ACORA CIO REPORT 2022

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CIO

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WELCOME

In this, our third annual CIO Report, we reflect on what for many of us has, thankfully, been a more normal year, albeit in a greatly altered world. With hybrid and agile working now firmly embedded, IT and business leaders are getting to grips with its wider implications, particularly around staffing, investment and the importance of the user experience – all areas that we've investigated for this year's study.

What really leaps out from the data is the level of concern about cybersecurity. Based on the survey and our own observations and experience, we believe this will be a defining issue in the short to medium term; it also further justifies our own decision to acquire a cybersecurity business as part of our wider Group portfolio.

As always, producing this Report has been a great team effort. It reveals some important truths, identifies a number of key issues, provides actionable ideas and insights – and reaffirms that we live in challenging but fascinating times.

David Rabson
Chief Executive Officer

This year's survey had a definite focus: to understand how CIOs in organisations across the UK are preparing to support hybrid and agile working for the long term. We also wanted to look back at the 2021 results and see whether trends we picked up then had continued, and which (if any) of our predictions came true!

There was definitely a lingering 'Covid effect' that showed up in certain areas, notably IT budgets, investment priorities and staffing. It was also evident that the focus on user experience has only intensified, which in turn has further highlighted the widespread difficulty in obtaining actionable data to support it.

Although it feels like we've been doing it forever, hybrid/agile working remains in its infancy, especially at this scale. As the Report makes clear, there are still some fairly major and emerging challenges out there, not least the changing job market and geographic flexibility demands post-Covid. But by acknowledging and defining them, we're taking a big step towards finding practical, sustainable solutions that benefit users and organisations alike.

Lee Ganly
Chief Information Officer

OUR SURVEY METHODOLOGY

For our third annual CIO Report, we've looked into how CIOs in large organisations across the UK are preparing to support the biggest change in IT and working practices we've seen in years: hybrid working becoming the de facto default.

What started out as a rapidly-deployed (and, we assumed, temporary) response to unprecedented events now looks set to be a long-term paradigm shift in how and where users consume IT services. In our survey, we asked IT leaders to share their thoughts on trends that emerged during the pandemic, and how these are shaping their plans for the years ahead. Our questions focused on five key areas:

1 CHANGES IN IT BUDGETS

2 IT PRIORITIES TO ACCOMMODATE REMOTE AND HYBRID WORKING

3 THE IMPORTANCE OF DELIVERING A POSITIVE USER EXPERIENCE

4 THE CHALLENGES OF BALANCING PRODUCTIVITY GOALS AND SECURITY REQUIREMENTS

5 TECHNOLOGY INVESTMENT PLANS TO SUPPORT AGILE WORKING

Our sample comprised 100 UK-based IT decision-makers, all in companies and organisations with 500+ employees. As in previous years, we conducted the survey with our partners at Foundry, formerly International Data Group (IDG), the world's leading technology media, data and marketing services company.

TOTAL RESPONDENTS

100

AVERAGE SIZE COMPANY

3,658

COLLECTION METHOD

Online Questionnaire

GEOGRAPHY

United Kingdom

FIELD DATES
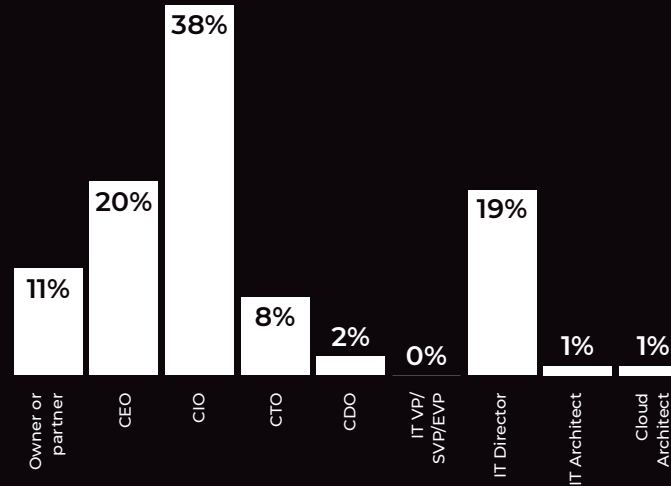
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NUMBER OF QUESTIONS

18

COLLECTION METHOD

Respondents are employed in executive or senior IT leadership roles

WHO WE SPOKE TO

RESPONDENT PROFILE
Job Title

| Owner or partner	CEO	CIO	CTO	CDO	IT VP/ SVP/EVP	IT Director	IT Architect	Cloud Architect
11%	20%	38%	8%	2%	0%	19%	1%	1%

JOB TITLE: 79% EMPLOYED IN C-LEVEL ROLES

Almost 80% of our respondents are in C-suite roles. Not surprisingly, the largest groups were CIOs (38%) and IT directors (19%) but we also heard from other key executive stakeholders, including CEOs (20%) and business owners/partners (11%).

ORGANISATION SIZE
Company Size (Number of Employees)

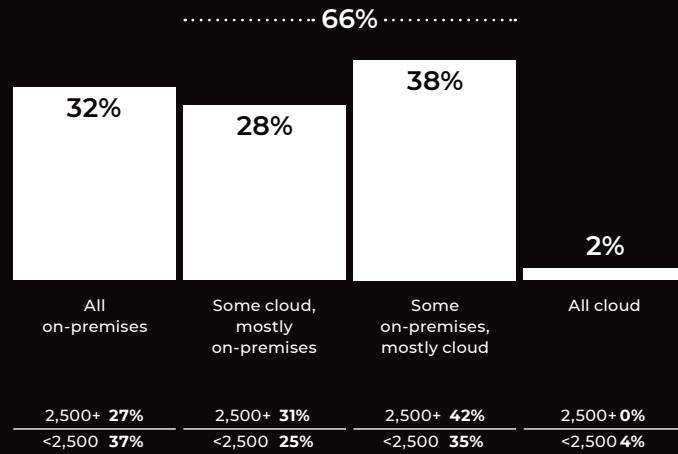| 500 – 999	1,000 – 2,499	2,500 – 4,999	5,000 – 9,999	10,000+
29%	23%	21%	18%	9%
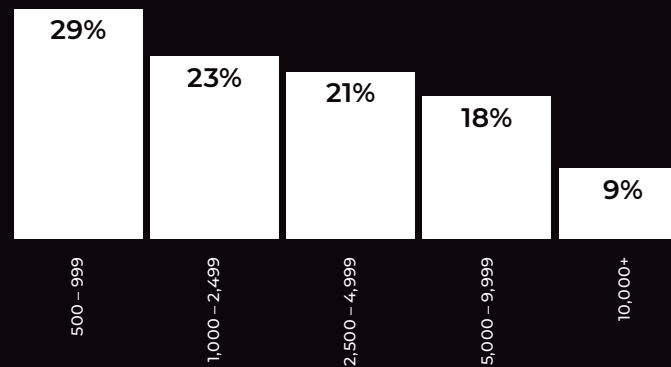
COMPANY SIZE: 48% WITH 2,500 OR MORE EMPLOYEES

For this year's survey, we specifically wanted to canvass leaders in larger organisations. Almost half of respondents (48%) are in business employing over 2,500 people; 27% have over 5,000 staff, including 9% with 10,000 or more.

