In IT together

Understanding the impacts of COVID-19 on IT decision makers and their organisations

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Necessity is the mother of invention

Continuous transformation has long been in the DNA of most successful businesses. Investing in new technology, harnessing the power of data, modernising working practices, evolving the customer experience …. these and other such initiatives take time and careful planning. Yet in 2020 the need for widespread transformation was thrust upon all of us with a degree of urgency that few could have imagined.

We surveyed a number of IT decision makers (ITDMs) in organisations across the UK and USA and have concluded that, encouragingly, they appear to be adapting well to these challenges and showing strong resilience in the face of adversity.

Almost three quarters of surveyed ITDMs report that their organisation is allowing employees to work flexibly from home. Not only that, but 53% said that remote working policies have been rewritten and 28% told us that employees can now claim for expenses associated with remote working - such as upgrades to their ISP or purchasing office equipment.

Whether it's the manufacturing business funding their backroom staff to help them buy a desk for a home office or the finance company allowing their accountants to change their working hours because they have to go help their kids with their school maths homework during "normal" working hours, these are the actions that count. And these are the types of changes that will foster positive relationships between companies and their workforce during this difficult period.

Provide guidance on best use of existing tools and free limited time trials of solutions which may be helpful.

IT director in media, leisure and entertainment

74% are allowing employees to work flexibly from home to enable home-schooling

53% have rewritten remote working policies

28% are allowing employees to claim expenses for areas such as changing their ISP and buying office equipment
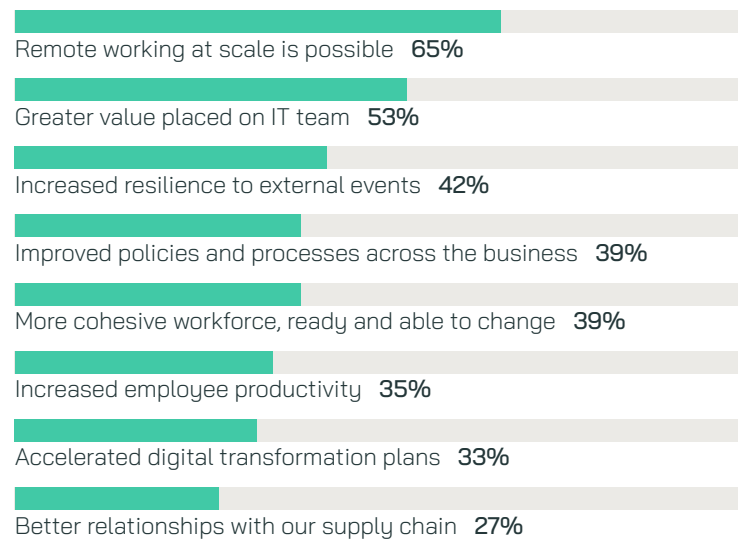
Although coming at a significant cost and at a time of significant disruption to business, there are benefits to all of this activity. 90% of our respondents believe that their organisation will be more robust in the long-term as a consequence of the steps that they have taken to address the challenges of the pandemic.

Further, 98% can cite at least one specific benefit that they've seen or anticipate seeing in their organisation as a result of the initiatives that they are taking now. Increased resilience to external events (42%), improved policies and processes (39%) and accelerated digital transformation plans (33%) all feature as either immediate or longer-term returns on today's investment.

