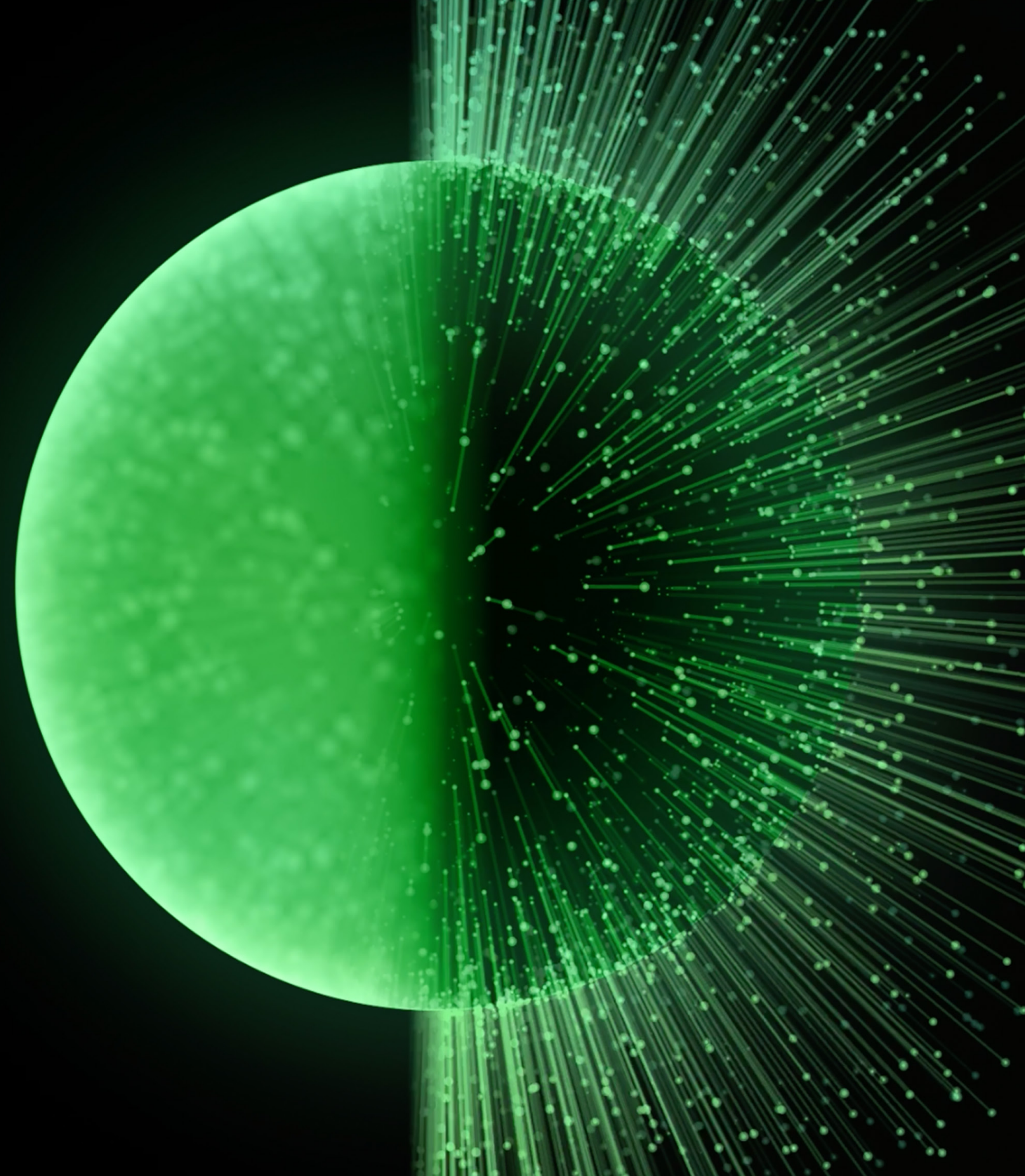


BCG AI RADAR

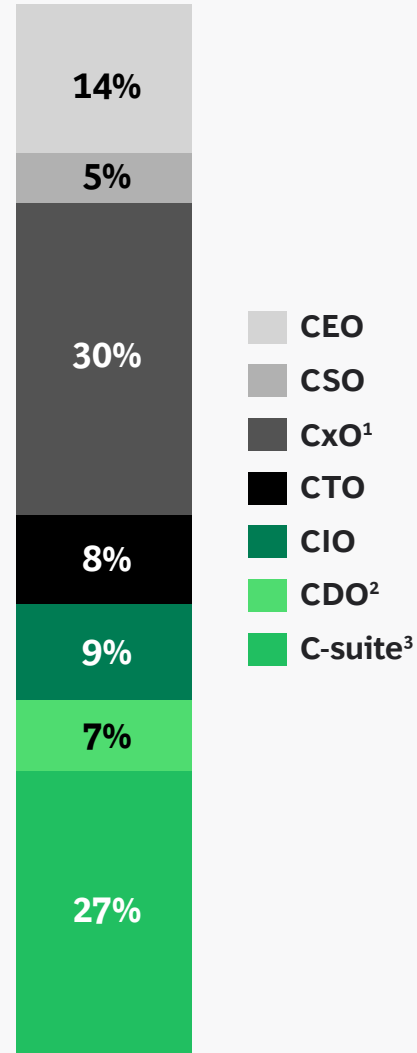
From Potential to Profit: Closing the AI Impact Gap

