The Path to Digital Transformation: Where IT Leaders Stand

in 2022

Insight® IDG

With the world changing more rapidly than ever, IT and business leaders are prioritizing transformation efforts more than ever before.

And it's no wonder — the stakes are higher than ever. There's much to gain (innovation potential, business continuity, and customer loyalty, for starters), and much to lose (reduced market share, cybersecurity attacks, employee attrition, and so on).

Results from the 2022 Insight-commissioned IDG survey indicate that more than 65% of respondents are already executing on the top six technology initiatives for 2022:

1. Evaluating optimal IT platforms

2. Modernizing security approaches

3. Optimizing IT infrastructure

4. Improving observability (WAN/data center/cloud/etc.)

5. Modernizing legacy technology

6. Increasing use of As a Service[1]

And the results are encouraging: Modernization efforts to-date are already generating measurable improvements in service quality, user experience, and cost-efficiency.

Yet, there are real challenges to address. The world is grappling with a multiyear pandemic that no one anticipated. COVID-19 impacts extend to literally every individual, city, state, country, government, and organization. Businesses have had to face the toughest of challenges — or fall to the wayside.

We aren't here to recount the difficulties of recent years, though. In fact, the 2022 IDG survey shows us that businesses report stories of progress, far outweighing their lingering problems.

Read on to discover what leaders are doing to ensure success, and how every organization can better realize IT modernization and business innovation by partnering with a solutions integrator.

[1] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 21. Commissioned by Insight.

1

About the survey

Insight commissioned IDG to perform a U.S.-based survey of 400 individuals between Nov. 8, 2021, and Nov. 22, 2021.

Survey respondents were senior IT decision-makers (director and above) who indicated digital transformation is on their organization's radar, planned, or underway, and are employed at a company with 1,500 or more employees.

Respondents hail from nearly every major industry, with technology (14%), financial services (12%), manufacturing (12%), retail/wholesale/distribution (9%), and government/nonprofit (9%) being the most represented. Most respondents (36%) work at an organization with 2,500–4,999 employees, while 14% work at an organization with 20,000 or more employees.[2]

The survey was created to shed light on how IT priorities and budgets are shifting, and to learn which technology initiatives are making the most progress and what improvements have been noted to-date.

[2] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 4. Commissioned by Insight.
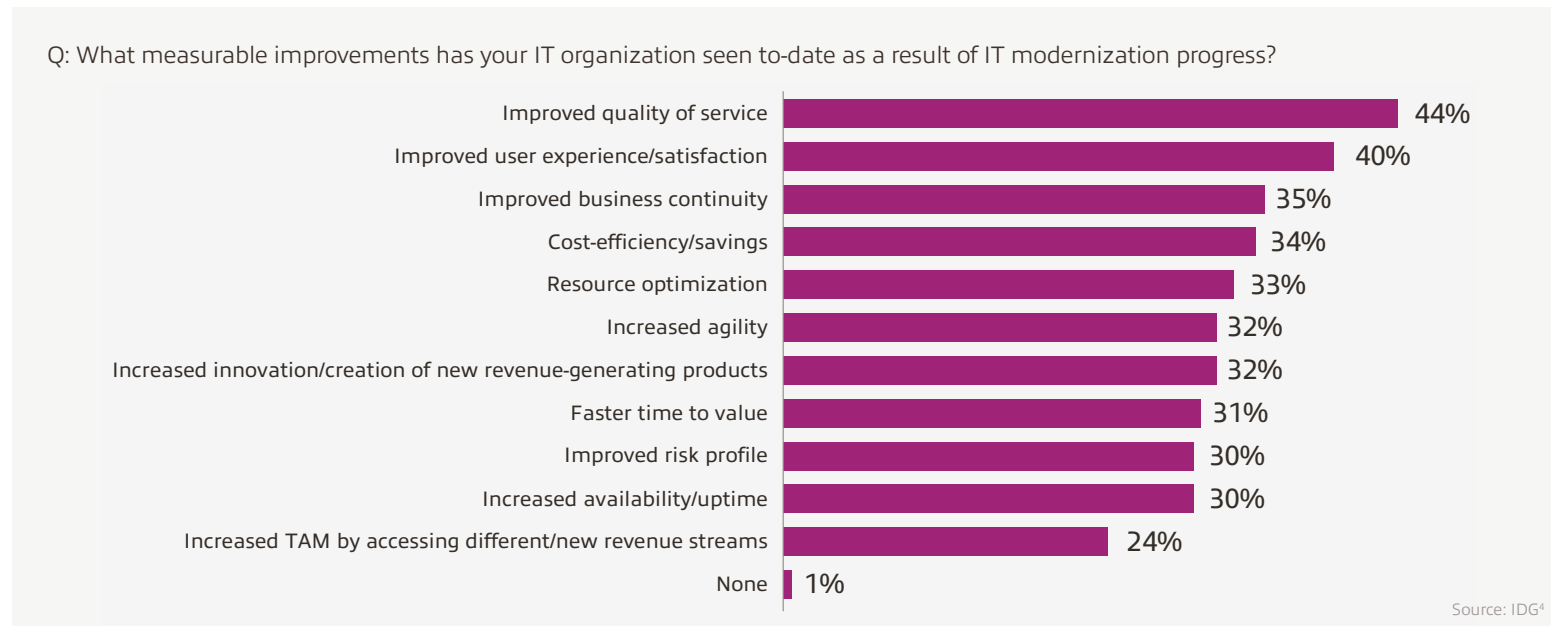
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Forecasting our futures

