

Canadian 2024 Predictions: Reimagining AI Everywhere

March 12, 2024



What to Expect

- **Webinar length:** 1 hour
- **Today's presentation and On-Demand replay** will be available via email to all registrants and at CIOCAN's website within 24 hours
- Send your questions anytime for our speakers, via the **Q&A tab**
- Don't miss our **Q&A** towards the end of the session

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<https://www.idc.com/events/futurescape>



Welcome Comments



Lars Goransson

Managing Director, IDC Canada

Today's Speakers



Megha Kumar

Research VP, Software & Cloud Services



Dave Pearson

*Research VP, Infrastructure Systems,
Platforms & Technologies*



Yogesh Shivhare

*Research Manager, Security and
Infrastructure*

Predictions Team

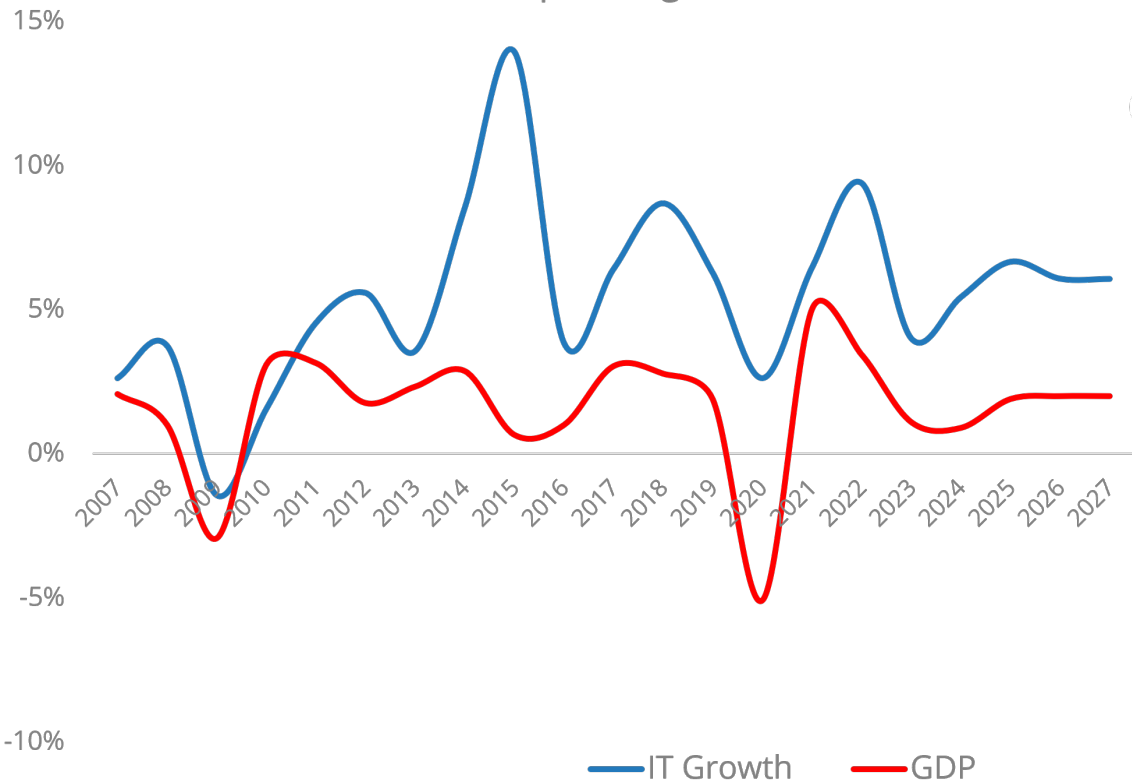


- ① In **2024**, the Canadian **IT Spend will grow 6x faster than GDP**.
- ② By **2024**, **enterprise GenAI adoption** in Canada will reach **55%**.
- ③ Customer facing and internal **AI solutions wave** coming from Canadian **Communications Service Providers** in **2024**.
- ④ In **2024**, **50%** of the large enterprises in Canada will expand their **FinOps** scope to identify new **cost optimization opportunities** by adding **SaaS Management Platform** tools and capabilities.
