



DIGITAL TRANSFORMATION EXPO
+ UC EXPO

MARKET INSIGHTS REPORT

Discover how the industry has
been navigating a new era

OCTOBER 2021



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CONTENTS & INTRODUCTION

- 1 Navigating The New Era of Work
 - 2 The Key Drivers of Transformation
 - 3 Targeting 2021
 - 4 The Tech That Will Power The Shift
 - 5 The Now Factor vs. Horizons - What's now and next
 - 6 Making Transformation Happen
 - 7 Concluding Remarks and Future Outlook
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An Introduction to Digital Transformation in 2021

The past eighteen months have undoubtedly been the most disruptive and turbulent in our lifetimes, and the digital transformation landscape is no different. The goalposts were rapidly shifting for what businesses wanted to achieve from digital transformation, and their full idea of what digital transformation truly looked like. In 2019, the digital transformation, and subsequently the enterprise communications space was forward-looking, progressive, and growing for a greater future full of automation and technological advancements. However, in what felt like almost overnight, the sector shifted from progressions to pure survival. All unnecessary expenses were cut, new future technologies were put on hold indefinitely, and the goals that businesses were looking to achieve from digital transformation shifted dramatically. The sector, like the rest of the world, was in turmoil.

Now, in 2021, we are looking towards a post-pandemic environment, and towards what our 'new normal' might hold. We interviewed nearly 1000 key decision makers across the business spectrum to gain an understanding of exactly what their digital transformation and enterprise communications targets were moving forward, what technologies they felt would be most dominant, what their challenges would be, and what 2021 and beyond might hold for the industry.

This report will investigate the findings of the Digital Transformation EXPO and UC EXPO survey, conveying and analysing the opinion of decision makers across the industry on topics including the new era of work, the drivers of transformation, technology that will power the shift, and making the transformation happen. After an incredibly successful co-located DTX + UCX 2021 event, we can't wait to hear what our decision makers have had to say.

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NAVIGATING THE NEW ERA OF WORK

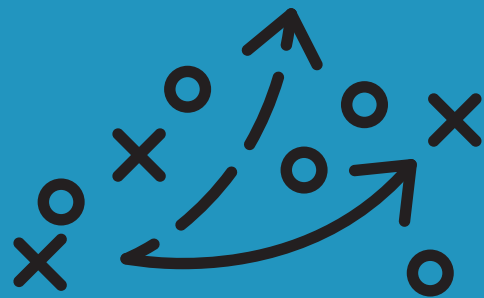
COVID-19 changes the entire fabric of how we work, the challenges we face, and workforces in general. Challenges that businesses thought they were going to be facing in 2020 never actually took shape, and are now back of mind, having been overtaken by far more pressing, business survival-threatening challenges.

One specific challenge brought about from the COVID-19 pandemic was not just the way we physically carry out our work, but where. Offices shut overnight, workforces migrated from being entirely office based to remote working, which brought its own problems in terms of hardware, software, security, and being able to run a business in a fully remote environment. As we move beyond the pandemic now, the question of where we conduct our business still looms large. A culture of hybrid working - a split between home working and office working - is now in force across large swathes of businesses. This is arguably one of the biggest shifts for businesses, creating a long term plan for how hybrid working can be built into a business model going forward.

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It's clear from the results of the survey amongst our unified communications decision makers that creating a strategy to support a **hybrid/flexible workforce** was causing issues amongst decision makers. In fact, **72% of respondents** felt that this was the biggest challenge that they were facing. In 2020, the health and wellbeing of their employees was the most substantial focus of a business, above productivity and hybrid working setups, exemplifying the dramatic shift that has taken place to implement hybrid remote-working setups for all workers. Having the capabilities to implement a

From a unified communications perspective, **72% of respondents** felt that creating a strategy to support a hybrid/flexible workforce was the biggest challenge they were facing.



