IDC

Intelligent Regeneration:
A Strategic Guide to Thriving in the AI Era

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Introduction

This e-book provides a comprehensive look at the new approach organizations should take to business regeneration in the AI age. It explores the key components of the transformation, potential challenges, implementation strategies, and future prospects.

The content is structured as follows:

Business Regeneration in the AI Era

The various stages of digital maturity and how technology enables key aspects of businesses in key industries

1

Challenges to Intelligent Business Regeneration

The key factors hindering business growth and regeneration

2

Best Practices to Build a Successful Tech-driven Business

The importance of a cohesive digital strategy and an integrated tech environment in driving regeneration

3

About e& Enterprise

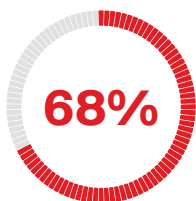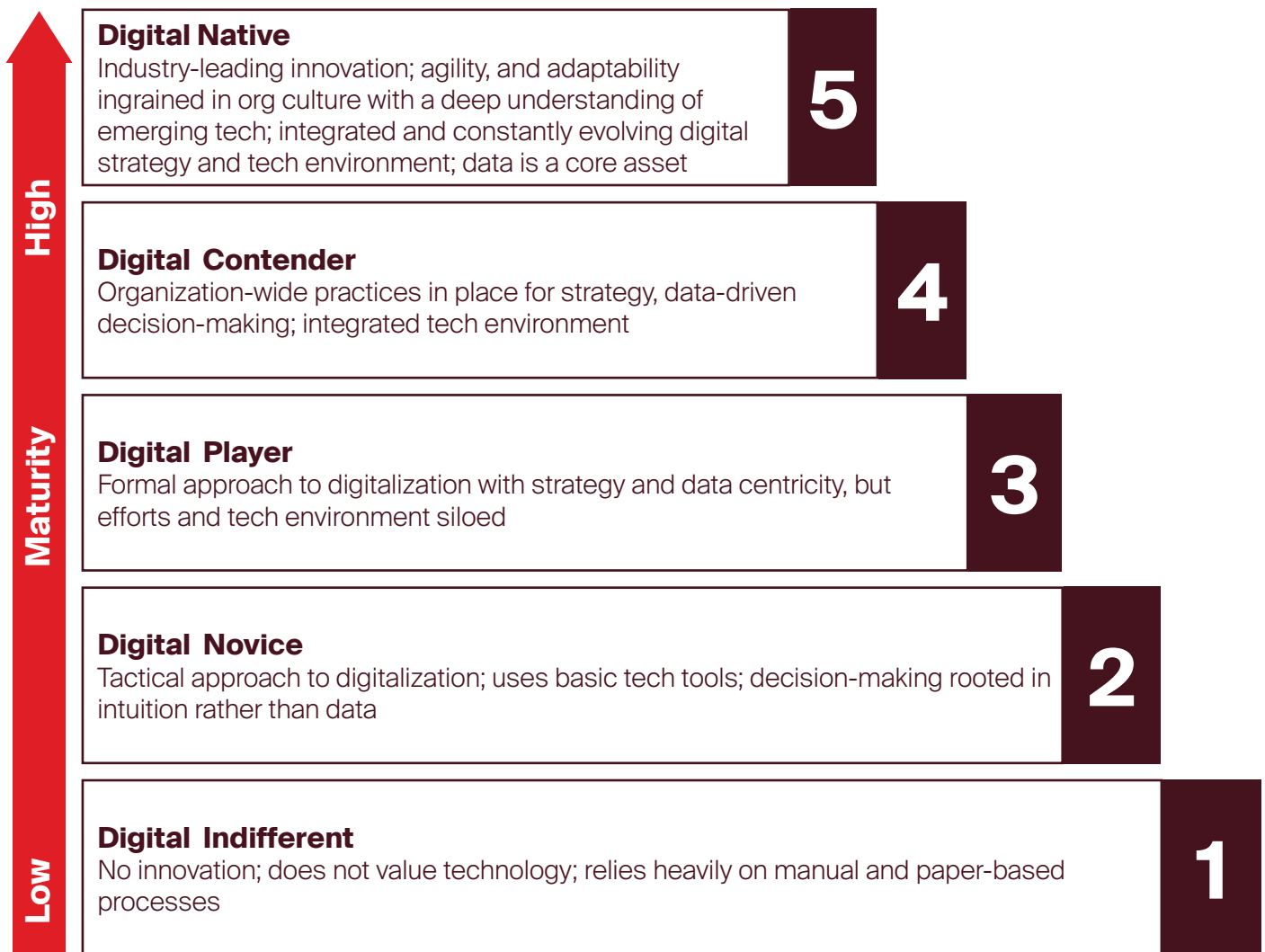How e& Enterprise enables digital-first business

4

Business Regeneration in the AI Era
Assessing the Digital Maturity of a Business

The past few years have been remarkable for digital technologies, which have been crucial in driving business transformation. Digital technologies have become essential for organizations to thrive in uncertain environments and adapt to the rapid pace of change.