- ⑤ Key workloads will drive infrastructure investment – by **2027**, trusted **infrastructure investments will double** and **40%** of enterprises will leverage **hybrid cloud for AI**.
- ⑥ **GenAI will reshape** the Canadian **channel landscape** between **2024 and 2026**.
- ⑦ By **2024**, **40%** Canadian mid-sized and large organizations will leverage GenAI on **first- party data** for **threat detection and response** in their SOCs or through their managed threat detection and response services providers.
- ⑧ By the end of **2024**, **up to 75%** of IT services contracts signed in Canada will detail specific **sustainability** objectives and vendor requirements.
- ⑨ By **2025**, **45%** of Canadian organizations would switch PC vendors if a different vendor can demonstrate superior **AI PC performance** .
- ⑩ The **Rise of the Chief AI Office**: Proliferation of GenAI and other key digital initiatives will result in **25%** of Canadian enterprises introducing or elevating the Role of Chief AI Officer to the C-Suite by **2025**.

1

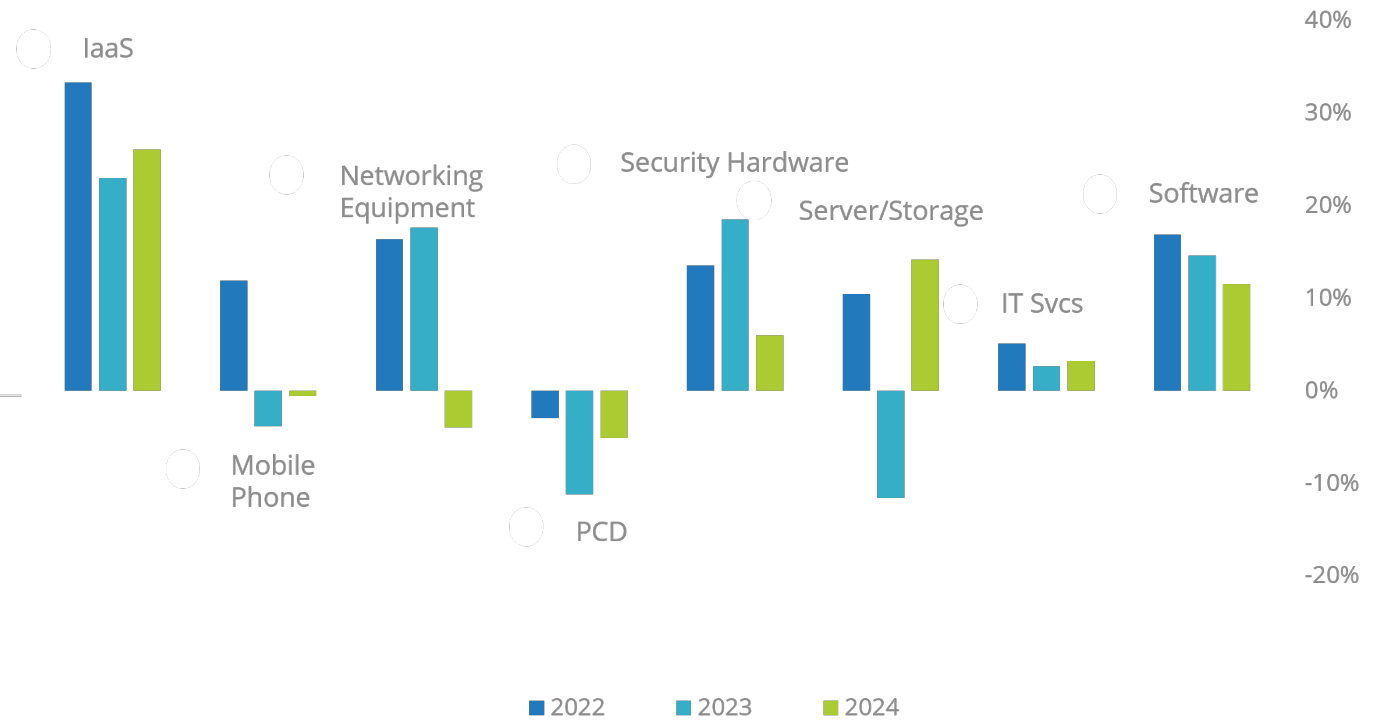
In 2024, Canadian IT Spending will grow 6X faster than GDP

