



FUTURE-READY BUSINESS: ASSESSING INDIA'S GROWTH POTENTIAL THROUGH AI

PSI

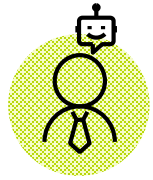


Humidity

Rainfall



Research Scope

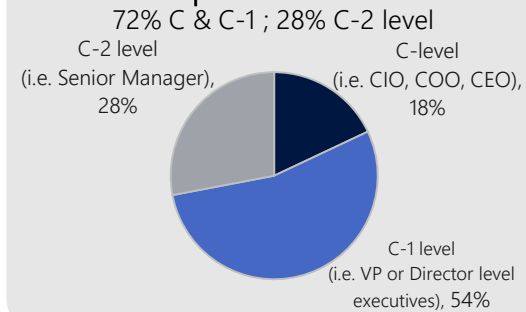


Business
Leaders

Sample Size for all up India

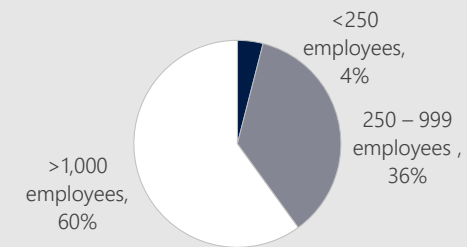
200 Business Leaders

Respondents Profile



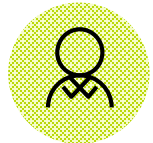
Organizations Sizes

40% small & mid-sized, 60% large sized



Verticals

Agricultural	Healthcare
Automotive	Manufacturing
Education	Retail
FSI	Services
Government	Telco / Media



Workers

Sample Size for all up India

202 Workers

Respondents Roles

Administrative / Operations	Mechanic / Technician
Customer Facing	Production
Functional Specialists	R&D/ Creative
IT Specialists	Supervisory
Junior Managers	

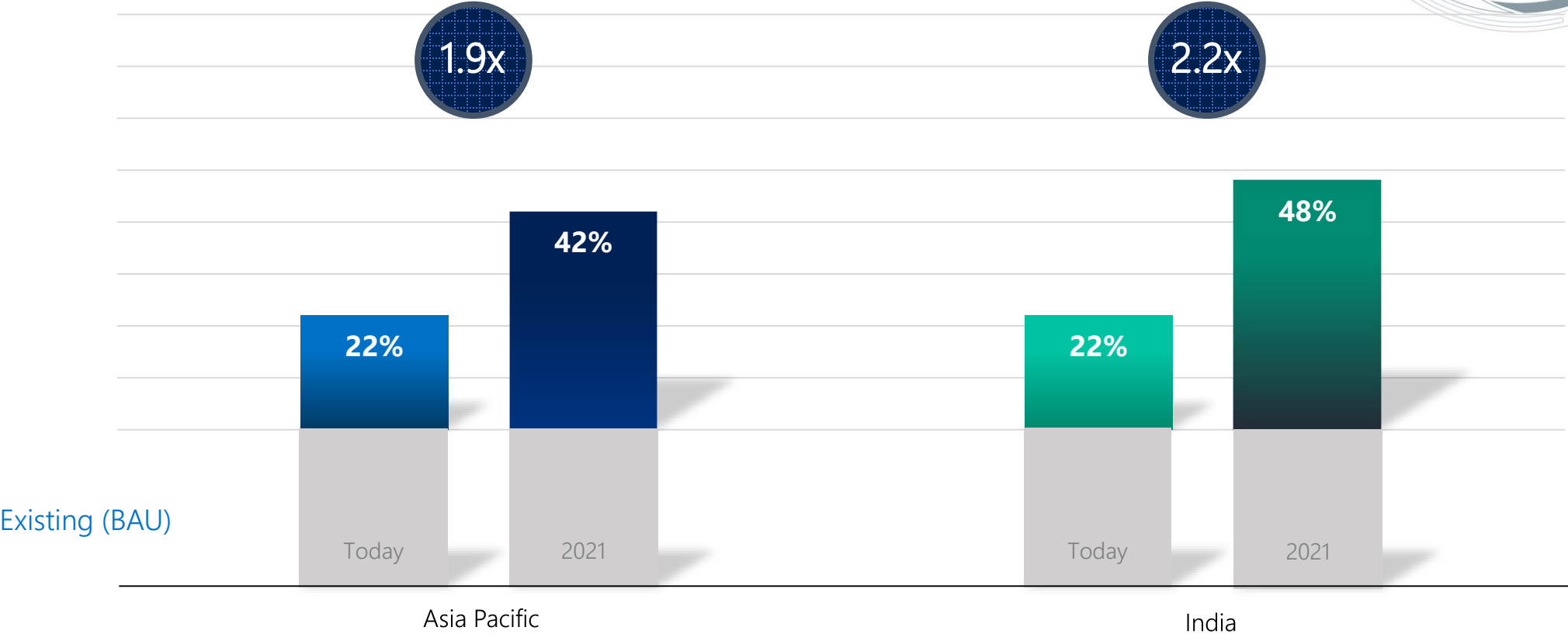


Addressing the Opportunities

AI will more than double the rate of innovation improvements in India



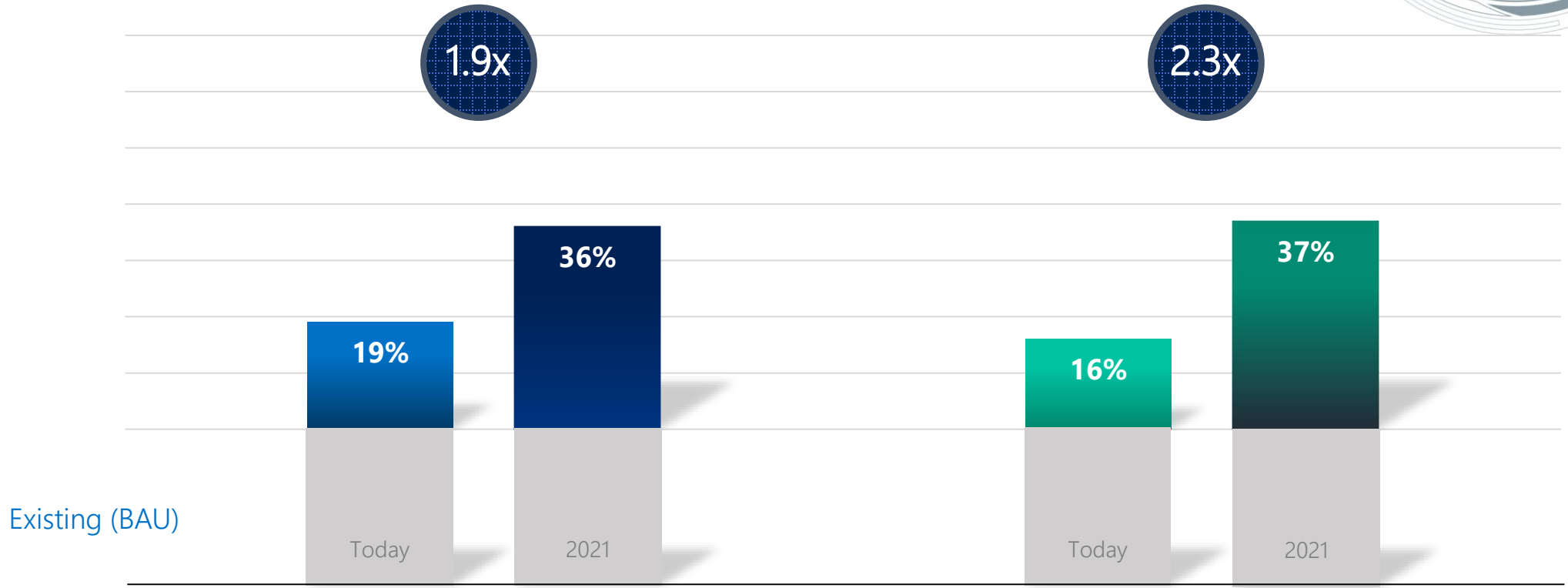
Percentage of new, innovative products and services organizations produced today and in three years with the introduction of AI



AI will more than double employee productivity gains in India



Improved productivity gains among employees today and in 3 years

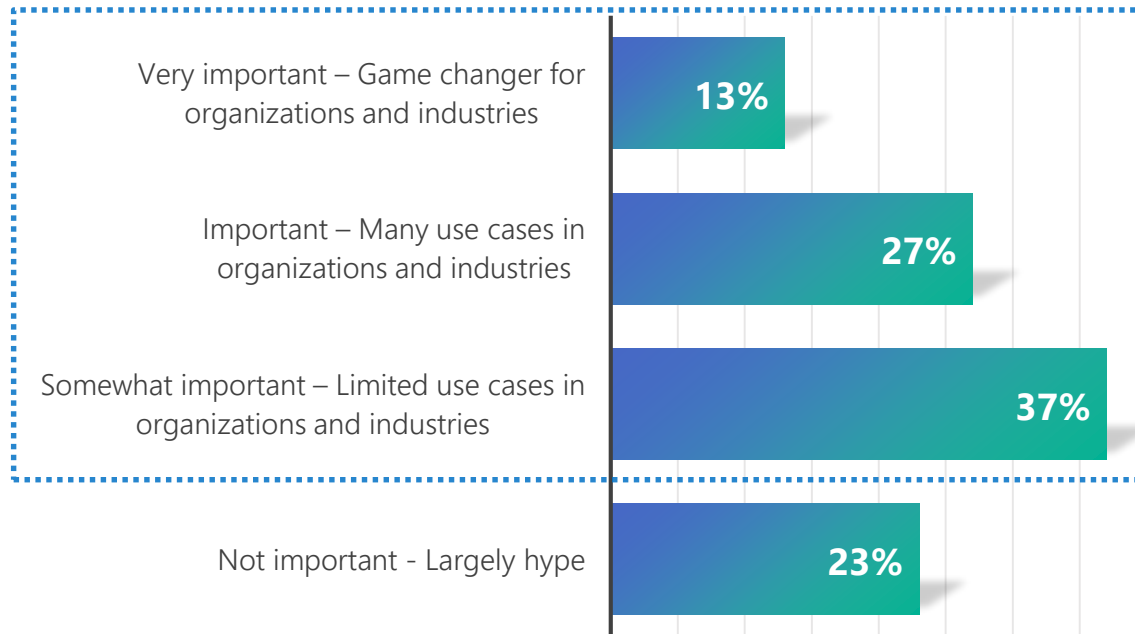


Q: What are your organization's key drivers for adopting AI-related solutions?
Q: For the top 3 areas above, please indicate the level of improvement seen today and the expected increase in 3 years' time
Asia Pacific Business = N=1605
India Business = N=200

