Combining 451 Research’s industry-leading analysis with a proprietary global panel of IT decision-makers, Voice of the Enterprise: Digital Pulse tracks the disruption occurring in the market and exposes the major impacts and opportunities for enterprises, IT vendors, suppliers and investors. This survey was designed to measure the impact of the COVID-19 coronavirus outbreak on businesses. It was conducted between May 26 and June 11, 2020, and represents approximately 575 completes from pre-qualified IT decision-makers.
Voice of the Enterprise: Digital Pulse provides you with actionable data and insight and a broad, integrated view of enterprise IT strategies and initiatives and the underlying business and technology drivers.

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This document is the product of a flash survey, an unscheduled, event-driven survey with a fast turnaround to cover a rapidly evolving situation relevant to tech markets. This survey was designed to measure the impact of the COVID-19 coronavirus outbreak on businesses. It was conducted between May 26 and June 11, 2020, and represents approximately 575 completes from pre-qualified IT decision-makers. It follows a similar survey conducted between March 10 and March 19, 2020, and offers a basis for tracking that outbreak’s impact over time.

Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey, June 2020 features:

- Approximately 575 web-based surveys conducted with a worldwide base of IT end-user decision-makers.
- Sampling that is representative of small, midsize and large enterprises in private and public sectors.
- Data-driven deliverables for fast access and ability to perform segmentation work.
The 451 Take

The return to work is marked by caution and uncertainty, and colored by new, permanent ways of working. Having (largely) solved the immediate challenges of mass remote working, enterprises are turning their attention to the return to their traditional workspaces. Met with new challenges and uncertainty, many organizations are exhibiting caution in their strategies, planning to wait beyond when regulations allow them to return and expecting altered conditions to extend into or beyond 2021. A significant majority of companies agree that social distancing presents the biggest operational challenge to their return.

The workplace has changed. While businesses initially reported hits to productivity as they implemented the means to enable remote work, some expected productivity losses have failed to materialize, and others have recovered. A majority of companies express plans to keep expanded work-from-home (WFH) policies in place long-term, and nearly half already plan to reduce their physical office footprint.

The cost of operating and securing IT is increasing, and many enterprises are seeking and offering flexible terms. Overall, businesses report spending more on IT resources and assets, as well as information security, with the latter increasing notably from March to June. More than half of organizations agree they are offering to adjust terms for customers and nearly half say they are expecting or asking for flexibility from suppliers.

Enterprises are adapting and prioritizing IT initiatives in the wake of COVID-19. The outbreak has seen IT initiatives accelerated in key areas – and slowed in others. However, disruption is the exception – most companies are progressing to plan in every area.
Summary of Findings

Fewer businesses have faced major disruption than expected to. Some 13% of organizations say they have experienced a major disruption (e.g., loss of a major client, inability to meet debt obligations). In March, 8% had already experienced such a disruption and another 39% felt they would within three months. In our June survey, 41% of organizations feel they could go indefinitely without such a disruption, compared to 28% who felt that way in March.

A new WFH standard is here to stay for most companies. Two-thirds of organizations (67%) expect expanded or universal WFH policies implemented in response to the outbreak will remain in place long-term or permanently, a significant increase from the 38% that expressed this expectation in March.

Organizations are preparing for a long period of altered working conditions. One-fifth (20%) of organizations are expecting altered conditions (wearing personal protective equipment [PPE], social distancing) to remain in place until 2021 or beyond. Fourteen percent say conditions have been altered permanently. Eighteen percent have yet to establish a plan.

Almost half of companies expect to reduce office space. Nearly half (47%) of organizations with office space say they expect to reduce their physical office footprint as a result of the coronavirus outbreak. More than 20% expect to reduce it by more than 25%.

Distancing will be the greatest barrier to returning. A significant majority (79%) of organizations agree that social distancing practices will be the biggest challenge to resuming their normal operations.

