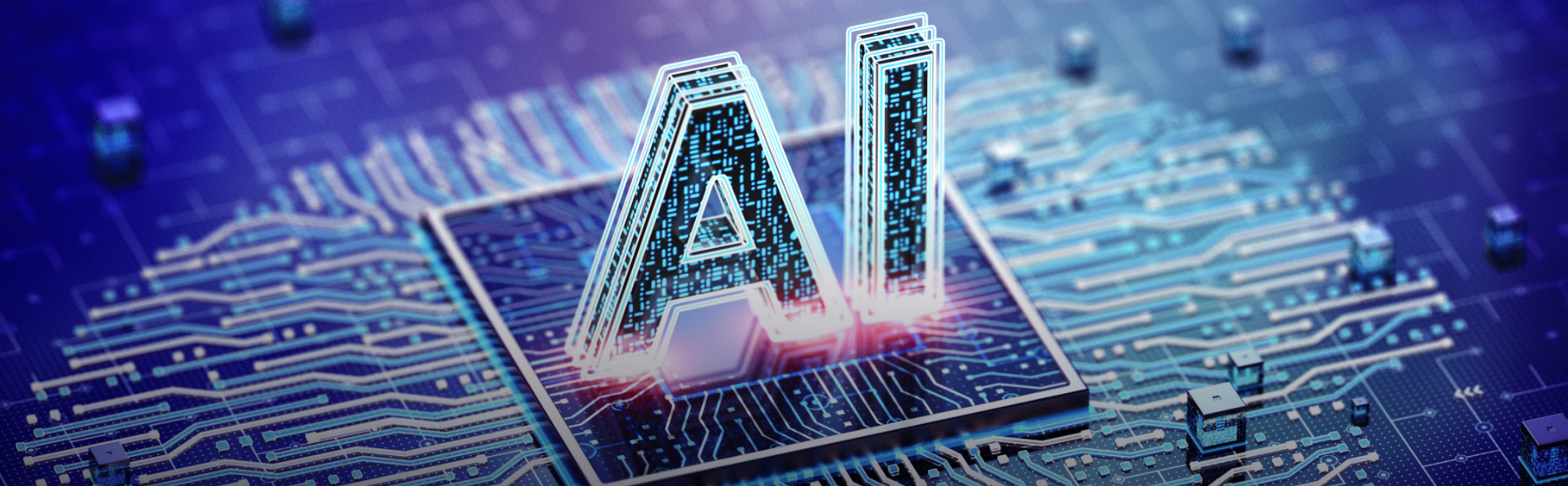

Data to Value: Building an AI-First Digital Business

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Executive Summary

Companies are focused on enhancing their AI and digital business capabilities, deriving value in the form of optimized processes, enhanced customer experience, augmented automation, and business model innovation.

Companies feel AI's disruption and see agentic AI's growing momentum. Many now seek to augment their processes and innovation with AI's assistance. C-suite executives also see AI as an area of significant growth in 2025, which has led to AI being the top new digital technology investment.

Data remains the foundation of any AI initiative and must be central to every enterprise's strategy. Enabling AI on a digital platform, particularly one with a built-in robust data foundation, provides significant competitive advantages. Most companies are still building out their data platforms and strategy and feel that investment is needed in their data systems. Leading digital businesses with AI platforms in place are seeing major benefits over nascent digital organizations in their markets.

The View of AI and Digital Business from the C-Suite

In terms of business benefits, the majority of CEOs report achieving measurable results from their generative AI (GenAI) initiatives, with improved operational efficiency being the top area of impact, according to IDC's *CEO Survey*, 2025.

The three top-of-mind technologies for the C-suite are:

- GenAI
- Cybersecurity
- Direct-to-consumer platforms

54%

More than half of CEOs believe that **AI can help their organization reinvent their business model** within the next 3–5 years.

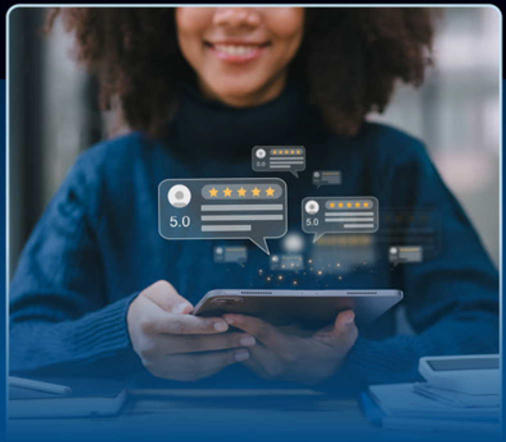
CEOs identify modernizing IT to achieve better business outcomes as the top priority for their CIOs today — and expect it to remain the CIO's leading focus over the next two years.

