Navigating Macroeconomic Storms with a Digital-first Strategy

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Today's presenters





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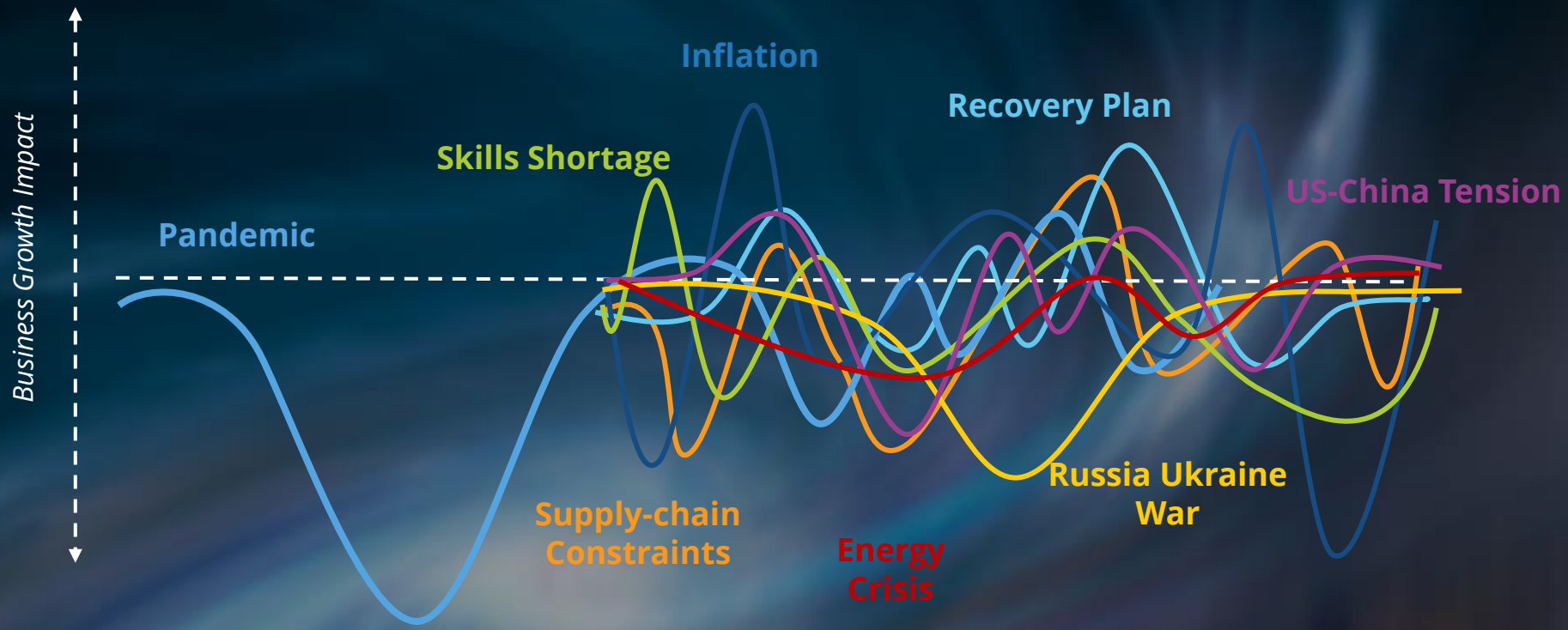
Multiple Storms of disruptions are impacting European organizations



63% of European orgs have created specific scenarios relating to the macroeconomic environment which would trigger pre-established adjustments of their 2023 budgets if they occur

