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Research from Avanade highlights increasing adoption of emerging technologies in Australia within the next three years

Skill shortages and concerns with data privacy however impede the adoption rate among Australian businesses today

Australia - July 15, 2019 - Research published by Avanade, the leading digital innovator on the Microsoft ecosystem, indicates that more than 90% of Australian executives plan to integrate blockchain, quantum computing, conversational AI, immersive experiences, IoT and security and privacy technology into their operations. Interestingly, 61% of executives in Australia expect to do so within the next three years, above the global average of 50%.

Avanade's research polled 1,200 C-level, senior business and IT decision-makers around the world, with a sample of 100 in Australia, about the opportunities and challenges they see in adopting these "most talked about technologies". The results showed that, while emerging technologies such as blockchain, conversational AI and IoT are seen as valuable, they are also perceived to be more interdependent and challenging to adopt than the emerging technologies of a few years ago such as cloud, social and mobile. The biggest concern expressed by executives was around the scarcity of specialised talent, with 42% stating that they lack talent to advance blockchain in their business for example.

"Nearly all businesses recognise the urgency in adopting new technologies," said Eamon Barker, Innovation Lead at Avanade Australia. "However it is clear the executives feel the shortage of specialised talent in Australia is slowing down the pace of change when it comes to implementing new technologies."

Other barriers to implementing emerging technologies include:

Interdependency: Nearly all executives believe blockchain will deliver benefits, particularly gains in efficiency for financial services firms, consumer goods and logistics. However, businesses still have questions about whether it is right for them and, if so, how they should proceed. In fact, blockchain has a 16% adoption rate among Australian respondents and of those, 74% have built or will build their own blockchain infrastructure and applications. Among the implementation challenges cited by more than half of executives is that they see blockchain as being interdependent on other technologies like AI and IoT.

Reality vs. perception: With the growing buzz surrounding quantum computing, the study found a significant disconnect between the reality and perception. Nearly all Australian respondents (92%) plan to adopt it and most (65%) plan to do so within three years. But that timeline will be for very specific industry use cases given

the fact that the technology is still being developed and is not in widespread use yet. Not surprisingly, around 84% of Australian executives say they don't fully understand quantum computing or its potential uses and benefits. Even so, they believe the technology will impact many areas including data analytics, forecasting, pattern recognition and security such as for cyberattack hunting.

Security and privacy: The study also shows that nearly all executives have implemented or plan to implement conversational AI with nearly half intending to use it to troubleshoot IT issues. Conversational AI has a 19% adoption rate in Australia, which is well below its international counterparts (32%). The main concern expressed by executives regarding conversational AI is security and privacy. An additional security and privacy issue raised by executives in the survey was around digital ethics. More than 84% say they lack complete confidence that their organisations are prepared to address ethical issues related to AI and other technologies that could jeopardise customer and employee trust.

Geographies covered in the research included Australia, Canada, Denmark, France, Germany, Italy, Japan, The Netherlands, Spain, Sweden, the United Kingdom and the United States.

What companies can do to prepare for implementation of emerging tech

Executives who are seeking to implement emerging technologies to meet business goals and stay competitive should bear a few things in mind:

- Hire the right talent for the job. If you can't find the right people, develop the capabilities in-house by retraining your existing talent or work with partners who can provide the necessary skills.
- Research the tools and technologies.
- Experiment with a test and learn approach.
- Integrate a strategy with a holistic, connected approach.

For more information on how these technologies are leveraged read the full research report.

About Avanade
Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help make a human impact on our clients, their customers and their employees. We are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Avanade has 36,000 professionals in 24 countries, bringing clients our best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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