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Three Critical Initiatives to Accelerate Your Business Results with Technology:

Hybrid Work Enablement, Data-led Innovation, and Flexible IT Delivery

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Introduction and Research Overview

OBJECTIVE:

This study sought to understand whether, and to what degree, an organization's comprehensive technology transformations are reinforcing broad and deep competitive and business advantages. Conversely, the study investigates whether organizations that lag in terms of technology enablement are as well positioned as their more advanced counterparts to seize business opportunities.

KEY FINDINGS:

Organizations that excel across multiple IT disciplines achieve a remarkable payoff:

- **They drive higher levels of innovation resulting in business transformation.** On average, they drive 45% more revenue through innovative channels.
- **Innovation yields differentiated customer experiences and higher customer satisfaction.** They are 2.9x more likely to exceed their customer satisfaction goals.
- **Businesses recognize IT as a competitive differentiator.** They are 3.2x more likely to see IT as a competitive differentiator.
- **They are positioned to adapt and thrive through uncertainty:** two-thirds (67%) are very confident that they have the technology experience to adapt and thrive through major societal and macroeconomic disruptions.

METHODOLOGY:

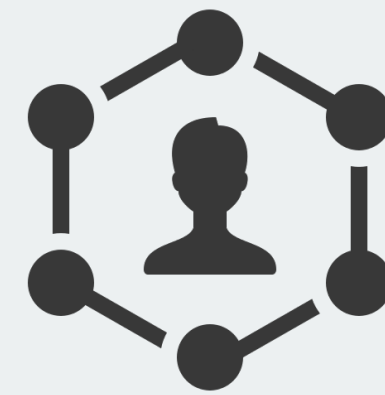
ESG conducted a double-blind, online survey of 2,000 IT decision makers, knowledgeable about a broad range of IT environment characteristics at their organizations and specifically spanning devices, data, and data center infrastructure.

Thirty-five percent of respondents (N=700) were based in North America (US and Canada), 28% (N=550) were based in Europe (UK, France, Germany, and Russia), 23% (N=450) were based in the Asia-Pacific region (Australia, New Zealand, China, Japan, and India), and 15% (N=300) were based in Latin America (Brazil and Mexico). Organizations represented were a mix of midmarket organizations (i.e., those with 100-999 employees, 21%) and enterprises (i.e., those with 1,000 employees, 79%).

What Does It Mean for IT to Drive Technology Acceleration?

IT should be driving a broad set of technology transformations rooted in and driven by the challenges related to each of the following:

- **Delivering a Digital Workplace:** More users than ever are predominantly working from home offices, meaning IT must enable remote productivity while effectively supporting and securing users.
- **Making Flexible IT a Reality:** Uncertainty and change mean the IT organization and its service delivery capabilities must be more flexible. Multi-year IT planning cycles have become outdated almost overnight. Organizations need the agility to deploy and scale resources on the fly based on rapidly changing user and business requirements.
- **Innovating with Data:** Data creation, particularly at the edge, continues to accelerate. Only organizations that can consolidate, correlate, and analyze their data can consistently unlock the value of their data capital.



**DELIVERING A DIGITAL
WORKPLACE**



**MAKING FLEXIBLE
IT A REALITY**



**INNOVATING
WITH DATA**

These foundational technology mandates combine to create a roadmap for a future-ready IT organization. This research aims to show that organizations that have implemented the right processes and technologies in all of these areas are reaping tremendous business benefits.

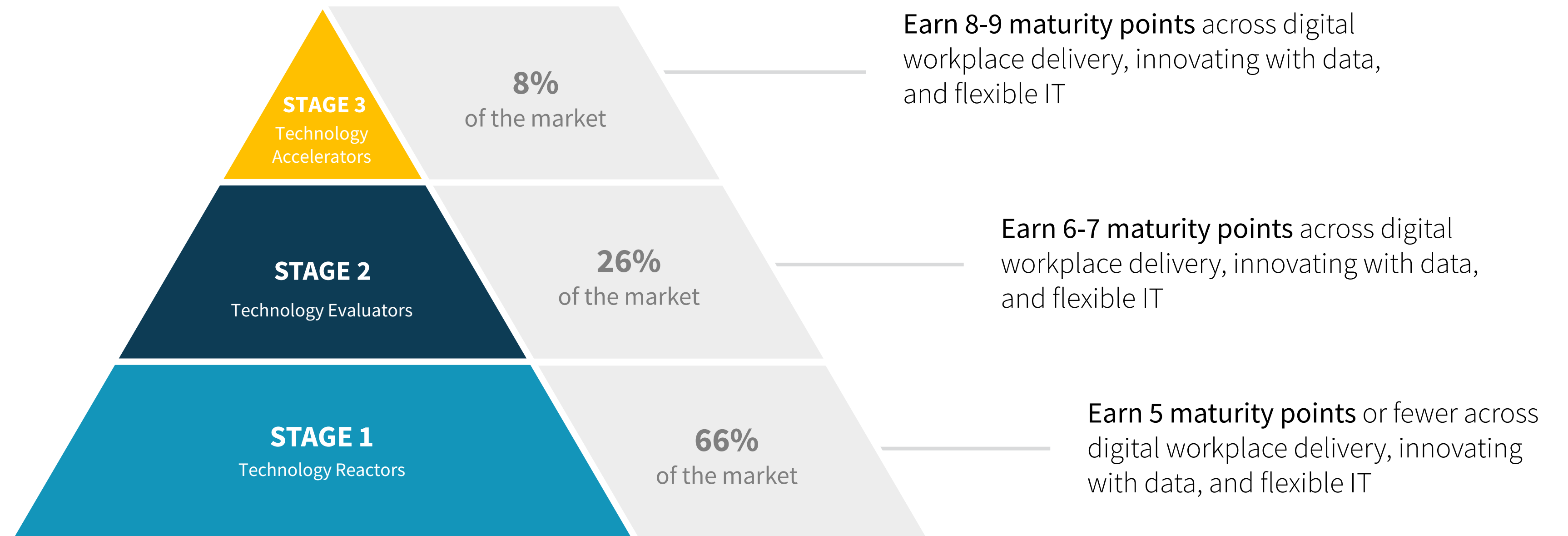
Bringing it All Together: The Three IT Pillars that Drive Acceleration

This eBook will discuss three individual technology capabilities: delivering a digital workplace, delivering IT services flexibly, and innovating with data to unlock value. Furthermore, the eBook will show how we assessed organizations' ability to accelerate (rated as achieving Stage 3 maturity), evaluate (rated as achieving Stage 2 maturity), or react (rated as achieving Stage 1 maturity) across each technology initiative.

However, this research sought to understand if organizations successfully advancing all of these initiatives in parallel are enjoying a competitive edge relative to their peers. To assess this hypothesis, ESG developed a segmentation model driven by an organization's progress across all three components. Organizations earned three maturity points for each technology capability they are accelerating, two points for each technology area they are evaluating, and just one aggregate maturity point for each technology area where they are reacting.

Three Stages of progress towards technology acceleration:

Today two-thirds of organizations (66%) of organizations fall into Stage 1 (Technology Reactors), showing that many organizations are struggling to modernize their entire environment, from data, to devices, to data center infrastructure. Of those that have moved beyond the Technology Reactor stage, 26% have reached the Technology Evaluator stage of maturity (Stage 2), and just 8% are excelling across all three technology transformations reaching Stage 3 (Technology Accelerator).



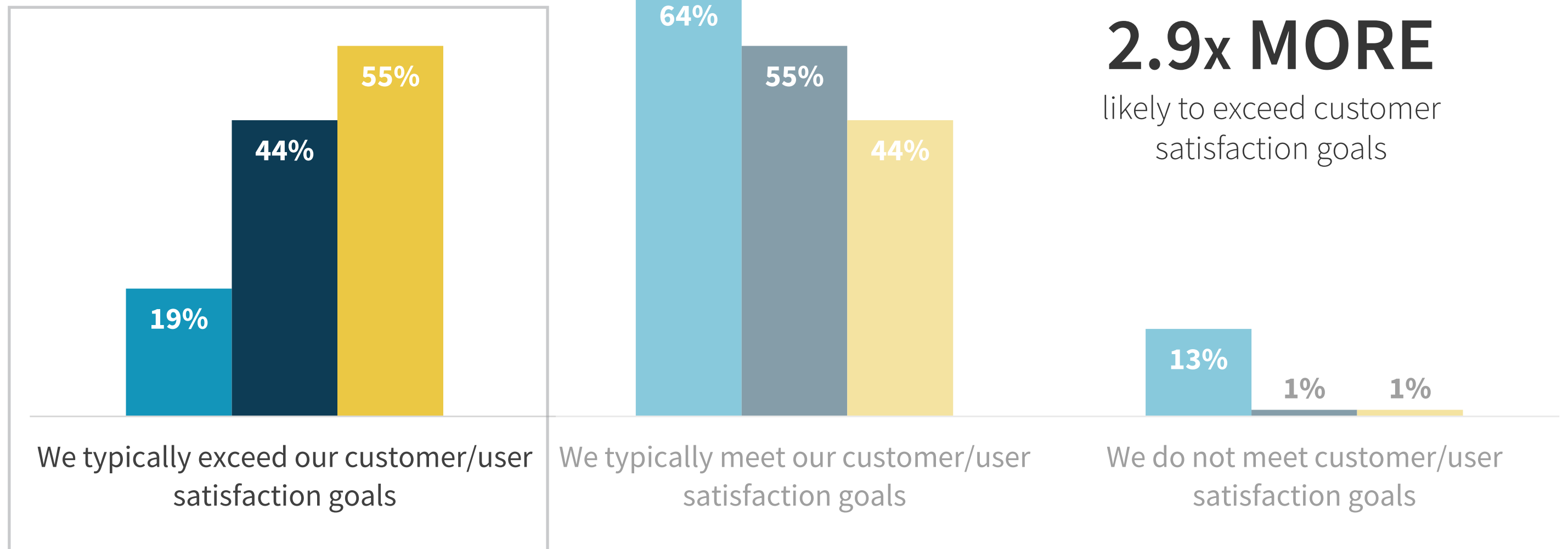
Technology Acceleration Helps Organizations Delight their Customers

Each topic in this research (digital workplace delivery, effective data innovation, and flexible IT delivery) is logically connected to customer satisfaction.