Source: IDC European MacroEconomics Center of Excellence, 2023

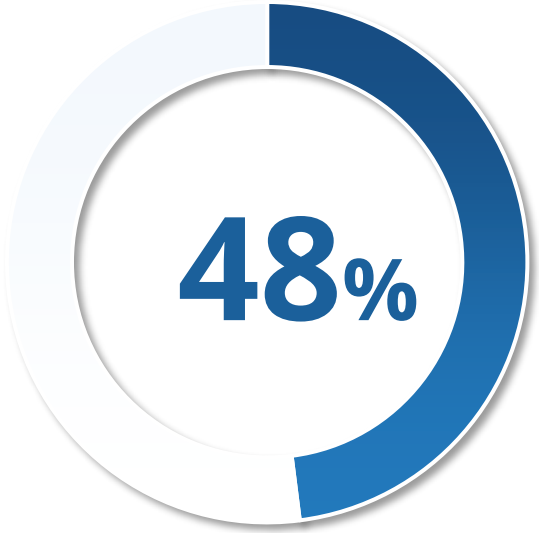
Technology is CEO's "Word of the Year" for 2023

#3 Productivity

#1 **Technology**

#2 Automation

Digital maturity of organizations has accelerated

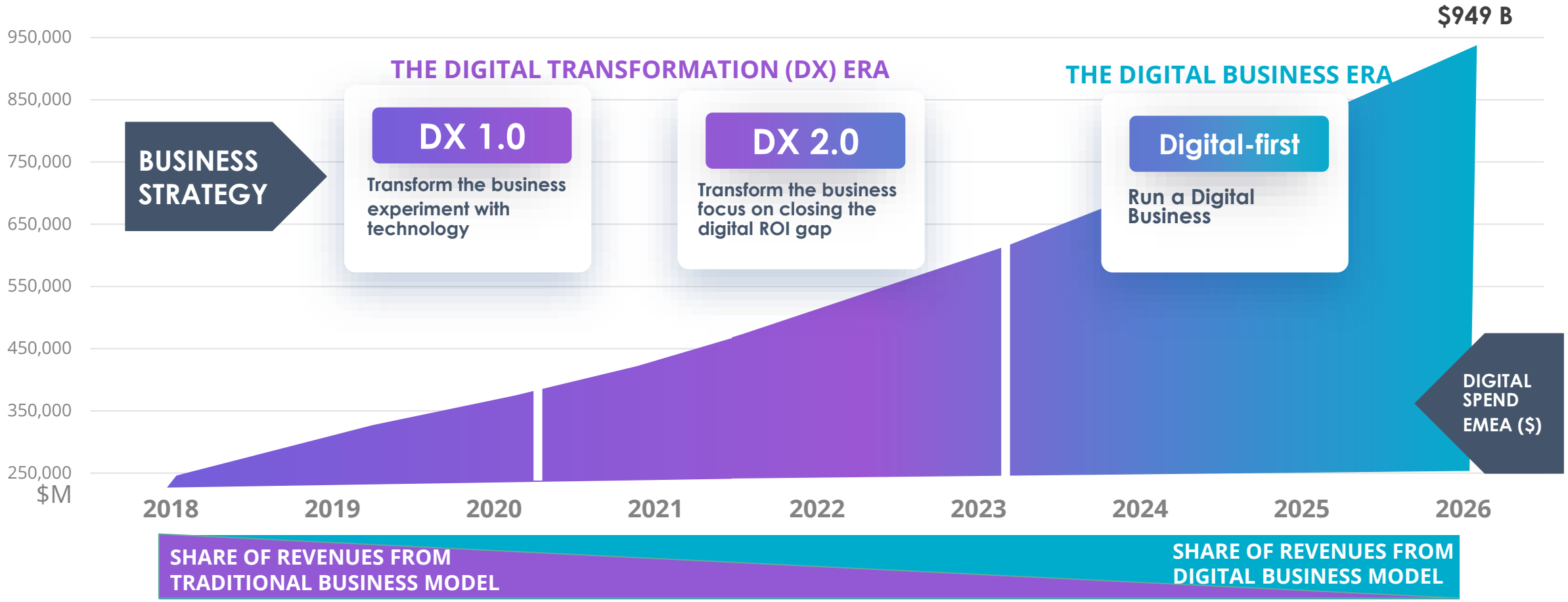


Of European organizations consider themselves in the most advanced stages of digital maturity

Which of the following words most reflect what your organization needs to focus on to thrive in 2023?

