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The State of Digital Experience Investment in the United Kingdom

Research Shows that Enterprise Ambitions Outpace Legacy Investments

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About the Study

As enterprise businesses turn to digital transformation as a competitive advantage, there is a growing realisation that current investment is not up to the job. We surveyed 100 business, marketing, and technology leaders of UK enterprise companies to understand more about the gap between current tools and digital transformation ambitions.

Survey conducted by Vanson Bourne, an independent market research firm, in August 2020.

Total Number Respondents	100
Respondent Roles	
Business leader: CEOs and Managing Directors	n = 33
Technology leader: CIOs and IT Directors	n = 34
Marketing leaders: CMOs and Marketing Directors	n = 33

Organisation Size	
1000 - 2999 employees	n = 40
3000 - 4999 employees	n = 30
5000+ employees	n = 30

Sectors	
IT, technology and telecoms	n = 17
Manufacturing, production and distribution	n = 15
Retail	n = 15
Financial services	n = 12
Business and professional services	n = 11
Public sector	n = 11
Construction and property	n = 5
Other commercial sectors	n = 14

Introduction

Less than a third of UK companies think their technology matches their ambitions.

In our survey of 100 enterprise leaders in the United Kingdom, it was found that only 27% of respondents felt that their current technology investment would be able to support their digital transformation ambitions over the next 18 months. One in ten said that their current tools were an obstacle to their goals.

That companies expect to invest in new technologies (42%) or in replacing outdated tools (21%) hints that digital transformation is top of mind for many companies. While this
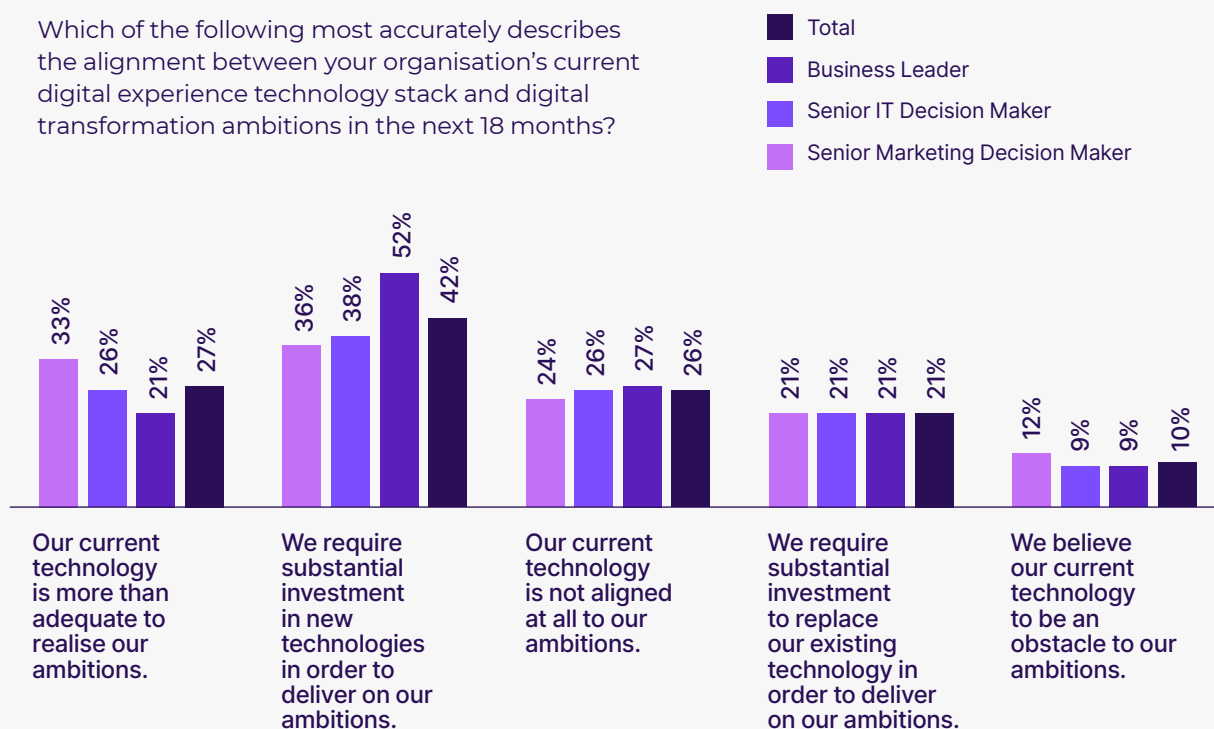
survey's demographics consisted of decision makers at enterprise companies, a previous survey showed that modernising business was a focus at any level, with 7 in 10 UK employees seeing digital transformation as a key priority[1].

With 98% of respondents having at least some type of transformation project underway (see Figure 2), it's clear that digital is in motion in the UK.

FIGURE 1

Enterprise Ambitions Require Substantial Technology Investment

Which of the following most accurately describes the alignment between your organisation's current digital experience technology stack and digital transformation ambitions in the next 18 months?

Legend:
- Total
- Business Leader
- Senior IT Decision Maker
- Senior Marketing Decision Maker

Our current technology is more than adequate to realise our ambitions.
- 33%
- 26%
- 21%
- 27%

We require substantial investment in new technologies in order to deliver on our ambitions.
- 36%
- 38%
- 52%
- 42%

Our current technology is not aligned at all to our ambitions.
- 24%
- 26%
- 27%
- 26%

We require substantial investment to replace our existing technology in order to deliver on our ambitions.
- 21%
- 21%
- 21%
- 21%

We believe our current technology to be an obstacle to our ambitions.
- 12%
- 9%
- 9%
- 10%

CEOs Expect the Most Investment

According to Gartner, "the United Kingdom's software market was valued at $25.9 billion in 2019 and is expected to reach $37.2 billion by 2023."[2] Some of that investment will be going toward replacing older tools with modern solutions, with a fifth of our survey respondents expecting this type of investment.

The other part of that multi-billion dollar growth in investment will come from tools and technologies that enable new types of business and experiences. On average, 42% of respondents believe that their digital ambitions require new technologies.

Over half of business leaders expect to invest in new tools while just over a third of IT and marketing decisions makers say the same. This gap might be attributed to the ambitions that each group is planning for. Compared to their counterparts, business leaders are less concerned about optimising current processes and more interested in using digital to open new streams of revenue (see Figure 12).

FIGURE 2
Digital Roles Take the Reins

Who leads and defines your organisation's digital transformation initiatives that are currently underway?

- ■ Chief Technology Officer/CIO
- ■ Chief Transformation Officer Chief Digital Officer
- ■ CEO
- ■ CMO
- ■ C-Suite Steering Group
- ■ No initiatives currently underway

CTOs and CIOs are Leading Transformation

Unequivocally, digital transformation is being led by people in technology roles, with nearly half being led by Chief Technology/Information Officers.

A fifth of companies had an executive role dedicated specifically to digital or transformation. These roles were most likely to be found in manufacturing and financial services, which reported being led by a CDO/CTO 33% and 25% of the time, respectively.