- Customer-facing employees that are newly remote still need to be able to interface with customers effectively. That means their remote-work experience has to deliver the performance, availability, and functionality to enable them to do their job.
- Attaining truly flexible IT has a strong correlation to both application development agility and cloud migration efficiency. By speeding development and multi-cloud adoption, flexible IT helps organizations transform their offerings, roll out new services to customers, and layer in new solution capabilities quickly and non-disruptively, providing those customers with an optimized experience.
- Organizations with mature data management practices are better positioned to understand customer preferences, detect customer satisfaction issues early, and predictively take action on issues—from digital service performance levels to quality issues with products rolling off the assembly line—to drive higher end-user experience quality.

Customer satisfaction performance

Technology Reactors Technology Evaluators Technology Accelerators



Accelerators are **2.9x MORE** likely to exceed customer satisfaction goals

Question text: Relative to its goals, how does your organization typically perform on formal customer/user satisfaction metrics (e.g., Net Promoter Score (NPS), Customer Satisfaction (CSAT) or similar metrics)?

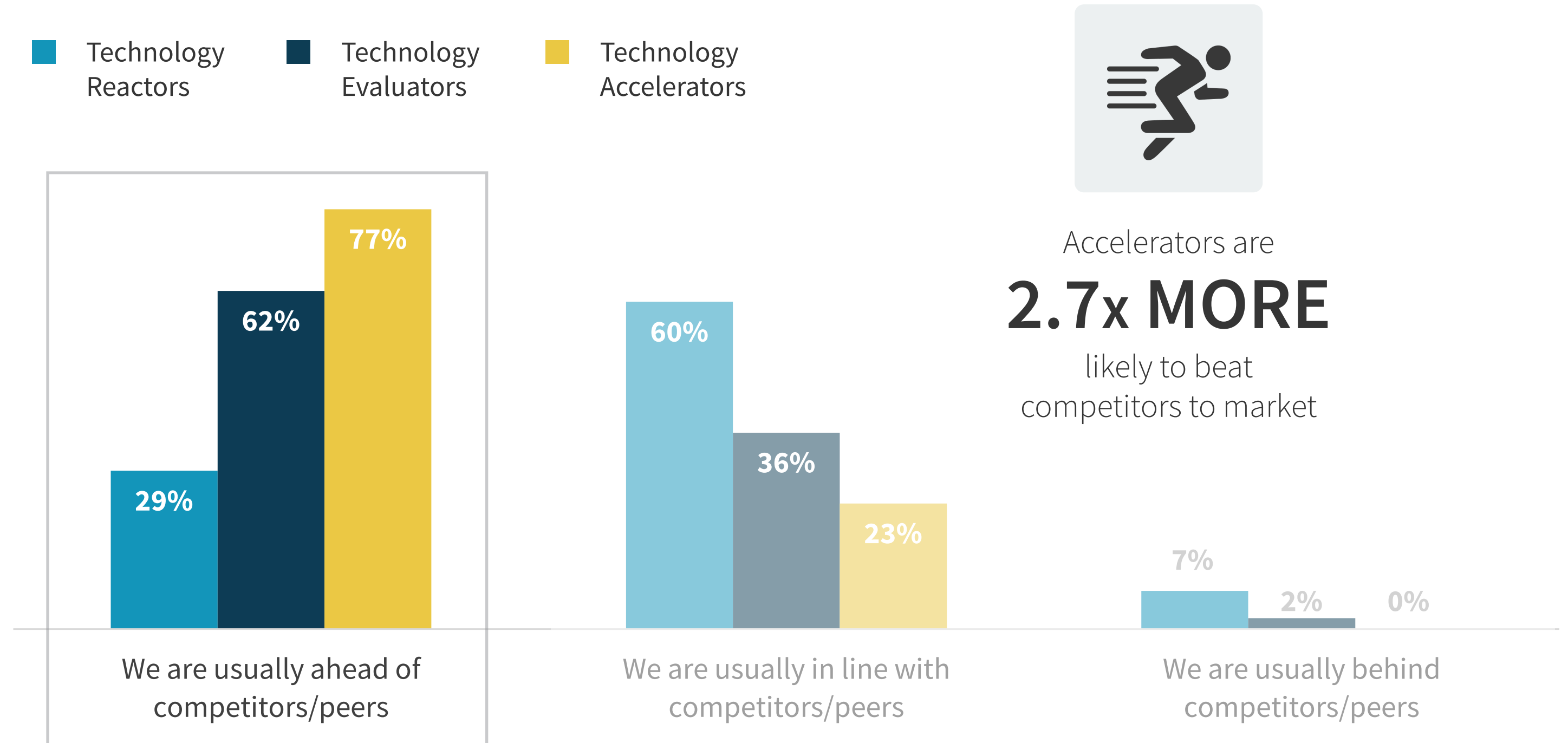
The data makes these connections clear: 55% of respondents at Technology accelerators say their organizations typically exceed their customer satisfaction goals while just 19% of Technology Reactors report the same level of success. **Accelerators are 2.9x more likely to exceed their customer satisfaction goals.**

Technology Acceleration Helps Organizations Drive More Rapid Innovation

Organizational innovation is another area in which these technology pillars can make a difference.

- By bolstering productivity, organizations can get the most out of their employees, even in the face of incredibly disruptive events. In fact, 64% of respondents at organizations with the most sophisticated device environments strongly agree that their employee technology experience has kept their organization running through recent challenging times. By keeping operations humming, these organizations ensure they do not fall behind their peers.
- Flexible IT operations means that the IT organization can more rapidly respond to quickly changing user requirements. If an employee sees an opportunity that requires technical assets, those assets can be provisioned, tuned, and scaled on the fly to allow the organization to capitalize.
- Organizations with mature data management practices can use those capabilities to uncover market trends and opportunities that others may miss. Using these insights, organizations can use data to guide strategies, like what markets to enter, what products to develop, and what features will most differentiate their offerings.

Organizational agility developing and launching new products

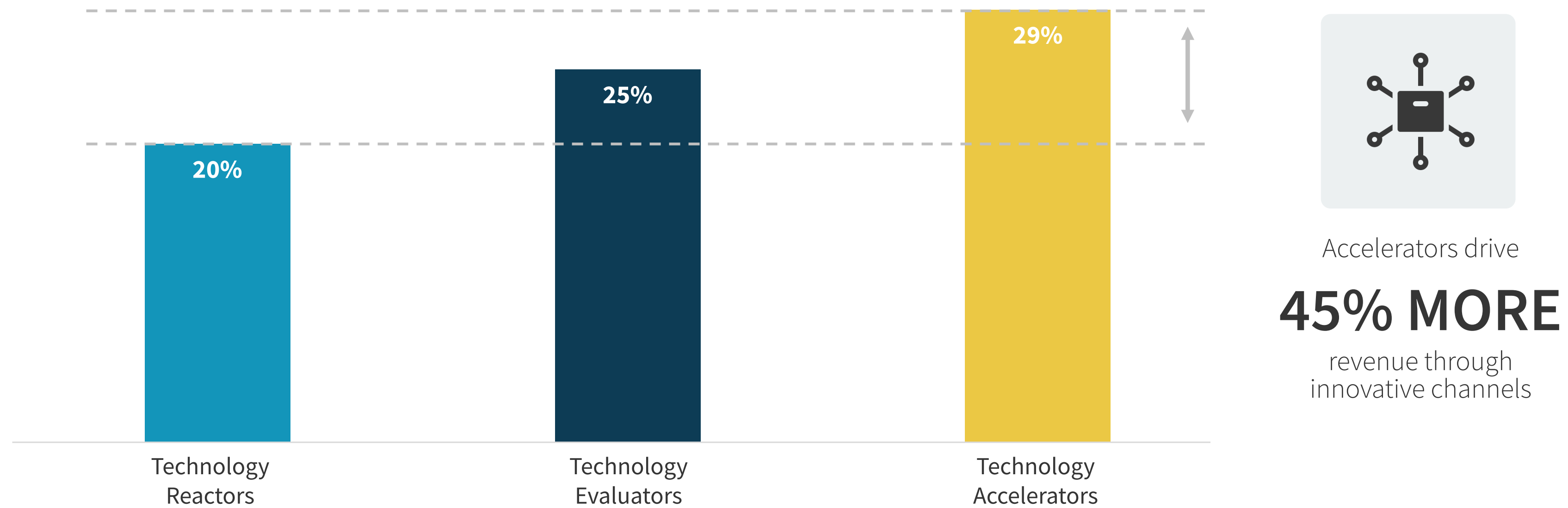


Question text: How would you characterize your company's timeliness developing and launching new products and services, relative to competitors/peer organizations?

