THE JOURNEY TO
OPEN TRANSFORMATION

SEPTEMBER 2019

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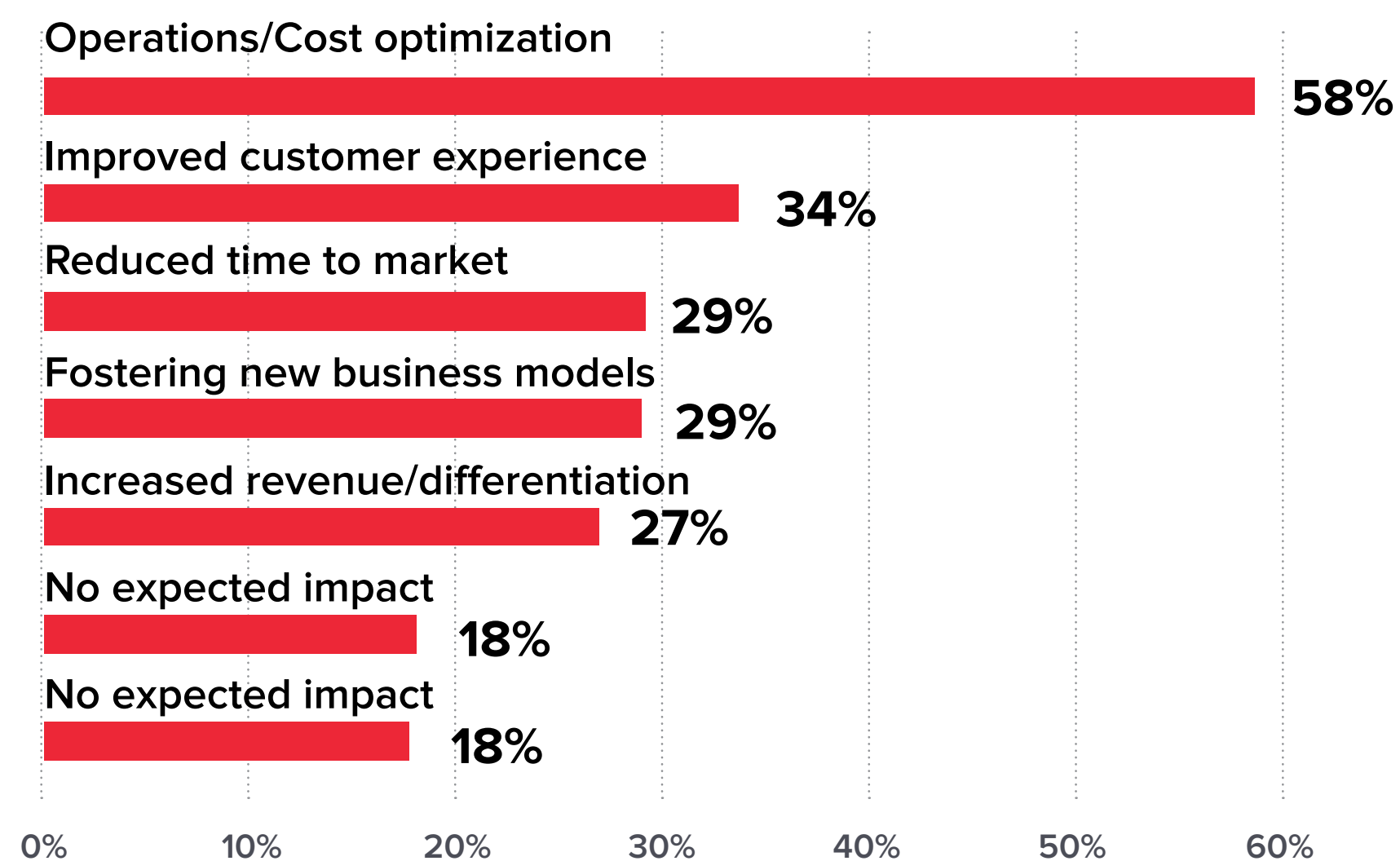Jennifer Thomson
Mark Yates
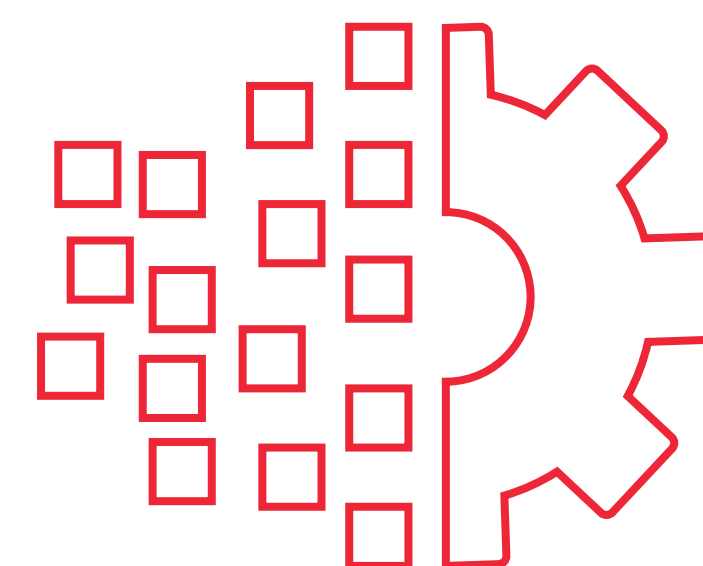
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THE #1 DX CHALLENGE IN EMEA IS INTEGRATION — MAKING OPEN TRANSFORMATION CRUCIAL TO REALIZATION OF VALUE

