

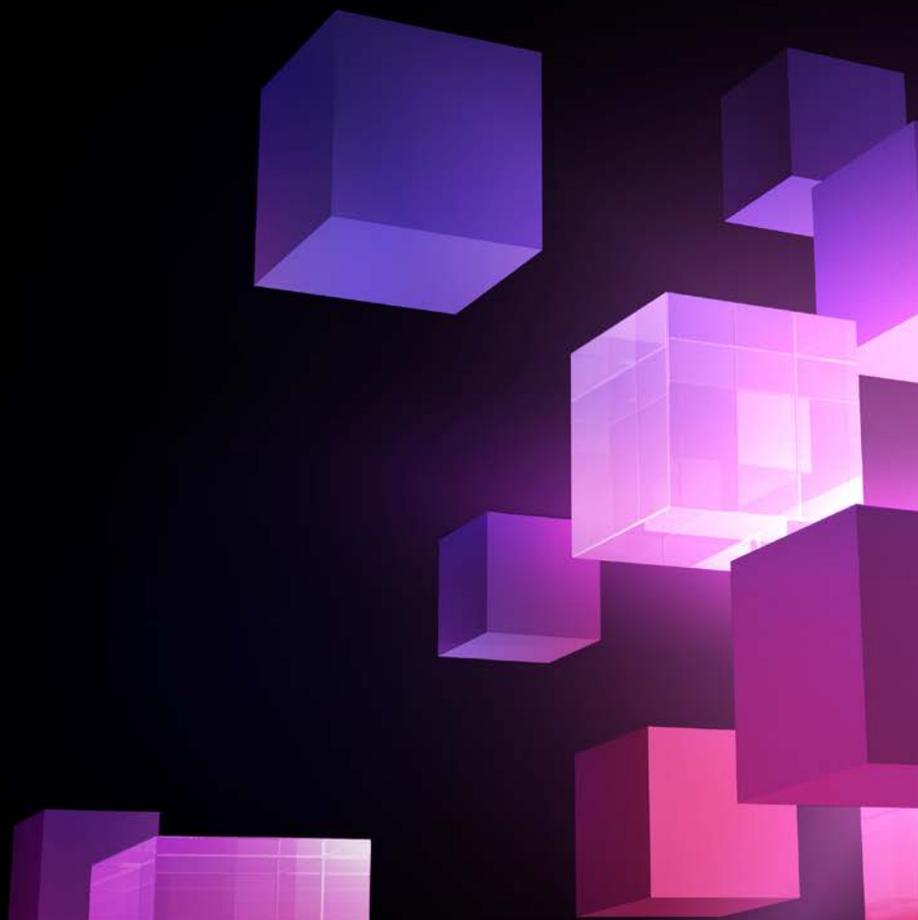


# Reinventing Without a Roadmap

A new breed of enterprise  
emerges post-pandemic

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# Foreword

What a difference a year makes. In reading the feedback from 10,000 leaders across enterprises in five countries, I am struck by the tone of optimism. Just over a year ago, survival was the order of the day, imperilled by enforced at-home working, brittle supply chains, and rapidly changing customer expectations and buying behaviours.

The title of this report, *Reinventing Without a Roadmap*, gets to the heart of the lessons to be learnt. Painstakingly negotiated multi-year roadmaps might give a comfortable feeling of control but, if we are honest, they have rarely worked for the many business areas that are unpredictable and volatile. It is akin to believing we can predict and control the future. Rapidly shifting consumer sentiment and social norms, sustainability expectations, geopolitical machinations, and macroeconomic uncertainty are piling pressure on businesses to do more, faster, without increasing costs. Setting a bold north star and then iteratively delivering value in shorter time scales is the pragmatic way of responding. This approach helps enterprises learn quickly and to deliver incremental value more predictably.

