

DELL Technologies

DIGITAL TRANSFORMATION INDEX 2020

EXECUTIVE SUMMARY



Dell Technologies **Digital Transformation Index 2020**

The Dell Technologies Digital Transformation Index (DT Index) is a global benchmark indicating businesses' status of digital transformation across the globe and how they are performing in this digital age. This is the third installment of the DT Index, and a powerful, point-in-time snapshot of how businesses are adapting to unprecedented uncertainty during a global pandemic.

According to the last wave of the DT Index (2018), many businesses' digital transformation programs were out of step with leaps in computing power and the influx of emerging technologies - making the imperative to adapt to today's unprecedented business disruption even more urgent and challenging. So, have they succeeded?

Dell Technologies surveyed **4,300** business leaders from around the globe to analyze their organizations' transformation efforts.

Global perspective:
18 countries

Cross-functional:
Director to C-Suite from Mid-
Size to Enterprise organizations

Industry view:
12 industries

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1 UNPRECEDENTED UPHEAVAL



WE LIVE IN UNCERTAIN, TURBULENT TIMES.

Prior to recent disruption, the pace of transformation was lagging - making the imperative to transform in recent months even more challenging.

Companies are bracing themselves for a challenging chapter ahead.

Almost **1 in 3**

are worried their organization may not survive the next couple of years.

60%

believe they will survive but will shed many more jobs and take years to return to profitability.

2 ACCELERATION PHENOMENON



Accelerating digital transformation programs in 2020

80%

businesses **fast-tracked** at least **some** digital transformation programs this year



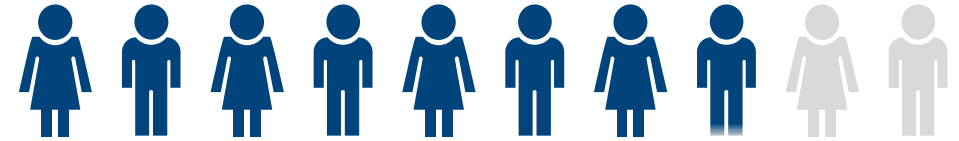
But just **41%** accelerated **all** or **most** of their programs

Top 5 acceleration programs

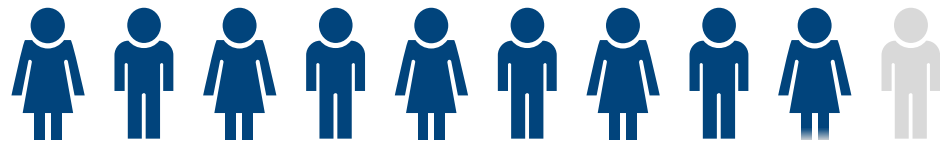
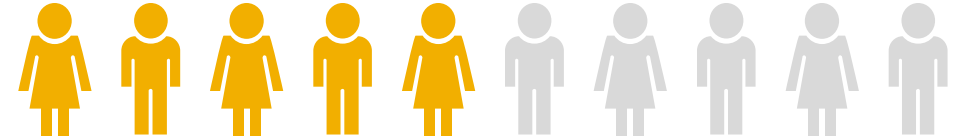
- 1 Strengthening our cybersecurity defenses
- 2 Rolling out broader working from home/remote working capabilities
- 3 Reinventing how we deliver digital experiences to customers & employees
- 4 Using data in completely new ways
- 5 Transforming our services and consumption models

The two sides of acceleration

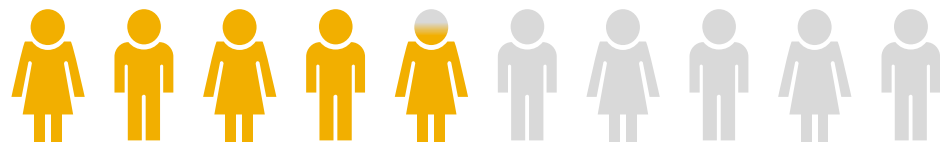
79% are **reinventing their business model** as a result of the disruption caused by the pandemic.



50% worry they didn't transition **fast enough**.



89% are **proud of their team/organization** in the way that they've adapted their IT and business/operational strategy.



48% fear they are **at risk of employee burn-out** from trying to adapt their IT strategy in these abnormal times.

