



Gartner®

2018-2019 Annual Edition

# Top Insights for the C-Suite

How to mobilize every function in the  
organization for digitalization

# Introduction

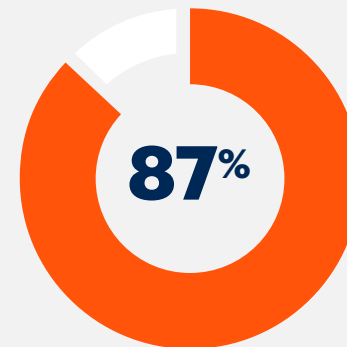
Digital business reached a tipping point in just the past 12 months as organizations scaled their digital capabilities. Digitalization is now top priority for both private- and public-sector organizations — and in many cases is a business-critical imperative. As a result, business model change is inevitable.

## Transformative time spells opportunity ... and disruption

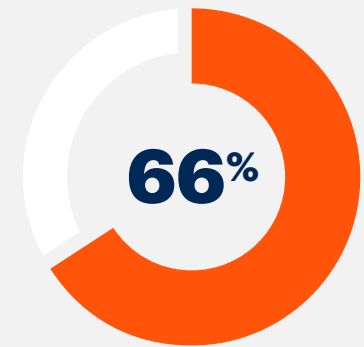
Digitalization offers exciting new ways for organizations to engage with stakeholders, deliver a superior experience across the life cycle of their business, manage costs and improve productivity. But capturing the potential of digitalization almost inevitably means radical change in business and operating models.

This e-book delivers insights from Gartner research, featuring data and findings from proprietary surveys and engagements, that explain how different organizational functions are managing the pressure of digital transformation as it manifests for them.

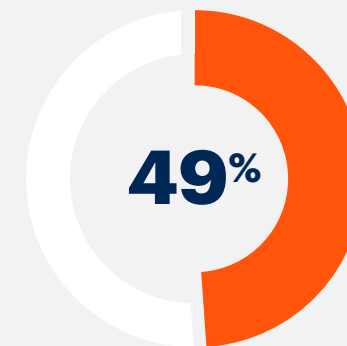
### Gartner research has found:



of senior business leaders say digitalization is a company priority



of CEOs expect their company to change its business model in the next three years



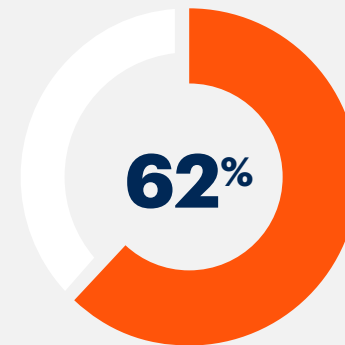
of CIOs report business model change is underway

**Gartner research has found:**

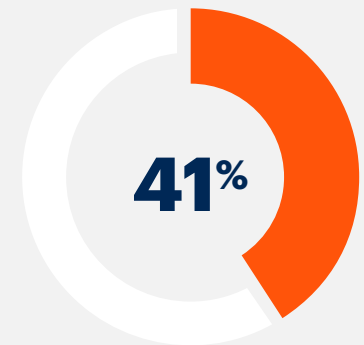
Some organizations are looking only to augment what they do with better technology, but many intend to totally reinvent themselves. Whatever the extent of business model change, functional teams feel the effects — some clearly and immediately, others less directly but just as profoundly.

Decision making itself has changed and often involves (or should) more, often-unfamiliar stakeholders, sometimes with unclear lines of accountability. Slow and uninformed decision making creates operational “drag” (squandered effort and resources) that can threaten digital ambitions.

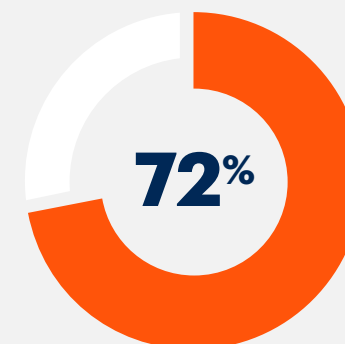
The pressure is real, but our market intelligence shows that progressive organizations proactively realign or reinvent themselves to respond, at the requisite speed, to the digital-age demands of internal and external stakeholders. Their approach positions their organization to seize the opportunities presented both by digitalization and today’s buoyant economic conditions.



**of CEOs say they have a management initiative or transformation program underway to make their business more digital**



**of CEOs think their company is an innovation pioneer — an all-time high**



**of strategists say their company's digital efforts are missing revenue expectations**

# Transformative time spells opportunity... and disruption

## Legal

"We lack digital project governance"

## Comms

"Employees don't know how to balance competing priorities"

## HR

"Employees don't feel they have the skills they need to do their jobs"

## Service

"All these systems and tools don't help reps do their job"

## Sales

"I will get only one chance in front of my B2B buyer"

## Strategy

"We're not certain how business model change will drive success"

## Finance

"We'll be using bots by 2020"

## IT

"Consumer demands are driving business model change"

## Marketing

"More than a quarter of our expense budget is marketing technology"

## CEO

"Our business model will change significantly and if we don't become more digitalized, we'll no longer be competitive."



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Embrace the new, digital era of IT and develop digital dexterity

# Strategy



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**“Eighty percent of strategy leaders expect significant business model change in response to digital technologies. But they realize you can’t transform the organization by playing it safe with incremental investments: You need to be bold and test entirely new business models, while also finding ways to reduce the risk that comes with that.”**



**Benjamin Seesel**

Vice President, Team Manager, Gartner Research & Advisory  
Procurement, Operations & Strategy Group

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**Download case studies** that will help you support digital transformation in your organization.



# Digital business transformation done fast and right

## The stakes are high but the path is uncertain ...

Two-thirds of CEOs expect their companies to significantly change their business models in response to digital technologies.

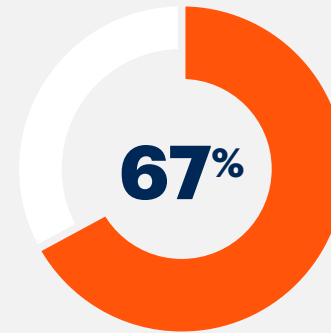
To survive digital disruption, companies need to explore potential new business models, but business model exploration requires companies to understand and embrace change that touches every part of their business.

The scope of change makes it hard to know which path is best and what changes are needed to support the chosen path. Very few companies even have a shared understanding among leaders of how to drive digital business transformation.

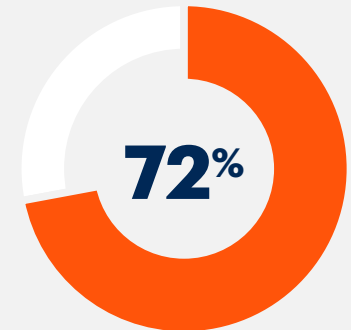
This uncertainty has led to poor returns from digital investments, leading strategists to ask, “How do we clarify our path toward digital business transformation to achieve our full growth potential?”

**Download case studies** that will help you support digital transformation in your organization.

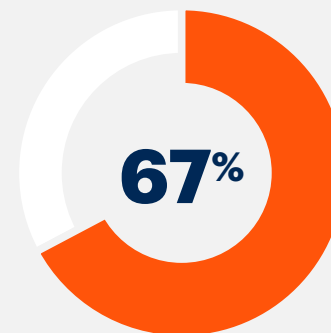
## Gartner research has found:



**of CEOs expect their companies to significantly change their business models in response to digital technologies**



**of companies have missed expectations of new revenue from digital**



**of companies have missed expectations of profit growth from digital**

### ... and the current approach to business model change falls short

To clarify the path to digital transformation, most companies take a stepwise learning approach — moving gradually from the current business to new models.

Stepwise learning represents a “slow and steady” approach to figuring out the digital pathway. Launching small digital projects closely connected to the existing business is meant to generate quick wins without taking on too much risk, increasing executive buy-in for bigger digital investments down the road.

Stepwise learning works in stable environments where competitive dynamics are not changing — not at all how one would describe today’s environment.

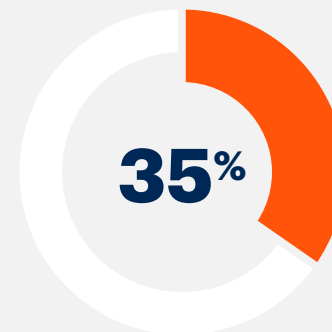
Companies using stepwise learning won’t evolve fast enough to keep pace with faster upstart digital competitors. Companies must figure out a path to the digital vision faster or be left behind.

**Download case studies** that will help you support digital transformation in your organization.

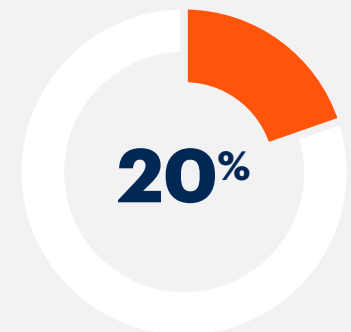
### Gartner research has found:

**78%** of companies take a stepwise “slow and steady” approach

**8%** have shared understanding of change among executives



are clear on which investments and initiatives are needed



are clear on how business model change will enable the company to win

# There's a new playbook for digital business transformation

## Discontinuous learning is better for the disruptive environment

Rather than a stepwise learning approach to identifying the digital pathway, the best strategists take a radically different approach to learning.

Discontinuous learning, which revolves around digital initiatives that explore entirely new business models, is proving to be better and faster than stepwise learning at clarifying a company's path to transform its business model.

Discontinuous digital initiatives:

- Orient around the future business model, not the current one
- Broadly involve people in learning efforts to spread and reduce risk
- Are evaluated based on the learning they create, rather than near-term financial returns

Leading strategists take specific steps to identify future differentiators and leverage tools (like scorecards, learning maps and learning review meetings) to engage the organization broadly in discontinuous learning.

**Download case studies** that will help you support digital transformation in your organization.

## Gartner research has found:

**62%**

A discontinuous learning approach is 62% more effective than a stepwise learning approach in clarifying a company's path to transform its business model

**2x**

Companies taking a discontinuous approach are, on average, more than twice as far along toward their digital vision as companies taking a stepwise approach

## Putting Gartner research into practice

At one large industrial manufacturing company, strategy leaders identify digital wedge points to focus digital initiatives on capabilities and technologies that are most critical to creating future competitive advantage.

Through differentiated capability workshops, they build consensus around investment priorities so leaders can decide how to build the hard-to-replicate capabilities that are the most critical elements of future success.



Read best-practice case studies that outline steps to identify future differentiators and profile tools that support discontinuous learning.

[Learn More](#)

Move From Insight to Action

# Gartner Strategy Leadership Council

The definitive research and advisory resource for strategists

Strategists are under constant pressure to position their organizations to achieve long-term revenue growth. Short-sightedness among business leaders, shrinking strategy budgets and massive macroeconomic shifts (such as Brexit) make the strategist's job all the more difficult.

Gartner Strategy Leadership Council supports strategists against key processes including strategic planning, mergers & acquisitions, portfolio management and competitive intelligence.

Our support — which stems from proven approaches used by the world's leading companies — helps you save time and make better decisions within the strategy function.

**Contact us:**

Visit [gartner.com/go/strategy](http://gartner.com/go/strategy)

Email [topinsights@gartner.com](mailto:topinsights@gartner.com)

Call +44 (0) 3330 600 827 (U.K.) | 1 855 649 4966 (U.S.)

# Research & Development



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**“Despite sustained C-suite interest in achieving growth through innovation, investment in transformational innovation has declined significantly over the past several years. This is driven by risk aversion among corporate leadership teams. Their inability to accurately assess the attractiveness of opportunities leads to decision making based on uncertainty rather than potential value, resulting in incremental innovation investments.”**



**Katie Camilli**

Vice President, Team Manager, Gartner Research & Advisory  
Marketing & Communications Group

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Assess innovation projects and identify projects with disruptive potential. [Download our tools now.](#)

# Digitalization creates opportunity; the challenge is how to capture it

## It's a transformational era ...

R&D leaders find themselves in a new era, one characterized by transformative shifts in customer needs, rapidly emerging new technologies — and even new business model considerations for some.

Competitive pressure — in particular the fear of being “Amazoned” by a new entrant — helps explain why the majority of CEOs expect to change their firm’s business model.

There is more information than ever to help R&D leaders make decisions about how to innovate, but selecting the right path forward is risky.

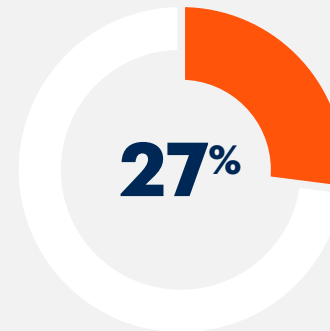
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**“Competitive pressure explains why most CEOs are transforming their businesses.”**

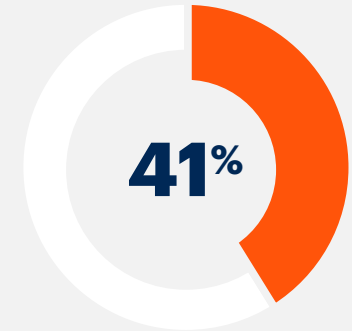
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Assess innovation projects and identify projects with disruptive potential. [Download our tools now.](#)

## Gartner research has found:



**In 2013, only 27% of organizations described themselves as pioneers — first in leading new industry trends**



**In 2018, 41% of organizations self-identify as pioneers**

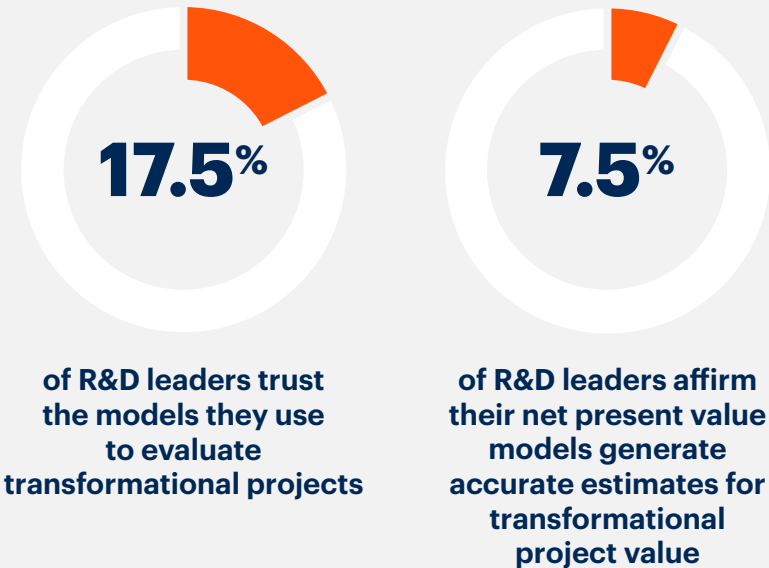
### ... but barriers stand in the way of radical transformation

Very few R&D leaders have faith in the models they currently use to measure transformational projects. This lack of confidence creates uncertainty, which pushes decision makers toward more conservative bets. Not surprisingly, this suppresses investment in transformational innovation.

