



The Business Readiness Advantage

Future-proofing your
organisation in an increasingly
dynamic world

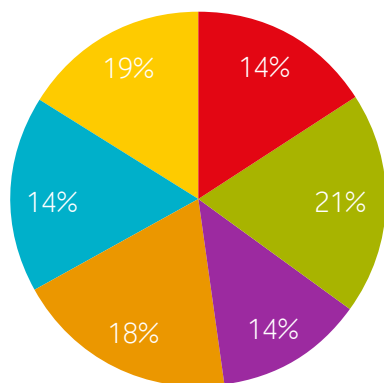
The future is exciting.

Ready?

Vodafone Enterprise

The Business Readiness Advantage

About this report



By Industry

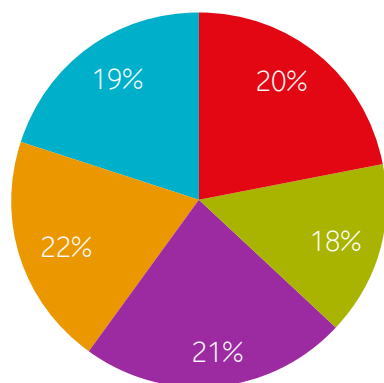


In a fast-moving world where the pace of change is accelerating, businesses of all sizes must be well-prepared for the future. But what does well-prepared look like? How many businesses really are prepared? And what can we learn from those which are?

With this premise in mind, we commissioned industry analyst firm Freeform Dynamics to undertake an extensive, international research programme. In the Netherlands, 306 business and IT decision makers, across all sizes of business and many market sectors, were interviewed. On average, 25 percent of the companies scored 'Most Ready'. Examining their characteristics, behaviour and priorities led to some valuable lessons for those wishing to improve their own level of business future-proofing.

The result is this report which highlights key criteria for organisations to survive and thrive as markets, technology and expectations of both customers and employees continue to evolve. The term we use to encapsulate the realities behind this is 'business readiness', and we will demonstrate how focusing on the right readiness enablers can help to future-proof your business.

If you are involved in strategy, planning or investment decision making for your company, business readiness is a term which we think you should be familiar with. This report will provide you with a good understanding of what it means for your business, and how you can exploit the 'readiness advantage' to achieve ongoing success.



By Size (number of employees)



How Ready is your Business?

Vodafone is pleased to help you with insights, advice and intelligible solutions. For a quick impression, please take the test at www.vodafone.nl/ready. Here you also find inspiring business cases and other useful information to help you work smarter – today, tomorrow and in the future. Interested in discussing how you can work more efficiently, improve operational agility, achieve optimal connectivity while cutting down expenses? We love to hear from you.

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Management summary

“As time goes on, markets change, technology changes, people and their thoughts change. It’s imperative to make sure we are able to adapt to change whenever necessary, even if it’s not what we want to do”

Mid-sized business
Media and entertainment
Ireland

Advances in technology and communications continue to shift norms in the world of commerce. But with customer behaviour changing, new ways of doing business emerging, and the pace of change in markets increasing, how ready is your business to deal with future challenges and opportunities?

Main takeouts

Key imperatives for the future are broadly acknowledged and understood

Most businesses have a good general awareness of what ideally needs to be done in order to better prepare for future challenges and opportunities. When discussing trends in customer engagement, business operations, communications and IT, imperatives are acknowledged from the high level need for continuous innovation and optimisation, to more specific enablers of efficiency, flexibility and responsiveness.

However, the majority of organisations are not ready

Based on a large-scale research study, we identified considerable variation in the level to which organisations are prepared to handle market trends and developments over the coming five years. When assessed based on a readiness scorecard covering four key areas of capability, we estimate that approximately 50 percent of businesses are ‘unready’ or ‘at risk’.



Figure 1
Readiness in key areas assessed using a scorecard approach.

Business readiness links to business performance and is multi-faceted

Higher levels of readiness equate with greater success today - the ‘most ready’ are significantly more successful than the least ready (measured by factors like customer satisfaction and performance when compared with competitors).

Readiness has multiple dimensions and is a continuum rather than all or nothing

Progression on the continuum links to improvements in success metrics. All companies, therefore, can benefit from focusing on readiness, regardless of where they stand today. Our readiness framework enables organisations to assess where they are on the continuum and can help management identify gaps and prioritise actions.

“Working with greater efficiency and agility is more important than ever as behaviours, attitudes and working practices change”

**Small business
Service sector
USA**

Ready businesses provide important lessons for other companies

The attributes, behaviour and priorities of ‘ready businesses’ (the top 25 percent of organisations based on responses to the readiness scorecard), lead to some valuable lessons for those wishing to improve their own level of business readiness:

Lesson 1: Ready businesses are rich communicators

Communicate, monitor and adapt to drive better customer engagement

Interactive and coordinated use of all channels, including digital, is important to both ongoing performance and to keep up with evolving customer needs, attitudes and expectations. It is then necessary to act on what you learn to keep your offerings competitive.

Lesson 2: Ready businesses value their people and partners

Adopt an open and collaborative approach to running your business

A strong focus on partnering is necessary to operate optimally and flexibly in a dynamic and inter-connected business environment. Whether this translates to outsourcing or working more collaboratively in the supply and demand chain, an open approach is key.

Lesson 3: Ready businesses exploit technology to the full

Get up to speed on the full potential of modern IT and communications for your business

Beyond exploiting fixed and mobile networks to better enable your workforce, it’s important to explore the potential role of machine-to-machine (M2M) connectivity in enabling both operational efficiency and business model innovation.

Lesson 4: Ready businesses are open-minded about solving technology needs

Break out of the old ways of thinking about IT

In the ongoing quest for flexibility, responsiveness and efficiency, it’s necessary to focus on business needs, and be open about how they are met. This means making full use of external advice, modern technology and rapidly maturing cloud and managed services.

But acting on these lessons first requires a basic level of business readiness to be in place. Read on to learn more.

Future-proofing is critical in the face of uncertainty

“It’s all about seeing the threats and opportunities clearly, and reacting to them appropriately”

Mid-sized business
Industrial sector
Germany

The pace of change is accelerating

Advances in technology and communications continue to change the world of business. This is hardly news. But, what is different is the pace of change in technology and the environment in which businesses now operate. We have moved from a world of relative stability to one of volatility, uncertainty, complexity and ambiguity, often referred to by the acronym VUCA.

Now the discussion has moved on to the impact of digital developments such as mobile technology, social media and cloud computing. Modern networks allow not just people, but plant, machinery, buildings, vehicles, surveillance equipment, domestic appliances and all manner of other ‘things’ to interact. And, with data accumulating relentlessly along the way, ever more capable solutions have emerged to help us analyse and make sense of it all.

Keeping up with the speed of technology evolution can be a challenge for businesses of all sizes. However, it is essential when the alternative is to be left behind as competitors exploit these new opportunities.