Outdated systems, architectures, and ways of doing things hold businesses back from reaching their highest potential.

Modernization and transformation are essential tools for gaining a competitive edge, and business leaders know it.

NEARLY 90% expect IT modernization to have a **transformative/ significant impact on long-term growth.**

Size and scale matter:
Those at organizations with enterprisewide digital transformation efforts underway are significantly more likely to expect a transformative impact than those with only business unit initiatives (54% vs. 30%).[3]

Even though some professionals may feel that transformation has been foisted upon them with the arrival of the pandemic, most seem to recognize its perennial value and believe it to be worthwhile in the long run. There are good reasons for their faith: **The average respondent reports three to four measurable improvements from IT modernization efforts to-date, with the top ones being improved quality of service and improved user experience/satisfaction.**[4]

Q: What measurable improvements has your IT organization seen to-date as a result of IT modernization progress?

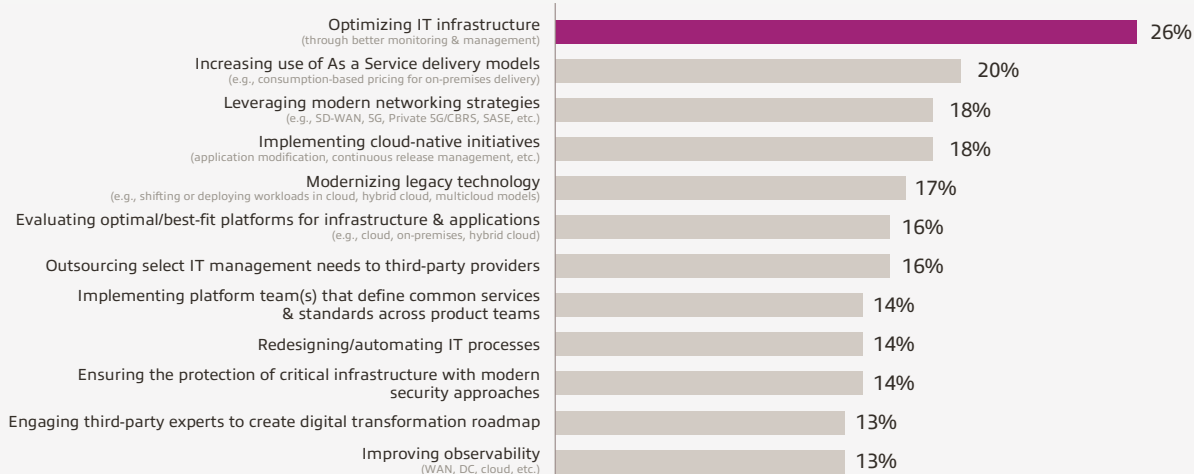| Improvement	Percentage
Improved quality of service	44%
Improved user experience/satisfaction	40%
Improved business continuity	35%
Cost-efficiency/savings	34%
Resource optimization	33%
Increased agility	32%
Increased innovation/creation of new revenue-generating products	32%
Faster time to value	31%
Improved risk profile	30%
Increased availability/uptime	30%
Increased TAM by accessing different/new revenue streams	24%
None	1%

