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Market Pulse

Maximize the value of your data with AI

Survey finds IT and business leaders are eager to realize AI's promises, concerned about data management — and afraid of missing out.

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IT and business leaders are putting artificial intelligence (AI) to work in a dizzying array of use cases. A new Foundry survey of senior IT decision-makers shows that organizations are looking to the transformative technology to improve customer experience, boost employee productivity through automation, and enhance decision-making, among other potential benefits.

Expectations are high that AI will help revamp how people and processes work across many departments, including risk and compliance, sales and marketing, and supply chain and manufacturing. The survey also uncovered several challenges — particularly concerning data management — that organizations are facing as they deploy AI-enabled applications.

Those challenges are tempered, however, by the risks of *not* using AI.

A rising tide of interest and activity

The rapid emergence of generative AI (gen AI) services such as OpenAI's ChatGPT and Google's Bard is fueling a surge of interest in a broader set of AI technologies, particularly among large enterprises, where gen AI ranks as the No. 1 technology for potential impact in the next year (40%), ahead of even security (31%), according to the Foundry study. This fascination with gen AI could be the rising tide that is lifting many AI boats: 89% of the survey respondents said interest in AI among their organization's leaders has increased over the past year.

AI activity is nearly universal among the survey respondents: 96% are either using, testing, or planning to investigate the technology in their organization. Initiatives are spread across multiple departments, led by risk and compliance and customer operations.

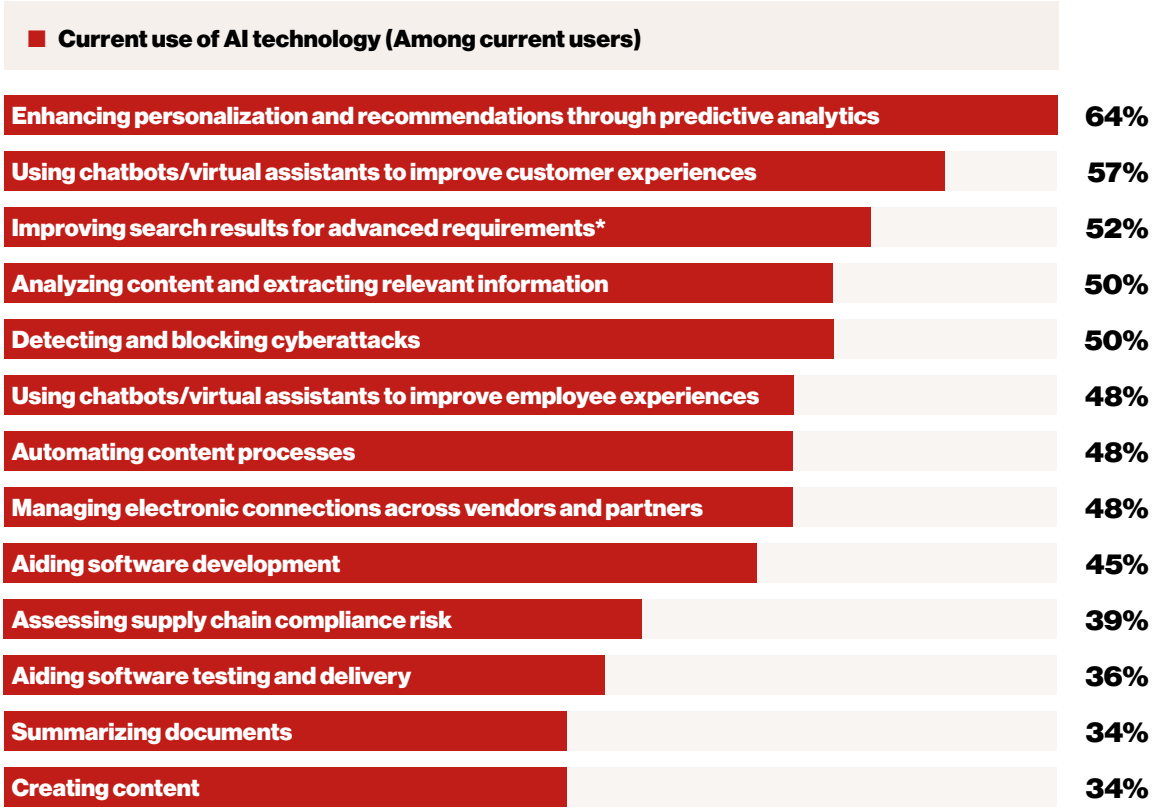
The top use case for AI is enhancing personalization and recommendations through predictive analytics, followed

by deploying chatbots/virtual assistants to improve customer experience. Clearly, organizations are looking to improve the effectiveness of customer interactions.

