

Gartner Unveils Top Predictions for IT Organizations and Users in 2025 and

Analysts Explore How the Whirlwind of AI Is Pulling in Every Aspect of the World at Gartner IT Symposium/Xpo 2024, October 21-24 in Orlando

Gartner.

Predictions for the State of AI and Robotics in

obotics and artificial intelligence in the coming decade. In addition to asking them for

** Pew Research Center



2025 AI Business

Predictions





STATE OF AI REPORT.

October 10, 2024



Goldman Sachs: Just 6.1% of American

Companies Using Al

XG

Predictions 2025: GenAl As A Growth Driver Will **Put B2B Executives To The**

State of

Data+Al and the race to





Predictions 2025: An Al **Reality Check Paves The** Path For Long-Term **Success**

The State of Al

at Work

Top Strategic

Technology

Trends

Gartner



2025



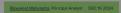






IRVIN Marketing

2025 Will Be The Year Of **Al Maturation And** Solidification In India









We Got Here (ar

What's To Come





Section **Predictions** 2025 with **Scott Galloway**



Top 10 Data & Al Trends for 2025



KAMDAR

CFO

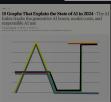
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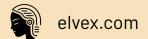






Webinar Agenda

- 1. Debate! Stats and trends from industry reports
- 2. elvex's seed round and customer story
- Preview of new agentic features (and more!)
- 4. Q&A



Top 10 Topics in "State of Al" Reports

- 1. Al Adoption and Deployment
- 2. Al Impact on Business and the Workforce
- 3. Al and Upskilling the Workforce
- 4. Data Management and Infrastructure for Al
- 5. Al Investment and ROI
- 6. Al Ethics, Governance, and Regulation
- 7. Al in Specific Industries
- 8. Al Tools and Platforms
- 9. Challenges and Barriers to Al Adoption
- 10. Geopolitical Implications of Al



Top 5 Challenges

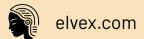
- Cost and ROI
- 2. Data Quality and Integration
- 3. Talent and Skills Gap
- Security, Privacy, and Ethical Concerns
- Scalability and Deployment Challenges

Top 5 Emerging Trends

- 1. The Rise of Al Agents
- Convergence of Data and Al Strategies
- 3. Smaller, Specialized, and Open-Source Models
- 4. Heightened Focus on Responsible Al
- 5. The Unstructured Data Stack

Where you should start with Al Adoption, in order

- Customer service
- 2. Sales & marketing
- 3. Data analysis and business intelligence
- 4. IT Ops and Support[®]
- 5. Finance and accounting
- 6. Supply chain & logistic
- 7. Human resources



Overall Outlook for Al in 2025

Maturation and Solidification

From hype to tangible business value.

Increased Specialization

Wider range of specialized tools models, and platforms.

Regulatory atmosphere dials up a

Hybrid Approaches

Multi-cloud, multi-model, multi-platform.

Democratization of Al

Mass adoption, especially by SMB and non-technical users.

Human-machine Collaboration

Augmenting worker capabilities as the main focus.

Continued Innovation

More developments in agentic, multimodal, and explainable Al.

Heightened Ethical Scrutiny Geopolitical Competition

notch.



Economic competitiveness, national security, and influence.



Now, let's get into contradictions...

- 1. Al Adoption Rates
- Will there be a clear winner
- 3. Build vs buy | Open source vs proprietary
- 4. Where will work happen
- 5. What's the biggest problem
- 6. Bonus round



Debate Topic #1: Al Adoption

Will 50% of the F500 will equip a majority of their workforce with some level of generative AI in 2025?



Watch the discussion for more context



Safetyism to accelerationism: a major vibe shift has occurred

From the days of US congressional hearings and world tours to promote the (existential) AI safety agenda, leading frontier model companies are accelerating the distribution of their AI products to consumers.

2023: Al is dangerous



2024: Plz use my app

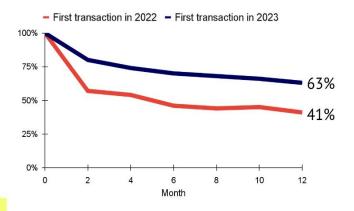


stateof.ai 2024

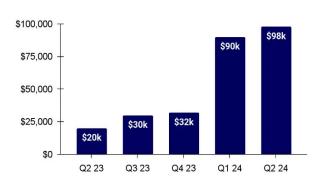
Al-first products begin to demonstrate their stickiness in enterprise...