3

A NEW DIGITAL TRANSFORMATION CURVE



BENCHMARK GROUPS

DIGITAL LEADERS

Digital ingrained in DNA

DIGITAL ADOPTORS

Mature digital plans, investments and innovations in place

DIGITAL EVALUATORS

Gradual digital transformation and planning

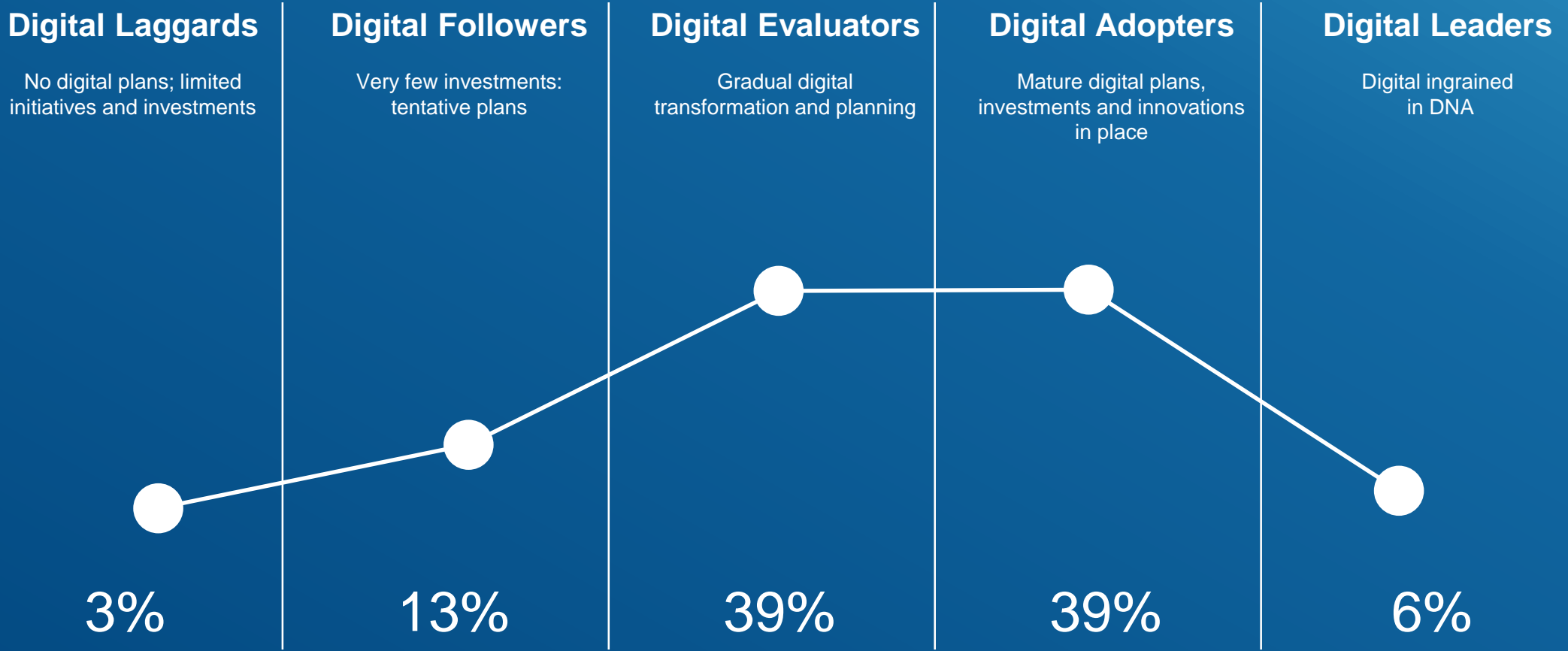
DIGITAL FOLLOWERS

Very few investments; tentative plans

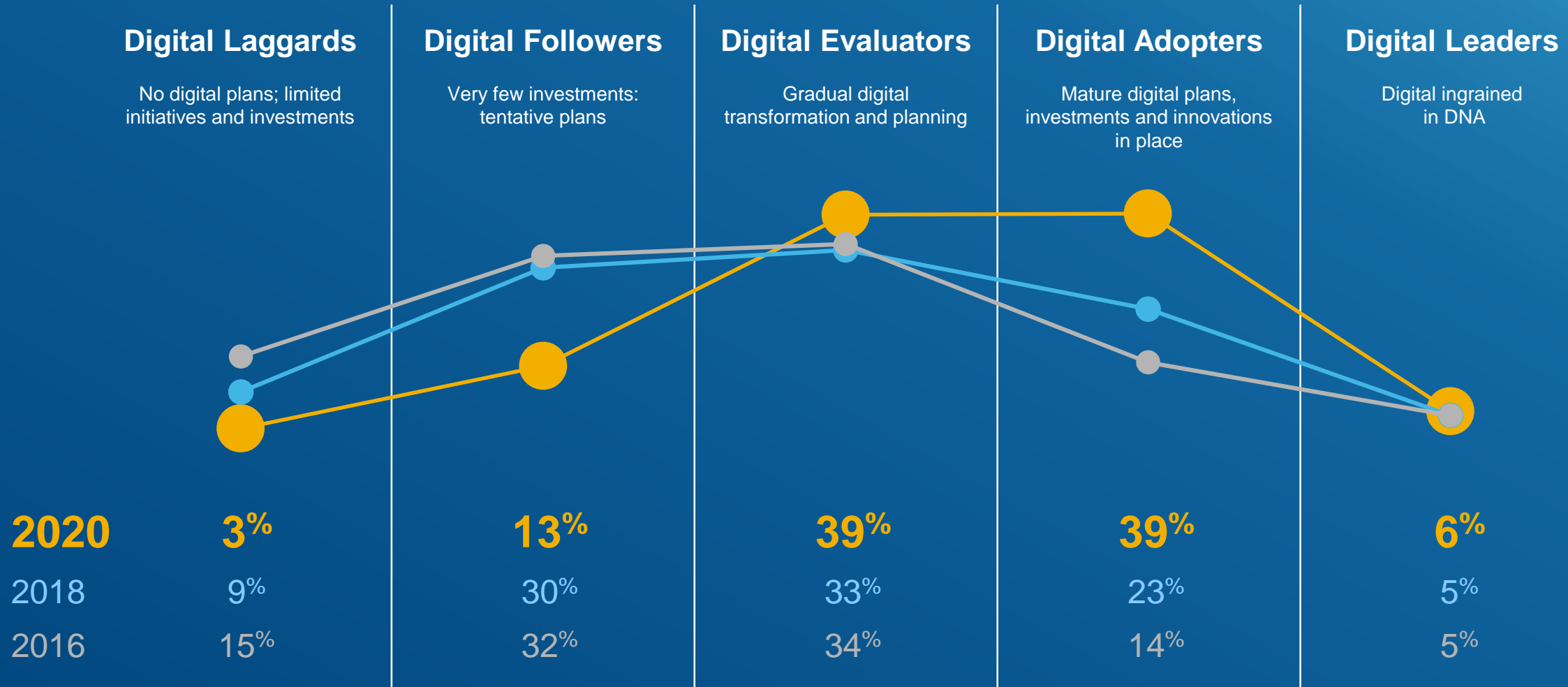
DIGITAL LAGGARDS

No digital plans; limited initiatives and investments

Digital Transformation Index 2020



Digital Transformation Index YoY





4 BARRIERS TO TRANSFORMATION

Business are facing entrenched barriers to transformation

Transformation isn't easy.

94%

of businesses are facing entrenched barriers spanning across technology, people and policy.

- 01 Data privacy and security concerns
- 02 Lack of budget and resources
- 03 Unable to extract valuable insights from data and/or information overload
- 04 Lack of economic growth (NEW)
- 05 Lack of the right in-house skill sets and expertise (analytics, technology, and business skills)
- 06 Regulation or legislative changes
- 07 Immature digital culture: lack of alignment and collaboration across the company
- 08 Lack of the right technologies to work at the speed of business
- 09 Lack of coherent digital strategy and vision
- 10 Weak digital governance and structure
- 11 Lack of the right senior support/leadership
- 12 A fragmented or siloed computing environment

Top 3 barriers to transformation ANALYSIS

1

Data privacy and security concerns

Digital Leaders and Adopters are more likely to cite data privacy and security concerns as a major barrier to transformation – suggesting a level of awareness that others lack.

2

Lack of budget and resources

This barrier ranked lower for Digital Leaders and Adopters (hence they're continuing to invest in IT & workforce transformation).

