



C1 EDGE PRESENTS

The Era of AI-Powered Connected Human Experience is Underway

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Summary

Gartner's 2018 CIO Agenda Survey revealed that only 4% of CIOs had implemented AI. At that time, Gartner shared that ["Despite huge levels of interest in AI technologies, current implementations remain at quite low levels."](#)

That's not the case anymore.

C1 surveyed 500 leaders, responsible for the selection and purchase of IT solutions, to get their insights on the impact the emergence of generative AI is having on their organizations.

They represent organizations with 500 or more employees in the education, finance and insurance, healthcare, hospitality, manufacturing, and utilities sectors.

The main finding? To remain competitive, organizations must already be learning and evolving from generative AI implementations:

- 100% of organizations are developing new KPIs to monitor the application of generative AI. The new KPIs cover topics such as "need for further interaction after AI."

- 99% of organizations accelerated their adoption plans for AI with the emergence of generative AI - 51% significantly accelerated them.

- 96% of organizations describe their level of generative AI use as moderate to very high with 75% indicating it as high to very high.

90%

of organizations agree that AI is used to elevate the connected human experience for employees.

- 80% of organizations believe adopting generative AI is very/extremely important to elevating employees' quality of work and collaboration.
- 76% of organizations believe adopting generative AI is very/extremely important to elevating the quality of work and collaboration with customer interactions.
- 74% agree that AI is part of an employee replacement strategy.
- 65% of organizations have revised their cyber security program to include risk considerations potentially introduced by generative AI.
- Here's how organizations are currently using generative AI:
 - 85% for enhancing automation.
 - 84% for co-developing products & services.
 - 84% for supporting code development.
 - 68% for virtual assistants/ co-pilots.



- To be successful, organizations agree it takes a solution that combines the employee and customer experiences:
 - 86% of organizations agree that obtaining converged employee and customer experience solutions from a single technology and business partner is critical to ensuring the best employee and customer experience.

Read on to further explore how peers in your and other industries are using generative AI to shape the future of their organizations.

Buckle up, the rate of change only accelerates from here!

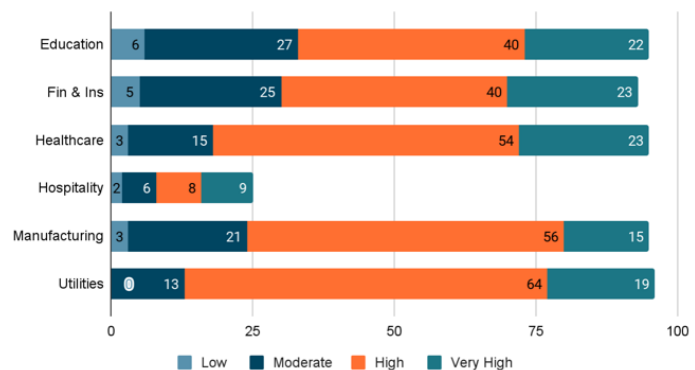
The Era of AI-Powered Connected Human Experience Has Begun

The hype is over. The research reveals that leaders have been aggressively implementing generative AI-based capabilities across their organizations. Ninety-six percent (96%) of organizations describe their current level of generative AI use as moderate to very high. Of those, a staggering seventy-five percent (75%) indicate their generative AI use as high to very high. Healthcare and Utilities sectors lead the way:

High to very high use

- Education: 65%
- Fin & Ins: 68%
- Healthcare: 81%
- Hospitality: 68%
- Manufacturing: 75%
- Utilities: 86%

What best describes the level of generative AI usage at your organization?



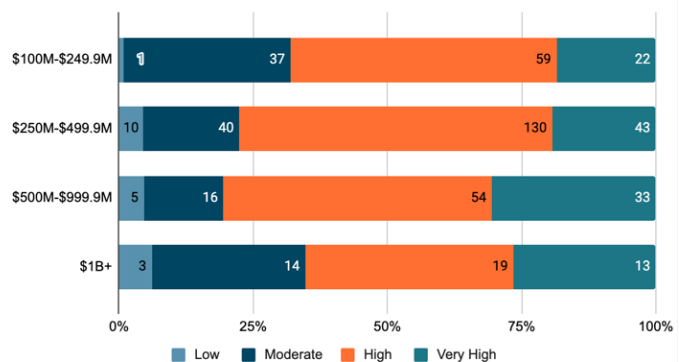
Digging further into the data uncovers some interesting differences:

- Company size, based on revenue, finds organizations from \$100M-\$250M and \$1B+ indicating more modest usage levels compared to companies in the \$250M - \$1B range:

High to very high use

- \$100M-\$249.9M: 68%
- \$250M-\$499.9M: 78%
- \$500M-\$999.9M: 81%
- \$1B+: 64%

What best describes the level of generative AI usage at your organization?

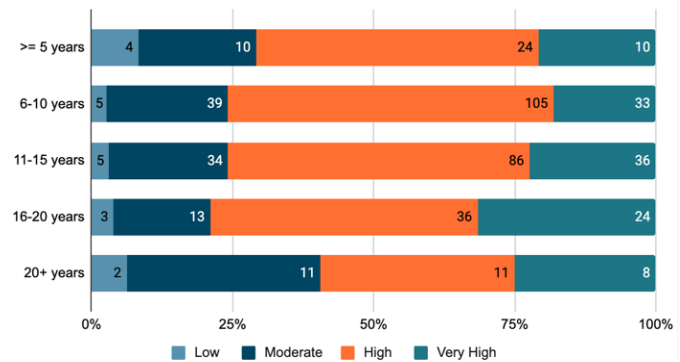


- Additionally, years of industry experience also revealed a difference, with experienced respondents indicating a more moderate level of generative AI use at their organizations. Note that respondents with more industry experience tend to be in larger organizations with 48% of those having 20+ years of experience also in companies with 5,000+ employees.

