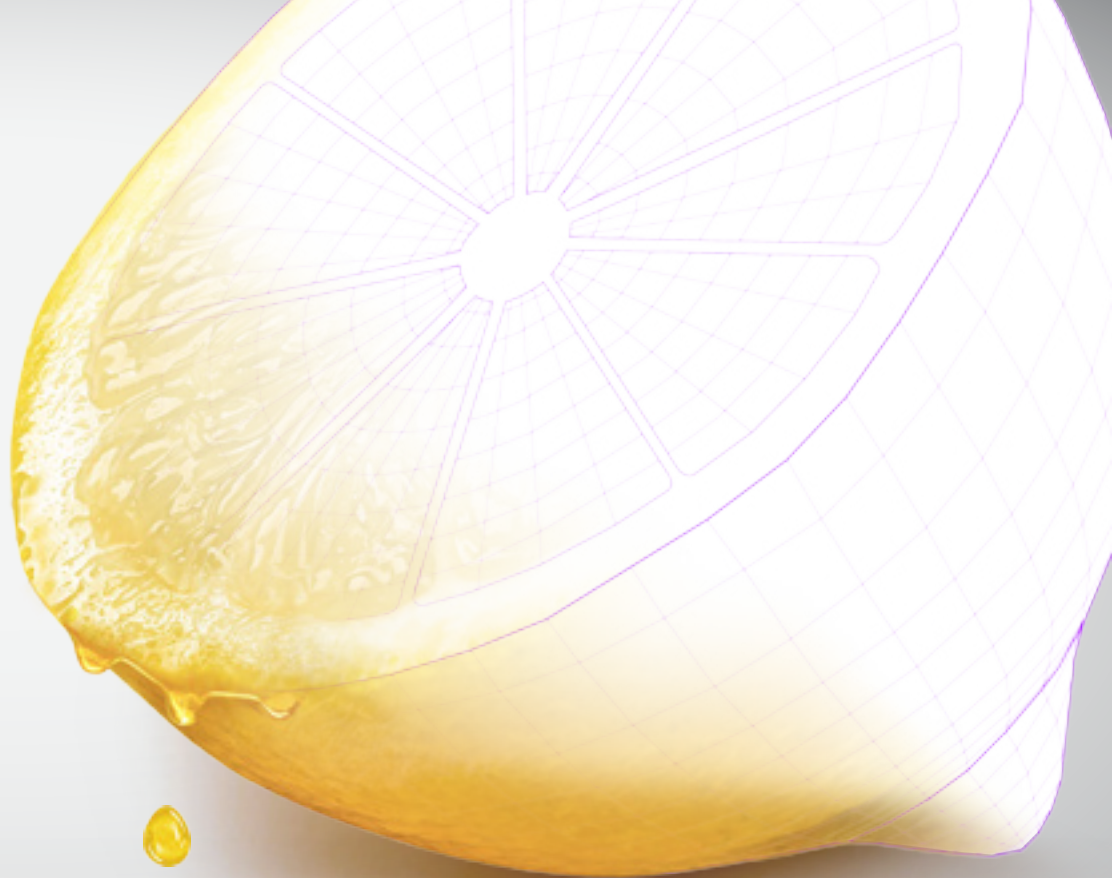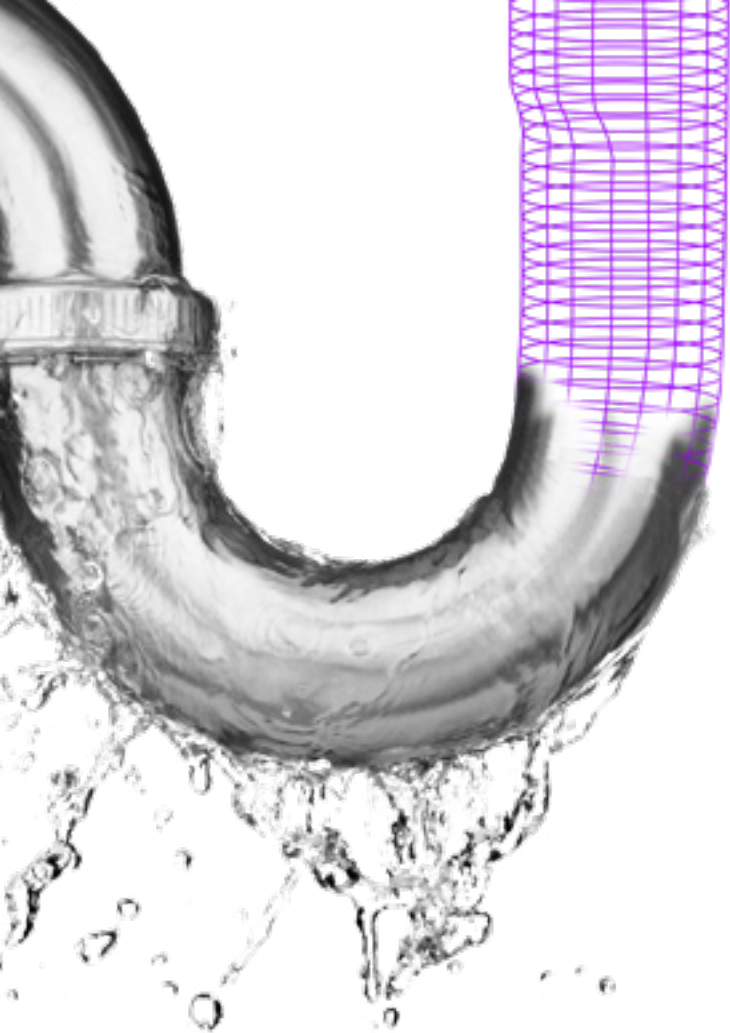# EVOLVE TO FUTURE SYSTEMS

