

A high-angle, wide shot of a city skyline at sunset. The sky is a vibrant orange and yellow, with the sun low on the right horizon. Numerous skyscrapers and buildings are silhouetted against the bright sky. The foreground shows a dense urban landscape with various building types.

Beyond Disruption 2020

Identifying shifts in the perspectives of Australian and New Zealand business leaders on technology adaption, investment, business resilience and data driven insights to drive recovery

Contents

- 00 **Introduction**
- 01 **Adapting to disruption**
- 02 **Investing in technology**
- 03 **Building business resilience**
- 04 **Recovery and data-driven insights**
- 05 **Conclusion and recommendations**
- 06 **Methodology**

Introduction



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2020 has delivered an unforeseen level of disruption across virtually all industries. In this time of uncertainty, disruption as a future possibility has been replaced by innovation and action.

From natural disasters to the present health and economic challenges that we are all facing around the world, 2020 has delivered an unprecedented level of disruption across business and daily life that no one was prepared for or could predict.

Many organisations have been compelled to adapt existing technology, rethink investments and fast-track transformation plans to ensure business continuity.

In light of this rapid shift, DXC and emerging technology analyst firm Telsyte, conducted more than 600 interviews over an eight-week period to form a four-pulse business study, Beyond Disruption 2020. The study tapped into the learnings and insights of business and technology leaders to give you an up-to-date snapshot, uncovering how Australian and New Zealand organisations are adapting, innovating, investing and transforming in this challenging climate to survive, and prepare for growth.

The following report expands on the findings of our Beyond Disruption business study and provides practical and effective recommendations to help your organisation weather the storm of 2020 and emerge from disruption with clear skies ahead.

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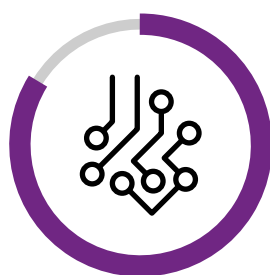
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Adapting to disruption

Australian and New Zealand organisations have been driven to adapt and innovate.

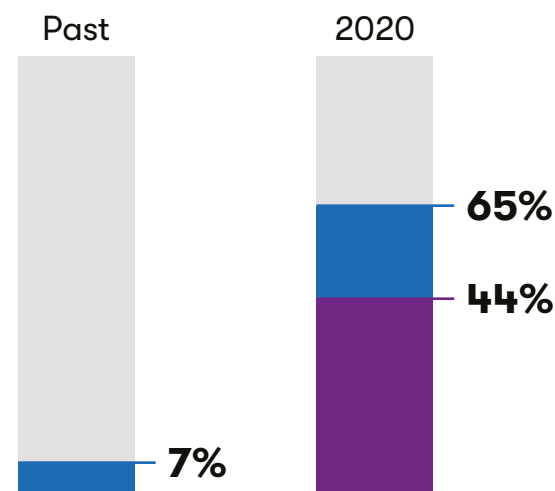
One thing has become abundantly clear, technology is now seen by the vast majority of Australian and New Zealand organisations as the answer - or at least, a large part of the answer - to overcoming disruption. Findings revealed that

**82%**

see **technology as a key enabler in managing disruption**, rising to **92%** for organisations with more than 1,000 employees.

This conclusively underlines the importance businesses are placing on technology moving forward.

Unsurprisingly, many respondents (**82%**) are rethinking their business strategies to provide a more current technology roadmap, with **98%** having already invested in some form of technology to manage disruption.



A large percentage of this technology adoption has been focused around facilitating remote working. Prior to 2020, only **7%** of organisations allowed the majority of their employees to work from home. This has shifted significantly to **44%** at present. Findings show this move to remote working is more prevalent in larger organisations with over 200 employees, with **65%** of employees now working from home, compared to smaller companies.



Many organisations have invested in cloud services and enhanced cybersecurity with over **90%** leaning on these technologies to carry them through the current disruptions and into the future. In addition, many have also invested in other technologies - **34%** in mobile applications to engage with customers and employees, **22%** in remote learning platforms, and **22%** in virtual staff such as chatbots and digital assistants.

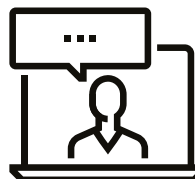
Based on their experience of managing disruption in 2020, the majority of organisations say they are likely to continue implementing certain policies beyond 2020:

**90%**

Enhanced cybersecurity and fraud prevention policies

**82%**

Flexible working hours

**82%**

Advocacy of alternatives to in-person business meetings

**79%**

Onshore alternatives to replace offshore IT services

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Investing in technology

Many organisations have been compelled to rethink investments and fast-track transformation plans to ensure business continuity and prepare for growth in the disruption-driven economy of the future.

