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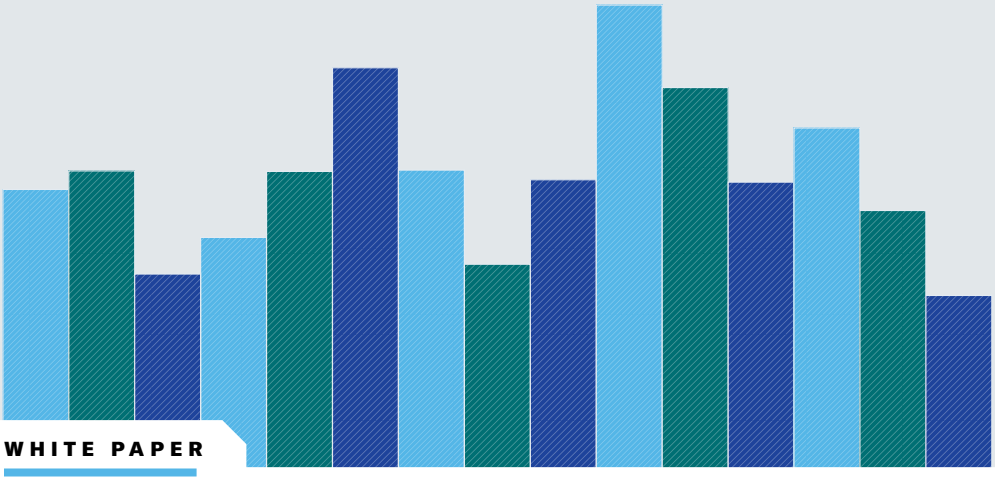

WHITE PAPER

Navigating the Future:

How Japanese and Asia-Pacific Businesses Are Embracing Generative AI

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The rapid growth of artificial intelligence (AI) adoption in the Asia-Pacific region has positioned that market as the fastest-growing for transformative technologies. As CEOs seek ways to drive growth and gain a competitive edge, generative AI (gen AI) has emerged as a focal point in reshaping industries and reimagining traditional business practices.

In contrast to traditional AI, gen AI represents a paradigm shift. It's not just a technological upgrade; it's a catalyst for a new era of work. Its impact extends beyond automating routine tasks and now encompasses enhanced creativity and innovation. Businesses are witnessing the potential to revolutionize work processes across various sectors, from health care to product and service creation to software development.

The core difference lies in the ability of gen AI to create, innovate, and augment human capabilities. It introduces a new way of working where human expertise becomes a critical differentiator, bridging the gap between technology and desired outcomes. This shift calls for strategic decisions in adopting gen AI and underscores the significance of selecting the right cloud provider to realize its full potential.

This paper explores how some of the most innovative growth companies in the Asia-Pacific region are leveraging gen AI to redefine the rules of the game. By harnessing Google Cloud's unified AI-ready data stack, foundation models, and integrated developer tools, companies can now build, deploy, and customize powerful AI models with ease.

Furthermore, our platform simplifies AI development and boosts productivity, providing always-on assistance to streamline workflows. With access to industry-leading AI models, companies can build advanced agents and optimize their workflow, maximizing their AI investments and staying ahead in their respective industries.

As enterprises aim to combine large language models with their own data, adopting gen AI and selecting the right cloud partner become crucial decisions. This paper provides a host of insights to help senior executives navigate the journey of transformation. It also offers a roadmap to make sure gen AI boosts productivity and innovation, unlocking growth opportunities for your business.

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Google Cloud

Navigating the Future:

How Japanese and Asia-Pacific Businesses Are Embracing Generative AI

Artificial intelligence (AI) is transforming the world around us, changing how we do business, how we learn, and how we live and interact with one another. Now, generative AI (gen AI)—the latest expression of AI that has captured the world's imagination with its ability to closely mimic human cognitive output—is dominating headlines and heralding almost unparalleled hype on the potentially revolutionary benefits of the technology, and the possible downsides.

