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REMOVE THE GENERATIVE AI BLINDFOLD

PORTAL26 RESEARCH REPORT

State of Generative AI 2023

Since the launch of ChatGPT in November of 2022, Generative AI has been the most talked about technology of this era. In conjunction with independent research firm Censuswide, we took the pulse of more than 400 C-suite and tech leaders across 12 industry sectors to better understand their hopes and fears around GenerativeAI. The results depict an environment in which companies are optimistic about the potential of Generative AI yet struggle to get their arms around the significant risks around visibility, governance, data security, education and more.

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Embrace GAI with
Real-Time Visibility

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Executive Summary

Hope and Fear are the Yin and Yang of Generative AI implementation and adoption.

82%
Competitive Advantage

85%
Concerned About Privacy/ Security

82% of respondents said that Generative AI will give them a competitive advantage. At the same time, 73% have had GenerativeAI misuse incidents, 67% within the last year. And while an overwhelming majority (84%) of respondents have invested or are planning to invest in GenAI, a similar number, 85%, are concerned about its privacy and security risks.

73%
Admitted Security or Data Misuse Issue

67%
Data Misuse Issue Within last year

Guardrails Are the Typical First Step

So, it makes sense that as organizations strive for adoption, the survey provides an early glimpse into how businesses deal with these emergent issues. 80% have already instituted guidelines and policies around AI, an essential first step in safely enabling usage. Sixty-eight percent, meanwhile, have created and shared acceptable use policies to ensure that employees don't inadvertently share private information or accidentally violate compliance mandates.

Most Start with Guardrails

80%

Instituted some type of policy around GenAI

Risks are many and of serious concern

Of those respondents whose businesses have adopted AI, risks that are perceived as serious include:

- Shadow AI   58%
- Data privacy   56%
- Governance   63%
- IP protection   62%

- Bias in training   55%
- Data security   60%
- Employee use of prompts 63%
- Employee training   58%

Training Lags In Investment

58%

Less than five hours of annual training

Training lags investment in tools

While lack of training and employee prompt use are considered a serious risk, a substantial majority of companies (58%) providing less than five hours of annual education and training on GenAI issues to their employees. For companies looking to adopt a GenerativeAI program, investment in tools and infrastructure need to be matched by similar investments in employee education.

Generative AI is Coming. Are you Ready?

What's clear in the survey data is that we're witnessing in real time a massive shift in how work gets done. he benefits of GenAI are perceived as undeniable, but a lack of visibility will invariably lead to lower productivity and higher risks around security, Shadow AI, governance, privacy and more. As these survey results demonstrate, in these early stages more foundational work will need to take place before corporations can responsibly and comfortably reap all the benefits GenAI can offer.
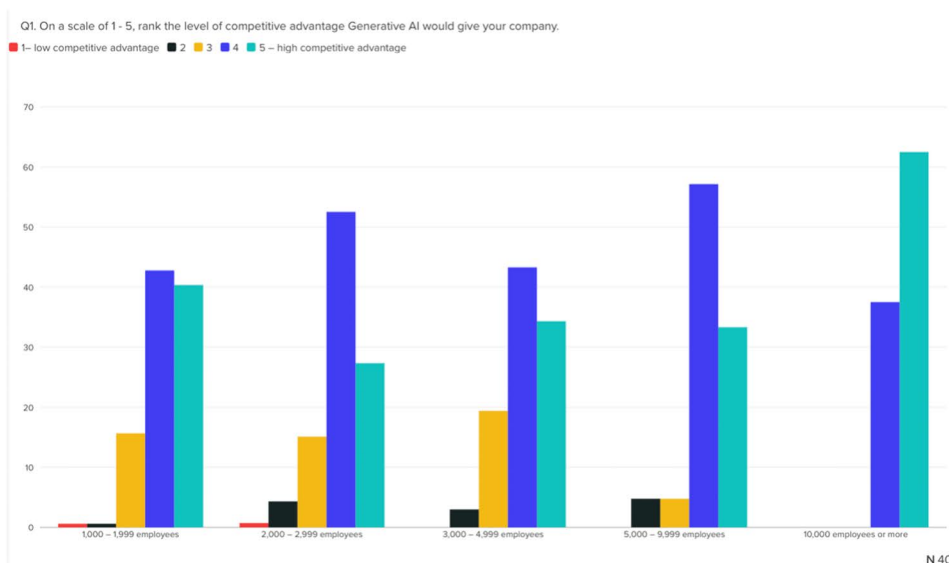
Keep reading for some interesting call outs from the survey, or dig in to the data on your own a portal26.ai/state-of-generative-ai-survey-results – featuring interactive crosstabs that enable access breakdowns by company size, industry and titles.