CEOs rank measurable business outcomes as the second most important attribute in their tech partnerships.

More than a third of CEOs note gaps in digital business and AI execution as a top business risk. This creates urgency to invest in the four pillars of AI and digital business to reinvent business models, transform processes, and deliver business outcomes.

Source: IDC's *C-Suite Tech Agenda Survey* 2024

The Impact of AI Everywhere



Organizations achieve **the greatest gains in customer satisfaction** — a key business outcome they aim to attain through their digital business initiatives.

The market has shifted from initial excitement and hype around AI to a more strategic focus on **operationalizing and scaling AI to drive bottom-line and top-line growth.**

Success in AI begins with data and **requires an enterprise-wide AI platform approach.**

Without an AI platform approach, an organization **will struggle to scale its AI-fueled digital business.**

How Enterprises Are Developing and Driving AI-First Strategy

AI success starts with data and is built on a digital platform.

AI is a key strategic piece for optimizing internal processes, augmenting the automation of key functions, and innovating new business models.

On average, C-Suite leaders allocated 20% of their functional area tech budget for AI initiatives in 2024, according to IDC.

Top challenges that CEOs face in implementing AI are crafting a talent and skills strategy and ensuring responsible AI use through robust governance frameworks.

Organizations are experiencing the most significant impact of AI disruption in driving efficiency, deepening data insights, and enhancing operations and employee performance management.

Four Strategic Pillars of a Successful AI-Fueled Digital Business

Digital business models

Investing in and developing technology to innovate digital business models that drive new efficiencies and greater market share

Operational processes

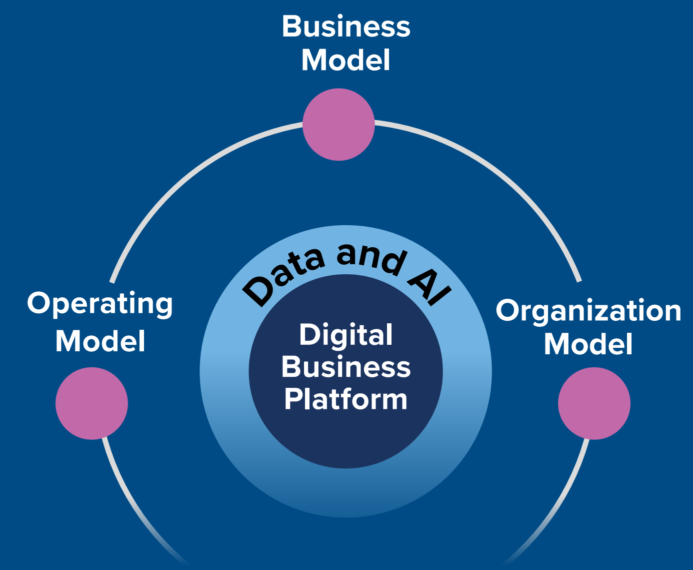
Standardizing processes across the organization, improving workflows, and utilizing AI to drive automation

Data and AI

Establishing data architectures to enable AI, analysis, and accessible visualizations and insights supporting data-driven decision-making

Organization

Integrating IT and digital strategy to support digital business platforms and help with recruiting, retaining, and upskilling top talent



Mastering these capabilities leads to measurable improvement in business outcomes and key performance indicators (KPIs).

Understanding Characteristics of Digital Business Leaders

Digital Business Models

- Leaders provide world-class support for business model innovation through AI and digital tech investment.
- A diversity of digital business models are developed and deployed.
- There is an overall digital and AI-first approach to processes and revenue.

Operational Processes

- Processes are standardized across the organization and integrated into a single system accessible across all departments.
- The use of AI is expanded in automating processes, tasks, and workflows.
- Improving efficiency through workflows creates a more attractive place to work.

Data and AI

- Data is a strategic asset and essential to corporate strategy.
- There is a willingness to utilize a variety of data architectures and data sources (both internal and external).
- Supporting AI is a top data priority.

