

# Digital Transformation & Cloud Survey 2020

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## Key takeaways for TMT

In 2020, data remains a crucial asset for many businesses. Its collection, storage, analysis and protection are all critical to achieving success in the digital economy. Moreover, the current pandemic is accelerating digitalization and the use of cloud services across sectors.

Our Digital Transformation & Cloud Survey, conducted in August 2020, explores the links between digital transformation and the use of data and assesses the importance of cloud computing within a digital transformation program. The survey had respondents across six industry sectors: TMT (Technology, Media & Telecommunications), IMT (Industrials, Manufacturing & Transportation), CG&R (Consumer Goods & Retail), EMI (Energy, Mining & Infrastructure), Healthcare & Life Sciences and FI (Financial Institutions). Here we highlight the key takeaways for the TMT sector, which is, by nature, leading the way in both cloud and digital transformation.

**SURVEY REPORT**

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## Digital Transformation

### Digital transformation programs moving from planning to reality across all sectors.

With almost two thirds of businesses surveyed for a new global report currently undertaking a digital transformation program, and another quarter planning one. The need to increase operational efficiencies and business agility (rather than a desire to seize new business opportunities) are driving decisions to invest in these digital transformation programs.

### Progress and success differs markedly across industry sectors.

Larger businesses in the TMT sector, which have a deeper understanding of digital processes, are most likely to have been through a successful digital transformation program.

### COVID-19 is shaping the digital transformation process.

58% of respondents, who have not yet begun a digital transformation program, say the pandemic has accelerated their plans towards digitalization. TMT companies (and financial services firms) are the most likely to say that COVID-19 will accelerate their plans to digitize the business, ahead of IMT, CGR, Healthcare & Life Sciences and EMI.

### Blockchain has grown exponentially in the supply chain.

In 2020, 42% of respondents are using blockchain in their supply chain (compared to 4% in 2017). Businesses in the TMT (and IMT) sectors are most likely to have adopted blockchain technology (and use sensors to identify and track inventory) given the complexity of their supply chains.

### Key drivers for accelerating digital transformation during COVID-19.

-  Improving cybersecurity
-  Team collaboration
-  Internal processes
-  Customer insights
-  Attracting and retaining talent

### Perceived benefits and barriers in implementing a digital transformation program.

#### ✓ Top 3 benefits:

- 1 Improved business agility
- 2 Better client communications
- 3 Faster time to market for new products and services

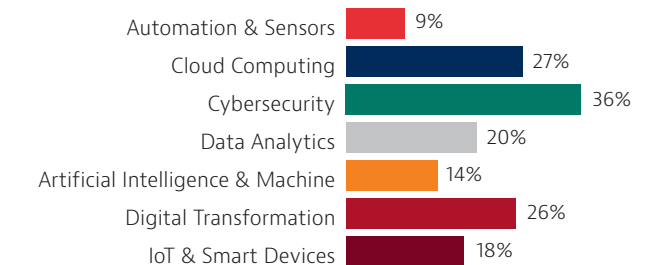
#### ✗ Top 3 barriers:

- 1 Integration of new and legacy systems
- 2 Lack of clarity on how Digital Transformation can improve operations
- 3 Lack of staff expertise and skills

### Cybersecurity & cloud are tech investment priorities for digital transformation programs across all sectors.

Cybersecurity is the top investment priority driving digitalization and one that should be front of mind for clients designing and implementing digital transformation programs. Cybersecurity is also particularly resonant as businesses think hard in the context of global trade tensions about cross-border data ownership complexities and how to protect data sovereignty especially if their data centers are based overseas.

### IN WHICH OF THE FOLLOWING AREAS IS YOUR COMPANY INVESTING MOST HEAVILY




(% of respondents saying they are investing very heavily)


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## Cloud

### The most important elements in a technology strategy.

 Cloud computing

 Cybersecurity

 Data analytics

 Artificial Intelligence

### What are the key concerns when it comes to cloud deployment?

1 Data privacy (i.e. confidentiality)

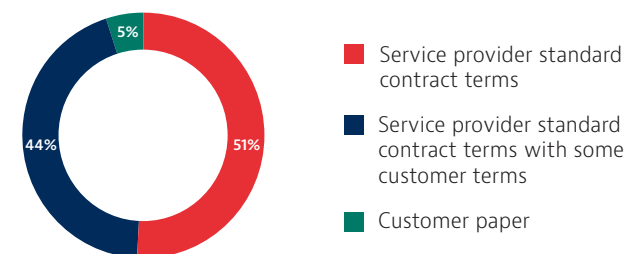
2 Data protection (security of data)

3 Data sovereignty (control)

4 Cost

### Cloud agreements – latest negotiation trends.

- 95% of respondents say that the cloud agreements they sign are either the service provider standard terms or standard terms with some negotiated terms from the customer.



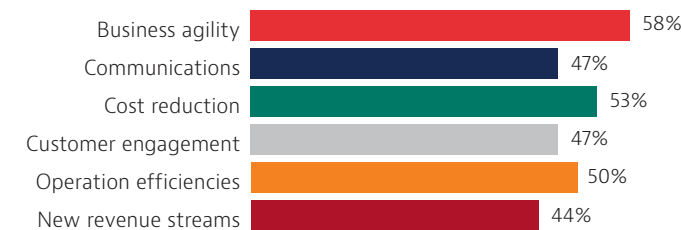
- Given the apparent lack of negotiation on many terms it is perhaps unsurprising that the single most negotiable term cited in the survey is fees. However, where terms are negotiated, the table below shows the considerable nuances between sectors. TMT companies are most likely to see confidentiality or audit terms as most negotiable.

Single most negotiable term in a cloud agreement	Sector most likely to select this term
Fees	EMI
Confidentiality	TMT / Healthcare & Life Sciences
Audit	TMT
Data security & redundancy	IMT
Choice of law/venue	Financial Institutions

### Greatest impact of cloud for the TMT sector: business agility.

Given the amount of data stored by TMT businesses, 58% cited business agility as the foremost benefit. Cost reduction, operation efficiencies, communications and customer engagement then followed to round out the top 5 perceived benefits.

#### IMPACT OF CLOUD ON THE TMT SECTOR



### Rise of Private Cloud.

Around 80% of respondents use private or a hybrid of private and public cloud. This reflects the importance of data security, control of data and disaster recovery to respondents. Though this trend is less marked in the TMT and EMI sectors. TMT companies deploy either hybrid or public cloud services (with 22% using public cloud), which tends to fit the needs of a more scalable architecture that can provide a more immediate global reach.

### Data Residency - Trend to continue to watch.

Data Residency laws are still having an impact on the cloud adoption of the majority of businesses surveyed with over 50% saying that they have changed or are considering changing their cloud usage in response to data residency laws.

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