Content management is another strong area of activity for companies currently using AI: Improving search results and analyzing content for better insights rounded out the top four use cases.

Half of the respondents are also deploying AI to detect and block cyberattacks.

Top current use cases for AI include personalization of user experiences, deploying virtual assistants for customers, and improving search capabilities



*e.g., media or video records, embedded personal information

Expectations are high

With AI usage widespread, it's no surprise that survey respondents expect to capture many benefits from the technology. Expectations are particularly high in three areas: security, cloud-based integration, and sustainability.

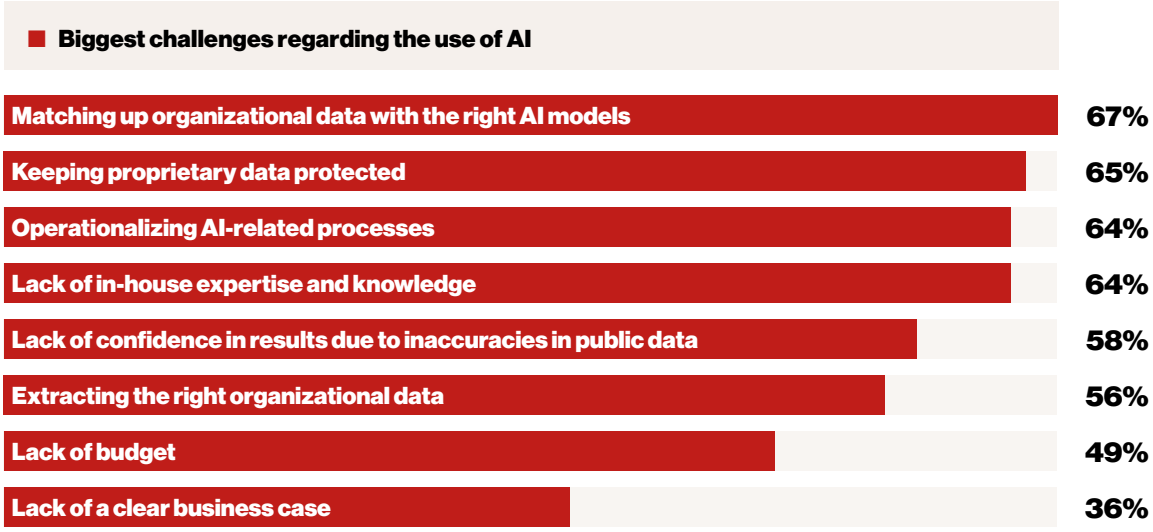
- **Security:** Nine out of 10 respondents expect that AI will help make their organization better able to protect data assets. The power of machine learning, when deployed to analyze anomalies that indicate possible intrusions, can greatly improve an organization's ability to detect and thwart attacks. Gen AI can further optimize defensive configurations and help improve penetration testing by formulating novel attacks. Other expected security benefits of AI cover a broad range:
  - Improving detection speed (63%)
  - Faster remediation (58%)
  - The ability to embed security software into development cycles (56%)
  - Improving access control (48%)
  - Reducing false positives (47%) (Notably, survey respondents with IT and IT security responsibilities were more likely to cite a reduction in false positives as a potential benefit of AI, compared with line-of-business and non-IT managers [56% versus 38%].)
- **Cloud-based integration:** Survey respondents said improving access to cloud data (65%) is the top benefit for cloud-based operations that they expect AI to deliver. By applying machine learning to workflows, AI-enabled applications can anticipate user actions and automate many operations that call on cloud-based data. An added benefit is that the more an AI algorithm is used, the more it learns and the better it performs. The result is more efficient business processes and less time spent by workers on routine, tedious tasks. IT and business leaders also anticipate that AI will help manage information across a multicloud environment (59%), simplify integrations (59%), and improve compliance (53%); 31% said AI can improve financial operations (FinOps) capabilities.
- **Sustainability:** Many organizations want to improve their sustainability practices. They also want their supply chain partners to maintain sustainable practices, such as using electronic rather than paper forms.

