Trusted AI in the C-Suite

Highlights from the global executive survey

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This survey, conducted for **Teradata** by **NewtonX**, comprises expert interviews and a quantitative study of C-suite executives and AI decision-makers. Participants are from companies with at least 1,000 employees and $750M+ in annual revenues. About half the respondents were in the U.S. The others were in the U.K., Europe, and Asia.

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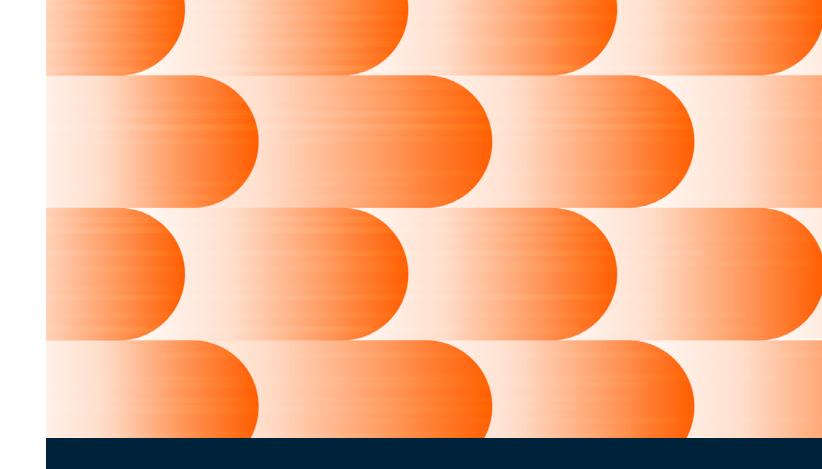# Hearing from business leaders on trust and AI

Artificial intelligence (AI) has been around for decades, but a new, unstoppable revolution is underway. Large language models (LLMs) that power generative AI solutions are rapidly reshaping the business landscape, as well as the expectations of shareholders, employees, and consumers.

Though the potential market return on AI and machine learning (ML) investments is staggeringly high — a once-in-a-lifetime opportunity — the breakneck speed of our current gold rush to innovate is rightfully igniting concerns in the C-suite, boardroom, and beyond about the challenges surrounding "trust" in AI.

At Teradata, we believe people thrive when empowered with trusted information. Given the acceleration of AI opportunities and related questions of potential risks, we knew people needed more information from the global executives making decisions around trust, AI, and business.

While the study shows that many executives and enterprise decision-makers trust the potential of AI, a large percentage lack confidence in their company's strategy to execute, as well as its data readiness to ensure the reliability of AI outputs.

For example:

- Four in 10 executives don't trust their data to generate accurate AI outputs

- Seven in 10 executives say their AI strategy is not fully aligned to their business strategy today

- Only 56% of executives believe they have a clear, set strategy for AI within their organization

Why Teradata?

For more than four decades, Teradata has been trusted by the leading companies spanning the most highly regulated industries and governments around the world. That's because our customers rely on us to provide a "golden record" of their data — secure, well-governed, and trusted — to consistently improve the experiences of their customers and continuously create value for the enterprise.

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Data and deployment

Key insights

- Trust in the outputs of AI is mixed

- AI is primarily deployed at the departmental level

- Most companies are using a mix of private and public datasets

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Trusted data vs. silos

Enterprises are currently working with various — often unintegrated, siloed — systems to utilize AI.

While 61% said they fully trust the reliability and validity of their AI outputs, 40% do not believe their company's data is ready to achieve accurate outcomes. That's not much better than a coin-flip difference between trusting AI outputs and not.

Yet most executives still seek out a more meaningful competitive advantage. The pressure to beat out competitors can create risk when the trust in your data and AI is lacking.

Dataset use and AI deployment

Breaking down silos means integrating data while ensuring it can still be trusted. This can be challenging for different reasons.

Most executives (63%) indicated that their organization currently uses a mix of closed and public datasets, but about a third (29%) of executives only used closed datasets. Both approaches require every level of the organization to effectively secure and protect its data.

Scaling deployment across the enterprise can also be difficult. For example, most AI deployment is happening at the departmental level, with only 12% of executives reporting they've deployed AI solutions company-wide.

