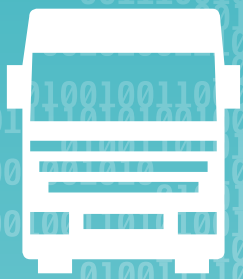


STUDY



AI READINESS IN AUSTRALIAN LOGISTICS ORGANISATIONS





IMPRESSUM

YouGov designed the questionnaire in consultation with INFORM Software Australia. All figures, unless otherwise stated, are from YouGov. Total sample size was 311 senior decision makers in Australian organisations currently using or planning to use AI. Fieldwork was undertaken between 28th March – 2nd April 2024. The survey was carried out online.

YouGov is a global public opinion and data company. Their tailored consumer intelligence helps businesses, brands and institutions understand the world better – and their business solutions unlock the power of data to solve problems.

Discover more at business.yougov.com

YouGov[®]

INFORM

CONTENTS

1.0 EXECUTIVE SUMMARY	4
KEY FINDINGS	
▪ Current usage and perception	
▪ Barriers to AI Adoption	
▪ Organisational Benefits of AI	
▪ Logistics Insights	
▪ Path to Success	
2.0 METHODOLOGY	5
3.0 THE USE OF AI IN AUSTRALIAN LOGISTICS ORGANISATIONS	6
▪ Snapshot	
▪ Areas of AI use	
▪ Reasons for AI use	
4.0 HOW PREPARED ARE AUSTRALIAN LOGISTICS ORGANISATIONS FOR AI??	10
KEY FINDINGS	
▪ Key Findings	
▪ Logistics AI Strategy Snapshot	
▪ Technology Infrastructure and Data Environment	
▪ Current State of Play	
5.0 BARRIERS AND CHALLENGES	17
6.0 WHAT COULD ASSIST LOGISTICS ORGANISATIONS?	18
7.0 KEY ELEMENTS FOR SUCCESSFUL AI IMPLEMENTATION IN LOGISTICS	19
8.0 INSIGHTS AND RECOMMENDATIONS FROM INFORM	20
9.0 CONTACT	21

1.0 EXECUTIVE SUMMARY

This report provides a focused analysis of AI readiness in the Australian logistics sector, based on a comprehensive study conducted by YouGov. The study surveyed 311 senior decision-makers across banking, aviation, logistics/transport (including maritime), business/professional services and other industries to uncover insights into AI adoption, challenges, and opportunities.

KEY FINDINGS

CURRENT USAGE AND PERCEPTION

- 66% of logistics organisations currently use AI, slightly below the overall average of 78%.
- 94% believe AI has delivered or can deliver significant value to their organisation.

BARRIERS TO AI ADOPTION

- Key challenges include lack of talent with appropriate AI capabilities and fragmented data (17%).

ORGANISATIONAL BENEFITS OF AI

- 97% believe AI can result in improved efficiency/productivity within their organisation.
- 92% acknowledge AI's potential to boost profitability.

AVIATION INSIGHTS

- The sector recognises AI's value but lags slightly behind in adoption compared to other industries.
- Logistics organisations face significant hurdles in data integration and talent shortage.

PATH TO SUCCESS

- Develop robust AI strategies with clear objectives and outcomes.
- Invest in data infrastructure to integrate and streamline data across the organisation.
- Prioritise AI talent acquisition and development to build internal capabilities.

2.0 METHODOLOGY

All figures, unless otherwise stated, are from YouGov. 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	4

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

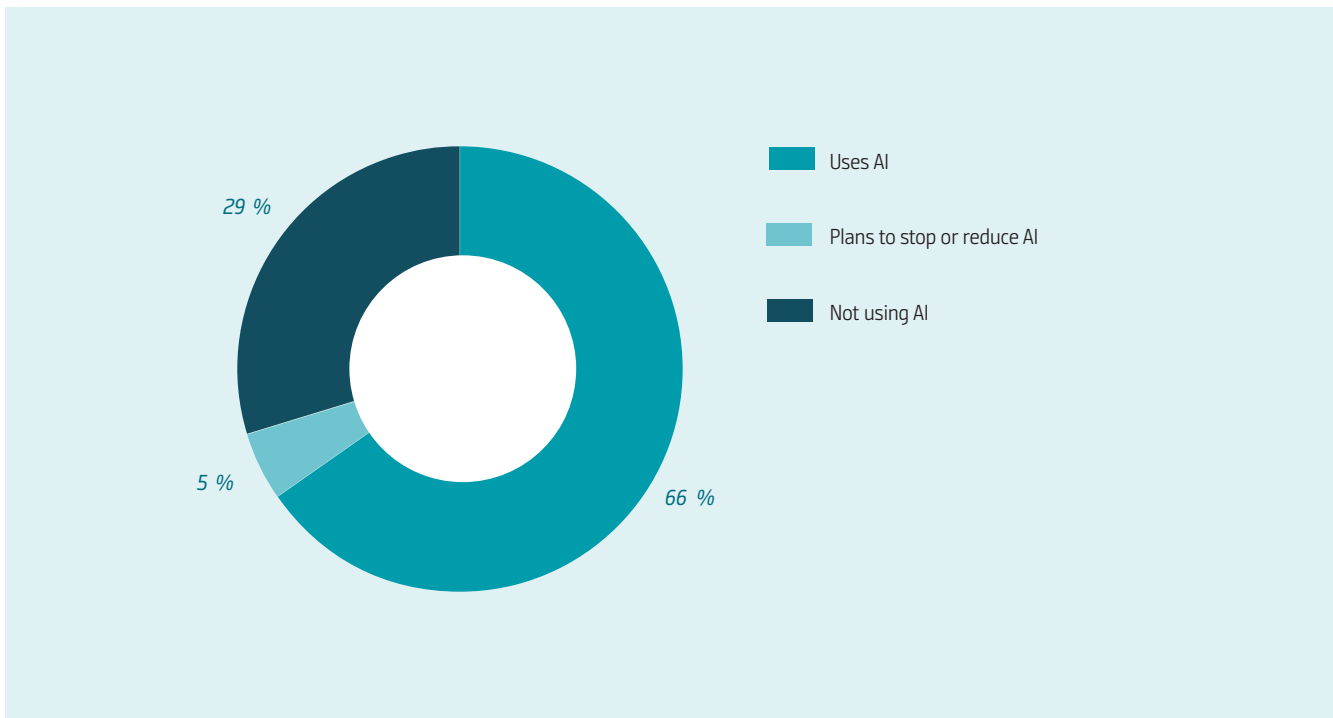
Unless otherwise indicated, all results have the above sample sizes. All results are unweight

