

# **The Future of Applications Depends on IT-Business Collaboration**

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Initiatives: [Application Leaders](#)

Gartner believes application leaders must champion strategic IT-business collaboration through technological, organizational and cultural change when delivering future applications. Our 2020 survey provides evidence that collaboration is indeed a priority for application leaders.

## Overview

### Key Findings

- Central IT organizations are heavily collaborating with lines of business (LOBs) on application delivery, with most organizations having moderate to comprehensive levels of collaboration.
- Security, technology and integration are the top three barriers to collaboration between LOBs and central IT on application delivery.
- Organizations have either increased or are expecting to increase collaboration between their IT leaders and LOB counterparts during the current COVID-19 crisis.

### Recommendations

Application leaders seeking to manage the role of IT-business collaboration within future of applications and composable enterprise projects should:

- Ensure business and IT teams have shared accountability for business outcomes by tying incentives and performance metrics to joint success criteria.
- Avoid creating digital talent silos by centrally nurturing emerging, evolving and expanding areas of digital expertise, advocate for collaborative digital skills across the enterprise.
- Leverage newfound synergies developed in organizational, technological and cultural practices in response to COVID-19 to further prepare the organization to competently manage disruption.

### Strategic Planning Assumption

By 2022, organizations with diverse IT-business collaborations will deliver business outcomes 25% faster than their competitors.

## Survey Objective

The purpose of this survey was to test our working hypotheses regarding the impact of IT and LOB collaboration on the future of applications and composable enterprise projects. This survey was conducted online from June through July 2020, with 402 respondents across several countries including the U.S., the U.K., Germany, Australia, Singapore and India. For more details, see the [Methodology](#) section.

## Data Insights

### Introduction

Business leadership is taking a more strategic role in sourcing, procuring, implementing, delivering and maintaining applications. This requires application leaders to adopt a new, strategic approach to vision and strategy that involves delivering a composable enterprise (see [Future of Applications: Delivering the Composable Enterprise](#)) with much deeper collaboration between stakeholders. This is blurring traditional boundaries between business and IT.

Collectively, this research reveals that most companies planning for the future of applications and composable enterprise are choosing to increase, rather than decrease, collaboration between central IT teams and LOBs. This trend is further amplified by COVID-19 despite its financial and disruptive impact.

The following sections provide more detail on three individual data insights.

