WHITE PAPER — October 2017

The challenges facing European IT Decision Makers engaged in digital business transformation.

A COMPARATIVE SURVEY OF KEY IT DECISION MAKERS ACROSS EUROPE.

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INTRODUCTION

Businesses today are faced with disruption on many fronts.

After recovering from a recession across Europe, organisations are becoming more confident in the financial outlook for their markets. Yet, US foreign policy, Brexit, the rise of an anti-globalism sentiment and questions about the future of the EU have created new headwinds and ushered in an era of uncertainty.

During times of uncertainty, businesses have to make a choice. Whether to hold back on future investments until there is more clarity over the global outlook. Or whether to continue investing to fend off new competitors, differentiate, get closer to customers, reduce costs, achieve efficiencies and avoid falling behind.

Transforming for success in a changing world is relentless. It demands the agility to change at a moment's notice and deliver quick wins that drive measurable improvement. In today's dynamically changing global markets, planning for the enterprise is no longer just about long term decision making. It's about acting today while planning for change tomorrow.

Digital transformation is seen as a key enabler of business success. Digitising operations changes an organisation's ability to engage with employees and customers alike. It helps businesses to stay competitive and relevant. It allows business leaders to implement strategies that require a change in direction to suit the geo-political landscape, whilst driving innovation to fend off disruption. It can break down barriers to trade, widen access to the talent pool for specialist skills, enable collaboration of geographically dispersed teams and provide real-time communications with customers. But the path to digital transformation is rarely simple.

Digital transformation needs to account for years of investment in technologies that still suit the needs of a specific task or department. At the same time, it must allow businesses to respond at pace to the new technology demands presented by employees and customers. It should act as a bridge between the old and the new and allow IT leaders to transform and maintain the status quo.

IT needs to support a strategic imperative to change. Add into the mix the wider context of an endlessly changing world, and IT leaders' responsibilities have shifted up a gear. Technology decisions are being made in a world where the ability to predict the future has been reduced to weeks, or even days, rather than years. Where the unexpected has become the new normal. And, where disruptive change is considered to be inevitable.

This research sets out to understand the objectives, opinions and challenges of IT decision makers across Europe operating in today's uncertain times.

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IN TODAY’S DYNAMICALLY CHANGING GLOBAL MARKETS, PLANNING FOR THE ENTERPRISE IS NO LONGER JUST ABOUT ABOUT LONG TERM DECISION MAKING. IT’S ABOUT ACTING TODAY WHILE PLANNING FOR CHANGE TOMORROW.

SURVEY METHODOLOGY

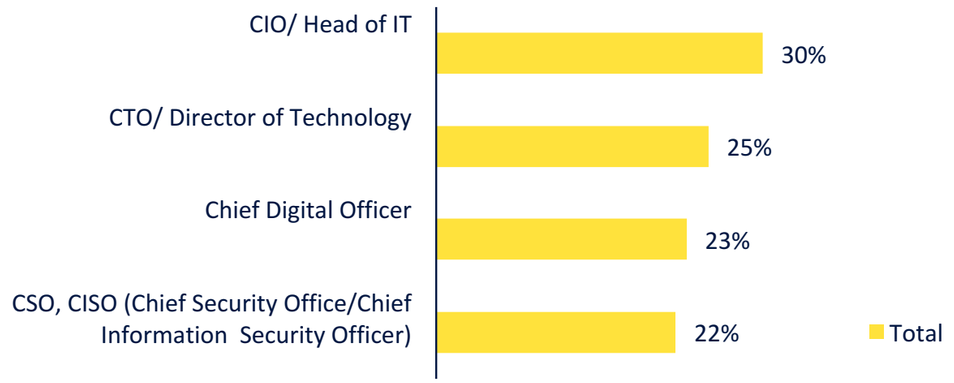
Interoute explored how organisations in the UK, France, Germany, Denmark, Italy, Sweden, Netherlands, Belgium and Switzerland are planning for success in a changing world. It reviewed their confidence and response to the changing political climate, the impact that uncertainty has on technology decision making and how technology is preparing organisations for the opportunities that lie ahead.

The online survey of 820 IT decision makers in organisations across Europe with an annual turnover of 200 million to five billion Euros was conducted by Coleman Parkes Research. Respondents to the survey included CIOs, Heads of IT, CTOs, Directors of Technology, Chief Digital Officers, CSOs, and CISOs based across the following sectors: legal services, financial services, manufacturing and engineering, media and entertainment, travel and transportation, government and software providers.

Coleman Parkes Research is a business-to-business research specialist with deep experience across all major verticals across the globe. It combines its heritage of connecting senior C-level decision makers with its understanding of market trends, to provide context and insights into the technology status quo.

FIGURE 1.

Respondents by job title.



CONFIDENCE IN A CHANGING POLITICAL CLIMATE

Political events change market dynamics. They force transformation and provoke uncertainty. The ongoing Brexit discussions, the election of President Trump, Emmanuel Macron's victory over Marine Le Pen, the emergence of a new coalition government in Germany and the volatility between Russia and the US, have all influenced the macro-economic trading environment.

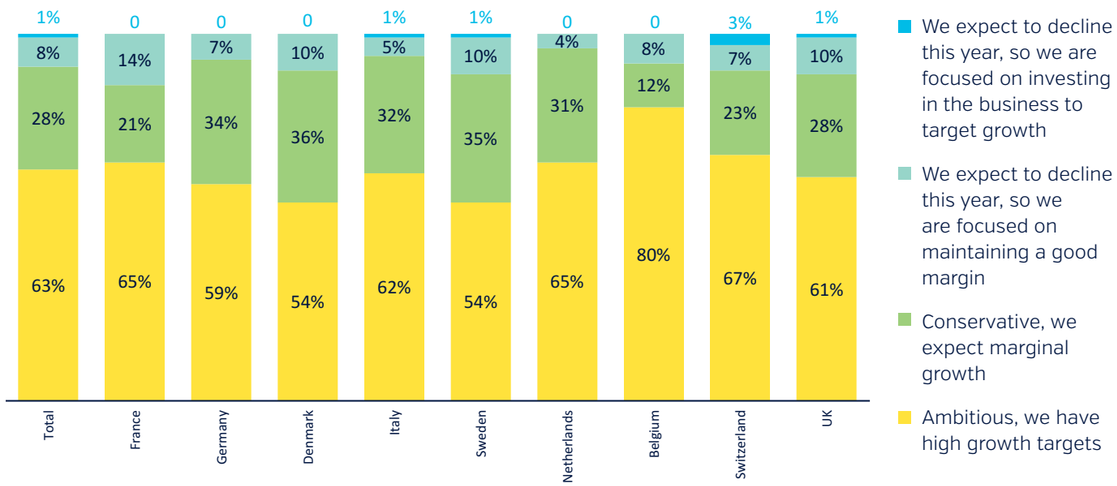
Yet these turbulent times do not seem to have adversely affected the optimism of business.

Our survey shows nine in ten companies (91%) are confidently targeting growth for the year ahead, with almost two-thirds (63 per cent) targeting high-growth. Belgium is the most confident about the fiscal year ahead, with 80 per cent focused on driving high-growth, followed by Switzerland (67 per cent), France (65 per cent) and the Netherlands (65 per cent). Sweden and Denmark were the least optimistic, with just over half (54 per cent) having high-growth targets.

The confidence around growth, can in part be attributed to the positive reaction to the changing political climate. Times of change and uncertainty are creating opportunities that fuel businesses ambitions. Britain's decision to leave the EU has forced organisations to review the legal, financial and economic aspects of their European operations and consider whether London remains the most favourable location in the future.

FIGURE 2.

How would you describe your organisation's outlook for the next 12 months?



Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK (170)
Interoute Digital Transformation Survey. By Coleman Parkes Research. September 2017

Two European agencies – the European Banking Authority (EBA) and European Medicines Agency (EMA) – that are currently based in the UK are inviting competitive bids for their relocations[1]. Eight cities have already applied to become the next host of the EBA and 19 applications were submitted to become the home of the EMA.

This shift is not just isolated to EU agencies. Approximately 10,000 financial sector workers could leave London if the UK is denied access to Europe's single market, according to a Reuters poll[2]. This threat has prompted banks to make contingency plans. Many have developed proposals to shift staff to other EU financial centres, with Dublin, Frankfurt and Paris among the leading destinations.

Morgan Stanley, Citi and JPMorgan have said[3] Frankfurt will be their EU trading base after Brexit, and Lloyds has put forward its intention to move its operations to Brussels. Meanwhile, HSBC has announced plans[4] to move a thousand employees to Paris.

All in all, the political climate, whilst uncertain, presents opportunities for those cities and companies that can move at pace. Seven in ten (70 per cent) IT leaders across Europe see Britain leaving the EU as an opportunity for their company.

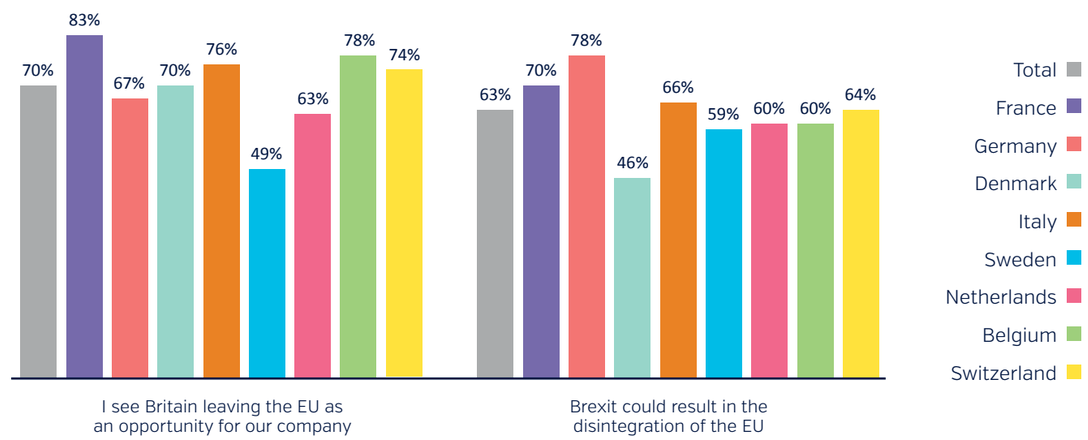
70%

Seven in ten IT leaders across Europe see Britain leaving the EU as an opportunity for their company.

The business confidence surrounding Britain leaving the EU rises to 83 per cent in France, 78 per cent in Belgium, 76 per cent in Italy and 74 per cent in Switzerland. Brexit has simply reinforced the position and status of these countries. This is also reflected in the confidence of IT leaders. Germany, the Netherlands and Denmark are, however, less sure about the impact Brexit will have.

FIGURE 3.

The view on Brexit across Europe.



Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK not asked this question.
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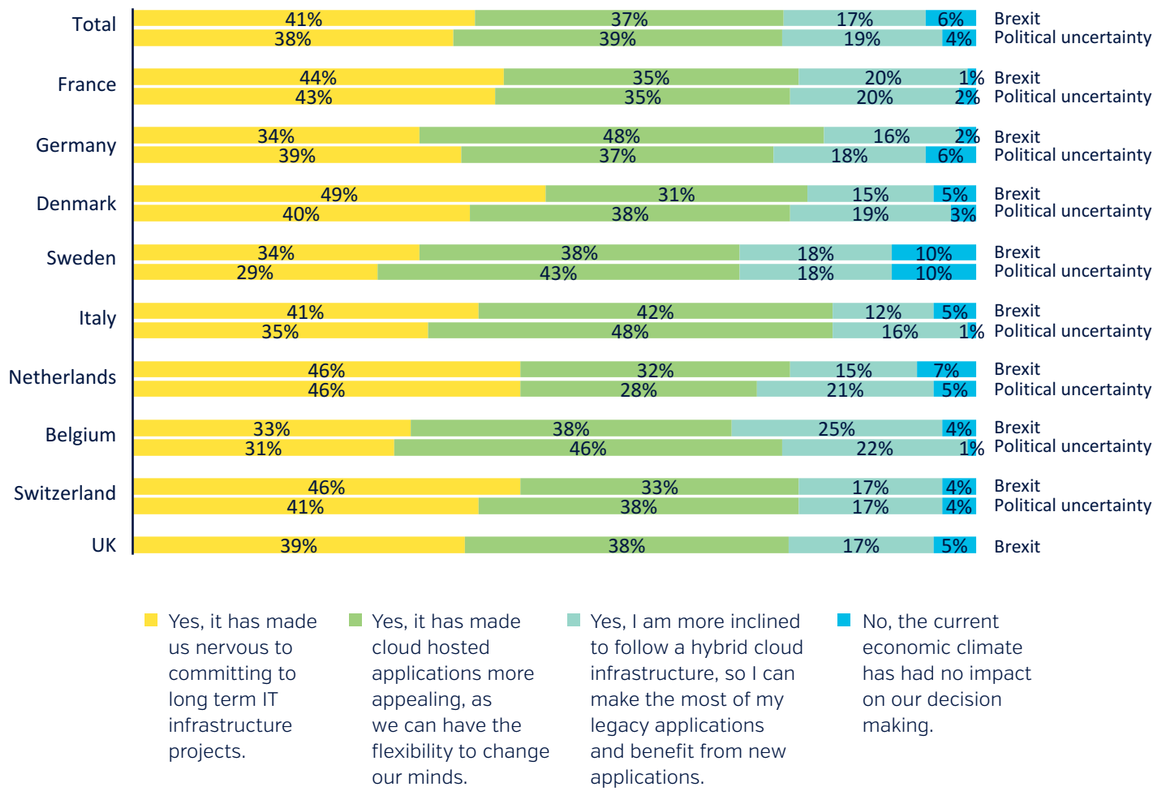
IT LEADERS INVEST IN FLEXIBLE IT INFRASTRUCTURE IN RESPONSE TO POLITICAL DISCOURSE

FIGURE 4.

Has the current uncertain economic climate (e.g. US and Russian foreign policy, Brexit) had any impact on your decision-making process?



Q.7a. Has the current uncertain economic climate with Brexit, had any impact on your decision-making process? Single-coded question
Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK (170)

Q.7b. Has the current political uncertainty in Europe (e.g. US and Russian foreign policy) had any impact on your decision-making process? Single-coded question
Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK (0)

Interoute Digital Transformation Survey. By Coleman Parkes Research. September 2017

Organisations have had no choice but to respond to the changing climate. For some, it has presented new opportunities that were previously unseen; for others, it has given rise to new challenges. Despite the positive outlook surrounding Brexit, 63 per cent of IT leaders think it could ultimately result in the disintegration of the EU. In Germany (78 per cent), France (70 per cent) and Italy (66 per cent) this belief is even stronger. These sentiments are likely ignited by political dialogue. Only recently, French President Emmanuel Macron[5] called on his co-members of the European Union to review political reforms or risk the "slow disintegration" of the EU.

Given the intricacies of the current climate, it is no surprise that 95 per cent of IT leaders have changed their decision-making process as a result of Brexit, and 96 per cent have changed their decision-making process in response to US and Russian policy. Overall, the majority of IT leaders have shifted their IT infrastructure choices to focus on driving more agility. Across Europe, three in five organisations (61 per cent) are pursuing new digital transformation projects in response to the changing landscape.

