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Build a Resilient Business

Taking Steps Towards the Autonomous Digital Enterprise

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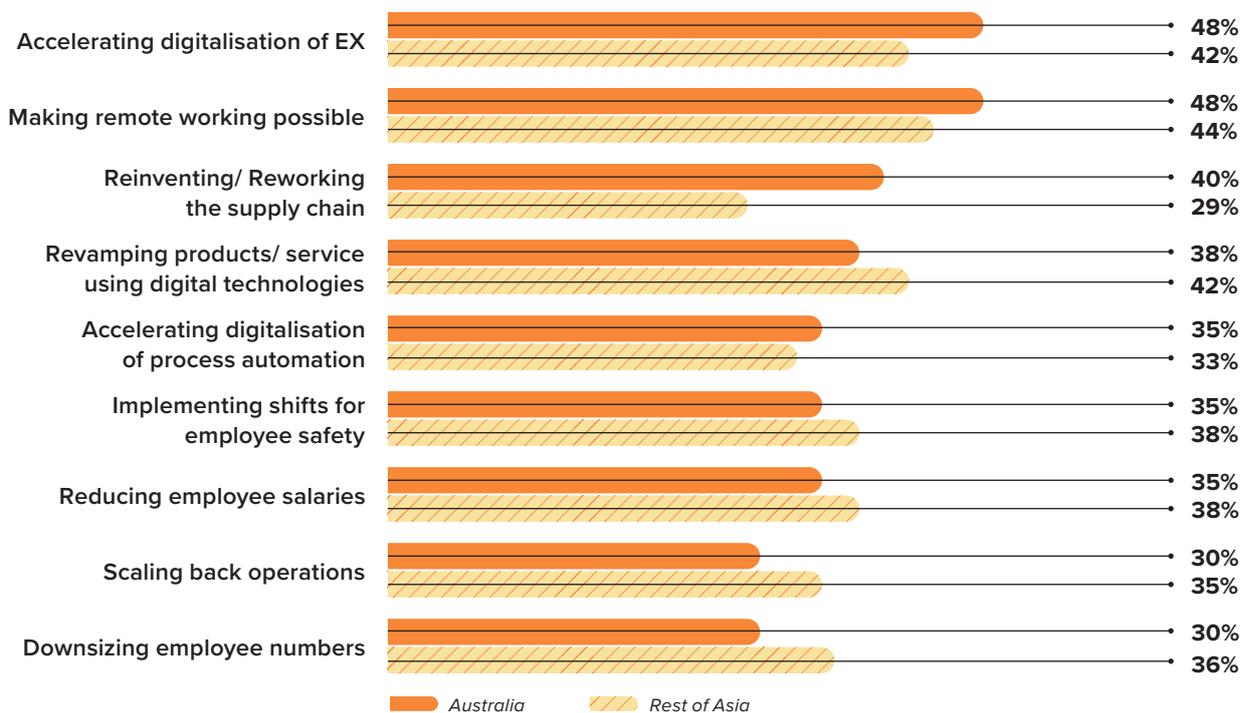
WE ARE STILL ADAPTING TO The New Normal

The beginning of 2020 will be a period many of us want to forget. But the truth is that the COVID-19 pandemic has changed businesses more than any other single event this century.

June 29, 2007 is probably the one of the few days or events that have impacted businesses in Australia, New Zealand, and around the globe so hugely. On that day the iPhone was launched, and it began swinging the pendulum into our customers' favour – and our businesses are now being shaped around satisfying and delighting our customers. But that change crept up on us – many of us had time to adapt to the new competitive dynamics. COVID-19, however, hit our businesses like a sledgehammer. The world changed in a few short weeks.

This whitepaper discusses the key priorities of business and IT leaders in Australia and New Zealand and how digital priorities are changing over the next few years. The data cited is from the ongoing Ecosystem Digital Priorities in the New Normal study that evaluates the business and technological impact of COVID-19. Due to Ecosystem's model of continuous data collection, it has over 800 responses from technology leaders in Asia Pacific and continues to receive feedback. It also includes views and opinions from a recent virtual roundtable conducted by Ecosystem and BMC with CIOs from across Australia and New Zealand.

Taking Care of Employees and Business Are Top Priorities During the Pandemic – Top 9 responses