Turn attention to the business world, and there is a far more pragmatic—though no less enthusiastic—conversation happening around gen AI. Businesses across all kinds of industries are already engaging with the technology, to incredible effect. The frontrunners are capturing previously unimaginable productivity benefits, with research from New York City-based consulting firm McKinsey & Co. released in mid-2023 predicting that gen AI-supported productivity will add up to $4.4 trillion in value to global corporate profits each year.[1]

As the race to capture these productivity benefits intensifies, the Asia-Pacific region is one to watch. With a growing middle class and a population naturally inclined to embrace new technology, Asia Pacific may produce many of the bellwether AI-driven companies, and the region is already innovating with gen AI.

For example, Canva Inc., the Australian design platform that has put design capabilities into the hands of ordinary people all over the world, has just launched its Magic Studio of gen AI-enabled design tools. Kakaku.com Inc., a major internet company in Japan, is harnessing gen AI as an efficiency aid for its employees, helping teams find internal documents and assisting

HIGHLIGHTS

As generative AI (gen AI) hype intensifies and organizations begin developing or evolving their artificial intelligence strategies, **senior business executives** must venture boldly into uncharted territory, working out how to **harness gen AI to improve customer experience and drive efficiency**.

The **investment** to successfully implement gen AI—and the **risk** of getting it wrong—**is potentially enormous**, **but it needn't be**.

Many Asia-Pacific businesses are finding quicker pathways to innovation by **partnering with the right cloud platform provider and ecosystem of partners**, and by experimenting with off-the-shelf tools and customizable solutions that can **unlock productivity benefits quicker**.

with coding. And India's NoBroker.com platform, which has disrupted the country's real estate industry and serves over 35 million customers, is turning thousands of hours of daily call recordings into targeted actions and opportunities that speed up service and unlock new sales and marketing opportunities.

Despite coming from very different industries, these businesses have each embraced gen AI as a natural extension of their commitment to delighting customers. They also have in common supportive leadership spurring them on to become early adopters. Sandra Ng, group vice president and general manager for Asia-Pacific Japan (APJ) research at Needham, Mass.-based International Data Corp. (IDC), says that gen AI has captured the imagination of business executives to a degree unseen with technologies that have changed our working lives in the past. "It is not just technology or product teams that are driving adoption. This is the first technology where executive support is high from the very beginning," says Ng. "That is very different. Executives themselves are saying. 'We have to evolve our AI strategy or adopt one,' or 'We have to push the envelope.'"

While visionary leadership is one part of the equation for early movers, the other is a robust and enabling digital infrastructure that supports the immense compute power and data storage capacity needed to run gen AI-based applications. Many Asia-Pacific businesses are turning to the cloud to ensure they have access to this enabling infrastructure and can leverage their own company data safely and to maximum impact.

Now, as gen AI hype intensifies and organizations begin developing or evolving their AI strategies, senior business executives must venture boldly into uncharted territory, working out how to harness gen AI to improve customer experience and drive efficiency. They must also carefully navigate ethical and cybersecurity issues, and find the talent needed to marshal this technology to deliver real-world value. Yet many executives still have only a cursory understanding of gen AI themselves.

The investment to successfully implement gen AI—and the risk of getting it wrong—is potentially enormous, but it needn't be. Many Asia-Pacific businesses are finding quicker pathways to innovation by partnering with the right cloud platform provider and ecosystem of partners, and by experimenting with off-the-shelf tools and customizable solutions that can unlock productivity benefits quicker.

This paper explores how gen AI is boosting innovation in Asia Pacific, and the strategies and infrastructure that businesses are adopting to support their gen AI journeys. It explores how companies in the region are using gen AI to revolutionize their businesses and highlights best practices for choosing the right cloud partner and ensuring organizational readiness for the gen AI era.

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Cloud as Critical Enabler

As businesses in Asia Pacific embrace generative AI (gen AI) to drive innovation, finding the right balance between leveraging third-party capabilities and developing in-house models is crucial, according to Yasmeen Ahmad, managing director, stratops and outbound product management, data & analytics, at Google Cloud. She explains that Google Cloud understands the importance of providing a comprehensive suite of gen AI tools. With over 130 models and tools, the company empowers businesses to choose a strategic mix that aligns with their unique needs. By unifying diverse capabilities, Ahmad says, Google Cloud makes it easier than ever to fast-track insights and be the critical enabler facilitating the seamless integration and scalability of gen AI—and ensuring businesses can harness its transformative power.

