

A Forrester Consulting
Thought Leadership Paper
Commissioned By New Relic
December 2017

Drive Leadership With Digital Insights For All

Technology Leaders Must Share Insights
Organizationwide Through A Monitoring
Platform Centered Around Applications And
Customer Experience

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Executive Summary

By and large, business leaders know they must be data-driven if they wish to compete today, particularly around the ever-increasing number of digital channels. While most firms strive to be driven by data, this is not enough. Forrester has since identified a new type of organization: the insights-driven business. These organizations generate insights and action from data at the speed and scale of digital customer engagement and business decision making.

Insights-driven businesses are not held back by data nor digital transformation projects — instead, by 2021, insight-driven businesses will be taking \$1.6 trillion in annual revenues from those who are being held back by their denial of digital transformation and evolution. It is now the time for others to become insights-driven themselves by striving to build operating models that are not only good at collecting and managing data, but also excel at maximizing its value through the timely generation of actionable insights applied through their digital channels. Doing this at scale and across the enterprise provides a crucial differentiator that will allow firms to outcompete anyone who does not follow this path.

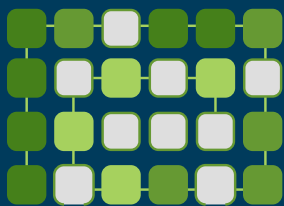
In August 2017, New Relic commissioned Forrester Consulting to evaluate how enterprises collect their data and generate the subsequent insights from those data lakes. In surveying 259 IT, application development, digital experience, and marketing decision makers in the US, UK, France, and Germany, it was found that enterprises that take an application-centric approach — analyzing different data types in unison with an application performance monitoring (APM) platform — can gain a holistic view of their entire organization that allows them to improve both operational efficiency and customer experience.

KEY FINDINGS

- › **Enterprises sit on mountains of data that allow for the insights-driven opportunity.** On average, enterprises collect nearly 13 types of data throughout the entire organization.
- › **Departmental silos, misaligned priorities, and too many tools stymie efforts to become insights-driven.** Two-thirds of decision makers have lackluster assessments of their enterprise's ability to collaborate internally, and 69% of those interviewed are not prioritizing the leveraging of data for business insights. Within the confines of this disconnected culture enterprises must glean insights from an average of nearly six types of analytics solutions.
- › **By democratizing digital insights through a unified organizational view across data types, the comprehensive APM platform is able to yield both improved productivity and customer experiences.** The insights generated from creating a single source of truth benefit all business decision makers alike. This in turn paves the way for generating more holistic insights that can make the enterprise more efficient and deliver superior digital experiences to their customers. Indeed, improving both end-user productivity and customer experience are the top benefits reported in all the surveyed groups.



Companies that are creating a unified view across data types, through a comprehensive APM platform, see improved productivity and customer experiences.



Digital Performance Data Provides Insights-Driven Opportunities

The unprecedented ability today for organizations to transform data into business insights will both create a growth opportunity for those who utilize these methods and utterly devastate those who don't. As customers leave increasingly larger digital footprints, the insights-driven business can harness data from these footprints and inform every decision they make.

