2020 IT Key Issues Study

The Hackett Group wants to better understand the leading issues and priorities of IT organizations for the coming year. Please complete this brief questionnaire to the best of your ability. The estimated time to complete the survey is 20 minutes. You can stop and exit at any point in the study by simply closing your browser window - your answers will be automatically saved - and return at a later time to complete the remaining questions.

We will provide participants with complimentary results and an invitation to a Webcast to discuss the most important findings. Your responses will be kept confidential. If you have questions, please contact Rick Pastore, Senior Research Director at rpastore@thehackettgroup.com.

Please provide the following information:

Company _____

First Name _____

Last Name _____

Email _____

Title _____

Phone Number _____

Section 1: IT

Q1.1 Please indicate importance of supporting the following enterprise objectives in 2020, and indicate IT's current ability to meet business expectations for each.

* Enterprise digital transformation: Fundamental transformation of the way your organization operates, innovates, goes to market, engages with stakeholders and/or executes work, through the use of digital technologies
** Enterprise agility: The ability to anticipate or sense disruptive business events and changes in business conditions and to swiftly make and implement effective decisions in response to these changes

	Importance			Ability of IT to meet business expectations		
	Low	Moderate	High	Falls short	Sometimes meets	Consistently meets
Enterprise digital transformation*	❍	❍	❍	❍	❍	❍
Enterprise data and analytics strategies and initiatives	❍	❍	❍	❍	❍	❍
Enterprise growth strategies and initiatives	❍	❍	❍	❍	❍	❍
Enterprise cost take-out and efficiency improvement	❍	❍	❍	❍	❍	❍
Enterprise agility improvement**	❍	❍	❍	❍	❍	❍
Enterprise customer-related strategies and initiatives	❍	❍	❍	❍	❍	❍
New product/service development	❍	❍	❍	❍	❍	❍

Risk management and cybersecurity	❍	❍	❍	❍	❍	❍
Hire and develop digital skills and talent	❍	❍	❍	❍	❍	❍

Q1.2 Please indicate importance of the following IT objectives in 2020, IT's current ability to meet business expectations, and mark all objectives for which IT has a major improvement initiative on the 2020 agenda.

*** IT agility:** *The ability to anticipate or sense disruptive business events and changes in business conditions, and to swiftly make and implement effective decisions in response to these changes*

	Importance (priority 2020)			Ability to meet business expectations			Major improvement initiative in 2020
	Low	Moderate	High	Falls short	Sometimes meets	Consistently meets	(Check all that apply)
Improve cost efficiency	❍	❍	❍	❍	❍	❍	❑
Secure data and systems	❍	❍	❍	❍	❍	❍	❑
Improve IT agility*	❍	❍	❍	❍	❍	❍	❑
Perform as a strategic advisor to the business	❍	❍	❍	❍	❍	❍	❑
Align IT skills and talent with changing business needs	❍	❍	❍	❍	❍	❍	❑
Improve IT performance measurement capabilities	❍	❍	❍	❍	❍	❍	❑

Optimize deployment of IT resources across the organization (BU, corporate, GBS, COE)	❍	❍	❍	❍	❍	❍	❑
Modernize (i.e., consolidate, upgrade, migrate) IT application platform(s)	❍	❍	❍	❍	❍	❍	❑
Reduce technology complexity and/or technical debt	❍	❍	❍	❍	❍	❍	❑
Improve IT's ability to innovate	❍	❍	❍	❍	❍	❍	❑
Improve IT's customer-centric design capability	❍	❍	❍	❍	❍	❍	❑
Rationalize IT project requests through better vetting	❍	❍	❍	❍	❍	❍	❑
Better enable data to be a value driver	❍	❍	❍	❍	❍	❍	❑

Q1.3 Please rank the priority of following components for IT's transformation in 2020. (Click and drag selection up or down)

Technology: *Technologies landscape and architecture, technology transformation roadmap and technology management practices*

Service design: *Design of the services portfolio, the processes for execution and delivery of these services, and the methodologies and practices supporting service design*

Analytics and information management: *Information architecture and management and analytical tools and practices*

Organization and governance: *Organization structure (including service placement, use of global business services, COEs) and governance model design, and definition of roles and responsibilities*

Service partnering: *Sourcing model design, including use of business process outsourcing, partner relationship management, outsourcing contracts and service transition roadmap*

Human capital (people and skills): *Talent management processes and practices, skills profiles and competency models*

_____ Technology
_____ Service design
_____ Analytics and information management
_____ Organization and governance
_____ Service partnering
_____ Human capital (People and skills)

Q1.4 What are the three most significant hurdles that will hamper IT function transformation progress in 2020?

