Advanced

Trends Survey
Report 2018-19

advanced
People. Partnership. Solutions.

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Introduction

In October 2018, Advanced carried out its third Annual Trends Survey with over 1,000 UK business professionals working in organisations with more than 100 employees having their say on how British businesses are faring in the digital era.

Many have one common goal – to digitally transform in order to alleviate the pressures of running a business and make the most of all opportunities. But there are a number of challenges and pain points that businesses face. With the help of our research, we hope to better understand and remedy these issues.

Advanced knows only too well the challenges of the digital era. Like many of the business professionals we question in this report, we are, and continue to be, affected by external factors like Brexit, new data protection regulations and mandatory government initiatives. There is no sign of let up, yet we are still expected to innovate in the connected world or be left behind.

Technology is a clear differentiator for businesses. It has the potential to boost productivity levels within a more agile, efficient and competitive organisation, allowing professionals to do more of the work they love. But it brings its own challenges – around compliance, security and workforce for example – so these need to be addressed if businesses are to take advantage of the huge benefits it offers.

This year's report delves into the technologies that are making a positive impact. We explore disruptive technologies such as the Cloud, the Internet of Things (IoT), Artificial Intelligence (AI) and Robotic Process Automation (RPA) – with some surprising findings in store. Are businesses prepared to take the risk of investing in innovative technology even if it is perceived to be less secure than existing solutions? And do some professionals think a robot would be better at decision making than their boss or senior leadership team if it had access to the right business insight?

Whether it's the Cloud, AI or RPA that comes out on top, technology is a clear productivity enabler. However, it will only be as good as the workforce's willingness to embrace it. Technology needs to be seen as an ally, not a hindrance, to an employee's role and this calls for a change in culture. But who drives this change – is it the C-Suite, IT department, or Finance Director? And what about the younger generation? Are businesses missing a trick by pigeonholing new starters into often uninspiring roles – when in fact they should have roles that maximise their talents and encourage their contribution? The younger generation will go on to lead and shape the future of the business, and there are many of us that could, and should, do more to help them help us.

The following summary extracts the key findings around the technology trends and challenges identified from the Survey. It also provides an overview of the state of digital readiness among our respondents and examines what businesses need to do to realise the untapped potential of disruptive technologies.
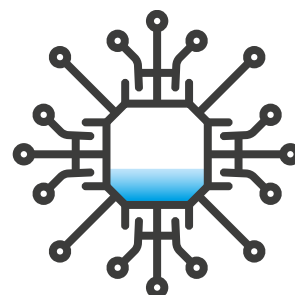
The Highlights

34% believe a robot would be better at decision making than their boss if it had access to the right business intelligence

35% want to see AI in their daily working life

43% think new technologies (like AI*¹ and RPA*²) would put their company at greater risk of a security attack

42% of leaders would plan and forecast more effectively if they had 60 minutes a day back
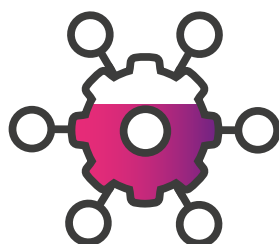
65% would be happy to work alongside robotic technology if it meant less manual processes

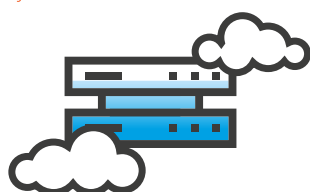**72**% have already adopted technology to automate tasks and processes

59% think less than half of people in their organisation are ready to adopt new technology to change the way they work
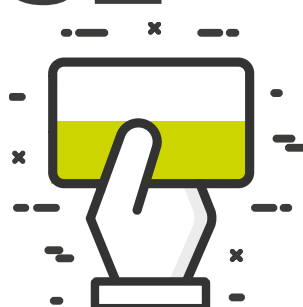
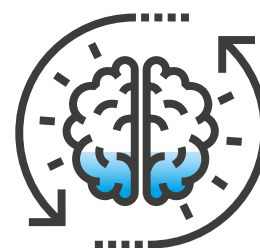**74**% of companies have already invested in Cloud-based systems

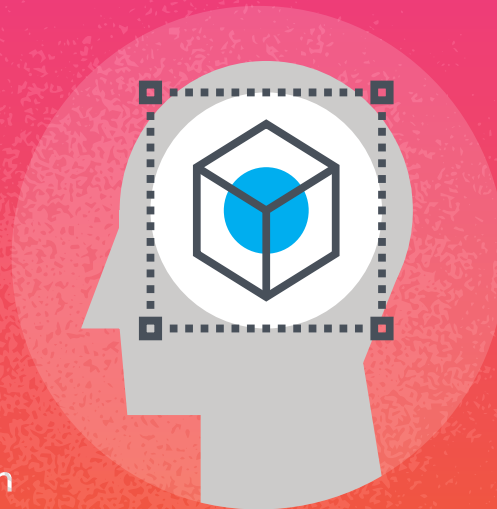**52**% say technology is their business spending priority for 2019

Just **35**% of C-Suite/MDs are driving technology change in their organisation

*¹ Artificial Intelligence *² Robotic Process Automation

The Digital Revolution

59%

think less than half of people in their organisation are ready to adopt new technology to change the way they work

We are in the midst of an exciting and fast-paced era – the digital revolution.

Disruptive technologies promise to change the face of business forever yet there is one constant. And that's pressure. Leaders continue to juggle the day-to-day pressures of running a successful business with the external pressures adding weight to their shoulders. Brexit, the General Data Protection Regulation (GDPR), Making Tax Digital (MTD) and the government's Digital Strategy are just a few.

If there is one thing our Trends Report clearly highlights, it's that most businesses want to be part of the digital revolution and embrace technology to unleash productivity gains. Businesses are finally getting on board with digital transformation yet, worryingly, some are moving ahead without a clear direction as there are some misconceptions about what to prioritise.

This year's report highlights these priorities and the biggest factors influencing them.

Priorities

What are your business spending priorities for the next 12 months?
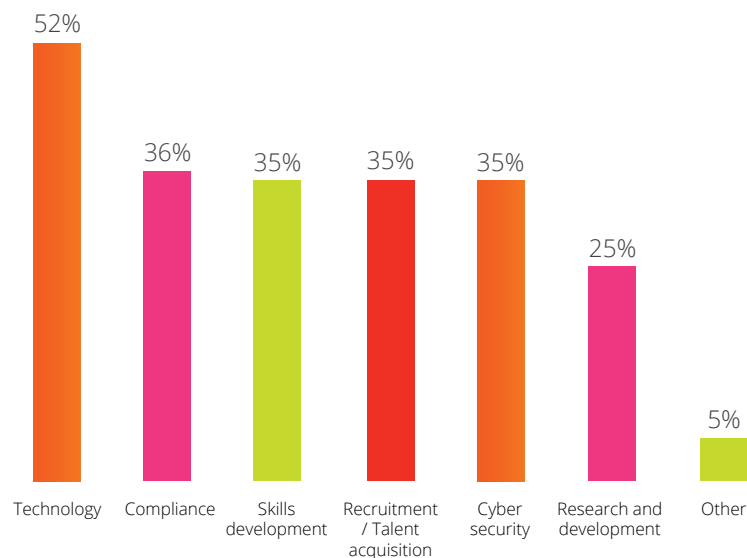

Technology ranks highest when it comes to business spending priorities. Over half (52%) say it will be a priority for 2019; over and above research/development and talent acquisition. Just 35%, for example, say recruitment or skills development will be a priority. This seems low when you consider the growing skills shortage, which is expected to have an adverse effect on productivity in the UK. Perhaps businesses anticipate that the promised disruptive technologies will help fill the gap?

What's even more concerning however, is that just 36% are prioritising compliance and 35% cyber security. Is the threat of fines from the Information Commissioner's Office (ICO) not enough to spark an appetite for data protection? According to research by RPC, the average fine issued by the ICO to organisations failing to protect against data breaches has doubled to £146,000 in the year to 30 September 2018.[1] We can expect this figure to rise significantly now that the GDPR is in force.

Under the new regulation, for example, Facebook could face a fine of as much as £1.25bn over its recent data breach affecting 50 million accounts.[2] The first GDPR fines are expected to land before the end of 2018, which might be the wake-up call that some businesses need. Failing to take the appropriate data protection and cyber security measures is not an option. Businesses will run the risk of damaging their reputation if they don't recognise compliance and cyber security as not only essential in the digital era but simply good for business. Fundamentally, they enable business operations to run more smoothly and to adapt with the changing economic landscape.

