STUDY

AI Readiness in Australian Organisations

22.05.2024

METHODOLOGY

Methodology

- This study was conducted online between 28 March and 2 April 2024.

- The sample comprised of 311 Australian senior decision makers (including owners, C-suites, directors, and managers) in organisations that currently use AI or plan to start using AI in the next 12 months (i.e. non-AI rejector organisations). For brevity, they will be referred to in this report as 'respondents'.

- An industry breakdown of the sample is provided below.

Industry	Sample
Banking	52
Aviation	54
Logistics/transport (including maritime)	105
Business/professional services	51
Other industries	49

- YouGov designed the questionnaire (in consultation with INFORM Software).

- Unless otherwise indicated, all results have the above sample sizes. All results are unweighted proportions.

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KEY FINDINGS

Use of AI in the organisation (S1)

- Nearly four in five (78%) respondents say AI is currently used in their organisation. More than one in five (22%) say their organization doesn't currently use AI but plans to start using it in the next 12 months.

- Those in business/professional services are more likely than those in aviation or logistics/transport to say AI is currently used in their organisation (88% compared to 67% and 66% respectively).

- Those in organisations with an annual turnover of up to $50 million are more likely than those in organisations earning more to say AI is currently used in their organisation (79% compared to 69%).

Agreement with statements about AI in the organisation (Q1)

"AI has delivered/can deliver significant value to our organisation"

- More than four in five (85%) respondents believe that AI has delivered/can deliver significant value to their organisation, although less than two in five (38%) strongly agree with this statement. Just 6% disagree with this statement.

- Those in aviation or logistics/transport are more likely than those in banking or business/professional services to agree with this statement 898% and 94% compared to 85% and 76% respectively).

- Those in larger businesses are more likely than those in smaller businesses to agree with this statement, whether by number of employees (250 or more: 92% compared to fewer than 250: 78%) or annual turnover (over $50 million: 92% compared to up to $50 million: 77%).

Agreement with statements about AI in the organisation (Q1)

"AI has resulted in/can result in improved efficiency/productivity within our organisation"

- Nine in ten (90%) respondents believe that AI has resulted in/can result in improved efficiency/productivity within their organisation, including more than two in five (43%) who strongly agree. Just 5% disagree with this statement.

- Those in aviation or logistics/transport are more likely than those in business/professional services to agree with this statement (98% and 97% compared to 82% respectively).

- Those in larger businesses are more likely than those in smaller businesses to agree with this statement, whether by number of employees (250 or more: 95% compared to fewer than 250: 85%) or annual turnover (over $50 million: 95% compared to up to $50 million: 85%).

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Agreement with statements about AI in the organisation (Q1)

"AI has resulted in/can result in improved profitability within our organisation"

▪ Nearly nine in ten (87%) respondents believe that AI has resulted in/can result in improved profitability within their organisation, although less than two in five (38%) strongly agree with this statement. Just 5% disagree with this statement.

▪ Those in aviation or logistics/transport are more likely than those in business/professional services to agree with this statement (98% and 92% compared to 80% respectively).

▪ Those in larger businesses are more likely than those in smaller businesses to agree with this statement, whether by number of employees (250 or more: 92% compared to fewer than 250: 83%) or annual turnover (over $50 million: 92% compared to up to $50 million: 81%).

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Areas of AI use (Q2)

- The most common areas for current or planned AI use are research and development (44%), IT (44%) and marketing/sales (43%), followed by financial management (41%) and customer/client experience (40%).

- Others include risk management and compliance (37%), operations (36%), supply chain management (32%), HR management (31%), and ESG/sustainability management (22%).

- Current or planned AI use in marketing/sales is more common in aviation or logistics/transport organisations (56% and 50% respectively) than in banking or business/professional services organisations (33% and 33% respectively), and in organisations with an annual turnover of over $50 million than in organisations earning less (50% compared to 37%).

- Current or planned AI use in financial management is more common in banking organisations than in business/professional services organisations (52% compared to 31%), and in larger organisations, whether by number of employees (250 or more: 50% compared to fewer than 250: 29%) or annual turnover (over $50 million: 48% compared to up to $50 million: 32%).

- Current or planned AI use in customer/client experience is more common in organisations across most sectors than in business/professional services organisations (banking: 46%, aviation: 44%, logistics/transport: 45% compared to 24%).