Canada IT Spending vs GDP



Source: Worldwide Black Book, November 2023 Preliminary (Growth in constant annual)

Canada IT Spending Growth by Technology



Source: Worldwide Black Book, November 2023 (Growth in constant annual)

1

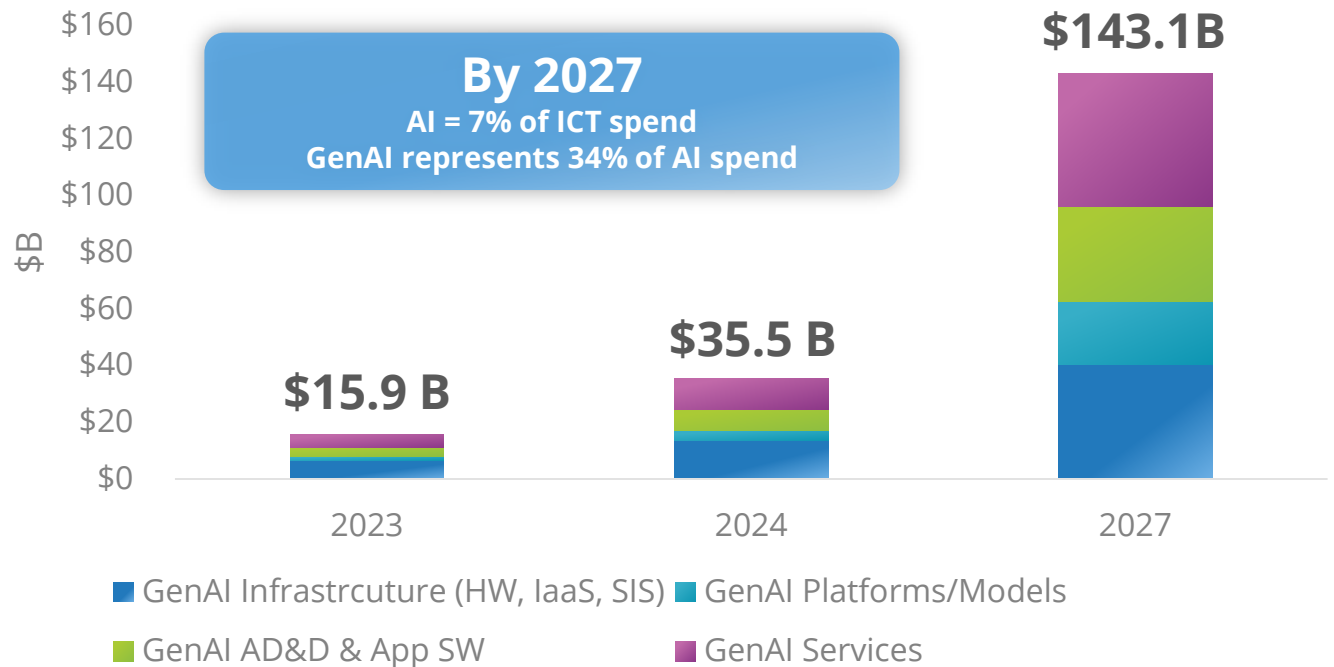
In 2024, Canadian IT Spending will grow 6X faster than GDP

GenAI Foundation Build (2024-2025): Spend on AI platforms, infrastructure, IT operations and security software dominate, especially with IaaS/PaaS cloud services providers.

Broad Adoption of GenAI Capabilities (2025-2026): Spending shifts to GenAI-infused applications, further enterprise AI platform build out, and products/services to manage the data/code underpinning to AI platform.

