IDC FutureScape

Predictions 2024:
Business

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About FutureScape

IDC FutureScape reports are used to shape enterprise IT strategy and planning by providing a basic framework for evaluating IT initiatives in terms of their value to business strategy now and in the foreseeable future.

IDC's FutureScapes are comprised of a set of predictions designed to identify a range of pending issues that CIOs and senior technology professionals will confront within the typical five-year business planning cycle. Each prediction is assessed on the basis of its complexity, organizational impact, and time frame to expected mainstream adoption.

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Digital Business FutureScape Predictions

PREDICTION 1

7x Spending on digital technology by organizations will grow at 7x the economy in 2024, as companies are compelled by market demands to grow digital business models and strengthen digital capabilities.

IT Impact

Digital IT skills and knowledge, including comfort with digital systems and business processes, are required.

Identifying areas of business, whether operational, revenue driving, or experiences, most in need of digitization is essential.

Adopting agile and DevOps methodologies will be necessary to keep up with digital innovation cycles.

Guidance

Solicit and incorporate feedback from business users, customers, and partners to ensure digital investments meet expectations.

Prioritize internal experiences that will attract digital talent.

Identify areas of quick wins to prove value of digital technology investment in order to build greater support for digital initiatives.

PREDICTION 2

35% By 2025, 35% of enterprises will have mastered the use of GenAI to codevelop digital products and services leading to double the revenue growth compared with their competitors.

IT Impact

IT must prioritize data management and integrity to ensure quality of generative AI outputs.

Close collaboration with the business, including education on generative AI, will be necessary, in the co-development processes.

Specific security measures will be necessary to protect company data used to develop IP.
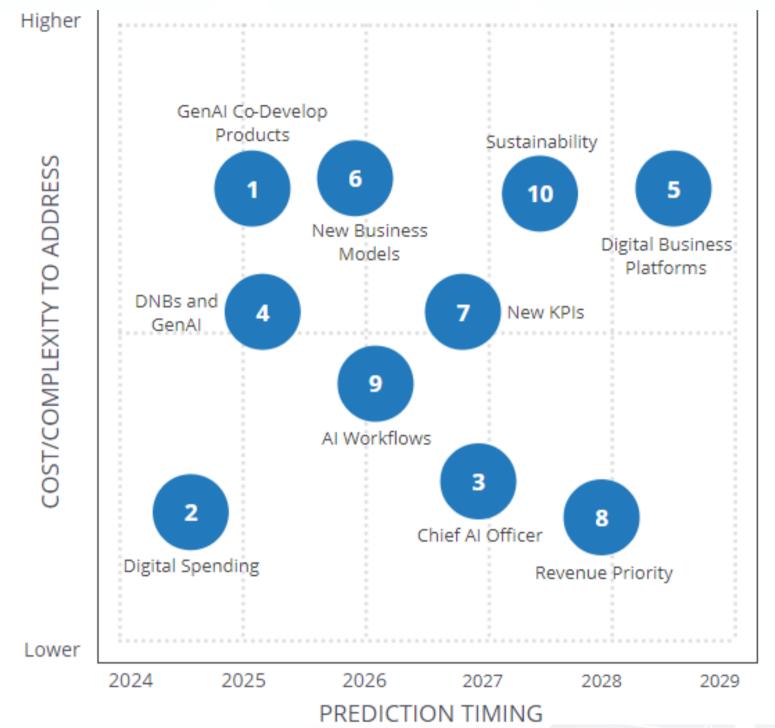
Guidance

Ensure business leaders and subject matter experts supplement and augment generative AI outputs and suggestions.

Require training of key stakeholders on generative AI.

Take an agile approach to product and services development but ensure generative AI outputs align with company values and are attainable.

Digital Business FutureScape Predictions

Note: Marker number refers only to the order the prediction appears in the document and does not indicate rank or importance, unless otherwise noted in the Executive Summary.
Source: IDC, 2023

The Era of GenAI
The digital business (DB) era has arrived. Spending on digital technologies is growing while traditional, nondigital spending is stagnating or even slightly dropping. The demand for digital experiences from customers, employees, partners, and suppliers has shifted to an expectation. Companies looking to sustain and grow are seeking digital revenue streams while looking to digitize operations to reduce costs and increase efficiency.

GenAI is bringing a generational impact to enterprises, and our predictions reflect that: 6 out of the 10 discuss artificial intelligence (AI) in some way, citing the external driver of "AI everywhere — Generative AI takes the spotlight."

