GenAI

Unlocking new potential for the Digital Industry

.AGORIA

Introduction

Generative AI (GenAI) is a transformative technology that offers significant benefits to all industries and sectors, whether private or public. However, **GenAI has the greatest effect on digital & high-tech companies**, as it impacts both their costs and revenues. Many GenAI use cases exist in all sectors, enhancing efficiency and productivity in areas such as marketing, sales, compliance, contracting and administration. For digital companies, GenAI is also radically transforming their core activity of software engineering. Simultaneously, a robust market demand emerges for GenAI training, strategic consulting and new customer projects, while GenAI also enables new avenues for software products.

Furthermore, **the digital industry is set to play a pivotal role in facilitating the widespread adoption of GenAI throughout the whole economy and society at large**. While the barriers to entry are minimal with accessible tools as ChatGPT and alike, most companies encounter challenges in fully capturing the value of GenAI applications and use cases. Similar to any strategic digital transformation initiative, companies outside the information and communication technology (ICT) sector require robust partnerships and ecosystems to effectively learn, experiment, implement and scale their GenAI endeavours.

But what do digital companies think about GenAI? What are their motivations for using this technology, the obstacles they face along the way, and the ultimate impact they see through their projects and client interactions? Curious about the impact of GenAI on digital companies, Agoria conducted a survey to determine to what extent our digital member companies are already using this technology, both for themselves and for their clients.

The survey consisted of four parts:

1. Use of GenAI within the digital companies
2. Use of GenAI in products and services for clients
3. Drivers and barriers for GenAI
4. Societal and economic implications of GenAI

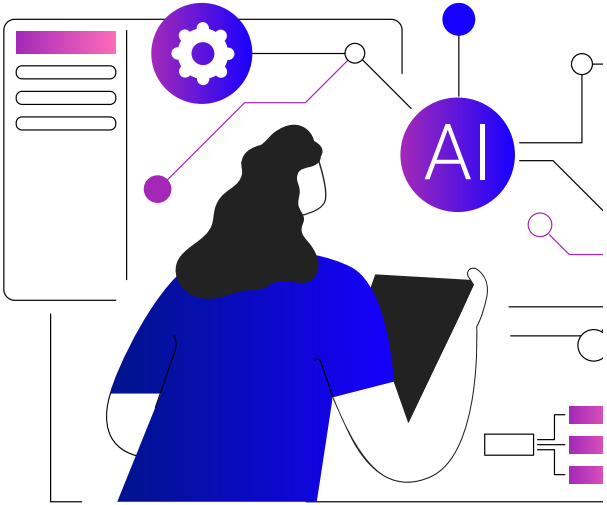
The survey was conducted online between February and March 2024, about 15 months after the launch of ChatGPT 3.5. A length of time which allowed the initial enthusiasm to calm down, however, maintaining the sense of wonder of the massive adoption of GenAI. It received 111 responses from 104 different companies. The respondents represent a mix of large companies, SMEs and startups, that is representative for the Agoria Digital members. The companies are mainly active in consultancy, implementation & integration projects, and software product development.

This document presents the full results of the survey.

1

Use of GenAI within the digital companies

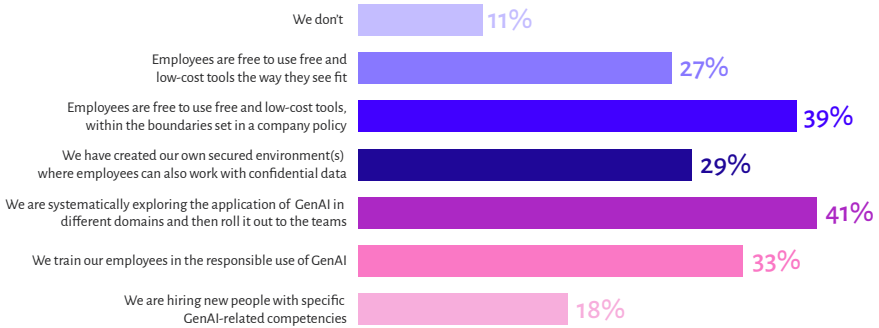
The first part of the survey assesses the extent and manner of GenAI utilisation among digital companies. The findings confirm widespread adoption across various tasks within most companies. A significant majority either lacks a specific policy regarding GenAI usage or employs a policy allowing broad use of GenAI tools, with caution exercised regarding the use of sensitive data.



89% of respondents currently use GenAI tools within their company

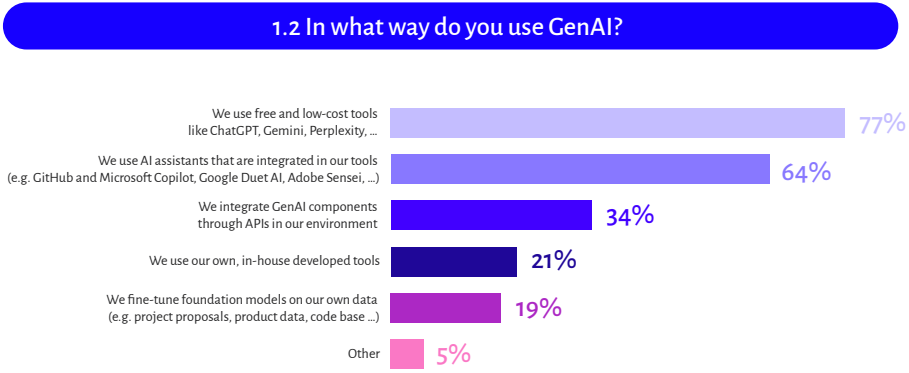
While this could be expected, we also notice that almost 1 in 3 have created their own secured environments. 4 out of 10 already moved on from the first exploration phase and are systematically exploring GenAI applications in different domains before company-wide implementation. While 1 in 3 companies provide training on GenAI, 2 out of 10 are actively recruiting new personnel with GenAI-related skills. These figures demonstrate a significant uptake of GenAI within a short timeframe.

