

Converging GenAI with Automation

Two predictions and their implications

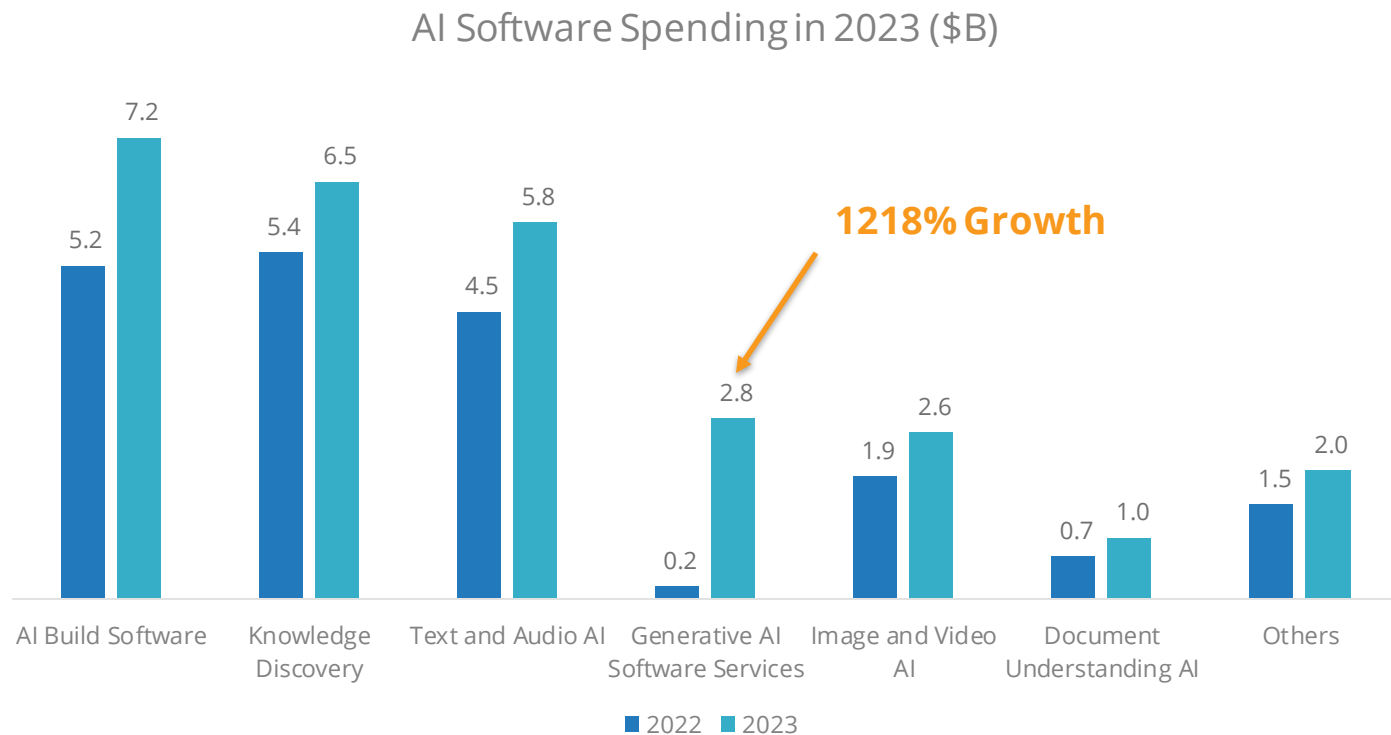
Maureen Fleming
VP, AI and Automation Research
May 2024

Prediction

By 2025, the G2000 will allocate over 40% of core IT spend to AI initiatives, leading to a double-digit increase in the rate of product and process innovations

By 2027, the spending on server accelerators compared with server CPUs will invert to 55/45%