FUTURESCAPE RESEARCH: IDC FutureScape: Worldwide Digital Business Strategies 2024 Predictions

IT Industry FutureScape Predictions

PREDICTION 1

100% In 2024, providers across the hardware, software, and services spectrum will aggressively expand their private and open-source data portfolios, making strategic partnering decisions more unstable.

IT Impact	Guidance
Assumptions about the ownership/provenance of data used by AI functions in hardware, software, and services offerings may be subject to change on short notice. Changes in ownership for critical data sets may alter the benefits/risks of selecting IT Ops and Function/Industry specific solutions while increasing the potential for lock-in.	Prioritize and implement internal and 3rd party data use/sharing guidelines for all IT and business data that includes commitments on guaranteeing long term access to data regardless of ownership changes. Make security of data sources a top KPI with an emphasis on encouraging use of open-source data (properly vetted and indemnified) where possible and on adoption of a data control system that enables timely shifting to new data sets if required.

PREDICTION 2

50% With tech providers allocating 50% of R&D, staffing, and CAPEX investments to AI/automation through 2026, CIOs will struggle to align vendor selection and IT Ops priorities with new uses cases.
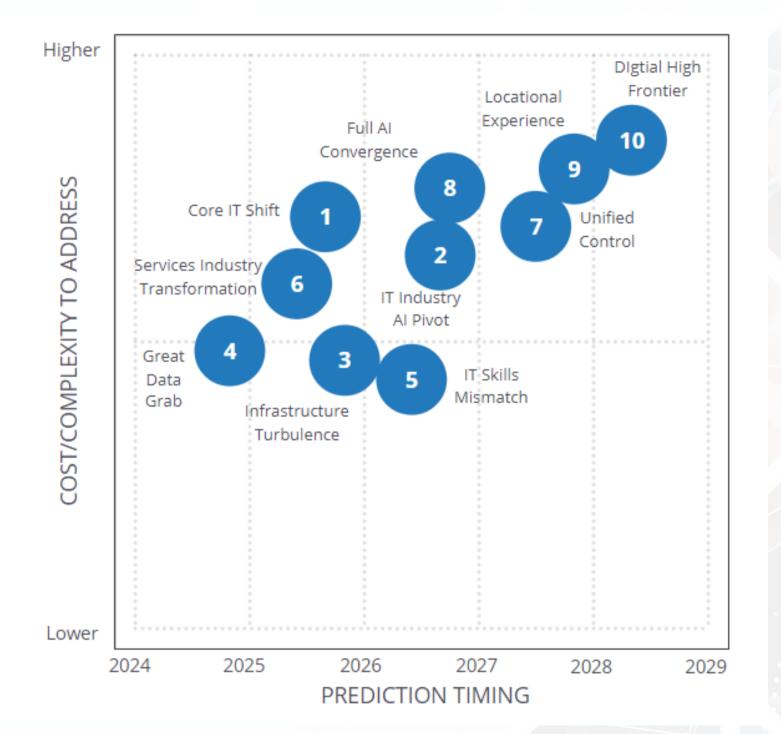
IT Impact	Guidance
Most existing products/services that IT teams rely upon will add AI-extensions that promise improved capabilities and operational efficiency, but also require training to use effectively. The promises and new pricing mechanisms associated with new "intelligent" products and services alter existing assumptions used to access ROI and business value. AI replaces Cloud as the lead driver of technology industry investment decisions, but Cloud continues to play a critical supporting role in delivery.	Allocate funds now for retraining/reskilling of core IT, security, and dev operations teams and insist that providers include ongoing training as part of any customer success programs. Establish clear guidelines on acceptable use of log and evaluation data as well as code by providers and include assumptions about "value to provider" in ROI and pricing assessments. Initiate creation of an AI Center of Excellence within the CTO organization, that is tasked with accessing emerging AI acceleration technologies and how effectively tech providers are adopting those technologies in their own product/services.

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IT Industry FutureScape Predictions

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Source: IDC, 2023

A New Chapter: AI Everywhere

In 2023, a new chapter of the Digital Business Era started: AI Everywhere. It promises to drastically reduce the time and costs associated with customer and employee facing use cases as well as code, content, and product design processes.

