Your Future Fit Technology Strategy: Adaptive, Creative, And Resilient

Embrace New Platforms, Practices, And Partnerships To Accelerate Customer Obsession

October 14, 2020
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Summary

The 2020s ushered in a migration to all things digital and virtual. New customer preferences for values, privacy, and experimentation; work’s redistributed future; and operating models redefined by shifting market dynamics will challenge even the best technology strategies. To succeed, CIOs need what Forrester calls a future fit technology strategy, rooted in customer obsession and enabling an unprecedented level of adaptivity, creativity, and resilience. Read this report to discover how a future fit technology strategy will reset the pace and focus of your tech investments.
Changing Customers, Work, And Models Will Rewrite Tech Needs

Tech investments of the 2010s started out strong, yielding notable productivity gains. But by 2019, progress had stalled, thanks to disconnected digital investments and stakeholders, rising technical debt, and pervasive digital sameness (see Figure 1). Enter the 2020s, a new decade kicked off with a global pandemic, accelerating digital and tech needs, and the promise of even more change and demands for technology as:

• **Buyers prioritize values, privacy, and experimentation.** Customers are already more adventurous than they’ve been in the past: willing to test new products, relying on personal devices, and expecting the best seamless digital and physical buying experiences. The 2020s will bring more changes in price and convenience, experimentation, privacy, and evolving business models that will reshape consumer buying forever. Similarly, B2B buyers will expect transparency around pricing, business practices, and product plans — and expect providers to work with them on a shared set of goals throughout a personalized buying cycle. And like B2C buyers, B2B buyers will have increased expectations around data privacy and corporate social responsibility.

• **The future of work gets redistributed.** Employees now have better information, more options, and many avenues for communication, leading to higher expectations of employer technologies. Firms have responded through initiatives such as virtual work, telehealth, and software-as-a-service (SaaS) productivity apps. And they’ve effectively integrated the technology into their business processes by applying structural, process, and cultural change techniques. This will go further in the 2020s. Automation will become more widespread, as bots can more quickly perform the most predictable and repetitive activities; contingent labor will remain a strong alternative; and non-tech employees will become citizen developers. Organizations will need positive, insightful workforce analytics — and strategies to prevent data misuse — to improve talent acquisition and retention while achieving overall organizational goals.

• **Shifting market dynamics redefine operating models.** The pandemic pushed many companies to quickly modify products, distribution, and delivery methods. For example, Danielle Bateman, Takeda Pharmaceutical’s head of commercial and digital IT, growth, and emerging markets, described how the firm rapidly ramped processing of COVID-19 survivors’ plasma and established partnerships with competitors to achieve the volumes required. Standing up the initial partnership took less time than was previously possible, using cloud technology with security already in place. The
2020s will accelerate the adoption of this adaptive approach, which a 2019 Forrester survey found enables firms to grow at more than four times the industry average when they combine it with rigorous, tech-driven innovation.
Figure 1
Over The Past Decade, Productivity Stalled, Despite Increases In Technology Investments

US productivity growth and tech investment since 2010
(Quarterly percentage change from prior year)

- Software
- Tech equipment and software
- Nonfarm productivity

Note: 100 = 2013 index to 100 = 1998 index; from fixed assets accounts for tech equipment and software investment

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Accelerate Customer Obsession With A Future Fit Tech Strategy
As lagging tech strategies clash with (even more) change, leaders must reimagine their approach to technology to keep up. Customer obsession will provide the North Star for leading CIOs, CTOs, and chief data officers (CDOs) as they embrace what Forrester calls a future fit technology strategy. This approach is tuned to specific future-success characteristics that we uncovered from quantitative analysis of more than 10,000 consumer and employee survey responses, plus qualitative analysis of numerous
interviews with successful tech leaders. Forrester defines a future fit technology strategy as:
A customer-obsessed approach to technology that enables a company to quickly reconfigure business structures and capabilities to meet future customer and employee needs with adaptivity, creativity, and resilience.
Why is a future fit technology strategy so critical? It empowers organizations to boldly pursue customer obsession amid ongoing uncertainty and changing business needs. Technology will accelerate the ability to quickly address new customer, market, and competitive realities as they arise. Simply put, a future fit technology strategy enables firms to become (see Figure 2):

- **Adaptive: able to reconfigure core business concepts.** To address future needs, firms will harvest emerging customer and market insights and develop the capacity to reconfigure core business concepts. Firms that have a flexible technology foundation and a business operating model that can change quickly grow more than three times faster than their industry average by moving beyond agility with adaptive talent management and an open culture. For example, Mastercard’s adaptive culture pushed it to pursue emerging adjacent markets such as cutting-edge fraud solutions, B2B payments, and business optimization services. And when Uber’s rideshare business took a hit, it doubled down on its delivery business and workforce.

