Digital Transformation and Next-Gen Business Technologies

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bluQube

Contents

Foreword

Next-generation technologies, such as cloud computing, advanced analytics, artificial intelligence (AI) and machine learning (ML), are changing the corporate landscape and altering the way businesses operate.

Inevitably, this is having an impact on the workplace experience and that impact will become more keenly felt as the implementation of new technologies becomes more widespread.

We undertook this research in order to take a deep dive into the progress of and attitudes towards digital transformation across sectors as diverse as construction, education, financial services, pharmaceuticals and transport.

We establish where businesses are now, whether they have embraced technology, and, if so, across which areas of their operations and departments.

We also identify which technologies are currently the most widely adopted, where scepticisms and concerns towards their implementation lie and what's fuelling them.

Crucially, we then look ahead to the next five years and investigate how digital transformation across the business landscape is likely to evolve, and the extent to which events such as Brexit and the Covid-19 pandemic will impact this evolution.

Simon Kearsley
CEO of bluQube

Executive summary of findings

bluQube researched the views of a nationally representative sample of 150 senior business leaders on the topic of digital transformation. The findings revealed critical new insights into attitudes towards the implementation of new technologies in the workplace.

Although digital transformation is benefitting some departments more than others, confidence in its ability to enable growth is high

Almost half of businesses feel that their finance/accounting departments have benefitted most from digital transformation (47%), followed by sales & marketing (40%) and operations (37%).
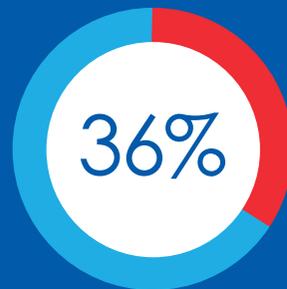
78%

78% of business leaders believe digital technologies have enabled the growth of their business.

The pandemic has had a major impact on the uptake of new technologies

76%

76% of business leaders said the pandemic and the move to remote working sped up their company's plans to implement digital technology.

36%

36% of business leaders believe that they will have to implement more technology to support the rise in hybrid / remote working.

Interoperability with other systems is a key business requirement but familiar concerns are preventing deeper implementation of technology

The biggest concern for business leaders preventing them from implementing new technology is digital security breaches (35%), followed by cost (34%) and lack of time to implement and train (33%).

99%

99% of business leaders said that when implementing new digital systems, interoperability with other systems is important to them.

Continued...

**A 'human touch' remains a vital customer service component together with transparent pricing**

50%
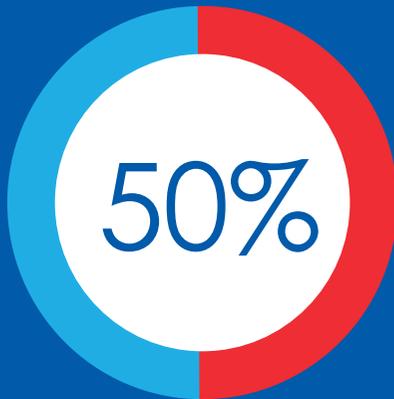
Transparency/no hidden costs is most important to business leaders when choosing new accounting software for their business (50%).
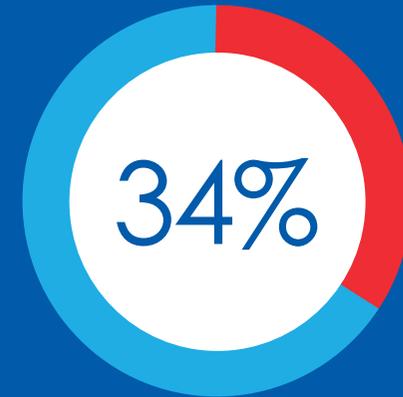
89%

89% of business leaders feel the human touch of customer service is important to them.

There is a widespread belief that further investments in technology will both be necessary and will deliver results over the next five years

47%
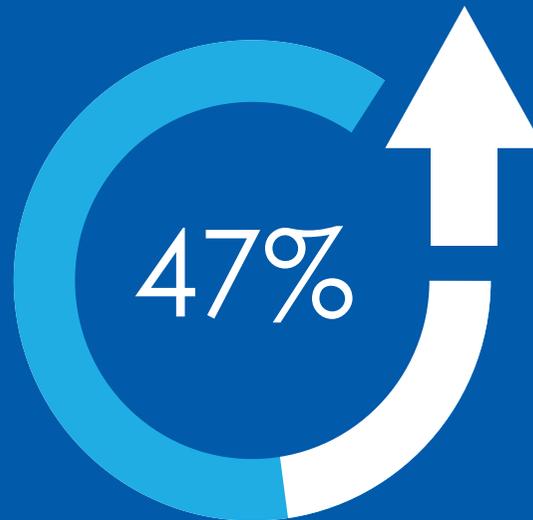
47% of business leaders believe they must implement more technology in order to stay competitive in the next 5 years.

34%

34% believe changes in customer demands/expectations will make more technology essential to success.

44%

Almost half (44%) of businesses believe that digital technology will impact their accounts/finance department most over the next five years.

Chapter 1

The current digital transformation landscape

Over the course of the last decade, the business landscape has been characterised by a surge in the adoption and evolution of digitalisation.

The increased accessibility and sophistication of tools such as cloud computing, artificial intelligence (AI), and machine learning (ML) have allowed modern businesses to develop a dynamism and agility that has been transformational.

To illustrate exactly how transformational, we first explored the current digital transformation landscape, looking at which technologies are being most widely implemented.
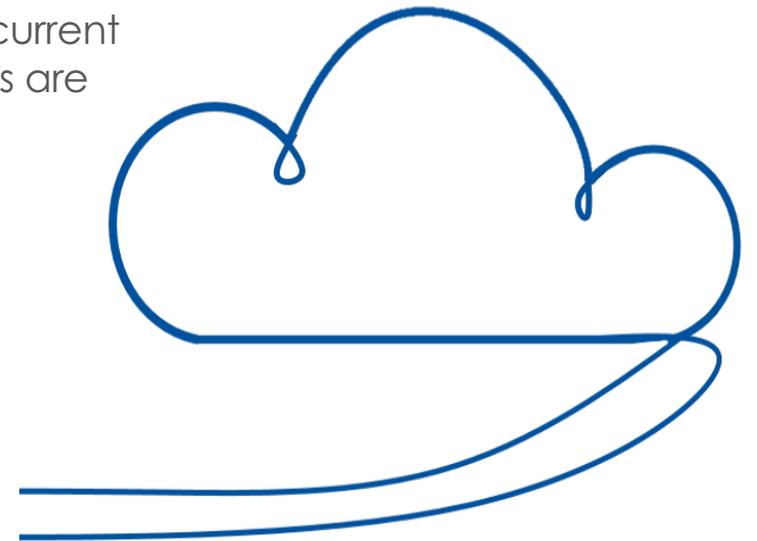
The implementation of modern technologies is almost universal

Though our respondents were all at different stages on their digital transformation journey, only 2% reported not having implemented any of the technologies we presented.

