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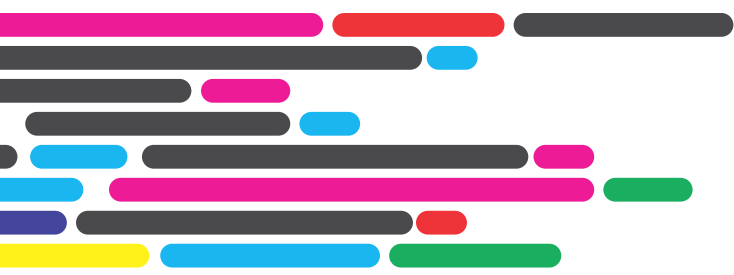


Crisis-Tested IT Teams Accelerate Digital Agility Plans

Companies Rethink DX in Pivot
to Remote Work and Digital Business

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THE WIDESPREAD LOCKDOWNS IMPOSED BY MUNICIPAL AND STATE GOVERNMENTS TO CURB THE COVID-19 PANDEMIC PREVENTED NONESSENTIAL WORKERS FROM GOING INTO THE OFFICE AND REQUIRED IT ORGANIZATIONS TO SUPPORT A RAPID PIVOT TO DIGITAL BUSINESS VIRTUALLY OVERNIGHT.

A new survey reveals that IT decision-makers who were already engaged in some stages of digital transformation (DX) believe that their investments left them better prepared and able to cope with widespread disruptions of normal business operations.

Few could have anticipated the impact of the coronavirus. Businesses needed to navigate new work environments and manage changing customer expectations. The survey indicates that the crisis exposed some vulnerabilities in digital agility even for companies whose DX efforts are mature. As a result, many organizations have begun to rethink their priorities and plan to increase their digital agility in areas such as supply chain resilience, application management, and accelerated cloud adoption. Another outcome is that IT leaders will likely have a larger say in how to move forward, as a large majority of the respondents indicated that the crisis has elevated the position of IT at the executive decision-making table.

DX maturity resulted in superior ability to handle adversity

Overall, 90% of the 100 IT decision-makers surveyed by IDG and Comcast Business indicated that they had been adequately, well, or totally prepared for COVID-19 disruptions—25% totally prepared, 41% well prepared, and 24% adequately prepared.

Sixty of the survey participants represent organizations whose DX status is categorized as advanced—or mature—and are heavily using transformed digital infrastructure to optimize IT operations and costs and to drive new business. The other 40% are split among intermediate users with multiple projects or initiatives already deployed, beginners working on proofs of concept or pilot projects, and those still developing strategies and evaluating projects.

More than half of those with advanced DX maturity believe that the crisis demonstrated that their strategies have left them with a decided competitive edge over peers, compared to 25% of those in the early to intermediate stages. Those who believe they're on a par with competitors are almost even—32% of the more mature companies and 35% of the less mature ones. However, 38% of earlier-stage companies have been shown to be at a competitive disadvantage, compared to just 15% of the more mature companies.

DX has become increasingly important to IT strategies over the past five years, as organizations seek to expand the use of digital technologies to grow business—or even reimagine it—to be more efficient, nimbler, and more profitable. Initiatives can involve everything from creating new customer and worker experiences to generating new revenue through digital services. Success with these initiatives has borne fruit during the COVID-19 pandemic and, according to 74% of the survey respondents, has elevated IT leadership to a seat at the executive decision-making table.

Initial phases of DX involved enterprise connectivity technologies such as software-defined networking (SDN) and the move to house enterprise applications and virtualized infrastructure in the cloud. The second major phase has involved bringing the benefits of those newer technologies to distributed teams. Those organizations able to transform traditional branch operations are more likely to have experienced greater business operation resilience during the disruptions.

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“Early adopters of DX started pulling servers out of branches to put applications in the cloud and [improve] the customer experience,” says Glenn Katz, senior vice president of Enterprise Solutions with Comcast Business. “In the quick-serve restaurant industry, for example, many went to applications accessed on a phone, so customers could look, purchase, and customize orders on the phone; pay; and pick up, rather than pulling them to a website. When the pandemic hit, they were able to transition quickly to full take-out service with contactless payment.”

Assessing the need for further DX improvement

The pandemic has also created major disruption of traditional knowledge worker activities. The inability to go into the traditional office due to the potential for infection suddenly made remote work from home the norm rather than the exception, with work-at-home going from somewhere in the low single digits before the pandemic to an estimated 34% of the workforce by the first week of April.

