



Meeting Market Trends and Customer Demands

ANALYST GUIDANCE FOR TECH PROVIDERS

PUBLISHED
February 2024

Navigating Market Dynamics



Sash Mukherjee

VP Industry Insights

As organisations refine their AI approaches, tech providers must adjust their market strategies.

TREND	IMPACT ON TECH LEADERS	IMPACT ON TECH VENDORS
Continuing Economic Uncertainties	Proceed with existing projects and contemplate broadening initiatives later in the year.	Focus on maintaining visibility and trust with existing clients; Help customers meet multiple KPIs.
Popularity of Generative AI	Look beyond novelty and evaluate practical business outcomes and associated costs.	Include ROI discussions for short-term and mid-term perspectives as organisations move beyond pilots.
Infrastructure Market Disruption	Monitor potential advancements and disruptions, especially in the semiconductor sector.	Re-assess infrastructure partner ecosystem.
Need for New Tech Skills	Evaluate Generative AI's impact on AIOps and IT Architecture; invest in upskilling for talent retention.	Prioritise user-friendly experiences to make tech accessible to business users; enhance training and partner enablement.
Increased Focus on Governance	Consult tech vendors for guidance on implementing safeguards for data usage, sharing, and cybersecurity.	Explore opportunities in offering governance-related services.



Ecosystem analysts present the 5 considerations for tech providers as they navigate market and customer trends in 2024.

1

Get Ready for the Year of the AI Startup



Tim Sheedy

VP Research

While many AI companies have been around for years, this will be the year that many of them make a significant play into enterprises in Asia Pacific. This comes at a time when many organisations are attempting to reduce tech debt and simplify their tech architecture.

For these AI startups to succeed, they will need to create watertight business cases, and do a lot of the hard work in pre-integrating their solutions with the larger platforms to reduce the time to value and simplify the systems integration work.

To respond to these emerging threats, existing tech providers will need to not only accelerate their own use of AI in their platforms, but also ramp up the education and promotion of these capabilities.

2

Lead With Data, Not AI Capabilities



Darian Bird
Principal Advisor

Organisations recognise the need for AI to enhance their workforce, improve customer experience, and automate processes. However, the initial challenge lies in improving data quality, as trust in early AI models hinges on high-quality training data for long-term success.

Tech vendors that can help with data source discovery, metadata analysis, and seamless data pipeline creation will emerge as trusted AI partners.

Transformation tools that automate deduplication and quality assurance tasks empower data scientists to focus on high-value work. Automation models like [Segment Anything](#) enhance unstructured data labeling, particularly for images. Finally synthetic data will gain importance as quality sources become scarce.

Tech vendors will be tempted to capitalise on the Generative AI hype but for sake of positive early experiences, they should begin with data quality.

3

Prepare Thoroughly for AI-driven Business Demand



Achim Granzen

Principal Advisor

Besides pureplay AI opportunities, AI will drive a renewed and increased interest in data and data management. Tech and service providers can capitalise on this by understanding the larger picture around their clients' data maturity and governance. Initial conversations around AI can be door openers to bigger, transformational engagements.

Tech vendors should avoid the pitfall of downplaying AI risks. Instead, they should make all efforts to own and drive the conversation with their clients. They need to be forthcoming about their in-house responsible AI guidelines and understand what is happening in AI legislation world-wide (hint: a lot!)

Tech providers must establish strong client partnerships for AI initiatives to succeed. They must address risk and benefit equally to reap the benefits of larger AI-driven transformation engagements.

4

Converge Network & Security Capabilities



Darian Bird
Principal Advisor

Networking and security vendors will need to develop converged offerings as these two technologies increasingly overlap in the hybrid working era. Organisations are now entering a new phase of maturity as they evolve their remote working policies and invest in tools to regain control. They will require simplified management, increased visibility, and to provide a consistent user experience, wherever employees are located.

There has already been a widespread adoption of SD-WAN and now organisations are starting to explore next generation SSE technologies. Procuring these capabilities from a single provider will help to remove complexity from networks as the number of endpoints continue to grow.

Tech providers should take a land and expand approach, getting a foothold with SASE modules that offer rapid ROI. They should focus on SWG and ZTNA deals with an eye to expanding in CASB and FWaaS, as customers gain experience.

5

Double Down on Your Partner Ecosystem



Tim Sheedy

VP Research

The IT services market, particularly in Asia Pacific, is poised for significant growth. Factors, including the imperative to cut IT operational costs, the growing complexity of cloud migrations and transformations, change management for Generative AI capabilities, and rising security and data governance needs, will drive increased spending on IT services.

Tech services providers – consultants, SIs, managed services providers, and VARs – will help drive organisations' tech spend and strategy. This is a good time to review partners, evaluating whether they can take the business forward, or whether there is a need to expand or change the partner mix.

Partner reviews should start with an evaluation of processes and incentives to ensure they foster desired behaviour from customers and partners. Tech vendors should develop a 21st century partner program to improve chances of success.



CHECK OUT ECOSYSTEM PREDICTS 2024

info@ecosystem.io
www.ecosystem.io

Ecosystem Predicts ↗

**Tech Market Dynamics
2024**

Ecosystem Predicts ↗

**Future of the Sustainable
Organisation: Top 5 ESG
Trends in 2024**

Ecosystem Predicts ↗

**Future of the Experience
Economy: Top 5 CX
Trends in 2024**

Ecosystem Predicts ↗

**Building an Agile &
Resilient Organisation:
Top 5 Trends in 2024**

Ecosystem Predicts ↗

**Future of the Intelligent
Organisation: Top 5 AI
Trends in 2024**

