



# ACTIVATE CONSULTING TECHNOLOGY & MEDIA OUTLOOK 2025 B2B TECHNOLOGY & SOFTWARE

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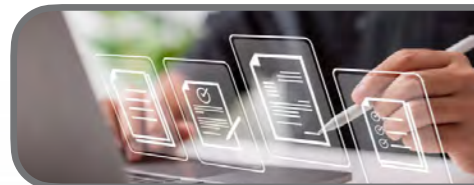
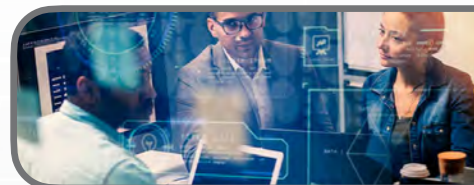

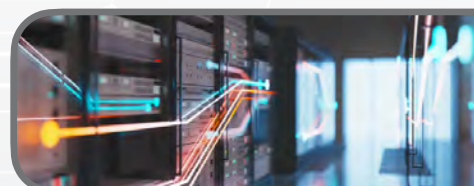
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# B2B technology, software, and information companies will need to reshape their go-to-market strategies to meet the challenges of radically different customer needs and buying processes

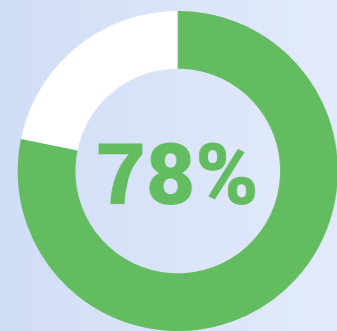
## CHANGING MARKET FORCES

## REQUIREMENTS FOR B2B TECHNOLOGY GO-TO-MARKET STRATEGIES

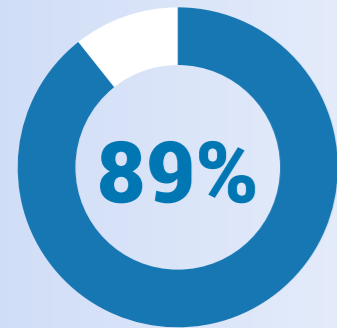
	Fragmentation of technology buyer needs based on <b>differing IT maturity levels</b>	➤	<b>Tailored customer targeting</b> approaches including <b>company size and IT maturity</b>
	Decision-making processes involving <b>business leaders beyond the CTO and CIO</b>	➤	<b>Sales narratives developed for each persona</b> to address pain points
	Shorter <b>sales cycles and contract lengths</b> , driven by appetite for new solutions	➤	Higher stakes to <b>quickly engage buyers</b> and <b>showcase features and value early</b>
	<b>Integrations and security</b> prioritized as top <b>technology selection criteria</b>	➤	Product feature discussions <b>centered on solution interoperability and security</b>
	Focus on <b>“Everyday AI” solutions</b> with tangible ROI, moving past the hype cycle	➤	AI sales approaches depicting <b>specific use cases &amp; value, not cutting-edge features</b>
	<b>Uneven data availability, access, &amp; capabilities</b> vs. high requirements for AI	➤	Opportunity to <b>drive investment in data collection &amp; management solutions</b>

# Our research with technology decision makers indicates that companies of all sizes plan to increase technology spend in the next five years, driven by adoption of AI and data capabilities, productivity and efficiency needs, and cybersecurity improvements

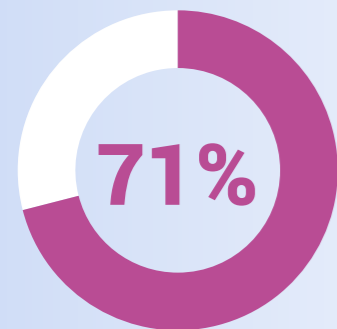
## EXPECTATIONS TO INCREASE TECHNOLOGY AND SOFTWARE SPEND IN THE NEXT FIVE YEARS, U.S., 2024, % COMPANIES BY SIZE



of **Enterprise Buyers** (5,001+ employees) expect to increase technology spend in the next five years

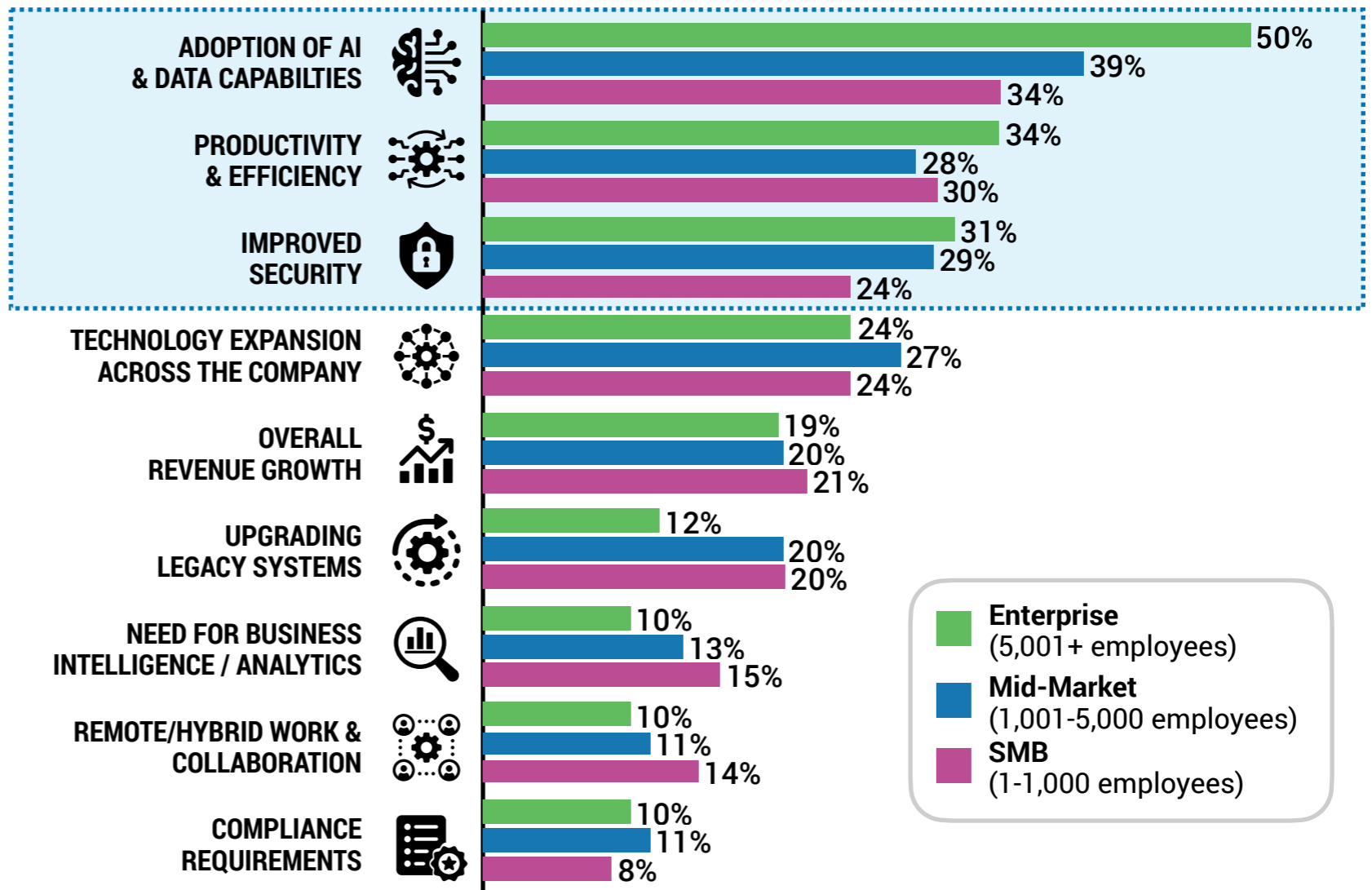


of **Mid-Market Buyers** (1,001-5,000 employees) expect to increase technology spend in the next five years



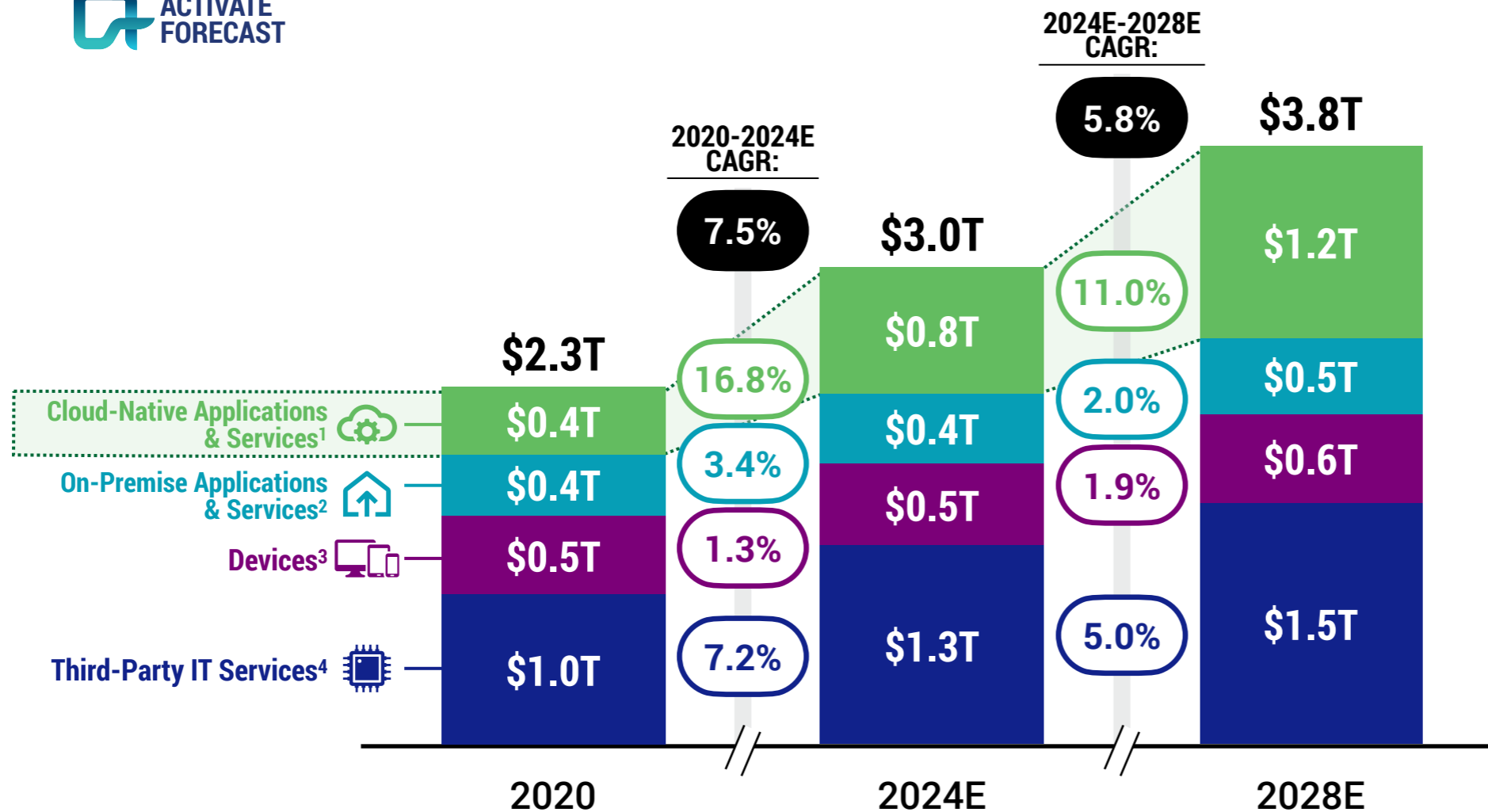
of **SMB Buyers** (1-1,000 employees) expect to increase technology spend in the next five years