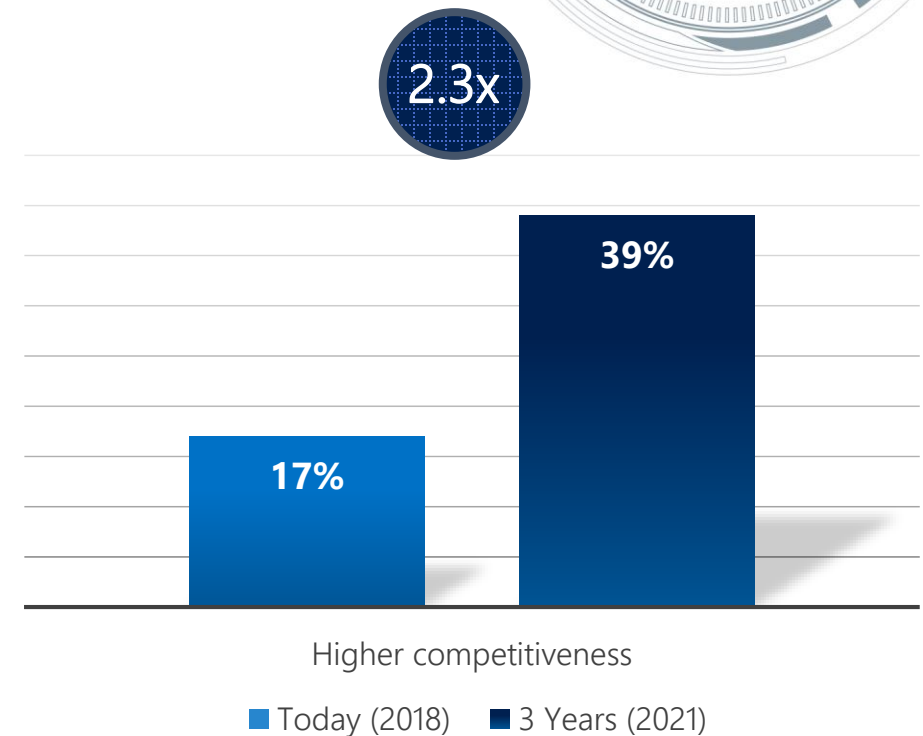
AI drives **competitive** advantages

- **77%** say that AI is instrumental to organization's competitiveness in the next 3 years

Importance of AI to organization's competitiveness in next 3 years



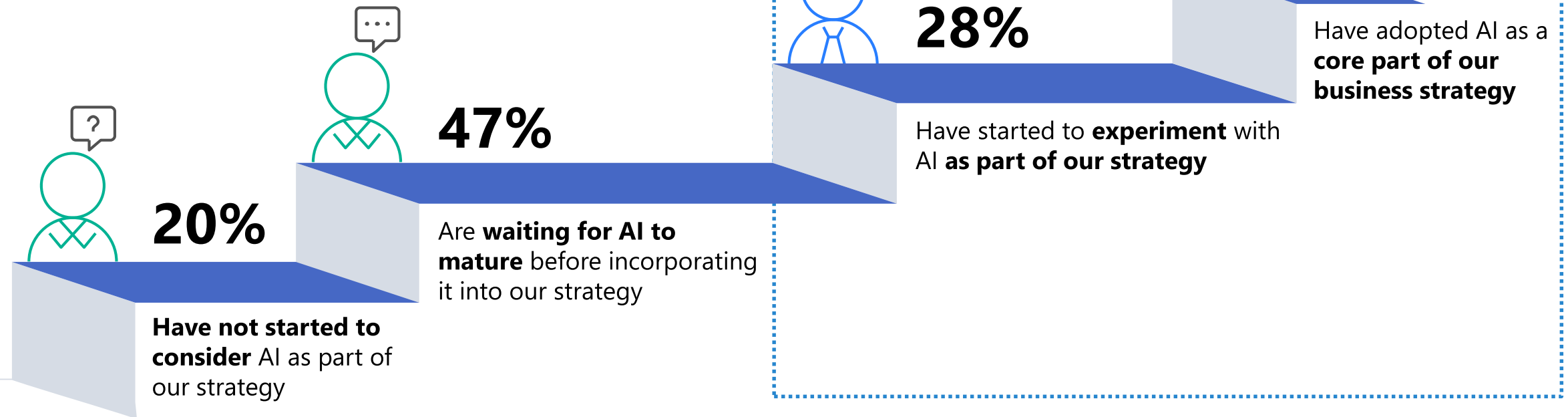
- Organizations with AI in India expect it to increase their **competitiveness by 2.3 times** in 3 years





