



Measuring digital adoption: A path forward for CIOs



userlane



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Executive summary

Chief Information Officers (CIOs) and Information Technology (IT) leaders are under immense pressure. They are expected to deliver high impact, cost-effective digital transformation in the face of challenging economic conditions. To better understand today's challenges, we at Userlane partnered with PwC to survey 250 CIOs and IT leaders at UK-based companies with over 1,000 employees.

The data shows that digital adoption – the process through which users learn how to use and maximize new technology – is the CIO's second highest priority, right behind digital transformation. However, there are still some key macro trends, including hybrid working and skills gaps, that CIOs need to address. Furthermore, our research shows that the **average spend on a new software project exceeds £2,200,000 (\$2,670,000), with only 45% meeting or exceeding their expected return on investment (ROI).**

In addition to the high financial cost of new systems, CIOs report difficulty adopting digital solutions in their workplace. While **61% of decision makers say they plan to improve digital adoption in the next 12 months**, 96% report that their organization is struggling to do so. Problems encountered range from a high number of IT support tickets (33%), too much time and cost spent on software training (28%) to hybrid ways of working that have accelerated software requirements (28%).

This leaves the question of how CIOs can realize their goals of further expanding digital adoption while ensuring their success by finding a way to make the value of their software investments visible and, above all, measurable. So far, there is no clear consensus, leaving CIOs and IT leaders largely in the dark.

To address this, we propose the use of a user-centered metrics framework called HEART, which addresses five key areas to provide an in-depth, comprehensive view of digital adoption. **HEART offers an effective way to learn more about digital adoption insights by tracking digital adoption efforts.**

Hartmut Hahn, CEO, Userlane

“Driving digital transformation has been the number one priority for most CIOs in the past years and a key challenge is getting your people to engage with their new and well thought out IT infrastructure. Understanding what works and what doesn't is essential to resolve this - but available data was to a large part focused on application monitoring and maintenance. The impact of new technology on people's productivity has mostly been a black box.

Understanding how people adopt and use new software will be crucial for CIOs and IT-Leaders in the years ahead and together with PWC we aim to provide useful guidance in this matter.”



Research Objectives



Understand the macro trends shaping how CIOs and IT leaders deliver high impact, cost-effective digital transformation, as well as the challenges faced.



Determine the average spend on new software projects and their return on investment (ROI), as well as the relationship between ROI and digital adoption.



Identify solutions to improve the measurement of digital adoption, including through the use of a new, user-centered metrics framework called HEART, developed by Userlane.



Provide useful information and ideas for CIOs and IT leaders to improve digital adoption and ensure digital transformation success.

About the survey

The data in this report comes from a survey of over 250 Chief Information Officers (CIOs) and Information Technology (IT) leaders at large companies (1,000+ employees) in the UK. This includes key industries such as finance, healthcare, IT and telecoms, manufacturing and retail. This report will use the term “CIO” to encompass both roles.

The research was conducted as a partnership between leading digital adoption platform provider, Userlane, and international professional services provider, PwC Germany. Both companies would like to express their sincere gratitude to all who contributed.