Source: IDG[4]

Of course, there are many areas upon which to focus an organization's energy and resources. Decision-makers must evaluate and prioritize the initiatives that will garner the most benefits over time.

According to our survey results, it seems many are starting at the foundation: **IT infrastructure optimization is expected to have the biggest impact on enabling innovation and revenue creation (26%).**[5] Getting right the underlying infrastructure and processes that support applications is most certainly key to ensuring a healthy and robust developer organization and, thus, a vibrant application portfolio that wins over users and consumers.

One in five (20%) respondents also believe increased use of As a Service delivery models will have a measurable impact on innovation and business growth.[5] By recalibrating the balance sheet, reducing the debt load, and aligning consumption with spend, organizations using As a Service offerings can greatly increase agility in a mercurial world.

Q: Which of the following technology initiatives do you expect to have the biggest impact on your IT organization's ability to enable innovation and new revenue generation over the next 12 months?

Initiative	%
Optimizing IT infrastructure (through better monitoring & management)	26%
Increasing use of As a Service delivery models (e.g., consumption-based pricing for on-premises delivery)	20%
Leveraging modern networking strategies (e.g., SD-WAN, 5G, Private 5G/CBRS, SASE, etc.)	18%
Implementing cloud-native initiatives (application modification, continuous release management, etc.)	18%
Modernizing legacy technology (e.g., shifting or deploying workloads in cloud, hybrid cloud, multicloud models)	17%
Evaluating optimal/best-fit platforms for infrastructure & applications (e.g., cloud, on-premises, hybrid cloud)	16%
Outsourcing select IT management needs to third-party providers	16%
Implementing platform team(s) that define common services & standards across product teams	14%
Redesigning/automating IT processes	14%
Ensuring the protection of critical infrastructure with modern security approaches	14%
Engaging third-party experts to create digital transformation roadmap	13%
Improving observability (WAN, DC, cloud, etc.)	13%

Source: IDG[5]

CASE IN POINT:
Construction technology company

A leading provider of construction Software as a Service (SaaS) solutions was reliant upon legacy data center infrastructure in a colocation facility that failed to deliver the kind of reliability, availability, and manageability that its IT team and end users really needed.

Thanks to Insight's help, the client is now receiving managed data center services and privately hosted cloud services that ensure the company and its customers can scale and succeed without issue.

[Read the full story here.](#)

The hard work being done

One day it's business as usual, the next it's everything but. We've all been painfully familiarized with the concepts of social distancing, face masks, shutdowns, government mandates, and vaccine requirements in a pandemic environment — and it has made us all very, very busy.
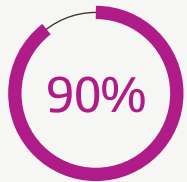
90% report digital transformation has **accelerated over the last 18 months,** with dramatic changes in priorities led by new workplace and business realities.[6]
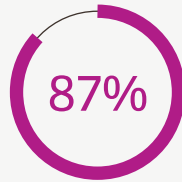
87% of respondents report that digital transformation **is underway in at least some areas of the business,** including 46% on an enterprisewide scale and 41% within certain business areas.[7]

The world has changed, and so must business. Supply chains have been disrupted. Travel has ground to a halt at points in time. Healthcare has seen huge losses in morale and retention. A much more remote workforce is struggling with engagement. One must ask: Has transformation ever been so critical?

