



Decision Intelligence
Maturity Report 2022



Richard Potter
Peak co-founder
and CEO

Foreword

The use of AI in business is maturing at pace, but don't be fooled. It's far from fully fledged.

The very human tendency to look at those to either side of us and assume we're behind, that others are charging ahead and already driving value from artificial intelligence (AI), can lead many of us to forget just how nascent this technology is. Where five years ago decision-makers were comfortable asking questions, now there's a hesitancy, an assumption that we ought to know the answer.

I hope the benchmark detailed within this report – Peak's Decision Intelligence Maturity Index – will address that. That it will make clear not only how much further we still have to go to mass adoption of AI, but how to chart a path to get there and the questions to ask along the way. There are many pieces to this puzzle, and technology is just one of them.

For me, it's heartening to see within this report hard evidence of just how important people are. There's a popular misconception that AI is coming for our jobs, in reality it has the potential to ensure consistency, remove monotony and increase worker wellbeing. The businesses with the highest index scores are invariably those that communicate their AI ambitions with team members at every level, taking them on the journey and making it clear what constitutes success (and failure) for these projects. Crucially, these are the teams that are most likely to support the adoption of AI, and see the value it can bring to them as individuals as well as to business profitability and efficiency.

Peak's Decision Intelligence (DI) Maturity Index provides a glimpse of what the business of the future looks like. Indian businesses are very much leading the way here compared to both the US and UK, with decentralized data teams and high levels of data literacy across the organization strongly correlated to DI maturity.

This research shows that we've taken the first steps towards a future where AI is commonplace, but we still have a long way to go before colleagues at all levels are comfortable with predictive analytics and real-time insight. As business leaders and decision-makers we can use the Decision Intelligence Maturity Index to understand how our adoption of this transformative technology stacks up with those around us, and where best to focus our resources to ensure our ultimate success with AI. But more than that, we can see just how transformative this technology will be and how our businesses will need to adapt to facilitate it and remain competitive.

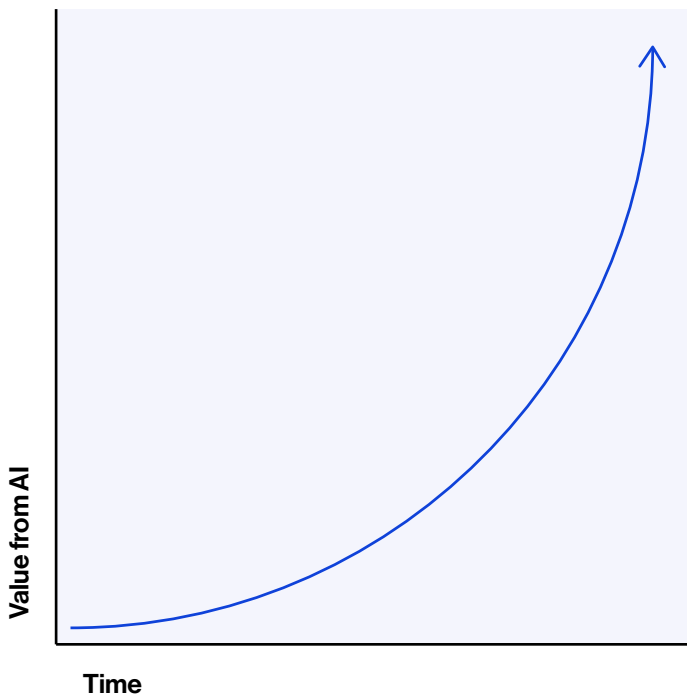
I've always said that AI will change the way we work, much as the internet did, and I stand by that now more than ever. With real-time data to hand and the ability to automate much of our decision-making, the processes and cadences that shape our businesses – quarterly Board meetings, monthly leadership meetings, even sign-off processes – will change, too.

The next decade will be transformative, now's the time to start preparing for it.

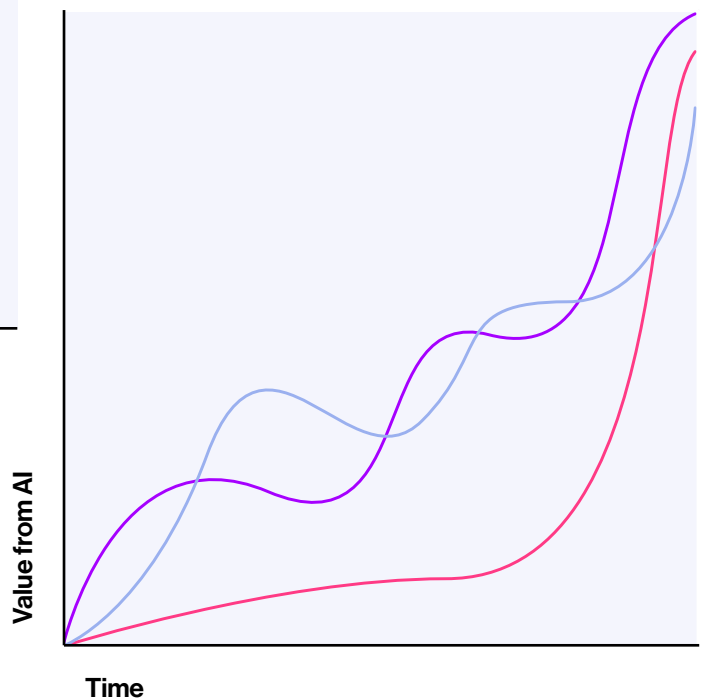
The commercial adoption of AI

There's a commonly held belief that the longer an organization uses artificial intelligence (AI), the more value it will gain from the technology.

It's a misconception that has been perpetuated for years by the 'AI maturity curve'. An unhelpful device with an ambiguous history, the AI maturity curve plots value on its vertical axis, time on the horizontal and suggests that, as businesses rack up years of practice with AI, the value they drive from it increases exponentially.



It's a comforting thought, but the reality is far more complicated. Charted on a graph, the progress with AI looks more like this:



The AI maturity curve fails to capture the nuance of implementing this transformative technology. It gives no direction on what constitutes 'value' and provides no guidance for those at the bottom of the curve on how to progress up it. Worse still, it cultivates the idea that, for those struggling to implement what's essentially still an emerging technology, if they keep going just a little bit longer, success is sure to follow.

But AI is hard. And while we all see it used excessively by the likes of Netflix, Amazon and Facebook, we shouldn't forget that these brands are the exception, not the rule.

Yes, most businesses are embracing AI – 89% of those surveyed for this report said they were either already using it or planning to – but AI is still a nascent technology. And commercial applications of AI even more so.



Commercial AI adoption

Every business in every sector stands to gain from implementing AI. We've already seen a billion-dollar industry spring up in response to that, with the global AI market expected to top \$422bn by 2028¹.

For businesses looking to gain the competitive advantages AI can offer, point solutions – plug-and-play AI tools that can be used straight out-of-the-box – are a fast and often inexpensive way to do that. They don't require lengthy data projects to support them or technical expertise to develop them; they can be up and running in a matter of hours.

These tools come pre-trained, meaning they've been exposed to third-party datasets and can identify common trends and patterns. What they don't have oversight of is the learnings and patterns unique to the business deploying them, which means they offer the same competitive advantage to every business that plugs them in. If every retailer implemented the same email optimizing point solution, its benefit would essentially be null.

AI will change the way the world works, in much the same way the internet did. Every business will eventually

utilize it, which means the approach of today's point solutions – to standardize AI – will rapidly lose utility. To effectively leverage the competitive advantage offered by the technology, every business will need to have its own AI. An intelligence that understands its unique set of suppliers, customers, products, and processes, and can optimize to deliver a competitive advantage unique to that business.

Ultimately, that intelligence will not just be leveraged by one team or department. While the current approach is often to apply AI to different operations in isolation, either building department-specific applications or stitching point solutions together, an owned and unique AI will sit holistically across a business. This will mean that every recommendation is considered as part of a bigger picture, and no function will be optimized at the expense of another.

Long-term, commercial AI vendors will therefore need to focus on standardizing the delivery of AI, not the AI itself.

¹ 2022. Zion Market Research. \$422.37+ Billion Global Artificial Intelligence (AI) Market Size Likely to Grow at 39.4% CAGR During 2022-2028, via [Bloomberg](#).

Decision Intelligence maturity

Decision Intelligence is the application of AI to commercial decision-making.

The need to make decisions is the one characteristic every business in the world has in common; it's industry, department and business agnostic. AI's primary purpose in a commercial setting should always be to assist businesses with these decisions.

Decision Intelligence (DI) applies AI to decision-making. Because it can offer benefits across an organization and is not limited to one department or operation, it's how most businesses will adopt the technology. Their success in doing so will depend on a confluence of factors.

Obviously, the technical capabilities and resources available to an organization will play a huge role. But this is a transformative technology, and more qualitative measures will also be important. The support of staff, appropriate data and AI strategies, and the ability to assess and measure value will be just as vital to the successful adoption of Decision Intelligence.

