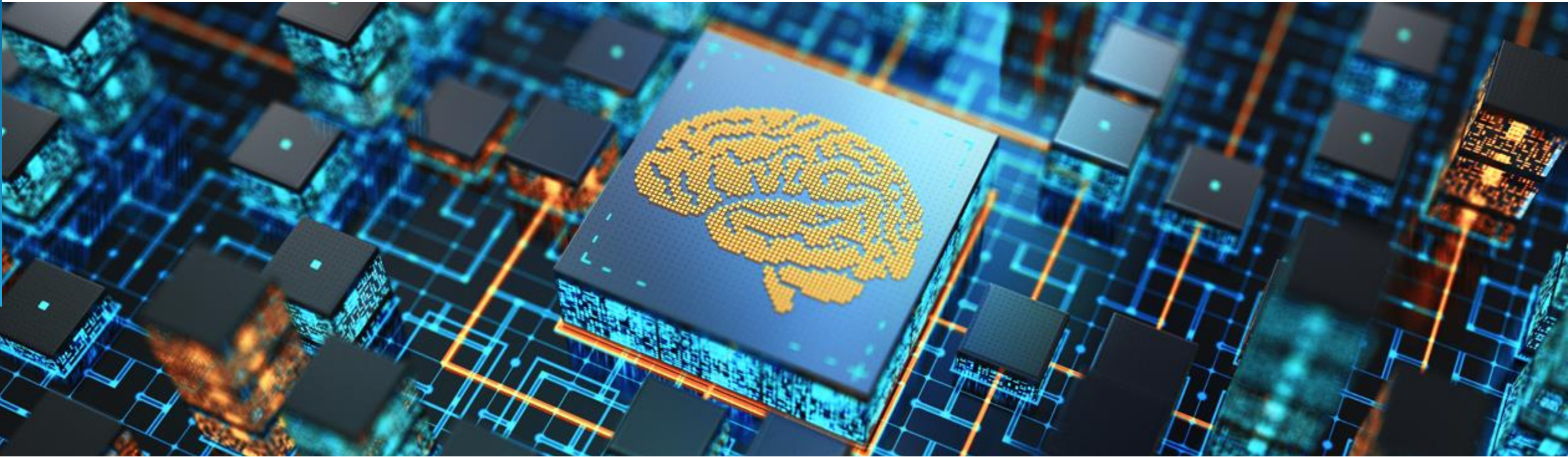# Innovate or Stagnate: the Generative AI Imperative

November 2023: Complimentary Abstract / Table of Contents

Our research offerings

This report is included in the following research program(s):
Artificial Intelligence (AI), Service Optimization Technologies

- Amazon Web Services (AWS)
- Application Services
- Artificial Intelligence (AI)
- Asset and Wealth Management
- Banking and Financial Services Business Process
- Banking and Financial Services Information Technology
- Catalyst™
- Clinical Development Technology
- Cloud and Infrastructure
- Contingent Staffing
- Contingent Workforce Management
- Customer Experience Management Services
- CX Excellence
- CXM Technology
- Cybersecurity
- Data and Analytics
- Digital Adoption Platforms
- Digital Services
- Digital Workplace
- Employee Experience Management (EXM) Platforms
- Employer of Record (EOR)
- Engineering Research and Development
- Enterprise Platform Services
- Exponential Technologies
- Finance and Accounting

- Financial Services Technology (FinTech)
- GBS Talent Excellence
- Global Business Services
- Google Cloud
- HealthTech
- Human Resources
- Insurance Business Process
- Insurance Information Technology
- Insurance Technology (InsurTech)
- Insurance Third-Party Administration (TPA) Services
- Intelligent Document Processing
- Interactive Experience (IX) Services
- IT Services Excellence
- IT Talent Excellence
- Life Sciences Business Process
- Life Sciences Commercial Technologies
- Life Sciences Information Technology
- Locations Insider™
- Marketing Services
- Market Vista™
- Microsoft Azure
- Microsoft Business Application Services
- Modern Application Development (MAD)
- Mortgage Operations
- Multi-country Payroll

