

Plugged In or Left Out?

Navigating the Emerging
Generative AI Gap

Separating the hype from the reality.
How ready are UK organisations for generative AI?

Oakland



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Introduction

A Pragmatic View of the Generative AI Gold Rush

Generative AI is the buzzword of the moment. Attend any industry conference or skim through the latest Gartner hype cycle, and you'd be forgiven for thinking we're on the cusp of a generative AI utopia. Everyone's doing it. Everyone's winning. Everyone's transforming their businesses at warp speed.

Except, well... they're not.

Here at Oakland, we've had some revealing conversations while compiling this report on the readiness of major organisations to implement generative AI. Spoiler alert: the reality isn't quite keeping up with the hype.

The promise of generative AI? Undeniable. It's huge, transformational, and brimming with the potential to revolutionise

everything from knowledge management to supply chains. But, as we've discovered, the shiny promises often run headlong into some less-than-glamorous truths: insufficient budgets, skeptical data leaders, and a struggle to point generative AI at the problems that matter most.

It turns out funding for generative AI is a tale of two halves. On one side, tech-native organisations investing heavily in generative AI innovation. On the other side of the fence? Everyone else, where the mantra seems to be, "Do more with what you've got." Data leaders are being handed existing budgets, told to dig deep, and deliver miracles—an awkward question when many struggle to demonstrate ROI from past data investments.

But all is not lost. Amid the skepticism and budget battles, a clear path forward is emerging. Organisations that succeed in this brave new generative AI world will be the ones who can cut through the noise, target generative AI at real, value-generating business problems, and crucially convince everyone from the C-suite to the frontline teams to get on board.

Generative AI could be game-changing. But as this report reveals, getting there will require focus, courage, and a clear view of both the opportunities and the obstacles.

Andy Crossley
Oakland CTO

Knowledge Before Assumption

Here at Oakland, we've spent years (40 if we're getting down to the nitty-gritty) helping organisations use their data to drive innovation, efficiency, and growth. With AI evolving at breakneck speed, we were curious - where do UK organisations stand on their AI adoption journey?

To answer this question, we commissioned independent research via YouGov to explore how businesses across the UK are engaging with AI. We wanted to understand the challenges they face, the successes they've achieved, and the opportunities they see for the future.

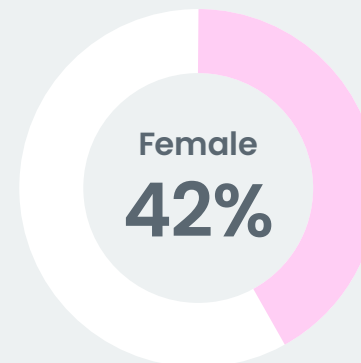
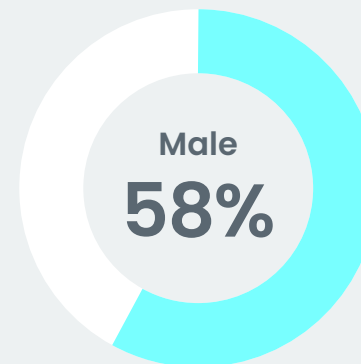
Our study offers unique insights into the current state of AI adoption - highlighting where organisations excel, where they're lagging, and how they can close the gap to fully harness AI's potential.

This report will help you benchmark your organisation's progress, identify best practices, and shape your next steps to making sure AI works for you.

Who answered the generative AI survey?

Chief AI officer (CAIO)	1%
Head of AI/ML	2%
Director of AI or machine learning	2%
Chief data scientist/head of data science	2%
AI program manager/AI project manager	6%
Chief data officer (CDO)	7%
Director of innovation or digital transformation	8%
Chief technology officer (CTO)	9%
Head of R&D (research and development)	10%
Head of analytics	12%
Other	41%

Demographic



Age split

Male 18-24	1%
Male 25-34	6%
Male 35-44	10%
Male 45-54	12%
Male 55+	29%

Female 25-34	6%
Female 35-44	9%
Female 45-54	12%
Female 55+	15%

○ Surveys

Do Leaders Trust Generative AI Technology?

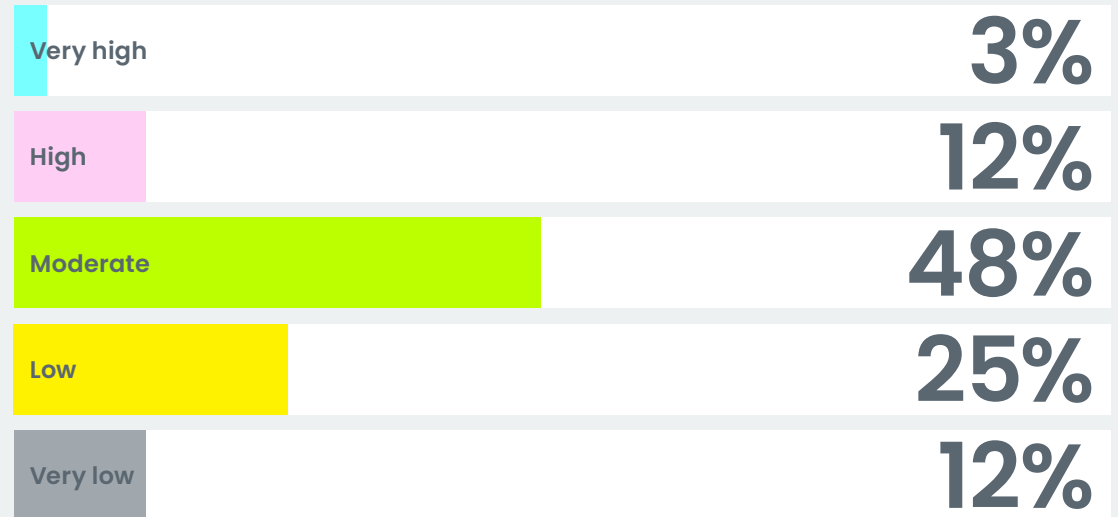
Generative AI has been billed as a ‘digital workforce that doesn’t need vacations or other benefits’ (Gartner, 2024). A new team member who can do things with or without us. Able to upskill your existing workforce and quite frankly do things that no human would have the time to do.

