



Insights from the Frontline of Generative AI

Two things about AI caught my attention last week.

The first was the news that BCG was ranked as a [global leader in AI services](#) by IDC MarketScape—actually the upper-right spot of the 25 firms included. It's a feat we're quite proud of, especially considering that ten years ago we had just over a dozen data scientists in our ranks and little sense of where this journey would take us.

The second was hearing Christoph mention on a few occasions that, in the first half of 2023, BCG has been engaging in depth on generative AI with board- and executive-level leaders at more than 600 different organizations—and is already supporting many projects focused on the technology and its productive deployment.

All of this, along with a new survey about GenAI that we recently conducted with more than 2,000 C-suite leaders, means we're gaining a clearer understanding of the impact the technology is having and the next steps leaders should take. I reached out to two of our own leaders on the topic, [Nicolas De Bellefonds](#) and [Vlad Lukic](#), to learn more about the insights they've gathered, which I hope you'll find valuable.

GenAI Success Starts with AI

Making good use of GenAI starts with a foundational strength in AI itself. In fact, the gap between those making fast progress and those falling behind in AI has widened significantly with the advent of GenAI.

About 20% of organizations—and not just tech companies—fall into that front-runner group. Another portion—about 30% of the total—are at the bottom of the pack and are doing what they can to dive in. But the 50% or so in the middle are the most challenged. They're learning about GenAI and talking about its potential impact at the highest level of the organization, but they're having a hard time translating their interest into coherent action.

Separating from the Pack

Those in the top 20% are increasing their GenAI maturity at a remarkable speed, creating advantage in six months that could easily have taken years in the past. That's partly a result of the data and tech infrastructure they've already built—but also the effort they've made to lock up expert resources as quickly as possible.

These leading companies are finding ways to integrate GenAI into the broader data and AI momentum that has already driven value for them. They're fitting it into solutions that are improving products and services, operations, and the HR and IT experiences of their own employees. Adopting GenAI has been almost a seamless part of their AI journey.

Changing the Conversation

It's not too late for others to catch up. If you're one of those in that middle 50%, here are some critical ways to adjust the conversation and priorities at your organization and follow the lead of those having early success with GenAI:

Focus on the big wins. Look beyond the obvious opportunities of content creation to the full scope of potential impact, from smart design to problem solving and autonomous agents. Instead of individual use cases, think about how to redesign functions and processes end to end in marketing, customer service, operations, and technology. Tap into proprietary data to drive deeper customer relationships and spark innovation and creativity.

As with machine-learning AI, the real challenge lies not just in

proliferating pilot tests but from thinking on day one about how the new capabilities will be embedded in the broader organization—so pick your shots carefully.

Drive impact with AI and GenAI. It's not about replacing AI and only playing with the newest toy. The combined power of AI and GenAI packs the most punch. Leading companies are using GenAI to build on what they've already achieved with the machine learning and optimization of "traditional" AI, analogous to benefitting from integration of the left brain (predictive AI) and right brain (GenAI).

Invest in the foundation. Now is the time to dedicate new resources to your tech and data infrastructure, maintaining an outcomes-focused perspective. This foundation will be a fundamental source of competitive advantage for the next five to ten years; build it in parallel with the pursuit of your biggest near-term opportunities. It's also critical to invest time and resources into responsible AI, which should be part of the foundational platform.

Undertake comprehensive workforce planning. Envision the impact of GenAI and AI on your workforce over the next three to five years—not only where you'll need new talent but also where you might be able to upskill and reskill your current workforce. GenAI is a source of anxiety for many workers. The challenge is to convert that anxiety into a sense of empowerment and opportunity.

Those in the lead will keep pulling ahead. For everyone else, it's time to change the nature of the conversation and take action or risk losing ground.

Until next time,

A handwritten signature in dark ink, appearing to read "Rich", with a stylized, cursive script.

Rich Lesser
Global Chair

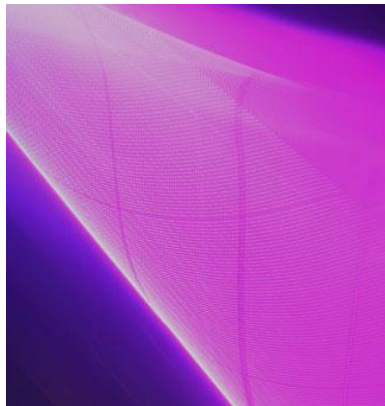
Further Reading



BCG Named a Worldwide Leader in Artificial Intelligence Services by IDC MarketScape

The report underscored BCG's efforts to help clients "fuse AI and other cutting-edge technologies with human skills to drive innovation, adaptability, and performance."

[Read more](#)



Generative AI

Generative artificial intelligence is a form of AI that uses deep learning for content creation. Learn how it can disrupt or benefit businesses.

[Read more](#)



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Over the past six decades, BCG has maintained an unwavering commitment to our corporate purpose: unlocking the potential of those who advance the world. As we turn to our future, join us in celebrating the power of our people, our ideas, and the impact we have through our clients around the world.

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