JANUARY 2025

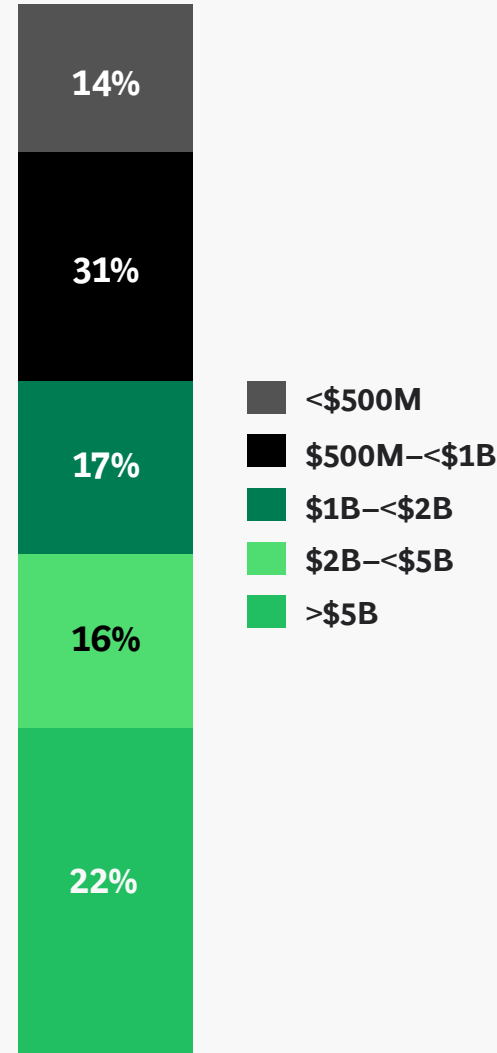


Global research of 1,803 C-level executives on AI in 2025

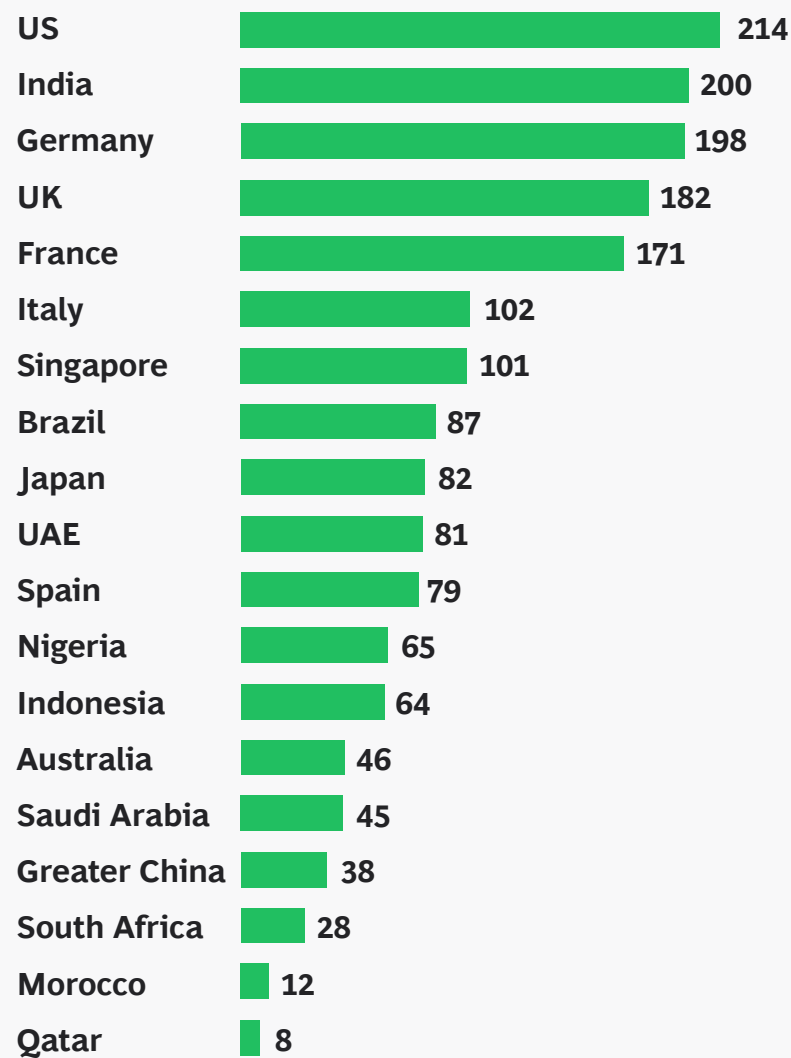
Executive roles



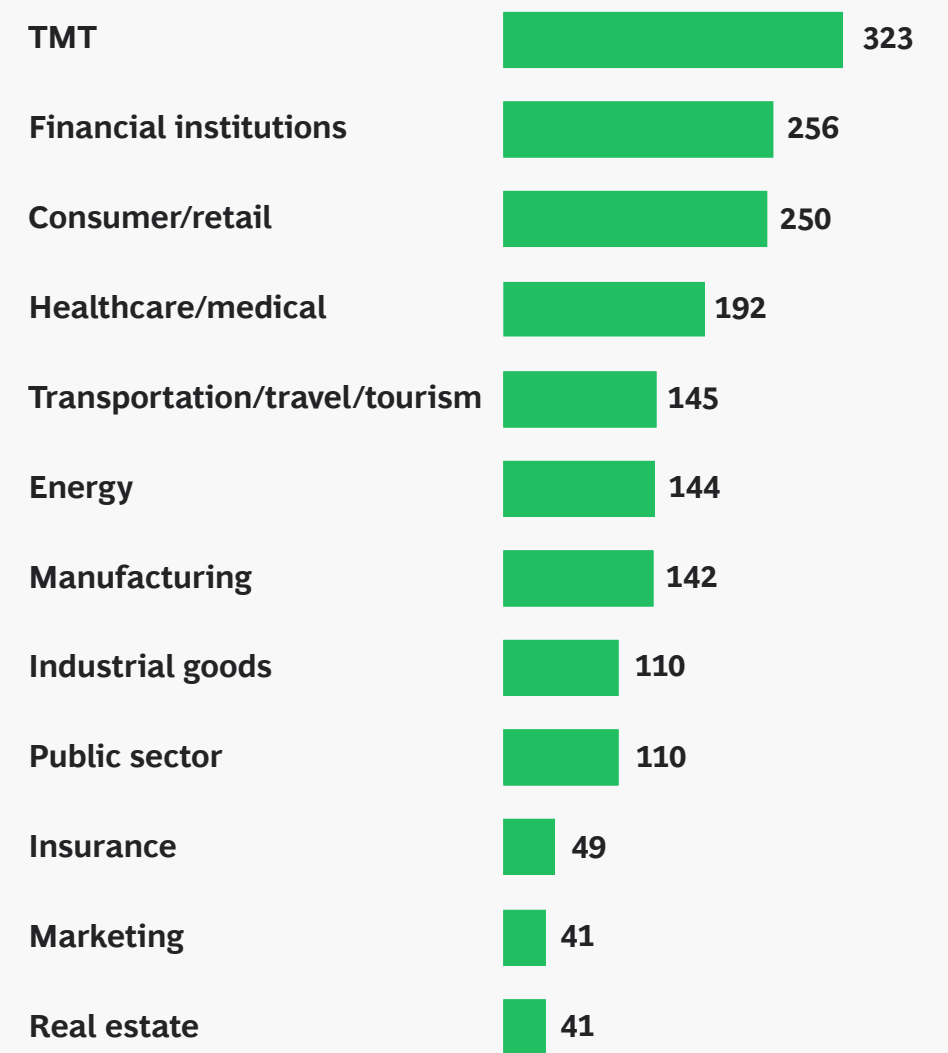
Company revenue



Markets



Industries and key functions



Source: BCG AI Radar 2025 Survey

Note: Revenue thresholds for survey inclusion: \$500+ million USD (US, Europe, Japan, Australia); \$100+ million USD (rest of APAC, Middle East, Africa). Survey conducted September to December 2024.

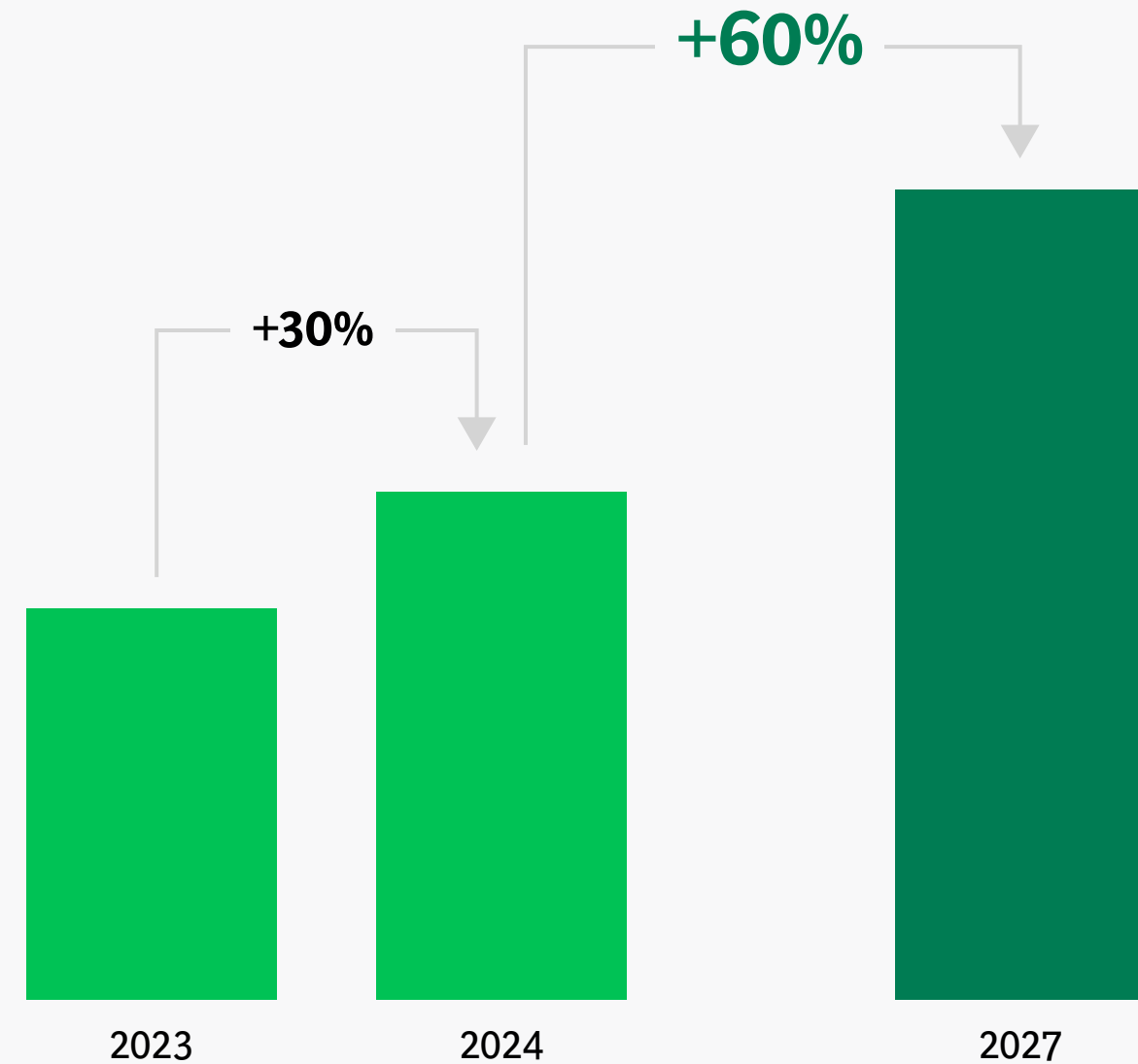
¹CxO represents other executives who directly report to the CEO (e.g., CMO, CFO, COO, etc.). ²Includes CDO and CAIO. ³C-suite includes EVP, SVP, VP, Chairman, President.

