Charting the GenAI Use Case Journey

GenAI Use Cases in the Key functional and Application Areas

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February 5, 2024

AI Everywhere

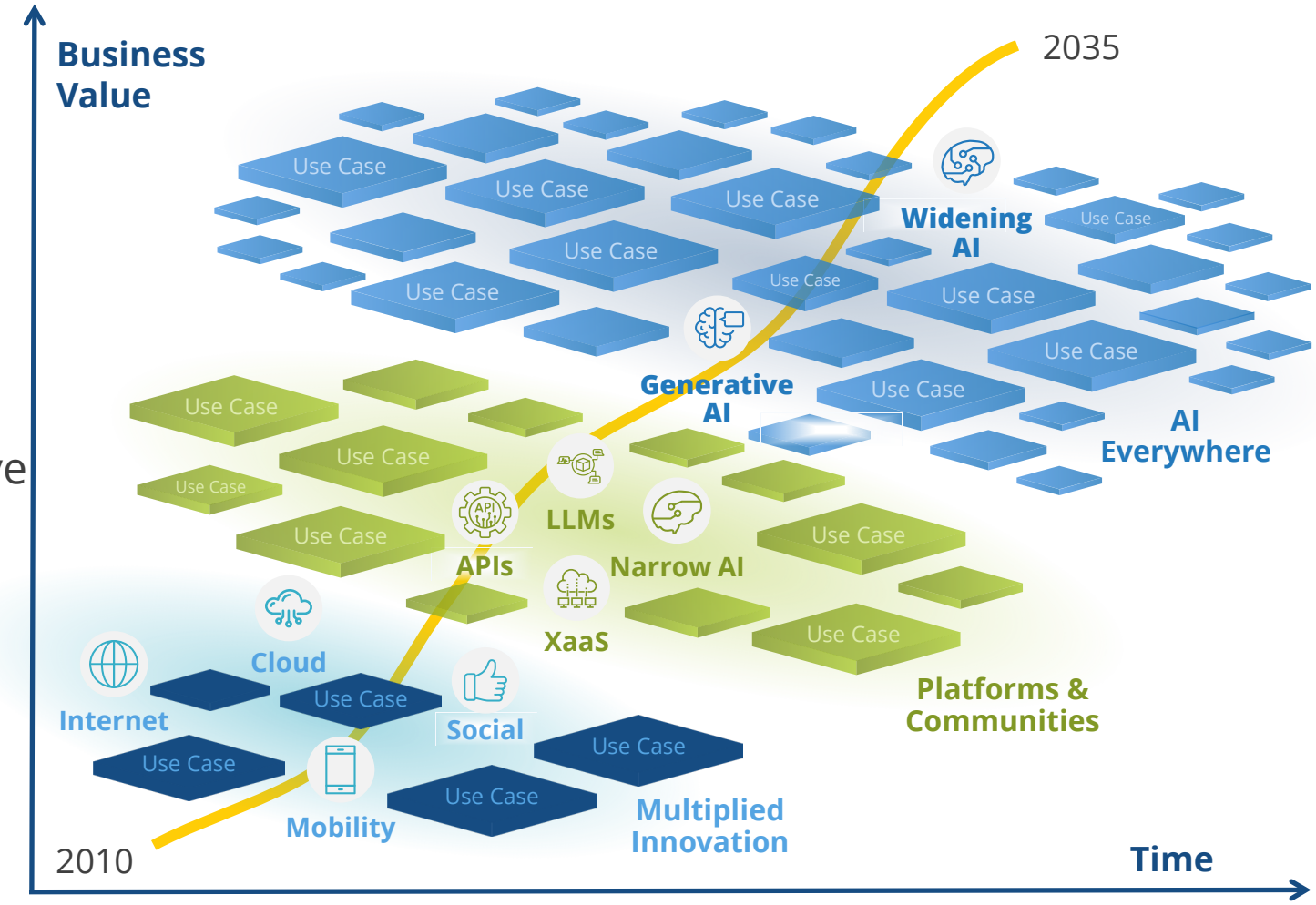
AI Journey. From narrow to widening AI

Intelligence Architecture. A data-centric platform underpinning the enterprise

Digital Operations At Scale. Cost-effective digital infrastructure for AI workloads

Skills. Attracting and reskilling talent for transformed work models

Trust. An upfront focus on trust



IDC believes that the transition to AI Everywhere will see the emergence of a range of new Generative AI-driven use cases at an individual level (productivity-basis), at a business function level as well as in an industry-specific context.

Generative AI – Facts

9.6% Has already disrupted our business

22.6% Is starting to disrupt our business now

36.5% Will have a significant impact in the next 18 months.

Source: Preview IDC Future Enterprise Spending and Resiliency Survey, January 2024 =881

GenAI: Lack of Clear Use Cases that Align with Business Needs

Line of Business Users

IT individuals

Source: Preview IDC Future Enterprise Spending and Resiliency Survey, January 2024 =881

Contract Management

- **Description:** GenAI assisted contract term and obligation extraction
- **Benefits**: Improves on the legacy process of OCR by digitizing legacy contracts (paper, PDFs, images) by extracting key metadata and clauses into a data model. Automates the detection of anomalies and errors across all executed contracts and contract data within the system to lower risk and find potential revenue leakage.

