



IDC FutureScape 2021

An **Excerpt** of IDC Futurescape
2021: Building Resiliency to
Thrive in the Next Normal

Presented last 4 November 2022

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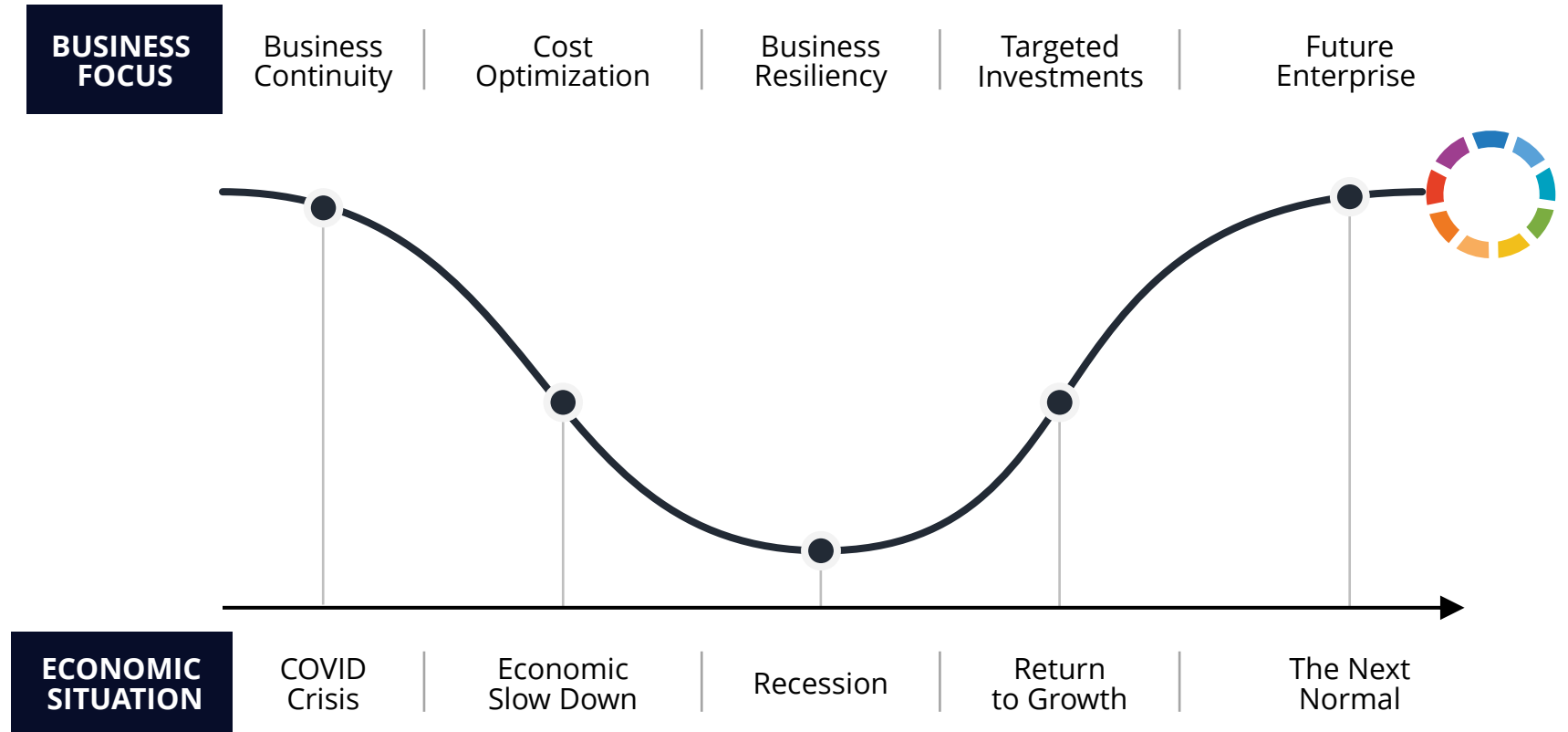
🐦 [@ngsiangchin](https://twitter.com/ngsiangchin)



