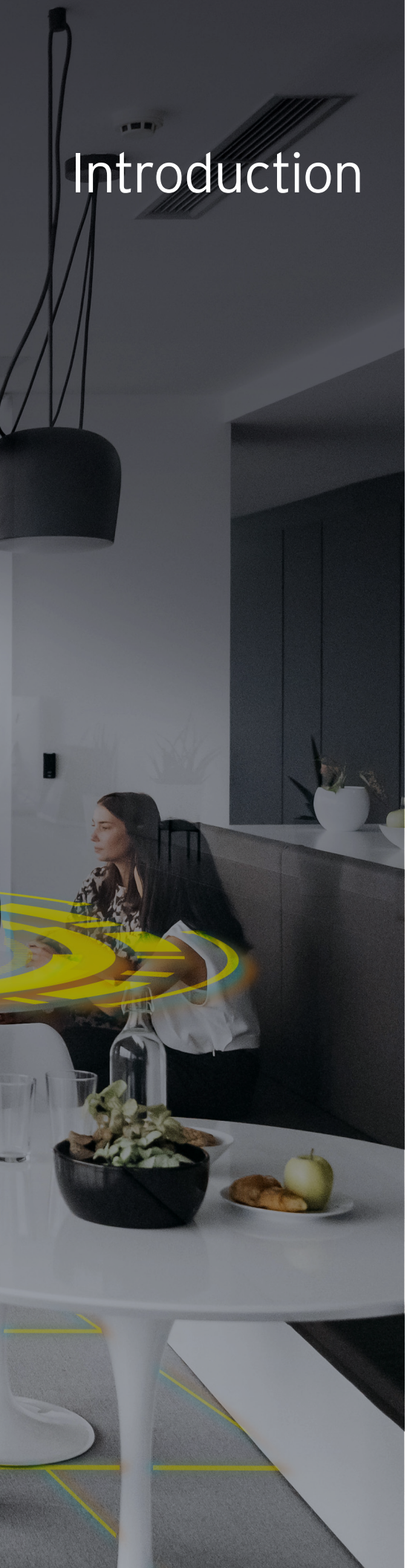
# From challenges to opportunities: How EY and AI work hand in hand

EY European AI Barometer
**June 2024**

Building a better working world

# Contents


| | | |
|---|---|---|
| | Introduction | 3 |
| 1 | The AI revolution | 4 |
| 2 | Adoption | 6 |
| 3 | Benefits | 8 |
| 4 | Impact on workforce | 10 |
| 5 | Capability building | 14 |
| 6 | Future of AI technology | 18 |
| 7 | Use cases | 19 |
| | Study design | 22 |
| | Contacts | 23 |



# Introduction

In a world shaped by relentless technological progress, companies that fail to evolve could disappear from the map. Artificial intelligence (AI) is sweeping through the business landscape with fierce intensity – reshaping industries and economies at an unprecedented pace. As AI advances to the forefront of technological innovation, some brace themselves for the inevitable challenges a step change of this magnitude will bring, while others fervently seek to unlock the immense opportunities it promises.

Irrespective of AI technology's many facets and manifestations, one thing is certain: it will fundamentally redefine the way we work, the way we live and the way we interact. Businesses need to give careful consideration to some bedrock questions: should they embrace AI without reservation or proceed with caution? What pitfalls and paybacks can they expect? How will AI impact the world of work? And what regulatory frameworks do companies need to observe and how?

Nobody can lay claim to having all the answers in this rapidly evolving new reality. But since the inception of the AI revolution, our EY teams have stepped up to the challenge and have been helping clients chart their course for successful transformation, pinpointing where they can best invest their resources to extract value from AI for their respective businesses – and creating a better working world for all stakeholders in the process.

This report seeks to share our experience with, and shed light on, the multifaceted impact of AI in its many manifestations, examining how managers and non-executive employees view the challenges and opportunities ahead. We deep-dive into different sectors to understand the latest approaches to harnessing the power of AI, with a particular focus on Europe, while maintaining a global perspective. Our overarching goal is to unlock AI's potential to create positive impact in our economies and our communities, advocating for a responsible, people-centered approach that prioritizes value creation for everybody.

# 1. The AI revolution

Unlike past technological revolutions that largely involved the automation of manual labor, AI marks a paradigm shift in its focus on assisting and automating complex cognitive functions, with unavoidable consequences for knowledge workers. Entire industries and all manner of professions are on the cusp of profound change.

AI has the potential to enhance workers' efficiency and unearth productivity gains throughout the economy. Our AI survey of multidisciplinary professionals across levels, sectors – and across Europe – already provides insights of the depth and scale of the AI-driven productivity boost in major economies, and an indication of its potential contribution to the global economy. That said, unlocking productivity gains that AI promises will likely take time, effort, and wise strategy.

One use case we are already seeing gaining traction is the deployment of AI as a powerful knowledge tool. By distilling key insights from vast volumes of data, AI is already helping businesses and their teams make more accurate and in turn better decisions. Forward-thinking executives are wasting no time and have set to work exploring how AI can empower informed decision-making, while breaking down silos and allowing more voices to be heared than ever before. But how exactly is Europe faring in the AI revolution? Do employees here feel that they are a part of the change and are adequately equipped by their employers to tackle the AI transformation process with suitable training? Are they seeing a meaningful evolution of their job profiles and tasks?

Around the world, regulators too are shifting their attention toward AI and its implications for the economy and for society more broadly. Government commissions and tasks forces are investigating the likely impact on all sectors, from healthcare and financial services through to transportation, as they seek to address a host of concerns: citizens' privacy, bias in algorithms, job displacement – the list goes on. In May 2024, for instance, the EU introduced the Artificial Intelligence Act (AIA), which aims to regulate the development and use of AI systems within its borders, to protect the safety, security and fundamental rights of its people. To navigate the global regulatory complexity that is rapidly emerging, companies will need to designate compliance responsibilities for AI deployment and use across their entire organization, not just technical departments.

Notwithstanding all the advancements promised, one thing can never change: humans need to remain at the heart of AI development. Moving forward, the emphasis must be on AI empowering employees across all industries to work smarter, better and more efficiently. It's not just a question of bringing to market better products and solutions: AI holds the potential to craft a more sustainable global economy – for people and for the environment.

AI

## Getting AI right

Most companies recognize the need to accelerate their AI initiatives to gain a competitive edge. Yet concerns persist as regards the pace of AI adoption and the maturity of solutions. Some caution against overinvesting in tools or use cases likely to become obsolete all too soon. Others question whether the timeline touted by AI visionaries is realistic to unfold a truly transformative impact.

There is no shortage of questions, and problems still remain unresolved. There is no one-size-fits-all model when it comes to AI. Drawing on the rich experience we have already gained working shoulder-to-shoulder with the clients across a broad spectrum of industries and a huge variety of use cases, we are convinced that it is possible to create meaningful value by taking a broad approach to AI and by augmenting people potential to drive extraordinary outcomes.

