

# Next steps to future readiness

verizon



# Finding opportunity in chaos

**It's never exactly easy to lead an organization, but it's fair to say that it's probably easier when the economy is booming and the outlook is clear. Instead, we're faced with a global economy shaken up by the effects of a pandemic and massive uncertainty about the future.**

Even at the beginning of 2020, before COVID-19 even had a name, it was clear that the world was changing. That's why we asked Longitude, a Financial Times company, to survey senior business leaders around the world.

From the findings, we identified four dimensions that set apart the best-performing companies from the rest:

 **New ways of working**

 **Technology**

 **Skills and behaviors**

 **Leadership**

These form the basis of our Future of Work Index. Almost two-thirds (63%) of Pioneers (those scoring in the top 20% of respondents) reported annual revenue growth of 5% or higher over each of the past three years, compared to just 20% of Late Movers (those in the bottom 20%).

Then the world turned upside down. On March 23, 2020, Verizon went from having 4,000 employees working from home to about 115,000. Many of our customers were faced with much tougher challenges.

In May 2020, we asked Longitude to run another survey to see how our earlier findings held up and how companies were responding to the crisis.

More than half of respondents said that their revenue (53%) and productivity (51%) had declined; 44% reported shrinkage of their customer base; and 32% said their businesses had become less competitive.

However, the main conclusion from our follow-up research was that far from distracting them, the pandemic had focused companies' attention on the four dimensions.

And many had already begun to act. More than two-thirds (68%) of respondents said they were rethinking their long-term business strategy.

Based on the analysis of these surveys, plus our experience of many digital transformations, including our own, we've identified eight recommendations to improve your future readiness.





# New ways of working

## Learn from others and work with them.

According to a 2019 Everest Group study, just over one in five (22%) digital transformations achieved their desired business results.<sup>1</sup>



**More than four out of five digital transformations failed to meet objectives.**

No matter how many smart people there are in your organization, there will always be more outside of it. Strive to break down barriers and develop an ecosystem of talent.

Choose partners that not only have the expertise that you need, but can also align with your corporate culture. Successful digital transformation takes time, and there will be bumps along the way. You're not operating in a vacuum.

It's important that your whole team takes a pragmatic approach, is prepared to change as the landscape changes and is committed to staying the course.

## Lead change instead of reacting to it.

Start by analyzing your company's experience of mass remote working. It was a challenge for most companies: 42% said their existing networks couldn't handle the massive shift. That explains why our follow-up survey found that 62% planned to put more resources into core network technologies.

This isn't just about coping with the crisis. Even as offices and plants reopen, over two-thirds (68%) of respondents said that in future more of their staff will work from home than before the pandemic.

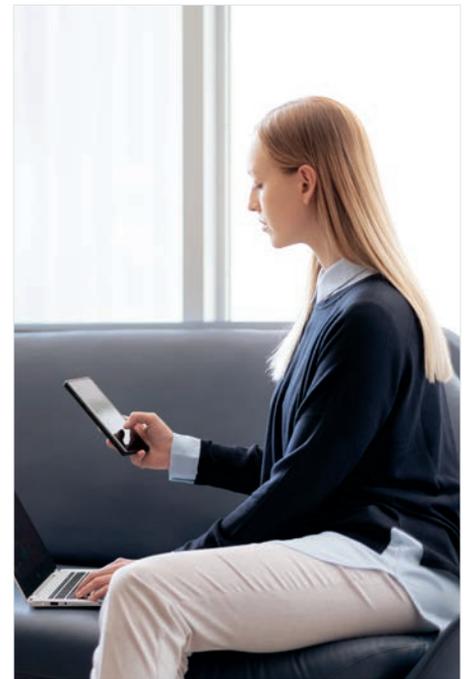
That's partly because employers saw staff can be equally productive when working remotely. As a CIO at one of the U.K.'s leading retail banks put it: "We know for certain now that people can remain connected and productive. This creates many new options around things such as how we use office spaces, how we access talent and what processes we really need."

