

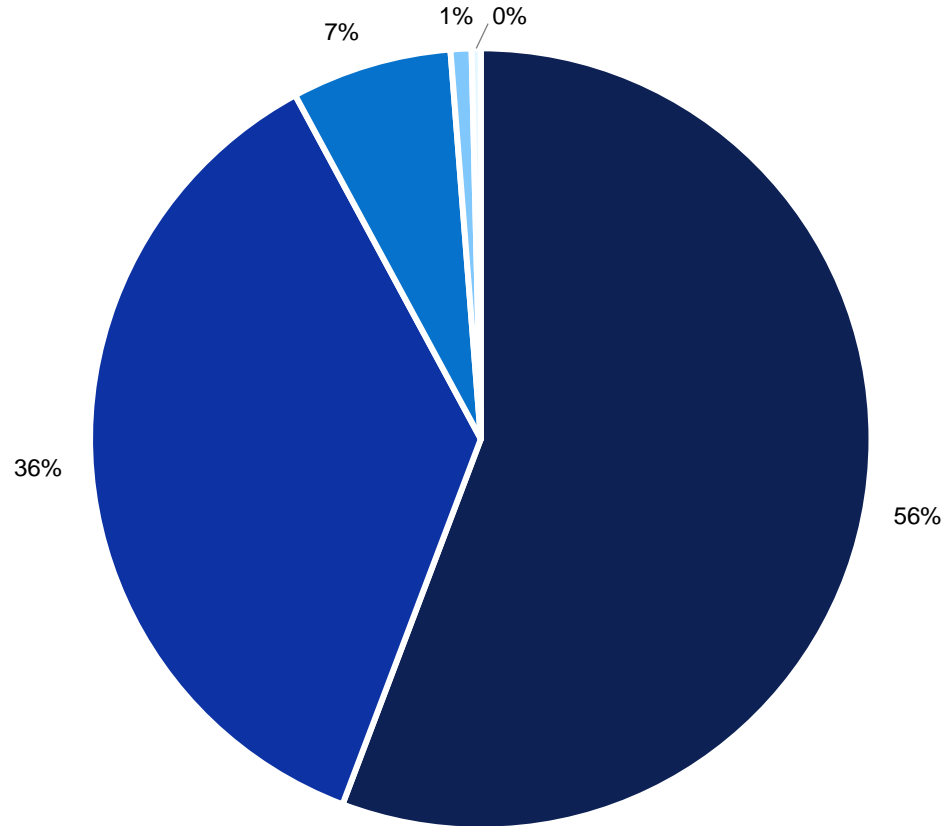
Dell Technologies *Innovation Catalysts* Study

6,600 respondents from organizations with 100+ employees, public and private sectors from across the following regions: North America, LATAM, EMEA, APJ and Greater China

The state of innovation

Innovation and business strategy

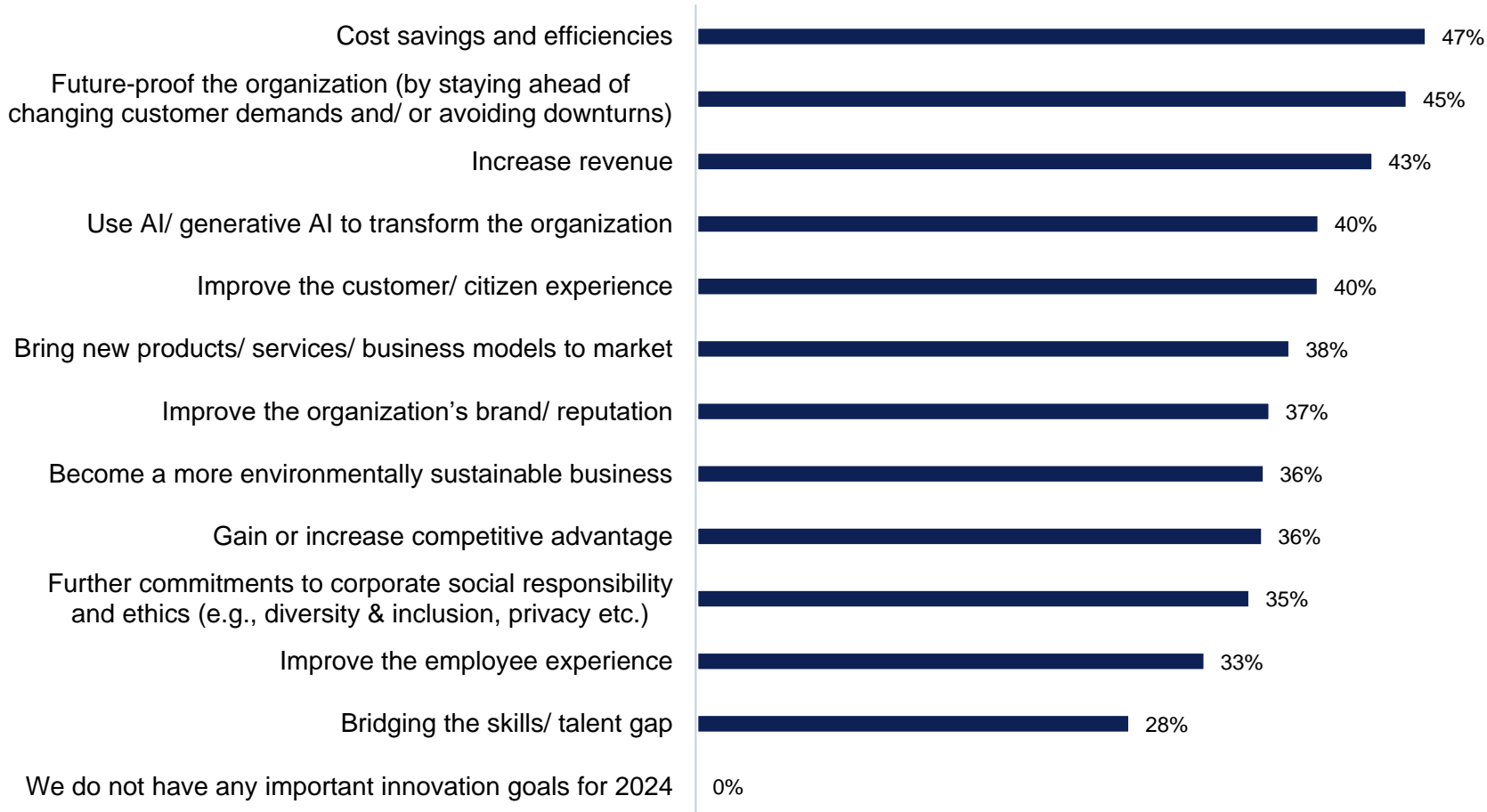
Q1. Which statement most aligns to your organization's business strategy? Split by respondent type



- Innovation is a key part of our business strategy and is unlocking benefits across our organization already (n=6,600)
- Innovation is a key part of our business strategy and will unlock benefits across our organization in the future (n=6,600)
- We recognize innovation is important to have within business strategy, but we don't currently have it included (n=6,600)
- Innovation is not a part of our business strategy, and we don't think it's important to be included (n=6,600)
- I am unfamiliar with my organization's business strategy (n=6,600)

Important innovation goals

Q2. What are your organization's most important innovation goals for 2024? Combination of first to fifth



▪ (n=6,600)

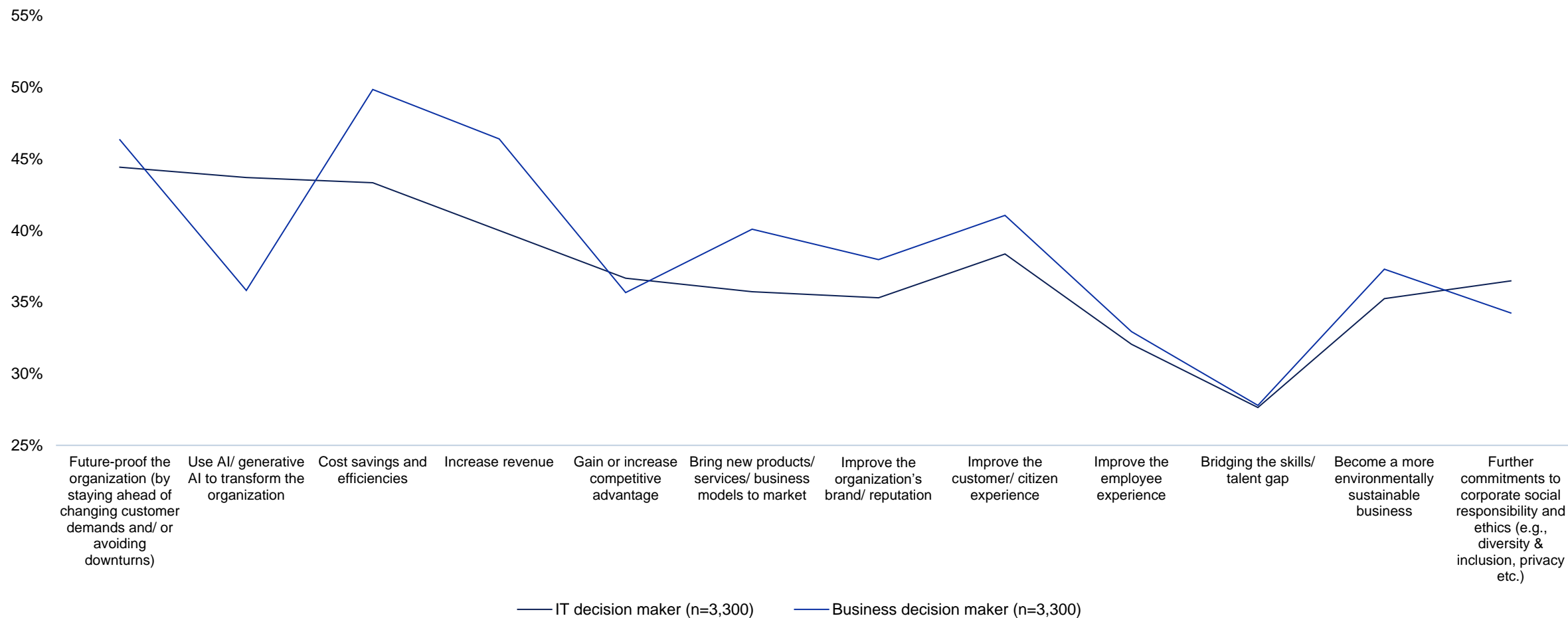
44% of ITDMs...

36% of BDMs...

...rank using AI/generative AI to transform their organization as a top innovation goal for 2024

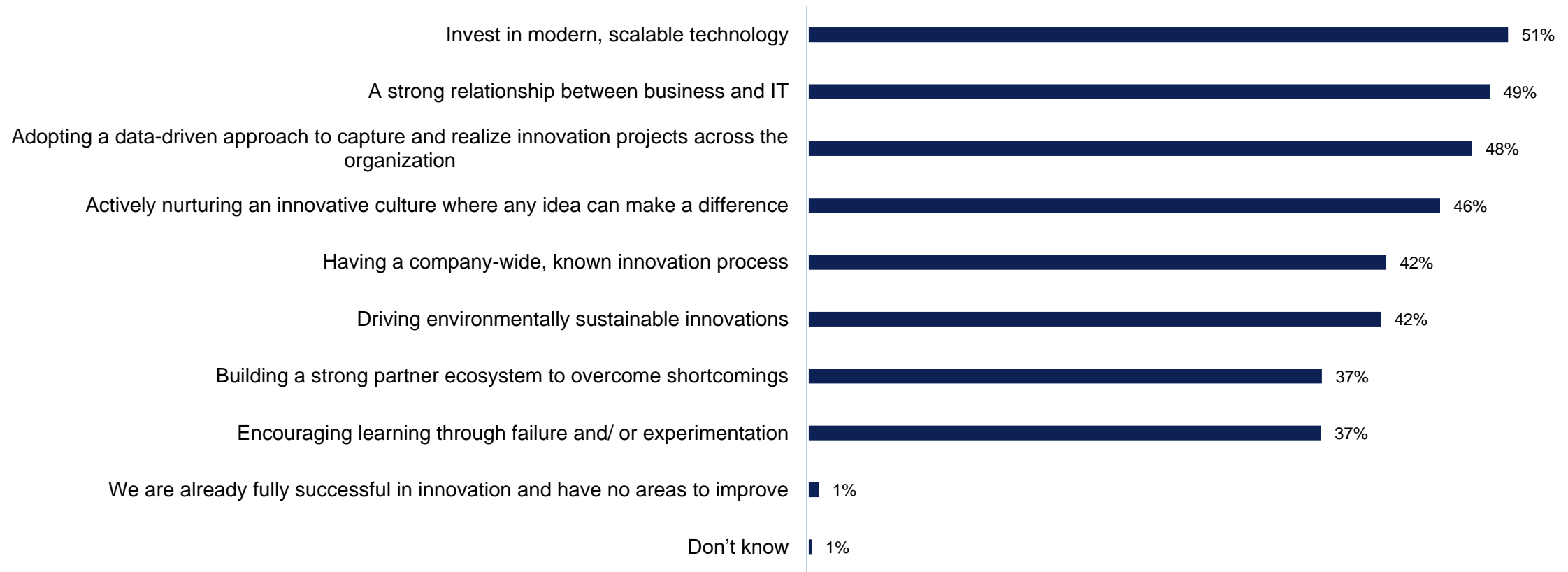
Top innovation goals for 2024 - ITDMs vs. BDMs

Q2. What are your organization's most important innovation goals for 2024? Combination of first to fifth



Improvements for successful innovation

Q3. Which of the following could your organization improve in to drive successful innovation?



▪ (n=6,600)

Innovation challenges

Q4. What challenges does your organization currently face in driving innovation successfully?