In our work with clients across industries, we've seen that transformation efforts tend to center around six main areas:

Modern Workplace

Modern Infrastructure

Data and AI

Modern Apps

Intelligent Edge

Cybersecurity

Next, we'll look at how organizations are making waves in these areas and how Insight can offer support.

The Modern Workplace

Who's an essential worker, and who isn't? How should offices be designed for optimal safety? What collaboration and productivity applications need to be implemented to enable remote work? Business professionals have had to address countless questions like these over the past couple of years, as the workplace has undergone massive change.

This year's IDG survey results reflect the needs and challenges of managing the workplace today.

58%
of IT leaders are now leveraging modern networking strategies.[8]

Traditional networking architectures no longer cut it. Dispersed workforces need new ways to access company data and connect with each other. Companies with remote workers are thus investing resources into networking modernization and enhancements, across the board.

More than three-quarters of IT leaders (77%) say their organization has increased cloud adoption.[9]

Whether a company is in an industry that can go fully remote, like tech or financial services, or in one that needs to maintain some kind of hybrid arrangement, fully on-premises architectures can't deliver the kind of flexibility and access that most of today's workforce requires.

At the workplace administration and management level, it has also been critically important for organizations to optimize resources and partner with expert third-party groups to achieve unprecedented tasks. And most organizations will continue doing so — **42% are already using third-party providers to plan and execute digital transformation strategies, and 45% have definite plans to do so.**[10]

CASE IN POINT:
Recycling and waste disposal company

On-site desktops would no longer be enough to support the continued operations of a waste industry company when the pandemic and subsequent mandates arrived.

Insight provided a major network overhaul across more than 400 sites. Working in close collaboration with Microsoft, our team then procured and deployed 5,200 Microsoft® Surface® devices to remote employees in more than 30 locations across Canada and the U.S. in only a week's time.

Read the full story here.

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[8] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 22. Commissioned by Insight.
[9] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 16. Commissioned by Insight.
[10] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 26. Commissioned by Insight.
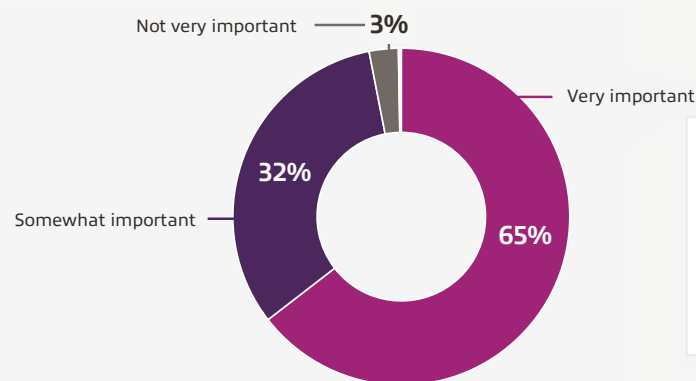
Modern Apps

In today's digitized world, applications are our playground. They teach us, connect us, inspire us, and empower us. They make businesses go, or stumble.

And organizational leadership knows it. The IDG survey results indicate that **65% of respondents place high importance on accelerating application development and modernization to enable innovation.** This is consistent across company size, from small to enterprise-scale.[11]

Q: How important is the acceleration of application development and modernization as a means of enabling innovation and advancing your business?

Not very important — **3%**

Very important

Somewhat important — **32%**

65%

% indicating "Very important"

68%	62%
5,000 or more employees	1,500–4,999 employees

Source: IDG[11]

The tactics leaders are taking to ensure a modern application environment vary. However, most are prioritizing observability, security, and governance. With so much uncertainty and risk in our external environment, it only makes sense that organizations are embracing controls and protocols.

Achieving a truly modern application environment isn't always easy. If your organization is struggling to make strides, here are three ways to promote progress:

1. **Clearly define your obstacles and goals.**
This is the best place to start, even when it feels like speed is essential.