3.0 THE USE OF AI IN AUSTRALIAN LOGISTICS ORGANISATIONS

SNAPSHOT

- 66% of logistics organisations currently use AI, compared to the overall average of 78%.
- 94% of logistics respondents believe that AI has delivered or can deliver significant value to their organisation.
- 97% believe AI has resulted in or can result in improved efficiency/productivity.
- 92% believe AI has resulted in or can result in improved profitability.

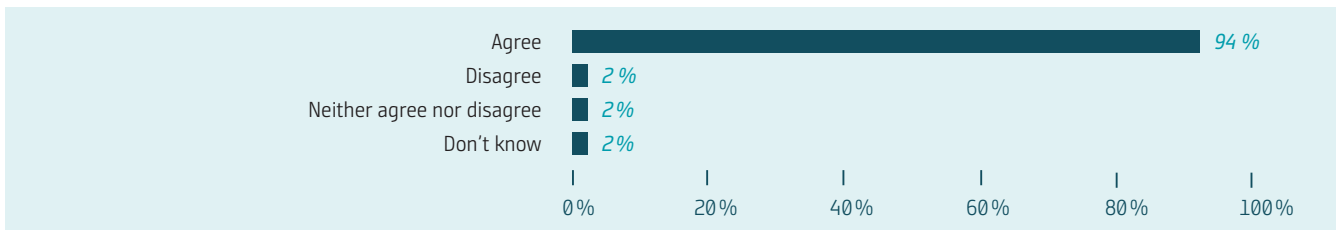
LOGISTICS ORGANISATIONS CURRENTLY USE ANY FORM OF ARTIFICIAL INTELLIGENCE



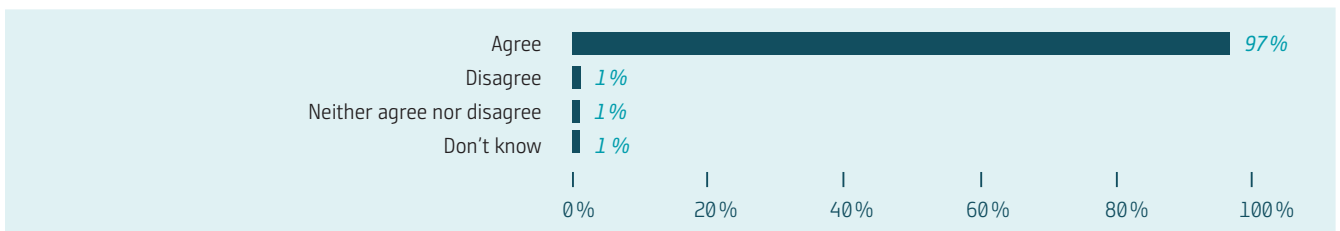
THE USE OF AI IN AUSTRALIAN LOGISTICS ORGANISATIONS

AGREEMENT WITH STATEMENTS ABOUT THE USE OF AI

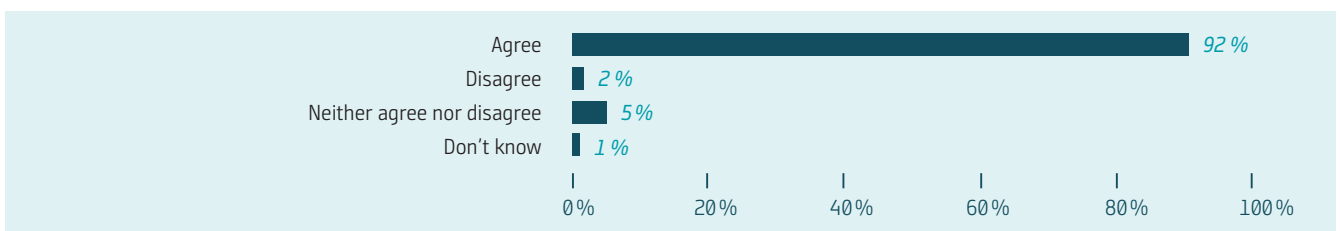
AI HAS DELIVERED/CAN DELIVER SIGNIFICANT VALUE TO OUR ORGANISATION



AI HAS RESULTED IN/CAN RESULT IN IMPROVED EFFICIENCY/PRODUCTIVITY WITHIN OUR ORGANISATION



AI HAS RESULTED IN/CAN RESULT IN IMPROVED PROFITABILITY WITHIN OUR ORGANISATION



AREAS OF AI USE

- 50% of logistics organisations currently use or plan to use AI in marketing/sales, higher than banking (33%) or business/professional services (33%).
- 45% use or plan to use AI in customer/client experience, higher than business/professional services (24%).
- Other significant areas include research and development (46%), IT (46%), and operations (45%).