Size Matters -- Large companies have bigger concerns

Similar to the world of cybersecurity, it makes sense that the larger the company, the greater the risk, and even more so with Generative AI where employees are using sensitive company data to train LLM models and create new IP in real time.
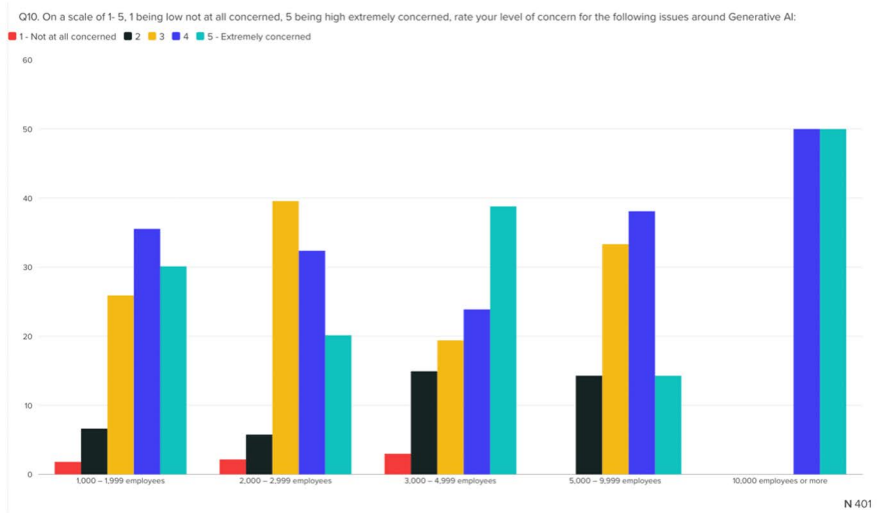
100% of companies over 10,000 employees agree and strongly agree that Generative AI will make them more competitive.   ble access breakdowns by company size, industry and titles.

Size Matters

Q1. On a scale of 1 - 5, rank the level of competitive advantage Generative AI would give your company.
■ 1– low competitive advantage ■ 2 ■ 3 ■ 4 ■ 5 – high competitive advantage

100% of companies >10,000 say they will be more competitive

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Size Matters -- Data Security

Q10. On a scale of 1- 5, 1 being low not at all concerned, 5 being high extremely concerned, rate your level of concern for the following issues around Generative AI:
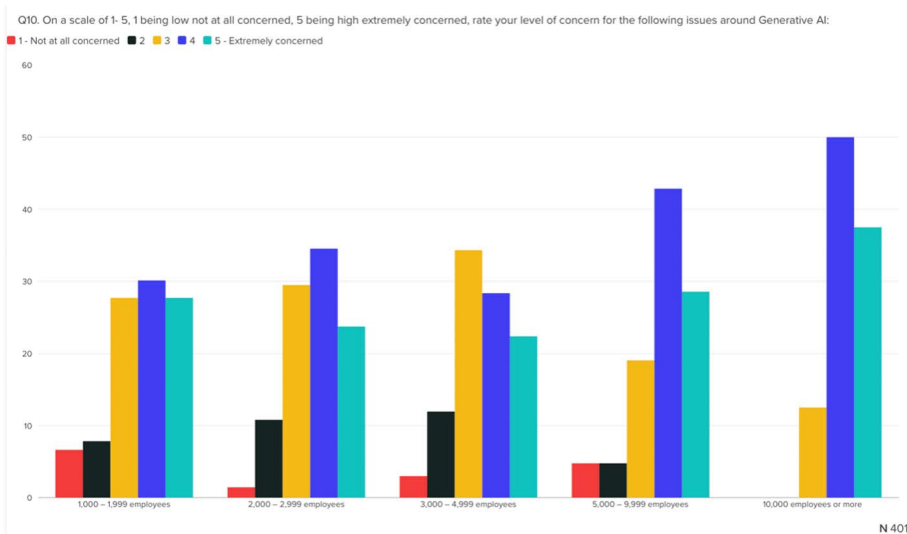■ 1 - Not at all concerned ■ 2 ■ 3 ■ 4 ■ 5 - Extremely concerned