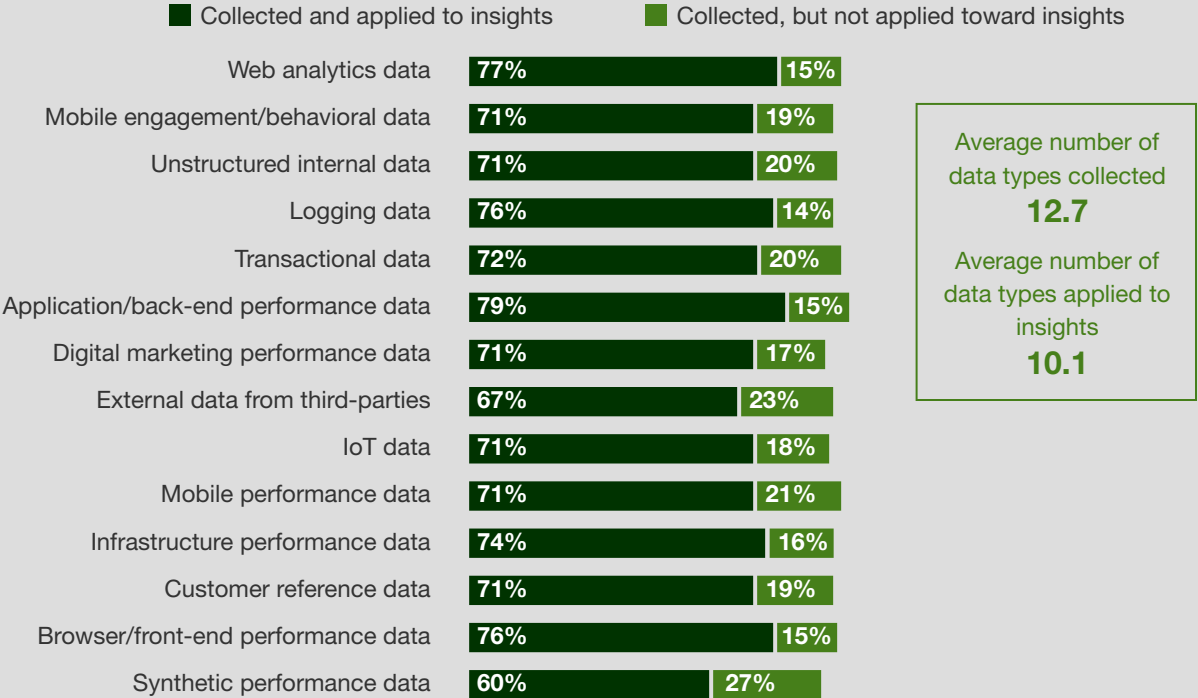
Indeed, most firms today have many of the pieces in place required to become insights-driven. As confirmed by this study of IT, application development, digital experience, and marketing decision makers, enterprises already (see Figure 1):



- › **Collect a multitude of data.** From applications, mobile and browsers, to the internet of things (IoT) and infrastructure, enterprises have mountains of data to sift through — collecting an average of nearly 13 digital intelligence data types.
- › **Derive insights from most of the data they collect.** Although they do derive at least some insights from an average of 10 digital performance data types that they collect, enterprises still fall short of leveraging the potential from the data they have in house.

Figure 1

“Which of the following best describes how your organization uses the following types of data to inform business decisions?”



Base: 259 IT, application development, and digital experience decision makers in the US, UK, France, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

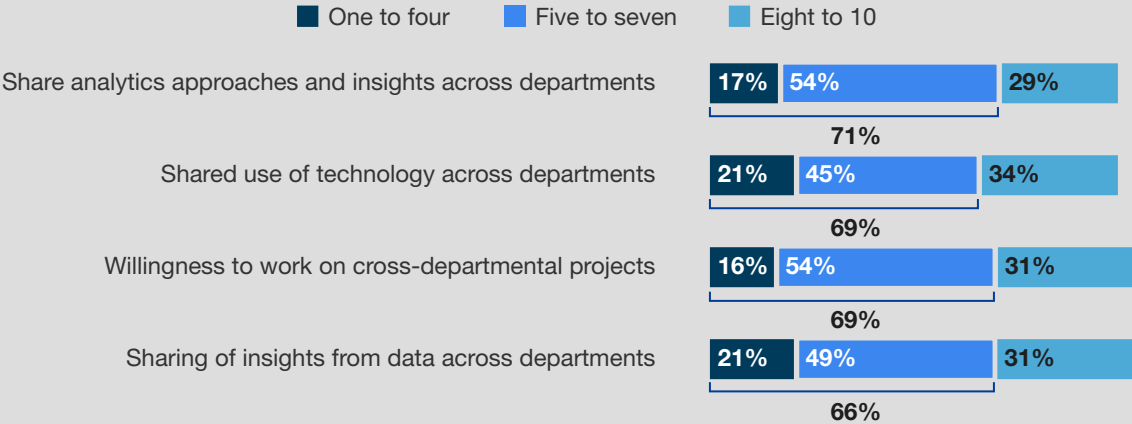
Misalignment Prevent Businesses From Becoming Insights-Driven

Enterprises are not making full use of the digital performance data at their disposal. This lost opportunity is exacerbated by a lack of vision and strategy — the absence of which is feeding into information silos and helping to create a culture that has not fully embraced the data-driven mindset that’s needed for their organization to become truly insights-driven.