Key factors enable businesses to harness change

The good news is that much of the technology available today is easier to adopt and a lot more flexible than it has been in the past. This provides some great opportunities to create short-term value while simultaneously future-proofing your business and enabling it to better respond to future developments.

While technology is both a disrupter that drives market-level change, and an enabler that allows you to respond effectively to that change within your own business, being prepared to face the future in a dynamic commercial environment is also dependent on a range of other factors. It’s against this background that we introduce the concept of ‘business readiness’ and explore what it means to your organisation. As we discuss some of the underlying principles and practicalities, we will draw upon insights gathered during our recent global research study (see Appendix A) in which over 1,000 business and IT professionals in a range of industries and geographies shared their experiences and insights.

Introducing business readiness

The readiness framework

With the backdrop of a rapidly evolving commercial environment, businesses must be able to sense the need for change, define the nature of the change required, and then implement that change efficiently, effectively and safely. We use the term ‘business readiness’ to describe how well an organisation is able to do this.

Business readiness pays attention to four important aspects of the way the organisation works, which gives rise to the ‘readiness framework’ (Figure 2).

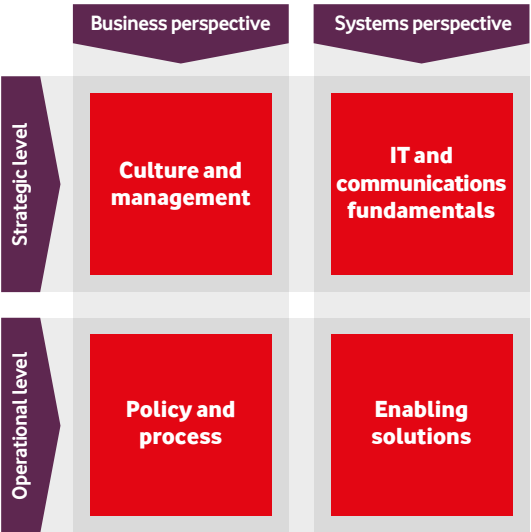


Figure 2
The readiness framework is multi-dimensional.

“Business readiness means a combination of good management and technology”

Mid-sized business
Service sector
South Africa

Business readiness begins with the organisation’s culture and management style, where customer centricity, a positive attitude to change, a willingness to partner and an enthusiasm for new ideas are all important enablers of flexibility and future success.

An attribute we refer to as ‘disciplined agility’ is also key. This means having the right kind of policies and processes in place. One objective is to maintain a clear definition of how the organisation works, otherwise it’s hard to know what needs to change (and how) in response to a trend or development. Beyond this, your policies and processes themselves must be designed to be adaptable and to support flexible execution where necessary. This includes mechanisms to provide ongoing business visibility (the ‘sensing’ part of readiness), as well as capabilities to handle new and exceptional requirements elegantly and effectively on a day-to-day basis (the ‘response’ part of readiness).

When it comes to the use of technology, enabling solutions such as business applications, productivity tools and communication facilities are clearly important. It’s also necessary, however, for businesses to pay attention to fundamentals like security, data protection, integration and management because these are the key to maintaining performance and flexibility while keeping costs and risks under control. Smart use of external services can also help here.

Vodafone Enterprise

The Business Readiness Advantage

“We need to improve many things, including communications, mobility and customer satisfaction”

Small business
Retail sector
India

The readiness scorecard

To assess business readiness, Freeform Dynamics identified six enablers associated with each of the four quadrants, known from extensive research and experience to have a significant impact on business performance and agility. These enablers are not exhaustive but are sufficiently comprehensive to form the basis of a business readiness assessment. The result was the business readiness scorecard used for the research (Figure 3).

Business Readiness Scorecard						
Culture and management						
Thinking of the management style and culture that exists in your organisation at the moment, how much would you say the following apply?	Fully 5	4	3	2	Not at all 1	Not applicable
We listen to customers and take their views seriously	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a positive attitude to change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We freely embrace new technology where it can add value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a strong commitment to empowering our employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a strong commitment to environmental sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We freely partner with other organisations for mutual benefit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Policy and process						
How well are your current policies and processes geared up to enabling an agile, responsive and efficient business in the following areas?	Fully 5	4	3	2	Not at all 1	Not applicable
Management of security and risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer engagement management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product and/or service management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensuring IT delivers against business needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cross-functional coordination, e.g. between departments/groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business performance management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IT / Comms fundamentals						
How well are your current IT and communications facilities delivering in the following areas?	Fully 5	4	3	2	Not at all 1	Not applicable
General flexibility and responsiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective management of security and access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective information management and protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provision of modern, integrated communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective monitoring and management of service levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exploitation of hosted or managed services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enabling solutions						
How well are your current IT and communications facilities delivering in the following areas?	Fully 5	4	3			
Support for effective internal collaboration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Unlocking the value of available business information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Enablers of multi-channel customer engagement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Enablers of mobile, remote and flexible working	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Support for secure collaboration with partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Exploitation of widely available M2M connectivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

Figure 3

The scorecard forms the foundation for readiness assessment.

Appendix B contains a full-sized version of this scorecard. Apart from its role in the study, any management team or small business owner can use this to conduct a quick assessment of their own organisation.

In the meantime, we will next look at the research findings generated through this scorecard approach.

Assessing business readiness

“Managers and leaders must create an environment in which people are free to produce results in a way that works best”

Mid-sized business
Financial services sector
UK

Applying the four elements of the readiness framework

In this section we discuss the four quadrants of the readiness framework in turn, the relevant principles upon which they are based, and present top-level results from the research to illustrate how well organisations are performing.¹

Culture and management

One way of thinking about the culture and management dimension of business readiness is that it defines the climate for innovation, optimisation and change in general. If a culture of listening to customers and taking their views seriously is present, for example, then management is more likely to allocate time and resources to making sure the right policies, processes and systems are in place for effective customer engagement and product/service management. Similarly, a strong commitment to employee empowerment means attention is more likely to be paid to facilities that enable flexible, collaborative working.

When we look at the ratings for these and other indicators, we see that some organisations have an inherently more ‘change friendly’ culture than others (Figure 4).

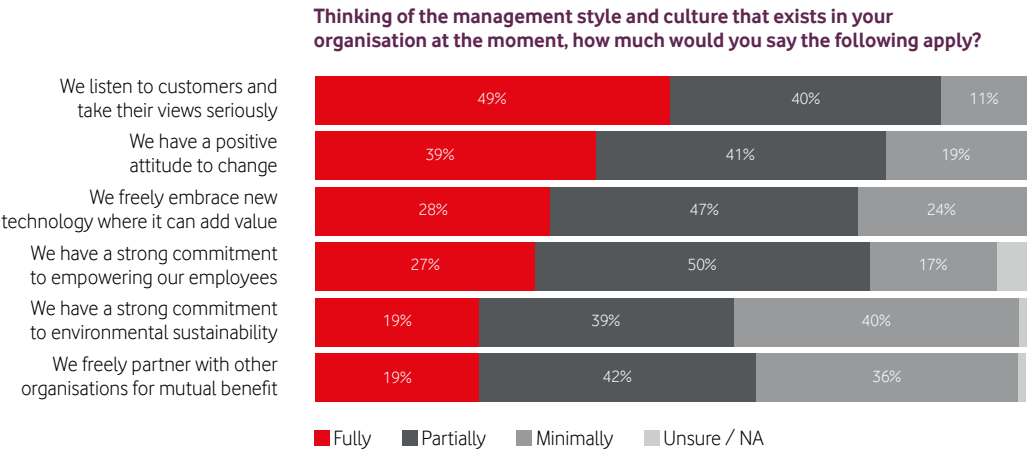


Figure 4
The Netherlands: Organisations vary widely with regard to culture and management.

