



Whitepaper: Trends in Business Technology for 2021

With the end of an unprecedented year quickly approaching, many organizations are currently immersed in their annual business strategy exercises. The dramatically different economic landscape, and other highly disruptive forces in the business world, are making it harder than ever to predict the future and plan accordingly. In the midst of all the uncertainty, what can business and IT leaders possibly do to maximize their chances of success in 2021 and beyond?

Changes in the IT World between Prior to May 2020

For starters, it can be helpful to have a basic understanding of how IT priorities and budget allocations changed between January and May of 2020:

Budget for Innovation	Jan 2020	May 2020
New Money (Aggressive investments in innovation, funded by incremental IT budget)	12%	6%
Through Cost Savings Aggressive investments by reallocations of costs saved in existing budget	30%	9%
Opportunistic innovation ("shoe string innovation)	15%	55%
Minimal innovation	36%	27%
Other	6%	3%

Source: DivIHN and MakerTurtle Survey (N = 33), May 2020.

At the beginning of the year, IT was already experiencing some downward pressure on spending. January 2020 saw IT's primary strategies focused on cost cutting [the light-green and orange areas above]. There was still some innovation funding coming from within IT, but there were clear signals that top-down investments were actively moving to other areas of these organizations. After the shutdown, IT had clearly taken their foot off the accelerator.

Pulse of the IT Budgets post-May 2020

In the months since our survey in May, the business world has continued to feel the huge impact of COVID-19, along with several other big socioeconomic disruptions and distractions. Recent accounts suggest that discretionary IT spending has remained limited throughout 2020, and that it will continue to be until well into 2021.

So, in addition to focusing on the basics of business technology availability, remote accessibility, and user enablement and adoption, the most successful organizations of 2021 will likely consist of those that are best able to recognize and capitalize on the most impactful trends. An in-depth review of many of the top sources of industry research and strategic advice (including Gartner, Forrester, Harvard Business Review, and others) yields a surprisingly consistent set of current and near-future 'business technology trends', though how they are organized and grouped does vary.

Below is a consolidated overview of the most significant forces and innovations in technology that will transform the business world over the next year or more:

Digital Workforce Resiliency - The unprecedented disruption of the 2020 workplace due to COVID-19 has forced many organizations to reckon with their 'Digital Workforce' readiness, or lack thereof. Those able to



transition quickly to a mostly, or even fully, remote workforce have already proven to be more likely to weather the storm, or even thrive during it. What remains to be seen is the long-term impact of recent transitions and transformations, but it will almost certainly entail more flexibility in how employers engage with the human resources they need to operate and innovate.

Democratization - Advancements in technology generally result in more people having more access to more sophisticated capabilities. This creates opportunities for a broader spectrum of resources to do work that was once the exclusive domain of experts. Ease-of-use, enablement and adoption efforts are increasingly important in ensuring that the potential value of both solutions and people are fully realized.

Integration and Automation - Nearly all organizations have disparate and diverse business processes, and multiple different information systems to support them. Enterprise data integration of those systems is often a prerequisite for many of the other things on this list. Automation can be highly transformative, but its potential scope is often limited by the availability of needed data and feedback.

Data Analytics, Artificial Intelligence and Machine Learning - The ability of an organization to effectively turn its raw data into highly relevant and useful business insights might be among the most important differentiators and success criteria, across nearly every sector, for the foreseeable future. But, as with process automation, gaps in data availability and integration will remain a limiting factor for many scenarios.

Internet of Things, Human Experience and Augmentation - As technology grows more internal complexity, it becomes more important that it presents a simpler and more useable experience. The level of interface and integration between human and machine will necessarily grow tighter with further advances, in order to realize new levels of capability and performance. But that also brings us to the next item below...

Privacy, Security and Trust - While all the trends above can represent new opportunities to enrich and enhance businesses, individual lives, and society as a whole, there is a dark side underpinning it all as well. Technology innovation also leads to dramatically increased personal and collective risk of costly, or perhaps even catastrophic, breaches of our privacy, security, and trust.

While the list of trends presented above is an attempt to simplify by grouping multiple related areas, the reality is that it covers a lot of ground, no matter how you look at it. Identifying the coming changes that will most impact your business, and perhaps focusing on those areas that represent new ways to better serve your target audience(s), will be critical to future growth.

Roadmap to 2021

Given that business technology budgets were already seeing downward pressure in early 2020, and most are now facing many new challenges and constraints, it becomes even more important to keep two key things in mind. First, retaining some level of investment in innovative and transformative technologies will likely be necessary to survive the next year, let alone succeed in the years to come. Second, since funding for non-critical investments will necessarily be less abundant than in years past, fortune will be more likely than ever to favor those who make smart bets.

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