

The Software AG Situation Report

 **software** AG

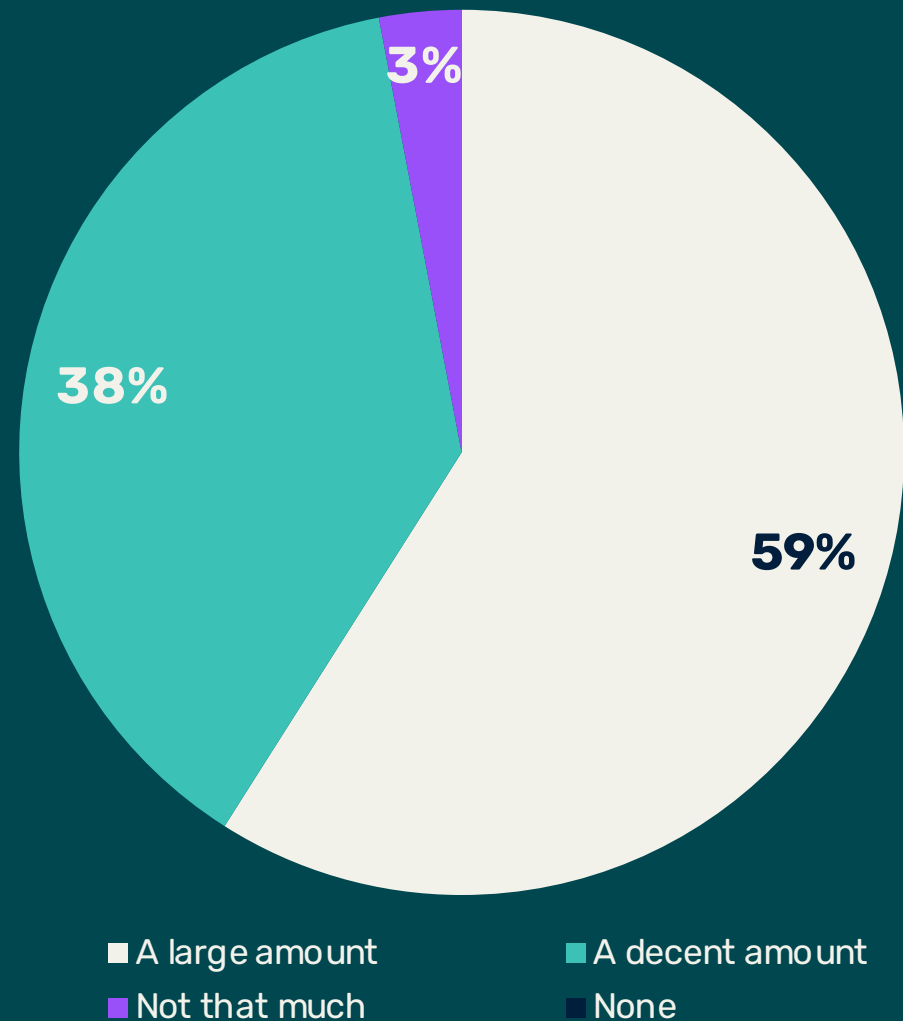
Technology investments in 2020 saw digital transformations accelerate dramatically. Many analysts have suggested that several years' worth of change have happened in the space of a few short months.

Here, in the *Software AG Situation Report*, we take a look at a few data points gathered through our own research at the end of 2020. This complements the *Software AG Reality Check*, which seeks to understand some of the trends that might start to emerge in 2021.



How much digital transformation did companies go through in 2020?

Almost all IT professionals (97%) would agree that they went through some digital transformation in 2020, and 3 out of 5 say they've gone through a "large amount" of change. However, what's more interesting is to understand what that transformation means. What does it look like in practice?