“In future, there will only be two types of company - the quick and the dead!”

Small business
Wholesale/distribution
Germany

As a general rule, the research found that businesses with a positive attitude in one area are much more likely to exhibit progressive behaviour in others. These organisations identify and quickly act on ideas, opportunities and challenges.

Conversely, less positive attitudes, which also tend to go together, increase the chances that good ideas will wither, important opportunities will be missed, unpleasant surprises will occur, and the company generally fails to achieve its aspirations and objectives.

¹The scorecard elements were defined in such a way as to be meaningful regardless of industry, size and complexity of business. When asking about customer engagement, for example, an SMB running a modest CRM system could score the same as a large organisation running a sophisticated suite of fully integrated digital marketing tools. The main consideration is how well needs are being met.

“We need to be able
to put new processes
in place quickly and
fluidly”

Large business
Services Sector
Ireland

Policy and process

The question is not whether you have policies and processes in place, or how well they are formalised. What matters is whether your approach is disciplined and geared up to enable a flexible, responsive and efficient business. In this respect, most organisations clearly have some significant gaps (Figure 5).

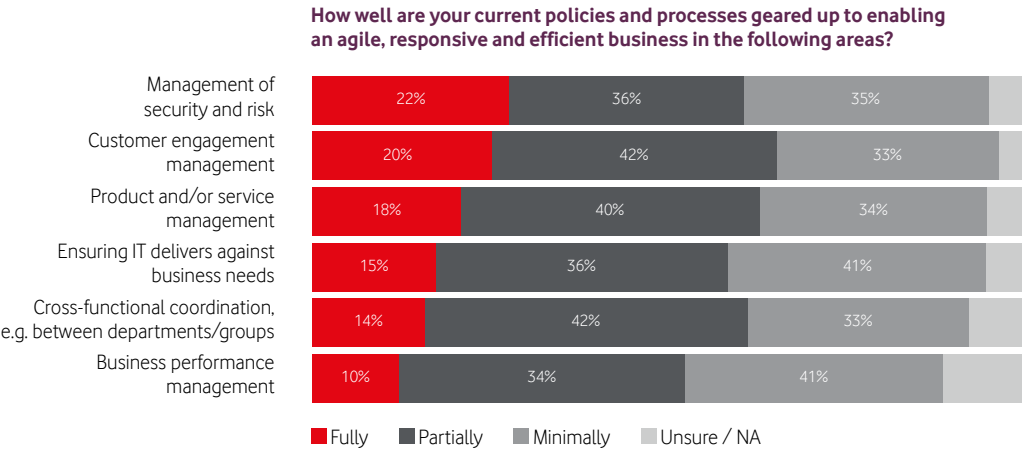


Figure 5
The Netherlands: Policies and processes to respond to change are often lacking.

Good capability in this part of the readiness framework is an indicator that everyone in the business pulls in the same direction in a harmonious, effective and flexible manner. Poor capability on the other hand, means conflicts, disjoints and gaps that make everything harder and less effective than it needs to be, with lots of wasted time and resource. When considering change, such businesses run the risk of paralysis; a result of rigid practices with obscure origins that no-one understands and everyone is afraid to change.

IT and communication fundamentals

As we turn to the systems side of the framework, we see more shortfalls, with few organisations fully satisfied that they have the fundamentals covered (Figure 6).

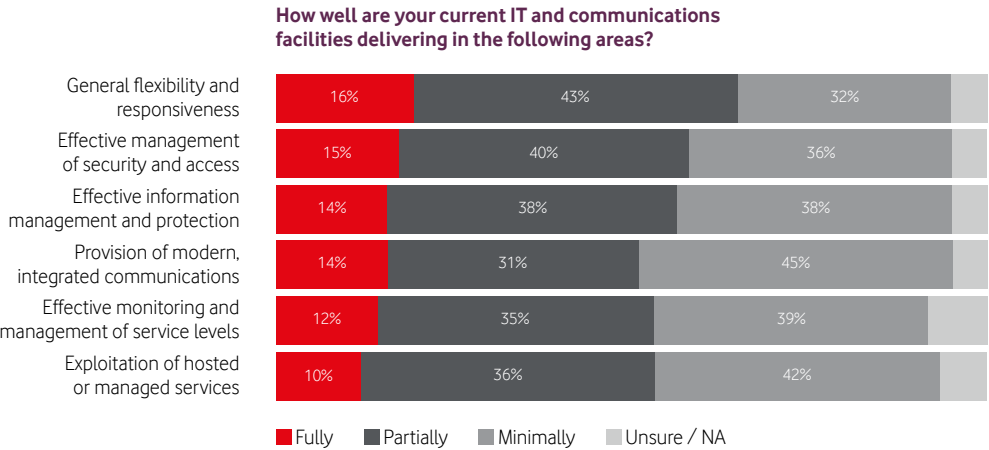


Figure 6
The Netherlands: Few have IT and communications fundamentals fully covered.

This picture is not surprising because organisations tend to accumulate IT capability in a piecemeal manner over time, resulting in gaps, disjoints and duplication of systems and data. In all environments, but especially in larger ones, it's not easy to maintain harmony and flexibility while controlling cost and risk.

If you are able to achieve the IT and communications fundamentals, however, either through internal efforts, outside expertise, or the smart use of outsourcing, you will generally realise a lot more value from the technology you have, and experience fewer problems with security, data loss and systems failure. Furthermore, IT becomes an enabler, rather than a blocker, of change.

Poor capability in this area, on the other hand, generally translates to unnecessary cost, risk and frustration, with IT often being the slowest and most troublesome part of implementing even the simplest business change.

“Strong technology helps us to compete in our industry, especially in the current climate”

Large business
Retail sector
The Netherlands

“It’s about being able to fully utilise the new technology that’s available in a coordinated way to positively impact the business”

Mid-sized business
Financial services
USA

Enabling solutions

Beyond taking care of IT and communications fundamentals, you also need the actual solutions (those with which users interact), that enable the business. It’s here that we see some of the biggest readiness gaps (Figure 7).