In last year's report, we charted how GenAI products were struggling to retain paying customers beyond their initial 'wow' effect and trial periods. New data from US corporate fintech Ramp suggests that both spend and retention is beginning to improve significantly from the 2022 to 2023 cohorts. Top performers include OpenAI, Grammarly, Anthropic, Midjourney, Otter, and ElevenLabs.

User retention over time



Al product billing by quarter



stateof.ai 2024





Goldman Sachs: Just 6.1% of American Companies Using Al



New research from Goldman Sachs shows muted artificial intelligence (AI) use at American companies.

Just 6.1% of businesses are using AI to produce their products or services, according to research by the banking giant cited in a Seeking Alpha report Sunday (Dec. 15). That's up from 5.9% during the third quarter.



Al Adoption

SEQUOIA╚

Al's \$600B Question

The AI bubble is reaching a tipping point. Navigating what comes next will be essential.

BY <u>DAVID CAHN</u> PUBLISHED JUNE 20, 2024



FORRESTER PREDICTIONS

Gen AI will orchestrate less than 1% of core business processes in 2025.

FORRESTER®

Jayesh Chaurasia, Analyst Sudha Maheshwari, VP, Research Director 2024



73%

of executives say they'll use GenAl to make changes to their company's business model.

PwC's Pulse Survey, June 11, 2024

67%

of top-performing companies are already realizing value in using GenAl for products and services innovation.

PwC's 2024 Cloud and Al Business Survey



Al Adoption

Small Business Adoption & Retention of Al Tools



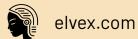


Breaking it down further:

- 82% of companies are using Al regularly
- 18% of companies are yet to use AI significantly
- 47% of companies are seeing value from the new technology
- 53% are still waiting to see any significant benefits

For the companies seeing value, they reported these benefits:

- 24% are reducing costs with improved efficiency
- 11% are growing revenue
- 12% are achieving both



Al Adoption

The Prompt:

50% of the F500 will equip a majority of their workforce with some level of generative Al in 2025.



Watch the discussion for more context

Our Take:

Fortune 500 companies will continue to talk a big Al game in 2025, but the reality will fall short of equipping 50% with meaningful generative Al tools. While many employees are already using Al unofficially, official rollouts will be slowed by cost concerns, risk aversion, and implementation challenges. Expect a gap between hyped-up earnings calls and actual workforce Al integration. Smaller, nimbler companies will outpace the giants in real adoption. The key is not just providing access, but driving genuine value – a hurdle many large corporations will continue to struggle with during 2025.

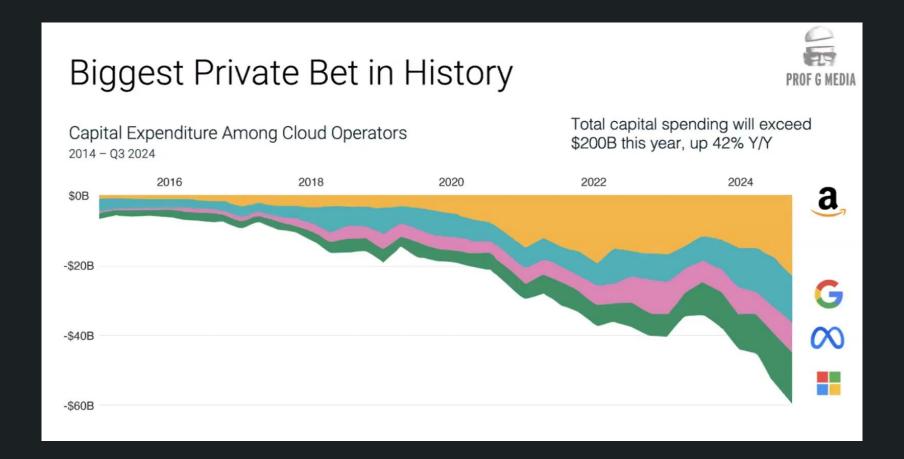


Debate Topic #2: Market Dominance Will there be a clear winner?