This all sounds like a productivity gold rush, but do business leaders, by now accustomed to the reality of generative AI, trust it to deliver these promises?

When asked to rate their overall trust in generative AI technology, almost 63% of leaders had either a moderate or high level of trust in the technology. This is largely down to a combination of technological advancements, use cases, and shifting perspectives about generative AI capabilities.

However, this wasn’t the case for all, and a significant proportion, 37%, still have a way to go before they can completely trust the technology.

How would you rate your overall trust in generative AI technology?



Our thoughts

Generative AI is transforming the way we work, with data flowing from every direction—spanning business apps to previously inaccessible unstructured data. The key challenge is determining who controls and accesses this wealth of information, driving a boom in generative AI governance.

While many technologists have embraced generative AI, caution remains due to its novelty and high-profile incidents of “hallucinations” or inaccurate outputs causing reputational harm.

For technical leaders like CAIOs, CDOs, and data heads, scepticism often centres on their business’s readiness to adopt generative AI effectively; rather than doubts about the technology itself.

This caution mirrors the typical technology adoption cycle, with generative AI currently navigating Gartner’s “trough of disillusionment.” These cycles are nothing new and emphasise the need for a thoughtful, steady approach to implementation.

○ Surveys

Are Leaders Ready To Adopt Generative AI?

Overcoming barriers to adoption can be one of the toughest challenges when selecting and implementing new technologies within an organisation. Readiness is one of the most crucial to consider: an effective and beneficial transformation requires firm foundations or projects can easily overrun or underdeliver. After years of digital and data transformation, companies are questioning the return on their technology investments. Now, it's up to generative AI to prove its value.

To work out how ready decision-makers feel, we asked them to assess their organisation's readiness for generative AI adoption.

On the whole, leaders took a pragmatic view of generative AI technologies. 5% reported being very prepared with a clear strategy and resources to hand (not surprisingly given the number of organisations without a data strategy) while 29% were somewhat ready, exploring options and building capabilities.

Just over 31% were in the research phase and were looking for information and guidance, which highlights the need for trusted advisors who put the customer before the tech vendors.

Almost a third (30%) said they were simply not interested in generative AI adoption at the moment, which is interesting given the amount of noise in the market.

How do you assess your organisation's readiness for generative AI adoption?



Our thoughts

A “generative AI gap” is emerging, creating a clear divide between businesses that embrace generative AI and those that hesitate. Companies leading in generative AI adoption are gaining a competitive edge, while others risk falling behind—much like we’ve seen with previous transformative technologies.

To bridge this gap and succeed, businesses need the right mindset. This means focusing on their core challenges and building generative AI solutions designed to address them, while effectively managing complexity. At Oakland, we shift the conversation from

“Are we ready for generative AI?” to the more pragmatic question: “Is your generative AI ready for you?”

The reality is that technological advancements often outpace organisational readiness. Businesses need a deliberate and pragmatic adoption curve—one that takes into account their resources, skills, and operational capacity while setting realistic expectations for generative AI's impact. By aligning generative AI solutions with the unique needs of their organisation, businesses can avoid costly missteps and ensure they maximise value from their generative AI investments.

○ Surveys

Is Generative AI Taking Over?

Since the generative AI boom kicked into overdrive half a decade ago, many organisations have been experimenting. However, since the much more recent introduction of generative AI capabilities; are these same organisations successfully navigating the new challenges of implementing generative AI, or are obstacles slowing down adoption?

Asking respondents at what stage their organisation was on its “generative AI” journey, over half recognise they are already on the generative AI journey, whether that be utilising existing tools like ChatGPT and Co-Pilot (22%), exploring options (26%) or building custom solutions (6%). But, with this market changing so quickly, this is likely to change by the time you’ve finished reading this report!

Where do you believe your organisation currently stands on its generative AI journey?

We have built custom generative AI solutions

6%

We are using existing generative AI tools like ChatGPT/Co-Pilot

22%

We are exploring generative AI options but have not implemented any yet

26%

We have no plans to adopt generative AI at the moment

41%

Not sure

5%

Our thoughts

With just over a quarter of businesses still exploring generative AI options, the complexity and choice between vendors, capabilities, and pricing appear to be barriers to confident adoption.

