Advanced

Trends Survey
Report 2017

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People. Partnership. Solutions.

Trends Survey Report **2017**

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Introduction

In September 2017, Advanced carried out its second Annual Trends Survey with over 1,000 UK business professionals having their say on key topics affecting British businesses.

In the twelve months since we undertook our first survey, the pressure on organisations continues to be unrelenting. The digital era represents the 4th Industrial Revolution – where the adoption of technology and the emergence of digital-first businesses are transforming industries – and its disruptive impact continues with pace. In a world of major change, never before has the call for businesses to reimagine their organisations been more relevant or resonated more evidently.

Having undertaken our own significant transformation journey within Advanced, we understand how this need to reimagine impacts the entire organisation. From the changing demographics of the workforce, the new skills required to drive productivity and transform services, to the key role of leadership in creating that vision and making it happen, we know that technology critically underpins these successful evolutions.

As new technology trends emerge, are they empowering businesses to achieve that vision and effectively transforming them for future success? Are business leaders seeing the emergence and adoption of automation, artificial intelligence and machine learning as creating a world of opportunity? In fact, this 4th Industrial Revolution is effectively creating a new digital language but, is every business leader ready to embrace this?

From the benchmark set by the research in the 2016 Trends Survey Report, this second state-of-the-nation Trends Survey Report identifies the changing views and attitudes on the top issues facing the British business community. There is a continuing backdrop of uncertainty around Brexit, emerging challenges around General Data Protection Regulation (GDPR) and the business-critical impact of cyber-security, as well as new Government initiatives such as the Industrial Strategy. This report highlights the opportunity that exists if businesses focus their attention on adopting the right strategies in this digital era.

The following summary extracts the key findings that provide insight around the leading themes identified from the Advanced Trends Survey. It also sets the scene for conclusions around the state of readiness among businesses in the face of digital disruption, and examines the biggest barriers to digital transformation.

Please note: some figures may not add up to 100% due to rounding.

The Highlights

1/3
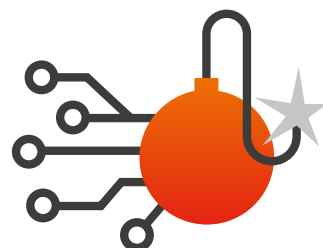not confident in their leadership to create and run a modern digital infrastructure

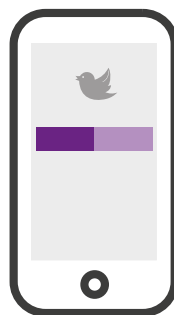## 67%
investing in Cloud technology

18%
of organisations are not prepared for a cyber-attack

82%
think the most important attribute for a business leader is to reimagine their business

49%
feel social media has enabled them to improve the way they interact with customers
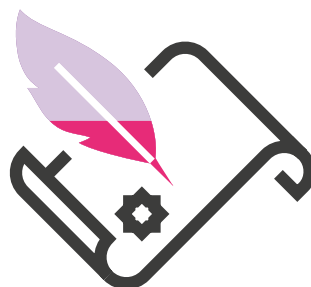
38%
making decisions without real-time data

64%
of respondents believe they are empowered with the right tools to do their job efficiently

38%
don't know if GDPR impacts them

2

The Economy

"We know that businesses' ability to innovate and embrace the digital era is fundamental to the prosperity of our economy. It is vital that British businesses have confidence in their organisation's leadership to deliver digital strategies that will support growth and create new business models for the future."

_____

Tom Thackray - Director for Innovation, CBI

"Globalisation within the legal industry should become even more important going forward. English Law is already the 'go to' law worldwide, and the profession can capitalise on this further for greater opportunities."

_____

Stephen Ward - Managing Director, Clerksroom

The Economy

5

**88**%

**perceive globalisation
as an opportunity**

Just one year ago, British businesses were reeling from the shock of the Brexit vote, the uncertainty of the US election and the level of unprecedented change facing the economy.

Roll on twelve months and uncertainty remains a significant concern for businesses. The threat of change is on everyone's agenda. From well-reported hesitation and indecision about Brexit plans, through to the volatility of the global political and economic environment, how are British businesses faring? Stepping up through adversity or battle-worn from insecurity? This year's report identifies trends around the issues on the minds of the business community.

Brexit

We carried out this survey shortly before the Prime Minister announced the proposed two year transitional plan for Brexit. Part of our research examines how the current handling of Brexit is perceived by British businesses and offers insights into how this might impact their future plans.

## Do you see Brexit as a real threat to business survival or an opportunity for growth and prosperity?

2016

2017

49%   51%

52%   48%

■ A real threat to business survival

■ Business opportunity
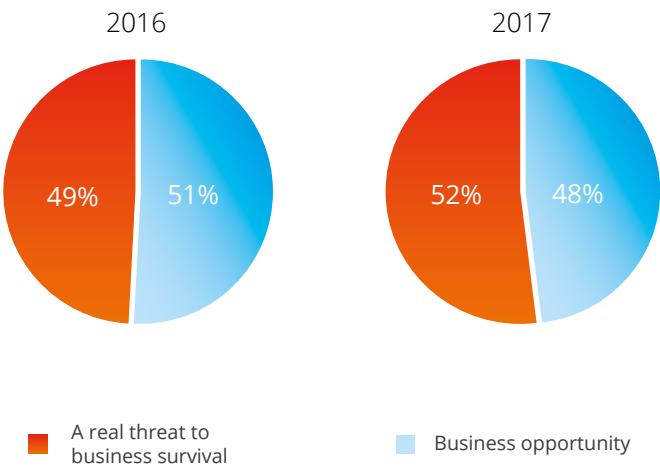
This year, the 'majority' (52%) of respondents admitted to seeing Brexit as a real threat to business survival compared to the 'majority' (51%) last year seeing it as an opportunity for growth and prosperity. Does the swing of 3% reveal a marked change in opinion and confidence? We asked additional questions to delve further into this in order to try and understand whether it is a trend determining how organisations are planning to deal with this ongoing uncertainty.

Are you concerned that your organisation is not prepared for changes in regulation post-Brexit?

Concerned 39%

Not Concerned 61%

0%   100%

6
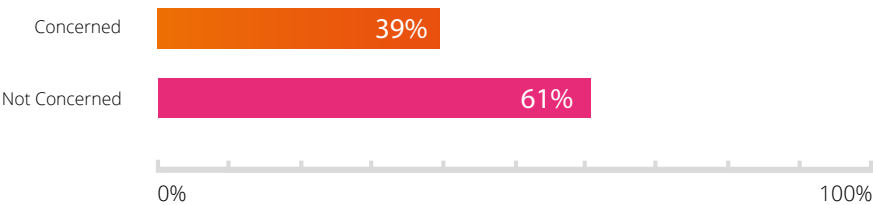
Having asked this question last year, what really stands out from these results is the lack of change that has occurred in the level of 'preparedness'. The figures stay the same as last year, with 61% remaining 'unconcerned' if their business is not prepared for changes. Are organisations simply lethargic about stepping up to the Brexit opportunity – or indeed threat – or simply focusing attention elsewhere?

How well prepared are UK businesses for any post-Brexit budget cuts?