- Network Services and 5G
- Oracle Services
- Outsourcing Excellence
- Payer and Provider Business Process
- Payer and Provider Information Technology
- Pricing Analytics as a Service
- Process Intelligence
- Process Orchestration
- Procurement and Supply Chain
- Recruitment
- Retail and CPG Information Technology
- Retirement Technologies
- Revenue Cycle Management
- Rewards and Recognition
- SAP Services
- Service Optimization Technologies
- Software Product Engineering Services
- Supply Chain Management (SCM) Services
- Sustainability Technology and Services
- Talent Genius™
- Technology Skills and Talent
- Trust and Safety
- Value and Quality Assurance (VQA)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at **info@everestgrp.com**

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

Contents

For more information on this and other research published by Everest Group, please contact us:

Vaibhav Bansal, Vice President

Vishal Gupta, Vice President

Priya Bhalla, Practice Director

Anish Nath, Practice Director

Divya Chandak, Senior Analyst

Jonty Padia, Senior Analyst

Abhivyakti Sengar, Senior Analyst

Ananay Chahal, Analyst

Everest Group®

Contents

Background of the research

Generative AI (Gen AI) has been in the headlines for quite some time and it seems like it is here to stay. The technology has evolved manifold in the last few months and has found its application across industries and business functions. The content creation capability offered by gen AI aids in improving the performance of existing models, personalizing experiences, simulating complex systems, and automating tasks, eventually transforming the way processes and tasks are carried out. It is a powerful tool that will reshape how we work, interact, and innovate in the digital age, unlocking new possibilities and opportunities across diverse sectors. This is the apt time for enterprises to understand this technology in and out and assess the enormous potential it has.

In this report, we assess the state of the gen AI market and focus on:

- Expected impact of gen AI
- Solution characteristics and technology ecosystem
- Technology provider landscape
- Risks and possible solutions of gen AI
- Framework for successful adoption by enterprises
- Outlook for 2023-24

Scope of this report

Geography
Global

Industry
All Industries

Products and services
Generative AI (Gen AI)

Overview and key messages (page 1 of 2)

This research provides gen AI buyers, technology providers, and third-party enablers (service providers and system integrators) a detailed view of the gen AI space and analyzes its expected impact across verticals and horizontals. It describes the layers of a gen AI solution and its characteristics, key risks, emerging solutions, the technology provider landscape, a framework for successful enterprise adoption, and the outlook for 2023-24.

In this report, we discuss:

Overview of gen AI

- Gen AI can create and synthesize new content that did not exist before in various forms and modalities, such as text, images, or other media, using deep learning models
- The top enterprise business objectives from gen AI are increasing efficiency, employee productivity, and cost savings, enhancing customer experience, and reducing turnaround time

Expected impact

- The BFSI sector is especially well-suited for gen AI applications due to its ready access to data and technological preparedness. The technology promises to offer automation and process enhancement, bolstering decision-making
- Among business functions, gen AI is poised to play a significant role in customer service. Its primary aim is to boost the efficiency of customer service agents by relieving them from mundane tasks, such as complaint summarization and data gathering, enabling them to focus on serving customers effectively

Solution characteristics and technology ecosystem

- A gen AI solution consists of five broad layers: foundation models, infrastructure, platform, application, and services
- Each of these layers have sub-components, their own distinct characteristics, evolving market trends, and a diverse set of companies offering gen AI products/services and using multiple commercial models
- The partnership ecosystem in this space is densely interwined despite the technology being in a nascent stage. Providers across the technology ecosystem are partnering with each other for holistic gen AI development

Overview and key messages (page 2 of 2)

Technology provider landscape

- The gen AI space is marked by a mix of established and emerging players. We have assessed a few major players based on their presence in the different layers of the gen AI solution
- A few players, primarily hyperscalers, offer solutions across most layers; emerging players are strongly present in only individual layers