- **Description:** GenAI assisted contract creation
- **Benefits**: GenAI model trained on revenue drivers (from revenue accounting and revenue recognition) can help craft the appropriate terms and conditions to be included in a new contract quotes. Increased focus on terms that increase revenue opportunities, maximize cash flow, and beneficial revenue recognition rules.

- **Description:** GenAI assisted contract red lining
- **Benefits**: Automatically identify and suggest changes to contract language based on specific criteria, such as the company's legal playbook, industry best practices, or regulatory requirements.

What is Your Business Strategy: Productivity? Revenue? Both?

IDC> Prediction 2024

Productivity

Enterprises will leverage GenAI and automation technologies to drive **$1T in productivity gains** by 2026.

IDC FoW FutureScape, 2024

IDC> Prediction 2024

Revenue

By 2025, 35% of enterprises will have mastered the use of GenAI to co-develop digital products and services leading to **double the revenue growth** compared to their competitors.

IDC Digital Business FutureScape, 2024

Source: Preview of IDC's 2024 FutureScape Predictions, Fall, 2023.

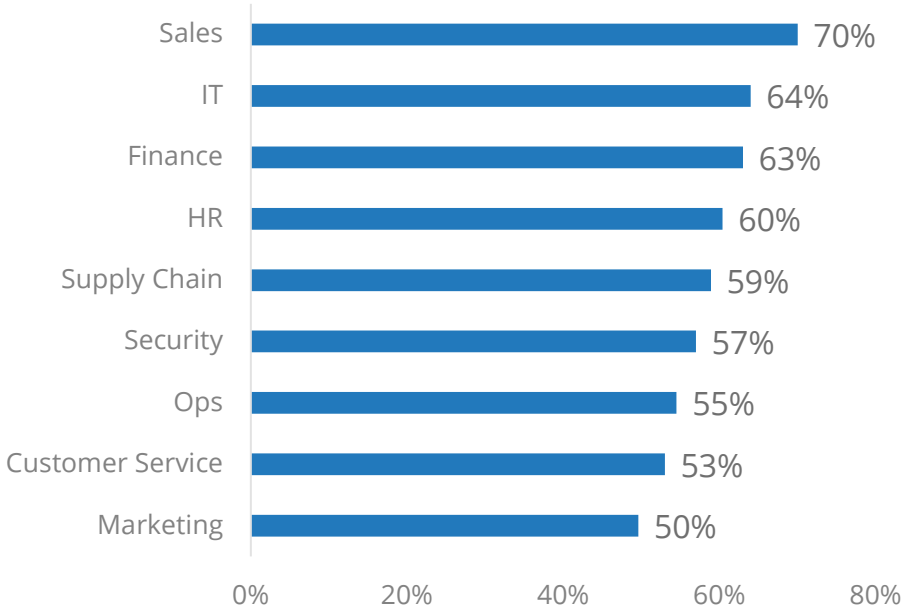
Strategy: Productivity Focus for Next 18 Months

Revenue 3-5 Years Out

Next 18 Months

Productivity Focus

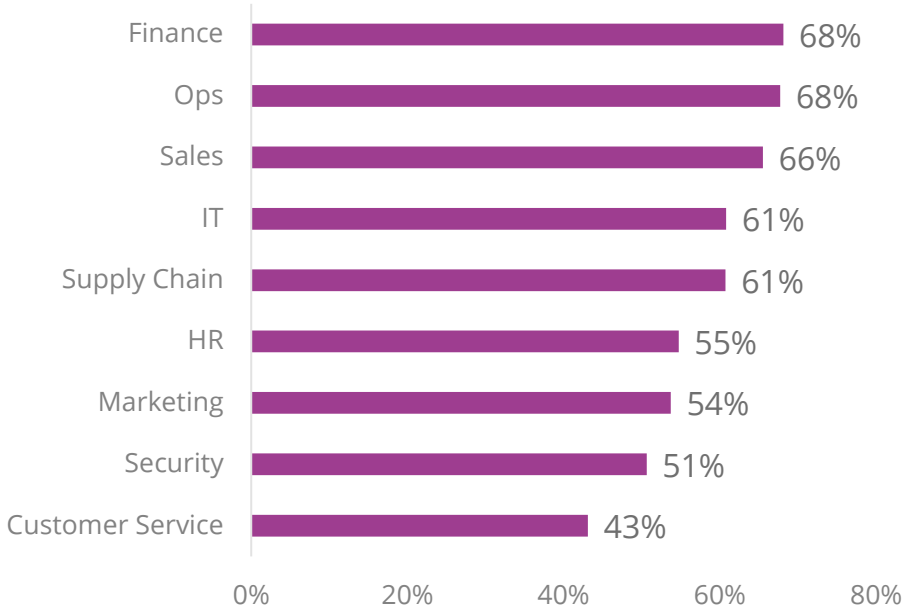
Functions Looking for Productivity Gains from GenAI



Next 3-5 Years

Revenue Focus

Functions Looking for Revenue Growth from GenAI



Source: WW C-Suite Tech Survey, IDC, August, 2023. n=895
Q: What are the most important business outcomes the executive team within [FUNCTION] looking to achieve with Generative AI initiatives in the next 18 months? Next 3-5 years?

