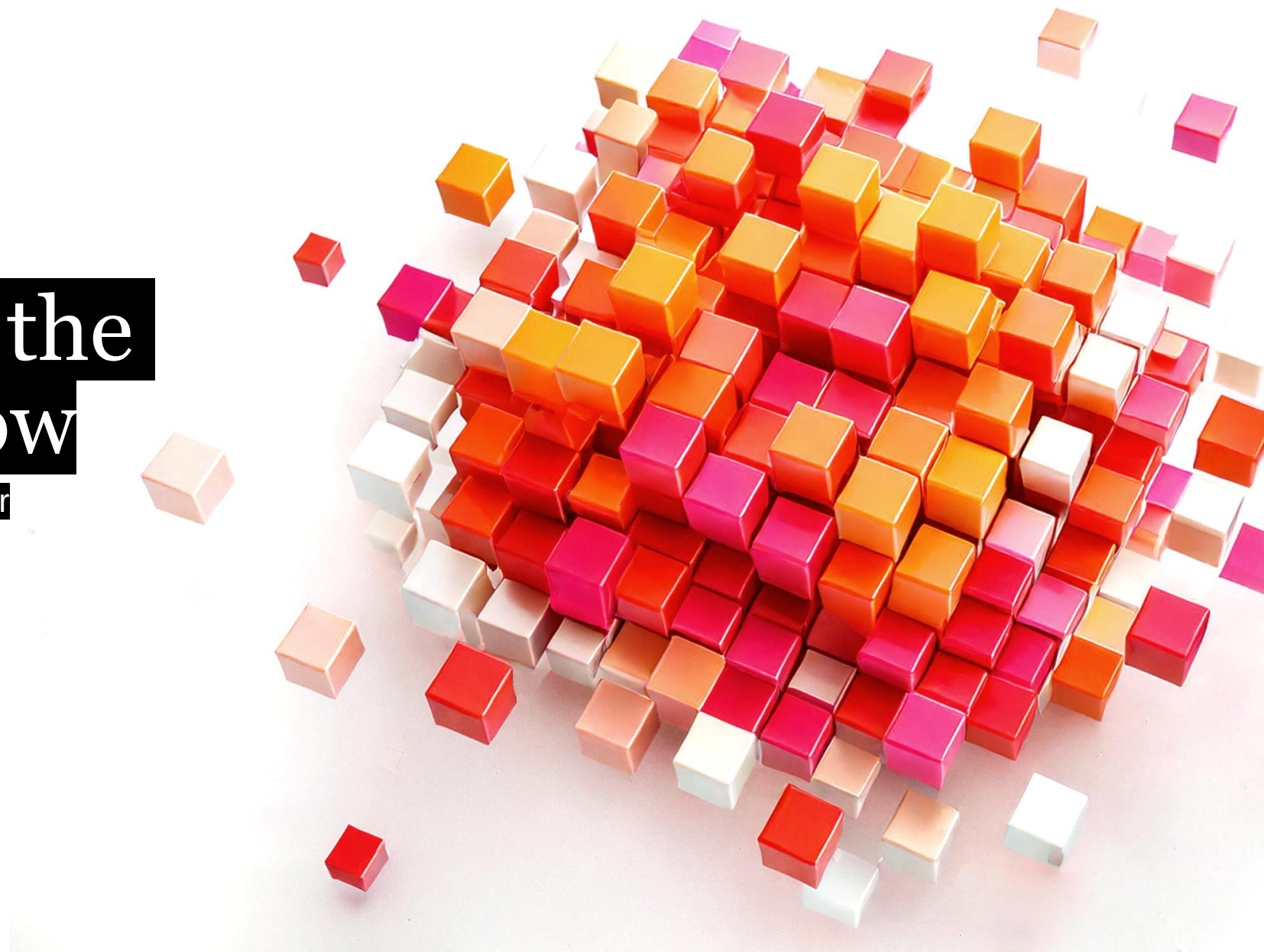
20 March 2025

Reinvention on the edge of tomorrow

Rob McCargow | Technology Impact Leader



One month in AI

TECH

How China's new AI model DeepSeek is threatening U.S. dominance

Trump announces private-sector $500 billion investment in AI infrastructure

Apple suspends error-strewn AI generated news alerts

Google's 'AI Co-Scientist' Cracks Decade-Long Research Problem In Two Days

What is Keir Starmer's plan to turn Britain into an AI superpower?

Energy access, data storage and privacy concerns will prove obstacles, say experts

Elon Musk launches $94.7bn bid to buy OpenAI back from rival Sam Altman

CEO Altman shoots it down, mocks X

CEO Survey 2025

Growth ambitions put CEOs on the verge of generational change

An urgent need for change

34% of UK CEOs believe their business won't be economically viable within 10 years on its current course – **up from 21% last year.**

Over the past four CEO Surveys, the proportion of CEOs expressing confidence in their three-year revenue outlook has dropped from **71%**, to **64%**, to **61%** and now **57%.**

The intent to reinvent

98% expect to make material changes to their business or operating model in 2025.

32% say their entire organisation must evolve.

66% of UK CEOs are developing new business capabilities or operating models in pursuit of growth.

GenAI ‘reality check’ doesn’t dim appetite for technology

A GenAI 'reality check' leads to recalibrated ambitions

Last year, **45%** of CEOs said they expected GenAI to increase their profitability within 12 months. **However, this year, 79% say GenAI has made little to no impact on profitability.**

This year, **36%** say they expect GenAI to increase profitability.

Barriers to emerging technology adoption

47% of UK CEOs cite skills gaps.