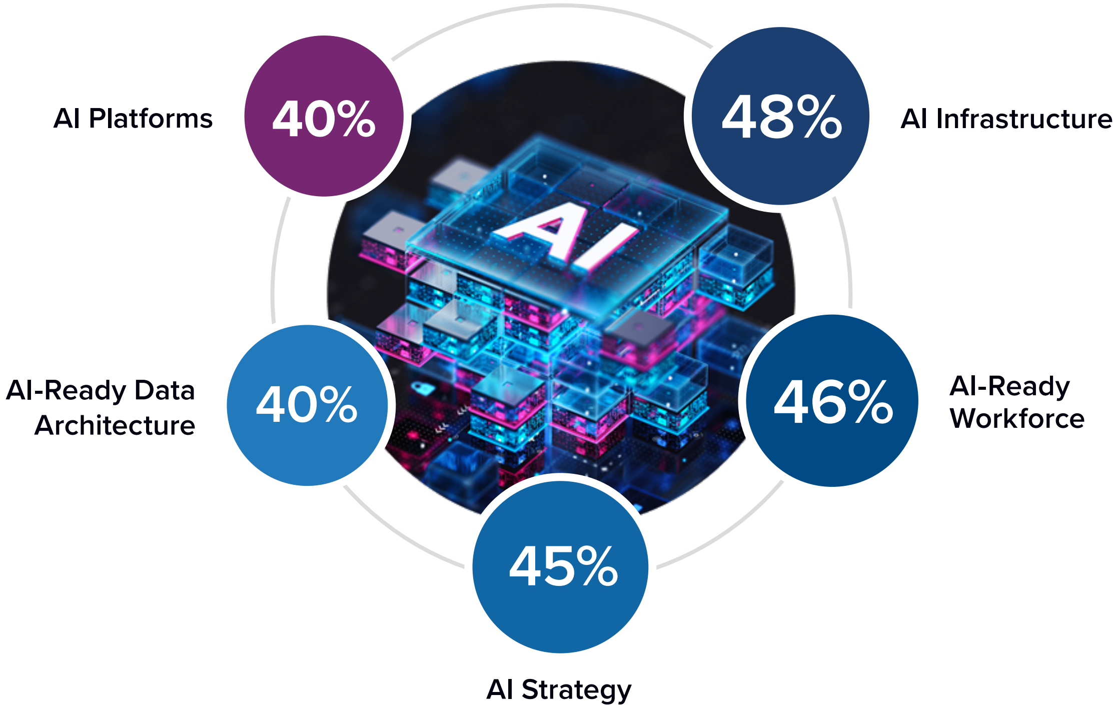
Organization

- Digital business platforms are built while IT and digital business architectures are integrated.
- Agility at scale is created to support innovation across the organization.
- The ability to recruit, retain, and train employees is improved while identifying the next generation of digital business leadership.

Trends in AI Platform Adoption

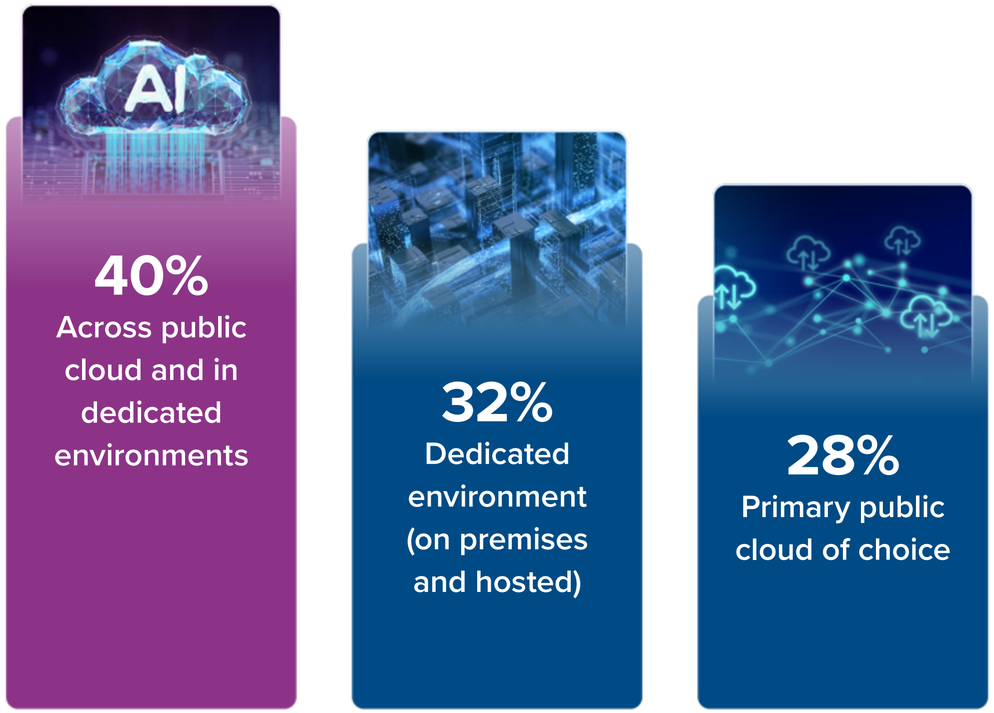
In 2025, 40% of organizations are prioritizing AI platforms as a key enabler to drive widespread adoption across the enterprise. A hybrid deployment model — leveraging public cloud and dedicated environments — is the preferred approach, offering the flexibility to scale AI workloads while maintaining control over data.