1.1 To what extent do you currently use GenAI tools in your company?



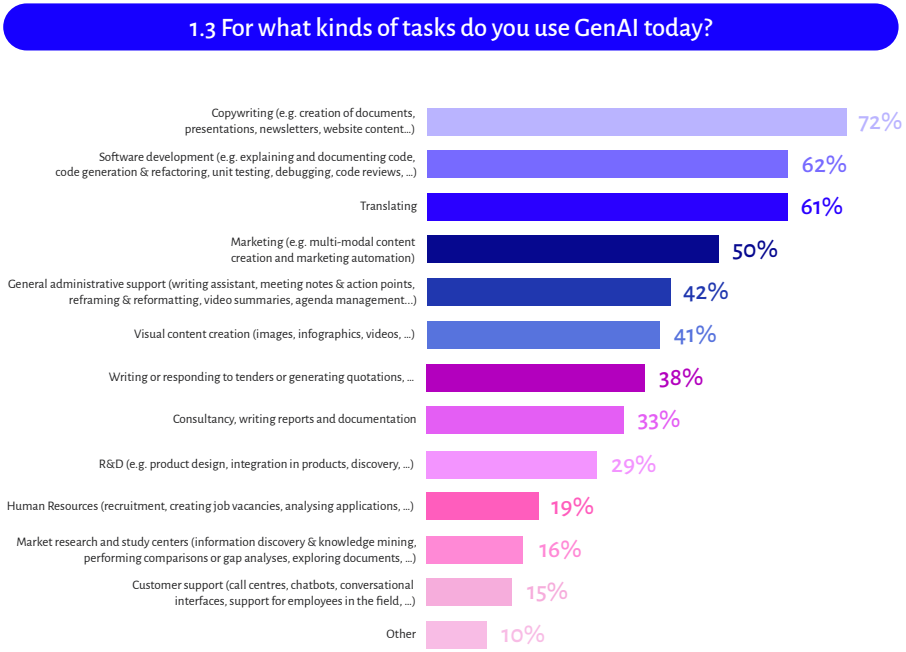
64% already use AI assistants within tools

This trend aligns with predictions across industries, indicating that GenAI application will to a large extent occur through in-application assistants or integrated functionalities within existing tools. Approximately 1 in 5 respondents are developing in-house tools and/or fine-tuning foundation models using their own data.



Copywriting, translating and software development are the primary domains of GenAI usage today

It's worth noting that not all respondents have in-house software development activities, so adoption among those who do is nearly universal. These findings align with international industry surveys, with one notable exception: customer support was not often mentioned by respondents. This omission can be attributed to the survey's focus primarily on the B2B market segment.
Additionally, respondents listed a variety of other tasks beyond those mentioned in the question, such as training generation, document recognition, legal assistance, vision inspection, quality checks, classification and data capture.



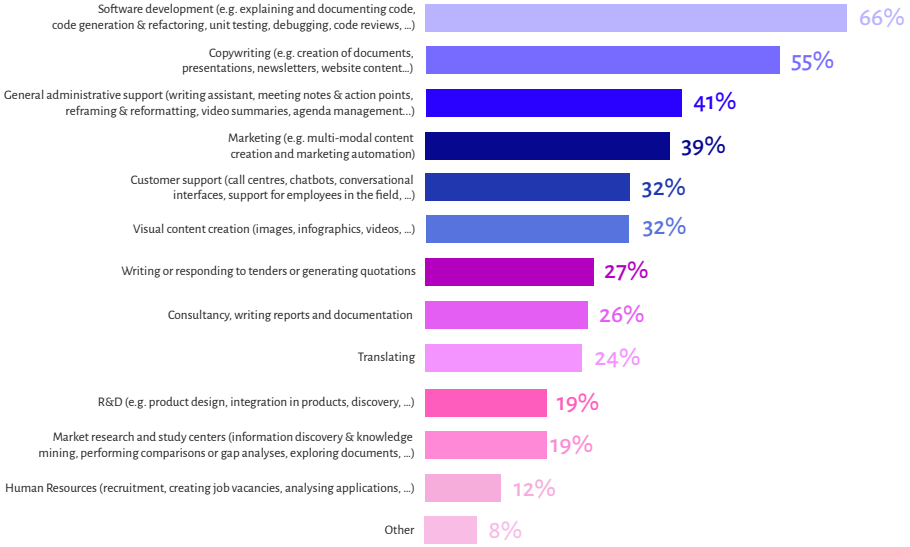
The largest productivity gains in the coming two years are anticipated in software development

This is followed by copywriting, general administrative support, and marketing. Respondents also highlighted other areas such as industrial applications, operator assistance, intelligent document processing, and reduction of manual data entry and classification.

