IT Leaders Speak

Candid conversations and survey research reveal what's on the minds of enterprise IT leaders — and what will advance their digital transformations.

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Transformation: Advancing the mandate of the IT organization in the enterprise

Zayo held 15 in-depth, off-the-record interviews with CIOs and enterprise IT leaders, and, in partnership with NewtonX, we conducted anonymous survey research with a broader group of 50 IT leaders. We wanted to hear from the IT leaders we serve about their digital transformation and what pressures their organizations faced.

The result:
An unvarnished picture of how IT leaders think about transformation, their role in the enterprise, and the way forward for IT.

Findings at a glance

Top areas in mind

Security

Supply chain issues

Digital transformation journeys

2/3

Organizations in early stages

86%

Organizations currently in a digital transformation

40%

Leaders who feel their network **infrastructure is ready** to make the best use of emerging technologies

Infrastructure transitions

Multi-cloud is growing from **10% to 31%**

Public cloud is growing from **8% to 20%**

Top business pressures

57%

Grow revenue

43%

Improve or digitize the customer experience

>60%

Respondents said **IT maturity is NOT strategic or transformative**, but reactive or focus on optimizations

Top investments

- Cloud computing & robot process automation **continue** to be investments

- Invested growth in **AI** (including ML, DL, NLP), the second largest after cloud computing

#1 enabler of success in digital transformations

Greater alignment between the digital transformation owners and the business

IT's challenges mirror that of the enterprise

Our survey found that IT leaders are feeling similar pressures to what all businesses have faced the past few years. Though we've emerged from a state of crisis, supply chain disruptions, economic downturn, and geopolitical turmoil continue to loom on the horizon.

Business pressures IT leaders face:

- **Do more with less** — grow revenue while cutting spending

- **Improve experiences for employees and end users**

- **Stifled innovation** — from security requirements, regulation, legacy systems, and supply chain

- **The "brain drain"** — get and keep talent

- **Security mandates**

- **Keep the organization running** — maintaining business-critical applications

Small wins point to bigger victories

One automotive manufacturing CIO was able to innovate processes, reduce costs, and drive revenue at the same time by implementing digital vehicle inspections with IoT sensors and advanced analytics. "The business is seeing technology that can directly impact revenue — 10 to 20% improvement on a per-vehicle inspection ticket basis is not small," says the CIO.

The state of digital transformation in the enterprise

Respondents pointed out that digital transformation isn't just about shifting apps to the cloud. As one transportation industry CIO noted, *"taking an on-prem design solution and throwing it in the cloud doesn't really get us much. In fact, that probably costs us more."*
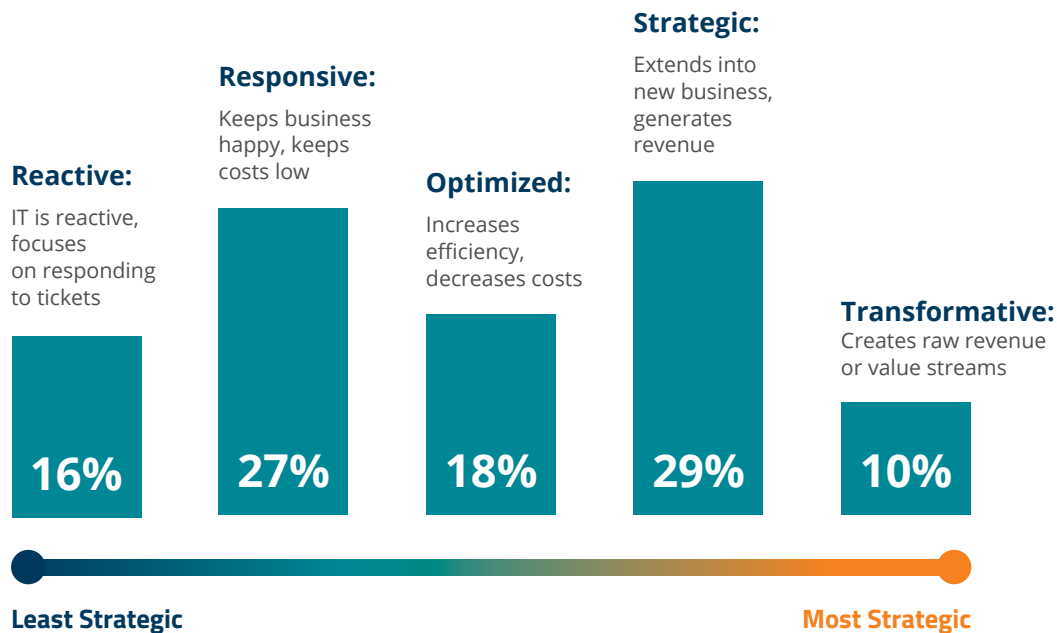
A lead at one of the country's largest IT consulting firm outlines a more holistic approach to digital transformation:

1. **Migrate** from monolithic applications toward microservices in the cloud

2. **Automate** processes and enable self-service through digital

3. **Improve** UX/UI for employees and customers

4. **Infuse** the business with analytics and AI

86% of respondents said their organization is currently undertaking a digital transformation.

IT works to grow its strategic role

IT leaders expressed a desire to shift the perception of IT from a cost center to that of an innovation driver. They were asked how mature their department's current strategic role was within the larger organization:

Reactive:
IT is reactive, focuses on responding to tickets

16%

Responsive:
Keeps business happy, keeps costs low

27%

Optimized:
Increases efficiency, decreases costs

18%

Strategic:
Extends into new business, generates revenue

29%

Transformative:
Creates raw revenue or value streams

10%

Least Strategic   **Most Strategic**

> *Increasingly, IT needs to have a seat at the table with business.*
>
> TECHNOLOGY BUSINESS LEAD, MAJOR IT CONSULTING FIRM

Top 5 reported factors affecting strategic integration of IT:

Alignment between IT and business

View of IT as a partner (vs. a blocker)

Consistent KPIs across organization

Customer-centric culture

Demonstrating value to senior leadership

> " *What you don't want to do is just migrate from the VMs that you had in the data center to the VMs in the cloud. What's holding us back from a very meaningful migration is determining which platforms we retire. Which ones do we re-host? Which ones do we modernize completely? It's a huge challenge.*

— CIO/CTO, BUSINESS **TECHNOLOGY LEAD**, **IT CONSULTING COMPANY**

IT organizations and "infrastructure transformation"

60% of leaders feel their IT infrastructure isn't ready to make the best use of emerging technologies, citing:

- Technical debt
- Resistance to change
- Vendor lock-in
- Inflexible policies
- Lack of knowledgeable IT talent
- Complexity of application ecosystem

A CTO/CIO whose organization is in the midst of an infrastructure transformation describes the complexity: *"One dimension is the movement of the data centers to cloud. It's a question of not just the migration of the workloads from data center to cloud, but also making sure that we develop that new muscle in the organization: how do we leverage cloud to create the agility outcomes we want while still managing the cost? While still creating an architecture that will have things like DevOps and site reliability, engineering, and innovation — without running into security challenges?"*

IT leaders turn to future technology focus

Our interviews revealed keen interest in more refined approaches to network monitoring, introducing greater automation and further levels of intelligent monitoring.