Key 2025 Priorities to Move from GenAI Experimentation to Broader AI Adoption



n = 885; Source: IDC's *Future Enterprise Resiliency and Spending Survey (FERS) 2025, Wave 1*, Feb 2025

AI Model and Application Deployment Preferences

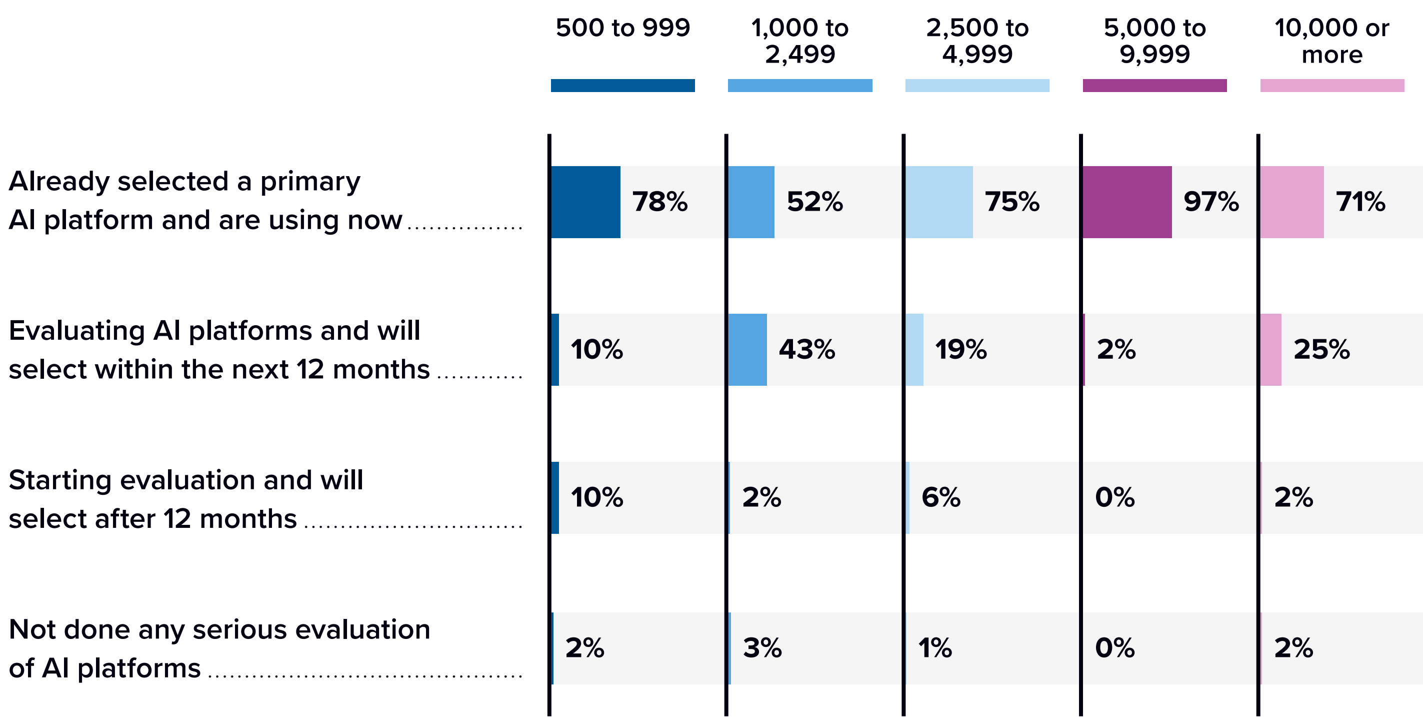


n = 362; Source: IDC's *Future Enterprise Resiliency and Spending Survey (FERS) 2025, Wave 1*, Feb 2025

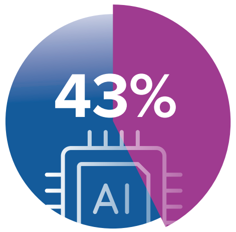
AI Platform Usage and Challenges

Organizations of all sizes report adopting AI platforms, signaling a broader shift toward intelligent digital infrastructures. However, many face challenges in managing costs, particularly in tracking AI-related expenses across teams, dealing with unexpected cloud computing costs, and being unable to measure ROI due to lack of cost transparency.

AI Platform Adoption by Organization Size



n = 624; Source: IDC's *Global GenAI Technology Trends Survey*, July 2024



