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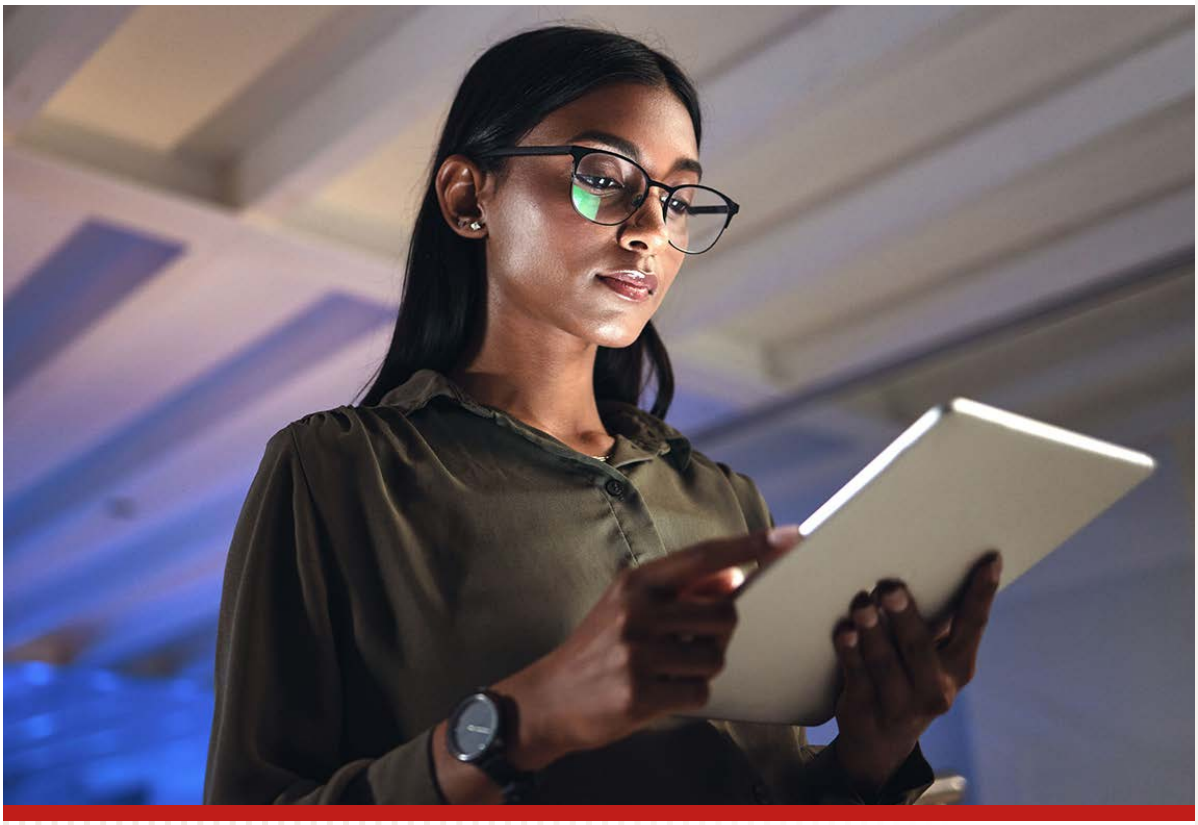
Market Pulse

Expect Fast AI Value? Get Your Data in Order First

Data, IT, and product leaders at major enterprises reveal their AI use cases and the data challenges impeding their ambitions.



CIO

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40%

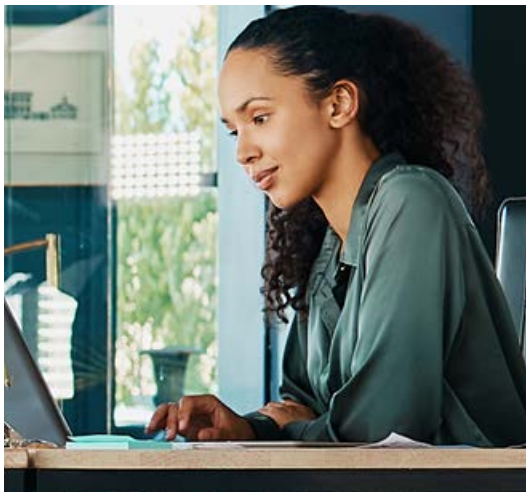
of the respondents reported facing **data driven challenges** in adopting and leveraging AI.