Watch the discussion for more context



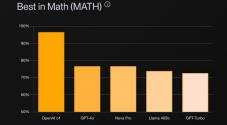




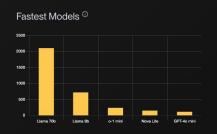
Top Models per Task

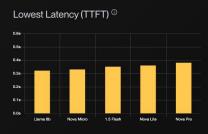






Fastest and Most Affordable Models







Model 1

Gemini-Exp-1206

ChatGPT-4o-latest (2024

Gemini-2.0-Flash-Exp

o1-preview

o1-mini

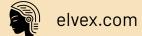
Gemini-1.5-Pro-002

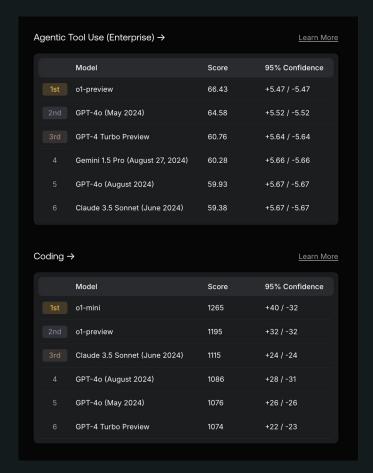
Grok-2-08-13

Yi-Lightning

GPT-40-2024-05-13

Claude 3.5 Sonnet (2024)



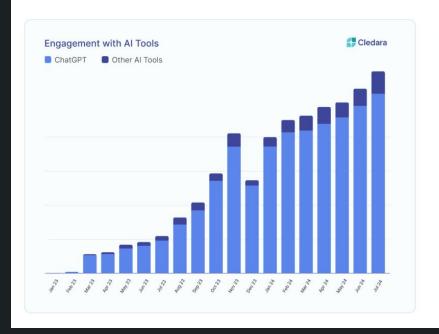


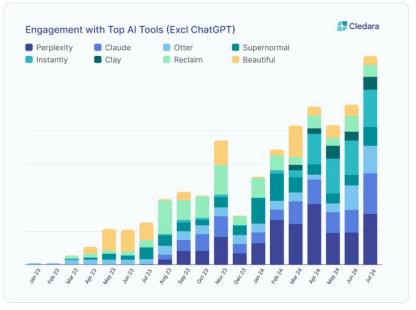
| | FEATURES \mapsto | | QUALITY I→ |
|---------------------------|--------------------|--------------------|-------------------------------|
| MODEL ↑↓ | CREATOR ↑↓ | CONTEXT THE WINDOW | QUALITY INDEX Normalized avg |
| o1-preview | | 128k | 86 |
| o1-mini | ⑤ OpenAI | 128k | 84 |
| Gemini 2.0 Flash (exp) | Google | 2m | 82 |
| Gemini 1.5 Pro (Sep) | Google | 2m | 81 |
| Claude 3.5 Sonnet (Oct) | ANTHROP\C | 200k | 80 |
| GPT-4o (Aug '24) | ⑤ OpenAI | 128k | 78 |
| GPT-4o (May '24) | ⑤ OpenAI | 128k | 78 |
| Qwen2.5 72B | | 131k | 77 |
| Claude 3.5 Sonnet (June) | ANTHROP\C | 200k | 76 |
| GPT-4 Turbo | | 128k | 75 |
| Nova Pro | aws | 300k | 75 |
| Llama 3.3 70B | Meta | 128k | 74 |
| Pixtral Large | MISTRAL AI_ | 128k | 74 |
| Mistral Large 2 (Jul '24) | MISTRAL AI_ | 128k | 74 |
| Mistral Large 2 (Nov '24) | MISTRAL AX_ | 128k | 74 |