Anticipated impact of digital transformation in Europe starts with cost optimization and better customer experience

Q: Where do you expect digital transformation having the biggest impact on your business?

Operations/Cost optimization
58%

Improved customer experience
34%

Reduced time to market
29%

Fostering new business models
29%

Increased revenue/differentiation
27%

No expected impact
18%

No expected impact
18%

0%   10%   20%   30%   40%   50%   60%

N=2,759

$1 Trillion
in DX spend in Europe from 2019–2022

Anticipated benefits will stem from digitally enhanced offerings, operations, and relationships.

This changes the game. To stay competitive, organizations must adopt an:

- Open culture to foster collaboration
- Open processes to ensure integration, and
- Open technology to enable innovation

Source: IDC European Vertical Markets Survey, 2018; IDC Executive Sentiment Survey, 2018.

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IDC ANALYZE THE FUTURE

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EUROPE IS DIGITALLY TRANSFORMING

>75%
of European enterprises
will build "digitally native" IT environments by 2020.

65% **of CEOs**
in Europe under heavy pressure to make DX work

GDP

50%
of European GDP
will be digitized by 2022

58%
Digitally Distracted
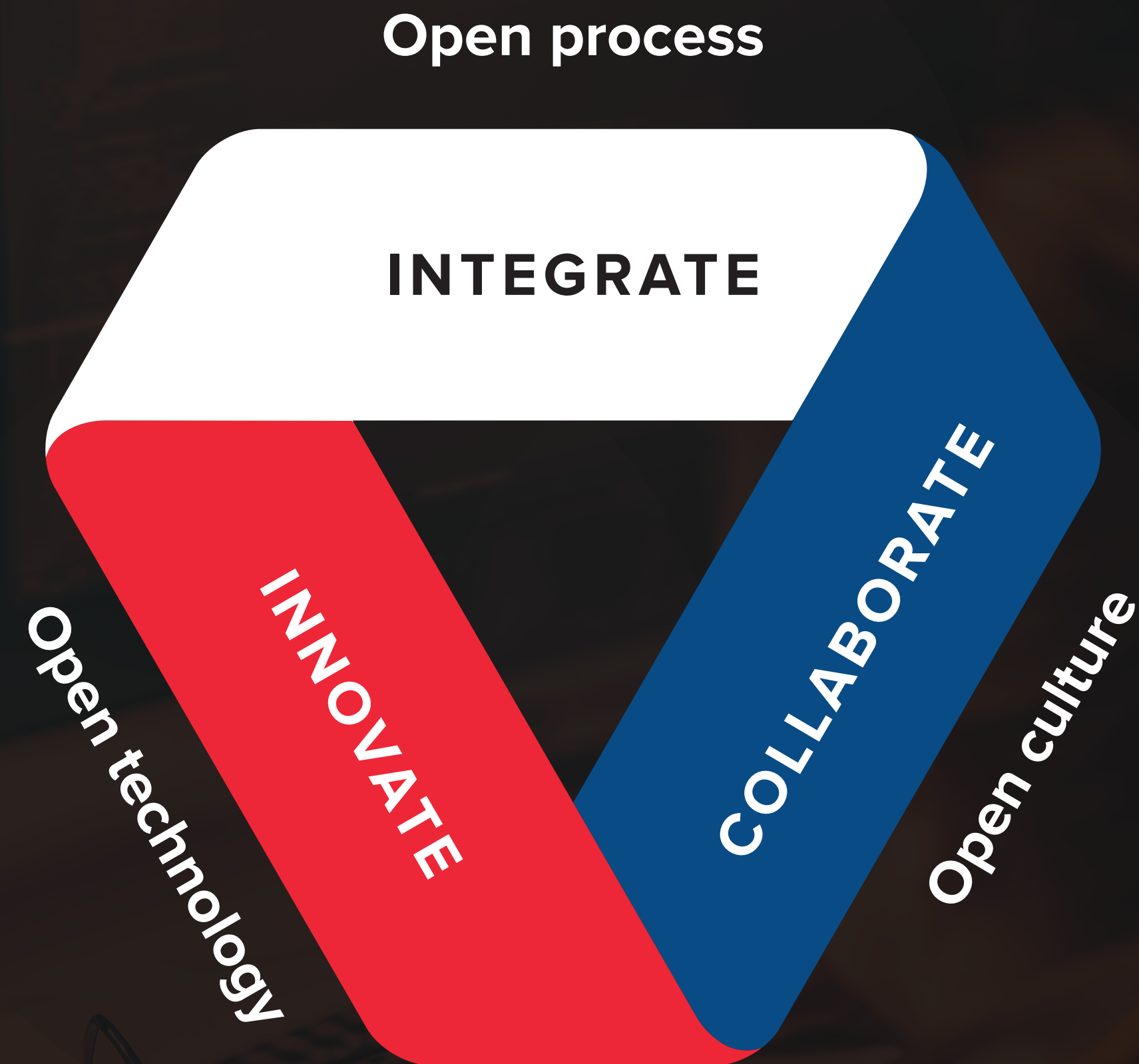DX is ad hoc and short term with silos of innovation

