CXO FOCUS

DIGITAL TRANSFORMATION BEYOND 2020

TECHNOLOGY TEAMS HAVE DEMONSTRATED
THEIR ABILITIES TO ENACT MAJOR CHANGE
IN 2020; THE CHALLENGE WILL BE TO ENSURE
THEY REMAIN AT THE HEART OF THE NEW STYLE
OF POST-PANDEMIC DIGITAL TRANSFORMATION

—

DECEMBER 2020

POWERED BY

NUTANIX.

Coronavirus has changed everything. Sadly, for some, it has been the worst kind of change. Businesses of all kinds have felt the impact of the global lockdown, although the pandemic has accelerated the digital transformation of vertical markets, the virus has and will change the trajectory of digital business models. Data, digital methods, and enterprise cloud computing will thrive, but organizations and their CXOs need to be aware of changes in customer behavior and new market dynamics, and prepare for non-digital disruptions.

"While few organizations would have planned for something as significant as this pandemic, some entered the crisis in much better shape than others," reports the 2020 Harvey Nash CIO Survey, one of the most reliable barometers of business technology leadership. In its research, the search business found that just three in 10 organizations had the infrastructure in place to deal with the pandemic. As the survey revealed, IT teams received unprecedented levels of financial investment, a median increase of 5% to the budget across the 4,200 business leaders surveyed.

As a result, nearly half of those CXOs surveyed (47%) believe the pandemic "has permanently accelerated digital transformation and the adoption of emergent technologies." But the digital transformation that follows the Covid-19 pandemic will have a very different shape to it than the modernization plans that were crafted at the beginning of the decade.

"Expectations for transformation have become more conservative since Covid-19, perhaps a surprising conclusion, given how 'transformative' the crisis has been, with many companies experiencing more change in the past six months than in the past several years," the survey reports. For some organizations the new approach could be a result of the

pandemic changing board-level perceptions of what digital transformation truly is. The virus has demonstrated gaping holes in supply chains, governance models, remote working adoption, and in the deployment and usage of enterprise cloud computing in almost every vertical market.

"With so many companies experiencing changes in how their customers want to engage with them, customer experience investments are also a top priority, followed by upgrades to the cloud which acts as the digital backbone and the infrastructure they will ride upon," the survey finds. This survey and reports from CXOs demonstrate that the cloud journey is far from complete. As a result, CIOs will find themselves in one of two places, either helping an organization fill the technology holes the pandemic has revealed or leading a business harnessing data and enterprise cloud computing to spearhead new business initiatives.

Data Driven

"The information about the package is as important as the package itself," says Robert Carter, CIO of the FedEx Corporation. Carter is one of those CIOs fortunate to be in a business that realizes the value of technology and data.

Carter, speaking at a global virtual tech event, said that the use of data begins as a way to better understand the organization for service improvement and then, as it has done at FedEx, becomes a service that is sold externally.

Just as the pandemic has made organizations realize that they need to improve their technology infrastructure, it has also exposed to many that they need to do more with their data as an asset to digital transformation. Anjali Subburak, Digital Commerce Chief Architect at Mars, a global foods manufacturer, reminds CXO peers that data will only drive digital transformation if organizations reshape their culture.

"Organizations fail in the discipline of data management. Yes, it is tedious and time-consuming, but data consolidation is an ongoing process and not part of a single big digital transformation, it has to be built into your routines," she says. Group CIO of retailer J Sainsbury's Phil Jordan agrees: "Today, in an era of data-driven insight, our role is far more disruptive." Jordan has built a strong data culture and team in his time at with the supermarket conglomerate, having been a telecoms CIO. He knows how organizations can enter a vertical market and seize the data and therefore the customer relationship.

"You have to build a data-centric culture that includes the product managers, functional experts as well as data leaders so that it becomes natural," Subburak says. She warns that organizations must not create teams that have data expertise that then become another silo within the company.