Many are dipping a toe in the water by using entry-level generative AI tools, such as ChatGPT or Microsoft’s Copilot, with few committing to custom generative AI solutions that deliver more transformative change.

This is not unusual in our experience: larger, tech-centric businesses tend to explore custom solutions, while SMEs and non-tech

businesses are more likely to wait and see what works for others.

Much is possible with off-the-shelf generative AI tools; however, the lack of customisation makes it challenging to tailor outputs to very specific business needs. A lack of training data can lead to inaccuracies or biases, plus security and privacy are huge concerns as these tools often share data with third-party platforms. For these reasons, we foresee an increase in custom solutions using generative AI agent capabilities, especially in larger businesses who have in house capability and the budgets required.

○ Surveys

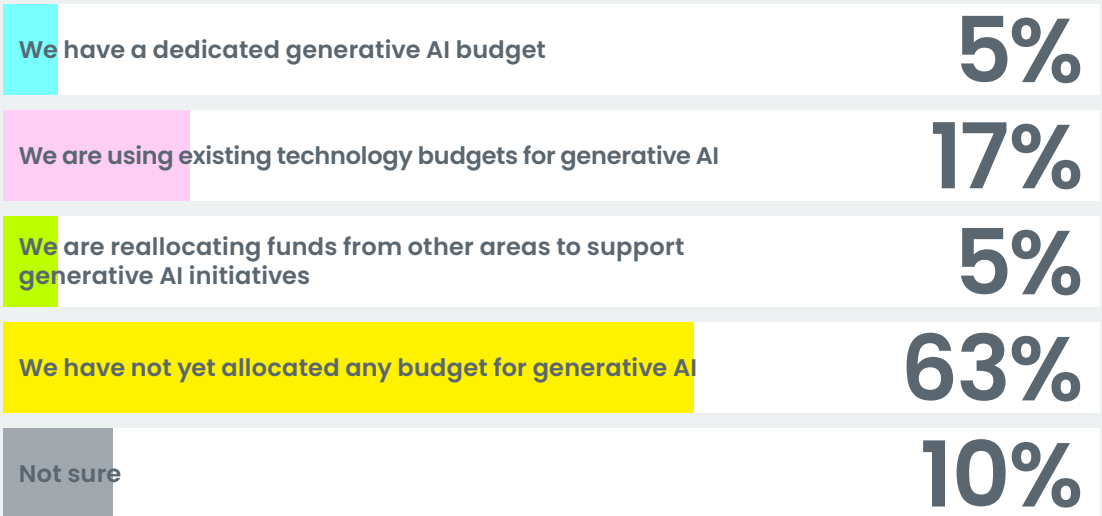
How Are Businesses Investing In Generative AI?

Whilst the newer generative AI can drive efficiencies and create opportunities to improve revenue, these will always require investment to make sure they have an impact. With the technology no longer in its infancy, are businesses investing in it? And if so, how are decision-makers carving out funds for initiatives?

When these questions were put to our respondents, almost two-thirds (63%) had not yet allocated any budget for generative AI development in their organisations.

Of those that had assigned a budget, nearly a fifth (17%) were using existing technology budgets, 5% had a dedicated generative AI budget, and another 5% were reallocating budget from elsewhere. The overwhelming majority had not allocated any specific generative AI funding which goes back to our earlier point around data leaders being asked to deliver more with existing budgets.

How is your organisation currently investing in generative AI?



Our thoughts

Organisations are often constrained by economic cycles and budget limitations, impacting their ability to invest. Many have limited funds allocated for proof-of-concept projects, with strategic generative AI initiatives struggling for consistent funding.

To ensure the success of these early projects, it's important to focus on a clearly defined problem that significantly impacts the business. Teams should resist the urge to start more projects in tandem before the problem is solved: this will only dilute the benefits of the proof-of-concept and hold back generative AI transformation from reaching more areas of the business.

○ Surveys

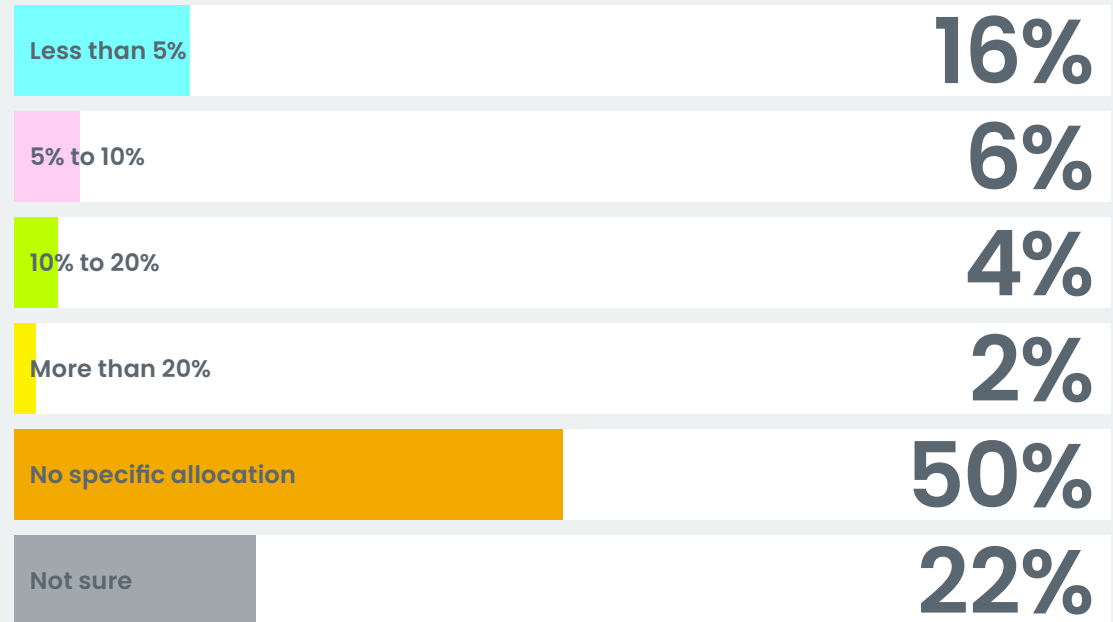
How Well Funded Is Generative AI?