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100% of companies >10,000 say Data Security is a major concern compared to 60% average of all companies

And in a revival of the Yin/Yang intro, 100% of companies with 10,000 employee or more have agree or strongly agree that their data is at risk compared to an overall average of all respondents in the survey of 60%.

When it comes to unknown or unauthorized use of AI, also called Shadow AI, big companies lead the way again, with 88% agreeing or strongly agreeing it is a high risk, compared to the overall average of 58%.
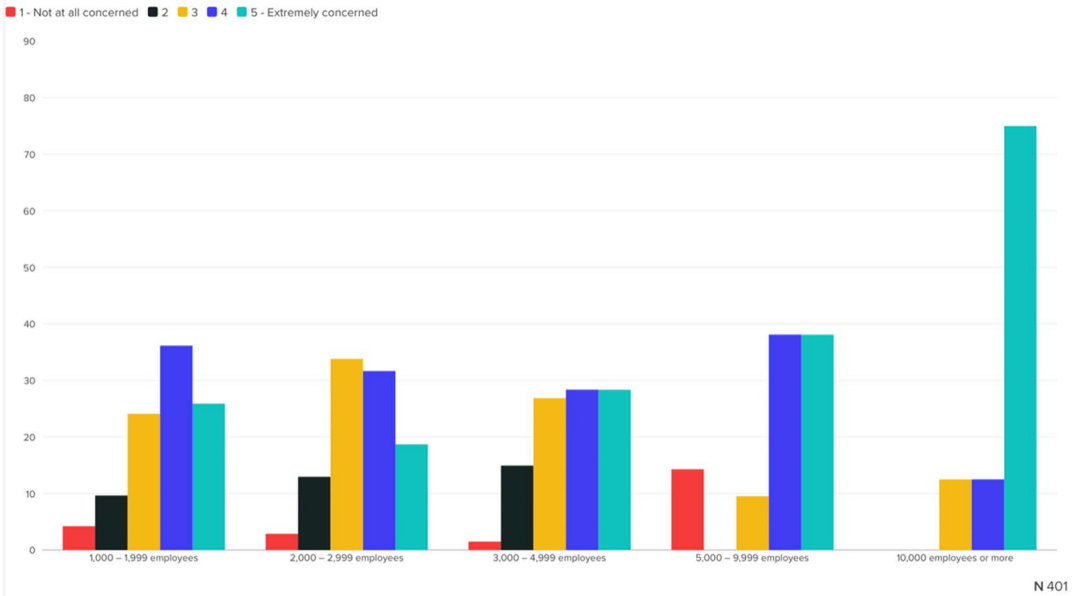
Size Matters -- Shadow AI

Q10. On a scale of 1- 5, 1 being low not at all concerned, 5 being high extremely concerned, rate your level of concern for the following issues around Generative AI:
■ 1 - Not at all concerned ■ 2 ■ 3 ■ 4 ■ 5 - Extremely concerned

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Of >10K companies 88% agree or strongly agree Shadow AI is a high risk, compared to the overall average of 58%.

