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# United Kingdom AI Readiness Index 2024

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# 1. Foreword

As the global economy pivots towards a digital-first future, building a conducive environment for AI to drive dynamism, efficiency, and customer satisfaction is essential for the sustained competitiveness of digital economies on the world stage. In this context, artificial intelligence (AI) represents an unprecedented opportunity for economic growth and innovation in the United Kingdom (UK).

The Labour Party has centred growth as one of its five missions for its term of office, with technology rightly recognised as critical to its success. As the findings from this report demonstrate, the economy's readiness and uptake of technologies should remain central to its growth and advancement.

The pace of innovation and improvement in models and applications is dizzying but let us not lose the central theme: AI's potential economic impact is immense for the UK. Projections see its AI market reaching over US\$1 trillion by 2035.<sup>1</sup> At the same time, the UK has intensified its focus on AI by launching several world-leading AI governance initiatives, including the creation of the international AI Safety Summit series and the establishment of the AI Safety Institute.<sup>2</sup>

This report on the UK's AI readiness and maturity offers a comprehensive assessment of how well-positioned the country is to harness the power of AI. To realise this potential, it is imperative that we continue to collaborate closely with customers, partners and stakeholders, ensuring that AI is not only a tool for economic advancement but also a force for good.

At Salesforce, we have been at the forefront of AI innovation for nearly a decade. Our AI functionalities, introduced under the "Salesforce Einstein" brand, are designed to transform everyday work tasks, providing significant value to our customers by enhancing their operational efficiencies and customer interactions. In the last few years, AI has gone from search autocomplete to copilot via chatbot. Today, we are on the cusp of another product class: AI agents. Humans equipped with autonomous agents that can complete tasks reliably across organisations' systems, analyse data, and complete tasks. A low-code, customisable class of agents that is more prompt and less 'prompt engineering'. A few weeks ago, we launched Agentforce: a limitless digital workforce to augment human capabilities.<sup>3</sup>

The UK has been a core part of our success and has been for decades the home of some of our most strategic investments and initiatives, like the Salesforce UK AI Centre in London. This offers a chance for customers, partners and wider society to make AI innovation not only possible but sustainable. To succeed, AI innovation must not be 'done unto' our customers but co-created with them.<sup>4</sup>

Translating this insight to a societal scale, policymakers must prioritise the readiness of businesses, individuals and government itself to adopt, shape and lead innovation.

— Zahra Bahrololoumi, CEO, Salesforce UKI

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<sup>1</sup> Salesforce (2024) Salesforce Picks London for First AI Center, Building on \$4B Investment in the UK, [www.salesforce.com/news/press-releases/2024/06/06/ai-center-london](https://www.salesforce.com/news/press-releases/2024/06/06/ai-center-london)

<sup>2</sup> Innovate UK (2024) AI governance: Key UK government initiatives and future direction, <https://iuk.ktn-uk.org/events/ai-governance-key-uk-government-initiatives-and-future-direction>

<sup>3</sup> Salesforce (2024) Salesforce unveils Agentforce, [www.salesforce.com/uk/news/press-releases/2024/09/12/agentforce-announcement](https://www.salesforce.com/uk/news/press-releases/2024/09/12/agentforce-announcement)

<sup>4</sup> "Salesforce (2024) Salesforce opens first AI centre, [www.salesforce.com/uk/news/stories/ai-center-london-opening](https://www.salesforce.com/uk/news/stories/ai-center-london-opening)

## 2. Executive Summary

Artificial Intelligence (AI), particularly generative AI, has surged to prominence in recent years, driven by rapid advancements and its transformative impact on various industries. This increasing significance has led to diverse regulatory approaches worldwide, with the European Union favouring comprehensive frameworks and the United States opting for a more 'laissez-faire' approach. Meanwhile, the United Kingdom (UK) is navigating its unique path, pursuing a balanced strategy that promotes innovation while ensuring ethical standards and public trust through adaptable, sector-specific guidelines.

### 2.1 Characteristics of B2B AI

While much of the discourse around AI focuses on high-level, frontier AI discussions related to business-to-consumer (B2C) interactions and associated risks, it is equally important to consider the business-to-business (B2B) aspect within the context of business readiness. B2B AI differs from B2C AI in several ways. B2B AI typically involves more complex and customised solutions, longer sales cycles, higher stakes, and multiple decision-makers. B2B AI also requires a higher level of trust, transparency, and accountability, as well as more robust data governance and security measures.

B2B AI adoption and deployment face different challenges and opportunities than B2C AI, such as the need for digital transformation, skills development, ethical alignment, and stakeholder engagement. Therefore, it is essential to assess the UK's B2B AI readiness from both a business and a government perspective, as they play complementary roles in enabling and regulating the AI ecosystem.

### 2.2 UK's Approach to AI to Date

The UK has been actively positioning itself as a global AI leader through initiatives like the *AI Sector Deal*<sup>5</sup> and the establishment of the Office for Artificial Intelligence under the Department for Science, Innovation and Technology (DSIT). The previous government was implementing frameworks to support AI development, balancing innovation with ethical and safety standards. It also launched significant initiatives, such as the AI Safety Summit to align global efforts.<sup>6</sup>

Despite these advancements, questions around the ethical and societal implications of AI, algorithmic bias, data privacy, and job displacement remain. The new government appears to acknowledge the importance of the opportunities of AI, as each new National Mission can be supported by widespread adoption of AI. At the same time, new legislation has been promised to regulate the most capable artificial intelligence systems. Getting this balance right offers the opportunity to cement its status as a pragmatic regulator of technologies according to their risks in the context in which they are deployed.