WHO WE SPOKE TO

IT ENVIRONMENT

············· **66%** ·············

32%	**28%**	**38%**	**2%**
All on-premises	Some cloud, mostly on-premises	Some on-premises, mostly cloud	All cloud
2,500+ **27%**	2,500+ **31%**	2,500+ **42%**	2,500+ **0%**
<2,500 **37%**	<2,500 **25%**	<2,500 **35%**	<2,500 **4%**

For this year's survey, we wanted to get a sense of where respondents are on their cloud journey. Exactly two-thirds (66%) told us their server workloads are deployed across both on-premise and cloud environments, with 38% being 'mostly' cloud with some on-premise. Only 2% described themselves as cloud-only. This means the remaining third (32%) are still entirely on-premise.

We generally see organisations start their cloud journey by targeting SaaS versions of applications, or re-platforming to use or add PaaS, with a view to eliminating on-premise server workloads (and all the costs, hassle and risk that go with them). After two or three years, they reach that 'refresh point' where they need to turn off their on-premises kit altogether and move to a public or private cloud.

Although the data doesn't tell us specifically, it's possible that our 32% includes some companies who are now at this 'switchover' stage, as well as those who have yet to begin their cloud journey at all.

IT BUDGETS:
FUNDING CHANGE

OUR KEY FINDINGS:

- IT budgets are set to rise steadily over the next 12 months
- More than three quarters of respondents (77%) expect IT budgets to increase, by an average of 20%
- 19% expect their IT budgets to remain unchanged; only 2% anticipate a fall
- More than half (57%) spent their entire 2021 IT budget; 10% required additional funding
- A third (33%) reported their 2021 spending was restricted by pandemic and staffing-related issues

77%

EXPECT IT BUDGETS TO INCREASE, BY AN AVERAGE OF 20%

19%

EXPECT THEIR IT BUDGETS TO REMAIN UNCHANGED

57%

SPENT THEIR ENTIRE 2021 IT BUDGET

79%	**77%**
19%	20%
Avg. increase	Avg. expected increase
Increased: Past 12 months	Expected to increase: Next 12 months

TOUGH TIMES

When we conducted last year's survey, companies were in full firefighting mode. IT leaders were grappling with shifting, almost overnight, from having multiple users in a single location to managing single users in multiple locations. Plans were in flux; and with the pandemic's trajectory still far from clear at that stage, many companies were hedging their bets when it came to IT budgets.

One of our more concerning findings was that 25% of respondents expected their budget to decrease, with most (18%) predicting a fall of 10% or more. This was a big swing from 2020, when only 7% reported facing a shortfall. With the number anticipating an increase also falling slightly (from 53% to 50%) the picture was of IT leaders being asked to do the same with less, or having to make cuts.

We wanted to check in on these trends and predictions and see how the events of 2021 have informed companies' budgeting plans for the year ahead.

TURNING THE TAPS BACK ON

As the table above shows, there's some good news in this year's findings. Over three-quarters (77%) of respondents now expect their budget to rise in 2022; another 19% will see their budget unchanged.

What's more, 79% of respondents told us their budget had increased in the past 12 months – well above the 50% who'd expected it when we surveyed them previously. And the increases are significant. The average budget hike in 2021 was 19%; this year it's set to be 20%. With the compounding effect, most IT leaders have substantially more resources now than they did at the start of the pandemic – a sign, perhaps, that IT has (finally) been recognised as the truly business-critical function it is.

▟▟ Most IT leaders have more resources now than they did at the start of the pandemic. ▟▟

LOOKING AT YOUR ORGANISATION'S 2021 IT BUDGET, DID YOU SPEND:

Some of it	33%
All of it	57%
Required additional funding	10%
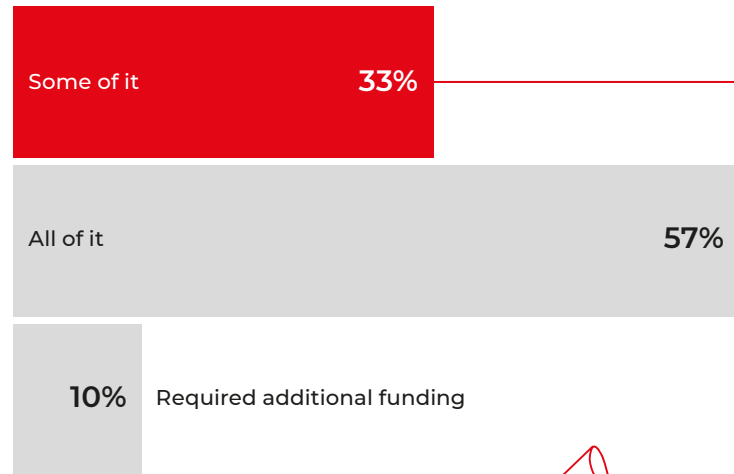
REASONS FOR NOT SPENDING ENTIRE 2021 IT BUDGET:

Covid impacts	67%
Staffing shortages	36%
Time shortages	27%
Funding was withdrawn	12%
Other reason	3%

ONE STEP FORWARD...

Most IT leaders (and many others, come to that) will be uncomfortably familiar with the old trope that failing to use all this year's budget means you don't need it, so you'll get less next year. Our respondents evidently took it to heart, with over half (57%) spending their entire 2021 budget; another 10% required (and received) additional funding.

But a third (33%) told us they were able to spend only some of their budget in the financial year. There were various reasons: 67% cited Covid impacts specifically; but other prime causes were shortages of staff (36%) and time (27%). Although not linked in the data, it seems reasonable to attribute at least some of these issues to the pandemic too. We'll revisit this question next year, when (we hope) Covid will be behind us and we can get a clearer picture of its effects on IT projects and spending.

Looking deeper into the survey results, we saw that the individual respondents were more likely to be in a CEO rather than a CIO role; consequently, they may not have had such a detailed, day-to-day knowledge of the budget and how it was allocated.

We also found that the companies concerned are more likely to be still planning their long-term technology strategy to support hybrid working; we would expect to see changes in their spending patterns once they reach the implementation phase.

Overall, then, the budget situation appears more positive than we thought in 2021, when half of respondents expected to have the same or less money than in the previous year. The pandemic seems to have made IT budgets both larger and more visible at board level – though paradoxically it's also prevented IT leaders from actually spending the money in some cases!

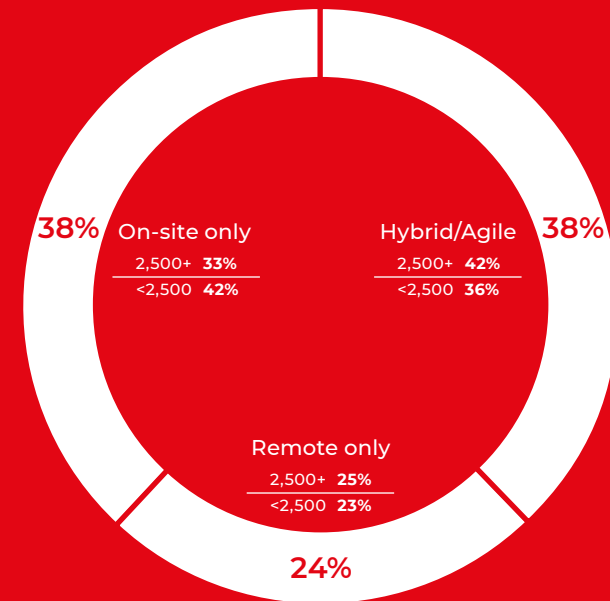# HYBRID/AGILE WORKING: SUPPORTING THE NEW NORMAL

OUR KEY FINDINGS:

- Nearly two-thirds of employees are working remotely all or part of the time
- 38% are on-site only, 38% are hybrid workers and 24% are completely remote
- 70% have a formal policy to accommodate agile working over the next 1-3 years; 27% plan to create one
- Updating security strategy and providing consistent, reliable IT support are the top IT priorities for the next 12 months
- Enabling seamless data and application access, improving infrastructure visibility and control, and modernising applications also important

AVERAGE % OF EMPLOYEES WITH EACH WORK SITUATION

38%

On-site only

| 2,500+ | **33%** |
| <2,500 | **42%** |

Hybrid/Agile

| 2,500+ | **42%** |
| <2,500 | **36%** |

38%

Remote only

| 2,500+ | **25%** |
| <2,500 | **23%** |

24%

62%

OF EMPLOYEES AT THE AVERAGE RESPONDENT ORGANISATION ARE WORKING REMOTELY ALL OR PART OF THE TIME

NO GOING BACK?