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Appetite for AI and innovation

73%
view their company as an early adopter with many technologies

60%
say their level of AI adoption is simply "on par" with competitors

27%
view themselves as leading AI adoption in their industries

"Our survey shows a deepening understanding of how to reach **Trusted AI** at enterprise scale."

— **Jacqueline Woods,** chief marketing officer at Teradata

Why Teradata?

With the most open and connected ecosystem for AI, we're better able to break down data silos. As executives consider adopting new technologies, Teradata is **embracing open table formats** (OTFs) to offer **unparalleled choice for data access**. We believe this builds on our commitment to superior data integration and delivery, as seen with QueryGrid, our unique data fabric that minimizes data movement by connecting queries and pushing processing to the data. Read more about **QueryGrid** and our **first-party services for OTFs**.

Alignment and impact

Key insights

- Success and utilization of AI across departments do not (yet) align

- Execs seek to build trust in AI by showing use cases that work

- ROI is expected quickly, leaving little room for trial and optimization

- An overall lack of readiness and capabilities for AI persists

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Strategy still coming together

While most AI initiatives are happening at a department level, even getting an enterprise-wide AI strategy off the ground is challenging.

The study makes it clear that success in the application and impact of AI across departments, as well as enterprise wide, doesn't yet align. In fact, seven in 10 executives say their AI strategy is not fully aligned to their business strategy today.

Where will that strategy ultimately come from? "It has to come from the vision from the top," said one chief digital officer from the banking industry. The board, CEO, and executive committee need to ensure it's "consistently communicated and persistently communicated."

High expectations for high impact

The best way to build trust and gain consensus to implement new AI projects is through demonstrated successful use cases, which improve business efficiencies.

However, most AI proofs of concept (POCs) fail to make it into production. Despite the lack of strategic alignment and challenges of developing POCs and successfully implementing, expectations are sky-high for AI initiatives to deliver results, and fast.

Most executives surveyed expect to see ROI within six months (58%), and nearly all (84%) expect it within a year. Overall, there's still a perception of a "lack of readiness" in most organizations' AI capabilities.

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Top factors in creating impact with AI

46%
Clear strategic vision and leadership support

46%
Effective communication of AI benefits to stakeholders

41%
Sufficient investment in AI technology and infrastructure

"We're expecting to see return on investment almost immediately... That's a huge win from a credibility perspective with the business."

— **Chief information officer**, financial services

Why Teradata?

We drive faster ROI with Trusted AI. See how one organization drove $125 million in profits, achieved a 3x increase in productivity, and improved elements of customer engagement up to 46%. By leveraging ClearScape Analytics™, this $5 billion company was able to scale model deployment and operationalize quicker, while expediting security approval and maintaining responsible AI practices. Read the **Forrester Total Economic Impact™ study**, a commissioned study conducted by Forrester Consulting on behalf of Teradata.

Adoption benefits and barriers

Key insights

- Productivity and customer experience are key benefits

- Key barriers include a lack of AI skills internally and insufficient budgets to scale

- Data breaches, data privacy, and lack of ROI are considered key risks of AI

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Big benefits, but barriers to success

Executives in the survey see AI's most valued benefits as a significant increase in productivity (51%) and a major improvement in customer experiences (50%). In fact, a separate McKinsey study found a huge economic impact — nearly $8 trillion in potential productivity gains — from even a limited set of generative AI use cases.[1]

"We generally see it as being a productivity enabler in different areas of our business from a product development standpoint," said a chief information officer for a gaming company. From coding to building games — and doing it quicker — this executive saw the benefits of AI as making processes more cost-effective while benefiting the customer with a better gaming experience.

Adoption barriers remain, however, and are varied. The main ones mentioned include:

- Workforces lacking the needed skills (39%)

- Insufficient budgets to scale AI use cases (34%)

- Difficulty measuring business impact (32%)

- Insufficient technology infrastructure (32%)

Other top barriers include the risks of irreparable damages caused by data breaches, privacy violations, and deficient ROIs with AI — plus worries about perpetuation of bias, media manipulation, irrevocable reputation harm, legal liabilities, and regulatory compliance issues.

1. "The economic potential of generative AI: The next productivity frontier," McKinsey, 2023.

Most common AI adoption mistakes

54%
Insufficient investment

52%
Not starting with business priorities and challenges in mind

51%
Lack of clear communication about AI strategies and goals

48%
Underestimating the complexity of AI implementation

Why Teradata?

