EXECUTIVE BRIEF

DIGITAL TRANSFORMATION IN EUROPEAN ORGANISATIONS – TURNING DISRUPTION INTO DIFFERENTIATION

CenturyLink®

Digital Transformation: How Europe will turn disruption into differentiation

CLICK TO ACCESS THE WEBINAR

- Over 400 European IT and line of business executives in the UK, Germany, Austria and Switzerland were surveyed by 451 Research, with results that shine a light on how enterprises are choosing and using digital initiatives for business gain.

- The webinar uses the survey results as a basis for discussion with an experienced practitioner from CenturyLink, a global network and managed IT services company, who shares valuable insights into the digital transformation journey organisations are undertaking and the lessons that can be learned from their experiences.

KEY POINTS

- Digital transformation is the antidote to digital disruption. The changes occurring from the deployment of new digital technologies and business models are disrupting the value proposition of existing goods and services. Only by digitally transforming themselves will organisations be able to compete effectively in the future.

- The primary business drivers for digital transformation cited by respondents are influenced by the level of their organisation's digital maturity. In the early stages, reducing costs and improving the customer experience fulfil the more fundamental needs; as digitisation matures, value-added benefits such as creating new services or revenue streams and increasing competitive differentiation become key drivers.

- Successful digital transformation isn't just about adopting new technology, such as cloud, IoT or AI - it's about rethinking strategy, culture and processes from the ground up.

- Top overall business transformation goals cited by respondents are to improve operational efficiency, enhance customer experience, improve business agility and better manage business risk.

RESEARCH FINDINGS

- Digital transformation is the application of technology to transform processes. To support this, 52% of European executives across all sectors expect an increase in IT spend over the next 12 months. As organisations progress their digital transformation programmes, executives expect the majority of their current IT spend to move from 'keeping the lights on' (56%) to being 'strategic' in the next five years (53%).

- Across Europe, the degree to which countries have embraced digital transformation differs widely. In Germany, 61% of organizations have a formal plan, followed by almost half (46%) of companies in the UK and Switzerland and just 35% in Austria.

- The pace of digital change is accelerating – with 39% of European executives anticipating that they will face major disruption in the next three years. This is significantly higher than the 26% of executives who perceived the same level of change in the preceding three years.

Successful digital transformation isn't just about adopting new technology, such as cloud, IoT or AI - **it's about rethinking strategy, culture and processes from the ground up.**

Share this document

RESEARCH FINDINGS (cont.)

☑ Top 3 business drivers for digital transformation:

1. Reducing operational costs (51 percent)
2. Improving customer experience (41 percent)
3. Creating new services or revenue streams (37 percent)

☑ Top 3 IT-led priorities for digital transformation:

1. IT agility - Improving reliability of systems, network and infrastructure (43%)
2. Application refresh - Improve business support systems (38%)
3. Need to scale - More automation (machine learning, artificial intelligence) (35%)

☑ Adoption of cloud services is deemed 'very important' by 39% of companies at the planning stage of their digital transformation. This increases dramatically to 68% for those executing their strategic transformation plans.

☑ The majority of companies – 91% – are using or expect to use a third-party transformation partner in support of their digital transformation project. Threat prevention and managed cybersecurity services are the IT services European enterprises are most willing to outsource (36%). This is closely followed by network infrastructure services (33%) and managed hosting (32%).

☑ What does success look like for digital transformation projects? Three of the top key performance indicators:

1. Better response times to enquiries/sales orders/workflow requests (37%)
2. Reduction in extent & number of system downtime/outages (34%)
3. Improved employee productivity (30%)

CHALLENGES

☑ As the digitization of European organisations move from early stage to formal planning, their challenges shift from re-engineering infrastructure to addressing organisational silos and processes. 39% of companies in early-stage planning identify their inability to migrate workloads to the cloud as their single most significant barrier to transformation.

☑ Top 3 barriers to digital transformation cited by survey respondents:

1. Inflexible IT systems - 36%
2. Organisational silos - 35%
3. Cloud migration - 33%

☑ Digital transformation will require significant investment, not just in technology, but also in people and training. Why? Shifting to agile from multiple silos/processes entails adopting DevOps - which is as much a cultural shift as it is the use of technology.