Both these sectors are experiencing immense pressure for rapid change, which may be why they are more likely to have a specific C-level transformation role. London is the second highest ranked global financial centre[3] and, in our survey, financial services was the industry that felt their technology was least able to keep up with customer demands (see Figure 6).

Manufacturing is juggling both the transformation of digital business as well as a wave of innovation in physical processes with 3D printing, IoT, and AI. In a recent press conference the director of technology, sustainability and innovation of the Manufacturers' Organisation said that the UK is "lacking in digital manufacturing technology" and asked that better infrastructure, currently available "only in the north-west of the UK", be "rolled out everywhere"[4].

While technology roles may be in the driver's seat, transformation is by no means a technology-only process. As companies digitally mature, the role of the leader grows from technology orchestration to aligning that technology to the goals of each department and the overall vision of the company. Technology leaders may have slightly differing opinions on what causes technology to be inadequate (see Figure 5),
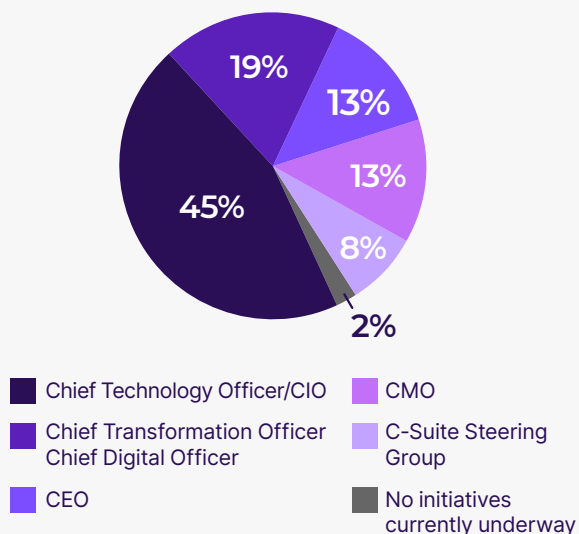
why technology goes unused (see Figure 11), and what the priorities are in new technology investments (see Figure 12). Communicating with business and marketing stakeholders about different needs and priorities is key to successful initiatives.

In an interview about his company's switch to modern architecture, Tom Morgan, the Director of Digital at *The Spectator*, said that understanding the business beyond technology was a critical first step to transformation[5]:

"In order to have a chance of changing people's perceptions around technology, I really needed to be able to speak the brand language. That was a case of spending immersive time with our product, but also spending immersive time with our customers. Above all the other change mechanisms we did, all the prototypes and all the bulldozing, that was probably the most powerful one. It means that now, when I sit with other stakeholders and talk about decisions from a technology point of view, I can talk with a position of authority about what that means to our readers and what that means to our customers, but also what it means to our legacy and our institution."

Needs Outpace Technology

Currently, UK enterprise leaders say that a quarter of technology investment is unable to meet digital ambitions and that average is expected to rise to nearly a third over the next 18 months. In the same time period, the amount of companies who find 30% or more of their technology inadequate jumps from a third to nearly half (see Figure 3). Legacy investments are getting old quickly.

Looking at the expectations across industries, construction and manufacturing

feel the largest gap between what they have and what they need, with the percentage of inadequate investment expected to jump by 20% and 12%, respectively, over the next 18 months (see Table 1).

TABLE 1
Average percent of current DX technology investment that is believed to be inadequate to meet digital transformation ambitions, per industry.

	Today	18 Months	% Change
Total	24%	29%	5%
Construction and Property	17%	37%	20%
Manufacturing, Production, and Distribution	21%	33%	12%
Retail	17%	24%	7%
Business and Professional Services	27%	32%	5%
Public Sector	24%	29%	5%
IT, Technology, and Telecoms	27%	24%	-3%
Financial Services	31%	25%	-6%

IT and financial services expect their technology, on average, to become more useful over the next 18 months. However, both industries also expect to need new tools, with 59% of IT and 42% of Financial Service expecting to invest in new technology over the next 18 months (see Figure 1).

These numbers could potentially indicate that these industries have already started selecting tools for their digital roadmap and their current investment contains features and capabilities they expect to roll out in the future.

FIGURE 3

A Quarter of DX Investment Is Already Inadequate

As a percentage, how much of your organisation's current digital experience technology investment do you believe is or will be inadequate to meet your digital transformation ambition today, in 6 months, in 18 months?

Legend:
- ■ Don't Know
- ■ < 10%
- ■ 10–20%
- ■ 20–30%
- ■ 30–40%
- ■ > 40%

	<10%	10–20%	20–30%	30–40%	>40%	
Today	15%	28%	24%	23%	10%	Average: 24%
6 Months	9%	24%	34%	20%	13%	Average: 26%
18 Months	4% / 12%	21%	15%	24%	24%	Average: 29%
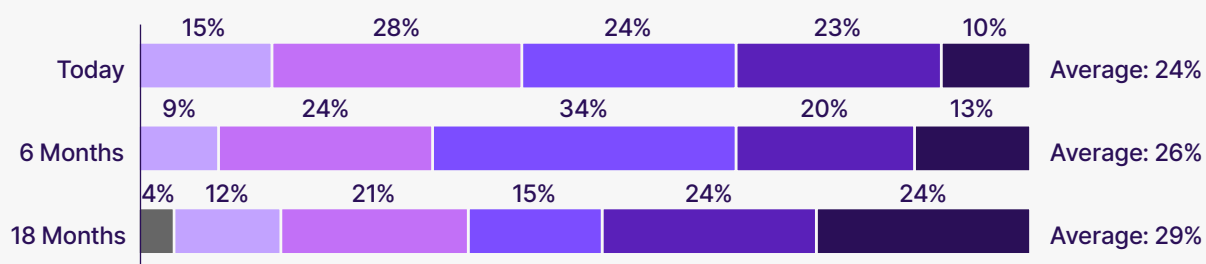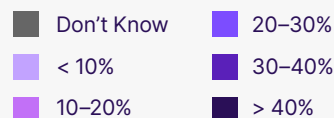
IT Leaders Less Worried About Investment Decay

Business and marketing leaders are on the same page when looking at the lifespan of their technologies. They expect an average of 32% of current investment to be inadequate over the next 18 months, with 30% of each group expecting more than 40% of investment to be obsolete in the same time period (see Figure 4). In contrast, technology leaders expect the average to stay steady at 24%.

The difference in opinion could be attributed to the idea that technology leaders have a better overview of the current toolkit. As they are usually the ones leading transformation (see Figure 2) they may have purchased tools to match future ambitions and have yet to implement them fully. In other words, the toolkit is already mature and they expect the ambitions to mature over the next 18 months.

On the other hand, the difference could indicate that business and marketing leaders are hearing more about the capability performance from the user's perspective. The back-end of a solution might be smooth and theoretically it should be able to do what you want, but if users find it frustrating it won't be seen as adequate technology. Along the same lines, both business and marketing leaders are more likely than their technology counterparts to say that employee adoption is a current barrier (see Figure 11) or is a top priority in new technology selection (see Figure 12).

