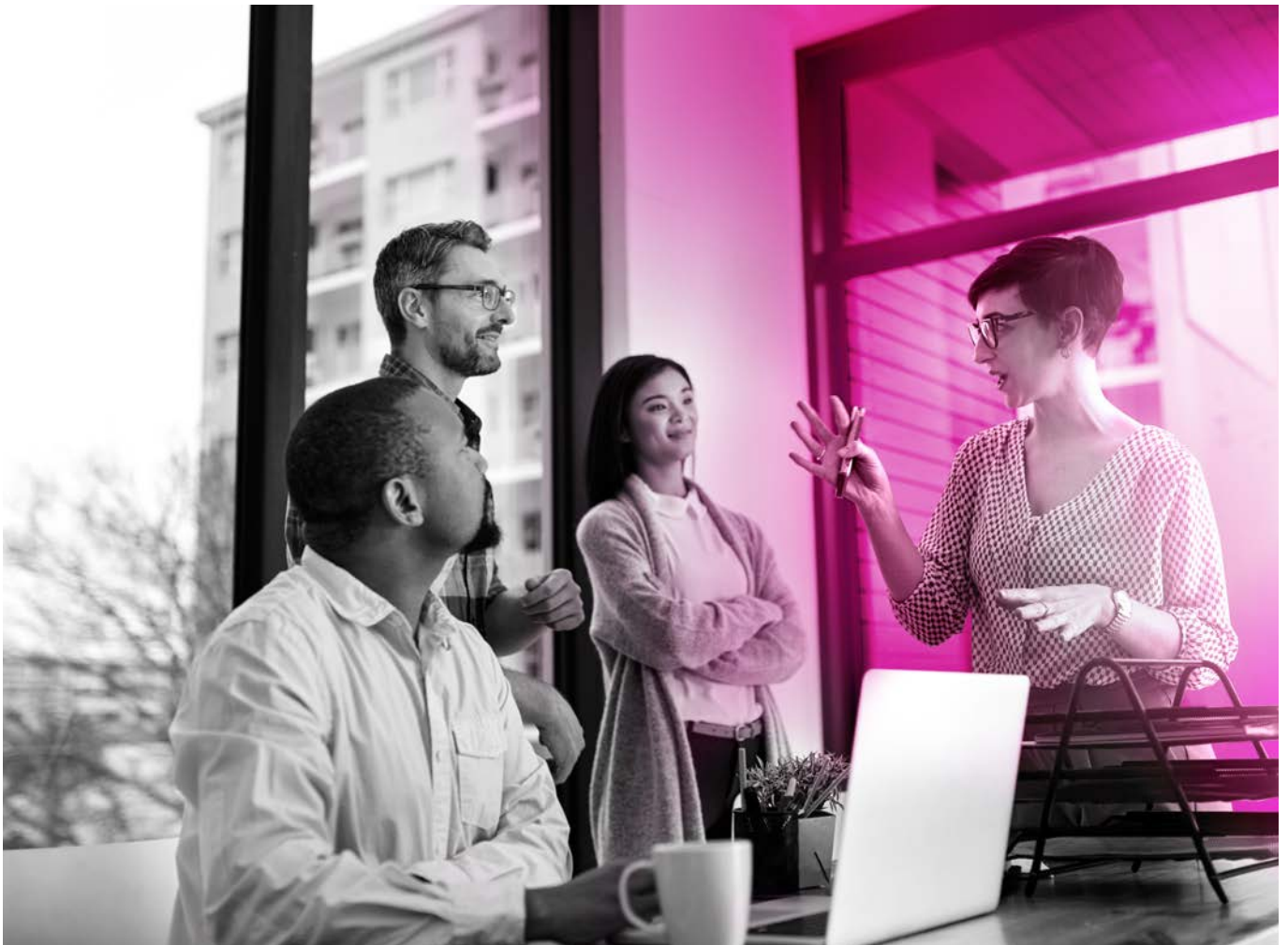


2019 | Europe

Insight Intelligent Technology™ Index



Introduction

Digital transformation is no longer isolated to IT companies or enterprises. As digital products, tools and services proliferate, along with emerging and new technologies, organisations of all shapes and sizes can benefit from the efficiency, agility and innovation promised by digital technology.

In fact, organisations today must embrace digital transformation to drive key business outcomes. From establishing competitive advantage and improving the customer experience, to building a modern workforce and optimising internal operations, the benefits of digital technology to business are abundant.