Despite the recent disruptions adversely affecting the majority of industries, organisations plan to **increase technology spending by 5%** across the entire business,

5%

10%

rising to **10% for those with over 1,000 employees**, reaffirming technology as a key enabler to manage disruption.

While technology is a part of most business strategies, the disruptions of 2020 have compelled many organisations to move quickly with



80%

fast-tracking their technology modernisation.

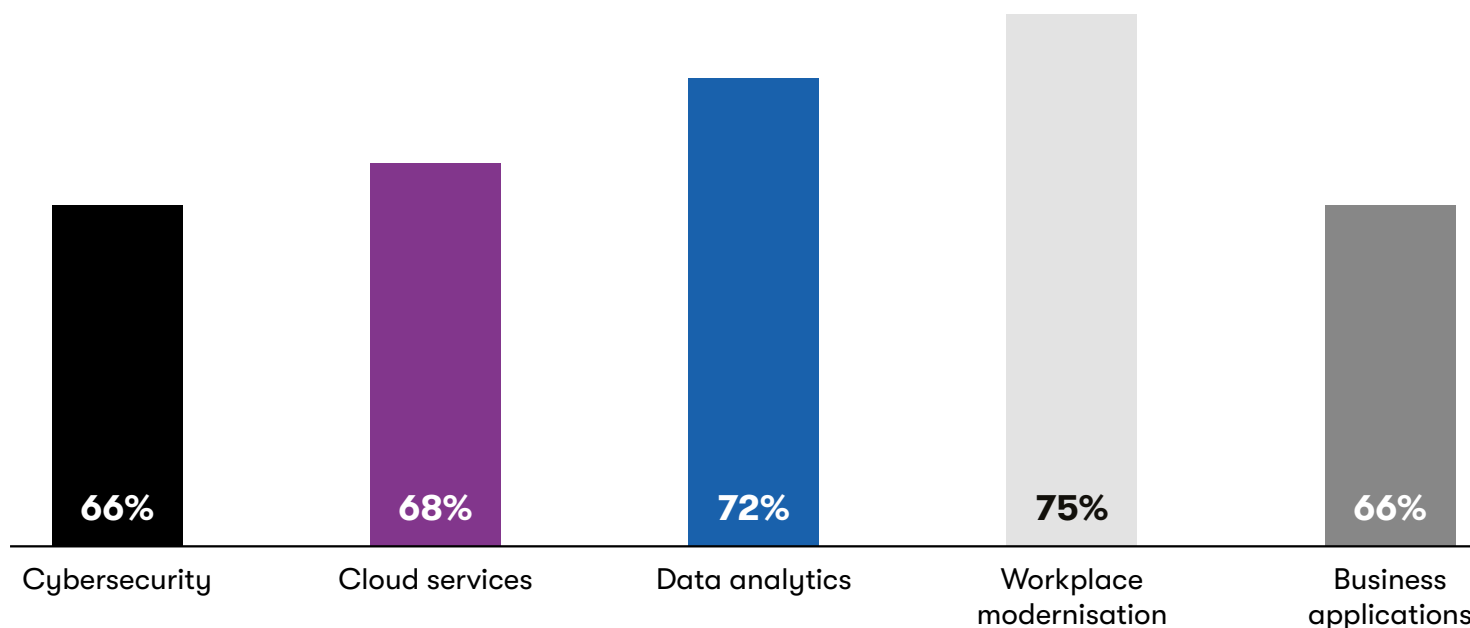
Interestingly, this urgency is also changing mindsets, with **85%** of respondents more open to new and emerging technologies and **91%** viewing the establishment of technology platforms as important in capitalising on new technologies.

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As a result, **57%** of organisations have launched transformation initiatives to make their core infrastructure more resilient and ready for any future disruption. As part of these initiatives, cloud continues to be a key enabling technology with **54%** of organisations now having fully embraced a 'cloud first' policy.

This is unsurprising considering the shift to remote working, which has also resulted in a refocusing of transformation efforts. **67%** of organisations admitted their efforts will now focus on employees, a significant swing away from 2019 when **61%** of transformation efforts were focused on customers.

As a result of this increased focus on employees, organisations have identified the **top five most important investments** over the next 12 months:



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Building business resilience

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In a time of uncertainty for all, Australian and New Zealand organisations are taking action to safeguard their businesses and employees to build resilience against current and future disruptions.

This focus on employees to overcome disruption has also transformed company cultures. Organisational flexibility, employee commitment and leadership and management style were noted as the key factors in building resilience against disruption. **52%** of organisations have cultivated a culture of productivity, encouraging collaboration and employee commitment towards a shared vision of overcoming disruption.

With this in mind, **55%** have implemented health and safety policies and many are looking to technology, with **39%** increasing data and analytics usage to make faster and more informed decisions.