* Critical skills: *E.g., analytics, emerging technologies, process redesign, design thinking, change management*
** Overcommitment: *Having more initiatives on the agenda than can realistically be executed*
*** Data-related issues: *E.g., deficiencies in data quality, data security, master data management and data governance*

Please select a maximum of three

- ❑ Lack of commitment from enterprise executives
- ❑ Organizational resistance to change
- ❑ IT staff lack of critical skills*
- ❑ Inadequate funding and resource allocation
- ❑ Overcommitment**
- ❑ Data-related issues***

- ❑ Skills deficiencies and/or capacity constraints of the IT organization
- ❑ Technology and process complexity
- ❑ Organizational complexity

Q1.5 What is the estimated percentage change in staffing levels and operating budget that you expect in the IT function during 2019 and 2020 respectively? (Select best choice in drop-down menus)
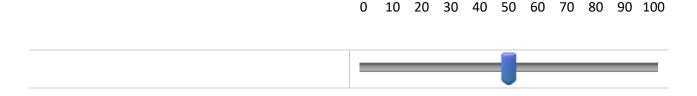
	2019 compared to 2018	2020 compared to 2019
Number of staff (FTEs) in the IT function	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15% ❍ Increase 16 to 20% ❍ Increase more than 20%	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15% ❍ Increase 16 to 20% ❍ Increase more than 20%
IT function operating budget	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15%	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15%

	❍ Increase 16 to 20%	❍ Increase 16 to 20%
	❍ Increase more than 20%	❍ Increase more than 20%

Q1.5a Of your anticipated enterprise technology spend in 2020, approximately what percentage will be associated with technical debt (systems that should have been retired or are highly outdated)?

Click and drag slider to percentage

                                    0   10   20   30   40   50   60   70   80   90   100

Q1.6 How much change in the volume of IT work* executed in each of the following locations are you projecting in 2020?

*** IT work:** All transactional, knowledge-based and managerial processes in scope of the IT function*
****Insourced:** Previously outsourced work moved back in-house*

	Major decrease (>10%)	Decrease (1% - 10%)	No change	Increase (1% - 10%)	Major Increase (>10%)
Global Business Services (GBS) organization	❍	❍	❍	❍	❍
Corporate IT	❍	❍	❍	❍	❍
Business unit	❍	❍	❍	❍	❍
Centers of excellence	❍	❍	❍	❍	❍
Outsourced	❍	❍	❍	❍	❍
Insourced**	❍	❍	❍	❍	❍
Offshored (captive only, excludes outsourced)	❍	❍	❍	❍	❍

Self-service	❍	❍	❍	❍	❍

Q1.7 What is the current level of adoption and projected change in adoption in 2020 for each the following technologies in your enterprise overall?

Legacy applications: Non-current, on-premise version(s) of the core applications supporting the business
Next-generation, cloud-based core applications: The most current, cloud-based version of the core transactional application provided by the vendor to which the company has committed itself
Best-of-breed point solutions: Solutions not part of the core finance application suite offering best-in-class functionality and features that support specific business processes
Business process management (BPM) tools: Process mining, workflow management, case management, process modeling and orchestration tools
Advanced analytics: Predictive modeling, big-data analytics, etc.
Data visualization tools: Software that supports the interactive presentation of data in a pictorial or graphical format
Cognitive computing/AI: Machine learning, natural language processing, speech recognition, expert systems, augmented reality, etc.
Robotic process automation: Application integration/process automation technology that emulates human system interactions at the user-interface level Virtual assistants/chatbots: Software agents that can perform tasks or services for an individual; chatbots are virtual assistants accessed by online chat