### 2.3 UK AI Readiness: Key Findings

Commissioned by Salesforce and prepared by Access Partnership, the *UK AI Readiness Index 2024* (the Index) aims to help policymakers in the UK to assess business and government readiness to adopt, deploy, and integrate AI. The Index provides an assessment of UK business and government AI readiness, and its impact on socio-economic opportunities, relative to G7 countries.<sup>7</sup> The report also offers recommendations to help maximise the use of AI in a safe, transparent, and unbiased manner.

This report is a valuable resource for those interested in the UK's current AI landscape, especially for those looking to ensure that the UK maintains its position as a central voice and leader in AI governance. Whether you are a policymaker, business leader, or simply interested in the topic, this

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<sup>5</sup> Gov.uk (2019) AI Sector Deal, [www.gov.uk/government/publications/artificial-intelligence-sector-deal/ai-sector-deal](https://www.gov.uk/government/publications/artificial-intelligence-sector-deal/ai-sector-deal)

<sup>6</sup> Gov.uk (2023) AI Safety Summit 2023, [www.gov.uk/government/topical-events/ai-safety-summit-2023](https://www.gov.uk/government/topical-events/ai-safety-summit-2023)

<sup>7</sup> Unlike the *APAC AI Readiness Index* (2019 and 2021 editions), consumer readiness is not assessed here.

Index aims to provide a deeper understanding of the exciting AI developments happening in the UK, as well as to inspire further innovation and investment in AI.

The report uses data from a variety of internationally recognised sources, bringing them together under a quantitative methodology that provides insights into the optimal way to prioritise and operationalise AI at all levels of the economy.

With an overall score of 65.5, above the G7 average, the Index shows that the UK is largely ahead of many other countries when it comes to business and government ability to adopt, deploy, and integrate AI.

The UK stands out for its government readiness, reflected in high scores for the E-Participation Index and ICT regulation, but shows a need for improvement in areas such as the role of emerging technologies and human capital. Business readiness reveals a robust adoption of emerging technologies and technology outputs but indicates room for growth in the number of AI start-ups and venture capital. Addressing these gaps is crucial for the UK to enhance and maintain its competitive edge within the G7.

Based on these key findings, maximising AI readiness will require the UK to enhance open data initiatives, support SMEs and scale-ups, foster a collaborative ecosystem, improve AI talent development, develop adaptive regulatory frameworks for Enterprise AI, and sustain R&D investment. If tackled together, these areas can help the UK solidify its position as a global AI leader, driving innovation while ensuring ethical and responsible AI deployment.

## 3. Introduction

### 3.1 Background

Artificial Intelligence (AI) has long been a topic of interest within the technology sector, but it has gained significant prominence since 2023 thanks to rapid advancements in generative AI capabilities. This has spurred unprecedented national and global dialogue on how to responsibly govern AI, while ensuring economies and society can benefit from its transformative power. Despite vigorous regulatory discussions worldwide, differing approaches have emerged between regions.

Most notably, the European Union (EU) has adopted a pro-regulation stance, aiming to create comprehensive frameworks to ensure safe and ethical AI deployment, resulting in the passing of the first piece of AI-specific legislation (the *EU AI Act*). In contrast, the United States tends to favour a more 'laissez-faire', self-regulatory approach, promoting innovation with fewer constraints. The United Kingdom (UK), meanwhile, navigates these discussions with its own perspective, with an aim to leverage its strengths in AI research and innovation.

As the AI landscape evolves, these varying regulatory approaches highlight the complexities involved in crafting policies that balance innovation with safety and ethical considerations. Different countries focus on specific aspects of AI, which positions them as leaders in some areas while highlighting the need for improvement in others.

Another important aspect of AI governance that warrants discussion is the fact that the current regulatory and policy focus on AI is mostly focused on consumer markets, as well as the dominance of global digital platforms. However, there is a wide range of Enterprise AI use cases that is geared towards businesses rather than consumer markets.

This report sheds light on the way Enterprise AI differs from consumer-driven applications by not monetising customer data, being developed for specific use cases, and adhering to higher standards of privacy, security, fairness, and accuracy.

### 3.2 AI is a Key Priority for the UK

The changing political landscape is expected to bring about significant changes in the UK's AI approach, with a focus on stronger regulation, possible closer alignment with the *EU AI Act*, and more concrete regulatory and ethical standards. The government's programme, set out in July 2024's *State Opening of Parliament*,<sup>8</sup> promised regulation of the most capable AI models; the Labour manifesto also included reference to a National Data Library as a platform for public sector innovation.

While prior to the elections, the *AI White Paper*<sup>9</sup> emphasised a pro-innovation approach, aiming to balance AI benefits with potential risks by maintaining flexible regulations, Prime Minister Keir Starmer said during the election he would "depart" from this approach.<sup>10</sup> Further details remain to be revealed as of this edition of the Index.