Peak's Decision Intelligence Maturity Index, developed in partnership with the Center for Economics and Business Research (Cebr), recognizes that the path to commercial AI maturity is more nuanced than dominant AI maturity models suggest.

A number of factors – many non-technology related – contribute to the successful adoption of Decision Intelligence. This means businesses that have had no exposure to AI could still be in a better position to implement it and drive value than those that have been working with the technology for years.

The DI Maturity Index aims to capture this nuance by providing a maturity index score of 0 to 100. The Index is underpinned by a framework of pillars, each of which gauge a business's readiness for commercial AI and Decision Intelligence from different perspectives. It provides a clear indication of current maturity level, as well as the areas where a focus on improvement would result in a significant increase in commercial AI success.





Methodology

The Decision Intelligence Maturity Index draws on a large international survey of 3,000 senior decision makers from businesses with at least 100 employees across the US, UK and India. It covers a broad range of themes related to decision-making, data and artificial intelligence. Fieldwork for the survey was undertaken by Opinium between 21-31 July 2022.

The Index is designed to assess the DI readiness of respondents' businesses, providing an overall score of 0 to 100 based on their current level of maturity within each of its five pillars.



Decision-making

Ability to map commercial decision-making, and existing performance using AI to improve decision-making.

Strategy

Judging whether and how organizations plan to implement or improve their adoption of AI and DI over time.

Data and Technology

The current state of organizations' data hardware and software, including the extent and sophistication of data collection.

People and Processes

Capturing the skill base within businesses and organizational attitudes around AI and transformational technologies.

Value

Assessing the value generated by AI, money invested in it and the extent to which users measure their success with AI.

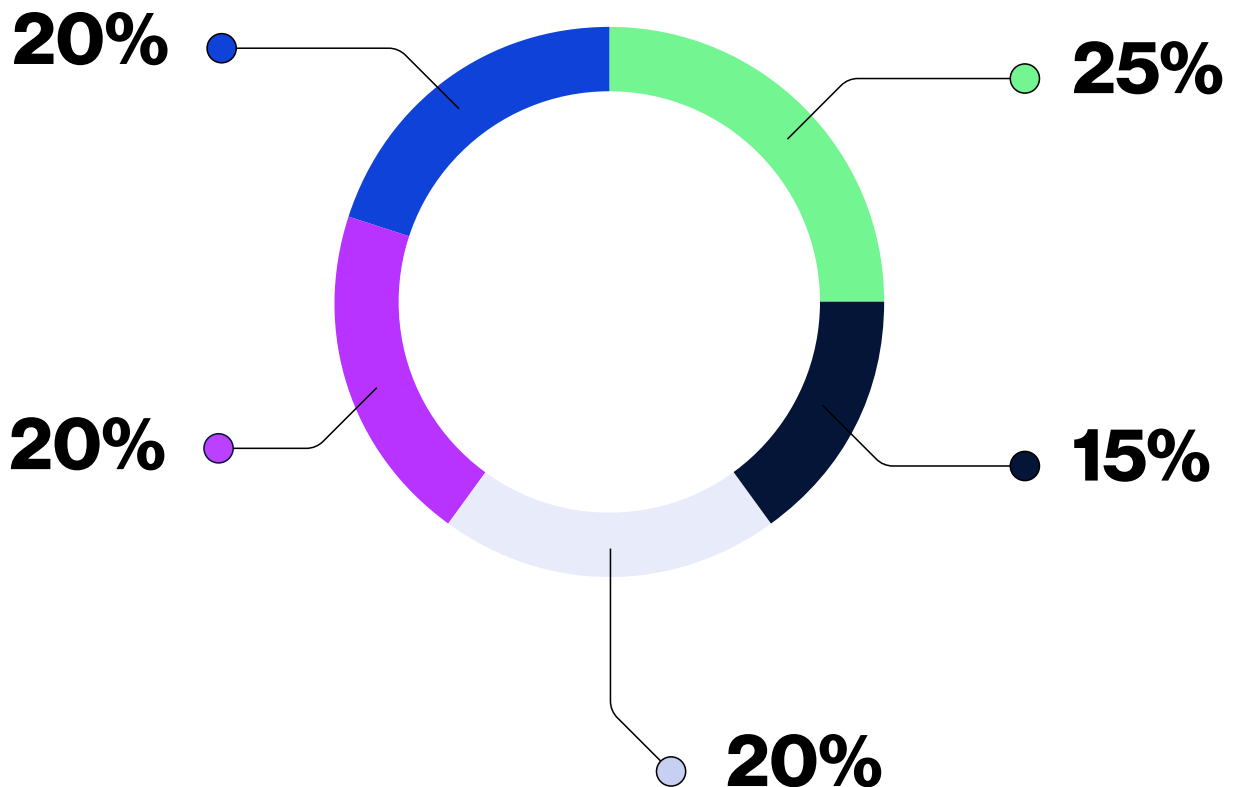
This not only provides respondents with an understanding of the areas in which they are DI ready, but also areas where a focus on improvement would generate a significant impact on the success of commercial AI projects.

Average maturity scores for business size, age, industry and country are available for comparison, and have been calculated from the international survey of 3,000 decision makers.

A weighting was assigned to each pillar based on their relative contribution to a business's DI readiness. Figure 1 shows the weights assigned to each pillar within the DI Maturity Index.

- Decision-making
- Strategy
- Data and Technology
- People and Processes
- Value

Figure 1: Weights assigned to each of the five pillars of the DI Maturity Index



Respondents were scored between 0 and 100 on each pillar, and this weighting was then used to calculate a business's overall DI maturity score – also ranging from 0 to 100.

Stages of adoption

Like the Index, the stages of adoption of Decision Intelligence can be interpreted for an individual business or a number of businesses grouped by common characteristics. It provides an overview of DI readiness based on a respondent's maturity score, charting them within four distinct stages:



Transformation (76-100 Index points):
Leveraging AI to automate or assist commercial decision-making is (almost) organization-wide, AI is being leveraged constantly and ways of working are changing as a result.



Activation (26-50 Index points):
Likely to have considered applying AI to decision-making in some forms, but still has limited experience and readiness.

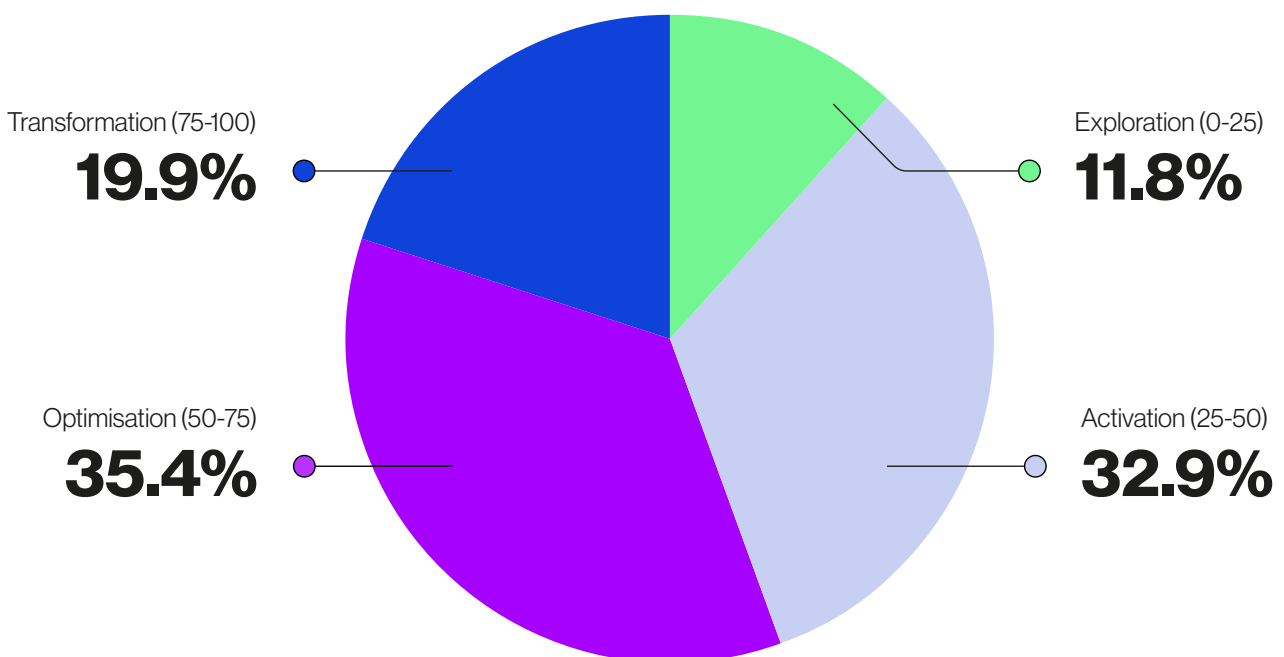


Optimisation (51-75 Index points):
Has practical experience applying AI to decision-making, although this is restricted in nature, for example being consigned to only a limited number of teams or departments.



Exploration (0-25 Index points):
Little or no experience with or readiness for commercial AI, but may be exploring its options.