Will There Be A Clear Winner

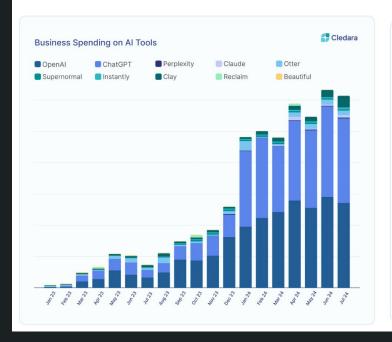
Small Business Engagement with Al Tools





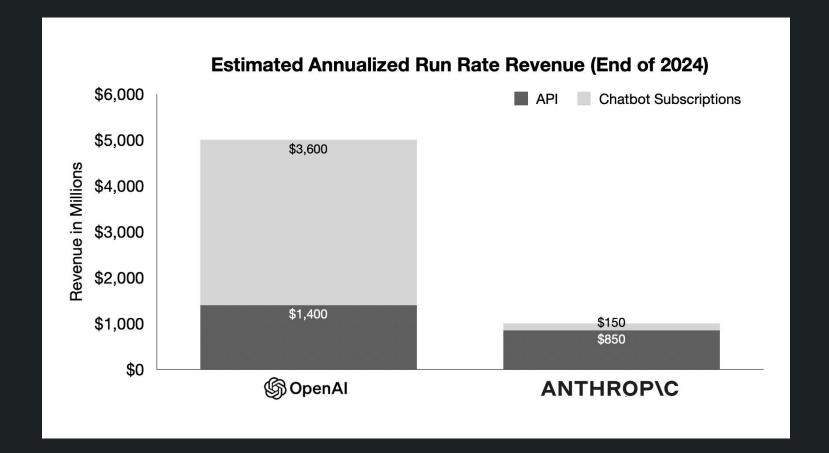


Small Business Spending on Al Tools









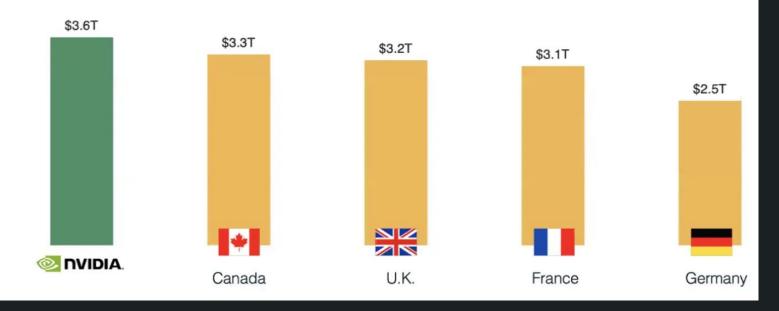


Will There Be A Clear Winner

Dominant

Nvidia Market Cap vs. Market Cap of G7 Countries

October 2024

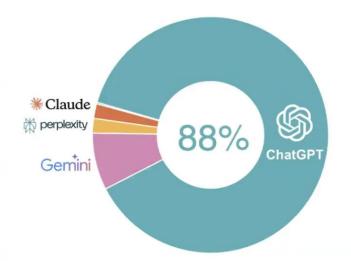




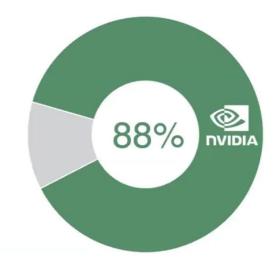
OpenVidia Duopoly







GPU Market Share





The Prompt:

Despite Nvidia and OpenAl's current ~90% domination, there will *not* be a clear winner in Al.



Watch the discussion for more context

Our Take:

- Despite OpenAl and NVIDIA's current dominance, there won't be a clear winner in Al by 2025.
- History shows early tech leaders often lose their edge, and the Al landscape is evolving rapidly.
- With new models emerging daily, costs dropping, and capabilities converging, the field is wide open.
- Factors like OpenAl's funding challenges, Google's deep pockets, and breakthroughs in model architecture will shake up the status quo.
- The real differentiator will lie in user interfaces and specific use-case optimizations, rather than raw model power.
- As the industry matures, expect a diverse ecosystem rather than a single victor, with modular approaches and specialized models gaining traction alongside the giants.



Debate Topic #3: Build Vs. Buy | Open Source Vs. Proprietary

By the end of 2025, will companies that are building internal GenAl chat experiences for employees realize they've completely wasted their money?



Watch the discussion for more context



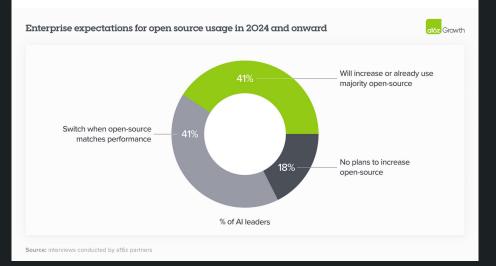


More people are developing AI applications or systems for internal use vs. external use

While 1 out of 3 respondents indicated that they develop Al applications or systems for internal use, only 22% indicated they develop Al applications for external use. Many organizations are implementing the development of Al to serve operational needs within the company, and in some cases more developer resources are focused on developing Al tools internally than externally. This may change over time as organizations shift from a build to a buy strategy as more Al applications and systems become available for purchase.



