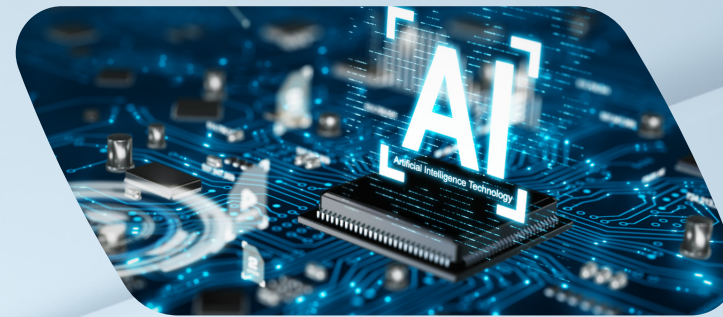




# Mastering Tomorrow

Pioneering AI Everywhere for  
Tech Leaders



## A New Chapter of the Digital Business Era: AI Everywhere

It's been just over a year since the world saw the birth of ChatGPT - and to say that it has revolutionized not just the way we work but the very fabric of our daily lives would be an understatement.

The dramatic increase of AI and generative AI (GenAI) awareness triggered a new chapter of the digital business era: **AI Everywhere**.

The promise of increased operational efficiency and employee productivity, improved customer satisfaction, revenue growth, and cost savings are attractive to all companies, **but even more so for SMBs whose twin challenges of limited resources and budgets remain the main concerns hindering growth.**

This raises the question: how can you as a business leader prepare your SMB to leverage the advantages of GenAI for increased productivity and ultimately growth, and navigate its risks?

In this eBook, we will look at current approaches to GenAI integration and help you develop a strategic plan, including key concerns to raise, processes and policies for successful GenAI integration, and advice from our GenAI specialists.



**85%**

of organizations state that their organization is doing at least some initial exploration of potential GenAI use cases.

*Source: GenAI, ARC Survey, IDC 2023*

## Organizational Approaches to AI: Current Situation

In a recent survey conducted by IDC, respondents provided insights into their organizations' overarching approach to AI, including GenAI. While the majority of organizations are eager to step on the GenAI bandwagon, approaches vary hugely.

At the initial stage, labeled "**Unstructured**," organizations lacked a formal AI strategy and central coordination. While AI technologies were sporadically utilized in isolated instances, they operated without visibility at the executive level, specifically within the C-Suite.

Moving into the "**Isolated**" phase, organizations embarked on developing an AI strategy and roadmap. During this stage, AI technologies were selectively applied to specific projects, with a focus on project-specific considerations such as data readiness, governance, skills, and technology selection.

Advancing further, the "**Consistent**" phase saw the integration of AI technologies across multiple projects. Organizations in this stage had established an early-stage AI strategy and roadmap, with initial tests of GenAI use cases primarily confined to the proof-of-concept stage.

In the "**Advanced**" stage, organizations demonstrated a mature and enterprise-wide AI strategy intricately aligned with overarching business goals. Notably, organizations in this stage actively embraced a substantial number of GenAI use cases, implementing them systematically across the entire organizational framework.

Finally, at the pinnacle of AI integration, the "**Disruptive**" phase illustrated organizations utilizing an enterprise-wide AI strategy to consistently generate new business value both internally and externally, thereby disrupting markets.



87%

of organizations believe that GenAI will disrupt their business in the next 18 months.

*Source: GenAI, ARC Survey, IDC 2023*

## Plan for Success: Key Concerns to Raise

It's clear that the appetite for GenAI for the enterprise is here. But ahead of implementing GenAI solutions, enterprises should ask themselves questions about some key concerns:

**Strategy and Roadmaps:** Identifying game-changing use cases is paramount. Enterprises should assess which areas of their operations benefit most from GenAI implementation.

**Industry Disruption:** Understanding the potential for industry transformation is essential. Recognizing the disruptive potential allows for proactive adaptation, ensuring a competitive edge in the evolving business environment.

**Funding GenAI:** Assessing the financial investment required is a critical step. Enterprises need to determine the budget for GenAI implementation, considering costs associated with technology acquisition, training, and ongoing support.

**Tech Roadmaps:** Anticipating how suppliers address current challenges is key to successful implementation. This ensures compatibility, timely updates, and effective resolution of emerging challenges in the rapidly evolving AI landscape.

**Trusted Enterprise:** Governing AI everywhere requires a thoughtful approach. Enterprises need robust governance frameworks to address ethical considerations, data privacy, and security concerns associated with widespread AI deployment.

## Hotspots for GenAI Business Integrations

C-Suite executives prioritize key areas for strategic impact when integrating GenAI into existing applications or business processes. The foremost focus is on **customer-facing applications**, aiming to empower customer self-service and enhance overall user experience. Following closely are **financial and operational decision support applications**, where GenAI optimizes decision-making processes, automates tasks, and provides valuable insights for operational efficiency.

Another crucial domain is the integration of GenAI into applications for **employee training**. This involves developing AI-powered tools that personalize learning experiences, adapt training modules, and track performance metrics for effective and tailored employee development.