JOB TITLES



255

UK-based CIOs and
IT leaders

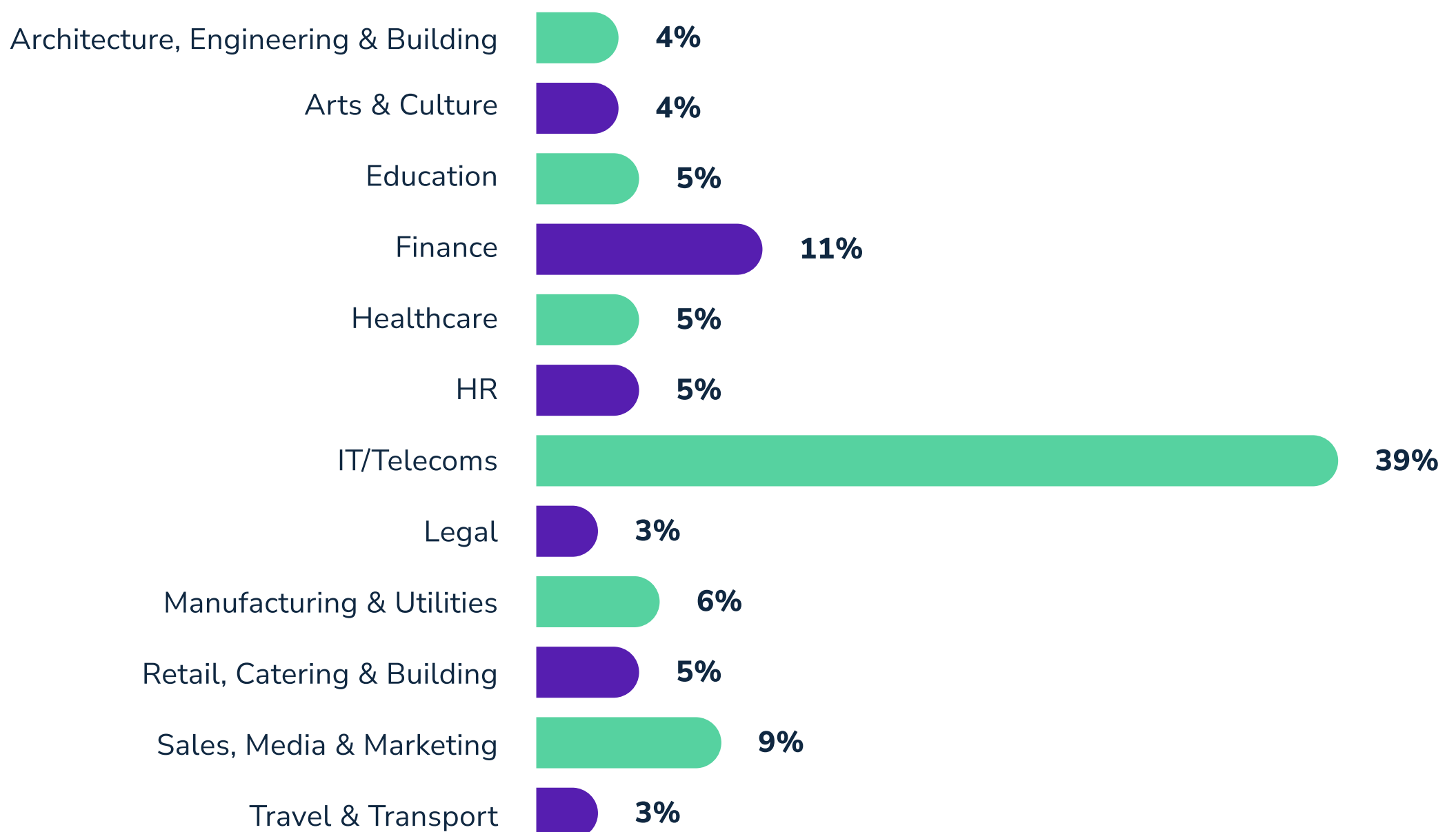
COMPANY SIZES



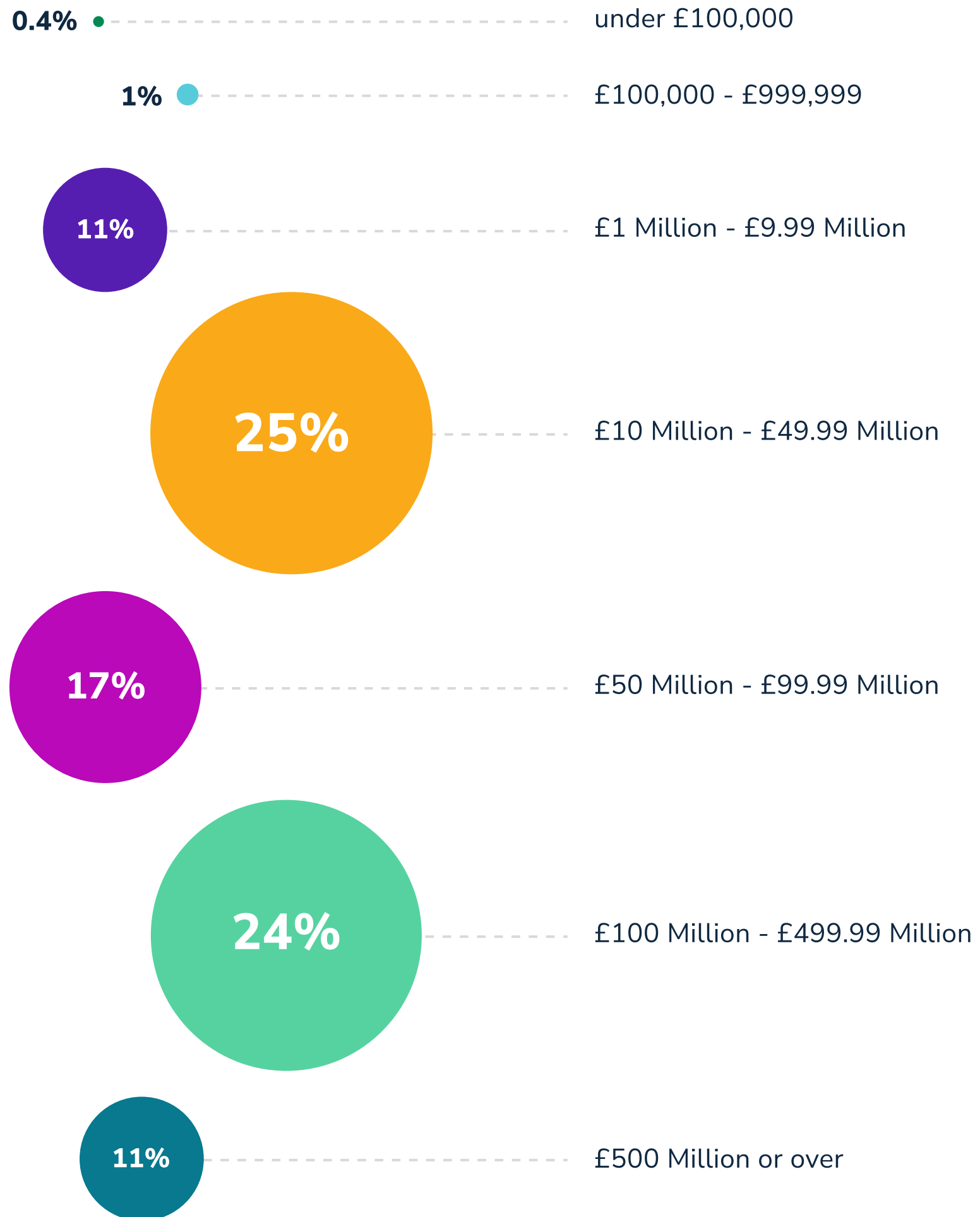
1000+
employees

Large companies only

INDUSTRY



ANNUAL TURNOVER



Emerging challenges for CIOs

Current trends

In the age of information, it's no surprise that the role of a CIO is becoming increasingly complex. Today, CIOs need to drive forward digital transformation projects and steer their organizations through a range of challenges, including addressing environmental, social and governance (ESG) concerns; implementing hybrid working; and overcoming skills gaps.

In fact, the CIO plays one of the most critical roles in an organization, helping to bridge the gap between decision making in the C-suite and technical reality in the IT department. The role requires a firm understanding of both worlds and strong, adaptable communication skills to convey information to different stakeholders. However, despite these diverse and demanding activities, nearly two-thirds (64%) of CIOs feel that their role is underestimated by the company.

