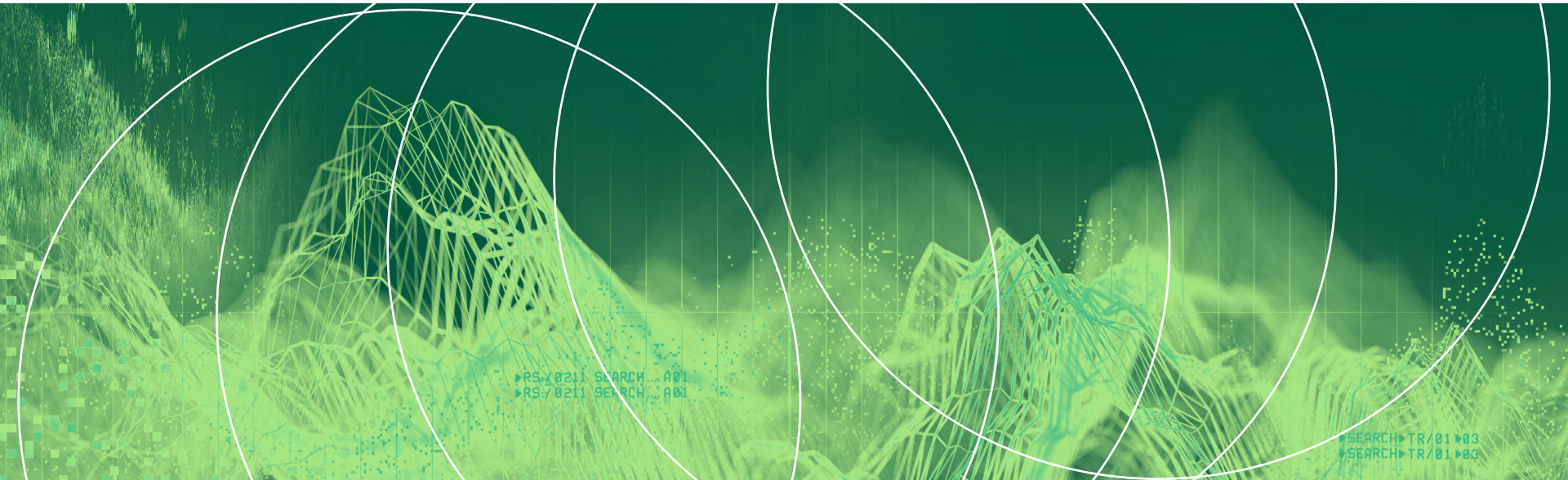


Mining The GenAI Gold Rush: Recommendations For GenAI Success

A COMMISSIONED STUDY CONDUCTED BY FORRESTER CONSULTING ON BEHALF OF AMAZON WEB SERVICES, MARCH 2025



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Executive Summary

Like other disruptive technologies, the emergence of generative AI (genAI) has triggered a gold rush, with organizations moving quickly from exploration to adoption and racing to uncover the most lucrative opportunities. Independent software vendors (ISVs) are heavily investing in genAI driven by the need to capitalize on its transformative potential.

To navigate this journey successfully, ISVs must consider key strategic recommendations that will help develop and sustain a profitable genAI portfolio. By focusing on these areas, ISVs can capitalize on the opportunities presented by genAI and ensure a sustainable business model that drives competitive advantage and delivers tangible value to customers.

ISVs Are In A Period Of Foundation Building

The genAI gold rush has ignited a technology industry transforming race and ISVs are navigating a period of foundation building. Many ISVs are currently doing the following:

Accelerating development with third-party solutions

Working through various pricing models

Expanding genAI capabilities to include more advanced features

“We work with third-party genAI providers, we call them as general-purpose gen-AI models. We have also partnered with some domain-specific companies.”

— HEAD OF INDUSTRY VERTICAL, GLOBAL SOFTWARE

“Earlier this year, it was a flat pricing model. We’re moving to a usage-based model next year. ... Our pricing model continues to evolve as we optimize our infrastructure usage and gain better visibility into customer usage patterns.”

— HEAD OF PRODUCT, GLOBAL SOFTWARE

“We are exploring how we can incorporate multimodal capabilities for our products.”

— HEAD OF PRODUCT, GLOBAL SOFTWARE

46%

leverage ready-to-use infrastructure for genAI development.

Transitioning From Foundation Laying To Delivering Business Value

As ISVs transition from laying their genAI foundations to delivering business value to customers, they will need to tackle the cost to run genAI solutions and price accordingly to see profitable growth emerge.