42%
Digitally Determined
DX is either integrated across the entreprise or is the strategy

In the current era of digitally driven change, most European organizations will need to reorient their entire approach to work and technology.

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GOING DIGITAL HINGES ON OPEN TRANSFORMATION

Open process

INTEGRATE

INNOVATE

COLLABORATE

Open technology

Open culture

The right combination of culture, process and technology determines digital transformation success

OPEN TRANSFORMATION REQUIRES OPEN TECHNOLOGY

The acceleration and intensification of digital transformation initiatives requires organizations to deliver digital solutions with increasing frequency.
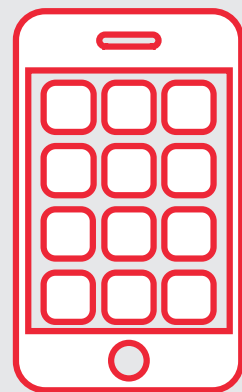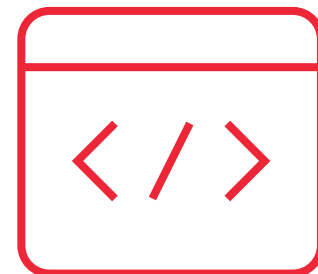
2018–2023

100 million

Apps Will be Created in EMEA

There is a new paradigm in app delivery; this means a change in what apps are and how they are built, deployed, and updated.
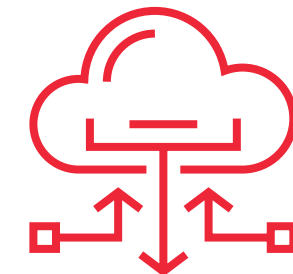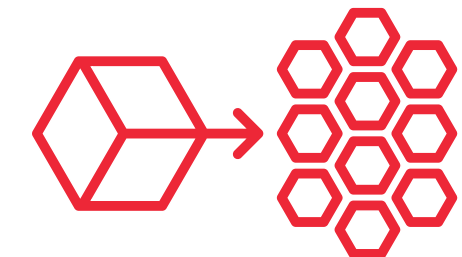
By 2022

60%

of new apps will be made up of more than 50% code that is procured rather than written

30%

of production apps will be cloud native, utilizing microservices, containers, and dynamic orchestration

90%

of all new apps will feature microservices architectures

Source: IDC FutureScape: Worldwide IT Industry 2019 Predictions, European Implications
Source: IDC FutureScape: Worldwide DevOps and Developers 2019 Predictions – European Implications

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THE POWER OF OPEN SOURCE IS CLEARLY UNLEASHING INNOVATION

We are now in an era of multiplied innovation, where organizations are moving beyond incremental transformation to a more wide-scale transformation. This requires them to leverage an ecosystem of talent, technologies and processes, making open technologies a natural choice.
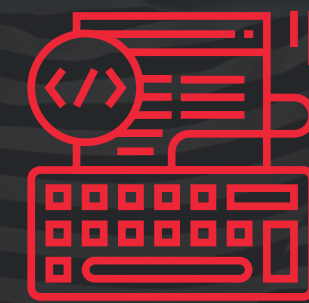
This heralds a new culture centered on community-driven innovation.