Results from this study show that enterprises:

- › **Struggle to break down silos and share business insights organizationwide.** Few enterprises excel in democratizing access to data, tools, and insights — meaning that learnings captured in one department may fail to get contextualized by learnings captured in another department. Indeed, decision makers report that their firms have not achieved mastery in sharing analytics approaches (71%), insights from data (69%), and technology (66%). Sadly, only 31% say there’s a strong will in their organization to work on cross-departmental projects altogether (see Figure 2).
- › **Treat their IT department as cost centers.** An insights-driven business will make insights capabilities a strategic priority.¹ Indeed, IT departments are integral in driving these capabilities and positioning themselves as strategic players within the business as a whole. However, 51% of those in this study are not confident in their IT department’s ability to analyze data necessary for insights, and 42% feel their IT department cannot even collect the necessary data. It should then not be a surprise that half of respondents feel that IT as a cost center fails to meet its strategic potential (see Figure 3).

Figure 2
 “On a scale from one to 10, how would you rate the following aspects of cross-departmental collaboration in your organization?”

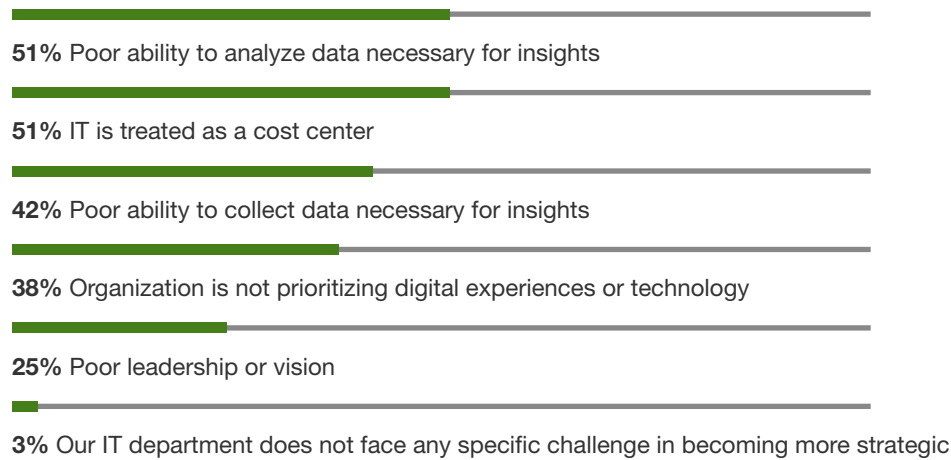


Base: 259 IT, application development, and digital experience decision makers in the US, UK, France, and Germany
 Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

Figure 3

“What challenges does your IT department face in becoming more strategic to the organization?”

(Select all that apply)



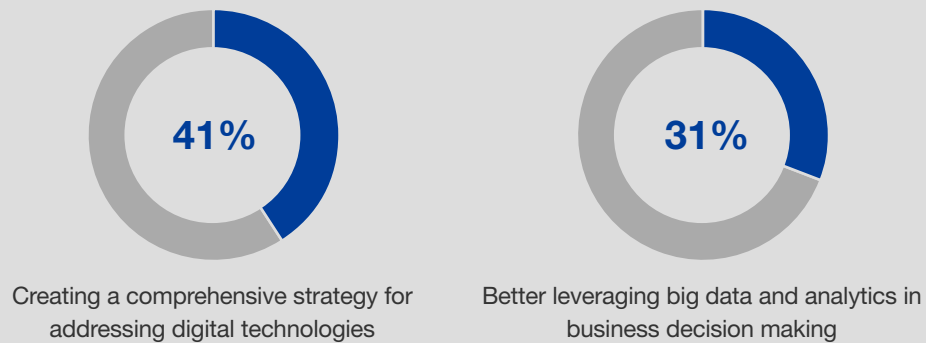
Base: 259 IT, application development, and digital experience decision makers in the US, UK, France, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

- › **Failure in prioritizing the creation of a data-driven culture.** An insights-driven business is created from the top down — prioritizing a data-driven mindset and culture across the organization. Unfortunately, only 41% of enterprises have a mindful strategy to address digital, and only 31% prioritize using data to inform their business decisions (see Figure 4).

Figure 4

“Which of the following are or will be your organization’s overall business priorities over the next 12 months?”

