



# 2023 Insight Intelligent Technology Report: Are We Entering a New Era of Innovation?

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# Executive Summary

Business leaders across industries are evolving their technology strategies with the goal of turning their organizations into digital businesses. These leaders are telling us that innovation is essential to becoming a digital business, and 75% say their business functions are highly dependent on innovation.

However, a variety of pressures mean that the day-to-day reality is often very different, with internal and external challenges to these innovation aspirations. These leaders have weathered years of high volatility and no doubt 2023 has more surprises in store.

The goal of this publication is to offer insight into the technology priorities of business leaders and to highlight areas where there is both room for improvement and reason for optimism. It is based on a sizable survey conducted in early 2023, at a moment when the global economic outlook was highly uncertain.

Despite this challenging forecast, a significant majority of respondents agreed that “companies must invest in digital transformation or be left behind.” The desire to invest remains strong, bolstered by a realization that the accelerated technology changes needed during the pandemic are continuing to show a return on investment.

It’s clear that most business leaders are risk-aware as opposed to risk-averse. They are looking for investments that can underpin their long-term digital business strategies, reveal areas where they can optimize to innovate, and ultimately create market opportunity. This research sheds light on a fundamental and rapidly changing area of business — one that is increasingly central to our daily lives.



# Becoming a Digital Business is Non-Negotiable

Digital at scale is the ambition, but the reality doesn't always match this

# 82%

of organizations agree that  
"companies must invest  
in digital transformation  
or be left behind"

Businesses have been dealing with consistent change that is now becoming a near constant state of disruption. In responding to the COVID-19 pandemic, organizations relied on digital technology to adapt to new ways of working, operations, and commerce.

The result: more digitalized organizations outperformed their less digitalized peers and were best able to respond to disruption. In 2023, disruption comes in the form of inflation, supply chain constraints, and a growing skills gap. The imperative to be agile and improve and scale digital is without doubt even more important.

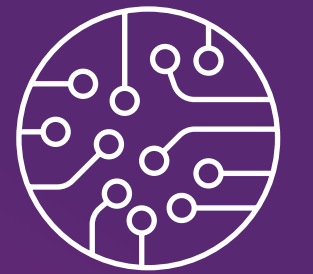
Digital maturity has accelerated across the globe, but innovation is being redefined as business leaders and investors expect viable growth built on what IDC terms a digital-first strategy. What our data suggests is that becoming a digital business is non-negotiable for survival, and that innovation is both an opportunity and a challenge being prioritized at the highest levels of organizations in lockstep with evolving business strategy.

61% of business executives say they have a long-term digital transformation strategy tied to organization-wide business goals. Yet in today's uncertain economic climate, innovation investments are more heavily scrutinized than ever before, and immediate ROI is at the forefront of every decision. The era of experimentation and addressing problems in silos has been replaced by the transformation imperative to "optimize to innovate," making the business more efficient and secure as the foundation to drive revenue growth.

## Digital Business Reality

# 23%

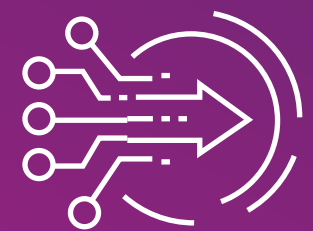
DIGITAL AT  
SCALE



Few expect to achieve the ambition of being a digital business that is disruptive in the use of new technologies and business models. **Only 23% expect to realize digital at scale by 2024.**

# 61%

IMPACTFUL  
DIGITAL ROI



By 2024, delivering **impactful ROI** through **digital transformation** is the business expectation for 61% of organizations.

# “Optimize to Innovate and Drive Revenue Growth” is the Name of the Game

Organizational priorities and threats are challenging digital business acceleration

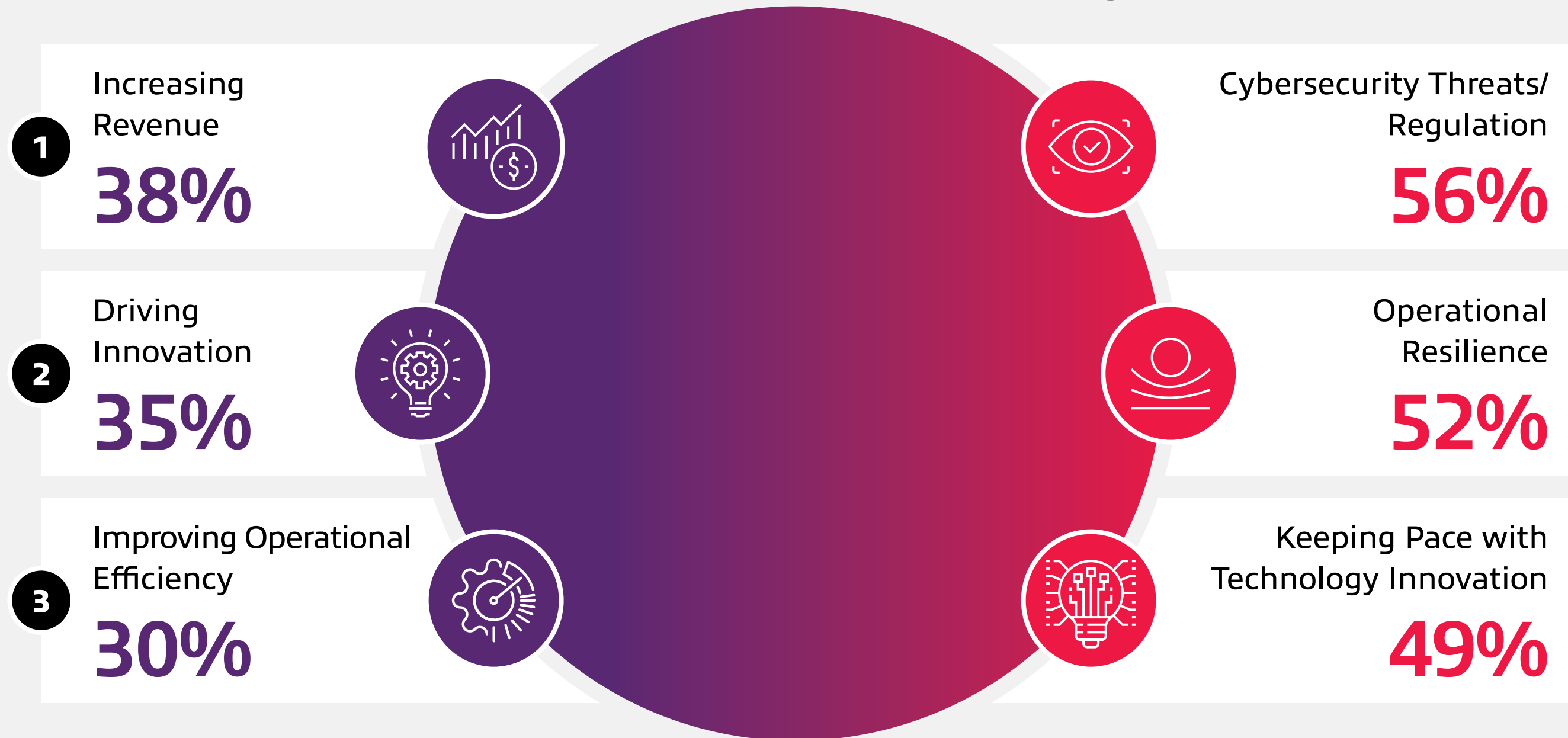
## Top 3

### PRIORITIES

What are your organization’s top priorities in the next 12 months?

### THREATS

What risks pose the greatest challenge to your organization in the next 12 months?



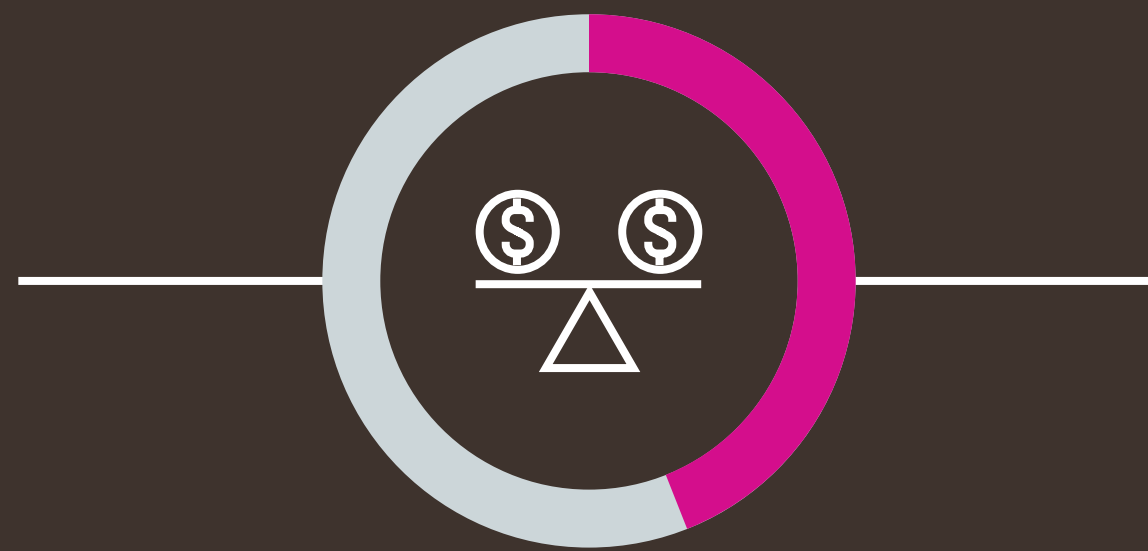
**3 in 4** organizations indicate their business functions are very dependent on innovation

Becoming a digital business is hard! It requires a unique digital transformation road map aligning organizational priorities to IT capabilities and technological innovation to deliver resilience and outsmart the competition.

In the context of an uncertain macro-environment and constant disruption, organizations are adopting a new mindset to survive: “optimize to innovate.” Business uncertainty creates internal tensions, making business leaders more risk averse to new investments. This translates into a more structured and intentional digital business strategy.

This dual mindset focuses on creating the foundation for improved business agility. As a result, focus shifts to investments that reduce vulnerabilities caused by outdated infrastructure, increase resilience, and maximize the use of IT resources. While these investments come with an upfront expense, they reduce operational costs and prepare the organization for future innovation.

# Leaders Rely on Digital Investments to Deal with Market Uncertainty



44%

## DIGITAL INVESTMENT STABILITY

Despite economic and external risk factors, digital investments remain broadly unchanged for 44% of global organizations



33%

## DIGITAL INVESTMENT GROWTH

For 1 in 3 organizations, digital investments will grow to mitigate and manage these risks



48%

## DIGITAL INVESTMENT SCRUTINY

48% of business executives report more scrutiny of digital initiatives by the C-suite

While organizations aren't slowing down on innovation, the focus on how they do so has shifted. Innovation today means optimizing business processes to maintain productivity levels, while delivering purposeful business value to protect market position.