57%
of European organizations look to take full advantage of open source innovation and community support when investing in automation solutions for app dev and deploy

30%
of code for all custom applications built is written using Open Source repositories/libraries

1 in 3
European organizations prefer to use community (self-supported) open source software for net new IT management and automation solutions

ORGANIZATIONS MUST ACCELERATE READINESS FOR MODERN APP DELIVERY

European Organizational Readiness

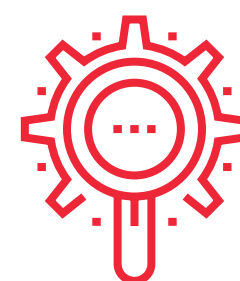### Optimize

App Modernization Efforts

Restructuring parts or all of key monolithic apps into microservices
81%

Moving applications to a container platform
72%

Making applications accessible via public APIs in pieces or in their entirety
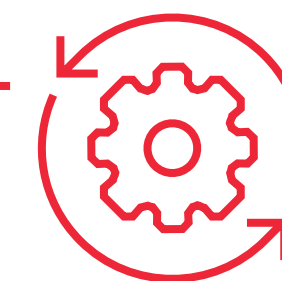**35%**

Agility

1 in 2

organizations rely on a multicloud strategy to support DevOps needs

Automate

1 in 6

organizations take an "automate everything" approach across Dev and Ops, with agile adoption of continuous integration

Cloud-native

1 in 4

organizations working on standardization of container orchestration, automated infrastructure provisioning, and developer self-service platforms

CONTINUOUS DELIVERY EXCELLENCE IS THE GOAL

This requires an integrated, automated, open, and agile pipeline

Approach to Continuous Integration

1 in 5 **DevOps Protagonists**	**Continuous integration with automated build and release management**	**1 in 16** **DevOps Emergent**

For releases to become more reliable, DevOps teams should be able to release software at any moment.
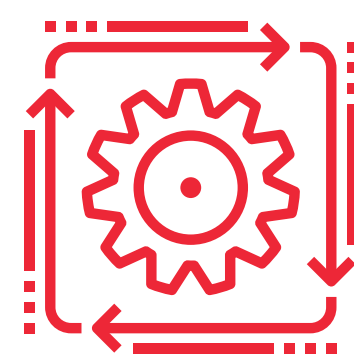
Enterprises that have fully shifted to these new automated approaches dramatically accelerate their ability to push out digital innovation. These organizations see code development and deployment volumes increase by 50–100 times or greater.

The ability to accelerate digital innovation volume and pace will be the most critical new benchmark for organizations competing in the digital economy.
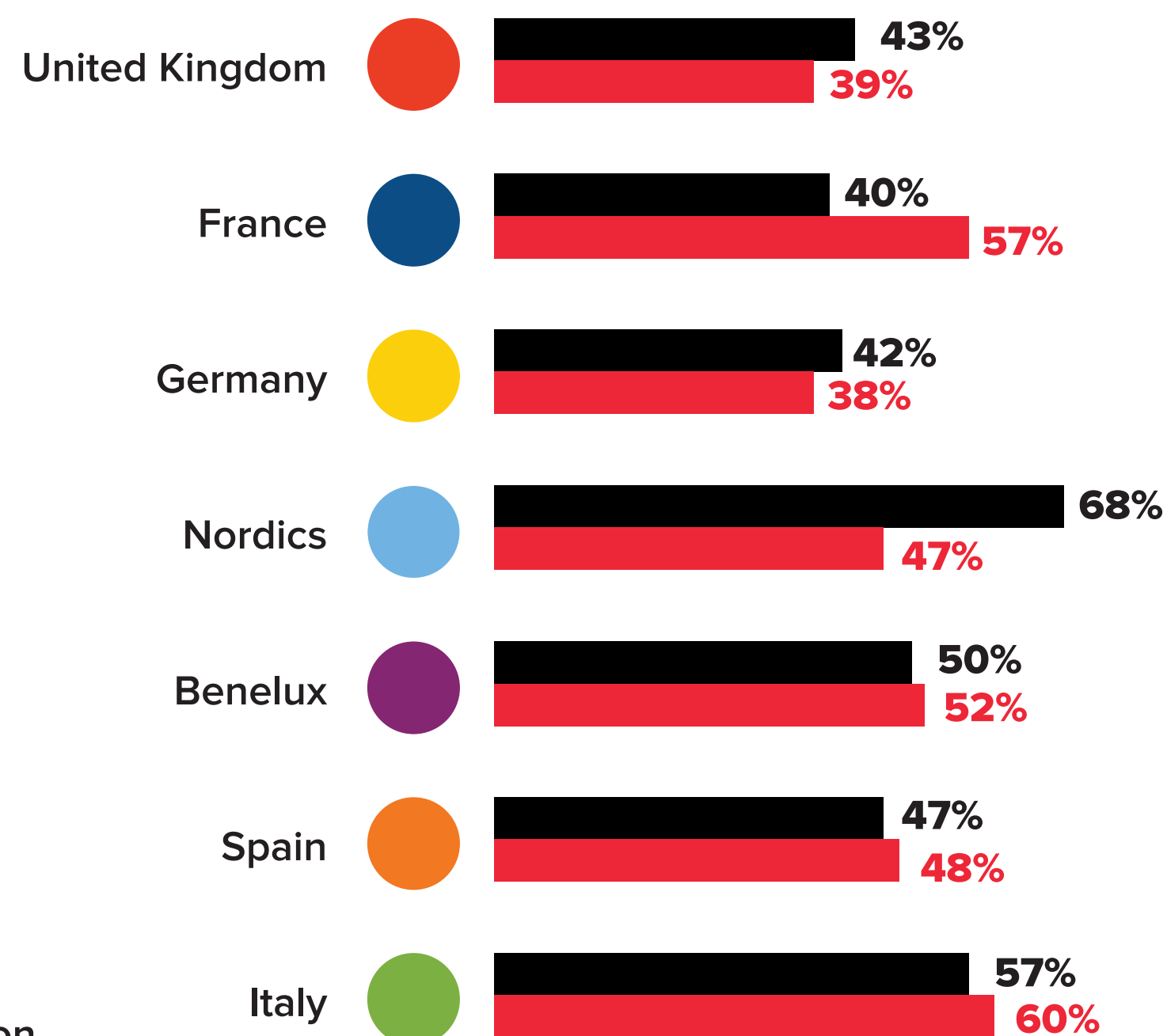
OPEN TECHNOLOGY REQUIRES OPEN PROCESSES