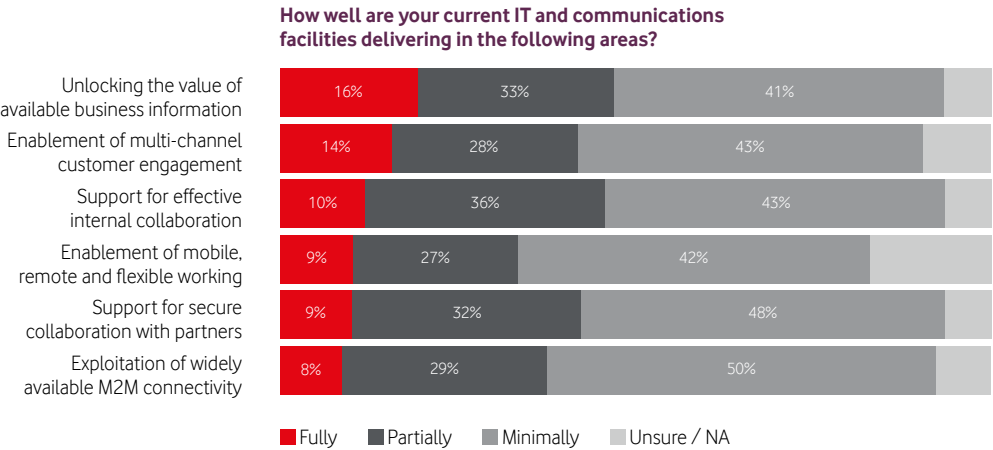


Figure 7
The Netherlands: Some of the biggest gaps exist in relation to enabling solutions.

It’s worth re-iterating that capability is relative to the organisation’s needs, which may translate to high-end technology and complex services for a large enterprise, or a well-chosen mix of small-footprint applications and relatively simple services for a smaller company. Having said this, we shouldn’t forget that some of the cloud computing and integrated communication and collaboration services available today can easily bring ‘enterprise class’ solutions within the reach of even the smallest businesses.

Those with good solutions capability in place are likely to experience a productive workforce and efficient, effective and flexible business execution. Those with more and/or wider gaps will be less prepared to deal with a rapidly changing world.

So much for the detail, but what does the picture look like when we put the results from this part of the research together? In order to answer this we need a way of looking at readiness at a higher level.

“Be ready and mobile”

Large business
Retail sector
Germany

The higher level view

Only a quarter of businesses can be considered ready

Based on the scorecard, we were able to develop four segments of businesses according to readiness (Figure 8).

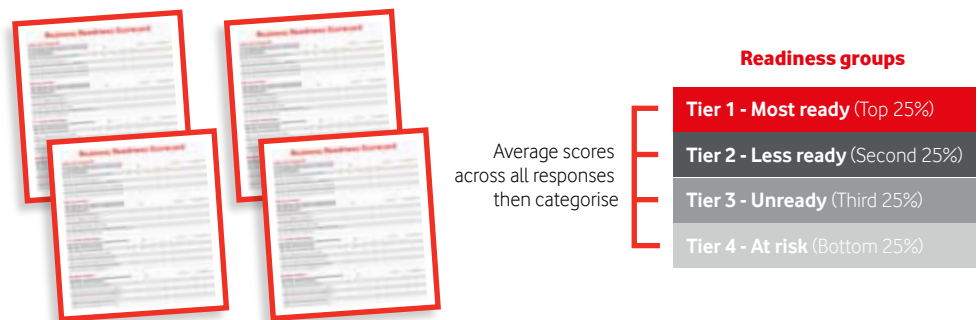


Figure 8
Organisations can be segmented according to readiness.

Readiness applies across all businesses

Examining readiness by parameters such as industry and organisation size, we see a broad spectrum of readiness across all types and sizes of business (Figure 9).

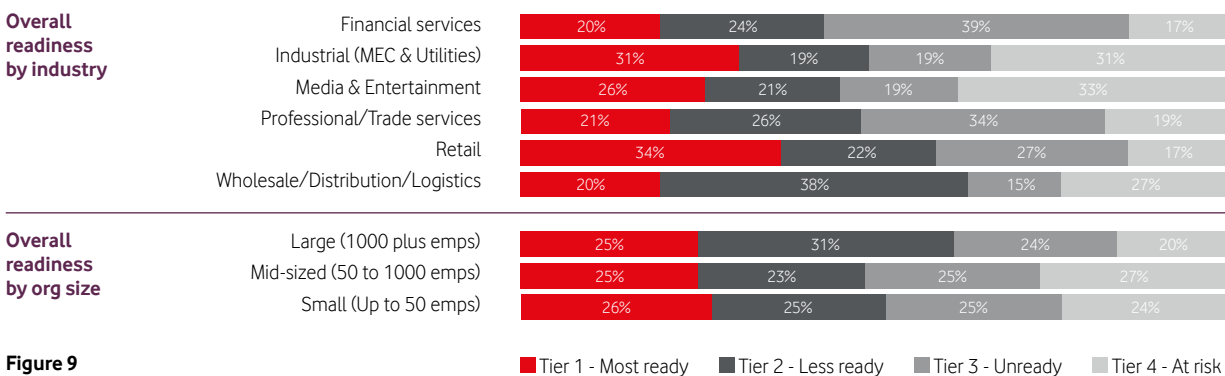


Figure 9
The Netherlands: Readiness within industry groups and by company size.

The key finding is that business readiness is largely independent of the market in which you operate and the scale of your operation. All organisations can be more or less ready – it's down to how well you organise and run your business.

“We need to stay
focused and make
special investments
in the routes that we
wish to follow”

Large business
Services sector
UK

Readiness is a continuum and all companies
can benefit from improvement

An important principle is that business readiness is not a binary concept – it is a continuum with no absolute end state. This means it doesn’t matter what your level of readiness is today, you will still benefit from investing time, resources and effort on improving it.

This becomes clear when we look at the relationship between business readiness and outcome-related indicators such as current competitiveness and confidence in the future (Figure 10).