Influences

Which of the following factors do you think would influence your business priorities?
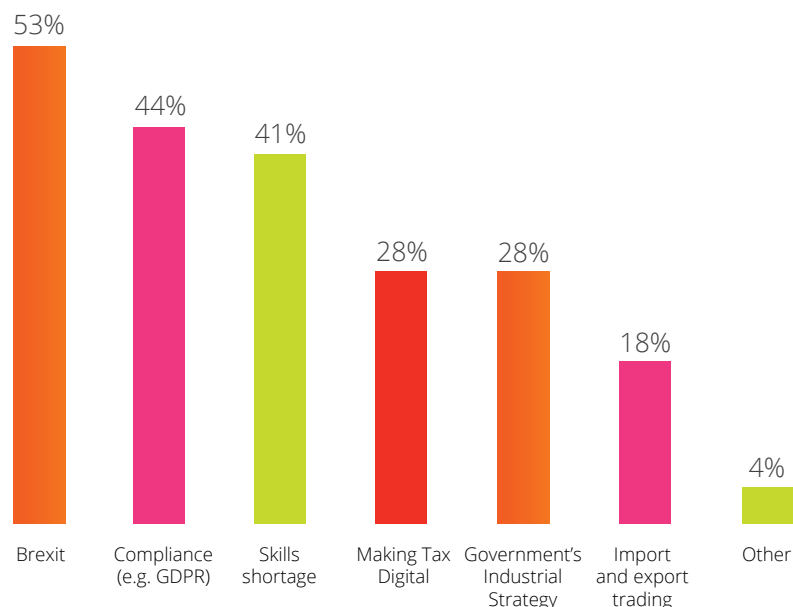
When we consider the external factors affecting business decision making, it's no surprise Brexit is on the minds of most leaders. As we reported in our Trends Survey last year, uncertainty remains a major concern for organisations. At the time of writing, a no-deal Brexit could still be on the cards with experts warning it could tip the UK into a long recession.[3] It's not what any business wants to hear.

According to this year's survey, 53% of respondents think Brexit would influence their business priorities. Is this distracting the businesses that aren't prioritising technology? And what about those that are prioritising technology, but are neglecting compliance and cyber security? When we asked respondents about the effects of Brexit in the 2017 Trends Survey, 52% of respondents admitted to seeing Brexit as a real threat to business survival.

Perhaps the percentages for most of these business priorities – especially technology (52%), compliance (36%) and cyber security (35%) – would be higher if there weren't so many external pressures facing organisations. And, in this age of uncertainty, we ask whether the government should be doing more to support firms in being digital-ready post-Brexit. Its Digital Strategy[4] sets out to do this, but our research shows that at this stage just 28% of respondents think the government's plans would influence their business priorities. And, when asked if the government has provided enough budget to implement its digital agenda, 40% our respondents said no and 28% admitted they don't know.

Meanwhile, the Government's Industrial Strategy, which sets out a long-term plan to boost the productivity and earning power of people throughout the UK, doesn't seem to be influencing organisations' priorities either. Just 38% of businesses think the strategy is bold enough.

Will you be ready for the Making Tax Digital (for VAT) regulation that comes into force from April 2019?

Yes	57%
No	8%
Don't Know	35%

0%   100%
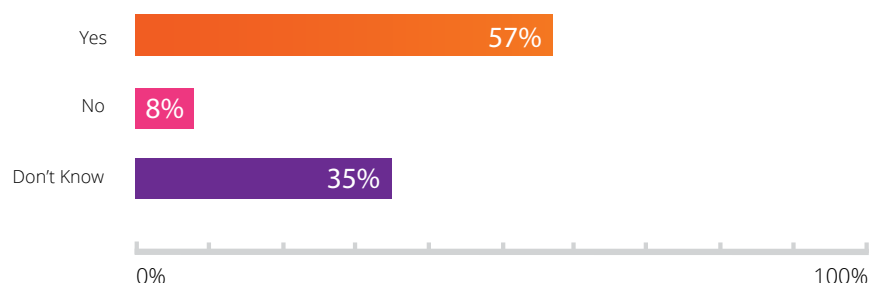
The government is implementing initiatives which force organisations to become more digital but, again, is enough support (and time) being given to help them to prepare? According to our research, only 57% of businesses say they will be ready for the Making Tax Digital deadline of 1 April 2019, while 35% admit that they don't know. It therefore comes as no surprise that, in October 2018, HMRC announced a six-month deferral to the start date for some of the more complex businesses.

There is no doubt that technology can be a silver bullet for business success, but organisations clearly need better support and clearer direction – so they can forge ahead with technology adoption safely and in the right way, both now and in the future once the UK leaves the European Union.

Is technology helping you achieve your green initiatives (e.g. paperless office)?

Yes	75%
No	11%
Don't Know	14%

0%   100%
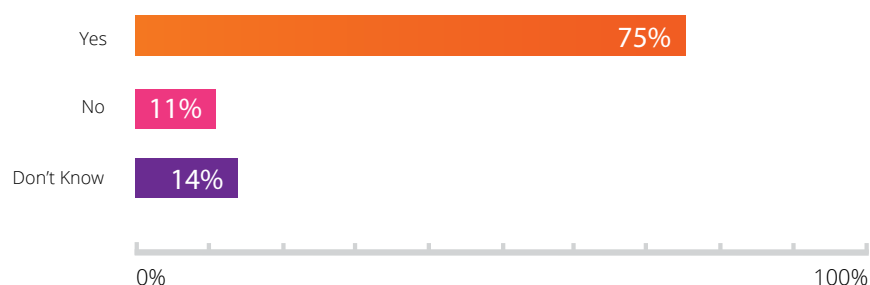
The environment is another important consideration when running a business today. We all recognise we have a role to play, and the government's 25-year environment plan is a catalyst for change. The plan explains how it will work with communities and businesses to improve the environment within one generation, with paperless policies being a prime target.

The fact that 75% of our survey respondents say technology is helping them achieve their green initiatives is highly encouraging. This rises to 82% for professionals aged under 23 years old, suggesting the younger generation are more aware of the impact of technology on their organisation's environmental policies.

Customers are increasingly supporting businesses they feel they can trust to do the right thing, and this conscious consumerism extends to the societal and environmental impact of each organisation.

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The Digital Revolution

"Digital transformation and adoption have left a large schism between availability and application of technology at work and home. It's a direct flip from 10 years ago."

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David Hardman - Managing Director, Innovation Birmingham

"If I could get 60 minutes back a day, I could concentrate on the future of technology and how it could drive the strategy of our business."

_____

Alan Barrett - Head of IT, TMW Solicitors

"The Cloud takes away a lot of the pressure from service because things like security are dealt with by the third party."

_____

Rob Bing - Head of IT Service Management, St Andrew's Healthcare

Technology Trends

72%

have already adopted technology to automate tasks and processes

If technology is a key driver in our economy, then what kind of technology are we talking about? As highlighted earlier, many businesses are moving ahead with digital transformation, but are they heading in the right direction? There is a danger of adopting technology for technology's sake – introducing digital tools because they are in vogue or because every other business seems to be using them.

Granted, there are a handful of technologies that all organisations can benefit from, but they must be considered with the same level of rigour and on-boarding as any other significant investment within a business. How will the technology fit into your overall business strategy, for example? How will it integrate into your existing CRM systems? How will you ensure a smooth, uninterrupted transition to a new technology system, and how will it affect your team?

Which of the following trends are you seeing in your daily working life?