Many businesses are seeking flexible terms from suppliers. Just over half (56%) of organizations agree they are offering to adjust the terms of leases, licenses or contracts for their customers. However, only 42% of organizations say they are expecting or asking IT vendors to adjust payment pricing, payment terms or payment models.
Struggles and Uncertainty Mark the Return to Normal Working
A New Work-From-Home Standard Is Here To Stay for Most Companies

EXPECTED PERSISTENCE OF EXPANDED WORK-FROM-HOME POLICIES

Two-thirds of organizations expect their expanded work-from-home policies to remain in effect long-term or permanently

<table>
<thead>
<tr>
<th>March 2020</th>
<th>June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently in place (n=748)</td>
<td>65%</td>
</tr>
<tr>
<td>Plan to implement (n=594)</td>
<td>38%</td>
</tr>
<tr>
<td>Expect to remain long-term or permanently (n=498)</td>
<td>67%</td>
</tr>
</tbody>
</table>

As employees return to work, what will be the greatest operational challenges for your organization?

- “Adjusting to increased work-at-home policies as compared to pre-COVID-19.”
- “Permanent change of working model into more home office-oriented; reduction of available office space and hot desks introduction.”
- “Employees not wanting to stop WFH.”
- “Management needs to address the popularity of working from home and not [returning] to business as usual.”

Q: Which of the following measures, if any, has your organization taken as a result of the coronavirus (COVID-19) outbreak?

Q: Do you expect any of the following measures that were taken in response to the coronavirus (COVID-19) outbreak to remain in place long term or permanently at your organization?

Q: As employees return to work, what will be the greatest operational challenges for your organization?

Base: All respondents; Respondents whose organization took measures in response to COVID-19
Physical Office Environments Will See a Cautious Return, Reduced Footprint

TIMING OF RETURN AND REDUCTION OF OFFICE FOOTPRINT

One-quarter of organizations (25%) plan to wait a month or more beyond when regulations allow before employees return to offices

- 30% Already
- 18% As soon as regulations allow
- 23% 1-3 months after regulations allow
- 2% More than 3 months after regulations allow
- 3% Never
- 24% No timeline yet

Almost half of organizations expect reductions to physical office footprint. More than 20% expect a reduction greater than 25%

- 53% No reduction
- 26% Slight reduction (1-25%)
- 14% Moderate reduction (26-50%)
- 5% Large reduction (51-75%)
- 2% Very large reduction (76-100%)

Q: When do you think your organization will allow employees to resume working from an office, even if restrictions are in place (e.g., social distancing, wearing PPE)? (n=549)

Q: By how much, if at all, is your organization likely to reduce its physical office footprint as a result of the coronavirus (COVID-19) outbreak? (n=444)

Base: All respondents; Respondents with a physical office footprint
Although a notable segment of organizations is optimistically planning for altered working conditions (such as social distancing, wearing PPE and enhanced cleaning practices) to end this calendar year, caution and uncertainty are also common attitudes around returning to the workplace.

Enterprises are preparing for a long period of altered working conditions. More than a third (34%) of organizations are expecting altered conditions to remain in place until 2021 or beyond. Fourteen percent say conditions have already been altered permanently. Uncertainty is also a factor, with 18% of organizations indicating they don’t yet have an expectation for when altered conditions will end.

Distancing will be the greatest barrier to returning. A significant majority (79%) of organizations agree that social distancing practices will be the biggest challenge to resuming their normal operations. Agreement is especially strong in the financial services sector (93%). There is no grouping of companies that stands out as mostly disagreeing.

In response to an open-ended question about the greatest operational challenges surrounding the return to work, companies repeatedly cite social distancing and employee health and safety as critical challenges.

Q: How long is your organization planning to have to operate under altered conditions (e.g., remote working, wearing PPE, social distancing, enhanced cleaning practices) as a result of the coronavirus (COVID-19) outbreak? (n=306)

Q: For each of the following statements, please indicate whether you agree or disagree. [Social distancing practices will be the biggest challenge to resuming normal operations at my organization] (n=328)

Base: All respondents
As employees return to work, what will be the greatest operational challenges for your organization?