Question: Measures implemented to counter the COVID-19 crisis

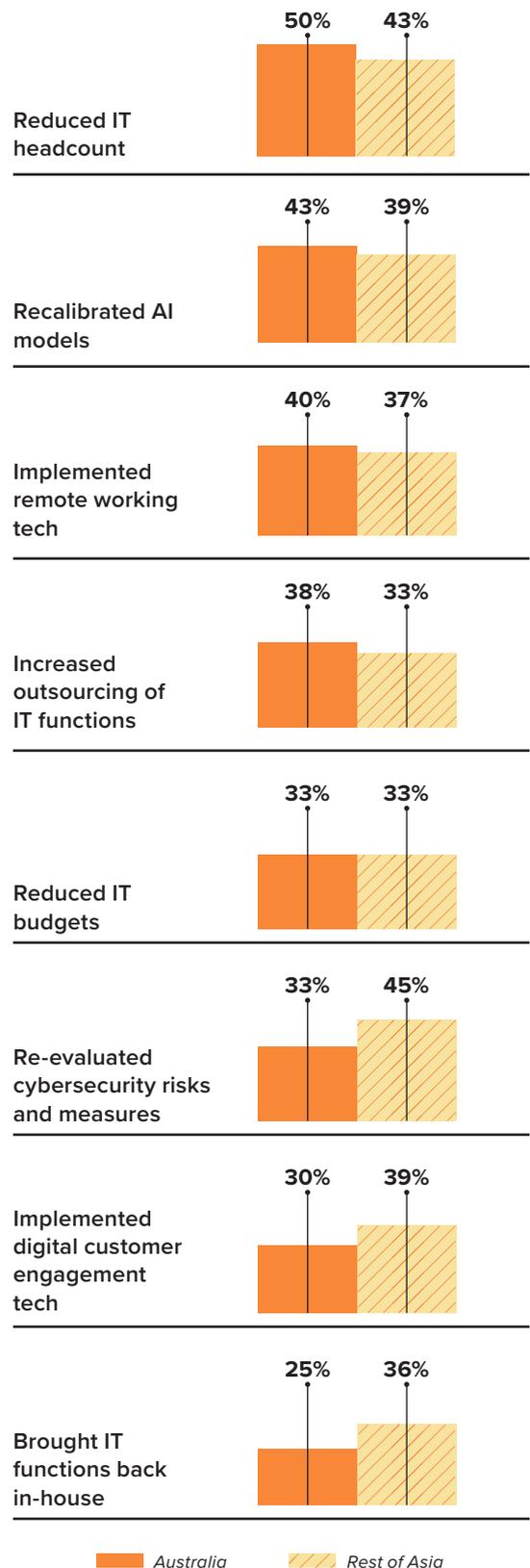
IT Leaders Are Dealing With Significant Change

Businesses in Australia, across Asia and the globe had to change strategy overnight. Supporting remote workers was crucial – astonishingly, 48% of businesses in Australia had to make significant changes just to make remote working possible at all. The same proportion had to remove many of the human steps from the employee experience – particularly those that required someone to be in the office or in a physical location.

Supply chains were also broken. Suddenly manufacturing plants across the country and across the globe were slowed down or shuttered. And on top of that, some of our customer processes – that we thought were completely digital (or at least “digital ready”) failed us. Capacity issues overcame applications, networks and datacentres; digital processes actually required human intervention; and customer service and engagement failed because our agents couldn’t get into the contact centres, or didn’t have connectivity from home.

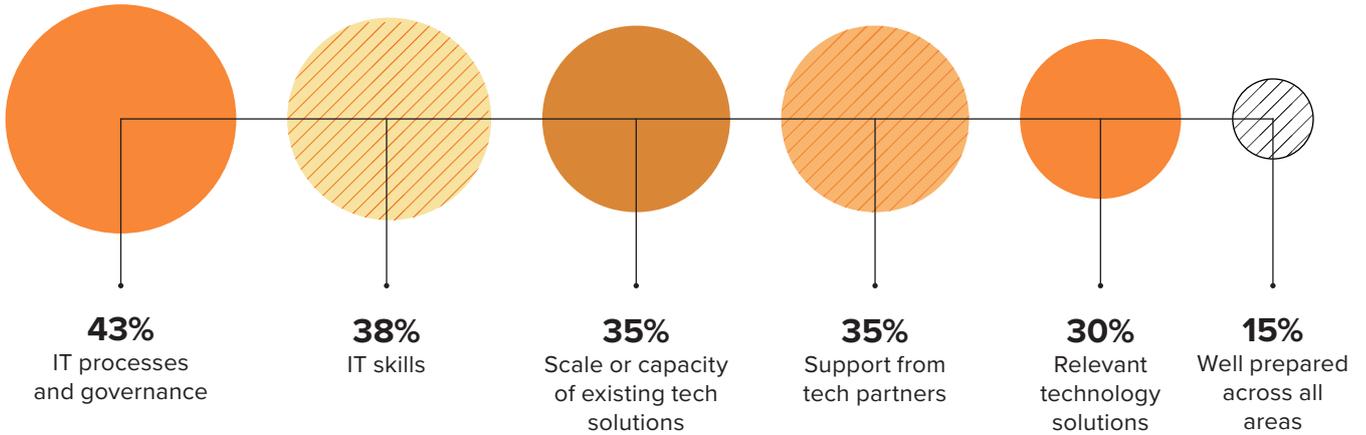
IT teams have been busy providing the tools and processes that employees need to work remotely – and in Australia that has often been with a reduced headcount. Technology leaders have needed to reduce the numbers of employees while also providing an increased level of service to the newly remote working community. Re-evaluating the security environments has not been a top priority for businesses across Australia – and that may reflect the increase in cyber-attacks over May and June. Distributed computing environments – across corporate laptops, home PCs, smartphones and tablets – have created an increased risk profile for many businesses, and some are already suffering the consequences of these attacks.

