Operational Agility: The Key To Business Resilience

A Spotlight On Organizations In North America
Executive Summary

Today’s operations professionals must contend with a massive and complicated collection of technology while trying to meet the rapidly changing expectations of multiple stakeholders. They must also embrace increasingly complex architectures, agile development techniques, and a remote, mobile, and geographically distributed workforce. North American decision-makers know they must digitally transform and modernize their organizations’ operations to keep up.

To evaluate the operational maturity of organizations, Cisco commissioned Forrester Consulting to conduct a global online survey with IT and operations decision-makers. This spotlight focuses exclusively on the results for respondents in the United States and Canada.

We found that, to succeed in a post-pandemic world, operations must be adaptable, resilient, and agile. Unfortunately, many respondents find their organizations less collaborative and responsive today than prior to the COVID-19 crisis. The key to solving this issue lies in operational agility.

Key Findings In North American Organizations

- Over 80% of respondents in North America understood that IT agility is critical to their organizations’ future success.
- Operational leaders in this region have automated more processes, focused on keeping data quality high, and committed to thoughtful growth.
- Less mature firms struggle with outdated tools, silos, and a general resistance to change that holds them back.
- Operational leaders see major gains to customer, business, and technical KPIs.
IT Agility Is Foundational To Business Success

Operations professionals recognized that digital transformation can vastly improve an organization’s agility as it adapts to changing business and customer needs.

- 65% of decision-makers will accelerate digital transformation efforts.
- 82% know their business processes must become more agile.
- BUT ONLY 22% of North American firms can call themselves operational leaders today.

Base: 303 operations and IT decision-makers at North American enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020
Many North American Firms Are Less Collaborative And Agile Than They Were Before 2020

The need for IT agility is not new. So, why act now? Major global crises are no longer once-in-a-lifetime events. To realize their digital transformation goals, increase resiliency, and grow, businesses must combine the power of automation and operational agility to close these gaps.

“We anticipate and rapidly respond to market changes and changes in customers’ needs.”

“Collaboration across different business units or organization units is high-bandwidth and happens seamlessly.”

“We quickly create new teams to support emerging products or opportunities.”

Base: 303 operations and IT decision-makers at North American enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020

<table>
<thead>
<tr>
<th></th>
<th>Pre-pandemic</th>
<th>Today</th>
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<tbody>
<tr>
<td>Collaboration</td>
<td>72%</td>
<td>51%</td>
</tr>
<tr>
<td>Pre-pandemic</td>
<td>75%</td>
<td>62%</td>
</tr>
<tr>
<td>Today</td>
<td>59%</td>
<td>40%</td>
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</table>
What Makes A Leader?

Operational maturity is gauged on four basic competencies. The degree to which an organization successfully realizes modern technology operations depends on multiple organizational and practice dimensions.¹

Operational leaders in North America further distinguish themselves by:

1. Harnessing the power of automation.
2. Ensuring high-quality data.
3. Committing to a growth mindset.

¹Operational maturity is gauged on four basic competencies. The degree to which an organization successfully realizes modern technology operations depends on multiple organizational and practice dimensions.
North American leaders are well ahead in automation, having automated more processes and adopted more critical automation solutions than their beginner counterparts. Notably, leaders expanded their work past the low-hanging fruit of customer-facing processes and automate throughout the enterprise.

**Automation Solution Adoption**

<table>
<thead>
<tr>
<th>Solution</th>
<th>Leaders</th>
<th>Beginners</th>
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</thead>
<tbody>
<tr>
<td>Cloud management</td>
<td>50%</td>
<td>23%</td>
</tr>
<tr>
<td>Digital process automation (DPA)</td>
<td>41%</td>
<td>21%</td>
</tr>
<tr>
<td>Workload automation</td>
<td>36%</td>
<td>24%</td>
</tr>
<tr>
<td>Smart buildings</td>
<td>35%</td>
<td>17%</td>
</tr>
<tr>
<td>Business process discovery</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Application release (CI/CD)</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>Infrastructure configuration management</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>Intelligent document extraction</td>
<td>14%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Base: 66 high-maturity operations and IT decision-makers at North American enterprises; 66 low-maturity operations and IT decision-makers at North American enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020
Leaders Know That Better Data Leads To Better Insights

Forrester has long held that maintaining data integrity is critical to business success, regardless of the specific initiative at hand. Leaders understand that the better their data is, the better their insights are and, ultimately, the better their automations will be.

39% of North American respondents agreed that improving data resiliency is a key IT operations goal.

91% of North American leaders said improving data quality is even more important in a post-pandemic world.
Leaders Aren’t Afraid To Spend Wisely

Not only do leaders make more consistent use of automation technologies, but they also plan more investments in these same solutions for the coming year. Even during times of economic hardship, leaders understand the importance of strategic spending. Beginners, on the other hand, are more likely to be in survival mode as they focus on broad cost-cutting measures in the hopes that things will eventually get better.

Leaders are more than 2x as likely to be early adopters of new technologies, as compared to beginners.

More North American Leaders Plan To Increase Investment In Key Automation Tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Leaders</th>
<th>Beginners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital process automation</td>
<td>47%</td>
<td>77%</td>
</tr>
<tr>
<td>Cloud management</td>
<td>45%</td>
<td>73%</td>
</tr>
<tr>
<td>Workload automation</td>
<td>44%</td>
<td>70%</td>
</tr>
<tr>
<td>Business process discovery</td>
<td>39%</td>
<td>64%</td>
</tr>
<tr>
<td>Intelligent document extraction</td>
<td>14%</td>
<td>61%</td>
</tr>
<tr>
<td>Smart buildings</td>
<td>30%</td>
<td>56%</td>
</tr>
<tr>
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<td>27%</td>
<td>50%</td>
</tr>
<tr>
<td>Infrastructure configuration management</td>
<td>21%</td>
<td>39%</td>
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</tbody>
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Reducing costs is among beginners’ top IT operations goals for the year.