- **Creative: bringing emotion and engagement into digital customer experiences.** Too many firms solve the same customer problems with the same technology solutions. To differentiate, firms will use the human power of creativity to organize experiences, digitally expressing the values of the brand to customer and employees by meeting their emotional needs at relevant points of engagement. For example, Domino’s Pizza creative agency Crispin Porter Bogusky (CPB) focused on the entire pizza experience, from ordering to delivery and carry-out, including a campaign built around Domino’s filling of potholes to protect carry-out pizza on the drive home.

- **Resilient: delivering on product vision and brand promise, no matter the crisis.** Resilient companies identify and mitigate risk, invest in business continuity planning, build flexible crisis and incident response capabilities, and design business and technology systems and processes for dependability and flexibility. The COVID-19 pandemic has been a prime test. The CIO of one of the largest public healthcare groups in Asia Pacific attributes its growth to preparedness: “We already had plans in place. We launched our e-COVID system within 72 hours, deployed our IT system for...
a 500-bed quarantine center in 24 hours, and have proceeded with more than 120 IT initiatives in the past six months.”
Platforms, Practices, And Partnerships Will Power Scale And Speed

Firms have traditionally defined IT and digital strategies in terms of people, process, and technology. But the real value of a future fit tech strategy lies in three more-specific core building blocks that can unlock adaptivity, creativity, and resilience fast: platforms, practices, and partnerships (see Figure 3).
### Figure 3
A Future Fit Technology Strategy Requires A New Approach To Platforms, Practices, And Partnerships

<table>
<thead>
<tr>
<th>Creative</th>
<th>Adaptive</th>
<th>Resilient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energizing business, brand, and value with unique experiences</td>
<td>Accelerating the ability to recreate core business concepts</td>
<td>Anchoring the operations, security, and risk of the business</td>
</tr>
<tr>
<td><strong>Platforms</strong></td>
<td>Teams drive innovation through thin layers of technology built on managed API or microservices abstraction layers.</td>
<td>Leaders choose modern, AI-driven solutions as the foundation for transformation and resilience at scale.</td>
</tr>
<tr>
<td>Leaders choose preassembled bundles to deliver a specific customer experience, paying based on value delivered.</td>
<td>- DOP and DXP add-ons for new channels and new personas</td>
<td>- DOP for better efficiency and innovation</td>
</tr>
<tr>
<td>- DXP and content hubs for orchestrated experiences</td>
<td>- Self-service BI and low-code to meet new business objectives</td>
<td>- Bundles of tech that provides authentication, Zero Trust, and GRC for security and risk</td>
</tr>
<tr>
<td>SaaS apps, industry clouds, and data sets for time-to-value</td>
<td><strong>Practices</strong></td>
<td><strong>Partners</strong></td>
</tr>
<tr>
<td>Business functions fund tech-based activities, embrace the best of agile, design thinking, and OKRs.</td>
<td>Forward-looking leaders adopt new shared governance and delivery models.</td>
<td>Firms demand outcome-based pricing and other shared-risk models from all providers to drive speed and responsiveness.</td>
</tr>
<tr>
<td>- Shorter contracts with third parties, in smaller increments to innovate quickly</td>
<td>- Joint accountability, with continuous testing/integration to deliver agile at scale</td>
<td>- Shift to new arrangements with app providers, SIs, and agencies</td>
</tr>
<tr>
<td>- Adoption of NPS and other metrics to guide shared accountability</td>
<td>- Sourcing of apps and extensions from marketplaces</td>
<td>- Increased use of gig sites</td>
</tr>
<tr>
<td><strong>Partners</strong></td>
<td>Firms build co-innovation partnerships with select providers, shifting work away from slow organic change.</td>
<td>Firms seek transparency and value alignment from vendors for continuity.</td>
</tr>
<tr>
<td>Firms demand outcome-based pricing and other shared-risk models from all providers to drive speed and responsiveness.</td>
<td>- New custom apps, built by inside teams with partners</td>
<td>- Flexible sourcing from COTS vendors and partners</td>
</tr>
<tr>
<td>- Shift to new arrangements with app providers, SIs, and agencies</td>
<td>- Increased use of industry SaaS and BPO providers</td>
<td>- A shift to fewer, more strategic partners for transformation</td>
</tr>
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### Technology Platforms And Bundles Will Accelerate Time-To-Value