Knock down the silos:
European Enterprises Thrive with a DevOps culture

DevOps Enables Business Innovation and
Facilitates Open Source Innovation

50%

of European enterprises the main impact of DevOps is the enablement of business innovation and facilitation of open source innovation

⚫ Business innovation   🔴 Open source innovation

United Kingdom — 43% / 39%
France — 40% / 57%
Germany — 42% / 38%
Nordics — 68% / 47%
Benelux — 50% / 52%
Spain — 47% / 48%
Italy — 57% / 60%

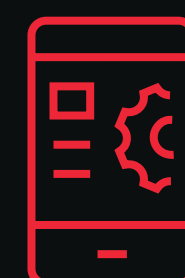# DEVOPS IS MAINSTREAM IN EUROPE BUT MUST SCALE

Adoption

60%

of enterprises use DevOps

Coverage

43%

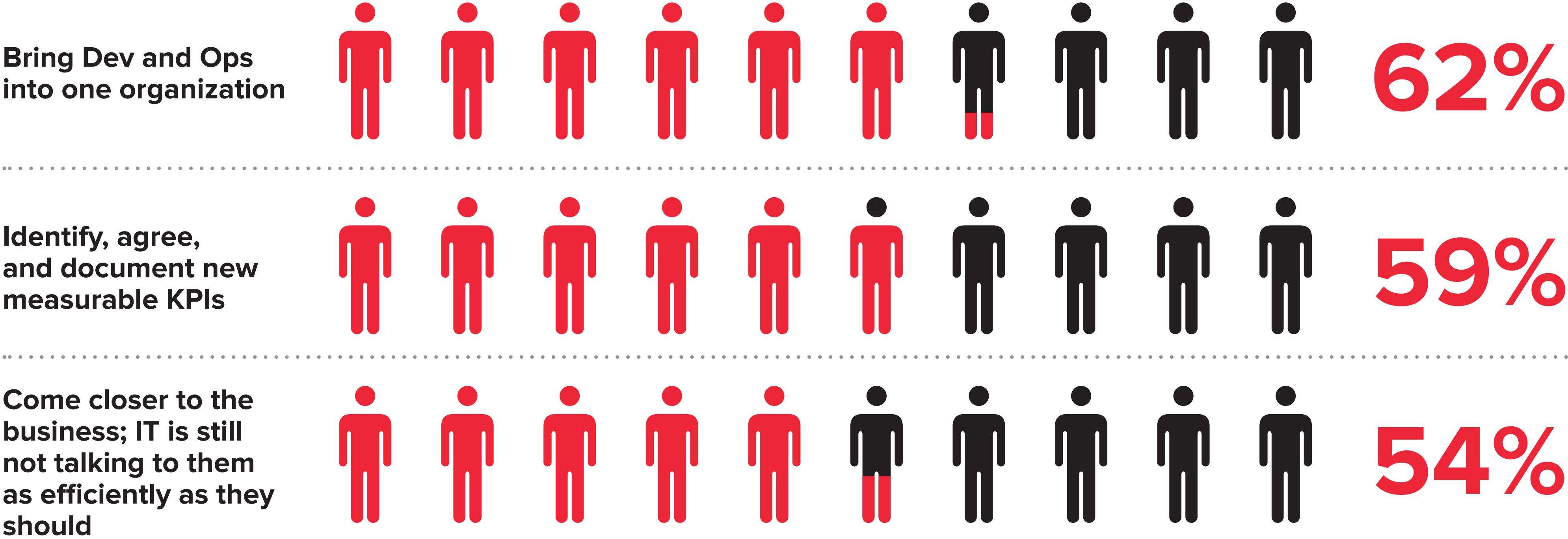of app workloads will be developed using DevOps by 2021

Scale

60%

of enterprises struggle to scale DevOps

DevOps is the intersection of people, processes, and technology that aligns with business leadership, culture, and strategy.