AREAS THAT LOGISTICS ORGANISATION CURRENTLY USES OR PLANS TO USE AI IN

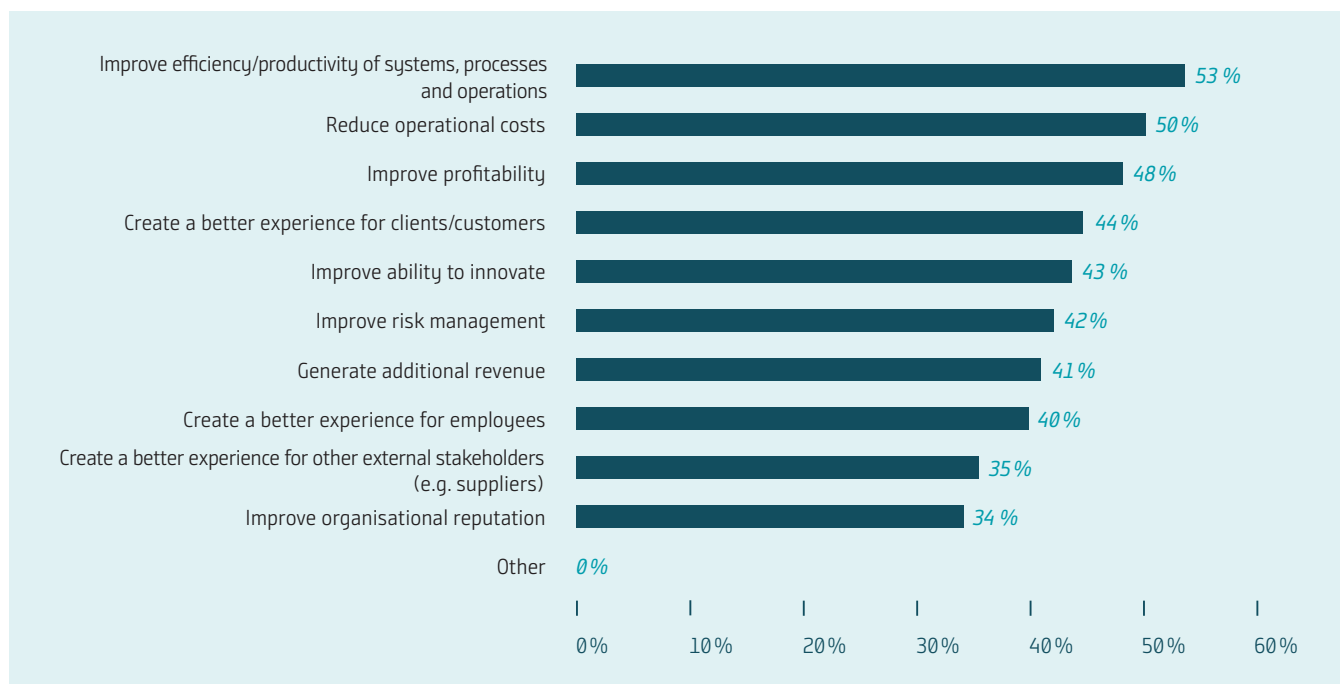


THE USE OF AI IN AUSTRALIAN LOGISTICS ORGANISATIONS

REASONS FOR AI USE

- 53% of logistics organisations cite improved efficiency/productivity of systems, processes and operations.
- 43% cite improved ability to innovate.
- 48% cite improved profitability.
- 50% cite reduced operational costs, significantly higher than business/professional services (27%).

REASONS FOR USING OR PLANNING TO USE AI

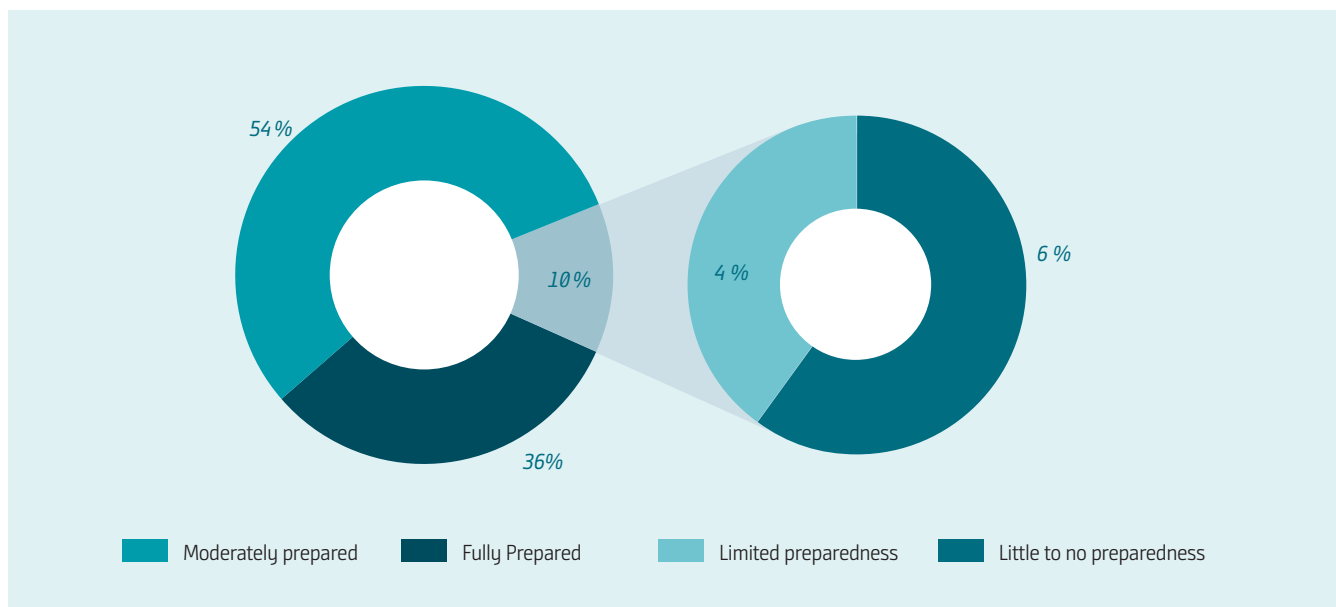


4.0 HOW PREPARED ARE AUSTRALIAN LOGISTICS ORGANISATIONS FOR AI?

KEY FINDINGS

- 36% of logistics organisations say they are fully prepared for the successful implementation and use of AI, slightly above the overall average of 32%.
- 54% say their organisation is moderately prepared.
- 6% say their organisation's preparedness is limited.