Where is the value in AI?

AI ambitions are growing alongside investments

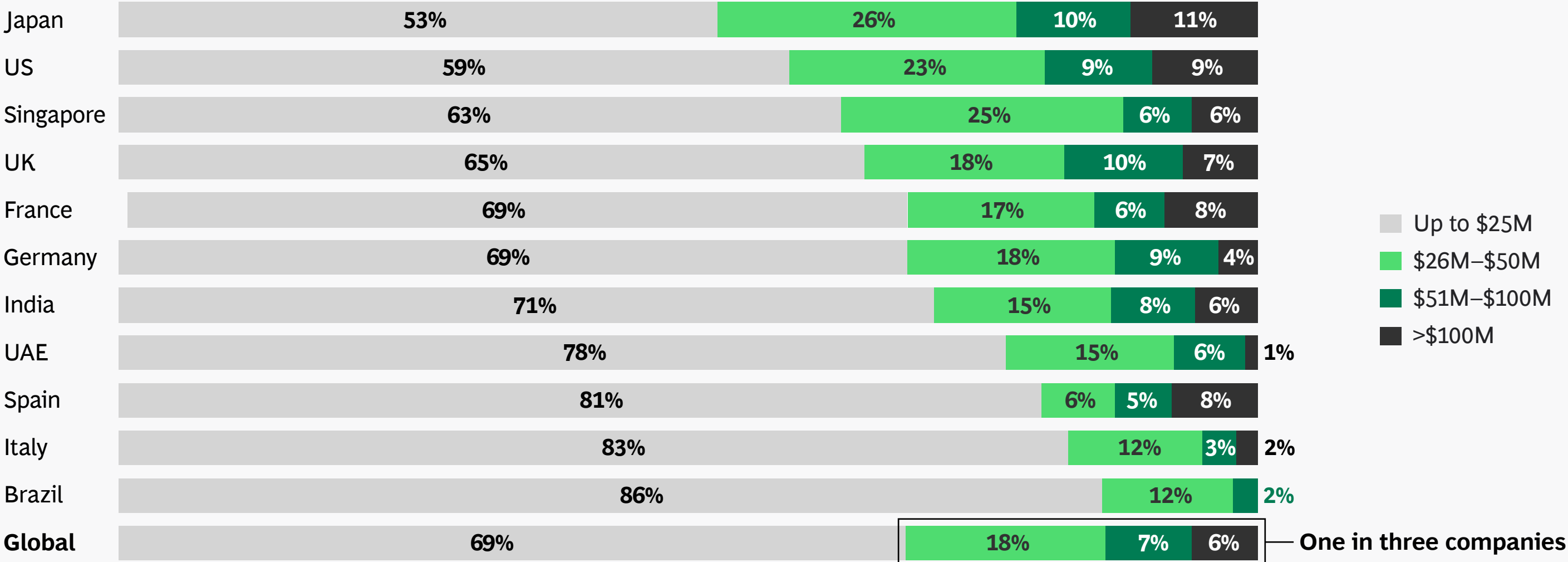
Source: BCG IT Spend Survey 2024.

GenAI investments are projected to increase by 60% in the next 3 years



One in three companies across all markets are planning to spend \$25 million+ on AI in 2025

How much are you planning to invest in AI in 2025?



Source: BCG AI Radar 2025 Survey (n=1,803).

75%

of executives rank AI/GenAI as a top three strategic priority ...

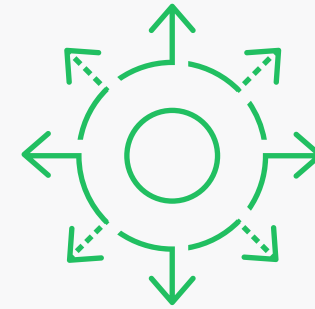
... but, only

25%

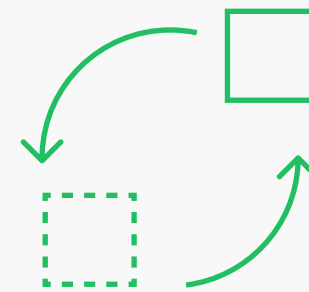
of executives are seeing significant value from AI

What are leading companies doing differently?

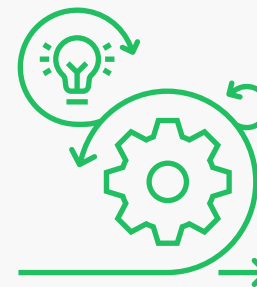
Three value plays to maximize AI potential



Deploy AI in everyday tasks to realize 10% to 20% productivity potential



Reshape critical functions for 30% to 50% enhancement in efficiency and effectiveness

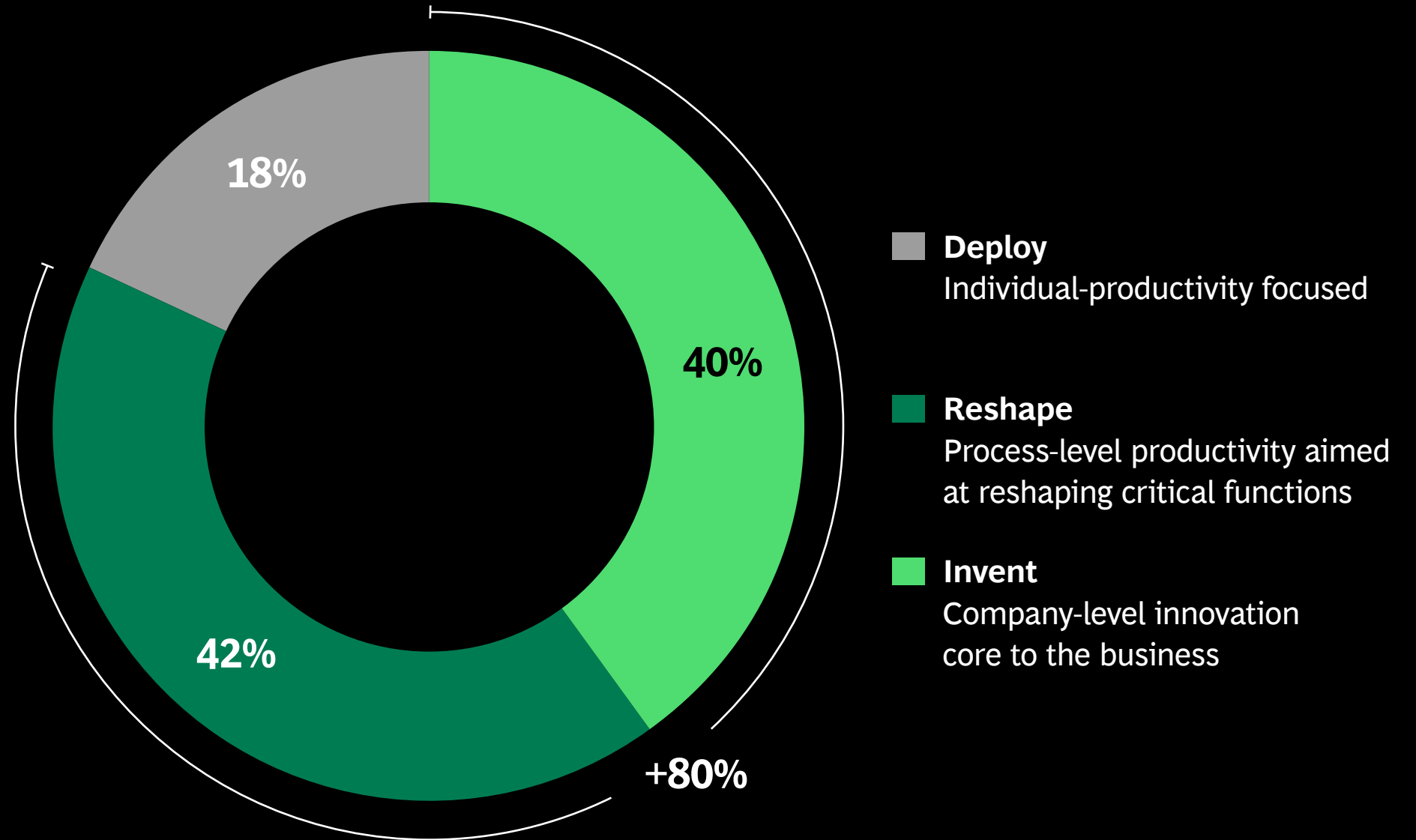


Invent new products and services to build long-term competitive advantage

Leading companies go well **beyond** **deploy** ...