High to very high use

- o >= 5 years: 74%
- o 6-10 years: 76%
- o 11-15 years: 76%
- o 16-20 years: 79%
- o 20+ years: 58%*

What best describes the level of generative AI usage at your organization?

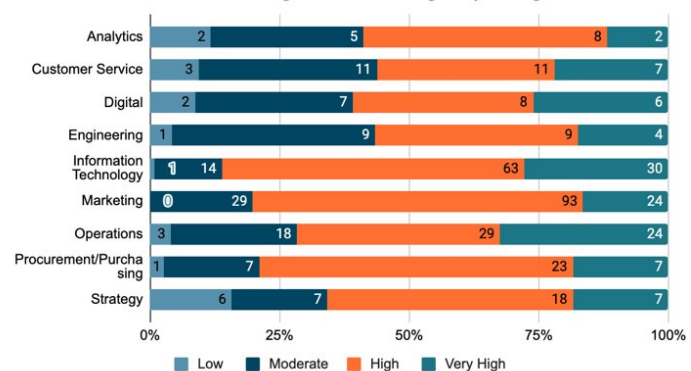


- Respondents also provided a surprise within the data by department. As expected, IT indicated a high level of usage, but respondents in marketing and procurement also indicated high levels of generative AI usage in their organizations:

High to very high use

- o Analytics: 59%
- o Customer Service: 56%
- o Digital: 61%
- o Engineering: 57%
- o Information Technology: 86%
- o Marketing: 80%
- o Operations: 71%
- o Procurement/Purchasing: 79%
- o Strategy: 66%

What best describes the level of generative AI usage at your organization?



Given all the supply chain challenges over the past four years, applying additional help to the procurement function makes great strategic sense. Those organizations currently using generative AI in their procurement function are creating the potential to make sourcing an even stronger competitive advantage.

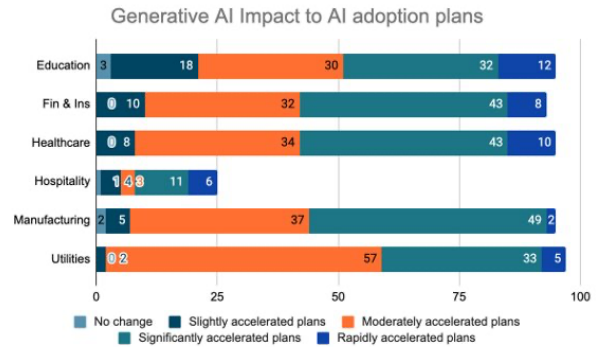
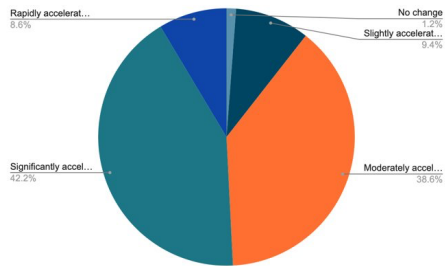
It's interesting to note the additional motivation generative AI provided to organizations regarding their adoption of AI. The emergence of generative AI accelerated 99% of



The Era of AI-Powered Connected Human Experience is Underway

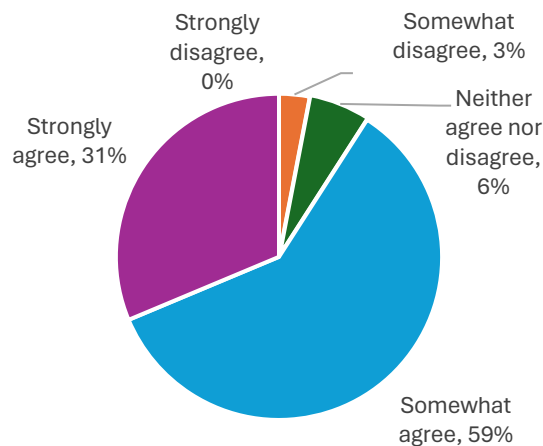
organizations' AI adoption plans with the greatest acceleration in the Finance and Insurance, Healthcare and Manufacturing sectors:

Generative AI Impact to AI adoption plans



Underpinning the accelerated adoption plans and the high level of usage is the belief that generative AI will positively impact the employee and customer experience with 90% of organizations agreeing that AI is used to elevate the connected human experience for employees.

AI is used to elevate the connected human experience for existing employees.



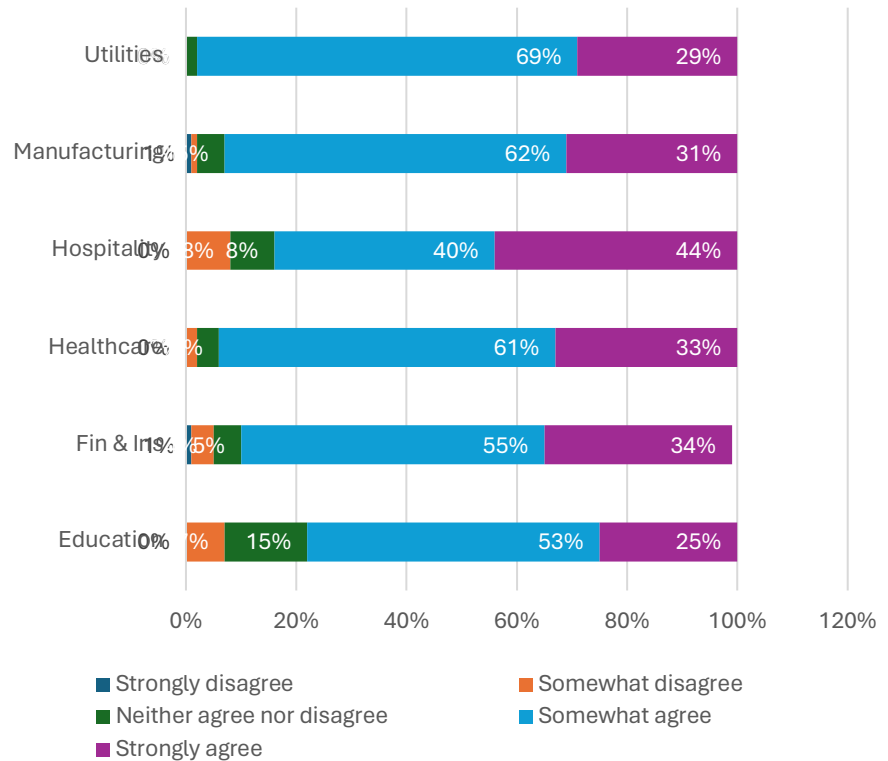
The education sector agrees less strongly than the other groups. Utilities, Healthcare and Manufacturing sectors lead the way in this belief. If you're competing in those industries and your organization is not aggressively pursuing a generative AI-driven connected human experience strategy, there is a high probability it will quickly fall behind the other industry leaders that are pursuing one.