IT Teams Have Been Busy Supporting Remote Workers



Question: Technology team measures implemented to counter the COVID-19 crisis

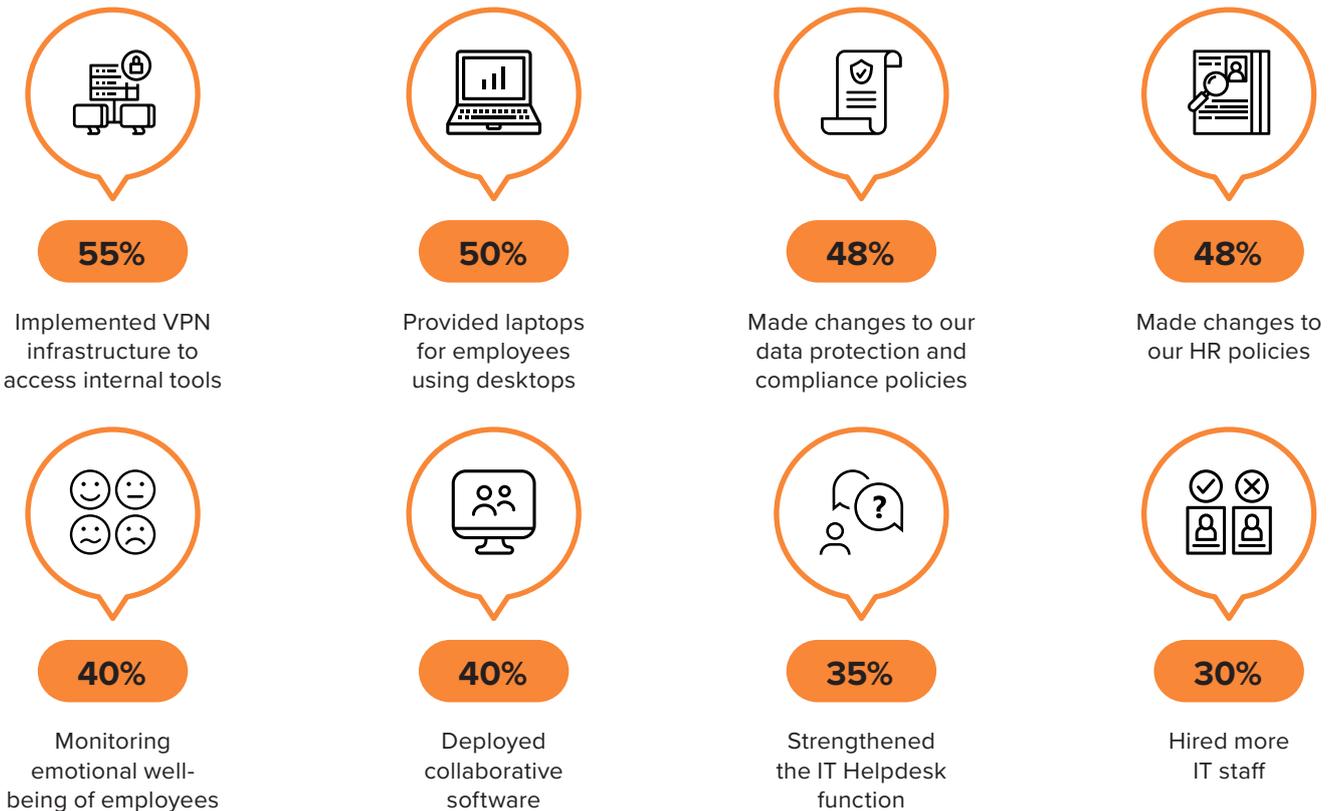
Few Australian Businesses Were Well Prepared for the Changes Caused by COVID-19



Question: Areas where IT environment was not prepared to handle the changes caused by COVID-19

The majority of businesses across Australia and Asia were not prepared for the changes that the COVID-19 pandemic would unleash on their business. Many didn't have the technology processes or governance in place for effective and compliant remote working (for them or their outsourcing partners!), nearly 40% didn't have the IT skills required today, and over a third had capacity issues in the move to remote working or the surge in digital demand from customers and employees.

Laptops and VPNs Are on Top of the List of Tech Measures to Support Remote Working – Top 8 responses