The road to recovery around the world



● Largest ● 2nd Largest



Source: IDC COVID-19 Impact Sentiment Survey 2020 (N=649 WW 500+Employees) (*Indicative Benchmark) - Wave 12 – 15th Sept 2020



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The turnaround story (of China)

SUPOR 苏泊尔

Instituted specific operational guidelines for employees including instructions for limiting exposure, emergency plans, healthcare checks for employees and their families from the early stages of the outbreak and preventive equipment procurement. **Outcome: It reopened some production lines in the 2nd week of Feb 2020.**



JD.com worked with a number of music brands to bring clubbing experience to everyone's homes via its livestreaming platform. Through weekly "shoppertainment" sessions, live-streaming performances from musicians and DJs created a lot of buzz. **Outcome: Merchant partner sales went up by as much as 70% particularly for alcohol.**



Cosmetics company Lin Qingxuan was forced to close 40% of its stores during the crisis and it redeployed 100+ beauty advisors from stores to become online influencers. **Outcome: Sales in Wuhan achieved 200% growth YoY.**

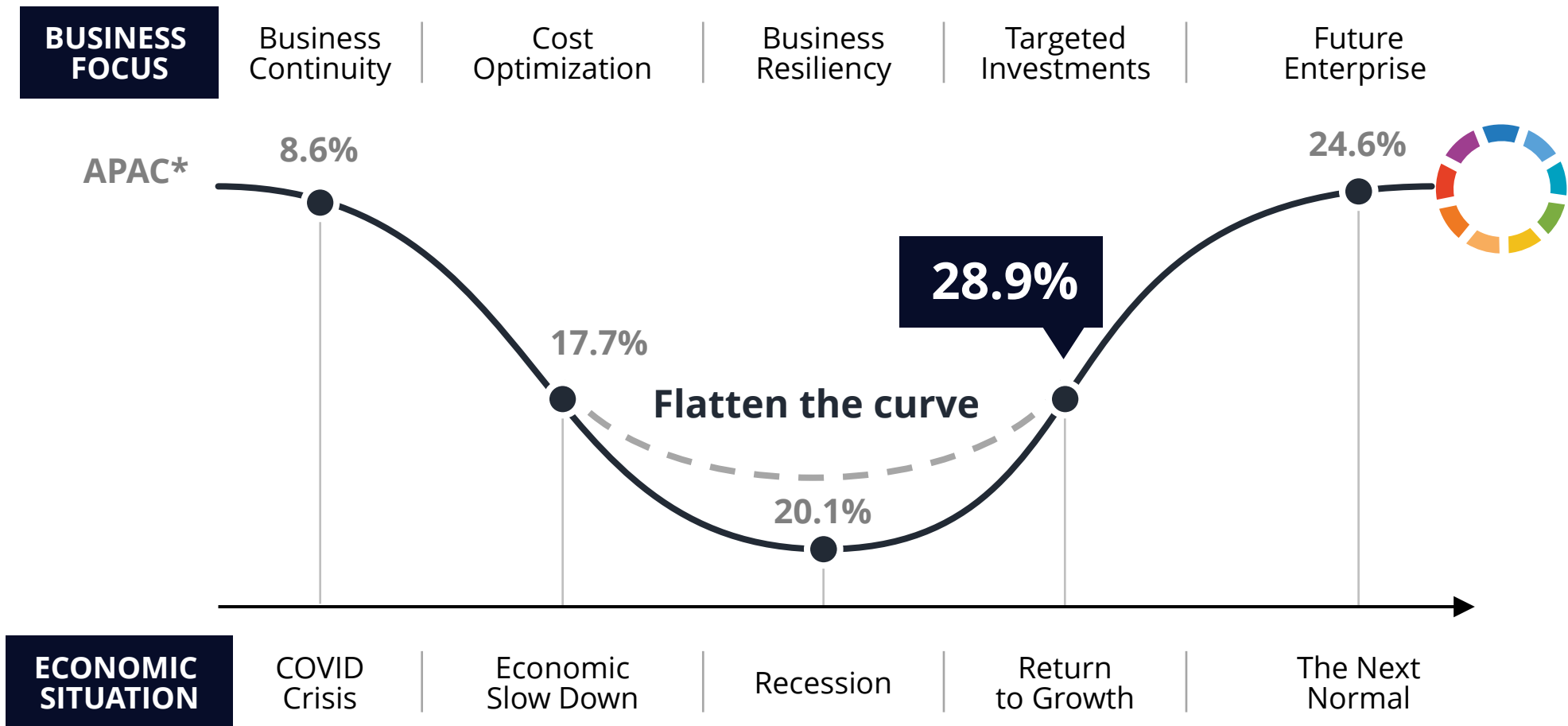
A US\$10B dairy manufacturer with a wide production base and deep national distribution in China developed a segmented approach based on regional and city recovery dynamics and its own supply chain infrastructure + salesforce density. **Outcome: K-shaped recovery adaptation and insights, led to business stability.**