Finally, on employee training, 88% of respondents at companies over 10,000 see lack of training as a significant issue, versus and overall average of 58%.
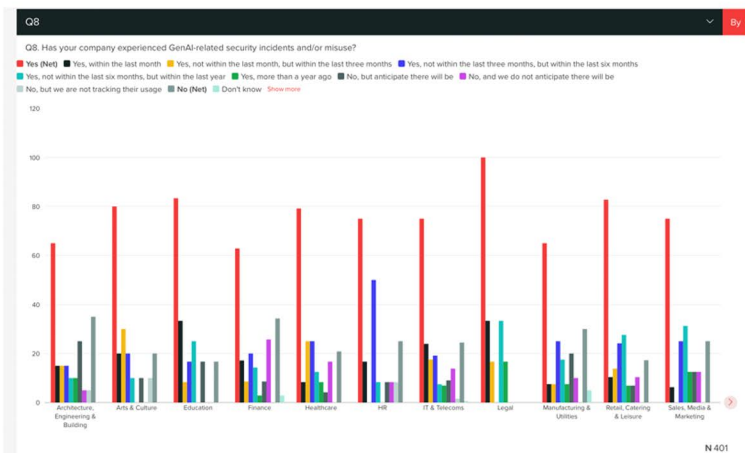
Employee Training -- Size Matters

Q10. On a scale of 1- 5, 1 being low not at all concerned, 5 being high extremely concerned, rate your level of concern for the following issues around Generative AI:

■ 1 - Not at all concerned ■ 2 ■ 3 ■ 4 ■ 5 - Extremely concerned

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88% of respondents at companies over 10,000 see lack of training as a significant issue, versus and overall average of 58%.

Different industries have different concerns.

Similar to how company size can make a difference, so does industry vertical. For example, the 100% of the companies in the legal profession reported a serious security or misuse incident around GenerativeAI, compared to the overall average of 73% for all industry sectors.   Not too far behind are Education and Retail/Leisure, with 83% reporting misuses and security issues. .
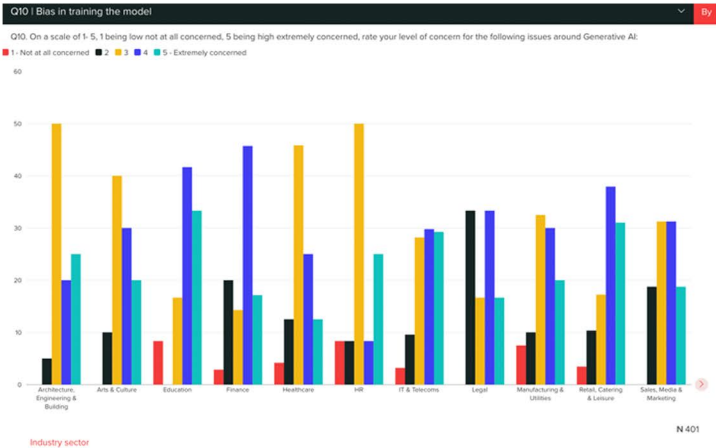
Q8

Q8. Has your company experienced GenAI-related security incidents and/or misuse?

■ Yes (Net) ■ Yes, within the last month ■ Yes, not within the last month, but within the last three months ■ Yes, not within the last three months, but within the last six months
■ Yes, not within the last six months, but within the last year ■ Yes, more than a year ago ■ No, but anticipate there will be ■ No, and we do not anticipate there will be
■ No, but we are not tracking their usage ■ No (Net) ■ Don't know Show more

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Industry Vertical Matters

100%

Companies in the Legal category had a misuse incident compared to overall avg. of 73%