Actions ISV Must Take To Deliver Business Value

Demonstrate what a genAI-driven company looks like

1

Help customers reimagine and visualize genAI transformation. Invest in R&D to transform business processes, customer experiences, products, services, and business models.

Go beyond replacing existing capabilities. Ensure genAI solutions provide clear ROI and drive innovation.

“How do you sell the value of your genAI services to customers?”

Revenue generation

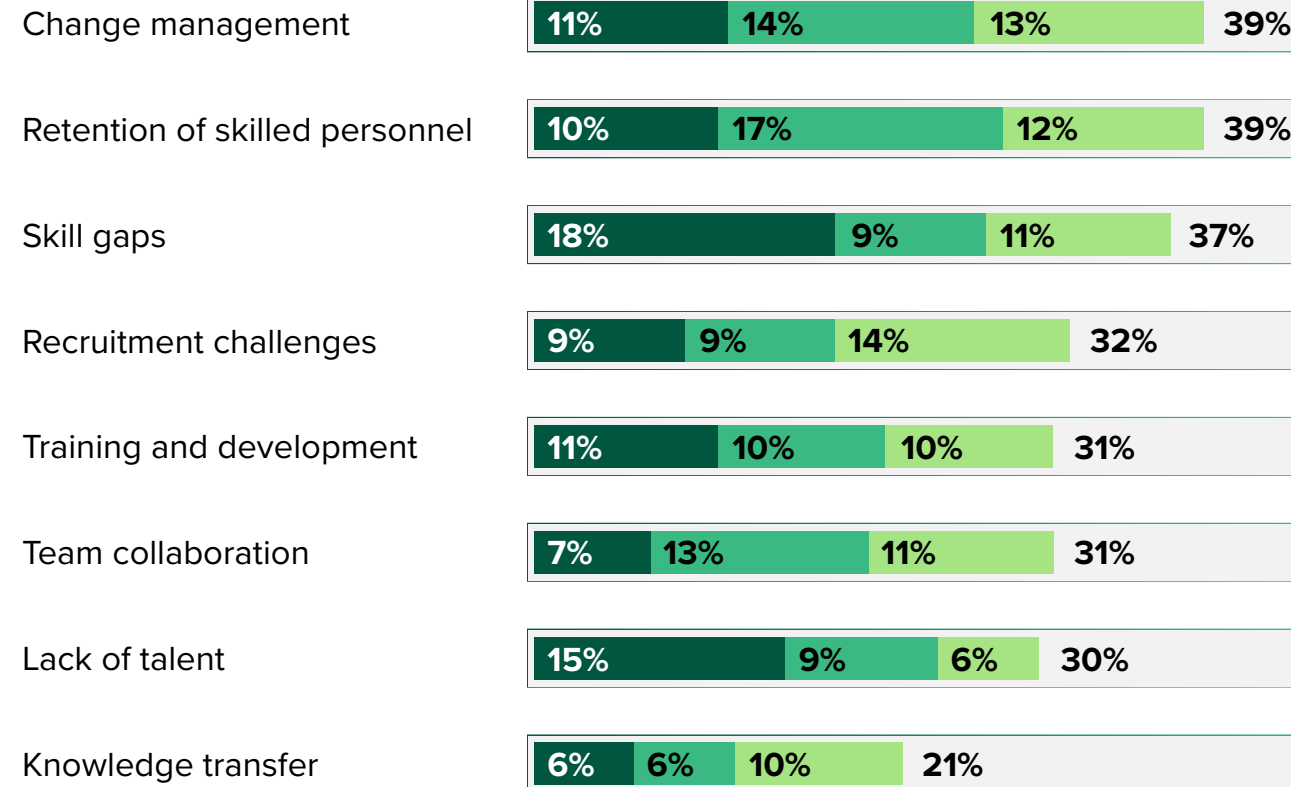
51%

Cost savings

44%

“What are the top five people and talent related challenges in developing and offering genAI services?”