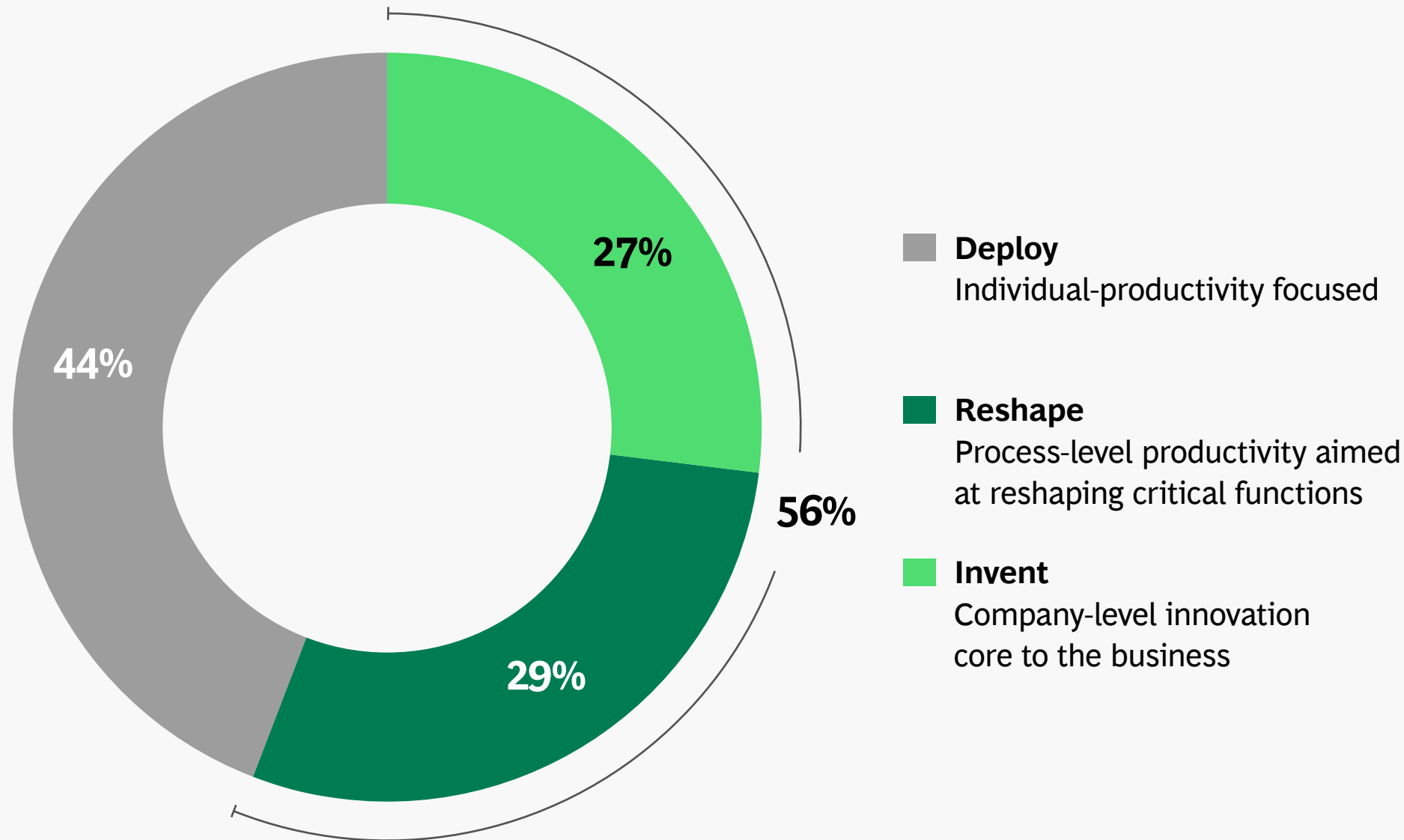
Source: BCG Build for the Future 2024 Global Study (merged with Digital Acceleration Index), (n=1,000).

They focus **+80%** of their AI investments in reshaping critical functions and inventing new products and services

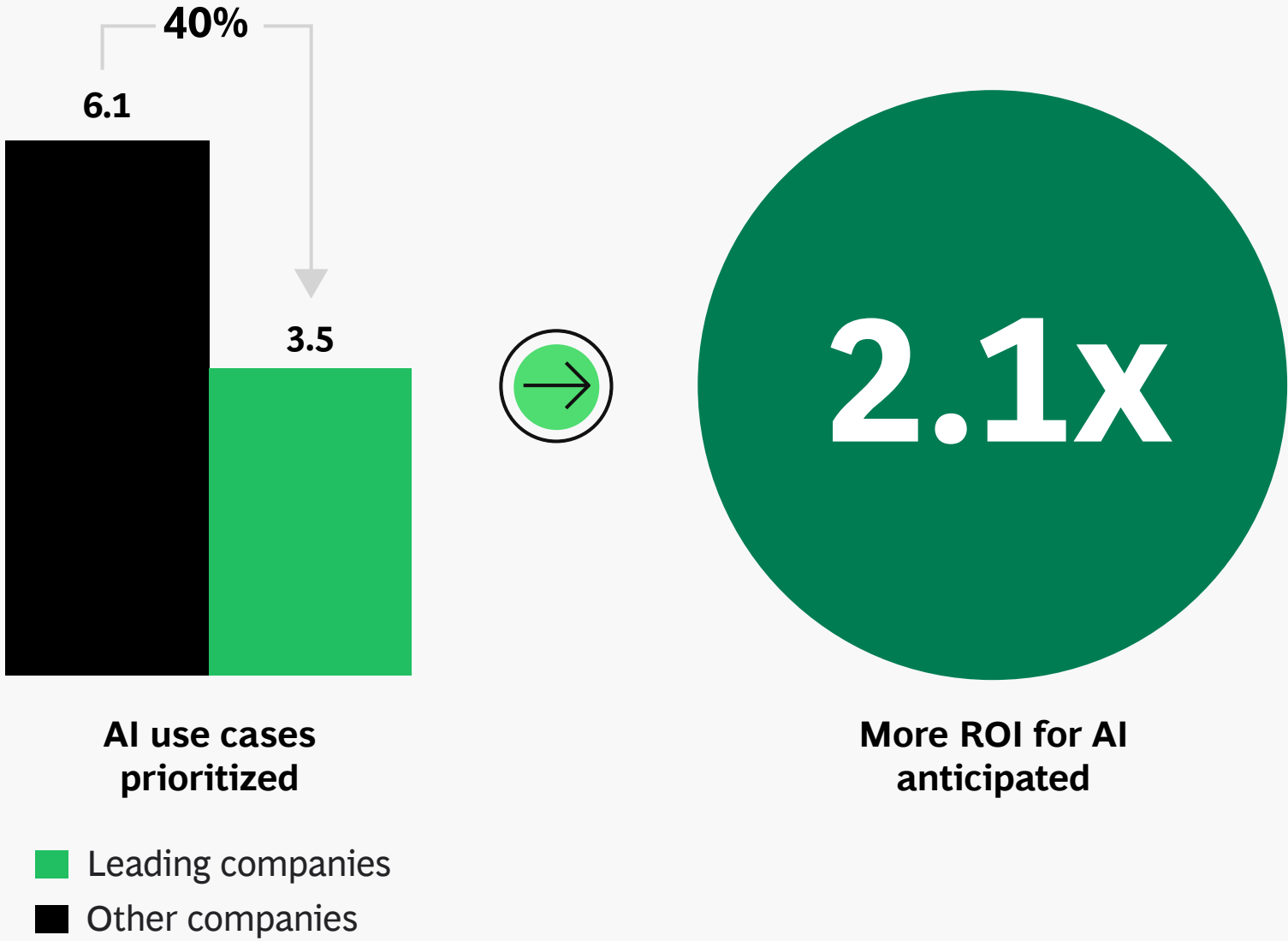


... but most companies aren't yet prioritizing investments in higher-impact plays