Generative AI's Revolutionary Nature

Stamford, Conn.-based technological research and consulting firm Gartner defines gen AI as a broad category of "AI techniques that learn a representation of artifacts from data, and use it to generate brand-new, unique artifacts that resemble but don't repeat the original data."[2] This capability makes gen AI different from other forms of AI, in that it can generate an output that resembles human expression, be it writing, images, moving images, sound, or code. Within the broad category of AI, large language models (LLMs) are the technology behind gen AI, which enables the creation of content based on text prompts—and which raced to popularity in 2023.

The implications of this latest expression of AI technology for enterprise productivity are profound, according to David Foster, author of the book *Generative Deep Learning* and founding partner of Applied Data Science Partners, a London-based business that supports enterprises with their AI strategy and implementation.

"It's tempting to think that this is the next small step up from what we've already got, but everything about it is very different," claims Foster. "The general cognitive capability that's been developed with LLMs is almost parallel to what the Industrial Revolution did for human mechanization. Where we used to have humans doing very boring, manual, laborious tasks, that's no longer the case—and we are now seeing the same sort of thing with cognitive tasks."

With this revolutionary tool now within reach for many organizations, businesses in Asia Pacific are starting to explore its real-world potential, says Duncan Eadie, the managing director of cloud, infrastructure, and engineering for growth markets at Accenture, a Dublin-based professional services company. "LLM technology has the potential to fundamentally transform everything across society, from scientific research to business functions within an enterprise," says Eadie. "In this region, I think most people's kids are already using gen AI to shortcut their schoolwork, but enterprises are still scrambling to catch up. The good news is that business use cases do exist today, and more are being invented all the time."

For Canva, gen AI has completely changed the game in what it can deliver for customers. Canva has been an early adopter of AI since the company's inception, and Danny Wu, Canva's head of AI products, says the business is now leaning into the gen AI opportunity, even though gen AI is widely seen as a disruptive threat to the design industry itself.

"Our mission is to empower the world through design by helping everyone to communicate visually and creatively," explains Wu. "We've been using AI for a number of years. Some of our early examples include our background remover for photos—speeding up a notoriously tedious, time-consuming design task. We saw this as a great early use case, and that sparked a lot of our AI efforts at Canva."

Following this success with AI, Canva has been on an accelerated journey with gen AI in the past year, launching its Magic Studio of gen AI-enabled design tools in October 2023. It has also created a gen AI-powered internal knowledge base for its employees, called Canva World Chat, and built AI capabilities into its customer services, too.

"We've been using AI technology for various non-product tasks like improving our customer support," says Wu. "When we fix an issue or add a capability or feature that people have requested, we use AI to find everyone who messaged us about it, and we let them know—we call that 'closing the loop.' AI helps us both in prioritizing what to do—by clustering reoccurring or frequently mentioned topics—and in getting back to people."

India's NoBroker.com real estate platform—the largest consumer-to-consumer real estate platform in the world—is another Asia-Pacific business at the forefront of harnessing AI to serve a vast customer base. The technology-led business has welcomed 35 million customers on the NoBroker.com platform to date, and it handles up to 85,000 real estate transactions every month. Given the enormous scale of the business, none of this processing would be possible without the various forms of AI the company has been deploying over the past seven years, says Akhil Gupta, NoBroker.com's founder and chief tech and product officer.

NoBroker.com is now using gen AI to transform its customer service capabilities. It has built a proprietary LLM, called Callzen.AI, that supports speech-to-text transcription and analysis of 7,000 hours of customer call recordings each day. Gupta says none of the off-the-shelf speech-to-text transcription tools could support India's eight main languages—especially given the tendency for people to constantly switch between English and local dialects.

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"We were able to crack that particular problem by building our own LLM," says Gupta. "Now, we can take any conversation and turn it into a transcript. Callzen identifies the moments when the customer is angry or asking a particular question and routes it to the relevant team within NoBroker.com. It can also make changes to our website without any human intervention. For example, as soon as Callzen identifies that a property is rented out, it connects directly with the backend system of NoBroker.com and removes the property from the site. There is no manual intervention at all. We call it the NoBroker Brain."

The NoBroker Brain also feeds into sales and marketing, translating customer calls into genuine leads for sales teams, or triggering specific targeted advertisements on social media. NoBroker.com has even been able to monetize its Callzen tool, selling it as a product to other Indian businesses facing similar challenges with speech-to-text technology.