The *AI Safety Summit*<sup>11</sup> addressed safety concerns, gathering experts to develop strategies for mitigating AI-related risks. This proactive stance aims to build public trust, aligning with global efforts like the EU's *AI Act*<sup>12</sup>. However, the effectiveness of these discussions in producing actionable outcomes remains to be seen, as some of the stakeholders see a room for improvement. A summit due to be hosted in France will be an important opportunity to establish the new government's ability to shepherd along international progress.

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<sup>8</sup> UK Parliament (2024) State Opening of Parliament 2024, [www.parliament.uk/business/news/2024/july/state-opening-of-parliament-2024](http://www.parliament.uk/business/news/2024/july/state-opening-of-parliament-2024)

<sup>9</sup> UK Government (2023) AI Regulation: A Pro-Innovation Approach, [www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach/white-paper](http://www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach/white-paper)

<sup>10</sup> Politico (2024) Labour will toughen up AI regulation, Starmer says, [www.politico.eu/article/starmer-labour-will-bring-in-stronger-ai-regulation/](http://www.politico.eu/article/starmer-labour-will-bring-in-stronger-ai-regulation/)

<sup>11</sup> UK Government (2023) AI Safety Summit 2023, [www.gov.uk/government/topical-events/ai-safety-summit-2023](http://www.gov.uk/government/topical-events/ai-safety-summit-2023)

<sup>12</sup> European Commission (2023) Regulatory Framework for AI, <https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai>

The new government has set out five missions for growth: kick-starting economic growth, making Britain a clean-energy superpower, halving serious crime, breaking down barriers to opportunity, and building an NHS fit for the future. AI clearly has a role to play in them all, from raising productivity for those who adopt AI, to being able to improve patient outcomes in the NHS. The Secretaries of State for Health and Social Care and for Science, Innovation and Technology have indicated the significant contribution that AI-enabled technologies can provide to support this.

The Labour party, even before the election campaign, underlined its plans to ensure accountability and transparency in AI. Debates centred around the regulatory framework, which was underlined by Keir Starmer, Labour Party leader, as the “Labour government would depart from the government’s AI strategy and bring in stronger regulation”.<sup>13</sup>

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<sup>13</sup> Politico (2023) Labour will toughen up AI regulation, Starmer says, [www.politico.eu/article/starmer-labour-will-bring-in-stronger-ai-regulation](https://www.politico.eu/article/starmer-labour-will-bring-in-stronger-ai-regulation)

## 4. UK AI Readiness: Key Findings and Observations

### 4.1 Methodology

The *UK AI Readiness Index* is a composite index that measures different components of AI frameworks and ecosystems for the UK and G7 countries. The Index combines qualitative research and quantitative modelling to demonstrate how business and government leaders can better focus the efforts and resources they are devoting to AI.

Since no exact measurements of readiness exist specifically for AI, the *UK AI Readiness Index* uses 15 proxy indicators clustered into two key dimensions:

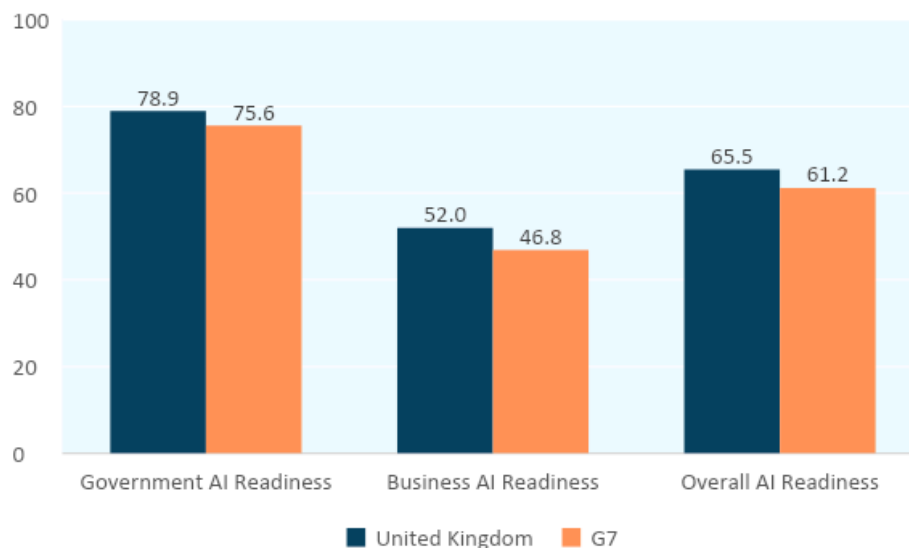
- **Business readiness** (7 indicators): How the private sector—start-ups, small and medium enterprises (SMEs), and enterprises—are equipped to adopt AI. This is important to understand businesses' ability to drive and sustain the growth of AI.
- **Government readiness** (8 indicators): How the public sector—regulators, policymakers, institutions, and organisations—are enabling AI through funds and frameworks. This is important to evaluate governments' ability to make AI a key driver of economic growth and competitiveness.

More detail on the methodological approach is provided in Annex 1.

### 4.2 Overall Readiness

The UK's overall AI readiness score is 65.5, surpassing the G7 average of 61.2 by just over 4 points. The UK's scores for Government (78.9) and Business (52.0) AI Readiness are also higher than the G7's scores (75.6 for Government and 46.8 for Business). These scores indicate a relatively strong position within the Group, reflecting the UK's proactive approach in adopting and integrating AI technologies.