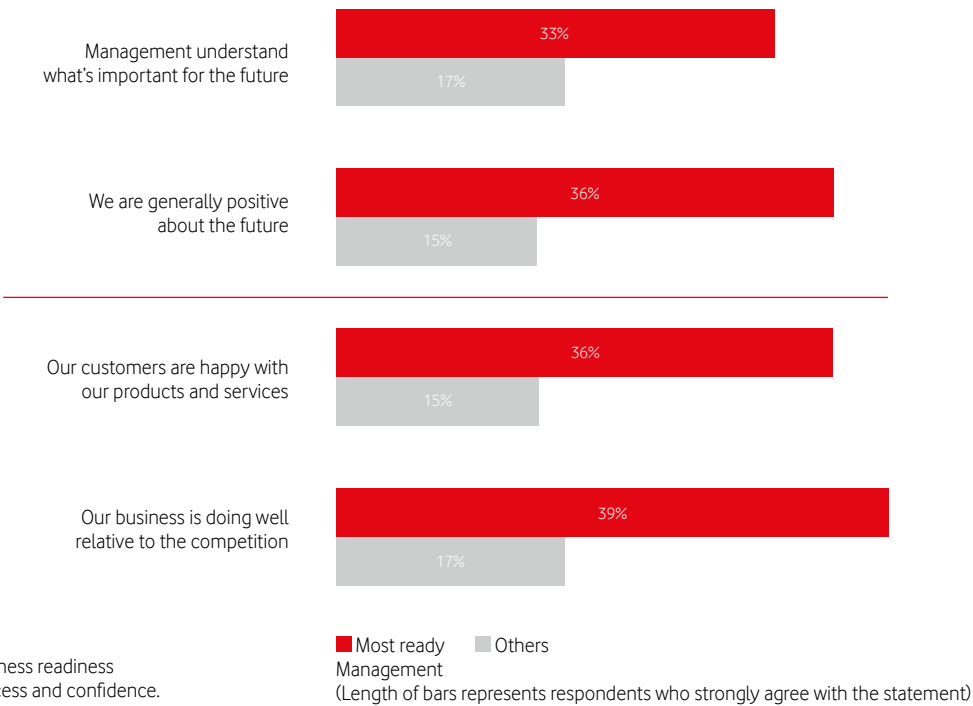


Figure 10
The Netherlands: Business readiness
corresponds with success and confidence.

Looking beyond the fundamentals in the readiness framework, what do the 'most ready' businesses have in common when it comes to specific behaviour? We will now take a look at this and distil out some lessons in relation to some of the more prominent industry trends.

Learning from ready businesses

During the research, we explored how participants in the study are responding to four key business trends (Figure 11).

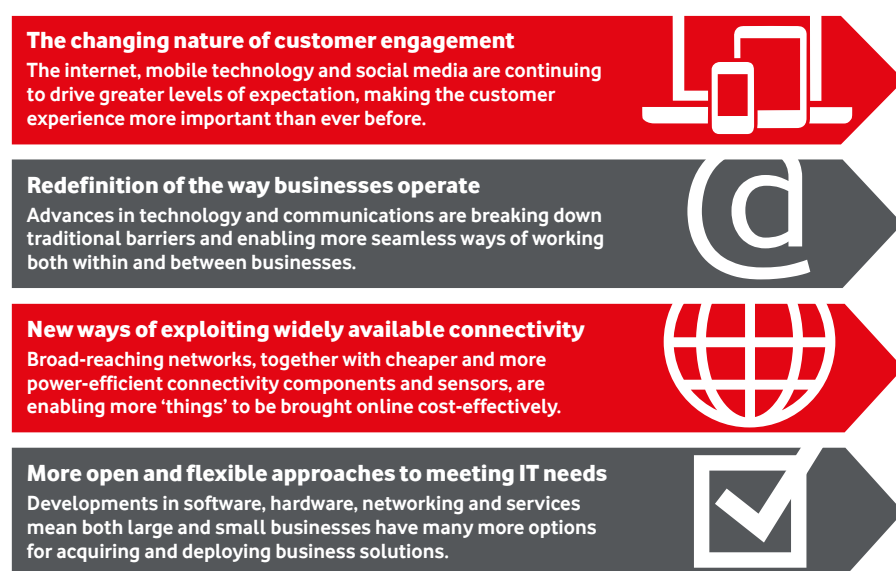


Figure 11
Four significant trends affecting businesses.

Their detailed responses are laid out in Appendix C, but we will now walk through some of the lessons and supporting insights based on the 'top 25 percent' segment of businesses (our most ready group) that, for convenience, we shall call 'ready businesses'.

Lesson 1: Ready Businesses are rich communicators

Communicate, monitor and adapt to drive better customer engagement

- Ready businesses have learned to become rich communicators. They, much more than their peers, keep pace with customers in their use of fast-moving digital communications such as mobile and social networks.
- They place a higher than average emphasis on traditional forms of communication such as face-to-face and telephony to provide customers with choice and flexibility, acknowledging that preferences vary and that different modes of contact are appropriate in different situations.
- Ready businesses focus, more than others, on responding to their customers rapidly, consistently and in a coordinated fashion, regardless of the communication channel used or the part of the business with which the customer interacts (sales, fulfilment and support).
- Beyond routine commercial interaction, listening to customers and taking their feedback seriously is a fundamental part of business readiness. Ready businesses do this through a high emphasis on communicating in a more personal and interactive manner, and monitoring external sources, such as social media to maximise customer insight.

“The customer is always the main focus. Communication is key, whether it is over the phone, via email, via smartphone, or any other method of communication”

**Small business
Media and entertainment
Germany**

Vodafone Enterprise

The Business Readiness Advantage

“Operational effectiveness is very important, within which technology, communications and connectivity have to be emphasised”

Large business
Financial services sector
India

Lesson 2: Ready businesses value their people and partners

Adopt an open and collaborative approach to running your business

- Ready Businesses, much more than their peers, acknowledge the importance of their people and place a greater emphasis on empowering them through facilities that enable flexible, mobile and collaborative working.
- They are also much more likely to use external resources, from marketing agencies, through supply chain, sales and fulfilment partners, to business process outsourcing (BPO) providers.
- The last piece of advice in this second lesson is to choose the right suppliers. Ready businesses place a much greater emphasis on working with companies who have a good understanding of their business and can advise them proactively.

Lesson 3: Ready businesses exploit technology to the full

Get up to speed on the potential of modern IT and communications

- Ready businesses place much more importance than their peers on exploiting modern communications to better connect their people and facilities. They also understand the cross-over of influence between the consumer and business worlds. This translates to a significantly higher emphasis on allowing employees to use personal equipment for work, a practice commonly referred to as 'Bring Your Own Device' (BYOD).
- They are also much more likely to take advantage of pervasive wide-area connectivity in other ways, specifically with 'machine-to-machine' (M2M) communications.
- They recognise future opportunities and put a much higher than average emphasis on exploiting M2M to enable innovative new business models, as well as to drive greater operational efficiency and business visibility. Consistent with this is a related heavy emphasis on analytics solutions to help process the large volumes of data generated by M2M applications.

Lesson 4: Ready businesses are open-minded about solving technology needs

Break out of the old ways of thinking about IT

- With so much going on in IT and communications, ready businesses are noticeably more open minded than their peers about using technology to meet business needs. To help them work through the potential and practicalities of the options available, they also place a much greater emphasis on external advice and guidance and services. Furthermore, they have a more acute appreciation of IT's imperative to deliver business value and support business innovation, as well as simply meeting operational needs.

“It's important to align IT and business so that we can go forward together”

Mid-sized business
Industrial sector
South Africa

What next?

“If our people are hopelessly mired in the issues of today, and aren’t thinking about how their market and industry will be changing tomorrow, then we’ve got a pretty big problem”

**Mid-sized business
Services sector
Singapore**

- Conduct a quick assessment of your own organisation’s readiness using the score card in Appendix B. Or take the test at vodafone.nl/ready.
- Participate in one of our inspiring Ready Business workshops, here you find data and more information.
- Download some of the additional material listed in the ‘Further Reading’ section of this report for a series of more focused business readiness perspectives in areas such as customer engagement, operational agility and workforce enablement.
- Take your lead from ready businesses and use your suppliers. Vodafone and its partners, for example, can offer a wealth of advice and guidance in many key areas.

