

2020 Hype Cycle Special Report: Innovation as Strategy

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By Analysts [Marcus Bloesch](#)

Initiatives: [Enterprise Architecture](#)

As organizations face the challenge of a global pandemic and its economic fallout, they must change quickly by taking advantage of the opportunities that technology provides. Innovation now becomes strategy.

Additional Perspectives

- [Summary Translation: 2020 Hype Cycle Special Report: Innovation as Strategy](#)
(16 October 2020)

Overview

Opportunities and Challenges

- The global pandemic and associated economic fallout have impacted almost every organization worldwide.
- Old business and operating models must be adapted quickly to meet the new economic and market realities.
- Not only does strategy need to be reset, but the strategy-setting process needs to become truly adaptive in order to instill responsiveness into IT planning and innovation.
- Technology offers many opportunities not only to facilitate adaptation, but also to shape the different business and operating models needed.

What You Need to Know

- Use the five key themes outlined in this research to help shape and prioritize your approach to innovation as strategy.
- Build your innovation process and teams, and make innovation a core competency.
- Use the Hype Cycles as a key input to your innovation process, and leverage the insights of Gartner analysts.

Insight From the Experts

Build the Adaptive Organization Through Innovation



[Marcus Blosch](#), VP Analyst.

Welcome to the [2020 Hype Cycle](#) special report. What began as an ordinary year was quickly thrown into turmoil by the global pandemic. The well-laid plans organizations had were quickly made irrelevant. Being adaptive and responding quickly to change is the key to navigating this disruption. The focus of business strategy has been shifted away from some ideal future state and the roadmaps to get there, toward architecting the organization to be adaptive — innovation has become strategy.

In this special report, we will identify five key themes for innovation that have emerged over this year. Once again, Hype Cycles are an important part of every organization's innovation strategy. In this research, I will identify some of this year's Hype Cycles, but I encourage you to review the full set through the web site. And most importantly, take advantage of our online Hype Cycle builder tool to create your own, custom Hype Cycles.

Kind regards,

Marcus Blosch

Executive Overview

Innovation as Strategy

We live in an increasingly interconnected and interdependent world. Global finance, free markets, supply chains and international travel have become a familiar and natural way of life for organizations and citizens alike. But as our interconnectedness has spread prosperity and opportunity, it can just as efficiently spread disruption. The COVID-19 pandemic, first seen in November 2019, spread quickly and easily with international travelers to almost every country in a few months, bringing human and economic fallout. Fortunately, uncertain times do inspire creative solutions, as we are seeing innovation and new technologies combine to provide a way through this disruption toward a “new normal.” ¹

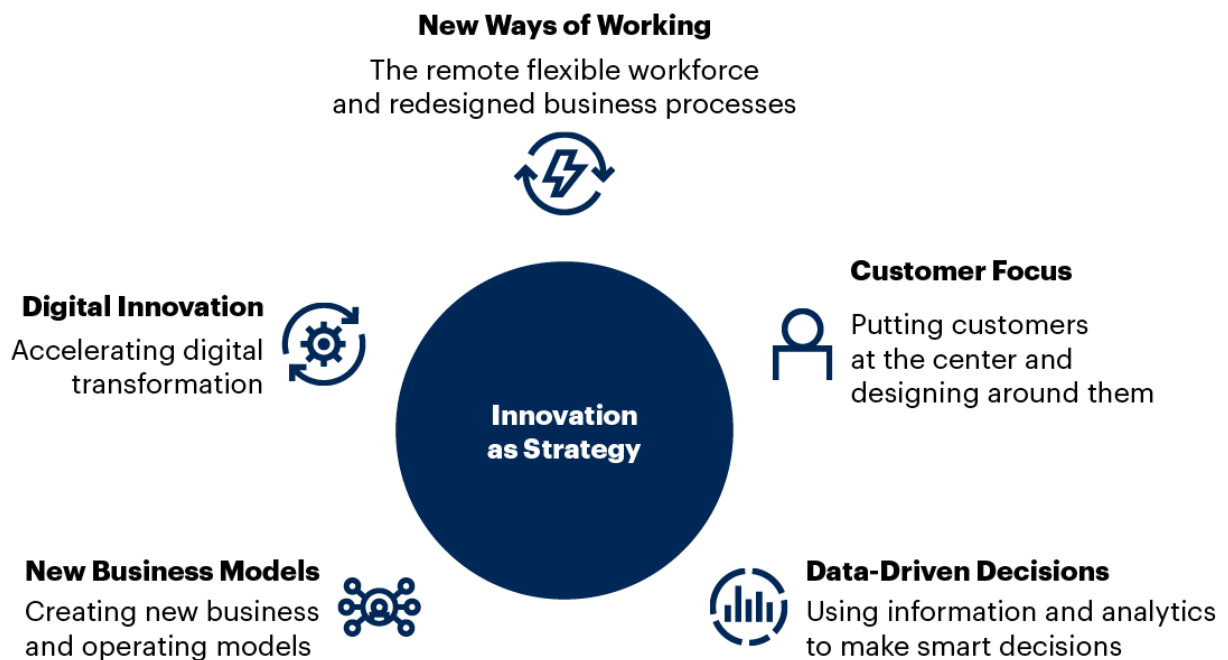
While the future remains uncertain, and change comes quickly and from many directions, an “adaptive” approach to strategy is most pragmatic. Rather than identifying a possible future state and navigating