High to very high use

- Education: 78%
- Fin & Ins: 89%
- Healthcare: 94%
- Hospitality: 84%
- Manufacturing: 93%
- Utilities: 98%

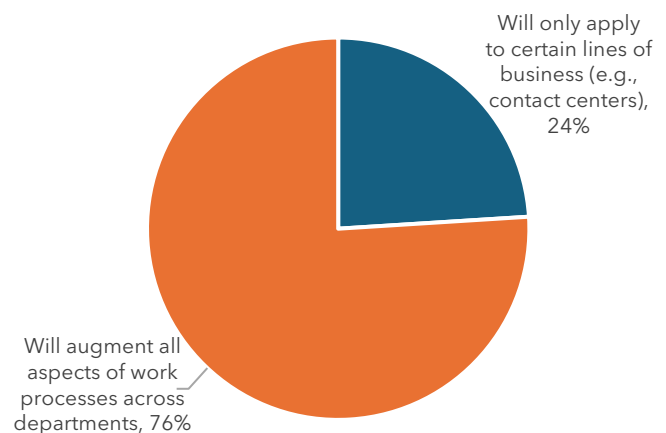
AI is used to elevate the connected human experience for existing employees



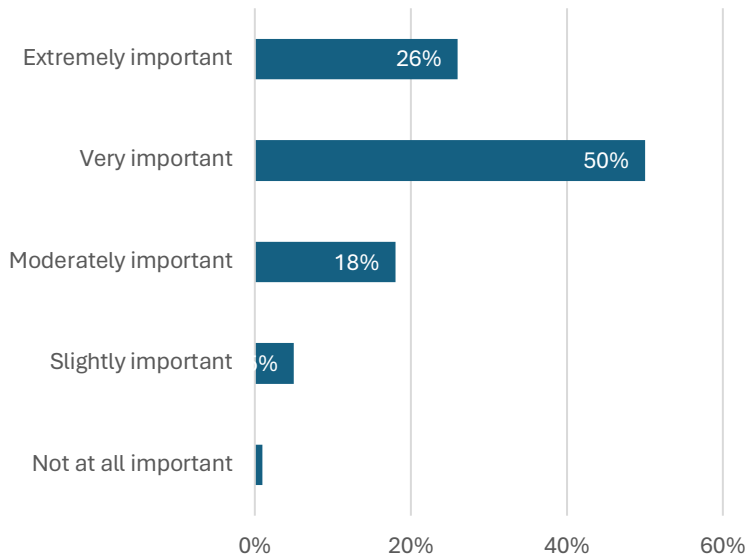
If that wasn't enough, respondents put an exclamation mark on their position that the era of AI-powered connected human experiences has arrived by calling out:

76% of organizations believe

the application of generative AI will augment all aspects of work processes across departments. Only 24% believe the application of generative AI will only apply to certain lines of business, for example contact centers.

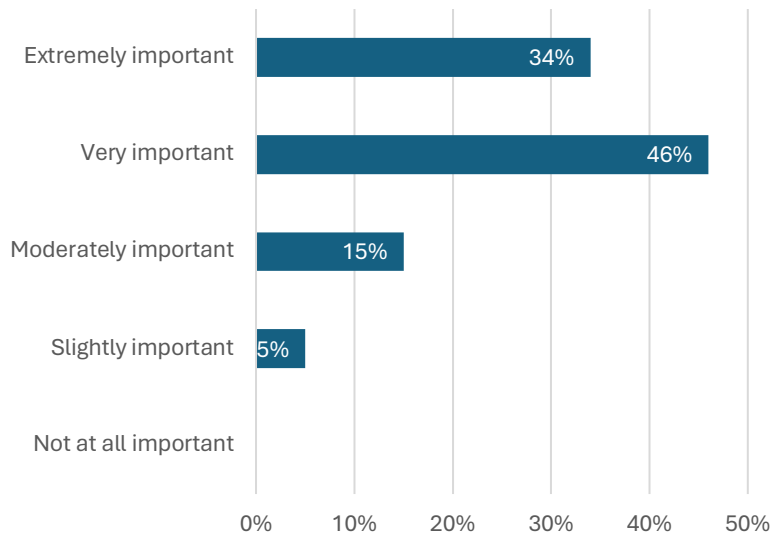


The Era of AI-Powered Connected Human Experience is Underway



76% of organizations believe the adoption of generative AI very/ extremely important to elevating the quality of work and improving collaboration with customers.

80% of organizations believe the adoption of generative AI very/ extremely important to elevating the quality of work and improving collaboration between employees.



With the era of AI-powered connected human experiences upon us, here's what organizations are doing with it.