* Pilots/small-scale deployments: The technology is used on a limited scale in isolated use cases
** Large-scale deployment: The technology is used at scale in applicable use cases
*** Adoption change: Year-on-year percentage change in applicable adoption metric for each technology, e.g., number of bots for RPA or chatbots, number of end-users for applications (legacy, NextGen or Best of breed) and advanced analytics

	Current adoption			2020 adoption change***			
	No adoption	Pilots/small-scale deployments*	Large scale deployment**	Scaling back	Limited or no (0-10%) growth	Moderate (11% - 50%) growth	Significant (>50%) growth
Legacy applications	❍	❍	❍	❍	❍	❍	❍
Next-generation, cloud-based core applications	❍	❍	❍	❍	❍	❍	❍

Cloud-based platforms (PaaS, IaaS)	○	○	○	○	○	○	○
Best of breed point solutions	○	○	○	○	○	○	○
Business process management (BPM) tools	○	○	○	○	○	○	○
Advanced analytics	○	○	○	○	○	○	○
Data visualization tools	○	○	○	○	○	○	○
Cognitive computing/AI	○	○	○	○	○	○	○
Robotic process automation	○	○	○	○	○	○	○
Virtual assistants/chatbots	○	○	○	○	○	○	○
Other (Please specify) _____	○	○	○	○	○	○	○

Q1.8 Indicate how closely technology projects, executed over the last two years, met business expectations on average. *

Business expectations: Improvements to ROI, payback, cycle time, service quality, customer experience

	Fell short of expectations	Met expectations	Exceeded expectations
Legacy applications	○	○	○
Next-generation, cloud-based core applications	○	○	○
Cloud-based platforms (PaaS, IaaS)	○	○	○
Best of breed point solutions	○	○	○
Business process management (BPM) tools	○	○	○

Advanced analytics	○	○	○
Data visualization tools	○	○	○
Cognitive computing/AI	○	○	○
Robotic process automation	○	○	○
Virtual assistants/chatbots	○	○	○
Other	○	○	○

Q1.9 Select the choice that best represents the stage you expect to reach in 2020 in the IT function's digital transformation.*

IT digital transformation is Improving customer experiences, operational efficiency, agility and business value contribution of IT by fundamentally changing the way the function's services are delivered, using digital technologies as the enabler of holistic transformation

- ○ Not started
- ○ Just started
- ○ One-to-two years completed
- ○ Three-to-four years completed
- ○ Five-or-more years completed

Q1.10 Select the three most likely benefits of IT function digital transformation to be achieved in 2020.

Please choose only three

- ❑ IT operating cost reduction
- ❑ Improved IT operational agility
- ❑ Customer/stakeholder satisfaction or experience improvement
- ❑ IT cycle-time reduction
- ❑ Enablement of new IT services/capabilities
- ❑ System usability improvement
- ❑ IT service quality improvement

Q1.11 Indicate the size of the current gap (supply versus demand) in the following skills in the IT function AND any change you expect in 2020.

** **Data savviness:** Ability to analyze and interpret data for key messages and storylines to support business decision-making*
*** **Customer-centric design**: Skilled at customer-centric design of end-to-end processes and ability to analyze and design process changes that improve customer experience*

	Size of current skill gap			Anticipated change to gap in 2020		
	Little to none	Moderate	Major	Decrease	No change	Widen
Business acumen	○	○	○	○	○	○
Data savviness*	○	○	○	○	○	○
Customer-centric design**	○	○	○	○	○	○
Agility/change-orientation	○	○	○	○	○	○
Creativity or innovation	○	○	○	○	○	○
DevOps or rapid-application development	○	○	○	○	○	○
Analytics and data modeling	○	○	○	○	○	○
Strategy planning and road-mapping	○	○	○	○	○	○
Consultative skills (communication, education, influence)	○	○	○	○	○	○
Relationship-building with business peers	○	○	○	○	○	○

Q1.12 Compared to 2019, what plans does your IT organization have for third-party sourcing of the following processes?

	No change	Decrease (bring previously sourced work in house)	Increase volume of sourced work by up to 50%	Increase volume of sourced work by more than 50%
Application maintenance	❍	❍	❍	❍
Application development/implementation	❍	❍	❍	❍
End-user support	❍	❍	❍	❍
Service desk	❍	❍	❍	❍
Infrastructure management	❍	❍	❍	❍
Information/data sourcing or integration	❍	❍	❍	❍
Systems integration	❍	❍	❍	❍
Risk and security management	❍	❍	❍	❍

Q1.13 What will be the primary objectives for additional third-party sourcing in 2020?

