

# Predicts 2021: Walking the Walk to an Uncertain Future — A Gartner Trend Insight Report

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Initiatives: [CIO Leadership of Innovation](#), [Disruptive Trends and Emerging Practices](#)

Predicting the impact of technology is much easier than predicting the timing of global change. Following COVID-19, most will realize that global change is only one crisis away and must be dealt with continuously. This research will project a future based on a present filled with uncertainty.

## Additional Perspectives

- [Summary Translation: Predicts 2021: Walking the Walk to an Uncertain Future — A Gartner Trend Insight Report](#)  
(11 January 2021)

## Overview

### Opportunities and Challenges

- CIOs must use predictions to begin preparing for change before it happens around the world.
- COVID-19 impact remediation and post-COVID-19 recovery will be among the biggest challenges of 2021.
- Organizations that understand how to merge new knowledge, skills and technology will find opportunities easier to seize than those that do not.

### What You Need to Know

To build and expand a digital business, CIOs should:

- Prepare for a strong shift toward industry-specific solutions and even cross-industry solutions as the testing ground for new technologies and approaches.
- Shift the focus from change management to making change continuous in higher risk scenarios.
- Operationalize digital transformation by using new technologies in both established and new business processes.

- Use these predictions to guide strategic investments in R&D, marketing and demand generation.

## Insight From the Experts

### “Walking the Walk” to an Uncertain Future



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**“I like to think of ideas as potential energy. They’re really wonderful, but nothing will happen until we risk putting them into action.”**

**— Mae Jemison**

Throughout history, actions have always spoken louder than words. And yet, words fill every spoken moment and take the attention of the listener, often distracting them from the need to take action. In many organizations, leaders talk a good talk, but often fail to “walk the walk.” Such has been the case for digital disruption. Now, COVID-19 and the resulting pandemic have forced many organizations to advance their digital actions to confront uncertainties caused by the pandemic. As Gartner analyst Tina Nunno quoted — “sometimes it takes a burning house” to galvanize people and their efforts.

Even as we struggle with the impact of the virus, some people would like to go back to a more sedate lifestyle and just forget the dangers that exist. However, this can be the death knell for a business. Organizations all over the world are acting to shift their business models, their work styles, their commitment to technology, and their commitment to people as they work through what the future will bring. These shifts are the heart of the actions we must take. Instead of waiting for things to improve, companies have rebounded with plans to accelerate digital investment and to find new growth. In fact, Gartner surveys show 69% of respondents cite digital acceleration as a top priority due to COVID-19.

To continue the digital acceleration and to sustain changes, companies and organizations are seeking ways to be more effective and efficient in their actions. One way is through what Gartner calls “composable business.” This approach encourages modularity of business capabilities, teamed with autonomous operations and explicitly orchestrated workflows. The discipline of composable business will take time to stick as organizations increasingly refuse to retreat to more monolithic operations that limit their ability to change. Change brought about by disruption will require a willingness to adapt as a basic goal of many business operating models.

In our regular research, Gartner asks the question, “How can we help?” Gartner Predicts research asks the question, “Where will you need help tomorrow?” True leaders and creative visionaries never forget that question.

Our predictions this year suggest that technology has lost none of its luster and has proven itself throughout the crisis. It could be said that technology saved those of us who could shift to remote work, touchless interactions and virtual collaboration.

In this Trend Insight report, we will explore the following:

- How are vertical industries shifting their approaches and expectations for successful outcomes?

- How will organizations sustain change while navigating risk to find new value?
- How are pressures on technology evolution growing in uncertain times?

*Kind regards,*

*Daryl Plummer*

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## Executive Overview

Gartner's 2021 predictions are broad and deep. They reach across the most significant areas of IT and the IT industry. Track these predictions throughout 2021, plus the years beyond. Use them to frame the strategic planning assumptions that will drive your business in the next decade.