Last year (2017/18)

Trend	2018/19	2017/18
Cloud Services	60%	67%
Business Intelligence	37%	50%
Internet of Things	28%	
Artificial Intelligence	26%	13%
Predictive Analytics	22%	13%
Chatbots	18%	
Wearable Technology	17%	10%
Virtual Reality	15%	5%
Augmented Reality	13%	4%
Robotic Process Automation	11%	
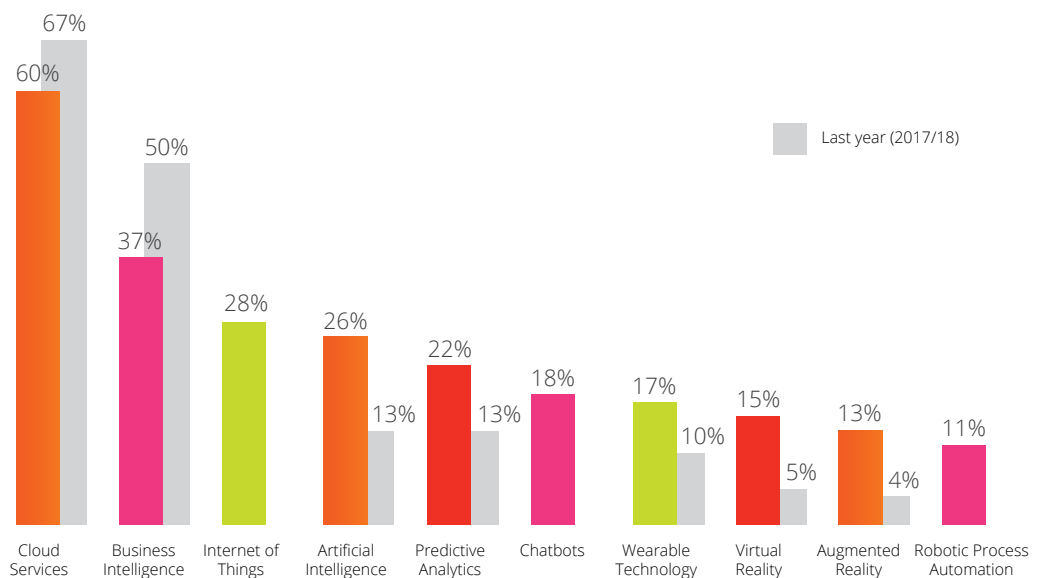
Moving to and integrating a Cloud strategy is often recognised as the first choice for digital transformation. It allows organisations to focus on driving their core business, as well as minimise cost and leverage economies of scale, improve end-user experience and reduce operational risk.

Yes
- 2016: 66%
- 2017: 72%
- 2018: 74%

No
- 2016: 34%
- 2017: 28%
- 2018: 26%

0% — 100%
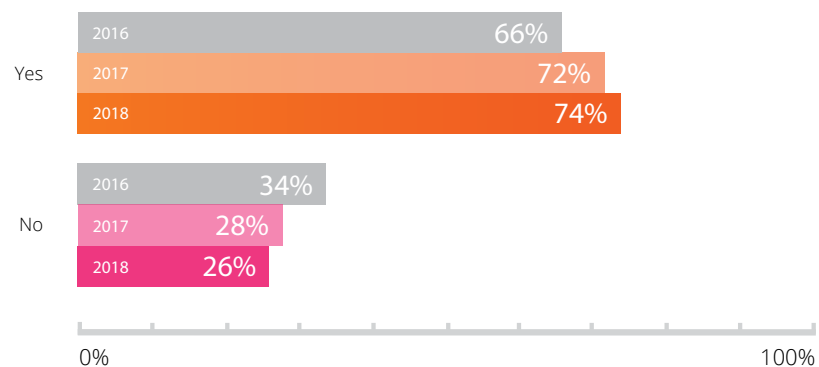
Has your company invested in Cloud-based systems?

When we asked respondents if they have already invested in Cloud-based systems, 74% said yes – a 2% rise compared to last year. In reality, this figure is probably higher. Many of our customers tell us that, although they use the Cloud, their workforce doesn't realise it. What matters to their employees is that they are using software that makes them more efficient at their job.

While our report doesn't tell us how organisations are using the Cloud, and to what extent, it is clear that more and more are realising its benefits. From our experience with working with thousands of organisations of all shapes and sizes, they are at varying levels of adoption. Some have prioritised a Cloud-first strategy across the whole organisation while some are dipping their toes in the water with the Cloud before fully integrating it into their infrastructure.

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Technology Trends

"More traditional board members reinforce this IT and business split. This can hold back the opportunity that technology can deliver to firms."

Alan Barrett - Head of IT, TMW Solicitors

"We are 100% looking at automation - 10 minutes saved on paperwork could instead be spent on caring for patients."

Rob Bing - Head of IT Service Management, St Andrew's Healthcare

"Some organisations don't understand that we need to make technology less geeky. It's more about how technology meets their business needs. There needs to be alignment between technology and business problems."
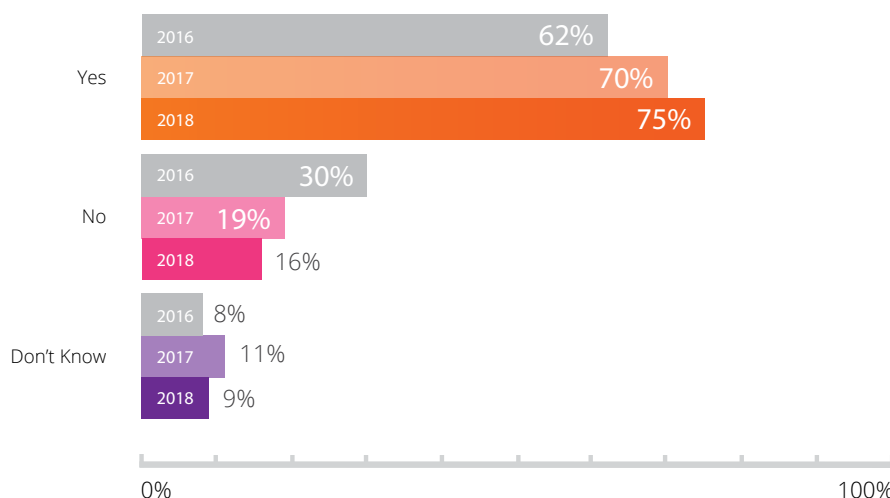
Andrew Turner - CIO, Tideway

We will see AI embedded into processes and applications over the next 12 months. It's not about robots taking over the world and stealing people's jobs. Any business that doesn't plan to bring in AI will be out-of-date.
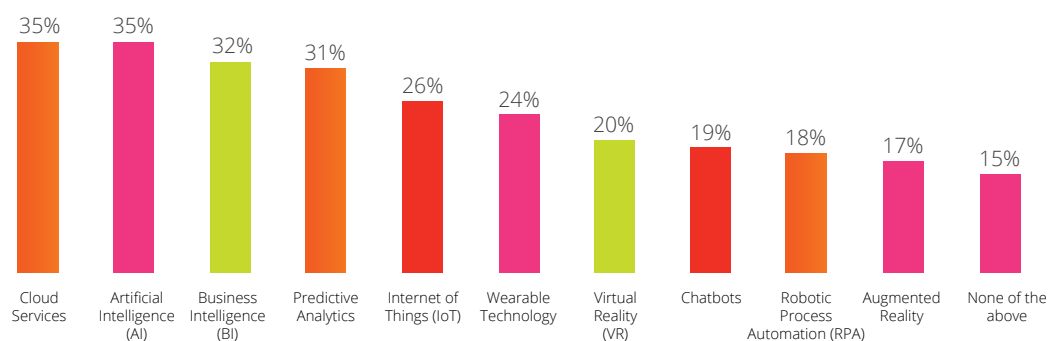
Julian David - CEO, techUK

Do you have access to accurate up-to-date (real-time) information to make informed decisions?

Yes	2016 — 62%
	2017 — 70%
	2018 — 75%
No	2016 — 30%
	2017 — 19%
	2018 — 16%
Don't Know	2016 — 8%
	2017 — 11%
	2018 — 9%

0%   100%

It is encouraging to see the steady growth in the number of respondents with access to real-time information. Three quarters of respondents this year now say they can gather accurate data that can be utilised to make informed decisions. In today's competitive environment, quality products and first-class service are essential, but organisations have to leverage real-time data to gain, and maintain an advantage. Up-to-date information is now critical to business, but also to customers who expect this level of response and are using tools such as social media for minute-by-minute updates.

Which of the following technology trends would you like to see in your daily working life?

Technology	%
Cloud Services	35%
Artificial Intelligence (AI)	35%
Business Intelligence (BI)	32%
Predictive Analytics	31%
Internet of Things (IoT)	26%
Wearable Technology	24%
Virtual Reality (VR)	20%
Chatbots	19%
Robotic Process Automation (RPA)	18%
Augmented Reality	17%
None of the above	15%

When it comes to other technologies that are being seen in daily working life, only 32% of respondents say they see business intelligence (BI), a massive 13% drop compared to our findings in 2017. Perhaps this is signalling the demise of stand-alone reporting solutions and the change in app and software design to embed BI within solutions from the onset, not dissimilar with the changes being seen to embed security and AI functionality from the start. If this is the case then it supports the future adoption of AI and machine learning solutions where the accuracy of data is the linchpin of success.

The adoption of AI and IoT on the other hand is encouragingly high given the opportunities that these technologies bring – at 35% and 26% respectively. AI applications can sift through vast amounts of information, automatically crunch the data and identify patterns significantly faster and more accurately than humans. AI-based junior clerk BillyBot, for example, is saving legal clerks at one chamber on average 250,000 clicks and keystrokes respectively – equivalent to 200 hours per month. We can expect these figures to rise as, already, 35% say they want to see AI in their daily working life in the future. More people will use it for simple actions – like asking a voice assistant to send a text or provide the latest weather forecast, but we'll see it used for more complex actions too, which will complement the increasingly high value work that employees are freed up to do.