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Individual technologies for improving adaptivity, creativity, or resilience have already hit the market. Think low code for creativity, or disaster recovery for resilience. But firms will get a bigger boost from platforms — bundles of enabling technologies and services preassembled to deliver a specific customer experience or business capability. These platforms will include out-of-the-box capabilities for data, analytics, and automation, such as enterprise content management and digital experience platforms. They’ll also enable customization through thin layers of technology built on the platform’s managed API or microservices abstraction layers via low-code tooling and app marketplaces. Specifically, these platforms will:

- **Reduce complexity and time-to-value.** Platforms preassemble complex technology portfolios across a range of packaging alternatives, leveraging modular components (sometimes from different vendors) and allowing for customization and custom development, to quickly meet changing business objectives with new features.

  Modern UX design and business-focused tools will boost user onboarding, productivity, and the ability to easily customize applications to emerging use cases or work styles. Specialization by function or industry, such as the IBM Travel Platform or Salesforce Health Cloud, will give late adopters a chance to make up ground.

- **Leverage current and future cloud services.** Firms will begin with existing off-the-shelf, cloud-based technology platforms and their ecosystems, such as digital operations platforms (DOPs) from Microsoft Dynamics and SAP, mobile platforms from AT&T and IBM, and experience platforms from Adobe and Salesforce. A cloud foundation provides scale and adaptivity, continuous vendor-delivered innovation, and access to add-ons through marketplaces like Microsoft AppSource or Salesforce AppExchange. Over time, we expect these platforms to reach into new areas of value tied to creativity and adaptivity and to be priced by value delivered instead of user, volume, or compute metrics.

- **Boost efficiency and innovation.** AI will play a major role in platforms such as DOPs and will be a key add-on for experience platforms. Benefits include automating mundane or recurring tasks and spotting trends in areas ranging from predictive maintenance to buyer preferences. Future platforms will bundle in not only increasingly sophisticated machine learning algorithms but also data sets and on-call data scientists through emerging services marketplaces.

**Practices Will Align Teams On Outcomes, Not Strict Processes**

The democratization of software development, and IT overall, will continue as a primary driver of change. In parallel, the old IT processes won’t work in this dynamic...
environment. New practices will be lighter-weight, borrowing from the best of agile, design thinking, and measurement frameworks like objectives and key results (OKRs). When teams can work from anywhere and for everyone and include tech and non-tech members from any organization, firms will refresh policies to align with an adaptive workforce. New practices will enable them to:

• **Move faster, with lighter governance and greater trust.** The need to adapt quickly to changing demands will drive shared accountability among CIOs and other business execs. This will eliminate decision gridlock through trust and common commitments. With cloud-native technology and low-code tools, citizen developers will gain further traction and reshape how and where work is done. They’ll have fewer hard-and-fast rules and more shared accountabilities, stepping beyond command-and-control decisions and making this work without sacrificing adaptivity and resiliency. For example, a B2B office product’s leadership team, using Net Promoter ScoreSM (NPS), continuously asks, “What’s the customer experience right now?” to guide joint decisions for shifting priorities.