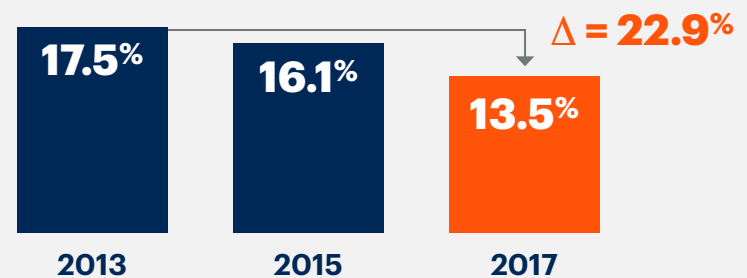
At the same time, the traditional approach to evaluating ideas scores potential opportunities against standard criteria like strategic fit, market attractiveness and technical feasibility, but because the scorecards are typically designed around historical successes, they tend to yield ideas more similar than different.

Homogeneous project sets carry a high opportunity cost and are especially vulnerable to changes.

### Gartner research has found:



### Percentage of R&D spend on transformational innovation



Assess innovation projects and identify projects with disruptive potential. [Download our tools now.](#)

# The R&D portfolio must be seen as greater than the sum of its parts

## Some companies' transformation efforts continually outperform their expectations

Our research identified a group of R&D organizations whose transformational projects consistently exceed performance expectations and return on investment (ROI) more often than their peers.

These organizations — which we call emerging high performers — also spend twice as much on transformational projects as do their peers and have expectations of ROI that are twice as high.

The key to their success is taking a collective view, thinking of the transformation portfolio as more than the sum of its parts. Critically, they apply three distinct portfolio assessment lenses:

- 1. Hedges.** Create optionality to protect against failures or changes.
- 2. Learnings.** Generate learning that can be applied to other opportunities.
- 3. Disruptors.** Seek outlier ideas that can generate opportunities or provide coverage in extreme scenarios.

Assess innovation projects and identify projects with disruptive potential. [Download our tools now.](#)

## Gartner research has found:

# 17.8x

Emerging high performers anticipate 17.8x ROI on average for transformational investments vs. 9.6x among others



Half of emerging high performers view the R&D portfolio as more than the sum of its parts vs. 20% of others

## Putting Gartner research into practice

One R&D leader uses portfolio-level scenario-based balanced scorecards to assess project diversity, opportunity attractiveness and areas of vulnerability across the transformational innovation portfolio.

"Some ideas might not look very big or disruptive on their own but if you combine two or three opportunities, and if you have a system that allows you to evaluate them relative to the others in the pipeline, you have a chance to find a big idea," says one chief technology officer.



**Download best-practice balanced scorecards, customizable for your organization.**

**[Learn More](#)**

**Move From Insight to Action**

# Gartner Research & Development Leadership Council

**The definitive research and advisory resource for R&D decision makers**

R&D leaders are under constant pressure to achieve innovation-led growth and increase their return on R&D spend. However, the increased complexity of large company ecosystems, combined with lower barriers to entry for smaller, new competitors, make success increasingly difficult to achieve.

Gartner Research & Development Leadership Council supports R&D decision makers against key processes including R&D strategic planning, ideation, technology roadmapping, investment evaluation and prioritization.

Our support — which stems from proven approaches used by the world's leading companies — helps you save time and make better decisions within the R&D function.

**Contact us:**

Visit **[gartner.com/go/research-and-development](http://gartner.com/go/research-and-development)**

Email **[topinsights@gartner.com](mailto:topinsights@gartner.com)**

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# Human Resources



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**“Digitalization is completely changing our expectations as consumers, and those expectations are spilling over into our work lives. Many organizations have embraced the use of technology to create effortless experiences for their customers, but few are yet using that same approach with employees. To stay competitive as employers, they will need to do so.**

**“The power balance in employee-employer relationships continues to shift in favor of employees due to several emerging trends: heightened competition for talent, and increasing connectivity and transparency in the digital work environment. HR will face increasing pressure to adopt a consumer-centric approach to engaging the digital workforce.**

**“Employees increasingly expect the same kinds of digitally enabled services and tools they enjoy outside of the workplace. Meeting these expectations is a critical opportunity for HR to boost both employee performance and engagement.**

**“To be effective, HR must empathize with employee values, design evolving rather than enduring HR services and guide the employee use of HR services.**

**“Also high on the digitalization-led agenda is reskilling the workforce — specifically, helping employees upskill at speed to meet the emerging needs of the organization and make the right upskilling investments for their own career development.”**



**Jaime Roca**

Senior Vice President, Gartner Research & Advisory  
Human Resources Group

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**Prioritize your HR technology investments.  
[Download our white paper.](#)**



# Digital is disrupting business and HR

## CEOs and employees demand different things from digital

HR executives face the unenviable task of supporting two different and potentially competing objectives.

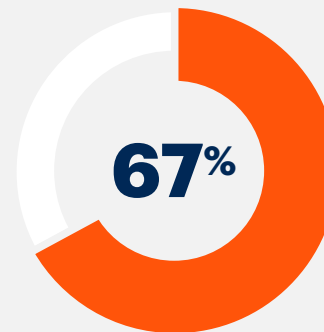
From the CEO's perspective, digitalization initiatives must tangibly improve workforce performance to produce products and services better, faster and cheaper. As the CEO of one large U.S. bank recently said, "We believe we will continue to achieve gradual efficiency improvement, driven by growth and digital productivity gains."

For employees, however, digitalization efforts should improve their personal work experience. Employees are increasingly frustrated by the large gap between their digitalized consumer experiences (e.g., mobile food ordering, mobile check deposit) and their experiences at work (e.g., paper-heavy onboarding).

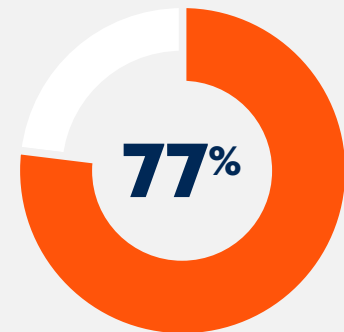
Employees want digitalization to make it easier to get what they need and have it be more relevant and timely.

**Prioritize your HR technology investments.**  
**[Download our white paper.](#)**

## Gartner research has found:



**of business leaders say if their company can't be significantly more digital by 2020, it will no longer be competitive**



**of employees expect to have easier options for completing routine tasks compared to three years ago**

## Improving employee experience in a way that drives performance

The challenge for HR is how to digitalize to improve the employee experience in a way that also drives employee performance. HR leaders' strategies often include substantial technology investments — between 3.5% and 9.5% of the HR budget — but technology alone has its limits.

Our research shows that without addressing underlying process and product limitations, HR technology investments have no impact on employee performance and do not significantly improve the employee experience.

## Putting Gartner research into practice

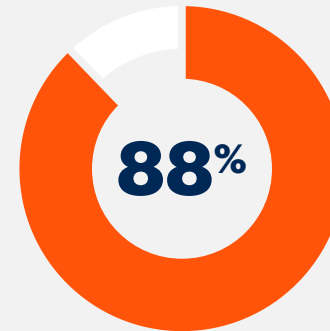
One major consumer goods company not only looked at what employees value, it looked at what they don't value. HR developed employee personas (how people behave, why they behave the way they do, etc.), and mapped their workday experiences to clarify all ongoing HR and non-HR demands on their time and their reactions to those demands. It revealed productive and unproductive parts of employees' interactions with HR-related activities and identified which HR activities employees find valuable.



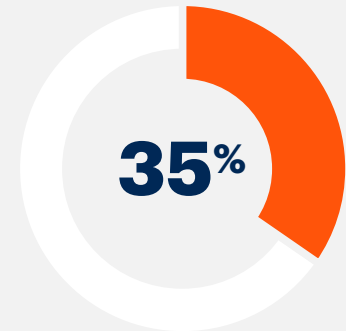
Download the “Six Emerging HR Technology Trends” white paper to learn about the tools that can help you lead the digital transformation of HR.

[Learn More](#)

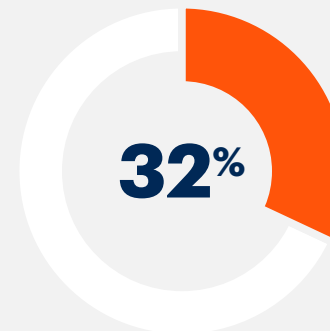
### Gartner research has found:



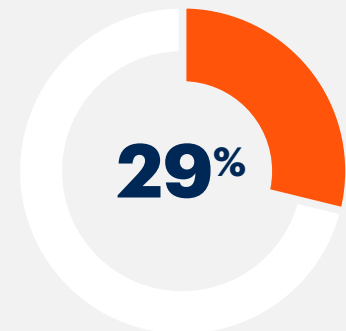
of HR leaders say their organization needs to invest in three or more technologies in the next two years



of employees agree the information they receive from HR is relevant and timely for them



of employees agree they understand the exact next steps and actions they need to take to use HR products and services



of employees believe HR effectively helps them to perform better

# Create a consumer-centric HR function for the digital age

## Focus on experience, not technology

Progressive HR leaders recognize that HR in today's digital age is about much more than technology. Digitalization is ultimately about creating a better experience that is frequently, but not always, enabled by technology.

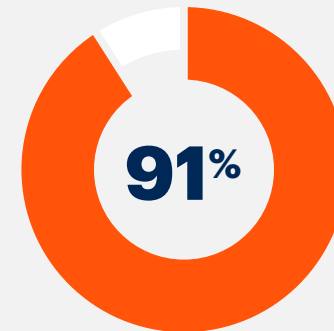
Leading HR executives source ideas from many different places, including IT and marketing, to create a "consumer-centric" HR function and deliver an employee experience that leads to tangibly better business outcomes.

Our research shows that consumer-centric HR functions improve workforce performance and the employee experience by doing three things:

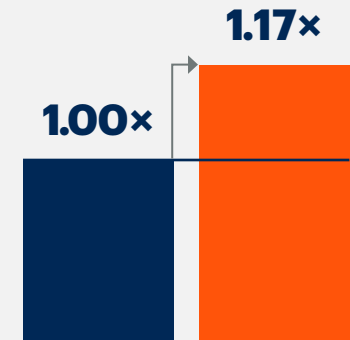
- 1. Empathize with what employees value**, rationally and emotionally, as consumers of HR products. Don't just prioritize what you think employees need.
- 2. Design solutions that evolve easily**, improve progressively over time and provide immediate value. Don't get caught up designing sweeping, enduring, white-glove solutions.
- 3. Deploy solutions through an effortless experience.** Don't roll out on-demand access; guide actions through constrained choice and "nudging."

**Download our e-book** to learn how to prepare your organization for the future.

## Gartner research has found:



**of employees are satisfied with support for work and life in a consumer-centric HR function**



**Consumer-centric HR functions see a 17% increase in employee performance**

# Digitalization also means reskilling the workforce

## Skills are in, out, evolving and expiring

Organizationwide changes due to digitalization are causing shifts in the skills employees need for today. New-to-world skills are emerging, and existing skills are evolving and expiring.

Employees themselves are concerned about their skills becoming irrelevant, and better upskilling is their top concern.

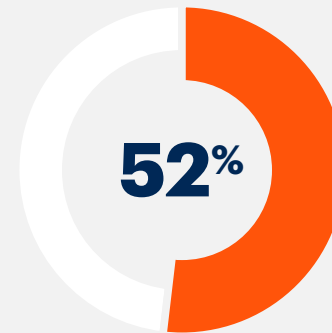
Organizations are responding with greater investments in reskilling initiatives — and CEOs and CHROs expect learning & development (L&D) teams to upskill and reskill employees as quickly and effectively as possible.

L&D's role in reskilling current employees has never been more critical as the gap between job vacancies and hires is projected to widen, reducing the ability to close it through talent acquisition alone.

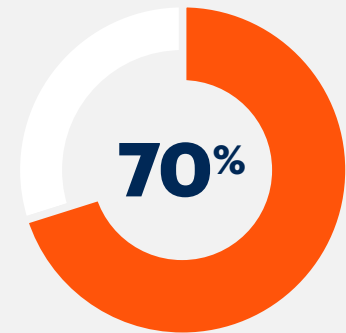
Most L&D functions (77%) opt to enable employees to be continuous learners, but our research shows that this approach is actually detrimental and reduces skills preparedness. Why? They are disconnected: They see how the skills leaders identify are impacting them, but don't perceive personal career benefits to upskilling and are overwhelmed by too many irrelevant learning options.

**Download our e-book** to learn how to prepare your organization for the future.

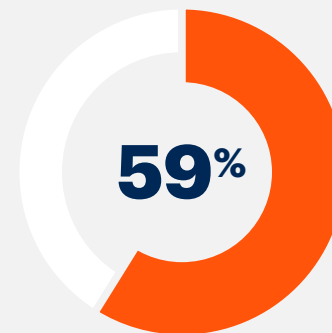
## Gartner research has found:



of employees cite the need for better upskilling as their top concern resulting from digitalization



of employees report they do not have mastery over the skills they need for their job



of L&D executives agree they have experienced growing skills gaps in their organizations over the past three years



Building continuous learners decreases skills preparedness by as much as 22%

# Build connected, not continuous, learners

## Connected learners increase skills preparedness

There is a more effective way to help employees upskill at speed — an approach we call “building connected learners.”

It focuses on building the connective tissue that employees need to make the right upskilling investments for their jobs and careers and to develop through experiences at work.

It requires L&D to:

- 1. Connect employees to the market** by understanding emerging skill needs. Don't just rely on business leader inputs — capture skills shifts in the market through diversified inputs.
- 2. Connect employees to the organization** by showing them how they can personally grow and benefit through upskilling.
- 3. Connect employees to development** by brokering development experiences to accelerate their new skill acquisition. Don't just offer formal learning content for upskilling.

**Download our e-book** to learn how to prepare your organization for the future.

## Gartner research has found:

### Connected learners:



**are 66% more engaged than other employees**



**learn skills 25% faster than other employees**

**L&D functions boost employee skills preparedness 28% to 39% by building connected learners**

## Putting Gartner research into practice

Given constant and unpredictable change and heightened customer expectations, employees at one multibillion-dollar technology company needed to build emerging skills faster to help the business stay ahead. L&D leaders used machine learning to predict skills shifts because it leveraged insights from the job market and enabled them to prioritize key emerging skill needs more quickly. They used agile design principles to create minimum viable, rather than comprehensive, learning solutions.