The hype surrounding generative AI has been at a fever pitch for some time now, but has the positive press and excitable generative AI evangelism on social media translated into increased investment? Have the benefits of generative AI earned the technology a right to a greater slice of the pie?

When asked, half of respondents had no specific budget allocated for generative AI.

A very small proportion of organisations (2%) had a significant generative AI budget (more than 20%), which aligns with what we are seeing in the current market.

What percentage of your total yearly technology budget is currently allocated to generative AI initiatives?



Our thoughts

One of the biggest challenges facing businesses is understanding how to turn their generative AI ambitions into tangible, high-impact business outcomes. To build a compelling business case for a dedicated generative AI budget, start by identifying the most pressing business problem—the one your CEO loses sleep over. Evaluate potential generative AI use cases using the “3 Ms” framework: Is it meaningful (does it address a critical issue that matters to stakeholders)? Is it measurable (can success be quantified with clear, data-

driven metrics)? And is it monetisable (will it drive financial performance, whether by increasing revenue, reducing costs, or unlocking efficiencies)? Focus on a single high-value use case with clear ROI potential and propose incremental investment to address it. This approach not only demonstrates quick wins but also builds confidence in scaling generative AI, shifting the narrative from “money for generative AI” to “investment in a solution with proven business value.”

○ Surveys

How Are Businesses Developing Generative AI Solutions?

For organisations looking to get started and begin to productionise generative AI solutions there are several ways forward. Developing in-house capabilities with existing teams, hiring in additional generative AI expertise, or using external consultancy services are all possibilities, each suiting different organisations and use cases. We asked organisations which they were pursuing.

Of the 54% of respondents in the process of developing generative AI, 24% had tasked an existing internal team with the project.

10% were using external consultancy services. And another 6% had hired generative AI specialists to guide development.

How is your business developing AI solutions*? (if relevant)



Our thoughts

Rather than creating separate generative AI departments, most organisations are embedding generative AI capabilities within their existing data teams. This aligns with our belief that generative AI is most effective as part of a broader data toolkit.

However, a significant challenge arises from the shortage of generative AI experts, particularly for organisations looking to implement generative AI solutions. The rapid

evolution of this technology has outpaced the supply of skilled professionals, creating a highly competitive market for talent.

Leveraging external consultants with proven experience in delivering generative AI projects—and the benefit of having learned through iterative development—offers a practical way to access the expertise needed to navigate this fast-moving, and complex landscape.

○ Surveys

How Transformative Will Generative AI Be Over The Next 3 Years?

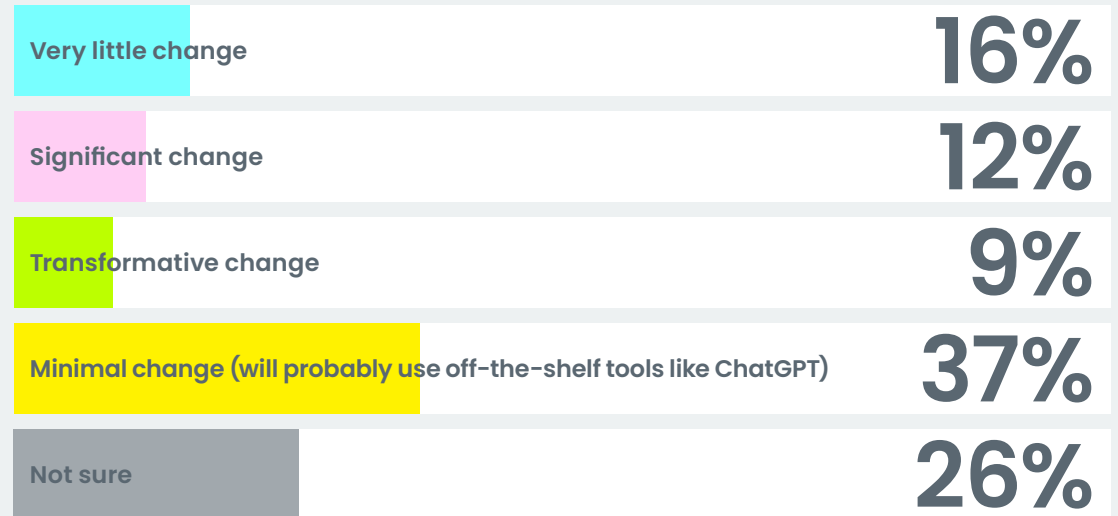
Generative AI technologies and capabilities are developing at a breathtaking pace. What was only recently possible with generative AI only a few years ago has today transformed entire industries.

