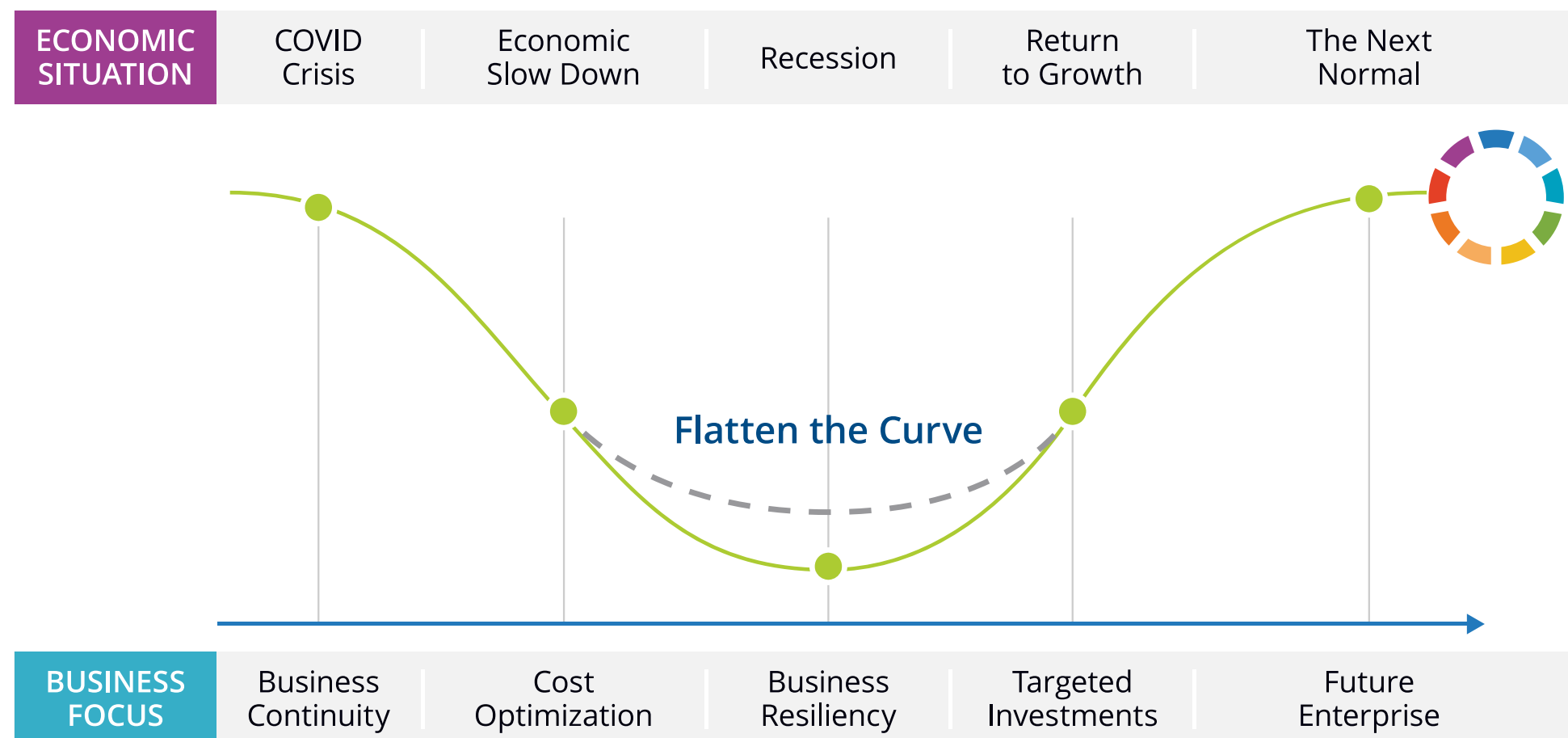




Towards a European Recovery: Why Technology is Critical to Success





How to Develop a Decentralized Strategy

IDC's vision of the Future Enterprise is an organization that is completely digitally transformed. Such an organization underpins business processes with technology, is fueled by innovation, and is platform-enabled and ecosystem-centric.

The COVID-19 pandemic underscored the importance of digital transformation in the eyes of European CEOs across all industries. But with a recession on the horizon, CEOs need to flatten their own organizations' recessionary curve by leveraging technology. By doing so, they will minimize the effect of the pandemic on their companies and accelerate their journey towards being a Future Enterprise.

STAGE 1: COVID-19 Crisis Business Priority - Business Continuity

Whether we are dealing with the current pandemic or the next shock to the European market, hyper volatility will increasingly become the norm. Business continuity plans are already being rewritten and will have to become more dynamic in nature as they are constantly tested.

Tech Supplier Guidance

Organizations in this stage are desperately looking for new ideas, emerging best practices, and input from technology partners. This is not a time to push the product. Help customers navigate the crunch by offering guidance on government funding packages. More importantly, the support and help that technology partners provide in this period will be the basis for genuine long-term partnerships.



"We're in crisis mode. We've had to rip up our continuity plans and look at everything from scratch."

