

ECOSYSTEM PREDICTS 

Tech Market Dynamics 2024: The Top 5 Forces

PUBLISHED

November 2023



Looking Back at 2023

In May, the WHO announced that the pandemic was no longer a global public health emergency. However, other influencers in 2023 will continue to impact the market.

GLOBAL CONFLICTS

The Russian invasion of Ukraine persisted; the Israeli-Palestinian conflict escalated into war; African nations continued to see armed conflicts and political crises; there has been significant population displacement.

BANKING CRISIS

American regional banks collapsed – Silicon Valley Bank and First Republic Bank collapses ranking as the third and second-largest banking collapses in US history; Credit Suisse was acquired by UBS in Switzerland.

CLIMATE EMERGENCY

The UN's synthesis report found that there's still a chance to limit global temperature increases by 1.5°C; Loss and Damage conversations continued without a significant impact.

POWER OF AI

The interest in generative AI models heated up; tech vendors incorporated foundational models in their enterprise offerings – Microsoft Copilot was launched; awareness of AI risks strengthened calls for Ethical/Responsible AI.



Ecosystem analysts present the top 5 tech market forces that will impact organisations in 2024.

1

State-sponsored Attacks Will Alter the Nature Of Security Threats

It is becoming clearer that the post-Cold-War era is over, and we are transitioning to a multi-polar world. In this new age, malevolent governments will become increasingly emboldened to carry out cyber and physical attacks without the concern of sanction.

Unlike most malicious actors driven by profit today, state adversaries will be motivated to maximise disruption.

Rather than encrypting valuable data with ransomware, wiper malware will be deployed. State-sponsored attacks against critical infrastructure, such as transportation, energy, and undersea cables will be designed to inflict irreversible damage. The [recent 23andme breach](#) is an example of how ethnically directed attacks could be designed to sow fear and distrust. Additionally, even the threat of spyware and phishing will cause some activists, journalists, and politicians to self-censor.



Darian Bird

Principal Advisor

Organisations will need additional ammunition to defend against these destructive attacks. A zero-trust approach and robust resiliency planning, combined with AI-powered SOCs, extended threat intelligence, and SASE will need to be in the CISO toolbox.



2

AI Legislation Breaches Will Occur, But Will Go Unpunished

With US President Biden’s recently published “[Executive order on Safe, Secure and Trustworthy AI](#)” and the European Union’s “[AI Act](#)” set for adoption by the European Parliament in mid-2024, codified and enforceable AI legislation is on the verge of becoming reality. However, oversight structures with powers to enforce the rules are currently not in place for either initiative and will take time to build out.

In 2024, the first instances of AI legislation violations will surface – potentially revealed by whistleblowers or significant public AI failures – but no legal action will be taken yet.



Achim Granzen

Principal Advisor

The potential damage to brands and reputations because of an AI breach, may well outdo any legal implication. Hence, these breaches will all but enforce the need for organisations that are leveraging AI to get serious about AI risk.



3

AI Will Increase Net-New Carbon Emissions

In an age focused on reducing carbon and greenhouse gas emissions, AI is contributing to the opposite. Organisations often fail to track these emissions under the broader "Scope 3" category. [Researchers at the University of Massachusetts, Amherst](#), found that training a single AI model can emit over 283T of CO₂, equal to emissions from 62.6 gasoline-powered vehicles in a year.

Organisations rely on cloud providers for CO₂ reduction (Amazon targets net-zero by 2040, and Microsoft and Google aim for 2030, with the trajectory influencing global climate change); yet transparency on AI greenhouse gas emissions is limited. Diverse routes to net-zero will determine the level of greenhouse gas emissions.

Some argue that AI can help in better mapping a path to net-zero, but there is concern about whether the damage caused in the process will outweigh the benefits.



Tim Sheedy

VP, Research

Organisations will seek clear answers from AI providers on immediate emission reduction steps. Scrutiny will extend to the environmental practices of data centres and chip manufacturers, with a growing demand for transparency in supply chains and manufacturing.



4

ESG Will Transform into GSE to Become the Future of GRC

Previously viewed as a standalone concept, ESG will be increasingly recognised as integral to Governance, Risk, and Compliance (GRC) practices. The 'E' in ESG, representing environmental concerns, is becoming synonymous with compliance due to growing environmental regulations. The 'S', or social aspect, is merging with risk management, addressing contemporary issues such as ethical supply chains, workplace equity, and modern slavery, which traditional GRC models often overlook. Governance continues to be a crucial component.

The key to organisational adoption and transformation will be understanding that ESG is not an isolated function but is intricately linked with existing GRC capabilities.

This will present opportunities for GRC and Risk Management providers to adapt their current solutions, already deployed within organisations, to enhance ESG effectiveness. This strategy promises mutual benefits, improving compliance and risk management while simultaneously advancing ESG initiatives.



Peter Carr

VP, Ecosystem Consulting

Organisations will strategically integrate ESG into their core governance and risk management processes, transforming traditional models into a unified GSE approach for enhanced compliance, risk mitigation, and ethical 21st Century business practices.



5

Productivity Will Dominate Workforce Conversations

The skills discussions have shifted significantly over 2023. At the start of the year, HR leaders were still dealing with the ‘productivity conundrum’ – balancing employee flexibility and productivity in a hybrid work setting. There were also concerns about skills shortage, particularly in IT, as organisations prioritised tech-driven transformation and innovation.

Now, the focus is on assessing the pros and cons (mainly ROI) of providing employees with advanced productivity tools. For example, [early studies on Microsoft Copilot](#) showed that 70% of users experienced increased productivity. Discussions, including Narayana Murthy's [remarks on 70-hour work weeks](#), have re-ignited conversations about employee well-being and the impact of technology in enabling employees to achieve more in less time.

Against the backdrop of skills shortages and the need for better employee experience to retain talent, organisations are increasingly adopting/upgrading their productivity tools – starting with their Sales & Marketing functions.



Sash Mukherjee

VP, Industry Insights

In 2024, organisations will actively focus on enhancing the productivity of their technology employees. This will include routine code generation, automated monitoring and visibility, and improving documentation and QA processes.





Engage our Analysts

info@ecosystem.io

www.ecosystem.io



Achim Granzen

Principal Advisor
Digital Transformation, AI Risk, IoT,
Technology Advisory



Darian Bird

Principal Advisor
Cloud, IT Services,
Telecommunications



Peter Carr

Vice President
Ecosystem Consulting



Sash Mukherjee

Vice President
Industry Insights



Tim Sheedy

Vice President
Research



[Click here to find out
about our experts](#)