In 2023, digital capabilities are no longer a differentiator but a necessity to stay competitive, with disruption amplifying the digital need. The top drivers of digital business initiatives focus on protecting and defending against risks, building digitally strong hybrid working models, and supporting ESG targets.

Organizations need to be mindful that innovation investments carry more weight than ever. As a result, C-suite scrutiny only continues to increase due to current market conditions and tighter investment plans.

# Business Threat Landscape by Region

Q. What risks pose the greatest challenge to your organization in the next 12 months?

● Global ● North America ● Europe



Global  
**75%**

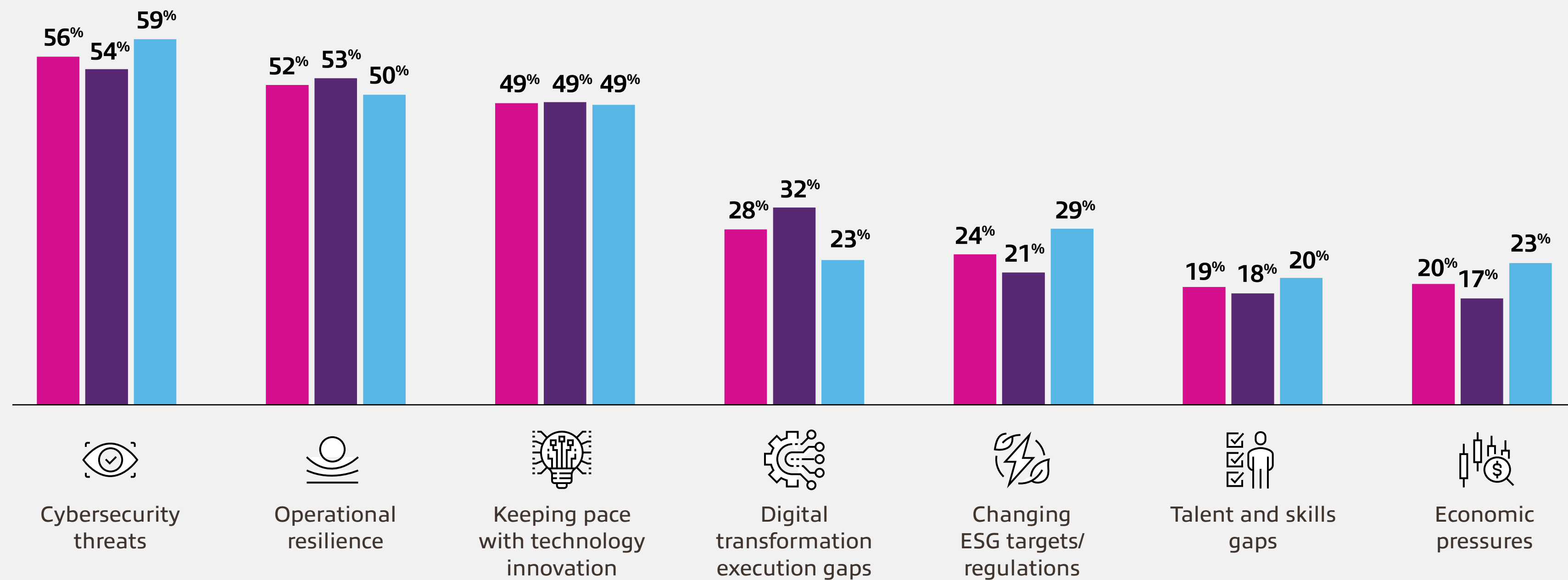


North America  
**71%**



Europe  
**78%**

Extent to which the business function is very dependent on innovation



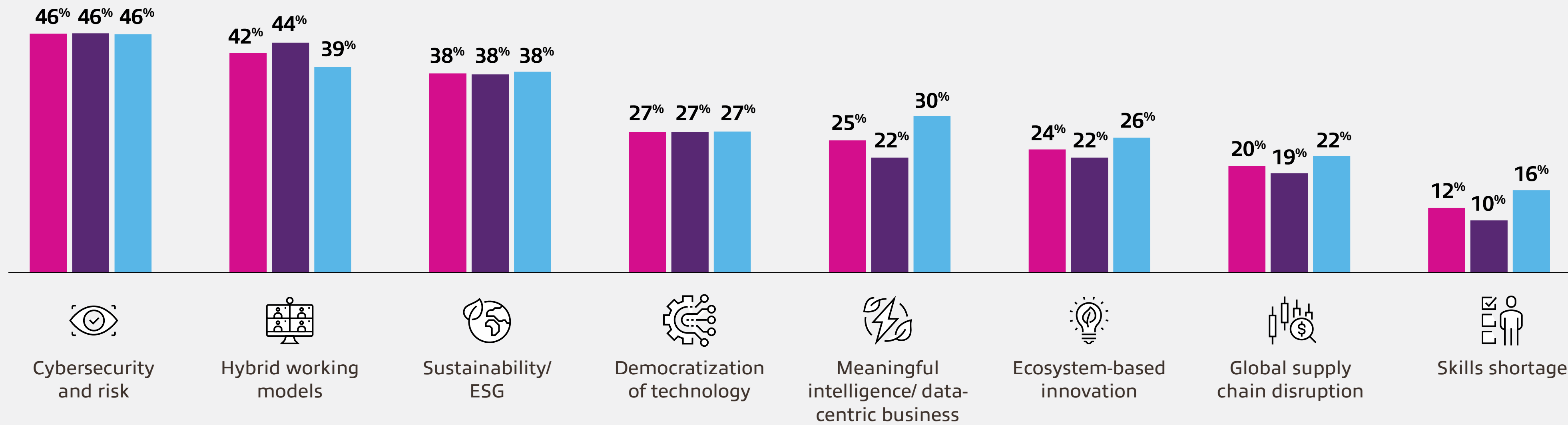
The perceived short-term threat of economic pressures pales in comparison with the challenge of keeping pace with competitors on innovation. Almost half of business executives in North America and Europe stated that the ability to keep up with technological innovation compared to their competitors is one of the greatest threats to their organizations. As the data shows, business executives across the globe underline that innovation underpins how they function and the value that is delivered.

# External Pressures Influence how Organizations Prioritize Digital Business Initiatives and Focus their Innovation Efforts

Q. Which drivers will influence your organization's digital business initiatives the most in the next 12 months?

## Digital Business Drivers

● Global ● North America ● Europe



**Top three drivers of digital business initiatives in the next 12 months**



**46%**  
Cybersecurity and risk



**42%**  
Work mode upheaval/Hybrid working



**38%**  
Sustainability/Mainstream ESG

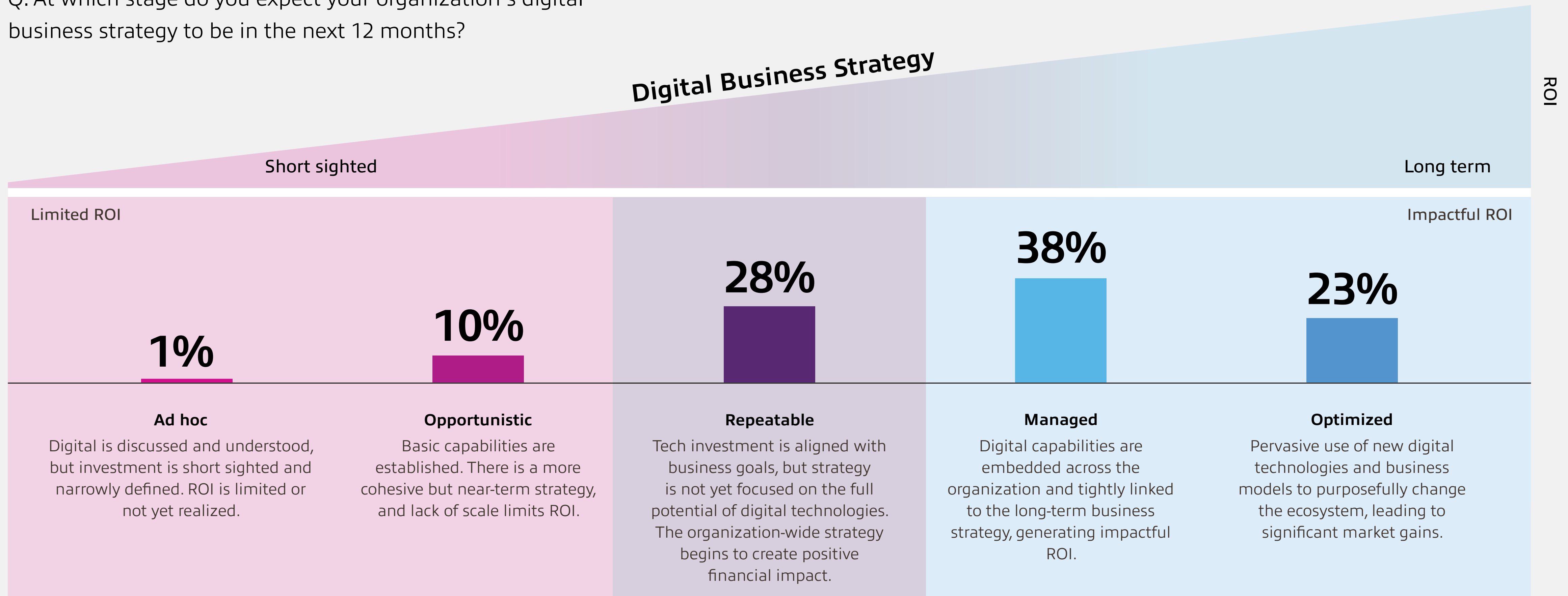
Investments supporting digital business initiatives across the globe remain resilient to external disruption. This resilience is a result of organizations prioritizing risk reduction and defensive business strategies, with short-term digital investments focusing on improving business outcomes.



