



LEVERAGING AI FOR COMPETITIVE ADVANTAGE

HLB SURVEY OF IRISH
BUSINESS LEADERS 2024



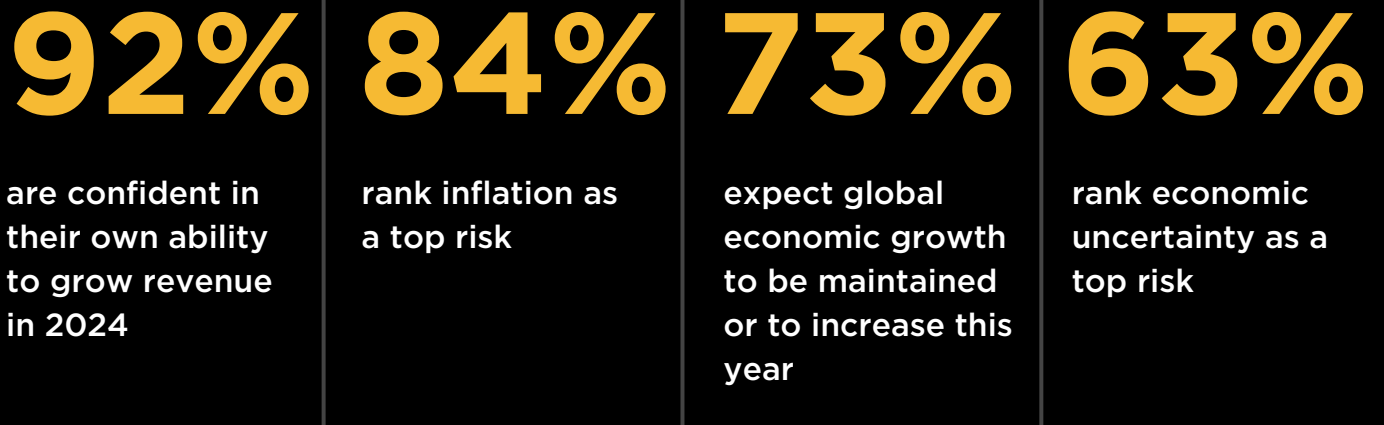


CONTENTS

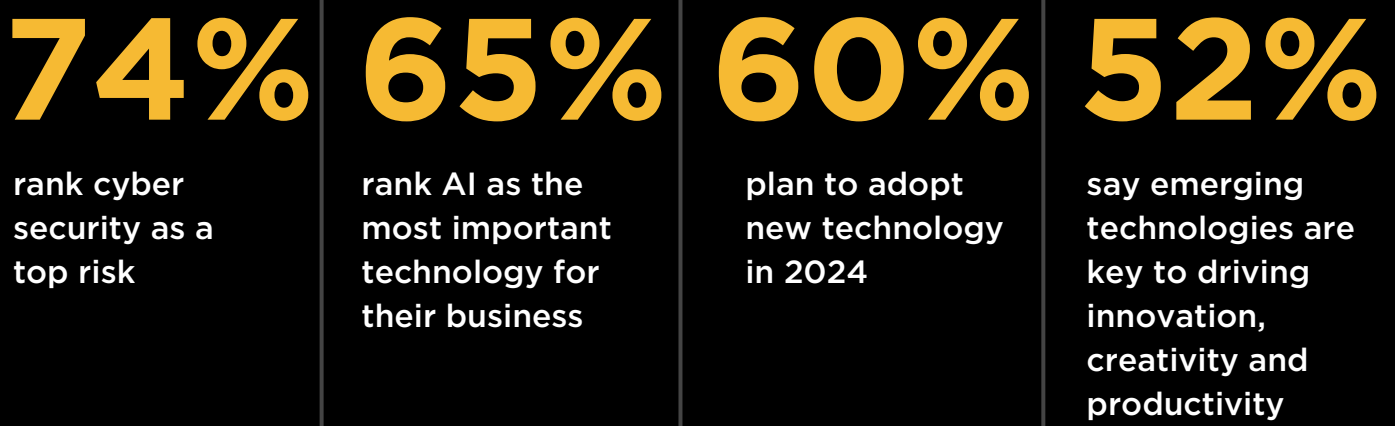
KEY FINDINGS	04
FOREWORD	05
RESILIENCE IN TURBULENT TIMES	06
PUTTING TECHNOLOGY TO WORK	08
HOW TO ASSESS AI MATURITY	13
A 10 STEP PLAN TO AI INTEGRATION	18
RESEARCH METHODOLOGY	20
HOW HLB CAN HELP	21

KEY FINDINGS

BUSINESS SENTIMENT



TECHNOLOGY



BUSINESS LEADERS EMBRACING AI TECHNOLOGY ARE MORE CONFIDENT IN THEIR ABILITY TO GROW REVENUE



■ Not confident ■ Somewhat confident ■ Very confident

FOREWORD

Welcome

I am pleased to introduce the findings of research conducted by HLB Ireland among Irish business leaders late last year. The purpose of our study was to measure business sentiment at a time when geopolitical risks, cyber threats, and environmental challenges are escalating.

Our analysis, which forms part of the comprehensive HLB Global Survey of Business Leaders 2024, shows that resilience and technological advancement are front of mind for Irish business leaders. An impressive 92% express confidence in their growth prospects over the next 12 months, significantly outpacing the global average of 85%. The responses show a clear commitment to innovation and digital security as leaders adopt a proactive approach to navigating the complexities of the future business environment.

AI stands out as the most important emerging technology with 65% of both Irish and global survey respondents stating that AI will be crucial for their business in the next five years. Successful AI implementation will require new skillsets in the workplace both at implementation and usage stages. This will make access to talent more important than ever.

Our report highlights different approaches to AI, explores barriers to adoption and sets out a practical 10-step plan to help you progress your AI journey, regardless of where you currently stand. We hope that you find it interesting and useful.

Almost three-quarters (74%) of our survey respondents rank cybersecurity as their top risk, reflecting global recognition of digital security challenges. Protecting digital infrastructure is paramount.

