

STUDY



AI READINESS IN AUSTRALIAN BANKING ORGANISATIONS





IMPRESSUM

YouGov designed the questionnaire in consultation with INFORM Software Australia. All figures, unless otherwise stated, are from YouGov. Total sample size was 311 senior decision makers in Australian organisations currently using or planning to use AI. Fieldwork was undertaken between 28th March – 2nd April 2024. The survey was carried out online.

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INFORM

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1.0 EXECUTIVE SUMMARY

This report provides a focused analysis of AI readiness in the Australian banking sector, based on a comprehensive study conducted by YouGov. The study surveyed 311 senior decision-makers across banking, aviation, logistics/transport (including maritime), business/professional services and other industries to uncover insights into AI adoption, challenges, and opportunities.

KEY FINDINGS

CURRENT USAGE AND PERCEPTION

- 83% of banking organisations currently use AI, leading other sectors in adoption.
- 85% believe AI has delivered or can deliver significant value to their organisation

BARRIERS TO AI ADOPTION

- Key challenges include highly fragmented/'siloed' data (46%, the highest among sectors) and a poorly defined AI strategy (42%, twice as high as aviation).

ORGANISATIONAL BENEFITS OF AI

- 94% believe AI can result in improved efficiency/productivity.
- 90% acknowledge AI's potential to boost profitability.

BANKING INSIGHTS

- The sector leads in AI adoption but faces significant challenges in data integration and strategy definition.
- 48% of banking organisations consider themselves fully prepared for AI implementation, the highest among sectors.

PATH TO SUCCESS

- Develop robust AI strategies with clear objectives and outcomes.
- Invest in data infrastructure to integrate and streamline data across the organisation.
- Prioritise AI talent acquisition and development to build internal capabilities.

2.0 METHODOLOGY

All figures, unless otherwise stated, are from YouGov. This study was conducted online between 28 March and 2 April 2024. The sample comprised of 311 Australian senior decision makers (including owners, C-suites, directors, and managers) in organisations that currently use AI or plan to start using AI in the next 12 months (i.e. non-AI rejector organisations). For brevity, they will be referred to in this report as 'respondents'.

AN INDUSTRY BREAKDOWN OF THE SAMPLE IS PROVIDED BELOW

INDUSTRY	SAMPLE
Banking	52
Aviation	54
Logistics/transport (including maritime)	105
Business/professional services	51
Other industries	4

YouGov designed the questionnaire (in consultation with INFORM Software).

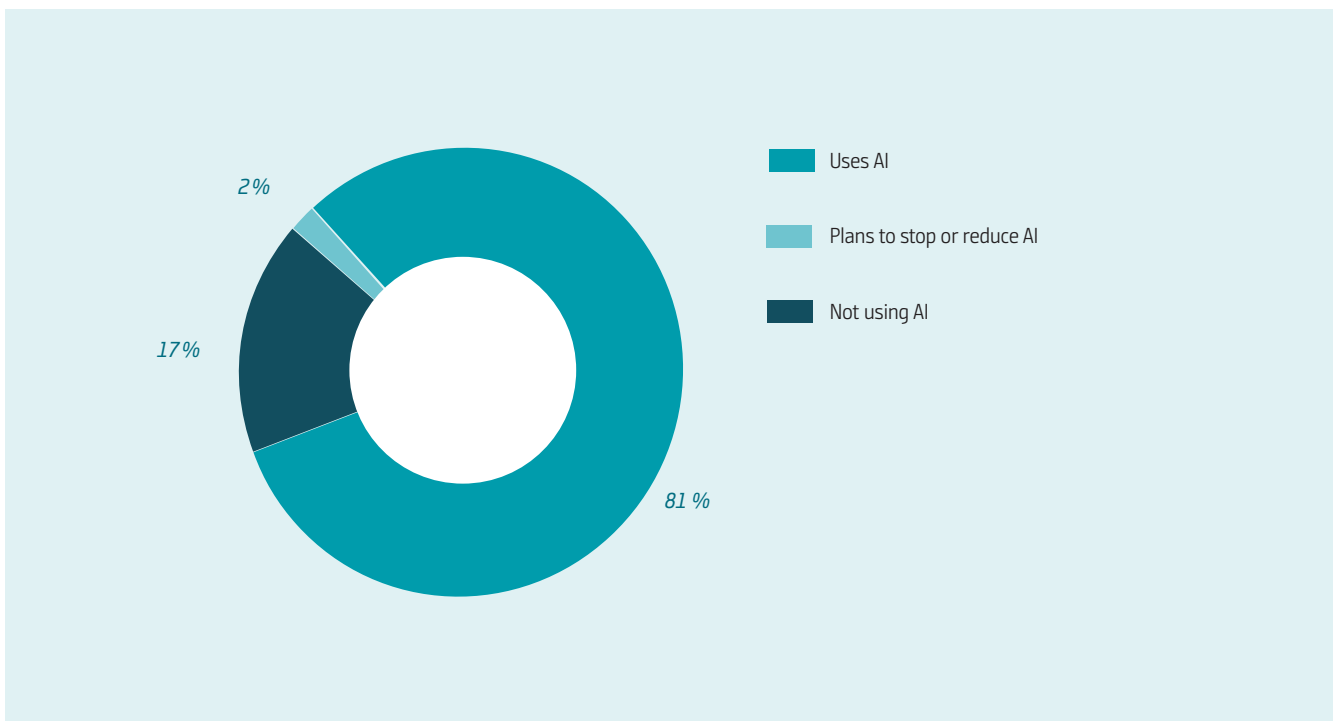
Unless otherwise indicated, all results have the above sample sizes. All results are unweight

3.0 THE USE OF AI IN AUSTRALIAN BANKING ORGANISATIONS

SNAPSHOT

- 83% of banking organisations currently use AI, compared to the overall average of 78%.
- 85% of banking respondents believe that AI has delivered or can deliver significant value to their organisation.
- 94% believe AI has resulted in or can result in improved efficiency/productivity.
- 90% believe AI has resulted in or can result in improved profitability.