Organizations concerned about balancing AI platform software and model development demands with their budgeting plans

Top Factors Behind AI Platform Cost Overruns

- Tracking AI-related expenses across different teams/departments — **35%**
- Unexpected cloud computing costs (e.g. fine-tuning, inference) — **31%**
- Difficulties measuring ROI of AI projects due to lack of cost transparency — **29%**

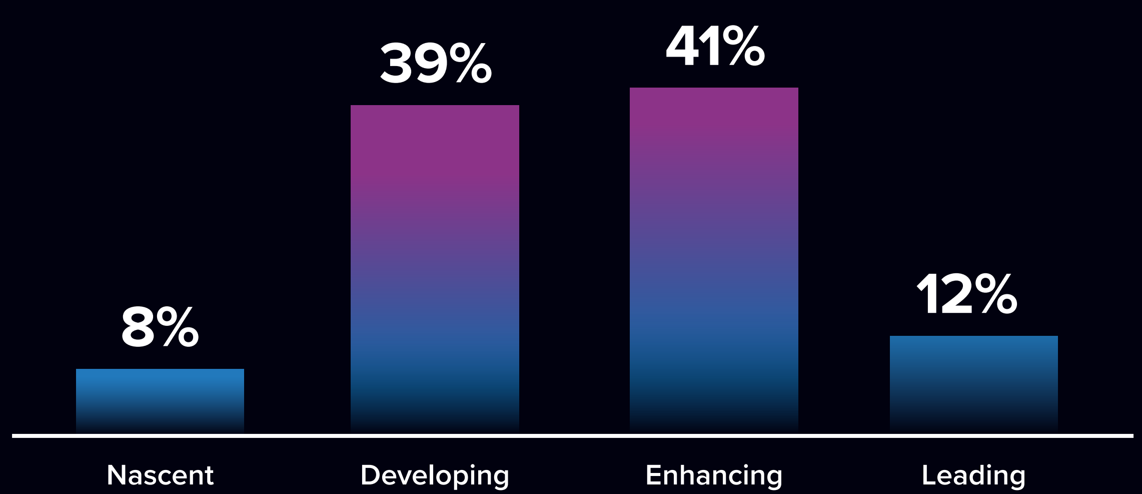
n = 374; Source: IDC's *Future Enterprise Resiliency and Spending Survey (FERS) 2025, Wave 5*, June 2025

Business Outcomes: Leading Digital Businesses Outperform the Market

IDC's Digital Business Scorecard compares what differentiates leading enterprises from their peers, including areas such as building digital business models, data and AI strategies and capabilities, operational processes, and organizational capabilities.

Only 12% of organizations worldwide are scored as a "leading" digital business with a score of 60 or better.