Compared to the previous question, where "Translating" ranked higher, the drop from 2nd to 9th place in this question reflects the high maturity of these tools already today. This indicates that not much additional gains are necessary or expected for most translation tasks.

1.4 In what domains do you expect the biggest productivity gains in the coming 2 years?

Productivity increase could be doing the same with less people, doing more with the same people or quality improvements by less experienced employees. Maximum 5 answers possible.

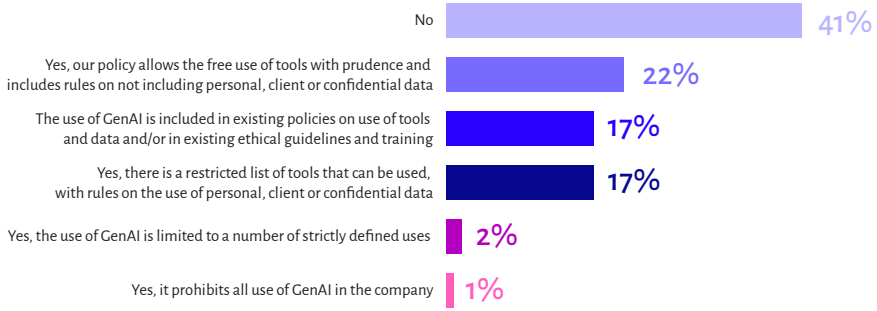


41% does not have a policy concerning the internal use of GenAI

Among those who do have a policy, in most cases these allow the free use of tools with caution, or include the use of GenAI tools in existing policies. Additionally, 1 in 5 have a restricted list of approved tools. Only one company prohibits all use.

Large companies are more likely to have a policy (75%) than SMEs (50%)

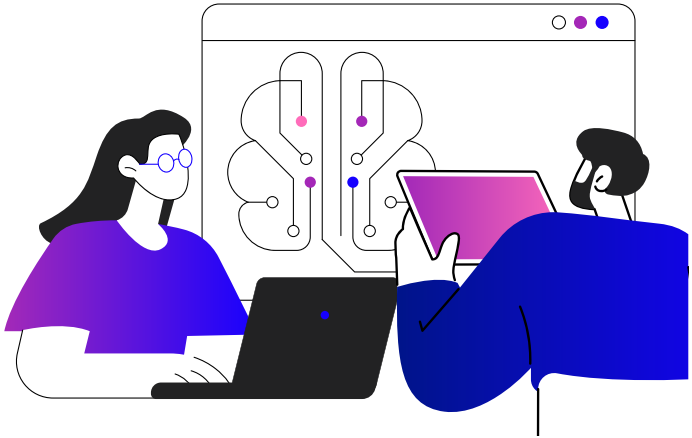
1.5 Does your company have a policy concerning the internal use of GenAI?



2

Use of GenAI in products and services for clients

This section of the survey explores the utilisation of GenAI in client products and services across various markets. Notably, 44% of respondents already offer GenAI services, a significant figure considering the diverse subsectors represented among respondents, such as cybersecurity, hardware and equipment, data centres, and telecom. Despite this diversity, many respondents venture into AI services, spanning a wide range of domains and markets.

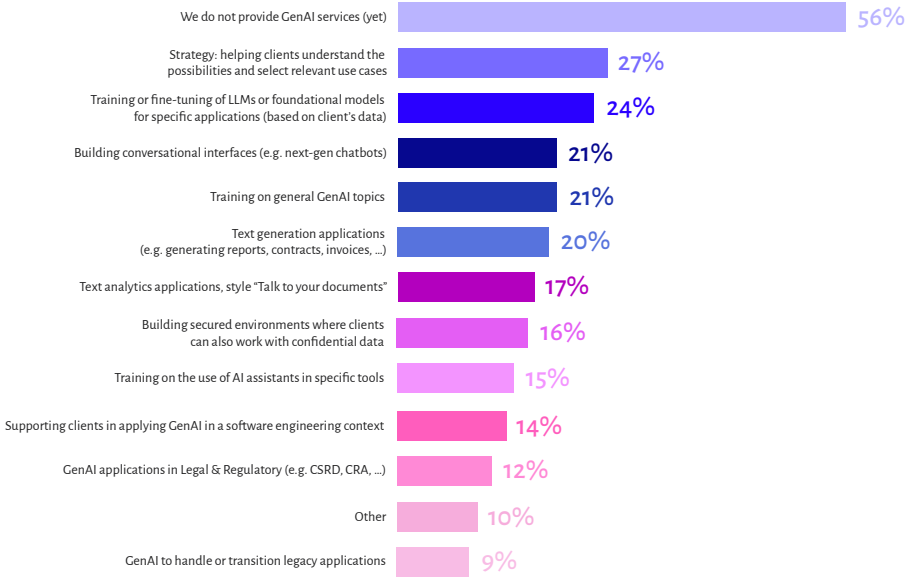


The high demand for strategic and training services reflects how many clients are still in a phase of exploration

On the other end of the spectrum we do already see services on fine-tuning of Large Language Models (LLMs) for specific applications, building conversational interfaces and developing text generation applications.

