

# Forrester Infographic: Learn From The Best In Your Digital Transformation Journey

The Benchmark Report In The Digital Business Playbook

by [Ted Schadler](#) and [Mike Chirokas](#)

with [Martin Gill](#), Katie Hampton, Cheryl Hart, Charlie Ruhl, and Peter Harrison

April 3, 2019

## Why Read This Report

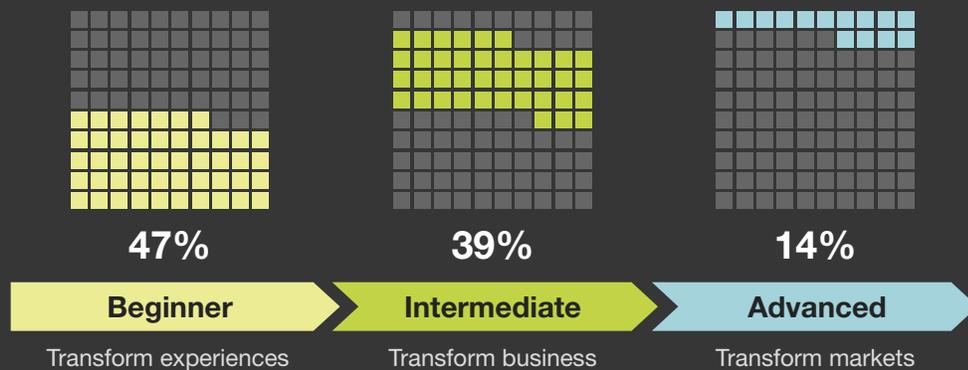
Digitally advanced firms are markedly different: By innovating at the intersection of experiences and operations, embracing emerging technology, partnering omnivorously, and building digital products and services, they grow faster than digital beginners or intermediates. But few firms have reached this digitally advanced state. This Forrester infographic uses survey data from North American and EU services decision makers at enterprises to give digital business leaders at every firm a benchmark to hit based on the Forrester digital maturity model.

FORRESTER INFOGRAPHIC

# Learn from the best in your digital transformation journey

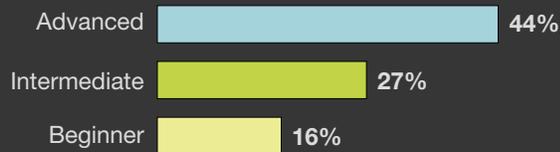
Digitally advanced firms are markedly different from digital intermediates or beginners. They innovate at the intersection of experiences and operations, embrace emerging technology, partner omnivorously, and build digital products and services.

## Digital transformation is a journey from beginner to advanced



## Advanced firms grow faster . . .<sup>1</sup>

Percentage of respondents reporting company revenue growth at 10% or greater for the previous year



## . . . and their employees reveal passions and pragmatism that are worlds apart<sup>2</sup>

### Beginner

### Advanced

**16%** ——— It's a high priority to . . . improve our ability to innovate ——— **72%**

**7%** ——— . . . change our business model ——— **55%**

**31%** ——— . . . improve the experience of our customers ——— **73%**

**12%** ——— . . . improve the experience of our employees ——— **63%**

**17%** ——— We've had success in . . . re-engineering our business processes ——— **64%**

**9%** ——— . . . restructuring to increase agility ——— **76%**

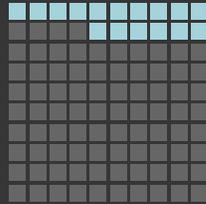
**9%** ——— . . . building a new generation of digital platforms ——— **72%**

**26%** ——— . . . moving applications to the cloud ——— **48%**

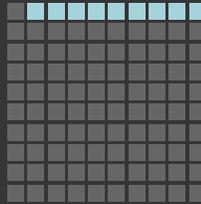
**Forrester Infographic: Learn From The Best In Your Digital Transformation Journey**

The Benchmark Report In The Digital Business Playbook

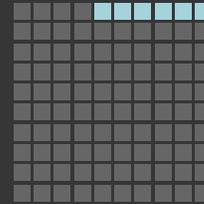
**Firms in every industry are advanced, so the competition is all around you<sup>3</sup>**



**16%**  
Financial services  
and insurance



**9%**  
Retail and  
wholesale



**6%**  
Public sector  
and healthcare

**Forrester Infographic: Learn From The Best In Your Digital Transformation Journey**  
The Benchmark Report In The Digital Business Playbook

## Advanced firms operate differently



### Strategy

Take a pragmatic approach to transformation with a portfolio of digital programs to engage customers and operate efficiently. Both are necessary.