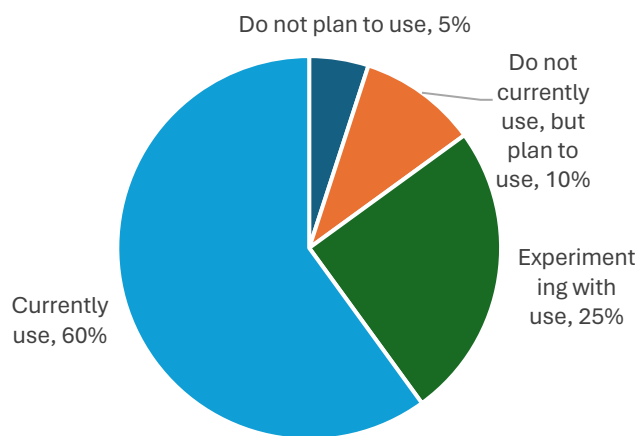


How Organizations Are Using Generative AI Today

Leaders shared how they are using generative AI today to:

- Enhance/ improve automation
- Co-develop products and services
- Support code development
- Enable virtual assistants and co-pilots

What's your organization's experience with using generative AI to enhance/improve automation?

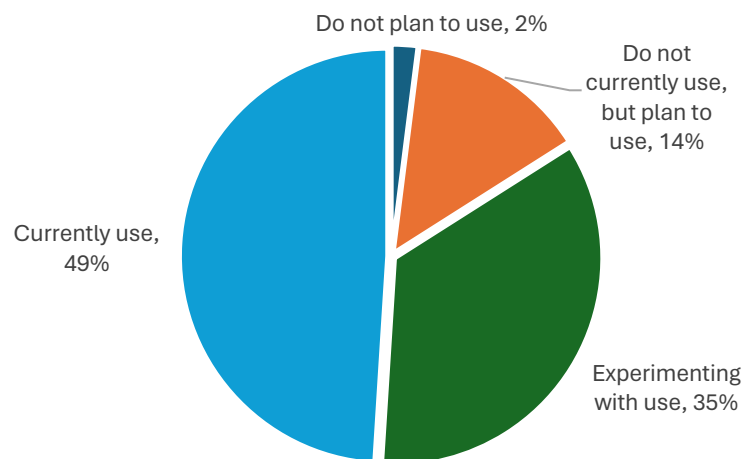


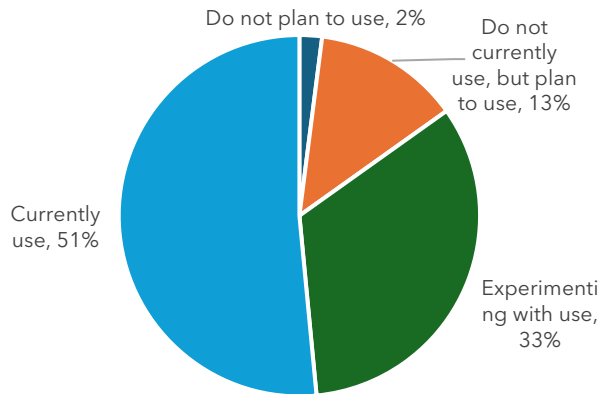
85% of organizations indicated they are currently using or experimenting with generative AI to enhance/improve automation of workflows.

What's your organization's experience with using generative AI to co-develop products and services?

84% of

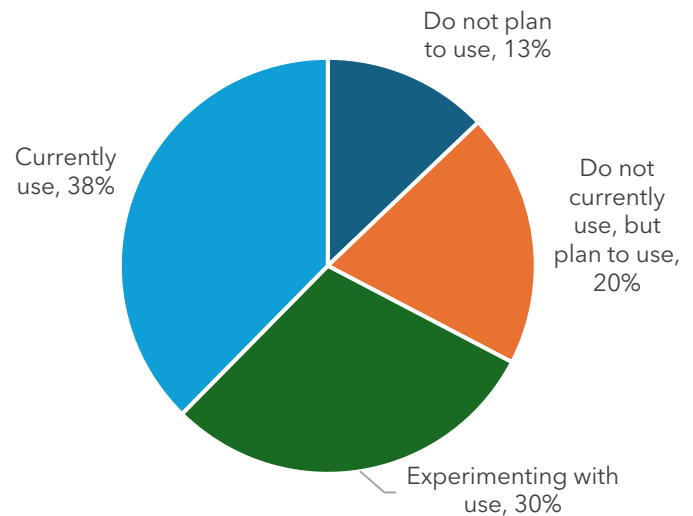
organizations are currently using or experimenting with generative AI for co-developing products and services.





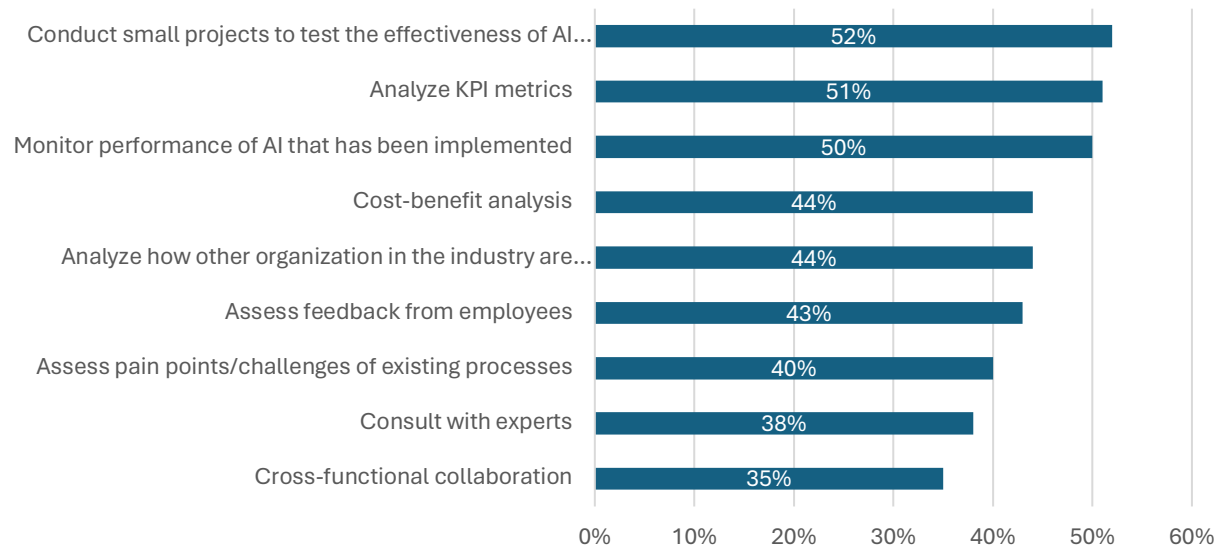
84% of organizations are currently using or experimenting with using generative AI for code generation/ enhancement.