	2016	2017
Well Prepared	12%	12%
Prepared	51%	48%
Not Prepared	38%	40%
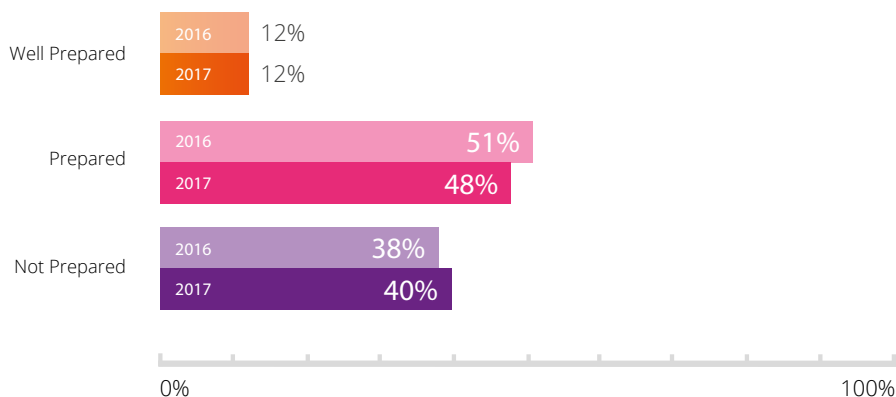
Again, the survey reveals limited change has occurred in the last twelve months regarding how businesses are preparing for the possible budget cuts. In fact, 40% of respondents admit they are not prepared at all for post-Brexit cuts. With the level of 'un-preparedness' remaining static overall, could this now be seen as a weariness towards the Brexit negotiations and what these might deliver?

If British businesses aren't focused on Brexit, where is their attention placed?

Do you consider globalisation to be a threat or opportunity to your business?

Threat	12%
Opportunity	88%
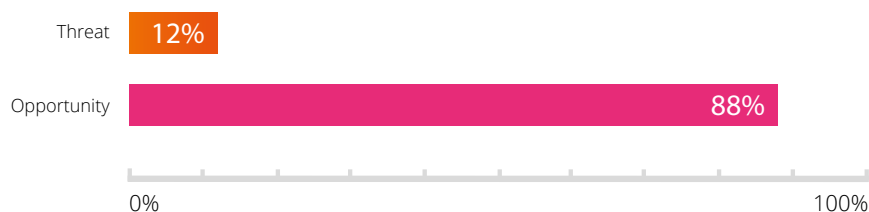
An overwhelming majority (88%) of respondents see globalisation as an opportunity. Given the listless attitude to preparations around Brexit, could it be that British businesses are turning their attention to regions where they can control negotiations and deals? With the remarkable determination and tenacity the business community in Britain is renowned for, perhaps they are taking matters into their own hands and placing their bets on areas that are seen to be more reliable.

Is the Government's Industrial Strategy bold enough to drive innovation in business?

Yes ▉ 5%

No 32%

Don't Know 63%

0%   100%
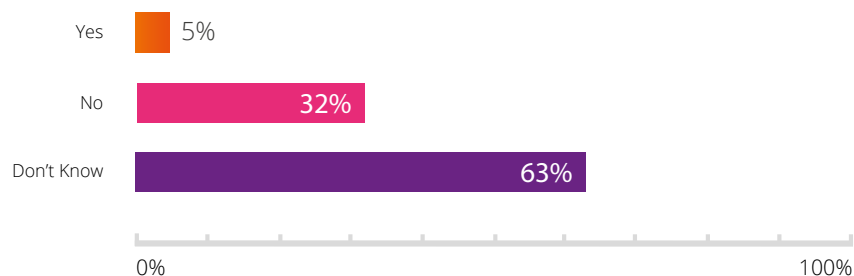
63% of respondents to this question did not know if the Government's Industrial Strategy was bold enough to be successful, and a mere 5% believed it to be bold. Given the Government's Industrial Strategy is about improving living standards and economic development - by increasing productivity and driving growth across the UK – this is a worrying finding. This must surely bring into question whether businesses find this strategy relevant, and in fact if they understand what it might mean. For example, do business leaders know enough about the Industrial Strategy to maximise the opportunities it reportedly presents? These fears have been echoed by the CBI[1], which stated in its recent budget submission that the Industrial Strategy needs to be brought to life through concrete action, as a means for reinforcing the UK economy against future challenges.

63%

of people don't know if the Government's Industrial Strategy is bold enough to drive innovation in business

Leadership & Workforce

"The ability to reimagine an organisation is a key attribute of differentiating your business. The leadership agenda must be to take it further than just imagination. The great leaders have the capability to create a shared vision of the business and its future. Leaders need to bring people with them on their journey and empower them to move towards a different future."

Leslie Ross - Director of Change and IT, St Andrew's Healthcare

"It's no longer a question of whether or not your company will experience a cyber-attack, but rather when it will be attacked. That is why it is so important that cyber-security is a top level priority for organisations, from the boardroom down. Organisations that prioritise security can confidently adopt new technologies, from Cloud to IoT, to AI, which facilitate innovation and help them grow their businesses."

Julian David - CEO, techUK

Leadership & Workforce

82%

feel the ability to reimagine a business is the most important attribute in a leader
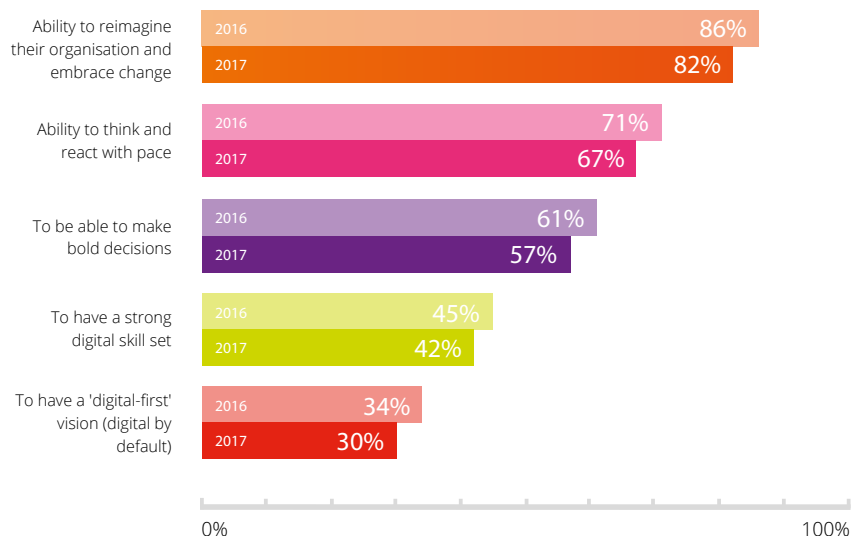
Leadership

Are British business leaders ready for change?

During the last twelve months, there has been little let-up in the pace of change facing British businesses. From new technology trends such as digital transformation, through to the impending impact of critical changes in legislation such as GDPR, the one thing that is constant is the pressure on British leaders. That's notwithstanding the political and economic upheavals that also come into play.

Given over half of our respondents see Brexit as a real threat to business survival, do organisations have the right leaders in place to steer us through the unchartered territory in which we all now have to operate?

Last year, we asked if our leaders were ready and well placed for the challenge. Have the most important attributes of a leader in this digital era altered in just a few months?

What are the most important attributes for a business leader in the digital era?

Ability to reimagine their organisation and embrace change	2016	86%
	2017	82%
Ability to think and react with pace	2016	71%
	2017	67%
To be able to make bold decisions	2016	61%
	2017	57%
To have a strong digital skill set	2016	45%
	2017	42%
To have a 'digital-first' vision (digital by default)	2016	34%
	2017	30%

0%   100%

The overriding results have remained relatively static, with a reassuringly consistent emphasis on the importance of leaders possessing the ability to reimagine their business and embrace change (from 86% to 82%) - as well as re-affirming how vital it is to think and react with pace (down slightly from 71% to 67%).

We then asked our respondents about leaders' skills and expertise in the area of 'digital infrastructures'.

How confident are you in the leadership of your company to create and run a modern digital infrastructure?

