

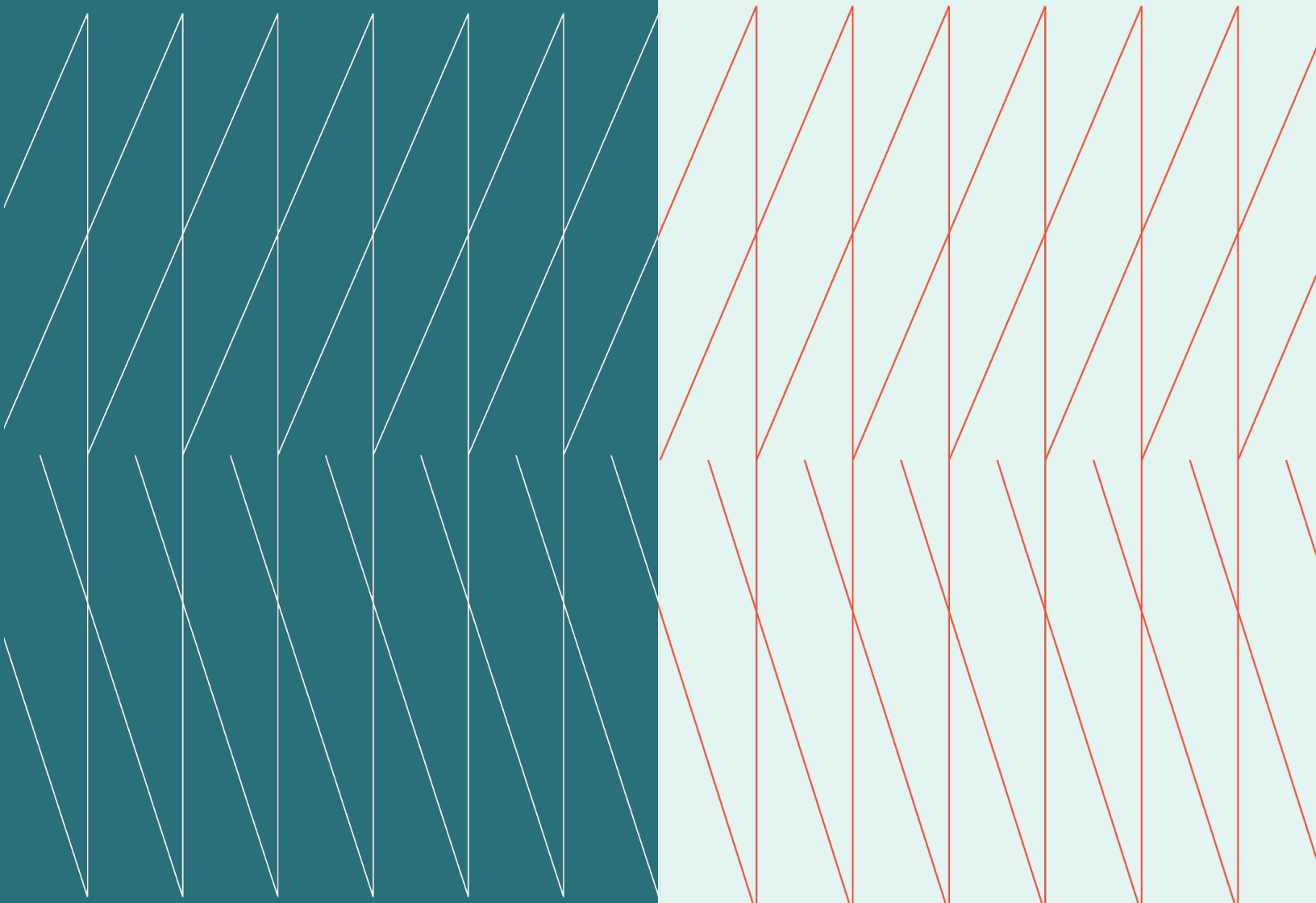
CIO

Expert Exchange

November 14, 2024

kyndryl.

Executive Summary



Host:

Stewart Hyman

Chief Technology Officer, Kyndryl Canada

Overview:

In this Expert Exchange session, the CIO community discussed the pressing topics shaping today's IT landscape. The discussion topics were determined based on mutual interests, identified through pre-interviews with the participants.

Discussion topics:

- Generative AI Adoption: Governance, business case challenges, adoption strategies, and cost considerations.
- Value Proposition of AI: Broader AI applications, cross-domain insights, data literacy challenges, and supportive tools for adoption.
- Cloud Transformation and Modernization: Data privacy and security concerns, hybrid strategies, operational resilience and security advantages of public cloud.

Generative AI Adoption

- Governance: Companies are prioritizing strong governance in the use of generative AI by leveraging large language models (LLMs) internally through cloud providers, with safeguards around data usage. Governance efforts, like Kyndryl's Gen AI board, focus on reviewing use cases, preventing insecure tools, and ensuring projects align with business needs and outcomes.
- Business Case Challenges: Leaders often struggle to justify the business case for Gen AI investments. Governance helps narrow use cases to those with a clear return on investment (ROI), while selective rollouts aim to maximize value and minimize costs.
- Adoption Strategies: Some organizations offer opt-in programs for generative AI, allowing interested staff to use approved tools while others opt out. This approach balances accessibility with individual needs but can pose challenges in withdrawing access later.
- Cost Considerations: High costs drive leaders to be selective, with many waiting for vendors to integrate Gen AI into existing solutions. While vendor options may be expensive, the R&D costs for in-house development are often significantly higher.

Value Proposition of AI

- Broader AI Applications: Technologies like machine learning, predictive modeling, and natural language processing applied to large data sets can deliver significant insights and efficiency gains, often surpassing the value of generative AI in specific use cases.
- Cross-Domain Insights: Generative AI success has been achieved by integrating data from multiple domains (for example, operational, financial, compliance, and ESG). This holistic approach helps uncover patterns and cross-domain impacts that siloed analyses might miss.
- Data Literacy Challenges: Generative AI's effectiveness relies heavily on high-quality data and skilled users. Organizations address workforce data literacy gaps through training programs and cultural shifts, such as embedding daily data-driven decision-making practices from leadership down.
- Supportive Tools for Adoption: Tools like Prompt Buddy enhance user proficiency with generative AI platforms (for example, Microsoft Copilot). Pairing these tools with business-savvy users has proven more effective.

Cloud Transformation and Modernization

- **Data Privacy and Security Concerns:** As organizations migrate to the cloud, concerns about data privacy and security arise from both internal leadership and external regulators. Proving cloud safety requires extensive piloting rather than a single proof of concept, making the process gradual and complex.
- **Hybrid Strategies:** Cloud transformation supports operational resilience, particularly in critical industries like finance, healthcare, and utilities. However, many organizations adopt hybrid environments, blending on-prem, private, and public clouds to protect essential data and prepare for disaster recovery.
- **Operational Resilience:** While multi-cloud environments can enhance resilience, they often increase costs and inefficiencies by requiring multiple implementations. Regardless of the configuration, the primary focus should remain on achieving operational resilience.
- **Security Advantages of Public Cloud:** Despite broader threat surfaces, public cloud providers like Microsoft offer extensive security resources and expertise that often surpass the capabilities of individual organizations, making public clouds a secure option.

Please visit this [website](#) to learn more about the Kyndryl Canada CIO/ CTO Expert Exchange or to become a community member.

The logo for Kyndryl, featuring the word "kyndryl" in a lowercase, sans-serif font. The letters are a vibrant red color, and the dot on the "i" is a small square.

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