Companies need to concentrate on the three pillars of cyber-resilience—comprehensive monitoring, rapid response and regular training. They must also keep in mind that Artificial Intelligence (AI) systems will require new security mechanisms.

My sincere thanks to everyone who gave their time to respond to our survey.

If you would like to discuss any of the findings or topics raised in this report, please get in touch.



Mark Butler
Managing Partner, HLB Ireland.

RESILIENT LEADERS ARE COMPOSED

The overwhelming majority (92%) of Irish business leaders surveyed express confidence in their ability to grow revenues this year, significantly ahead of the 85% global average. This upbeat outlook is largely fuelled by strategic technological advancements and a strong emphasis on digital transformation.

Irish and global leaders are equally positive in their outlook on the global economy with 73% of both groups expecting growth to remain the same or improve in the next 12 months[1]. Notwithstanding their optimism, however, risks in the global business environment including inflation, economic uncertainty, and concerns about cybersecurity, will continue to test even the most astute operators.

While inflation is trending downwards, 84% of Irish business leaders remain worried about the impact of inflationary pressures on their business. The OECD expects inflation to ease in most economies as cost pressures moderate however these predictions do not factor in recent trade flow disruption in the Middle East[1]. Closer to home, the Central Bank's Quarterly Bulletin published in December 2023 notes that falling energy prices have contributed most to the drop in headline inflation to date while a more generalised reduction of externally driven price pressures is expected to bring headline inflation back to 2.1% in 2025.[2]

Concern about cybersecurity continues to grow with fears that innovative technologies, including Generative AI, can further increase exposure to cyber risk. 74% of Irish business leaders are 'concerned' or 'very concerned' about cybersecurity. This concern is matched by a significant majority prioritising investments in cybersecurity measures, aligning with global trends towards safeguarding digital assets. A robust cybersecurity strategy includes three core principles: ongoing monitoring by experts who are fully up to date with the ever-changing threat landscape, rapid response to mitigate losses, and regular training and awareness programmes.[2]

Globally, the impact of the pandemic remains visible across markets and societies, even though it's no longer the main stressor. With ongoing supply chain disruptions paired with geopolitical tensions continuing to change the international business environment, a third (33%) of Irish business leaders plan to focus on sourcing closer to home this year.

Overall, Irish business leaders are poised to invest to innovate and grow and more than half (53%) expect technological advancement to help them overcome future cross-border challenges.

[1] OECD. 2023. Economic outlook: A mild slowdown in 2024 and slightly improved growth in 2025.

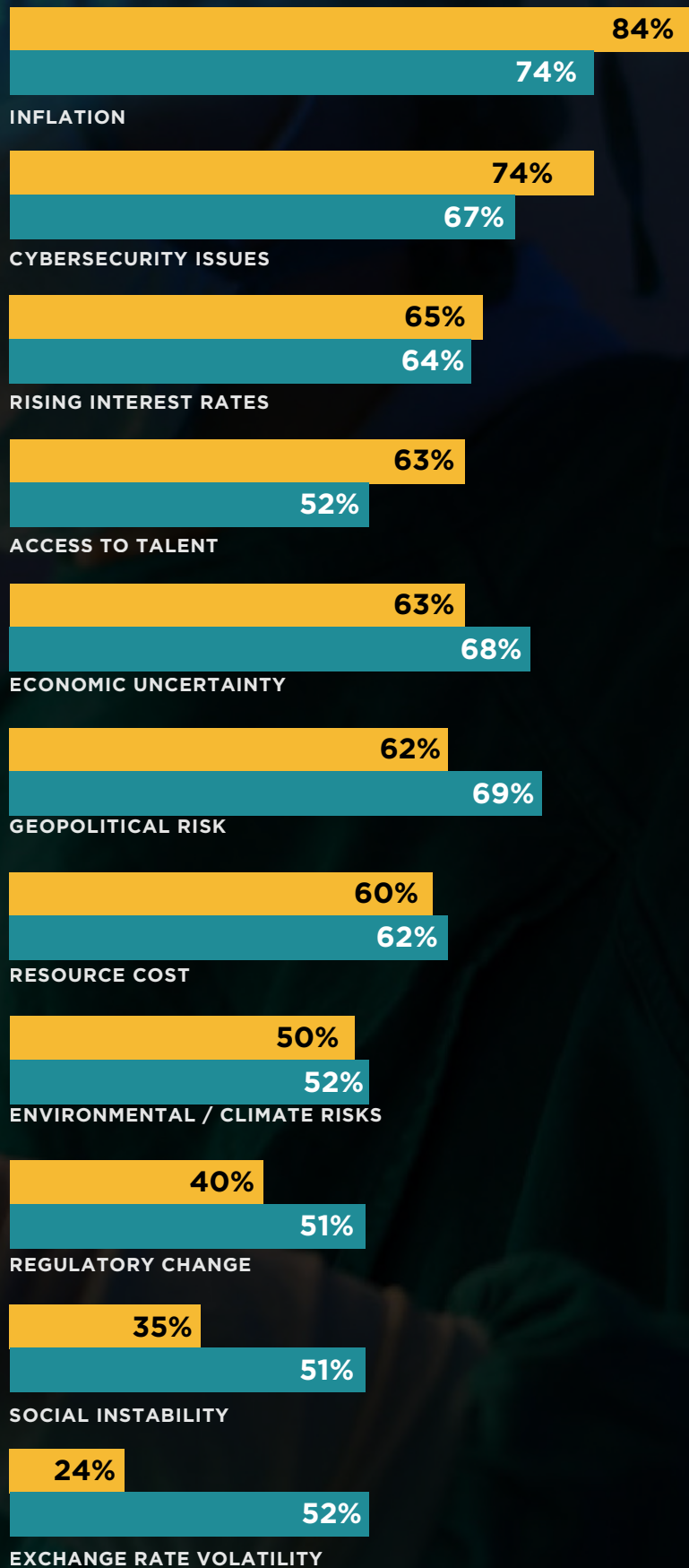
[2] Central Bank of Ireland. Quarterly Bulletin No. 4, 2023.