Models: enterprises are trending toward a multi-model, open source world



"We estimate the market share in 2023 was 80%-90% closed source, with the majority of share going to OpenAI.

However, 46% of survey respondents mentioned that they prefer or strongly prefer open source models going into 2024."

andreessen. horowitz



| Category Benchmark | Llama 3.1 405B | Nemotron 4 340B Instruct | GPT-4 (0125) | GPT-4 Omni | Claude 3.5 Sonnet |
|---|-------------------|-----------------------------|---------------------|---------------|----------------------|
| General MMLU (0-shot, CoT) | 88.6 | 78.7 (non-CoT) | 85.4 | 88.7 | 88.3 |
| MMLU PRO (5-shot, CoT) | 73.3 | 62.7 | 64.8 | 74.0 | 77.0 |
| IFEval | 88.6 | 85.1 | 84.3 | 85.6 | 88.0 |
| Code HumanEval (0-shot) | 89.0 | 73.2 | 86.6 | 90.2 | 92.0 |
| MBPP EvalPlus (base) (0-shot) | 88.6 | 72.8 | 83.6 | 87.8 | 90.5 |
| Math GSM8K (8-shot, CoT) | 96.8 | 92.3 (0-shot) | 94.2 | 96.1 | 96.4 (0-shot) |
| MATH (0-shot, CoT) | 73.8 | 41.1 | 64.5 | 76.6 | 71.1 |
| Reasoning ARC Challenge (0-shot) | 96.9 | 94.6 | 96.4 | 96.7 | 96.7 |
| GPQA (0-shot, CoT) | 51.1 | - | 41.4 | 53.6 | 59.4 |
| Tool use BFCL | 88.5 | 86.5 | 88.3 | 80.5 | 90.2 |
| Nexus | 58.7 | - | 50.3 | 56.1 | 45.7 |
| Long context ZeroSCROLLS/QuALITY | 95.2 | - | 95.2 | 90.5 | 90.5 |
| InfiniteBench/En.MC | 83.4 | - | 72.1 | 82.5 | - |
| NIH/Multi-needle | 98.1 | - | 100.0 | 100.0 | 90.8 |
| Multilingual Multilingual MGSM (0-shot) | 91.6 | - | 85.9 | 90.5 | 91.6 |



Build vs. Buy

FORRESTER PREDICTIONS

Three out of four firms that build aspirational agentic architectures on their own will fail.

FORRESTER®

Jayesh Chaurasia, Analyst Sudha Maheshwari, VP, Research Director 2024



The Prompt:

By the end of 2025, companies that are building internal GenAl chat experiences for employees will realize they've completely wasted their money.



Watch the discussion for more context

Our Take:

- Many companies will regret building in-house Al chat tools by 2025.
- Keeping pace with public AI tools will prove costly and challenging.
- However, these efforts aren't wasted they provide valuable learning experiences.
- Companies should focus Al development on core products, not generic internal tools.
- Open-source models may dominate product experiences, while employee tools lean towards proprietary platforms.
- The priority is engaging with AI, even if initial efforts aren't perfect.



Debate Topic #4: Where will the work happen?

The effectiveness of Al as a horizontal intelligence layer and chat as the optimal interface.

VS.

Highly controlled experiences optimized at the app layer.



Watch the discussion for more context



ChatGPT Canvas: OpenAl's Trojan Horse for Enterprise Domination

The power play: From chat to workspace

What makes Canvas significant isn't the feature itself — it's the strategy behind it. During our testing, Greg pointed out something crucial: this isn't meant to be a writing tool like <u>Lex</u> or a coding tool like <u>GitHub Copilot</u>.