Do businesses intend to focus on generative AI over the near term to stay ahead of the curve? If so, what do they think this change will look like?

When polled, only a fifth (21%) were planning to use generative AI to either significantly or transformatively change their business, contradicting many online articles and publications intimating industry scale change is upon us.

The majority (37%) of respondents today said they were planning to implement minimal change using off-the-shelf tools like ChatGPT and Microsoft Copilot.

To what extent does your organisation intend to use generative AI to change its business in the next 3 years?



Our thoughts

Few respondents currently expect generative AI to significantly change their business operations within three years. This reflects a gap between the promised potential and the perceived utility of generative AI capabilities.

Many organisations rely on off-the-shelf AI tools, which can restrict the capacity for meaningful transformation. Oakland recommends a more strategic adoption of custom, process-integrated solutions, enabling generative AI to enhance core business processes.

○ Surveys

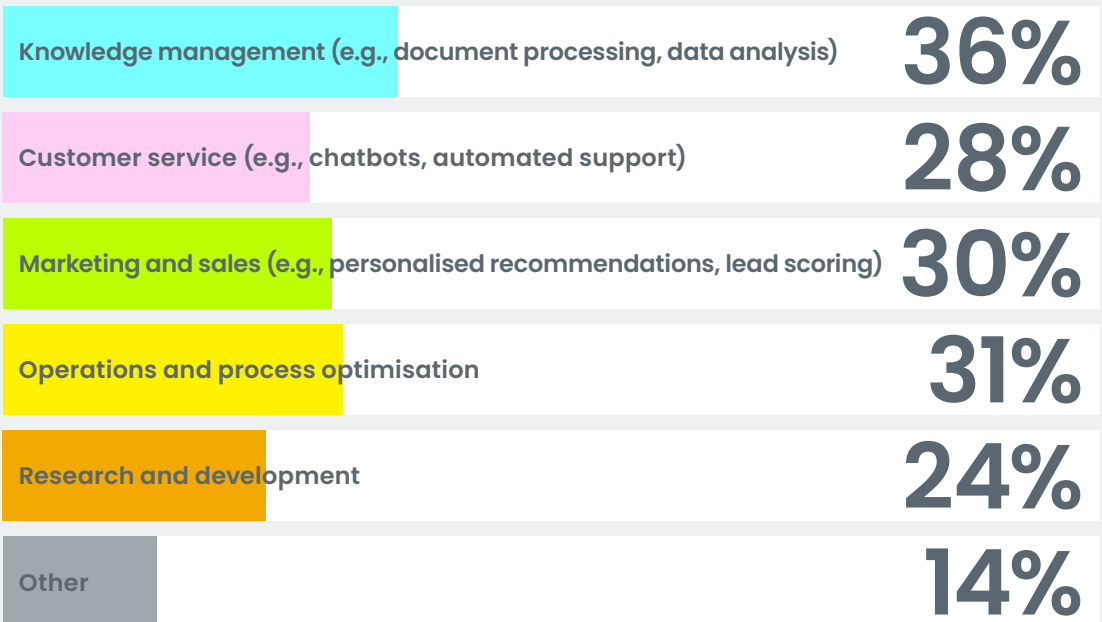
What Are Businesses Top Generative AI Use Cases?

Finding the right use cases for generative AI is critical to ensuring success. Yet, while all businesses are unique, generative AI uses typically fall into a limited range of categories.

When asked which was their organisation's primary use case, knowledge management was by far the most popular, chosen by 36% of respondents.

Operations and process optimisation (31%) was the second-most popular use case, followed by marketing and sales (30%), customer service (28%), and research and development (24%). 14% reported another use case.

What are the primary use cases for generative AI in your organisation? (Select all that apply)



Our thoughts

Our research confirms the importance of clear use cases and capabilities in generative AI deployment, highlighting the need for organisations to enlist expertise that guides them towards specific, value-driven applications.

For once, companies with extensive historical unstructured data are well-positioned to leverage generative AI in knowledge management. Legacy data, previously

viewed as an impediment, can now serve as a key differentiator for organisations in traditionally non-digital industries.

Our research shows that knowledge management is among the most popular applications of generative AI. With extensive experience in helping organisations optimise legacy data, we've supported many clients to use generative AI to unlock valuable insights from historical data.

○ Surveys

What Are The Greatest Barriers To Generative AI Adoption?