GenAI-Driven Innovation Is Disrupting Technology Markets – including AI

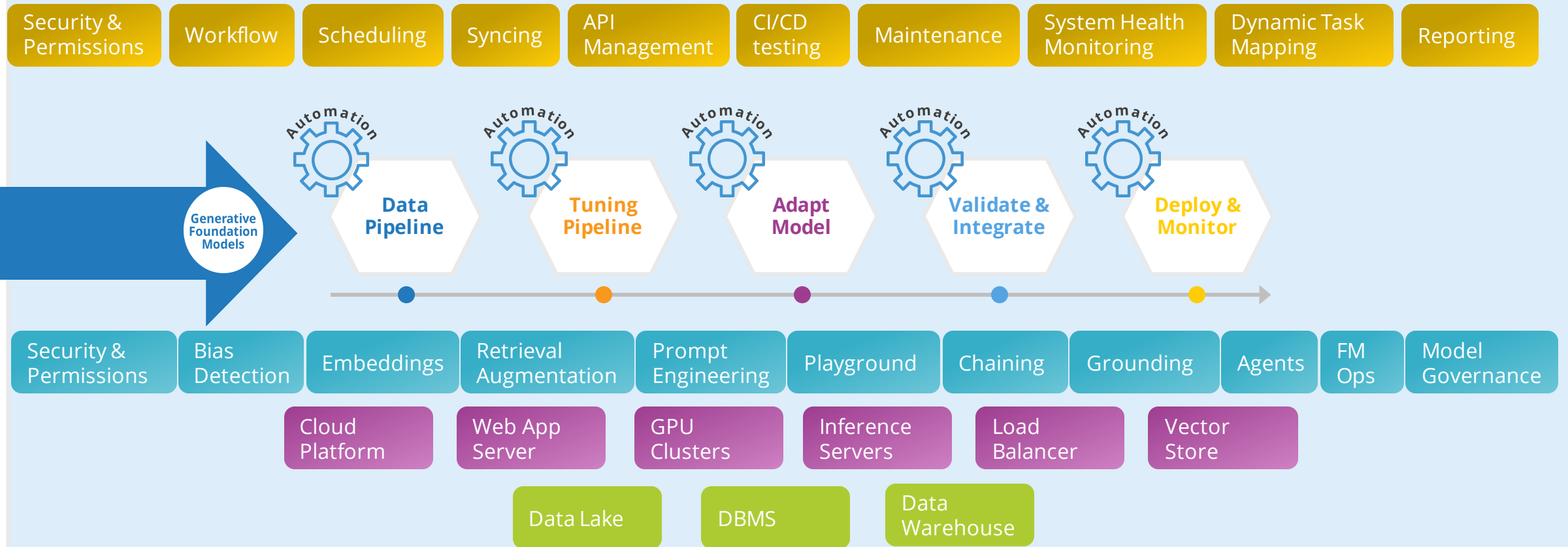


- AI spending increased 44% in 2023 to \$27.9B. Worldwide net new spending on AI exceeded \$7B
- GenAI grew 1218% to \$2.8B in what was effectively Year 1 of commercialization
- Most of this spending was for subscriptions to foundation models – OpenAI, Microsoft, AWS, Google...
- In 2024, GenAI productization will explode across all commercial software – applications, platforms, development tools