The data supports the case that, when combined, all these capabilities lead to unparalleled innovation: 77% of respondents at Technology Accelerators say they usually beat competitors to market, compared to just 29% of Technology Reactors that report the same level of success. **Accelerators are 2.7x more likely to get to market first.**

Another proof point: when we asked respondents how much of their organization's revenue was tied to products and services launched within the last two years, **Technology Accelerators reported 45% more revenue than Technology Reactors** (29% of revenue versus 20%).

| **Average percentage of revenue driven via innovation**



Question text: To the best of your knowledge, approximately what percentage of your organization's revenue is derived from products/services that your organization launched within the past two years? (Estimated mean)

IT at Technology Accelerators Is Seen as a Competitive Differentiator

Most organizations see IT as a cost center. But far fewer (only 22% of organizations in our research) see IT as a competitive differentiator. Given the value that IT organizations at Technology Accelerators deliver to the business, it is not surprising to note these organizations are much more apt to recognize the value of the IT department. Relative to Technology Reactors, **Accelerators are 3.2x more likely to see IT as a competitive differentiator. On the flip side, Reactors are 3.1x more likely to say their IT organization is just adequate, a cost center, or even a business inhibitor.**

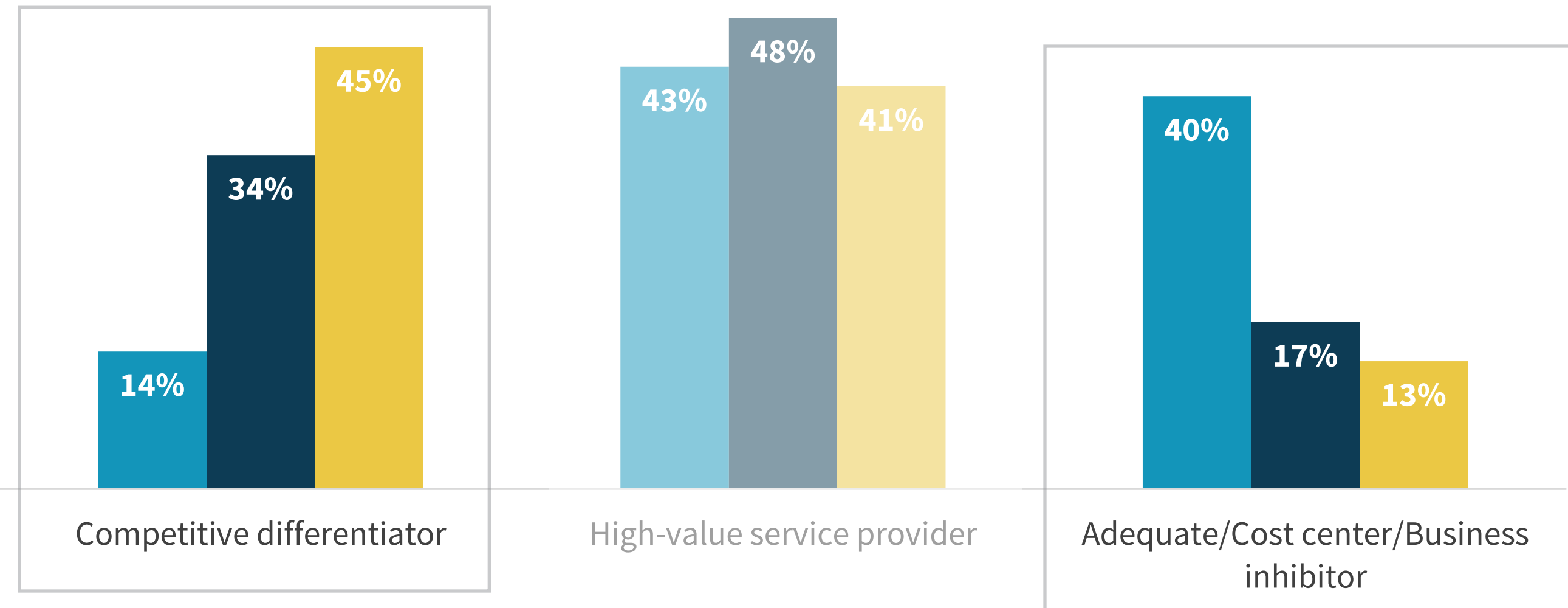
IT leaders cannot lose sight of their reputation in the C-suite. Project budgets, staffing levels, and technology investments are all reliant on business leadership recognizing a positive business case. CIOs seen as differentiators are in a much stronger position to make that case.



Accelerators are **3.2x MORE** likely to be viewed as competitive differentiators

How is IT viewed by the c-suite?

Technology Reactors Technology Evaluators Technology Accelerators



Question text: How do your organization's C-suite business executives view the IT organization?

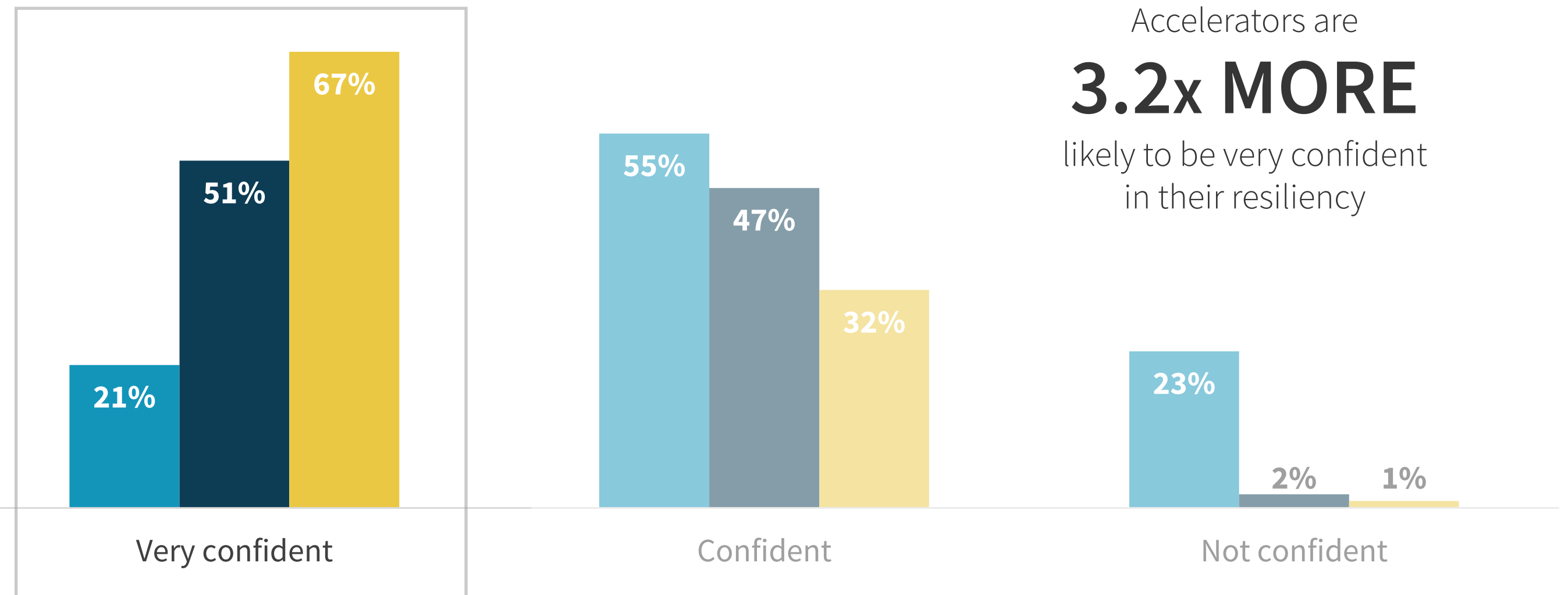
Technology Accelerators Are Better Positioned to Adapt and Thrive

It is no secret that organizations have recently been faced with unprecedented challenges. They have often had to reinvent their operations, find new ways to engage with customers, and completely reengineer their strategic plans and roadmaps. Many organizations face significant uncertainty about their futures. However, our research shows that organizations that have advanced their device environments, their IT delivery models, and their data management capabilities are much more confident in their resiliency. In fact, **two-thirds (67%) of Technology Accelerators are very confident that they have the technology experience to adapt and thrive through major societal and macroeconomic disruptions.** Said another way, Accelerators are 3.2x more likely to be very confident in their resiliency.

While businesses are hoping for less disruption, hope is not an effective strategy. Organizations must be prepared to deal with the next wave of disruption in the market and be positioned to navigate it effectively.

Confidence in organizational resiliency

Technology Reactors Technology Evaluators Technology Accelerators



Respondents at Accelerators are

3.2x MORE

likely to be very confident in their resiliency

Question text: How confident are you in your organization's ability to deliver the technology experience needed to adapt and thrive through major societal and macroeconomic disruptions?

Segmenting the Market in Terms of Digital Workplace Delivery: Embracing the New Normal

In order to analyze organizations by their digital workplace delivery capabilities, ESG grouped respondents' organizations into three cohorts based on their responses to four survey questions specific to the end-user environment. Each of these questions is representative of a maturity characteristic¹:

- How broadly adopted are modern operating systems (OSes) within the device environment?
- How automated are device provisioning tasks?
- Has the organization deployed unified device management tools to optimize support?
- What advanced device security capabilities are present on devices?