A third explanation could simply be a difference of ambition over the next 18 months. For example, business and marketing leaders are more interested in opening new revenue streams with digital than technology leaders, while the technology cohort is more focused on optimising and streamlining current processes than their counterparts are (see Figure 12).

FIGURE 4

Difference in DX Technology Inadequacy by Leadership Role

As a percentage, how much of your organisation's current digital experience technology investment do you believe is or will be inadequate to meet your digital transformation ambition today, in 6 months, in 18 months?

- Today
- In 6 Months
- In 18 Months
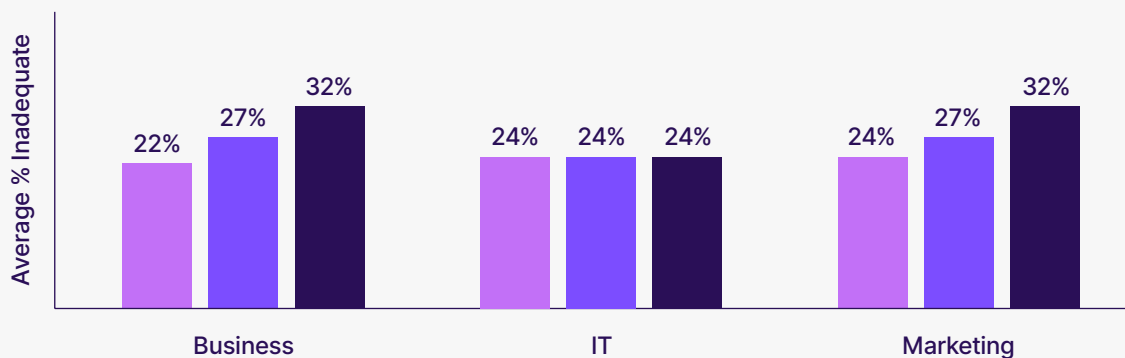
Integrations Cause the Most Headaches

Lack of integrations was the main reason for technology to be inadequate, with 58% of overall respondents and 74% of IT decision makers listing it as a top contributing factor (see Figure 5).

While "connected experience" has been a buzzword for quite some time, the application integration rates stand at just 26% in the UK[6]. Enterprise technology isn't playing together as nicely as it claims it is.

Technology ecosystems need to evolve with business needs and if it's difficult to integrate a tool into the architecture now, it is going to be just as hard to rewire those integrations every time a tool is added or removed from the technology stack.

In an interview about his decision to switch to an integration-centric architecture, Giles Smith, the Director of Digital Technology at Burberry, explained that allowing their technology stack to have a revolving door was a critical decision factor[5].

"Part of the reason we went for this architectural pattern is that we don't want to ever go through a major replatforming again. If a few years down the line, something emerges that is far and above what we have, we want to be able to adopt it without the barriers of the past.

For the last ten years, unstitching technologies has been too big an effort and cost. The new architectural approach represented by headless provides Burberry more flexibility in evolving in the future."
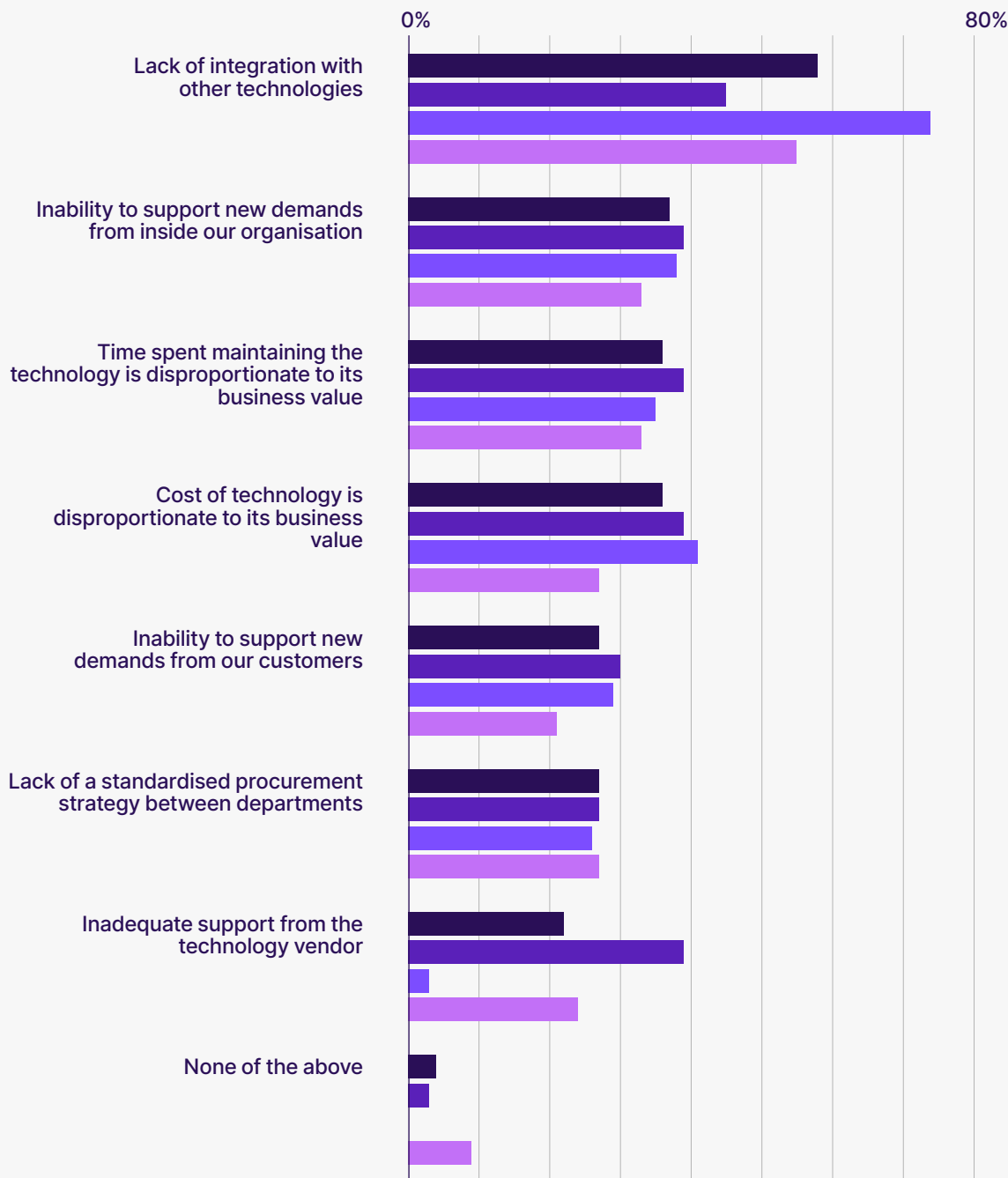
Why Legacy Technology Falls Short of Digital Experience Ambitions

What are the top three contributing factors that you believe will cause legacy digital experience technology investments to be inadequate to support your organisation's digital transformation ambitions over the next 18 months?