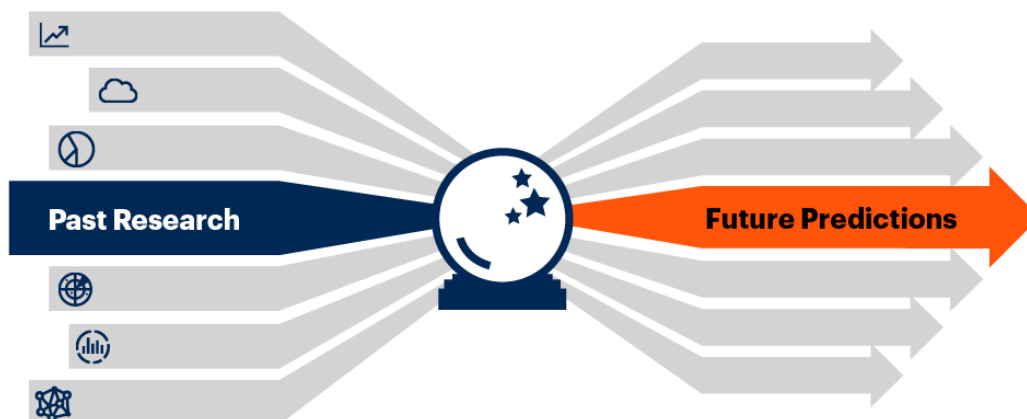
Gartner clients have come to rely on our annual predictions as both input for their strategic plans and as alerts to potentially disruptive changes. For most enterprises and IT organizations, investments and other business decisions during the next few years are likely to be made by finding a point of balance between the old and the new. Anticipating changes is more important than ever, and predicting the point of balance then becomes a critical part of any strategic plan.

## Definition

Predictions are statements of Gartner's positions and actionable advice about the future (see Figure 1).

**Figure 1. Gartner's Mainstream Predicts**

### Gartner's Mainstream Predicts



Source: Gartner  
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**Gartner**

## Research Highlights

### How Are Vertical Industries Shifting Their Approaches and Expectations for Successful Outcomes?

The COVID-19 pandemic has changed everything. This statement seems more mundane every day as companies struggle with seizing opportunities brought about during the crisis. Within vertical industries, the smooth path to opportunity flows in the direction of using new technologies and promoting the expansion of talent and knowledge. This includes composable technologies, artificial intelligence (AI) and practices for more effective knowledge transfer, which are now more commonplace options.

Insights in our reports include the following:

- The pandemic forced a necessary change for most consumer goods (CG) organizations, which continually put off digital initiatives due to funding or zero-based budgeting. In the 2021 Gartner CIO Survey, many CG CIO respondents indicate increases in specific areas as a direct result of the COVID-19 pandemic. For example, CG manufacturers offering additional digital products that augment their physical products/services saw increased success. This often includes online tutorials and communities providing consumers with additional in-home experiences and the ability to connect to other consumers in online communities. By 2024, 75% of the top 20 global consumer goods companies will provide a digital experience to augment their physical products/services.
- It is paramount for technology and service providers (TSPs) to remain not only on top of the client's needs, but also to remain solvent among the rapidly changing external environment. In order to maximize credibility, TSPs selling into different industries aim to develop industry solutions that address their client's needs and risks. Therefore, they build their value proposition on a mix of technology expertise, business process knowledge and transformation skills. Composable architectures accommodating packaged business capabilities enable smaller and midsize vendors to compete with larger vendors. They can focus on building only the components that are unique for their industry rather than a complete solution, of which 80% may be the same for multiple vertical industries and only 20% unique to a specific vertical. By 2025, 50% of vertical-specific software providers will leverage composable enterprise architectures to compete more effectively with generic SaaS.
- Managing and responding to talent concerns will become a major issue for insurers in 2021 and beyond. For a few years, insurers have based their IT investments on business cases. In addition, they should be considering the skills and talent required to maximize technology's effectiveness around these use cases, as well as the long-term widening of the talent gap. In addition, COVID-19 has forced many insurers to shift their focus to automation to speed up (and replace) human-based tasks. By YE24, investment in AI-enablement of knowledge workers will rise by 40% as insurers shift from automation to human support initiatives.