toward it, adaptive strategy focuses on the ability to embrace and explore uncertainty and complexity. Or, to put it another way, innovation becomes strategy. And we are seeing that happen across five dimensions illustrated in Figure 1.

The nature of the pandemic, forcing many workers to stay at home, saw innovation being applied to remote working and reconfiguration of business processes. Organizations refocused on their customers, and designed their services around them. Digital innovation has picked up pace because many of the obstacles and objections to implementing innovations are evaporating as executives make decisions in almost real time, and information and analytics are being used to make them as smart as possible. And finally, organizations are adapting their business and operating models to the “new normal” as it unfolds.

Figure 1: Innovation as Strategy

Innovating to the Future



Source: Gartner
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In this Special Report, we will examine this theme of *innovation as strategy*, which provides a way for organizations to navigate the coming years. While other changes will be essential — such as culture, skills, governance, etc. — technology and innovation provide many of the tools and opportunities that will be needed. We will take a closer look at these five areas and their related Hype Cycles. We encourage you to read those Hype Cycles relevant to you, to immerse yourself in our research on innovation, and to reach out to the analysts who can provide you with more guidance and advice.

Gartner's Hype Cycles show the innovation profiles in a domain mapped out over their life cycles.

Five key themes have emerged as organizations respond to the pandemic and subsequent downturn. Some may argue that these are not new themes, which may be true. But disruptions, whatever they are, help individuals and organizations refocus on what's most important. Objections and reasons why something can't be done are swept away and rapid progress is made — and this is certainly what we're seeing. So let's examine each theme.

Research Highlights

New Ways of Working

The immediate effect of the pandemic was to force many individuals to work from home. We saw a lot of innovation to support remote working and to help teams continue their work, often without travel. Many individuals, having had a taste of remote working, don't want to go back to the office full time. Likewise, their bosses, having seen no substantial impact on productivity and the potential for cost savings, are becoming comfortable with remote working. These circumstances have served to legitimize the idea of a remote, distributed workforce. However, issues such as access, security, privacy, and health and safety still need to be addressed.

As the workforce becomes remote and distributed, as do customers and other partners, supporting business processes need to be redesigned. From doctor visits by videoconferences to parole hearings, sales and customer service, to name a few examples. In the short term, this redesign has focused on optimizing business processes to make them work, but longer term we will see wholesale redesign and automation.

Related Hype Cycles

[“Hype Cycle for Frontline Worker Technologies, 2020”](#) examines how a frontline worker's job tasks are often drastically different than those of a desk-based worker, requiring different and optimized solutions.

[“Hype Cycle for the Digital Workplace, 2020”](#) analyzes the most important tools and disciplines needed to boost workforce digital dexterity.

[“Hype Cycle for Identity and Access Management Technologies, 2020”](#) reflects shifts in interest and adoption, tracking increased digitalization.

[“Hype Cycle for Endpoint Security, 2020”](#) describes how as EDR matures and reaches wide adoption, XDR, UES and SASE emerge to offer ways to integrate stand-alone security solutions.