As the world fast-tracks into the AI era, organizations are increasingly adopting a new approach to business regeneration. Digital solutions are becoming the primary tools used by executives to tackle business challenges, manage risks, and achieve their organizations' key missions and priorities. In a world where the digital economy fuels growth, decision-makers must assess their organization's level of digital maturity.

The Five Stages of Digital Maturity

Digital Native
Industry-leading innovation; agility, and adaptability ingrained in org culture with a deep understanding of emerging tech; integrated and constantly evolving digital strategy and tech environment; data is a core asset
5

Digital Contender
Organization-wide practices in place for strategy, data-driven decision-making; integrated tech environment
4

Digital Player
Formal approach to digitalization with strategy and data centricity, but efforts and tech environment siloed
3

Digital Novice
Tactical approach to digitalization; uses basic tech tools; decision-making rooted in intuition rather than data
2

Digital Indifferent
No innovation; does not value technology; relies heavily on manual and paper-based processes
1

Maturity — High / Low

68% of META organizations consider themselves to be a digital business, having implemented a digital-first strategy and deploying technology at scale

Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.

Key Focus Areas of Intelligent Business Regeneration
How Digital Enhances the Key Aspects of a Business

The new approach to business regeneration aims to ensure the long-term survival and competitiveness of the organization by exploiting digital technologies and capabilities. In a tech-driven business, digital technologies will enhance the six critical areas listed below.

Hyper-Contextualized Customer Experiences

Develops deep relationships with customers at scale. For example, providing personalized experiences based on a 360-degree view of the relationship.

Seamless Employee Experiences

Creates a work model that fosters human-machine collaboration, enhances skills, and supports an environment unbound by time and space.

Data-driven Operations

Improves the efficiency and agility of operations to do more with less and enhance the resilience to support the increasing market demand for customization.

Intelligence Everywhere

Creates a data-driven organization by enhancing the availability and usage of data within an organization to improve decision-making.

Continuous Innovation

Enhances the innovation capabilities of the organization through better availability of resources, and faster time to market.

Connected Ecosystem

Improves the collaboration with partners by orchestrating the ecosystem, enhancing data availability and sharing of best practices.

Digital Priorities of Key Verticals
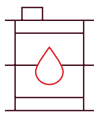## Top 3 Investment Areas of Tech-driven Businesses in Key Verticals

Government

» Sustainable government assets and operations
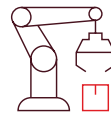» Collaborative workspaces
» Omnichannel citizen experiences

Finance

» Predictive analytics and risk management
» Identity and fraud management
» Virtual insurance advisor, GenAI claims handling

Oil & Gas

» Integrated production operations
» Connected safety wear
» Virtual geophysics

Manufacturing

» Digital supply chain
» Digitally augmented workforce
» Carbon tracking management

Retail

» Augmented/virtual product discovery and purchase
» Predictive network inventory optimization
» AI-enabled personalized recommendations

Healthcare

» Patient data privacy and protection
» Clinical workflow automation
» Health data interoperability

Digital Business Models Gaining Traction
Platform-based Business Models Now Bring Significant Revenues

A key characteristic of a tech-driven business is the shifting of revenue streams from traditional products and services to digital offerings. IDC's research shows that organizations in META derives 28% of their revenues from digital business models. This is expected to grow to 44% over the next few years showing significant growth. The top digital business models that are gaining traction to META organizations are listed below.
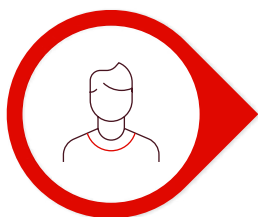
Direct-to-Consumer
Sell directly to customers avoiding the wholesale or retail middlemen

As-a-service
Provide solutions as a service on a subscription-based model

Dynamic Pricing
Varied real-time pricing based on aspects such as location and time

Virtual products Monetizing
Key approaches include paid apps, in app purchases, affiliate marketing
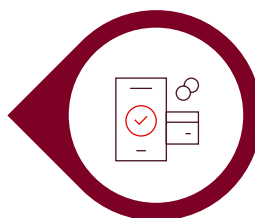
Industry Digital Ecosystem
Cloud-based networks that provide data, capabilities, best practices

API & Software Code Monetization
Monetizing APIs and code through marketplaces

Data Monetization
Monetizing data through sharing and marketplaces

Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.

