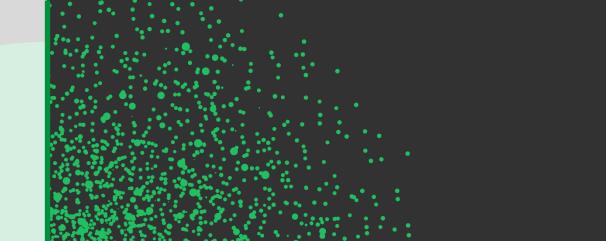
BCG

Executive Perspectives

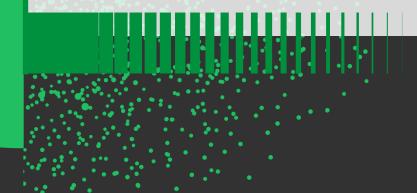




AI Unlocked: Value Creation with AI (Including Generative AI)

Real-Life Examples of Value and Impact

December 2024



Introduction

We meet often with CEOs to discuss AI—a topic that is both captivating *and* rapidly changing. After working with over 1,000 clients in the past year, we are **sharing our most recent learnings in a new series designed to help CEOs navigate AI**. With AI at an inflection point, the focus in 2025 continues to be turning AI's potential into *real* profit.

This document provides a set of examples for CEOs to cut through the hype around AI and witness the immense potential of AI to deliver real value, and the key success factors to executing a successful AI transformation In this BCG Executive Perspective, we showcase the immense value from AI across a variety of topics, with real-life case examples

Three strategic plays to maximize value from AI



Enhance efficiency with GenAl tools that streamline everyday business processes, reducing the need for additional hires & daily operating friction

Examples

- Meeting summary
- Code development
- Calendar management
- Invoice reconciliation



Elevate business impact by transforming workflows with

AI, enabling multi-functional reshaping and end-to-end organizational transformation

Examples

- Design and Engineering
- Marketing
- Customer Service
- Technology

Al leaders focus on reshaping functions



Develop Al-native offerings that elevate customer value proposition and unlock new business models and revenue opportunities

Examples

- Hyper-personalized customer experience
- Al-powered services/products
- Data monetization across value chain
- Insights and innovation platform

What leaders do differently | Key success factors

Bold ambitions: 80% focus on reshape/invent plays, enabled by 2x investment in AI capabilities, and 2x people in AI



- Focus on both core and support: 62% of AI value potential comes from core business functions
- Investment in few high-priority opportunities: Few high-value opportunities with 2x ROI impact instead hundreds of use cases



3

Faster adoption of GenAI: AI leaders leverage both predictive AI and GenAI, and rapidly adopt the latter



Integration of AI in transformation: 45% of leaders embed AI in cost transformation efforts & focus more on revenue growth



Embracing the 10-20-70: Leading companies see AI transformation as a people transformation vs. tech-only



Read our latest publication: Where's the Value in AI?

Many functions have been reshaped end-to-end with AI



copyright © 2024 by Bos

Many leading organizations are driving transformative impact across multiple functions

Sales	Cust Service	Pricing & RM	Marketing	Manufacturing	Field Forces	R&D	Technology	Business Operations
Sales								



Logistics company

Enhanced RFP process with "RFP responder", Al-supported generation of proposals with **30%** -**50% gain in efficiency**



CPG company

Reshaped customer engagement and sales with AI virtual assistant, **2x higher ROI** vs. traditional touchpoints



provider

Augmented call center

revenue growth with

+60% productivity in

sales with AI, 7%+

outbound calls





Universal bank

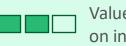
Transformed bank's wealth advisory and sales with co-pilot and pitch builder, leading to 5%–10% increase in AUM and 3x portfolio reviews

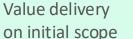


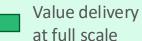
Telecoms provider

Uplifted customer engagement and sales with AI-enabled chatbot, leading to +20% conversion rate for ~1% annual revenue uplift











