

DELL TECHNOLOGIES DIGITAL TRANSFORMATION INDEX II

EXECUTIVE SUMMARY



DELL TECHNOLOGIES

DIGITAL TRANSFORMATION INDEX II

Two years ago, the inaugural Digital Transformation (DT) Index revealed nearly half of business leaders (45%) believe their organization will be obsolete within 3-5 years. Digital disruption has continued unabated since then. So, what's the situation today?

Dell Technologies, in collaboration with Intel, surveyed **4,600** business leaders from around the globe to analyze their organizations' transformation efforts.

Global perspective:
40+ countries

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

Industry view:
12 industries

TABLE OF CONTENTS

1

REDRAWING THE
BUSINESS LANDSCAPE

2

LAGGING BEHIND THE
CURVE

3

FACING PERSISTENT
BARRIERS TO
TRANSFORMATION

4

ON THE VERGE OF A
CRISIS IN CONFIDENCE

5

FORMULATING A
RESCUE PLAN

6

REALIZING THEIR
DIGITAL FUTURE

1

REDRAWING THE BUSINESS LANDSCAPE

TRANSFORMATION HAS BECOME AN ACUTE, UNIVERSAL PREREQUISITE.

Despite the inexorable move towards a digital world, many businesses' digital transformation programs are still in their infancy.

78%

believe digital transformation should be more widespread throughout their organization.

51%

believe they'll struggle to meet changing customer demands within five years.

1 in 3

still fear they'll be left behind.

2

LAGGING
BEHIND
THE 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

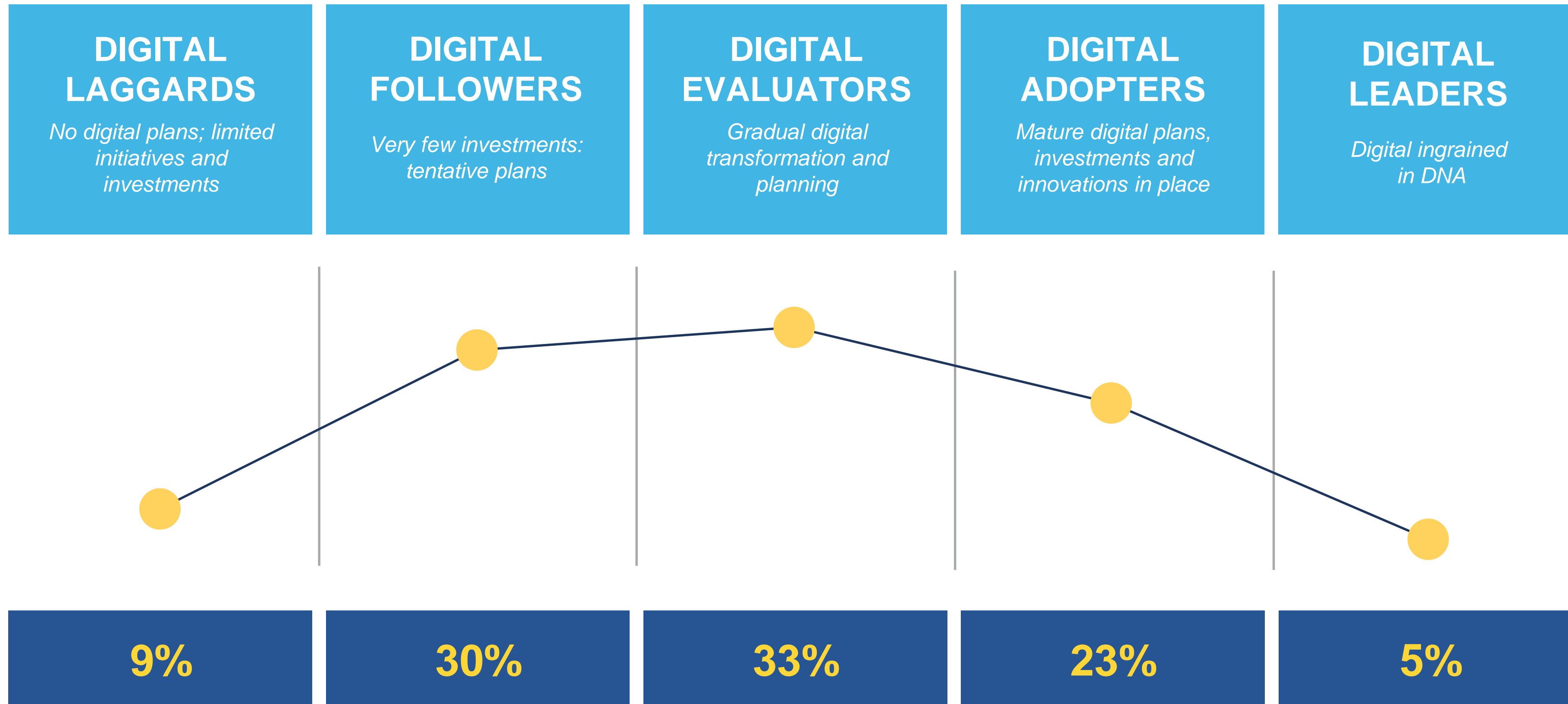
DIGITAL FOLLOWERS

Very few investments; tentative plans

DIGITAL LAGGARDS

No digital plans; limited initiatives and investments

MAJORITY LAG BEHIND THE CURVE



Percentage of total respondents

MAJORITY LAG BEHIND THE CURVE

Almost 4 in 10 businesses are still spread across the two least digitally mature groups on the benchmark