• **Quickly innovate, by incorporating SaaS and API building blocks.** Firms will move faster by reexamining how they evaluate and buy technology. Purchases of foundational solutions like enterprise resource planning (ERP) will evolve more slowly. But for technologies that boost differentiating creative and adaptive capabilities, we’ll see two changes. Exploding citizen development will drive greater customization, and vendor relationships will be redefined — with shorter contracts, in smaller increments, and with more adoption of “freemium” and other try-before-you-buy approaches. Siemens’ regional head of IT user engagement and IT partner management for Asia Pacific, the Middle East, and Africa, Santosh Nair, told us how the firm deployed work-from-home solutions “overnight” for about 240,000 employees. The firm’s decisions, building on ongoing provider discussions and proofs-of-concept, were made within a couple of weeks. And with the help of software and system integration partners as well as that of the IT organization across regions, Siemens completed implementation in a few weeks.

• **Deliver agile at scale, for use by techies and creatives.** Funding outcomes and structuring delivery teams that focus on shared objectives will empower and compel CIOs and other tech leaders in early-stage firms to accelerate their creation of results through fast, continuous delivery — agile, DevOps, continuous testing, and continuous integration. Each delivered minimum viable product (MVP) will test whether there’s movement toward the desired outcome, dynamically rewriting backlogs to optimize for those outcomes. This approach transforms each agile sprint into an innovative design thinking cycle. For example, continuous delivery tied to journey discovery
through a new breed of journey management tools will enable real-time validation of customer experiences for newly released MVPs.

Co-Innovation Partnerships Will Emerge As A Critical Advantage

The blurring of the line between what inside teams provide and what their ecosystem partners deliver will accelerate. As firms invest in platforms and new ways to manage teams, we’ll see new opportunities for outsourcing complete functions and a new calculus for how providers and enterprise clients structure their relationships. We’ll see firms:

• **Leverage trusted, but flexible, partnerships.** The pandemic-generated urgency — and proof that cloud and services system integration partners can help firms adapt to unforeseen situations — reframed sourcing strategies and the way firms work with their partners. As teams look to flex and accelerate, more work will go to partners that offer a combination of innovation and flexible terms, such as BCG Digital Ventures, which helps clients with the end-to-end process of researching, funding, building, and launching new digital, product-based businesses. For creative capabilities, firms will seek shorter contracts in smaller increments, while firms favoring resiliency will lock in savings over longer periods of time.

• **Seek greater transparency and outcome-based pricing from vendors.** Just as CIOs will reimagine governance with shared accountability with their peers in marketing and other functional roles, they’ll set up shared multitiered governance approaches with their transformation partners. They’ll also look for vendors to move away from traditional pricing and contract models based on future deployment in favor of new arrangements that tie to joint objectives and that pin pricing to actual value delivered (the outcome). These approaches will extend to business, software, cloud, and data partners, driving demand for outcome-based pricing and other shared-risk models across the board.

• **Sustain value alignment with core partners.** While gig sites or freelance resources with short-term commitments may play an important role in the sourcing mix, most tech leaders will seek out a more consolidated set of strategic partners for larger transformation efforts. “I think we’ll go for more simplicity — we’ll get better at having fewer, stronger relationships,” noted an executive manager at Insurance Australia Group (IAG). Large services firms such as Accenture, Capgemini, EY, and IBM, as well as specialists such as Bounteous and West Monroe, are doubling down on their offerings of outcome-based commercial models.
Future Fit Technology Will Redefine The Tech Ecosystem

Firms deploying future fit technology’s platform and partner building blocks are redefining relationships among ecosystem partners. Successful vendors in the 2020s will move faster, specialize to fight commoditization, take whole problems off the hands of their clients, and help clients navigate an increasingly complex geopolitical landscape. Those who don’t will become dinosaurs. Specifically:

• **Future fit tech will spark innovation and startups we haven’t begun to imagine yet.** Watch for a new wave of cloud and SaaS startups offering technologies that sit between apps as data brokers or that power new types of physical (think shelf-stocking) and digital (think marketplace personal shopper) robots. As they move to be more adaptive and creative, firms will automate everyday work like marketing campaign planning or invoice tracking. This new era of productivity tools will touch every function, sector, channel, and bit of business as automation frees workers from routine tasks to concentrate on work that helps their businesses differentiate. CIOs will embrace a hybrid cloud strategy, with cloud-native apps for speed and cloud-neutral apps for protection from lock-in, as they escalate investments in resilience.

