AI & Information Management Report

The Data Problem That's Stalling AI Success

2024

AvePoint

WITH CONTRIBUTIONS FROM

aiim Association for Intelligent Information Management

CIPL Centre for Information Policy Leadership HUNTON ANDREWS KURTH

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FOREWORD

Most of us have used generative artificial intelligence (AI). For some, it's a novelty and for others, it has become an essential assistant in our work and personal lives. Familiarity leads to confidence, and you will see in this report that most organizations say they feel prepared to use AI.

Yet, as you read this report, you may be left wondering if our confidence in AI at an enterprise-level is justified. Eighty-eight percent of survey respondents report facing "issues with data accuracy, data integrity, and data excess." This is especially concerning because AI success is largely dependent on the quality and accuracy of the data it relies upon and the people and processes responsible for managing it.

Ultimately, AI is just a tool, and the usefulness of that tool is wholly dependent on the quality of the data input and how well we use the data output to make decisions. In other words, AI depends on people, processes, and data. This is where information management comes in, as it integrates people, processes, information, and technology to achieve better business outcomes.

This report highlights the importance of information management as key to AI success. When you are excited about a new tool, it's easy to write-off the foundational work, like information management, as something that could wait or even be ignored. Don't get caught in the hype cycle around AI. Sustainable, responsible, and successful AI requires information management.

Information management's value goes beyond AI. It also makes work easier by improving accessibility to knowledge; improves productivity and efficiencies; protects stakeholders; and helps us make better decisions. Information management is a business enabler. Good information management practices will lead to better AI and better business outcomes.

In this report, you will find intriguing research about how organizations and your peers are thinking about AI and data, but, more importantly, you'll find insightful guidance and recommendations for how your organization can use information management for more successful investments in AI. Knowledge is best when shared so I encourage you to use this report to spark discussion and debate in your own organization.

TORI MILLER LIU, MBA, FASAE, CAE, CIP
PRESIDENT & CEO
ASSOCIATION FOR INTELLIGENT INFORMATION MANAGEMENT (AIIM)

01
Introduction

INTRODUCTION

The emergence of OpenAI's ChatGPT in late 2022 marked a significant shift in the use of generative artificial intelligence (AI) worldwide, sparking an explosion of usage from individuals and unlocking seemingly limitless possibilities.

ChatGPT quickly became the fastest growing consumer application in history, **amassing 100 million monthly active users just two months after its launch**. Its success paved the way for other gen AI like Midjourney, Google Gemini, and Microsoft Copilot, and sparked increased interest in other AI tools like natural language processing (NLP) and machine learning (ML).

In 2024, organizations moved from talking about AI to applying it at scale to solve real business problems. However, there is a growing concern about whether it will live up to the hype or fall short of its lofty expectations. While most are optimistic about AI's potential, they also recognize it has limitations that, if left unchecked, could be its downfall. To avoid a boom-bust cycle, it is crucial to gain a deeper understanding of what it takes to overcome its limitations and make AI implementation successful.

Data is a crucial component of the large-language models that power AI systems. However, there is a distinction between data and *quality* data, and businesses are increasingly exploring the role of information management – the strategies, processes, skills, and technologies required to leverage information and data assets to achieve better business outcomes – in AI implementation to ensure that data is secure, clean, organized, and easily accessible.

To address these important concerns around how to ensure data is truly ready for AI, AvePoint conducted a study in late 2023, capturing the perspectives of more than 750 business leaders from 16 countries, representing 10 industry sectors and organizations of various sizes, all of whom had primary or shared responsibility for AI implementation within their respective organizations. The study uncovered powerful insights into the current state of AI adoption, evaluated the measures organizations are taking to manage their data in the context of AI implementation, and explored the impact of information management strategies on AI success.

The resulting AI & Information Management Report sheds light on challenges and opportunities surrounding AI implementation, especially those associated with information management, offering insights into how businesses can better prepare for AI success. By learning from the experiences of others and making informed decisions about how to navigate AI implementation, organizations can go into their journey to AI with clear eyes and unlock its full potential.

02
Key Findings

KEY FINDINGS

#1 Organizations Have Serious Concerns Around AI Implementation

Despite widespread optimism around the promise of AI, organizations are concerned about its potential risks, especially as it relates to data privacy and security (71%), quality and categorization of internal data (61%), and integration complexity (59%).

#2 Many Do Not Govern the Use of Public AI Tools

More than half of organizations (53%) are using public AI tools without implementing an AI Acceptable Use Policy, which can lead to risks like damaging loss of intellectual property and competitive disadvantage.

#3 Nearly Every Organization Faces Hurdles During AI Implementation

While most organizations (88%) feel prepared for AI, almost all organizations (95%) experience challenges during AI implementation.

#4 Data Readiness Gap Hinders AI Implementation

Although most organizations (80%) believe their data is ready for AI, more than half (52%) faced challenges with data quality and categorization during implementation, highlighting a significant gap between perceived readiness and reality that must be addressed to successfully implement AI.

#5 Inadequate Information Management Strategies Contribute to Poor Data Quality

While 88% of organizations claim to have an information management strategy in place, 44% lack basic measures such as archiving and retention policies and lifecycle management solutions, resulting in an inadequate strategy that contributes to data quality issues, including accuracy, integrity, and excess.

KEY FINDINGS

#6 Growing Data Volume Further Challenges Information Management Strategies

64% of organizations already manage at least 1 PB of data, and 41% manage at least 500 PB of data. This growing data volume further challenges IM strategies, making it crucial for organizations to mature their strategy to manage and optimize their data effectively.

#7 AI-Ready Data Requires New Information Management Measures

To ensure the accuracy of AI input and output, 77% of organizations acknowledge they must implement new information management measures, and those willing to adapt have the highest levels of confidence in their data's readiness for AI.

#8 The ROI of AI Investments Hinges on Effective Information Management

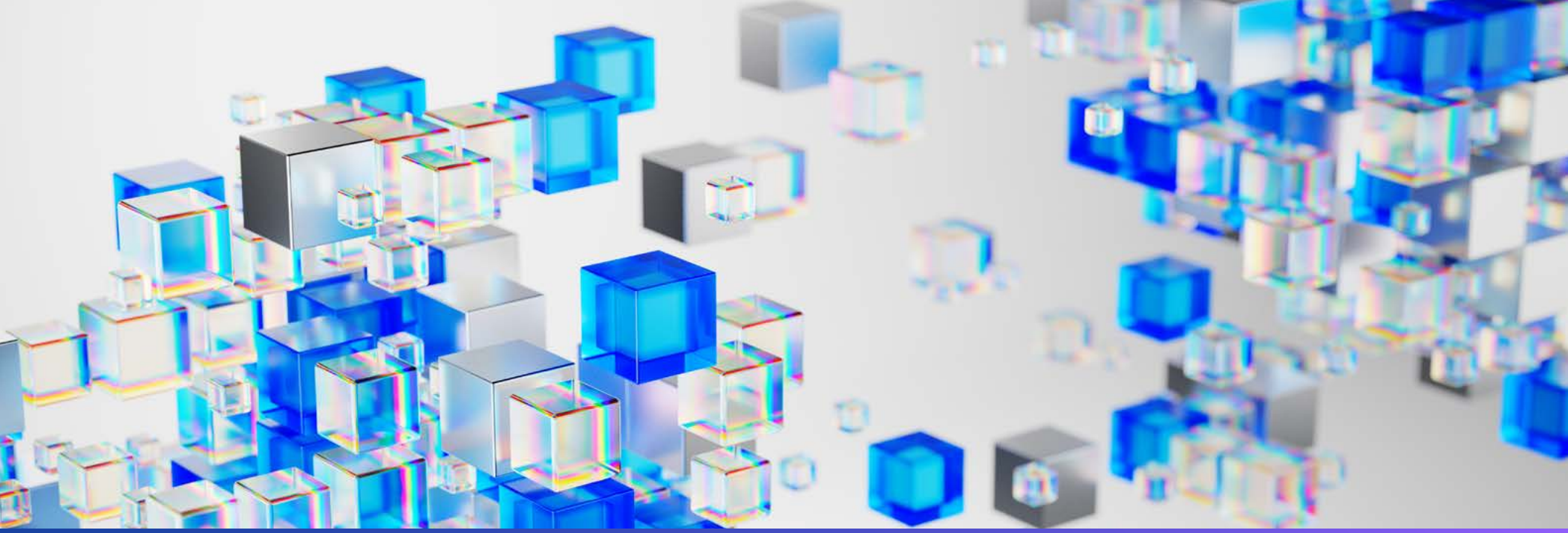
Despite only 17% of organizations prioritizing a robust data strategy as the most effective way to ensure return on investments from their AI investments, the survey revealed organizations with mature information management strategies are 1.5x more likely to realize benefits from AI than those with less mature strategies.

#9 Assessing AI Success Requires Assessing Your Data Too

While 62% of organizations believe that performance metrics like efficiency gains are the best way to measure ROI from AI, it is equally important to assess data quality, including the quality of input data used to train AI models and the quality of output data generated by AI systems, to ensure long-term success.

#10 As AI Investments Skyrocket, Education is Key

Organizations have invested heavily in AI, yet only 46% of organizations offer AI-specific training. Focusing on AI and information literacy can bridge the gap between access to technology and successful implementation.