With the realisation that IT must play a fundamental role in a company's plan for growth, IT has shifted from a support-only function to a strategic imperative. Consequently, IT decision makers are occupying a new and expanding role within their organisations—one that is increasingly defined by its ability to deliver business value.





Insight Enterprises releases the annual Insight Intelligent Technology™ Index to help IT decision makers navigate their strategic roles within their organisations. As we illuminate the challenges and priorities of IT professionals in a rapidly evolving digital environment, we hope readers feel more equipped to tackle their responsibilities and embrace new opportunities.

1,000 IT decision makers

9 European countries

31 days for fieldwork

The 2019 European Index

This year's Index identifies and contextualises four paradigm shifts impacting the way IT professionals and their organisations operate. In particular, it explores new realities surrounding the cloud and data centre, IT supply chain management, the connected workforce and digital innovation.

With a clearer picture of the central challenges facing IT teams, IT decision makers and their organisations will be more prepared to realise value from IT investments and drive business outcomes through technology.

Methodology

This year's findings come from an online survey of 1,000 IT professionals working at organisations with 500+ employees and \$50M+ in annual sales volume across Europe.

To qualify for the survey, respondents had to be part of the strategic leadership team or wider management team making decisions surrounding IT. Coleman Parkes Research fielded the survey between 20th May 2019 and 19th June 2019.



Companies are becoming data experts.

55% of European IT decision makers say AI and machine learning will most significantly impact the future of IT.

The Data Explosion

Data is tremendously powerful. When analysed, shared, and leveraged intelligently, it can facilitate more informed decision-making, improve the quality of offerings, and enhance the customer experience. Indeed, **46%** of IT decision makers report that advanced analytics, enabled by AI, big data, machine learning and deep learning have been critical to their digital innovation initiatives over the past two years. Looking ahead, **55%** believe AI and machine learning will most significantly impact the future of IT.

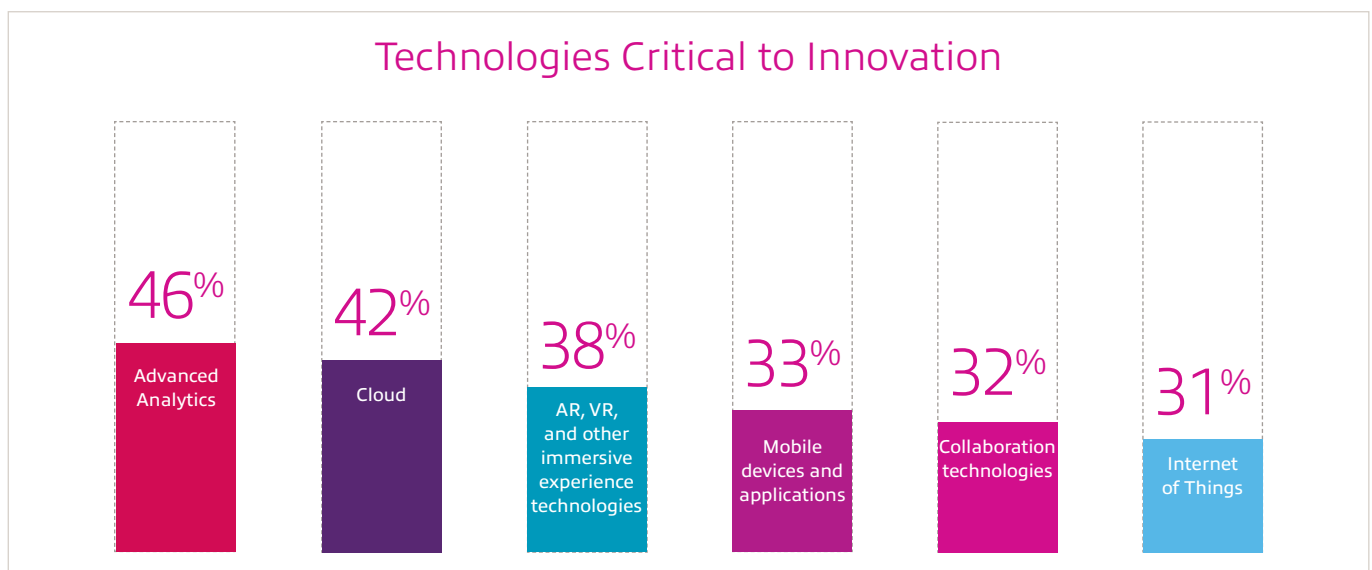
In order to embrace more agile and informed data-driven operating models, organisations must be prepared to navigate the challenges associated with exponential data accumulation.