2. **Get the right team and skill sets in place**.
People power your business and its success. If you don't have the capabilities in-house, partner with a team like Insight to fill the gaps.

3. **Prepare for continuous improvement.**
Just like with CI/CD, a good developer organization makes frequent changes to fine-tune processes and keep evolving into its best iteration.

[11] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 28. Commissioned by Insight.

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Modern Infrastructure

An organization's infrastructure is an indication of how far it can go. Legacy infrastructure an impediment to innovation and growth. Modern infrastructure is a springboard — at its best, it makes nearly anything possible.

While this has always been true, the current environment makes it feel that much more real.

How can an organization appropriately respond to new customer demands **when it's already stretched managing disjointed systems?**

How can it strategize new approaches for the workplace **when it's preoccupied with capacity limitations?**
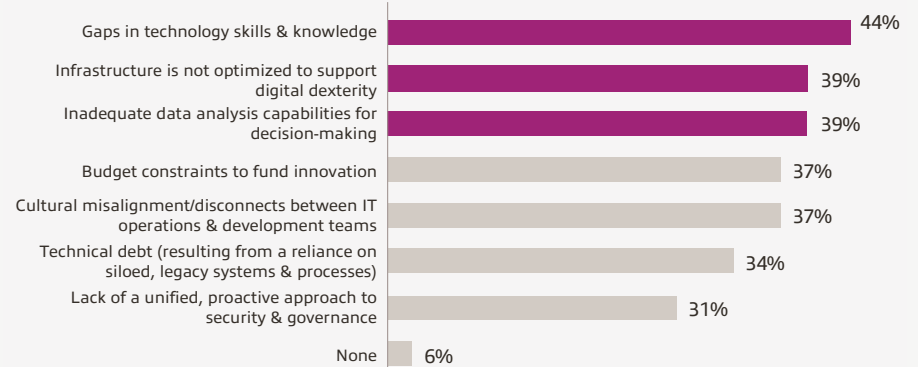
How can it out-compete more agile competitors **when unplanned outages make even business continuity impossible?**

The IDG survey reveals that more than one-third of respondents (39%) report that infrastructure holds their organization back from innovation. Specifically, many are finding their infrastructures aren't properly optimized to support digital dexterity, a culture of practices that empowers employees to deliver stronger value, faster, from ongoing digital initiatives.[12]

Q: Which of the following IT infrastructure or operational constraints are inhibiting progress with innovation at your organization?

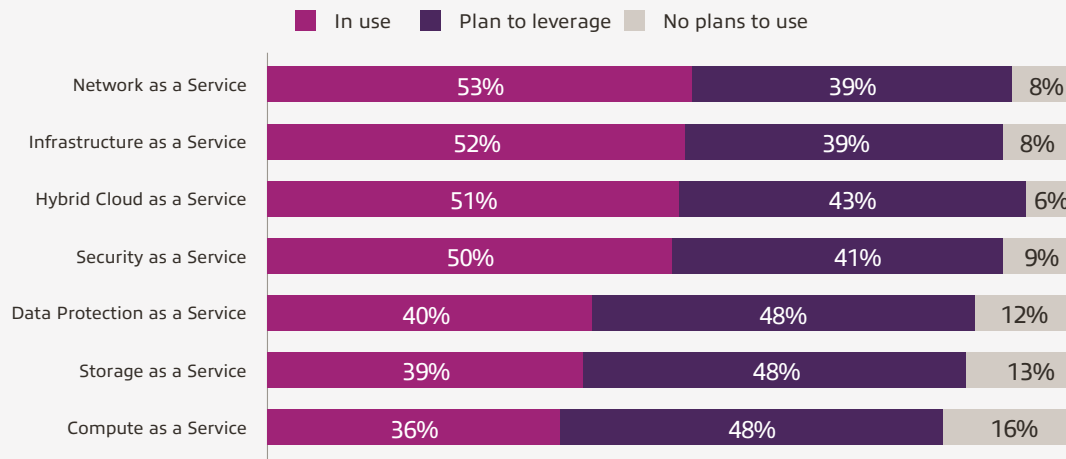|	
Gaps in technology skills & knowledge	44%
Infrastructure is not optimized to support digital dexterity	39%
Inadequate data analysis capabilities for decision-making	39%
Budget constraints to fund innovation	37%
Cultural misalignment/disconnects between IT operations & development teams	37%
Technical debt (resulting from a reliance on siloed, legacy systems & processes)	34%
Lack of a unified, proactive approach to security & governance	31%
None	6%

