STUDY

AI READINESS
IN AUSTRALIAN
ORGANISATIONS

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PREFACE

WELCOME TO THE LANDMARK STUDY ON AI PREPAREDNESS IN AUSTRALIAN BUSINESS.

The transformative potential of AI in reshaping business operations is undeniable, yet our latest research reveals significant gaps in how Australian organisations are prepared to harness this power. The "AI Readiness in Australian Organisations" study, conducted by leading global research firm YouGov, sheds light on the current landscape and identifies crucial areas where improvements are needed.

Despite 78 % of executives surveyed indicating their organisations currently use AI, only 32 % consider themselves fully prepared for successful AI implementation. This disparity underscores the challenges faced by Australian businesses in optimising their AI capabilities.

The study, encompassing 311 senior decision-makers across various industries, identifies several barriers hindering AI adoption. These include a shortage of talent with AI capabilities (26 %), fragmented data environments (24 %), and resistance to change from employees and leaders (20 %). These challenges not only impact operational efficiency but also risk hindering the potential benefits of AI in enhancing productivity and profitability.

While 90 % of respondents believe AI can improve efficiency and productivity, and 87 % acknowledge its potential to boost profitability, the report highlights that 31 % of respondents admit their AI strategy is poorly defined. This lack of clarity could further impede progress in achieving full AI readiness.

In light of these findings, it is clear that Australian businesses must focus on developing robust AI strategies, investing in data infrastructure, and fostering a culture of innovation and collaboration to fully leverage the benefits of AI. These steps are critical to staying competitive in the digital era and ensuring sustainable growth.

We extend our sincere thanks to all participants in the survey and the team at YouGov for their support in conducting this insightful research. We trust that this report will serve as a valuable resource in understanding the current state of AI readiness in Australia and provide actionable insights to drive future success.

Sincerely,

Dr. Paul Flachskampf
CEO, INFORM Australia

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1.0 EXECUTIVE SUMMARY

The "AI Readiness in Australian Organisations study", conducted by YouGov, provides a comprehensive analysis of the current state of AI preparedness among Australian businesses. The study surveyed 311 senior decision-makers across various industries to uncover insights into AI adoption, challenges, and opportunities.

KEY FINDINGS

CURRENT USAGE AND PERCEPTION

- 78% of respondents currently use AI, highlighting its widespread adoption.
- 32% consider themselves fully prepared for successful AI implementation, indicating a readiness gap despite high usage.

BARRIERS TO AI ADOPTION

- Key obstacles include a lack of AI talent (26%), fragmented data (24%), and resistance to change from employees and leaders (20%).
- 31% of respondents admit to having a poorly defined AI strategy, hindering effective implementation.

ORGANISATIONAL BENEFITS OF AI

- 90% believe AI can improve efficiency and productivity.
- 87% acknowledge AI's potential to boost profitability.

INDUSTRY-SPECIFIC INSIGHTS

- Banking Sector: Leading in AI adoption (83%), but facing challenges such as poorly defined AI strategy and fragmented data environments.
- Aviation Sector: Slightly ahead in AI preparedness (35%), with strong beliefs in AI's transformative potential but facing challenges in data integration and change management.
- Logistics Sector: Recognises AI's value but lags behind in adoption (70%), facing 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.
- Foster a culture of innovation and collaboration to mitigate resistance to change.
- Prioritise AI talent acquisition and development to build internal capabilities.

The study underscores the urgent need for Australian organisations to address critical gaps in AI readiness to unlock its full potential. By overcoming barriers such as talent shortages, data fragmentation, and resistance to change, businesses can enhance their operational efficiency, productivity, and profitability. This report serves as a valuable resource for organisations looking to navigate the complexities of AI implementation and optimisation.

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	49

YouGov designed the questionnaire (in consultation with INFORM Software).
Unless otherwise indicated, all results have the above sample sizes. All results are unweight

SNAPSHOT

- Nearly four in five (78%) respondents say AI is currently used in their organisation. More than one in five (22%) say their organisation 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%).

ORGANISATION CURRENTLY USE ANY FORM OF ARTIFICIAL INTELLIGENCE

21,5%

4,5%

74%

Uses AI

Plans to stop or reduce AI

Not using AI plan to start using AI
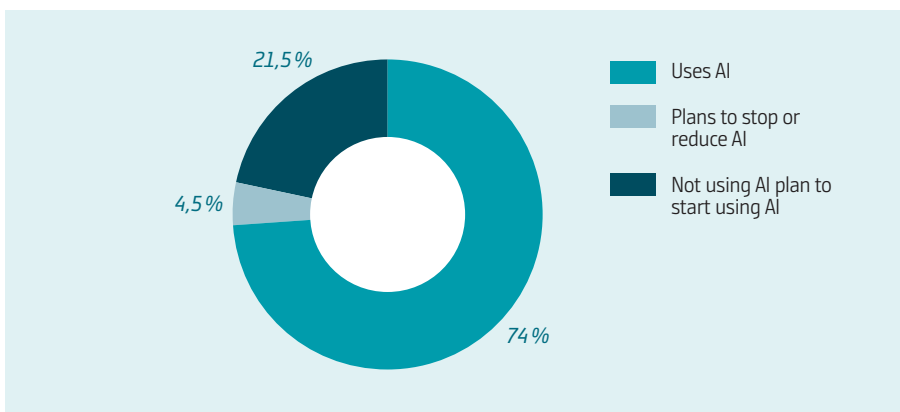
THE USE OF AI IN AUSTRALIAN ORGANISATIONS