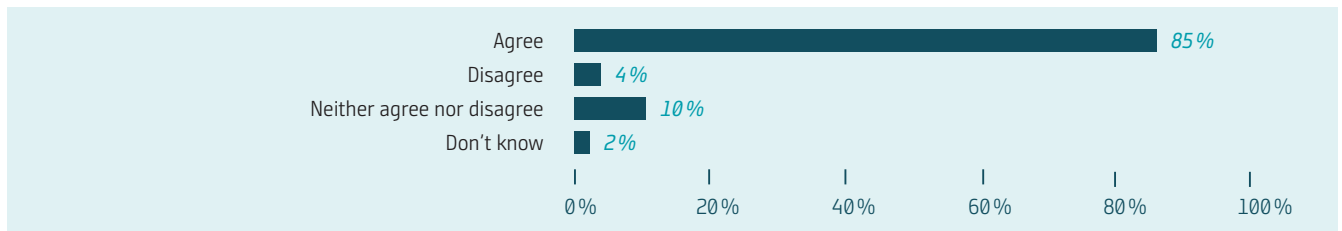
BANKING ORGANISATION CURRENTLY USE ANY FORM OF ARTIFICIAL INTELLIGENCE



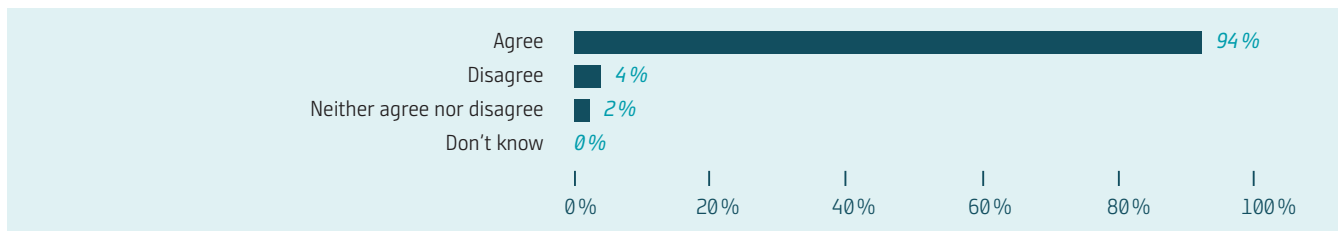
THE USE OF AI IN AUSTRALIAN BANKING ORGANISATIONS

AGREEMENT WITH STATEMENTS ABOUT THE USE OF AI

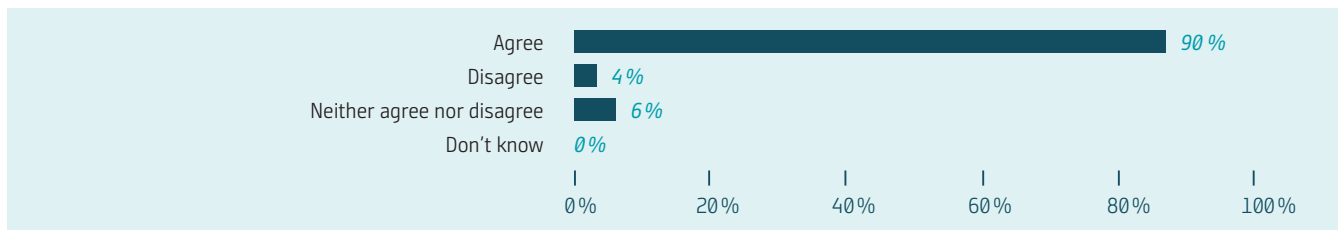
AI HAS DELIVERED/CAN DELIVER SIGNIFICANT VALUE TO OUR ORGANISATION



AI HAS RESULTED IN/CAN RESULT IN IMPROVED EFFICIENCY/PRODUCTIVITY WITHIN OUR ORGANISATION



AI HAS RESULTED IN/CAN RESULT IN IMPROVED PROFITABILITY WITHIN OUR ORGANISATION



AREAS OF AI USE

- 52% of banking organisations currently use or plan to use AI in financial management, higher than business/professional services (31%).
- 46% use or plan to use AI in customer/client experience, higher than business/professional services (24%).
- Other significant areas include research and development (37%), IT (35%), and marketing/sales (33%).

AREAS THAT ORGANISATION CURRENTLY USES OR PLANS TO USE AI IN



THE USE OF AI IN AUSTRALIAN BANKING ORGANISATIONS

REASONS FOR AI USE

- 48% of banking organisations cite improved efficiency/productivity of systems, processes and operations.
- 50% cite improved ability to innovate..
- 42% cite improved profitability.
- 40% cite improved risk management.