Respondents also provide a diverse array of other services, ranging from AI-based machine translation, document classification, and data capture, to autonomous agents, digital twins, and smart automation, as well as image generation and video production. This further underscores the wide range of opportunities in the GenAI landscape.

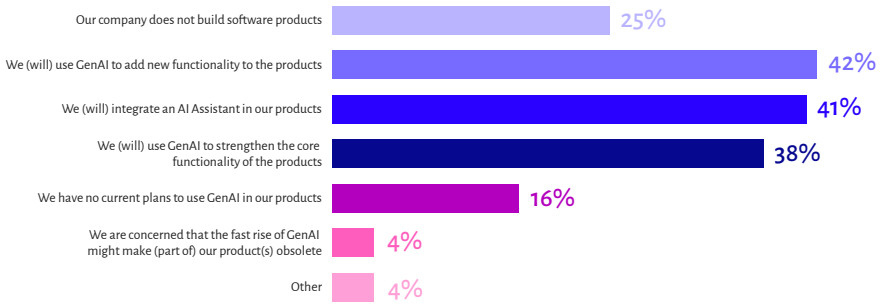
2.1 What kind of services are you delivering on GenAI today?



Only 4% are concerned that the rapid rise of GenAI may make (parts of) their products obsolete

GenAI is already being integrated in software products to add new functionality, incorporate AI assistants, or enhance core functionality.

2.2 How do you (plan to) apply GenAI in your software product?



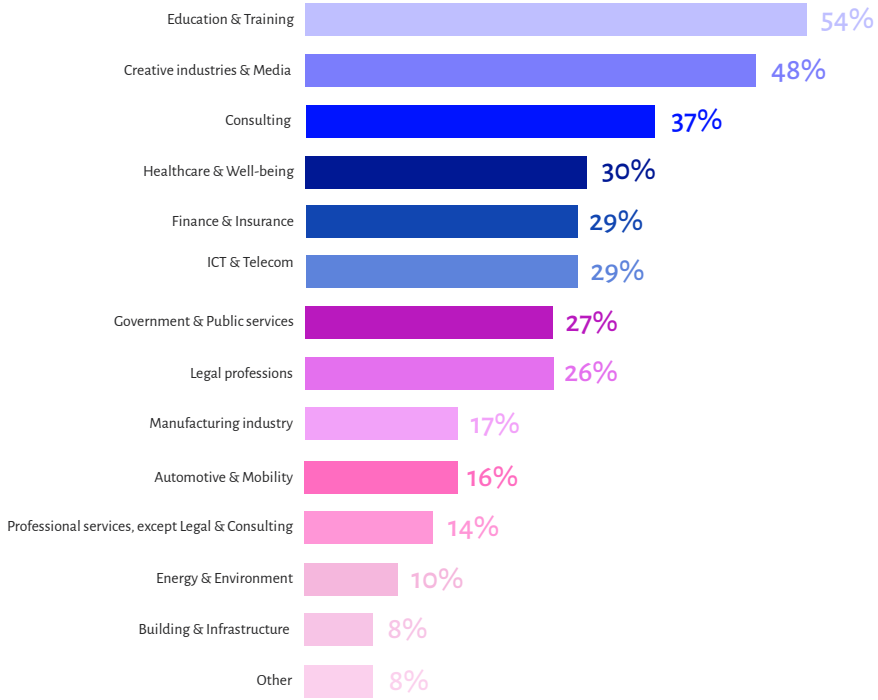
Markets with a greater emphasis on knowledge work show more traction than those with more manual labor

The vertical markets showing the greatest traction for GenAI today include education and training, creative industries and media, and consulting. These are closely followed by healthcare, finance & insurance, and ICT & Telecom. As was to be expected, markets with a greater emphasis on manual labor, such as building, energy, or automotive & manufacturing, are slower in the uptake.

Respondents also identified other markets where GenAI is gaining traction, including safety and security, retail, robotics, and structural testing. The respondent who stated, **"No specific market, AI can be used in every market."**, succinctly captures the versatility of GenAI.

2.3 In what vertical markets do you see most traction for GenAI today?

Maximum 5 answers possible



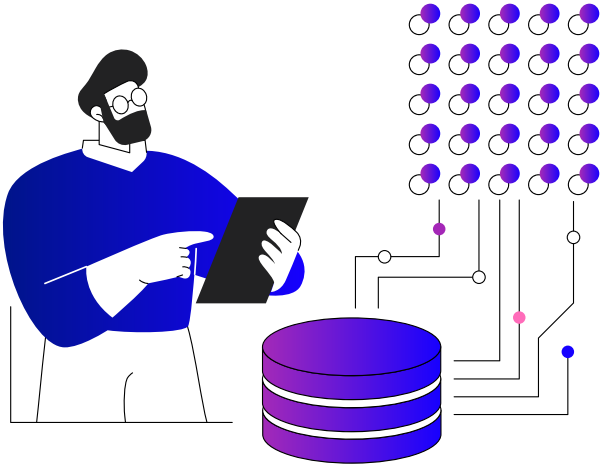
3

Drivers and barriers for GenAI

This section of the survey aims to identify the primary motivations and obstacles for investing in GenAI, both from the company's perspective and that of its clients. Additionally, it seeks to uncover the most significant benefits and concerns reported by respondents.