AGREEMENT WITH STATEMENTS ABOUT THE USE OF AI

AI HAS DELIVERED/CAN DELIVER SIGNIFICANT VALUE TO OUR ORGANISATION

Agree	85%
Disagree	6%
Neither agree nor disagree	7%
Don't know	2%

0%   20%   40%   60%

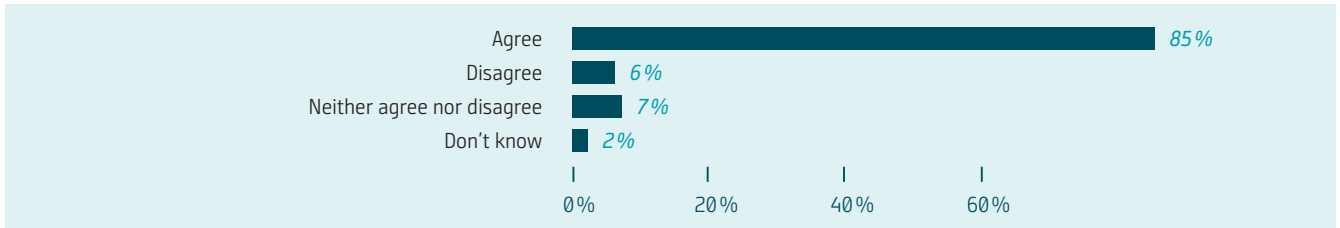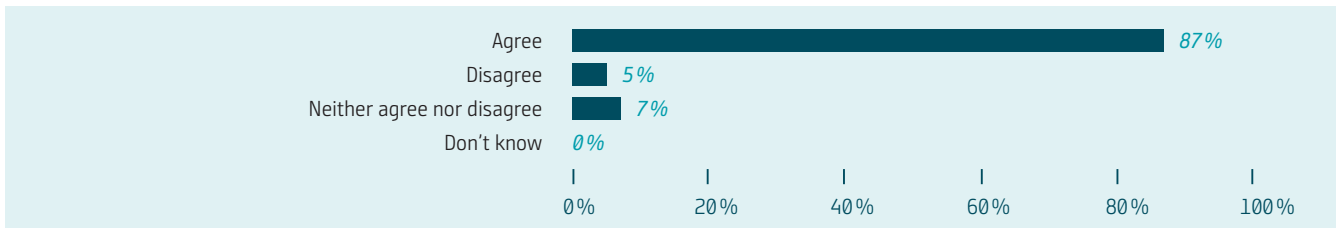More than four in five (85%) respondents believe that AI has delivered/can deliver significant value to their organisation, although less than two in five (38%) strongly agree with this statement. Just 6% disagree with this statement. Those in aviation or logistics/transport are more likely than those in banking or business/professional services to agree with this statement (98% 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%).

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

Agree	90%
Disagree	5%
Neither agree nor disagree	5%
Don't know	0%

0%   20%   40%   60%   80%   100%
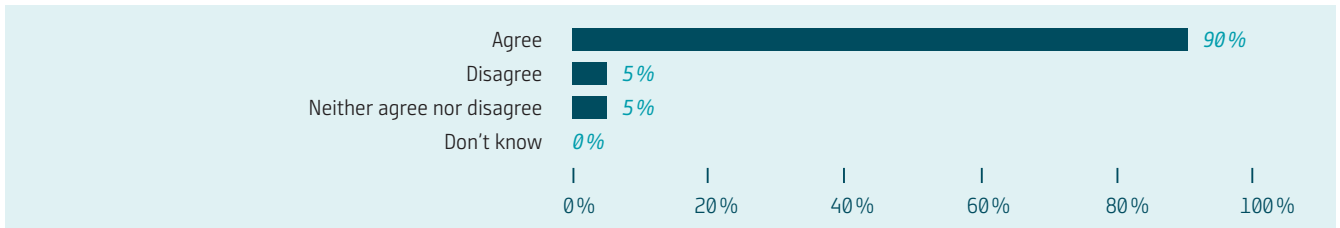
Nine in ten (90%) respondents believe that AI has resulted in/can result in improved efficiency/productivity within their organisation, including more than two in five (43%) who strongly agree. Just 5% disagree with this statement. Those in aviation or logistics/transport are more likely than those in 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%).

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

Agree	87%
Disagree	5%
Neither agree nor disagree	7%
Don't know	0%

0%   20%   40%   60%   80%   100%

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%).

THE USE OF AI IN AUSTRALIAN ORGANISATIONS

AREAS OF AI USE

- 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%).

AREAS THAT ORGANISATION CURRENTLY USES OR PLANS TO USE AI IN

| Area	Percentage
IT	44%
Research and development	44%
Marketing/sales	43%
Financial management	41%
Customer/client experience	40%
Risk management and compliance	37%
Operations	36%
Supply chain management	32%
HR management	31%
ESG/sustainability management	22%
Other	1%

THE USE OF AI IN AUSTRALIAN ORGANISATIONS

REASONS FOR AI USE

- 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%).

- 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%).

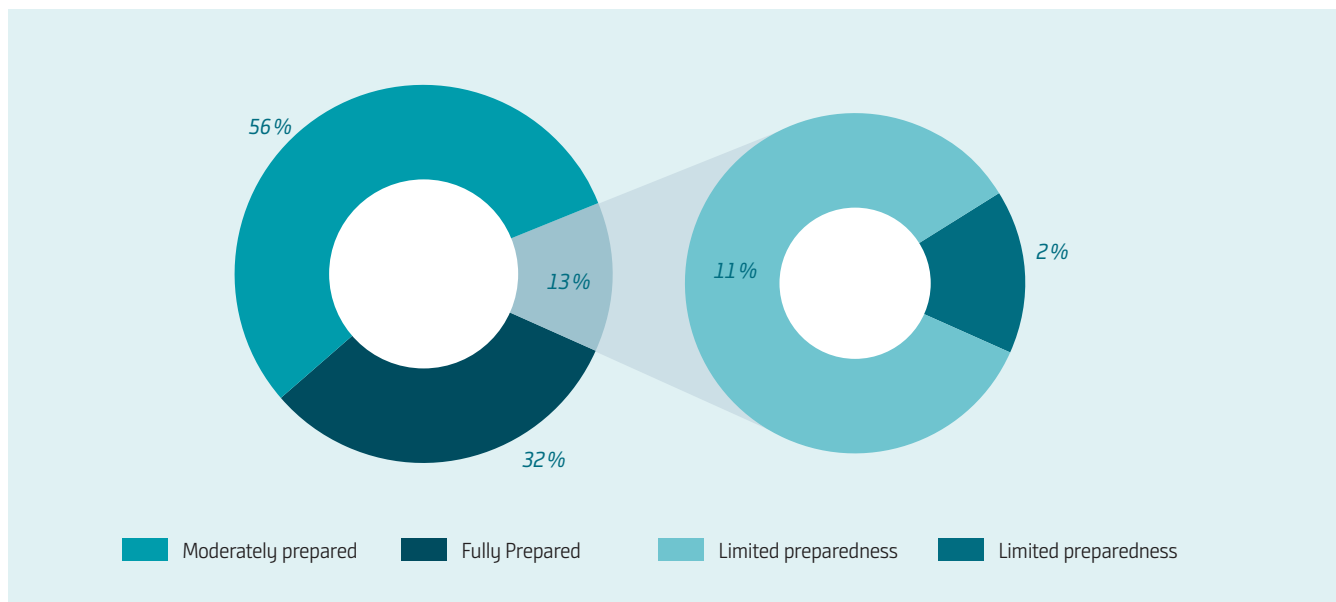**REASONS FOR USING OR PLANNING TO USE AI**
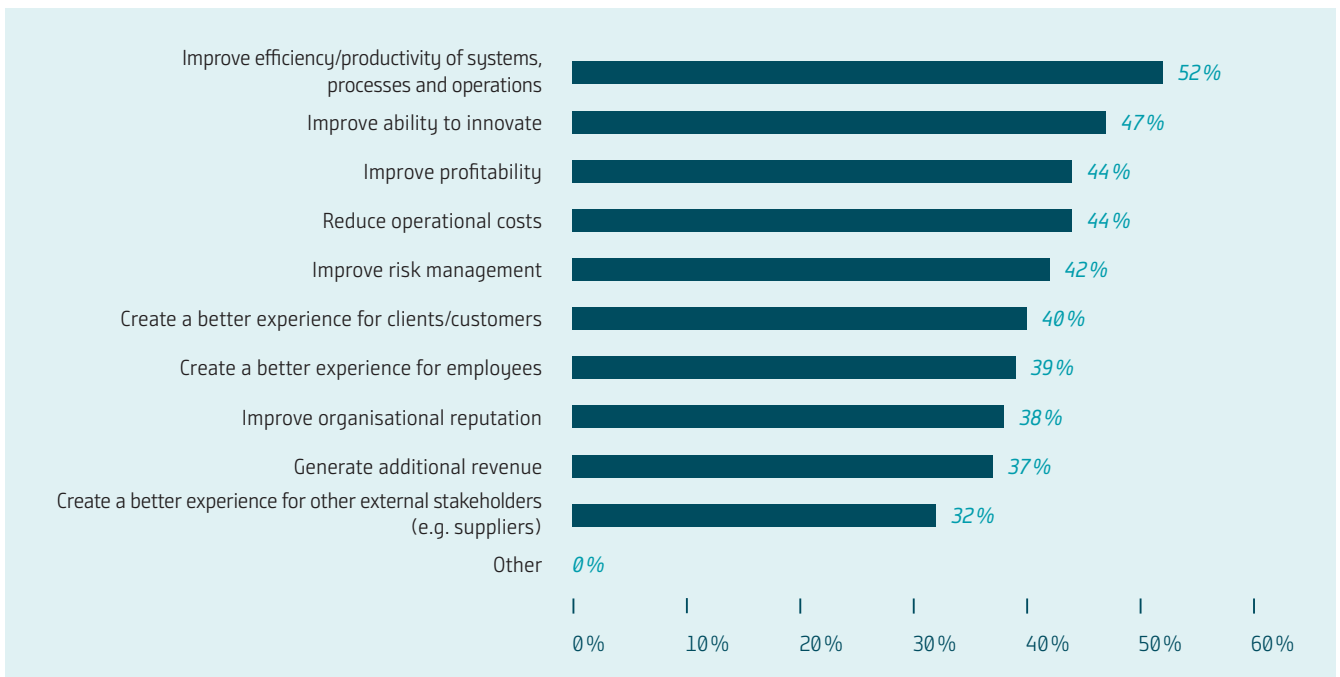
3.0 HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