REASONS FOR USING OR PLANNING TO USE AI

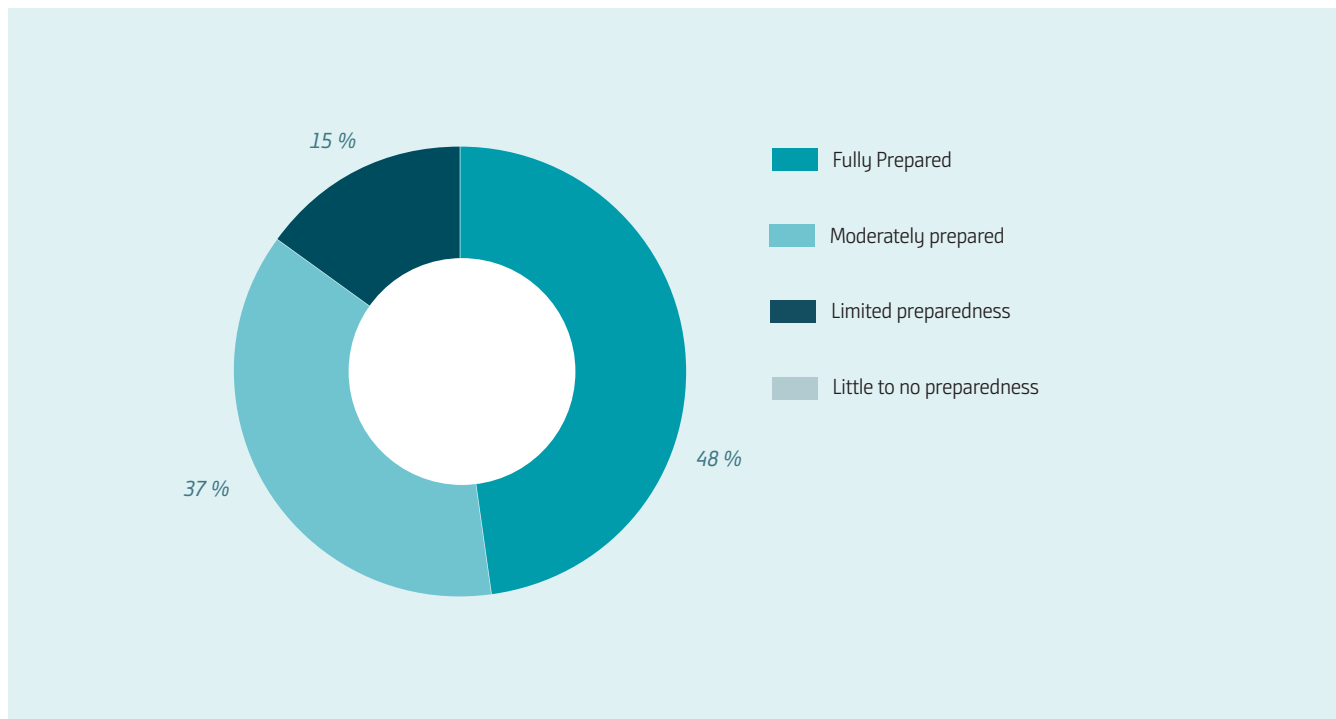


4.0 HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

KEY FINDINGS

- 48% of banking organisations say they are fully prepared for the successful implementation and use of AI, the highest among sectors organisation.
- 37% say their organisation is moderately prepared, lower than other sectors
- 15% say their organisation's preparedness is limited, higher than aviation (2%) and logistics/transport (6%).

ORGANISATION'S PREPAREDNESS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI

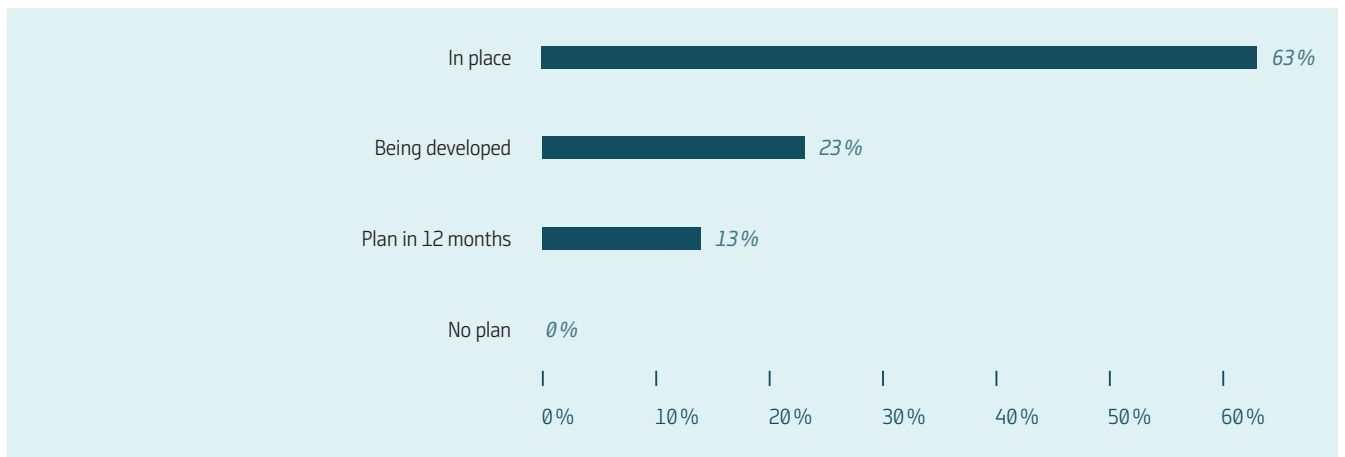


HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

BANKING AI STRATEGY SNAPSHOT

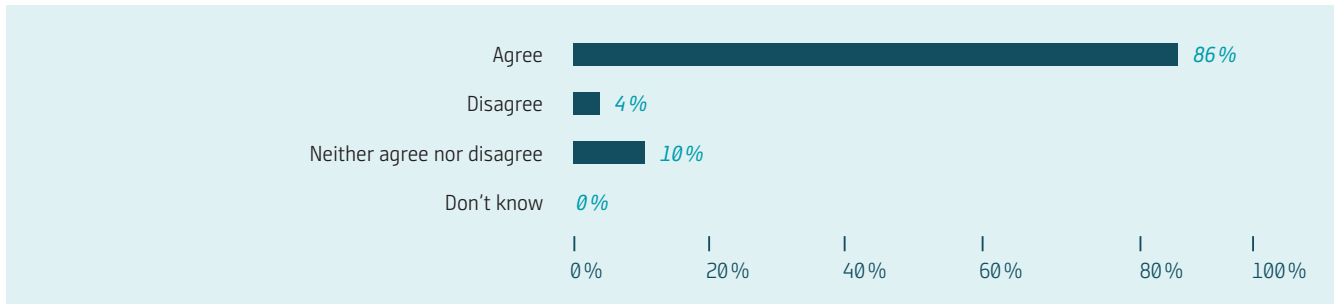
- 63% of banking organisations have an AI strategy in place, higher than logistics/transport (53%) but lower than aviation (80%).
- 42% admit that their organisation’s AI strategy is poorly defined, twice as high as aviation (21%).

PRESENCE OF AN AI STRATEGY

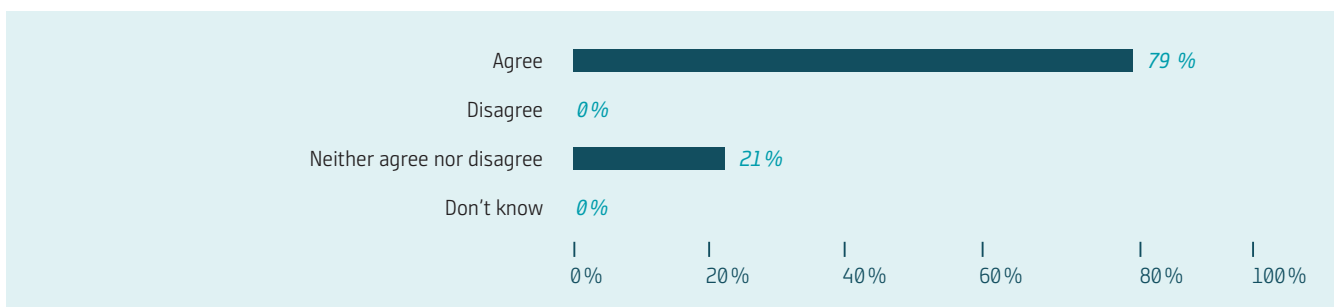


AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

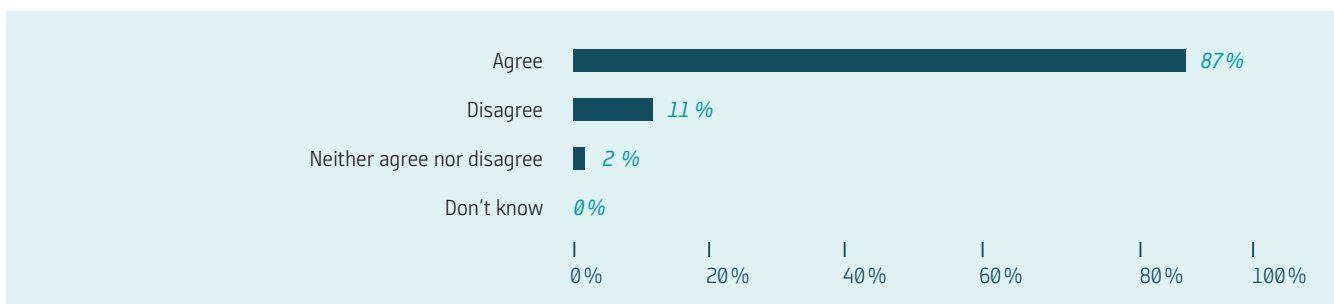
OUR ORGANISATION'S TECHNOLOGY INFRASTRUCTURE IS ADAPTABLE/SCALABLE FOR THE USE OF AI



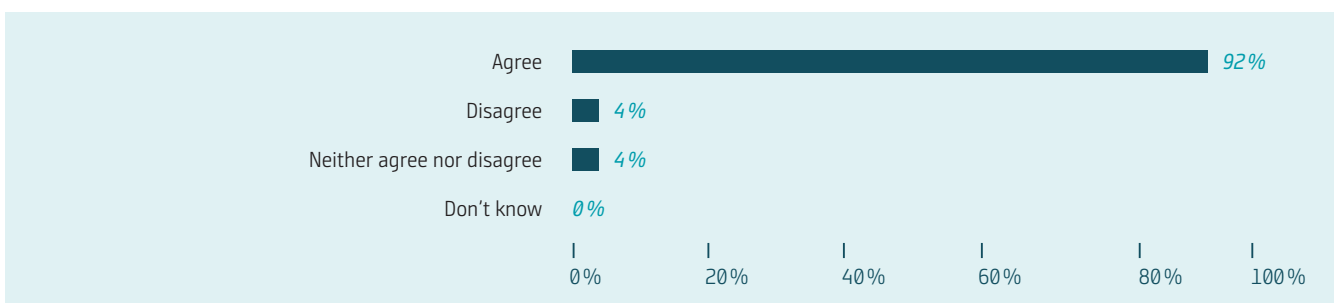
DATA IN OUR ORGANISATION TENDS TO SIT IN 'SILOS'



DATA IN OUR ORGANISATION IS CLEANED AND ORGANISED IN A WAY THAT MAKES IT 'AI-READY'