Further reading

1. Future-Proofing Customer Engagement

A business readiness perspective

Freeform Dynamics/Vodafone, April 2014

2. Future-Proofing Business Operations

A business readiness perspective

Freeform Dynamics/Vodafone, April 2014

3. Enabling the Ready Workforce

A business readiness perspective

Freeform Dynamics/Vodafone, April 2014

4. The new customer relationship in the digital age

Vodafone, March 2014

5. The rise of the borderless enterprise

Vodafone, March 2014

6. Understanding the impact of the connected revolution

Vodafone, March 2014

7. The changing role of the IT department in a cloud-based world

Vodafone, March 2014

8. The importance of mobility for tomorrow’s enterprise

Vodafone, March 2014

Appendix A

Research methodology and sample

All design, analysis and interpretation associated with the study upon which this report is based was carried out by Freeform Dynamics Ltd (www.freeformdynamics.com). Associated fieldwork, including recruitment of respondents into the study, telephone interviewing to gather data, and related quality management, was conducted by B2B International Ltd (www.b2binternational.com). The study was sponsored by Vodafone, and completed in February 2014.

Sample demographics

The total number of interviews conducted was 1,037, with the sample spread across 10 countries and a range of organisation sizes and industry sectors (Figure 12).

Research Sample
1037 Total Respondents

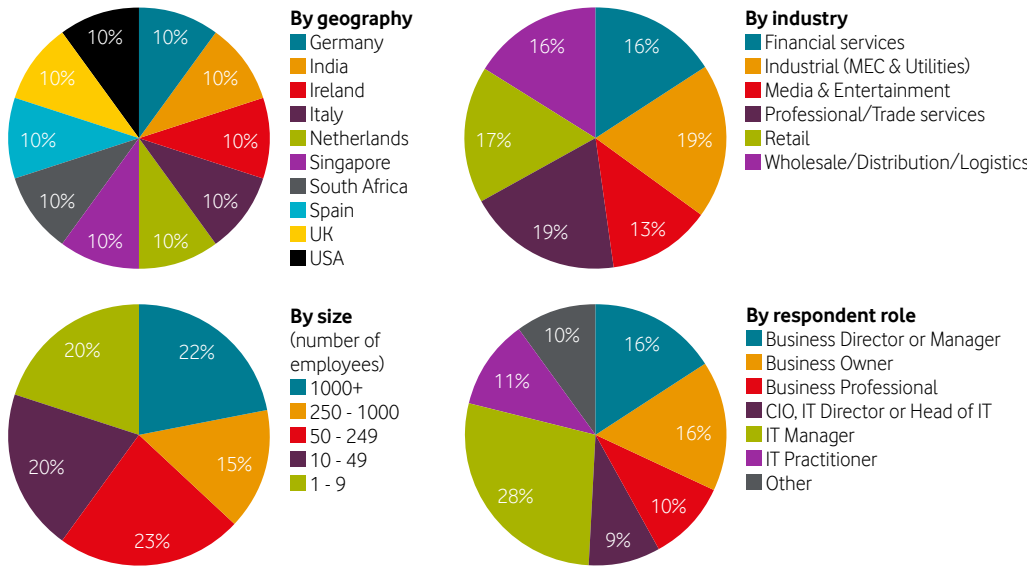


Figure 12
The study was very inclusive in terms of sample spread.

Limitations of the data

We should note the possibility of bias in the sample towards more progressive businesses as a result of respondent self-selection. When approached to answer questions on future-proofing the business, and the role of technology within this, those in a better position and/or with a more positive attitude are naturally more likely to participate.

This has been borne in mind while analysing and interpreting the results of the study, and none of the conclusions outlined in this report are affected. However, take care if considering results outside of their original context.

Business Readiness Scorecard

Culture and management

Fully 5 4 3 2 Not at all 1

[illegible]

Fully 5 4 3 2 1 Not at all

[illegible]

Fully 5 4 3 2 Not at all 1

[illegible]

Fully 5 4 3 2 1 Not at all

[illegible]

Appendix C**Ready businesses
versus others**

During the research, a range of specifics were explored in relation to the four key market trends outlined in Figure 11. As a reminder, these are:

- The changing nature of customer engagement
- Redefinition of the way businesses operate
- New ways of exploiting widely available connectivity
- More open and flexible approaches to meeting IT needs

In the remainder of this appendix, we present the responses to a range of questions associated with each of these trends. The intention is to provide insights into how the 'most ready' businesses (top 25 percent) participating in the study are prioritising and acting when it comes to more specific readiness tactics.

The changing nature of customer engagement

The internet, mobile technology and social media are continuing to drive greater levels of expectation, making the customer experience more important than ever before.

Against this background, we looked at the current level of importance of some of the main customer contact mechanisms, and how businesses are anticipating these changing over the next five years (Figure 13).

'Most ready' versus 'Others'

How important are the following ways of interacting with your customers and how is this importance likely to change over the next 5 years?

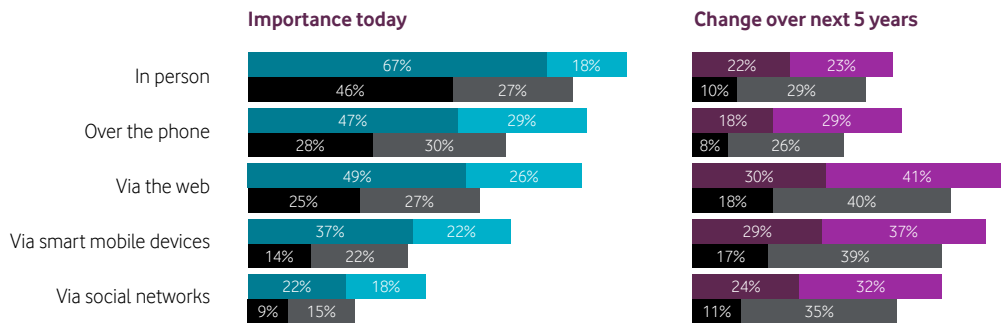


Figure 13
Importance of contact mechanisms, and anticipated dynamics.

Key: Coloured bars relate to the 'most ready' businesses
'Most ready' Very important ■ Important ■
'Others' Very important ■ Important ■

Participants in the study were also asked about a range of forward-looking imperatives in this area for the next five years (Figure 14).

'Most ready' versus 'Others'

How would you rate the following as imperatives for your business over the coming 5 years?

