Forrester Opportunity Snapshot: A Custom Study Commissioned By Dell | March 2018

Digital Controllers Optimize, Digital Transformers Innovate

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Digital Controllers Optimize, Digital Transformers Innovate

Same Goals, But Different Approaches Impact How IT Functions In The Digital Age

Today, IT is tasked with increasing operational efficiency, whilst arming employees with the right tools, products, and services to get their jobs done. Enterprises need the power of the latest technology to keep up with constantly changing digital environments and a highly mobile and demanding workforce. And although, the two types of IT, controllers (linear, IT-centric, and insular) and transformers (agile, employee-centric, and flexible) have different approaches, they face similar challenges when enlisting the help of vendors that will enable them to focus on the more strategic tasks of understanding their employees' needs.

PROJECT BACKGROUND

In December 2017, Dell commissioned Forrester Consulting to conduct a study refresh to determine how enterprise organizations are structured from an IT departmental perspective. The study explored two types of IT: digital controllers and digital transformers; and the trends and challenges seen in PC provisioning. Digital controllers are often associated with top-down approach, linear structure, and emphasize security and accuracy. In contrast, digital transformers focus on innovation, employee- and customer-centricity, and prioritize speed and flexibility. By understanding the two groups, enterprises can overcome challenges that arise from PC life-cycle management. By investing in existing PC management tools and partnering with a company that specializes in PC deployment and management, firms can empower employees to better serve customers.

Country
› US: 42%
› UK: 29%
› India: 15%
› Australia: 13%
› New Zealand: 1%

Position of respondent
› C-level executive: 12%
› VP: 25%
› Director: 26%
› Manager: 37%

Department
› IT: 55%
› Operations: 28%
› HR information systems: 13%
› Executive team: 4%

Type of IT
› Digital controllers: 58%
› Digital transformers: 42%

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Introducing Digital Controllers And Digital Transformers

To assess firms' IT department type, Forrester asked respondents to select the most relevant answers between statements describing: how technology solutions are purchased; how synchronized IT and lines of business are; and their companies' level of automation and technology policies. Based on the answers, Forrester was then able to determine whether each respondent's firm was a digital controller or a digital transformer. A summary of characteristics of each include:
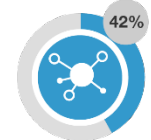
TYPE OF IT	KEY FOCUS AREAS	
Digital controllers 58%	• Operational efficiency • Information security • Lowering overall IT spend/costs	Often associated with a top-down, highly procedural, process-driven approach; emphasis is usually on security and accuracy.
Digital transformers 42%	• Customer-centric • Employee-centric • Promote innovation	Focused on innovation and employee- and customer-centricity; emphasis is usually on speed and flexibility.

Are You A Digital Controller Or Digital Transformer?

Digital controllers	Digital transformers
• We seek tech solutions that are easy to integrate and manage.	• We seek tech solutions that help us serve the customer better.
• Executives make most technology decisions.	• Executives delegate most technology decisions to us.
• Our technology systems are not automated and require lots of technical skill.	• Our technology systems are automated and require little technical skill.
• We only fix our systems when something goes wrong.	• We make continuous improvements to our systems and processes.
• Most of our important apps are legacy and we operate in a linear manner, emphasizing security and accuracy.	• Most of our apps are cloud-based, making us dynamic and creative, emphasizing agility and speed.
• Communication between different teams is poor, and there is a lot of mistrust and finger-pointing.	• Communication between teams is good with everyone working together.
• Our technology policies forbid employees from using their own devices or apps.	• Our technology policies encourage employees to use apps and devices they're most comfortable with.

Base: 364 IT manager or above with knowledge of desktop infrastructure environment, the provisioning of laptops, computers, and other devices
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell

Digital Controllers Optimize, Digital Transformers Innovate

OVERVIEW   **SITUATION**   **APPROACH**   **OPPORTUNITY**   **CONCLUSIONS**

1 **2** **3**

Digital Controllers And Transformers Diverge On PC Life-Cycle Approaches

Although digital controllers and digital transformers have differing objectives and goals in mind they both use similar tools and possess a keen awareness to improve their employees' autonomy and productivity. Yet, these differing objectives have resulted in a divergence of PC life-cycle approaches. The study revealed that:

Digital controllers follow a structure where they are more IT-centric and insular. Controllers base their values according to the business' (78%). And if that means prioritizing budget and IT processes over employee improvements (69%), so be it. Controllers manage problems whilst having little input from other departments. Although they're not employee-centric, there is a process-driven approach — surveys are conducted to understand how employees work and what they need (70%).