With a human-centered approach to AI, we help hone technology to maximize talent, driving efficiency and productivity gains across business functions. EY teams of leading multi-disciplinary professionals spanning risk, strategy, technology, and transformation work hand in hand with clients to assist them in an implementation process that is aligned with their purpose, culture, values, and key stakeholders so that AI drives positive human impact.

In the following, we gauge the current state of AI in European businesses across a range of industries and determine the level and challenges of adoption, the perceived and captured benefits, the impact on the workforce, and approaches to capability building, and cast a glance ahead at the future of this rapidly evolving technology.

# Key takeaways

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|---|---|
| **Adoption** | Many organizations are still struggling with the operationalization of AI. Barriers need to be removed; a clear tone from the top is needed. |
| **Benefits** | Cost benefits are already evident. The frame needs to be expanded to include other benefits, including creating more meaningful and attractive work profiles and hence improved employer branding. |
| **Impact on workforce** | AI is certain to have a huge and imminent impact on the workforce across all sectors and professions. Upskilling is key. |
| **Capability building** | Organizations need to accelerate their investment in AI capabilities and make sure they place their bets on the right technologies in a field that is undergoing fast-paced innovation and whose future is difficult to predict. Appropriate training programs are key. |
| **Future of AI technology** | AI technology is advancing along many different avenues. Tomorrow's winners are already making bold moves today. |

# 2. Adoption

Beyond the specifics of where AI can be used, what a lot of decision-makers want to know is the broader success factors for getting the most long-term value from implementation. First and foremost, they want to determine the technological foundations required for AI, with a strong focus on data and the cloud, and their attention is on making investments that deliver value. Stakeholders also note the importance of workforce buy-in and adoption to ensure success at scale, with the primary focus typically on building employees' confidence to use AI to improve their day-to-day efficiency.

The adoption of AI in European businesses continues to evolve, albeit with its fair share of challenges. While the potential benefits are undeniable, organizations are still grappling with operationalization. Barriers to adoption include internal policies, external regulation, and the complexity of the new technologies.

Although some knowledge workers have been keen to experiment with AI, others are still reticent. In a recent survey, EY teams asked members of the workforce from all over Europe to share their experience with AI. Almost three-quarters of all respondents (73%) already have hands-on experience with AI technologies. Most of them use AI in their private lives (38%), rather than at work (12%). The remaining respondents (23%) have AI experience in both spheres.

From a regional perspective, the share of AI early-adopters is highest in Spain (84%), followed by Switzerland (82%) and Italy (77%). On the other end of the scale, early adopters are less common in the Netherlands (66%) and Germany (67%). Men (75%) have experience using AI applications more often than women (70%). Differences are also evident between ranks, with more than 84% of managers saying they use or have used AI applications, compared with just 67% of respondents among non-executive employees. In the following we look at some of the most common barriers to AI adoption in a work setting.

Security, accuracy, and explainability are viewed as crucial factors on the road to success when implementing AI – more so with respect to business viability than ethics. At the top of the agenda are security and privacy, discussed from a technical as well as a responsibility angle. Secure internal GPT models as well as the need to comply with regulation (current and future) around data and AI are of high importance to stakeholders and decision-makers.

## Hurdles to adoption

Organizations face a number of hurdles in the operationalization of AI. For one thing, companies themselves often impose restrictive policies on AI use by employees. In some countries, only a relatively low share of employees in the EY survey report being permitted by their employer to use AI applications, most notably in Germany (42%) and Austria (46%). That contrasts markedly with the situation in Switzerland (73%) and Spain (63%), where most employees are permitted by their employers to use AI applications in their work. The share is likewise relatively high in Portugal (58%), Belgium (57%), Italy (56%), and France (55%), all of which exceed the European average of 52%.

Complexity is another issue organizations are grappling with. Six out of ten respondents (67%) point to the complexity of the implementation process for AI systems in their organization. Adding another layer of complexity

subject to increasing regulatory scrutiny, and Europe is no exception (see EU AI Act).

Another important factor is the tone from the top. In Switzerland, most respondents (56%) give their employer a good report card when it comes to the extent to which management has a positive attitude as regards making progress with AI applications. However, only 5% describe their employer as very open when it comes to implementation. Switzerland ranks lowest in the category, together with Germany.

The level of adoption of AI varies across Europe, with some countries and sectors embracing it more readily than others. However, regardless of geographical location or industry, a clear tone from the top is essential for successful integration. Leaders need to champion AI initiatives, fostering a culture that encourages experimentation and innovation while addressing justified concerns about job, displacement, ethical and legal considerations.

## Regulatory framework

The European Union's AI Act unifies how AI is regulated across the single market of the 27 EU member states. It also has important extraterritorial implications, as it covers all AI systems impacting people in the EU, regardless of where these systems are developed or deployed from. The AI Act aims to standardize the use of AI across all its member states. Ratified by the European Parliament on 13 March 2024 and approved by the Council of the European Member States on 14 May 2024, the act is expected to enter into force in June 2024. It introduces a new regulatory framework for AI technology focused on the protection of safety, security and fundamental rights of people in the EU.

## Risk and compliance framework

The AI Act adopts a risk-based approach to compliance obligations, categorizing AI systems by application areas and target groups into distinct risk levels. In this tiered compliance framework most requirements fall upon the developers and deployers of AI systems classified as "high-risk", and on general-purpose AI models (including foundation models and generative AI) deemed to pose "systemic risks". For instance, low-risk AI such as chatbots used in customer service will be subject to few requirements beyond notifying users that they are interacting with AI. AI intended for high-risk application areas that may impact health, safety, or fundamental rights of people will have to comply with stricter controls,while some applications areas, such as subliminal manipulation of vulnerable groups, are outright prohibited.

To comply with the AI Act, companies will need to clearly assign within their organizations responsibilities for overseeing AI deployment and compliance. The mandated responsibility extends beyond technical departments to encompass the entire corporate fabric. Non-compliance exposes companies to severe risks, including heavy penalties with maximum fines that even surpass the maximum fines under the EU's General Data Protection Regulation (GDPR).

## Compliance strategy and adaptation

A strategic approach to implementation of AI Act compliance begins with companies identifying gaps in their current practices and outlining a meticulous plan customized to the specific manifestation of AI deployment in their organizations. The approach involves an as-is assessment encompassing current procedures, employee training levels, and a technical understanding of AI solutions, including an exhaustive inventory of the AI solutions deployed in the organization, what they are used for by whom.

Given the phased transition period, with enforcement of the AI Act prohibitions taking effect within 6 months, obligations for General Purpose AI mode developers starting after 1 year and most of the obligations for high-risk AI applications coming into force after 2 years, companies must hasten to adjust their operations and implement the required changes in a phased, monitored process. Not only is initial compliance by the end of the implementation deadline critical, it also needs to be accompanied by a sustained commitment to adapt to ongoing legislative amendments and to provide staff with appropriate training at regular intervals. In this way, companies can align with the EU's goal of ensuring safe AI use without stifling innovation.

