Generating growth

How generative AI can power the UK's reinvention

accenture

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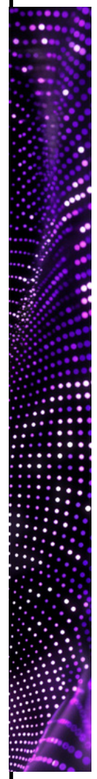

Preface

The UK is now a nation of potential innovators. Large Language Models (LLMs), like ChatGPT, put advanced skills at everyone's fingertips. If government and business leaders can harness this, it could lead to a new era of growth.

Realising the value of generative AI (gen AI) will not come easy. When I speak to CEOs and leaders across industries, it's clear progress has been made. But getting to scale is proving a challenge. Based on current executive choices, the UK could leave nearly half a trillion pounds in economic value on the table in the next 15 years.

At Accenture, we've been working with clients to navigate this complex terrain—and of course, Accenture is on its own journey of reinvention with AI, too. Though each organisation's journey is unique, one thing is clear: those at the forefront are shifting from productivity-focused use cases to positioning gen AI at the heart of their growth strategies.

The good news is this: The foundations clients have been building through their digital transformations are exactly what is needed to scale gen AI. With this technology, we can now complete the sentence of the digital age. Organisations that can connect modernised tech foundations to a forward-thinking vision for the future will emerge as true leaders.

At the heart of this is taking a people-centric approach. Our analysis shows this will lead to greater economic upside. We need to shift our thinking from AI to IA—Intelligence Augmentation. The conversation on talent often moves too quickly to job displacement, rather than how to use the technology to amplify human abilities and brilliance. Creating an environment for humans and machine to best work together is no longer a choice; it is a responsibility. A landmark shift in digital training will be crucial to achieving this, with executives anticipating the need to reskill 20 million people.

In the right hands, gen AI is a catalyst for reinvention. So, whether you're just starting out or already on your AI journey, this report offers the formula to deploy gen AI successfully, responsibly and with real impact.

We've already had a glimpse of how gen AI may change how we live and work: a future reimagined. Now all of us—from employees to business leaders to government—hold the responsibility to translate the promise into reality and deliver broad-based growth for the UK.

Shaheen Sayed
CEO, Accenture, UK, Ireland and Africa

Executive summary

Gen AI presents a bigger opportunity for the UK than any other G7 country.

The technology could almost double the UK's long-term growth rate over the next 15 years (to 2038) and deliver a larger economic impact compared to the other 22 countries we analysed.

But there is no guarantee the full potential for productivity and growth will be realised. A people-centric approach is required that puts the emphasis on using gen AI to amplify human abilities. Too few organisations are taking this approach today. Without strategic intervention, £485 billion in economic value could be left untapped by 2038—an amount equivalent to double the country's current annual healthcare spending.[1]

Fixing the triple fracture

The UK has built strong foundations for the age of AI—but the cracks are beginning to show.

A **delivery gap** is opening as organisations struggle to move their use of gen AI beyond proofs of concept. Of the organisations that have piloted gen AI, most (89%) have not scaled its use across their business.

Many workers still lack even basic digital skills and access to the training needed to develop them, signalling an inhibiting **skills gap**. Around 20 million people—62% of today's workforce—need reskilling. Executives report that less than half (43%) of their workforce is confident in the digital fundamentals required for work. A surge in digital skills training is needed, and urgently.

Finally, a **trust gap** is emerging between employees and executives, impeding adoption. Only a third (33%) of people expect business leaders to be responsible and make the right decisions to ensure gen AI has a positive impact on the UK, and even fewer (27%) trust the government to do so.

Make AI a multiplier

Closing these gaps requires a people-centric approach. Three quarters of the nation's workforce could see at least a third of their working hours enhanced by the current state of the technology. Our economic modelling forecasts that when employees are empowered to innovate and identify new opportunities, financial gains are greatest. Yet, three out of five executives are prioritising investments in process automation that cut costs in the short-term over ones that transform people's roles for the long-term.

There is a real optimism among UK workers about the impact of AI. Three times as many people think gen AI will accelerate, rather than decelerate, their career progression. Many are moving ahead of their organisations: half of the people using gen AI at work are self-starters who are using tools they procured themselves. More needs to be done to harness this enthusiasm.

A formula for success

Nearly one in 10 (9%) organisations are using gen AI at scale, so we know it can be done.

What should public and private sector leaders do over the next 12 months to put their organisations—and the UK economy—at the forefront?

Based on delivering more than 1,000 global gen AI projects, we see a formula for success emerging. In this report, we outline the five imperatives behind that formula and how it can accelerate the UK's AI-powered reinvention: lead with value; understand and develop an AI-enabled, secure digital core; reinvent talent and ways of working; close the gap on responsible AI; and, drive continuous reinvention.

The elements of the formula are mutually reinforcing, so shouldn't be applied in isolation. Strategic alignment between technology, talent, governance and value roadmaps is essential. Our modelling estimates an organisation is four times more likely to succeed in scaling the use of gen AI if coordinated action is taken towards the five imperatives simultaneously.

> **Over the past 18 months, gen AI has captured imaginations; now, with this formula, it can deliver results**

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This report was a collaborative effort between our Data and AI team based in the UK, supported by our research team:

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About the research

We took a multi-pronged approach to researching the UK's gen AI-powered reinvention. The report is based on:

Economic modelling to forecast the potential impact of gen AI on productivity and growth for the economy, organisations and people. We mapped out the future growth trajectories under three different AI deployment scenarios: aggressive, cautious and our proposed people-centric approach.

Surveys conducted with 3,752 employees and 1,085 executives from public and private sector organisations in the UK. The samples covered 19 industries and included different demographic groups by geography, company size and socioeconomic background. The employee survey looked at UK workers' experiences with gen AI. The executive survey looked at leaders' perceptions of the AI ecosystem, their investments in gen AI and their AI strategy. The surveys were conducted in July and August 2024.

Interviews, client experience and case studies, drawing on insights with leaders from across the AI ecosystem, including large technology providers, industry, government and civil society.

Further details on the research approach can be found at the end of the report.

The generative AI opportunity: For people, organisations and the economy

The gen AI state of play

Figure 1. Welcome to the age of generative AI

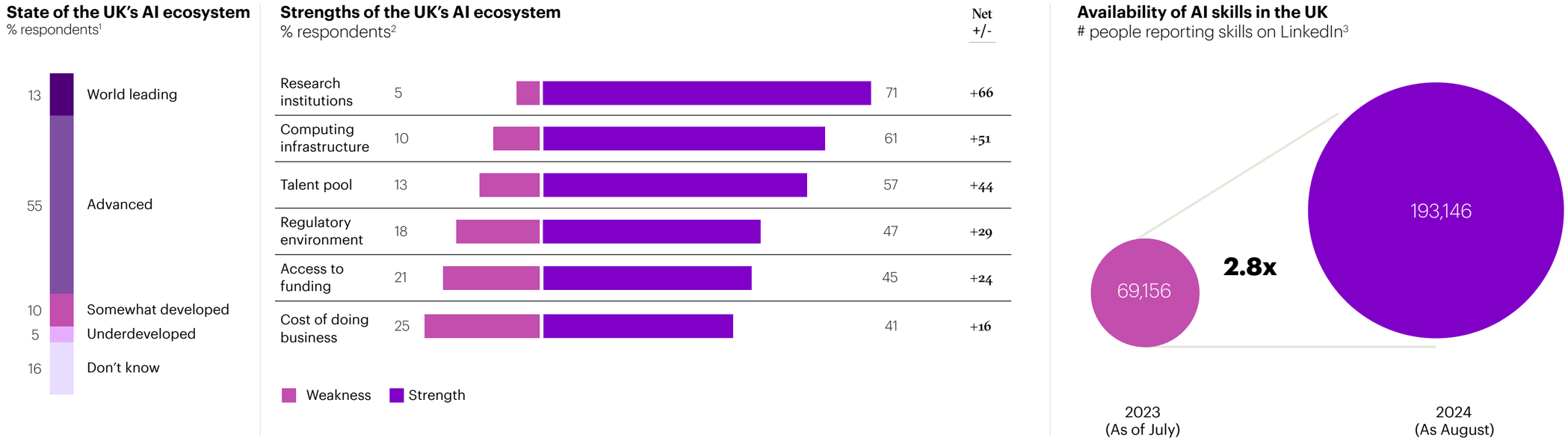
Right here, right now

This is a pivotal moment. Gen AI is going to have a profound impact on how we work and live, more so than any other recent technological advancement. It has the power to reshape industries and multiply workforce capabilities. The steps individuals, business leaders and policy makers take now, will set the trajectory for the UK in the years—and even decades—to come.

We are only at the start of the S-curve (a model showing a technology's adoption from slow growth to rapid rise and eventual saturation), but the potential is already evident. Drug design and development company Exscientia has cut drug discovery times by 70%.[2] AI video communications platform Synthesia enables anyone to change written content into studio-quality videos, voiced by AI avatars in over 140 languages.[3] Wayve, a company developing autonomous driving technology, has pioneered a vision-language-action model (VLAM) that explains to passengers how its AI 'thinks' and makes driving decisions, increasing transparency and user trust.[4]

These startups are not examples from Silicon Valley or Shenzhen—they're based here in the UK. In fact, around one in four gen AI startups in Europe are based in London.[5] These organisations—alongside the almost 200,000 UK residents we estimate have AI skills—form part of an AI ecosystem that most executives (68%) surveyed describe as advanced or world-leading (see Figure 2).

Figure 2. The UK's AI ecosystem has strong foundations



1. Respondents were asked: How would you describe the UK's AI ecosystem? AI ecosystem was defined as: the network of organisations, resources and stakeholders involved in the development of AI technologies, including government entities, companies, research institutions and support structures such as funding infrastructure, regulatory frameworks and talent pools that collectively contribute to the growth and development of AI. Accenture UK AI business leader survey, fielded July-August 2024.
2. Respondents were asked: Would you consider each of the following as either a strength or a weakness of the UK's AI ecosystem? Data for "neither strength nor weakness" is not shown. Accenture UK AI business leader survey, fielded July-August 2024.
3. Accenture UK Tech Talent Tracker based on data from LinkedIn Professional Network.

Impact from self to society

The UK's strong foundations position it to become a global leader in the gen AI era. With a high share of services and knowledge-based industries—sectors where the technology can have the greatest impact—the potential benefits for the UK's economy, organisations and people are significant.

Our research brings into view the size of the prize:

For the economy

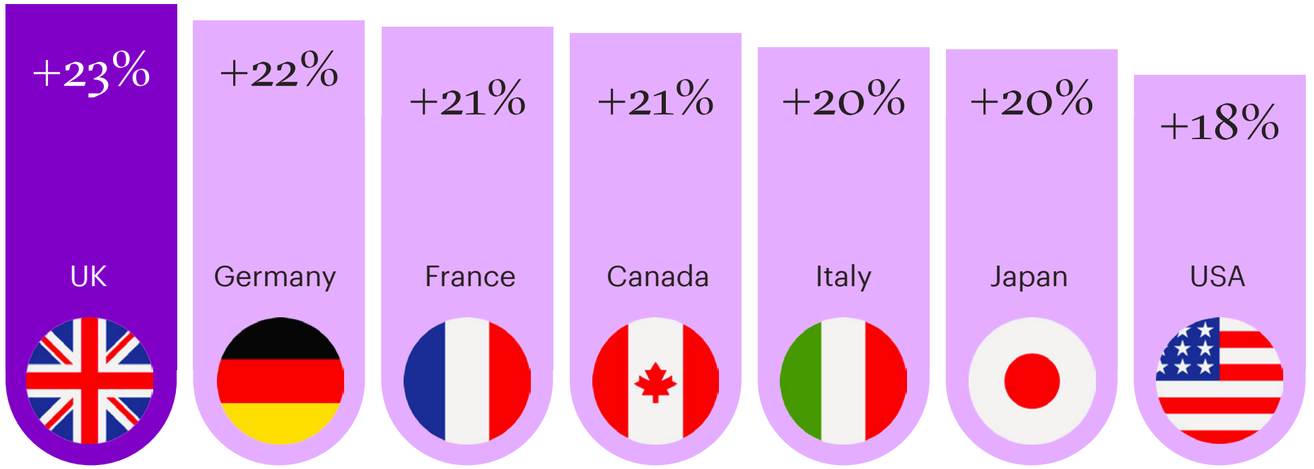
We model that gen AI could:

- Add up to £736 billion to annual UK GDP in 2038—this amounts to a 23% increase to the baseline forecast for 2038.
- Shift average annual real GDP growth for 2023–2038 from a baseline forecast of 1.6% to 3.0%, representing an 89% boost to the UK's long-term growth rate.

Gen AI is forecast to benefit the UK economy more than that of any other G7 nation (see Figure 3).

Figure 3. The UK has more to gain from generative AI than any other G7 nation

Annual GDP gains in 2038 compared with non gen AI baseline
%



Source: Accenture Research, simulated GDP growth under three scenarios. GDP gains shown for People-Centric scenario. Oxford Economics GDP forecast used as the baseline.

For organisations

The more than 5 million businesses that make up UK plc, alongside public sector organisations that deliver citizen services and shape the corporate environment, are the agents for creating the conditions for growth.[6]

A double-digit productivity uplift could be achieved across the private and public sectors, based on the current state of the technology. The sectors that are amongst the most important to the UK's economy, such as financial services, have the most to gain (see Figure 4).