Challenges to Intelligent Business Regeneration
Key Factors Hindering Business Growth and Regeneration

As organizations take a tech-driven approach to business regeneration, they face several hurdles. These pertain to four key areas: strategy, skills, systems, and data. It's imperative that organizations address these challenges to ensure rapid innovation, improve resilience, and competitiveness.
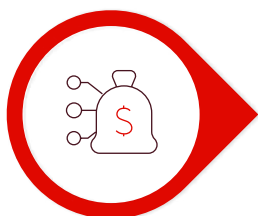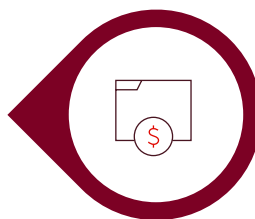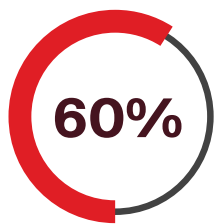
The Four Key Challenges to Tech-driven Business Regeneration faced by META Organizations

60%

Lack of Strategy & Focus
A lack of enterprise-wide technology adoption plans which stems from limited executive involvement, short-term strategic focus, and internal resistance to change.

44%
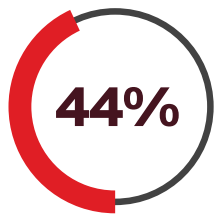
Skills Gap
A shortage of digital and tech skills that stems from brain drain and outdated training programs that fail to keep pace with rapid technological advancements.

39%
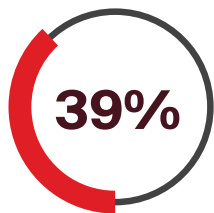
Legacy Systems
The presence of ageing and outdated IT systems caused by inadequate strategic planning, business continuity concerns, a risk-averse mindset, and resistance to change from employees.

31%
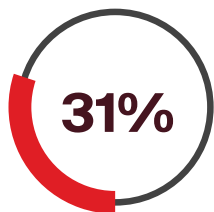
Disjoint Data
A lack of access to reliable and granular data due to fragmented IT, departmental silos, lack of a centralized data strategy, and low data literacy.

Source: *IDC Cross-Industry Survey 2024* (META, N=315).

Legacy Systems Hindering Regeneration
Legacy Systems and New Tech Areas that Need Investments to Enable a Tech-driven Business

Legacy systems often do not align with modern strategic goals, preventing organizations from implementing new business models and processes that are necessary for growth and competitiveness. They are not designed to be adaptable or scalable, which limits an organization's ability to respond to new market demands, societal changes, and technological advancements. This lack of flexibility hinders intelligent business regeneration.

Technology Areas that Needs an Overhaul or New Investments - META Organizations, 2024

78%	**73%**	**61%**	**59%**
Artificial Intelligence	Cloud	Integration Tools	Programmable Infrastructure

56%	**55%**	**55%**	**52%**
Microservices	Automation	Data Systems	APIs

42%	**42%**	**39%**	**37%**
Operational Technology	Application Operations	Security	Network & Connectivity

28%
Business Applications

Security to be even more prominent with quantum computing posing significant security risks
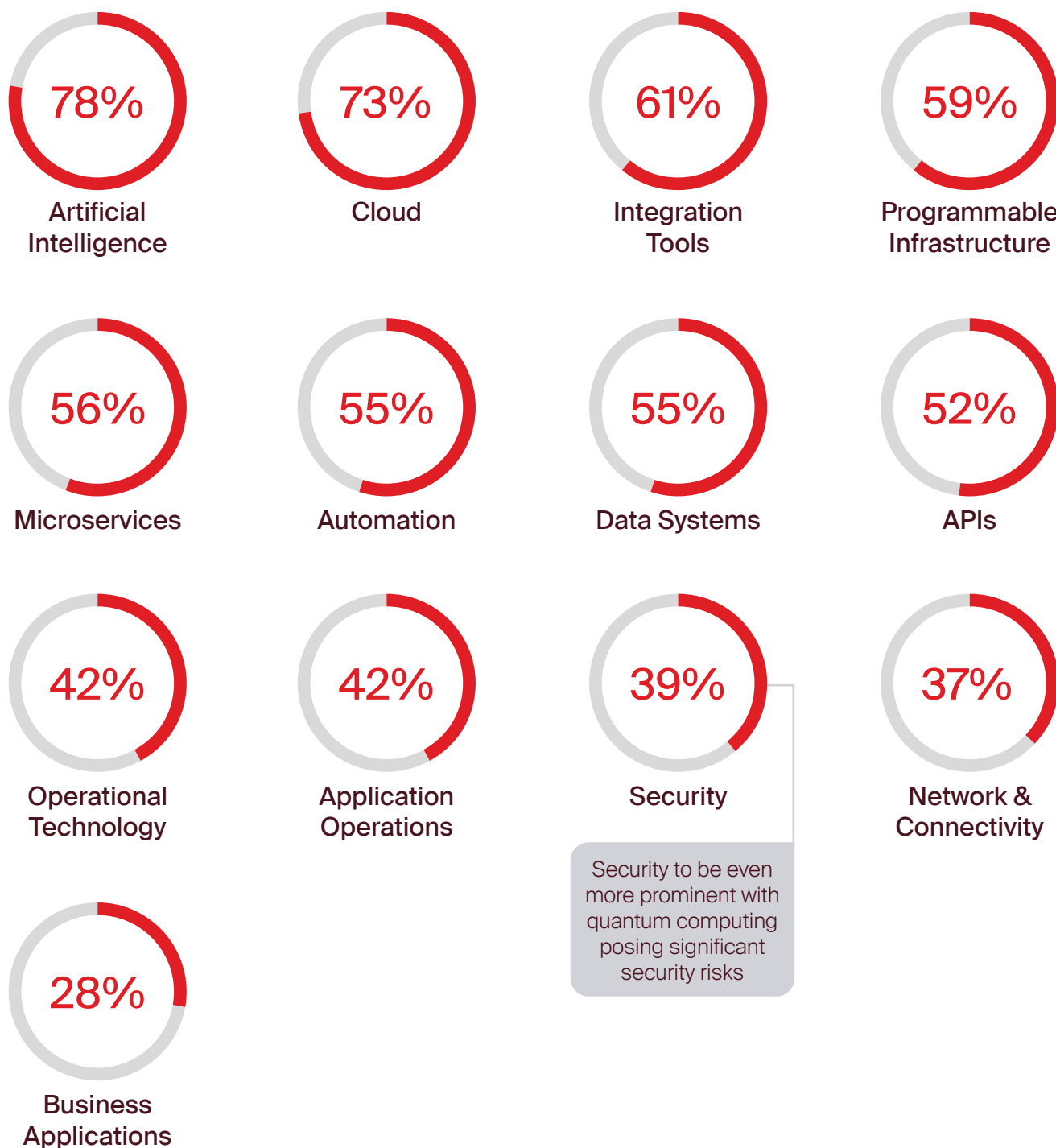
Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.