Source: IDC FutureScape 2021, October 2020; CxO Conversations, 2020



It's a race to recovery in APAC



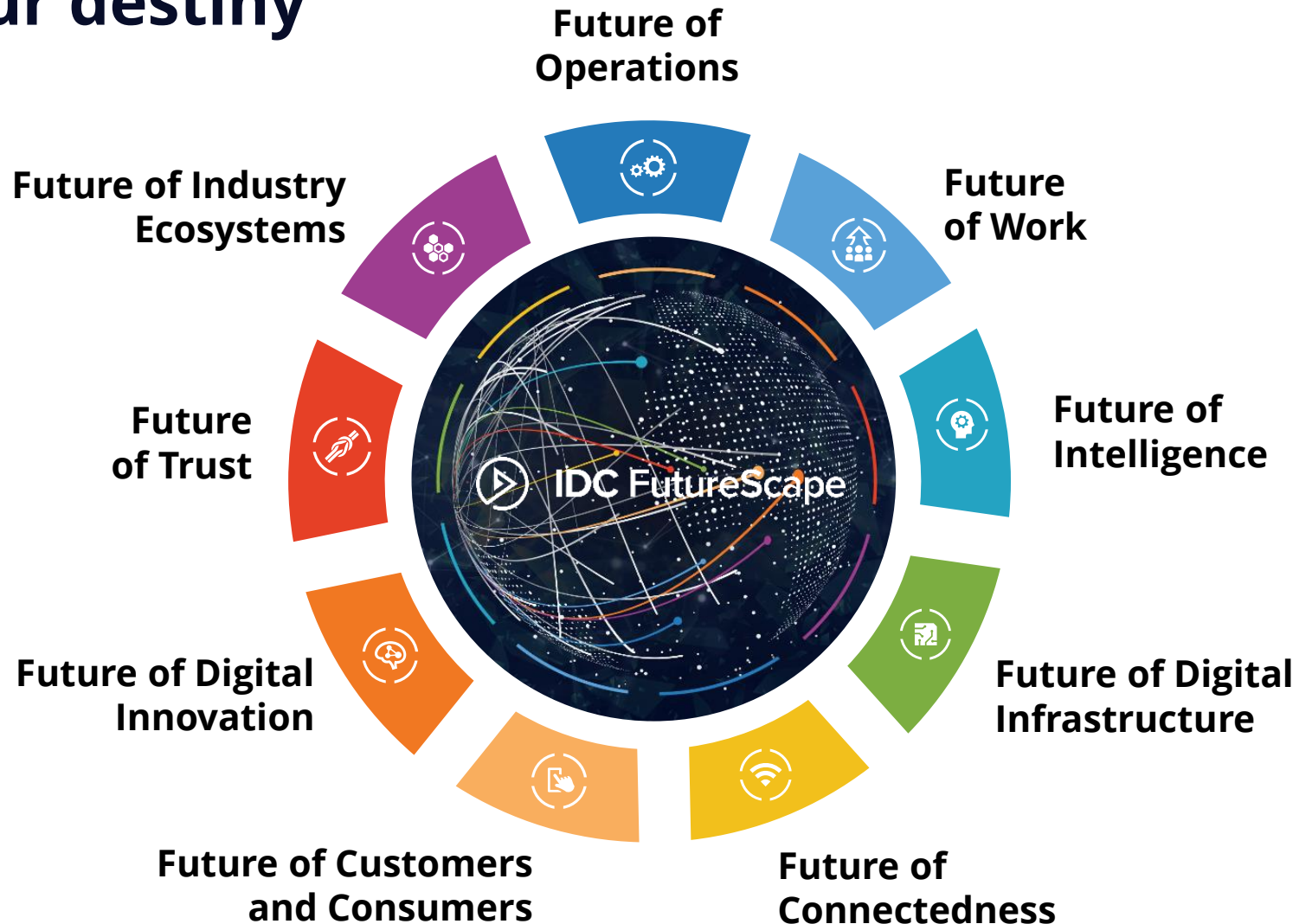
Source: IDC COVID-19 Impact Sentiment Survey 2020 (N=2,945 APAC 500+Employees) (*Indicative Benchmark); Aggregated up to 15th Sept 2020 (Wave 12)



