

JANUARY 2024

REGION FOCUS: ASIA/PACIFIC

CIO Playbook 2024

It's all about **Smarter AI**

- Banking and Financial Services -



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eBook, sponsored by



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AN IDC EBOOK

Executive summary

CIO imperatives

Springtime for AI

Survey insights

Hear from your peers

Spotlight discussions

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vertical & market

Making AI real

Considerations for CIOs when implementing AI in your business

CIO Playbook 2024

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Executive Summary

In 2024, Asia/Pacific CIOs must respond to the tsunami of excitement, hype, fear, investment and application in artificial intelligence (AI) across their businesses. After many AI winters, the success of generative AI (GenAI) heralds a new AI summer, when these technologies can deliver on their promises to deliver greater transforming business by enabling greater efficiency and **potentially competitive differentiation**.

This Playbook draws insights from custom research commissioned by Lenovo, based on a survey of 900 IT and business decision-makers (ITBDMs) from selected organizations across Asia/Pacific. The research offers insights into prevailing attitudes and approaches toward AI adoption in Asia/Pacific, as well as business and IT investment priorities, key challenges, and spending imperatives in accelerating their digital business agenda in 2024.

Read on to discover the key insights and takeaways for CIOs charged with navigating AI in Asia/Pacific in 2024.



Scan the QR to download the full
CIO Playbook 2024

Why Lenovo



eBook, CIO Playbook 2024: It's all about smarter AI, January 2024, IDC Doc#AP242469IB

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Executive Summary

CIO Strategic Imperatives

IDC’s survey of 900 IT and business decision makers (ITBDMs) reveals the following insights and strategic considerations for Asia/Pacific CIOs looking for a competitive edge from AI in 2024:

Key Insights

Considerations for CIOs in 2024

1

The tectonic shift – 45% increase in spending of AI

Recognizing the pivotal role of the digital economy, CIOs are keen to embrace AI that confers a competitive edge. **Yet, the intricacies of AI, entailing complex connections with infrastructure, data, and human resources, pose a challenge.**

CIOs are pivotal in enlightening the C-Suite on the nuanced journey toward sustainable AI initiatives. **There are no swift triumphs here; strategic excellence is requisite, addressing intricacies across people, processes, and technology.**

2

AI holds the potential for transformative impact – a conviction 46% of CIOs held.

A misalignment exists between business and IT leaders. Business leaders emphasize AI as a catalyst for customer engagement and revenue growth. The most affected domains are predicted to be cybersecurity, infrastructure automation, and operational efficiency. CIOs consider customer engagement to be #4 on the impact list.

With an “AI for All” approach, enhance operations using AI. The end goal is to **operationalize AI throughout the organization**, aligning with business goals like profitability, customer satisfaction, and increased revenues.

3

GenAI creates excitement, but CIOs are Cautious – #4 in CIOs' tech priority wish list

While GenAI brings a new world of possibilities for the business, CIOs remain cautious due to two key concerns: **the challenge of identifying the right use case, and the complexity of building the right IT infrastructure and ecosystem to support.**

IT and Business Leaders will need to **identify the right AI Model** (Predictive/Interpretation AI vs GenAI), **define the appropriate use case categorization** and then explore **suitable implementation models**, as highlighted in this ebook (page 42).

4

Bring AI to the data – 69% of CIOs prefer AI workload in a non-public cloud environment

On average, 31% of AI workloads will be deployed on the public cloud, 28% on the private cloud, and 28% on hybrid cloud solutions. Additionally, the allocation of 13% of AI workloads at the traditional data center level signifies **a growing recognition of the importance of edge computing, bringing AI capabilities closer to the source of data generation.**

Performance, security and regulations are key considerations when choosing where to run AI workloads. Increasing Edge investments also suggest a desire for greater performance amongst organizations, which should be a key consideration for CIOs in 2024.

5

The linchpin is IT talent – 45% of CIOs encounter challenges in securing AI-related roles

Acquiring IT skills for effective AI implementation is proving challenging. Those who can overcome this **challenge and swiftly cultivate a “data culture” can achieve early success.**

Creating AI centers of excellence (COEs) can help build a data culture within the organization, as well as address training needs and skills gaps. Key areas of focus for training **are foundations in statistics and programming languages.**

BFSI Overview (1/2)

Historically, financial services institutions (FSI) have been significant investors in AI, particularly in risk and compliance areas such as anti-money laundering (AML), credit scoring and know your customer (KYC). However, with AI gaining traction, FSIs are gearing up to execute AI at the core. Banks and insurance companies are particularly keen on adopting holistic AI strategies and are piloting GenAI solutions in areas such as cybersecurity and AIOps. GenAI-powered chatbots and virtual assistants are helping front-office processes such as account inquiries and retail banking, as well as being utilized in wealth management by offering investment advice and financial planning assistance. Other functional use cases for GenAI in FSI are in legal contract management and HR.

