



Digital Transformation: *Top 5 Trends to Watch*



With the rise of cloud-based services, DevOps, and agile business practices, enterprises are confronting new challenges. Companies need to keep pace with digital transformation or risk losing out to competitors. Learn why CIOs are ideally positioned to lead this digital transformation effort.

A Continuously Evolving Landscape

CIOs today are facing a radical change in their roles and responsibilities.

Increasingly, enterprises are offloading responsibility for the day-to-day management of their IT infrastructures to trusted partners. CIOs are becoming less concerned with controlling costs and more invested in driving growth, innovation, and business agility.

Nearly 90 percent of respondents to CIO's recent 'State of the CIO' survey feel their roles are becoming progressively digital and innovation focused.

In the coming months, they plan to devote more attention to strategic business issues, including innovation, defining and refining strategy, identifying opportunities for business differentiation, and studying market trends and consumer needs.

Less of their time will be spent on the more traditional activities of building and maintaining IT systems.



Enterprises are under *pressure to keep up.*

As digital transformation disrupts multiple industries, established businesses face increasing competition.

Emerging technologies such as mobile, cloud, and data analytics enable new competitors to offer more choices, lower prices, and faster service.

Business leaders know they must accomplish more, in less time, and at lower costs.

To do this, they need to embrace digital technologies that allow them to keep pace with these changes.

IT Transformation vs. Digital Transformation: *What's the Difference?*

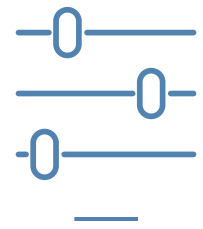
Many CIOs still understand “digital transformation” to mean “technology transformation.”

However, the two terms, though closely related, are not the same.

According to CIO.com, digital transformation “does not really refer to IT systems, but rather to an organization’s underlying business and its business processes ‘going digital’ and becoming more agile.”

IT transformation, in contrast, is concerned with the reassessment and overhaul of IT systems. It has long been informally known as “rip and replace,” and can involve changes to network architecture, hardware, software, data storage, and bandwidth access.

Although IT transformation is a vital component of digital transformation, changes in technology alone—changes that are not accompanied by an overhaul of their underlying business processes and competencies—will not be enough to help businesses adapt to disruptions in their industries and markets.



True digital transformation requires a mindset shift, the acquisition of new skills, and a proactive understanding of your business’ landscape, processes, and resources.

Digital Transformation Trends

The Top 5 of Today



The better you understand today's digital transformation trends, the more you can help your business adapt in a rapidly changing market. Here are the top five digital transformation trends:

1.

CIOs and IT teams are becoming business strategists rather than managers of operations, technology, and costs

Digital transformation is more than the digitization of workflows and business processes that were once analog.

Instead, it involves the entire company.

Digital transformation means setting up new production processes, implementing new business practices, and identifying new markets.

It requires leaders to adopt entirely new ways of thinking.

In the past, IT departments were seen as service providers supplying necessary tools—like email—that supported overall business functions. Above all, these tools needed to be available, reliable, and stable.

In today's business climate, IT leaders are increasingly tasked with taking charge of digital transformation, requiring them to demonstrate flexibility, agility, and creativity.

CIOs are being asked to become entrepreneurs and innovators.

To make this transition, they must use the knowledge they've gained from providing support and services to lead in the implementation of new strategies.

If CIOs lack the professional and management skills needed to accomplish this mission, they may find themselves sidelined in favor of a suitably qualified chief digital officer (CDO).

2. The Shift to agile development

Today's enterprises are under pressure to deliver products and services faster than ever before.

This means that the traditional development processes they used to rely upon can no longer meet today's demand for quick turnaround.

Turning to agile development will allow businesses to keep pace with their competitors, improve customer satisfaction, and drive revenue.

But most businesses still struggle to embrace agile development practices.

According to the Freeform Dynamics survey commissioned by CA Technologies, most organizations are committed to the full adoption of both **agile** and **DevOps**, but their implementation today is **neither broad nor deep**. A mere 43 percent of respondents said that agile was “widely” used by their development teams.

The report did find one group of companies, whom they dubbed “agility masters,” that leveraged agile development practices and DevOps throughout their organizations.

As a result, the “agility masters” reported revenue and profit growth 60 percent greater than that of the others surveyed. Moreover, these companies were 2.4 times more likely than the rest of the surveyed organizations to see their businesses grow at a rate of more than 20 percent.

To take full advantage of agile development, however, businesses must make major shifts in their mindsets, behavior, and culture—and these shifts must take place across all areas of business, not just in the IT department.