If the productivity benefits are translated into cost savings, the gains could be substantial. Across all industries analysed, total annual savings could reach £166.7 billion if the full potential of today's technology to automate and augment work is realised.

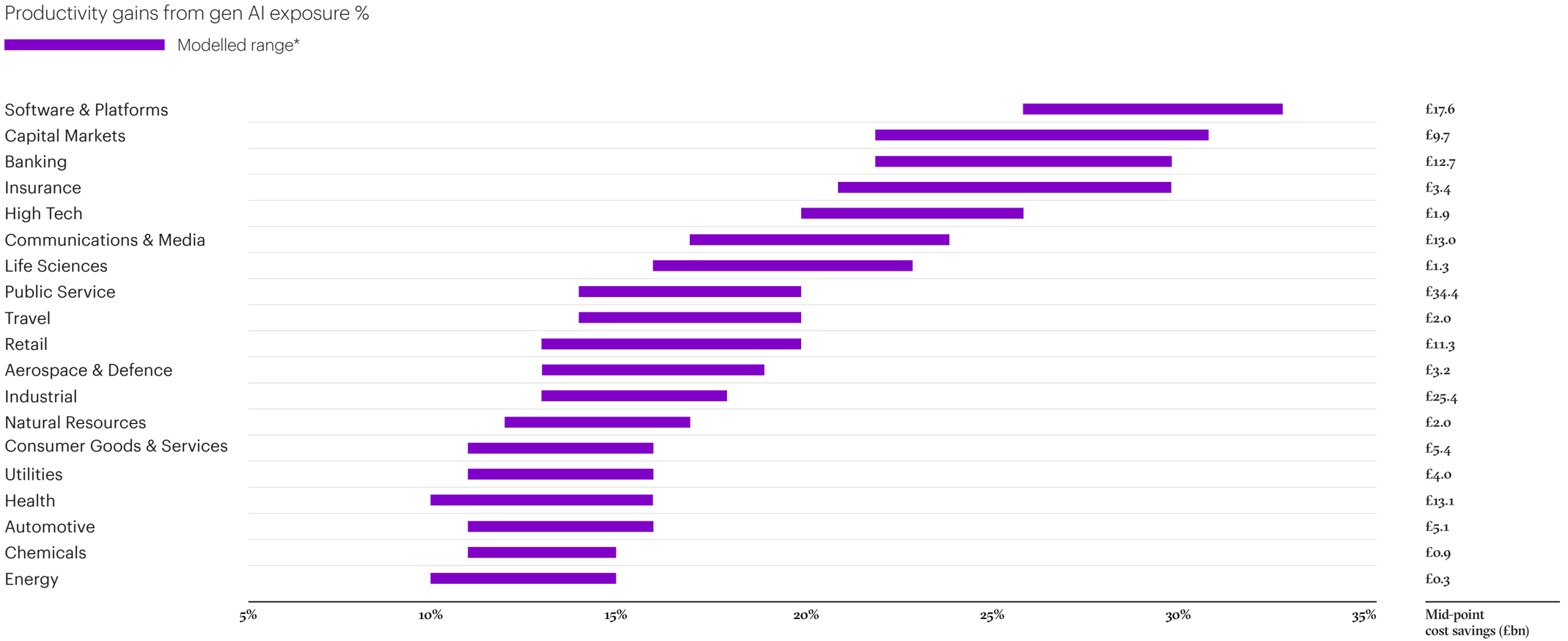
Nowhere is this opportunity bigger than in the public sector. We estimate that 47% of working hours in the UK public sector (excluding healthcare) could be enhanced by gen AI (either through automation or augmentation). This translates into a potential productivity gain of 14–20% that, if realised, could result in £34.4 billion in annual savings, equivalent to more than the annual expenditure on primary school education.[7]

We estimate that

47%

of working hours in the UK public sector (excluding healthcare) could be enhanced by gen AI (either through automation or augmentation).

Figure 4. Potential productivity gains could be 30%+ across the financial services and tech sectors



Source: Accenture Research based on ONS and US O*net. Lower and upper bound based on potential hours saved by occupation valued at annual occupation headcount.

Gen AI isn't just a productivity play—it creates new avenues for growth. In the second quarter of 2024, AI startups attracted 31% of all venture funding in the UK. This is nearly three times the amount compared to the same period in 2022, before ChatGPT's public release.[8]

A significant proportion of the growth opportunity comes from the build out of AI's foundations. In the race for AI supremacy, leading technology companies are building infrastructure akin to the expansion of the electric grid in the early 20th century. Just as electricity transformed industries and powered global economies, gen AI is poised to drive the next wave of innovation. Analysts estimate over a trillion dollars will be spent globally on AI infrastructure over the next five years, as companies compete to 'own the grid' of this new technological era.[9]

Over time, the effective use of gen AI will become an increasingly important source of competitive advantage. We analysed earnings calls from 1,300 global companies with revenues exceeding £750 million to assess the extent to which they cited efforts to build competitive advantage using gen AI. Our analysis revealed that companies actively pursuing this strategy delivered a 10.7 percentage point total return to shareholder (TRS) premium in 2023 compared to those that did not, even after controlling for company size, headquarters location and industry.[10]

Gen AI's performance premium offers both opportunities and risks for incumbent organisations. Leveraging it effectively—by tapping into unique data sets from existing customer relationships, for instance—can provide an 'intelligence advantage' that boosts returns. Failing to do so, however, could leave you vulnerable to disruption from a new generation of AI-first companies. Survey responses from small and medium-sized businesses (SMBs) hint at future trends. While SMBs only slightly trail large companies in AI adoption, their satisfaction levels are notably higher. In fact, 86% of SMB executives are satisfied with their return on investment (ROI), compared to 75% of executives from large corporations. This may reflect SMBs' agility and fewer legacy constraints. For instance, SMB leaders are less likely than those in large multinationals to cite their technology platform as a significant barrier to scaling gen AI.

Gen AI can close the capability gaps that typically favour large companies. Today, platforms like Jasper enable SMBs to access services such as marketing content creation at low cost. In the future, agentic AI—autonomous systems that make independent decisions and take actions to achieve specific goals—may enable SMBs to autonomously run entire business processes. Startups are already developing customisable AI agents capable of handling customer inquiries, managing workflows and resolving issues across multiple channels.

For people

By harnessing individual human potential, organisations will realise the most benefits.

No current technology has the potential to have a bigger impact on our working lives than AI. Three in four people in the UK could have at least a third of their working hours enabled by the technology, either through automation or augmentation.

Automation will save people time, taking tedious tasks off human hands. Our modelling suggests the average UK worker could save 18% of their working hours spent on routine activities. A doctor, for example, could save five hours a week while a commercial sales rep could save twelve hours a week.

The time saved could be reinvested in the higher-value work people enjoy doing. Creativity is the most underutilised skill in the UK: 26% of people we surveyed say they aren't currently applying their creativity at work. With gen AI, the average UK worker could increase the time they spend on creative tasks by 13%.[11]

The benefit of augmentation will be accrued not just in time but in quality. Imaging tools, for example, could help medical teams make quicker and more accurate diagnoses. Early pilots shows that AI could help the National Health Service (NHS) almost halve diagnosis times for stroke patients.[12]

Gen AI could also help address talent gaps. Investment in vocational training in the UK is 20% below the peak seen in the early 2000s.[13] This is contributing to a shortage of people in areas such as health and social work.[14] Gen AI can help address these skill shortages quickly. One interviewee described how a gen AI tool streamlined onboarding for new carers, enabling them to reach the top 20% of performers within six weeks. Workers recognise this potential—over three times as many survey respondents expect gen AI to accelerate rather than slow their career progression.

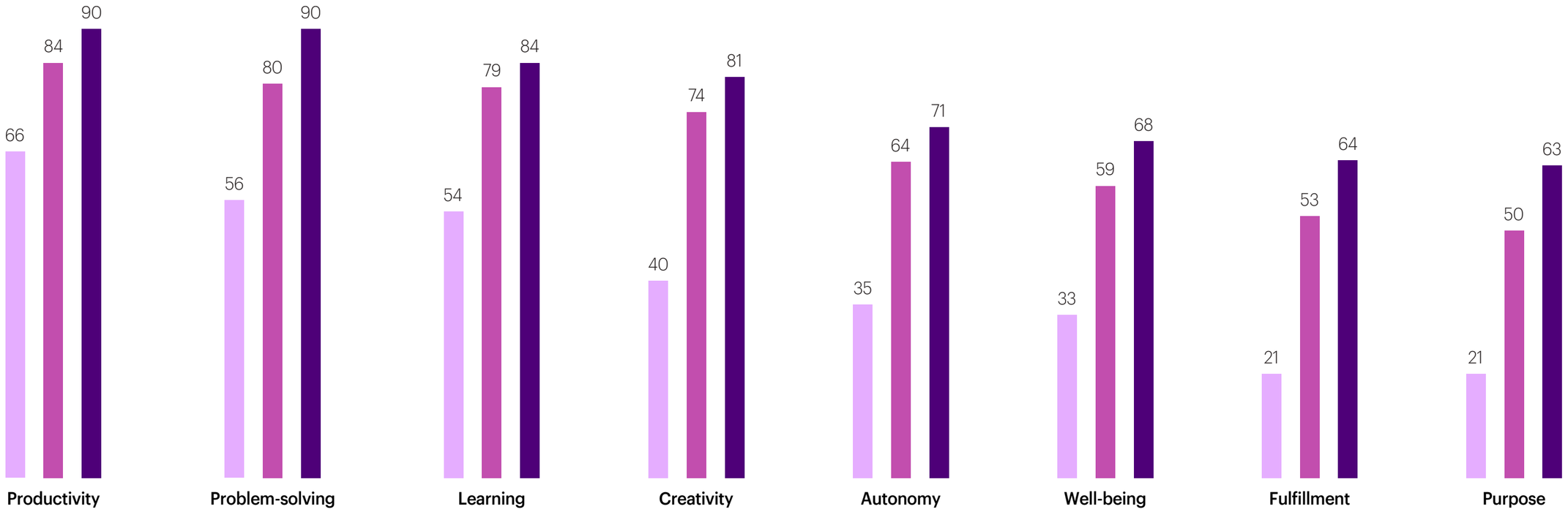
As people spend more time doing work they enjoy and doing it well, gen AI could help in a more profound sense by improving the overall experience of work. In an experiment with our own sales team, we found that gen AI didn't just result in marked increases in productivity but also grew peoples' confidence (+34%) and their belief they were making a meaningful impact (+31%).[15] Gen AI added to their job satisfaction rather than subtracted.

We see similar findings in our survey. UK workers recognise gen AI will be important to their productivity and problem-solving. But they also anticipate the technology will benefit their autonomy and sense of purpose (see Figure 5). Familiarity with the tools reduces anxiety, as employees recognise how the technology complements their existing skills and helps them perform tasks more effectively. Daily 'power users' of the technology were more than twice as likely to expect gen AI to be important to both their creativity and fulfilment from work, relative to irregular users.

Figure 5. People anticipate broad benefits from gen AI—their expectations increase as they use the tools more

Workers' level of gen AI use (of those with access to the tools), % respondents[1]

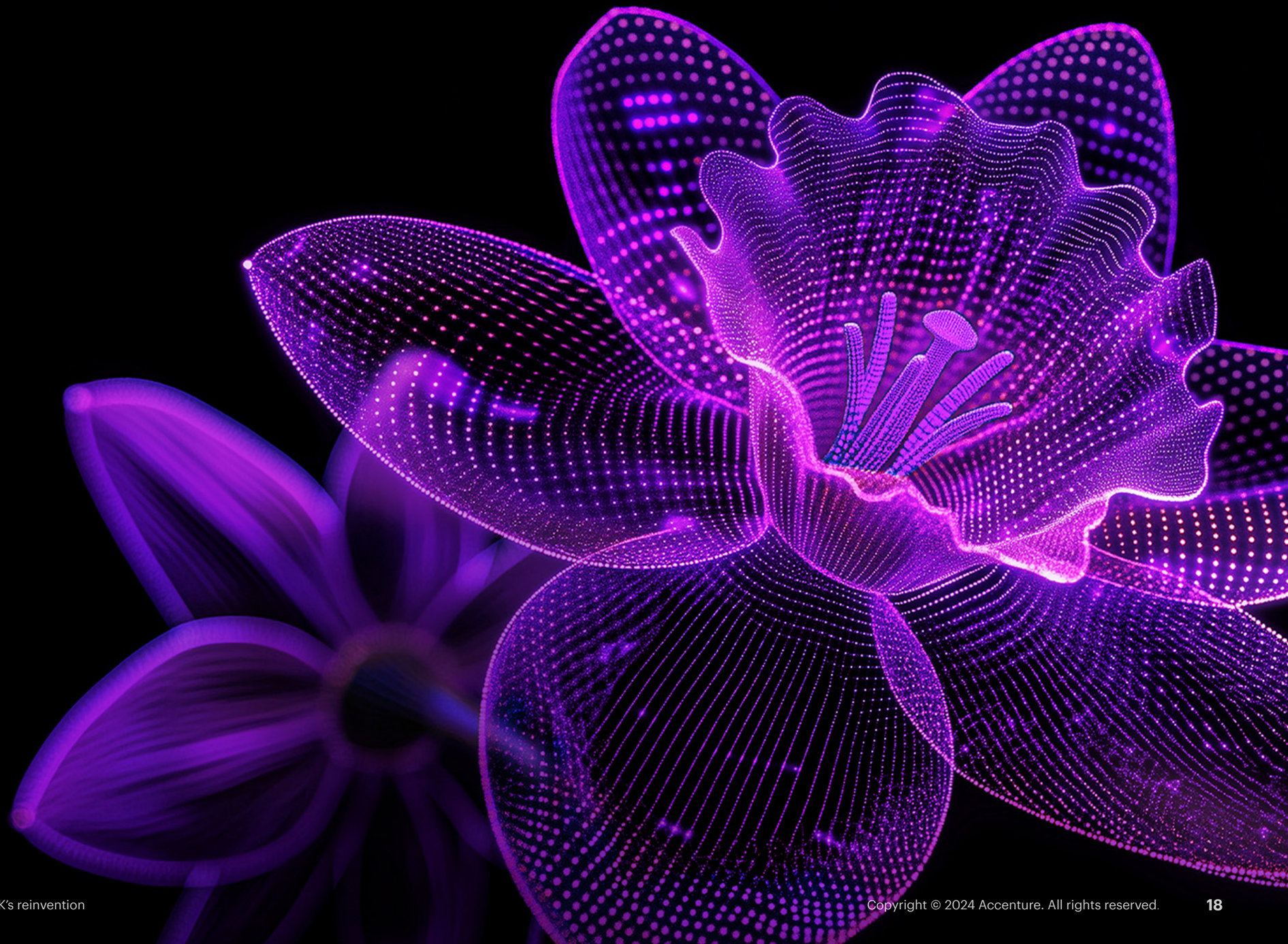
Share of workers that anticipate gen AI will be important to their work experience, % respondents by level of gen AI use[1]