LEADERS ARE FACING A 'CONVEYOR BELT' OF CRISES

Q To what extent do the following risks to your business concern you?

(showing 'concerned' and 'very concerned' combined responses)

■ Ireland ■ Global





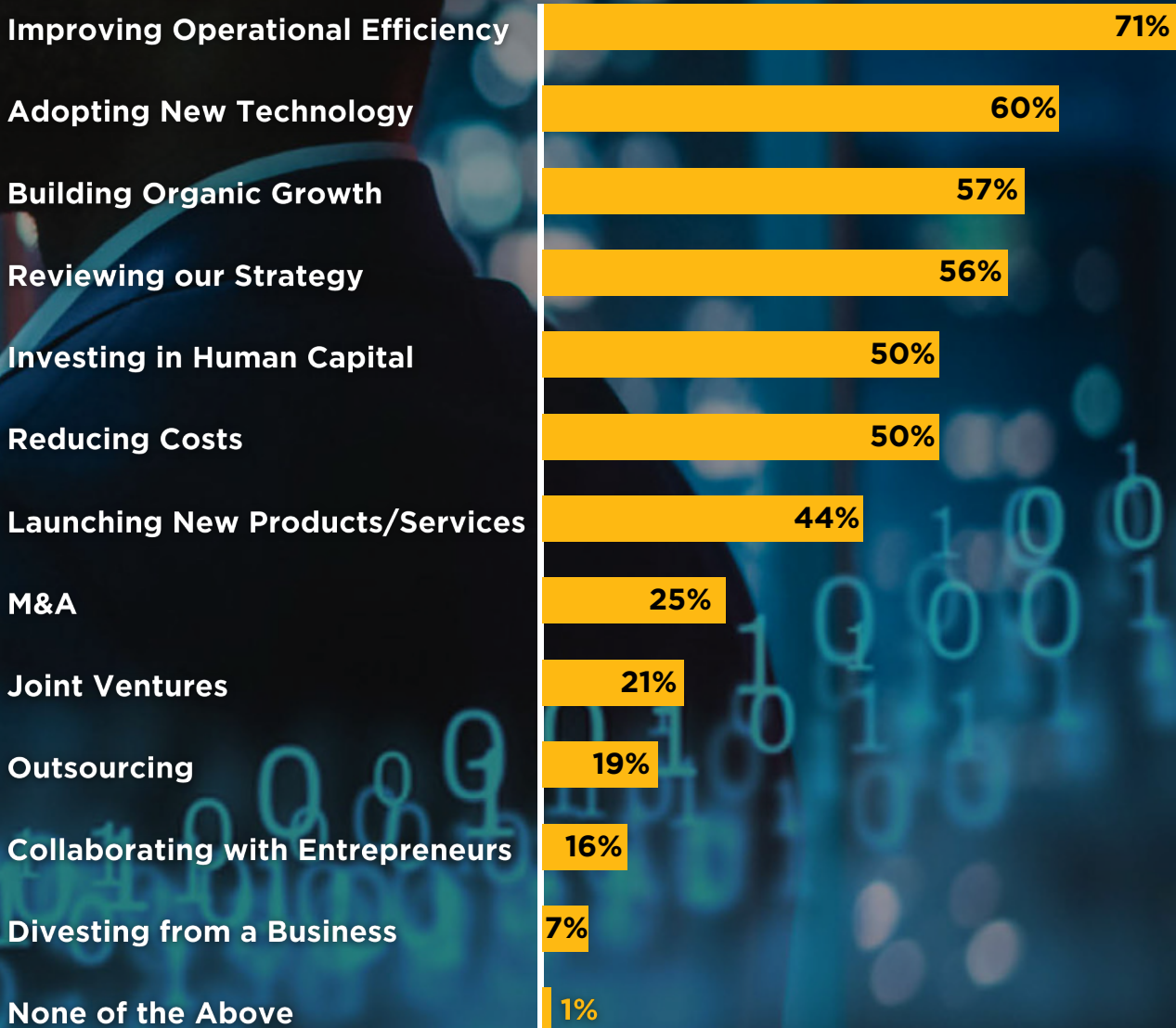
PUTTING TECHNOLOGY TO WORK



In common with their global peers, 60% of Irish business leaders plan to adopt new technologies in 2024. Second only to finding efficiencies, businesses are putting technology to work to support innovation, creativity and productivity in their businesses.