No progress

DIGITAL LAGGARDS

No digital plans; limited initiatives and investments

DIGITAL FOLLOWERS

Very few investments; tentative plans

DIGITAL EVALUATORS

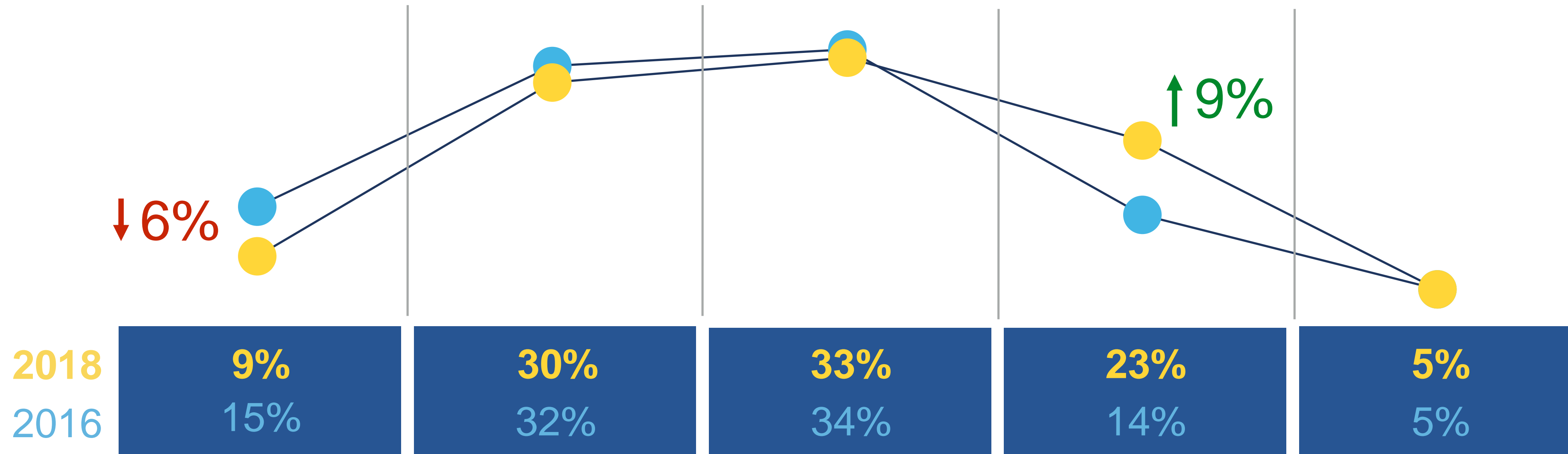
Gradual digital transformation and planning