03
Current State of Enterprise AI

CURRENT STATE OF ENTERPRISE AI

For the purposes of this study, **artificial intelligence (AI)** refers to any technology that simulates human intelligence and performs tasks typically requiring human intelligence. This technology may be public (unlicensed or open) or private (licensed or enterprise) and includes but is not limited to generative AI tools, which generate new content and insights based on existing data, or other AI tools, which may rely on data to perform tasks, make predictions, or offer personalized assistance.

Organizations are optimistic about AI

Organizations are increasingly optimistic about the benefits that AI can bring to their business. Already, 74% of surveyed organizations use AI, with a quarter of their work tasks being supported by its implementation.

Among all survey respondents, ChatGPT is the most widely used generative AI system, utilized by 65% of the organizations (figure 1).

Regardless of their current AI adoption status, 92% of organizations believe that AI will improve their businesses. They report the most significant anticipated benefits include streamlined business operations and enhanced customer insights and personalization (figure 2).

On top of that, organizations recognize AI's versatile application across many areas of business, and anticipate improvements like better data security and compliance management (61%) as well as marketing and customer engagement strategies (52%).

When considering future AI implementations, AI assistants stood out as a top choice among survey respondents. This technology allows users to complete tasks in a conversational manner and has garnered interest from 64% of surveyed organizations.

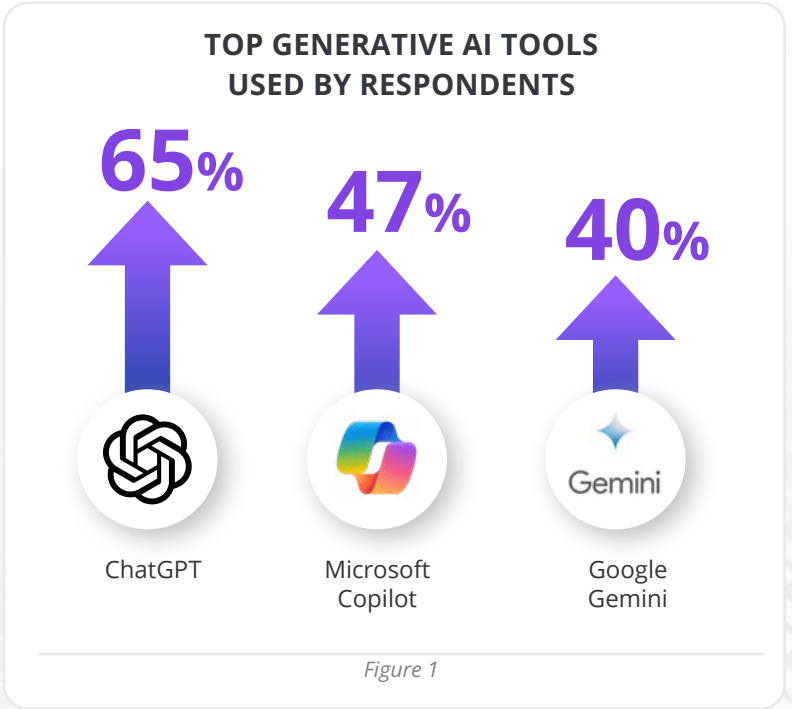


Figure 1

ANTICIPATED IMPACT OF AI ON BUSINESS

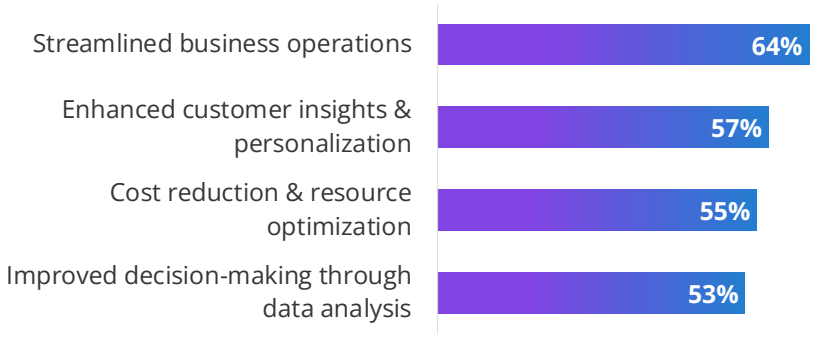


Figure 2

RESPONDENTS' TOP CONCERNS ABOUT AI IMPLEMENTATION IN THEIR ORGANIZATIONS

1. **Data privacy & security** (71%)
2. **Quality & categorization of internal data** (61%)
3. **Integration complexity** (59%)

Figure 3

Despite optimism, organizations have concerns about AI, too

When asked to identify their top three concerns when considering an AI implementation, survey respondents ranked data privacy and security, quality and categorization of internal data, and integration complexity (figure 3) as most concerning.

Survey respondents were then asked to pinpoint their foremost concern, and two issues came out on top: the quality and categorization of internal data and data processing infrastructure. Over two-thirds (72%) of surveyed organizations ranked one or the other as their primary concern prior to their AI implementation.

Despite concerns, 88% of surveyed organizations felt they were ready for AI implementation. This suggests that while some apprehension exists, there is also considerable optimism regarding the potential benefits of AI. Consequently, many organizations are pushing forward with AI adoption in order to capitalize on these perceived benefits.

Yet as you'll see in the next section, these concerns become reality for virtually every organization during AI implementation.

The Stakes of Privacy & Security Concerns

The Centre for Information Policy Leadership (CIPL) recognizes the critical importance of responsible data management—a perspective reflected in this study's findings.

Responsible data management is more than legal compliance; it is essential to digital trust, competitiveness, and long-term, sustainable business. It is vital for organizations to ensure that good data management, as well as responsible development and deployment of AI are Board priorities and recognized as business imperatives.

Our research has also documented the extent to which prioritizing the protection of user data improves business outcomes. When we respect individual privacy, we must also ensure that we classify, manage, and protect our data in a manner that enhances the accuracy and quality of any generated insights.

Taking a responsible approach to safeguarding individuals' data also deepens customer trust and loyalty. It's not a choice of responsibility vs. profit – the two go hand-in-hand.

BOJANA BELLAMY
PRESIDENT, CENTRE FOR INFORMATION POLICY LEADERSHIP (CIPL)

AI concerns become AI challenges

Nearly every organization surveyed (95%) experienced data challenges during AI implementation. The most common challenge organizations faced was the categorization and quality of their internal data. This is unsurprising, as this was one of respondents' biggest concerns pre-implementation.

Data security and privacy concerns also materialized as actual challenges when implementing AI, with 45% of organizations experiencing data exposures. This suggests that organizations need to take more proactive measures to address their data concerns before beginning their AI implementation.

Further, some organizations may be overlooking the risks associated with their current AI use, potentially exacerbating the challenges they face. For example, most organizations today are leveraging public AI technologies, where there is limited oversight of employee activity; however, only 47% of organizations have implemented an AI Acceptable Use Policy, leaving them vulnerable to potential misuse of AI.

It's no wonder less than half of organizations (44%) feel confident about their organization using AI safely. As more organizations recognize the value of AI, the increasing reliance on AI tools without proper guardrails and safeguards can lead to even more significant risks.

Less than 50%

of organizations feel very confident their organization can safely use AI

Takeaways

01

When considering AI implementation, organizations are most concerned about data privacy and security, data quality, and integration complexity.

02

Virtually every organization faced data challenges when implementing AI, including data quality issues and data exposures, validating their initial concerns.

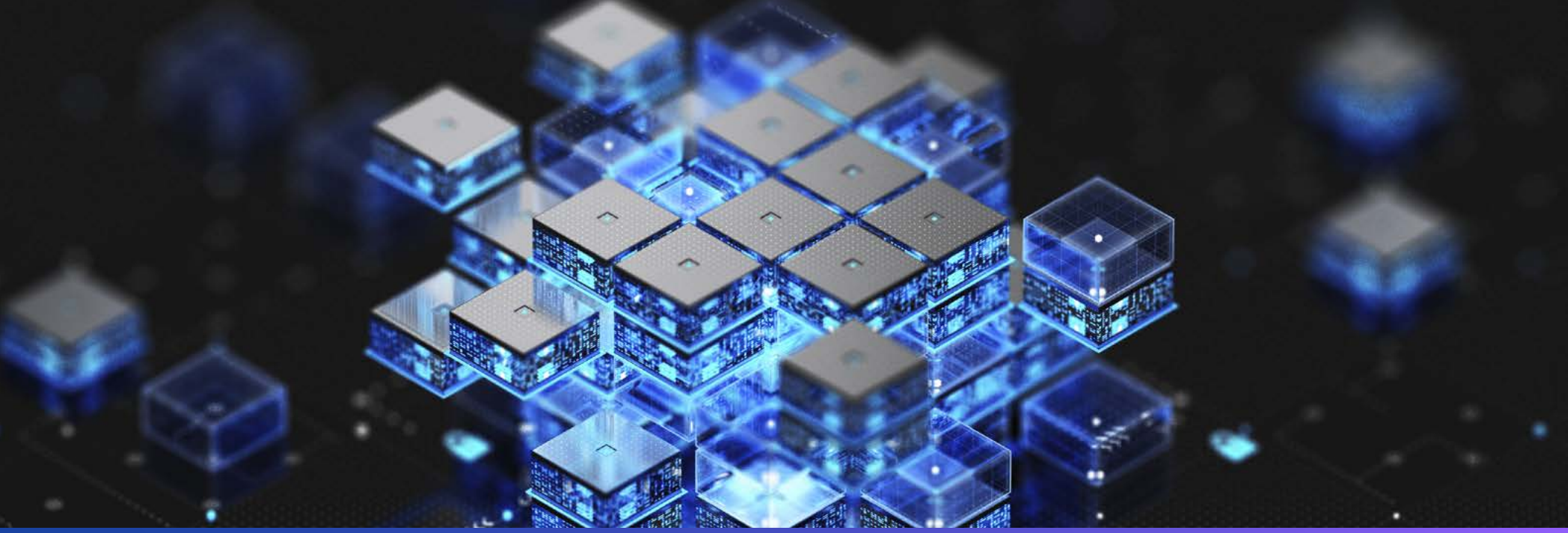
03

To mitigate these data challenges, organizations must take more proactive measures to address data quality and security issues before implementing AI to realize its benefits and ensure smoother adoption of the technology.