The drivers for GenAI adoption are diverse, with a focus on productivity and quality improvements, alongside opportunities for innovation and enhanced customer service. Notably, the introduction of GenAI also encounters common barriers seen in all digital transformation journeys, such as a shortage of expertise and resources to keep pace with rapid advancements, issues with data quality, and challenges in IT governance.

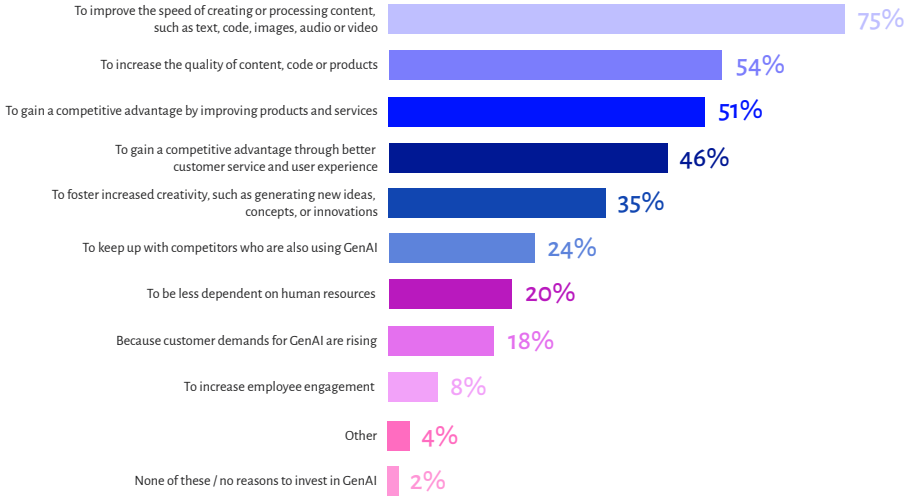
Furthermore, there is apprehension regarding the quality of GenAI tools and the potential negative impact of poor results on the company's reputation. Legal considerations, including intellectual property (IP) rights, data protection, and GDPR compliance, also emerge as significant concerns.



Working faster is the main driver

Other important drivers are increasing the quality of content, code or products, gaining competitive advantage by improving products and services or through better customer service and user experience.

3.1 What are the main drivers you see to invest in GenAI (both in your company and with clients)?



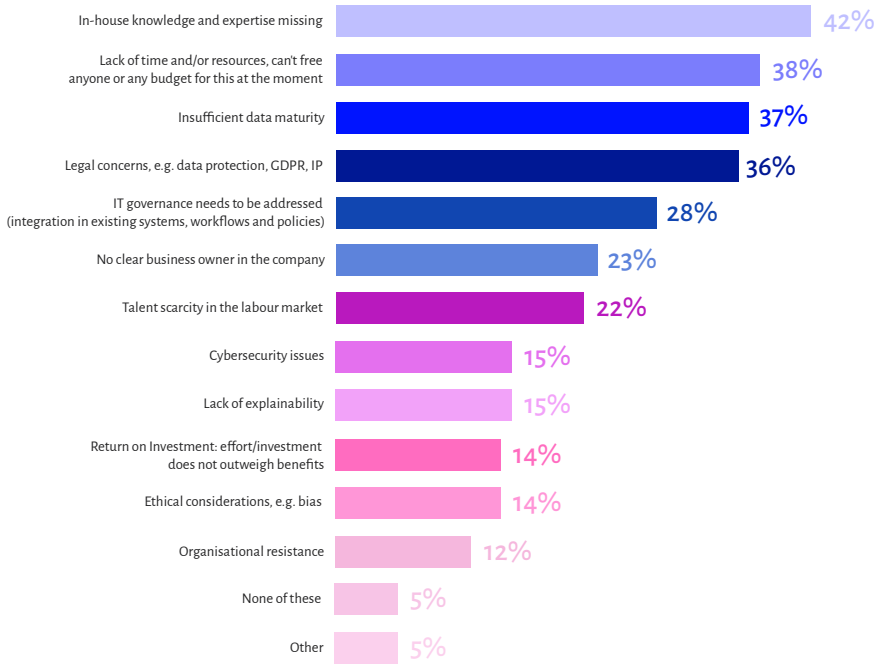
The same challenges that often impede digital transformation also hinder GenAI

4 out of the 5 main obstacles for the introduction of GenAI are traditional barriers we find in studies on digital transformation. There is however one notable absentee. **Only 12% of respondents cite organisational resistance as an important barrier**. This suggests that employees might be driving the demand for change in this transformation, rather than resisting to top-down digitalisation efforts in many other cases.

Next to those four, the specific issue of legal concerns for GenAI also stands out. When distinguishing between SMEs and large companies, insufficient data maturity ranks highest for large companies, while legal concerns top the list for SMEs.

Ethical, cybersecurity and explainability issues are selected by no more than 15% of respondents as major barriers.