Best Practices to Build a Successful Tech-driven Business
Digital Strategy to Drive Organization-wide Regeneration

A digital strategy is essential for organizations to navigate the complexities of the new business landscape and achieve their objectives. For most organizations, there exist multiple digital roadmaps at a business unit level, which are often not aligned to the overall corporate strategy, affecting the effectiveness and scalability of the regeneration. As per IDC's survey, 64% of organizations in META have disparate or misaligned digital strategies.

The Five Stages of Digital Maturity

High

Maturity

Low

5 **Optimized**
A single digital roadmap supporting and aligned to our overall corporate strategy

4 **Managed**
A single digital roadmap which is separate from our overall corporate strategy

3 **Repeatable**
Multiple digital roadmaps which are done on a business unit level with links to the overall corporate strategy

2 **Opportunistic**
Multiple digital roadmaps which are done on a business unit level with no link to the overall strategy

1 **Ad Hoc**
No digital roadmap yet

Five Characteristics of an Effective Digital Strategy

1 Single strategy, organization-wide

2 Aligned vision and objectives

3 Clear roles and responsibilities

4 Constantly measured digital KPIs

5 Dynamic, updated to market changes

Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.
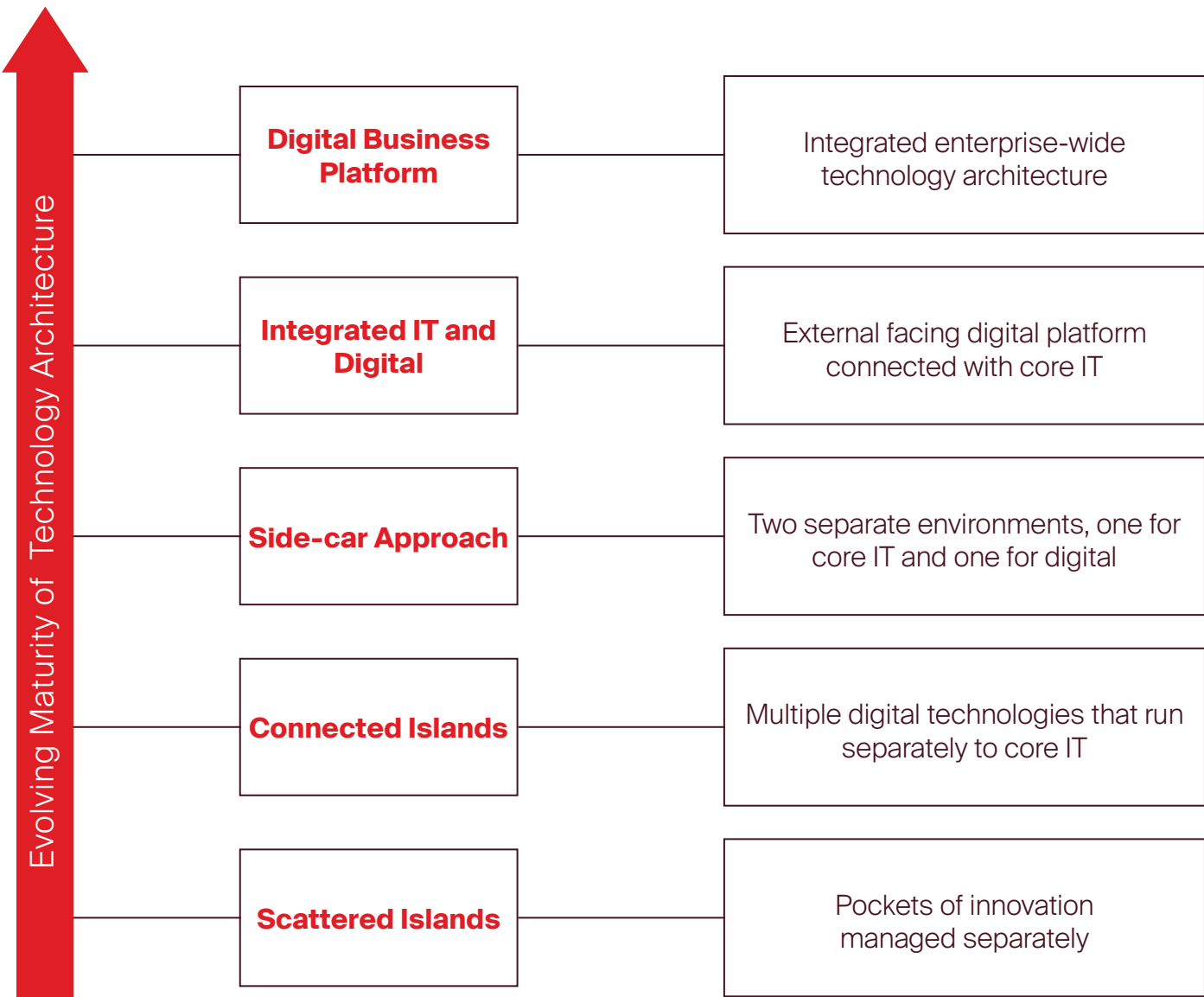
Integrated Enterprise-wide Technology Architecture
The foundation of Intelligent Business Regeneration

