



Digital Continuity

UK Technology Research 2020

Contextual Analysis

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Contextual Analysis

In March this year, every business shared the same purpose: to protect their staff, their customers, and their business. As the reality of the threat of COVID-19 hit, it brought with it an urgency to act and a single clarity of vision that led to thousands of businesses to rapidly adopt new ways of working. New tools were deployed for collaboration, communication and automation; the way companies interacted with staff, customers and suppliers changed almost overnight. The changes needed to be fast and simple, normal evaluation processes were bypassed in the preparation for what became the new normal.

Technology adoption moved forward at an unprecedented pace, where years of change happened in just a few short months. Our aim was to identify the extent of technology reliance for UK business survival, following the unprecedented crisis caused by the COVID-19 pandemic.

Now as we face the new challenges that come from a recovery one thing is very clear, we will not be returning to the old way of doing things. For many companies, the adjustments just accelerated planned changes to their business models and operations but for others, it was a shock to the core of their business.

Hoping to hold out for a return to our old normality anytime soon is futile. The seismic shift has happened, offices remain empty, many people will not be returning to their desks. For years technology vendors have evangelised about the benefits this will bring and how easy it would be to adopt it, and when push came to shove the technology delivered on its promises.

The sudden increase in video calls didn't bring the networks to their knees, children logged onto remote lessons, doctors held remote consultations and, in many industries, staff got on with their jobs with minimal disruption. And now we have seen



how well the technology works there will be no turning back. Companies that embrace digital transformation and innovate are not just giving themselves the best chance of survival but also, they are creating a competitive advantage.

This new world of work brings with it many advantages but now is the time to look back at what you have in place and assess how well it held up, to look for longer-term solutions for the short-term fixes you deployed and prepare for the next five years.

In July Serviceteam IT and Doogheno undertook research to see how COVID-19 had impacted British companies' digital transformation objectives and the findings of that research have been used to inform this paper.

Ensuring Long Term Success



To guarantee the long-term success of the changes that we rapidly put in place in the spring three elements need to come together.

Our research found that over three quarters of the companies spoken to felt that digital transformation of business and society rapidly accelerated over the first half of 2020.

The first is that there needs to be existing momentum for the change, the second is that the changes must be aligned to the company's desired business outcomes and finally, there needs to be a successful technical implementation that leads to wide-scale adoption. If one or more of these elements are not present then the changes may create more damage to the business than the problems they attempt to solve.

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Existing Momentum



Digital transformation projects have been ongoing in many companies for some time, COVID-19 has just made them a higher priority. Our research found that over three quarters of the companies spoken to felt that digital transformation of business and society rapidly accelerated over the first half of 2020.

The move to cloud computing for applications and storage has been the single biggest trend in the industry for over a decade. Without its wide-scale adoption, very few companies would have been able to seamlessly transition from traditional work patterns to those adopted during the lockdown. Over 90 percent of the companies we interviewed have widespread use of cloud technology, such as

productivity suites and collaboration tools. Video conferencing was already widely in use, as was Desktop as a Service so for companies that had these in place already the disruption to knowledge workers was kept to a minimum. But even where only a handful of cloud-based services had been adopted companies were able to build on this experience to deploy more solution in a short space of time.

Alignment to Desired Business Outcomes



Over a third of the companies interviewed said they are looking to deploy new solutions to address the needs that have arisen during this period.

Where digital transformation projects were already underway the actions taken in the spring would have largely been aligned to a goal that had already been defined. However, while the short-term objectives may have been achieved these may not be aligned to the longer-term strategy of the organisation

Only 14 percent of the companies expected their IT budget to increase to cope with the additional investment that is needed in some areas. Respondents reported that immediate needs have brought forward some projects but resulted in the cancellation of others. The effects of the health crisis on trading conditions will have amplified the challenges that we have faced for over a decade including doing more with less, reducing costs and creating more flexible and streamlined businesses.

Good Implementation and Adoption



With the first two elements in place in most companies, it falls on to the IT team to ensure the third criteria for success is met. Many of the barriers that are normally faced have been removed. The need for technology to solve business challenges has been identified across the company and in the majority of cases, over a third of the companies interviewed said they are looking to deploy additional solutions to address the needs that have arisen during this period. But IT departments have already delivered many solutions exceptionally well under the circumstances.

However, for the long-term success of these solutions, they need to be fit for purpose. A blind eye was turned to normal security vetting of services leaving companies exposed. As millions of users used services like Zoom for the

first time, it became acutely obvious that not all products were as secure as they first seemed. Staff often found their own workarounds introducing new unapproved services into the company. And BYOD policies that were adopted to keep a company working opened up back doors into the corporate network.

Some of the rapidly deployed short-term solutions will be fit for purpose but do not assume that just because you have put something in place that you are ok. What was good enough before may not be enough to survive the demands of the new world of work, let alone enable a company to thrive. Over a third of the companies interviewed said they are looking to deploy new solutions to address the needs that have arisen during this period.

Longer-Term Planning



The one thing 2020 has shown us is that we need to expect the unexpected but now we can take a step back from the immediate problem we need to consider what we are likely to face over the next five years. Many of the trends we have seen over the past five years will accelerate and gain wider scale adoption and other factors that have not yet fully emerged will become very real challenges that we will have to face.