Figure 2: The percentage of businesses with 100+ staff at each stage of DI maturity.



Additional insight

A second international survey of 3000 junior workers – those in entry level positions ranging through to middle management – was undertaken by Opinium between 23rd - 30th August, 2022. It covered a broad range of themes related to decision-making, data and support for artificial intelligence. While the findings of that survey did not directly influence the Maturity Index, the insight was used to determine how accurately decision makers perceived support for AI among junior colleagues, as well as shedding additional light on the organizational cultures and structures typical to DI-mature businesses.



The five pillars of DI maturity

The pillars corresponding to the Index are its biggest differentiator, and provide guidance for businesses seeking to understand which areas to prioritize to advance up the Maturity Index.

Figure 2 shows the mean DI maturity score by pillar as an overall average, and by country, based on a survey of 3,000 decision makers from the US, UK and India.

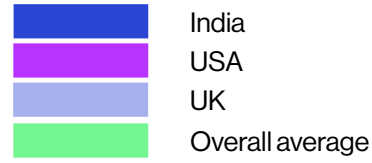
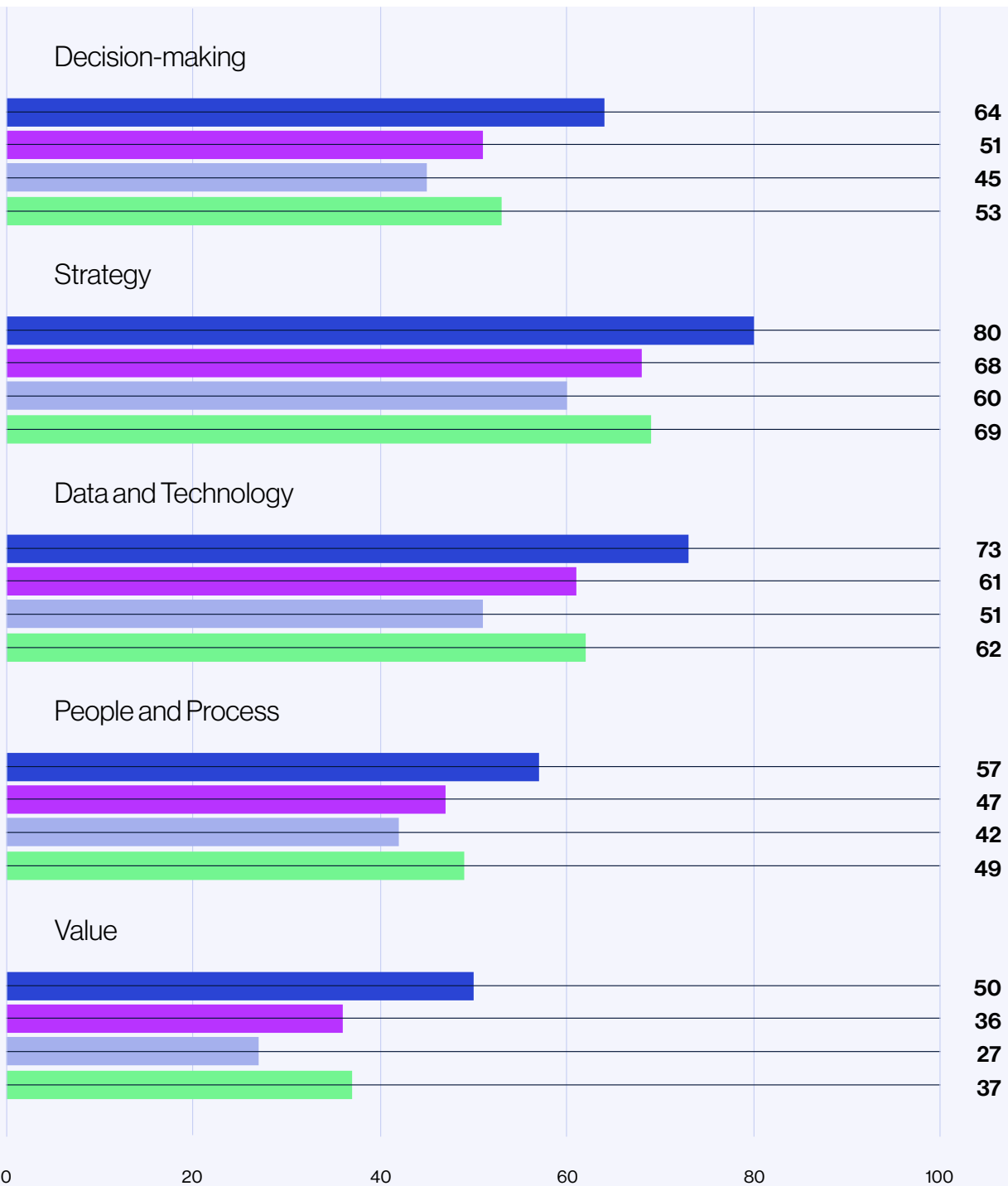


Figure 3: Mean DI maturity score, by Index pillar and country



Decision-making

Learning how to leverage AI in commercial decision-making is essential to the successful adoption of the technology long-term. Businesses with clearly mapped processes that formalize decision-making are well positioned to understand how those decisions can be augmented or automated with AI. A business with high decision-making maturity would be open to exploring ways to improve the decision-making process and would understand how decision-making could be automated and assisted with AI.

Maturity on this pillar ranges from a mean of 64 for Indian businesses to 45 for the UK, while US firms fall in the middle of the two with an average maturity score of 51. This puts the UK in the Activation stage of maturity, while both the US and India sit at the Optimization stage. This is down to a lag from UK businesses when it comes to the more complex, formalization of different types of decisions across a range of departments throughout the business.

While most of the businesses surveyed (60%) stated that either the majority of commercial decisions are formalized within their business or that they have many different types of formalized decisions, unsurprisingly we saw a trend towards an increase in formalized decision-making in older and larger businesses.



At 64, Indian businesses have the highest maturity score for decision making.

Data and Technology

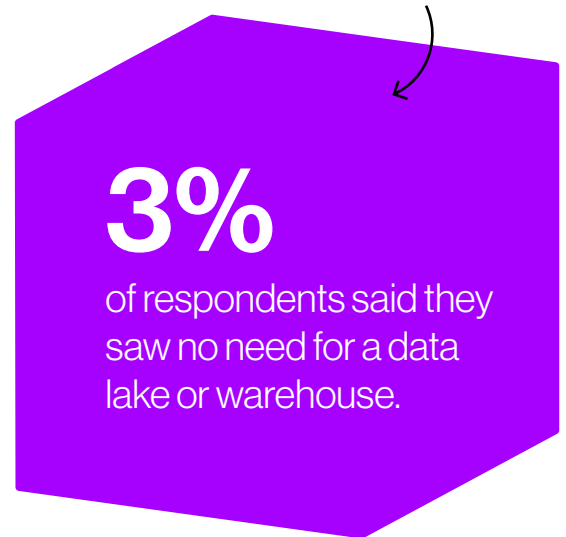
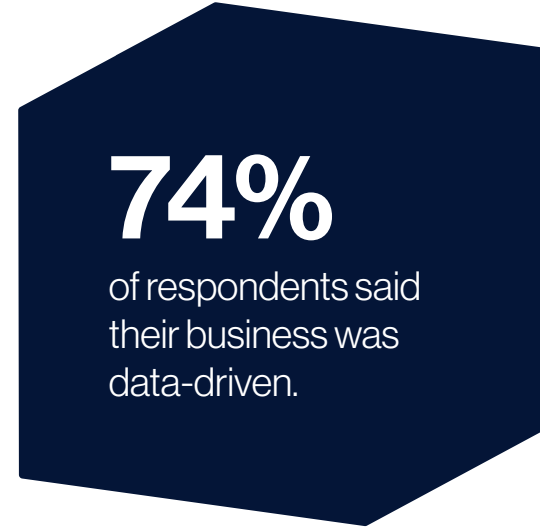
The Data and Technology pillar captures the types of data created by an organization and how it is structured, as well as the applications used to collect and store data, visualize insights or make commercial decisions. A business with a central, governed data storage system that connects data across the organization and can present it in both raw and in AI-ready formats would be classed among the most mature on this pillar.

Maturity across all businesses surveyed was high for Data and Technology, with a mean average of 62. As was the case across all pillars, Indian businesses demonstrated significantly higher maturity levels for Data and Technology. They are more likely to have a data lake or warehouse – repositories for storing data in either its raw (lake) or structured (warehouse) form – compared to those in the US or UK. Indian organizations also use AI in higher volumes (81%) than their counterparts in either the US (60%) or UK (49%).

“Indian businesses reached maturity behind many of their Western counterparts; this meant Indian businesses started from a more advanced technology baseline, and haven’t faced the same implementation delays caused by legacy tech that we’ve seen in other markets.”



Atul Sharma
co-founder and chief
technology officer, Peak





CEOs are most likely to perceive support for AI adoption among staff higher than it is.