(Showing those who ranked these as either as first, second, or third in importance)



Base: 259 IT, application development, and digital experience decision makers in the US, UK, France, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

Begin Your Insights-Driven Journey With Application And Customer-Centric Performance Monitoring

Results from this study clearly indicate that most organizations are not optimized to let digital insights drive their business — there are cultural, operational, and technological challenges that every organization needs to urgently address in furtherance of getting their houses in order. Failing to do so can lead to irrelevance: insights-driven businesses are projected to steal \$1.2 trillion dollars from competitors by 2020.²

In the beginning of their insights-driven journey, many enterprises have explored using the APM platform to gain a more holistic view of their organization. A comprehensive performance monitoring approach that is application-centric is particularly well positioned to provide end-to-end visibility across technology silos — delivering insights from the customer's interactions through the application to the databases and application code serving it. Indeed, the ability of a comprehensive APM platform to monitor all the performance issues that are likely to impact the customer, via applications, APIs, services, infrastructure, virtual and physical components, can position them to become the single source of truth that enterprises need to derive broader insights about the business as a whole.³

Among those in this study with an APM platform that spans the broader technology stack, half of respondents indicate that they run an average of three data types — ranging from application and mobile performance data to infrastructure and unstructured internal data (see Figure 5).

DEMOCRATIZED INSIGHTS DELIVER PROVEN BUSINESS BENEFITS

Sharing the digital insights generated from a unified view of these data types through APM can help lead the way in creating alignment around a shared source of truth for IT, operations, and their business partners to share in a holistic understanding of their customers' digital moments of engagement. This helps everyone achieve their departmental and team-specific goals, in turn benefiting the entire organization.

Those in this study who run multiple data types through their performance monitoring platform claim:

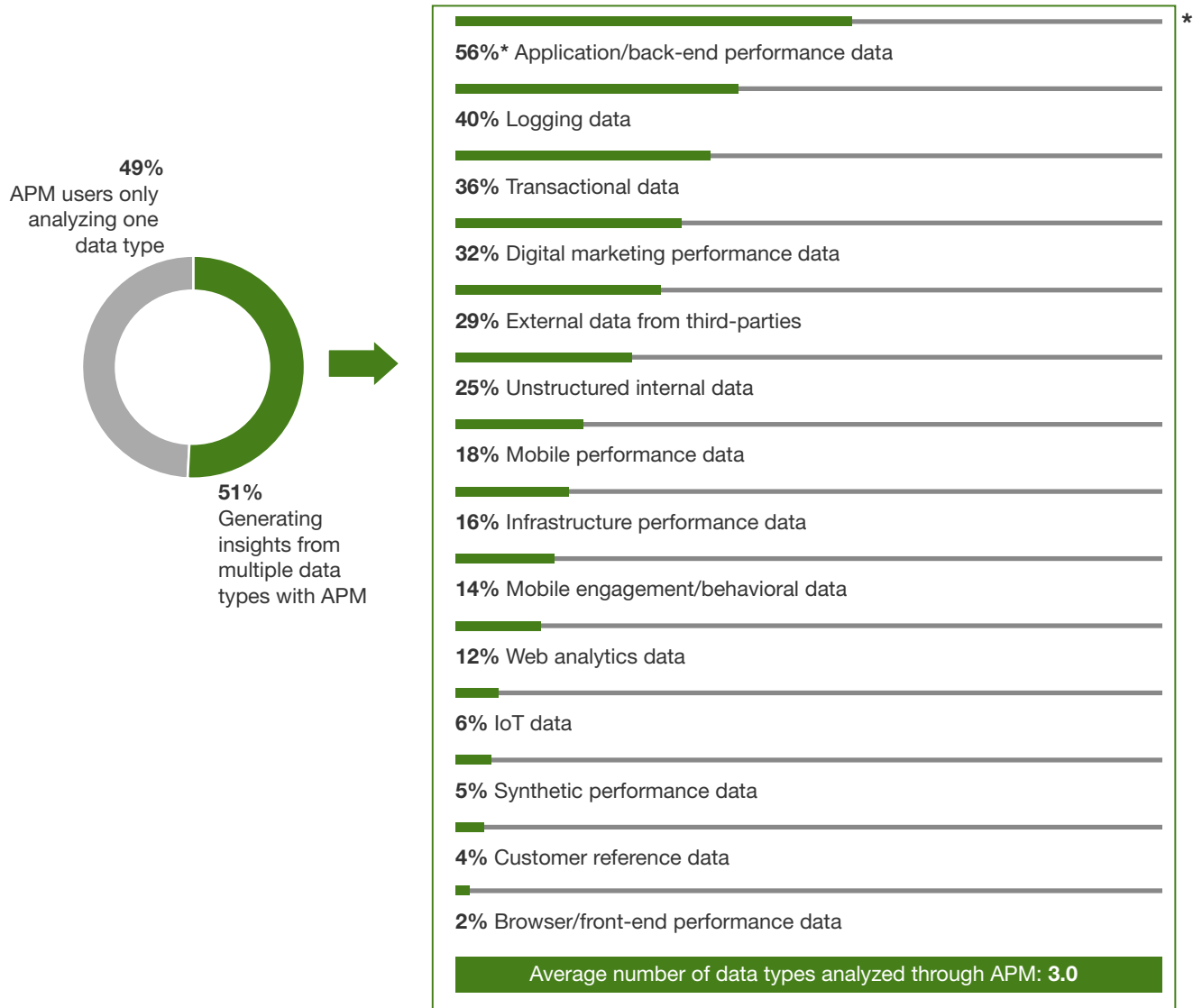
- › **Better understanding of app performance on the rest of the business.** Both IT and digital experience/marketing professionals understand that the chief value for unifying views across different data types, through an APM platform, is to gain insights on how application-centric their organization is (see Figure 6).