This IDC FutureScape addresses a wide range of topics and use cases. Chief Information Officers (CIOs), Chief Technology Officers (CTOs), and all IT decision-makers should approach each prediction in three steps:

- Assess the relevance of each prediction. Does this prediction apply to technology decisions and investments made by my business today and in the future? If it is not seen as relevant, should it? What do I risk if I ignore it?
- Assess the urgency of each prediction. How soon must I address the effects of each prediction on my IT team and business, not just all businesses? Who within the organization will I need to include in discussions?
- Assess the resource requirements of each prediction. What will this prediction cost in terms of treasure, time, and organizational change? How will it impact spending/decisions in adjacent technology areas? Can it save my company money or allow my company to deliver new revenue faster, if done correctly?

B2B Sales Leaders FutureScape Predictions

PREDICTION 1

60% By 2025, automation across lead assessment, opportunity routing, and content generation, reduces meaningful lead engagement to <1 day in 60% of B2B organizations.

IT Impact	Guidance
IT organizations will need to work closely with sales and marketing counterparts to define data requirements and implement corresponding tools (CDPs, data lakes, etc.). The data fueling improved sales processes will often be highly personal. Safeguards and procedures will need to be put in place to ensure that there are no compliance issues and that the data breach risks are minimized. New applications (or features within current applications) will need to be implemented/integrated, requiring an additional technical resource/budget.	Establish time to engagement as a key metric and determine appropriate/achievable benchmarks. Establish clear performance benchmarks with no room for excuses. Indications of larger systemic problems (such as excuses for nonperformance) should be reported truthfully and without judgement to fuel digital transformation. Interrogate your current martech/salestech vendors regarding their ability to impact/improve time to engagement: What tools do they offer? What's on their road map? What partners do they work with?

PREDICTION 2

45% By 2025, sales teams that adopt GenAI will decrease the time they spend on non-revenue-generating activities by 45%.

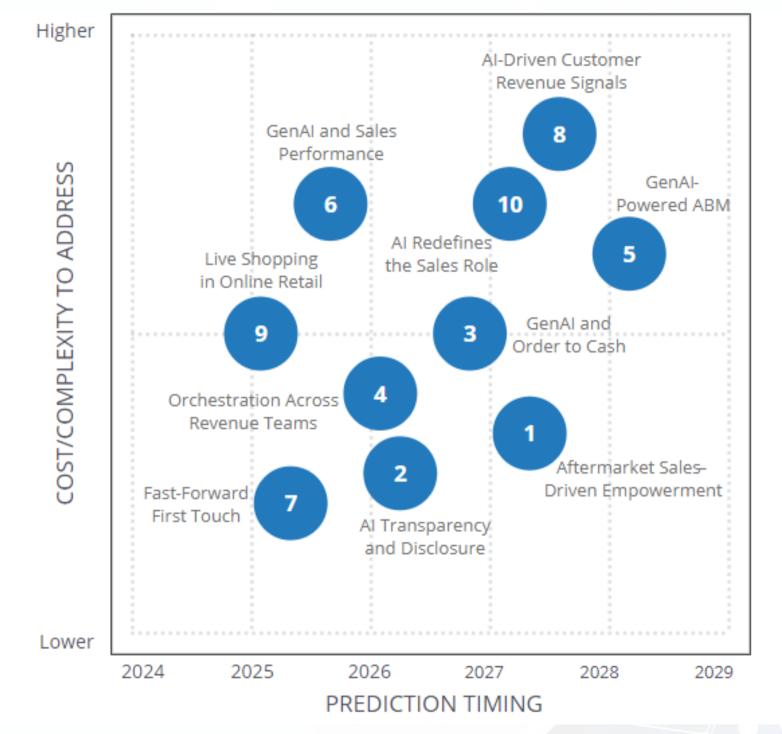| IT Impact	Guidance
IT leaders will need to determine whether their organization has the financial and staffing resources to develop their own GenAI models or will need to license pretrained models. IT will need to audit current data sets and processes to ensure data quality and identify any gaps that would preclude the implementation of GenAI. IT teams should consider variables such as existing network architecture and cloud providers and how they will handle the scalability and performance requirements of GenAI. IT should provide the foundational security measures needed to safeguard access and protect sensitive data.	Establish how models will be trained,and ensure that the training data is unbiased and appropriate for content generation. Involve all relevant stakeholders in the implementation process to ensure that the technology is being used as it was intended. Create best practices for using generative AI. These best practices should span the entirety of the organization, from regulatory compliance to end-user considerations.