DIGITAL ADOPTERS

Mature digital plans, investments and innovations in place

DIGITAL LEADERS

Digital ingrained in DNA



Percentage of total respondents

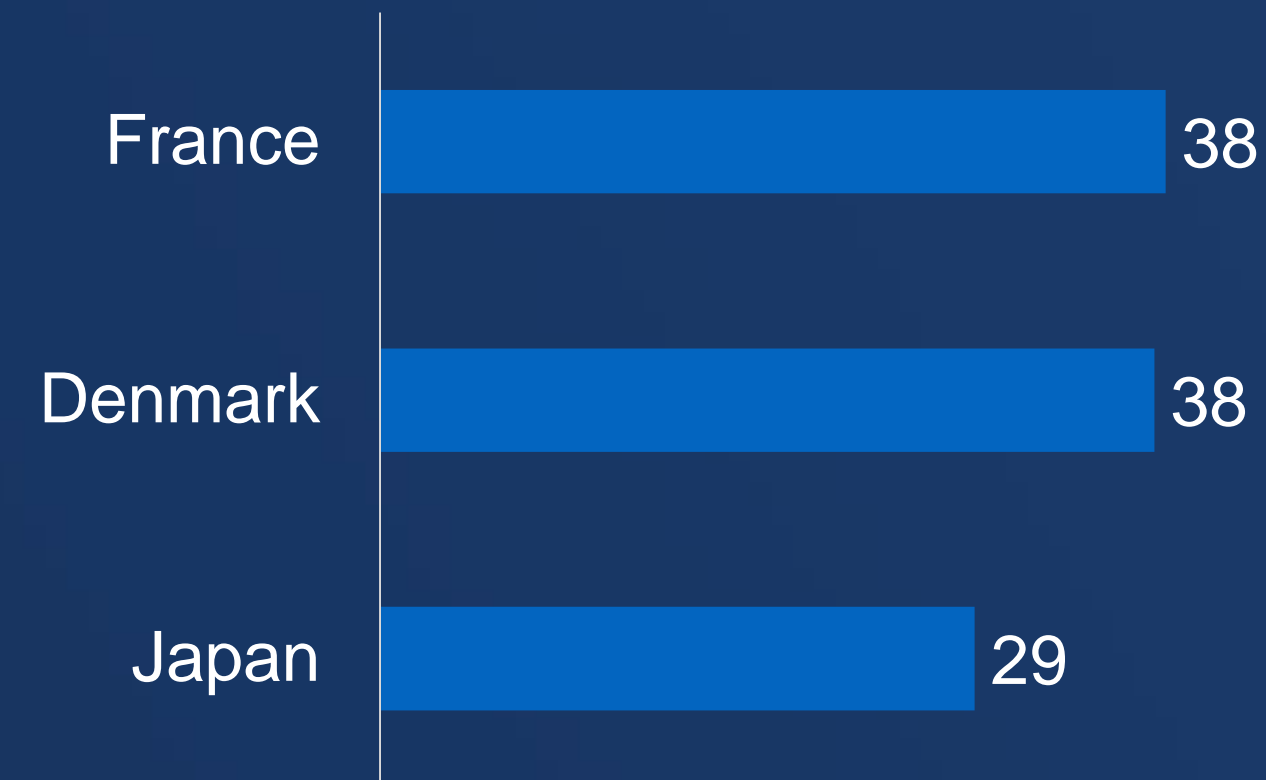
MATURITY BY COUNTRY & REGION

COUNTRY