44% cite a lack of understanding of ROI.

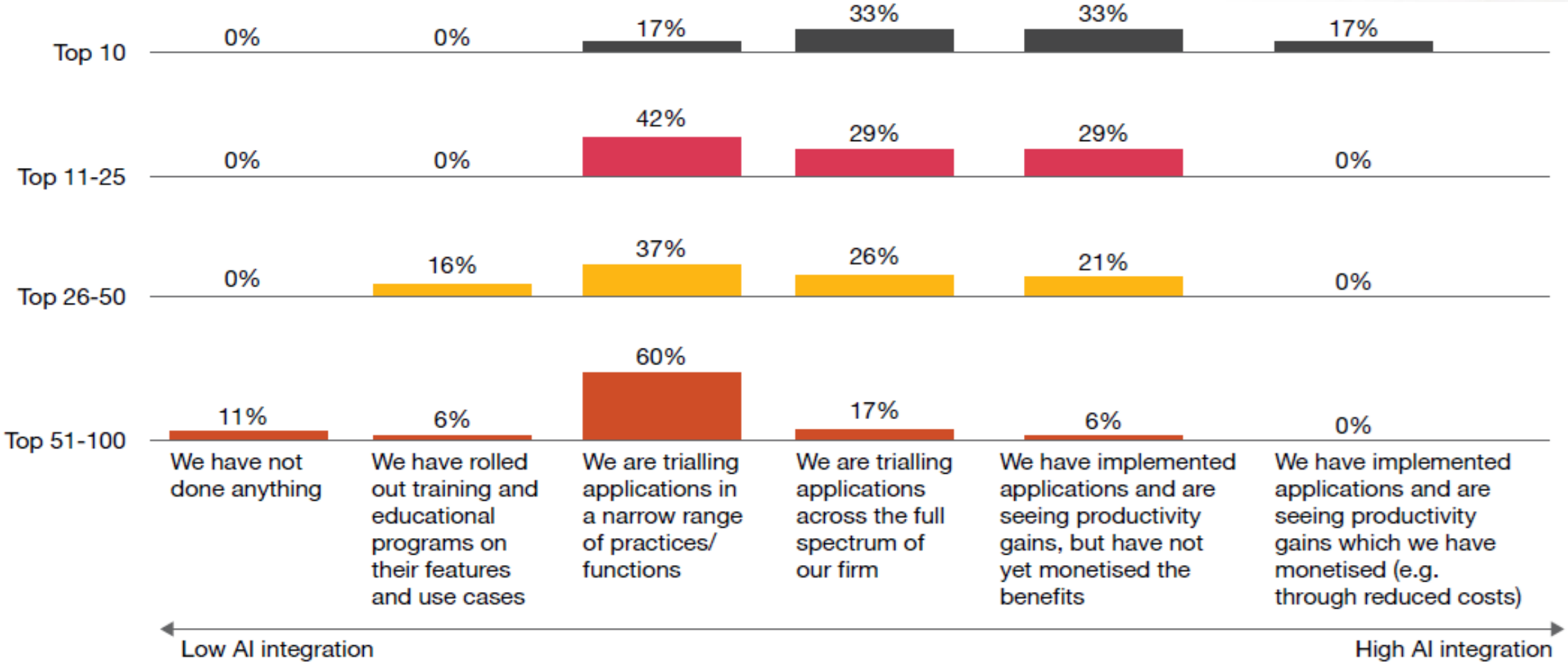
26% cite high levels of risk with tech investments.

24% say stakeholder buy-in.

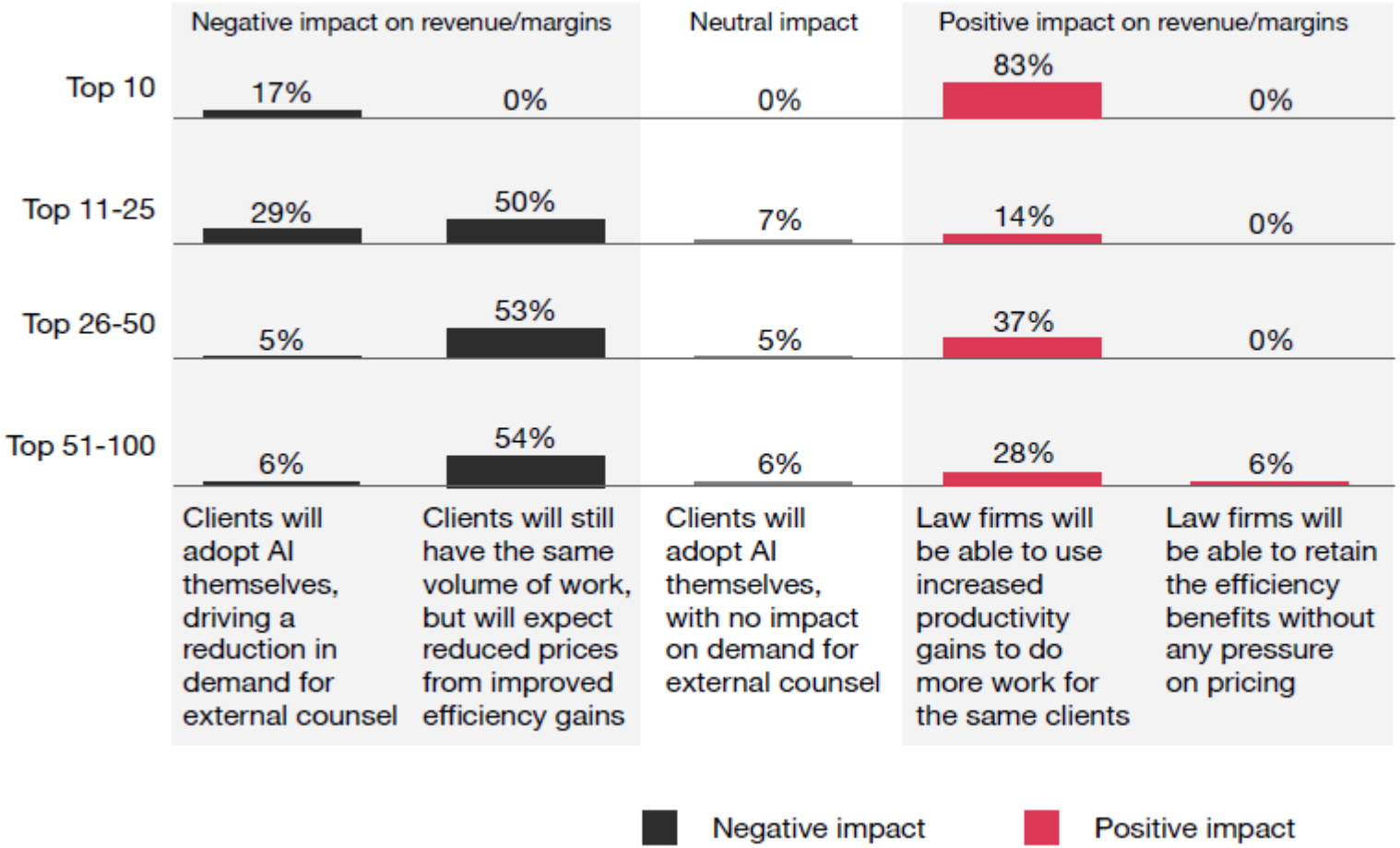
17% cite a lack of trust in emerging tech.