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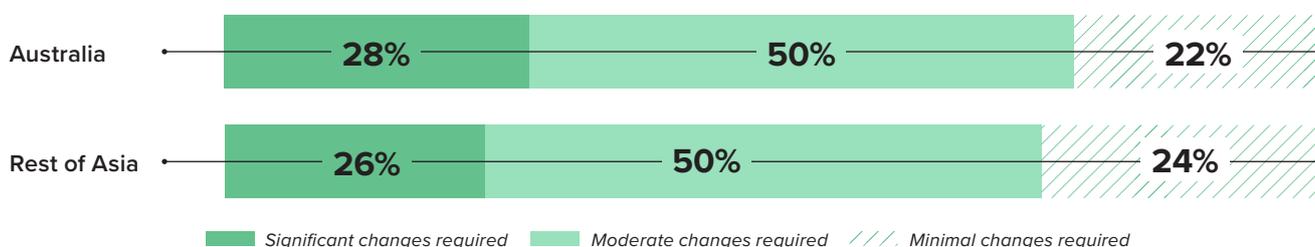
Many of the organisations that didn't allow remote working needed to quickly stand up VPN capabilities and distribute laptop computers to employees. Even businesses who had VPNs needed to quickly increase the capacity – one large business we spoke to sent their employees home on a Monday and called them back on the Wednesday as the VPN couldn't handle the number of requests from newly remote employees. Forty percent of businesses deployed collaborative software – and as many of us are aware, many others significantly increased their current deployment. A government department we interviewed in Victoria rolled out Microsoft Teams in a week – another agency had it up and running in two weeks. And despite the overall reductions in IT headcount, over a third of businesses strengthened their Help Desk to manage the increased capacity during the initial move off premises and the following challenges as digital customer and employee services were ramped up or improved.

BUSINESSES ARE ADAPTING TO THE CHANGED – AND CONSTANTLY CHANGING – Market Conditions

Most technology leaders feel that they still have a long way to go before their business adapts to the changed market conditions that the pandemic has thrust upon them.

On a scale of 1-10, where 1 is “not much change required to adapt” and 10 is “a lot of change required to adapt”, Australian tech teams scored themselves a 6.1 – meaning that despite the significant progress they have made, there is still a long way to go for their technology functions and teams to be able to operate effectively in the changed market conditions - what many are calling the “new normal”.

Significant Change Lies Ahead for Businesses to Adapt to the New Normal



Question: Level of IT change still required to cope with the COVID-19 crisis?

This is particularly reflected in the changing digital transformation strategies of Australian and New Zealand businesses and government agencies. Over 97% of businesses have changed their digital strategy in some way. Some – particularly the hardest hit businesses – have put their strategy on hold. Nearly 20% are accelerating their strategy, another 20% are forced to start their digital journey, while around 30% have changed the focus of their digital initiatives.

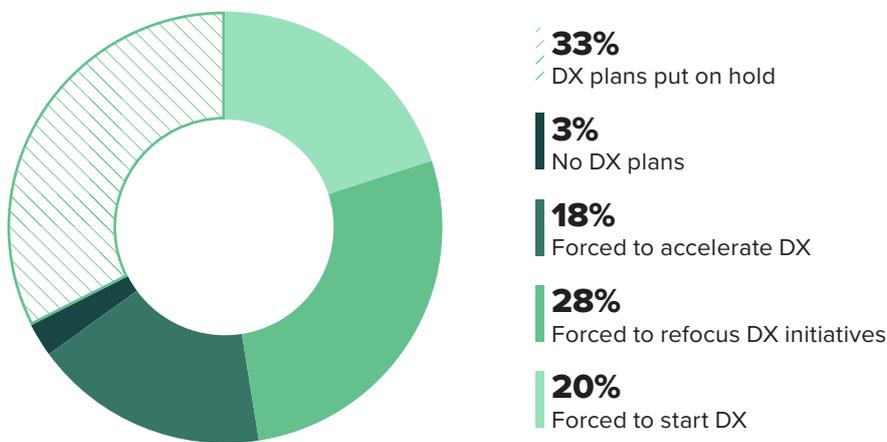
In June of 2020 Ecosystem ran a virtual roundtable with technology leaders across Australia and New Zealand. These companies displayed similar trends as seen in the data – but we also focused on where they are looking to focus their activities in the rest of 2020 and 2021. Across all of the businesses who participated, plus many more we have interviewed who are currently rethinking their digital strategy, we see five key themes emerging:

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1. Businesses are embracing the digital workplace
2. They are accelerating the move towards public cloud
3. They are focusing on automation and AI as a way to deliver their new business capabilities
4. They are using more modern development practices
5. They are rethinking their security models

These five themes are discussed in more depth below.

Digital Transformations Have Been Impacted by the Pandemic



Question: Which of these statements is most applicable to your organisation's Digital Transformation after the COVID-19 outbreak?

Embracing the Digital Workplace

This theme is front and centre in the minds of technology leaders today. The current pandemic forced the majority of information workers to work from home. During the recent virtual roundtable we heard a common theme – they are embracing the digital workplace at a pace they could never have imagined even six months ago. CIOs and Infrastructure & Operations leaders made the following statements:

“We had to accelerate our digital workplace strategy – two years of change was delivered in five days...

“We had a five-year plan to move to a modern workplace – where we could provide what employees need to get their job done on their device of choice wherever they happen to be working. We cut some corners but met that goal in a few weeks in March.

“Our business had already deployed a digital workplace – with the security, back-up, support and experience employees want and need. We didn't skip a beat in the lock-down.

A digital workplace has a number of components that enable the
"ANYWHERE, ANYTIME, ANY DEVICE" APPROACH TO WORKING:



Device access

The idea of the digital workplace is that employees can get the job done on their device of choice. For one person, this may be a desktop PC, another it may be a laptop, another it could be a smartphone or a tablet. These devices may be company or employee owned.