DANA SIMBERKOFF
CHIEF RISK, PRIVACY, AND INFORMATION SECURITY OFFICER, AVEPOINT

EXPERT PERSPECTIVE

AI is a powerful tool for society – and that includes the hackers that will use it to exploit every weakness and flaw in our global cybersecurity infrastructure. While the rise of generative AI promises a transformation in productivity at work and at home, these tools are also enabling the evolution of the global threat landscape at a pace we never could have imagined. The study findings reveal that, despite being aware of the risks associated with AI implementation, many organizations are rushing into AI without taking adequate measures to mitigate them, leaving themselves vulnerable.



04

Navigating the Gap from Perceived Data Readiness to True Data Readiness

NAVIGATING THE GAP FROM PERCEIVED DATA READINESS TO TRUE DATA READINESS

For the purposes of this study, **data** refers to any information that is relevant to respondents' businesses and its operations. This could include – though is not limited to – customer data, financial records, analytics data, product information, marketing data, inventory or supply chain data, employee information, or other types of relevant data. Data may be structured or unstructured and could be stored in a company's physical or digital information system in various formats, including physical documents, spreadsheets, databases, or cloud-based storage systems.

Today's complex data landscape poses challenges for AI implementation

The sheer volume of data managed by organizations today continues to grow, with 64% managing at least 1 PB of data and 41% managing at least 500 PB of data (figure 4). Managing such vast amounts of information can make it difficult to know what information you have, let alone the quality of the data, which is problematic for any AI that relies on institutional data to produce output.

> *To further complicate matters, survey respondents also report that 50% of their organizational data is over 5 years old, likely containing redundant, obsolete, or trivial (ROT) data.*

This not only burdens storage systems but may also compromise the validity of AI-driven insights if based on outdated information.

Further, many companies' storage architecture may not be ideal for AI use. When asked to select all the places they store data, 87% of survey respondents selected the cloud, but 51% also had data in self-hosted storage and 46% had it in physical documents. That means many organizations store critical information in various repositories, which can lead to a separate and fragmented data ecosystem that complicates accessibility for both people and AI; AI algorithms need access to all relevant information to build appropriate learning models, which can be challenging when data is stored in separate, disconnected locations.

AMOUNT OF DATA ORGANIZATIONS MANAGE

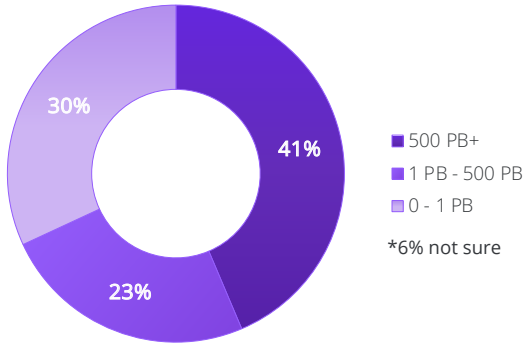


Figure 4

This disjointed data landscape not only impedes effective AI, but is likely the cause of many of the data challenges surveyed organizations reported, such as difficulty and complexity in searching, confusing search results, and excessive duplicates (figure 5).

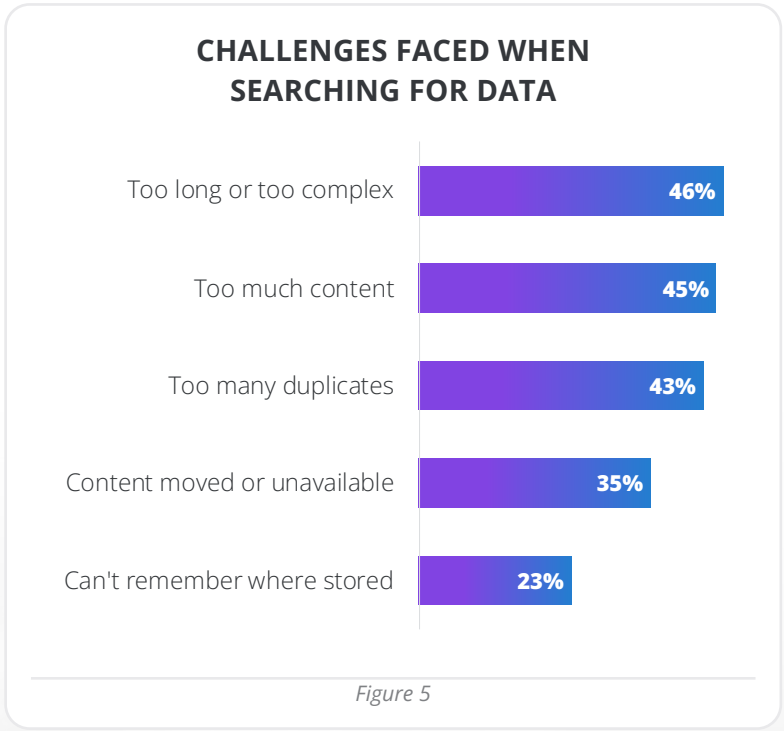
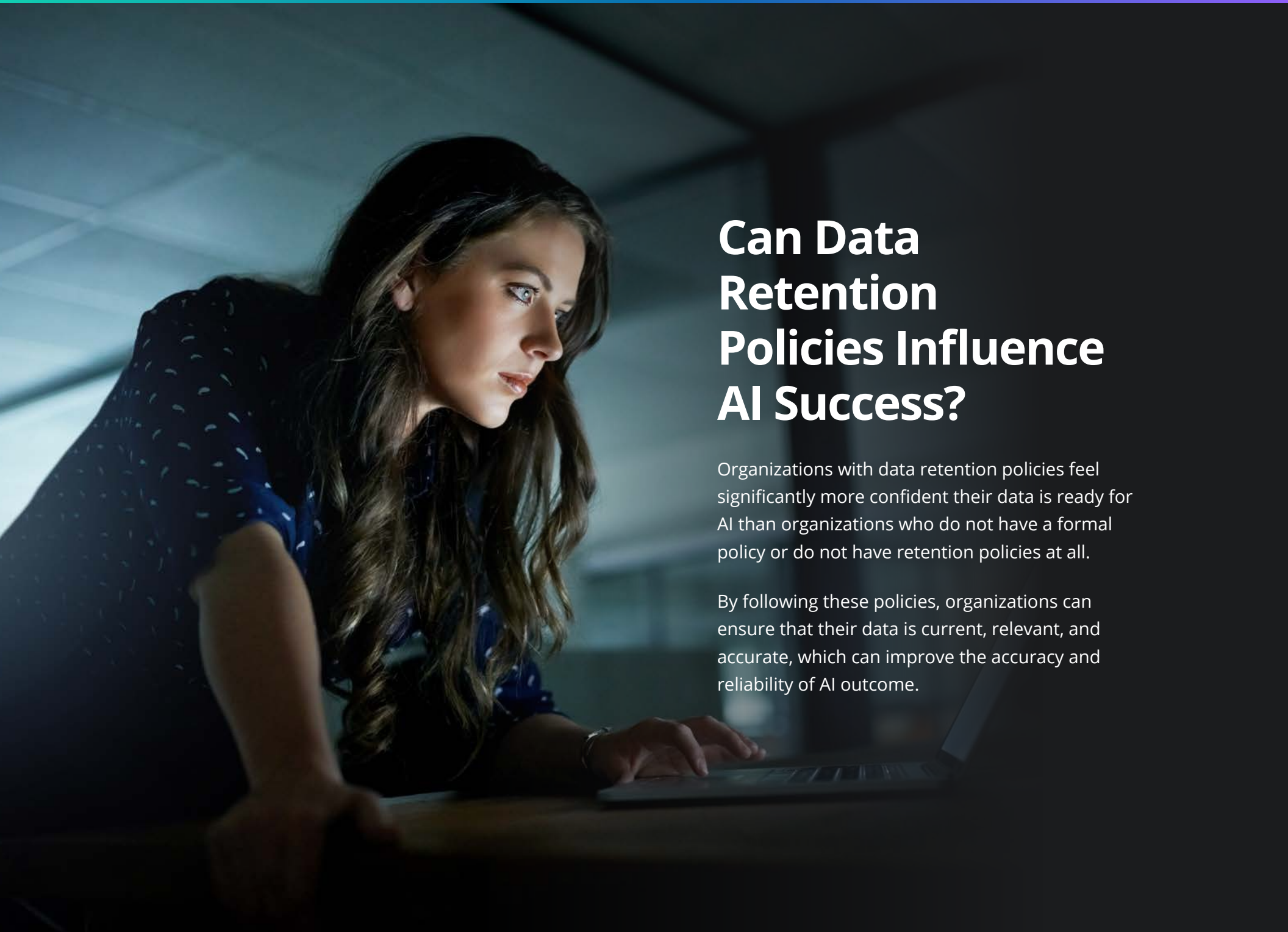


Figure 5

> *AI is only as good as the data its trained on; attempting to build successful AI models with poor-quality data will produce suboptimal or even erroneous results.*



Can Data Retention Policies Influence AI Success?