# 3. Benefits

How companies can add value by embedding AI into their products is a major topic for managers in all sectors. Delivering convenient and enjoyable experiences, using GenAI to improve chatbots, including virtual try-on, or current checkout-free stores are prominent examples that help make AI success stories and progress tangible and visible. In addition, strategies are often directly linked to revenue generation.

Despite the challenges, the benefits of AI adoption are already evident, most notably as measured by cost savings. However, the narrative surrounding AI benefits needs to be expanded beyond just financial gains. While cost improvement remains a primary driver, AI also enables organizations to improve decision-making processes, unlock new revenue streams, and raise their employer brand value.

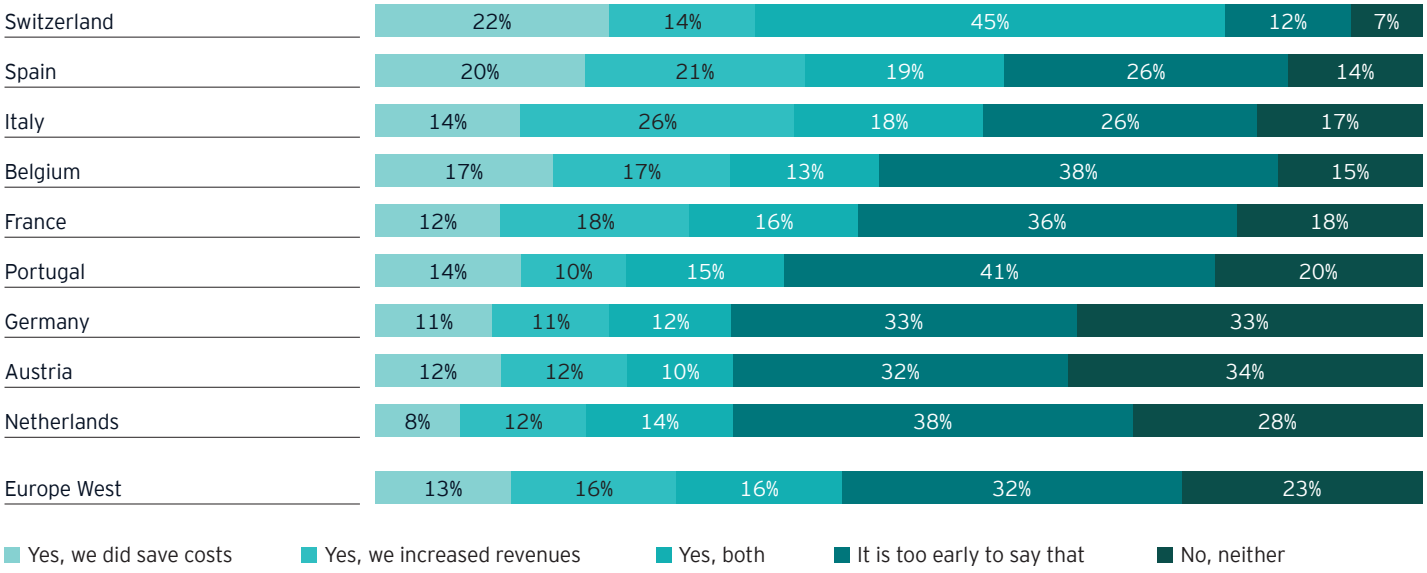
First and foremost, what executives invariably want to know is their return on AI investment. Across Europe, almost half of managers (45%) say that AI use has allowed them to save costs, increase profits – or both (see figure 1). Measured by these two criteria, AI deployment to date has been most successful in Switzerland, where 81% of managers have had a positive experience with the technology. The share of satisfied managers is also above average in Spain (60%) and Italy (58%). On the other hand, respondents in the Netherlands, Austria, and Germany (all 34%) are less impressed.


By function, the use cases in which AI has been operationalized vary widely, from streamlining supply chain operations to optimizing marketing strategies and enhancing customer experiences. At present, organizations are seeing the greatest benefits in IT (35%), followed closely by marketing (30%) and cybersecurity (27%). Interestingly, legal and compliance departments see little scope for AI implementation at present (see figure 2). That said, with little more than initial inroads made so far in AI implementation and operationalization, most eyes are still fixed on future iterations of the technology.

Aside from cost and efficiency improvements, embracing AI allows businesses to automate repetitive tasks, freeing up employees to focus on more strategic and creative endeavors. Indeed, most respondents expect artificial intelligence to take over parts of their work (65%), with some anticipating that they'll be handing over some of their workload to AI in the very near future (14%). If they get it right, organizations have a tremendous opportunity to leverage AI to enhance job descriptions. A shift toward more intellectually stimulating work profiles would not only improve employee satisfaction but also enhance employer branding, attracting top talent in a fiercely competitive labor market. That said, all stakeholders need to address legitimate concerns about job displacement, an issue we investigate in the following section.

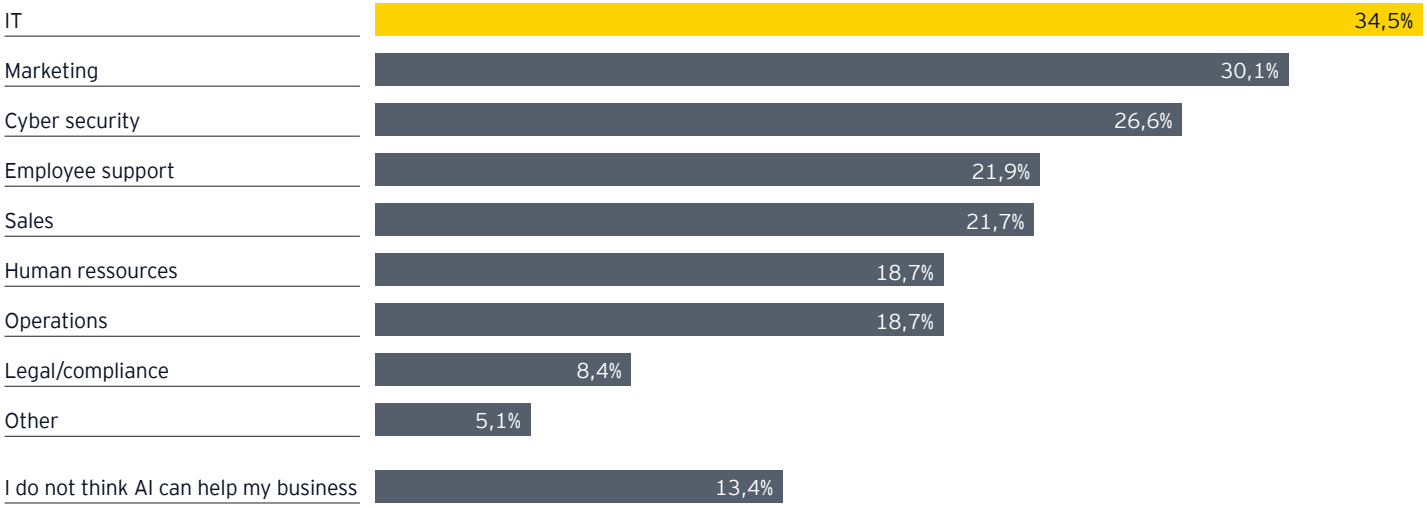
## Figure 1

**Has AI already led to cost savings or increased profits within your company?**




## Figure 2

**In which area do you think AI can already help improve your business? (up to three answers)**



# 4. Impact on workforce

Most of the leading minds in business AI say that employees will be empowered by the new technology to work smarter and more effectively. Speed and time savings are emphasized a lot. You often hear talk of augmenting and freeing up employees – typically in conjunction with reassurances that AI will not replace them and highlighting how it will allow them to spend more time on value-added, creative, and collaborative tasks. While employee efficiency gets the greatest attention, improvement in other areas is also noted.