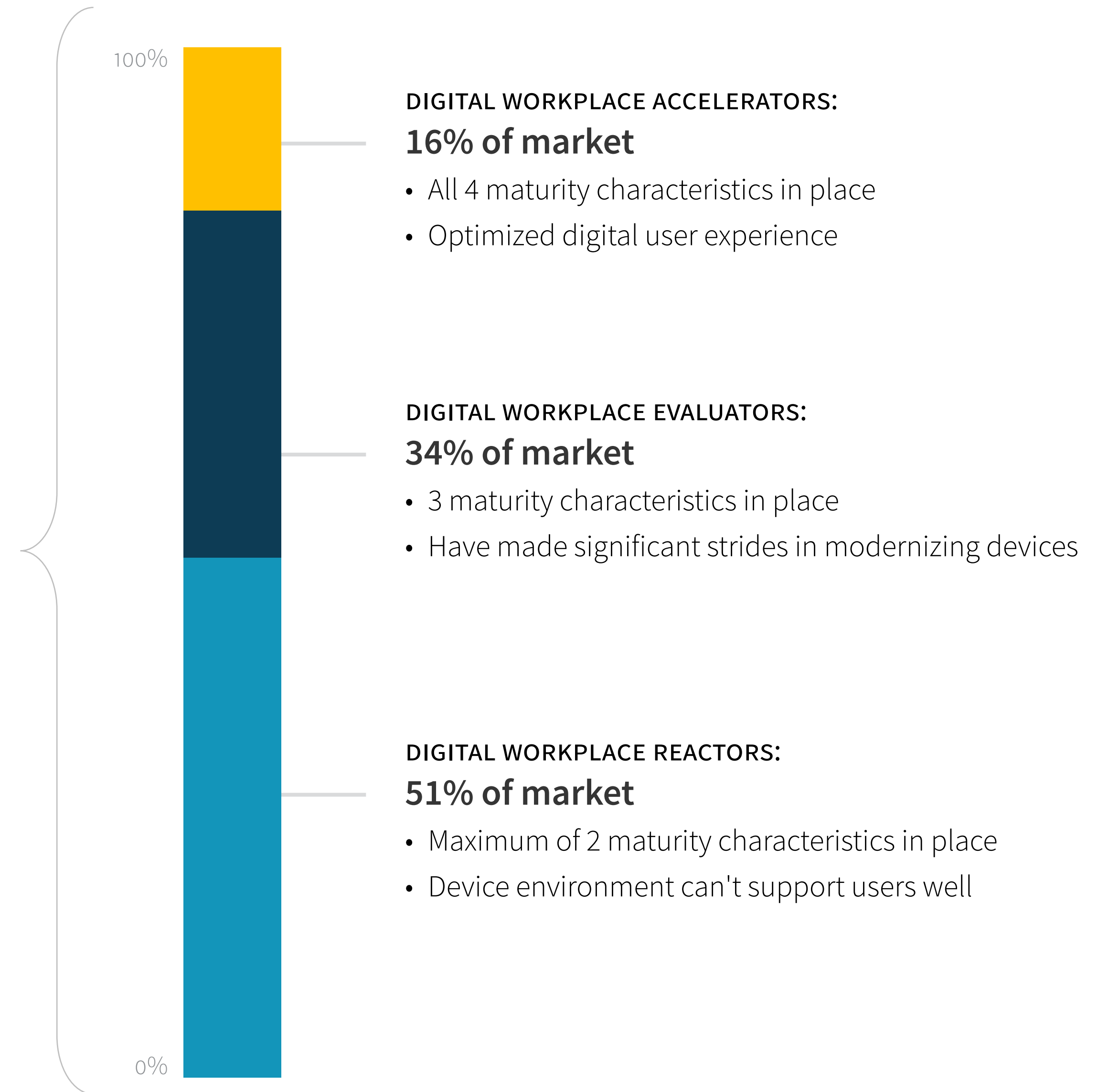
¹A behavior or technology that they use that identifies the organization as a leader. ESG's hypothesis was that organizations with the most sophisticated device environments would be best equipped to support a dramatically more distributed workplace.



Three Stages of Digital Workplace Delivery

Today the majority (51%) of organizations fall into Stage 1, showing that the device environment at most organizations is not well-suited to delivering an optimized remote user experience today. In fact, just 16% of organizations meet all the criteria ESG defined as critical components of digital workplace delivery.

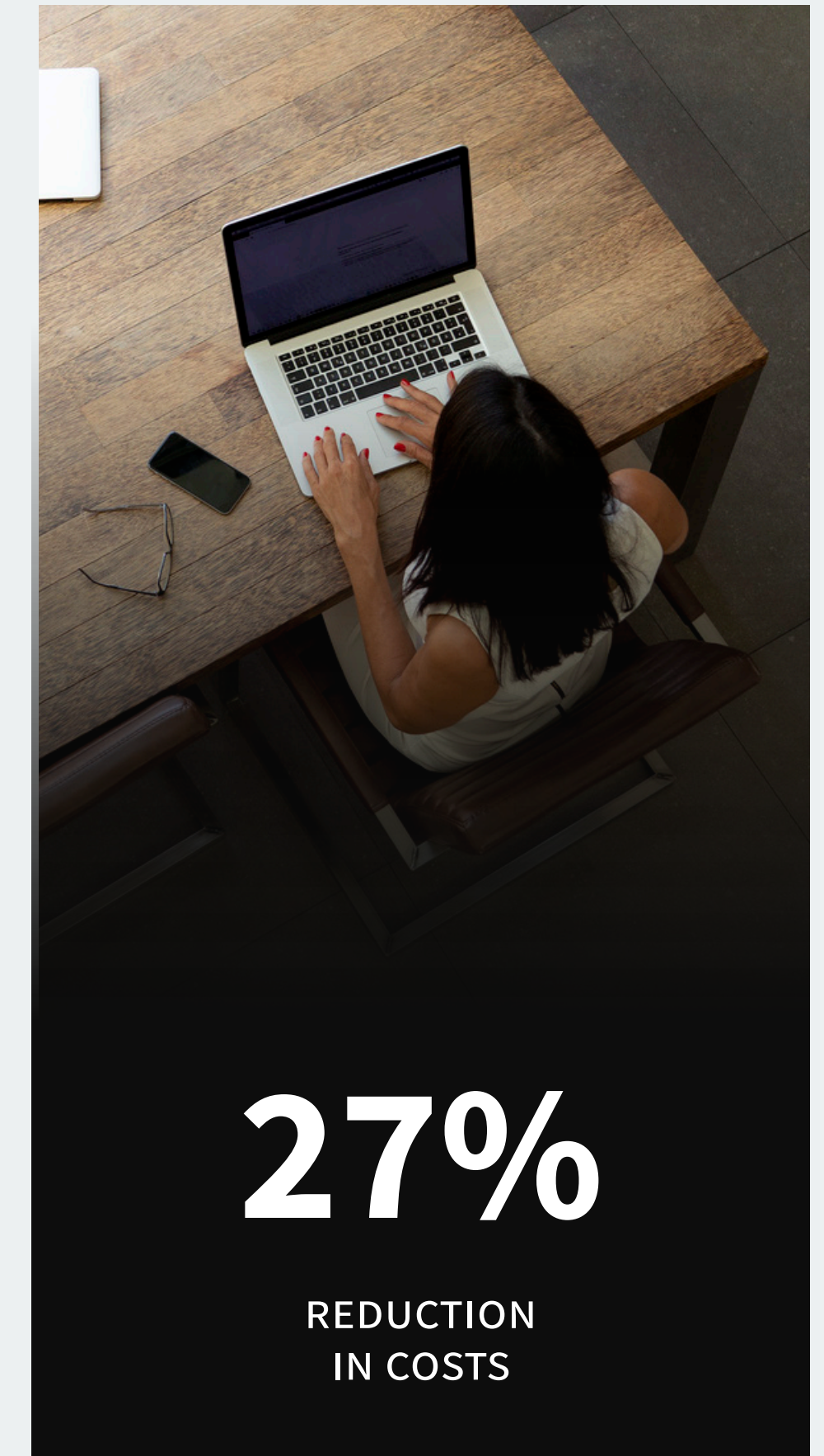
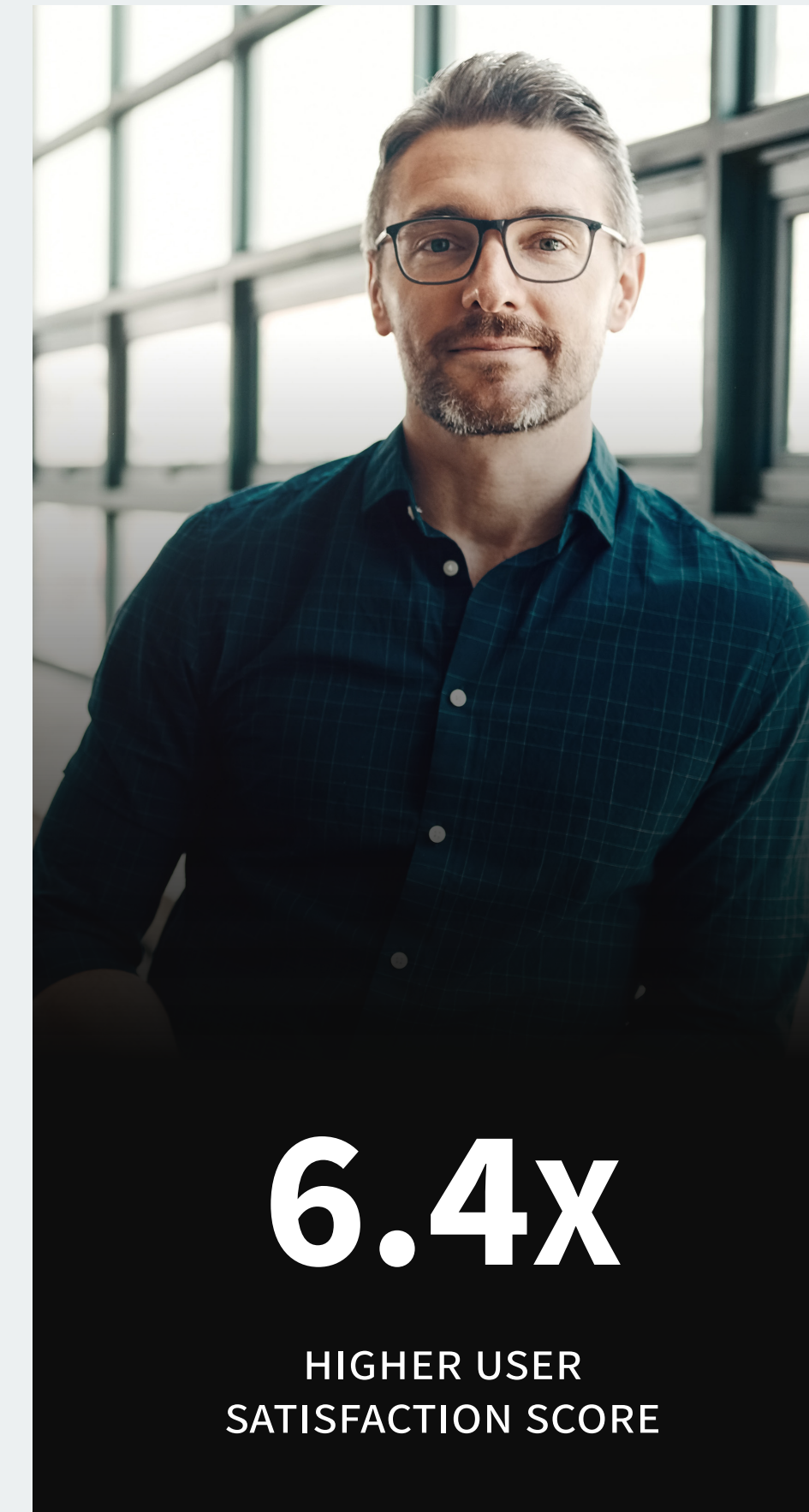
There is a clear imperative for most organizations to radically evolve their device environment to deliver better performance, reliability, and security to users.