An Unprecedented Productivity Booster

For all gen AI's incredible power, Accenture's Eadie believes the main use cases adopted in the business world—particularly for LLMs—will remain focused on efficiency and productivity for some time. "Based on our latest research, chief experience officers recognize the growth opportunity presented by gen AI. Yet for the foreseeable future, the most viable use cases are likely to be quite mundane—which may disappoint those

"The real-world use cases currently almost invariably focus on productivity, and we do expect gen AI to become a source of incredible bottom-line value, even as growth-oriented solutions emerge," says Duncan Eadie, managing director of cloud, infrastructure, and engineering for growth markets, Accenture.

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Harnessing the Necessary Human Capital

The ability to innovate and scale with the power of gen AI boils down to the will and skill of leaders and their teams, says Karan Bajwa, vice president, Asia Pacific, at Google Cloud. He says AI is in Google Cloud's DNA and the company's commitment extends beyond providing cutting-edge technology, as it works with governments, customers, and its partner ecosystem to bridge the skills gap and help businesses of all sizes navigate this transformative AI journey with confidence.

who like hype but is very exciting to a chief financial officer. The real-world use cases currently almost invariably focus on productivity, and we do expect gen AI to become a source of incredible bottom-line value, even as growth-oriented solutions emerge," says Eadie.

There are three primary ways in which gen AI is currently driving this productivity boost. First, by embedding gen AI capabilities into today's tools and giving employees access to an augmented tool set or "virtual assistant." Second, by helping data analytics professionals implement faster data pipelines through LLMs and now large multimodal models (LMMs), which make complex information stored in multiple formats like documents, images, and videos more easily accessible and transformable into structured data. And third, by enabling developers to include advanced cognitive capabilities in their applications through LLM or LMM technologies, without needing deep AI expertise.

These aspects and gen AI's ability to search massive data sets, collate pertinent information, and present it back in an integrated, meaningful format (all in a matter of seconds) are already resulting in enormous efficiency gains across all kinds of industries.

"One pharmaceutical company that was spending 50,000 hours a year writing up to 15,000 clinical reports and 400 manuscripts for regulatory approval is now saving 90% of that effort by using gen AI," says Eadie. "That still leaves 5,000 hours for human checking, but that's the same for human output. If I have someone in my team who's written something without gen AI, I still want to review it before it goes to a client. So, I don't see the processes as being any different. You have got to have quality control regardless; you can now just get to that first draft an order of magnitude faster."

Kakaku.com Inc. is seeing value from gen AI in areas such as text classification and named entity recognition. At Canva, software developers were some of the earliest adopters of gen AI. The design firm's Wu explains: "A lot of our engineers have been sharing case studies where gen AI is a very powerful problem-solving companion when working on tasks or fixing bugs. There are already lots of stories about our engineers saving days of work by using gen AI."

Importantly, Canva sees gen AI not as a replacement for people but rather as an augmentation tool that makes people's lives easier. Eadie sees it the same way. He believes the stories about millions of workers losing their jobs to AI are overblown, based on current evidence, including Accenture's own surveys: "In mid-2022, Accenture found that around 27% of developers' code, on average, was being generated by AI. When we ran the survey again in February 2023—just eight months later—we found it was generating 46% of developers' code, on average. Yet the demand for software developers continues to grow. These tools are not [putting] developers out of a job; they are just enabling them to do more, faster," says Eadie.

Cloud as Critical Enabler

Asia-Pacific businesses that are interested in capturing these productivity- and innovation-boosting benefits are now looking inward to ensure they have the digital infrastructure capable of supporting gen AI use cases. As Ng from IDC puts it: "Our research shows that companies that are more digitally advanced are more ready to play with gen AI, because they have all the foundations laid down. They have a digital-first culture, and digital workflows already in place."

Cloud is a critical part of that digital foundation, given the extreme volumes of compute processing and storage capacity that underpin gen AI. "Cloud and gen AI are so intertwined, and for good reason," explains Foster from Applied Data Science Partners. "LLMs have to be billions of parameters large to be so capable. To leverage that you need to have incredibly powerful and efficient compute. And that compute, more often than not, can be delivered cost-effectively and with low latency through the cloud." While the past six months have seen the introduction of more powerful models of a smaller size, the providers of these models still need access to robust and scalable cloud infrastructure to train them.