“Our biggest challenge will be people listening to science denial and conspiracy theories in their personal lives, and then bringing this risk into the workplace. The IT workplace has been typically apolitical, and the way forward may be that if an employee or prospective employee holds extremist views, of any kind, they will NOT [be] a good fit.

As an example, we have had one person insist they would not wear a mask at work because the pandemic is a hoax. This person has 10 years of service, but they are on the verge of being let go for not following company health and safety guidelines. This is one person out of about 500, but it is one too many. This undermines employee morale, team spirit and everything the company has done to make coming to work an enjoyable part of our lives. This is what has been permanently changed by the outbreak.”

-IT/ENGINEERING MANAGER, SOFTWARE & IT SERVICES
10,000+ employees
Enterprises Do Not Expect Business Travel To Resume Quickly or Completely

**Rate of Expected Q4 Work Travel, Persistence of Travel Bans**

One-third of organizations (34%) expect work travel in Q4 to be reduced by 80% or more in comparison to the previous year. Nearly two-thirds (59%) expect it to be reduced by more than half.

Uncertainty remains – 21% of organizations say they don’t yet know the extent to which work travel will return in Q4. This uncertainty is particularly strong in the retail (35%) and manufacturing (28%) sectors.

Limitations are likely to remain in place. Forty-two percent of organizations expect travel limitations or bans put in place because of the outbreak to remain long-term, a significant increase from March, when 22% of organizations expressed the same expectation. Enterprises are finding ways to operate in the absence of travel, are averse to undue risk, may see a potential avenue for cost savings in a financially challenging period and are likely to apply a greater level of scrutiny to future business travel.

Q: Looking ahead to Q4 2020 (Sep-Dec), approximately how much of your organization’s work travel do you expect to resume compared to the same time last year? (n=573)

Q: Which of the following measures, if any, has your organization taken as a result of the coronavirus (COVID-19) outbreak? Please select all that apply. (n=570)

Q: Do you expect any of the following measures that were taken in response to the coronavirus (COVID-19) outbreak to remain in place long term or permanently at your organization? Please select all that apply. (n=498)

Base: All respondents; Respondents whose organization took measures in response to COVID-19
“Remote working and digital and all that – we’ve had that rolling out for the last 18 months, and the plan was to gradually roll that out across everybody. But what we had to do is pretty much accelerate that in two weeks. We might see remote working actually becoming the norm. People not visiting offices as much. Certainly, in the short term, as the fear is still there, perhaps, around the virus.”

- MID-LEVEL MANAGER
1,000-1,999 employees
$500m-$999.99m revenue, real estate

“I’m even wondering for myself, will businesses now say, ‘we can have people work at home. We won’t really need this much office space. We don’t need these other buildings.’ And this found money can then be put into beefing up infrastructure to give you the capability, the faster, the capability for remote, make things work as to whether you were inside the firewall instead of outside. Those type of things that get built up. I just have a suspicion we’re going to see a lot more of that coming up.”

- IT/ENGINEERING MANAGER/STAFF
10,000-49,999 employees
$5bn-$9.99bn revenue, food, beverage & agriculture

“What changes because of this [pandemic] – one may ask why do we have all this high-priced property where we go to the office on a daily basis when we’re becoming so effective working at home. I still believe there is a value to gathering as a team in the office. I’m pretty sure most of the company feels that way. But I think a lot of companies are going to realize that they can do a whole lot working remote. And so allowing for more remote workers and maybe shutting down some office space will be something – I don’t know that that will happen with our company, but I got to imagine there will be a shift for permanent work at home for a lot of companies.”

- SENIOR MANAGER
100,000+ employees
$10bn+ revenue, financial services
The Operational Impact Has Been More Widespread, but Less Disruptive Than Expected
Survey responses suggest the demands of dealing with the coronavirus outbreak are placing a strain on enterprise IT resources. The portion of businesses indicating they were currently or had previously experienced such a strain as an outcome of the coronavirus outbreak increased substantially between March and June 2020.