GAINING REAL VALUE FROM TECH INVESTMENTS

Technology is everywhere. **Value is not.**

accenture

Faced with pressure to generate growth, the C-suite in companies across the Nordics are experimenting with technology to spawn new capabilities and applications. But most struggle when it comes to scaling innovation company-wide. And that's creating a growing divide between technology innovation achievement gap investment and realized value.

Crossing the divide is difficult, in part, because legacy systems weren't built for the cloud-oriented world of analytics, sensors, mobile computing, artificial intelligence, the Internet of Things (IoT), and billions and billions of devices. With that noted, digital native companies aren't further ahead than their incumbent rivals. While they might have started in the cloud, some haven't adapted their systems at the pace of technological change.

In every kind of company, growth depends on a systematic and sequential adoption strategy in line with Future Systems— enterprise systems capable of scaling innovations repeatedly and giving organizations the strategic agility they need to stay ahead of their competitors.

How, then, can companies maximize their investment in technology? To answer that question, we conducted our largest enterprise systems survey ever. One-hundred and twenty Nordic organizations were included in the research which examined IT strategies along three areas: **1) the adoption of key technologies, 2) the penetration of technologies adopted and 3) organization and culture.**

A definition: "Future Systems are boundaryless, adaptable and radically human enterprise systems capable of scaling innovations repeatedly and making organizations strategically agile."

CONQUERING THE DIVIDE

## How have Leaders conquered the achievement divide? In a word: mindset.

Leaders think in terms of systems and not individual technologies. With a clear vision, they are evolving to what we call Future Systems, or boundaryless, adaptable and radically human enterprise systems capable of scaling innovations repeatedly and making organizations strategically agile.

Their methods are different, too: Leaders adopt earlier, reinvest more frequently and acquire technology in a more deliberate manner. For instance, they install data streaming platforms, or event hubs, that can process millions of actions in real time before they adopt AI.

Those in the forefront have directed a greater percentage of their IT budget toward innovation over the past five years and expect to accelerate investment in innovation faster than Laggards over the next five. And Leaders concentrate not only on technology adoption, but also on its penetration across the enterprise, to enable innovation transfer and a nimbler response to market conditions. For example, they ensure that cloud services permeate across the enterprise and treat data—across organization silos—as a corporate asset.