The current disruptions have also compelled a focus on the mental health and productivity of employees. Over **70%** of large organisations have launched mental health programs and personal development training to protect and enhance employee well-being.

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One area in which organisations are struggling, despite investments in cloud and cybersecurity – is training for employees.

Despite **49%** seeing an increase in cyber-attacks,

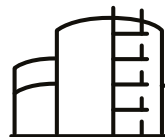


only **33%** are offering cybersecurity training for employees.

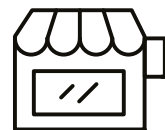


This indicates more needs to be done to ensure resilience and protection.

The implementation of all these programs drops dramatically in small to medium enterprises (SMEs) (20 - 199 employees) suggesting they may be lacking the resources and support available to execute such initiatives. It is clear SMEs are in need of more support, aligned with government assistance and incentives. This is reflected in the general outlook which reveals:



86% of large Australian and New Zealand organisations believe they have managed the current crisis well, compared to only



61% of SMEs.

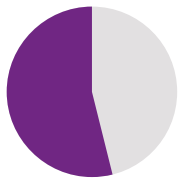
Overall, **68%** believe their technology investments have helped them to manage the current disruption.

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Recovery and data-driven insights

Many are now looking to organisational strategies and data-driven insights as they focus on recovery beyond 2020.

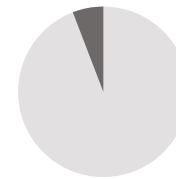
Despite the ongoing disruption, a willingness to invest in new technologies and transformation efforts on employee well-being has resulted in varying levels of optimism from organisations.



54% believe it will take up to three years to fully recover from the disruptions



25% are hopeful of recovering by the end of the year

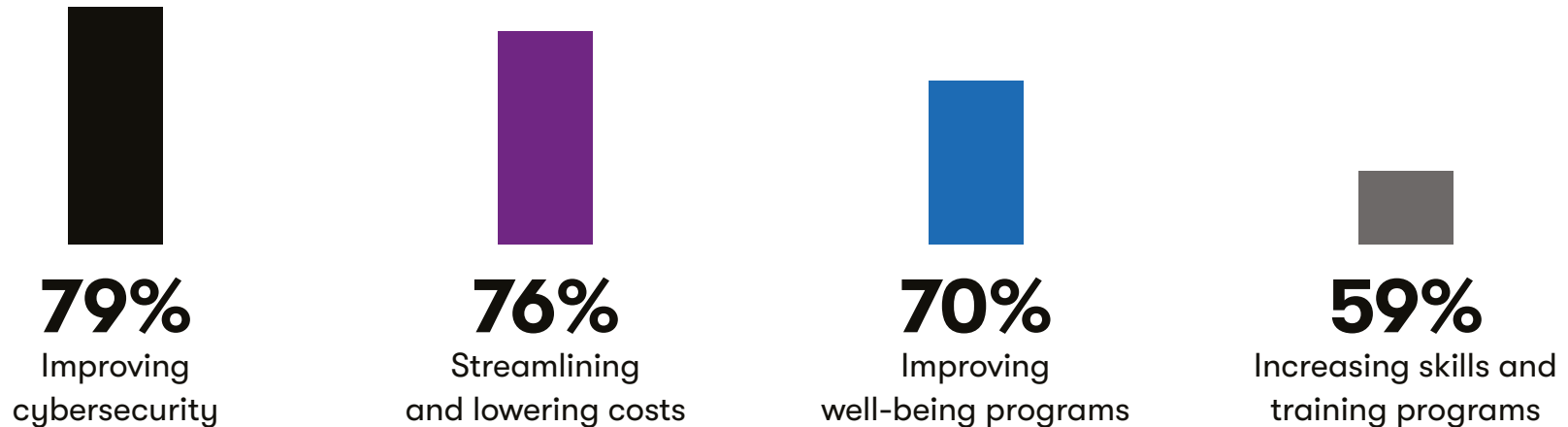


Only **6%** believe it will take longer than three years to recover.

Broken down by size, half (**48%**) of large organisations are confident they will fully recover by the end of the year, compared to just **one in five** SMEs.

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With these projections in mind, **58%** have indicated they will be changing their business strategy, and **68%** will be updating their technology strategy, as part of their recovery plans. Findings show the key business recovery priorities for organisations over the next 12 months are:



Organisations are focusing on improving their data and analytics strategy in the long run, through easier, faster access to trusted data for better decision making (**54%**) and improving analytics capabilities and data literacy skills across the business (**46%**). This is enabling leaders to gain meaningful insights, improve operational resilience and drive growth.

Beyond reviewing overall technology and business strategies, the disruptions of 2020 have presented organisations with a unique opportunity to rethink the roles of employees. **73%** have expanded the responsibilities of employees with many embracing multidisciplinary roles. **86%** of these respondents plan to maintain these expanded roles, which have helped break operational silos.