## TOP REASONS<sup>1</sup> WHY TECHNOLOGY AND SOFTWARE SPEND IS EXPECTED TO GROW, U.S., 2024, % COMPANIES THAT EXPECT TO INCREASE TECHNOLOGY AND SOFTWARE SPEND IN THE NEXT FIVE YEARS BY SIZE



# We forecast that companies will spend an additional \$800B on technology by 2028; most of this growth will be driven by cloud-native software and services, as well as adoption of AI-enabled functionality

B2B TECHNOLOGY SPEND BY CATEGORY, GLOBAL, 2020 VS. 2024E VS. 2028E, TRILLIONS USD



## ACTIVATE PERSPECTIVE

- Companies will continue increasing spend on technology, adding an **incremental \$800B** from 2024E-2028E
- Spend on **cloud-native applications and services** will grow at a **double-digit pace**
- Our forecast reflects **renewed decision-maker optimism**, with new spend driven by **increased efficiencies** realized, new growth opportunities **enabled by technology**, and continued focus on **security and risks**

1. "Cloud-native applications & services" is defined as software, data storage, and compute hosted on a public cloud platform or remote data center. 2. "On-premise applications & services" is defined as software, data storage, and compute hosted on-site, including servers and enterprise network equipment. 3. "Devices" is defined as PCs, mobile phones, tablets, and printers in the enterprise. 4. "Third-party IT services" is defined as any service offering that assists enterprises in implementing, managing, and operating systems, software, and equipment used in modern IT environments. Does not include the software, storage, and devices themselves.

Sources: Activate analysis, Analysys Mason, Company filings, Fortune Business, Gartner, HG Insights, IBISWorld, International Data Corporation, Precedence Research, Synergy Research Group

# Technology buyers are not created equal, with IT maturity levels becoming the essential catalyst for the specific needs they prioritize and the customer personas sellers need to target

## COMPANY IT MATURITY LEVEL<sup>1</sup> PROGRESSION



Increasing IT maturity means **more formalized processes, broader technology needs** across company departments, **higher strategic focus** placed on technology investments, and **more sophisticated buying requirements**

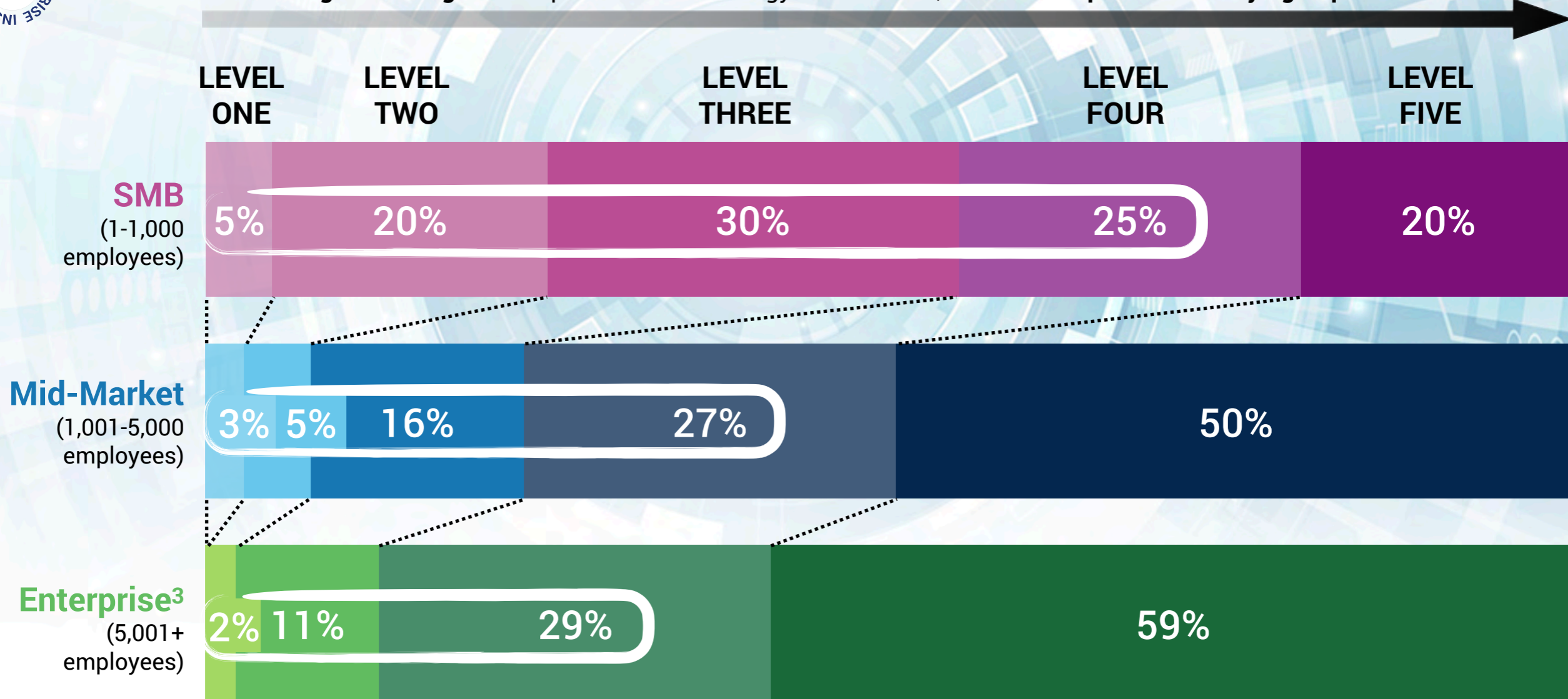
	LEVEL ONE	LEVEL TWO	LEVEL THREE	LEVEL FOUR	LEVEL FIVE
	IT processes are ad hoc, disorganized, and chaotic, with no structure in place	IT processes are in place and organized, but not organized enough to be proactive	IT processes are in place with documentation, and teams can proactively predict issues	IT processes are in place with documentation, and actively aligned with business goals	IT is central to business processes, and receives investment to ensure alignment with business goals
INDUSTRIES OVER-INDEXING AT EACH LEVEL	<ul style="list-style-type: none"> <li>Arts &amp; Design</li> <li>Government</li> <li>Hospitality &amp; Travel</li> </ul>	<ul style="list-style-type: none"> <li>Nonprofit</li> <li>Retail</li> <li>Transportation</li> </ul>	<ul style="list-style-type: none"> <li>Education</li> <li>Professional Services</li> <li>Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing</li> <li>Healthcare</li> <li>Media &amp; Entertainment</li> </ul>	<ul style="list-style-type: none"> <li>Finance</li> <li>Insurance</li> <li>Technology</li> </ul>

# We expect companies of all sizes to invest to lift their IT maturity; to capitalize on this, technology sellers will need distinct go-to-market approaches that are tailored for each buyer size and maturity segment