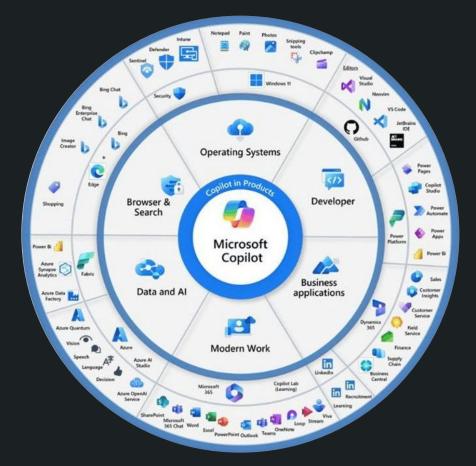
It's OpenAl's play to become the default workspace where everyone does their Al-assisted work.

Think about it this way: right now, people bounce between ChatGPT and their document editor, constantly copying and pasting. Each time they do, there's a chance they'll try Jasper, Copy,ai, or Lex instead.

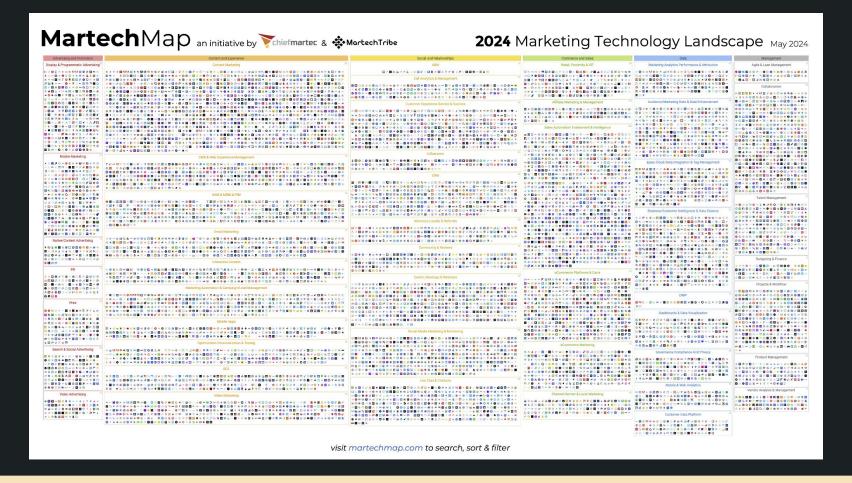
Canvas eliminates that risk. By creating a space where you can write, edit, and refine without leaving ChatGPT, OpenAI isn't just improving user experience – they're building a moat around their user base.

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The Prompt:

The effectiveness of Al as a horizontal intelligence layer and chat as the optimal interface.

VS.

Highly controlled experiences optimized at the app layer.

Our Take—we didn't agree with each other!

- Perspective 1: Interactions at the app layer will dominate in the short term—it's a pragmatic approach that builds on familiar tools and addresses immediate needs.
- **Perspective 2:** We already have user fatigue with overwhelming options, fragmented tools. 2025 is the year of backlash: "Why did we pay for all these user seats on Al tools that *maybe* work?"



Watch the discussion for more context



Debate Topic #5: The biggest problem

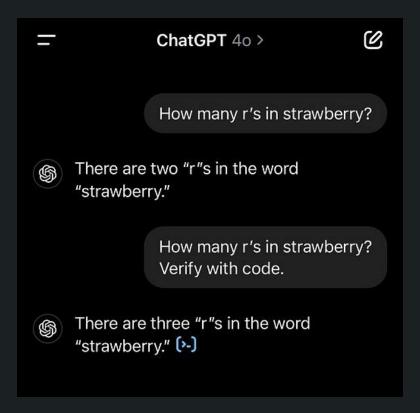
"The biggest obstacle to your Al success is..."

... the tech?... the people? ... the use case?



Watch the discussion for more context









10%

Algorithms

Data-science capabilities to develop and implement algorithms

20%

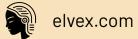
Technology

A scalable and modernized tech stack that supports business needs

70%

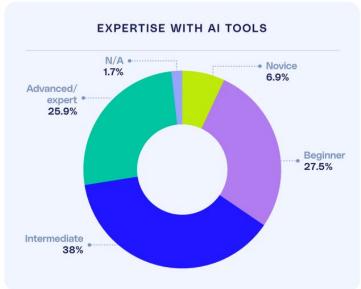
People and Processes

Effective processes supported by talent and change management



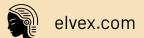
The biggest problem

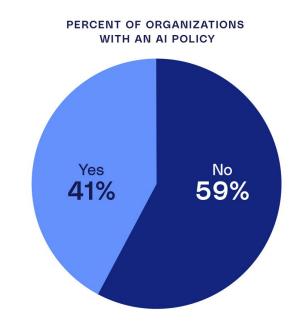






UDACITY.COM





Employers are not providing needed AI training

Nearly 90% of workers are eager to build their Al skills through additional training and certifications, but only one in three say their organization provides the resources to do so. This highlights a significant gap between the training employees need and what companies currently offer. Even more concerning, over half of workers report that their employers lack clear Al policies or guidelines altogether.

