

 IDC FutureScape

Predictions 2024: Software/Services



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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.

Services FutureScape Predictions

PREDICTION 1

60%

By 2028, 60% of professional services engagements will have ESG outcomes built into the project scope partially driven by a move to value-based pricing.

IT Impact

Organizations that are more digitally mature with clean and useful data and a strong digital core will have less of a lift in terms of collecting ESG-related data and measuring outcomes. Organizations at the other end of the spectrum should further their digital initiatives to build a "core".

Business leaders that are more mature in this space will need to educate and upskill themselves and work to engage employees in training around ESG and the specific impact it will have on their day-to-day responsibilities.

ESG and related area subject matter experts will be needed by all firms looking to develop and deploy an ESG strategy at any level. These SMEs will need to be embedded within existing teams and organizational structures to maximize their impact and increase efficient transfer of knowledge.

Guidance

Buyers should understand that sustainability outcomes can be driven by most if not all professional services engagements if done correctly. Using this information buyers can leverage existing relationships with consultants to begin or further their ESG initiatives.

Buyers should be wary of vendors making bold claims about their sustainability related capabilities. While less common than in years past, greenwashing is still a major issue in marketing and communications regarding services providers.

When engaging with a service provider for ESG, buyers should align their desired ESG outcomes with other business outcomes to maximize their investment and drive their sustainability transformation further.

PREDICTION 2

40%

By 2025, 40% of services engagements will include GenAI-enabled delivery, triggering a shift in human-delivered services for strategy, change, and training to prepare organizations for AI Everywhere.

IT Impact

IT leaders will need to evaluate their services providers' expertise and approach to leveraging GenAI for service delivery, before they fully consider their own organizations' strategy and business objectives for AI.

IT leaders will need expertise to lay the foundation for GenAI adoption – including establishing a responsible AI policy, creating an AI strategy and road map, designing an intelligence architecture, and preparing programs for staff training and reskilling.

Stakeholder alignment is critical to ensuring that solutions are built with the right business outcomes in mind while addressing IT architecture concerns. Integrating GenAI into business workflows will also require some reengineering of business processes, as well as change management for employees who will be interacting with a new and disruptive technology.

