

Driving AI-empowered value creation

For PE's portfolio companies in Asia

April 2026

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Where will the next wave of value creation for PE portfolio companies in Asia come from?

While many companies have begun incorporating AI into their workflows, few have fully realized measurable value. Why is that the case? Which types of businesses stand to benefit first and most from AI transformation? And how can core businesses be reshaped with AI as a true force multiplier? We examine these questions in the context of Asia.

Across the region, PE funds are navigating a more fragmented and volatile landscape. Macro headwinds persist in this cycle: softer consumer demand, FX volatility,

and intensified competition, compounded by geopolitical tensions—from US-China decoupling and tech export controls to shifting trade corridors and the realignment of supply chains. In sponsor-to-sponsor and trade exits, traditional efficiency levers have often already been pulled—or largely exhausted. Cost take-out alone is no longer sufficient to drive returns. Increasingly, AI is emerging as one of the few levers capable of delivering real EBITDA uplift and supporting exit multiple expansion, while strengthening the equity story for exit in an increasingly complex region.

The time for funds and portfolio companies in Asia to accelerate the AI agenda and realise tangible value is now

1.

Macro headwinds — softer consumer demand, FX volatility, intensified competition, and others.

2.

Traditional cost levers are largely exhausted.

3.

Asia raises the stake with fragmented markets, uneven data, tighter talent pool, and more.

4.

AI creates topline growth and long-term moat.

Yet the data is clear: despite high expectations, **approximately 60% of companies have yet to capture measurable value from AI. Why?** Globally, we observe companies progressing across three AI plays—Deploy, Reshape, and Invent. **Many get stuck between Deploy (rolling out tools) and Reshape (redefining core functions), without fully rethinking end-to-**

end workflows that integrate models, data and technology, operating model changes, and workforce upskilling. AI use cases are often not anchored to clear value pools, and value tracking stops at adoption metrics rather than financial outcomes. In some cases, leadership delegates AI ownership instead of leading it, and change management is consistently underestimated.

Companies progress across three distinct AI plays...

1.

Deploy

Build AI muscle across the portfolio

- Roll out general-purpose AI tools
- Drive adoption to capture quick productivity wins at scale



10% - 15%
productivity gains

2.

Reshape

Redesign core functions to be AI-first

- Rewire end-to-end workflows
- Focus on high-P&L functions
- Invest in change management to unlock EBITDA impact



40% - 50%
efficiency improvements

3.

Invent

Create new AI-driven revenue models

- Launch differentiated AI products or propositions
- Target high-disruption or high-upside businesses
- Commit meaningful, ringfenced investment for step-change growth



What should companies do differently?

We encourage management teams to pressure-test their AI journeys by asking a set of five evaluation questions when anticipated value has not yet materialized—using them as a practical diagnostic checklist.

Here are the factors we observed driving this result. Based on these, we suggest five key questions to evaluate AI maturity...

- 1. Where is the value pool that actually matters?**
Ensure the P&L or balance sheet impact is large enough
- 2. Which end-to-end workflows are we willing to redesign?**
Not “add AI to”, but fundamentally rethink roles, handoffs, and decisions
- 3. Who owns AI outcomes—not the tools?**
AI targets embedded into leadership KPIs
- 4. How will productivity gains convert into financial results?**
Headcount reduction, faster cycles, higher win rates, lower churn—explicitly defined upfront
- 5. Are we investing in change management to make this stick?**
Training, incentives, governance, and sustained execution—not a one-off enablement exercise



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Our conviction for Asia is clear: deploying AI tools will soon become table stakes. The repeatable, lower-risk value lies in reshaping core business functions to be AI-first—across GTM, customer operations, R&D, and other workflow-intensive functions. Observing the characteristics of PE portfolio companies helps clarify where AI-led reshaping can be most effective across sectors. When done right, AI acts as a force multiplier—driving revenue uplift, bending the cost curve, and building defensible operational moats.

Asia raises the stakes further. Fragmented markets, uneven data maturity, tight talent pools, and fast GTM cycles mean that value will not emerge organically. Funds must play an active role: setting direction, proving value quickly, scaling what works, and leading change management.

Asia-specific structural realities mean Asia needs its own AI playbook



Scaled PE portfolio companies

Asia's own context

Fragmented markets across languages, channels, customers, and regulations

Data availability, quality, and maturity vary, uneven starting points

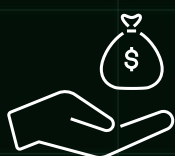
Highly skilled talent are a constraint

Implications for AI transformation

Higher payoff for GTM and customer operation

Funds play an outsized role in data readiness and governance

Embedding AI can lift pressure where talent is scarce and turnover is high



Scaled PE funds

Decision shift from Gross Merchandise Value growth towards profitability and cash flow

Funding rewards efficiency. Moat driven by AI attracts investments

AI enables growth while bending the cost curve

As markets price “efficiency + defensibility”, AI becomes a core value-creation lever





Within this context, we see **five archetypes of businesses** that stand to benefit first—and most—from AI transformation. From our experience, companies with

these characteristics have realized tangible value by reshaping core functions through end-to-end workflow redesign, supported by strong change management.