Download the report, “Future-Proof Your Talent Strategy,” to learn how artificial intelligence is evolving needed skills.

[Learn More](#)

Move From Insight to Action

# Gartner for HR Leaders

**The definitive research and advisory resource for HR decision makers**

HR leaders must succeed while operating in an environment of constant change. The top leaders continuously improve HR capabilities and key processes while building a corporate culture that supports the evolving needs of their organizations.

Our trusted insights, strategic advice and practical tools can help you:

- Make smarter talent decisions
- Build critical skills and competencies for your organization
- Drive digital business transformation
- Empower executive teams

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# Marketing



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**“Customer capabilities, such as customer experience (CX) strategy and design and customer analytics, are high on the list of skills CMOs feel are vital to deliver a strong, cohesive marketing strategy. But marketing leaders must also articulate clearly how investments in CX programs deliver results in terms of customer growth and profitability.**

**“Marketing technology accounts for an increasingly significant share of marketing expense budgets, diverting money from all areas of marketing operations. CMOs risk making costly mistakes by investing in martech without a roadmap that defines how technology works to deliver value for customers and the brand, today and tomorrow.**

**“Marketing leaders must also balance technology spend with investment in talent and capabilities, as technology alone won’t deliver the marketing strategy.**

**“Digital advertising is now the dominant form of paid media, despite ongoing concerns over trust, transparency and effectiveness. It plays a prominent role across every stage of the customer journey. CMOs also divert a significant proportion of their budgets to the brand website, organic search and email marketing, proving that long-tenured (and fundamental) channels are still highly relevant.”**



**Ewan McIntyre**

Senior Director Analyst, Gartner Research & Advisory  
Marketing & Communications Group

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# Customer experience is a top priority

## Can marketing deliver a customer-centric future?

CEOs are becoming more customer-centered and have increasing confidence in their chief marketing officers (CMOs) to demonstrate the financial value and growth that marketing delivers to the enterprise.

But while nearly one-third of CMOs rank CX among their top three most vital marketing capabilities, warning signs have emerged about marketing's ability to deliver a customer-centric future.

Expectations — and the importance of CX — are rising faster than CX budgets, so CMOs may not have the financial resources to deliver expected results.

In a majority of organizations with the greatest confidence that CX will be a competitive advantage in the future, the chief customer officer or equivalent role is more likely to report to someone other than the CMO (e.g., the CEO or COO). In these organizations, marketing must impact CX more through influence than through direct oversight.

In many organizations, marketing holds much of the budget for the company's enterprisewide CX initiatives. While controlling the budget certainly has benefits, CX outcomes tend to diminish when marketing or any other single department attempts to lead and execute CX alone. Cross-functional and cross-channel partnerships are critical for optimal customer experiences.

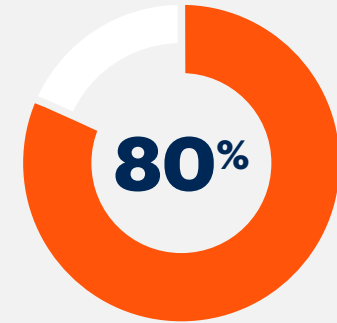
This reality of complex reporting lines and changing budget allocations underscores marketing's need to collaborate widely and execute effectively across the entire enterprise.

**Optimize your marketing investments with the Gartner CMO Spend Survey 2018-2019.**

## Gartner research has found:



**30%**  
of CMOs rank customer experience as a vital, top three marketing capability



**80%**  
of CX leaders anticipate that their brands will completely or almost completely compete on the basis of CX in two years

**Over 50%**

of marketers with CX responsibility expect their budgets to remain the same or decrease in 2018

# Efficient use of marketing technology is critical

## Marketing technology is underutilized

In 2018, marketing technology accounted for the single largest segment of investment in marketing resources and programs, and yet marketers don't use the technology they already have in optimal ways.

Nearly half of CMOs rate their organizations low when it comes to acquiring or using marketing technology. One reason for this is redundancy: Organizations often report overlapping systems.

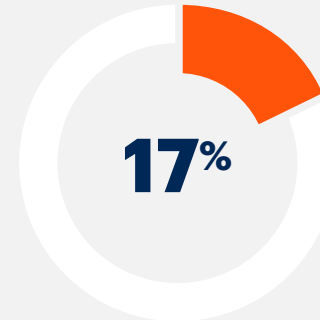
Focusing on technology alone isn't enough, though. Marketing teams need to focus on the human side of technology adoption and use to get full value from their existing technology stack.

One area where talent utilization will need to improve is marketing data and analytics. In more than 45% of marketing organizations, data scientists do little data science. These experienced and expensive experts should be a critical component of an organization's drive to use data for competitive advantage. Instead, too many data scientists simply pull data and run reports, rather than doing the crucial work they were hired to do — driving competitive differentiation and breakthrough insights.

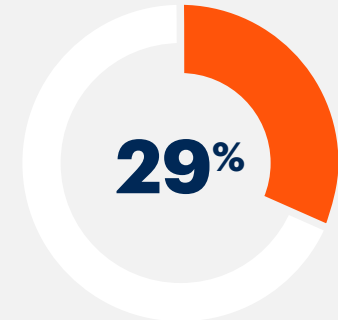
CMOs need to work with their technology teams to audit their martech stacks. Determine the marketing tools the company has in place and assess to what extent those tools are being used effectively.

**Optimize your marketing investments**  
with the **Gartner CMO Spend Survey 2018-2019**.

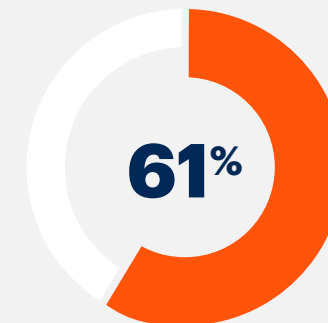
## Gartner research has found:



**Only 17% of marketing leaders rate themselves as very effective at marketing technology acquisition and use**



**Marketing technology accounts for 29% of marketing expense budgets in 2018**



**Despite the spending on marketing technology, marketing leaders use only 61% of their martech stack's capabilities**

# Brands spend more on digital advertising — with Amazon

## Advertising budgets are surging

Ad spend is rising as CMOs feel pressure to show results and find growth opportunities during volatile times.

CMOs prioritize digital commerce and digital advertising in their marketing expense budgets. The hot new interface is voice (search, content and advertising), led by Amazon's Alexa, but the top-rated skills on Alexa are focused on media services such as gaming, music and news.

Today's consumer brands get ROI from more traditional digital ads, increasingly placed in nontraditional locations such as Amazon. The digital marketplace is creating new advertising opportunities for brands and has grown quickly as an advertising platform as a result of its reputation and size as a retail marketplace.

Digital retailers and marketplaces are an increasingly important sales channel for brands, regardless of distribution models. Top-selling brands center Amazon marketing and advertising strategies around their brand pages, driving paid media traffic to a dedicated product catalog that bolsters the page's organic search rank in Google results. Successful brands on Amazon devote time and resources to gain visibility into brand-relevant and trending keywords.

As enterprises increase their ad budgets on Amazon, brands need to execute a more nuanced strategy of turning campaigns on and off in accordance with bidding competition and consumer spending patterns.

**Optimize your marketing investments**  
with the **Gartner CMO Spend Survey 2018-2019.**

## Gartner research has found:



# Build an agile marketing organization

## Realign resources to workflows

Modern marketing organizations shoulder a broader and more complex set of performance expectations than ever. Marketing leaders must build a diverse, adaptable range of team capabilities to meet expanding responsibilities and keep their brands competitive amid rapid marketplace shifts.

Progressive marketing leaders are moving to more agile styles of working — allocating people and resources based on the work that needs to be done.

Agile marketing means developing a project-centric ethos focused on delivering results, regardless of where resources sit in the organizational structure. Agile marketing requires investment in a digital infrastructure that supports collaborative teams, such as work management, asset management and performance management technology solutions.

Even an agile work style featuring a talented team and well-matched external partners can fall short without the right tools and technology. Leading and succeeding with an agile organization require effective use of tools that empower marketing operations.

## Gartner research has found:

**87%** of CMOs report improved productivity among their teams following a transition to agile techniques



### Marketing leaders who adopt agile techniques:

- Build ownership and accountability for business goals across the marketing organization
- Shift from a rigid organizational structure to collaborative, cross-functional project teams
- Empower individual team members to take on a range of different roles, aligned to project requirements
- Transition from a linear, hierarchical, sequential approach to projects to rapid delivery of work with frequent adjustments and recalibrations

## Putting Gartner research into practice

One consumer packaged goods company implemented an agile marketing approach to improve its martech capabilities through faster decision making and improved collaboration. The team used learning projects to validate the feasibility and impact of an idea, separating realistic from unrealistic capabilities. The agile martech team aggressively explored what it would take to achieve new experiences with an emphasis on confirming project value and learning. The team was able to effectively and quickly bridge knowledge gaps between marketing and IT to drive rapid and deep learning.



Gartner's "CMO Spend Survey 2018-2019" will power you with the information you need to stay ahead. This research is based on responses from more than 600 marketing leaders in North America and the U.K.

[Learn More](#)

Move From Insight to Action

## Gartner for Marketers

**The definitive research and advisory resource for marketing decision makers**

Gartner for Marketers provides objective, expert advice and proven tools so you can seize the right opportunities with clarity and confidence. Stay ahead of trends that matter using our in-depth research and analysis, and focus on the opportunities with the greatest potential to deliver results.

- Benchmark your performance with data-driven insights
- Prioritize investments and areas of improvement
- Execute your mission-critical priorities with speed and confidence
- Stay ahead of trends that matter
- Connect with peers

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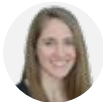
# Communications



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**“In the absence of clear direction over how to resolve cultural tensions — often seen as trade-offs between competing priorities — employee alignment to the new culture falters.**

**“Cultures won’t perform well if employees can’t translate these changing priorities to their specific day-to-day work and navigate the tensions arising from transformation.”**



**Elizabeth Barrett**

Vice President, Team Manager  
Marketing & Communications Group

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**Download our e-book** to anticipate and sense cultural tensions during times of change.



# Managing cultural tensions in times of change

## Disruption breeds tension ...

Ninety-six percent of companies are in the midst of an organizational transformation stemming from one or more factors, including M&A, business model change, strategy shifts or digitalization. Yet Gartner research finds that two out of three planned changes are unsuccessful, leading to wasted resources, cost pressure and reputational damage.

Culture is a major obstacle to transformational change — one that executives cite as the biggest barrier to agile transformations and one of the top five causes of failed transformations.

In fact, during times of significant change, more than eight out of 10 employees experience “cultural tensions,” or competing priorities they don’t know how to balance.

In this environment, communicators face a significant challenge: how to remove cultural barriers to successful transformation while managing employee resistance to cultural change.

**Download our e-book** to anticipate and sense cultural tensions during times of change.

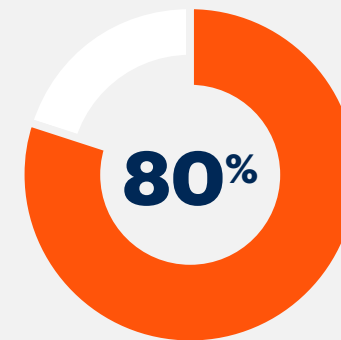
## Gartner research has found:

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**2 out of 3 organizational transformations are unsuccessful**

**Executives cite “culture” as the No. 1 barrier to agile transformations**

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**Over 80% of employees experience “cultural tensions” during times of change**

## Gartner research has found:

### ... as employees are torn by trade-offs

Culture threatens transformation because existing cultural norms don't support new behavioral expectations.

Employees struggle to make trade-offs when their existing judgment — based on existing cultural norms — no longer applies.

Most employees experience one to three cultural tensions during times of organizational transformation. How they experience tensions depends on the type of transformation and what function they have within the business.

Managing and mitigating these tensions require a thorough understanding of these differences, but regardless of the nuances, one dynamic endures: The more tensions employees feel, the more stressed they are and the worse their performance becomes.

For the average organization, performance lost to culture-driven tension can translate to a bottom-line hit of \$58.5 million per \$1 billion in revenue.

Stress caused by cultural tensions can worsen an employee's performance by up to

**9%**

### The number of employees experiencing different cultural tensions:

Quality



vs.

Speed



**43%**

Commercial focus



vs.

People focus



**34%**

Efficiency



vs.

Innovation



**31%**

**Download our e-book** to anticipate and sense cultural tensions during times of change.

# Communications can help employees manage the tensions

## Some companies' transformation efforts continually outperform

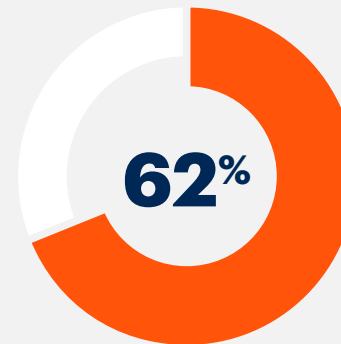
Employees who develop culture-informed judgment in line with new cultural expectations improve their decision-making skills and performance. Culture-informed employees know what to value and what to prioritize when faced with competing priorities and objectives.

Communications leaders can help improve transformation success and ease cultural evolution by managing cultural tensions: on the one hand, reducing the amount of tensions felt by acknowledging tough trade-offs and helping leaders set clear priorities, and on the other, accelerating employees' development of culture-informed judgment by helping them learn, practice and get feedback on their decision making.

This requires communications leaders to anticipate and plan for expected tensions — and allocate necessary support and resources accordingly.

**Download our e-book** to anticipate and sense cultural tensions during times of change.

## Gartner research has found:



Among employees who receive communications that help them understand how to make trade-offs between competing priorities, 62% have high culture-informed judgment

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**Culture-informed judgment is the biggest driver of transformation-aligned performance, nearly twice as powerful as the next biggest drivers (capability and buy-in)**

**Improving an employee's culture-informed judgment can increase his or her performance by up to 12%**

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## Putting Gartner research into practice

After integrating seven different acquired companies, one major life science company brought together leaders of the different legacy businesses to tackle shared management and cultural challenges. At a breakout session at the annual leadership conference, small groups of leaders discussed the top 10 tensions faced by employees (previously sourced and prioritized by the communications function) and aligned on trade-offs and potential solutions to better manage the tensions.



Download “Diagnosing Cultural Tensions in Times of Change” and learn how to identify, anticipate and manage cultural tensions.

[Learn More](#)

Move From Insight to Action

## Gartner Communications Leadership Council

**The definitive research and advisory resource for senior communications leaders**

Gartner Communications Leadership Council equips senior communications leaders and their teams to deliver measurable business results.