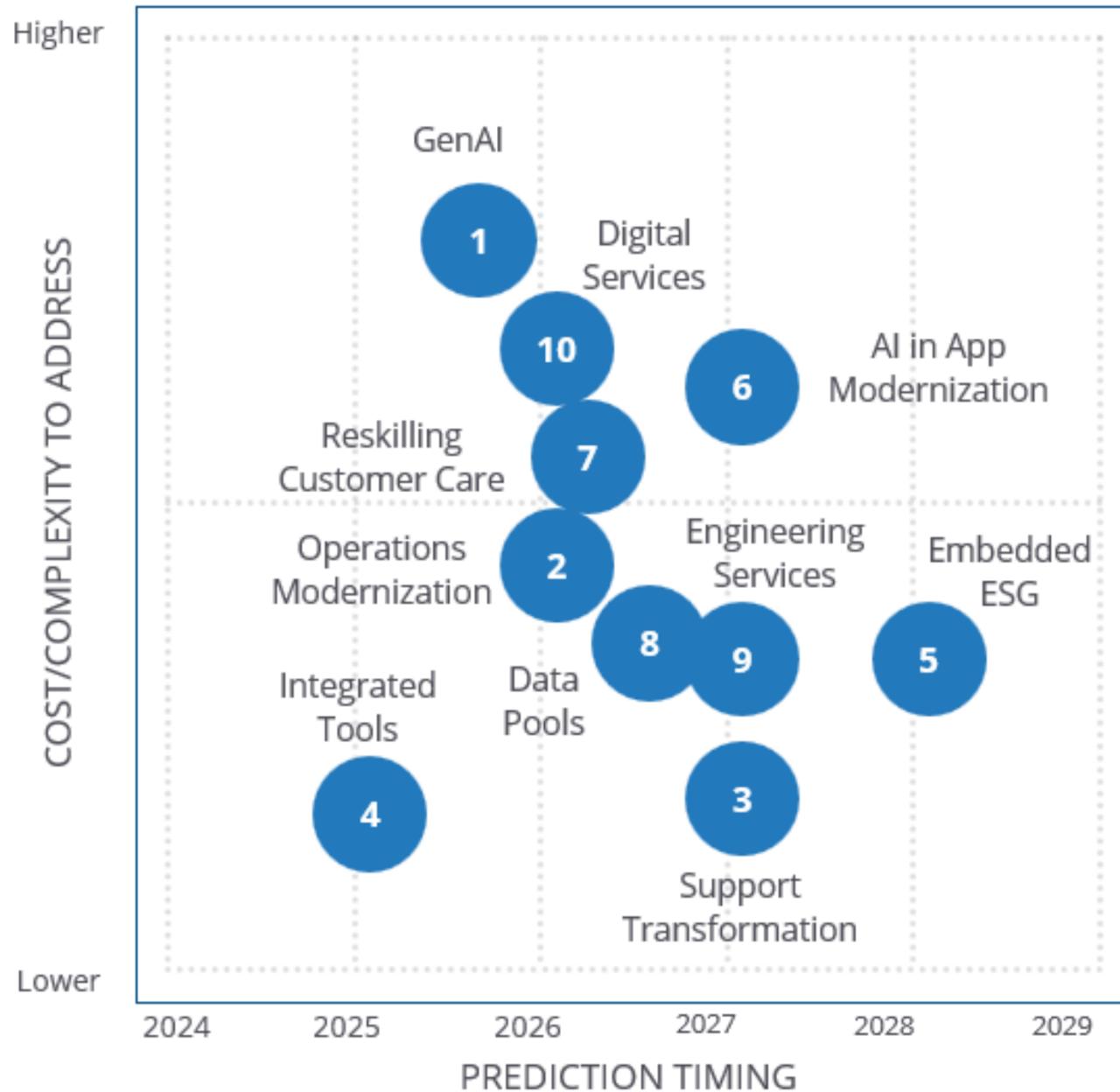
Guidance

Ask questions about your services providers' plans to incorporate GenAI into your engagements, including data and IP protection, delivery team changes, pricing impacts, and service quality and performance maintenance when using GenAI.

Seek advice from services providers who have developed GenAI expertise through R&D and thought leadership work, client engagements, and partnerships, and have first-hand experience from their own GenAI adoption.

Consider services providers you already have a relationship with as their established knowledge may accelerate impactful GenAI solutions. Find partners that can translate between technical and business concepts to align stakeholder priorities and can communicate effectively with employees through workshops and change management programs.

Services 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, 2022

This year's predictions are dominated by the influence of AI, and GenAI in particular, and how these will manifest in terms of IT buyer behavior.

We are at the advent of another technology wave, akin to what we saw with cloud technologies over a dozen years ago. Recall that cloud computing brought about many doomsday predictions about eliminating the need for buyers to engage with service providers, and while the nature of the services provided to IT buyers changed, cloud technology coincided with an overall increase in spending on services, as well as providing many examples of better customer and employee experiences.

IDC believes the same dynamic is happening again, this time with AI, but it stands to reason that the same effect will happen faster than it did with cloud computing. Why? Because cloud computing itself is an accelerant supporting the massive data requirements for AI to be effective. Significant risks and challenges lie ahead, especially determining what AI will mean for IT buyers and their organizations, and much remains to be worked out regarding how services must evolve.

Imaging Printing and Document Services FutureScape Predictions

PREDICTION 1

10%

By 2027, global enterprises will seek to shift 10% of their fleet acquisitions to remanufactured or refurbished devices.

IT Impact

The IT department needs to work alongside stakeholders to establish requirements for the procurement procedure going forward in relation to the overall business aims and how remanufacturing and refurbishing can help with regards to sustainability.

IT will need to evaluate the business's current print infrastructure and contracts and how these relate to future policy. This in turn can lead to a further reevaluation of other IT infrastructure.

The IT department should scrutinize various suppliers' long-term commitments to recycling and remanufacturing as short-term decisions can lead to long-term consequences.

Guidance

Set your own strategy with regards to reuse as this will enable targets and aims to be met with regards to reuse and help with the future procurement policy. This will include setting guidelines for central and local procurement.

Audit the current print infrastructure to give indications for areas of opportunity to use remanufactured or refurbished devices. This should not be just confined to the general office but should consider areas such as manufacturing, warehousing, and publishing. A proportion of the reuse market is for large format and production devices.

Consider other print providers if their incumbent supplier cannot meet their demands. This could be direct with the OEM for remanufactured devices or with channel partners for refurbished devices.

PREDICTION 2

2/3

By 2025, two-thirds of enterprise organizations will leverage GenAI to assist in all phases of print services vendor evaluation and contract negotiations.

IT Impact

IT should work with management, procurement, and various stakeholders to consider how GenAI could be leveraged to streamline all phases of RFP/contract development as well as vendor negotiations.

IT should look to assemble analytics and dashboard reporting from current fleet management tools to identify and categorize information that could be fed into a GenAI model for next generation MPS engagements.