Confident	69%
Not Confident	31%

0%   100%
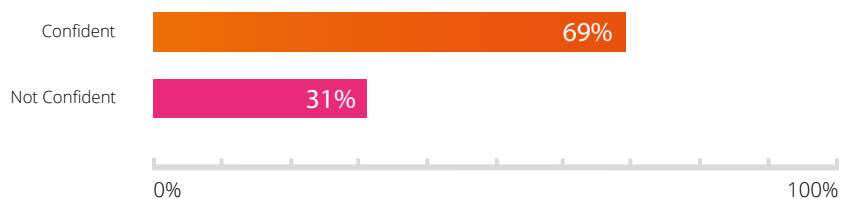
The survey results show nearly one third (31%) of respondents lack confidence in their organisation's leaders in terms of creating and running a modern digital infrastructure effectively. Are a large proportion of business leaders failing to embrace the digital opportunity? Given 40% of organisations still fail to make decisions based on real-time data, how can they take the bold steps necessary for survival in today's challenging marketplaces without current information to guide them?

However, as observed last year, being an effective leader is not just about personal traits. Leaders also need to review the way organisations are structured so they can act with pace. This can ensure that change ripples effectively across the organisation in a structured and effective manner. And organisational change management appears to be an area in which leaders may well have been focusing some of their efforts.

How is your business structured?

Flat structured	2016	24%
	2017	38%
Hierarchical	2016	76%
	2017	62%

0%   100%
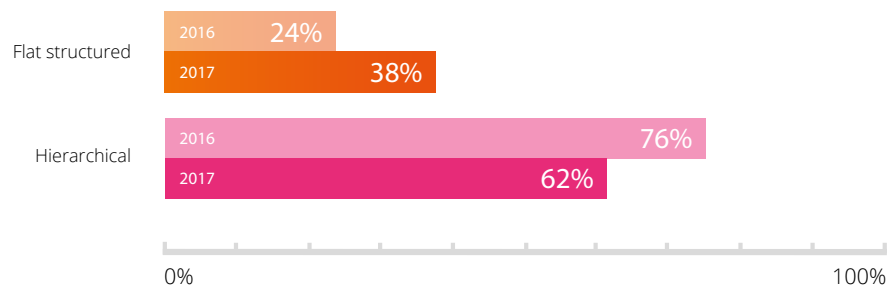
In contrast to results from last year, over a third (38%) have embraced a flat organisational structure, compared to less than one in four (24%) in 2016. This significant swing is encouraging, indicating that the boardroom increasingly recognises the benefits of a more flexible, flat structure. This is designed to overcome the well-reported disadvantages of rigid hierarchy, such as poor communication, increased bureaucracy and an inability to drive change easily.

Arguably, this shift ensures organisations are also better placed to benefit from an effective digital infrastructure, where real-time access to data results in better reporting and the ability to quickly spot trends and challenges.

By bringing key elements of transformation together, it ensures organisations are best placed to innovate, grow and prosper – imperative in the current climate to move from struggle to survival. It is encouraging to see that leaders of British organisations have recognised the importance of change management in the boardroom.

1/3

businesses have a
flat organisational
structure

Workforce

64%

of respondents believe they have the right tools to do their job efficiently

Having looked at the trends around the challenges facing leaders and how they can drive success for their organisations in the current climate, another important aspect is the productivity and effectiveness of a company's workforce. What trends are helping to ensure a company builds an agile and evolving workforce?

Do you have the right tools to do your job effectively in the digital era?

Yes	2016	63%
	2017	64%
No	2016	37%
	2017	36%

0%   100%
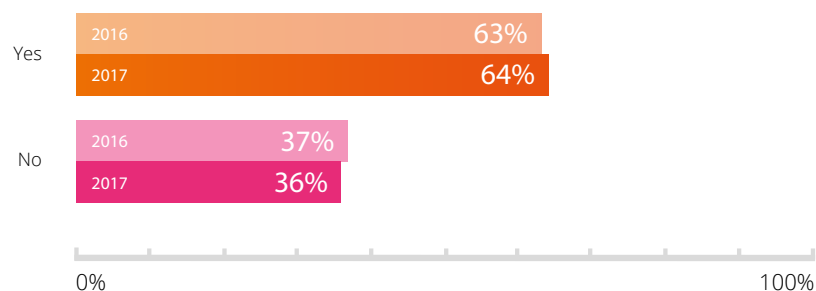
Nearly two thirds (64%) of respondents claim to have the right tools.

When questioned further, respondents revealed that, of those who do have access to the right tools, 49% are 50% or above more productive.

Given you have the right tools to do your job in the digital era, how much more productive are you as a result?

0 - 24%	22%
25 - 50%	29%
Over 50%	49%

0%   100%
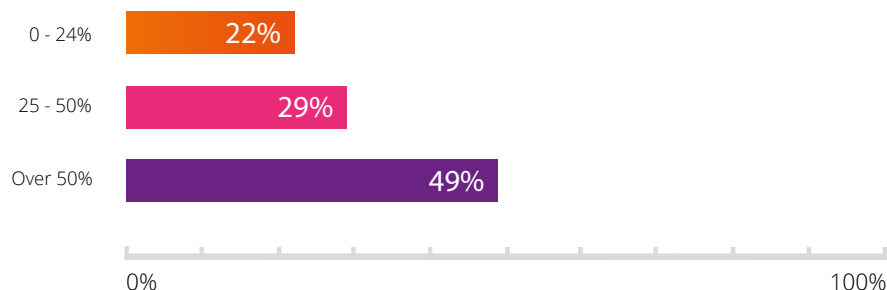
Accordingly, the 36% who do not have access to the right tools are missing out on a massive productivity driver, and probably feeling personally held back by this. It demonstrates how a significant percentage of businesses need to invest in their digital infrastructure to empower their workforce.

Given you do not have the right tools to do your job in the digital era, are you frustrated by the lack of digital tools available to you?

Yes	80%
No	20%

0%   100%

When questioned, 80% of respondents claim they are frustrated by the lack of digital tools available to them in their role.

Our survey reveals leaders have focused some of their attention on organisational restructure this year, but if employees feel less valued and motivated because they have to operate without the right digital tools, do leaders need to re-examine priorities? A disengaged workforce poses a real risk to businesses in terms of loyalty, productiveness and effectiveness. There is a danger that the workforce could feel a lack of commitment from leaders to the digital era, remaining unconvinced they can reach their full potential.

The Generational Gap

As Millennials begin playing a larger part in today's workforce, observing trends across the generational gap is an important step in understanding the perceived issues of each age group.

Demographic data from this year's survey has shown us that business professionals from the Baby Boom era were more heavily weighted toward males (63% male) whereas Millennial respondents are much closer to an even proportion (53% female). Perhaps this suggests a shift in business demographics as we move towards a more gender equal workforce.

Is the Government's Industrial Strategy bold enough to drive innovation in business?

Yes
2%
6%

No
22%
40%

Don't Know
76%
53%

Millennials
Baby Boomers

0%   100%
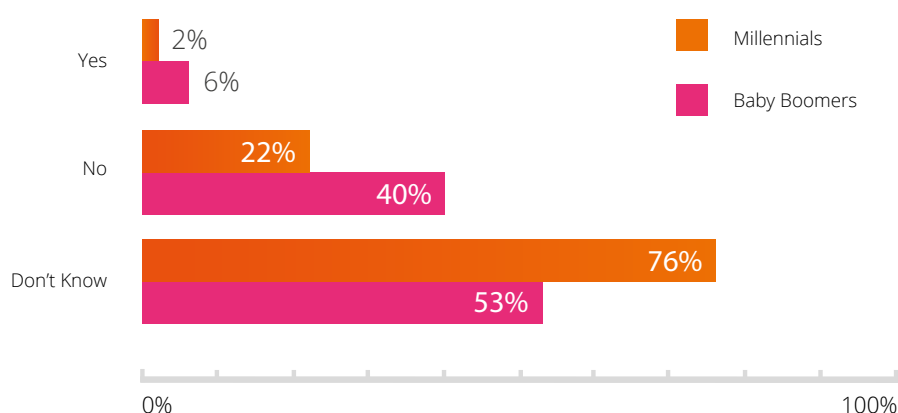
53% of Baby Boomers do not know if the Government's Industrial Strategy is bold enough to drive innovation. This figure suggests a possible lack of information around the Industrial Strategy and how businesses may benefit from this plan. Millennials are even less aware of the Government's strategy, with 76% reporting that they do not know how this will drive innovation throughout businesses. Does this highlight a gap in communication from the Government through to Millennials?