● Rank 1 ● Rank 2 ● Rank 3

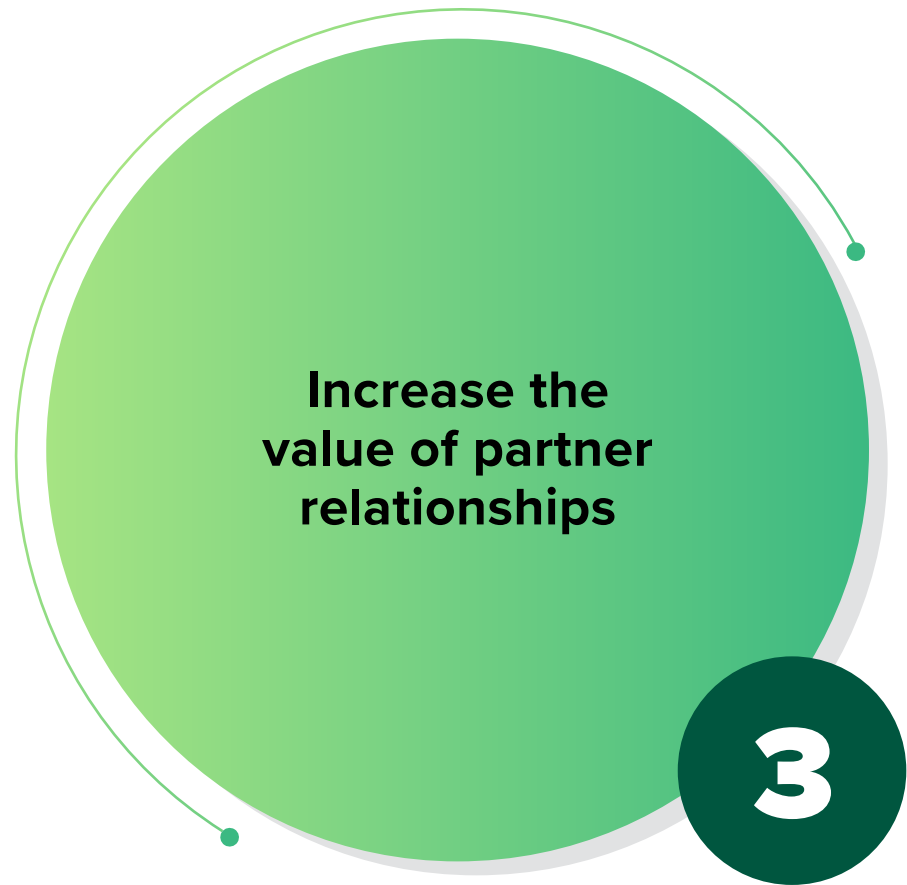


Upskill talent on genAI and business specialization

2

Expand talent beyond genAI and technology. Add vertical and operational expertise to create solutions that are user-friendly and accelerate time to value for customers.

Strengthen customer-centric skills. Understand customers’ businesses and markets to build trust and deliver valuable products. Ensure customers see the benefits of the partnership and solutions.



Build strategic partnerships with hyperscalers and frontier model builders.

Co-define and develop scalable genAI solutions that link partner offers to tangible outcomes.

Create impactful solutions for customers to improve partnership value. Foster a sustainable and growing market for both ISVs and their partners.

“Honestly, I want [third-party partners] to continue to expand the boundaries for what can be done.”

— HEAD OF PRODUCT, GLOBAL SOFTWARE

Key Recommendations

ISVs are in the early stages of genAI adoption, needing to transform rapidly alongside their customers. As ISVs shift to delivering impactful solutions, they should:

Demonstrate genAI-driven transformation. Customers struggle to envision post-genAI transformation. ISVs must invest in R&D that addresses areas of vertical and administrative solutions to help customers transform how they do business.

Upskill talent. Customers face genAI skill shortages. ISVs need to expand their talent beyond genAI and technology, incorporating vertical and operational expertise to develop easy-to-adopt solutions.

Enhance partner relationships. ISVs have focused on technical partnerships with hyperscalers and frontier model builders. To advance genAI solutions, ISVs must form strategic relationships to co-develop products linking partner offers to scalable genAI solutions

Methodology

In this study, Forrester conducted an online survey of 657 executives and decision-makers at ISVs in APAC, EMEA, and North America. Survey participants included decision-makers with responsibility or influence of AI strategy for their organizations. Respondents were offered a small incentive for time spent on the survey. Furthermore, Forrester also completed customer interviews with executives and decision-makers at ISVs in APAC, EMEA, and North America. The study began in September 2024 and was completed in December 2024.

Demographics

REGION	
APAC	33%
EMEA	34%
North America	33%

ROLE	
C-level executive	15%
Vice president	25%
Director	32%
Project manager	28%

NUMBER OF EMPLOYEES	
20,000 or more	11%
5,000 to 19,000	19%
1,000 to 4,999	31%
500 to 999	40%

Explore More

Download the full study: Mining The Generative AI Gold Rush

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