Recognising that the competitive landscape is shifting, organisations are making technology infrastructure decisions that allow them to adapt and change continuously. Even a simple strategic shift in business strategy, such as a relocation of personnel to another European city, requires a shift in IT infrastructure. It requires the right migration strategy to ensure that existing legacy services and new cloud based services can work together.

61%

Three in five organisations across Europe are pursuing new digital transformation projects in response to the changing landscape.

Some companies are preparing for change in a different way; for example, by being more cautious with their investments due to the current economic climate in the EU, especially while Brexit negotiations continue.

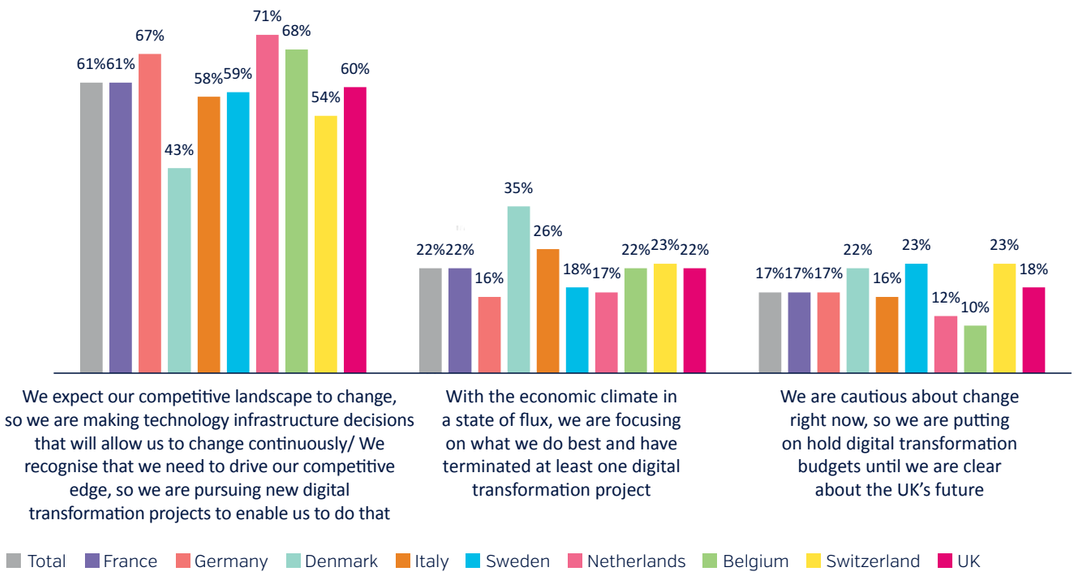
Two in five (41 per cent) decision makers admit they are nervous about committing to long term IT infrastructure projects. As a result, one in five (22 per cent) have terminated at least one digital transformation project. A further, 18 per cent are cautious of change right now and are putting their digital transformation budgets on hold until the future is clear.

When it comes to driving change in the current climate:

- *The Netherlands is leading the digital transformation drive, with 71 per cent of IT leaders looking to drive their competitive edge by pursuing digital transformation projects or making technology infrastructure decisions that allow continuous innovation. Belgium came a close second at 68 per cent, against a European average of 61 per cent.*
- *Denmark has reacted with the most caution to the economic climate, with 35 per cent of IT leaders terminating at least one digital transformation project, against an average of 22 per cent across the board.*
- *Sweden and Switzerland are still driving for change, but nearly a quarter have paused in reaction to the Brexit change. In total, 23 per cent of IT leaders in Sweden and Switzerland are cautious about change right now. In response to this, they are putting digital transformation projects on hold until the future of the UK is clear.*

FIGURE 5.

How would you best describe your organisation's attitude to driving change?



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Netherlands to drive digital transformation is not new. In January 2017[6], the EU's Digital Transformation Scoreboard ranked the Netherlands top in its digital infrastructure index. It cited the Netherlands' high supply of digital skills and enterprise access to fixed broadband connections and software for sharing purposes as its key strengths in leading the way.

41%

Two in five decision makers admit they are nervous about committing to long term IT infrastructure projects. As a result, one in five (22 per cent) have terminated at least one digital transformation project.

IGNITING DIGITAL TRANSFORMATION: A STRATEGIC RESPONSE TO CHANGE

Technology planning is now rooted in how quickly an organisation can facilitate change. Disruption is the new normal for businesses. Significant change in market dynamics is no longer a consideration but a given. Organisations need to fend off disruption, create competitive advantage and get closer to employees and customers, which means they need to be more efficient and agile.

This requires organisations to digitally transform their business. It requires the ability to rationalise, consolidate and create a flexible ICT foundation that delivers both operational stability and cloud flexibility across an expanding, changing geographic footprint.

As a result, nearly two in five (37 per cent) businesses said cloud hosted applications are more appealing as they provide the agility for the organisation to change direction in the future. Just under a fifth (17 per cent) said they were more inclined to follow a hybrid infrastructure, to make the most of their legacy applications and benefit from new ones.

A country-by-country view:

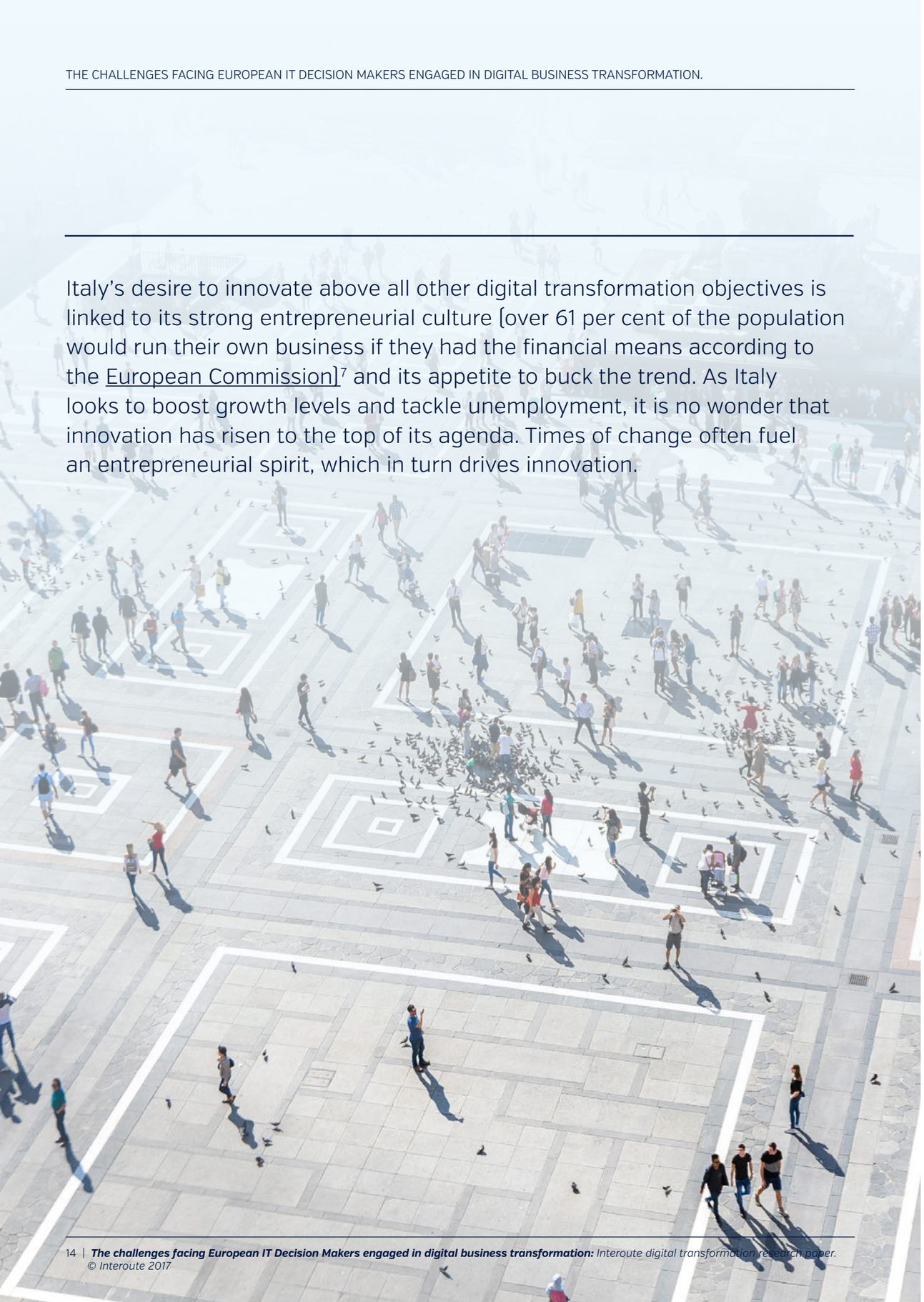
- *Denmark is the most nervous about committing to long term IT infrastructure projects in response to Brexit at 49 per cent, against a European average of 41 per cent. The Netherlands is the most nervous in response to US & Russian policy change at 46 per cent, against the European average of 38 per cent.*
- *Germany has found cloud hosted applications the most appealing as a result of Brexit at 48 per cent, compared to the European average of 37 per cent.*
- *Sweden has found cloud hosted applications the most appealing as a result of US and Russian policy change at 48 per cent, against a European average of 39 per cent.*
- *Belgium is the most inclined to follow a hybrid cloud infrastructure as a result of Brexit at 25 per cent, versus the average of 17 per cent. Belgium and the Netherlands have been motivated by US and Russian policy at 22 per cent and 21 per cent respectively, against an average of 19 per cent.*

