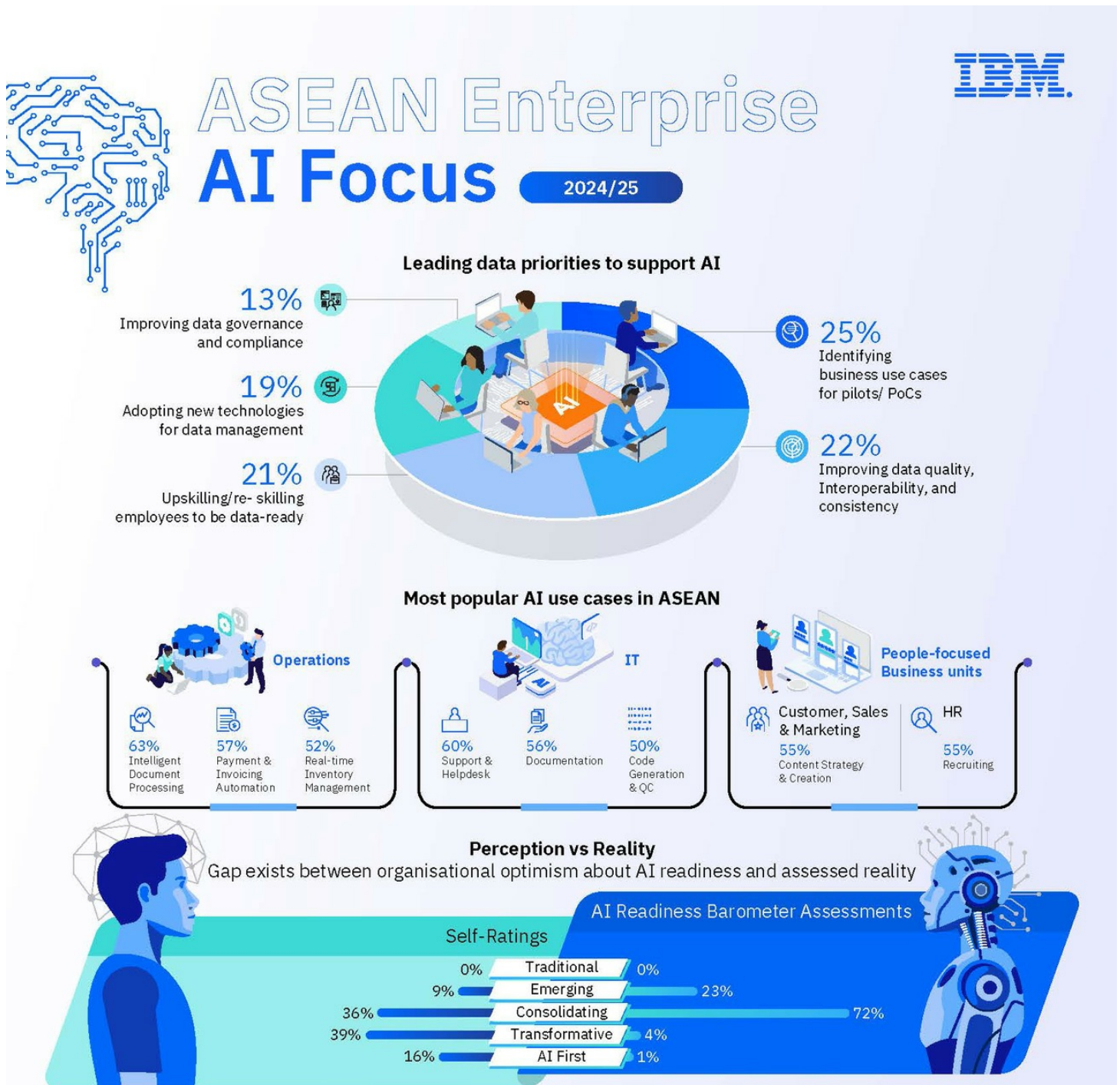


IBM Study: AI is a business priority for ASEAN organisations, but most lack AI readiness

Research identifies the critical success factors that ASEAN organisations must address to become AI-ready



Singapore, 14 August, 2024: A new study commissioned by IBM (NYSE:IBM), finds that while 85% of ASEAN organisations acknowledge the power of AI to help businesses achieve strategic goals, only 17% have a well-defined AI strategy. This leaves most organisations without a clear roadmap for success.