1. Irregular users are respondents who never or rarely use the gen AI tools available to them. Light users use the tools often (at least once a week) or sometimes (once a month). Power users use the tools every day.

Source: Accenture UK AI employee survey, fielded July-August 2024.

The UK's progress



Mind the gap

While the UK has laid strong foundations for the AI opportunity, it is not yet positioned to fully realise its potential.

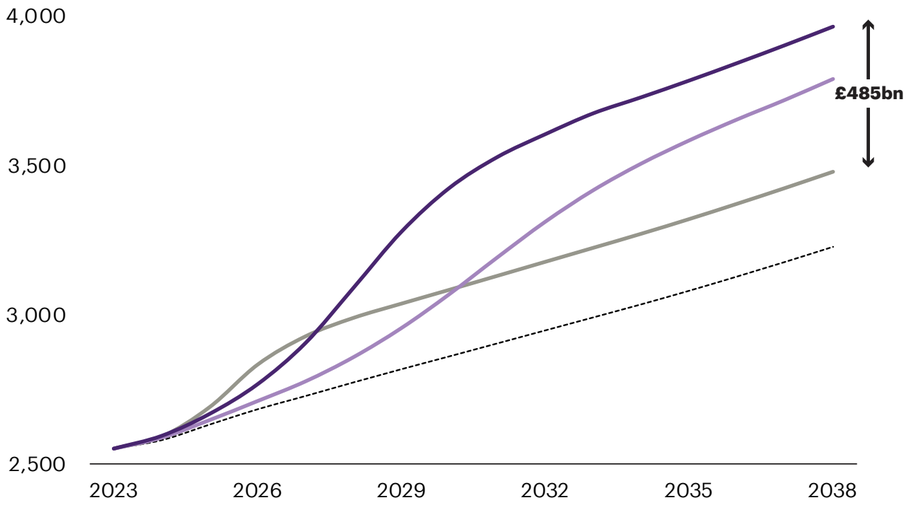
Our survey of business leaders examined which of the three economic growth scenarios we modelled aligns most closely with the UK's current trajectory.

In our most optimistic, 'people-centric' scenario, organisations harness gen AI to automate routine tasks, redirecting the time saved into higher-value activities. In contrast, in our 'aggressive' scenario, companies prioritise cost-cutting, with workers finding themselves in less dynamic roles (or unemployed) after being displaced, which stifles growth and exacerbates inequality (see 'Further details on the research' for more on these scenarios).

On current trends, the UK is leaning toward the lower end of the growth spectrum—closest to our 'aggressive' scenario—potentially leaving £485 billion in economic value untapped (see Figure 6).

Figure 6. Based on the decisions being made today, the UK is running closest to our low-end economic scenario, potentially leaving £485bn in value on the table

UK economic growth simulation, 2023-38
GDP in £ billions (constant prices)



Scenario	GDP gain vs. baseline by 2038	GDP CAGR premium vs. 1.58% baseline	GDP gain as a share of baseline
People-centric	£736bn	+1.4pp	+22.8%
Cautious	£561bn	+1.1pp	+17.4%
Aggressive	£251bn	+0.5pp	+7.8%
Baseline			

Source: Accenture Research, simulated GDP growth under three scenarios. Oxford Economics GDP forecast used as the baseline. Exchange rate is based on the period average (USD per Pound), Oxford Economics

Triple fracture

What is contributing to the lost potential?

We identified three points of tension where gen AI deployment is strained:

A delivery gap

In 2024, survey respondents expect gen AI to account for 10% of their technology spend, rising to 15% in 2025. That investment has yet to translate into scaled deployment. While 79% of executives report their organisations have at least piloted gen AI in one or more parts of their business, only 9% have scaled the technology (with use cases in production in more than half of their business functions). Many lack the foundations needed to scale. Fewer than one in four (24%) executives, for example, feel confident that their organisation's technology capabilities meet the requirements to successfully scale gen AI.

Where gen AI is being implemented, the focus tends to be on the bottom line. Three out of five executives are prioritising investments in process automation that cut costs over initiatives that augment people's roles and transform how they work.

These trends are mirrored among workers. Although 43% of UK employees have access to gen AI tools to support their work, only 19% use them at least once a week. Even fewer (7%) are applying the tools to critical decision-making or high-impact analysis.

We see regional disparity in levels of gen AI deployment. Organisations outside London plan to invest a third less in the technology. While 63% of London-based employees have access to gen AI tools, only 38% of employees elsewhere in the UK do. And business leaders in the capital report using the technology in around 50% more of their business operations.

Given gen AI's potential to drive productivity and growth, there is an urgent need to level up its adoption nationwide.

A skills gap

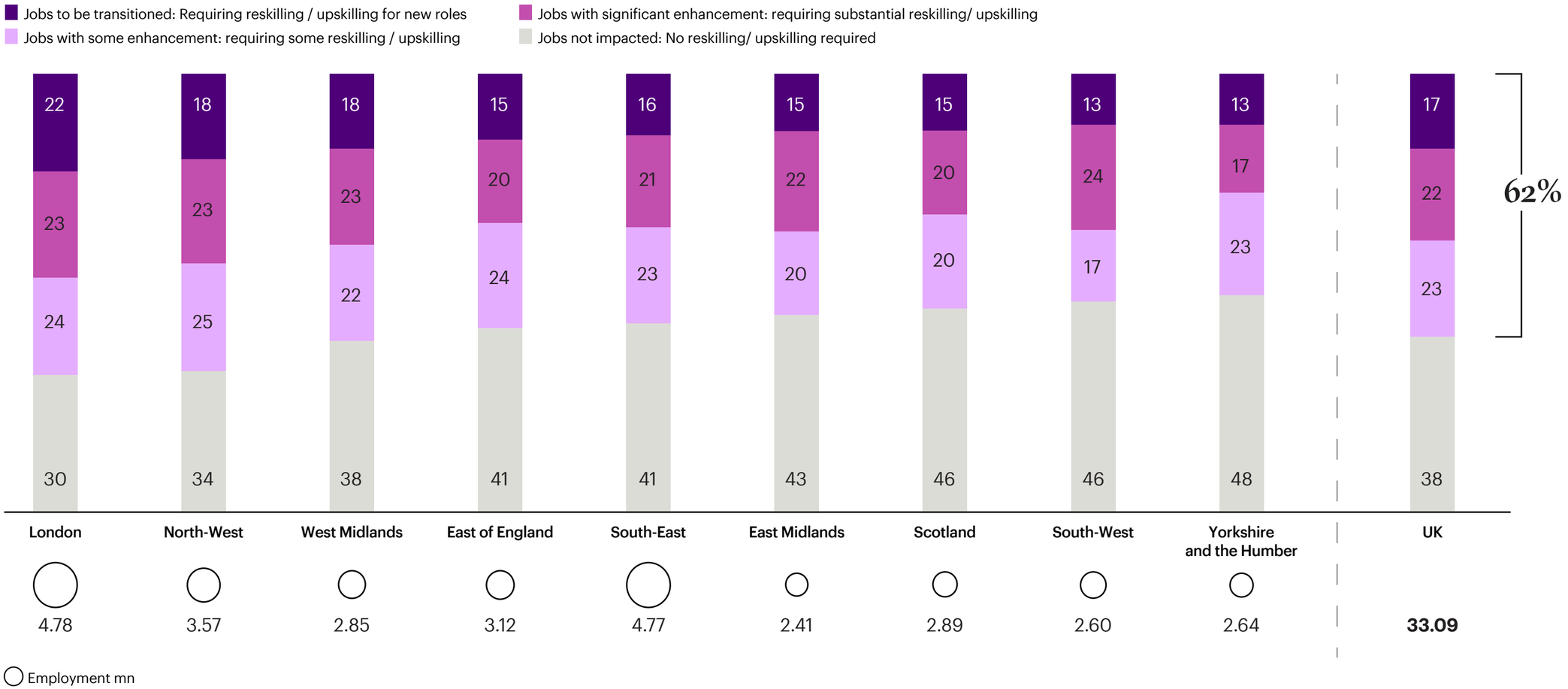
A landmark shift in digital skills training is essential to unlock the benefits of gen AI. The executives we surveyed estimate that 62% of their workforces will require reskilling—equivalent to roughly 20 million people (see Figure 7). For some, this will involve developing technical skills such as AI engineering. For most, it will focus on training to collaborate with AI systems.

63%

of London-based employees have access to gen AI tools; only 38% of employees elsewhere in the UK do.

Figure 7. Executives estimate that 62% of their workforces will require reskilling due to gen AI

Expectations for how gen AI will change roles at organisations by the UK, by select region
% of current job roles[1]



1. Respondents were asked: How, if at all, do you expect generative AI to change job roles at your organisation? (Please estimate what proportion of current job roles you expect to fall into the following categories by distributing 100% points across the options listed. Not all regions are included due to insufficient sample size.

Source: Accenture UK AI employee survey, fielded July-August 2024. ONS current employment levels. Apr-Jun 2024.

Despite leaders expecting gen AI deployment to require a significant uplift in skills, less than half (45%) report that their organisations have increased training on either gen AI fundamentals or technical skills in the past year.

Many workers still lack even basic digital skills or access to the training needed to develop them. Executives estimate that less than half (43%) of their workforce is confident in the digital fundamentals required for work. At the same time, nearly one in five workers (17%) report not having received any digital skills training in the last two years.

Many (40%) say they are pushed to use new technology they haven't been trained on.

Regional disparities can be seen here too. Londoners are both more likely to have access to training opportunities and are more willing to pursue them. Over the past 12 months, more than 60% of organisations in London have increased training on gen AI skills, compared to only 40% in other regions. And when considering the potential impact of gen AI on their work, 64% of London-based employees are likely to consider reskilling, compared to less than half (46%) of those based outside the capital.

A trust gap

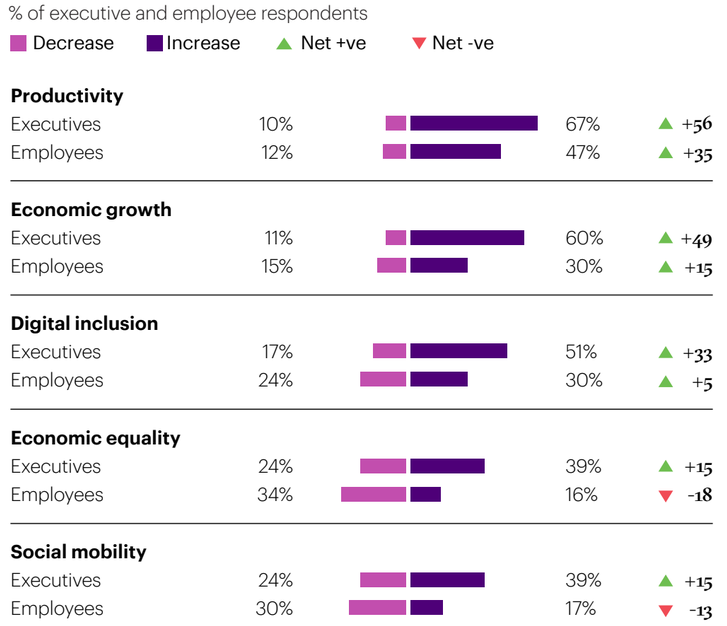
As we highlighted in our previous research report, ***Work, workforce, workers: Reinvented in the age of generative AI,*** transparency and trust are required for people to adopt gen AI tools. That research revealed a trust gap between workers and leaders.

