IBM UK Newsroom

Half of firms expect AI to transform their industry

A CBI survey in association with IBM reveals that while many UK firms lead the way, the digital gap grows bigger

London, UK - 24 May 2017: Nearly half of firms believe the current wave of Artificial Intelligence will be transformational and widespread; fundamentally transforming the industry and markets they work in. However, only a third feel their business has the skills to adopt data-driven technologies, so the UK must act quickly to bridge the knowledge gap as international competition heats up.

A CBI survey of 160 businesses in association with IBM reveals that while many UK firms are leading the way on technological developments – with growing numbers planning to invest in Artificial Intelligence - the risk of the digital gap widening for many other firms is all too real. The survey finds:

- Technologies like cloud which were seen as niche just a few years ago have matured to now underpin much of the UK business infrastructure. Investments over the last 12 months – Cloud (73%), Mobile Technology (79%) and security (71%)
- Artificial Intelligence (AI) investment is gaining momentum with 42% of companies planning to invest over the next five years (Internet of Things – 42% / Advanced Analytics – 51%)
- That's on top of the one in five companies (21%) who already invested in AI during the past 12 months
- The AI wave will be transformational and widespread, half (49%) of business believe it will fundamentally transform their industry/ market.

Josh Hardie, CBI Deputy Director-General, said:

"Innovation in business is essential for advanced economies such as the UK. It is the chief driver of sustainable economic growth and a major source of productivity gains. It also pulls in overseas investment, supporting thousands of jobs across the country.

"British businesses are directing resources into new technology, with cloud, mobile and security investments forming the UK's digital backbone. But a major shift is on the horizon as Artificial Intelligence gains momentum with half of firms believing their industry will be completely transformed by it in the years to come.

"The digital gap risks becoming a chasm with Artificial Intelligence set to transform the face of UK businesses."

On the shifting innovation landscape, he said:

"Innovation by its very nature is global and when we look outwards, it is clear the world stands on the brink of technology-driven change. A change that will arguably be bigger than Brexit.

"New business models, digitally enabled trade and automation will pose real and tangible challenges to how we do business. New innovations, like AI, will transform the relationship between businesses, citizens and government.

“Today it’s more important than ever that we listen to each other. We must remember that citizens are concerned about how we can manage new technology, in a world where the pace of change can mean some people feel left behind. This is an important message for business and policy-makers alike.

“If we ignore these voices and only appeal to innovation-hungry pioneers, then we’ll fail to bring people with us.”

David Stokes, recently appointed Chief Operating Officer, IBM Europe and co-sponsor of the research, said:

"As we enter a new era of cognitive technology British businesses have an opportunity to make Artificial Intelligence part of their vision for the future. We are currently at a tipping point where Artificial Intelligence is becoming mainstream so now is the time for the country to gain global leadership by seeing it as a creator of economic value. As our country gets ready to forge a new direction we have a tremendous opportunity to seize an early competitive advantage, as highlighted by the survey, in an increasingly inter-connected and digital world.”

Other key survey findings, included:

- Firms believe AI can lead to greater efficiency (78%) and profits (68%). Benefits to consumers (71%) are big leading theme but also collaboration (70%).
- A third of respondents (34%) self-categorise themselves as digital pioneers - labelling themselves as early adopters and digital innovators. Over a quarter (27%) saw themselves as followers of the digital revolution in business, typically waiting for technology to become mainstream before adopting
- Yet many businesses risk being left behind, 52% of pioneers have already invested in AI while 47% of ‘followers’ do not plan to invest in AI at all
- Skills (45% major), security (37% major,) and investment (37% major) are the three big themes holding back AI uptake in the UK.

The survey results were launched at the CBI’s Innovation Conference 2017, held at the Renishaw Innovation Centre in Gloucestershire.

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