CIOs' top business priorities in 2024

- 1 Leveraging emerging technologies (e.g., GenAI)
- 2 Driving digital business innovation
- 3 Higher customer experience & satisfaction

Top tech investment priorities in 2024

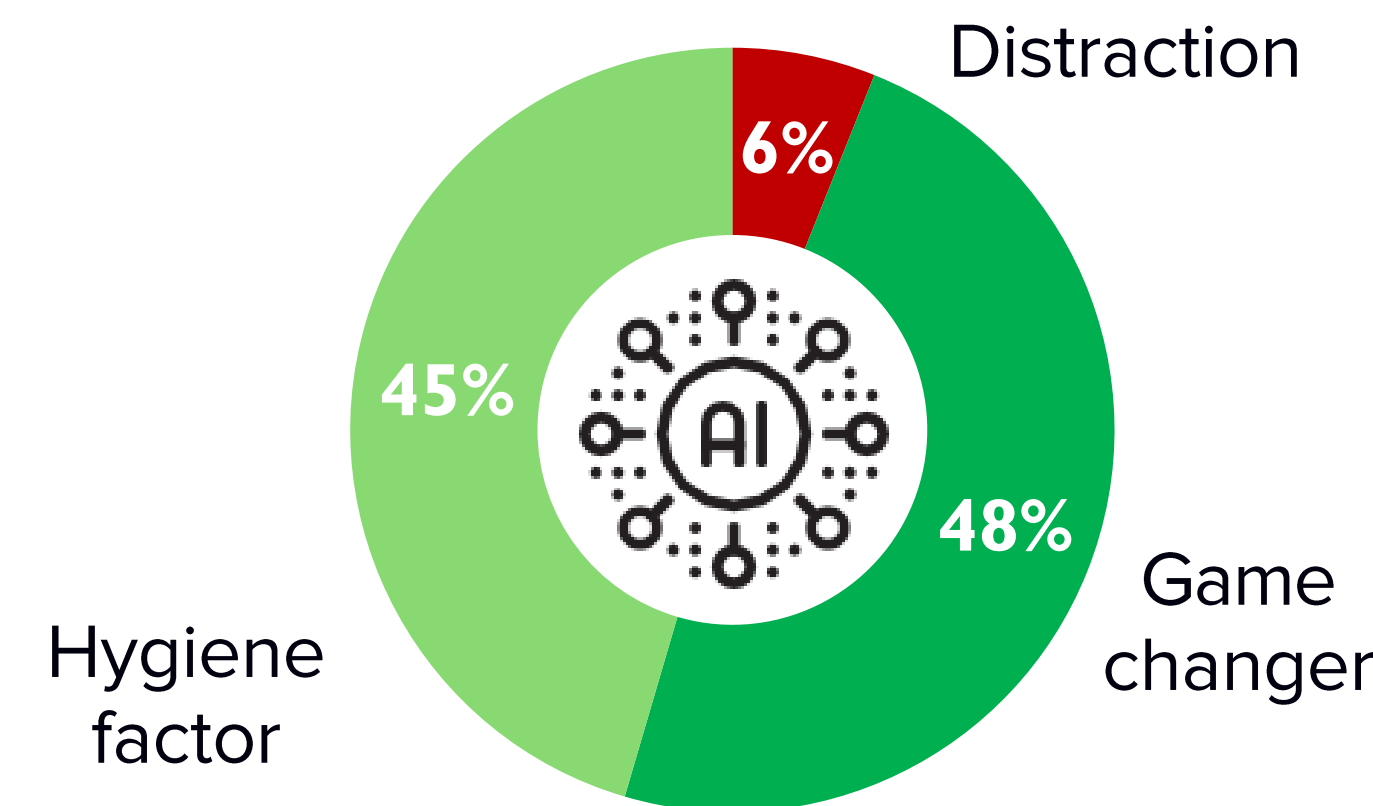
- 1 High-performance compute platforms for AI/ML workloads
- 2 Better cyber resiliency to address ransomware & malware attacks
- 3 Modernizing infrastructure for microservices-oriented architecture

Challenges CIOs foresee in 2024

- 1 Cybersecurity & data privacy
- 2 Data management & analytics
- 3 Digital transformation