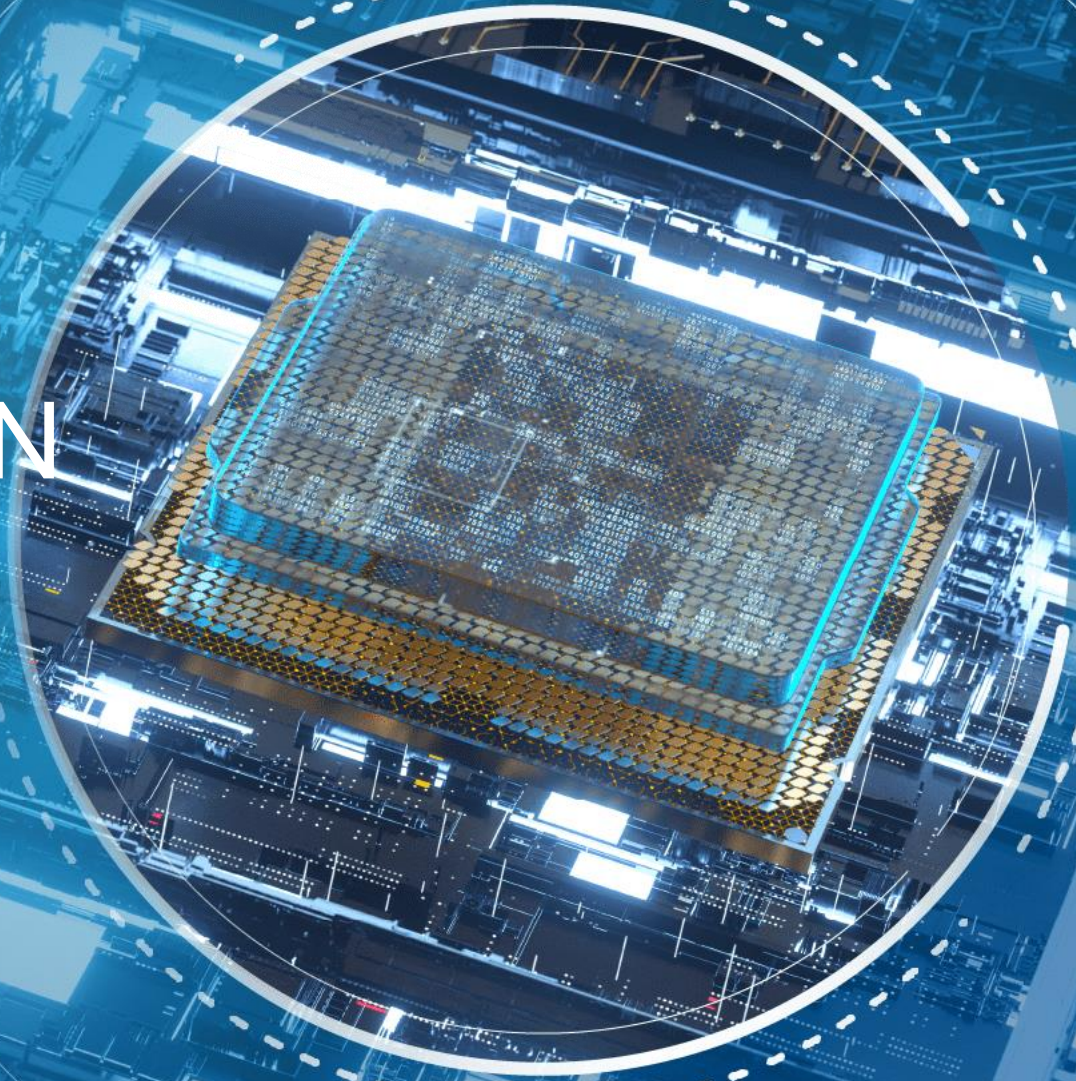
3

Unable to extract valuable insights from data and/or information overload

This barrier climbed from 11th place in 2016 to joint second in 2018 and remains a significant barrier. In fact, **91%** of businesses agree that **extracting valuable insights from data will be more important for their business than ever before.**