Alongside the need for greater agility, there are a growing number of strategic imperatives that drive digital transformation. These motivations range from improving the employee experience in an effort to support a rise in productivity to the ability to interact with customers in real-time and an emphasis on innovating to drive a competitive edge. The pressure on digital transformation projects to achieve these goals has never been more prominent, leaving organisations with the need to define and prioritise their objectives and efforts.

The top digital transformation objectives across Europe are:

- ***Modernising the business of IT*** *to improve operations and reduce costs ranked highest at 46 per cent. The emphasis on modernisation rose to 62 per cent in* ***the Netherlands****, and fell to 41 per cent in* ***France and Italy****.*
- ***Enhancing the employee experience*** *by getting the workforce to collaborate more by enabling mobile and social capabilities ranked second at 44 per cent. The focus on the employee was highest in the* ***Netherlands*** *at 54 per cent and lowest in* ***Italy*** *(34 per cent).*
- ***Improving the customer experience*** *by enhancing customer engagement and experience ranked third with a 41 per cent average across Europe. This rose to 54 per cent in* ***the Netherlands*** *and fell to 34 per cent in* ***Germany****.*
- ***Globalising the infrastructure*** *to leverage skills from outside of a geographic location ranked fourth with a 39 per cent average in Europe. This increased to 53 per cent in* ***Belgium*** *and dropped to 23 per cent in* ***Italy****.*
- ***Innovating*** *to develop a new revenue source to drive a competitive edge came in fifth at 38 per cent, rising to 51 per cent in* ***Italy*** *and falling to 28 per cent in* ***the Netherlands****.*

Italy's desire to innovate above all other digital transformation objectives is linked to its strong entrepreneurial culture (over 61 per cent of the population would run their own business if they had the financial means according to the European Commission)[7] and its appetite to buck the trend. As Italy looks to boost growth levels and tackle unemployment, it is no wonder that innovation has risen to the top of its agenda. Times of change often fuel an entrepreneurial spirit, which in turn drives innovation.



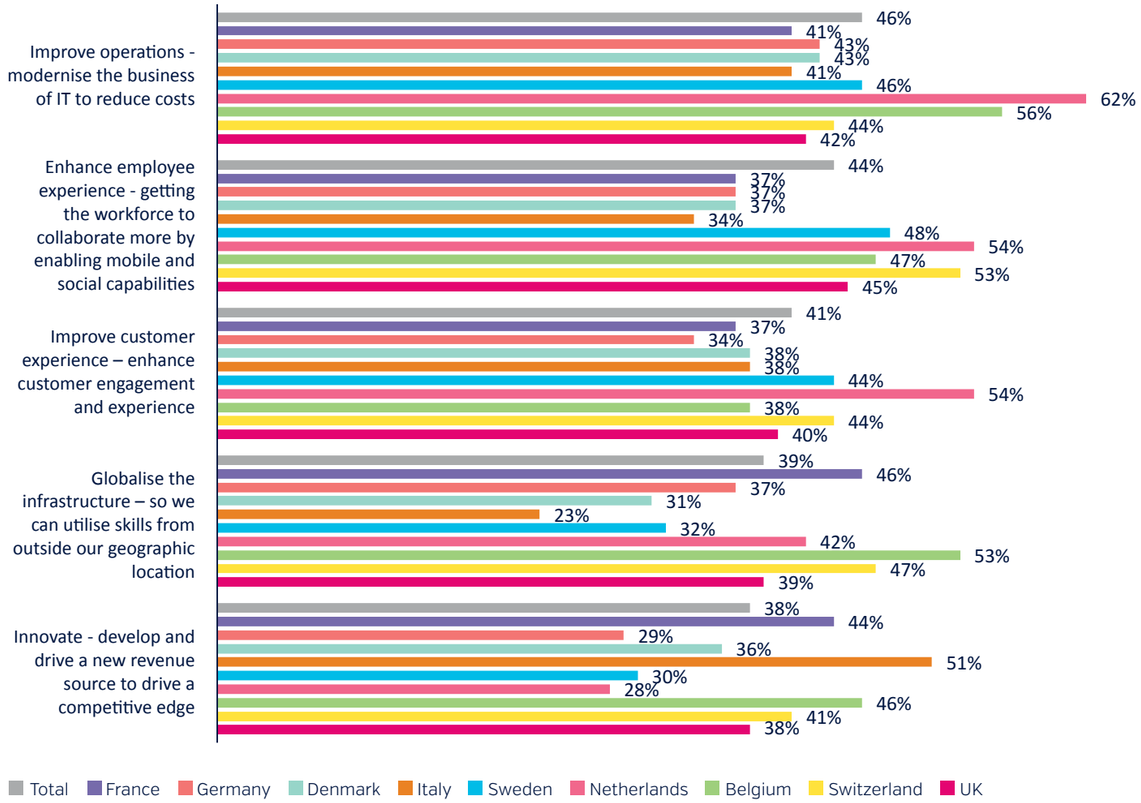
The overall emphasis on modernising the business of IT to improve operations and reduce costs is aligned with the historic pressure on IT to deliver value to the business alongside achieving a return on investment. Modernisation after all can boost productivity, address inefficiencies and release resources to focus on innovation, all without impacting the company's bottom line.

What has changed is the importance of improving the employee experience. It has edged ahead at a time when organisations are recognising that creating great customer experiences ultimately relies on being able to deliver a great employee experience.

TECHNOLOGY PLANNING IS NOW ROOTED IN HOW QUICKLY AN ORGANISATION CAN FACILITATE CHANGE. DISRUPTION IS THE NEW NORMAL FOR BUSINESSES. SIGNIFICANT CHANGE IN MARKET DYNAMICS IS NO LONGER A CONSIDERATION BUT A GIVEN.

