



2020 STATE OF

# DIGITAL TRANSFORMATION

*Building a Framework for Digital Success*

# DECODING THE DIGITAL EVOLUTION

Nine out of 10 C-suite respondents from our research say their company is fully embracing digital transformation. But what does digital transformation truly mean? And where are organizations in their transformation journey? More importantly, what are they trying to achieve?

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**4** OUT  
OF 10

*technology decision-makers aren't satisfied with their organization's current reaction to digital trends.*

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To decode digital transformation and provide a roadmap for achieving digital success, TEKsystems surveyed technology and business decision-makers across three focus areas.

We analyzed digital leaders versus digital laggards to highlight opportunities and achievement gaps so your company can navigate your own digital evolution.

## **SURVEY FOCUS AREAS**

- What is the scope and maturity of digital transformation efforts?
- How can organizations navigate the challenges and complexities?
- How can organizations deliver value at scale?



# CUSTOMERS DEFINE THE DIGITAL JOURNEY

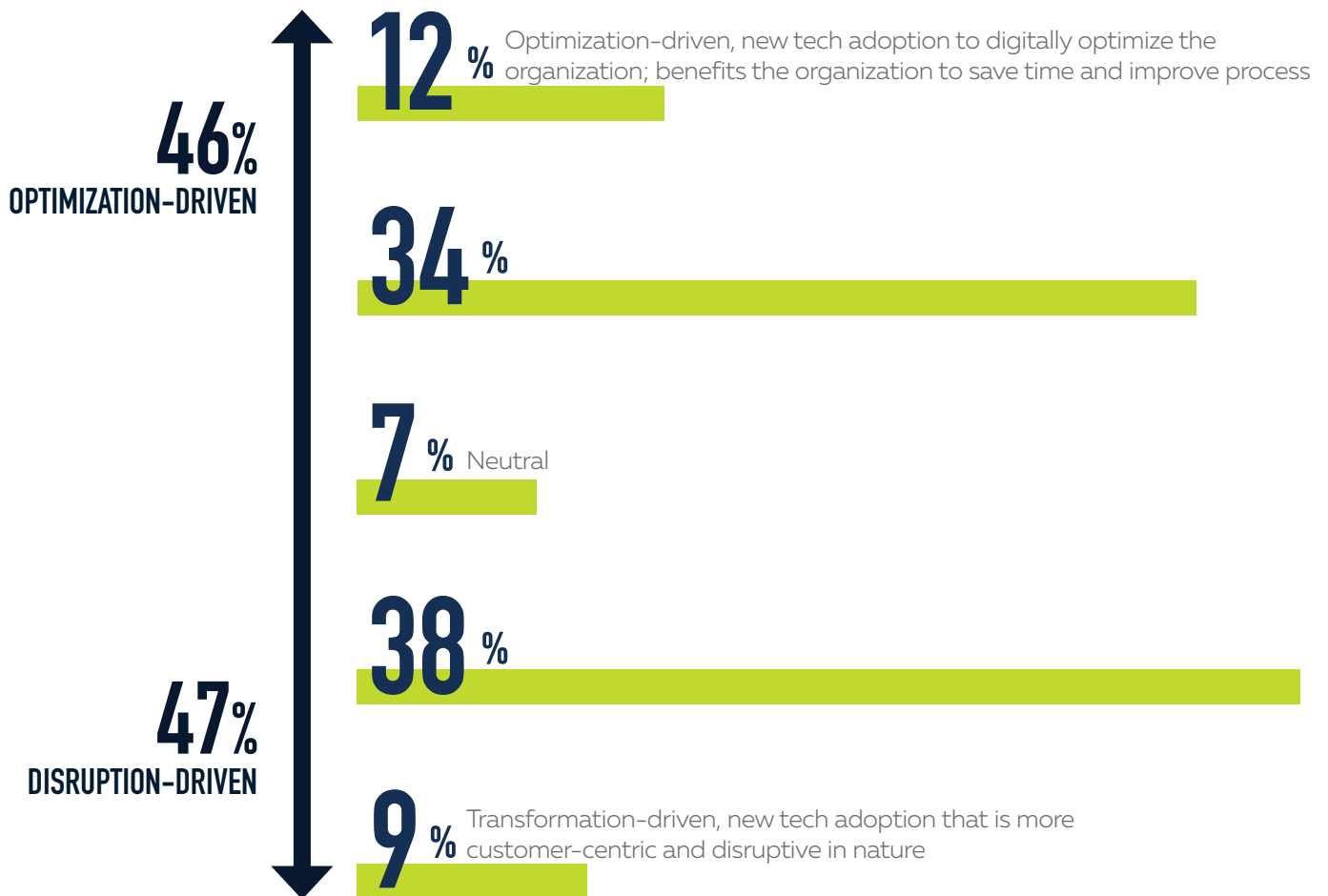
## CUSTOMERS AT THE EPICENTER

Digital business has obliterated established industry lines and ways of doing business, opening the door to new players from nontraditional sectors of the market. Their prize? The customer. Our research reveals that 72% of organizations are focused on improving customer experience through their digital transformation efforts.

## WHAT'S DRIVING ORGANIZATIONS TO TRANSFORM?

Digital leaders and digital laggards are evenly split between either an internal focus of optimizing processes or an external focus of disrupting the market and creating new business models.

## NATURE OF ORGANIZATION'S DX DRIVE



# TECHNOLOGY BENEFITS ACHIEVED

Organizations are racing to leverage the right technologies that will activate their digital business so they can realize the tangible benefits that go along with a successful implementation.

## TECHNOLOGY BENEFITS ACHIEVED FROM DX

46%

Integration of technology, systems and platforms

44%

Analytics and business intelligence reporting

43%

Scalability

40%

Predictive analytics

35%

Security

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## WHAT INITIATIVES ARE DRIVING YOUR COMPANY'S DIGITAL TRANSFORMATION EFFORTS?