Organizations must start to think business-centric collaboration; it is all about enabling DevOps-led business transformation. Take the learnings from a more collaborative style of working and push this through into the wider organization.

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ACCELERATE TRANSFORMATION BY BRINGING PEOPLE, PROCESS, AND TECHNOLOGY TOGETHER

The next most important thing to do in terms of DevOps efforts

Bring Dev and Ops into one organization

62%

Identify, agree, and document new measurable KPIs

59%

Come closer to the business; IT is still not talking to them as efficiently as they should

54%

OPEN PROCESSES REQUIRE OPEN CULTURE

Enterprises must reorient towards open cultures, where every employee is both a techie and focused on business value. It is always a work in progress. But cultivating collaboration, an innovation mindset, and professional adaptability is now crucial for remaining competitive.

By 2021, more than

55%

of Western European organizations will be digitally determined. This requires new operational models that depend on collaborative and flexible work cultures

E2E Team Ownership
Business Stakeholder
Accountabiliy
Experimentation and
fast failing

Transparency,
Collaboration

Shared Accountability

55%

of developers consider creation of business value a key motivator
(only 36% consider money an important motivator)
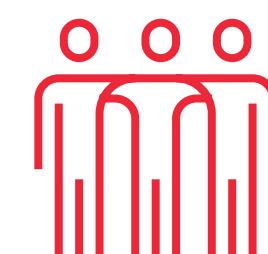
48%

