

New Dell Technologies Research: Business Leaders Reveal Major Lag in Transformation Globally

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Emerging markets are the most digitally mature, based on the latest Digital Transformation Index with 4,600 business leaders from 40+ countries

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News summary

- Just 5% of businesses globally have been defined as Digital Leaders – indicating no improvement since 2016
- Emerging markets are faring better than developed markets with India, Brazil and Thailand gaining the highest digital maturity scores
- 78% report digital transformation should be more widespread throughout their organization
- 51% believe they'll struggle to meet changing customer demands, while one in three worry they'll be left behind in five years
- 91% are held back by barriers such as 1) data privacy and security 2) lack of budget and resources and 3) insufficient workforce skills

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Global infographic

Full story

Despite the relentless pace of disruption, the latest Dell Technologies Digital Transformation (DT) Index shows many businesses' digital transformation programs are still in their infancy. This is evidenced by the 78% of business leaders who admit digital transformation should be more widespread throughout their organization. More than half of businesses (51%) believe they'll struggle to meet changing customer demands within five years, and almost one in three (30%) still worry their organization will be left behind.

Dell Technologies, in collaboration with Intel and Vanson Bourne, surveyed 4,600 business leaders (director to C-suite) from mid- to large-sized companies across the globe to score their organizations' transformation efforts.

The study revealed that emerging markets are the most digitally mature, with India, Brazil and Thailand topping the global ranking. In contrast, developed markets are slipping behind: Japan, Denmark and France received the lowest digital maturity scores. What's more, emerging markets are more confident in their ability to "disrupt rather than be disrupted" (53%), compared to just 40% in developed nations.

Behind the curve

The DT Index II builds on the first ever DT Index launched in 2016. The two-year comparison highlights that progress has been slow, with organizations struggling to keep up with the blistering pace of change. While the percentage of Digital Adopters has increased, there's been no progress at the top. Almost four in 10 (39%) businesses are still spread across the two least digitally mature groups on the benchmark (Digital Laggards and Digital Followers).

"In the near future, every organization will need to be a digital organization, but our research indicates that the majority still have a long way to go," says Michael Dell, chairman and CEO of Dell Technologies. "Organizations need to modernize their technology to participate in the unprecedented opportunity of digital transformation. The time to act is now."

Benchmark groups	Description	Today global	2016 global
Digital Leaders	Digital transformation is ingrained in their DNA	5%	5%
Digital Adopters	Have a mature digital plan, investments and innovations in place	23%	14%
Digital Evaluators	Gradually embracing digital transformation; planning and investing for the future	33%	34%

Digital Followers	Make very few digital investments; tentatively starting to make plans	30%	32%
Digital Laggards	Do not have a digital plan; limited initiatives and investments in place	9%	15%

Barriers to transformation and confidence

The findings also suggest business leaders are on the verge of a confidence crisis, with 91% held back by persistent barriers.

The top five barriers to digital transformation success:

1. Data privacy and security concerns (from 5th place in 2016)
2. Lack of budget and resources
3. Lack of the right in-house skill sets and expertise
4. Regulation and legislative changes (from 9th place in 2016)
5. Immature digital culture

Almost half (49%) believe their organization will struggle to prove it's trustworthy within the next five years. Nearly a third (32%) don't trust their own organization to comply with regulations (such as the EU General Data Protection Regulation). One in three don't trust their own organization to protect employee or customer data.

Plans to realize their digital future

Leaders have reported common priorities and investments to aid future transformation, including an increased focus on workforce, security and IT. Forty-six percent are developing in-house digital skills and talent, by teaching all employees how to code for instance, up from 27% in 2016.

Top technology investments for the next one to three years:

1. Cybersecurity
2. Internet of Things technology
3. Multi-cloud environment
4. Artificial intelligence
5. Compute centric approach

How organizations fare in the future will depend on the steps they take today. For instance, Draper, a Dell Technologies customer, was traditionally focused on department of defense research but it's starting to move into more commercial areas such as biomedical science.

"Technology enables us to keep solving the world's toughest problems; from the infrastructure and services that underpin our innovation, to the experimental technologies that we wield to prevent disease for instance," says Mike Crones, CIO, Draper. "We couldn't push boundaries, and call ourselves an engineering and research firm, without being a fully transformed and modern company from the inside out."

Notes to editor

Most digitally mature countries:

1. India
2. Brazil
3. Thailand
4. Mexico
5. Colombia

Least digitally mature countries:

1. Japan
2. Denmark
3. France
4. Belgium
5. Singapore

Research methodology

During the summer of 2018, independent research company Vanson Bourne surveyed 4,600 business leaders from mid- to large-size companies across 42 countries/sub-regions to gauge their organizations' place on the [Dell Technologies Digital Transformation Index](#). Vanson Bourne classified businesses' digital business efforts by examining their IT strategy, workforce transformation initiatives and perceived performance against a core set of digital business attributes.

Additional resources

- [Dell Technologies Digital Transformation Index II](#) local results and additional information on the 2016 Dell Technologies Digital Transformation Index
- Additional information on [Dell Technologies Realizing 2030 program](#)
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About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Its reputation for robust and credible research-based analysis is founded upon rigorous research principles and an ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com.

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