Building and Integrating GenAI is Orchestration Intensive

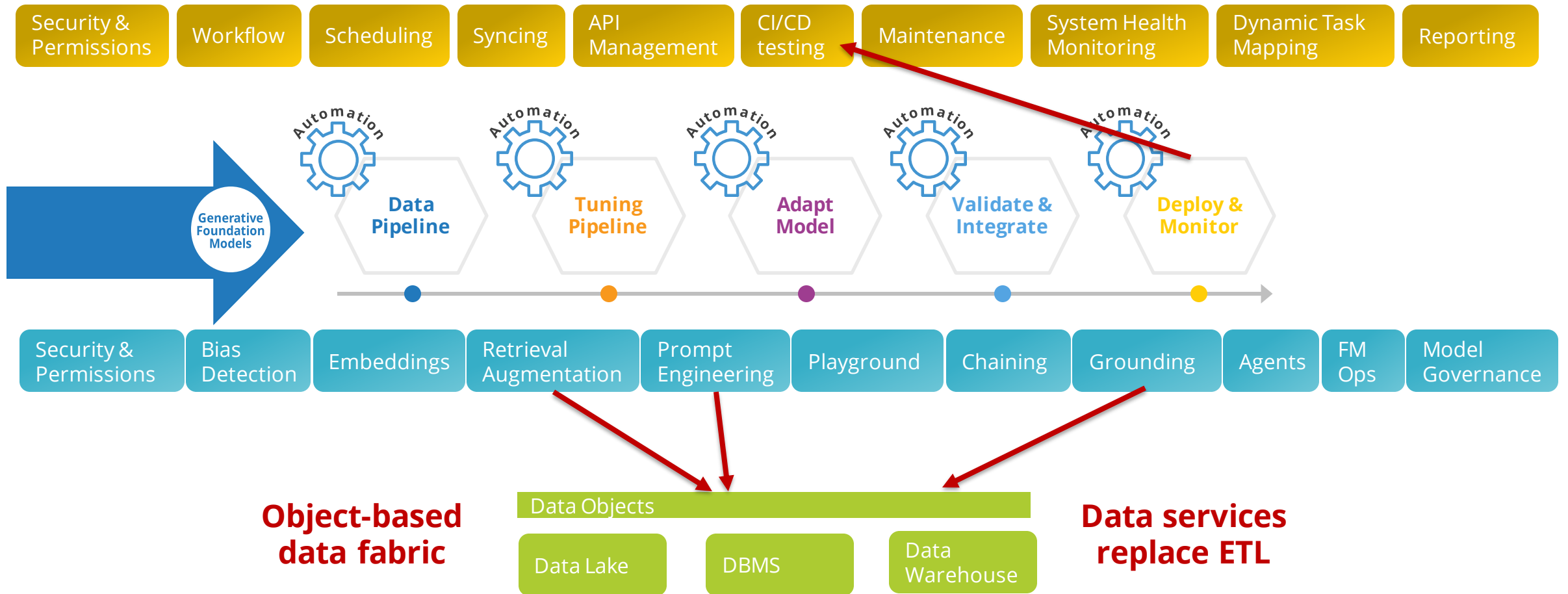


AI-Powered Automation & Applications



High Cost of AI Requires Extreme Focus on Efficiency

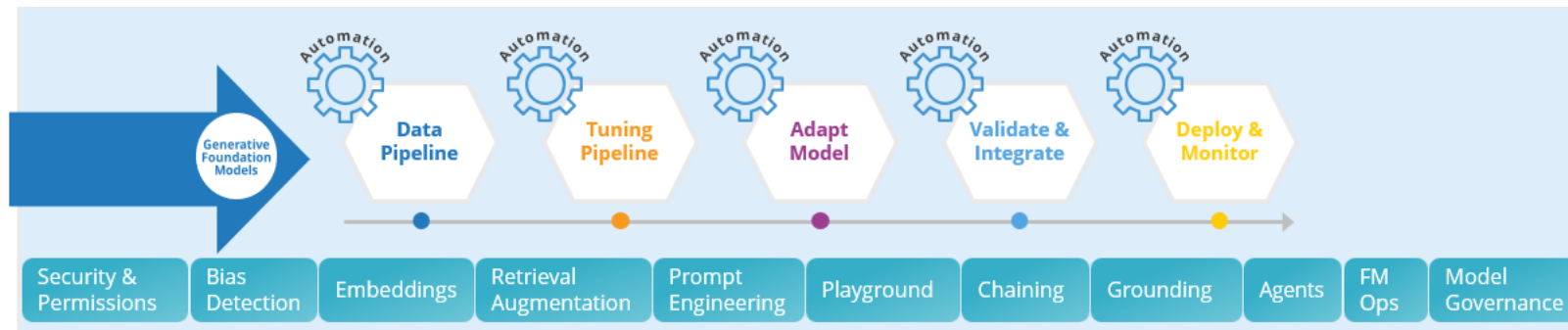
**Zero overlap or confusion
between MLOps and DevOps**



Emergence of AI Platforms

An AI Platform is emerging cloud software that encapsulates the features of GenAI Ops with foundation models, offered by Microsoft, AWS, Google, etc.