Another technology that respondents want to see in their daily working life is RPA, at 18%, which is a key driver for boosting employee productivity. It is able to mimic human activity, automating mundane tasks and relieving employees from boring and repetitive work. Productivity continues to reign at the top of the business agenda although, according to research, the UK is less productive than its European counterparts.[5] Will AI and RPA be the solutions to address this gap? If some of the other findings from our survey are anything to go by, the answer is a resounding 'yes'.

Would you be happy to work alongside robotic technology if it meant less manual processes?

Yes	65%
No	19%
Don't Know	16%

0%   100%
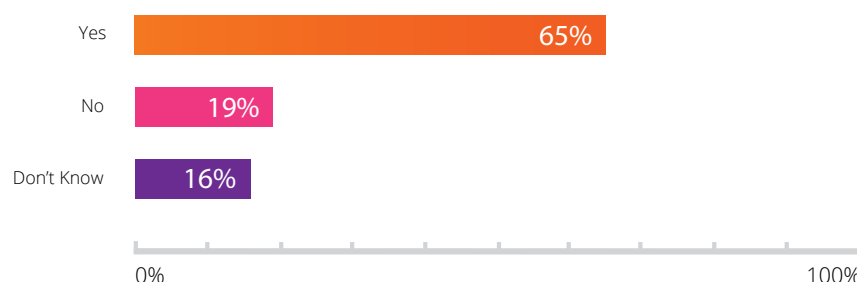
Nearly two-thirds (65%) of respondents say they would be happy to work alongside robotic technology if it meant fewer manual processes. This is most likely because automation acts as a workforce multiplier, increasing output while reducing time wasted on repetitive and low-skilled processes. Surely then, there is a strong case for RPA to be a spending priority for businesses in 2019? If technology can increase efficiencies, business leaders and decision makers will be given a great deal more time to put back into the business where it matters most.

This brings into question how people's roles will evolve in the future, with some fearing that RPA and AI will cannibalise their jobs. What's critical here is that leaders plan for such change and upskill the workforce so their roles expand and are fit for the digital era – and then continually measure the company and its staff's ability to work effectively alongside the robots. Employees will need to be coached and developed to work with robotic technology and ensure that these bots are making the right decisions. They will need to understand how RPA works and be able to manage the exceptions where the situations are more complex and therefore need the human touch.

14

Has your organisation adopted technology to automate tasks and processes?

Yes	72%
No	20%
Don't Know	8%

0%　　　　　　　　　　　　　　　　　　　　　　　100%

Interestingly, the majority of businesses (72%) say they have already adopted technology to automate tasks and processes. Does this not suggest that RPA is prevalent in the daily working life of most organisations – despite a mere 18% acknowledging this in a previous question? Ultimately, RPA is a buzzword for automation. Both deliver the same outcome – completing tasks faster and without human error, and winning back time for the workforce.

Conversely, perhaps it shows that businesses have moved ahead with automation, but it hasn't yet been fully implemented across the organisation (as with the Cloud). They might only be using simple scripts to handle small actions. For example, addressing narrow tasks to schedule meetings or complete expenses. Even automating these small tasks will gain back significant time for the workforce and leaders to be more productive in their roles.
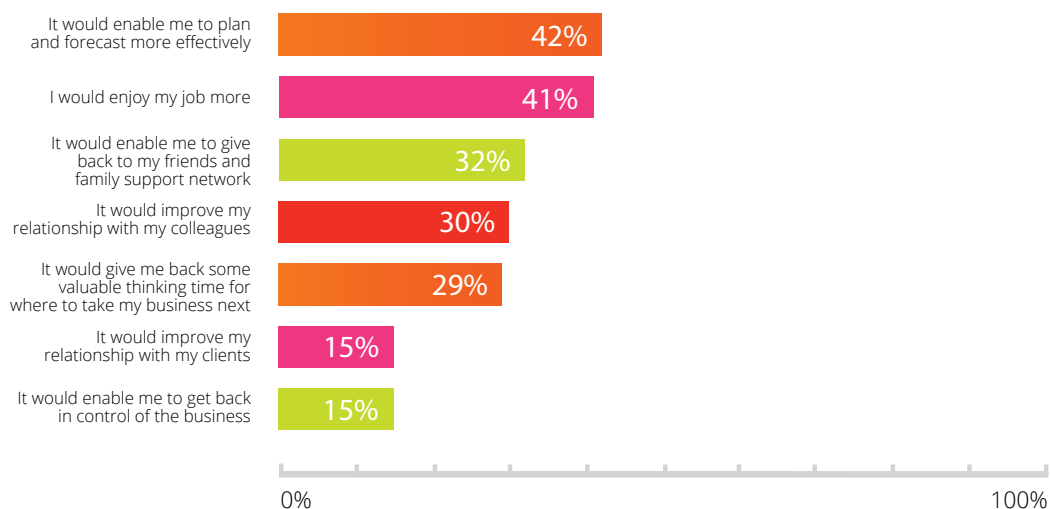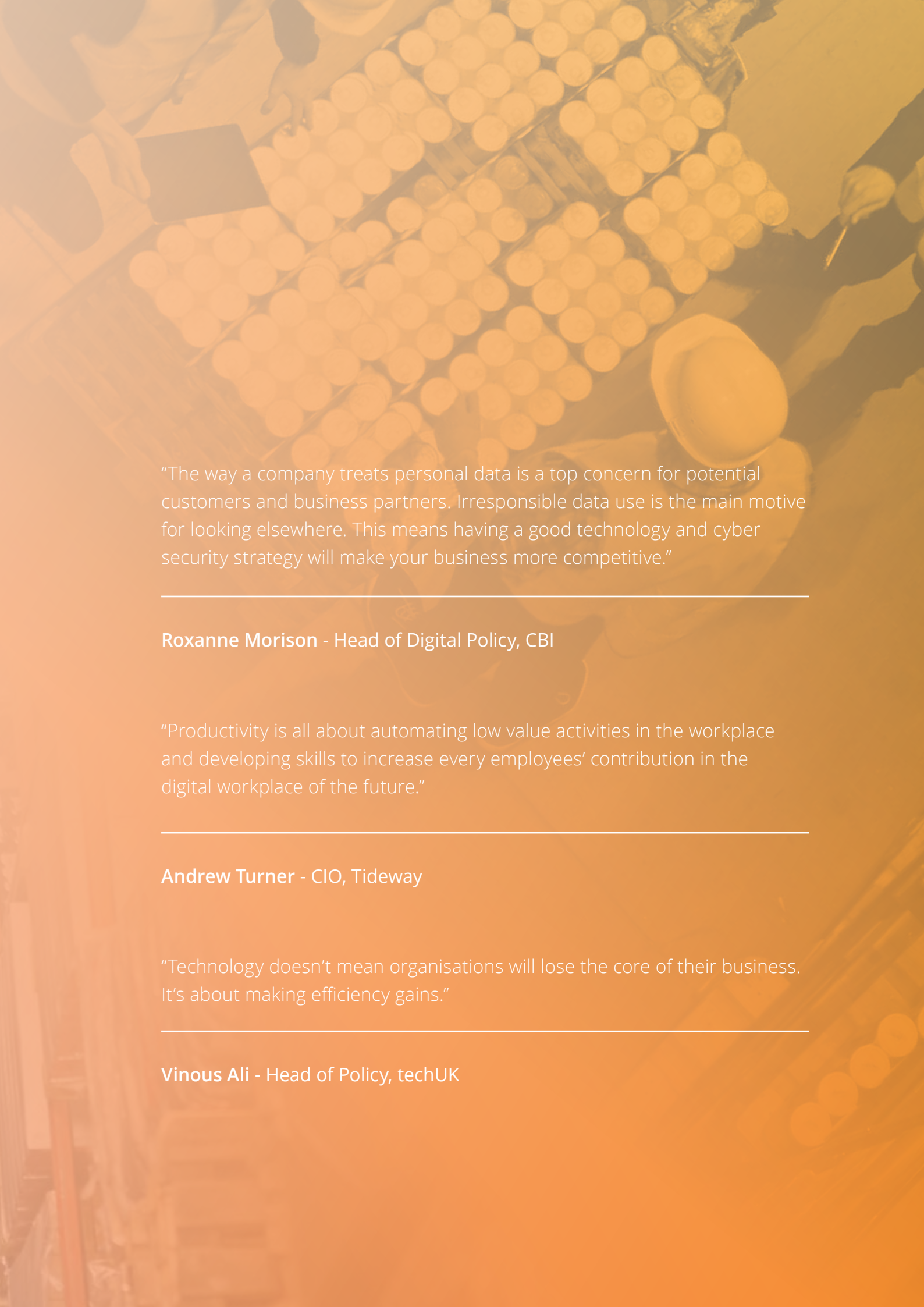
Productivity

65%

**would be happy to
work alongside robotic
technology if it meant less
manual processes**

Where do you think you would see the biggest transformation in your work life if you
were given back an extra 60 minutes a day?