Source: IDG[12]

A key component of infrastructure today is consumption. How an organization consumes matters. No longer are hefty CapEx purchases and self-managed data centers the automatic choice, and public cloud the alternative. Hybrid cloud technologies and approaches come in nearly every variation an IT leader could dream of, with many offering pay-as-you-go pricing models. **Indeed, 92% of organizations are increasing or planning to increase As a Service adoption,**[13] **citing improved risk management (43%) and scalability (37%) as compelling benefits.**[14]

Q: Which of the following As a Service delivery models is your IT organization leveraging or planning to leverage over the next 12 months? By "As a Service" models, we are referring to the ability to take advantage of consumption-based pricing for on-premises delivery.

	In use	Plan to leverage	No plans to use
Network as a Service	53%	39%	8%
Infrastructure as a Service	52%	39%	8%
Hybrid Cloud as a Service	51%	43%	6%
Security as a Service	50%	41%	9%
Data Protection as a Service	40%	48%	12%
Storage as a Service	39%	48%	13%
Compute as a Service	36%	48%	16%

Source: IDG[13]

With modern infrastructure and processes that span data centers, cloud, networks, and the edge, organizations can augment agility and resilience, and deliver better user and customer experiences that transcend the limitations that legacy approaches impose.

CASE IN POINT:
Benefits provider

A mutual insurance and benefits services provider knew it needed to upgrade legacy systems and processes in order to deliver the personalized and modern experiences its clients have come to expect.

Trusted partner Insight was brought on board to plan and execute a data center consolidation and migration, sidentify and migrate best-fit workloads to the cloud, and create and implement scalable and pay-as-you-go solutions for more than 200TB of storage.

[Read the full story here.](#)

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[13] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 24. Commissioned by Insight.
[14] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Commissioned by Insight.

Intelligent Edge

If we understand that necessity is the mother of invention, and technology is an enabler, we can quickly come to see how the intelligent edge came to be: We need our businesses to go farther and faster, do more, and be smarter, and the technology and processes now exist to do just that.

Intelligent edge solutions are helping healthcare systems transform patient care, helping manufacturers revolutionize production lines, and helping retailers delight a disenchanted and disloyal consumer base. They bring compute and intelligence to the edge — to anywhere the business is — to make real-time improvements and achieve unprecedented outcomes, fast.

A key part of supporting such initiatives lies in networking infrastructure. Organizations need modern network solutions as the network edge expands and connectivity becomes more crucial to business innovation. **Accordingly, more than half of respondents (60%) plan to prioritize 5G or 5G and CBRS strategies and technologies over the next 12 months.**[15]

If you're looking to develop your own intelligent edge solutions, take note of the following considerations regarding your network:

Management
How will the edge be managed? You'll want to ensure you have systems and processes in place that reduce the risk of creating siloed approaches.

Visibility
The tools you currently use to monitor traffic and users on the network may not work at the edge. You'll need to identify and integrate solutions that offer adequate context and insights.

Security
Devices and infrastructure at the edge undoubtedly face a different set of threats than those operating on-premises or in the cloud. Segmentation and other strategies will need to be employed to ensure the security of edge environments and the data and users that interact with them.

[15] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 30. Commissioned by Insight.

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Data and AI

The era of big data appears to have no end. In fact, new data platforms are being created all the time to maximize the value of data for business outcomes.