3.2 What are the main barriers you see to invest in GenAI (both in your company and with clients)?

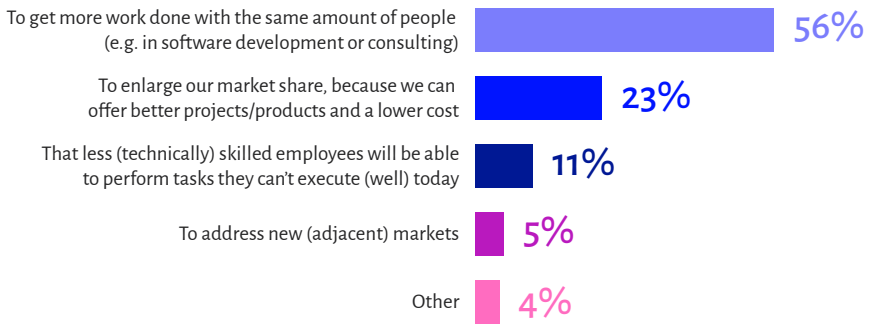


The biggest opportunity is clearly “to get more work done with the same amount of people”

This sentiment is even more pronounced among large companies compared to SMEs (66% vs. 50%). Following with some distance are opportunities to increase market share or enabling less skilled employees to perform tasks they cannot execute (well) today.

3.3 Where do you see the biggest opportunity of GenAI for your company?

Only one answer possible



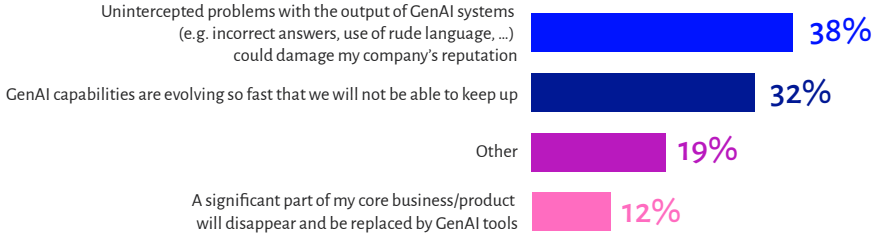
While possible brand damage is the main perceived risk for big companies, SMEs fear falling behind the rapid changes

50% of large companies mention concerns about unnoticed problems with the output as main concern, compared to 25% for concerns about the speed of change. Conversely, for SMEs, the speed of change is a greater concern, with 35% expressing this worry compared to 31% for concerns about unnoticed problems.

Many respondents also mentioned other concerns, such as insufficient quality, overrated expectations and market hype, privacy and data protection and strong dependency on these tools. On the other hand, 5% of respondents explicitly stated that they have no major concerns and view this new technology as an opportunity.

3.4 What is your biggest concern about the impact of GenAI on your company?

Only one answer possible



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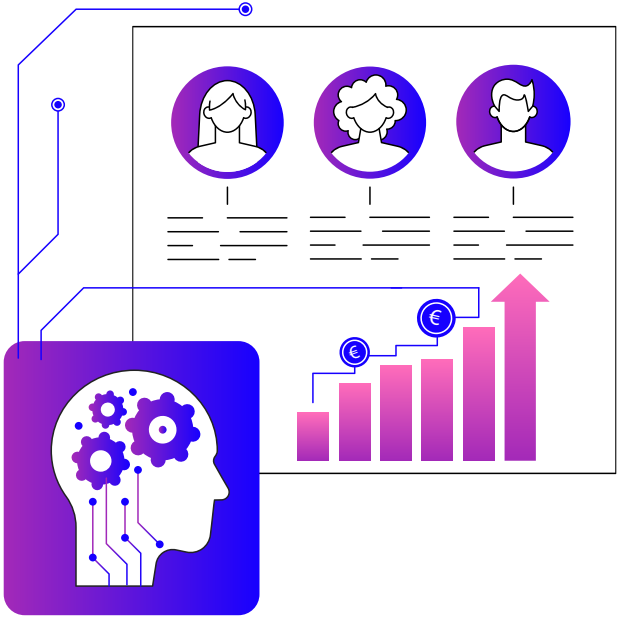
Societal and economic implications of GenAI

The final part of the survey delves into respondents' opinions and attitudes towards various statements about the societal and economic implications of GenAI. Participants were asked to rate 10 statements on a scale from 1 (don't agree at all) to 5 (completely agree), with 3 indicating "no opinion".

These show a nuanced, but overall optimistic outlook on the potential impact of GenAI, with a call for EU sovereignty and assistance for SME's to make this happen.

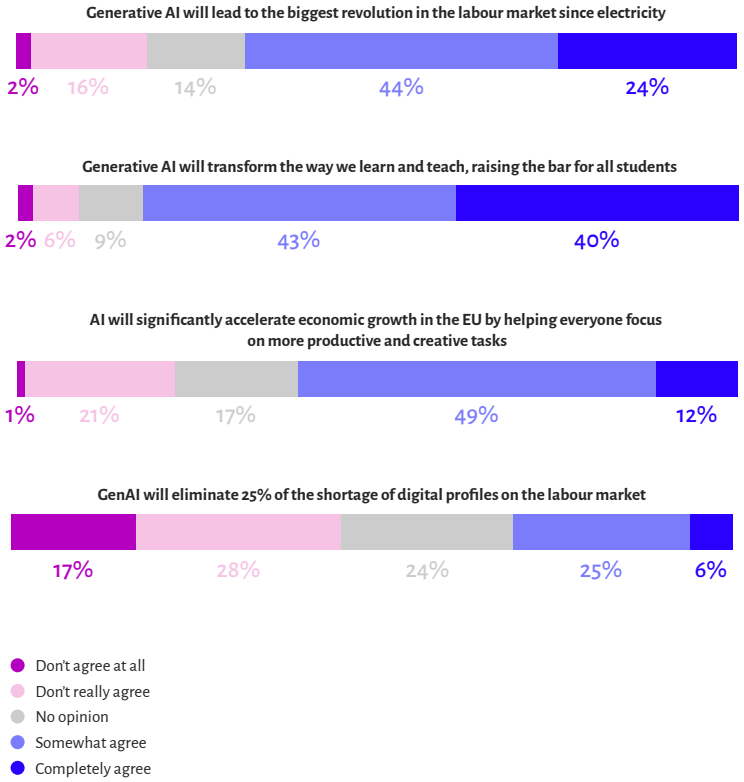


A revolution in education and labour market

Overall, respondents express a strong conviction that GenAI will revolutionise education and the labour market, leading to economic growth.