▪ (n=6,600)



94%

of organizations face innovation challenges

Looking to the future

Q5. Respondents who agree with the below statements



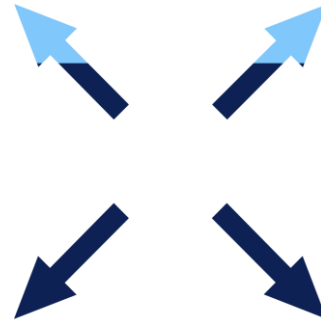
82%

We are **well positioned competitively** and have a solid strategy for success



48%

We **don't know what the next 3-5 years will look like** for our industry



81%

AI and GenAI will **significantly transform** our industry



57%

We're **struggling to keep up** with the pace of disruption

▪ (n=6,600)

Looking to the future

Q5. Respondents who agree with the below statements



67%

There is a **shortage of talent** required for innovation in our industry



84%

In the future, the ability to gain new knowledge will be **valued higher** than the knowledge you already have



63%

We will **struggle to keep up with environmental sustainability** and broader ESG initiatives/ standards

▪ (n=6,600)

Innovation skills,
challenges and peer
advice

Skills that drive innovation

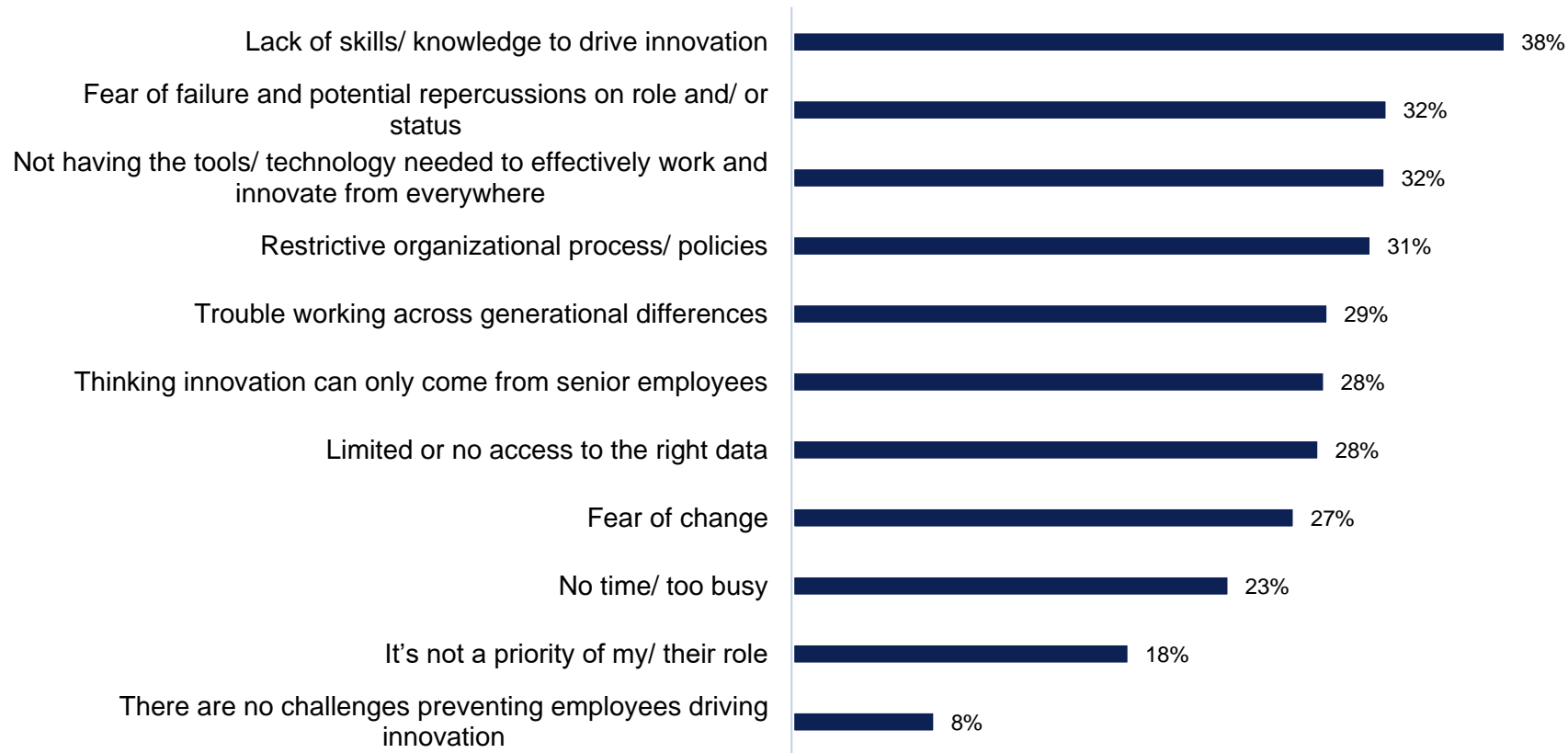
Q6. Which employee skills/ competencies are most valuable for driving innovation in the next five years? Combination of first to fifth - showing top 5

Top 5 most valuable employee skills/ competencies		
#1	Learning agility/ desire – easily learn new things, work with new tools (generalist)	53%
#2	AI fluency (understand when, where and how to use AI tools safely and responsibly)	53%
#3	Creativity/ creative thinking	49%
#4	Subject matter expertise (specialist, with experience and deep knowledge)	48%
#5	Logic, critical thinking and/ or complex decision-making	47%

▪ (n=6,600)

Innovation challenges

Q7. What challenges prevent you personally and/ or employees in your organization from driving innovation?



▪ (n=6,600)

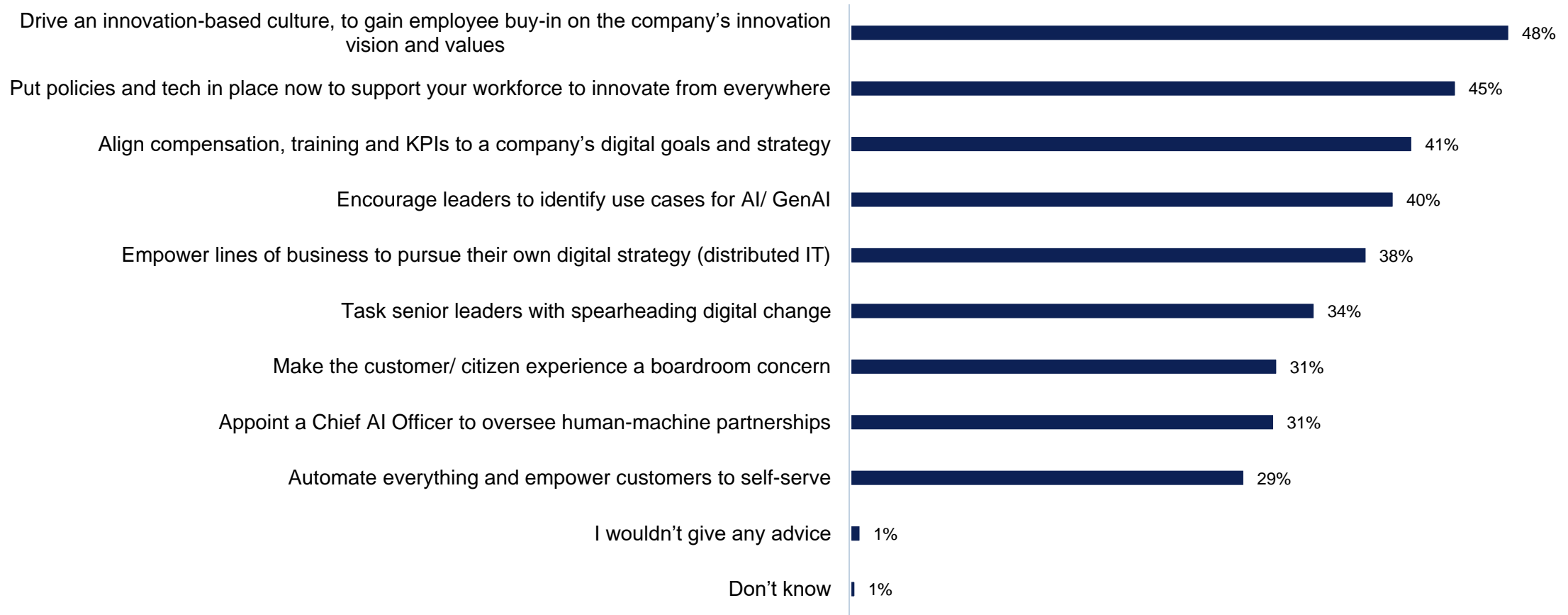


92%

of organizations have employees facing challenges with driving innovation

Innovation advice

Q8. What advice would you give to peers to accelerate innovation in their organization?

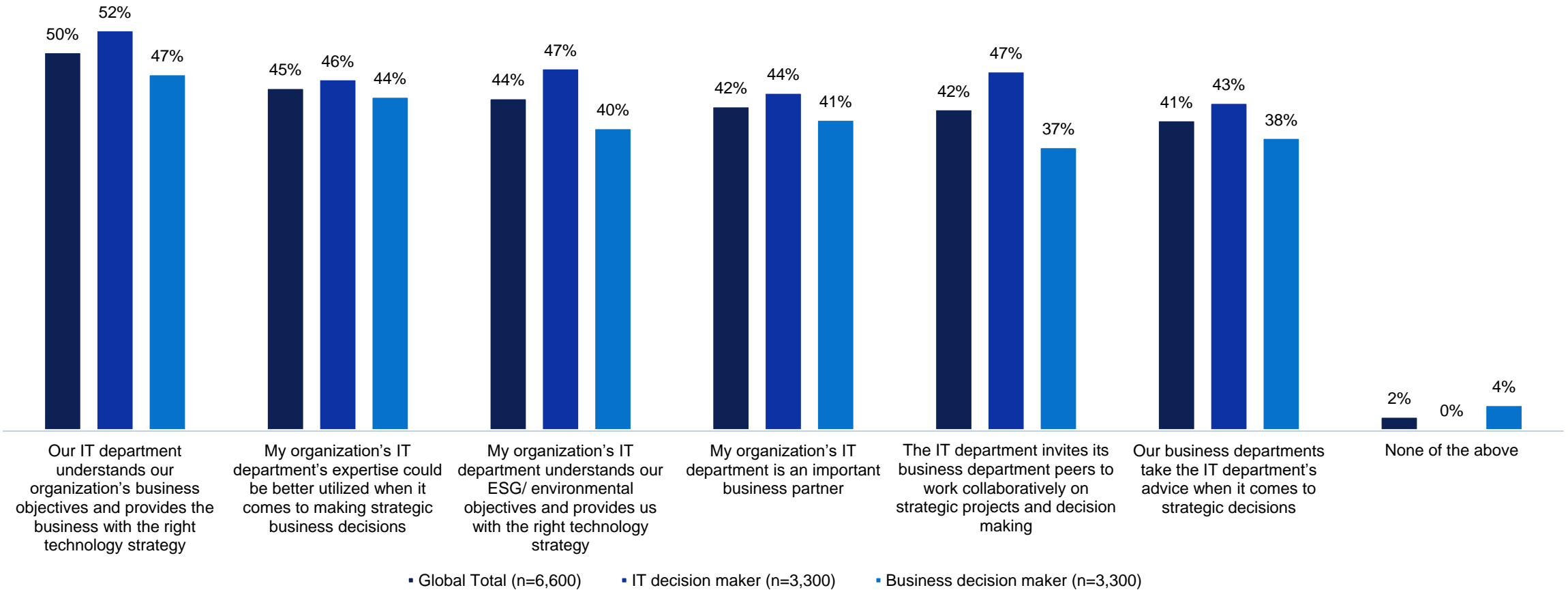


▪ (n=6,600)

IT as a strategic partner

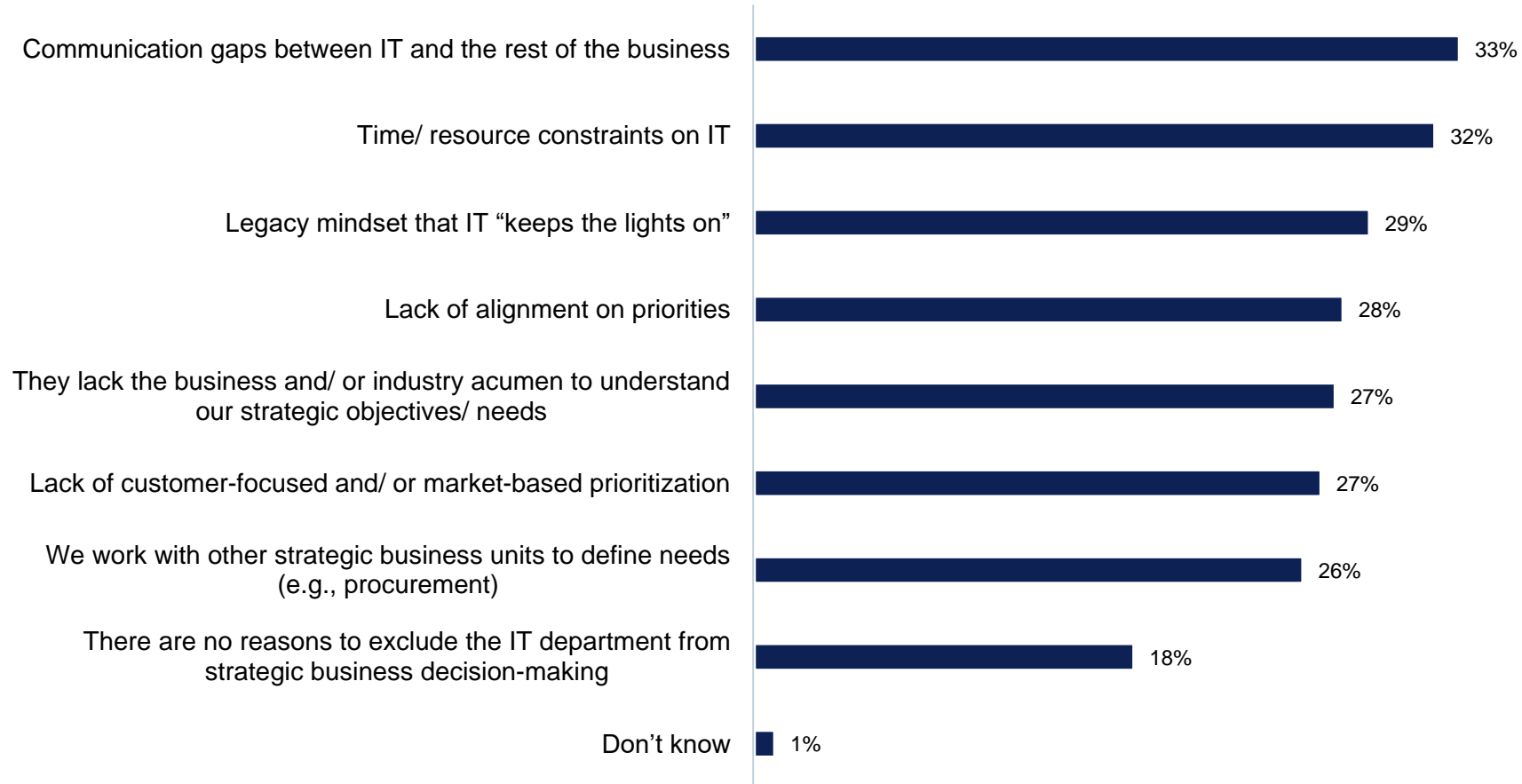
IT's strategic understanding

Q9. Which of the following statements do you agree with?