DATA IN OUR ORGANISATION IS PROCESSED AND STORED IN COMPLIANCE WITH ALL APPLICABLE REGULATIONS



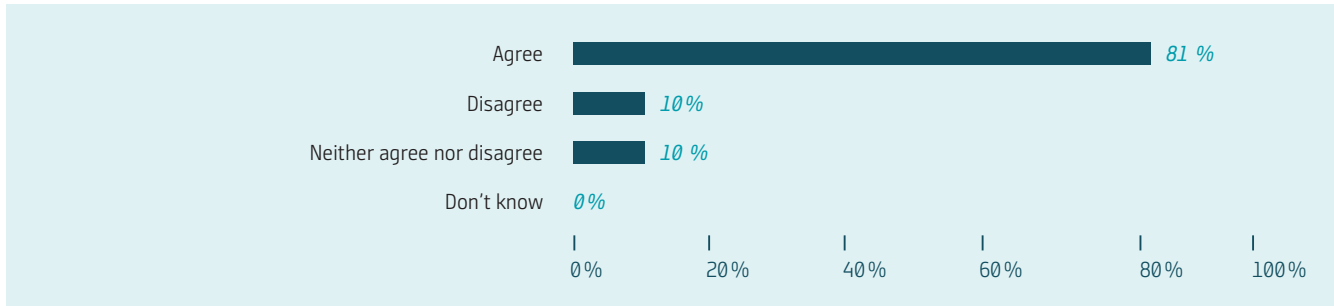
HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

AUSTRALIAN BUSINESS TECHNOLOGY INFRASTRUCTURE AND DATA ENVIRONMENT SNAPSHOT

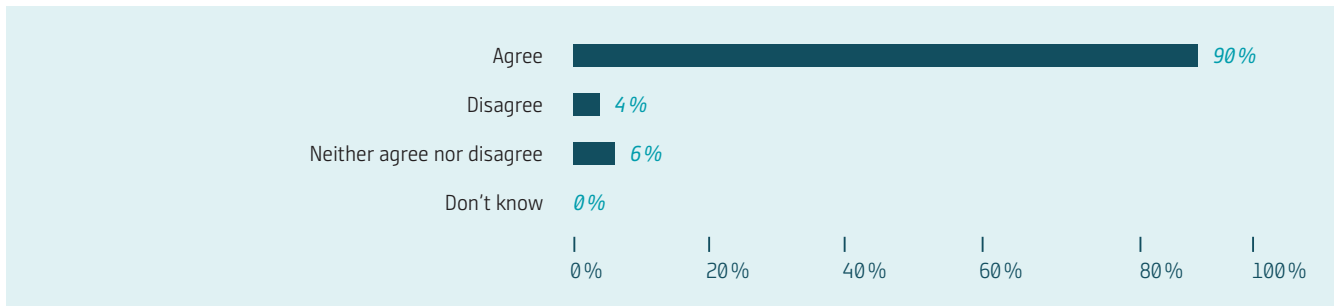
- 87% believe their organisation's technology infrastructure is adaptable/scalable for the use of AI.
 - 79% admit that data in their organisation tends to sit in 'silos', higher than logistics/transport (58%) or business/professional services (51%).
 - 87% believe data in their organisation is cleaned and organised in a way that makes it 'AI-ready'.
 - 92% believe data in their organisation is processed and stored in compliance with all applicable regulations.
-

CURRENT STATE OF PLAY

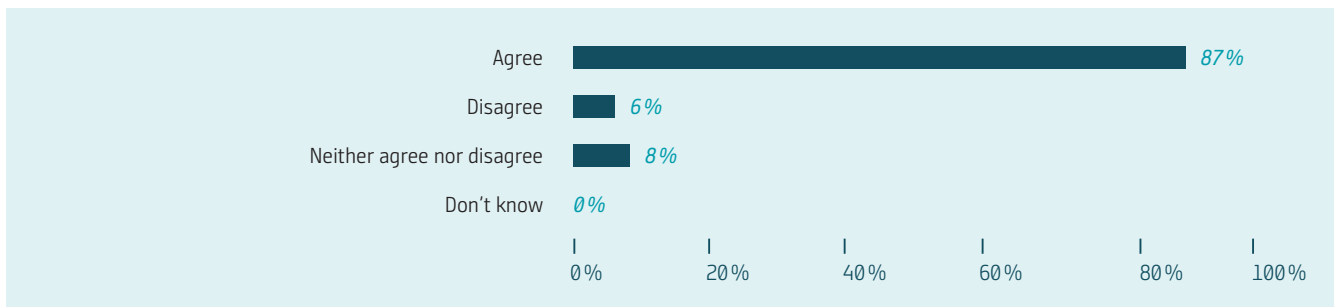
OUR ORGANISATION HAS A HIGHLY COMPREHENSIVE SET OF AI POLICIES AND PROTOCOLS



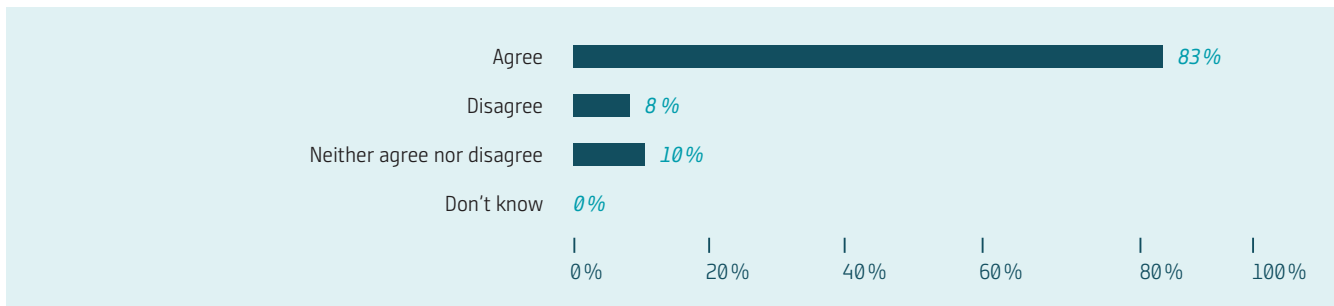
OUR ORGANISATION IS WELL-RESOURCED WITH THE TALENT NEEDED FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