In addition, C-Suite leaders explore GenAI's role in **digital marketing**, leveraging AI for targeted advertising, personalized customer experiences, and data-driven campaign optimization. This enhances customer engagement and maximizes the impact of marketing efforts by reaching the right audience with precision.

Lastly, there's a growing interest in incorporating GenAI into **app developer tools**, accelerating app creation, improving user interfaces, and enhancing overall functionality. This empowers developers to meet the evolving demands of users in an increasingly AI-driven landscape.



**59%**

of C-Suite respondents that are part of Digital Native organizations say their CEO leads digital initiatives.

*Source: Worldwide C-Suite Tech Survey, IDC, August 2023*





38% of respondents state that the increased need to defend infrastructure cybersecurity threats will be a result of their GenAI integration.

Source: GenAI, ARC Survey, IDC 2023

## Strategies for Managing the GenAI Introduction

- ✓ Use rigorous metrics to evaluate, set priorities, and manage use.
- ✓ Establish an AI CoE, leveraging IT staff, LOB technologists, and strategic partners.
- ✓ Educate about potential benefits and risks of GenAI couched in business terms.
- ✓ Set up data access controls and policies.
- ✓ Prioritize employee and customer privacy and security.
- ✓ Focus on people, not just technology, as adoption and appropriate usage will be make-or-break factors in successfully leveraging Generative AI.
- ✓ Promote open discussion on success and failures but focus on the most promising uses.
- ✓ Proactively mitigate risk for end-to-end development.
- ✓ Validate content and answers generated by GenAI early and often.
- ✓ Avoid premature lock-in-tune adoption strategies to tech evolution and velocity of change.
- ✓ Proactively garner executive support and involvement for managed adoption of GenAI.
- ✓ Insist that providers of foundation models maintain transparency to mitigate risk to intellectual property.

## Processes and Policies for Successful GenAI Integration

**Internal Generative AI Center of Excellence (CoE):** A CoE serves as a focal point for expertise, knowledge sharing, and skill development and accelerates GenAI adoption, establishes corporate-wide standards, and ensures that best practices are disseminated throughout the organization.

### **Data Sharing and Operations Practices:**

To guarantee the integrity of large language models developed internally or in collaboration with third parties, implement data sharing and operations practices. This includes rigorous data management processes, ensuring data quality, and maintaining transparency in model development.

### **Corporate-wide Guidelines for Open Source GenAI:**

Establishing guidelines for the evaluation and tracking of open-source Gen AI code, data, and trained models is essential. This ensures compliance with licensing agreements, ethical considerations, and cybersecurity standards. Clear guidelines foster responsible and ethical usage of open-source contributions.

**Mandatory GenAI Awareness Training:** This ensures that employees are well informed about the capabilities, limitations, and ethical considerations surrounding GenAI.

**AI Governance/Ethics/Risks Council:** Establishing a formal AI governance, ethics, and risks council is pivotal. This body oversees the ethical use of GenAI, assesses potential risks, and develops policies to mitigate them.

**Incorporating GenAI Evaluation Criteria:** Ensure the integration of Generative AI evaluation criteria into all new or renewal Software as a Service (SaaS) Requests for Proposals (RFPs). This includes assessing the security, ethical considerations, and performance metrics of GenAI solutions. Incorporating these criteria into procurement processes ensures that vendors align with organizational standards.



## Conclusion: Guiding Your GenAI Journey

As a business leader, it's crucial to navigate the transformative GenAI landscape with precision and clarity. To ensure your success, our analysts offer the following strategic advice:

**Involve IT for a Unified Approach:** 39% of technology executives acknowledge possessing an advanced approach to AI. However, a significant challenge lies in communicating this strategy across the organization. Now is the opportune moment for technology executives to step into a leadership role, guiding the C-Suite through the intricacies of the AI journey.

**Address Challenges at the Core:** GenAI presents incredible opportunities, but challenges must be addressed at the very core of your AI strategy. Organizations must designate a leader who will shoulder responsibilities for the overarching AI strategy and roadmap. This visionary individual will navigate the complexities, ensuring that challenges are met head-on and that the organization remains on course for AI success.

**Prevent "Shadow" Investments:** To avoid fragmentation and inefficiencies, it's crucial to prevent "shadow" investments by individual teams and lines of business. Establish a centralized approach to AI investments, ensuring that all initiatives align with the organization's overarching strategy. By doing so, you not only enhance collaboration and resource optimization but also mitigate the risk of redundant efforts and conflicting priorities.



## Meeting the GenAI Customer Challenge

Converting GenAI's potential into use cases that generate business value requires a clear-eyed understanding of current limitations and challenges. GenAI technology is powerful, but it is not fully mature and presents opportunities for misuse.

**IDC's leading-edge expertise and insight into GenAI trends, opportunities, requirements, and challenges help you elevate conversations and better engage with your customers.**

Are you ready to meet the challenge?

[Contact us today](#) to learn how IDC can help you to succeed with GenAI.