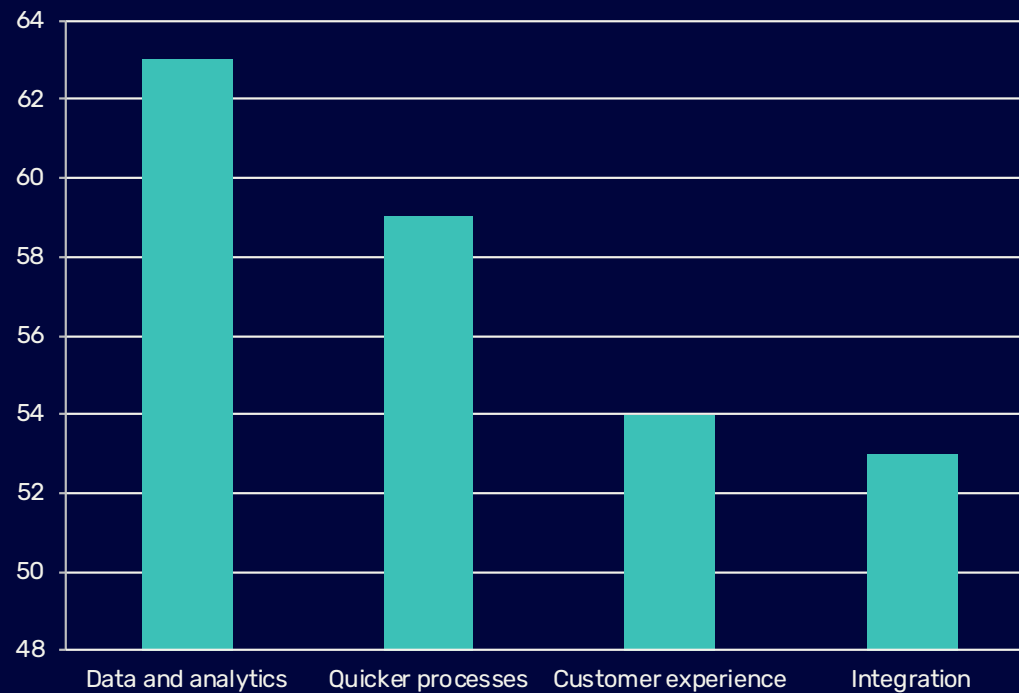


What did companies invest in?

Looking at where investments were made shows that while the goal of transformation was common, the means of achieving it were diverse. Data and analytics tools, process-focused technology as well as customer experience and integration platforms were all invested in.



Which tech did companies that underwent change invest in?



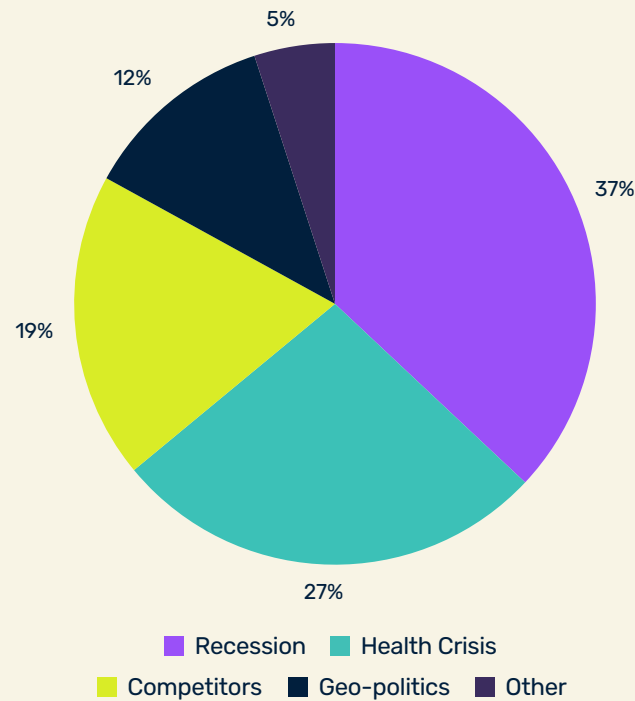
There is a real split between companies that looked to diversify their technology portfolio (48%) and those who preferred to consolidate on a few technologies (50%). Despite the risk of over-dependence with the latter, 97% of companies are confident that their IT infrastructure is resilient. Just 1% said that it definitely isn't. Are people living in denial? Or has the rush of investment created a new level of resilience that will surely serve companies well in the future?

