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THE **CHANNEL** CO.<sup>®</sup>

# Getting AI-ready:

How the IT channel can create  
the foundations for AI success

**JULY 2024**

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## Executive summary

The latest developments in AI bring promises of unlocked creativity, improved efficiency, and major changes to the way we work. However, AI is useless if it doesn't find its way into end users' hands.

While interest levels around AI are at an all-time high, abilities may not match aspirations. Many customers are not yet prepared to deploy and harness the power of AI.

Andrew Murphy, Senior Director, Product Marketing at OpenText said that we are currently at an inflection point for AI:

"The AI industry is currently engaged in an "AI arms race", with various standards and solutions emerging and every vendor trying to make AI part of their offers. When you look past the noise and

consider how the landscape will evolve over the next two to three years, I expect we'll see AI evolve from a predominantly cloud computing model to more of an edge computing model. As NPUs become more prevalent in everyday computers, we'll see even more innovations as AI solutions become more cost effective and, for better or for worse, more personal."

Before embarking on AI adoption, organisations need to have the data, processing power, and use cases, as well as an organisational culture open to the benefits of AI. Only once these building blocks are in place can organisations start to make real progress in AI.

If these are not fully realised, AI implementation will fall short, despite the best intentions. ■

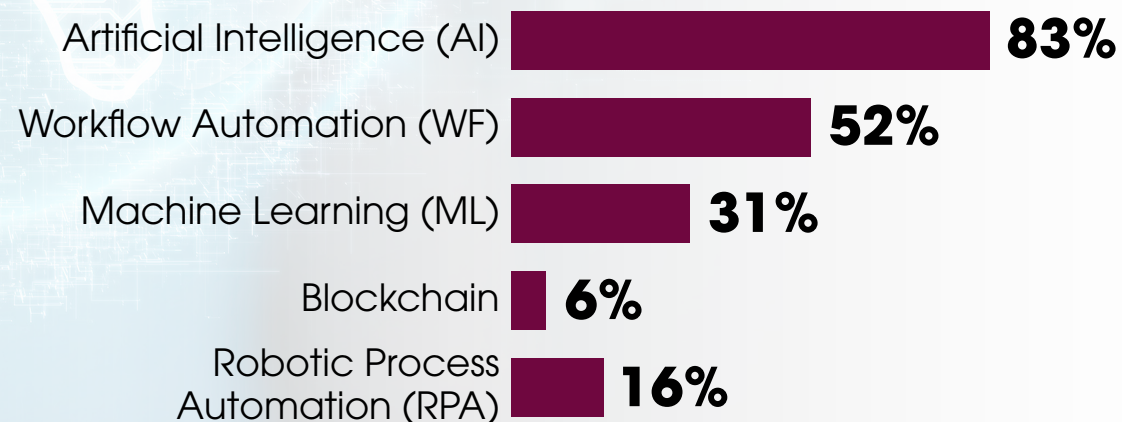


# The AI state of play

To understand AI readiness, let's first take a look at the state of play when it comes to AI adoption. From previous research conducted by **CRN** there is a clear acknowledgement of the impact

of AI, with 83 per cent of survey respondents from end user organisations choosing AI as the technology with the greatest potential to enhance business process optimisation. ▶

