

IBM launches \$500M fund to develop generative AI for enterprise



IBM announced the launch of a \$500 million Enterprise AI Venture Fund on Nov. 7 that, according to the company, will be focused on “accelerating generative AI technology and research for the enterprise.”

Focused on accelerating #genAI technology and research for the enterprise, IBM announced the launch of a \$500M venture fund to invest in #AI companies. Learn more: <https://t.co/RqXLLvf0q0> pic.twitter.com/CQKAtzyo1M

– IBM News (@IBMNews) November 7, 2023

Generative AI products for the consumer market, such as OpenAI’s ChatGPT and Google’s Bard, have dominated the newswaves in 2023.

IBM’s primarily focused on enterprise-level solutions for its generative AI products such as its Watson X platform and numerous cloud offerings.

According to Rob Thomas, a senior vice president at IBM, generative AI technologies will be a driving force for productivity and profitability throughout the next decade:

“AI is slated to unlock nearly \$16 trillion in productivity by 2030. With the launch of the IBM Enterprise AI Venture Fund, we’re opening another channel to harness the enormous potential of the AI revolution into tangible, positive

outcomes for IBM and the companies we invest in.”

Details remain scarce as to exactly how IBM intends to invest its new \$500 million AI Venture Fund. Per a company blog post, the fund will primarily focus on generative AI tech and will be used “to invest in a range of AI companies – from early-stage to hyper-growth startups.”

This fund follows IBM’s participation in a \$235 million series D funding round in August for generative AI firm Hugging Face, a company known for its extensive transformer libraries – foundational pieces of technology for generative pretrained transformer (GPT) AI models.

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With the recent slate of investments, including participating in machine learning security platform Hidden Layer’s series A round, IBM continues its ongoing trend of investing in enterprise AI startups while actively supporting the development of open source platforms, models, and protocols.

“With hundreds of open models on the Hugging Face hub, they are significantly boosting the open-source ecosystem,” said Hugging Face co-founder and CEO, Clem Delangue, in an IBM press release. “This is the reason why we wanted to have them join our series D round,” he continued, adding “I am convinced that they’ll be able to accelerate their impact on AI with the IBM Enterprise AI Venture Fund.”

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