72%

OF RESPONDENTS

seamless hybrid working strategy is a difficult task, but one that businesses are having to introduce. Realistically, it's not the physical working-from-home act that causes problems, but the issues that are born out of this, such as cybersecurity challenges, cloud communications, and having the hardware & software to support what you're trying to achieve.

Leading on from hybrid working, **60% of respondents** felt that **managing security issues** derived from remote working was the biggest challenge they're facing, and **32% of respondents** felt that user adoption and the changing user habits or embedding a digital culture was the biggest challenge. Only 27% of respondents last year noted an **enhanced user experience** as a key strategic priority, so it is interesting to see how this has increased in business importance during the pandemic. This insight proves just one thing - hybrid working is the umbrella challenge that businesses are facing, and that implementing this strategy carries its own challenges in terms of security, user adoption, and the development of a true digital culture.

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NAVIGATING THE NEW ERA OF WORK

“From a digital transformation perspective, the results of the insights survey were far closer, showing that our decision makers are far more split on what their key challenges are.”

From a digital transformation perspective, the results of the insights survey were far closer, showing that our decision makers are far more split on what their key challenges are. Perhaps this could show that businesses are facing more challenges from a digital transformation perspective, or that different businesses are ‘feeling the pinch’ in different ways? Of our respondents, **53%** felt that **cybersecurity planning for an intensifying threat landscape** was the number one challenge they’re currently facing. Born out of hybrid working, there is a keen focus within the digital transformation landscape on understanding the evolving threat

landscape. Home working, and subsequently hybrid working, caused its own security problems, and ultimately changed the threat landscape we were used to. Workforces had to be far more aware of their own part that they play in keeping a business safe from cyber attacks, and the implications that it could have if they let their security standards slip.

Following on from cybersecurity, **47% of respondents** felt that their biggest challenge was **choosing the right cloud strategy** and solutions for their business, and **41% of respondents** felt that their biggest challenge was **adapting culture quickly to new ways of working**.

Ultimately, both of the responses across the digital transformation sphere boils down to one common factor: people.

People are the biggest challenge to businesses moving forward. The decisions they make, the way they choose to work, and their understanding of key issues such as cybersecurity, give businesses the biggest cause for concern. As a result, the working culture shift is proving a difficult one. However, as hybrid working becomes the norm in months and years to come, these teething issues will begin to iron themselves out, and businesses or technology developers will find even more effective ways to manage hybrid working.

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53%



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THE KEY DRIVERS OF TRANSFORMATION

Where digital transformation is concerned, **adapting culture quickly to new ways of working** was the most important challenge to decision makers, scoring **4.44 out of five**. Worldwide, every sector has undergone huge changes in swift fashion, so it's no surprise that adapting to culture changes quickly, and adopting new ways of working, is a really important challenge in modern business. Following this, **business resilience and agility** scored **4.25 out of five**, closely followed by **cybersecurity** as businesses change quickly, scoring **4.24 out of five**. All of these challenges can be grouped under the one key notion of building a business that's flexible to change, resilient enough to withstand whatever's thrown at it, and agile enough to fit whatever technological changes are required at each checkpoint.

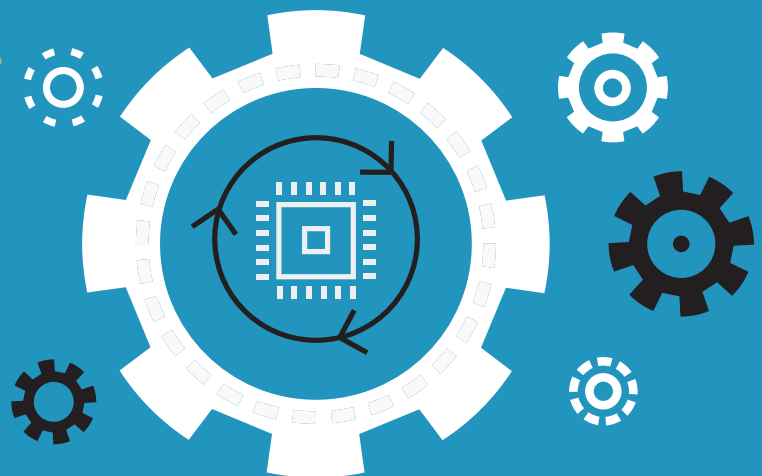
As we previously discussed, the COVID-19 pandemic had a significant impact on businesses' objectives and what they had hoped to achieve from digital transformation and unified communications technology. Businesses are now taking a more holistic approach to their working objectives, recognising the importance that people play in their successes, and also the levels of influence that they can have in the daily operations of a business. When asked about the importance of different challenges for businesses, the **health and wellbeing**