# Digital Business Maturity: The Road to Impactful ROI

Reinventing business models requires the alignment of technologies and digital processes to the long-term business strategy

Q. At which stage do you expect your organization's digital business strategy to be in the next 12 months?



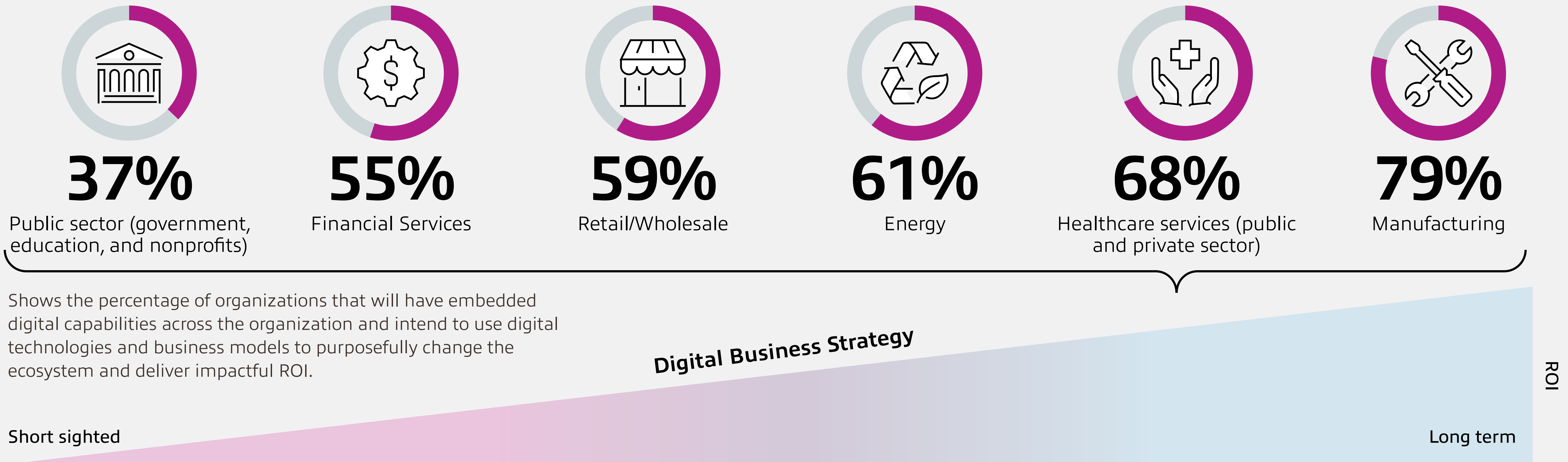
# At What Rate are Industry Sectors Transitioning to Deliver Impactful ROI?

Manufacturing organizations are set to win the race to deliver impactful ROI

Q. At which stage do you expect your organization's digital business strategy to be in the next 12 months?

## Pace of change — How strong is the digital business ambition?

IMPACTFUL ROI



# Digital Business Strategies Must Support How an Organization Creates and Delivers Value

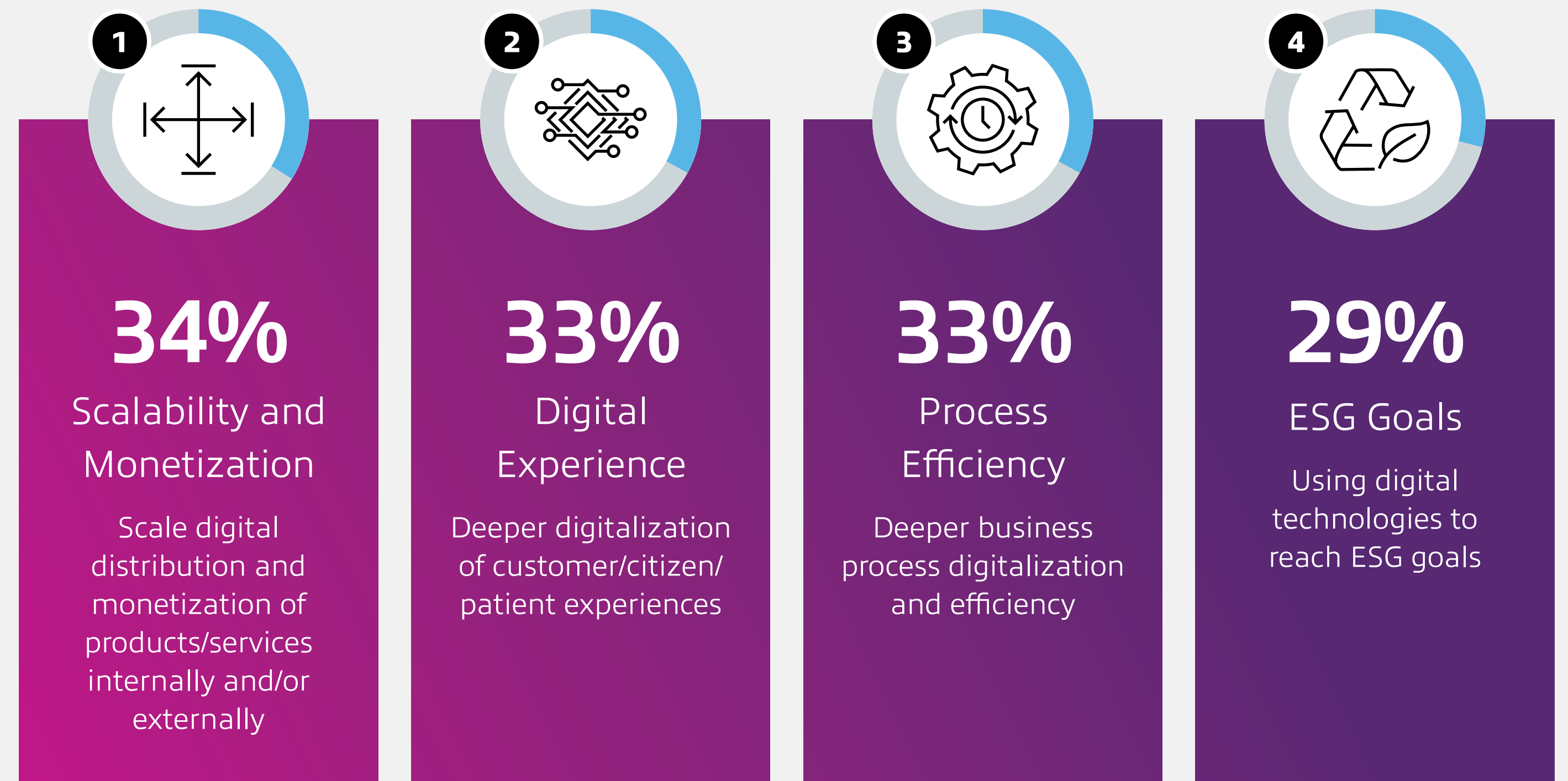
The digital transformation endgame moves beyond product and service redesign

Every organization looks to enhance its processes, products, services, experiences, and revenue growth with new digital capabilities. However, business value created directly from or enabled by digital goes beyond product or service creation to enable digital at scale.

The value proposition of digital is now firmly tied to creating the foundation for business agility, with business value tied to four core outcomes:

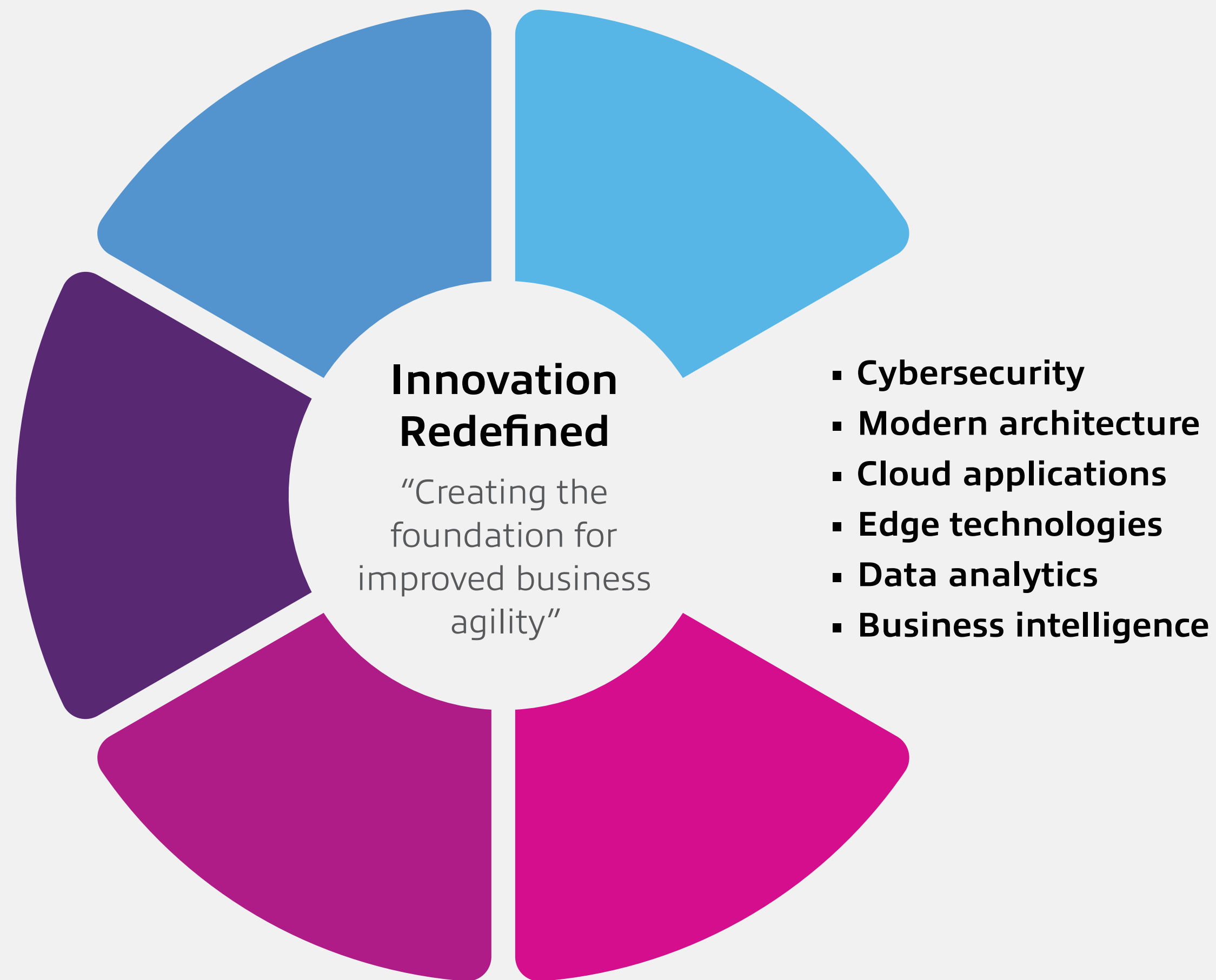
1. Scalability and Monetization
2. Digital Experience
3. Process Efficiency
4. ESG Goals

Digital transformation is prioritized to support:



Q. What are the main reasons for your organization to invest in digital transformation in the next 12 months?

# Redefine Innovation to Create Opportunities to Optimize



The next phase of digital business growth demands that organizations innovate (deliver purposeful business value through digital technologies) while in parallel tackling cybersecurity, legacy architectures, technical debt, more intentional use of data, and, increasingly, the sustainability of both the digital technologies in use and the digital products and services provisioned.

Innovation without solving or tackling these issues will not work or be impactful.

# How Organizations Can Innovate Successfully

## The Organizational Approach

### LONG TERM

**61%**

of organizations have a long-term digital transformation strategy tied to organization-wide business goals.