By automating the contract development and vendor negotiation process, IT will be able to free up resources to focus on more strategic initiatives and drive the business forward.

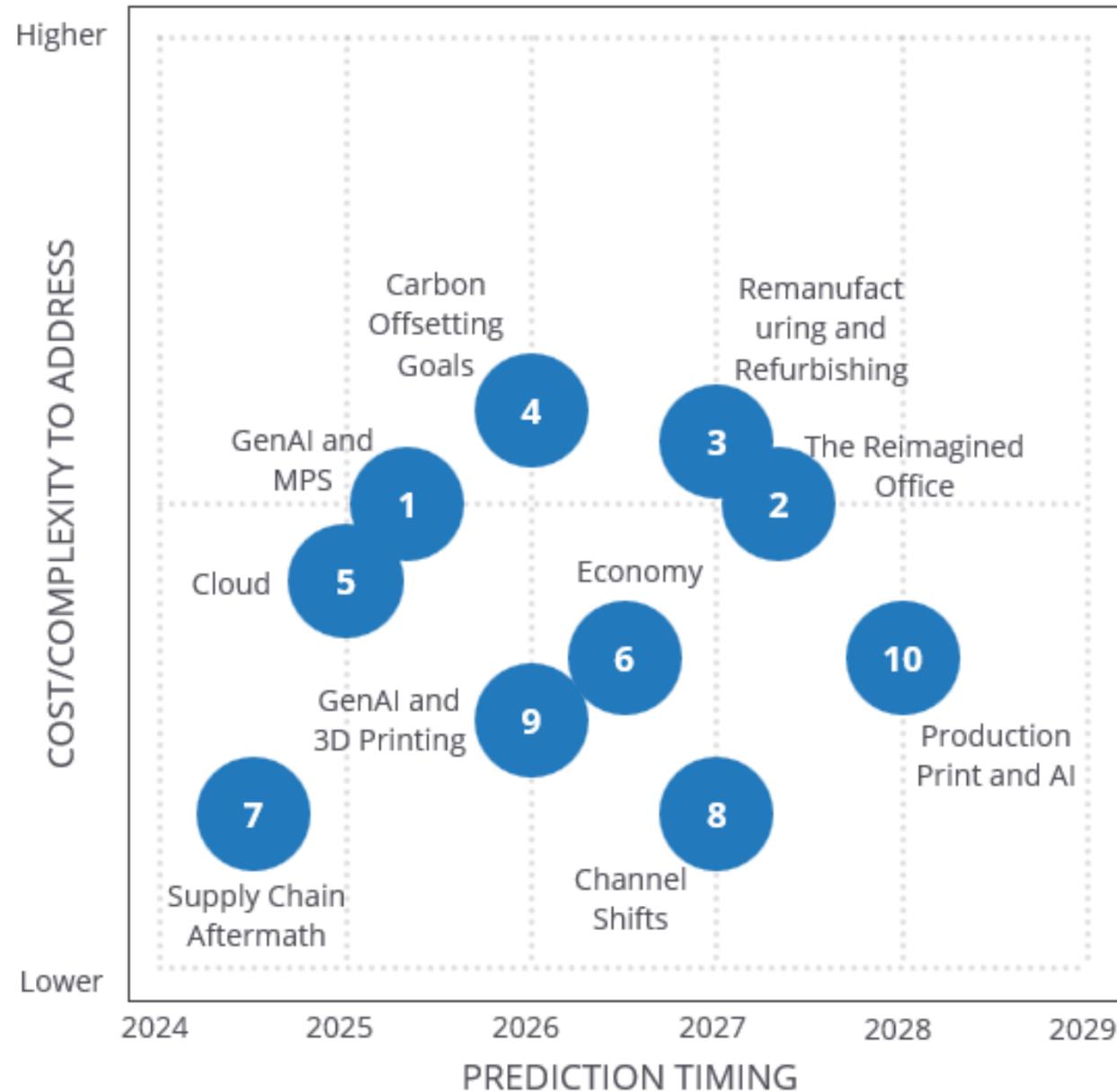
Guidance

Research ways that GenAI can be utilized to assist in legal contract evaluation and creation. A new range of solutions designed around GenAI models will help automate and streamline the process even further.

Consider how flexible work policies may impact future printing needs. Pressure to improve MPS contract terms will increase as flexible work policies are better understood. Work with stakeholders to establish best practices for leveraging GenAI to streamline contract negotiations and vendor evaluation.

Consider how print and device management tools could be deployed to collect and assemble historical device usage data and other dashboard metrics to feed into GenAI models. Work with existing providers to better understand how historical MPS performance metrics could be better assembled for future use in contract negotiations.