☑ It is important to have realistic expectations about the timescale of change for your organisation's digital transformation project. Companies in the early planning stages have a more optimistic timeline than those that have a formal strategy and have started executing it. The majority (55 percent) of respondents estimate it will take three to six years to achieve company-wide digital transformation, largely due to how long it takes to overcome business and IT complexities.

CLICK TO ACCESS THE WEBINAR

European organisations are making progress but must continue to advance their transformation strategies or they risk falling behind competitors both in Europe and globally.

CENTURYLINK'S OFFERING
(Key points on company offering made by CenturyLink in the webinar)

☑ Managing multiple private and public clouds is a significant challenge for most enterprises. CenturyLink's Cloud Application Manager platform enables businesses to govern, control and assess what's going on across these multiple execution environments. This translates into controlled spending and charge-back management and enables multi-cloud lifecycle collaboration between development, operations and finance, enabling teamwork between the organisations most crucial to digital transformation.

☑ CIOs and CTOs are faced with a multitude of considerations in answering, 'What is the best execution venue for running enterprise applications?' CenturyLink's proprietary tool uses big data, putting the customer in charge by enabling them to control specific input criteria. Output is viewed in real time. This fosters a two-dimensional discussion in helping the C-suite answer the question

☑ Rarely is there a single overarching infrastructure solution to facilitate digital transformation. CenturyLink emphasizes the value of pursuing a hybrid IT strategy, combining multi-cloud with colocation and managed hosting to ensure that all requirements can be met.

☑ Advanced threat prevention and security management is a top IT-led priority. CenturyLink's managed security services provide continuous monitoring across network and host services - and augments this with a human incident response team.

TAKEAWAYS

☑ Digital transformation programs in Europe are now being viewed as strategic, long-term initiatives and typically receive the support of top-level executives. European organisations are making progress but must continue to advance their transformation strategies or they risk falling behind competitors both in Europe and globally.

☑ A company's maturity, the vertical sector in which it operates, its employees, its infrastructure and its ability to innovate all impact its digital transformation journey. Knowing where to start, and how to maintain momentum is critical.

☑ Technology is key to business transformation, but needs to be combined with questioning the status quo - e.g, devising new business models and executing a formal digital transformation strategy - only then, when these components work together with technology, will you have true transformation and competitive advantage.

☑ A critical aspect of transformation projects is outsourcing to trusted providers. Almost all European enterprises surveyed – 91% – prefer third party or external specialist partners to support their digital transformation projects. Less than 10% plan to do this entirely on their own.

CLICK TO ACCESS THE WEBINAR

91% of European enterprises prefer third party or external specialist partners to support their digital transformation projects. Less than 10% plan to do this entirely on their own.

Click or scan to access the webinar:

ABOUT CENTURYLINK

CenturyLink is the second largest U.S. communications provider to global enterprise customers. With customers in more than 60 countries and an intense focus on the customer experience, CenturyLink strives to be the world's best networking company by solving customers' increased demand for reliable and secure connections. The company also serves as its customers' trusted partner, helping them manage increased network and IT complexity and providing managed network and cyber security solutions that help protect their business.

www.centurylink.co.uk

The objective content from 451 Research is brought to you through the lens of InsightBrief, a publisher of technology and business information.

ABOUT 451 RESEARCH

With a core focus on technology innovation and market disruption, 451 Research provides essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to over 1,000 client organizations in North America, Europe and around the world. 451 Research and its customers benefit from the combined assets and talent of The 451 Group and its two divisions: 451 Research and Uptime Institute.

www.451research.com

ABOUT INSIGHTBRIEF

InsightBrief is dedicated to simplifying access to knowledge in a wide range of technology and business related topics, by developing, publishing and amplifying short-format content that helps busy professionals get key information, faster. The team vet and qualify the source content for relevancy and value to its intended audience before creating an InsightBrief asset. The editorial team is independent from the originator of the source material, ensuring that the insights exclude sales or vendor centric messaging, thereby creating real value for time-poor professionals.

www.insightbrief.net