C-Suite Narrative

STAGE 2: Economic Slowdown Business Priority - Cost Optimization

In this stage, organizations are in cost-optimization mode, where the business looks to technologies that can either help them manage economic hardships or generate financial outcomes for the current fiscal year. Their decisions are driven by the short-term as they seek projects that provide productivity gains and savings in the cost-to-create or serve.

Tech Supplier Guidance

Organizations at this stage tend to prefer technology vendors, SIs, and service providers that are closer to them — in both proximity and cultural alignment — and have lower prices, flexible pricing and payment terms, and/or modular offerings. Push your local market credentials to the fore and demonstrate a country-by-country approach.



"We are in cost-savings mode and we prioritize projects/programs that can tide us over this challenging period. We are not interested in exploring bleeding-edge technology use cases or jump-starting any transformation program."

C-Suite Narrative

STAGE 3: Recession Business Priority - Business Resiliency

In this stage, organizations have overcome the initial phase of the COVID-19 crisis and stabilized financials. Their focus now is to build business resiliency — the ability to adapt to changing circumstances while maintaining the organization's central purpose. The purpose or mission articulated as part of a company's digital transformation will remain a primary focus even as remediation is taken to reduce costs or take advantage of pandemic-related revenue opportunities.

Many organizations will recognize an opportunity to "flatten the curve" or minimize the impact of the recession by leveraging technology. These organizations will double down on technology investments to emerge on the other side of the curve resilient, more digitally fit, and ready to capture their share of new opportunities.

Tech Supplier Guidance

Organizations in this stage prefer technology vendors with established presence and delivery capabilities in-country and that have the financial muscle to ride through this crisis. Accessibility to the vendor's product road map is also important as organizations here are preparing for longer-term growth.



"We are ready to move our organization to the next level of response. We understand the criticality of technology and are reprioritizing our focus and investments to compete differently post-COVID-19. Adaptability and agility are our main thrust."


C-Suite Narrative

STAGE 4: Return to Growth Business Priority - Targeted Investments

At this stage, economic activity is returning to pre-crisis levels, and companies are looking to invest more aggressively, but with a focus on technologies that advance the organization's digital capabilities. As they get back on the path to being relevant in the digital economy, they will look back at their efforts around resiliency to ensure that they are more prepared for a similar shock in the future. IDC anticipates that corporate boards and government bodies across Europe will have a better understanding of the value of technology and will prioritize digital initiatives.

Tech Supplier Guidance

This will be a critical stage for technology vendors as organizations look for a safe place to innovate. Vendors that are financially healthy and have scale and robust ecosystems throughout Europe will be preferred. Vendors will earn strategic partnerships at the board level that will shape post-recession spending and permanently impact market shares.

A background image on the right side of the slide showing a businesswoman in a blue suit holding a pen, with a futuristic digital overlay featuring glowing blue lines, charts, and data points.

"We consider periods of market volatility as opportunities that well prepared organizations embrace and exploit."

C-Suite Narrative

STAGE 5: The Next Normal Business Priority - The Future Enterprises

When organizations come out of the recession, they will be operating in a new type of economy — the Next Normal. This will be the beginning of the digital economy with some new twists as a result of COVID-19.

Tech Supplier Guidance

Strategic vendor relationships are established during stage five, and the fortunate vendors that have won those positions must prove that they can innovate with speed and scale to maintain them, while retaining a local touch. Resiliency will also remain a key expectation, not just to mitigate against a potential repeat of the pandemic, but to enable companies to quickly recalibrate to the changing demands of customers, citizens, and patients as they vary across the region.