(Max 100 Score)



On average, leading organizations achieve the following in comparison with nascent firms:

- **9X** Faster time to market
- **3X** Greater cost savings
- **3X** Greater profits
- **3X** Higher revenue growth

Source: IDC's *Digital and AI Business Scorecard*, December 2024

Digital Business: Scorecard KPIs Among Leading Enterprises

Year-Over-Year Percentage Improvement in KPIs

+20%

Indicators related to business continuity and resiliency (e.g., downtime)

+19%

Digital infrastructure availability KPIs (e.g., uptime)

+18%

Innovation cycle times (indicators related to time to market for new digital solutions)

+17%

Indicators related to productivity and efficiency (e.g., cost reduction)

n = 223 (leading enterprises); Source: IDC's *Digital Executive Sentiment Survey,* December 2024

AI-First Platform Adoption for Next-Generation Technology Modernization

According to IDC's *Future Enterprise and Resiliency Survey, Wave 1,* 2025, 33% of companies have embedded GenAI capabilities across most of their organization. Overall, AI is the top priority for new digital technology investments, especially for leading digital businesses, according to IDC's *Digital Executive Sentiment Survey,* 2024.

Aware of its disruptive tendencies, executives are turning to IT leadership for information on GenAI's ability to improve customer experience. Those investing in GenAI also seek information about how it improves revenue generation, order velocity, and decision-making. While security concerns may slow adoption, many digital platforms have built-in security features to address those challenges.

With that in mind, the top applications that companies expected to integrate with GenAI are **customer-facing applications, employee applications, financial and operational applications, and app developer tools.**

To fund these GenAI projects, companies expect to primarily shift budget from elsewhere, including application modernization and digital transformation.

Agentic AI is emerging as a notable innovation within the AI landscape, accounting for 29% of GenAI spending in 2025, as per IDC's *Future Enterprise and Resiliency Survey, Wave 4,* 2025.

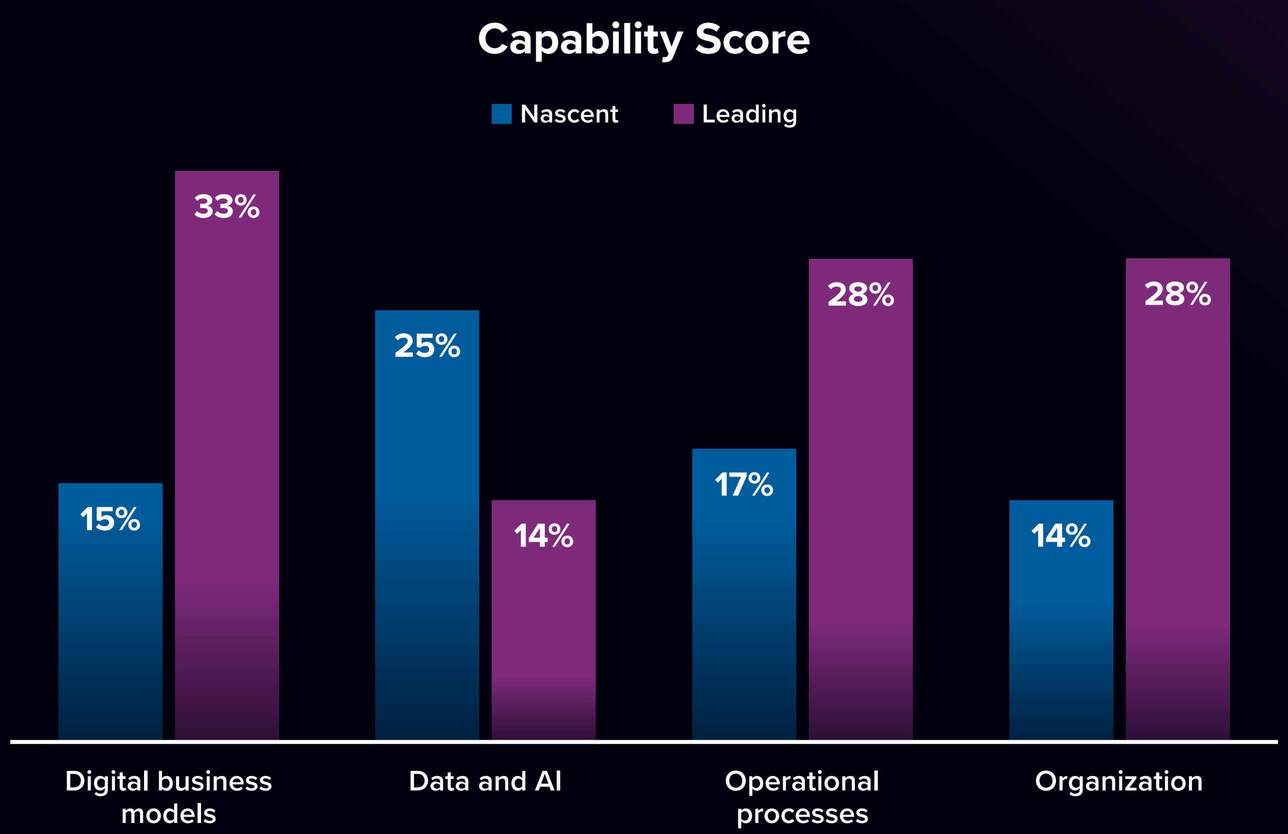
Key Factors in Strategy Development and Applications Across the Enterprise