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Conclusion and recommendations

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Conclusion

As we continue through this period of change and disruption, many organisations are still wondering what's ahead. The varying levels of optimism on recovery from Australian and New Zealand business leaders show that whilst some have managed to remain resilient, rising to the challenge and adapting, others see a long road to recovery.

One thing is certain – technology has and will continue to play an instrumental role in the next phase of business recovery. Solid digital foundations such as the adoption of cloud, modern applications, and sophisticated cybersecurity strategies have meant that many businesses felt confident to transform almost overnight, and the majority rose to the challenge in an incredible display of resilience.

As business leaders continue to understand what the 'new normal' means for them, the key word here is 'new'. We are in uncharted territory and whilst some things may not change, most organisations will find themselves taking forward the learnings and resolutions from 2020. They will leave the old ways of doing things behind and embrace the future of flexible working, multi-disciplinary roles, robust cybersecurity structures, data-driven decisions, and technology focused roadmaps.

Above all, business leaders will embrace the lessons from 2020 to better lead their organisations, as it is no longer about recovering but transforming –

Beyond Disruption.

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Beyond Disruption 2020

DXC recommendations

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Governance and leadership is key to developing resilient organisations



Using technology to help create business resiliency cannot be an aspirational target — instead it must be a defined organisational strategy. Boards and executives must raise their technology literacy and ensure there is support for the increased dependency on technology to drive resiliency. Leaders must actively pursue new thinking and ideas, be prepared to change business models and processes, and also work collaboratively with their employees to execute changes. In adapting to new ways of working, careful consideration needs to be given to the cultural impact of these changes on employee well-being.

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Create intuitive employee experiences on a simple cloud platform



Choosing the right platforms for collaboration, workflow, insights and planning matters now more than ever. It is equally prudent to rationalise core applications and standardise the employee experience within a simple cloud-based platform. Sustainable, secure, simple and scalable experiences allow employees to be multi-disciplinary, adapt better to change, and maximise their productivity and creativity. With an individual's location and chosen working hours no longer dictating their level of productivity, employees are expecting technology solutions which make their lives easier so they can focus on getting the job done.

3

Modernise your technology core for flexibility and resilience



Technology modernisation drives organisational flexibility to adapt to changing market conditions and also take advantage of new opportunities. The monolithic platforms of the past are still holding organisations back far more than they realise. Furthermore, once platforms have been in place for some time, it's important to optimise those investments to drive down the cost of providing services to customers. Automation will play a key role in managing core technology platforms; therefore, a clear and scalable solution is key for recovery and growth.

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Secure your organisation against increased threats



The fast-paced nature of a modern organisation means they are constantly making changes to their technology footprint. Unfortunately, these changes allow criminals the opportunity to exploit weaknesses both directly within the technology and also amongst the people that use them. Businesses need to revisit all current security processes, ensuring their employees have strong security awareness and training, and also plan for business continuity. It's imperative security is embedded in everyday processes with a focus on simple, usable, and modular solutions.

5

Harness the power of data to recover, grow and stay strong



Organisations must take advantage of the power of data and analytics to improve operational resilience, revitalise products and services, increase margins and drive growth. It is imperative that organisations can access trusted data that allows a holistic view of their customer and operations, in order to identify new opportunities and data-driven services at scale. It's important that this doesn't just happen organically but is planned, managed and embedded within the business. Employees should be encouraged to improve their data literacy and use data in new and creative ways.

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Final thoughts

Many organisations have been surprised by their ability to adapt to new ways of working during the recent disruptions, reflecting on “what would have taken us two years took two weeks”. Moving forward, it is important to harness these learnings to explore more productive ways of working throughout the recovery phase and beyond. Organisations should adapt their business and technology strategy with the same sense of urgency that was used in response to the disruptions of 2020.



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Methodology

The research in this study is based on 600 interviews conducted with Australian (406) and New Zealand (214) technology decision makers in June and July 2020. Interviews were conducted over four pulses with greater than 150 respondents per wave. Interviews were conducted utilising an online survey and were completed on computers, tablets and smartphones. Each wave took respondents up to five minutes to complete. Respondents included Chief Executive Officers (CEO), Chief Operating Officers (COO), Chief Information Officers (CIO), Chief Digital Officers (CDO), managers and other technology decision makers. Respondents were required to have a strong understanding of their organisation's IT and digital purchasing and strategy. Random sampling was conducted across all industries with results weighted to Australian Bureau of Statistics and Stats NZ population estimates by Australian and New Zealand Standard Industrial Classification class and business size. Sampling (and weighting) was conducted with organisations with 20+ employees in Australia and 5+ employee organisations in New Zealand.

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Chat with one of the experts behind the research. Click here to schedule a 30-minute call.

dxc.technology/au/beyond_disruption