KEY FINDINGS

- 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%).

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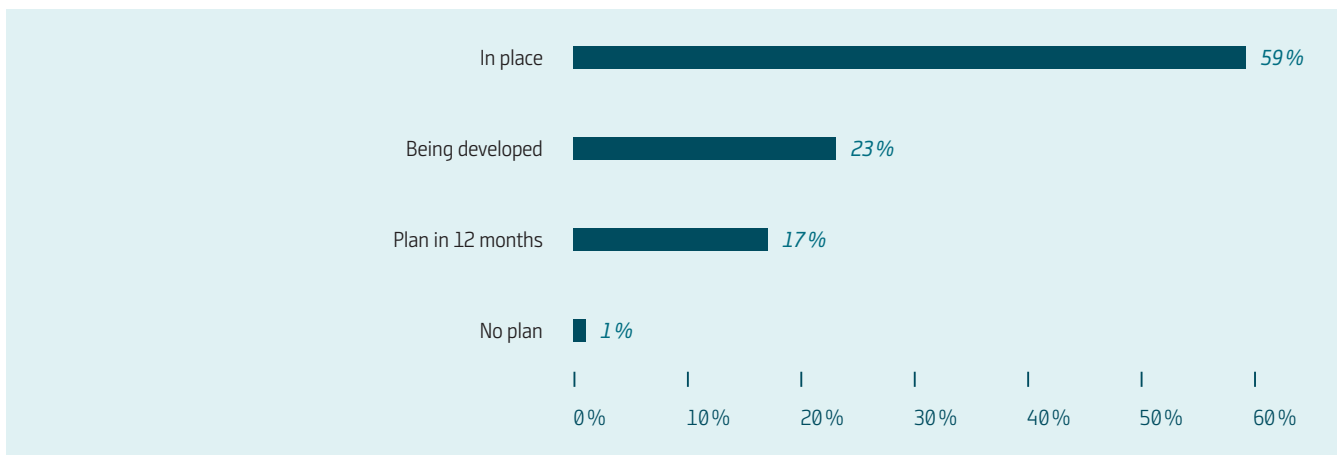

Legend: Moderately prepared | Fully Prepared | Limited preparedness | Limited preparedness

AUSTRALIAN BUSINESS AI STRATEGY SNAPSHOT

- 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%)

PRESENCE OF AN AI STRATEGY

AUSTRALIAN BUSINESS AI STRATEGY SNAPSHOT

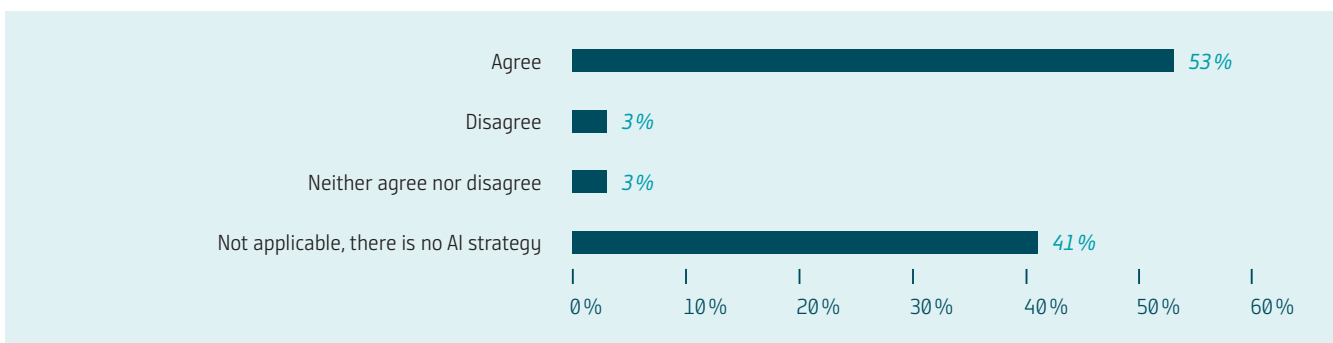## THE STRATEGY IS POORLY DEFINED

Agree — 18%
Disagree — 30%
Neither agree nor disagree — 11%
Not applicable, there is no AI strategy — 41%