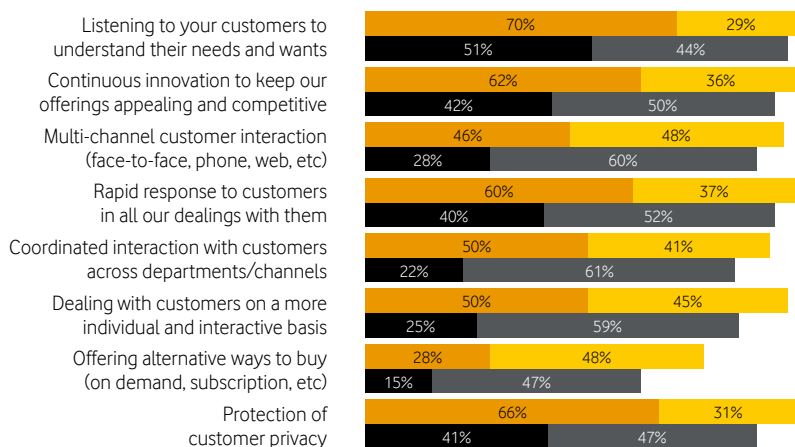


Figure 14
Customer engagement imperatives for the next five years.

Key: Coloured bars relate to the 'most ready' businesses
'Most ready' Critical ■ Important ■
'Others' Critical ■ Important ■

Redefining the way businesses operate

Advances in technology and communications are breaking down traditional barriers and enabling more seamless ways of working both within and between businesses. Against this background, we looked at the importance of a range of options for meeting current business requirements, and how these might change over the coming five years (Figure 15).

'Most ready' versus 'Others'

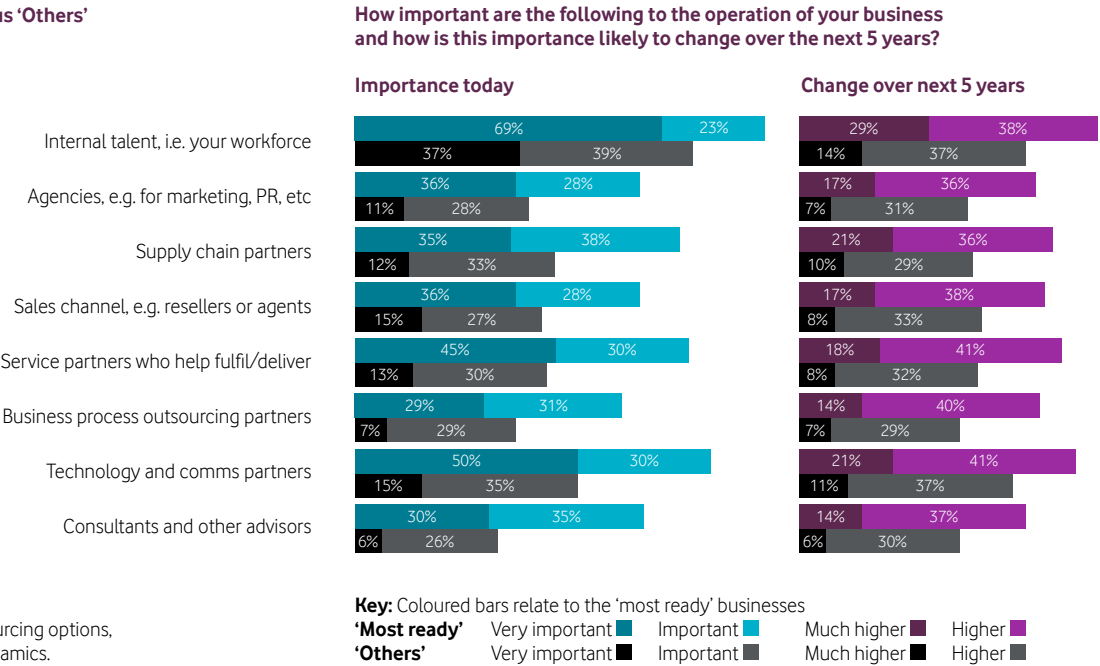


Figure 15
Importance of resourcing options, and anticipated dynamics.

Participants in the study were also asked about a range of forward-looking imperatives relating to this topic for the next five years (Figure 16).

'Most ready' versus 'Others'

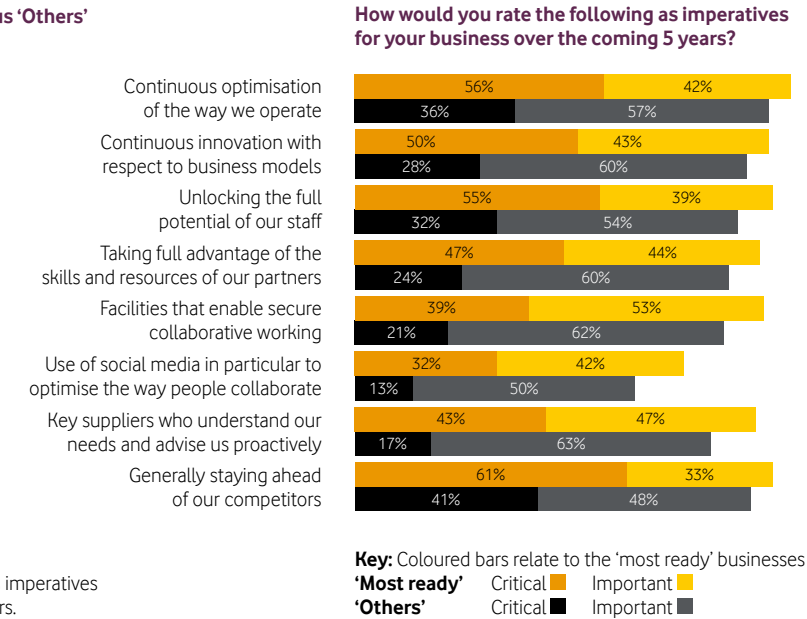


Figure 16
Business operations imperatives for the next five years.

New ways of exploiting
widely available connectivity

Broad-reaching networks, together with cheaper and more power-efficient connectivity components and sensors, are enabling more 'things' to be brought online cost-effectively. Against this background, we looked at the current level of importance of various communications-related capabilities, and how these are anticipated to change over the next five years (Figure 17).

'Most ready' versus 'Others'

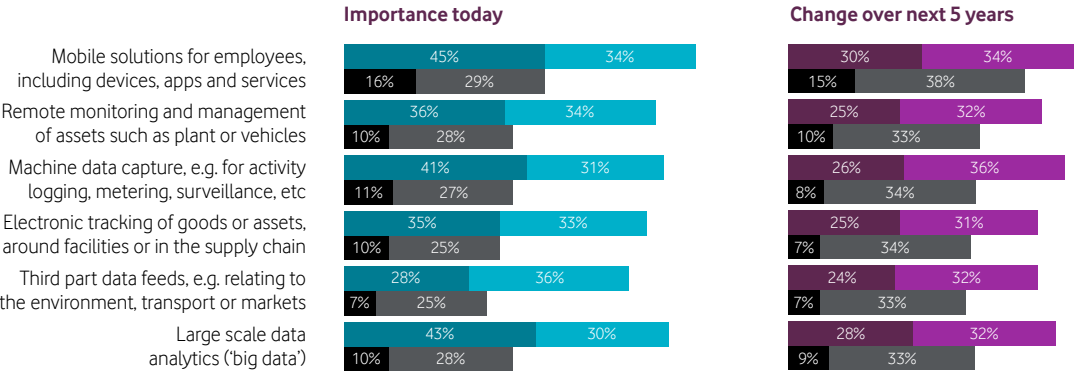


Figure 17
Importance of connectivity options, and anticipated dynamics.