WFH and hybrid working was the natural, logical solution in response to the pandemic. We looked at organisations' responses in last year's report; and we could all be forgiven for assuming we'd be back to normal (or something like it) by now.

Clearly we're not. Even more obviously, there's no question of returning to 'how we were before'. The pre-Covid world has gone forever and organisations are now looking to translate short-term fixes into long-term policy and practice.
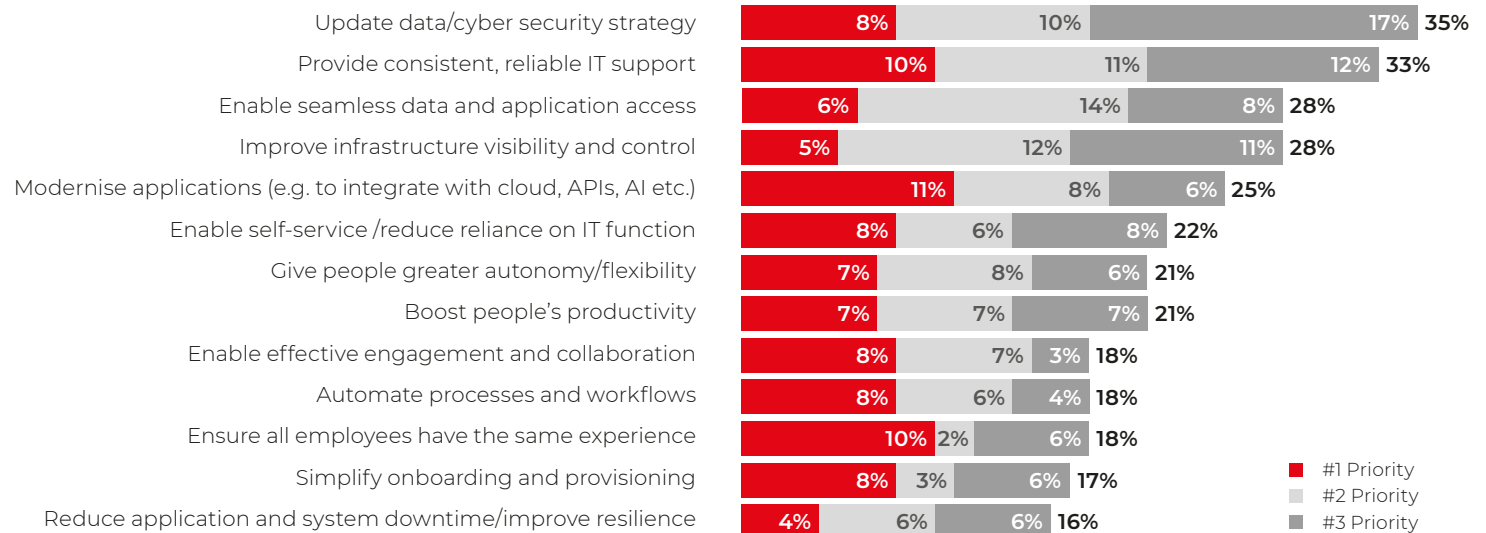
Among our sample companies, almost two-thirds of employees (62%) are working remotely some or all of the time. This is perhaps not surprising given that most are service-based and were thus able to make the shift relatively easily (among the UK working population as a whole, only 25% worked from home at some point during March 2022*).

Support and planning for hybrid working is almost universal among our sample: 97% either have a formal policy in place already, or intend to produce one in the next 12 months. These plans are looking one to three years ahead: a signal that hybrid working is being decoupled from the pandemic and becoming a normal operating model in its own right.

In our 2021 survey, we asked companies about their IT investment priorities to support hybrid working. We were interested to see what these priorities are for the year ahead, and whether they've changed, now the hybrid model is becoming more established.

We asked respondents to rank their top three priorities from a list. The results are shown below:

*Source: https://www.statista.com/statistics/1207746/coronavirus-working-location-trends-britain/

TOP IT PRIORITIES TO SUPPORT HYBRID/AGILE WORK

Priority	#1	#2	#3	Total
Update data/cyber security strategy	8%	10%	17%	35%
Provide consistent, reliable IT support	10%	11%	12%	33%
Enable seamless data and application access	6%	14%	8%	28%
Improve infrastructure visibility and control	5%	12%	11%	28%
Modernise applications (e.g. to integrate with cloud, APIs, AI etc.)	11%	8%	6%	25%
Enable self-service /reduce reliance on IT function	8%	6%	8%	22%
Give people greater autonomy/flexibility	7%	8%	6%	21%
Boost people's productivity	7%	7%	7%	21%
Enable effective engagement and collaboration	8%	7%	3%	18%
Automate processes and workflows	8%	6%	4%	18%
Ensure all employees have the same experience	10%	2%	6%	18%
Simplify onboarding and provisioning	8%	3%	6%	17%
Reduce application and system downtime/improve resilience	4%	6%	6%	16%

- #1 Priority
- #2 Priority
- #3 Priority

35%

CITED UPDATING DATA AND CYBER SECURITY STRATEGY AS THEIR TOP PRIORITY

10%

GAVE ENSURING ALL EMPLOYEES HAVE THE SAME EXPERIENCE AS THEIR #1 CONCERN

SECURITY DETAIL

As we expected, updating data and cybersecurity strategy came out top: but we were slightly surprised that it wasn't higher than 35%. Over the past 12 months, security has been among the topics raised most often at board level by existing and potential customers; yet only 8% of our respondents named it as their number-one priority.

Even so, this represents a significant shift from last year's survey, when only 16% of respondents indicated they'd be increasing their spending on security services. That was itself a substantial increase on the 2020 figure (9%), so a clear trend seems to be emerging. And as we'll discuss later, IT leaders still face major challenges in balancing security with giving their remote users the freedom they need to work productively.

SHOW OF SUPPORT

Providing consistent, reliable IT support comes a close second to security – and for 10% of respondents, it's actually their first priority. And in the context of hybrid/ agile working, it's also worth noting that 'ensuring all employees have the same experience' is the top concern for another 10% of respondents.

Enabling seamless data and application access rounds out our respondents' top three priorities. All are critical to enabling people to work productively wherever they are. The big challenge for IT leaders over the next 12 months will be demonstrating that this investment has been well spent and delivered the desired results.