0% 10% 20% 30% 40% 50% 60%
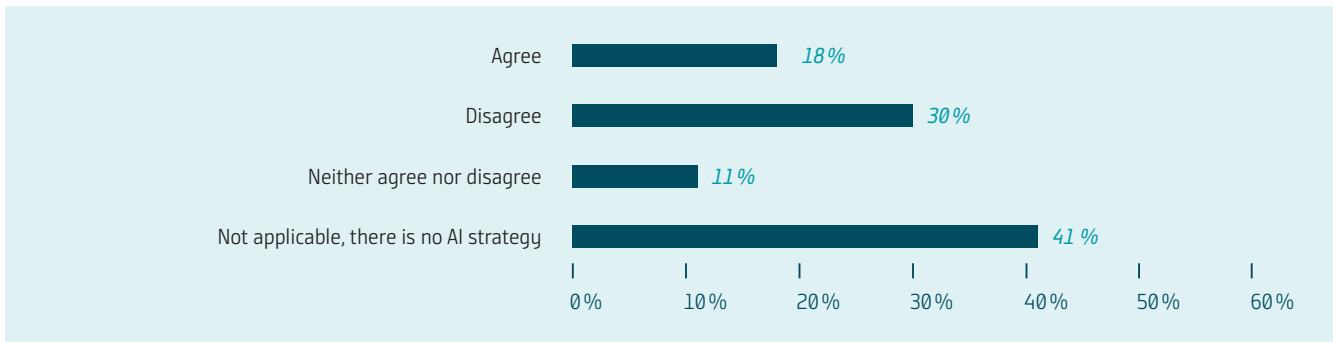
- Three in ten (31%) admit that their organisation's AI strategy is poorly defined, although only one in eight (13%) strongly agree this is the case. However, half (51%) disagree with this statement, with one in five (21%) strongly disagreeing.

- 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%)

THERE IS CLEAR LEADERSHIP AND OWNERSHIP IN PLACE FOR THE STRATEGY

Agree — 53%
Disagree — 3%
Neither agree nor disagree — 3%
Not applicable, there is no AI strategy — 41%

0% 10% 20% 30% 40% 50% 60%

- 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%).

AUSTRALIAN BUSINESS AI STRATEGY SNAPSHOT

THE STRATEGY HAS BEEN CLEARLY COMMUNICATED THROUGHOUT THE ORGANISATION

Category	Value
Agree	54%
Disagree	3%
Neither agree nor disagree	2%
Not applicable, there is no AI strategy	41%
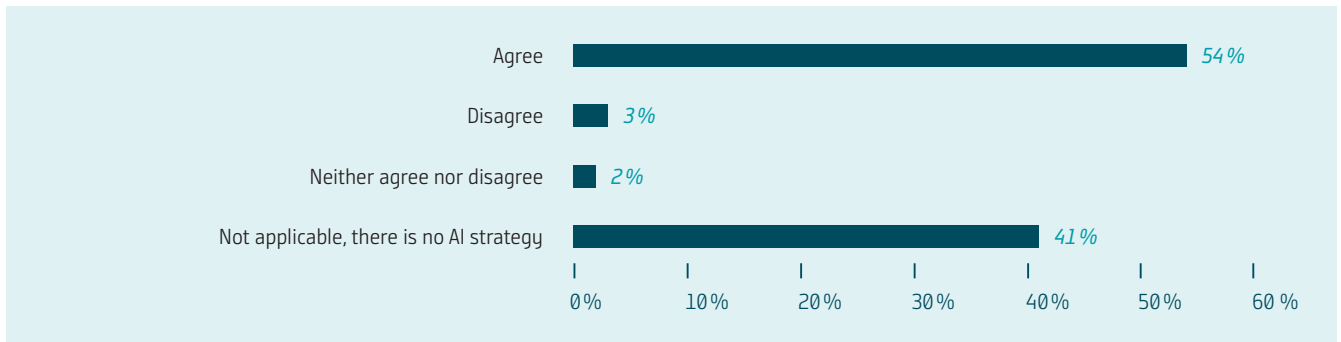
- More than nine in ten (92%) believe that their organisation's AI strategy has been clearly communicated throughout their organisation, including more than two in five (44%) who strongly agree this is the case.

- 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%).

AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

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

Agree	86%
Disagree	5%
Neither agree nor disagree	8%
Don't know	1%
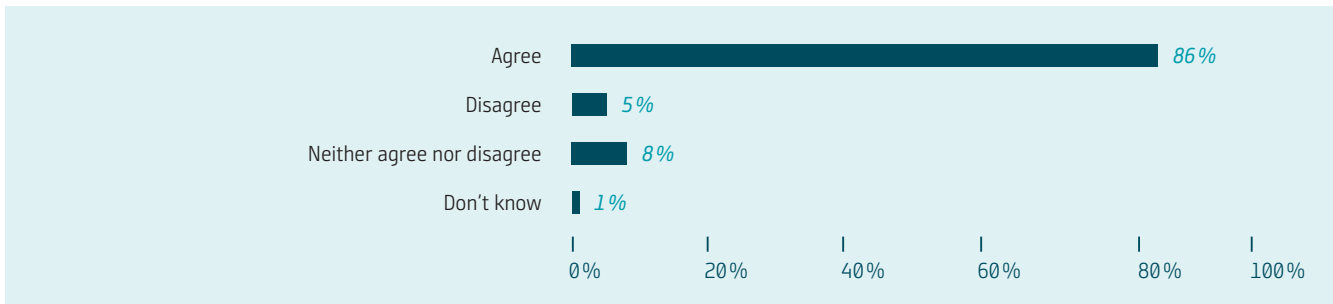
- Nearly nine in ten (86%) respondents believe that their organisation's technology infrastructure is adaptable/scalable for the use of AI.

- However, only one in three (34%) strongly agree this is the case.