Please select a maximum of three

- ❑ Not applicable
- ❑ Build internal capabilities through outsourcing partnership
- ❑ Access capabilities externally
- ❑ Cost reduction
- ❑ Increase resourcing flexibility
- ❑ Free up in-house resources for more value-added roles

Q1.14 In 2020, what steps will the IT organization take to enable enterprise advanced analytics?

Check all that apply

- ❑ Hire data analytics talent in IT
- ❑ Help hire data analytics talent in business (non-IT) functions
- ❑ Develop "citizen data scientists" within the business
- ❑ Develop sources of big data
- ❑ improve data access
- ❑ Improve data quality
- ❑ Deploy data governance

Q1.15 In 2020, who will be the primary providers of the following data and analytics services/capabilities to the enterprise?

	Not provided	IT organization or IT-led COE	Business unit/function or business-led COE	Third-party provider
Data capture/conversion/storage	❑	❑	❑	❑
Master data management	❑	❑	❑	❑
Data science	❑	❑	❑	❑
Data architecting	❑	❑	❑	❑
Data analysis	❑	❑	❑	❑
Data visualization	❑	❑	❑	❑
Statistical modeling/predictive analytics	❑	❑	❑	❑

Section 2: Enterprise business driver

Are you a CIO or otherwise able to answer strategic enterprise questions?

- ○ Yes
- ○ No

Q2.1 Please select which of the following options best describes your company's mission.

 * Long-term strategic objectives take precedence over realization short-term financial objectives

- ❍ Achieve short-term financial objectives/shareholder value creation
- ❍ Execute long-term business strategy*
- ❍ Serve broad stakeholder interests (shareholders, customers, suppliers, employees, communities, environment)

Q2.2 Please rank the level of importance of the following objectives in the 2020 business strategy.

Please select objectives and drag to appropriate ranking position

_____ Revenue growth
_____ Margin improvement or protection
_____ Operational agility improvement
_____ Product(s), service(s) and/or business model innovation
_____ Customer focus improvement
_____ Corporate social responsibility/sustainability goals achievement
_____ Human capital development

Q2.3 Please rank the following strategies your company will deploy to achieve its financial growth and profitability objectives by level of importance.

Please select objectives and drag to appropriate ranking position

_____ Organic domestic growth
_____ Organic global growth
_____ M&A-led growth
_____ Innovation-led growth
_____ Operating cost take-out and efficiency improvement
_____ Divestiture of underperforming or non-strategic assets/businesses

Q2.4 Please select which of the following initiatives are on the 2020 enterprise agenda, and which ones are the main strategic priorities.

* Product or service portfolio expansion: Product innovation, product development, acquisition of new product or service lines
** Market expansion: E.g., entering new geographies, segments, development of new channels

*** *Enterprise digital transformation:* *Fundamental transformation of the way your organization operates, innovates, goes to market, engages with stakeholders and/or executes work, through the use of digital technologies*

**** *Corporate social responsibility program:* *Initiatives aimed at improving the company's social accountability to its broadly defined stakeholders. Includes environmental, philanthropic, responsible sourcing, community relations, business ethics and diversity and equality promoting initiatives*

	Major initiative on 2020 enterprise agenda (check all that apply)	Strategic 2020 enterprise priority (check a maximum of 3)
Product or service portfolio expansion*	❏	❏
Market expansion**	❏	❏
Global operations/supply chain optimization	❏	❏
SG&A cost optimization	❏	❏
Customer-focus improvement	❏	❏
Cultural change program	❏	❏
Major re-organization/organizational realignment	❏	❏
Enterprise digital transformation***	❏	❏
Data management or analytical capability improvement	❏	❏
Major technology platform upgrade or new technology introduction	❏	❏
New talent acquisition or development	❏	❏
Executive leadership education	❏	❏
Enterprise risk management capability improvement	❏	❏
Develop or expand corporate social responsibility program****	❏	❏

Develop or expand diversity and inclusion program	❑	❑

Q2.5 What is your company's level of concern about each of following types of risks, and what level of change do you anticipate for each type of risk?