*“We are transforming business processes to reduce costs, improve productivity, integrate supply-chain partners and differentiate offerings and more.”*

Senior Manager, Technology Company



# CUSTOMER EXPERIENCE TOPS DIGITAL TRANSFORMATION GOALS

72%

Improve customer experience and engagement

48%

Reduce operational inefficiency

47%

Replace or upgrade legacy IT systems

26%

Introduce new business models / revenue streams

25%

Increase speed to market of existing products or services

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## WHAT INITIATIVES ARE DRIVING YOUR COMPANY'S DIGITAL TRANSFORMATION EFFORTS?

*"We're deriving true insights from analytics to make better decisions, improve efficiencies and gain competitive advantage."*

C-suite, Financial Services Company



# SMART, STRATEGIC CHANGE

Digital initiatives frequently get bogged down by the details and nuances of silos, improper alignment culture, competing priorities and other unforeseen complications.

No company is immune, but digital leaders mitigate risks and deftly navigate these hurdles on their way to transforming the business.

**39%**

Complexity of current environment / Siloed mindset and behaviors

**32%**

Too many competing tech priorities

**26%**

Change management and implementation complications

**23%**

Current business processes are too rigid

**22%**

Security concerns and compliance constraints

## BE BOLD AND ACT NOW

Construct your comprehensive and customer-driven plan, focusing on future capabilities. Execute the tactical work that will lead to quick wins while still allowing for flexibility along your journey.



# DELIVERING VALUE AT SCALE

Digital leaders are much more **mature and are creating a competitive advantage** in the marketplace. Time is a luxury the digital laggards can't afford to lose.

**Two in five organizations expect to recapture the cost** of their digital initiatives in less than 36 months.

On average, **organizations expect a 28% increase in revenue** from their most profitable product/service line as a result of their digital transformation.

## EXPECTED TOP-LINE REVENUE INCREASE

### DX LEADERS

Digital leaders are investing more on digital technologies and, on average, are realizing **25% higher top-line growth** through digital transformation initiatives compared to digital laggards.