Almost a year later, we find the trust gap persists. Trust and user acceptance was the fourth most common barrier cited by organisations to scaling the use of the technology, behind data security and privacy concerns, quality and accuracy concerns and the cost of implementation. Few workers have confidence that government (27%) or business leaders (33%) will make the right decisions to ensure gen AI has a positive impact on the UK. Trust levels in the government range from as low as 17% in the South West to as high as 42% in London.

Expectations around the value gen AI can deliver—whether in boosting economic growth, equality or employment—differ significantly between employees and leadership (see Figure 8). This disparity highlights concerns about social inclusion and employee rights, underscoring the trust gap. If not addressed, these issues could undermine the potential benefits of gen AI.

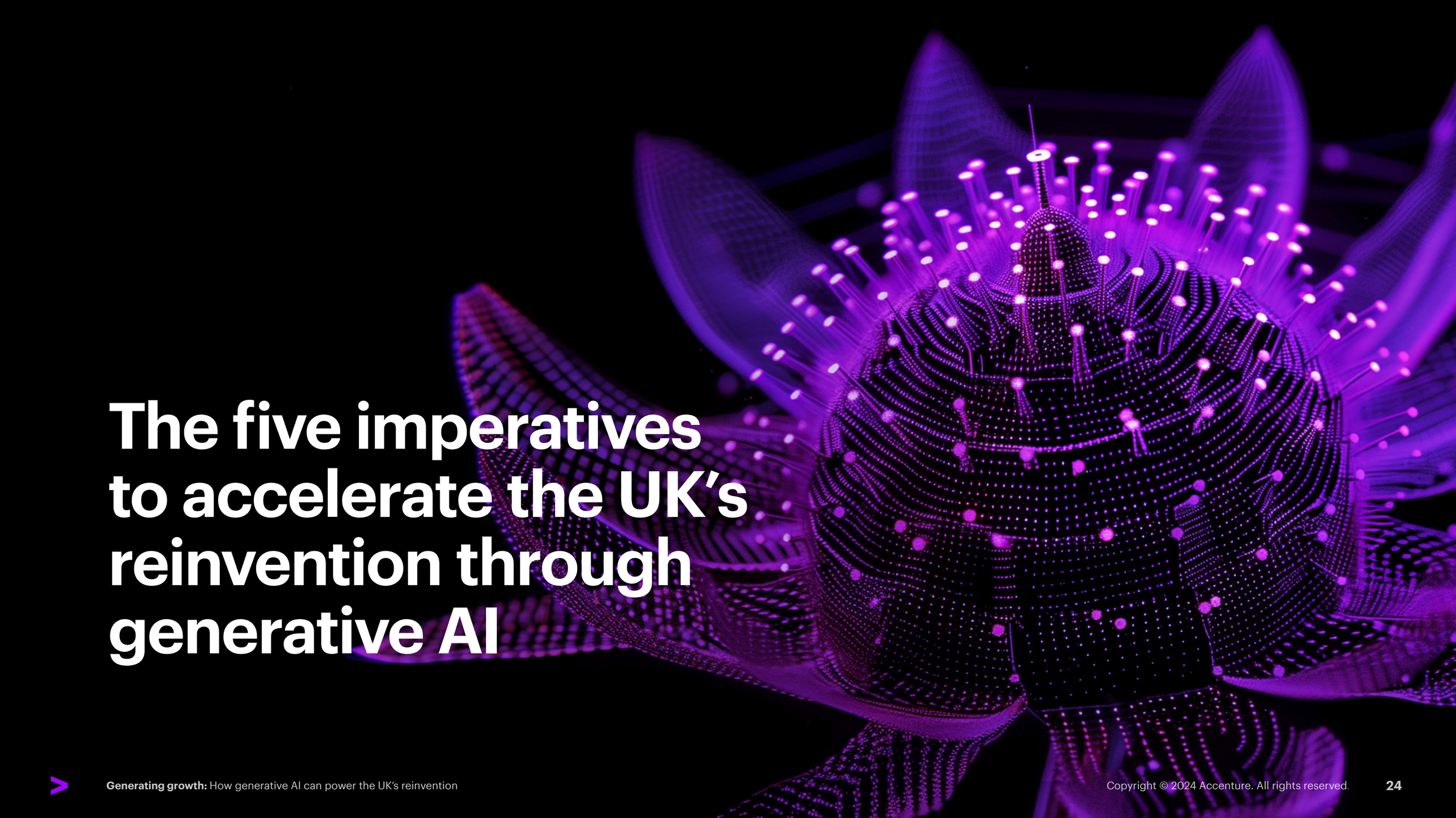
Figure 8. Employees and executives are not aligned on the long-term societal impact of gen AI

Expectations about the outcomes of the widespread use of gen AI in the UK



Source: Accenture UK AI business leader and employee surveys, fielded July-August 2024.

The five imperatives to accelerate the UK's reinvention through generative AI



A formula for success

What could be done to get the UK's gen AI-led reinvention back on track?

Based on our experience of delivering over 1,000 gen AI projects globally, we see a formula emerging for how organisations can responsibly scale the use of gen AI:

'Moving from discrete interventions to real innovation requires a much bolder and more holistic approach. While many early adopters are focusing on building a technology platform and making sure the latest and greatest models are used in AI applications, most enterprises have ignored the cultural, operating model and business model aspects required. That's what organisations need to focus on now to responsibly scale gen AI.'

Chris Lane
Data & AI Lead—UK, Ireland and Africa, Accenture

Imperative 1:

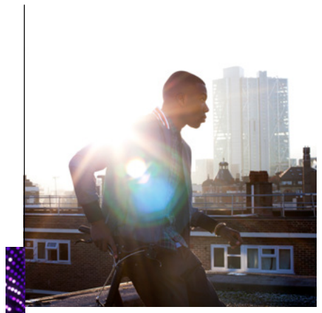
Lead with value

Shift the focus from siloed use cases to prioritising business capabilities across the entire value chain and developing new, AI-enabled offerings.

Imperative 2:

Understand and develop an AI-enabled, secure digital core:

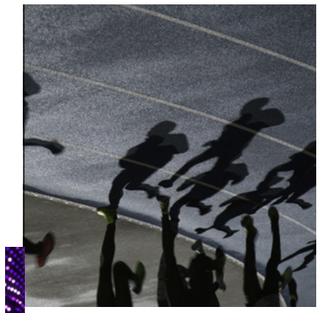
Invest in technology that runs seamlessly and allows for continuous creation of new capabilities.



Imperative 3:

Reinvent talent and ways of working:

Set and guide a vision for how to reinvent work, reshape the workforce and prepare workers for a gen AI world.



Imperative 4:

Close the gap on responsible AI:

Create governance structures and a culture that operationalises AI responsibly, with decision-making processes that thoughtfully assess both the risks and rewards of the technology.

Imperative 5:

Drive continuous reinvention:

Make the ability to change a core competency and part of company culture supported by an ecosystem of collaborators.

The elements of the formula cannot be applied in isolation. AI's multifaceted impact touches every part of the organisation, requiring all five imperatives to be addressed in a mutually reinforcing way.

Many early adopters of gen AI have focused on building a technology platform. But it's never just about the technology when it comes to successful transformations. Strategic alignment between technology, talent, governance and value roadmaps is essential. Achieving this requires significant coordination across the business. Few organisations in the UK are following this formula—those that do will increase their chances of scaling gen AI.

Based on our survey of business leaders, we segmented companies by their level of gen AI adoption. We identified a group of 'Scalers,' who have gen AI use cases in production across most business functions and provided access to most of their employees. Using a predictive model, we found that acting on just one of the five imperatives increases an organisation's likelihood of becoming a Scaler—and seeing a positive ROI from their gen AI investments—by 61%.

> **Coordinated action across all five imperatives increases the chances of successfully scaling gen AI by more than 4x.**

The constants of the formula

In applying the formula, organisations need to apply a consistent set of principles:

There should be clear alignment between business strategy and the extent of investment needed across the five imperatives. Given the rapid evolution of gen AI and shifting business demands, adjustments must occur more frequently than in typical annual cycles.

Whether delivering a proof of concept for complaints handling or building a full gen AI program, the formula must be followed. This ensures no part of the transformation is overlooked, maintaining coherence from early-stage proof of concepts to large-scale implementations.

The principles that drove digital transformation success remain highly relevant for scaling gen AI. Agile methodologies, customer-centric thinking, and DevOps practices serve as foundational elements, keeping AI initiatives flexible, focused and integrated into the broader business.

Many organisations fail not due to lack of capability, but because they struggle to balance the five imperatives. Misalignment can lead to frustration from both the business and tech teams. Achieving balance is crucial for maintaining momentum and progress.

Imperative 1:

Lead with value

‘Getting value from gen AI is not about replicating what we do today with a different technology. Meaningful value will come from how the productive capacity it creates is applied in new economic spaces. Organisations need to focus less on how gen AI can help them to fix the processes they have today and focus more on how it will help them create something new and delightful for the future.’

Suhail Kapoor
Managing Director,
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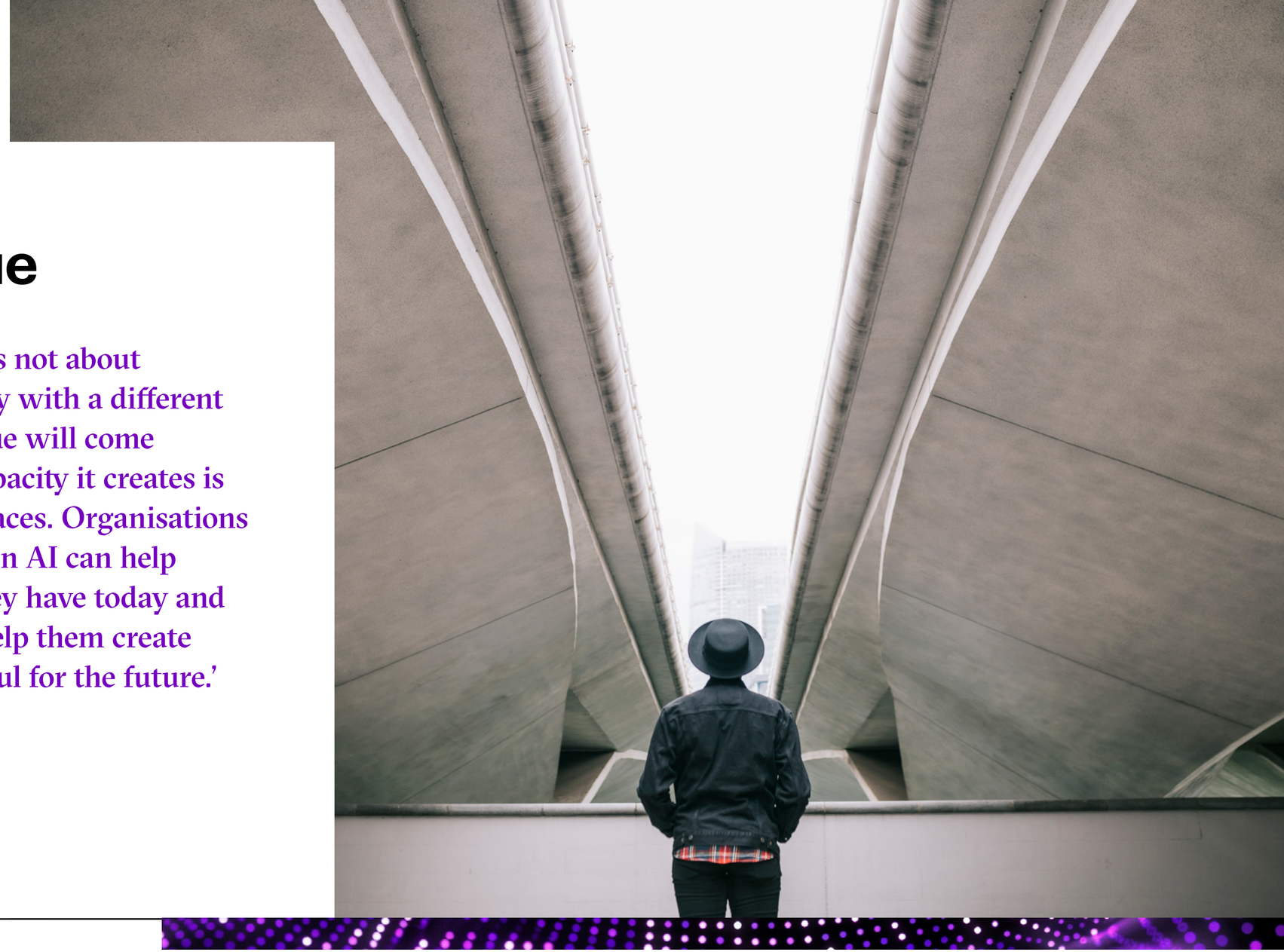

Now: Where organisations in the UK are today

Because gen AI is so new, organisations haven't been able to draw on a predefined roadmap for success. Few have developed one for themselves. A third (35%) of respondents to our survey have an enterprise-wide roadmap for AI, prioritised based on value, feasibility and risk.

Progress—and an understanding of where the value sits—comes from experimentation at the edges. But for most organisations, early applications of gen AI have focused on narrow use cases in individual functions that enable people to deliver existing processes more quickly. In short, they are making AI a feature of their as-is.