However, they are not convinced this will significantly reduce the shortage of digital profiles in the labour market. While jobs may evolve and work will shift, the ICT industry will continue to require additional personnel.

> GenAI is expected to transform the job market, but respondents are skeptical that this will address the shortage of digital skills

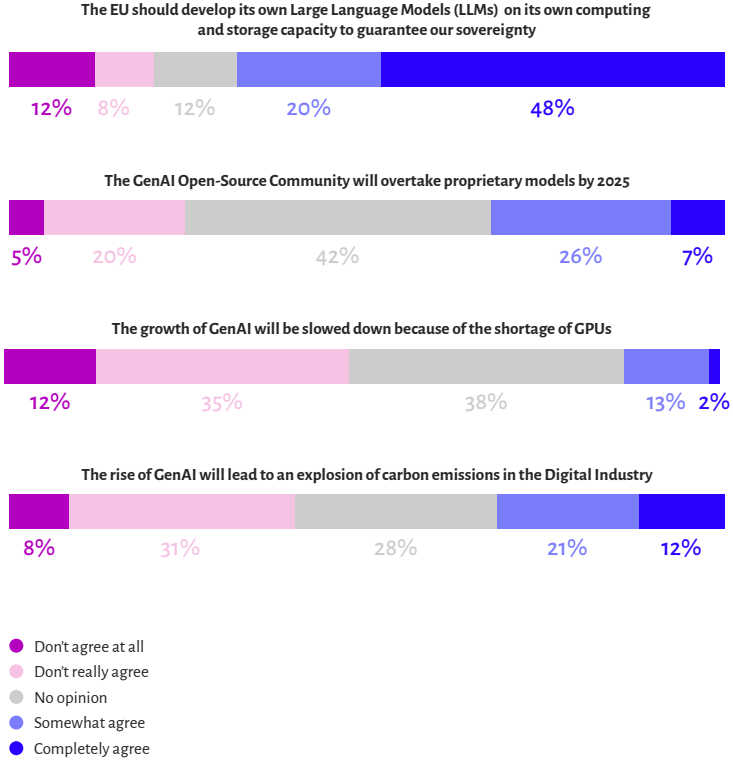


A call for EU sovereignty

Respondents strongly emphasise the importance of developing European LLMs and computing capacity. Notably, companies specialised in AI services score even higher than average on this statement, with 58% completely agreeing and 13% that somewhat agreeing.

The jury is still out on the question whether open-source models will match the quality of proprietary models by 2025. As can be expected, companies specialised in AI services score "no opinion" less often, but with 29% this is still high. It remains a though call. The difference goes to the yes camp, with 45% in favour.

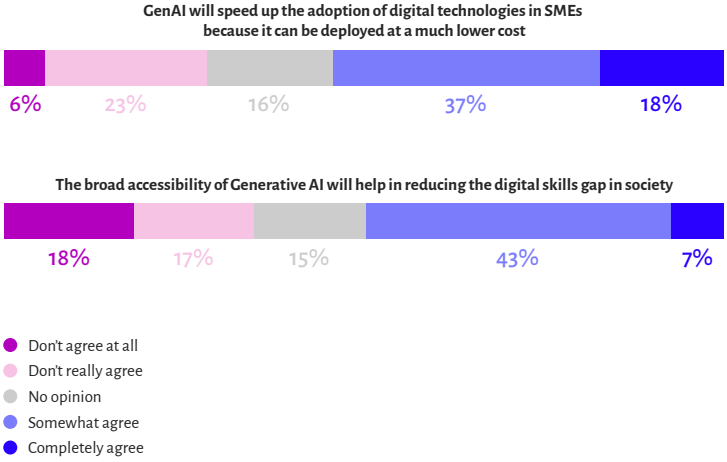
Again, the respondents show a positive outlook, with high confidence that challenges as the shortage of GPUs and the environmental impact of AI will be manageable.



Boosting digital maturity in SMEs and society remains challenging

While a majority believe that GenAI will accelerate the adoption of digital technologies in SMEs due to lower deployment costs, only a small group completely agrees. This result may be linked to the detected obstacles, such as absence of in-house skills, limited time and resources, and inadequate data readiness, which create serious difficulties for SMEs.

A comparable perspective emerges regarding digital divides in society, where work is still needed to ensure everyone is included.



SMEs still face significant barriers to integrate AI and increase digital maturity

Conclusions and Recommendations

In summary, the survey reveals a widespread and enthusiastic embrace of GenAI within the Belgian Digital industry, only 15 months post the release of ChatGPT. Respondents anticipate significant gains in productivity, competitiveness, creativity, and innovation, despite acknowledging challenges such as data quality and availability, human and organisational factors, and legal and regulatory uncertainties. The overall sentiment remains optimistic.