← + 25% →

### DX LAGGARDS

# PEOPLE

## *How Talent Accelerates a Digital Ecosystem*

93%

of C-suite executives believe digital technologies will fundamentally change the way people work in their organization. Digital leaders are blazing that trail by refining and developing their talent base. Establishing new processes for working and collaborating internally and with external partners is pivotal to the success of digital transformation efforts.

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### WORKFORCE PLANNING AND TALENT DEVELOPMENT: DX LEADER ACTIONS

49%

ESTABLISH NEW WAYS OF WORKING

41%

IDENTIFY SKILLS REQUIRED

42%

QUANTIFY SKILLS GAP (FUTURE  
VS. CURRENT)

37%

TRAIN EMPLOYEES WITH DIGITAL SKILLS  
ACROSS THE ORGANIZATION

41%

TRAIN AND DEVELOP NEW EMPLOYEES  
WITH NEW BEHAVIORS / MINDSETS

34%

FOCUS ON RETAINING, ENGAGING AND  
DEVELOPING EXISTING EMPLOYEES  
VERSUS RECRUITING NEW EMPLOYEES





# PROCESS

## *Why Success Hinges on Adopting Change*

Delivering value to the customer and creating a sustainable digital business model can only be accomplished by establishing a culture that embraces change and agility. Challenges arise when process hinders, rather than empowers, innovation. Success depends on the digitization of tools and processes that will facilitate agile ways of working.

### PROCESSES AND TOOLS: DX LEADER ACTIONS

61%

Implementing digital tools to make information more accessible across organization

51%

Modifying standard operating procedures to include new digital technologies

50%

Implementing digital tools to facilitate analysis of complex information

47%

Implementing digital self-service technology for employee and business partners' use

47%

Creating a network of cross-functional teams with end-to-end accountability

43%

Adapting business processes to enable rapid prototyping and testing with customers

