



North America Digital Adoption Survey – How Pervasive is Your Digital Strategy?

Application and Digital Services – Preview deck
Market Report: August 2015

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¹ Banking, financial services, and insurance

Background and scope of the research

Background of the research

The convergence of digital technology themes such as Social, Mobile, Analytics, Cloud (SMAC), and IoT, has made it possible for enterprises to use technology creatively and in a manner that solves real business problems beyond “run”. Possibly for the first time in history, enterprises are challenged not by the lack of technology, but its overwhelming abundance. The critical imperative for enterprises is to stay ahead of the competition’s adoption curve in a manner that yields efficiencies throughout the value chain from back-office to customer engagement.

Enterprises are adopting digital technologies not only to engage customers online or to create new business models, but also to streamline internal processes, drive supply chain efficiencies, or simply to make IT more agile and efficient. However, the nature and extent of adoption varies significantly across enterprises.

To delve further into the true nature of adoption, we conducted a survey with IT leaders in 120 North American enterprises. Surveys were conducted with IT and business leaders in organizations that have adopted or are considering adoption of three or more digital technology themes. This report analyses the survey results with a specific focus on:

- Establishing a definitional framework for digital adoption
- Assessing the extent and nature of digital technology adoption amongst North American enterprises
- Identifying key enterprise segments for digital adoption and mapping their adoption behavior
- Identifying key implications for North American enterprises and service providers serving this market

Scope of this report

- **Market segment:** digital technologies
- **Geography:** North America

Sources leveraged:

- Everest Group survey with 120 North American enterprises (US\$1 billion or more in global revenue)
- Expert analyst input
- Previous Everest Group research¹

¹ [Application and Digital Services](#) ; [Cloud and Infrastructure Services](#)
Source: Everest Group (2015)

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Overview and summary of key messages

This report analyses digital adoption among North American enterprises and provides insight on their adoption maturity and spend. Enterprises focus their digital investments on digital enablement, Digital for Efficiency (DfE), and Digital for Growth (DfG). Based on their DfE and DfG orientations, North American enterprises are divided into four distinct segments. These four segments differ significantly in maturity and allocation of digital spend across business imperatives. The research also highlights key implications for service providers and buyers

Some of the findings in this report, among others, are:

Digital Adoption in North America

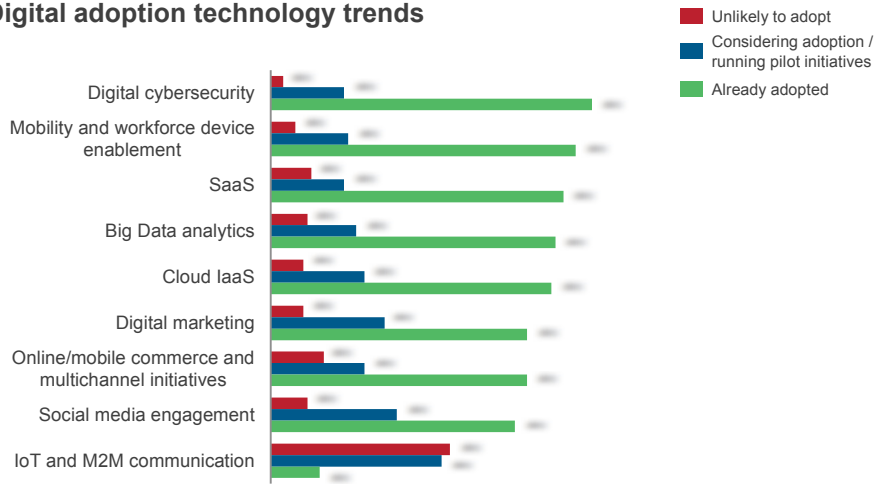
- North American enterprises display a high degree of adoption maturity for digital services. This is evident from:
 - Enabling technologies such as cyber security (79% of the enterprises) and IaaS (69% of the enterprises) have witnessed the most adoption
 - Nearly three-fourths of the enterprises have adopted core digital themes such as SaaS and mobility related initiatives
 - Though IoT and M2M are lagging behind in adoption currently, almost 42% of the enterprises are considering a future strategy for adoption