[“Hype Cycle for Business Process Services, 2020”](#) tracks the evolution of offerings to help leaders make informed investment decisions for an optimal BPS strategy.

Customer Focus

One of the unusual aspects of a pandemic is that everyone is affected at the same time, and in almost the same way. Organizations saw their customers creating remote and distributed workforces and adjusting their own business processes. In addition, we saw an economic impact as many customers cut costs. Clearly the customers’ needs and what they most value have changed dramatically. This has meant that organizations have had to redesign their offerings to both respond to the needs of a remote workforce, for example, no business travel on both their side and the customers’, and align themselves more closely to their customers’ needs.

This customer focus applies equally to government organizations. Outside of work, citizens have been affected by travel restrictions, job losses, changes to schooling, and much more. Government organizations must redesign the way that they deliver their services to support their citizens in new ways. This pushes long-discussed ideas such as digital and “joined up” government to the forefront.

This focus begins with better data and analytics to understand the customers and their behaviors. Organizations can use iterative experimental approaches such as design thinking and agile to create and refine offerings. Using innovative technologies will enable organizations to create new services and experiences, and to redesign the operating model to be able to deliver these new offerings. And, of course, it requires doing this not just once, but continuously.

Related Hype Cycles

[“Hype Cycle for Customer Experience Analytics, 2020”](#) will help data and analytics leaders prioritize investments based on the maturity of the technologies and their potential benefits.

[“Hype Cycle for Digital Commerce, 2020”](#) will help you evaluate the suitability of a wide range of technologies for your organization, in light of how long they will take to mature and their business value.

[“Hype Cycle for Customer Service and Support Technologies, 2020”](#) will help application leaders assess the maturity and risks of customer service and support technologies for their ability to deliver on customer experience goals, their impact on cash reserves and the likely speed of ROI.

[“Hype Cycle for CRM Sales Technology, 2020”](#) helps application leaders supporting sales to assess the relative maturity and business impact of sales technologies.

[“Hype Cycle for Digital Marketing, 2020”](#) can be used to drive your innovation agenda and your ability to respond to changing conditions.

Digital Innovation

For many organizations, the pandemic has accelerated their digital innovation plans and cleared away many of the obstacles preventing or slowing those plans. Pandemics press the fast forward on history.² Changes talked about for years — for example, doctors appointments via videoconferencing, working and learning from home, online business and more — suddenly happened in weeks. And we're seeing this momentum toward digital innovation continuing.

For many organizations, the pandemic meant that digital initiatives that had slowed or gotten stuck moved forward quickly. For others, it has meant revisiting the innovative technologies in their space, and reconsidering how they can take advantage of them. Here too key themes are playing out: the use of modular architectures; digital platforms; the shift to cloud and mobile delivery; open API-based architectures; and the widespread use of AI and analytics. This mix will be common to most organizations in the future.

Related Hype Cycles

[“Hype Cycle for Emerging Technologies, 2020”](#) highlights emerging technologies that will significantly affect business, society and people over the next five to 10 years. It includes technologies that enable a composable enterprise, aspire to regain society's trust in technology and alter the state of your brain.

[“Hype Cycle for Cloud Computing, 2020”](#) outlines the key cloud technologies in use today and the innovations that are emerging to support future needs.

[“Hype Cycle for Artificial Intelligence, 2020”](#) describes how, as AI grows more widespread and new solutions emerge, organizations are realizing AI's increased value, but also facing new challenges. This Hype Cycle will help assess the AI-specific maturity and adoption.

[“Hype Cycle for Application Architecture and Development, 2020”](#) helps application leaders guide their application development strategies.

[“Hype Cycle for Data Security, 2020”](#) examines how a data security strategy must address increasing risks associated with data residency, privacy and malicious activities.

Data-Driven Decisions

Information is at the heart of these changes. It is the foundation for connecting people and organizations, coordinating work and business processes, and providing insight and analysis needed to support decision making. So we can see the innovations in information — from analytics and APIs to cloud, privacy, security and others — being key enablers. Information is emerging as an organization's most prized asset, provided it can be collated, cleaned up, analyzed and made available for decision making by relevant stakeholders.