ORGANISATION'S PREPAREDNESS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

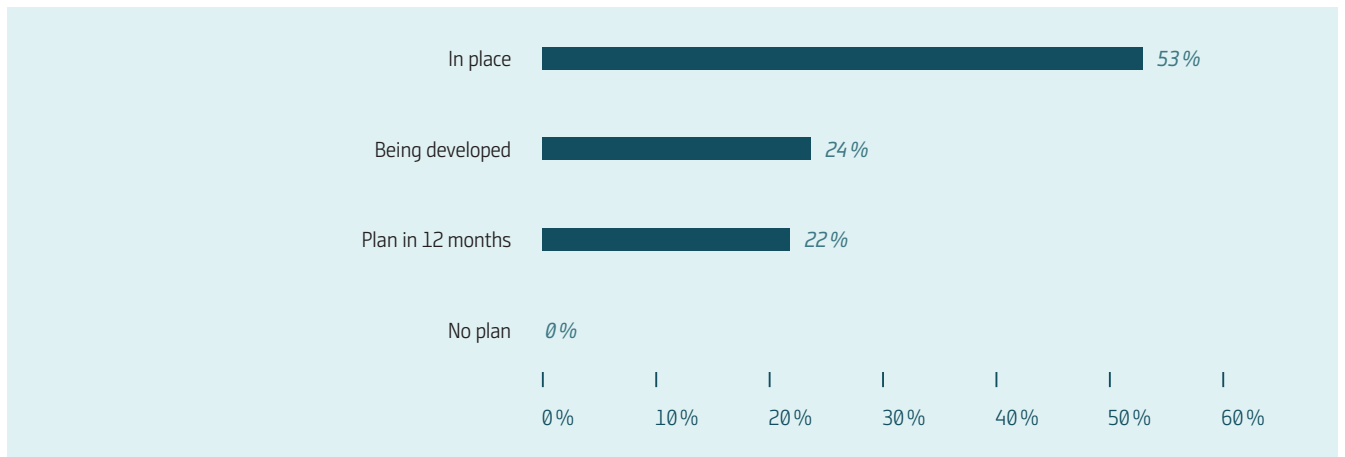


HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

LOGISTICS AI STRATEGY SNAPSHOT

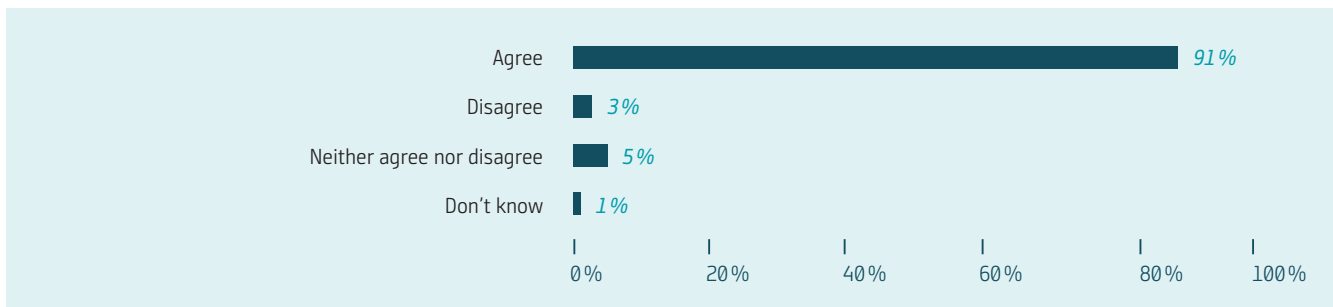
- 53% of logistics organisations have an AI strategy in place, lower than aviation (80%) and banking (63%).
- 36% admit that their organisation’s AI strategy is poorly defined (compared to 31% overall).