Our support — which stems from proven approaches used by the world’s leading companies — offers senior communications leaders and their teams a variety of insights, tools and advisory services to help them focus their efforts, move quickly and confidently, and address emerging business challenges in a number of key areas, including:

- Strategic communications planning
- Employee and executive communications
- Reputation and change management

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**Sales**



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**“As the trend of B2B buyers spending more of their time in digital channels continues, it will be even more important for sales organizations to build ecosystems of support, such as ‘buyer enablement,’ to help buying groups traverse the complex purchase process.**

**“At the same time, the requirements for sellers in the information era will only increase, and building better buyer enablement will simultaneously lessen the burden on B2B sellers while helping their customers to buy.”**



**Cristina Gomez**  
Managing Vice President, Gartner Research & Advisory  
Sales & Customer Services Group



# The only thing harder than selling B2B solutions is buying them

## B2B buying is complicated

The process to complete B2B purchases is more complex than ever. With unprecedented access to information, buyers increasingly research vendors and offerings independently — without ever meeting with a sales rep. Even when reps do meet buyers, their interactions are limited.

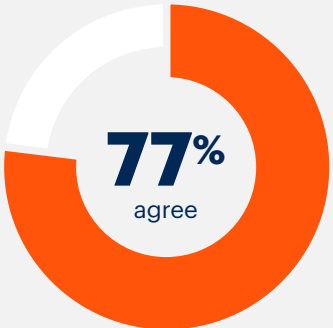
If a buyer is considering a number of different suppliers, each rep will likely get only 5% of his or her time.

B2B purchases also involve more stakeholders than ever before. Of all the time buyers spend on key buying activities, more than one-fifth is spent on meeting with the buying group — whose members will each have sourced four to five pieces of information themselves to further the process.

Faced with wading through all this research to identify a course of action, it is no surprise that many buyers find their purchases failed to meet their expectations and are less comprehensive solutions than needed.

In this environment, the challenge for sales reps is to deliver value to buyers, despite having only limited interaction with them as they struggle through the convoluted B2B buying journey.

### Gartner research has found:



Buyers are finding the purchasing process complex



The number of jobs to complete before a purchase is made



Sellers may only get one chance in front of the customer to deliver value



The B2B buying journey is convoluted

## And buyers too often regret their purchase decisions

You might think well-informed buyers feel empowered to act. That's far from the truth.

With more information, options and people to consider, buyers have become overwhelmed. As a result, they are more likely to regret their purchase — or become so paralyzed that they fail to reach a decision.

Either outcome threatens the supplier relationship. Regretful buyers are less likely to be loyal or to advocate for a supplier. Buyers who don't complete a purchase may be lost as customers forever.

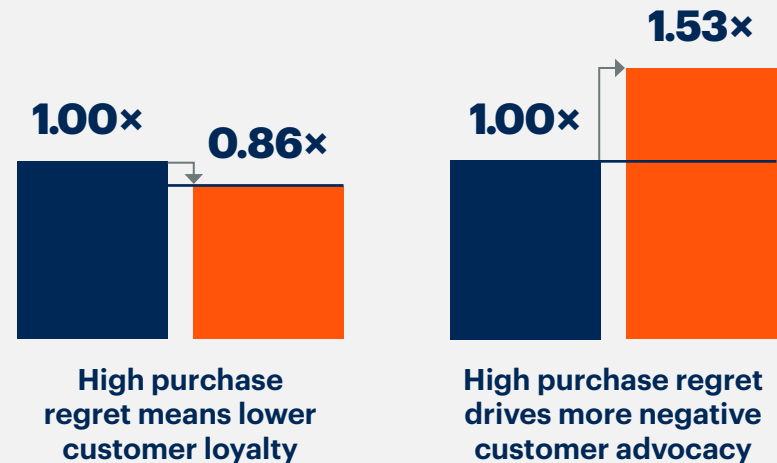
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**“Sales organizations that will succeed going forward will be those that materially simplify the purchase process for B2B buyers.”**

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**Download our e-book** on how to win more B2B sales deals.

## Gartner research has found:



## To truly deliver value to buyers, suppliers must enable them to navigate the complex buyer journey

Gartner coined the term “buyer enablement” to describe how the focus for sales must be on providing information to customers in a way that enables them to complete critical tasks (“jobs”) in the buying journey.

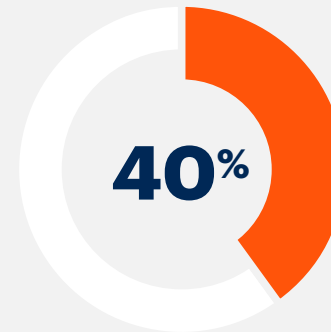
This approach requires sellers to anticipate obstacles along the buyer journey and take a customer-centric view of the buying dilemma during their sales conversations.

To implement the buyer enablement approach, sales leaders will need to enable their sales organization to connect buyers with the information they need to complete their buying tasks.

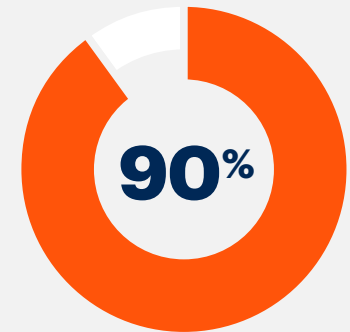
This approach is likely to rely less on individual rep ability and more on providing well-designed information to carry the weight of delivering value to the customer.

Buyer enablement makes buying easier, and purchase ease increases the chances of a high-value, low-regret deal — making this a powerful way to retain customers and drive growth.

### Gartner research has found:



**Connecting buyers to the right information increases purchase ease by 40% ...**



**... which increases the likelihood of completing a larger, complex and low-regret sale**

## Putting Gartner research into practice

A leading global IT company saw a 30% increase in H1 sales by creating a buyer enablement framework their reps can use to pinpoint the information that will deliver value to clients.

This framework also helped underperforming reps to hit targets by reducing the reliance on them to be subject matter experts.



Download our “Win More B2B Sales Deals” e-book to learn more about driving new customer acquisition through buyer enablement.

[Learn More](#)

Move From Insight to Action

# Gartner for Sales Leaders

**The definitive research and advisory resource for sales decision makers**

Gartner for Sales Leaders brings unique breadth and depth of content to support sales executives' most urgent priorities, including:

- Combating commoditization and price-based purchasing
- Unlocking existing account growth potential
- Developing critical seller and manager skills
- Making smarter enablement, digital and technology decisions

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# Customer Service and Support



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**“The greatest realization that our clients have had this year was right in front of them all along — the rep experience affects the customer experience. So if we treat the rep experience with the same care and focus we take with improving customer experience, there are large returns to realize in retention, productivity, and — ultimately — customer satisfaction and effort.**

**“Fortunately for service and support leaders, improvements in the rep experience do not require a huge outlay of money. The most successful service organizations source these opportunities directly from the rep population.”**

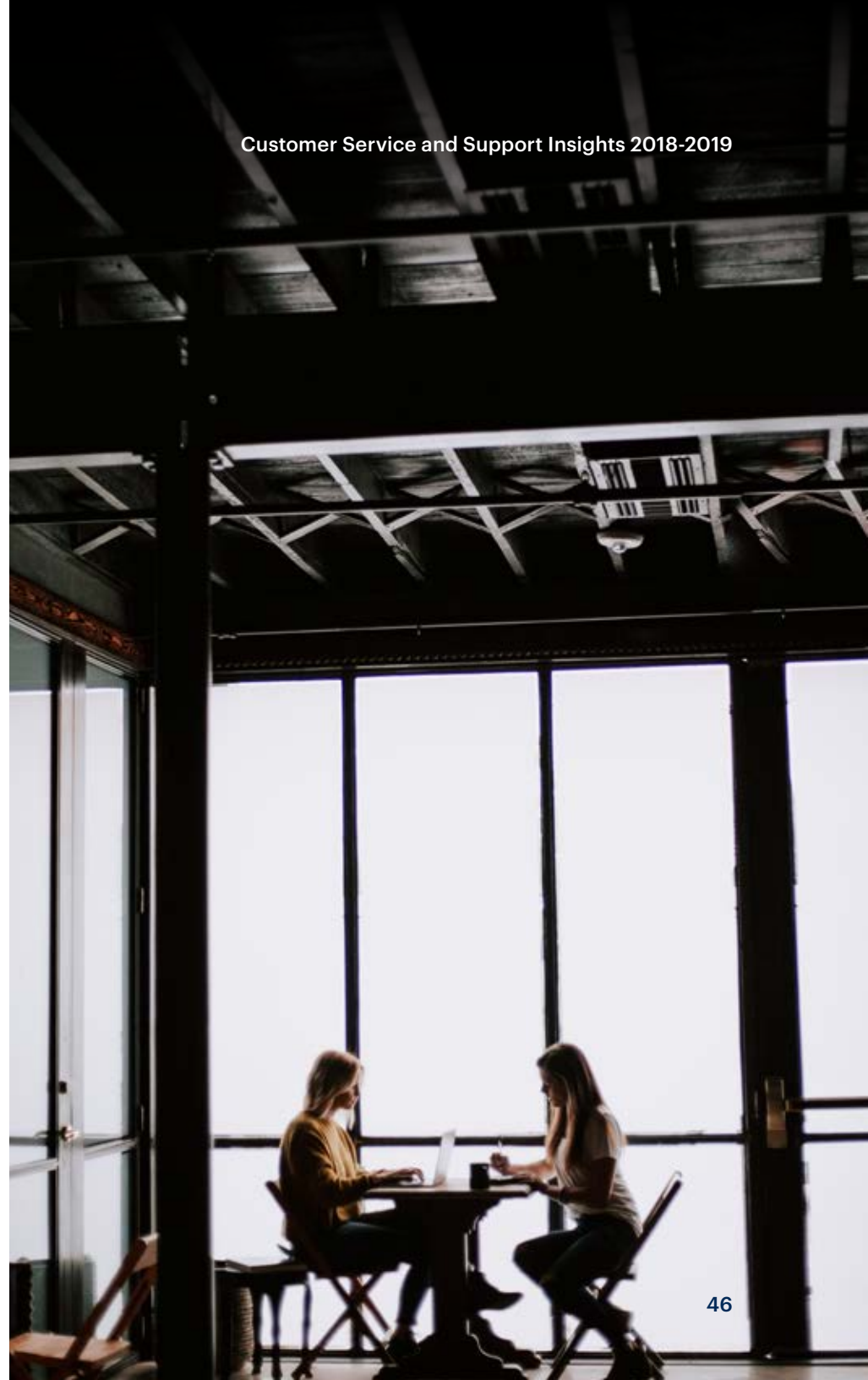


**Tiffany Fountain**

Vice President, Team Manager, Gartner Research & Advisory Sales and Service Group

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**Download our e-book** on how to improve frontline rep productivity.



# Progress on frontline rep performance is critical but challenging

## Tools meant to help reps are making things worse ...

Improving frontline productivity is a critical objective for customer service and support leaders, but it's more difficult than in years past.

Worse, the preferred solution — adding an abundance of rep-facing systems, tools and information — is only making the rep's job harder.

Our research shows that rep interaction with systems and tools has the greatest impact on productivity, meaning it is the most important factor to get right.

To improve rep productivity without sacrificing service quality, service leaders must optimize the live service model for the rep experience instead of the customer experience.

By identifying barriers to productivity and uncovering creative quick wins to improve rep workflow, service leaders can improve the rep experience and thus improve the customer service experience in live channels.

**Download our e-book** on how to improve frontline rep productivity.

## Gartner research has found:

### Service reps, in the span of just one day:

**8.2** Use an average of 8.2 systems and tools in customer interactions

**23** Have 23 colleague interactions while resolving customer issues

**130.5** Encounter an average of 130.5 different support interactions

**Each year, an average of 8.6 systems or tools are added to the service workflow to improve productivity**

### ... and there's little return on rep-productivity investments

Service leaders keep investing in systems and tools to support and enable the front line, but the majority (76%) report struggling with the planning and execution of these projects.

Although interaction with systems and tools has a critical impact on productivity, frontline reps typically describe their systems in negative terms, calling them frustrating, confusing and complex. Reps see these tools as more problem than solution.

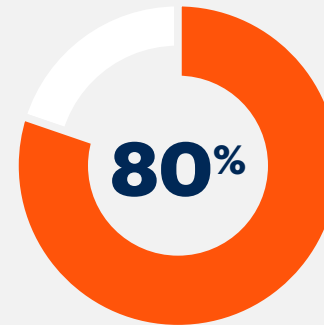
Service leaders have their work cut out for them, with systems and tools seen as a major target for improvement.

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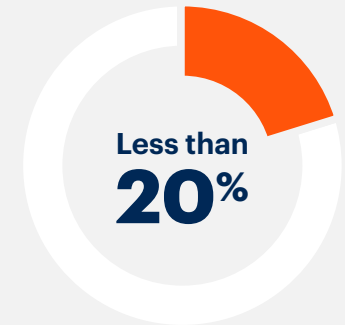
**“The fact that I have to work 10 times harder just to do one simple thing is both cumbersome and asinine,” says one rep.**

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### Gartner research has found:



**of reps find that the systems and tools provided to them don't actually help them do their jobs**



**of reps say their systems and tools help them focus on customers during their interactions**



**of reps describe their systems and tools using negative terms**

# Unleash rep productivity to improve customer experience

To improve rep productivity, service leaders must first understand the current state of the rep experience and then identify how to optimize the job. This requires them to embrace a new concept, one that Gartner calls the rep experience.

Many organizations already have customer experience measures in place. They collect voice of the customer (VoC) data through surveys and observation to identify customer pain points. To improve rep productivity, they should focus VoC collection methods internally to listen to their reps.

This shift doesn't mean customer experience is not important. It's just that for reps to better serve customers, service leaders will need to dedicate more resources to improving the rep experience.

Service leaders don't have to think of productivity and quality as having a seesaw relationship. In fact, focusing on the rep experience is likely to improve both.

## Gartner research has found:

### Better rep experience drives:

**19%**

increase in rep productivity

**25%**

decrease in rep intent to leave

**11%**

increase in customer satisfaction

**9%**

decrease in customer effort

## Putting Gartner research into practice

A global provider of information services saw a 52% reduction, over the course of six months, in calls to its help desk because of the fixes put in place to decrease pain points in the rep experience.



Download “Boost the Service Rep Experience” to learn how to identify barriers to rep productivity.