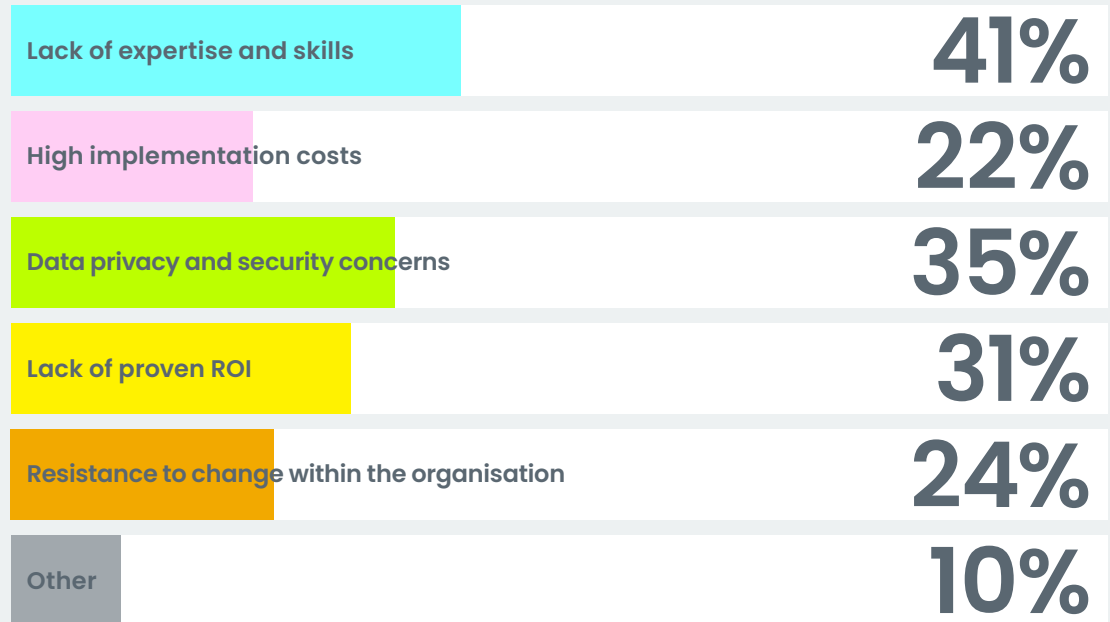
As seen throughout the survey, many businesses have had trouble adopting generative AI or remain unconvinced. To understand what has been stopping them, we asked leaders what barriers they felt were holding them back the most.

A majority (41%) felt that a lack of expertise and skills was the main barrier to adopting generative AI in their organisation.

Just over a third (35%) had data and privacy concerns, while 31% were concerned with a lack of proven ROI.

A quarter (25%) had encountered resistance to change within their organisations, while 22% saw high implementation costs as the greatest hurdle.

What are the greatest barriers to adopting generative AI in your business? (Select all that apply)



Our thoughts

The rapid pace of generative AI development has created a significant skills gap, with technological advancements often outpacing business readiness. To address this, organisations need a pragmatic adoption curve—aligning resources, skills, and capacity with realistic expectations for generative AI's impact.

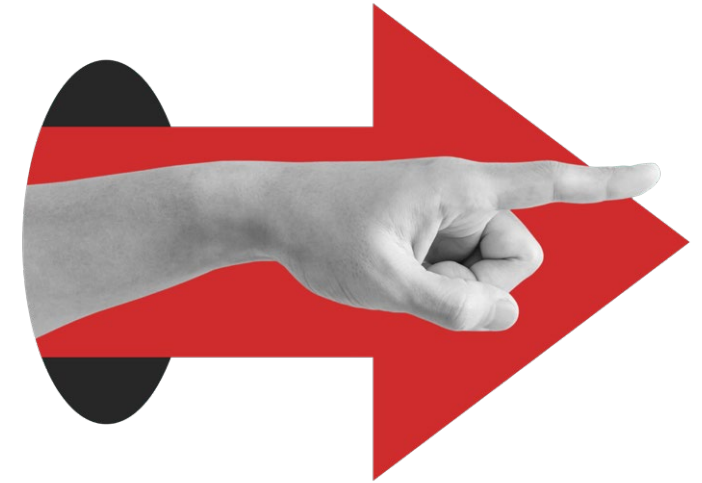
As more use cases emerge, the ROI of generative AI projects is becoming clearer. However, costs remain a major concern; a recent Gartner report found businesses

often underestimate these by 500% to 1,000%, underscoring the need for careful planning.

Successful generative AI adoption starts with people. By focusing on the human element, businesses can avoid wasted spend, uncover real value, and ensure generative AI aligns with their culture. While it's tempting to see generative AI as a silver bullet, a tech-first approach often misses the true root causes of challenges—people, processes, and culture. Balancing these is key to delivering lasting success.

○ Key Steps

Our Key Steps To Getting Started With Generative AI



Many organisations find it challenging to start and implement generative AI initiatives. In our experience, 5 initial steps are crucial to create a strong foundation for responsibly launching and scaling generative AI in a way that is both strategic and impactful.



1. Explore use cases

Begin by identifying valuable use cases where generative AI can make a significant impact. Look for problems where generative AI has the potential to add measurable value. Conduct an analysis of where generative AI has been effective and evaluate these examples against your business's needs.



2. Start small on a big problem

It's tempting to pick small, low-stakes projects for which your tech team can find R&D budget – few organisations currently have a dedicated generative AI budget, after all. Instead, aim for a big problem that the business cares about.

Start with a manageable proof-of-concept (PoC) or minimum viable product (MVP) with a clear scope and end point. Even if the solution starts small, the problem should have the potential to drive significant change.

Don't get carried away and spin up 10 more projects in parallel. This will not only overstretch your resources, but your original initiative will wither and die on the vine. Stay focused on one thing and get it into production.