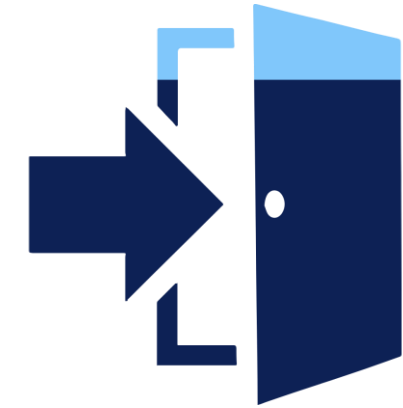
Excluding the IT department

Q10. What reasons, if any, would there be to exclude the IT department from strategic business decision-making?



▪ (n=3,300)

Only asked to business decision makers

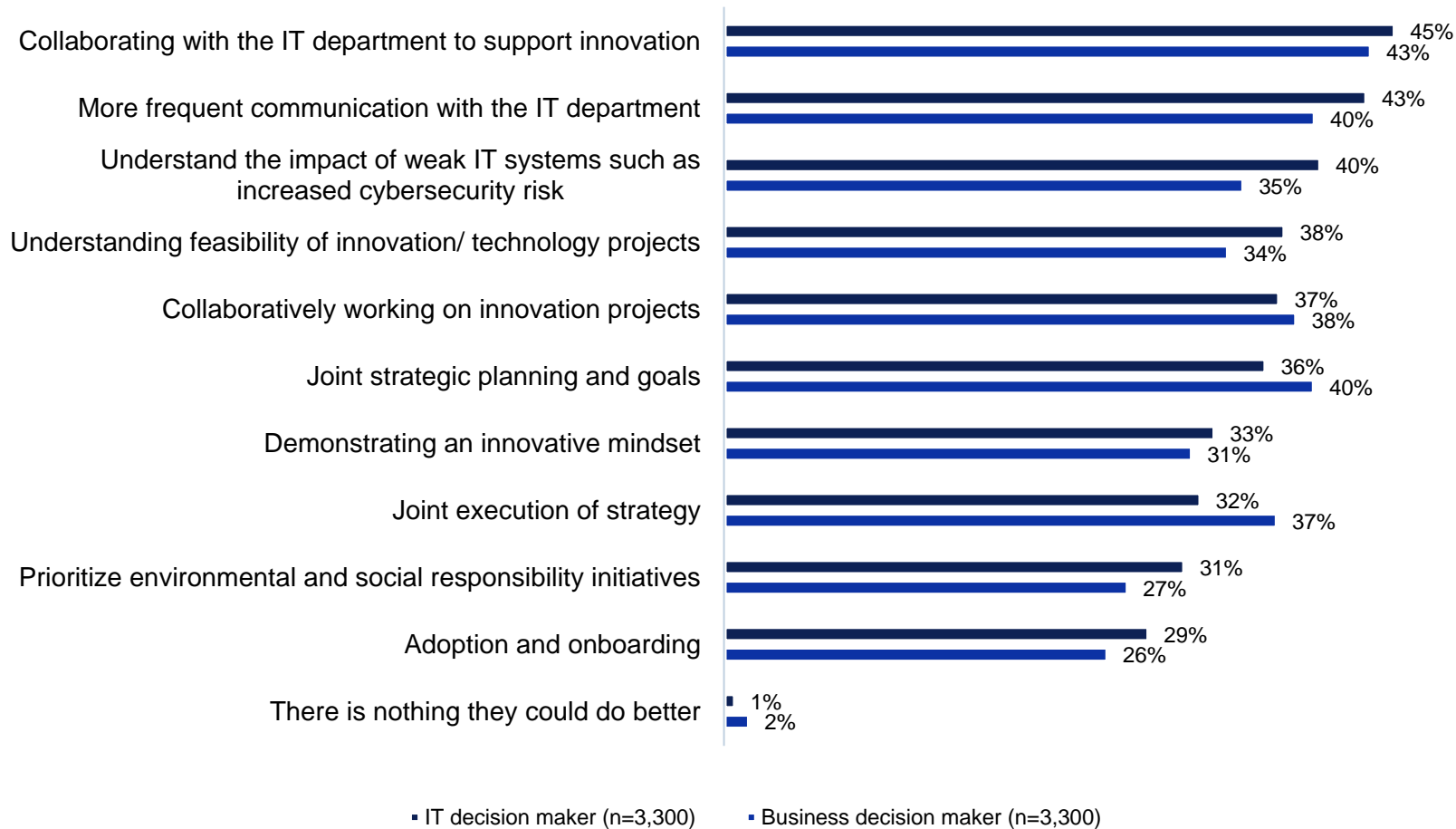


81%

of business decision makers believe there are reasons to **exclude** the IT department from strategic business decision-making

Strengthening relationships

Q11. What do you think that your organization's business decision makers could do better to strengthen the relationship between IT and business departments?



98%

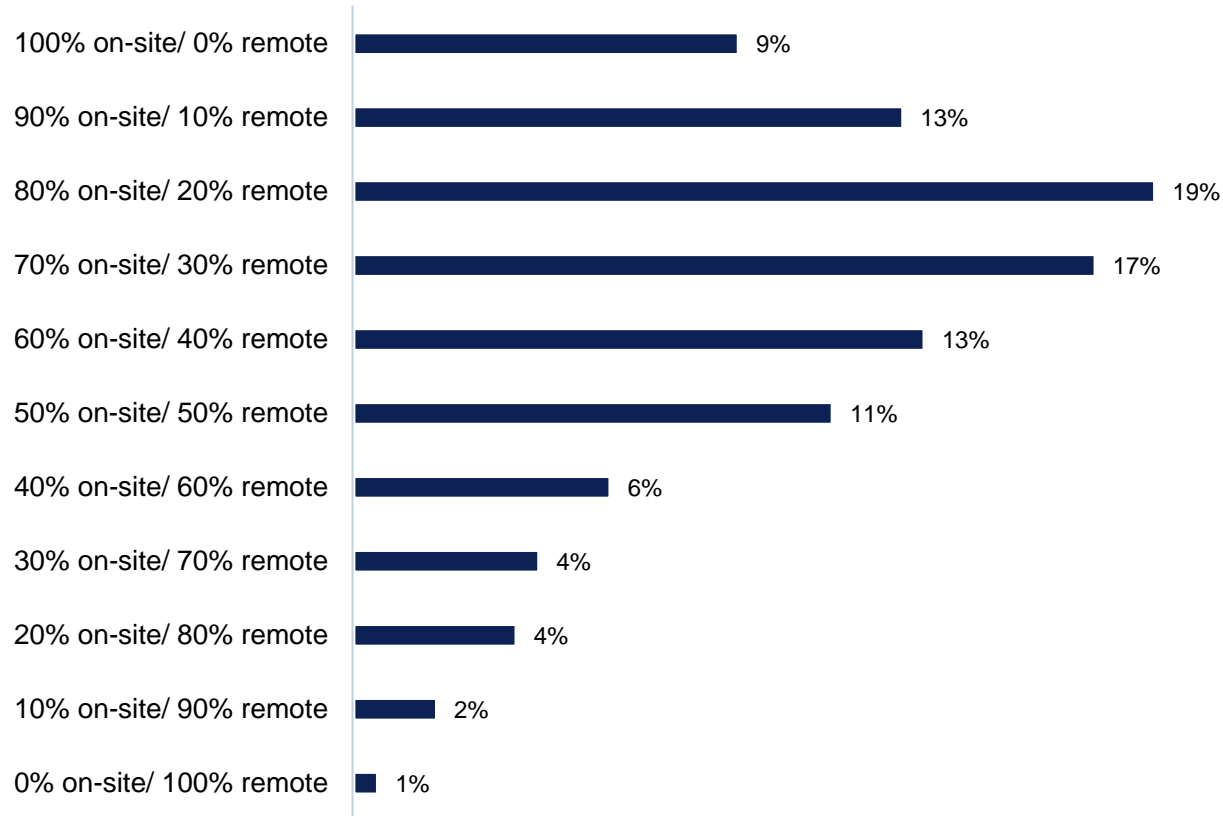
of respondents think that their organization's business decision makers could take steps to strengthen the relationship between IT and business departments



Technology as an innovation catalyst

Workforce model

Q12. Which of the following best matches your organization's current workforce model?



▪ (n=6,600)

72%
of organizations adopt a
primarily on-site
workforce model



17%
of organizations adopt a
primarily remote
workforce model

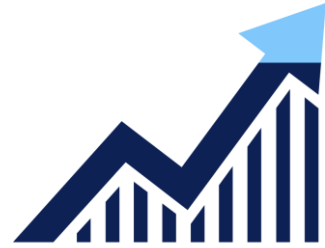


Technological improvements

Q13. Respondents who agree with the below statements



81%



75%



74%



81%

We are providing the **necessary** technology to our entire workforce based on individual needs, workloads, and preferences

We **need to update our office and meeting spaces** for improved collaboration and productivity

We are providing **intelligent** technology (AI optimization software) to improve the work experience

We are providing **collaborative** technologies such as monitors, cameras, headsets, or premium subscriptions to collaboration software

▪ (n=6,600)

Technological improvements

Q13. Respondents who agree with the below statements



81%

We need to make improvements to ensure employees can **access or share data faster**



75%

We are **training or upskilling** our employees **to use new technology** such as Generative AI (GenAI)



75%

We use **as-a-Service models** (predictable payments and flexible scalability) to provide the latest technology to our workforce

▪ (n=6,600)

Technological improvements

Q13. Respondents who agree with the below statements



84%

We ensure **secure access** to all employees wherever they are while mitigating threats



80%

We are prioritizing the use of **sustainable** products and solutions



78%

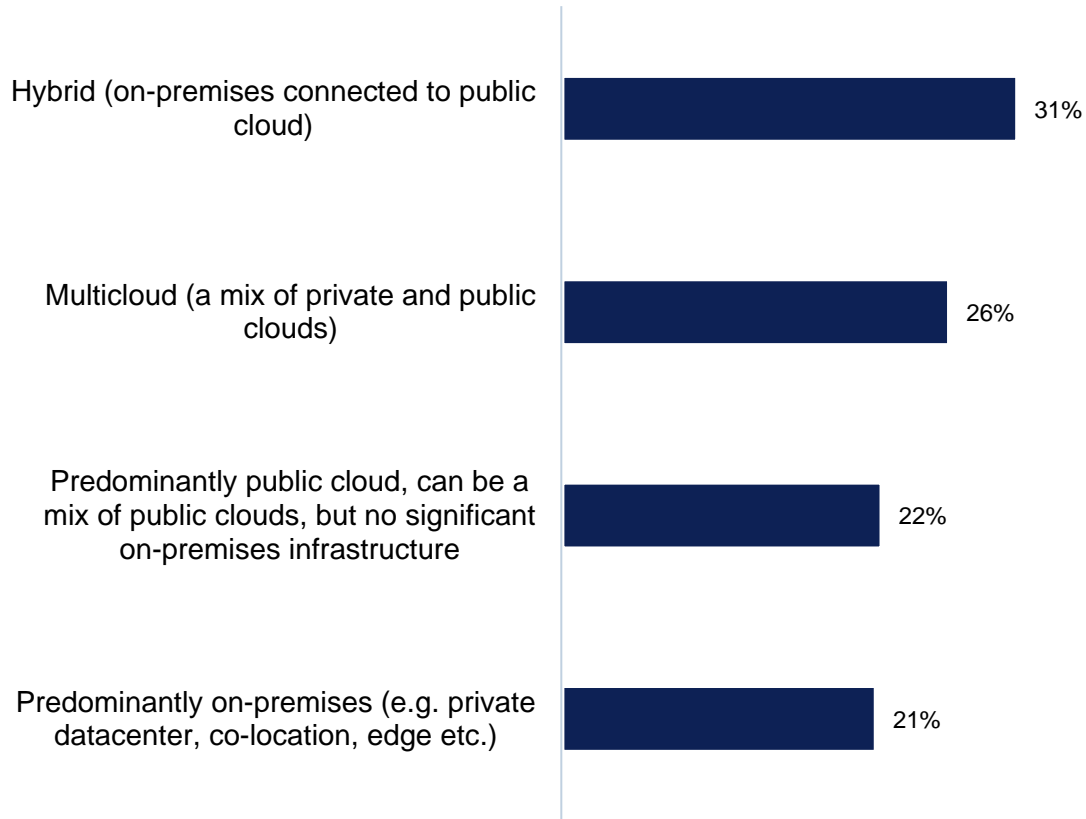
We provide a **simplified and autonomous process** for delivering equipment, supporting users, and responsibly retiring technology

▪ (n=6,600)

Multicloud

IT infrastructure and advanced solutions

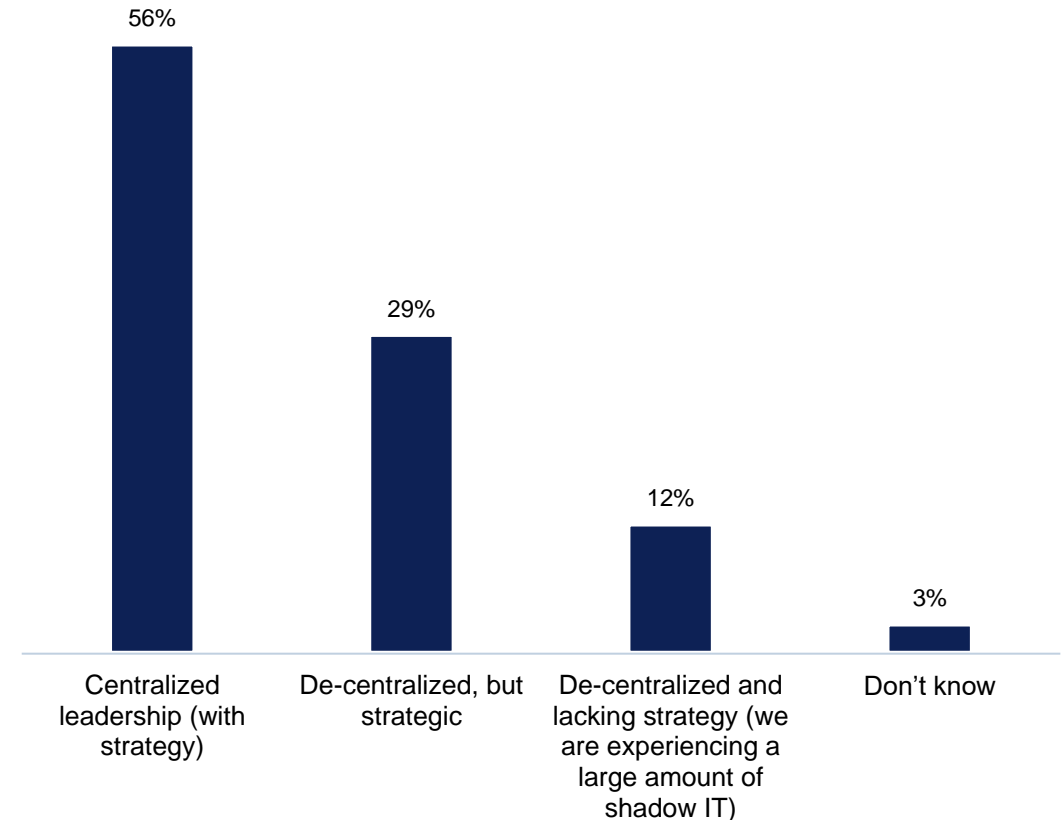
Q14. Which of the following best describes your organization's predominant IT infrastructure?