Ironically, leaders see greater cost savings than beginners because of their more advanced posture.
Integration Issues, Silos, And Cultural Resistance Hold Non-Leaders Back

Low- and medium-maturity organizations struggle to make necessary connections. Disconnected tools, siloed data and teams, and isolated automations speak to a patchwork approach. These organizations are also more likely to report a general resistance to automation. Operations professionals in North America who have yet to achieve operational maturity must find a way to make the business case for adaptable, resilient, and agile operations to gain the needed investment and cultural buy-in to drive real change.

<table>
<thead>
<tr>
<th>Key Technical Challenges</th>
<th>Key Organizational Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>45% Tool integration</td>
<td>41% Resistance to change</td>
</tr>
<tr>
<td>39% Data silos</td>
<td>41% Lack of skills to drive automation efforts</td>
</tr>
<tr>
<td>37% Outdated infrastructure technologies</td>
<td>39% Organizational silos</td>
</tr>
<tr>
<td>34% Isolated islands of automation</td>
<td>35% Psychological resistance to automation</td>
</tr>
</tbody>
</table>

Base: 237 low- and medium-maturity operations and IT decision-makers at North American enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020
Leaders Are Better Equipped To Overcome Challenges

Operating in today’s business landscape is no easy feat. Technology ecosystems, partner networks, and both business and back-end processes grow increasingly complex, while disruptive global phenomena like super storms and epidemics occur with greater frequency. To survive and thrive, operations must be adaptable, resilient, and agile.

Operational maturity must be considered an important factor for organizations that want to survive a world that is increasingly fast-moving and unpredictable.

Leaders vs. Beginners:
- **Leaders**: 79% vs. **Beginners**: 44% (We anticipate and rapidly respond to market changes and changes in customers’ needs.)
- **Leaders**: 71% vs. **Beginners**: 38% (Collaboration across different business units or organization units is high-bandwidth and happens seamlessly.)
- **Leaders**: 61% vs. **Beginners**: 20% (We quickly create new teams to support emerging products or opportunities.)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020
Operations Leaders In North America See Major Returns That Drive Business Value

93% Infrastructure uptime

Leaders see greater impact to critical KPIs like:

88% Customer satisfaction

88% Mean-time-to-repair

Leaders also enjoy an average of:

4.50% increase in revenue.

6.85% decrease in costs.

80% Cost savings

Base: 66 high-maturity operations and IT decision-makers at North American enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, December 2020
Notable Regional Differences: Focus On North America

North American respondents stood out from the global sample in several ways.

1. **There’s no room for human error these days.** More North American respondents said reducing human error is significantly more important to the success of their organizations’ IT operations in a post-pandemic world. Luckily, this outsized focus has netted returns. North American firms are more likely to see higher-quality business execution with fewer human errors than other regions.

2. **Automation efforts are slightly ahead in North America.** This focus on reducing error has led North American firms to pull ahead in the race to automate. IT incident resolution and back-end processes specifically are more automated at North American firms than they are elsewhere. This is likely connected to these organizations’ desire to decrease human error.

3. **Employee productivity increases.** Fifty-seven percent of North American respondents reported improved productivity as a result of their organizations’ automation efforts. Automation, it seems, helps employees work smarter, not harder.
Key Recommendations

This study provides the data and insights your firm can use to evaluate your organization’s own operational maturity and identify critical areas for improvement, starting with the following recommendations:

**Passionately pursue data integrity.** Every organization is swimming in an ocean of data, yet general trust in that data is at an all-time low. There is too much of it, it’s dispersed, it may be tainted by malicious actors or innocent mistakes, and too many copies render confusion about what the right data is. Discover, map, track, and maintain your data with tight policies and technology. Leverage AI and automation to ensure the integrity of your data because it is impossible to do it manually. Your data will be more trustworthy, and you can therefore trust the results you seek.

**Abolish the “us vs. them” mentality.** Everyone knows organizational silos are toxic, but they remain firmly entrenched. Again, this will only change through diligence with force. The silos will crumble when you reward collaboration and punish parochial isolation. Openly celebrate joint successes to send a message that everyone is in this together. Deploy collaboration technologies that help remove the friction of communication and joint development among physically dispersed contributors.

**Embrace risk — to a limit.** Innovation requires more risk than most people can tolerate. However, nobody ever changed the world by taking the comfortable path. Your business’s future viability — and probably your own — demands experimentation and creativity. Try a new approach or a new technology, even if you are unsure of its success. You will fail, and that needs to be acceptable if you learn and improve for the next attempt. Risk is good, but careless risk is not, so always exercise good engineering as you proceed. If you can depart your comfort zone to develop a new idea, that idea may transform your business. The future favors the innovators who are willing to try the impossible.
Methodology

In this study, Forrester conducted an online survey of 1,212 global IT and operations decision-makers to evaluate the operations maturity and automation strategy of their organizations. Respondents came from enterprises of 500 or more employees and a range of industries. The 303 North American respondents from the US and Canada are the basis for this spotlight. All survey participants were offered an incentive as a thank-you for time spent on the survey. The study began and was completed in December 2020.

Endnotes

¹For an in-depth discussion of this maturity model, see the second installment of the Cisco-commissioned Forrester Consulting study, “Operational Maturity Is Critical To Business Success.”