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of staff scored the highest, at **4.48 out of five**. The result ultimately shows that businesses are now accepting that the health and wellbeing of staff has a direct effect on how the business performs, and far more importance is being placed on their wellbeing. Following on from health and wellbeing, **productivity** scored **4.32 out of five**, showing that there is a key correlation between the wellbeing of staff and the productivity of a workforce - happy and healthy staff are far more productive.

From a digital transformation perspective, **adapting culture quickly to new ways of working** was the most important challenge to decision makers, scoring **4.44 out of five**.

4.4
OUT OF FIVE



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TARGETING 2021

From a digital transformation point of view, **23% of respondents** felt that **cost & resource management** was going to be a key target for their digital transformation plans in 2021. If COVID-19 taught us anything, it's that businesses may have to 'trim the fat' and remove unnecessary expenditure at a moment's notice. Being able to streamline your costs and resources will allow businesses to understand exactly what's a necessary technology, and what can be put on hold during times of financial trouble. Businesses are preparing for the future, whatever that may hold, and implementing a method whereby resources and costs can be managed and altered at a moment's notice.

Following on from cost & resource management, **17% of respondents** cited **increased productivity** as a key target for digital transformation, and the same percentage also said that increased resilience & protection was a key target moving forward. Similar to within the unified communications sphere, businesses are now looking to implement protection plans, where they can be flexible at a moment's notice to fit whatever is required of them. We know that the COVID-19 pandemic took many businesses by surprise, leaving them flatfooted and left behind, so business leaders are now refusing to make the same mistake twice, and are prepared for every eventuality - whatever that may be.

Shifting the focus to those with an enterprise communications background, it was clear that **increasing productivity** was the biggest target moving through 2021 and into 2022 - **44% of respondents agreed that this was the key target**. Having the ability to introduce technology that can improve productivity will ultimately make your business more successful, and will give your workforce more time to spend doing other tasks. Last year, 39% of respondents outlined **collaboration software** as the main priority for businesses when it comes to Unified Communication & Collaboration (UC&C) technology, so it is evident that the provision of available technology for business collaboration is key to overall increase employee productivity due to its 5% increase year-on-year.

Using technological developments in the UC space to improve your productivity is all part of taking that step forward - automating processes in order to free up more time for your workforce. The more you can automate, and the more you can streamline your working processes, the more productive your workforce will be.

Following productivity, **24% of respondents** found that an **enhanced user experience** was a key target moving forward. One area that we've seen hit particularly hard during COVID-19 is customer loyalty, especially online. In what was already a fragile area, more customers than ever were turning away from brands who didn't offer good user experience, and tending to ply their trade with those who did. Using advanced UC developments to enhance your user experience gives you the best fighting chance of maintaining a customer base online, and will improve your return trade and word-of-mouth amongst consumers. Having good user experience is vital to building a business online, especially as so much business now takes place over the internet.

From a UC perspective, it was clear that **increasing productivity** was the biggest target moving through 2021 and into 2022 - **44% of respondents agreed that this was the key target**.