B2B Sales Leaders FutureScape Predictions

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Source: IDC, 2023

A Rapidly Changing World

If the past four years have taught us anything, it's that Heraclitus was right: "There is nothing permanent except change." From a global pandemic to the Russia-Ukraine War to inflationary and economic pressures, most of us have had to adapt to a rapidly changing world in a relatively short amount of time. The need to adapt has led to major innovations in technology that have fundamentally changed the way many of us work and do business. Within the B2B space, consumers have shifted to a digital-first, digital-only paradigm, with a preference for self-guided buying journeys and limited direct human interaction. As a result, sales organizations have had to rethink their customer engagement strategies from first touch to close. Reevaluation of these processes has spurred innovation, resulting in new and improved B2B sales solutions.

Opportunities such as omni-channel selling have made it easier for businesses to expand their market reach both regionally and internationally, driving growth in new and untapped markets. And, more recently, artificial intelligence (AI) and generative AI (GenAI) technology is creating additional space in the market for new players and existing vendors to expand their capabilities and offerings. Investment in GenAI has already begun. B2B sales is primed for such innovation. Traditionally the last group to embrace new ways of "doing things," sales teams have had to pivot more times in the past four years than perhaps any other business unit. If sales organizations have learned anything in the past four years, it's that the next five are sure to bring more changes.

FUTURESCAPE RESEARCH: IDC FutureScape: Worldwide B2B Sales Leadership 2024 Predictions

CMO FutureScape Predictions

PREDICTION 1

60% By 2027, 60% of CMOs in G2000 organizations will be primarily measured for their ability to deliver customer value outcomes, forcing 30% to evolve into becoming orchestrators of customer value.

IT Impact

Marketers will be expected to effectively collaborate with IT and the other LOBs to orchestrate customer value outcomes. Changes in metrics/KPIs will be necessary.

IT will face increased pressure to establish a data strategy that connects all data across customer-facing departments. Linking all customer data together in a common repository will be necessary to drive value.

Integration of marketing and other customer-facing systems will be needed to avoid siloes and gain a holistic customer view.

Guidance

Evaluate marketing performance metrics and determine what KPIs are needed to help you better align to your customers' value outcomes – shift focus from top of the funnel metrics to value metrics.

Consider implementing a CDP as your enterprise customer data foundation.

Allocate your marketing budget based on the contribution to business/customer outcomes. Becoming more strategic to the organization will require marketing to undergo strategic changes – from skills to technology and effective collaboration.

PREDICTION 2

42% By 2026, GenAI will assume 42% of traditional marketing's mundane tasks such as SEO, content and website optimization, customer data analysis, segmentation, lead scoring and hyper-personalization.

IT Impact

The democratization of technology, particularly GenAI, requires appropriate governance, privacy, and cybersecurity guardrails.

GenAI requires human skillsets such as creativity, strategic thinking and customer centricity that don't normally reside in IT.
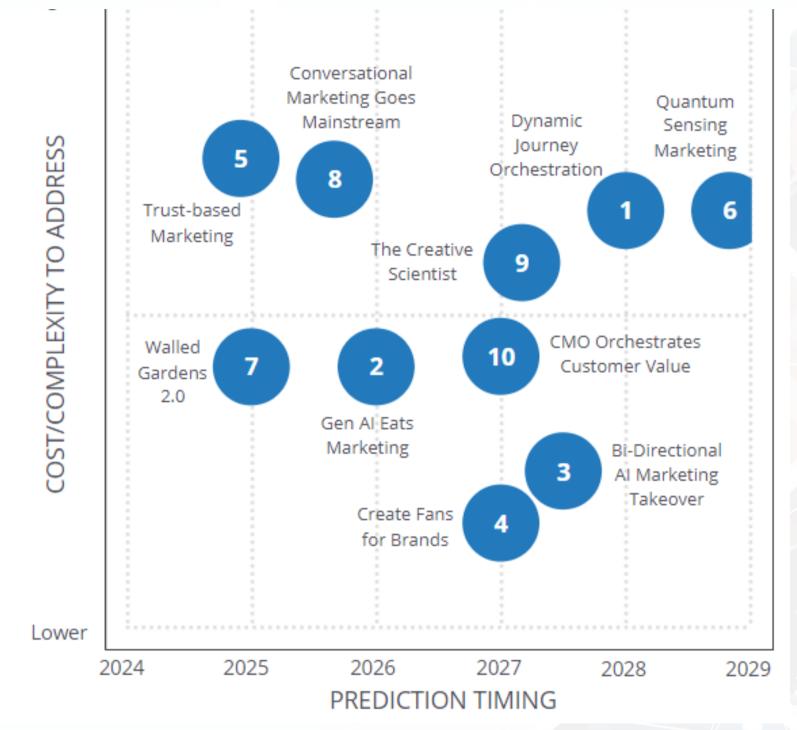
Guidance

Reviewing and updating the tech stack to unlock current technology's capabilities to enable the top use cases for GenAI.