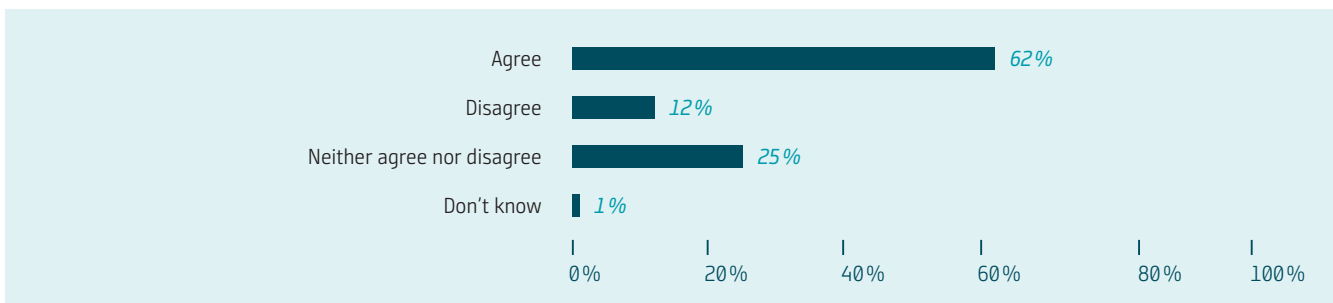- Those in aviation organisations are more likely than those in banking or business/professional services organisations to agree this is the case (98% compared to 87% and 78% respectively).

- 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%).

DATA IN OUR ORGANISATION TENDS TO SIT IN 'SILOS'

Agree	62%
Disagree	12%
Neither agree nor disagree	25%
Don't know	1%

- 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%).

AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

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

Agree	82%
Disagree	10%
Neither agree nor disagree	8%
Don't know	0%
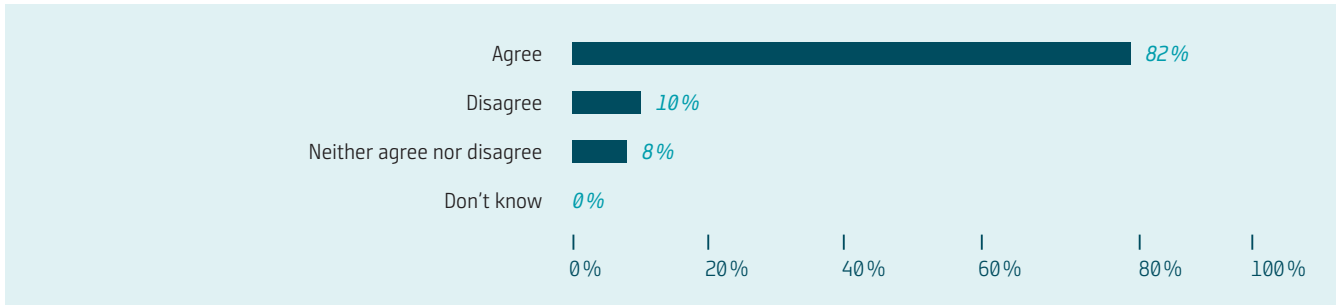
- More than four in five (82%) respondents believe that data in their organisation is cleaned and organised in a way that makes it 'AI-ready', although only one in three (35%) strongly agree this is the case. One in ten (10%) disagree this is the case

- 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%).
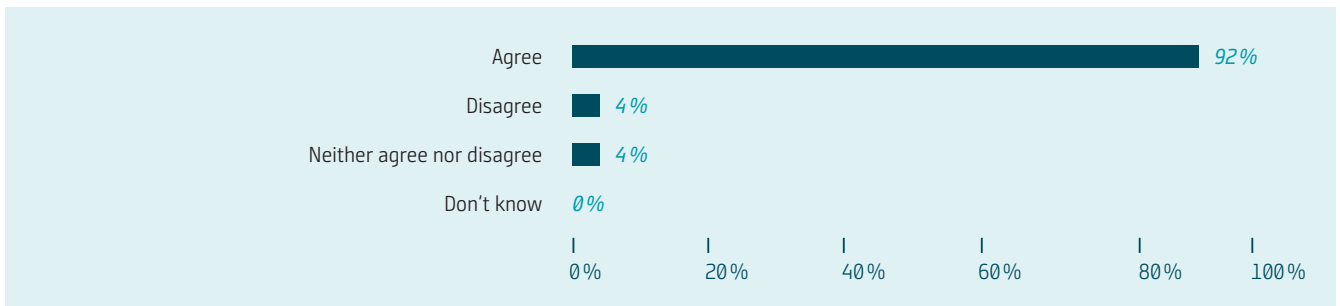
DATA IN OUR ORGANISATION IS PROCESSED AND STORED IN COMPLIANCE WITH ALL APPLICABLE REGULATIONS

Agree	92%
Disagree	4%
Neither agree nor disagree	4%
Don't know	0%

- 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%)

CURRENT STATE OF PLAY

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

Agree	79%
Disagree	11%
Neither agree nor disagree	9%
Don't know	1%

0% 20% 40% 60% 80% 100%
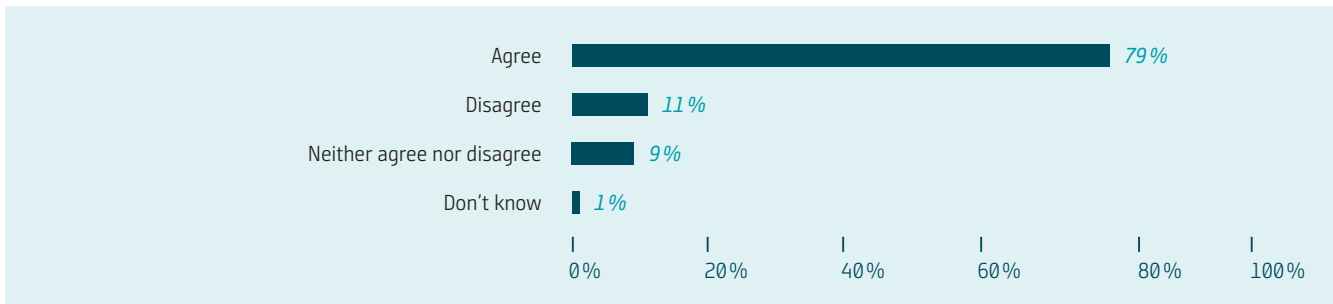
- Four in five (79%) respondents believe that their organisation has a highly comprehensive set of AI policies and protocols, although only one in three (32%) strongly agree this is the case. One in nine (11%) disagree this is the case

- 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%)

OUR ORGANISATION IS WELL-RESOURCED WITH THE TALENT NEEDED FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

Agree	85%
Disagree	7%
Neither agree nor disagree	8%
Don't know	0%

0% 20% 40% 60% 80% 100%

- More than four in five (85%) respondents believe that their organisation is well-resourced with the talent needed for the successful implementation and use of AI, although only one in three (34%) strongly agree this is the case.