BUSINESS LEADERS FOCUS ON FINDING EFFICIENCIES

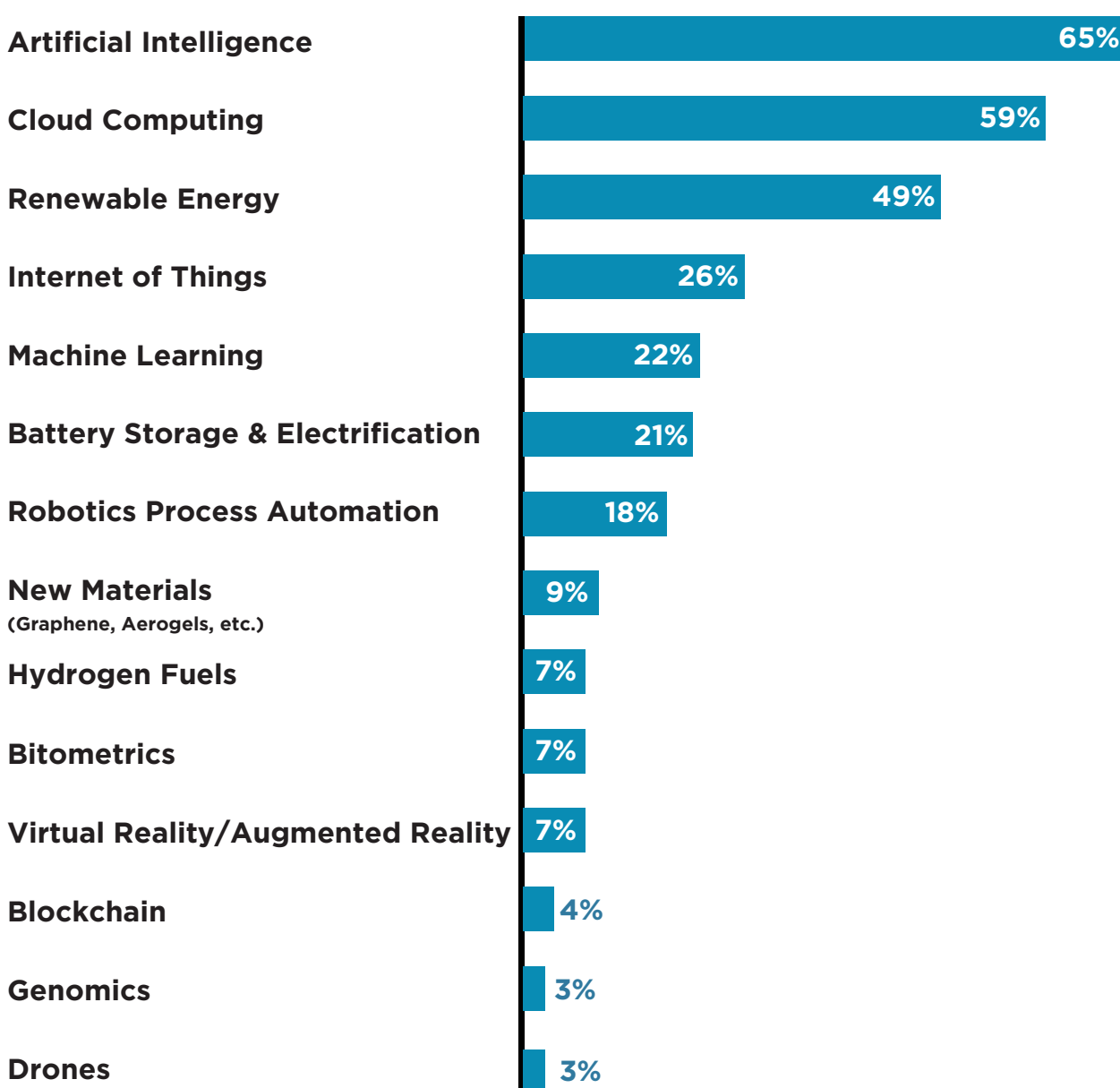
Q Which of the following actions are you planning to take in the next 12 months, in order to grow?



AI IS NOW INDISPENSABLE FOR BUSINESS

Continued investment in cloud computing provides the critical infrastructure for AI applications. Almost two-thirds of Irish survey respondents expect AI to be the most important technology for their business over the next five years and just under a third are prepared to take on more risk, given the potential benefits of AI. However one in four agree that short-term priorities and unexpected market disruptions make it difficult for their business to make new AI investments.

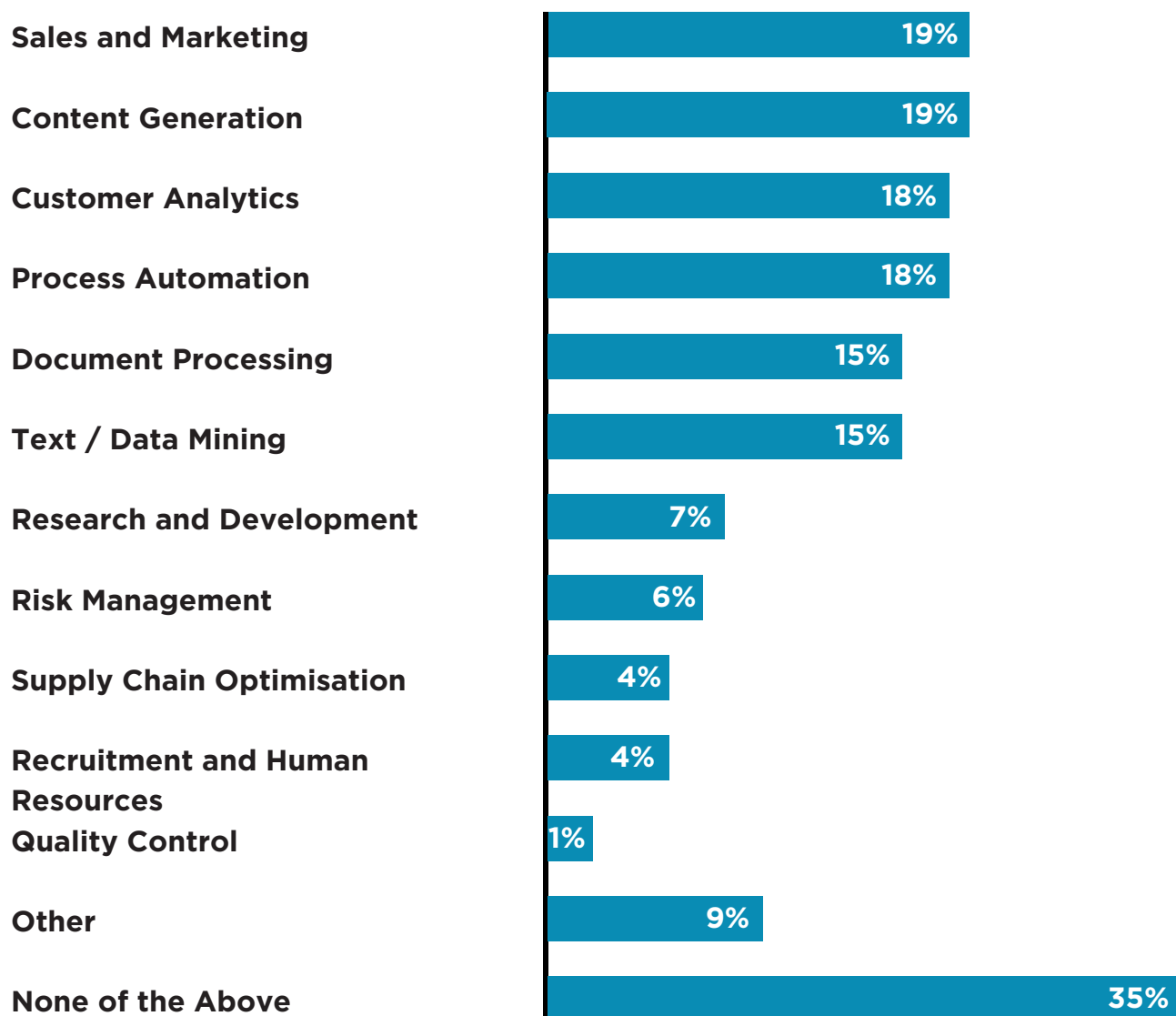
Q Which of these technologies will be the most important to your business over the next 5 years?