Figure 1. Government, Business, and Overall AI Readiness, 2024 (scores out of 100)



Source: Access Partnership research for Salesforce

It is interesting to note that the UK Government's readiness is much higher than its Business readiness, indicating that while the UK is proactively leading a wide range of policy and regulatory initiatives around AI, these are not yet fully translating into tangible outcomes for the private sector.



This slight discrepancy between mobilised efforts and on-the-ground impact suggests necessary improvements to further elevate the UK's global standing.

### 4.3 Government Readiness

Government AI readiness assesses governments' ability to leverage and harness data-driven innovations by examining the extent to which they build enabling policies and conducive business ecosystems. It also assesses the degree to which AI is being used by public-sector organisations to improve efficiencies in the delivery of services—thus ensuring wider and fairer access to a range of digital experiences.

The UK government has launched several recent initiatives aimed at fostering a conducive environment for AI development and adoption. In 2019, the UK government published *A Guide to Using Artificial Intelligence in the Public Sector*, encouraging the use of AI across various public sector applications.<sup>14</sup>

In 2021, the government introduced its *National AI Strategy*, which recognised AI's potential for transformation across the economy, including the public sector.<sup>15</sup> This strategy emphasised that the public sector should set an example in the safe and ethical deployment of AI. These various initiatives are effectively reflected in the UK's Government AI Readiness scores.

Table 1. UK's Government AI Readiness, 2024 (scores out of 100)

	Government Readiness							
	Digital Evolution Index	Digital Government Score	E-Participation Index (EPI)	Open Government Data Index (OGDI)	Human Capital and Research	H-Index for AI Publications	ICT Regulation ("Governance" Pillar)	Government Promotion of Investment in Emerging Technologies ("Government" Pillar)
United Kingdom	8.1	8.7	9.5	9.4	5.9	5.2	9.6	6.6
G7	7.8	8.5	8.4	9.7	5.5	4.7	9.2	6.8

Source: Access Partnership research for Salesforce

Colour coding:  
 Red: UK is below G7  
 Green: UK is above G7

<sup>14</sup> Gov.uk (2019) A guide to using artificial intelligence in the public sector, [www.gov.uk/government/collections/a-guide-to-using-artificial-intelligence-in-the-public-sector](https://www.gov.uk/government/collections/a-guide-to-using-artificial-intelligence-in-the-public-sector)

<sup>15</sup> National Audit Office (2024). Use of artificial intelligence in government [www.nao.org.uk/wp-content/uploads/2024/03/use-of-artificial-intelligence-in-government-summary.pdf](https://www.nao.org.uk/wp-content/uploads/2024/03/use-of-artificial-intelligence-in-government-summary.pdf)

## Indicators in which the UK leads the G7:

1. **E-Participation Index (EPI):** The UK scores highly in the E-Participation Index, indicating strong engagement of citizens in digital government activities. This reflects effective use of online platforms for public participation, enhancing transparency and inclusiveness in governance.
2. **ICT Regulation (“Governance” Pillar):** The UK's ICT regulation score is also notably high, highlighting a robust regulatory framework that supports the digital ecosystem. The *Online Safety Bill* and the Digital Regulation Cooperation Forum (DRCF) exemplify the previous government's proactive approach to ICT regulation, ensuring policies keep pace with technological advancements and promote safe AI usage.

The UK is expected to continue leading on ICT Regulation as the topic has been one of the proposals mentioned by the Labour Government. The Labour manifesto mentions creating a new Regulatory Innovation Office to help regulators update regulations, speed up approval timelines, and coordinate issues that span existing boundaries.

## Indicators with room for improvement:

1. **Government Promotion of Investment in Emerging Technologies (“Government” Pillar):** This score measures the government's ability to foster investment in five key emerging technology sectors: artificial intelligence, robotics, app- and web-enabled markets, big data analytics, and cloud computing. The UK's score of 6.6 is below the G7 average of 6.8, showing a gap of 0.2 points.

While the UK government recognises the importance of emerging technologies and invests significantly in AI research through institutions like the Alan Turing Institute, this score suggests there is slightly less emphasis compared to other G7 countries on fostering investment across the broader spectrum of emerging technologies. As a result, there appears to be a gap in strategic planning, policy frameworks, and financing that not only support research and development, but also actively promote and facilitate private-sector investment across all five sectors.

2. **Human Capital and Research:** The Human Capital and Research score measures the level of government spending and support on skills, training, science, and research. Although the UK's score of 5.9 is above the G7 average of 5.5, it is still considered low. In the general scene of the UK's human capital and research, initial steps have been taken by the previous government to make progress. In 2023, the Prime Minister launched the Department of Science and Technology (DSIT) with the intention of unleashing the power of UK research and development, helping grow the UK economy, and creating better jobs. Moreover, DSIT promoted digital skills bootcamps, which prioritise five key skill sets: cyber security, web development, software development, cloud computing, and data and analytics.