People and Processes

As with any transformative technology, the successful adoption of AI is reliant on the support of end users throughout the organization. The People and Processes pillar assesses a number of key measures, among them the technical skills within a business, willingness of employees to engage with emerging technologies, the ability to build processes to enable AI and machine learning (ML) and experience of change management.

A business showcasing the highest level of maturity on this pillar would have a decentralized data team, a workforce practiced at adopting new ways of working, one team dedicated to AI transformation and adoption and clearly-defined processes for adoption, implementation and iterations of AI and ML applications.

Mean average maturity on this pillar was 49 for the businesses surveyed. This is a reflection of learnings made in other digital transformation projects, which have been a focus for many with 96% of businesses surveyed attempting at least one such project in the last five years.

Support within the organization is a clear hurdle for many, and there is evidence of varying perceptions among senior leadership when it comes to support for AI across the organization. This hinders the processes and education put in place to facilitate the deployment of the technology.

CEOs are most likely to perceive staff support for AI adoption to be higher than it is. When asked whether they thought junior, non-technical teams were supportive of AI adoption, 81% of CEOs said that they were. By contrast, only 42% of Chief Data Officers² – those that are leading these projects and actively responsible for their success – perceive this group as supportive of the technology. In reality, 46% of this group are supportive of AI.

² Note: Panel sizes for this group were small at n<50.

Strategy

The Strategy pillar seeks to benchmark a number of complementary strategic pieces that must align to ensure successful AI adoption.

Executive buy-in is a clear indicator of maturity, and demonstrates that those in senior management positions understand how to leverage AI/ML platforms. Equally important is a data strategy – a roadmap that determines how a business will collect, store, analyze and use data to support organizational goals. It should include a framework (a data architecture) for how that data strategy will be supported by technology and services.

Within the data strategy there should be provisions for AI, and a clear AI strategy that covers governance, structure and prioritization for the implementation. Budget is the last measure of maturity on this pillar, and demonstrates how the technology is prioritized within an organization.

A business with high Strategy maturity would typically have an executive team with a track record of delivering successful AI-driven transformation, data and AI strategies that are embedded, executed and include plans for the future, and a large centralized budget for AI-driven transformation.

We noted the highest average maturity score across all three countries on the Strategy pillar. Mean scores on the pillar range from 60 in the UK to 80 in India, with an overall average of 69.

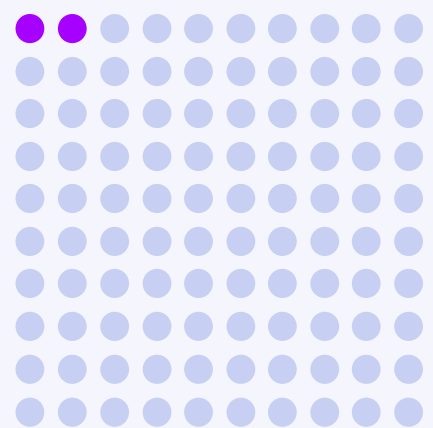
This is reflective of the increasing commercial understanding of the importance of data. The vast majority of businesses surveyed (95%) either had a data strategy in place or intended to introduce one. Only 2% said they saw no need.

Yet, there is still a lack of understanding when it comes to aligning an existing data strategy with AI plans. Only 35% of businesses said their data strategy had provisions for AI. Aligning the two is a clear indicator of maturity, since an appropriate data architecture is essential to the long-term efficiency and utility of AI.

“A data strategy should be more than data cleaning, business intelligence or reporting – this thinking is dated. AI is far more focused on delivering against business needs than other data technologies, and the value it can drive organization-wide will eventually eclipse them. A data strategy needs to include provisions for AI, otherwise there’s a very real risk it’ll have to be retrofitted in the future.”



Atul Sharma
co-founder and chief technology officer, Peak



Only 2% of businesses saw no need for a data strategy.

Value and Measurement

Currently, only a quarter of commercially-built AI models are ever deployed³. While this figure has increased steadily over the last three years, it's still a representation of how nascent this technology is.

There are a number of reasons why the majority of commercial AI projects fail. Not least among them is a tendency to give technical teams available data and see what can be achieved. By turning this approach on its head, starting with a cross functional team and working back to deliver a commercial objective that needs to be achieved, businesses could overcome many of the issues facing commercial AI deployment. That approach requires an understanding of the value the technology could drive, a way to measure it and a technology system that facilitates collaboration on AI by both technical and non-technical users.

The Value and Measurement pillar aims to capture this, assessing both experience in successfully implementing

complex initiatives, as well as the ability to quantify value. A business with a high level of maturity on this pillar would evidence the successful deployment of connected AI projects. It would have clear performance measures in place for AI initiatives and be able to quantify both the external, internal and financial value driven by these projects.

Perhaps unsurprisingly, given that it is still early days for the technology, the Value and Measurement pillar saw the lowest maturity across all three countries, with mean scores ranging from 27 in the UK to 50 in India.

The majority of businesses currently using AI (63%) still measure the value of AI against non-financial metrics. The most frequently used measure of value is simply the number of AI projects undertaken – 41% use this measure all the time despite the fact that it provides no real assessment of whether a project was ultimately successful.



63%

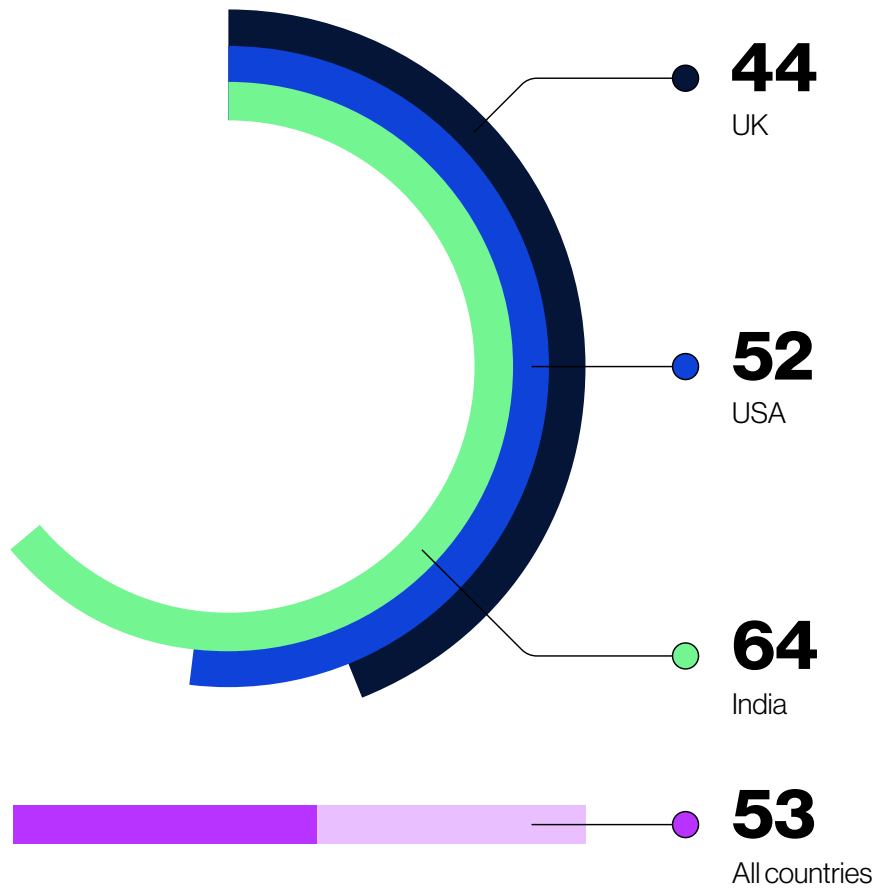
of businesses using AI measure against non-financial metrics.

³ 2022. NewVantage Partners. 2022 Data And AI Executive Survey. [Businesswire](#).

DI maturity: organizational culture and structure

Our survey of 3,000 decision-makers from the US, UK and India identified clear trends between DI maturity and organizational structure, with a number of factors acting as key indicators of a business's readiness for commercial AI.