- Those in banking, aviation or logistics/transport organisations are more likely than those in business/professional services organisations to agree this is the case (90%, 98%, 91% compared to 73% 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: 91% compared to fewer than 250: 78%) or annual turnover (over $50 million: 91% compared to up to $50 million: 78%.
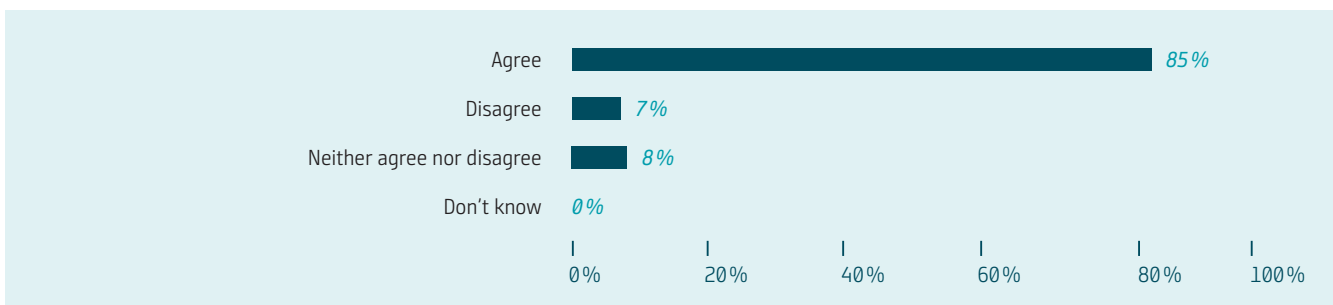
CURRENT STATE OF PLAY

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

Agree	80%
Disagree	11%
Neither agree nor disagree	9%
Don't know	0%

0%   20%   40%   60%   80%   100%
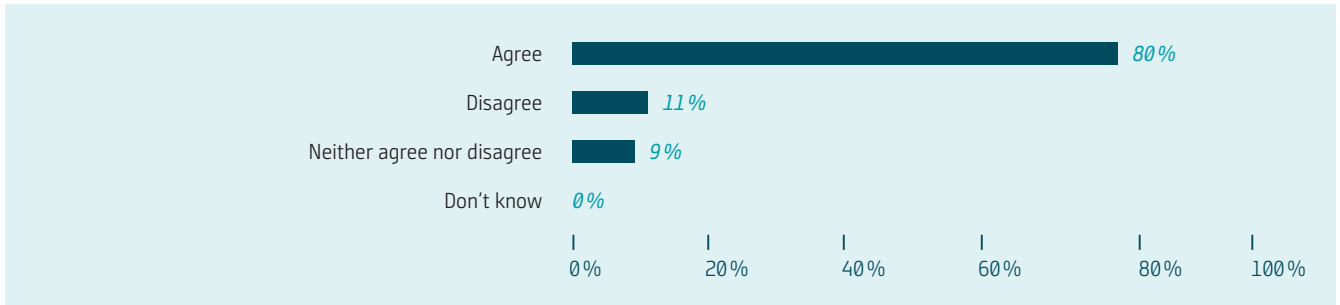
- Four in five (80%) respondents believe that the implementation and use of AI is a critical/urgent priority in their organisation, although only one in three (32%) strongly agree this is the case. One in nine (11%) disagree this is the case.

- Those in aviation organisations are more likely than those in logistics/transport or business/professional services organisations to agree this is the case (96% compared to 83% and 78% 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: 88% compared to fewer than 250: 72%) or annual turnover (over $50 million: 90% compared to up to $50 million: 70%)

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

Agree	73%
Disagree	17%
Neither agree nor disagree	9%
Don't know	1%

0%   20%   40%   60%   80%   100%
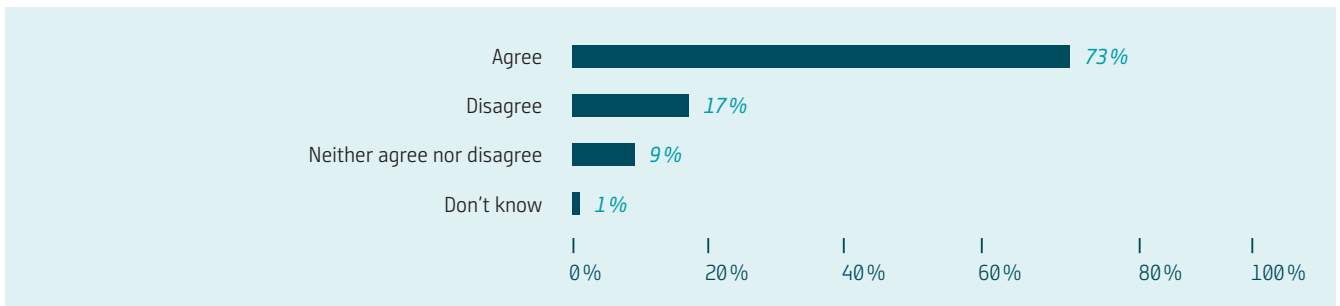
- Nearly three in four (73%) respondents admit that employees throughout their organisation are resistant to the implementation and use of AI, although only one in four (24%) strongly agree this is the case. Only one in six (17%) disagree this is the case.

- Those in banking, aviation or logistics/transport organisations are more likely than those in business/professional services organisations to admit that this is the case (83%, 93%, 82% compared to 47% respectively).

- Those in larger organisations are more likely than those in smaller organisations to admit that this is the case, whether by number of employees (250 or more: 81% compared to fewer than 250: 64%) or annual turnover (over $50 million: 83% compared to up to $50 million: 63%).
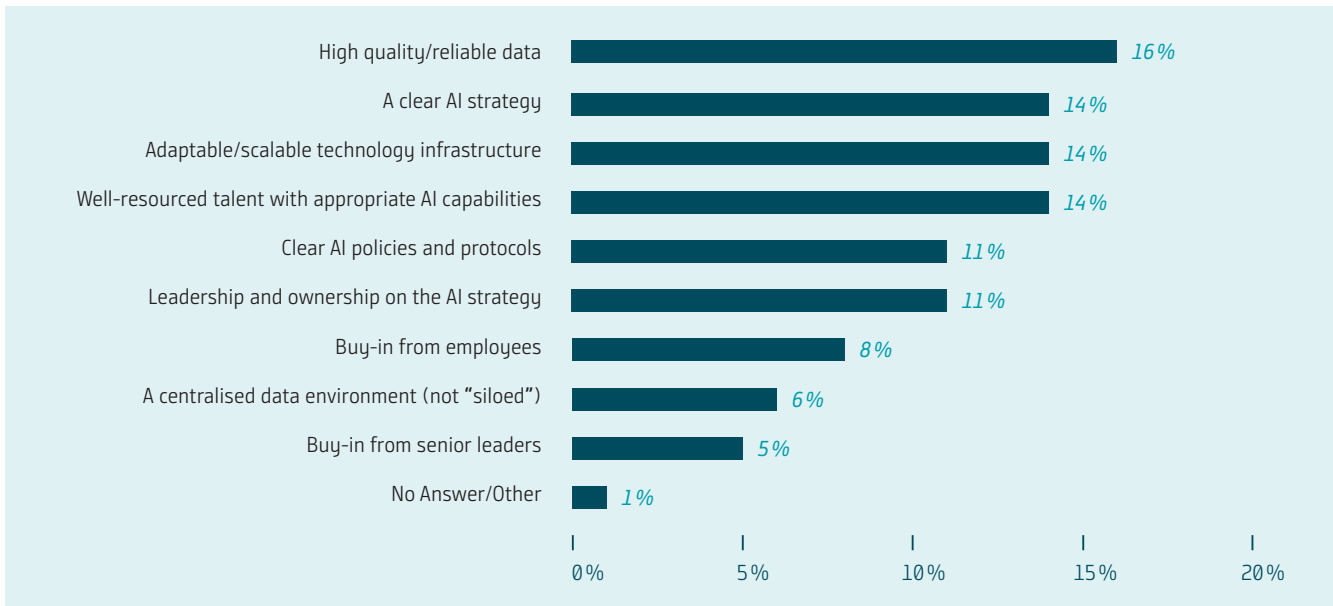
- Those in younger organisations are more likely than those in more established organisations to admit that this is the case (operating for up to 10 years: 80% compared to over 10 years: 70%).

