



Finding High-Impact Opportunities for AI in Education



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The Rise of AI in Education

K-12 and higher education institutions around the world are using AI to improve operational efficiencies and transform student experiences.

Adopting AI in classrooms and administrative settings leads to improved student satisfaction, enables faster innovation, and enhances faculty/staff productivity and operational efficiency.



The education industry has a reputation for moving slowly when it comes to technology, but this is not the case with AI. **52% of education respondents reported average AI implementation timelines of 6 months or less, compared to 40% of respondents across other industries who noted the same.**

While it is still early for many institutions, **education respondents believe they are getting an average return of 3.4 times on their investment for AI initiatives, and they are seeing these returns just 15 months after implementation.** They cited benefits such as faster innovation, reduced institutional risk, and faster time to market for new education services and experiences.



Today, the top 5 use cases for AI in education are:

- 48%** Fraud detection and cybersecurity
- 44%** Automating IT tasks
- 43%** Education product and service delivery
- 40%** Personalized student engagement
- 39%** Automating administrative processes and workflows

n = 98 for education, Source: IDC's Business Value of AI Survey, September 2023

Advancing Education AI Strategies

Although institutions have moved quickly on AI, many still have work to do to develop their AI strategies.

57%

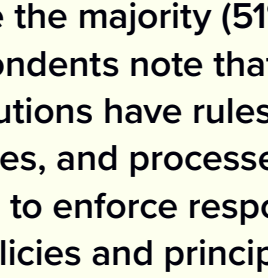
of educational institutions either do not have an AI strategy in place (15%) or have an AI strategy but have failed to align it with their overall strategic objectives (42%). This is compared to 36% of organizations across other industries reporting the same.

43%

of institutions note that they have an AI strategy that aligns with their administration's overall objectives, but only half of these respondents (21%) have measures in place to evaluate success.



The biggest concerns about responsible AI are the **potential for hidden costs, the risk of exposing sensitive student data, regulatory risk vulnerability, and technical debt.**



While the majority (51%) of respondents note that their institutions have rules, policies, and processes in place to enforce responsible AI policies and principles, **only 32% have principles in place for responsible AI development/use or a governance body that oversees responsible AI initiatives.**

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AI Preparedness in Education

With limited strategies and governance in place, education respondents feel less prepared to take advantage of AI than those in other industries.

37%

of education respondents note that their institutions are not prepared or only somewhat prepared for AI compared to 23% of those in other industries.

28%

of education respondents feel very prepared or extremely prepared to take advantage of AI compared to 46% of those in other industries.

n = 98 for education, Source: IDC's Business Value of AI Survey, September 2023

Challenges with AI Implementation in Education

With all the benefits that AI can bring, educational institutions are facing significant challenges with people, finances, and data when it comes to implementing and scaling AI. **Top concerns are:**

57%



Lack of skilled workers

36%



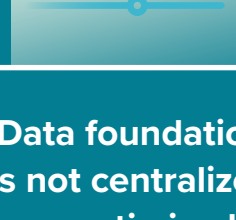
Loss of data or intellectual property due to improper use of AI

34%



Cost

30%

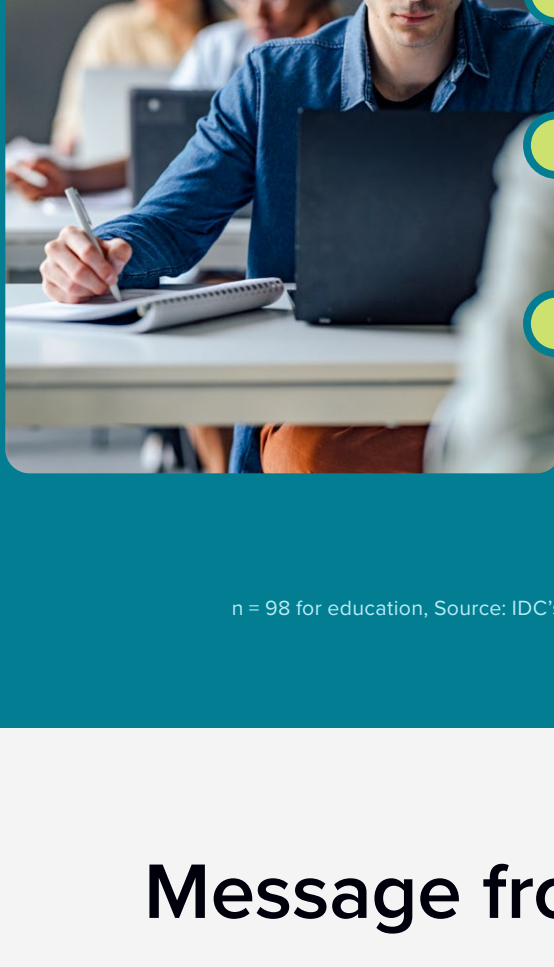


Data foundation is not centralized or optimized in the cloud.

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Steps to Adopting AI in Education

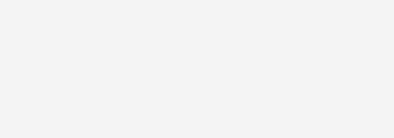
IDC recommends the following practices to realize significant business value from AI:



- Establish an **oversight committee or governing body** to define and steer AI strategy, responsible use policies, governance models, and investment priorities.
- Start by **assessing the AI maturity of your institution.**
- Prepare for change by **building a centralized, cross-functional AI team.**
- Prioritize **high-value, low-complexity AI use cases** for implementation.
- Don't go it alone. **Partner with trusted solutions providers with industry expertise to build AI capabilities.**

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Message from the Sponsor



Learn more about the latest insights on the opportunity for AI in education from Microsoft.

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