How do you see Brexit?

Opportunity
39%
52%

Threat
61%
48%

Millennials
Baby Boomers

0%   100%
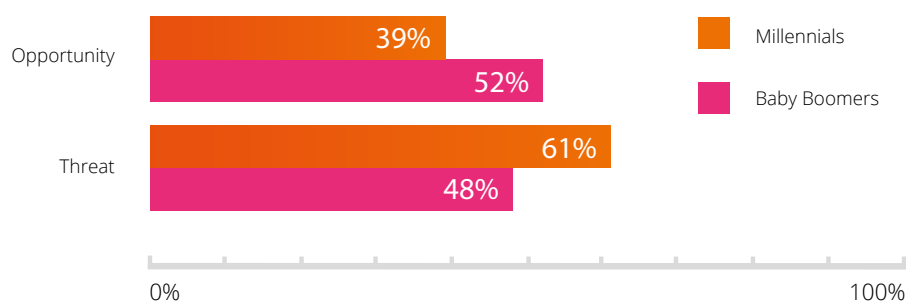
93%

of Millennials consider globalisation as an opportunity for their business

52% of all the respondents see Brexit as a threat this year. Millennials have heavily contributed to this figure as 61% see Brexit as harmful to the UK. As only 48% of Baby Boomers see Brexit as a threat, it is clear that the younger generation perceive the UK's exit from the European Union (EU) significantly more negatively than older generations. This response coincides well with referendum voting figures as around 75% of Millennials voted to remain in the EU[2]. As we move closer toward our exit out of the EU, Millennials still seem much more hesitant than their older colleagues.

Both generations see globalisation as an opportunity, though Millennials are slightly more confident about this. This positive outlook suggests a willingness to collaborate and trade internationally, expanding on information and exposure for UK businesses. The fact that Millennials are more likely to see globalisation as an opportunity suggests an openness from the leaders of tomorrow to embrace globalisation and build strong relationships across the world.

Frustrated by a lack of digital tools

Millennials who do not feel they have the right tools available to do their job effectively are 13% more frustrated by this than their older counterparts. This increase in frustration from the younger generation could be because Millennials are often perceived as early adopters of technology and therefore less tolerant of inefficient tools. Baby Boomers however, have seen systems and processes evolve during their working career and therefore appreciate the advancements of technology across this time. This statement is supported by the 12% difference in the perceived importance of a digital infrastructure. While less than half of Baby Boomers see this as integral in their ability to service and anticipate the needs of their customers, nearly two thirds of Millennials see this as a necessity and have had problems being able to resolve customer issues as a result.

Right tools

Having the right tools to work effectively is crucial for any growing business. It is then rather concerning that more than one third (36%) of business professionals reported not having the right tools to do their job effectively. This figure has not significantly changed since 2016, suggesting a lack of progression within these companies and a hesitation to embrace digitalisation.

It is also noteworthy to mention that of those that do have the right tools to do their job effectively, nearly half have said they are at least 50% more productive. 8% of Baby Boomers deem their productivity levels to have increased twice as much due to digital tools, whereas 24% of Millennials have reported the same level of increased productivity. This large difference could be due to the levels at which each age group sit within the business. While Millennials may work daily with various digital solutions (for example to analyse data and pull reports), many Baby Boomers are at levels within their organisations where they receive the output of this technology rather than being actual users of it. Could this explain the gap in increased productivity?

This familiarity with technology can also explain why 27% more Millennials, in comparison to Baby Boomers, see the automation of manual tasks as beneficial in allowing them to focus on value-add.

The ability to reimagine a business is deemed the most important attribute from both generations. This mutual opinion highlights the importance for leaders to work to embrace the digital future and have an open-minded view of the possibilities the digital era can enable.

Social media

Social media is playing a larger part in influencing business decisions. At present, respondents across generations see LinkedIn as their network of choice to learn about new services or suppliers, highlighting the importance of businesses (in particular B2B organisations) embracing social media as a way to reach customers and prospects. While Baby Boomers see Facebook as their second social networking choice, Millennials favour Twitter.

These results have displayed that whilst there are some differences between the generations, most seem to understand the capabilities of digital technology and how it can benefit an organisation.

The research also shows significant sways in opinion across the generational gap in terms of the expectations of access to technology and the efficiencies this creates. As the digital era continues and technology improves, Baby Boomers may become less tolerant to inefficient processes and move closer to the Millennial view.

74%

LinkedIn is the top social channel for learning about new suppliers and services

Leadership & Workforce

"Too many organisations are unprepared for (or unaware of) the changes that GDPR will bring and the new responsibilities placed on data controllers. Additional guidance is needed from the Information Commissioner's Office, and particularly for SMEs, on how to prepare for GDPR. Similarly, senior leaders must ensure they are doing all they can to manage the changes ahead with the information already available. GDPR is less than seven months away and we must avoid a situation where organisations are on the wrong side of the law, and at risk of large fines, without realising it."

Julian David - CEO, techUK

"Without strengthened efforts to improve cyber-security the undoubted potential of the UK's digital economy will be unfulfilled. Cyber resilience is increasingly important for all companies across the economy. They must continue to move from awareness to action, by ensuring cyber-security is a board level priority and making the right investments for their digital future."

Tom Thackray - Director for Innovation, CBI

Digital Readiness

18%

of respondents feel unprepared for a cyber-attack
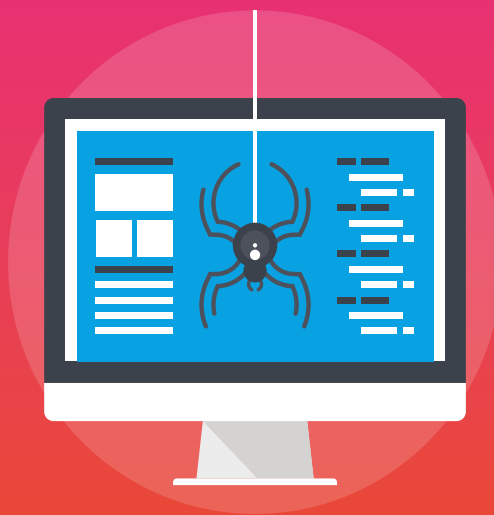
If the uncertainty at an economic and political level isn't enough for businesses to grapple with, the increasing expectations of customers, suppliers and markets continue with pace. Are organisations using digital technology as an opportunity to get on the front-foot to keep ahead of the competition? Have they transformed to become 'digital-ready' – using digital technology and associated new channels to enhance the way they operate internally with employees, or externally to connect with stakeholders and customers?

Before we go into this in more detail, this year we're looking first at the issues and threats that are driving digital readiness. One of the topics that has consistently grabbed the attention of British businesses is cyber-security. So, how are organisations faring when it comes to preparing for the increasing threats?

Is your organisation prepared for a potential cyber-attack?

Yes
2016 — 74%
2017 — 82%

No
2016 — 26%
2017 — 18%

0%   100%
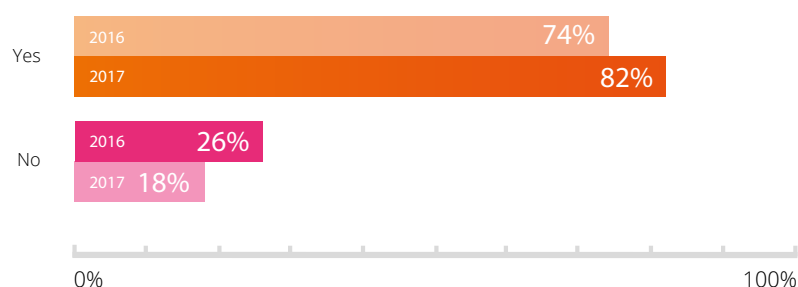
This year's survey shows a reassuringly positive trend regarding the number of people that now believe their organisation is prepared for a cyber-attack – 82%, up from 74% in 2016. Yet, worryingly, nearly one in five businesses are still not prepared for a cyber-attack and remain vulnerable to the critical risks this can trigger. Numerous examples of breaches throughout the last twelve months have demonstrated how organisations can be brought to a standstill, with their reputation in tatters.