Organizations with data retention policies feel significantly more confident their data is ready for AI than organizations who do not have a formal policy or do not have retention policies at all.

By following these policies, organizations can ensure that their data is current, relevant, and accurate, which can improve the accuracy and reliability of AI outcome.

Data readiness is the biggest misconception hindering organizations during AI implementation

While most survey respondents (93%) understand the importance of clean and organized data for the success of AI initiatives, many organizations are not taking the proper actions to prioritize the necessary skills and systems required to ensure the quality of data.

For instance, although more than half of organizations surveyed admitted to being concerned about data processing infrastructure before implementing AI, 80% of organizations still believed their data was ready for AI. This confidence was unfounded, though, as during implementation, over half of organizations (52%) encountered challenges with internal data quality and categorization (figure 6), exposing a clear disconnect between perceived data readiness and actual AI-ready data.

This misconception points to two underlying issues:

1. **Organizations may not fully understand the complexity of information management** in the current data landscape and may lack the expertise required to effectively navigate it.

2. **Organizations may allow their optimism for AI to obscure their perception of data readiness** for its implementation, leading them to underestimate the significant changes needed in data management.

With the deployment of AI, many organizations who haven't focused on their information management approach are being forced to address longstanding data issues. Given the scale and diversity of data sources that must be integrated, processed, and analyzed to enable AI, these challenges are particularly acute. Addressing them requires a comprehensive strategy that includes investing in data management tools and infrastructure and hiring skilled data professionals.

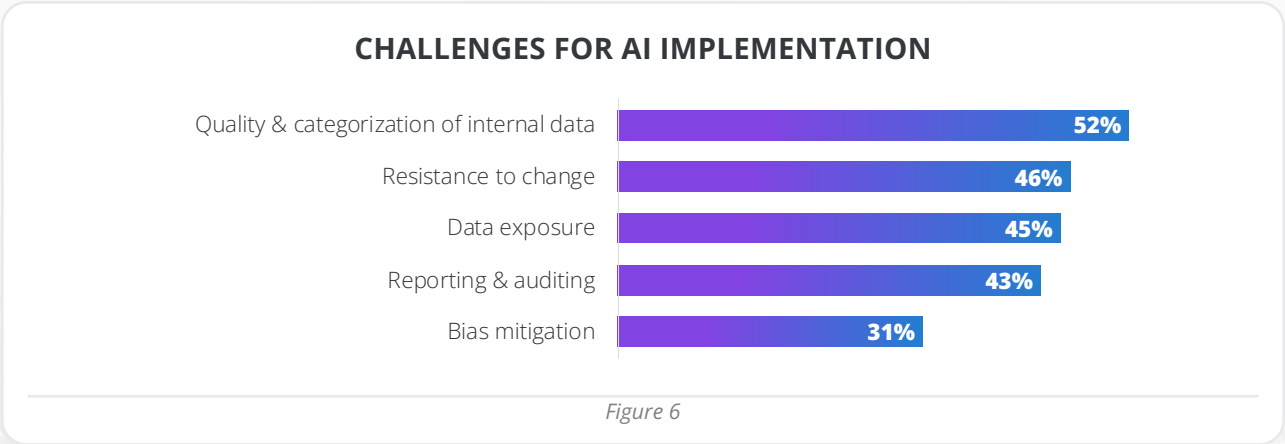


Figure 6

Takeaways

01

Today's complex data landscape breeds data quality issues and may challenge AI efforts if actions aren't taken to combat them.

02

Despite acknowledging potential data issues, many organizations remain overly confident in their AI data readiness, exposing a gap between perception and reality.

03

Bridging this gap requires organizations to be fully aware of the quality of their data, address concerns around data accuracy and integrity, and prioritize data and information management expertise.

TORI MILLER LIU
PRESIDENT & CEO, ASSOCIATION FOR INTELLIGENT INFORMATION MANAGEMENT (AIIM)

EXPERT PERSPECTIVE

The study highlights how data can pose a significant obstacle to AI adoption. To get beyond the AI hype cycle and find useful applications for AI at a scalable, enterprise level, organizations must focus on identifying real use cases and the logistics of AI.

First, organizational strategy for AI should focus primarily on problems that need to be solved. Don't focus on the tool (AI).

Second, organizations should focus on the logistics of AI to remove friction that stalls and discourages AI adoption. AI readiness is dependent on content – the unstructured data found in emails, invoices, text fields, reports, and more. When considering content, there are three factors that contribute to AI readiness and success:

- **Employee Engagement** - Stakeholders need to be supported and trained in AI.
- **Content Access** – Content or unstructured data should be securely accessible, and systems should be interoperable to allow the flow of data to repositories for AI.
- **Content Hygiene** – Content or unstructured data should be regularly evaluated and maintained to improve the relevance and accuracy of AI output.

05
The Role of Information Management in AI Readiness

THE ROLE OF INFORMATION MANAGEMENT IN AI READINESS

For the purposes of this study, **information management (IM) strategy** refers to a comprehensive approach to managing all aspects of information within an organization. This involves collecting, organizing, storing, preserving, retaining, and disposing information while maintaining control over its structure, processing, and delivery, both in electronic and physical formats, throughout its lifecycle.

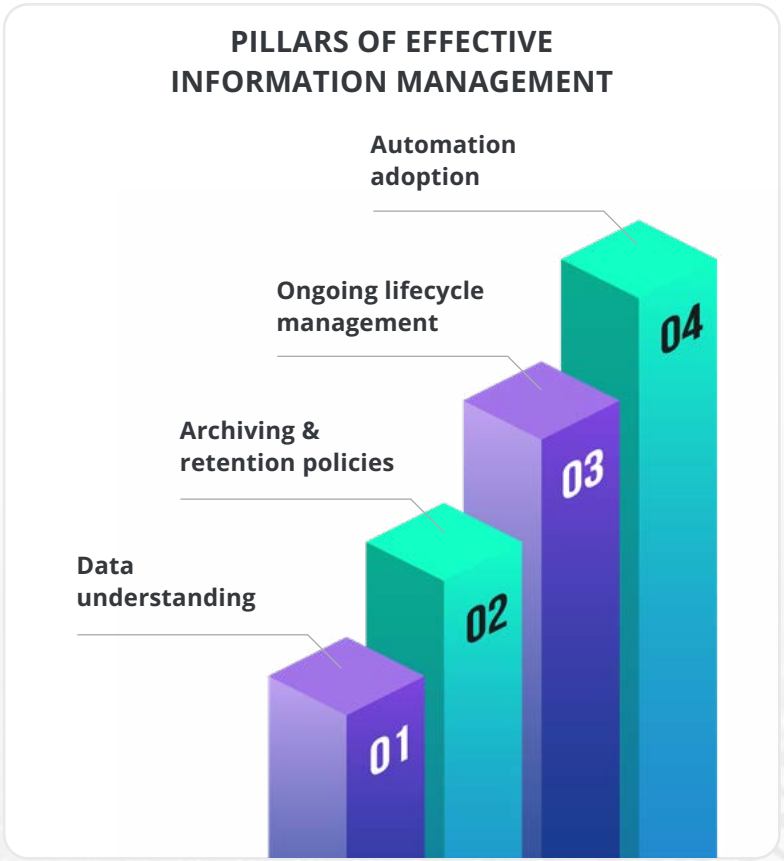
Gaps in information management strategies pose challenges for AI adoption

When asked about their information management strategies, most respondents (88%) claimed to have one in place. Yet when asked if their strategy included specific measures proven to be critical to successful AI implementation, many of these organizations were missing these elements.

44%

of organizations did not have archiving and retention policies

Another 44% lacked lifecycle management solutions. These measures are foundational to effective information management and play a crucial role in ensuring data integrity, compliance, and operational efficiency; and their absence underscores the need for organizations to reassess the robustness of their strategies.