Information flows without end from devices, applications, and interactions. Every industry leverages this flood of data to drive digital transformation and secure a competitive edge. As we step from an era dominated by business intelligence to one that is dominated by artificial intelligence (AI), data seems to be at the center of both pain and innovation.

Generative AI (genAI) is revolutionizing the way customers use data. To fuel these tailored AI experiences, organizations need a continuous stream of clean data sourced from a meticulously managed analytics system. However, the reality for many organizations is an intricate web of specialized yet disconnected data streams and repositories. Chief data officers (CDOs) are left to piece together these disparate data sources while maintaining day-to-day operations. Transformation occurs when the challenge is faced.

A new Foundry MarketPulse study sponsored by OpenText, experts in information management, finds that organizations are exploring and implementing AI solutions, with many of them expecting to fully leverage AI benefits within two years.

It's clear from the survey of 237 IT, data, and product development decision-makers – based in the United States and Europe – that getting ready for AI is the hill for companies to climb: 40% of the respondents reported facing data-driven challenges in adopting and leveraging AI. This white paper explores the survey and dives into what companies are considering in their AI implementations.



Expectations and pressure from leadership

Corporate leaders have high hopes for AI: They seek to improve decision-making, productivity, customer experience, and overall competitive advantage. GenAI has added to their expectations. For example, 75% of the respondents want to use it to produce visual reports. Success in achieving their AI goals depends on data access, management, analysis, and visualization.

CEOs increasingly view AI as crucial for the future of their company. For example, some see it as a strategic necessity for maintaining competitiveness and driving innovation. Others recognize AI's ability to transform industries, improve customer experience, and unlock new revenue streams. Also, some business leaders' fear of being left behind by competitors that are faster to integrate AI is a significant motivator.

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of the respondents want to use **genAI to produce visual reports**. Success in achieving their AI goals depends on data access, management, analysis, and visualization.

Inhibitors to AI

Several realities might inhibit AI adoption. For example, AI requires specialized knowledge and skills that many organizations may not possess. In such cases, finding a data/AI partner is crucial.

Ensuring that AI solutions can scale effectively with business growth is also a challenge. Some AI implementations may perform well on a small scale but struggle to maintain efficiency as the data, company, or initiatives expand. According to the survey, the top inhibitor of AI adoption and use is the need to store and manage very large data volumes. Yet, the ability to work with big data is essential in transformational business initiatives. For example, in the quest to understand customers and predict their behavior, big data feeds advanced and predictive analytic algorithms, which uncover evolving customer needs and behaviors and give insights into how to address them.

Ethical and regulatory issues, such as data privacy, security, and algorithmic bias, also present challenges. Navigating these concerns can be difficult and may slow AI adoption. Similarly, data privacy and security concerns ranked as top hindrances to AI. The inability to manage data at scale creates the risk of unplanned downtime, supply chain disruptions, data loss, and even fraud. Predicting when such events will happen and suggesting the best way to address them requires the real-time modeling of massive amounts of data.

AI systems can introduce new security vulnerabilities, such as adversarial attacks in which malicious actors manipulate AI algorithms. These risks can make companies hesitate to fully embrace AI. New and changing legal requirements dictate that risk management professionals have robust data management and analytics tools for handling the volume and complexity of regulated information and facilitating comprehensive discovery processes. Although the research didn't explore it, a closely related challenge is being able to trust AI models.

More data issues

The struggle to get data right is fraught with additional obstacles. Among those challenges:

Inaccessible data. Integrating AI into existing systems and processes can be complex and time-consuming. Legacy systems may not be compatible with new AI technologies, thus requiring significant modifications or replacements. Nearly all of the respondents (93%) said some portion of their data is inaccessible.

Unstructured data. Nearly two-thirds of the respondents do not have a clear process for extracting insights from unstructured data, a major failing at a time when data lakes and data lakehouses — the main repositories of unstructured data — are in wide usage.

