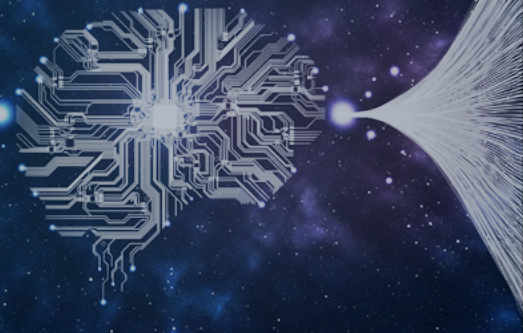


# \* ISG Market Lens™

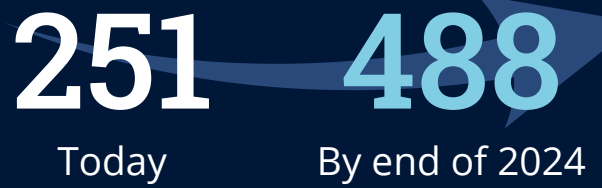
## AI Study



### State of Enterprise AI Today

- Enterprises plan to rapidly enable AI by targeting their app portfolios.
- By the end of 2024, enterprises want to enable AI in at least **25% of apps**.
- In doing so, enterprises would double the number of AI-enabled apps.
- Respondents expect AI spending per IT budget to triple, from an average of 2% in 2023 to around 6% in 2025.

### Projected AI-enabled Applications\*



*\*Numbers are averages of apps per org*

### Top AI Priorities and Challenges

#### AI for Efficiency, Innovation and Growth

The most common priority for enterprises was to create a **long-term AI roadmap**. After that, priorities focused on specific business needs, such as building revenue or driving CX. Motivations centered first on driving efficiency, then innovation and growth. The biggest challenge to reaching these goals was reported as **a lack of AI skills**.

#### Top AI Priorities

<b>AI roadmap</b>	<b>56%</b>
AI use cases for revenue	54%
AI use cases for CX	47%

#### Top AI Challenges

<b>Lack of AI Skills</b>	<b>45%</b>
Lack of company-wide vision	35%
Data privacy and security	33%

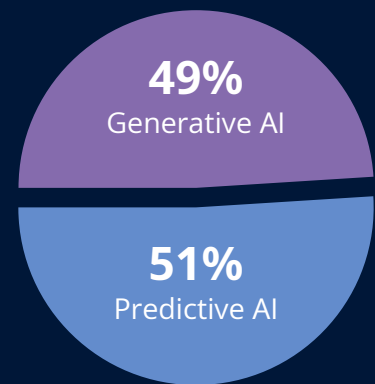
*Note: Multiple responses allowed; will not add up to 100.*

### GenAI Hasn't Overtaken Predictive AI Yet

#### Across Software, Platforms and Services

Enterprises are evenly split between emerging and traditional AI models. Despite the hype and increasing applications for **generative AI**, enterprises are spending as much money (or slightly less, on average) on generative AI as they are on predictive AI.

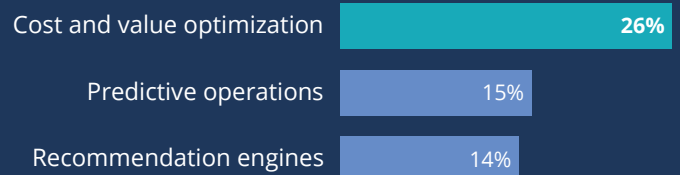
#### Total AI Spending



### Success Versus Expectation

Enterprises were mostly positive about meeting or exceeding their goals and when rating the success of their current management of AI initiatives. They were the most confident in their ability to manage external AI providers, and least confident in their ability to measure their performance and ROI. Use cases that **reduced the cost of operations** were rated the most valuable for the next two years.

#### Top 3 Most Valuable Use Cases Through 2025



*Note: Multiple responses allowed; will not add up to 100.*

**200 IT & business decision makers** responsible for AI initiatives & apps interviewed.

**33% C-level respondents** IT (33%), and other decision makers.

**Contact us** to find out more about this study. If your organization needs help navigating the technologies, processes and partners needed to refocus your AI initiative, ISG can help.