Risks of gen AI

- Four key risks associated with gen AI pertain to data privacy and security, reliability and explainability, responsibility and ownership, and bias and ethics. Enterprises need to manage these risks for successful technology adoption
- Providers have started exploring several risk solutions across the model development and deployment cycle, with most solutions targeting the data collection and model fine-tuning stages
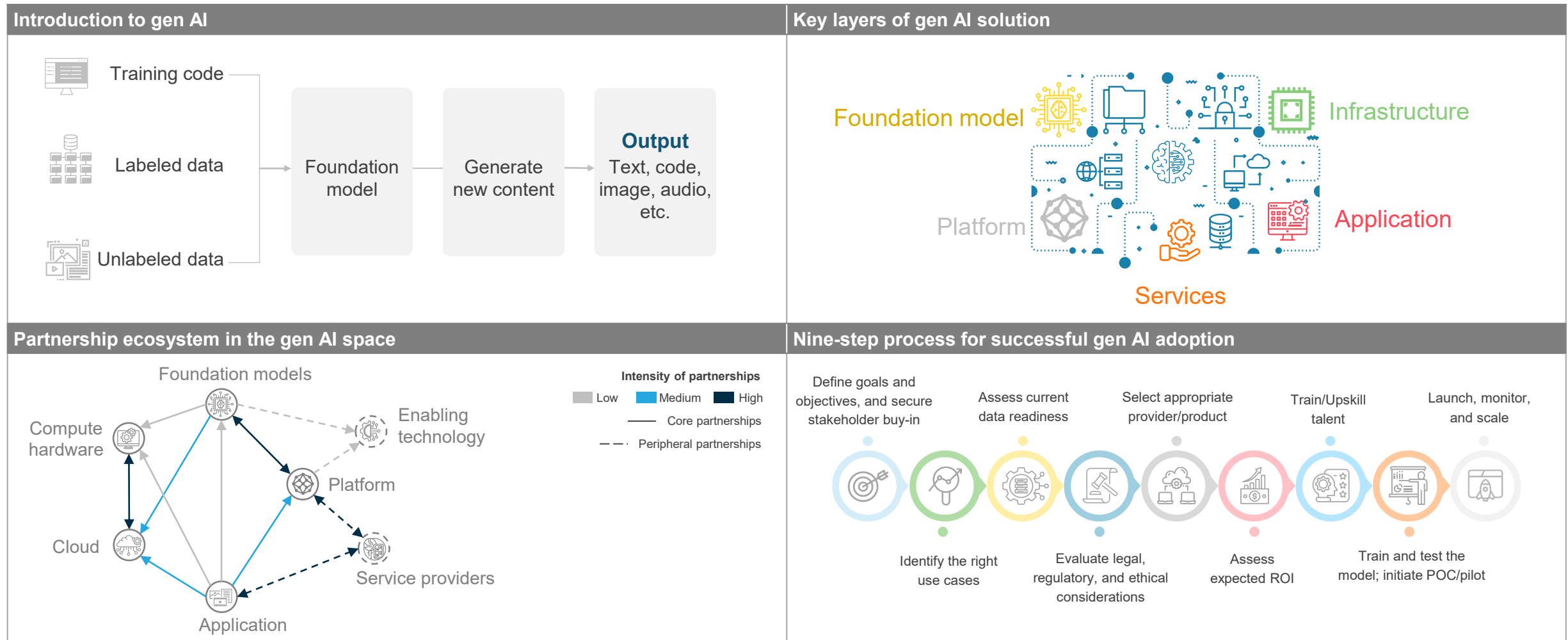
Adoption framework for enterprises

- Enterprises require a structured approach to integrate and leverage gen AI technologies effectively, ensuring alignment with business goals and addressing ethical and operational considerations
- This can be achieved by following a nine-step process starting with defining goals and objectives and securing stakeholder buy-in to launching and scaling the solution successfully

Outlook

- We believe the meaningful adoption of gen AI will begin from early 2024. Until then, the space will be marked by significant developments in building industry-specific gen AI models. These models will capture the real essence of a specific industry or use case with a deep understanding of context, jargon, and other nuances
- To scale gen AI and democratize its use, there is an urgent need to get the underlying data infrastructure in place and leverage adjacent technologies as gen AI enablers. Going forward, we believe the demand for technologies such as data storage and management, cybersecurity, vector database, infrastructure, and data analytics, will increase

This study offers seven distinct chapters providing a deep dive into key aspects of gen AI market; below are four charts to illustrate the depth of the report

Introduction to gen AI

Training code
Labeled data
Unlabeled data

→ Foundation model → Generate new content → **Output** Text, code, image, audio, etc.