5

DIGITAL
TRANSFORMATION
ROADMAP



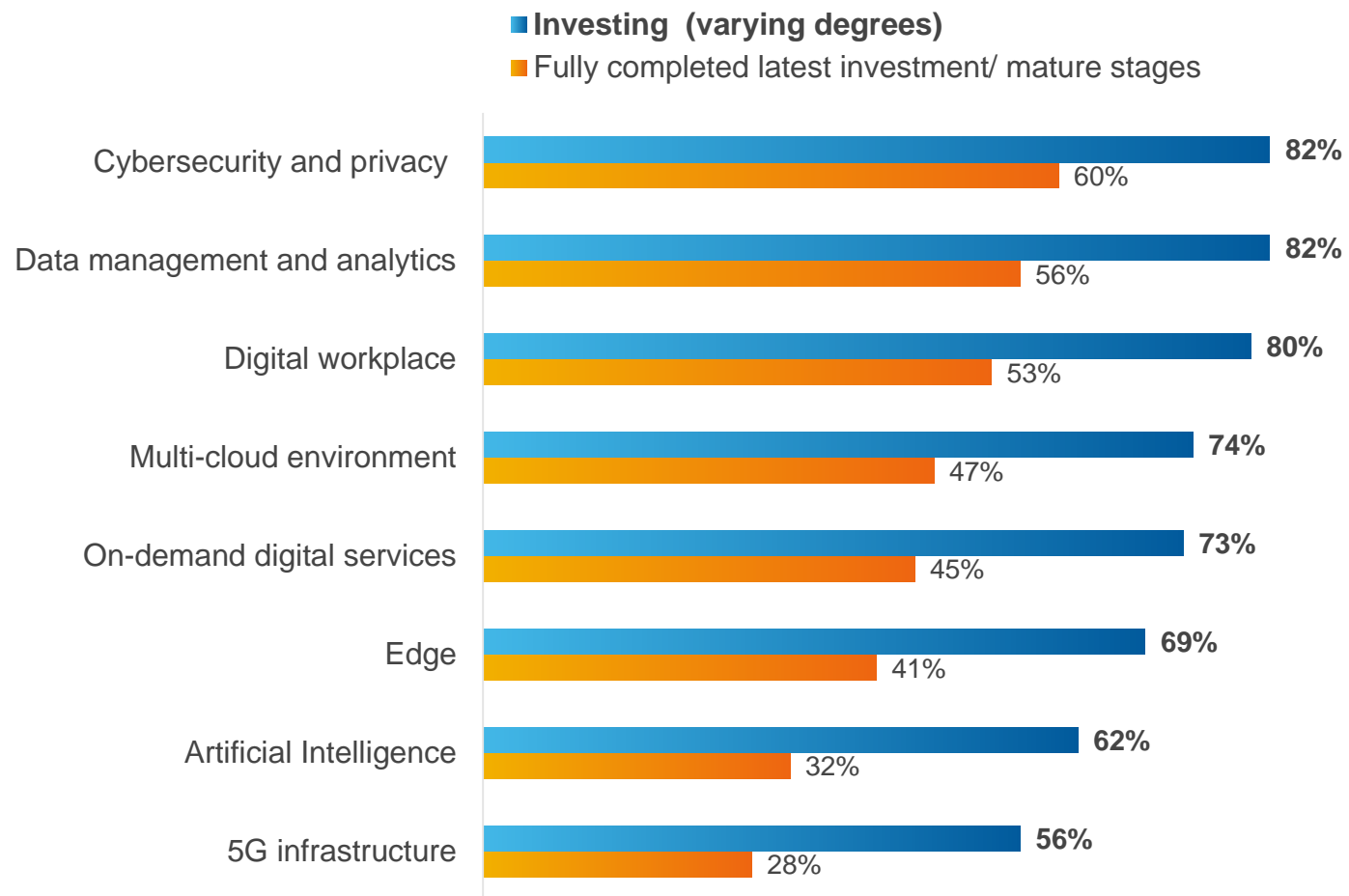
Current IT Investments

89%

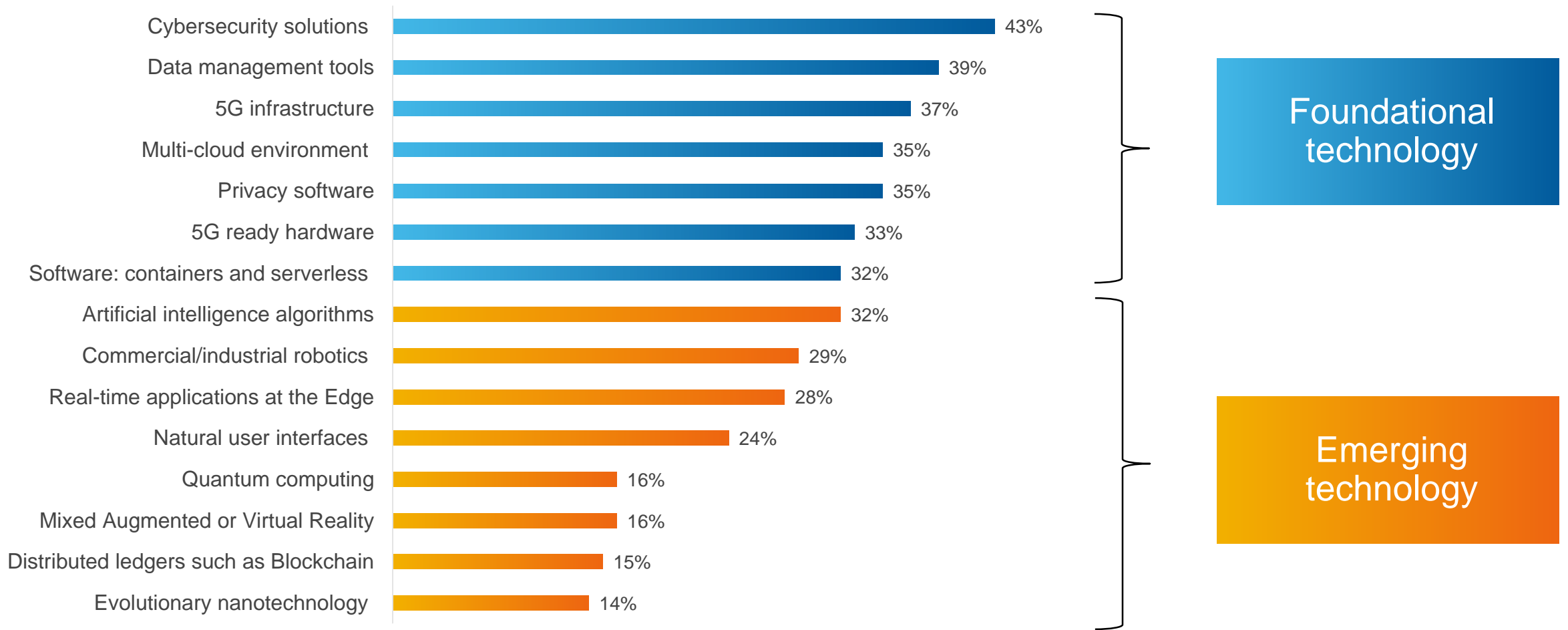
say recent disruption has shown they **need a more agile/ scalable IT environment.**