Technology Trends

Cloud First

The momentum behind the move to a cloud-first approach isn't slowing down. The large cloud providers are layering on additional services that further embeds their offerings into companies. While there are new entrants into the market, it seems that the dominance of Microsoft and Amazon will only be challenged by Google.

Many companies are taking a hybrid multi-cloud approach selecting the best platform for specific workloads. This, along with containerisation, goes some way to avoid vendor lock-in.

Automation

The need to reduce cost will drive further adoption of automation with business. Gartner has coined Robotic Process Automation (RPA) as 'the fastest-growing segment of the global enterprise software market' – and predicts that the global market for RPA will hit £5.98 billion this year.

AI

The promise of AI has been long coming but now we are seeing more commercially available services that are built with true AI as a component. From digital assistants in the home to far greater insight into what is happening within your company AI will start to become commonplace and rather than consciously choosing an AI-based solution you will be simply choosing a solution that fits your needs incorporating AI.

Some of the companies we spoke to have already deployed such solutions (17 percent), with an additional 30 percent exploring these to meet the new challenges.

AI will accelerate security systems' defence, but it will also make it far easier to attack your network if it is in the wrong hands. Deep attacks can use AI-generated content to avoid both human and AI controls.

5G and IoT

By 2025, it is estimated that there will be more than 21 billion IoT devices, the availability of low cost, high-speed data transmission offered by 5G will finally enable widespread IoT applications. Coupled with edge computing and AI this is set to transform some industries, including healthcare, manufacturing, in ways that we could only imagine a few years ago.

There may be future attempts to weaponise IoT devices. Botnet-powered distributed denial of service (DDoS) attacks have already used infected IoT devices to bring down websites.

Cyber Security

Within an increase in computing power and AI cybersecurity attacks will get even more sophisticated. From using deep fakes in phishing attacks to state-sponsored attacks on infrastructure we are only going to see a rise in cybersecurity events.

29 percent of companies reported that their risk associated with cyber security had increased. A dispersed workforce, often using their own device, brings with it exposure to new attack vectors.

Cyber security vendors are reacting to this and the changes to work patterns will continue to ensure that cyber security remains a key focus for all companies.

Other Considerations

Working from Home

The trend to work from home is not new. What has changed is the wholesale adoption of working from home by companies of all sizes and 84 percent of respondents in our research expect that homeworking will continue to some extent within their organisations.

This throws up many challenges both technical and also in the way businesses operate.

Extending the corporate LAN securely to employees spread around the country or beyond while guaranteeing a consistent high-quality end-user experience is going to be one of the most common technical problems faced by businesses. Solutions such as Desktop as a Service may go some way towards resolving this, but they are not the whole solution.

The operational impact of moving staff out of offices cannot be understated. It is a cultural shift for many and one that brings as many problems as it solves. While 54 percent of respondents reported a better work-life balance and 41% said they were more productive others have struggled to navigate the change as well. Productivity may decrease and remote management of teams becomes more difficult. Over a third of respondents said that keeping staff motivated has been a challenge and new ways of managing staff are needed.

Economic Conditions

The UK has entered a recession, but this is not a local issue. Around the world, economies have taken a massive hit. In today's global market, where even the smallest company relies on international business as a part of its operations how the world reacts will affect how long it takes us to get back to where we were. The IMF state that Global growth is projected at – 4.9 percent in 2020. In 2021 global growth is projected at 5.4 percent.

The UK government have introduced large economic packages to keep businesses afloat and people in jobs, but this will end soon.

26 percent of respondents said that they have lost revenue during the lock-down period and for some this has forced changes to their business model (12 percent).

Since the crash in 2008 businesses have had to operate within tighter budgets to deliver ever-increasingly complex technical solutions. 30 percent of surveyed companies expected their IT budget to be reduced even further. This need to deliver more for less has driven new business models, such as we have seen with cloud computing, these models are likely to mature and new models will emerge.

Brexit

With all that has gone on this year, it may be easy to forget that Brexit is happening this year. Its impact on the economy, both short and long term, are unknown. Very little consensus was arrived at before COVID-19 so now we are in an even less predictable place.

From borders and customs to inward investment, international trade deals to transport and health there are still too many unknowns to allow businesses to prepare for the impact or position themselves to take advantage of the new opportunities.

Climate Change

The United Nations has said climate change is the greatest threat to global security. It is not merely an environmental problem. Climate change is becoming difficult to ignore. We have had the warmest decade on record. It is likely that within the next five years that it will become a far more predominant issue, and it will lead to legislation changes which may impact business operations.

Conclusion

British businesses are already on their digital transformation journey and COVID-19 has accelerated this. The majority of companies have been able to minimise many of the challenges presented by the crisis through effective use of technology.

But the next twelve months may prove equally challenging.

A full copy of the results of the research can be downloaded from Serviceteam IT's website.

Serviceteam IT

IT can be complex. It's an ever changing world, with new technologies, new regulations and new threats. At Serviceteam IT, we love it. (This can make us a little boring at parties).

Ask us about the latest cyber-security trends, the challenges of data sovereignty or low latency connectivity, and we'll put the kettle on and open the biscuits.

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