IT professionals express confidence in AI, big data and machine learning because these technologies enable organisations to transform data into business intelligence.

The World Economic Forum estimates that, by 2025, the world will create 463 exabytes of data each day.¹ As connected devices and digital technology proliferate inside and outside the organisation, companies will need to reckon with massive amounts of data generated by employees, customers, partners and third parties. Moreover, that data will increasingly live in dispersed environments—on-premise, in the cloud and at the edge—demanding that organisations develop the right data management strategy to house, protect and manage all that information.

IT professionals are acutely aware of this challenge. They cite data security and protection as the top challenge related to globally managing data centre needs, and over half (**54%**) say data management and governance is a top challenge for managing global IT operations.

A solid cloud strategy is integral to navigating and building a high-performing data environment. Cloud promotes greater flexibility, agility, scalability of infrastructure and services, plus real-time decision-making, among other benefits.



1. Jeff Desjardins. "How Much Data is Generated Each Day?" Weforum.org. 17/4/19.

The Data Explosion

It also enables technologies, like AI and machine learning, which allow organisations to deploy advanced analytics to make sense of their mounting data. Recognising cloud's significance, **42%** of IT professionals deem it one of the most critical technologies for their digital innovation initiatives over the past two years.

Organisations have begun investing heavily in cloud, spending an annual average of £29.48M. However, IT professionals report that 30% of that spend is not utilised.

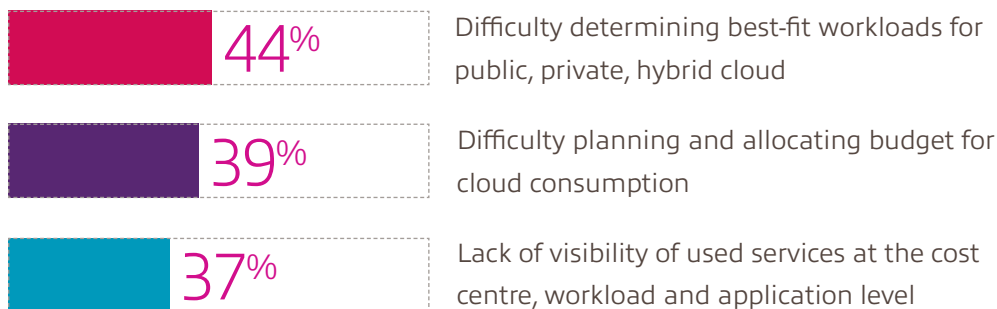
Taking note of these advantages, organisations have begun investing heavily in cloud, spending an annual average of **£29.48M** in 2018. However, IT professionals report that **30%** of that spend is not utilised. This waste (which amounts to **£8.8M** per year) could stem from the lack of visibility of used services at the cost centre, workload, and application level reported by over one-third of IT decision makers. It is also likely an outcome of organisations struggling to determine best-fit workloads for public, private and hybrid clouds—a cloud spending challenge for **44%** of IT professionals.

Finally, **39%** of IT decision makers report difficulty planning and allocating budgets for cloud consumption.

Combined, these findings suggest that organisations need guidance when it comes to monitoring cloud consumption, controlling their cloud spend and optimising their cloud investments. IT professionals seem to agree: **51%** say systems integrators who can build a hybrid data environment will deeply impact the future of IT and, presumably, organisational success with cloud.

Data can create powerful business advantages, but companies must be prepared to transform it into meaningful intelligence. Without the ability to collect, analyse and apply data, it is little more than 1s and 0s. The right cloud and data centre strategy is the key to this transformation. The hybrid data environment (on-premise, in the cloud and at the edge) will only become more complex as connected devices accumulate and smart technologies and tools become more impactful. However, organisations that embrace the challenge and invest wisely in data management and cloud solutions will be empowered to leverage data-driven IT resources and benefit from the valuable business insights they yield.

Top Challenges for Managing Cloud Spend





Optimising IT supply chain management opens doors to opportunity.

72% of IT professionals across Europe believe a more optimised IT supply chain would give their IT workforce more time to focus on innovation projects that advance the business.

The Power of the Modern IT Supply Chain

Organisations looking to incorporate technology to improve existing processes and reduce costs must consider the positive impact of modernising the IT supply chain. Specifically, organisations that streamline the procurement and management of technology can reallocate time spent on operations to growth and innovation-led initiatives. Though IT professionals appear to understand this relationship, it seems not all organisations are reaping the benefits of an optimised IT supply chain.