THE IMPLEMENTATION AND USE OF AI IS A CRITICAL/URGENT PRIORITY IN OUR ORGANISATION



EMPLOYEES THROUGHOUT THE ORGANISATION ARE RESISTANT TO THE IMPLEMENTATION AND USE OF AI

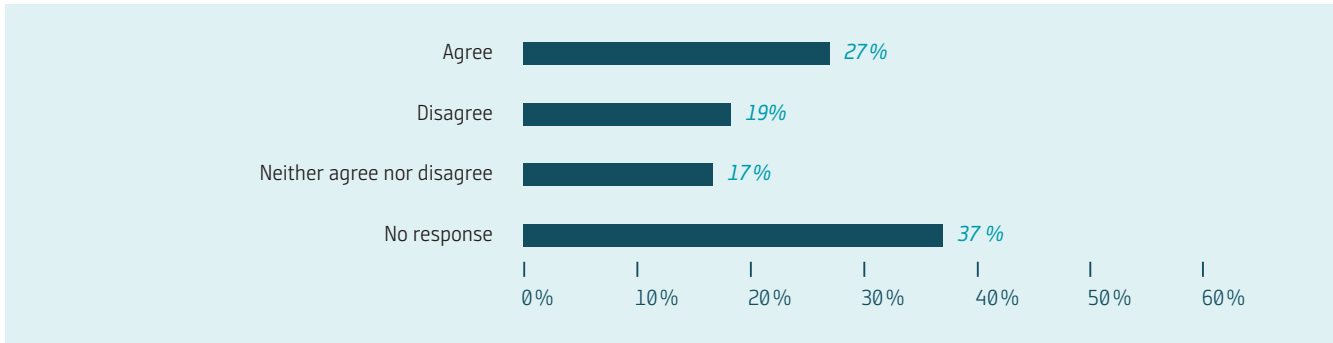


HOW PREPARED ARE AUSTRALIAN ORGANISATIONS FOR AI?

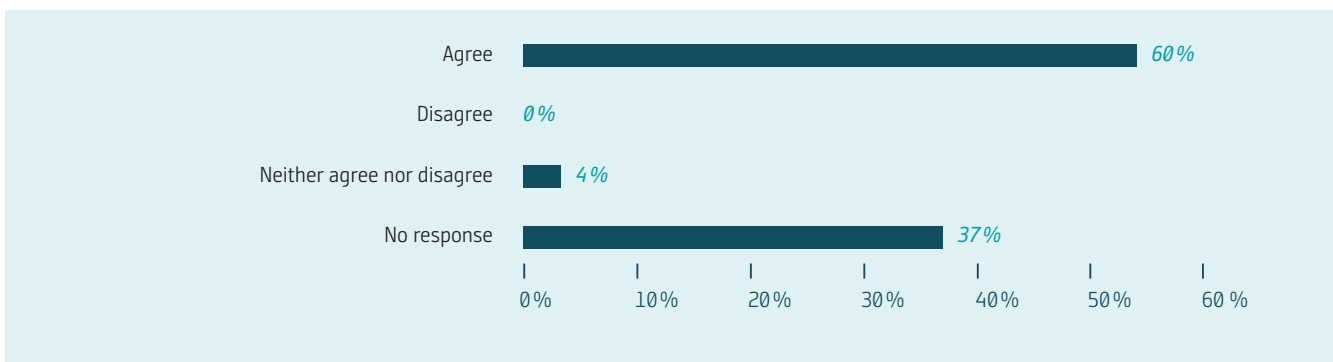
CURRENT STATE OF PLAY

- 81% believe their organisation has a highly comprehensive set of AI policies and protocols.
 - 90% believe their organisation is well-resourced with the talent needed for successful AI implementation.
 - 87% believe the implementation and use of AI is a critical/urgent priority.
 - 83% admit that employees throughout the organisation are resistant to the implementation and use of AI.
-