**IT resource strain has been more widespread than anticipated.** Forty-one percent of organizations surveyed in June 2020 say they’re experiencing an increased strain on internal IT resources as a result of the outbreak. Another 25% say they have experienced increased IT strain but are not currently. This impact reaching more than two-thirds of organizations is broader than was expected in March, when 43% said they didn’t expect to experience an increased IT strain.

**Enterprises are successfully addressing this strain.** A quarter (25%) of organizations indicate they have experienced, but are no longer experiencing, increased IT resource strain. This is the largest recovery among the types of impact measured, and it suggests they have, among other things, cleared the hurdle of enabling broader WFH practices. Only 3% of organizations expect to experience such strain in the future, suggesting that enterprises feel they are trending toward recovery.

Q. Please indicate whether your organization has experienced each of the following as a result of the coronavirus (COVID-19) outbreak.

Base: All respondents

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**The Strain on IT Resources Is Broader Than Anticipated**

**PAST, PRESENT AND ANTICIPATED IT STRAIN**

Two-thirds of organizations (66%) are experiencing, or have experienced, an increased strain on internal IT resources as a result of the outbreak.

**EXPERIENCE OF INCREASED STRAIN ON IT RESOURCES**

### March 2020 (n=742)

- **Currently**: 41%
- **Within 3 months**: 13%
- **More than 3 months**: 3%
- **Don’t expect to experience**: 43%

### June 2020 (n=384)

- **Previously experienced, but not currently**: 25%
- **Currently**: 41%
- **Within 3 months**: 2%
- **More than 3 months**: 1%
- **Don’t expect to experience**: 31%
Enterprises responding to the March survey painted a troubling picture of the prospect for major disruption (meaning inability to meet debt obligations or deliver an agreed-upon service, or the loss of a major client). Months later, their fears have mostly not materialized, and businesses are expressing more optimism about their resilience in the face of the outbreak.

Major disruption has mostly not materialized. In March, 8% of organizations had already experienced such a disruption with 5% expecting it within a month, and another 26% expecting it within three months. Three months later, that disruption has mostly failed to materialize. Currently, 13% of organizations say they have experienced a major disruption, an increase of only five percentage points versus March.

Increasing optimism around longevity. In our June survey, 63% feel they could go longer than six months without a major disruption (including 41% that feel equipped to carry on indefinitely), given continuing outbreak circumstances. This was up from 48% in March.

Businesses may have avoided disruption due to increased efficiency, other operational shifts, government-initiated stimulus or some combination of these and other factors.

Two-thirds of businesses (64%) now feel they can function beyond six months without a major disruption, up from 49% in March.

Q: If the situation surrounding the coronavirus outbreak continues in its current state, how long is your organization equipped to function before a major disruption to its business occurs (e.g., inability to meet debt obligations or deliver agreed-upon services, loss of a major client or contract)?

Base: All respondents
When we conducted our March flash survey, organizations were in the process of establishing WFH policies and implementing the technology and practices that would support this mode of working. Although many of them were struggling with productivity at the time, that struggle has lessened in the months since, and a portion of those affected has seen productivity recover.

Productivity prospects are improving. While 28% of organizations say they are experiencing a reduction in employee productivity as a result of the outbreak, 12% have experienced it, but are not currently. Combined, this almost exactly accounts for the 40% that said they were experiencing productivity loss in March. That position of lost-and-recovered productivity is most prominent in the finance (36%) and communications, media and publishing (35%) verticals.

Little future impact expected. The 22% of organizations that previously expected a productivity impact within three months has not seen it materialize to the extent expected. Just 3% of organizations now expect a reduction in productivity, in or beyond the next three months, with 57% saying they do not expect to experience it.

Employee Productivity Impacts Are Common, but Often Temporary

Of the 40% of enterprises experiencing reduced productivity in March, about one-quarter are no longer. Few organizations currently expect to begin experiencing reduced productivity.