### Structure

Assemble teams to collaborate across departments and disciplines. Align on customer and productivity metrics.



### Culture

Accept a higher level of risk by starting small before going big. Reward outside-in behavior to stimulate a focus on customer engagement and experience.



### Talent

Identify and develop people with design, development, and customer skills. Adopt two-in-a-box leadership models to manage digital programs.



### Technology

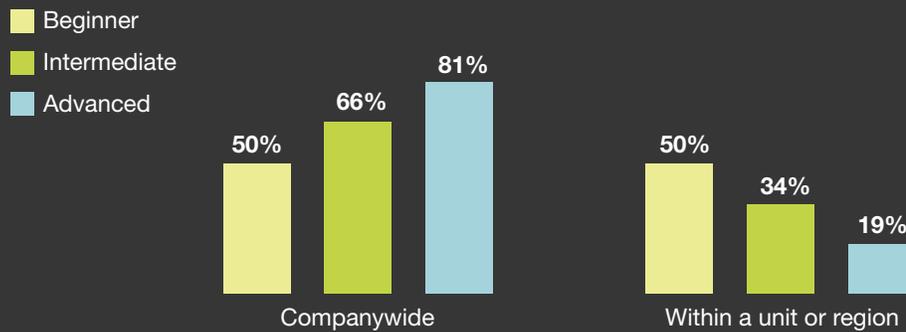
Build platforms for customer engagement, operational efficiency, and employee experience. Use emerging technology for new opportunities.



## Strategy

### Advanced firms transform across the company, with a focus on revenue<sup>4</sup>

“What is the organizational scope of your firm’s most recent digital transformation?”



“Which objectives are key drivers of your firm’s most recent digital transformation? (Top three)<sup>4</sup>

#### Beginner

- 42%** Reduce costs
- 35%** Improve customer experience
- 33%** Grow revenue

#### Advanced

- Grow revenue **47%**
- Improve customer experience **43%**
- Improve IT for agility and innovation **32%**

“What are the most important activities that your firm undertakes as part of your most recent digital transformation?” (Top three)<sup>4</sup>

|   |  |
|---|--|
| <b>29%</b> Move applications to the cloud     | Add new digital capabilities to products and services <b>39%</b> |
| <b>29%</b> Modernize existing applications    | Work with partners to accelerate our transformation <b>38%</b>   |
| <b>28%</b> Training to improve digital skills | Modernize existing applications <b>36%</b>                       |



## Structure

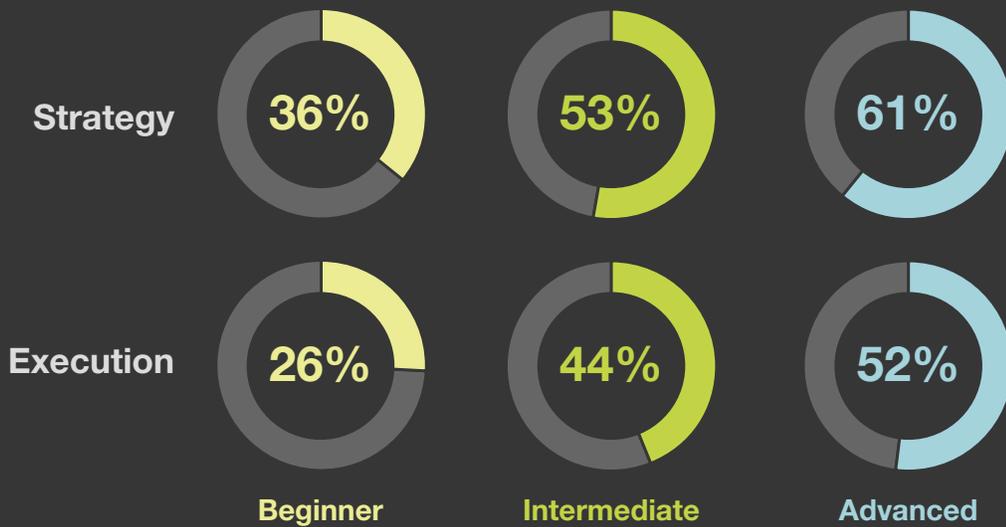
**Advanced firms are more likely to put their CEOs in charge of digital execution . . .<sup>4</sup>**



40% of respondents in advanced firms say their CEO is held responsible for digital execution, compared with only 16% of respondents in beginner firms

**. . . and build cross-departmental leadership teams<sup>4</sup>**

Percentage who confirm that three or more senior leaders are responsible for digital transformation strategy and execution

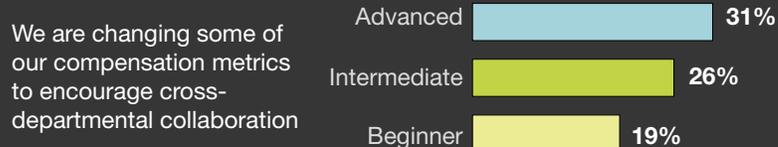




## Culture

### Advanced firms use metrics to create a culture of collaboration . . .<sup>4</sup>

“What will be/are the most important activities that your firm undertakes as part of its most recent digital transformation?”