3. Stay measurable and monetisable

Focus on projects that yield tangible, measurable results, such as cost reductions or new revenue streams. Select projects where you can clearly demonstrate financial or operational benefits, which show value and build momentum for future generative AI investments.

Take our recent work with a leading IT infrastructure provider to help them identify potential sales opportunities: their number one business priority. This focus realised a 150% ROI in a matter of months.



4. Build governance from the start

Don't be tempted to turn your generative AI innovation into the Wild West. This will make it almost impossible to get back control.

Establish governance frameworks early, covering privacy, ethics, and data control. Using initial generative AI projects to test governance processes will ensure that compliance and control are embedded from the beginning. This avoids the pitfalls of implementing stricter rules later, which can encounter resistance.

Be wary of your tech team too. They might get carried away with the possibilities new generative AI technology promises, or project false expectations that control and governance aren't needed.



5. Spread the gospel

Actively share the success of early generative AI projects within the organisation through demos, presentations, and retrospectives. Show your senior stakeholders how generative AI is contributing and involve them throughout. As projects advance, incorporate generative AI into broader strategic discussions, aligning it with your company's wider data strategy and vision.

○ Knowledge Management

Unlocking Value In Your Knowledge Management

Right now, knowledge management is a key focus area for generative AI implementation. Within the topic, there are three key problem areas generative AI applications are particularly effective at solving:



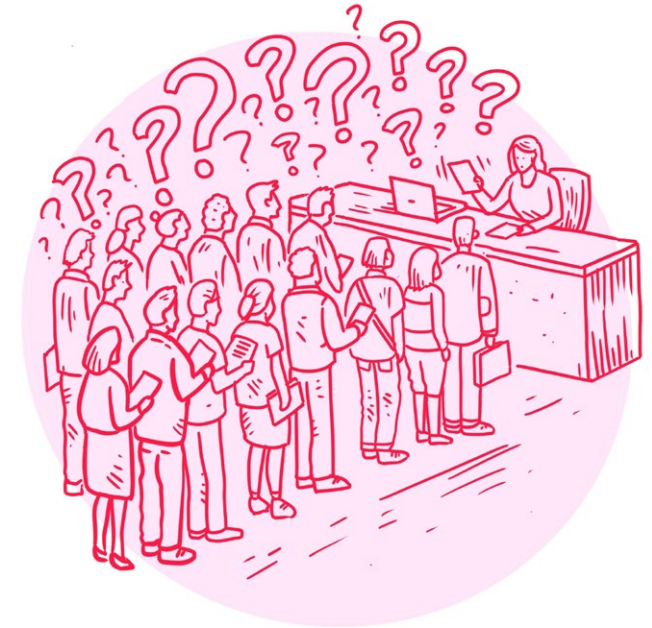
Unlocking your document mountain

The same mistakes occur time and again in businesses because knowledge isn't shared. Often, hours are spent gathering documentation about 'lessons learned', best practices or incident reports. But the information is just too big and messy for anyone to use it. Important lessons are lost in the noise.

Generative AI is a brilliant tool for unlocking this kind of information. You can use it to summarise information for users quickly. And users can query complex unstructured datasets through a conversational, natural language interface. This unlocks and democratises information in a way that would have been prohibitively time-consuming or expensive before generative AI.

○ Knowledge Management

Unlocking Value In Your Knowledge Management



Organising the information tsunami

Many businesses have invested in monitoring solutions for their systems or assets, but now face an overwhelming volume of alerts and alarms. Monitoring and control teams are endlessly distracted and can't separate the genuine alerts from the noise.