FIGURE 6.

What are the objectives of your Digital Transformation strategy?



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DIGITAL TRANSFORMATION: CONSIDERATIONS AND CHALLENGES

As digital transformation drives demand for a more flexible IT strategy that can support change and innovation, it is placing new demands on IT infrastructure. Reflecting this, most organisations have prioritised the automated scaling of IT platforms (65 per cent), securing the architecture (57 per cent) and continual process evolution (56 per cent) as their top priorities when considering the IT infrastructure needed to support digital transformation. Only Sweden bucked this trend, scoring highest for the creation of a two-speed architecture and a focus on achieving zero downtime as its priorities.

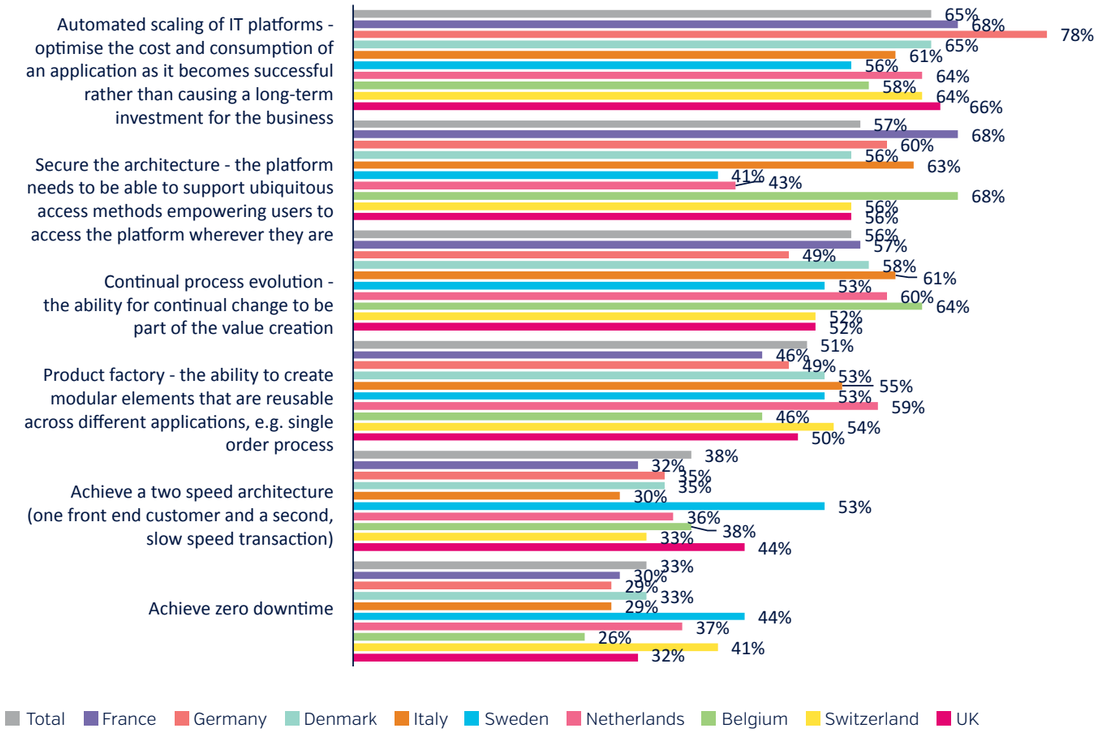
The top considerations for IT infrastructure needs to support digital transformation are:

- *Automated scaling of IT platforms - optimising the cost and consumption of an application as it becomes successful rather than causing a long-term investment for the business - was the top consideration for 65 per cent of organisations jumping to 78 per cent in Germany.*
- *Securing the architecture - the platform needs to be able to support ubiquitous access methods empowering users to access the platform wherever they are - was the second consideration for 57 per cent of organisations, jumping to 68 per cent in Belgium and France.*
- *Continual process evolution - the ability for continual change to be part of the value creation process was the third consideration for 56 per cent of organisations jumping to 64 per cent in Belgium.*
- *Product factory - the ability to create modular elements that are reusable across different applications, for example, a single order process was a consideration for 51 per cent of organisations, rising to 59 per cent in the Netherlands.*
- *Achieving a two-speed architecture, one for front-end systems and a second for slow-speed transactions was a consideration for 38 per cent of organisations, rising to 53 per cent in Sweden.*
- *Achieving zero downtime was a top priority for 33 per cent, rising to 44 per cent in Sweden.*

***Sweden**'s emphasis on creating a two-speed architecture and ensuring zero downtime could be indicative of a future trend in the market, as Sweden tends to be one of the more digitally advanced nations in Europe, with a high volume of digital natives[8].*

FIGURE 7.

When considering your IT infrastructure needs to support digital transformation, please rank the top 3 in order of importance?



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However, there was less consensus about the top challenges facing organisations when it comes to achieving their digital transformation objectives.

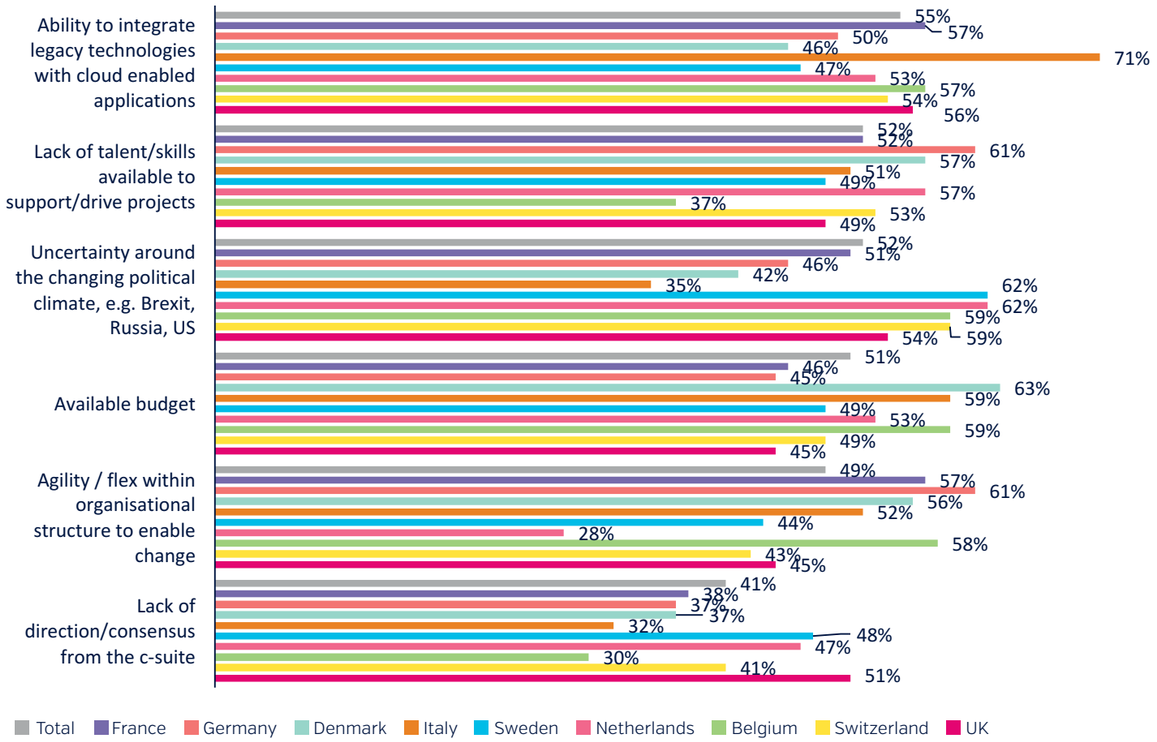
The ability to integrate legacy technologies with cloud enabled applications was cited as a top concern. This was closely followed by lack of talent and uncertainty around the political climate. While budget concerns were also raised.

