

News Release

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Businesses Anticipate 17% ROI From Digital Transformation Activities Over Next 12 Months

However, nearly half say "digital transformation fatigue" is impacting their ability to get future ready

SEATTLE – June 18, 2019 – Global business leaders believe they can achieve 17 percent return on investment (ROI) over next 12 months by digitally transforming their organizations, according to new <u>research</u> published by <u>Avanade</u>, the leading digital innovator on the Microsoft ecosystem. However, while 92 percent of respondents cited digitally transforming their businesses among their top three priorities, 43 percent reported that "digital transformation fatigue" is significantly impacting their progress.

The research highlights barriers to digital transformation: 80 percent can't make informed decisions; 46 percent cited hiring and training people with the right skills; 40 percent said integration of old and new tech; and 35 percent said modernizing legacy systems.

"There's no single path to success on this journey, as no company is starting at the same point. Each has its own unique set of challenges to overcome along the way," said Gord Mawhinney, Global Business Applications Lead for Avanade. "Avanade has identified three key dimensions which we believe organizations must address to successfully complete their digital transformation: innovation, efficiencies and experiences. Those businesses that achieve maturity across all three will reap the greatest returns. The findings from our research echo this."

Aligned to **Innovation**, 88 percent of respondents said they need to add innovation to business systems to enable agility and continuous improvement. Most of them (84 percent) said AI needs to be invested in at the same time as they refresh their business apps in order to be most successful.

In terms of **Efficiencies**, 78 percent of respondents acknowledged that artificial intelligence (AI) is often adopted without consideration of how to integrate it with legacy systems—a challenge respondents themselves admitted having found difficult. Additionally, 85 percent said that the integration between AI, their data sources and business systems could be better.

From an **Experience** point of view, 83 percent of respondents said that customer experience (CX) and employee experience (EX) investments should have equal priority. In fact, 82 percent said that investments in CX and EX should come before AI investments while 80 percent said that their culture and people are the biggest success or failure points.



"The key to delighted customers is to make AI part of the enterprise DNA, and indigenous to the digital transformation. This enables the organization to be more successful and the employees to be more productive and effective," said Simon Thomas, Global Data and AI Lead for Avanade.

Respondents agree. According to Avanade's research, 94 percent who have invested in intelligent technologies believe intelligent automation and predictive analytics will provide the greatest lift in business results.

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About the research

Avanade commissioned research firm Vanson Bourne to interview 1,150 senior decision makers concluded in June 2019. . Respondents were located throughout Europe, North America and Asia Pacific. They included executives in IT, finance/operations, sales, marketing, and HR. Respondent companies have a global annual revenue from \$500 million to more than \$10 billion, and participate in industries including communications, media and high-tech; financial services; health and public service; resources; and products.

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 <u>www.avanade.com</u>.