## Fig. 1: Emerging technologies with the greatest potential to enhance business process optimisation

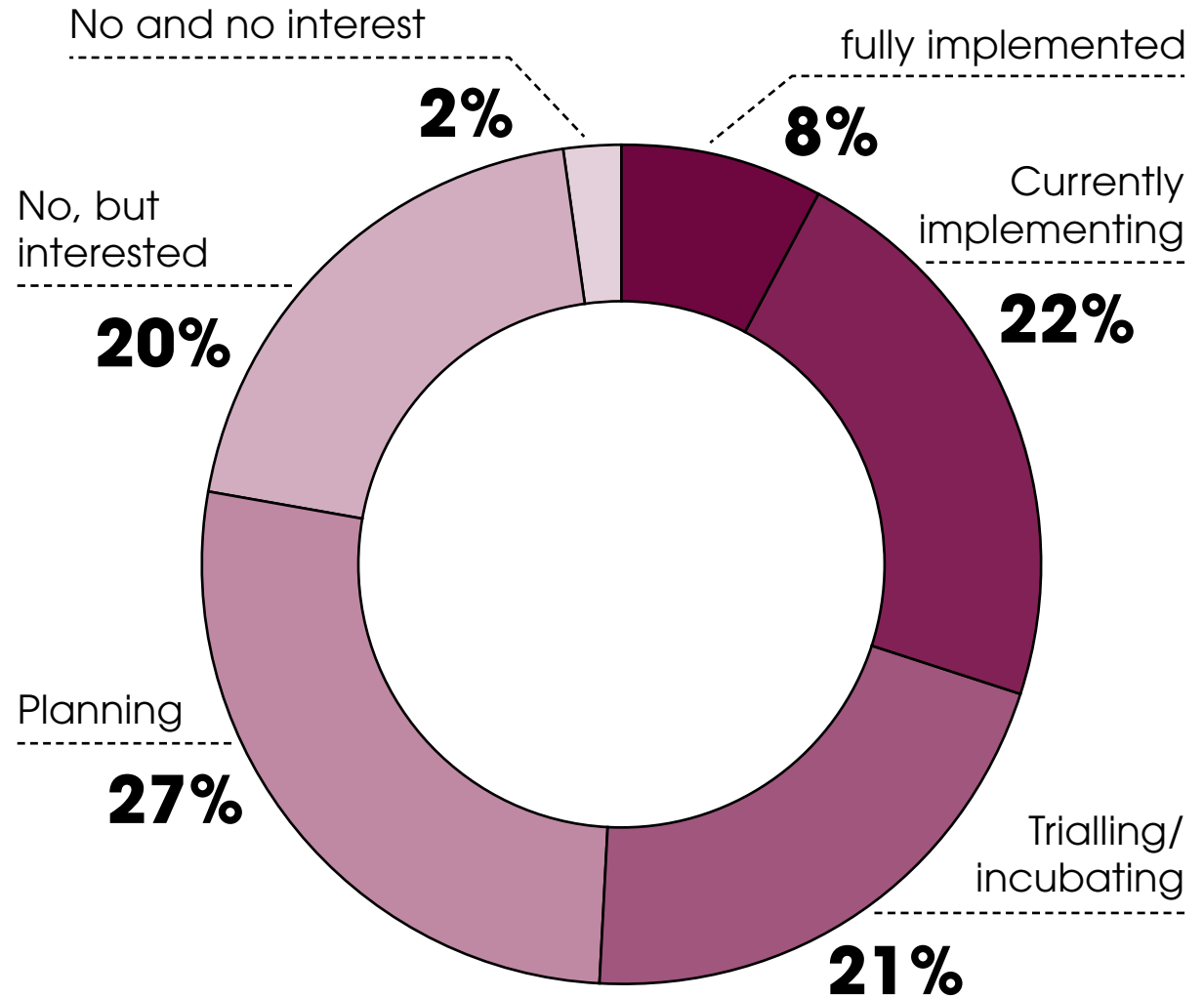


However, as can be seen from the next finding, most organisations are at the early stages of AI implementation. 8 per cent are confident they have fully implemented the technology, with 22 per cent currently implementing. Notably, the same percentage have not yet started AI implementation. ▶