Figure 4: Mean DI maturity by region

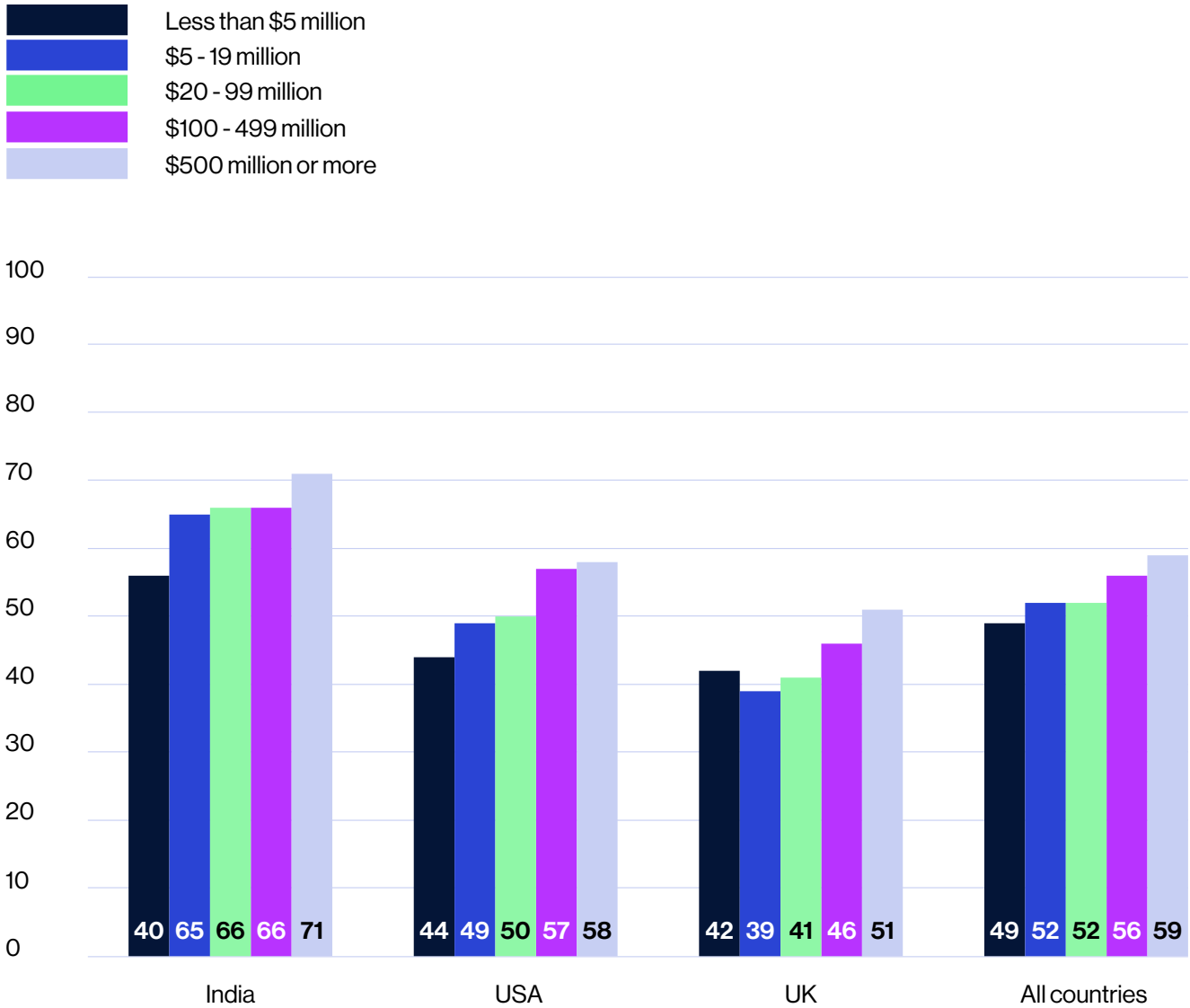


Revenue

Comparing average DI maturity with revenue shows a positive relationship between the two that is generally replicated across all three countries. Figure 3 classifies revenue into simplified bands, showing that Indian businesses with at least \$500m in revenue have the highest average DI maturity score at 71. This is just over a quarter (26%) higher than the score of 56 seen for Indian businesses with the lowest revenue (less than \$5 million).

However, the proportionally largest ratio between top- and bottom-income band DI maturity is seen in the US, with the highest-revenue businesses charting an average score almost a third (32%) higher than those at the bottom of this spectrum.

Figure 5: Mean DI maturity score at a different business revenue by bands, by country



Headcount

Slightly smaller businesses, those with 1,000 to 2,499 employees, routinely show the highest DI maturity on a wide range of measures, including having a data strategy, success rates for digital transformation, AI strategy implementation, data and support for adoption.

“The size of these businesses is interesting,” says Richard Potter, Peak co-founder and CEO. “They are big enough to have the resources to invest in and prioritize factors such as data structure and governance, but haven’t yet

gotten so big that innovations are difficult to manage or stifled by red tape.” This size of business also typically suits service industries, such as technology, IT and financial services. These businesses aren’t burdened by physical infrastructure, and are among the most DI mature.

Across all countries and business sizes, Indian businesses with 1,000 to 2,499 employees have the highest average DI maturity score, at 67.

Communication

It's a theme we see across the board, with Indian businesses routinely outperforming their counterparts in the US and UK. The mean DI maturity score in India is 64, compared to 52 in the US and 44 in the UK.

"We're seeing clear signals of maturity from Indian businesses, and it goes beyond the capabilities of a more modern tech stack," says Atul Sharma, Peak co-founder and CTO. "What's setting Indian businesses apart is their people."

Support for transformative technology by end users, and more broadly throughout the organization, is a key indicator of its ultimate success. Not all businesses are capable of communicating their digital transformation plans to more junior employees – 21% of junior staff said they weren't aware of any projects, compared to 2% of decision-makers from similar businesses that said these projects were underway.

Indian businesses appear to be the exception – only 2% of Indian junior workers weren't sure if their business was undertaking any digital transformation projects and most were fully aware of those in flight. Most (99%) of Indian decision-makers said their organization had attempted at least one such project in the last five years, and junior staff were remarkably aligned with 95% saying the same.

Similarly, the successes (and failures) of these projects seem to be better communicated within Indian businesses. Junior employees in the UK and US estimated success rates of 63% and 74% respectively for digital transformation projects, significantly higher than the decision-makers with more exposure to them, who put success at 67% in the UK and 70% in the US. By contrast, the mean of all three countries for decision-makers and junior staff were much more aligned, with employees estimating success at 68% compared to the 69% stated by their senior colleagues.

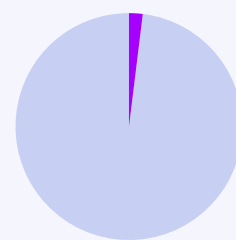
"This suggests a high level of understanding of both what is being trialed throughout the business and, crucially, what constitutes success for the business," says Atul.

This extends to AI projects as well. Indian businesses appear to be better at communicating their AI plans. Only 2% of Indian workers weren't sure if their business used AI, compared to 21% in the UK and 18% in the US.

"Cultivating support throughout the organization is

essential to the success of AI, but it is a particular hurdle for this technology," says Zoe Hillenmeyer, chief commercial officer at Peak. "There's a popular misbelief that AI is coming for our jobs – no one is going to willingly engage with a technology they believe may one day replace them. Indian businesses are heading this off, taking all staff on the journey to implementation and ensuring broad support from end users."

When asked if they expected AI to have a positive or negative impact on worker wellbeing in their sector over the next five years, 78% of junior staff in India cited positive. By contrast, only 47% of those in the US thought AI would have a positive impact on worker wellbeing in their industry, and just 26% of those in the UK said the same.



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Decentralizing data

As well as a focus on education and communication around AI and transformative technology, there's also a clear differentiation in the structure and governance of data within Indian businesses that is contributing to their DI maturity.

When asked where they go for help if they need to perform data analysis, most junior staff in the UK and US say they have a central team that does this for them (25% and 30% respectively). By contrast, the majority of Indian staff (33%) have a permanent data practitioner based within the commercial team who can help. Indian businesses are also more likely to temporarily introduce a data practitioner into the team during times when data analysis is required – one fifth of Indian employees have seen this, compared to 13% in the US and 14% in the UK.

Data literacy

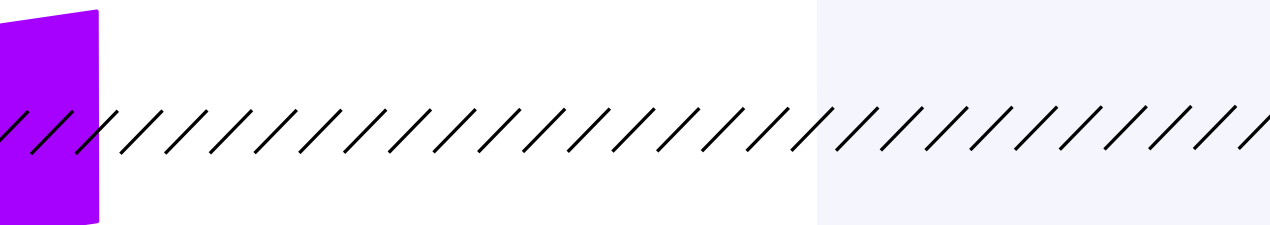
Data literacy, or more specifically the use of data among more junior staff, is also common among businesses with high commercial AI maturity. Indian businesses once again stood out against their peers in the US and UK here, and typically use data more consistently at every level of the organization. The majority (81%) of Indian workers say their business is data-driven, compared to 69% in the US and just 48% in the UK.