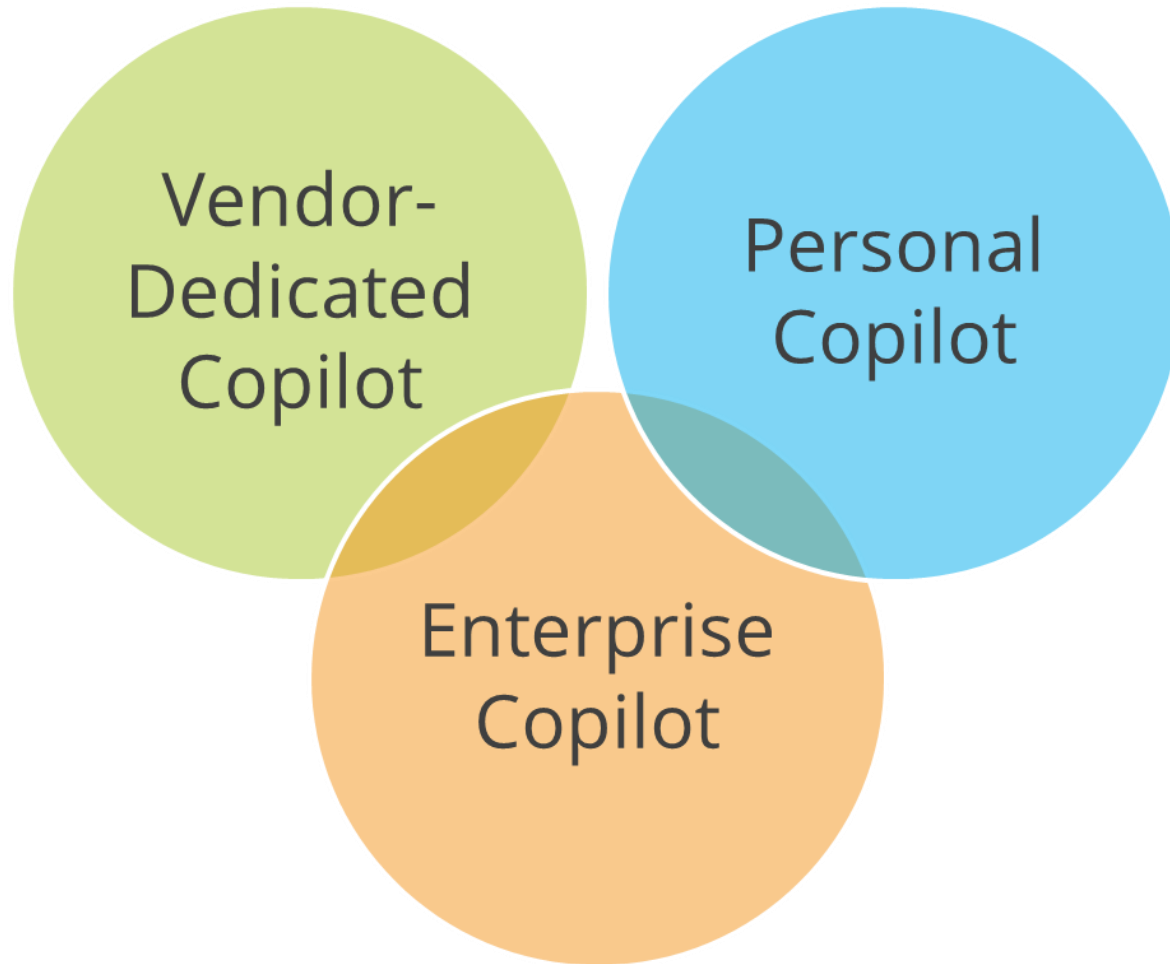
This represents a good way to get started with GenAI