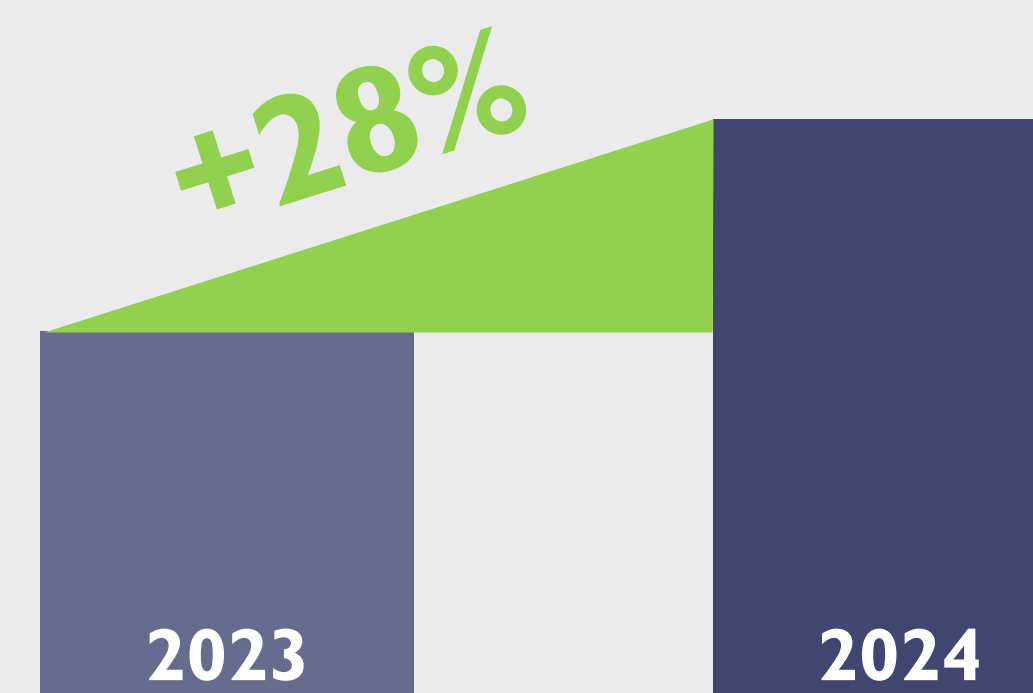
Impact of AI on organizations



Top technologies impacted/influenced by AI

- 1 Cybersecurity & threat detection
- 2 Intelligent automation & robotics
- 3 Automation & efficiency

Edge computing spending increase



Edge use cases most impacted by AI

- 1 Retail & customer experience
- 2 Remote monitoring & telehealth
- 3 Real-time analytics & insights

BFSI Overview (2/2)