▪ (n=3,300)

Only asked to IT decision makers

Q15. Which of the following best describes your organization's current approach for using advanced technology (e.g., multicloud and/ or generative AI)?



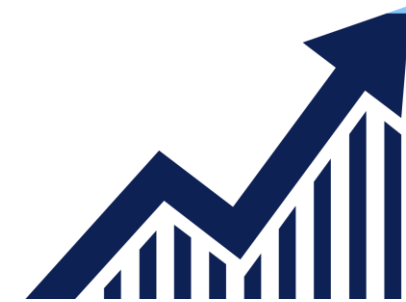
▪ (n=6,600)

Optimizing multicloud environments

Q16. Thinking about optimizing your organization's multicloud environments, which are the most important areas for improvement? - showing top five most common answers

Top 5 most important areas of improvement		
#1	Simplifying IT environments	40%
#2	Increasing security posture and minimize risks	40%
#3	Increasing operational agility	38%
#4	Improving environmental sustainability (i.e. minimize IT carbon footprint/ lower energy costs etc.)	38%
#5	Driving cost efficiencies	37%

▪ (n=6,600)

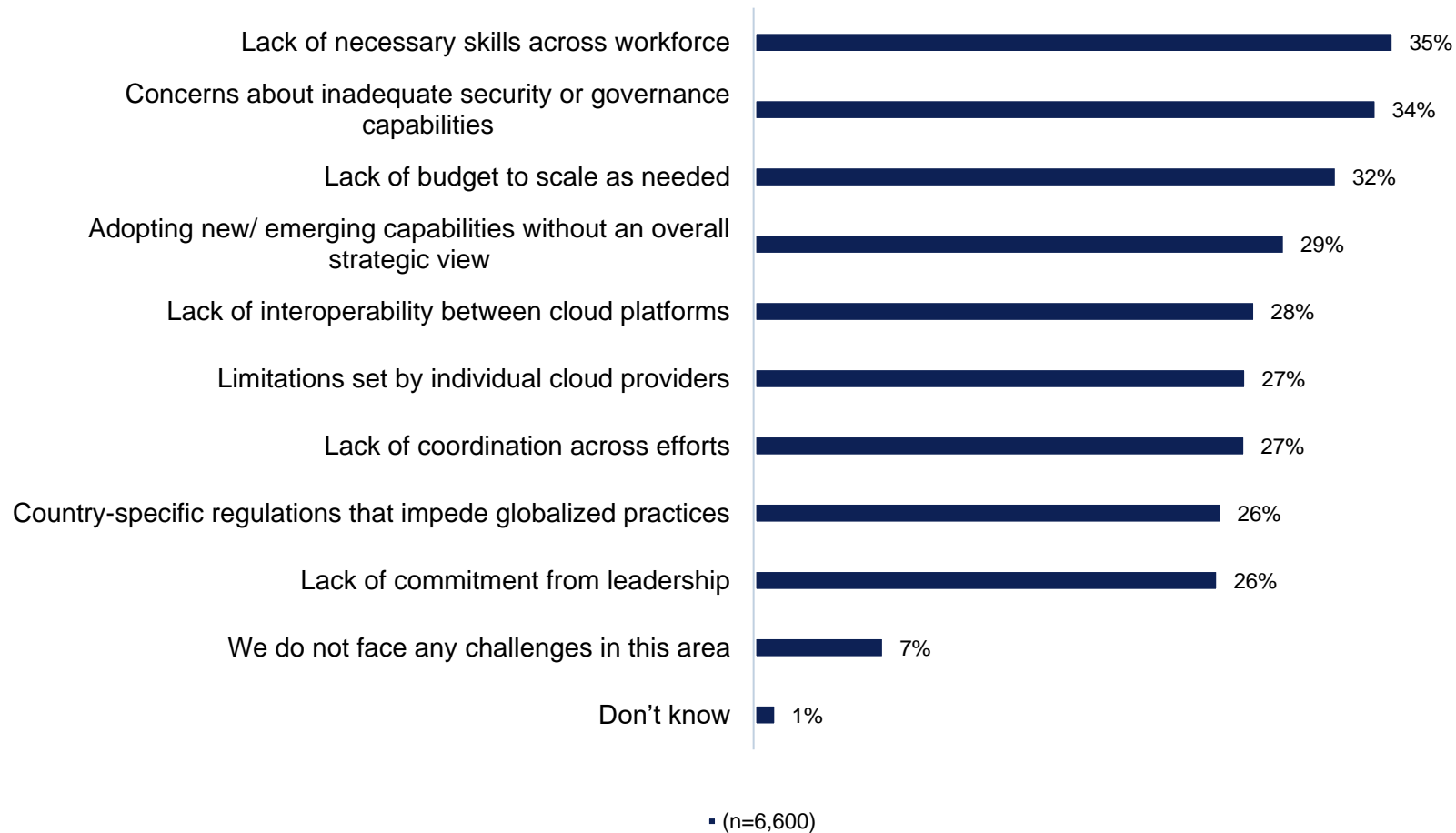


97%

of respondents believe their organization could **improve their IT infrastructure**

Challenges of a multicloud strategy

Q17. What are the biggest challenges your organization faces when building a multicloud strategy to support innovation?



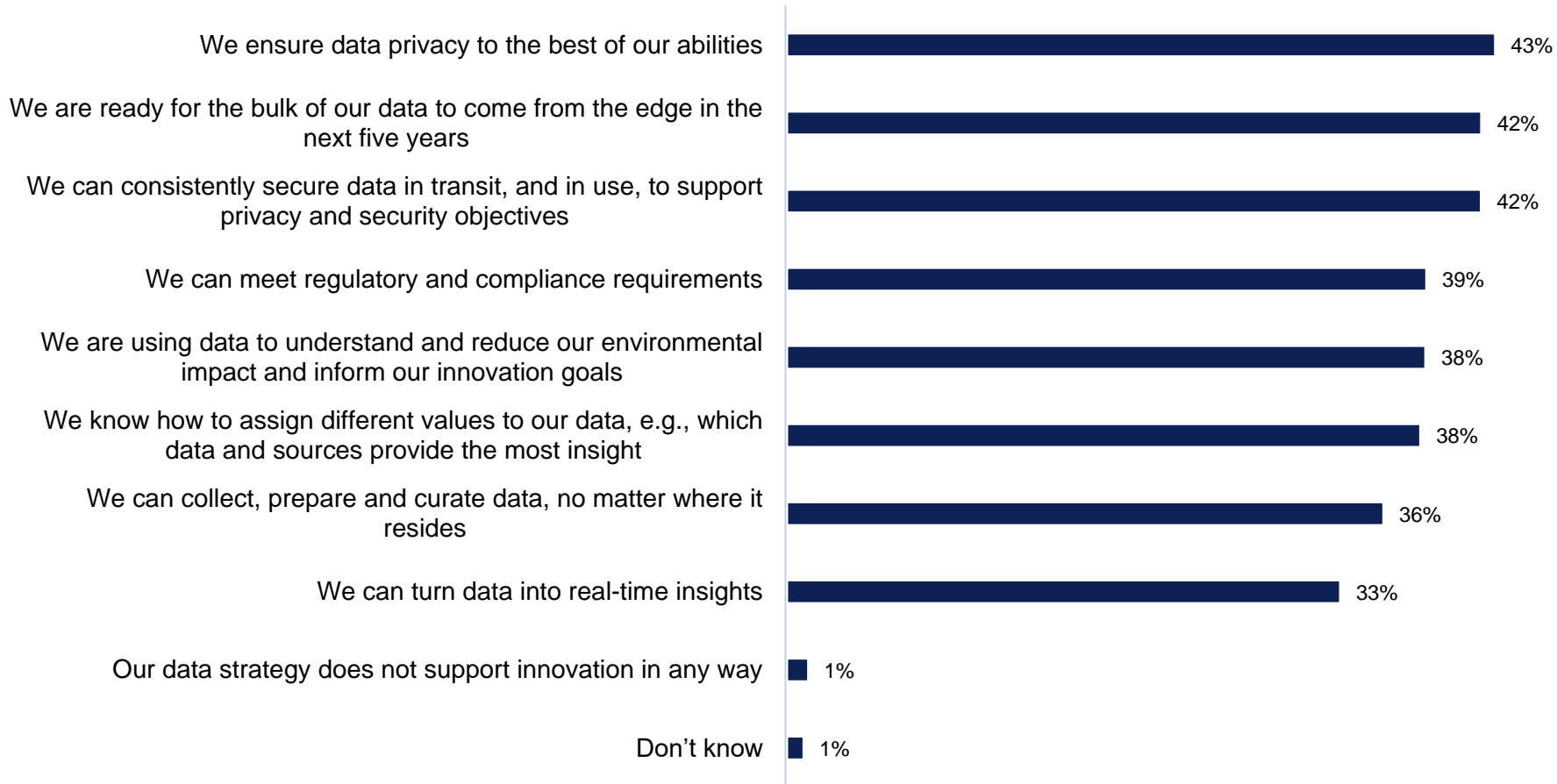
91%

of organizations face challenges when building a multicloud strategy to support innovation

Data

Supporting innovation

Q18. Thinking about your organization's data/ data strategy, what can your organization currently do to support innovation?



▪ (n=6,600)

Source: *Innovation Catalysts* study, Dell Technologies, February 2024

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Data management challenges

Q19. What are your organization's biggest data management challenges?



95%

of organizations face data management challenges

▪ (n=6,600)

Source: *Innovation Catalysts* study, Dell Technologies, February 2024

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Security

Current trends

Q20. Respondents who agree with the below statements



83%

We emphasize buying technologies/ applications with **security built into them**



82%

We utilize solutions to help us **reduce the attack surface** of our IT ecosystem



81%

We utilize **automated tools** to detect and respond to cyber threats

▪ (n=6,600)

Current trends

Q20. Respondents who agree with the below statements



78%

We can **recover** from a cyber attack and/ or leakage thanks to an Incident Response Plan (IRP)



73%

We are aware of **Zero Trust** and are pursuing it as a strategy



68%

We fear Generative AI will introduce **new** security and privacy challenges

▪ (n=6,600)

Current trends

Q20. Respondents who agree with the below statements



67%

We believe some **employees go around IT security guidelines/ practices** because they delay efficiency/ productivity



75%

Our security operations mostly consist of **patch management/ security updates**



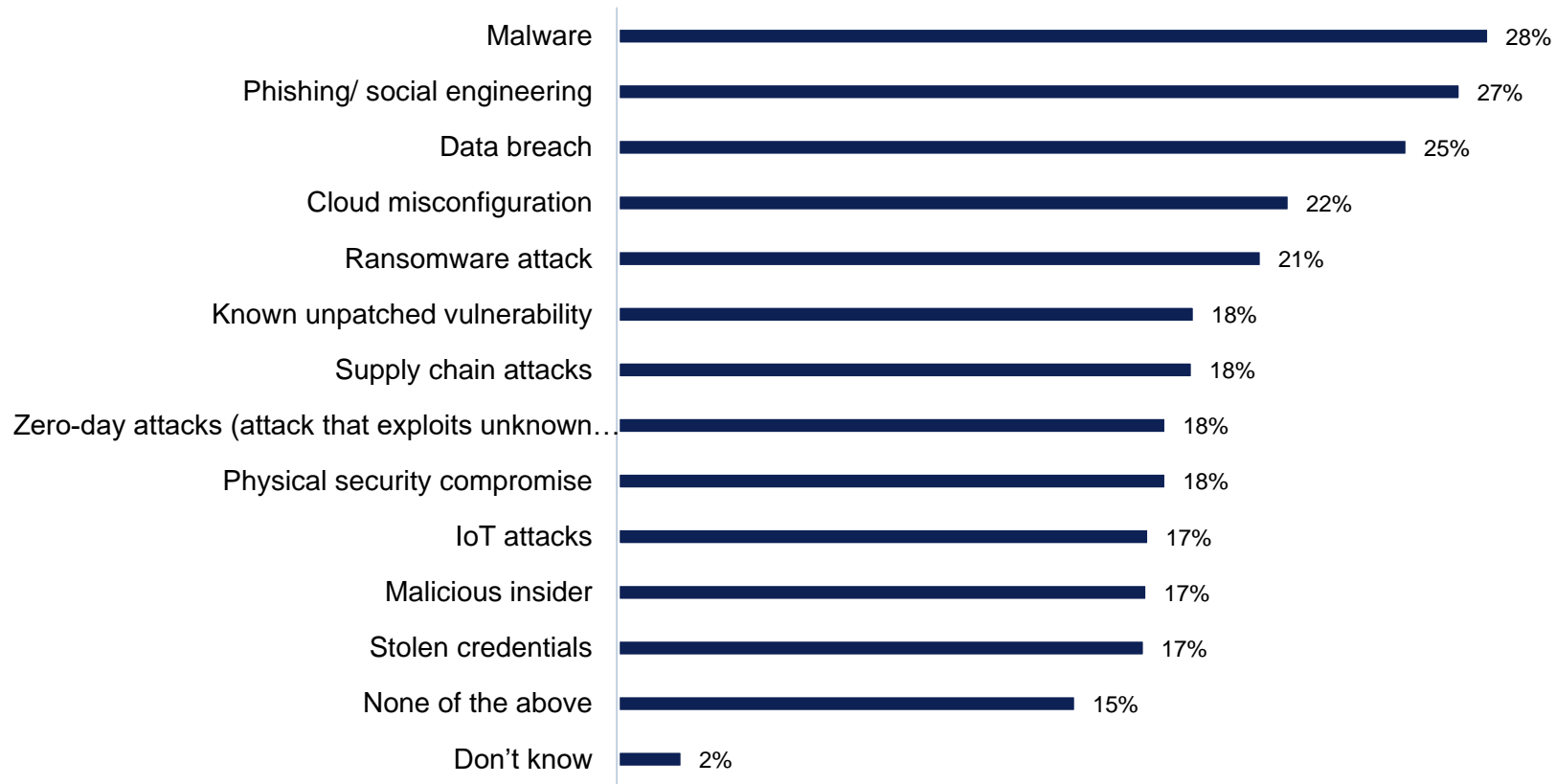
65%

Insider threats are a big concern

▪ (n=6,600)

Security attacks

Q21. Which of the following security attacks have impacted your organization in the past 12 months?