68% of organizations are currently using or experimenting with using generative AI for virtual assistants and co-pilots.



Organizations are using experience with implementations to identify use cases where generative AI can help.

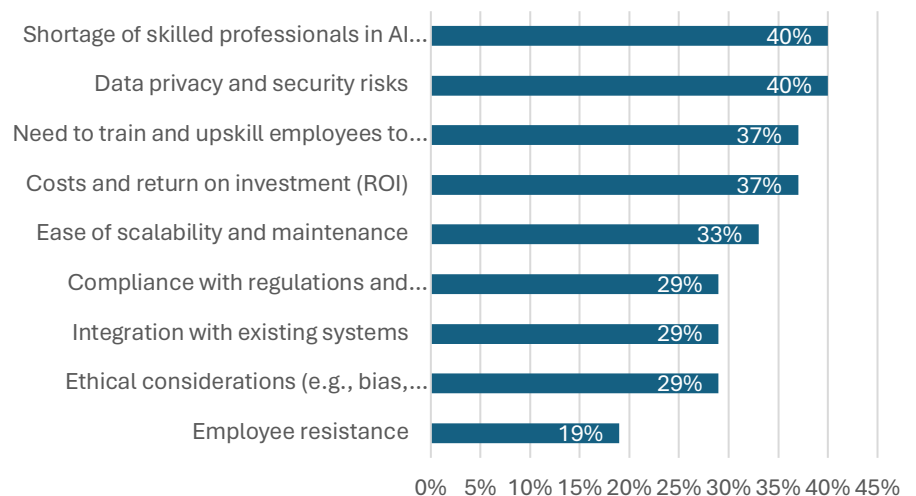
How does your organization identify use cases where generative AI can help?



The implications for being a first mover in this area are potentially significant. Organizations that are learning from their generative AI implementations have an advantage over those that don't have some type of generative AI-based capabilities in use. Those gaining experience are doing so at an accelerating rate while those cautiously approaching implementation of generative AI are at risk of falling too far behind.

Regarding concerns with the implementation of generative AI at their organizations, leaders identified "Data privacy and security risks" and "Shortage of skilled professionals in AI development, deployment, and maintenance" as the two at the top of the list.

Concerns with the implementation of generative AI in your organization



A Framework to Evaluate the Level of AI Being Used

Not all AI is created equal. To provide leaders with a way to evaluate the level of AI they have deployed and to estimate the level of AI they plan to evolve into, this framework was presented:

Artificial Intelligence	Augmented Intelligence	Actionable Intelligence	Authentic Intelligence
Leverages computers and machines to mimic problem-solving and decision-making capabilities.	Emphasizes a collaborative relationship by integrating capabilities into human activities to enhance and complement human intelligence, rather than replacing it.	Analyzes data and translates insights into practical, concrete steps that can be taken by individuals, teams, or automated systems.	Built on a combination of data, experience, and emotional intelligence. It's rooted in empathy, understanding, and the ability to adapt to individual needs and preferences.

Algorithmic	Level of connected human experience	Empathetic and Adaptive
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Using this framework, leaders evaluated the level of generative AI currently deployed in each area:

Co-developing products and services

Artificial	23%
Augmented	28%
Actionable	29%
Authentic	20%

Supporting code development

Artificial	20%
Augmented	29%
Actionable	33%
Authentic	19%

Enhancing automation

Artificial	22%
Augmented	25%
Actionable	32%
Authentic	21%

Virtual assistants and co-pilots

Artificial	33%
Augmented	20%
Actionable	28%
Authentic	19%



How Organizations Plan to Use Generative AI in the Next 24 Months

Organizations predict significant advancements in the level of generative AI used across each of the areas. The largest expected advancement is with code development (14 percentage point increase) with co-developing products and services right behind (13 percentage point increase).

		Now	Next 24 months
Co-developing products and services	Artificial	23%	10%
	Augmented	28%	27%
	Actionable	29%	34%
	Authentic	20%	28%
Enhancing automation	Artificial	22%	9%
	Augmented	25%	27%
	Actionable	32%	39%
	Authentic	21%	25%
Supporting code development	Artificial	20%	10%
	Augmented	29%	24%
	Actionable	33%	35%
	Authentic	19%	31%
Virtual assistants and co-pilots	Artificial	33%	10%
	Augmented	20%	32%
	Actionable	28%	37%
	Authentic	19%	21%

49% of organizations are currently at the actionable or authentic level of generative AI for co-developing products and services with the expectation of growing to 62%

53% of organizations are currently at the actionable or authentic level of generative AI for enhancing automation with the expectation of growing to 64%

52% of organizations are currently at the actionable or authentic level of generative AI for supporting code development with the expectation of growing to 66%

47% of organizations are currently at the actionable or authentic level of generative AI virtual assistants and co-pilots with the expectation of growing to 58%

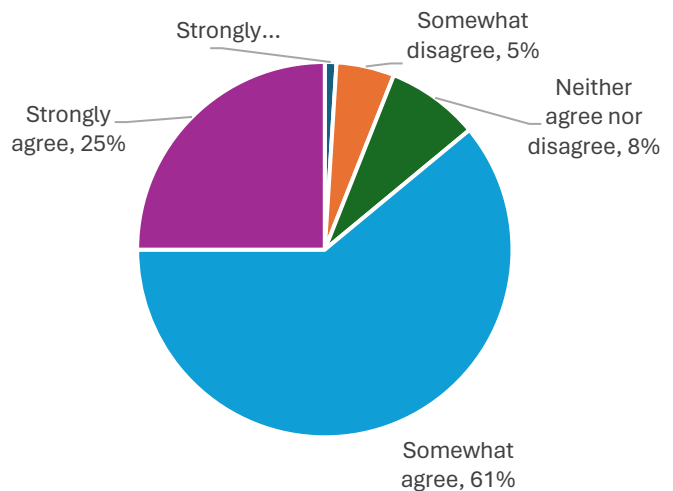


What Organizations Consider Necessary to be Successful with Generative AI Deployments

As they learn from implementing generative AI-based solutions, leaders conveyed that it takes a village of expertise and experience, along with a platform approach, to deliver a quality employee and customer experience.