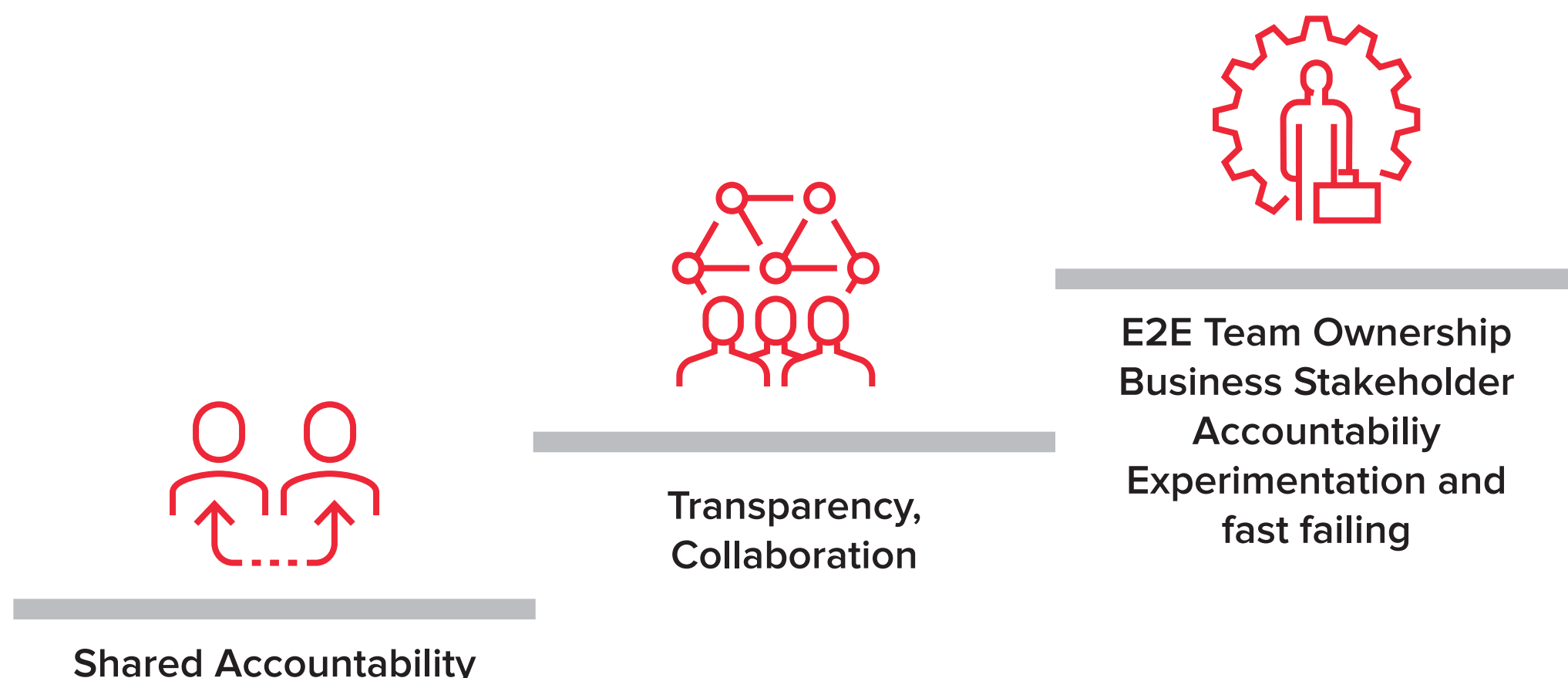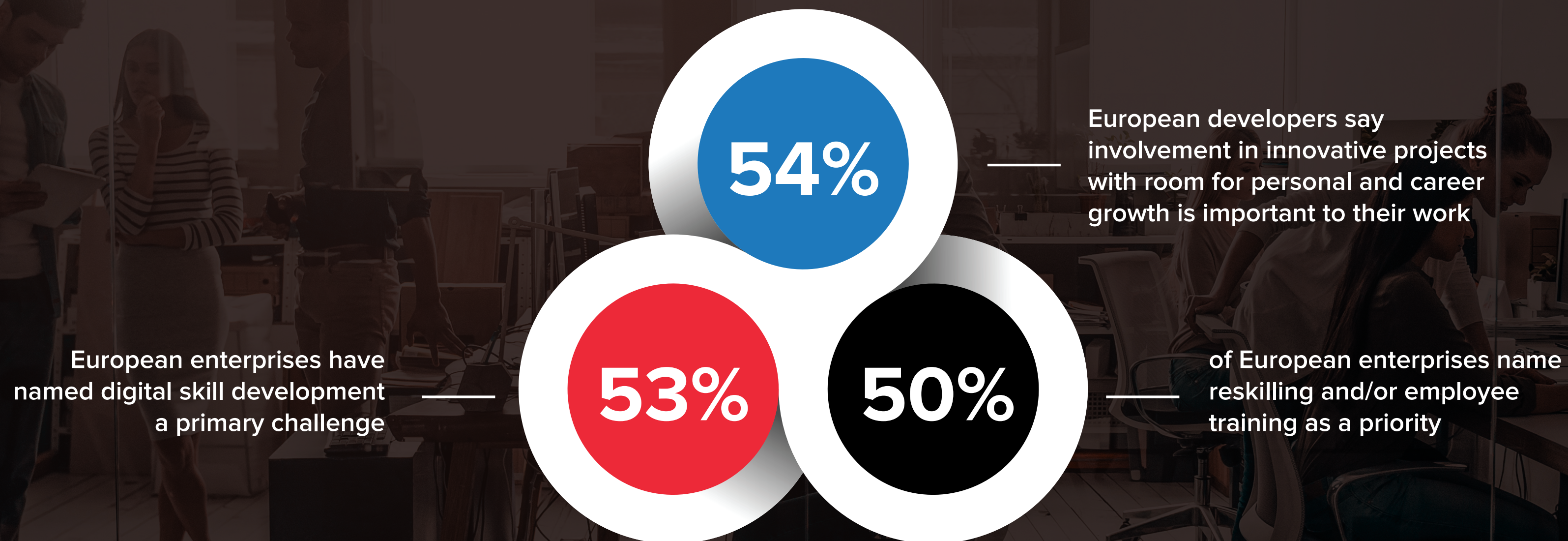**of European enterprises seek greater employee collaboration**

46%

are deploying smart office working designs

Source: IDC's European Future of Work Survey, November 2018 (n = 386);
IDC FutureScape: Worldwide Future of Work 2019 Predictions; IDC European DevOps Survey, 2018

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OPEN ENTERPRISE CULTURES

facilitate learning and risk taking — essential elements for innovation and keeping hard-to-find talent (as money is no longer enough).

54%

European developers say involvement in innovative projects with room for personal and career growth is important to their work

53%

European enterprises have named digital skill development a primary challenge

50%

of European enterprises name reskilling and/or employee training as a priority

Organizations must take down hierarchies and champion cross-functional collaboration. They must focus on sharing rather than owning, encouraging fast failures, and being comfortable with an approach using minimum viable products — something only 2 in 5 European organizations currently embrace.

OPEN ENTERPRISE CULTURES

#1 Attracting and retaining customers is the business priority across Europe

#2 Customer advocacy is the second most important digital success metric among European enterprises

50% of European enterprises say customer experience is a top priority in the IT department.

An **open enterprise culture** is important for improving long-term customer satisfaction, as it centers activity on customer value.

In Europe, forward-looking companies will have an advantage, as just 1-in-10 currently use customer experience/satisfaction to measure team performance.