Application access

Applications, processes, information and data all need to be available on these devices. For any company that has already embraced SaaS, this is often already the case. For companies with on-premises applications, typically there is a fair amount of work to do in order to not only make them mobile-friendly, but to also ensure they work in both an offline and online environment.



Secure access

Security is at the core of the digital workplace – as feeling insecure is one of the biggest impediments to employee productivity. Continuous authentication and Zero-Trust security will be key to enabling the secure productive workplace.



Seamless access

Employees can get access to corporate services when they need them. There is no perimeter that defines access – mobile, home, public and corporate networks all can be used to deliver the services employees need.



Location and time-specific capabilities

The interface, access, data or analytics you need at a certain location, or at a certain time will vary. A good digital workplace will recognise this and push the right information for the specific need at the time.



Collaboration at its core

A great digital workplace helps people connect and work together – even more effectively than they do in person. It doesn't just connect remote workers, but helps bring office, warehouse, retail, factory and other workers into decisions and developments as required.



Embedded analytics

Employees need the right data at the right time. Individual analytics that help them drive the right outcomes that customers and the business need will power the digital workplace.



Seamless support

Many businesses built up strong IT help desks for their office workers, but remote and home workers received lower levels of service. A digital workplace assumes that everyone has the support that they need – through automated fixes, self-help services, and adaptive learning.

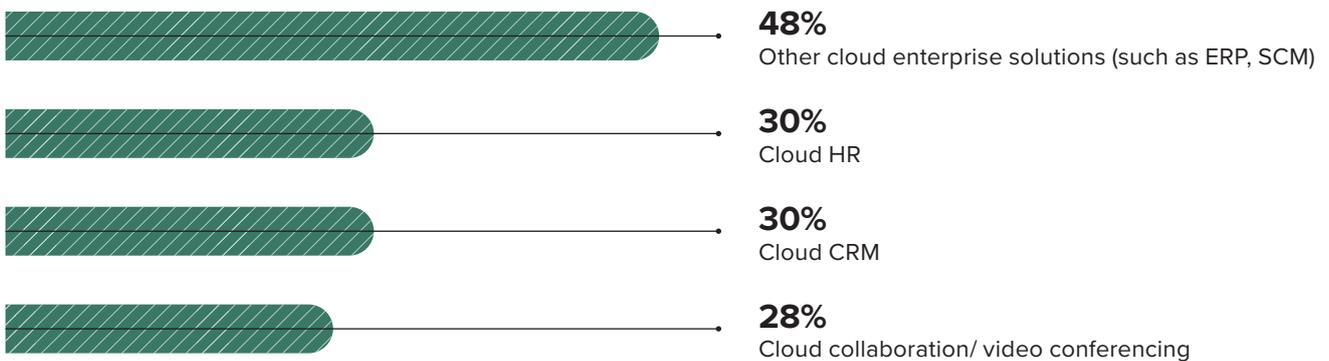
There has been a desire to deliver these new capabilities at pace – and now the challenge is to make the hybrid working environment between the home and the office just as productive. Managing the transition between office, home and other locations will be important – ensuring the same levels of availability, collaboration, security and business continuity remain.

A number of attendees at the recent virtual roundtable expressed relief that they were using a cloud-based service desk environment. One CIO mentioned “We were lucky enough that we were using BMC’s cloud environment to support our service desk and our monitoring equipment – that definitely helped a lot being able to transition to a broader use of public cloud services”. Which brings us to the next major change in digital strategy.

Accelerating the Move Towards Public Cloud

Businesses across Australia and New Zealand have been turning to the public cloud at an increasing rate in the first half of 2020. Public cloud services were always a part of most businesses digital strategy – but were often deployed in a slow and systematic manner. For example, businesses would wait until the hardware and software on premises had been completely depreciated before the move. But that changed during the pandemic. Businesses are embracing public cloud services in order to drive new business capabilities and often to also drive down costs at pace.

Cloud Usage Is Significantly Increasing in Australia in 2020



Question: Which of these technologies have you significantly increased your investment in due to COVID-19

Attendees at the recent virtual roundtable have been embracing public cloud too:

“We moved our employees to cloud-based everything in a hurry so that they could work at home and on their own devices. We are still working our way through the security, identity management, compliance, back-up and records management issues – but productivity and staff satisfaction is up.
”

A digital architect has already started to think about how they make their new cloud investments work for them:

“We increased our footprints in Azure and AWS and also are using more Salesforce CRM and Salesforce cloud technology solutions. One of the key challenges we have is how we maximise our existing cloud technology investments, along with cloud optimisation and cloud cost management.”

A large support services business is embracing cloud in their core service offering:

“With our new cloud-based service desk solution we can roll out our Service Desk anywhere. That means that I can have an analyst in Broken Hill, I can use a mature workforce, a disabled workforce – all those sorts of things. This used to be too hard to manage – but now it’s not too hard we’ve shown that it can be done. Going forward our service centres will be geographically distributed and be much more cost-effective.”