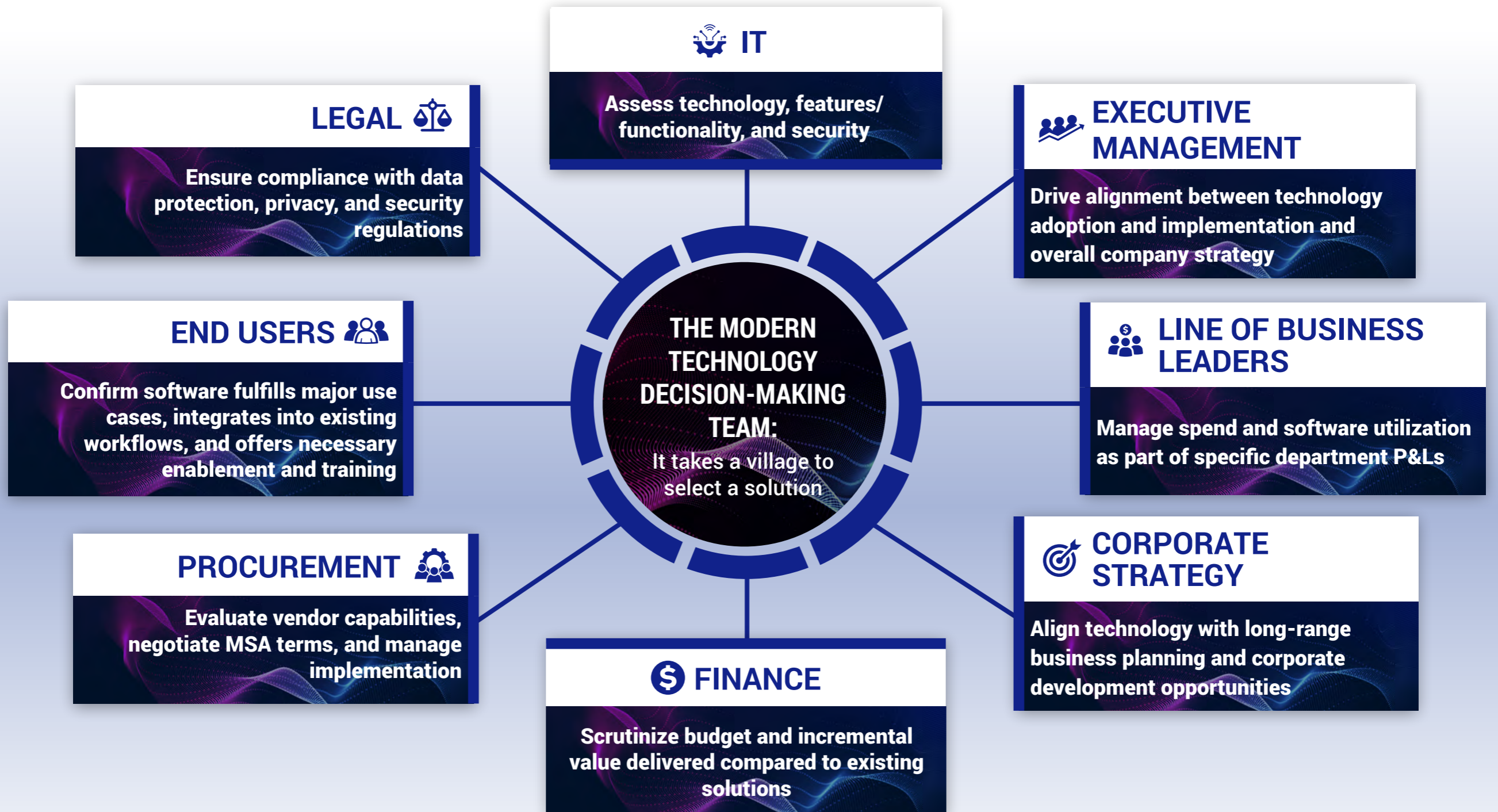
IT MATURITY LEVEL<sup>1</sup> BY COMPANY SIZE<sup>2</sup>, U.S., 2024, % COMPANIES BY SIZE



Increasing IT maturity means **more formalized processes, broader technology needs** across company departments, **higher strategic focus** placed on technology investments, and **more sophisticated buying requirements**



# Beyond the CIO and IT teams, a broader set of stakeholders is influencing technology buying decisions

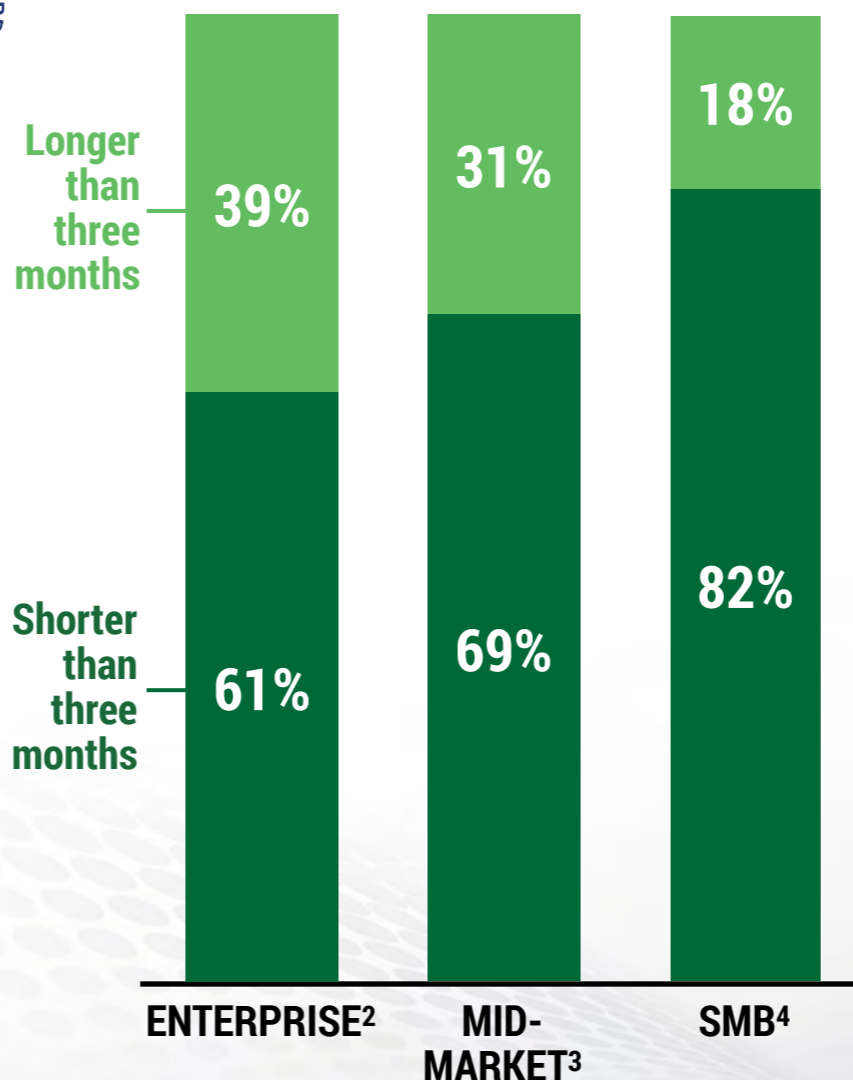
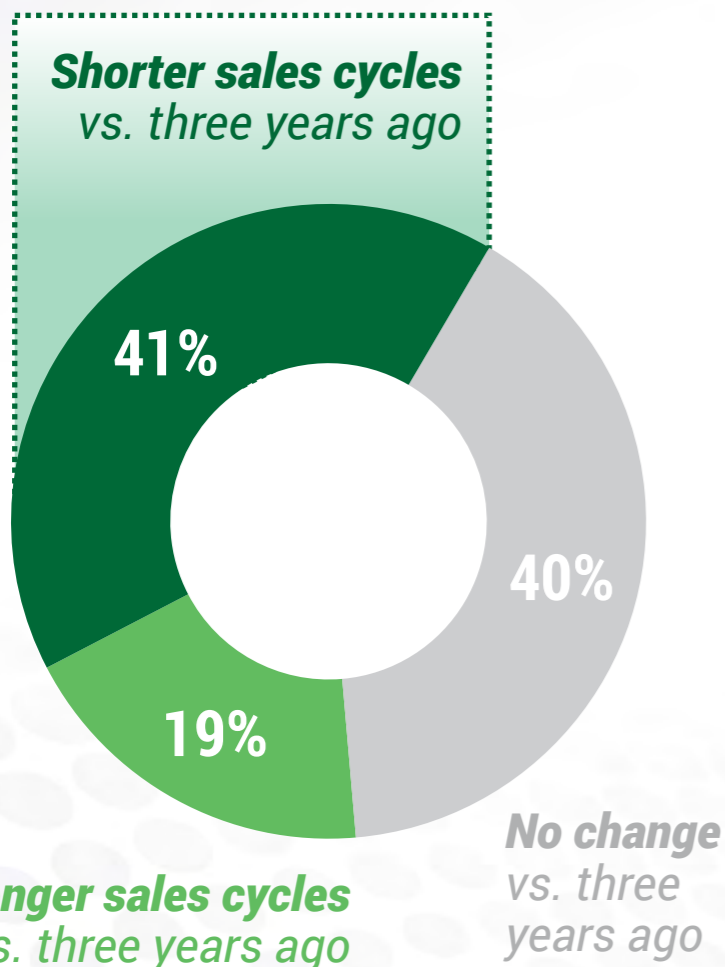


# Based on our research with technology decision makers, technology and software sales cycles are becoming shorter as buyers are more willing to try new, innovative solutions