Q. Please indicate whether your organization has experienced each of the following as a result of the coronavirus (COVID-19) outbreak.

Base: All respondents
Reduced access to clients and prospects continues to be among the most broadly felt of the outbreak’s impacts on businesses, from canceled meetings to gaps in typical sales processes and greater customer caution around spending. Enterprises continue to widely report limits to access.

Limited access has not improved for many. Sixty percent of organizations are facing reduced access to clients or prospects as a result of the outbreak, with another 12% saying they have experienced it, but are not currently. This impact is smaller than was expected in March, when 66% were experiencing reduced access and 14% expected to within three months.

A saturation point. Although relatively few organizations have seen the issue of reduced access improve, only a few (5%) expect to begin experiencing it. Nearly a quarter (23%) say they do not expect to.

While we have seen workforce productivity effectively addressed with collaboration tools, the shift to a digital customer experience is a larger, more transformational effort. We may continue to see companies struggling to solve the new business pipeline issue, and its resulting impacts on financial performance.

Nearly three quarters (72%) of organizations are experiencing or have experienced reduced access to clients or prospects – a smaller increase than expected, but also a limited recovery.

Q. Please indicate whether your organization has experienced each of the following as a result of the coronavirus (COVID-19) outbreak.

Base: All respondents
Enterprises Face Cost, Performance and Security Challenges

“[With the pandemic work from home] we’ve opened this [environment] up to a wider audience now, and people are starting to target. I mean when you look at Zoom, it’s being targeted. Microsoft Teams is being targeted now. That was in the security release this morning. So more and more of these devices are being targeted to disrupt.”

- IT/ENGINEERING MANAGER/STAFF
  100,000+ employees
  $10bn+ revenue, government

“[Several of the] companies we have, they are not fully in that [100% cloud] environment yet, which is moving slowly. With that said, we’re having challenges of bandwidth limitation, licenses limitations like VPN license or [remote desktop protocol] license limitations and things like that. But we’re working through those as we go on.”

- MID-LEVEL MANAGER
  50-99 employees
  $5m-$9.99m revenue, financial services

“[Because of not buying more storage in the pandemic] we’re also looking at having everybody look at, okay, how much storage do you have, and how much of the storage are you using? And can you give back any of it so that we have a pool of storage that we can work from? Projects or applications that have been running for a long time and they estimated they’re going to need x amount, and they really are only using 60% of that, can we grab some of that 40% back.”

- MID-LEVEL MANAGER
  5,000-9,999 employees
  $5bn-$9.99bn revenue, financial services

COMPLIMENTARY REPORT
DIGITAL PULSE | CORONAVIRUS FLASH SURVEY JUNE 2020
Enterprises Seeking Flexible Terms as Some IT Costs Grow
Most organizations indicate spending is unchanged by the coronavirus outbreak in each case. However, in many categories, close to half of respondents indicate an outbreak-motivated spending change, with some such as IT resources and information security leaning distinctly toward spending increases.

A growing cost to operating, securing IT. Companies that indicate spending increases outnumber those spending less most significantly in the categories of IT resources and assets (31% to 18%) and information security (28% to 7%). Compared to March, security spending increases grew more common (from 15% to 28%), while IT resources and assets saw an increased proportion of decreases (from 3% to 18%) while remaining weighted toward increase.

Specifically, organizations are spending more on communication and collaboration technologies (50%), employee devices and services (43%), information security tools (42%) and network capacity (38%).

Incremental growth in technology product spending. For almost every category of technology product and service, a greater portion of organizations have increased spending in June than had in March. These are mostly small increases, except for the information security sector, which jumps 14 percentage points.

Information security is a critical facet of our coronavirus coverage, and of this flash survey. More detailed views of the survey's security outcomes will follow via our Information Security channel coverage.

The Cost of Operating and Securing IT Has Grown With the Outbreak

Organizations are more likely to be spending more on IT resources and information security as a result of the outbreak, with notable increases to security spending from March to June.