Law Firms' Survey

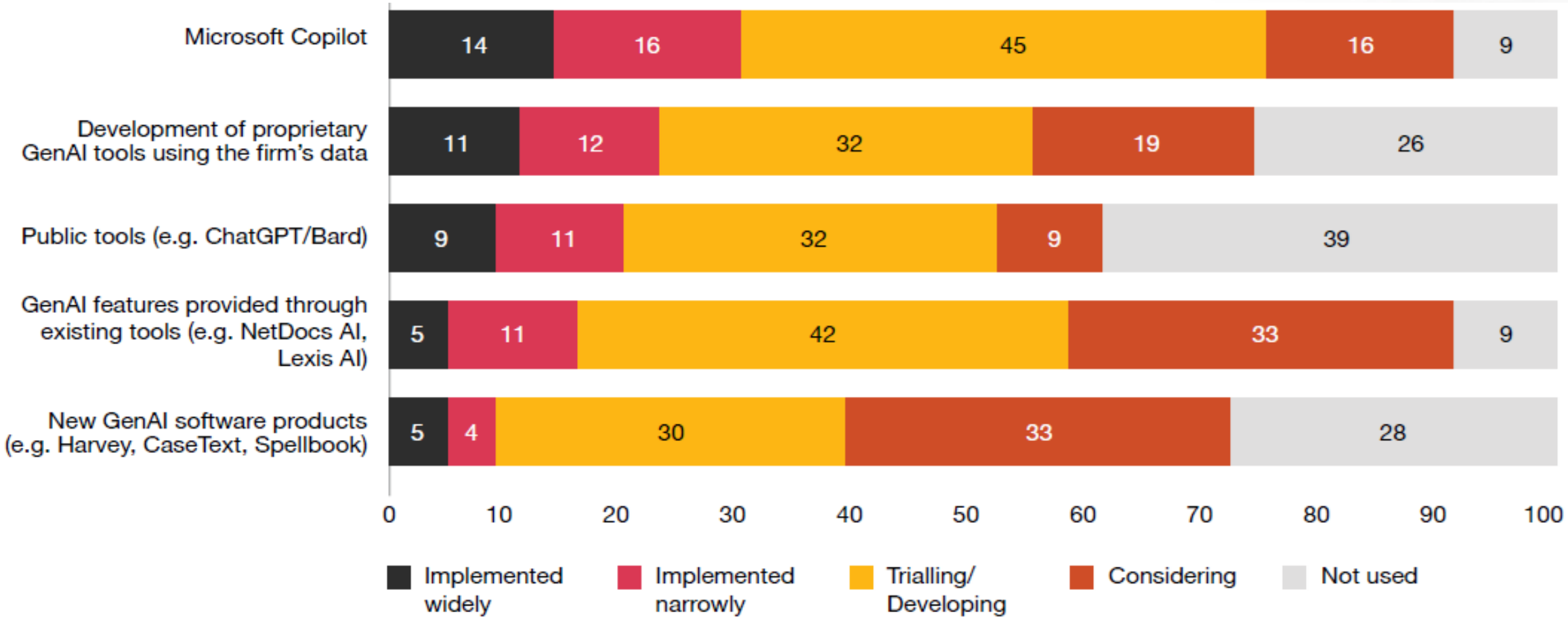
Extent of usage of AI tools



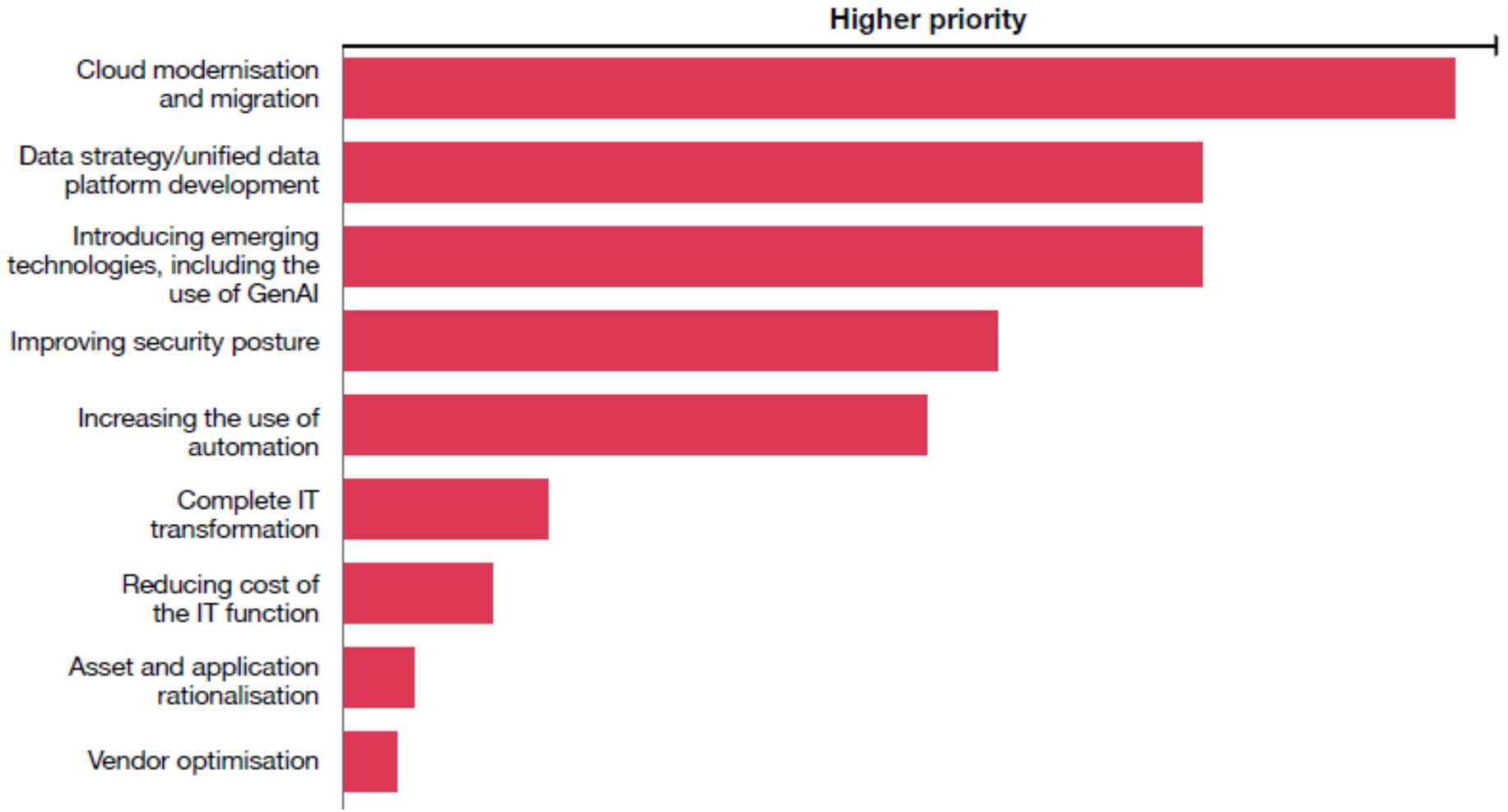
Impacts of GenAI on legal sector if adopted more widely