Just as the pandemic has made organizations realize that they need to improve their technology infrastructure, it has also exposed to many that they need to do more with their data as an asset to digital transformation.
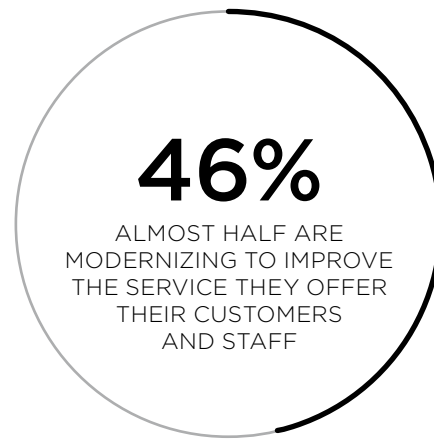
New Digital Methods

A new data-centric culture will only pervade an organization if it has the technology infrastructure in place to manipulate the data and make an impact on the business. The recent Enterprise Cloud Index Report found that over half of responding CXOs are investing in modifying their existing IT infrastructure to increase flexibility (55%) and increase control over the IT estate (58%). Almost half (46%) are modernizing to improve the service they offer their customers and staff, who in a post-pandemic economy are remote for the organization.

Modernization is allowing organizations to adopt new digital methods into their operations. "We now have digital twins with the parcel tracking system being used by a handheld device, and we have been building a sensor-based logistics platform to provide real-time visibility on products, right down to details about temperature and light levels to provide a richer data experience to our customers," says Carter at FedEx.

"80% of my time is focused on how we disrupt the business, market, and competition, and 20% is on the running of the business technology," Jordan of Sainsbury's says of how new methods change the way CXOs and their teams work.

Nutanix CIO Wendy Pfeiffer agrees with Jordan and says today CXOs need to ensure that enterprise IT offers the same excellence in consumer experience as the workforce receives from gaming or mobile devices. If enterprise technology exhibits the same ease of use and naturalness to their interfaces as a mobile device or game, then Pfeiffer believes digital methods and new customer services will easily flourish from the business. "Our technology must look like a mammal, not a dinosaur," she says.

55%
CXOS ARE INVESTING IN
MODIFYING THEIR EXISTING
IT INFRASTRUCTURE TO
INCREASE FLEXIBILITY

46%
ALMOST HALF ARE
MODERNIZING TO IMPROVE
THE SERVICE THEY OFFER
THEIR CUSTOMERS
AND STAFF

80% of my time is focused on how
we disrupt the business, market, and
competition, and 20% is on the running
of the business technology.

Cloud Atlas

The pandemic highlighted to many organizations that they were not using enterprise cloud computing to its full potential. As a result. the next wave of digital transformation is likely to see major investments in digital infrastructure. This will ensure transformation plans meet the needs of the customer.

"Enterprise SaaS, especially cloud-based enterprise resource planning (ERP), is dominating the transformation agenda as the front-, middle- and back-office functions are rapidly modernizing to drive more efficient and intelligent operations," the Harvey Nash CIO survey finds. "The application of intelligent automation, AI and machine learning (ML) is gaining traction across the enterprise, with a particular surge in core operations where AI and ML is being paired with the Internet of Things to increase efficiency, productivity, and quality."

The Enterprise Cloud Index Report finds that many organizations will opt for a hybrid approach: "Global IT teams are also planning for substantial infrastructure changes; they foresee, on average, hybrid cloud deployments increasing by more than 37% over the next five years."

People and Processes

"The team has done an outstanding job to put new technology in place, and we have made a big education effort into digital awareness, and now we can work from anywhere," says Eileen Jennings-Brown, Head of Technology at the Wellcome Trust Global Health Research funding body. "Working remotely has been a defining moment, and there is a lot of love for the service desk and the technology division now." Jennings-Brown's experience of IT being in a new place as a result of the pandemic, and therefore more readily called upon to be a partner in business transformation is shared by a number of her peers.

"When business and IT teams are pulling together and have a shared goal… and IT has a seat at the top table, then the most impressive things can happen," says Carter at FedEx. But although IT and technology leaders have won accolades for their response during the pandemic, there has to be a continued focus on ensuring technology teams are aware of the needs of the business and digital transformation.

X CXO FOCUS

KEEP UP TO SPEED
WITH THE LATEST CONTENT

NUTANIX.COM/CXO