Share of AI investments in Deploy, Reshape, and Invent initiatives



Leading companies extract greater value by focusing their AI investments



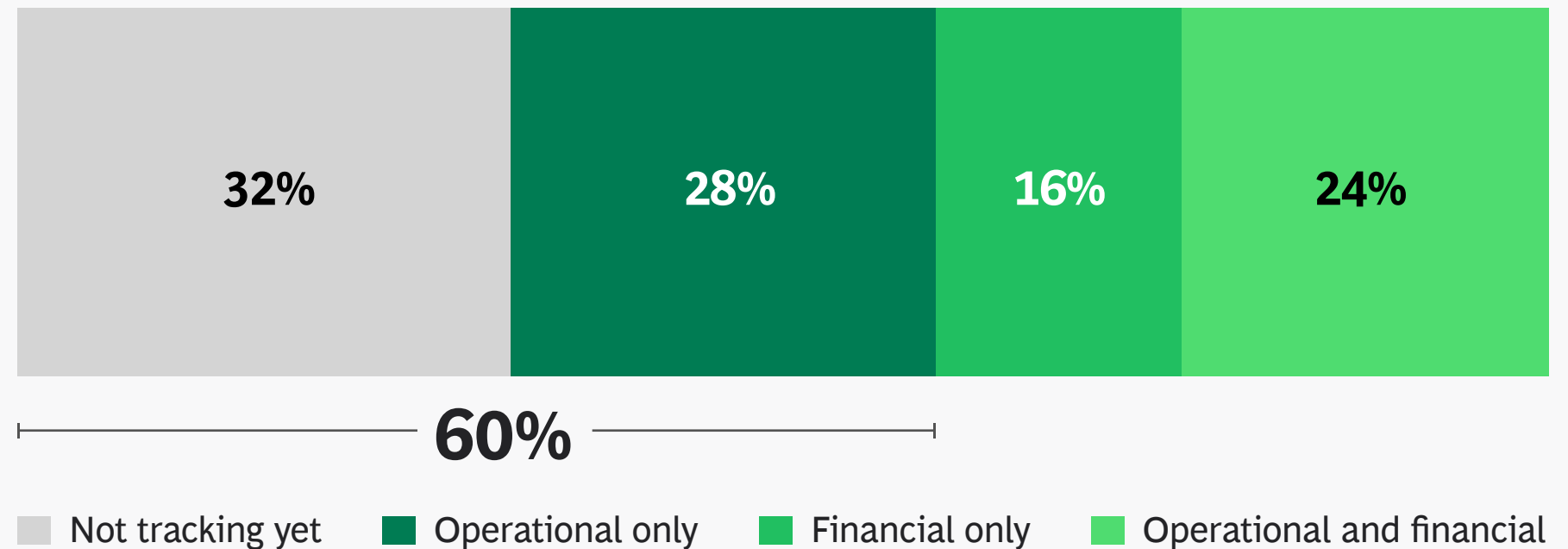
In reality, most companies go broad and dilute efforts across multiple pilots, seeing lower ROI as a result

Source: BCG Build for the Future 2024 Global Study (merged with Digital Acceleration Index), (n=1,000).

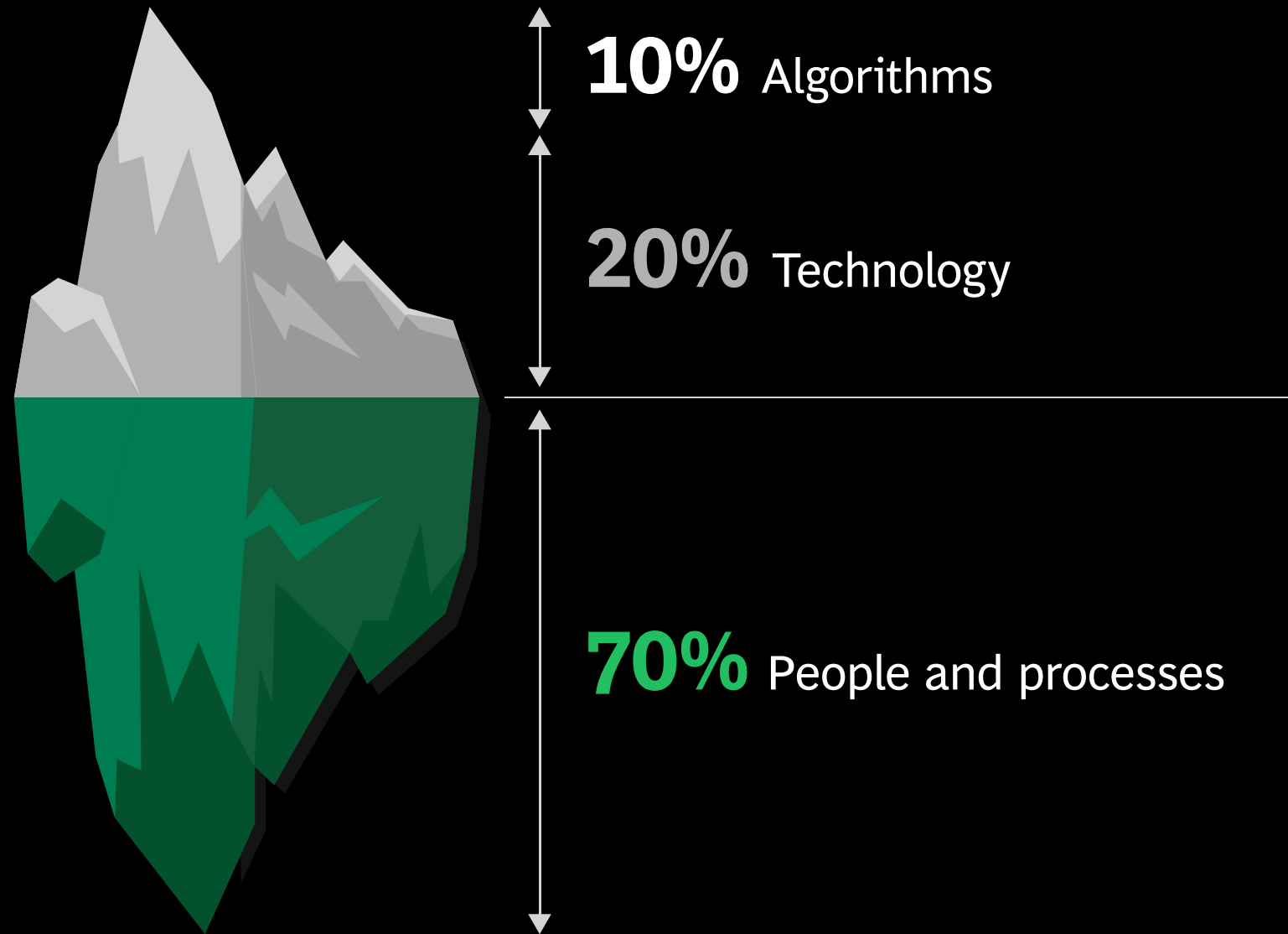
Leading companies set clear goals and track top- and bottom-line impact

Yet 60% of companies are failing to define and monitor any financial KPIs related to AI value creation

How is your organization tracking value creation from AI?



Leaders follow the 10-20-70 principle to create value



Source: BCG AI Radar 2025 Survey (n=1,803).

Note: AI talent refers to AI specialists (i.e., data scientists, ML ops engineers) and non-specialists (i.e., upskilled talent leveraging AI tools).

