

Deloitte TECHTalks | Deloitte Global Generative AI |
Future Forward With GenAI | Navigate Path to Opportunity
With [Stacey Winters, GenAI Market Leader North South Europe](#) and [Anjani Kumar, GenAI Market Leader India](#)

Raquel Buscaino: Welcome to Deloitte Tech Talks. I'm your host Raquel Buscaino, and I lead the Novel and Exponential Technologies team at Deloitte Consulting in the U.S. where we sense and make sense of emerging and advanced tech. We are continuing with our three part AI series with Deloitte's global colleagues as they discuss the trends around GenAI.

Identifying signal from the noise, optimizing for organizational value and navigating the path to opportunity. On this episode, we're going to explore the path to opportunity in the ever-evolving field of artificial intelligence. This episode features Stacey Winters, GenAI market leader for North and South Europe, who'll be speaking with Anjani Kumar, GenAI market leader in India on how to navigate the path to opportunity.

They will share their insights on growth archetypes, business considerations, and the emerging technological opportunities across new markets when integrating and scaling AI. Anjani and Stacey, welcome.

Stacey Winters: I'm Stacey Winters, the GenAI market leader for North South Europe at Deloitte, and I'm joined here today by my colleague Anjani Kumar.

Anjani Kumar: Hi Stacey, an absolute pleasure to join you for this podcast. I'm Anjani Kumar. I lead our Generative AI go to market in India. And I work with clients across industries to help deliver business benefits using AI

Stacey Winters: Great. Today we're going to talk about navigating the path to opportunity and picking up on one of the trends that our colleagues Nitin Mittal and Heather Stockton talked about on another podcast in this series, which related to the shift from experimentation to scaling GenAI.

Anjani, I'm really interested to get your perspective on when the right time to consider the cost implications of AI is. What we've seen here in Europe is a number of companies still in the experimentation phase, and some are still gathering and prioritizing use cases, and some have taken POCs into production.

And they're now posed with a number of challenges and cost implications related to scaling those POCs. This morning I had a conversation regarding the expansion of a GenAI application to other countries, where data privacy and sovereignty laws require data segregation. And in order for the company therefore to be able to make that solution available to all employees in all markets, a significant amount of challenges are arising in navigating local country laws and in turn, the cost of scaling those solutions just increasing. So in your experience, when is the right time to consider scaling and its cost implications?

Anjani Kumar: Over the last two years, we've done about 700 odd use cases, POCs for organizations across the world leveraging GenAI and If you had asked me this question about 12 months back, only about 20/25 percent of those organizations actually went to scale.

But today, we are seeing upwards of 40/45 percent of these organizations moving from POC to scale. And we are seeing exactly the same trends in Asia Pacific. Over the last year, organizations have identified use cases across multiple functions. They're doing in marketing, they're doing in legal, they're doing in finance.

And now they've come to realize that doing some of these use cases in isolation in different parts of the organization without an integrated way to realize benefit is actually just tittering away resources, time, and not generating the kind of returns that organizations are looking from GenAI. Now what we're seeing is organizations starting to focus on fewer use cases, but taking them to scale and starting to think about them from a scaling perspective right at the time that they think about the business case, the benefit, what's the cost.

Which part of the organization will benefit? How do they make sure that it's integrated and different parts of the organizations are not doing similar use cases but not getting the scale benefits? Also, from a cost perspective, what we're seeing is a lot of costs that need to be thought of as organizations think about scale.

And these are across the entire spectrum of the GenAI value chain. So you start with the hardware, which is the GPUs, the networking, the software, the clustering. The second part is deploying these GPUs in your organization. So this is via a cloud provider, via a hyperscaler, it could be via dedicated cloud providers.

The third element is large language models, which are basically used to run the algorithms to give you the kinds of answers that you're looking for. Above the large language models are AI products and services. And that's again something that organizations are starting to deploy. And finally, are the bespoke AI services.

As organizations think about costs, they have to think about cost from each of the elements of the AI stack. and see what's right for them, what's the kind of use case they're using, what's the kind of benefit they want to generate and calculate the ROI by looking at each element of the AI stack.