These included more established technologies such as cloud and mobile, through to more emergent and niche solutions like robotics, augmented reality, and Digital Twins.

72% mobile

72% cloud
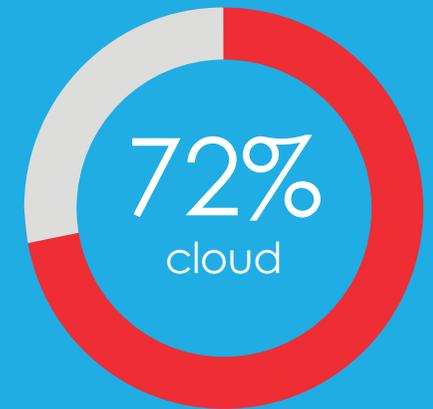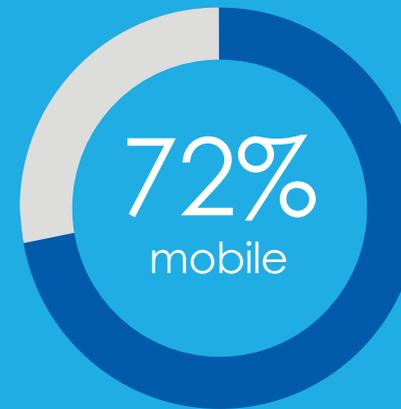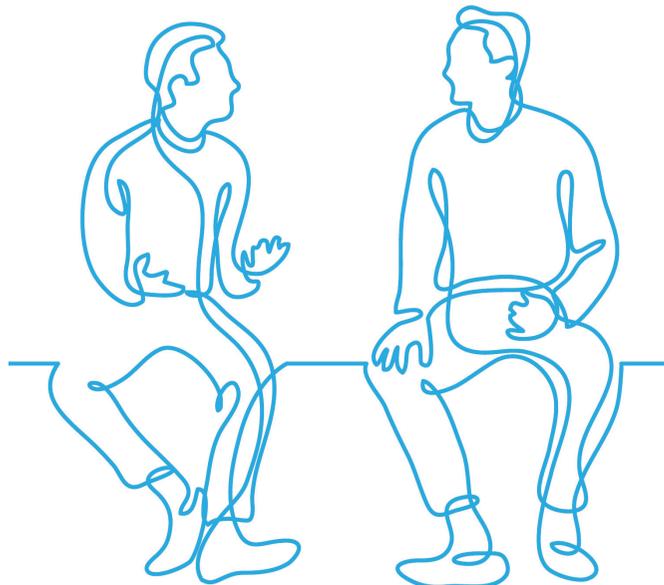
As the more established technologies, it was perhaps unsurprising to learn that mobile (72%) and cloud (72%) were the most widely implemented as both remain critical for businesses to access information anywhere with any compatible device, particularly in a remote working world.

The fringe technologies are gradually entering the mainstream

Despite the dominance of cloud and mobile, there are signs that more emergent technologies are becoming commonplace.

Nearly half (48%) of the leaders surveyed claimed to be using Internet of Things with a further 30% using either ML or AI.

At a more bleeding-edge level, more than one in 10 leaders (13%) are deploying robotics and another 13% use interoperable systems.

21%
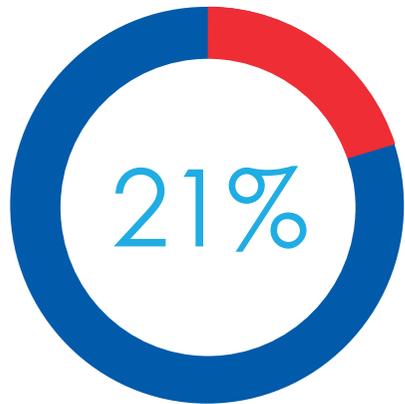
Of some surprise was the two in five (21%) leaders who have introduced augmented reality into their business models and services.

48%
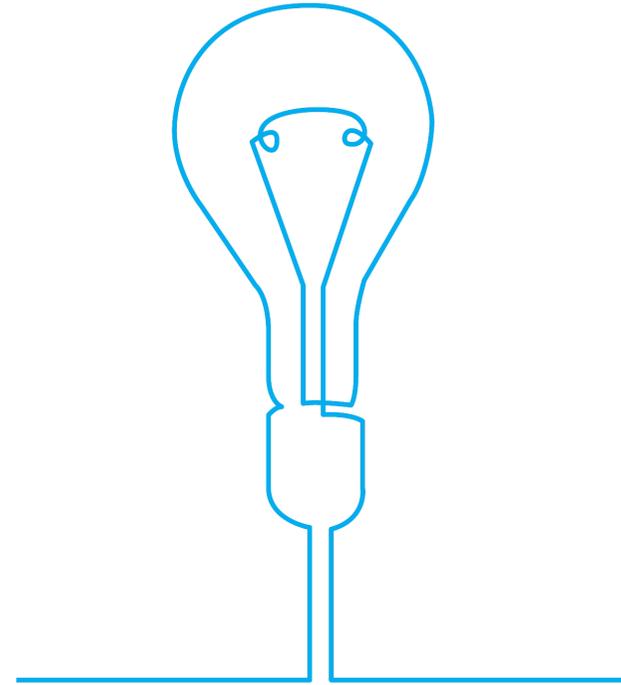
of the leaders surveyed claimed to be using Internet of Things

Accounting departments are enjoying the greatest benefits

Crucially, of the 98% of business leaders who had implemented the various technologies presented in the survey, 78% felt they have enabled their business to grow.

Of the departments benefitting most from digital technology, the research found that accounting departments (47%), followed by sales & marketing (40%) and operations (37%) are reaping the greatest rewards.

Given the accuracy and time-saving capabilities they confer to professionals, it was expected that accounting departments would be among those reporting the most positive impact from digital technologies.