Digital transformers encourage and foster employee productivity (78%) and are even more tolerant of employee's mistakes than their counterparts (75%). Transformers are actually built into a culture of collaboration. Agility and continuous improvement result in employees and other business functions to actively take part in the decision-making process (74%).

Transformers are highly collaborative (58%) compared to controllers (47%).

How much do you agree with the following statements?
(Showing "strongly agree" and "agree" only)

■ Digital controller ⚙   ■ Digital transformer ⚛

TOP THREE ANSWERS FOR DIGITAL CONTROLLERS

Our IT organization's values are in perfect alignment with our company's stated values. **78%**

We conduct surveys and use data to help us understand employee work styles and needs. **70%**

We prioritize meeting budget and IT processes over potential user-side improvements. **69%**

TOP THREE ANSWERS FOR DIGITAL TRANSFORMERS

Fostering employee productivity is our top priority, even it costs more. **78%**

We're tolerant of employee's mistakes and use them as a source of learning and growth. **75%**

We actively engage with business stakeholders to help us shape our workforce enablement strategy. **74%**

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Digital Transformers Are More Employee-Centric When Purchasing Technology

Historically, IT purchased technology using a one-size-fits-all model that supplied each employee with one desktop computer and/or a mobile device that they used for work — such models stifled productivity and flow. Today, an increasing amount of employees are working from various locations, using multiple devices, and depending on more efficient technology to better serve customers.
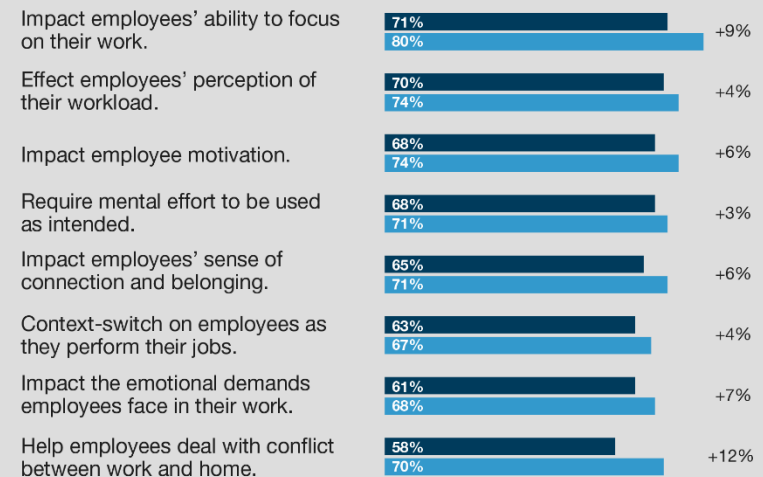
That means IT has to juggle rapidly evolving technology environments — they're tasked with increasing operational efficiency, whilst arming employees with the right tools to be productive.

When making technology purchases, aside from looking at the reliability, product features, and purchase price of the technologies being sought, controllers and transformers are placing themselves in the employees' shoes to better understand how technology impacts the employees' ability to focus on their work (71%, compared to 80%) and the perception of their workload (70%, compared to 74%). Transformers are acutely aware that legacy tools and devices hamper productivity. In fact, transformers are more emotionally considerate (68%) than controllers (61%), which stems from that culture of collaboration.

Which of the following psychological and cognitive workload factors influence your employee-facing technology purchasing decisions the most?

"How much the technology will . . ."

■ Digital controller
■ Digital transformer

"How much the technology will . . ."	Digital controller	Digital transformer	Difference
Impact employees' ability to focus on their work.	71%	80%	+9%
Effect employees' perception of their workload.	70%	74%	+4%
Impact employee motivation.	68%	74%	+6%
Require mental effort to be used as intended.	68%	71%	+3%
Impact employees' sense of connection and belonging.	65%	71%	+6%
Context-switch on employees as they perform their jobs.	63%	67%	+4%
Impact the emotional demands employees face in their work.	61%	68%	+7%
Help employees deal with conflict between work and home.	58%	70%	+12%

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Fifty-six percent of digital transformers agree that the overall productivity at their company has increased greatly due to IT; only 44% of digital controllers said the same.