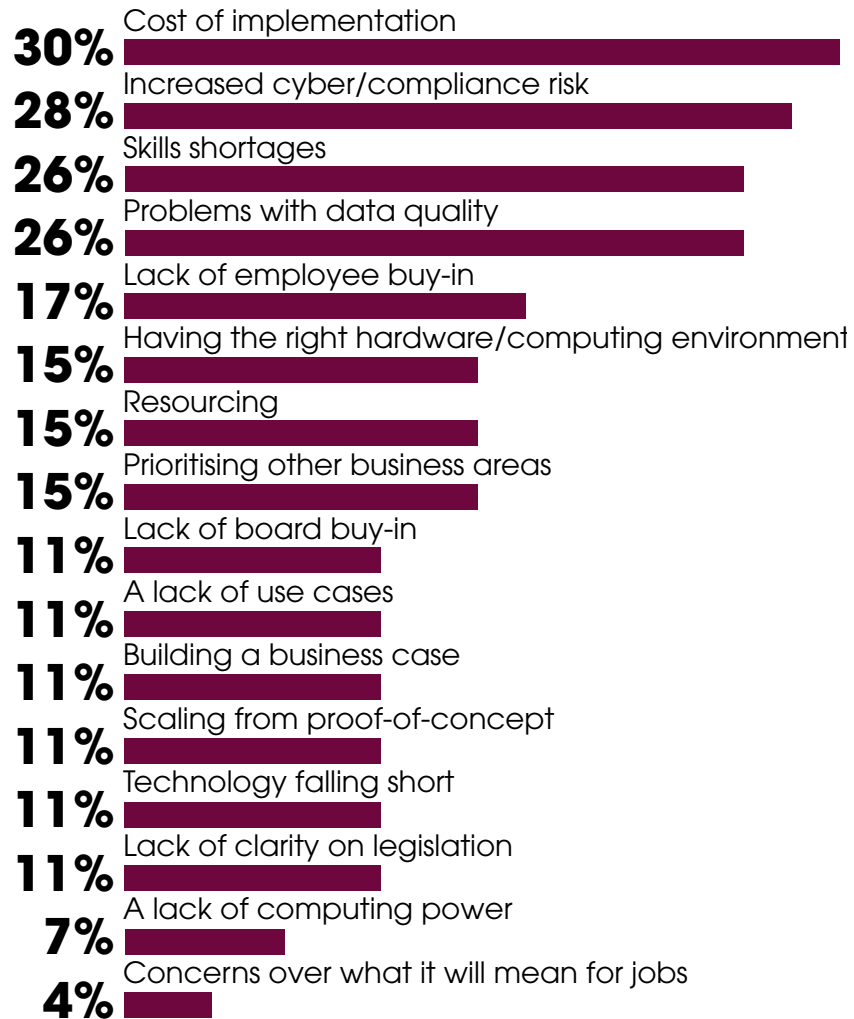
**8%**

OF ORGANISATIONS  
ARE CONFIDENT  
THEY HAVE FULLY  
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TECHNOLOGY.

**Fig. 2: AI and ML implementation**



## Fig. 3: Hurdles to AI implementation

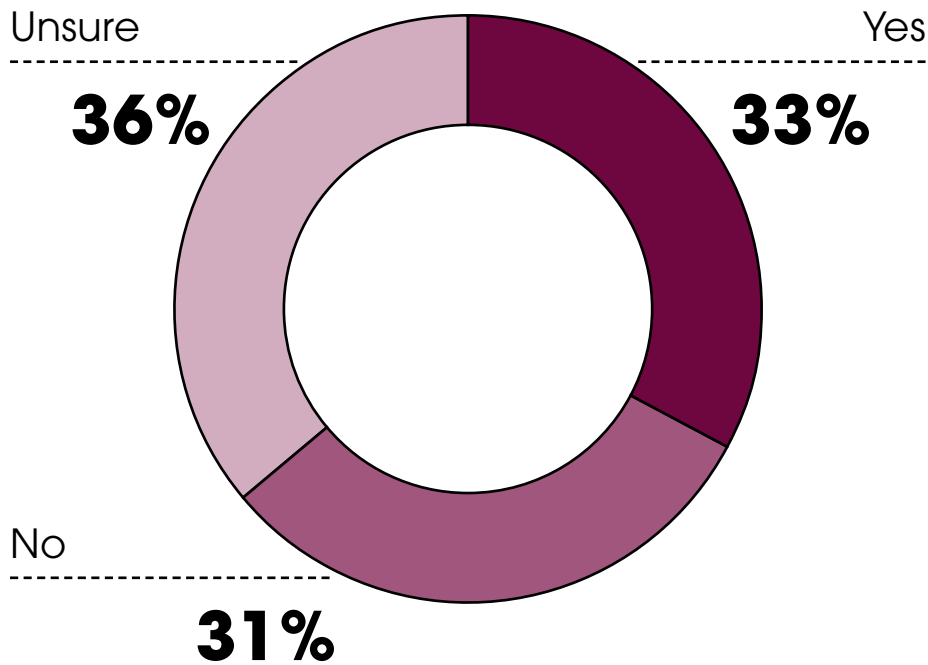


Cost of implementation was deemed the biggest hurdle to AI implementation, chosen by 30 per cent, followed by increased cyber/compliance risk, skills shortages, and problems with data quality. ►