Organizations need to modernize and integrate their siloed legacy technology estate to support the requirements of a tech-driven business. Leading businesses today have taken a digital business platform approach to their technology architecture.

Digital Business Platform (DBP) is a multi-layered enterprise-wide technology architecture that integrates various systems and applications to enable use cases that ensure business competitiveness and innovation. This approach is characterized by experience-led technologies, intelligent platforms, modular structures, agile development methodologies, trusted environments, and cloud-native capabilities. By leveraging this approach, businesses can automate workflows, enhance decision-making with real-time data, and build AI-enabled infrastructures that scale on demand. Currently, only 22% of organizations in META have a digital business platform architecture, as per IDC's research.

The Evolution Technology Architecture of Digital Business

	Evolving Maturity of Technology Architecture	
Digital Business Platform	Integrated enterprise-wide technology architecture
Integrated IT and Digital	External facing digital platform connected with core IT
Side-car Approach	Two separate environments, one for core IT and one for digital
Connected Islands	Multiple digital technologies that run separately to core IT
Scattered Islands	Pockets of innovation managed separately

Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.

KPIs & Personas to Drive Intelligent Business Regeneration
Measuring the Progress of Digital Maturity & Evolving Roles and Responsibilities

To measure the progress of a digital business, it is essential to track various Key Performance Indicators (KPIs) and metrics that align with the strategic goals of the organization. Here are the top 10 KPIs and metrics META organizations are using.

Top 5 KPIs

- Productivity and efficiency
- Digital infrastructure availability
- Customer acquisition
- Sustainability
- Innovation cycle times