The gap between business responsiveness and consumer expectations is widening for enterprises that cling to legacy ways of working. As a consequence, they will also be challenged with attracting and retaining staff. Frankly, who wants to work for a company where you lack autonomy, mastery, and purpose, when others allow you to grow and develop? This is also a wake-up call for those who are leading transformation in their organisations. If your pace hasn't quickened, you're likely being outpaced by the many enterprises that have, on average, accelerated their transformations by almost two and a half years, with the cloud powering their scale and speed. New entrants are also taking market share; disruptors able to move quicker in adopting cloud technologies.

What I find particularly striking in this report is how the majority of leaders have understood that the greatest threat to them thriving is not change, but the status quo. We learnt that it was better to disrupt ourselves than to have the market, world events, or competitors do it to us. Across many economies, organisational complexity has outstripped business complexity for decades. Initiatives to address this moved the needle in too few organisations. Yet the crisis of the pandemic triggered a response in companies that has pushed aside the status quo out of necessity: trusting employees, taking calculated risks to learn quickly, and rapidly scaling successful experiments or pivoting based on learnings. Many of you identified that your organisations stepped up to the plate and embraced agility as a competitive advantage, learning quickly with your customers rather than blindly executing a roadmap based on assumptions and desires – with no roadmap to guide you.

It is a combination of culture, leadership, and technology that has differentiated companies' progression through the pandemic. The crisis was a wake-up call to many that customer-obsessed, agile decision making triumphs over slow, introspective organisations. It's not just about reacting to crises, but about continually responding to and delighting your customers. Despite 90% of companies facing difficulties in understanding and meeting new customer demands, only 50% of organisations expect their businesses to continue to transform. Transformations are never done, else the status quo reasserts its hold.

Success will belong to those who capitalise on these learnings and grab the future with vigour and agility. Yes, the cloud features here. If you had one million more pounds, euros, or shekels, what would you spend it on? Would you build your own power plant? After all, electricity is essential to your business, right? Of course not. Others do this more cost effectively, reliably, and securely, freeing up your time to focus on creating competitive differentiation. The same is true with the cloud. It breaks your dependencies on endless license negotiations, expensive investments in data centres, and a cost-driven reluctance to experiment, while improving your reliability, scalability, and security. It liberates your employees to innovate.

There are findings that give me pause though. Only just over half of organisations identify aspects such as flexible working practices, collaborating to solve problems, and getting closer to customers as being important learnings from the last year. Less than half see the value of using data and insights in decision making or accelerating new business ideas or innovation.

I'd ask you to consider three questions as you read this report:

- 1. Did you survive or thrive through the past two years?**
- 2. Are your people focused on the right opportunities?**
- 3. Are you responding to your customers... or just trying to keep up with the competition?**

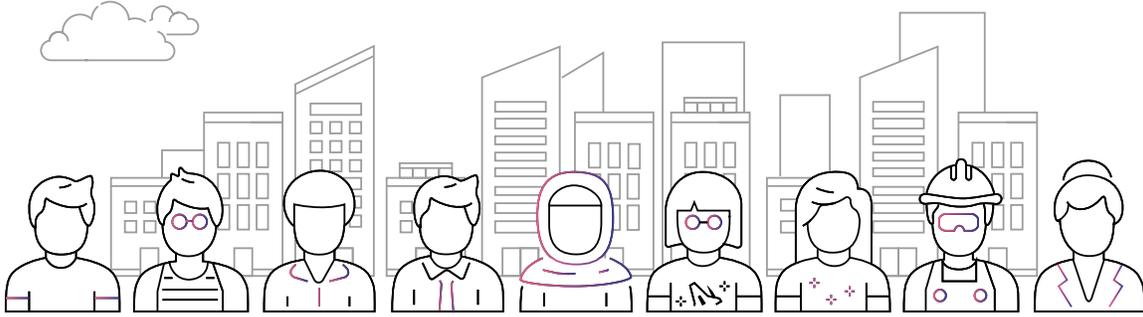
I joined Amazon Web Services (AWS) through a belief in the genuine, lived ethos of customer-centricity and a lack of acceptance of the status quo, coupled with AWS's 15 year-long reputation for being the most progressive, innovative cloud company in the world. We believe that the best way for us to be ready for the future is to help our customers invent it.