TECHNOLOGY/SOFTWARE SALES CYCLE LENGTHS<sup>1</sup> VS. THREE YEARS AGO, U.S., 2024, % COMPANIES

TYPICAL TECHNOLOGY/SOFTWARE SALES CYCLE LENGTHS<sup>1</sup> BY COMPANY SIZE, U.S., 2024, % COMPANIES BY SIZE

## REQUIREMENTS FOR SELLERS

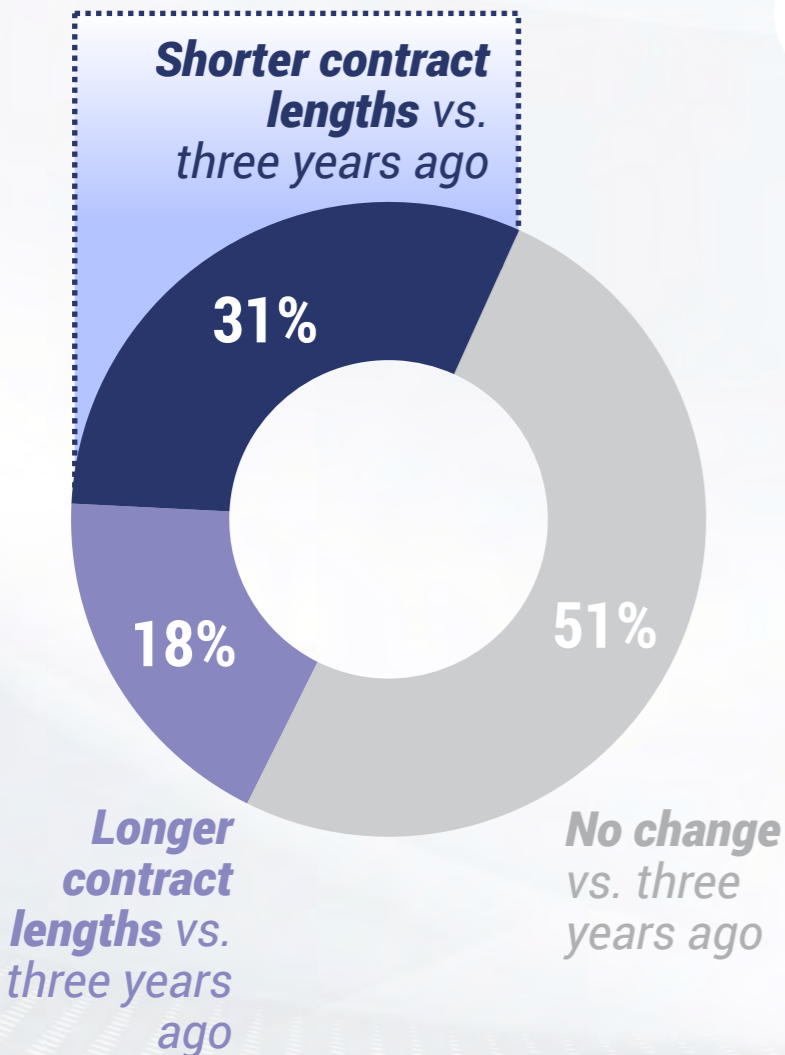


- Buyer Outreach:** Identify and engage the most valuable decision makers in a potential buyer organization quickly, before interest is lost
- Use Cases and Features:** Showcase most relevant solution features and functionality, and highlight alignment with buyer needs to immediately demonstrate relevance and value
- Addressing Pain Points:** Ensure sellers acknowledge buyer concerns (e.g. cost, compliance issues, privacy) early in the process to reduce friction when closing the sale

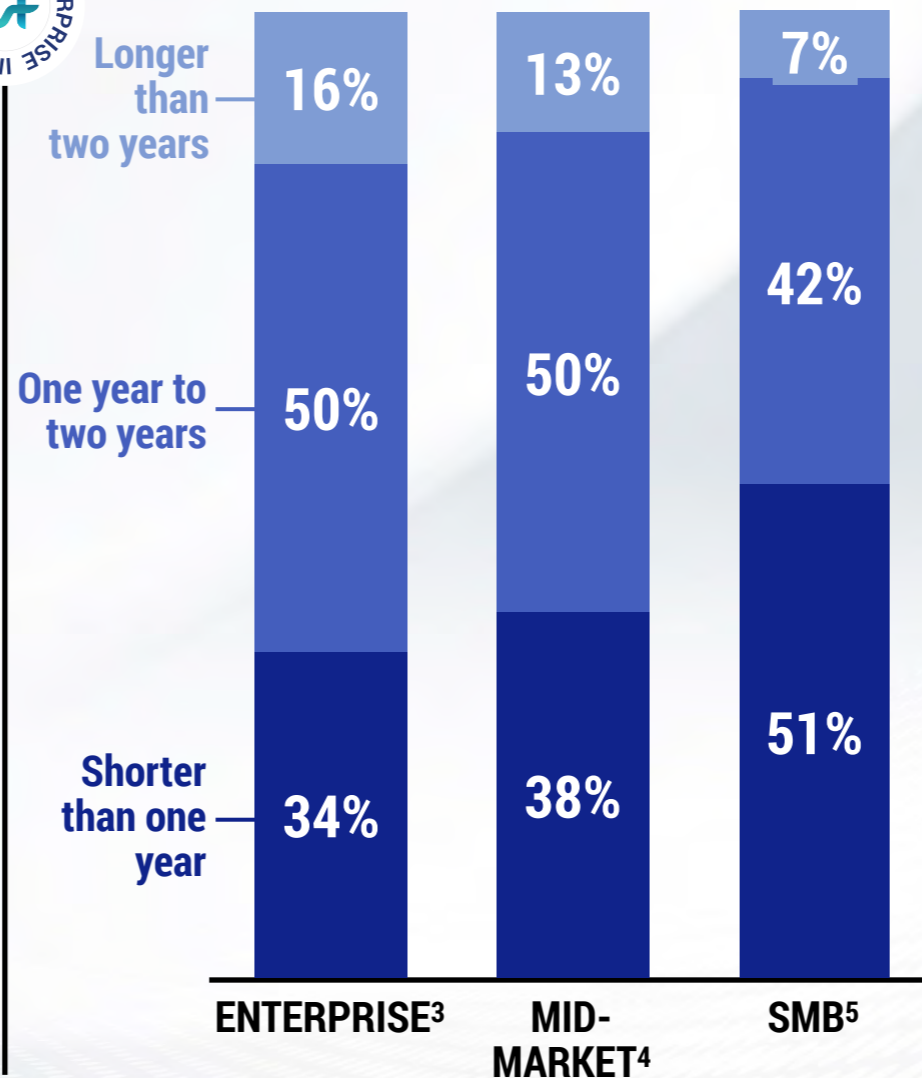


# Contracts lengths are becoming shorter as technology decision makers are willing to try new solutions, but do not want to be locked into long contracts

TECHNOLOGY/SOFTWARE CONTRACT LENGTHS<sup>1</sup> VS. THREE YEARS AGO, U.S., 2024, % COMPANIES



TYPICAL TECHNOLOGY/SOFTWARE CONTRACT LENGTHS<sup>1</sup> BY COMPANY SIZE<sup>2</sup>, U.S., 2024, % COMPANIES BY SIZE



## REQUIREMENTS FOR SELLERS

- Proving ROI:** Demonstrate that technology can be quickly implemented and buyers will see high value in the first year
- Pricing:** Offer flexible, incentive-based pricing (e.g. teaser rates in first year, usage-based pricing) to allow customers to more easily commit in the near term
- Expansion and Upselling:** Develop sales strategies that not only enable contract renewals, but can also upsell customers on new features and offerings

1. Excludes contracts with largest software vendors with long-term agreements (e.g. Microsoft, Oracle, Salesforce, SAP). 2. Figures do not sum to 100% due to rounding. 3. Greater than 5,000 employees. 4. 1,001 to 5,000 employees. 5. 1,000 employees or fewer. Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336)

# Software and technology buyers' criteria is evolving: integration quality and security are table stakes for all companies, SMBs place a premium on value and cost, and larger companies look for scalability and AI features

## TOP 10 CONSIDERATIONS FOR PURCHASING SOFTWARE BY COMPANY SIZE, U.S., 2024



**ENTERPRISE**  
(5,001+ employees)

**MID-MARKET**  
(1,001-5,000 employees)

**SMB**  
(1-1,000 employees)

	ENTERPRISE (5,001+ employees)	MID-MARKET (1,001-5,000 employees)	SMB (1-1,000 employees)
#1	Quality of Integrations	Quality of Integrations	Security
#2	Security	Security	Ease of Implementation
#3	Scalability	AI-Based Features	Quality of Integrations
#4	AI-Based Features	Scalability	Low Cost
#5	Vendor Reputation	Ease of Implementation	Time to Value
#6	Ease of Implementation	Number of Integrations	Number of Integrations
#7	Time to Value	Flexible Pricing	Ease of Customization
#8	Number of Integrations	Vendor Reputation	Vendor Reputation
#9	Ease of Customization	Speed of Implementation	Scalability
#10	Service Partner Network	Service Partner Network	Customer Support Quality

**Integrations and security** are top considerations for all companies, regardless of size

SMBs prioritize **easy implementation, low cost,** and quick **time to value** more than larger buyers

**Scalability and AI features** are highly prioritized by Enterprise and Mid-Market customers, but not SMBs; AI is not yet a top 10 buying consideration for SMBs

# As quality of integrations are a top buying criteria, software vendors are launching integration marketplaces and app stores

## EXAMPLES OF API-DRIVEN INTEGRATION MARKETPLACES

**HubSpot**

Essential Apps for Sales

Popular with Sales Hub customers and recommended by HubSpot, these apps help you accelerate deals, and drive revenue.

1-20 of 20 results

**Aircall** By Aircall  
Most installed telephony partner on the HubSpot Marketplace  
10,000+ installs

**Apollo Enrichment** By Apollo  
Keep a clean HubSpot CRM with data your team can trust  
3,000+ installs

**Ebsta | Revenue Intelligence** By Ebsta  
Guide reps to effective sales processes, pipeline reviews & forecasts  
200+ installs

**Gmail** By HubSpot  
Bring HubSpot to your inbox with the HubSpot integration for Gmail  
10,000+ installs

Offers integrations with the most popular tools for sales, marketing, customer service, and commerce to boost HubSpot productivity

**shopify**

shopify app store

Optimize your operations. Customize your customer support.

Finances, Operations, Security, Support

Sponsored apps

**Polar Analytics** 4.1 (10) • Free plan available  
Advanced analytics and reporting for your Shopify store

**Products Sync Master** 4.5 (10) • Free plan available  
Automatically sync your product catalog

Popular with merchants across Shopify  
Recommended store management apps

**Shopify Inbox** 4.4 (10) • Free  
Get notified with customer support requests

**Buy Button channel** 4.5 (10) • Free  
Sell your products using social media

**Zapier: Workflow Automation** 4.5 (10) • Free plan available  
Automate repetitive tasks

**Metafields Guru** 4.5 (10) • Free plan available  
Manage your product metafields

Integrates with platforms needed to build and run an eCommerce business with Shopify, including CRM, financial tools, and analytics tools

**freshworks**

Freshworks Marketplace

All Products Search apps

Filter by Top rated

**Zoho CRM** 4.5 (10) • Free plan available  
Integrating the Zoho CRM app for your Freshdesk will be available at the end of the current release.

**Note Manager** 4.5 (10) • Free  
Take control of your "Notes" of the Freshdesk. By changing default "Note" app "Thread" to...