### Related Research

**Predicts 2021: Consumer Goods Manufacturers Compete in the Brave New World** — The pandemic catalyzed many consumer goods organizations to invest in long-delayed digital initiatives, and galvanized consumer buying habits around convenience, driving new loyalties and more engagement. CIOs can act as major change agents as their organizations prepare for the future state of CG.

**Predicts 2021: Navigating Through the Changes for Vertical Industries** — Nimble tech providers alter their product and services portfolio as business models change, more so in a postpandemic world. Product leaders selling into different industries will use approaches directed by composable architecture, hyperautomation, AI and customer experience (CX) techniques to address evolving needs.

**Predicts 2021: The Insurance 'New Normal' Requires New Approaches to Talent** — For digital insurance success in the insurance market of the future, it is imperative that insurance CIOs address talent issues that have been previously overlooked. Filling skills gaps, empowering knowledge workers and managing knowledge transfer will be critical success factors for 2021.

## How Will Organizations Sustain Change While Navigating Risk to Find New Value?

It is easy to focus on technology shifts when uncertain times demand change. However, the savvy executive will recognize that organizational change and culture shift always carry much more weight in building success than the technology itself. Change can be as easy as falling off a log. However, sustaining a change is where organizations often “fall” short. Real risk exists in failing to take actions that sustain the change.

However, organizations are employing mechanisms designed to support change through technology, as well as discipline.

Insights in our reports include the following:

- The COVID-19 pandemic required an organizational response with strategic direction from senior management teams. However, it became apparent early in the pandemic that traditional business continuity planning and disaster response (DR) planning, which are often carried out in siloes, could not provide the support required to manage the impacts effectively. The primary response by many organizations during the early phases of the COVID-19 pandemic was to implement a “work from home/remote working” strategy where appropriate. In a number of cases, this included employees transporting their desktop PCs from their workplace to the home environment. Gartner research confirms that, in 2019, 78% of employees primarily operated from the organization’s workplace. In 2020, this figure has dramatically shifted to 70% of employees working remotely. By 2023, organizations will have greater resilience as a result of decreased dependency on single-site operations and increased support for remote work.
- Value stream mapping enables DevOps teams to remove waste, build mutual trust, increase transparency and align their goals with organizational objectives. This “systems thinking” approach helps DevOps teams to expand their focus beyond siloed operational metrics to instead deliver on customer-centric, team-level performance indicators. Continuous feedback and learning are also

important aspects of value stream management, as these practices help DevOps teams to identify and remove constraints, thus improving quality, reliability and security. By 2023, 70% of organizations will use value stream management to improve flow in the DevOps pipeline, leading to faster delivery of customer value.

- Business executives are demanding a path to digital operational excellence. Gartner CEO survey ranked outdated work processes as the No. 1 workforce issue. The net result is a tremendous, pent-up demand to democratize process automation and data integration. This demand was compounded by the pandemic, where virtual remote teams created a “default-is-digital” requirement. Thus, hyperautomation initiatives have become one of the primary approaches to address all this demand. By 2024, more than 70% of the large global enterprises will have more than 70 concurrent hyperautomation initiatives mandating governance or facing significant instability.

## Related Research

[Predicts 2021: Value Streams Will Define the Future of DevOps](#) — To accelerate development and enable continuous delivery of customer value, organizations need to reach the next level in their agile and DevOps practices. Infrastructure and operations (I&O) leaders and application leaders must focus on value stream management to maximize flow, improve delivery efficiency and drive innovation.

[Predicts 2021: Accelerate Results Beyond RPA to Hyperautomation](#) — The pandemic has accelerated a default-is-digital requirement. Business processes that were not digitized struggled or halted when forced to a virtual, remote-anywhere operations mode. IT leaders can use these predictions to reshape the use of robotic process automation (RPA) and begin a disciplined approach to hyperautomation.