47%
accounting

40%
sales and marketing

37%
operations

These departments are reaping the greatest rewards

78%

78% of business owners felt digital technologies have enabled their business to grow
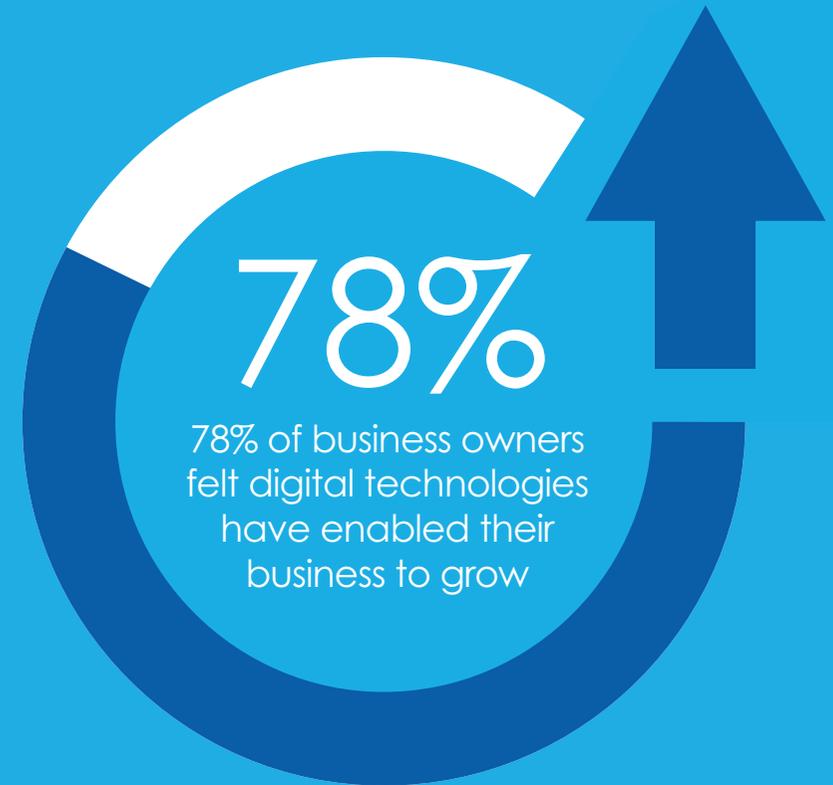
Tasks that were historically mundane and protracted with a high risk of error can now be completed within minutes, freeing professionals to pursue more mission-critical objectives.

Chapter 2

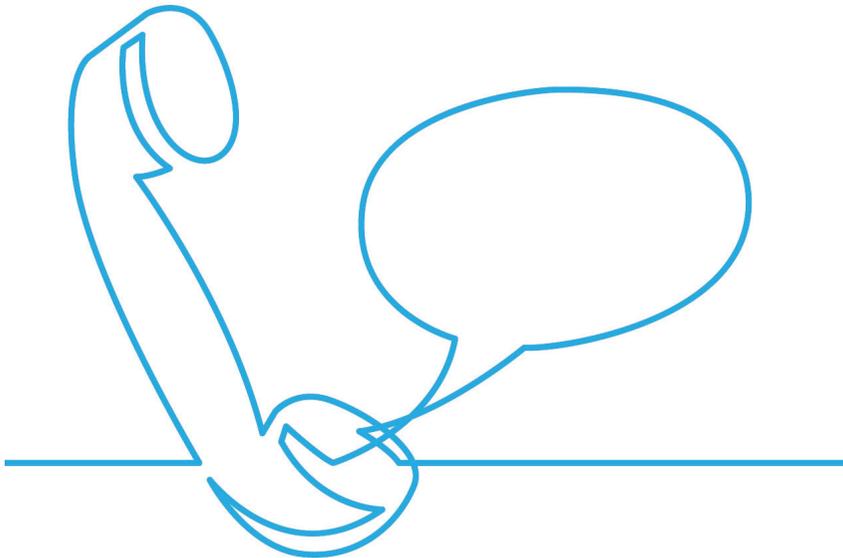## What is driving the implementation of digital technologies?

As we can see, digital transformation projects are no longer the preserve of a handful of forward-thinking businesses, they are being undertaken by the overwhelming majority of companies, across all sectors.

With investment in digital technology so pervasive, it was then necessary to examine the reasons behind this trend.
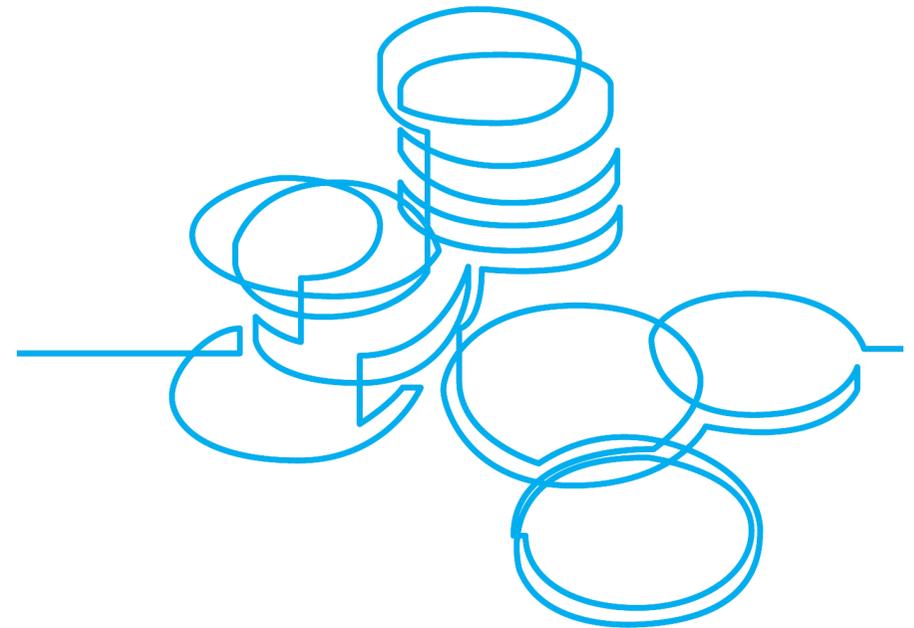
Improved efficiency, cost saving, and better customer experiences

At a more general level, uptake of digital technologies has been triggered by the benefits they allow businesses to enjoy.