Figure 5

“What solutions do you use to analyze each type of data you collect in order to gather insights?”

(Select all that apply; showing data types analyzed by Application Performance Monitoring solutions)



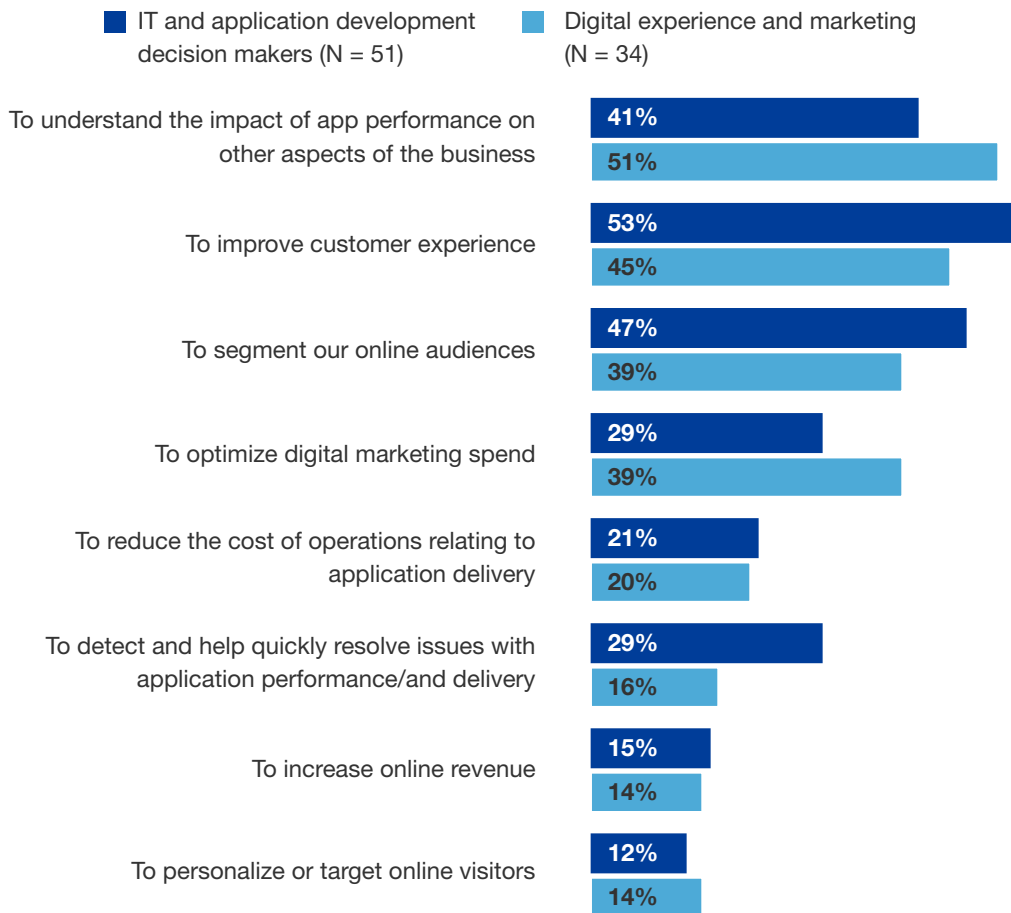
Base: 168 IT, application development, and digital experience decision makers in the US, UK, France, and Germany with an APM solution