Only **41%**

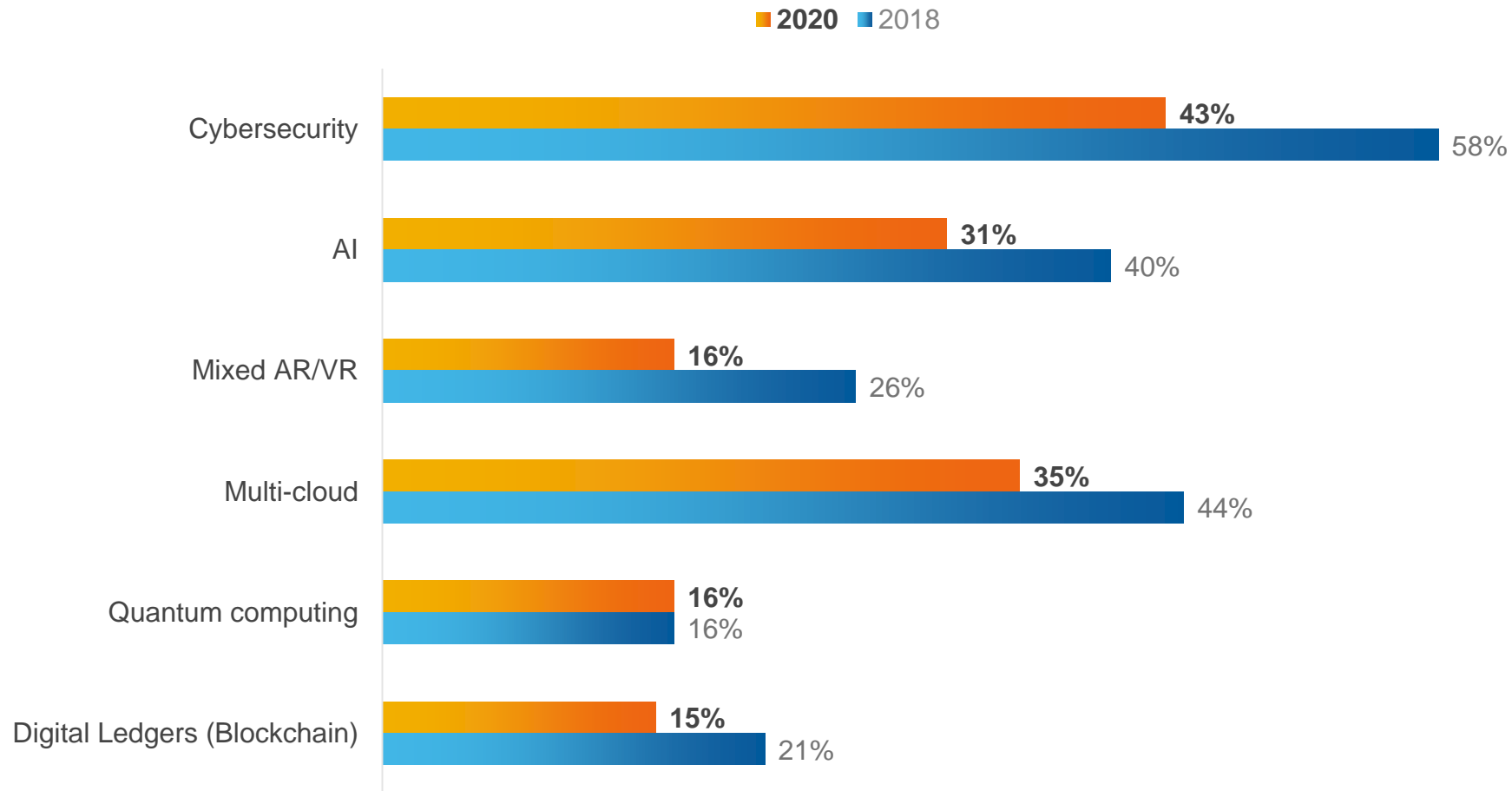
say having the **right technologies to work at the speed of business** enabled them to successfully accelerate this year.



Overall planned investments over the next 1-3 years

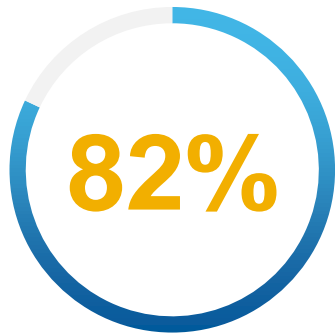


Technology planned investments (1-3 years) have stalled

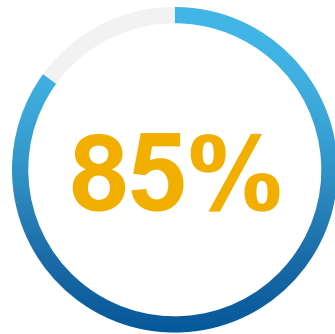


Continual investment, amid the uncertainty, is necessary to shape the future that businesses want.

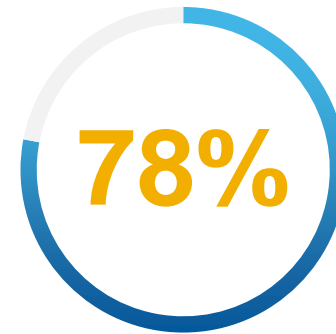
High hopes for next 3-5 years



envision that people will use AR to learn **how to do or fix things in an instant**



foresee businesses using AI and data models to **predict potential disruptions**



predict distributed ledgers will make **the gig economy fairer** (by cutting out the intermediary).

Yet, despite the high hopes, businesses are not investing accordingly:



only **16%** are planning to invest in VR/AR



just **32%** intend to invest in AI



just **15%** plan to invest distributed ledgers

6 THE WORKFORCE TRANSFORMATION IMPERATIVE



Remote working is the new normal

Before the pandemic



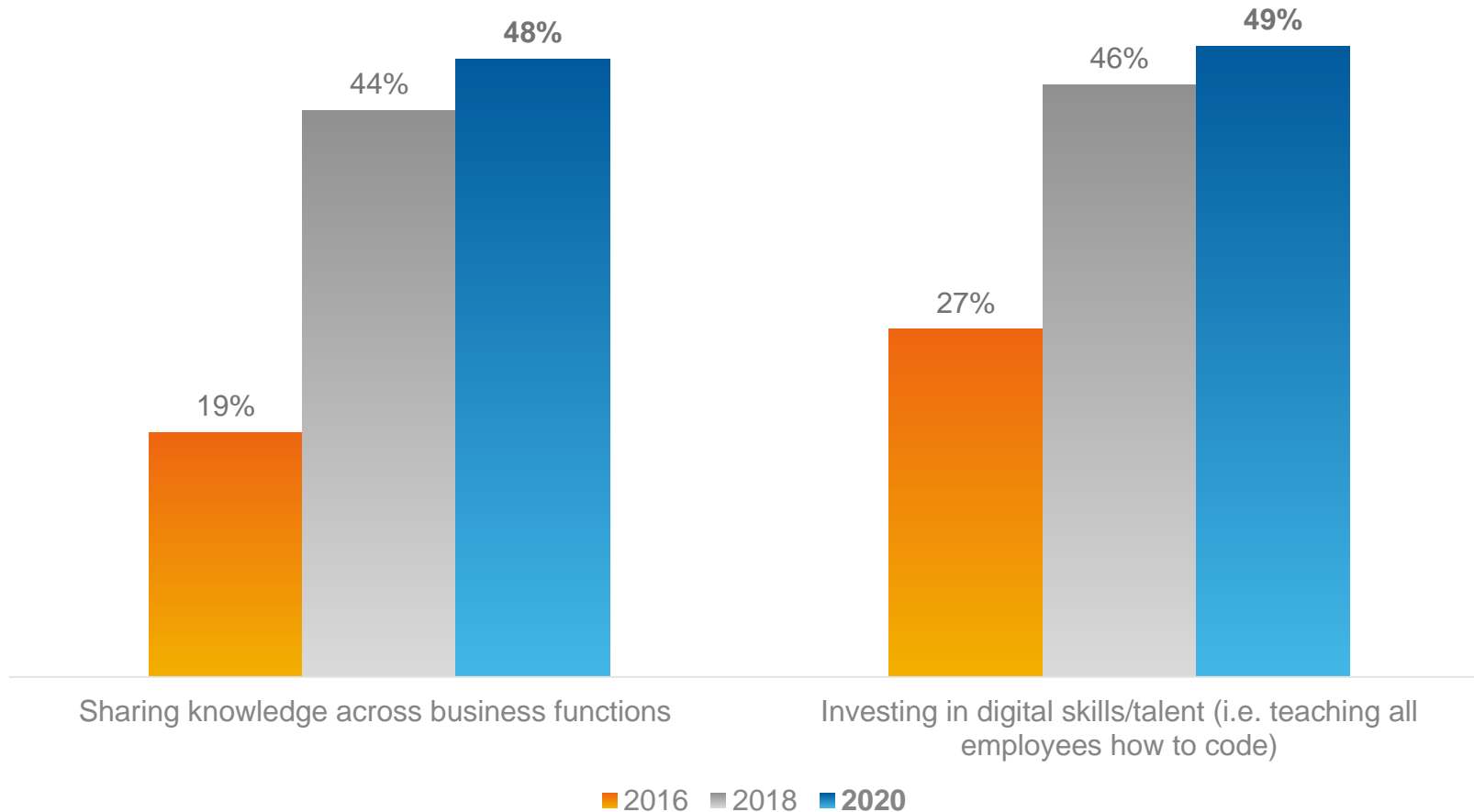
Proportion of staff working remotely
■ 0-30% ■ 30-60% ■ 60-90% ■ 90-100% ■ Don't know

Today



Proportion of staff working remotely
■ 0-30% ■ 30-60% ■ 60-90% ■ 90-100% ■ Don't know

Room for improvement: digital skills

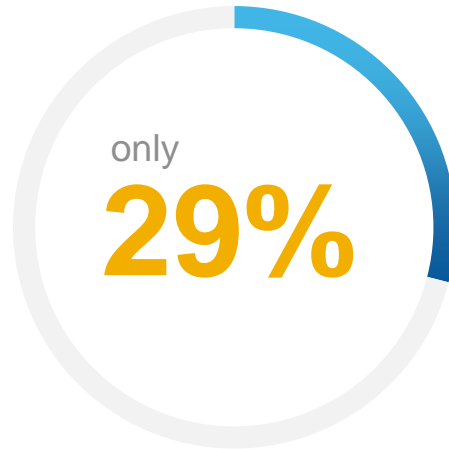


Businesses are continuing to invest in their workforce but some of these efforts are stalling.

Room for improvement: agile culture

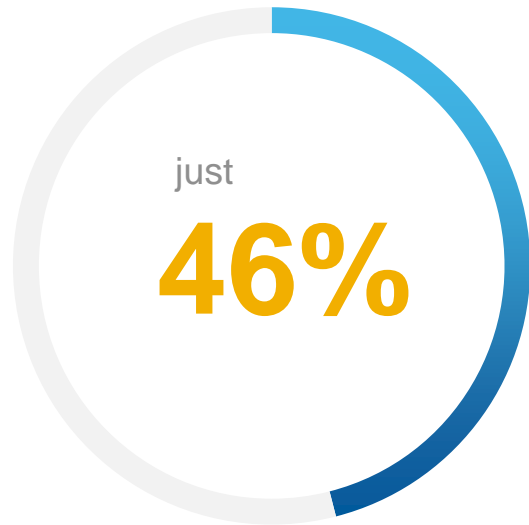


are **hosting hackathons** / scrums to encourage innovation



are actively encouraging a **fail-fast-then-succeed** mindset

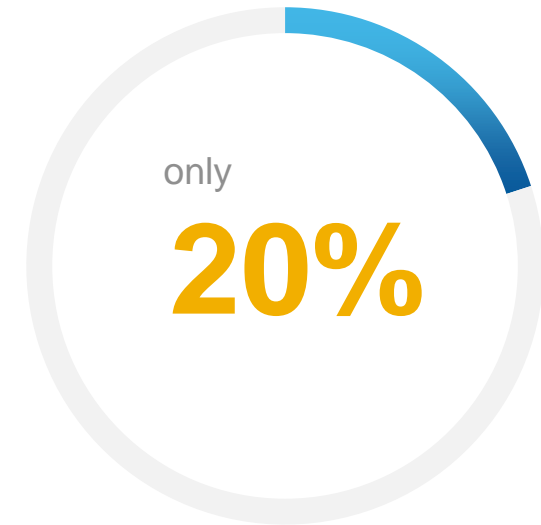
Room for improvement: engaged leadership



could say that having an **engaged leadership** team (championing digital transformation) enabled them to accelerate.



are in communication with/from the C-Suite to **identify discrete projects** in the business that can be digitized.



have appointed a **Chief Data Officer**.