[Learn More](#)

Move From Insight to Action

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**The definitive research and advisory resource for customer service and support decision makers**

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- Maintaining customer loyalty while containing costs
- Optimizing service channel strategy
- Hiring, developing and retaining high-potential frontline staff
- Making smarter digital and technology decisions

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# Supply Chain



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**“Digital business models offer many new options — whether your industry has traditionally focused on creating mass products and services and selling them in a common way or you engineer-to-order low-volume industrial products.**

**“Many businesses are developing complementary offers. In addition to their mainstream offerings, they are moving to the extremes of the consumption experience and leveraging the value creation model.**

**“The speed of change, and the new threats and opportunities of digitalization, raise the stakes for enterprises — and supply chain leaders play a critical role in enabling commercial success.”**



**Simon Bailey**  
Senior Director Analyst, Gartner Research & Advisory  
Supply Chain Practice

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Strategize and plan for moving supply chains into the digital age by **watching our webinar.**



# Supply chains have become engines of growth

## Supply chains must be able to respond to digital business

Today's supply chains move \$16 trillion worth of goods annually to nearly 200 countries and provide services to more than 7 billion people worldwide.

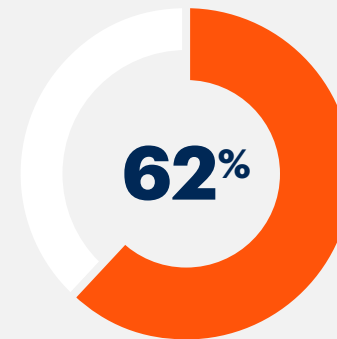
But digitalization is changing the environment rapidly, upending and reinventing business models and creating new threats and opportunities. Amid the rapid change, supply chains have never been more important to commercial success.

Leading supply chains deliver customer experience, not just products, so supply chains need to respond intelligently as they interact throughout an ecosystem of digitally connected partners.

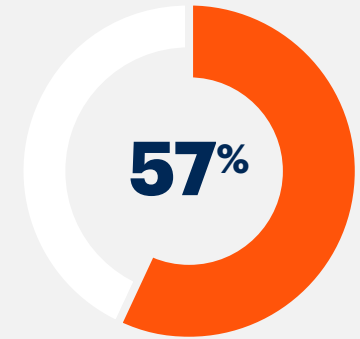
CEOs expect supply chain leaders to prepare for digital business and want to know how they intend to develop capabilities — and use advanced technologies like blockchain and artificial intelligence — to create a flexible, agile and responsive digital supply chain.

Strategize and plan for moving supply chains into the digital age by [watching our webinar](#).

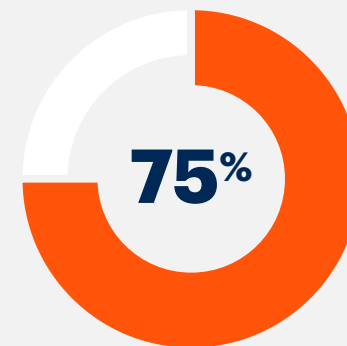
## Gartner research has found:



**expect digital business will drive more than half of their organization's revenue within two years**



**of those in supply-chain-intensive industries identify growth as their CEO's top priority**



**report concerns about governance of digital projects**

## It's a transformational era

Customer-centricity has become a top priority for CEOs, which means it's also a top priority for chief supply chain officers.

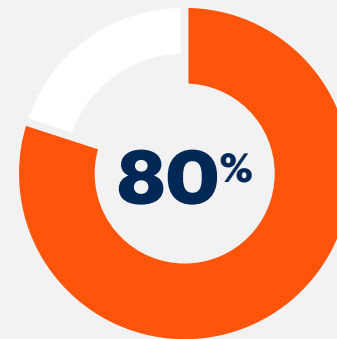
But while most supply chain organizations are full of ideas about how to improve customer experience, few have zeroed in on how best to provide the highest level of customer benefit in a cost-effective and scalable way.

Supply chains need to focus their teams on getting a better understanding of how customer expectations are changing and how the competition is innovating at speed.

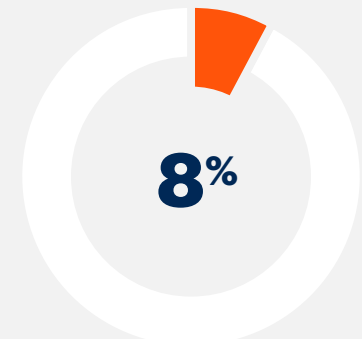
Many are stuck running digital projects that don't align with the digital business while their competitors capture new opportunities. They are often unable to create the urgency to move because of competitive blindness or the lack of a compelling strategy or stakeholder support.

Strategize and plan for moving supply chains into the digital age by **watching our webinar.**

## Gartner research has found:



**of CEOs believe they are providing a superior customer experience ...**



**... yet only 8% of their customers agree**



**Through 2020, internal silos of customer engagement within an organization will be in the top three leading causes of customer dissatisfaction for enterprises across all industry segments**

# A new approach to delivering great customer service in the supply chain

## Get agility and responsiveness into the DNA

To catalyze the supply chain into action, heads of supply chain must translate the digital business vision into the critical supply chain capabilities needed to deliver a digital experience to customers.

Alignment isn't just about waiting for the business model to be defined. Supply chain leaders also need to proactively identify how emerging digital capabilities will optimize and transform their supply chains.

To drive the transformational change needed for digital business, leaders must start by articulating the vision and what's possible.

They must also ensure that agility and responsiveness are embedded in their DNA, create a new approach to delivering great customer experiences and scale the digital foundation by having the right talent and culture.

Strategize and plan for moving supply chains into the digital age by [watching our webinar](#).

Gartner research has found:

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## Customer experience matters

**It's three to 14 times easier to sell to an existing customer than to acquire a new one — so focus supply chain CX efforts on high-priority existing customers**

**The probability of selling to an existing customer can average 60% to 70%, while the probability of selling to a new prospect is 5% to 20%**

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## Putting Gartner research into practice

A \$47 billion life science manufacturer reduced product losses due to temperature excursions occurring in the transportation and distribution process by 90%, while also cutting logistics costs by more than \$150 million, or 20%. The four-year transformation included changes to processes and metrics, as well as organizational changes, that involved 130 geographic markets, logistics providers, distributors and other value chain partners.



**Managing disruption requires supply chains to foster innovation and scale the digital supply chain.**

**Download** the Gartner Trend Insight Report (for Gartner clients only).

View the “Building Blocks for a Supply Chain Digital Strategy” webinar.

**Learn More**

Move From Insight to Action

## Gartner for Supply Chain Leaders

**The definitive research and advisory resource for supply chain leaders**

Gartner supports senior supply chain executives with their most critical priorities.

We offer a unique breadth and depth of content to support clients’ individual success and deliver on the key initiatives that cover the end-to-end supply chain functions that drive business impact. These key initiatives include:

- Supply chain strategy, leadership and governance
- Supply chain customer fulfillment and collaboration
- Supply chain planning, operations and logistics
- Quality management

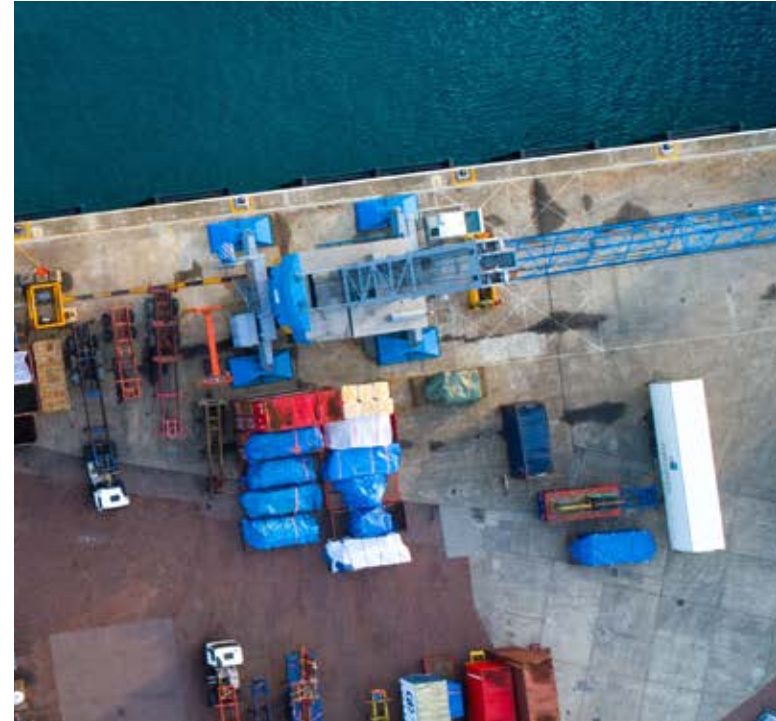
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# Procurement



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**“Business pressure for speed demands that procurement make buying faster for stakeholders. However, perceptions about procurement being slow create barriers to stronger business partner collaboration.”**

**“Leading procurement organizations develop five-year technology investment roadmaps and fundamentally change the sourcing experience to make the process both go and feel faster.”**



**Ben Federlein**  
Managing Vice President, Gartner Research & Advisory  
Procurement, Operations & Strategy Group

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**Download our e-book** to learn how to speed up buys without compromising value.



# Pressure rises on procurement to get business partners what they want, when they want it

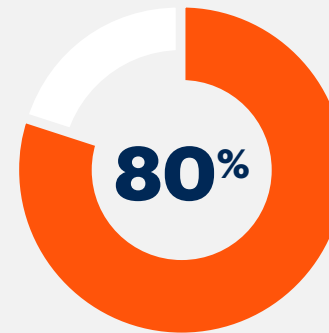
## It's inherently hard for procurement to support a first-mover strategy

The global economy is forecast to grow 3.9% in 2019. Businesses are bullish and CEOs don't want to miss the boat — and being first is often the difference between winning and losing.

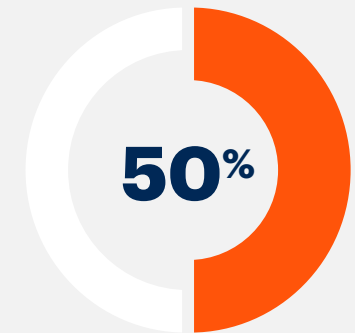
But the ability of procurement teams to respond at speed is constrained: Sourcing in-demand digital products like robotics and artificial intelligence requires new “muscle” that few have yet developed, and new assurance areas like the General Data Protection Regulation complicate buying.

**Download our e-book** to learn how to speed up buys without compromising value.

## Gartner research has found:



**80%**  
of a new market's profits are captured by the initial one or two entrants



**50%**  
The number of CEOs who want to be first movers has grown 50% since 2013

**3.9%**

Global gross domestic product is forecast to grow 3.9% in 2019

## Compromising the buying process is not the answer

To help business partners get what they want when they need it, procurement often makes compromises in the buying process (e.g., skipping or short-cycling sourcing steps), but such compromises in due diligence can lead to bad trade-offs and consequences.

And focusing primarily on speed doesn't reduce pressure on procurement to speed up the buying process — for two reasons:

1. **Poor visibility.** Improvements are often made at the back end (such as the use of lean/Six Sigma processes or cloud technologies) so they aren't seen by business users.
2. **“Shelf life.”** Business partners may initially be happy with improved speed, but once that pace becomes the new normal, they then expect even faster service.

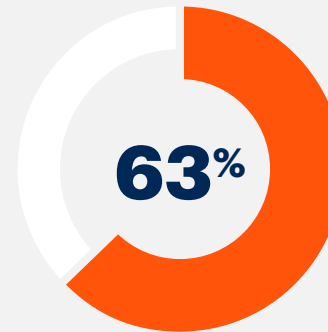
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**“Behavioral psychology tells us more about why business partners put pressure on procurement to go faster than does buy speed.”**

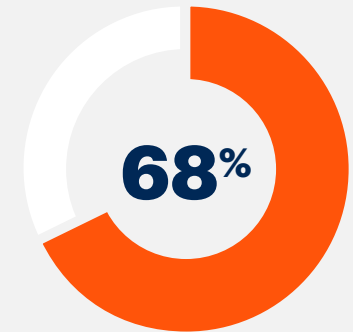
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**Download our e-book** to learn how to speed up buys without compromising value.

## Gartner research has found:



**63%**  
of the time procurement skips or short-cycles steps in the sourcing process to try and get the speed their business partners demand



**68%**  
of chief procurement officers indicate bad trade-offs have introduced significant or very significant new risk

**35%**

Even the fastest procurement organizations only see ~35% reduction in speed pressure from their business partners

# It's critical to make buys feel fast

## Speed is in the eye of the beholder

The key to lessening pressure from the business — and reducing the need to make costly or risky trade-offs — is for procurement organizations to focus their attention and investments on making buys “feel fast.”

Basic human psychology is at play: The need for speed isn't usually about speed at all, but rather the anxiety, uncertainty and exasperation business partners feel during buys. This is what drives them to push for more speed.

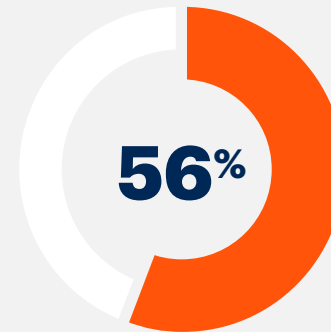
Our research shows only 7% of business partners are inflexible on sourcing timelines. The vast majority who pressure procurement to hurry up are just feeling anxiety.

## To make buys feel fast:

1. Make buy timelines more predictable.
2. Make getting started easier.
3. Reduce inappropriate or necessary work.

**Download our e-book** to learn how to speed up buys without compromising value.

## Gartner research has found:



**Procurement organizations that make buys feel fast experience a 56% reduction in pressure from business partners**



**More than 90% of business partners say their buy timelines are often very flexible**



# \$11 million

**By making buys both feel fast and go fast, an average procurement function with \$1 billion in total managed spend can recapture \$11 million in lost savings**

## Putting Gartner research into practice

Procurement staff and business partners at a small private equity firm agree to specific buy execution trade-offs, stipulating how and when procurement will slow down sourcing to help the business achieve higher-value results. This approach develops a shared, concrete understanding of how, for example, the same activities would be categorized differently when the business priority is cost savings versus innovation. This approach is designed to reduce average cycle time, increase business partner satisfaction and elevate procurement's credibility as a trusted partner.



**Avoid the speed trade-off bind: Read research and insights on making buys feel faster for the business.**

**[Learn More](#)**

Move From Insight to Action

# Gartner Procurement Leadership Council

**The definitive research and advisory resource for procurement decision makers**

Procurement leaders are under constant pressure to drive cost savings, create productive partnerships with key suppliers and lower the cost of running the department.

Gartner Procurement Leadership Council supports procurement decision makers against key processes including category management, strategic sourcing and supplier relationship management.