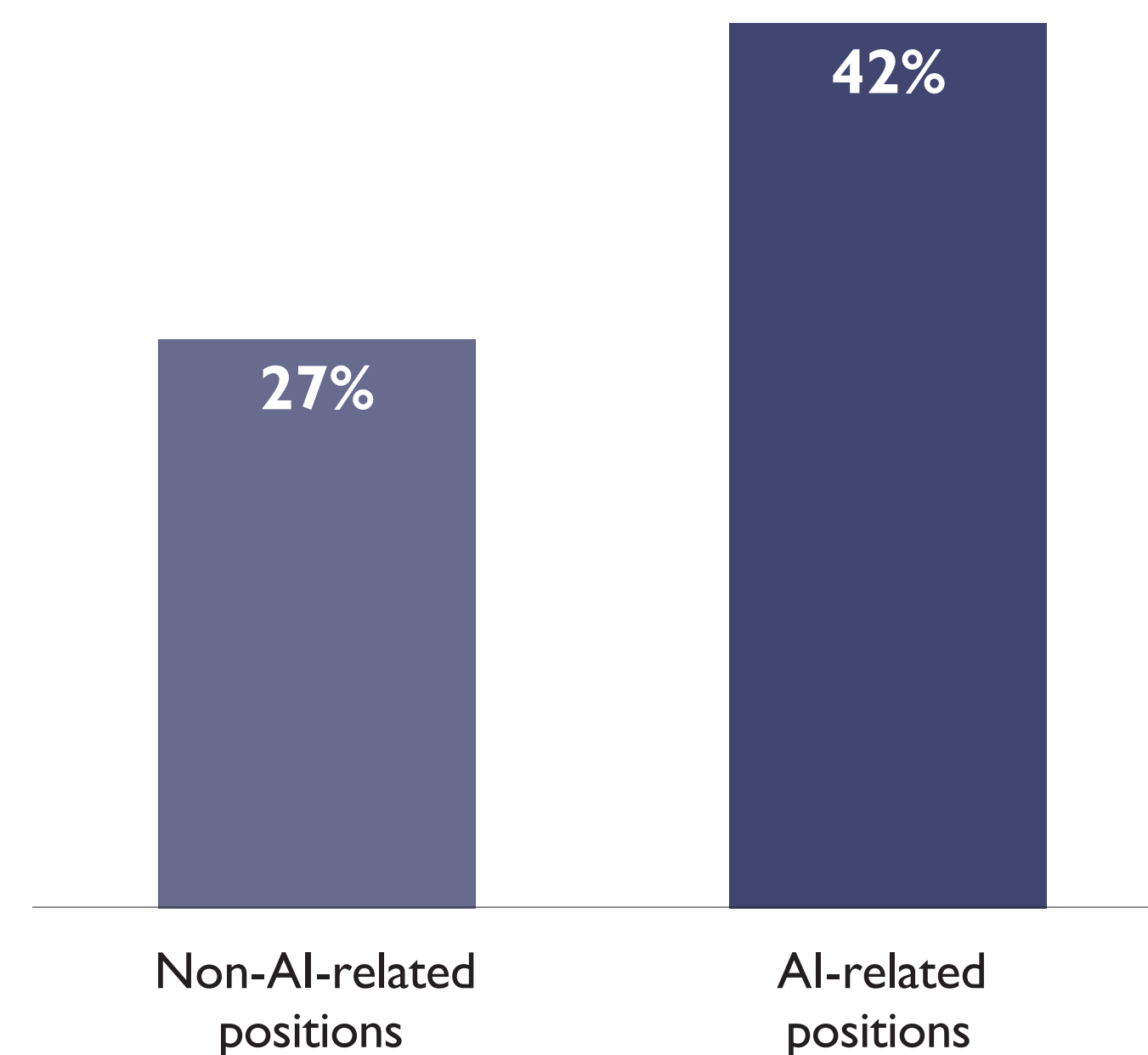
FSIs boast a greater proportion of high-salaried employees than any other industry in Asia. Hence, it's not surprising that job security, skills availability and need for training are ranked as top challenges for this sector, especially in developed markets such as Australia, New Zealand, Singapore and Japan. As such, productivity-focused use cases are a big focus, as they look to GenAI to decrease costs by replacing relatively expensive professionals.

Top challenges when deploying AI

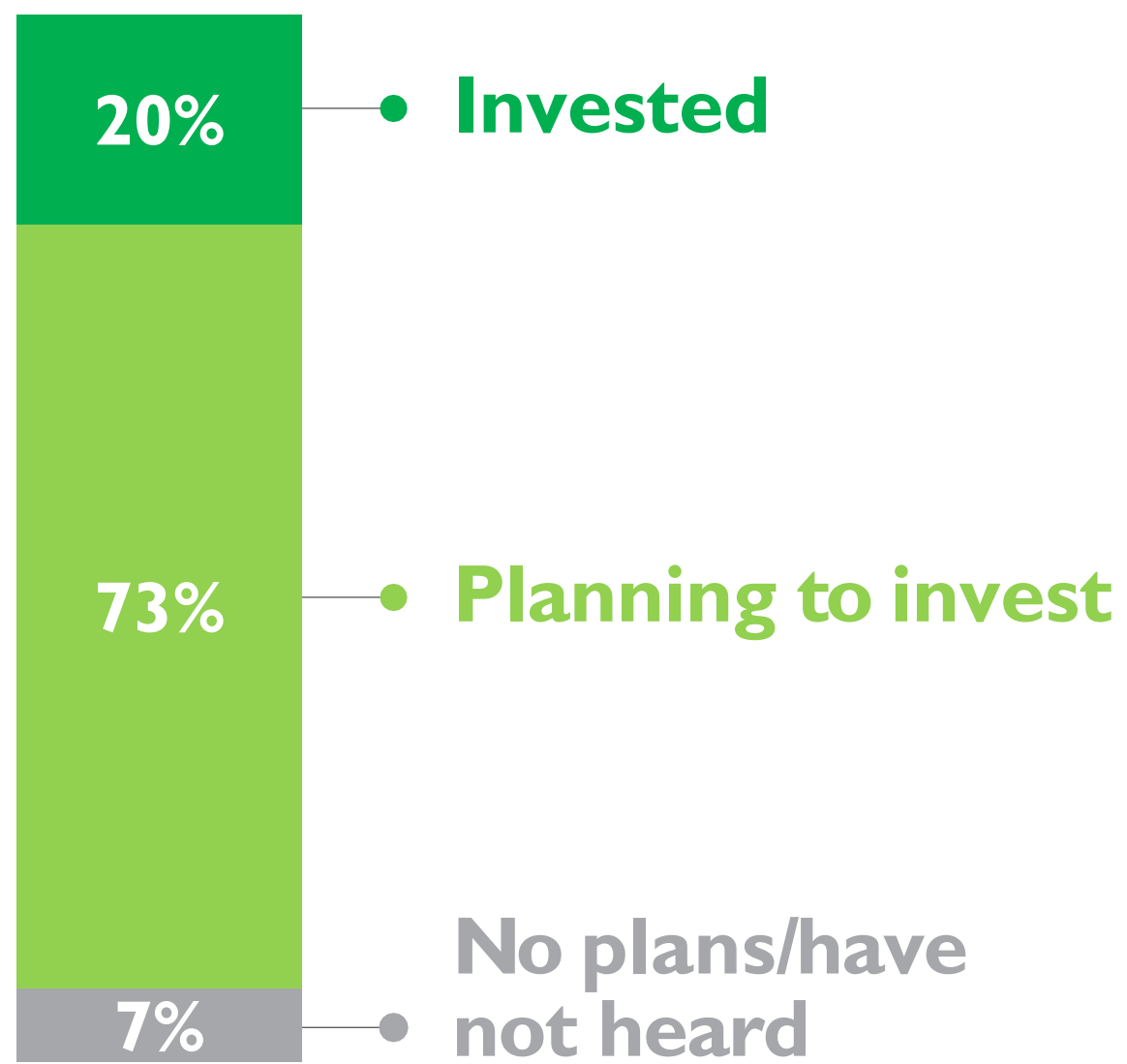
- 1 Lack of required IT support / resources / skills for successful automation deployment
- 2 Employees are concerned that AI will threaten their jobs
- 3 Lack of training for use of self-service AI tools (low- or no-code apps)