87.8% of workers plan to pursue additional training and certification in Al skills

32.5% of workers say that their organization provides necessary training

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UDACITY.COM



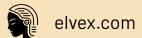
Marketers Are Optimistic About the Future of Al

The AI alarm bells continue to sound, warning of everything from job displacement to Terminator-esque dystopian scenarios. Marketers still aren't buying into the doom and gloom, though—they're just as optimistic and interested in AI as last year.











Al Adoption Barriers

The IT respondents' top concerns or barriers to Al adoption were:

- Governance and compliance (51%)
- Customer data security (47%)
- Employee data security (43%)

Lack of expertise and costs were at 41% and 35%, respectively.

The Prompt:

"The biggest obstacle to your Al success is..."

... the tech?... the people? ... the use case?



Watch the discussion for more context

Our Take—we didn't agree with each other!

- Perspective 1(COO): People: Lack of user experience and understanding is a major obstacle. Most workers use Al tools, but few have advanced knowledge, and many organizations aren't providing necessary training.
- **Perspective 2 (CEO):** Leadership: Clear AI strategies and implementation plans are often missing. Leaders need to thoughtfully plan AI rollout, set expectations, and provide quidance to their organizations.
- Perspective 3 (CTO): Technology: Extracting value from Al models remains challenging. Significant infrastructure and specialized knowledge are required to make Al truly useful across various use cases.

(Are we surprised that that's how the perspectives played out?) (No!)



DEBATE!

<Ease of Use> vs. <Reasoning> vs. <Agentic>

"The more we move into an agents that reason, the more we'll have to get comfortable with some amount of unpredictable outcomes."



The opportunity today



/XIOS

Dec 4, 2024 - Business

Exclusive: Parse.ly founders secure \$6.4M for new Al startup











CTO Mike Sukmanowsky, CEO Sachin Kamdar and COO John Levitt. Credit: elvex

The Problem

Enterprise organizations are heavily fragmented in terms of information and systems. This forces people and teams to fragment and specialize which is expensive and inhibits speed and innovation.

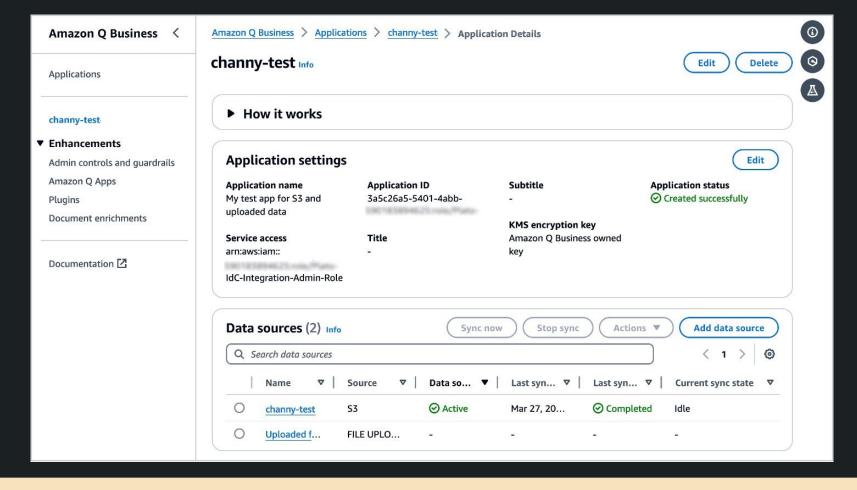
Vision

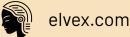
Make companies do more at light speed.