Next 5

- Business continuity and resiliency
- Monetization
- User Experience
- Engagement
- Workforce related
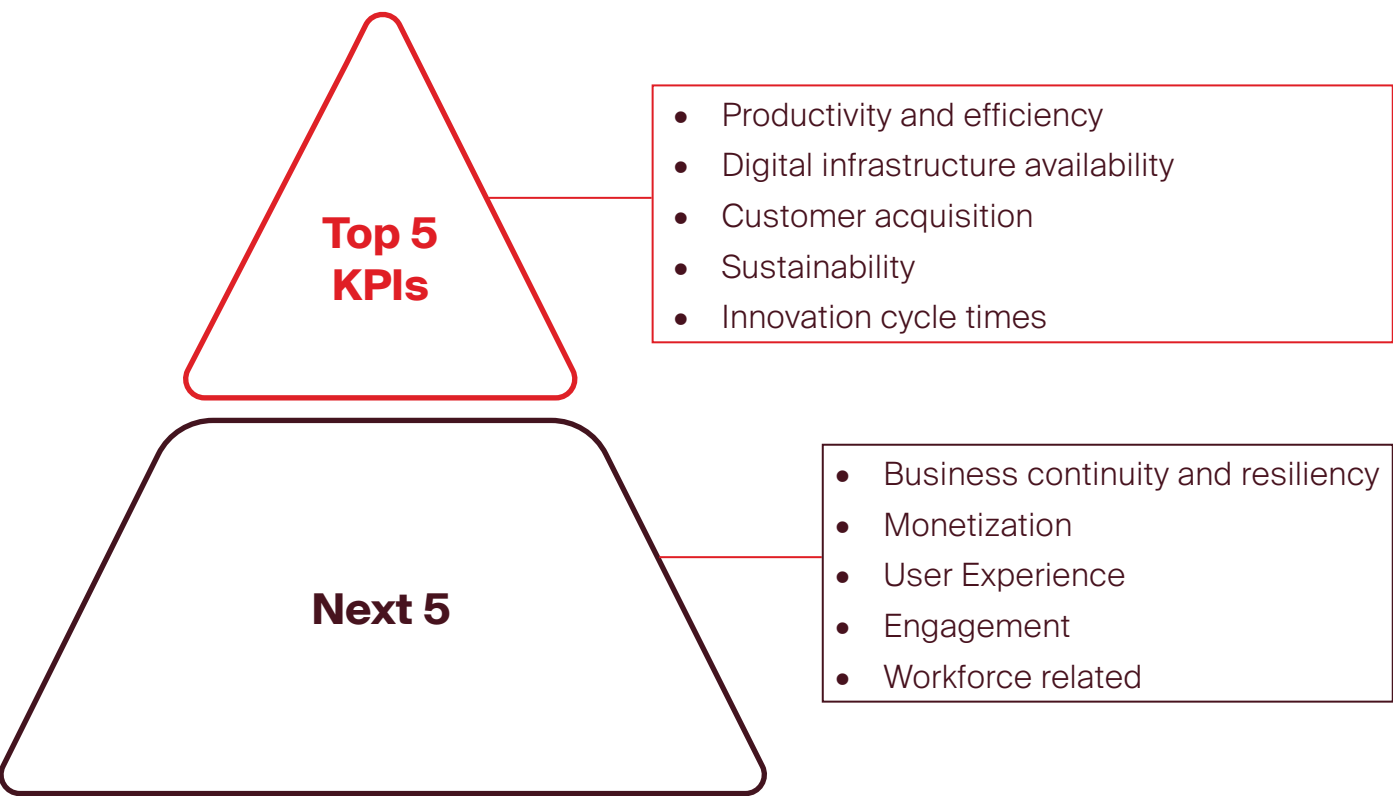
The C-suite roles driving digital strategy have evolved in the shift to digital business, and they reflect key areas of emphasis in the AI era. The influence of CEO has increased while many new roles have emerged.

Key Roles	New Roles
CEO	Head of Digital Experience
CTO	Chief Digital Officer
CIO	Head of Innovation
CISO	Chief AI Officer

Source: *IDC Digital Executive Sentiment Survey 2024* (META, N=498). 250+ employees only.
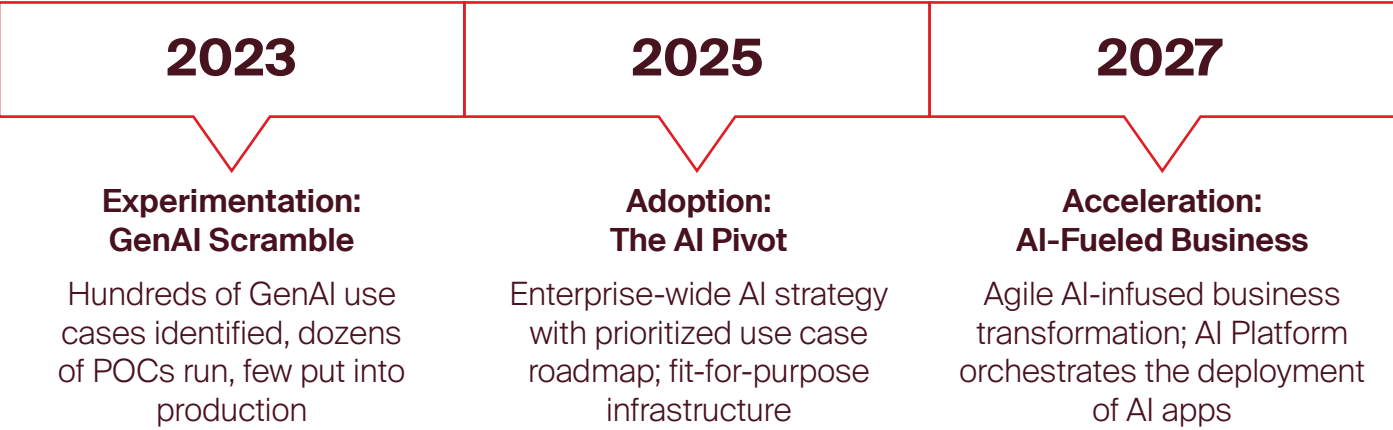
Modern Business is AI-powered
Organization's Maturity in AI will Define its Digital Maturity

The interest in AI that began in 2023 has grown considerably as companies grow even more convinced of its potential to automate everything from business processes and decision-making to software development and written content. Organizations are now laying the AI foundation, evolving from a portfolio of isolated capabilities to a common platform and infrastructure that helps to embed AI across the enterprise and fuel the digital-first business.