Make sure that you have the right infrastructure and security in place to deal with the more flexible work patterns of the future.

On average, an organization with 2,000 to 4,000 employees has 1,148 web-based apps in use. Backhauling all remote-working traffic back through an on-premises VPN could significantly affect performance. Investigate next-generation secure web gateways.

Firewalls and other perimeter-based security measures were not designed for the reality of large parts of the workforce working from home or other locations. It's not just about the technology; legacy processes can have a major impact on the end-user experience.

According to NetMotion, 20% of mobile workers list a restrictive IT security policy as their most frustrating issue at work; "cumbersome authentication" came fifth overall.<sup>2</sup> Explore the concept of zero-trust network access (ZTNA) and the latest identity solutions.

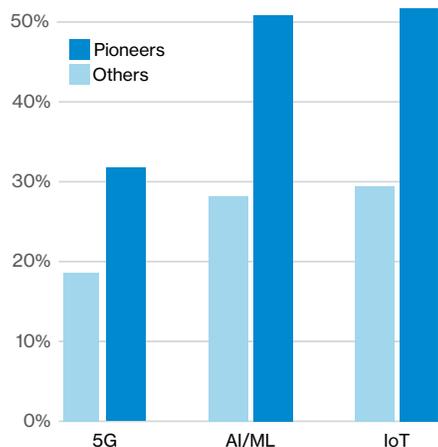


# Technology

## Fast-track deployment of new technologies.

Pioneer companies are actively investing in IoT, artificial intelligence/machine learning (AI/ML) and 5G.

## The technology priority gap



**Figure 1:** Technology investment priorities over the past two years (Survey 1: Share of respondents ranking each technology among their top-three investment priorities in the past two years)

And it's paying off. Ninety-six percent of Pioneers said that they were able to respond quickly to new opportunities.

Late Movers were still focused on cutting costs. Their technology priorities were creating a cloud-based networking infrastructure, generating robust data analytics and modernizing their cybersecurity posture. And just 46% said that they were able to respond quickly to new opportunities.

## Plan ahead. Think platforms.

Technology moves fast. Investments shouldn't be just about today or tomorrow.

Most, if not all, of the more disruptive innovations involve a combination of technologies. For instance, IoT sensors to gather data, 5G to collect it and AI/ML tools to extract insight and automate action.

A flexible infrastructure is crucial to powering your digital transformation. Taking a cloud-first approach is a given. But you can't make the most of that without a network that's flexible and scalable too. The right network is key to helping you take advantage of changes in demand, new applications and shifting work patterns.

Software-defined and intent-based networking are transforming the operation and management of infrastructure. Networks can now be reconfigured in minutes, and automation can be used to cut the administrative burden and increase responsiveness.

Secure-access service edge (SASE, pronounced "sassy") brings together WAN and network security services. This kind of cloud-delivered model takes into account the variety of users, devices and systems a digital enterprise needs.

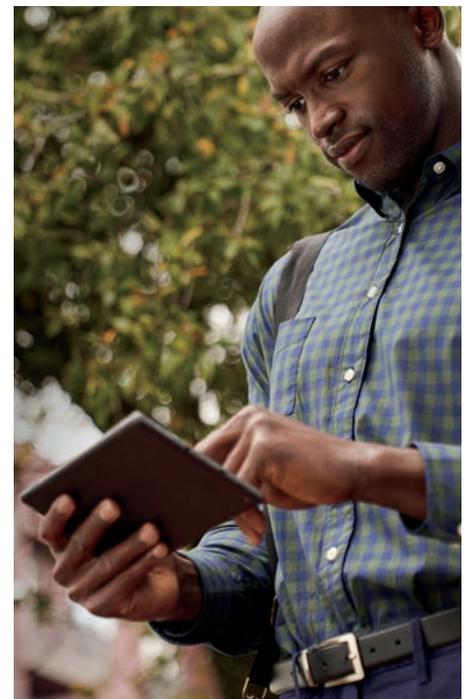
SASE also incorporates zero-trust network access—which, as its name implies, is based on the principle of not trusting anybody or anything by



Nearly half of respondents named cybersecurity as a top-three priority over the next two years.

default, even people and devices inside the network. It's an adaptive model where trust is based on many factors, including identity, context and behavior. Even somebody using a known device and valid credentials could be suspect if what they are doing or how they are doing it is unusual or suspicious.