Unified AI Services: (2026+). With revenue focused GenAI use cases identified, the focus moves to integrating GenAI with existing AI use cases across workflows.

Worldwide Generative AI Forecast (2023-2027)

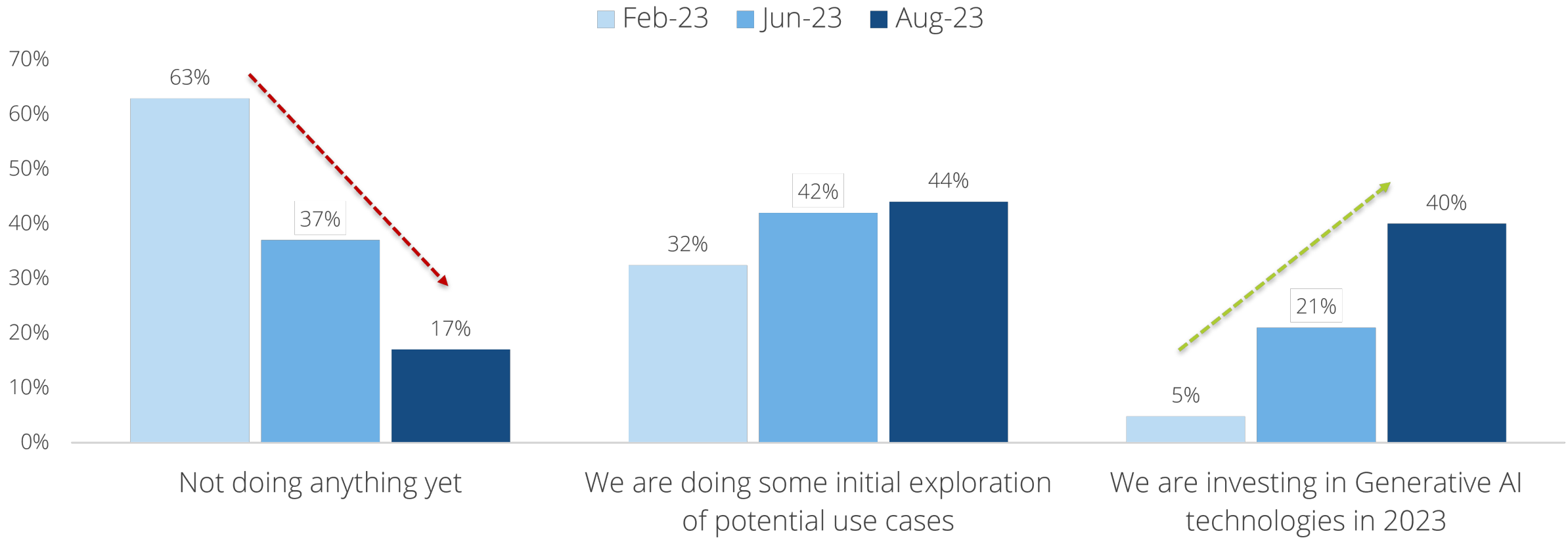


Source: IDC, October 2023

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By 2024, enterprise GenAI adoption in Canada will reach 55%

Q: What's your organization's current approach to Generative AI? Q1 versus Q2 versus Q3