TOP 3



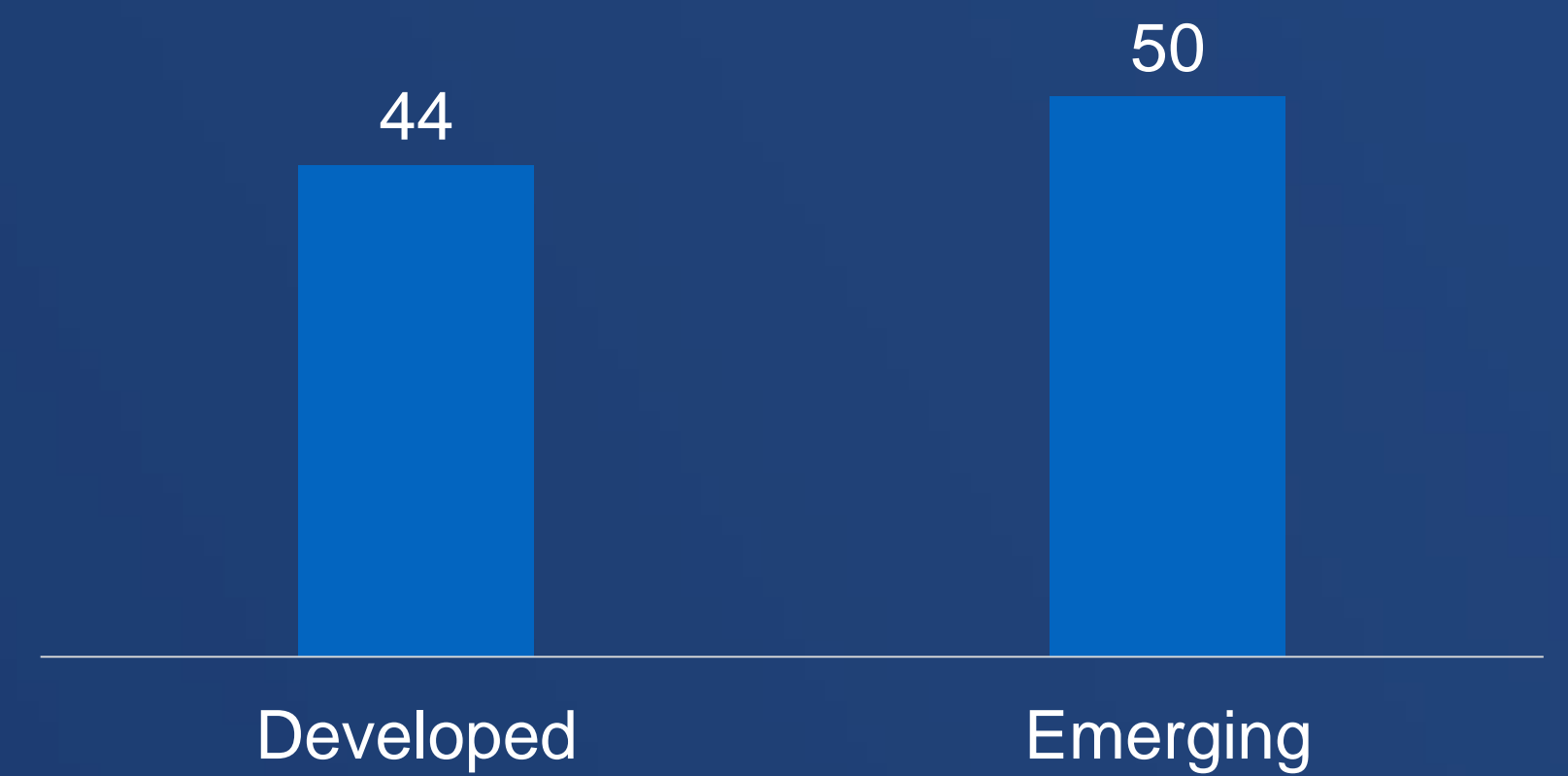
BOTTOM 3



REGION



DEVELOPED VS EMERGING



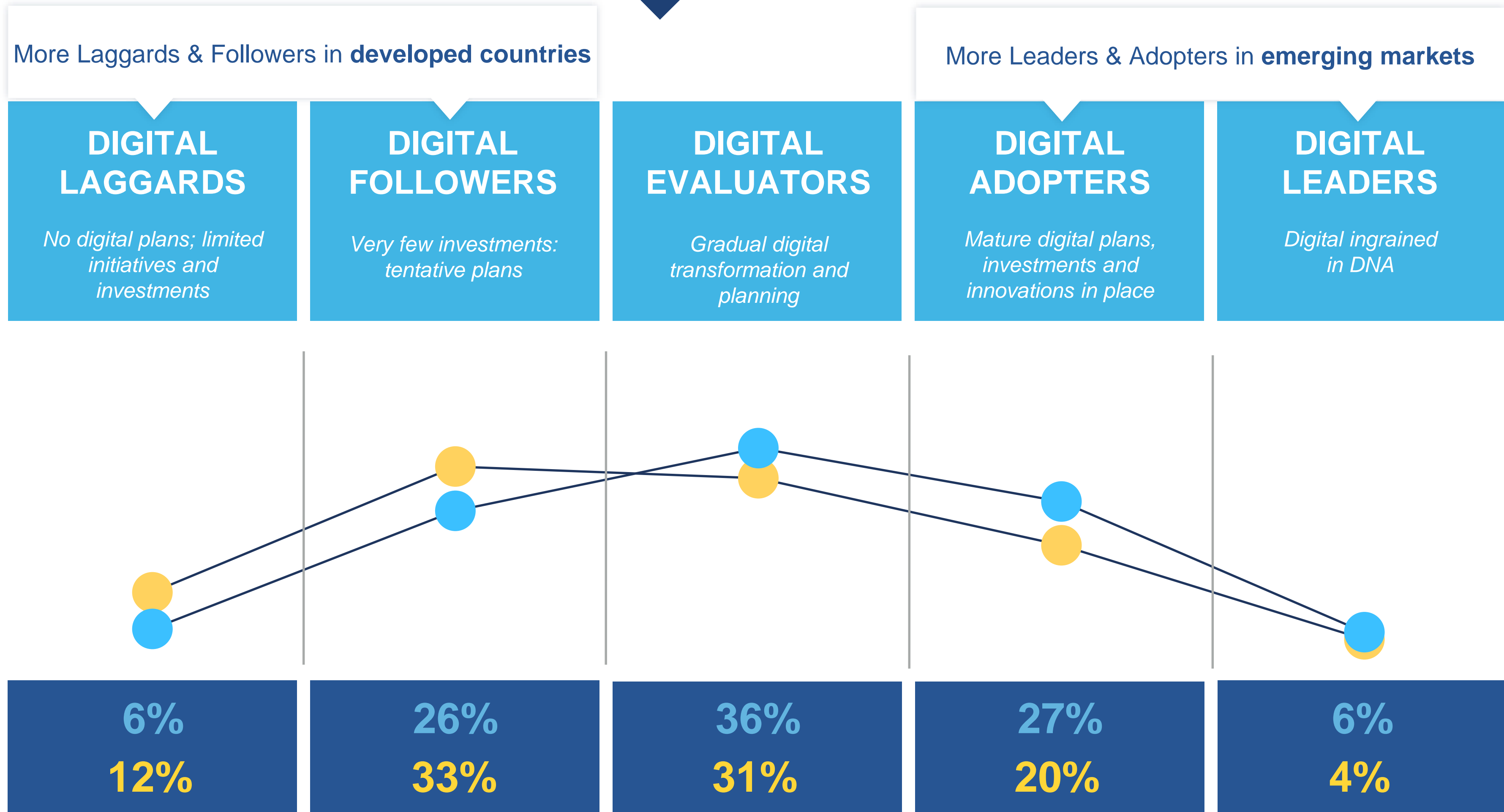
EMERGING MARKETS ARE FARING BETTER

“We’ll disrupt rather than be disrupted within five years”