Public cloud applications, platforms and infrastructure are enabling businesses to build and deploy new solutions and capabilities quickly. The pandemic has seen many companies shift focus to new business areas, create new customer and partner channels or touchpoints, reinvent their supply chains and even move to adjacent markets in order to survive or at least take advantage of the opportunities that lay in front of them. In July 2020, the NSW Government created a new capability and process in just 36 hours to manage movement across the closed border between NSW and Victoria. These types of projects used to take weeks or months and today they happen in hours and days. Public cloud services are helping us deliver these types of customer and employee services at pace, but we need to manage them effectively.



Cloud cost management: the increased number of cloud services will see a big increase in costs. A number of attendees at the recent roundtable actually mentioned this as a concern as their cloud usage accelerates. One cloud architect said *“There is that perception of cloud oftentimes that it is cheaper, but the reality is no it is not truly cheap. I think where we struggle is we over-provision some of the resource like VMs and also the runtime is also not completely managed”*.



Cloud optimisation: as you move more workloads to the cloud and take advantage of more of the platform services, you should start to better optimise your usage. Cloud optimisation is the process of correctly selecting and assigning the right resources to a workload or application. It may even encompass the cloud architecture – whether a different cloud development model (for example, containers) might make an application or process more efficient and cost effective to manage and deliver.

Adopting Automation and AI

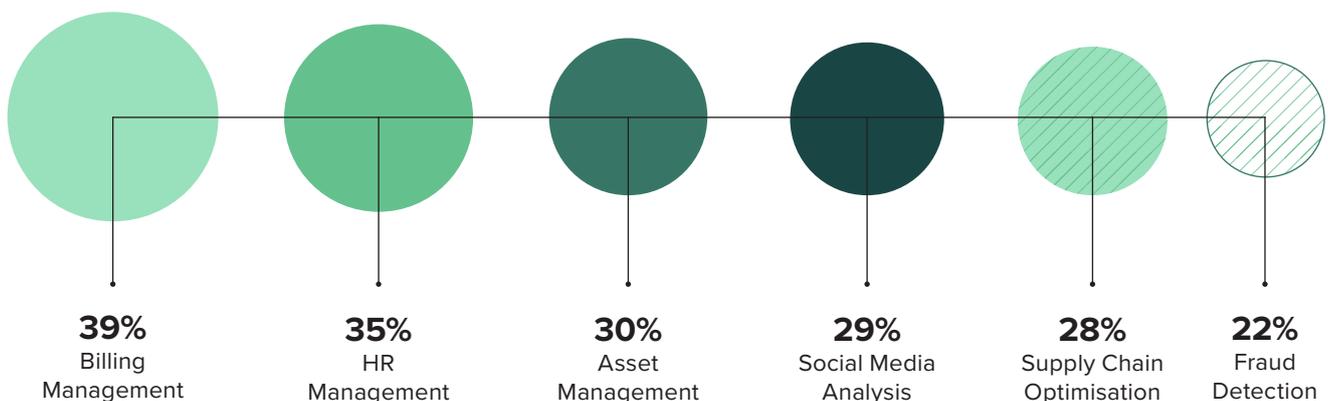
Reducing cost is towards the top of most business priorities today – and they are taking any and every approach to meet that goal. Some are reducing headcount, others reducing real estate or closing branches, stores or offices, while others are renegotiating loans and debt payments. But a common approach across nearly every business is the move to embrace automation and AI to both reduce the operational cost of existing services and to reduce the cost and time to value for new business capabilities. The days where we would hire a new person or team for every new business capability might well be behind us – when we have an idea for a new service, product or capability, the first question is often “how can we automate this from end-to-end”?

Automating service desk activities will be a key focus for the rest of 2020 and 2021 as businesses look to reduce the costs of their IT and business service desks – many of which increased significantly over the first half of 2020 as businesses adapted to having their employees at home and customers contacting them over the phone at an increased rate. Data from that period is already being analysed and businesses should already be taking steps to automate the solutions to common issues and to fix underlying processes that are causing the issues.

Smarter businesses are using both the data inside their business and from partners and social networks to not only better understand customers, but to anticipate needs. For example, one large fast-food chain used its existing customer data and combined it with location data and social media data (including analysing the content of photos) to understand that their customers are often going elsewhere for dessert options. They are currently testing new dessert products in order to get an increased share of wallet of the customers that come into their restaurants or order online. This is particularly important today, as the footfall has decreased, and social distancing requirements mean fewer customers can actually enter their stores.

Businesses and government agencies in Australia and New Zealand have many different AI initiatives on their agenda – but billing management, asset management and intelligent HR initiatives top the agenda for 2020. Supply chain optimisation has shot up the list for businesses too as the pandemic has had a significant impact on supply chains across the globe.

Australian and NZ businesses Are Focusing AI on Horizontal Initiatives – Top 6 Responses



N = 122

Question: What business solutions has your organisation identified to be addressed by Artificial Intelligence (AI) adoption?