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# Finance



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**“As digitalization pushes the business to grow and change, everyday operational decision making becomes more distributed and more complicated — and often fails to take proper account of broader financial implications. Finance has to improve the quality of these decisions and can do so by redefining finance business partner roles away from general business knowledge toward expertise in decision type.**

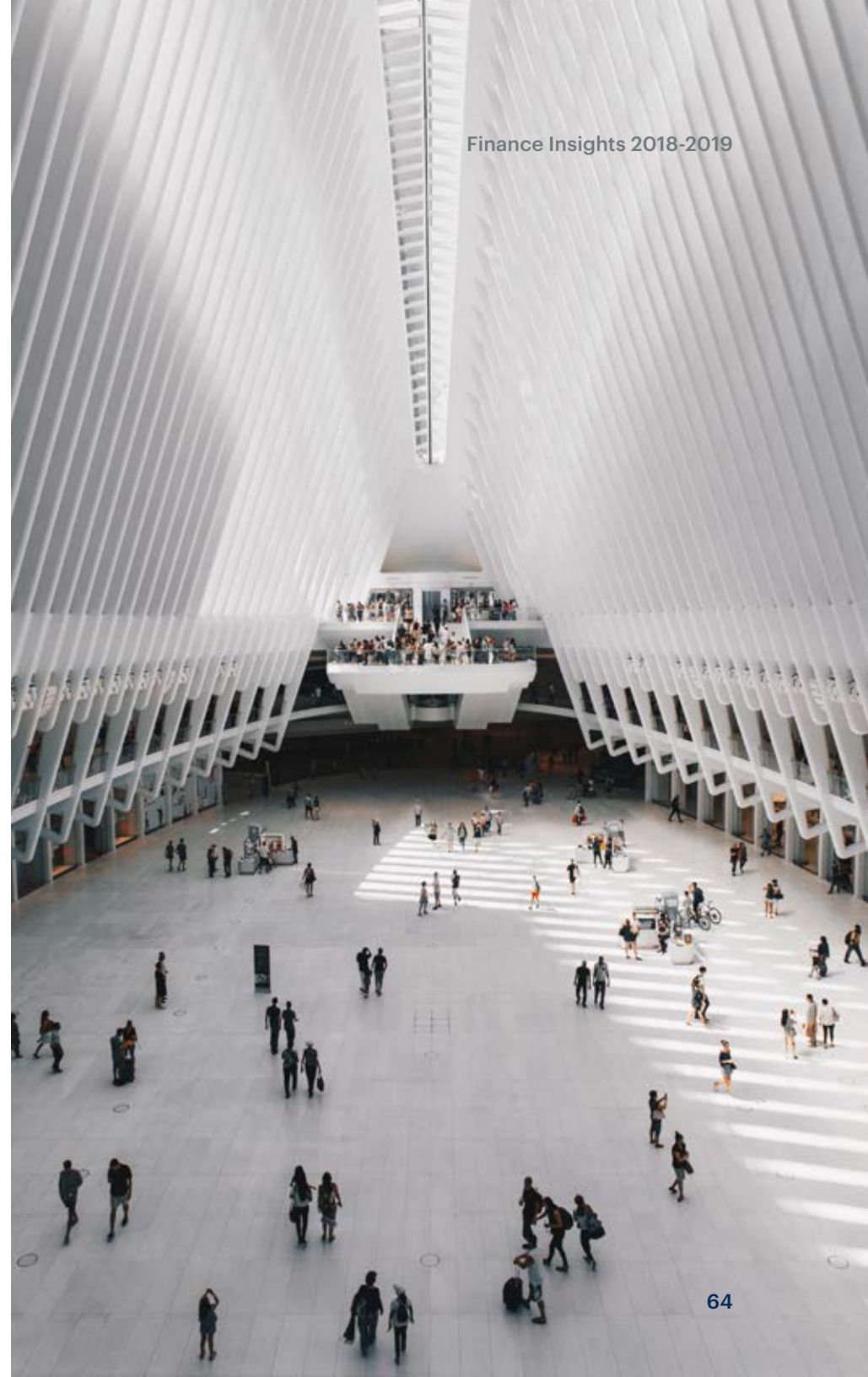
**“For controllers, digitalization offers an opportunity to automate activities that have been manual or standardized to date. They will need to acquire and grow capabilities to leverage automation while managing the expanding use case for robotic process automation.”**



**Johanna Robinson**  
Managing Vice President, Gartner Research & Advisory  
Finance Group

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Learn how finance leaders can improve the way they support the business with our **business partnering guide**.



# The cost of poor operational decisions is staggering

## Operational decisions often lack financial rigor ...

Operational decisions — those with financial implications made every day by midlevel managers — are increasing in speed, volume and complexity. This creates a challenge for finance, whose job it is to make sure those decisions are financially sound (e.g., account for full economic impact; adhere to financial policies and guidelines; link to broader strategic/financial goals of the company).

According to finance executives, the vast majority of operational decision makers don't strongly adhere to these guidelines. Instead, they use the flexibility inherent in decision guidelines to justify exceptions to price adjustments, product/service improvements, non-price promotions, etc.

Operational decisions typically involve a short window (three days or less), but they compound over time and wipe out company margins.

The cumulative financial impact of all these poor operational decisions is as much as, if not more than, the impact of large strategic decisions.

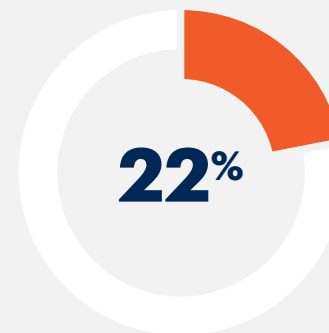
## Gartner research has found:



Finance executives say only 15% of operational decision makers adhere strongly to decision guidelines



Exceptions to operational decision rules occur 30% of the time, on average



Nearly 1 in 4 operational decisions are made without a single financial implication ever being considered

Upward of 3%

of profits are compromised at the average company by poor operational decision making

Learn how finance leaders can improve the way they support the business with our [business partnering guide](#).

**... and the average finance business partner is making things worse**

The majority of finance business partners (FBPs) are aligned by stakeholder, but few finance organizations consistently support business decisions in ways that deliver tangible business value.

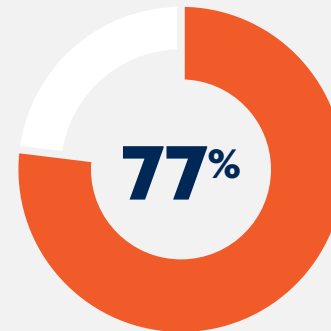
Even if this traditional model was once successful, it's becoming increasingly untenable: FBPs have become business generalists and can't handle the growing volume of decisions. They also lack the expertise to effectively support individual decision types, because they are expected to support such a wide range of decisions.

Some finance leaders are still loathe to move from this model because they want business acumen to be a core competence for finance, and they like the hands-on support that FBPs offer decision makers.

But this traditional approach requires a large team and leaves finance reacting in an ad hoc way to requests. As a result, finance expertise doesn't feed into the different types of decisions.

Learn how finance leaders can improve the way they support the business with our [business partnering guide](#).

**Gartner research has found:**



**of finance business partners are aligned by stakeholder**

**180**

**exception-based decisions that need support from finance are made annually per decision maker**

**3**

**days or less**

**is the length of the decision window for most operational decisions, with finance brought in toward the end**

**More than  
2,800  
hours**

**is the amount of time it would take a finance business generalist to offer "in the decision window" support for all operational decisions**

# Finance needs decision experts, not business generalists

## Decision experts offer more effective support to the business

To be responsive and effective at operational decision support, finance needs a scalable, widely applicable approach that can deliver a financially sound decision without delay.

Progressive CFOs are evolving the traditional FBP model into a decision expert approach that better leverages the acumen of finance and exerts that influence earlier in the decision-making process.

Improving the financial aptitude of operational decision makers, and instilling more finance information and analysis into key outcomes, create value in a way that's not possible for business generalists.

## Putting Gartner research into practice

One global technology giant carefully articulates role descriptions, responsibilities and expectations for its "commercial decision experts." For example, decision experts must provide options to solve pricing problems and improve price variance control outcomes by a given percentage. This means decision experts are accountable for measurable operational outcomes in a way traditional FBPs never were.

Learn how finance leaders can improve the way they support the business with our [business partnering guide](#).

## Gartner research has found:

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**Decision experts are midlevel business finance staff who specialize in supporting a particular operational decision type, such as:**

- Pricing
- Inventory
- Renewal analysis

**The decision expert model is 2.5x more effective than the business generalist model at driving financially sound operational decisions**

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Download our "Drive Financially Sound Operational Decisions" e-book to move to the decision expert model.

[Learn More](#)

# Robotics is key to finance's success

## Digital is here to stay ...

The 2018 Gartner CEO Survey shows that by 2020, more than 50% of technology spend will be outside core IT, in business lines and support functions. Finance is pursuing its own path toward supporting digital, but remains in the early stages.

Migration to the cloud is widely underway, and the current digital agenda revolves around building the capabilities needed for successful implementation and adoption of robotic process automation (RPA).

RPA performs “if, then, else” statements on structured data, using a combination of user interface interactions.

Only 19% of corporate controllers operate RPA today, but this figure could quadruple by 2020. (Adoption of artificial intelligence and blockchain isn't expected for several more years.)

RPA fulfils about 50 use cases today (primarily in the areas of close and consolidation and financial reporting) but in two years is expected to fulfill more than 200 use cases.

**Watch our webinar** to learn how RPA can enable finance to support digital business.

## Gartner research has found:



**Bots usually cost about 1/3 of an offshore employee or 1/5 of an onshore employee**



**Bots can work 24/7 without error if programmed correctly**

## By 2020:

**72%**

**of controllers will be operating RPA**

**224**

**use cases will exist for RPA**

**... but it presents a paradigm shift for finance**

Controllers realize the need to adopt new digital technology to accelerate efficiency mandates, but to do so at scale requires them to treat digital technology differently from traditional finance IT solutions.

Within just the past few years, finance has introduced shared services, lean and cloud to drive accounting process efficiency, but digital optimization is a leap forward and finance must take care to protect accuracy and quality.

Arguably most critical is tracking and assessing the benefits of RPA, because benefits materialize in distinct phases. For example, an RPA pilot reduces manual work, but only when RPA is operational do you increase productivity, and only when it's adopted across finance do you displace head count.

**Process efficiency timeline**



**Watch our webinar** to learn how RPA can enable finance to support digital business.

# Finance needs a phased approach to building RPA capabilities

## Make deliberate investment choices

To identify the right places to deploy RPA, controllers should size their opportunity (based on factors like number of manual processes, number of disparate systems and amount of time spent cleaning data) and prioritize team ideas based on effort, complexity and commonality.

Success in bot deployment requires that controllers:

- Establish key RPA responsibilities (not roles) and build competencies that support digital process design
- Follow agile implementation principles
- Direct the IT team and vendors on what support is needed and when

Over the long term, it is important to gradually manage the impact of RPA on the team and make deliberate investments of time and resources in digital projects.

**Watch our webinar** to learn how RPA can enable finance to support digital business.

## Gartner research has found:

### Phasing in RPA in finance:

- 1. Starting out**  
**Impacts junior staff the most**  
 Reduction of manual work, errors  
 Faster processing times  
 Enhanced auditing process
- 2. Operational**  
**Medium team impact; new skills needed**  
 Increased productivity  
 Improved regulatory compliance  
 FTE redeployment to higher-value work
- 3. Pan-finance adoption**  
**Widespread displacement**  
 Head count displacement  
 Significant efficiency gains  
 Effectiveness grows as disparate RPA programs are combined

## Putting Gartner research into practice

A media company revamps the controllership to enable RPA. It establishes a specialized controlling subfunction to sit alongside the management information system and reporting and accounting operations subfunctions, and within that structure carves out an RPA center of excellence focused on configuring, supervising and integrating bots.



Watch the “Robotic Process Automation in the Controllership” webinar.

[Learn More](#)

Move From Insight to Action

## Gartner for Finance Leaders

**The definitive research and advisory resource for finance decision makers**

Gartner for Finance Leaders supports senior finance executives on their most critical priorities.

We offer a unique breadth and depth of content to support clients’ individual success and deliver on the key initiatives that cut across finance functions to drive business impact. These key initiatives include:

- Implement a successful finance transformation
- Drive growth and reduce risk
- Increase efficiency and improve decision support
- Make smarter digital and technology decisions

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# Legal & Compliance



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**“Companies everywhere are transforming to capture digital opportunities. For the general counsel, this means new sources of value to protect, more complex operating processes to support and more information-related risks to manage.**

**“Our research shows that the way in which legal departments build capabilities to govern risk within digital initiatives matters more than the legal advice they provide business stakeholders on those risks.”**



**Abbott Martin**

Vice President, Team Manager, Gartner Research & Advisory  
Legal & Compliance Group

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**Achieve digital readiness and reduce business risk.  
Download our e-book.**



# Digitalization changes the way the business works and creates data-related risks

## Digitalization is changing business models ...

For business leaders, that means:

- New strategic assumptions
- New business pace and style: compressed cycle times, iterative goals, decentralized funding and decision making
- Business driven by data and new questions around how data can and should be used

For legal, it means:

- Sources of firm value protected by legal shift toward data assets and users
- Core operating and decision-making processes change, which impacts traditional legal models for governing risks

**87%** of senior business leaders say digitalization is a company priority

Achieve digital readiness and reduce business risk. [Download our e-book.](#)

## Digital business is done differently: many stakeholders, unclear accountability



### 1 More stakeholders

A typical digital project has 6 team members, 10 stakeholders, and a wider network of partners on which value capture relies

### 2 Cross-functional dependencies

Technically complex digital projects require collaboration and handoffs across teams and functions

### 3 Blurry roles

Digitalization erodes traditional boundaries creating unclear roles and accountabilities across jobs and functions

**... and creating new, information-related risks**

Digitalization also means new and accelerated information-related risks in the cybersecurity and data privacy spaces — areas where legal teams already have lower confidence in their risk mitigation strategies.

Mismanaged risks damage individual and corporate reputations, and damage relationships with customers and regulators.