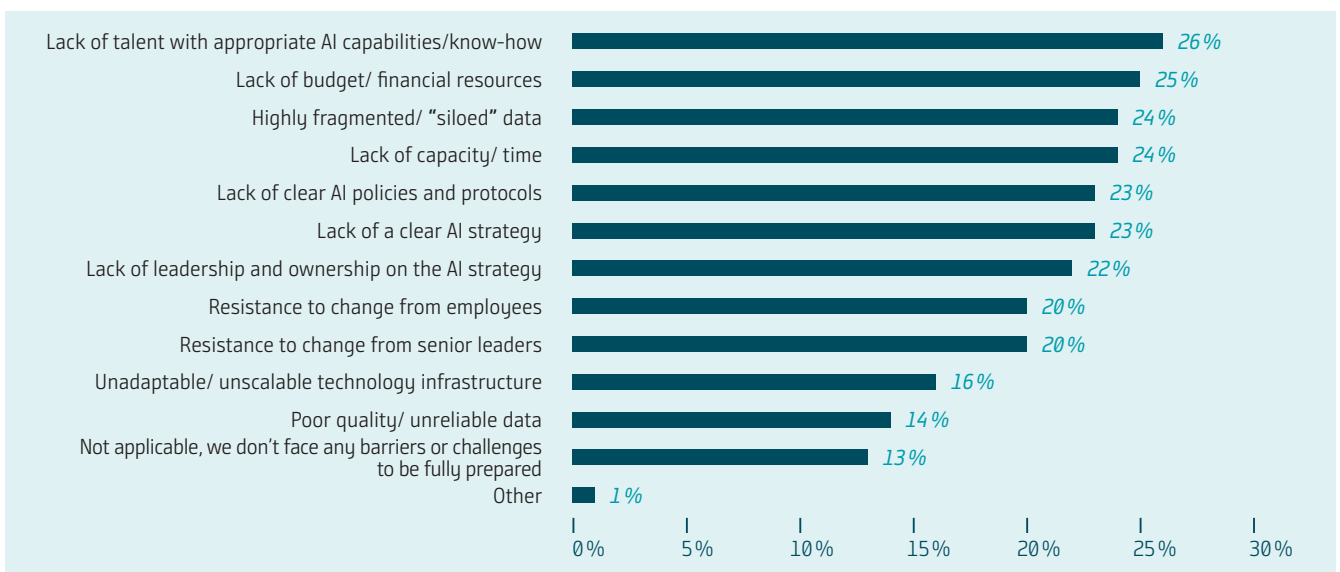# 4.0 KEY ELEMENTS FOR SUCCESSFUL AI IMPLEMENTATION IN AUSTRALIAN BUSINESSES

MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

Element	Percentage
High quality/reliable data	16%
A clear AI strategy	14%
Adaptable/scalable technology infrastructure	14%
Well-resourced talent with appropriate AI capabilities	14%
Clear AI policies and protocols	11%
Leadership and ownership on the AI strategy	11%
Buy-in from employees	8%
A centralised data environment (not "siloed")	6%
Buy-in from senior leaders	5%
No Answer/Other	1%

- Respondents most commonly rank high quality/reliable data (43%), adaptable/scalable technology infrastructure (41%) and a clear AI strategy (39%) as one of the top three most important elements for the successful implementation and use of AI in the organisation.

- These are followed by well-resourced talent with appropriate AI capabilities (38%), leadership and ownership on the AI strategy (37%) and clear AI policies and protocols (34%).

- Others include a centralised data environment (26%), buy-in from employees (20%) and buy-in from senior leaders (19%).

- Those in banking organisations are more likely than those in aviation or business/professional services organisations to cite high quality/reliable data (58% compared to 30% and 37% respectively).

- Those in logistics/transport organisations are more likely than those in business/professional services organisations to cite well-resourced talent with appropriate AI capabilities (45% compared to 27%).

- Having well-resourced talent with appropriate AI capabilities is also more commonly cited by those in larger organisations than those in smaller organisations, whether by number of employees (250 or more: 45% compared to fewer than 250: 29%) or annual turnover (over $50 million: 46% compared to up to $50 million: 28%).

- Those in aviation organisations are twice as likely as those in business/professional services organisations to cite leadership and ownership on the AI strategy (50% compared to 24%). Leadership and ownership on the AI strategy is also more commonly cited by those in organisations with 250 or more employees compared to those with fewer employees (42% compared to 30%).

5.0 BARRIERS AND CHALLENGES TO BE FULLY PREPARED FOR THE SUCCESS- FUL IMPLEMENTATION AND CONTINUED USE OF AI

CHALLENGES FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

Challenge	Percentage
Lack of talent with appropriate AI capabilities/know-how	26%
Lack of budget/ financial resources	25%
Highly fragmented/ "siloed" data	24%
Lack of capacity/ time	24%
Lack of clear AI policies and protocols	23%
Lack of a clear AI strategy	23%
Lack of leadership and ownership on the AI strategy	22%
Resistance to change from employees	20%
Resistance to change from senior leaders	20%
Unadaptable/ unscalable technology infrastructure	16%
Poor quality/ unreliable data	14%
Not applicable, we don't face any barriers or challenges to be fully prepared	13%
Other	1%

- Nearly nine in ten (87%) respondents say their organisation faces at least one barrier or challenge to be fully prepared for the successful implementation and continued use of AI. However, there are no dominant barriers or challenges. · The barriers or challenges include lack of talent with appropriate AI capabilities (26%), lack of financial resources (25%), highly fragmented/'siloed' data (24%), lack of capacity/time (24%), lack of clear AI policies and protocols (23%), and lack of a clear AI strategy (23%).