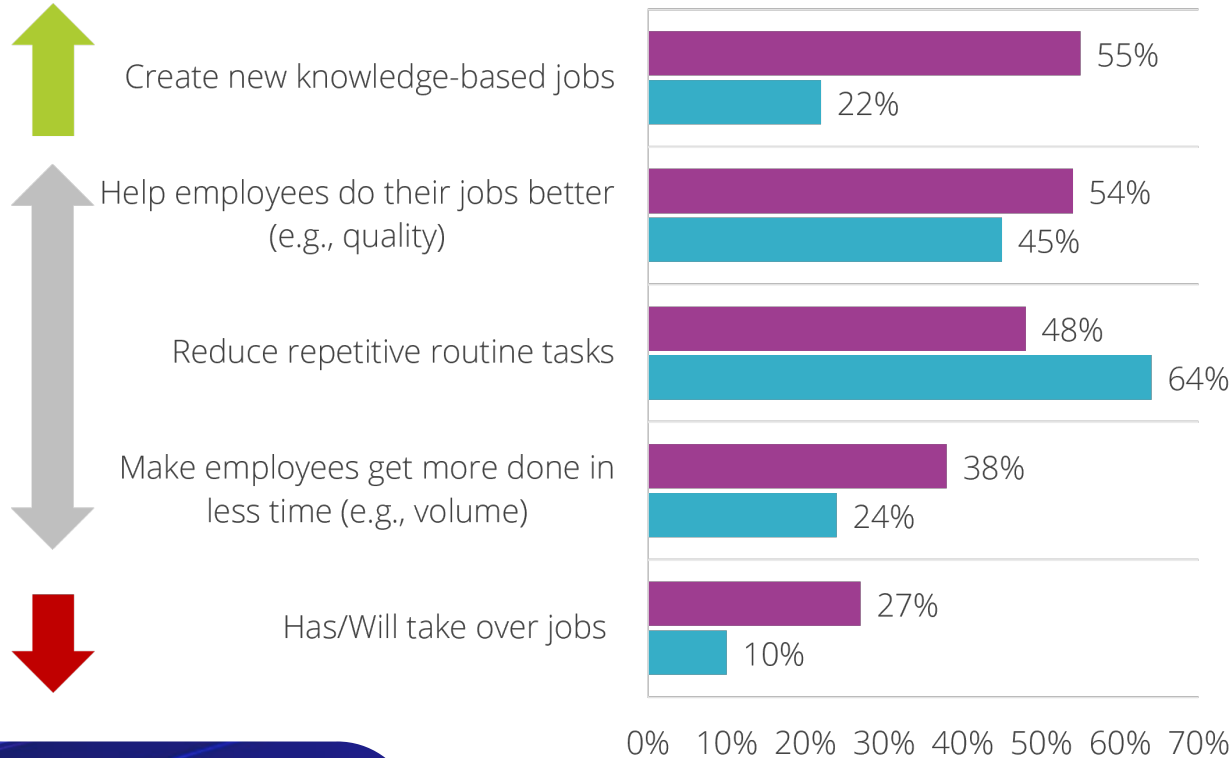


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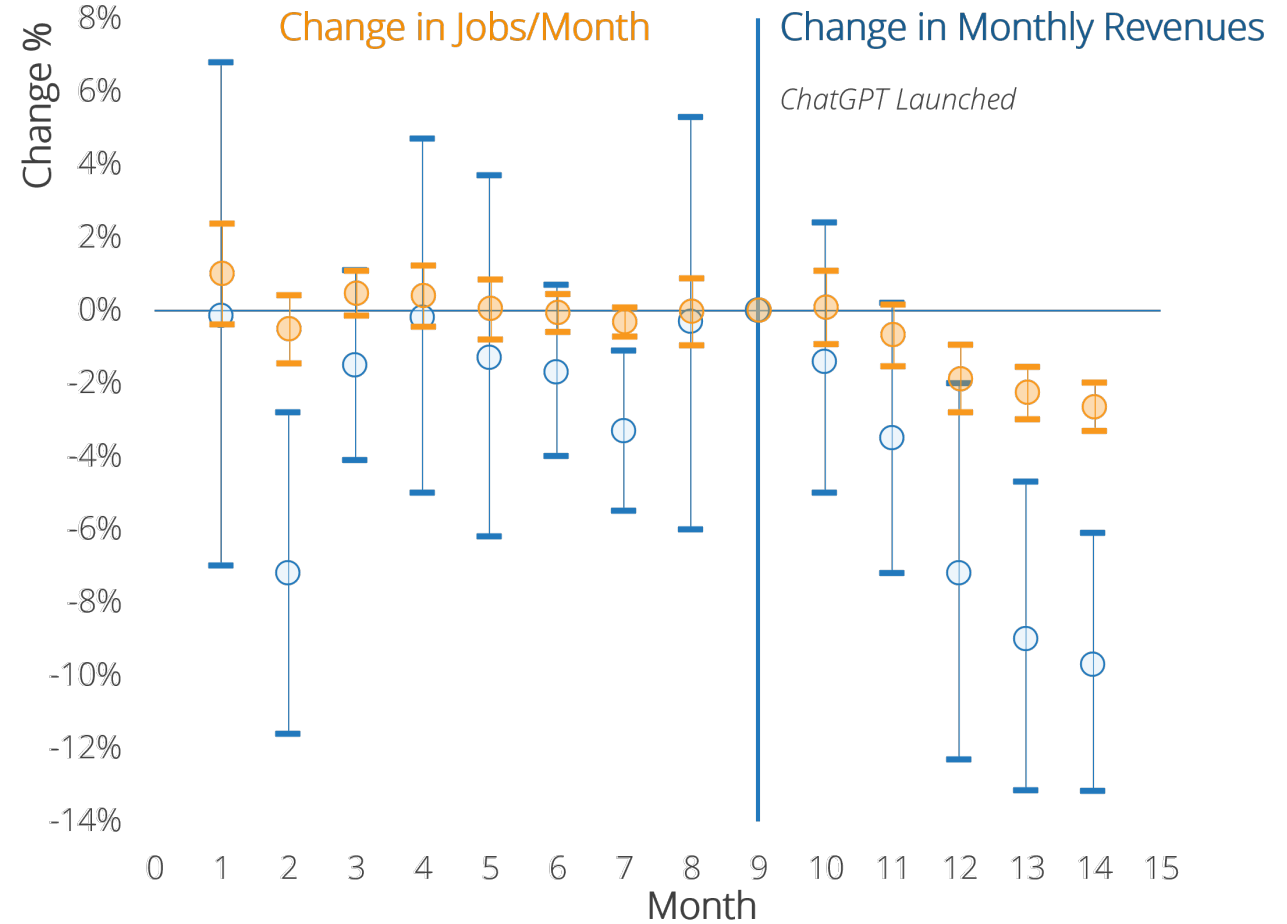
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Canadian Survey Data

- We are investing in Generative AI technologies in 2023