IT leaders are assessing how to continue adjusting to fluid business needs, such as increased remote work and shoring up infrastructure weaknesses needed to accommodate the “new normal.” More than half of the workers at more than half of the surveyed companies ended up working remotely due to the pandemic. One-fifth of the survey respondents expected newly remote workers to continue to stay off-site for a year or more, 44% anticipated that the newly remote status would last for four to 12 months, and 30% anticipated that it would be about three months.

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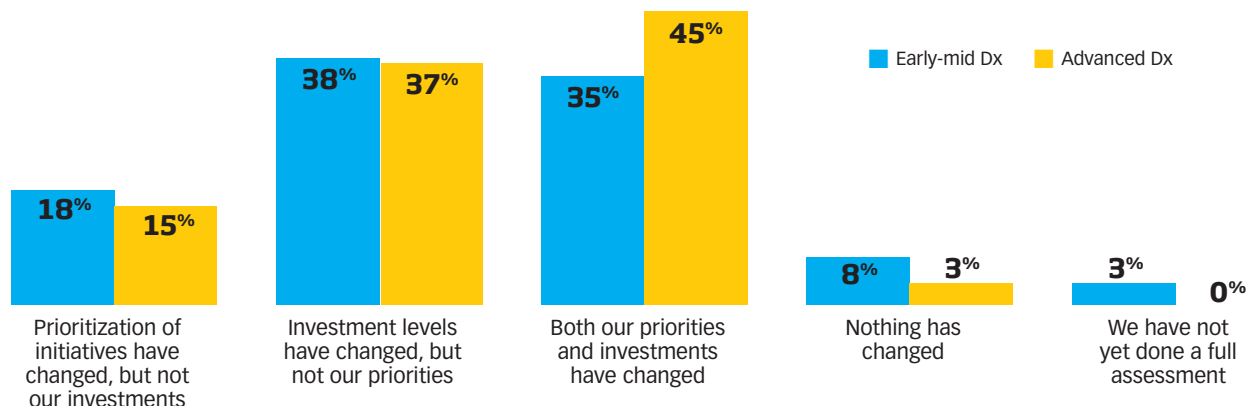
Three-fourths or more of the respondents have completed or are in the process of implementing remote working measures, such as issuing corporate hardware (81%), doing employee training for cybersecurity hygiene (80%), increasing employee at-home internet bandwidth (77%), deploying endpoint security software (78%), and optimizing personal hardware for business use (74%), among other initiatives.

Gearing up for greater digital agility and resilience

“Many of the customers I talk to estimate that nearly half of their knowledge workers will work from home after this crisis,” says Katz. “They really need to have a separate business internet connection in the home—a small IP VPN appliance that can automatically authenticate workers as though they’re in the office and, in some cases, a separate IP phone so that when a worker’s business phone rings in the office, it’s also going to ring in the home office.”

That’s likely to require reprioritization and reallocation of budgets as companies adjust to the new normal. Among the more advanced survey respondents, 45% indicated that both their priorities and investments have changed; 37% said that their investment levels, but not their priorities, have changed; and 15% said that prioritization, but not their investments, has changed. (See Figure 1)

FIGURE 1: **HAS YOUR COMPANY CHANGED ITS APPROACH TO DIGITAL TRANSFORMATION AS A RESULT OF THE CRISIS?**



Remote IT operations management is the area most widely cited as needing continued improvement, with more than half of the mature transformation companies also looking to increase the use of virtual desktop technologies.



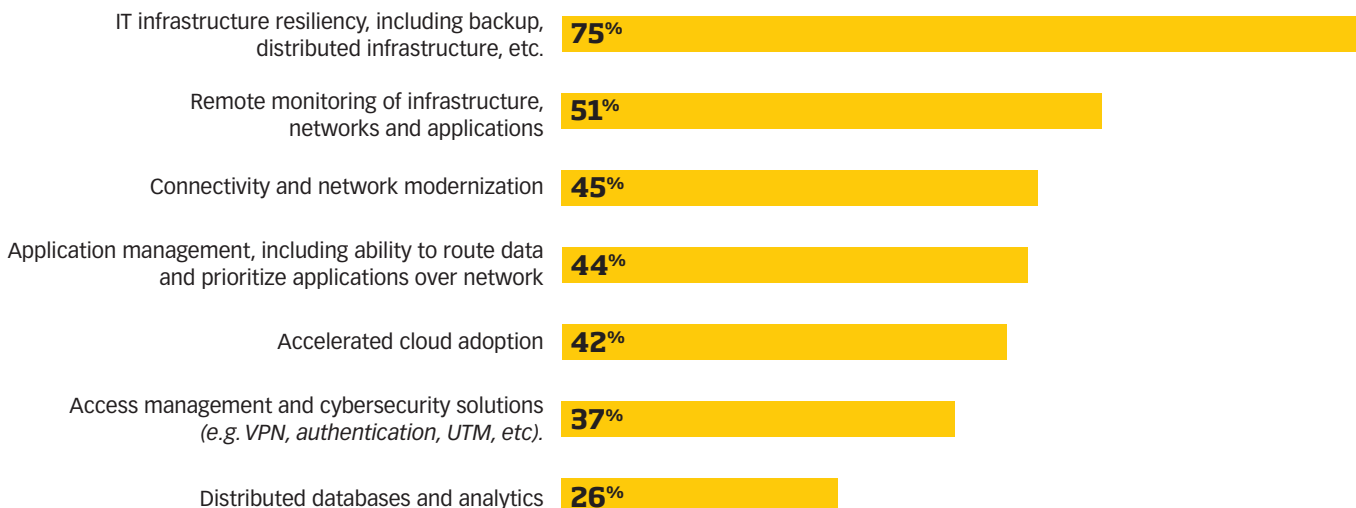
Mature DX companies are seeing the greatest reprioritization of initiatives as a result of the crisis, with data strategy and customer focus initiatives both tallying 83% among advanced DX respondents and culture change, logistics/supply chain, and internal customer experience being impacted at 78% of the advanced organizations. Remote IT operations management is the area most widely cited as needing continued improvement, indicated by 75% of the more advanced DX implementers and 58% of early-to-intermediate-level companies, with more than half of the mature transformation companies also looking to increase the use of virtual desktop technologies.