AWS is proud to be working with so many of you already. Personally, I am privileged to work with an incredible array of executives. I am heartened to hear from so many that the pandemic has spurred them to accelerate changes to working practices. Please don't lose momentum and please don't hope that you can return to a quieter, static future populated with nice linear roadmaps; your customers won't.



**Philip Le-Brun**  
**AWS Enterprise Strategist**

Phil is a Director of Enterprise Strategy and Evangelism at AWS. In this role, Phil works with enterprise executives to share experiences and strategies for how the cloud can help them increase speed and agility while devoting more of their time to their customers.



# Executive summary

We heard from 10,000 senior business and IT decision makers in enterprises across France, Germany, Israel, Spain, and the UK. Our goal was to understand how they managed to keep reinventing their businesses during the COVID-19 pandemic without a roadmap for what was going to happen next, and to get insights into how they expect their organisations to build on that experience and keep growing in a post-pandemic world.

## Here's what we found:

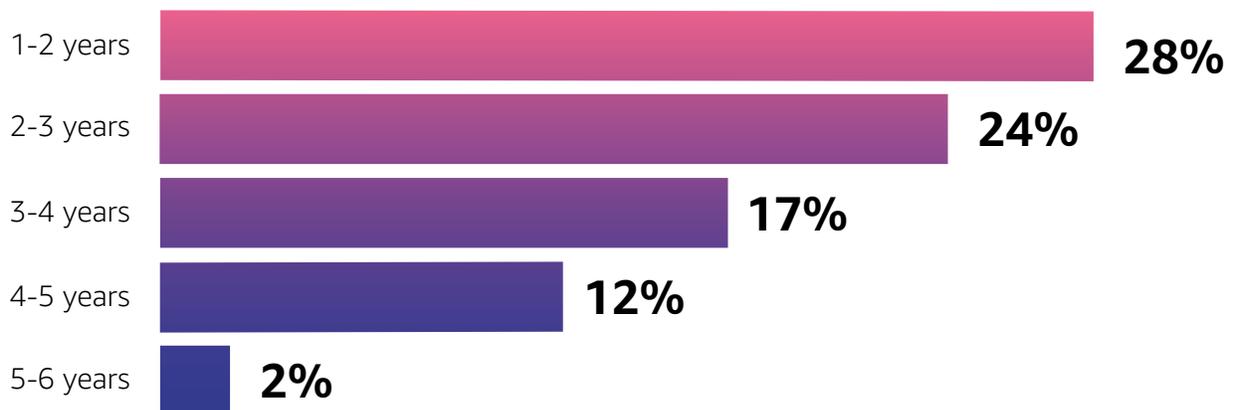
**A new breed of enterprise has emerged out of the pandemic – more confident about responding to change and with a more agile, secure, resilient, and customer-centric approach. These organisations have a sense of confidence and optimism about the future.**

- Having been forced into sudden upheaval by the pandemic, Europe's enterprises have woken up to their ability to pivot and handle change. 65% of business decision makers are confident their organisation is now agile and can easily change or adapt to suit market or societal shifts in the next 12 months.
- Many enterprises admit that the need to transform quickly has been a challenge. 46% of decision makers say that their organisation has struggled to adapt.
- Business leaders believe that their organisations have learnt lessons from the pandemic that will stay with them, such as the importance of more agile working practices, better collaboration, and getting closer to customers.
- They have a positive outlook for the year ahead. 89% expect their business to grow in the next year, on average predicting a rise in revenue of 21%.
- Enterprises are now actively using their digital transformation initiatives to improve productivity and collaboration, enhance the customer experience, and help upskill their employees.