As AI technologies continue to advance, they are having an ever-increasing impact on the workforce. Job losses due to automation are a legitimate concern, particularly in industries with routine, repetitive tasks. However, the broader impact extends beyond displacement, with AI reshaping job profiles and necessitating new skill sets.

When asked whether the use of AI will lead to job losses, respondents' views vary greatly across European countries. Overall, slightly more than two out of three respondents (68%) say that they expect fewer employees will be needed as AI systems become more established and the number and scope of use cases increases (see figure 3). The proportion is particularly high in Portugal (80%), Spain (78%), Italy (76%), and Belgium (74%). In contrast, there is somewhat less concern about job losses as a consequence of AI in Switzerland (57%), Germany (59%), and the Netherlands (64%).

One in three respondents in Italy (34%) expects that the new technology will replace human labor on a large scale. The figure is similarly high in Portugal (31%). In contrast, the proportion is significantly lower among respondents in Germany (14%), Switzerland (16%), and Austria (17%).

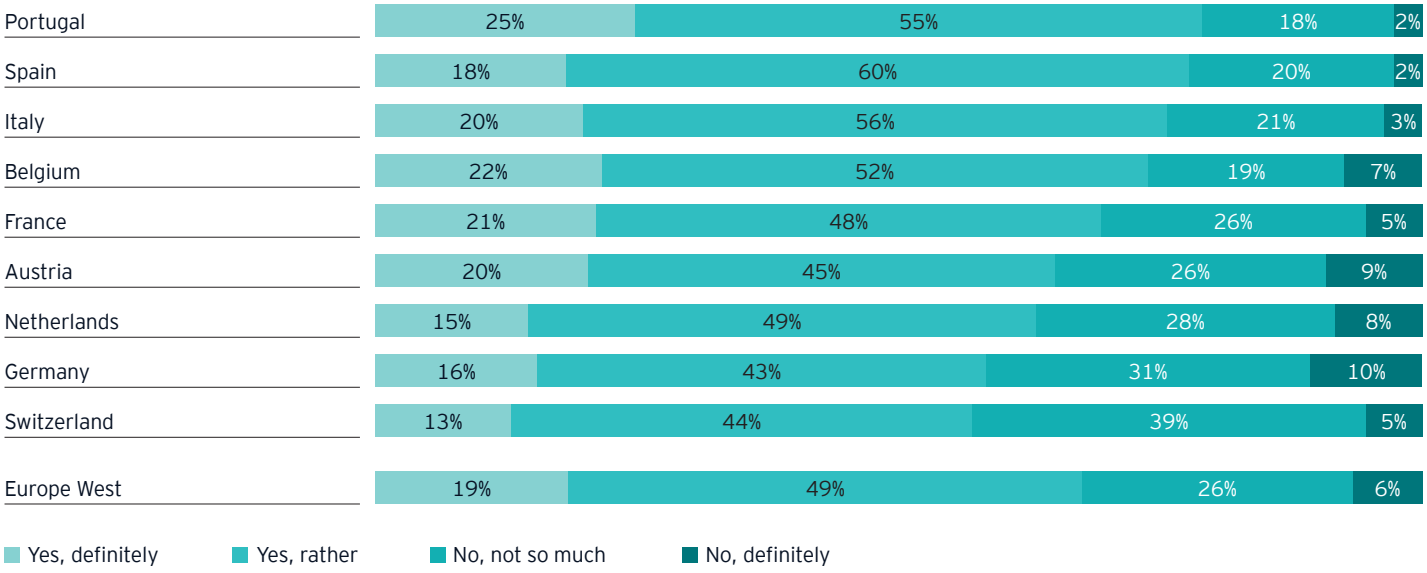
Figure 4 shows the general consensus among respondents across the nine analyzed European countries, with more than one in two (53%) stating that AI applications will influence their work – or are already doing so. In Italy and Switzerland (59% each), the figure is almost six out of ten. The proportion is also above average in the Netherlands (57%), and Austria and Germany (56%). On the other hand, it is below average in France (47%), Belgium (48%), as well as in Spain and Portugal (both 49%).

As discussed in the previous section, most respondents expect artificial intelligence to take over elements of their work and redefine their job profiles. Analyzed by country, more than three out of four respondents in Switzerland (76%) assume that artificial intelligence will take over some of their tasks. This if followed by Spain and Portugal (72% each), Italy (70%), and Belgium (68%), where employees are likewise sure that – sooner or later – some of their tasks will be taken over by applications from the field of AI.
The average among all respondents is 65%. In Germany (57%) and Austria (59%), the figure is below average.

Viewed by rank, managers (72%) are more likely to assume that they will hand over tasks to AI-powered programs and machines in the future than non-management employees (61%). From a sector perspective, oil and gas (91%), technology, media and telecommunications (81%), financial services (81%), and insurance (81%) stand out.