- Not doing anything yet



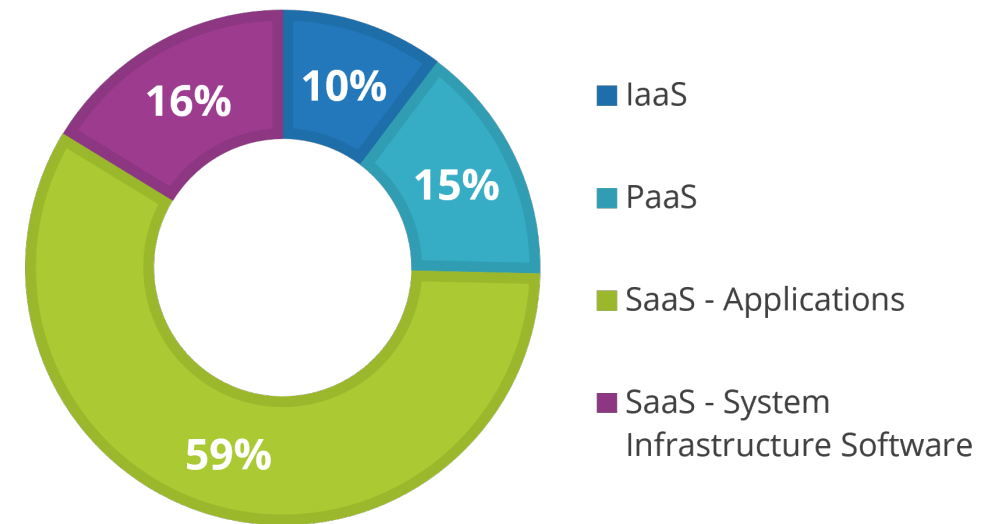
Real World Data



4 In 2024, 50% of the large enterprises in Canada will expand their FinOps scope to identify new cost optimization opportunities by adding SaaS Management Platform tools and capabilities