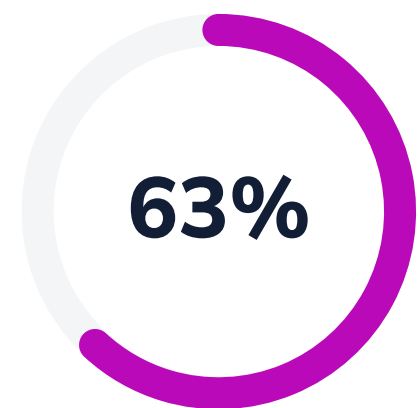
Emerging challenges for CIOs



say the ESG is becoming an increasingly important responsibility



believe that hybrid working has created more IT challenges



of CIOs report that their organisation doesn't have significant digital skills

Wolfgang Hufnagel, Digital Enablement Lead PwC Germany

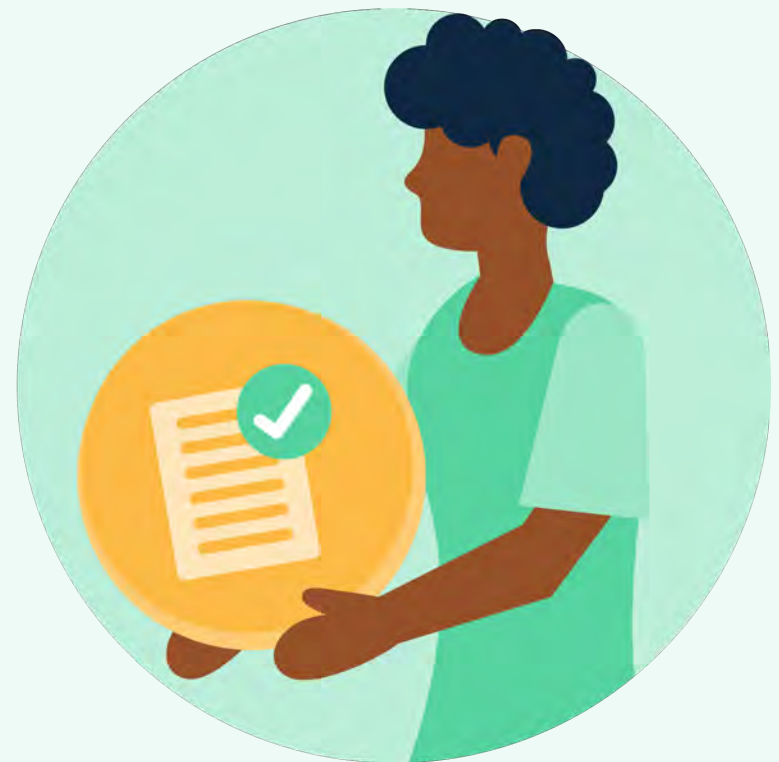
"CIOs today face the complicated task of fully understanding and optimising the return on investment on their company's software purchases. A crucial piece of this puzzle is developing the capability to track and measure digital adoption among employees, identify areas for improvement, and tailor training and support programs to better meet their needs."



The software cost conundrum

Next to the emerging challenges CIOs are facing in their role, the economic downturn means that CIOs are being asked to achieve significant change under challenging circumstances. However, enterprise software purchases, subscriptions and implementations are expensive. A CIO is likely responsible for making essential decisions that pave the way for the new software, addressing challenges as they arise, and – crucially – ensuring that the investment generates business value.

According to our survey, the average large organization completes five major software purchases and implementations every year with an average cost of over £2,200,000 (\$2,670,000). This is a massive expenditure – **but fewer than half of software purchases (45%) meet or exceed their expected return on investment (ROI).**



Software purchasing costs and their ROI



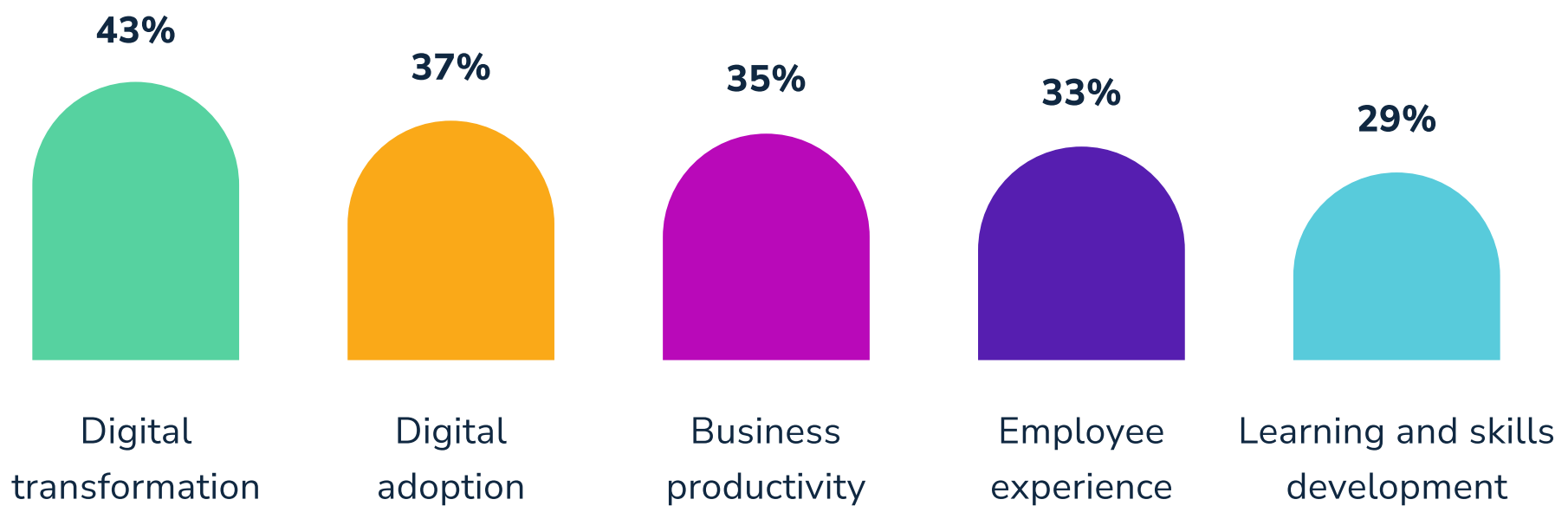
The average large organization completes five major software purchases and implementations every year with an average cost of over £2,200,000 (\$2,670,000) but fewer than half of software purchases **(45%)** meet or exceed their expected ROI.