EMERGING: **53%**

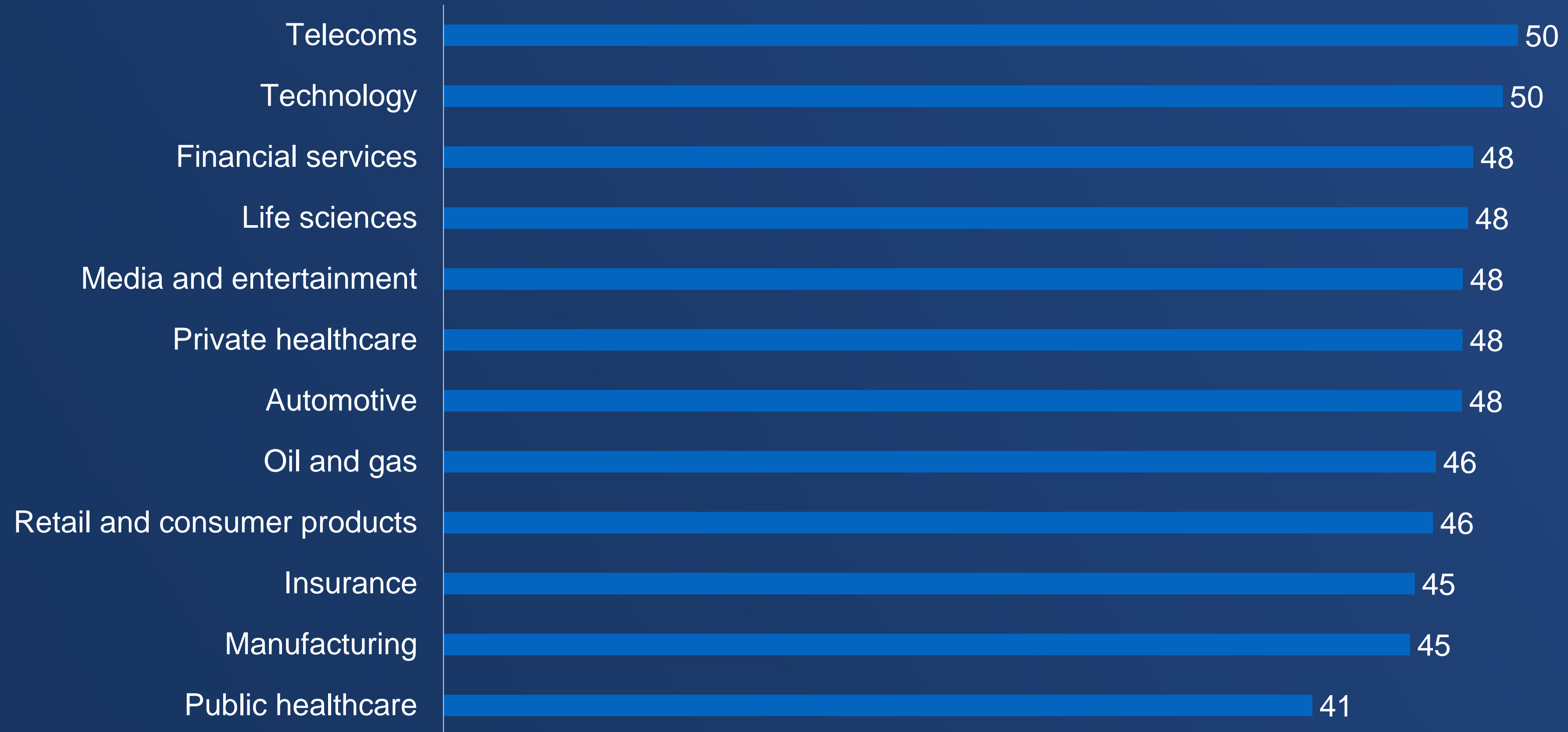
DEVELOPED: **40%**

Emerging
Developed



Percentage of total respondents

MATURITY BY INDUSTRY



3

FACING PERSISTENT BARRIERS TO TRANSFORMATION

BARRIERS TO PROGRESS

91%

of businesses are
facing major
hurdles to
transformation

The top barriers
span technology,
people and policy

- 1 Data privacy & security concerns
- 2 Lack of budget & resources
- 3 Lack of the right in-house skills sets and expertise
- 4 Regulation & legislative changes
- 5 Immature digital culture
- 6 Lack of the right technologies to work at the speed of business
- 7 Information overload
- 8 Lack of senior support & sponsorship
- 9 Lack of a coherent digital strategy & vision
- 10 Weak digital governance and structure

BARRIERS TO PROGRESS

2016

- 1 Lack of budget & resources
- 2 Lack of the in-house right skills sets and expertise
- 3 Lack of senior support & sponsorship
- 4 Lack of the right tech to work at the speed of business
- 5 Data privacy & security concerns
- 6 Reactive approach to competitor activities
- 7 Lack of a coherent digital strategy & vision
- 8 Immature digital culture
- 9 Regulation & legislative changes
- 10 Fragmented & siloed computing environment
- 11 Weak digital governance & structure
- 12 Unable to extract valuable insights from data
- 13 Information overload

2018

- 1 Data privacy & security concerns
- 2 Lack of budget & resources
- 3 Lack of the in-house right skills sets and expertise
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4

ON THE VERGE
OF A CRISIS IN
CONFIDENCE

CONFIDENCE & TRUST CRISIS

Business leaders lack confidence and trust in their own organization in the digital era.