### . . . and a willingness to transform through partnerships<sup>4</sup>



Respondents at advanced firms are **2.5x more likely** than those at beginners to focus on transforming their business partner/reseller/distributor processes as part of their digital transformation

★ **Talent**

**Firms at every stage are training for digital skills . . .<sup>4</sup>**

“We are training employees and executives to improve digital skills as part of our digital transformation.”



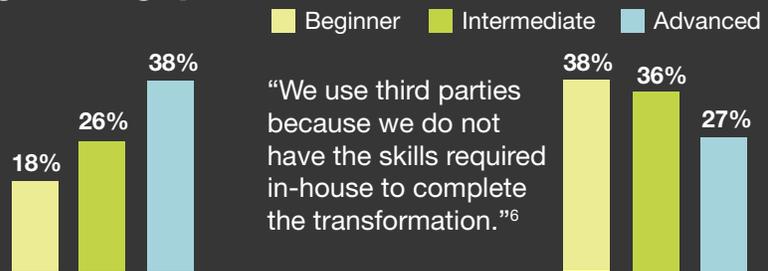
**. . . but advanced firms have a companywide digital talent strategy<sup>5</sup>**

“We have a companywide program to find, hire, and nurture employees’ digital skills.”

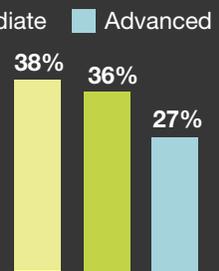


**The result? Advanced firms use partners to accelerate business, not plug skills gaps**

“We are working with third-party service providers to accelerate our transformation.”<sup>4</sup>



“We use third parties because we do not have the skills required in-house to complete the transformation.”<sup>6</sup>

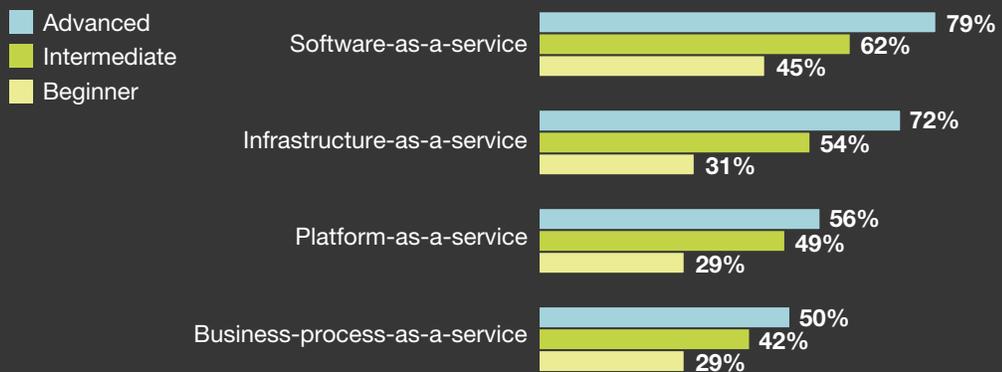




## Technology

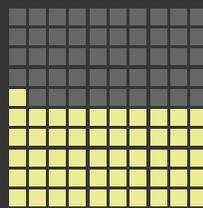
**Advanced firms focus on their technology core by adopting the cloud . . .<sup>4</sup>**

**“Which of the following is your firm investing in as part of its most recent digital transformation?”**

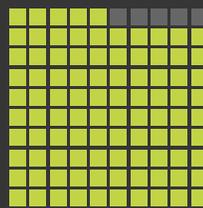


**. . . and have mastered modern software techniques<sup>5</sup>**

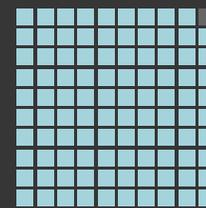
**“We consistently use modern software design, development, and deployment processes.” (Agree or strongly agree)**



**51%**  
Beginner



**95%**  
Intermediate



**99%**  
Advanced

## Every company can go further

### Advanced firms can go further if they:

- Build out digital business platforms and business models.
- Accelerate their pace of innovation through smart partnering.
- Make emerging technology an anchor in business innovation.