However, despite these initiatives, the low score necessitates a closer look into the reasons behind it. The first reason could be related to the timeline, as any investment in human capital and skills is likely to yield results in the longer term, thus the UK's efforts might not yet be reflected in the current data. Secondly, it is also important to check the effectiveness of these initiatives and funding. Thirdly, sector cooperation on any digital skills development and human capital should also be included as this would expand the scope and capabilities.

One of the proposals by the Labour Government is to provide more funding to schools to recruit teachers, focusing on priorities such as digital skills. Additionally, they aim to boost productivity growth by 0.5% through AI deployment in businesses and the public sector and reform processes at DSIT. These proposals appear to be important upcoming steps that should be supported and emphasised to improve the UK's score in the future.

## 4.4 Business Readiness

Business AI readiness assesses the degree to which private-sector organisations are financially, institutionally, and culturally capable of adapting to the rapidly changing market dynamics of an increasingly data-driven global digital economy.

This assessment includes parameters such as the adoption of emerging technologies, business sophistication, knowledge and technology outputs, creative outputs, structural labour-market churn, the number of AI start-ups, and venture capital availability. Together, these parameters provide a comprehensive view of how well-positioned businesses are to implement and benefit from AI technologies.

The landscape for enterprise AI in the UK is evolving rapidly. AI adoption by businesses has been steadily increasing, driven by the potential for enhanced efficiency, cost savings, and competitive advantage. As a result, sectors ranging from finance and healthcare to retail and manufacturing are investing in AI technologies to stay agile and resilient in an increasingly digital landscape.

However, the successful adoption of AI in business is not without its challenges. Despite significant governmental support, businesses still face barriers such as the need for substantial investment in technology and skills, regulatory uncertainties, and integration complexities. Addressing these challenges is crucial for ensuring that businesses can fully capitalise on AI's potential.

While much of the discourse around AI focuses on high-level, frontier AI discussions related to business-to-consumer (B2C) interactions and associated risks, it is equally important to consider the business-to-business (B2B) aspect within the context of business readiness. B2B AI differs from B2C AI in several ways. B2B AI solutions often require more complex integrations with existing systems, higher levels of customisation, and a focus on optimising business processes rather than consumer experiences. This complexity necessitates a collaborative approach involving input and support from all stakeholders, including governments, industry leaders, and educational institutions.

This holistic preparation ensures that businesses are not only equipped with the necessary technical infrastructure but also aligned with relevant policies and ethical guidelines. Addressing the unique challenges of B2B AI is critical for fostering an environment where these technologies can thrive, thus enhancing overall business readiness for AI adoption.

Table 2. UK's Business AI Readiness, 2024 (scores out of 100)

	Business Readiness						
	Companies' Adoption of Emerging Technologies	Business Sophistication	Knowledge and Technology Outputs	Creative Outputs	Labour-Market Reconfiguration ("churn") Due to Digital Transformation	Number of AI Start-Ups	Venture Capital Availability & Valuation
United Kingdom	8.4	5.8	6.1	6.0	2.1	2.2	5.7
G7	8.4	5.7	5.2	5.2	2.0	2.2	4.0

Source: Access Partnership research for Salesforce

Colour coding:  
 Red: UK is below or at par G7  
 Green: UK is above G7

### Indicators in which the UK leads the G7:

- Companies' Adoption of Emerging Technologies:** The UK's score of 8.4 is on par with the G7 average of 8.4. Although there is no gap, this indicates that while the UK is keeping pace with its peers, there is significant room for improvement if it aims to take a leading position. Salesforce's findings<sup>16</sup> indicate that small- and medium-sized enterprises (SMEs) are increasingly prioritising the adoption of AI. For example, 58% of SME marketing teams use AI tools and technologies to automate customer interactions and personalise customer journeys. This widespread adoption showcases the growing emphasis on leveraging AI to enhance business operations and customer experiences.

However, on the other hand, the dispersion of labour productivity across firms, with frontier firms significantly outpacing the median, highlights that leading firms are likely adopting and integrating new technologies at a faster rate. This creates a benchmark and competitive pressure for other firms to follow suit.<sup>17</sup> Therefore, the mixed but promising landscape suggests that with increased efforts, the UK can further excel and lead in the adoption of emerging technologies.

- Knowledge and Technology Outputs:** The UK's score in this area demonstrates a solid output of knowledge and technology, reflecting its capacity to generate and leverage new AI-related innovations and research. This is a testament to the strength of its academic institutions and research centres, such as the Alan Turing Institute.

### Indicators with room for improvement:

- Number of AI Start-Ups:** The UK's score of 2.2 is on par with the G7 average. The reported decline in overall business dynamism post-2008, with lower job creation and destruction rates, suggests a more stable but less dynamic business environment. However, the robust contribution of new businesses and growing incumbents to employment growth points to an underlying strength in entrepreneurial activity.<sup>18</sup>
- Venture Capital Availability & Valuation:** The UK's high score in venture capital availability indicates a strong financial ecosystem supporting AI innovation. This accessibility to funding is crucial for the growth and scaling of AI start-ups and related businesses.

