



Are you missing the tech train?

Global investment and implementation trends surrounding transformative technologies

Executive summary

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Introduction

Executive summary

From business innovation to productivity; efficiency to employee engagement, technology can seemingly do it all. However, while technologies show great promise in helping organisations unlock value, it is not always clear to top executives how they should focus their technological investments to create maximum impact.

Are companies aware of game-changing technologies? Do they understand their impact? Are certain sectors better at implementing technology than others? Do some countries appreciate the importance of new technologies, and do some lag behind? And, what are the common barriers to technological adoption – and the techniques to overcome them?

That's what our survey of over 600 C-suite executives set out to uncover. Focusing on five game-changing technologies – Artificial Intelligence (AI), Robotic Process Automation (RPA), Internet of Things (IoT), blockchain and Enterprise Resource Planning (ERP) – we gathered responses from around the world.

We gauged levels of familiarity, adoption and investment surrounding these five key technologies. We asked the executives if they've implemented them, where they are in their implementation stages, and what benefits they expect to reap. We looked at the investments they've made and asked them how they think the landscape will change. We sought to understand what typically gets in the way of adoption and investment. And we've collected advice from Mazars experts to help leaders make the best of potential technological innovation.

Our findings – and this report – show strong forward momentum in regard to these five game-changing technologies. Overall, familiarity levels are high, leaders see the impact these technologies can have, and they have plans to increase investment. But there are areas of concern and certain countries and sectors pale in comparison with their counterparts when it comes to implementation and investment.

In this report we highlight how leaders need to act strategically and put their people first in order to kickstart a digital transformation journey. And we explore how technological transformation requires a culture change: shaping and driving effective change management programmes is an essential step in order to not miss the tech train.

Finally, businesses need to appreciate that no technology comes without risks and an ability to mitigate these – namely cyber security – must now come hand-in-hand with technological adoption and investment.

The survey findings are illustrated throughout the report by qualitative insight from our experts in order to deliver practical advice on how to tap into technology and truly unleash its potential.



Guillaume Devaux
Partner, Head of Technology
Sector, Mazars

Full steam ahead

Strong levels of familiarity, implementation and investment

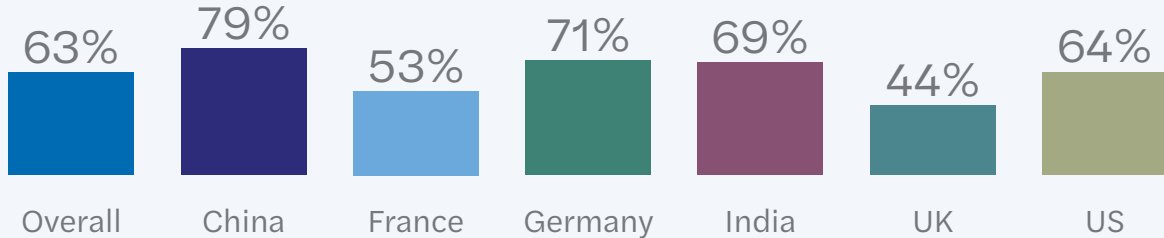
Based on over 600 responses from C-suite executives, we can safely say the tech train continues to gain pace around the world. Our study shows there is a clear sense of forward momentum when it comes to familiarity, investment and implementation surrounding all five technologies. Countries and sectors are turning the familiarity they feel towards them into strong levels of implementation and investment – including a healthy appetite to increase future investment.

Nearly two-thirds (63%) of respondents said they felt informed on the five key technologies in question - 27% 'moderately' and 36% 'extremely' informed. That means over a third of all respondents believe they can easily talk about these technologies with co-workers.

Artificial Intelligence was the technology that the most people around the world felt familiar with – 71% considered themselves either extremely or moderately informed on the matter. This was closely followed by Internet of Things with 69% saying they were familiar.

When it comes to familiarity levels in different countries, China and Germany topped the ranking with 77% and 71% of decision makers there, respectively, saying they felt familiar with all five technologies - a key finding that marks both countries out as best in class for preparing their teams and organisations to take full advantage of what the technology can do for them.

Exhibit 1: familiarity levels of the five technologies by country

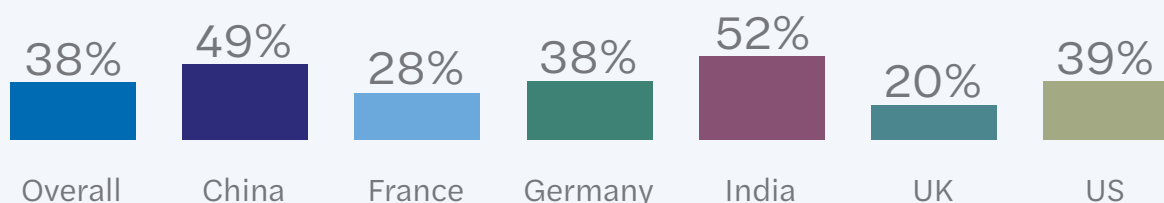


Implementation: sectors and sizes

Insurance and manufacturing were the top two sectors for implementation: 20% and 19% of respondents working in those areas, respectively, said the five technologies had already been implemented and are changing their business models.

As for organisational size, companies with a headcount of above 500 were the most likely to have implemented the five technologies. In that grouping, 84% of decision makers told us the technologies had made it, at least, to the benchmarking phase.

Exhibit 2: percentage of respondents who plan on increasing the share of their IT budgets in all five technologies by 10% or more



Investing in the present

According to our survey, companies are already investing and are planning to increase investment in the five technologies. In fact, more than half of respondents (57%) already spend over 25% of their IT budgets on a combination of them.