Legend:
- Total
- Business Leader
- Senior IT Decision Maker
- Senior Marketing Decision Maker

Categories (top to bottom):
- Lack of integration with other technologies
- Inability to support new demands from inside our organisation
- Time spent maintaining the technology is disproportionate to its business value
- Cost of technology is disproportionate to its business value
- Inability to support new demands from our customers
- Lack of a standardised procurement strategy between departments
- Inadequate support from the technology vendor
- None of the above

Integration Importance Increases with Rise in Employees

The importance of integrations is positively correlated with company size. "Lack of integrations" was cited as the most common reason for technology inadequacy across the board, but the percentage nearly doubled from companies with under 3000 employees to those with more than 5000 (see Figure 6).

Employee Experience Outweighs Customer Experience

Customer experience might be the mantra for digital transformation, but to create those experiences you need digitally fluent teams that have the tools to craft them.

When looking at the reasons technology falls short, overall, internal demands outweighed customer demands by 10% (see Figure 7).

When the programs used to scroll and socialise are intuitive, it's frustrating when the tools needed to do business aren't. In a study by Deloitte, it was found that only a fifth of UK employees are satisfied with their organisation's use of technology[7].

Technology frustration is more than just a nuisance, it can be a major factor in hiring and retaining talent. A survey conducted by Insight, a UK digital service provider, found that 48% of people said the technology on offer would influence their decision on future employers[8].

Focus On Software Integration Increases with Enterprise Size

Percentage of respondents per organisation size who listed "Lack of integration with other technologies" as a top three factor causing legacy technology to become inadequate (see Figure 5) and who listed "Ease of integration with technology stack" as a top three evaluation criteria when selecting new digital experience technologies (see Figure 12).
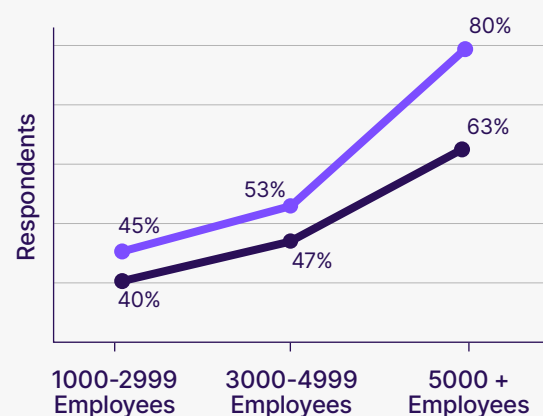
"Lack of integration with other technologies" is a top three factor contributing to the inadequacy of legacy technology (see Figure 5)
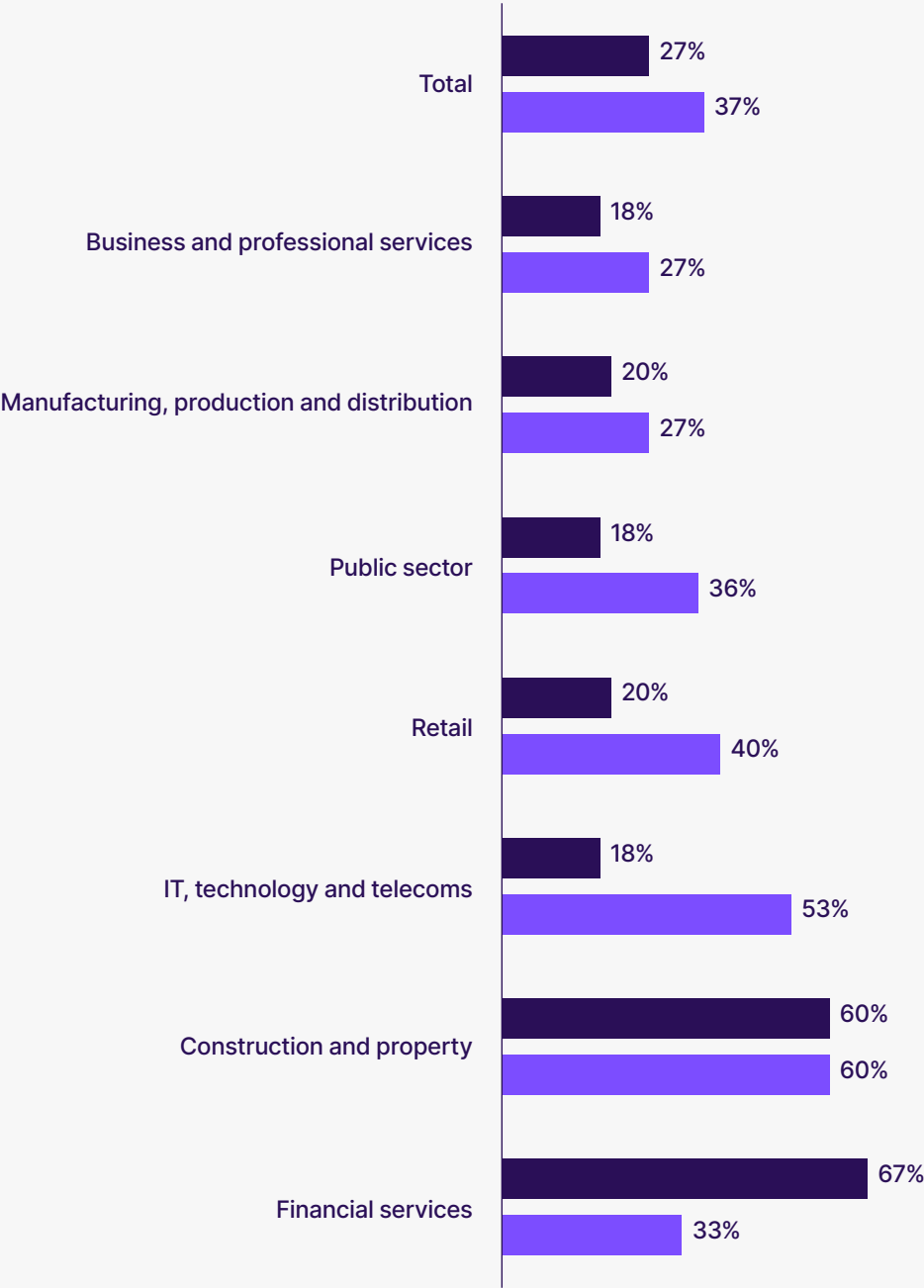
"Ease of integration with technology stack" is a top three evaluation criteria when choosing new technologies (see Figure 12)

FIGURE 7

Legacy Technology Inadequate for Modern Demands

Percentage of respondents per industry who listed either inability to support demands from inside the organization or from customers as a top three factor causing legacy technology to become inadequate (see Figure 5).

■ Inability to support new demands from our customers

■ Inability to support new demands from inside our organisation

Total
27%
37%

Business and professional services
18%
27%

Manufacturing, production and distribution
20%
27%

Public sector
18%
36%

Retail
20%
40%

IT, technology and telecoms
18%
53%

Construction and property
60%
60%

Financial services
67%
33%

Modern Tools Bring Productivity

Overall, nearly three quarters of respondents said that new tools increased productivity, with 44% saying teams were more productive and 28% saying they were both more productive and more happy when switching from legacy to modern technology (see Figure 8).