When asked to consider the IT supply chain holistically, **62%** of IT decision makers deem it ‘very optimised.’ However, when evaluating its individual parts, they identify areas for improvement.

When asked to consider the IT supply chain holistically, **62%** of IT decision makers deem it “very optimised.” However, when evaluating its individual parts, they identify areas for, at least, moderate improvement, including streamlining e-procurement and increasing visibility into asset and software provisioning and licensing.

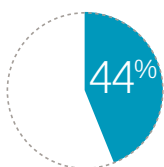
44% of IT professionals believe their organisations could improve their e-procurement systems in order to streamline IT purchases for IT staff and employees. Likewise, real-time tracking for ordering, imaging and shipping operations could also be improved, according to 4 in 10 IT professionals.

Along with improvements related to e-procurement, IT professionals express a desire for improved visibility around the costs associated with software provisioning and licensing. In particular, 41% believe their organisations are over-provisioning public cloud services while **40%** report over-purchasing of licenses. In addition to optimising software licensing and software asset management, IT decision makers report a need to improve the tools they use to manage provisioning. **38%** want to see improvement in purchasing analytics as well as deploying a self-service platform to simplify asset tracking and inventory.

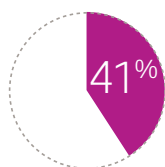
Organisations may have difficulty optimising their IT supply chain for a number of reasons. A historic focus on product acquisition costs, rather than deployment costs, may blind them to the financial gains associated with a modernised IT supply chain. IT professionals may also be concerned about the volume of work involved in overhauling existing infrastructure, processes and tools—despite the fact that these improvements will lead to lasting operational gains.

When considering how optimising the IT supply chain would affect the business, IT professionals report it would open up opportunities to move the business forward.

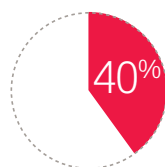
Opportunities to Improve IT Supply Chain Management



E-procurement systems to streamline IT purchases for IT staff or employees



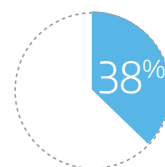
Reducing over-provisioning of public cloud



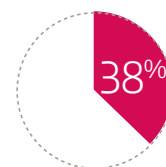
Real-time tracking for ordering, imaging, and shipping operations



Reducing over-purchasing of licenses



Purchasing analytics



Using a self-service platform to simplify asset tracking and inventory

The Power of the Modern IT Supply Chain



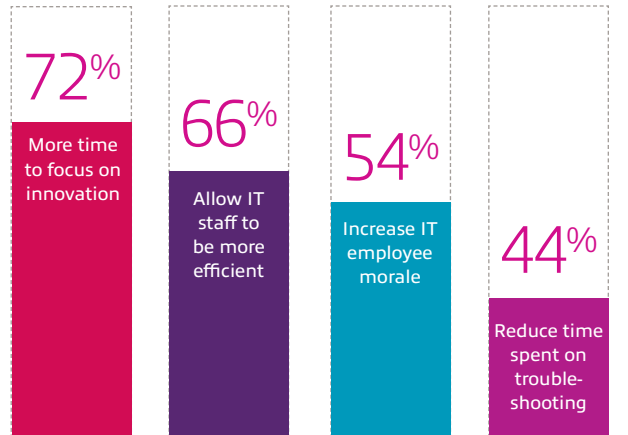
Resistance to change and loyalty to legacy technology and systems could also be the cause. Additionally, organisations may struggle to implement new and improved processes and tools without adequate in-house resources to devote to managing operations and preparing for transformation.

Whatever the factors for lagging behind in IT supply chain modernisation, the impact is clear. When considering how optimising the IT supply chain would affect the business, IT professionals report it would open up opportunities to move the business forward. Almost three-quarters (**72%**) believe it would free up employees' time to focus on innovation. Two-thirds say their employees could become more efficient, while over half (**54%**) claim employee morale would increase. These findings suggest that when IT teams can focus less on managing daily operations, growth and innovation are more likely to flourish.

IT professionals have realised a connection between modernising the IT supply chain and better business outcomes. In particular, with improvements to

e-procurement and better visibility into software asset management and licensing, organisations can streamline processes, create efficiencies, control costs, and optimise investments. Above all, a well-optimised IT supply chain opens up opportunities for IT employees to focus on innovation, so even those that currently operate a modern IT supply chain will need to keep up-to-date with the latest technologies to continue to grow.