HOW ARE BUSINESSES USING AI TODAY?

Our research suggests that business leaders are embracing AI to pursue a wide range of potential business outcomes and improve operational efficiency. When asked where they are using AI, sales and marketing, content generation, customer analytics and process automation were the top responses of Irish survey respondents. Globally, the top applications cited were process automation (28%), document processing (27%), and customer analytics (27%). We anticipate rapid acceleration in the proliferation of AI solutions in the second half of this decade.

Q Where has your company used AI technologies to automate or enhance operations?

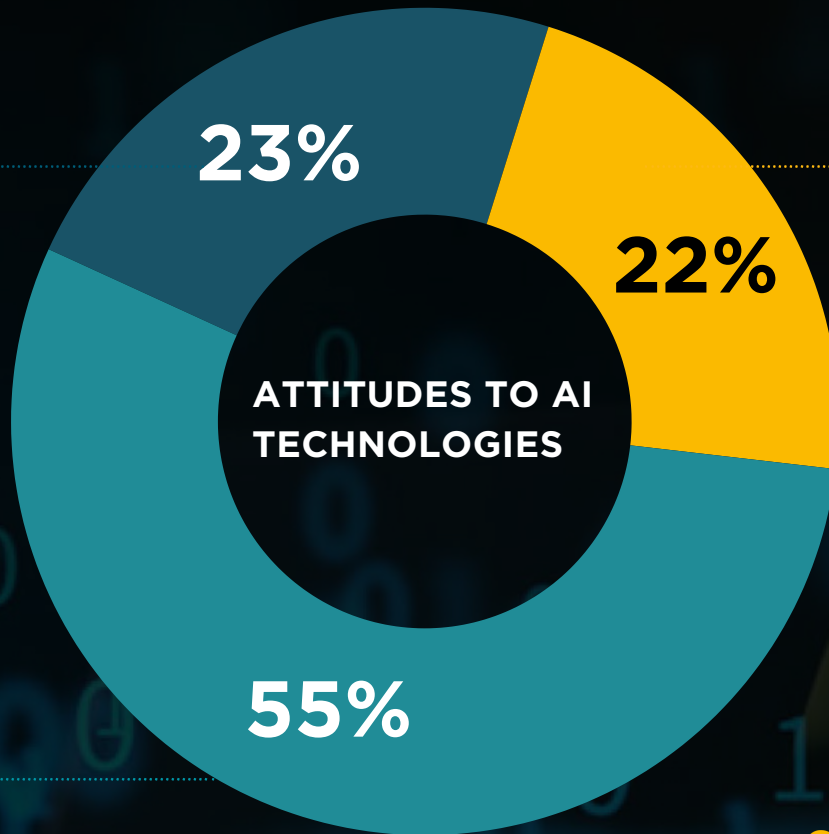




WHERE ARE BUSINESSES ON THE AI MATURITY CURVE?

Attitudes towards AI adoption vary among the leaders we surveyed. We identified three distinct cohorts based on their attitudes towards emerging technologies and progress with AI adoption.

IRELAND

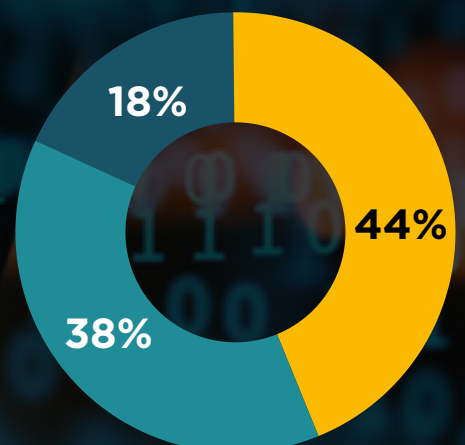


CONSERVATIVES are averse to using AI, doubtful about its impact or worried that the potential risks may outweigh the benefits.

INNOVATORS are already using AI or are eager to integrate it into their current operations.