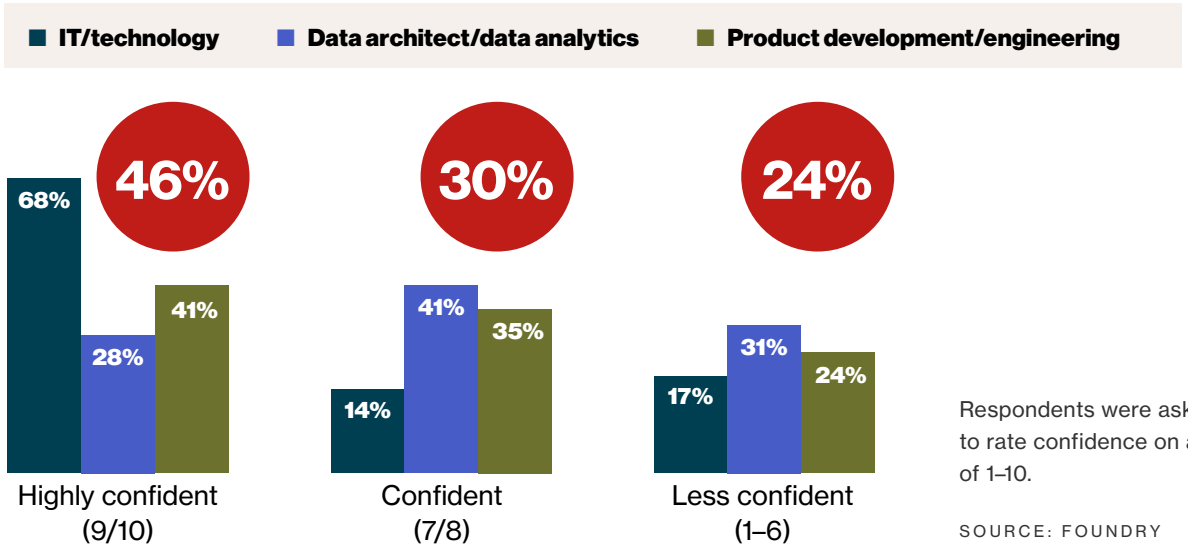
Wavering confidence in data. When data is created, it's not always ideal for analysis or prediction. Consider how your sellers enter data into your customer relationship management system or how retail locations enter customer data. Those who look at the data know that the origin of the data

impacts its value for AI. For example, although 68% of the surveyed IT and technology decision-makers expressed a high degree of confidence in data, only 28% of the data architects and data analytics professionals and 41% of the product development and engineering professionals are confident (see Figure 1).

Complexity. The need to manage many data stores works against efficiency and streamlined workflows as well as the ability to pull AI insights from a wide range of data types. On average, enterprises are using 16 different databases that are typically not connected, a practice that leads to repetitive and labor-intensive management tasks.

Integration. Bringing together data from disparate sources and formats ranks as the top challenge when it comes to managing cloud and on-premises data. This difficulty leads to poor responsiveness: 26% said executives experience delays almost always or frequently when accessing data dashboards, and 35% experience delays occasionally. When executives must wait for information, they are likely to be deterred from accessing the full range of metrics available to them.

Figure 1 | **Confidence in accuracy and consistency of organizational data by survey respondents in various fields**



Respondents were asked to rate confidence on a scale of 1–10.