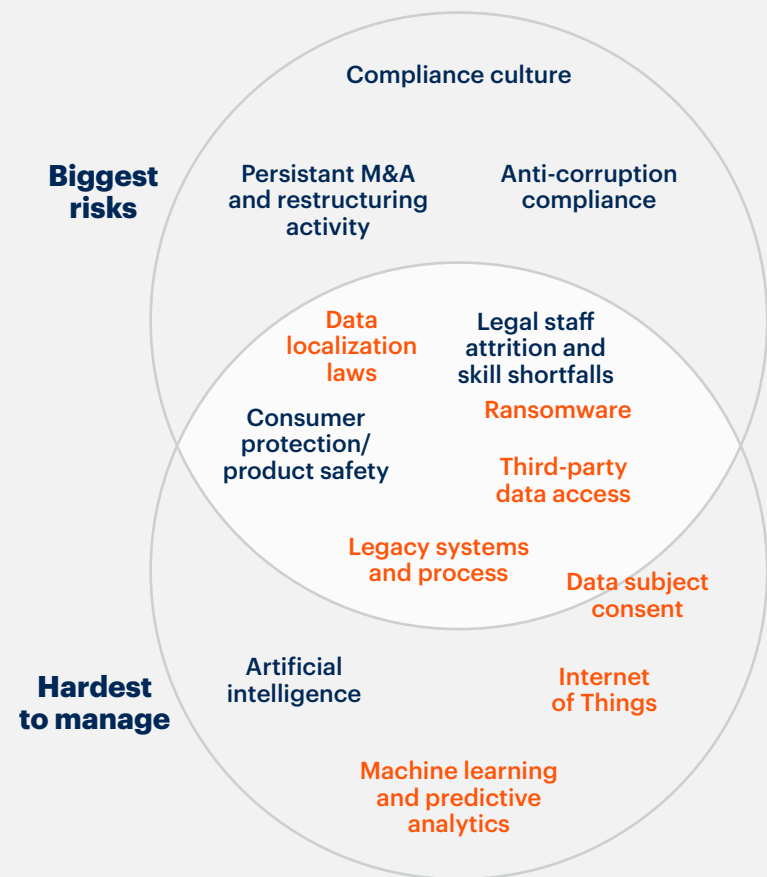
Bottom-line losses result when digital transformation efforts fail, opportunities are missed or business decisions don't take risk into account.

For legal departments, the challenge then is how to enable the organization's digital business success while managing the legal risks.

**Achieve digital readiness and reduce business risk.**  
**Download our e-book.**

**Gartner research has found:**

**Business is driven by data, creating information-related risks**



■ Information risks

# Readiness is the key to managing risk and still enabling digital business

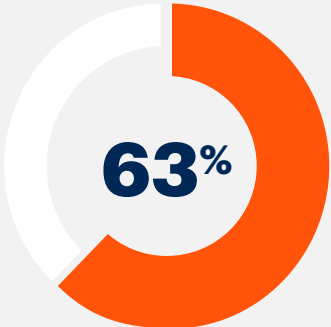
## Digital project governance today must focus on being prepared ...

- **Clarify the role and accountability of stakeholders** and provide legal support to those whose roles and risk tolerance are formally defined in digital projects.
- **Build rapid response capabilities** to identify more quickly when and where digital risks are forming and apply the appropriate level of legal engagement by project, while still enabling business ownership of digital projects.
- **Foster digital skills and competencies** to acquire and transfer digital expertise to close capabilities gaps swiftly and make sure legal fully and quickly understands the impact of changes in business and operating models.
- **Ensure a business-focused approach to information governance** that focuses on providing legal guidance for appropriate uses of data within specific business projects.

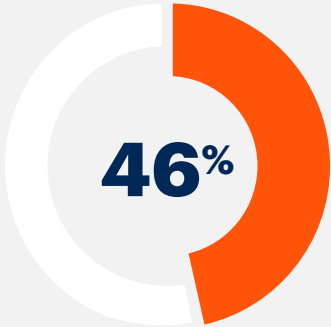
Achieve digital readiness and reduce business risk. [Download our e-book.](#)

### Gartner research has found:

#### Digital-ready legal delivers:

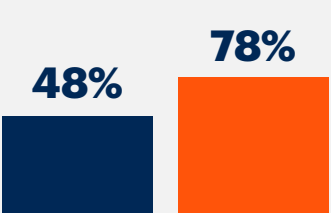


increase in digital projects delivered on time

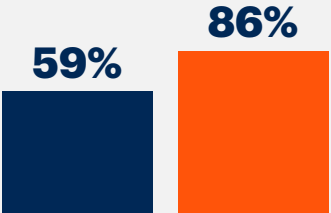


increase in digital projects that take appropriate legal and compliance risk

Improvements in speed  
Projects delivered on time



Improvements in risk management  
Projects with appropriate risk taking



■ Direct legal support  
 ■ Digital-ready and direct legal support

## Putting Gartner research into practice

One major retailer, which was rapidly digitalizing, translated business needs into skill needs for its paralegals to prioritize new technical skills and build their understanding of new technologies and comfort with digital environments. Performance increased, turnover decreased, engagement rose — and the legal team became more responsive to the needs of the digital business.



Learn how to manage risk and still enable digital business.

[Learn More](#)

Move From Insight to Action

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These key initiatives include:

- Managing new risks generated by business, technology and regulatory change
- Upgrading key legal and compliance processes to execute quickly and lead to faster, better decisions
- Addressing department skills gaps and competencies
- Creating a culture of integrity across the business

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**Risk**



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**“The increased speed of decision making to exploit growth in different markets has made it even more critical for heads of enterprise risk management (ERM) to share risk information in a manner that enables executives to make well-informed decisions.”**

**“While the traditional focus on information quality has its merits, our research shows that the ease with which executives can consume and act on ERM’s reports and information is more likely to drive action.”**



**Matt Shinkman**  
Managing Vice President, Gartner Research & Advisory  
Audit, Risk & Newsdesk Group

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**Drive executive action on risk information.**  
**Download our report.**



# Risk reporting is being drowned out as enterprises pursue market and digital opportunities

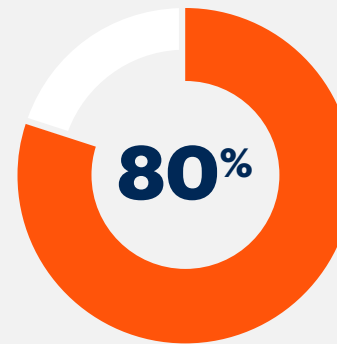
## The need for risk-informed decision making is rising

Companies everywhere feel increasing pressure to capture the opportunities presented by global economic growth and the forces of digitalization. But the more emboldened organizations become, the more risks they are likely to take — and the more important it is for ERM to exert influence on executive decision making.

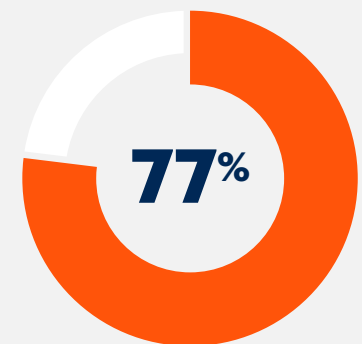
ERM leaders overwhelmingly agree on the need to increase the impact of their risk reporting and to influence how executives consider risk information when making strategic decisions and conducting day-to-day operations.

ERM leaders struggle, however, to present information in a way that is easily consumable and actionable.

Gartner research has found:



of ERM heads say increasing the impact of their risk reporting is a top priority



of ERM heads believe their information fails to achieve decision influence

## **ERM leaders blame data when they aren't heard**

When executives ignore or fail to act on risk, the consequences can be disastrous. Examples abound of risk assessors warning of vulnerabilities created by applications, processes or people — threats that proved to be real and resulted in lost customer trust and market value.

Most ERM leaders blame this lack of executive attention to their risk reporting on poor data quality and integrity.

Many argue that using more quantitative risk information and increasing the use of leading indicators will increase the decision influence of their risk information.

Executives, however, must make faster decisions and consider multiple sources of information to win in the new environment, so ERM leaders need to think differently about risk information and how it fits into executives' decision-making framework.

**Drive executive action on risk information.**  
**[Download our report.](#)**

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**“Our information is too qualitative, which executives don't find very credible.”**

**“We need to find better metrics to report to our stakeholders.”**

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# Reduced effort trumps quality of information

## Risk reporting can't be boring

Gartner risk reporting research finds that the influence risk information has on decision making depends less on information quality and more on the effort that executives must expend to consume and take action on that information.

ERM leaders must take three key actions to convince executives to act on their insights:

- 1. Use compelling visuals** and clear and concise language to help executives easily understand and interpret risk information.
- 2. Gain insight into executives' priorities** and upcoming decisions to make risk information more relevant to their needs.
- 3. Partner with other functions** in the organization to prepare a consolidated report using a standardized format.

Drive executive action on risk information.  
[Download our report.](#)

## Gartner research has found:

**Reducing executive effort is twice as likely to prompt executive action as improving information quality**

**Those who achieved decision influence were also:**

**3X as likely**

**to receive explicit positive feedback** on their information from risk committee members

**to receive requests for further information/support** from risk committee members (or their teams)

**to be invited to participate** in other management discussions in which they're not usually included

## Putting Gartner research into practice

A leading global technology company significantly reduced the number of risks and level of detail reported to the board's audit committee and senior leadership team using a 2x2 heat map. The heat map enabled the company to filter risk insights by inherent risk level and current control effectiveness, reducing the number of risks in reports to show only the actions stakeholders should take. This eliminated distractions and provided clear-cut response guidance without compromising depth.



Download our risk reporting guide to learn how to get your executive team to act on the insights you provide.

[Learn More](#)

Move From Insight to Action

# Gartner Risk Management Leadership Council

**The definitive research and advisory resource for enterprise risk decision makers**

Gartner Risk Management Leadership Council helps enterprise risk leaders identify, assess and mitigate emerging risks. Our insights, advice and tools support risk leaders with their most critical priorities, including:

- Driving management action with risk reporting
- Aligning enterprise risk to strategic objectives
- Early detection of new and emerging risks
- Building an enterprise risk management function

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# Audit



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**“Organizations are rapidly digitalizing — 66% of CEOs say they will overhaul their business models by 2020. To keep up, audit leaders need to move into the next era of auditing: real-time assurance. Only by adopting real-time assurance — pervasive data analytics, continuous risk assessment, flexible audit planning and empowered auditors — can audit stay on top of rapidly mutating and multiplying risks.”**



**Malcolm Murray**

Vice President, Team Manager, Gartner Research & Advisory  
Audit, Risk & Newsdesk Group

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**Download our e-book** to learn why and how audit leaders should adopt real-time assurance for their departments.



# The risk environment is changing faster than audit

## The need for “sense and respond” real-time assurance ...

With the rapid transformation and digitalization happening in organizations, it’s becoming clear that the risk environment is changing more quickly than audit can update its coverage.

A period of strong economic headwinds combined with digital ambitions are encouraging CEOs globally to take more — and bigger — risks in 2018. Many of the most critical risks to today’s organizations are also the hardest to track. These include cybersecurity and data privacy, as well as digital business models, cloud computing and M&A.

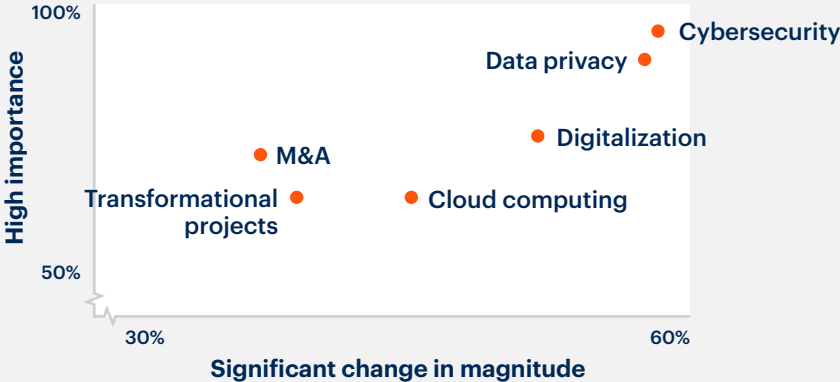
This volatile risk landscape challenges audit functions to get better risk information and flex their audit resources to cover the right risks at the right time with the right people. However, many audit leaders know their teams lack the capacity or know-how to leverage data analytics fully, set up continuous auditing, monitoring and risk assessment, and form partnerships with other assurance groups to meet these rising demands.

**Download our e-book** to learn why and how audit leaders should adopt real-time assurance for their departments.

### Gartner research has found:

**91%** of chief audit executives say that audit’s resources need to be better allocated to provide assurance over changing risks

**Importance and change in risks over the past year**  
Percentage of audit departments



### ... to keep better track of changing risks

Audit's change gap — the percentage of hours in the audit plan that needed to change but didn't — jumped in 2017. This shows that necessary assurance activities over critical risks aren't happening.

If audit stays at its current low level of adaptability, our model forecasts an untenable position by 2020 — when half of all assurance activity that should mitigate risks won't be happening.

The threat of such unchecked exposure is prompting audit leaders to act, but the standard approaches, such as interviewing more people in management and making quarterly updates to the audit plan, aren't nearly effective enough.

And while the “agile” approach to auditing — a concept borrowed from IT and designed to make the function more proactive and responsive in the face of disruption — is generating buzz among audit professionals, it isn't the complete answer to the problem.

What matters is adopting real-time assurance to provide assurance over risks in real time.

**Download our e-book** to learn why and how audit leaders should adopt real-time assurance for their departments.

### Gartner research has found:



### Why has audit failed to adapt assurance activities to risks?

- Insufficient resources
- Inadequate skills
- Lack of permission

# The real-time assurance environment is changing faster than audit

Today's volatile and fast-changing risk environment requires audit to evolve into the next era of auditing: real-time assurance for sensing and responding to risk.

There are three imperatives:

1. Gather and analyze information using a broader set of inputs, including the entire audit department and data analytics.
2. Adapt the audit plan as soon as a change is needed.
3. Enable auditors to execute audit engagements based on this faster flow of information.

These elements work in concert and reinforce each other. Picking up more and better risk information is essential to inform changes to the audit plan as well as inform the scope of audit engagements; and having auditors more attuned to the latest risk information means they can feed this back to leadership if they've been empowered to do so.

We have yet to encounter an organization that has mastered all three, but those implementing one or more are already operating far above audit-as-usual, and are moving one step closer to real-time assurance.

**Download our e-book** to learn why and how audit leaders should adopt real-time assurance for their departments.

**Gartner research has found:**

**The audit "change gap" is the percentage of hours in the audit plan that needed to change but didn't**

**Get audit closer to real-time assurance:**

**Broad risk sensing**  
reduces change gap by

↓ **8%**

**Flexible audit planning process**  
reduces change gap by

↓ **10%**

**Flexibly executed audit engagements**  
reduce change gap by

↓ **6%**

## Putting Gartner research into practice

Faced with several high-profile risks and a desire to mature the internal audit organization, the chief audit executive at one high-growth global transport company uses a six-month audit planning horizon. This approach builds flexible capacity for ad hoc projects and focuses on a priorities-based set of criteria for adding or removing anything from the plan. This tack enabled the CAE to execute seven plan changes within the first four months of implementation, including three management requests.



Learn how to more effectively assess risks and allocate audit coverage to align with your organization's key risks.