But the most common of all benefits reported by surveyed ITDMs is that remote working at scale is possible. 65% of our respondents have taken this position, indicating that the COVID-19 pandemic has inadvertently ushered in a transformational change to the way that businesses will operate in the future.
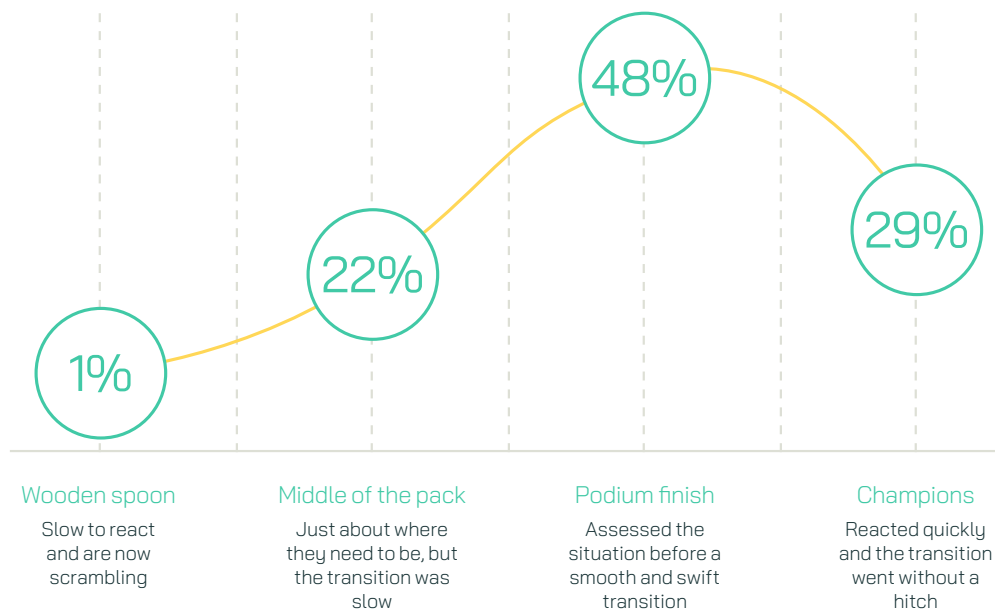
The benefits of upheaval

Remote working at scale is possible   **65%**

Greater value placed on IT team   **53%**

Increased resilience to external events   **42%**

Improved policies and processes across the business   **39%**

More cohesive workforce, ready and able to change   **39%**

Increased employee productivity   **35%**

Accelerated digital transformation plans   **33%**

Better relationships with our supply chain   **27%**

90%

believe that their organisation will be more robust in the long-term as a consequence of the steps that they have taken to address the challenges of the pandemic

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How respondents rate their organisation's transition to remote working at scale

Wooden spoon
Slow to react and are now scrambling

Middle of the pack
Just about where they need to be, but the transition was slow

Podium finish
Assessed the situation before a smooth and swift transition

Champions
Reacted quickly and the transition went without a hitch

This sudden pivot towards remote working at scale has not been as disruptive as some might have anticipated. 29% of those surveyed rate their organisation as "champions" for the speed and effectiveness of their response. A further 48% told us that their organisation deserved at least a "podium finish" for the manner in which they smoothly and swiftly moved towards remote working following their initial assessments. Only 2 of our 300 respondents have indicated that their organisations are scrambling to adjust.

As previously mentioned, remote working is going to be a bigger part of our working landscape from now on. 76% of respondents agree that remote working is here to stay, and that most of their organisation's traditionally office-based employees will continue to work remotely once social distancing and self-isolation measures are over.

For all the pain that the COVID-19 pandemic has caused, it has also possibly brought about the most significant shift in the way that we live and work since 1991 when the World Wide Web became widely available.

It has forced organisations into changes that they probably weren't ready to make, accelerating digital transformation plans and remodelling the way in which companies interact with their supply chains, employees and customers.

A new way of working has been ushered in by this crisis, and it appears that for many, it has provided a further catalyst to drive their organisation forwards.

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No pain, no gain

Yet the transition to remote working has not been without challenge. After all, the COVID-19 pandemic, and the necessary response to it, have brought significant upheaval to the workplace and, for good reason, these are not things that organisations would seek out under normal circumstances.

But what have been the main challenges that businesses have faced?

Two key themes emerged strongly from the research: finances and security. Under normal circumstances, financial wellbeing and system security are critical business issues. In the current climate, they have been raised to new heights.

Finances

It is well documented that many businesses – particularly though in sectors such as travel and hospitality, high street retail, automotive, sports and entertainment – are facing severe commercial challenges. In this context, it is inevitable that many firms will be scrambling to bolster their financial resilience and re-direct budgets to mission critical activities.