Following the Government's 2016 pledge to invest £1.9 billion in cyber-security[3] in recognition of this danger, further commitments to vulnerable sectors have followed – such as £21 million specifically to help the NHS boost data and cyber-security efforts[4]. However, the Government appears to be using a carrot and stick method to ensure this issue is addressed. For example, with the introduction of the Data Protection Bill announced by the Department for Digital, Culture, Media & Sport in the summer of 2017, any organisation providing essential services may now face fines of £17 million, or 4% of global turnover, if they fail to protect themselves from cyber-attacks[5].

Has the Government provided enough budget to implement the digital agenda? (Public sector respondents only)

2016

Yes
15%

No
85%

2017

Yes
19%

No
81%
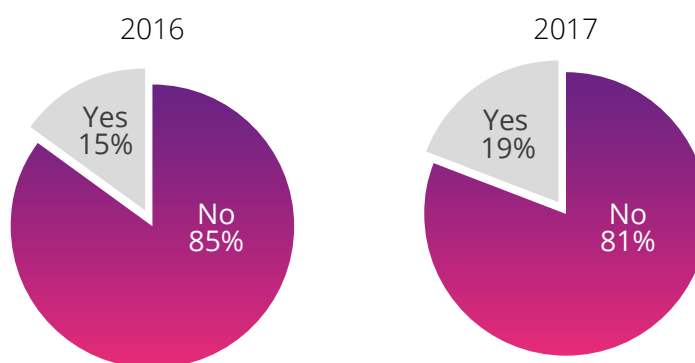
Despite a slight improvement of 4% on 2016 figures, 81% are still not confident the Government's allotted budget for digital is enough to embrace the significant opportunity it could deliver. That is despite important announcements made during the past year, such as the NHS Digital initiative and its budget for the high profile 'Global Digital Exemplars'. How can the public sector effectively step up to service communities effectively, without confidence in having the right budget levels to actually implement the required changes?

So, what else is vying for top position as the key issue that businesses are grappling with?

New this year, we asked about how the impending GDPR, that come into force in May 2018, will affect businesses, and indeed how many thought it was relevant to them.

Do you believe that the new GDPR regulations will affect your business?

Yes	47%
No	15%
Don't Know	38%

0%   100%
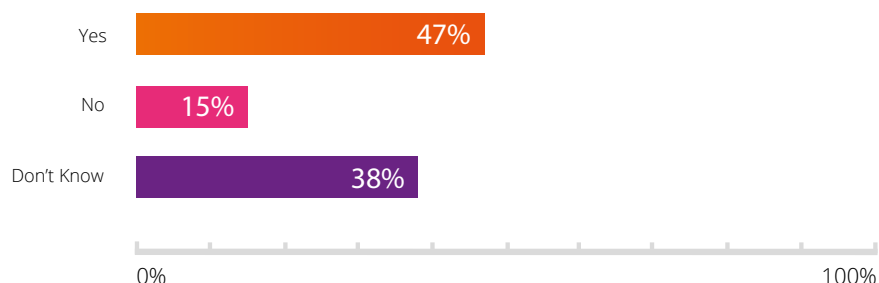
Alarmingly, 38% of respondents reported they simply do not know if the new regulations will affect their business. There is a real disconnect with the facts – the reality is that nearly every organisation that holds data will be affected and required to comply with the new regulations. Time is clearly running out and those who are not ready will face fines.

Of those that said 'yes' to the above question, we investigated further.

Do you believe your business will be ready for the new GDPR regulations by May 2018?

Yes	75%
No	12%
Don't Know	13%

0%   100%

Despite the looming deadline of the GDPR, a worrying 25% of respondents revealed they were either unsure or not confident their organisation is going to be ready for the deadline, highlighting another significant risk to businesses in 2018. The recent horrifying data breach at Equifax in the USA, affecting 143 million people, means they could have been fined US$124m if they were subject to the GDPR regulations[6].

So with these big issues gathering pace, are UK organisations embracing digital to help them meet the challenges? Indeed, what constitutes 'digital' is itself evolving. One of the transformative technologies that is now an essential ingredient is the Cloud, a trend which has accelerated over the last twelve months. How are British businesses reacting to the Cloud, and what are the levels of adoption?

23

Has your company invested in Cloud-based systems?
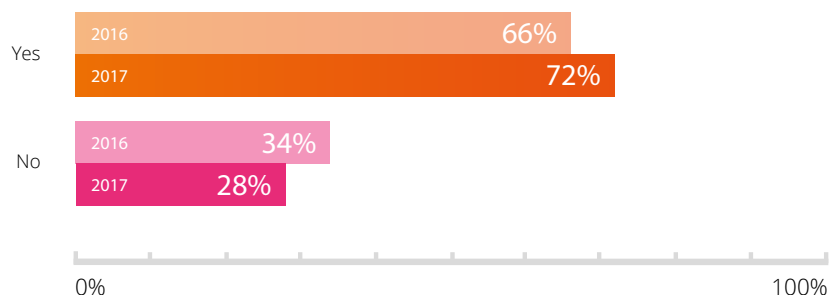
The increase of 6% of companies investing in the Cloud further tips adoption of this technology trend into a majority. Could this be linked to increasing confidence in using the Cloud and indeed the security of the Cloud? Our mid-year survey on Cloud adoption (June 2017) suggests this may be the case, with 80% of respondents stating that high profile cyber-attacks had not deterred them from adopting Cloud technology.

Of those respondents that said they had yet to invest in the Cloud, we asked an additional question.

Will your company be looking at adopting Cloud-based technology in the future?
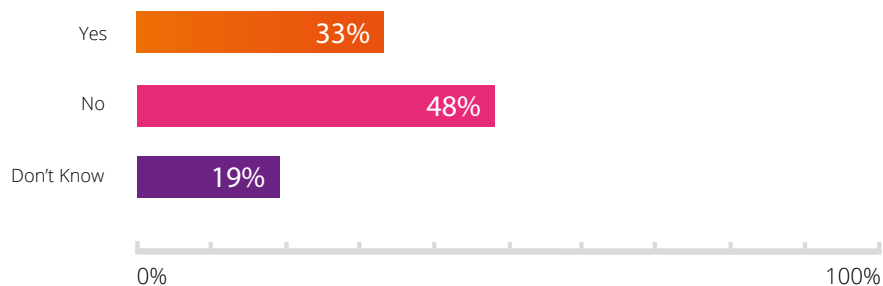
Of the respondents that currently do not have a Cloud solution, a third are looking or planning to adopt Cloud technology. This trend was also backed up by our Cloud survey. It was interesting to note that 27% of this Cloud adoption is being driven by leaders within the finance department.

Exploring attitudes to the Cloud a little further, we asked what respondents felt were the top technology trends for this year, where Cloud was one of several options.

Digital Readiness

"I see a lack of up-to-date, real-time information as a big problem – although not surprising, particularly in further education. Many systems are no longer fit for purpose. A lack of real-time information means progress happens far too slow and data cannot be acted upon in time."