86% of organizations

agree that obtaining converged employee and customer experience solutions from a single technology and business partner is critical to ensuring the best employee and customer experience.



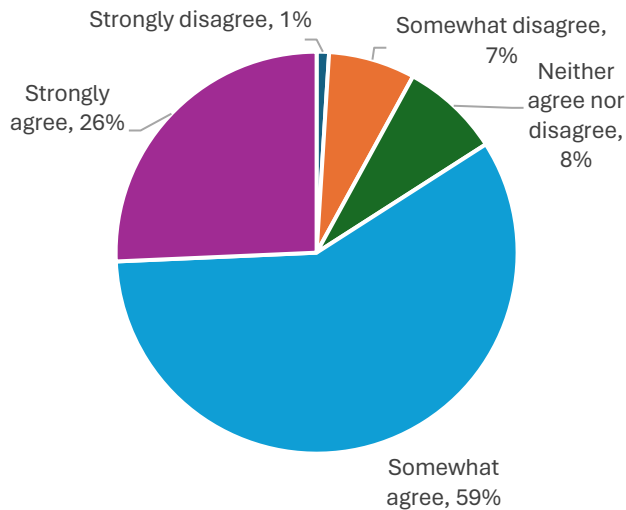
The drill down

Analyzing this topic by department reveals differences of perspective. Those respondents in Analytics, Engineering and Strategy departments were less likely to agree to this point compared to their peers in Customer Service, Digital, IT, Marketing, Operations, and procurement departments. Managers were also less likely to agree compared to Directors and above. From an industry lens, Education agrees less than their industry counterparts. Finally, company size also showed a difference with the larger organizations agreeing less strongly than respondents at smaller organizations.

Somewhat + Strongly Agree (Top 2): Obtaining Converged Employee and Customer Experience Solutions From A Single Technology and Business Partner IS Critical To Ensuring The Best Employee And Customer Experience

Role	Industry	Department	Org Size \$s	Org Size EEs
Mgr./ Sr Mgr. 80%	Education 72%	Analytics 53%	\$100M-\$249.9M 87%	500 -999 83%
Director 84%	Fin & Ins 82%	Cust Service 81%	\$250M-\$499.9M 87%	1K - 4.9K 90%
VP/ SVP 96%	Healthcare 88%	Digital 83%	\$500M-\$999.9M 87%	5K - 19.9K 80%
C-suite 95%	Hospitality 96%	Engineering 65%	\$1B+ 78%	20K+ 76%
	Mfg. 87%	IT 93%		
	Utilities 98%	Marketing 96%		
		Operations 85%		
		Procurement 87%		
		Strategy 63%		





84% of organizations agree

that implementing employee and customer experience technologies (including security and infrastructure) from a single partner significantly reduces the risks typically associated with implementing new solutions at their organization.

The drill down

Analyzing this topic by department finds equivalent results with those respondents in Analytics, Engineering and Strategy departments indicating they are less likely to agree to this point compared to their

peers in Customer Service, Digital, IT, Marketing, Operations, and procurement departments. Managers were also, once again, less likely to agree compared to Directs and above. From an industry lens, Education and Finance and Insurance organizations agree less than their industry counterparts. Finally, company size also showed a difference with smaller organizations, in terms of revenue and employees (<1K employees and \$100M - \$249.9M), agreeing less strongly than respondents at larger organizations. Interestingly, the largest organizations in terms of revenue (\$1B+) agree at about the same level as the other organizations, but the 20,000+ employee organizations are less agreeable.

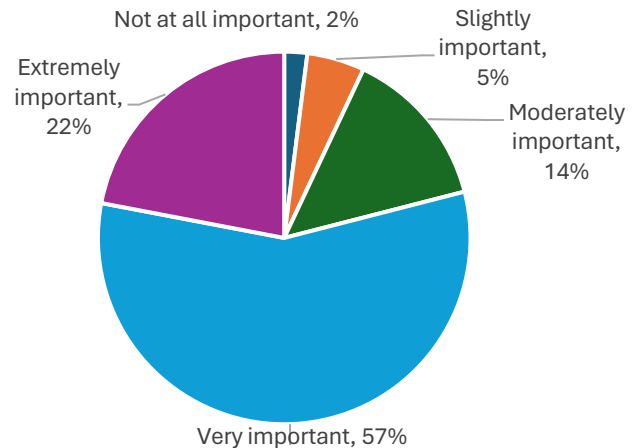
Somewhat + Strongly Agree (Top 2): Implementing Employee And Customer Experience Technologies From A Single Vendor Significantly Reduces Risks Typically Associated With Implementing New Solutions At My Organization

Role	Industry	Department	Org Size \$s	Org Size EEs
Mgr./ Sr Mgr. 72%	Education 72%	Analytics 65%	\$100M-\$249.9M 78%	500 -999 73%
Director 85%	Fin & Ins 77%	Cust Service 78%	\$250M-\$499.9M 85%	1K - 4.9K 90%
VP/ SVP 97%	Healthcare 85%	Digital 83%	\$500M-\$999.9M 90%	5K - 19.9K 83%
C-suite 100%	Hospitality 88%	Engineering 61%	\$1B+ 86%	20K+ 76%
	Mfg. 88%	IT 92%		
	Utilities 98%	Marketing 93%		
		Operations 80%		
		Procurement 89%		
		Strategy 63%		



79% of organizations

indicate it's very/extremely important to partner with a single provider that offers end-to-end solution/ services to future proof their investments.