In Asia, we see the following five archetypes of portcos that would benefit from AI transformation first and most...

If the business has...

Then AI transformation can...

Large, fragmented customer base with frequent interactions



Drive personalization to lift sales and retention. Reduce cost-to-serve across GTM and customer operations

Labor-intensive, semi-structured frontline work. High variability in service quality and labor productivity



Improve frontline productivity and service consistency

Many rule-based or probabilistic micro-decisions. Abundant but under-utilized data



Automate micro-decisions and improve decision quality by leveraging data

Deep domain and institutional knowledge constrained by talent bottlenecks



Codify expertise to scale knowledge beyond talent limits

Product velocity and engineering efficiency core critical to growth



Accelerate Software Development Life Cycle (SDLC), enabling faster launches and better analytics

From our past engagements, we have seen companies across sectors realize tangible value by reshaping core

functions through end-to-end workflow redesign and strong change management.

From our past engagements, we have also seen tangible bottom line impact across various sectors ...

With AI to Reshape Key Functions

 Sectors/Functions

Here is the Impact we have seen ...


Drive personalization to lift sales and retention. Reduce cost-to-serve across GTM and customer operations

 E-com, Retail, Marketplace, SaaS, Financials



5% incremental revenue uplift with more targeted sales to improve LTV

Improve frontline productivity and service consistency

 Shared services, Logistics



35-50% cost savings with digital agents from automating basic processes


Automate micro-decisions and improve decision quality leveraging data

 Supply chain & Logistics, Manufacturing & Distribution, Insurance



3-5% Margin uplift from improved throughput/ yield/ asset-productivity

Codify expertise to scale knowledge beyond talent limits

 Financials, Healthcare, Shared services, Infrastructure



2 times in conversion value, **3 times** more portfolio reviews

Accelerate SDLC, enabling faster launches and better analytics

 Marketplace, SaaS, Fintech, Tech-enabled digital services



60% of productivity gain across SDLC without meaningful hire

We see **three categories of AI-first opportunities** that can drive portfolio company value creation, supported by proven client examples:

- **Revenue operations** through AI-enabled pricing, targeting, and sales uplift. Companies identify high-value segments and willingness-to-pay patterns, then equip GTM teams with personalized offers—often automated through GenAI content creation. In Asia, we helped a food and beverage chain improve gross profit by 12% per loyalty member through hyper-personalization.
- **Margin expansion** through a new human-agent workforce model, where multi-agent workflows reshape

operations and service delivery to unlock productivity. For example, we supported a leading regional bank in designing a multi-agent system for its wealth business, achieving a 2x increase in conversion value and enabling relationship managers to conduct three times more portfolio reviews using copilots.

- **Cost take-out** through AI-upgraded process management across functions such as legal, finance, HR, and supply chain. This includes automating labor-intensive workflows, improving decision-making through analytics, and reducing COGS via demand forecasting. We have seen end-to-end procurement transformations generate over \$50 million in savings.

Three categories of AI-first opportunities to drive portcos' value creation

AI Opportunity	Case Study	Realized Impact
1. Revenue operations through AI-enabled pricing and sales uplift	Digital wallet company using AI-driven hyper-personalisation to boost campaign performance. SaaS transformed CSM with AI-enabled lead scoring & targeted outreach	<ul style="list-style-type: none"> 4-6% Incremental revenue uplift 10-15% gross profit uplift per member 5-10% ARR uplift by M12
2. Margin expansion through the new human-agent workforce model	APAC bank redefined the role of Relationship Managers as strategic advisors not just product pushers, and improved topline performance	<ul style="list-style-type: none"> 10-15% increase in NAV 20-30% cut in OPEX 20-30% decrease in AHT
3. AI-upgraded process management	Beauty company redefined supply chain planning with an AI Business Planning platform. European automotive giant adopted GenAI end-to-end across procurement operations	<ul style="list-style-type: none"> 15-30% reduction in inventory > \$50M savings 2-4% increase in revenue

So what role should PE funds play?

Across these opportunities, PE sponsors are critical in helping portfolio companies identify where value lies and how to prioritize. Those that pull ahead will treat AI as a core value-creation agenda—not a side initiative—and will commit to end-to-end transformation.

- We recommend a phased approach to AI transformation. Start with a focused diagnosis to identify the highest-value use cases and a credible path to impact. Then execute and prove value by deploying

priority use cases at scale, embedding them into core workflows, building internal capabilities, and tracking measurable business outcomes. Once impact is proven, scale AI across functions, reinforce adoption through incentives and operating rhythms, and selectively pursue higher-value Invent opportunities—positioning the organization to operate as an AI-first business.



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