

**Acquia**  
EXPERIENCE DIGITAL FREEDOM

**The Technology Sector Today**

***CATCHING UP WITH  
TRANSFORMING  
CUSTOMER  
EXPECTATIONS***



# Introduction

**From insurance to manufacturing to healthcare, developments in technology have already transformed nearly every industry. Paradoxically, the technology industry itself is among the last to begin its own digital transformation.**

The innovators that created our most significant technological advances are now faced with the task of letting go of the past and changing the way they do almost everything.

Technology companies that are reluctant or finding it difficult to move forward are at a disadvantage, because their customers are already there. They've come to expect a personalized, user-friendly experience in everything from product purchasing to support requests and beyond. To catch up and keep pace with expectations, technology professionals are seeking to offer the digital experiences customers want, on the platforms they prefer.

It's a huge demand. And the ability to offer what today's customers expect will be key to success.

# FACING TECHNOLOGY SECTOR TRENDS

Advances in technology and changes in expectations have upsides for technology organizations going forward. But along the way, those developments will also surface plenty of hefty specific challenges.

## TREND 1

### As Innovation Becomes Democratized, New Entrants are Making Waves

In the digitally transformed world, the historic barriers to competing have substantially diminished, or even been completely eliminated. Highly innovative and agile startups can step into the fray more easily, and achieve success and scale at a pace previously unthinkable. The availability of “everything-as-a-service” (XaaS) solutions makes it easier for these organizations to experiment and iterate, leading to accelerated innovation at a reduced cost.

At the same time, large technology organizations are seeing an infusion of repatriated cash generated by recent US tax reforms. Those funds, along with stagnating internal processes or infrastructure that makes innovation difficult, have led to increases in merger and acquisition activity. Large organizations are investing in smaller entities with the goals of accelerating growth, fending off competition and adding new capabilities.