Prediction

By 2027, GenAI copilots will be the UI for 25% of interactions with enterprise software, including software development and the applications we use to run our business

Copilots Become Foundational to How We Work



By 2025: All modern applications, platforms and tools will have an embedded copilot capability

- This simplifies the use of applications, decreasing training requirements as users bypass direct use of the application in favor of copilots

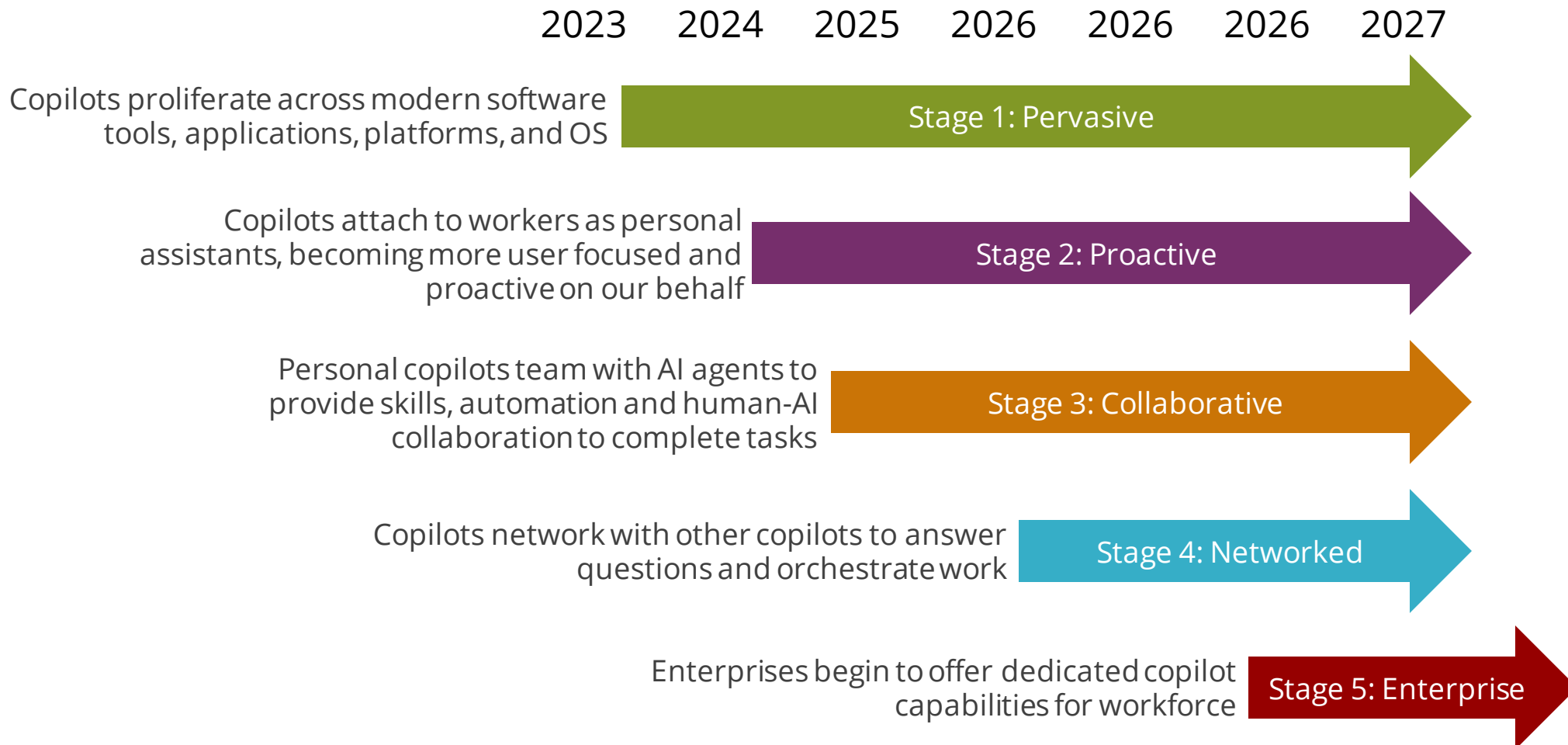
By 2026: Personal copilots will act as digital assistants across workforce