Recruitment difficulty

Respondents selected extremely or moderately difficulty



GenAI investment



Preparation for GenAI

- 1 Employee skills development
- 2 Networking infrastructure
- 3 End-to-end network security

GenAI types of interest

- 1 Business intelligence (e.g., KYC)
- 2 Conversational AI (e.g., conversational AI & automatic speech recognition)
- 3 Productivity (e.g., credit risk analysis & underwriting)

Top challenges when adopting GenAI

- 1 Model capability limitations (e.g., lack of data required)
- 2 Monitoring for potential misuse & AI hallucinations
- 3 High dependence on third party

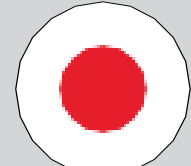










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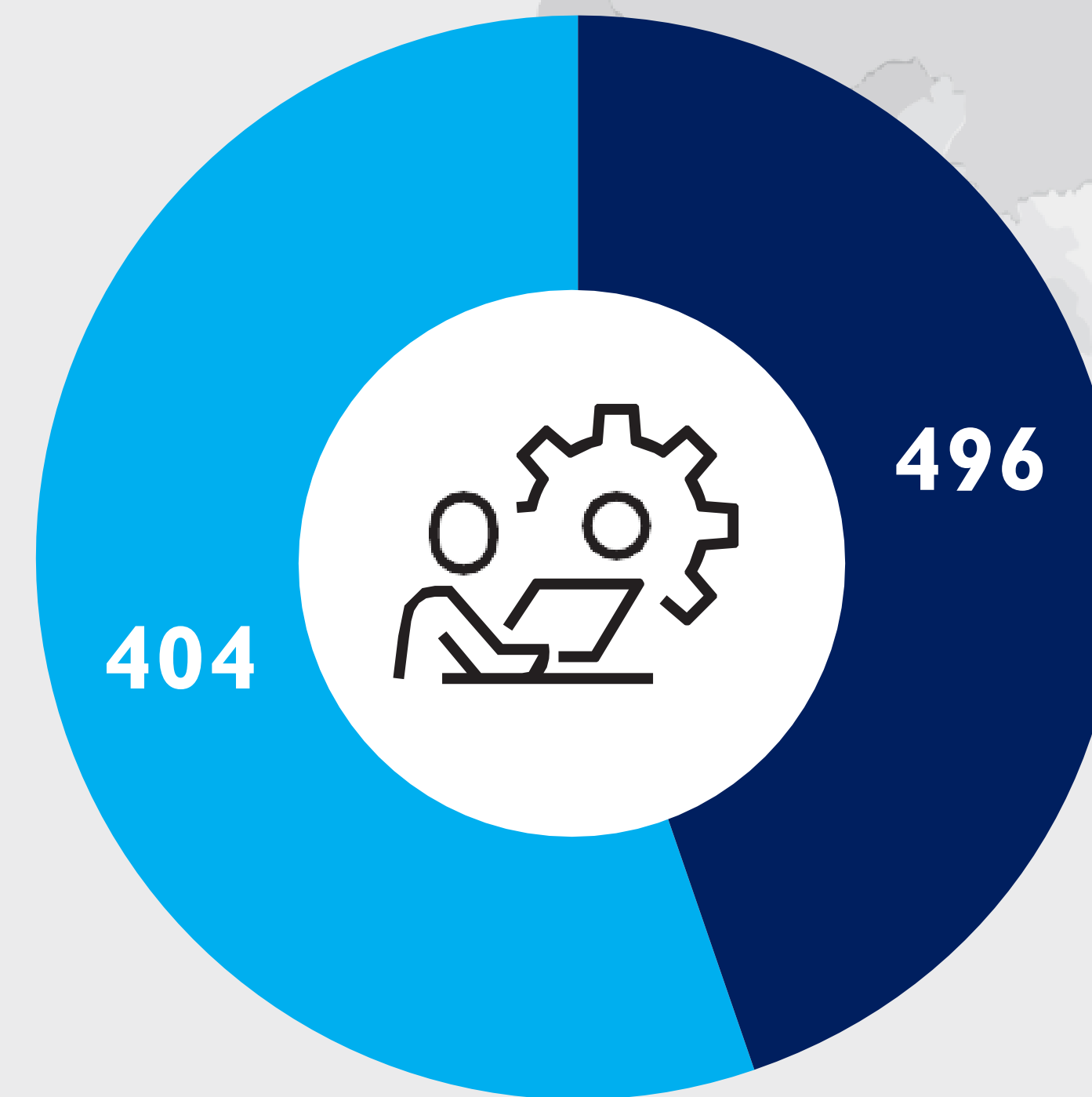
Research methodology

CIO Playbook 2024 Research Methodology

The playbook was developed based on **900 respondents**, with the following sampling breakdown:

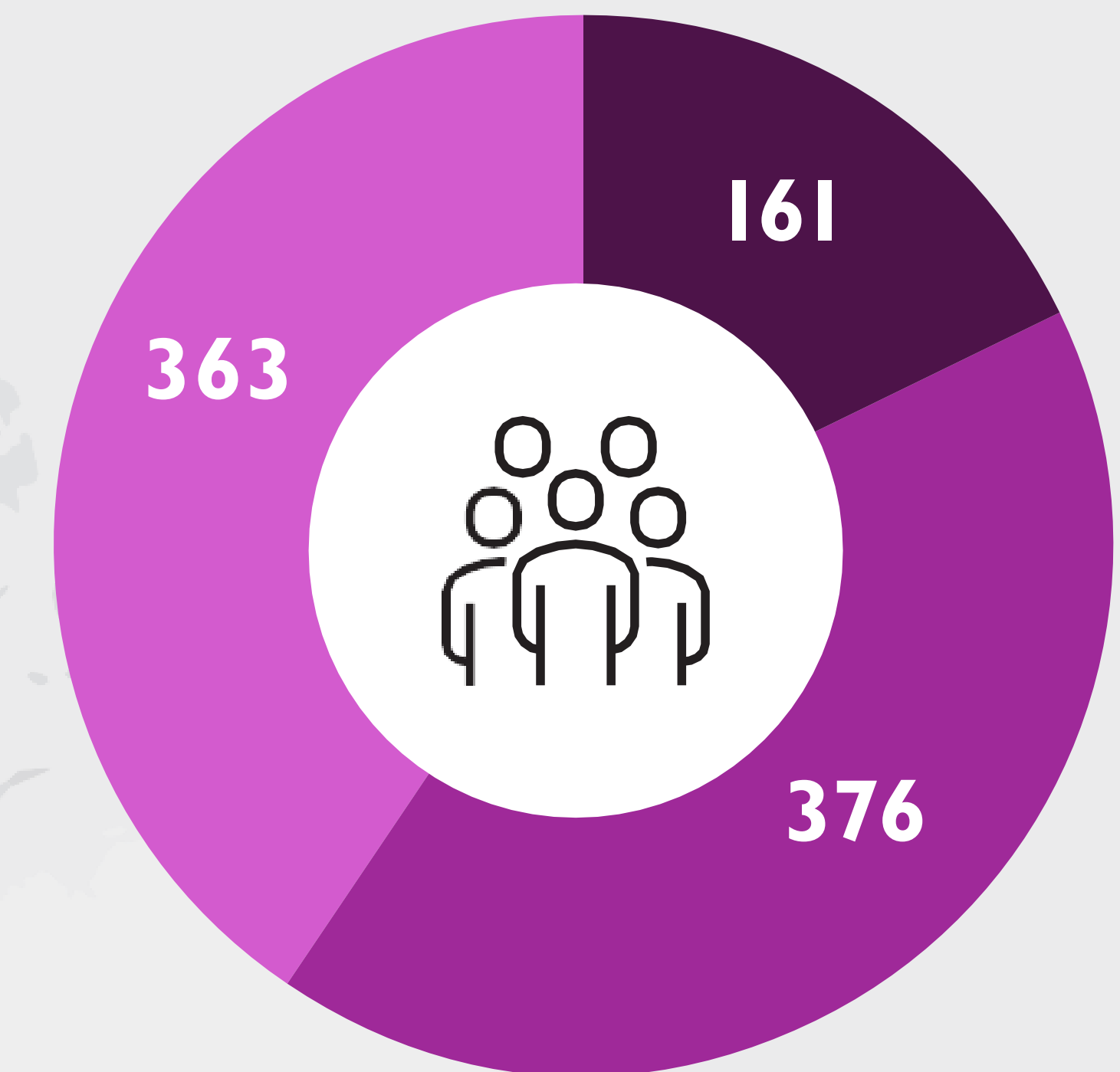
| MARKETS COVERED | | SAMPLE SIZE |
|---|--------|-------------|
|  | Japan | 150 |
|  | Korea | 100 |
|  | India | 150 |
| | ASEAN+ | 370 |
| | ANZ | 130 |

