

## 2024 IT Symposium/Xpo Keynote at a Glance

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As a CIO, you are tasked with creating value from AI safely and at scale, but delivering these outcomes is tough. This research provides an overview of Gartner's 2024 IT Symposium/Xpo Keynote, including trends, data, predictions and actions you can take to get the most value from AI.

### What You Need to Know

Generative AI is teetering on the edge of the Peak of Inflated Expectations in Gartner's Hype Cycles (see [Hype Cycle for Emerging Technologies, 2024](#)). Vendors are continuing to hype their AI-embedded technologies and are flooding the market with new products. A new GenAI frontier model is released every 2.5 days on average. <sup>1</sup>

While the hype surrounding GenAI is not as high as in 2023, more CEOs now believe the AI hype is justified. In the Mid-2024 Update Gartner CEO and Senior Business Executive Survey, 74% of CEOs said AI is the technology that will most impact their industry – a huge leap from 59% in early 2024, which was again a significant leap from 21% of CEOs in 2023. <sup>2</sup>

And CEOs are largely relying on their CIOs to deliver value with AI. In the 2024 Gartner CIO Effectiveness Survey, 60% of CIOs said they are tasked with leading an AI strategy in their enterprise. <sup>3</sup>

But GenAI will soon slide into the Trough of Disillusionment on Gartner's Hype Cycles. CIOs are realizing that delivering value with AI is tough because:

- The business benefits of using AI don't always materialize
- The cost of AI can quickly spiral out of control
- The proliferation of data and AI everywhere creates new challenges and risks
- Using AI can negatively impact your employees' performance and well-being

Let's examine each of these emerging challenges and identify how you can overcome these barriers to deliver value from AI safely and at scale.

## Delivering Business Benefits From AI Is Hard

When it comes to AI, there are two types of organizations: those that focus on using AI to achieve productivity gains and those that focus on benefits beyond productivity. *How can you get the desired business benefits from your AI investments?*

In the 2024 Gartner Impact of GenAI in the Digital Workplace Survey, 97% of technology leaders said that employees were keen to try using GenAI tools. But 72% of employees had a hard time integrating AI into their daily work. <sup>4</sup> To generate business value with GenAI, you have to get people to consistently use GenAI tools in their workflow.

## Productivity Gains From GenAI Are Not Evenly Distributed

In the 2024 Gartner Digital Worker Survey, employees said that they saved an average of 3.6 hours per week by using GenAI. <sup>5</sup> But not all employees get the same degree of benefit from using GenAI (see [Who Benefits Most From Generative AI Productivity?](#)).

**Productivity gains from AI vary based on the complexity of the role and the experience level of the employee.**

For lower-complexity roles like call center agents, less experienced employees get the biggest productivity gain from GenAI because they are less adept at performing routine tasks.

The opposite is true for high-complexity roles like software engineers or lawyers. In these complex roles, highly experienced employees get the greatest productivity gain because they know what good looks like and can validate AI outputs effectively.

**Key action for CIOs:** Deploy GenAI for specific people to use: inexperienced employees in low-complexity roles and experienced employees in high-complexity roles.

## AI Can Deliver Benefits Beyond Productivity

Our 2024 Gartner AI Survey found that half of enterprise GenAI initiatives are focused on augmenting employees to increase productivity. <sup>6</sup> The other half of enterprise GenAI initiatives are focused on business benefits *beyond* productivity.

CIOs are pursuing benefits such as:

- **Operations and process-level improvements** (30% of enterprise GenAI initiatives), such as automating key business processes or redesigning roles to work with chatbots.
- **Business-level, game-changing improvements** (20% of enterprise GenAI initiatives), such as outcomes that create new revenue streams or redesign the enterprise value proposition. <sup>6</sup>

**Key action for CIOs:** Manage AI benefits like a portfolio. Determine the size of your bet in each benefit area, and manage risks and rewards across this portfolio.

### The Cost of AI Is Highly Volatile

More than 90% of CIOs said that managing cost limits their ability to get value from AI for their enterprise (based on the 2024 Gartner AI Survey – CIO and Technology Leader View). <sup>7</sup>

CIOs are already investing heavily in AI. In the 2023 Gartner AI in the Enterprise Survey, organizations that have already deployed GenAI reported spending an average of \$2.3 million in fiscal year 2023. Small enterprises reported spending an average of \$300,000, while large global enterprises reported spending \$2.9 million. <sup>8</sup>

And these costs will continue to rise. By 2027, Gartner predicts that the cost of most enterprise applications will increase by at least 40% due to GenAI product pricing and packaging. If you don't understand how your GenAI costs scale, Gartner estimates that you could make a 500%-1,000% error in your cost calculations (see [Toolkit: AI and GenAI Cost Calculator](#)).

**In the near term, Gartner believes that the cost of GenAI is as big of a risk as hallucinations or security vulnerabilities.**

As a CIO, you need to understand your AI bill. You must understand the cost components and pricing model options, and you need to know how to reduce these costs and negotiate with vendors (see [Negotiate AI and Generative AI Pricing to Avoid Skyrocketing Costs](#)).