- This means part-time users of applications no longer need to go to applications to perform work.

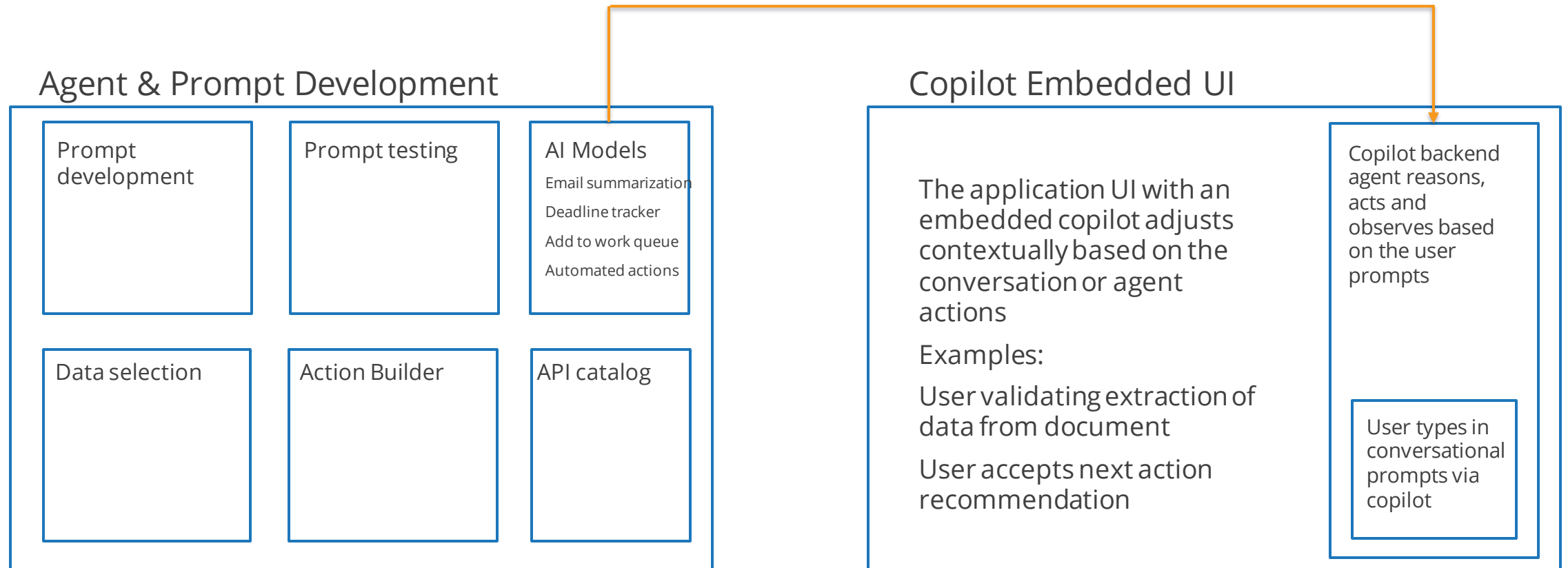
By 2027: Enterprises will begin to offer internal copilots