As executives and organizations respond to disruption, they must make important decisions in an ever-shortening time frame. Analytics can help support them, and also allow them to follow the impacts of those decisions to refine their understanding and the models guiding them. Many organizations are

aiming to automate these decisions. The advantage of machine learning and AI is that they can take many more variables into account and make a decision far faster than any human.

Related Hype Cycles

[“Hype Cycle for Data Science and Machine Learning, 2020”](#) describes how organizations are industrializing their DSML initiatives through increased automation and improved access to ML artifacts, and by accelerating the journey from proof of concept to production.

[“Hype Cycle for Analytics and Business Intelligence, 2020”](#) will help data and analytics leaders evaluate the maturity of innovations across the analytics and BI space. Key trends include human augmentation, consumerization of analytics and BI platforms, and a focus on enabling organizations to make appropriate use of data and analytics.

[“Hype Cycle for Data Management, 2020”](#) will help data and analytics leaders interested in data management solutions to understand the evolutionary pace of maturing and emerging data management technologies.

[“Hype Cycle for the Internet of Things, 2020”](#) examines how, as part of a digital business strategy, the Internet of Things blends the physical and digital worlds and is transforming the way we live and work.

[“Hype Cycle for Supply Chain Execution Technologies, 2020”](#) should be used to understand the maturity, viability and riskiness of various emerging supply chain execution technologies. This will help supply chain leaders understand how these technologies will evolve and how they could help benefit their operations now and in the future.

New Business Models

The “new normal” is a popular phrase at the moment, though whatever that turns out to be won’t emerge for some time. The patterns and trends that historians see are usually invisible to those people living through the changes. But we do know that the business and operating models of last year are in need of change. For some that will be only a minor adjustment, for others it will involve a radical redesign. And it’s in the business and operating model that all five of these themes are brought together.

These new business models leverage technology to create the services and experiences that customers value. The business ecosystem continues to provide many opportunities: some of the most successful business models of the past decade use a digital platform to orchestrate the ecosystem. Beyond that, distributed ecosystems are the next big opportunity.

Related Hype Cycles

[“Hype Cycle for API and Business Ecosystems, 2020”](#) explores how, as application leaders navigate the pandemic and resulting recession, interconnectedness and business and API ecosystems will provide many of the solutions.

[“Hype Cycle for Blockchain Technologies, 2020”](#) details how innovative solutions supported by blockchain are mainly in an experimentation phase or limited-scale production. Still, early adopters and application leaders are using blockchain to uniquely transform their digital businesses, especially with supply-chain-related and payments-related use cases.

[“Hype Cycle for Platform as a Service, 2020”](#) will help application leaders interested in cloud-based solutions to understand the evolutionary pace and viability of maturing and emerging PaaS technologies.

[“Hype Cycle for Connected Vehicles and Smart Mobility, 2020”](#) describes how the connected vehicle and a host of new technologies are leading to an evolution of existing business models in the automotive industry.

[“Hype Cycle for Smart City Technologies and Solutions, 2020”](#) helps local government and business CIOs, urban planners and strategists assess emerging technologies and solutions to deliver sustainable societal outcomes.

Hype Cycle Top 10s

Let’s consider the most popular Hype Cycles and innovation profiles. Table 1 shows the top 10 Hype Cycles over the past three years. Our Hype Cycle for emerging technologies is a clear reader favorite once again, reflecting an interest in how innovative new technologies are evolving. Artificial intelligence, data science and machine learning, and analytics and business intelligence reflect the focus on unleashing the power of information to support data-driven decision making. A new entry, and linked to the new-ways-of-working theme, is digital workplace. Related to that is data management, identity and access management technologies, and cloud security.

Table 1: Top 10 Hype Cycles Over the Past Three Years

Enlarged table in Appendix

2017	2018	2019
Emerging Technologies	Emerging Technologies	Emerging Technologies
Artificial Intelligence	Artificial Intelligence	Artificial Intelligence
Blockchain Business	Data Science and Machine Learning	Digital Workplace
Data Science and Machine Learning	Cloud Computing	Cloud Computing
Cloud Computing	Internet of Things	Analytics and Business Intelligence
Analytics and Business Intelligence	Analytics and Business Intelligence	Internet of Things
Internet of Things	Blockchain Business	Data Science and Machine Learning
Blockchain Technologies	Digital Workplace	Data Management
Identity and Access	Cloud Security	Cloud Security
Management Technologies	Threat-Facing Technologies	Identity and Access Management Technologies