Imaging Printing and Document Services FutureScape Predictions



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Source: IDC, 2022

The post-pandemic market continues down the path of recovery as it determines the course of action for mission-critical printing and imaging solutions in the reimagined office. Change is evident, however there are still multiple factors to consider in the still-evolving workplace that impact the future adoption of imaging and printing solutions.

- The global economy remains in a state of flux and hinders spending on technologies to drive efficiency and productivity.
- GenAI will bring new levels of efficiency and speed to these print processes.
- An evolving and flexible work model have significant impact on the imaging and printing fleet and use of this equipment. Right-sizing and cost efficiency come into play with a greater role for more flexible work.
- Sustainability is highlighted as this industry struggles with a negative market perception. Print is roundly criticized for being “anti-environment”, even though market participants have put various recycling and sustainability measures in place.
- New technologies and skill sets allow legacy providers to bring efficiency and productivity to their product portfolios. As the market continues its transition from products to services, there are new avenues for print providers to help customers modernize their print infrastructure with cloud, security, mobility, and other advanced technology solutions that are part of the overall imaging and printing solution.

Intelligent ERP FutureScape Predictions

PREDICTION 1

85%

By 2028, 85% of enterprises using intelligent applications will have evolved to running as autonomous organizations, redefining the technology resource usage within the business.

IT Impact	Guidance
<p>Broader enterprise automation and autonomy will become table stakes, accelerating processes, decisioning, and actions.</p> <p>Automation is heavily dependent on data. IT must ensure automation systems will have access to all data that is required to automate processes and operations.</p> <p>IT leaders must integrate islands of automation to realize speed, scale, agility, and resilience.</p>	<p>Take automation to a strategic and holistic level — aggressively leverage intelligent automation while focusing on integrating existing islands of automation to achieve the necessary scale.</p> <p>Assess the current enterprise AI/ML capabilities of your organizations and the level of skills required to drive enterprise autonomy. Create an audit capability for AI/ML that can regularly assess data input relevance, model assumptions, and model output.</p> <p>Manage change and process redesign as the workforce will need to be adjusted to working with autonomous systems.</p>