### TARGETED METRICS

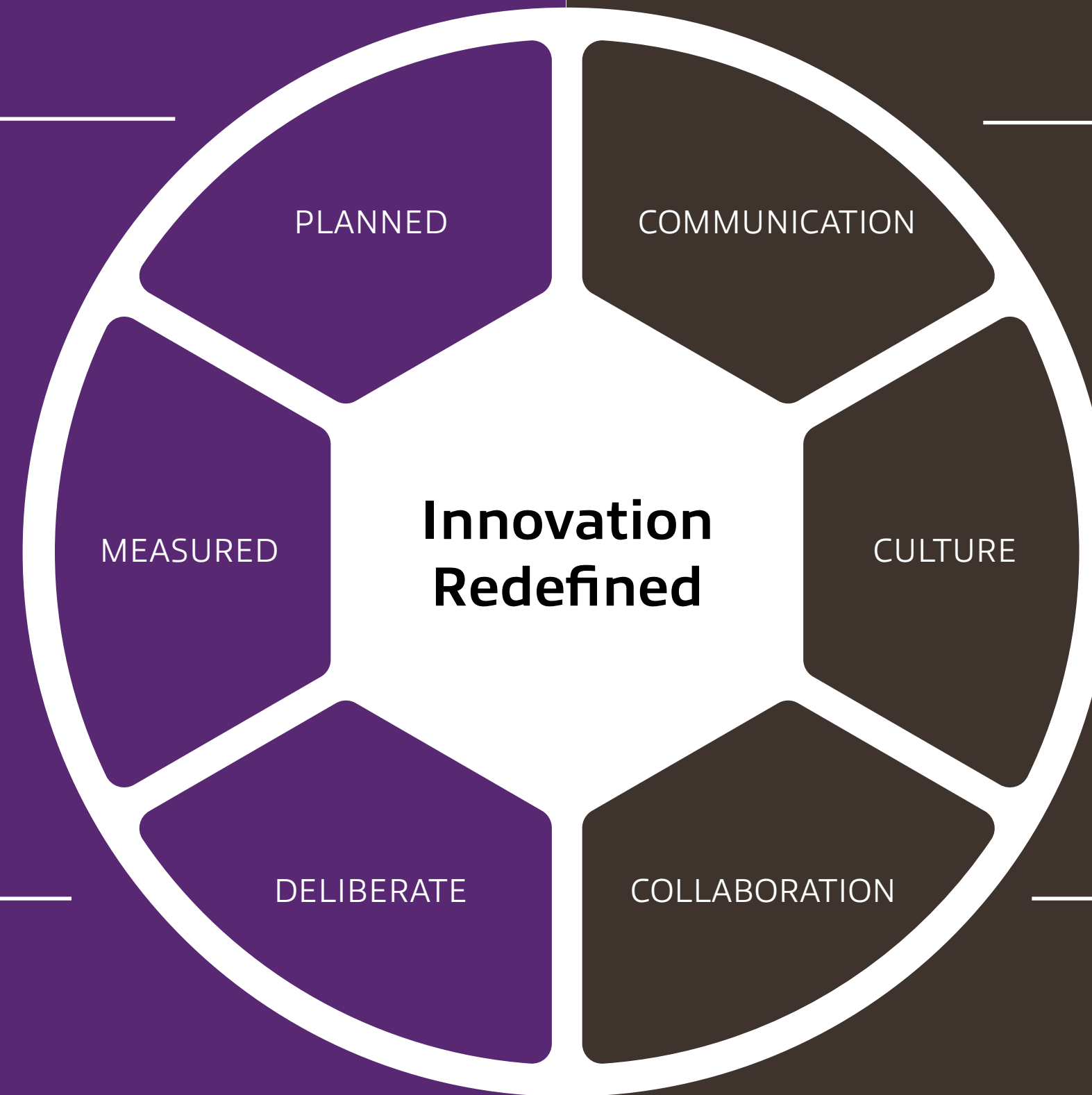
**1 in 2**

organizations require metrics to be more specific and granular, with a stronger rationale for inclusion.

### CEO INVOLVEMENT

For **66%**

of organizations, the CEO is actively involved in defining the digital strategy.



## The Cultural Shift

### IT/LOB ALIGNMENT

In **83%**

of organizations, IT is aligned with what the business needs to grow and succeed..

### CHANGE MANAGEMENT

**61%**

devote significant resources to change management.

### PURPOSE

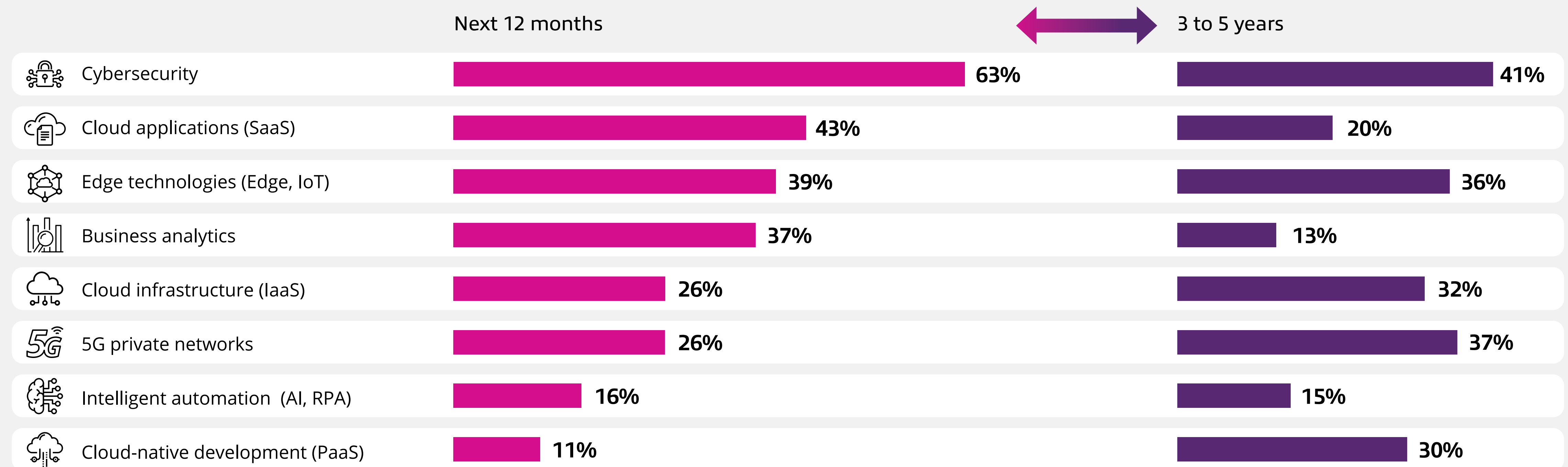
For **80%**

of organizations, IT collaborates closely with the business to deliver operational innovation.

# Essential Tech Ingredients Supporting Digital Business Strategies

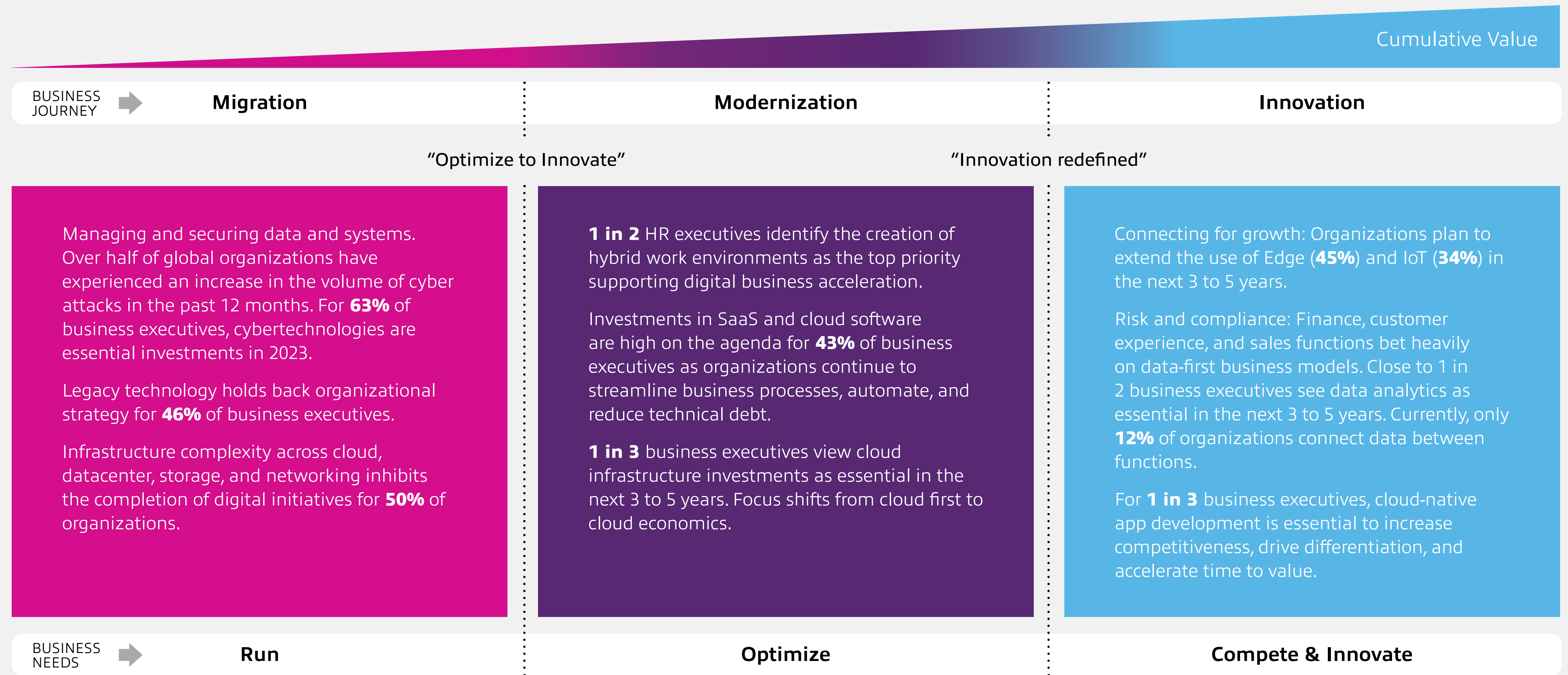
Creating the foundation for **Digital at Scale**

## Essential Technology Supporting Digital Transformation Efforts



Which of the following technologies are essential to your organization's digital transformation efforts in the next 12 months/3 to 5 years?