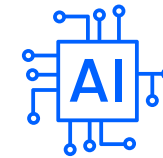
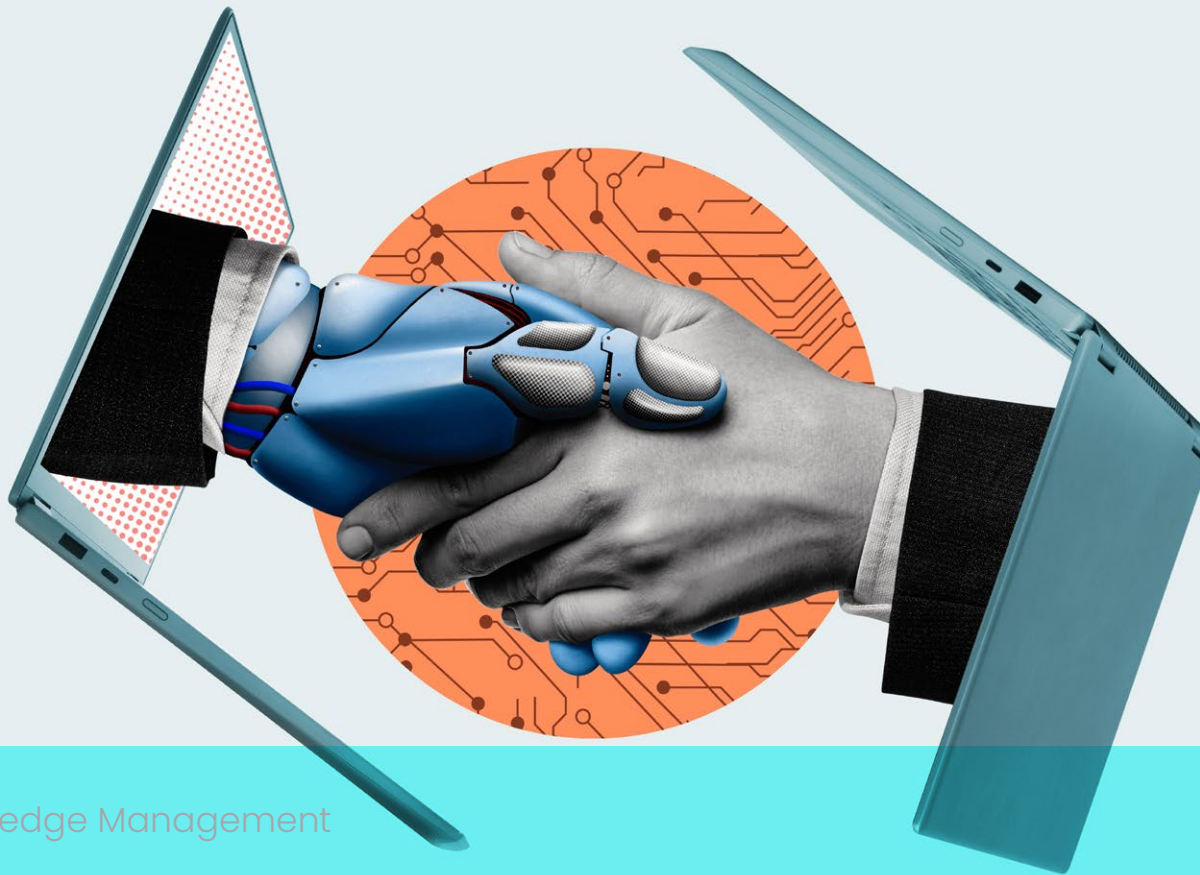
Generative AI is great at scanning alarms and alerts and, crucially, relating them to operating procedures and policies so that informed decisions can be made.

Expert shortage

Data often lacks meaning without context, but applying that context is time-intensive. Critical warning signs can be missed simply because their relevance isn't spotted.

Many companies use human 'business partnering' models in Finance, HR, and IT to bridge this gap, but these are costly and overstretched.

Generative AI excels at preparing reports, highlighting insights, and answering user questions in a relevant, efficient way—making it highly effective in analyst and business partnering roles.



○ Knowledge Management

Transforming Productivity with Generative AI in Knowledge Management

Solving the document mountain, information tsunami and expert shortage can unlock a host of benefits.

1. Democratising information accessibility

Generative AI makes accessing vast stores of knowledge effortless, allowing users to search and navigate large, often unwieldy collections of information.

With generative AI, employees can intuitively explore content that was once buried in hard-to-navigate platforms like SharePoint. This shift ensures valuable insights are readily accessible across roles and departments, breaking down information silos.

By making this wealth of knowledge available to everyone, generative AI helps alleviate the strain of the expert shortage and democratizes information access in a way that traditional systems can't.

○ Knowledge Management

Transforming Productivity with Generative AI in Knowledge Management



2. Catering to diverse user needs by providing an immersive experience

With generative AI, knowledge management can adapt to different communication styles and formats. Whether an employee prefers reading a report, receiving a quick update, or having a conversational back-and-forth, generative AI can cater to these preferences.

It enables custom responses, tailored summaries, and content generation in formats that resonate with different audiences, making knowledge sharing more inclusive and effective.



3. Ensuring quality control and consistency

Generative AI enhances quality control by validating that new content meets standards and sourcing only approved information. It can review and provide feedback on documentation, ensuring adherence to best practices and internal guidelines.

This consistent quality check is crucial for reducing errors and maintaining a reliable knowledge base. This would never be possible or cost-effective if humans had to check every document.



4. Handling unstructured data and scaling knowledge

One of generative AI's standout capabilities is handling unstructured data, unlocking insights that might otherwise be buried in text, videos, PDFs, PowerPoint, or other non-standard formats.

By integrating unstructured information with structured data (like numeric telemetry or alerts), generative AI enables a holistic understanding and deeper analysis of the entire knowledge landscape. This scalability allows knowledge management functions to stretch far beyond traditional limits.



5. Proactive user engagement and alerts

Generative AI brings proactivity to knowledge management by pushing relevant information to users before they even realise they need it. For example, generative AI can proactively surface updates, reminders, or alerts based on job roles or recent activities.

This proactive engagement keeps users informed, reduces redundant searches, and ensures that crucial knowledge is shared at the right time.

Oakland

Everything Data^o

Oakland is a consultancy focused exclusively on liberating and activating data. We help transform and grow businesses by giving them access to the latest skills and technology, leaving them free to grow with the confidence that their data is continuously working for them.

The speed of technology presents a dizzying array of choices and Oakland helps some of the UK's largest companies navigate these in an informed and measured way. Importantly, we draw on our teams of strategy, governance, engineering, AI and analytics experts.

Engineers at heart, we are hands-on partners right through the data lifecycle, achieving powerful results for our clients and giving them the freedom to focus on their business goal.

- Data Strategy
- Data Governance
- Data Engineering & Platform
- Analytics & BI
- Generative AI consulting and solutions

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