Source: IDC European Industry Acceleration Survey, September 2022 – N = 1,500
IDC CEO Survey, n=108 (January 2023)

From Digitally Transforming to running a Digital Business



Source: IDC Worldwide Digital Transformation Spending Guide, April 2023 Release (V1 2023)

Business Value Realization under the spotlight

Which of these statements is true for the technology budgeting process for your organization in 2023?



Business Value

"Focusing on using technology to drive more revenue generating activities is a critical initiative for us in 2023"

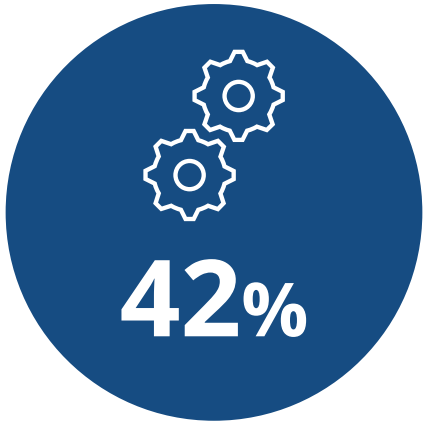
Source: IDC's Worldwide CEO Survey, Jan 2023 (European sample, n=108)



ROI and Productivity

"Revenue generation, greater profitability and productivity are the top 3 business outcomes we expect to deliver from our tech investments"

Source: IDC WW Digital Sentiment Survey, October 2022 (European sample=303)