GenAI Use Cases Must Link to Prioritized Business Outcomes

What are the KPIs needed to Link to Generative AI Use Cases?

GenAI Client Service Use Case
Customer Journey Optimization

Client Service KPI
Consistent Customer Experience

GenAI Supply Chain Use Case
Fleet Optimization

Supply Chain KPI
Cost Reduction

GenAI Marketing Use Case
Personalized Interaction

Marketing KPI
Marketing Impacted Revenue

GenAI Finance Use Case
Fraud Detection

Finance KPI
Cost Management

GenAI IT Use Case
Automated IT Service Desk

IT KPI
Performance of IT Support

GenAI HR Use Case
Development of training materials

Human Resources KPI
Employee happiness

Source: WW C-Suite Tech Survey, IDC, August, 2023. n=895.
Q: Which of the following metrics are a key priority for [function] in the next 12 months?
Showing top Short-term Use GenAI Cases (Already Implemented or planning to implement in the next 12 months)

Plenty of Use Cases. Prioritize the Ones that Move the Needle

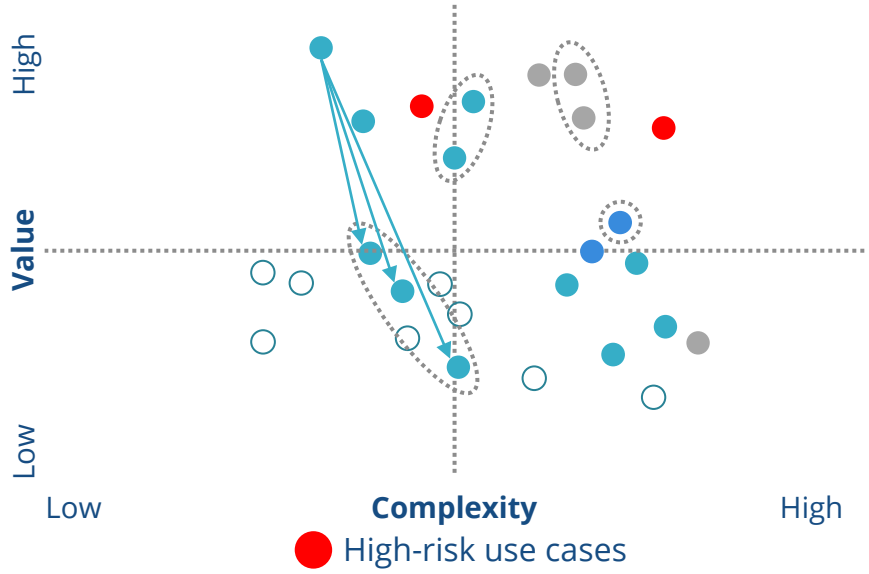
Iterative

Preparation	1. Ideation	2. Assessment	3. Prioritization	4. Execution
	Identify use cases aligned with AI vision	Assess use cases by value, complexity and risk	Cluster use cases and prioritize	Take use cases into production stage - industrialize

Assessment of Use Case Ideas

Prioritization of Use Case Ideas

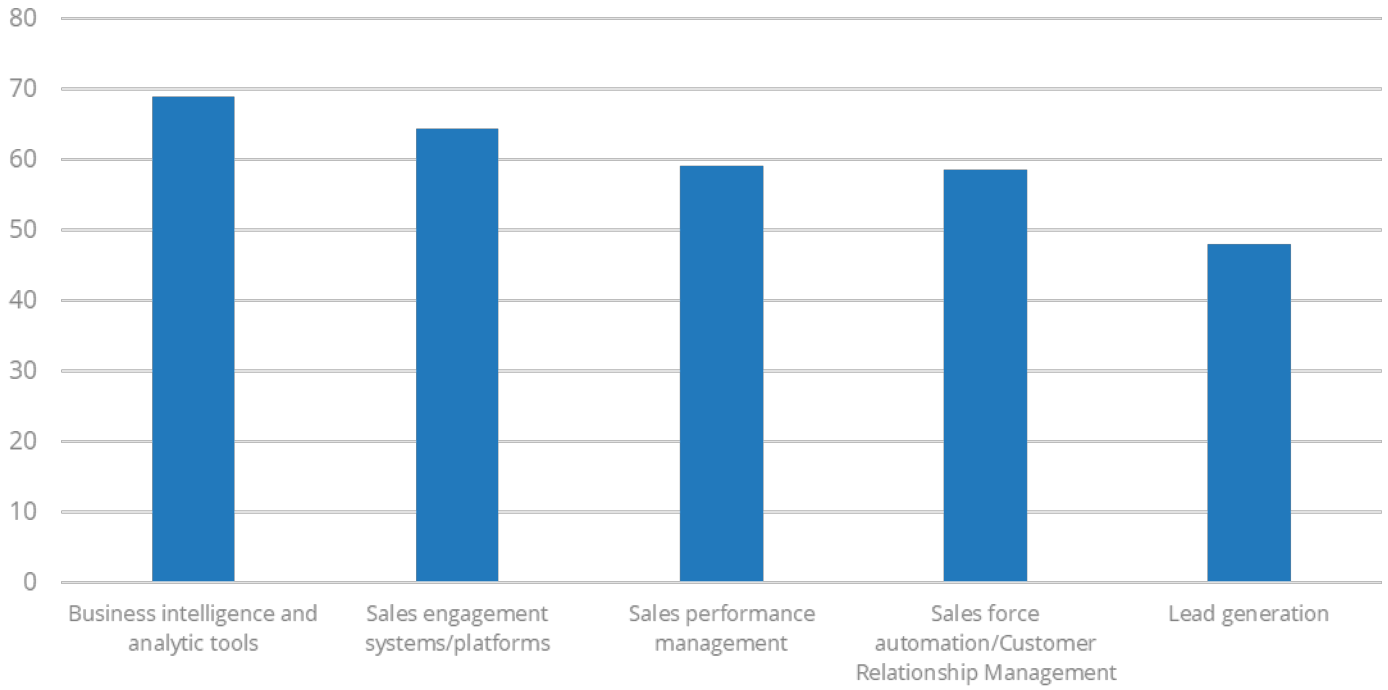
Dimension	Specification
Value	Economic value
	Strategic alignment
Complexity	Data
	Algorithm
	Process systems
	Require know-how