The digital economy is our destiny



The economy accelerates on its digital destiny with at least 65% of Asia/Pacific GDP digitalized by 2022 and will drive US\$1.2 trillion of direct DX investments from 2020 to 2023.



Source: IDC Future Enterprise/Future of X Practices, 2020; IDC DX FutureScape 2021, October 2020 – DX Prediction 1; WW Blackbook, August 2020



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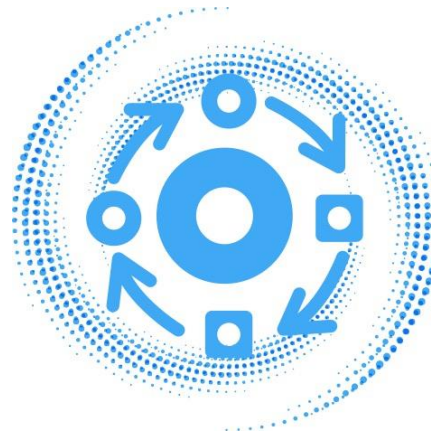
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The 3 waves to



dominance

**Adapt to
survive**



**Ideal
to Real**

**Accelerate
to grow**



**Directive
to DNA**

**Reimagine
to lead**



**Prominence to
Dominance**

Source: IDC FutureScape 2021, October 2020

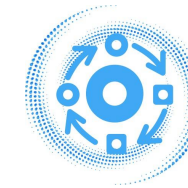


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#1

Leadership matures



Adapt to
survive:
Ideal to Real



By 2023, 70% of leaders in A2000 organizations will have shifted their management orientation from processes to outcomes, establishing more agile, innovative, and empathetic operating models.



Sichuan Languang
Development



Impact on tech buyers

- Stronger drive to challenge the organization to deliver change, while ensuring organizational stability.
- Develop new metrics (KPIs) along four main measurement dimensions/areas - digital and agile operations, customer advocacy and empathy, data capitalization and innovation rate.
- ***Business outcomes/values will need to be realized with every technology-led initiatives. Vendor partners must articulate these in relations to the KPIs and deliver accordingly to stand a chance for winning the next project and becoming a strategic partner.***

Vendor
callout

*32.4% of organizations took a long-term view to DX prior COVID-19.
This proportion is growing as we see DX acceleration across the board.

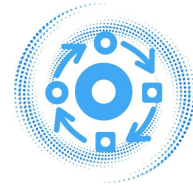
Source: IDC FutureScape 2021, October 2020 – DX Prediction 3; DXa 2020; *IDC COVID-19 Impact Sentiment Survey 2020 (N=337 WW 500+Employees) - Wave 12 - 15th Sept 2020



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#2 A digital-first approach in employee engagements



Adapt to
survive:
Ideal to Real



While "digital first" prevails in every experience, 60% of enterprises will invest heavily in digitalizing employee experience (EX) in 2021, transforming the relationship between employers and employees.

J.P.Morgan



By 2023, 55% of large enterprises commit to providing technical parity to a workforce that is hybrid by design rather than by circumstance, enabling them to work together separately and in real-time.