## How Are Pressures on Technology Evolution Growing in Uncertain Times?

The use of technology changes only slightly as different generations of IT users take advantage of new capabilities. However, as new styles of technology deployment proliferate, the scale and range of options available can spark both innovation and risk. And, as usual, issues such as security, staffing and skills are front and center.

Insights in our reports include the following:

- The Internet of Things (IoT) devices are proliferating (doubling every five years), they are connecting to the enterprise infrastructures, and there are security risks that need to be mitigated. Also, infrastructure and platform services based in public cloud have attracted a mix of existing applications (lifted and shifted, lifted and optimized, or refactored) and new applications (full application replacements, newly built, or bought). A third trend in enterprise infrastructures is the emergence of edge computing. As the requirements become better understood, and computing and operations patterns are more fully developed, we will see more solutions delivered as “edge packages” that can be deployed across a broad set of use cases. By year-end 2023, 20% of installed edge computing platforms will be managed by hyperscale cloud providers, compared to less than 1% in 2020.

- Identifying performance problems early in the application life cycle is paramount to ensuring new products, features and functionality achieve their desired business objectives once in production. Gartner is seeing evidence of product and platform teams using AIOps technologies to analyze risk and change management in order to lower production issues. Organizations' drive for automation is giving product and platform teams the opportunity to integrate AIOps technologies in DevOps pipelines to increase agility without compromising reliability, as explored in our first strategic planning assumption (SPA). By 2023, 40% of product and platform teams will use AIOps for automated change risk analysis in DevOps pipelines, reducing unplanned downtime by 20%.
- The COVID-19 pandemic has compounded the inherent pressure for improved cost and efficiency within IT infrastructure and communications operations. Organizations are facing new challenges from a move to permanent or expanded home workers, creating new threats to data and security. But the challenges do not end there. This new work environment needs to be assessed for performance related to network capabilities and security capabilities as well. Additionally, the organization's workflow processes, and delivery means will require changes. Those changes will be brought about through new partnerships. By 2023, lack of skills and increasing complexity will force clients to seek smaller, more agile cloud migration partners.

## Related Research

[Predicts 2021: Cloud and Edge Infrastructure](#) — Enterprise infrastructures continue to evolve — more cloud, more devices attaching to the network and more requirements at the edge. I&O leaders responsible for cloud and edge infrastructure must be innovative with network security, workload deployments and infrastructure extended to the edge.

[Predicts 2021: Infrastructure Operations and Cloud Management](#) — Cloud-native applications introduce visibility gaps, creating monitoring and management challenges. I&O leaders who are not equipped to leverage machine learning (ML) and AI technologies to understand relationships and performance of distributed systems put their digital business transformation initiatives at risk.

[Predicts 2021: Infrastructure and Communications Services Disruption Intensifies](#) — Disruption of the IT infrastructure is accelerating due to the pandemic and the rapidly changing nature of future delivery models. Sourcing, procurement and vendor management leaders should use these predictions to strategize for the future, while resetting for a new normal.

[Predicts 2021: Healthcare Providers Must Accelerate Digital Transformation to Address Disruption](#) — Disruptions to healthcare provider operations have become the rule rather than the exception. Digital transformation efforts will need to continue during these unprecedented times. Healthcare provider CIOs should use these predictions to inform strategic planning for 2021.

[Predicts 2021: Oil and Gas — The End of 'Standard' Oil](#) — A combination of pandemic response, market volatility, digitalization and energy transition has led to the end of the "typical" oil and gas company. CIOs can use this research to adapt and leverage their constrained resources to deliver business value specific to their changing company needs.



[Predicts 2021: HCM Technology Transformation](#) — Organizations worldwide are responding to pandemic disruption and recovery by evaluating and deploying continuous HR processes. Application leaders transforming human capital management (HCM) must prioritize investments in workforce management and planning, contingent labor tools and learning to meet stakeholder expectations.