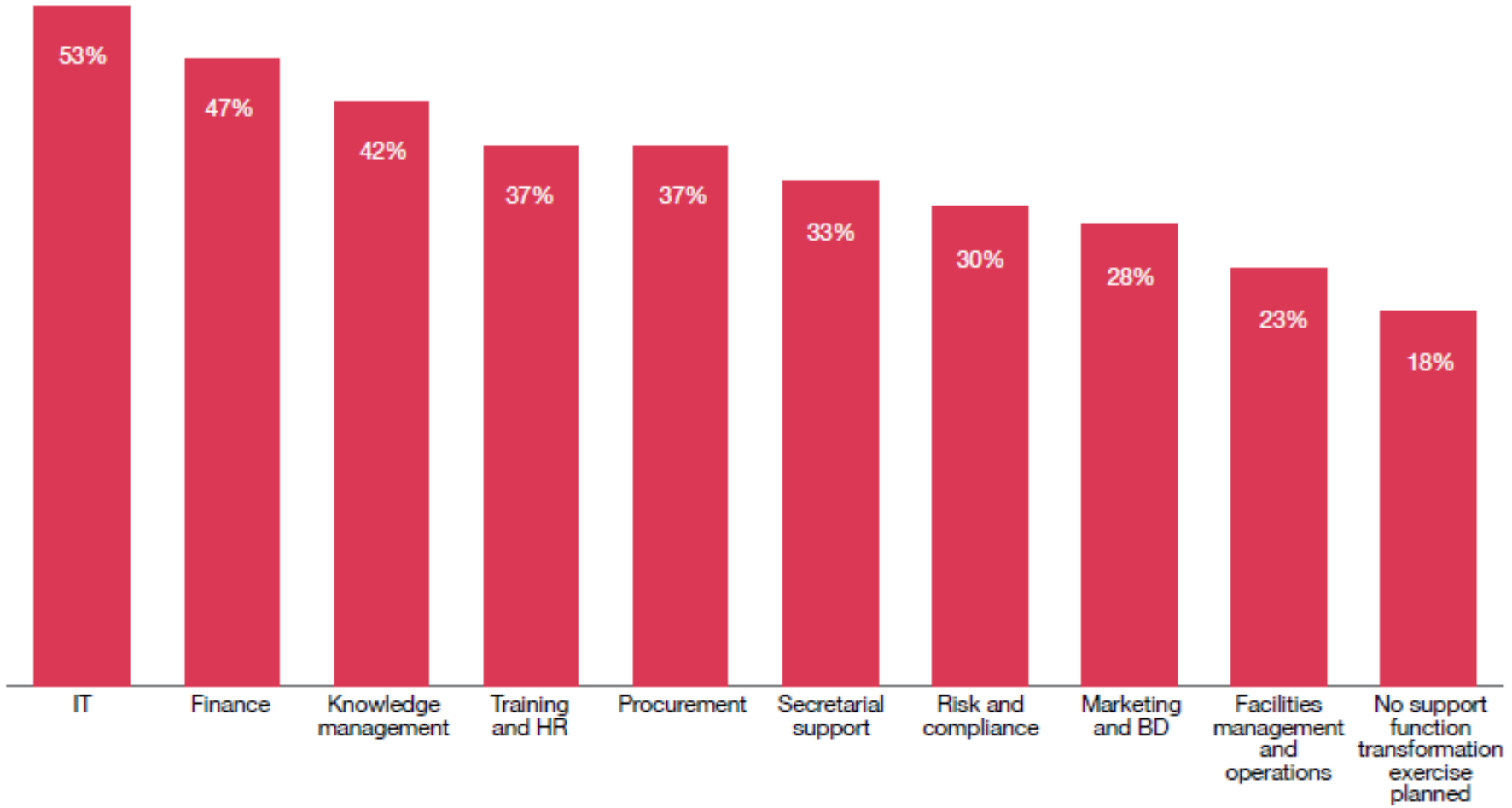
Extent of use of specific GenAI tools (Top 100 firms - %)



IT support function priorities over the next two years



Support function areas where a transformation exercise is planned in the next 1-2 years



AI in the enterprise

AI: The David Beckham of Technology?

“He can’t kick with his left foot, he can’t head a ball, he can’t tackle, and he doesn’t score many goals.
Apart from that, he’s all right”

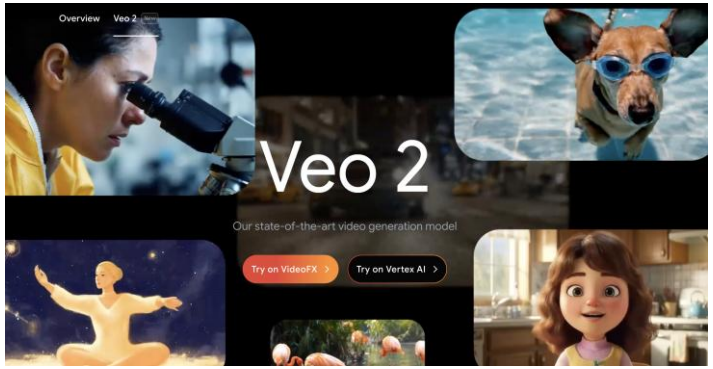
George Best

Why is this AI movie different from the ones we've seen before?

Multimodal