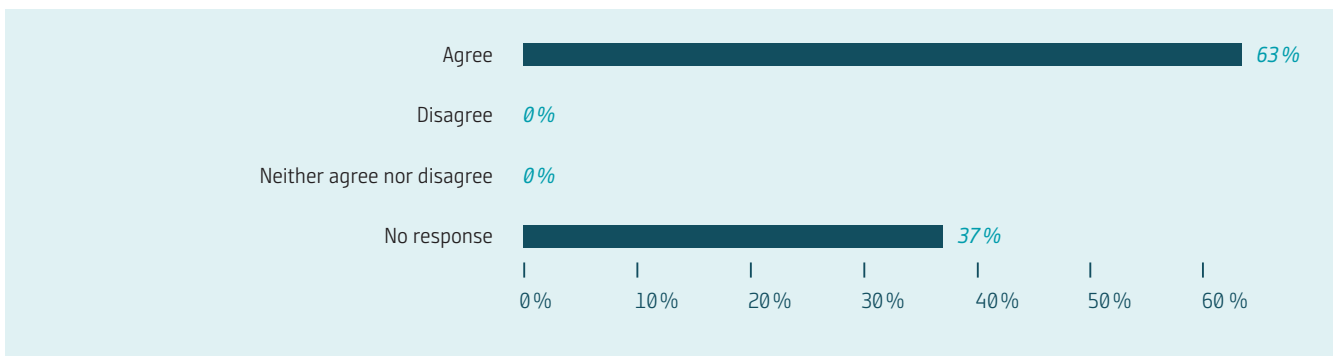
STRATEGY IS POORLY DEFINED



THERE IS CLEAR LEADERSHIP AND OWNERSHIP

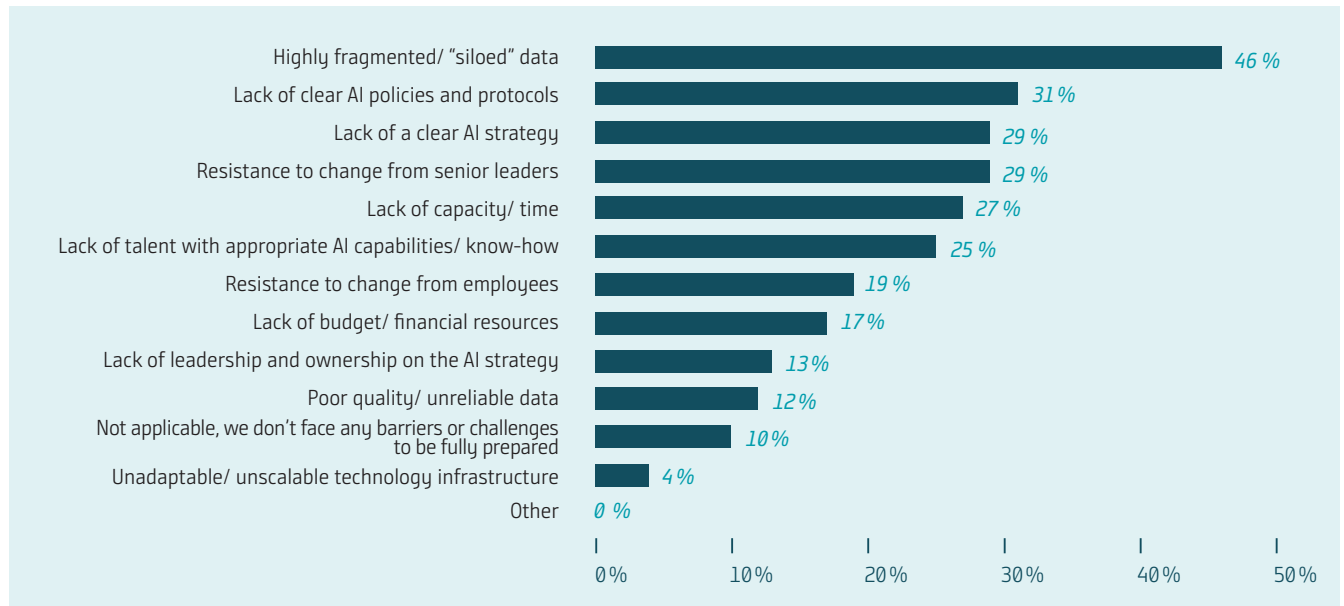


STRATEGY IS CLEARLY COMMUNICATED



5.0 BARRIERS AND CHALLENGES

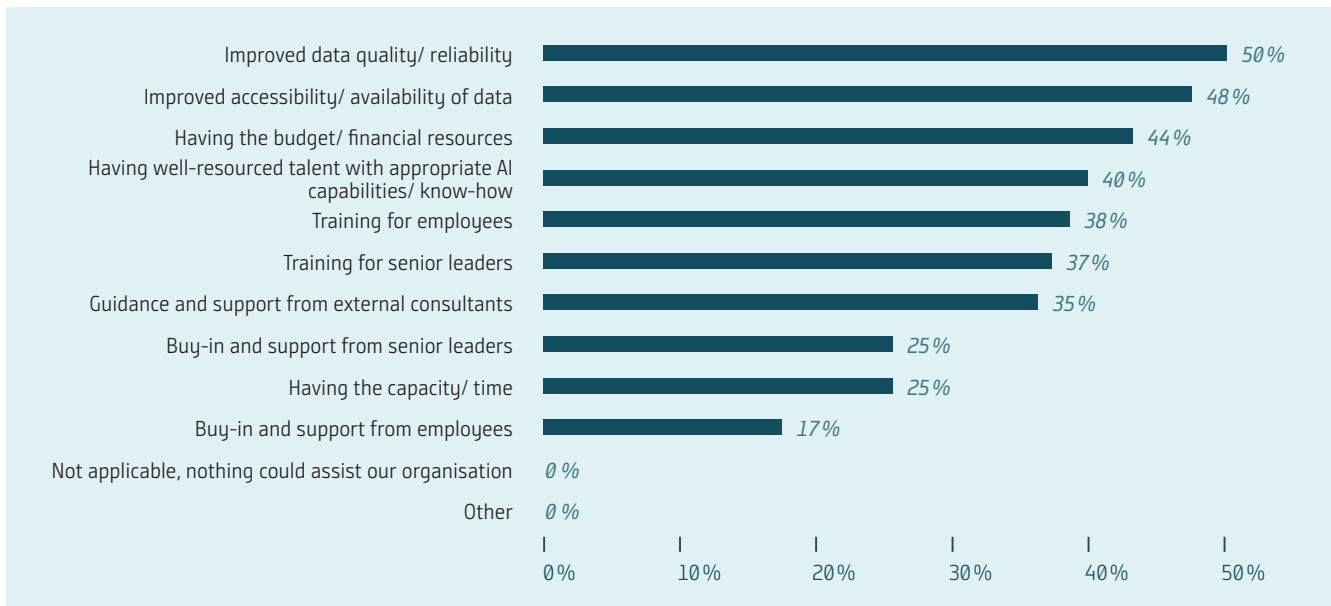
CHALLENGES FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 88% of banking organisations face at least one barrier or challenge to be fully prepared for AI implementation.
- 46% cite highly fragmented/'siloes' data as a challenge, the highest among all sectors.