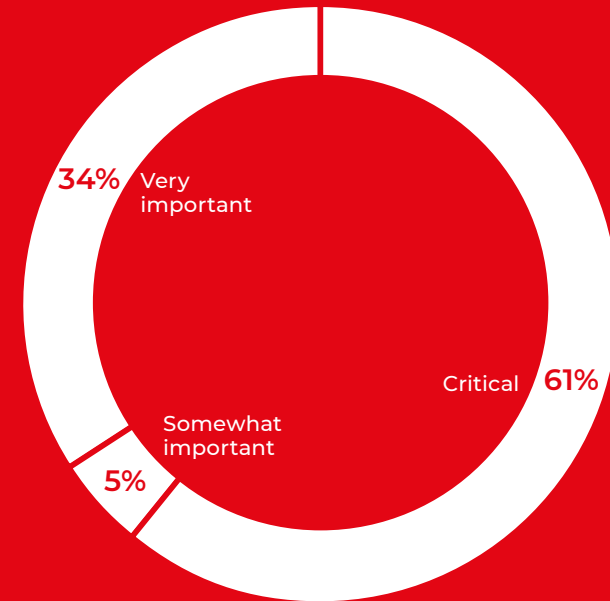# USER EXPERIENCE: RESTORING HUMANITY ACROSS THE IT LANDSCAPE

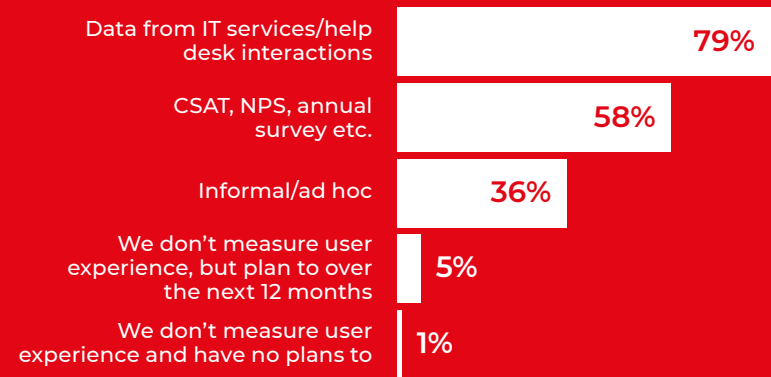# USER EXPERIENCE: RESTORING HUMANITY ACROSS THE IT LANDSCAPE

OUR KEY FINDINGS:

- 95% of respondents see delivering a positive user experience as a critical or very important priority in their role
- 79% of organisations measure user experience, by evaluating IT help desk interactions, surveying end users and/or collecting ad hoc feedback
- 82% see increased productivity as a benefit of providing a consistent, positive user experience
- Other top benefits include improved staff retention and easier recruitment, enhanced reputation and higher revenue
- 96% report challenges obtaining actionable feedback regarding user experience
- Problems include lack of data around security and performance, limited IT visibility, poor employee survey responses and limited engagement between IT and functions
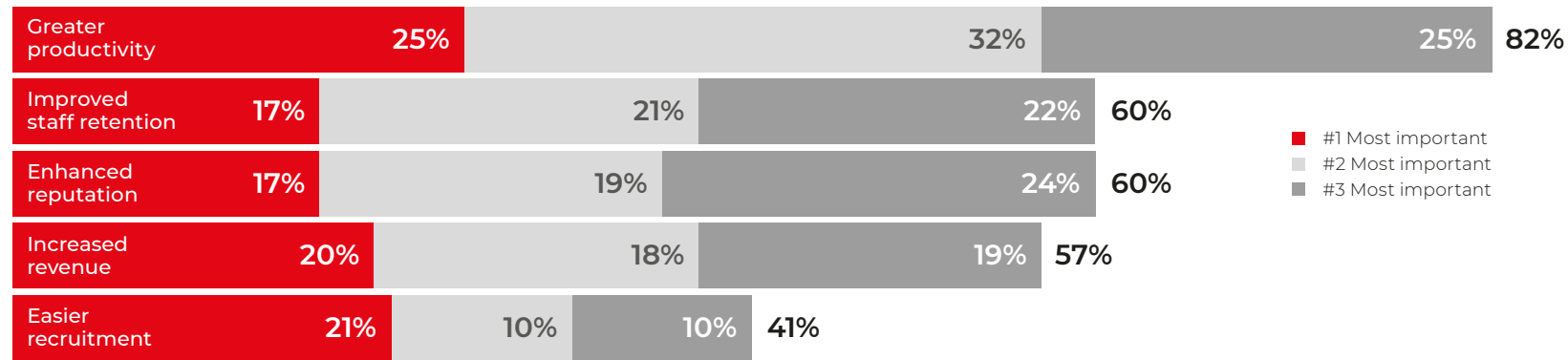
PRIORITY OF DELIVERING A POSITIVE USER EXPERIENCE IN ROLE

34% Very important

Critical **61%**

Somewhat important

5%

MEASUREMENT OF USER EXPERIENCE

Data from IT services/help desk interactions	**79%**
CSAT, NPS, annual survey etc.	**58%**
Informal/ad hoc	**36%**
We don't measure user experience, but plan to over the next 12 months	**5%**
We don't measure user experience and have no plans to	**1%**

MOST IMPORTANT BENEFITS OF PROVIDING A CONSISTENTLY POSITIVE USER EXPERIENCE

Benefit	#1 Most important	#2 Most important	#3 Most important	Total
Greater productivity	25%	32%	25%	82%
Improved staff retention	17%	21%	22%	60%
Enhanced reputation	17%	19%	24%	60%
Increased revenue	20%	18%	19%	57%
Easier recruitment	21%	10%	10%	41%

Legend:
- #1 Most important
- #2 Most important
- #3 Most important

MEASURE OF SUCCESS

Here, we're delighted to see real year-on-year progress. In our 2021 CIO Report, we noted and acknowledge the challenges that 30% of respondents made no effort to measure the employee experience at all. In this year's survey, that figure has dropped to just 1%, with 99% either undertaking some form of measurement, or planning to start within the next 12 months. Furthermore, every respondent said delivering a positive UX was either critical (61%) very important (34%) or somewhat important (5%) in their role.

It's clear that companies are now keenly aware of the benefits of getting the user experience right, or at least making it better. We asked our respondents to rank their top three from a list, as shown in the table above.