<sup>16</sup> Salesforce (2023) SMB Trends Special Report: Data, CRM & AI,

[www.salesforce.com/content/dam/web/en\\_us/www/documents/reports/smb/smb-trends-special-report-data-crm-ai\\_salesforce.pdf](https://www.salesforce.com/content/dam/web/en_us/www/documents/reports/smb/smb-trends-special-report-data-crm-ai_salesforce.pdf)

<sup>17</sup> Office for National Statistics (ONS) (2023) Trends in UK Business Dynamism and Productivity: 2023,

[www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/trendsinukbusinessdynamismandproductivity/2023#business-dynamism](https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/trendsinukbusinessdynamismandproductivity/2023#business-dynamism)

<sup>18</sup> Office for National Statistics (ONS) (2023) Trends in UK Business Dynamism and Productivity: 2023,

[www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/trendsinukbusinessdynamismandproductivity/2023#business-dynamism](https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/trendsinukbusinessdynamismandproductivity/2023#business-dynamism)

London's status as a global financial hub attracts international investors, further bolstering the venture capital landscape.

Although UK leads the G7 in that area, the score is still low, which indicates that while the UK is keeping pace with its peers, there is significant room for improvement if it aims to increase the score.

#### 4.5 Correlations

The correlation analysis of the *UK AI Readiness Index 2024* reveals statistically significant relationships between AI readiness and various economic indicators, underscoring the interplay between economic health, business environment, and AI adoption. The detailed results can be found in Appendix II.

**Overall AI Readiness:** Overall AI Readiness is strongly correlated with GDP per capita, the Readiness for Frontier Technologies Index, and the Ease of Doing Business score. This correlation indicates that economies fostering dynamic and conducive business environments for digital innovation are more likely to embrace and leverage the transformative properties of AI.

As businesses thrive in supportive ecosystems, they are likely to be better equipped to integrate AI technologies, driving overall readiness and competitiveness.

**Government AI Readiness:** Government AI readiness is also strongly correlated with GDP per capita, the Readiness for Frontier Technologies Index, and the Ease of Doing Business score. This suggests that governments in more agile and innovative business environments are better prepared to seize opportunities presented by digital transformation. High GDP per capita reflects economic prosperity, enabling the government to allocate substantial resources towards AI initiatives and infrastructure.

Additionally, the strong correlation with the Readiness for Frontier Technologies Index highlights the importance of forward-thinking policies and investments in emerging technologies. Efficient administrative processes and streamlined regulatory frameworks, as evidenced by the Ease of Doing Business score, are crucial for effective AI adoption at the governmental level, ensuring that public sector operations can benefit from AI's efficiencies and innovations.

**Business AI Readiness:** Business AI Readiness is strongly correlated to GDP per capita, the Global Start-Up Ecosystem Index, and the Readiness for Frontier Technologies Index – with correlations stronger than with Government AI Readiness, suggesting that a supportive and conducive business ecosystem is vital for fostering AI adoption and deployment. Higher GDP per capita ensures that businesses have the financial resources to invest in AI technologies.

A robust start-up ecosystem encourages innovation and the creation of new AI solutions, driving business readiness. The strong correlation with the Readiness for Frontier Technologies Index further underscores the need for an environment that promotes the adoption of cutting-edge technologies, enabling businesses to remain competitive and innovative.

## 5. Recommendations: Maximising UK's AI Readiness

The findings of the *UK AI Readiness Index* suggest that fostering a vibrant business environment, investing in emerging technologies, and maintaining efficient regulatory frameworks are essential for maximising AI's potential. If the UK addresses these areas, it stands to enhance its AI readiness, ensuring that both the government and businesses are well-positioned to leverage AI's transformative capabilities for economic growth and societal benefit.

To this end, we provide six key recommendations for the UK to effectively strengthen and streamline its operationalisation of AI in the years to come:

1. **Support Small and Medium Enterprises (SMEs), SMBs and Scale-ups:** Provide targeted support and incentives for both SMEs and scale-ups to adopt AI technologies. This can include grants, tax breaks, and access to AI consulting services to help these businesses integrate AI into their operations. The UK's AI Action Plan, due to report to the Science, Innovation and Technology Secretary at time of writing, is an important part of this.
  - a. Invest in Training and Development: It's crucial for SMEs to ensure their team has the skills and knowledge to work with AI.
  - b. Introduce AI Tax Incentives: Implement tax breaks or incentives for SMEs that invest in AI technology and training, encouraging more businesses to take the leap into AI adoption. R&D Tax Credits are one tool for some organisations, but a better-targeted version of "Help to Buy" might be helpful.
  - c. AI Adoption Playbook: Provide a comprehensive guide or playbook for SMEs that outlines best practices, case studies, and step-by-step instructions for AI integration.
2. **Foster a Collaborative Ecosystem:** Foster stronger collaborations between academia, industry, and government to drive AI innovation and application across various sectors. This can be facilitated through government-backed innovation hubs and private AI Centres.
  - a. AI Centres: Focused spaces across the country bringing together multidisciplinary experts, business leaders, partners and customers to advance AI innovation and advancing upskilling opportunities. Salesforce opened its first UK AI Centre in 2024 and is due to use the space to solve specific problems ethically. This model can be replicated across UK public sector, or across specific sectors struggling with adoption.
3. **Improve AI Talent Development and attract global talent:** UK policy supporting private sector to offer internships and apprenticeship programmes for students and professionals in AI-related fields, providing hands-on experience and mentorship.
  - a. Increase the availability and accessibility of AI-related courses and degrees at universities and vocational institutions. This includes integrating AI modules into existing programmes across various disciplines.
  - b. The Department for Science, Innovation and Technology (DSIT) should continue to expand its digital skills initiatives and partner with industry to ensure curricula remain relevant to market needs.

