Strategic Priorities in the AI Era:

A CONVERSATION WITH BUDDY BAYER

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WHAT DOES BUSINESS SPEND ON AI? THAT'S THE QUESTION ANSWERED IN THE LATEST IT PRIORITIES RESEARCH FROM COLT TECHNOLOGY SERVICES, WHICH GATHERED RESPONSES FROM 1,200 IT LEADERS ACROSS 13 COUNTRIES. IT ASKED ORGANISATIONS HOW THEY'RE PRIORITISING THEIR AI SPEND, AND IT ALSO SHOWS WHICH MARKETS ARE MOST LIKELY TO INVEST IN AI. BROADBAND JOURNAL CAUGHT UP WITH BUDDY BAYER, CHIEF OPERATING OFFICER AT COLT TO DRILL DOWN INTO THOSE NUMBERS IN MORE DEPTH.

Highlights across all countries include:

- 34% prioritise AI-driven innovation and product development
- 33% spend on Generative AI for content development
- 32% invest in cybersecurity and threat detection
- 31% investing in AI to enhance customer experiences
- 31% invest in AI to drive process optimisation and efficiency improvements

LIKE SUSTAINABILITY THERE IS A LOT OF MISINFORMATION AROUND AI; PEOPLE ARE TALKING A BIG GAME BUT PERHAPS NOT BACKING IT UP WITH AFFIRMATIVE ACTION. ARE YOU AWARE OF PEOPLE SAYING A LOT BUT DOING LITTLE WHERE AI IS CONCERNED?

Businesses have been under pressure to integrate AI across their organisations, often without the luxury of time to identify where and how it adds value or has a tangible, positive impact on the customer experience. Initially for many it seemed like 'AI for AI's sake'; businesses could demonstrate to their boards, customers and stakeholders that they were early adopters of AI but lacked use cases and analytics behind these implementations.

Only now – almost three years on from the time that ChatGPT began to truly take off and AI application across businesses began to accelerate – are businesses beginning to slow down and view AI through a more strategic lens.

We questioned 1200 IT leaders across 13 countries for our IT Priorities Study, and our research showed that 'adding AI or machine learning capabilities' is the top IT priority for the next 12 months, cited by 31% of businesses in the study. Overall, 60% of businesses said they were investing in AI; 34% said they're not, but they plan to; and 6% had to no plan to. When it comes to AI investment, it's worth noting that we found differences by country. The countries with the highest percentages of businesses saying they're investing in AI are Japan (90%), the US (84%), Germany (69%) and the UK (68%).

AMONG YOUR SUBJECTS OF THE SURVEY DID YOU ENCOUNTER ANY FEAR OR APPREHENSION OF AI, AND DID THIS SURPRISE YOU?

Our research was quantitative rather than qualitative, so this is my personal perspective rather than specific insights collected from the research, but in general – while AI continues to dominate conversations – a deeper understanding of AI and its benefits has started to dispel fears among businesses. Fearing what we don't understand is human instinct, so it follows that once we start to understand more, we can see the potential.

Conversations we're having with our customers align with this, but our customers are also looking for advice and guidance on integrating AI to solve a problem, without the solution being overly complex. For example, they're asking, "Can you show me how I can use AI for greater control of my network traffic?" and want to know how they can benefit from AI applications without adding multiple layers of complexity.

DO YOU SENSE PEOPLE ARE SPENDING MONEY BECAUSE THEY FEEL THEY NEED TO STAY RELEVANT, BUT THAT AI ITSELF IS STILL SOMETHING OF A MYSTERY?

Our research found that among businesses currently investing in AI, one in five is spending US$750,000 or more annually on AI, while almost half the survey respondents are currently investing US$250,000 every year. What's clear from our research is the broad scope of AI applications across businesses. While there were some areas such as predictive maintenance which are not the highest priority – although still named by almost one in four businesses as an investment area – there were at least eight other areas across the business ringfenced for AI investment. To me, that shows a growing level of confidence in AI usage and a deeper understanding of how AI can bring tangible benefits to a business. It also shows a business need for AI to drive improvements, as well as board-level buy-in for businesses to invest across different areas.

WHAT'S THE MOST POSITIVE OUTCOME YOU FOUND IN THIS SURVEY?

The investment businesses are making in AI to improve the customer experience is one of the key takeaways, and one of the most positive. Of course, the other applications are critical – cybersecurity and process improvements, for example – but being laser-focused on making sure AI programmes improve the customer experience is absolutely key.

DID THE SURVEY DEMONSTRATE THAT COMPANIES ARE THROWING MONEY AT AI SOLUTIONS WITHOUT REALLY KNOWING WHAT THE OUTCOME WILL BE?

Most companies are now several years into their AI journey, although it's fair to say that many are still learning as they go along - as you would expect with emerging technologies. From the results of our survey, we didn't get the sense that companies were being overly cautious, but nor were they throwing huge sums of money at AI without an understanding – or at least, an expectation - of the business benefits.

When it comes to key AI investment areas, our research found that current investors prioritise AI-driven innovation and generative AI, while future investors shift toward automation and customer experience for practical, business-oriented outcomes.

We wanted to look in more depth at exactly how businesses applied AI across their organisations, and we found that of those either currently investing, or planning to invest in AI, one third (33%) cited cybersecurity and threat detection as their predominant AI application. Roughly the same percentage of businesses (32%) cited automating routine tasks, enhancing the customer experience and using AI for content creation as their key drivers.

This varied by country: for example, Japan (38%) and Germany (36%) were more likely to state 'AI-driven innovation and product development' as a priority, while Sweden, Denmark and France (all 37%) were investing in AI for workforce management and HR functions. Businesses in Italy (40%) and Spain (37%) were the most likely to invest in AI for enhancing the customer experience, while organisations in the US (38%), Singapore and France (both 37%) were more likely to invest in AI for data analytics and insights generation.

WHAT ARE YOUR OVERALL IMPRESSIONS OF THE RESULTS OF THIS SURVEY?

Access to data from so many businesses across different markets gives us invaluable insight into the current AI state of play. It takes us beyond the hype cycle and into the day-to-day life of the IT leader, and I think that's what makes this research so insightful. Everyone's talking about AI, but the world's IT leaders are at its helm. IT leaders are driving AI implementation, outlining businesses cases, investment and application.

The opportunity to hear from them as to exactly how they're applying AI – and how much they're investing – is fascinating. It's also incredibly informative to discover which countries are at different stages of AI maturity and surmising why that could be: it could be down to differences in the regulatory environment, government policy and investment, education or infrastructure, for example.

AI IS SO FAST-MOVING - WILL YOU BE CONDUCTING A FOLLOW UP ON THIS IN THE NEAR FUTURE?

Developing a deeper understanding of industry trends, patterns and behaviours helps us get closer to our customers and shape our solutions and services. Conducting research programmes is a key part of developing this insight. We'll definitely stay close to AI and other emerging technologies in surveys like this.

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