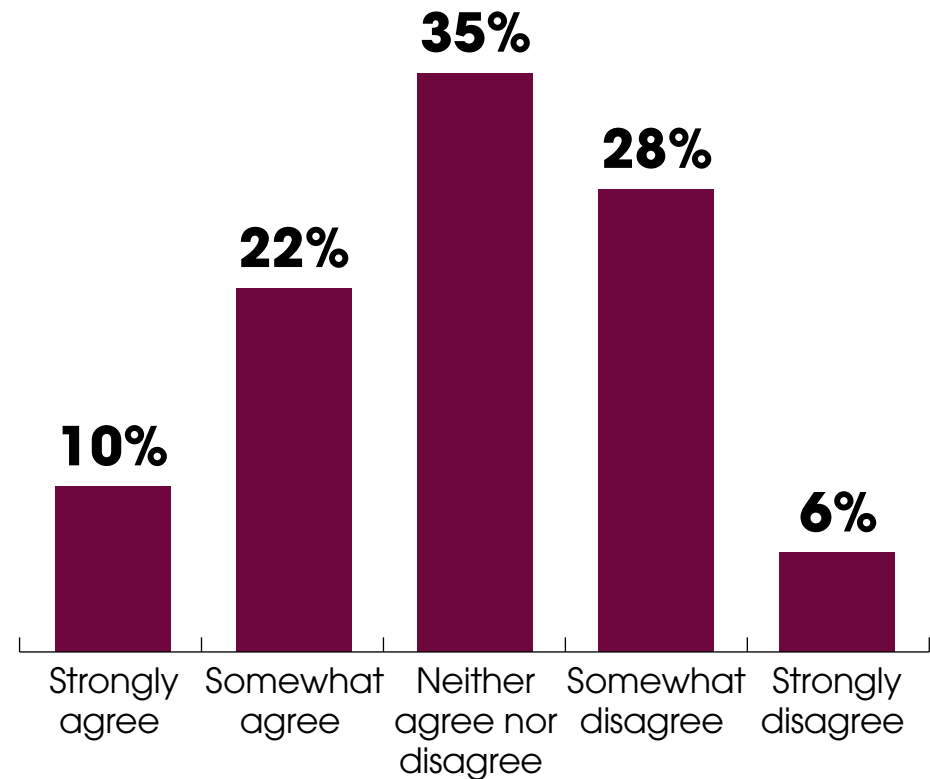


Opinion was split on whether organisations have the necessary resources to fully benefit from AI, with 33 per cent of respondents confident that they do.

**Fig. 4:** Are you confident your organisation has the necessary skills and resources to fully benefit from AI?



**Fig. 5:** “The demand for AI is putting pressure on my organisation’s infrastructure.”



32 per cent agree that AI is putting pressure on their infrastructure. ■



# Customer readiness

Several major themes that may be hindering AI readiness can be seen among end users.

Training AI models relies on having good data. While organisations are now collecting larger volumes of data than ever before, it can be siloed, of poor quality, or the victim of data sprawl, limiting its efficacy and business impact. Organisations have to make sure their data is in order before they can use it for AI, and that they have access to rich datasets to generate meaningful and timely insights.

If data is not centralised or properly organised, it will hamper the ability of AI tools to deliver to their full potential.

Having the right infrastructure is also a key building block. This is because AI models and the data used to train them require

a huge amount of processing power and computing resources. Conventional computing networks no longer meet the requirements of these workloads.

In order to build the foundations for AI innovation, organisations must have clear AI objectives to ensure that provisioning and scaling matches these goals, a grasp of their consumption patterns, and an understanding of performance requirements both now and in the future.

In the context of a wider tech skills shortage, it comes as no surprise that resourcing issues around AI are presenting a hurdle, especially with AI adoption progressing at such a rapid rate. Having teams with the skillsets to fully leverage data sets and analytics tools, and an organisational culture that is receptive to AI adoption are contributing factors to AI success.

Murphy shared that concerns around data security may also be creating a degree of hesitancy. While employees are using AI tools, they may be doing so without official policies and protocols in place, introducing data security and governance risks:

“The part where I think a lot of solution providers and clients that they’re working with get a little bit anxious is the data security side of it. The potential security risks from bad actors using it against you and also the inadvertent security risks from data sprawl in most organisations.

“If your data security isn’t already fundamentally sound, it’s not who from the outside can come in and access it as much as what’s already on the inside that’s going to surface.” ■

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A hand holding a glowing globe with AI icons and speech bubbles. The globe is illuminated with a warm orange glow, and the AI icons include a gear with 'Ai' inside, a brain, and circuitry. Speech bubbles with three dots are scattered around the globe.