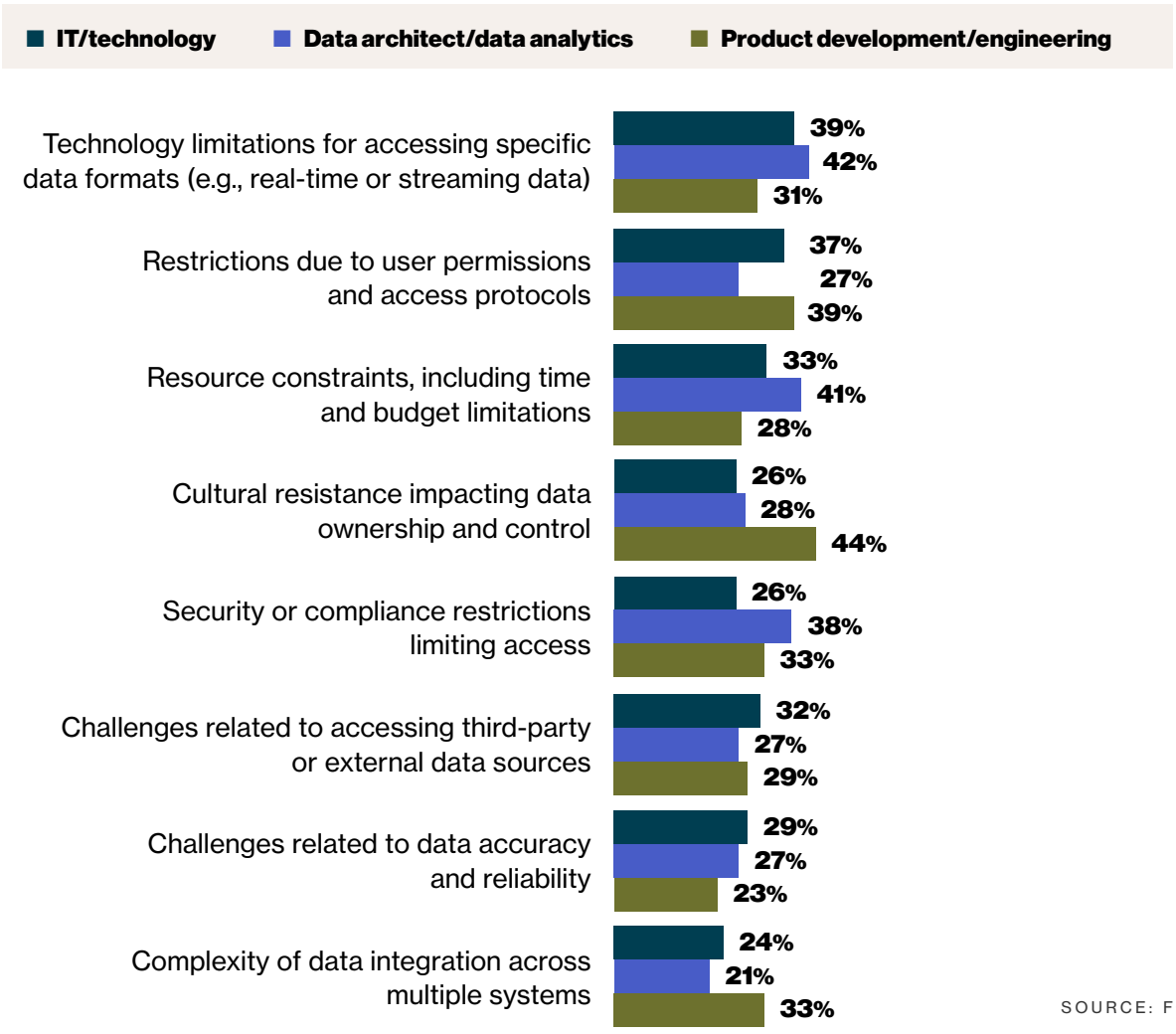
SOURCE: FOUNDRY

User reluctance. The challenges listed above have a cumulative effect on users. The more delays, inconvenience, and frustration they encounter, the less likely they are to leverage data for business benefit. Indeed, 52% said getting users to adopt data-driven initiatives and technologies is challenging.

Importance of data governance

Effective data governance ensures that the data used in AI applications is accurate, consistent, and secure, benefiting both the technical and organizational aspects.

Figure 2 | **Primary obstacles to data access**



SOURCE: FOUNDRY

People: Successful AI implementation requires collaboration among:

- Executive leadership for vision and support
- Data scientists and engineers to develop AI models
- IT professionals to manage infrastructure
- Domain experts for contextual knowledge

Processes: Key practices include:

- Clear project planning
- Pilot programs to test AI solutions
- Continuous monitoring of AI performance
- Ethical guidelines for responsible AI use

Technologies: Crucial considerations involve:

- Data management platforms for handling large data sets
- AI frameworks and libraries for development
- Cloud computing for scalability
- Integration tools for seamless operation
- Security solutions to protect data integrity and privacy

Find the right partners

A partner should provide tools and services to ensure better plans and data governance before AI efforts get under way.

