



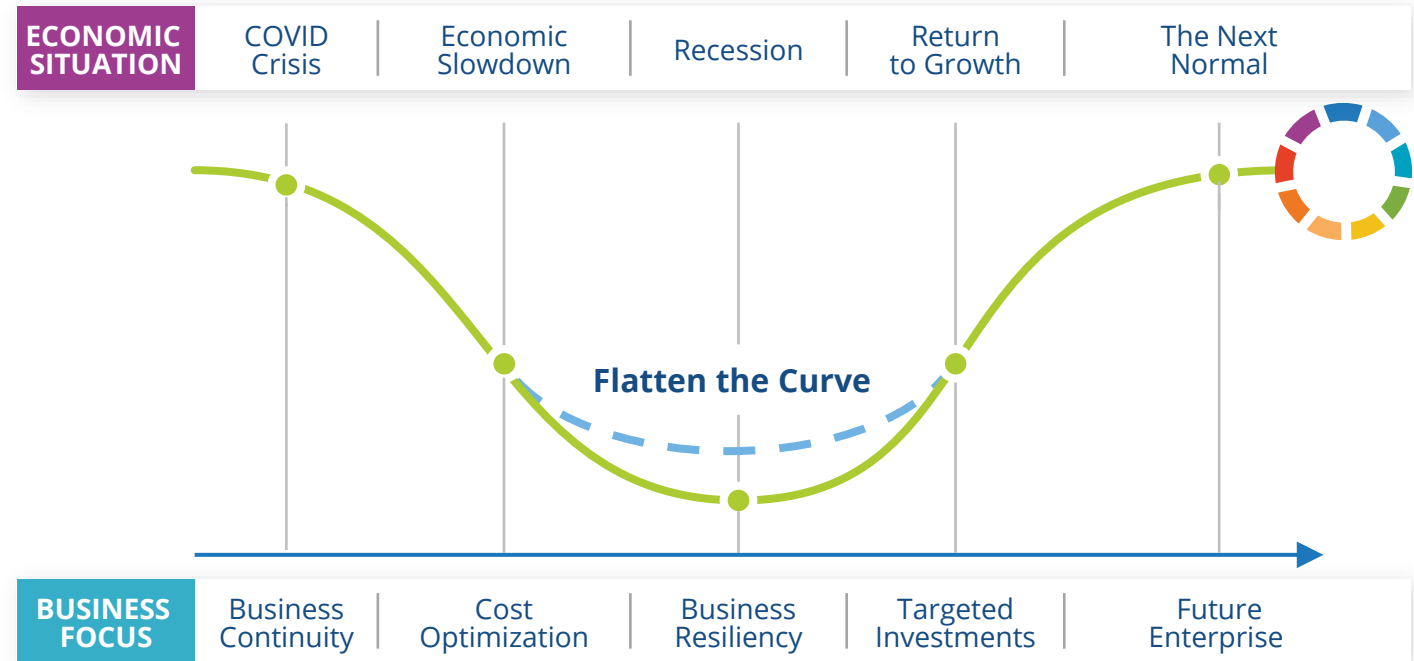
Moving From Crisis to Recovery: Why Technology is Critical to Success



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, is platform-enabled and ecosystem-centric.

The COVID-19 pandemic underscored the importance of digital transformation in the eyes of CEOs across all industries. But with a recession on the horizon, CEOs are at a decision point – to follow the same course of cost cutting as all previous recessions have dictated, or to flatten their own organization's recessionary curve by leveraging technology.

The Five Stages to Enterprise Recovery



Here are the **top 10 technology investments** areas highlighted by surveyed respondents for the rest of 2020. →

The focus areas for organizations are capabilities that will enable them to:

- ✓ **Work from home effectively** as this will remain a key preventive measure until a COVID-19 vaccine/treatment is available in the mainstream market
- ✓ **Learn and be trained online** as reskilling is an important part of the job protection initiative
- ✓ Enable workers to be able to **engage with their colleagues, customers, and business partners regardless of where they are** and the social distancing requirements
- ✓ **Manage employee performances** as work processes, organization cultures, and talent mix change
- ✓ Scale up and down with **cloud computing** (as an essential delivery platform) as demands change (quickly) with the cycles of infections and the accompanying preventive measures in place
- ✓ **Manage risk and deliver trust** as digitalization rises and more data is collected with the growing reliance on electronic transactions and the assumption of security.