Most respondents (64%) expect AI to improve supply chain sustainability. In addition, 57% said AI will help them transition from paper to digital; 56% said AI will assist in deduplicating data, thereby reducing the amount of data and the required storage infrastructure; and 50% said AI will help reduce power utilization. Developing code more responsibly (45%) also registered interest, because AI can help programmers write code faster and can create software that uses IT infrastructure more economically.

Overcoming AI's challenges

The survey also uncovered some specific challenges that organizations face as they implement AI-based systems. A particularly illuminating aspect of the report is the scale of concerns flagged regarding data management as a foundation for AI success. Four of the top six challenges relate directly to data: matching up organizational data with the right AI models (67%), keeping proprietary data protected (65%), lack of confidence in results due to inaccuracies in public data (58%), and extracting the right organizational data (56%).

Choosing the right AI models, keeping data protected, operationalizing AI processes, and sourcing in-house expertise are top AI challenges



Generating clean, accurate, and timely data and subjecting it to AI algorithms that elicit actionable insights are fundamental to successful modern business. Organizations that govern, unify, and protect their data will get useful and potentially transformative results when they feed that data into the right AI model.

Making sure data is trustworthy — providing a single source of truth — can help overcome many of these data-related challenges. Where data originates, how it is curated, and whether it is likely to deliver biased results are all critical aspects of successful AI implementations. A major failing of AI is that much of the data on the public internet is incorrect or improperly categorized. The current popularity of publicly available gen AI tools is tempered by the susceptibility of those tools to make use of erroneous or conflicting data, which can lead to misguided or incorrect results known as hallucinations.

The two other top-six challenges are also important to overcome:

- Operationalizing AI-related processes (64%) speaks to the challenges of transitioning from an AI proof-of-concept project to a production environment in which the AI algorithms perform reliably.

- Lack of in-house AI expertise, also cited by 64% of the respondents, is a challenge that underpins many of the other AI challenges. The well-documented IT skills gap is causing 88% of the survey participants to rely on partners that have AI experts on staff. Nearly half (49%) are using a technology partner to help implement AI, and 39% are planning to use another type of partner.

Fear of missing out

The many demonstrable benefits of AI are spurring organizations to increase their AI investments. However, these commitments also appear to be driven in part by anxiety arising from the fear of missing out on a wave of transformative technology.

The perceived risks of not adopting AI extend across areas that are important to corporate success. For example, the inability to fully leverage internal data (78%) topped the list, and with good reason: The huge volumes of data that organizations generate have value that, in many cases, can be captured only through AI-enabled analytics.

Failing to meet customer expectations was a close second, at 77%, no doubt reflecting the need to deliver products and services in a timely way — but also in ways that are highly customized to the needs and preferences of specific customers. Missing out on cost savings (75%) was also a concern, showing that IT and business leaders recognize the power of AI to optimize processes and eliminate waste.

Failing to capture new revenue streams (71%) shows that IT decision-makers acknowledge the potential of AI to uncover new business opportunities by identifying unmet and possibly hidden customer needs.

Other perceived risks go to the heart of corporate competitiveness: losing market share (68%), slow and inaccurate decision-making (64%), and failing to attract new talent (57%). Taken as a whole, the risks of not adopting AI show that the survey respondents are acutely aware of its game-changing nature.

Conclusion and next steps

Generative AI is grabbing the headlines, but interest in all forms of AI is surging to unprecedented levels. IT and business leaders are impelled by both curiosity and urgency to explore use cases for AI across many departments in their organization. They have high expectations for the technology to deliver many benefits, including more robust security, better cloud-based integration, and improved sustainability.

For most, failing to act is not an option, because the risks of missing out on AI's benefits — and falling behind competitors — are too great.

As AI adoption increases, organizations will continue to face a variety of challenges, including building the right AI models, establishing and maintaining a high-quality underlying data management process, and overcoming a shortage of in-house skills. IT and business leaders know they can't achieve success with AI on their own. Many are reaching out to partners for assistance in building the right infrastructure for collecting, managing, and protecting the data that fuels AI-based innovation. OpenText helps organizations address these challenges and accelerate their journey to AI-driven transformation.

Access the full survey data here, and learn more about how you can work smarter with OpenText.

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