In this respect, not all clouds are created equal, says Canva's Wu: "While there is this race between the major cloud providers to offer everything their competitors offer, there are real differences in the capability and quality and performance of each," he says. For Wu, choosing a cloud partner that is a "native" of the AI era rather than a legacy technology business brings tangible benefits. "Our cloud provider has a very long history in AI research—they have been able to bring their internal research and internal capabilities to their cloud solution very quickly and very usefully. That's one area where some of the other cloud providers initially have had to partner with third parties to build up that expertise."

Because scaling quickly and affordably is a top consideration for any business looking to build or rent an LLM, choosing the right cloud provider from the start is critical. Founder Gupta claims that NoBroker.com's entire AI strategy has been made possible by cloud. "Without cloud, we could not have achieved what we've done to date, and the reason is scalability. As a business, cloud enables us to scale automatically without any manual intervention—and without even knowing we have scaled," he says.

"If we had chosen to do all of this on premise with our own data center, we would constantly be worrying about whether we are running out of compute capacity. We would need a lot of engineers who can manage servers, migrate applications, and so on. The cost of [graphic processing units] is also extremely expensive, and they are in high demand. So, cloud computing plays a big role for us," says Gupta.

Eadie goes as far as saying that cloud is what makes it possible for businesses to harness gen AI tools, from an affordability point of view: "If a company wants an LLM that is always on, always monitoring, and always learning to solve their business problems and act in newly informed and insightful ways, this is only made possible by a cloud-enabled modern data platform that has the scale and elasticity to provide the unlimited compute that you need—and, crucially, brings that compute to bear only when needed."

While companies can build the same architecture on premise, the cost of that would be prohibitive, explains Eadie: "You would have to procure and build for the peak, when you're training your model or running real-time analytics during peak transaction periods, for example. Cloud gives you scalability and also the elasticity to scale both up and down and pay just for what you need."

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Cloud and AI have always gone hand-in-hand at Canva, says Wu: "Canva was built on cloud from day one, and there are definitely a lot of benefits. Cloud enables us to focus on what we do best and spend less of our people's time on the nitty-gritty stuff of managing infrastructure. It allows us to scale a lot easier, which has proved to be exceptionally helpful for Canva's growth. And, finally, it creates an easier path toward adopting new technology and realizing the benefits of that."

Cloud can also facilitate easier access to the vast amounts of data needed to train LLMs. That capability is important because, according to Eadie, integrating your own proprietary enterprise data into an LLM is where the magic really happens. "For this technology to be truly beneficial to a business, a government, or a large enterprise, the LLMs need to be trained on their own data, because that's where the competitive advantage lies," states Eadie.

However, years of digital transformations have shown that making enterprise data truly usable and accessible is easier said than done. The cloud can help here, as well. "The cloud is a great platform for breaking down or mitigating data silos, whether it's in a single platform or integrating multiple cloud platforms with efficient network solutions,"

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explains Eadie. "You need smooth and efficient data flows between applications, and if you're running a multi-cloud strategy or a hybrid strategy where you've got on-premise and public cloud components, you need those different pools of compute to be able to interact in a seamless way as well."

Harnessing the Necessary Human Capital

While cloud computing can enable scalability and affordability—and support the infrastructure requirements of an AI strategy—people are a fundamental success factor as well, to the surprise of many businesses, like Canva.

"One key takeaway I've learned is just how important internal upskilling and training is," shares Wu. "You can have great teams, great leaders, and great subject matter experts, but when a new technology like gen AI comes along, everyone has to learn it. We have launched internal learning and development efforts, and these have helped us a lot. You can give people the tools, but teaching them how to get the most value out of them is 90% of realizing that journey."

Training will be particularly important given that there simply isn't an abundance of talent with gen AI experience readily available in the job market. This skills shortage could change how companies hire and what they look for in new talent, explains Foster: "It's difficult to know what to look for in terms of talent, because you're not going to find anybody with five years of LLM development or prompt engineering experience. That places the shift on softer skills, like critical thinking and problem solving. It's important for companies to realize there's going to be this paradigm shift toward people who can solve problems using a language model as an assistant."

