How to Score in 2024

Given rapidly evolving tech & trouble, how can companies score? Here's my list of eight focus areas.

By Raju Chellam

How can you score in 2024?
Learn new skills, try, explore,
The hottest technologies,
The coolest strategies,
Then see your career begin to soar.

If that limerick made you think, these statistics should make you blink: The global spend on ICT is set to soar to US$5.8 trillion in 2024, up from US$4.9 trillion in 2020, according to Statista Research. That includes the amount spent on devices, data center systems, enterprise software, and info-communication services, with enterprise software experiencing the fastest annual compounded growth at 10.8% from 2020 through 2024. To put that in perspective, US$5.8 trillion was the combined GDP of India, Thailand, Indonesia, and South Korea in 2020.

What's the prognosis about the hottest tech in town, AI? The global spending on AI-centric systems, including software, hardware, and services, will cross US$$155 billion in 2024, up from US$104 billion in 2020. The rapid incorporation of AI into a wide range of solutions will see investments on AI-centric systems surpass US$300 billion by 2026, growing at a 27% annual clip between 2020 and 2026, according to IDC (International Data Corp) estimates.

"Companies that are slow to adopt AI will be left behind, whether large and small," says Mike

> DIGITAL-NATIVE BUSINESSES RELY ON TECH TO SUPPORT THEIR BUSINESS MODELS TO CREATE A COMPETITIVE EDGE. THESE COMPANIES ARE USUALLY EARLY ADOPTERS OF GENAI AND WILL EVOLVE TO FURTHER THEIR COMPETITIVE ADVANTAGE.

Glennon, an IDC senior market research analyst. "AI is best used to augment human abilities, automate repetitive tasks, provide personalized recommendations, and make data-driven decisions with speed and accuracy. Banking and retail will witness the largest AI investments and will jointly account for 25% of all AI spending worldwide. Professional services will be next with more than 10% share, followed by manufacturing."

The newest demographic: Machine customers. These are nonhuman economic actors that obtain goods or services in exchange for payment, such as virtual personal assistants, smart appliances, and connected cars. "By 2027, 50% of people in advanced economies will have AI personal assistants working for them every day," says aid Jeffrey Hewitt, a Gartner vice president. "There are strong upsides to machine customers. However, they come with challenges such as requiring a reworking of operating and business models, as machine customers will have a significant impact on infrastructure and operations in major enterprises over the next 12 to 18 months."

Given the rapidly evolving environment, how can companies score in 2024? Here's my list of eight focus areas in alphabetical order:

- **AI Everywhere:** AI has become business-critical for many organisations. While the promise of AI is not guaranteed and may not come easy to most, adoption is no longer a choice. This is even more pertinent because businesses across the Asia-Pacific region, including India and Australasia are set to spend a whopping US$78.4 billion on software, services, and hardware on AI-centric systems by 2027, according to International Data Corp (IDC) estimates. If your company does not yet have a GenAI strategy, it's high time to develop one.
- **Business Resilience:** This is the ability of an organization to recover and rebuild after a catastrophic event. To improve resilience, McKinsey suggests three strategies for a more robust technology environment: First, create a blame-free culture. Instead of pointing fingers, managers should focus on solving problems and preventing them from recurring. They should also reward members who expose vulnerabilities and weaknesses to strengthen the core tech. Second, adopt a metrics-driven approach. Teams need to constantly monitor their performance and track adverse incidents, especially ones from versions or patches, or repeated incidents with the same root cause. Third, practice the outage. Anticipate problems, test and train teams to handle complete system outages. Start from individual apps and scale up to systems, products, and entire services.
- **Cloud Cover:** Global spending on public cloud services will reach US$678.8 billion in 2024, up from US$563.6 billion in 2023. "Cloud has become a necessity, not a choice," says Sid Nag, a Gartner vice president. "Cloud innovation is not over yet. Cloud providers need to adapt to the changing needs of customers, as business outcomes drive cloud models, not the other way around." For strategic decisions, businesses need to track what matters most. Gartner expects new KPIs (key performance indicators) to emerge that will reflect the shift towards creating and delivering digital products, services, experiences, all hallmarks of a robust digital business.
- **Digital Nativity:** Digital-native businesses rely on tech to support their business models to create a competitive edge. These companies are usually early adopters of GenAI and will evolve to further their competitive advantage. John Duigenan, IBM's global lead for the BFSI sector, says this evolution is because of the increasing influence of digital-first strategies with the convergence of mobile tech, cloud, and data analytics. "The transformation is characterised by the seamless

THE SPURT IN MAJOR INTERNATIONAL CONFLICTS HAS LED TO NATIONS LOOKING MORE INWARD. THIS DOMESTIC FOCUS ON TECH, WHICH WILL PUT PRESSURE ON INFRASTRUCTURE AND OPERATIONS TEAMS TO SEEK SOLUTIONS.

and personalised experiences it offers," he says. "In the BFSI sector, it challenges both incumbent financial institutions and new market entrants to meet the evolving expectations of customers."

- **ERM GRC:** Gartner says GRC (governance, risk, and compliance) tools can meet the basic needs of ERM (enterprise risk management) teams. However, they fall short when it comes to satisfying the diverse expectations of different stakeholders. "ERM departments find that selecting and implementing GRC tools is challenging, with the vendor evaluation process alone taking over six months in most organizations," says Zachary Ginsburg, a Gartner research director. "Then, for a typical department, it can take nine more months to attain full functionality from a GRC tool."
- **Future Focus:** Quantum computing is a disruptive tech that faces a long and uncertain road to maturity. While tech giants and governments are investing heavily in quantum R&D, startups are struggling to secure funding. This raises the risk of a "quantum winter" that could stifle progress. "The critical question is whether quantum computing will follow a trajectory resembling space exploration (in which the concentration of investment and a clear goal led to a moon landing in relatively short order), or nuclear fusion (where recent breakthroughs only reinforced the ground still left to cover)," McKinsey says. "However, our market research at this stage does not show clear indications of a coming quantum winter."
- **Global vs National:** The spurt in major international conflicts has led to nations looking more inward. This domestic focus on tech, which will put pressure on infrastructure and operations teams to seek solutions that keep more resources, and talent in their own country. "There are many initiatives that impact the focus of IT resources from a more global view to a more nationalist approach," Gartner notes. "Shifts in these initiatives can produce new risks for countries that are currently using external providers outside their country. Corporate leaders should identify dependencies and risks. Create action plans to deal with the potential impactful shifts that may occur in national regulations and policies that could impact your organization."
- **Health Issues:** The big bear is cybersecurity. Just under 75% of people across the globe reported feeling concerned about the potential risks of AI, including cybersecurity and privacy breaches, manipulation and harmful use, loss of jobs and deskilling, system failure, the erosion of human rights, and inaccurate or biased outcomes. That comes from a KPMG surveyed of 17,000 people from 17 countries, including India, China, Singapore, Japan, the EU, the UK, and the US. "In all countries, people rated cybersecurity risks as their top one or two concerns, and bias as the lowest concern," KPMG reported. "Job loss due to automation is also a top concern in India and South Africa, and system failure ranks as a top concern in Japan, potentially reflecting their relative heavy dependence on smart technology."

Since I started this column with a "hot tech" limerick, let me end with a "cool" one:

It's tech that makes the world go round,
With innovations that astound.
AI to blockchain to cloud,
IoT, AR, VR that wow,
It's tech that makes our world
so profound.

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