- Around one in five cite lack of leadership and ownership on the AI strategy (22%), as well as resistance to change from employees (20%) or senior leaders (20%). Fewer cite unadaptable/unscalable technology infrastructure (16%) or poor quality/ unreliable data (14%).

- Those in banking, aviation or logistics/transport organisations are more likely than those in business/professional services organisations to say their organisation faces at least one barrier or challenge to be fully prepared for the successful implementation and continued use of AI (88%, 94%, 93% compared to 63% respectively).

- Those in banking organisations are the most likely to cite highly fragmented/'siloed' data (46%), compared to those in aviation (26%), logistics/transport (17%) or business/professional services (22%) organisations.

- Those in larger organisations are more likely than those in smaller organisations to say their organisation faces at least one barrier or challenge to be fully prepared for the successful implementation and continued use of AI, whether by number of employees (250 or more: 93% compared to fewer than 250: 79%) or annual turnover (over $50 million: 93% compared to up to $50 million: 79%).

6.0 WHAT COULD ASSIST ORGANISATIONS TO BE MORE PREPARED FOR THE SUCCESSFUL IMPLEMENTATION AND CONTINUED USE OF AI?

MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

Element	Percentage
Improved accessibility/availability of data	45%
Improved data quality/reliability	45%
Training for employees	45%
Guidance and support from external consultants	38%
Having the budget/ financial resources	38%
Having well-resourced talent with appropriate AI capabilities/know-how	36%
Training for senior leaders	36%
Having the capacity/time	34%
Buy-in and support from senior leaders	31%
Buy-in and support from employees	29%
Not applicable, nothing could assist our organisation	1%
Other	0%

- Practically all (99%) respondents believe there is at least one thing that could assist their organisation to be fully prepared for the successful implementation and continued use of AI.

- The most common responses are improved accessibility/availability of data (45%), improved data quality/reliability (45%) and training for employees (45%), followed by guidance and support from external consultants (38%) and having the budget/financial resources (38%).

- Others include having well-resourced talent with appropriate AI capabilities/know-how (36%), training for senior leaders (36%), having the capacity/time (34%), buy-in and support from senior leaders (31%), and buy-in and support from employees (29%).

- Those in business/professional services organisations are more likely than those in banking, aviation or logistics/transport organisations to cite training for employees (61% compared to 38%, 41% and 40% respectively).

- Those in organisations with 250 or more employees are more likely than those with fewer to cite improved data quality/reliability (52% compared to 37%), having well-resourced talent with appropriate AI capabilities/know-how (42% compared to 30%) and buy-in and support from senior leaders (36% compared to 24%). · Likewise, those in organisations with annual turnover of over $50 million are more likely than those earning less to cite improved data accessibility/availability (51% compared to 38%), improved data quality/reliability (51% compared to 35%), having well-resourced talent with appropriate AI capabilities/know-how (43% compared to 28%), and buy-in and support from senior leaders (39% compared to 21%).

7.0 INSIGHTS AND RECOMMENDATIONS FROM INFORM

THE FINDINGS OF THIS REPORT HIGHLIGHT CRITICAL GAPS AND CHALLENGES IN AI READINESS AMONG AUSTRALIAN ORGANISATIONS.

Based on these insights, INFORM Software Australia provides the following expert recommendations to help businesses overcome barriers and successfully implement AI:

DEVELOP A COMPREHENSIVE AI STRATEGY:
Define Clear Objectives: Establish specific, measurable goals for AI projects to ensure alignment with overall business objectives. This includes identifying key performance indicators (KPIs) to track progress and success.

Engage Leadership and Stakeholders: Secure commitment from top leadership and ensure active participation from all relevant stakeholders. This will help drive the AI agenda and foster a culture of innovation.

INVEST IN TALENT ACQUISITION AND DEVELOPMENT:
Upskill Existing Workforce: Implement training programs to enhance the AI capabilities of current employees. This can include online courses, workshops, and partnerships with educational institutions.

Attract Top Talent: Develop competitive recruitment strategies to attract AI specialists. Consider offering flexible work arrangements, competitive salaries, and opportunities for professional growth to attract and retain top talent.

ENHANCE DATA MANAGEMENT PRACTICES:
Break Down Data Silos: Invest in data integration solutions to ensure seamless data flow across departments. This can involve adopting data lakes, data warehouses, and employing data governance frameworks.
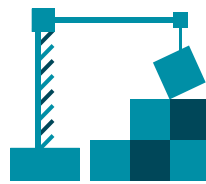
Ensure Data Quality and Compliance: Implement robust data cleaning and validation processes to maintain high-quality data. Regular audits and compliance checks should be conducted to adhere to regulatory standards.

INVEST IN SCALABLE TECHNOLOGY INFRASTRUCTURE:
Adopt Cloud-Based Solutions: Leverage cloud technologies to provide the flexibility and scalability needed for AI applications. This will allow organisations to handle large datasets and complex computations efficiently.
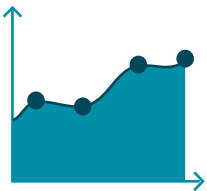
Implement Advanced Analytics Platforms: Use AI and machine learning platforms that offer advanced analytics capabilities. These platforms should support the integration of various AI models and algorithms to address diverse business needs.

FOSTER A CULTURE OF INNOVATION AND COLLABORATION:

Encourage Cross-Functional Collaboration: Promote collaboration between IT, data science, and business units to drive AI initiatives. Establish cross-functional teams to work on AI projects, ensuring diverse perspectives and expertise are utilised.
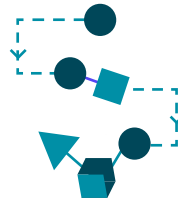
Incentivise Innovation: Create incentives for employees to contribute to AI projects and innovation. This can include recognition programs, innovation grants, and dedicated time for employees to work on AI-related initiatives.

ADOPT A PHASED APPROACH TO AI IMPLEMENTATION:

Pilot Projects: Start with pilot projects to test AI solutions on a smaller scale before full deployment. This allows organisations to learn from initial implementations and make necessary adjustments.

Scale Gradually: Gradually expand successful AI projects across the organisation, ensuring that lessons learned are applied to future implementations. This phased approach reduces risks and increases the likelihood of successful AI adoption.

MONITOR AND EVALUATE AI PERFORMANCE:

Continuous Monitoring: Establish systems to continuously monitor the performance of AI applications. Use real-time analytics to track KPIs and identify areas for improvement.

Regular Evaluations: Conduct regular evaluations to assess the impact of AI on business operations. Use these evaluations to refine strategies and ensure that AI continues to deliver value.

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.

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