PRESENCE OF AN AI STRATEGY

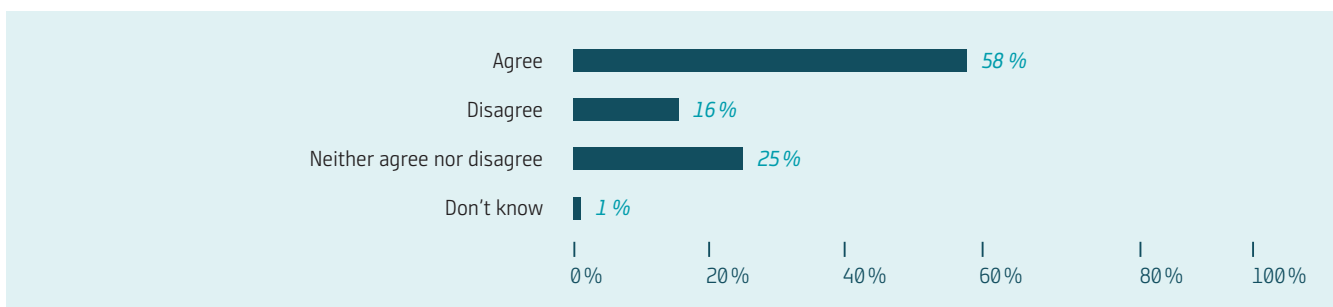


AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

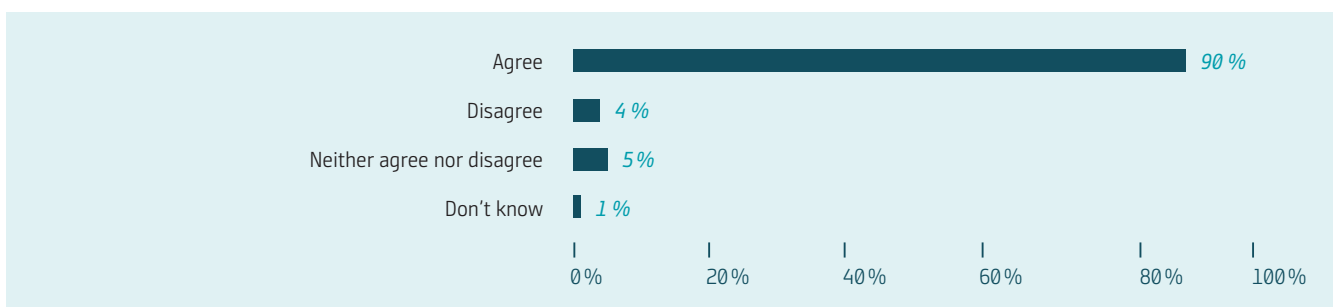
OUR ORGANISATION'S TECHNOLOGY INFRASTRUCTURE IS ADAPTABLE/SCALABLE FOR THE USE OF AI



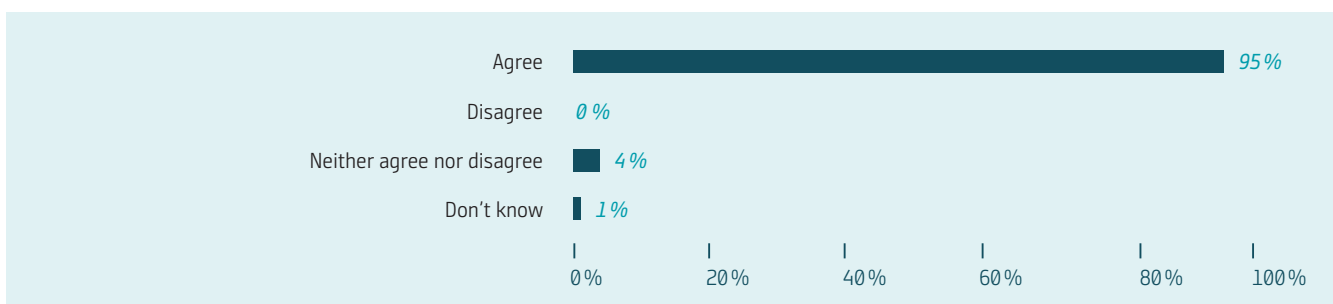
DATA IN OUR ORGANISATION TENDS TO SIT IN 'SILOS'



DATA IN OUR ORGANISATION IS CLEANED AND ORGANISED IN A WAY THAT MAKES IT 'AI-READY'



DATA IN OUR ORGANISATION IS PROCESSED AND STORED IN COMPLIANCE WITH ALL APPLICABLE REGULATIONS

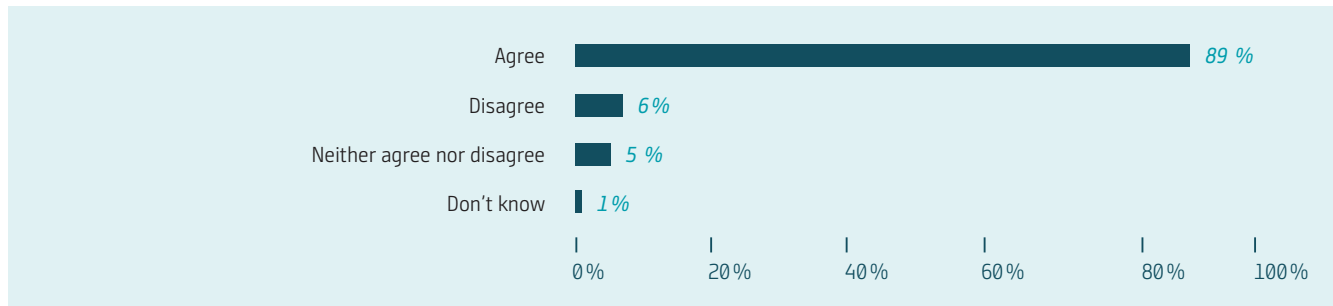


AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

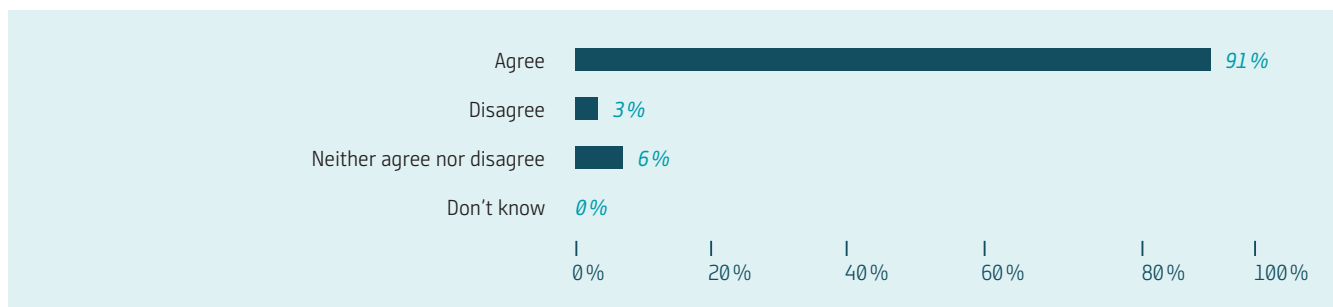
- 91% believe their organisation's technology infrastructure is adaptable/scalable for the use of AI.
 - 58% admit that data in their organisation tends to sit in 'silos', lower than banking (79%) or aviation (80%).
 - 90% believe data in their organisation is cleaned and organised in a way that makes it 'AI-ready'.
 - 95% believe data in their organisation is processed and stored in compliance with all applicable regulations.
-