The top three areas where UK organisations have piloted gen AI are IT (66%), customer service (60%) and marketing (59%). Common use cases include coding co-pilots for software development, AI-enabled chatbots and content creation support. These applications are invaluable, offering 30%+ productivity improvements based on our experience. But given the low barriers to adoption, they will soon become table stakes—investing in them will be the price of entry for doing business, rather than the ticket to success.

Our past research has shown that companies using gen AI for customer-focused initiatives can achieve 25% higher revenue after five years compared to those prioritising productivity alone. Yet relatively few organisations have focused on pursuing new growth opportunities that AI could open. In fact, when asked about the top priorities for their organisation, developing new products and services was ranked fifth, behind increasing market share, improving quality, reducing costs and retaining talent.

Measurement—and an understanding of how much value is being created—has similarly been lacking. As one executive told us: 'The measure of success is often a thumbs up or a thumbs down.' Only 37% of UK business leaders say their organisation has the performance management infrastructure in place to measure and track the value of AI.

Organisations are struggling with this level of experimentation and uncertainty, particularly given the investment required to go from proof-of-concept (PoC) to scaled deployment.

The benefits of a more structured approach to value creation are clear in the 9% of Scalers—organisations that have successfully deployed gen AI across most business functions. Compared to Piloters—those still experimenting with the technology, but yet to move PoCs into production—Scalers are four times more likely to have a value-based roadmap and five times more likely to have supporting performance management infrastructure.

Our past research has shown that companies using gen AI for customer-focused initiatives can achieve 25% higher revenue after five years compared to those prioritising productivity alone.

Next: Actions for the next 12 months

Focus on the right units of value

Executives shouldn't limit their questions about gen AI to 'How can it improve my current processes?' They should also ask: 'What new growth opportunities does gen AI create?' and 'What core capabilities will drive my future success and how can gen AI help me reimagine them?'

Addressing these questions requires broader thinking—whether it's reinventing a workflow end-to-end or creating entirely new customer experiences that redefine the market. For example, major law firms are exploring how to reinvent their operating and business models by fully integrating data and AI into their existing services, while also exploring how gen AI can enable new, AI-powered solutions.

The key is to help the business achieve its commercial goals rather than just deploying gen AI for the sake of it.

Set up the governance and performance infrastructure to deliver

To expand gen AI applications beyond process optimisation, companies need to invest in the supporting infrastructure required to implement AI strategies effectively.

Some companies have built a Centre of Excellence (CoE) to coordinate governance, prioritise use cases, allocate resources, drive best practice, create reusable assets and monitor performance, risks and safety. Others split strategic and delivery duties.

Regardless of the form, the function should avoid two common mistakes we frequently encounter.

1. The function should not be purely technical and just responsible for setting up the technology platform. Instead, it should be multidisciplinary, enabling close collaboration between technology, business and risk leads.

2. The team needs to act as the guardian for value rather than managers for the work. It must provide an ongoing view of leading indicators on progress, be honest about what pilots have worked and dynamically reallocate resources accordingly. Given the pace of change of the technology, plans need to be adapted far more regularly than typical annual planning cycles.

As organisations gain maturity in deploying gen AI, their governance approach will need to evolve—becoming more agile and federated as technologies become more familiar or more robust as risks come into focus.

Get a handle on costs as you scale

The costs of running gen AI applications are higher than those of traditional AI and are often underestimated. The frequency of model interactions means that run costs (per query and API call) can grow quickly. Another significant investment is in the team required to monitor and refine solutions post-launch.

Decisions about the architecture of gen AI systems can have a substantial impact on costs, making it essential to integrate an ROI-driven approach into solution development. Not all gen AI interactions are equal, and their costs should reflect this. Organisations need to strike a balance between cost, latency and quality to deliver the best user experience. For instance, a live customer support tool requires low-latency performance, as customers expect quick answers. In contrast, an AI-supported medical diagnosis application doesn't need the same level of responsiveness but demands higher accuracy, allowing latency to be sacrificed for higher-quality outputs. When considering these factors, executives should first verify that a more efficient solution cannot come from predictive AI or even process optimisation.

The Department for Work and Pensions (DWP) is one example of an organisation that has been able to efficiently scale its use of gen AI. DWP's Intelligent Automation Garage rapidly prototypes and rolls out AI solutions. The department acquires technology for the Garage on an as-needs basis by leveraging prebuilt infrastructure, with minimal in-house development effort or technical debt. One solution delivered by the Garage reads 22,000 letters from claimants each day, understands the emotional context and the level of vulnerability, then instantly escalates the most urgent to agents. Vulnerable claimants are now responded to within a day rather than the previous four to six weeks—and DWP's 300 agents can focus on dealing with complex cases and the most vulnerable customers.

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Imperative 2:

Understand and develop an AI-enabled, secure digital core

‘Organisations need a digital core that is flexible, component-based and built to solve business problems.’

Emma Kendrew
Technology Lead—UK, Ireland & Africa, Accenture

Now: Where organisations in the UK are today

An organisation's ability to scale value from gen AI will depend on how well it leverages its data and the maturity of its technology architecture. While IT was once viewed as a commodity capability,[16] in the age of AI it becomes a key source of competitive advantage. This is evident in the gen AI Scalers we identified, who have developed stronger capabilities across the components of what we call a 'digital core' (the technology and platform foundation that drives the business functions of the company).

Building a modern digital core isn't easy. Today, just one in four (24%) executives in the UK say their organisation's digital core meets the broad requirements needed to leverage gen AI. More concerningly, 69% of respondents reported that senior leadership has a limited understanding of their enterprise systems' maturity.

Establishing strong data foundations is critical for companies to unlock the full potential of gen AI. This includes adopting modern cloud-based data platforms, implementing robust data governance and ensuring cross-functional access. These foundations make data accessible, reliable and ready to drive AI-powered insights.

As LLMs from the large providers are trained on publicly available data, companies that fine-tune these models with proprietary data will gain a competitive edge.

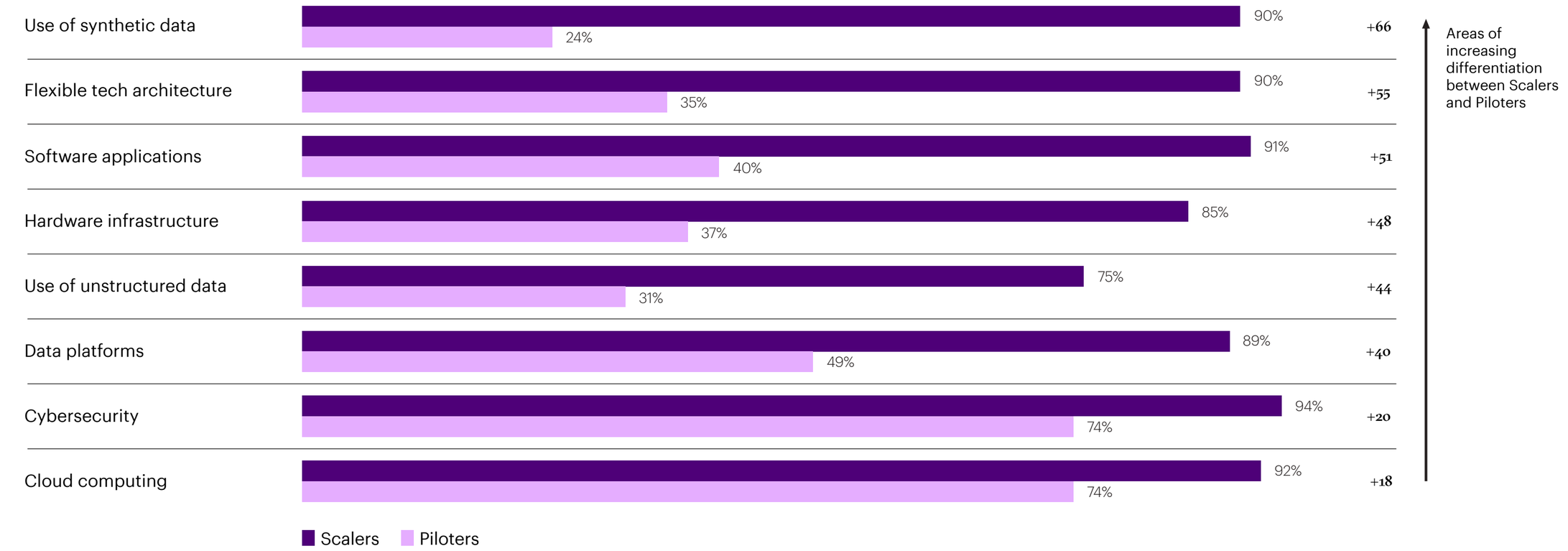
Organisations have been running data modernisation programs for years, driven by regulation and the rise of digital customer interactions. But significant challenges persist, both in data quality and in handling unstructured and synthetic data. Most companies use structured data (e.g., customer, product and pricing information arranged in tables). But significant value from LLMs comes from their ability to work with unstructured data (e.g., videos and text) and synthetic data (artificially generated by an AI algorithm to mimic the statistical patterns of real datasets).

Organisations are also struggling with legacy data platforms, organisation structures and ways of working that reflect business silos, rather than business needs. One in three executives in the UK say their organisation's competitiveness is being undermined by technical debt (the cost in terms of time and effort, required for a company to keep its IT systems up to date and capable of meeting business needs).

Most organisations do not have a plan in place to remediate these challenges. Just 38% report having a clear technology and data strategy to deliver on their AI roadmap.

Figure 9. Organisations that have scaled the use of gen AI have stronger capabilities across their digital core—their data capabilities and flexible technical architecture particularly differentiate them

Digital core capabilities that meet the requirements to leverage gen AI
% respondents[1]



1. Components are considered ready if they exceed or meet business leaders' requirements. Scalers are organisations that are have scaled the deployment of gen AI in most of their functions and provided more than 60% of their workforce with access to gen AI. Piloters are those that have piloted gen AI in at least one of their functions but have not scaled its deployment in any area.

Source: Accenture UK AI business leader survey, fielded July-August 2024.

Next: Actions for the next 12 months

Target the data that matters most

Companies that have invested in creating data products—high-quality, curated and ready-to-use data that can be easily accessed by both people and systems—are already ahead in their ability to deploy gen AI use cases. Being able to quickly bring together well-organised data will accelerate model training. Others will need to follow suit. Not all data is of equal value, so organisations should prioritise the data most relevant to the business problem at hand.

AI itself can be an accelerator to data readiness. A telecommunications provider discovered it was underutilising data assets due to missing metadata. Eighty-seven thousand columns lacked descriptions, making them unusable for gen AI applications. A gen AI-enabled "Data Steward" solution was developed to automatically generate and update column descriptions in the cloud-based data warehouse, which were then synchronised with the company's own data platform using API calls. The automated solution achieved 94% accuracy and saved an estimated 10,000 data engineer hours of manual effort.

The next wave of gen AI use cases will require quick access to operational data near the point of consumption. To achieve this, a future focus for organisations will be to accelerate the move from batch data (restricted to specific timeframes or thresholds) to real-time processing.

Build technology teams that create value, not just models

To achieve meaningful impact with gen AI, companies need teams that can embed it in the business. Many organisations are already on a digital transformation journey, shifting to a product and platform operating model—AI capabilities should be integrated into this construct. The platform and engineering team should develop reusable assets, such as approved models, protocols and risk management frameworks, for use on demand. Product teams, which should include data product owners, should be organised around business processes or customer journeys to create a set of data products. This approach breaks down functional silos, enabling the development of data solutions that provide a cross functional view of the enterprise.

Adapt your architecture for AI

Each gen AI use case typically needs access to multiple databases, models and applications. Large models excel at handling complex, multi-dimensional queries. Small language models (SLMs), with their lower computational demands and faster response times, will become an increasingly important part of organisations' 'model gardens.' SLMs can be fine-tuned for highly specialised tasks, making them ideal for use cases where speed, efficiency and domain-specific knowledge are critical.

Effective orchestration requires a flexible, scalable gen AI infrastructure to integrate the variety of components (and providers) required. Existing data and models need to be brought closer together. Infrastructure should be extended to include new capabilities required for AI, such as synthetic data, vector databases and knowledge graphs. This backbone could be a centralised platform or a combination of well-defined APIs, integration protocols and standardised data formats. To maximise flexibility, companies can implement MLOps (machine learning operations) best practices like containerisation, which streamlines the deployment and scaling of models across different environments.

A modular and agile architecture not only addresses current complexities but also provides antifragility as technology evolves. AI agents, for example, will need flexible, bidirectional APIs, memory systems for knowledge storage and decision engines for autonomous action. To support this, organisations should establish secure environments, orchestration tools and communication protocols. Integrating causal reasoning, responsible AI modules and real-time monitoring dashboards will be important to ensuring agents operate reliably, ethically and in compliance with regulations.

When developing their architecture, organisations need a vendor strategy to guide build, boost or buy decisions for models and applications. As AI becomes embedded in all technology platforms, selecting the right tools for each use case will grow in complexity. If a gen AI initiative aligns closely with core strategy and unique data is available, investing in custom model training may be worthwhile. However, off-the-shelf tools are likely the better option for enhancing existing processes.

A flexible architecture allows companies to combine models effectively, with services like Accenture's 'switchboard' guiding choices that balance business needs, cost and accuracy.

Imperative 3:

Reinvent talent and ways of working

‘We’ve known for a long time that technology is nothing without people, but for far too long businesses and leaders have ignored the human dynamic. The opportunity to truly think differently about human and machine has never been as important as it is now. AI is joining the workforce.’