One example of a private sector AI training and certification programme that could benefit government employees is Salesforce Trailhead. This online learning platform offers free courses on AI, data science, cloud computing, and digital transformation, complete with hands-on projects, quizzes, and badges to demonstrate skills. Trailhead can enhance AI skills in the UK by providing accessible learning resources,

helping government employees use AI tools like Salesforce Einstein for data-driven decision making, fostering a community of learners and experts, and encouraging continuous learning and career development through certification exams.

- c. Implement policies that attract and retain international AI experts to work in the UK by recognising the contributions of international AI experts to the UK's innovation and economy. This could involve streamlined visa processes, competitive salaries, and attractive living conditions.
4. **Develop Adaptive Regulatory Frameworks for Enterprise AI:** The UK should recognise the unique nature of Business-to-Business (B2B) AI applications, which are fundamentally different from frontier AI technologies often associated with high risks. Enterprise AI, used within organisations to optimise processes, enhance decision-making, and improve efficiency, typically presents lower risks compared to cutting-edge AI developments.
- a. Develop regulations that specifically address the needs and impacts of B2B AI applications. This involves creating guidelines that reflect the lower-risk nature of enterprise AI, ensuring that regulations are not overly restrictive and do not stifle innovation.
  - b. Clear definitions of the different actors in the AI supply chain and lifecycle will provide regulatory clarity. These should preserve or bring into even sharper relief distinctions between controllers and processors found in data protection legislation. These nonexclusive definitions should have a clear view of developers, deployers and distributors of AI.
  - c. Regulation should foster transparency, fostering proportionate and appropriate levels of documentation throughout the supply chain. It should also require 'humans in the loop' for high-risk decisions, while organisations should create best practices to ensure sources external to the system are checked in these instances. We also support legislation making people aware when they are interacting with a high-risk AI system, and disclosures to end-users or consumers that a system is AI-enabled or content is AI-generated.
  - d. Implement mechanisms for regular review and updates to ensure that regulations remain relevant and effective in addressing new challenges and opportunities.
5. **Enhance Open Data Initiatives:** Improve the accessibility and usability of open government data to foster innovation and transparency, closing the gap in the Open Government Data Index. Building more on the proposed ideas by the Labour Government which plans to remove barriers to new data centres, and create a National Data Library to aid data-driven public services.
- a. Lack of data quality standards: The need for consistent and uniform data publication to make it easier to use.
  - b. Low data literacy that limits the potential of open data: The importance of education and training programmes to enhance data skills.
  - c. Trade-off between data openness and data protection: Implementing strong security measures to prevent data abuse.
  - d. The need for data to be linkable and comparable across different sectors: Encouraging the release of data from both government and private organisations.
  - e. Funding gap: Invest in the infrastructure needed to make government datasets more accessible and user-friendly. This includes ensuring data is regularly updated, easily searchable, and provided in open formats.

6. **Enhance and Sustain R&D Investment:** To sustain and enhance its leadership in AI innovation, the UK must expand research and development (R&D) efforts, focusing on advancing higher levels of technology readiness (TRLs) and incentivising private sector investment. This nuanced approach will ensure that AI innovations are not only cutting-edge but also market-ready, driving tangible economic and societal benefits.
  - a. This strategic focus will bridge the gap between laboratory research and commercialisation, ensuring that investments translate into practical, scalable solutions.
  - b. Encourage large corporations to increase their R&D investments by offering enhanced tax benefits and recognising their contributions to national innovation goals.



## Appendix I. Methodology

The *UK AI Readiness Index* is a composite index that measures different components of AI frameworks and ecosystems for the UK and G7 countries.

The Index combines qualitative research and quantitative modelling to demonstrate how business and government leaders can better focus the efforts and resources they are devoting to AI.

Since no exact measurements of readiness exist specifically for AI, the *UK AI Readiness Index* uses 15 proxy indicators clustered into two key dimensions:

- **Business readiness** (7 indicators): How the private sector—start-ups, small and medium enterprises (SMEs), and enterprises—are equipped to adopt AI. This is important to understand businesses’ ability to drive and sustain the growth of AI.
- **Government readiness** (8 indicators): How the public sector—regulators, policymakers, institutions, and organisations—are enabling AI through funds and frameworks. This is important to evaluate governments’ ability to make AI a key driver of economic growth and competitiveness.