CURRENT STATE OF PLAY

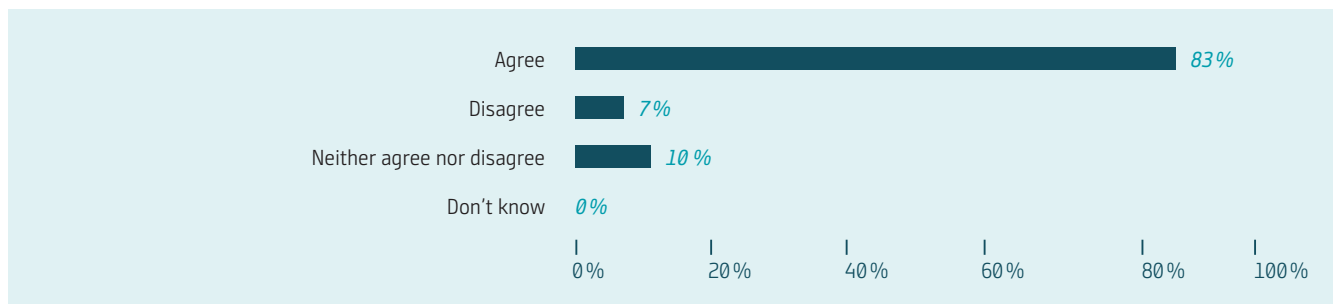
OUR ORGANISATION HAS A HIGHLY COMPREHENSIVE SET OF AI POLICIES AND PROTOCOLS



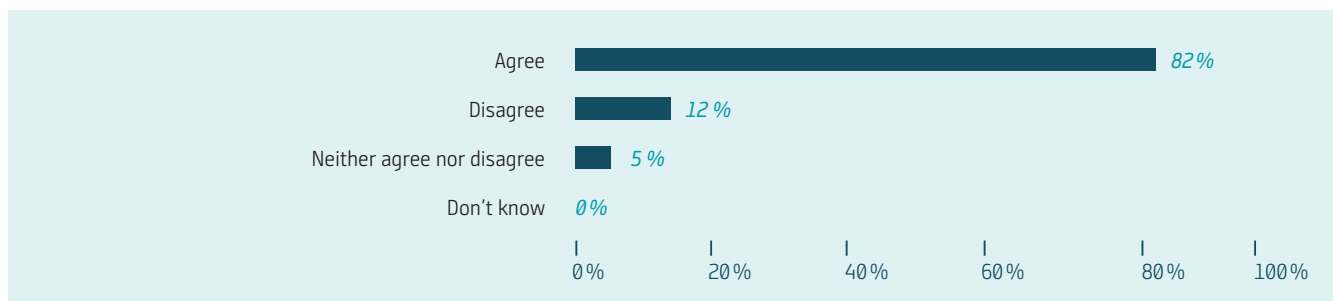
OUR ORGANISATION IS WELL-RESOURCED WITH THE TALENT NEEDED FOR THE SUCCESSFUL IMPLEMENTATION