Sales

Broader Key Sales Priorities moving into 2024:

Q: Thinking about Sales' top priorities in the next 12 months, please rank the top technology initiatives in order of importance? (Overall Rank)



Top Short-Term Use Cases where Gen AI will be implemented

q. *What is the timeline for implementing GenAI within each of these use cases within Sales?*

Create sales enablement materials, sales proposals, email templates, etc.

Product recommendations based on purchase history, buying behavior, and stated preferences

Q&A interface for CRM Systems

Source: WW C-Suite Tech Survey, IDC, September 2023, Weighted Data, N=78; N= 34

Emerging Generative AI Use Cases for Sales

Use Case	Description	Business Impact	Metrics	Risk Level
Generative content creation	Create sales enablement materials like sales scripts, brochures, sales playbook	• Create more personalized content more quickly • Streamlined creation cycles • Maintain fresh content	• Improved engagement • Increased customer satisfaction • Improved employee productivity	Medium
Text prompt interface	Q&A interface for CRM Systems	• Improved insights into accounts • Advanced reports • Predictive analytics • Quicker, more efficient retrieval	• Improved account accuracy • Increased engagement with CRM system	Medium
Email generation	Personalized sales emails	• Improved response rates • Personalized engagement	• Hyper-personalization • Increased response rates	Low
Generative recommendations	Product recommendations based on purchase history, buying behavior, and states preferences	• Higher levels of personalization • Improved customer retention and loyalty	• Increased upsell and cross-sell opportunities	Low
Task automation	Automate repetitive tasks - creating sales proposals, email templates, and other sales materials, CRM updates	• Decrease non-selling, non- revenue-generating activities • Improved adherence to data account updates/data entry	• Improved CRM data accuracy • Real-time updates • Improved pipeline and forecast accuracy	Medium
Personalized training and coaching	Create customized sales training materials	• Faster employee ramp times • Management at scale	• Improved employee retention	Low
Personalized digital interaction	Initial sales outreach	• Fewer BDR/SDR staff • 24/7 availability	• Increased customer satisfaction	High

GenAI in Sales: Automate Administrative Tasks

Problem: Sales teams are overwhelmed with non-selling activities such as CRM data entry; prospect research and outreach; scheduling meetings; note-taking and follow-up from meetings.

Solution: Train GenAI models to manage these administrative tasks. Examples include: update CRM systems in real-time based on seller activity; transcribe and summarize meetings with actionable next-steps; generate personalized emails based on historical communications; capture intent signals and translate them into qualified leads.

Outcomes: A significant portion of sellers' time is freed up to focus on building relationships and closing more deals.

IT Operations

Broader Key IT Priorities moving into 2024:

- Core, application, process, and organizational modernization
- Automation acceleration
- Customer experience
- Cost Optimization/team productivity
- Data collection, analysis, security, and privacy
- Legacy platform balancing
- Role emergence of Site Reliability Engineering (SREs), Platform Engineering, DevOps, Observability

Focus Areas for Generative AI in IT:

- Content Summarization/Q&A
- Virtual Agents
- Predictive incident analysis/escalation
- Auto-remediation/automation
- Anomaly detection/Root cause analysis
- Text to code/Natural Language Querying
- Event correlation/noise reduction
- Capacity and cost forecasting
- Intelligent visualization
- Performance analytics