ROLE AUTOMATION PLAYS IN IM STRATEGY

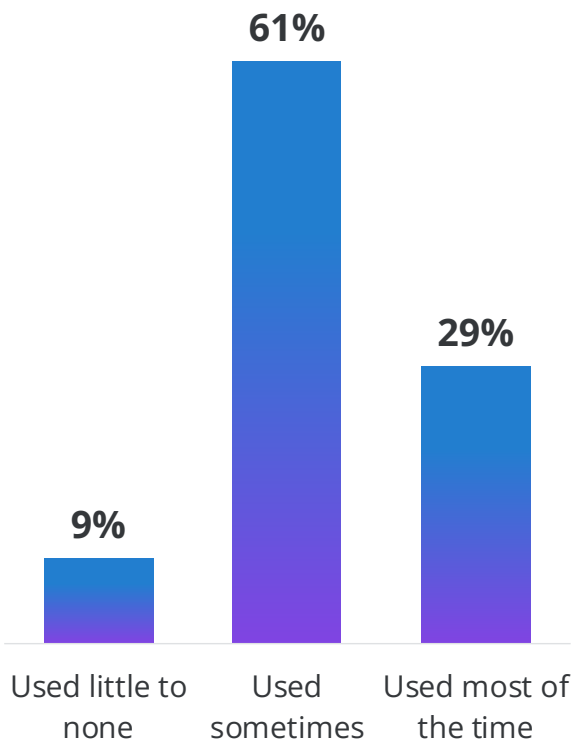


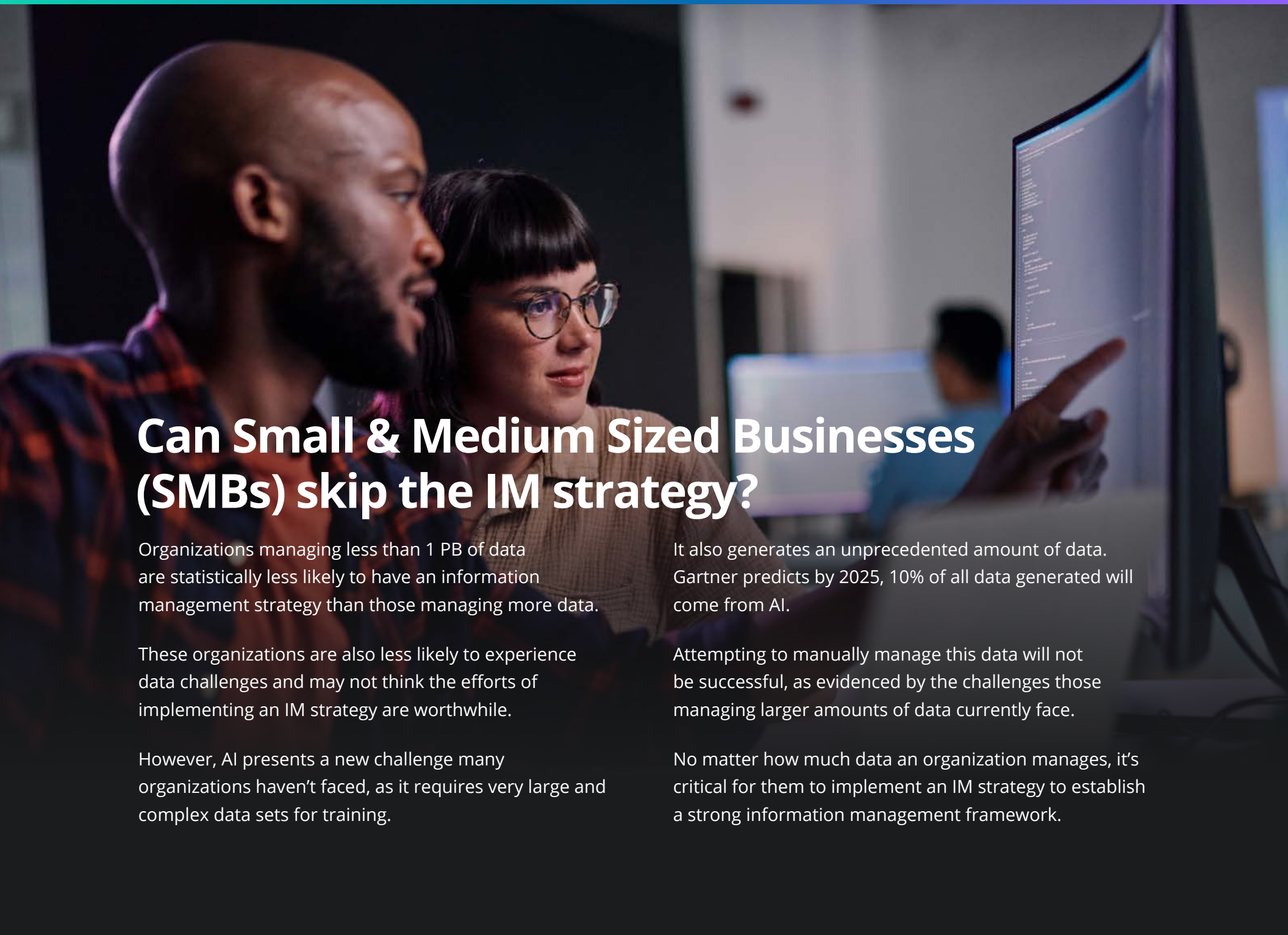
Figure 7

Moreover, most organizations' information management strategies are not equipped to handle the increasing volume of organizational data. Only half of respondents actively enforce a data retention policy, and just 29% of them leverage automation in most aspects of their information management strategy (figure 7). Addressing these gaps is crucial for organizations to effectively manage and optimize their data and ensure long-term success.

These findings highlight a potential gap in understanding the essential components of an effective IM strategy in today's complex data landscape. It also suggests organizations should evolve their IM strategies, especially given the increasing volume of data.

> *Gartner predicts 10% of all data generated will come from AI by 2025.*

These gaps are also likely the cause of many of the challenges information managers face today, which respondents report include issues with data accuracy and integrity and managing data across multiple repositories. These challenges won't simply disappear with the introduction of AI, but rather will be exacerbated with its integration, signaling a pressing need for better information management to future-proof organizations' approach to data management.



Can Small & Medium Sized Businesses (SMBs) skip the IM strategy?

Organizations managing less than 1 PB of data are statistically less likely to have an information management strategy than those managing more data.

These organizations are also less likely to experience data challenges and may not think the efforts of implementing an IM strategy are worthwhile.

However, AI presents a new challenge many organizations haven't faced, as it requires very large and complex data sets for training.

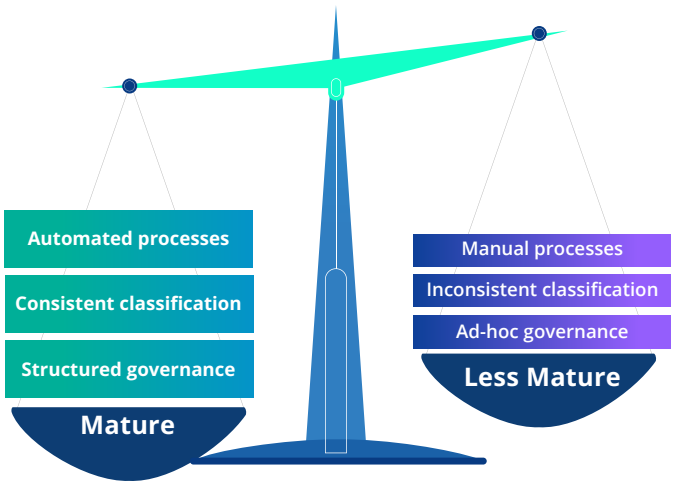
It also generates an unprecedented amount of data. Gartner predicts by 2025, 10% of all data generated will come from AI.

Attempting to manually manage this data will not be successful, as evidenced by the challenges those managing larger amounts of data currently face.

No matter how much data an organization manages, it's critical for them to implement an IM strategy to establish a strong information management framework.

Organizations with less mature IM strategies face more obstacles to AI adoption

According to survey responses, organizations with less mature IM strategies – such as those without automated data classification and lifecycle management solutions – were not confident in their data's AI readiness, questioned their ability to safely use AI, and were more likely to doubt they would realize the benefits of AI in their businesses.



In contrast, respondents with more mature IM strategies had a higher level of confidence that their data was ready for AI. Not only that, but after implementing AI, they were also more likely to feel their AI output was accurate.

> *The good news: organizations that are willing to adapt their IM strategy in response to AI are most likely to feel confident about their data's AI readiness.*

These respondents also demonstrate a deeper understanding of the importance of effective data management, with 73% of them intending to enhance data quality and information management practices as part of their future AI strategies (figure 8).

PLAN TO ENHANCE DATA QUALITY & INFORMATION MANAGEMENT

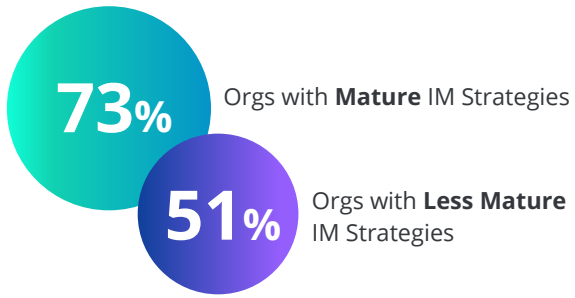


Figure 8

In order to ensure true AI data readiness and confidence in outputs generated by AI, organizations should start by ensuring their data is accurate and accessible – throughout its lifecycle – with more mature IM practices like archiving and retention policies and lifecycle management solutions.