By 2022, 80% of A1000 will revisit their commercial real estate footprint post-COVID-19, many plan augmented workspaces yet don't address the connectivity needs to support a hybrid work model.



Impact on tech buyers

- Digital EX roadmap will be an important component of DX roadmap.
- Envision a new relationship between employers and employees before digitalizing EX. Take some predictable changes into consideration such as employee demographics, diversity and digital literacy along with role-based requirements.
- ***Work from anywhere/everywhere considerations will be an essential component for large majority of technology-led projects between now and most of 2021.***

*Only 12% of employees have returned to work as of mid Sept 2020. And 26.5% of organizations do not expect everyone to return to the workplace (at least not in 2021).

Vendor
callout

Source: IDC FutureScape 2021, October 2020 – DX Prediction 5; FoW Prediction 4 (and all of digital disruptors); FoC Prediction 3; CxO Conversations; *IDC COVID-19 Impact Sentiment Survey 2020 (N=337 WW 500+Employees) - Wave 12 - 15th Sept 2020



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#3

Increasing digitalization to deliver customer empathy at scale



Adapt to
survive:
Ideal to Real



By 2021, 65% of organizations will have shifted to digital-first through automated operations and contactless experiences, as physical interactions become an amenity of the past.

Vendor
callout

income
made different



Johnson
Controls



JD.COM

Impact on tech buyers

- IT will need to invest in new technologies (e.g., AI/ML and RPA) that allow to achieve higher process and operational autonomy. The shift to digital first requires IT to deal with and integrate new emerging technologies not only into current systems but also into the customer journey.
- IT will need to map out the infrastructure, data pipelines and governance, and systems required to cut across departmental boundaries to deliver the newly mapped customer journeys for digital-first engagements and all of these will require closer alignment with LoBs.
- Invest in advanced digital technologies such as AI/ML, AR/VR, RPA and IoT to support higher levels of business resilience (i.e. digital resiliency) and enhance customer experiences.
- ***Larger and multi-facet programs will expand from initial siloed quick-fix (in respond to COVID-19), leading to a broader integration of contactless/touchless technologies into customer journey and workflows. This will have impact from infrastructure to app to support services. Integration across multiple systems/software will be essential.***

Source: IDC FutureScape 2021, October 2020 – FoCC Prediction 1; CxO Conversations



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#4 Acceleration requires digital resiliency



Accelerate
to grow:
Directive to DNA



In 2022, enterprises focused on digital resiliency adapt to disruption and extend services in response to new conditions 50% faster than ones fixated on restoring existing business resiliency levels.



Impact on tech buyers

- IT will need to digitally empower and enable frontline workers with data/AI/security to extend productivity, adaptability and decision making in the face of rapid/unexpected changes.
- CIOs will lead adversity centers with focus on building/scaling resilience with digital infrastructure and flexible funding for diverse scenarios.
- Network admin will become strategic as it works with app developers, CISOs and LoBs to ensure business continuity, compliance and resiliency.
- ***Investments in digital resiliency will progress organizations faster to becoming Future Enterprises.***

Vendor
callout



Shri Krsna Group
Electrical insulator
SMB manufacturer



Autonomation = Intelligent automation

By 2023, 60% of digitally transformed enterprises rely on key infrastructure metrics tied to optimization, resiliency, and ongoing enhancement to drive C-level decision making.

Source: IDC FutureScape 2021, October 2020 – IT Industry Prediction 5; FoDInfrastructure Prediction 4; CxO Conversations



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#5

Risk management and growth acceleration can (and should) co-exist



Accelerate
to grow:
Directive to DNA



By 2022, driven by board level agenda, 50% of A2000 companies will formalize human oversight of AI-based decision automation to combat distrust of auto generated recommendations and reputational risk.