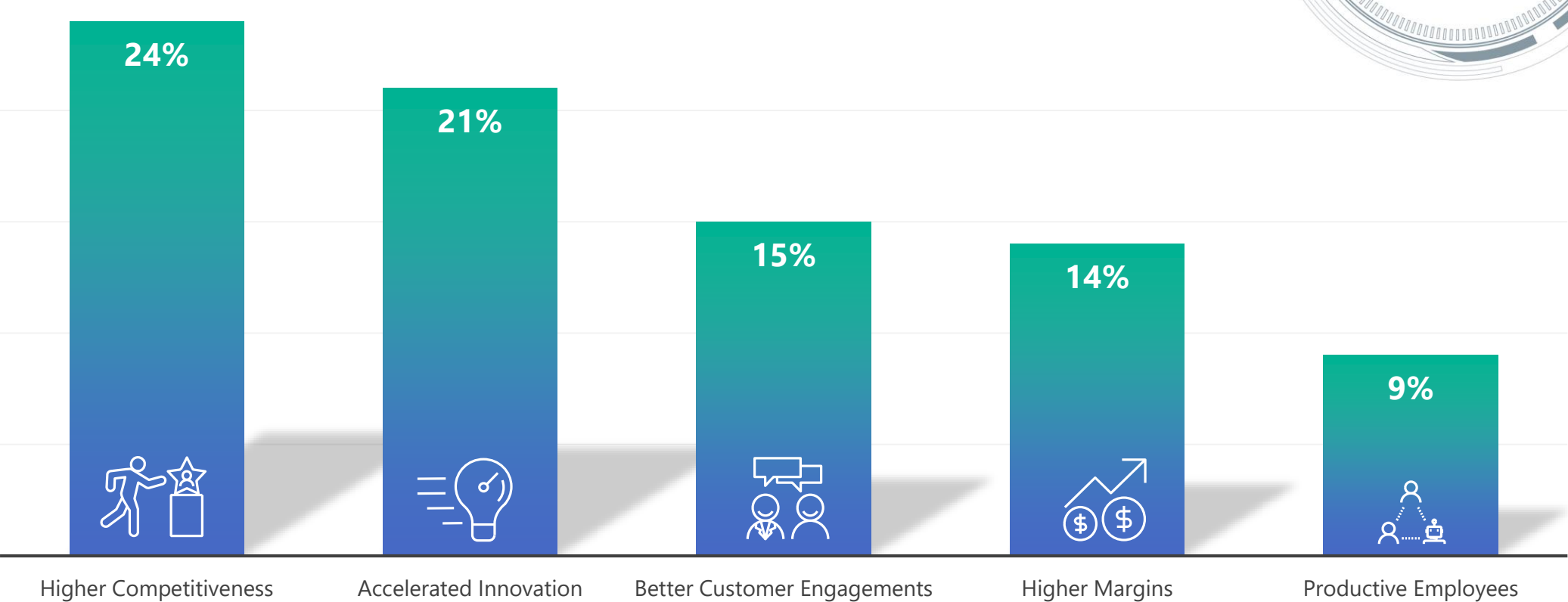
Drivers to Adopt AI

Only one-third of organizations in India have started on their AI journeys



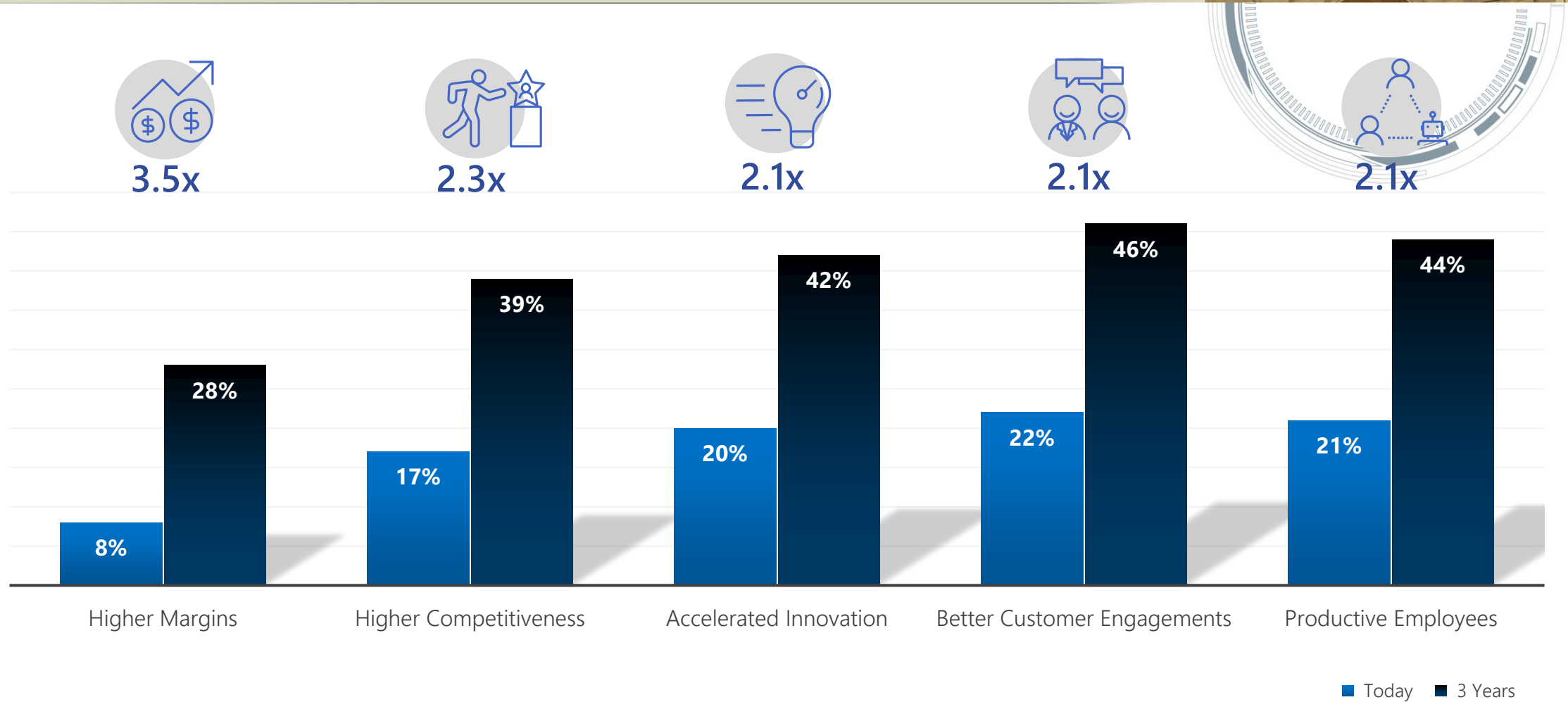
Top 5 Drivers to Adopt AI

Percentage of business leaders who indicate attribute as #1 driver



Q: What are your organization's key drivers for adopting AI-related solutions? If your organization has not adopted AI-related solutions, what do you think would be the key drivers that would influence your organization to adopt AI-related solutions?
India Business with AI = N=66

Business Improvements from AI: Today and in 3 years

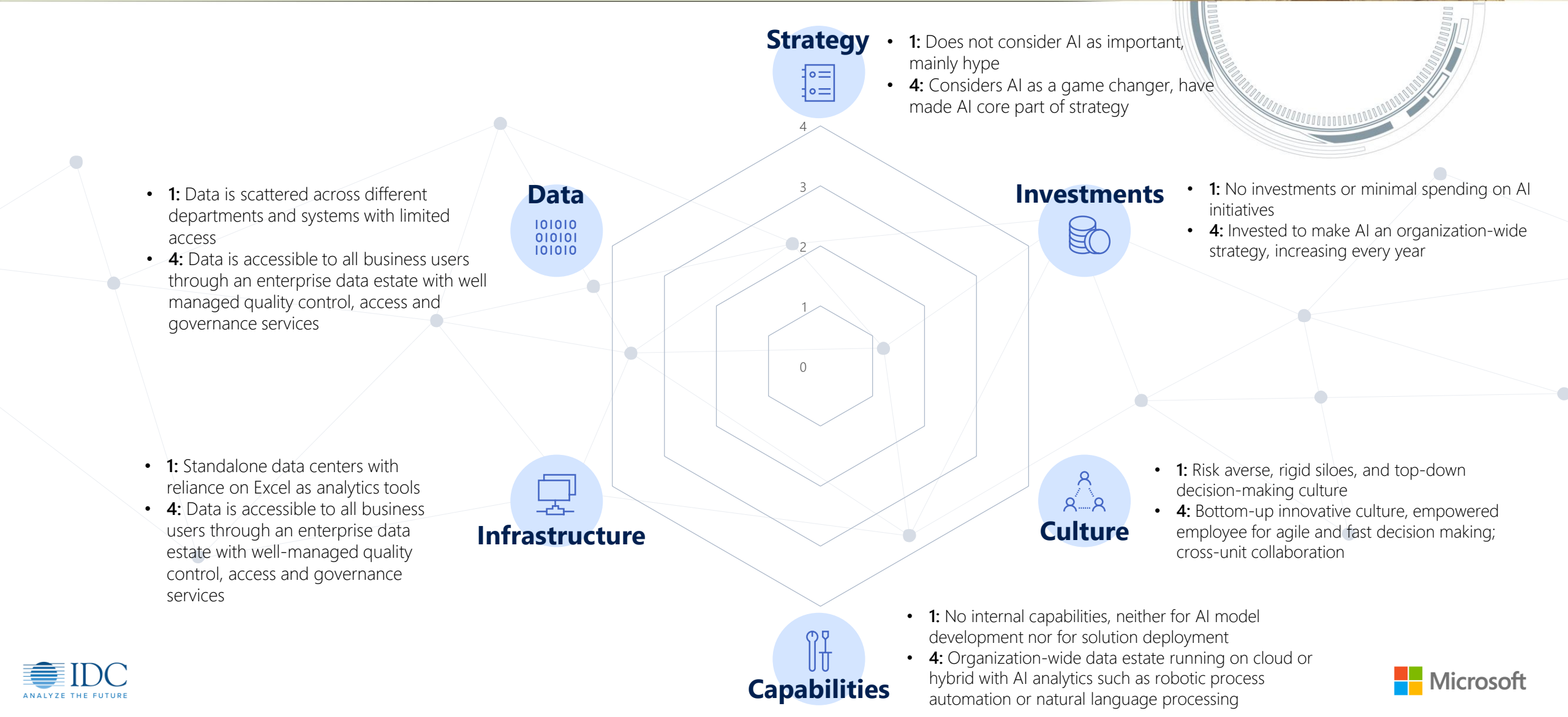


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India Business with AI = N=66



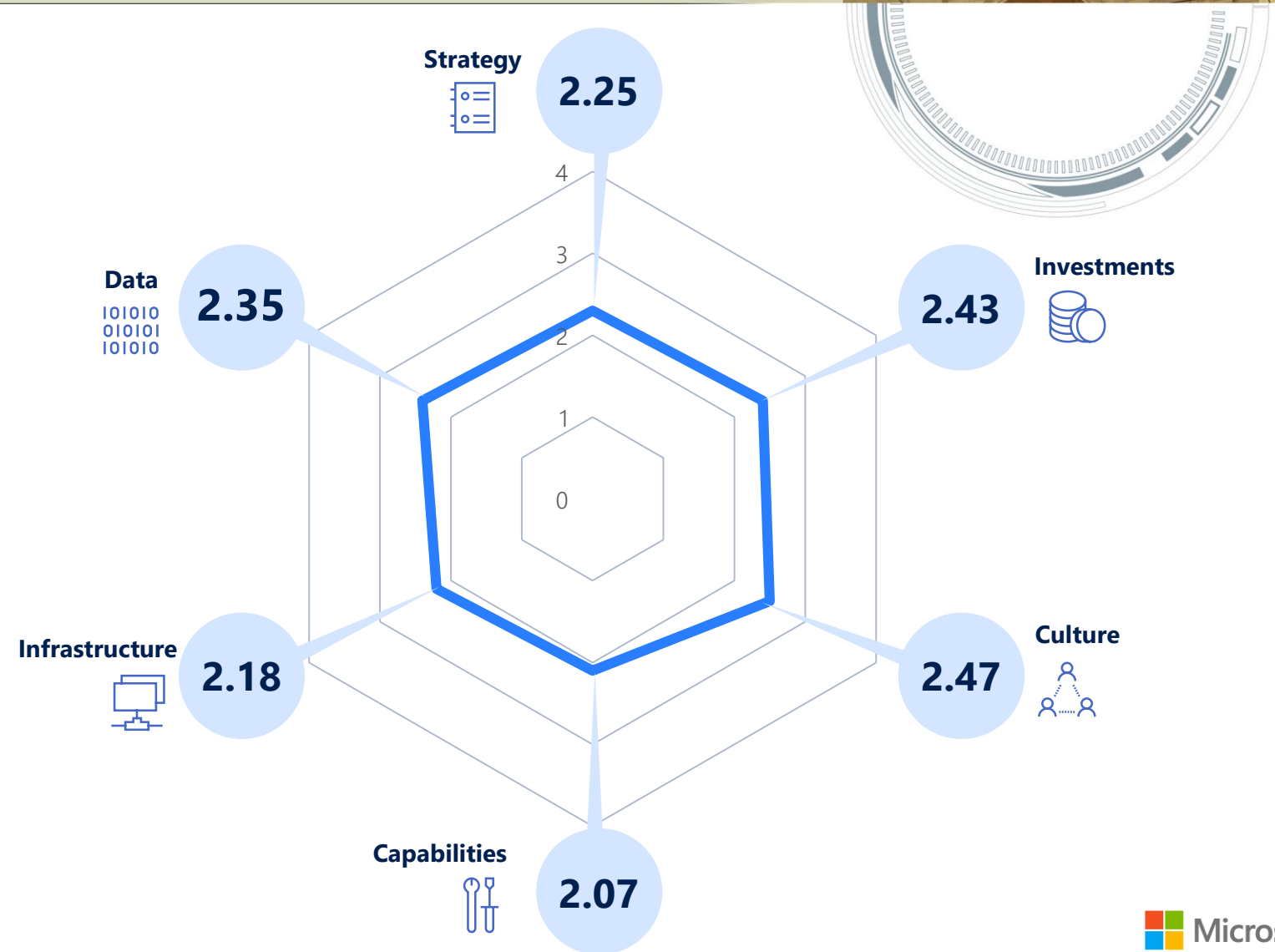
Assessing **AI Readiness** in Asia Pacific and India