▪ (n=6,600)



83%

of organizations have been **impacted by security attacks** in the past 12 months

Importance of Zero Trust

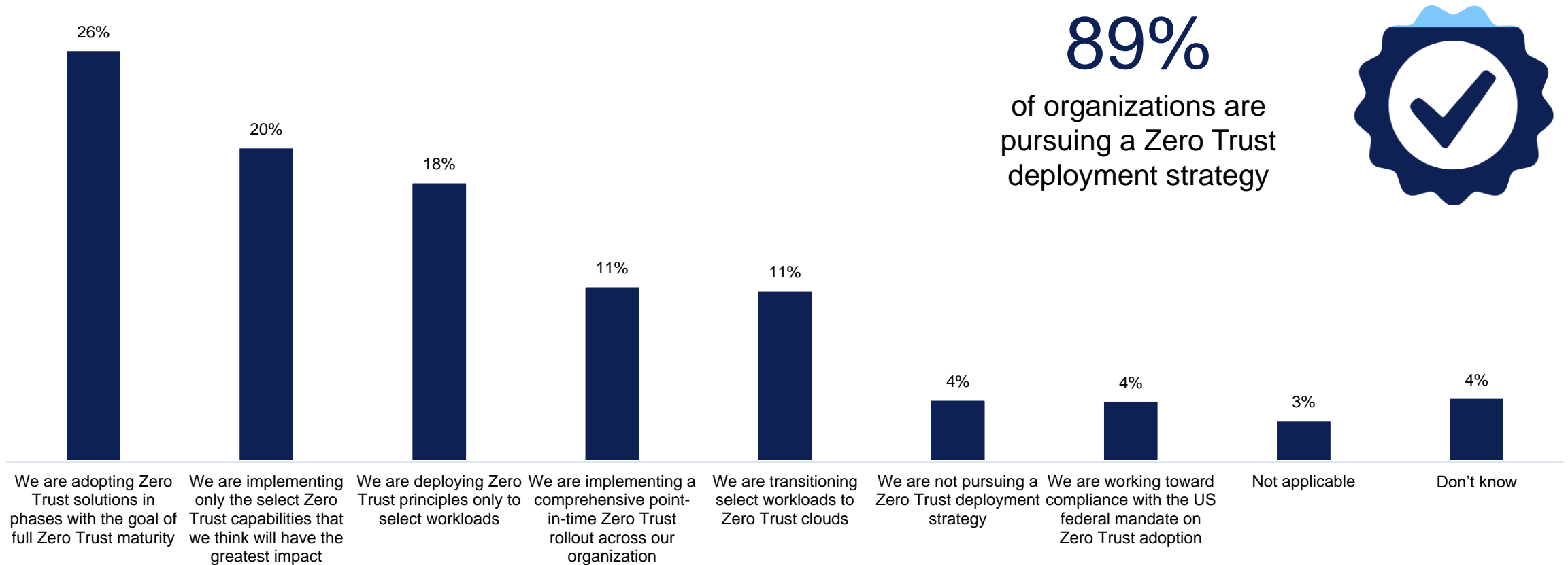
Q22. To the best of your knowledge, which of your organization's stakeholders consider a Zero Trust architecture to be most important? Combination of first to third - showing top 3

Top 3 stakeholders		
#1	Our IT department	64%
#2	Our board level employees	48%
#3	Employees outside of IT	45%

▪ (n=3,300)
Only asked to IT decision makers

Zero Trust strategy

Q23. When thinking about your organization's Zero Trust plans, how would you best describe your deployment strategy?



▪ (n=6,600)

Sustainability

Environmental sustainability priorities

Q24. What are your organization's most important environmental sustainability priorities? Combination of first to fifth - showing top 5

Top 5 environmental sustainability priorities		
#1	Procuring/ utilizing goods that are more sustainable (e.g. uses recycled materials, recyclable packaging, etc.)	45%
#2	Improving energy efficiency	45%
#3	Using technology/ AI/ ML/ Data Science to inform and optimize sustainability efforts	43%
#4	Improving Environmental, Social and Governance (ESG) reporting and compliance	42%
#5	Minimizing waste and contributing to the circular economy	41%

▪ (n=6,600)



98%

of organizations have environmental sustainability priorities

Steps towards sustainability

Q25. Respondents who agree with the below statements



79%

We have a **clear sustainability roadmap** for our company with defined goals to reduce our carbon footprint

▪ (n=6,600)



74%

We use **alternative cooling solutions** to help us reduce energy use in the data center (e.g. Air cooling, liquid cooling)

▪ (n=3,300)
Only asked to IT decision makers



73%

We are actively **moving our AI inferencing to the edge** to become more energy efficient (e.g., smart buildings)

▪ (n=6,600)



79%

We are **experimenting with as-a-Service solutions** to manage our IT environment more efficiently to reduce our energy costs and carbon footprint

▪ (n=3,300)
Only asked to IT decision makers

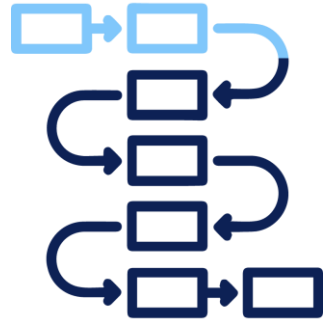
Steps towards sustainability

Q25. Respondents who agree with the below statements



80%

We have **defined and time-bound plans in place** to properly retire or recycle end-of-life IT equipment



82%

We are investing in **products with extended lifecycles** (e.g. repairability, upgradability, durability)



81%

My **technology vendor needs to have transparent and clear sustainability goals** and demonstrate accountability for the emissions generated across their value chain



73%

We need the **help of a third-party partner** to achieve our sustainability goals

• (n=6,600)

Steps towards sustainability

Q25. Respondents who agree with the below statements



79%

I understand all the **environmental regulations** my organization needs to comply with

▪ (n=6,600)



Generative AI, the innovation accelerator

Current perceptions

Q26. Respondents who agree with the below statements



82%

There will be **greater human and machine partnership** within five years



79%

Machines won't replace us; they will augment our capabilities and human productivity will reach new heights



73%

Our data and intellectual property are **too valuable** to be placed in a GenAI tool where a third party may have access



83%

AI will be an essential part of security tools and their ability to catch bad actors and unauthorized activity

▪ (n=6,600)

Current perceptions

Q26. Respondents who agree with the below statements



65%

The jobs and skills needed in 2030 **haven't been invented yet**



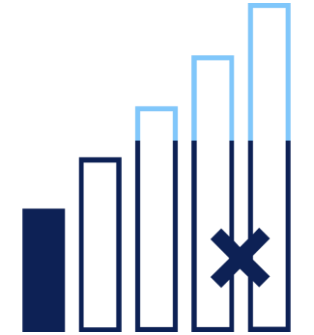
71%

GenAI tools will increase the **digital divide**



82%

Customers/ citizens will **demand transparency** on the use of GenAI



58%

Using AI will **compromise** our environmental sustainability efforts

▪ (n=6,600)

Current perceptions

Q26. Respondents who agree with the below statements



83%

Receiving AI regulations **right now** is important to maximize the potential of AI for generations to come



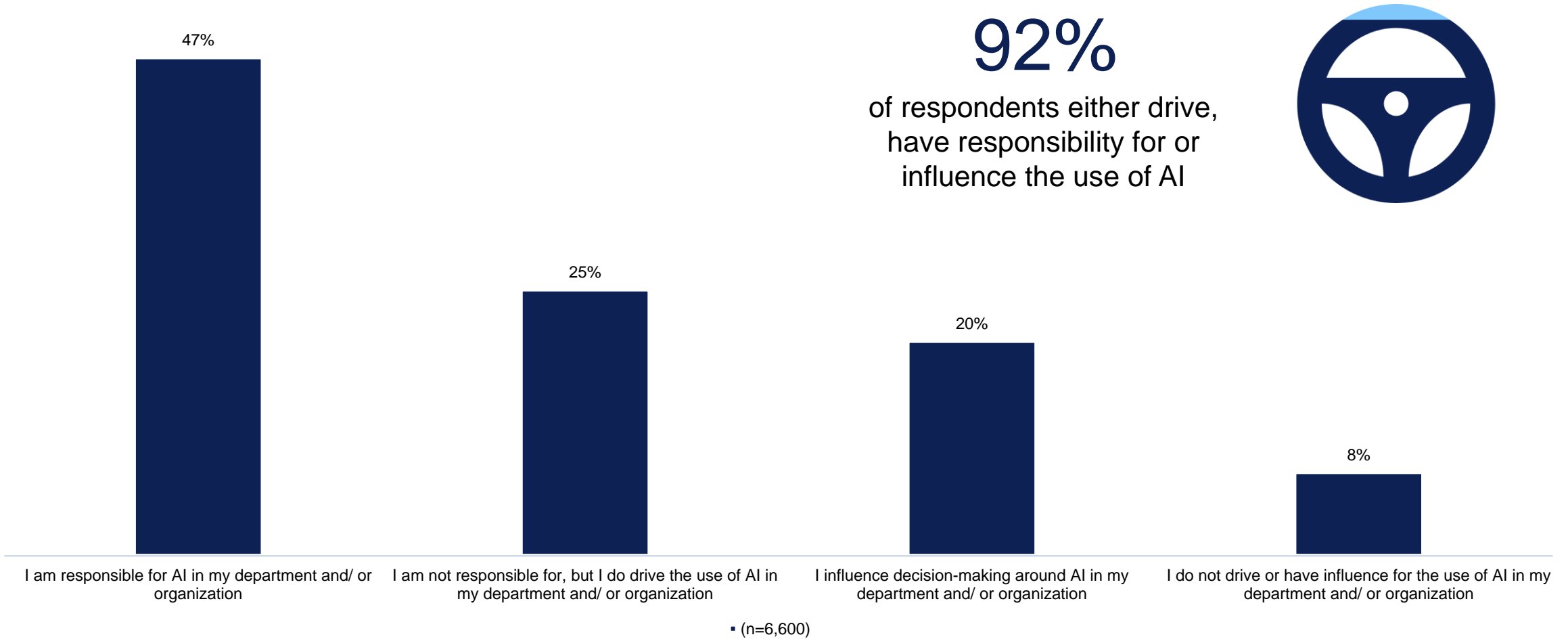
74%

Concentration of AI strength in too few hands will create competitive challenges and **market imbalances**

▪ (n=6,600)

Influence over AI

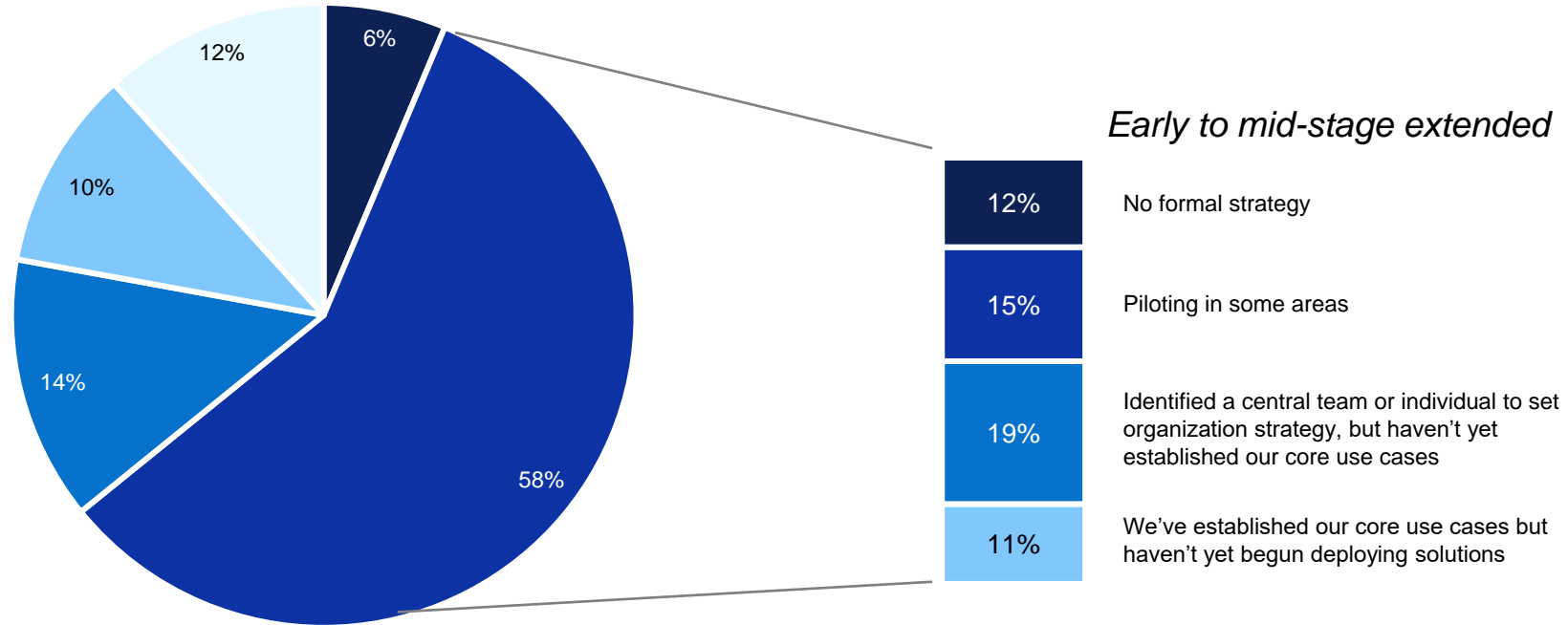
Q27. What is your role when it comes to driving or influencing AI within your department and organization?