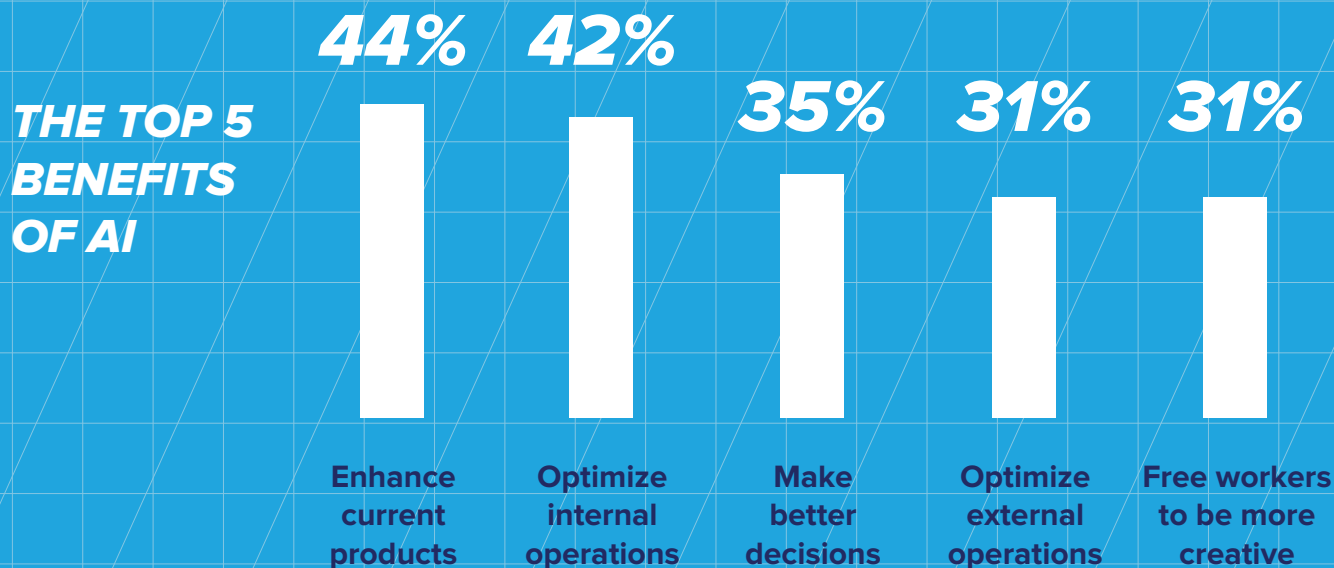


## TREND 2

### The Push is On to Implement, Optimize and Commercialize New Technologies

Technology organizations of all types and sizes are facing pressure to deliver on rising customer demands for innovations including cloud services, data-driven decision-making, blockchain, AR/VR and others. In addition to offering the technologies customers want, great potential lies in creating, governing and monetizing large ecosystems that encourage third-party participation and deliver compelling user experiences.

Artificial intelligence (AI) is the technology many companies are turning to for their reinventions. More than a new product offering, an AI-based transformation can entail a sustained commitment to redesigning core systems, processes and business strategies around AI, with the ultimate goal being a reemergence as an AI-centric organization.



## **TREND 3**

### **Revenue Models are Shifting**

The technology sector is rapidly moving toward a continuous, service-based revenue model. Revenue from one-time purchases and periodic upgrades is being replaced by ongoing contracts for continuously improved service. Collecting revenue from subscriptions, licenses and maintenance agreements is the new normal.

Spending habits are changing, as well. Cloud-based flexible consumption models are freeing companies from the risk and cost of buying complex technologies and acquiring scarce (and expensive) expertise. Instead, they can affordably leverage the investments and knowledge of the world's biggest technology companies and savviest startups.

# CHALLENGES FACING THE TECHNOLOGY SECTOR

While digital advancements and behavioral changes undoubtedly present significant opportunities to technology organizations, those opportunities aren't without their unique challenges.

## **Siloed Systems and Communication Paths Impede Progress**

The persistence of traditional structures and processes can confound modernization efforts. Vertically oriented teams, laborious hand-offs, fragmented accountabilities and top-heavy decision-making structures leave organizations ill-equipped for the fast-moving implementation today's environment demands. Investments in digital transformation can be limited in scope, and efforts disjointed—even competing. Keeping pace can require nothing less than a complete restructuring of an organization's internal structure and ways of working.

Increasingly, organizations are shifting resources and efforts from repetitive, low-value activities that siphon off time and energy, and refocusing them on product and business outcomes. This transition often leaves an organization better equipped to take advantage of advancements and innovations in a timely manner.

## **Continuous Change is Taking a Toll**

The only thing constant in today's digital world is change. Frequent reorganizations, shifting and evolving priorities and a never-ending need to modernize can combine to fracture organizations and hobble their functions. Reengineering functionality and processes to enable an organization to quickly deliver on the potential of new developments is crucial.



## Selecting the Right Emerging Technologies is Difficult

Picking winners has never been easy. Today, AI looks poised to be the most in-demand technology. It's essential to Alexa, Siri and other digital assistants, as well as the expansion of the Internet of Things, the development of self-driving cars and much more. However, what looks like a sure-thing today may fall victim to a new disruptor tomorrow. According to Werner Goertz of Gartner, "Five of the top 10 mobile phone companies of 2009 no longer exist in today's Top 10. By 2024, fewer than five of today's leaders will remain." This here-today-gone-tomorrow dynamic might apply to any number of technologies that are currently ascendant.

Some technology organizations may have the advantage of being able to extract more value from a legacy system. Re-platforming, revitalizing, remediating or retrenching an older system can give it new life it as a foundation for innovation.

## Risk Management is Evolving

Today's risk management strategy must be built and managed from the ground up. It should be expanded from IT and systems should be designed and fully integrated throughout the business—in strategy, policies and even culture. Now, an effective risk management structure is integral to each step in the technology investment lifecycle.

Moving forward, the focus on risk will likely expand, encompassing the ethics of technology and social responsibility. Consumers are already beginning to push back on the ways big technology companies use their data, and are focusing on the entities those companies do business with—particularly government agencies.