Segments in the North American market

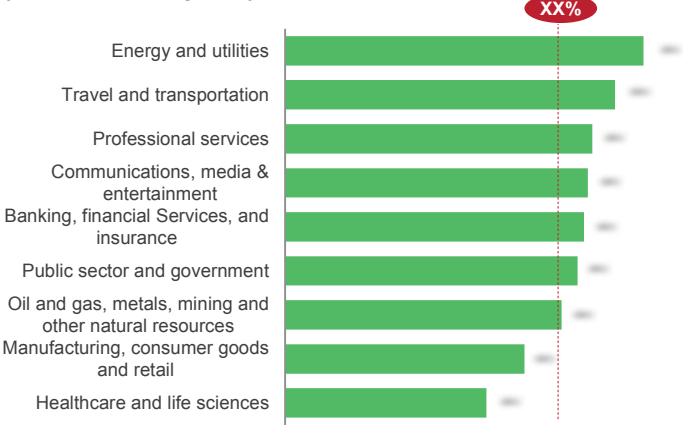
- Enterprises focus their digital investments on:
 - Digital enablement: Focus on optimizing existing IT environments (e.g., SaaS-ification, IaaS, security investments)
 - Digital for Efficiency (DfE): Investments for implementing digital strategies in back office (HR, finance, procurement, etc.) and middle office (e.g., supply chains) processes
 - Digital for Growth (DfG): Investments focused on market facing business processes (sales & marketing)
- Based on their DfE and DfG orientations, North American enterprises are divided into four distinct segments. These four segments differ significantly in maturity and allocation of digital spend across business imperatives

This study deep dives into digital adoption trends among North American enterprises

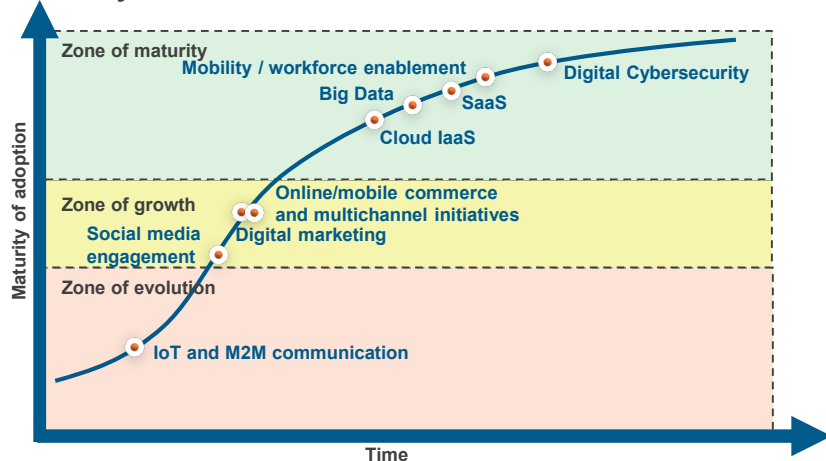
Digital adoption technology trends



Digital technology adoption trends – Digital spend (% of total IT spend)