This focus on soft skills and aptitude, and even an audacious, can-do attitude, is exactly the approach that NoBroker.com has taken in terms of its talent development pipeline, says Gupta. "We realized quite early on in our life that we will have to nurture these people," he says. "Our head of data science is an aerospace engineer hired fresh out of college. You need people who have a very strong basic understanding of computer science and data engineering, and you need people who are as crazy as you are, so there is a meeting of ideas—but at the same time they understand that these are practical things to be built, and it can be done."

The dearth of readily available talent with gen AI-specific skills makes the case for choosing the right partner even stronger, says Ng. "A lot of customers may not know what they want from a technology point of view and they are not sure how much budget they have or might need, so they are looking for partners who can bring the right skill set or talent to the relationship—the kind of skills that augment their company," she says. "Companies are beginning to figure out where they build, buy, or fine-tune as they explore use cases across business functions and their ecosystems. This will shape the ways they partner and who they partner with."

Navigating Risks and Ethical Concerns

While the people and talent aspects of gen AI success may be less well understood by businesses, the risks and ethics pertaining to the technology will be top of mind for many business executives. Foster groups the risks into three main categories: toxicity, hallucination, and legal risk.

"If you are deploying gen AI in front of a customer or employee, toxicity is the risk that it will say something that doesn't represent your company," explains Foster. "That can range from extremely harmful, toxic outputs through to something that simply doesn't align with the brand. Hallucination is a flavor of this, but it's where the output isn't necessarily harmful; it's just wrong. In some cases, the model hasn't quoted its sources correctly or it's fabricated an answer, and it's quite difficult to tell when that's the case," he adds. "Lastly, there's the legal risk. Companies need to be aware of where their data is moving and who has access to it."

These risks have been carefully considered at every stage of Kakaku.com's LLM adoption journey. Takafumi Kubota, machine learning engineer at the Japanese internet company, explains. "The output of gen AI can be highly random and may be difficult to control directly," Kubota explains. "This can result in statements that are ethically or legally problematic, and there is a risk that this type of output could damage the image of the company if it is visible to the user."

The company has taken several countermeasures, including "grounding," which links AI output to verifiable sources of information, and "reinforcement learning from human feedback," a method of training models to produce higher-quality output through such feedback. "These systems

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Navigating Risks and Ethical Concerns

Ethical considerations and risk mitigation are paramount in the generative AI (gen AI) landscape, according to Warren Barkley, senior director, product management, cloud AI, at Google Cloud. Google Cloud is committed to accelerating gen AI globally while upholding ethical standards, He notes. The company's recent initiatives include guaranteeing data residency, providing unified data governance capabilities to manage and secure multi-modal data, and integrating gen AI using native tools within data foundations to avoid putting data at risk. Barkley says this commitment aligns with Google Cloud's vision to provide businesses in the Asia-Pacific region with the assurances they need. By choosing Google Cloud, businesses can navigate the ethical dimensions of gen AI. Barkley says Google Cloud is committed to working with its customers to address their concerns and guiding them through the essential questions surrounding responsible and secure artificial intelligence practices.

substantiate or justify the output, suppress output that humans may consider unfavorable, and prevent output if the text contains certain words in the first place," says Kubota. "We believe that, with these systems, it will be possible to ensure a certain level of ethics."

In addition to using the various out-of-the-box mitigation tools on offer from the major cloud providers, having clear data and AI strategies in place is paramount, Wu believes. "A key challenge for us at Canva is leveraging AI while also upholding our values. 'Being a good human' is one of our values that informs a lot of what we do," says Wu.

"Trust and safety around gen AI is obviously a major topic—and they are not just words; they are a philosophy for how you build AI, and you have to think about them from the very start. At Canva, we have two approaches—the first is treating and seeing gen AI as a tool that helps humans, not as a replacement for humans. The second approach is about ensuring equitable outcomes," explains Wu. "We get consent from all our creatives and users before we train our models with their data—it's free consent, and they can opt out anytime—and we share the rewards of gen AI with our global creative community through our Canva Creators' Fund." This fund was launched in 2023 to compensate designers who contribute their content to train Canva's AI model.