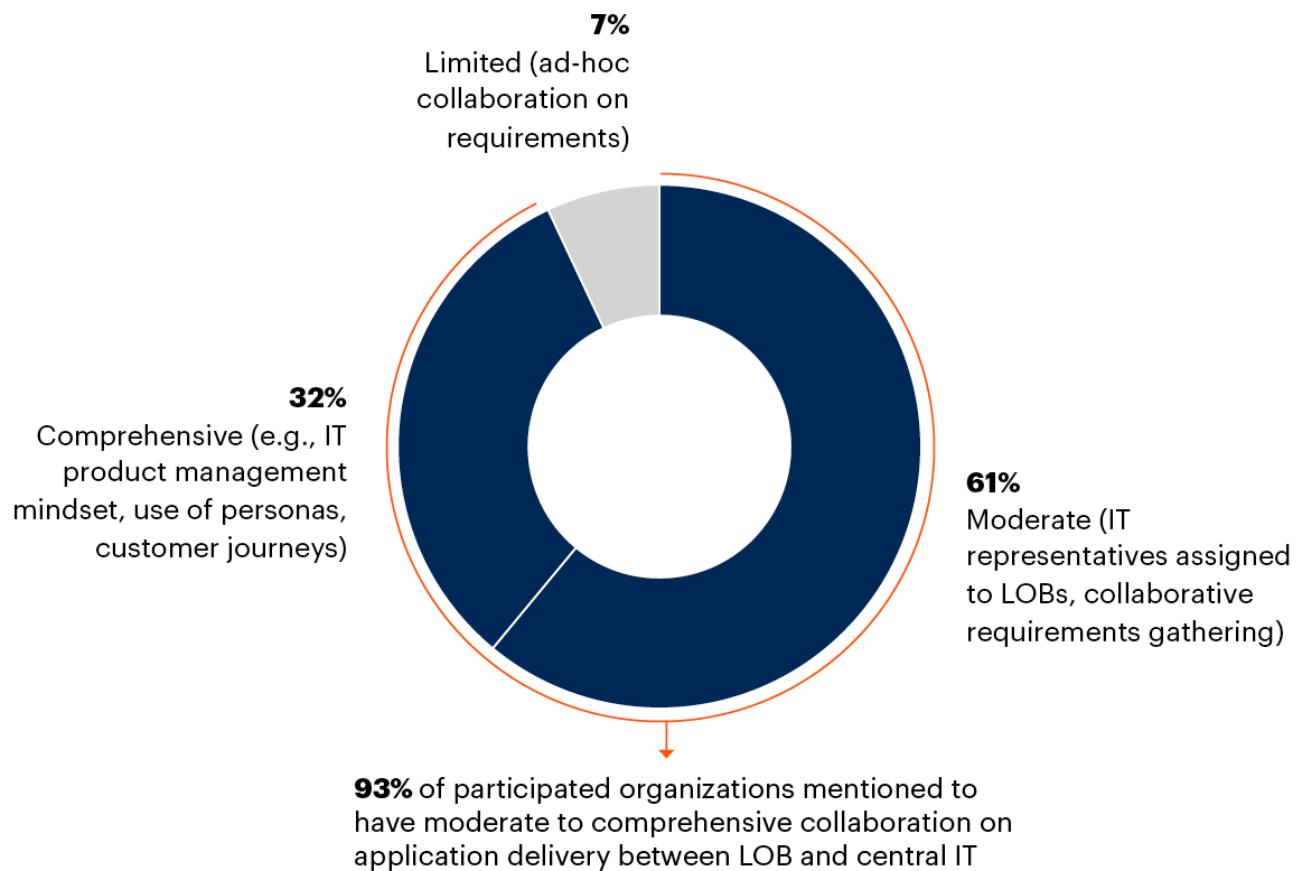
### Collaboration Between IT and Business Is Instrumental to Successful Application Delivery

- **Context:** Companies that succeed in digital business are rethinking the way they operate. Our research shows that companies and government entities have set up “fusion teams” – multidisciplinary teams that blend technology and other types of domain expertise, and are often designed to deliver products rather than projects (see [Fusion Teams: A New Model for Digital Delivery](#)). The rise of fusion teams is evidence that the boundaries between IT and the rest of the business are blurring at an accelerated rate. Gartner has found that progressive CIOs focus on the human side of managing digital business risk (the cultural, organizational and behavioral aspects of risk management) to help their organizations capture the full value of this new digital delivery model (see [Leverage Three Forms of Teams for the Post-COVID-19 Workplace](#)).
- **Hypothesis:** Central IT organizations heavily collaborate with LOBs on application delivery.
- **Question:** Which best describes the overall level of collaboration on application delivery between the lines of business (LOBs) and central IT in your organization?

**Findings:** Central IT organizations collaborate extensively with LOBs on application delivery, with most organizations having a moderate to comprehensive level of collaboration (see Figure 1).

**Figure 1: Overall Level of IT-Business Collaboration on Application Delivery**

### Overall Level of IT-Business Collaboration on Application Delivery



**n = 402; All respondents, excludes don't know**

Q: Which best describes the overall level of collaboration on application delivery between the lines of business (LOB) and central IT (CIT) in your organization?

Source: Gartner 2020 IoT Implementation Trends Survey

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**Analysis:** These results lay the foundation for our hypothesis that companies perceive the benefits of collaboration to be significant. It lends credence to what Gartner believes — that distributed, simultaneous digital business initiatives with broad-based involvement from both IT and LOBs yield better results than centralized, sequential approaches. Further, organizations that collaborate effectively can be faster in their digital business transformations than organizations that run initiatives in one centrally managed team that is typically isolated from the LOBs.

