# Adapt or Perish: The New Reality In a Hyper–Digitized World

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Across industries, markets and geographies, businesses are facing a new reality around what it takes to remain competitive, and even to survive, in today's hyper-digitized world. Technology is driving changes in the way businesses are expected to engage customers and time is running out for companies to recognize these new demands and take action.

Through a global survey commissioned by Teradata and conducted in September 2019 by Vanson Bourne, the "Adapt or Perish: The New Reality in a Hyper-Digitized World" report captures insights into how today's enterprises think and react to the five forces impacting business success: Hyper Disruption, Pervasive Digitization, Autonomous Action, The Cloud Imperative and Enterprise Consumerization.

Hyper Disruption

94%
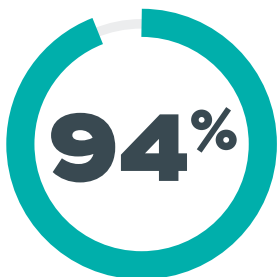
Of businesses are experiencing some form of disruption and are rethinking approaches and processes to keep pace.

61%

Are underprepared to strategically address market-disruptive competitors.

Today's enterprises are facing hyper disruption on an unprecedented scale. In fact, nearly all surveyed respondents (94%) across the U.S., Europe and in key parts of Asia, such as Japan and China, are facing disruption in their industries and are under pressure to rethink approaches and processes to keep pace with current market forces.

Much of this disruption is internally focused. For example, 61% of organizations surveyed admit to being underprepared to strategically address market-disruptive competitors, like start-ups.

Additional disruption is coming from an organization's bread and butter: the vast majority (87%) of survey respondents expressed concern about keeping up with advanced customer demands and dynamics. This is understandable since businesses need to provide more and better customer services at a larger scale, but also streamline those changes within their organizations in a way that will go unnoticed by customers.

Pervasive Digitization

Most respondents believe digitization can help address growing customer expectations for rapid and personalized engagement, and are beginning this process with the ways they execute their operations.

While almost all respondents (99%) are in the process of either moving to a digital business or leveraging/piloting digital technologies to change business models, some are further along than others. Over four in ten (41%) indicated that digitization efforts were widespread, but almost as many (40%) indicated that digitization only existed across certain aspects of the business. Just 10% confirmed they had fully realized widespread digital transformation.

A major hurdle to becoming a digitally pervasive business is breaking down the many data siloes that exist within an organization. Forty-five percent of respondents believe that their organization requires improvement in their approach to managing data accessibility. While we have more data at our fingertips than ever before, monitoring access to that data and navigating how and where it should be used is leaving room for ambiguity – a particularly challenging issue for organizations looking to implement artificial intelligence (AI).

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Autonomous Action

Adequately navigating that ambiguity and leveraging available data to find answers to the toughest business challenges remains the goal. For many, this requires leveraging AI, machine learning and an autonomous platform.

AI in particular has the potential to take a lofty and pervasive role in the future of digital transformation. In fact, nearly 60% of respondents who have at least limited digitization across their organization agreed that their digitization efforts were done with AI in mind, and the survey shows that such efforts have helped with investment in AI or ML technologies.

Sixty-eight percent of responding businesses confirmed that AI or ML were currently being leveraged in some areas of the businesses – with around a third confirming pilots were already in use. This adoption will only increase in the coming months and years as investments in AI continue and the demand for infrastructure and analytics to support such work becomes crucial.

The Cloud Imperative

AI can only be successful with infrastructure that provides adequate elasticity, flexibility, computing power, scale and storage. This is why 64% of respondents whose organizations have data analytics and workloads that exist in the cloud are considering AI as major component of their overall cloud analytics strategy in the next year.

Despite this enthusiasm, it seems that first establishing a strong cloud analytics strategy, as the basis for AI, needs to be the focus in many companies. Sixty-one percent of organizations confirmed that 50% or less of their data analytics applications and workloads currently exist in the cloud. Even more respondents (69%) who have data analytics and workloads that exist in the cloud were concerned that their cloud analytics strategy lagged behind other cloud initiatives.

While this survey data clearly shows the cloud's promise and role in driving data analytics at scale, the industry has yet to reach critical mass in its adoption of cloud analytics.

Enterprise Consumerization

Among the many benefits of the cloud is its ability to provide businesses with greater simplicity and ease of use, a key driver behind its enterprise adoption. In fact, more enterprises than ever before are citing operational complexity as an issue and are turning to technology that has roots in the consumer world to simplify, become more agile and take friction out of business processes.

Nearly 60% of respondents agree that one of the more pressing issues they face is transforming business operations to be more agile. And while analytics
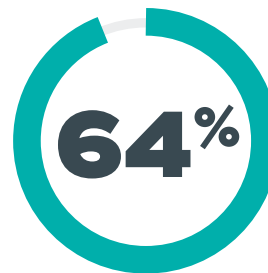
64% Of organizations who have data analytics and workloads that exist in the cloud are looking to AI as playing a major role in their overall cloud analytics strategy in the next 12 months.
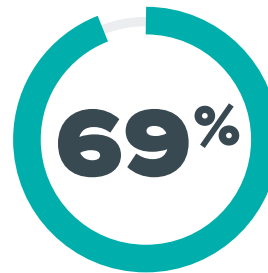
69% Despite AI–Cloud optimism however, 69% of the same respondents are concerned their cloud analytics strategy lags behind other cloud initiatives.
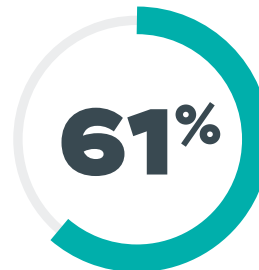
61% With 61% confirming less than half of their data analytics applications and workloads currently exist in the cloud.

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tools can assist, organizations also cited eliminating operational complexity (45%) and improving employee culture/resistance to change (42%) as being some of the biggest hinderances to improving business agility.

As more proof that complexity also continues to be an issue, nearly three quarters (74%) of respondents state that new competitors and new business model complexity are driving a need for greater simplification and operational excellence within the business.

This survey proves that as businesses are embarking on and progressing down their path toward digitization, they are not only realizing similar goals but also facing similar obstacles. In order to truly adapt to today's hyper-digitized world and remain successful, organizations must understand the five forces impacting business success and adopt a clear strategy to master them.

Methodology

In September 2019, Teradata commissioned independent market research company Vanson Bourne to conduct a quantitative research study of 270 IT and business decision makers across U.S. (100), UK (50), France (30), Germany (30), China (30) and Japan (30). Respondents were from organizations with 1,000 employees or more and with a global annual revenue of more than $250 million. The organizations could be from a variety of private or public sectors including financial services and IT, technology and telecoms. Interviews were conducted online using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

About Teradata

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About Vanson Bourne

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