Using Modern Development Practices

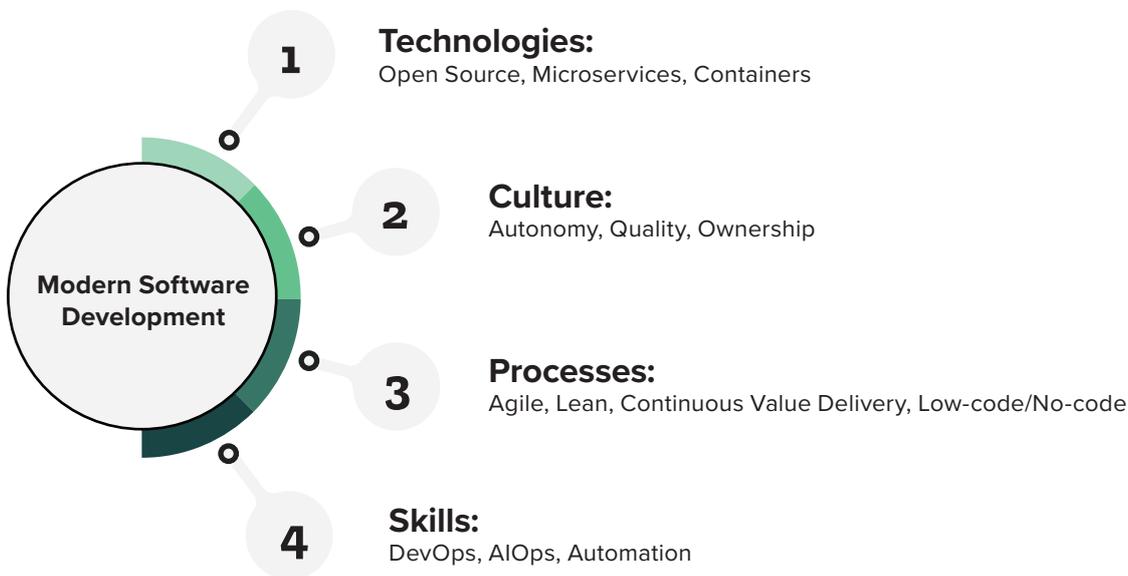
A digital experience is effectively a software-based experience – one where the value is delivered through software interfaces. Therefore your ability to quickly reinvent your digital experiences is linked directly to your ability to design, develop and deliver great software-based experiences. All the best tech in the world won't make your business better without the processes to take advantage of this technology. And modern development practices are helping businesses take advantage of modern technology. One CTO at the recent roundtable put it well:

“The biggest challenge that I have with my company is I support the platforms, but I've got to let them know that digital transformation is not just about technology. In fact it's not about technology at all – it's about enabling the business with the technology. You've got to get away from the thought that it's all about tools and tool sets – it's what those tools and tool sets do for you which is really the digital change that we're trying to drive.”

Software development has changed significantly over the past twenty years. You likely already have pockets of agile development both within your business and provided by your managed services and systems integration partners. But even agile development isn't enough anymore. In the past five years alone, software development practices have evolved quickly – becoming cloud-native, making use of new technology architectures, and focusing on continuous value delivery. DevOps functions are quickly becoming the standard way to build and improve applications – the walls between “build” and “run” have been removed in many development teams.

As Australian and NZ businesses embrace the public cloud, they are seeing an increased requirement to deliver at speed – in the same way their cloud-based collaboration providers have been driving constant updates to software during the pandemic, businesses need to drive continual improvement in their customer experiences. DevOps, containerisation, microservices and other modern development practices are beginning to take hold in businesses here – sometimes even at a faster rate than across much of the globe. These processes are also generally seen as lower cost, leaner ways to provide continual product and service improvement.

Modern Software Development Requires New Skills, Technologies, Processes and Culture



Low-code and no-code development is also seeing a rise of the “citizen coder”. These tools allow people with limited or even zero coding skills to create new business processes, capabilities, services or customer experiences. While skilled coders will often be needed to create the original assets, these assets – typically surfacing as microservices – will then be available to the low-code/no-code platform for users to create their own processes.

All of these capabilities help your company deliver your new or modified digital experiences faster and more cost-effectively. The new cloud-native development models abstract away a huge amount of the traditional complexity, allowing developers to focus on delivering – and continuously improving – digital services.