6.0 WHAT COULD ASSIST THE BANKING SECTOR?

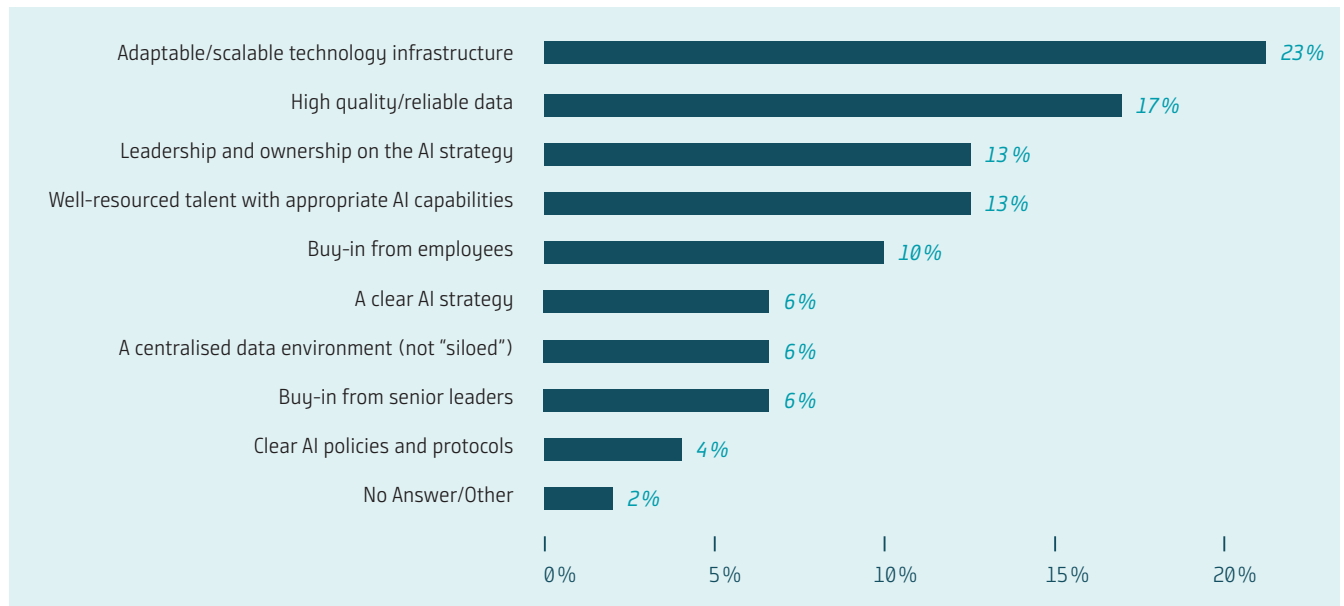
MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 48% cite improved accessibility/availability of data as something that could assist their organisation.
- 50% cite improved data quality/reliability.
- 38% cite training for employees.

7.0 KEY ELEMENTS FOR SUCCESSFUL AI IMPLEMENTATION IN BANKING

MOST IMPORTANT ELEMENTS FOR THE SUCCESSFUL IMPLEMENTATION AND USE OF AI



- 58% rank high-quality/reliable data as one of the top three most important elements, higher than aviation (30%) or business/professional services (37%).
- 38% rank adaptable/scalable technology infrastructure in their top three.
- 35% rank a clear AI strategy in their top three.

7.0 INSIGHTS AND RECOMMENDATIONS FROM INFORM

Data Integration and Quality:

Banking organisations must prioritise breaking down data silos and improving data quality. This could involve implementing data lakes or data warehouses, and establishing robust data governance frameworks.

Strategy Refinement:

Given the high percentage of poorly defined AI strategies, banks should focus on developing clear, comprehensive AI strategies aligned with their overall business objectives.

Change Management:

With high employee resistance, banks need to implement strong change management programmes, including AI literacy training and clear communication about AI's role and benefits.

Talent Development:

While banks feel well-resourced with AI talent, continuous investment in upskilling and reskilling programmes will be crucial to maintain this advantage.

Regulatory Compliance:

Banks should continue to ensure AI systems comply with all applicable regulations, particularly in areas like data privacy and algorithmic fairness.

Use Case Prioritisation:

Focus on high-impact areas like financial management and customer experience, where AI can deliver significant value.

Risk Management:

Given the sector's focus on risk management, ensure AI systems are robust, explainable, and aligned with risk management frameworks.

This tailored report highlights the specific AI readiness challenges and opportunities for the Australian banking sector. By addressing these key areas, banking organisations can enhance their AI capabilities and maintain their leading position in AI adoption.

8.0 CONTACT

INFORM develops software to optimise business processes using artificial intelligence (AI) and advanced mathematics of operations research. Founded in 1969 and headquartered in Aachen, Germany, the company promotes sustainable value creation in various industries through optimised decision-making. The software solutions are tailored to industry-specific requirements and help over 1,000 active customers worldwide to operate more resiliently and sustainably. They are used in many different sectors, including automotive, finance, wholesale, logistics, aviation, industry, transport and telecommunications. The company is committed to ethical AI practices and sustainable customer relationships and is increasingly focussing on cloud-based solutions.

Please contact us directly for more information about our company and AI software solutions.

Martin Bradley, Head of Risk and Fraud
INFORM Australia
Suite 404, 234 George St
Sydney NSW 2000 / Australia

+61 416 071 508
office-sydney@inform-software.com
www.inform-software.com.au