Sales	Cust Service	Pricing & RM	Marketing	Manufacturing	Field Forces	R&D	Technology	Business Operations
Custom	ner service							•



Augmented customer servicing with AI solutions for call agents, resulting in 20% reduction in Avg. Handling time (AHT)



Telecoms provider

Enhanced call center operations with AI, with 25% reduction in After Call Work time, impacting 20%–25% of customer operations cost baseline



Business process outsourcing provider

Transformed call center customer support with Al-powered solutions for **15%–18% reduction in AHT driving up to \$200M savings**



Asset manager

Reshaped customer support with a ~35% reduction in call volume and ~20% reduction in AHT, leading to OPEX reduction (~\$500M)

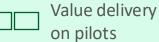


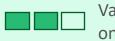
Universal bank

Uplifted remote customer service with AI for chat support, reduced **AHT by 18%**

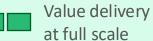
© 2024 by Boston Consulting Group. All rights reserved.

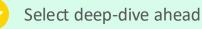






Value delivery on initial scope







Convenience chain

Enhanced fuel pricing optimization basis unique local conditions to see estimated **uplift of 20%–30% of annual gross profit** at full scale



Heavy machinery manufacturer

Deployed AI-powered pricing engine for aftermarket parts with +2%-3% sales and +3%-4% profit impact



Fashion retailer

Al solution for pricing and promotion strategy leading to **multi hundred million \$ transformation**

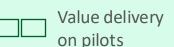


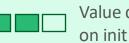
Pharmacy chain

Leveraged AI solutions to transform pricing and promotions, resulting in over **\$1B+ in revenue** and gross profit increase

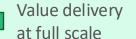
▲ Spirits and wine manufacturer

Augmented advertising and promotion effectiveness with +2%– 3% FY EBIT and +20–30 pts Advertising and Promotion effectiveness













Sales	Cust Service	Pricing & RM	Marketing	Manufacturing	Field Forces	R&D	Technology	Business Operations
Market	ing							



Financial services company



·**@**= .

Gas and renewable energy producer

Al-supported SEO content generation leading to **95% cost** reduction with **50x** faster content creation

Alcoholic beverage company

Al-assisted E2E campaign creation, leading to ~80% external agency cost saving along with ~40% - 60% uplift in click-through rate



Consumer health company

Al solution for insight and concept development; Productivity uplift on resulting in **20% savings in marketing costs**

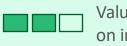


٠

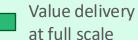
Al-augmented reshaping of content generation & localization resulting in 50% time saved and €70M–150M reduction in agency costs



















Electronics manufacturer

Successful AI pilot across 4 use cases in transferring skills and experience in highly automated factories, reducing human intervention by **70-80%**; estimated \$1Bn in value at full scale in global roll out



Biotech company

Al-embedded digital supply chain which reshaped end-to-end operations, leading to ~\$750M inventory reduction, ~10% savings in transportation



Chemicals producer

Cost transformation program across entire value chain with AI: 8%– 12% reduction in cost with €420M value confirmed



MedTech company

Al-assisted inventory reduction by \$100M and improved forecasting accuracy by 15 p.p.; backorders reduced by 60%

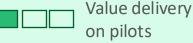
BioPharma company

÷

Al-enabled digitized supply chain to deliver **£400M value delivered** with operational excellence

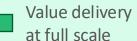






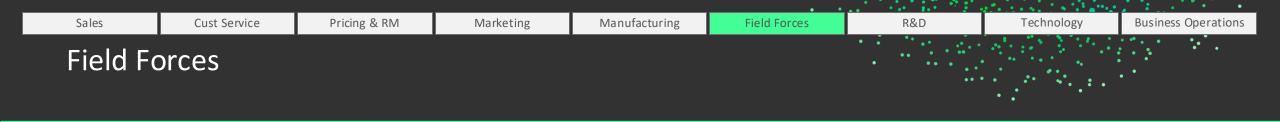














Oil and gas company

Reshaped maintenance strategy and planning optimization with Al, achieving **40% reduction in preventative maintenance**, **10% reduction in maintenance OPEX and 10% reliability improvement**