**Recommendations:**

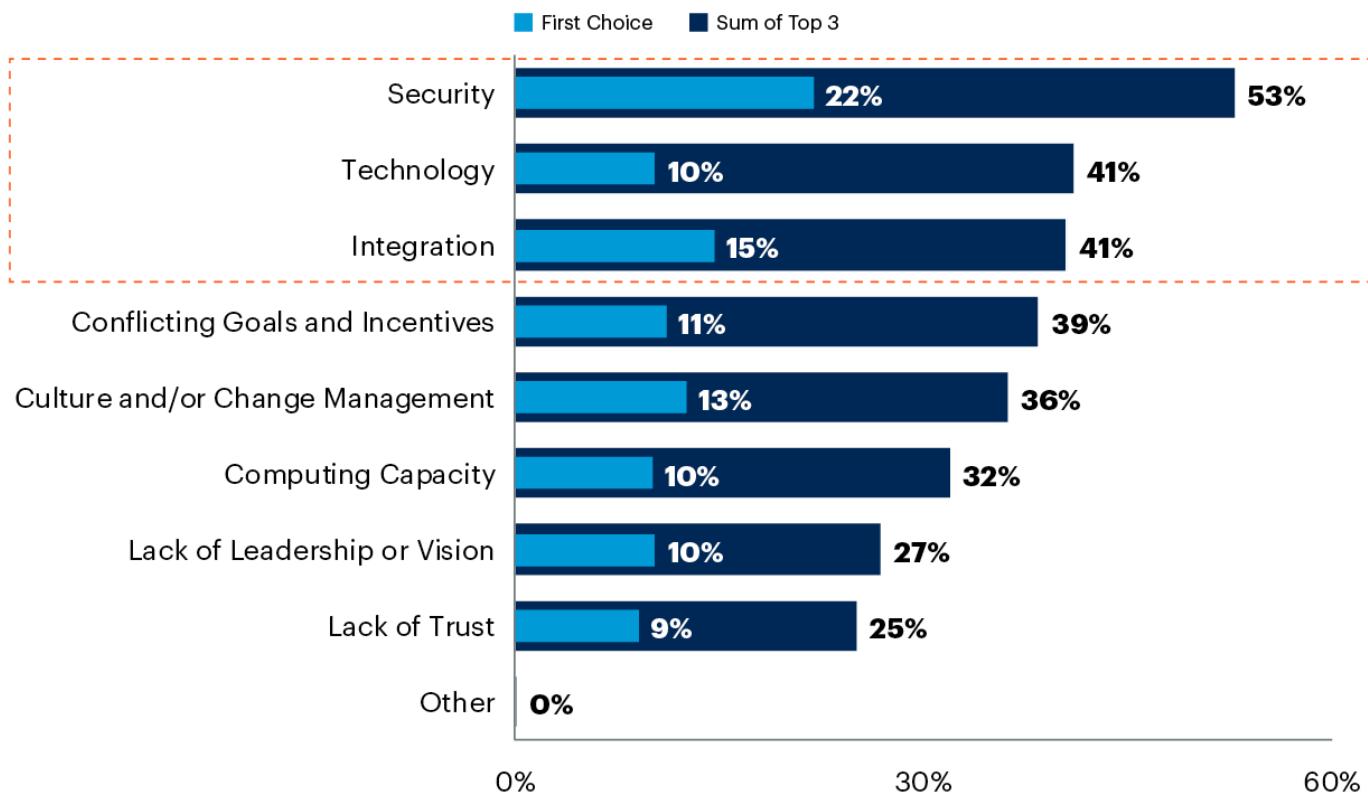
- Fuse business and IT teams so that they have shared accountability for business outcomes by tying incentives and performance metrics to joint success criteria (see [Fusion Teams: Cross-Functional Collaboration for the Digital Era](#)).
- Mitigate shadow IT risks by working with business unit leaders to enlist citizen developers who can establish trust and define safe activity zones (see [The Future of Apps Must Include Citizen Development](#)).
- Bring business-led IT out of the shadows by offering tiered engagement options for business partners who want to pursue their own technology initiatives (see [Tiered IT-Business Engagement for Digital](#)).