**“Moving beyond commerce, consumers are looking for more than material goods—experiences are the next opportunity for startups ... This is the next frontier beyond Airbnb, Uber, and Lyft.”**

Dave Welsh, Growth Equity Leader, KKR



# TO GROW AND THRIVE, TECHNOLOGY PROFESSIONALS MUST PRIORITIZE:

1.

## Customer Acquisition and Retention

Developments in technology can empower organizations to transform their marketing strategies from a singular focus on acquisition to delivering an exceptional customer experience, rooted in the data required to create a tailored journey. Capitalizing on data gathering leads to the personalized, contextualized experiences that create deep and lasting connections, drive loyalty and generate business growth. In their report titled Tech Trends 2019, Deloitte explains this approach as “Beyond Marketing—the terminology for an evolved approach to engage customers where IT and marketing work together.”

2.

## Bringing Customer Insight into the Organization

Capitalizing on the innovations and advantages available today begins with a focus on what’s most important: understanding what the customer truly wants. Developing that understanding begins with embracing data—even data that doesn’t fit within existing beliefs and strategies.



# 3.

## Working with IT to Bring Innovation to the Organization

Some organizations may be able to begin a transformation by modernizing existing core systems and upgrading existing assets to serve as a foundation for innovation and growth. Nearly every successful transformation will include capitalizing on cloud services, the value of which is difficult to overstate. In Tech Trends 2019, Deloitte describes the growth of cloud services as moving “from a low-level technology cost arbitrage lever to a means for delivery model optimization to a driver of business transformation. Simply put, cloud is increasingly the foundation upon which innovation is built.”

# 4.

## Leveraging Data to Drive Efficiency and Uptime and Limit Risk

Boosting efficiency and reducing costs have never been more vital for IT teams in technology organizations. An investment in an optimized, customer-centric digital experience can be an effective way to reach those goals. The right online tools and processes can increase efficiency and improve revenue.

**“In the coming years, expect to see major cloud service providers emphasize their offerings’ potential value as platforms and patterns for achieving long-term growth and developing new innovation. Whereas their customers may have embraced cloud for, say, IaaS or SaaS features and functions, they may now turn to cloud for access to AI, block-chain, digital reality, quantum computing, and more. Cloud will likely continue to be a competitive differentiator.”**

Deloitte, Tech Trends 2019

# ***FINDING THE WAY: HOW ACQUIA CAN HELP***

Savvy technology organizations aren't asking whether or not they need to transform their customer experience. They're figuring out what level of investment they need to put into digital marketing platforms, personalization tools, and better methods of engaging with existing and potential customers.

Moving ahead, technology marketers must offer a more intuitive, personalized digital experience, while gaining better control of their brand's digital assets and effectively using analytics and insight to drive the most efficient journey for customers. Digging for data and insights to

understand the true effectiveness of each effort is key. Knowing what's working, what's not, and where the gaps lie are all vitally important. Simultaneously, IT professionals in technology organizations must work to determine the most efficient and effective ways to evolve the digital experiences their companies offer, while managing both risk and costs.

**Acquia is the pioneering partner that can help build those experiences and relationships—on an organization's own terms.**

**“As macro forces go, cloud is unparalleled in importance and likely will remain so for some time. And despite its ubiquity, cloud too has yet to reveal its full potential.”**

Deloitte, Tech Trends 2019

**Our web content management and consumer journey orchestration have empowered leading brands to create the world's greatest digital experiences.** We help organizations establish the more intuitive, personalized digital experiences today's customers expect—all using open source technology, all with the required security.

**Acquia enables technology organizations to gain control of digital assets, deliver the right content at the right time, and tap into the data and insights that lead to an understanding of what works, what doesn't, and why.** This way, they can meet prospective and current customers with what they need at every step of the journey.

**For more information about how we're transforming the digital experience in the high-tech sector, visit [www.acquia.com/solutions/high-tech](http://www.acquia.com/solutions/high-tech).**

# CONTACT ACQUIA

**To learn about how Acquia can help you deliver a customer-first experience, please contact us at [sales@acquia.com](mailto:sales@acquia.com).**

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