7 LEARNING FROM LEADERS



Digital Leaders have ingrained digital in all they do



96% of Digital Leaders say their **ability to collect, analyze and act on data** has made it easier to adapt and survive

Digital Leaders believe that within 12 months they'll be:



92% Extracting insights at the Edge



94% Overcoming bandwidth and latency issues at the Edge

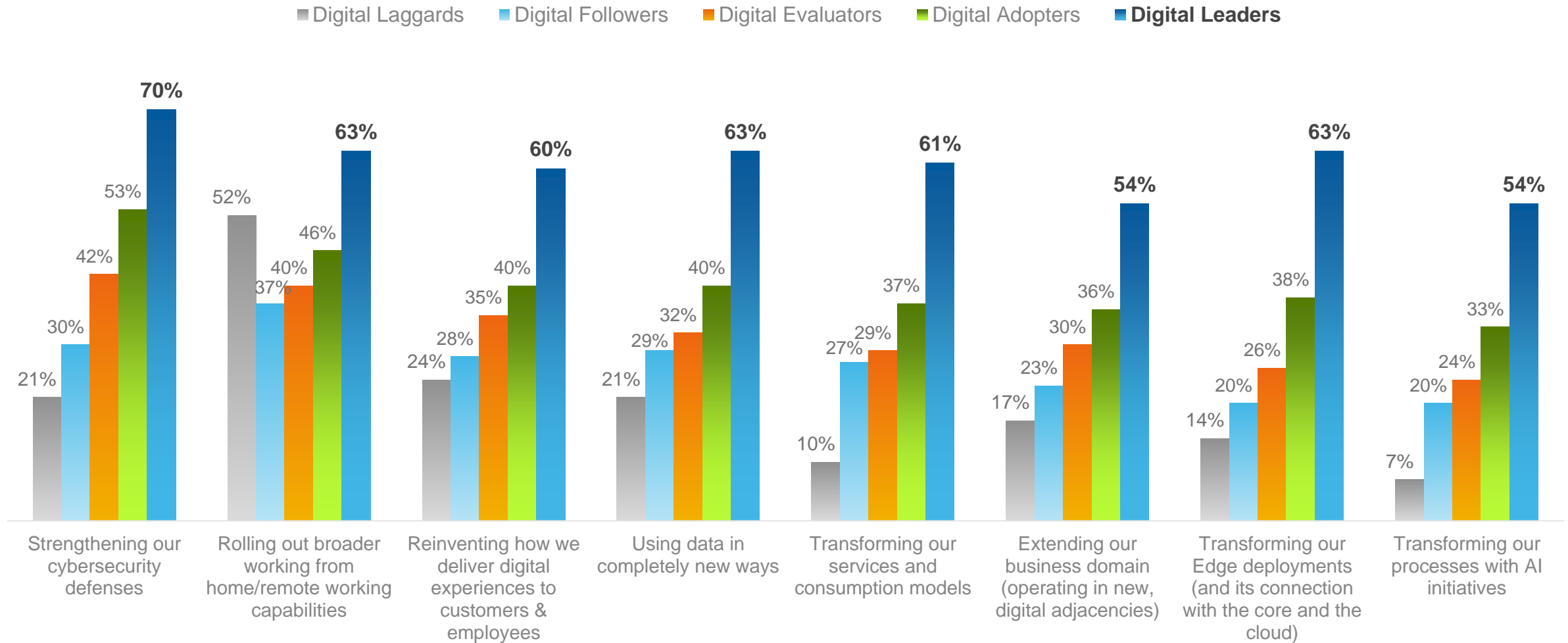


93% Making their data secure, at the Edge



74% of Digital Leaders have already **set-up new digital channels to support customers** during the pandemic

More Digital Leaders successfully accelerated key transformation programs



8 BE READY FOR
WHAT'S NEXT





READY FOR
WHAT'S NEXT

In response to these turbulent times, we've seen a major acceleration in digital transformation.

Today, nothing is certain. Business continuity for long-term resilience is paramount and we all need to be ready for what's next, because the world can change in an instant.

With a strong ally by their side, businesses can absolutely adapt to new routines and push the frontiers of what's possible, with timely, on-demand IT that flexes to meet the needs of the business.

A decorative graphic on the left side of the slide consists of several concentric circles. The circles are rendered in a light blue color and vary in style, including solid lines, dashed lines, and lines with a slight gradient. They are arranged in a way that creates a sense of depth and movement, resembling a stylized spiral or a series of orbits.

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