- Current or planned AI use in customer/client experience is also more common in larger organisations than in smaller organisations, whether by number of employees (250 or more: 51% compared to fewer than 250: 27%) or annual turnover (over $50 million: 49% compared to up   to $50 million: 29%).

Reasons for AI use (Q3)

- The most common reasons for currently or planning to use AI are to improve efficiency/productivity of systems, processes and operations (52%) and improve ability to innovate (47%), followed by to improve profitability (44%), reduce operational costs (44%) and improve risk management (42%).

- Others include to create a better experience for clients/customers (40%), create a better experience for employees (39%), improve organisational reputation (38%), generate additional revenue (37%), and create a better experience for other external stakeholders (32%).

- Those in business/professional services organisations are more likely than those in logistics/transport organisations to cite improved ability to innovate (63% compared to 43%), better experience for employees (57% compared to 40%) or improved organisational reputation (59% compared to 34%).

- Furthermore, those in business/professional services organisations are more likely than those in banking organisations to cite better experience for employees (57% compared to 33%) and are more likely than those in aviation organisations to cite improved organisational reputation (59% compared to 37%).

- Those in aviation or logistics/transport organisations are more likely than those in business/professional services organisations to cite reduced operational costs (52% and 50% compared to 27% respectively).

- Those in larger organisations are more likely than those in smaller organisations to cite reduced operational costs, whether by number of employees (250 or more: 54% compared to fewer than 250: 34%) or annual turnover (over $50 million: 54% compared to up to $50 million: 32%).

Organisation's preparedness for AI (Q4)

- Only one in three (32%) respondents say their organisation is fully prepared for the successful implementation and use of AI throughout all levels of the organisation.

- Nearly three in five (56%) say their organisation is moderately prepared, one in nine (11%) say their organisation's preparedness is limited, while 2% say their organisation has little to no preparedness.

- Those in banking, aviation and logistics/transport organisations are notably more likely than those in business/professional services organisations to say their organisation is fully prepared (48%, 35% and 36% compared to 18% respectively).

- Those in banking organisations are less likely than those in aviation, logistics/transport or business/professional services organisations to say their organisation is moderately prepared (37% compared to 63%, 54% and 73% respectively).

- One in seven (15%) respondents in banking organisations say their organisation's preparedness is limited, compared to just 2% of those in aviation organisations and 6% of those in logistics/transport organisations.

- Those in organisations with 250 or more employees are more likely than those in smaller organisations to say their organisation is moderately prepared (63% compared to 48%). On the other hand, those in organisations with fewer than 250 employees are more than twice as likely as those in larger organisations to say their organisation's preparedness is limited (16% compared to 7%).

Whether organisation has an AI strategy (Q5)

- Three in five (59%) respondents say their organisation has an AI strategy in place to ensure the successful implementation and use of AI throughout all levels of the organisation.

- Two in five (41%) say their organisation doesn't have an AI strategy in place – however, almost one in four (23%) say one is currently being developed, while one in six (17%) say their organisation plans to develop one in the next 12 months.

- Those in aviation organisations are more likely than those in logistics/transport organisations to say their organisation has an AI strategy in place (80% compared to 53%).

- Those in smaller organisations are more likely than those in larger organisations to say their organisation doesn't have an AI strategy in place but is currently developing one, whether by number of employees (fewer than 250: 28% compared to 250 or more: 18%) or annual turnover (up to $50 million: 29% compared to over $50 million: 17%).

- Those in younger organisations are more likely than those in more established organisations to say their organisation has an AI strategy in place (operating for up to 10 years: 66% compared to over 10 years: 51%).

Agreement with statements about AI strategy (Q6)

Among those in organisations that have an AI strategy in place (n = 183)

"The strategy is poorly defined"

- Three in ten (31%) admit that their organisation's AI strategy is poorly defined, although only one in eight (13%) strongly agree this is the case. However, half (51%) disagree with this statement, with one in five (21%) strongly disagreeing.

- Those in banking organisations* are twice as likely as those in aviation organisations* to admit that their organisation's strategy is poorly defined (42% compared to 21%).

- Those in smaller organisations are more likely than those in larger organisations to admit that their organisation's AI strategy is poorly   defined, whether by number of employees (fewer than 250: 47% compared to 250 or more: 20%) or annual turnover (up to $50 million: 42% compared to over $50 million: 24%).