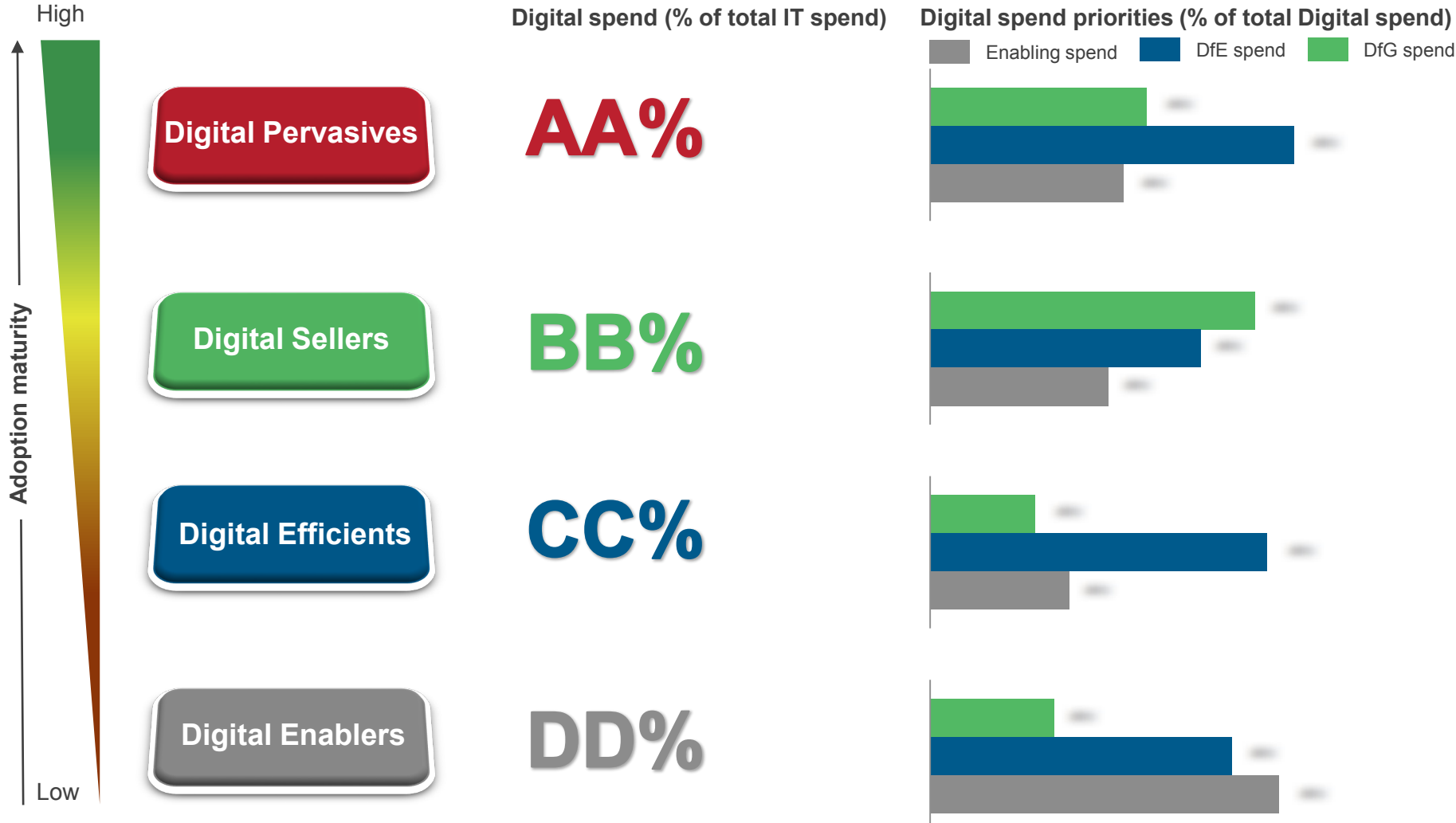


Digital technology adoption trends – Adoption maturity



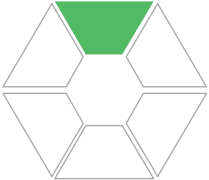
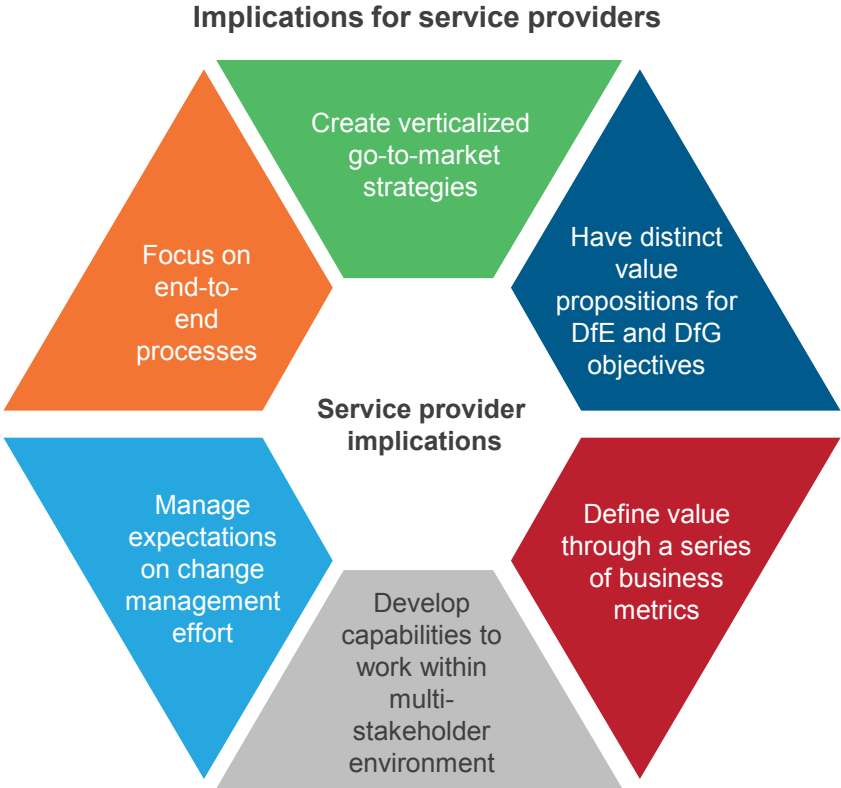
Source: Everest Group (2015)

The research identifies four distinct market segments among enterprises for digital adoption and analyzes their adoption characteristics



Source: Everest Group (2015)

The research also highlights key implications for enterprises as well as service providers



- [Faded text block containing a list item, likely detailing the implications for service providers mentioned in the diagram.]

Application and Digital services research calendar

■ Published ■ Current
Release date

Topic	Release date
Optimizing IT Service Delivery: Technology is the Answer	February 2015
Practitioner Perspectives – Wayne Butterfield Interview	March 2015
Upcoming Contract Renewals – Application Services	March 2015
The Agile Journey: Following Agile to Being Agile	May 2015
Application Services – Annual Report 2015: “Agile to DevOps? Not so Fast”	July 2015
Enterprise Digital Adoption: High Returns, Will They Sustain?	July 2015
Independent Testing Services – PEAK Matrix™ Assessment and Profile Compendium 2015	July 2015
North America Digital Adoption Survey – How Pervasive is your Digital strategy?	August 2015
Independent Testing Services PEAK Matrix™ – Europe-focused – Assessment and Profile Compendium 2015	Q3 2015
Digital adoption market update – Europe focused	Q3 2015
Independent testing services market update	Q3 2015
PEAK Matrix – Digital Services	Q3 2015
PEAK Matrix – SaaS implementation	Q4 2015
SaaS Market Update	Q4 2015
What's Your Mobility Strategy?	Q4 2015