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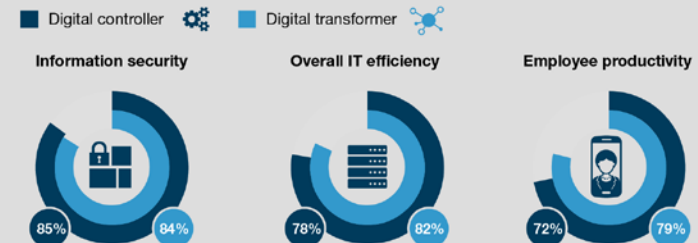
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IT Must Prioritize Security Without Affecting Worker Productivity

In order to keep pace with the digital environment, both sets of IT must efficiently address complex issues like service provisioning, device procurement, and security oversight. Access to sensitive information across a wide range of business applications and devices is mandatory for employees to fulfill tasks as productively and accurately as possible.

IT's performance and security complement one another, but one should not outweigh the other.

However, given the onslaught of high-profile data breaches in recent years, it's no surprise that controllers (85%) and transformers (84%) are looking to implement or expand better security capabilities as part of their PC life-cycle priorities — a theme which has remained consistent over the past two years. Both controllers and transformers agree that security upgrades need to be implemented without compromising workers' productivity.

Which of the following technology-related initiatives is your department or division prioritizing over the next 12 months? *(Showing "critical" and "high" priority)*

■ Digital controller   ■ Digital transformer

Information security
85%   84%

Overall IT efficiency
78%   82%

Employee productivity
72%   79%

In 2015, **80%** said implementing or expanding better security capabilities was a top priority over the next 12 months; a theme which has remained a top concern over the past few years.

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Digital controllers
77%

Digital transformers
76%

"Security is a top priority for us, but it should never get in the way of employee productivity."
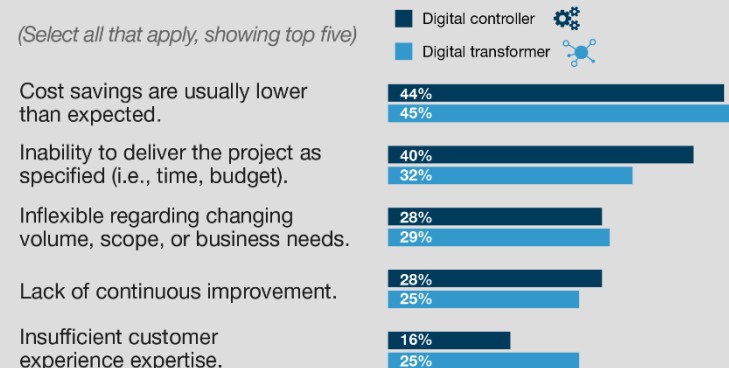
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Current Technology Procurement Approaches Impact IT Agility

Current approaches to purchasing technology are marred by an inability to effectively manage the purchasing life cycle of a technology, product, or service. Both controllers (44%) and transformers (45%) are unable to get the ROI as planned. Controllers (40%) and transformers (32%) also struggle to deliver projects on time (e.g., due to budget constraints). Both IT departments struggle to adapt to agile environments, although, transformers perform better than controllers.

Identifying the optimal point to remove or replace a technology from the portfolio creates an opportunity for IT to reduce costs, redeploy resources to higher-value opportunities, and potentially reduce risks. IT departments need to adopt processes that can identify changes to the life cycle, but they cannot do this alone — partnering with a technology vendor helps to create a clear operating PC life-cycle migration path, which will enable agile investment strategies that keep up with the technology's constantly evolving role in enterprise environments.

Thinking about the major technology or services decisions you're involved with, what are the biggest challenges when making purchases for technology products and services at your organization?

(Select all that apply, showing top five)

■ Digital controller
■ Digital transformer

Challenge	Controller	Transformer
Cost savings are usually lower than expected.	44%	45%
Inability to deliver the project as specified (i.e., time, budget).	40%	32%
Inflexible regarding changing volume, scope, or business needs.	28%	29%
Lack of continuous improvement.	28%	25%
Insufficient customer experience expertise.	16%	25%

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Sixty-one percent of digital controllers use formal user acceptance testing to review purchases post-implementation, an older methodology. In comparison, 51% of digital transformers use customer satisfaction to understand sentiments on their tech purchases.