- Canadian organizations are focused on optimizing their OPEX – garners C-Suite attention.
- The need for FinOps is widespread. Orgs are seeking metrics and best practices to mature their FinOps function
- SaaS adoption is widespread and is subject to a lot of decentralized billing.
- SaaS Mgmt Platform vendors using AI and ML to remove duplication and over-provisioned SaaS seat licenses
- Functionality being added to cloud vendor platform

CANADIAN PUBLIC CLOUD SERVICES MARKET, 2023

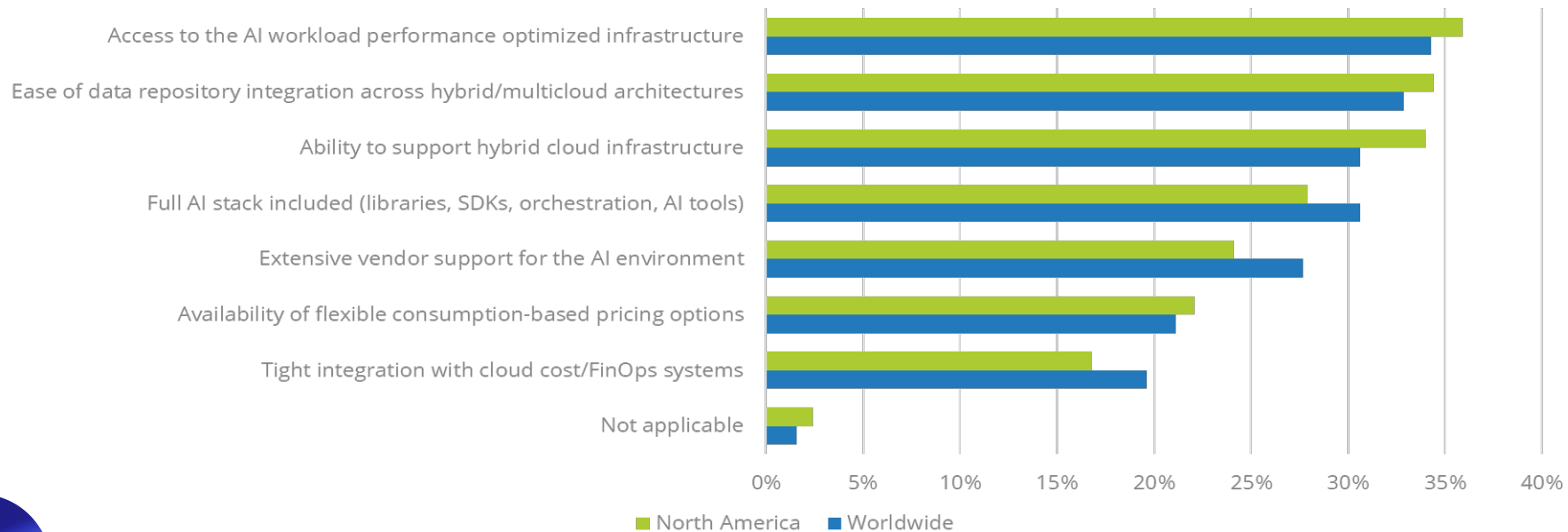


On avg 17% of public cloud spending is being wasted.