Combines text, images, audio, and video into cohesive outputs, enabling transformative applications.

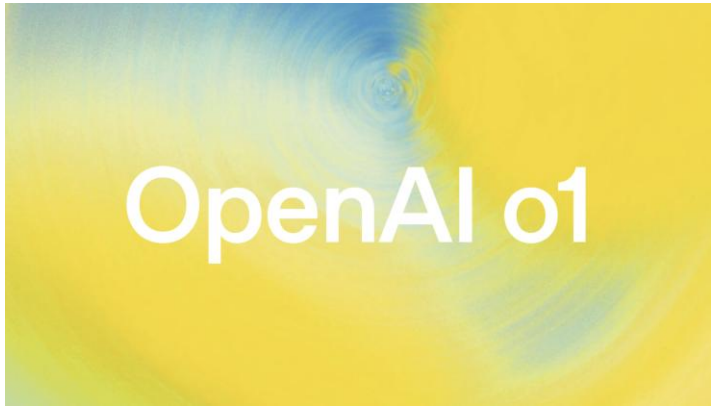
- **Expanded capabilities**
- **Enhance communication**
- **Industry innovation**



Advanced Reasoning

Advanced reasoning models revolutionise problem-solving and knowledge work with sophisticated capabilities:

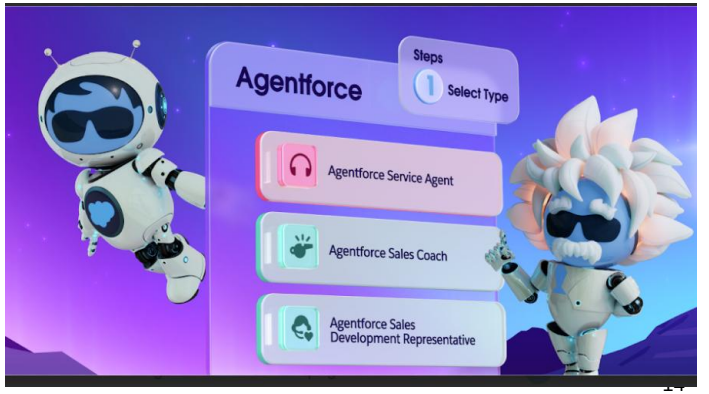
- **Complex problem-solving**
- **Analytical depth**
- **Knowledge work transformation**



Agentic AI

Leverages goal-driven LLM agents & systems to autonomously execute tasks.