Is the investment internal or external in focus?

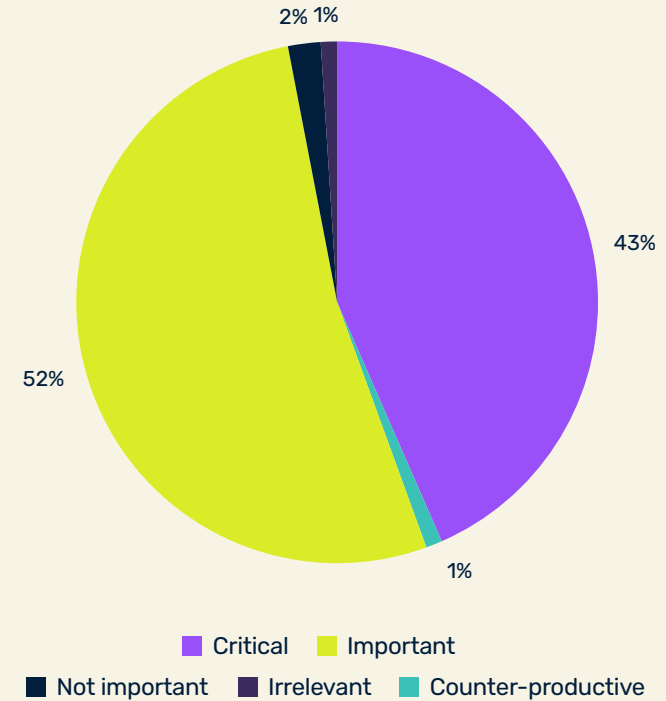
Investment usually has either an internal or an external priority. Product development/process improvement (internal) helps the organization first. Service and support functions (external) help the customer first. Each will trickle across to the other, of course. Companies are almost 50/50 on their approach.



The biggest threat to business in 2021



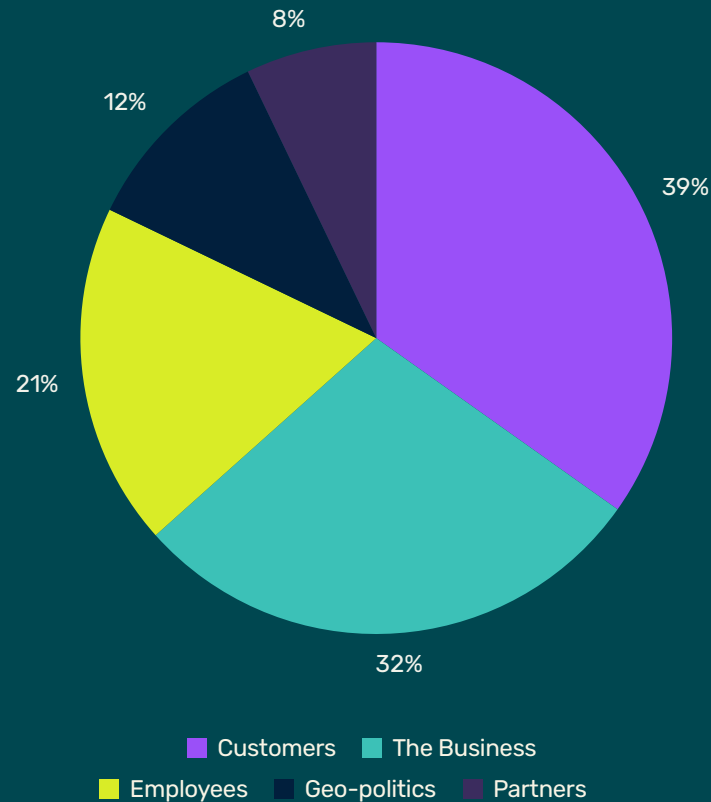
What role does technology have in fighting disruptive forces?