We enable organizations to build dynamic, personalized customer experiences. The **New York Football Giants use ClearScape Analytics** to create winning fan experiences, leveraging a next-generation, **cloud-native architecture** to harmonize data for greater flexibility and faster performance. From cluster modeling to dynamic ticket pricing, Teradata's in-database analytic functions and open application programming interface (API) integrations help the Giants give fans the experiences they care about most. Read more about **how to transform your CX** today.

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Meanings and mandates of trust

Key insights

- Security, transparency, and governance are key for trusting AI

- Performance is about reliability, validation, and consistency

- Track record of past success is key for a trusted partner

- C-suite executives must lead the way

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Establishing a culture of trust in AI
There's a strong consensus among executives that security, transparency, governance, and performance are paramount to establishing trust in AI.

Outcomes need to be reliable and validated, while results must be consistent and repeatable. Executives seek that proven track record of past success when choosing AI partners, as 50% of executives named it the top factor in building trust in AI.

Almost half of executives (46%) see business leaders as the most impactful stakeholders in establishing and building trust in AI — with the top strategies cited as encouraging a culture of experimentation (57%) and demonstrating a clear vision for AI and its potential impact on the organization (53%).

"Given the degree to which our business model hinges on data, we've needed to develop wide-ranging solutions that anticipate future threats and respond to new developments."

— Billy Spears, chief information security officer at Teradata
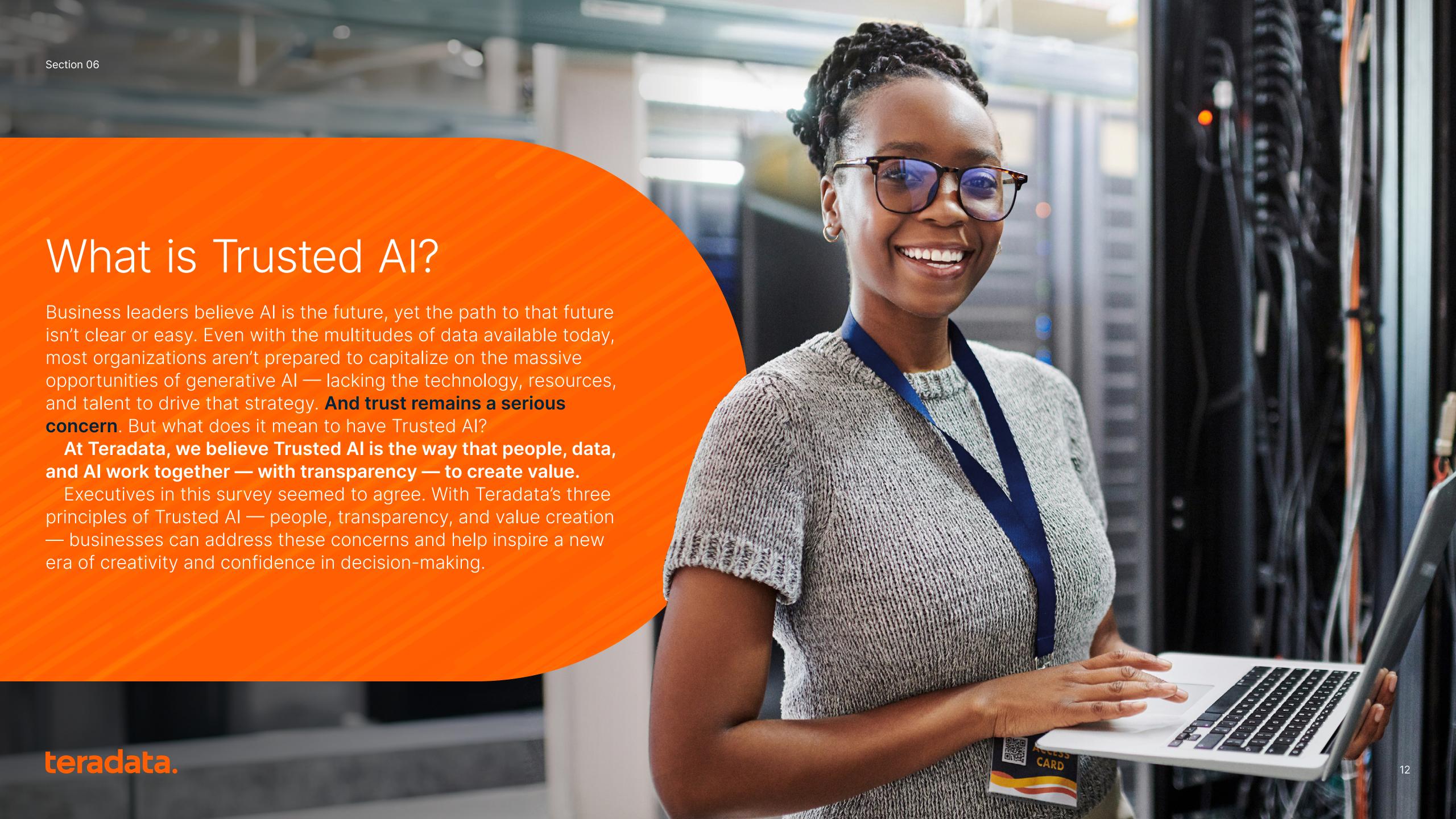
What are the key aspects of trust in AI?

