help employees better understand AI tools](#), particularly the new wave of GenAI applications, Organizations can partner with third parties for self-starter learning courses for certifications in AI disciplines. Weekly sessions and webcasts can ignite people's curiosity, boost AI proficiency, drive demos and answer questions. Top leaders should also showcase how they are integrating the technology into their day-to-day schedules. You probably remember the feeling of wonder the first time you prompted GenAI to write a poem or recommend travel options to you – arrange for activities that naturally draw upon people's instinctive desire to be part of something new and exciting.



The impact of increased AI on energy consumption is a concern.

A new generation of AI is colliding with another challenge: power generation. The data centers that enable AI use a lot of energy, which could raise costs, endanger reliability and drag down sustainability goals. And senior executives say they are worried, both about the impact from AI as well as the cloud computing transition. In the next 12 months, 74% of senior leaders say AI will impact their organization's energy consumption.

Figure 2:



To better balance our digital future and our sustainable future, many large tech “hyperscalers” are entering into agreements to restart or build nuclear power facilities. When considered proactively, this challenge can turn into an opportunity: utilities and independent power producers are eager to fulfill growing demand, and governments often offer incentives.

Organizations whose AI use is expected to be substantial can partner on joint investments in clean infrastructure, or with a renewable energy developer to add solar panels, potentially capitalizing on tax incentives for green building/onsite generation of renewable energy. Non-urgent computing activities can also be relegated to off-peak hours or when clean energy is more readily available. Energy-efficient data analytics, components and hardware can also limit power usage.

Conclusion

AI has the power to change everything – yet it's strangely much like other technology transformations that organizations have undergone in the past decade.

“As the GenAI hype train went into overdrive, some executives forgot about the change management and process transformation that are necessary in every transformation,” said Dan Diasio, EY Global Artificial Intelligence Consulting Leader. “These technology capabilities may be new, but the lessons in implementing them effectively are not.”

Amid this complex brew of increased ROI, steady investment, elevated employee and leadership fatigue, and inconsistent foundational requirements, executives cannot overlook key focus areas to boost AI adoption and accelerate capabilities – and results.

1. Explore partnerships and alliances in a time of squeezed budgets and reduced M&A.
2. Set priorities in building out data infrastructures, with an eye toward constant improvement.
3. Determine responsible AI principles backed by governance and humans in the loop.
4. Make AI training and communication worthwhile for employees to engage in, not disengage from.
5. Build on sustainability plans for a new era (not disregard them) as the need for power grows.

Methodology

About 500 executives based in the US, from the senior vice president level and up, participated in this online survey, from across industries, in fall 2024. About six months before, the first wave of the survey was fielded; for data integrity and comparison purposes, tracking questions and audience definitions remained unchanged wave over wave.

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