IDC

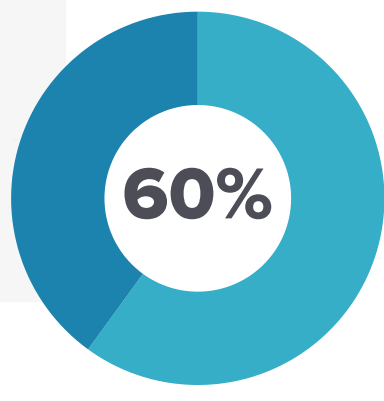# How are Indian Enterprises Evolving?

Building Business Models for the AI Everywhere Era

## Shifting towards a Digital Revenue-based Model

60%

In the next three years, Indian enterprises expect 60% of their **revenues to be generated from digital businesses.**

Indian enterprises are shifting towards a more digital revenue-based model **prioritizing customer satisfaction, revenue generation, and innovation** for the next two years.

The Challenge:

31% organizations identify '**Lack of a Suitable Technology Partner** to assist in Transforming' as a key challenge.

Investing MORE in IT, with CEOs steering Digital Strategy
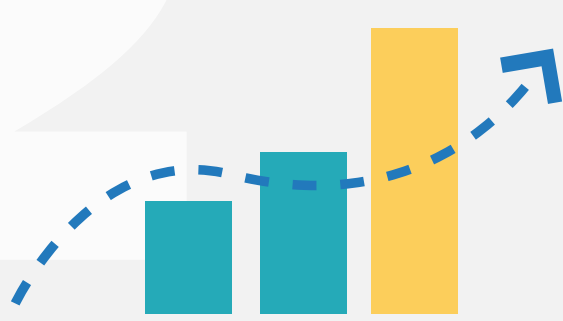
Indian companies are expected to invest — around

US$ 63 Billion,

or almost 19% growth year-on-year.

In 2024, 70% of organizations plan to increase their IT budgets to stay resilient, competitive, and efficient.

Who is driving the company's digital strategy and selection of digital technology and services?
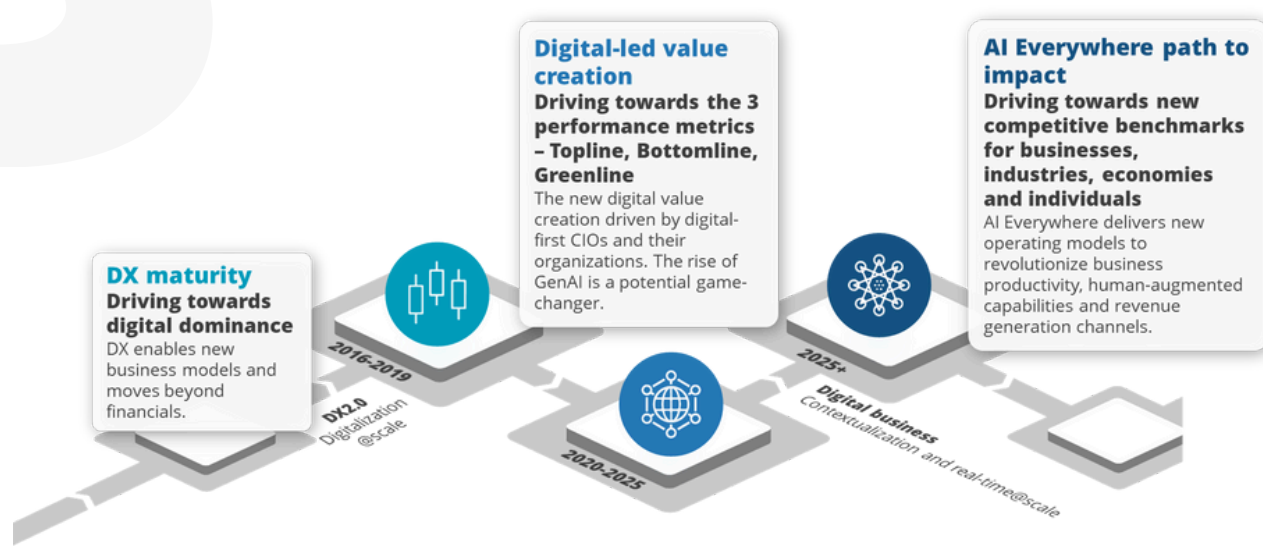
38% CEOs > **35%** CIO/CTOs

CEOs are getting more hands-on with IT decisions as they steer their companies into the digital lane.

Embracing AI Everywhere to Become A Digital Business

By 2027, 70% of CEOs will assert that their C-suite technology leader's primary function should be to **invest in digital-first initiatives** to deliver on the digital revenue targets.

DX maturity
Driving towards digital dominance
DX enables new business models and moves beyond financials.

Digital-led value creation
Driving towards the 3 performance metrics – Topline, Bottomline, Greenline
The new digital value creation driven by digital-first CIOs and their organizations. The rise of GenAI is a potential game-changer.

AI Everywhere path to impact
Driving towards new competitive benchmarks for businesses, industries, economies and individuals
AI Everywhere delivers new operating models to revolutionize business productivity, human-augmented capabilities and revenue generation channels.

What is India C-Suite's thoughts on Generative AI?

GenAI will be a part of a broader digital strategy amongst Indian businesses.

Current Approach to Generative AI

Doing some initial exploration of potential use cases (piloting/proof of concept)	**42%**
Already using Generative AI for some use cases	**34%**
Planning to explore and invest in GenAI technologies in the next two years	**19%**
No plans/not relevant/not in our focus	**5%**

Top Industries Leading the GenAI Investment

Retail, Media, and Manufacturing industries will lead investments in GenAI Technologies in India in the next two years followed by BFSI & Healthcare.

32%
Retail Trade & Wholesale

23%
Communication and Media

21%
Manufacturing

Some Actionable Guidance

For Technology Buyers

- Identify areas of quick wins to prove the value of digital technology investment to build greater support for digital initiatives.

- Start to explore digital business models that would be a good fit for your business and prioritize POCs to demonstrate further or rule out their value.

- Take an agile approach to product and service development but ensure GenAI outputs align with company values and are attainable.

For Technology Vendors

- Proactively identify synergistic opportunities to jointly approach potential clients with their smaller tech and consulting partners.

- Showcase new and innovative services-led alternatives to traditional IT offerings and leverage partnerships with Independent Software Vendors (ISVs) and infrastructure providers.

- Demonstrate alliances with purpose-driven, digital-first technology innovative solution providers to tap into the increasing appetite of enterprises.