**This new breed of enterprise has been powered by a dramatic shift to the cloud during the pandemic, which has accelerated planned digital transformation programmes and given businesses vital agility and the ability to innovate.**

- 56% of decision makers said that they changed their business model significantly because of the pandemic and 94% made some adjustments to it.
- By using cloud technologies, 65% of decision makers found that they could pivot services and innovate quickly, 63% said they could scale operations to meet changes in demand, and 60% reduced infrastructure costs.
- Nearly two-thirds (64%) of decision makers said they deployed new cloud services and tools during the pandemic, while 40% used cloud for the first time.
- Remarkably, digital transformation initiatives were brought forward by an average of two years and five months.
- However, 46% say that new entrants and disruptors to the market were able to move quicker in adopting cloud technologies and have taken market share from them.

**Enterprises have accelerated digital transformation initiatives by almost two and a half years, but for 14% this was more than four years**

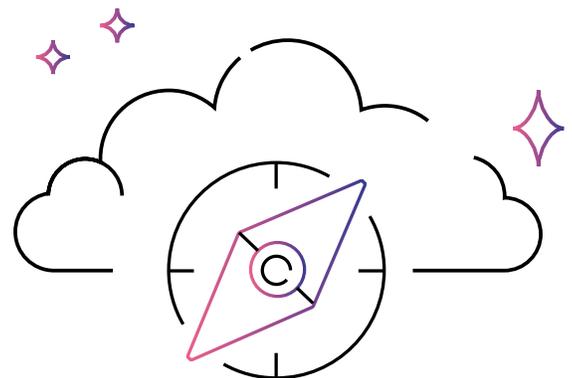


**There's no going back – with a more agile mindset at play among many enterprises, those who don't embrace sustained reinvention and focus on innovation risk being left behind.**

- There's a reinvention dividend for those enterprises that have experimented and learnt during the COVID-19 pandemic and intend to keep doing so.
- They are now more resilient and better placed to keep flourishing in the new competitive landscape. 69% of business decision makers have a clear strategy to seize opportunities and 60% agree they will need to adjust their business model again once lockdowns lift.
- Cloud is firmly at the heart of the way forward for many enterprises. 64% of business decision makers intend to adopt technologies like cloud computing post-pandemic and 54% say their business depends on cloud.
- However, there are those that do not think reinvention will be necessary beyond the pandemic. Only 50% of decision makers expect to continue transforming post COVID-19.
- Many still need to urgently address internal challenges and shift mindsets to thrive in this new business era. 50% of business decision makers said their organisations still lack an understanding of how to link business problems to technical solutions, 47% said employees are resistant to change, and 42% said a lack of skills will hold them back.

As we move beyond the pandemic, enterprises face pressure on multiple fronts. New entrants – disruptors – who were quicker to adopt cloud technologies have seized the opportunity to take market share. Many established enterprises embraced a new spirit of reinvention during the pandemic and accelerated transformation by years. Combined with more demanding customers, those enterprises unable to overcome internal hurdles are left playing catch up to a market accelerating away from them.

**46% of decision makers** agree that disruptors have been able to move **more quickly in adopting cloud and have taken market share.**





## Learning for the future

Almost two-thirds (65%) of the business leaders we surveyed across Europe are confident that their organisation is now agile and can change or adapt more easily to suit market or societal changes.

Over the past year, enterprises have discovered that they are more capable of handling transformational challenges than they might have realised. 65% of senior decision makers say cloud allowed them to pivot and innovate. That's given them a taste for change and boosted confidence in their adaptability in the future.

Many enterprises admit that the need to transform quickly has been a challenge. 46% of decision makers say that their organisation has struggled to adapt to the level of change they have experienced.