Organizations that Lead in Digital Workplace Delivery See Tremendous Results

Digital Workplace Accelerators report:

- **Significant user productivity gains:** These organizations have seen a 21% increase in user productivity as a result of device environment improvements made in the last 12 months. This is a 62% larger productivity gain than Reactors have seen over the same time period.
- **Higher user satisfaction:** Using a net promoter score methodology, these organizations earn a user satisfaction score that is 6.4x higher than scores reported by Reactors.
- **Market-leading efficiency:** Accelerators were 2.3x more likely to report the pivot to remote work has been smooth for IT teams in terms of their ability to support and secure their environments. And in terms of operational costs, these organizations report a 27% reduction in costs enabled by increasing environment simplicity and management tool consolidation over the last 12 months. This is a 42% larger cost efficiency than Reactors have seen over the same time period.



Digital Workplace Delivery: Learning from the Leaders

Clearly Digital Workplace Accelerators outperform their peers, but why? And more importantly what can trailing organizations do about it?

At Accelerator organizations, >70% of user devices run a current operating system version. A current OS matters because feature updates enhance performance, reliability, and security. By ensuring most users have the latest and greatest OS available, IT optimizes the user experience. Device teams must ensure users' devices are patched and updated.

At Accelerator organizations, device provisioning and configuration processes are highly automated. Automation drives multiple benefits and device teams should find ways to streamline, script, and/or outsource device setup tasks:

- It eliminates or reduces human error associated with repetitive tasks like setting up user permissions or installing applications.
- At the same time, it frees up administrators to focus on tasks that are more complex shortening mean time to resolution for complex tickets.

Accelerators have invested in unified endpoint management solutions which gives support teams better efficiency and scale. Without needing to learn and toggle between multiple consoles teams can ramp up expertise and reduce errors, helping to resolve issues faster and support users more proactively.

Securing remote work environments can be difficult. Corporate cybersecurity tools may not extend to the edge and visibility into user behavior may be hampered. Accelerators invest in devices that have excellent security features like encrypted drives, device, application and user monitoring, and strong access control features. Organizations must double down on device security to ensure user uptime and productivity.

To read ESG's full analysis of how organizations that lead in device environment outperform their peers, read the eBook.

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A Spotlight on Flexible IT: A Modern Approach, Demanded by Modern Organizations

In order to analyze organizations by their ability to deliver IT services to end-users flexibly, ESG grouped respondents' organizations into three cohorts based on their responses to five survey questions specific to application and infrastructure management. Each of these questions is representative of a maturity characteristic²:

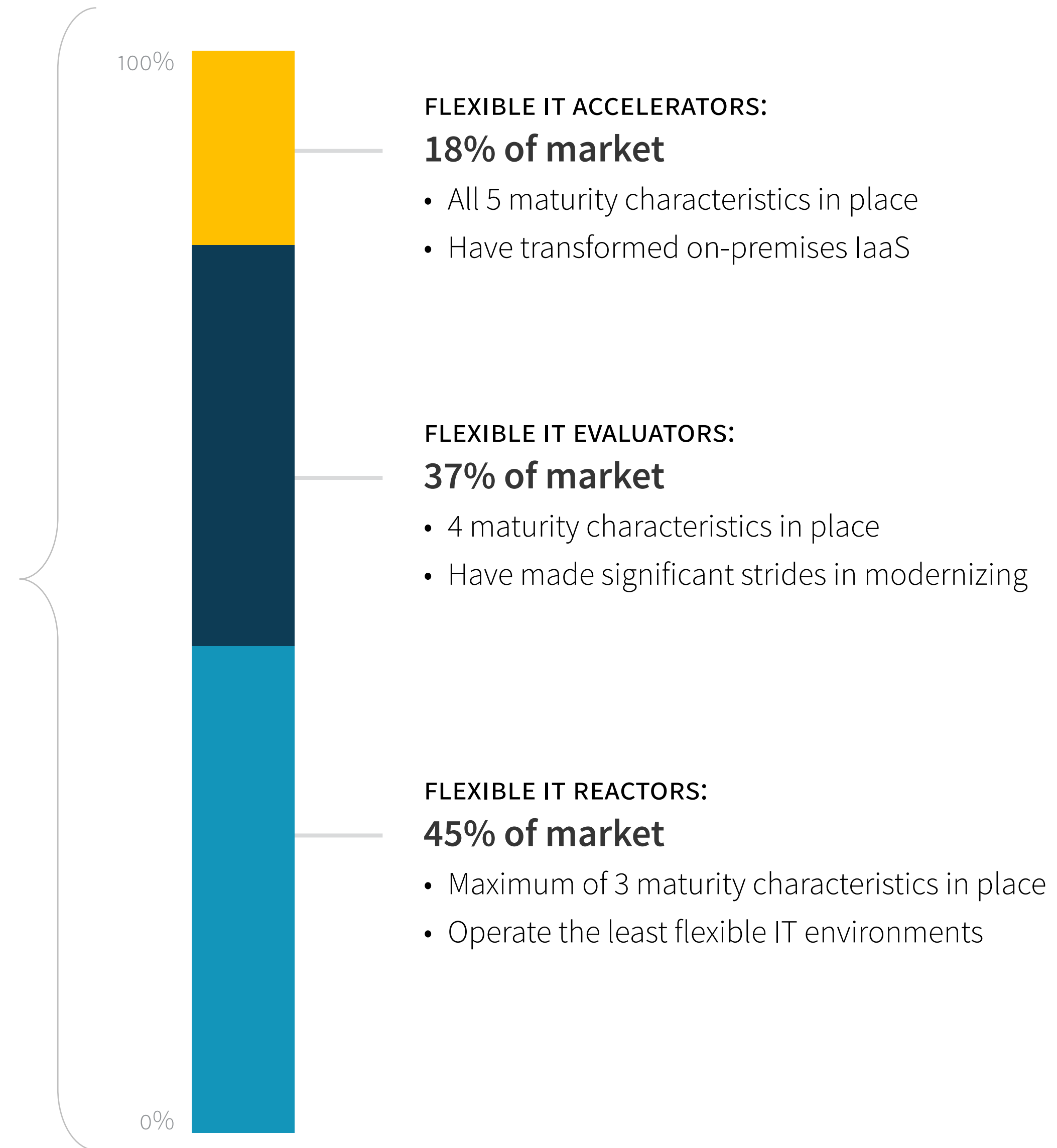
- Their progress toward delivering on-premises infrastructure as-a-Service (i.e., infrastructure that can be provisioned by users rapidly in a self-service manner, is operated in a highly automated fashion, and is paid for or costed over time based on usage versus with a large upfront capital cost).
- Who leads workload placement decisions?
- What is evaluated when workload placement decisions are made?
- How many workload locations typically evaluated?
- Are organizations consolidating the number of infrastructure management tools in use across workload locations?

²A behavior or technology in use that identifies the organization as a leader. ESG's hypothesis was that organizations making flexible IT a reality would be most well positioned to deliver an adaptable and agile technology experience to end-users.

Three Stages of Making IT Flexibility a Reality

Today the plurality (45%) of organizations fall into Stage 1, showing that legacy IT management approaches are still the norm for many organizations today. At the same time just 18% of organizations meet the threshold of making flexible IT consumption a reality. Most organizations need to radically evolve IT operations in order to deliver increased agility and flexibility.


A cornerstone of flexible IT is the proliferation of as-a-Service consumption models. So, it is worth noting that as-a-Service consumption has been rapidly accelerating. Respondents report that twelve months ago an average of 33% of their environment was delivered as-a-Service; today that percentage has increased to 44%. Furthermore, in an ideal state, respondents report 50% of their environment would be delivered as-a-Service, meaning there is an appetite for further as-a-Service adoption.



Organizations that are Making Truly Flexible IT a Reality Deliver Results

Flexible IT Accelerators enjoy big rewards:


- **Cost optimization:** These organizations have reduced their infrastructure costs by 16% in the last year as a result of their use of on-premises Infrastructure-as-a-Service consumption models (a 60% greater reduction than reported by Reactors).
- **More effective public cloud management:** These organizations are making smarter cloud use and workload placement decisions for their businesses. As a result, they have experienced 44% fewer problematic cloud incidents (like app outages, data loss, and security breaches) in the past 12 months than Reactors.
- **More agile development and migration processes:** These organization credit their as-a-Service capabilities with reducing application development cycles by ~3 business weeks on average (a 40% larger reduction than Reactors). Moreover, these organizations are able to re-platform workloads from one location (cloud, edge location, or data center) to another 53% faster than Reactors, on average.



