Canadian businesses saw uptick in AI Adoption in 2023 vs. global peers

• 37% of IT professionals in large companies in Canada report having actively deployed AI in their business

• The AI skills gaps (41%) remains a top barrier to adoption, followed by too much data complexity (24%) and high costs (24%)

• A growing emphasis on trust, transparency and explainability of AI

IBM Global
AI Adoption
Index 2023

Toronto, ON, January 10, 2024: New market research commissioned by IBM (NYSE: IBM) reports Canadian companies are increasingly adopting and deploying artificial intelligence (AI), with about 37% of enterprise-scale organizations (over 1,000 employees) say their company is using it as part of their business operations. Further, while AI adoption remained steady globally (42% since April 2023), Canada saw an uptick in enterprises deploying AI from 34% in April 2023 to 37% in November 2023. Early adopters are leading the way, with 35% of the enterprises already working with AI intending to accelerate and increase investment in the technology.

"2023 was a transformative year for AI adoption in Canada and around the world, and based on the strong ecosystem, investments and talent from coast-to-coast, Canadian businesses are well-poised to maintain a leadership position and to transform critical industries," said **Deb Pimentel, General Manager – Technology, IBM Canada**. "As more companies explore AI in 2024, it will be critical for businesses to even more clearly define how AI delivers value including how it complements the work teams are doing today, ensuring sound governance for responsible adoption, and enforcing a roadmap to upskill or reskill talent so employees are trained to use the technology effectively."

Reskilling and workforce development (42%) and research and development (41%) were cited as the top AI investments at Canadian organizations exploring or deploying AI.

"AI is essential to Bell's transformation to a technology services and digital media leader. This technology has enormous potential for Bell in a number of areas, significantly improving customer experience and enhancing productivity. Equipping our team members with the necessary skills to use AI tools effectively while establishing

a solid foundation of responsible policies and practices is critical as we continue to further adopt AI in our business," said **Osama Abu-Shihab, VP, Business Technology Services, Bell.**

Key Canadian Highlights from "**Global AI Adoption Index 2023**," conducted by Morning Consult on behalf of IBM include:

- **AI adoption is growing in Canada**: While AI adoption has remained steady at large organizations globally (42%), there has been an increase in AI deployment at large organization in Canada from 34% in April to 37% in November 2023. An additional 48% Canadian companies are still exploring using AI.
- **Top three drivers of AI adoption**: Advances in AI tools that make them more accessible (46%), the need to reduce costs and automate key processes (46%), and the increasing amount of AI embedded into standard off the shelf business applications (34%) are the top factors driving AI adoption.
- **Top three barriers to AI adoption:** The top barriers hindering successful AI adoption at enterprises both exploring or deploying AI are limited AI skills and expertise (41%), too much data complexity (24%), and high costs (24%). Additional barriers include not having the ability to properly govern AI models (21%), ethical concerns (20%), and AI projects that are too difficult to integrate and scale (20%).
- **AI investments in Canada are least likely to accelerate, despite increase in adoption:** top areas of AI investment in Canada reported were reskilling and workforce development (42%) and research and development (41%).
- **AI is already having an impact on the workforce:** Around one-in-five (21%) organizations do not have employees with the right skills in place to use new AI or automation tools and 17% cannot find new hires with the skills to address that gap. Only 25% are currently training or reskilling employees to work together with new automation and AI tools.
- **A growing emphasis on trust, transparency and explainability of AI** – Canadian IT professionals are largely in agreement that consumers are more likely to choose services from companies with transparent and ethical AI practices (82% strongly or somewhat agree) and say being able to explain how their AI reached a decision is important to their business (71% among companies that are exploring or deploying AI).
  - But, with many companies already deploying or exploring AI facing multiple barriers in the process, well under half are taking key steps towards trustworthy AI like reducing bias (26%), tracking data provenance (29%), monitoring AI across cloud and AI environments (39%), or safeguarding data privacy through the entire lifecycle (42%).

Methodology:

This survey was conducted in November 2023 among a representative sample of 2,342 IT Professionals at organizations with over 1,000 employees in Australia, Canada, China, France, Germany, India, Italy, Japan, Singapore, South Korea, Spain, UAE, UK, US and LATAM (Argentina, Brazil, Chile, Colombia, Mexico, and Peru). To qualify for this audience, participants must be employed full-time, work at companies with more than 1,000 employees, work in a manager or higher-level role, and have at least some knowledge about how IT operates and is used by their company. The global results have a margin of error of +/- 2 percentage points.

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