**SPENDING CHANGES RESULTING FROM OUTBREAK**

<table>
<thead>
<tr>
<th>Category</th>
<th>June 2020 (% of respondents)</th>
<th>March 2020 (% of respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT resources/assets</td>
<td>31%</td>
<td>18%</td>
</tr>
<tr>
<td>Information security</td>
<td>28%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**AREAS OF INCREASED TECHNOLOGY PRODUCT/SERVICE SPENDING**

- Employee communication/collaboration technologies: 50% (June 2020), 43% (March 2020)
- Mobile devices/services (e.g., phones, tablets, laptops, connectivity): 43% (June 2020), 37% (March 2020)
- Information security software/tools (e.g., VPN): 28% (June 2020), 42% (March 2020)
- Bandwidth/network capacity: 38% (June 2020), 32% (March 2020)
- External/hosted/cloud IT infrastructure: 19% (June 2020), 18% (March 2020)
- Internal IT infrastructure: 18% (June 2020), 17% (March 2020)
- Third-party services (e.g., installation, managed services, etc.): 7% (June 2020), 8% (March 2020)

Q: For each of the following expense categories, please indicate whether your organization is spending more or less money as a result of the coronavirus (COVID-19) outbreak.

Q: Which of the following technology products or services, if any, is your organization spending more on as a result of the coronavirus (COVID-19) outbreak? Please select all that apply.

Base: All respondents

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Many Businesses Are Seeking and Offering Flexible Pricing and Terms

With impacts on access to customers, levels of demand and – in some cases – the continued existence of those customers, the coronavirus outbreak has created issues of cash flow and liquidity for organizations of many sizes and types. In many cases, this has led to both the desire for, and the establishment of, new flexibility in pricing, terms and payment models.

Enterprises are making their offerings more flexible. More than half of organizations (56%) agree they are offering to adjust the terms of leases, licenses or contracts for their customers. Financial services firms are particularly aligned to this statement of flexibility, with 31% indicating they strongly agreed.

Many are seeking flexibility from suppliers. While 58% of enterprises say they are not seeking flexibility from their IT suppliers, notable segments of respondents say they are asking for or expecting flexibility on payment terms (32%), pricing (25%) and payment models (22%).

There is a great deal of additional detail to be gleaned viewing responses to these questions by different combinations of company size, vertical, state of transformation and other factors. Look for a deeper dive forthcoming from our regular coverage of technology pricing.

### Incidence of Organizations Offering and Requesting Flexible Terms

More than half (56%) of organizations agree they are offering to adjust terms for their customers, however only 42% of organizations say they are expecting or asking for flexibility from suppliers.

<table>
<thead>
<tr>
<th>Offering to Adjust Terms of Leases/Licenses/Contracts for Customers</th>
<th>Expecting or Asking IT Vendors for Flexibility On</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strongly agree</strong></td>
<td><strong>Payment terms</strong></td>
</tr>
<tr>
<td>16%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Somewhat agree</strong></td>
<td><strong>Pricing</strong></td>
</tr>
<tr>
<td>40%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Somewhat disagree</strong></td>
<td><strong>Payment models</strong></td>
</tr>
<tr>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Strongly disagree</strong></td>
<td><strong>None</strong></td>
</tr>
<tr>
<td>21%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Q: For each of the following statements, please indicate whether you agree or disagree. (n=304)

Q: Is your organization asking or expecting your IT vendors to adjust any of the following due to the coronavirus (COVID-19) outbreak? Please select all that apply. (n=406)

Base: All respondents
We have seen an increase of people who are saying, 'Look, we cannot maintain our existing monthly commitments.' So, you have to negotiate payment holidays and be as good as we can to work in the customer’s best interest and keep them going in as far as we can, without any negative side effects or any further negative side effects.

- IT/ENGINEERING MANAGER/STAFF
  250-499 employees
  $25m-$49.99m revenue, financial services

It’s still very early in the day to be able to make a determination for [coronavirus impact on finances]. It’s only a number of weeks that have passed. So, I think a lot of organizations are just adapting to the situation, and I think the conversation about budgets is probably for later on in the year. So, a lot of the budgets have actually been allocated as well. That’s probably something that we’ll feel the effects of that, later on.