As we might have expected, greater productivity is obviously and by far the most important benefit, with 82% of our respondents placing it in their top three. But what's revealing is that only 25% put it first: for 75%, something else actually ranked higher.
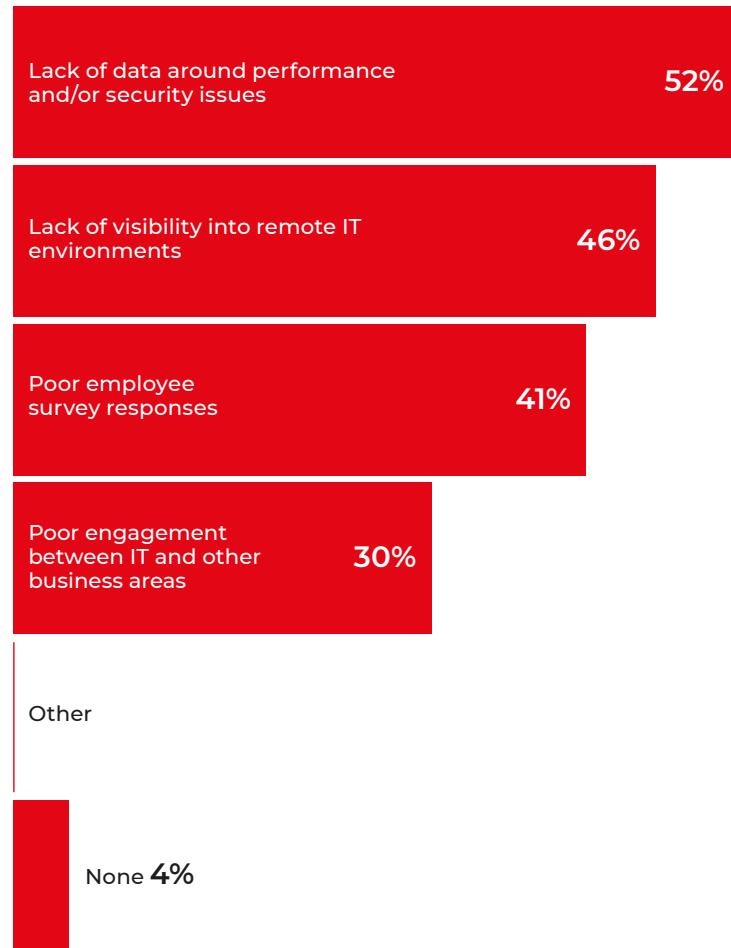
For 17% of respondents, this was improved staff retention; and 21% identified easier recruitment as the number-one benefit. What's been termed the Great Resignation sparked by the pandemic has made hiring and holding on to the right people more important than ever: indeed, a business's core stability now depends on it. Rather than looking to increase revenues and productivity, companies are starting to understand that these follow as a natural consequence of a positive user experience. Or, as the author and speaker Simon Sinek puts it: 'People are always more important than numbers. Happy people make happy numbers (which make even more people happy.)'

This is very much in line with what we've observed ourselves over the past 12 months. If anything, we expect the emphasis on HR issues to increase in the year ahead. The pandemic has raised people's expectations: it's not unusual for prospective hires and new starters to present their list of demands for the IT they need to do the job.

> People are always more important than numbers. Happy people make happy numbers (which make even more people happy.)
>
> **Simon Sinek**
> *author and speaker*

CHALLENGES OF OBTAINING ACTIONABLE FEEDBACK REGARDING USER EXPERIENCE

Lack of data around performance and/or security issues — **52%**

Lack of visibility into remote IT environments — **46%**

Poor employee survey responses — **41%**

Poor engagement between IT and other business areas — **30%**

Other

None **4%**

THE KNOWLEDGE GAP

Companies clearly recognise the importance of a positive user experience, and want (and need) to provide it. Yet despite the huge increase in measurement we saw just now, our survey also reveals an astonishing 96% of respondents face challenges obtaining actionable data regarding user experience.

As the table shows, their main concerns are a lack of data around performance and/or security issues (52%) closely followed by a lack of visibility into remote IT environments (46%).

So what's going on?

SENTIMENT CAPTURE CAPABILITY

A major factor is how that data is being collected. Organisations told us they're measuring user experience by evaluating IT help desk interactions (79%), surveying end users (58%), and/or collecting feedback on an ad hoc basis (36%). Yet at the same time, the table shows that 41% pointed to poor survey responses as a block to obtaining actionable data.

The basic problem with current methods is they all depend on users' responses to specific service interactions. And the problem with that is users only have 'experience of their own experience'. In other words, their feedback has no wider context: they're not aware of what other users are saying, thinking or feeling; and because they're not IT experts, they don't necessarily know what 'good' looks like.

Most importantly, users can only provide their own personal opinion, which in turn is shaped by their prior expectations. This is the fundamental flaw in any survey; however positive the results, they still won't be actionable because they're essentially subjective, not empirical.

The solution to these problems is sentiment capture, which is at the heart of our new-generation experience-level agreement (XLA). Correlated and combined with conventional operational and survey data and organisation-wide device telemetry, this provides empirical, actionable data about people and the IT landscape on which business leaders can make informed decisions.
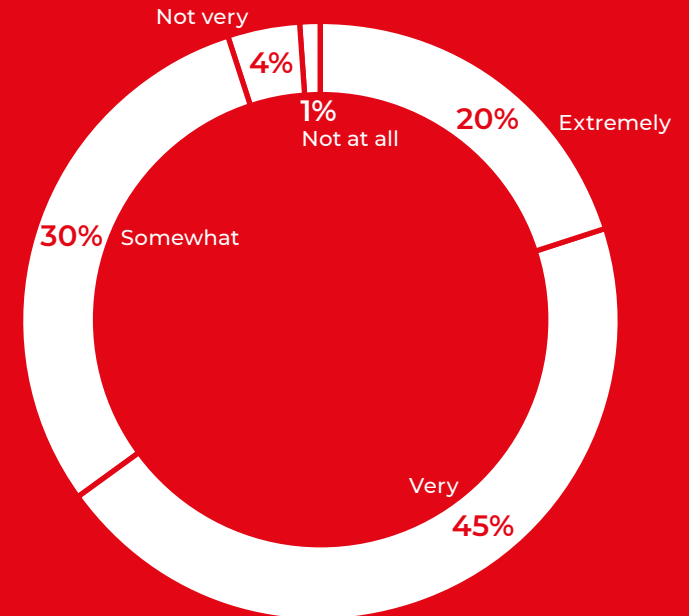
PRODUCTIVITY & SECURITY:
ACHIEVING A BALANCE

HOW CHALLENGING IS BALANCING SECURITY WITH GIVING USERS THE FREEDOM THEY NEED TO WORK PRODUCTIVELY?

Not very — 4%

Not at all — 1%

Extremely — 20%

Somewhat — 30%

Very — 45%

OUR KEY FINDINGS:

- 65% of senior decision makers consider it highly challenging to balance security controls with enabling productivity
- Hybrid and remote working has increased focus on SaaS security, the threat of data leakage, phishing and other cybersecurity concerns
- Organisations are supporting an average of three different communication and collaboration tools, principally Microsoft Teams and Zoom

65%

OF SENIOR DECISION MAKERS CONSIDER IT HIGHLY CHALLENGING TO BALANCE SECURITY CONTROLS WITH ENABLING PRODUCTIVITY

A FINE LINE

Back in Section 2, we suggested that IT leaders' biggest headache this year would be balancing security with users' productivity. That's borne out by the survey data: almost two-thirds of respondents believe this will be either very challenging (45%) or extremely so (20%). In fact, only 5% didn't regard it as a problem.