Shift in Investment Areas
from the past 12 months to the next two years
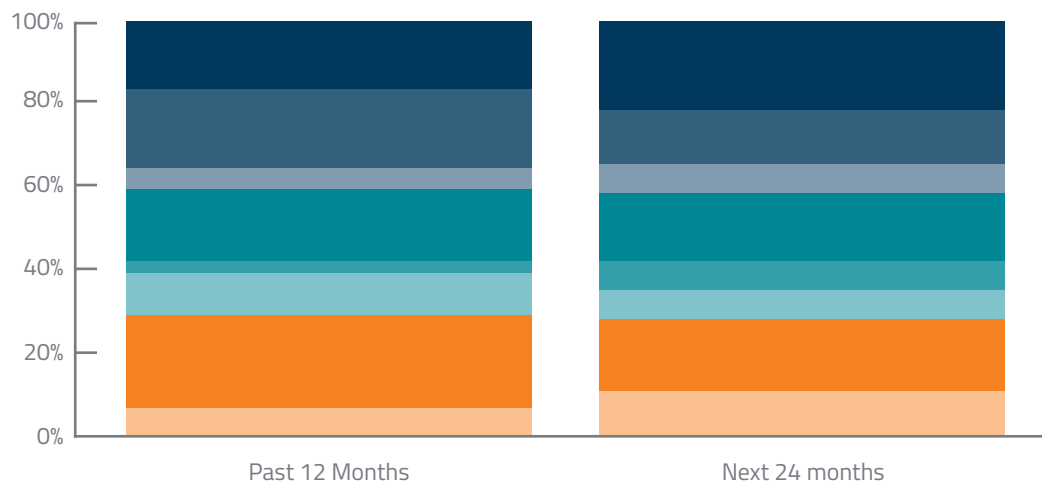
Chart legend:
- AI (including ML, DL, NLP, computer vision)
- Infrastructure Monitoring
- Internet of Things (IoT)
- Robotic Process Automation (RPA)
- Software Defined Everything (SDx)
- Software Defined Networking (SDN)
- Cloud or Multi-Cloud Computing
- Edge Computing

> " *There is an increasing focus on absolute zero downtime. That brings in the need to have a lot of AI, automation, and proactive monitoring not just on the infrastructure but down to the process level.*

— **TECH BUSINESS LEAD, IT CONSULTANCY**
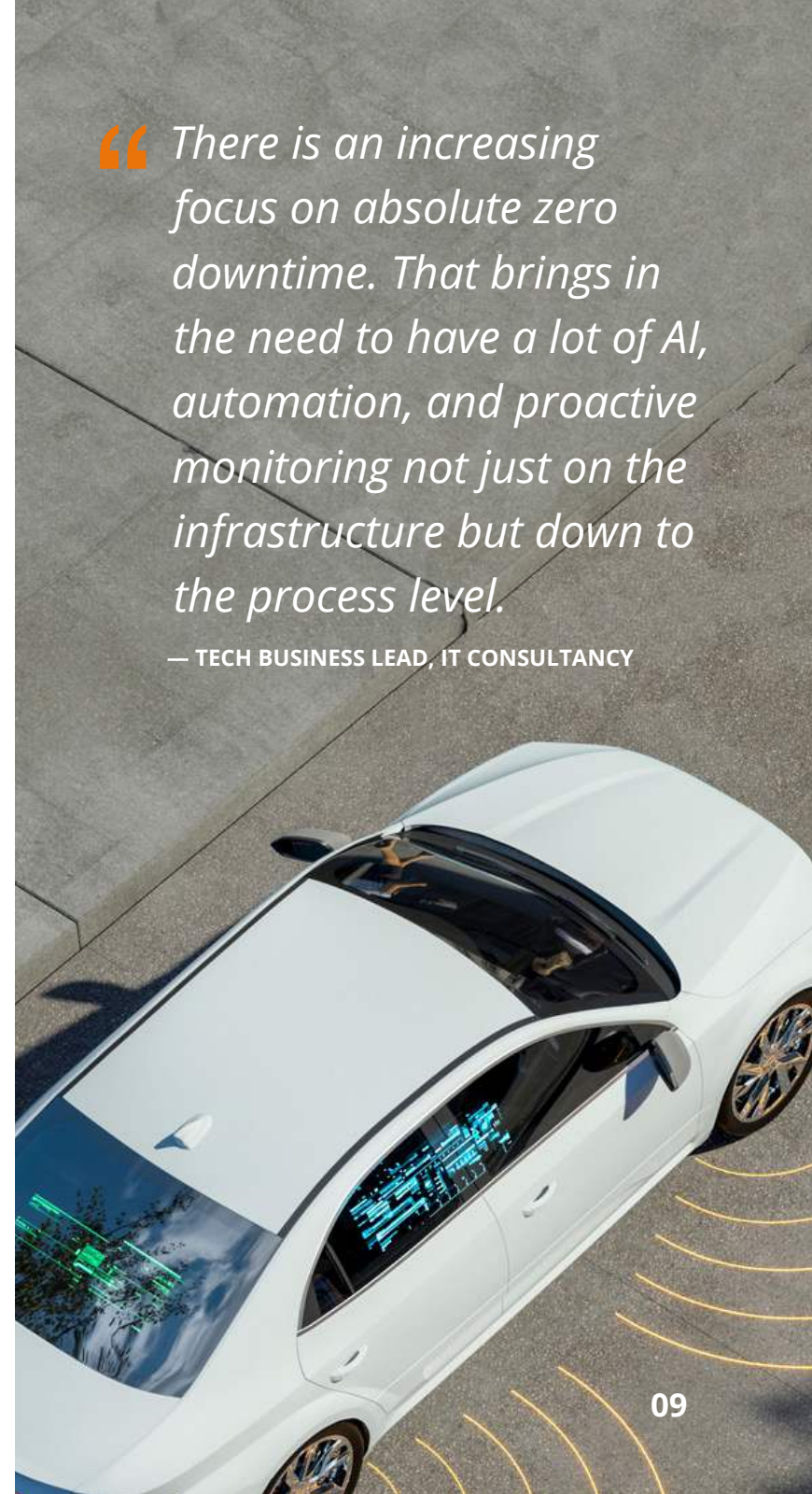
Varying business drivers, varying IT pressures