Joe Hildebrand
Managing Director, Gen AI for Human Potential—UK & Ireland, Accenture

Now: Where organisations in the UK are today

One executive we spoke to summed up a key challenge for business leaders when it comes to implementing gen AI: "It's the same mistake again and again with every technology: we change the tech and not the rest."

Too many organisations view gen AI as a technology to deploy rather than a catalyst for change. As our economic modelling shows, the greatest value of gen AI comes from a people-centric approach that amplifies human abilities. This requires a radical rethink of business processes and the work that people do, operating models and how the workforce is organised, and the skills that workers have.

Gen AI calls for a move away from the conventional methods for managing change used in past technology transformations. For too long, change management has been seen as the catch-all solution, but it often falls short. To unlock the potential of this new wave of innovation, organisations must prioritise building the right mindsets, behaviours and culture—factors that are even more essential given the profound and far-reaching implications of AI.

For some people, the application of the technology may represent the biggest change they will go through in their working life. Yet, most organisations haven't communicated any posture around AI to their workforce. Just one in three leaders (34%) say their organisations have run communication programs to increase employee understanding of AI technologies and their benefits. A similarly small number (39%) say employees understand the potential value of using AI in their day-to-day work.

It's not just communication that's lacking. Only 37% of business leaders say their organisation has conducted a skills audit to understand the skills of their workforce and how they will be impacted by AI. Similarly, few organisations (36%) have an enterprise-wide roadmap for how their workforce will be reshaped and reallocated based on the impact of AI.

Next: Actions for the next 12 months

Introduce AI to your enterprise

When organisations don't speak plainly about how they intend to use AI, anxiety fills the void. When we asked UK workers what first came to mind when they heard 'Artificial Intelligence,' nearly twice as many responses were negative as positive. Sentiment varies notably by generation—only 13% of workers aged 55+ believe gen AI will enhance their job relevance, while nearly 46% of Gen Z think it will help them advance.

To fully realise AI's potential, organisations must engage everyone—from early adopters to sceptics, tailoring their approach. Even better is to turn your AI strategy into a compelling vision and story that captures the hearts and minds of your people. This starts with leaders, who must be educated on how the technology can create value. Only 17% of survey respondents say senior leaders at their organisations fully understand the risks and opportunities offered by gen AI.

Leaders should provide their people with opportunities to experiment with AI, explore its potential and understand how it can affect their daily work. Given our behaviours are driven by our beliefs, which in turn are influenced by our experiences, we need to give people new experiences to explore what AI can do for them. While practitioners will require technical training, introducing copilots and a library of prompts can help people at all levels quickly realise the technology's value. For example, one interviewee shared how an executive assistant with limited technical skills drew on 35 years of institutional knowledge to win a prompt engineering hackathon in their organisation.

Co-creation takes this a step further. Our Scaler group, for example, were more likely to have involved users in the development of gen AI applications than those who hadn't moved beyond piloting the technology.

Build your future workforce

A critical task for employers is to quantify how gen AI will reshape their workforce—and how this shift will affect industries and competition for talent. Notably, 60% of today's roles didn't exist in 1940[17], but this transition will happen faster so organisations must be proactive and expansive in their thinking.

Employers should evaluate tasks (which are most likely to be augmented), skills (which will become outdated or newly relevant) and roles (which new ones will be needed). Scalers are already leading the way: relative to Piloters, they are over four times more likely to have conducted a skills audit to assess AI's impact on their workforce and five times more likely to have an enterprise-wide roadmap for reshaping and reallocating roles based on AI.

As tasks and roles evolve, reskilling will be essential. Much of this reskilling will be focused on soft skills—preparing individuals for augmented roles that will be complemented by gen AI. Gen AI itself can help, transforming training into a tailored, interactive journey. By analysing personal profiles, it can create customised curricula that align with an employee's role, tenure and location. Aramco Digital, for example, is leveraging Accenture LearnVantage's platform to curate learning content using a gen AI recommendation engine, aligning individual development with organisational and national growth priorities. The entire workforce will gain foundational and specialised AI skills, supporting Aramco Digital's goal of becoming the largest provider of gen AI services in Saudi Arabia.[18] S&P Global, a leading provider of financial data, analytics and ratings, is similarly equipping all 35,000 of its employees with the necessary skills to adopt gen AI at scale.[19]

Organisation structures will also need to be rethought. As the focus shifts from simple process redesign to using gen AI to reinvent end-to-end workflows, teams must be reorganised into multidisciplinary groups working across functions, scaling the product and platform model seen in IT to the broader organisation.

Value people-centricity

For 150 years, we have assigned economic value to an hour of labour. Efforts to improve worker performance have centred on activity-based productivity metrics, such as hours worked, time on task and revenue per employee.

AI blurs the line between individual worker activity and tangible outcomes, as work increasingly depends on human-machine collaboration. This shift will drive demand for sophisticated skills that aren't easily captured by traditional metrics—such as communication and collaboration, which 80% of Scalers expect to see more demand for. It also raises questions about whether some tasks are more valuable when performed by humans.

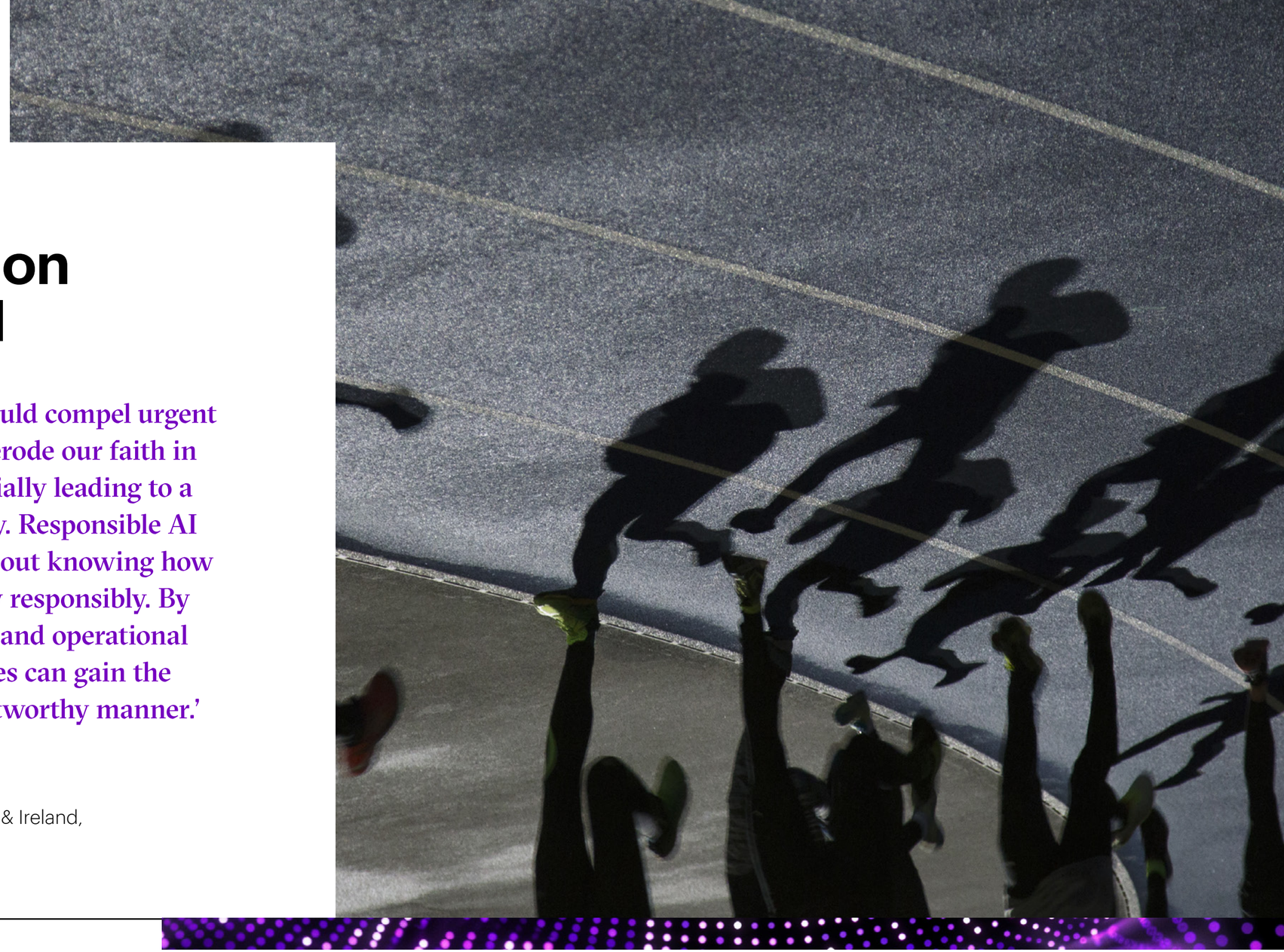
A people-centric approach responds to these trends by shifting the focus from AI to IA (Intelligence Augmentation) and amplifying human abilities rather than replacing them. Under this approach, AI is seen as a multiplier rather than a replacement. As Paul Daugherty, former Chief Technology and Innovation Officer at Accenture, wrote in ***Human + Machine:*** 'winning companies put people and machines in symbiotic relationships, each pushing the other to achieve what neither could do on their own.'

Imperative 4:

Close the gap on responsible AI

‘The trust gap we identified should compel urgent action. Left unchecked, it will erode our faith in society and institutions, potentially leading to a generational loss of opportunity. Responsible AI can help rebuild trust as it is about knowing how to use this powerful technology responsibly. By investing in strong governance and operational monitoring processes, executives can gain the confidence to scale AI in a trustworthy manner.’

Ali Shah
Responsible AI Lead—UK & Ireland, Accenture



Now: Where organisations in the UK are today

As gen AI becomes more embedded in daily life, it will also face increased scrutiny. Already, there is growing social anxiety, with near daily headlines highlighting AI issues. Concerns about potential harms have spurred a renewed regulatory focus on AI governance. For example, the EU AI Act and expected regulation in the UK signal how authorities are beginning to address the risks posed by advanced AI. To scale gen AI, organisations will need to manage and mitigate these risks.

While concerns such as data privacy, security, misinformation and job displacement are extensions of existing debates, gen AI has significantly broadened the scope of these risks. It raises fundamental questions about our ability to build a fairer society when we appear to have limited control over how the technology works and the risks it may pose.

Realising the potential of gen AI will require collective efforts to address these concerns. Ultimately, adoption will depend on rebuilding trust. Companies that establish robust responsible AI practices—by embedding practical ethical frameworks, governance models and monitoring into their operations—will find it easier to make informed decisions about their use of gen AI. This approach can give them a competitive edge by securing the confidence of customers, employees and regulators. Our experience across industries shows that those who implemented responsible AI programmes were able to bring new innovations to market much faster than those who did not.

Among UK business leaders we surveyed, 45% cite responsible AI as a management priority. Just 11% say they have fully operationalised responsible AI across their organisation and only a further 13% expect to do so within the next 18 months. For those yet to act, it can take 12–18 months to mature an organisation's responsible AI practices—yet the window to meet regulatory requirements, such as those in the EU AI Act, is shrinking.

We also found that many employees are using AI tools without proper safeguards. Of the 43% who report having access to gen AI tools for their work, almost half have secured access independently. Among this group, 27% say their company lacks policies governing AI tool usage, and 16% are unsure if any policies exist. The use of personally accessed tools is most prevalent in Marketing (47%) and Strategy & M&A (40%).

These security risks—along with others posed by gen AI—will be critical to address. As Giovanni Cozzolino, UKI Security Lead at Accenture, noted, 'Gen AI is creating new attack surfaces. Organisations must proactively manage their AI solutions by embedding security controls into the design coupled with enhanced threat detection. This will enable them to reap the benefits of AI without compromising security.'

Leading companies are making progress in closing the gap on responsible AI. Of those that have successfully scaled gen AI, 81% see responsible AI as a priority and they are 17 times more likely to have a fully scaled responsible AI approach compared to those still piloting the technology. JPMorganChase, for example, emphasises that 'successful AI is responsible AI.' The Bank has built an interdisciplinary team including data scientists, AI researchers, ethicists and risk professionals to assess risks and build appropriate controls to prevent unintended misuse, comply with regulation and promote trust with customers.[20]

Next: Actions for the next 12 months

Reconcile value and risk

At its core, responsible AI is about establishing a framework for making sound decisions—not by trading value against risk, but by reconciling the two. Organisations in regulated industries like financial services recognise that while the technology is crucial for differentiation, it carries risks and regulatory scrutiny. The lesson from these industries is that responsible AI processes provide the structure needed to evaluate both value and risk while ensuring regulatory compliance. Crucially, these processes must be embedded within the organisation's overall operating model and governance structure.

A major media organisation Accenture worked with initially struggled to narrow down hundreds of gen AI use cases due to concerns about reputational risk, regulatory scrutiny and employee hesitation. By adopting an integrated approach that evaluated value, feasibility and risk collectively, the organisation moved from pilot projects to scaled AI initiatives with broad stakeholder alignment. The board was upskilled on AI's potential value and risks. A cross-functional team, including audience-facing employees, shaped the AI strategy. And new governance and monitoring structures were introduced to ensure AI use aligned with the organisation's values. This shift enabled the organisation to move from a cautious AI strategy to a positive, public-facing stance on AI's role in its future.