Together, these technologies can create platforms that can help you innovate, adapt to changing technology and react to emerging business threats and opportunities more quickly and effectively.



# Skills and behaviors

## Strengthen your training programs.

Nearly all (97%) respondents from Pioneer organizations said that their company had fully embraced continuous learning for staff, compared with just 48% of those from Late Mover organizations.

Pioneers also think about what's needed in the future to continue their digital transformation: 44% said they are planning for the skills they will need at least four years ahead, compared with just 8% of Late Movers.

And what skills do respondents think will be most important?

It's no surprise that respondents said that skills associated with coping with change had grown in importance.

## Balance your skills priorities.

Our research also identified the importance of qualities such as emotional intelligence (EI) – the ability to communicate with sensitivity to others – as well as other more traditional skills.

In the survey prior to the pandemic, fewer than 20% of respondents said that EI would be an important skill for the future. After the pandemic, 69% said that it had grown in importance.

People skills are not only important to help teams adapt to new ways of working – like working in isolation; they can also help employees cope with their own difficulties and deal with customers and suppliers more effectively.

Revisit how you assess employees and identify skills gaps. Ensure that you give empathy and creativity due prominence in your training programs.

Make sure that your talent acquisition takes skills and strengths into account as well as qualifications and experience.

## Skills identified as more important since emergence of COVID-19

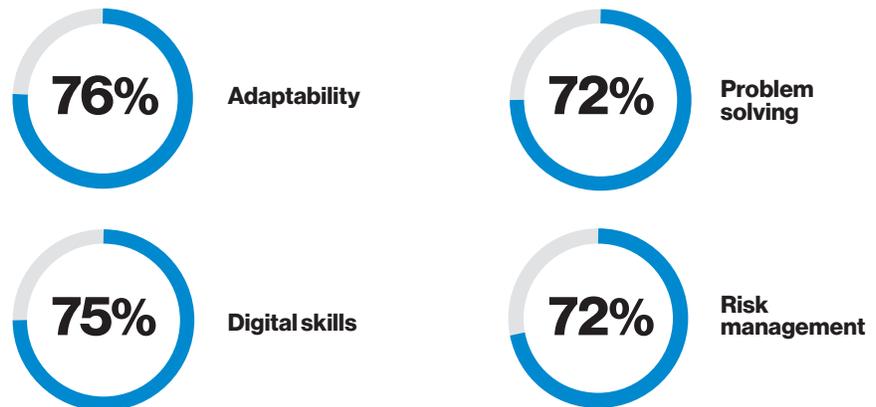


Figure 2: Share of respondents that said selected skills have become more important to their organization as a result of COVID-19 (Survey 2)

## Stages of emotional intelligence

- 1 Correct perception of emotions
- 2 Understanding of emotions
- 3 Emotional facilitation of thinking
- 4 Proper regulation of emotions

Figure 3: Salovey and Mayer's emotional intelligence ability model





# Leadership

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## Be bold. Write your own rules.

During the COVID-19 crisis, even the most visionary business leaders had to focus on immediate challenges. But the long-term technological, demographic and environmental shifts that were transforming business before the pandemic have not gone away.

No one expects you to have all the answers, but you should set the tone. Don't be afraid to be the one to write the new rules. Benchmark your current state and then memorialize your vision on paper and seek input from those around you.