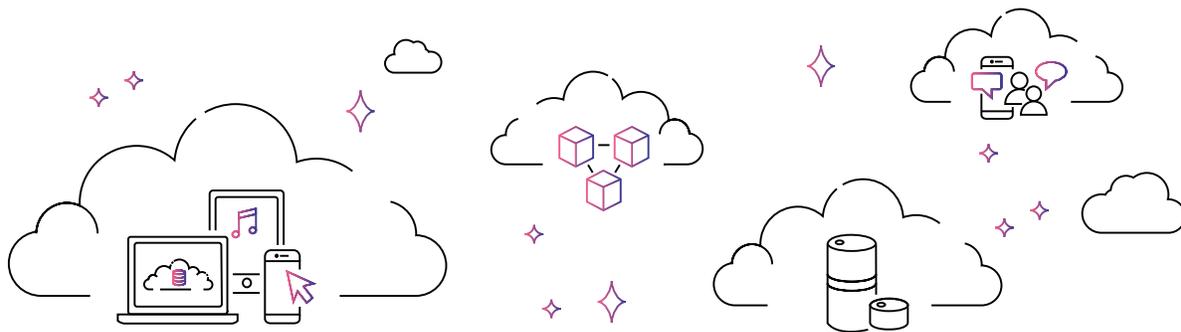
Business leaders believe their organisations have also learnt several positive lessons from the pandemic, which they want to build on. These include:



## Growing confidence

There is confidence and optimism among business leaders that underlines their positive outlook for the year ahead. Almost nine in ten (89%) expect their business to grow over the next 12 months and on average they predict a rise in revenues of 21% – an expected growth rate that far outstrips forecasts for overall Gross Domestic Product (GDP) growth in the Eurozone (currently forecast at [4.2%](#)) or the UK (forecast at [7.25%](#)).

This new breed of enterprise is focused on using digital transformation initiatives to improve productivity and collaboration among employees (49%); increase profits, margin, and revenue (47%); improve customer engagement and experience (46%); and accelerate the ability to innovate and launch new services (44%). They are powered by a dramatic shift to the cloud which has accelerated planned digital transformation programmes by years.



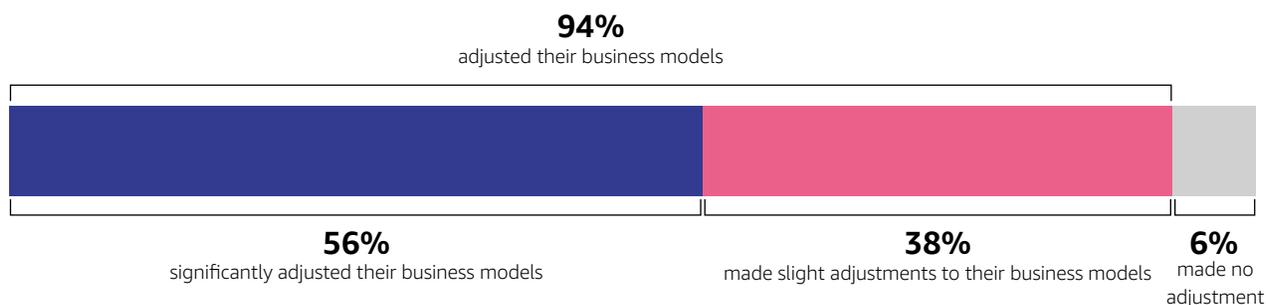
# The dramatic shift to the cloud

Over the past year, enterprises have needed to adapt constantly as COVID-19 guidance and government rules on economic activity have changed. 94% of business leaders told us they have adjusted their business model since the start of the pandemic and 56% said they had made a significant change.

Managing these changes is a challenge for any organisation, and according to the research, the way almost all business leaders navigated this successfully was by speeding up their digitisation programme – in particular, by investing in cloud computing technology.

Melía Hotels International, the third-largest hotel chain in Europe and the largest leisure hotel company in the world, has used cloud as a growth tactic for years. During the pandemic, though, it became critical. Quickly able to scale its operations, the company saved 58% on infrastructure costs and moved 500 employees to remote working in 10 days. It was also able to pivot and innovate, using its experimental zero-contact check-in system to eliminate the need for physical contact between guests and hotel employees during check-in.