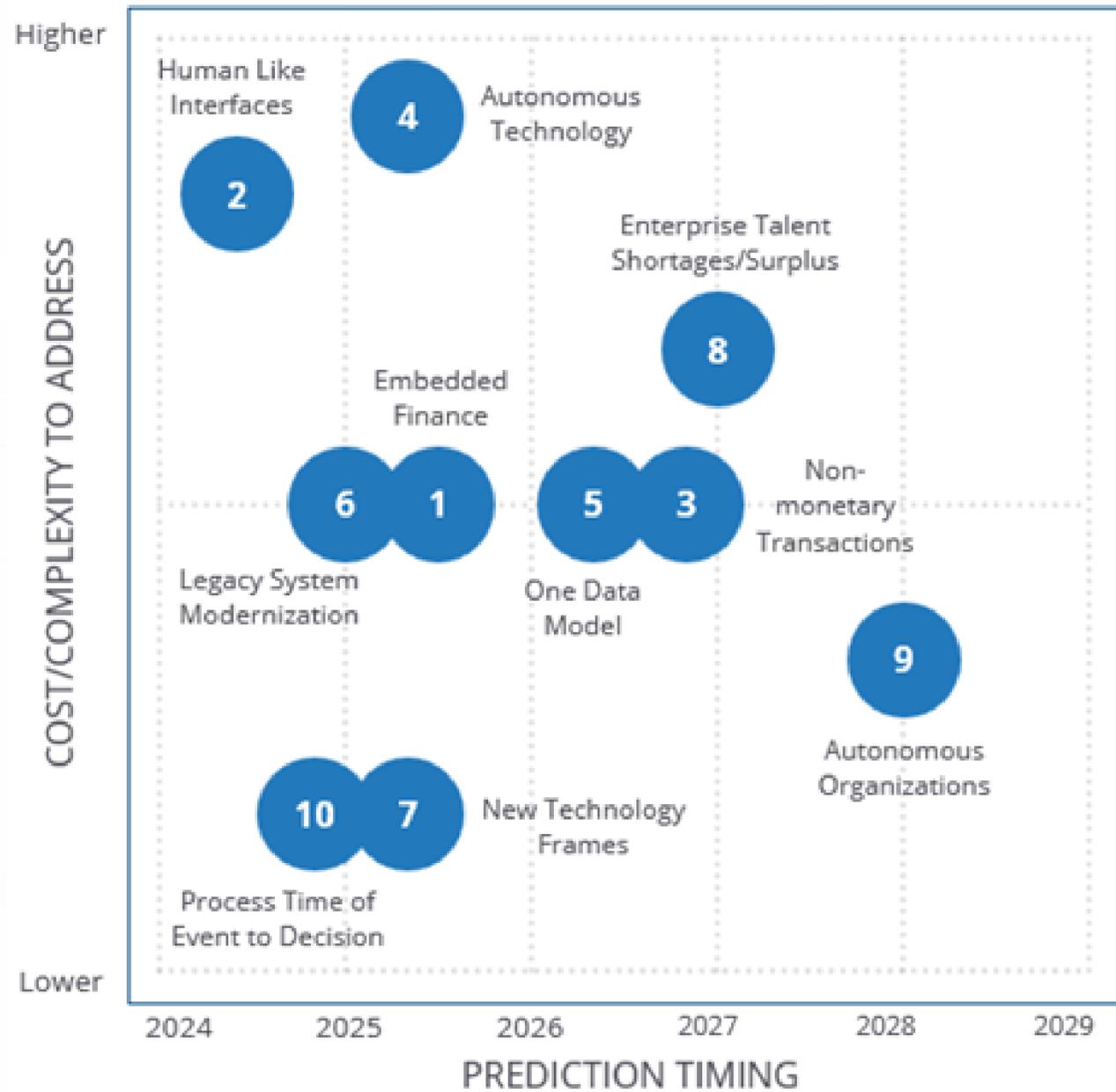
PREDICTION 2

25%

GenAI/AI will close 25% of enterprise talent shortage gaps by 2025, but the practice and usage of it will create a surplus of talent across all lines of business by 2027.

IT Impact	Guidance
<p>IT is responsible for training custom-built AI solutions, access to data, prevention of data leaks; preventing AI quality-related issues, and redesigning security infrastructure across increasingly integrated functional data sets.</p> <p>GenAI requires access to diverse data sets in ways that many organizations cannot facilitate because data ownership, collection, and analytics are siloed. IT will steward the genesis of a “data backbone” that links data silos together and breaks them down.</p> <p>The IT help desk workload will be reduced, including the need for manual code and query development and documentation. Demand for physical resource support beyond troubleshooting, uptime maintenance, strategy, architecture, efficiency management, programming, integration management, and quality management will rise.</p>	<p>Build out dynamic skills architectures and frameworks for assessment, gather insights around the current state of skills inventory. Work with LOB managers and talent team leads to understand what the organization lacks and incorporate skills on hand and skills needed into a foundational framework for current operational success. Leverage the foundational model into early efforts to configure and deploy dynamic architectures that leverage AI to adapt and continuously model for the organization.</p> <p>Identify how AI can be used to connect the workforce into the evolving dichotomy of skills needs stewarded by the talent team.</p> <p>HR and talent teams must involve IT and LOB managers, Skills data must extend into the broader models for operational performance insights so that it becomes part of the equation for operational success.</p>

Intelligent ERP FutureScape Predictions



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 Source: IDC, 2022

The digital era has ushered in new opportunities for the use of intelligent ERP and enterprise applications. Automation, artificial intelligence (AI), and the ability to compete in the digital world requires innovation to support autonomous processes. These autonomous processes will reduce employees' manual tasks, freeing up the human worker to engage and interact with technology systems in a more intelligent and intuitive aspect. This change, along with education, will help the employee navigate quickly and achieve the desired outcomes within the fast-paced digital world.

Intelligent ERP and associated applications are undergoing a plethora of changes moving beyond the days of legacy on-premises systems. Today's SaaS and cloud-enabled applications are packed with GenAI, AI, machine learning, microservices, APIs, and automated workflows. These modern, modular, and intelligent systems can manage vast amounts of data in real time, greatly enhancing the performance capabilities of an organization nearly overnight. In addition, these systems are now giving way to more autonomous business processes evolving the nature of information from intelligence to insights to immediate decisive actions. These advances, when utilized, give organizations a competitive advantage in speed, scale, and agility and will transform them into truly digital businesses. The world is shifting quickly to digital — as the best is yet to come for businesses as they leverage innovation to boost resiliency in this new world.

Data & Analytics FutureScape Predictions

PREDICTION 1

75%

By 2028, 75% of G2000 will use LLMs to speed development of ontologies, which in turn will guide firm-specific LLM training to enable knowledge management and decision intelligence.

IT Impact

IDC research has shown that the top expected use case for GenAI is knowledge management. IT groups will be asked to incorporate KM into their list of upcoming projects, which will require a deep understanding of the role of ontologies and their relationship with LLMs.