Top-down strategies at leading organizations in our Digital Business Scorecard are driving new AI investment. These companies are focusing their data strategies on supporting AI, and their operational process strategies include optimization with AI. Overall, the top data and analytics priorities worldwide are building AI capabilities and data quality, according to IDC's 2024 *Digital Executive Sentiment Survey.*

AI is the top area for new digital technology investment for all organizations except those that are "nascent" digitally. These organizations are most focused on making new investments in security but are prioritizing fewer investments overall. Other technologies where investments are most likely across all organizations in 2025 are multicloud, data systems, operational technology, and automation.

Many companies are taking a standardized, enterprise-wide approach to delivering digital experiences. Among leading companies, nearly 63% have a strategy for delivering digital experiences that reaches across all departments. Those companies are focused on new investments in many different digital technologies and applications to improve experiences.

Business Outcomes: Learning from Leading Digital Businesses



The data pillar is critical in establishing an AI-first business.

- IDC's Digital Business Scorecard shows that most organizations have much room to improve on their data capabilities.
- AI is a focus across digital business capabilities. Companies are prioritizing supporting AI with their data strategies and looking to expand the use of AI.
- Most have centralized their data capabilities in some way, but there is room for enterprise-wide consistency by taking a platform approach.
- Nearly half of organizations see the need for investment in their data systems, making it an area for a potential competitive advantage.

Source: IDC's *Digital and AI Business Scorecard*, Dec 2024

Important Actions in Deciding Which Digital Platform to Adopt

Identify the most important factors guiding the organization's current AI platform investment decision. The right platform setup can reduce cost and complexity as well as shorten time to business outcomes by reducing implementation efforts.

So, which AI platform can help the organization build an intelligent digital business architecture?
Here are the five actions to take in determining the best AI platform:

1. Assess the platform's ability to develop AI applications.
2. Ensure seamless integration with existing IT infrastructure.
3. Invest in easy-to-use tools to extend usage beyond specialized technical staff.
4. Evaluate AI model governance capabilities.
5. Implement standards to minimize vendor lock-in.

n = 362; Source: IDC's *Future Enterprise Resiliency and Spending Survey (FERS) 2025, Wave 1*, February 2025

Guidance for Leaders Seeking a Competitive Edge

IT leaders need to focus on technology for scaling and to help them become more operationally efficient. A platform approach to AI and digital will assist with both.

Many organizations express concerns about balancing the growing demand for AI platform software, as it increasingly outpaces their financial planning. This highlights the need for stronger cost oversight, improved transparency, and long-term AI investment strategies to support scalable AI adoption.

IT leaders should work to:

- **Develop an AI strategy** and road map to build an AI-fueled digital business.
- **Ensure that data strategy** is underpinned by an AI platform.
- **View data as a strategic asset** that can support decision-making and product creation.
- **Prioritize AI capabilities** in business model, data strategy, and organizational processes.
- **Build AI and digital business capabilities** and transform underdeveloped areas.
- **Move quickly,** take a phased approach, and celebrate early wins.

n = 1,975; Source: IDC's *Digital Executive Sentiment Survey,* October 2023, Leading enterprises

About the IDC Analysts

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Tony Olvet is group vice president of Worldwide C-Suite and Digital Business Research at IDC. His team's global research focuses on the connection between business transformation and digital investments across enterprises. Olvet's analysis and insights help vendors, IT professionals, and business executives make fact-based decisions on technology strategy and digital business.

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More about Nupur Singh Andley

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