Organizations must have effective IM strategies to maximize ROI on AI investments

A significant number of organizations overlook the importance of information management for AI success. Only 17% of survey respondents consider a robust data strategy as the most effective way to ensure ROI on AI investments. Instead, more respondents chose strategies such as continuous optimization of AI systems and clear AI strategy and objectives.

While these are important to the success of any AI implementation, they cannot materialize unless a robust data strategy is established first (figure 9). AI is trained on data, and poor-quality data can result in erroneous decisions, posing considerable risks to customers, reputation, and other aspects of operations.

Remember, ROI is more than a measure of short-term revenues vs. expenditures. It is also a measure of the extent to which investments lead to better and more strategic decisions over the longer-term.

Consider, for example, the impact of prioritizing a data strategy on employee experience: by initially investing in robust data management, organizations create safer and more effective applications of AI. This empowers employees with the freedom to utilize AI tools in a secure way, enhancing their productivity. And **we know** that the more productive employees are at work, the happier and less likely they are to leave an organization.

DATA STRATEGY FOUNDATIONAL TO AI SUCCESS

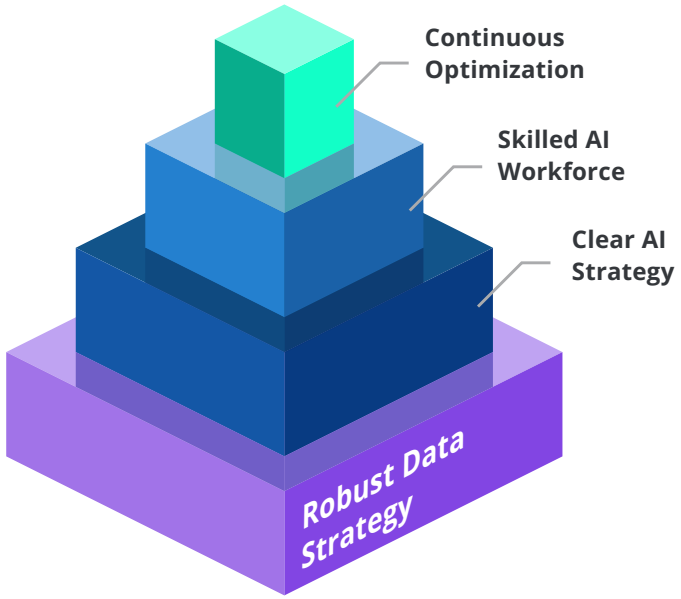


Figure 9

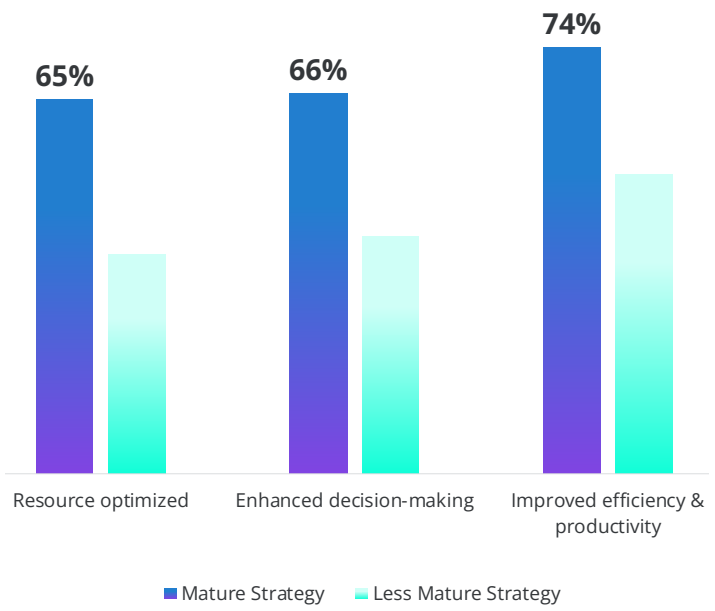


Figure 10

The report highlights a clear correlation between a strong data strategy and AI success. Organizations with a more mature information management strategy were 1.5x more likely to realize the early advantages of AI implementation than those with a less robust approach (figure 10).

> *Organizations with a more mature IM strategy were 1.5x more likely to realize the benefits of AI implementation than those with a less robust approach.*

Organizations should not only rethink the strategies that will drive ROI, but also the measures by which they assess it.

Sixty-two percent of respondents stated efficiency gains and other performance metrics are the best way to measure ROI from their AI implementation. Organizations that solely rely on performance metrics may experience short-term success, but long-term success hinges on the effectiveness of their IM strategies to produce organized and accurate data for training AI models.

Failing to prioritize data quality alongside these other measures can lead to consequences like faulty processes, flawed decision-making, and compromised business outcomes.

Takeaways

01

Many organizations lack essential information management components required to successfully implement AI, including archiving and retention policies as well as lifecycle management solutions.

02

Organizations with less mature IM strategies that lack these basic measures face more obstacles in AI adoption than peers.

03

Companies that have implemented mature IM strategies are nearly twice as likely to realize the ROI on their AI investments versus those who have not deployed these strategies.

ALYSSA BLACKBURN
INFORMATION STRATEGY LEAD, AVEPOINT

EXPERT PERSPECTIVE

With the deployment of advanced tools like AI, longstanding data issues are being brought to light.

It is concerning that many organizations are implementing AI without basic IM measures like archiving and retention policies or lifecycle management solutions. AI is only as good as the data it's trained on, and the lack of proper information management increases the risk of producing inaccurate or outdated content, which can lead to poor decision-making and negatively impact business success.

To mitigate this risk, it's crucial to implement a robust IM strategy that manages content from creation to lifecycle and determines if it's required for ongoing business purposes. Without this strategy, an AI investment cannot achieve ROI.

06

The Future of AI in the Workplace

THE FUTURE OF AI IN THE WORKPLACE

The future will be AI-powered

Of the surveyed organizations who have successfully implemented AI, many have already experienced early advantages of their implementation, including improved efficiency and productivity, increased data insights and accuracy, enhanced decision-making, resource optimization, and accelerated innovation (figure 11).

Thanks to initial success, many of the surveyed organizations have plans to increase their AI spending and usage next year, with more than 80% planning to invest more in 2024 and 60% planning to expand its use across other departments.

> *This aligns with Gartner Research's prediction that by 2027, spending on AI software will grow to $297.9 billion.*

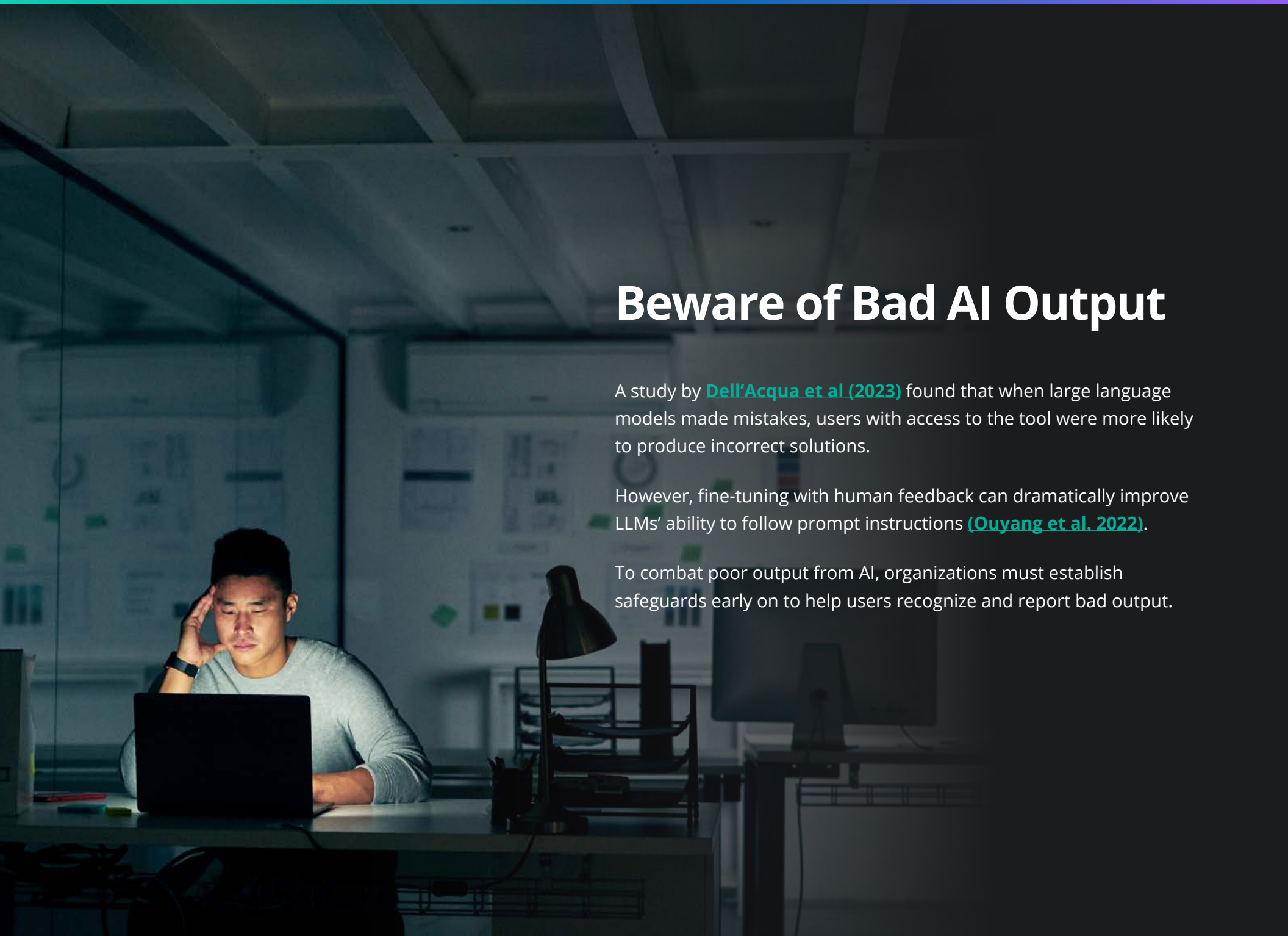
TOP 3 USE CASES OF AI

Improved efficiency & productivity
(61%)

Increased data insights & accuracy
(54%)

Enhanced decision-making
(51%)

Figure 11



Beware of Bad AI Output

A study by **Dell'Acqua et al (2023)** found that when large language models made mistakes, users with access to the tool were more likely to produce incorrect solutions.