While this survey focused on the views of executive level positions, a separate survey by the professional services network, KPMG, found that 72% of UK employees also report that efficiency has improved through digital transformation[9].

Happiness is also said to improve with new technology by nearly half (43%) of overall respondents. While happiness is difficult to measure, initiatives that boost it are crucial, as one in four UK employees say they are unhappy at work[10].
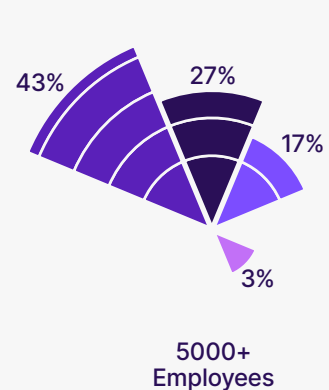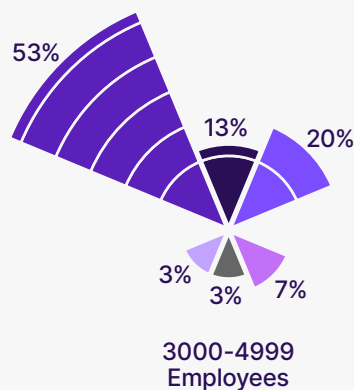
Technology is, of course, not the only factor impacting workplace happiness but it can help. With 80% of UK employees having felt disadvantaged at work by not being able to use the technology they want, as found by the previously mentioned Insights survey, giving people the right tools for the job can ease frustrations and enable them to fully use their skills[8].

Updating Technology Increases Happiness and Productivity

With regards to your organisation's teams that have gone from older or legacy technology to using new technologies, have you noticed an impact on employees?

- ■ Happier and More Productive
- ■ More Productive
- ■ Happier
- ■ Less Happy
- ■ Less Productive
- ■ Less Happy and Less Productive

40%
38%
10%
8%
1000–2999 Employees

53%
13%
20%
3%
3%
7%
3000-4999 Employees

43%
27%
17%
3%
5000+ Employees
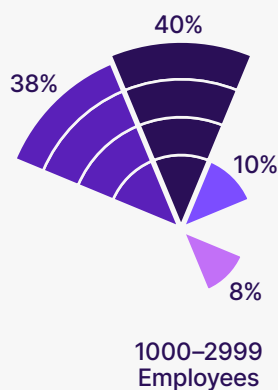
81% of Companies Use 60% or Less of Technology

On average, companies are only using half of their digital experience investment (see Figure 9). This means not only do current technologies lack the capabilities to meet ambitions (see Figure 3), but the capabilities these tools do offer are largely going to waste.

The majority of respondents, 55%, report using between 40-60% of their current investment but a quarter estimated they only used between 20-40%. Business, technology, and marketing leaders all experienced the pile-up of unused features, reporting an average use of 45%, 49%, and 52%, respectively, of their current digital experience investment.

Companies Only Use Half of Their Digital Experience Toolkit

As a percentage, how much does your organisation fully exploit the capabilities of your current digital experience technology investment?

A Quarter of Digital Experience Budget Is Wasted

On average, companies spend 24% of their digital experience budget on unexploited capabilities and nearly a quarter estimate that over 30% of their budget is unused (see Figure 10). WIth global spending in digital experience technology expected to reach $2.3 (£1.7) Trillion by 2023, that's equivalent to £408 Billion left on the table[11].
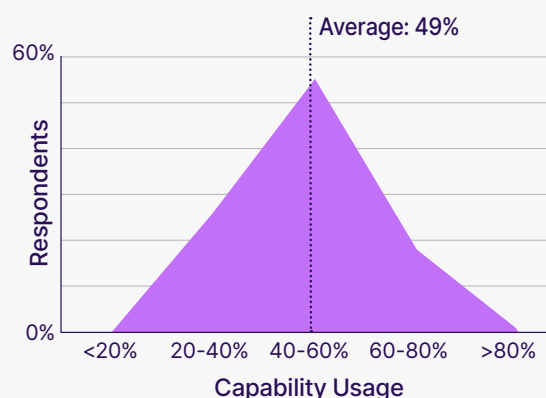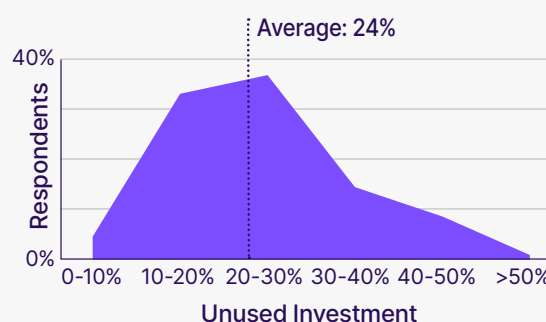
Unused Toolkit Accounts for a Quarter of Their Digital Experience Investment

As a percentage, how much of the total cost of ownership of your organisation's current digital experience technology investment do you believe goes towards licensing and maintaining capabilities and features you do not fully exploit?

Implementation Is Too Costly

Half of all business and marketing leaders, and a third of technology leaders, said that implementation cost caused investment to not be fully exploited.

Technology executives may be more focused on implementation barriers on the back-end, while other cohorts also include usability into their definition. A solution can be integrated well into the technology stack but not very well implemented in the business model.

As investments in new technologies are expected in the near future (see Figure 1), selecting tools with the best chance to be fully utilized requires clearly defining the current barriers across departments.
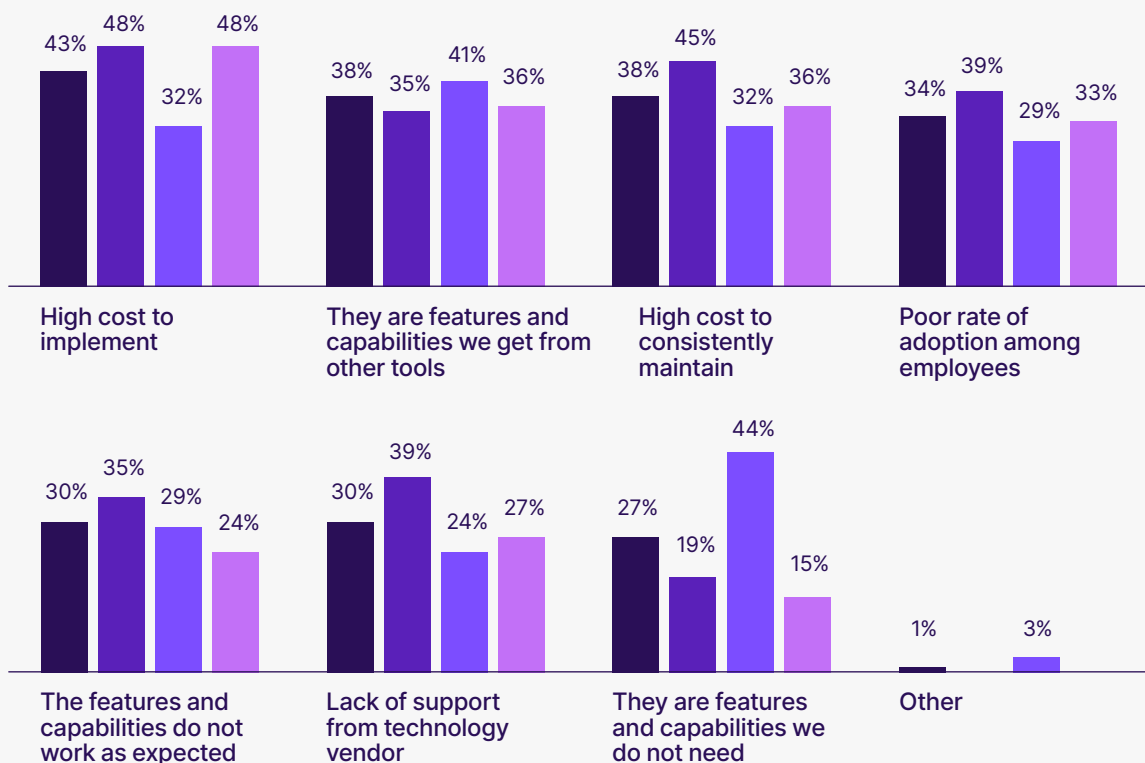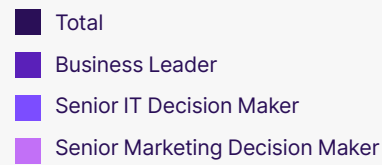
Feature Bloat Fatigue