33%

of organisations said achieving zero downtime was a top priority, rising to 44 per cent in Sweden.

FIGURE 8.

What are your biggest challenges when it comes to achieving your objectives around digital transformation this year?



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- ***Italy*** *is the most concerned about the ability to integrate legacy technologies with cloud, 71% citied this as a challenge compared to the European average of 55%. This seems to indicate a strong preference for a hybrid cloud approach in this market.*
- ***Sweden*** *(62%) and* ***Netherlands*** *(62%) are most anxious around the changing political climate, against the European average of 52%.*
- ***Germany*** *is worried about the lack of skills available to support digital transformation projects (61%) and its agility to enable change by flexing its organisational structure (61%). In comparison, 52% and 49% of European respondents felt the same respectively.*
- ***Denmark*** *(63%) and* ***Belgium*** *(59%) are most concerned about available budget against the European average of 51%.*
- ***The UK*** *is more nervous about the lack of direction and consensus in the C-suite compared to 41% of European respondents.*

CLOUD STRATEGIES MATURE

With the ability to integrate cloud and legacy technologies emerging as the biggest challenge for more than half (55 per cent) of organisations, it's become clear that businesses are aware that they must review multiple factors before deciding the best infrastructure architecture to adopt. The cloud provides scalability and flexibility but shifting legacy applications to the cloud may require some heavy lifting. This means it is not always the most appropriate solution.

Ultimately, the needs of each organisation are unique. Each workload must be reviewed against a number of factors including how easy it is to migrate, how close it needs to be to the customer or employee, the risk of downtime and cost implications. This is reflected in the fact that cloud strategies across Europe are fairly evenly spread, demonstrating a sophisticated understanding of cloud infrastructure.

The cloud strategy split across Europe:

- *Nearly a third of organisations (29 per cent) have a **cloud-first mandate**, with the objective to overcome any challenges and cost implications of the physical shift. This cloud-first mandate rises to 35 per cent in **Sweden** and 34 per cent in **Germany**.*
- *28 per cent of organisations with a cloud first strategy understand that when an application requires complete re-factoring, **reverting to a hybrid strategy** makes sense. This is a view shared by 33 per cent of organisations in **Denmark**.*
- *21 per cent of organisations recognise that when the application requires a lift and shift (applications that cannot be re-factored) they will **wait for the application to reach the end of life before looking at cloud options**. This view increases to 27 per cent in **Sweden**.*
- *22 per cent of organisations hold that whilst they have a cloud-first approach, they have **the flexibility to decide the best infrastructure option for each application**. This rises to 40 per cent of organisations in **Italy (supporting the earlier assumption that Italy is more focused on adopting a Hybrid cloud approach)**.*

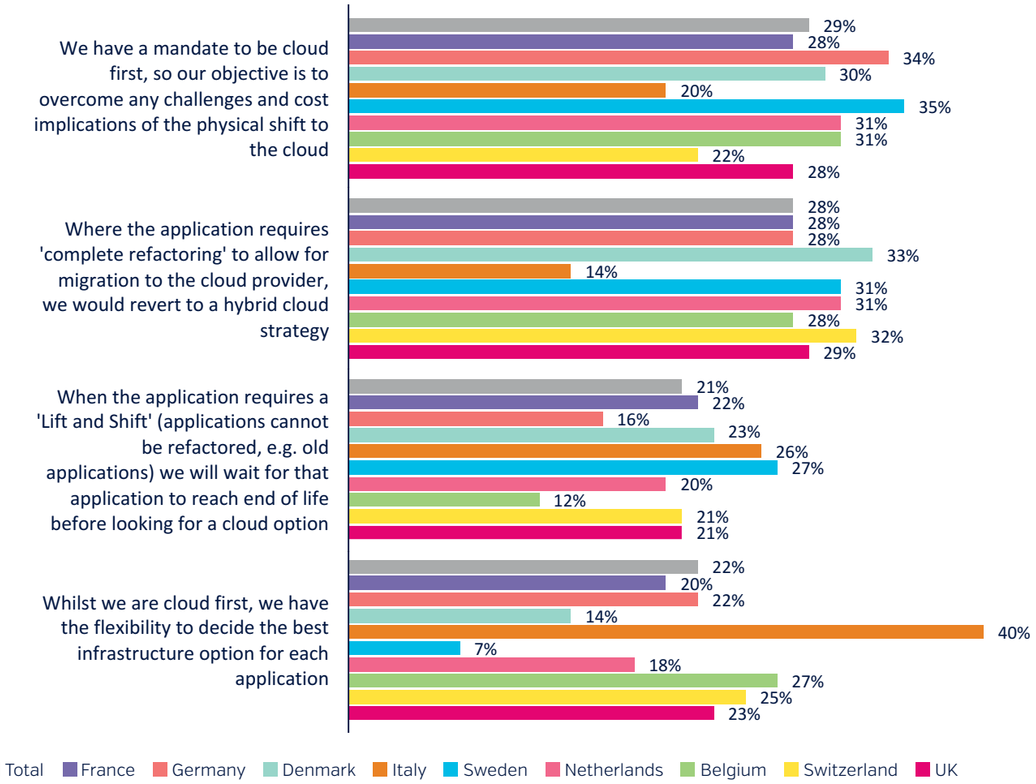
"With diminishing capacity in existing hardware, rising hardware costs and power scarcity, means adopting a cloud-first mandate or outsourcing IT infrastructure makes sense and this is a trend that is picking up pace. Once the decision has been made to shift to the cloud, a consensus-driven approach tends to take hold to ensure the goal is achieved."

Michael Hartmann – Country Manager, Germany & Austria, Interoute.

> *"Germany is at a point of transition. Organisations are now shifting their preference from hosting applications on-premise to moving all their applications to the cloud. Its adoption of a cloud-first mandate can partly be attributed to the restrictions faced within their own data centres."*
>
> *Michael Hartmann – Country Manager, Germany & Austria, Interoute.*

FIGURE 10.

If you have a 'cloud first strategy', how would you describe your organisation's attitude to supporting that strategy?



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THE INTERDEPENDENCY OF THE CLOUD AND THE NETWORK

As organisations move more applications to the cloud, the majority (89 per cent) of IT decision makers are concerned over the physical proximity of applications in the cloud and how close they are placed to their customers. Location has always been an imperative from a data and legislative standpoint. Laws dictate that certain personal records - such as health records - can't leave their country of origin.

At the same time, the proximity of an application to its user speeds-up response times and improves the overall experience.

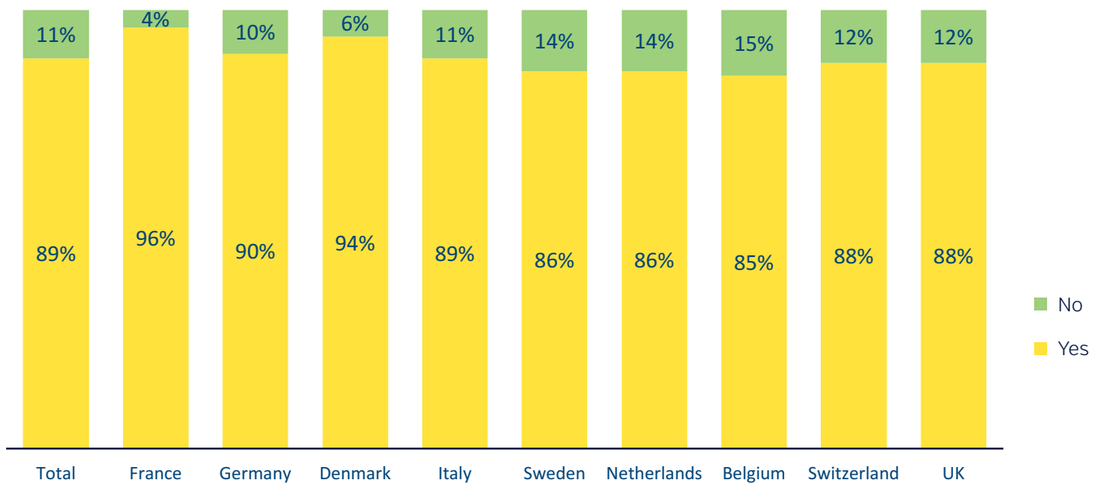
There is also widespread acceptance that cloud performance is still very much dependent on network performance. The overwhelming majority (92 per cent) of decision makers believe it is important that the cloud and network are fully integrated to successfully scale-up or scale-down services in response to changing demand.