Rethinking Security Fundamentals

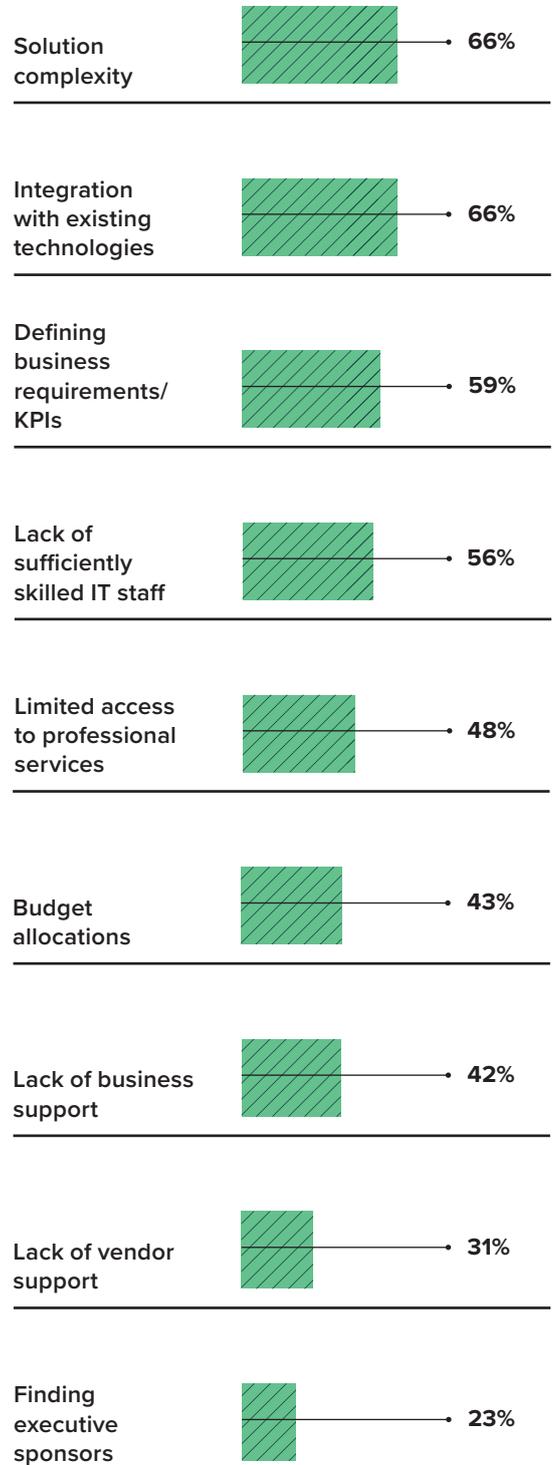
The rush to enable our newly remote employees and our newly digital customers had seen businesses focus more on the employee and customer experience and less on the technology fundamentals. This has been a necessary requirement – employees needed to be productive, and customers demanded continuity of service and availability. And we have moved mountains to ensure that employee and customer demands were met.

It is now an urgent requirement to focus again on our technology fundamentals – securing solutions so they meet corporate and regulatory requirements; ensuring solutions are redundant and backed-up; automating our tech deployments and fixes; and layering in analytics, monitoring and learning so we can see where to improve our technology and what might fail.

A modern approach to securing the distributed enterprise is through the Zero Trust security model. Zero Trust started as a network architecture, but today it is more than that. It is a security model based on the principle of maintaining strict access controls and not trusting anyone by default, even those already inside the network perimeter. In fact it is designed for a world where there is no network perimeter – one that looks very similar to your current operating model – with employees working from the office, home and other locations – using applications and data that is hosted in the public cloud, on premises and in co-located data centres. Extending the network perimeter through VPNs is not a long-term model for security – employees are accessing corporate data on unprotected mobile devices and home PCs. And industry data suggests that around 60% of businesses believe that their perimeter is vulnerable anyway...

With the growing threats from cyber-attacks on businesses and government departments in Australia and NZ, and the growing attack surface of businesses – spread across multiple networks, devices, clouds and applications – organisations need to embrace new security models, such as Zero Trust, as a matter of urgency. These new security architectures will actually enable you to move faster; as they become part of the fabric of your operations, security should no longer be an overlay or an afterthought.

Complexity and Integration Challenges Slow Down Cybersecurity Deployments



N = 187

Question: What are the challenges for your cybersecurity deployment?

THE AUTONOMOUS DIGITAL ENTERPRISE: **The Future of Business**

As companies navigate the ongoing disruption presented by the coronavirus pandemic, competitor innovation, and escalating customer needs and expectations, they must embrace intelligent, tech-enabled systems across every facet of the business to thrive.

BMC envisions a future state for enterprises equipped with powerful agility, customer-centricity, and actionable insights: the Autonomous Digital Enterprise, where competitive differentiation is achieved with new operating models enabled by

technologies that deliver a transcendent customer experience, apply automation everywhere, support enterprise DevOps, drive data-based business outcomes, and safeguard the organization with adaptive cybersecurity.

About BMC



From core to cloud to edge, BMC delivers the software and services that enable over 10,000 global customers, including 84% of the Forbes Global 100, to thrive in their ongoing evolution to an Autonomous Digital Enterprise.

About Ecosystem



e c o s y s t m

Ecosystem is a private equity backed Digital Research and Advisory Platform with global headquarters in Singapore. As a global first, Ecosystem brings together tech buyers, tech vendors and analysts into one integrated platform to enable the best decision making in the evolving digital economy. The firm moves away from the highly inefficient business models of traditional research firms and instead focuses on research democratisation, with an emphasis on accessibility, transparency and autonomy.

Ecosystem's research originates from its custom designed "Peer2-Peer" platform which allows Tech Buyers to benchmark their organisation in "real-time" against their industry or market. This bold new research paradigm enables Ecosystem to provide Tech Vendors access to ongoing and real time Market Insights in an affordable "as-a-Service" subscription model.