Stacey Winters: That's fascinating.

And I think we've also seen clients battling with the challenge of cost of additional functionality. So perhaps the original use case or POC was focused on a particular capability in leveraging GenAI. But as the solutions go through further development against a backdrop of what can often be slow adoption in the organization, they can see that there's just going to add more cost.

For example, we talked this morning about adding image generation and what that would mean per user if a user was to generate so many images or use so many prompts in a day and you can see the organization's reaction to what that meant when they would go to deploy that application at scale and so the dilemma is with adoption rate is slow how do you justify the business case for enhancing functionality.

And that kind of led us then onto a conversation about organizational change. And one of my clients was considering taking 80 percent of their IT budget and spending it on change management. But as

they see fundamentally that adoption is going to be a significant barrier to the success of their transformation, and you can have all the GenAI enabled solutions you want, but if no one's going to use them, then how do you justify the spend?

So keen to understand from your perspective, what's the amount of effort that you think an organization should be putting into organizational change as they navigate the road to opportunity?

Anjani Kumar: When we work with organizations, there are clearly two ways of looking at it. One is within an organization, the value chain view, and the other is the industry view.

So, from a functional view, typically we are seeing organizations leverage GenAI for driving one or more of the four business levers. It's either for enhancing revenues, reducing costs, increasing efficiencies, or for accelerating innovation and creating new business models. If you are the government, then it's for creating better citizen services.

Once an organization is clear about what's the value lever across their value chain that they're trying to drive using GenAI, then it starts to become fairly easy for them to think about what are the costs? Who are the people in the organization who will be using it? How do we ensure that we are giving them the right training and the right tools?

How are we reducing any hesitation that they may have in using GenAI and ensuring that the entire change management is thought of from day one. And I'll give you an example. One of the consumer companies wanted to use GenAI to solve issues in their R&D in terms of formulating a new chemical. The challenge was that it was such a closely held secret and so few people knew about it.

When we tried to broach the topic of creating new compounds, new chemicals using GenAI, it didn't sit well with people. What would be their role once the algorithm was generating new compounds or giving ideas in terms of new chemicals? That's where the resistance started and people then started giving reasons like enough data is not available, this is so unique.

It's never been done. There's not enough literature available. So I think it becomes really critical that as organizations think about one or more of those use cases, they think about change management, right from step one. If I look at the other axis, which is the industry access, clearly some industries, you look at the technology services within that you look at IT services, you look at BPO, you look at product companies, there, it's no longer a question of scaling.

You look at something like code generation, testing, use cases creation, all of that is already at scale using GenAI. If you look at the media industry, you know, writing of scripts, creation of ads, all of that is now today happening at scale. You look at pharma sector, almost all the major pharma companies are using GenAI to help them discover new molecules and compress the time it takes from decades to maybe months to get to a new molecule. I think those companies are fairly clear about what part of the value chain are they attacking, what's the benefit, who are the users, and also thinking about change management right from day one.

Stacey Winters: Great. A lot of these challenges, what we're talking about here is what we describe as AI for business, helping our clients to transform their business using AI.

But then there is also the business of AI advising and enabling clients to run AI fuel businesses with the right infrastructure and data center requirements that enable the organization to realize the value in scaling applications across the global enterprise. You touched a bit on infrastructure and the different stack requirements earlier.

When we look at that at a broader level, the majority of spend in the AI economy will be invested in the business of AI rather than AI for business. In fact, I saw a stat the other day that we estimate in Europe alone, investment in AI data centers, and the infrastructure required will be about 300 billion by 2030, which is a huge cost for businesses and governments, particularly in countries where data sovereignty is a requirement.

Keen to get your perspective on when is the right time for an organization to give consideration to the infrastructure required to be successful.

Anjani Kumar: The business of AI is a much larger business opportunity. You know, you talked about 300 billion as potential investment. I think according to some estimates over the next five to six years, the world may see about 1 trillion dollars of investments in either setting up new AI infrastructure or upgrading current infrastructure, which may not be AI ready to an AI ready infrastructure.