Best Practices for Gen AI Readiness

Exciting and daunting as the road ahead may be, there are many practical steps businesses in the Asia-Pacific region can take today to kick-start their gen AI initiatives. The experiences and insights from regional businesses and subject-matter experts point to six best practices for getting started in a way that's practical, affordable, and ethical—and ensures faster returns on investment.

Start small. In 2023, a typical first step taken by companies into gen AI was via a pretrained LLM from a cloud provider. "Obviously, the cloud model allows companies to jump onto the gen AI bandwagon and then scale from there," says Ng. To decide on the business use cases, Foster advises companies to "create an AI taskforce of people from around the business who have an interest in this technology and who know what problems they are facing in their department. Have technological people in the room who can start building pilots in a controlled, internal environment. Then invest in the most promising solutions."

Identify low-hanging efficiency opportunities. "On average, our research has found that some tasks within any given job could be augmented or automated with gen AI," says Eadie. "Companies can start this journey by deconstructing existing jobs into underlying bundles of tasks and then assessing the extent to which gen AI will affect those tasks—will they be fully automated, will they be augmented, or will the task be unaffected by gen AI because it is physical in nature?"

Choose the right ecosystem of partners. Selecting the right partners can decrease investment and speed up time to value. It can also de-risk the innovation process by giving companies access to a range of off-the-shelf, customizable solutions. "We've learned it can be very valuable working with partners in this space," says Wu. "In the same way that cloud helps Canva move at the speed we do, working with third-party foundational models helps us build gen AI features and experiences that create value and allow us to spend less effort on deep and expensive model training that's not specific to our business needs."

Gupta says the right cloud partner has been critical to NoBroker.com's remarkable growth. "When our current cloud provider entered the Indian market, we reviewed them against their main competitors. We chose them because we are technologists at the core, and they are at the forefront of this technology."

Be prepared to fail and learn. Exploration and rapid experimentation are essential to innovation, and NoBroker.com has taken an agile approach to its early adoption of gen AI. Gupta says: "We were smart enough to invest in people, and

"On average, our research has found that some tasks within any given job could be augmented or automated with gen AI," says Accenture's Eadie.

give them the freedom to fail and innovate. There are many things we have built which have not worked. And it has taken us many, many years to build what we have in Callzen." Buying off-the-shelf solutions can help reduce the chances of failure by speeding up time to value, lowering costs, and limiting the extent of technical skills needed within the business, as Canva and Kakaku.com. have both experienced.

Harness human ingenuity. While many of the challenges regarding gen AI's enterprise-based applications relate to technical feasibility and cost considerations, it is people who will solve these challenges, according to Kakaku.com's Kubota. "In order to clear these hurdles, we believe that professionals in the business side, in AI technology, and in production systems need to move through a continuous learning and improvement cycle together, making efforts at mutual compromise," he says.

Be serious about ethical and legal issues. Ng admits that organizations in Asia Pacific are "concerned and worried about their reputations and their data protection" when it comes to gen AI. And while every country in the region has a data protection or data privacy act, the enforcement levels vary greatly from country to country. Understanding these laws and developing policies that state your own organizational position is a foundational step.

Conclusion

Gen AI has exploded onto the technology scene and captured the imagination of the public and the business world alike. The transformative impact of this technology is already promising to revolutionize work as we know it across almost every industry—changing everything from how health care is delivered and how smarter products and services are created to how software is developed.

To harness the best of gen AI—and avoid potential downsides regarding risk or overinvestment—senior executives of Asia-Pacific businesses can separate hype from facts and put in place the basic elements for success. A core element is the premise of not "going it alone." From having the right enabling digital foundation to selecting the best cloud provider or procuring proven, off-the-shelf solutions, the businesses that get ahead in the region's gen AI race fastest may be those that choose their partners most wisely.

Alongside the right ecosystem of partners, senior executives could start by developing a clear strategy, establishing the enabling digital infrastructure, readying their workforces, and designing safeguarding measures. Taking these steps could help them reap the unimaginable productivity and innovation rewards that, until a year ago, were largely out of reach for most Asia-Pacific companies.

Endnotes

1 McKinsey Global Institute, "The Economic Potential of Generative AI: The Next Productivity Frontier," June 14, 2023. https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier.

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