44%
OF RESPONDENTS

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THE TECH THAT WILL POWER THE SHIFT

The technology industry has experienced five years of technological advancement and innovation in the last 18 months, showing that even in a global pandemic, the tech industry has found new ways to evolve. Some changes - such as the explosion of cloud and security - have been driven by the effect COVID-19 had on our everyday lives. Due to the dramatic change to the industry, a number of technologies have reigned superior and essential to our industry day-to-day working effectiveness. From a digital transformation standpoint, **59% of respondents** outlined **cyber security** as the most important technology to their organisation. The pandemic has created new challenges for business as they have been forced to adapt to an operating model in which working from home has become the 'new normal'. As businesses instructed their employees to set up offices at home, the role of cyber security for devices was dramatically enhanced.

The increased role of **data analytics and business intelligence** also played a pivotal role in the increased rise of technology as **53% of respondents** agreed this was extremely important to their organisation. Business intelligence has been increasingly utilised most likely due to the dramatically changing environment post-pandemic. Companies can leverage business intelligence in order to provide performance and competitor benchmarks to make their own organisation run smoother - an essential practice in such a competitive and innovative market. Following the role of data analytics, **cloud communication** was also one of the top 3 investments in technologies last year, and this has only continued, as **41% of respondents** outlined cloud as extremely important

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59%

OF RESPONDENTS

From a digital transformation standpoint, **58.8% of respondents** outlined **cyber security** as the most important technology to their organisation.

to their business, and **70%** agreed it was at least fairly important. In 2020, the role of collaboration software and cloud communication services, at 39%, were deemed as the most important future technologies, so it is interesting to see how this trend has continued.

In regards to unified communications experts, similar to that of digital transformation, the role of security is a key technology for businesses going forward, as **48% of respondents** outlined **unified communications and collaboration (UC&C)** security as extremely important to their organisation. As business and corporations moved solely online for much of 2020 and 2021, the role of UC&C, and cybersecurity was pivotal to the internal processes across both unified communications and digital transformation, and this is set to only continue.

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THE TECH THAT WILL POWER THE SHIFT

Looking at the end of 2020, just 22% of business experts identified **UC&C security** as an investment area for the following 6 months. Cyber and UC&C security has of course acted as an essential part of businesses hybrid working success. We know that cybersecurity has always been a challenge, but shifting to an entirely remote workforce posed issues from a security standpoint that businesses weren't prepared for.

Closely behind security, the role of **collaboration software** has proved to be essential during the global pandemic, with **44% of respondents** seeing it as extremely important. Companies have depended on collaborative software such as Microsoft Teams and messaging tools to keep employees connected and in-sync with each other. Although businesses are beginning to return back to the office and in-person meetings, the role of collaborative softwares will continue to exemplify their importance through hybrid working environments.

From a unified communications perspective, the role of cloud communications has continued to be one of the top technologies for companies to invest in, as **36% of respondents** see this innovation as extremely important to their organisation. The role that the cloud plays in businesses has taken a substantial leap since the pandemic hit in 2020

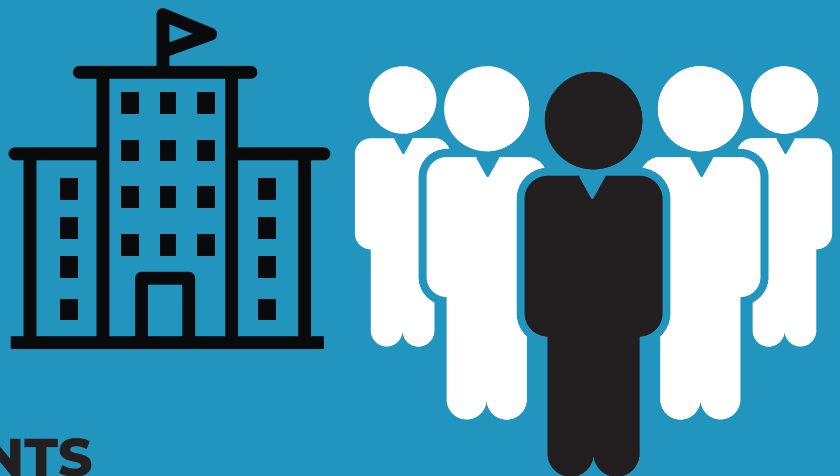
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and this is set to continue across both the unified communications sector, as well as playing a key role in digital transformation.