Key layers of gen AI solution

Foundation model
Infrastructure
Platform
Application
Services

Partnership ecosystem in the gen AI space

Foundation models
Enabling technology
Compute hardware
Platform
Cloud
Service providers
Application

Intensity of partnerships
Low | Medium | High
— Core partnerships
--- Peripheral partnerships

Nine-step process for successful gen AI adoption

Define goals and objectives, and secure stakeholder buy-in
Assess current data readiness
Select appropriate provider/product
Train/Upskill talent
Launch, monitor, and scale

Identify the right use cases
Evaluate legal, regulatory, and ethical considerations
Assess expected ROI
Train and test the model; initiate POC/pilot

Everest Group®
8

Research calendar
Artificial Intelligence (AI)

Reports title	Release date
Generative AI – Revolutionizing the Creative Design and Development Process	April 2023
Artificial Intelligence (AI) in the Pharmaceutical Industry	May 2023
High-quality Curated Data: Scaling Up AI Using a Data-centric Approach	July 2023
Unleashing the Potential of Gen AI (GAI): A Game-changer for Property and Casualty (P&C) Insurance Claims	August 2023
Generative AI: the Next Chapter of Artificial Intelligence	September 2023
:Webinar Deck: Untangling the Risks of Generative AI: Solutions to Your Safety Concerns	October 2023
Innovate or Stagnate: the Generative AI Imperative	**November 2023**
Artificial Intelligence (AI) Top 50	Q4 2023
Generative AI Executive Brief Q4 2023	Q4 2023
Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2023	Q4 2023
Artificial Intelligence (AI) Services Provider Compendium 2023	Q4 2023
Generative AI Provider Compendium 2023	Q4 2023
Role of Synthetic Data in Scaling AI	Q4 2023
Data Annotation and Labeling (DAL) Solutions for AI/ML PEAK Matrix® for Services Assessment 2024	Q1 2024
Data Annotation and Labelling Provider Compendium 2024	Q1 2024

Note: Click to see a list of all of our published Artificial Intelligence (AI) reports

Research calendar
Service Optimization Technologies (SOT)

Reports title	Release date
Unlocking the Power of Hybrid Workforce – Process Orchestration State of the Market 2023	February 2023
Intelligent Automation – How Much is Your Dollar Worth?	March 2023
Intelligent Process Automation (IPA) PEAK Matrix® Assessment 2023	April 2023
Process Mining Products PEAK Matrix® Assessment 2023	June 2023
Continuous Process Improvement in Action – Process Mining State of the Market 2023	July 2023
Task Mining Products PEAK Matrix® Assessment 2023	August 2023
Task Mining – Technology Provider Compendium 2023	September 2023
Conversational AI Products PEAK Matrix® Assessment 2023	Q3 2023
Robotic Process Automation (RPA) Products PEAK Matrix® Assessment 2023	Q3 2023
Innovate or Stagnate: the Generative AI Imperative	**November 2023**
Robotic Process Automation (RPA) State of the Market 2023	Q4 2023
Conversational AI State of the Market 2023	Q4 2023
Process Orchestration Products PEAK Matrix® Assessment 2023	Q4 2023
Intelligent Document Processing (IDP), Banking IDP, and Insurance IDP Products PEAK Matrix® Assessments 2024	Q1 2024
Intelligent Process Automation (IPA) PEAK Matrix® Assessment 2024	Q1 2024

Note: Click to see a list of all of our published Service Optimization Technologies (SOT) reports

Everest Group®

With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

Stay connected

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-214-451-3000

Website
everestgrp.com

Social Media
@EverestGroup
@Everest Group
@Everest Group
@Everest Group

Blog
everestgrp.com/blog