	Current level of risk			Projected change in risk level over the next 2 years		
	Minor concern	Moderate concern	Major concern	Decrease	No change	Increase
Supply-chain disruption	❍	❍	❍	❍	❍	❍
Financial crisis	❍	❍	❍	❍	❍	❍
Intensified competition	❍	❍	❍	❍	❍	❍
Disruptive innovation	❍	❍	❍	❍	❍	❍
Access to critical new skills and talent	❍	❍	❍	❍	❍	❍
Availability and cost of labor capacity	❍	❍	❍	❍	❍	❍
Cyber/information security	❍	❍	❍	❍	❍	❍
Reputational risk	❍	❍	❍	❍	❍	❍
Major shift in consumer preferences	❍	❍	❍	❍	❍	❍

Q2.6 Which, if any, of the following actions has your company taken to prepare for any of the following possible disruptions to business conditions in 2020?

Check all that apply

	Accounted for in 2020 baseline operating plan and budget	Accounted for in 2020 Capex plan and budget	Developed contingency plan

Domestic recession	❏	❏	❏
Global recession	❏	❏	❏
Escalation of trade war between USA and trading partners	❏	❏	❏
Major change in exchange rates or interest rates	❏	❏	❏
Commodity price shock	❏	❏	❏
Disruptive regulatory change (e.g., taxation, environment, healthcare)	❏	❏	❏
Disruptive geopolitical event (including military conflict)	❏	❏	❏

Q2.7 What is your company's planned and projected percentage change in revenue and headcount?

Projected revenue growth for current (2019) fiscal year	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15% ❍ Increase 16 to 20% ❍ Increase more than 20%
Projected revenue growth for next (2020) fiscal year	❍ Decline more than 20%

	❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15% ❍ Increase 16 to 20% ❍ Increase more than 20%
Projected change in number of FTEs for current (2019) fiscal year	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3% ❍ No change ❍ Increase 1 to 3% ❍ Increase 4 to 6% ❍ Increase 7 to 10% ❍ Increase 11 to 15% ❍ Increase 16 to 20% ❍ Increase more than 20%
Projected change in number of FTEs for next (2020) fiscal year	❍ Decline more than 20% ❍ Decline 16 to 20% ❍ Decline 11 to 15% ❍ Decline 7 to 10% ❍ Decline 4 to 6% ❍ Decline 1 to 3%

	❍ No change
	❍ Increase 1 to 3%
	❍ Increase 4 to 6%
	❍ Increase 7 to 10%
	❍ Increase 11 to 15%
	❍ Increase 16 to 20%
	❍ Increase more than 20%

Section 3: Demographics

Q3.1 What is your level in your company?

- ❍ C-level
- ❍ VP (includes SVP, EVP)
- ❍ Director
- ❍ Manager
- ❍ Lead
- ❍ Other (Typically used for those titles below manager) (Please specify in comments field below) _____

Q3.2 What is the level of revenue of your company?

- ❍ $0 - $499 million
- ❍ $500 million - $999 million
- ❍ $1 billion - $4.99 billion
- ❍ $5 billion - $9.99 billion
- ❍ $10 billion - $19.99 billion
- ❍ $20 billion - $49.99 billion
- ❍ Over $50 billion

Q3.3 Does your role include GBS/shared services?

○ Yes, responsible for some/all of GBS/shared services operations

○ Yes, report to senior GBS/shared services management

○ Yes, mixture of GBS/shared services and other responsibilities

○ No

Q3.4 In which geographies is your company present?

Please select all that apply

❑ USA

❑ Other North America

❑ South America

❑ Europe

❑ Middle East

❑ Africa

❑ Asia-Pacific

Q3.5 May a research analyst from The Hackett Group contact you to discuss these topics with you further for research purposes?

○ Yes

○ No

You have now reached the end of this study. If you click "YES" and advance to the next page, your data will be submitted and the study will be locked. If you do NOT want to submit your data at this point, please close the study browser window or click the back button to review your answers. Do you want to submit your data and lock the study?

○ Yes