According to 42% of respondents to our survey, the revenue and profit forecasts of their organisations have been revised downwards. 36% cite spending cuts across the organisation and 28% say that budgets are being channelled to the departments that need it most.

During this time of budget constraints any extra support from vendors will certainly not go amiss.

When given the opportunity to provide additional thoughts on what more IT vendors could do to support their organisation, 12% of ITDMs pointed towards financial flexibility, such as providing discounts, giving payment holidays and extending invoices. Similarly, 10% identified contract flexibility through areas such as allowing contracts to be amended in the short term and suspending services that aren't required.

With the challenges that IT departments and the wider organisation are facing at this time, it is an opportunity for IT vendors to show that they are the trusted partner that many claim to be. After all, we are all **in IT together**.

42%
report that revenue and profit predictions have been revised downwards

36%
cite spending cuts across the organisation

28%
say that budget from other departments is being funnelled to the areas that need it most

> **Offer more flexible pricing. There were a number of things we had in our budget but the budget was frozen.**
>
> *IT manager in education*

Thinking specifically about IT investment, our survey respondents report that investment across IT is holding up pretty well. In particular, many IT departments are looking to increase spending in areas that drive the ability of their workforce to work remotely, prioritising this above investment in emerging technologies.

The IT areas experiencing the largest increases, or planned increases, in investment as a response to the challenges of the pandemic are cybersecurity technology and support (57%), collaboration tools and technologies (54%), network infrastructure (48%), and hardware and devices (47%).

Conversely, new application development and deployment (71%), IoT (66%), Artificial Intelligence and Machine Learning (64%), and 5G planning/ implementation (61%) are all taking more of a backseat, with investment either frozen or decreasing.

Undoubtedly, once this crisis begins to wane, organisations will be searching for the best way to inject more investment into these emerging technologies, but for now they are still searching for the stability and security required to enable remote working at scale.

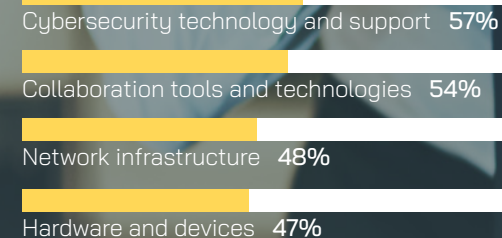## Most common IT areas for increased or planned investment:

Cybersecurity technology and support **57%**

Collaboration tools and technologies **54%**

Network infrastructure **48%**

Hardware and devices **47%**

Most common IT areas for decreased or frozen investment:

New application development **71%**

Internet of Things (IoT) **66%**

AI and machine learning **64%**

5G planning/implementation **61%**

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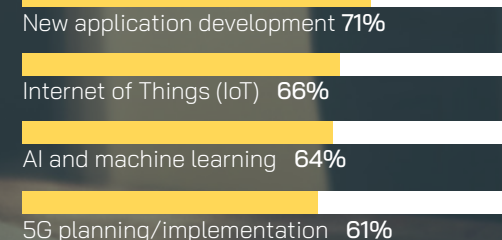
I think security and such is the main problem, as well as productivity for our second-highest problem. I think if there were more tools we could use to improve in these areas, that would be great but there are not too many options right now to be honest.

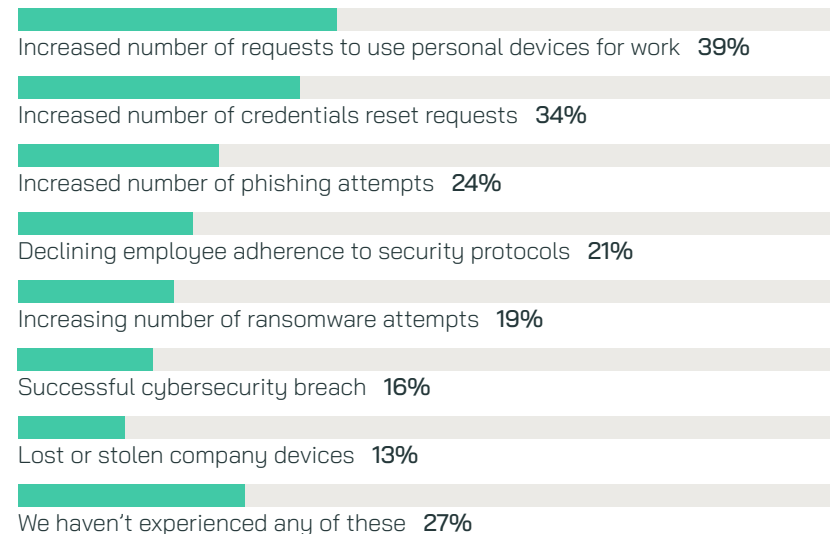*IT director in IT, technology and telecoms*