Looking forward, security is not only a key challenge for the industry, but is a priority area of technology investment as businesses strive for better resilience for both people and business in the face of digital disruption and transformation.

48% of respondents outlined UC&C security as **extremely important** to their organisation.

48%
OF RESPONDENTS



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THE NOW FACTOR VS. HORIZONS - WHAT'S NOW AND NEXT

As the technology industry opens the doors to a post-pandemic world, businesses are beginning to plan their future technological strategies for the next 6 months and beyond. The global pandemic has dramatically accelerated the implementation of particular technologies, such as cybersecurity and collaboration, and many businesses have had to quickly adapt to the substantially changed landscape. Now as the dust settles and we begin to adapt to a 'new normal', businesses look to the future of their technology, and how they can look to progress in a post-COVID world.

“Many businesses haven't taken the right precautions to keep their networks safe, thus leaving themselves vulnerable to cyberattacks.”

More than half (59%) of respondents outlined **cybersecurity** as their top listed technology for the next 6 months. As discussed, cybersecurity was in high demand over the pandemic as businesses moved to a more centralised presence, and this isn't set to change dramatically anytime soon. The restrictions imposed by governments in response to the pandemic have encouraged employees to work from home. As a consequence, technology has become even more important in both our personal and working lives. Despite this rising need for tech, it is noticeable that many businesses did not provide a 'cyber-safe' remote-working environment. Many businesses haven't taken the right precautions to keep their networks safe, thus leaving themselves vulnerable to cyberattacks.

Closely following the role of cyber security, 47% of respondents have **cloud adoption** top of their procurement list for the next 6 months. When businesses moved to an online basis, the cloud was utilised like never before. Cloud computing has

been one of the key technologies utilised during the COVID-19 pandemic crisis as it has enabled businesses to keep up with the fast-paced practises whilst entire workforces were working remotely. One of the key notable factors is the increased dependency on the cloud and other technologies due to the pandemic. As mentioned, the role of cloud computing and communication services was deemed as a vital future technology by 39% of businesses, so it is interesting that this trend has continued and increased up to almost half of businesses in 2021. In addition to the cloud, 35% of respondents will focus on both **automation and data analytics** over the coming months.

From an enterprise communications standpoint, many of the technologies which have been implemented during the pandemic have turned



59%

OF RESPONDENTS

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THE NOW FACTOR VS. HORIZONS - WHAT'S NOW AND NEXT

out to be essential to the inner workings of many businesses and will continue to be even when the pandemic is in the past. **44% of respondents** noted that **cloud communications** will continue to be a pivotal player going forward. The extended implementation of cloud strategies which took place back in 2020 to keep businesses above water was essential at the time, and due to the substantial advancement this has brought, it is set to continue, at least for the next 6 months. In addition to the cloud, **collaborative software** is set to continue to play a role, as **40% of respondents** plan to invest over the next six months.

The dependence on collaborative software has increased rapidly due to entire workforces being based at home for the majority of 2020. In-person discussions and collaborations were a distant memory, as collaborative softwares and online chat and video functions experienced widespread implementation. Finally, another key technology which is set to feature on business procurement lists is UC&C security. **32% of respondents** noted that the role of **cyber security** is set to continue in their businesses over the coming 6 months. This is particularly important whilst individuals are still working part-time at home, as at least 47% of individuals fall for cyber scams while remote-working.

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Looking at the future of technology, we know that cloud communication, collaborative software, and UC&C security are going to be top priorities. However, when we look a little further at the horizon of technology, it's clear that collaboration will be king. **56% of respondents** expect an improved form of **collaborative tools** which are substantially easier to use to become readily available. In addition to this, **36% of respondents** expect this to come in tangent with **enhanced video conferencing collaboration using AI and virtual assistants** for meetings.