Key: Coloured bars relate to the 'most ready' businesses
'Most ready' Very important Important
'Others' Very important Important
Much higher Higher
Much higher Higher

Participants in the study were also asked about a range of forward-looking imperatives relating to this topic for the next five years (Figure 18).

'Most ready' versus 'Others'

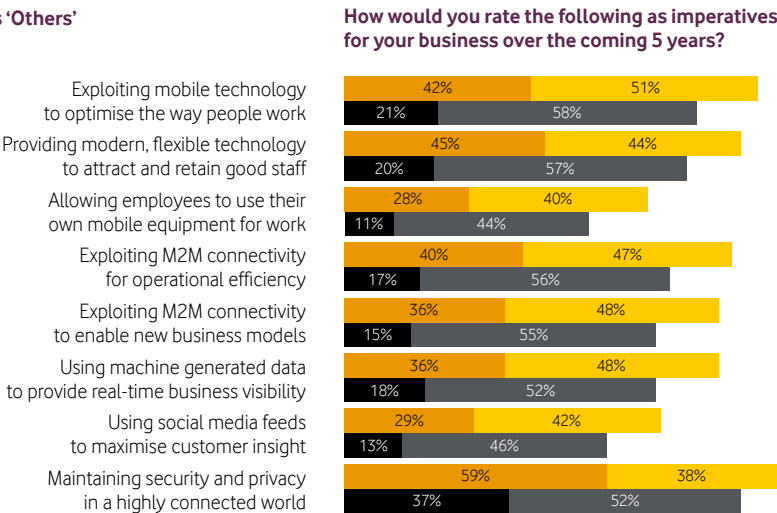


Figure 18
Connectivity-related imperatives for the next five years.

Key: Coloured bars relate to the 'most ready' businesses
'Most ready' Critical Important
'Others' Critical Important

More open and flexible approaches
to meeting IT needs

Developments in software, hardware, networking and services mean both large and small businesses have many more options for acquiring and deploying business solutions. Against this background, we looked at the current level of importance of various resourcing and assistance options in relation to IT, and how these are anticipated to change over the coming five years (Figure 19).

‘Most ready’ versus ‘Others’

How important are the following to your business now and how is this importance likely to change over the next 5 years?

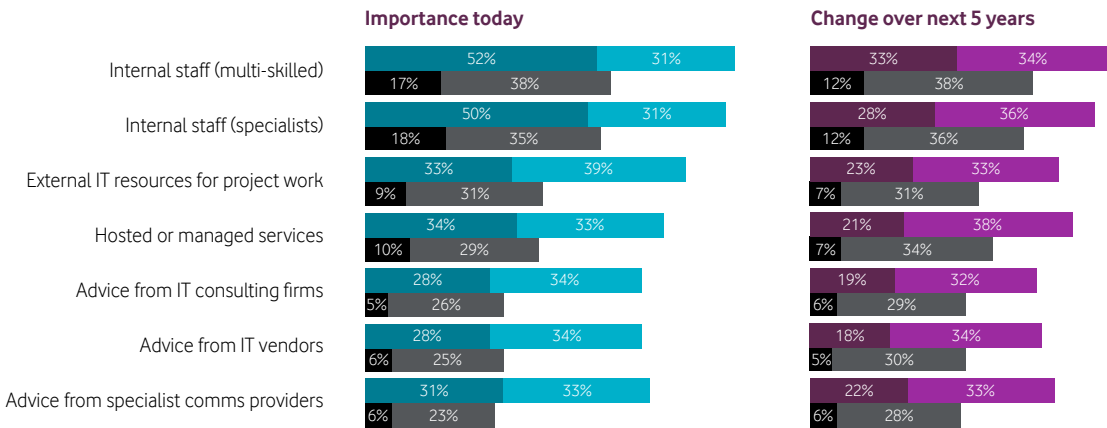


Figure 19
Importance of IT resourcing options, and anticipated dynamics.

Key: Coloured bars relate to the ‘most ready’ businesses
‘Most ready’ Very important Important Much higher Higher
‘Others’ Very important Important Much higher Higher

Participants in the study were also asked about a range of forward-looking imperatives relating to this topic for the next five years (Figure 20).

‘Most ready’ versus ‘Others’

How would you rate the following as IT-related imperatives over the coming 5 years?

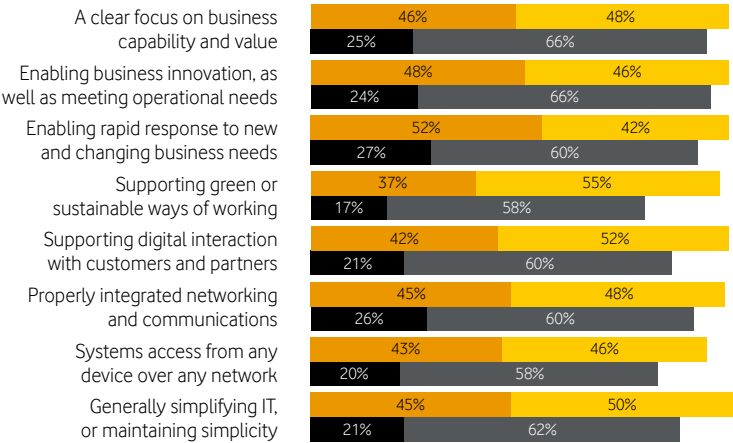


Figure 20
IT-related imperatives for the next five years.

Key: Coloured bars relate to the ‘most ready’ businesses
‘Most ready’ Critical Important
‘Others’ Critical Important

Why Vodafone?

As your total communications partner, we can give you the power to succeed today while being ready for tomorrow.

Better Operational Agility

A Ready Business embeds agility into the way it operates.

To make your business more agile, we make the way you communicate more flexible, more resilient and more secure. We ensure all your different ways and means of communicating work together seamlessly. And we make sure all this combines to make your business more efficient and more profitable.

Better Customer Engagement

A Ready Business is highly responsive to the changing needs of its customers.

We help you grow by enabling you to give your customers a consistent, better experience across all contact channels – an experience that increases satisfaction and loyalty. We also help you take full advantage of the latest communications technology so that you can develop attractive and rewarding new products, services, routes to market and business models.

Better Connected Employees

A Ready Business enables flexible, mobile and collaborative working.

We help you be more productive, improve employee engagement and get to market faster by enabling your employees to work how, when and where they need to, while ensuring you keep control of usage, costs and security.

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