



NEWS RELEASE

Cisco Launches New Research, Highlighting Seismic Gap in Companies' Preparedness for AI

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Cisco Study Reveals only 14% of Global Organizations Are Fully Prepared to Deploy and Leverage AI, with More than Half Admitting Serious Concerns about the Impact to Business if They Fail to Act in the Next 12 Months

News Summary:

- 97% of global organizations reported that the urgency to deploy AI-powered technologies has increased in their company in the past six months.
- Considerable gaps exist across six key business pillars — strategy, infrastructure, data, governance, talent, and culture — with 86% of companies not fully ready to integrate AI into their businesses.
- Companies are racing against time as 61% said they have a maximum of one year to deploy their AI strategy or else it will have a negative impact on business.
- Boards and Leadership Teams are the most likely to embrace the changes brought about by AI, with 82% of both groups showing high or moderate receptiveness. In contrast, 22% of middle management indicated only limited or no receptiveness to AI.

SAN JOSE, Calif., Nov. 14, 2023 /PRNewswire/ -- A mere 14% of organizations globally are fully prepared to deploy and leverage Artificial Intelligence (AI)-powered technologies, according to Cisco's (NASDAQ: CSCO) inaugural [AI Readiness Index](#) released today. The Index, which surveyed over 8,000 global companies, was developed in response to the accelerating adoption of AI, a generational shift that is impacting almost every area of business and daily life. The report highlights companies' preparedness to utilize and deploy AI, showcasing critical gaps across key business pillars and infrastructures that pose serious risks for the near future.

The new research finds that while AI adoption has been slowly progressing for decades, the advancements in Generative AI, coupled with public availability in the past year, are driving greater attention to the challenges, changes and new possibilities posed by the technology. While 84% of respondents believe AI will have a significant impact on their business operations, it also raises new

issues around data privacy and security. The Index findings show that companies experience the most challenges when it comes to leveraging AI alongside their data. In fact, 81% of respondents admit that this is due to data existing in silos across their organizations.

However, there is also positive news. Findings from the Index revealed that companies are taking many proactive measures to prepare for an AI-centric future. When it came to building AI strategies, almost one-third of respondents were categorized as Pacesetters (fully prepared), which indicates a significant level of focus by C-Suite executives and IT leadership. This could be driven by the fact that most (97%) respondents said the urgency to deploy AI technologies in their organization has increased in the past six months, with IT infrastructure and cybersecurity reported as the top priority areas for AI deployments.

"The race to AI Readiness is on, with organizations under intense pressure to shift from strategic planning to execution mode in order to capitalize on the transformative potential that AI represents," said Liz Centoni, Executive Vice President and General Manager, Applications and Chief Strategy Officer, Cisco. "To realize the benefit of AI-powered products and services, companies need solutions that secure and observe their AI models and toolchains to ensure performance, secure sensitive data and systems, and deliver trustworthy and responsible AI outcomes."

Key Findings

Alongside the stark finding that overall, only 14% of companies are Pacesetters (fully prepared), the research found that more than half (52%) of companies globally are considered Laggards (unprepared) at 4%, or Followers (limited preparedness) at 48%. Some of the most significant findings include:

- **URGENCY: One year maximum before companies start to see negative business impacts.** 61% of respondents believe they have a maximum of one year to implement an AI strategy before their organization begins to incur significant negative business impact.
- **STRATEGY : Step one is strategy, and organizations are well on their way.** 73% of organizations benchmarked as either Pacesetters or Chasers, and only 4% were found to be Laggards. Additionally, 95% of organizations already have a highly defined AI strategy in place or are in the process of developing one, which is a positive sign, but shows there is more to do.
- **INFRASTRUCTURE: Networks are not equipped to meet AI workloads.** 95% of businesses are aware that AI will increase infrastructure workloads, but only 17% of organizations have networks that are fully flexible to handle this complexity. 23% of companies have limited or no scalability at all when it comes to meeting new AI challenges within their current IT infrastructures. To accommodate AI's increased power and computing demands, more than three-quarters of companies will require further data center graphics processing units (GPUs) to support current and future AI workloads. In addition, 30% say the latency and throughput of their network is not optimal or sub-optimal, and 48% agree that they need further improvements on this front to cater to future needs.
- **DATA: Organizations cannot neglect the importance of having data 'AI-ready.'** While data serves as the backbone needed for AI operations, it is also the area where readiness is the weakest, with the greatest number of Laggards (17%) compared to other pillars. 81% of all respondents claim some degree of siloed or fragmented data in their organization. This poses a critical challenge as the complexity of integrating data that resides in various sources and making it available for AI implications can impact the ability to leverage the full potential of these applications.
- **TALENT: There is a significant mismatch in leadership and employee expectations with respect to AI.** Boards and Leadership Teams are the most likely to embrace the changes brought about by AI, with 82% of both groups showing high or moderate receptiveness. However, there is

more work to be done to engage middle management where 22% have either limited or no receptiveness to AI and among employees where close to a third (31%) of organizations report employees are limited in their willingness to adopt AI or outright resistant. **The need for AI skills reveals a new-age digital divide.** While 90% of respondents said they have invested in upleveling existing employee skillsets, 29% expressed doubt about the availability of sufficiently skilled talent.

- **GOVERNANCE: AI policy adoption's slow start.** 76% of organizations **report not having** comprehensive AI policies in place, an area that must be addressed as companies consider and govern all the factors that present a risk in eroding confidence and trust. These factors include data privacy and data sovereignty, and the understanding of and compliance with global regulations. Additionally, close attention must be paid to the concepts of bias, fairness, and transparency in both data and algorithms.
- **CULTURE: Little preparation, but high motivation to make a priority.** This pillar had the lowest number of Pacesetters (9%) compared to other categories driven largely by the fact that only 21% have comprehensive change management plans for widespread AI adoption. C-Suite executives are the most receptive to embracing internal AI changes and must take the lead in developing comprehensive plans and communicating them clearly to middle management and employees who have relatively lower rates of acceptance. The good news is that motivation is high. Nearly eight out of 10 (79%) say their organization is embracing AI with a moderate to high level of urgency. Only 2% said they were resistant to change.

Cisco AI Readiness Index

The new *Cisco AI Readiness Index* is based on a double-blind survey of 8,161 private sector business and IT leaders across 30 markets, conducted by an independent third-party surveying respondents from companies with 500 or more employees. The Index assessed respondents' AI readiness across six key pillars: strategy, infrastructure, data, talent, governance, and culture.

Companies were examined on 49 different metrics across these six pillars to determine a readiness score for each, as well as an overall readiness score for the respondents' organization. Each indicator was assigned an individual weightage based on its relative importance to achieving readiness for the applicable pillar. Based on their overall score, Cisco has identified four groups at different levels of organizational readiness – Pacesetters (fully prepared), Chasers (moderately prepared), Followers (limited preparedness), and Laggards (unprepared).

Additional Resources:

- [Blog Post](#)
- [Microsite](#)
- [Assessment Tool](#)

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