Source: IDC Executive Sentiment Survey, 2018; ; IDC FutureScape: Worldwide Future of Work 2019 Predictions; European DevOps Survey, 2018; IDC European Vertical Markets Survey, 2018; IDC European Customer Experience Survey, 2018

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DIGITAL SUCCESS REQUIRES AN "OPEN TRANSFORMATION" GAME PLAN

INTEGRATE

- Enable DevOps-led business transformation
- Integrate new technologies with existing solutions
- Simplify the connection of apps, services, APIs, data, or connected assets

INNOVATE

- Shift to modern application architectures supported by agile and open infrastructure
- Standardize, modernize, and automate technology architectures
- Advance continuous delivery as a working paradigm

Open process

Open technology

Open culture
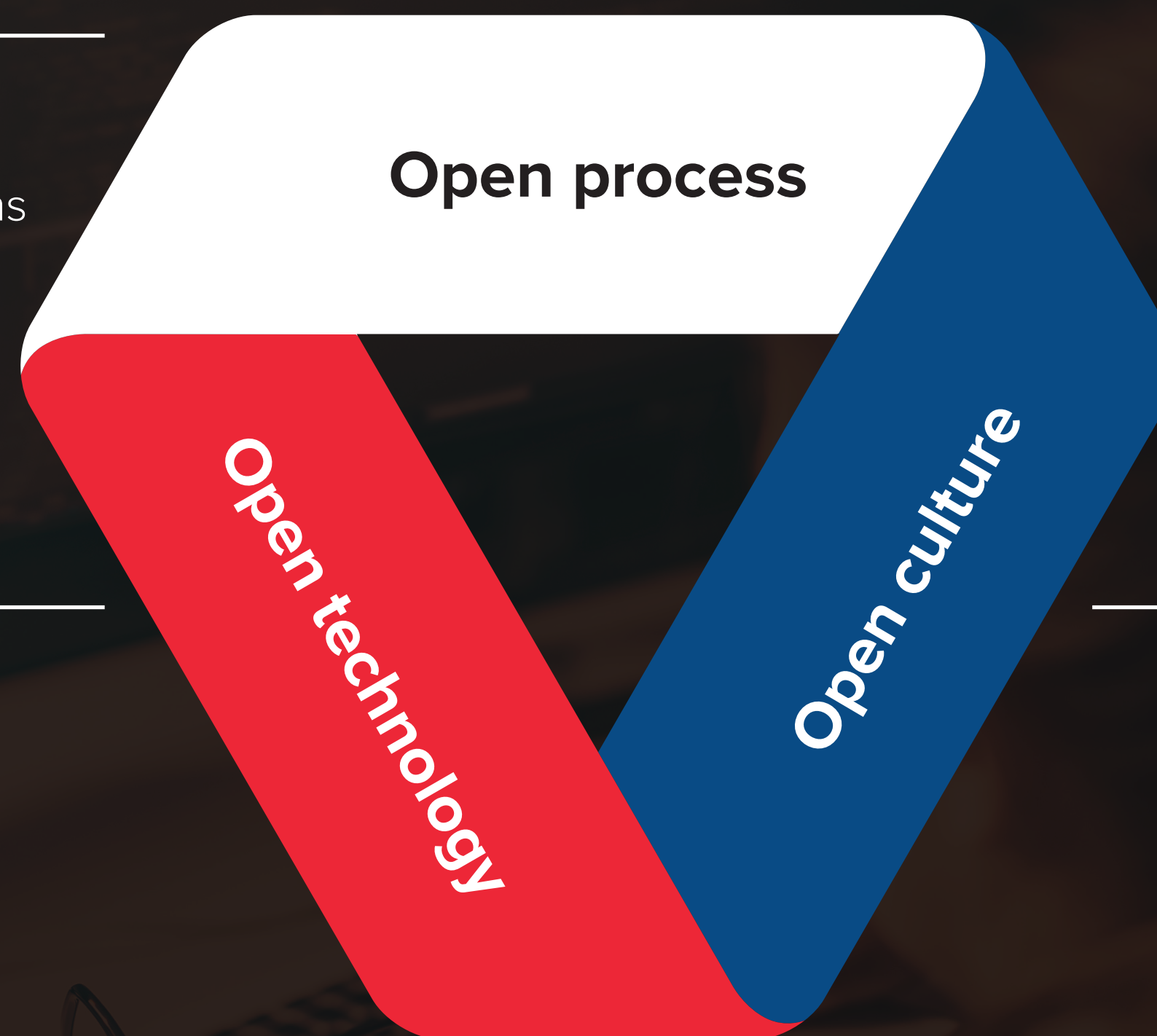
COLLABORATE

- Make required organizational & cultural changes
- Transition to risk-taking culture
- Empower employees to be customer-centric

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