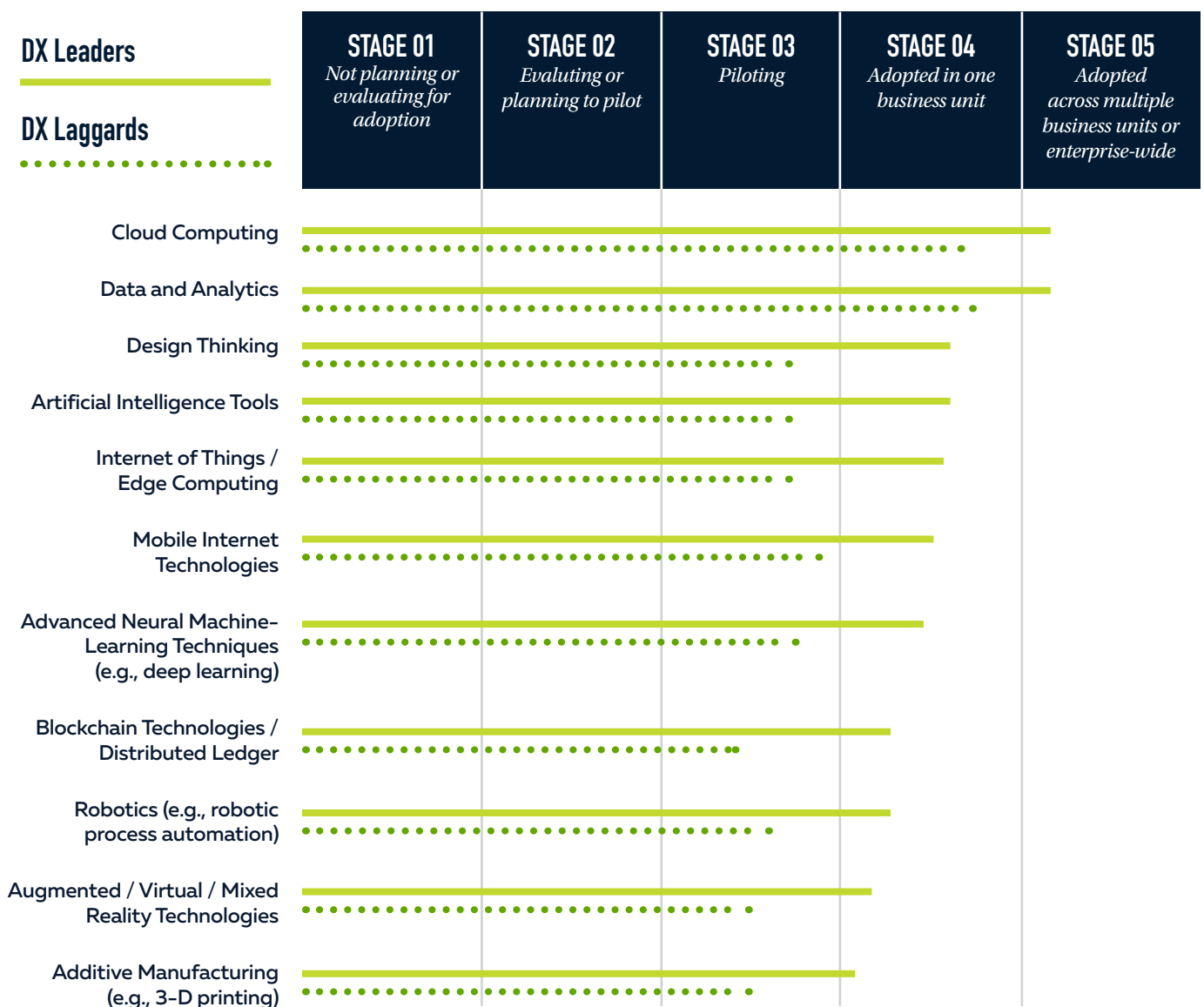


# TECHNOLOGY

## *What Enables Effective Transformation*

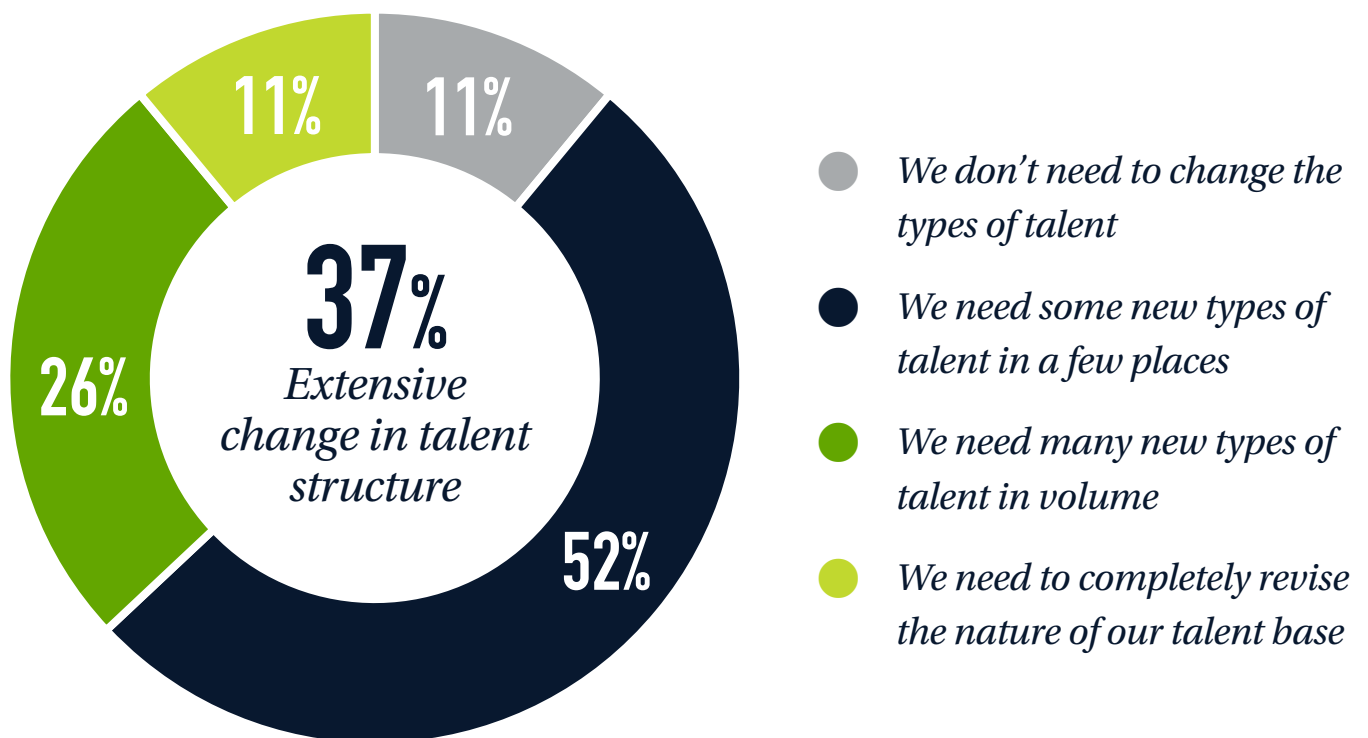
Digital leaders have a clear edge when it comes to technology adoption. They set themselves apart and create a clear competitive advantage by implementing the right technologies, at the right time, with a specific strategy and clear roadmap.