It would enable me to plan and forecast more effectively	42%
I would enjoy my job more	41%
It would enable me to give back to my friends and family support network	32%
It would improve my relationship with my colleagues	30%
It would give me back some valuable thinking time for where to take my business next	29%
It would improve my relationship with my clients	15%
It would enable me to get back in control of the business	15%

0%   100%

Productivity

"Any technology that improves processes and takes away functions that can be automated to give people back more time is a win-win."

Robin Jackson - Chambers Director, 3VB

"It's wrong to think that new technology is more risky. Security is now built into products before the features are."

Ian Massingham - Worldwide Evangelist, Amazon Web Services

"The way a company treats personal data is a top concern for potential customers and business partners. Irresponsible data use is the main motive for looking elsewhere. This means having a good technology and cyber security strategy will make your business more competitive."

Roxanne Morison - Head of Digital Policy, CBI

"Productivity is all about automating low value activities in the workplace and developing skills to increase every employees' contribution in the digital workplace of the future."

Andrew Turner - CIO, Tideway

"Technology doesn't mean organisations will lose the core of their business. It's about making efficiency gains."

**Vinous Ali** - Head of Policy, techUK

Time is golden in business, as in life, and technology can help businesses win this back. As described above, it can eliminate repetitive, mundane, defined processes – leaving staff to focus on what they do best. As a result, organisations will not only boost business performance but job satisfaction and wellbeing too.

If given back an extra 60 minutes per day, 42% of respondents say they would be able to plan and forecast more effectively, and 29% say it would give them some valuable thinking time for where to take the business next. With regards to wellbeing, 41% say they would enjoy their job more, while 32% say they could give back time to their friends and family.

Winning back time can only have a positive impact on business, and ultimately the wider economy. In the past, our nation has been referred to as ['Burnout Britain'](#)[6] and we need to ensure this bleak name tag is no longer warranted – especially with the impending Brexit. Many leaders are under pressure and, while some pressure is good, too much can have a detrimental effect on their health.

Could automation play a leading role in resolving this over-work crisis, removing mundane tasks that are better suited to chatbots - such as scheduling meetings?

### How often do you feel under pressure at work?
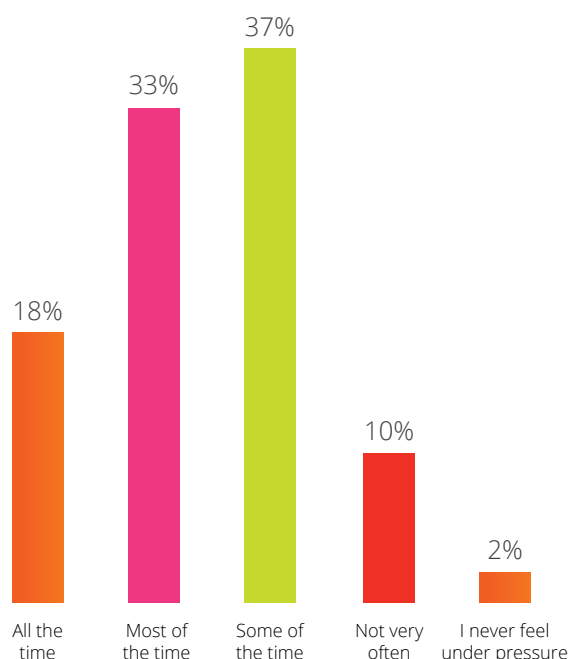
Around half of our respondents (51%) feel under pressure at work all, or most, of the time. The life of a business leader or decision maker has of course become more complex, demanding and noisy but too much busyness can thwart an organisation's productivity. It can also trickle down to the rest of the workforce, and the company culture becomes fixated on staying busy.

Encouraging the workforce to step back and take time out is a message that only resonates if staff are given the tools to switch off. In order to change often ingrained habits, such as regularly working late, it is vital to bring in effective strategies to reduce the pressure of work. The key is unlocking productivity: ensuring employees can work smarter, not harder.

Compliance and Cyber Security

43%

**think new technologies
(like AI & RPA) would put
their company at greater
risk of a security attack**
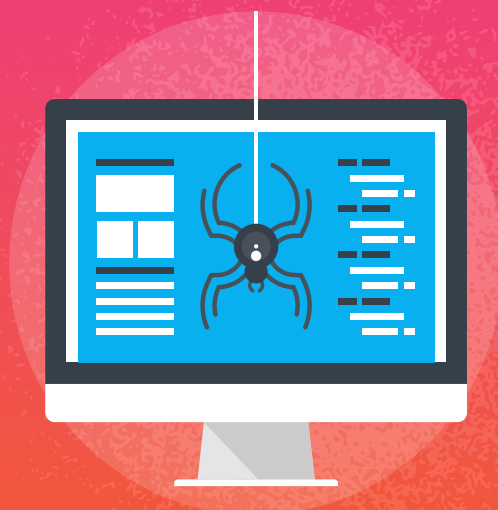
Stories about data regulatory fines and cyber security attacks seem to be a daily occurrence in the media. It's often a question of 'who will be next?' and it's this type of scaremongering that puts many organisations off from adopting disruptive technologies. However, the organisations that fail to modernise their legacy systems, and don't adopt and integrate the latest technology – which is often more secure – are leaving themselves open to targeted attacks. The potential fall-out could be devastating – from loss in revenue and a fine from the ICO through to brand damage.

Is your organisation prepared for a potential cyber-attack?

Yes 74%

No 26%

0% 100%

20
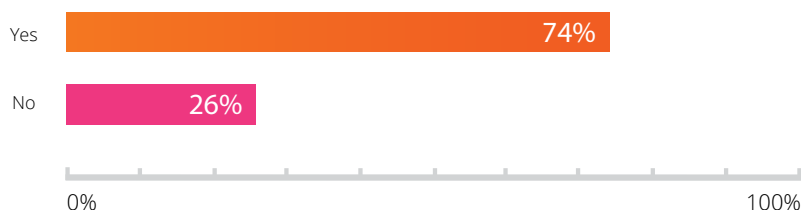
Only 74% of businesses responding to our survey this year say they are prepared for a cyber-attack – an 8% drop when compared to last year's figures. Why are businesses less prepared than they were? Could the GDPR, which has forced organisations to reassess their data security, have made leaders realise that their systems have security holes, or that some of their employees pose a risk?

Equally startling is that 26% are not prepared. The risks and consequences of an attack cannot be ignored – especially in the digital era. Technology investment must go hand in hand with security and compliance. The data that digital tools collect, use and store must be protected in accordance with the law. It's also a no-brainer because it boosts customer confidence. Customers need to be reassured that their data is secure and that it won't get into the wrong hands.

Do you feel new technologies (such as AI and RPA) would put your company at greater risk of a cyber-attack?

Yes	43%
No	26%
Don't Know	32%

0%   100%
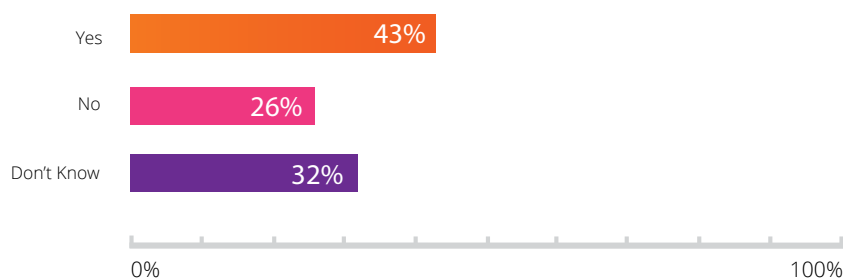
We previously discussed the rise and potential of AI and RPA, especially when it comes to their positive impact on productivity levels. Yet the findings from our research show that fears around cyber security could be deterring some organisations from moving forward with their digital transformation projects – and therefore embracing these tools. In fact, 43% think new technologies would put their company at greater risk of an attack while 32% don't know. That leaves just 26% of respondents who are confident that AI and RPA aren't less secure.

Would you take the risk of investing in innovative technology if it was less secure than existing solutions?