Emerging Generative AI Use Cases for IT Operations

Use Case	Description	Business Impact	Metrics	Risk Level
Intelligent IT Service Desk Response	Enable end-users to, through a conversational interface, immediately resolve common issues both on their devices and more generally within the digital workspace. The individual workarounds and the underlying signals which triggered them are also coordinated by a centralized support model which takes direct action to resolve problems within governance parameters and raises problem patterns to support staff for remediation, resolution, or further development.	• Improved quality and response of IT service management. • Improved productivity of IT staff and end users • Better insight into root cause analysis	• Mean time to repair (MTTR) • % of incidents resolved on first interaction • Ticket deflection	Low
Service Performance/ Reliability	Includes service dependency mapping, anomaly detection, root cause analysis, noise reduction, and advanced visualization collecting and analyzing performance data to deliver highly performant and reliable digital services.	• Improved NPS and Customer sat • Great customer experiences • Reduced unplanned downtime • Improve Time to market, revenues, and profits • Brand support	• MTTI/MTTR • Availability • Deployment frequency • Code error rates • Lead time for change	Low
Predictive Capacity and Costs	Ability to match workload capacity with cost requirements to manage supply and demand from customers for digital services. Sometimes referred to as FinOps.	• Cost optimization • Optimized revenues and profits • Best fit cloud architecture for workload requirements • Improved governance and budget visibility	• Revenue • Profits • Unit costs per service • Unit costs per team/Business Unit	Low
Autonomous Automation	Focus on process automation, with an increasing maturity using analytic capabilities embedded or applied to the related process data. The process can be human assisted or fully automated.	• Team productivity • Cost optimization • Accelerated responsiveness	• Reduced toil • Opex • Time to market	Low

GenAI in IT Operations: Service Performance/Reliability

Problem: The need to maintain digital service performance and reliability that delivers a great customer experience, revenue growth, and that supports a strong brand reputation.

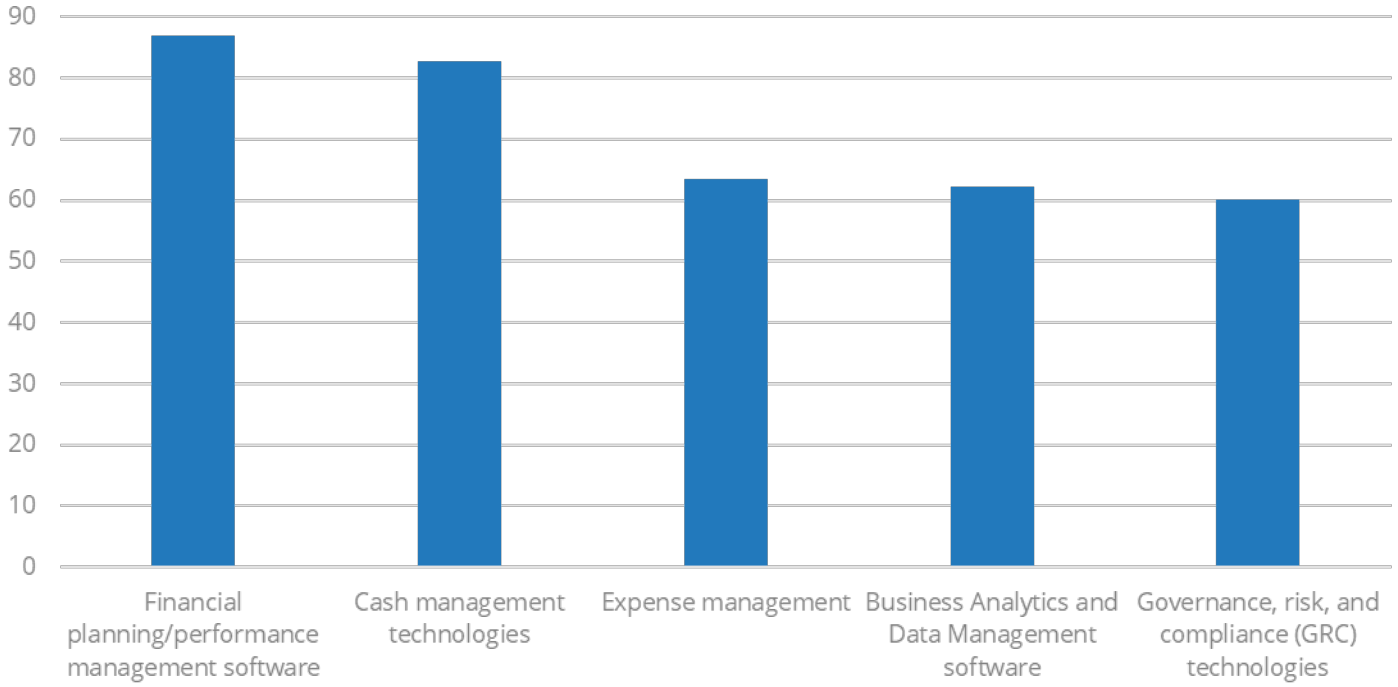
Solution: Most technology and service delivery organizations use various monitoring and observability solutions that collect, analyze, and visualize metrics, logs, traces, and events from complex multi cloud architectures and legacy/modern applications environments.

Outcomes: The automated analysis and correlation of complex data in a service context to identify, resolve, (and potentially prevent) performance problems that cause customer and revenue disruption. This empowers multiple teams to identify and resolve problems faster and focus on the data that matters when downtime occurs.