*Low sample sizes (Banking n = 33, Aviation n = 43), findings are indicative only

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Agreement with statements about AI strategy (Q6)

Among those in organisations that have an AI strategy in place (n = 183)

"There is clear leadership and ownership in place for the strategy"

- Nine in ten (90%) believe that there is clear leadership and ownership in place for the AI strategy in their organisation, including two in five (40%) who strongly agree this is the case.

- Those in business/professional services organisations* are less likely to agree this is the case (64%) compared to those in banking* (94%), aviation* (100%) or logistics/transport (98%) organisations.

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 95% compared to fewer than 250: 83%) or annual turnover (over $50 million: 95% compared to up to $50 million: 84%).

* Low sample sizes (Banking n = 33, Aviation n = 43, Business/professional services n = 33), findings are indicative only

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Agreement with statements about AI strategy (Q6)

Among those in organisations that have an AI strategy in place (n = 183)

"The strategy has been clearly communicated throughout the organisation"

- More than nine in ten (92%) believe that their organisation's AI strategy has been clearly communicated throughout their organisation, including more than two in five (44%) who strongly agree this is the case.

- Those in business/professional services organisations* are less likely to agree this is the case (73%) compared to those in banking* (100%), aviation* (98%) or logistics/transport (96%) organisations.

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 98% compared to fewer than 250: 84%) or annual turnover (over $50 million: 97% compared to up to $50 million: 86%).

Agreement with statements about technology infrastructure and data environment (Q7)

"Our organisation's technology infrastructure is adaptable/scalable for the use of AI"

- Nearly nine in ten (86%) respondents believe that their organisation's technology infrastructure is adaptable/scalable for the use of AI. However, only one in three (34%) strongly agree this is the case.

- Those in aviation organisations are more likely than those in banking or business/professional services organisations to agree this is the case (98% compared to 87% and 78% respectively). Those in logistics/transport organisations are also more likely than those in business/professional services organisations to agree this is the case (91% compared to 78%).

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 94% compared to fewer than 250: 77%) or annual turnover (over $50 million: 95% compared to up to $50 million: 76%).

Agreement with statements about technology infrastructure and data environment (Q7)

"Data in our organisation tends to sit in 'silos'"

- More than three in five (62%) respondents admit that data in their organisation tends to sit in 'silos', although only one in five (21%) strongly agree this is the case. Only one in eight (12%) disagree this is the case.

- Those in banking or aviation organisations are more likely than those in logistics/transport or business/professional services organisations to admit that this is the case (79% and 80% compared to 58% and 51% respectively).

- Those in younger organisations are more likely than those in more established organisations to admit that this is the case (operating for up to 10 years: 71% compared to over 10 years: 57%).

Agreement with statements about technology infrastructure and data environment (Q7)

"Data in our organisation is cleaned and organised in a way that makes it 'AI-ready'

- More than four in five (82%) respondents believe that data in their organisation is cleaned and organised in a way that makes it 'AI-ready', although only one in three (35%) strongly agree this is the case. One in ten (10%) disagree this is the case.

- Those in aviation organisations are the most likely to agree this is the case (100%), compared to those in banking (87%), logistics/transport (90%) or business/professional services (73%) organisations.

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 89% compared to fewer than 250: 73%) or annual turnover (over $50 million: 90% compared to up to $50 million: 72%).

Agreement with statements about technology infrastructure and data environment (Q7)

"Data in our organisation is processed and stored in compliance with all applicable regulations"

- More than nine in ten (92%) respondents believe that data in their organisation is processed and stored in compliance with all applicable regulations, although less than two in five (38%) strongly agree this is the case.

- Those in aviation or logistics/transport organisations are more likely than those in business/professional services organisations to agree this is the case (98% and 95% compared to 80% respectively).

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 96% compared to fewer than 250: 86%) or annual turnover (over $50 million: 98% compared to up to $50 million: 84%).

Agreement with statements about AI and their organisation (Q8)

"Our organisation has a highly comprehensive set of AI policies and protocols"

- Four in five (79%) respondents believe that their organisation has a highly comprehensive set of AI policies and protocols, although only one in three (32%) strongly agree this is the case. One in nine (11%) disagree this is the case.

- Those in aviation organisations are the most likely to agree this is the case (100%), compared to those in banking (81%), logistics/transport (89%) or business/professional services (67%) organisations.

- Those in larger organisations are more likely than those in smaller organisations to agree this is the case, whether by number of employees (250 or more: 89% compared to fewer than 250: 68%) or annual turnover (over $50 million: 91% compared to up to $50 million: 66%).

HEADLINE

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