THE IMPLEMENTATION AND USE OF AI IS A CRITICAL/URGENT PRIORITY IN OUR ORGANISATION



EMPLOYEES THROUGHOUT THE ORGANISATION ARE RESISTANT TO THE IMPLEMENTATION AND USE OF AI

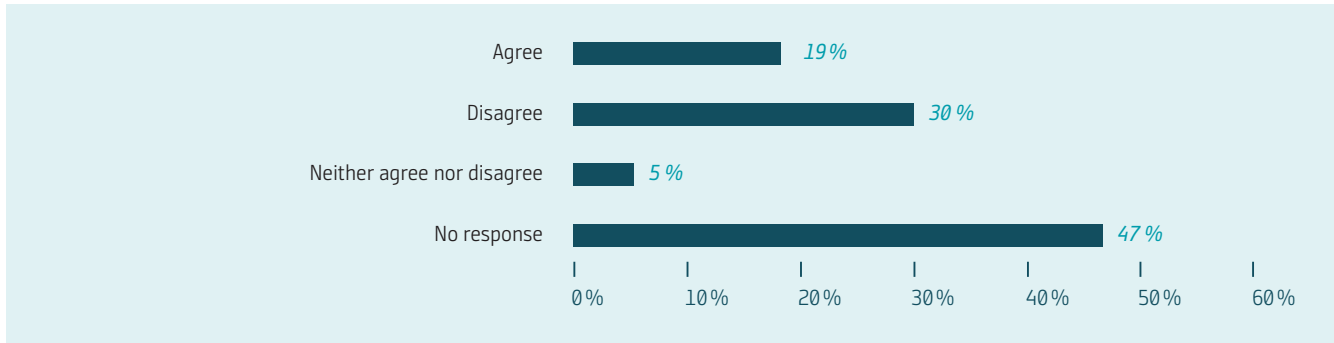


HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

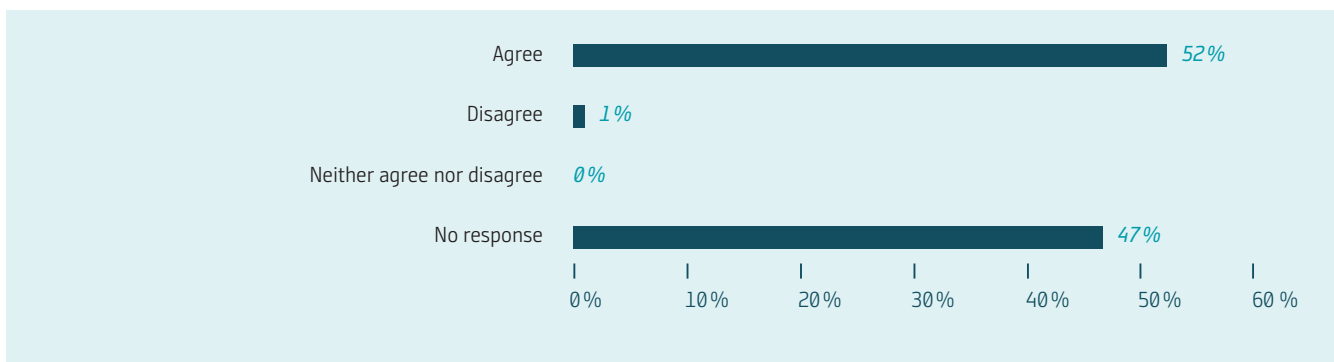
CURRENT STATE OF PLAY

- 100% believe their organisation has a highly comprehensive set of AI policies and protocols, the highest among sectors.
 - 98% believe their organisation is well-resourced with the talent needed for successful AI implementation.
 - 96% believe the implementation and use of AI is a critical/urgent priority, the highest among sectors.
 - 93% admit that employees throughout the organisation are resistant to the implementation and use of AI, the highest among sectors.
-

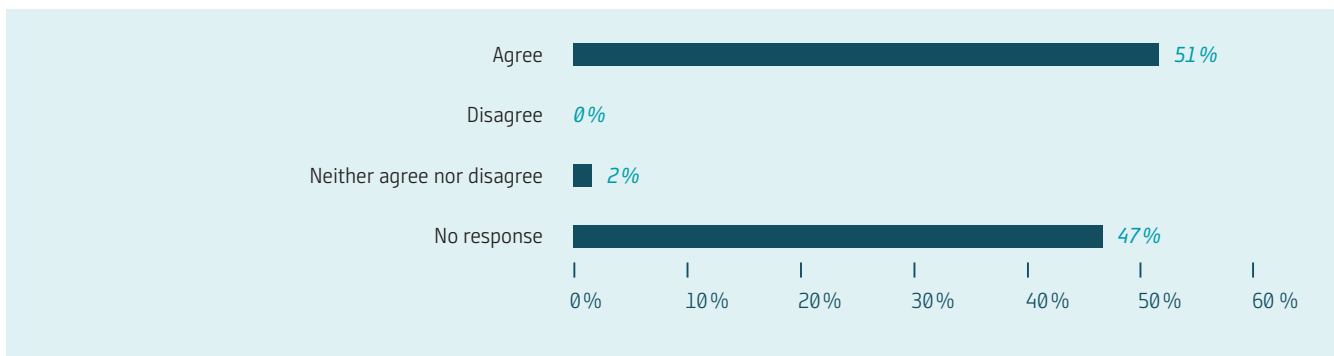
STRATEGY IS POORLY DEFINED



THERE IS CLEAR LEADERSHIP AND OWNERSHIP

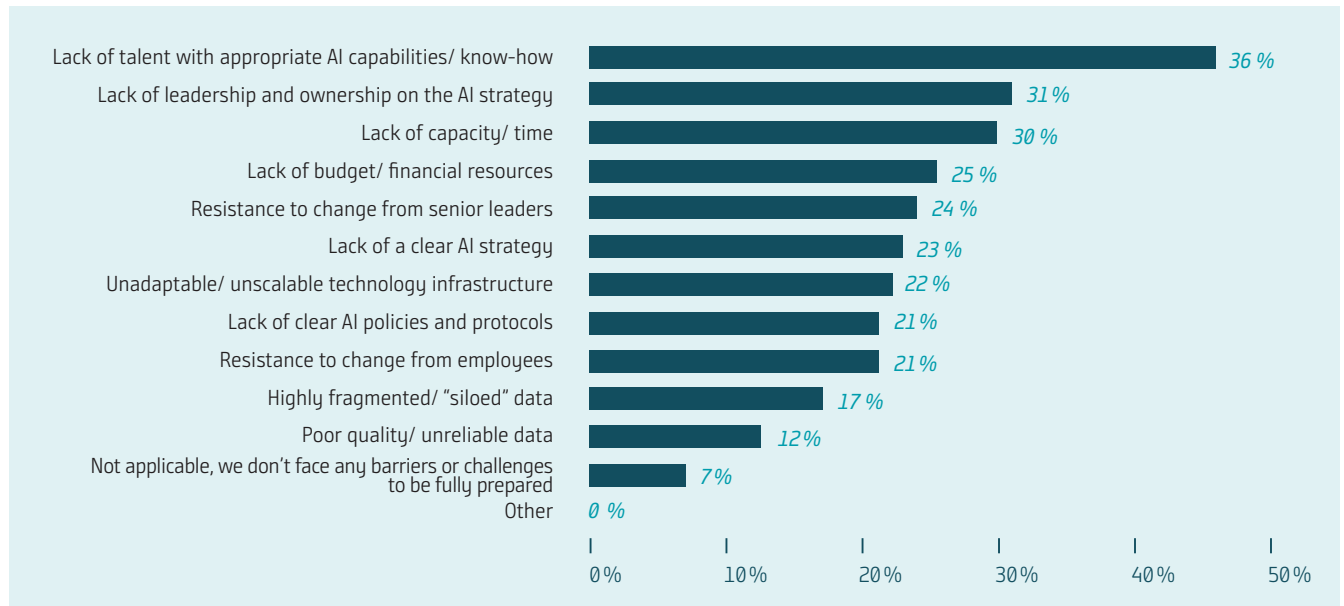


STRATEGY IS CLEARLY COMMUNICATED



5.0 BARRIERS AND CHALLENGES

CHALLENGES FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 93% of logistics organisations face at least one barrier or challenge to be fully prepared for AI implementation.
- 17% cite highly fragmented/'siloesd' data as a challenge, lower than banking (46%) but comparable to business/professional services (22%).