As businesses scale up their use of AI, responsible AI processes must scale in tandem. Moving from a few AI models to hundreds requires a systematic approach, where human oversight is enhanced by automated systems and tools. This integrated framework for continuous improvement, monitoring and reporting can itself leverage generative AI to triage issues, respond efficiently and generate insights for decision-making.

Make it everyone's responsibility

Just as cybersecurity has become everyone's responsibility, an understanding of how to use gen AI effectively and safely needs to be embedded across departments. Many companies are investing in workforce training to equip employees with the skills needed to assess and manage AI responsibly, recognising that responsibility by design involves everyone, not just security or compliance teams. Training can be tailored to how teams interact with AI. For example, marketing teams might consider the ethical use of AI-driven customer insights.

Organisations should also establish clear accountability structures that extend beyond IT and compliance, empowering employees to raise concerns about AI systems. Effective communication between those who develop or purchase AI technology and those who use it to deliver services is crucial. The feedback loop from real-world use is essential to ensuring AI continues to deliver value.

Policies on AI use should be clearly communicated. This will help encourage anyone to raise a concern if they identify potential issues with AI systems. Using our responsible business framework and in collaboration with The Alan Turing Institute, we are currently working on an interactive simulation to help people identify AI risks.

A major multinational bank recognised that responsible AI requires engagement across the organisation. It updated its operating model and risk management processes to include traceability to regulatory requirements, such as the EU AI Act, while implementing accountability processes to evaluate risks across the value chain. This included embedding responsible AI considerations across the data science and AI model lifecycle. Recognising the need for cultural change, the bank also focused on educating employees on AI's role and risks, ensuring the technology is managed effectively to deliver benefits while preventing harm to customers.

Build trust through transparency

Transparency in AI governance is often misunderstood—it's not just about avoiding 'black box' algorithms. While explainability is important, transparency serves a broader purpose: it's a critical tool for building trust, both within and outside the organisation.

Building trust requires clear communication about AI decisions, the benefits they bring and the risks that need managing, tailored to each stakeholder group. For example, we helped a consumer healthcare provider develop a policy and communications plan to address diverse concerns. This included ensuring scientists understood that AI would augment but not replace their expertise, while customers were informed about how AI would be used, how their interests would be protected and how they could report issues.

A clear decision-making framework enables organisations to be transparent with confidence. A media organisation we worked with made different choices about whether to use an AI tool in two contexts with different risks. In a creative setting, AI hallucinations—novel but inaccurate outputs—were seen as useful for ideation. However, the same tool was unsuitable in journalism, where accuracy is crucial. Each decision required a framework that balanced risk and reward, shaped by the organisation's context and understanding of its stakeholders.

This example points to the key question for executives: 'How confident are you in explaining your AI decisions, and would you feel comfortable being transparent with stakeholders about those choices?'

Imperative 5:

Drive continuous reinvention

‘Leaders are used to following a clear technology roadmap that evolves gradually over time. Gen AI is evolving at an entirely different clock speed. Organisations will need to build the capacity to constantly evolve in response.’

Mark Farbrace
Gen AI Lead—UK & Ireland, Accenture

Now: Where organisations in the UK are today

As the other imperatives have shown, when it comes to gen AI, companies need to get many things right at the same time—select the right use cases, apply domain expertise, unlock unstructured data, build out their IT architecture, reskill their people and set up governance frameworks to name just a few.

What makes this more challenging is that gen AI does not represent a one-off leap—it is a technology that is in a constant state of evolution. By the time an organisation manages to apply today's technology, it will already be behind on the next wave of LLMs. And it's not gen AI alone. Technological breakthroughs are becoming more numerous and occurring at even closer intervals. Whether it is gen AI or the next technology, companies need to be ready.

Executives in the UK recognise that they will miss future opportunities (67%), forfeit value (65%) and lose competitiveness (63%) if they fail to harness the ongoing technology revolution.[21] But they tend to be better at looking back rather than forward. In our previous research on *Reinvention in the age of generative AI*, we found that the highest level of ambition for 50% of organisations in UK was targeting current best practice in their industry. But given the rate of change, what is best in class today will be lagging before tomorrow arrives.

Only

27%

of UK executives said their organisation was very effective at executing on new strategies and performance goals continuously.[22]

Next: Actions for the next 12 months

Define your beliefs

To navigate the rapid evolution of gen AI, organisations must adopt a long-term view, recognising that while the technology is advancing swiftly, the roadmap for meaningful reinvention will be measured in years, not months.

Technology has moved from being an enabler of strategy to a driver of it. Success with gen AI hinges on a clear strategic vision, grounded in strong beliefs about the technology's potential. These beliefs should be shared across the C-suite and reflect an understanding of gen AI's capacity for reinvention. For a bank, this could mean seeing gen AI as the key to transforming the customer experience. In healthcare, it might involve recognising AI's potential to revolutionise diagnostics and enable personalised treatment at scale. In manufacturing, it could mean anticipating that AI will optimise complex production processes. With this vision established, companies can then work backwards—building a risk-adjusted portfolio of investments (both large and small) and strengthening their institutional foundations, from technology and talent to governance, to prepare for that future.

Importantly, leading companies reevaluate and adjust their beliefs and portfolio of bets continuously based on the changing business environment. One leading financial institution embodies this kind of strategic dynamism. The company transformed itself from a traditional brick-and-mortar bank into a diversified fintech business group. Its reinvention strategy was data-led and established a central data and AI service provider for all its subsidiaries. This unit gathers information on customer activities and behaviours across its business platforms, providing real-time indicators of customer needs. The growing pool of data, combined with adaptive AI learning models, allows the institution to not only better serve customers through personalised offerings but also to discover new growth opportunities for the future.

Embed the capability for continuous reinvention

Seven in 10 enterprise transformation efforts fail to meet business leaders' expectations. Increasing certainty of outcomes requires active management enabled with supporting infrastructure.

Many organisations take an unstructured approach to innovation, resulting in isolated PoCs that often fail to scale. A sustainable approach to continuous reinvention requires a growth engine: a systematic approach to direct, foster and accelerate innovation efforts, backed by a culture that nurtures and incentivises entrepreneurial people and action, recognising that good ideas can come from anywhere.

A leading global law firm recognised the need to rethink its innovation capability to align with its long-term strategy and address the growing impact of gen AI on the legal industry. Historically, law firms have struggled to balance the short-term focus of partnership models, which distribute profits yearly, with the requirements of innovation, where returns take longer to materialise. An unstructured innovation approach also favoured ideas from those with most influence. To overcome these challenges, the firm conducted a comprehensive review of its innovation portfolio and capabilities, with the goal of incubating more than 50 value propositions within five years.

The firm built a custom growth engine by implementing a new governance framework, clear funding model and a stage-gated process, and establishing a dedicated innovation team. The firm also developed a playbook to guide innovation execution, introduced new mechanisms to incentivise creative thinking and crafted a communication strategy to engage and inspire the entire organisation. One notable project to emerge was the exploration of a responsible AI product, combining legal and technology expertise to meet evolving client needs.

> **Seven in 10 enterprise transformation efforts fail to meet business leaders' expectations.**

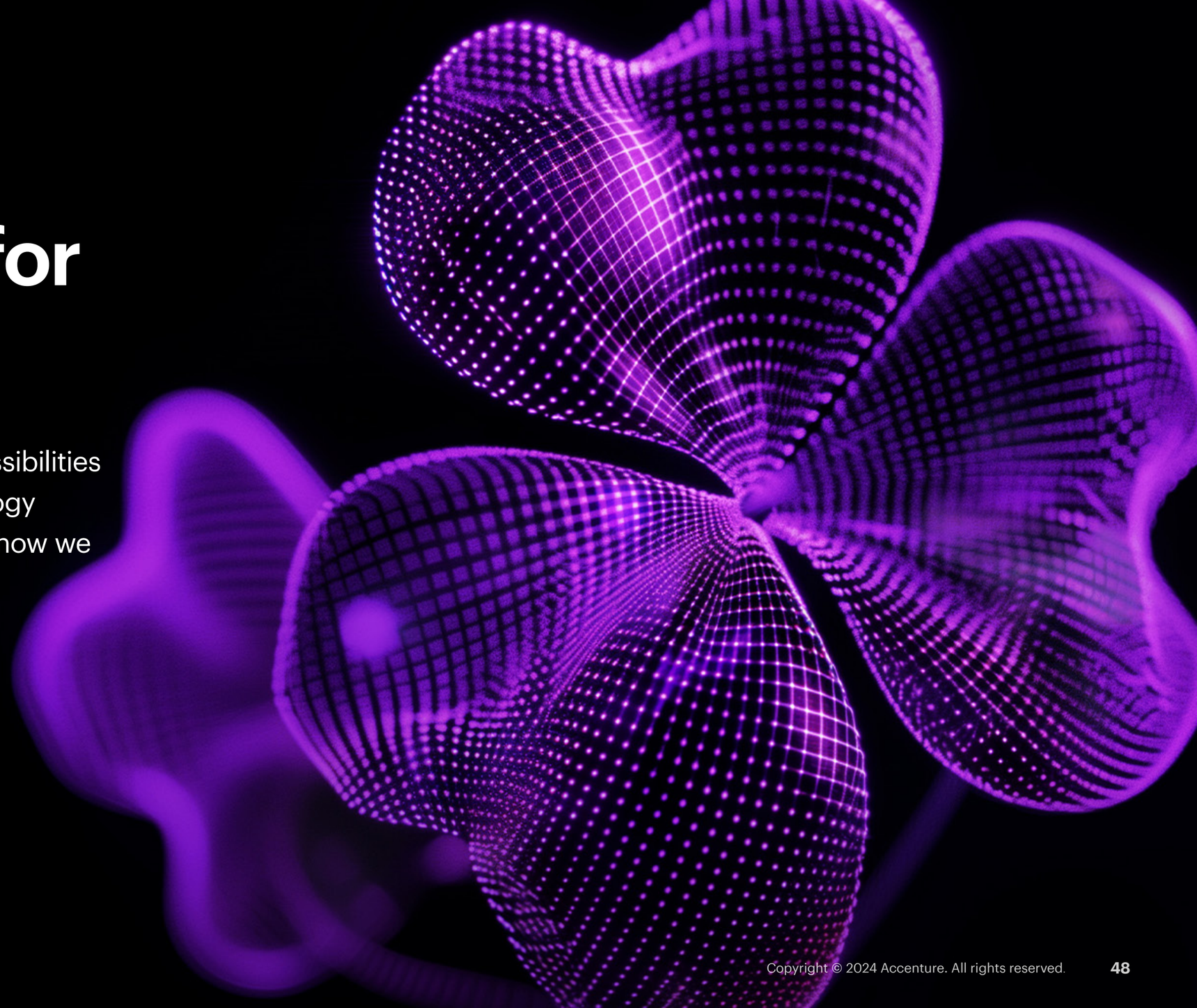
Build an ecosystem of collaborators who can reinvent with you

An ecosystem approach is the only way an organisation can both execute and stay current. The complexity of gen AI, from models to infrastructure, demands a diverse network of partners beyond traditional IT vendors. No single provider can meet every need, so achieving scale relies on collaborating with a range of partners and ensuring their solutions interconnect. To that end, vendor solutions should be assessed for their modularity (the ability to adapt to different business needs), interoperability (compliance with industry standards) and scalability (capacity to handle increasing demands over time).

Effective gen AI partnerships differ from traditional vendor relationships. Given the technology's rapid evolution and ongoing stability challenges, deeper collaboration and higher levels of trust are needed. For instance, sharing data to fine-tune models is only feasible when client companies trust their partners to safeguard it. Joint planning is also crucial. Providers can offer insights into product roadmaps and early access to new features, while users can test these features and provide feedback. This collaborative approach allows companies to better anticipate future developments.

What's next for gen AI?

Gen AI has already unlocked new possibilities across industries, and as the technology advances, it will continue to reshape how we think, create and act.