Security

While most respondents view their organisation's transition to remote working in a positive light, the challenge of quickly providing a secure environment for a vastly increased number of remote workers is not insignificant. Whether employees are aware of it or not, the need for security is woven into everything they do and the lion's share of responsibility for this lies with the IT department.

This has clearly been one of the more demanding elements of the shift to remote working with 65% of ITDMs admitting that while remote working is great, they feel less secure as a business. And just over four in ten place securing their remote workforce among the most significant challenges that their IT department has faced as a result of the COVID-19 pandemic.

Awareness of the increased threat is a vital step. 24% report that they have seen an increased number of phishing attempts since their transition to remote working at scale, while 19% have seen ransomware attempts on the rise. But awareness isn't everything – as demonstrated by the 16% of respondents who concede that their organisation has experienced a successful cybersecurity breach since their transition.

Cybercrime is ultimately a game of high-stakes cat-and-mouse and the rapid transition to remote working at scale has created an environment that opportunistic cybercriminals will attempt to exploit.

Issues experienced with remote working at scale

Increased number of requests to use personal devices for work   **39%**

Increased number of credentials reset requests   **34%**

Increased number of phishing attempts   **24%**

Declining employee adherence to security protocols   **21%**

Increasing number of ransomware attempts   **19%**

Successful cybersecurity breach   **16%**

Lost or stolen company devices   **13%**

We haven't experienced any of these   **27%**

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Our IT vendors could help us with issues as soon as possible because we are being flooded with tickets and are busier than ever.

IT director in retail, distribution and transport

As we have seen, the challenges that IT departments face at this time present an opportunity for vendors to show that they have their customers' backs and that they can be relied upon in a crisis. Ultimately, this is an opportunity for vendors to build loyalty – or to lose it.

So we asked IT decision makers to tell us what more their IT vendors could do to support their organisations at this difficult time.

With so much happening so quickly, IT departments need their vendors to be more responsive than ever. IT departments are required to ensure business continuity through deploying infrastructure and applications on an unprecedented scale. They need their vendors to be on the end of the line with support, advice and solutions – and if that support can be available 24/7, then so much the better. Now is the time for vendors to redirect as much technical capacity as possible to the front line.

And while we're on the subject of support – IT departments need their vendors to be proactive in offering up guidance and expertise. Particularly in those areas of technology where the IT department's experience has, hitherto, been rather limited.

Our research has shown how investment is being re-directed towards IT infrastructure and applications at this time. Despite this, a sizeable proportion of our IT decision makers are feeling the pressure of being in businesses that face significant commercial constraints. Consequently, they are looking to their vendors to provide them with flexibility around pricing, discounts, contracts and invoices. More than 20% of our respondents have identified contract and invoice flexibility, discounts and other pricing considerations to be an area in which vendors can meaningfully support them.

Remote working has arrived with a bang. IT departments are racing to get up to speed and anything that their vendors can offer – with infrastructure solutions, apps or services – to help address the challenges of this sudden and dramatic development will be gratefully accepted.

Finally, it is imperative that vendor systems are reliable and secure. Businesses simply aren't resilient enough to cope with unscheduled downtimes or security breaches as well as they might have just a few weeks ago. System outages and breaches will result in a wailing and gnashing of teeth that you will be able to hear from the spare bedroom that you are currently using as an office.