GenAI strategy, use cases and considerations

GenAI journey status

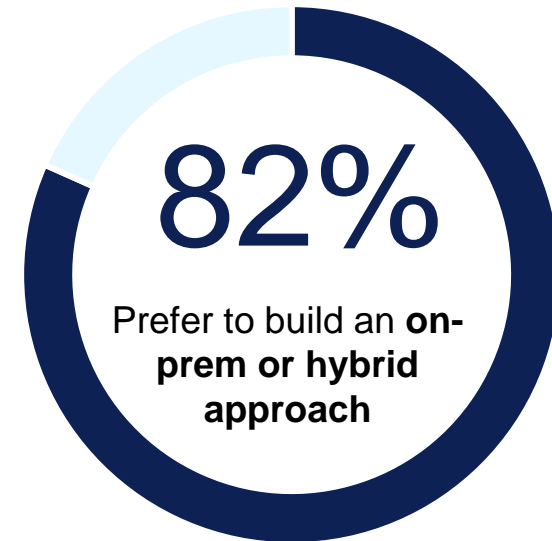
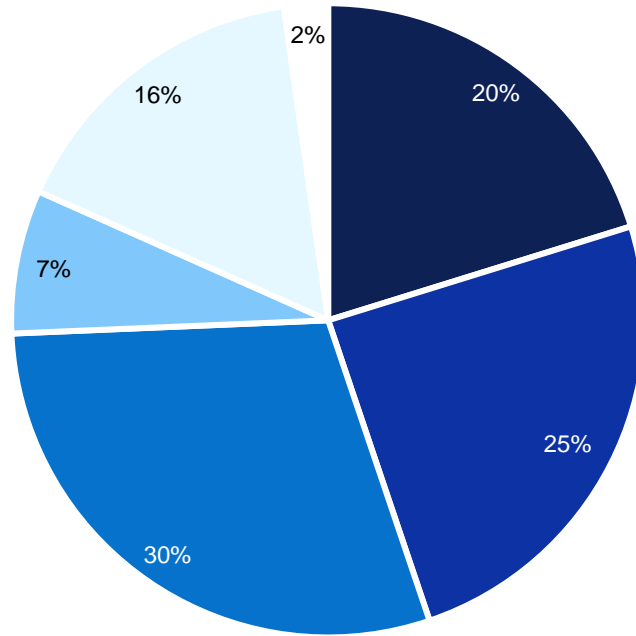
Q28. Which of the following best describes where your organization is at in its GenAI journey?



- Organizational policy has banned GenAI use (n=6,600)
- Early to mid-stage (see column chart on the right) (n=6,600)
- We've begun the process of deploying solutions for GenAI, but haven't begun engaging our data science teams to build/ retrain internal models (n=6,600)
- We're engaging the data science team to build or retrain our own models, but haven't yet rolled them out to the broader organization (n=6,600)
- We're well-established with GenAI solutions, rolling out tools to employees and training them appropriately (n=6,600)

Use and procurement of GenAI

Q29. When thinking about your organization's use/ procurement of GenAI, which would be its preference?

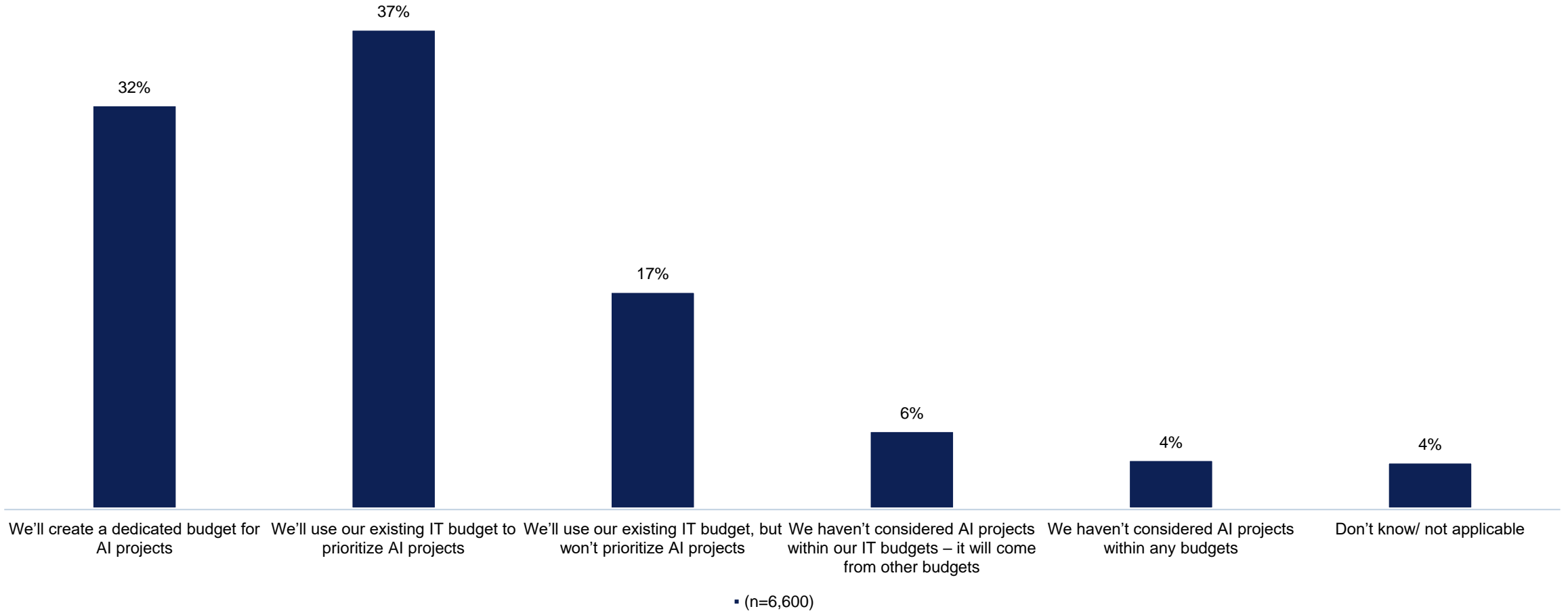


- Prefer to purchase a public cloud model (n=3,300)
- Prefer to use open-source or other models on-premises for inferencing (n=3,300)
- Prefer to retrain an existing model using our data in our own environment (i.e., colo, edge, on-premises data center) (n=3,300)
- We would rather build our own model from scratch (n=3,300)
- We will classify our data and use a hybrid approach to model building based on use cases and sensitivity (n=3,300)
- Don't know (n=3,300)

Only asked to IT decision makers

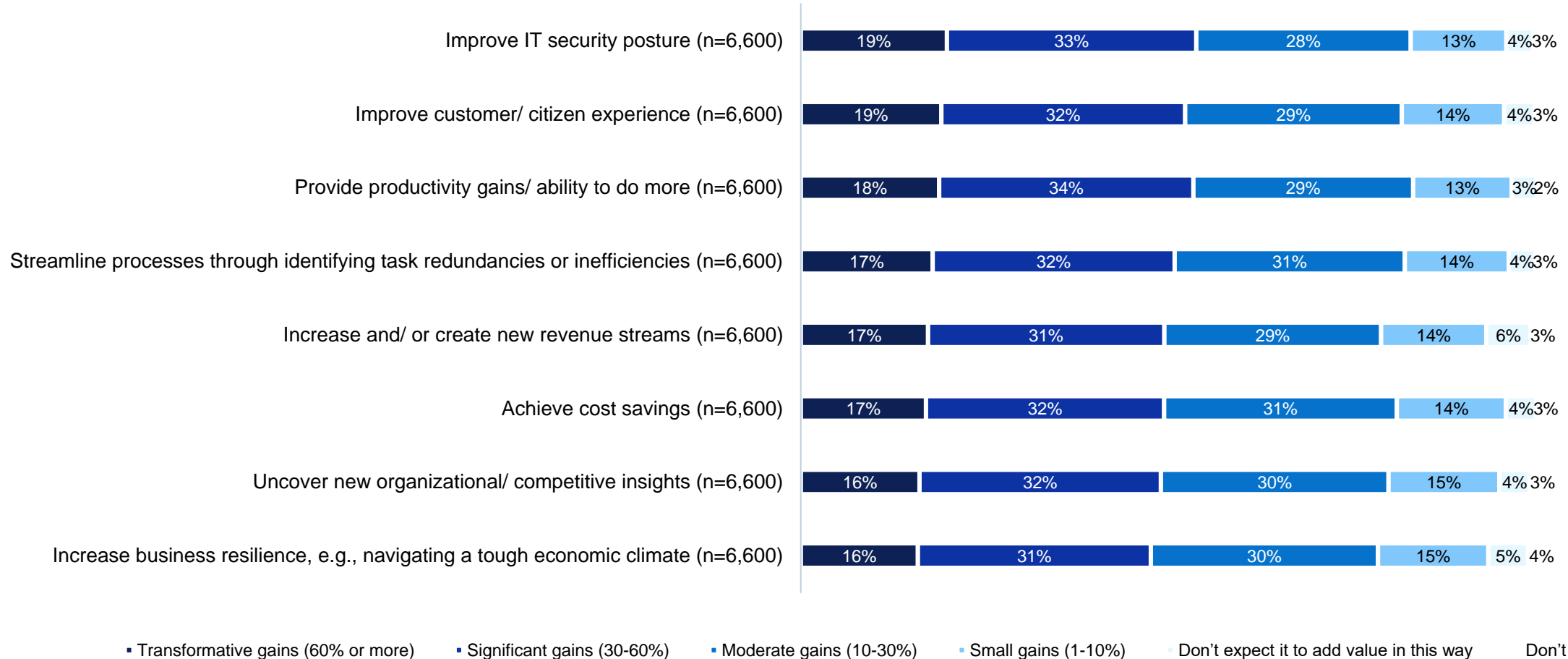
Budget for AI investment

Q30. Which of the following best describes how your organization's AI investments will impact your overall IT spending over the next 12 months?



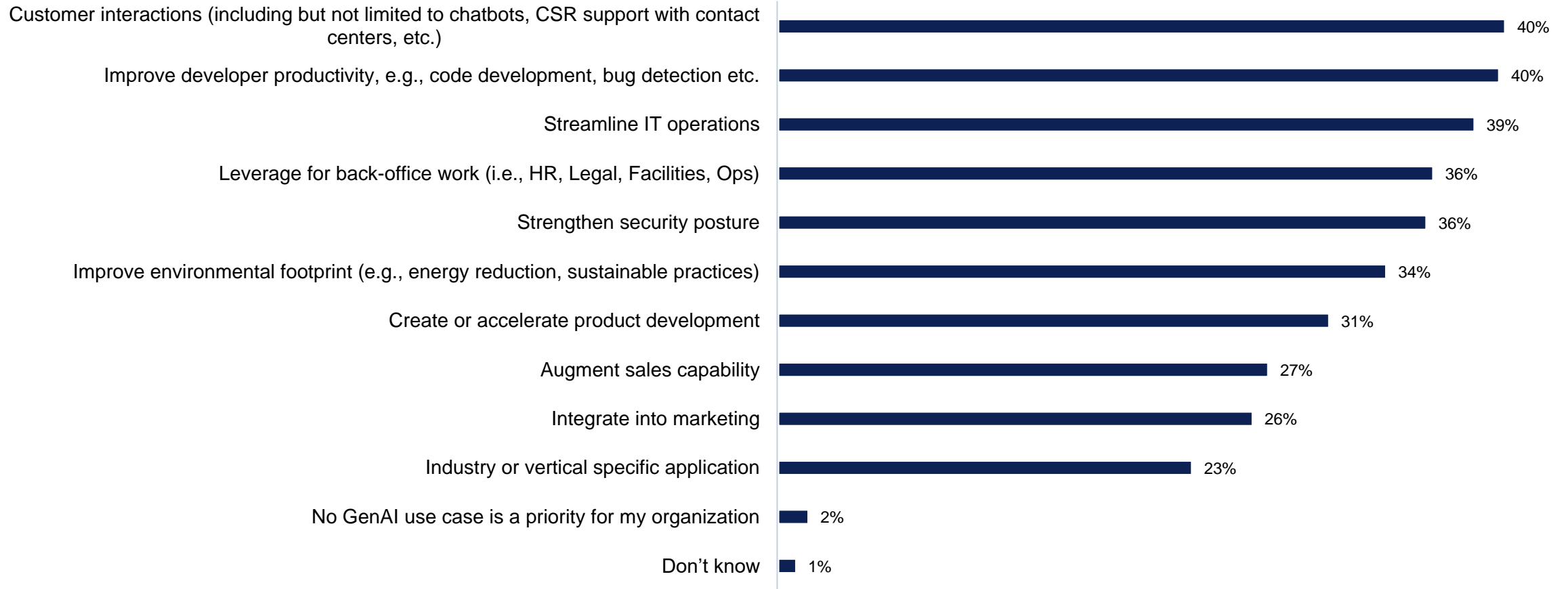
GenAI's value potential

Q31. In your opinion, how much potential does GenAI have to deliver value for your organization across the following business outcomes?



GenAI use cases

Q32. Which use cases in your organization do you believe GenAI should be first applied?