Benefits of an Optimised IT Supply Chain





Creating a modern workplace means embracing employee expectations and priorities.

7 in 10 European IT decision makers believe it is “very or extremely important” for corporate IT to resemble consumer-like experiences.

The Empowered Employee Experience



Digital transformation enables organisations to improve and personalise the customer experience—but it does not stop there. Organisations are implementing transformative workplace solutions that empower employees to be more efficient, collaborative, and engaged.

The influx of a digitally native workforce and increasingly accessible consumer technology are **shaping employee expectations** for technology experiences at work.

A number of key factors are motivating organisations to modernise the workplace environment and experience. In particular, the influx of a digitally native workforce and increasingly accessible consumer technology are shaping employee expectations for technology experiences at work. Over three-quarters (**76%**) of IT decision makers agree that their workforce is more technology-literate than it was two years ago.

Alongside a more technologically advanced workforce, there is increasing demand for consumer-like experiences in the workplace, with 7 in 10 IT professionals believing it is “very or extremely important” for corporate IT to resemble consumer IT. The modern workplace has now become a competitive advantage in the search for the best employees with **74%** of IT professionals reporting their organisations link modern technology to attracting and retaining talent.

In their attempts to build modern workplaces, organisations are focused on strategies and

solutions to personalise the employee experience, offer greater support resources and empower employees to work in new, more collaborative ways.

To meet employee demands for more personal and intuitive experiences, organisations are promoting device flexibility. For example, **79%** of organisations provide their employees ready-to-go devices out-of-the-box while **75%** offer self-service device selection and **73%** allow employees to choose their preferred device types.

Additionally, IT are looking to managed services to provide users with more support. Managed services offer employees access to more responsive IT support, which can streamline internal processes and create efficiencies. Additionally, with the help of a managed service provider, employees can adopt new technologies more rapidly and access the guidance they need to develop and adopt new digital tools.

IT decision makers report that their organisations are also helping employees build confidence by investing in solutions that help them troubleshoot and resolve issues independently. Almost half (**49%**) of IT professionals say their organisations invested in more self-service and automation features in their support model over the past two years. This investment appears to be ongoing, as **46%** report plans to continue to invest over the next two years.

Finally, organisations are investing in cloud solutions to modernise the employee experience. In the past year, over half (**53%**) have migrated services and workloads to cloud-based platforms. This technology promotes flexibility, continuity and collaboration, allowing employees to work anytime, from anywhere, on any device. Likewise, in the past

The Empowered Employee Experience

year, half of organisations have made the switch to cloud architectures to improve identity and access management. This investment ensures employees have appropriate access to the technology resources and information they need to do their jobs effectively. It also improves security for employees who prefer to work remotely.

As organisations have been prioritising the employee experience, complaints about poor user experience have decreased over the past two years, according to **44%** of IT professionals.

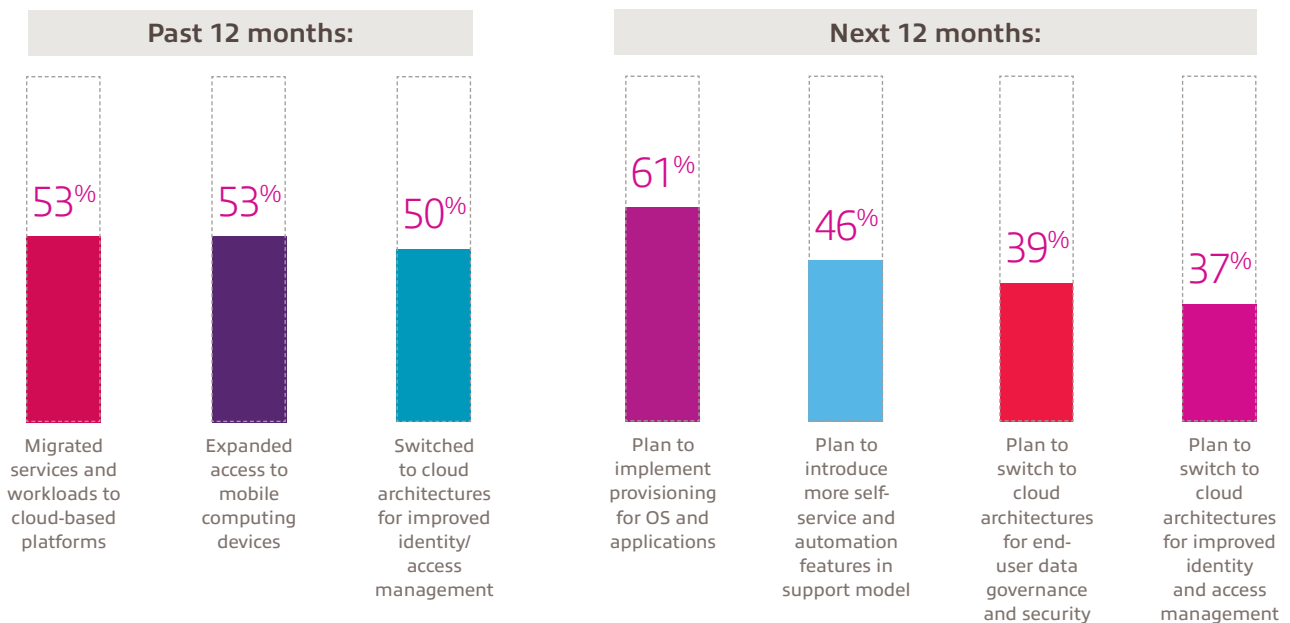
Efforts to modernise the workplace appear to be successful. As organisations have been prioritising the employee experience, complaints about poor user experience have decreased over the past two