Ricky Coxon - Executive Director of Further & Higher Education, Grimsby Institute

"Cloud is with us and it's here to stay. It's an increasing part of my agenda. Certainly as human beings we'll all be using applications in our daily lives that are rendered from Cloud-based services. A driving force in this industry seems to be data security, considered originally to be weakness."
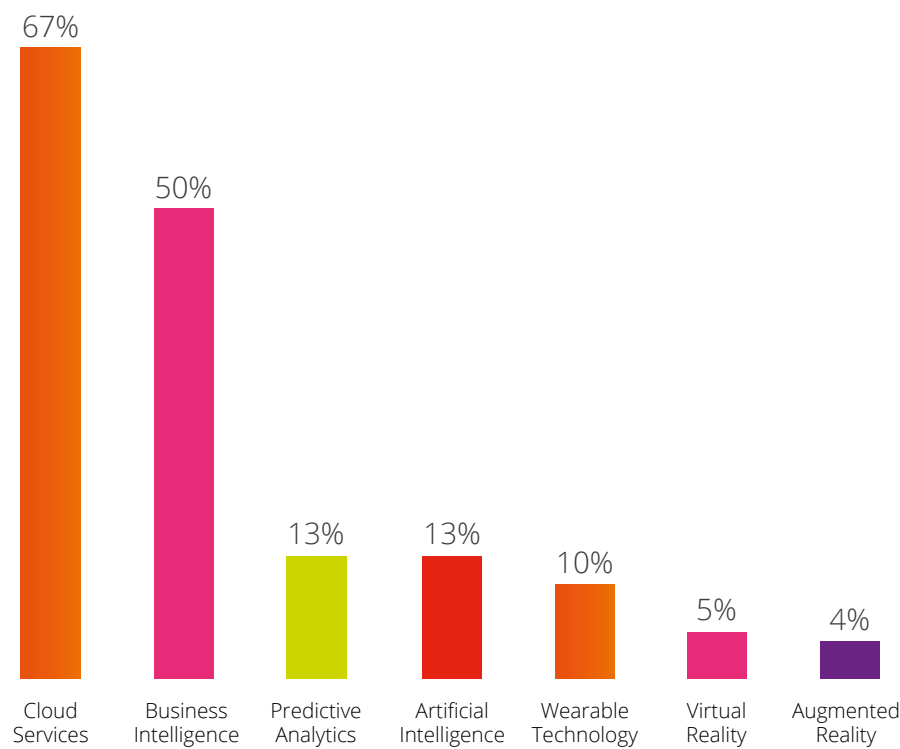
Leslie Ross - Director of Change and IT, St Andrew's Healthcare

"The Cloud has been excellent for us, we would never go back to a static server-based system. It means we can offer our staff flexibility in how and where they work, which has helped with productivity and employee satisfaction."

Kit Burgoyne - Co-owner and founder, Aspire Furniture & Aspire Manufacturing

Which of the following technology trends are you seeing in your daily life?

67% Cloud Services
50% Business Intelligence
13% Predictive Analytics
13% Artificial Intelligence
10% Wearable Technology
5% Virtual Reality
4% Augmented Reality

The Cloud, at more than two thirds (67%) and Business Intelligence at 50% came out as the top trends for this year, further evidencing the propensity to embrace the Cloud. Given that the associated benefits of the Cloud are its ease of access to real-time information, we wanted to explore whether organisations are using it to speed up decision making and become a more agile business.

Do you have access to accurate up-to-date (real-time) information to make informed decisions?

	2016	2017
Yes	62%	70%
No	30%	19%
Don't Know	8%	11%

0%   100%
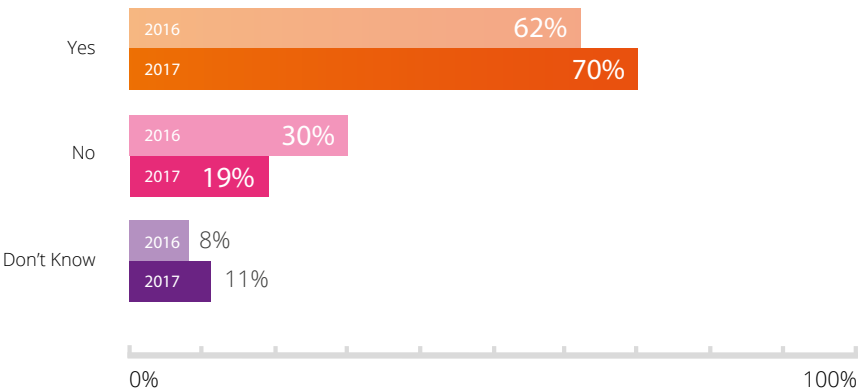
The results indicate a 10% improvement on those with access to up-to-date data to make informed decisions. Whilst in 2016 nearly one third of respondents (30%) said they do not have access to real-time information, just 19% face this barrier in 2017.
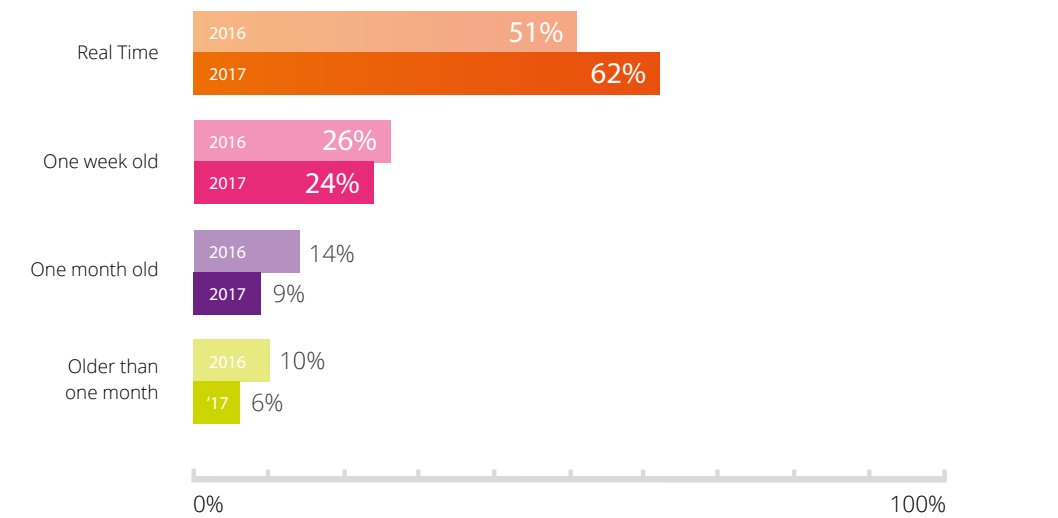
Real-time access to data should give people greater confidence in the information they are using, helping them improve performance, address problems and avoid making decisions based on historical data. We then explored the trends around business confidence in the next question.

How confident are you that your business has a connected, organisational-wide view of its business-critical data?

Confident	2016 — 62%
	2017 — 65%
Not Confident	2016 — 39%
	2017 — 35%

0%   100%
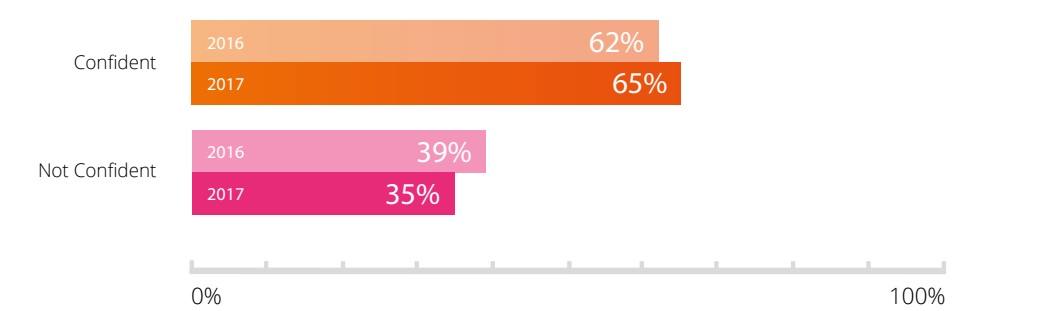
Although over one third (35%) still lack confidence in a connected view of data, there are encouraging signs, with an increase of 3% of respondents feeling 'very confident' and two thirds (65%) claiming to be either 'confident' or 'very confident' in having an organisational-wide view of critical data. When looking at the businesses that are confident, there are some positive trends towards real-time data. We asked those respondents a further question to explore this area.