Three emerging trends illustrate how gen AI will continue to evolve over the next 12 months:

1

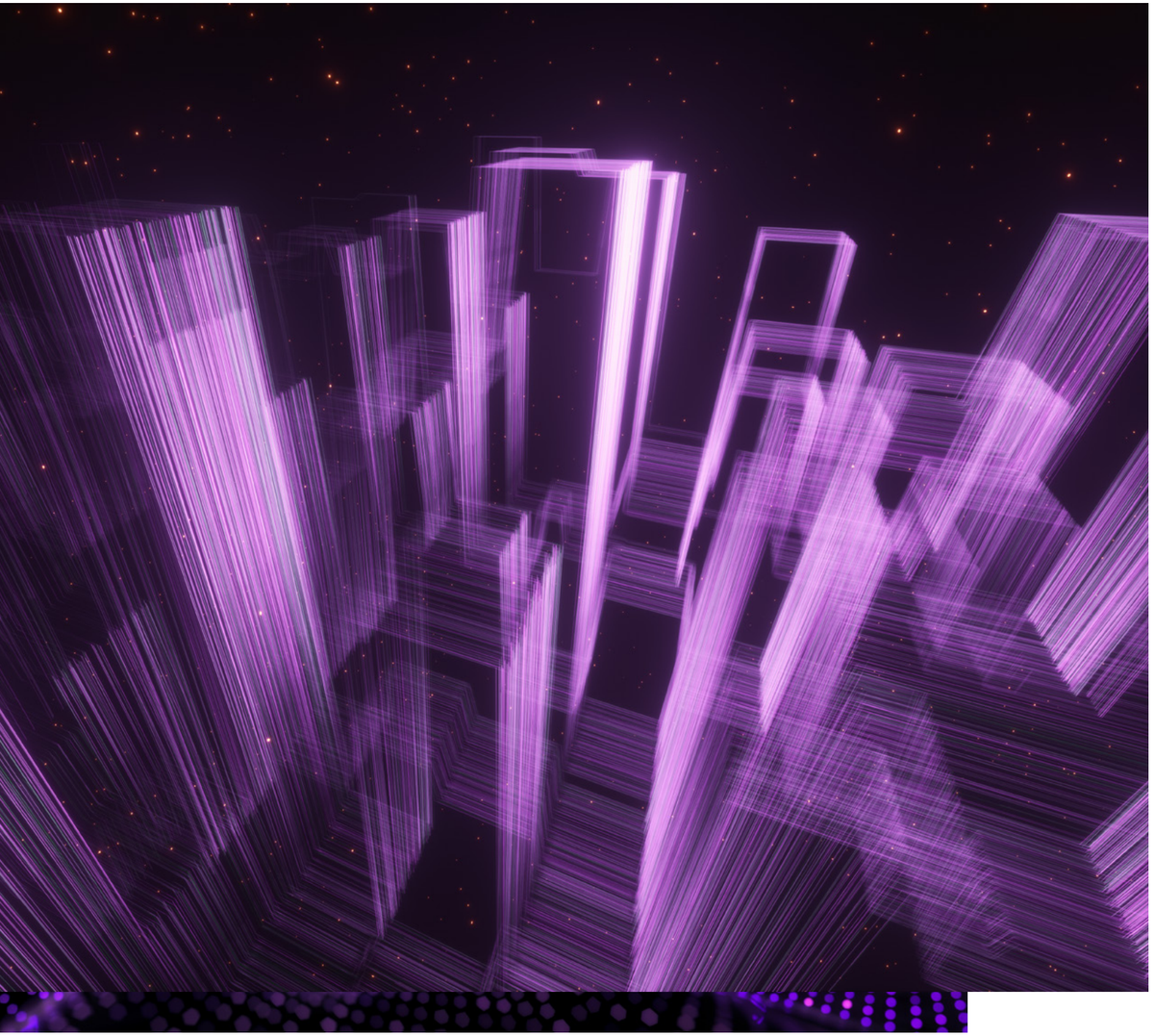
Think Recent breakthroughs in AI reasoning, particularly with models like OpenAI's o1, allow AI to tackle problems more like humans. Using 'chain-of-thought' reasoning, these models break down complex challenges into smaller steps, correct mistakes and adapt to new information. This capability is especially impactful in advanced fields such as mathematics, coding and scientific research. For instance, in math Olympiad questions, o1 achieves 83.3% accuracy, compared to 13.4% for GPT-4o.[23] This leap forward will empower researchers and engineers, enabling them to solve complex problems in areas like drug discovery and materials science.

2

Create Advances in multimodal AI are transforming creativity by integrating various data types—text, images, audio and even physical actions. These developments enable AI to produce more intricate, multi-layered outputs across industries like media, design and product development. For businesses, this could mean automating marketing campaigns across visual and auditory channels or using AI-driven design tools to generate product prototypes from text prompts, sketches and user data. Accenture Song, for example, is using Nvidia's Omniverse platform to generate high fidelity Defender vehicles from computer-aided design data for marketing purposes. Coupled with the Nvidia Edify-powered gen AI microservice, the solution enables the creation of cinematic 3D environments via conversational prompts.

3

Act AI agents are emerging as autonomous tools capable of executing complex workflows and taking real-world actions without constant human oversight. These agents go beyond processing information; they plan, collaborate and complete tasks across entire business processes. As they become increasingly capable of handling multi-step tasks independently, AI agents will accelerate automation and improve efficiency in sectors like logistics finance, and customer service.



Bold leadership to power the UK's reinvention

The UK stands at an inflection point in its gen AI journey. This is a moment that will define its future competitiveness and economic growth and security. With the potential to add £736 billion to the UK's GDP by 2038, gen AI offers transformative opportunities across industries, organisations and society. Yet, the full extent of this value will only be realised if business leaders and policymakers make decisive moves to capture it.

This is not just about deploying AI technology to automate a process or boost a team's productivity. It is about harnessing its infinite capabilities to reinvent how organisations function, engage their people and clients, and innovate for the future. Leaders who take bold, coordinated actions across five key imperatives—focusing on value creation, a secure digital core, workforce transformation, responsible AI and continuous reinvention—are four times more likely to succeed in gen AI deployment. It is these organisations that will unlock unprecedented growth and competitive advantage. The cost of inaction is steep: nearly half a trillion pounds in untapped value in the next fifteen years and a missed opportunity to lead on the global stage.

Accenture is already seeing clients that have embraced AI with urgency, responsibility and a long-term strategic vision succeed in scaling its impact. The UK can be a leader in this gen AI era, but the window of opportunity is narrow. The decisions made in the next 12 months will determine whether the UK is at the forefront of AI-driven reinvention—or left behind in its wake. The opportunity to reshape the future is in our hands. Let's not miss it.

How Accenture can help

Companies can work with our gen AI studio in London—as well as other studios across the world—to explore ways to reinvent their business through the responsible use of gen AI applications. The studio helps companies to explore industry use cases, co-innovate, conduct AI pilots and rapidly initiate and scale programs.

Our AI Navigator for Enterprise is a gen AI-based platform that can then help clients shape a blueprint for successful reinvention, defining business cases, choosing architectures and understanding algorithms and models to drive value responsibly.

With a strategy in place, our GenWizard platform enables organisations to scale gen AI in their technology delivery across application and infrastructure management, application and data modernisation and software and platform development—reducing risk and closing performance gaps in speed, productivity and cost.

In partnership with Nvidia, we have also introduced the AI Refinery, a solution designed to help companies scale AI by customising prebuilt foundational models and deploying them at scale. The AI Refinery, built on NVIDIA AI Foundry, enables clients to build custom LLM models with the Llama 3.1 collection of openly available models. The AI Refinery transforms companies' data into a comprehensive repository for training gen AI models, customises these models with proprietary data, allows for the selection from various large language models based on specific business contexts and enables AI systems to operate autonomously.

We help companies transform and reinvent every aspect of their enterprise with our gen AI services that span strategy and roadmap, design and build and operationalise and run.

Further details on the research

Economic modelling

Exposure to gen AI by occupation
To understand the impact of large language models (LLMs) on jobs, our analysis drills down to the specific tasks required within each occupation. We examined 19,000 detailed tasks using the O*Net taxonomy, categorising them as either 'linguistic' or 'non-linguistic.' Linguistic tasks were further evaluated for their potential for automation or augmentation. The research identified tasks that are either 'automatable' or 'augmentable,' requiring human oversight to manage outputs generated by AI—whether through personal interaction, problem-solving in unique situations or validation of legal or ethical content.

Using time allocation data for each task by occupation, we aggregated tasks into jobs to estimate the total time susceptible to automation or augmentation. Employment figures from the Office for National Statistics (ONS) were then used to map occupations across regional and industry segments.

Productivity gains from working hours liberated to achieve the same product and labour income savings
To estimate productivity gains, we combined exposure to gen AI with productivity data from experimental use cases documented in economic literature. We used regression analysis to model the time savings potential for various task groups, using similarities in AI exposure across 19,000 tasks. This allowed us to determine the proportion of time that could be saved for each task.

By rolling up these time savings by occupation and industry, and incorporating wage data, we calculated productivity gains in terms of labour cost savings and monetary values.

National-level economic growth scenarios
Our analysis seeks to quantify the potential impact of gen AI on the UK's Gross Domestic Product by reallocating work hours freed up by productivity gains towards tasks less prone to automation. We developed a predictive model of likely job transitions based on skill proximity between different occupations.

We considered three scenarios regarding how workers may transition to new roles:

1. **Aggressive Scenario:** This assumes rapid technology adoption where labour supply is rigid, leading to a mismatch between workers' existing skills and new job demands, potentially increasing unemployment.
2. **Cautious Scenario:** A slower, 15-year technology adoption timeline, with a more adaptable labour market that minimises unemployment but may involve trade-offs in job quality.
3. **People-Centric Scenario:** Focuses on seamless workforce integration, with no net increase in unemployment. Gen AI enhances job quality, measured by factors like financial security, physical well-being and work relationships. The emphasis is on aligning new roles with both current and emerging skills, ensuring job quality keeps pace with technological change.

Surveys

Accenture Research partnered with YouGov to conduct two surveys of 1,085 executives and 3,752 employees in July–August 2024. The employee survey examined UK workers' experiences and perceptions of gen AI, while the executive survey explored executives' views on the AI ecosystem, their investments in gen AI, their AI strategies and their evaluations of the skills of their workforce.

The executive survey covered organisations ranging from SMBs to large corporations; 55% of the sample had an annual turnover of less than £500mn while 45% had an annual turnover of £500mn or above. Both survey samples were representative in terms of regional distribution, with regions in the UK defined as follows: North East, North West, Yorkshire and the Humber, East Midlands, West Midlands, East of England, London, South East, South West, Scotland, Wales and Northern Ireland. Employee and executive respondents represented 19 industries: Aerospace and Defense; Automotive; Banking; Capital Markets; Chemicals; Communications, Media and Entertainment; Consumer Goods and Services; Energy; Health; High Tech; Industrial Goods and Equipment; Insurance; Natural Resources; Life Sciences; Public Service; Retail; Software and Platforms; Travel; and Utilities.

Segmentation

Insights from the executive survey allowed us to categorise organisations based on their extent of adoption of gen AI as follows:

- 'Scalers' that have gen AI use cases in production in more than half of the business functions we tested for and have provided access to gen AI tools to more than half of their employees
- 'Implementers' that have gen AI use cases in production in some business functions
- 'Piloters' that piloted the use of gen AI in at least one business function but have not moved any use cases into production
- 'Non-adopters' that have not piloted gen AI in any business function

Utilising data from our executive survey, we sought to test the hypothesis that organisations that act on the five imperative areas we recommend are more likely to be a Scaler, while expressing higher satisfaction with the ROI.

To achieve this, we first constructed an index for each of the five imperatives. For each imperative, we identified relevant actions and generated binary variables to indicate whether the organisation had taken those actions. Organisations were classified as 'taking action' under a given imperative if they had completed at least half of the listed actions within that category.

Subsequently, we conducted a logistic regression analysis to assess how acting on one or more imperatives influenced the likelihood of becoming a Scaler and the organisation's satisfaction with its ROI. Finally, we employed our model to simulate the potential impact of all organisations acting on at least one imperative, as well as the effect of acting on all five imperatives to assess the increase in likelihood.

Interviews, client experience and case studies

Data & AI leads based in the UK held several working sessions to gather insights from their client work over the past 12 months and to discuss the survey findings. We also asked the leads to pinpoint the actions UK organisations should take regarding gen AI in the coming year. The insights from these sessions, combined with 18 interviews with internal and external AI experts, formed the foundation for the report's recommendations and the case studies included.

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Data and AI practice

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Endnotes

1 Public spending statistics: July 2024 - GOV.UK (www.gov.uk)

2 From target ID to candidate. See Exscientia - Events & Presentations

3 synthesia.io

4 LINGO-1: Exploring Natural Language for Autonomous Driving - Wayve

5 Analysis includes Israel. See Dealroom Accel-GenAI-Report-June-2024.pdf

6 Business population based on: Business population estimates for the UK and regions 2023: statistical release - GOV.UK (www.gov.uk)

7 Public spending statistics: February 2024 - GOV.UK (www.gov.uk)

8 Based on analysis of CB Insights data.

9 AI Infrastructure Spending Forecast to Be Over a Trillion Dollars Over the Next Five Years, According to Dell'Oro Group - Dell'Oro Group (delloro.com)

10 Based on our work helping companies use gen AI and the insights we gained from surveys of over 3,000 senior executives, we see six new synergistic sources of competitive advantage that companies can harness in the age of AI: their data and, by extension, their digital core, their rate of learning, their depth of capability reinvention, the strength of their external partnerships and how trusted they are to use AI responsibly. We assessed whether companies were building all six sources of competitive advantage and then determined whether companies that were had seen a TRS premium.

11 When comparing our aggressive scenario against our people-centric scenario.

12 https://www.gov.uk/government/news/artificial-intelligence-revolutionising-nhs-stroke-care

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17 New Frontiers: The Origins and Content of New Work, 1940–2018* | The Quarterly Journal of Economics | Oxford Academic (oup.com)

18 Aramco Digital and Accenture Partner to Revolutionize Digital Skilling Capabilities and Forge an AI-Ready Workforce in Saudi Arabia

19 S&P Global and Accenture Partner to Enable Customers and Employees to Harness the Full Potential of Generative AI

20 https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/events/2023/jpmc-investor-day-2023/JPM-Investor-Day-2023-Final-Full-Transcript.pdf

21 https://www.accenture.com/us-en/insights/consulting/total-enterprise-reinvention

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All non-sourced case studies are based on Accenture client engagements.

About Accenture

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