How

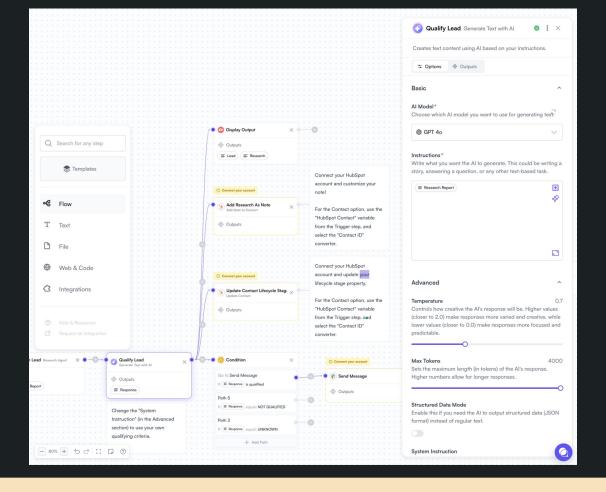
We allow everyone to be an expert and generalist at the same time by letting everyone build bespoke solutions to their problems. At our recent company retreat, we had each team

member choose a GenAl tool to demo to the rest of us.



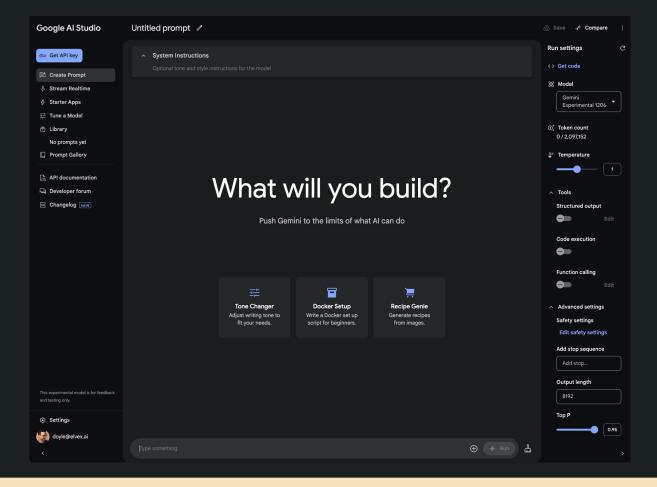


GenAl Ul is.... Lacking





GenAl Ul is.... Lacking



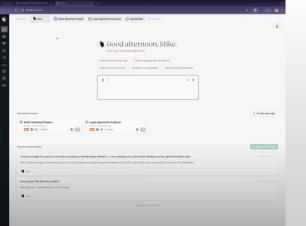


The easiest platform to create Al solutions that work.



A quick customer story...







Provide a vivid description of this image





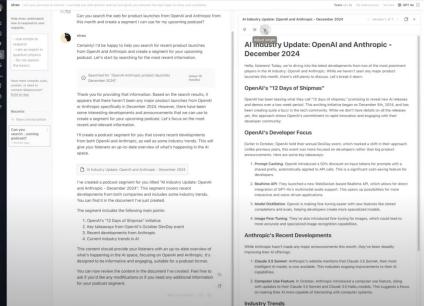


this image for you.

Certainly! I'd be happy to help you create an image based on your description. To generate this image, we'll use the generate_image function. I'll craft a prompt that incorporates all the elements you've mentioned. Let's proceed with creating

Generated image for "A side profile close-up portrait headshot of a dreaming robot on a black background with a round gold foreground. The robot should be in profile view, with its eyes closed, suggesting a dreaming state. This style should be that of an illustration, with clean lines and a contrast between the black background and the gold foreground. The gold foreground should frame the robot's head like a halo or a circular





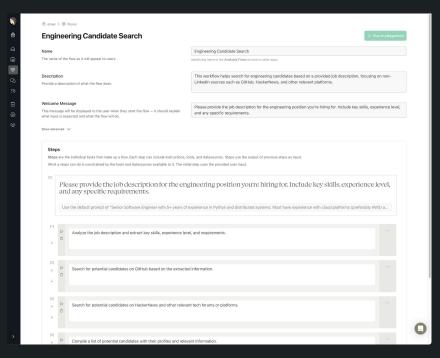
Product Demo

Image gen and attachments, Draft, agentic features!

Watch the demo



How we are solving model unpredictability with Flows



- Adding determinism, by break up complex prompts into separate steps.
- Adding supervision to ensure that the LLM follows the step.
- 3. Adding automatic Al building to let anyone build a flow.



A&Q