REDUCED THEIR
INFRASTRUCTURE COSTS BY

16%


IN THE LAST YEAR AS A RESULT
OF AS-A-SERVICE USAGE



HAVE
EXPERIENCED

44%

FEWER PROBLEMATIC
CLOUD INCIDENTS



REDUCED APPLICATION
DEVELOPMENT CYCLES BY

**~3 BUSINESS
WEEKS**

ON AVERAGE

Flexible IT Delivery: Learning from Accelerators

Why Flexible IT Accelerators outperform their peers and what can trailing organizations do about it.

- Accelerators have made strides towards delivering on-premises infrastructure as-a-Service. This is critical as not every workload is suited for the public cloud. This progress allows organizations to deliver cloud-like operations for workloads that need to remain on premises for security, compliance, reliability, or performance reasons. Organizations that do not want to make trade offs between cloud operations and on-premises advantages must advance their as-a-Service delivery capabilities.
- At Accelerator organizations, workload placement decisions are guided by IT which is important to limiting shadow IT. Without IT oversight, organizations may place themselves at risk of a data breach, compliance violation, or selecting the wrong cloud service for the job at hand. Organizations must adopt a collaborative workload placement decisioning process that incorporates both IT and end-users.
- Accelerators also evaluate many environments for their workloads from private cloud, to public clouds, to the edge. Enabling choice and flexibility is a benefit that lets the organizations select the right environment for the workload based on its requirements as opposed to being hemmed into a cloud-first or on-premises only mode of operation.
- However, choice can create complexity. Accelerators counter complexity via infrastructure management consistency. By consolidating infrastructure management tools to fewer industry-standard tools which can be used in any cloud, Accelerators enable their teams to manage infrastructure effectively and efficiently, even as the number of environments in use expands.

To read ESG's full analysis of how organizations that deliver on the promise of flexible IT outperform their peers, read the eBook.

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Segmenting the Market in Terms of Data Innovation Maturity: Unlocking the Organization's Data Capital

In order to analyze organizations by the maturity of their data management practices, ESG grouped respondents' organizations into three cohorts based on their responses to four survey questions specific to the data management environment. Each of these questions is representative of a maturity characteristic³:

- How consolidated or siloed are the organization's data assets?
- What is the accuracy of the organization's data (i.e., its veracity)?
- What is the quality of collaboration between IT and analytics stakeholders?
- Is the organization using artificial intelligence (AI) and machine learning (ML) tools to support data management initiatives?

³ A behavior or technology in use that identifies the organization as a leader. ESG's hypothesis was that organizations with the most mature data management environments would be most impactfully using data to deliver business results.

Three Stages of Data Innovation

Today the majority of organizations (57%) fall into Stage 1, showing that most organizations will struggle making the most of their most valuable asset, their data. At the same time just 16% of organizations meet the threshold of having a highly mature data management practice. Most organizations are missing a tremendous economic opportunity to turn data into dollars and would be well served by reevaluating their approach to data management.

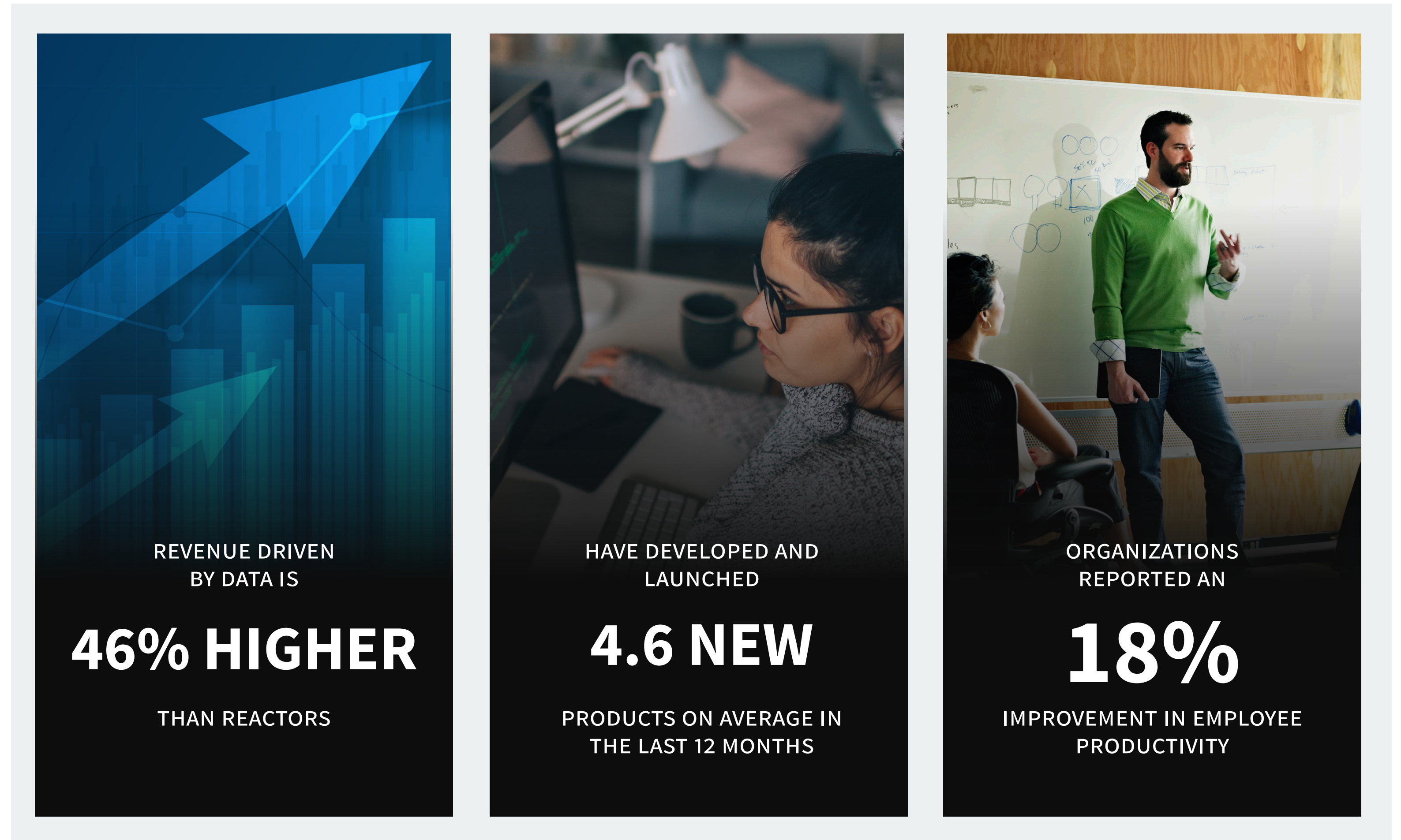


Organizations with Mature Data Innovation Practices Unlock their Data Capital

Broader adoption of the maturity characteristics ESG defined correlate to improved business performance, innovation, and productivity.

Accelerator organizations report:

- **Significant revenue contribution:** These organizations report that over the last 12 months their data management and analytics practice has represented 19% of overall revenue, a figure 46% higher than Reactors.
- **Innovation:** These organizations have developed and launched 4.6 new products on average in the last 12 months which would not have been possible without their data management and analytics practices (~2 products more than Reactors).
- **Productivity:** These organizations reported an 18% improvement in employee productivity enabled by their data management and analytics practice in the last 12 months, a 2x greater increase than Reactors.



Data Innovation Maturity: Learning from Accelerators

Clearly Data Innovation Accelerators outperform their peers, but why? And more importantly what can trailing organizations do about it?

- At Accelerator organizations, data is either completely or mostly integrated. Moreover, data is considered to be highly accurate and trusted. Inaccurate and siloed data is the bane of any data management practice. It hinders the organization's ability to generate accurate and actionable observations. Organizations with fragmented data footprints and without the ability to manage data veracity well must improve in order to make the most of their data.
- At Accelerator organizations, cross-functional collaboration comes to the fore. Infrastructure and business teams are in lockstep when it comes to data management project budgets, timelines, and objectives. Without this culture of collaboration data management projects will rarely achieve their stated goals.
- Accelerators are also on the leading edge of technology adoption when it comes to artificial intelligence (AI) and machine learning (ML). AI and ML help automate the identification, collection, integration, and analysis of data. This is critical because data volumes are exploding, and organizations' data management practices must keep pace via automation.

To read ESG's full analysis of how organizations that lead in data management outperform their peers, read the eBook.

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Dell Technologies is among the world's leading technology companies, instrumental in developing solutions to help transform people's lives with extraordinary capabilities. From high-performance computing, storage and networking infrastructure to hybrid- and multi- cloud solutions, Dell Technologies provides the flexible IT that improves the agility of businesses and organizations to overcome unplanned obstacles and seize unexpected opportunities, and does so in a manner tailored to each organization's acquisition and consumption strategy. Dell Technologies will stop at nothing to help you harness the transformative power of technology so you can be ready for whatever comes next.

Together Intel and Dell Technologies are driving innovation and next generation capabilities with the broadest portfolio of trusted client and enterprise solutions for cloud and data management; enabling businesses to move faster, innovate more, and operate efficiently.