- Will provide Q&A capabilities for internal policies, processes, procedures, and systems. Will be able to access and execute skills that converge AI with automation

Rapid Evolution of Copilots



Low Code Environments for Skills, Prompts and Agent Enablement



Personal Copilots Disrupt the Flow of Work

A personal copilot is a standalone or embeddable single page web app to assist workers in performing their jobs. These assistants shift the flow of work from users accessing applications to interacting with their copilot to execute tasks

- At a technical level, the copilot is the UI for AI and rules-driven agents to execute tasks more efficiently and in a highly automated way

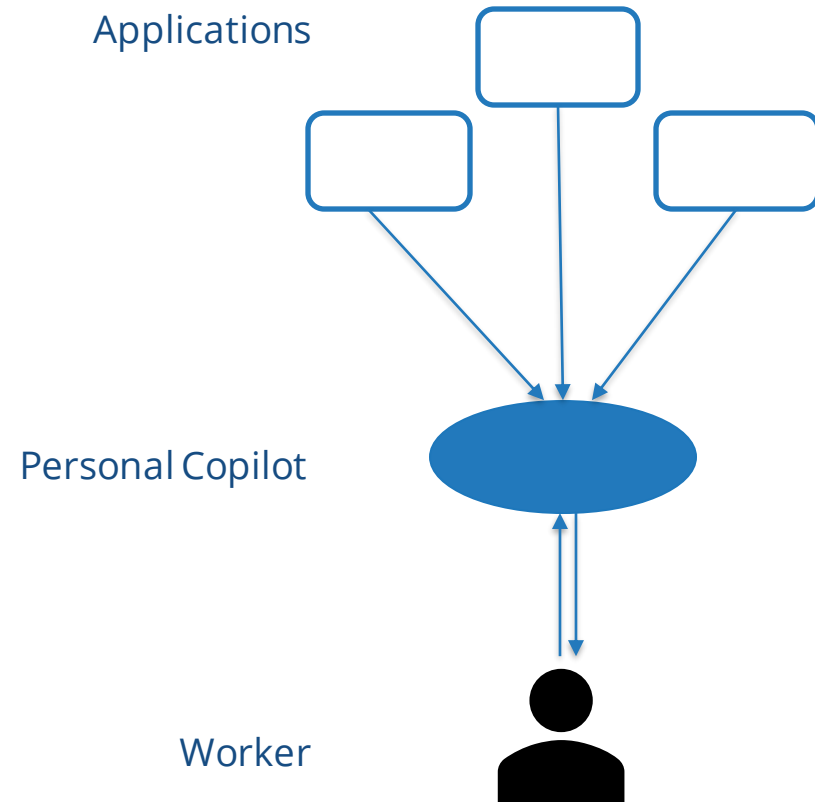
Copilots increasingly become the UI for casual and part-time users of applications. The use of APIs and front-end automation replace the need for manually performing the work in using the native application UI

Personal copilots will increasingly

- Manage task queues
- Prioritize work and deadlines
- Interact with applications via APIs

Disrupting the flow of work is likely to disrupt enterprise application subscription models for part-time users, shifting from annual subscription fees to consumption-based APIs

- Whether enterprises gain any benefit from lower subscription fees depends on how application vendors react to personal copilots



Recommendations



You don't need to fully lock your GenAI strategy into large scale investments in new roles and skills within your organization

Over the next two years, you will have ample opportunity to utilize GenAI by using the new features of applications and platforms you have already adopted

Your primary cloud vendor also offers capabilities via an AI platform



While copilots will be ubiquitous, adoption will tie to financial benefits

GenAI promises to disrupt how work is performed to drive efficiency and reduce costs – particularly related to harnessing unstructured assets

This technology is also ripe for technology disruptions and greater cost efficiencies – even with the relatively high cost of using it



Maureen Fleming
m Fleming@idc.com



IDC.com



linkedin.com/company/idc



twitter.com/idc



blogs.idc.com