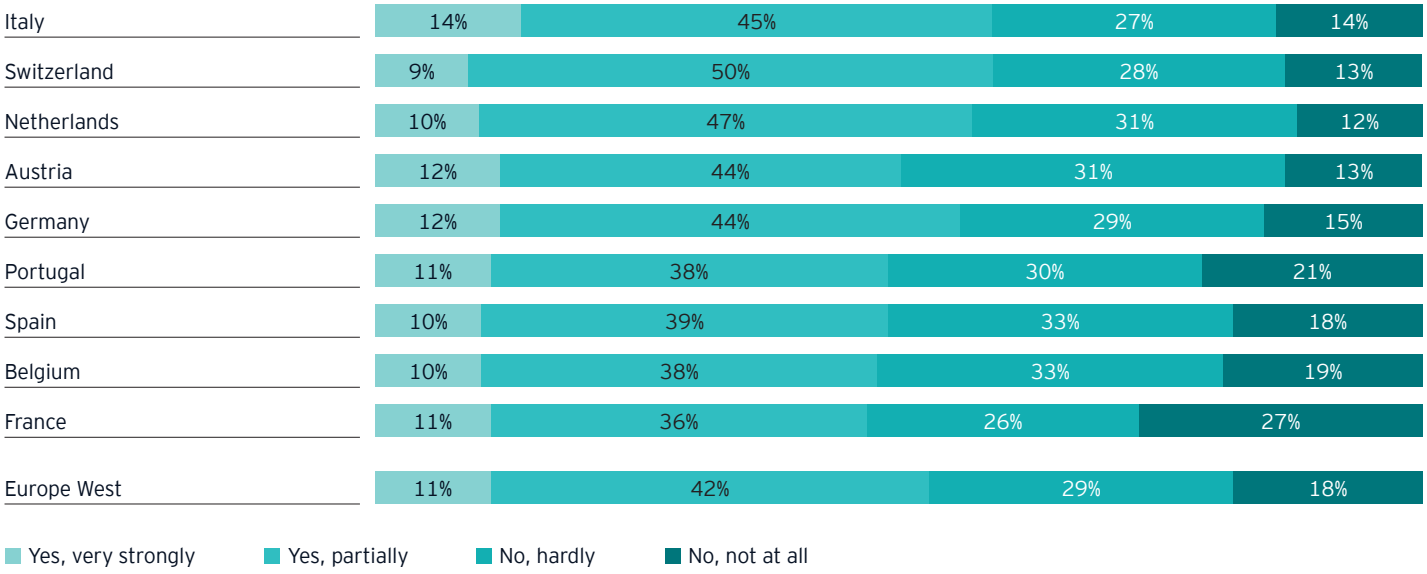
## Figure 3

**Do you think the use of AI will lead to companies needing fewer staff?**




## Figure 4

**Do you think your job is affected by the developments around artificial intelligence?**



On average in Europe, almost one in five respondents (19%) say that AI is already influencing their work – in Italy, it is almost one in four (24%), while in Belgium, it is just over one in ten respondents (12%).

A sizable 38% of all respondents expect to see a noticeable increase in the influence of AI applications on their jobs within the next three years. Here, respondents in Switzerland (54%) clearly stand out.

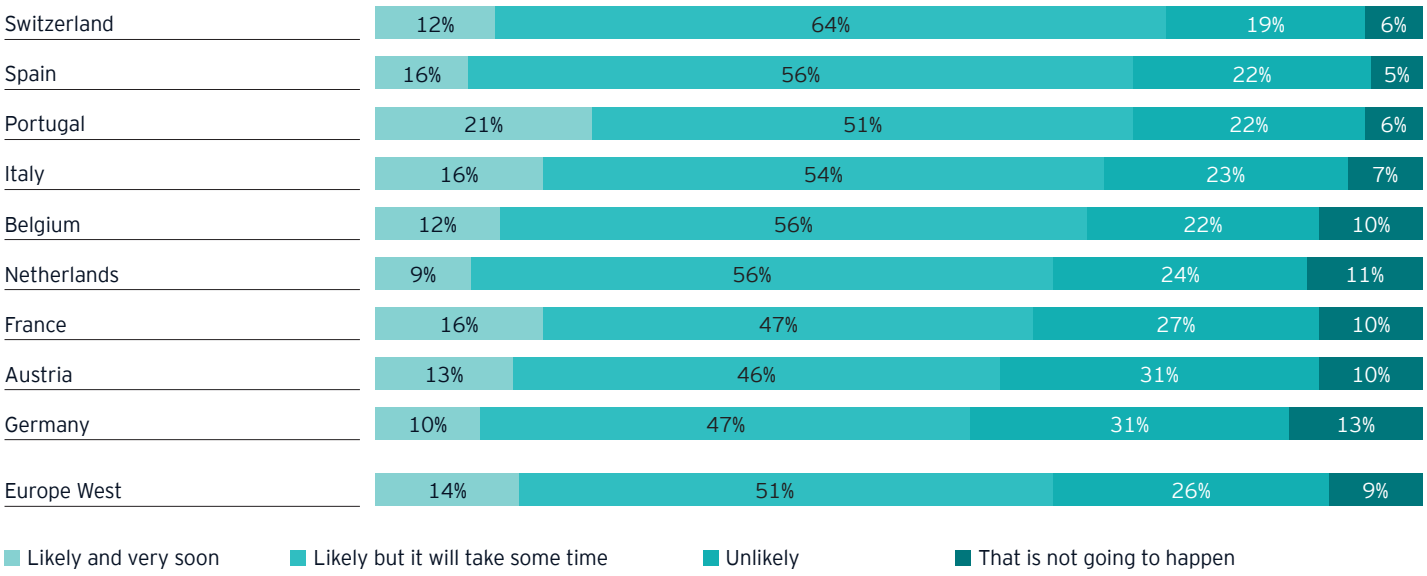
That said, an interesting dichotomy is evident in that a not insignificant number of respondents think it unlikely that artificial intelligence will take over parts of their work (35%). And of those who do anticipate having to hand over some of their workload to AI, the vast majority don't see that happening anytime soon (see figure 5). It appears that a substantial section of the workforce still believes that AI is not an imminent concern or it's something that happens to somebody else. Either way, organizations clearly need to do more to sensitize sections of the workforce about the scale and scope of the AI revolution, an area in which training has critical role to play.

Upskilling and reskilling initiatives are of paramount importance to mitigate any negative consequences of AI on employment. Organizations must invest in training programs to equip their workforce with the necessary competencies to thrive in an AI-driven economy. Additionally, fostering a culture of lifelong learning is essential to ensure that employees remain adaptable and resilient in the face of technological disruptions. According to our survey results, not enough respondents are satisfied with the level of training on AI they get at work. Switzerland leads the way, where 36% say their employer is providing enough training. Employers in other countries need to do a lot better, most notably in Portugal, where only 14% of employees are satisfied with the current level of AI training they are receiving. Most employees want live training and workshops (43%), followed by online courses (38%). In the following section, we take a closer look at the investment priorities of organizations in AI capabilities, including training.

AI

## Figure 5

**How likely is it in your opinion, that parts of your tasks on the job will be done by programs and applications from the field of artificial intelligence?**




## Figure 6

**How likely is it in your opinion, that parts of your tasks on the job will be done by programs and applications from the field of artificial intelligence?**

# 5. Capability building

With the rapid development of AI in mind, many decision-makers across various sectors emphasize the need to accelerate AI initiatives to gain a competitive edge, and are increasing investment accordingly. Discussion of partnerships to accelerate innovation is common, while a few are pursuing equity investments in AI specialists. However, several companies also express concerns regarding the pace and maturity of AI development, including both those investing and others taking a more cautious approach. Some warn against overinvesting in tools or use cases that could soon become obsolete.

To fully leverage the potential of AI, organizations must prioritize capability building. Assessing AI readiness is crucial to identify gaps and allocate resources effectively. Holistic capability building involves not only investing in cutting-edge technologies but also cultivating a data-driven culture and nurturing talent with expertise in AI in all its manifestations, from machine learning to large language models.

Taking a look at the current situation, employees in Switzerland (58%) are most confident about the possibilities for AI implementation in their company. In Italy, too, a majority (52%) confirm that their employer has the knowledge and the will to tackle the AI transformation. Employees in Germany (34%) and Portugal (35%), on the other hand, are more skeptical about their company's ability to implement and leverage AI (see figure 7).

