



IDC Releases 2020 Top 10 Digital Transformation Trends for New Zealand

IDC PRESS RELEASE

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Global technology research company IDC has released its 2020 Top 10 digital transformation (DX) trends for New Zealand. The report *IDC FutureScape: Worldwide Digital Transformation 2020 Predictions — New Zealand Implications* (IDC #AP45233820, February 2020) provides IDC's vision for DX through 2025 and directs New Zealand organisations on where they should be prioritising investment to become digital leaders.

From 2020, IDC predicts that the focus of DX in leading New Zealand organisations will shift from the technology to the enablers of DX excellence. The future of culture, co-innovation, smart ecosystems, cybersecure platforms, and the digitally enhanced workplace will be on DX leaders' agenda by 2023 or earlier.

"The 2020 DX predictions reflect the importance New Zealand businesses are placing on the underlying organisational structures and processes, rather than the technology itself," says Louise Francis, country manager, IDC New Zealand. "Businesses are getting a much better handle on how DX innovations can be integrated and embedded across the organisation and are consequently looking at how to supercharge their capabilities to compete in a digital economy, from artificial intelligence (AI) at scale to digitally enhanced workers."

In the near term, almost half of the number of organisations will have shifted from legacy key performance indicators (KPIs) to enhanced digital metrics by 2020 to gain a deep insight into the business value of DX.

"The agility and scale required of organisations undertaking DX initiatives mean that traditional metrics are no longer accurate indicators of performance," says Francis. "With DX spending in New Zealand set to grow to over 55% of all ICT investment within the next two years, it will be critical for businesses to invest in data intelligence and metrics that resonate with the business. This will provide businesses with the capability to move beyond islands of innovation to a holistic and embedded approach for accelerated value and enhanced competitiveness."

In no particular order, the trends for New Zealand are:

- **Future of Culture.** By 2024, leaders in 60% of organisations listed in New Zealand's Exchange (NZX) will have mastered "future of culture" traits, such as empathy, empowerment, innovation, and customer-data centricity, to achieve leadership as scale.
- **Digital Co-Innovation.** By 2022, empathy among brands and customers will have driven ecosystem collaboration and co-innovation among partners and competitors, which will drive 25% collective growth in customer lifetime value.
- **AI at Scale.** By 2022, with proactive, hyperspeed operational changes and market reactions, AI-powered organisations will have responded to customers, competitors, regulators, and partners at least a third faster than their peers will.
- **Digital Offerings.** By 2022, 40% of organisations will have neglected investing in market-driven operations and lose market shares to existing competitors that made the investments as well as to new digital entries.
- **Digitally Enhanced Workers.** By 2022, new Future of Work practices will have expanded the functionality and effectiveness of the digital workforce by 30%, fueling an acceleration of productivity and innovation at practicing organisations.
- **Digital Investment.** By 2022, DX spending will have grown to over 55% of all ICT investment from the current 45%, with the largest growth being in data intelligence and analytics, as companies create information-based competitive advantages.
- **Ecosystem Force Multipliers.** By 2024, 75% of digital leaders will have devised and differentiate end-customer value measures from their platform ecosystem participation, including an estimate of the ecosystem multiplier effects.
- **Digital KPIs Maturing.** By 2020, 45% of companies will have aligned digital KPIs to direct business value measures of revenue and profitability, eliminating today's measurement crisis in which DX KPIs are not directly aligned.
- **Platforms Modernise.** Driven both by escalating cyberthreats and needed new functionality, 70% of organisations will have aggressively modernised legacy systems with extensive new technology platform investments through 2023.
- **Invest for Insight.** By 2023, enterprises seeking to monetise the benefits of new intelligence technologies will have invested over NZD150 million in New Zealand, making DX business decision analytics and AI as a nexus for digital innovation.

To find out more about IDC's Top 10 digital transformation (DX) trends for New Zealand, register for the IDC Forum: 2020 Year Ahead, taking place in Auckland on February 26, 2020. <http://www.apidcevents.com/d/9hqr8h?RefID=NZ+Press+Release>

For further information, please contact:

Louise Francis

Country Manager

IDC New Zealand

+64 9 374 6681

lfrancis@idc.com

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IDC is the most trusted IT research advisory firm in the market. IDC's IT Executive Programs support businesses globally in the Digital Transformation (DX) of their organizations. Our IT advisory services advise on digital transformation (DX) technologies and strategies that mitigate risk and drive positive business outcomes across IT and the line of business. For over 50 years, IDC has provided strategic insights to enable clients to achieve their key business objectives. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at [@IDC](https://twitter.com/IDC).

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For more information contact:

Louise Francis
lfrancis@idc.com
006493746681