Q | **Where do businesses feel digital transformation is benefitting them the most?**

Improved efficiency

65%

Cost savings

44%

Better customer experience

39%

Improved sustainability

36%

Improved transparency

32%

Aiding remote working

32%

Better employee engagement

27%
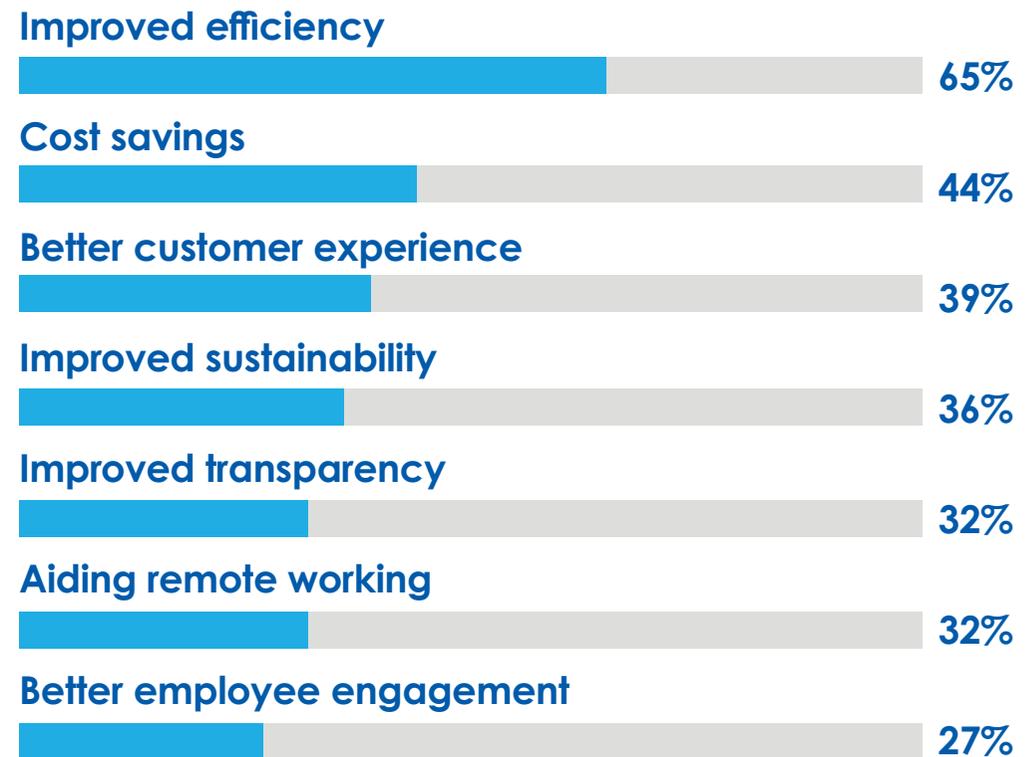
The pandemic and need to facilitate remote working triggered a surge in technology investments

Of course, it was the pandemic that saw the most recent and dramatic spike in the implementation of new technologies.

The restrictions on physical movement that were applied to hinder the spread of Covid-19 meant businesses had to adapt to survive.

An ability to facilitate remote working was central to this adaptation and 76% of business leaders claimed the sudden need to enable their employees to work from anywhere accelerated their company's plans to implement digital technologies.

Indeed, 47% of respondents reported having implemented new technology since the pandemic took hold and a further 29% have developed plans to implement digital technology in the near future.

76%

76% of business leaders claimed the sudden need to enable their employees to work from anywhere accelerated their company's plans to implement digital technologies.

Furthermore, in what is a hint towards a growing normalisation of remote working, 36% of business leaders believe they will have to implement more technology to support the continuation of hybrid or remote working models.

Chapter 3

Reservations surrounding digital technology implementation

Although the corporate adoption of digital technology has been widespread over the last decade and more so during the pandemic, it would be wrong to assume that business leaders have managed their digital transformations with full confidence.

In fact, the opposite is true. 90% of respondents stated they hold some reservations/concerns when it comes to the implementation of new technologies.
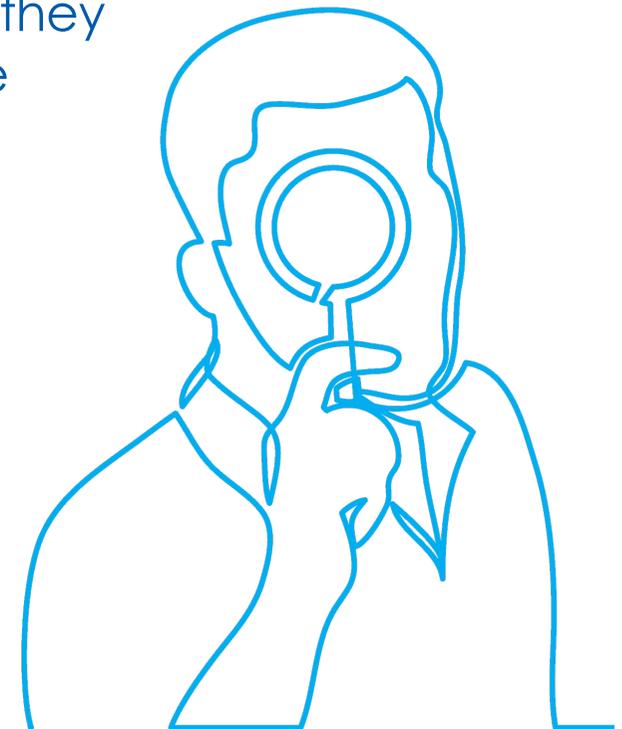
Fears of security breaches, prohibitive costs, and successful implementation are deterring leaders from implementing more technology

34% of the leaders surveyed claimed digital upgrades were too expensive

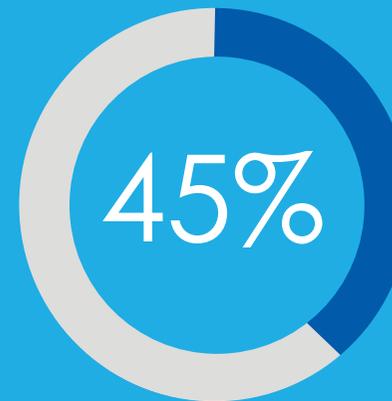## Q | What concerns do businesses hold over digital transformation?

Digital security breaches

35%

It's too expensive

34%

Lack of time to implement and train staff

32%

Employee resistance to change

16%

Overhaul of current systems is not a priority

15%

35%
of the leaders surveyed claimed digital security breaches are a main concern

# Interoperability with other systems is wanted by almost all business leaders

In terms of what business leaders are looking for when implementing new digital technology, interoperability with other systems emerged as a major requirement with 99% of business leaders identifying this function as important when implementing new digital solutions.