Yet, there is a broad range of maturity around data analytics and management. Startups and technology companies often have the latest, state-of-the-art systems that can ingest, analyze, and store data with ninja-like precision. Established and enterprise firms may have a mix of new and legacy data technologies, and the integration and management challenges that come along with that.

The IDG survey indicates that more than one-third (39%) of respondents **believe that inadequate data analysis capabilities inhibit innovation.**[16]

Accordingly, nearly half (48%) say that **optimizing data and analytics capabilities (AI, ML, IoT) for innovation is the top enterprise IT goal in 2022.**[17]
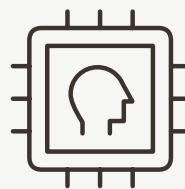
Skill sets around data science, analytics, management, and modeling are in high demand. If your organization has its sights set on innovating in these ways, it may be in your best interest to work with a third-party partner that can deliver everything you need to realize your goals, from strategy and use case development to talent sourcing and solution deployment.

CASE IN POINT:
Fire department

A major metropolitan fire department relied on a legacy Oracle® database to manage incoming data and outbound reporting, but its hundreds of millions of records were creating serious bandwidth and performance challenges.

Insight worked with the department in a two-phased engagement to modernize its data architecture by implementing the latest Microsoft Azure® resources and build a real-time reporting dashboard with critical information for first responders.

Read the full story here.

[16] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 18. Commissioned by Insight.
[17] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 12. Commissioned by Insight.
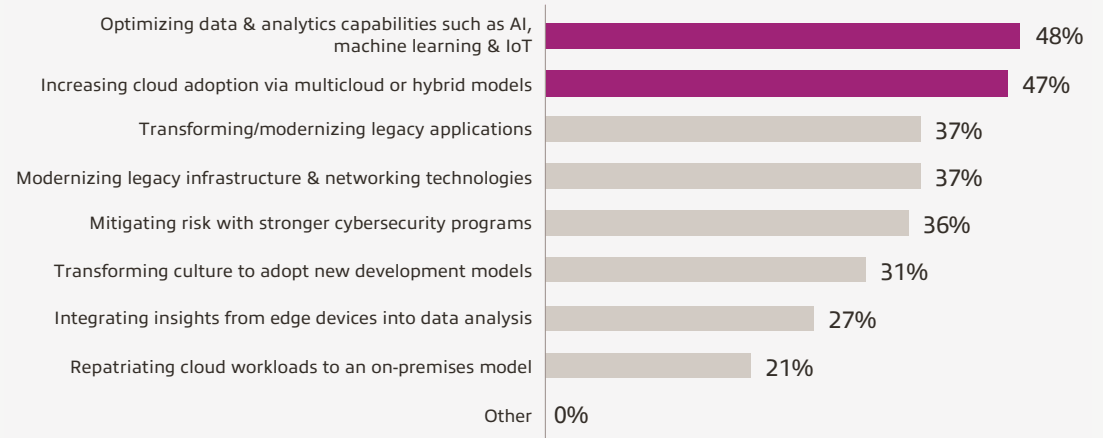
Cybersecurity

Recent shifts across the business landscape have created openings for new ways of doing things, new ideas, and new priorities. But these changes have also enticed cybercriminals to take advantage of new vulnerabilities created in the shuffle.

We've seen record-high numbers of ransomware attacks in recent months, targeting businesses across sectors. Cybercriminal activity, in general, is at an all-time high. Meanwhile, finding and retaining security talent is a broadly known challenge in the business community.

The IDG survey tells us that **36% of respondents say that mitigating risk with stronger cybersecurity programs is a top objective for the next year.**[18] Perhaps more interestingly, **31% say that a lack of a unified, proactive approach to security and governance is inhibiting progress with innovation.**[19]

Q: What are your organization's top IT objectives over the next 12 months to enable innovation and advance your business?