years, according to **44%** of IT professionals. More specifically, when organisations prioritise key aspects of the employee experience—access to information, collaboration and communication—they see fewer complaints and presumably, more engaged and productive employees.

For instance, **60%** of IT professionals report that their organisations have made the ability for employees to find relevant information quickly and easily a critical or major priority. At the same time, half report that complaints about lack of access to relevant information have significantly decreased in the last two years.

Likewise, as companies commit to improving collaboration and communication, the employee experience seems to improve. **60%** and **54%** of organisations prioritise collaboration and communication, respectively, and over half of

Investments to Modernise the End-User Experience



The Empowered Employee Experience

IT professionals report fewer complaints about restrictions and lack of features regarding specific collaboration and communication tools.

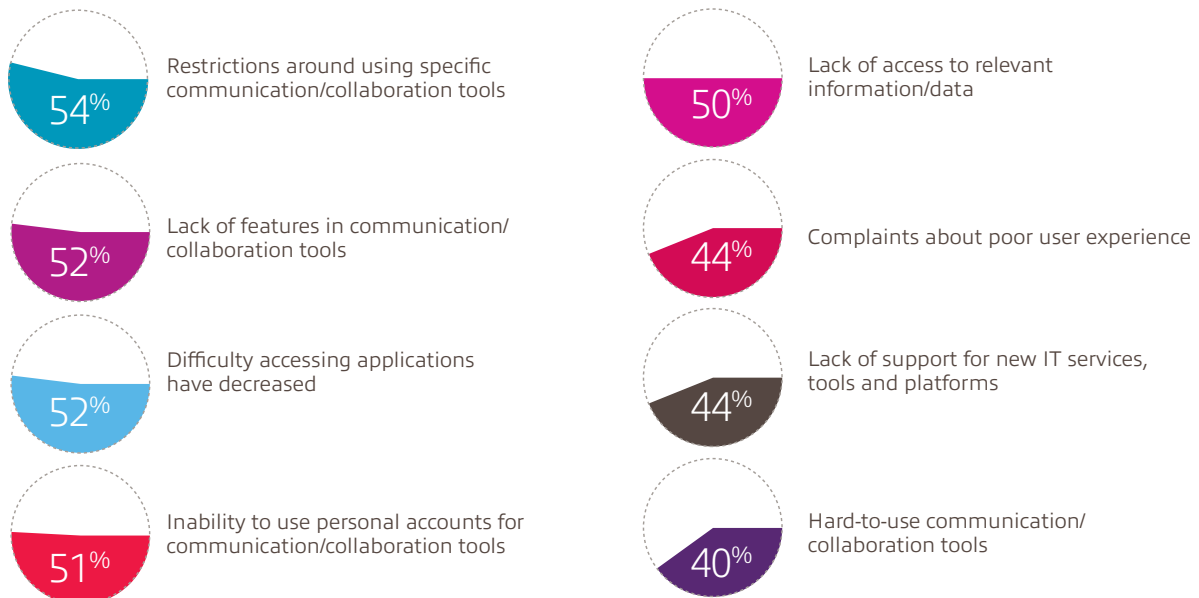
When organisations value the employee experience and commit to improving it, they can see an improvement in employee satisfaction, leading to increased engagement and productivity.