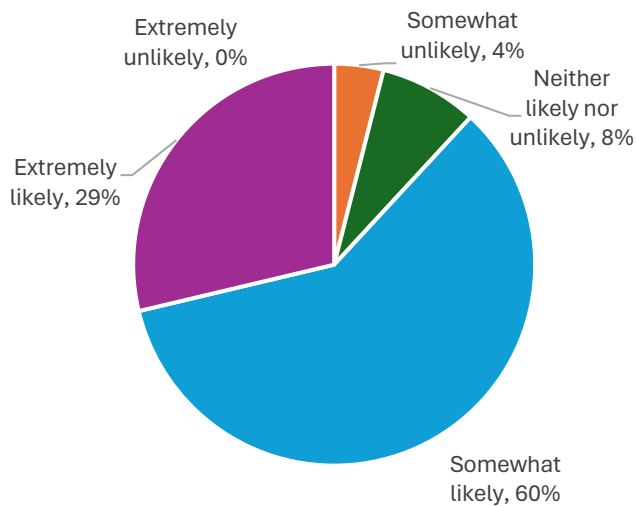
The drill down

Given the amount of tech debt outstanding in many organizations, it might be challenging to credibly consider technology investments to be future proofed. Giving a nod to end-to-end providers, leaders indicated that it's important to work with a single provider to have a chance at future proofing the investment. For this topic, Education and Finance and Insurance sectors indicated a lower level of importance compared to the other industries. The industry with the longest typical investment horizon, Utilities, placed the highest level of importance on this point compared to their peers in other industries. Managers also indicated it as less important along with most departments. IT, Marketing and Procurement placed a significantly higher level of importance on this topic compared to the other departments. From a company size perspective, the middle placed more importance on this topic compared to peers in smaller and larger organizations.

Very + Extremely Important (Top 2): How Important Is It To Partner With A Single Provider That Offers End-to-End Solutions and Services When It Comes to Future Proofing Your Investments.

Role	Industry	Department	Org Size \$s	Org Size EEs
Mgr./ Sr Mgr. 65%	Education 67%	Analytics 59%	\$100M-\$249.9M 76%	500 -999 75%
Director 81%	Fin & Ins 69%	Cust Service 63%	\$250M-\$499.9M 84%	1K - 4.9K 90%
VP/ SVP 93%	Healthcare 77%	Digital 65%	\$500M-\$999.9M 80%	5K - 19.9K 83%
C-suite 89%	Hospitality 84%	Engineering 43%	\$1B+ 66%	20K+ 76%
	Mfg. 86%	IT 86%		
	Utilities 95%	Marketing 94%		
		Operations 77%		
		Procurement 84%		
		Strategy 55%		





89% of organizations are

likely to leverage managed services to assist with the generative AI transition in applications, security, and infrastructure.

The drill down

Respondents demonstrated the most consistency across subsegments on this topic. While Managers indicated significantly less likelihood to leverage managed services, those closer to the budget indicated a high likelihood of doing so. From an industry perspective, Education stands out as significantly different from the other industries and much less likely to leverage managed services. From

the department purview, Engineering and Procurement are less likely than their peers in other departments to leverage managed services. From an organizational size lens, the middle group is more likely to enlist managed services help, but their counterparts in smaller and larger organizations are much closer in perspective than for other topics in this study.

Somewhat + Extremely Likely (Top 2): How Likely Is Your Organization To Leverage Managed Services From Companies To Assist With The Generative AI Transition In Applications, Security And Infrastructure?

Role	Industry	Department	Org Size \$s	Org Size EEs
Mgr./ Sr Mgr. 82%	Education 79%	Analytics 88%	\$100M-\$249.9M 83%	500 -999 83%
Director 88%	Fin & Ins 91%	Cust Service 88%	\$250M-\$499.9M 94%	1K - 4.9K 92%
VP/ SVP 98%	Healthcare 92%	Digital 87%	\$500M-\$999.9M 86%	5K - 19.9K 86%
C-suite 95%	Hospitality 84%	Engineering 61%	\$1B+ 86%	20K+ 82%
	Mfg. 88%	IT 93%		
	Utilities 95%	Marketing 94%		
		Operations 91%		
		Procurement 79%		
		Strategy 84%		

Overall, organizational leaders are signaling that a single provider of an end-to-end technology solution reduces risk, has a higher chance of future proofing the investment while also ensuring the best employee and customer experience.

That said, the data also reveals differences in perspective across industries, roles, departments, and organizational size.



Methodology and Respondent Details

Methodology

Conducted in December 2023, this survey was administered online by Hanover Research. All respondents must be a decision-maker that either influences or directly selects their organization's IT solutions in addition to these requirements:

- Employed full-time in the US
- Manager or higher
- 500+ employees and \$100M+ in annual revenue
- In a relevant department
- In the Education, Finance and Insurance, Healthcare, Hospitality, Manufacturing and Utilities sectors

Respondent Details

Age (n=500)

18 - 24	1%
25 - 34	13%
35 - 44	67%
45 - 54	16%
55+	2%

Region (n=500)

Northwest	23%
Midwest	15%
South	42%
West	21%

Industry (n=500)

Education	19%
Finance and Insurance	19%
Healthcare/ medical	19%
Hospitality	5%
Manufacturing	19%
Utilities	19%

Job role (n=500)

Manager/ Sr. Mgr.	32%
Director	40%
VP/ SVP	24%
C-suite	4%

Years of Experience (n=500)

<= 1 year	<1%
2 - 5 years	9%
6 - 10 years	36%
11 - 15 years	32%
16 - 20 years	15%
> 20 years	7%

Department (n=500)