Objective	%
Optimizing data & analytics capabilities such as AI, machine learning & IoT	48%
Increasing cloud adoption via multicloud or hybrid models	47%
Transforming/modernizing legacy applications	37%
Modernizing legacy infrastructure & networking technologies	37%
Mitigating risk with stronger cybersecurity programs	36%
Transforming culture to adopt new development models	31%
Integrating insights from edge devices into data analysis	27%
Repatriating cloud workloads to an on-premises model	21%
Other	0%

Source: IDG[18]

We often think of security as a guardrail — a gate, a closed door, or a filter — that tamps down development and restrains innovation, but here we're seeing that it may be the complete opposite. Without adequate security and governance, an organization can't fully move forward.

So, how are leaders taking action? According to the IDG survey, **the top security initiatives include performing security testing (68%), implementing Zero Trust policies (65%), updating governance policies (64%), and implementing a Security Operations Center (SOC) (63%)**.[20] We know that most organizations already have a plethora of security tools in use, so there is no shortage of point solutions for specific issues. The greater challenge lies in managing the security environment, from strategy through incident response.

We regularly work with client organizations to modernize security programs. If you're looking to do the same, here are three considerations:

Data hygiene and management are paramount.

When cybercriminals get access to your data, it gives them leverage. And the messier your data estate is, the more likely they'll find a way to use it against you. Practices like data classification, data discovery, and data cleansing will help you maintain control — and spot problems faster, if/as they arise.

Frameworks can help.

Whether you're required to align to a specific information security framework or are contemplating following an optional one, there are many roads you can take. Operating within a given framework can relieve your organization of worrying about compliance and ensure you're adopting best practices to keep your business safe. For example, we can help you align with HITRUST, which is now for organizations across industries (not just in healthcare).

Go where the expertise is.

Security talent today is largely consolidated among service providers and consultancies like Insight. Our security practice provides the kind of collaboration, information exchange, and skills development that security careerists need to stay ahead of emerging threats — and deliver maximum value via engagements with companies like yours. Don't hesitate to reach out if you need help.

[20] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 32. Commissioned by Insight.

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Know. See. Overcome.

No matter where you focus your transformation efforts, you will likely experience similar challenges and opportunities as other organizations — the world is not that large, after all.

The IDG survey results tell us that **nine in 10 still report that innovation and strategic growth are constrained by existing IT infrastructure, operations, and culture**.[21] Insofar as infrastructure and operations go, the three most challenging areas are skills, optimization, and data.

Top innovation roadblocks:
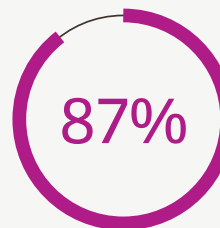
Gaps in technology skills and knowledge

Infrastructure not optimized to support digital dexterity

Inadequate data analysis capabilities for decision-making[22]

In keeping with the most-cited roadblocks, there is also concern with the interplay between developer teams and IT:

87% agree that the working relationship between developers and traditional IT **limits the organization's ability to take full advantage of digital transformation to accelerate growth.**[23]

[21] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 17. Commissioned by Insight.
[22] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 18. Commissioned by Insight.
[23] Marketpulse Research by IDG Research Services. (January 2022). The Path to Digital Transformation: Where IT Leaders Stand in 2022. Slide 19. Commissioned by Insight.

But now that you know and see the obstacles in your path, you can equip yourself and your organization to successfully rise above them.

How? Partner with Insight.

We're a Solutions Integrator (SI) with proven skills across the spectrum of IT, AppDev, new tech, workplace solutions, security, and data science.
No matter the scope of your challenge, we can help you overcome it.

Our people make us strong.
We are a group of more than 11,000 teammates worldwide, which includes 8,000+ sales and service delivery professionals and 3,700+ engineers, architects, and consultants. We've been around for more than 30 years, and our future looks bright.

Our partnerships translate into real benefits for you and your organization.
We have relationships with all major software and hardware manufacturers and publishers. We ensure our clients get best-of-breed solutions, the best servicing and project delivery, and the best pricing.

We can't wait to get started. Learn more about Insight and what makes us the right partner for your future at solutions.insight.com.