## How enterprises changed their business model as a result of COVID-19



## The value of cloud

By deploying cloud, 65% of business decision makers found that they could pivot their services and innovate quickly. 63% agreed that it helped them scale their operations to meet changes in demand and keep their business running.

For 60% of business decision makers, cloud services reduced infrastructure costs, which proved invaluable for the sectors most impacted by the pandemic. This was noticeable, for example, in financial services and telecommunications (both 63%). Asked what benefits they were seeing from cloud computing, 42% of decision makers highlighted improving overall corporate IT security measures.

In total, nearly two-thirds (64%) of business decision makers said that their organisations deployed new cloud services and tools during the pandemic, underlining how vital these were for their businesses to adapt effectively.

What's striking about these findings is how many European enterprises were new to cloud computing: 40% said that they used cloud for the first time during the pandemic. In the financial services sector, this number rose to 46%.

The majority of enterprises saw immediate benefits in terms of flexibility, scalability, security, and cost, underlining just how much of an impact the pandemic had in encouraging companies to accelerate their plans.

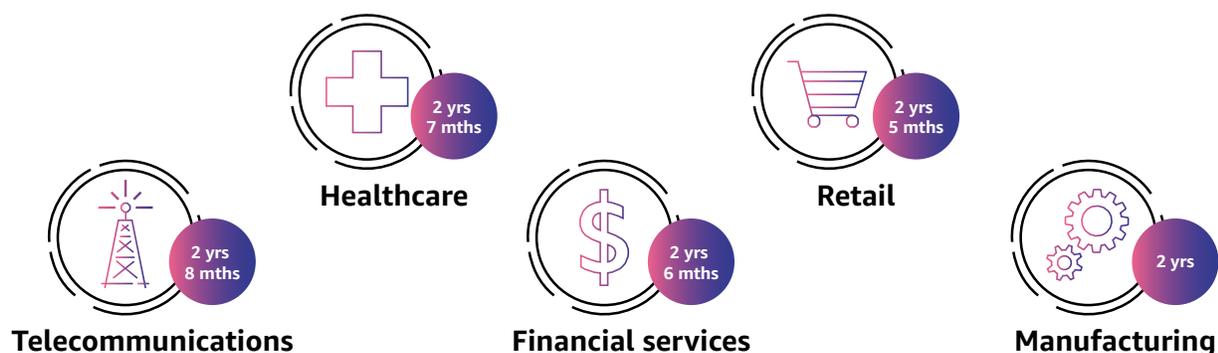
## Accelerating digital transformation

94% of business decision makers said they brought forward their digital plans because of the pandemic.

While in itself that might not be a surprise, what is notable is that these digital transformation initiatives were accelerated by an average of two years and five months.