Analytics	3%
Customer Service	6%
Digital	5%
Engineering	5%
IT	22%
Marketing	29%
Operations	15%
Procurement	8%
Strategy	8%

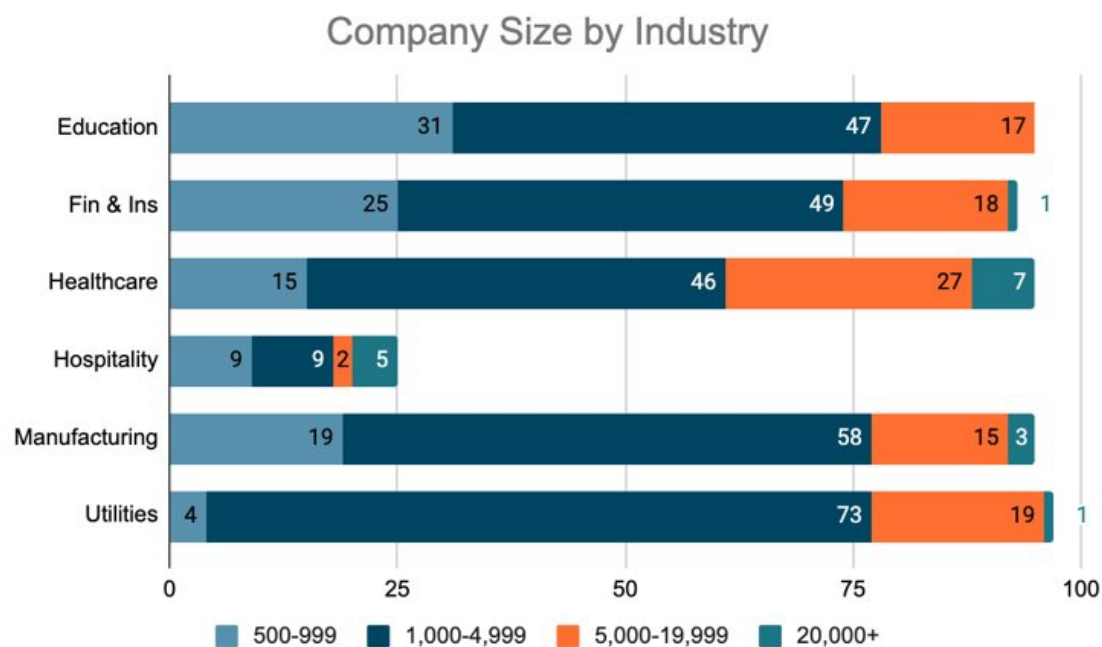
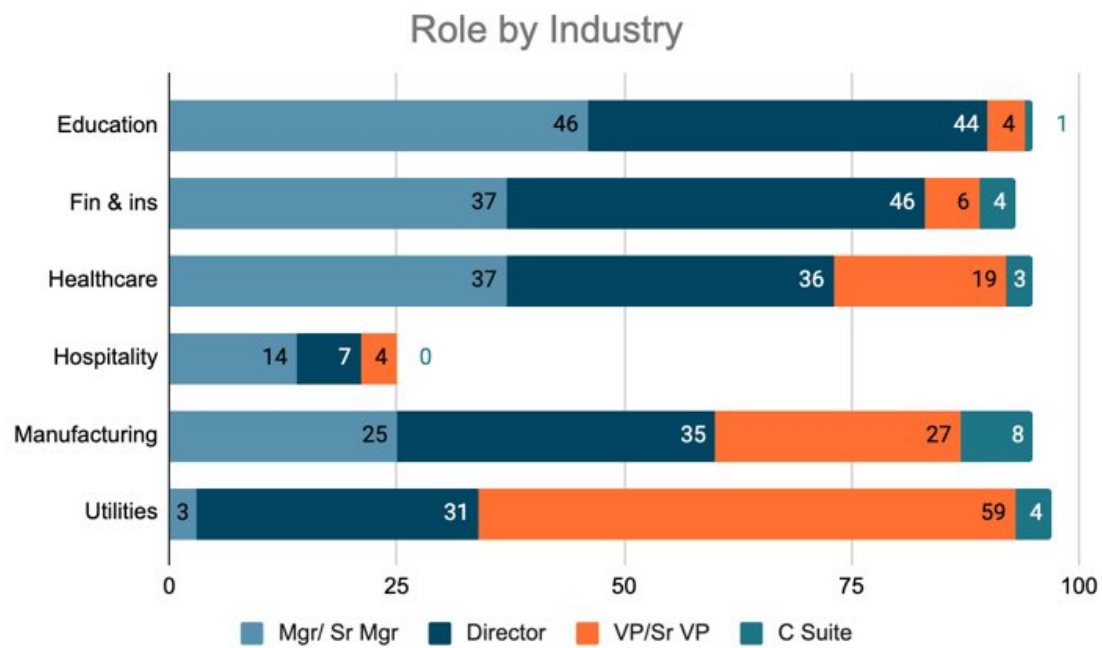
Organization Size (employees) (n=500)

500 - 999	21%
1,000 - 4,999	56%
5,000 - 19,999	20%
20,000+	3%

Annual Revenue (n=500)

\$100M - \$249.9M	24%
\$250M - \$499.9M	45%
\$500M - \$999.9M	22%
\$1B+	10%





So Now What?

Hopefully, these insights have provided you with a way to compare the level and degree of generative AI usage in your organization to those in your industry and other industries.

It also provides detailed information about how perspectives differ across industries, roles, departments, and organizational size to compare how the different perspectives in your organization compare.

Being able to compare against peers is helpful, but it's acting with that information that's critical to future success. One of the main underlying themes is that most organizations are rapidly moving ahead with implementing generative AI. Your organization needs to do this as well just to stay competitive.

Visit C1 Edge to get additional details on this and other research designed to support you and your organization as you predict the future by inventing it. And, as this research indicates, it's a good idea to act now.

To learn more about how your organization can use technology to create connected human experiences, visit onec1.com/c1-edge.