Impact on tech buyers

- IT will be asked to participate in governance bodies and the development of practices, policies, and procedures that recognize the importance of trust and transparency in the full data acquisition to recommendation generation to monitoring closed loop pipeline.
- Use appropriate communication techniques to acknowledge value of individuals' and teams' expertise and highlight to them ways in which technology can help augment their expertise by automating certain tasks or activities along the broader data to decisions workflow.
- ***White-box AI models, data science skill augmentation from data factory, upskilling partnerships are increasingly essential to accompany the pace of recovery/growth among Asia/Pacific organizations.***

Vendor
callout



Inland Revenue
Te Tari Taake



Source: IDC FutureScape 2021, October 2020 – Fol Prediction 8; DXa 2020



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Growth will rapidly shape permanent work models



Accelerate
to grow:
Directive to DNA



By 2021, 25% of organizations will leverage employee productivity software to monitor and improve the digital workflows of their full-time, work-from-home employees.



Impact on tech buyers

- Productivity monitoring software will increase demands on compliance, legal and HR teams. The privacy concerns and compliance issues will only increase in complexity due to the increased monitoring of employee's digital work lives.
- Evaluate employee sentiment and assess the risk associated with violating/eroding employee trust. Invest in the appropriate technology and processes to mitigate the identified risk. Inform the employees of the new policies and limits and scope of the software.
- ***Productivity software with engagement, transparency and KPI alignment will be preferred by employees. Culture change management, integration with workloads and infrastructure capabilities will be part and parcel of this change.***

Vendor
callout



ADITYA BIRLA GROUP

Source: IDC FutureScape 2021, October 2020 – FoT Prediction 7; DXa 2020





By 2021, at least 50% of organizations will accelerate innovation to support business and operating model reinvention, fast-tracking transformation programs, to future proof their businesses.



Impact on tech buyers

- IT will need to focus on building a DX platform that allows for scale and innovation. The CIO must be part of the DX core team to ensure adequate governance when using DX technologies.
- Encourage internal and external collaboration as part of the innovation efforts and with both traditional and non-traditional partners, information and asset sharing will be required.
- Create an integrated technology architecture or DX platform — this is a core strategic imperative to enable ecosystem participation and create value.
- ***Digital innovation factory, co-creation, platform-enablement, open innovation and new use case experimentation are increasingly capabilities to evolve/modernize/transform customers' business and operating models.***

Vendor
callout



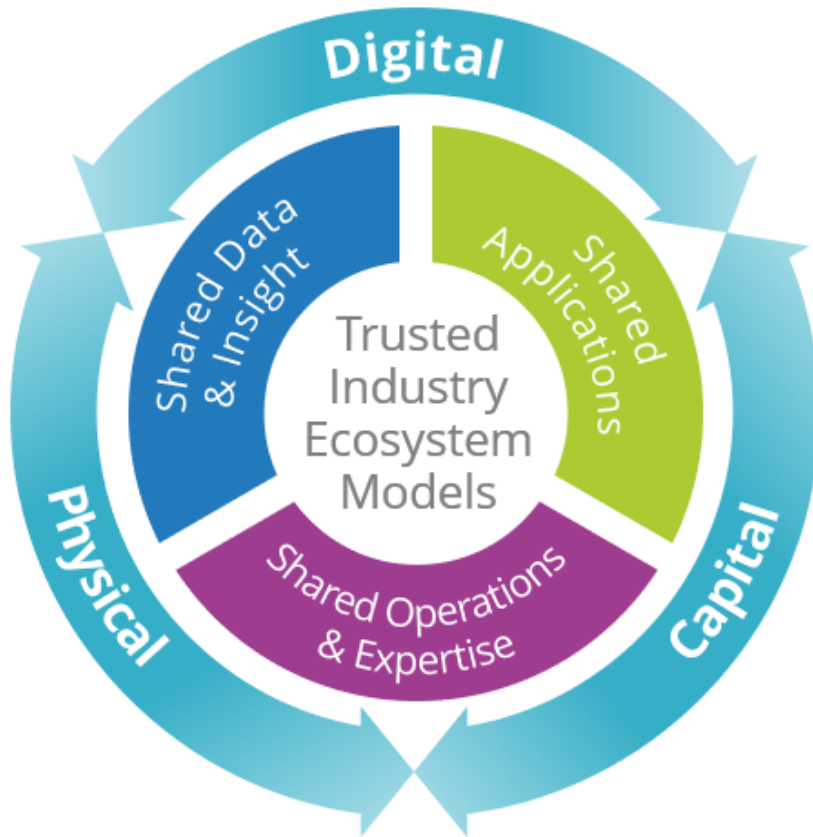
Source: IDC FutureScape 2021, October 2020 – DX Prediction 6; CxO Conversations; DXa 2020