Top 10 Technology Investments in 2020

(Sentiment Analysis)

Remote learning/training

Secure application delivery

Data security

Virtual workspaces

Videoconferencing

Collaborative applications

Secure remote access

Mobile devices

Workforce performance management

As-a-service model

Source: IDC's *COVID-19 Impact Survey*, 1st June 2020 (N=310 Asia/Pacific)

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

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

Key Questions

- What capabilities are required to sustain operations with a prolonged period of WFH?
- What technologies can help to support the social distancing/preventive measures either mandated by the government or initiated by the organization?
- How can technology augment the limited talent/manpower availability during the lockdown/semi-lockdown periods?
- How can technologies help to predict and respond effectively to second/third cycles of infections?

C-SUITE NARRATIVE

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

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 the economic hardships or generate financial outcomes for the current fiscal year. These organizations look for financing assistance and/or OPEX options to manage their cash flows and working capital. 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.

Key Questions

- How can technology help to automate processes to reduce costs?
- What technologies can enable the business to continue so that revenue can be protected or revenue reduction managed?
- Can technology help to tap into adjacency businesses without significant expenses and/or capital outlays?

C-SUITE NARRATIVE

“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.”

Stage 3: Recession Business Priority: Business Resiliency

Having overcome the initial phase of the COVID-19 crisis, organizations in this stage are now focused on business resiliency – the ability to adapt to changing circumstances while maintaining the organization’s central purpose. Digital transformation will remain a primary focus even as remediation actions are taken to reduce costs or take advantage of pandemic-related revenue opportunities.

Technology will help uncover opportunities to minimize the impact of the recession. We will see organizations double down on tech investments to emerge on the other side of the curve resilient and more digitally fit.

Key Questions

- What organizational weaknesses have emerged as a result of COVID-19 and how can technology help to overcome these?
- What technologies can increase organizational agility in responding to the crisis and in addressing new market requirements?
- How can technology accelerate the change in organizational culture that is no longer applicable in a COVID-19 world?

C-SUITE NARRATIVE

“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.”

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 an 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 will have a better understanding of the value of technology and will prioritize digital initiatives.

Next Normal Scenarios

- Next Normal scenarios that will impact their industries. These will lead to new business/operating models and changes in work process (including roles and skills).
- New use cases that will support these scenarios.
- Technology solution pilots, experimentation, and partnerships to create new competitive advantages in the Next Normal.

C-SUITE NARRATIVE

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

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. CEOs who have been consistently investing in digital transformation will be running the Future Enterprise and employing a digital enterprise agenda that centers on nine items. The pandemic underscored the importance of these nine agenda items and accelerated many of them.

C-SUITE NARRATIVE

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.

A View of the Next Normal: Permanent Changes Anticipated



Financial predictability and agility

Finance operations including forecasting and managing expenditures will become more dynamic



Digital-first customer engagement model

Customer engagement model (including commerce, support) will need to be expanded online/digital or self-service



Work-from-home / Work-from-wherever

WFH will become a must-have organizational setup. Work-from-home/Work-at-home will be added to or expanded in HR policies



Technology-enabled operating model

Operating models will need to be digitally enabled to take into account more automation, contactless solutions, transparency / greater trust, and self-service, among others



New business continuity plan

BCP or business continuity and disaster recovery frameworks will need to be revamped for future pandemics/crises



Data-driven business model

Use of data / analytics / artificial intelligence (AI) / machine learning (ML) will be core to allow organizations to better adjust to drastic changes

The pandemic underscored the importance of these nine agenda items and accelerated many of them.



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



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 COVID-19 pandemic forced innovative ways of working to be developed and adopted.



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 re-plan and re-forecast.



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 Connectedness - Organizations and individuals need to connect seamlessly, regardless of their location, situation or context. During the COVID-19 pandemic, organizations have seen how critical it is for information to be created, shared or consumed in real time.



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.



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



Future of Industries - As the COVID-19 pandemic stressed supply chains and consumer markets, traditional design, development, and delivery of products and services were 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.



How your organization responds to COVID-19 will shape the perception of your brand and how you leverage technology to operate over the next decade. Technology has proven to be a key enabler that kept businesses like yours operating during the crisis. In the long-term, organizations will lean on technology to underpin every single process, initiative or value chain in the journey to become the Future Enterprise. Now more than ever, organizations need new ideas and emerging best practices from technology partners to propel into the Next Normal. Those who come out with a technology-enabled game plan early on are destined to bounce back quicker.

With over 100 country, regional, and global reports generated just over the last few months, IDC has the data and industry expertise to take you from crisis to recovery. Our suite of research, advisory, and benchmarking services offer an objective, comprehensive view of the New and Next Normal, from sizing the business impact of the pandemic to charting the different stages of recovery and where different business functions may belong.

LEARN MORE

Visit www.idc.com/itexecutive to explore IDC's research on the journey from crisis to recovery and how we can equip you to make the best possible decisions for your recovery and future growth post-pandemic.

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