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CIO JOURNAL

Firms Look to Emerging Tech to Drive New Business Models

While CIOs are increasingly being tasked with deploying and overseeing the new capabilities

By *Angus Loten*

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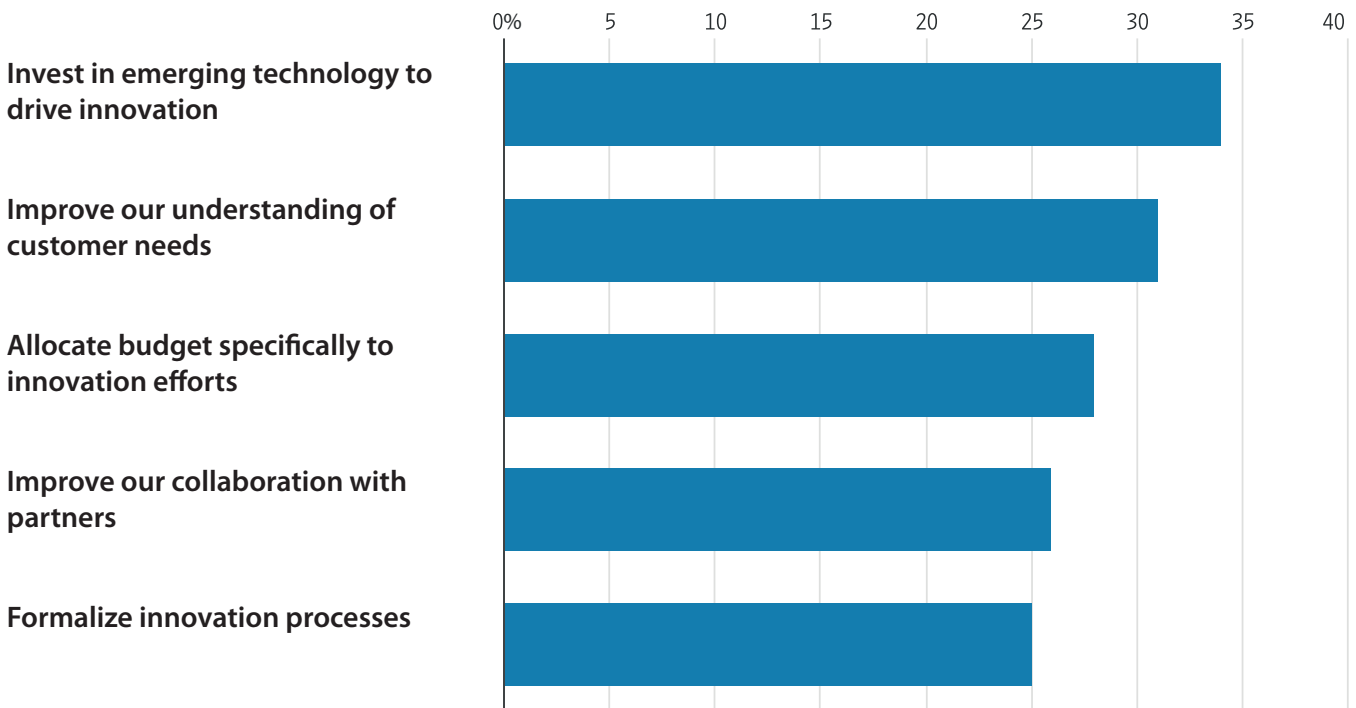
Deep learning, augmented reality and quantum computing are among a new breed of digital capabilities that companies are eyeing to drive new business models – with chief information officers taking a central role in that process, according to Forrester Research.

Rather than supporting existing models, emerging enterprise technology and business innovation have become “inextricably linked in the minds of today’s executives,” the IT research firm said in a new report listing the year’s top new enterprise technologies.

“So much of the innovation is led by emerging technology capabilities,” Brian Hopkins, a Forrester vice president and principal analyst, told CIO Journal. “The more firms recognize that they are essentially software businesses, the role of the CIO shifts from a cost to a profit center,” he said.

Firms See Emerging Technology as a Change Agent

Forrester asked nearly 2,000 global purchase influencers about the actions their firms are taking to improve the ability to innovate.



Source: Forrester Analytics Global Business Technographics Priorities And Journey Survey, 2018

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In a survey earlier this year of more than 2,000 global corporate officials at firms in a range of industries, 40% cited adopting emerging enterprise technology as the top driver for changing business models, ahead of updating processes and restructuring the company, the report said.

Likewise, 34% said investing in emerging technologies was a key tactic for boosting innovation, followed by understanding customer needs and re-allocating budgets.

“IT has always enabled the business to execute against existing business models,” said Chris Pick, chief marketing officer of business-management software maker Apptio Inc., and founder of TBM Council, a CIO trade group. “What’s new is leveraging digital to enter a new market or offer a new type of product in a new way for customers,” he said.

Mr. Pick said CIOs at companies all over the world are finding that digital technology is shifting IT and the expectations of their corporate roles, from supporting current capabilities to building brand new revenue streams for the business, he said.

The report identifies a dozen emerging enterprise technologies that have the greatest potential to achieve these broader strategic goals, ranging from tools in the research and experimentation phase, to commercialization and expansion phases.

They include a set of artificial intelligence technologies – computer vision, deep learning and natural language generation – aimed at helping firms “build decision engines that increasingly automate operations and engagement processes,” Forrester analysts said in the report.

Other key technologies include business networking fabrics, blockchain and other distributed ledgers, edge, quantum and serverless computing, additive manufacturing, and virtual, augmented and mixed reality.

Unlike building up a company’s tech foundation by leveraging various IT products and services, CIOs are increasingly being tasked with deploying and overseeing capabilities with the goal of “creating breakthrough business solutions,” Mr. Hopkins said.

Often many of these new tech capabilities are both interconnected and an outgrowth of the growing availability of cloud services, he added.

“Investment in building out a public cloud capability is key to driving better big data, and these are key to accelerating progress with machine learning and artificial intelligence,” Mr. Hopkins said.

Goldman Sachs Group Inc. last week reported that 18% of workloads at large public firms were running in public clouds, with CIOs expecting to increase that share to 34% by the end of 2019.

Overall, the bank said it expects IT spending plans to remain at near-record highs over the second half of the year.