Interoperable systems enable users to freely share data with third party systems throughout the business.
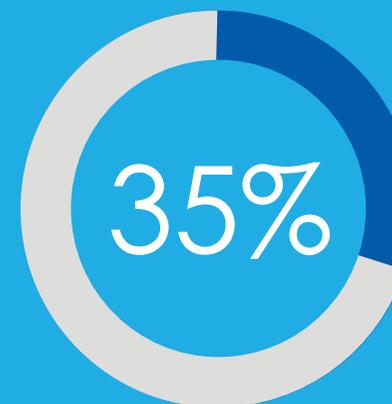
This makes daily processes easier and faster and there is particular demand for better interoperability between sales and CRM (45%), finance and project management (40%) and finance and CRM (35%).

45%

sales and CRM (45%)

40%

finance and project management (40%)

35%
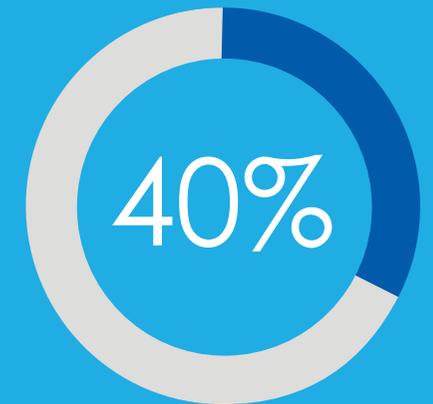
finance and CRM (35%)

Chapter 4

What do businesses look for in a technology provider?

We can see then that business leaders look for a range of benefits from their digital technology, from simple cost-savings to improving customer experiences and enabling remote working.

We can also see the barriers to adoption, whether fears surrounding security breaches, or the time and cost needed to upskill staff.

But what about the technology providers themselves? What qualities are business leaders looking for in those they choose to enable their digital transformation?

## In a digitised ecosystem, a 'human touch' is still much desired

Despite the reliability and capability of the technology itself being of such importance to business leaders, the value of real, human customer service remains remarkably high.

40% of respondents stated that customer service with a 'human touch' is a '100% mission critical focus' while half (50%) described it as significant.

90%
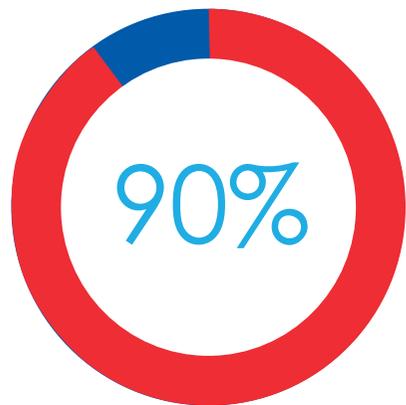
Over 90% of respondents feel the human touch of customer service is even more important due to technical developments filling the gap.

Despite the ongoing need for businesses to find cost-effective, secure solutions, the respect, flexibility, and empathy with which they wish to be treated has not declined over the years.
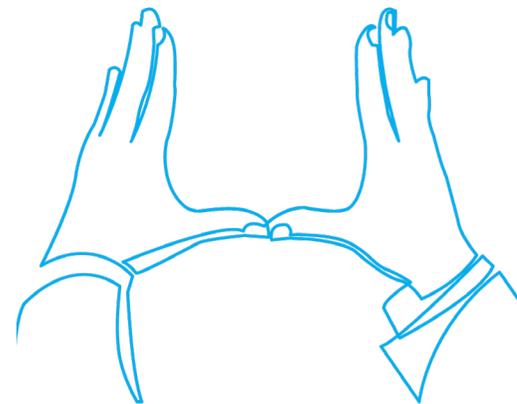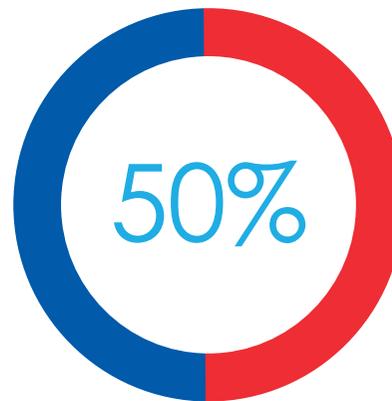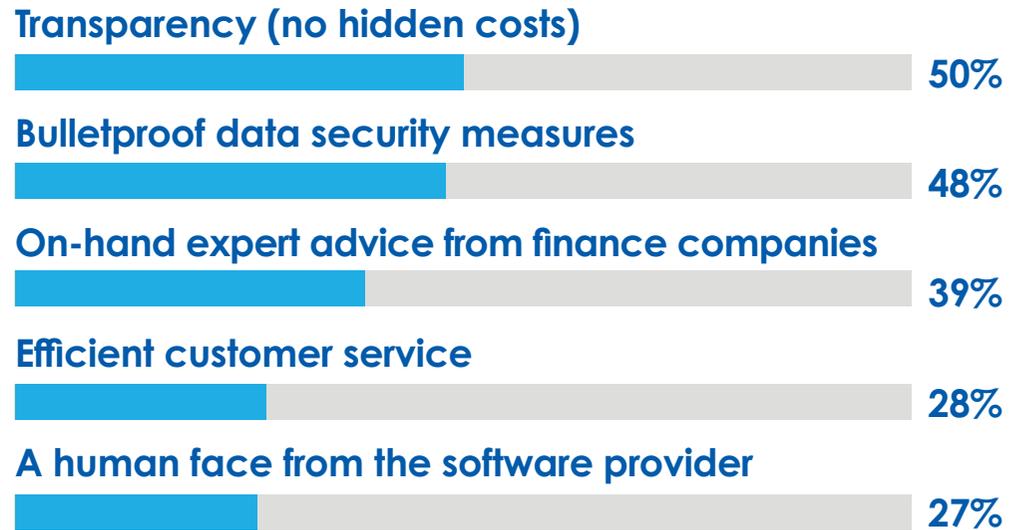

And, even with an array of digital tools at their disposal, the ability to speak directly with another human has lost almost none of its importance.