## Security, Technology and Integration Are Barriers to IT-Business Collaboration on Application Delivery

- **Context:** IT-business collaboration is a growing and unstoppable force. However, there have always been barriers to this collaboration. For example, security has always been a concern for collaboration between IT and the operational technology domain. The increasing replacement of operational technology infrastructure with IT systems is opening new vulnerabilities and risks that are pushing security and risk management leaders to update security approaches and strategies. Given the increasing importance of cross-functional work, calls for the deployment of collaboration technology have not gone unheeded. However, low employee satisfaction levels for collaboration technology continue to hamper deployment, and effective tools are needed to support IT-business collaboration. In addition, pervasive integration challenges, combined with ever-expanding integration tool categories, make it difficult to choose the best-fit solution to different integration requirements of IT and LOBs, resulting in delays or mismatched integration approaches.
- **Hypothesis:** Security and technology challenges are barriers to IT-business collaboration on application delivery
- **Question:** What are the top three barriers to collaboration between the LOBs and central IT on application delivery in your organization?

**Findings:** According to the survey results, security, technology and integration are the top three barriers to collaborations between LOBs and IT on application delivery (see Figure 3).

Figure 2: Top Three Obstacles to IT-Business Collaboration

**Top Three Obstacles to IT-Business Collaboration**

n = 397; Base: Answering "Comprehensive/Moderate/Limited" for IT, LOB collaboration, excludes don't know

Q: What are the top 3 obstacles to the lines of business (LOB) and central IT (CIT) collaboration on application delivery in your organization?

Source: Gartner 2020 IoT Implementation Trends Survey

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**Analysis:** These results likely mean that companies perceive security risks, technology and integration complications as barriers to IT-business collaboration. If governed, managed and guided appropriately to mitigate security risks, technology complexity and integration issues, this collaboration can create a lot of value for the organization. For most enterprises, it is no longer reasonable for IT leaders to be solely accountable for all things IT. There needs to be recognition that accountability needs to be distributed more appropriately among IT leaders and LOB executives. In addition, change management practices will be instrumental to remove some of the cultural barriers.

**Recommendations:**

- **Security:** Create a single security governance structure to support both IT and LOB domains, and balance their requirements. For an example of IT and operational technology collaboration security needs, see [Establish Successful Executive Security Governance in an Integrated IT/OT Environment](#).

- **Technology:** Address deployment challenges to ensure better visibility and connectivity between employees (see [4 Best-Practice Applications of Collaboration Technology](#)).
- **Integration:** Address integration challenges using the most suitable integration products, including but not limited to enterprise service bus (ESB), integration platform as a service (iPaaS) and robotic process automation (RPA). For more information, see [Choose the Best Integration Tool for Your Needs Based on the Three Basic Patterns of Integration](#).

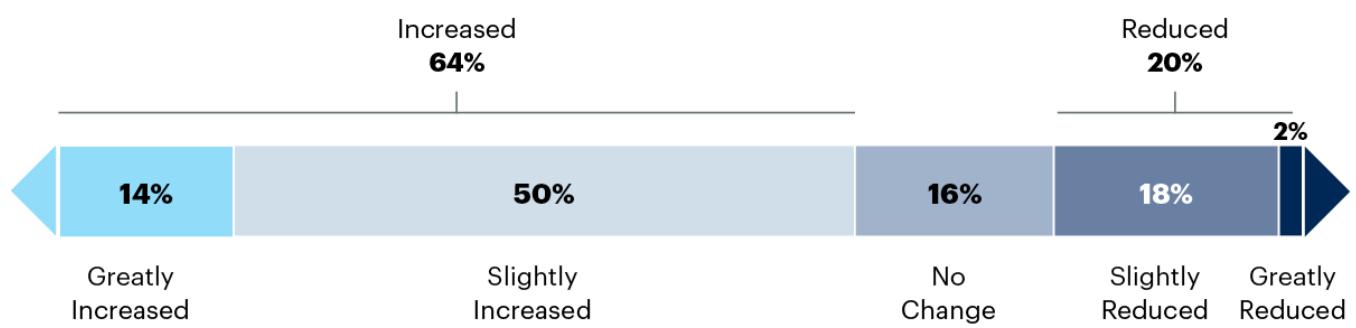
## COVID-19 Is Likely to Increase IT-Business Collaboration