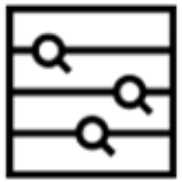
By 2028, 15% of daily work decisions will be made autonomously; 75% reduction in deployment time; 85% lower manual effort.



Agentic AI governance and controls – questions to ask

1. How much **agency** / how many degrees of freedom does the system have?
2. Are the system's **objectives & boundaries** aligned with corporate/regulator objectives and boundaries?
3. Is the governance and control system **dynamic** enough to deal with an adaptive system?

4. Where are the **humans-in-the-loop** positioned and which decisions require human approval?
5. What is our **accountability framework** – who is responsible for what?
6. Do we have the **skills** to assess, control and mitigate the risks we are adopting?



7. How are interim and output **validation processes** structured?
8. Are transparent **explanation** layers and logs built in?
9. What are the soft and hard **performance thresholds**, and where is the **kill switch?**

10. What happens when our system has **interaction with other 3P agents** which are not under our control?
11. Are we prepared for **emergent risks** and can we mitigate this through simulations?
12. Have all of these issues been **considered from inception** and throughout the development cycle?

Leadership can benefit from and drive AI

With some use cases cementing their place as **table stakes (TS) within a function**

CTO

- **TS:** Automate code generation/debugging with tools like GitHub Copilot.
- Streamline DevOps with virtual assistants.
- Use citizen data engineers to decentralise AI delivery.
- Optimise tech spend through platform ROI analysis.

CFO

- **TS:** Leverage GenAI for automated financial reporting and forecasting.
- Automate accounting tasks like invoice processing.
- Detect anomalies with real-time AI-driven risk monitoring.

COO

- **TS:** Use AI-powered customer support for high-volume inquiries.
- Cut service costs and boost productivity with chatbots.
- Analyse internal processes to identify automation opportunities.

CMO

- **TS:** Personalise brand communication with AI for tailored engagement.
- Scale campaigns with AI-generated creative assets.
- Refine strategies using AI insights on customer behaviour.

CRO

- **TS:** Monitor compliance in real time with AI.
- Stay ahead of regulatory trends with AI-driven analytics.
- Proactively mitigate risks by aligning governance frameworks with AI insights.

Businesses have taken on different approaches in how they safely procure and deploy AI across the organisation

Generative AI Stack

- **Application**
- **Data Retrieval & Prompt Engineering**
- **Fine-Tuning**
- **Foundational Model**

Buy ⟷ **Build**

Buy

- ✓ Relatively **lower cost and TCO**, with many AI providers offering invested or discounted fees
- ✓ Offers **great versatility** in general-purpose GenAI models
- ✗ May not be the best for organisations with **domain/industry-specific needs** and use cases
- ✓ **Easy to implement** and **fast time to market**
- ✓ Implementation advantages of **consuming embedded applications and APIs**

VS.

Build

- ✗ **High total cost** from inference costs to retrieval consumption, particularly if building a model from scratch (a key lesson learnt from early explorers)
- ✓ Can be **tailored to match an organisations** specific client and customer needs
- ✓ Solutions built from scratch **see improved accuracy**
- ✗ Implementation requires **additional time and effort** to scope, design, and build ahead of delivery and roll-out

Your AI maturity scale

Key — Our understanding of your current maturity level

	Essential AI foundations			AI maturity and scaling		
	These activities are now 'table stakes'			These are critical to prioritise for rapid advancement		
Strategic	Defined clear AI focus areas aligned with business goals	Incorporated AI into the broader business strategy	Communicated AI strategy across the organisation	Set adoption targets for AI	Defined consistent metrics to track the performance and impact of AI projects	Shifted to an AI-first business model
Data	Assessed data readiness for key AI use cases	Developed foundational data capabilities to support AI initiatives	Extended data governance to cover AI	Implemented AI-specific data quality frameworks	Enabled real-time data pipelines for continuous AI training and inference	Enabled real-time AI performance monitoring
Technology	Conducted POCs for 1/2 use cases and moved to production	Set a framework for build vs buy decisions	Developed a repository of AI components or APIs for reuse	Defined a standardised AI reference architecture	Adopted MLOps/ ModelOps for scalability	Built robust AI platform capabilities
Governance, Security and Ethics	Established and communicated internal AI policies	Identified key AI risks and implemented mitigation strategies	Developed a model validation framework to ensure AI model accuracy	Established a cross-functional AI governance board	Tested and implemented AI governance tools	Defined AI decision-making rights
Operations and Change	Enabled organisation-wide access to AI tool(s)	Provided access to specialised AI tools for specific departments	Conducted an AI agent impact and readiness assessment	Set up monitoring of employee readiness for AI	Redesigned core business processes with AI integration	Adopted AI-first processes, including AI agents

Client Zero

Our 5 Step Process

The How…

1. **Leadership driven change**
2. **Equip and empower your workforce**
3. **Promote responsible AI**
4. **Iterate and standardise**
5. **Measure success**

Leadership-driven change

EXCLUSIVE CIO JOURNAL

PricewaterhouseCoopers to Pour $1 Billion Into Generative AI

Multiyear investment in U.S. business includes accessing ChatGPT maker OpenAI's language model, training staff in AI capabilities

TECH

PwC agrees deal to become OpenAI's first reseller and largest enterprise user

PwC + Add to myFT

PwC launches UK operations overhaul to include standalone tech and AI unit

Big Four accounting firm to reorganise areas of the business affecting 2,700 staff and partners

PwC's move marks the latest reorganisation of a Big Four accounting firm as the sector seeks to adapt to changing client demand
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Equip and empower your workforce

Firmwide vodcasts on the GenAI applications, risks and opportunities.