A quarter of respondents said that features were not used because they were not needed, and a third stated that unused features overlapped with other tools.

Barriers Responsible for Unused Digital Experience Capabilities

Why has your organisation not fully exploited the features and capabilities of your current marketing technology investment?

Legend:
- Total
- Business Leader
- Senior IT Decision Maker
- Senior Marketing Decision Maker

High cost to implement
- Total: 43%
- Business Leader: 48%
- Senior IT Decision Maker: 32%
- Senior Marketing Decision Maker: 48%

They are features and capabilities we get from other tools
- Total: 38%
- Business Leader: 35%
- Senior IT Decision Maker: 41%
- Senior Marketing Decision Maker: 36%

High cost to consistently maintain
- Total: 38%
- Business Leader: 45%
- Senior IT Decision Maker: 32%
- Senior Marketing Decision Maker: 36%

Poor rate of adoption among employees
- Total: 34%
- Business Leader: 39%
- Senior IT Decision Maker: 29%
- Senior Marketing Decision Maker: 33%

The features and capabilities do not work as expected
- Total: 30%
- Business Leader: 35%
- Senior IT Decision Maker: 29%
- Senior Marketing Decision Maker: 24%

Lack of support from technology vendor
- Total: 30%
- Business Leader: 39%
- Senior IT Decision Maker: 24%
- Senior Marketing Decision Maker: 27%

They are features and capabilities we do not need
- Total: 27%
- Business Leader: 19%
- Senior IT Decision Maker: 44%
- Senior Marketing Decision Maker: 15%

Other
- Total: 1%
- Senior IT Decision Maker: 3%

As the digital enterprise matures, ambitions become more unique than a one-size-fits-all platform can handle. You might like the search functionality of one platform and the content management of another, and end up paying for two full platforms just to use a sliver of each. Not only that, but if these platforms aim to be your "one stop shop" for all digital needs, it's likely that getting them to integrate with each other will be a challenge.

The need for more custom solutions might also explain why technology leaders are significantly more likely than their counterparts to say features and capabilities are unneeded. If their team is building custom services to meet business needs then the generic, out-of-box version of software capabilities go unused. On the other hand, IT leaders may not have a clear view of the features marketing and business teams do find necessary for future ambitions but do not currently have the resources to implement and maintain.

Legacy Software Isn't Built for Modern Business

Legacy technology is a culprit behind many of the digital transformation barriers that enterprise companies are facing. Positioned as all-in-one software suites, vendors justified the complicated implementation process with the idea that once you had the solution in place you were set. They would provide all the features and capabilities needed for digital experience.

In the early stages of digital experience this model worked fine but, as digital needs expand and more tools are added to the technology stack, companies are finding those legacy platforms are even more complicated to adapt than they were to implement. With custom workaround needed for every change, the cost to innovate becomes too high.

The need for a more evolvable solution ecosystem is why more enterprises are turning to a modular architecture and why modern software vendors are designing solutions around MACH principles (microservices, API-first, Cloud-Native SaaS, headless).

MACH technologies support a composable enterprise in which every component is pluggable, scalable, replaceable, and can be continuously improved to meet evolving business requirements.

Microservices
Individual pieces of business functionality that are independently developed, deployed, and managed.

API-First
Built with APIs from the group up. All functionality is exposed through an API.

Cloud-Native SaaS
Software-as-a-Service that leverages the full capabilities of the cloud, beyond storage and hosting, including elastic scaling of highly available resources. Functionality is updated automatically, no manual effort required.

Headless
Front-end presentation is completely decoupled from back-end logic. Designed to be channel, programming language, and framework agnostic.

MACH Is Built for Integrations

Integration frustration can be seen throughout this survey. Lack of integration ability is a main reason legacy technology fails to match ambitions (see Figure 5), implementation issues lead to unused capabilities (see Figure 11), and ease of integration is the most important evaluation criteria for new technologies (see Figure 12).

Built with APIs and microservices from the ground up, MACH tools are designed to integrate easily. This offers companies a level of flexibility that let's them evolve at their own pace, as explained by Neha Sampat, CEO of Contentstack[5]:

"Companies are modernising their approach to digital in stages. They need to be able to access new technology and tools now, while transitioning their stack over time. Modern software needs to integrate not only with other new technologies but also with legacy tools to make the wider digital transformation as smooth as possible."

MACH Gives Feature Control

MACH technology vendors understand that the spectrum of digital business is wider than a single "all-in-one" platform could handle. Instead, they focus on proving leading capabilities in their area of expertise and ensuring those capabilities work nicely with other solutions.

This prevents the feature overlap that was said by our respondents to be the second highest cause of digital experience investment to be unexploited (see Figure 11).

In an interview with Giles Smith, Burberry's Director of Digital Technology, he explained why the freedom to choose the best platforms for each functionality was a key driver behind the company's move to MACH[5]:

"If we had to choose a monolith that was a solid nine out of ten on commerce, but a seven out of ten on search and content, we would have been limiting ourselves. We wanted to be able to pick the best platform for each of those capabilities. We didn't have to compromise by going for a single platform that locked us into some strengths and some weaknesses."

Is your organisation ready for MACH? Read more about the rise, benefits, and challenges of modular architecture and the lessons learned from Burberry and *The Spectator* during their move to MACH.

CONTENTSTACK™

Break the Replatform Cycle with MACH Enterprise Architecture

A practical guide to implementing cloud, API, and microservices technologies for a modern enterprise experience.