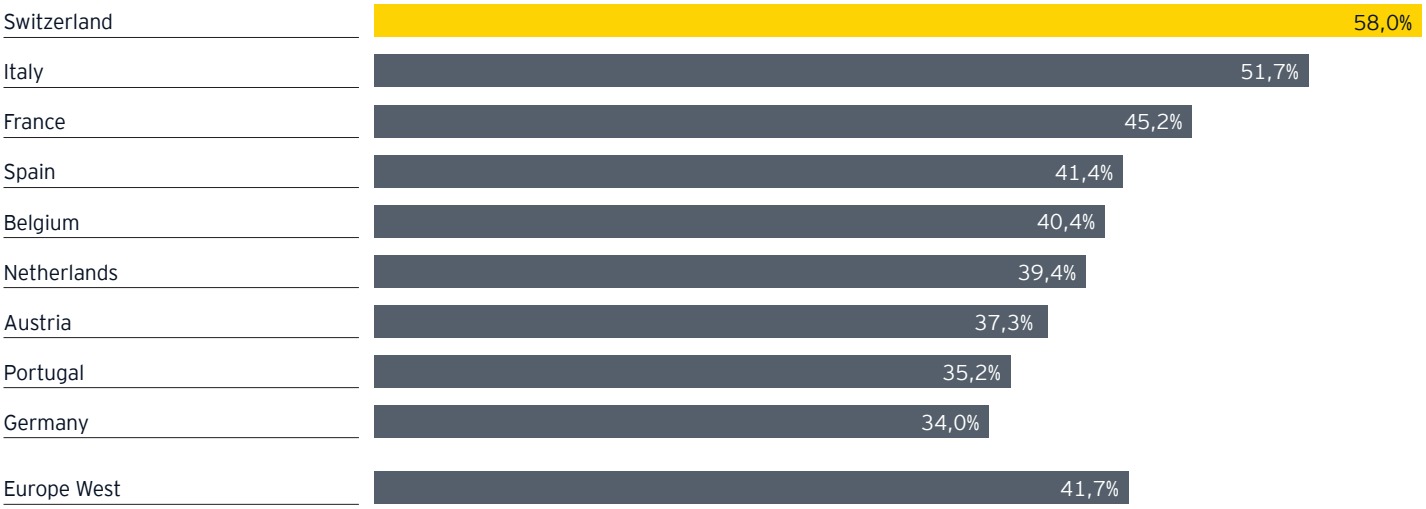
Analyzed by sector, employees in private equity (71%), financial services (66%), the energy sector (62%), and advanced manufacturing and mobility (62%) are confident of their employers' ability to pursue the AI transformation journey.

Most employees in Switzerland (57%) expect AI to be a top investment priority in the coming year, followed by Spain (54%). Prospects for AI investment are bleaker in Germany, where only 25% of respondents expect AI to be prioritized and Austria with a mere 22%.

Respondents see new software (35%) and employee qualification (33%) as top investment priorities for their organization when it comes to AI. Interestingly, forecasting capabilities rank lowest in the list of investment priorities. That might seem surprising given the possibilities already demonstrated by AI-driven high-precision forecasting in many sectors.

Figure 7

**Do you feel that your company has sufficient knowledge to implement and use AI effectively and start the transformation process that comes with it? Percentage of respondents who answered "yes".**



Taking a closer look at the people factor, managers in Switzerland (72%) are most confident that their people have adequate training to work effectively with AI or are ready for the transformation process ahead. This compares with 56% in Belgium, 54% in Italy, and 51% in Spain. At the other end of the scale are Austria and Germany both with 34%.

Broken down by sector, managers in advanced manufacturing (69%) are most confident that their people have adequate training to work effectively with AI or are ready for the transformation process ahead. This compares with 65% in financial services, 65% in agriculture, and 63% in private equity. Lagging well behind at only 19% is the public sector practice.

Training programs tailored to the specific needs of each region, sector, and function are essential for ensuring the successful integration of AI into business operations. Employees are beginning to recognize the imperative of honing their AI acumen for their careers, with 44% of respondents stating that they are educating themselves in the field of AI. Revealing a concerning gender bias, our survey indicates that male employees (49%) are more likely to be brushing up on their AI skills than their female colleagues (40%).

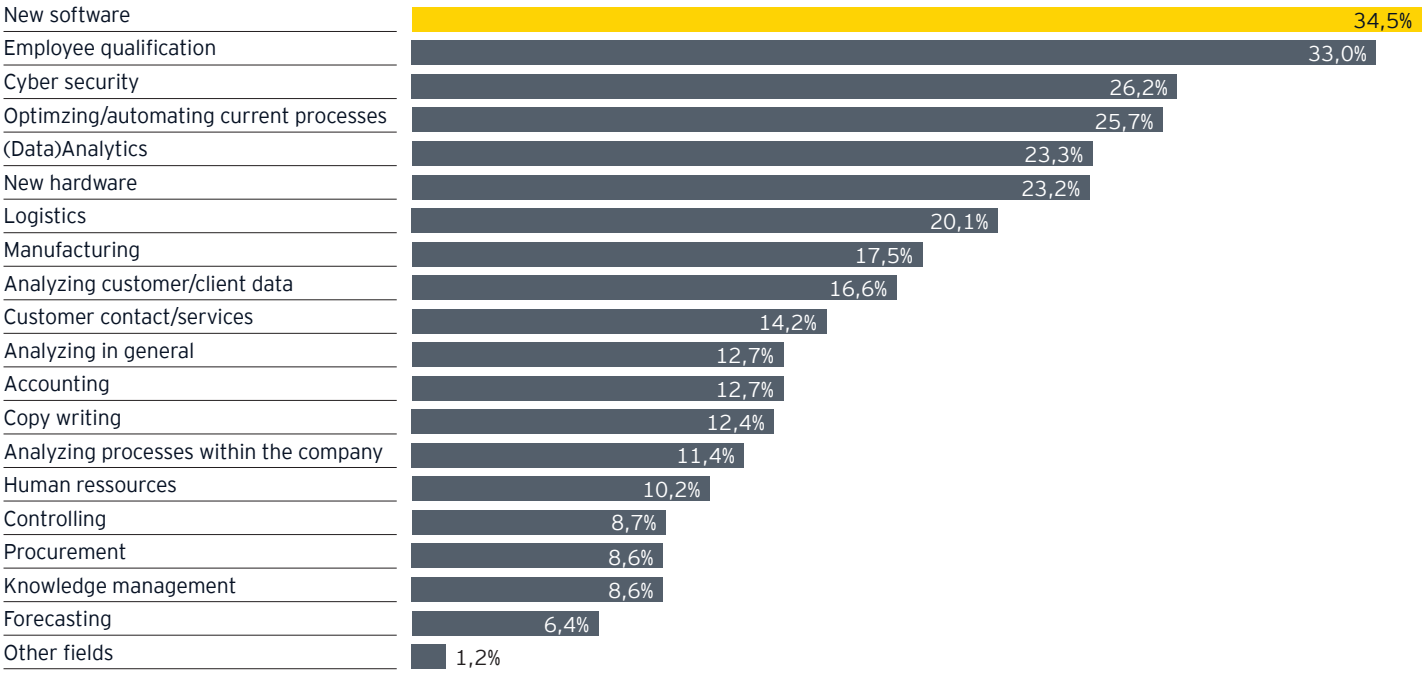
In many instances, employees are taking the initiative and availing themselves of self-learning opportunities, be it privately, professionally, or a combination of the two. Self-education in the field of AI is most widespread in Switzerland (60%), Italy (54%), and Spain (54%). Employees in Germany are least likely to be engaged in self-education activities (37%), indicating a clear need to sensitize the workforce there as to the importance of AI skills for the future of work and their career prospects.