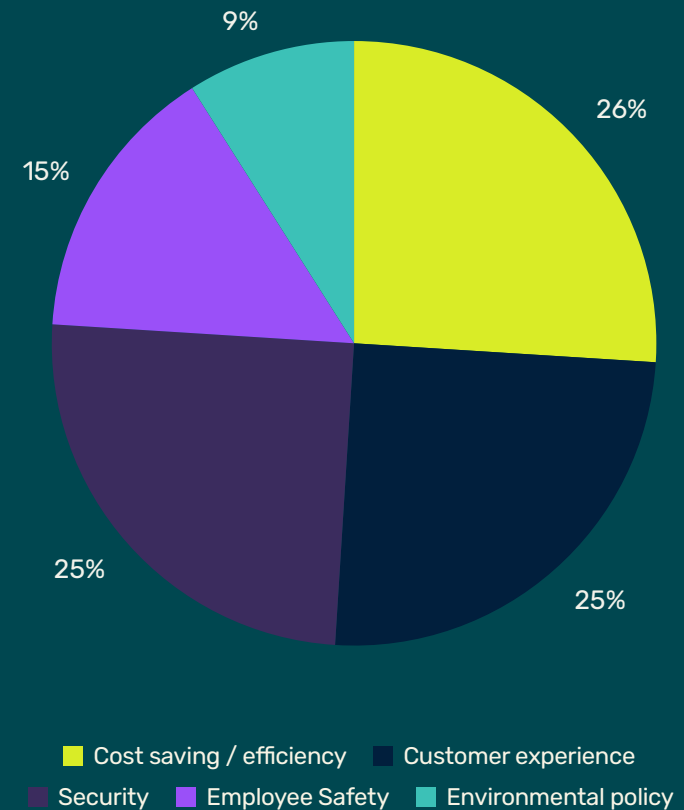
What next?

Digital transformation will continue. 70% of businesses say definitely and 27% say it probably will. Only 2% say that they will not make any investments in 2021. Of course, no one can predict with certainty what will happen next in the outside world, but recession is the biggest fear for businesses in 2021. Businesses overwhelmingly (95%) believe that technology will help them to be more resilient in the face of these challenges, with 43% thinking it's critical. Ongoing digital transformation is important to be ready for the unpredictable.