What support is most wanted from vendors during this time?

Responsive technical assistance (17%)

Financial support (12%)

Contract flexibility (10%)

Remote working (8%)

Collaboration (6%)

Reliability and security (5%)

Transparency (3%)

The IT department – more valuable than ever?

One of the few positives to come out of the pandemic is that modern information technology has enabled many businesses to continue to operate with relative efficiency in a manner that would have been impossible just a decade or two ago. This has, of course, emphasised the importance of the role that the IT department plays in today's businesses, many of which would likely be somewhat less resilient in the face of the pandemic without an efficient and effective shift to remote working at scale.

But this heightened importance brings with it responsibility and responsibility comes at a cost.

It's actually quite a simple equation:

More remote employees + more remote endpoints + heightened security risk = more pressure on the IT department.

Nearly all of our respondents (91%) feel that the pressure on the IT department to "fix" remote working has significantly increased as a result of COVID-19. Contributing to this pressure include challenges such as a lack of visibility into IT issues (42%), increases in the number of issues being reported to the IT helpdesk (41%) and difficulties procuring the necessary hardware, software and tools (35% and seemingly more of a challenge in the UK than the USA).

91%
believe that the pressure on IT to "fix" remote working has significantly increased as a result of COVID-19

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The issues around the lack of visibility into employee working practices are likely to be amplified by an expanded use of personal devices for work purposes - an increase in requests for this is reported equally on both sides of the pond by 40% of our respondents. And this pressure on IT helpdesks further illustrates the need we identified earlier for vendors to step up to the plate with additional support for their clients at this time.

It is imperative that organisations that either do not have sufficient visibility over IT issues or the resources to deal with an increased number of support requests address these shortfalls quickly. The business risk is just too great to ignore them. Once the dust begins to settle and investment plans are made for the longer-term, investigations into IT service management tools and chat bots could be high on the agenda.

It almost goes without saying that an increased appreciation for IT and for the IT department will also be a consequence of the pandemic. 53% of respondents believe that greater value will be placed on the IT team and this figure is remarkably consistent across industry sectors and company sizes in the USA and UK.

The crucial role that the IT department is playing in keeping the lights on during this pandemic could ultimately open the door to it occupying a more significant and more strategic position in many companies in a post-pandemic world.

53%
believe that greater value will be placed on the IT team as a result of the upheaval caused by the COVID-19 crisis

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The strain on our network when we went to working from home was a huge issue and we need a fast solution to keep work going.
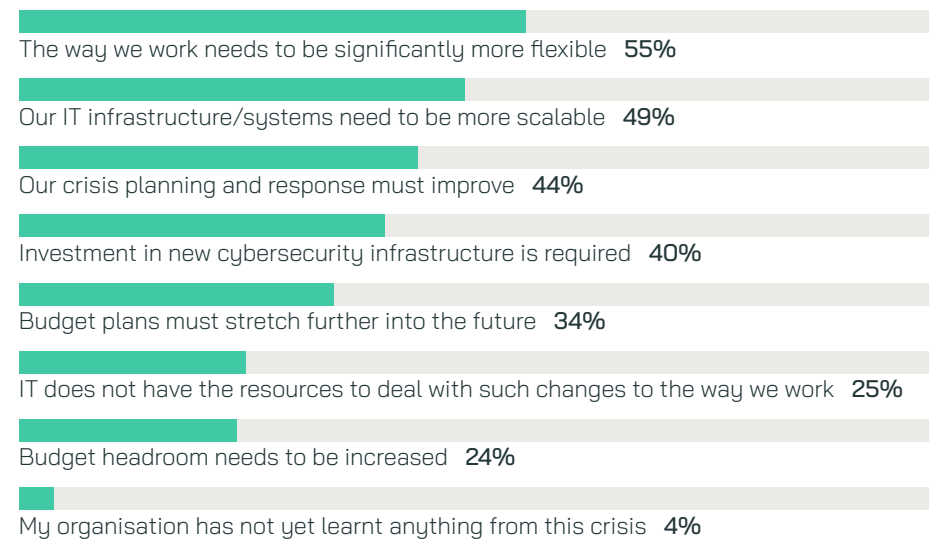
IT manager in healthcare

With just 23% of our respondents rating their organisations' overall response to the pandemic as "flawless" there are clearly issues that will need to be addressed to improve the future resilience of most organisations.