AI can be a powerful tool in the hands of skilled and well-trained employees, promising massive productivity gains. Companies need to adopt an active role in training and upskilling their people. Among other initiatives, strategic partnerships with academic institutions and technology providers can also facilitate knowledge exchange and accelerate innovation. By investing in AI capabilities today, organizations can position themselves as leaders in an increasingly competitive landscape.

AI

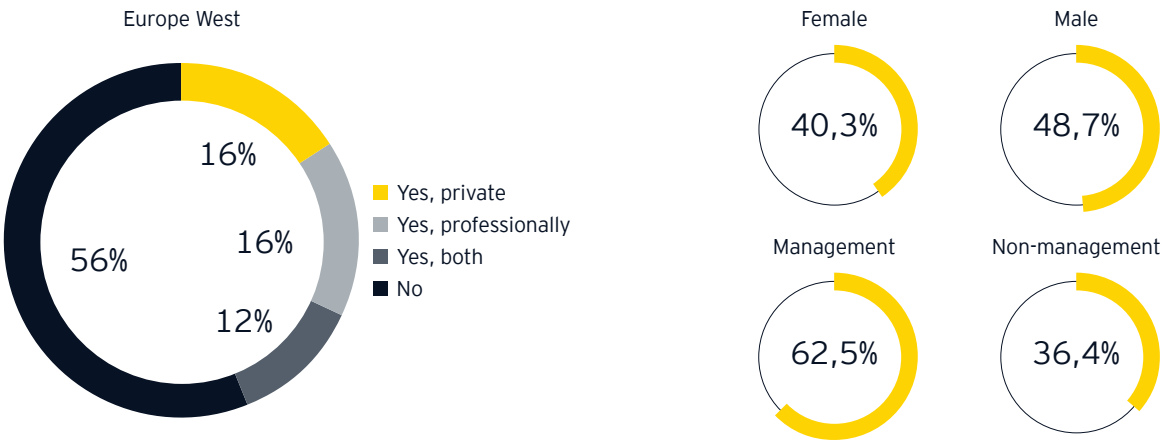
## Figure 8

**Which specific field will be a top investment priority over the next year for your company when it comes to AI? (up to five answers)**




## Figure 9

**Are you educating yourself in the field of AI?**



# 6. Future of AI technology

The future of AI technology holds immense promise, with advancements unfolding across various sectors and geographies. From breakthroughs in natural language processing to innovations in computer vision and robotics, the potential applications of AI are unfathomable. However, navigating this rapidly evolving landscape requires foresight and strategic planning.

Tomorrow's winners are those organizations that are making bold moves today. By staying abreast of AI developments and investing in emerging technologies, businesses can gain a competitive edge and drive innovation. Moreover, preparing for the future requires a concerted effort from all stakeholders, including policymakers, industry leaders, and educators.

Is investing in AI a top priority for businesses? Across Europe, almost four out of ten respondents (38%) say "yes, it is." This is most often the consensus among employees in Switzerland (57%), Spain (54%), Italy (48%), and France (46%). Respondents in Austria (22%) and Germany (25%) are much less likely to agree.

From an industry perspective, respondents from the financial services (49%), oil and gas (44%), and agriculture (44%) sectors most often report that AI will be a top investment priority for their company. Far fewer employees in the government and public sector (17%) expect major investment. Response rates in the health sciences and wellness (20%) and professional services (26%) practices were similarly low.

What are the future possibilities of AI? Some 82% of respondents from the financial services and technology, media and telecommunications sectors are optimistic about the technology's development possibilities. Clear majorities of respondents working in energy (80%), advanced manufacturing and mobility (77%), agriculture (73%), and insurance (72%) likewise share this opinion.

As the development and adoption of AI continues to accelerate, European businesses must embrace this transformative technology with both caution and optimism. By removing barriers to adoption, expanding the frame with respect to the benefits, prioritizing workforce development and upskilling, investing in technical capabilities and people, and preparing for the future with astute strategic foresight, organizations can unlock the full potential of AI and drive sustainable growth in the digital age. Together, let us harness the power of AI to shape a brighter and more prosperous future for all.

# 7. Use cases

When it comes to successfully implementing AI applications into the everyday work of our clients and helping to build a better working world, we focus on three pillars: building confidence, creating value and augmenting people´s potential. The following section delve into these example use cases to discover how this technology can ignite innovation, unlock efficiencies and transform businesses.

## Augment people

### Augmented customer service

**Opportunity:** Ensuring the satisfaction of their many customers is crucial for telecommunications companies, especially in an area where customers change providers very quickly. Qualified and, above all, fast support is of the utmost importance from the companies' point of view.

**Solution:** Setting up and deploying AI programs for customer support can improve current solutions. They will augment the work of human experts and help them help their customers become more efficient – and thereby bring their experience and satisfaction with the provided service to the next level, keeping the customer with the company.

**Outcome:** AI applications represent a completely new and still little-used link in a chain of solutions that ultimately can improve customer satisfaction through speed and expertise. Walking this path together with the customer leads to learning effects on both sides - and for the fact that we stay one step ahead with the customer through the newly gained knowledge.

### Augmented knowledge

**Opportunity:** Banking employees face challenges in keeping up with frequently changing regulations, understanding complex financial products, ensuring transaction security and efficiently serving customers amidst increasing cyber threats and diverse financial needs.

**Solution:** An AI-enabled knowledge base trained on tailored banking data can support employees to surface accurate information quickly. The AI-enabled knowledge base can offer real-time details on current regulations, intricate product specifications and up-to-date security protocols.

**Outcome:** Enhance regulatory compliance, enhance consistency in product information dissemination, expedite customer service and fortify security measures, ultimately leading to increased customer satisfaction, reduced risks and operational efficiencies.

## Streamlined health care operations

**Opportunity:** Health care organizations grapple with time-consuming, repeatable tasks. They need collaborative workspaces for data scientists and a streamlined model deployment process.

**Solution:** Setting up a center for automation with GenAI and machine learning can help. This includes creating a collaboration-friendly workspace, an easily accessible feature store, a continuous integration and continuous delivery-style MLOps pipeline and integrating a chatbot.