The rise of digital and connected extended ecosystems



Reimagine to
lead: Prominence
to Dominance



By 2025, driven by volatile global conditions, 75% of business leaders will leverage digital platforms and ecosystem capabilities to adapt their value chains to new markets, industries, and ecosystems.

Source: IDC FutureScape 2021, October 2020 – DX Prediction 4; FoIE Prediction 9; FODI Prediction 6; FoO Prediction 8; FoIE Prediction 7; DXa 2020; CxO Conversations



Future of industry ecosystems



By 2026, over 75% of A1000 operations will use digital ecosystems to procure direct materials for operations, reducing direct material acquisition costs by 15%, compared to 2020.

Workflow/process modernization, digital platform, integration tools, APIs.



+



By 2022, industry ecosystems will see a 40% **greater innovation rate** of new digital & physical products/services brought to market compared to traditional innovation approaches.

Platform-enablement, technology-led product and service creation, APIs.



By 2023, 50% of A1000 organizations will develop cross-ecosystem digital operation centers to monitor capacity, expertise, market, & environmental conditions, and share data with ecosystem participants for rapid response to disruption and 50% faster time to market.

Security, IoT/sensors, data/analytics/AI, visualization and integration tools.



By 2024, 55% of A500 enterprises **sell internally developed industry-specific software and data services as a subscription**, leveraging deep domain knowledge to open profitable new revenue streams.

Low/no-code development, app platform, open innovation marketplaces, data aggregation and visualization tools.

Source: IDC FutureScape 2021, October 2020 – DX Prediction 4; FoIE Prediction 9; FODI Prediction 6; FoO Prediction 8; FoIE Prediction 7; DXa 2020; CxO Conversations



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The Future Enterprise playbook



Customers

Building trust

Trust is dynamic and not static.

Focus on competence

It can do more than fulfil their known needs.

Showcase integrity

Protecting the customer's privacy.

Emphasize empathy

Understanding and caring for the customer.

Vendor callouts

- Intelligent-based security
- Mobile and smart devices
- Data management
- Customer 360



Employees

Agile operating model

From onboarding to decision making.

Future fluency skills

Upskill, out-of-the-box and problem solving.

Employee engagements

Trust is the core ingredient.

Empathetic leadership

Empowerment and KBI+KPI performance metrics.

Vendor callouts

- Agile workflows and DevOps
- Training and innovation factory
- HR performance management and productivity-tracking app
- Change management



Ecosystem

Partnership extensions

An IT-based approach to enable participation and manage disruptions.

An open platform

Simplify the app development/co-innovation process.

Governance and contextualization

Free flow of data and collaboration.

Cooperate and compete

Dynamic participation in both environments.

Vendor callouts

- APIs and marketplaces
- Co-creation of new products and business models
- Data-led marketplaces and architecture
- Digital platform

Source: IDC Future Enterprise/Future of X Practices, 2020



To become a digitally resilient organization



“To deliver innovation and achieve growth in the next normal state, we will need to do a good job in 6 specific areas. (1) Reorganize and formulate a smart strategy to enable continuous improvements and breakthrough for **modernization and transformation**. (2) Continuously pay attention to and tap into the **value of data** to strengthen the inherent advantages of the industry. (3) **Adjust corporate structure** to facilitate business transformation. (4) **Use new technologies** to optimize and reengineer business processes. (5) **Build an agile culture** to promote rapid innovation. (6) Empower employees, provide new tools and stimulate **organizational vitality**. The ability of an organization to shape the skills of its employees is key to creating a successful future.”

CxO for a Chinese Conglomerate

Source: CxO Conversations, 2020



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