Accounting departments want transparent pricing, robust security, and ready access to support

39%

39% of the leaders surveyed claimed on-hand expert advice from finance companies was an important factor when selecting an accounting system

Q | **What are the most important factors to businesses when selecting an accounting system?**

Transparency (no hidden costs)

50%

Bulletproof data security measures

48%

On-hand expert advice from finance companies

39%

Efficient customer service

28%

A human face from the software provider

27%

50%

50% of the leaders surveyed claimed transparency (no hidden costs) was an important factor when selecting an accounting system

In such uncertain times, transparency is hugely important in the building of trust between customer and supplier.

There is clear correlation between transparency and trust; improving transparency, particularly with potential hidden costs, is an accessible first step for suppliers to take in order to build trust with current and prospective customers.

Chapter 5

Which departments are set to benefit most from digital transformation?

As demonstrated in Chapter 1, our research reveals that accounting departments are benefitting most from digital technology across the UK.

This suggests an awareness that, when executed effectively, financial digital transformation can offer significant benefits to businesses and particularly to accounting departments.
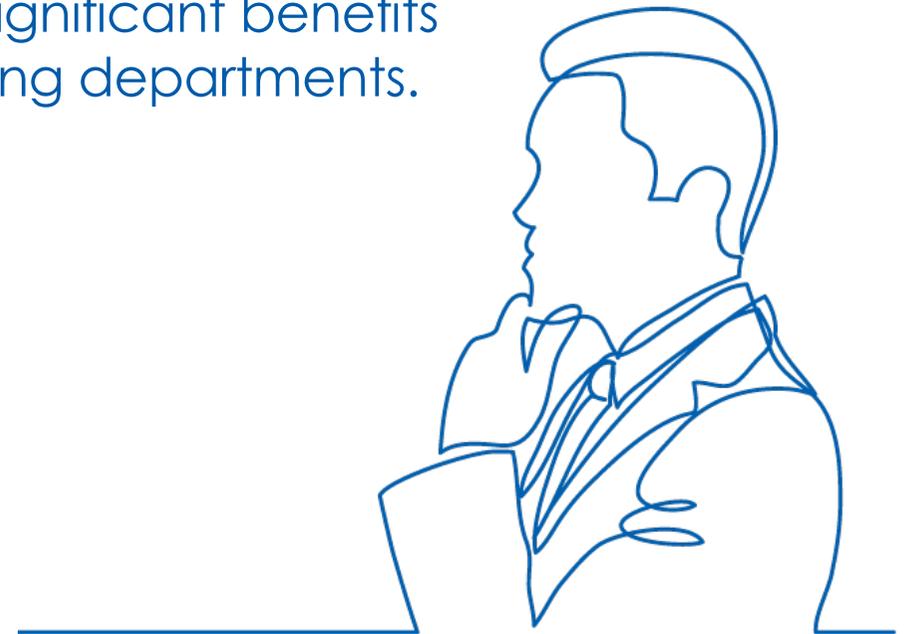
Accounting departments are benefitting most from new technologies and are expected to benefit further in the future

Looking to the future, almost half (44%) of businesses believe that digital technology will impact their accounts/finance department most over the next five years.

Meanwhile, 36% of business leaders believe they will need to implement more technology to support the rise in remote/hybrid working.

This is likely to be particularly true for accounting departments, many of which faced interoperability and accessibility issues since working from home on a long-term basis.

In terms of where accounting departments store and process their data, the research found that surprisingly few businesses have made the move to the cloud, with only 30% storing and managing their data online.
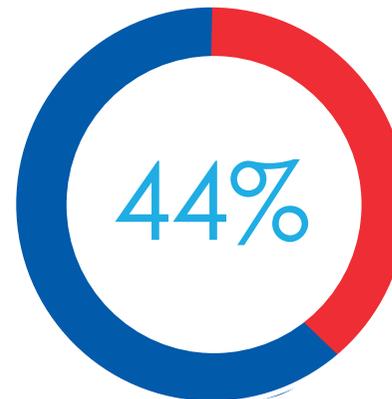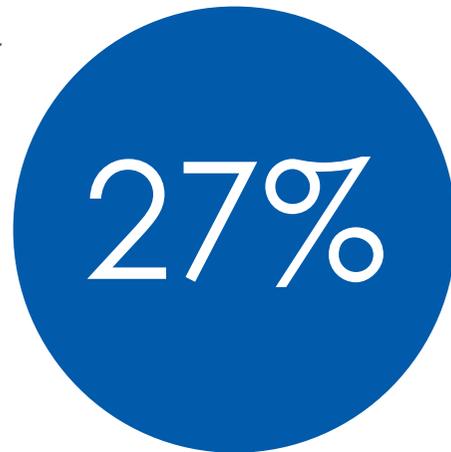
44%

44% of businesses believe that digital technology will impact their accounts/finance department most over the next five years

Most (42%) rely on
on-premise servers

42%
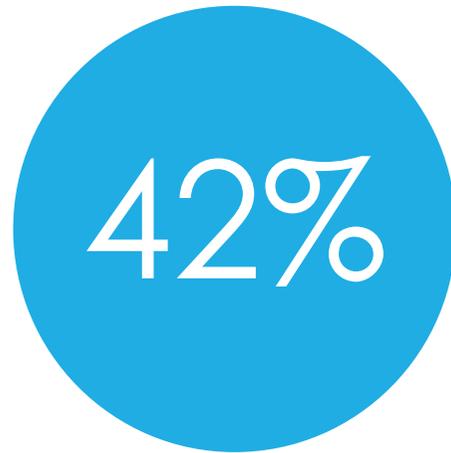
while over a quarter

27%

(27%) use only basic
software packages
such as Excel.

Though the 42% of accounting
departments relying on on-
premise servers represent a
significant segment, this is likely
to reduce in the coming years
as cloud technology becomes
even more normalised.

The versatility, security, and time and resource
savings the technology confers is driving a
global, wholesale corporate migration to the
cloud.

Indeed, by 2025, 85% of enterprises will have
a cloud-first principle, according to Gartner.
It seems unrealistic that accounting departments
will resist this trend.

Chapter 6

The future of digital transformation in business

In this final chapter we look ahead and at how leaders believe digital transformation within their own businesses will evolve over the next five years.