Advancements in Quantum computing, on the other hand, are enabling unprecedented computational power to solve complex problems faster and more accurately. It enhances optimization, simulations, and data analysis, accelerating innovation. The combination of these technologies has disruptive power, and businesses must prepare for integrating them into the organizational fabric to enable intelligent business regeneration.

AI Evolution

2023	**2025**	**2027**
Experimentation: GenAI Scramble	**Adoption: The AI Pivot**	**Acceleration: AI-Fueled Business**
Hundreds of GenAI use cases identified, dozens of POCs run, few put into production	Enterprise-wide AI strategy with prioritized use case roadmap; fit-for-purpose infrastructure	Agile AI-infused business transformation; AI Platform orchestrates the deployment of AI apps

AI Adoption Essential Guidance

Pitfalls to Avoid		Mitigation Strategies
Poor coordination between IT and line of business teams	1	Establish cross-functional AI task forces that include IT, business units, and data teams.
Ineffectively addressing the fear of layoffs	2	Communicate a clear vision of AI as an augmentation tool rather than a replacement. Invest in reskilling and upskilling programs.
Lack of effective cost management & use case ROI methodologies	3	Adopt a structured AI ROI framework that includes both tangible and intangible benefits.
Leadership-employee misalignment on productivity value of AI	4	Use pilot projects to demonstrate AI's practical value. Facilitate regular communication and feedback loops between leadership and frontline teams.
Not developing clear guidelines for ethical and responsible AI	5	Create an AI governance framework that includes ethical principles, data privacy, bias mitigation, and accountability measures.

Conclusion & Future Outlook
IDC's Top 5 Global Predictions for Intelligent Business Regeneration

The demand for digital experiences from customers, employees, partners, and suppliers has shifted to an expectation. Companies looking to sustain and grow need to take a tech-driven approach to business regeneration, creating digital revenue streams while digitizing operations to reduce costs and increase efficiency. The following are the top 5 predictions that frame IDC's perspective on how organizations can best take advantage of digital technologies.

1

Digital Spending Growth
Spending on digital technology by organizations will grow at 7x the economy in 2025, as companies are compelled by market demands to grow digital business models and strengthen digital capabilities.

2

Revenues from Digital Business
In 2028, organizations with established digital business platforms will have 50% higher digital market share with greater abilities to track ROI and execute digital revenue initiatives.

3

New KPIs for Digital
By 2026, 40% of enterprises will develop new KPIs that are directly tied to digital business outcomes through the application of advanced analytics and AI.

4

C-suite to Focus on Digital
By 2027, 80% of CEOs will assert that their C-suite technology leader's primary function should be to invest in digital-first initiatives to deliver on digital revenue targets.

5

Growing Importance of AI
By 2025, Global 2000 (G2000) organizations will allocate over 40% of their core IT spend to AI-related initiatives, leading to a double-digit increase in the rate of product and process innovations.