Targeted technological investment

When seeking to implement and invest in new technologies, conversations often revolve around financial imperatives, and will likely lead to questions around ROI and how to make the most out of targeted investments.

Our findings show that while investment already exists in these five technologies – and respondents told us of their plans to increase it – investment is fairly homogenous. This potentially signals that leaders have unclear visions of where to invest and what ROI they can expect from the five technologies.

"In places where disruption is the norm, failing to invest 25% of your IT budget in these disruptive technologies could be severely detrimental to your growth."

Bruno Pouget

Partner, Audit and Transaction Services, Mazars

"Every investment has to be made with clear business outcomes in mind. Ask yourself, will this investment help me close a competitive gap? Will this tech investment create a significant advantage for me – will it lift me up in the eyes of my client or customer?"

Robert Kastenschmidt

Partner, Consulting and Advisory, Mazars



Latecomers

Areas of concern

Despite the generally high levels of familiarity, implementation and investment, there are clear areas of concern across countries, sectors and organisation sizes. In each one, there are leaders who have flagged a lack of familiarity with the technologies, alongside lower than average levels of implementation and investment. This puts them, their teams and organisations at real risk of missing the tech train.

In the UK and France, knowledge gaps are leading to lower levels of implementation and adoption. This suggests leaders in both countries are missing out on the benefits of key technologies.

Just over half of respondents in France (53%) and only 44% of respondents in the UK said they felt familiar with the five technologies. Similarly, France and the UK performed poorest for implementation. In the UK more than 50% of respondents stated they had no ongoing projects in relation to AI (52%), blockchain (58%) and RPA (59%).

Meanwhile in France, 35% of respondents – on average – said that their companies had not started any projects with each of the five technologies.

"Build IT strategies before or during the benchmark or POC stage... if not, you risk falling into the POC trap because you failed to define how you wanted the technology to transform the business."

Sébastien Ledent

Partner, RPA Consulting, Mazars





Low investment today, low investment tomorrow

Our survey found that France and the UK also dragged their feet on investment. The two countries spend the least of their IT budgets on the five technologies out of the six countries – and they are unsurprisingly the most reluctant to increase their budgets year-on-year.

In the UK only 34% of respondents told us they spend more than 25% of their current IT budget on these technologies, while in France 51% spend more than 25% - compared with 62% of respondents in the US or even 73% in China.

Looking ahead, just 20% of UK respondents and 28% of French respondents said they plan on increasing their budget in the five technologies by over 10% year-on-year. That compares to an average of 38% across the six countries included the study.

Public sector lagging behind

Our survey found tech adoption is particularly lagging in the public sector, where 50% of respondents said 'nothing is happening' with the five technologies. When asked which technologies they had fully implemented, none of the public sector leaders surveyed had done so with blockchain or RPA. AI was fully implemented by just 2.5% of them, the same number for IoT, and only a total of 8% had fully implemented an ERP.

"You need to have people participating and 'buying into' the process, or you'll never achieve the engagement levels necessary to make technological transformation happen."

Dr Christoph Regierer

Member of the Group Executive Board, Mazars

"Technology needs to be treated as a solution to the sector's issues: a way to speed up administrative processes like passport applications and a tool to better prioritise waiting lists for social housing."

Sander Boomman

Partner, Public Sector Leader, Mazars

Leaves on the track

Addressing innovation challenges and barriers

Our survey revealed three main barriers that typically get in the way of implementing technologies. Those three barriers are: obtaining necessary financial resources; finding talent and skills that can fully grasp and exploit the technology; and market maturity - whether it's the right time for an organisation to adopt the technology.

Exhibit 3: Top three barriers to technological investment and % of respondents who cited them (all countries)

25%
Investment

23%
Talent and skills

22%
Market maturity

Necessary investment

Amidst the daily ups and downs of running a business, it can be difficult to engage a leadership team long enough to secure investment in a new area – especially if it's a technology with which few of them feel familiar. In an age when time comes at a premium and attention is hard to keep – how do you secure investment in tech?

Talent and skills

Despite the new ground that technology breaks, the onus of business success still rests on a familiar foundation: people. Amid talk of skills, mindsets and experiences, leaders can often struggle to bring out their team's digital best.

"Don't make it about yourself. Present the ROI of the technology to the business as a whole and do that by presenting the cost case as well as the business case."

Caroline Couesnon

Partner, CFO and CIO Transformation, Mazars

Market maturity

Businesses around the world struggle to know when a certain technology is ripe for their unique circumstances and will be able to deliver what it promises. Similarly, an organisation's customer base has to believe the new technology will work for them.

"Do not think you can succeed on the digital journey without involving the world around you. Hire PhD students who are undertaking relevant research, run your own education programmes and look into partnering with innovation organisations."

Laurent Choain
Chief People Officer, Mazars



Conclusion

While some countries, sectors, and organisation sizes demonstrated a clear enthusiasm to invest in and implement the five technologies, others lagged behind. And while the survey findings unearthed today's reality, our expert contributors have helped reveal what tomorrow could bring - and given a wealth of practical advice to achieve it. Combining these insights, I will end on three key points for the C-suite decision makers who are asking, 'what now?'

1. Do your research

Start by focusing on what your business needs, not what technology you're missing.

2. Make technology the company's business

A successful tech transformation journey requires broad back – from a company leadership and the team at large.

3. Stay true to your vision

Remember why you made this investment and the potential impact it promised to make. Do not measure prematurely nor too frequently.

To download the full report and find out more about the global familiarity, investment and implementation levels of the five game changing technologies, visit the [Mazars website](#)



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