



Perspectives

What it takes to be a future-fit business today

Here's a preview of focus areas from our forthcoming study on the future-ready business, developed by Economist Impact, highlighting three key takeaways on what it will take to thrive in the post-pandemic world.

Business leaders have their work cut out for them—and they seem to be well aware of that fact. A majority of senior leaders around the world are now making it a strategic priority to adopt a data-driven approach to doing business and creating a digital-first business model.

The only problem is, business leaders are also prioritizing a host of other strategic objectives that encompass the entirety of the business trinity: process, people and technology. The risk, of course, is that competing priorities will paralyze any of these initiatives from moving forward.

To better understand the state of the modern enterprise and how leaders are preparing for long-term success, we commissioned Economist Impact to conduct a global survey of 2,000 senior business leaders. The study,

which will be available in the second half of this year, will assess and compare businesses in eight critical industries using a range of metrics that characterize what it means to be a “modern business,” including vision, talent strategy, technological readiness, environmental sustainability and social responsibility.

Here's a preview of focus areas from the forthcoming study on the future-ready business, highlighting three key takeaways on what it will take to thrive in the post-pandemic world.

1. Multiple strategic priorities highlight the scale of the challenge

When everything's a priority, nothing can be a priority. And that's the risk facing business leaders today. Business-critical priorities cross every vector, from technology investment and process automation, to managing people and optimizing performance.

Long-term planning will become more critical than focusing on short-term gains as the hard work begins on transforming the enterprise to be future-fit.

But while businesses don't lack the operational strength to become future-ready, they do risk running out of time to take effective action to be future-ready. And the longer they take to sort out their priorities and how to execute on them, the more complex the challenge becomes.

- **What it means:** Deciding where to focus is job one. Leaders need to determine which strategic priorities to focus on, from institutional and governance capabilities, to strategic and operational targets, in order to deliver better outcomes. Firms with a willingness to modernize, to make the right decisions, will see the results reflected throughout the organization, in the form of improved corporate culture, resource allocation, leadership buy-in, hiring practices, communication and dedicated processes for fielding and implementing new ideas.

(Our forthcoming Future-Ready Business program, developed by Economist Impact, will offer a unique benchmarking tool that allows business leaders to understand how their enterprise compares with peers across industries, countries and company sizes, allowing them to identify and prioritize modernization investments.)

2. Technology adoption is the easy part—and it isn't slowing down

Businesses are enthusiastically embracing technology adoption in their efforts to be future-fit.

Despite multiple waves of digital transformation in the past few years, it seems, there's no slowing down on these efforts. If anything, the move to digital is accelerating beyond the usual shopping list of cloud, advanced analytics, Internet of Things and artificial intelligence/machine learning. Interestingly, there is also an increasing appetite (adoption and planned adoption) for an emerging set of technologies, including quantum computing, blockchain and robotics. Companies will seek a range of improved outcomes from these investments, including better interoperability, forecasting capabilities, operational resilience and product/service quality.

Despite all the spending on technology, though, the return on value is a cause for concern. There are growing questions about whether business leaders believe their suite of adopted technologies delivers significant strategic value.

At a more fundamental level, the disconnect between technology adoption and available talent will widen if left unchecked, leading to disappointments with the value equation. Adopting technology is easy compared with what it takes to realize the hoped-for gains.

- **What it means:** Advanced technologies are set to deliver a multitude of outcomes, mainly geared toward ensuring the business can adapt instantaneously to uncertain events and deliver exceptional experiences. Cloud, IoT and AI are now table stakes in doing that.
- Businesses that prepare the workforce for the wrenching changes ahead with regard to culture, talent and buy-in, will be positioned to realize the hoped-for outcomes in technology use, success and productivity.

3. It's time to rebalance the scales on people vs. machines

The insatiable appetite for new technology belies a longstanding issue that can no longer go unaddressed: The people who work with these increasingly intelligent tools are less celebrated.

Talent management issues like employee engagement, motivation, satisfaction, and talent/skills readiness are often overlooked.

Our own research reflects a chronic lack of focus on and underfunding of preparing workers for the new ways of work, even when businesses, themselves, know they need to put these capabilities in place. Best practices such as using data to understand or cultivate talent, including measuring employee satisfaction and aligning skill development and training with corporate needs, are limited.

- **What it means:** Despite a wealth of research about employee motivations, values, desires and business impact, there is a wide disconnect between what leaders say is important to the business and what they do. Companies that over-index on technology with little focus on people will not achieve their desired future-ready status.
- The right interplay of technology-enabled capabilities and people-driven skills will enable leaders to build the intuitive business model needed to compete in a volatile world. And while technology continues to enjoy significant focus, fundamental transformation requires an equal focus on the more challenging—but more rewarding—realm of talent management.

Bottom line

The last few years have been about recognizing the importance of applying digital technologies to business goals. The next horizon will be about bringing people into the picture and focusing as much as on the “what” gets implemented as “how.” With this balance realized, businesses will be in a position to meet the many strategic priorities on the agenda today.

Look for our upcoming report on the future-ready business, developed by Economist Impact, in the second half of this year.

Learn more about how to engineer intuition into your business now at Cognizant.com.



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