



Generative AI for the Enterprise

To BCG's network around the world,

The adoption and accuracy of generative AI are both scaling rapidly. Two months after launch, OpenAI's ChatGPT was estimated to have 100 million users. Instagram took 30 months to reach that threshold. While GPT-3.5 struggled with standardized tests, such as the US bar exam to become a lawyer and GRE for graduate school admission, the newer GPT-4 often scores in the 90th percentile or above.

But CEOs are less interested in whether ChatGPT can write a college essay than what it means for their enterprises. If generative AI boosts global GDP by 7% in ten years and affects 300 million jobs, as recently estimated by Goldman Sachs, they will want to capture that productivity.

Vendors are working to convert what is now largely a consumer and end-user phenomenon into an enterprise asset. Google, for example, launched a suite of enterprise solutions to spur greater innovation. Developers can select a model that meets their needs from a library of large language models.

How should companies respond? Inaction is not an option. CEOs and executives should take three steps now:

Seek game-changing outcomes. To harness the full potential of generative AI across an organization, leaders should focus on achieving step-change productivity gains through innovative and disruptive approaches. This involves identifying “golden use cases”

that leverage core data and IP assets uniquely to create a competitive edge. Some of the most promising areas include call center operations, marketing cost optimization, product development, R&D, knowledge management, and software development (e.g., code generation, bug detection, and documentation).

For example, a European cosmetics company has already boosted productivity in marketing by utilizing AI-generated websites and content. Walmart's Flipkart e-commerce unit is exploring using generative-AI-powered chatbots, and Mattel is relying on generative-AI-powered imaging software to design new Hot Wheels toy cars. In software, Github Copilot, a generative AI coding assistant with more than 1 million subscribers, is helping developers to improve their productivity by 10% to 50%.

Establish an enterprise approach. Scale and competitive advantage will be elusive without the right solution and architecture. The generative AI model market is currently volatile, and selecting an unsuitable provider may hinder success. Few companies, like OpenAI and Google, possess the necessary resources and high-caliber AI talent to serve as reliable partners. Companies should consistently track market trends and technological progress to establish the ideal ecosystem.

All organizations can benefit from basic use cases, such as code completion or content automation, to enhance productivity. However, to gain a competitive edge, companies should concentrate on creating proprietary solutions that are cost-effective and securely utilize their own data.

Start building. Senior leaders must experience the potential of this technology first-hand by diving in and exploring its capabilities. CEOs should encourage their teams to identify valuable applications, experiment with models, and start building transformative use cases. People and process changes contribute to 70% of the value of AI implementations, so these plans should systematically address process changes, organizational changes, talent development, and incentives as well as operational considerations.

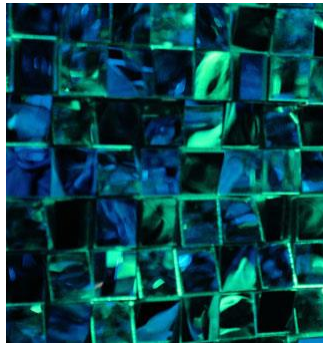
The consequences of strategic missteps are high today because the pace of development is so fast. Leaders need to move quickly but not so swiftly that they neglect the [established protocols and principles](#) of **responsible AI** to steer companies through legitimate privacy, IP, and security concerns—a priority for us at BCG, reflected in our AI Code of Conduct. Humans need to learn how to supervise and monitor AI and understand how to work with it. And the most successful companies will upskill workers and manage their job security concerns.

Until next time,



Christoph Schweizer
Chief Executive Officer

Further Reading



The CEO's Guide to the Generative AI Revolution

This powerful technology has the potential to disrupt nearly every industry, promising both competitive advantage and creative destruction. Here's how to strategize for that future.

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People Strategy in the Age of Generative AI

Why companies should focus on tasks more than on jobs, how they can train their managers to manage AI, and the importance of ethical thinking and responsible acting.

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Responsible AI Belongs on the CEO Agenda

Everyone from customers to investors wants AI done right. CEOs who take the lead in implementing responsible AI can better manage the technology's many risks.

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