**Outcome:** This automation center can enhance efficiency, improve user experience by leveraging data insights, increase process transparency and deliver improved health outcomes.

## Enhancements in learning

**Opportunity:** Financial institutions often grapple with creating engaging, timely and effective learning content for advisors due to the rapid evolution of the sector.

**Solution:** Build AI capabilities, such as a conversational assistant, to craft specialized learning content. This will work in sync with existing chatbot systems using platforms.

**Outcome:** The GenAI solution can aid in creating a robust learning framework and increase time efficiency. It can also set the stage for future innovations like powering an internal search engine and knowledge management platforms, meeting regulatory documentation requirements and improving productivity.

# Build confidence

## Compliance with AI regulations

**Opportunity:** Automotive companies developing AI systems often face the challenge of navigating complex and ever-evolving regulations, such as the EU AI Act. Managing the reputational implications of underperforming AI models, particularly in safety-critical applications, is crucial. Assessing their readiness for these regulations and shaping their AI risk management program to comply is a key priority.

**Solution:** Companies can conduct an AI readiness assessment to ascertain their preparedness for these regulations. The assessment can include a thorough evaluation of their policies and procedures, accountability structures, training and awareness programs, ethical AI foundations, and management of third-party risk.

**Outcome:** The AI readiness assessment alerts the company to their progress in identifying and managing AI risk. This evaluation forms a guidepost for future AI governance planning and identifies areas requiring added investment or resource allocation. Regular assessments not only help track progress but foster proactive compliance with regulations, minimizing regulatory and reputational risks.

## Regulatory compliance readiness

**Opportunity:** Oil & Gas sector entities deploying AI systems face new legal obligations due to regulations such as the EU AI Act. Given the regulatory pressure and reputational risks, these organizations need a clear understanding of their preparedness for these regulations.

**Solution:** Undertaking a Responsible AI readiness assessment provides a measure of an organization's readiness for these regulations. It evaluates key areas like policies and procedures, governance and accountability, training and awareness, ethical AI foundations, and third-party risk, providing tailored next steps for future actions.

**Outcome:** The readiness assessment helps organizations quickly gauge their progress in identifying and managing AI risk. It guides AI governance roadmaps, highlights areas requiring additional resources, fosters collaboration and ensures regulatory compliance readiness.

# Create value

## Agile product design

**Opportunity:** Retail organizations have a desire to offer a product catalogue that stays at the forefront of consumer preferences and market trends. The traditional process for product development is time-intensive, involving the evaluation of numerous options before commercializing final products.

**Solution:** Accelerate the design process using a GenAI tool trained on sales and competitive data, customer feedback, and thousands of labeled images of features and designs. Using a series of prompts, AI can augment the designer's process with suggested hyper-realistic, uniquely styled designs that are inspired by real-time concepts.

**Outcome:** A GenAI tool has the potential to reduce design cycle time, increase customer satisfaction, and generate cost savings through AI-driven design automation. Additionally, this approach can help achieve market differentiation and speed to market by responding to real-time concepts and generating unique and realistic designs aligned with consumer preferences.

## Efficient contract management

**Opportunity:** Companies often rely on manual processes for contract creation, review and approval. This method raises the risk of overlooking important contract details like compliance mandates, commitments, potential discounts or hidden risks.

**Solution:** An advanced supplier and legal contract analysis tool powered by GenAI can aid every stage of the contract management lifecycle. Such a tool will allow for quick validation and extraction of key contract data and entities, ask questions to the contract document for a generative summarization of responses, validate a contract against a commercial and legal checklist, and compare contract clauses for risk identification.

**Outcome:** A contract management solution should significantly reduce turnaround times in the contract management lifecycle. It supports superior decision-making with valuable insights and suggested negotiation strategies. It provides improved visibility with clear and actionable risk data, identifies new opportunities through key contract information extraction, and offers upfront risk mitigation plans and negotiation tips.

## Efficient deal sourcing

**Opportunity:** Private equity firms often find the deal sourcing and diligence process repetitive, with significant amounts of manual tasks involved. This ranges from deal origination, analysis conduction and target valuation to risk assessment – all requiring labor-intensive work that impacts the overall efficiency of the process.

**Solution:** Integrating GenAI into the process can lead to full or partial automation of various steps, thereby reducing labor-intensive tasks. This can automate properties such as data sourcing for deal origination, preliminary due diligence processing of public information, drafting of reports, performing pre-defined and risk analyses, modeling based on a business plan, and drafting legal documents with limited fine-tuning.

**Outcome:** The integration of GenAI can lead to major diligence efficiencies such as increased target insights, faster time from sourcing to deal closure, the potential for lower deal-related expenses, and the scaling of capabilities. Overall, it can greatly enhance the efficiency and speed of deal sourcing and closing, giving firms a significant competitive edge.

## Optimized transport plans

**Opportunity:** Companies from the transportations and logistics sector often face complex challenges in planning their transport schedules effectively. The traditional model struggles to incorporate real-time variables such as passenger flow, weather conditions, maintenance schedules, crew availability, rolling stock use, and potential service delays, which could impact operational efficiency.

**Solution:** By using a GenAI tool, it is possible to create a dynamic transport plan that ingests real-time variables, such as sudden fluctuation in passenger numbers, unscheduled maintenance, or adverse weather effects. The AI tool can process this current data and generate an optimal plan that most efficiently uses resources while reducing service disruptions.

**Outcome:** Implementing AI in transport planning not only streamlines the operation but makes it more adaptable to the fast-changing realities of transportations and logistics. It could lead to better resource allocation, minimizing idle time, and synchronizing various components that make up the service. This proactive approach can also increase the company's ability to predict and manage potential disruptions, leading to enhanced reliability, improved customer satisfaction and significant market differentiation.

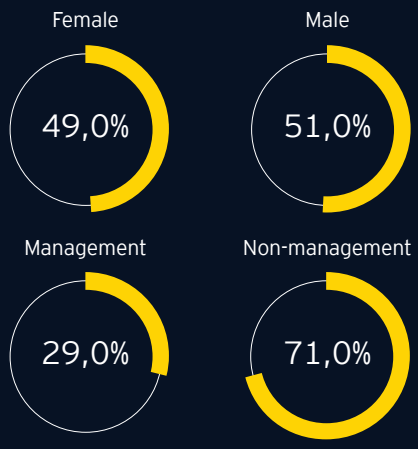
# Study design

## Study scope and methodology

This study presents the results of a survey of 4.741 managers and non-executive employees across nine western European countries conducted in March 2024. Figure 10 below presents a breakdown of the survey respondents by country and sector as well as by gender and rank.

Figure 10

| **Countries in which the respondents work** | **Number of respondents** |
|---|---|
| Germany | 1044 |
| France | 1000 |
| Italy | 528 |
| Austria | 515 |
| Spain | 507 |
| Netherlands | 500 |
| Belgium | 234 |
| Portugal | 213 |
| Switzerland | 200 |



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