## Related Resources

### Webinars:

[Practical CIO Steps for IoT to Drive Your Composable Business Roadmap](#)

[Prepare Now for the Workplace of the Future](#)

[The Future of DevOps Toolchains](#)

[Gartner Top Strategic Predictions for 2020 and Beyond](#)

### Articles:

[Adapt Business Applications to Deliver Agility and Innovation](#)

[IT-Business Collaboration Fuels the Future of Applications](#)

[Gartner Top 10 Strategic Predictions for 2021 and Beyond](#)

[Gartner Keynote: The Future of Business Is Composable](#)

### Peer Connect

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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 and Advisory analysts and experts across numerous disciplines.

## Document Revision History

[Predicts 2020: Barriers Fall as Technology Adoption Grows — A Gartner Trend Insight Report - 19 December 2019](#)

[Predicts 2019: Leadership Means Expanding Options, Not Limiting Them — A Gartner Trend Insight Report - 3 January 2019](#)

[Predicts 2018: Stimulate Creativity to Generate Success — A Gartner Trend Insight Report - 27 December 2017](#)

## **Recommended by the Authors**

[Predicts 2021: A Paradigm Shift for Technology Service Providers in the Telecom Industry](#)

[Predicts 2021: Artificial Intelligence in Enterprise Applications](#)

[Predicts 2021: Automotive and Smart Mobility](#)

[Predicts 2021: Balance Privacy Opportunity and Risk](#)

[Predicts 2021: Banking CIOs Must Digitally Enable Employees to Exceed Business Expectations](#)

[Predicts 2021: Building on Cloud Computing as the New Normal](#)

[Predicts 2021: CIOs Must Adjust Talent and Leadership Direction for Digital Acceleration](#)

[Predicts 2021: Combine the Right Skills and Roles to Drive Innovation to Action](#)

[Predicts 2021: Corporate Legal and Compliance Technology](#)

[Predicts 2021: COVID-19 Drives Accelerated Shift to Digital and Commerce Model Evolution](#)

[Predicts 2021: Creatively Sourcing Application Service Partnerships Will Drive Accelerated Recovery](#)

[Predicts 2021: CRM Customer Service and Support](#)

[Predicts 2021: CSP Technology and Operations Strategy](#)

[Predicts 2021: CSP's B2B Will Pivot Forward With Edge and Digital Competencies](#)

[Predicts 2021: Data and Analytics Leaders Are Poised for Success but Risk an Uncertain Future](#)

[Predicts 2021: Data and Analytics Strategies to Govern, Scale and Transform Digital Business](#)

[Predicts 2021: Data Management Solutions — Operational Efficiency Rises to the Top](#)

[Predicts 2021: Digital Workplace Applications Evolve to Support Remote, "Force Multiplier" Staff](#)

[Predicts 2021: Digital Workplace Infrastructure and Operations](#)

[Predicts 2021: Disruptive Potential During the Next Decade of Quantum Computing](#)

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[Predicts 2021: IT Sourcing and Procurement in an Effort to Become a Trusted Advisor](#)

[Predicts 2021: Life Science Companies Must Quickly Adapt as Digital Expectations Change](#)

[Predicts 2021: Marketing Hits Reset](#)

Predicts 2021: Navigating the Evolving Financial Management Market in the Age of Economic Recovery

Predicts 2021: New Selling Imperatives Drive CRM Sales Technology Roadmaps

Predicts 2021: Operational AI Infrastructure and Enabling AI Orchestration Platforms

Predicts 2021: Program and Portfolio Management Leaders Prepare for the Next Normal

Predicts 2021: Retail — Redefining the Physical to Capitalize on Digital

Predicts 2021: Retail Tech Providers Adapt Through Innovation, Ecosystem Partnerships and Execution

Predicts 2021: Supply Chain Technology

Predicts 2021: Technology Will Become More Critical to Customer Experience With or Without the IT Department

Predicts 2021: The Opportunity for Midsize Enterprises to Rightsize IT

Predicts 2021: Time to Compose an ERP Strategy to Outpace Disruption

Predicts 2021: Turbulence and Transformation Accelerate the Breakdown of Operating Model Boundaries

Predicts 2021: U.S. Healthcare Payers Lower Total Costs and Transform Ecosystem Relationships

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