Findings like these suggest that when organisations value the employee experience and commit to improving it, they can see an improvement in employee satisfaction, leading to increased engagement and productivity.

IT professionals and their organisations have recognised the imperative to create consumer-like (i.e., personal, intuitive, flexible) employee experiences. As a result, they are deploying strategies and options that make the latest technology and tools more readily available to employees and empower them to use them more effectively.

Moving forward, organisations that modernise the workplace and align organisational priorities around the employee experience will see gains in engagement, collaboration and productivity. Since empowering employees through technology can improve performance, organisations must continue prioritising the modern workplace to drive differentiation and ultimately competitive advantage.

Decrease in User Complaint Volume Over the Past Two Years





Companies are realising powerful outcomes through digital innovation.

*In the next two years, organisations across Europe plan to increase their investments in digital transformation by nearly **£10M**.*

The Innovation Imperative

Today and going forward, organisations cannot ignore the influence and impact of digital innovation on business growth. Though it can take many forms—such as predictive maintenance, consumer apps or automation—innovation is the key to unlocking significant business outcomes.

More specifically, **45%** of IT decision makers report that enhancing the customer experience and the customer relationship is the primary objective for digital innovation within their organisations. **40%** say developing new products and services is the primary reason their organisations undertake digital innovation.

Digital innovation initiatives also drive valuable outcomes within companies. **37%** of IT decision makers say improving operations and processes is a top digital innovation objective. The same percentage assigns digital innovation responsibility for talent attraction and retention. There is, of course, a relationship between these external and internal outcomes. In order for the business to successfully deliver customer-centric digital innovation, it must first improve and optimise operations from within.

Two-thirds of IT professionals strongly or somewhat agree that IT is struggling to balance the dual responsibilities of transformational projects and managing core operations.

Overall, organisations across Europe are reporting success in achieving business outcomes through digital innovation. Three-quarters of IT decision makers feel their digital innovation investments have been “moderately or very successful.” As a sign of confidence in digital innovation, organisations plan to increase their digital transformation investments by nearly **£10M** in the next two years.²

Yet, despite the momentum behind digital transformation and innovation, two-thirds of IT professionals strongly or somewhat agree that IT is struggling to balance the dual responsibilities of transformational projects and managing core operations. This outlook is likely to be influenced by the significant challenges around the reported costs of digital transformation.

Ranking of Digital Innovation Objectives



2. EMEA enterprises spent an average of £32.23M on digital transformation in the last two years and plan to spend £42.12M in the next two years.

Digital innovation is inevitably powering the future of business, so organisations must be **prepared to invest** substantial financial and organisational resources to see it through.

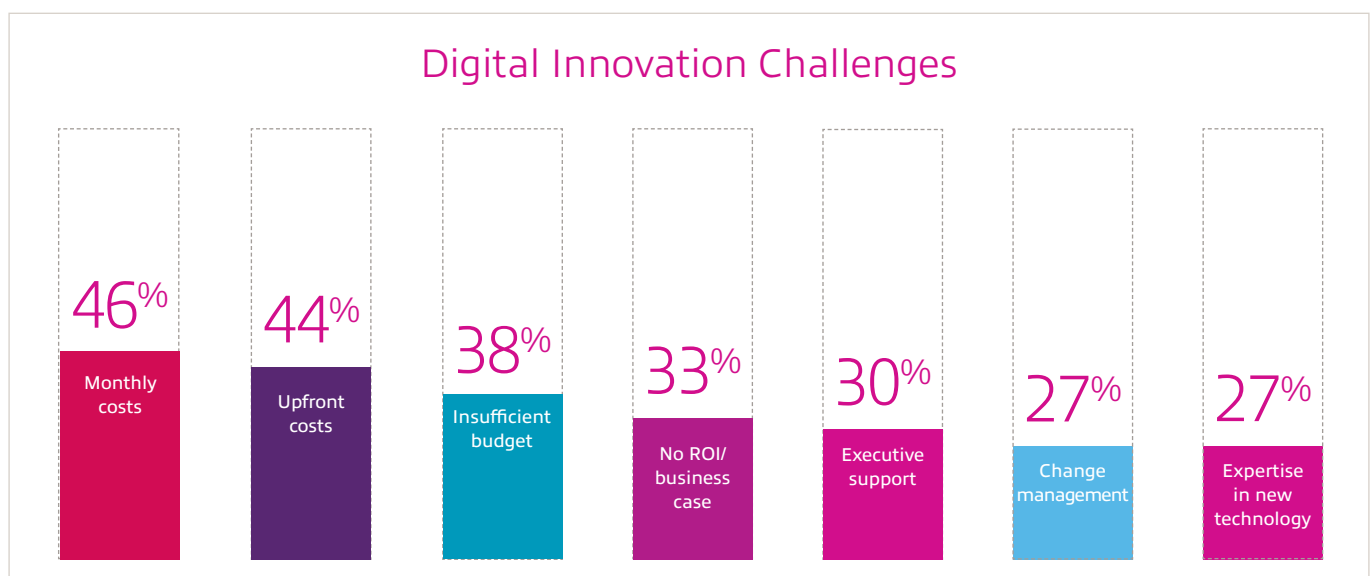
46% of IT decision makers report that monthly costs, or operating expenditures, is a top challenge related to digital innovation. Similarly **44%** of organisations are hit by upfront costs or capital expenditure. Interestingly, although almost half (**48%**) of organisations fund digital innovation projects from a standalone dedicated budget, nearly 4 in 10 (**38%**) IT professionals feel challenged by insufficient budgets for digital innovation initiatives. Perhaps these dedicated budgets are not large enough to cover all that organisations are asking for and expecting from digital innovation.