92%

The overwhelming majority of decision makers believe it is important that the cloud and network are fully integrated to successfully scale-up or scale-down services in response to changing demand.

FIGURE 11.

When it comes to putting applications in the cloud, do you consider the physical proximity of how close the application is to your customer?



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In fact, it is the determining factor for the viability of cloud-based applications and one of the key factors affecting the user experience. The throughput of a network will govern how much time it takes a user to transmit data between locations, the latency will determine how much delay the user will experience in communicating between their servers.

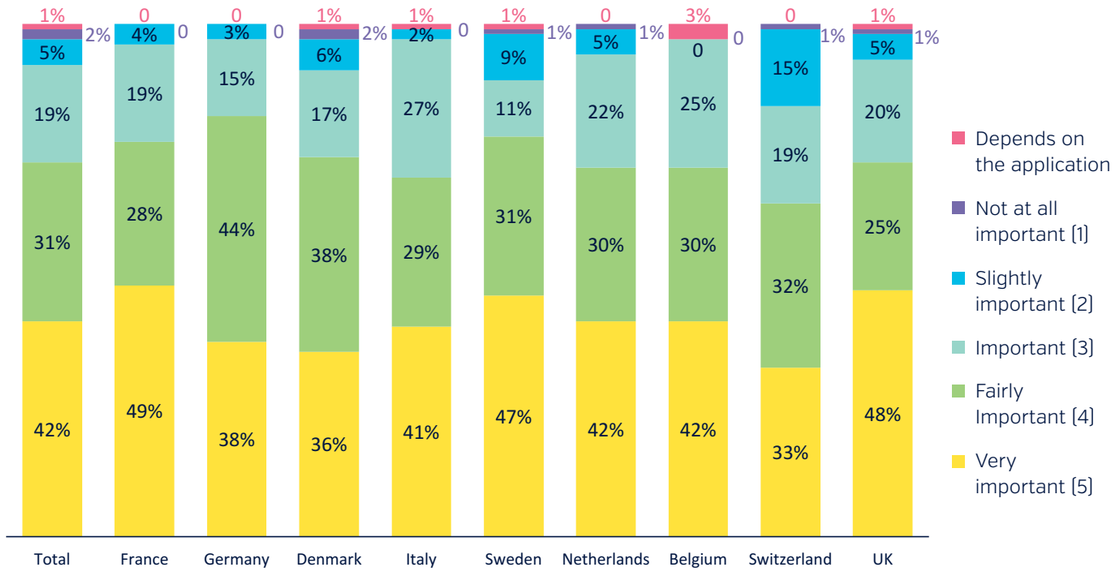
Enterprises that need to transfer large amounts of time-sensitive data will need to ensure that the cloud is supported by a network with high throughput and low latency. Meanwhile, those organisations interacting with a high proportion of digital natives or moving towards providing a real-time customer experience, will hold the quality of the network in higher regard.

89%

As organisations move more applications to the cloud, the majority of IT decision makers are concerned over the physical proximity of applications in the cloud and how close they are placed to their customers.

FIGURE 12.

When it comes to putting applications in the cloud, how important is it that the cloud and network are fully integrated?



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THE COST OF DIGITAL TALENT

As the digital revolution takes hold, it is forcing a shift in skills requirements and creating a scarcity of digital talent. This change has increased the cost of skills for digital transformation projects to 30 per cent higher than other IT projects across Europe. The UK, France and Denmark pay the most at 33 per cent.

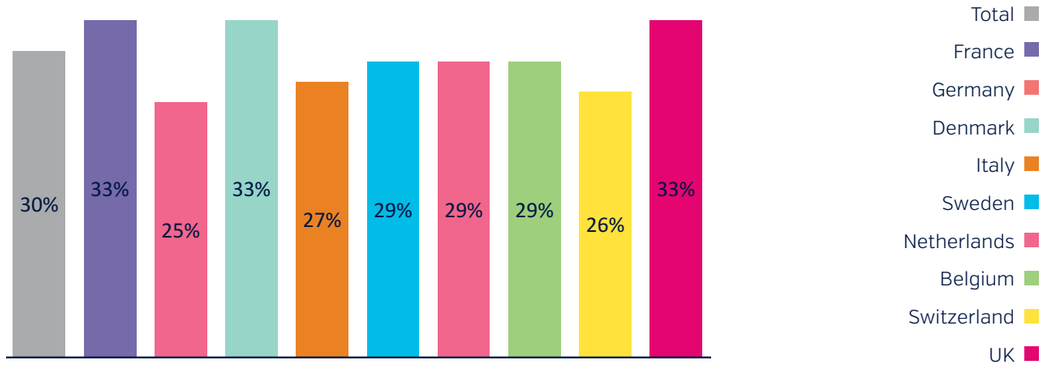
Given the scarcity and cost of skills, over a third (39 per cent) of IT decision makers have looked at how they globalise their infrastructure to leverage skills from outside of their geographic location. In Belgium, flexing IT infrastructure to address the skills shortage is even more common and rises to 53 per cent.

78%

per cent of organisations across Europe say that an inability to hire contractors will halt their digital transformation projects, or delay them by six months. The reliance on contractors rises even higher to 87 per cent in Germany.

FIGURE 13.

Do you find the cost of skills for digital transformation projects, is higher than other IT projects?



Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK (170)
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Denmark's place as one of the most expensive countries for digital transformation skills can be partly attributed to the fact that it is ranked first out of the 28 EU member states for its digital progress according to Europe's 2017 Digital Progress Report[9]. The effort of making this progress has left the country with an ICT skills shortage. This is a trend that the government is looking to address. The Danish Business Authority with the Ministry of Education and Ministry of Higher Education found "that in 2030, Danish companies will have a deficit of 19,000 employees with digital skills" making the effort to re-skill the workforce a priority.

Companies looking to recruit digital talent are naturally blending their expertise and cost base with full-time and contract staff. However, the shift to a gig economy model that embraces the use of short-term contracts or freelancers to support specific projects does come with challenges. This includes the on-boarding of new contractors, uncertainty around the quality of their work and concerns about their guaranteed availability. That said, contractors often have specialist skills that are attractive to organisations and can be used to support particular projects.