It's not surprising, therefore, that Indian and US employees are also much more likely to rely on data. When asked if they have performed analysis at least once

“One of the biggest hurdles to the successful deployment of AI is a lack of practical understanding from the data practitioners building and training models. A decentralized approach to data within an organization creates functional data experts within teams such as sales, marketing, finance and HR. These data practitioners understand the metrics that matter to line-of-business users and how outputs will be used. In short, they know the world of the end users they're building applications for and can create tools with real utility,” Zoe Hillenmeyer, chief commercial officer at Peak highlights. “A decentralized approach also has the benefit of exposing commercial teams to data analytics, helping to improve data literacy across the organization.”

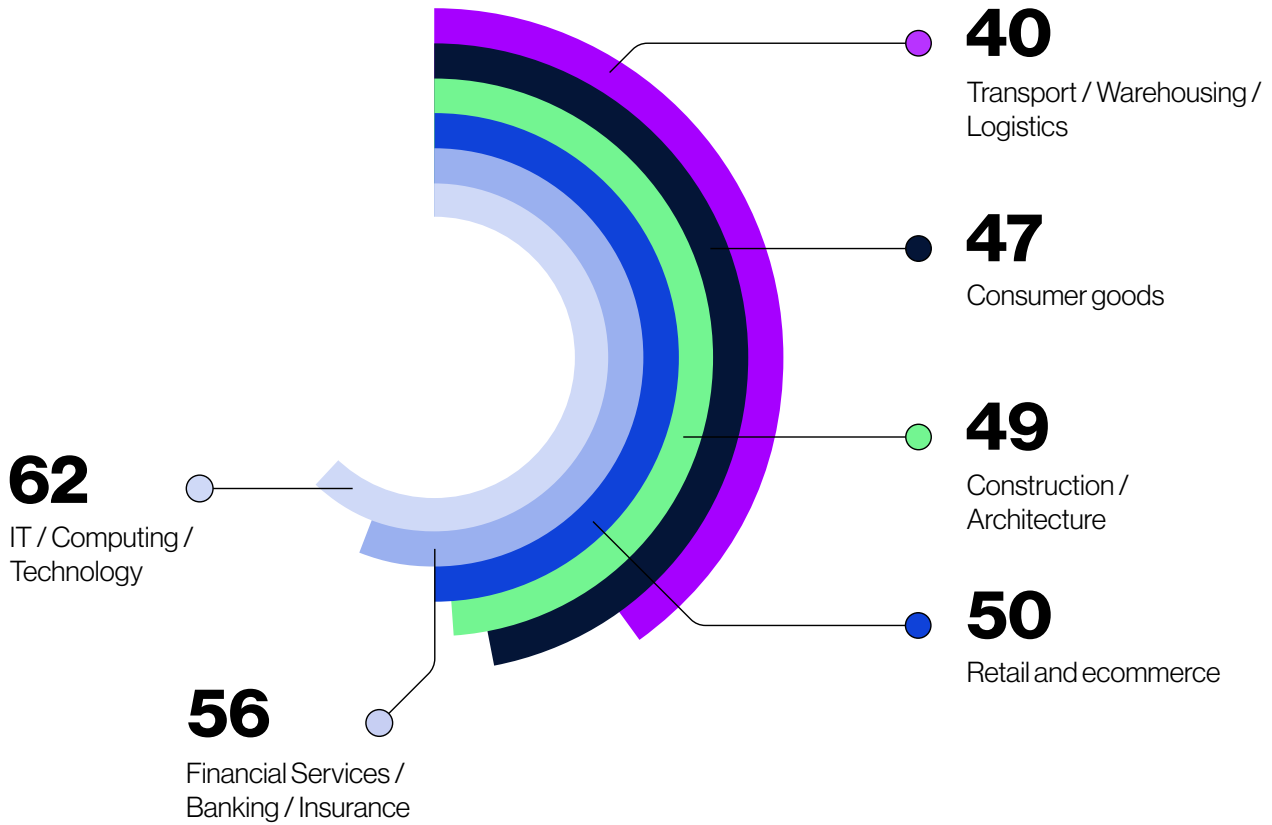
in their role, 98% of Indian and 81% of US respondents said they had, while only 64% of UK staff said the same.

“AI is a data technology and, while a high level of literacy isn't required from commercial teams, if they are comfortable enough with statistical analysis to ask questions and understand the basics of how a model works they are more likely to be supportive of it,” says Zoe. “A degree of data literacy takes away the mystery. AI isn't a black box to these teams but a useful tool – they understand its limits as well as how to use it to its full potential.”



DI maturity within industry

Figure 6: Mean DI maturity score by industry group



Irrespective of region, size or age, businesses within the IT, computing and technology industry have the highest DI maturity of all those surveyed, with a score of 62. This is closely followed by financial services, banking and insurance with a maturity score of 56. Both industries are within the Optimization stage of adoption. This is a reflection of the fact that they are typically highly digitalized, aren't burdened by physical infrastructure and generally have established technology teams and skill sets in-house – which accounts for their relative maturity by comparison to other sectors.

Manufacturing ranked third highest in commercial AI maturity, with a score of 53, significantly higher than associated industries, construction and architecture (49) and transport, warehousing and logistics (40). This could be attributed to the increasing uptake of predictive maintenance in manufacturing – a problem that requires less coordination with external elements.

High maturity industries typically have 1,000 to 2,499 employees, and it's likely that this association contributes to the higher DI maturity noted in businesses of this size. Indeed, considering DI maturity by both business size and industry reveals that IT and technology firms with 1,000 to 2,499 employees record an average DI score of 65, standing 12 points ahead of the score of 53 for the smallest businesses in this sector, those with 100 to 249 employees.

Among non-service industries, average scores reach a maximum of 55 – this is lifted by relatively buoyant scores for manufacturing firms.



Figure 7: Average DI maturity by pillar, by industry





10%

of workers in the financial services industry said that AI worries them – **above the average of 8%.**

Finance

With a mean DI maturity score of 56, financial services, banking and insurance (financial services) sits comfortably within the Optimization stage of adoption, and is second only to IT, computing and technology,

Businesses in this sector score higher than average across each of the pillars underpinning DI maturity, except for Strategy (73) and Data and Technology (65), where they score four and three points above the pillar averages respectively.

The financial services industry has always had to manage large transactional datasets and this has historically driven investments in data infrastructure and technology. In addition, the sector has seen huge changes over the past 15 years thanks to a revolution led by the emergence of the FinTech (financial technology) sector.

Springing up in response to the 2008 banking crisis, when trust in traditional institutes was low, new providers sought to cut out the unwieldy and often antiquated institutions that controlled the sector. Supported by a boom in smartphones and startups, mobile banking exploded and decentralized markets like crypto and peer-to-peer lending flourished.

This whole sub-industry materially changed consumer expectations. Where previously financial services companies provided a range of products, disruptive FinTechs often specialized in just one – it was user experience that instead became a competitive differentiator. The result was a material change in how consumers engaged with financial providers, with individual tradespeople and large enterprises all able to manage their money digitally. By 2018, the proliferation of FinTechs started to subside and the market constricted as acquisitions became commonplace, with traditional providers often buying these disruptive competitors and assimilating their capabilities and infrastructure into their own tech stacks.

Against this backdrop of fierce disruption, it's little surprise that Data and Technology is one of the pillars where financial services over-indexes. The FinTech boom saw many financial services businesses respond by hiring large numbers of data practitioners. These were very early days for AI and ML, and the value those teams could deliver without supportive infrastructure was limited, which drove a cycle of hiring booms and busts among these technical teams that was mirrored across

the industry. There is still some evidence of this legacy even today. Over two thirds (68%) of financial services businesses surveyed had 10 or fewer data scientists in their organization, while only 50% of IT, computing and technology firms – the closest comparable industry – said the same.

While employing AI at a product level is beneficial in an industry that's been heavily shaped by changing consumer demands, small data science teams hint at a disconnect in how financial services views the technology. For a sector plagued with heavily manual and nuanced operations around functions like AML (anti-money laundering), AI has the potential to deliver meaningful efficiencies.

But widespread use at an operational level will require buy-in from staff throughout the organization, an area where financial services businesses are at risk of under-indexing from a DI maturity perspective.

When asked how they feel about AI in their workplace, 10% of workers in the financial services industry said that AI worries them – above the average of 8% and well above IT, computing and technology, which sits at 3%. The use of algorithms in tasks such as data analysis leaves roles typically conducted by humans exposed, particularly in data-driven sectors like financial services, where these are prevalent. This is likely driving much of this hesitation.

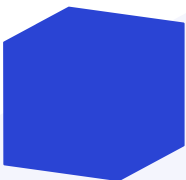
“Banking and Financial Services have been big investors in building Data Science teams, but have mostly kept it behind the front office line to minimize the risk of something going wrong. So there are a lot of initiatives in the Back Office, risk and fraud teams, but very low productization in customer facing teams. The example is areas such as sales and customer experience, which have a tremendous uplift potential and tend to de-prioritize anything that has any risk potential around use of data, discrimination or other ethical implications.”



Hugo Pinto

Digital and data managing director, KPMG

Financial services in India indexes at 65, significantly higher than the US/India/UK industry average of 56. This is unsurprising given rising income driving demand for financial services and a huge ecosystem of over 2,000 FinTechs valued at a combined \$31bn⁴.