Yes	31%
No	50%
Don't Know	19%

0%   100%

21
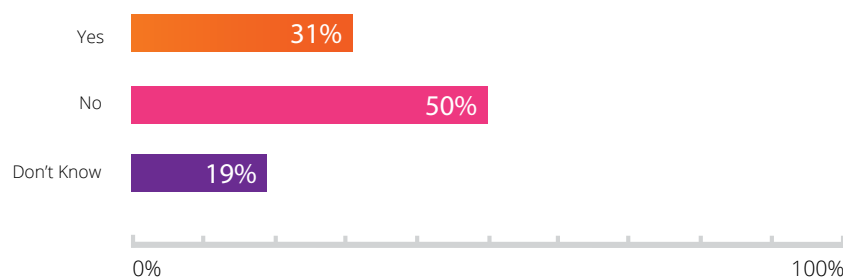
The perceived greater risks of an attack are not putting off 31% of organisations, however, who say they would be prepared to take the risk of investing in innovative technology even if it would be less secure than their existing solutions. For many, then, the positives outweigh the negatives.

What organisations often fail to realise is that new technologies like AI and RPA are in fact more secure than legacy technology systems. They are developed with security in mind right from the start – and built to perform in the connected world.

More than ever, businesses are looking for reassurance and support from technology providers on how they can embrace revolutionary technology safely, securely and in line with the law. Their confidence levels will only increase if they know how their data is stored and where.

However, we mustn't just look at technology. It's only one part of the problem (and solution). People and processes matter too. Everyone in business has a responsibility for the security and compliance of personal data – it's not just down to the IT or Legal department. Driving employee awareness and engagement is therefore critical if businesses are to play a part in the digital revolution.
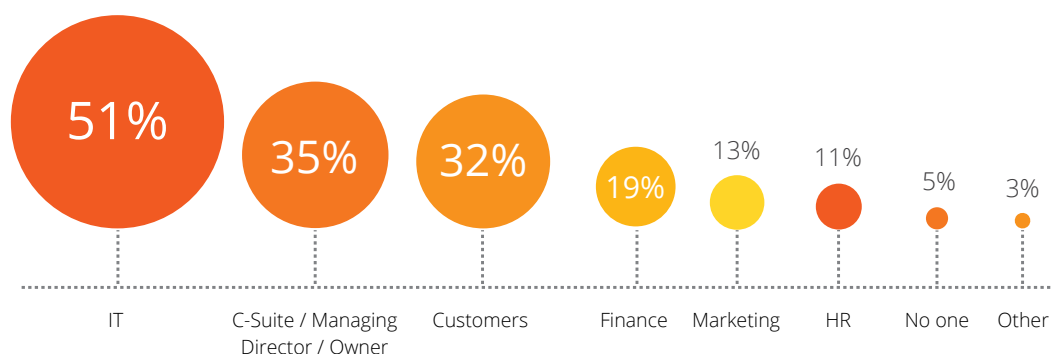
Leadership and Workforce

Just
35%

of C-Suite/MDs
are driving technology
change in their
organisation

For any technology implementation to succeed – whether it be the Cloud, AI or RPA – there must be a willingness for change across the workforce. Employees must see the value in using digital tools to drive productivity and not regard them as a hindrance to their role, otherwise the implementation will be a waste of time.

Successful digital transformations calls for a digital pioneer in every organisation - someone who can take the lead and ensure that technology is adopted with enthusiasm and confidence by all. The question is – who is responsible for driving change? Our survey suggests the answer is unclear.

Who is driving technology change in your organisation?

51%	35%	32%	19%	13%	11%	5%	3%
IT	C-Suite / Managing Director / Owner	Customers	Finance	Marketing	HR	No one	Other

Just 35% of C-Suite/Managing Directors are driving change in technology across the organisation. Around half (51%) say it is IT, while 19% say responsibility falls to Finance and 13% to Marketing. If you consider the pure departments in their own right, it's interesting to see that Marketing are now just behind Finance in terms of those areas of the business driving technology change. That ability to champion the voice of the customer and to be the barometer of prospect engagement is perhaps the force behind this. With online buying habits continuing to dominate the way in which consumers engage, this critical element should not be overlooked.
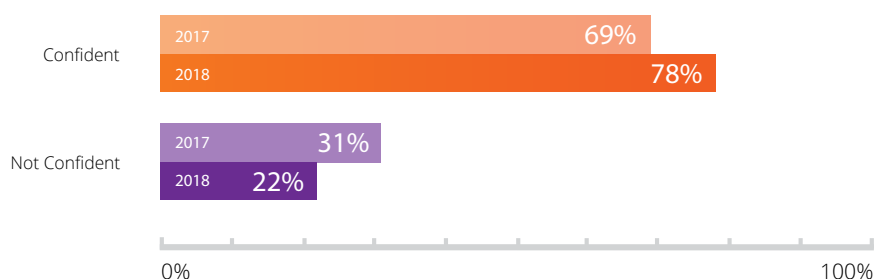
There is no clear remit for this change management and, disappointingly, only a small number of senior leaders are taking charge. However, if the C-Suite champions the adoption of technology, they can ensure that any digital strategy aligns with the overall business strategy, and that it's led from the top and ripples down and across the organisation successfully.

If the responsibility stays with IT, its role will need to evolve to ensure innovation is embraced throughout the business. The IT lead will need to partner with the C-Suite to evangelise and educate on the value of technology to make sure change happens. Perhaps we will see the Chief Information Officer (CIO) /Chief Technology Officer (CTO) elevate their role and become the guiding force because of the need for these advanced technologies to be connected with the broader IT strategy to deliver real business change. If this is the case then they must ensure they tap into the commercial and customer heartbeat within the business and ensure decisions are made from a fully rounded position and not just that of technology.

Ultimately, the C-Suite should be responsible and there is a real opportunity for the CIO, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to come together as a unit and champion the value of disruptive technology. They can bring their respective skills and contacts to the table in order to ensure it is rolled out effectively and positively across the whole organisation.

What's critical for change management to work, however, is that the C-Suite listens to and works closely with their employees to find out their pain points (and those of their customers) and agree which digital tools can help. Otherwise, they risk creating a disconnect between staff and senior leaders, thinking that technology is working effectively when in reality, it might not be.

How confident are you in the leadership of your company to create and run a modern digital infrastructure?

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Leadership & Workforce

"Every business needs a strategy on how to get people engaged if they are to embrace new technologies."

Robin Jackson - Chambers Director, 3VB

"As AI and RPA become more mainstream, businesses will need to look to retune their staff; providing them with the skill-sets that they will need to deliver their outputs. Today's skill-sets are already limiting but with the speed of technology development, they and their employers will be left behind without continued development."

Vinous Ali - Head of Policy, techUK

"When it comes to who drives technology adoption, we shouldn't just look at the top of an organisation but look at the whole of the workforce."

Anonymous

The fact that much of the workforce isn't ready to adopt technology is down to a leadership issue. If leaders haven't taken their workforce with them, they are giving themselves a big challenge.

Julian David - CEO - techUK

Reassuringly, 78% of respondents say they are confident in the leadership of their company to create and run a modern digital infrastructure. It's a 9% increase on last year's survey findings, which suggests that leaders are doing a better job at driving technology change. That said, only 39% of respondents this year think having a strong digital skill-set is the most important attribute for a leader in the digital era (compared to 45% in 2017). The most important attribute is the ability to reimagine the organisation and embrace change (63%).

The ability to welcome change is not just a key attribute for leaders, though - it's a trait that will be required by everyone across an organisation if technology is to be adopted by all.

What percentage of people in your organisation do you think are ready to adopt new technology to change the way they work?

Less than 50% are ready	59%
Over 50% are ready	41%

0%   100%
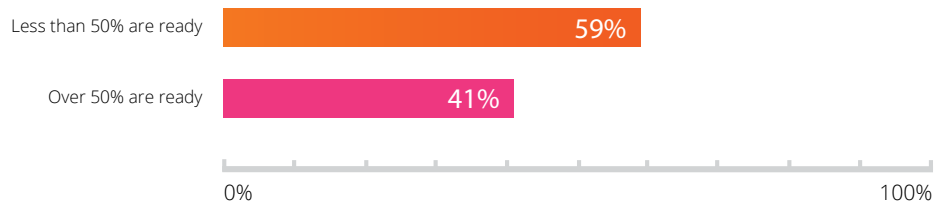
Interestingly, 59% of our survey respondents think less than half of people in their organisation are ready to adopt new technology to change the way they work. This high figure is worrying – technology can only change the way people work if they are keen to adopt it. So why is the figure so high? Is there a lack of training and awareness across the workforce? Are there some staff that are impervious to change and prefer the old ways of working such as paper-based methods?