However, fine-tuning with human feedback can dramatically improve LLMs' ability to follow prompt instructions **(Ouyang et al. 2022)**.

To combat poor output from AI, organizations must establish safeguards early on to help users recognize and report bad output.

Confidence in gen AI output is low

As AI continues to play a critical role in many businesses, it becomes even more essential to ensure that it's informed by data that is complete, accurate, and relevant. Companies must acknowledge that many interactions a user has with this technology will be used to inform important decisions, which means the information must be reliable and contextualized.

Despite AI already supporting an average of 25% of survey respondents' work, only 43% of organizations express high confidence in the accuracy of their AI output. As reliance on AI grows, distinguishing between accurate and inaccurate output will become increasingly challenging. Even with a clean and complete dataset, it's crucial to confirm the accuracy of AI output, as AI systems can still be biased or even generate inaccurate outputs.

To avoid potential setbacks, organizations must establish proper checks and balances early on in AI adoption. This includes:

1. **Conducting data quality assessments** to identify data quality issues
2. **Implementing data validation processes** to ensure data meets specific quality standards for AI
3. **Monitoring AI output** to detect and correct any errors or issues that may arise over time

> *By implementing these safeguards, organizations can ensure that their AI systems are working with high-quality data, leading to accurate and reliable results.*

Guidelines for safe and effective AI usage will be critical

Guidelines for safe and effective AI usage will become essential as AI is increasingly integrated into work. Organizations must prioritize the development and implementation of such guidelines to mitigate risks and ensure that AI is being used in a responsible and ethical manner.

Only 47%

of the surveyed organizations currently have such policies in place

Further, organizations can expect additional recommendations from external parties on how best to use AI. Half of survey respondents (50%) believe that both the private and public sectors should be developing these guidelines. In action, this may vary by region or industry.

What's the future of AI regulation?

While regulations have not kept up with AI development, regulators are urgently acting in response to consumer demand and concerns as well as pressing national security risks.

In the next 1-3 years, AI oversight and regulations will gain momentum and will eventually take full effect. Regulations may address retention of AI input and output; the use of intellectual property; allowable use cases for AI; and more.

The global regulatory landscape around AI is complex and evolving with countries taking differing approaches to regulation. The challenge for information leaders and organizations will be understanding the variety of regulations, which may be different by country and even by state or territory.

The emergence of AI regulations will be good in that it will establish guidelines that help organization minimize their risk, but regulations may also increase costs for compliance for organizations using AI as well as AI developers. This could necessitate additional investment and prioritization of information management as a practice.

TORI MILLER LIU
PRESIDENT & CEO, ASSOCIATION FOR INTELLIGENT INFORMATION MANAGEMENT (AIIM)

DIVE DEEPER

Key Findings from CIPL's Report: Building Accountable AI Programs

As AI tools become increasingly accessible, it is imperative for organizations to implement robust, systematic AI governance frameworks and compliance programs with proper oversight, policies, procedures, tools, training, and reviews, that enable responsible development and deployment of AI. Data readiness is a key foundation for such frameworks and programs.

The Centre for Information Policy Leadership (CIPL) released a report in 2024 to help organizations foster accountability in their development, deployment, and use of AI technologies. The report identifies organizational best practices from leading companies' accountable AI programs and maps them to CIPL's Accountability Framework, which contains seven core elements of accountability: leadership and oversight; risk assessment; policies and procedures; transparency; training and awareness; monitoring and verification; and response and enforcement.

Some key findings from the report include:

01 **A risk-based, technology-agnostic approach is the most effective and appropriate approach for AI governance.** When managing and mitigating risks in AI development and deployment, organizations are assessing the specific use cases or applications of AI technology rather than the technology itself. Organizations believe that this approach is key to creating effective, future-proof governance structures that will adapt with the technology.

02 **Organizations are adapting and updating their governance frameworks to address new issues and risks, including those raised by generative AI.** They agree that addressing AI-related issues should not require a complete overhaul of existing corporate compliance and governance structures but can be accomplished by adapting and updating existing ones.

03 **Multidisciplinary and diverse teams are the foundation for building and implementing accountable AI governance programs.** While there is no single "right" location for an AI governance team within an organization, many view data privacy teams as the logical points of departure for AI governance considering their expertise with data management programs, tools, and regulatory compliance. Regardless of where AI governance teams are situated, however, organizations agree that these teams must be cross-disciplinary and include representatives from relevant disciplines, including data science, privacy, legal, ethics, compliance, engineering, product, IT, and information security.

Learn more in CIPL's report, Building Accountable AI Programs: Mapping Emerging Best Practices to the CIPL Accountability Framework.

AI education is fundamental to achieving AI success

The majority of surveyed organizations plan to spend at least 25% of their technology budget on AI in the next 5 years. Even with the proper IM processes in place, this large investment will not deliver results without intentional action by organizations to upskill and train employees on how to utilize this technology.

According to survey responses, online classes like LinkedIn Learning, Coursera, and MasterClass are the most common source for AI information (figure 12). Less than half of organizations (46%) offer AI-specific training to their employees, presenting a significant opportunity for organizations to bridge the gap between access to technology and successful implementation through employee education and training.

This approach should be two-pronged: one focused on AI literacy and the second on information literacy.

1. **AI literacy** is crucial for building trust with users and overcoming concerns around AI usage. Companies should train employees on safe and secure AI usage, as well as provide training on how to optimize productivity gains from AI tools.

2. It is equally important that employees possess **information literacy** skills, as this allows them to discern inaccurate information and AI bias from accurate results, preventing bad output from influencing decision-making or production. Organizations like the Association for Intelligent Information Management offer education and training in information literacy and information management for AI.

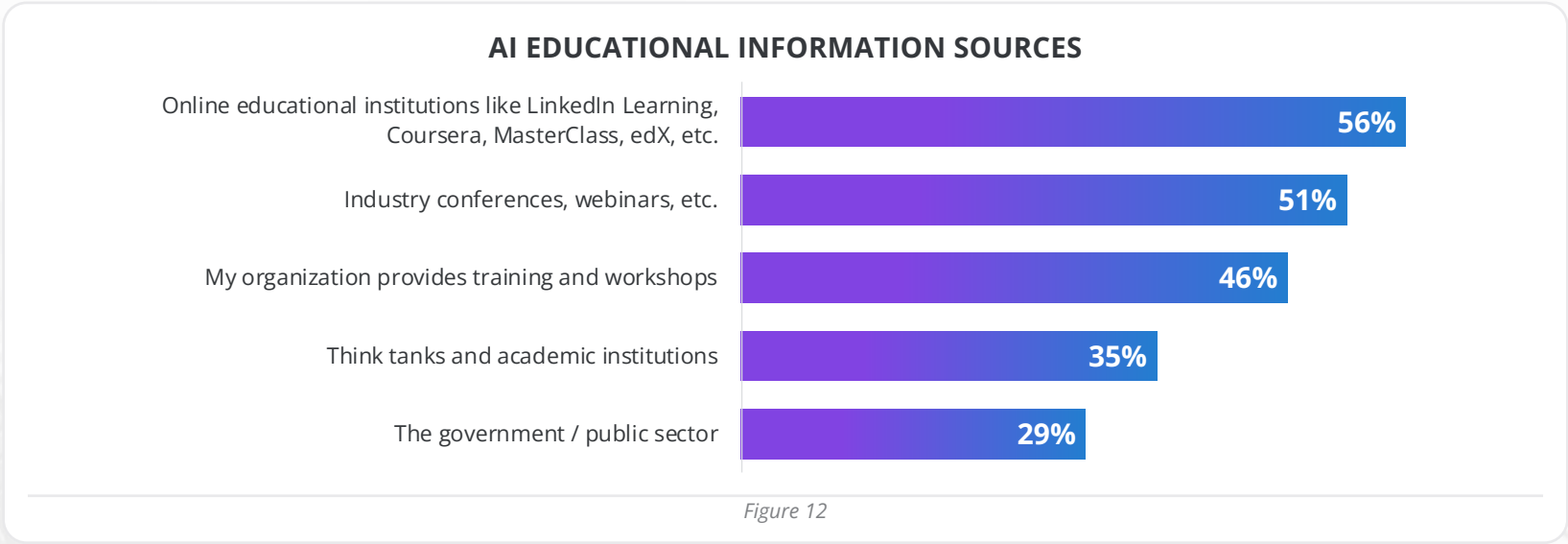


Figure 12

The general agreement from study respondents is to allocate up to 40% of their AI budget towards training employees in AI competencies. This investment in skill development is critical, given that users work directly with AI (outside of IT or leadership oversight) and are fully empowered to use the results as they please. Training must be thoughtfully crafted to cultivate a workforce of skilled, critical-thinking, and responsible AI practitioners.