Finance

Broader Key Finance Priorities moving into 2024:

Q: Thinking about Finance's top priorities in the next 12 months, please rank the top technology initiatives in order of importance? (Overall Rank)



Top Short-Term Use Cases where Gen AI will be implemented

q. *What is the timeline for implementing GenAI within each of these use cases within Finance?*

Fraud detection

Portfolio Optimization and Risk Management

Document analysis for improved decision-making (internal documents)

Source: IDC Worldwide C-Suite Tech Survey, September 2023, Weighted Data, N=97; N= 53

Emerging Generative AI Use Cases for Finance

Use Case	Description	Business Impact	Metrics	Risk Level
Generative Forecasting	Use Gen AI for financial forecasting to create richer, more agile, and more robust models	More detailed forecasting models which can be run more often. The result is sharper yet more flexible forecasting models	Forecast Error Forecast Cycle time Forecast Accuracy	High
Generative Supplier/ Customer Communication	Use generative language capabilities to free up accounting staff from less critical aspects of supplier/customer communication	Customer and supplier communication are essential to maintain supplier and customer relationships. Communication also allows for crucial information from suppliers or customers to be passed to decision makers.	Number of disputes Contract compliance Day Sales Outstanding Days Payable Outstanding	High
Internal Report Generation	Use Gen AI to pull data and generate routine internal reports	Executives often want critical information distilled and delivered in easy to consume format like reports or presentation. Gen Ai can summarize structured data and unstructured data into report forms; highlights insights for C-Suite and board members	Cycle Time: Financial Close and Reporting Days to Complete Annual Close Internal Complaints Received	Low
Fraud Detection	Use gen AI to detect anomalies and fraudulent patterns for external and internal bad actors	Fraud is one of the biggest issues for financial leaders. Gen AI can analyze past information, external data, contracts, emails and supplier communications to find fraudulent patterns which saves both time and money.	Fraud-to-sales ratio Fraud rate Payment errors	Medium
Portfolio Optimization and Risk Management	Use Gen AI to analyze past financial factors to anticipate risk exposures, and investment opportunities	Generative AI allows the creation of more complex and sophisticated predictive models. By leveraging deep learning techniques, generative AI can construct deep neural networks with multiple layers, enabling the models to learn intricate patterns and dependencies in the data. This increased model complexity can lead to more accurate and nuanced predictions.	Accuracy of Forecasted Investment Income Days Cash Available Debt Mix	High

GenAI in Facilities: Fraud Detection

Problem: Billions of dollars annually are stolen from U.S. companies via business fraud. Any business, of any size, is at risk from accounts payable fraud and other types of financial fraud.

Solution: Gen-AI can be leveraged to create models and to interrogate large pools of unstructured (emails, messages, contracts) and structured data (payment transactions, supplier performance data) to find fraudulent patterns in invoices, payment transactions, approval patterns and beyond.

Outcomes: Gen-AI powered pattern recognition facilitates improved fraud detection by flagging suspicious invoices, while automation capabilities streamline spend management by extracting invoice details and matching invoices to PO.

Procurement

Broader Key Procurement Priorities moving into 2024:

- Savings and Cost Containment
- Leverage AI for the use of predictive analytics and informed, intelligent decision support
- User experience; extend capabilities of procurement platforms throughout the enterprise
- Integration of spend management platforms to arrive at enterprise level spend transparency

Focus Areas for Generative AI in the Procurement Function

- Scenario generation at the point of decision to show impact of possible decisions
- Supplier discovery and recommendations
- Autonomous everything – workflows, optimization opportunities
- Contract and SOW generation

Emerging Generative AI Use Cases for Procurement

Use Case	Description	Business Impact	Metrics	Risk Level
Contract Clause Generation	Given a set of attributes, goals and other attributes, generate suggested contract clause language	Timely generation of contract by other than legal personnel improves efficiency of the contract management process	Time to generate contract Contract compliance Contract error rate	Medium
Autonomous Sourcing	Automated tools that select suppliers, suggest pricing and arrive at settled pricing for sourcing events	Sourcing is commonly time-consuming. Autonomous sourcing conducts sourcing events with little oversight and intervention, delivering timely savings	Savings RFx Cycle Time Audit trail Lower error rate	Medium
Spend Analytics Optimization	Robust spend analytics by swiftly processing and analyzing vast amounts of data, identifying patterns, anomalies, and cost-saving opportunities, enabling smarter decision-making	Automated savings opportunity identification provides procurement practitioners with net new savings that may otherwise remain uncovered	Savings Supplier Rationalization Rogue Spend Percentage	Low
Risk Assessment and Mitigation	Provides autonomous supplier risk profiling, predictive analytics, real-time scoring and monitoring, and mitigation strategies	Proactive risk strategies drive improved supplier relations, improve customer satisfaction, support operational continuity and resilience, and improve regulatory compliance	Risk Resolution Rate Supplier Risk Scores Frequency of Risk Incidents Customer Satisfaction	High
Autonomous Three-Way Match	Provides automated data verification, error identification and resolution, and accurate, real-time processing	Accurate and responsive invoicing processing alleviates time-consuming tasks for procurement and finance personnel.	Invoices / FTE Error Rate Invoice Processing Time	Low

GenAI in Procurement: Supplier Intelligence

Problem: Looking to solve the issue of inconsistent product availability and poor quality, a global manufacturer was challenged to both select known suppliers and identify potential new suppliers.