**Key action for CIOs:** Create proofs of concept that test how costs will scale, not just how the technology works.

## **AI and Data Everywhere Create New Challenges and Risks**

Both AI and data are proliferating everywhere in your enterprise. Amid this chaos, it's more difficult to protect sensitive data, govern AI outputs and safely deliver AI value.

**AI and data are no longer centralized assets that IT directly controls. You need new approaches to manage data access and govern AI inputs and outputs.**

## **With AI Using Data From Everywhere and of Every Kind, Data Access Management Becomes Essential**

GenAI will access the value in your structured *and* unstructured data. Unlocking value in unstructured data is a huge opportunity, as this type of data represents an estimated 70%-90% of all enterprise data. <sup>9</sup>

GenAI reduces the need to move, transform and structure data, but CIOs will need new data management approaches to unify structured and unstructured data into a single data pipeline.

One key challenge is that GenAI models will use any data they can access. If you're not careful, GenAI will access sensitive data and personally identifiable information.

**Key action for CIOs:** Manage data differently by focusing on management of data access rights and permissions.

## **With AI Coming From Everywhere, Risk Mitigation Is Crucial**

AI is no longer just a centrally owned technology that your software engineering and data and analytics teams build. In the 2024 Gartner AI Survey, CIOs said that, on average, only 35% of their AI capabilities will be built or blended by their IT teams. <sup>7</sup>

Based on that survey, the remaining 65% of AI capabilities will be spread across two new areas: <sup>7</sup>

- **Embedded AI (43%).** These are the AI capabilities that software vendors are adding to the enterprise applications in your portfolio. Embedded AI is the largest and fastest-growing segment of AI capabilities. By 2026, Gartner predicts that more than 80% of independent software vendors will have embedded GenAI capabilities in their enterprise applications, up from less than 5% in 2024.
- **Bring your own AI (22%).** Business units in your organization will want to use their own AI solutions. Since these AI models are owned by the business units, you will have less visibility into the model inputs and outputs. Bring your own AI is especially tricky to govern.

This proliferation of AI everywhere in your enterprise creates new vulnerabilities. In the 2023 Gartner AI in the Enterprise Survey, 29% of respondents said their organization had an AI privacy or security incident; and 62% of them reported data compromise by internal parties.<sup>8</sup>

**Key action for CIOs:** Build a trust layer to govern all AI inputs and outputs. Start building the layer with policies created by governance committees, and further strengthen it with trust, risk and security management (TRiSM) technologies.

### **AI Leads to Unintended Behavioral Consequences**

People are bound to have intense emotional reactions as AI transforms their work lives.

Some employees may feel a strong affinity for AI. Others may feel threatened or resentful. In the 2023 Gartner HR Technology Employee Experience Survey, only 39% of employees reported that they believe AI solutions in their organization will produce fair outcomes.<sup>10</sup>

These intense reactions to AI can lead to unintended behavioral outcomes that negatively impact your employees' work performance, such as jealousy of those using AI and overdependence on AI tools.

But few organizations are actively managing these behavioral outcomes. In the 2024 Gartner AI Survey, only 21% of CIOs said they focus on mitigating potential negative impacts of GenAI on employee work, and only 20% said they focus on mitigating potential negative impacts of GenAI on employee well-being.<sup>7</sup>

The rise of AI will require more than traditional change management initiatives. CIOs need to act now to avoid accidental responsibility for adverse employee behaviors.

**Key action for CIOs:** Examine how AI changes employee tasks, jobs and work-life balance. Codesign new roles with your employees, and decide who owns what behavioral outcomes.

## Evidence

<sup>1</sup> Gartner analysis of [Stanford Institute for Human-Centered Artificial Intelligence Ecosystem Graphs Database](#) data downloaded on 25 July 2024, for the period of 1 January 2023 through 25 July 2024.