**AHT Plus** 4.5 (10) • Free  
Calculate the Average Handling Time of tickets by agent in Freshdesk.

Connects to eCommerce, collaboration, analytics, workforce, and project management tools to increase efficiency of Freshworks

**asana**

Microsoft Teams

Connect your teams conversations to Asana

**Adobe Creative Cloud** 4.5 (10) • Free plan available  
See new tasks, share designs, embed XD share files, and incorporate feedback delivered in Asana—all without leaving Adobe Creative Cloud.

**Asana for Salesforce** 4.5 (10) • Free plan available  
Streamline collaboration throughout the sales cycle to deliver amazing customer experiences and connect goals to monthly impact and make informed business decisions.

Allows businesses to further streamline workflows and manage resources in Asana by connecting to other communication and operation platforms

**ATLASSIAN**

Integrations apps

7 results filtered by Rising Star x Jira x Integrations x

**Zoho Desk Connector for Jira** 4.4 (10) • Free  
Sync your Zoho Modules with Jira Projects and Issues  
78 installs

**Google Chat for Jira** 3.5/4 (10) • Free  
Receive Jira Updates in Google Chat  
3,500+ installs

**Azure Sync for Jira Assets** 4.5 (10) • Free  
Keep your Azure data imported in Jira Assets for better visibility and control over your IT resources  
22 installs

**Jira to Power BI** 4.5 (10) • Free  
No-code Jira to Power BI integration. Connect your Jira data to Power BI platform and create reports and dashboards  
1,000+ installs

Offers integrations with communication platforms, productivity tools, and developer tools, allowing for easier collaboration across business areas with Atlassian

**splunk**

Filtered by: Ticketing x

**Jira** 4.5 (10) • Free  
This app integrates with JIRA to perform several ticket management actions  
SPLUNK SUPPORTED CONNECTOR

**ServiceNow** 4.5 (10) • Free  
This app integrates with ServiceNow to perform several ticket management actions  
SPLUNK SUPPORTED CONNECTOR

**Google Vault** 4.5 (10) • Free  
This app supports the actions to perform eDiscovery and provide a compliance solution for G Suite, allowing customer  
SPLUNK SUPPORTED CONNECTOR

**TheHive** 4.5 (10) • Free  
This app integrates with TheHive to perform ticket management actions  
SPLUNK SUPPORTED CONNECTOR

Connects to software vendors in ITSM, APM, monitoring, and CRM, increasing the ease of business management with Splunk

**DATADOG**

Datadog Marketplace

Integrations

Integrates with hundreds of tools across automation, security, cost management, and data storage to enhance Datadog monitoring capabilities

Integrates with hundreds of tools across automation, security, cost management, and data storage to enhance Datadog monitoring capabilities

**monday.com**

mondaymarketplace

Search the marketplace

**QuickBooks Integ** 4.5 (10) • Free  
By glances.com  
Glances makes it easy to work together  
5 (5) 1,2K

**CarbonCRM Suite** 4.5 (10) • Free  
By CarbonWeb  
CRM Workflow built Partner Globally  
5 (4) 767

Improves collaboration and productivity across teams through Monday.com's integrations with marketing, development, and communication platforms

# Major technology companies are developing strategic alliances to enhance offerings and unlock further value for their customers

## EXAMPLES OF STRATEGIC ALLIANCES BETWEEN ENTERPRISE SOFTWARE PROVIDERS

### PARTNERSHIP DESCRIPTION

### VALUE UNLOCKED



ANNOUNCEMENT DATE: September 2023

- Integrates **Salesforce and Google Workspace** generative AI assistants
- Allows customers to **produce personalized content across platforms** (e.g. uses Salesforce information from meetings to generate Gmail content, automatically updates Salesforce records using Workspace data)
- **Automates mundane processes** (e.g. scheduling follow-up meetings, assigning tasks, creating meeting summaries)

Improves **employee and customer experiences** through **boosted productivity and automation**



ANNOUNCEMENT DATE: May 2024

- Integrates **ServiceNow Now Assist and Microsoft Copilot**
- **Reduces friction in workflows** (e.g. enables Copilot to transition employee customer service requests to Now Assist in Microsoft Teams)
- **Leverages AI to generate insights across platforms** (e.g. creating a presentation in Microsoft PowerPoint based on ServiceNow information)

Enhances **employee choice and flexibility** through **reduced output time for insights and analysis**



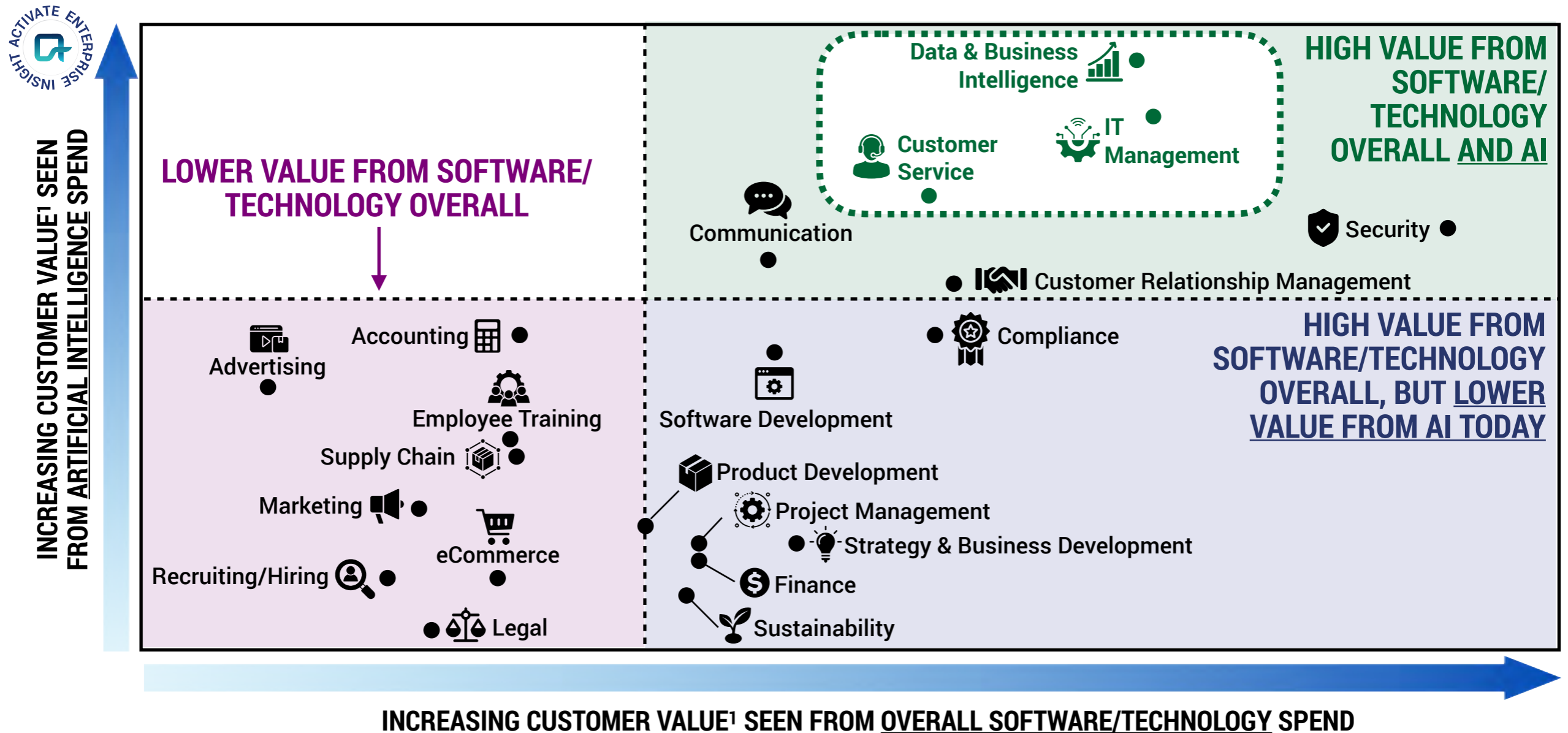
ANNOUNCEMENT DATE: July 2024

- Expands partnership to **further leverage AWS generative AI capabilities**
- Helps customers **manage their workforce and financial assets** (e.g. create job descriptions, correct contracts)
- **Allows Workday developers and customers to build custom applications** (e.g. build secure customized apps for finance and HR processes) using **AWS technologies**

Accelerates **efficiency within essential job functions** and **enables custom applications at scale**

# Enterprise technology decision makers perceive that “Everyday AI” drives the most value today (the automation of more tedious tasks that employees view as lower value or struggle to find the time to execute)

PERCEIVED CUSTOMER VALUE<sup>1</sup> FROM OVERALL SOFTWARE/TECHNOLOGY SPEND VS. PERCEIVED CUSTOMER VALUE<sup>1</sup> FROM AI SPEND, ENTERPRISE COMPANIES<sup>2</sup>, U.S., 2024