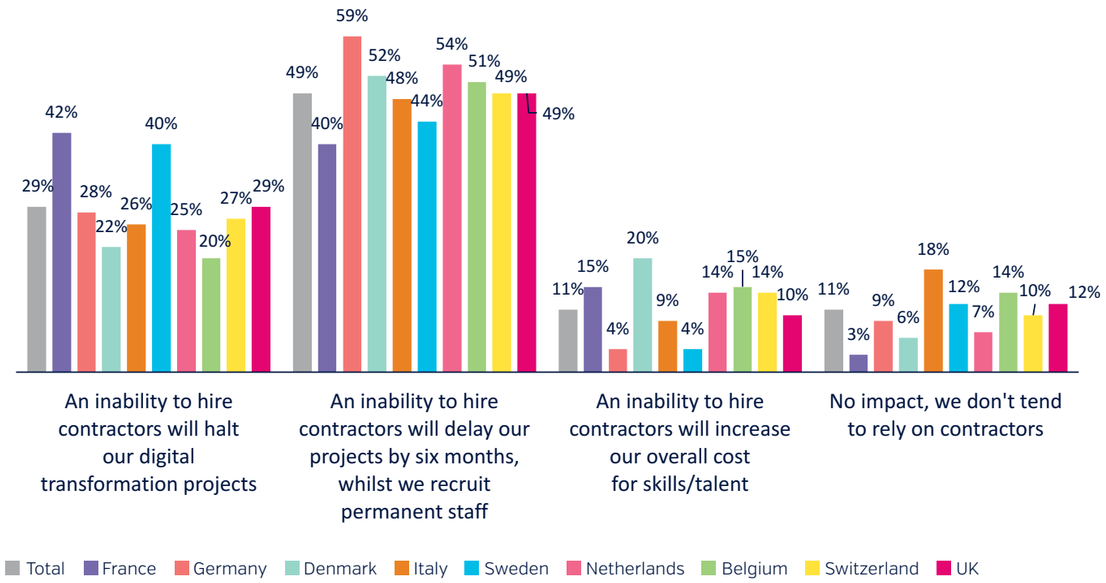
Across Europe, 78 per cent of organisations say that an inability to hire contractors will halt their digital transformation projects, or delay them by six months. The reliance on contractors rises even higher to 87 per cent in Germany.

A view of contractors in play across Europe:

- *29 per cent of organisations said an inability to hire contractors will halt their digital transformation projects. This rose to 42 per cent in **France**.*
- *49 per cent of organisations said an inability to hire contractors will delay their projects by six months, whilst they recruit permanent staff. This rose to 59 per cent in **Germany**.*
- *11 per cent said an inability to hire contractors will increase their overall cost for skills/talent. This rose to 20 per cent in **Denmark**.*
- *11 per cent said the inability to hire contractors would have no impact. This rises to 18 per cent in **Italy**.*

FIGURE 14.

If your ability to hire contractors is restricted, how will your digital transformation projects be impacted in the next 12 months?



Base: Total Respondents (820) France (81) Germany (82) Denmark (81) Italy (82) Sweden (81) Netherlands (81) Belgium (81) Switzerland (81) UK (170)
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A MANDATE FOR CHANGE

The majority of businesses across Europe are planning for growth and inherently this means change. The only way to keep ahead is to understand your real value to customers, develop an infrastructure approach that allows you to read the market and respond with a two-speed transformation programme using a platform that integrates all assets – legacy and digital.

Transforming for success in a changing world is about building skills, focusing on market differentiation and deploying more flexible, scalable and secure IT platforms.

In our experience, achieving this comes down to four key steps.

THE MAJORITY OF BUSINESSES ACROSS EUROPE ARE PLANNING FOR GROWTH AND INHERENTLY THIS MEANS CHANGE.

1. Plan

Prepare for change in your competitive landscape. Understand your customers' behaviour and how your business drives value - the optimal business model is all about maximising distribution and timing so that you only incur costs at the moment you create value.

2. Position

Build a platform that gives you choice and flexibility. Work out where your value comes from, and prioritise the activities that drive it. Outsource everything else. Shorten the distance between you and your customers. They should intuitively understand the value you offer them. And you have to deliver that value quickly, in ways that meet their expectations.

3. Read

Know your market. Understand your competitive value, and create defensive and offensive market strategies. Watch for change – in technology, skills and the competition – so you have access to the tools that give you the agility to respond.

4. React

Be ready for change, and proactive in responding to it with a dual approach - one that allows you to combine continuous delivery with the resilience that traditional operations and back-end systems offer.

CONCLUSION

As the pace of change continues to accelerate, businesses across Europe are united in meeting the disruptive forces of these uncertain times head on. Market dynamics are creating new opportunities, digitalisation is changing business models, while customers and employees are demanding better experiences. To avoid being left behind in this new world, businesses need the confidence to act quickly and decisively.

For many, this will require a different way of working. Traditional enterprise infrastructures were not designed with digital business in mind and lack the agility required for continuous change. As a result, many businesses will be forced to re-examine whether they have the right people and skills in place to modernise the business.

It will make organisations think about how they can bind together all their assets and unite digital and cloud with legacy IT. It will also make them consider how they are able to continuously develop their capabilities to respond to changing market and customer demands.

For real transformation, it is only possible to make sensible and strategic decisions when the business is not constrained by form, factor or technology. To be able to pivot in response to what is happening in the moment, organisations need a digital backbone that supports the needs of the business. That allows the organisation to continuously find new ways to innovate, create value and successfully differentiate in response to change and opportunity.

MARKET DYNAMICS ARE CREATING NEW OPPORTUNITIES, DIGITALISATION IS CHANGING BUSINESS MODELS, WHILE CUSTOMERS AND EMPLOYEES ARE DEMANDING BETTER EXPERIENCES. TO AVOID BEING LEFT BEHIND IN THIS NEW WORLD, BUSINESSES NEED THE CONFIDENCE TO ACT QUICKLY AND DECISIVELY.

About Interoute

Interoute has invested $2 billion+ in building the largest pan-European fibre network, directly connecting 126 major cities in 29 countries. Its 70,000 route kilometres of fibre, across 48 data and co-location centres and 17 virtual data centres supports national and multi-national companies like AO.com, Deutsche Post, Cloetta, and UEFA. It also supports some of the world's largest social media platforms, mobile and fixed telecommunications operators like AT&T, BT, Telefónica-O2 and Vodafone.

Interoute is recognised as a leading cloud visionary in the Gartner Magic Quadrant for Managed Hybrid Cloud Hosting, Europe (2017)*. The company has built an integrated ICT platform that provides businesses with complete ICT capability, featuring optimal scalability, security and efficiency. These services support legacy applications, whilst providing the path to digital transformation.

Interoute's Unified ICT strategy provides solutions for enterprises seeking connectivity and a scalable, secure advanced platform on which they can build their voice, video, computing and data services, as well as service providers in need of high capacity international data transit and infrastructure. With established operations throughout Europe, Asia and USA, Interoute also owns and operates 24 connected city networks within Europe's major business centres.

Get in touch

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* Magic Quadrant for Managed Hybrid Cloud Hosting, Europe Published: 28 June 2017. Analysts: Tiny Haynes, Gianluca Tramacere, Gregor Petri, Ross Winser

About the research

This report summarises the results of independent opinion research commissioned by Interoute, and carried out by Coleman Parkes. Coleman Parkes surveyed 820 senior IT decision-makers in companies with global revenues of between £200 million and £5 billion from 9 European countries: Belgium, Denmark, France, Germany, Italy, the Netherlands, Sweden, Switzerland and the UK. The research was conducted in September 2017.

Respondents included:

- *Chief Information Officers / Heads of IT*
- *Chief Technology Officers / Directors of Technology*
- *Chief Digital Officers*
- *Chief (Information) Security Officers*

Respondents came from the following sectors:

- *Software providers / independent software vendors*
- *Media / entertainment*
- *Manufacturing / engineering*
- *Legal services*
- *Financial services*
- *Travel / transportation*
- *Government*

About Coleman Parkes Research

Coleman Parkes is a business-to-business research specialist with deep experience across all major verticals. It combines its heritage of connecting senior C-level decision makers with its understanding of market trends, to provide context and insights into the technology status quo.

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