Break the Replatforming Cycle with MACH Enterprise Architecture

A practical guide to implementing cloud, API, and microservices technologies for a modern enterprise experience.
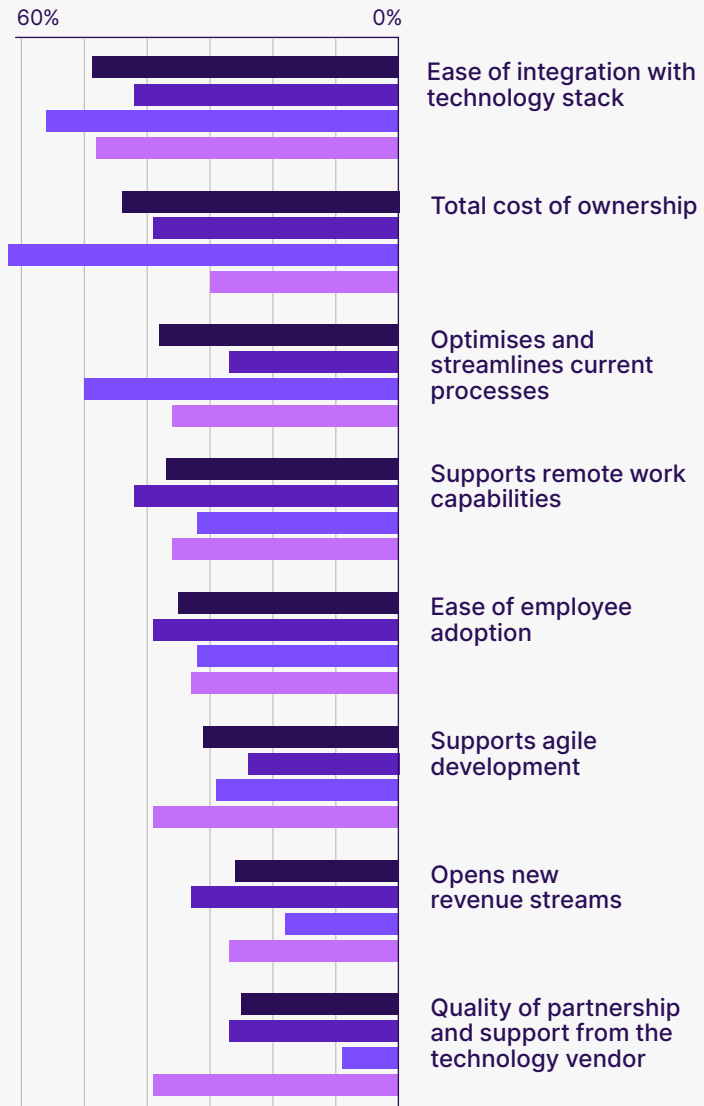
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FIGURE 12

What Companies Look for In New Technologies

When your organisation evaluates new digital experience technologies, what have been your top three evaluation criteria over the past two years?

Legend:
- Total
- Business Leader
- Senior IT Decision Maker
- Senior Marketing Decision Maker

Chart categories (from top to bottom):
- Ease of integration with technology stack
- Total cost of ownership
- Optimises and streamlines current processes
- Supports remote work capabilities
- Ease of employee adoption
- Supports agile development
- Opens new revenue streams
- Quality of partnership and support from the technology vendor

X-axis: 60% to 0%

Enterprise Architecture Maturity

New technology priorities expressed by the respondents of this survey reflect the model of enterprise architecture maturation described in the Forrester paper, Enterprise Architecture In 2025 and Beyond[12]. In the paper, enterprise architecture is placed in three waves. The first wave, estimated to be used by half of companies, views architecture as a portfolio of technology assets that work efficiently together. Integrations would potentially be a top priority for these companies, and 49% of our survey respondents put integrations as a top decision factor.

The second wave, estimated to be used by 35% of companies, views a firm's architecture as a portfolio of business assets with a heightened focus on business capabilities.

In our survey, the 38% of respondents who prioritized optimising and streamlining current processes may fall into this wave.

The third wave, estimated to be used by 15% of companies, is an outcomes-based architecture driven by products. These companies view the architecture as a portfolio of products: journeys, value streams, work streams, and lifecycles. The 26% of respondents in our survey looking at new technology as a way to open up new revenue streams may be moving toward this third wave of maturity.

Business vs IT vs Marketing

IT leaders were significantly more worried about Total cost of ownership (TCO) than their counterparts, with 62% placing it as a top priority (see Figure 12). Along the same lines, they said that the second highest culprit of technology inadequacy, after lack of integrations, was that the cost of technology is disproportionate to its business value (see Figure 5).

TCO is also driven up by the hours it takes to implement a new system, and technology leaders have the clearest overview of this effort. According to a survey by MuleSoft, an integrations platform provider, IT leaders report a 40% increase in project requests in 2020, compared to a 32% increase in 2019[13]. Technology teams are expecting to invest in new technology, but they want to ensure the resources are available to make it perform.

After integration, the top priorities for marketing leaders are vendor partnership and agile development.

Marketers putting more emphasis on agile development than the IT leaders is slightly surprising, but "agile" is often used in software marketing as a catch-all term for the "test fast, fail fast" mentality. The interest might not be so much in technology standards, but in

having the technology to innovate quickly and bring new experiences to market.

This desire to create differentiating digital experiences may also be why marketing leaders are the most interested in vendor partnerships, as vendors of modern software can have behind-the-scenes information of how other digital savvy companies are implementing unique solutions.

Business leaders' priorities were the most evenly spread. They were just as concerned about remote work capabilities as integrations, with both evaluation criteria being prioritized by 42% of respondents.

Total cost of ownership and employee adoption were not far behind at 39%. More likely than their counterparts to focus on remote work, employee adoption, and opening new revenue streams, business leaders seem to be focused on the overall employee experience and long-term growth.

All groups agree on the importance of integrations, but the slight disparities in other priorities will be important to clarify in the decision making process.

The importance of collaborative decision making is discussed in Gartner's 2020 Market Guide for Web Content Management[14]:

"While WCM buyers are often found on both the business and the IT side, there is still a gap in bringing both parties to the table to make a joint decision in selecting a WCM system. Depending on organizational dynamics, either IT or business can be the "owner" of this program of work. However, most successful selections happen when both sides are given equal opportunity to be part of the process. This helps avoid any disappointments down the line and increase adoption."

Vendor Partnership

While IT respondents were not likely to place importance on vendor support, 39% of business leaders felt it was a top reason current investment will become inadequate (see Figure 5) and marketing leaders ranked it as the second most important evaluation criteria for new technology (see Figure 12).

Business and marketing leaders might be more expectant that new technologies will be a way to innovate, as both groups were more likely than their IT counterparts to evaluate new tools on the ability to open new revenue streams (see Figure 12). Companies who aim to be digital first-movers will have to take some paths that don't have clear roadmaps. A good relationship with a solution vendor can be a source of practical advice, as well as a chance to impact the feature roadmap of your software investment.