That's the scale of opportunity that we're looking at. And it becomes critical because unless and until the base of the AI stack as I spoke about, which is the GPUs, the networking, the data centers are all in place, none of the other elements of the stack even come into consideration. From an organization's perspective, it's an opportunity in itself.

So for example, a lot of conglomerates that we speak to, are looking at getting into the business of AI data centers as an opportunity. A lot of the telcos that we speak to are looking at this as a new opportunity to get away from the commoditized voice and data that they've been providing to customers.

If you look at power being one of the biggest inputs to these data centers, so we are looking at power utility companies thinking about expanding and intake forward integrating into getting into the AI data center space. Similarly, real estate companies is another segment who looks at this as a large opportunity for them to diversify their revenue streams.

So from a business of AI, we are clearly seeing large opportunities in the market and we are seeing companies realigning their positions and looking at making significant investments. You spoke about data sovereignty. You spoke about data being so critical to growth of countries that almost every government is laying out a plan in terms of how will they make AI infrastructure available in that country.

And again, if you look at the cost today, it's, it's not cheap to set these data centers up. And if as a country, you want to make the most of this, you have to provide access to the academic institutions, to startups, to research institutions, and not necessarily at cost. We are seeing governments subsidize that heavily because it's so critical for every country to have access to these data centers access to compute for them to be able to create a differentiation for themselves.

Stacey Winters: Yeah, and that competition from economy to economy will no doubt lead to an increase in geopolitics and export control restrictions, which could impact the foreign availability of GenAI technology and the equipment required to produce that technology.

So it gets quite complex and requires significant planning and investment and consideration upfront for the full challenge of scale from a cost perspective and adoption perspective, and also then just availability and all of this could substantially impact a company's roadmap to success. Many might therefore say it's too complicated and they just want to wait and see what might be made available through their existing software, enterprise platform and cloud providers.

So what would you say to that?

Anjani Kumar: What we are seeing is the tipping point is coming when companies start moving from POC to scale. And at that point of time, they start thinking about choices that they have to make across each of the elements of the stack. So for example, in terms of GPUs, the questions they start thinking about should it be an on prem data center, or should I work with one of the hyperscalers or some other dedicated data center?

Or should it be a hybrid model? Then as you go up the stack, they start thinking about, should one of the LLMs that I use, should I use, look at one of the large publicly available LLMs? Or should I use open source LLMs? Or should I create bespoke small language models? Similarly, as they go up and think about AI products, again, what's the right product for me?

What kind of pricing is right for me? And finally, on services, they are also looking at each of the large enterprise software manufacturers build in agentic workflows into their processes. And then organizations are thinking, should I adopt those workflows, which will come to me as my subscription to these enterprise software expands, or should I create bespoke AI services?

So as organizations move to production and scale environment, we see them making these conscious choices across each of the elements of the AI stack.

Stacey Winters: Great. Could talk to you for hours about the topic of agentic workforce, which is also a really exciting trend that we're seeing. But we've got to wrap this up now.

So I think in conclusion, we'd advise earlier consideration of the challenges of scaling, thinking earlier about the cost implications and the risk and regulatory challenges that you'll face on that road to opportunity. Um, also to suggest that change management and adoption are core design principles of your roadmap and given much earlier prioritization than we've seen from a number of companies already.

Finally, think about the business of AI as well as AI for business and what that means for your future enterprise. Anjani, it's been a pleasure. Great talking to you.

Anjani Kumar: Likewise, Stacey. It's been a pleasure having this conversation.

Raquel Buscaino: Thank you, Anjani and Stacey, for sharing your insights with us today. It's been a truly enlightening discussion.

To all our listeners, thanks for tuning in to this episode of Tech Talks. If you enjoyed this episode, please share and subscribe and make sure you check out our other episodes in the series, where we discuss AI trends and identifying the signal from the noise and optimizing for organizational value.

Until next time, stay savvy.

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