The question is how to maintain data protection and cybersecurity levels while also allowing users the freedom they need to work productively in any location. At the start of the pandemic, many organisations sought to reduce this by relaxing their rules, but this is clearly neither sustainable nor desirable in the longer term.
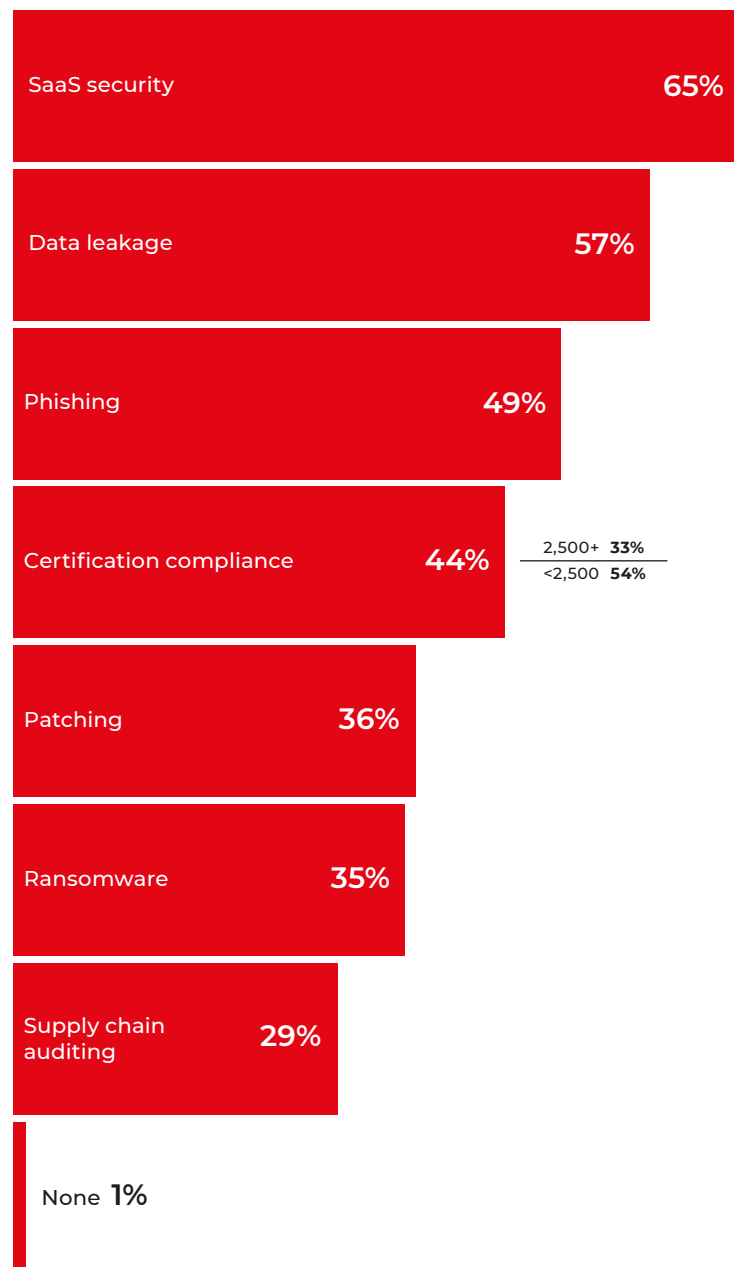
The key point is that there's always been more friction for remote users than those in the office. At a business level, this wasn't a major problem when people worked from home only occasionally. But with the massively increased frequency and duration of WFH, this extra friction has become a huge issue at the individual user level.

A big challenge for organisations is managing the shifting ratio of users in the office and working remotely. It's not uncommon for IT departments to be juggling some users on the premises full-time, some 100% remote and some doing what's become known as the 'TWT' model (in the office on 'Tuesday, Wednesday and Thursday' only).

Balancing security with users' productivity is the biggest headache for IT leaders. Only 5% don't regard it as a problem.
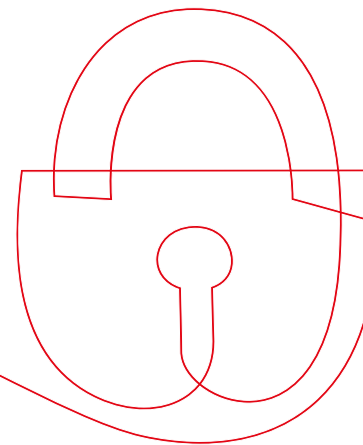
WHICH CYBERSECURITY ISSUES HAVE BECOME MORE IMPORTANT IN SUPPORTING A MIX OF ON-SITE AND REMOTE WORKING?

Issue	Percentage
SaaS security	65%
Data leakage	57%
Phishing	49%
Certification compliance	44%
Patching	36%
Ransomware	35%
Supply chain auditing	29%
None	1%

2,500+	33%
<2,500	54%

ATTACKS ON ALL FRONTS

It's therefore no great surprise that 77% of respondents plan to spend the same or more as they did in 2021 on cybersecurity tools and services; we'll return to this in the next section. The survey highlighted a number of key concerns, as shown in the table here, with SaaS security most important for almost two-thirds of companies (65%); again, this is reflected in their 2022 IT investment plans.

All the concerns identified by our respondents were familiar to us. Data leakage (57%) is all-but inevitable when people are off the premises, and you have no oversight of what's being printed, shared, saved on flash drives or simply left lying around. Similarly, phishing and ransomware slip through more easily when users have to make a call to the helpdesk to check whether something's legit, or use their own judgment, rather than asking a colleague at the next desk.

We're also not surprised to see high scores for certification compliance and patching, both of which are notoriously difficult to manage effectively for remote devices. We'll see if these issues have been resolved, or at least mitigated, in next year's survey.

We definitely anticipate an uptick in supply chain auditing though. Rather than launching cyberattacks on organisations directly, hackers are finding it easier to gain access via their bank, HR agent, managed service provider, marketing agency or other supplier. We've observed a substantial increase in these incidents in recent months and expect this to be a growing concern for IT leaders in the short to medium term.

SUPPORTING HYBRID WORKING:
STRATEGY & INVESTMENT

SUPPORTING HYBRID WORKING: STRATEGY & INVESTMENT

OUR KEY FINDINGS:

- Cybersecurity (65%), cloud (65%), and managed IT/IT security services (62%) are top targets for increased investment over the next 12 months
- Smaller enterprises are most likely to invest in cloud-based applications (SaaS)
- 25% plan to decrease investment in interim staff/ contract workers.
- Over half (58%) have an enterprise-wide technology strategy; 25% make individual departments and business units responsible for strategy development
- Access to leading technology, increased IT productivity and 24/7 service and support are seen as the biggest potential benefits of developing strategies with third parties