44%

OF RESPONDENTS

44% of respondents noted that **cloud communications** will continue to be a pivotal player going forward.



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MAKING TRANSFORMATION HAPPEN

What the past 18 months has shown us is the true effectiveness of having a well integrated unified communications and collaboration network. UC&C has provided the safety net throughout the pandemic, providing flexible support and the ability to pivot at a moment's notice. Its implementation is not a one-trick pony or a flash in the pan, but the beginning of a new age of business collaboration and communication.

A third (32%) of respondents believe that the budget for UC&C will be increased as we move into a more permanent hybrid model, and 32% believe that this is more likely because of cutting other expenses such as extensive business travel. Comparing this to 2020 where 34% of businesses expected their budgets to increase for UC&C in 2021, it is expected that this will continue to increase for the foreseeable future due to the business reliance on unified communications for their internal success.

In regards to digital transformation, the role of UC&C is only going to increase as we progress into the 'new normal', as 47% of respondents expect the budget for UC&C to increase in the digital transformation space. As hybrid working becomes normal practice, the role of unified communications is only going to increase, with online collaboration at a high. More specifically, 41% of respondents expect to see a redistribution of budget spending post-pandemic, as investment in offices and travel declines, being redistributed towards technology innovation, communications and collaboration.

From both a unified communications and digital transformation perspective, most IT budgets have either increased over the past 18 months, or stayed the same, maintaining their importance within the industry. Over half of respondents believe that technology and UC&C budgets will not decrease following the pandemic, only exemplifying the substantial and increased role of tech within digital transformation. The increase in hybrid working, and home-based workforces, requires the same budget as pre-pandemic, but utilised in a different manner. Spending is shifting away from 'in-office technology', and more towards hybrid working enhancement, such as cloud communications and collaboration.

When looking at these substantial budget shifts, it is both interesting and important to understand who is responsible for driving this change. From a unified communications standpoint, 68% of respondents reported that the Head of IT within their organisation is driving the movement towards a heightened emphasis on communications and collaboration. Following this, 32% of respondents outlined that the company CTO or CIO was key in implementing a change of budget towards innovative collaborative technology and communications software. In comparison, only 8% of respondents noted that the head of HR was instrumental in driving change surrounding budget distribution. This ultimately shows that the people in the right positions within business are the decision makers - as opposed to end users who may feel the benefits. Businesses clearly feel that it's more important to have an IT professional, or a technology/information lead making the informed decisions, as opposed to end-users, such as HR leads.

Over half of respondents believe that **technology** and **UC&C** budgets will not decrease following the pandemic.



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CONCLUDING REMARKS AND FUTURE OUTLOOK

Getting the decision makers back in the room, together, at Digital Transformation EXPO and UC EXPO 2021 was a great nod to our new normal, and the return to physical events. It also helped to get together and flesh out exactly what the challenges of the last eighteen months have been, and what decision makers truly expect for the months and years ahead.

The pandemic has taught us that preparation, and risk alleviation, is key, and the implementation of innovative technologies such as cybersecurity prevention, communication and collaboration software, and data analytics are of the utmost importance for businesses going forwards in a post-pandemic world. Since the pandemic struck in early 2020, digital transformation and in particular, UC&C, has been booming, with businesses adapting

to the dramatically changing working environment. The continued implementation of communication and collaboration softwares as entire workforces moved to remote working resulted in a high level of dependence.

Now, as we navigate this new era of work, cyber security, data analytics, and the cloud all have vital roles to play in the race to full digital transformation. Looking forward, this trend is set to continue, along with substantial budget allocation towards communication software and cyber security prevention for businesses as the online presence of companies looks to be sticking around long-term. The race to full transformation is a marathon, not a sprint, and it's up to the most versatile companies to cross the line first, building a transformation landscape fit for whatever the future can throw.



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