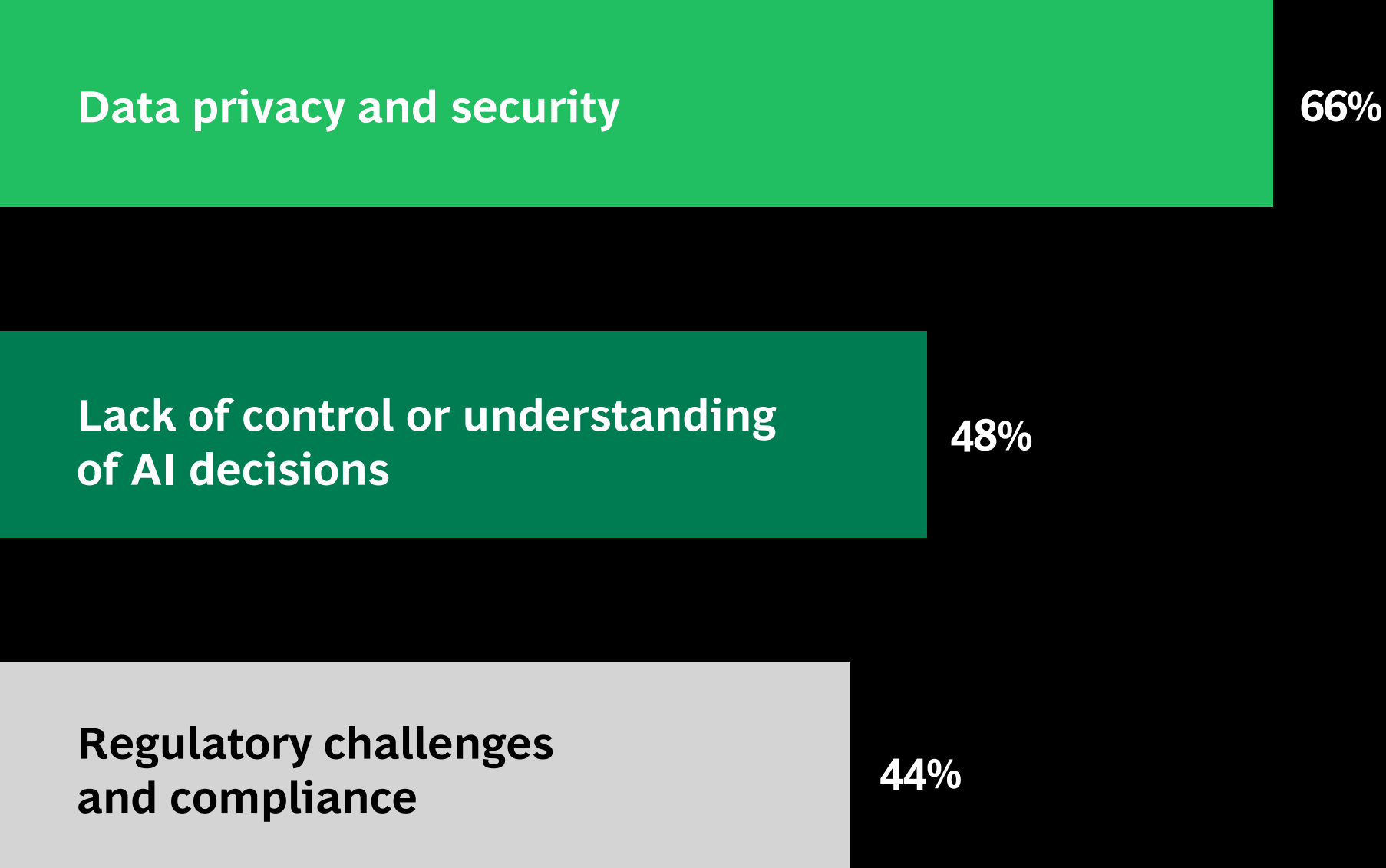
... but

2 in 3

companies struggle to:

- Reimagine workflows and drive incentives, culture, and change
- Hire AI talent and upskill workforce

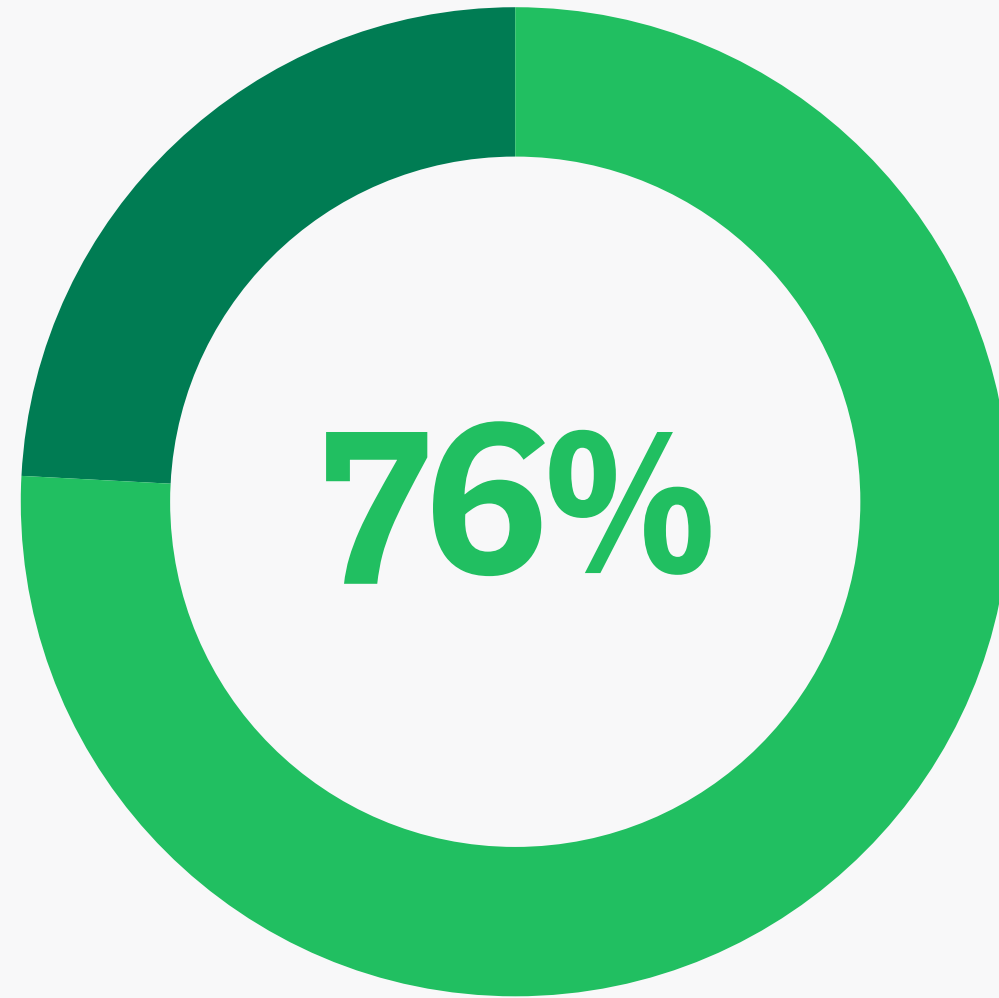
AI risks that companies must navigate



Source: BCG AI Radar 2025 Survey (n=1,803).

Note: Percentages correspond to share of executives ranking risk in their top 3.

Cybersecurity remains critical



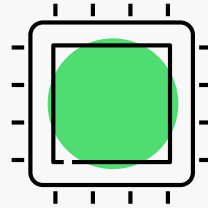
**Recognize that their AI cybersecurity
measures need further improvements**

2025: The year of AI agents?

What is an agent?

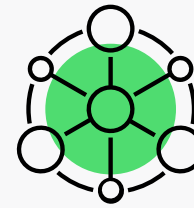
Simply put,
it's an AI that
has learned to
use tools

What an agent is



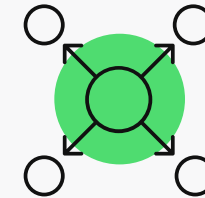
Memory

Remembering across tasks and changing states



Reasoning

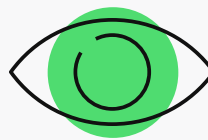
Decomposing a problem and planning actions



Systems

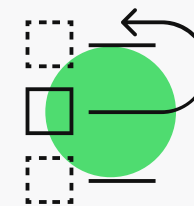
Accessing external systems on your behalf

