



## **Surfing the Crest of the Generative AI Wave**

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To BCG's network around the world,

I recently had a chance to catch the first couple episodes of HBO's awe-inspiring "100 Foot Wave" series about surfing the biggest waves in the world. Those images were top of mind for me last week at BCG's worldwide partner meeting, where much of the focus was on the huge "wave" approaching the business community: generative AI.

Never have I witnessed a phenomenon move at this speed and scale across so much of the economy with such upside, risk, and uncertainty, dramatically reshaping conversations and concerns at many companies over just a handful of months.

A personal highlight of our meeting last week was a terrific climate, sustainability, and technology expo, which highlighted gen AI. The event included the participation of CEOs from across Asia, dozens of entrepreneurs, and the major platform players we are teaming with, including OpenAI, Google, Intel, Microsoft, AWS, Salesforce, SAP, and many others.

Two things struck me. First, it's extraordinary how rapidly we are

all moving up a learning curve.

As Nicolas de Bellefonds, who is driving BCG's gen AI efforts, put it to me: "A few months ago, clients were fascinated to see demos of what generative AI could do. Now, we're discussing how to make it work. Which outcomes offer the biggest upside potential and competitive advantage? How can we use LLMs (large language models) in ways that leverage and protect data, can be scaled toward enterprise-grade performance, and can remain cost effective? How big—from 5 billion parameters to 500 billion—should they be? In what ways do operating and people models need to change? How do we address the complicated questions regarding risks and responsibilities?"

Second, the breadth of applications for gen AI, and AI more broadly, continues to astound me. Here's just a short list of the work we've already initiated with our clients:

- Identifying novel drugs or formulations against targeted patient outcomes—with the objective to get to new formula propositions in weeks rather than months or years
- Designing new semiconductors from scratch based on user inputs and automating performance validation, aiming to reduce time-to-design by more than half
- Coming up with new consumer product innovations and associated sets of materials across media platforms—with a first version produced in a matter of minutes
- Making customer service more efficient through virtual and assisted agents, with an ambition to decrease costs by 80%

And, of course, we're figuring out ways to use the technology to up productivity and change the way BCG teams operate.

Seeing these efforts at the expo made me so appreciative of the 7,000 BCGers focused on tech and digital, including the 3,000 data scientists, engineers, and designers at [BCG X](#). They are essential to helping us realize the power of gen AI at scale as we forge [collaborations](#) and leverage the technology to support our clients on their transformation journeys, as well as change the [way we work](#).

Of course, the backdrop during all this change is the high economic and geopolitical uncertainty and the coinciding near-term

performance pressures faced by so many of our clients. I don't see these dual pressures—funding the journey in the near term while embracing enormous opportunities for the medium term—letting up anytime soon. It's a privilege to be a trusted partner for many of you as you take on these challenges.

Until next week,

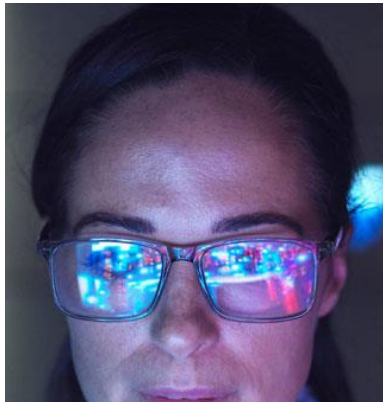


Rich Lesser  
Global Chair

*Correction: In last week's Weekly Brief about the fintech industry, there were two incorrect links. The link in the second paragraph should have gone to [our new fintech report](#). And the link at the bottom of the email should have directed you to "[The New Growth Game](#)." These have been corrected on [our website](#).*

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## Further Reading



### What's Missing from Your AI Transformation Is a Transformer

Collaborating with AI startups or scale-ups to overcome technology gaps, skills deficits, and obsolescent ways of working can yield immense benefits for incumbent companies.

[Read more](#)



## **The CEO's Roadmap on Generative AI**

What strategic choices will enable leaders to exploit opportunities and manage challenges.

[Read more](#)



## **How to Put Generative AI to Work—Responsibly**

This transformative technology has the potential to dramatically accelerate innovation, but it also brings new hazards. Responsible artificial intelligence can help mitigate the risks.

[Read more](#)