3. The rise of Everything-as-a-Service (XaaS)

Though changing businesses processes and development practices is an important facet of digital transformation, enterprises must also adopt technologies to facilitate these kinds of change.

Legacy IT systems are often inflexible. Their rigid structures inhibit experimentation and often become a barrier to digital transformation, success, and growth.

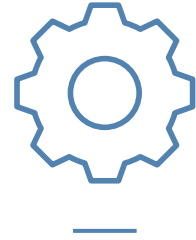
Today, it's possible to run your entire IT environment in the cloud.

This infrastructure, called everything-as-a-service (XaaS), offers advantages of cost, scalability, and flexibility that make it an ideal match for agile businesses.

Cloud-based services typically require less time and expertise to maintain, freeing your IT team to instead focus on innovative projects that can drive growth and profitability.

When asked in a recent survey about their IT budgets and cloud consumption overall, CIOs and IT executives indicated that they're mainly interested in creating efficiency, having more flexibility with their workloads, and obtaining the ability to scale up and down quickly based on business requirements.

Because IT leaders can now select IT services "a la carte," choosing—and paying for—only those that perfectly meet their needs, the as-a-service trend is a natural fit.



It's unsurprising
that enthusiasm
for XaaS
is growing
rapidly across
industries.

4. Enterprises are moving to hybrid or multi-cloud environments

One of the greatest benefits of moving your workloads to the cloud is its inherent flexibility and scalability. But there's no need to limit your enterprise to a single public cloud provider or restrict your infrastructure to only public or private cloud based.



Instead, you can maximize your adaptability and resilience by adopting a multi-cloud or hybrid cloud strategy.

In a multi-cloud environment, you rely on multiple public cloud providers. This enables you to move workloads between vendors quickly to take advantage of cost savings or to avoid downtime in case one provider has a service outage.

With the hybrid cloud model, you divide your workloads between private and public clouds—a perfect solution if you want the agility of the public cloud but have compliance or performance requirements that prohibit you from storing some of your data in it.

You don't need to choose between the hybrid cloud and multi-cloud models. For maximum flexibility, you can combine them to get the best of both worlds. You might, for instance, use one public cloud provider for computing and another for storage, while storing sensitive customer data in a private cloud.

5. The cybersecurity skills shortage continues to grow

As digital transformation becomes increasingly critical for businesses seeking to remain competitive in today's rapidly changing marketplace, enterprises are increasingly adopting digital business processes and data-driven solutions.

With this digitization comes increased cybersecurity risk.

Without strong security policies and infrastructures in place, every digital business process becomes a potential point of vulnerability.

Endpoint security risks, data breaches, and the number of successful attacks has increased accordingly. More than 70 percent of IT professionals believe that the number of new and unknown threats their organization faces have significantly increased over the past year.

And enterprises are struggling to find enough qualified personnel to address these growing risks.

According to the 2018 (ISC)² Cybersecurity Workforce Study, more than **63 percent** of organizations report a **lack of dedicated IT security staff**, with a total workforce **shortage** of nearly **three million employees**.

The result: businesses looking to further their digital transformation without undertaking additional risk often must augment their internal resources with those of a reliable managed security service provider.

The enterprises that make the best use of agile development, XaaS, and the cloud without exposing themselves to unnecessary risk or increasing the burden on their in-house teams are those who can outsource when necessary and understand the benefits of doing so.

CIOs Are Positioned Well *to Help* *Their Organizations Better Use* *Digital to* **Drive Innovation and** **Growth**



Navigating the Choppy Seas

There's no question that the CIO's role is changing. It's becoming broader, deeper, and more complex as digital transformation requires technology leaders to consider new business and economic trends alongside their traditional technical concerns.

With their in-depth knowledge of the enterprise's technology needs and their deep understanding of infrastructure, resources and external service offerings, CIOs are poised to assume larger leadership roles and help other executives better use digital technology to drive innovation and growth.

Choosing the right partner can make these changes easier to navigate. They can help you build an IT environment that enables digital transformation today—and quickly adapt to tomorrow's challenges as they arise. Your partner will take over the day-to-day management of your cloud-based services and infrastructure, enabling you to keep your focus on the strategies that add real value to your business.

Next Steps



Check out more best practices in digital transformation.

Get your copy of our [tech dossier](#) on how to transform the CIO's role from cost center manager to digital strategist, or learn more about who should be driving digital transformation in our guide.

You can also [contact us](#) today to discover how we can help you on your journey from technologist to business strategist.

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