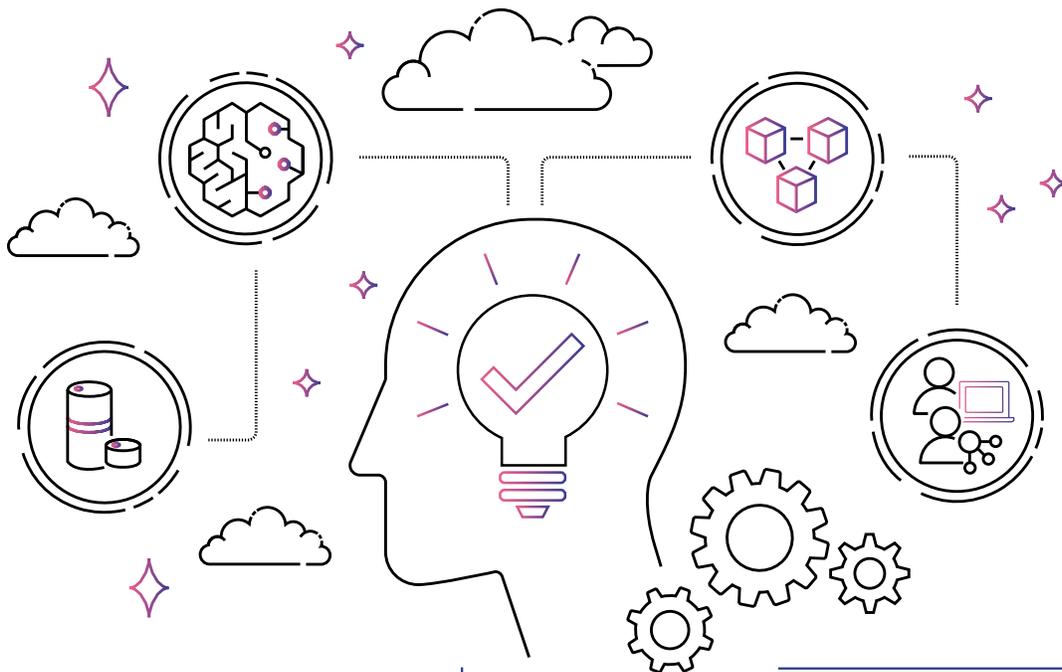
While digital transformation was accelerated across all sectors, each faced a unique set of challenges throughout the pandemic.

### How many years has COVID-19 accelerated your business' digital transformation initiatives?

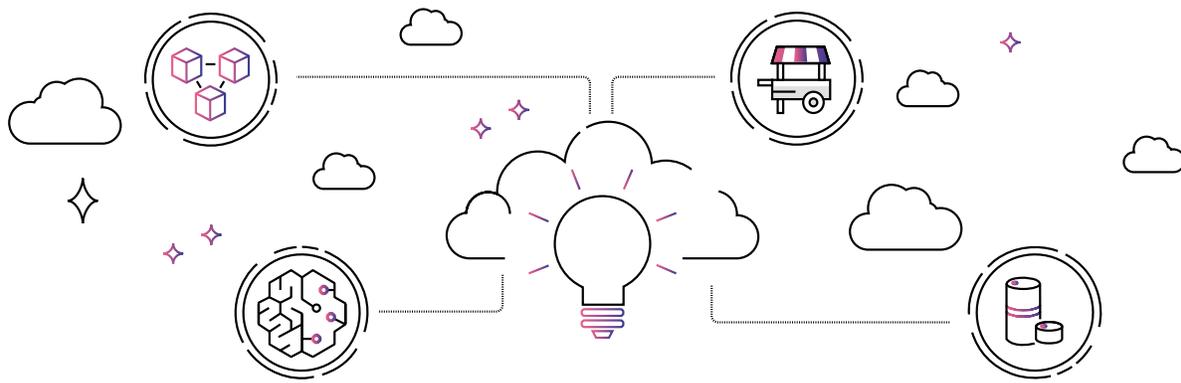


Despite this acceleration of digitisation programmes, there were still enterprises that found themselves struggling to keep pace with more agile competitors. 46% of business leaders said that new entrants to the market – the disruptors that prior to the pandemic were already increasing competition and applying market pressure – were able to move quicker in adopting cloud technologies and have seized market share.

Given the number of businesses that have deployed cloud services and brought forward their digital plans, and the speed and agility they enjoy as a result, it's undeniable that there's no going back to the way things were before.



Nearly **two-thirds (64%)** of business decision makers said that their organisations deployed new cloud services and tools during the pandemic, underlining **how vital these were for their businesses to adapt effectively.**



# Reinvention remains essential

Enterprises that have experimented and learnt during the COVID-19 pandemic are benefitting from a reinvention dividend. They are now more resilient and better placed in the new competitive landscape.

69% of business decision makers have a clear strategy to seize opportunities and grow and 60% agree that they will need to adjust their business model again once lockdown lifts.

