IT and Business Executives Tell Unisys[IDG They Understand the Value of Adopting a Digital Business Model—But Still Struggle for a Solution

It never stops: Another year, another new IT challenge. According to a new survey of 188 global IT executives conducted by Unisys and IDG Research, IT's biggest challenge in 2016—cited by 55% of respondents—is providing high levels of service to increasingly tech-savvy customers and employees.

IT executives recognize those levels of service are crucial to transforming the enterprise into a digital business, defined as "the convergence of social, cloud, mobility, data analytics, and security to drive new business models and engage, enable, and support an increasingly tech-savvy workforce and customer base."

Nearly two-thirds of respondents (65%) to the Unisys/IDG survey consider it highly important for their organizations to modify technology, IT processes, or IT resources over the next 12 months to support a digital business model. The top driver for prioritizing the digital business evolution: The ability to enable innovation and create new business opportunities across multiple regions, cited by 35% of respondents. The second-highest priority, cited by 30% of respondents: The need to keep pace with customer expectations.

The value of adopting a holistic digital business model is clear: Many enterprises face competition from start-ups that not only aren't hampered by legacy infrastructure, but also use new, highly flexible IT infrastructures. As a result, these nimbler competitors can respond quickly to customer demand and spot new, emerging opportunities as they arise.

No matter what the industry, companies that grasp the stakes and understand the true potential of "going digital" have a much better chance of coming out ahead than others. So what does enterprise IT need to know?

Recognizing the Potential
IT decision makers need to understand that while the two constituencies that digital business serves—customers and end users—are different, both groups want to access information quickly and easily. Whether it's account information, purchase records, or product specs, the data should be easy to find and even reconfigure if users require a different view.

Creating the digital business is not only, however, a question of simplifying access to data. There are other, more critical reasons for focusing on the digital transformation. Data access, and access to the insights that data analytics offers, can be used to improve the customer experience, increase engagement, and provide competitive differentiation.

In addition, by drawing on and integrating information from the entire organization, a digitized business delivers cross-business insight. This logical integration of data can produce the knowledge necessary for developing new revenue streams, accessing new markets, or evolving the user interface, for example.

Are We There Yet?
The Unisys/IDG survey indicates that organizations are still well short of becoming true digital businesses. The problem is the gap between reality and desire. Getting started, for instance, is a key obstacle. Take the issue of increasingly high customer and end-user expectations. More than half of respondents (52%) report that end-users want more accessible and searchable data. Those same end-users also expect better integration and support of data analytics tools (cited by 48% of respondents). In order to deliver on those mandates, IT needs to provide better data integration between onsite and cloud applications and data (cited by 43%).
But most enterprises just aren’t there yet. Less than half (45%) of respondents rate their organization’s progress as above-average when it comes to supporting end-user expectations and the demands associated with creating a digital business model. Only a third (32%) report average progress, and 22% consider their progress below average.

The survey defined five key components of a digital business: mobile application development, cloud deployment, social media, data analytics, and security. Among respondents who rate each of these five initiatives as a critical or high priority, less than 20% report significant progress in any one area. Worse, few respondents indicate their organization is ready to meet customer expectations over the next 12 months. Only 41% indicated that their technology or infrastructure was prepared, while 40% rated their IT skill sets as adequate and 39% rated their security and compliance strategy as adequate.

Among those who consider each of the five digital business initiatives as at least a moderate priority, respondents report the most progress in only two of the five key areas. Sixty-nine percent (69%) cited at least some progress in both mobile application development and cloud deployment, but are paying less attention to social media, data analytics, and security. Overall, according to respondents, organizations struggle the most with IT automation (cited by 26%), the end-user experience (34%), and customer experience (35%).

Interestingly, respondents in EMEA are focusing on different issues. They are significantly more

### Top IT Challenges for 2016: Meeting End User Demands and Expectations

<table>
<thead>
<tr>
<th>Issue</th>
<th>All respondents</th>
<th>US</th>
<th>EMEA</th>
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</thead>
<tbody>
<tr>
<td>Making data more accessible and searchable</td>
<td>52%</td>
<td>50%</td>
<td>58%</td>
</tr>
<tr>
<td>Integration and support of data analytics tools</td>
<td>48%</td>
<td>45%</td>
<td>56%</td>
</tr>
<tr>
<td>Integration of on-premise and cloud applications and data</td>
<td>43%</td>
<td>41%</td>
<td>50%</td>
</tr>
<tr>
<td>Support of corporate-owned and personally enabled devices</td>
<td>37%</td>
<td>37%</td>
<td>38%</td>
</tr>
<tr>
<td>Mobile app development and support</td>
<td>36%</td>
<td>32%</td>
<td>46%</td>
</tr>
<tr>
<td>Support of personally owned devices (BYOD)</td>
<td>32%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Gaining a 360-degree view of customers/clients</td>
<td>31%</td>
<td>28%</td>
<td>42%</td>
</tr>
<tr>
<td>Implementation of self-service/self-help tools</td>
<td>30%</td>
<td>27%</td>
<td>38%</td>
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<tr>
<td>Improving the ability to quickly locate and collaborate with colleagues</td>
<td>29%</td>
<td>26%</td>
<td>38%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
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</tbody>
</table>
likely than their U.S. counterparts to rate developing an IT service catalog and service management system as highly important (48% vs. 30% in the U.S.). They are also more likely to focus on taking advantage of the Internet of Things (52% vs. 31% in the U.S.). Both service catalogs and the Internet of Things are important digital tools for collecting and integrating information from multiple parts of the enterprise. They are also valuable for modifying the IT and customer-facing processes required for digital business transformation.