# The Tech-to-Scale Continuum: “Designing” for Digital Business at Scale

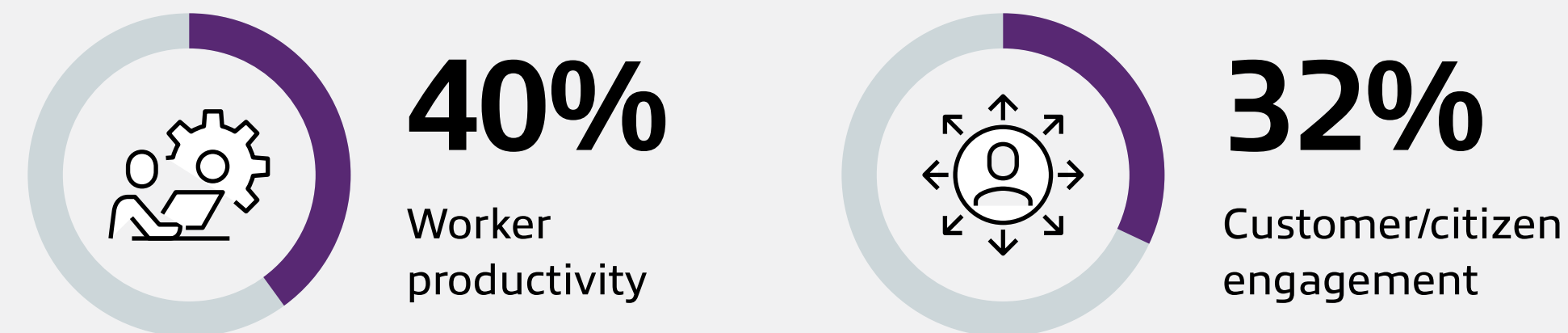


# Innovation Requires Unlocking the Power of your Data

The right data is needed for innovation to be meaningful and create lasting value

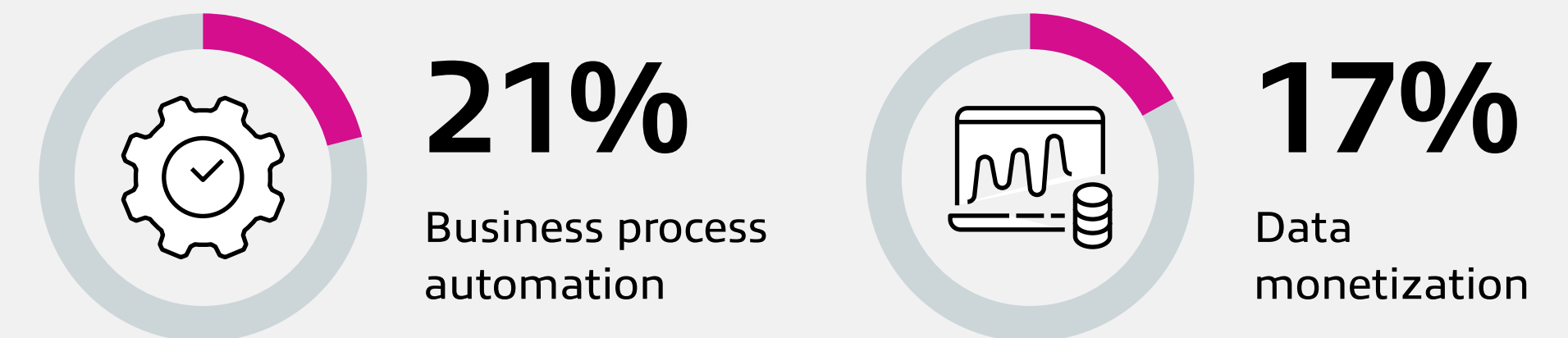
## Are business leaders getting maximum value from their organization's data?

Some leaders plan to use their data for...



But...

Fewer plan to use their data for...



### How should technology leaders respond?

While most leaders are planning to use their organization's data to improve productivity or customer engagement, far fewer are looking to see how data can enhance process automation, or how it can be monetized to create new revenue streams or improve existing ones.

This is a missed opportunity, particularly as rapid advances in generative AI emerge. Technology leaders should take this chance to demonstrate the value of their organization's data and show how it can benefit other functions and the broader business.

Q. Please identify the areas where your organization will prioritize greater use of data to provide better experiences or improve efficiencies in the next two years.



# Don't Underestimate Digital Transformation Challenges

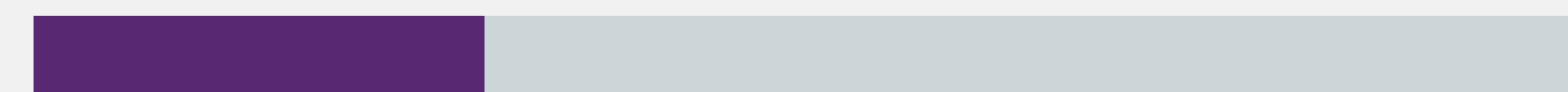
Challenges are often rooted in decisions from years earlier that made sense at the time

The unwanted results

The technology symptoms

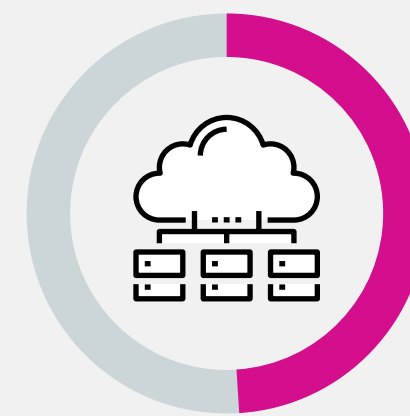
# 29%

of organizations saw a significant proportion (**up to 50%**) of their digital initiatives not reach completion or fail to meet the original objectives.



Q: Over the past two years, approximately what percentage of digital projects that your organization initiated did not reach completion or failed to meet the original objectives or expected outcomes?

These technology categories (below) are not necessarily the source of project failure. Rather, the challenges of integrating these technologies are the source of the problem, and technology leaders must carefully consider if their current metrics of success need to be updated.



## 49%

Infrastructure (including cloud, datacenter, storage, networking)



## 45%

Security (including data and systems security)



## 41%

Front-office software applications (CRM, CX, service, etc.)

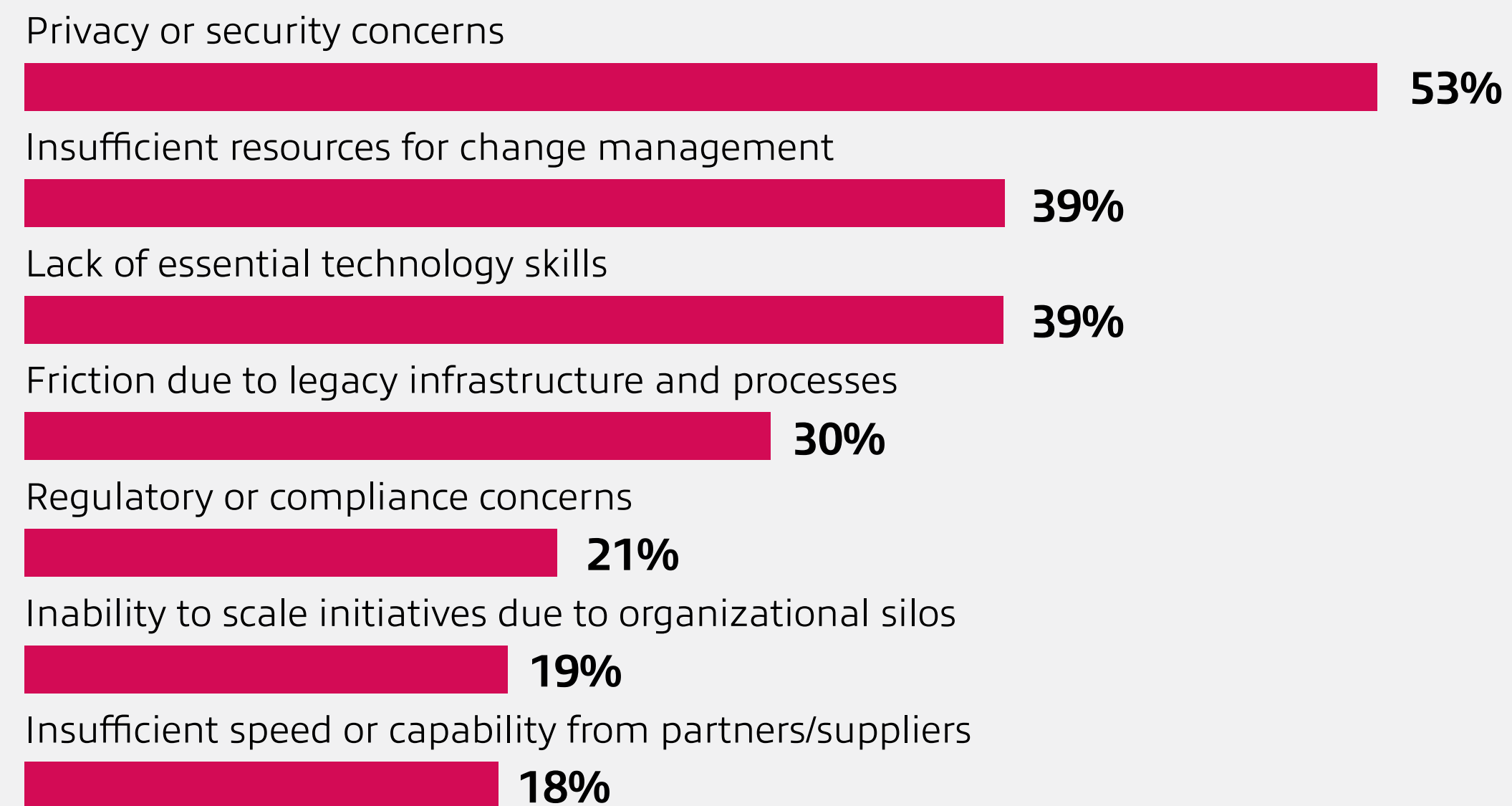
Q: Regarding the projects that did not reach completion or failed, which of the following technologies proved to be the most challenging to integrate?