Additional research recommendations

The following documents are recommended for additional insight into the topic covered in this research. These documents either provide additional details on the topic, or complementary content which may be of interest

1. **Enterprise Digital Adoption: High Returns, Will They Sustain?** ([EGR-2015-4-R-1504](#)); 2015. This Everest Group research analyzes the leading Digital technologies expected to bring the maximum RoI and suggest measures that the enterprises need to adopt to consistently get returns on these Digital initiatives
2. **Application Services – Annual Report 2015: “Agile to DevOps? Not so Fast”:** ([EGR-2015-4-R-1503](#)); 2015. This annual research deep dives into the application services landscape. It provides data-driven facts and perspectives on the overall market. The research covers application services adoption trends, demand drivers, and buyer expectations. The research analyzes buyer challenges, trends shaping the market (adoption of Agile methods and increased interest in the DevOps model of application delivery) and also provides an outlook for 2015 for the broader IT as well as application services market
3. **Adopting Cloud Services – View through a New Evaluation Prism:** ([EGR-2013-4-R-0857](#)); 2013. This viewpoint argues for buyers to use a different prism of evaluation while considering adoption of cloud solutions. The report focuses on:
 - Growing cloud adoption
 - Cloud evaluation driven from traditional perspective
 - Need for a newer approach to evaluate cloud models

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About Everest Group

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