

# Digital Business Acceleration

Where to Focus Now?



# Digital Business Acceleration: Where to Focus Now?

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Enterprises have the intention of becoming more digital due to COVID-19. But in what areas should an enterprise accelerate digital investments? This research helps executive leaders prioritize digital business efforts to satisfy near-term needs with the longer-term goal of being future-ready.

## Quick Answer

### In what areas should an enterprise accelerate digital investments?

- **Enterprises should categorize their digital investments into five areas and then prioritize:**
  - **Fast lane:** Take digital initiatives that were implemented (or amplified) during lockdown to the finish line. For example, remote/hybrid workplace, digital customer interactions and remote operations are digital initiatives that should persist into the future.
  - **Growth lane:** Many growth opportunities are founded in digital changes. For example, customers are now more willing to use and pay for digital services. Regulations have changed to enable more digital products and services (for example, e-signatures are now compliant). These lead to new revenue or innovative ways to fulfill public missions.
  - **Fix-it lane:** Some parts of the enterprise were made more vulnerable during the pandemic due to significant demand increases or decreases; discovery of superfluous or bloated corporate functions; and supply chain mismatches. Operations are now “broken” and need digital investments to help an enterprise right-scale itself to the new market realities.
  - **Slow lane:** Some digital initiatives that were important prepandemic need to be kept going, but at a steady (or even slower) rate to make room for more pressing needs.
  - **Exit:** Some digital initiatives may need to be stopped to free up investment and resources for other initiatives.

## More Detail

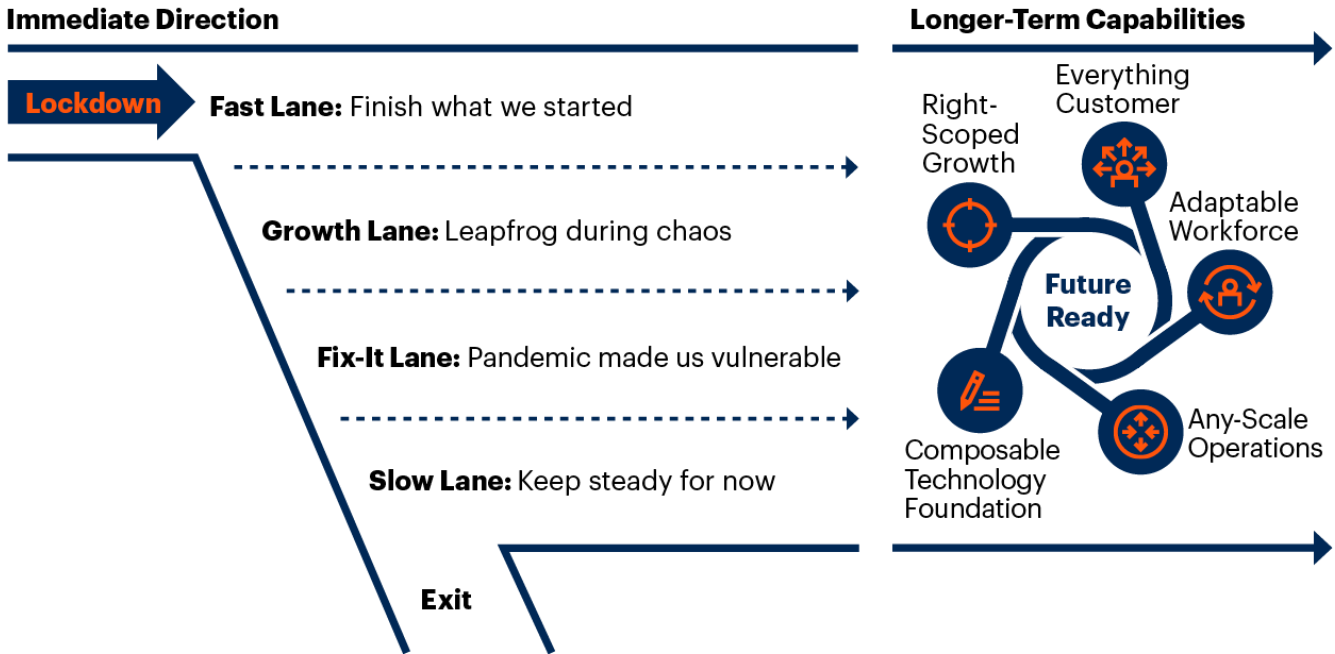
### Take Immediate Steps, but Head Toward Future Readiness

Digital business acceleration requires a clear sense of direction. What areas of the enterprise need immediate acceleration? And, is there a longer-term aspiration? Figure 1 helps enterprises prioritize

immediate investments and balance them with the longer-term vision of creating future-ready capabilities.

Figure 1. What to Accelerate?

**Digital Business Acceleration Is Execution at Speed**



Source: Gartner  
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Immediate Direction for Digital Investments

Enterprises should categorize their digital initiatives into the five categories/lanes shown in Figure 1 and Table 1.