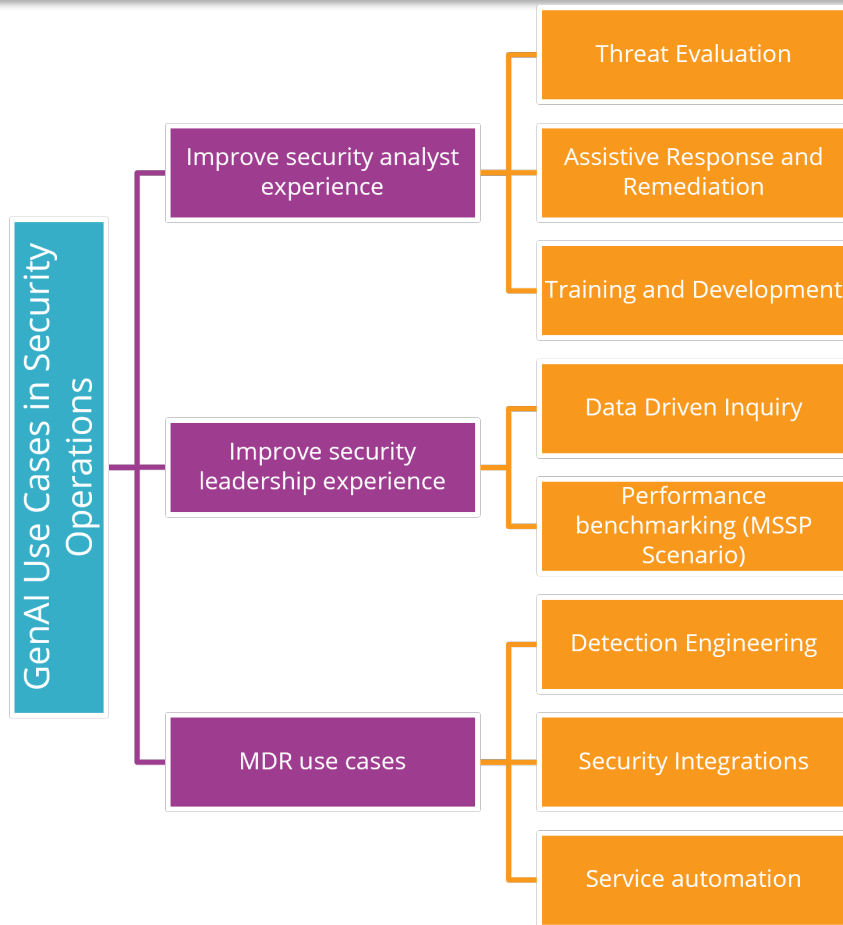
5 Key workloads will drive infrastructure investment – by 2027, trusted infrastructure investments will double and 40% of enterprises will leverage hybrid cloud for AI

Trusted infrastructure investments will attempt to ensure legislative and sovereignty compliance and protection of regulated and AI/GenAI, HPC and analytics workloads.

AI/GenAI will drive hybrid multicloud - by 2027, 40% of enterprises will rely on interwoven IT architectures across cloud, core, and edge to support dynamic, location-agnostic workflow priorities.



7 By 2024, 40% Canadian mid-sized and large organizations will leverage GenAI on first-party data for threat detection and response in their SOCs or through their managed threat detection and response services providers



IT Impact

- Reduce cost and improve efficiency
- Address skills shortage
- Automated and adaptive analysis and response

Business Impact

- Improved security outcomes
- Increased data security and privacy risk

Guidance

- Focus on automated processing of general data
- Considerations for deploying SOC products with GenAI capabilities

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The Rise of the Chief AI Office: Proliferation of GenAI and Other Key Digital Initiatives Will Result in 25% of Canadian enterprises introducing or elevating the Role of Chief AI Officer to the C-Suite by 2025

- Technology roles being elevated to the C-Suite over the past few years.
- 76% of C-Suite expect GenAI to drive a competitive advantage.
- Canadian C-Suite Gen AI focus: CX, EX & Revenue Generation
- Cross-functional interest: Use Cases & Responsible AI
- Introduction of Chief AI Officer: AI strategy and roadmap



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If You Want to Know More...



How CIOs Can Prepare Their IT Organizations and Enterprises for Generative AI
An IDC eBook | Full Report by Marc Strohlein



Explore Why CIOs Should Pay Close Attention to GenAI

Get Actionable Guidance to Enhance Your Organization's Cybersecurity Posture

WEB CONFERENCE

Cybersecurity Norms & Trends: How Does Your Business Stack Up?



Daniel Saroff
Group Vice President,
Consulting and Research



Christopher Tozzi
Adjunct Research Advisor

MAR 13, 2024 | 12:00 PM ET





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Thank You!