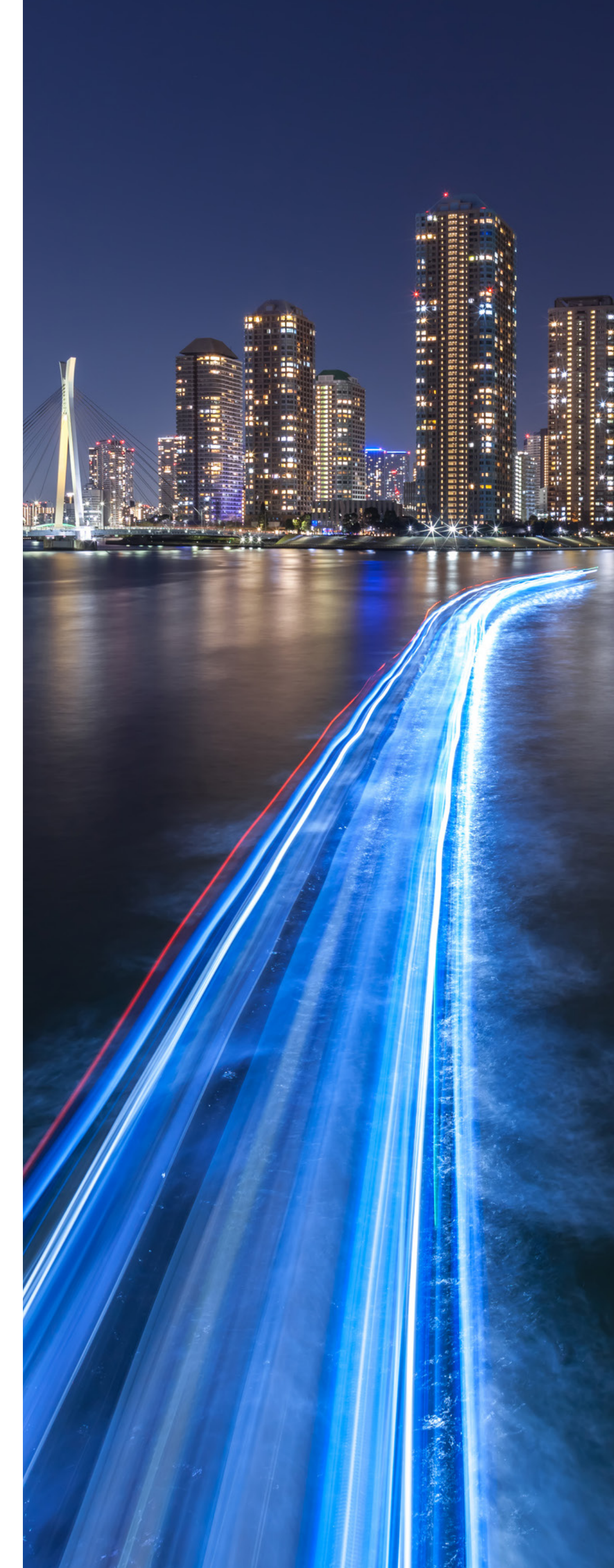
VMware's cloud, app modernization, networking, security and digital workspace platforms form a flexible, consistent digital foundation on which to build, run, manage, connect and protect applications, anywhere. Dell Technologies aligns the unique advantages of VMware software with Dell synergies to deliver even more value to customers by providing the essential infrastructure to build their customers' digital future and transform IT.

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ABOUT ESG

Enterprise Strategy Group (ESG) is an integrated technology analysis, research, and strategy firm providing market intelligence, actionable insight, and go-to-market content services to the global technology community. It is increasingly recognized as one of the world's leading analyst firms in helping technology vendors make strategic decisions across their go-to-market programs through factual, peer-based research. ESG is a division of TechTarget, Inc. (Nasdaq: TTGT), the global leader in purchase intent-driven marketing and sales services focused on delivering business impact for enterprise technology companies.

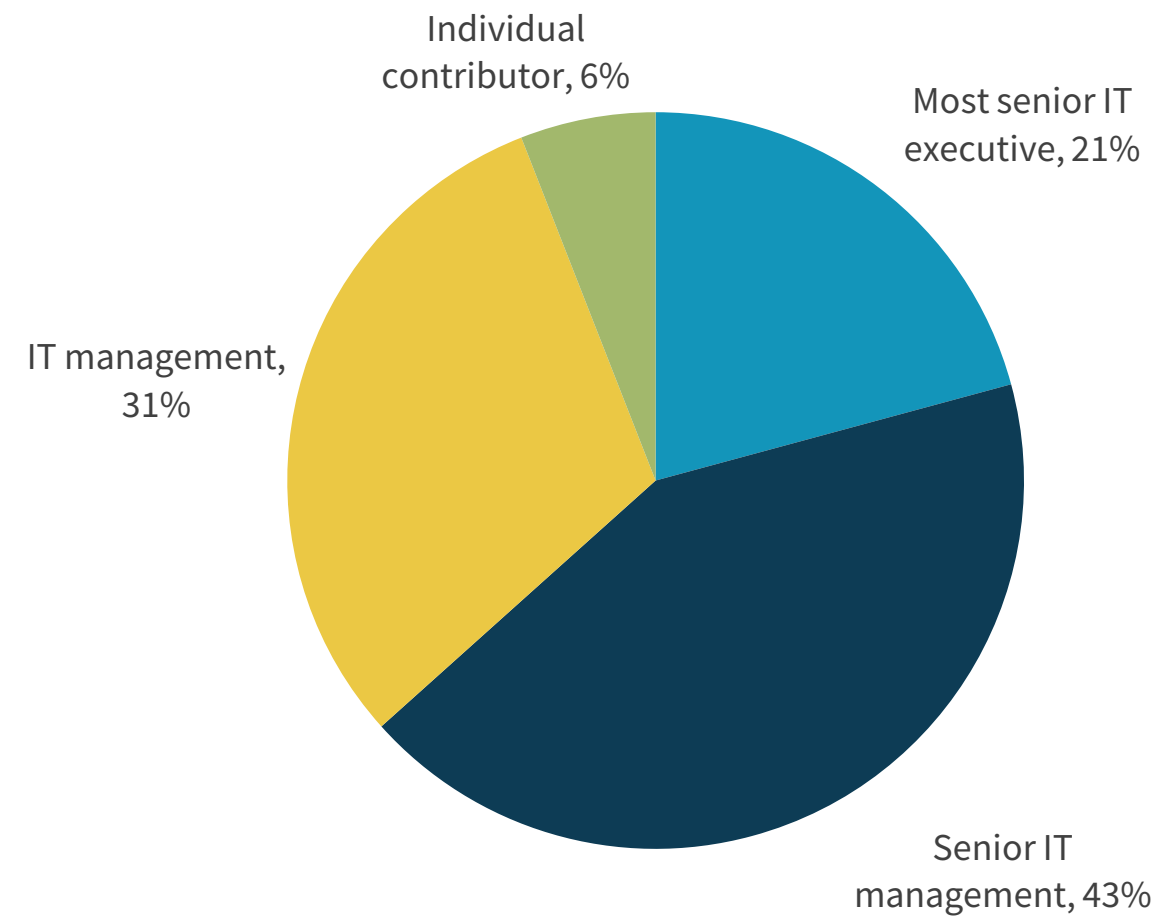


Methodology and Demographics

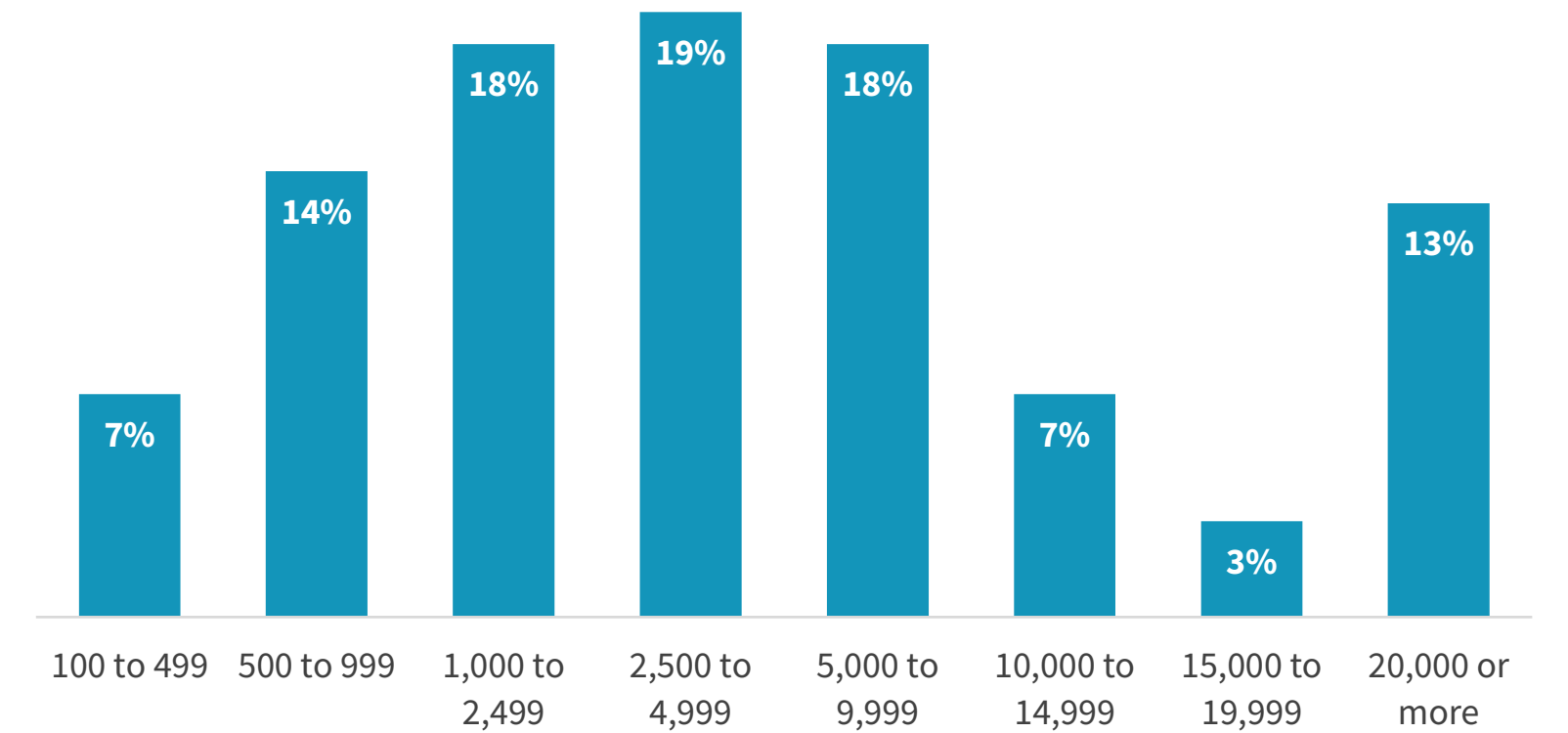
To gather data for this report, ESG conducted a comprehensive online survey of IT decision makers knowledgeable about the devices, data management tools, and data center infrastructure in use at their organizations. The survey was conducted between December 8, 2020 and December 31, 2020. All respondents were distributed among North America (35%), Europe (28%), the Asia Pacific region (23%), and Latin America (15%) and employed at midmarket organizations (i.e., those with 100-999 employees, 21%) and enterprises (i.e., those with 1,000+ employees, 79%). Both public and private sector organizations were represented. All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses, and screening the remaining completed responses (on a number of criteria) for data integrity, we were left with a final total sample of 2,000 professionals.