| INDUSTRIES COVERED | | SAMPLE SIZE |
|---|---------------|-------------|
|  | BFSI | 240 |
|  | Manufacturing | 112 |
|  | Retail | 139 |
|  | Telco | 55 |
|  | Healthcare | 59 |
|  | Government | 53 |



Sampling by
Organization Role

- C-Suite
- C-1



Sampling by
Employee Size

- 500 to 999 employees
- 1,000 to 4,999 employees
- 5,000 or more employees

CIO Playbook 2024

Message from sponsor



Lenovo AI for All

Bringing AI to your Data, when and where you need it.

At Lenovo, we recognize the challenges that come with adopting AI as a business imperative, and we also acknowledge the immense potential AI can bring to your business and people. Our robust infrastructure solutions, coupled with our deep ecosystem of independent software vendors (ISVs) ensures the seamless and scalable AI solutions that are suitable for business of all shapes and sizes.

**AI:
From Pocket
to Cloud**

 **\$2.2B**
AI Investment
Commitment

 **#3**
Global AI Infrastructure
Provider IDC Global AI
Survey*

Lenovo AI Infrastructure

8

Platform
Categories

80+

AI-Ready
Platforms

High Performance Storage, Compute
DC and Edge portfolio that scales
with your demand

Lenovo AI Discover Center of Excellence

4

Global
COEs

180+

Countries
Served

Find Faster Time to Value by
Leveraging Lenovo's AI Center of
Excellence

Lenovo AI Innovators Partner Ecosystem

50+

AI Solution
Partners

165+

Enterprise AI
Solutions

Leverage Certified Solution Partners
to Confidently Address Your
Requirements

Commitment to Honest AI

We believe technology should solve some of humanity's toughest challenges, that's why Lenovo is committed to ensuring AI is used in the most ethical and beneficial way. We have committed to support initiatives such as the "Women & AI Pledge" and launched Lenovo's Responsible AI Committee to ensure Responsible AI is part of our Product Diversity Office.



Explore the Possibilities of AI and Lenovo

Smart Cities



Improve and Regulate Customer Experiences with Lenovo AI

Together, Lenovo and WaitTime™ have developed an AI solution utilizing real-time data to help you regulate crowd traffic. WaitTime's real-time AI software also uses state-of-the-art imaging techniques to monitor and engage with crowds.

Smart Manufacturing



Make Zero Incidents A Priority in Your Organization with Lenovo AI

Incorporate Lenovo and Graymatics™ into your organization's best practices for safety to help manage risk and practice continuous improvement of processes. Graymatics offers an AI-based solution that detects workplace hazards such as accidents, defective machinery, and fire.