Companies want to digitize every aspect of the business, moving past segmented operations, and implement a streamlined data strategy. The plan is to invest more in digital infrastructures, digital initiatives, and further automation of IT operations. In Katz's view, "companies realize they have to digitize everything, because once they get past this crisis, nobody has any doubts they want to be better prepared than they are now for whatever occurs in the future. They'll better enable the entire workforce to work remotely in a secure fashion and to collaborate and to connect over the internet to web-based corporate applications."

Most companies intend to pursue more IT infrastructure resilience initiatives, but the 83% of the more advanced DX companies heading in that direction significantly outnumber the 63% of the less mature companies. More-mature organizations are seeking more resilience and wishing they had had more fully deployed network modernization pre-COVID-19. As a result, 75% have deployed or plan to deploy technology for greater infrastructure resilience and more than half are doing so for remote monitoring of infrastructure, networks, and applications. (See Figure 2)

"None of the applications work until the network does, and we see many Fortune 1000 companies struggling because they did not move to a hybrid broadband/software-defined network type of resilience," Katz says. "It takes a year on average to do a network refresh and roll out broadband with other forms of business continuity at distributed locations. My advice would be to work with a service provider that can provide high-speed broadband securely across the entire course of an enterprise's distributed branches."

FIGURE 2: **WHAT TYPES OF INFRASTRUCTURE-ORIENTED TECHNOLOGY INITIATIVES HAVE YOU DEPLOYED OR ARE PLANNING ON PURSUING?**



Those who neglect to invest in critical infrastructure and tools to support the new distributed workforce risk falling farther behind the competition. Those who neglect to invest in critical infrastructure and tools to support the new distributed workforce risk falling farther behind the competition.



Interestingly, 55% of the more advanced companies have or plan to pursue application management initiatives, compared to 28% of the early to intermediate survey respondents. But the numbers flip when it comes to connectivity and network modernization, where 55% of the less advanced companies are looking to pursue new initiatives, compared to 38% of the mature DX players.

Polled at the height of the recent pandemic lockdown, 68% of the responding businesses indicated that they had rolled back some IT initiatives as a result of the crisis. However, at 83%, significantly more of the less mature DX implementers were impacted than the 58% of advanced companies.

Alignment with LOB Needed, but DX Is Paying Off

Although the pandemic has enhanced the perceived role of IT within the organization, only 27% of the respondents said there is full alignment on needs and priorities between IT and the business and company leadership. This is especially true for those less developed digital businesses that may be playing catch-up in terms of the number and types of technology initiatives, training, and infrastructure. Still, IT leadership increasingly is in a steering role, driving IT priorities and focus at 53% of the survey respondents' companies, whereas C-level executives are doing so at 28% of the companies included in the survey and 9% say the efforts are being driven by the board of directors.

Companies that have implemented digital transformation to varying degrees believe they graded well during this ultimate stress test of their initiatives. Asked to rate the performance of their enterprise during the pandemic, 75% of the advanced-stage DX respondents gave themselves an A or a B, compared to 61% of the early to midstage transformers.

With their newfound elevation in corporate strategy decision-making, they have an opportunity to build on successes and accelerate their transformation efforts. Those who neglect to invest in critical infrastructure and tools to support the new distributed workforce risk falling farther behind the competition.



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