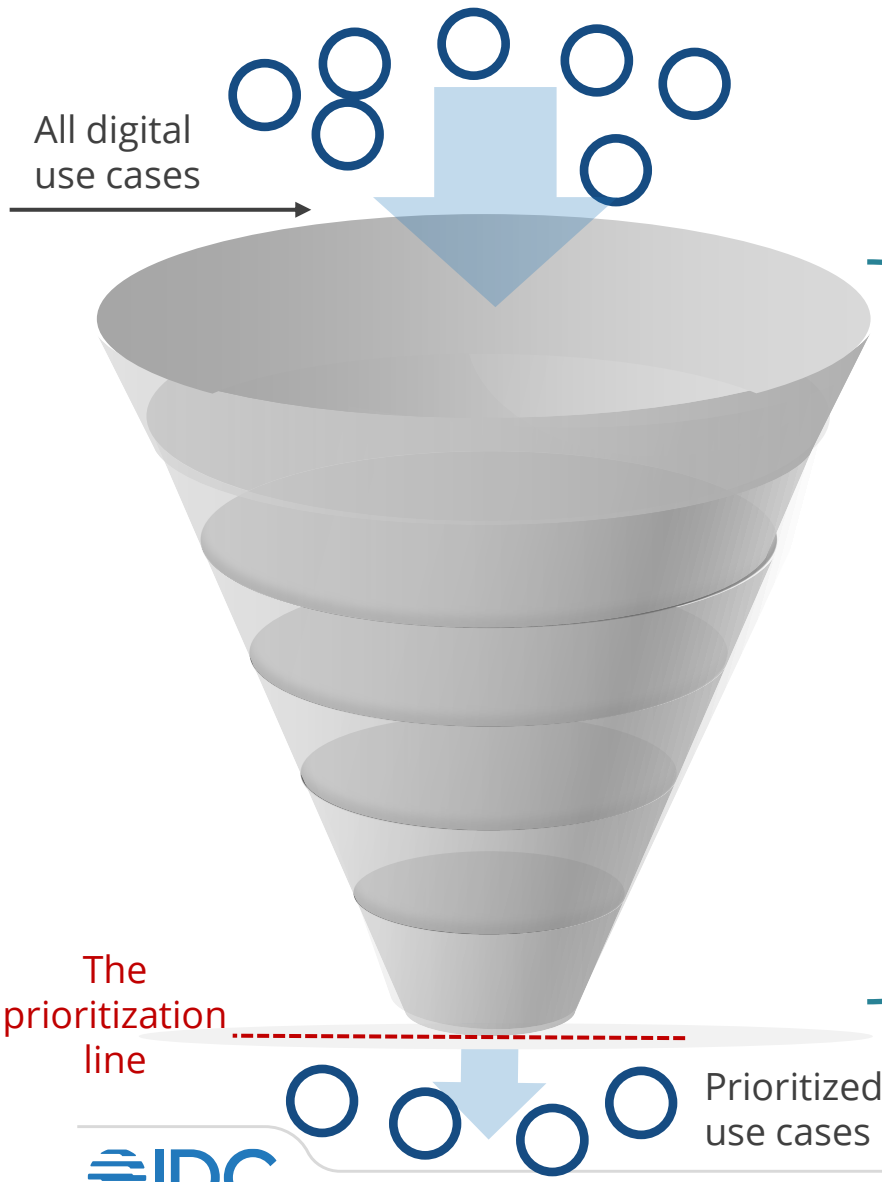


Tech Reprioritization

"We will not cut budget but review our project portfolio and reprioritize initiatives"

Source: IDC's CIO Quick Poll, December 2022 (n = 49 European respondents, % represents respondents ranking that choice as #1)

The C-Suite **Digital Use Cases Reprioritization** Checklist



Prioritization Criteria

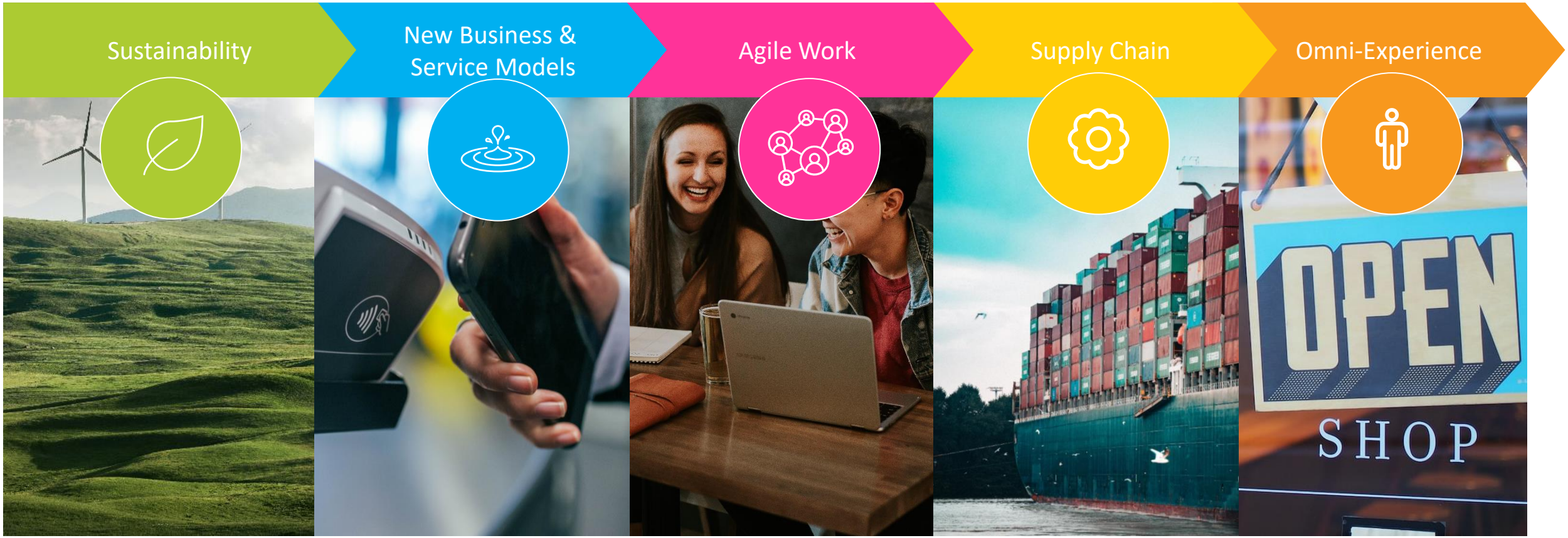
- Fit with long-term program and vision
- Balanced risk profile
- Strong sponsorship in the leadership team
- Urgency of the related strategic priority
- Realization of the largest ROI
- Internal capacity to develop/ implement