Integrated energy company

Developed Al/data-enabled inspection workflow optimization to achieve 62% efficiency gain (50% faster on-ground response and 67% faster reporting)



HVAC solutions provider

Deployed AI powered product for reshaping Maintenance, Repair and Overhaul (MRO) programs; witnessed 5%–10% increase in revenue via first year sales



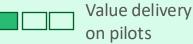
Infrastructure developer and investor

Al assisted asset maintenance processes for front line workers; productivity uplifted by 5%– 10%, 15%–20% decrease in job durations; 10%–20% improvement in rework rate



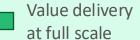








Value delivery on initial scope



Select deep-dive ahead

Sales	Cust Service	Pricing & RM	Marketing	Manufacturing	Field Forces	R&D	Technology	Business Operations
R&D								

\bigcirc

Eye care company

4 Al use cases prioritized to reshape marketing, software and knowledge search; Over **\$50M FTE** productivity gain over 5 years

Pharmaceutical

company

Al-powered solutions enabled acceleration of clinical trials by ~25% and 5%–10% faster completion of site activation



Biopharma and medtech company

10%–15% faster clinical trials with Al-based

identification of highrecruitment sites and optimization of patient recruitment





Al solutions to quicken

generation, leading to

cycle-time reduction,

advancement, €40M+

3+months drug

impact

medical documents

Pharma and healthcare company

Biopharma and healthcare company

٠

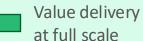
Acceleration of drug discovery through AI; 25% cycle time reduction and \$25M cost reduction, \$50M–150M rev. uplift

















Global insurer

Oil and gas retailer

Software development

IT operations

25% productivity gain across software development life cycle; 20%–30% improvement in software quality **30%–40% productivity improvement for IT department** through AI-based legacy tech modernization



Payments provider

Data management

~40-70% productivity gain

in processes like metadata and lineage management for roles in data management and governance



Universal bank

Software development

70% uplift in quality software testing, 60% reduction in bugs with AI-enabled testing co-pilot

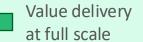




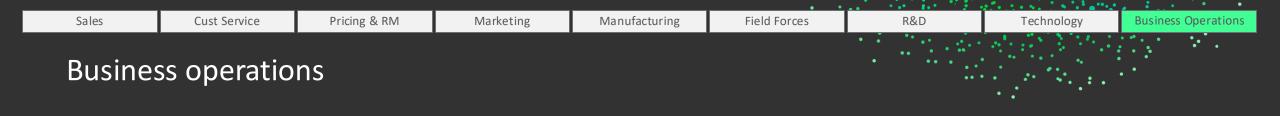


















Integrated energy company

Procurement

RFP assistant to save 5 hrs per draft; reduction of 1% of external spend with \$80M– 120M at full scale

Underwriting

Global insurer

Transforming underwriting with AI for **2x productivity improvement and 10x reduction in wait time**

....

Universal bank

Loan processing

>50% FTE productivity gains with AI transformation for mortgages and consumer loans processing



Global automobile manufacturer

Procurement

50% faster tender drafting and offer comparison; €5M–10M FTE savings and €40M–80M savings on external services