**Table 3. Description and source of AI Readiness Index indicators**

Business Readiness			
Companies’ Adoption of Emerging Technologies	Measures the extent to which companies are adopting five emerging technologies (artificial intelligence, robotics, app- and web-enabled markets, big data analytics, and cloud computing)	Portulans Institute, Saïd Business School, & University of Oxford, Network Readiness Index, 2023	<a href="#">Link</a>
Business Sophistication	Measures the extent to which firms are conducive to innovation activity.	World Intellectual Property Organization (WIPO), Global Innovation Index, 2023	<a href="#">Link</a>
Knowledge and Technology Outputs	Measures firms’ and countries’ ability to create, impact, and diffuse knowledge.	World Intellectual Property Organization (WIPO), Global Innovation Index, 2023	<a href="#">Link</a>
Creative Outputs	Measures firms’ and countries’ ability to create and market innovative physical and digital products.	World Intellectual Property Organization (WIPO), Global Innovation Index, 2023	<a href="#">Link</a>
Labour-Market Reconfiguration (“churn”) Due to Digital Transformation	Measures the digitally driven disruptions that the labour market is expected to go through in the next five years, including the reallocation and displacement of workers and jobs (“churn in 5 years”).	World Economic Forum (WEF), Future of Jobs Report, 2023	<a href="#">Link</a>
Number of AI Start-Ups	Measures the number of active companies headquartered in a country and categorised as “artificial intelligence”.	Tracxn, Database of AI start-ups, 2024	<a href="#">Link</a>
Venture Capital Availability & Valuation	Measures the size, value, and dynamics of venture capital. Includes: the market capitalization of listed domestic companies, the number of venture capital deals invested in, the number of venture capital deals received, and the total value of venture capital received.	World Intellectual Property Organization (WIPO), Global Innovation Index, 2023	<a href="#">Link</a>

Government Readiness			
Digital Evolution Index	Measures governments' digital readiness by assessing their competitiveness and trust in the global digital arena.	Tufts University, Digital in the Time of COVID, 2020	<a href="#">Link</a>
Digital Government Score	Measures national digital government readiness and development across ten indicators and 35 sub-indicators.	Waseda University, IAC 17 <sup>th</sup> Digital Government Survey, 2022	<a href="#">Link</a>
E-Participation Index (EPI)	Measures ICT-supported participation in government and governance processes including administration, service delivery, decision-making, and policymaking.	United Nations, E-Government Survey, 2022	<a href="#">Link</a>
Open Government Data Index (OGDI)	Measures the free and open publication of government data.	United Nations, E-Government Survey, 2022	<a href="#">Link</a>
Human Capital and Research	Measures the level of government spending and support on skills, training, science, and research.	World Intellectual Property Organization (WIPO), Global Innovation Index, 2023	<a href="#">Link</a>
H-Index for AI Publications	Measures the productivity and the citation impact of a scientific publication.	Scimago, Journal & Country Rank, 2023	<a href="#">Link</a>
ICT Regulation ("Governance" Pillar)	Measures the extent to which a government promotes participation in the network economy through regulation, policy, and planning.	Portulans Institute, Saïd Business School, & University of Oxford, Network Readiness Index, 2023	<a href="#">Link</a>
Government Promotion of Investment in Emerging Technologies ("Government" Pillar)	Measures the extent to which a government fosters investment in five emerging technology sectors (artificial intelligence, robotics, app- and web-enabled markets, big data analytics, and cloud computing).	Portulans Institute, Saïd Business School, & University of Oxford, Network Readiness Index, 2023	<a href="#">Link</a>

Source: Access Partnership research for Salesforce

All scores for the indicators are normalised to 10, while the overall total is normalised to 100 for comparison. Where available, the most recent data is used. All data is publicly available and accessible online in the sources and URLs presented above.

## Appendix II. Correlation Analysis

Table 4. Correlation Analysis – Overall AI Readiness 2024 score and selected economic indicators

	Overall AI Readiness	Government AI Readiness	Business AI Readiness	GDP, millions (Constant 2015 USD)	GDP per capita (Constant 2015 USD)	2023 IMD World Competitiveness score	2024 Index of Economic Freedom	Readiness for Frontier Technologies Index 2023	Global Start-Up Ecosystem Index 2024	Ease of Doing Business score, 2020
Correlation with Overall AI Readiness				0.828	0.964	0.792	0.598	0.928	0.898	0.921
n				7	7	7	7	7	7	7
Sig (p-value)	significant at 0.01 level			0.01311	0.00008	0.02311	0.13903	0.00084	0.00256	0.00114
Correlation with Government AI Readiness				0.755	0.926	0.804	0.699	0.930	0.824	0.950
n				7	7	7	7	7	7	7
Sig (p-value)	significant at 0.05 level			0.03679	0.00093	0.01918	0.06481	0.00078	0.01412	0.00025
Correlation with Business AI Readiness				0.858	0.973	0.774	0.534	0.915	0.928	0.893
n				7	7	7	7	7	7	7
Sig (p-value)				0.00735	0.00003	0.02911	0.20042	0.00143	0.00083	0.00301

Sources:

- World Bank national accounts data, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD>
- World Bank national accounts data, <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
- IMD, 2023 World Competitiveness Ranking, <https://imd.cld.bz/IMD-World-Competitiveness-Booklet-2023/38/>
- Heritage Research, 2024 Index of Economic Freedom, [www.heritage.org/index/](http://www.heritage.org/index/)
- UNCTAD, Technology and Innovation Report 2023, <https://unctad.org/publication/technology-and-innovation-report-2023>
- StartupBlink, Start-Up Ecosystem Report 2024, [www.startupblink.com/startupecosystemreport](http://www.startupblink.com/startupecosystemreport)
- World Bank, Ease of Doing Business Index 2020, [www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020\\_rankings.pdf](http://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020_rankings.pdf)
- Access Partnership research for Salesforce

## Appendix III. References