25%
PLAN TO DECREASE INVESTMENT IN INTERIM STAFF/ CONTRACT WORKERS

58%
HAVE AN ENTERPRISE-WIDE TECHNOLOGY STRATEGY

25%
MAKE INDIVIDUAL DEPARTMENTS AND BUSINESS UNITS RESPONSIBLE FOR STRATEGY DEVELOPMENT

LOOKING AFTER NUMBER ONE

We asked respondents to share their investment priorities, ranked from one to three, from a list. As the table below shows, over three-quarters (77%) intend to spend the same or more on cybersecurity tools or services this year as they did last year, with 65% citing it as their top priority.
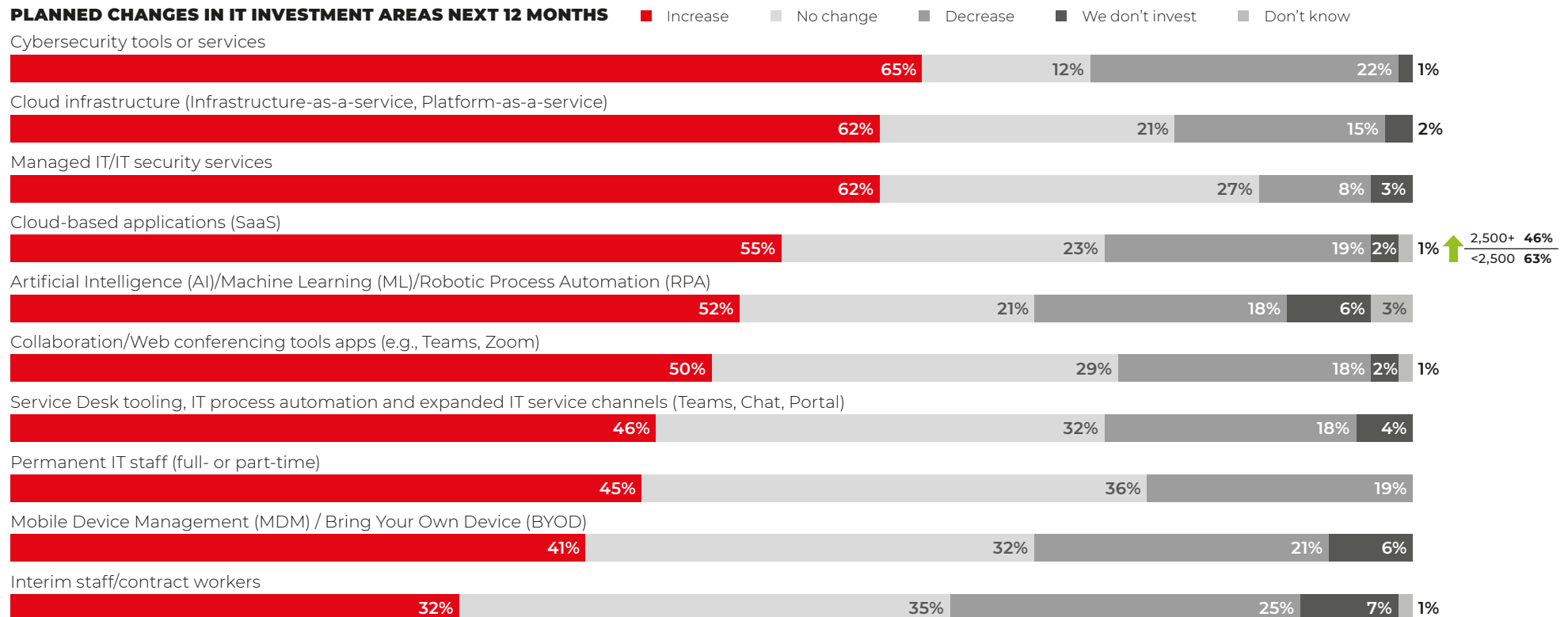
At the same time, though, 83% say investment will be maintained or increased on cloud infrastructure (SaaS and/or PaaS), and 89% aim to spend the same or more on managed IT/ IT security services. Taken together, these results further underline IT leaders' simultaneous focus on security and providing reliable IT services.

Another noteworthy figure is the 55% prioritising cloud-based applications: this rises to 63% for companies with fewer than 2,500 employees, the largest group with all their server workloads currently deployed on-premises (37%). Although the survey doesn't directly link the two findings, it at least suggests these companies may now be embarking on their cloud journey; we'll watch with interest.
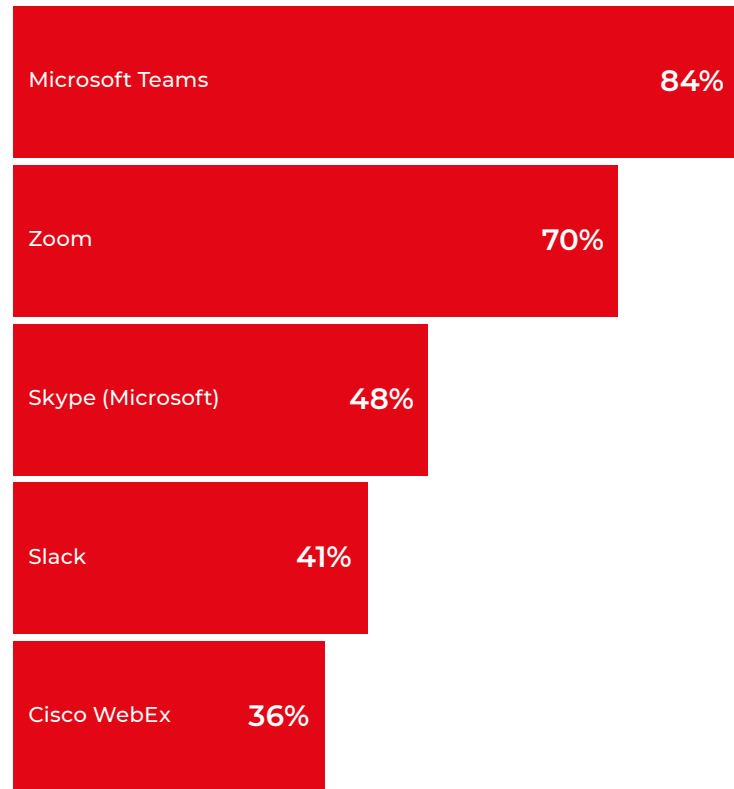
One possible sign of returning stability is the 25% planning to reduce their investment in interim and contract staff. And while it's surely encouraging to see 83% aiming to maintain or increase investment in their full- and part-time headcount, this highlights again the importance of the user experience as a recruitment and retention tool.

■■ The results underline the simultaneous focus on security and providing reliable IT services. ■■

PLANNED CHANGES IN IT INVESTMENT AREAS NEXT 12 MONTHS

Legend: ■ Increase ■ No change ■ Decrease ■ We don't invest ■ Don't know

Cybersecurity tools or services
65% | 12% | 22% | 1%

Cloud infrastructure (Infrastructure-as-a-service, Platform-as-a-service)
62% | 21% | 15% | 2%

Managed IT/IT security services
62% | 27% | 8% | 3%

Cloud-based applications (SaaS)
55% | 23% | 19% | 2% | 1%
2,500+ **46%**
<2,500 **63%**

Artificial Intelligence (AI)/Machine Learning (ML)/Robotic Process Automation (RPA)
52% | 21% | 18% | 6% | 3%

Collaboration/Web conferencing tools apps (e.g., Teams, Zoom)
50% | 29% | 18% | 2% | 1%

Service Desk tooling, IT process automation and expanded IT service channels (Teams, Chat, Portal)
46% | 32% | 18% | 4%

Permanent IT staff (full- or part-time)
45% | 36% | 19%

Mobile Device Management (MDM) / Bring Your Own Device (BYOD)
41% | 32% | 21% | 6%

Interim staff/contract workers
32% | 35% | 25% | 7% | 1%

WHICH OF THESE TOOLS IS YOUR ORGANISATION CURRENTLY USING?

Tool	%
Microsoft Teams	84%
Zoom	70%
Skype (Microsoft)	48%
Slack	41%
Cisco WebEx	36%

GROUP DYNAMICS

We couldn't review developments in hybrid working without looking at how companies are using collaboration tools, which have become a fixture in so many people's lives in the past couple of years.

Our survey showed that respondents are using an average of three different tools: in a shock result to literally no-one, Microsoft Teams (84%) and Zoom (70%) are way out in front. What really surprised us was that 48% are still using Skype; though it's still massively popular with consumers, we've seen it largely eclipsed by Teams in the business world. We can only surmise that these companies either have a significant investment in Skype telephony, a particular integration need, or a specific compliance reason for retaining it.

The most obvious reason for Teams' dominance is its simple integration with Microsoft 365. We'll watch with interest to see whether Zoom is squeezed out over time, but at present this seems unlikely. As readers will know, the two main platforms' respective strengths complement rather than cancel each other, with many organisations choosing Zoom for external videoconferencing and Teams for internal collaboration.