IT groups themselves can benefit from deployment of a new generation of KM solution for more effective functionality of the IT organization. Thus the impact of this prediction can help the IT group scale its own capabilities and benefit the whole organization.

Guidance

Ensure that new GenAI initiatives incorporate information from ontologies.

Assess the ability of LLMs to assist subject matter experts in development of ontologies.

PREDICTION 2

x2

By 2027, GenAI will help equalize spending on unstructured and structured data processing and analysis software, doubling unstructured data's productive use.

IT Impact

IT groups will be asked to allocate more time on evaluation, selection, and deployment of technology to process and analyze unstructured data.

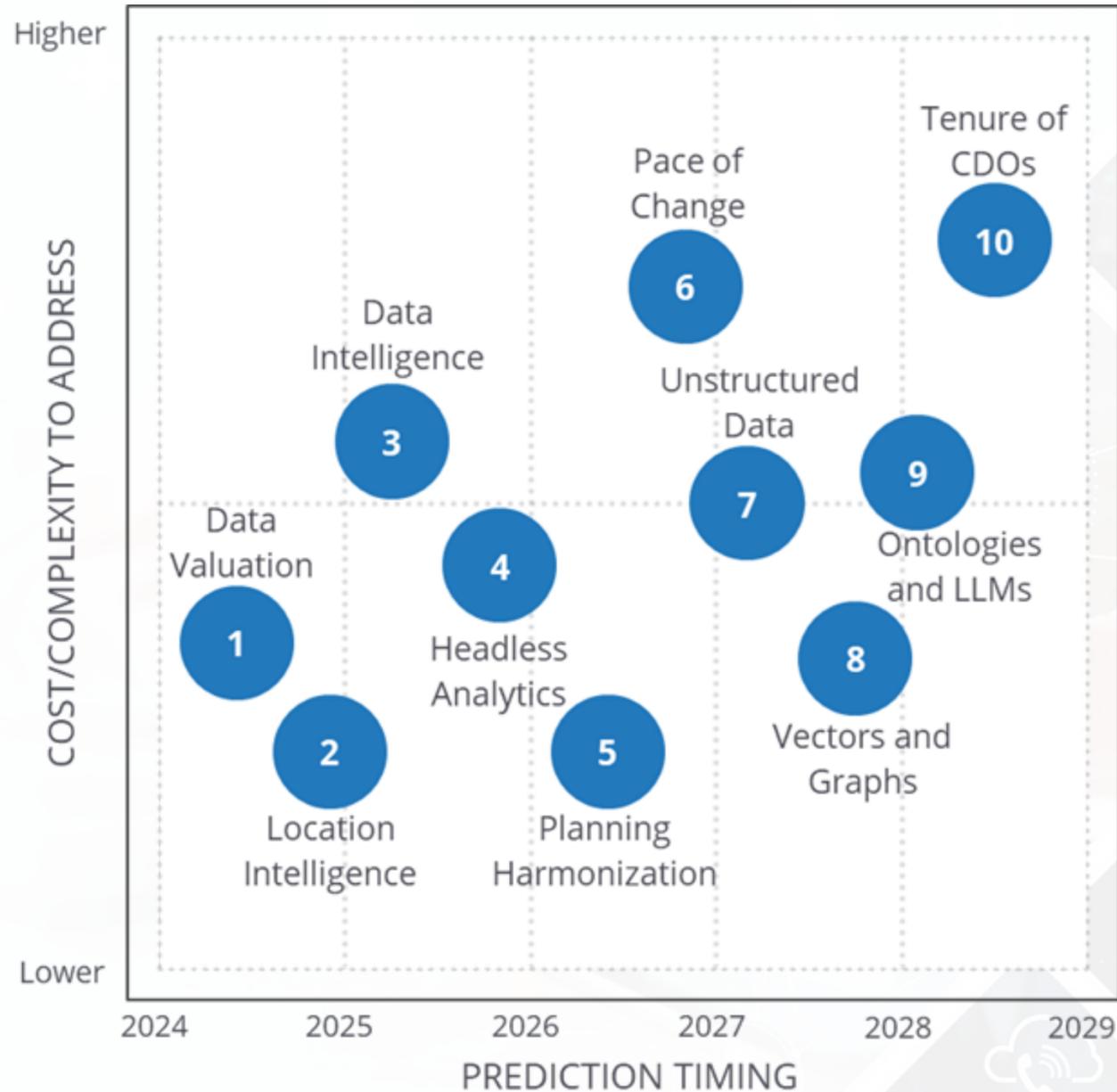
IT groups will be required to assess the impact of greater use of unstructured data on storage, data life-cycle management, and data governance.