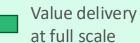








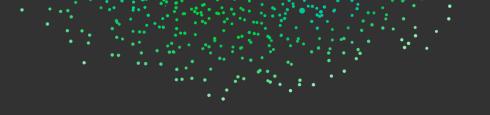


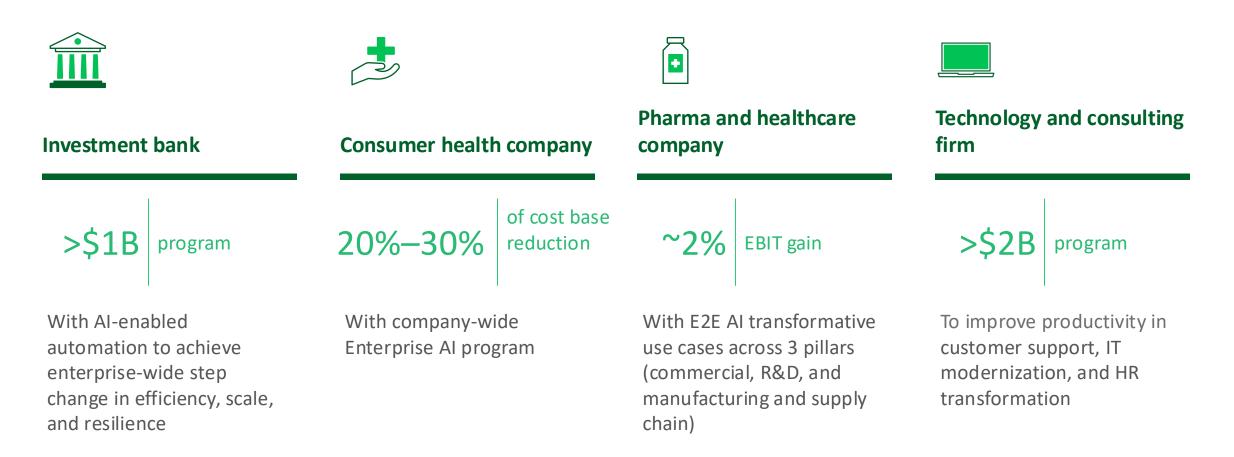


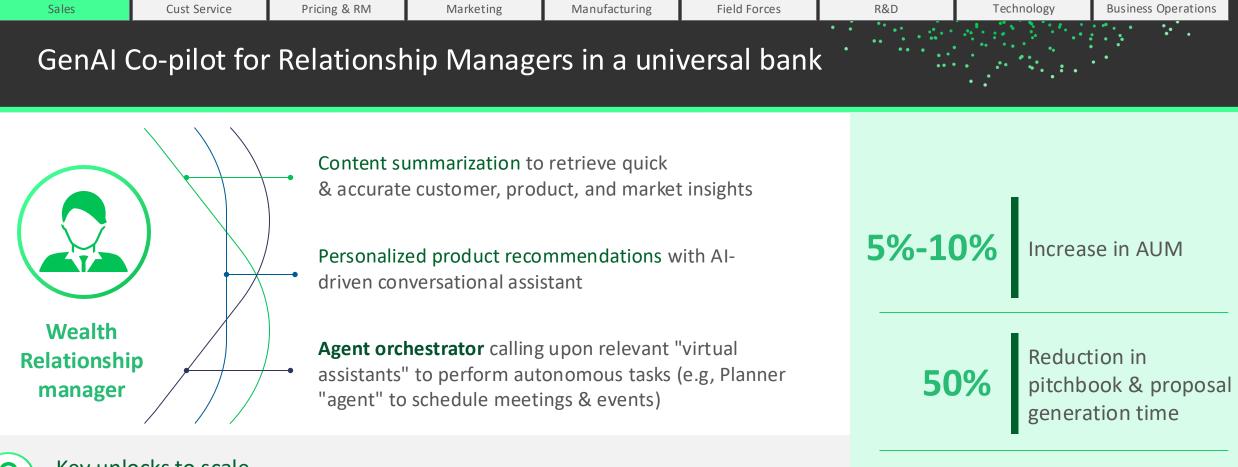




Leaders with large-scale end-to-end AI transformations







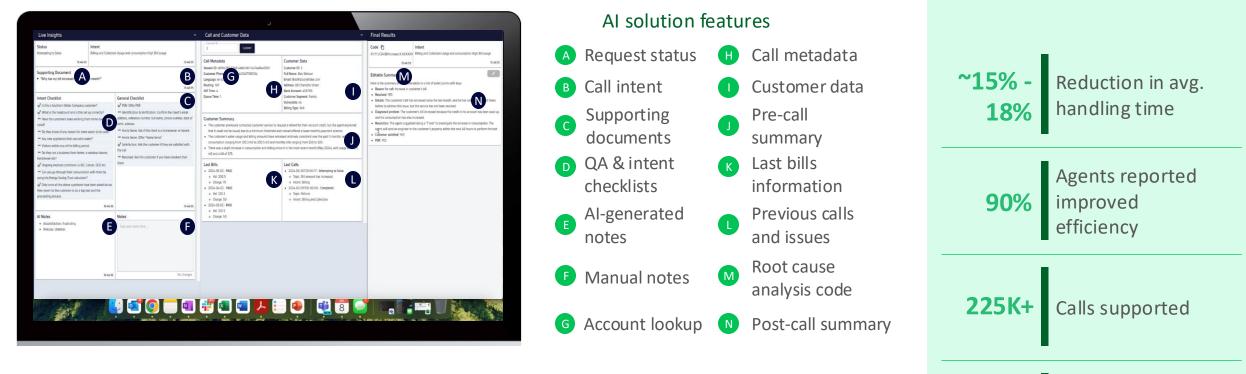
Key ur

Key unlocks to scale

- **Op model Transformation:** Shifting RMs from product pushers to bionic advisors with incentives realigned with GenAI products & workflows
- User-Centric Design: Embedding guided flows, smart nudges, and circuit breakers into GenAI products for behavior change and adoption
- **Robust Measurement:** Establishing North Star metrics, monitoring leading/lagging indicators, and linking inputs to outcomes effectively

2-3x More portfolio reviews by RMs







• Strong working relationship and buy-in with ExCo and broader leadership team



Pricing process and operating model

- Develop best-practice fuel pricing process with capability to tailor strategies
- Re-define operating model, embedding core capabilities

E2E pricing optimization tools

- Improve transparency of recommendations and reporting
- Evolve price optimization engine and elasticity model, factoring in competitor response

Enhanced capabilities

• Enable client to have **full ownership** of pricing optimization algorithm

20%-30%

Estimated uplift in Annual Gross Profit at full scale (fuel contributes >50% of gross profits)

Key unlocks to scale

- Al-first operating model to govern pricing, freeing capacity for strategic decisions
- Establish in-house Al/data science capability to own and evolve system over time

Sales	Cust Service	Pricing & RM	Marketing	Manufacturing	Field Forces	R&D Tea	hnology Business Operations
Al for insights & concept development in marketing at consumer health co.							
Data retriev & synthesis			y between diver al-time, actional		isparate data	3–5x	Faster insights to innovation
Concept generation refinement		rate 10+ produc	t & comms conc	epts at the touc	h of a button		
Synthetic testing & final validati	• Narro	w down list of 2	edback from foc .0+ ideas to winr anel results in m	ning idea in <1 d	ау	15%	FTE savings
Key unloc	cks to scale					40%	Cost savings on qualitative research
governa	ance		sformation effor		-		
activitie	es, reorganizat	ion of teams	longside AI depl			30%-50%	Higher Marketing content ROI
 Build of platforr 		-specific Al app					