### Intermediate firms can become advanced if they:

- Elevate digital execution to a CEO responsibility.
- Adopt modern software techniques for Agile development.
- Unite departments with a common customer outcome metric.

### Beginner firms can become intermediates if they:

- Use two-in-a-box leadership structures to unite digital experience and digital operations.
- Embrace the cloud, analytics, and digital platforms.
- Manage technology risk rather than avoid it altogether.

## Notes and sources

Base: 789 NA and EU services decision makers who have seniority level of manager or above and who can speak to their enterprise's or department's digital business activities (1,000+ employees)

<sup>1</sup>Base: 110 to 374 NA and EU services decision makers from digital beginner, intermediate, or advanced enterprise departments/firms. Sample size differs by digital maturity.

<sup>2</sup>Base: 33 to 440 global services decision makers at firms with 700+ employees that are digital beginners or digitally advanced in maturity and are undergoing or have undergone a digital transformation. Sample size differs by digital maturity.

<sup>3</sup>Base: 86 to 113 NA and EU services decision makers at enterprises in retail and wholesale, financial services and insurance, or public sector and healthcare. Sample size differs by industry.

<sup>4</sup>Base: 104 to 321 NA and EU services decision makers at digital beginner, intermediate, or advanced enterprise departments/firms who are involved in their firm's digital transformation. Sample size differs by digital maturity.

<sup>5</sup>Base: 110 to 374 NA and EU services decision makers who are manager or higher at digital beginner, intermediate, or advanced enterprise departments/firms. Sample size differs by digital maturity.

<sup>6</sup>Base: 95 to 217 NA and EU services decision makers who indicated that their enterprise plans to use or has used a third-party business/management consultant, agency, or technology services firm to help with its digital transformation. Sample size differs by digital maturity.

Source: Forrester Analytics Global Business Technographics® Business And Technology Services Survey, 2018

**Forrester Infographic: Learn From The Best In Your Digital Transformation Journey**

The Benchmark Report In The Digital Business Playbook

## Engage With An Analyst

Gain greater confidence in your decisions by working with Forrester thought leaders to apply our research to your specific business and technology initiatives.

### Analyst Inquiry

To help you put research into practice, connect with an analyst to discuss your questions in a 30-minute phone session — or opt for a response via email.

[Learn more.](#)

### Analyst Advisory

Translate research into action by working with an analyst on a specific engagement in the form of custom strategy sessions, workshops, or speeches.

[Learn more.](#)

### Webinar

Join our online sessions on the latest research affecting your business. Each call includes analyst Q&A and slides and is available on-demand.

[Learn more.](#)



### Forrester's research apps for iOS and Android.

Stay ahead of your competition no matter where you are.

## Supplemental Material

### Survey Methodology

We asked respondents to provide information about their firm's digital business activities and segmented them based on their answers to 16 questions. We grouped the data from these 16 independent variables into five disciplines: strategy, structure, culture, talent, and technology. We then created three segments (advanced, intermediate, and beginner) based on the relationship of these variables in predicting revenue growth as a dependent variable.

The Forrester Analytics Global Business Technographics® Business And Technology Services Survey, 2018, was fielded between July and September 2018. This online survey included 2,570 respondents in Australia, Canada, China, France, Germany, the UK, and the US.

**Forrester Infographic: Learn From The Best In Your Digital Transformation Journey**

The Benchmark Report In The Digital Business Playbook

Forrester Analytics' Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Research Now fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates.

Please note that the brand questions included in this survey should not be used to measure market share. The purpose of Forrester Analytics' Business Technographics brand questions is to show usage of a brand by a specific target audience at one point in time.

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

#### PRODUCTS AND SERVICES

- › Core research and tools
- › Data and analytics
- › Peer collaboration
- › Analyst engagement
- › Consulting
- › Events

---

Forrester's research and insights are tailored to your role and critical business initiatives.

#### ROLES WE SERVE

##### **Marketing & Strategy Professionals**

CMO

B2B Marketing

B2C Marketing

Customer Experience

Customer Insights

- › **eBusiness & Channel Strategy**

##### **Technology Management Professionals**

CIO

Application Development & Delivery

Enterprise Architecture

Infrastructure & Operations

Security & Risk

Sourcing & Vendor

Management

##### **Technology Industry Professionals**

Analyst Relations

---

#### CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866-367-7378, +1 617-613-5730, or [clientsupport@forrester.com](mailto:clientsupport@forrester.com). We offer quantity discounts and special pricing for academic and nonprofit institutions.