⁴ 2021. Deepshikha Sikarwar. India poised to become one of the largest digital markets in the world: Piyush Goyal. [The Economic Times](#).

Transportation, warehousing and logistics

Transportation, warehousing and logistics (logistics) sits at the lower end of DI maturity, with an average index score of 40, firmly placing it in the Activation stage.

Although still lower than the cross-industry average of 69, Strategy is the pillar on which logistics demonstrates the highest DI maturity. This isn't surprising, as Strategy was the highest scoring pillar across the board and is indicative of the increased importance placed on and investment into data we've seen over the last five years.

Logistics significantly under-indexes on the Value pillar, with an average score of 22, suggesting that businesses in this sector struggle to quantify the value they're getting from AI and data projects. This attitude towards value seems to be mirrored amongst junior staff – only 18% believe AI could make their job easier or more enjoyable. A further 27% say they've not thought much about AI before, which is almost twice as much as their counterparts in retail and e-commerce.

Industries like manufacturing, consumer goods, construction and retail rely heavily on the logistics sector to deliver raw and finished goods, and it can have a significant impact on the brand experience of an end customer if their products are delayed. Interestingly, these industries also under-index on value, all scoring on or below the average of 37.

"Leveraging AI in the context of logistics is particularly challenging," says Zoe Hillenmeyer, chief commercial officer at Peak. "There are any number of external factors – from raw materials shortages, to labor shortages or even a broken down vehicle – that can impact planning and logistics. All of these additional, uncontrollable considerations, impact the value logistics organizations can drive with AI, so the bar is higher when they come to assessing the value that it brings. On the flip side, dealing with complex and multifaceted scenarios is where AI thrives."

More inward-facing sectors, like technology and financial services, don't have the additional burden of unpredictability associated with physical infrastructure. With low scores across the board for logistics, retail and consumer goods, what we could be seeing is a vicious adoption cycle, whereby industries like logistics are so

intrinsically linked with the industries they work with, that their success – or failure – is dependent on one another. Either firms in these sectors work together to raise their collective maturity, or they'll be hampered by one another's archaic practices.

Low scores across the board for logistics, retail and consumer goods hint at a vicious adoption cycle, where the success – or failure – of industries this intrinsically linked are dependent on one another.

As we shift towards e-commerce and direct-to-consumer sales, it will become increasingly important for logistics to build strong connections with their customers and suppliers to stay abreast of technological changes that could impact their sector. With retailers, consumer products firms and manufacturers achieving higher DI maturity scores, logistics organizations are at risk of being dragged along, without understanding how to leverage AI for their own benefit. Logistics leaders should prioritize what outcomes they need to drive with AI and translate that into a strategy, before investing in the right technology to help them make data-driven decisions, ultimately returning value for the business.

"Supply chains are living breathing organisms with many pieces working together, ideally in harmony. When it comes to AI adoption, a rising tide should lift all ships; use of the technology in one part of the chain will push other parts of the chain to be more effective in how they use data so they don't get left behind."



Ira Dubinsky
GTM director, Peak

IT, computing and technology

The most DI-mature industry surveyed for this report, the IT, computing and technology sector (tech), is the only industry with a score that tops 60. Tech firms have a mean maturity score of 62, placing them firmly in the Optimization stage of adoption. This is perhaps unsurprising given that many of the measures of DI maturity are innovations produced by this sector.

It's certainly a sector that practices what it preaches. 90% of tech companies have a formalized data storage system – 6% higher than the global average – and most (38%) store the majority of their data in it. Retail is the only other industry with similar data governance, yet it's still quite far behind with 81% of retail businesses saying they have formalized data storage and 33% of those storing all or most of their data in that system.

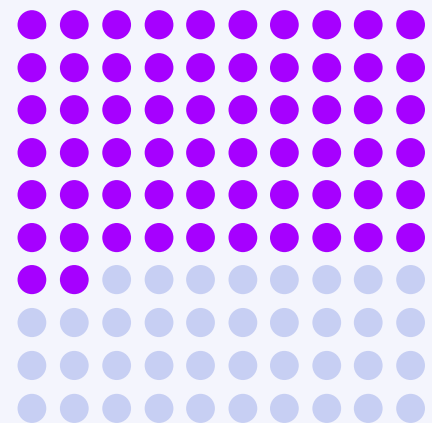
As we saw in India, where firms aren't hampered by legacy tech stacks, young technology companies are well placed to advance quickly with AI. Despite being the most DI-mature industry, 72% of technology companies have only been using AI for five years or less. By comparison, only 68% of businesses from the low maturity government and public services sector adopted the technology in the last five years.

AI strategies are more advanced within this sector – likely a reflection of the technical expertise and experience it attracts. Most (83%) tech companies have an AI strategy, compared to an average across all industries of 74%.

Unsurprisingly, an overwhelming majority (95%) of tech companies have attempted AI in the last five years, and 91% intend to leverage it across their whole business. Tellingly, 48% of tech companies are already leveraging AI business-wide, moving towards the centralized, connected intelligence model that will become the standard approach as AI commercial implementation becomes mainstream.

The mass adoption of AI will have a profound impact on technology businesses, creating a different way of working for many of the teams within these firms as their products and services move from supportive capabilities to core requirements. It's little wonder that this sector is leading the way when it comes to DI maturity.

UK tech firms are flagging with an average DI maturity of 51, only just edging into the Optimization stage of adoption, indicating there are lessons to be learnt from their Indian and US counterparts, who index at 67 and 62 respectively.



Tech firms have a mean maturity score of 62, the most mature of all the industries surveyed.



2/3 of consumer goods businesses are already using AI, with a further 24% intending to adopt it,



Consumer goods

The consumer goods industry consistently sits at the lower end of the DI maturity scale on each pillar, with an overall average score of 47. Although 94% have attempted AI in the last five years, only 62% of attempts have been successful.

Two thirds of consumer goods businesses are already using AI, with a further 24% intending to adopt it, which leaves a stark 10% who are either uninterested or undecided on adopting the technology.

A powerful industry, consumer goods plays an important role in the economy and acts as a driver for other industries, particularly retail. It's little surprise then that consumer goods and retail have a similar DI maturity, with retail's overall score at 50, only a fraction higher than consumer goods' 47, placing both at the higher end of the Activation stage of adoption. Despite this, there are notable differences between the industries.

Strategy and Decision-making are the two pillars on which consumer goods firms fall behind retail, scoring 60 and 48 respectively, versus 66 and 54 for retail. The pandemic accelerated a change in buying habits in favor of e-commerce, with 67% of consumers changing the way they shop. This has forced retailers to double down on their online businesses, sparking a digital revolution for the industry that has facilitated the need for retailers to augment data collection and processing systems to drive decision-making.

As such, consumer goods – although a fundamental piece in the retail value chain – has been left playing catch up. Against a backdrop of rising inflation, supply shortages and changing consumer behaviors, consumer goods businesses need to focus on their own strategies. Survival now is a tech race, and the victors will be those that can navigate volatile demand spikes and avoid stock outs for retailers.

The good news is that the ambition to do so is there. Of all the industries surveyed, decision-makers from consumer goods organizations were the second most likely to be planning to implement a formal data storage system (18%), while 72% already have one – necessary architecture for the successful adoption of AI.

There is, however, a disconnect with more junior staff in this industry, 8% of whom believe AI is a buzzword. A further 24% say it has no place in their industry. With a low score of 44 on the People and Processes pillar, consumer goods industries have a huge change management requirement on their hands. Their focus needs to be upskilling the business on the benefits of adopting newer technologies. This should be treated sensitively, as 8% of workers say that AI worries them. augment data collection and processing systems to drive decision-making.

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“Consumer industries seem to still be struggling with data issues that prevent them from truly capitalizing on the use of AI techniques, especially around their marketing and sales efforts. To make things even more difficult, there is an enormous potential in new business models that would make the use of DI indispensable. Imagine rather than having a team managing a product category, now managing a client segment built around missions, where all categories and SKUs are in play in their omnichannel relationship. Another key element that makes these industries stand out in my opinion is the intensive M&A activity of the last decade, which means lots of technical debt that needs to be dealt with first.”



Hugo Pinto
Digital and data managing director, KPMG



Retail and e-commerce

Retail and e-commerce, herein referred to as retail, has an average DI maturity score of 50, placing it in the Activation stage, right on the cusp of Optimization.

Retailers under-index on the Data and Technology pillar, with a score of 57, in comparison to the average of 62. Although 81% of retailers currently have a formalized data storage system, only 33% of those store all or most of their data in it. In addition, 53% of retailers use AI and a further 27% intend to, leaving a chunk of 16% who do not have plans to adopt AI, and 4% who are unsure if they will.

The global pandemic marked a turning point for retail. Demand for goods shot up as lockdowns drove unprecedented changes in consumer behavior and retailers struggled to keep shelves stocked. By 2023, online retail sales are expected to make up 22% of all global retail sales – to survive, retailers will need to switch from manual processes and spreadsheets to technology that increases their efficiency and accuracy when it comes to forecasting demand and optimizing inventory levels.