We highlight 7 key takeaways from this survey:

1. **Widespread use:** GenAI tools are widely adopted across various tasks, with copywriting, translating, and software development being the most prominent. Over the next two years, substantial productivity gains are forecasted in these areas, along with general administrative support and marketing.

2. **Business integration:** GenAI has already become a significant aspect of digital business operations, with nearly half of companies offering GenAI services to their customers. The strong demand for strategic and training services reflects the exploratory phase many clients are currently in. Only a minority (12%) perceive GenAI as a potential threat to their business. Notably, the Digital industry engages with virtually all market sectors.

3. **Drivers of adoption:** Productivity gains (both speed and quality), innovation, and enhanced customer service emerge as primary drivers for GenAI adoption, with the ability to accomplish more work with the same workforce seen as a key opportunity.

4. **Barriers to adoption:** SMEs identify rapid technological advancements, lack of expertise, time and resources and legal concerns as primary barriers, while larger companies express concerns about insufficient data maturity and reputational risks associated with poor-quality outputs.

5. **Organisational readiness:** 4 out of 5 main barriers for adopting GenAI are classic digital maturity and resource issues, with one notable absentee: only 12% of respondents cite organisational resistance as an important barrier.

6. **Impact on society:** Respondents anticipate a transformative impact on education, labour markets, and economic growth, though they remain doubtful about the extent to which digital talent shortages will be alleviated.

7. **EU Sovereignty:** Strong consensus exists on the need for the EU to develop its own Large Language Models (LLMs) and bolster computing and storage capacity to safeguard sovereignty and competitiveness in the global AI landscape.

Moving forward, it is crucial to recognise that while GenAI has taken the world by storm and widespread adoption was realised faster than with any previous technology, we are still only at the beginning of this new technological revolution. Companies still have many hurdles to overcome to leverage the full potential of GenAI, both on strategic and organisational levels and on legal and quality aspects.

The only way to reach a higher maturity in this field is to experiment, to share experiences with peers and to cooperate with experts. Belgium has a thriving community of AI specialists at companies and research institutions, many of which are united in the Agoria AI community.

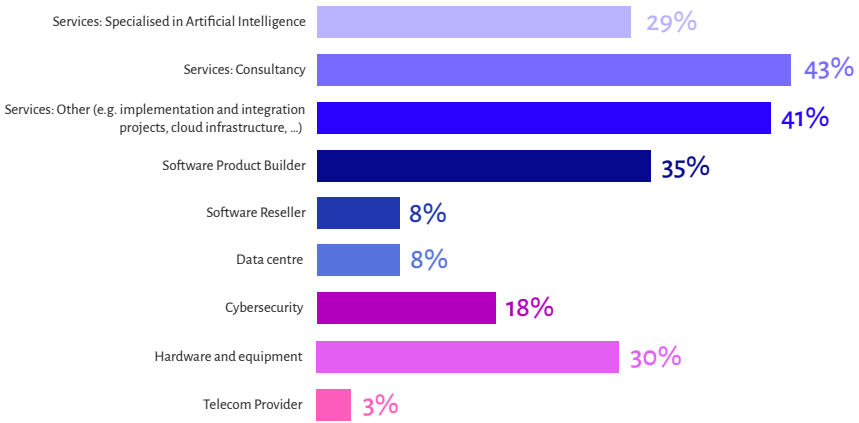
Agoria is dedicated to further assisting its members on their AI journey. We offer use cases, best practices, educational resources, facilitate connections among members and provide insights into the regulatory and legal landscape of GenAI. Additionally, we advocate for favorable and sustainable AI programs and policies at EU, national and regional levels.

Together, Agoria and its Digital members can play a pivotal role in driving the development and adoption of GenAI within the Belgian economy.

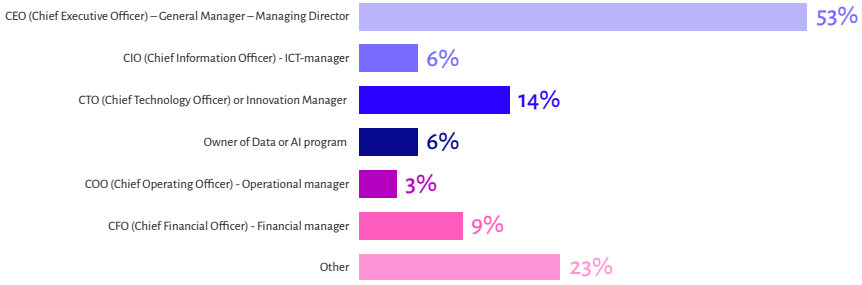
About the Survey

The survey was conducted online from February to March 2024 and received 111 responses from 104 distinct companies, providing a diverse representation of Agoria members. Respondents included a mix of large companies, SMEs, and startups.

The companies are mainly active in consultancy, implementation and integration projects, and software product development. It is worth noting that multiple responses were allowed, with consultancy often complementing other activities such as implementation, integration, or AI projects.



The survey was predominantly completed by CEOs or managing directors, followed by CTOs, innovation or product managers, and other CxOs.



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