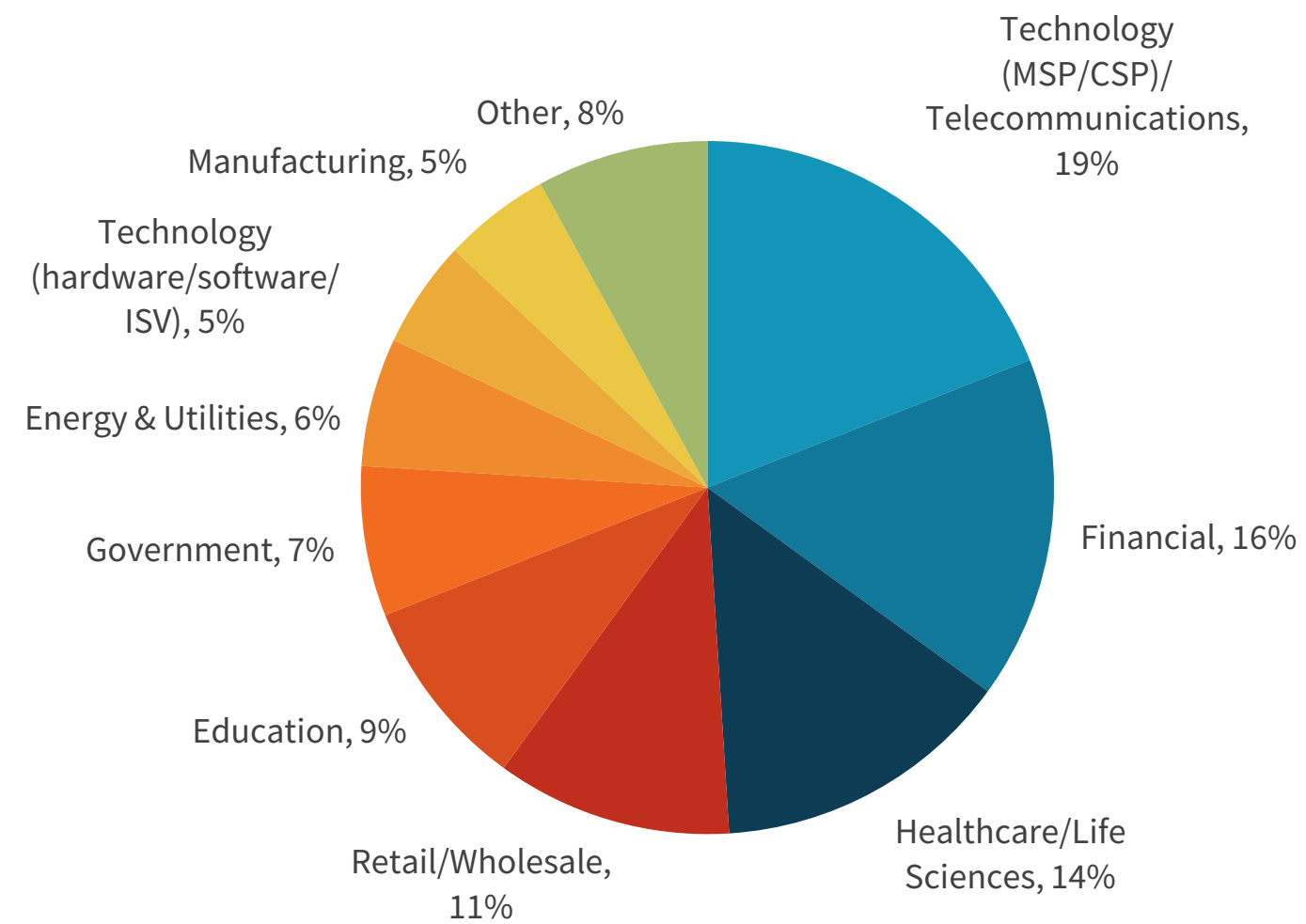
RESPONDENTS BY CURRENT JOB TITLE



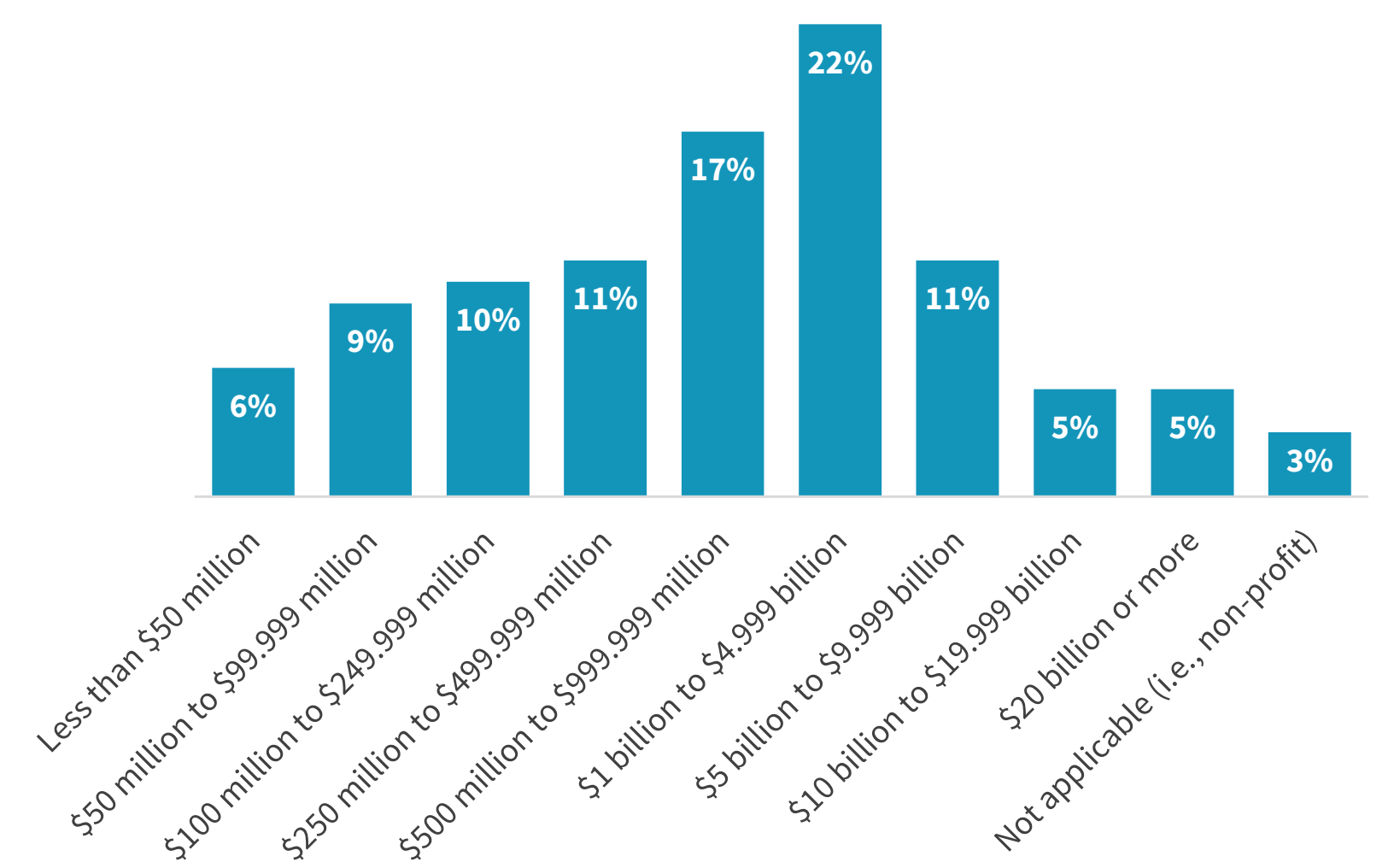
RESPONDENTS BY NUMBER OF EMPLOYEES



RESPONDENTS BY INDUSTRY



RESPONDENTS BY TOTAL ANNUAL REVENUE



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