[Learn More](#)

Move From Insight to Action

## Gartner Audit Leadership Council

**The definitive research and advisory resource for internal audit decision makers**

Gartner Audit Leadership Council helps audit directors and their teams build plans that drive results, strengthen department capabilities and minimize exposure to fraud and risk. Our insights, advice and tools support internal audit leaders with their most critical priorities, including:

- Building a more risk-responsive audit function
- Advancing data and analytics capabilities
- Collaborating with risk and control groups
- Improving stakeholder communications

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# Information Technology



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**“Last year, I said that CIOs must start scaling their digital business. They excelled. This year, they have to take it one step further and put their growing digital business on a stable and secure base.**

**“The 2019 Gartner CIO Agenda shows that digital business reached a tipping point in 2018, and what we see is a milestone in the transition to the third era of IT — the digital era.**

**“Today, digital has become mainstream, and success in this third era of enterprise IT hinges on a sound strategy that combines new, disruptive technologies with a rebalancing of existing investments.**

**“The IT organization and the CIO are at center stage in creating a solid foundation for digital business at scale — which demands better consumer engagement, faster delivery of digital ‘products,’ and a secure information and technology foundation to build them on.”**



**Andy Rowsell-Jones**

Distinguished Vice President Analyst, Gartner Research & Advisory  
Office of the CIO

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# A new era of enterprise IT

## Business model change puts consumers at the center

In just the past 12 months, digital business reached a tipping point as organizations scaled their digital capabilities. Digitalization, along with growth, is now top priority for both private- and public-sector organizations.

Business model change is inevitable — and is reported by 49% of CIOs. The most common external drivers of change relate to consumer expectations and brand, and the most common internal drivers are tied to the search for growth or cost pressure.

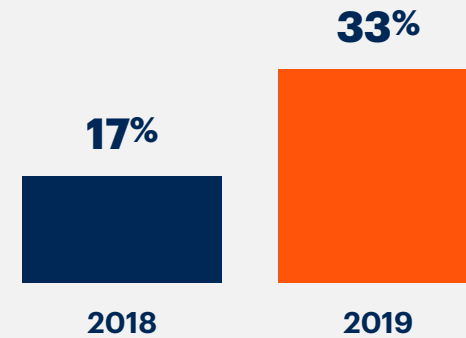
Digital offers new ways to engage your audience, deliver a superior experience across the consumer life cycle and manage costs.

As private-sector organizations, not-for-profits and government agencies alike succeed or fail through consumer engagement, these activities are critical for growth.

## Gartner research has found:

### Digital maturity is increasing

Percentage of respondents whose digital initiative is at scaling or refining stage



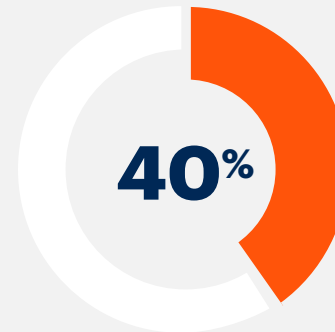
Learn six key take-aways for a successful digital transformation.

## Consumer engagement comes with rewards — and risks

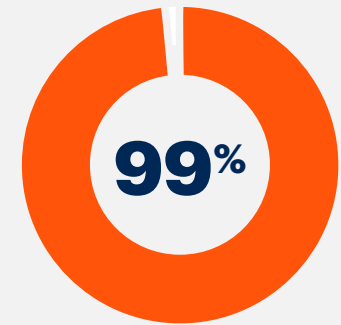
To create digitalization at scale, CIOs and senior IT leaders are focused on building capabilities to support consumer engagement. But while digital offers new ways to engage your audience, deliver a superior experience across the consumer life cycle and manage costs, it has also become critical to protect customer data to be successful.

The headlines are full of brands failing to protect consumer information and losing their trust as a result. Top performers — who, our research suggests, are two to three years ahead of their CIO counterparts — understand the wider responsibility and behavior shift required within the organization to effectively counter these risks.

### Gartner research has found:



**of CIOs report evolving consumer demands are driving their business model change**



**of top performers say IT is very or extremely important to business model change**

# Design, measure and protect superior consumer engagement

## It's key to measure — and measure the right things

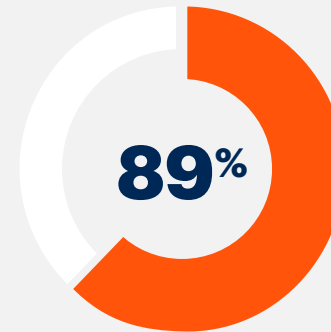
Top performers are more likely than average to use digital in the back office to reduce cost to service and personalize offerings. In the front office, they are more likely than others to use digital to ease engagement and feedback for consumers.

Top performers are also far more likely than average to manage by a range of consumer metrics and to measure the ROI on digital investments.

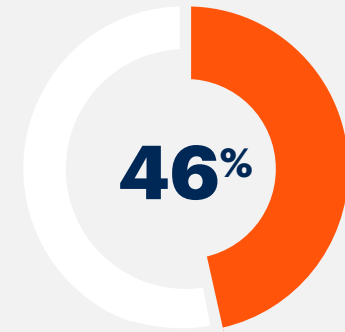
CIOs should focus on being able to baseline business outcomes such as customer retention and time to market to measure the impact of their investments through hypothesis-driven projects.

Learn six key take-aways for a successful digital transformation.

## Gartner research has found:



of top performers measure the ROI of digital



of top performers manage by consumer metrics

**Gartner research has found:**

**95%**

**of CIOs expect  
cybersecurity threats  
to get worse**

**24%**

**of top performers say  
the board is ultimately  
accountable for cybersecurity  
significantly, more than  
at the typical company**

**Cybersecurity is key to engagement**

But this evolving digital era demands that consumers (and organizations) be secure. In most organizations, the CIO remains accountable for cybersecurity, but the IT organization alone can't provide cybersecurity given the behavioral changes required to counter threats such as phishing.

Among top performers, there is more recognition of that reality, and this group is more likely to report that their boards are ultimately accountable for cybersecurity. All CIOs should educate their boards and senior leadership on how to think about and take more responsibility for cybersecurity risk.

Top performers are also more likely to display depth in their cybersecurity efforts with more risk mitigation activities underway and a higher level of confidence in the cybersecurity team.

# Much-needed agility requires resourced project management

## Move from project- to product-centric delivery

To succeed in this third era of enterprise IT, organizations need to move from project-based, episodic delivery to continuous integration and delivery that organizes development work into longer-lived, ideate-build-run teams working on a persistent business issue.

This is a major shift for many in IT for whom the “project” has long been the primary unit of work, and it will require a mindset change — and access to the right skills and culture.

But by clearing the path to product delivery, your IT organization can drive quicker, higher-quality business outcomes while improving customer satisfaction and employee engagement.

For the IT organization to become more agile and attuned to thriving in a world of digital business at scale, CIOs must also purposefully develop people and culture. Use practical steps, including hard actions (e.g., organizational change to weaken silos) and soft actions (e.g., shift mindsets through education and team building) to create better outcomes for business colleagues and for IT itself.

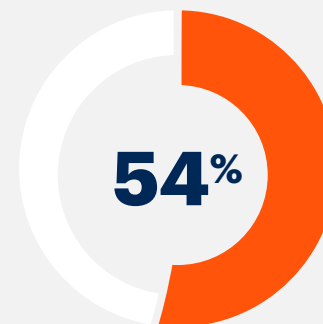
Learn six key take-aways for a successful digital transformation.

Gartner research has found:

**55%** of organizations are moving from project to product delivery

**75%** of top performers have implemented product-centric delivery

## Of the top performers who invested in DevOps



invested to facilitate product-centric delivery



defined new architecture and tools

# Success in digital business hinges on sound IT

## Combine disruptive technologies and rebalance infrastructure

As digital scales, both private- and public-sector organizations have transformed their enterprise operating models to:

- Improve and retool business and IT processes and capabilities
- Provide innovative and transformative products and services
- Change the customer experience
- Deliver results

Disruptive emerging technologies will play a major role in reshaping business models as they change the economics of all types of enterprises.

Artificial intelligence is perceived by all to be a game changer, but beware the hype: Many AI tools have yet to prove their value for early adopters.

To rebalance technology portfolios, shift investments from on-premises to off-premises capabilities. Evolve delivery of prior capabilities that are still needed. One in five top performers run totally cloud-based ERP, for example.

Also find ways to redistribute investments between business-as-usual systems, which consume 71% of the budget, and the new, potentially disruptive technologies.

Learn six key take-aways for a successful digital transformation.

## Gartner research has found:

**45%** of organizations are increasing investment in business intelligence or data analytics solutions

**40%** of top performers see AI as a game changer for their organization

**More than 50%** of enterprises that have ERP have moved at least one function to the cloud

**270%** increase in AI adoption since 2015

## Putting Gartner research into practice

One services provider to the global oil & gas sector discarded all of its systems, rules and processes and started with a clean slate in a bid to boost its digital innovation. Its use of augmented reality proved to be a game changer, spurring the development of new products that changed the way the company delivered value and built significant customer engagement.



Download “Gartner 2019 CIO Agenda: Secure the Foundation for Digital Business” to learn six key take-aways for a successful digital transformation.

[Learn More](#)

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## Gartner for CIOs and IT Leaders

**The definitive research and advisory resource for IT decision makers**

Gartner supports senior IT executives on their most critical priorities.

We offer a unique breadth and depth of content to support clients’ individual success and deliver on the key initiatives that cut across IT and corporate functions to drive business impact. These key initiatives include:

- Leading a successful digital transformation
- Managing data protection and privacy
- Leveraging innovation to drive strategic business changes
- Making smarter digital and technology decisions

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# Digital dexterity — the must-have capability for the future

## The imperative is to position the workforce for the future of digital ...

Today nine of 10 corporate leaders view digital as a top priority, yet 83% of organizations struggle to make meaningful progress on digital transformation. But although digital transformation may historically have been viewed as a purely IT challenge, it is, in fact, an enterprise challenge.

There are many barriers to success, including organizational, financial and technological challenges, but they all have one thing in common: They cannot be overcome without changes to the behaviors and mindsets of the people involved.

People lie at the heart of digital initiatives, yet few organizations have comprehensive strategies to ensure that their talent and digital business efforts align. As companies pursue digital optimization and business transformation efforts, the distinction between IT and business talent will erode.

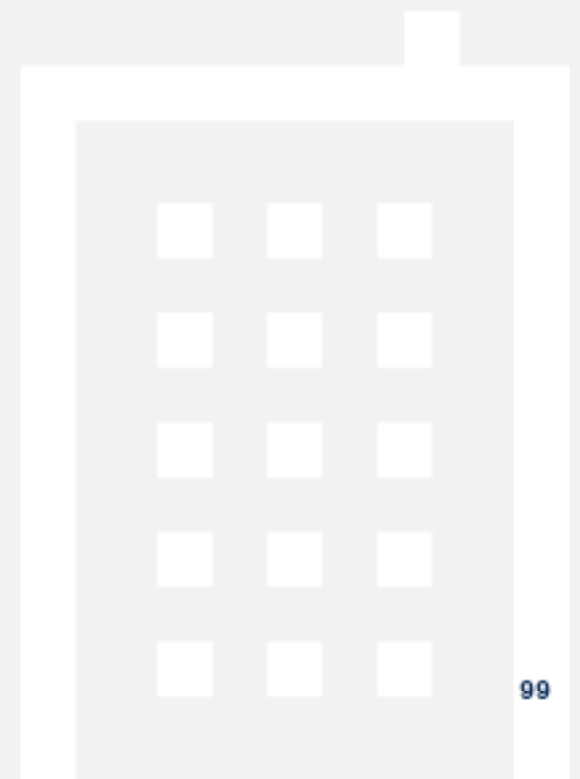
Just as digital technology is now fully within the purview of all organizational leaders, so is the imperative to acquire and develop digital-ready talent.

**Download our Executive Guidance** to learn how and why to prepare your workforce for the future of digital.

## Gartner research has found:

**83%** of organizations report that their digital initiatives have yet to reach scale or deliver benefits

**90%** of corporate leaders' top priorities can only be achieved with the help of technology



## Gartner research has found:

### Digital dexterity is in short supply:

9%

of employees

16%

of leaders

### ... but what is a digital-ready workforce?

Digital readiness isn't about IT skills; it's about "digital dexterity" — the set of beliefs, mindsets and behaviors that help employees deliver faster and more valuable outcomes from digital initiatives.

Employees with high levels of digital dexterity are open to technology's potential, willing to flex roles and take risks, adept at iterative and collaborative ways of working, and they possess strong technology- and data-savviness.

Our research shows that these employees make a significant difference to the outcomes of digital initiatives, yet only about 9% of employees meet this bar.

What makes digital dexterity so rare is that it requires a combination of ability and ambition to work digitally and build digital business.

Surprisingly, ambition has even more of an impact than ability, as it relates to openness to innovation, risk and the willingness to learn new skills.

**Download our Executive Guidance** to learn how and why to prepare your workforce for the future of digital.



# Leadership is key to driving digital dexterity

## Digital readiness delivers tangible value

Employees with high levels of digital dexterity are far more likely to champion and drive digital initiatives, and to deliver value from them — more likely even than those with moderate digital dexterity.

It's not surprising, then, that progressive CIOs are taking active measures to drive digital dexterity across the organization by:

- Redefining IT's business engagement posture to foster, rather than fight, business-led IT
- Collaborating with the rest of the corporate center to remove barriers to enterprise agility
- Helping other leaders establish compelling digitalization narratives that motivate employees to improve their own digital dexterity

The narrative is especially important because leaders who "set the tone" by explaining how and why digital dexterity is important are almost two and a half times more likely to have teams with high digital dexterity than those who don't.

**Download our Executive Guidance** to learn how and why to prepare your workforce for the future of digital.

## Gartner research has found:

# 3.3x

Employees with high levels of digital dexterity are 3.3x more likely to launch and complete digital initiatives quickly, and to deliver value from them, than those with moderate digital dexterity

# 5%

Only 5% of companies currently embed digital dexterity in their operations by ensuring that workflows, incentives, budgets and policies foster, rather than hamper, digital dexterity

## Putting Gartner research into practice

One agribusiness giant recognized that its entire organization, not just the IT function, had to help build a new digitally enabled business model. The CIO partnered with the rest of the executive team to equip leaders and workers across all functions and roles — from non-IT developers to the heads of supply chain and commercial — with the digital mindset that reoriented the focus of the business strategy from what the company sold (seeds) to what customers wanted to achieve (greater crop yield).



Download “Gartner Executive Guidance: Digital Dexterity at Work” to learn how and why to prepare your workforce for the future of digital.

[Learn More](#)

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Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and objective resource for more than 15,000 organizations in more than 100 countries — across all major functions, in every industry and enterprise size.

To learn more about how we help decision makers fuel the future of business, visit [gartner.com](https://gartner.com).

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