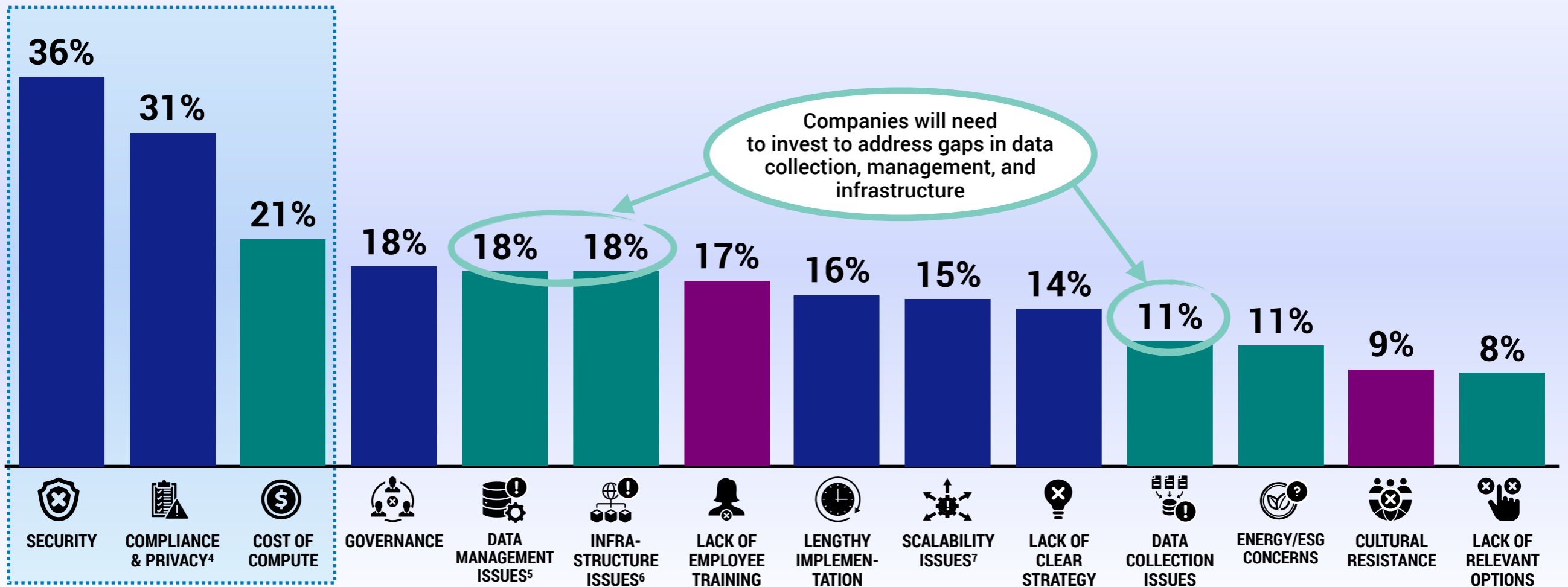


# Enterprise and Mid-Market companies will need to address a new set of challenges across security, compliance, computing costs, and data capabilities to unlock their AI opportunity

TOP CHALLENGES<sup>1</sup> PREVENTING COMPANIES FROM FULLY REALIZING BENEFITS OF AI, U.S., 2024, % ENTERPRISE<sup>2</sup> & MID-MARKET<sup>3</sup> COMPANIES



■ ORGANIZATIONAL PROCESS CHALLENGES 
 ■ IT/INFRASTRUCTURE CHALLENGES 
 ■ PERSONNEL CHALLENGES



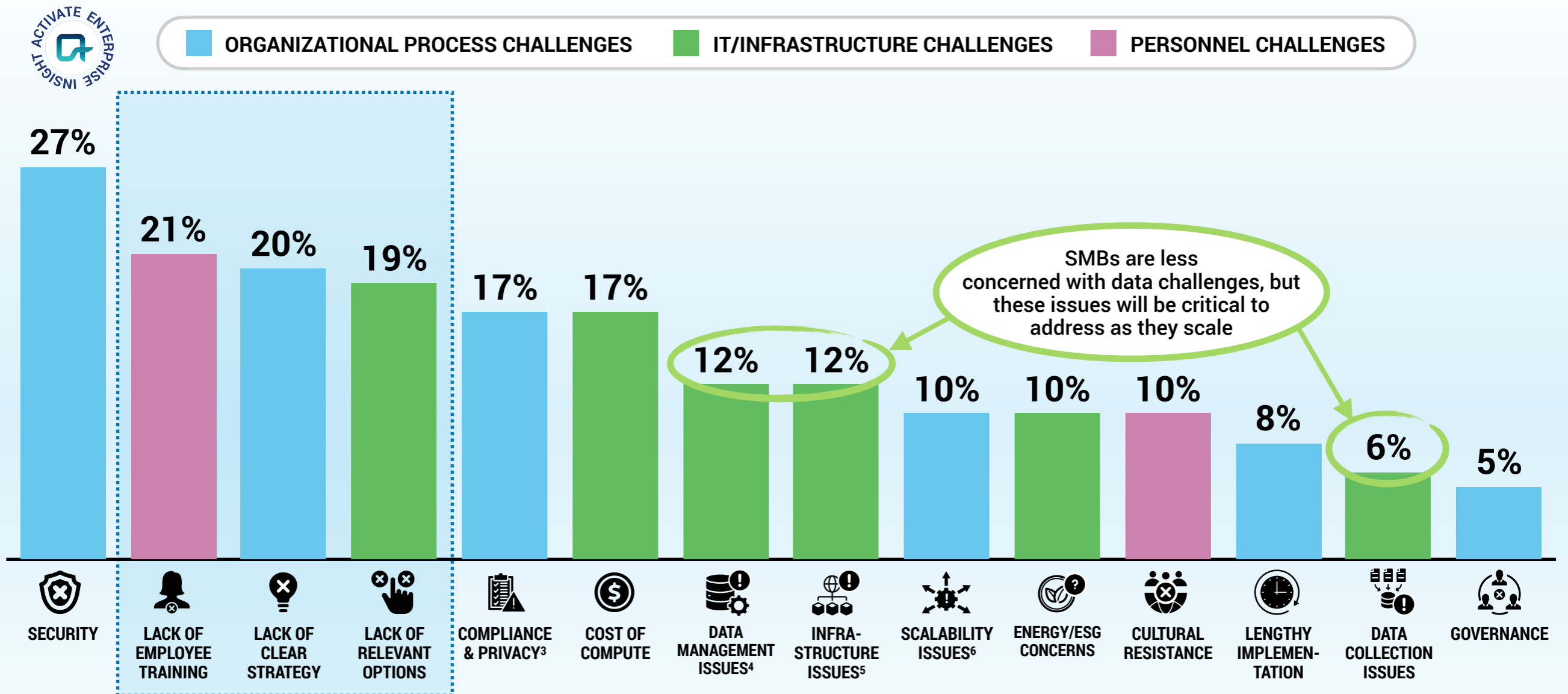
Companies will need to invest to address gaps in data collection, management, and infrastructure

1. Respondents were asked to select up to three top challenges. 2. Greater than 5,000 employees. 3. 1,001 to 5,000 employees. 4. Includes inability to make use of customer data as part of AI models. 5. Includes issues with data storage and organization. 6. Includes not having enough computing power to run AI models. 7. Includes AI models not being able to be deployed across the full company.

Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336)

# SMBs are earlier in their AI journey and can unlock value by addressing a core set of needs that includes training employees, clarifying the organization's AI strategy, and identifying AI solutions relevant for their scale

TOP CHALLENGES<sup>1</sup> PREVENTING COMPANIES FROM FULLY REALIZING BENEFITS OF AI, U.S., 2024, % SMB<sup>2</sup> COMPANIES



1. Respondents were asked to select up to three top challenges. 2. 1,000 employees or fewer. 3. Includes inability to make use of customer data as part of AI models. 4. Includes issues with data storage and organization. 5. Includes not having enough computing power to run AI models. 6. Includes AI models not being able to be deployed across the full company.

Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336)

# The B2B AI landscape is expanding rapidly, driven by customers' enthusiasm to try new solutions



## AI-ENABLED B2B TECHNOLOGY LANDSCAPE

### INDIVIDUAL ENTERPRISE APPLICATIONS

#### HORIZONTAL SOFTWARE

<b>AI AUDIO GENERATION</b> AssemblyAI ElevenLabs SUNO	<b>AI VIDEO/IMAGE GENERATION</b> ideogram OpusClip Pika Photoroom pitchy stability.ai	<b>AI TEXT/COPY GENERATION</b> DeepL Genspark WRITER	<b>ECOMMERCE</b> Aistés cart.com Randion sallat shadowfax Shop Circle uniuni	<b>FINANCE</b> AccountsIQ AgentSync bolt.tech clip cloudpay FINOM Flex FloQast FOUND Slope unlimitd
<b>AI-ENABLED CUSTOMER EXPERIENCE / SALES</b> clay COGNIGY DevRev kore.ai posh Prins RASA SIERRA	<b>HR &amp; ADMINISTRATION</b> deputy employmenthero Bob Human Interest SmartHR Vestwell	<b>LEGAL/COMPLIANCE</b> Clio Harvey. KLARITY STENO THENTIA CLOUD	<b>MARTECH / ADTECH / AD OPS</b> HeyGen hivebrite Owner Simon theydo	<b>SUPPLY CHAIN</b> Altana EquipmentShare flexport. MYTRA PLATFORM SCIENCE procurify

#### VERTICAL SOFTWARE

<b>AEROSPACE/DEFENSE</b> ANDURIL CESIUM ASTRO LEOLABS Shield AI True Anomaly	<b>BIOTECH/PHARMA</b> Iambic METIS SEISMIC THERAPEUTIC SKY CELL xaira
<b>HEALTHCARE</b> ABRIDGE commure elucid innovaccer health reveleer	<b>EDUCATION / PUBLIC SECTOR</b> Abre MARK43 MERLYN MIND Zencity

### CROSS-ENTERPRISE TOOLS

<b>COMMUNICATION</b> ALIANZA amity celona CRG PolyAI	<b>AI-BASED ANALYTICS &amp; MODELING</b> acceldata coalesce codeium databricks essential AI Fireworks AI Grafana Labs hume Perfios PRYON scale SwarmOne	<b>AI-POWERED DEV. TOOLS</b> antithesis Anysphere Augment code cognition Magic Pixis Pulumi	<b>IDENTITY &amp; ACCESS</b> INCOGNIA Josys OASIS Prove SILVERFORT	<b>BUS. INTEL. &amp; PLANNING</b> cdata glean Island MaintainX OBSERVE Pigment Sequin	<b>SUSTAINABILITY</b> accenta. Enerdigit GridBeyond greenly LevelTen Energy Pachama RONDO Watershed	<b>RPA<sup>1</sup></b> brain corp Bright Machines. FIGURE Hebbia Physical Intelligence (π) opkey tines	<b>NETWORK SECURITY / FIREWALL</b> aqua BlueVoyant CATO corelight CORO CYERA Kiteworks PROTECT AI THREATLOCKER Vanta	<b>ENDPOINT SECURITY</b> Abnormal AXONIUS cybereason kandji NOZOMI NETWORKS WIZ	<b>THREAT RESPONSE</b> adlumin. cyberhaven DRAGOS DTEX HIDDENLAYER HUNTRESS semperis
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### DATA & INFRASTRUCTURE