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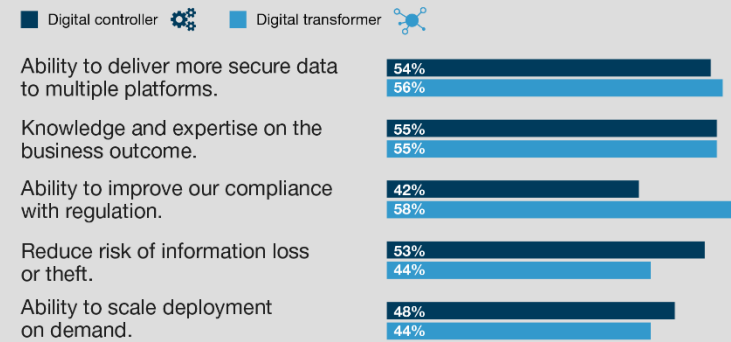## Technology Vendors Play A Key Role In Supporting Both Sets Of IT

Although purchasing new technologies eliminates many problems from a front-end perspective, things become subverted in the back end. Technology vendors can help build aggressive technology road maps whilst the enterprise introduces more advanced digital technologies into the business.

Ensuring that PC life-cycle processes run like a well-oiled machine, instead of spilling over to other parts of the business, is mission critical for PC life-cycle objectives and post-implementation success. This is why challenges appear beyond the traditional aspects like support, system management, and automation of PC deployment processes.

Meanwhile, both sets of IT are seeking technology vendors that can deliver more secure data to multiple platforms (controllers 54% and transformers 56%, respectively).

Comparisons: Compared to the same study two years ago, only 33% of companies said compliance with regulation was a key attribute when seeking technology vendors. Today, both digital controllers (42%) and digital transformers (58%) have a much higher drive for compliance. Similarly, 38% of companies sought technology vendors that were able to scale deployment on demand, today, controllers (48%) and transformers (44%) said the same with an improvement of 10% and 6% respectively.

What are the key attributes of a technology management partner to support PC deployment at your organization?
(Select all that apply, showing top five)

■ Digital controller　■ Digital transformer

Ability to deliver more secure data to multiple platforms.
54%
56%

Knowledge and expertise on the business outcome.
55%
55%

Ability to improve our compliance with regulation.
42%
58%

Reduce risk of information loss or theft.
53%
44%

Ability to scale deployment on demand.
48%
44%

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Forty-one percent of digital controllers perceive themselves as highly innovative, while only 59% of digital transformers believe the same. Digital transformers are also highly collaborative (58%, compared to 47% of controllers).

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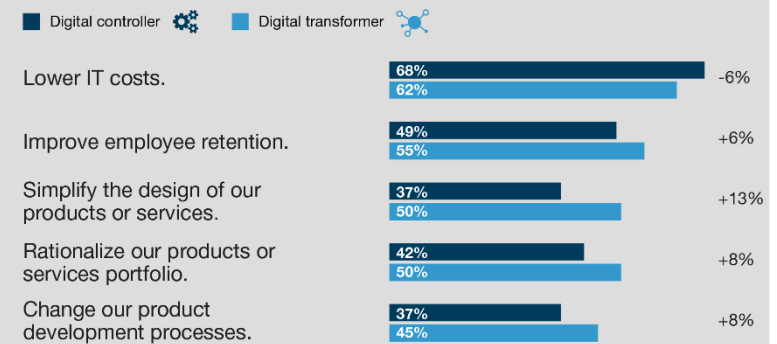## The Right Tech Purchases Boost Productivity And Enhance Operations

IT departments recognize how technology purchases are required to have an engaged workforce that will consistently improve the customer's experience. In fact, making the right technology purchases can dramatically improve the retention of employees (49%, compared to 55%).

New technology purchases can also provide direct visibility into every aspect of the supply chain, keeping above water as new competitors flood the marketplace. IT departments therefore want to simplify the design of their products or services, (37%, compared to 50%) and even change the entire product development process as new technologies begin to emerge.

In other words, technology purchases not only support your employees and keep them happy, but it also directly impacts the business outcomes.

Energy efficiency was the top attribute that both types of IT are looking for when making a technology purchase, followed by reliability and product features.