AI Readiness Model



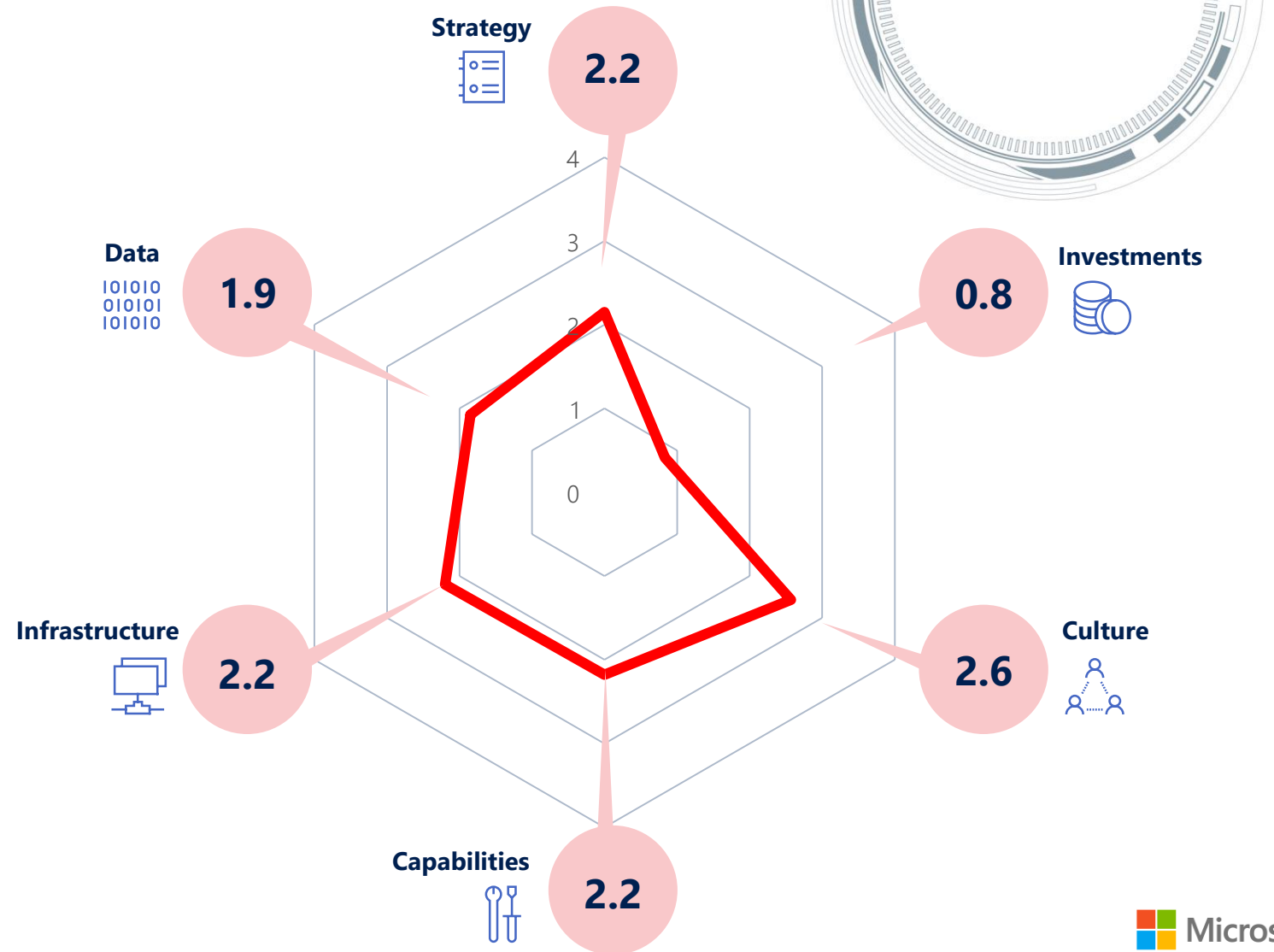
Asia Pacific's AI Readiness

Asia Pacific needs to focus on improving its AI **strategy**, **capabilities** and **infrastructure**



India's AI Readiness

India has a room for improvement in **Investments**, **Data** and **Strategy** dimensions.

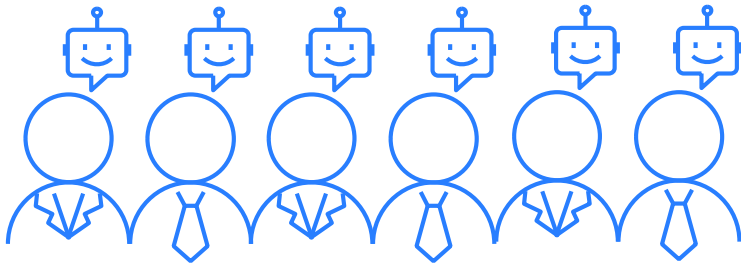
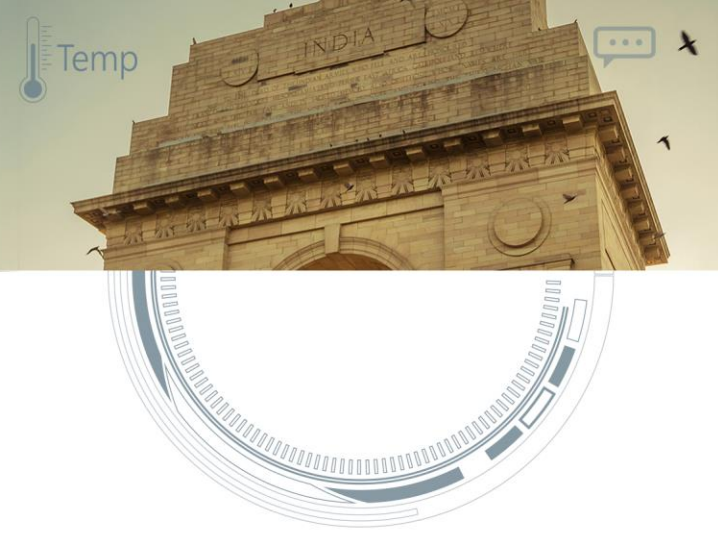


AI Readiness: India's all respondents vs Leaders in Asia Pacific

The widest gaps between India's all respondents and AI Leaders in Asia Pacific are in **Investments, Strategy** and **Data** dimensions



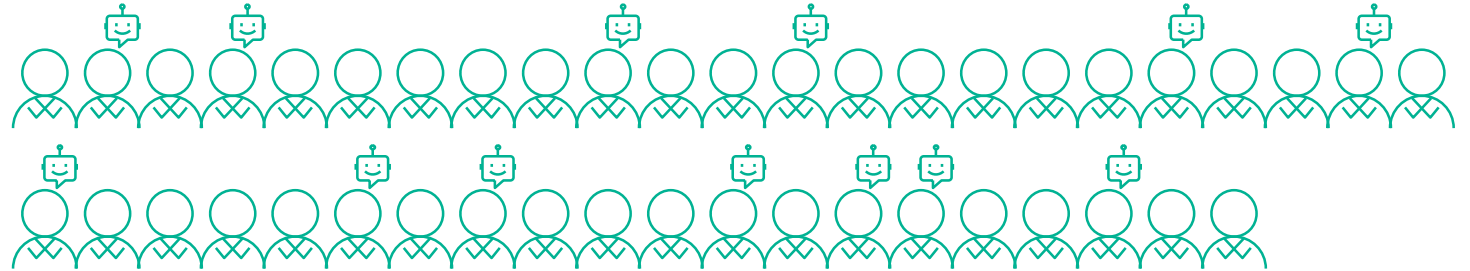
Who are the AI Leaders in Asia Pacific?



6%

Leaders

- Incorporated AI into their core strategy or started to experiment with AI
- Have experienced higher improvements of benefits from AI



94%

Followers

- Have started to experiment with AI or have not started with AI
- Moderate to low improvements of benefits from AI, or no benefits

Q: Which of the following statements best describes your organization's view on AI?

Q: Please indicate the level of improvements seen today as a result of your AI deployment/solution.

Followers = N = 1,514

Leaders = N = 91

What Makes an AI Leader Different?

Increase investments every year to support organization-wide AI strategy

Have a centralized team of specialized roles to develop and validate AI models & complex analytics

Have AI analytics and tools such as Robotic Process Automation, Natural Language Processing

Have in-house capabilities of developers, specialists and data engineers to deploy and monitor AI applications

Have ongoing enterprise data governance practices performed jointly by IT as well as those in business and compliance functions