Responsibilities and future tech investments

Being asked about their biggest responsibilities, CIOs report that their current main responsibility is driving digital transformation in their organizations (43%), followed by the topic of digital adoption (37%). Digital adoption describes the process that enables users to realize the full potential of a new technology. With the help of digital adoption platforms, users receive step-by-step guidance through the system provided by a software overlay.

Although two-thirds (65%) of CIOs point to a shaky economy as a major concern, the majority (62%) nevertheless plan to expand their tech investments and to improve digital adoption in the next 12 months (61%) - but that may be easier said than done.

What are the CIO's biggest responsibilities?

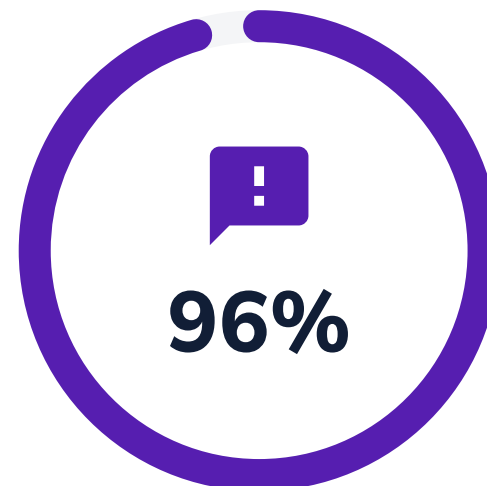


Future focus areas of CIOs



The digital adoption challenge

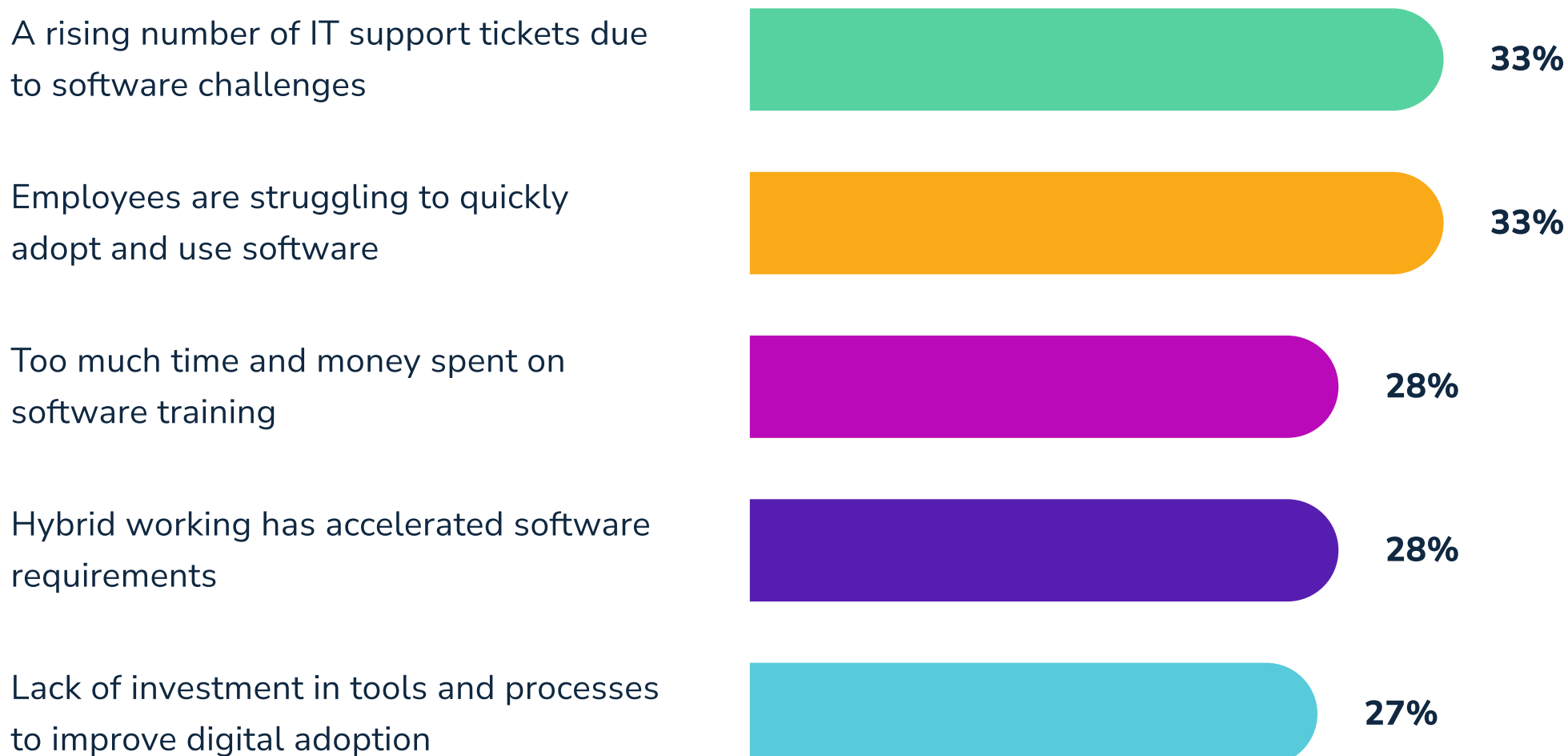
According to Userlane's ['State of Digital Adoption' report](#), 88% of decision makers believe that digital adoption is fundamental to both employee experience and business success. This makes sense, as businesses are increasingly reliant on software for essential functions – 72% of employees use software more today than they did two years ago. **However, 96% of decision makers report that their organization struggles with digital adoption.**



of decision makers report that their organization struggles with digital adoption

This is particularly noticeable due to a high number of support tickets (33%) called due to software problems. In addition, CIOs describe that their employees have difficulties in quickly adopting and using the new software (33%). Other problems can be found in effort - time and costs - spent on software training (28%), increased software requirements due to hybrid working (28%), or a lack of investment in tools and processes to improve digital adoption (27%).

Top five digital adoption challenges for CIOs