Decision-makers should seek a partner that provides a data management platform with several key capabilities that survey respondents ranked almost equally:

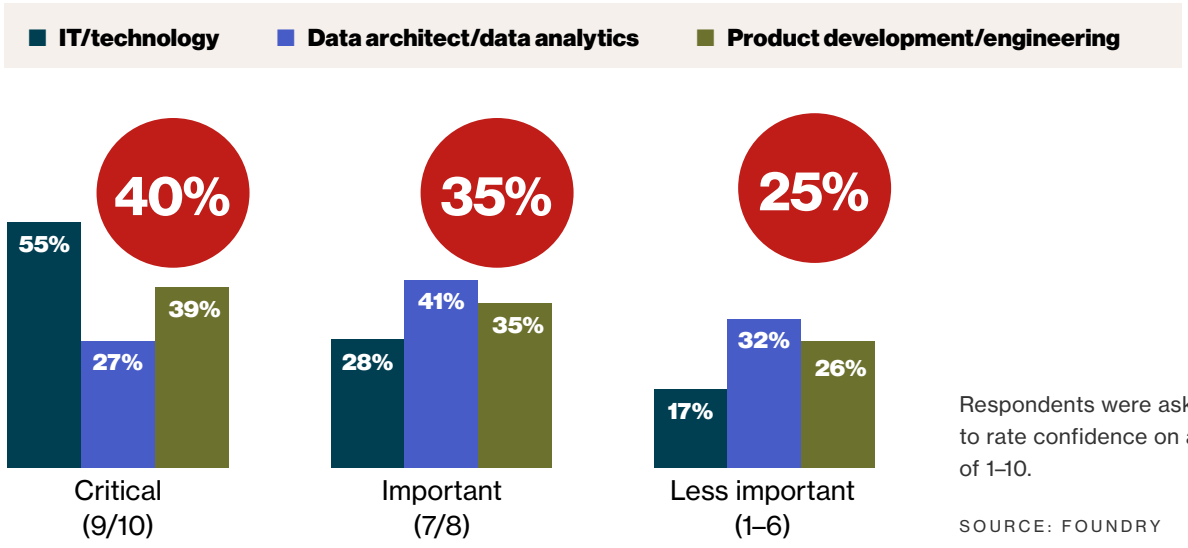
- **Scalability.** Because volumes of data tend to increase over time, the data management platform must be able to accommodate data as it is added, without disruption and with a minimum of management labor.

93%

of the respondents said some portion of their **data is inaccessible** because **legacy systems may not be compatible** with new AI technologies.

- **Ease of implementation.** Considering today's shortage of data management skills, fewer staff members must manage more data. Vendor support and expertise should address any data literacy gaps to speed implementation and ongoing management.
- **Integration.** The ability to complement an existing data environment streamlines deployment and operation. As noted previously, integration is a top challenge of a data platform for AI.
- **Fast performance.** The bottom line for any AI implementation is its ability to deliver insights quickly in response to queries from technology and business leaders.
- **Security and compliance.** Because controlling risk is a core responsibility of IT, data, and product leaders, the platform must provide tight security to protect data and steer clear of any regulatory violations.

Figure 3 | **Importance of ability to leverage genAI for data visualization and reporting**



Respondents were asked to rate confidence on a scale of 1–10.

SOURCE: FOUNDRY

Capabilities that address data challenges

In addition to providing services for data management and governance, OpenText provides a powerful, secure platform that meets data challenges with the best practices revealed in the MarketPulse survey.

OpenText™ Analytics Cloud. A composable platform for data access, organization, analysis, and visualization, Analytics Cloud is deployable as a data warehouse, data lake, or data lakehouse. It generates insights by using AI-powered advanced and predictive analytics to help organizations understand customer behavior, prevent operational disruptions, and meet compliance and security standards. Discover high-performance, efficient analytics solutions that support extreme scale for both structured and unstructured data.

Start now to meet business goals

Burgeoning interest in AI has made it a cross-industry priority for IT, data, and product leaders. AI provides many strategic benefits, not the least of which is superior decision-making based on AI-derived insights. However, without higher data quality and better data management, AI initiatives will not meet their full potential.

A unified, composable AI and analytics platform addresses the data deficiencies identified in the MarketPulse survey and enables implementations that help organizations more efficiently access, organize, analyze, and visualize their data. But presupposing only a two-year window to achieve full AI value, time is of the essence. IT, data, and product leaders should take heed and move quickly to implement a unified data platform.

See the OpenText Analytics Cloud in action.
Request your personalized demo.

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