If confident, how up-to-date is this data?

Real Time	2016 — 51%
	2017 — 62%
One week old	2016 — 26%
	2017 — 24%
One month old	2016 — 14%
	2017 — 9%
Older than one month	2016 — 10%
	'17 — 6%

0%   100%

28

Encouragingly, almost two thirds (62%) claimed that this data is available in real-time, an upwards trend from only 50% in 2016. And whilst there is a 10% improvement in the availability of real-time data, there's also a downwards trend in organisations using data older than one month, with only 5% of businesses admitting to this - down from nearly 10% in 2016.

As you are not confident, do you believe your company struggles to track business performance as a result?

Yes	2016 **42%**
	2017 **65%**
No	2016 **34%**
	2017 **19%**
Don't Know	2016 **24%**
	'17 **16%**

0%　　　　　　　　　　　　　　　　100%
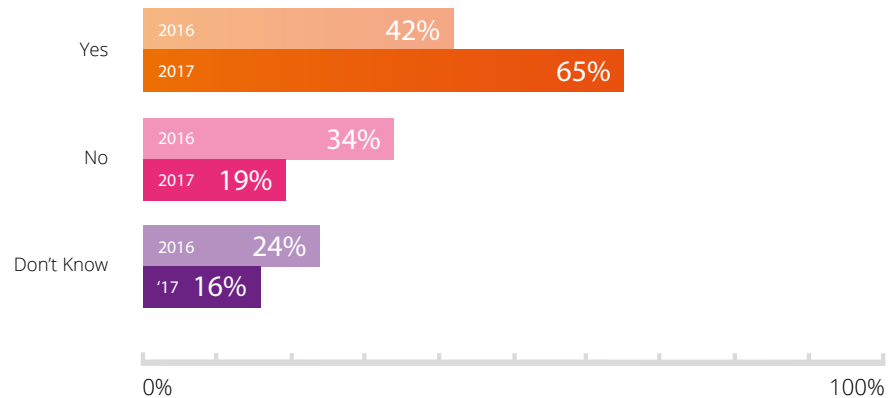
In a dramatic swing of 23% from 2016, nearly two thirds of this year's respondents revealed they believe their company struggles to track business performance as a result of their lack of confidence in having a connected up-to-date view of their organisation. Whereas 42% said yes to this question in 2016, more than 65% confirmed their fears in our latest survey.

Productivity remains a business-critical issue, here in the UK and globally. According to figures from the UK's Office for National Statistics and reported in the Guardian in June 2017, the UK has a particularly chronic case of the 'Productivity Puzzle'[7]. Although there are many dimensions to this puzzle, it's widely reported that firms can benefit from a 'productivity boost' from connected technology.

88%

believe a connected digital infrastructure is important to anticipate and service customer needs

Customer Focus

49%

feel social media has enabled them to improve the way they interact with customers

Are digitally-savvy customers changing your digital face?

Digital is disrupting how businesses need to deliver effective customer service. Engagement with customers is transforming as they become more digitally-savvy. Just as organisations want a real-time dashboard to glance at vital statistics across their business, customers are looking for the same level of information on the channels they wish to operate.

Businesses are grappling with how to keep ahead of their customers' needs, to maintain and delight them in every interaction. So providing a digital face to a business is fast becoming the norm. In the same way as 'born-digital' Millennials have an expectation about using digital devices to empower them in the workplace, canny customers are now demanding the same level of service across all relevant digital touchpoints.

And increasingly, businesses failing to embrace these changes are missing out as customers turn their back on brand loyalty and instead look for service that is personalised, and demonstrates innovation.

We looked at up-and-coming trends around engagement, and how this could drive customer satisfaction.

Customer Focus

"Microsoft are now integrating LinkedIn into Office 365, so you will have a free global address book of 55 million contacts at your fingertips. It's phenomenal, and a complete no brainer for business."

Stephen Ward - Managing Director, Clerksroom

"Customers should be at the front and centre of every business strategy. We are in a new customer centric era, in which businesses that fail to embrace and adopt technology to improve customer experience will be at a significant competitive disadvantage."

**Adam Carson** - Managing Director, BA CityFlyer

Which of the following are your customers demanding more of?
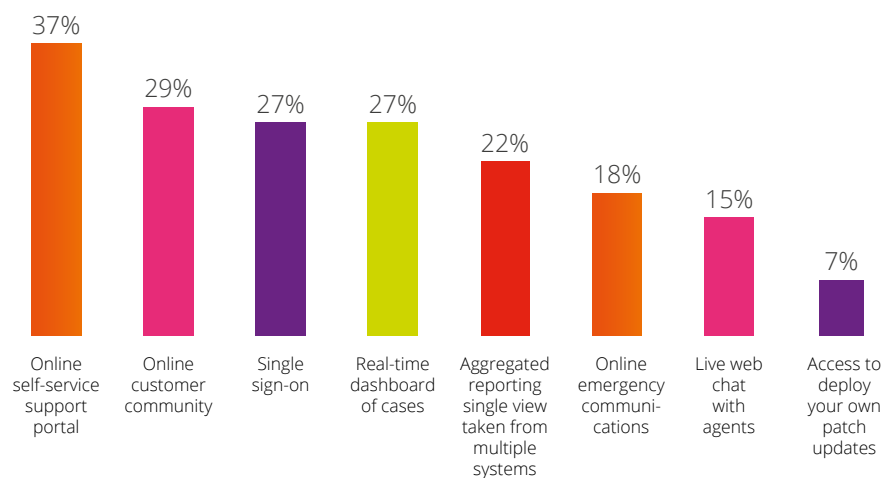
A digital presence for customer engagement is evolving as quickly as Cloud technology develops. The fastest growing areas underpinning a move to Cloud services are: looking for online self-service support portals (37%), online customer community (29%), single sign-on (27%) and real-time dashboards (27%). It's an indication of how customers want a digital face to service their needs – easily, efficiently, any time and anywhere.

Has social media enabled you to improve/innovate the way you interact with your customers?
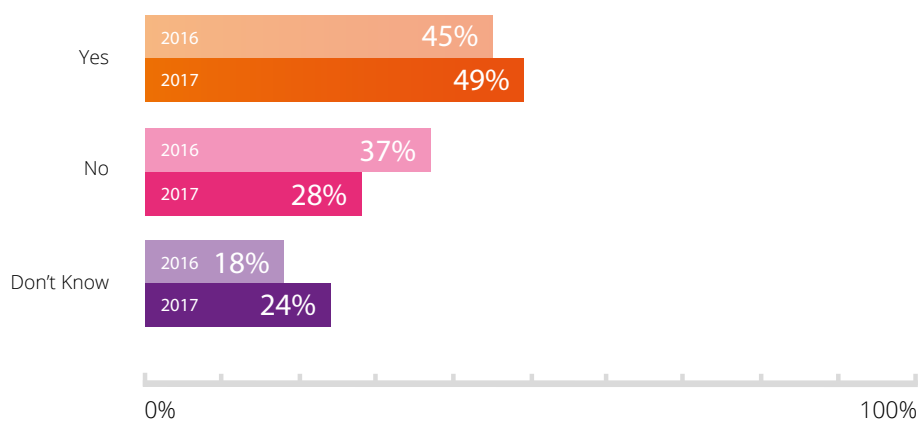
It's perhaps not surprising to see a rising trend towards using social media as an engagement channel with customers. The slight increase of 4% to 49% reveals people see this as allowing them to improve or innovate in the way they interact with customers. And in some sectors, such as education, it is as high as 60%.