EXPLORERS are willing to give AI a try but it's not a business priority

GLOBAL



AI

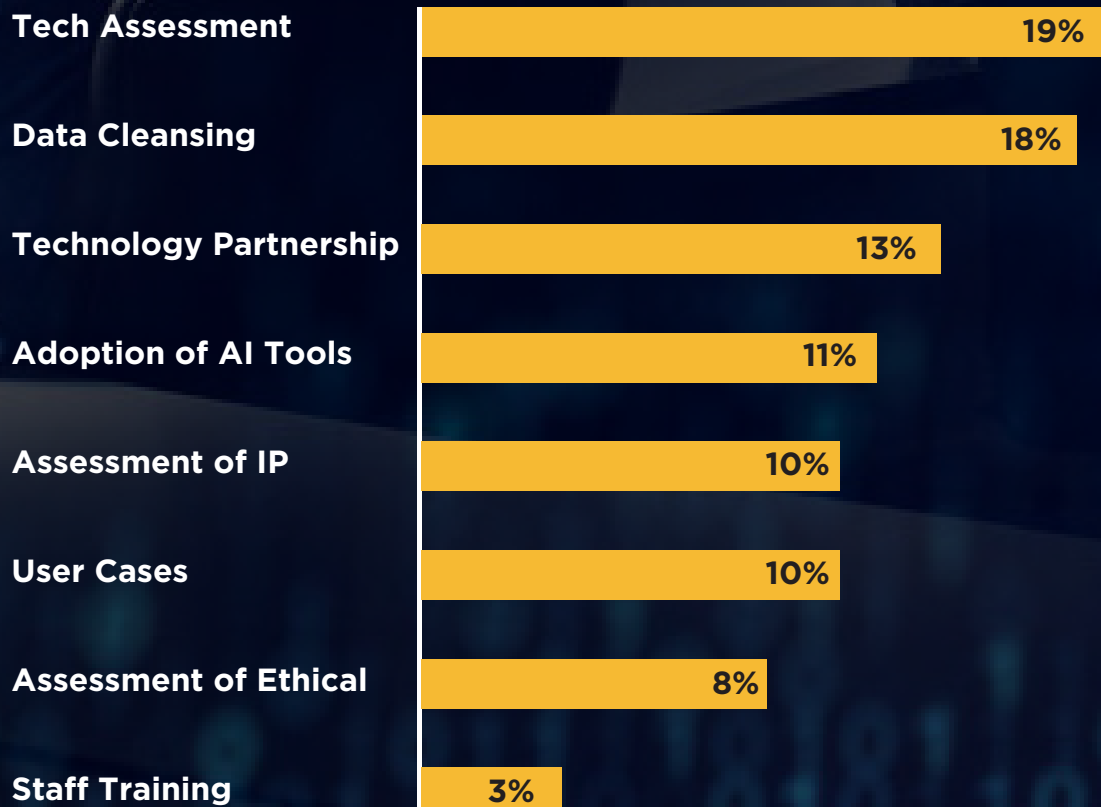
INNOVATORS

HARNESSING AI FOR COMPETITIVE EDGE

Only 22% of Irish survey respondents already use AI or are eager to implement it to gain a competitive edge. The main AI activities of these Innovators are technology assessment (19%), data cleansing and quality review (18%), technology partnership and vendor evaluation (13%) and adoption of AI tools (11%).

In our global survey, most Innovators have already identified appropriate user cases for AI, 66% have performed technology assessments and readiness reviews and just over half (51%) are implementing or optimising their data cleansing and quality review processes. Our global research shows that data security and privacy and data quality and quantity are the top two barriers to adopting and integrating AI technologies for Innovators. Over time, we anticipate that a combination of past and emerging solutions will help Innovators overcome these barriers.

Q How would you evaluate your business's progress in adopting AI technologies across the following key areas:



AI

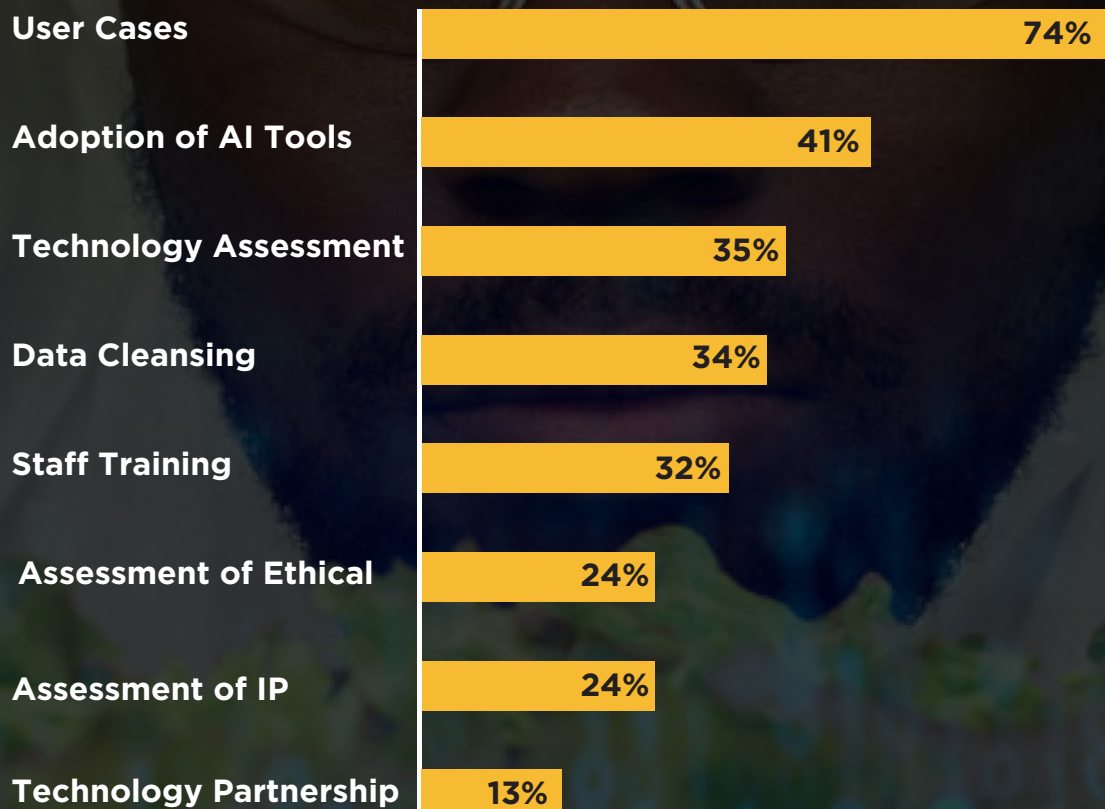
EXPLORERS

SEEKING A BUSINESS CASE

Most (55%) of our Irish survey respondents are Explorers. They are willing to try AI technologies if a convincing business case can be put forward but AI is not a priority—50% claim to be in learning mode on the AI maturity curve while 40% admit to having not yet started their AI journey.

Globally, while Explorers cite lack of user cases and unclear ROI as the main barriers to AI integration, AI not only makes it possible for organisations to do better, it also enables them to do more. Explorers need to make a 'leap of faith' to move from concepts to action.

