NTT reveals only 20.6% of digital transformation efforts are optimized

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> Research also highlights a new breed of organization, the bold and brave, who view the pandemic as a chance to take advantage of market opportunities and to scale

LONDON, UK, 17 March 2021: One year since the onset of the pandemic, organizations globally have undergone major transformations as they seek to strengthen resilience, increase agility and deliver greater efficiencies. 89.2% of business and IT leaders agree COVID-19 has caused significant changes to their operating processes, while 87.3% say it has accelerated their digital transformation strategy. These are the findings from NTT Ltd., a world-leading global technology services provider, and the release today of its **2021 Global Managed Services Report**.

Changes to operating processes, along with digital transformation acceleration have presented organizations with an opportunity to reimagine their technology strategies and how it aligns to the business. 92.4% of technology teams agree their overall technology strategy is aligned, either fully (49.8%) or partially (42.6%) to the organization's business strategy needs. This highlights how IT teams have become more responsive to organizational demands. Similarly, it has pushed business stakeholders to fast-track services and solutions already held by IT, such as enabling a distributed workforce, to a far wider audience.

However, despite greater strategy alignment, some disconnect in priorities exists between the business and IT. 69.9% of operations teams believe the need for a technology strategy that drives business efficiency opportunities is crucial, yet only 48.0% of IT teams agree. Further, 69.6% of operations teams consider speed and agility a key component of technology strategy, in contrast to only 53.4% of IT teams.

Damian Skendrovic, Executive Vice President at NTT Ltd. comments, "The unprecedented challenges that COVID-19 has impressed upon businesses has forced the issue of business and IT alignment into the limelight. And there is still work to do to ensure core organizational priorities are understood by all. IT is under an immense amount of pressure to deliver against present requirements, while concurrently planning for future delivery and innovation. With technology and agility front and center of the business conversation, alignment of priorities is no longer optional, it is critical for the sustainability and resilience of the business."

Bold, brave and resilient

As global organizations seek to strengthen resilience, the research highlights significant differences in approach. While some consider cost optimization as a way of creating greater resilience, others are focused on being bold and brave. They view the pandemic as a chance to take advantage of market opportunities and to scale, with 33.8% pivoting technology focus to achieve this.

Interestingly, this figure rises to 41.7% if an organization currently has at least three-quarters of their IT managed by third parties. While if an organization has little to none of their IT managed by a third party, the percentage drops significantly to just 25.7% prepared to pivot focus.

NTT client, ISG's vision is to become the world's most dynamic construction services company, delivering places that help people and businesses thrive. To deliver on this vision, they need to be continually bold and brave.

"As we consolidate our position as the world's most dynamic construction company, we need to optimize the ICT organization to focus on delivering new digital products and data-driven value. By working with NTT Ltd., we have full strategic control and operational visibility but can entrust the automation and operation of Microsoft Azure-based workloads to them."

"While not all organizations view disruption as an opportunity, one-third have adjusted course because they see a chance to do things better and take advantage; particularly in relation to enabling a more distributed workforce and innovative technologies," says Skendrovic. "Bold and brave businesses are approaching resilience in a new and innovative light; and trusted technology partners are helping them achieve this."

Present needs, future delivery – at speed

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The research also highlights how embracing emerging technologies and the ability to automate and deploy innovation at speed as key strategies underpinning the future of business success. And while 91.7% of business and IT leaders agree emerging technology is crucial for their technology strategy, only two-fifths (41.1%) believe they have the technology available to meet the organization's immediate objectives.

This brings to light the conundrum faced by many global organizations. The need to balance present needs, while also investing in technology and process modernization to capture opportunities to scale and evolve – in short, to be bold and brave.

"Rapid change has been forced onto IT teams. And while business stakeholders expect to exercise a degree of agility in execution – IT is saddled with managing their own challenges. From managing vendor complexity, which further extends to integrating disparate systems, along with emerging technologies and legacy infrastructure; through to budget constraints and a lack of skills to keep pace with business demands," says Skendrovic.

As speed to market becomes a primary competitive differentiator, optimizing digital transformation efforts is critical. Organizations who showcase the characteristics of being bold and brave are 50% more likely to optimize their digital transformation efforts and partner with managed services providers for over half of their IT support.

Reducing the mounting infrastructure administration pressure on IT teams by embracing a DevOps culture and platform automation, allows IT to optimize transformation efforts by focusing on innovation, and ultimately results in better Mean Time to Repair (MTTR) and cost-optimization, as well as the delivery of continuous improvement across the business.

Skendrovic concludes, "While change isn't always perceived as positive in the moment, it is important to remember that transformation presents new opportunities for agility, scale, and innovation."

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Methodology

The report is based on research conducted by Jigsaw Research on behalf of NTT Ltd. across 21 countries in six regions in November 2020. The research spanned across 15 industry sectors and is based on a probability sample of strictly random participants including decision-makers/influencers regarding the development of effective workplaces.

About NTT Ltd.

NTT Ltd. is a leading global technology services company. Working with organizations around the world, we achieve business outcomes through intelligent technology solutions. For us, intelligent means data driven, connected, digital and secure. Our global assets and integrated ICT stack capabilities provide unique offerings in cloud-enabling networking, hybrid cloud, data centers, digital transformation, client experience, workplace and cybersecurity. As a global ICT provider, we employ more than 40,000 people in a diverse and dynamic workplace that spans 57 countries, trading in 73 countries and delivering services in over 200 countries and regions. Together we enable the connected future.

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