Given that almost all the business leaders we surveyed view digital transformation over this period as advantageous with accounting (47%), sales and marketing (40%), and operations (37%) being the greatest beneficiaries.
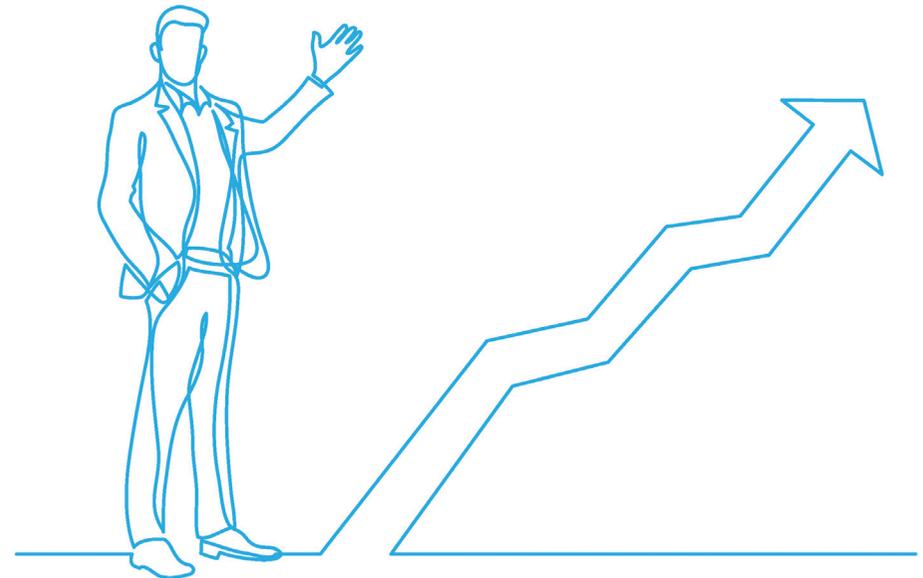
# Multiple factors are driving deeper technology implementation

Responses were more mixed in terms of what business leaders believe will drive further adoption of technology over the coming five years.

Almost half of leaders (47%) stated that deeper implementation will be necessary to remain competitive with just over a third (34%) linking that to predicted changes in customer demands and expectations.

For other respondents, recent events have altered how they perceive the importance of technology.
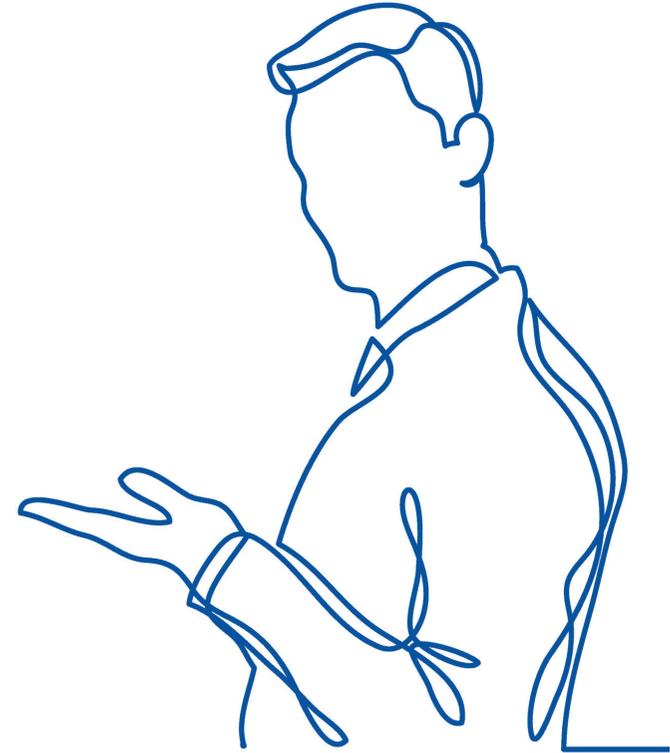
47%

Almost half of businesses (47%) believe further adoption of technology will be needed to remain competitive

34%

34% of businesses believe predicted changes will demand deeper implementation of technology
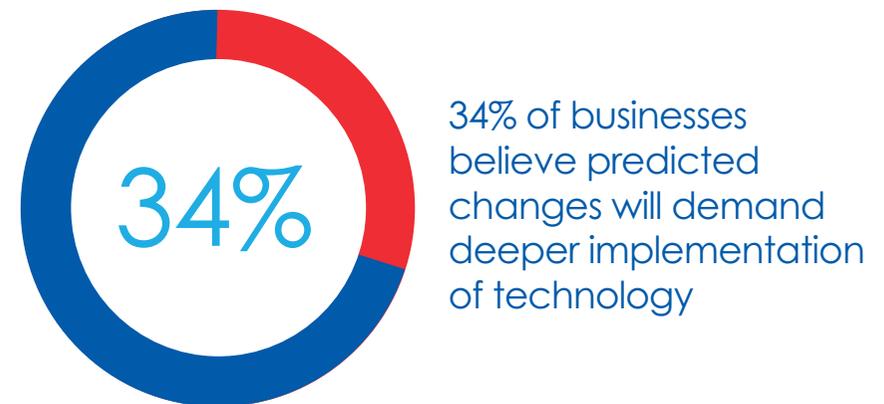
36% believed they would have to implement more technology to support the rise in hybrid / remote working and nearly a quarter (23%) pointed specifically to Brexit and the Covid-19 pandemic as making business technology more essential to success.
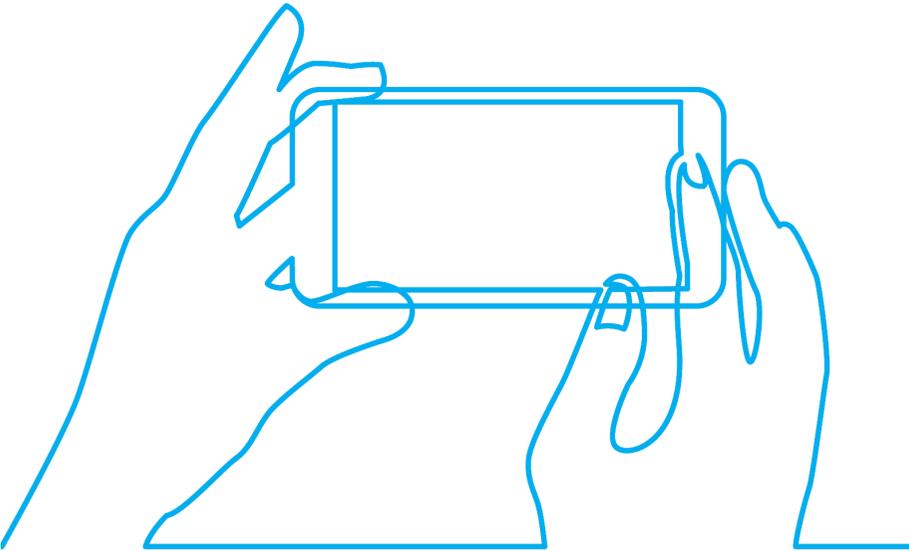
A not insignificant one in five (19%) expressed a desire to implement more technology but had concerns regarding resistance from either employees, senior management, or customers.