5.4x



4.8x



3.7x



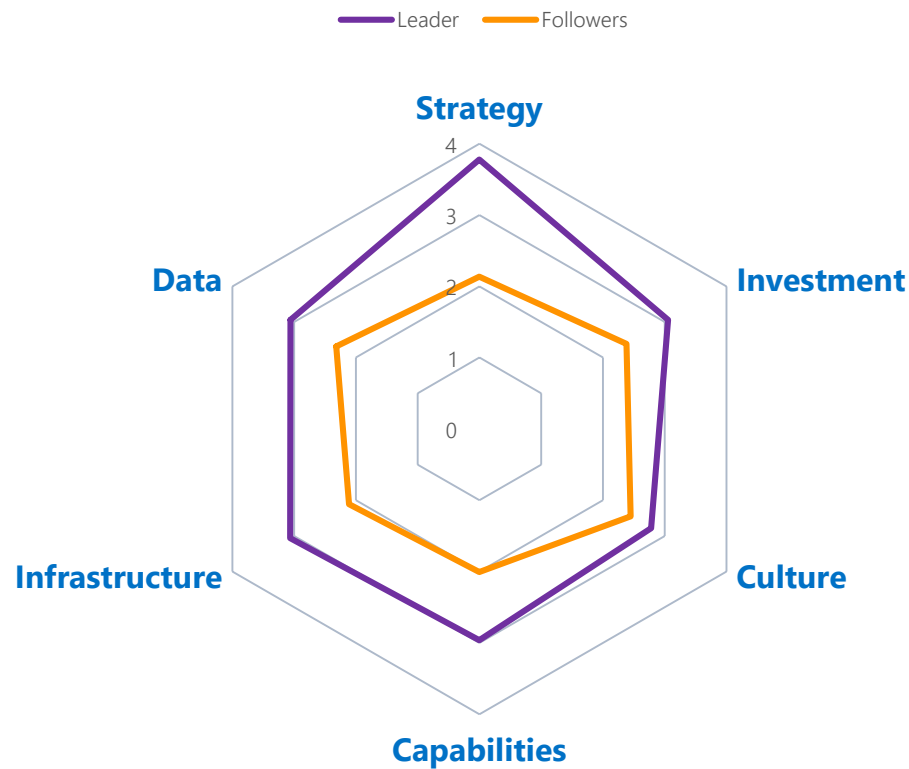
3.6x



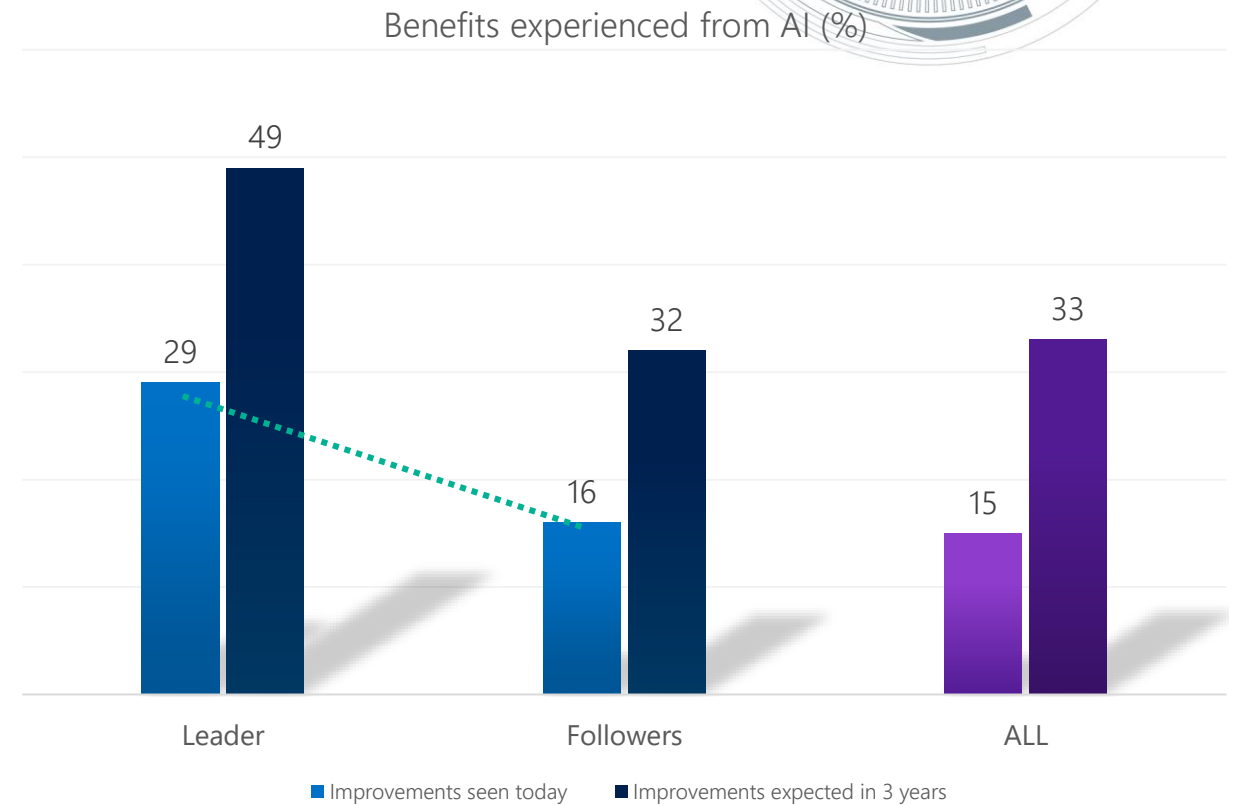
3.4x

Leaders in Asia Pacific vs Followers

Leaders have a significant edge in all dimensions, especially in **Strategy**, **Infrastructure** and **Capabilities**.



Today, leaders see **1.8x the benefits** from adopting AI.



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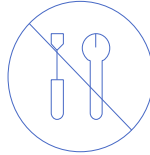
Followers = N = 1,514 Leaders = N = 91



Understanding the Barriers

Top AI Adoption Challenges: Tools, Data and Leadership

Lack of advanced analytics /
adequate infrastructure and tools to
develop actionable insights



26%

Data strategy and data readiness are
not seen as strategic priorities



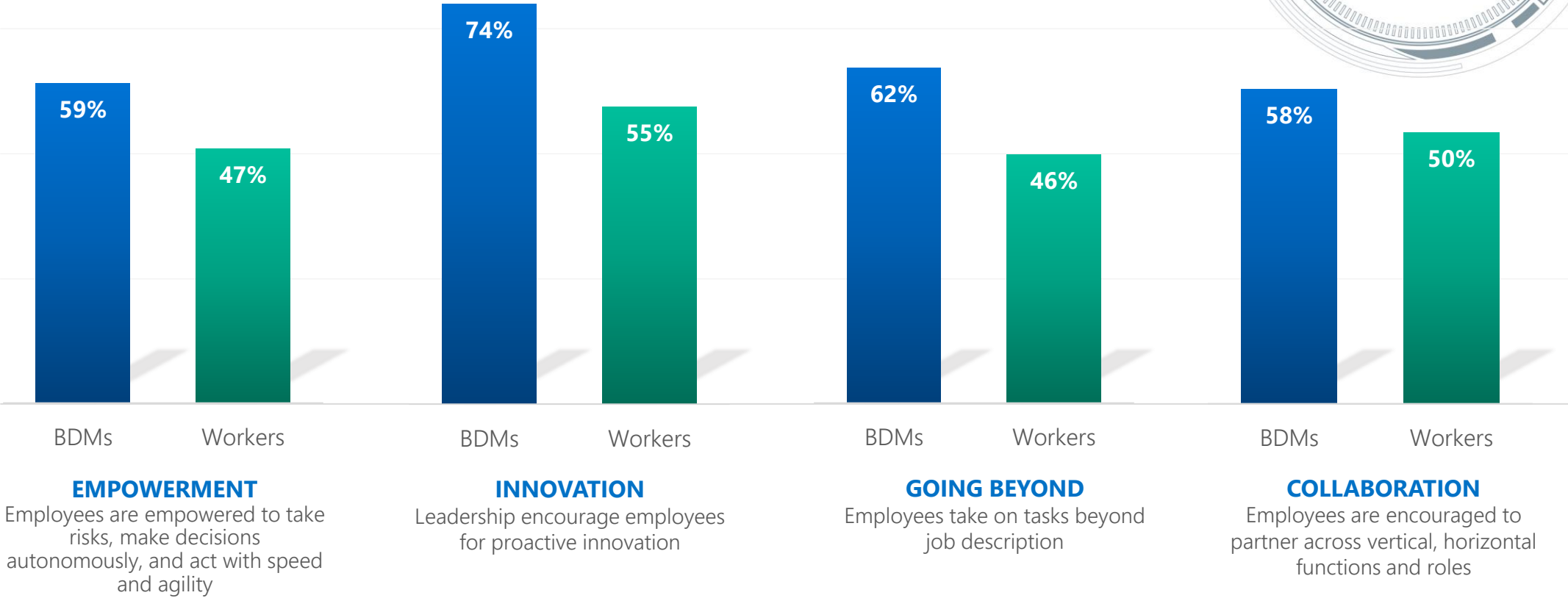
21%

Lack of thought leadership and
leadership commitment to invest in AI



16%

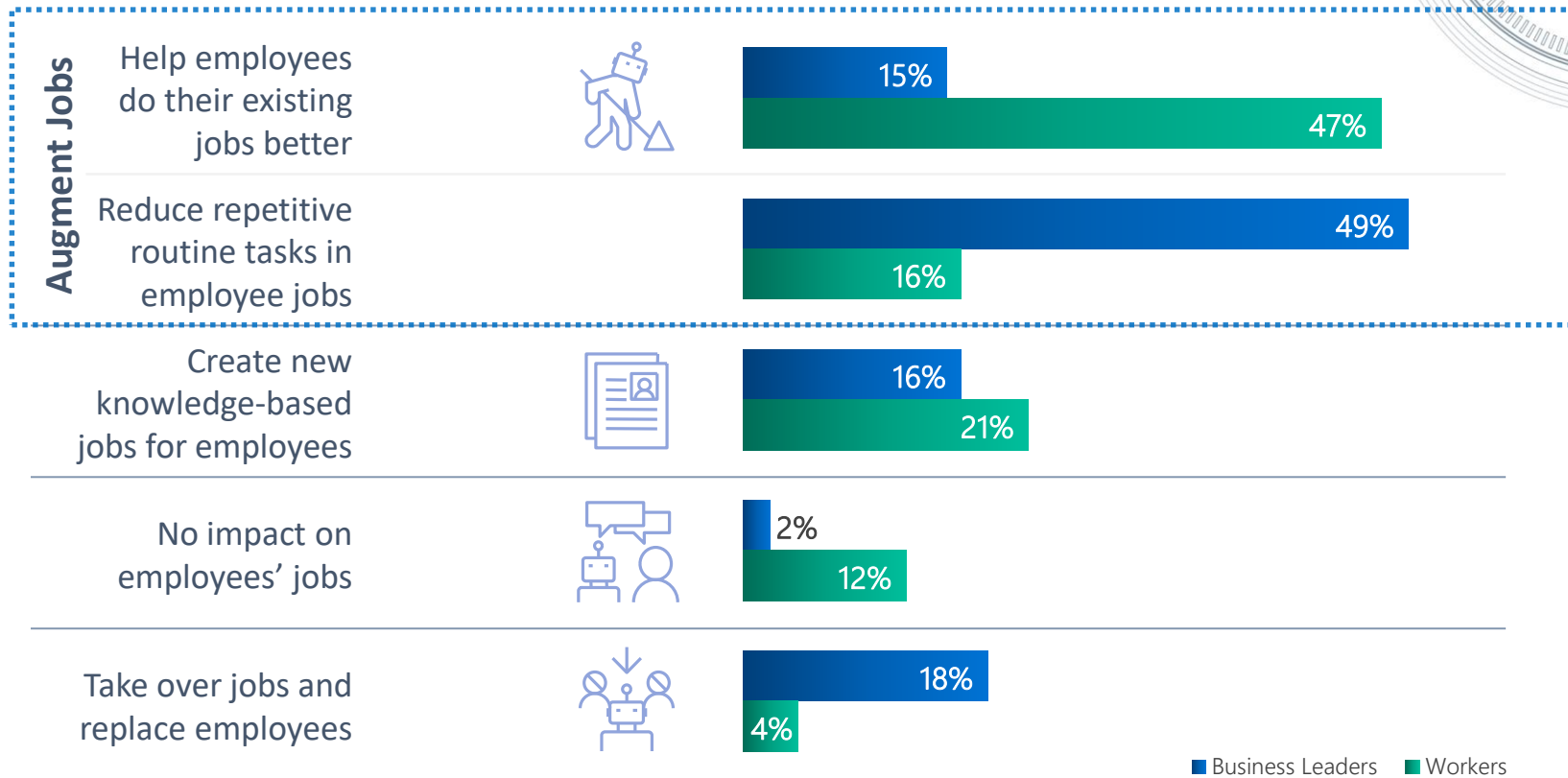
Cultural traits required for AI adoption in India