▪ (n=6,600)

AI integration

Q33. Respondents who agree with the below statements



82%

Data is the differentiator, and our GenAI strategy must involve using and protecting that data

▪ (n=6,600)

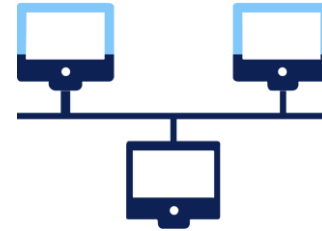


73%

We have the **flexibility to scale** our GenAI projects at any time

▪ (n=6,190)

Only asked those whose organization has not banned GenAI use



77%

We would like to consume **enterprise-specific AI models as a service**

▪ (n=6,600)



77%

Ultimately, the **organization**, rather than the machine, the user or the public, **is responsible for any AI malfunction** or undesired behavior

▪ (n=6,600)

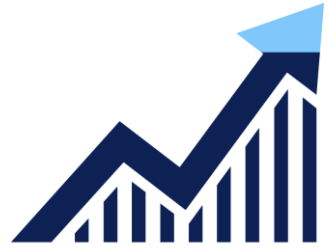
AI integration

Q33. Respondents who agree with the below statements



68%

We are concerned about the **closed system nature of AI and its potential for bias**, IP infringement, and other risks we don't understand



79%

Bringing AI to my data creates **more value** for the organization because we control it, the data is fresh, and we have secure access



70%

We're working to **limit the energy consumption** of GenAI by right-sizing our model



72%

An increase in litigation as trademarks, copyrights, and trade secrets compromised by GenAI have/ will become a **legal hot button issue**

▪ (n=6,600)

Responsible AI

Using GenAI responsibly

Q34. How can organizations ensure that GenAI is used responsibly? - showing top 5 most common answers

Top 5 ways organizations can ensure GenAI is used responsibly	
Ensure there is human oversight over AI tools and to intervene as needed to warrant equitable results	41%
Ensure that the technology is regulated appropriately with innovation, safety, and transparency at the core	40%
Make sure that AI tools respect users' expectations of privacy and security	39%
Create risk management processes to measure the risks associated with AI-powered systems	37%
Make AI tools that are explainable, traceable, and transparent	37%

▪ (n=6,600)



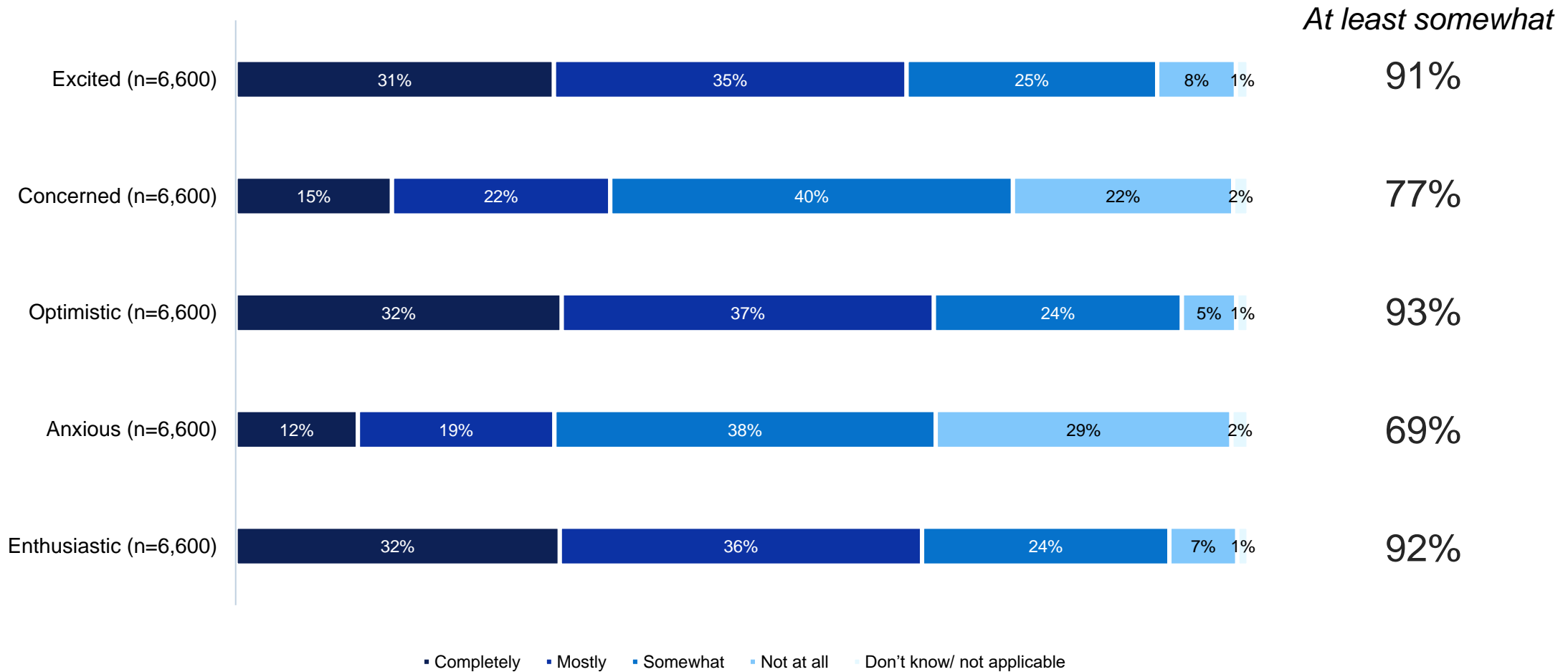
97%

of respondents think organizations can **use GenAI responsibly**

GenAI impact on talent, skills and behaviors

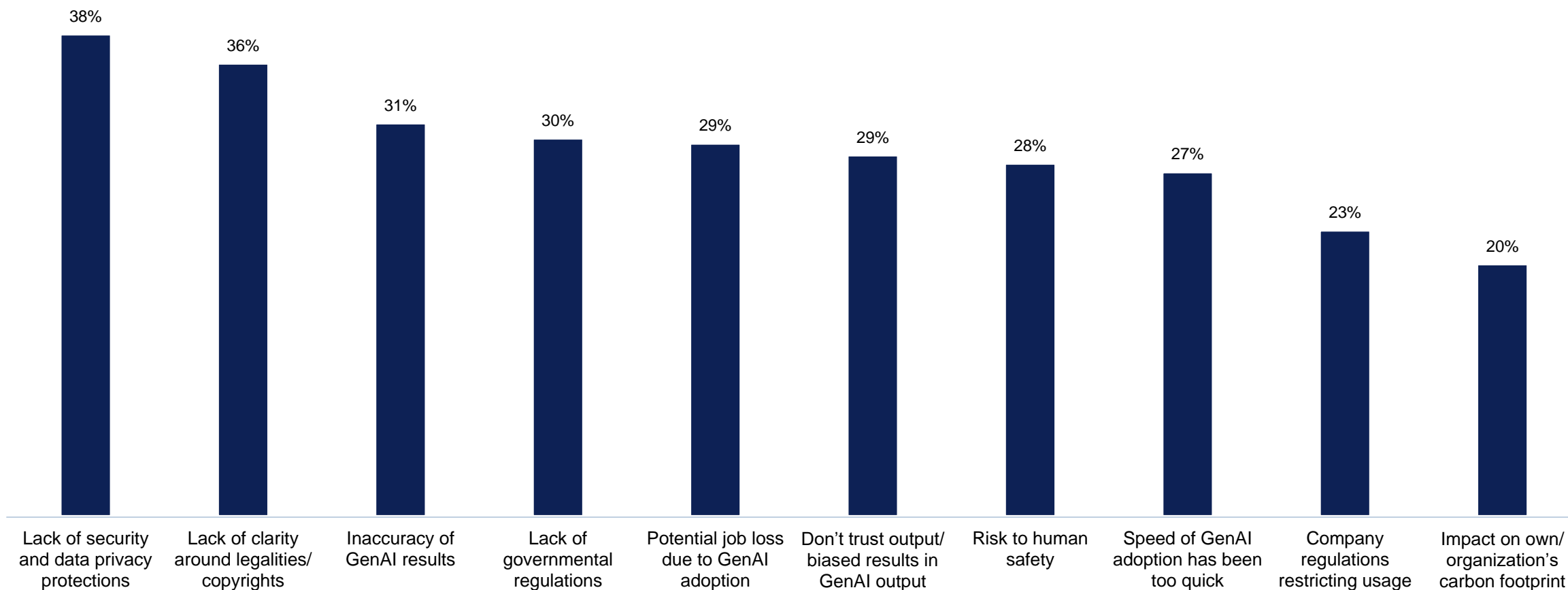
Personal feelings towards GenAI's potential

Q35. Across the following areas, what are your personal feelings about the potential GenAI can have on your organization?



GenAI - reasons for lack of excitement

Q36. You previously indicated that you were not completely excited by GenAI. Which of the following are reasons you are not very excited (have some concerns)?

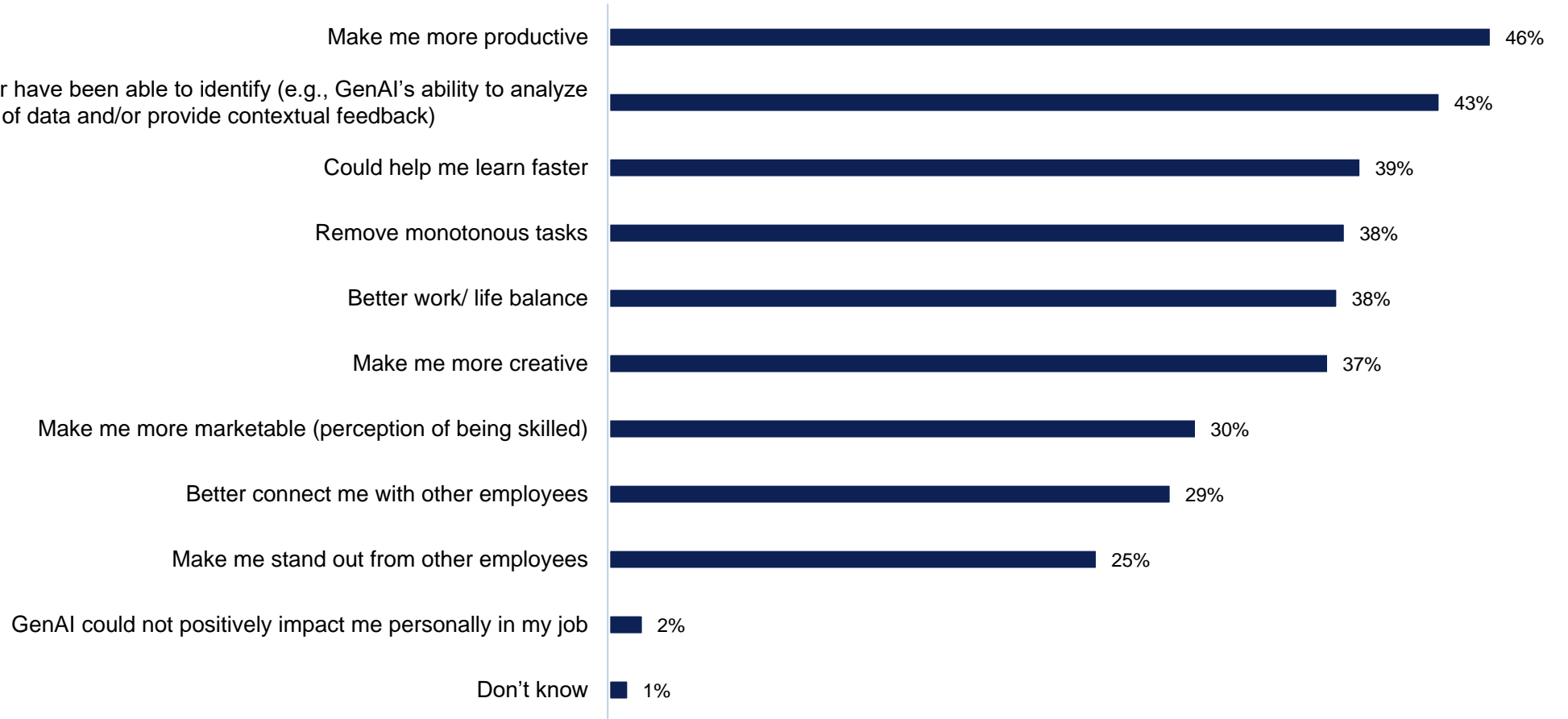


▪ (n=4,444)

Only asked to respondents who are not "completely" excited about GenAI

GenAI's positive personal impact

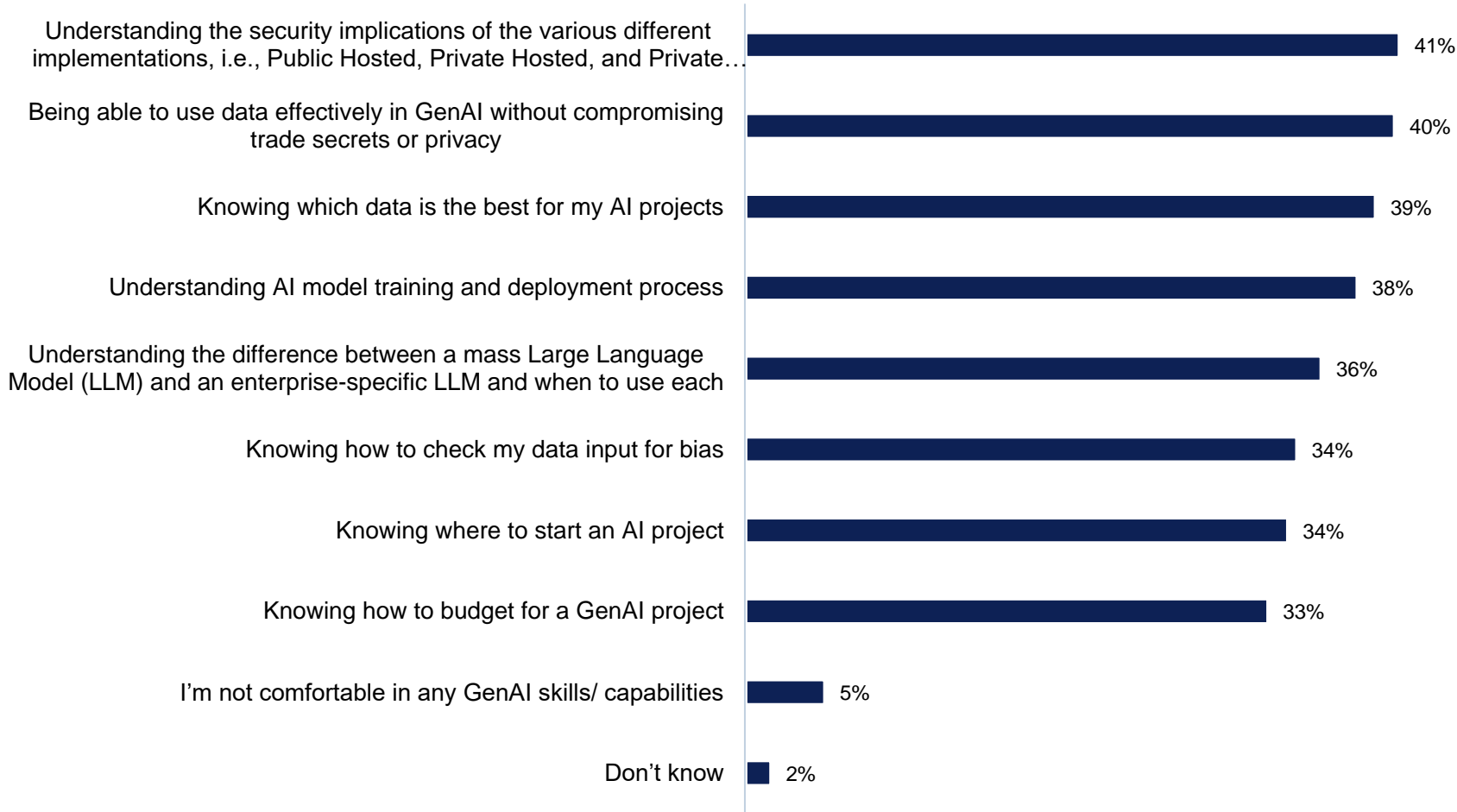
Q37. How could the use of GenAI positively impact you personally in your job?