6.0 WHAT COULD ASSIST LOGISTICS ORGANISATIONS?

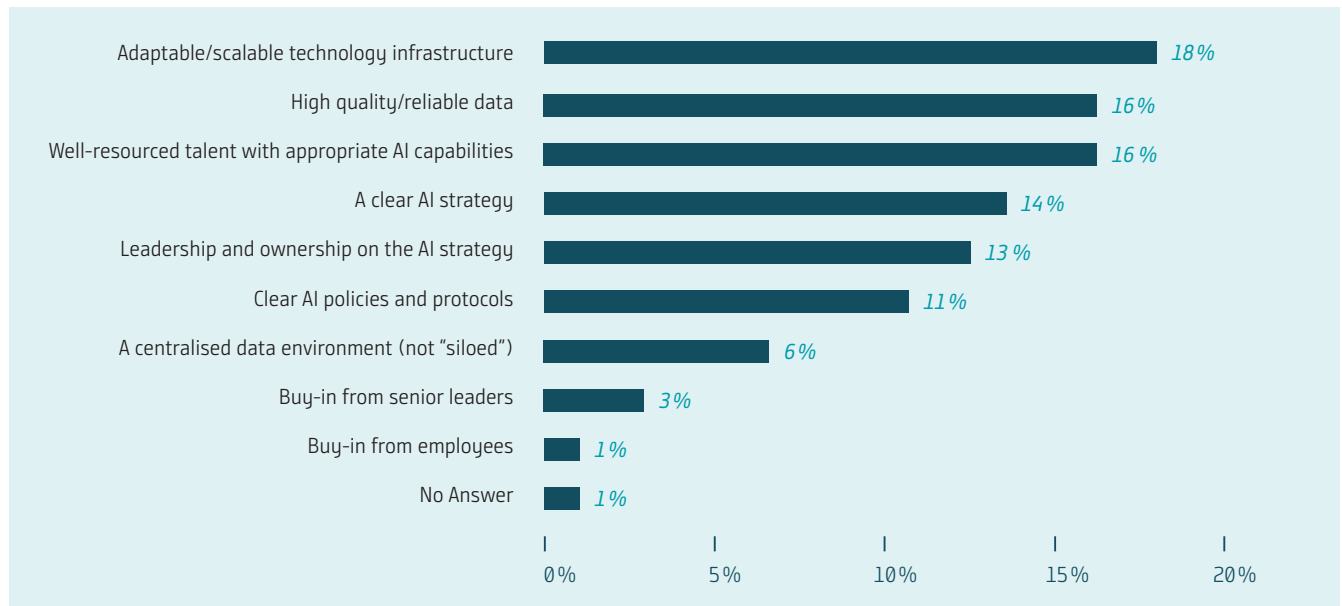
MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 42% cite improved accessibility/availability of data as something that could assist their organisation.
- 46% cite improved data quality/reliability.
- 40% cite training for employees.

7.0 KEY ELEMENTS FOR SUCCESSFUL AI IMPLEMENTATION IN LOGISTICS

MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 44% rank high quality/reliable data as one of the top three most important elements.
- 37% rank adaptable/scalable technology infrastructure in their top three.
- 41% rank a clear AI strategy in their top three.
- 45% rank well-resourced talent with appropriate AI capabilities in their top three, higher than business/professional services (27%).

7.0 INSIGHTS AND RECOMMENDATIONS FROM INFORM

Accelerate AI Adoption:

With adoption rates below average, logistics organisations should identify high-impact use cases to drive AI implementation.

Enhance Data Integration:

While better than some sectors, there's still room for improvement in data integration. Invest in technologies and processes to reduce data silos.

Talent Development:

Despite high confidence in current talent, the sector should focus on continuous upskilling and reskilling to maintain this advantage, particularly given the importance placed on AI-capable talent.

Operational Efficiency:

Given the high focus on reduced operational costs, prioritise AI applications that streamline operations and improve efficiency.

Change Management:

With high employee resistance, implement comprehensive change management programmes to foster AI acceptance and understanding.

Strategy Refinement:

While better defined than some sectors, there's still room to improve AI strategy clarity and communication.

Supply Chain Optimisation:

Leverage AI for supply chain visibility, demand forecasting, and route optimisation to capitalise on logistics-specific opportunities.

Customer Experience:

Continue to invest in AI for customer/client experience to maintain competitive advantage in this area.

This tailored report highlights the specific AI readiness challenges and opportunities for the Australian logistics sector. By addressing these key areas, logistics organisations can enhance their AI capabilities and close the gap with leading sectors in AI adoption

8.0 CONTACT

INFORM develops software to optimise business processes using artificial intelligence (AI) and advanced mathematics of operations research. Founded in 1969 and headquartered in Aachen, Germany, the company promotes sustainable value creation in various industries through optimised decision-making. The software solutions are tailored to industry-specific requirements and help over 1,000 active customers worldwide to operate more resiliently and sustainably. They are used in many different sectors, including automotive, finance, wholesale, logistics, aviation, industry, transport and telecommunications. The company is committed to ethical AI practices and sustainable customer relationships and is increasingly focussing on cloud-based solutions.

Please contact us directly for more information about our company and AI software solutions.

Dr Paul Flachskampf, CEO
INFORM Australia
Suite 404, 234 George St
Sydney NSW 2000 / Australia

+61 423 026 761
office-sydney@inform-software.com
www.inform-software.com.au