How will technology purchases help your organization achieve your business goals? *(Select all that apply)*

■ Digital controller ⚙   ■ Digital transformer

	Digital controller	Digital transformer	
Lower IT costs.	68%	62%	-6%
Improve employee retention.	49%	55%	+6%
Simplify the design of our products or services.	37%	50%	+13%
Rationalize our products or services portfolio.	42%	50%	+8%
Change our product development processes.	37%	45%	+8%

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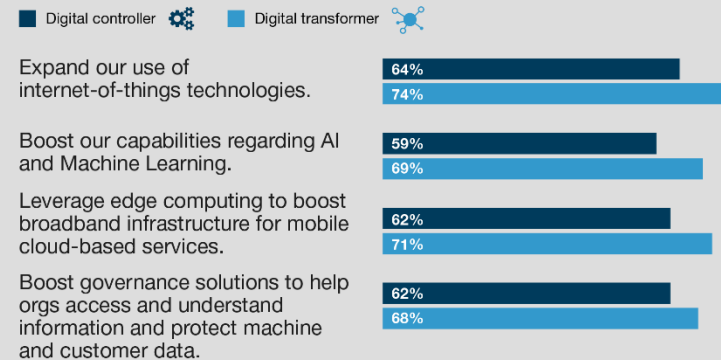## Use PC Life-Cycle Management As A Gateway To Future Proof Your Business

It's time to look beyond the technology refresh rate and understand how technology purchases not only boost workforce productivity but also how it affects the wider business — because the connection between employee-facing technology and the customer experience is direct and significant.

Treating workforce enablement with the right technology purchases must be seen as a *business* enabler, not just a project. This is exactly why collaboration is not just about listening more — it's about a partnership within the organization to improve operations and expand the use of emerging technologies that are coming into the fray.

Making the right technology purchases can lead to a gateway of new technologies that can future-proof the business. Both digital controllers (64%) and transformers (74%) understand the importance of this and are investing in new technology initiatives like expanding the use of IoT or boosting AI and machine learning capabilities (59% and 69%) which boosts enterprise ability to win, serve, and retain customers and employees.

Seventy-one percent of transformers said collaboration and knowledge sharing between employees was a critical or high priority compared to 66% of controllers. Additionally, increasing the collaboration between IT and lines of business was also a critical or high priority (66%, compared to 75%).

Which of the following technology initiatives is your IT organization prioritizing over the next 24 months?

■ Digital controller   ■ Digital transformer

Expand our use of internet-of-things technologies.
64%
74%

Boost our capabilities regarding AI and Machine Learning.
59%
69%

Leverage edge computing to boost broadband infrastructure for mobile cloud-based services.
62%
71%

Boost governance solutions to help orgs access and understand information and protect machine and customer data.
62%
68%

Controllers (**44%**) and transformers (**57%**) said the success of the company's business strategy is highly dependent on IT.

Base: 364 IT manager or above with knowledge of desktop infrastructure environment, the provisioning of laptops, computers, and other devices
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell

The IT Of Tomorrow Procures, Supports, And Influences The Wider Business

Our study revealed that the PC life cycle has matured significantly over the past few years. However, complex enterprise workflows are business-critical and require an upgrade of hardware for employees to be both effective and productive.

› **Collaborating for success.** The key point is starting with the end goal in mind. The goal of collaboration is to yield better results, and you should only collaborate when it's the best way to improve performance. In fact, IT's challenges today are on the outer edges of what IT controls, giving even more importance to functional controls and the necessity of collaboration.

  • Workforce enablement facilitates change from the inside out, since it can blend with other things like IoT — transformers are not only thinking about the employee but other business aspects as well.

› **Seeking knowledge from technology vendors.** Collaboration is as critical externally, as it is internally. Unparalleled expertise or efficiency can be acquired from vendors who have significant experience in automating some PC life-cycle processes. Many IT organizations have increased utilization of technology vendor services.

› **Changing the way IT operates, influences how the business operates.** IT departments not only influence the way people work, but they can also change the processes within the organization. Even though both sets of IT have similar goals, their approach is different: Transformers invest in technology to facilitate change (i.e., bringing in new technology and automation that drastically impacts business models, whereas controllers are doing things from a pure enablement perspective).

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

METHODOLOGY

This Opportunity Snapshot was commissioned by Dell. The custom survey questions were fielded to 364 IT decision makers responsible for PC provisioning and had knowledge of their desktop infrastructure environment in the US, UK, India, Australia, and New Zealand. The survey participants were directly involved or had influence of the purchasing decisions at their organization.

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