Q: Which of the following statements best describe your organization's culture and agility? (Choose from scale of 1 to 4, where 1 means that the trait is not seen at all within the organization and 4 is where the trait is pervasive across the organization)

India Businesses = N = 200
India Workers = N = 202

AI will **augment**, not displace jobs



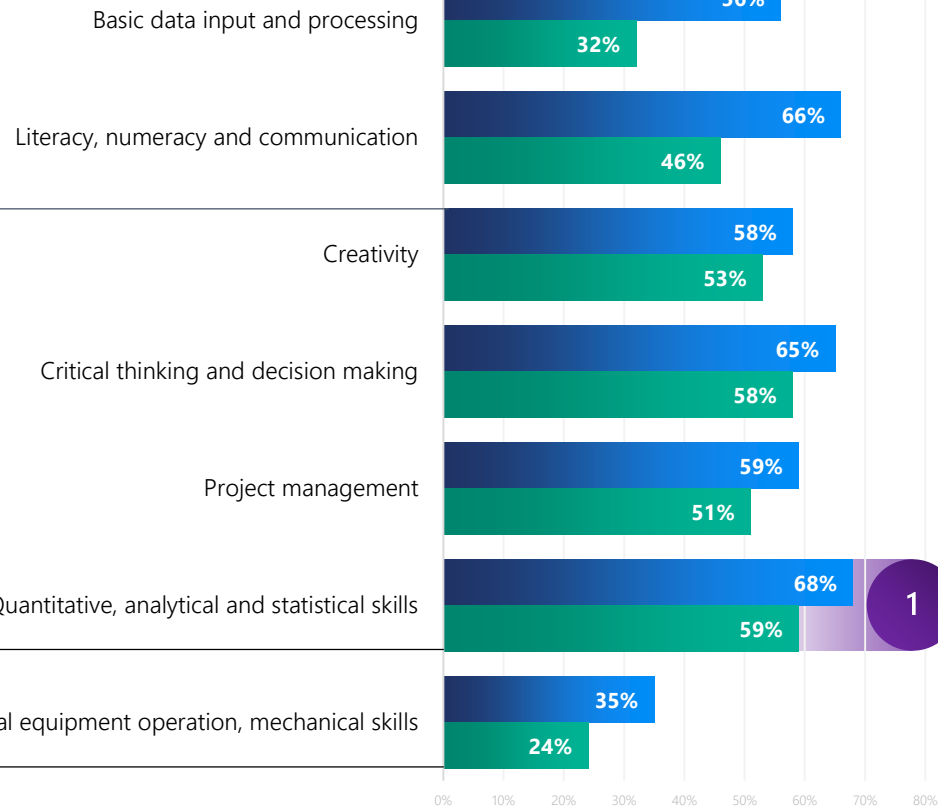
Q: How do you think AI will impact the jobs in your organization in the next 3 years?

India Businesses = N = 200

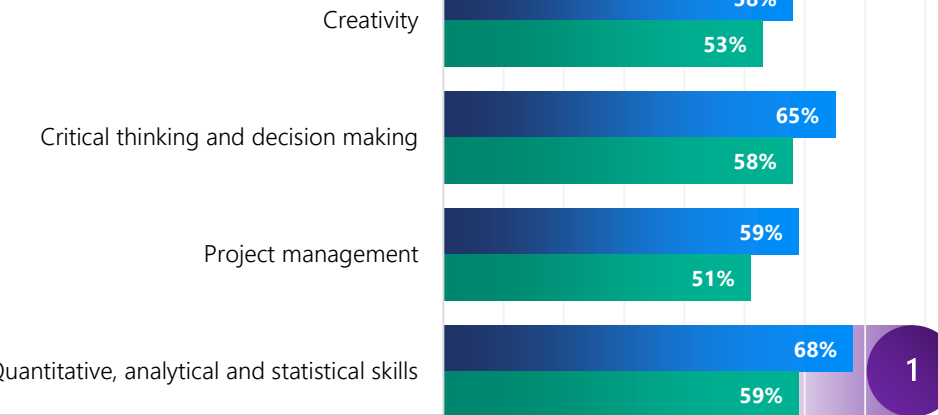
India Workers = N = 202

Skills for an AI Future: India

Basic Cognitive Skills



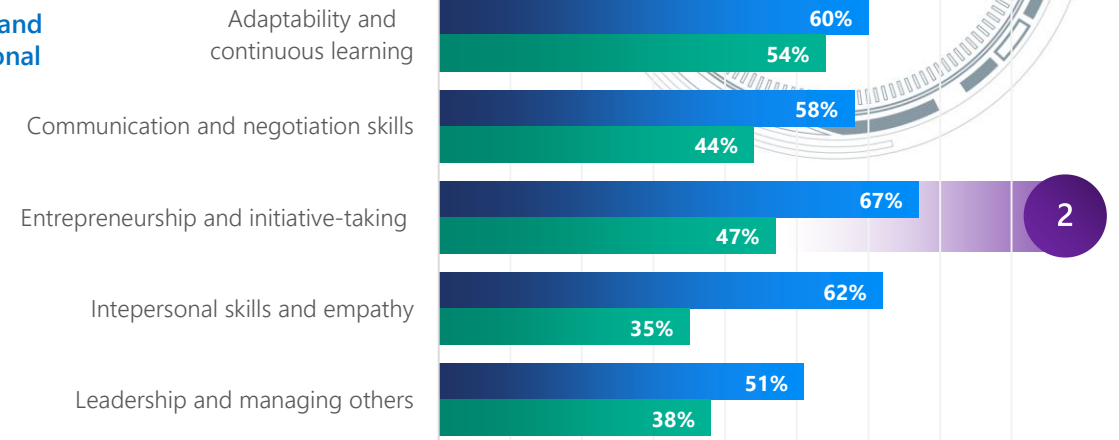
Higher Cognitive Skills



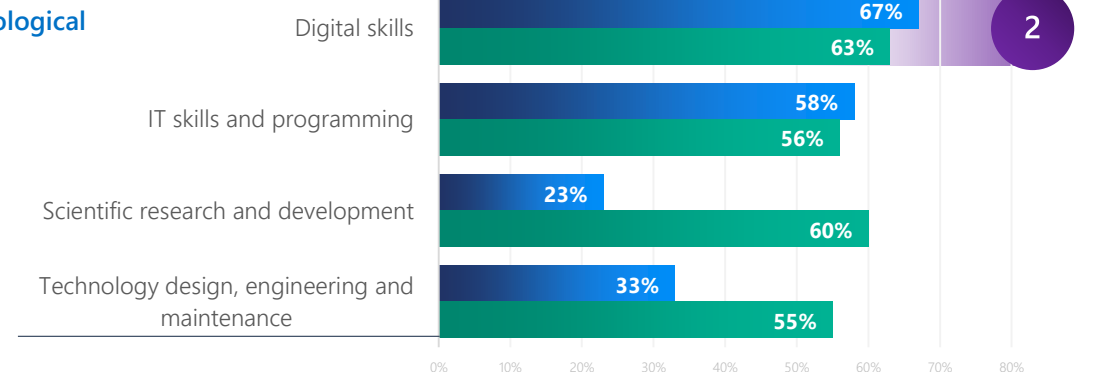
Physical and Manual Skills



Social and Emotional Skills



Technological Skills



Q: Which of these skillsets do you see most commonly available in the workforce today, and which do you think is most needed 3 years from now in the AI-enabled workplace?

India Businesses = N = 200

India Workers = N = 202

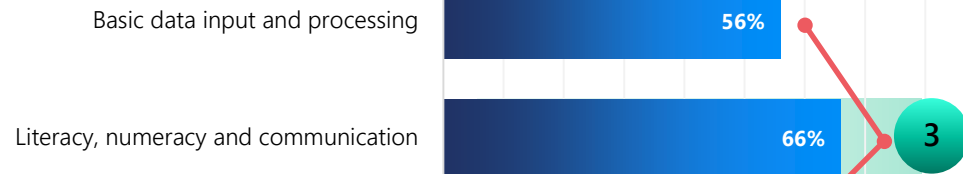
Numbers rounded up to the nearest %

Skillsets defined here borrowed from the descriptions in the McKinsey Global Institute discussion paper of May 2018 titled Skill Shift: Automation and the future of the workforce

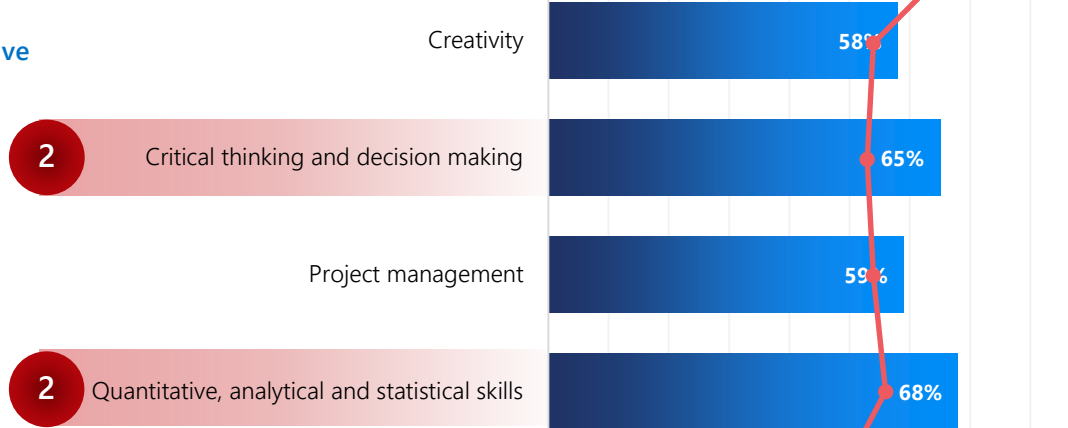
■ Future Skills by Business Leaders ■ Future Skills by Workers
■ Top Skills Demanded by Business Leaders