The retail industry over-indexes on the Decision-making pillar, with a score of 54, one point above the cross-industry average of 53. Unlike their close relations in consumer goods and logistics, retailers hold a secret key – the consumer’s data. Collecting this data allows retailers to make decisions to meet consumer expectations through personalized targeting and product ranging. This means they’re more likely to pitch products that individual consumers are interested in, to convert more sales and avoid outdated tactics like generic blanket markdowns.

Retailers under-index on the Data and Technology pillar, with a score of 57.

“Taking stock post-lockdown, retailers are starting to respect the gravity of having systems that don’t talk to each other – it’s more obvious than ever just how much it disadvantages certain brands. This realisation is a major step forward on an AI journey. The retailers that already respected it are way ahead and have a competitive edge as a result.”



Tom Summerfield
Retail director, Peak

The next step for retailers is to start to link this data with supply intelligence, feeding in information from a variety of sources to more accurately predict demand to optimize the end-to-end value chain.

When asked whether AI will have a positive or negative impact on their industry over the next five years across the areas of business profitability, productivity, employment, worker wellbeing and wages, 24% of workers felt that AI would have a negative impact on well being, among the highest of all industries we surveyed. 10% claim they are worried about AI and a further 21% say they don’t know enough about it. This indicates that retail leaders should put in place methods to manage change within their organizations. With a 66% success rate of AI projects in the retail industry, change is happening and bringing workers along will help to increase retailers’ below average People and Processes pillar score of 45.

Manufacturing

Manufacturing is predicted to generate around 1,812 petabytes (PB) of data every year, according to Deloitte⁶ – more than a number of industries, including both the finance and retail sectors.

Manufacturers need to make sense of the incomprehensibly huge volume of data they're collecting, and most are turning to AI to do just that. 79% of manufacturers surveyed have attempted AI, and the industry boasts one of the highest success rates with the technology at 73%. This explains manufacturing's position as the third-highest industry for DI maturity with a score of 53, putting them in the Optimization stage of adoption and showcasing practical experience with commercial AI and Decision Intelligence.

Manufacturing scores third-highest on every pillar, with technology and financial services industries claiming first and second respectively. The one exception is Decision-making, where the sector is bumped to fourth place with a below-pillar average of 52.

However, manufacturing firms score higher on every pillar than associated industries, construction and logistics. For construction and logistics organizations to adopt AI, they need to focus on external factors such as rising fuel prices or skyrocketing raw materials costs. This, of course, is also true for manufacturing – but manufacturers are unique in that they have a self-contained use case when starting their AI journey.

Predictive maintenance can help to combat one of manufacturing's biggest problems: unplanned downtime from tired machinery. Estimates put unplanned downtime for the average manufacturer at 15 hours a week – in industries like automotive manufacturing that's a loss of \$22,000 per minute every time the production line stops⁷.

79% of manufacturers surveyed have attempted AI, the industry boasts one of the highest success rates with the technology at 73%.

By comparison to supply chain or transportation issues, this problem is inward looking. Since the start of the smartphone revolution in 2007, the price of sensors has fallen and sensory technology has become more versatile. Adding sensors to old machinery is a cost-effective way to get crucial foresight of potential issues. It's a response that is driving the volume of data generated by the manufacturing industry, creating hundreds of thousands of data points for each machine on the production line. These huge datasets can in turn provide insight allowing maintenance teams to react quicker, reduce downtime and achieve production targets. AI, with its ability to identify patterns and trends in huge datasets in near-real time, is the perfect tool for the job.

It also explains why manufacturers typically present with lower maturity for commercial decision-making. AI in the sense of predictive maintenance is an operational tool, rather than one which is commercially-focused. Using sensors to optimize maintenance resources is an advanced application of Decision Intelligence relative to the market's overall maturity, but it is conducted by an operational team focused on improving existing processes, and isn't (yet) applied to commercial decision-making to optimize organizational performance.

Whilst manufacturing may be ahead of the construction industry on DI maturity, construction has higher AI ambitions – 92% are either already using or intend to versus 87% of manufacturers that say the same.



⁶ 2020. Deloitte. Survey on AI adoption in manufacturing. [Deloitte](#).

⁷ 2022. Sundeep Ravande. Unplanned Downtime Costs More Than You Think. [Forbes](#).

Manufacturers have made great strides in the early adoption of AI, but applications to date have generally been limited to operations. This sector has the experience and maturity to excel with Decision Intelligence, and taking the learnings from internal use cases and applying them at an organizational level presents a real competitive opportunity for manufacturers. In the current environment, plagued with cost price issues and supply chain disruption, leveraging AI-driven demand forecasting, for example, could ensure manufacturers achieve cost effective resilience, knowing exactly when and how much to reorder to avoid stockouts and unplanned downtime from low inventory.

Both Indian and US manufacturers score higher than the global industry average of 53, at 62 and 54 respectively, meaning that the UK once again trails behind with 47. This is a result of a focus from the Government of India on advancing manufacturing technology and educating around Industry 4.0 initiatives.

“Learnings from operational projects put manufacturers in a great place when it comes to AI adoption. There’s the potential to leverage the technology to augment the total value chain, addressing many of the issues that are currently facing the industry; such as inflation, raw materials and supply chain costs – not to mention delivering efficiencies to support sustainability goals. The winners will be the businesses that successfully shift from thinking about AI as an operational tool and applying it to commercial decision-making.”



Neil Kinnear
Manufacturing lead, Peak



Construction

Construction, building materials and architecture (construction) has an average DI maturity score of 49, placing it in the Activation stage. It scores below average on all pillars, but its lowest score is on People and Processes, indicating that the skills base and organizational attitude around AI and DI are lower than other industries. This could explain why construction has had the fewest attempts at digital transformation projects of all the industries surveyed, with an average of 6.5 over the last five years – whereas manufacturing had attempted 7, logistics 7.2, and retail 7.7.

When asked how they felt about AI in the workplace, only 3% of junior staff in the construction industry said that AI worried them, in comparison to a cross-industry average of 8% and scores of 9% in manufacturing and 10% in logistics. This is likely reflective of the level of concern around automation in these industries, with 22% of junior staff from construction stating that they believe AI will have a negative impact on employment in their industry over the next five years. This rises to 27% in manufacturing and 29% in logistics.

It's likely that workers in the construction industry are less concerned about AI taking their jobs and are therefore more motivated to adopt the technology. 92% of businesses in this sector are already using AI or intending to do so. Despite relative support from junior staff, in construction we see a gap between the skills base and organizational attitude towards AI and the ambition to adopt it.

The pandemic accelerated digital processes in the construction industry by 2.6 years⁸, with a 14% increase in technology investment from 2019 to 2021. Construction firms score highest on the Strategy pillar, at 65, but have one of the lowest industry scores on Data and Technology, at 56. This misalignment, coupled with increased investment into technology, spells trouble for construction companies, who could end up wasting time and money on failed AI projects. This could well be the case for the construction companies that have attempted

an AI project in the last five years as success rates are just 65%, which was on the lower end amongst all industries surveyed.

For construction to increase its DI maturity score, the well-drawn strategies that it currently boasts must include provisions for upskilling staff and investment into the right technology. By taking the time to ensure the technology will fulfill the outcome desired by the business, and the strategy is implemented and supported by knowledgeable staff, construction firms are likely to see the success rate of AI projects increase, in turn increasing motivation to further adopt AI across the business.

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⁸ 2021. Virgin Media O2 Business. Three years of progress. [Virgin Media O2 Business](#).

Conclusion

Peak's DI Maturity Index provides a benchmark for businesses, giving a measure of AI-readiness against five key pillars. It provides the first international insight into the maturity for Decision Intelligence (DI) – the application of AI that will ultimately facilitate its commercial adoption – among medium and large-sized businesses.

A core competency of this is the DI Maturity Index, which can reliably be used in the future to track DI progress, both at an individual and industry level. The Index results paint a relatively positive picture of firms' readiness for and existing adoption of DI, with the average business at the Optimization stage of adoption.

The research highlights particularly high DI maturity in India, where over a third of medium and large businesses are in the most advanced Transformation stage of adoption, compared to under a fifth in the US and less than one in ten in the UK.

Technology businesses across all three regions stand out as the most DI-mature, with similar results seen in financial services as well. Given the significance of such industries in the modern service economy, the results paint a positive picture of existing and upcoming progress in the field of DI. Yet, maturity is noticeably lower in sectors with a dependence on physical infrastructure. Logistics, retail and consumer goods industries, which rank low across all pillars, appear to be at the mercy of a vicious adoption cycle. With interlinked value chains, the benefits of commercial AI to these sectors will be limited unless they collectively embrace the technology.

In light of this, the need for a framework like the DI Maturity Index becomes clear. Simply focusing on the time invested into AI projects will not facilitate its widespread adoption. A more granular assessment of the pillars required to support implementation is needed if businesses are to generate real value with AI.