Quickly and proactively establish the best practices and governance for how enterprises can leverage GenAI so that IT becomes an enabler, rather than a blocker, of the business of marketing.

Mitigate emerging intellectual property ownership and management risks with a well-orchestrated trust and oversight program. Ensure that these technologies are deployed in a safe and sustainable way.

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CMO FutureScape Predictions

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Source: IDC, 2023

Marketing's New World: The Experience Era

Marketing leaders understand that buying behavior has permanently changed. We have officially entered the experience era. Marketing shifts and reimagines their tactics to enable customers to choose their own adventure, consuming personalized content across a mixology of channels and formats. This requires a level of intelligence and precision that marketers have been striving for since the dawn of marketing automation. Today, the advancement in enterprise level data, analytics, emerging technology, and automation allow marketers to fully invest in understanding and meeting customer experience expectations.

The experience era of marketing brings forth a future where technology takes marketing's ability to meet experience expectations to a higher maturity level, shifts the role that humans play to support the journey, requires new skillsets that combine the art with science, and introduces new factors impacting trust and security risks, CMOs are beginning to sort out methods for pathing through a VUCA world (volatility, uncertainty, complexity and ambiguity). To forge a path forward, CMOs will follow the leadership of CEOs to rewire their view of volatility to remain true to their vision.

FUTURESCAPE RESEARCH: IDC FutureScape: Worldwide Chief Marketing Officer 2024 Predictions

SMB FutureScape Predictions

PREDICTION 1

50% To meet their goals for energy efficiency and sustainability, more than half of medium-sized businesses will consider investing in sustainability technology solutions by 2026.

IT Impact

Adopting sustainability requires digitalizing business processes, such as moving to the cloud and adopting IoT devices. The IT department must make sure that the company's IT infrastructure can support these tools and platforms.

IT must ensure that it has the necessary storage, data security measures, and network capacity to handle the increased data flow and potential cyberthreats that come with integrating sustainability initiatives that require collecting and analyzing large data sets.

IT might need to transition to more energy-efficient servers and hardware, which might initially be expensive but will eventually lead to long-term savings. SMBs should investigate potential tax incentives and grants for sustainable initiatives.

Guidance

Set realistic targets by assessing your current sustainability status. For example, evaluate energy consumption, waste production, and supply chain carbon emissions to get a clear picture of your sustainability performance. This will help you develop a comprehensive plan toward your goals.

Evaluate the environmental impact of IT vendors and supply chain and potential technology partners based on their carbon footprint, sustainable resources, and energy-efficient data centers as part of your sustainability initiatives.

Track the progress of sustainability initiatives and focus on long-term value from such investments. Showcase your commitment toward environmental sustainability by communicating with stakeholders.

PREDICTION 2

50% By 2025, half of medium-sized businesses will be using GenAI-based applications to automate and optimize marketing and sales processes.

IT Impact

IT will need to measure the ROI of the company's AI initiatives to balance costs against the benefits achieved by such investments.

IT must access its integration needs as integrating GenAI into business workflows and IT systems might pose compatibility issues, requiring customizations and updates.