What's also worth noting is what customers – and indeed prospects – are using social media for.

Do you use social networks to learn about new services or suppliers?

Yes	48%
No	52%

0%   100%
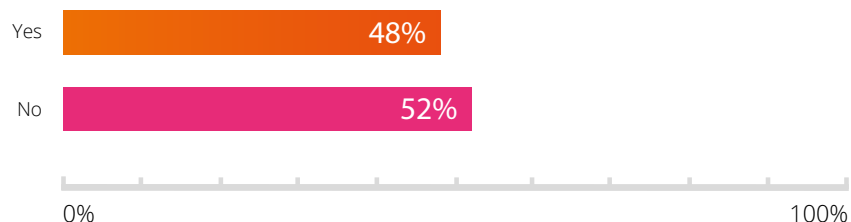
We asked about organisations' propensity to turn to social media to learn more about new services or suppliers. Although the results are almost evenly split now (48% said 'yes' compared to 52% saying 'no'), we will monitor this trend to see if it will continue to rise.

Feedback indicates that more customer interactions are happening on social channels for various purposes – certainly not just to complain. Organisations failing to follow these trends are missing out. Not only does it demonstrate a lack of understanding around the role of digital in the customer-centric business, they risk losing out on both referrals and re-engaging customers.

44%

feel pressure from customers to deliver a more digital face to service via social media

34

Which social networks do you use to learn more about new services or suppliers?

74%	65%	62%	40%	21%	6%	5%
LinkedIn	Facebook	Twitter	YouTube	Instagram	Snapchat	Other
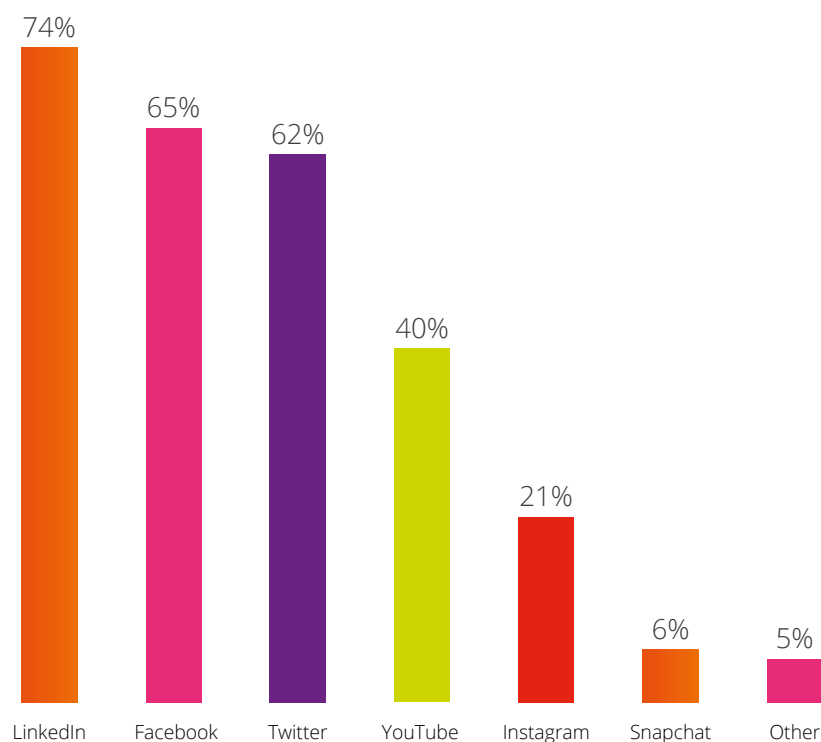
Five channels stood out as receiving the highest levels of use – LinkedIn, Facebook, Twitter, YouTube and Instagram.

What's clear at this stage is that organisations are increasingly canny when it comes to making purchasing decisions and how they are influenced. The traditional sales engagement is under the same threat of disruption and any organisation that fails to consider social media as part of a customer-centric digital strategy will undoubtedly miss out on opportunities to service, engage, influence and sell.

The trend towards digital and social is something every organisation can use to its advantage. These have become opportunities that British businesses simply cannot afford to ignore.

Conclusion

This year's research, once again carried out with over 1,000 UK business professionals, provides us with unprecedented insights into the trends emerging around the state of readiness of British businesses within the digital era.

What is clear from this year's findings is that within this era of change, which addresses all factors from the economy, politics, social and digital, we have identified that businesses have a real chance to reimagine their organisation and successfully take control of their commercial destiny. Yet concerns remain about whether leaders are fit for the challenge to lead their businesses in the digital era, which must surely be one of the biggest barriers to digital transformation facing the UK.

Given the continuing overwhelming agreement that an ability to reimagine a business in the digital era is the most important attribute of a leader, this arguably links to concerns around Britain's challenges with productivity and the fact that the country is lagging behind its counterparts. If workforces lack confidence in their leadership, this can only serve to demotivate employees, thwart productivity and cost businesses money.

Indeed, if organisations continue to be distracted by issues out of their control and worry about possible changes that they have no ability to influence, they will miss the opportunity to create an organisation fit for the future. For businesses to be fully digital and embrace the world of possibilities that exists, the findings reveal that arguably, leaders need to get focused on the challenges that they can control. Yet the research reveals that many businesses still remain vulnerable to very real and present threats such as cyber-security breaches and new legislative requirements such as GDPR - critical components of what is takes to be in a a state of digital readiness.

More encouraging, however, are the findings that show a propensity towards investing in Cloud technology, and an increased recognition of how a connected digital infrastructure can provide an advantage. 75% of the global workforce will be made up of Millennials by 2025[8]. This must certainly be a call to action for leaders to overcome the perception that they are not fit to lead their business in this digital era, and rebuild trust that organisations are being effectively led and inspired to face this 4th Industrial Revolution.

Our state-of-the-nation Trends Survey Report has uncovered some worrying trends in the state of leadership in this digital era, whereas it should be seen as opening a host of opportunities for businesses. For those organisations embracing technology and adopting a digital-first strategy, there is a real chance to steal a march on what could be complacent competition.

So, what can you take from this report to progress and be better equipped for the future?

We have identified five critical questions that businesses should consider as a blueprint for success in the digital era:

1. How does the leadership of your business stack up when considering its skills and vision of the future in this digital era?

2. Have you created a gap analysis in your workforce that can help to unlock its potential, drive productivity and support business growth?

3. Does your level of preparedness for cyber-attacks or changes in legislation, such as GDPR, instil confidence across your organisation.

4. What is your organisation's state of readiness around its digital infrastructure?

5. What is the potential cost to your business if you do not have a digital-first strategy?

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[6] *Equifax lesson: It's time for tougher rules, regulations, fines to combat breaches, 19 Sept 2017, www.zdnet.com*

[7] *Why is productivity so low since the crisis – particularly in the UK?, 21 June 2017, www.theguardian.com*

[8] *Big demands and high expectations: The Deloitte Millennial Survey, January 2014, www.deloitte.com*

Demographics

UK Headquarters >10%

South East inc. London	**45%**
Midlands	**12%**
North West	**10%**

Job Role >15%

IT	**19%**
Finance	**17%**
Management	**17%**

Industry Type >5%

Education	**22%**
NHS / Health / Care	**12%**
Charity	**11%**
IT / Technology	**10%**
Legal	**9%**

Generation

Baby Boomers	**38%**
Born 1963 or before	
Generation X	**44%**
Born 1964 - 1980	
Millennials	**18%**
Born after 1980	

Gender

Male	**57%**
Female	**43%**

About Advanced

Advanced is the UK's third largest provider of business software and services with a £220m turnover, 20,000 customers and 2,000 employees. We provide enterprise and market-focused solutions that allow our customers to reimagine what is possible, innovate in their sectors and improve the lives of millions of people in the UK.

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