Generic and technical ‘roadshows’ for Partners & Directors.

PwC UK Gen AI Hub ‘1-stop shop’ for content, technical guidance, risk and governance processes, and PwC’s GenAI business rules.

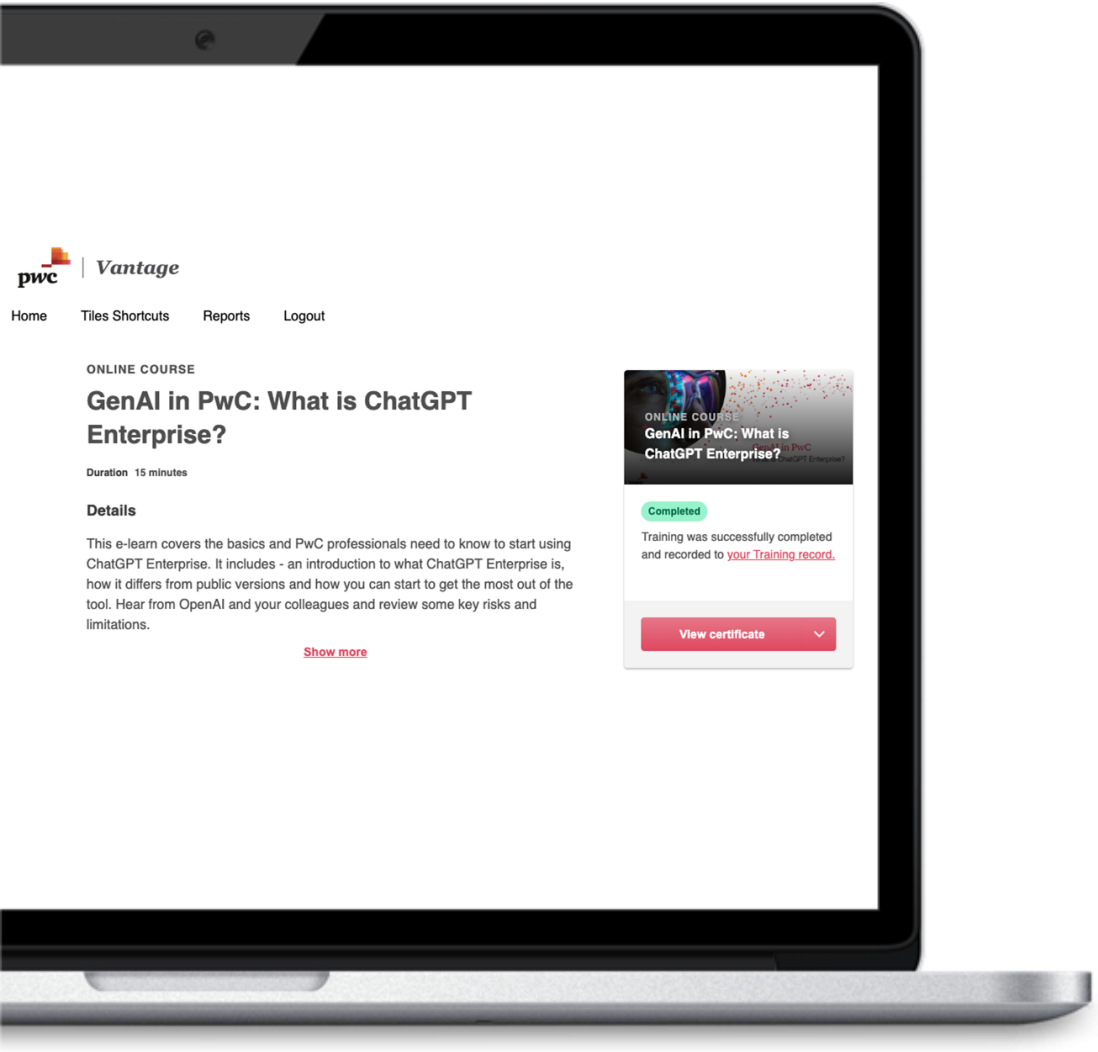
‘Build once, use many’ approach, applying our Responsible AI framework at all stages.

Activating 500+ GenAI change agents to drive change in our everyday activities.

Upskilling and training of our workforce to ensure the workforce know how to safely / strategically / effectively use AI tools.

Putting the tools in the hands of our people to drive transformative workplace change.