Some common themes emerged for leaders across particular sectors:

Healthcare

- Constrained by regulations, security concerns, and decreasing margins.
- Increasing role of data and analytics

Transportation and logistics

- Industry ripe for disruption
- Fleet management involves many sensors and endpoints
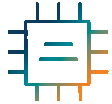- Big role of data in supply and demand planning

Media and entertainment

- Content experience is paramount
- Always-on, on-demand media landscape
- Network performance is directly tied to end-user experience

Financial services

- Slim competitive edges
- Difficulty connecting multiple sites
- Demand to deliver exceptional end-user experiences

Technology

- Emerging companies have to build for scale
- Technical debt is holding back legacy tech companies
- Disruption in process

Manufacturing

- Shrinking margins = pressure to explore automation and IoT
- Highly connected yet inconsistent production environments

Retail

- Customer experience is the competitive differentiator
- Smart supply and demand planning can protect margins

> " *Industries with the greatest margin pressures and the highest end-user experience expectations are the most motivated to innovate.*
>
> — TECHNOLOGY LEAD,
>   IT CONSULTING COMPANY

IT leaders transform the enterprise and their organizations simultaneously

Digital transformation remains both a journey and a priority for IT leaders. Beyond the move to the cloud, there's opportunity to "innovate around the edges" by digitizing experiences and introducing data and automation where possible. Organizations are looking ahead to AI and automation.

Sophisticated IT leaders also know that organizational and cultural factors are as important as network infrastructure and technology.

The winning combination?
Successful digital transformations start with the right foundation of infrastructure, organizational design, and mindset, with the right technology investments in trusted partners layered on top.

Looking for more? We've also published a comprehensive report on this research with deeper analysis and actionable operational insights.

READ THE FULL REPORT →

About Zayo

Zayo is the leading global communications infrastructure platform, delivering a range of solutions, including **fiber & transport**, **packet**, and **Edge Network Solutions**. Zayo owns and operates a Tier 1 IP backbone spanning 134,000 miles across North America and Europe. By providing this mission-critical bandwidth to its category-leading customers across the wireless, hyperscale, media, tech, and finance industries, Zayo is fueling the innovations that are transforming society. For more information, visit **https://zayo.com**.

About NewtonX

NewtonX is a B2B research and intelligence company that connects companies with subject matter experts for consultations, group workshops, and full-scale surveys.