- IT/ENGINEERING MANAGER/STAFF
  2,000-4,999 employees
  $250m-$499.99m revenue, government

We pretty much cut our capex in half for the year. So, things that could be deferred, can we not spend it this year? Can we move it to next year? And some of that is easy to do. Some of it’s a little more difficult when you’re talking about equipment, hardware, things like that, that are on a certain schedule in terms of, for instance, a server that’s four years old or five years old, can you push it another year? Sure. [Will we have] failures? Well, maybe, probably. But do we have to replace it? No. So that’s probably the big [goal] out of the gate.

- MID-LEVEL MANAGEMENT
  5,000-9,999 employees
  $10bn+ revenue, energy & utilities

We have seen an increase of people who are saying, ‘Look, we cannot maintain our existing monthly commitments.’ So, you have to negotiate payment holidays and be as good as we can to work in the customer’s best interest and keep them going in as far as we can, without any negative side effects or any further negative side effects.

- IT/ENGINEERING MANAGER/STAFF
  250-499 employees
  $25m-$49.99m revenue, financial services
Organizations Adapting IT Initiatives to Changing Needs
Organizations are reporting both acceleration and slowing of IT initiatives in a variety of areas as an outcome of the coronavirus outbreak. However, these disruptions are the exception, with most plans continuing according to their original timelines.

The outbreak is driving transformation in key areas. Enterprises that report introducing or accelerating IT initiatives outnumber those that are delaying or canceling by a factor of 5:1 in the area of digital delivery of customer experience, by 3:1 for new information security tools and practices, and by roughly 2:1 for cloud migration, process automation and adoption of cloud-native software development practices.

Some specialized initiatives are slowing. IT initiatives for which delays and cancellations outnumber acceleration and introduction include IoT projects (by a factor of 2:1) and data analytics projects (by less than 2:1). While these initiatives are core IT practices for some organizations, as emerging technology practice areas they may be more likely to have been at experimental or proof-of-concept stages that justified pauses in development.

However, disruption is the exception. For all initiatives tested, the largest portion of respondents say they were continuing according to original timelines.

These IT initiatives are broadly selected, distinct, mapped closely to 451 Research’s coverage channels, and influenced significantly by factors such as company vertical and digital transformation status. Expect to see more detailed coverage of the impact on IT initiatives throughout our channel coverage.

Q: For each of the following types of technology initiatives, please indicate how they were affected at your organization, if at all.

Base: All respondents
“[We had two security initiatives] and I believe there was interest in doing something. But our fiscal year just started, and nothing really has been done once the COVID thing hit.”

- IT/ENGINEERING MANAGER/STAFF
  10,000-49,999 employees
  $2.5bn-$4.99bn revenue, healthcare

“Pretty much everything that is either being designed, built, deployed, offered for review, any tasks are completed yet not being reviewed, not being taken into production. So, it’s quite dead, and that has everything to do with the fact that production has ground to a halt. Different priorities, and we’re at the bottom of the food chain, unless something disrupts the food chain and then all of a sudden, we are the most important organization within the organization. But that’s how IT goes.”

- IT/ENGINEERING MANAGER/STAFF
  250-499 employees
  $500m-$999.99m revenue, transportation

“We’ve had to defer some projects due to vendor constraints where basically they’ve got their own pandemic plans, and they’re not allowing their workers to move forward. Or in some cases, we just have been refocusing some of our efforts based on what we’ve had to deal with to different priorities.”

- SENIOR MANAGER
  250-499 employees
  $100m-$249.99m revenue, business services
Recommendations

Vendors must build to suit the new ways of working. Technology suppliers should already be building and packaging their offerings around the changing requirements of businesses – not only addressing the immediate demands of isolation and remote work, but also acknowledging and supporting the more permanent shifts in ways of working, as exhibited by the 67% of organizations reporting permanently expanded WFH policies, and the 47% planning office footprint reductions.