> *By investing in AI and information literacy training, organizations can empower their employees to use AI tools safely and effectively, while also reducing the risk of bad output or inaccurate results*

The Association for Intelligent Information Management defines **information literacy** as the understanding of the full information lifecycle and how information can be leveraged to achieve better business outcomes. Those who are literate understand information is a strategic asset. They also have some level of ability to identify information needs; critically evaluate the quality and integrity of information; extract useful insights; and maintain information in compliance with governance policies.

AI Output is Not the Final Product

As AI is increasingly applied to generative tasks, human work is shifting towards the critical integration of AI output, which requires expertise and judgment **(Sarkar 2023)**.

Users must know not only how to use these tools, but also understand how to integrate their domain knowledge with AI output.

Takeaways

01

As reliance on AI grows, maintaining accuracy in AI output and improving the confidence organizations have in that output requires robust checks and balances.

02

Establishing AI accountability programs and clear usage guidelines are necessary to build a solid foundation for ethical and transparent AI usage.

03

AI education that is focused on building both AI literacy and information literacy is critical to bridging the gap between AI implementation and AI success.

BOJANA BELLAMY
PRESIDENT, CENTRE FOR INFORMATION POLICY LEADERSHIP (CIPL)

EXPERT PERSPECTIVE

Without good, holistic data management, organizations cannot unlock the potential of AI. Responsible and accountable AI policies and high-quality data must work together to pave the way for a future where AI serves us ethically and responsibly, yielding positive outcomes for everyone involved.

Organizations can work towards this future by implementing thoughtful policies that prioritize organizational accountability to govern the use of data and technologies. These policies help guide the development of accountable AI programs, dictating when, how, and with what information these tools should be used.

By prioritizing responsible use of data and technology, we can create a future where AI is a force for good for both individuals and society. It's up to us to ensure that we use these tools in a way that aligns with our ethical and societal standards.

07
Recommendations

RECOMMENDATIONS

Based on the study findings, our experts recommend organizations take these actions to overcome the data problem stalling AI success and maximize the benefits of AI adoption.

Acknowledge and address AI concerns prior to implementing the tools or before further adoption.

Take a cautious and thoughtful approach to AI implementation, recognizing that enthusiasm may drive fast adoption but may not result in the desired advantages. Take time to develop strategies to address the top three concerns surfaced in this study: data privacy and security; data quality and categorization; and integration complexities. Don't be afraid to expect and demand accountability and transparency from your AI vendor throughout the adoption process.

Prioritize information management by investing in data quality and integrity measures to ensure that data is ready for AI.

Engage the information management team, who is most familiar with the inner workings of your organization's data, in AI strategy discussions to understand existing challenges and build solutions for them. Organizations without information managers should invest in one; this is particularly important for organizations using licensed AI models with direct access to organizational data. Work with the team to address the key data readiness gaps revealed in this study, including data sprawl, ROT data, and fragmented data storage.

RECOMMENDATIONS

Develop a comprehensive information management strategy that covers structured and unstructured data.

Ensure the necessary data governance and information management structures are in place to prepare your data for AI and manage output effectively. Implement classification and protection measures for data throughout its lifecycle, including automation of permissions and governance. Apply controls to structured data, like your CRM, as well as unstructured data, like your email or even Teams channels, to minimize risks associated with data mismanagement. Investing in an information management solution that can automate key measures will help keep pace with data volume and AI output.

Invest in employee training on AI literacy and governance practices.

Empower your team with comprehensive AI training to ensure effective and safe usage. Focus on both enhancing employees' understanding of AI tools and their governance principles as well as developing employees' information literacy and critical thinking skills to ensure appropriate AI usage and analysis of outputs. Additionally, leverage your AI program to reinforce data governance and data protection strategies, maximize results while mitigating risk. By prioritizing training and governance, organizations can enhance organizational readiness and safeguard data assets.

08
Conclusion

CONCLUSION

The potential benefits of AI are immense, from improving efficiency to unlocking new insights and opportunities; however, organizations must prioritize effective information management and data governance strategies to fully realize these benefits.

As AI continues to evolve rapidly, organizations must also be prepared to adapt their information management strategies to keep pace with new developments. This means staying up-to-date with the latest regulations and industry standards, investing in ongoing training and education for employees, and continuously evaluating and improving their information management processes. With strong data privacy protections and a clear understanding of who owns and uses their data, organizations can develop trust in AI and work towards productive, powerful, and ethical use of these tools.

> *Effective data management benefits extend beyond ethical AI use. Organizations that lay the groundwork with strong information management practices will be better positioned to unlock the full potential of AI and drive innovation, growth, and success in the years to come.*

Ultimately, the future of AI will be shaped by the actions that organizations take today. By prioritizing more robust information management strategies, organizations can build a foundation of trust in AI that will enable them to harness its full potential while safeguarding against potential risks and negative consequences.

AFTERWORD

Artificial intelligence technology is increasingly permeating every aspect of daily life, and while AI-powered tools can deliver a wide range of substantial benefits, they also carry risks. The Centre for Information Policy Leadership (CIPL) has long been a proponent of organizational accountability and a risk-based approach as key building blocks of responsible governance and use of data, as well as accountable development and deployment of artificial intelligence (AI).

As we enter a new era powered by AI technologies, it is critical for organizations to adopt holistic, systematic AI governance frameworks and compliance programs that include robust leadership and oversight, risk assessment and mitigation, clear governance policies and procedures, mechanisms for transparency, training, and ongoing monitoring and verification. This can help build public trust in the responsible development and deployment of AI technologies, which is essential for any successful technology uptake and adoption.

CIPL's recent report, "Building Accountable AI Programs: Mapping Emerging Best Practices to the CIPL Accountability Framework," evidences how leading organizations have already begun recognizing AI accountability as a business imperative. Many of these organizations are leveraging their existing data privacy management programs, governance approaches, and teams to enable good data hygiene and management, which are essential for the responsible adoption of AI.

This report by AvePoint demonstrates that many organizations still have work to do on strengthening their infrastructure and practices for information management. As sound information management is foundational to responsible governance and use of data and AI, CIPL hopes that the data, case studies, and recommendations in these two reports will be useful to organizations that are just beginning to navigate the rapidly evolving AI landscape.

BOJANA BELLAMY
PRESIDENT, CENTRE FOR INFORMATION POLICY LEADERSHIP (CIPL)

AvePoint

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Visit **www.avepoint.com** to learn more.

Association for Intelligent Information Management

The Association for Intelligent Information Management (AIIM) is dedicated to advancing the information management industry. Since 1944, AIIM has been at the forefront of revolutionizing how organizations leverage information with emerging technologies. AIIM helps organizations manage information with and for artificial intelligence and automation. AIIM provides future-focused and technology-driven certification, education, research, networking, solutions, and support. AIIM represents a global community of information leaders committed to driving better business outcomes through intelligent information management.

AvePoint is a proud member and sponsor of AIIM. To learn more or join, visit **aiim.org**.

Centre for Information Policy Leadership

The Centre for Information Policy Leadership (CIPL) is a global privacy and data policy think and do tank based in Washington, DC, Brussels and London. CIPL works with industry leaders, regulatory authorities, and policy makers to develop global solutions and best practices for privacy and responsible use of data. Founded in 2001 by leading companies and Hunton Andrews Kurth LLP (formerly Hunton & Williams), CIPL is staffed by advisors who have significant, firsthand experience in business and compliance, government, regulatory policy, consumer advocacy and technology.

AvePoint is a proud member of CIPL. To learn more, visit **informationpolicycentre.com**.

Special thanks to:

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STUDY METHODOLOGY

AvePoint conducted the *AI & Information Management Report* study in November and December 2023. The purpose was to better understand the intersection of AI and information management and how information management practices were impacting AI implementation. To achieve this, we partnered with Qualtrics to disseminate the survey, targeting respondents around the globe.

A total of 762 respondents from 16 countries participated in the survey, representing 10 different industries and varying organizational sizes. The survey was designed to target managers, directors, vice-presidents, and C-level executives, with primary or shared responsibility for AI implementation.

Countries in the study included Australia, Brazil, Canada, France, Germany, Hong Kong, Mexico, New Zealand, Nigeria, Saudi Arabia, Singapore, South Africa, Taiwan, United Arab Emirates, United Kingdom, and United States

The collected data was analyzed using appropriate statistical methods to identify patterns and trends in the responses. The data was also categorized by a number of factors (including organization size, amount of data managed, maturity of information management strategies, etc) to determine the impact of these factors on AI and information management.

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