# The role of the channel

According to recent research by **The Channel Company**, over 50 per cent of solution providers are aiming to integrate AI before 2025.

53 per cent of solution providers say customers are asking about GenAI much more often or more often than a year ago. Almost 50 percent said they have received inquiries from customers about using GenAI or large language models (LLM) in their business.

Most channel partners surveyed are currently exploring and researching AI use cases. Just 10 per cent have fully adopted GenAI and LLM for their internal workflows and 5 per cent have implemented the technology for their clients.

There is clearly a high level of interest and activity here. Solution providers are currently weighing up which technologies they should be offering end users and which vendors they should partner with as they build out their AI practices. Meanwhile, vendors are making acquisitions to shore up their data aggregation and improve the large language models and solutions that they offer, resulting in a flurry of M&A activity.

However, if solutions are difficult to implement, the relevant documentation isn't provided, or they do not match customers' business goals, engagement will be limited. ►

Murphy said that there is currently a degree of uncertainty around AI. Organisations may be unsure where to start, so are reliant on solution providers to offer support:

“There’s a lot of uncertainty in this AI market. My advice to solutions providers is first, recognise that your clients are looking to you for guidance and help. Everyone should learn and invest in AI prompting and their own change management practices to take to their clients, because many of them aren’t thinking how they can leverage this effectively. Solution providers have a huge opportunity to take these best practices to their clients and have services to offer around that.”

In order to boost AI readiness among their customers, those in the channel must ensure they are addressing the factors causing progress to stall identified above. They must have a good understanding of customers’ current infrastructure, including their compute power and network performance, the quality of their data, how and where their data is being stored and processed, and whether they have the right talent to match their AI ambitions. ►

“ THERE’S A LOT OF UNCERTAINTY IN THIS AI MARKET. MY ADVICE TO SOLUTIONS PROVIDERS IS FIRST, RECOGNISE THAT YOUR CLIENTS ARE LOOKING TO YOU FOR GUIDANCE AND HELP.



Once they have a firm grasp of AI readiness levels, a clearly-defined AI strategy is essential in order to define what success looks like and the business outcomes. From there, AI solutions can be rolled out.

Customers now expect more from their channel partners, and AI is no different. Therefore solution providers must be on-hand with relevant resources and support to bridge the knowledge gap, and ensure they are having regular conversations about AI with customers.

This is also the case for vendors and partners. Partners want to understand what AI looks like for their business, and the opportunities it creates. Vendors must demonstrate how their offerings can be monetised, how they can deliver on operational efficiencies, and the new service offerings they can lead to.

A good place to start is trying out the technology internally, evaluating its success in driving efficiency and then think about the ways it could translate into an offering for customers.

Partnering and integrating with established industry players that have reputable AI partner programmes is also a way to enter

the AI space. Tools such as Copilot, Microsoft's AI assistant that responds to natural language queries to help users with a range of tasks, have a low barrier to entry for those that already have Office 365. AI assistants are relatively simple to implement, and can be used in a variety of different roles.

Once this has demonstrated a positive business impact, they can move on to other use cases and evaluate the services they can offer to extend the value of AI applications.

In a recent webinar, Jason Jones, director of global partner solutions at Microsoft said that those in the channel should be thinking about how they can add value to AI services, bringing in additional revenue and profitability opportunities:

"it's not just about selling it, but configuring it too, and having those security conversations. What is your end user's data governance? What is their stance? A lot of end users are asking their partners for help: Can you help us craft an AI mission statement? How do we want to leverage AI? And then if you take it a step further, the real money is not just in the project work, selling the licenses, it's making your own Copilots, owning that intellectual property, leveraging Copilot Studios." ▶

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AI, particularly GenAI, empowers the IT channel to deliver innovative applications for internal and external use faster than ever, while reducing costs and shifting skills associated with development. With customer demand for AI increasing, AI adoption will become the dividing line between those solution providers that are successful and those that are left behind.

However, while interest levels are high, readiness levels may vary, and many customers and partners do not have the building blocks in place to fully reap the benefits of AI.

Solution providers and vendors have a role to play in ensuring these foundations are in place before they can begin rolling out AI solutions, both in terms of infrastructure and data, but also in promoting an organisational culture that is well versed and open to the impact of AI.

From here, they can introduce and monetise AI-enhanced services and position themselves as leaders in this fast-moving market. ■



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## About the sponsor

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