In addition, it is becoming increasingly difficult for CIOs to measure and compare the success of their digital adoption because there is no single standard for measuring it. As a result, CIOs are facing a limited consensus on what makes a software investment a success. **Here, one of the biggest challenges is tracking adoption across the entire IT infrastructure.** While some software has built-in usage analytics, other software offers little or no integrated feedback. Even when available, usage statistics are also not standardized across applications.

This makes it seemingly impossible to measure digital adoption enterprise-wide. This means that currently, the best CIOs can hope for is a cobbled-together "do-it-yourself" approach that combines qualitative considerations such as satisfaction with quantitative statistics on process completions and support tickets. This is not up to the standards that modern enterprises are and should be applying elsewhere.

Top five ways CIOs currently measure digital adoption success



Improved employee happiness



Reduced number of IT support tickets raised



Improved task completion



Improved number of application logins



Improved process quality (e.g., fewer mistakes)

As a result, CIOs report the following consequences of poor digital adoption:

Increased IT costs

More than half of employees (55%) file a support ticket when they run into a challenge with software. However, requesting support from the IT team for digital adoption issues distracts them from their essential work. A large number of tickets produces a more stressful environment for IT professionals, holds back digital transformation, and limits the value they can add to the organization.

Damage to employee experience

Frustration using software worsens the employee experience, and 84% of employees say they feel frustrated with software at work at least some of the time.

Lower productivity

More than one in three employees lose an hour each week to software issues. This is a huge loss, equivalent to 11.7 million working hours lost every week. Further, struggling employees often turn to coworkers for help, creating a ripple of distraction through the office.

Reduced business value of software investments

Employees use an average of just 40% of available features of a software required for their job. It is unsustainable for organizations to invest in enterprise software if employees are only using the most basic features it offers.