COVID-19 Impact Makes All Digital Priorities More Important

The sudden global shift to remote work due to the Covid-19 pandemic has caused, in the words of Microsoft's CEO, "two years' worth of digital transformation in two months"[15]. A June 2020 survey estimated that the pandemic has accelerated the digital communications strategy of UK companies by 5.3 years[16].

We asked respondents how the business impact of Covid-19 has changed the way they evaluate technology (see Figure 13). Unsurprisingly, support for remote work had the largest movement with 62% saying that it is now much more important.

Among technology leaders, each criteria was said to be more important by at least half of respondents. Remote work support and ease of employee adoption saw the most impact, with 83% and 71% saying they were more important, respectively.

Marketing leaders felt the highest amount of impact, with all but one criteria being ranked as more important by at least 70% of respondents. The outlier was "opening new revenue streams", which 54% said was more important. This group's most impacted criteria was remote work, with 85% of respondents saying it was more important. Followed closely by ease of integrations, TCO, and optimising current processes, which were each reported as more important by 81% of marketing leaders.

Except for agile development (which 51% said was more important), over 60% of business leaders ranked each criteria as more important. After support for remote work, which 79% said was more important, the most impact was seen in "opening new revenue streams" with 72% of business leaders saying it is now more important and 45% saying it was "much more important".

FIGURE 13

Impact of COVID-19 on Business Priorities in Regards to Technology Evaluation

Over the last 6 months, taking into consideration the impact of COVID-19 on your organisation's business priorities, how has the importance of these criteria changed when evaluating a new technology?
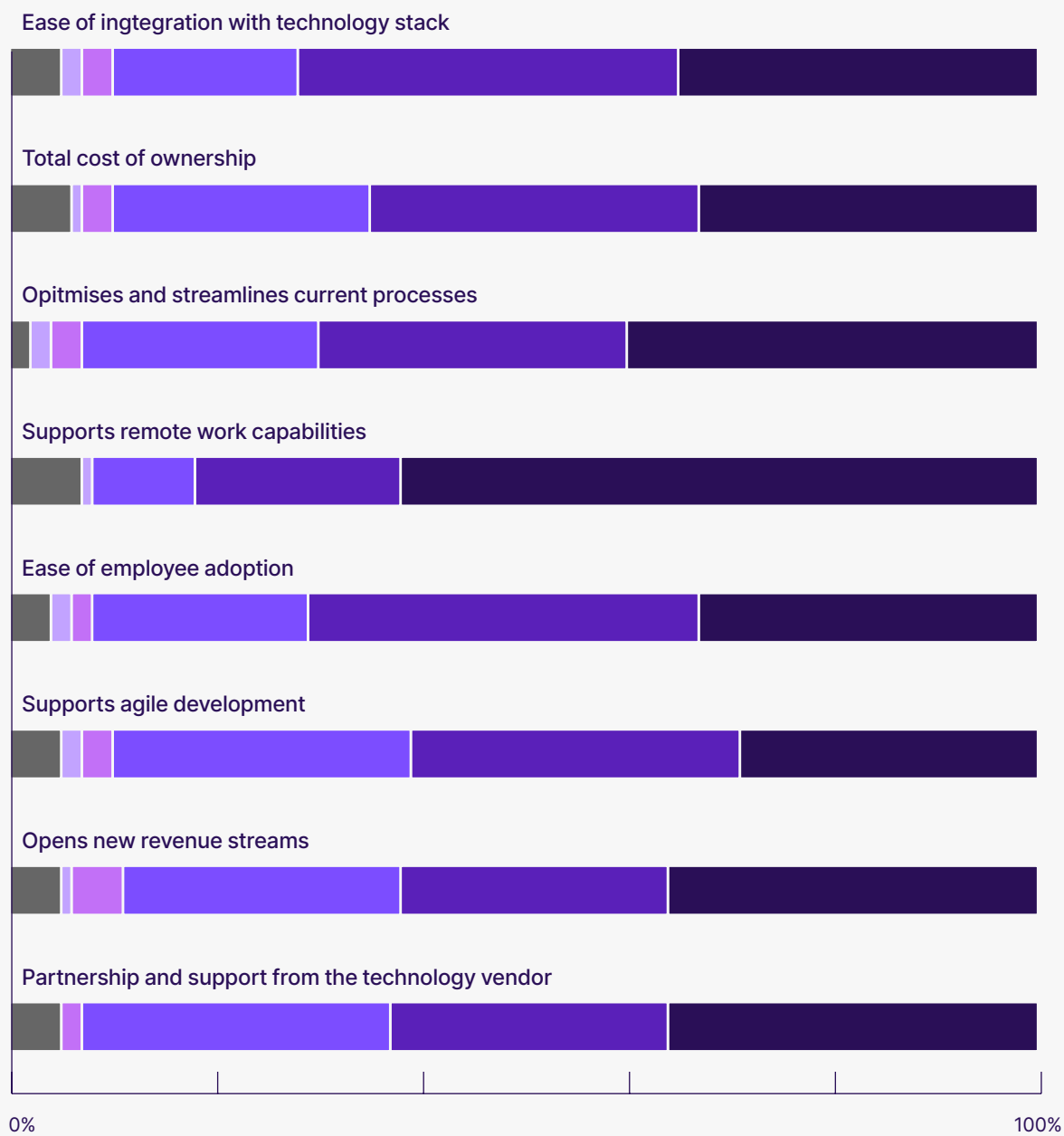
Legend:
- Don't Know
- Much Less Important
- Slightly Less Important
- Remained the Same
- Slightly More Important
- Much More Important

Ease of ingtegration with technology stack

Total cost of ownership

Opitmises and streamlines current processes

Supports remote work capabilities

Ease of employee adoption

Supports agile development

Opens new revenue streams

Partnership and support from the technology vendor

0%   100%

Summary

98% of UK companies have digital transformation initiatives underway.

However, only 27% of companies think the technology they currently have will be able to support this transformation over the next 18 months (see Figure 2, Figure 1).

Currently, companies are only using 49% of the features and capabilities available to them (see Figure 9), and these unused investments are estimated to account for 24% of their overall digital experience budget (see Figure 10).

Legacy digital experience tools are expected, rapidly, to become increasingly obsolete. In a quarter of companies, 40% or more of their current investment will be inadequate to support digital ambitions in 18 months (see Figure 3). Lack of integration ability and inability to support internal demands are the main reasons technology can't keep up with ambition (see Figure 5).

Executives in technology roles are leading digital transformation in the majority of companies (see Figure 2). While technology leaders are aligned with their business and marketing counterparts on integrations being top priority for digital transformation decisions, they will need to align with marketing and business leaders on how much cost, implementation, features, new revenue streams, and vendor relationship should be taken into account (see Figure 5, Figure 11, Figure 12).

Enterprises feeling the pain of inflexible legacy software can design a more modular architecture with MACH tools. Designed to evolve, modern MACH tools support a composable enterprise in which every component is pluggable, scalable, replaceable, and can be continuously improved to meet evolving business requirements - easing integration pains and ensuring businesses are never again locked into obsolete technology.

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