<b>AI-FOCUSED CLOUD SERVICES</b> alkira auradine CLUMID CoreWeave Lambda together.ai Vercel ZEVEDA	<b>DATA MANAGEMENT, STORAGE, &amp; API PLATFORMS</b> Aerospike atlan COHEISITY Cribl d-Matrix Kong LucidLink MotherDuck odaseva sigma VAST WEKA	<b>GENERATIVE AI MODELS &amp; TOOLS</b> AI21labs ALEPH ALPHA ANTHROPIC character.ai cohere contextual.ai H imbue MINIMAX MISTRAL AI Moonshot AI OpenAI perplexity SiMa Twelve Labs	<b>NEXT-GEN HARDWARE<sup>2</sup></b> celestial AI DreamBig enfabrica groq HALO Kneron Ri vos	<b>QUANTUM COMPUTING</b> FLEX COMPUTE KNIGHTS QUANTUM OQC planqc photonic river lane QUANDELA QUANTINUUM
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Note: Not exhaustive. Includes B2B and enterprise software companies that have had a deal size of at least \$50M in the last year (since Sept. 2023). 1. Robotic Process Automation. 2. Includes innovators driving improvements to semiconductors, data center technology, and IoT hardware.  
 Sources: Activate analysis, Axios, Company sites, Crunchbase, Pitchbook, TechCrunch



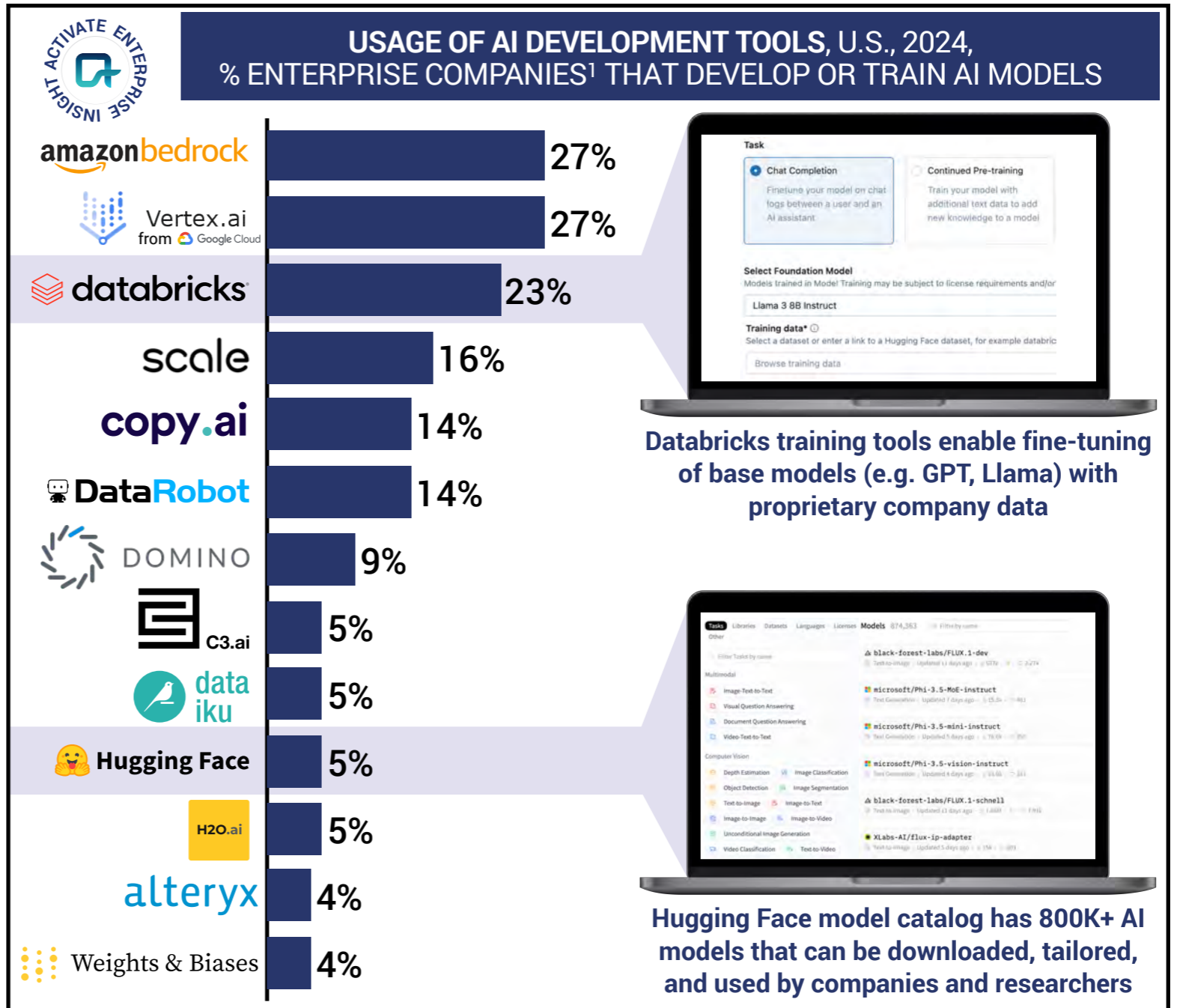
# Expansion of the B2B AI ecosystem is happening alongside continued technology breakthroughs, allowing innovation to be more impactful (e.g. lower time and cost to deploy, increased accessibility)

TECHNOLOGICAL BREAKTHROUGHS ENABLING MORE EFFICIENT AI					
MULTIMODAL MODELS	CHIP INNOVATIONS	MATRIX MULTIPLICATION BREAKTHROUGHS	AI MODEL COMPRESSION	GPU CLOUD SERVICES	AI-READY END USER HARDWARE
<ul style="list-style-type: none"> <li>Large language models that process and generate content across diverse data inputs (e.g. text, image, audio, video, code)</li> <li>Enables greater productivity and usability for employees with wider range of output</li> </ul>	<ul style="list-style-type: none"> <li>GPU innovations enable deployment of AI capabilities with real-time, localized data processing</li> <li>Potential for up to 4x faster AI model training speeds and 25x reduction in large language model cost</li> </ul>	<ul style="list-style-type: none"> <li>Improvements to computation methodologies and inefficiencies in AI training, requiring fewer calculation steps</li> <li>Leads to compute and energy savings, making AI more accessible and cost-effective for companies</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in AI model size by lowering number of parameters, compute requirements, and storage needs</li> <li>Allows for smaller chips and ability to run on edge devices, which is crucial given today's scarcity of compute resources for AI</li> </ul>	<ul style="list-style-type: none"> <li>Cloud services powered by GPU chips, able to speed up compute time through parallel compute</li> <li>Enables faster training of AI models and more effective forecasting and analytics</li> </ul>	<ul style="list-style-type: none"> <li>Computing devices optimized for edge-level AI inferences to deliver AI-powered use cases (e.g. document organization, data visualization)</li> <li>Enhances data compliance, safeguarding information locally</li> </ul>
<p><b>KEY INNOVATORS</b></p>					

# A new ecosystem of AI development tools and platforms is emerging to further increase accessibility, enabling companies to build, tailor, and train models that fit specific use cases and meet compliance needs