When you look at which sectors are concerned or seriously concerned about bias in training their LLMs (Large Learning Models), Finance (81%), Education (75%), Retail/-Catering/Leisure (67%), and IT/Telecoms (59%) lead the way against the overall industry sector average of 56%.
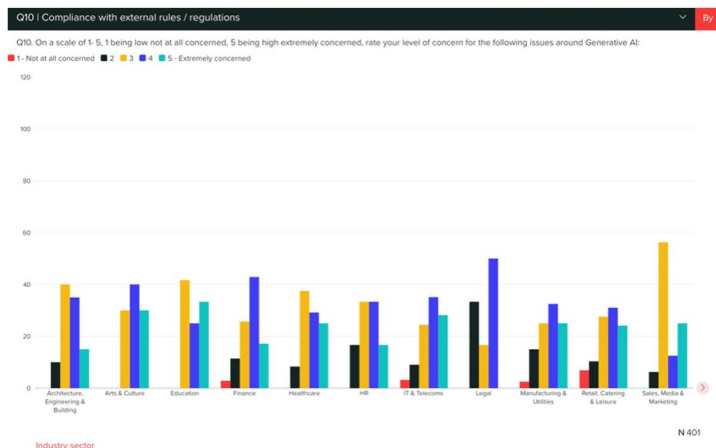

Industry Verticals Matter - Bias

Sectors most concerned or seriously concerned about bias in training their LLMs (Large Learning Models)

Finance   81%
Education 75%
Retail/Catering/Leisure 67%
IT/Telecoms 59%

against the overall industry sector average of 56%.

No surprise that in heavily regulated industries, concerns around compliance are highest, including Telecoms at 63%, Finance at 60%, versus a 59% average for all industry sectors. That said, one stand-out in this category is arts and culture, where 70% where concerned around compliance with external rules and regulations.

Industry Verticals Matter -- Compliance

Compliance matters most to regulated industries with Telecoms at 63% and Finance at 60%
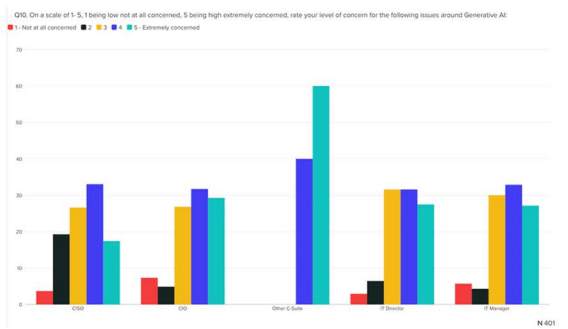
versus a 59% average for all industry sectors.

That said, one surprise stand-out in this category is arts and culture.
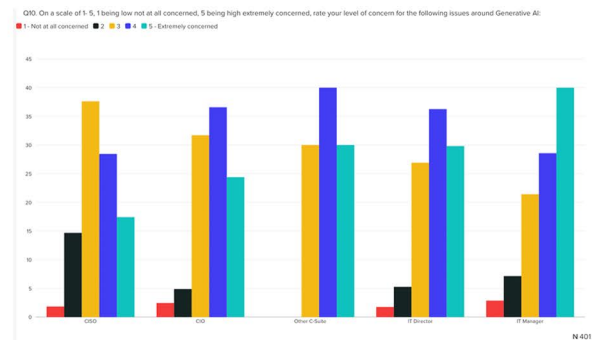
70%

where concerned around compliance with external rules and regulations.

The higher up you are, the more concerned you are
IT pros across the board have concerns about Shadow AI (unknown/unauthorized GAI Use) and data security, but it doesn't come close to matching how CEOs, CFOs and Chief Legal Counsels are feeling. When it comes to Shadow AI, 100% of the non-IT C-Suite is very and extremely concerned, vs the average of all roles of 58%. Similarly, when you look at Data security, 70% of the non-IT C-suite have high level concerns. Not surprisingly, that concern is matched by the IT managers (69%) who have to clean up the mess around data breaches. This is compared to the average across all titles of 61%.

When it comes to Shadow AI, 100% of the non-IT C-Suite is very and extremely concerned, vs the average of all roles of 58%.

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Utilize Gen AI Visibility To Accelerate And Embrace Generative AI Today!

Schedule a demo with our experts and see first-hand how GenAI Visibility can revolutionize your organization's approach to Generative AI. Access Generative AI Analytics and Insights that drive results and take command of technology's future in your business.

Welcome to the era of GenAI Visibility. Take control of your Generative AI strategy and unlock its full potential with Portal26 today.

Adoption is Here & Now

84%

Invested or Planning to Invest in GenAI

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