1 in 3

Don't trust their organization to **comply with regulations** i.e. GDPR

Don't trust their organization to **safeguard customer data**

Don't trust their organization to **look after employee data**

49%

Believe their organization will **struggle to prove it's trustworthy** within the next 5 years

43%

Question whether they can be **open and honest about business decisions**

5

FORMULATING A DIGITAL RESCUE PLAN

EXPECTED BUSINESS OUTCOMES

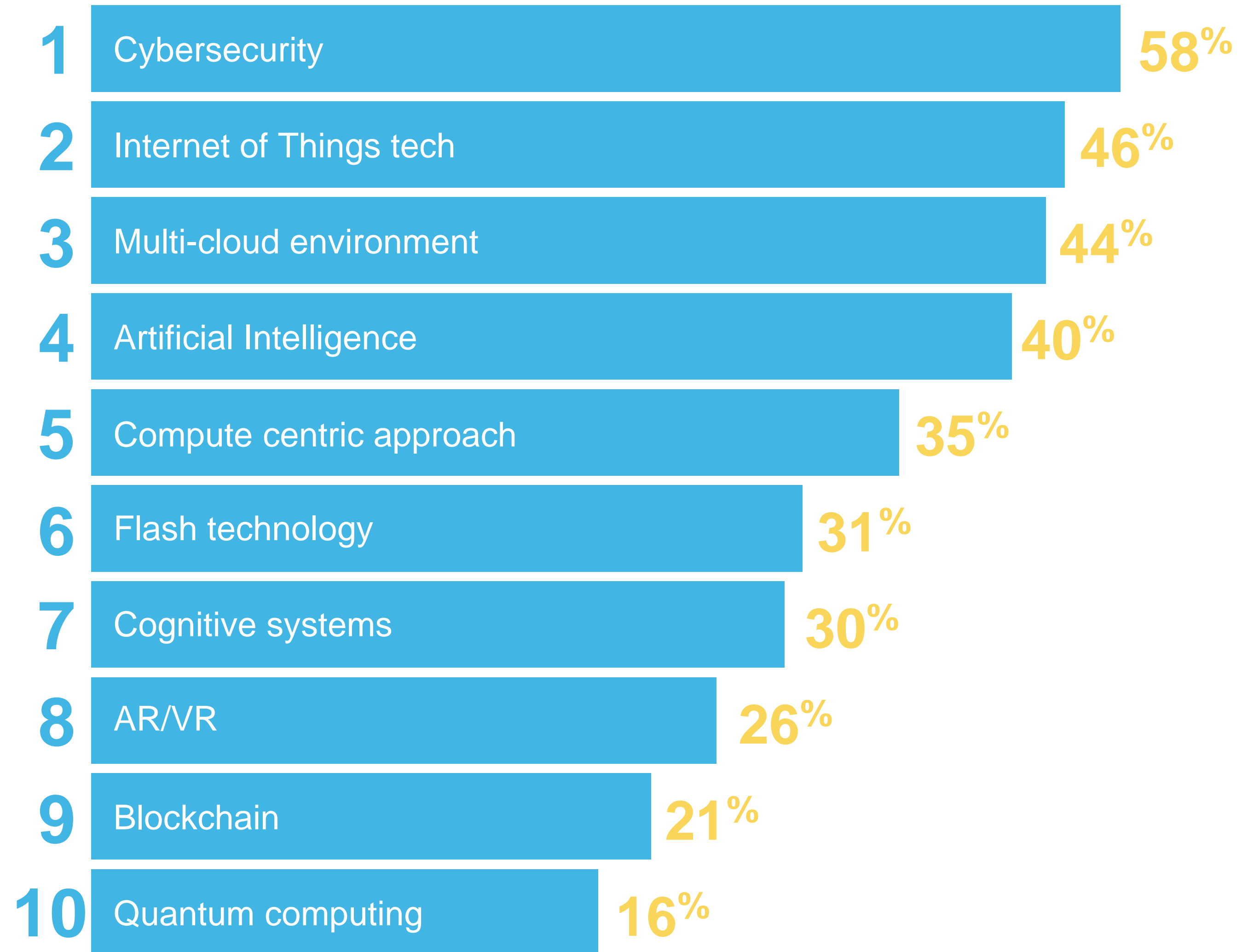
Business leaders believe digital transformation would deliver game-changing benefits

Most likely to improve within 5 years by embarking upon a successful digital strategy:

- 1 Productivity rate
- 2 Profitability
- 3 Revenue growth
- 4 Customer retention
- 5 Return on IT investments