There is a huge job to be done by businesses – led by their digital pioneer – to support employees in any technology transition. Some employees will feel less confident than others with technology, so will need more guidance and reassurance that technology isn't there to take their jobs. It's about change management and selling in technology as a productivity enabler, demonstrating how digital tools can free up people's time to focus on higher value tasks.

Without this, staff won't embrace the tools, invest time in developing the skills or adapt to the new ways of working that are fundamental to driving productivity. It would be wise to look towards the digital-savvy employees who can support those colleagues who are resistant to change. They can become ambassadors or mediators to help business leaders reinforce the positive benefits as part of a much-needed shift in the company culture.

If a robot had access to the right business intelligence, do you believe it would be better

Yes	34%
No	45%
Don't Know	21%

0%   100%
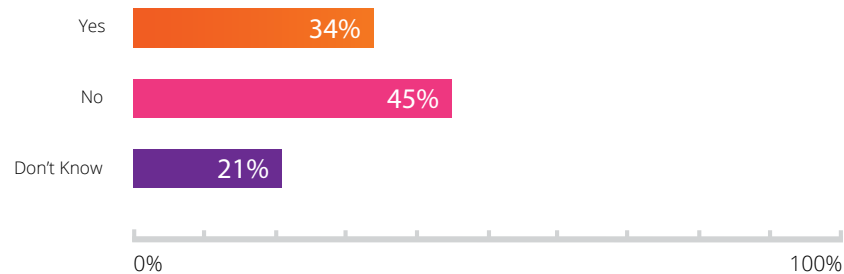
at decision making than your boss / senior leadership team?

As our research suggests, there are many organisations that have already adopted digital tools and who want to see disruptive technologies enhancing their daily working life. Some express great confidence in tools such as AI, with 34% of our respondents stating a robot with access to the right business intelligence would be better at decision making than their boss or senior leadership team.

Can robots really take on the role of decision maker? We would argue that intelligent machines are not there yet. Yes, they can make faster decisions, come to conclusions and generate insights more quickly, but humans will continue to be very important and, for at least the next decade, people will manage the exceptions. The 'human in the loop' will continue to be important, especially for complex work decisions that require empathy. So perhaps this is more a reflection that employees are dissatisfied with their current leadership, and want to get rid of arbitrary decision making?

While business leaders needn't worry about robots taking their jobs there is food for thought about the impact technology has on decision making. Leaders should learn to delegate more work and let go of some responsibilities – whether that is to technology or the rest of the workforce. Perhaps we should be tipping the hierarchical business structure on its head and giving the rest of the workforce a bigger voice and more autonomy.

Younger Generation

The CBI has announced findings from its own research into the attitudes of the younger generation (17-23 year olds) entering into the workplace. As it pointed out during the CBI Conference in November, businesses need to create workplaces that will enable and successfully use the skills of a radically more diverse workplace than the one we see today. One that understands how to delegate between humans and machines in a way that maximises the capabilities of both.

If businesses are to move ahead in the digital era, the younger generation needs to be at the heart of British industry. Leaders need to collaborate better and engage with younger people who are typically more IT-savvy and open to change. And, at a time when the technology industry is facing a major skills shortage, leaders need to be better at attracting and retaining younger talent. The younger generation may well be able to encourage and support colleagues who are more resistant to change, helping organisations to introduce and reinforce the positive benefits of digital innovation.

60%

of Gen Z would take the risk of investing in innovative technology if it was less secure than existing solutions (compared to 31% across all ages)

Generation Z (those born after the mid-1990s) revealed some stark differences in their responses to our Survey. For example, 60% would take the risk of investing in innovative technology if it was less secure than existing solutions compared to 31% across all ages. The younger generation also seem more aware of technology use in their business, 44% said they are seeing AI in their daily working lives compared to 26% across all ages, and 40% are seeing chatbots compared to 18% of all respondents. 20% of Generation Z feel their organisation isn't currently prepared for a cyber-attack compared to 11% across all ages. They also feel in greater numbers that having a strong digital skill-set in the most important attribute for a business leader in the digital era in (52% compared to 39% across all ages).

As the percentage of Generation Z workers continues to increase, the digital by default mindset will force businesses to change. When you consider that 59% of people think that less than half of their organisation is ready to adopt new technology to change the way they work, there is the potential for a clash in culture. Those who are resistant to change and the newer entrants who are expecting to use technology in the same way as they would in their personal life.
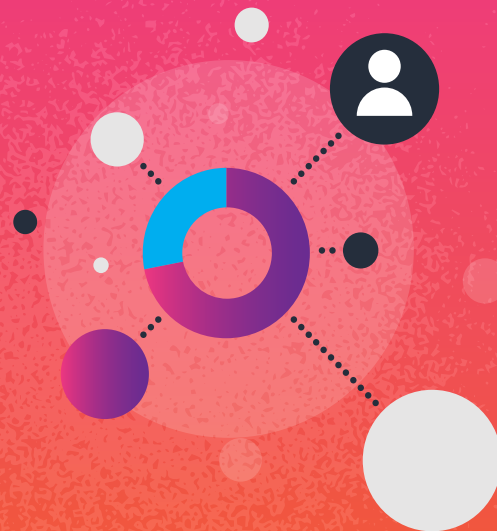
52%

of Gen Z think having a strong digital skill-set is the most important attribute for a business leader in the digital era (compared to 39% across all ages)
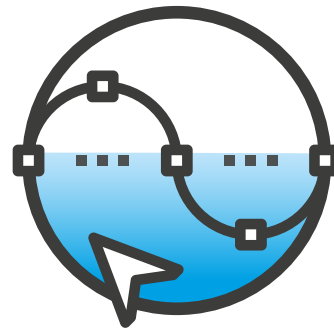
Customer Engagement

50%

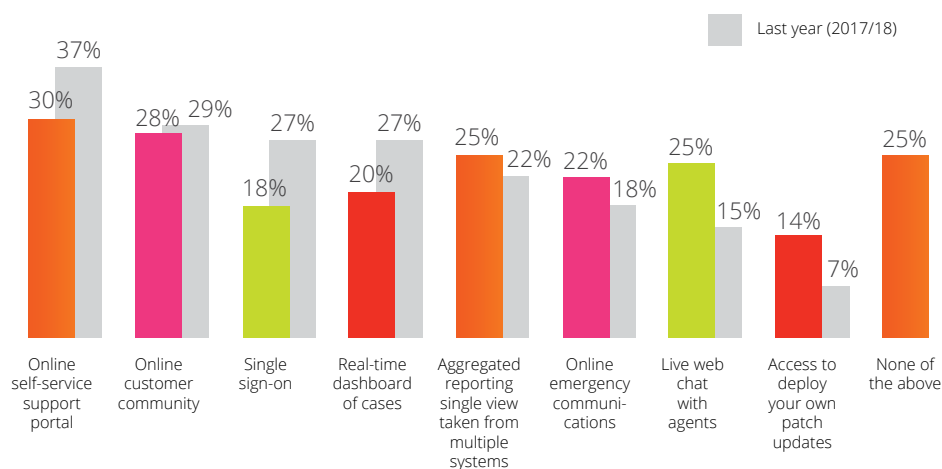**use social media to improve customer satisfaction**

If providing a digital face to a business is fast becoming the norm, there is one more audience that we need to address – and that's customers. Technology is not only designed to make people's jobs better, but it's meant to improve the customer experience as well. As we reported in last year's survey, engagement with customers is transforming as they demand a more personalised, mobile and responsive service.

Businesses that fail to embrace disruptive technologies will miss out as customers turn their backs on brand loyalty and instead look for a service that adds value and demonstrates innovation. An excellent example of disruptive technologies in action is chatbots.