Finally, Leaders carefully consider how new technologies will interact with the people and processes already in place in their organization, and they nurture talent in creative ways.

A staggering difference in revenue growth

LEADERS
9%

LAGGARDS
4%

2X
Average Revenue Growth
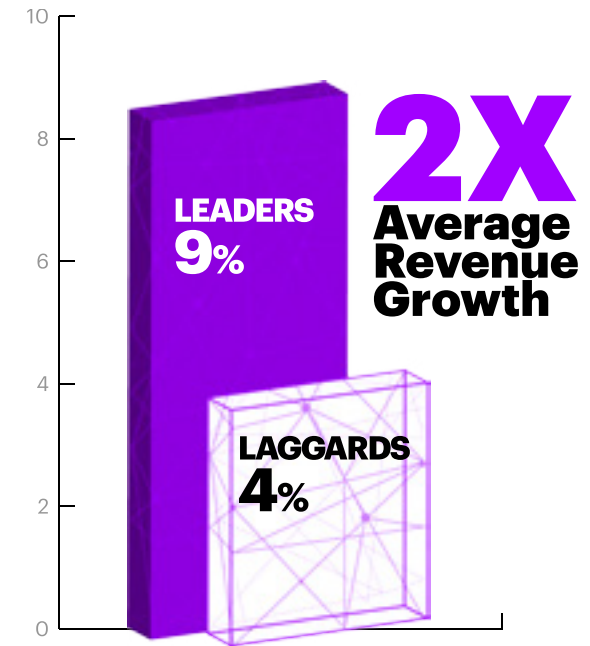
Figure 1: Leaders—those that are evolving to Future Systems—are growing revenue at more than double the rate of Laggards. Based on average self-reported annual growth rates for 2015-2018.

Based on interviews with over 8.500 companies worldwide

3

LEADERS V. LAGGARDS

Companies have to put their mindset into practice with the right methods, honing the technology and capabilities that will help them rise above the rest. These behaviors come as second nature to some companies, but others can learn to implement them. Here's what Leaders do that put them ahead of Laggards:

01 **Adopt technologies that make the organization fast and flexible.**

02 **Get grounded in cloud computing.**

03 **Recognize data as being both an asset and a liability.**

04 **Manage technology investments well—across the enterprise.**

05 **Find creative ways to nurture talent.**

01 Adopt technologies that make the organization fast and flexible

Leaders are moving to decoupled data, infrastructure and applications that enable greater flexibility and a faster-moving IT culture. **Eighty-three percent of them agree that it's important to decouple data from legacy infrastructure, compared with only 37% of Laggards.**

Laggards are also far behind in the adoption of DevOps, automation and continuous integration/continuous deployment, **with a 29% adoption rate compared with 98% of Leaders.** All of these technologies and approaches are designed to help companies eliminate dependencies in their systems and processes, which in turn makes them more agile. Across the world, companies cite architecture flexibility as one of the biggest barriers to innovating at scale. (See Figure 2)

Leaders create architectures and processes built for change
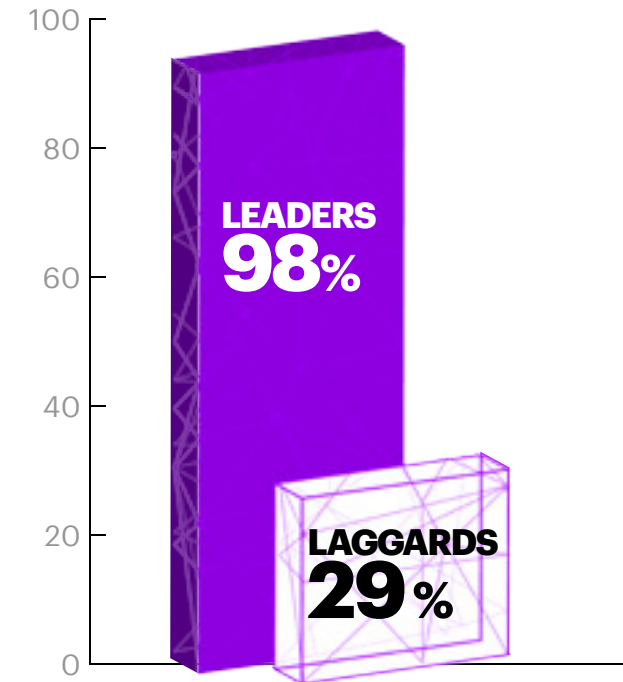
Figure 2: Leaders' adoption of critical technologies that allow decoupling outpaces that of Laggards by a massive margin.