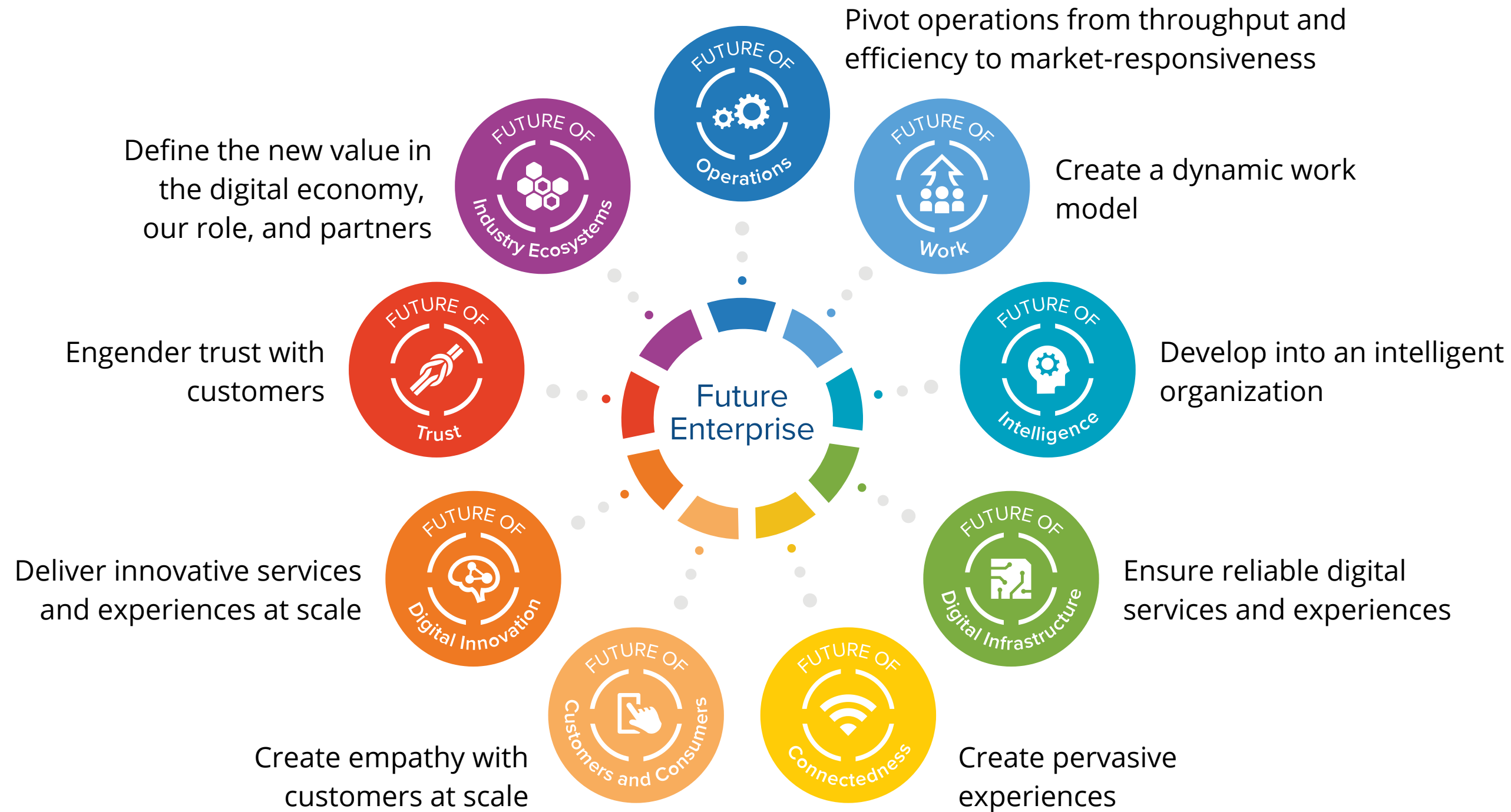


Operating as a digital enterprise is vital to the success of our business. We will continue to invest in technology as it is a competitive advantage.

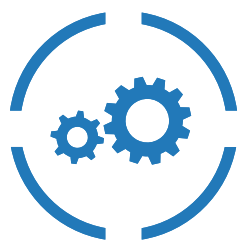
C-Suite Narrative

The CEO Agenda for the Future Enterprise

Below are the agenda items CEOs will be prioritizing as they transition into a digital enterprise.



See here in more detail what's behind of each of these nine agenda items (I):



Future of Operations — A digitally transformed operation is based on resiliency in all parts of the organization and in its decision-making. The COVID-19 pandemic underscored why it is critical for digital organizations to build a house of resilience with innovation and operational agility as its foundation.



Future of Digital Infrastructure — Responding quickly to business deceleration/acceleration brought on by the pandemic required greater use of infrastructure resources that minimized underutilization of assets and improved the ability to scale up capacity for critical new experience or analytic workloads.



Future of Work — A digitally transformed work environment is, by definition, an agile environment, and that agility became more critical for business continuity during the crisis. The pandemic forced the development and adoption of innovative ways of working.



Future of Connectedness — Organizations and individuals need to connect seamlessly, regardless of their location, situation, or context. During the pandemic, organizations have seen how critical it is for information to be created, shared, or consumed in real time.



Future of Intelligence — During a time of uncertainty, real-time information from all internal and external sources, combined with historical learning and knowledge, enables organizations to rapidly replan and reforecast.



Future of Customers and Consumers — Digital transformation is shifting the relationship between brand and customers, and to be successful during the pandemic, brands need to embody true empathy for their customers, establish a trusted relationship, and remain deeply connected.

See here in more detail what's behind of each of these nine agenda items (II):



Future of Digital Innovation — Organizations used software to improve products and provide better, more effective and more responsive interaction with customers, partners, and governments. Those that invested in agile software development capabilities pivoted more easily during the pandemic to source software, develop code, and distribute innovations.



Future of Industry Ecosystems — As the COVID-19 pandemic stressed supply chains and consumer markets, the traditional design, development, and delivery of products and services was quickly transformed by ecosystem partners coming together.



Future of Trust — Trust is more than just security. Organizations that look to be “trusted” and come out the other side of the pandemic stronger implemented trust and empathy at scale, putting people before short-term profits.

The response of organizations to COVID-19 will shape the perception of their brand and how to leverage technology to operate over the next decade. In the short-term, technology has proven to be a key enabler that kept businesses operating during the crisis by enabling remote work, agile business, and external digital engagement. In the long-term, organizations will leverage technology to underpin every single process, initiative or value chain as they journey to become the Future Enterprise.



Visit www.uk.idc.com/trends/impact-of-coronavirus to explore IDC's research on the journey from crisis to recovery and how technology will enable organizations each step of the way.