- **Context:** COVID-19 is forcing many IT organizations to rethink their relationship and collaboration with their LOB stakeholders, their network of collaborators or other customers (see [Post-COVID-19 Uncertainties Navigator](#)).
- **Hypothesis:** COVID-19 is driving increased collaboration between the IT function and LOB leaders.
- **Question:** “What has been or is likely to be the impact of COVID-19 on collaboration between LOBs and IT on application delivery in your organization?” (see Figure 3)

**Figure 3: COVID-19 Greatly Increases the Need for IT-Business Collaboration**

### **COVID-19 Greatly Increases the Need for IT-Business Collaboration**

Impact of COVID-19 on IT-Business Collaboration on Application Delivery



n = 400; All respondents, excludes “don’t know”

Q: What has been or is likely to be the impact of COVID-19 on collaboration of application delivery between the lines of business (LOB) and central IT (CIT) in your organization?

Source: 2020 Gartner IoT Implementation Trends Survey

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**Findings:** A significant number of respondents (64%) indicate that IT leaders are collaborating more with their LOB counterparts during the COVID-19 crisis (14% report greatly increased collaboration, and 50% report only slightly increased collaboration). In contrast, only 20% of respondents indicate they are experiencing or expect to experience reduced IT-business collaboration.

**Analysis:** The strength of IT's connections with LOB stakeholders and the capacity for innovation with new solutions are fundamental to the reactivation of the economy, and indeed for the survival of many organizations during and after COVID-19. Part of this arises from the need to collaborate on innovation across IT and business via modern application design principles (e.g., composable application components – see [Innovation Insight for Packaged Business Capabilities and Their Role in the Future Composable Enterprise](#) – to support agility in responding to evolving business conditions and priorities). This aligns with recent trends toward improved alignment between IT and operational technology (OT) to improve Internet of Things (IoT) project outcomes, and with the urgency for improved collaboration as companies attempt to recover from COVID-19. IT can enable the business to achieve the following during the crisis:

- **Digital transformation** – Increase productivity with digital tools, transform structure with participation processes open to all, blur the organization's boundaries and connect people and ideas.
- **Change management** – Involve stakeholders in change, enable constant communication with everyone's participation, increase creativity and innovation, foresee barriers that can hold back change and manage solutions.
- **HR and talent** – Detect transformative talent, increase commitment and productivity, encourage entrepreneurship and transform the organization through people.
- **Marketing and communication** – Co-create with clients, offer a unique user experience (UX), present specific challenges, listen to buyers and keep a window open for new proposals.
- **Learning** – Create an environment for collaboration, innovation and learning.

#### Recommendations:

- Leverage the closeness that COVID-19 is driving. During times of crisis such as COVID-19, continued digital transformation is best accomplished when technical and business values are considered together. Therefore, the success of the future of applications depends on organizations' ability to bring business and IT together for collaborative and continuous creative work.

For a broader analysis of the impact of COVID-19 on IoT implementations, see [Survey Analysis: COVID-19 Use Cases Are Driving IoT Adoption, Powered by Innovations Like AI and Digital Twins](#).

## Methodology

The results presented are based on a Gartner study to help companies that implement IoT to better understand use, impact and ROI of IoT, digital twins, AI and other IT innovations related to the future of applications. The primary research was conducted online from June through July 2020 among 402 respondents from North America, EMEA and APAC.

Companies were screened for having an annual revenue of less than \$100M. They were also required to have completed, or plan to complete, deployment of at least one IoT use case or project by YE21.

Respondents were required to be at manager level or above and to be primarily involved and responsible for making decisions related to IoT implementation. Although the focus of this study was IoT, Gartner believes the findings are much more broadly applicable to business applications in general

The study was developed collaboratively by Gartner analysts and the primary research team.

Disclaimer: The results of this study do not represent the market as a whole, but are a simple average of results for the targeted country, industries and company size segments covered in this survey.

## Definitions

A **composable enterprise** is an organization that can innovate and adapt to changing business needs through the assembly and combination of packaged business capabilities.

## Recommended by the Authors

[IT-Business Collaboration Maturity Model \(Coca-Cola\)](#)

[Survey Analysis: COVID-19 Use Cases Are Driving IoT Adoption, Powered by Innovations Like AI and Digital Twins](#)

[Hype Cycle for the Future of Applications, 2020](#)

[Composable Commerce Must Be Adopted for the Future of Applications](#)

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