Q How would you evaluate your business's progress in adopting AI technologies across the following key areas:

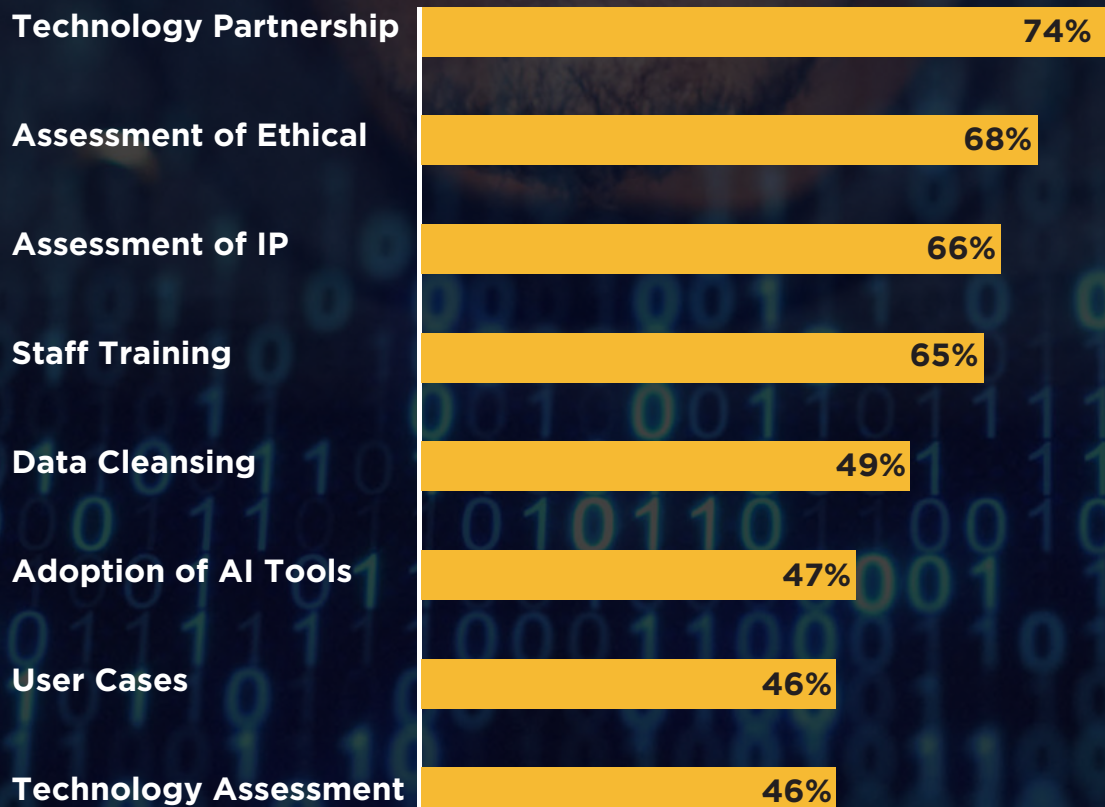


AI**CONSERVATIVES****AI NOT YET A PRIORITY**

There is a substantial gap in AI maturity between Conservatives and Innovators. Most Conservatives have either not started their AI transformation journey or sit at the learning stage, while most Innovators are either optimising or leading in their AI strategy.

Almost a quarter (23%) of Irish survey respondents are either averse to using AI or cautious about the risks. While this segment of our sample may be preoccupied dealing with business disruption, inaction around AI today could push them to market margins tomorrow.

Q How would you evaluate your business's progress in adopting AI technologies across the following key areas:

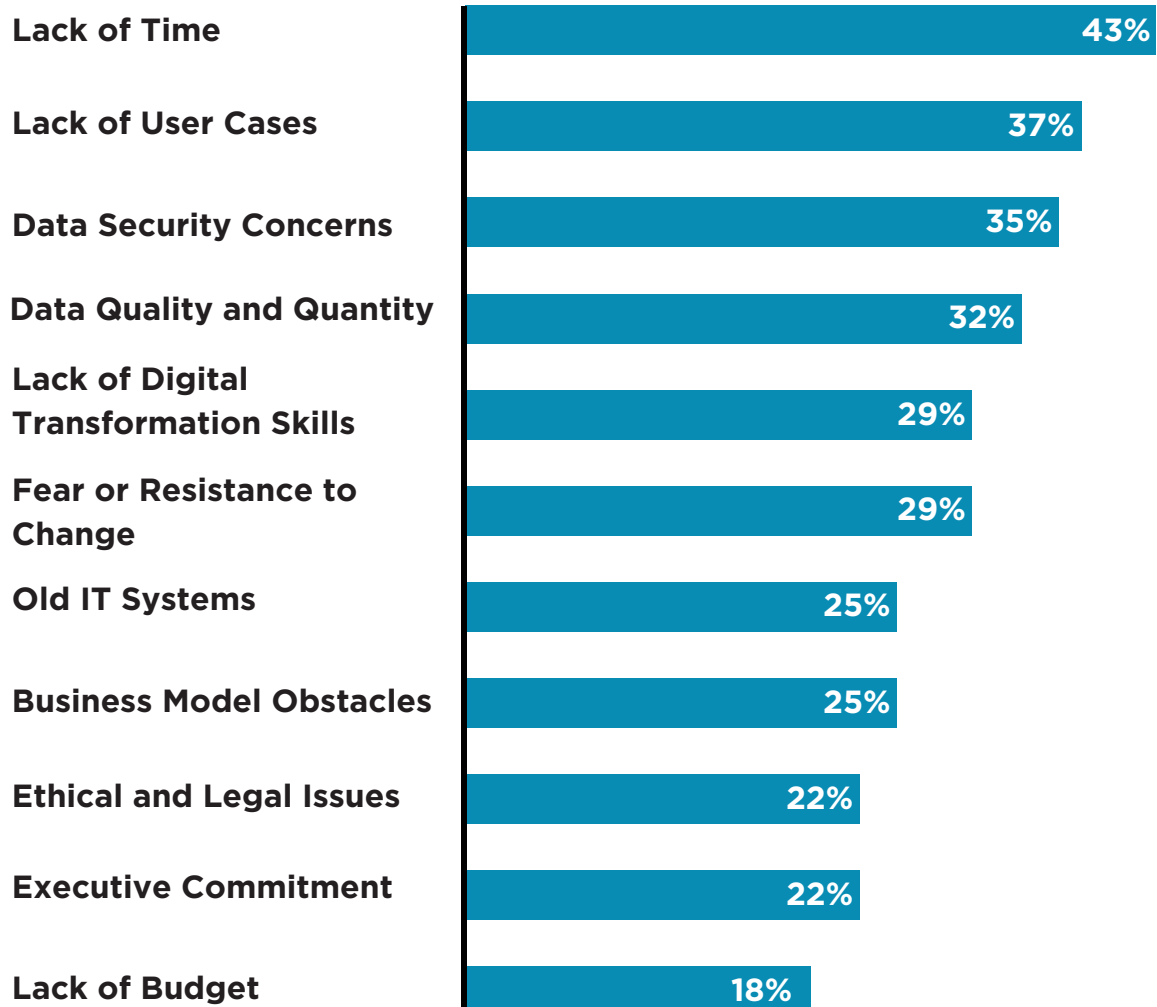




BARRIERS TO ADOPTING AND INTEGRATING AI TECHNOLOGIES

Irish leaders perceive lack of time, lack of user cases and unclear ROI to be the top barriers to adopting and integrating AI. They are also concerned about data privacy and security and lack of digital transformation skills. As already mentioned, successful AI implementation will require new skillsets in the workplace, both at the implementation and usage stages.

Q What are the top 5 barriers to adopting and integrating AI technologies into your business?



A 10-STEP PLAN TO AI INTEGRATION

Businesses are on a continuous journey, adapting their businesses to new realities and using technology to remain competitive. It isn't a sprint to adopt multiple plug-and-play AI products, but rather a marathon that demands research, evaluation, and experimentation to determine the role of AI in your operations.

We have identified 10 steps to help plan businesses progress their AI journey, regardless of where they currently sit on the maturity curve. Exploring the following questions will help business leaders along each step.

1

IDENTIFY OBJECTIVES & CHALLENGES

- Based on a value-based assessment, what areas of the business could benefit most from AI?
- Can you define some clear, measurable objectives for what you want to achieve with AI?
- Have you got business problems which AI could potentially fix for you?
- If you're ahead on the maturity curve: Have you reviewed the effectiveness of current AI implementations to ensure they remain focused on optimisation, efficiency and scaling?

2

UNDERSTAND AI CAPABILITIES

- Have you got a grasp on different types of AI technologies and their potential applications?
- Is there someone on your management team who has a good understanding of AI and its benefits?
- **Already experimenting with AI? Have you considered getting an external expert in, to challenge your thinking?**

3

DATA COLLECTION & MANAGEMENT

- Is the right infrastructure in place to collect, store, and manage data securely and efficiently?
- Are your systems able to provide relevant and quality data for effective AI systems?
- Have you done a data quality check?
- **Already trialling AI applications? How might you use what you've learned to upgrade your data infrastructure for better performance and scalability?**

4

EVALUATE & SELECT THE RIGHT AI SOLUTIONS

- Have you set-aside time to research and identify the AI tools and solutions which align with your objectives?
- Can you use ready-made AI solutions or do you need to develop custom AI applications tailored to your specific needs?
- **Further along on your AI journey? Have you analysed how well existing AI tools are performing and whether there are any areas of improvement?**

5

INTEGRATION & IMPLEMENTATION

- Have you got a plan for integrating AI into your existing systems and workflows?
- What user cases or small-scale pilot projects have you identified to test and refine the AI solutions before full-scale implementation?
- **Already trying out AI in your business? How might you scale up successful pilots and what criteria are you using to determine when pilots have been successful?**

6

COMPLIANCE
& ETHICS

- How are you assessing whether your AI adoption plans align with ethical standards and best practices
- Are you staying informed on the relevant laws and regulations related to AI and data privacy
- What's in place to ensure compliance?
- Ahead of your peers? Perhaps you're developing more nuanced ethical frameworks for AI usage, considering impact and fairness?

7

TRAINING
& CHANGE
MANAGEMENT

- How can you lead with a flexible mindset and encourage a culture of continuous adaptation of emerging technologies?
- What technical and non-technical training can you put in place to support your people with AI technology adoption?
- Already trained your people? Is there a specific technology which calls for more advanced training?

8

MONITOR &
EVALUATE

- What infrastructure is in place to collect, store, and manage data securely and efficiently
- Are your legacy systems providing you with relevant and quality data for effective AI systems?
- Have you done a data quality check?
- Already using data to drive AI applications? What have you learned which might inform an upgrade to your data infrastructure for better performance and scalability?

9

SCALE &
EVOLVE

- How can you encourage your management team to continuously evolve your AI strategies?
- What's in place to ensure you stay abreast of the latest developments in AI?
- What are you doing to scale your successful pilot projects across the organisation?
- Completed successful pilot(s)? How are you evolving your strategy towards scaling to maximise AI ROI?

10

STRATEGIC
PARTNERSHIPS &
COLLABORATIONS

- Have you identified business partners, AI communities, and academia you might be able to collaborate with to stay ahead of the competition?
- How might you explore some potential strategic partnerships with AI technology providers or innovators?
- Further along your AI journey? Perhaps you are well-positioned to lead a research consortium focused on AI research and development in your particular sector?

RESEARCH METHODOLOGY

Between September and November 2023, HLB collected 979 survey responses from business leaders across 52 countries and a broad range of industry backgrounds. Responses were collected via an online survey tool or telephone interview. The research sample was selected and controlled via HLB firms from their CRM data and supplemented with external market responses.

This report highlights the responses of the Irish business leaders who participated in the HLB survey.

For deeper insights into how Irish businesses stand on the global stage, explore [HLB Global Survey of Business Leaders 2024](#).



HOW HLB CAN HELP

With technological advancements evolving at an ever-accelerating speed, businesses are seeking to understand the competitive advantage new digital technologies such as AI can offer them. Our findings suggest significant differences in potential business outcomes between businesses embracing AI technologies and those more cautious about adoption. A structured approach is needed to effectively reduce risk and gain return on investment (ROI) from digital transformation efforts.

If you would like to explore the findings in this report and how they inform your next phase of transformation and growth, we would welcome the opportunity to discuss these with you.



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HLB Survey of Irish Business Leaders 2024

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