Create technology solutions to major new operational hurdles. Businesses broadly agree that social distancing will be the biggest operational challenge in returning to work. But it comes accompanied by a range of employee health and safety challenges, customer pipeline issues, transformation requirements and other demands. Businesses will look to technology vendors for new strategies to address these in the immediate future, and these vendors should design their new capabilities accordingly.

Technology vendors must understand the IT priorities that surround their offerings. Enterprises are variously accelerating and pausing IT projects across cloud, analytics, IoT, digital customer experience, overall digital transformation and other areas. Technology vendors and service providers should intimately understand the factors that influence those decisions to support those judgements and potentially influence demand. They may have to encourage organizations not to halt transformation initiatives by specifically illustrating the value within their new circumstances.

Flexibility is a necessity. While not all customers will require flexibility in pricing, payment models or terms, few –if any – markets are immune to the need for flexibility, and many technology vendors have already been working to bring as-a-service-style pricing models to products and services that traditionally had more static pricing. The impact of inflexibility could range from damaged relationships to lost customers.
Demographics
New Technology Adoption

- 25% of respondents (n=556)
  - We are early adopters on the leading edge
  - We are pragmatic about new technology, but will act sooner rather than later

- 12% of respondents (n=556)
  - We are conservative about new technology and take a wait and see approach
  - We are skeptical and are usually late to the game

- 4% of respondents (n=556)
  - No strategy. We currently have no digital transformation strategy.

- 1% of respondents (n=556)
  - Consideration. We are considering it, but have no formal plans.

- 1% of respondents (n=556)
  - Evaluation. We are planning and researching to develop a digital transformation strategy.

- 9% of respondents (n=556)
  - Execution. We have a formal strategy and are actively digitizing our business processes and/or assets.

Digital Transformation Strategy
Industry

- Business Services: 26%
- Software & IT Services: 15%
- Government/Education: 12%
- Manufacturing: 12%
- Finance: 11%
- Healthcare: 6%
- Retail: 6%
- Communications, Telecommunications, Media & Publishing: 4%
- Utilities: 2%
- All Other: 1%

Revenue

- $<1m: 16%
- $1m-$9.99m: 19%
- $10m-$99.99m: 17%
- $100m-$999.99m: 16%
- $1bn-$9.99bn: 16%
- $10bn+: 11%

% of respondents (n=576)
Methodology

451 Research runs a panel of highly accredited senior IT executives. Members of this proprietary panel, which consists of IT decision-makers, participate in surveys focused on enterprise IT trends. Respondents of this flash survey are members of the panel who were qualified based on their expertise in their organizations’ IT deployment. Delivered quarterly, this research provides comprehensive, survey-driven analyst reports with customizable data deliverables.

The Voice of the Enterprise: Digital Pulse survey wave was conducted in Q2 2020. The survey represents approximately 575 completed questionnaires and 25 hour-long interviews from pre-qualified IT decision-makers. This survey was designed to measure the impact of the COVID-19 coronavirus outbreak on businesses.
About the Author

Liam Eagle
Research Director, Head of Voice of the Enterprise & Voice of the Service Provider

Liam Eagle is a Research Director and Head of the Voice of the Enterprise and Voice of the Service Provider practices at 451 Research. His research focuses on service providers, with an emphasis on managed infrastructure services, and how these providers source, build and deliver cloud and other technologies.

Prior to joining 451 Research, Liam was editor-in-chief at the Web Host Industry Review, where he managed a full-time editorial staff of four, along with dozens of freelancers and other contributors. In several years as co-chair of HostingCon, he developed the educational program for one of the industry’s most highly regarded and well-attended events.

In more than 15 years covering the technology services market, Liam has closely followed many of the trends that have shaped the business, platforms and partner ecosystems involved. He speaks frequently at client and industry events and is frequently quoted in technology and business publications. He holds a Bachelor of Journalism degree from Ryerson University in Toronto.