• **Open source will accelerate innovation around platforms.** How will companies fight digital sameness? Through greater configuration and tailoring of software via methods like low code. We’ll see more use of open source, which will further drive the adoption of platforms. Remember, open source doesn’t mean no cost — it just means the software is easier to modify and customize for specific needs. Ecosystems of vendors that can help customers specialize and customize around verticals will spring up. Some traditional systems integrators (SIs) will make a play in this ecosystem, too — for example, Accenture got into the retail software space when it acquired the CAS trade promotion system back in 2011. We’ll see less traction around open source for traditional back-office functions like finance but more in areas like supply chain or human capital management.

• **Upstart vendors will upend the market with new pricing models and industry focus.** Value- and platform-based pricing models align better with a future fit approach. Cloud infrastructure business models already offer scalable and flexible pricing, as do vendors such as Coupa and Mirakl. Some of the majors will emulate this model; some have already shifted the model with their online marketplaces. Incumbents burdened by traditional licensing models will move too slowly and falter. We’ll see the emergence of upstarts catering to hot verticals like financial

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services, healthcare, and life sciences — and some of the majors will move too slowly to effectively compete. For a good test case, keep an eye on SAP as it tries to pull its base into more traditionally priced S/4HANA editions and its emerging Industry Cloud solutions. Vendors will find new ways to make money in client deals, such as accepting a slice of the revenue or taking equity.

**Services providers will retool to support new platform outsourcing.** Watch for services providers to offer new types of outsourcing, including deployment and management of platforms like DOPs and digital experience platforms (DXPs) as well as horizontal functions like security or AI. HCL has already taken this approach for IT transformation, as has EY for supply chain management. We’ll see specialized SI approaches, such as “we’re your resilience partner” or “we’ll power your platforms with AI.” These SIs (think vendors like Cognizant and EPAM) will move away from a focus on a single vendor to new delivery models tuned to platform economics and outsourcing packages like “product as a service” or “department as a service.” Their customers will outsource maintenance of these platforms or even complete departments, such as real estate management or finance.

**Late-adopter firms will outsource entire business functions and strategies to partners.** Just as virtual business models like mobile virtual network operators (MVNOs) resulted in new services built on top of third-party foundational platforms, future fit technology will result in the mixing and matching of technologies from multiple providers. We expect that up to one-third of companies will outsource or create new joint ventures around their resilient or creative strategies. For example, digital beginners in government and education could double down on their business operational chops while outsourcing all creative capabilities to a new-age creative business-process-as-a-service (BPaaS) provider. Or brand-forward firms focused on cultivating experiences could build only creative capabilities and let third-party partners handle business operations. We’ll see this more in sectors lagging in SaaS adoption — such as retail and insurance — and for beginner organizations looking to leapfrog maturity levels and quickly catch up to first movers.

**A tech trade war will force firms to leverage hybrid ecosystems.** Thanks to geopolitical headwinds, these great ecosystem partnerships, relationships, and deep integrations are not going to seamlessly crisscross the world. The US, the UK, and China have all recently passed bans on foreign technology in government, critical infrastructure, and security, and China just updated a law preventing the export and sale of technology like AI to foreign companies. In the future, companies doing business in Hong Kong will have to follow these laws as well. Forrester expected 2020 to bring new regulations from EU member states, designed to restrict
acquisitions of strategic tech firms — they’ve been delayed by COVID-19 response necessities, but they’ll happen within the next three years. Expect more bans like those the US has tried to impose on TikTok and WeChat. This digital divide between countries will only widen. Tech leaders will need a hybrid of global and regional ecosystems to manage tech nationalism as they develop future fit capabilities.

Supplemental Material

Research Methodologies

Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Companies We Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

Aditya Birla Group
Albertsons
Allied Irish Banks
Avnet
Blue Cross Blue Shield of Michigan
Brandmaker
Broadcom
The Co-Operators
Edwards Lifesciences
Genuine Parts Company
Hospital Authority
Humana
Insurance Australia Group (IAG)
Ping An Bank
Refinitiv
Siemens
Takeda Pharmaceutical
Uber
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• Hands-on guidance

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• Curated tools and frameworks
• Objective advice
• Hands-on guidance

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