**Avoiding Complacency**

Overall, IT departments and the enterprise can’t afford to be complacent. Nor can they continue doing things the way they have up until now. Too often, IT departments update systems with an 18-to-24-month schedule. In today’s digital era, changes come faster than that—sometimes in less than a year—and new digitized competitors have a much shorter time-to-market.

Enterprises simply aren’t as agile as they need to be to function as digital businesses. What’s more, their efforts to do so could be hindered by a human-capital issue: 38% of respondents to the survey say that they struggle to attract and retain a skilled IT workforce. Solving these issues can open up new opportunities and allow companies to be more competitive.

However, IT recognizes that, as the saying goes, the ideogram for crisis and opportunity are the same. The IT organization stands on the brink of considerable opportunity to help change corporate strategy. Respondents understand the importance of the digital business as well as the imperative to measure their success. Improvements in IT efficiency (cited by 47% of U.S. respondents) and improved user experience (cited by 45% of U.S. respondents) are top success metrics. EMEA respondents take a different view of the opportunity. Forty-six percent (46%) indicate their organizations rely most heavily on improved infrastructure performance/availability to measure success with end-user support. In reality, improvements in all three can have symbiotic and positive impact.

Where there’s progress, it’s in the right direction. A strong majority—70% of respondents’ organizations—are delivering persona-based service to support internal IT users (and another 15% of respondents would like to do so). Persona-based services are personalized to the job or service requirements of a specific role, rather than a specific individual; that way, if an employee transfers out of finance, for example, they don’t retain security access to proprietary financial information.

Persona-based services extend the principles of customer relationship management (CRM) that normally apply for external customers to internal users. The premise is simple: A better understanding of needs and behaviors leads to better service (and service management). Respondents

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**Less Than Half of Organizations Rate Their Progress Supporting End User Expectations and Demands as Above Average**

![Pie chart showing the distribution of responses to the survey question: Less Than Half of Organizations Rate Their Progress Supporting End User Expectations and Demands as Above Average.](chart.png)

- Above average: 39%
- Average: 32%
- Below average: 17%
- Well below average: 5%
- Don’t know: 6%
to the Unisys/IDG survey note that they are focusing on this departmentally, rather than holistically, which makes sense; employees in different departments (and indeed, even new customers versus established customers) should have different personas when it comes to security and access. A new customer should have a different persona than an established one; the difference may relate to credit limits or other privileges, for example.

The question really becomes, how can IT departments and businesses work together to achieve success faster? How can they realize the best results for the most economic investment? How can they measure their success and make adjustments as they move forward?

**Getting There From Here**
What's next for enterprises? There are three things to consider:

1. Enterprises need to identify, based on corporate strategy, which departments will benefit the most from a holistic digital business strategy.
2. They must start creating systems that digitally enable their customers and employees as a whole, not just by isolated business units.
3. Enterprises must learn from the successes (and missteps) of those efforts to continue making progress across the enterprise. Part of moving faster and responding more quickly means understanding when a project isn't going to fulfill its ambitions, cutting losses, and moving forward in a different direction.

Most businesses are attempting digital transformation today, but few have adopted or mastered the digital business model to a point of competitive differentiation. However, enterprises that target even small improvements can find success (after all, calling Uber isn’t that different than calling a cab). It’s simply a matter of thinking about what data might be useful or even available—and how it can be turned into opportunity.

Take the experience of one global food manufacturer with a division selling ice cream. The fact that consumers buy more ice cream when it’s hot seems obvious, but this manufacturer sensed that anticipating temperature spikes and heat waves offered an opportunity. The company analyzed weather patterns and increased ice cream deliveries to retailers when temperatures went up. The result: a 60% growth in sales.

That’s just one example of using data analytics to improve sales. It demonstrates that even though the transformation to a digital business is challenging, it can have bottom-line impact, and should be viewed as an opportunity rather than a challenge. The time is now to face this change head on with the technological tools available. It’s time for savvy enterprises to take their place in the vanguard, not among the followers.

**How Unisys Can Help**
The components of a digital business strategy that serves both customers and employees are clear-cut. Enterprises need to collect, analyze, store, and protect data. Unisys brings a focus to each of these areas, whether it’s collecting data from social media sources on mobile devices, storing data in the cloud, conducting data analytics, creating persona-based end-user support services, or protecting data with the highest levels of security.

What’s more, Unisys is an expert in integrating all these capabilities, helping enterprises not only create digital businesses, but also create digital businesses that are noteworthy for their automation and agility. After all, competitive pressures—like technology—always change and evolve. Unisys helps companies create systems to address digital business challenges this year—and beyond.

Find out how Unisys can help you create your digital business through innovation and agility. Contact us at DigitalGen@unisys.com and more at our digital generation resource center.
Find out how Unisys can help you give digital generation workers the solutions and support they want, without sacrificing control, visibility or security.

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