# Cultural Change is Part of the Process

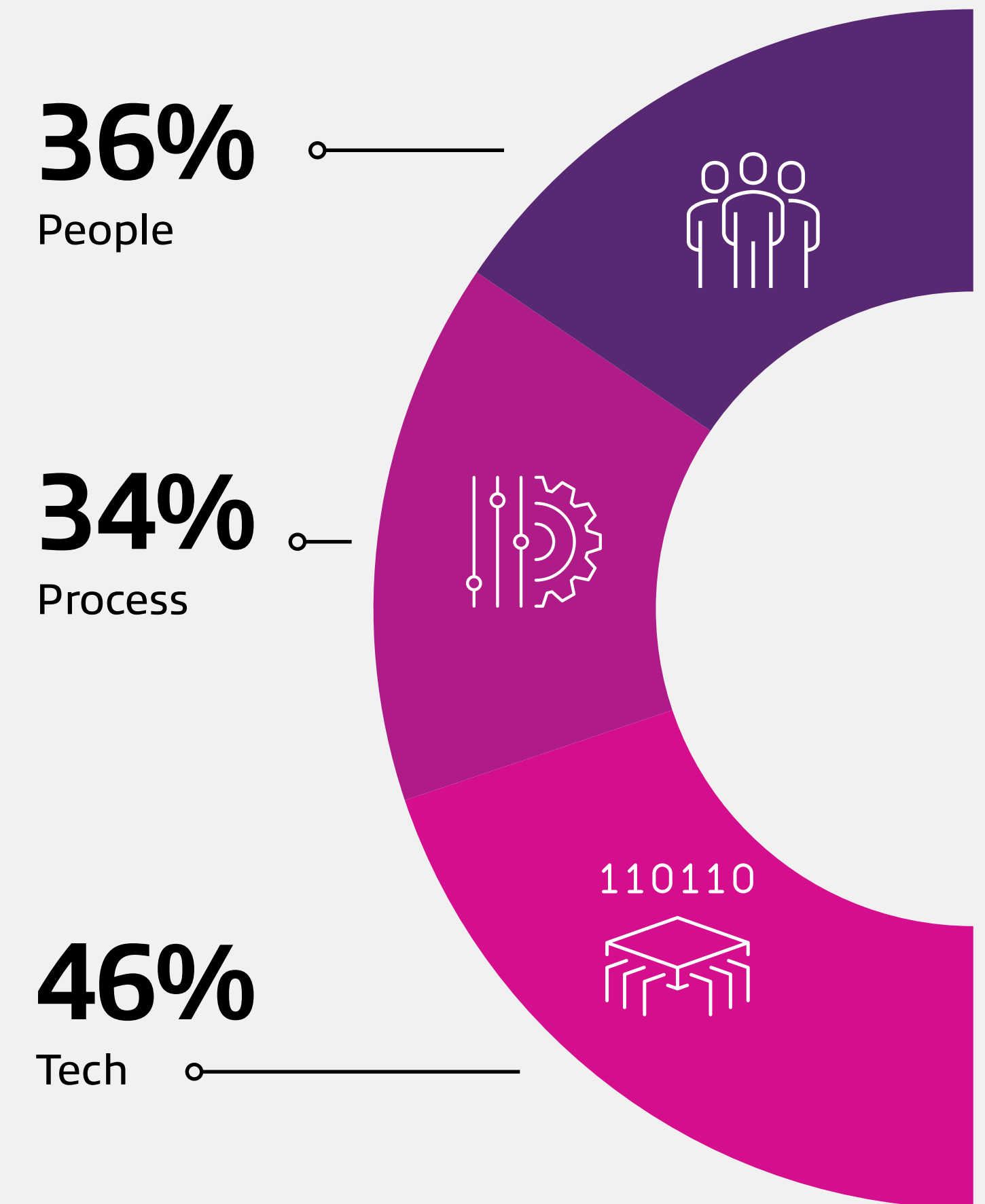
Becoming a digital business requires addressing people, processes, and technology simultaneously

A majority of organizations globally recognize the necessity of technology investments to achieve their digital business goals. But they face some tangible challenges along the way. Some of these can be addressed with targeted interventions, but most will require a more coordinated approach that involves people, processes, and technology.

## Q: What were the most significant challenges to completing your organization's digital transformation initiatives?



**All challenges are rooted in one — and often more — of these three areas, and solutions will require broader cultural change.**

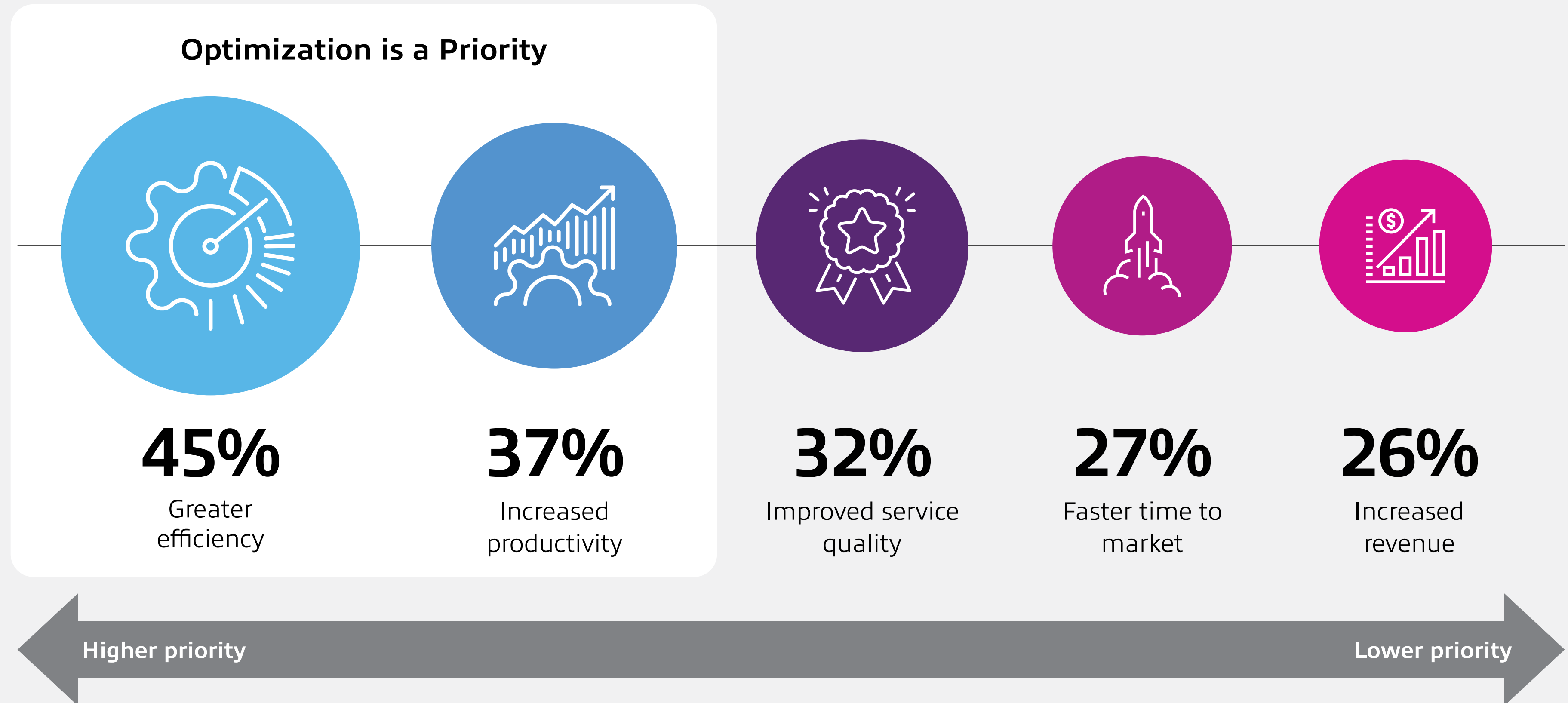


# Leading Organizations Are Adapting Their Measures of Success

They are changing their key criteria for evaluating digital transformation investments

As business leaders prioritize their organizations' digital investments for the coming year, they are identifying the key criteria for success.

It's clear that efficiency and productivity are high priorities during economic uncertainty, but consideration must also be given to what comes next, and how to accelerate out of any downturn in a stronger market position. This is where service quality and time to market are essential, with a goal of increasing revenue.

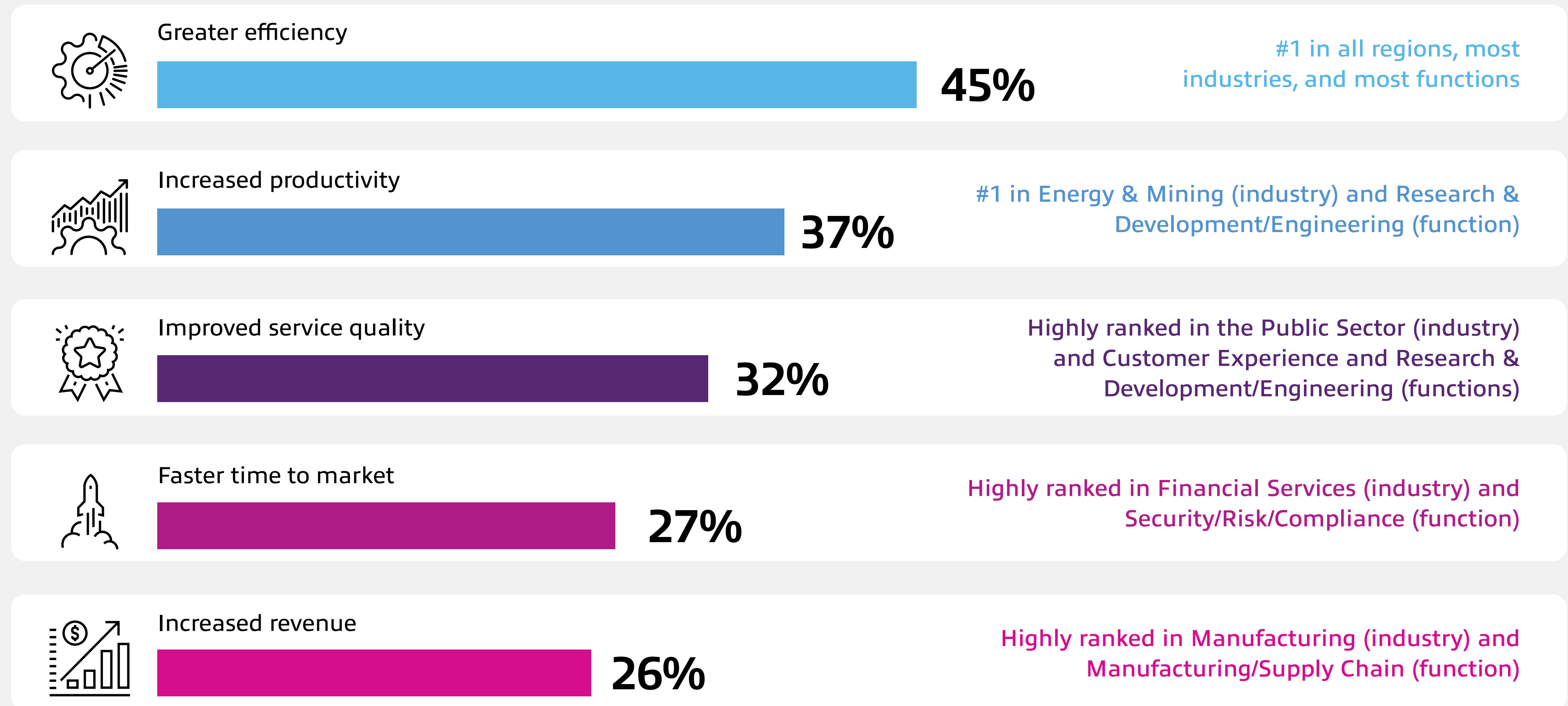


Q: Which criteria/metrics will be the most important to evaluate digital transformation investments in the next 12 months?

# Measures of Success Vary Across Regions, Industries, and Functions

Efficiency rises to the top, underlining the need for organizations to optimize to innovate

Many organizations will have to optimize and create new efficiencies to create the needed space — and resources — for innovation. In many ways, this top measure of success — efficiency — will help to facilitate all the other measures of success.