Al operator Operations & Site Service

Chatbot for plant maintenance & process control



Negotiation AI Procurement

Automate negotiation of C-level supplier



Automated order entry Customer Service

Insource and reduce external spend through order automation



Engineering AI Engineering & Maintenance

Cost-effective modeling and plant digitalization



Intelligence platform Supply Chain

GenAl assistant for enhanced efficiency inventory & safety stock reduction



Supply chain planner Supply Chain

MS co-pilotenabled efficiency increase through information transparency



Key unlocks to scale

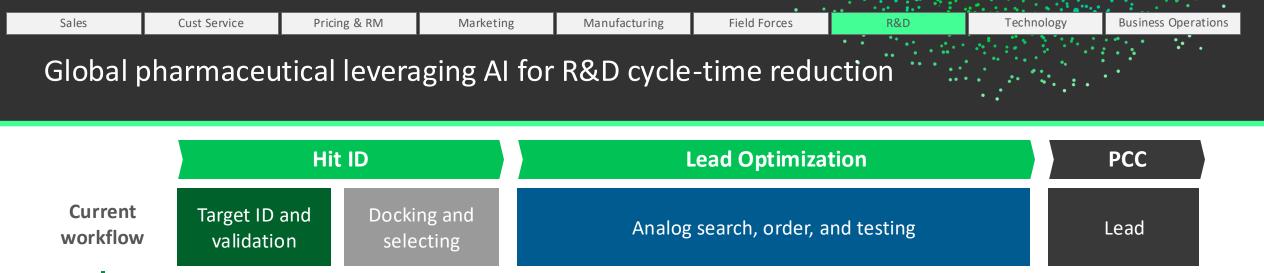
- Lead with value at board discussions and make it tangible with firm-specific examples
- Select willing early adopter units to prove value to the wider organization
- Substantiate the value ambitions in a short period with expert support

Energy co	Cust Service	Pricing & RM	Marketing Al for end	-to-end ass	Field Forces	r&D / manager	nent	Business Ope
	Plannin	ng and prioritizati	ion	Execute ins	pections	approve	Review and reports to prio repairs	oritize
Al/GenAl features	digitiza	cal report tion and mendation actio zation	ar	utomatic defected ad digitization ith enhanced l	of reporting	Semi-aut and appr	omated repo oval	rt review
mpact	efficier	are 160x more It in large-scale gestion to plan tions	e 10	nabled inspecto)x faster docur nd annotating	menting	inspection faster on	c iency gain to on workflow; (-ground, 67% reporting)	50%

Key unlocks to scale

1

- Utilize GenAI to unlock insights from historical data for smarter inspections
- Digitize workflows to cut processing time and seamlessly integrate with ERP tools

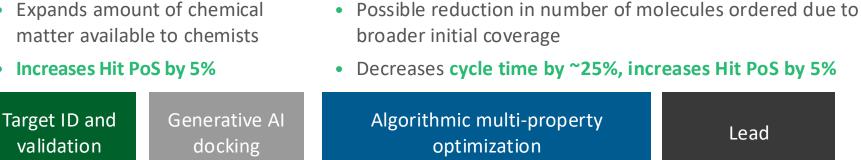


Automated lead optimization allows chemists to review 10x

Lead

more transformations in less time

- Screens ultra-large libraries up to 100x faster
- Expands amount of chemical matter available to chemists
- Increases Hit PoS by 5%

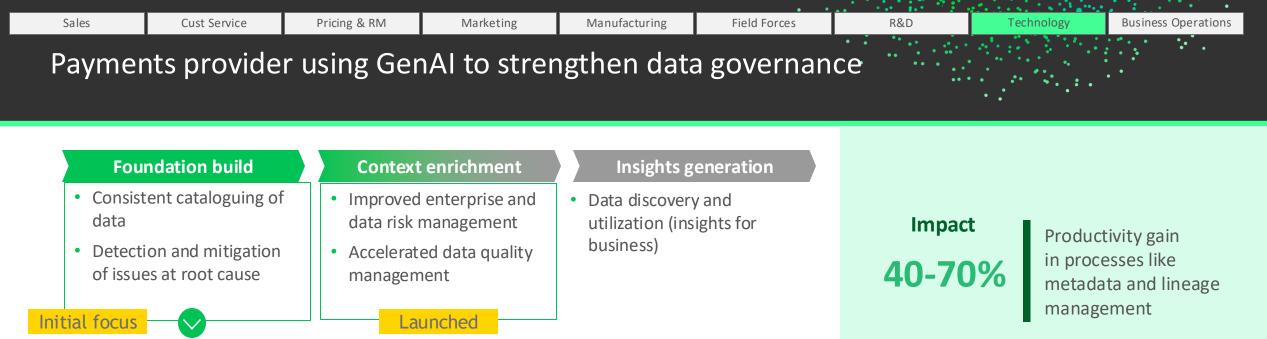


Potential for ~1 year saved in drug discovery

AI based

workflow

- Key unlocks to scale
- Show early proof of technology (MVP via impact in R&D) by bringing together deep scientific and GenAI expertise
- **Detailed process (re)design** to achieving best-in-class cycle time at scale