Tech Reprioritization Checklist

- Is the project important to achieving the long-term digital business strategy?
- Does the project have a high risk of failure?
- Is the full C-suite engaged and onboard with this?
- Does the project address a substantial commercial or business gap?
- Does the project realize measurable KPIs associated with it?
- Do we have the right tools and skills to deploy the use case?

Source: IDC's European Industry Acceleration Survey, September 2022 (n = 1,500)

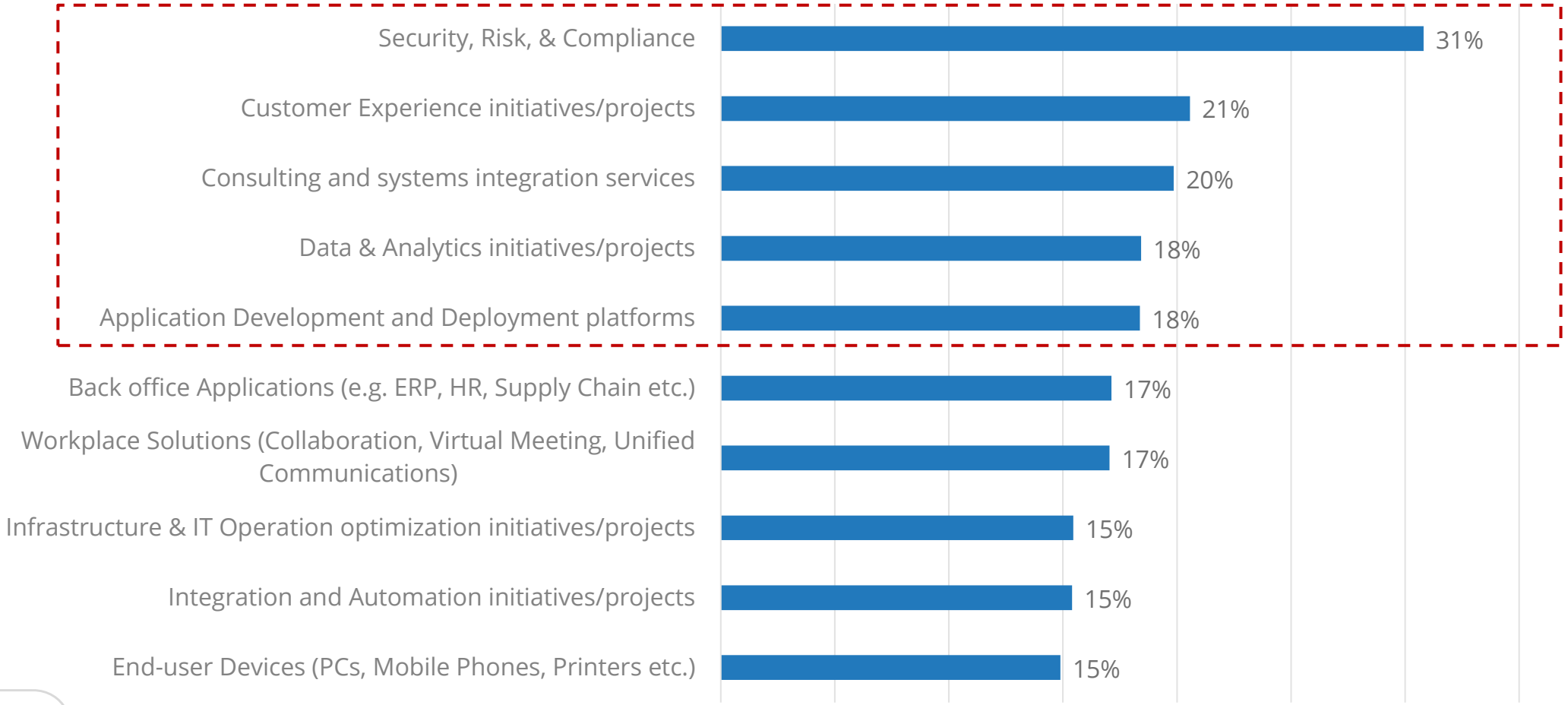
5 Recurring Themes Prioritized across EMEA organizations