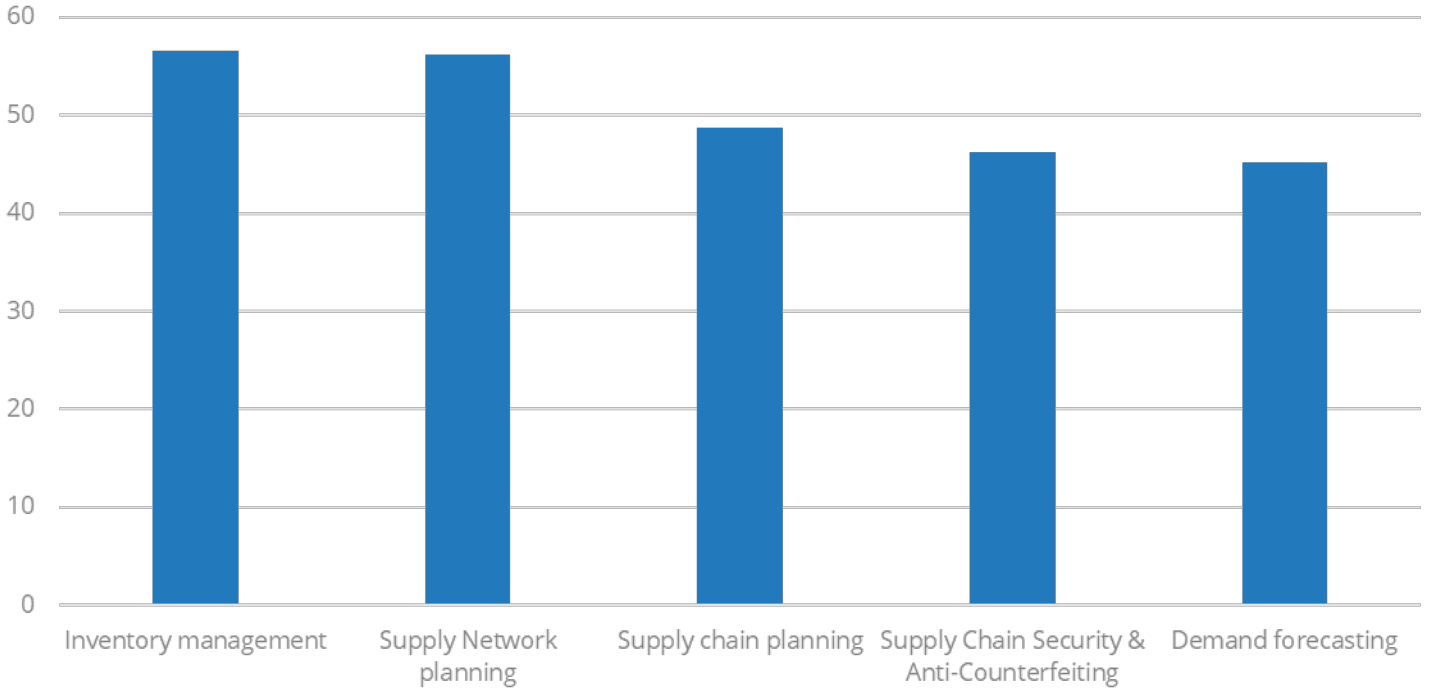
Solution: GenAI can be utilized to analyze historical supplier data, market trends, delivery performance, and quality metrics. By integrating with the company's procurement systems, GenAI can streamline the supplier selection process, creating a dynamic scoring model that assesses suppliers based on multiple criteria, such as reliability, pricing, quality, and past performance. Additionally, it can identify potential risks associated with each supplier, including geographical vulnerabilities, financial stability, and compliance issues.

Outcomes: A GenAI dynamic scoring model can significantly reduce the time spent on supplier evaluations, delivering decision-making by recommending the most suitable suppliers for specific materials, improving reliability, and reducing supply chain disruptions. This yields a more resilient and efficient procurement system, leading to better-quality raw materials, timely deliveries, cost savings, and a streamlined supply chain.

Supply Chain

Broader Key Supply Chain Priorities moving into 2024:

Q: Thinking about Supply Chain's top priorities in the next 12 months, please rank the top technology initiatives in order of importance? (Overall Rank)



Top Short-Term Use Cases where Gen AI will be implemented

q. *What is the timeline for implementing GenAI within each of these use cases within Supply Chain?*

Product defect detection from images

Dynamic demand forecasting and inventory management

Fleet optimization

Source: IDC Worldwide C-Suite Tech Survey, September 2023, Weighted Data, N=91; N= 39

Emerging Generative AI Use Cases for Supply Chain

Use Case	Description	Business Impact	Metrics	Risk Level
Autonomous software in supply chain S&OP processes (optimization, automation, insights) and supply chain design	Support modern, intuitive S&OP process through a natural language interface and enable transparent supply chain network design iterations	More sophisticated solutions to automate and optimize processes. Allow people to focus on value-added tasks.	Faster iteration of demand/supply balancing. Broader inclusion.	Medium
Integrate operational systems to better ingest data, identify issues, and provide real-time context to operators	Ingest data and disseminate insights in plain language that factory or warehouse floor operators can easily and quickly process in real time to support quick decision requirements.	Accelerate “time to expertise” for new employes who may not yet have an operational understanding or comfort with operational systems	Improved productivity; reduced training latency	High
Product defect detection from images	Ability to quickly assess deviations from specifications and/or quality defects	Improved product quality; reduced returns; supports brand image	% of returns; # of contact center calls	Medium
Playbook generation for supply chain event management	Automated generation of persona-based actions in the event of a supply chain disruption	Quick and clear articulation of roles and responsibilities	Time to recovery; downtime minimization	High
Supply chain/ operations document management	Learn standard contractual language to create and edit routine documents for both structured and unstructured data (eg an ETA showing a late delivery could trigger a mode change on a PO or an email aligning on contractual terms could feed a contract update)	Documents such as contracts, Purchase Orders, Sales Orders, Global Trade Entry and the like require at best, boiler plates to be filled out, and at worst, building "from scratch." This requires human intervention even on the most routine of documents	Improved productivity; reduction of data errors	Medium