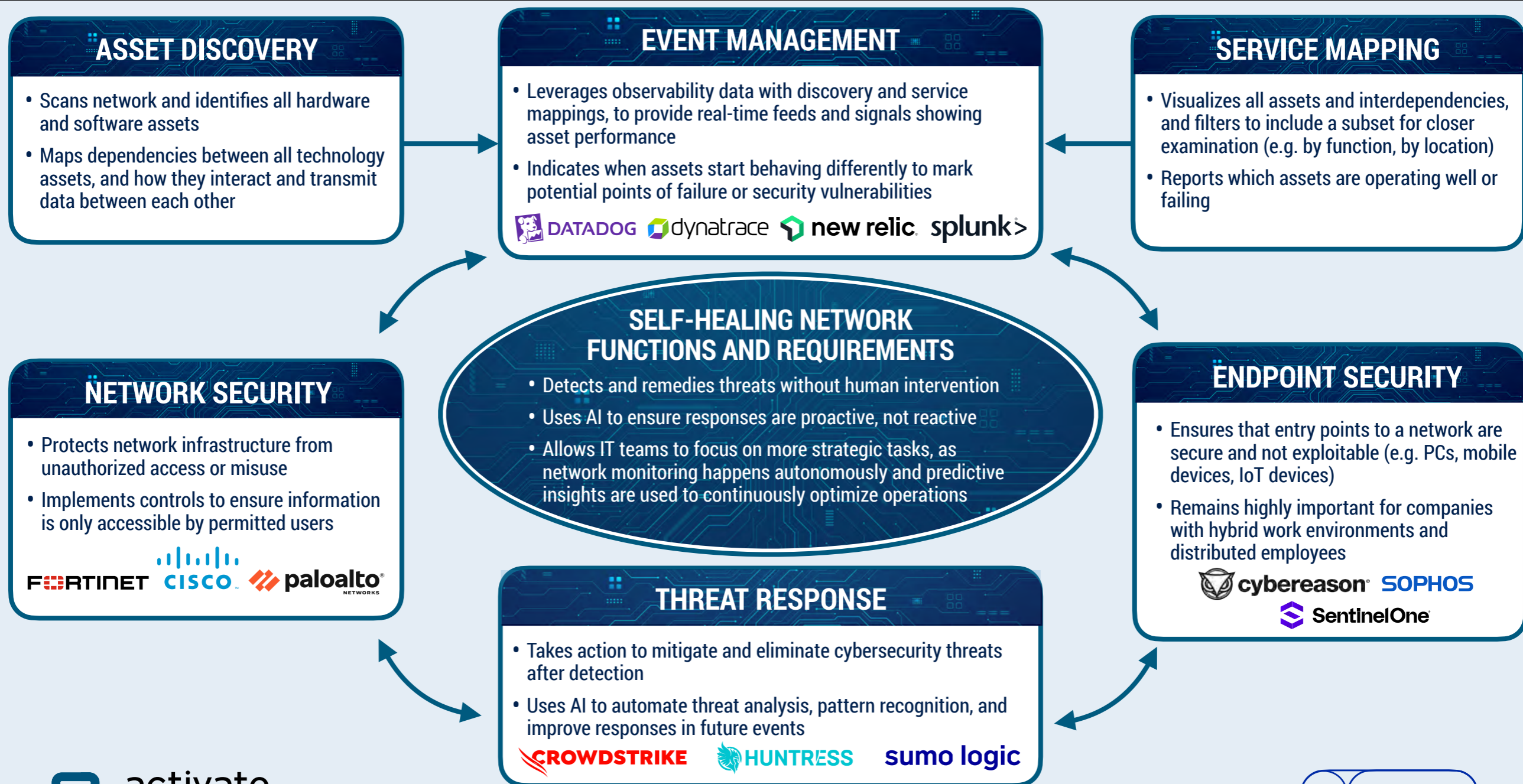
## ADVANTAGES OF SMALLER, SPECIALIZED AI MODELS

- COMPLIANCE:** Provides ability to deploy models locally and keep sensitive data (e.g. customer data, PII) on premise
- COST:** Requires significantly less computation power to train, as they are only used for tailored use cases
- EASE OF USE:** Enables simple, intuitive model development and training, with digestible, low-code interfaces
- SPEED OF TRAINING:** Requires fewer parameters to train, with quicker time to insight
- CUSTOMIZATION:** Allows models to be tailored to suit specific company functions, rather than remain generalist



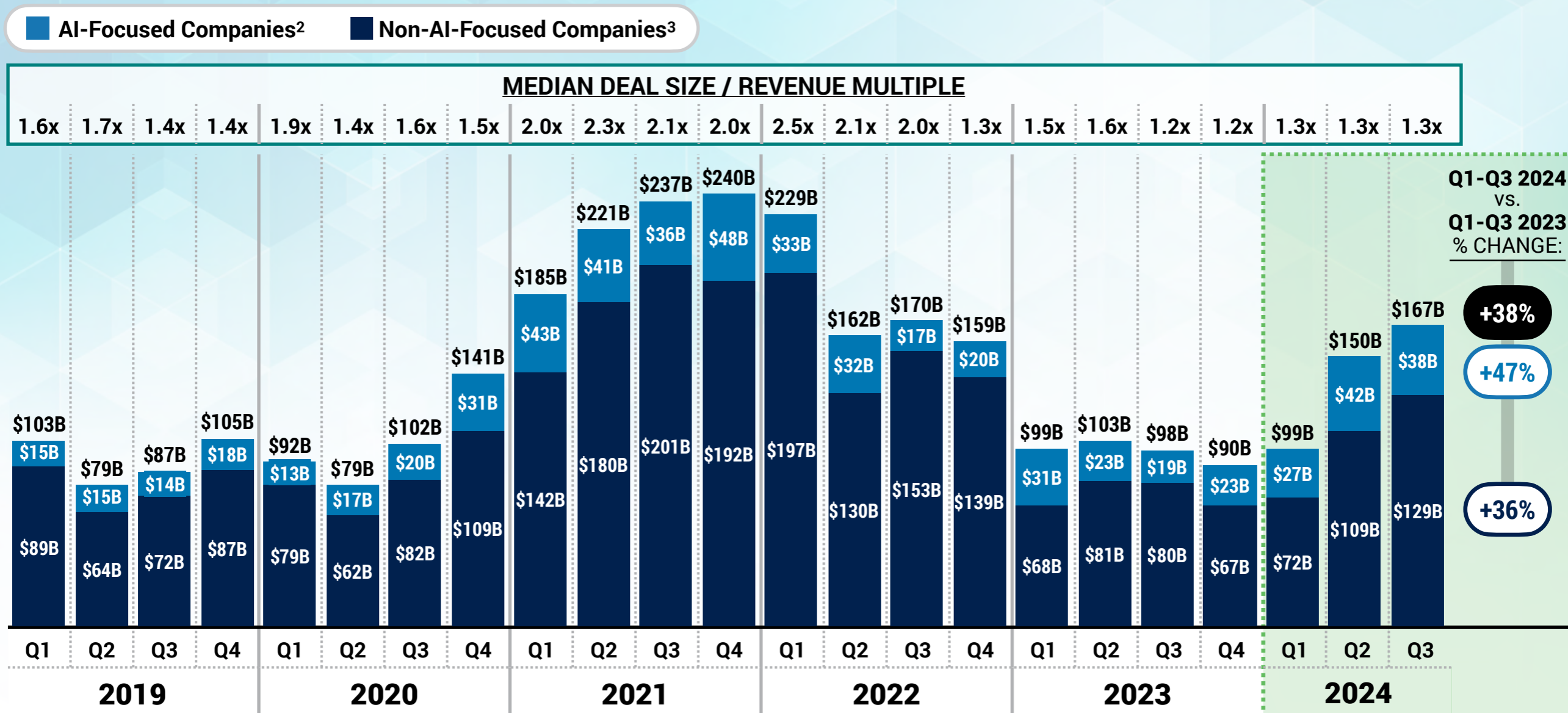
# AI innovation will enable companies to develop self-healing networks and security frameworks, in which IT operations are automated and maintenance is proactive, not reactive

## FRAMEWORK FOR SELF-HEALING NETWORKS



# B2B technology and software fundraising has surged back in 2024; this is not driven solely by AI hype, but by companies fundraising to address a clearly defined set of enterprise needs

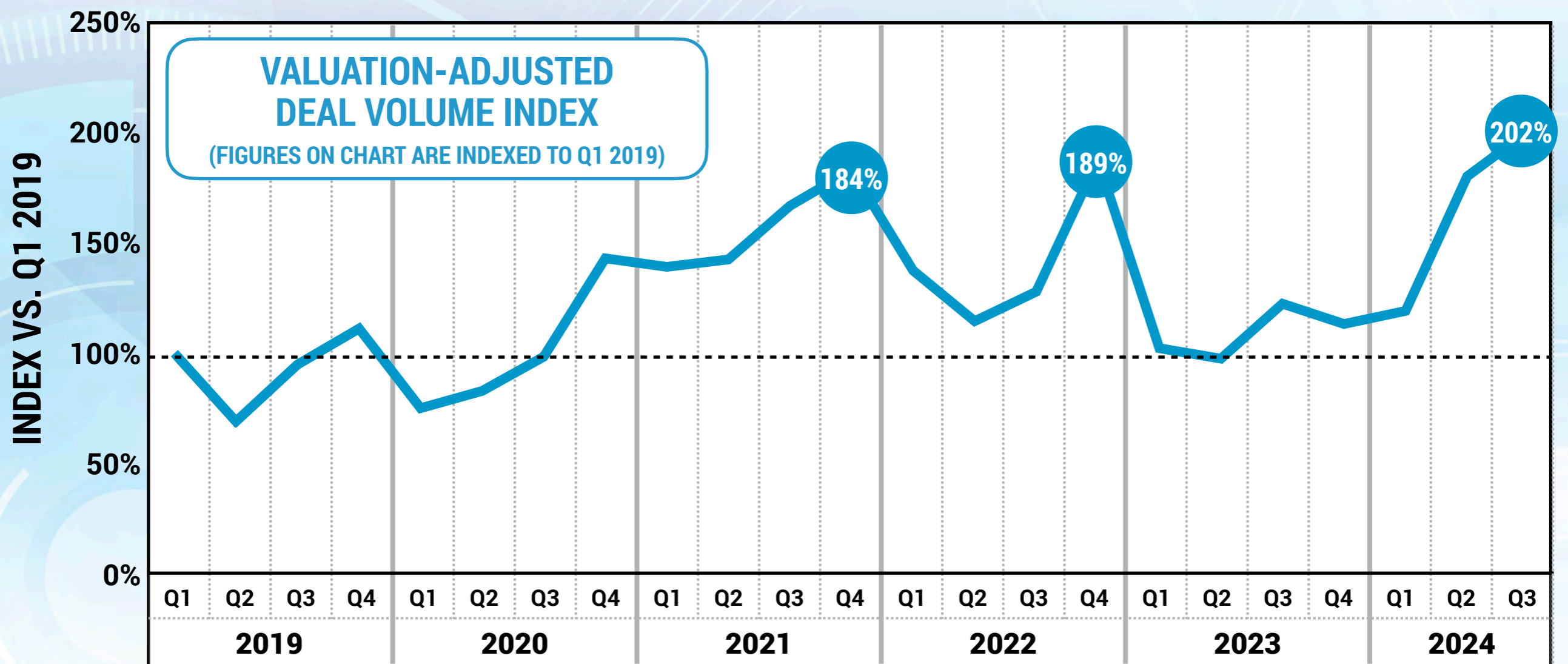
TOTAL B2B TECHNOLOGY & ENTERPRISE SOFTWARE PRIVATE CAPITAL RAISED BY COMPANY TYPE<sup>1</sup>, GLOBAL, Q1 2019-Q3 2024, BILLIONS USD



1. Figures do not sum due to rounding. Includes all venture capital and private equity deals across software, IT services, semiconductors, and computer hardware. 2. "AI-Focused Companies" are defined as B2B technology companies that encompass artificial intelligence and machine learning, including platforms, point solution software, and hardware. 3. "Non-AI-Focused Companies" are defined as B2B technology companies that are not indicated as AI-enabled. Sources: Activate analysis, Crunchbase, Forbes, The Information, Pitchbook

# B2B technology fundraising volume has reached new peak levels, adjusted for valuation multiples

VALUATION-ADJUSTED DEAL VOLUME INDEX<sup>1</sup>,  
GLOBAL, Q1 2019-Q3 2024, VALUATION-ADJUSTED PRIVATE CAPITAL RAISED<sup>1</sup> INDEXED TO Q1 2019



○ ACTIVATE 2025 DATA PARTNERS ○

◀▶ Nielsen

Luminate

▶ tubular

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# Thank you!

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