The biggest beneficiary of digital investment in 2021

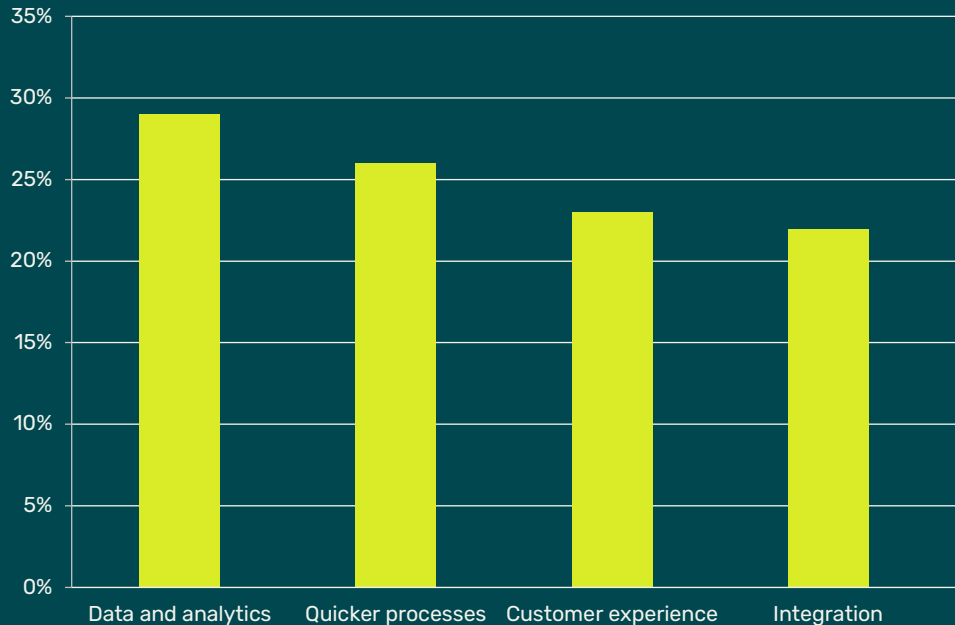


The top business goals that technology will support in 2021

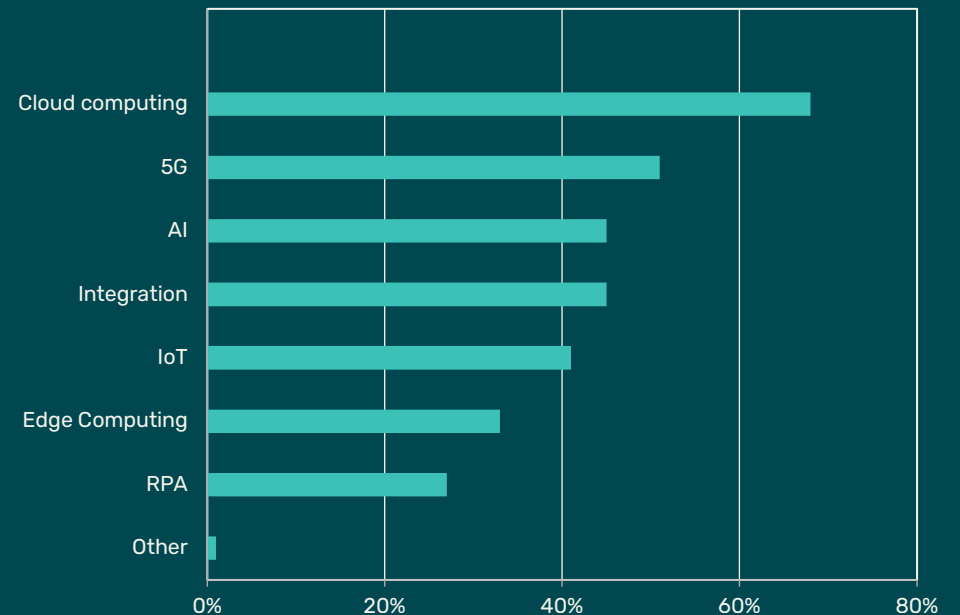


The vast majority of businesses (90%) believe that customer expectations will increase in 2021. So with that, plus the potential challenges of the year ahead, how do companies prioritize?

What technology will be prioritized in 2021?



Technologies important to 2021 strategy



Not surprisingly, customers will be the biggest beneficiary of further digital transformation in 2021, with 39% of businesses identifying that group. However, the business itself comes into stronger focus compared to 2020 ... overtaking employees into the second-most common priority. In order to achieve these goals, cloud computing is a very common area for investment. However, the ways in which the technology will achieve its goals remain as varied as 2020. Data and analytics, customer service tools, integration and process improvements are all frequently cited.

In conclusion

The ways in which companies will pursue their digital transformation are varied. One priority or approach will suit one organization better than another. Whichever road businesses chose, building resilience and being ready for the unexpected must be at the heart of every strategy.

Methodology and survey information

This survey was conducted online between November 9 and 17, 2020 by Regina Corso Consulting, examining how global IT professionals feel about digital transformation efforts.

This survey is among 600 IT professionals with 250 from the United States, 150 from the United Kingdom and 100 each from France and Germany. All respondents are at least a director and work in a company with at least 250 employees.

The report is authored by Software AG.

Demographics of the sample:

Age: 18-39=57%; 40-54=34%; 55+=9%

Gender: Male=74%; Female=26%

Years in IT: 5 years or less=8%; 6-10 years=42%; 11-20 years=38%; over 20 years=12%

Years working for company: 5 years or less=19%; 6-10 years=51%; 11-20 years=23%; over 20 years=8%

Company size: 250-999=54%; 1,000 or more=46%

Title: Director=51%; VP/SVP=11%; Executive level, C-Suite=38%

Type of IT professional: Main IT decisionmaker=76%; One of the decisionmakers=19%; make some of the IT decisions=4%; Only work in IT=1%

More information

For a more interpretative look at the year ahead, the *Software AG Reality Check* can be found [here](#).

For any more information on the data or methodology, please contact the Software AG press office:
corporatecommunications@softwareag.com



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