### DIGITAL TECHNOLOGY ADOPTION



# REIMAGINING A DIGITAL WORKFORCE

How work gets done, who gets it done and where might be the biggest challenge organizations face in the new decade. In many respects, the technical talent required simply doesn't exist, at least not in the volume that the enterprise needs to drive digital initiatives forward. Organizations that fall into a trap of continually trying to fill technical talent gaps are ignoring the bigger problem. These futile efforts are magnified when you factor in the loss of institutional knowledge, decreased productivity and project delays associated with attrition.



# OWN THE CHANGE AHEAD

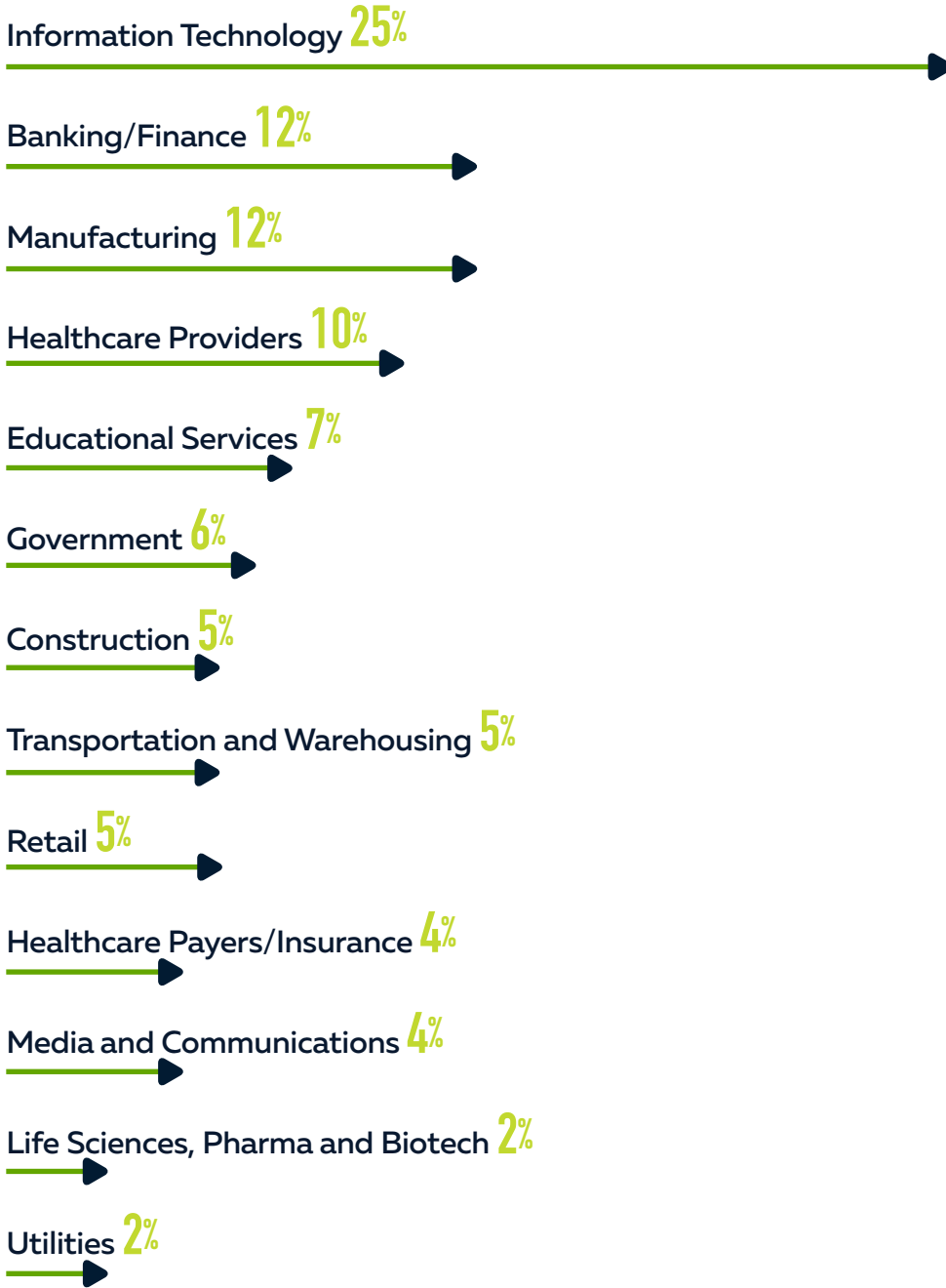
## TIPS TO DIGITAL TRANSFORMATION SUCCESS

- Make your customer the center of your digital transformation vision.
- Secure consensus and conviction among senior leaders regarding digital transformation goals—utilize that alignment to break down organizational silos.
- Cultivate a culture that embraces change and agility. Identifying the right metrics, measuring, and making data-driven decisions are critical to digital transformation success.
- Organizational change efforts cannot be underestimated.
- Identify the skills and expertise required to execute digital transformation efforts and determine how workforce models should be aligned to digital business.
- Implement the right technologies that will achieve the desired outcomes and think about how they can be scaled across the enterprise.



# RESEARCH OVERVIEW

TEKsystems conducted an online survey in November to December 2019 with 510 technology and business decision-makers. Respondents included members of the C-suite, company executives, vice presidents, directors and managers who have final decision-making authority and/or influence on their organization's digital transformation efforts. The sample includes a balance of decision-makers in enterprise IT and line-of-business functions across a broad spectrum of industries.



# RESEARCH OVERVIEW

## DEFINITION OF DIGITAL TRANSFORMATION

Digital transformation refers to the process of using digital technologies (such as digital infrastructure, big data, artificial intelligence, mobile technologies, Internet of Things, cloud-based services, robotics, augmented reality, etc.) to create new or modify existing business processes, culture and customer experiences to meet changing business and market requirements.

## DEFINITION OF DIGITAL LEADERS AND DIGITAL LAGGARDS

This research analyzed digital leaders versus digital laggards to highlight cautionary signs to avoid and achievement gaps so your company can navigate the digital evolution.

In this report, digital leaders are defined as companies with a mature digital transformation plan where digital transformation is ingrained in the DNA of the organization. Digital laggards are defined as companies with tentative plans and limited digital transformation initiatives and investments in place.

# ABOUT TEKSYSTEMS

We're partners in transformation. We help clients activate ideas and solutions to take advantage of a new world of opportunity. We are a team of 80,000 strong, working with over 6,000 clients, including 80% of the Fortune 500 across North America, Europe and Asia. As an industry leader in Full-Stack Technology Services, Talent Services and real-world application, we work with progressive leaders to drive change. That's the power of true partnership. TEKsystems is an Allegis Group company.



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