23%
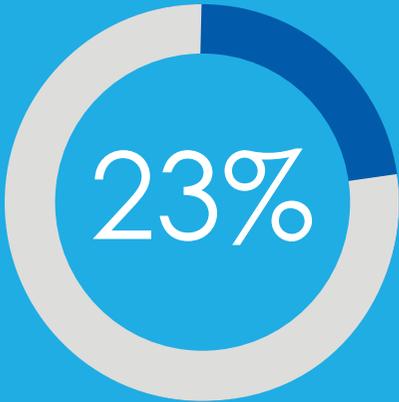
23% of businesses pointed specifically to Brexit and the Covid-19 pandemic as making business technology more essential to success

Though the age of business leaders should influence how technology providers deliver digital transformation, nearly all view it as advantageous

The research suggested that how technology providers tailor their service for businesses should differ based on the age of business leaders.

75%
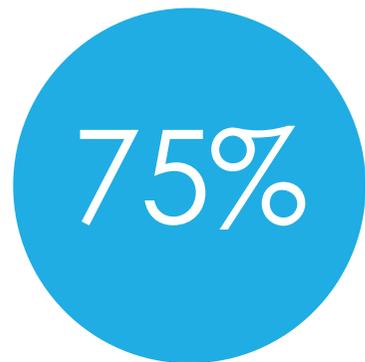
75% of leaders aged 65+ believe the human touch is critical, compared to just

44%
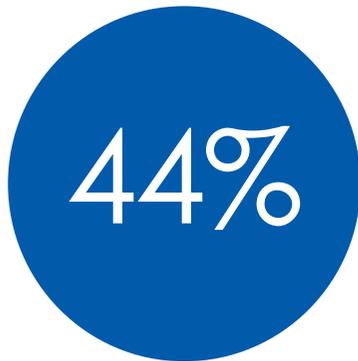
44% of those aged 25-34

As many businesses are investing in technology that automates the customer service experience, caution should be exercised in undervaluing the importance of the human touch.

The business leaders we surveyed had varying opinions on which departments were set to benefit from greater investments in technology, what the factors are that are driving adoption, and where resistance may come from.

However, on one issue, they were unanimous:

97% of business leaders see digital transformation benefitting their company.

Conclusion

It is clear from the findings of this research that digital transformation is both happening at pace across the corporate landscape and is believed by leaders to be a vital tool in the pursuit of business growth.

Moreover, it has been essential for adapting to a post-Covid world where remote working is more commonplace than it has ever been.

Although the reported drivers for deeper technology adoption threw up few in the way of surprises, it was interesting to observe that business leaders still place such value on 'human' relationships with technology providers.

For an industry that places such a premium on automating and digitising core business tasks, it is a finding that is well worth paying attention to if their own growth is a key objective.

Also worthy of consideration is the fact that the deterrents to further technology investment are all too familiar - businesses still worry about security breaches and the cost of implementation.

There are also concerns as to the resource required to upskill employees in its usage.

continued...

Certainly on this point, these concerns are largely unnecessary as today's leading technology providers supply platforms that are designed with usability and intuitive signposting sitting front and centre.

Nevertheless, more extensive work may need to be done at an industry-wide level to help businesses understand that risks are minimal and present less of a threat than shunning digital transformation altogether.

A common thread throughout the research was also the particular benefit new technologies present to accounting departments.

Given the scale of professionals within accounting departments still using on-site servers and legacy tools such as Excel, it follows that those that have undergone digital transformation will be experiencing the most profound impact.

Overall, the picture appears to be one of a corporate world that is both engaging in and benefitting from digital transformation.

By empowering accounting departments with more technology investment, delivering services with a 'human' touch, and allaying any fears around implementation, the UK business landscape could yet become one of the most technologically capable in the world.

About bluQube

bluQube is an innovative and unique accounting platform, designed to ensure organisations have the right tools and insights to drive success.

As cloud accounting specialists, we provide a powerful, highly secure, and device-agnostic finance system that can be easily accessed from anywhere, saving the resource needed for space, energy, IT resource, hardware maintenance, and software upgrades.

bluQube's commitment to creating a truly modern, frictionless accounting experience is clearly demonstrated through our platform's integration of the latest technologies.

From Optical Character Recognition that converts images of typed, handwritten or printed text into machine-encoded text, to process automation that completes manual tasks in minutes.

From web-service data links that allow departments to choose the system that's right for them with real-time reporting, no time lag or manual re-keying, to customisable process flows that ensure no step is ever missed.
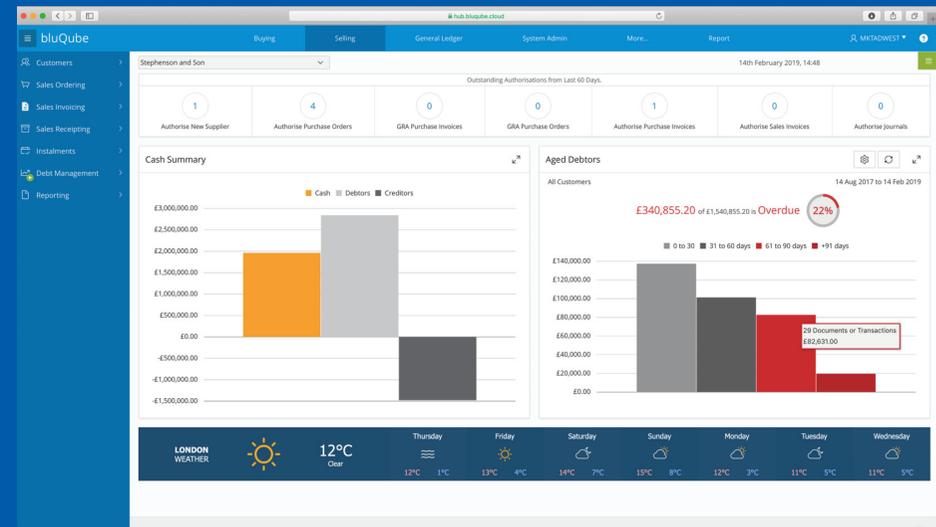
An essential component of digital transformation strategies for organisations across the UK, the bluQube platform represents both the present and the future of accounting.

For more information visit www.bluqube.co.uk