Cloud is firmly at the heart of their strategies: 64% of business decision makers intend to adopt technologies like cloud computing post-pandemic and 54% say their business depends on the cloud.

## Internal barriers to overcome

Amongst the rush of reinvention, there are also warning signs that internal obstacles could hinder future digital transformation.

Perhaps due to the speed of change during the pandemic, digital knowledge and employee skills are two such issues: 50% of business decision makers say their organisations still lack an understanding of how to link business problems to technical solutions, while 42% believe a lack of skills will hold them back.

Culture represents another challenge, as 47% of decision makers believe employees are resistant to change, while 34% say the C-suite is also resistant to change.

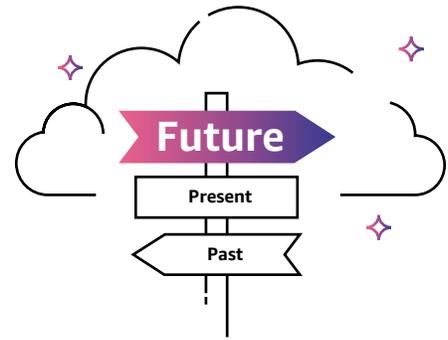
## Pressure on multiple fronts

Transformation will not remain a priority beyond the pandemic for all business leaders and only 50% expect to continue transforming post COVID-19. These enterprises will face pressure on multiple fronts.

In many established enterprises, the pandemic has created a new spirit of reinvention, which has accelerated transformation by years, while new entrants – disruptors – were quicker to adopt cloud technologies and have seized the opportunity to take market share.

Combined with more demanding customers, those enterprises unable to overcome internal hurdles are left playing catch up to a market accelerating away from them.

# What next?



Alongside the emergence of a new breed of enterprise forged by the pandemic and the continued disruption caused by new market entrants, there are enterprises that still need to unlock their reinvention culture. AWS has the scale, reach, agility and experience to help these enterprises move forward confidently.

Supporting millions of customers over the course of the pandemic has allowed us to accelerate our own thinking around innovation. We believe there are six key factors fundamental to achieving a culture of reinvention:

- 1 Resilience**

You need both organisational and individual resilience as priorities and behaviours change. These could include new business models, optimised supply chains, and enhanced employee wellbeing through different approaches to work. Being resilient means having agility in both leadership thinking as well as the systems, structures, and processes to support it.
- 2 Speed**

The importance of increasing speed to capitalise on new opportunities – a change in leaders' mindsets, decision making processes, and even their skillsets. It's better to disrupt yourself, on your terms, than have the market, events or your competitors do it to you. Speed is an active choice and urgency is a mindset that needs to be nurtured every day.
- 3 Simplicity**

Start small, build fast, keep it simple, learn, and scale. Complexity is the enemy of speed.
- 4 Data**

Getting the most out of data to continually optimise performance and opportunities, which might require investment in data skills, analytics capabilities, new technologies, and feedback processes.
- 5 Reinventors**

New employees often lead digital transformation work because reinvention requires experienced people to rip up something they might have spent years building. Look for people who are curious about learning and excited about transformation.
- 6 Truthful**

Finally, be truthful with yourself. What's working and what's not? Keep asking 'Why?' and 'So what?'. Answer truthfully and build from there.

# Methodology

We commissioned Coleman Parkes to conduct an online survey with 10,000 IT and business decision makers from enterprises with more than 250 employees in France, Germany, Israel, Spain, and the UK. The survey, which took place in April and May 2021, gathered feedback from C-level, Heads of Departments, and Directors operating across financial services, retail, healthcare and life sciences, manufacturing and automotive, telecommunications, and media and entertainment.

Our goal was to understand how they managed to keep reinventing their businesses during the COVID-19 pandemic without a roadmap for what was going to happen next, and to get insights into how they expect their organisations to build on that experience and keep growing in the post-pandemic world.

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