# Executive Influence on Digital Initiatives is Growing

They are becoming more involved throughout the project life cycle

Unlike initiatives in the finance, HR, or marketing functions, digital transformation is not owned by the IT function alone. It requires involvement from across the business and from leadership. Our data shows that executive involvement in digital transformation initiatives is growing among the C-suite and functional business leaders alike, and this is essential to help ensure project success.



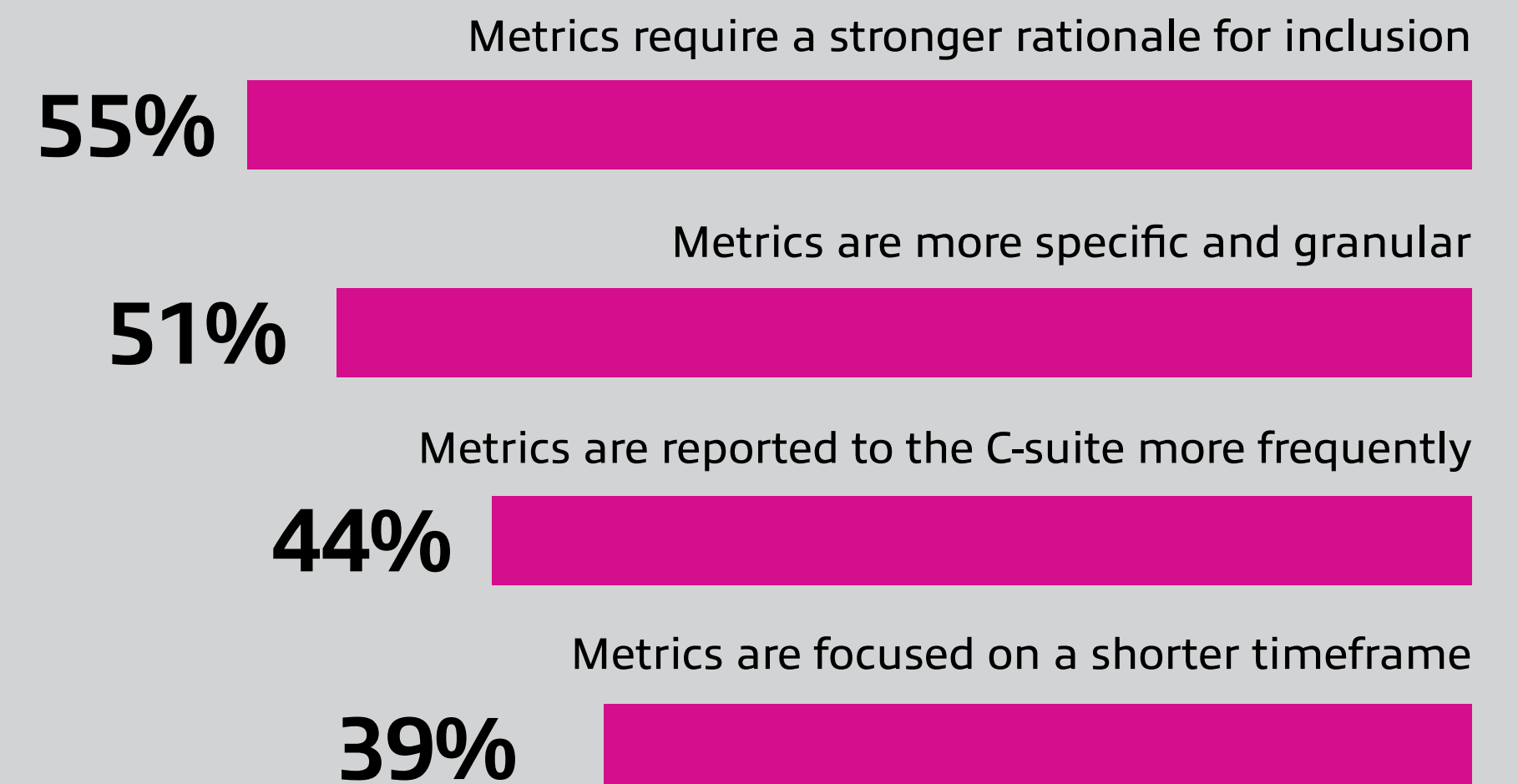
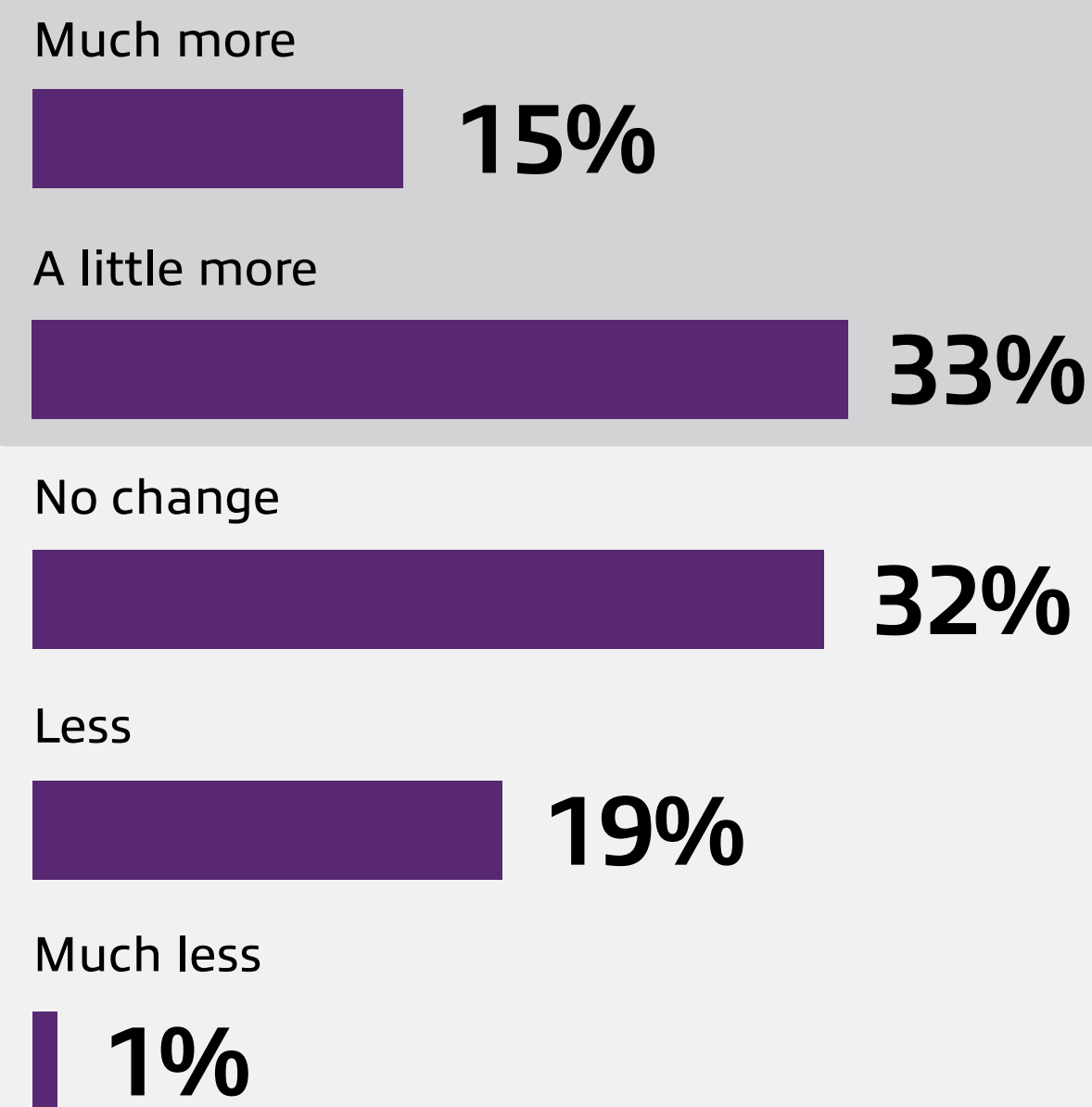
# The Role of the C-Suite

As executive involvement grows in digital initiatives, so too does the scrutiny and metrics



**Q: How is C-suite scrutiny of digital initiatives changing compared to the past year?**

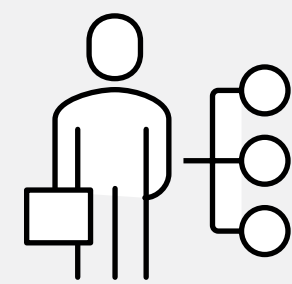
**Q: How are C-suite metric expectations for digital initiatives changing compared to the past year?**



# It is Essential to Improve IT and Line of Business Alignment

Alignment is essential to enable the success of digital business priorities from across the organization

**What does the business think about the quality of IT & LoB alignment?**



The business thinks LoB...

... "prefers to utilize in-house IT resources rather than using third-party resources"



... "understands what is possible with technology"



... "is willing to collaborate with IT"



... "collaborates closely with my business to deliver operational innovation"



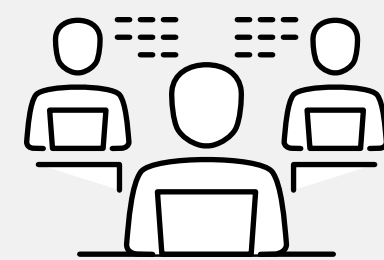
... "is very much aligned with what our business needs to grow and succeed"



... "has the skills to really help the business achieve its goals and drive new business"



... "has a 'seat at the table' in our company when it comes to making key business decisions"



The business thinks IT...