<sup>2</sup> **Mid-2024 Update Gartner CEO and Senior Business Executive Survey.** This survey was fielded in June through July 2024. In total, 110 actively employed CEOs and other senior executive business leaders qualified and participated. All respondents were screened for active employment in organizations greater than \$50 million in annual revenue. The sample mix by role was CEOs (n = 88); CFOs (n = 9); COOs or other C-level executives (n = 7); and chairs, presidents or board directors (n = 6). The sample mix by location was North America (n = 42), Europe (n = 37), Asia/Pacific (n = 24), Latin America (n = 3), the Middle East (n = 1) and South Africa (n = 3). The sample mix by size was \$50 million to less than \$250 million (n = 10), \$250 million to less than \$1 billion (n = 25), \$1 billion to less than \$10 billion (n = 46) and \$10 billion or more (n = 29). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>3</sup> **2024 Gartner CIO Effectiveness Survey.** This survey was conducted to identify and understand the drivers of CIO effectiveness today and in the next two years. The survey was conducted online from April through May 2024. In total, 451 respondents were interviewed in their native languages across North America (n = 250; Canada and the U.S.), Europe (n = 110; Belgium, France, Germany, Iceland, Netherlands, Sweden and the U.K.) and Asia/Pacific (n = 91; Australia, India, New Zealand and Singapore). Qualifying organizations reported enterprisewide annual revenue of at least \$50 million or equivalent. Qualifying respondents were the most senior technology leaders (for example, CIO, CTO or equivalent) influencing or having final say in decisions about IT or technology strategy and investments. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>4</sup> **2024 Gartner Impact of GenAI in the Digital Workplace Survey.** This survey sought to understand the value of GenAI assistants embedded in popular digital workplace productivity applications in the digital workplace, assessing their ability to enhance employee productivity and efficiency. The survey was conducted online from 16 May through 12 June 2024. A total of 152 IT leaders participated, with 61 who were members of Gartner's Research Circle, a Gartner-managed panel, and 91 who were contacted through survey links via LinkedIn posts and outreach to clients. Respondents were from EMEA (n = 94), North America (n = 46), Asia/Pacific (n = 10) and Latin America (n = 2). Of the 152 respondents, 132 were primarily responsible for Copilot for Microsoft 365. They were highly involved in the decision-making process or management of Copilot and were required to be currently piloting or finished with the pilot of Copilot in their organizations. The remaining 20 respondents were primarily responsible for GenAI assistants apart from Copilot, such as Gemini for Google Workspace, Salesforce Slack AI and Zoom AI Companion. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>5</sup> **2024 Gartner Digital Worker Survey.** This survey sought to understand workers' technological and workplace experience and sentiments. The research was conducted online from April through July 2024 among 5,141 respondents, who were from the U.S. (n = 1,121), Australia (n = 1,086), India (n = 996), the U.K. (n = 973) and China (n = 965). Participants were screened for full-time employment in organizations with 100 or more employees and were required to use digital technology for work purposes. Ages ranged from 18 through 74 years old, with quotas and weighting applied for age, gender, region and income, so that results were representative of countries' working populations. We defined "digital technology" as including any combination of technological devices (such as laptops, smartphones and tablets), applications and web services that people use for communication, information or productivity. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>6</sup> **2024 Gartner AI Survey: CIO and Technology Leader View – Wave 2.** This short survey (a follow-up to Wave 1) was conducted to capture CIOs' and technology leaders' views on the focus of their GenAI initiatives, as well as capture current data structure and use for AI/GenAI in their enterprise. The survey was conducted online in July 2024 among CIOs (n = 213) and other technology leaders (n = 94). The total sample was 307 respondents, with representation from North America (n = 133), EMEA (n = 123), Asia/Pacific and Oceania (n = 41), and across all industry sectors. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>7</sup> **2024 Gartner AI Survey: CIO and Technology Leader View – Wave 1.** This survey was conducted to capture CIOs' and technology leaders' sentiments toward AI and to better understand what organizations are doing as a result of recent changes and announcements regarding AI. The survey was conducted online in June and July 2024 among CIOs (n = 314) and other technology leaders (n = 394). The total sample was 708 respondents, with representation from North America (n = 329), EMEA (n = 253), Asia/Pacific (n = 89) and Oceania (n = 37) and across all industry sectors. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.



<sup>8</sup> **2023 Gartner AI in the Enterprise Survey.** This study was conducted to understand the keys to successful AI implementations and their impact on the broader AI that has been brought by generative AI. The research was conducted online from 19 October through 21 December 2023 among 703 respondents from organizations in the U.S., Germany and the U.K. The main sample consisted of 645 out of the 703. Organizations were required to have developed or intended to deploy at least two AI initiatives within the next three years. Respondents were required to be part of the organization's corporate leadership or report to corporate leadership roles. Fifty-eight out of 703 were the business intelligence (BI) sample. Organizations were required to have developed or intended to deploy at least one AI initiative within the next three years. Respondents were required to be part of the organization's corporate leadership or report to corporate leadership roles or below (senior manager and above) and to be primarily responsible for BI in their organizations. Both the main sample and the BI sample respondents were required to have a high level of involvement with at least one AI initiative. They were also required to have one of the following responsibilities when related to AI in their organizations: determine AI business objectives, measure the value derived from AI initiatives, or manage AI initiatives development and implementation. Quotas among the main sample were established for company size and for industries to ensure a good representation across the sample. No quotas were established for the BI sample. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>9</sup> Gartner IT Leaders Webinar Poll, 20 August 2024.

<sup>10</sup> **2023 Gartner HR Technology Employee Experience Survey.** This survey was conducted to understand employees' ratings of 75 technologies and innovations across seven HR subfunctions based on the level of adoption in their organizations, the impact on current performance and the future importance for employee performance. The research was conducted online from 10 October through 7 November 2023 among 3,477 respondents from various geographies, industries and functions. The survey was designed and developed by Gartner's HR Practice research team.

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## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Innovation Guide for Generative AI in Trust, Risk and Security Management](#)

[Who Benefits Most From Generative AI Productivity?](#)

[Negotiate AI and Generative AI Pricing to Avoid Skyrocketing Costs](#)

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