Based on interviews with over 8.500 companies worldwide

02 Get grounded in cloud computing

Cloud computing is essential to Future Systems because it enables companies to successfully utilize other technologies, including AI and analytics. As such, Leaders treat the cloud as a catalyst for innovation. **Ninety-five percent of them have adopted sophisticated cloud services like serverless computing, compared to 30% of Laggards,** who tend to see the cloud as a cost-effective "data center."

Leaders adopt sophisticated cloud services

LEADERS
95%

LAGGARDS
30%

Figure 3: 95% percent of Leaders have adopted sophisticated cloud services compared to 30% of Laggards.

Based on interviews with over 8.500 companies worldwide

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03 Recognize data as being an asset and a liability

Out of the 28 technologies we surveyed companies about, respondents ranked "technologies associated with real-time data capture and analysis" as the most important to transforming/improving their business processes. Again, Leaders are ahead of their peers. Leaders ensure data quality, creating security measures that anticipate threats and building ethically responsible frameworks for managing data and AI. This establishes a virtuous cycle of data creation and consumption, because quality is always improving.

They don't rely on unverified or biased data to make decisions and instead take steps such as using AI itself to detect biased algorithms. **Only 40% of Laggards ensure data quality, but 90% of Leaders do. And while just 54% of Laggards continue to enrich their data, 90% of Leaders are doing so.**

90%

**of Leaders continue to enrich their data.**

Figure 4

Based on interviews with over 8.500 companies worldwide

04 Manage technology investments well—across the enterprise

Leaders have clear visibility into company-wide technology investments. **For example, 94% of them systematically track return on investments in automations across the organization, compared to only 47% of Laggards.**

Leaders work toward business alignment – a key stepping stone for innovation transfer—by breaking down barriers between IT and other departments. They also establish innovation centers, creating pipelines for innovation transfer.

Leaders track returns on automation
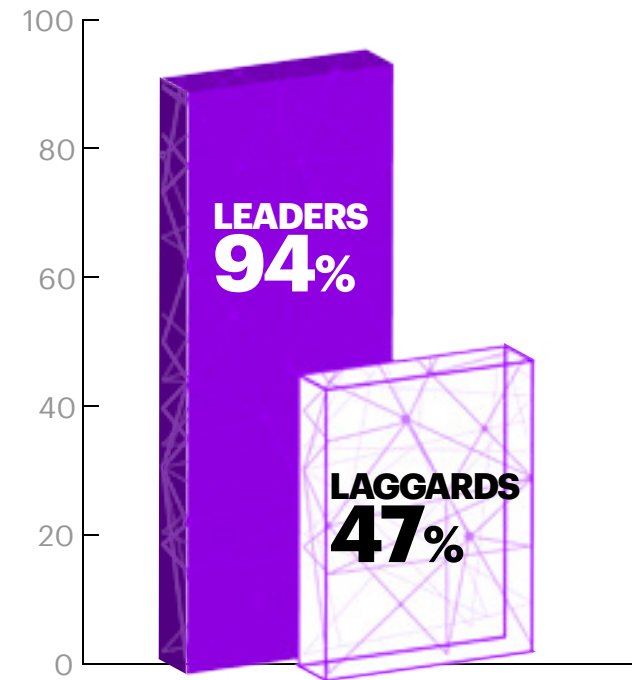
Figure 5: 94% of Leaders systematically track return on investments in automation across the organization, compared to only 47% of Laggards.