**The overall results are quite positive, but in some organizations, IT appears to not have a "seat at the table." Is this cause for concern?**

● Agree  
● Neutral

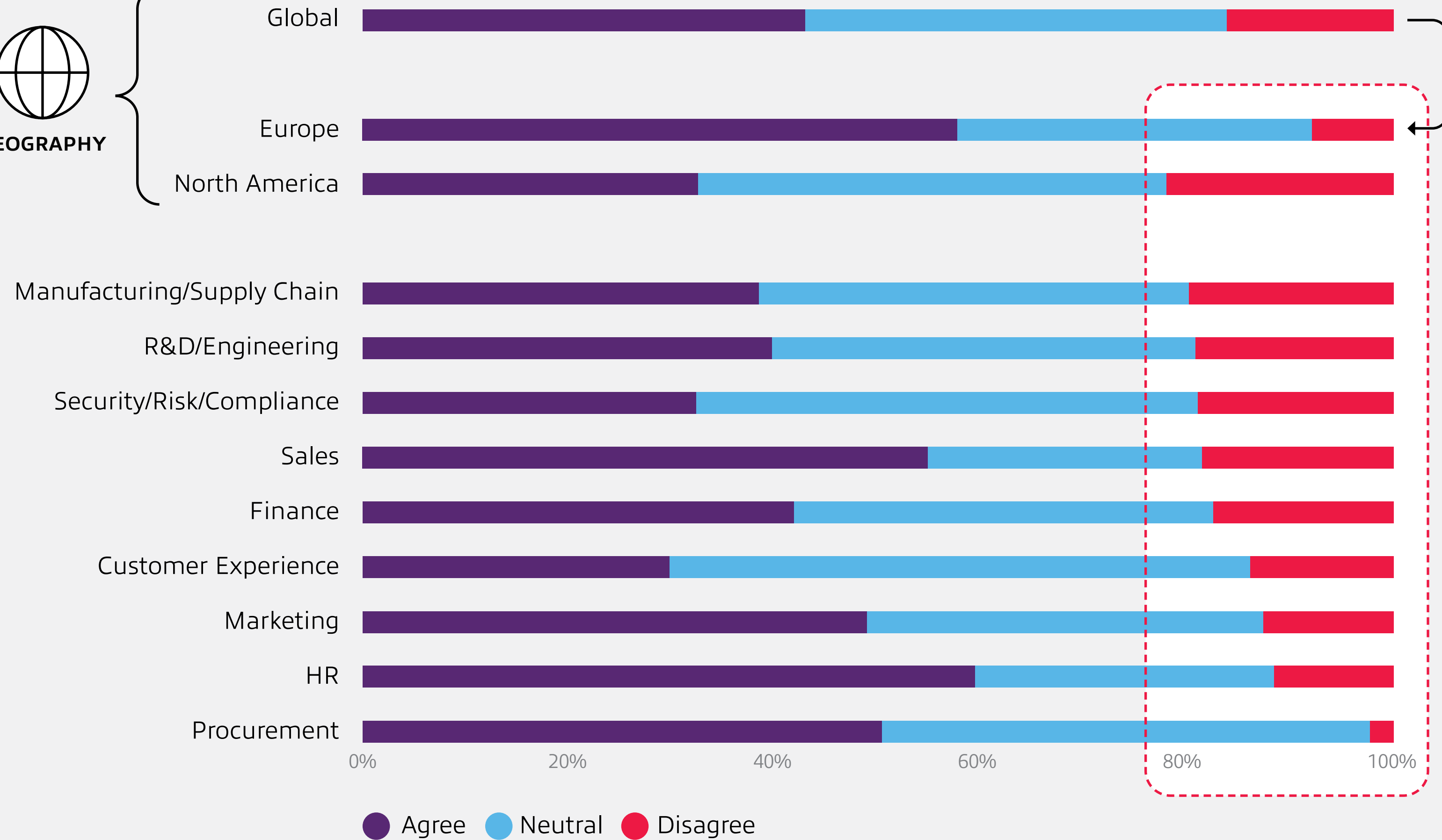
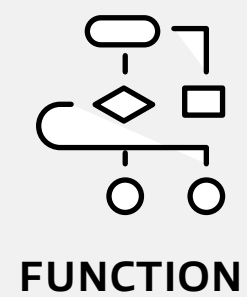
Q: Please rate your level of agreement with the following statements.

# IT and Line of Business Alignment by Region and Function

Where is IT perceived as a support function vs. value enabler?

Rate your level of agreement with this statement:

"IT has a 'seat at the table' in our company when it comes to making key business decisions."



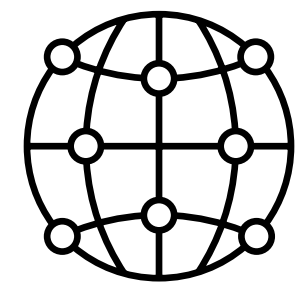
## The Danger Zone

Organizations where IT is not (or is not perceived to be) "at the table" and contributing to key business decisions are likely to find that they lack needed stakeholder support and essential skills throughout the transformation and change management process.



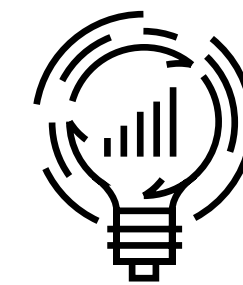
# Next Steps

How business and technology leaders can innovate their way to success



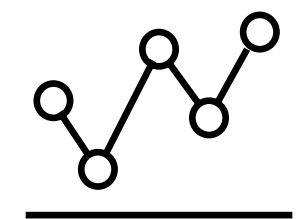
## Draw a Digital Business Map

Becoming a digital business is non-negotiable, and it's essential that leaders understand this and map their route to success.



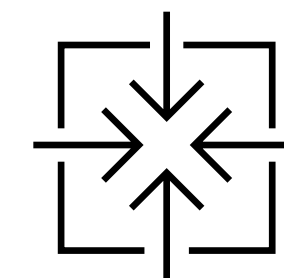
## Refine Innovation

As leaders make a cultural shift and redefine innovation for their organizations, they can begin to optimize and further refine innovation to suit changing circumstances.



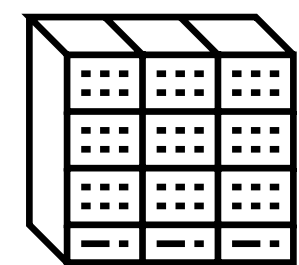
## Improve Success Metrics

Moving an organization from short sighted to long term requires leaders to align technology success metrics with business strategy.



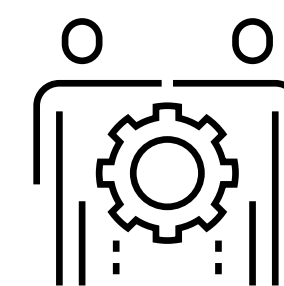
## Invest in Alignment

Improved metrics will only work if leaders strive to improve alignment between key stakeholders in IT and LoB.



## Unlock the Power of Data

Leaders have significant scope to improve organizational use of data, either to monetize it or to create new revenue streams.



## Find the Right Partners

Choosing a technology provider for the long term is a big step, and leaders should prioritize partners that can navigate regional and national differences and nuances.

# Message from the Sponsor

Today's innovation imperative leaves little margin for error



**Joyce Mullen**  
President & CEO  
Insight Enterprises



Amid today's economic uncertainty — and a world of accelerated change — my peers often share their struggles to balance staying relevant with managing a bottom line in which every dollar matters.

Get innovation right, and you're a pacesetter amid the competition. Mess it up? Good luck ...

This year's Insight Intelligent Technology Report reveals most organizations understand that success means transforming into a digital business. Figuring out how is the clear question, yet the ingredients are universal:

- IT objectives in lockstep with business strategy
- Efficient access to new technology
- The perpetual ability to architect, build and manage increasingly complex technology environments, whether in-house or through a trusted partner
- Real outcomes and results ... fast

There aren't many who can handle this alone. See how we're giving our clients the insight to be ambitious about reaching their goals of becoming a modern, digital business: [www.insight.com/beambitious](http://www.insight.com/beambitious).

# Survey Demographics

## Geographies & Percentage of Total Sample

### General Information

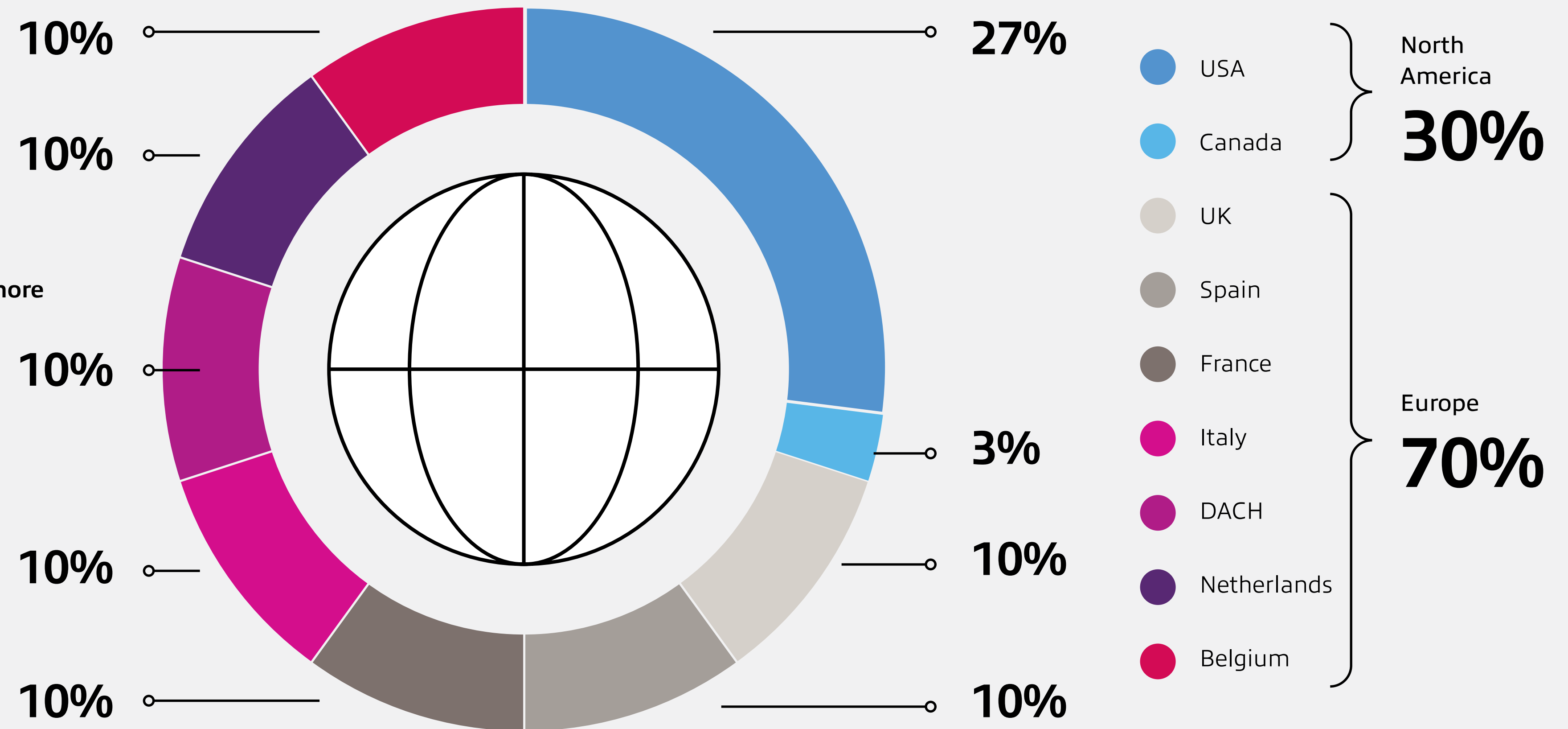
- Sample size: **1,000**
- Field time: **Early 2023**
- Method: **Phone survey**

### Organizational size

- Commercial sector: **1,000 employees or more**
- Public sector: **250+ employees**

### Verticals targeted

- Manufacturing
- Healthcare Services
- Financial Services
- Energy & Mining
- Retail & Wholesale (Note: hospitality is included under Retail)
- Public sector (Government, Education, and Nonprofits)
- Other (max 20%)



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With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.

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