Table 1: Immediately Categorize Digital Initiatives

Strategic Intent	Business Case	Examples
Fast lane	“Let’s leverage our lockdown investments by going further and making them permanent.”	Investments were already made during lockdown, only incremental investments are required.
		<ul style="list-style-type: none"> <li>■ Hybrid workplace</li> <li>■ Digital customer interactions</li> <li>■ Digital commerce/service</li> </ul>

Growth lane	“There are net new digital opportunities created as a result of the pandemic.”	Riskier investments are required, but a first-mover, leapfrog upside is possible.	<ul style="list-style-type: none"> <li>■ New/unmet customer needs</li> <li>■ Regulation changes</li> <li>■ M&amp;A and partnerships</li> </ul>
Fix-it lane	“The pandemic has left us broken.” We need to right-scale ourselves for the future.”	Investment is required for better costs, resilience and agility to scale up or down.	<ul style="list-style-type: none"> <li>■ Digital that reduces costs</li> <li>■ Supply chain realignment</li> <li>■ Modernize core systems</li> </ul>
Slow lane	“Our success depends on these longer-term initiatives, but prioritize more urgent ones.”	Funding existed prior to the pandemic. Keep going, but don’t add more for now.	<ul style="list-style-type: none"> <li>■ Back-office upgrades</li> <li>■ Cosmetic-only experience enhancements</li> </ul>
Exit	“The fundamentals have changed. These initiatives are no longer important.”	Cancel these so that funds can be redirected to accelerate other initiatives.	<ul style="list-style-type: none"> <li>■ Higher-risk prepandemic bets that no longer apply</li> <li>■ Initiatives tied to dying business</li> </ul>
Footnote: M&A = mergers and acquisitions			

Source: Gartner (September 2020)

## Prioritize Investments Based on Strategic Intent and Business Case

Once categorized, it will be easier to prioritize investments. Strategic intent and the business case (such as available funding versus benefits) should guide the prioritization. Keep these points in mind during prioritization:

- Almost every enterprise will want fast-lane initiatives. These were borne from the lockdown, have already been accepted by leadership and have had funding. They just need to be taken to their full completion and made permanent.
- Each enterprise will have their own strategic intents and they should the lead prioritization criterion. Some will be aggressive and want to leapfrog others (they will want to favor the growth lane). Others are doing all they can just to survive (they will want most investments in the fix-it lane).
- The pandemic is not the only motivation for moving to digital. There are prepandemic, longer-term, investments that must stay the course. The hard part will be sorting through those that are critical versus those that can be canceled or diminished because fundamentals have changed.

## Keep an Eye on the Horizon: Future-Ready Capabilities

Immediate priorities must be balanced with longer-term aspirations. In this increasingly volatile world, gaining future-ready capabilities becomes a critical aspiration. For example, agility, resilience and safety are enterprise characteristics that the pandemic has accentuated. Employing digital technologies is a pathway to acquiring and bolstering these characteristics. For example, software-defined production assets may require more investment, but they can be quickly reconfigured to change operating characteristics. Or a chatbot can hold its own while a call center is temporarily down. The concept of *antifragility* describes in more detail how an enterprise can become more future ready (see [“COVID-19: Beyond Agility to Antifragility in Turbulent Times”](#)).

But be careful. Leveraging digital capabilities to be more future ready has one major caveat: going *too* digital can compromise agility and resilience.

Consider the possibility of cybersecurity attacks causing “lockdowns” to many things *digital*. Digital commerce could be unsafe. Video conferencing may not work well. We would all have to meet in the office, go to physical stores, schools and points of service. A future-ready, antifragile enterprise would be ready for many kinds of challenges, including those that put an enterprise at risk because of an overreliance on digital technology.

Bottom line: Future-ready capabilities are not digital-only capabilities. They are a balance — ready for everything. That is why the future of the customer is not a *digital* customer, but an *everything* customer. This thinking applies to the whole organization and is manifested in these five future-ready capabilities. They are the longer-term aspirations to keep in mind while accelerating digital investments.

- **Everything customer**
  - This is a recognition that the future customer is not a pure digital customer, but a customer who wants everything to be in-person and digital. This includes the speed and ease of digital and the hand-holding of human interaction.

- **Adaptable workforce**
  - This is a workforce where agile methods permeate all areas, not just IT or the “digital” teams. It is a workforce that adopts agile learning to shape talent to demand. It is a workforce that can work in any hybrid mix of time in the office and remote.
- **Any-scale operations**
  - These are operations that can scale down, up or shift directions without too much impact on headcount, operating expense ratios or infrastructure changes. This includes processes that can be run in multiple locations, remotely or by partners.
- **Composable technology foundation**
  - This is a modernized data and technology core that not only lowers costs all across the enterprise, but also provides the agility to meet changing demand or overcome disaster-class challenges.
- **Right-scoped growth**
  - Every enterprise should be ready to question and adjust its business scope or government mandate for the future. An enterprise must be ready to pursue both incremental growth and wholesale value proposition changes.

## Recommended by the Authors

“COVID-19: Beyond Agility to Antifragility in Turbulent Times”

“Renew Your Business Faster With Agile Learning”

“Application Leaders: Master Composable Enterprise Thinking for Your Post-COVID-19 Reset”

“Video: The Everything Customer”

“Future of Applications: Delivering the Composable Enterprise”

## Recommended For You

Microsoft’s Indirect Access Rules Risk Increased Liability and Licensing Costs

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