Finally, almost one-third (**32%**) of IT decision makers reveal that their organisations struggle to see ROI or identify a business case for digital innovation initiatives.

IT decision makers have realised that digital innovation represents the future of business and are demonstrating enthusiasm about this reality—particularly when it comes to investing in innovation to improve the customer experience. Yet, it is worth noting that **15%** of IT professionals still report that their organisation’s digital innovation investments have not been successful.

In order to fully realise the business value of digital innovation, organisations must commit the appropriate financial resources—an ongoing challenge for many IT departments. Additionally, organisations need to develop a transformation strategy and roadmap at the outset of each initiative as well as prepare internally for the changes digital transformation brings.

As over one-quarter (**27%**) of IT professionals note, both change management and expertise in new technology are top challenges surrounding digital innovation. Digital innovation is inevitably powering the future of business, so organisations must be prepared to invest substantial financial and organisational resources to see it through.





IT professionals have realised that transformation is not a destination but a **strategic imperative** that their organisations must continually evaluate, manage and recommit to as the business landscape dictates.

Digital transformation and its value to business is within reach for many organisations. Companies have realised they can deliver superior customer experiences, improve internal operations and processes and elevate the employee experience by embracing new technologies and tools.

However, the paradigms covered in this year's Index indicate that the digital transformation journey is an ongoing endeavour:

The Data Explosion

The 55% of IT professionals who say AI and machine learning will most significantly impact the future of IT demonstrate that organisations need to keep evolving their cloud and data centre strategies to take advantage of intelligence and more informed decision-making.

The Empowered Employee Experience

7 in 10 IT decision makers believe corporate IT should resemble consumer-like experiences, indicating that organisations will be pressured to continually meet employee expectations for increasingly sophisticated and intuitive workplace technology experiences.

The Power of the Modern IT Supply Chain

Nearly three-quarters of IT professionals identify a link between modernising the IT supply chain and innovation, underscoring the need to overcome the organisational roadblocks that inhibit optimisation.

The Innovation Imperative

The competition for digital innovation will only grow fiercer, with digital transformation investments set to increase over the next two years by nearly £10M. IT decision makers and their organisations must be prepared to innovate strategically, with adequate budgets, in order to capitalise on the business value that digital transformation brings.

Embracing digital transformation on an ongoing basis can be difficult. IT decision makers and their organisations must determine how to build the knowledge and expertise required to ensure success.

While some may be able to acquire these capabilities in-house, others will be more likely to need help from an external partner. Either way, understanding the changing paradigms of digital transformation is the first step toward realising greater business value from IT.

About Insight

Today, every business is a technology business. Insight Enterprises Inc. empowers organisations of all sizes with Insight Intelligent Technology Solutions™ and services to maximise the business value of IT. As a Fortune 500-ranked global provider of Digital Innovation, Cloud + Data Centre Transformation, Connected Workforce, and Supply Chain Optimisation solutions and services, we help clients successfully manage their IT today while transforming for tomorrow. From IT strategy and design to implementation and management, our 7,400+ employees help clients innovate and optimise their operations to run business smarter. Discover more at be.insight.com.