Source: IDC's European Industry Acceleration Survey, September 2022 (n = 1,500)

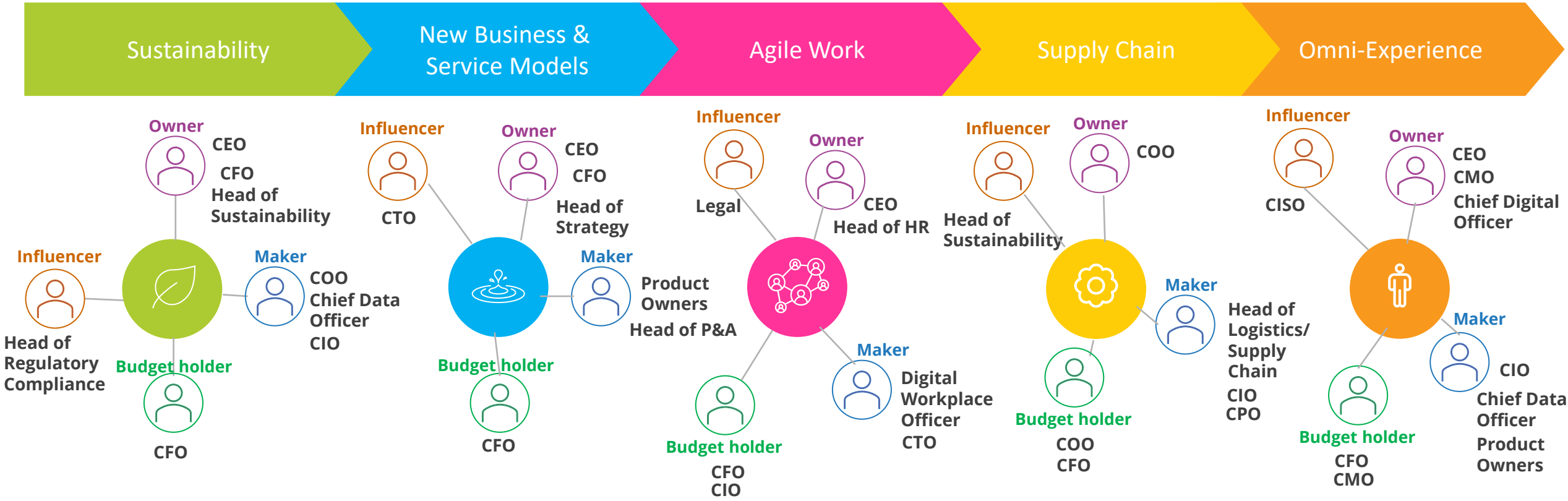
There are some Techs that cannot be sacrificed

Which of the following areas are most immune to budget reduction regardless of the economic environment? (Europe Total)



Source: Future Enterprise Resiliency & Spending Survey - Wave 1, IDC, January 2023. N = 985 – Europe Only (N = 225)

Realizing Digital Value involves multiple C-Suite Personas



Owner
Responsible for the digital initiative roll-out and associated business outcomes

Maker
Make the digital initiative possible from a practical point of view

Budget holder
Approve digital initiative budget and sign the cheque

Influencer
Influence the digital initiative deployment but with limited decision power

Source: IDC's European Industry Acceleration Survey, September 2022 (n = 1,500)

3 Jobs to do for the CIO in 2023



1. **IT Modernization**
   "Invest to Win"

2. **Risk Mitigation**
   "From Risk Mitigation to Selective Investment"

3. **Digital Business Orchestration**
   "Orchestrating Digital Business Value Generation"