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**“The pandemic represents a rare but narrow window of opportunity to reflect, reimagine and reset our world to create a healthier, more equitable and more prosperous future.”**

—Klaus Schwab, Founder and Executive Chairman of the World Economic Forum<sup>3</sup>

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Times of great disruption can, conversely, offer great opportunity. This can take many forms, from opening doors to new markets and greater market share to shaking up outdated working practices to improving the employee experience and increasing satisfaction and retention.

Don't let entrenched ideas or legacy systems hold you back from embracing digital transformation. The pandemic has shattered many norms. Take advantage of this time to challenge assumptions and norms usually considered immune from questioning or criticism.

Increasing the flexibility of your processes, people and technology will not only help you to take advantage of the immediate possibilities, but also set you up for future success.

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## Commit to social responsibility.

The most successful companies understand the importance of diversity and employee well-being.

Almost all Pioneers (95%) said that increasing workforce diversity is a key part of their future business strategy, and 56% said it was vital. This compares with just 46% and 23% of Late Movers.

Post-COVID-19, worries about job security and disruption to family life have caused many employees anguish. It's therefore encouraging that 75% of respondents said it's more important than ever to protect employees' well-being.

Leaders are also looking outside their organizations. The vast majority (90%) of Pioneers agree on the importance of reducing their environmental impact, versus less than half (47%) of Late Movers. Most (59%) respondents also said that supporting the community was now even more important.

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**“In the future, it will be impossible to run an [environmentally] unsustainable business, because customers will not support you, investors won't invest in you and the smartest people won't want to work for you.”**

—Osvald Bjelland, Founder and CEO of Xynteo

(Xynteo works with a community of visionary leaders to help reinvent growth for themselves, their organizations and the systems in which they operate.)

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These initiatives aren't just about public image; they make good business sense.



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# There's no time to waste.

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## When it comes to digital transformation, hesitation could be worse than failure.

During times of great turmoil, it may be tempting to take shelter and wait for things to blow over. Focusing on the long term isn't easy during times of disruption, but you can't afford to miss this chance to digitally transform.

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**“Economic calamities—even tragic, once-a-century global pandemics—require business leaders to find opportunity in the chaos.”**

—Geoff Colvin, Editor of Fortune<sup>4</sup>

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The World Economic Forum has called for a “Great Reset.”<sup>3</sup> Around the world, companies and governments are rethinking their priorities and investments.

As Yogi Berra said, “It's tough to make predictions, especially about the future.” But holding back is potentially much more risky as everything around you changes dramatically. Now is the time to reassess your strategy around technology, skills and behaviors, leadership, and ways of working.

Doing so will help you rebound in the days ahead and build a better future for your company, your staff and the world around you.

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## Find out more.

What makes you ready for the future? An efficient operating model? Reliable connectivity? Today's most innovative organizations understand that readiness is not determined by any one thing at any one time.

**Read the 5 States of Ready reports >**

Verizon is one of the world's biggest communication companies. You might know us best as a phone company or a networking company, but that's just the tip of the iceberg. We deliver services that help our customers realize their potential, whether that's secure, high-performance networking or state-of-the-art multi-access edge computing. We've pioneered technologies like software-defined networking and 5G, and we're leaders in cutting-edge applications like extended reality—all designed to fuel customers' digital transformations.

**Ready to get started? Let's talk >**



The analysis in this report is based on the responses of over 1,700 senior executives from a range of industries and regions to two surveys; the first was carried out in January/February 2020 and the second in May 2020. These surveys were conducted by Longitude, a Financial Times company, on behalf of Verizon.

<sup>1</sup> Peter Bendor-Samuel, “Why Digital Transformations Fail: 3 Exhausting Reasons,” The Enterprisers Project, August 2019.

<sup>2</sup> Mobile Frustration Index, NetMotion, September 2019.

<sup>3</sup> Klaus Schwab, “Now Is the Time for a ‘Great Reset,’” World Economic Forum, June 2020.

<sup>4</sup> Geoff Colvin, “Coming Out of a Crisis, the Boldest Companies Win,” Fortune, June 2020.

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