Demand and Supply of Skills in India: Today and in 3 years

Basic Cognitive Skills



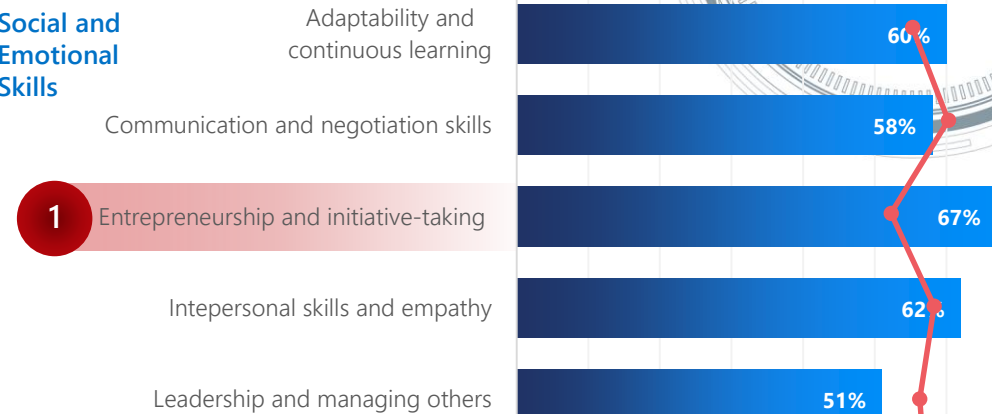
Higher Cognitive Skills



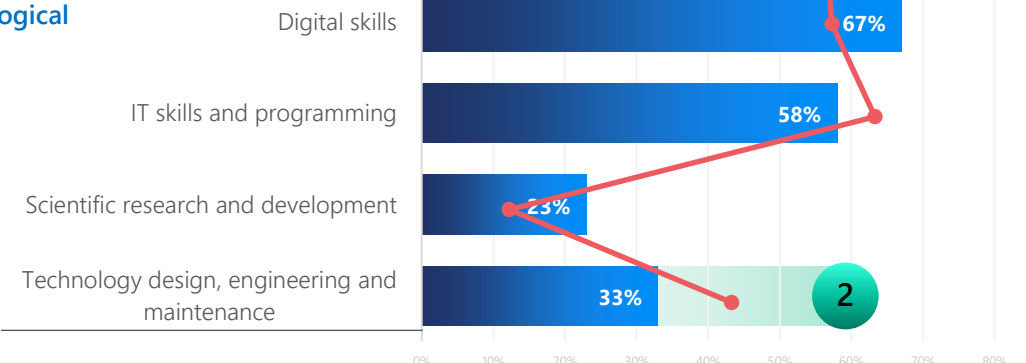
Physical and Manual Skills



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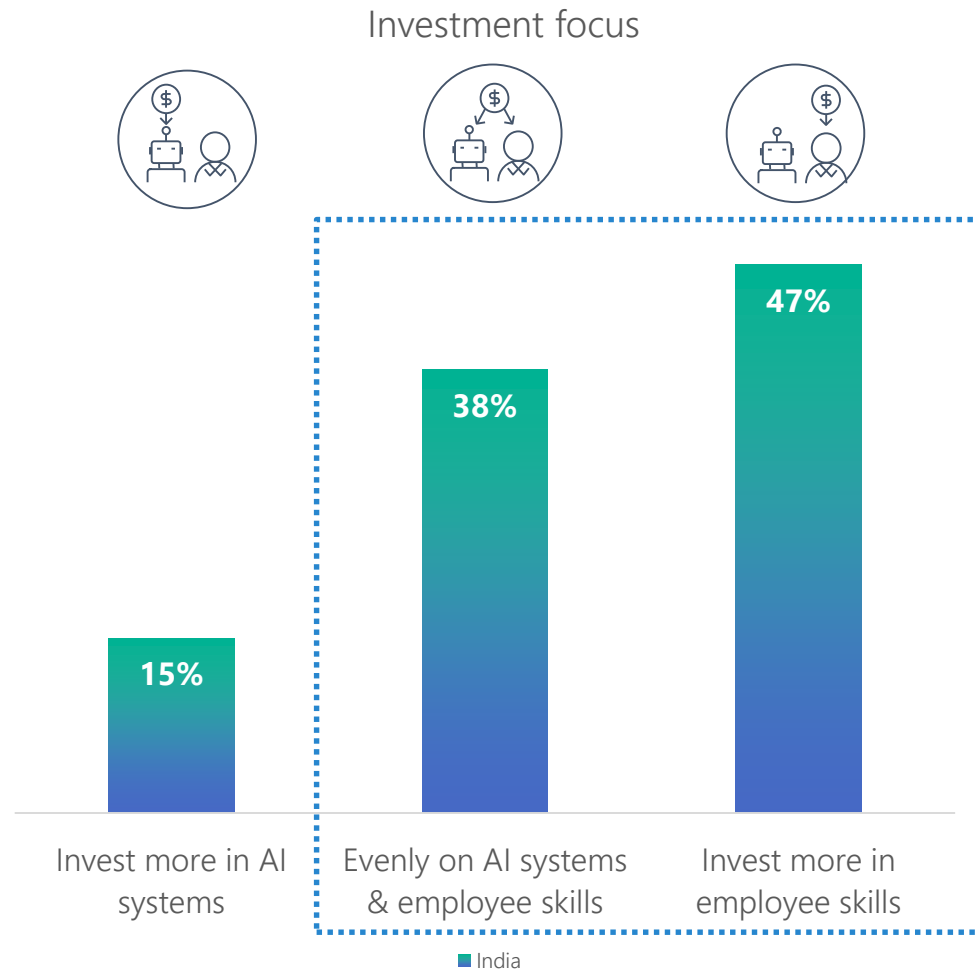
India Workers = N = 202

Skillsets defined here borrowed from the descriptions in the McKinsey Global Institute discussion paper of May 2018 titled Skill Shift: Automation and the future of the workforce

— Currently available ■ Future Skills by Business Leaders
■ Demand > Supply ■ Supply > Demand

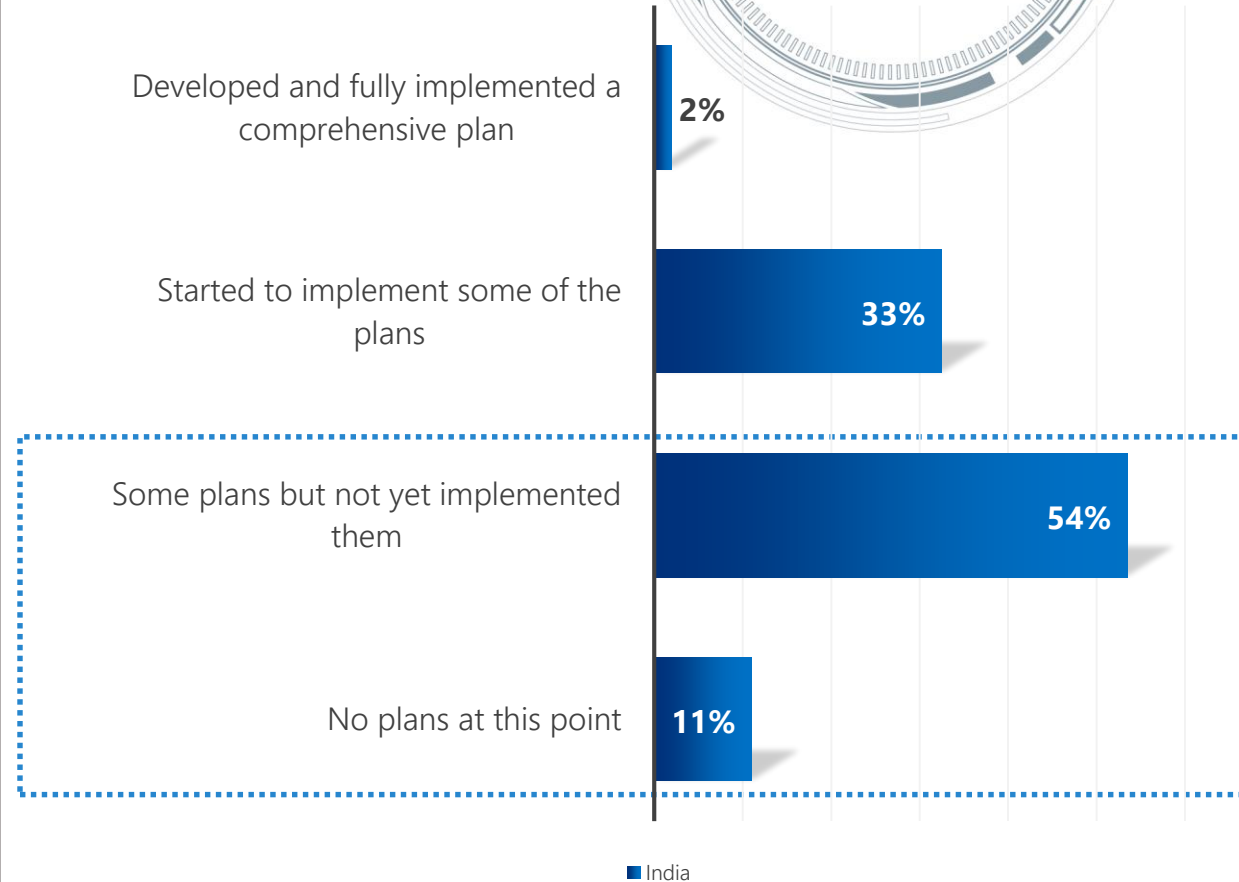
Good News: Companies are willing to invest in human capital