“ The road to AI success starts with identifying organisational strengths, weaknesses, and potential roadblocks to smooth AI

The AI Readiness Barometer: AI Landscape study, conducted by Ecosystem on behalf of IBM,

examines AI adoption trends across ASEAN, including use cases with the biggest impact for specific business units.

integration

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Ecosystem collected data on organisations’ preparedness to implement AI, rating the maturity of their AI strategy on four critical criteria: culture and leadership, skills and people, data foundation, and governance framework. These scores were then aggregated to determine which of five stages of AI readiness they fell into – traditional, emerging, consolidating, transformative or AI-first.

The study reveals a significant gap between organisational optimism about AI readiness and the harsher reality. For instance, while 39% of surveyed technology, data and business leaders rated their organisations as being in the transformative stage of AI readiness, Ecosystem’s data showed that only 4% of organisations actually had that degree of AI maturity. Almost a fifth (16%) said their organisations were AI-first, whereas Ecosystem found only 1% qualified.

“Generative AI has propelled AI into the spotlight, driving a surge of interest in this game-changing technology in organisations throughout the region,” said **Catherine Lian, General Manager, IBM ASEAN**.

“The tangible benefit for organisations lies in scaling AI to speed up innovation and productivity, and this study suggests the way forward. Unfortunately, many technology and business leaders overestimate their organisation’s ability to implement AI successfully. AI readiness requires a strong leadership, robust data strategy, the right talent to execute it and a well-thought-out governance framework to ensure the responsible and ethical use of AI. Without these strong foundations, organisations risk implementations that focus solely on the technology’s capabilities but fail to weigh up the longer-term impacts on the business,” **Lian** added.

Other key findings from The AI Readiness Barometer: ASEAN’s AI Landscape report include:

- The leading current AI use cases in ASEAN are intelligent document processing (63%), support and helpdesk applications (60%), payment and invoicing automation (57%), technology documentation (56%), content strategy and creation (55%), and recruitment (55%).
- The top AI priority for 2024-25 among ASEAN organisations is identifying business use cases to pilot or run a proof of concept (25%). Other key priorities include improving data quality, interoperability, and consistency (22%), and upskilling and reskilling employees to be data-ready (21%). Organisations’ focus on strong data quality, accessibility and AI skills is a positive step forward. However, organisations do not prioritise improving data governance and compliance, potentially exposing them to regulation risk.
- Most organisations lack the advanced AI and machine learning expertise needed to fully harness AI’s game-changing potential. Only 17% of those surveyed said their organisations have extensive expertise and dedicated data science teams, and most lack AI specialists or have only basic internal AI skills.
- Hybrid, multi-cloud strategies offer businesses flexibility in storing their data, but only 33% of technology and business leaders trust that AI solutions can be built and managed wherever their organisations store their data. This lack of trust hinders the widespread adoption of AI solutions.
- Governance ownership is worryingly uncertain in most organisations. Only 18% have a dedicated AI and data governance role. Two-thirds of organisations spread responsibility across departments or teams, potentially leading to inconsistencies, while 15% don’t have a defined policy.

The study also outlines various critical success factors that organisations must address to become AI-ready and achieve their business goals.

“The road to AI success starts with identifying organisational strengths, weaknesses, and potential roadblocks to smooth AI integration,” said **Ullrich Loeffler, Chief Executive Officer, Ecosystem**.

“For most organisations, tech partners become invaluable allies, helping organisations identify high-potential use cases, choose the right AI tools and optimise workflows for AI through process re-engineering. However, organisations need open communication and clear alignment with partners, along with internal change management to adapt processes and culture for AI.”

The AI Readiness Barometer ASEAN's AI landscape underscores the need for organisations to prioritise AI readiness and build robust partnerships. By doing so, organisations can effectively unlock AI's potential and achieve their business goals.

The report can be viewed here - <https://www.ibm.com/downloads/cas/R7EEGDOX>

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About the study

The AI Readiness Barometer Study, commissioned by IBM, reflects the perspectives of 372 technology, data and business leaders in Singapore, Indonesia, Thailand, Malaysia and the Philippines. It was conducted between March and April 2024 and provides comprehensive insights into the challenges and opportunities of AI adoption in the region.

Ecosystem is a Digital Research and Consulting Company with global headquarters in Singapore that brings together tech buyers, tech vendors and analysts to enable the best decision-making in the evolving digital economy.

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