Higher training costs

The average mid- to large-sized UK business spends £2,087 (\$2,535) per employee per year on software training.

Risk of “tech turnover”

Risk of "tech turnover". Decision makers often find that the software is not delivering value but fail to diagnose the root cause: lack of adoption. They assume something is wrong with the software and switch to an alternative. This is time-consuming, costly, and disruptive, and - because the root cause of the problem has not been addressed - does not lead to a solution.

With all these digital adoption challenges in mind, how are CIOs supposed to achieve their goals and make digital adoption successful if they don't know what success looks like? This seems to be a key challenge for CIOs. But there is also good news - because we can help.

Costas Michalia, Group Strategy Director at digital strategy consultancy, Fiora



"Digital transformation or digital maturity is extremely hard and more often than not does not return the expected value in terms of business growth, efficiencies and fiscal return. It is well documented that in most cases the failure point is culture. That coupled with the complex and seemingly never-ending list of interconnected decisions and challenges across the project's lifecycle. The report highlights company engagement - particularly in the form of digital adoption - as important in rolling out digital transformation. Getting each business function onboarded and the governance in place to fully utilize any new platform is certainly complex - and requires CIOs to have clear visibility into the progress being made."

Introducing HEART – Userlane’s digital adoption analytics model

Based on the challenges that CIOs are currently facing, we at Userlane have developed the world’s first standardized model to measure digital adoption across enterprise software applications: HEART.

HEART measures the success of digital transformation initiatives across the organization by aggregating five user behavior metrics and combining them into the HEART score. The results are presented in a comprehensive dashboard that is based on real-time data and thus updates itself autonomously. This gives users an overview of, for example, their user satisfaction as an NPS score and how it changes over time, the progress of their defined adoption goals, insights into how often users return, or their task success. In particular, HEART measures:



Happiness

Track employee sentiment across multiple applications. By looking into this data, CIOs can rapidly identify and address software pain points, improving the employee experience and maximizing productivity.



Engagement

Maintain a timely understanding of how employees are actually using software features. Quantify whether users interact with the app, how actively, and for how long.



Adoption

Set and measure adoption targets to ensure that software spend is resulting in business value. With a clear understanding of which features employees are not using, decision makers can target training to ensure that every user is a power user.



Retention

Ensure that employees maintain their knowledge over time and help them to form meaningful habits.



Task Success

Visibility over the number and rate of completed tasks provides a concrete measure of productivity and enables CIOs to identify and mitigate potential risks.

With these measures, HEART helps CIOs identify issues, increase usage and adoption, and ensure employee productivity across all applications. This helps them to reduce unnecessary training and support costs and ultimately improve ROI. Rather than guessing at the success of digital adoption on each application, CIOs can use HEART to maintain full control and clarity at all times, across all applications.

This puts them in a much stronger position to make data-driven technology decisions that support their digital transformation ambitions and ensure that employees take full advantage of the software they implement.

**Wolfgang Hufnagel, Digital Enablement Lead
PwC Germany**

"Having a user-centric, cross application analytics tool completely transforms the way CIOs are able to make decisions today.

It empowers executives to track progress in adoption over time and make more informed, data-driven decisions, faster. This will ultimately lead to IT driving critical business growth and a culture of innovation through smarter technology investments."





To discover the power of Userlane's HEART adoption analytics, visit: www.userlane.com/heart

HEART is a framework that our partners use to take the guesswork out of Digital Adoption. Want to show your customers how you are delivering real value for them? Get in touch to hear more about how to partner with Userlane:

partners@userlane.com

If you would like to have a conversation about your company's state of digital adoption, contact wolfgang.hufnagel@pwc.com

About Userlane

Userlane is a German-based technology company working with well-known enterprises such as Allianz, Beiersdorf, SAP, and Linde. Its award-winning software is used by millions of users across the globe. Userlane has quickly become a leading Digital Adoption Platform, delighting employees and customers with its intuitive and effective solutions.

About PwC

PwC is a leading auditing and consulting firm in Germany. Their more than 13,000 experts work at 21 locations for national and international clients of all sizes. PwC Germany offers services in the areas of auditing and audit-related services (Assurance), tax advice (Tax) and in the areas of consulting and deals (Advisory). In Advisory, PwC provides advice at the intersection of technology and business transformation to generate solutions that are tailored to individual clients' needs.

To find out more about the survey, contact: userlane@definitionagency.com