What an agent does



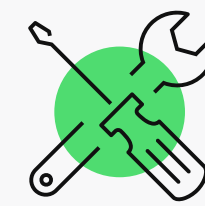
Observes

Collect and process data from environment



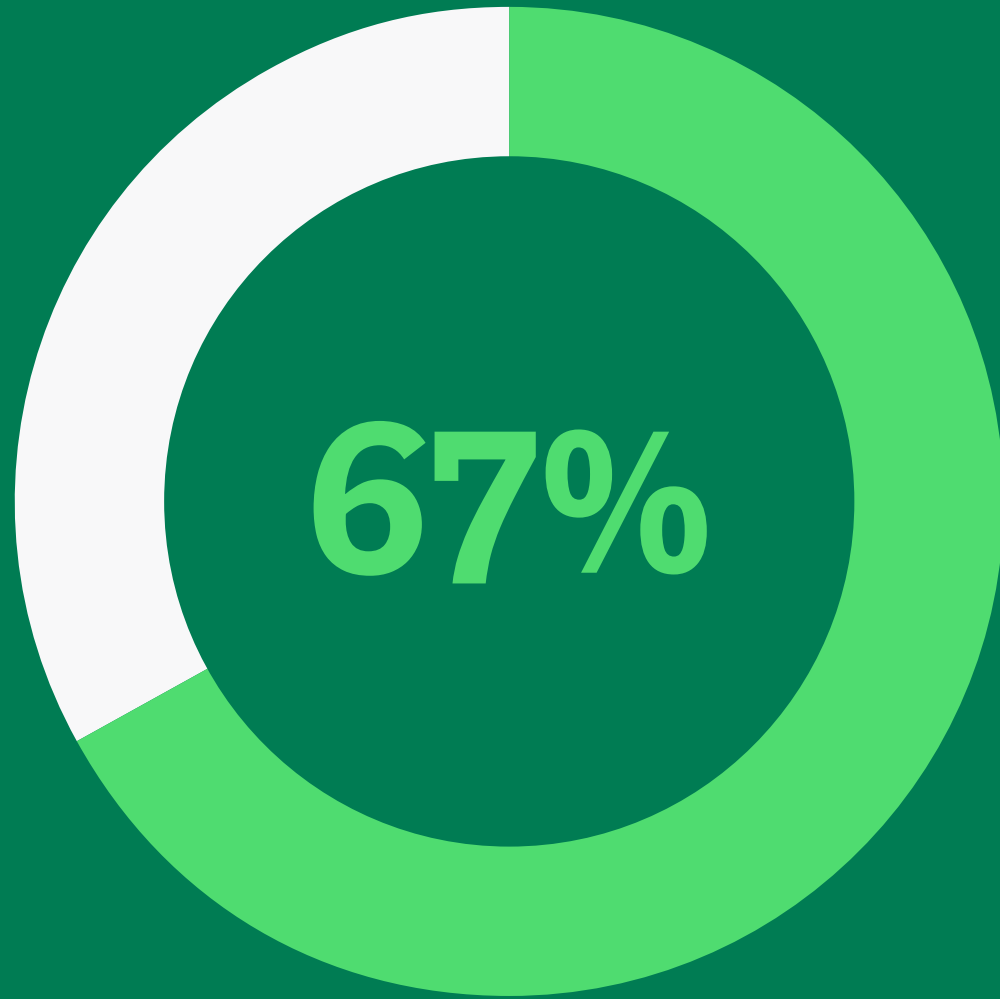
Plans

Evaluate possible actions and prioritize toward a goal



Acts

Execute by leveraging internal or external tools/systems



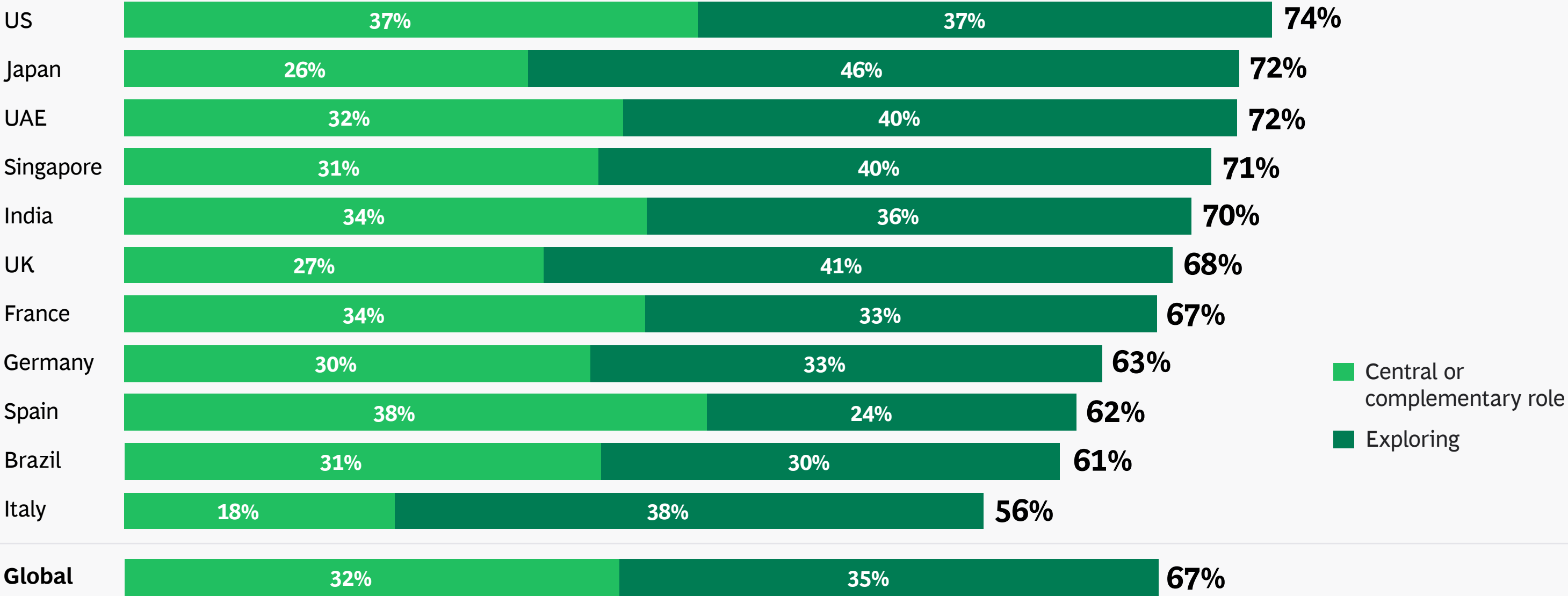
are considering autonomous agents as part of their AI transformation

However, agents require deep reimagination of work and are not a silver bullet for impact

15%

Optimism around AI agents is consistent across geographies

Role that companies see for AI agents moving into 2025



Source: BCG AI Radar 2025 Survey (n=1,803).

AI agents: Key leadership priorities

Source: BCG analysis.



Unlocking new potential to reshape processes and services
Agents deliver up to 3x more productivity and speed benefits compared to traditional assistants



Breaking down silos
The biggest opportunity is seamless enterprise collaboration through zero-touch services, advanced planning, and automated customer 360 activation



Managing the risks of more complexity
AI agents are more complex than assistants, requiring robust testing and optimization to manage operational and cyber risks effectively



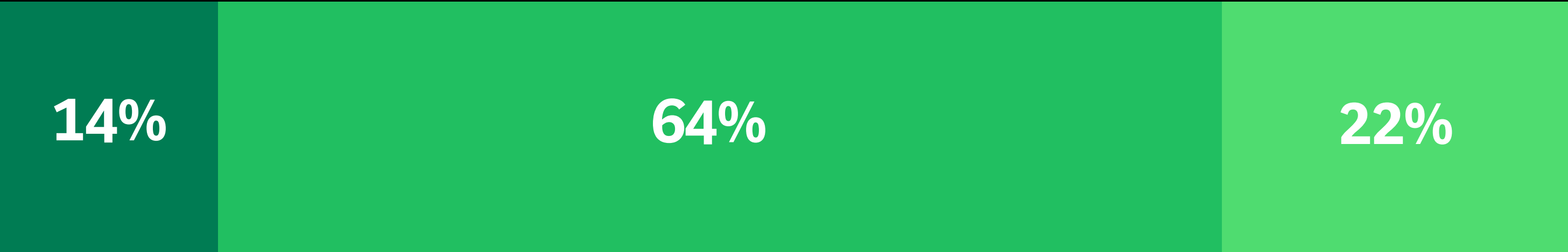
Cutting through the hype
Mislabeling and overhype of “agents” will dilute trust and lead to unmet expectations; leaders must clarify capabilities and set realistic goals



Moving forward
Success lies in targeted, high-impact applications, focused on practical design, seamless integration, and data quality over hype

**With AI agents on the rise, who will hold
the power: humans or AI?**

Executives see talent and AI as complementary



Prioritizing human talent, using AI only when necessary

AI and humans working side by side

AI taking the lead, but humans retaining oversight

Source: BCG AI Radar 2025 Survey (n=1,803).

Less than 10% of executives expect a decrease in headcount due to AI automation

How do you expect the workforce in your organization to change?