61%
Security

56%
Transparency

45%
Governance

40%
Performance

Why Teradata?

We lead on data security from within. Teradata is committed to establishing a culture of security, transparency, and governance in the oversight of our own data. With top-notch security certifications, rigorous policies and procedures, and advanced security technology, we safeguard our own data so we know how to advise companies on safeguarding their own. Find out how you can **modernize your data ecosystem** to build up data security practices.

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What is Trusted AI?

Business leaders believe AI is the future, yet the path to that future isn't clear or easy. Even with the multitudes of data available today, most organizations aren't prepared to capitalize on the massive opportunities of generative AI — lacking the technology, resources, and talent to drive that strategy. **And trust remains a serious concern**. But what does it mean to have Trusted AI?

At Teradata, we believe Trusted AI is the way that people, data, and AI work together — with transparency — to create value.

Executives in this survey seemed to agree. With Teradata's three principles of Trusted AI — people, transparency, and value creation — businesses can address these concerns and help inspire a new era of creativity and confidence in decision-making.

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Teradata's 3 principles of Trusted AI

People

- Accountability
- Security
- Sustainability

Making sure AI is centered around people is the first consideration of Trusted AI. Underpinning this human-centric approach is the proper compliance around safety and privacy concerns, so that AI is always used in a secure manner — and accountable humans are present, thoughtful, and engaged throughout the AI lifecycle.

Transparency

- Explainability
- Governance
- Open and connected ecosystem

Simply put, transparency is fully understanding how and why an AI-driven decision was made. Organizations do this by offering complete visibility into the data behind decisions, including how a model complies with all the proper regulations. With the consistent use of transparent, explainable, and governable data across an open AI ecosystem, companies achieve faster results.

Value creation

- Performance
- Innovation
- Cost-effective growth

AI projects quickly come under scrutiny without an ROI that far exceeds their cost. Yet, trust in AI is built over time — proven with the reliability, speed, and accuracy of AI models. That consistent performance drives faster innovation and more cost-effective growth, enabling companies to create value and positive impact for their bottom line as well as their customers.

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"Working with the right partners and solutions can help accelerate trust by showing accurate results and ROI from AI projects quickly. But remember: All successful AI projects start with a foundation of clean, reliable data — I call it 'golden data' — based on solid datasets and offering full transparency, and that's where Teradata can help."

—**Jacqueline Woods,**
chief marketing officer at Teradata

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About Teradata

At Teradata, we believe that people thrive when empowered with trusted information. We offer the most complete cloud analytics and data platform for AI. By delivering harmonized data and Trusted AI, we enable more confident decision-making, unlock faster innovation, and drive the sustainable, successful business results organizations need most.

See how at Teradata.com.

About NewtonX

The world's leading businesses find their advantage with NewtonX. We're the only B2B research company that solves the challenges of today's insights leaders by connecting them with verified business expertise. Our AI-driven algorithm — the NewtonX Graph — custom-recruits the perfect audience for your business question from an open network of 1.1 billion professionals across 140 industries. Every professional is 100% verified, so you can make your next bold move with confidence.

To learn more, head to NewtonX.com.

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