Smart Retail



Lenovo AI Shapes the Self-checkout of Tomorrow

Happy customers and loss prevention is a receipt for success for retailers! The Everseen Visual AI™ platform can enable a retail solution for your organization. Learn how Lenovo and supermarket retailer Kroger® leveraged the Everseen Visual AI platform to create a better customer experience while reducing loss.

Improve and Regulate Customer Experiences with Lenovo AI



Message from Sponsor

Lenovo AI Innovators

Partner Ecosystem

Adopt & Fast-Track Your AI Journey

Lenovo's AI Innovators Program encompasses a network of top-tier software partners collaborating with Lenovo to furnish customers with customized, proven, and readily deployable AI solutions across their entire operations, encompassing computer vision, audio recognition, predictive analytics, security, and virtual assistants tailored to every industry's unique needs.



Partners access Lenovo AI-ready infrastructure

Working with our AI Innovator partners, we fine-tune our AI-ready, best-in-class servers to help ensure rapid ROI and ongoing success for our mutual customers.



Partners leverage Lenovo AI expertise and ecosystem

Our ecosystem includes AI centers of excellence, serving 180 countries and more than 20,000 business partners, for customized proofs of concept.



Collaboration brings customers rapid deployment

By providing, performance-optimized AI-ready solutions across various industries, we ensure customers can deploy AI faster, and more confidently.

165+

Turnkey AI Solutions

50+

AI Solutions Partners

30K+

Channel Partners

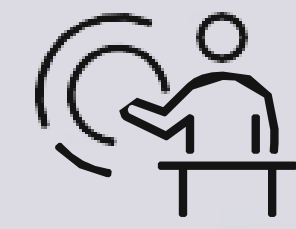


Learn More

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Lenovo AI For All

Driving Intelligent Transformation from Pocket to Cloud



Digital Workspace

Lenovo provides end-to-end digital workplace solutions from the device to the data center

Lenovo offers a wide range of building and workforce solutions for the new era of hybrid work

Solutions available through traditional purchase or as-a-Service

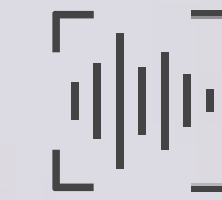


Hybrid Cloud

Fully integrated ThinkAgile solutions enable edge-to-cloud agility, performance, and resilience for complex workloads

Cost-efficient and infinitely simple single pane of glass management

Security by design - keep your data on-prem or in the cloud

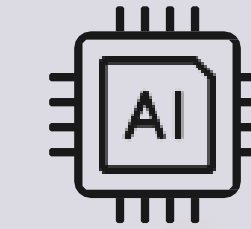


TruScale

Subscription-based access to IT resources to provide cost-efficient, faster deployment, improved security, and better management

Solutions for data management, Hybrid Cloud, HPC, and VDI

Services include deployment, implementation, IT management



AI & Edge

Building AI Solutions all over the world with 165+ AI solutions with 50+ AI innovators across every vertical market

Leading Edge Portfolio, from the far edge to the near edge, bringing AI to where our customers need it

Empowering individuals, businesses, and governments with a full stack of pocket-to-cloud technology, enabling AI for all



Sustainability

Neptune™ Liquid Cooling reduces power and CO2 emissions

Heat mitigation tactics on every level of the server Packaging containing recycled foam and plastic

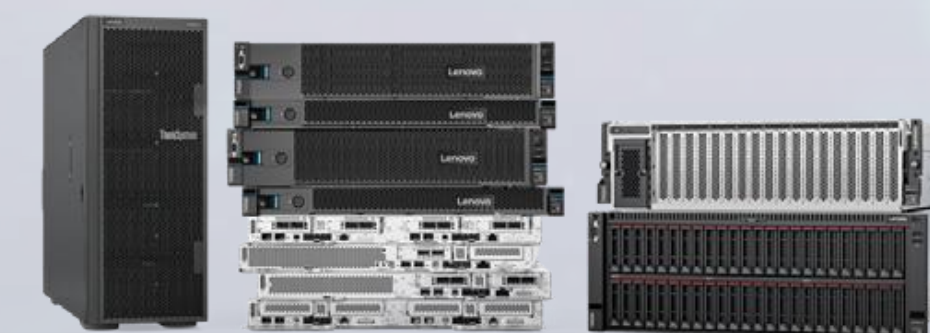
Factory-integrated racks reduce packaging waste

Infrastructure Solutions

Software Defined



Tower, Rack, & Dense Servers



Storage



Lenovo ThinkAgile

Lenovo ThinkSystem

Lenovo ThinkEdge

Lenovo Services

Discover Design Implement Optimize Security
Customer Support Retire Sustainability



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