Based on interviews with over 8.500 companies worldwide

05 Find creative ways to nurture talent

Leaders understand that investing in talent is the best way to advance Future Systems. As these systems evolve, so must the IT workforce. **In fact, a workforce immersed in yesterday's technologies is one of the biggest obstacles to creating the expansive, flexible, human-centric systems necessary for success.**
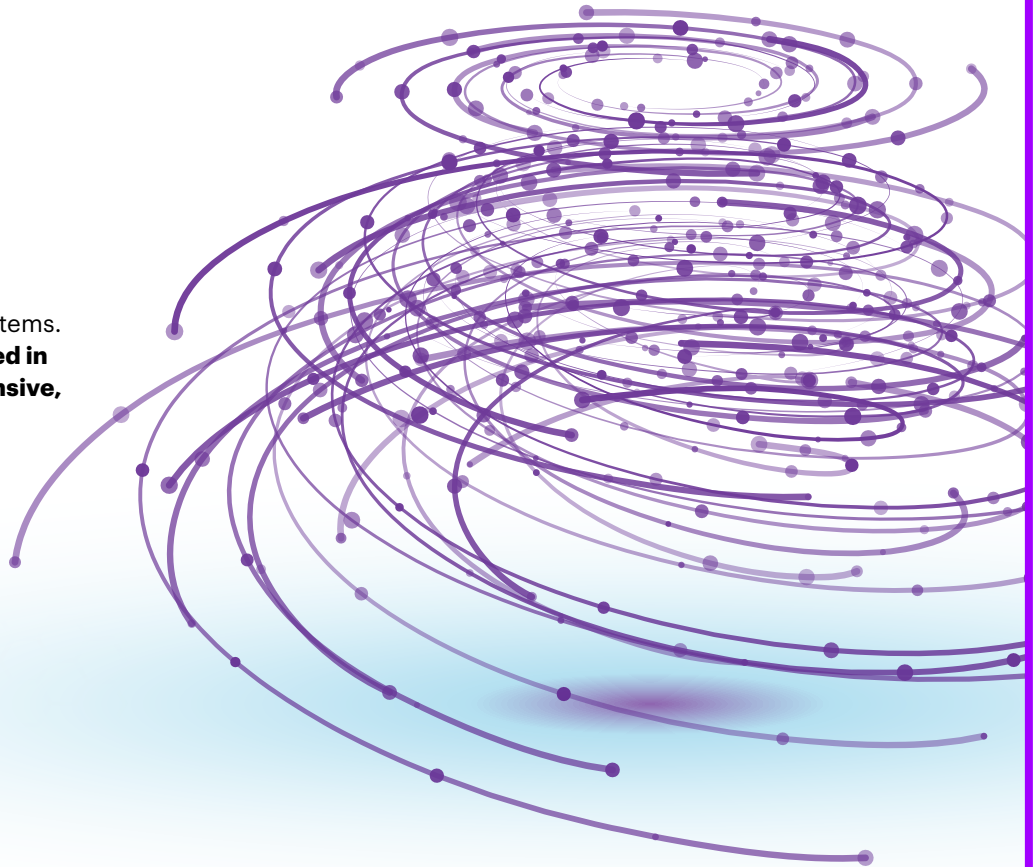
A NEW CHAPTER AT BONNIER

Sweden's Bonnier AB, a media group with more than 180 companies, wanted to achieve full compliance with the European Union's General Data Protection Regulation (GDPR)—a tall order, given that each of these companies managed its own IT systems. Against a tight timeline, Bonnier AB implemented an automated solution for GDPR compliance that included advanced pattern-matching and machine learning techniques to automatically discover personal data across its systems. It also brought together the company's disparate data sources and deployed a machine-led compliance solution to help two of its key business units achieve compliance at speed and scale. Now Bonnier can scan personal data throughout the data lifecycle. These insights enable the company to develop new offerings, reduce inefficiencies and find new growth opportunities—turning a compliance-led data program into a competitive advantage.

MATS GÖTHLIN
Head of IT Sercurity & Compliance
Bonnier Group

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