Two use cases completed and deployed in production

Lineage annotation

- Accelerated data lineage capture by generating initial suspected lineage and expanding code parsing
- Speed up debugging/data quality issue resolution leveraging diagnostics tool

2 Metadata labeling

- Al generated "first draft" of metadata...
- ...and was refined through human feedback

~50%

% lead time reduction for critical data management activities

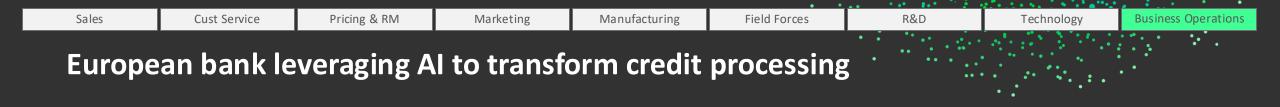
5-6 yrs.

Accelerated timeline to full data governance



Key unlocks to scale

• Alignment of the operating model alongside the deployment, streamlining processes and integration into adjacent capabilities



Context

- Unstructured information on credit worthiness
- Collateral checked and processed manually
- Complex processes leading to long handling times, errors, costs, and low client satisfaction

Transformation initiatives

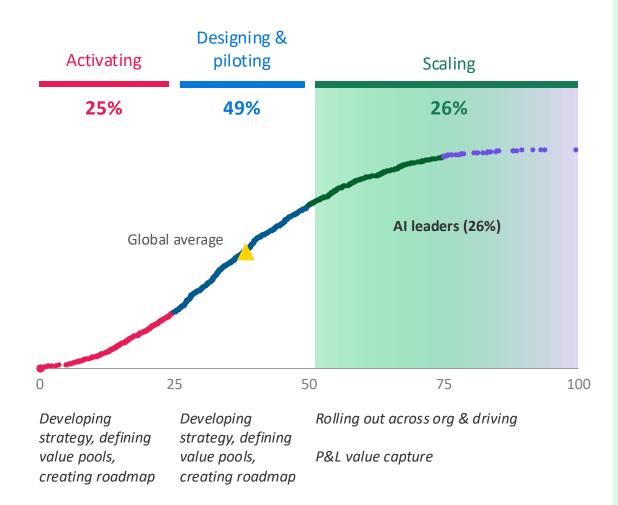
GenAl automation: Development of DokAl to support the credit process

- Documents automatically categorized, structured, and scanned
- Real-time fraud checks and communication with customers for missing documents
- Escalation of tasks for manual review

Impact 10x	Faster time-to-yes, up to 90 % straight- through processing
>50%	FTE productivity gains
<12	Months payback period

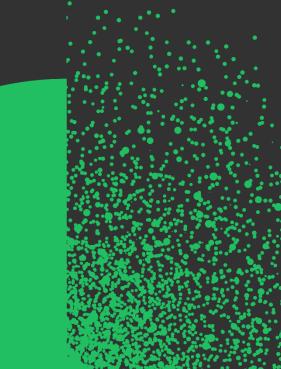
Key unlocks to scale

- GenAl-powered Zero Ops: Focus on standard products, ease verification steps, zero-base all requirements
- Client-focus: Aim for superior service efficiency and reduced errors
- Enhanced productivity leveraging automatically generated outputs



	Revenue	1.5x	More revenue growth (3 yr avg)
[- ``	Total shareholder retur (TSR)	^m 1.6x	Higher 3 yr TSR
	Returns	1.4x	Higher ROIC (3 yr avg)
	Innovation	1.9x	More patents
	Employee satisfaction	1.4x	Better overall glassdoor indicator

BCG Experts | Key contacts for Al transformation



NAMR