Source: *IDC's Predictions 2024*

"Regeneration is the new transformation. In the AI era, it's not enough to evolve—you have to reinvent. Agility is no longer a competitive edge; it's the foundation. And data? That's your power move. But none of it matters if your digital ambition isn't aligned with your core business strategy. True impact comes when digital isn't a side initiative—it's embedded, owned, and driven across the enterprise. The businesses that lead will regenerate intelligently—faster, smarter, and always in sync with purpose."
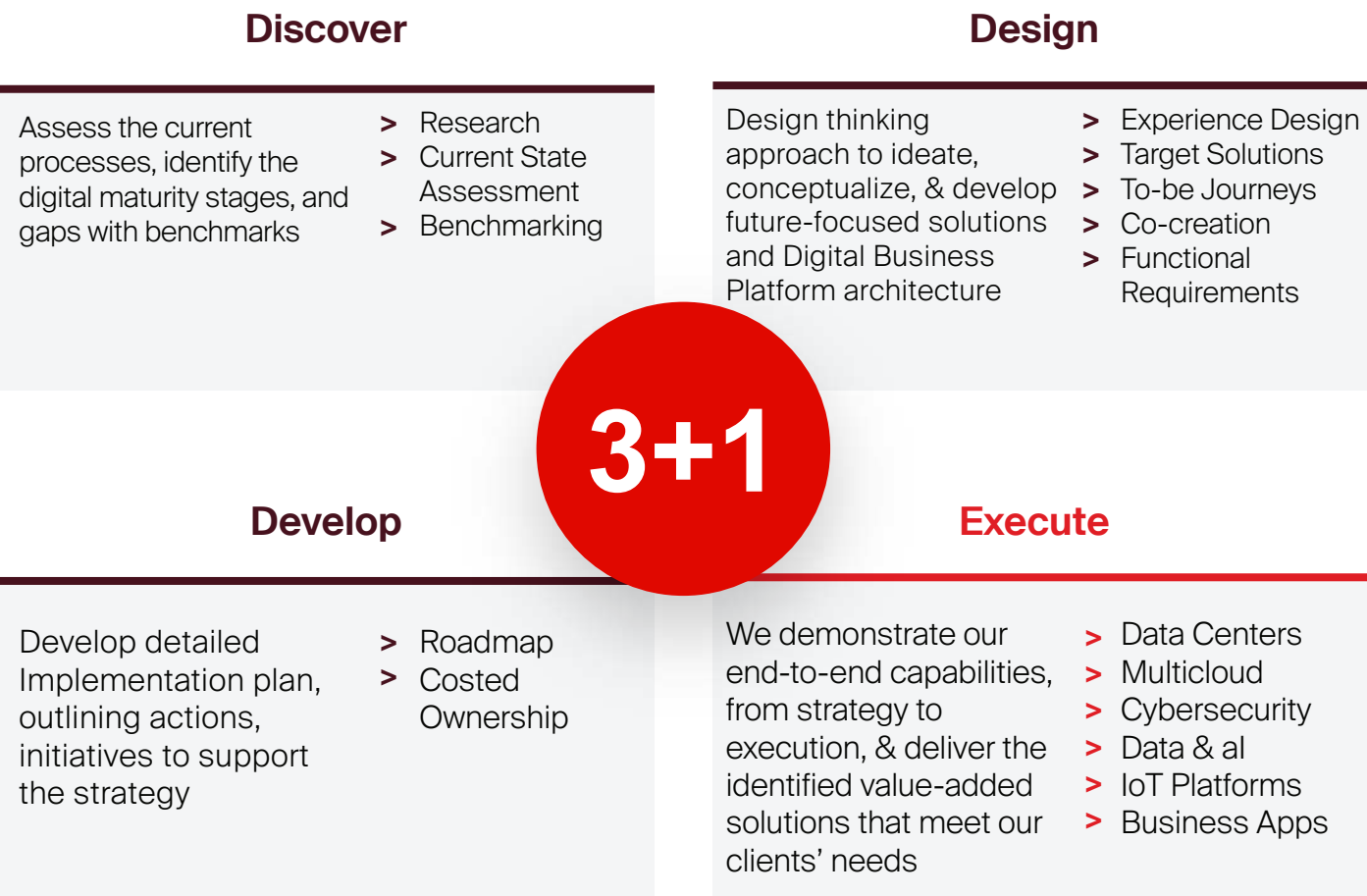
Jason Kettle
Digital Transformation Director, e& enterprise

Digital Transformation Consulting by e& enterprise

e& enterprise support organizations to successfully navigate the end-to-end intelligent regeneration journey with bespoke advisory services. e& enterprise works closely with clients, understands the needs, and develops tailored digital strategies. By leveraging the comprehensive technology portfolio and wide network of partners, e& helps organizations maximize their digital potential.

Discover

Assess the current processes, identify the digital maturity stages, and gaps with benchmarks

> Research
> Current State Assessment
> Benchmarking

Design

Design thinking approach to ideate, conceptualize, & develop future-focused solutions and Digital Business Platform architecture

> Experience Design
> Target Solutions
> To-be Journeys
> Co-creation
> Functional Requirements

3+1

Develop

Develop detailed Implementation plan, outlining actions, initiatives to support the strategy

> Roadmap
> Costed Ownership

Execute

We demonstrate our end-to-end capabilities, from strategy to execution, & deliver the identified value-added solutions that meet our clients' needs

> Data Centers
> Multicloud
> Cybersecurity
> Data & al
> IoT Platforms
> Business Apps

Case Study | Motor Sports Event Management Organization

The goal was to become a best-in-class sports venue management company by providing enhanced customer experience, improved operational efficiencies through streamlining and systems optimization, and achieve sustainability compliance. e& enterprise's advisory exercise yielded the following results:

53	**9**	**3**	**4**
Initiatives & Design Briefs	**Benchmarks**	**Customer Journey Maps**	**Customer Personas**

About e& enterprise

e& enterprise is a digital transformation leader supporting governments and large-scale organisations in building and scaling their digital core.

Through optimising operations, enhancing customer engagement, and data-driven decision-making, we enable seamless, sustainable, and secure transitions into the evolving digital world.

Currently operating in the UAE, KSA, Egypt, Turkey and Oman, e& enterprise brings cutting-edge digital scalable solutions designed to deliver tangible business value and address the unique challenges faced by organisations and executives across industries.

With a proven track record as a trusted digital transformation partner, technical expertise, and the ability to deploy and manage complex solutions, e& enterprise provides collaborative tailored solutions that empower customers to navigate their end-to-end digital transformation journey.

To learn more about e& enterprise, visit our site or reach out:

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