According to a recent Forrester report, over the next decade call centres will step aside so these AI-driven bots, and other intelligent self-service solutions, can take over and address customer-facing problems. Why? Because automation can reshape customer engagement and provide more personalised offers at scale than human-run services can. In fact, by 2020, Gartner predicts that customers will manage 85% of of their relationship with a business through AI.[7]

It's happening already. More than 10,000 companies in the UK are developing Facebook Messenger chatbots to improve communications with consumers[8], and 5,000 Shopify merchants are already distributing order confirmations and shipping alerts via Messenger. Vodafone, meanwhile, has created a voice authentication service called Voice ID to make it easier and quicker for its customers to verify their identity, access their details and receive an account update. [9]
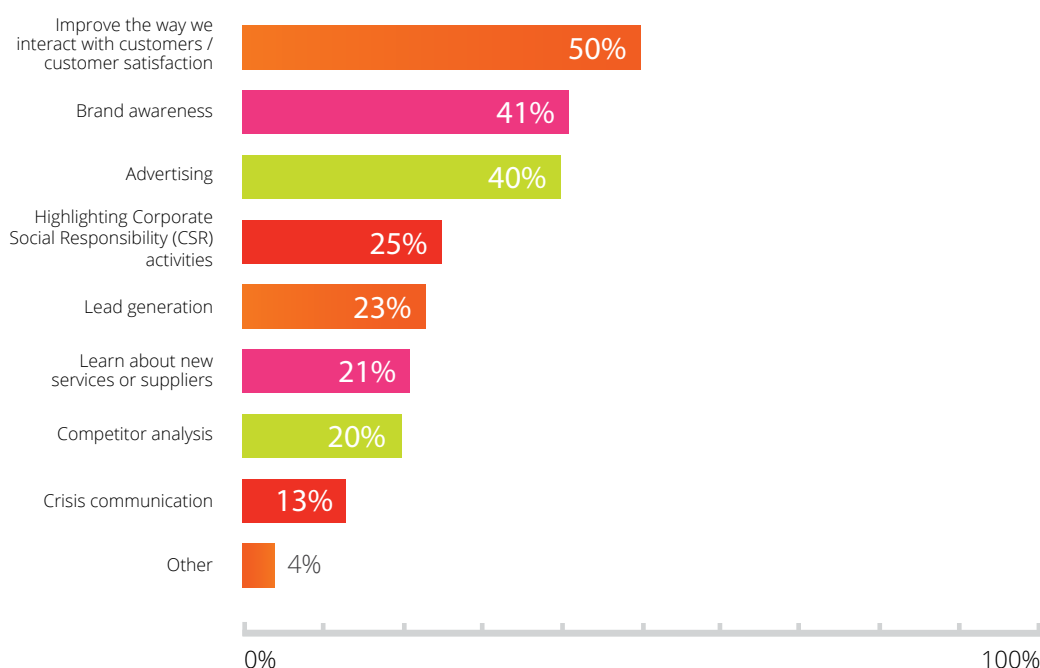
Which of the following are your customers demanding more of?

Last year (2017/18)

Online self-service support portal	30% / 37%
Online customer community	28% / 29%
Single sign-on	18% / 27%
Real-time dashboard of cases	20% / 27%
Aggregated reporting single view taken from multiple systems	25% / 22%
Online emergency communications	22% / 18%
Live web chat with agents	25% / 15%
Access to deploy your own patch updates	14% / 7%
None of the above	25%

Customers are demanding more from businesses. According to our research, 54% want online self-service portals or live web chats with agents while 28% want an online community. Technology is therefore essential to driving customer engagement and, when time is at a premium, tools like AI and automation can provide a solution that improves the experience for staff and customers alike.

Interestingly, 22% (up from 18% last year) of respondents say that customers are requesting more online emergency communications (for example, around major incidents or security threats). This highlights the importance of reassuring consumers that their personal data is secure and instilling trust that they are being kept fully informed of any issues in real-time.

How does your organisation currently use social media?'

Improve the way we interact with customers / customer satisfaction	50%
Brand awareness	41%
Advertising	40%
Highlighting Corporate Social Responsibility (CSR) activities	25%
Lead generation	23%
Learn about new services or suppliers	21%
Competitor analysis	20%
Crisis communication	13%
Other	4%

0%   100%

Customer Engagement

"Businesses need to step back and look at all the ways of interacting with their customers."

Alan Barrett - Head of IT, TMW Solicitors

"Technology is becoming more visible. Automation is now reaching the consumer, and businesses need to look at what the consumer needs."

Ian Massingham - Worldwide Evangelist, Amazon Web Services

"We need to identify the value in putting time back in people's pockets – that's the real opportunity. You want the nurse to be with patients and a lawyer to be in the court room."

Vinous Ali - Head of Policy, techUK

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Social media is another key tool for delivering effective customer service online, yet our survey shows it's underused. Only half of organisations use it to improve the way they interact with customers – a similar figure to last year's survey – and only 41% for brand awareness. In the digital era, customers rely on social media to research brands, products and services – and they're quick to complain on it too. Surely more organisations should be using social media for engagement to convey a voice and message that resonates with their customers?

Conclusion

This year's research, once again carried out with over 1,000 UK business professionals, provides us with insight into the transformative digital trends and their impact on organisations today.

There seem to be three key areas that dictate how well a business will be able to move forward in the post-Brexit digital world:

- Technology adoption
- External factors and pressures
- Leadership and workforce culture

What's clear from this year's Trends Survey is that more and more organisations are investing in technology – especially the Cloud and, to some extent, AI and RPA – and that technology will be a key spending priority in 2019. This is encouraging and we can expect adoption of these tools to increase over the next 12 months. Maybe we will even see business leaders relinquish some responsibilities to technology so they can take a step back and refocus.

Being able to rethink and evaluate business priorities is critical, as there is a danger of getting distracted not only by external pressures like Brexit, but also by exciting new technology trends. Organisations need to focus on what the business really needs rather than what's nice to have. This is where engagement with the workforce and customers comes in – what do they really want?

Compliance and cyber security also require more consideration, as these are two external factors that should influence every technology investment. Businesses mustn't hold back from adopting innovative technologies because of the fear of a cyber-attack. AI and RPA tools are typically more secure, so there's a job to be done in changing the perception that they will put organisations at greater risk. The reality is that it is legacy systems that are often less secure, so holding back on implementing a modernisation programme will only thwart growth and competitiveness. Established businesses will find it hard to compete with new startups, for example, who typically start with a Cloud strategy and therefore do not face the legacy drag and overhead of legacy technology debt. Business critical applications can, and should, be modernised to form the bedrock of every organisation's digital transformation.

Businesses also need to recognise that technology can only work with maximum impact when it has a supportive workforce behind it. Many employees are not ready to adopt new technology to change their working practices, so leaders need to understand why and how this can be improved. Leaders need to decide who is best placed to drive a change in culture and how working closely with a younger, more digital-savvy generation can help. Ultimately, people of all ages need to see the value in technology.

The biggest benefit to be gained from technology is productivity. Time (or lack thereof) continues to be an issue in the workplace and it's holding people back from focusing on the tasks and decisions that really matter. Winning back time can only be a good thing – staff will feel under less pressure and will be able to focus on making a real difference to the business,

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or simply improve their own wellbeing by investing in their relationships with colleagues, family or friends.

So what can you take from this report to be better prepared for the challenges that await you?

We've identified seven critical questions that businesses should consider and see as creating a blueprint for success in the digital era:

1. To what extent are external factors (such as Brexit) holding you back from prioritising issues that you actually have control over like technology, compliance and cyber security?

2. Have you determined the key technologies your business needs to implement in order to become more agile, competitive and productive as opposed to innovations that are simply the latest buzz in the media?

3. Which legacy business-critical systems can you begin to modernise in your organisation's journey to digital transformation?

4. What are the potential benefits of a more productive workforce – how would you and your staff spend the time you gain back through technology?

5. Who is responsible for driving technology change in your organisation and ensuring that the workforce understands (and values) technology's real potential?

6. How are you engaging with the younger generation, and maximising the use of their approach and knowledge, to not only help you change the culture in your business, but drive innovation too?

7. What are the pain points of your workforce and customers, and how can technology help address them – both now and in the future?

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Demographics

Position

Board Director	**6%**
Director	**9%**
Manager	**55%**
Owner	**8%**
Senior Manager	**21%**

Employees

100-249 employees	**26%**
250-1,000 employees	**28%**
More than 1,000 employees	**46%**

Age

Born in 1963 or before	**17%**
Born between 1964-1980	**44%**
Born between 1981-1995	35**%**
Born after 1995	**3%**

Industry sector

Charity	**5%**
Commercial	**34%**
Education	**11%**
IT Services	**14%**
Legal	**7%**
Manufacturing	**7%**
NHS	**12%**
Public Sector	**7%**
Other	**2%**

Gender

Male	**54%**
Female	**46%**

About Advanced

Advanced is the UK's third largest provider of business software and services with a £227m turnover, 16,000 customers and 2,200 employees. We provide enterprise and market-focused solutions that allow our customers to reimagine what is possible, innovate in their sectors and improve the lives of millions of people in the UK.

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We want to thank our customers and partners that contributed to our Trends Survey Report 2018/2019 – including 3VB, Amazon Web Services, CBI, Tideway, Innovation Birmingham, Performing Rights Society (PRS), St. Andrew's Healthcare, techUK, TMW Solicitors.

For more information:

please visit: **www.oneadvanced.com**
or call **+44(0) 330 343 8000**

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