Our respondents agree, with many reporting that their organisations have learnt that the way that they work needs to be significantly more flexible (55%), and that IT infrastructure needs to be more scalable (49%). Additionally, organisations have identified crisis planning (44%) as something that they have fallen short on alongside longer-term budget planning (34%). The latter will help to provide a framework within which more resilient operational models can be developed.

Considering the significant amount of stress that many businesses have been under, the number of lessons that have been learnt in two short months is perhaps not surprising. What might also be surprising is that just 25% of respondents are claiming that their IT department requires additional resources – either personnel or budget – to enable it to be able to deal with crises such as this. And they're half as likely to claim this if they are based in the UK rather than the USA.

Lockdown learnings for IT decision makers

The way we work needs to be significantly more flexible **55%**

Our IT infrastructure/systems need to be more scalable **49%**

Our crisis planning and response must improve **44%**

Investment in new cybersecurity infrastructure is required **40%**

Budget plans must stretch further into the future **34%**

IT does not have the resources to deal with such changes to the way we work **25%**

Budget headroom needs to be increased **24%**

My organisation has not yet learnt anything from this crisis **4%**

Conclusion

Organisations around the world have been forced to adapt to the unprecedented challenges that the COVID-19 pandemic has introduced. Ensuring both the wellbeing of employees and business continuity at a time of disruption, uncertainty and heightened risk is a significant challenge and the resilience of many commercial organisations is being tested.

We are all aware of the importance of IT to modern business practices and we have all read reports over the years of the consequences, occasionally catastrophic, when IT systems fail or are subject to security breaches. The COVID-19 pandemic has served to further illustrate the crucial role that IT plays and we witness, on a global scale, the strategic role that IT can play in shaping an organisations response to crises such as this.

From the perspective of many organisations, one of the clear themes that has arisen out of the pandemic is that modern IT systems and infrastructure have enabled them to continue operations in a manner that would not have been possible even a few years ago. Unarguably, the commercial impact of COVID-19 would have been significantly worse but for the ability of organisations to implement remote working at scale.

As it has been said "We've seen two years' worth of digital transformation in two months". Further, this rapid transition to remote working at scale has been executed, in large part, with admirable efficiency and effectiveness.

But not without challenge. IT departments everywhere are struggling with infrastructure constraints, cyber-security concerns, integration issues and with a significant increase in demand for helpdesk support. In many cases they are deploying technology in configurations that are new to them under circumstances that are far from ideal.

IT vendors that can respond effectively to the challenges that their clients face at this time will be doing much to develop longer-term loyalty. This may require them to ignore their usual commercial practices and, instead, focus on how they can get more technical support capacity to the coalface, be more proactive in advising their clients and introduce contract and payment flexibility wherever possible. Many vendors are already taking steps to implement initiatives such as these either directly with clients or through their partner programs.

After all, we're all **in IT together**.

> **Take it day by day. Nothing is certain right now as we navigate (these) uncertain times.**
>
> *IT manager in media, leisure and entertainment*

Methodology

In April 2020, we gave our clients the opportunity to have their say on the questions that we asked to a sample of 300 IT decision makers (ITDMs) across enterprise size organisations, from the private sector, in the UK and US.

After compiling the feedback that we received, we created a short questionnaire to cover as many points of interest as possible, and among others, we explored the following areas:

› The actions organisations have taken in response to COVID-19
› The challenges experienced by the IT department resulting from this crisis
› The potential benefits that organisations will see from the upheaval caused by the pandemic

All respondents were interviewed using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

300
online quantitative interviews with IT decision maker respondents in the US and UK

1000+
employee organisations in the private sector

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Our reputation for robust and credible research-based analysis, is founded upon rigorous research principles and our ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets.

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