TOP TECHNOLOGY INVESTMENTS

91%
plan to invest in
powerful
technologies
within the next 1-
3 years



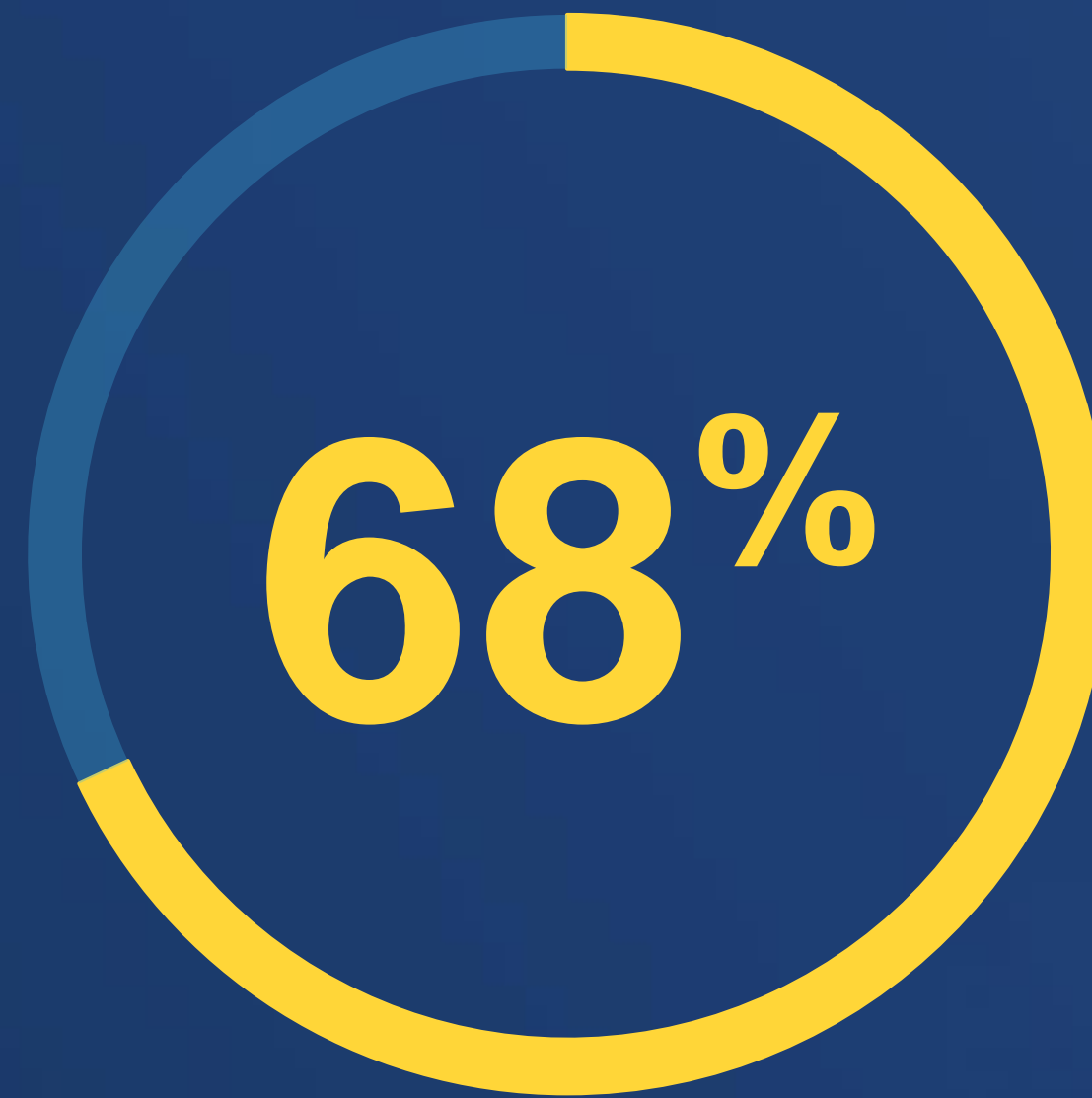
LEADERS HAVE AN INCREASED FOCUS ON WORKFORCE



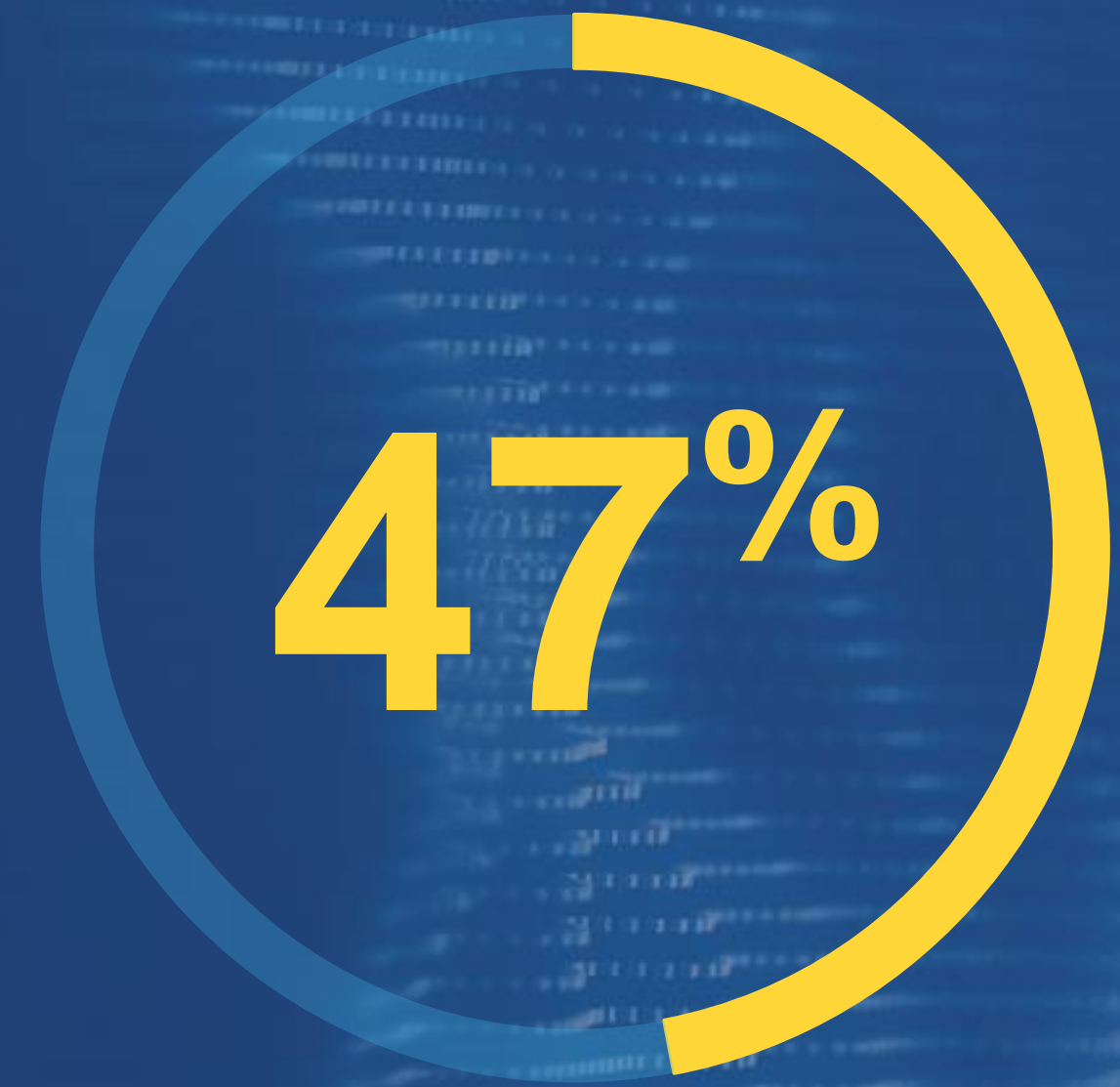
FIVE YEAR GOALS



Believe they'll harness emerging technologies to predict customer demand and manage resources



Intend to use emerging technologies to improve supply chain transparency, traceability and efficiency



Believe they'll transact via blockchain

6

REALIZING
THEIR DIGITAL
FUTURE

Emerging technologies are transforming our world and providing a huge opportunity for organizations to leap ahead of their peers. However, the DT Index reveals the majority of businesses still have a long way to go to realize their future.

The risk of falling further behind and finding themselves on the wrong side of the digital economy is real.

**THE TIME TO
ACT IS NOW**
WHILE A HUGE
OPPORTUNITY
REMAINS IN PLAY

DT INDEX II SUMMARY

1 REDRAWING THE BUSINESS LANDSCAPE

Business transformation is now a universal prerequisite for all businesses. Yet progress is slow. Too many leaders fear they won't meet customer demands within five years.

2 LAGGING BEHIND THE CURVE

There has been some improvement since 2016 however, the majority have scored behind the digital transformation curve. There's still a lot work to be done.

3 PERSISTENT BARRIERS TO TRANSFORMATION

Businesses are struggling to make progress: held back by persistent barriers.

4 ON THE VERGE OF A CRISIS IN CONFIDENCE

Leaders are losing confidence in their own organization: to protect employee and customer data, be transparent and comply with regulations.

5 FORMULATING A DIGITAL RESCUE PLAN

Leaders agree on key KPIs and plan to invest in technology (91%) within the next three years, to aid security, IT, workforce and business transformation efforts.

6 REALIZING THEIR DIGITAL FUTURE

The DT Index shows the majority of businesses still have a long way to go. The time to act is now, while a huge opportunity remains in play.

DELL Technologies

Explore the full Digital Transformation Index.

DellTechnologies.com/DTIndex

About Dell Technologies

Dell Technologies is a unique family of businesses that provides the essential infrastructure for organizations to build their digital future, transform IT and protect their most important asset, information. The company services customers of all sizes across 180 countries – ranging from 98% of the Fortune 500 to individual consumers – with the industry's most comprehensive and innovative portfolio from the edge to the core to the cloud.

www.delltechnologies.com

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Vanson Bourne is an independent specialist in market research for the technology vertical. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and an ability to seek the opinions of senior decision makers across technical and business functions, in all business verticals and all major markets. For more information, visit www.vansonbourne.com.