AI platforms might make businesses more vulnerable to security issues because they demand a constant stream of data to be collected and processed. IT must ensure the platform has robust security measures to protect sensitive data and prevent unauthorized access. In addition, it must assess the ethical implications of using GenAI-based solutions.
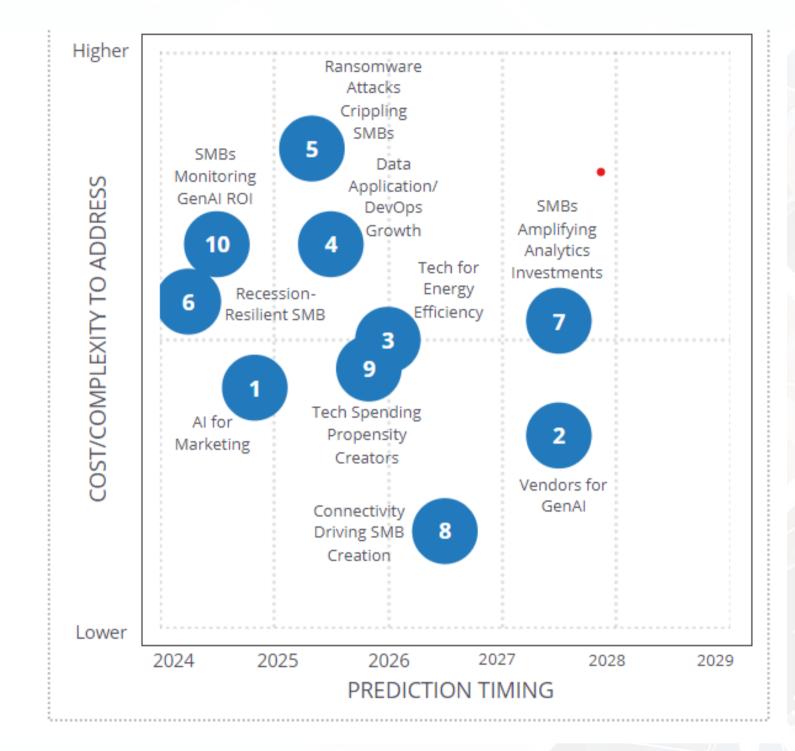
Guidance

Start small by testing a specific use case to evaluate the effectiveness of such AI solutions.

Invest in training and provide continuous learning opportunities to help workers adapt to AI-driven changes.

Define a change management approach with clear communication and training, such as providing regular updates on the benefits and goals of implementing AI, addressing any concerns or fears of employees, and providing comprehensive training programs.

Engage or consult with outside AI agencies or experts during the initial implementation to work through common problems and develop a road map that aligns with the company's objectives.

FUTURESCAPE RESEARCH: DC FutureScape: Worldwide Small and Medium-Sized Business 2024 Predictions

SMB FutureScape Predictions

Higher

COST/COMPLEXITY TO ADDRESS

Lower

Ransomware Attacks Crippling SMBs

5

SMBs Monitoring GenAI ROI

Data Application/ DevOps Growth

10

4

SMBs Amplifying Analytics Investments

6

Recession- Resilient SMB

Tech for Energy Efficiency

3

7

9

1

AI for Marketing

Tech Spending Propensity Creators

2

Vendors for GenAI

Connectivity Driving SMB Creation

8

PREDICTION TIMING

2024   2025   2026   2027   2028   2029

GenAI: A New Opportunity for SMBs

Small and medium-sized businesses (SMBs) operating in regions across the globe have encountered dramatic changes over the past 12 months that will significantly impact their IT investment decisions and projects for the next five years.

With smaller staff members, SMBs are keenly interested in the potential of generative AI (GenAI) and how it can automate their often manual, paper-based processes; reduce errors; and save time, but they need help from vendors to implement the technology as they do not have the in-house tech expertise to do so themselves.

SMBs are also still looking to tap into the benefits of cloud, but as they spend more on cloud offerings as they outgrow their legacy systems, they will closely monitor the ROI of new cloud investments. And finally, the two aforementioned technology advancements, GenAI and cloud, are resulting in heightened concerns about data security.

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Source: IDC, 2023

2024: The Year to Embrace Change

In conclusion, the B2B tech landscape is rapidly evolving. With a significant 50% allocation of investments to AI and automation by tech providers, CIOs face alignment challenges. Meanwhile, the expansion of data portfolios in 2024 adds complexity to strategic partnering.

GenAI adoption promises to reshape sales, reducing non-revenue tasks by 45% by 2025. Automation will accelerate lead engagement. In marketing, GenAI takes over routine tasks, and CMOs focus on delivering customer value. Small and medium-sized businesses are automating processes and exploring sustainability tech. Embrace change, start small, and remain adaptable in this dynamic tech world.

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- IDC FutureScape: Worldwide IT Industry 2024 Predictions

- IDC FutureScape: Worldwide Artificial Intelligence and Automation 2024 Predictions

- IDC FutureScape: Worldwide Digital Business 2024 Predictions

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- IDC FutureScape: Worldwide Emerging Technologies 2024 Predictions

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