Guidance

Inventory existing technology skills related to the acquisition, processing, and management of unstructured data.

Perform workflow and business decomposition analysis to uncover opportunities for unstructured data analysis on its own or in conjunction with structured data. Pair this effort with an evaluation of appropriate "classic" AI or GenAI technology.

Data & Analytics FutureScape Predictions



IDC forecasts that data and analytics software spending will grow at a CAGR of 16% through 2027 to reach close to \$340 billion for both analytics and operational workloads. This spending is driven by executives and board of directors looking to derive more value from data and the desire to accelerate their organization's decision velocity.

At the same time, this spending is being affected by concerns about noncompliance with a growing number of data and AI regulations, insufficient data literacy among employees, and the cost of data processing.

In the increasingly digital business environment marked by uncertainty, the ability to derive value from data by balancing speed and control in data processing and analysis takes on additional urgency as a differentiator.

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Source: IDC, 2022*

Sustainability/ESG FutureScape Predictions

PREDICTION 1

75%

By 2028, 75% of organizations will require OEMs/ODMs to provide detailed circularity metrics about design, manufacturing, life cycle, repair, reuse, and disposal in dashboards to facilitate reporting.

IT Impact	Guidance
<p>Improve operational efficiency: Aligning the jobs/tasks with the correct asset or device enables organizations to improve employee experiences, streamline procurement cycles, and lengthen asset life cycles.</p> <p>Reduce procurement costs: Incorporating used equipment into asset planning stretched budgets and reduced emissions from shipping.</p> <p>Streamline reporting process: It involves working with a strategic vendor with demonstrated skills in circularity to leverage its expertise and obtain usage metrics and data reporting tools to demonstrate alignment to key sustainability milestones.</p>	<p>Align IT procurement strategy with circularity principles — eliminating waste, extending your IT life cycle, and regenerating nature. Identify what metrics and data sources are required to ensure your IT estate meets sustainability standards and regulatory compliance.</p> <p>Establish long-term relationships with IT suppliers that have strong capabilities in "closing the loop," backed up with data reporting tools and transparency. Ensure they have a good understanding of your circularity goals and can optimize the life cycle and recovery of your IT equipment.</p> <p>Contract services that provide life-cycle maintenance and repair, upgrade your IT assets, and take back equipment for reuse, refurbishment, or recycling when no longer needed. Consider "as a service" offerings rather than purchasing IT equipment.</p>

