



IDC FutureScape Outlines the Impact "Digital Supremacy" Will Have on Enterprise Transformation and the IT Industry

FRAMINGHAM, Mass., October 29, 2020 – International Data Corporation (IDC) today announced its worldwide information technology (IT) industry predictions for 2020 and beyond. The predictions were published in a new IDC FutureScape report and presented in a live Web conference hosted by Chief Analyst Frank Gens. Both the report and an on-demand replay of the Web conference can be found at <https://www.idc.com/events/futurescape>.

Over the past five years, IDC has been documenting the rise of the digital economy and the digital transformation that organizations must undergo to compete and survive in this burgeoning economy. As the current decade comes to an end, the digital economy is approaching a critical tipping point. By 2023, IDC predicts that the global economy will finally reach "digital supremacy" with more than half of all GDP worldwide driven by products and services from digitally transformed enterprises.

The impact on enterprises will be enormous: those not able to compete in the digitally-powered portion of the economy will be increasingly unable to compete in their core markets – the portion that is digitally dependent.

"As more than half the global economy turns digital by 2023, a new species of enterprise will be required to compete and thrive. Our 2020 predictions show that enterprises will prepare for the digitized economy by accelerating investments in key technologies and new operating models to become hyperspeed, hyperscaled, and hyperconnected organizations," said [Frank Gens](#), Senior Vice President and Chief Analyst at IDC.

A closer look at IDC's top ten worldwide IT industry predictions reveals the following:

1. Companies hasten to innovation. By 2024, over 50% of all IT spending will go toward digital transformation and innovation, up from 31% in 2018 and growing at a compound annual rate of 17%. As spending on innovation continues to rise, enterprises will also look for greater efficiency in their traditional ICT budgets by shifting to less labor- and capital-intensive operating models – most notably the cloud.

2. Clouds get connected. To compete in the digital-first economy, digital services must be able to run anywhere and anytime. This will demand greater integration of applications, data, and management across all cloud providers and locations. By 2022, 70% of enterprises will integrate

their public and private clouds by deploying unified hybrid/multicloud management technologies, tools, and processes.

3. Building out the edge. The reasons for deploying IT services at the edge are rapidly shifting from meeting customer expectations and convenience to supporting critical edge activities. By 2023, over 50% of new enterprise infrastructure deployed will be at the edge rather than corporate datacenters, up from less than 10% today. And, by 2024, the number of apps at the edge will increase 800%.

4. Digital innovation factories. Operating as a software-driven "digital innovation factory" will be at the core of an enterprise's ability to sustainably differentiate and compete in its own industry. By 2025, nearly two thirds of enterprises will be prolific software producers with code deployed daily, over 90% of apps cloud native, 80% of code externally sourced, and 1.6 times more developers than today.

5. Industry apps explosion. By 2023, over 500 million digital apps and services will be developed and deployed using cloud-native approaches – the same number of apps developed in the last 40 years. Most of these will be targeted at industry-specific digital transformation use cases. This explosion of new digital apps and services will define the new minimum competitive requirements in every industry.

6. AI is inescapable. By 2025, at least 90% of new enterprise apps will embed artificial intelligence. Most of these will be AI-enabled apps, delivering incremental improvements to make applications "smarter" and more dynamic. More disruptive AI-led applications will take longer to develop and achieve mainstream adoption, representing about 10% of total enterprise applications by 2025. By 2024, over 50% of user interface interactions will use AI-enabled computer vision, speech, natural language processing (NLP), and AR/VR.

"It's hard to overstate the importance and the impact that artificial intelligence will have on enterprises' ability to create new products and services, new customer experiences, and new ways of operating in the coming decades," Gens added. "By 2025, we expect to see enterprises using AI-enabled and AI-led apps to gain competitive advantage from shorter reaction times, greater success with product innovation, and improved customer satisfaction."

7. Trust gets promoted. Getting trust right will be fundamental to competing in the digital economy as customers will require the organizations with whom they do business to demonstrate their digital trustworthiness. By 2023, half of the Global 2000 will name a Chief Trust Officer, who orchestrates trust across security, risk, compliance, privacy and ethical business operations.

8. Every enterprise is a platform. By 2023, 60% of the Global 2000 will have a digital developer ecosystem with thousands of developers. Half of these enterprises will drive 20+% of digital revenue through their digital ecosystem/platform. Enterprises will also need to operate well as a digital services provider in the digital economy. For many, this is an entirely new capability and business model.

9. Cross-Industry mashups. Enterprises must be prepared to form new digital ecosystem partnerships across industries that can enhance their customers' experience. By 2025, 20% of revenue growth will come from "white space" offerings that combine digital services from previously unlinked industries, and one fifth of partners will be from previously unlinked industries.

10. Tech platform wars continue. By 2023, the top 5 public cloud megaplatforms will consolidate at least 75% of IaaS+PaaS market share while the number of SaaS vendors becoming "platforms" will dramatically expand. The top 10 pure-play SaaS vendors will generate an average of nearly 20% revenue from expanding their PaaS services. The latter trend will be particularly important to watch as SaaS providers jockey to become key sources for enterprises' digital innovation factories.

IDC's worldwide IT industry predictions are presented in full detail in the report, *IDC FutureScape: Worldwide IT Industry 2020 Predictions* (IDC #US45599219). Copies of this report are available to qualified members of the media. To request a copy of the report, or to schedule a one-on-one interview with Frank Gens, please contact Sarah Murray at 781-378-2674 or sarah@attunecomunications.com.

An on-demand replay of IDC's Worldwide IT Industry Predictions Web conference will also be available, along with more than 20 other FutureScape Web conferences, covering topics such as Digital Transformation (DX), the CIO Agenda, the Internet of Things, Smart Cities, Cloud, and industry-specific presentations. To register for any of these events, please go to <http://www.idc.com/events/futurescape>.

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