Promote Responsible AI usage



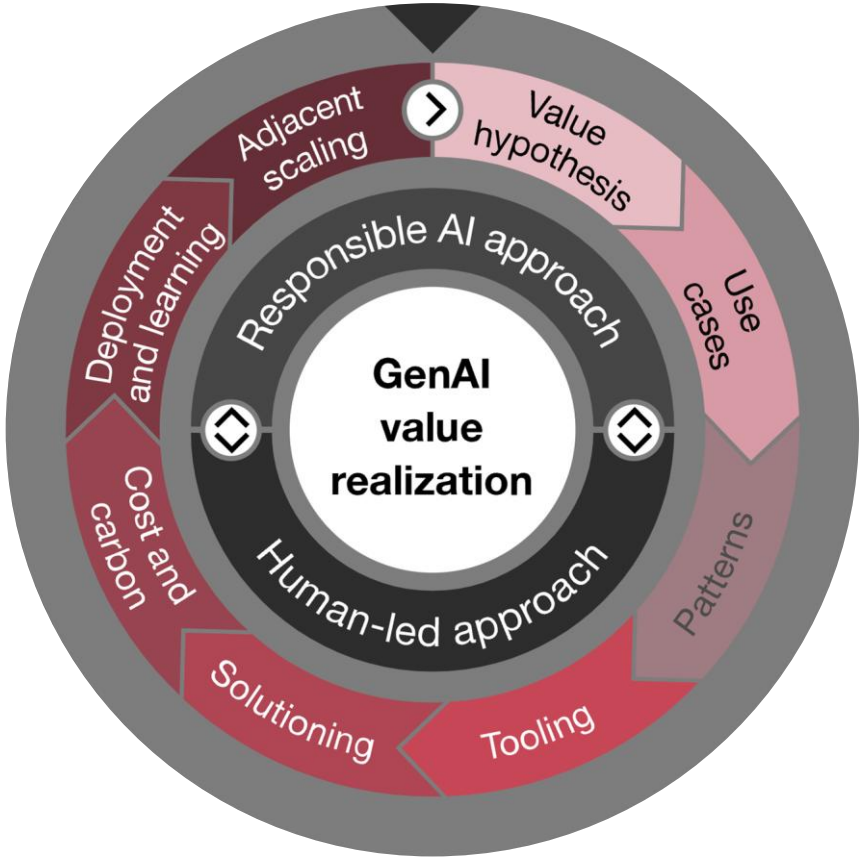
WHAT WE DID

Implemented **mandatory training** before granting access to GenAI tooling

Enhanced **Risk Management** team's skills to handle AI-related queries

Established **safeguards** for responsible AI use

Iterate and standardise approach



Top Tips

Set up an **AI factory** to centralise and streamline AI development

Established a **standardised deployment approach** for consistent rollouts

Encourage a feedback loop to refine and improve

Measure success

WHAT WE DID

Define clear metrics for each initiative

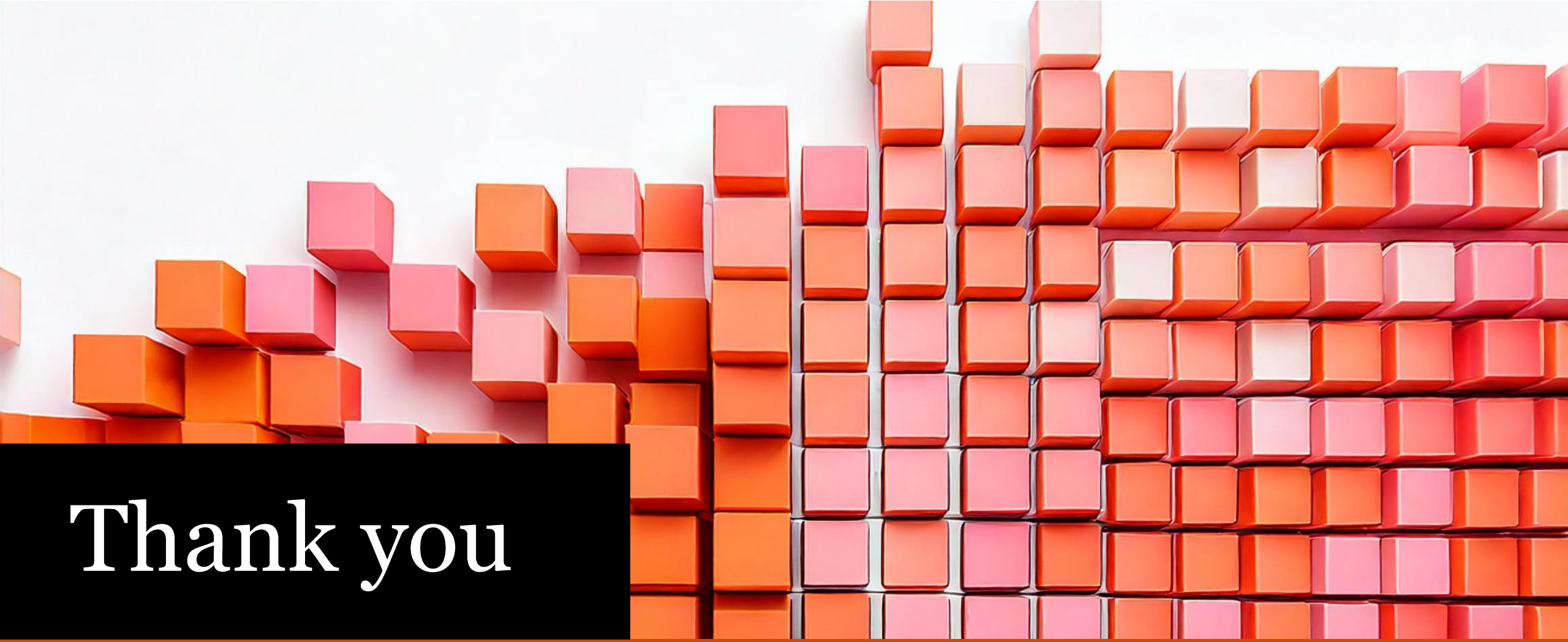
Measure efficiency gains and time savings

Redirect saved time toward growth initiatives

Final thoughts

Lessons from early adopters of GenAI

1. People over technology
2. Careful pilots and scaling
3. Strong leadership and collaboration
4. Data-Driven organisations excel
5. Risk awareness and management
6. Workforce focus



Thank you

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