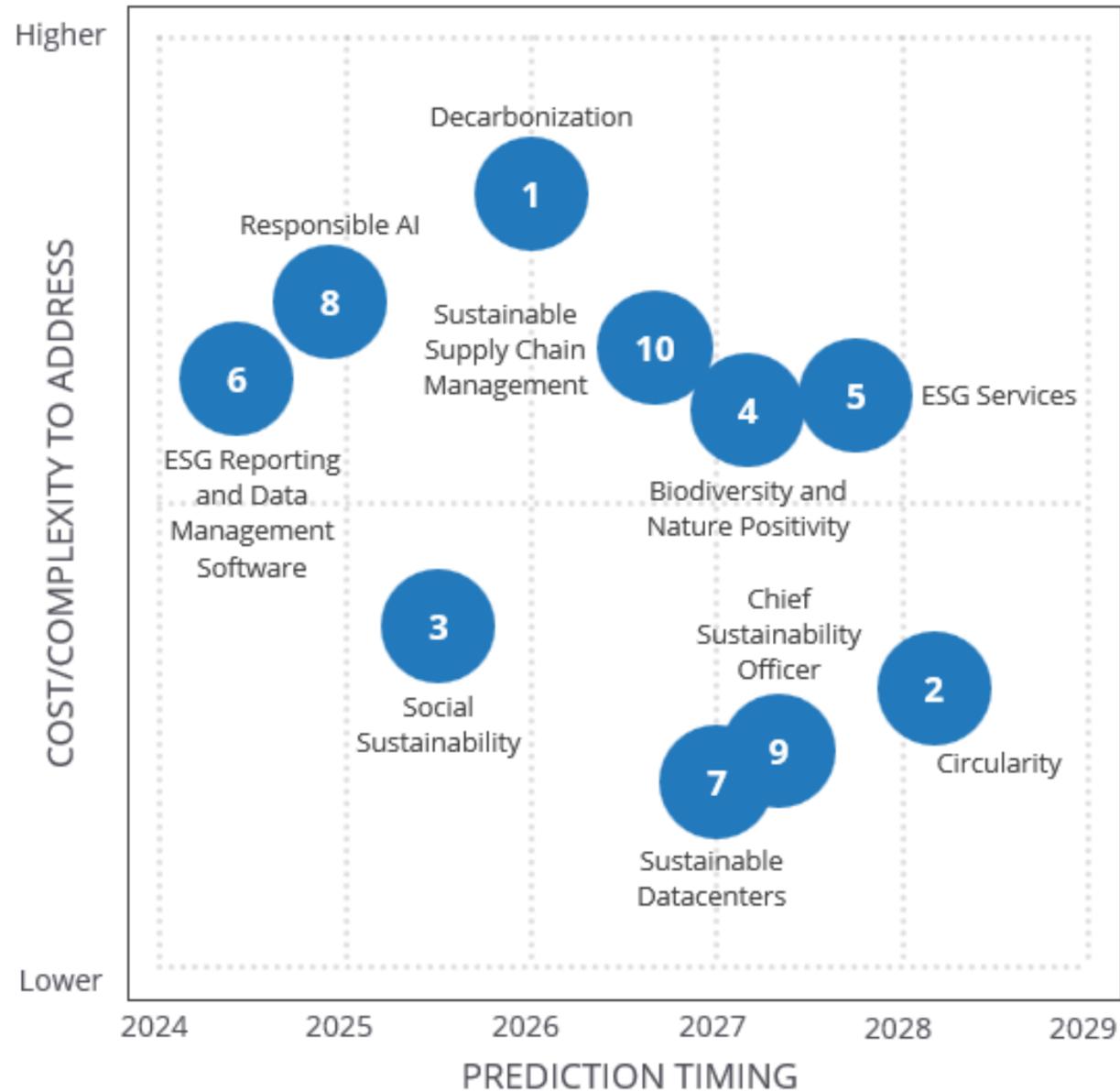
PREDICTION 2

35%

By 2024, 35% of organizations will advance their ESG metrics and data management beyond reporting capabilities, using AI to generate sustainability-driven cost benefits and competitive advantages.

IT Impact	Guidance
<p>Understand what ESG elements are important to the business (materiality assessment) and how to improve performance in those areas (strategy). Sophistication of tools vary in the use of advanced capabilities, particularly AI, to support decision making.</p> <p>Provide actionable intelligence to realign with a stated goal. The value in these platforms lies in the ability to support business decisions and create business value.</p> <p>Other analytic capabilities housed in ESG program management solutions include scenario planning and visualization tools as well as quantification tools. Scenario planning enables the organization to assess the impact of various decisions or events to determine the impact on ESG performance metrics.</p>	<p>AI capabilities as a component of sustainability software RFI are to be included: Sustainability and ESG software increasingly are overlaid with multiple AI features, and the robustness and utility of AI enhancements are key differentiating features and should be evaluated in the selection of a platform.</p> <p>Stakeholder expectations are shifting from reporting to actioning: As the ESG landscape matures, stakeholder expectations of organizations' sustainability behaviors are escalating. Expectations are rapidly transcending reporting to expectations around strategy setting and actioning on stated goals. ESG data usage thus will need to support these broader expectations, tracking goal performance and providing advanced analytics.</p>

Sustainability/ESG FutureScape Predictions



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 Source: IDC, 2022

Environmental, social, and governance (ESG) materiality requires organizations to consider new topic areas; and the regulatory landscape is tightening — all while the ESG data challenge and talent shortage continue to cause significant challenges in keeping up with stakeholder requirements.

Organizations continue to struggle to collect and report investment-grade data from across their value chains, and they are making only slow progress regarding the organizational and cultural changes that are necessary to succeed in this transformation journey and realize the potential financial and nonfinancial benefits related to corporate sustainability.

Given the urgency to act and the broadening landscape of available IT products and ESG business services, sustainability leaders need to make informed purchasing decisions to most effectively invest their budgets in solutions that yield a measurable return on investment (ROI) and help them move from ESG box checking into the operationalization phase.

IDC FutureScape Predictions 2024

The tech industry is at a seminal moment; IDC's FutureScape predictions are shaping enterprise IT strategy and planning by providing a basic framework for evaluating IT initiatives.

IDC believes that GenAI will trigger a market transition to 'AI Everywhere' that will define the next frontier of the Digital Business journey. Never have we seen a technology emerge with this much executive support, clearly defined business outcomes, and rapid adoption.

GenAI will impact every business function, every process, every employee, and every customer interaction. Companies are transforming the services they are offering their employees and customers across all industries. Every organization will need develop their own path to impact in a trusted and responsible fashion.

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