GenAI in Supply Chain:
Contextual Operating Manual Delivery

Problem: Operating manual for factories or warehouses are often poorly curated. Recent comment from one manufacturer who said '*when John left the business the operating manuals went with him …. because they were all in his head*'. Even if operating insights are not part of tribal knowledge, they are often difficult to access and/or understand for operators. We were looking for way to represent often dense manuals in an easier to understand and easier to access form.

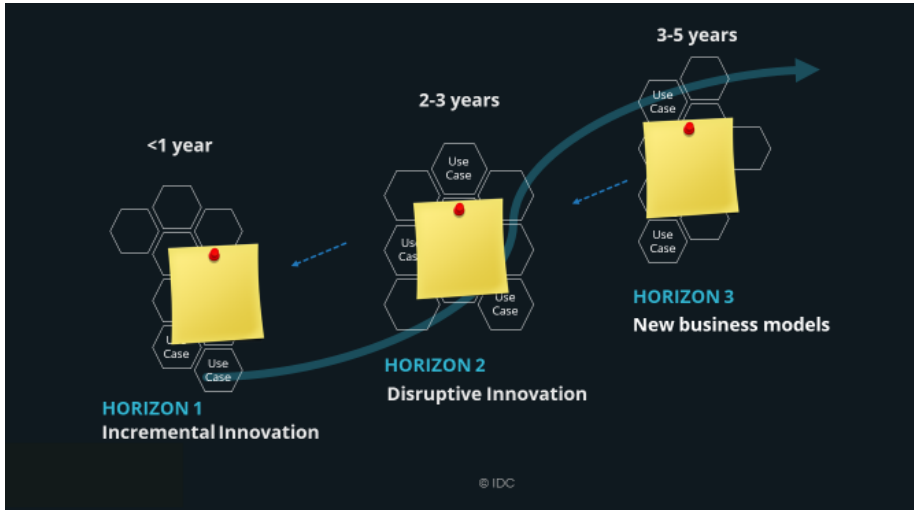
Solution: Using GenAI tools to represent operating manuals in a way that can better ingest data, identify operating issues, and provide real-time context to warehouse/factory line personnel.

Outcomes: Initial report of 2-3% productivity improvements, partly driven by operators spending less time 'fighting' with paper manuals and partly from a reduction in unplanned asset downtime.

Build the Generative AI Roadmap

IDC has found that the "three horizons" framework is an excellent model to guide organizations when transforming their business models. The framework drives alignment across all business domains, helps prioritize key initiatives, and creates a basis to execute on that framework. IDC believes this framework can be adapted for GenAI to reverse engineer strategic objectives to create a journey of use cases. The use cases will then need to be mapped to the horizons along the following lines:

- **Horizon 1** use cases constitute the foundation focusing on the next 12 months. These use cases tend to focus on incremental innovation — and the initial business case to launch horizon 1 use cases should be easier to justify. Use cases in horizon 1 represent initial capabilities that provide a foundation for the strategic priorities of an organization. In addition, the underlying technologies required for these use cases are generally mature. It is important to assess and prioritize horizon 1 use cases with "scale" in mind (i.e., how this will continue forward to the horizon 2 and horizon 3 time frames).
- **Horizon 2** use cases focus more on disruptive innovation. By extending and augmenting use cases with advanced capabilities, organizations prepare themselves for horizon 3 use case requirements while searching for radical improvements to existing operations. Organizations committed to the road map would be able to start incubating horizon 2 use cases while completing the horizon 1 phase. However, the full deployment of horizon 2 use cases would usually require 24–48 months.
- **Horizon 3** use cases imagine the possibilities over a three- to five-year period for the future business model. The strategic priorities of an organization need to be translated into one or more "future" use cases that underpin its competitiveness. Starting from this point, an organization may place big bets on the underlying capabilities supporting these use cases. Accordingly, this helps prioritize which use cases to focus on in horizon 2 and thus horizon 1.



Essential Guidance

Prioritize

Prioritize GenAI use cases according to **business value, cost and potential business risk.** Think through the functional specific use cases as part of a holistic strategy for your organization.. **Build the GenAI Business Use Case Roadmap.**

Experiment

Identify and enlist the GenAI champions within your organization. **Leave room for experimentation in early stages and avoid the urge to stifle innovation**.

Groundwork

Lay the GenAI technology foundations:

- **A data-centric platform** underpinning the enterprise
- Cost-effective **digital infrastructure for AI workloads**
- **An API-centric integration framework to drive interoperability**

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