Drilling more deeply into the data, we found no discernible pattern regarding companies' use of Teams and Skype, or Slack and Skype. However, we were able to establish that those who are using Cisco WebEx are the most likely to also use Slack, which is highly favoured by developers.

3

DIFFERENT TOOLS IN USE, ON AVERAGE

THE BIG CHALLENGE FOR IT LEADERS WILL BE TO DEMONSTRATE THAT INVESTMENT IN SECURITY, RELIABLE IT SUPPORT AND ENSURING SEAMLESS DATA AND APPLICATION ACCESS CAN DELIVER THE DESIRED RESULTS.

CONCLUSIONS

WHAT HAVE WE LEARNED – AND WHAT HAPPENS NOW?

Many of the findings in this year's survey confirmed what we've been observing in the real world over the past 12 months – and in that respect, there weren't many big surprises. There are, however, two important lessons and indicators we can take away from our research.
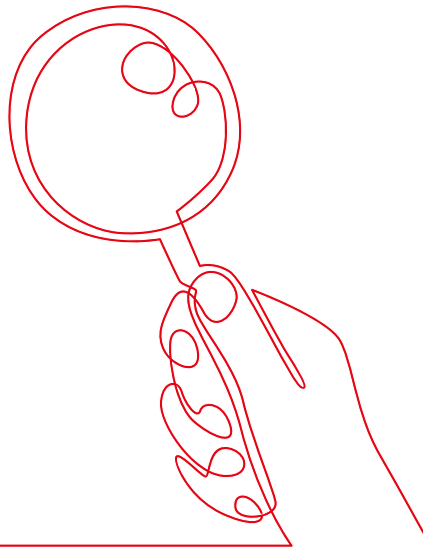
MAXIMUM SECURITY

The first is that the big, scary cybersecurity monster is getting bigger and scarier. Cybersecurity is an ever-changing landscape, and it's a real challenge to put the right software, people, systems and other controls in place to balance protection with access to data and services.

The biggest swing here is around SaaS applications. These are obviously a crucial enabler of hybrid and agile working; plus, of course, they're now in-scope for Cyber Essentials. Together, these developments have led to a realisation that companies need more visibility into SaaS apps, and better guarantees to protect them.

This in turn means compliance and certification are becoming higher priorities: where they're written into service contracts, which is happening more and more frequently, business is all-but impossible without them.

RUNNING FOR COVER

There's also increasing concern around cyber insurance. A string of high-profiles cases and big pay-outs has meant the amount of coverage available is coming down, while the list of protections required to obtain or retain it is growing rapidly. This is a board-level issue affecting an organisation's ability to do business: in the face of seemingly inevitable requirements for more investment, CIOs are going to be under pressure to demonstrate good value and judgement.

ACTIONABLE DATA

The second stand-out finding for me concerns actionable data. That 96% of respondents are struggling to get hold of this critical intel shows the sheer scale of the problem.

The simplest explanation is they're using the wrong tools: too basic, a bit long in the tooth, not providing visibility into the end-point and not very good at generating real user engagement. Crucially, they almost entirely miss out the user experience.

You can use KPI data from service management platforms, as produced under SLAs, to build 'problem cases' from repeated reports. You can then invest in what seems to be a solution – upgrading someone's laptop, for example – then see if you get fewer support calls. If so, job done. But the absence of a negative isn't the same as an actual positive. That user can be experiencing hugely frustrating delays and problems that won't be picked up by a generic 'what do you think about IT?' questionnaire. The issue is compounded for remote workers, who don't have access to walk-up support.

The insights provided through the experience-level agreement (XLA) enable you to understand how people are consuming your technology. You can use this intel to inform investment cycles, communicate what you're doing and measure the results. It's a 180-degree shift from the generic and reactive to the personal and proactive. We've been working with the XLA for some time and believe it's the right tool for the new world we're now operating in.
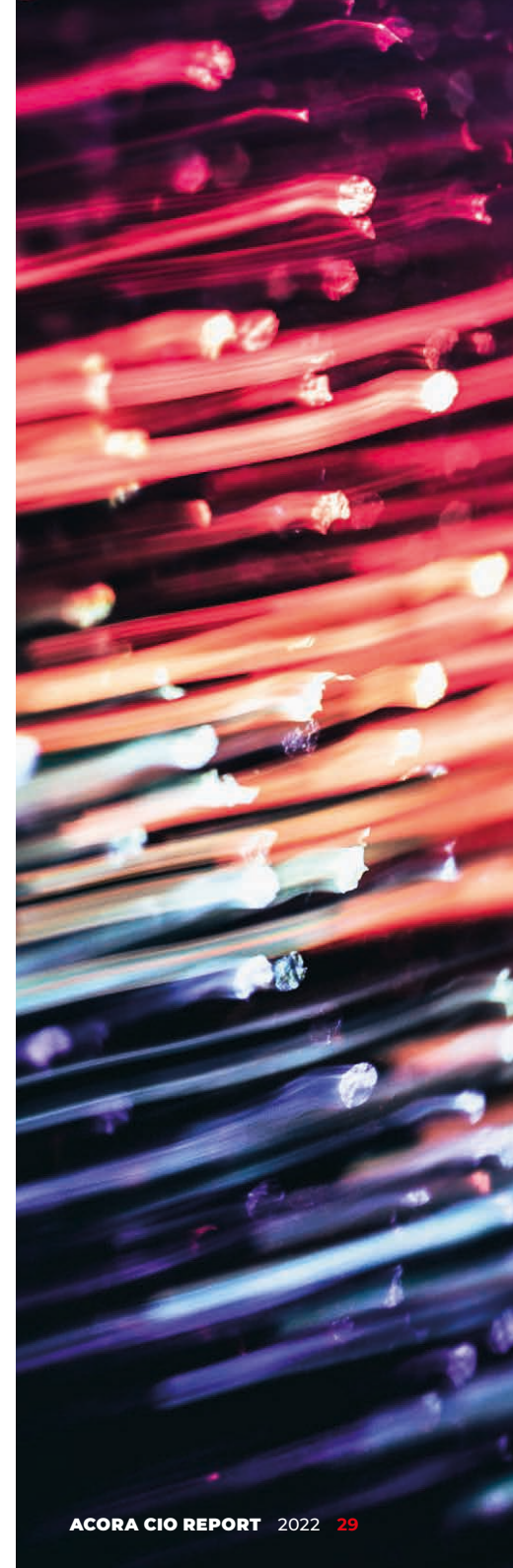
FINAL THOUGHTS

Balancing cybersecurity controls with giving users the freedom to work seamlessly and productively is the biggest headache of the new hybrid working era. And for IT leaders, there's a growing recognition that the user experience is critical, but their efforts to address it are still hamstrung by a lack of actionable data.

There are, of course, no easy solutions to either of these issues – but identifying and defining them is a first crucial step. It's also clear that businesses are going to need to invest in both enhanced cybersecurity and new and better IT Ops tooling and processes. The immediate practical imperatives presented by the pandemic are (largely) behind us. As CIOs, our job now is to move out of that reactive mindset, and proactively equip our teams, users and wider organisations for the new hybrid world we now inhabit. It's going to be possibly the biggest technical challenge we've ever faced; and a fascinating journey.

Lee Ganly
Chief Information Officer

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