Bad News: They lack concrete plans



Q: Which area is your organization likely to focus its AI investments?
India Businesses = N = 200

Stage in developing an AI-ready workforce plan

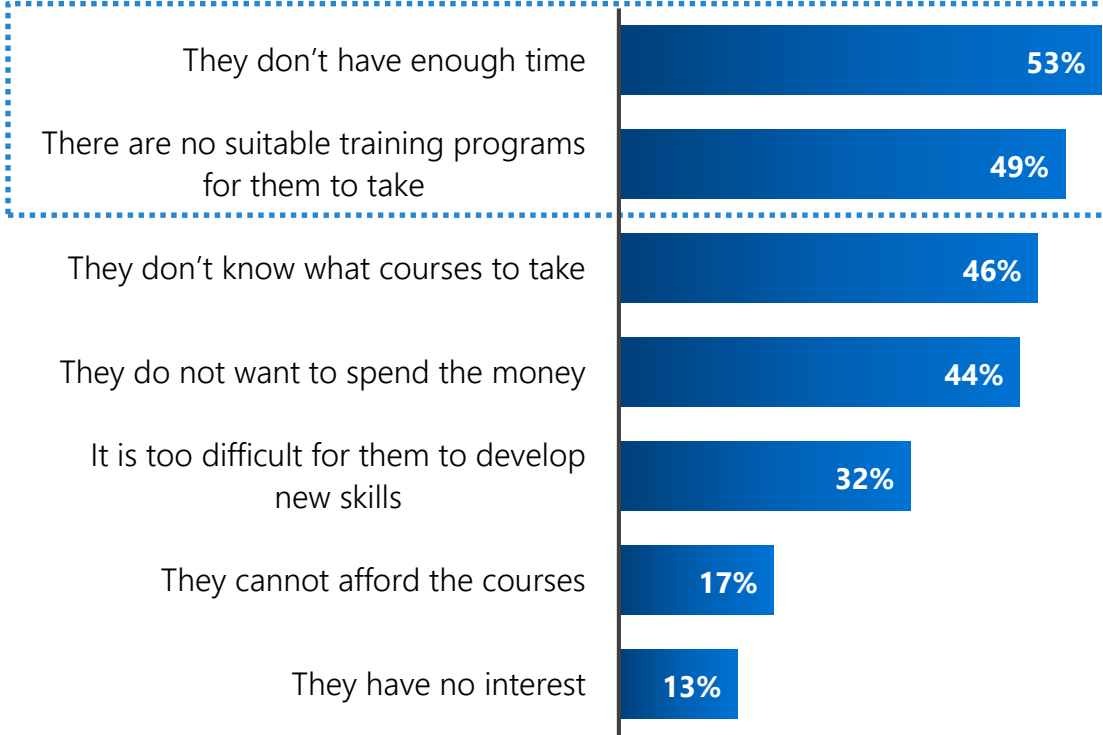


Q: How is the organization taking steps to help employees acquire AI-related skills?

Time and Lack of Understanding of Where to Start are Key Challenges in Reskilling and Retraining



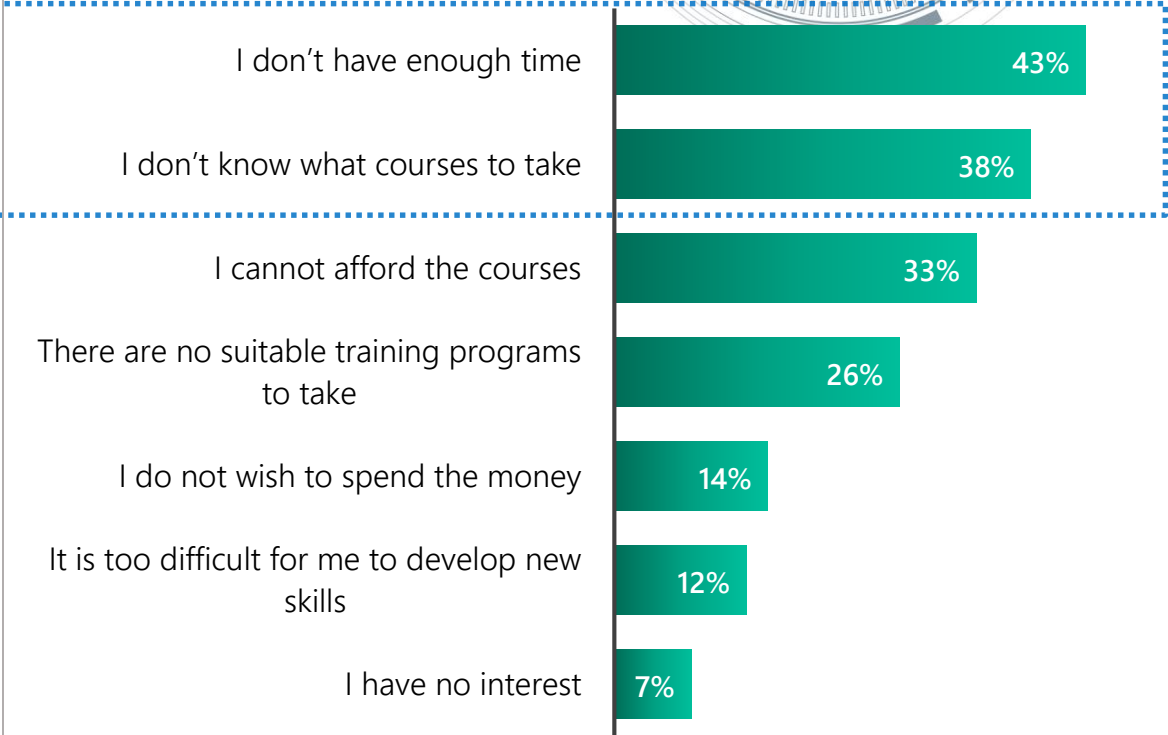
BUSINESS



India



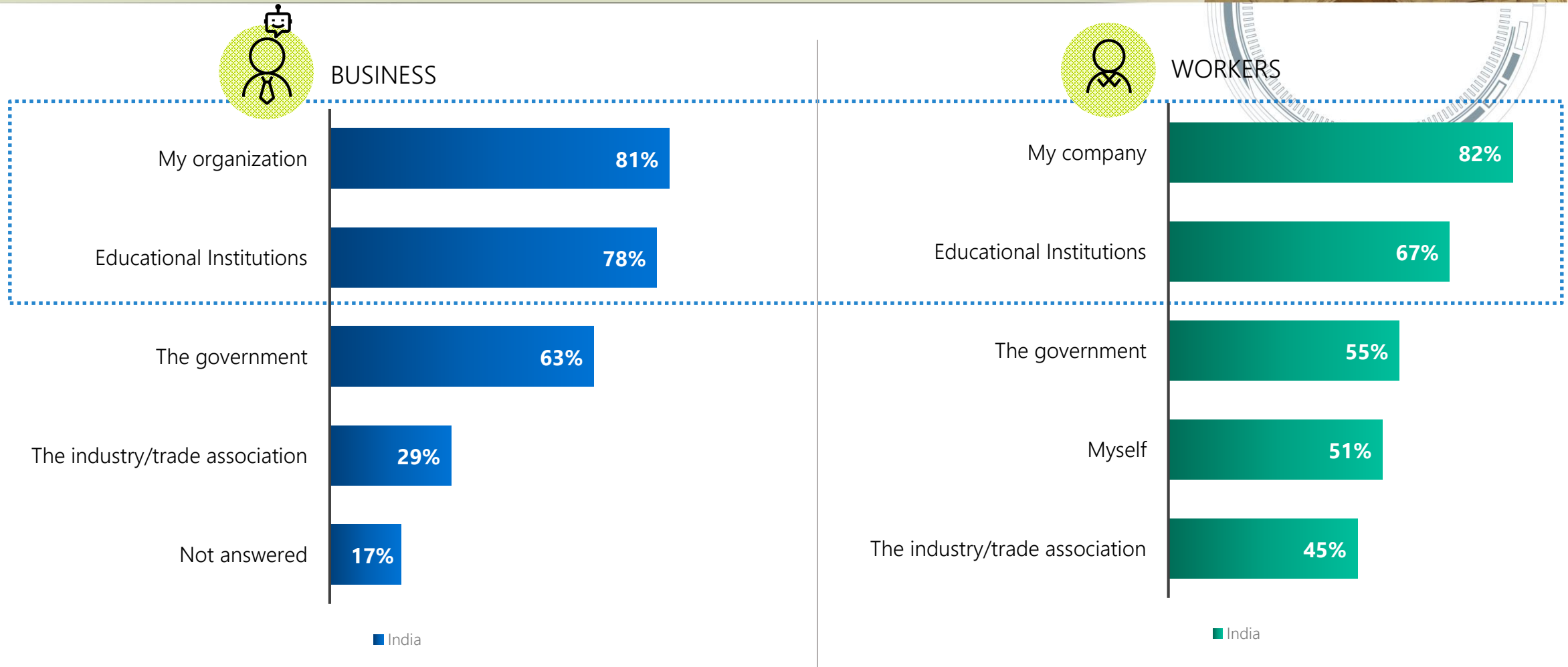
WORKERS



India

Q (Business): What are the challenges that your employees face in developing or acquiring the necessary skillsets for an AI-enabled workplace?
Q (Workers): What are the challenges that you face in developing or acquiring the necessary skillsets for an AI-enabled workplace?
India Businesses = N = 200
India Workers = N = 202

Organizations & Education Institutions are Responsible for Retraining and Upskilling



Q: Who do you expect should help you acquire the skills for an AI-enabled workplace through retraining or upskilling?

India Businesses = N = 200

India Workers = N = 202



FUTURE-READY BUSINESS: ASSESSING INDIA'S GROWTH POTENTIAL THROUGH AI

PSI



Humidity

Rainfall