Source: Gartner

Let's look at those innovation profiles that are most widely used — they appear on a majority of the Hype Cycles (see Table 2). Digital ethics is the most widely used innovation profile, reflecting the need for organizations to consider the impacts of their innovations. In second place is robotic process automation; the RPA software market is one of the fastest-growing segments in the enterprise software market. It grew 63.1% in 2018 and 62.9% in 2019. ³

Table 2: Most Widely Used Innovation Profiles
Enlarged table in Appendix

	Innovation Profile
1	Digital Ethics
2	Robotic Process Automation (RPA)
3	Digital Twin
4	Chatbots
5	Cloud Access Security Brokers
6	Customer Journey Analytics
7	Cloud Management Platforms
8	Secure Access Service Edge (SASE)
9	Emotion AI
10	Event Stream Processing

Source: Gartner

And lastly, let’s look at the fastest-moving innovation profiles. Usually the fastest-moving innovation profiles are earlier in their life, or are the focus of intense interest and adoption. This year’s top 10 reflects that mix (see Table 3).

Table 3: Fastest-Moving Innovation Profiles

Enlarged table in Appendix

	Innovation Profile
1	Cloud Center of Excellence
2	Consumer Messaging Applications
3	Bluetooth 5.1
4	Time Series DBMS
5	Intelligent Automation for Infrastructure Managed Services
6	On-Demand Virtual Visits
7	Software-Defined Wide-Area Network (SD-WAN)
8	Bots
9	Biochips
10	Cloud-Managed Services

Source: Gartner

Related Research

[“Understanding Gartner’s Hype Cycles”](#) details how Hype Cycles and Priority Matrices offer a snapshot of the relative market promotion and perceived value of innovations. They highlight overhyped areas, estimate when innovations and trends will reach maturity, and provide actionable advice to help organizations decide when to adopt.

[“Create Your Own Hype Cycle With Gartner’s Hype Cycle Builder”](#) enables you to search and filter the more than 1,600 entries in Gartner’s Hype Cycle innovation database. It can be used to generate custom Hype Cycles.

Related Resources

Webinars

[“Gartner Hype Cycle for Emerging Technologies”](#)

[“The 5 Major Trends of Gartner’s 2020 Emerging Technologies Hype Cycle”](#)

[“Strengthen Your Brand Strategy With Gartner’s 2020 Hype Cycle”](#)

[“Healthcare: 2020 Gartner Hype Cycles for Life Sciences”](#)

Articles

[“Top Actions From Gartner Hype Cycle for Cloud Security, 2020”](#)

[“6 Trends on the Gartner Hype Cycle for the Digital Workplace, 2020”](#)

[“5 Trends Drive the Gartner Hype Cycle for Emerging Technologies, 2020”](#)

Peer Insights

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[Join the Gartner Research Circle](#), an exclusive online community where business leaders participate in a two-way dialogue on mission-critical topics, key initiatives and industry developments with our Research & Advisory analysts and experts across numerous disciplines.

Evidence

¹ [“Mastering an Inconsistent, Remote Workforce Is the Key to Success Through COVID-19 and Beyond”](#)

² [“Yuval Noah Harari: The World After Coronavirus,”](#) Financial Times.

³ [“Market Share: All Software Markets, Worldwide, 2019”](#)

Document Revision History

[2019 Hype Cycles: 5 Priorities Shape the Further Evolution of Digital Innovation: A Gartner Trend Insight Report - 9 August 2019](#)

[2018 Hype Cycles: Riding the Innovation Wave, A Gartner Trend Insight Report - 13 August 2018](#)

[2017 Hype Cycles Highlight Enterprise and Ecosystem Digital Disruptions: A Gartner Trend Insight Report - 11 August 2017](#)

Recommended by the Author

[Executing on Innovation: Design the Process From Idea to Value](#)

[Jump-Start Your Innovation Journey With a Customizable Innovation Framework](#)

[Better Digital Business by Design With the Business Architecture Landscape](#)

[Follow 5 Steps to Architect Your Enterprise Operating Model](#)

[Tell Your Business Model Story With Simple Building Blocks](#)

[5 Success Habits of the Digital Dragons and Giants](#)

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