▪ (n=6,600)

GenAI skills

Q38. Which of the following capabilities and/or skills around GenAI are you comfortable in?



▪ (n=6,600)



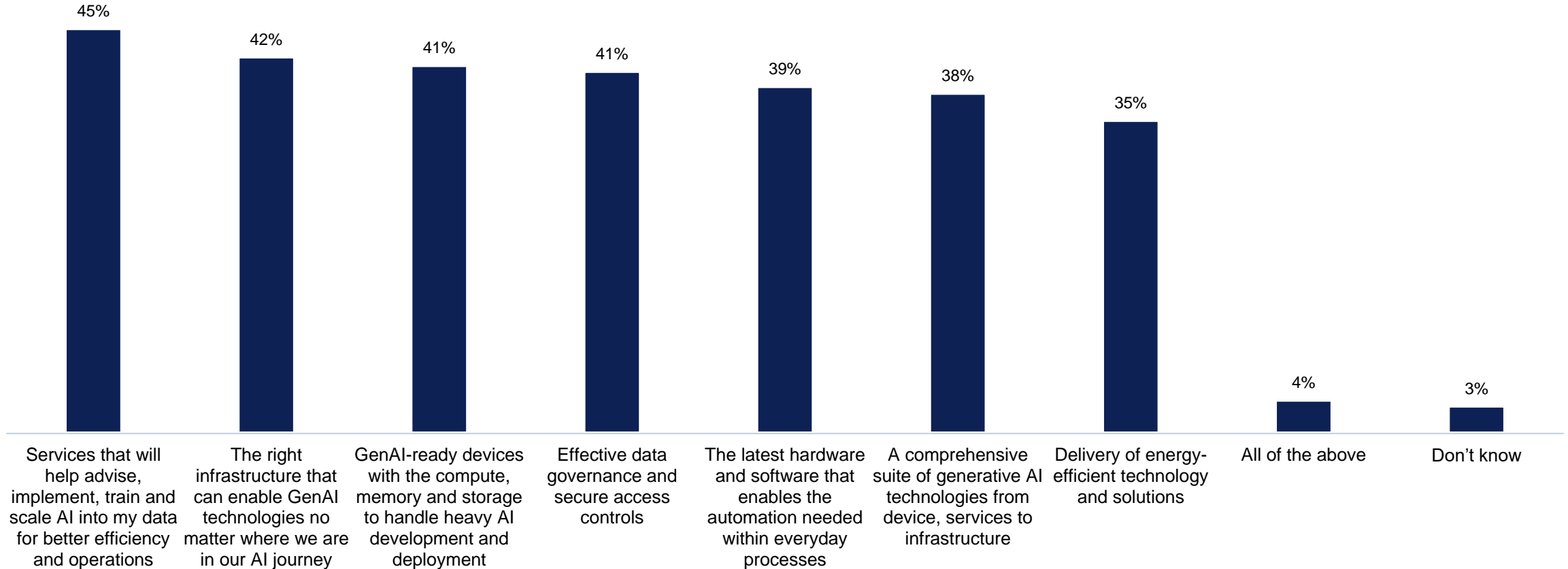
93%

of respondents are comfortable in some GenAI skills

Expectations from technology vendors

Anticipated GenAI partner requirements

Q39. What are your anticipated requirements from a technology partner in the context of GenAI?



▪ (n=6,600)

AI implications on data

Optimizing data in the GenAI era

Q40. What are the most important attributes to consider when optimizing the use of data in the GenAI era?



Data challenges

Q41. What are your organization's biggest challenges when identifying, preparing and/ or using data for AI and/ or GenAI use cases?

Top 5 challenges when identifying, preparing and/or using data for AI		
#1	Ensuring data privacy/ security (protecting from data leakage/ loss of IP)	37%
#2	Limited data availability/ transparency (i.e., unable to use multiple/ all data sources across sources and people, up and down the supply chain)	33%
#3	A lack of internal expertise in data science and AI	33%
#4	Handling sensitive or private data in compliance with regulations	32%
#5	Dealing with messy or incomplete data that requires cleaning and preprocessing	31%

▪ (n=6,600)



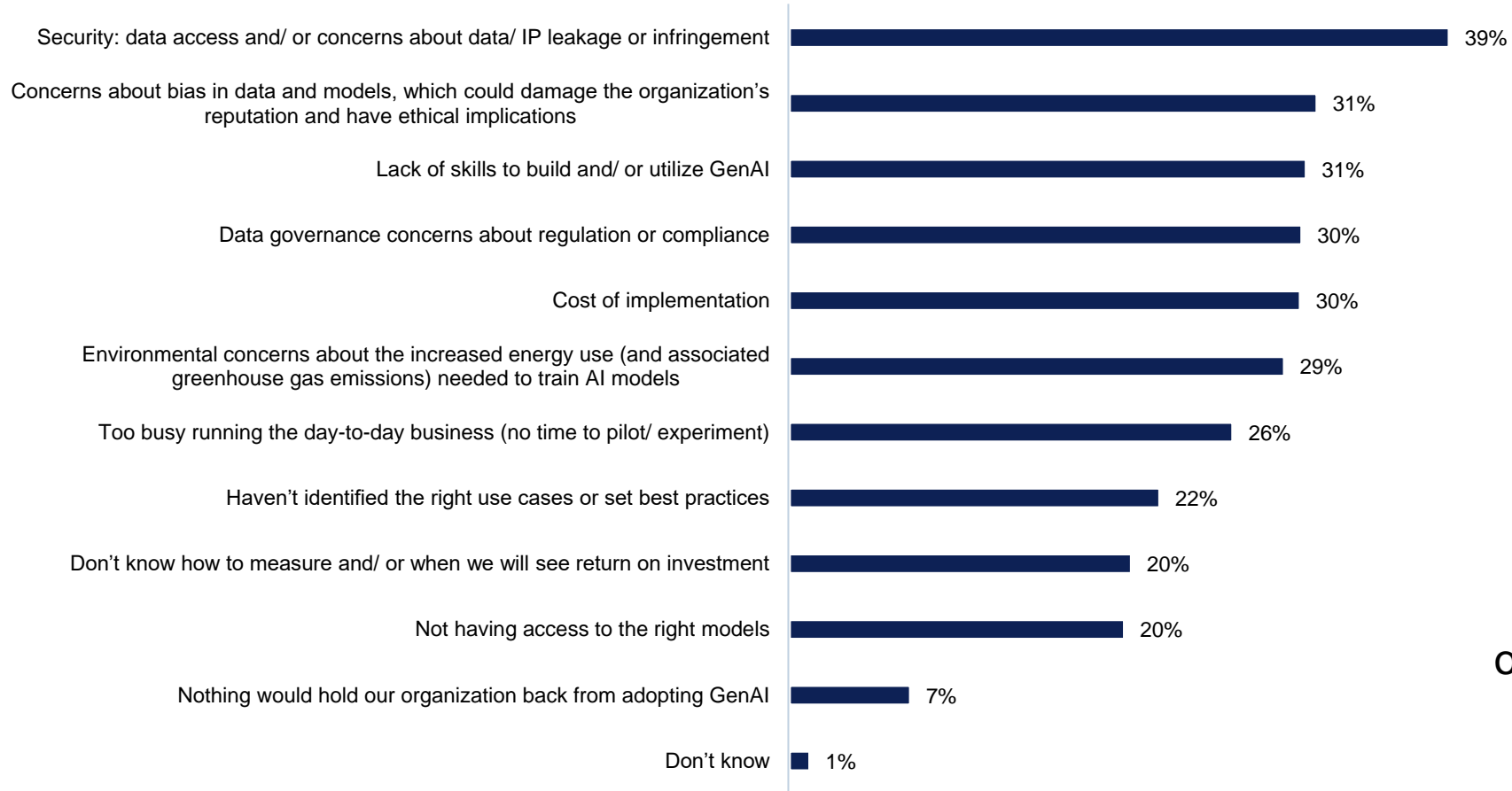
94%

of organizations anticipate facing challenges when identifying, preparing and/or using data for AI

GenAI adoption challenges

Challenges holding back GenAI adoption

Q42. What, if anything, would hold your organization back from adopting GenAI?



▪ (n=6,600)



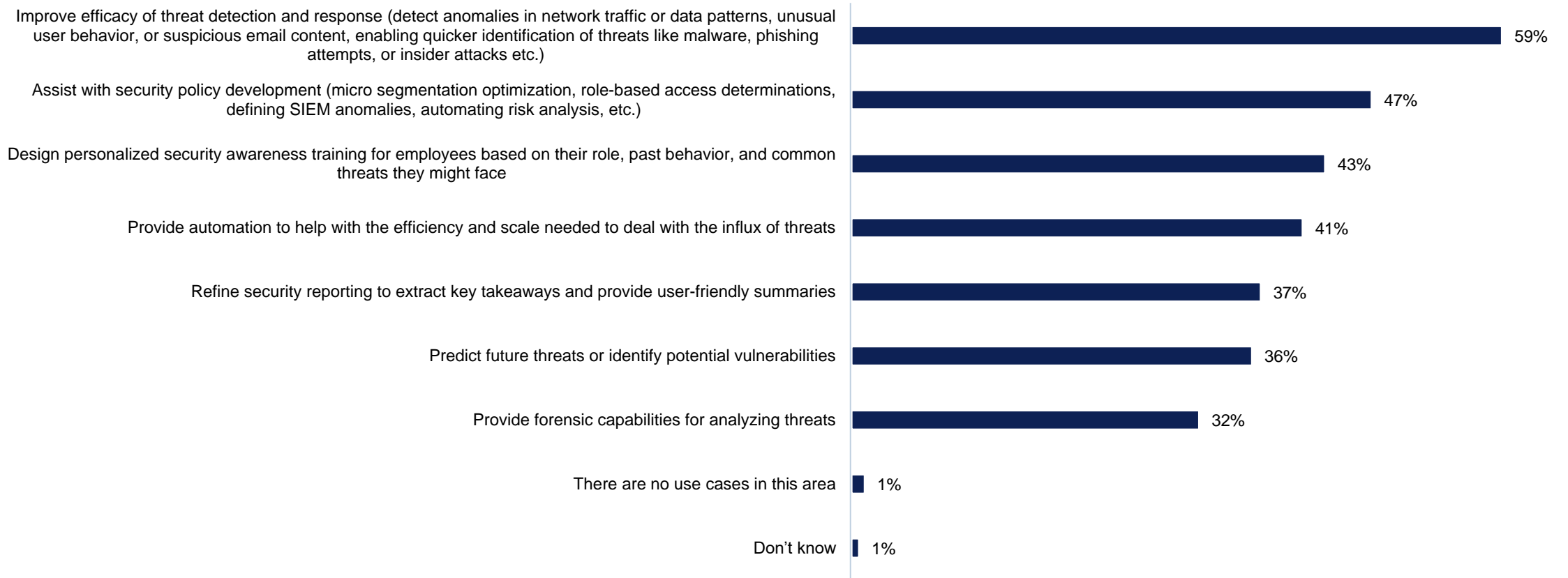
91%

of organizations are being held back from adopting GenAI

GenAI implications on security

GenAI IT security use cases

Q43. When considering IT security, in which use cases could GenAI be used to optimize and or improve your organization's security posture?



▪ (n=3,300)

Only asked to IT decision makers

AI outlook and regulation

Preparing for AI/GenAI utilization

Q44. Respondents who agree with the below statements



76%

I'm confident that we have the **right multicloud strategy** to handle the high volume and intensity of generative AI workloads

Only asked those whose organization has a multicloud environment

▪ (n=6,532)



75%

We use private/ on-prem solutions over public cloud providers to ensure that GenAI applications are **properly secured** and that the data they process is protected

Only asked those whose organization has not banned GenAI use

▪ (n=6,190)



81%

GenAI tools will help deploy **more intuitive, personalized applications** to my workforce

▪ (n=6,600)

Preparing for AI/GenAI utilization

Q44. Respondents who agree with the below statements



76%

I feel confident we can design a GenAI solution to meet **real-time needs and avoid data gravity**



73%

We know how to manage AI workloads **securely at the edge**



80%

AI and/or GenAI can(/could) help us prevent, detect, and respond to **out-of-policy threats** and behavior from our workforce

▪ (n=6,600)

GenAI regulations

Q44. Respondents who agree with the below statements



81%

There should be **stricter regulation** and legislation around the use of data used for GenAI



74%

We should **put our own GenAI governance in place** rather than waiting for government regulations

▪ (n=6,600)

Methodology:

Dell Technologies commissioned independent market research specialist Vanson Bourne to conduct this research. The study surveyed 6,600 respondents from organizations with 100+ employees from across the following regions: North America, LATAM, EMEA, APJ and Greater China. These organizations are from a range of public and private sectors.

All respondents either drive or influence innovation in their organization. Of the total number of respondents, 3,330 are IT decision-makers (ITDMs) and 3,330 are business decision-makers (BDMs).

The interviews were conducted online and via telephone in September, October and November 2023 and were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

About Dell Technologies:

Dell Technologies helps organizations and individuals build their digital future and transform how they work, live and play. The company provides customers with the industry's broadest and most innovative technology and services portfolio for the data era. www.delltechnologies.com.

About Vanson Bourne:

Vanson Bourne is an independent specialist in market research for the technology sector. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and their ability to seek the opinions of senior decision-makers across technical and business functions, in all business sectors and all major markets. www.vansonbourne.com.