More FTEs

8%



Increase headcount, adding new skills

Existing workforce

68%



More productivity and upskilling of existing talent to meet AI needs

Net neutral

17%



Restructure workforce with new roles to replace redundant ones

Fewer FTEs

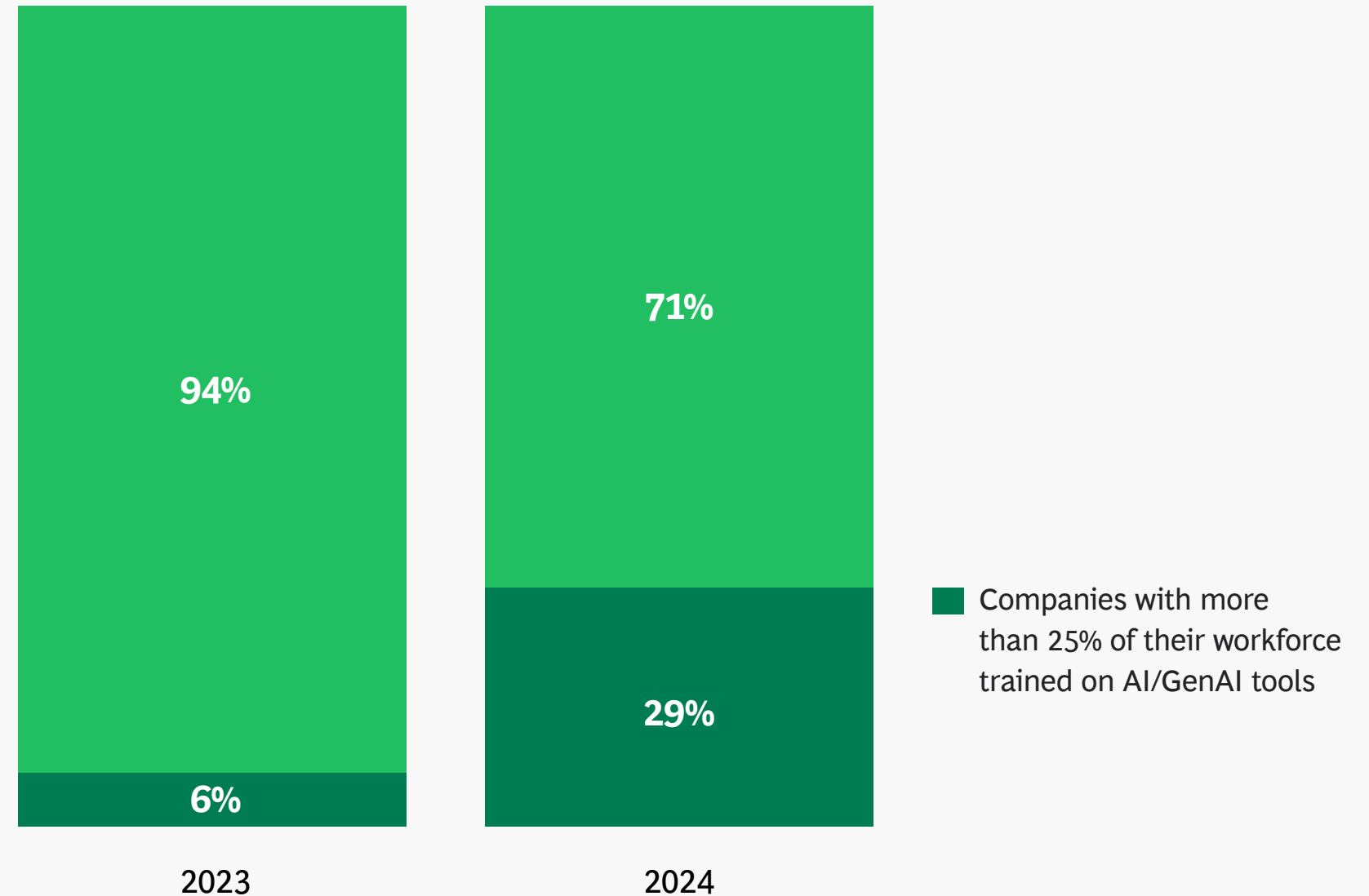
7%



Decrease headcount due to AI automation

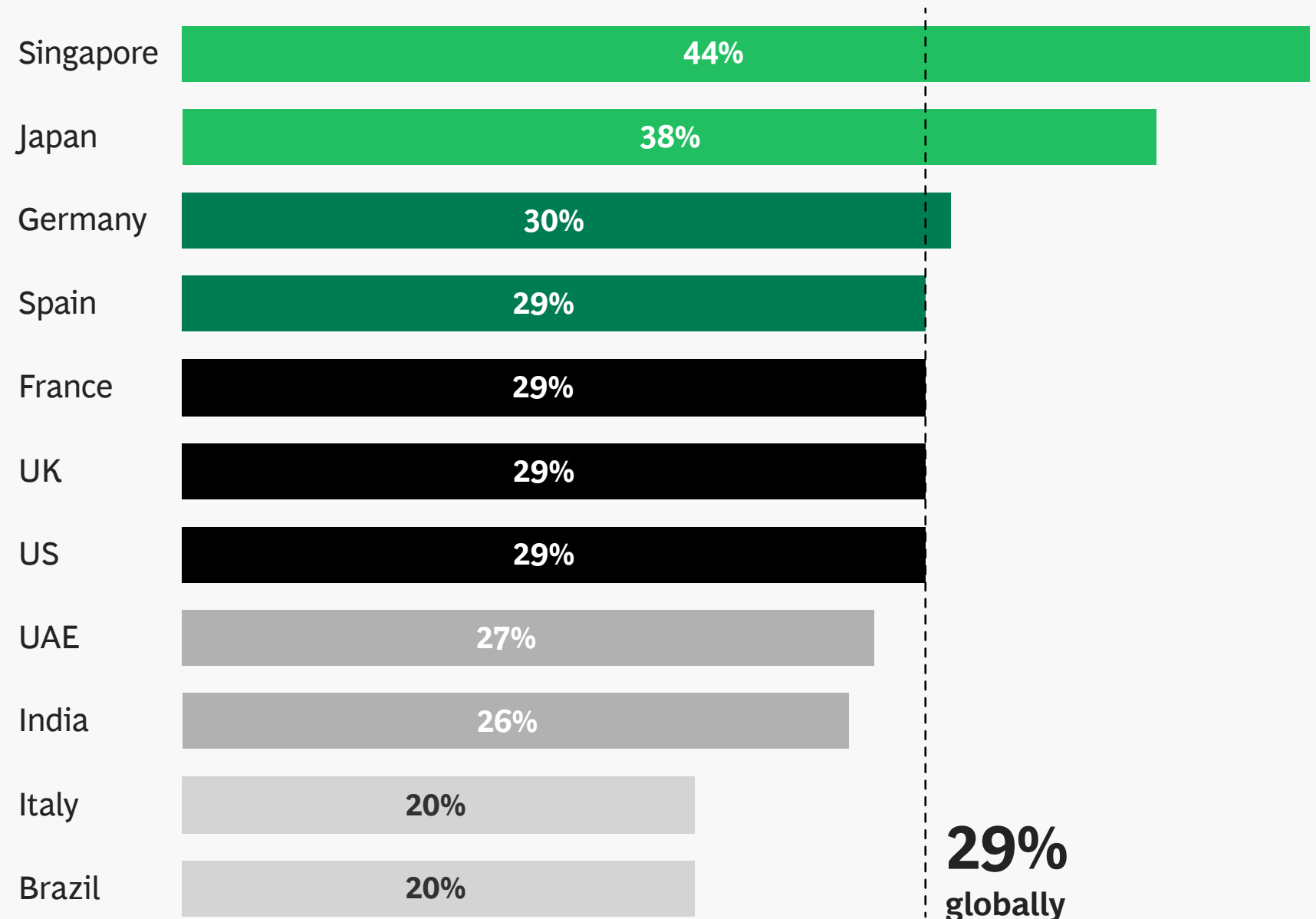
AI upskilling is accelerating, but the work is not over

~70% of the companies have trained less than 1 in 4 of their workforce



Singapore and Japan lead in AI/GenAI upskilling; Brazil and Italy are falling behind

Companies with more than one-quarter of their workforce trained on AI/GenAI tools



Source: BCG AI Radar 2025 Survey (n=1,803).

Strategic playbook for CEOs

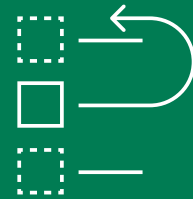
Leading companies maximize value creation by...

Source: BCG analysis.



Breaking through AI's imagination gap

Rethink what is possible with AI and business transformation



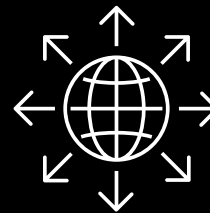
Targeting and prioritizing AI efforts

Focus on a few transformative opportunities in core functions



Putting AI at the service of enterprise ambition

Define and track clear KPIs



Leading the cultural and organizational change

Lean in personally and drive the change



Preparing for what's next

Anticipate AI's next value play and accompanying risks