*Base: 85 IT, application development, and digital experience decision makers in the US, UK, France, and Germany who generate insights from multiple data types with APM

Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

Figure 6

“You indicated that your organization uses an application performance monitoring solution to analyze and derive insights from multiple types of data. Which of the following reasons best describe why?”
(Select all that apply)



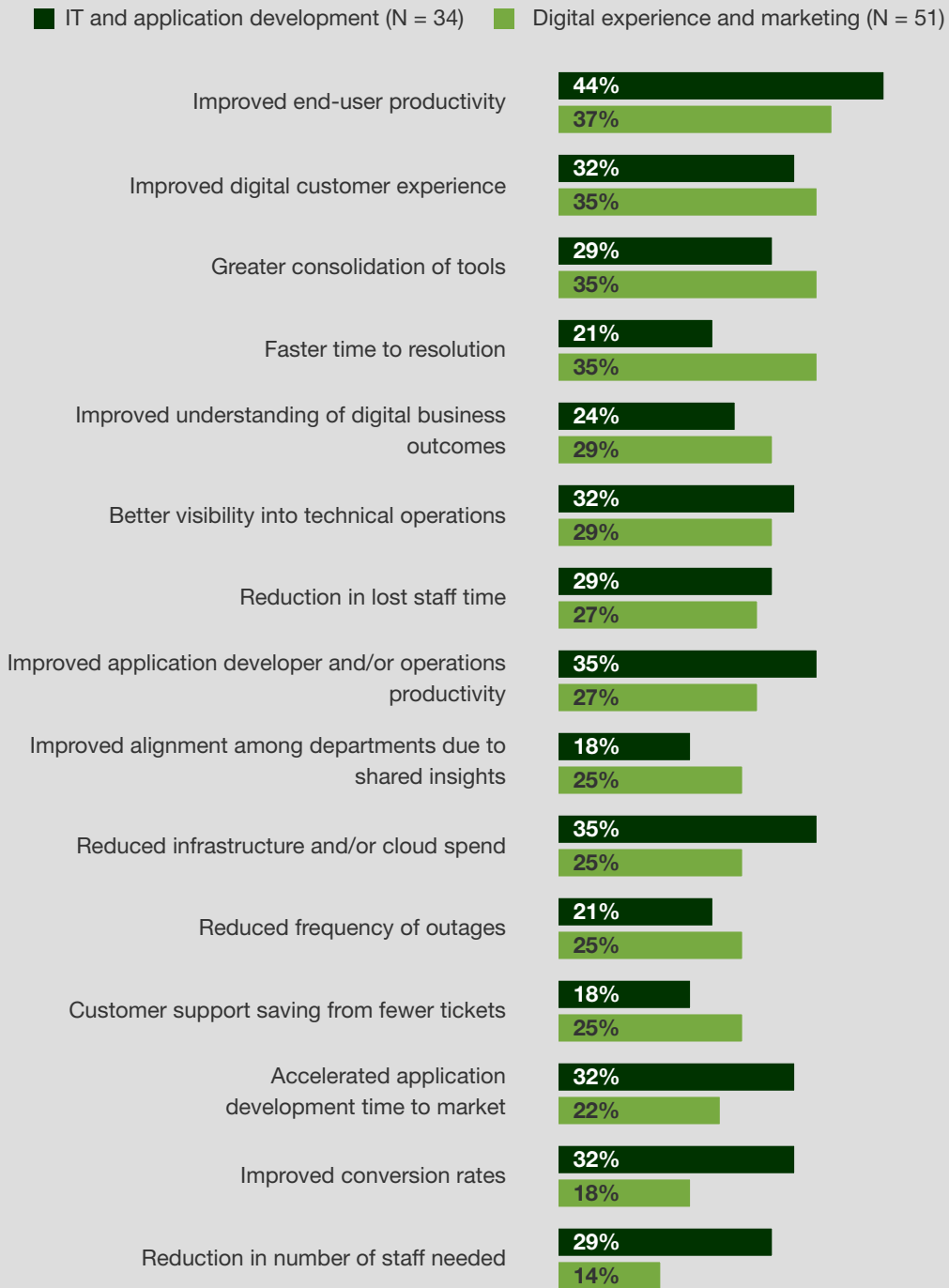
Base: IT, application development, and digital experience decision makers in the US, UK, France, and Germany who generate insights from multiple data types with APM

Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

- › **Increased employee productivity.** Insights gained from this end-to-end visibility help both IT and digital experience/marketing teams weed out inefficiencies and better improve operational performance through helping consolidate tools, increasing visibility into technical operations, reducing infrastructure spend, and improving alignment across departments with these shared insights. These benefits ultimately result in increased productivity for developers specifically, and the rest of the organization generally (see Figure 7).
- › **Improved digital experience for customers.** As the application is a chief entry point for the customer, viewing insights through the application lens has incredible value in improving customer experience. Insights gained through running multiple data types through the right APM platform can increase operational efficiency by reducing resolution times, thereby improving the digital experience for their customers in the end (see Figure 7).

Figure 7

“What benefits have you seen so far since adopting your current solutions for deriving insights from data?”
 (Select all that apply, top ten benefits shown)



Base: IT, application development, and digital experience decision makers in the US, UK, France, and Germany
 Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

Key Recommendations

Although it's a good start, an enterprise that wishes to become an insights-driven business must go beyond sharing application performance monitoring data. This is a multi-faceted journey—decision makers who wish to embark on it must:



Make an insights-driven culture the number one priority from the top down. Teams and departments across your organization are ultimately driven by the incentives that leadership establishes. As such, efforts to differentiate the entire business through digital insights needs to be guided from leadership. This means that leadership needs to instill the value of being customer-led, thinking of IT as business technology and not a cost center, and placing data-driven decisions in the highest esteem.



Make insights solutions and capabilities strategic investments. Insights solutions such as APM platforms must be viewed in terms of the long-term value they will deliver. Evaluate solutions beyond using simple ROI calculators — think more about how they can improve strategic outcomes such as improved customer experience and business growth.



Democratize access to data and insights across the enterprise. What truly distinguishes an insights-driven business from the rest is how they rely on customer insights to drive every part of their business. Customer insights, however, cannot inform decisions if they hide behind the walls of a single department. Solutions, talent, and processes must be embedded within every department — including line-of-business — to both break down insights silos and to reinforce an insights-driven culture.

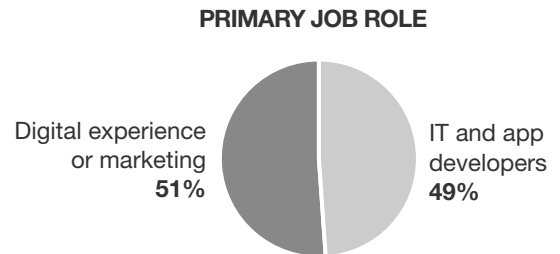
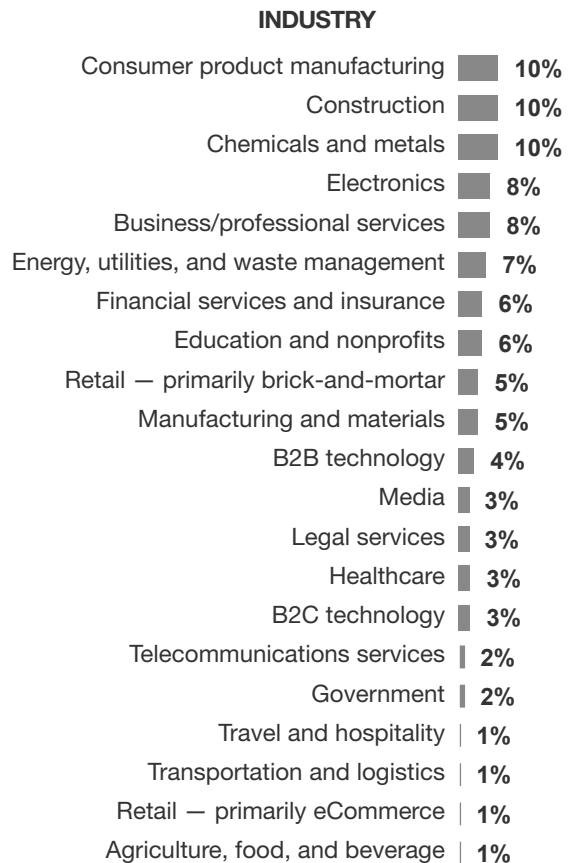
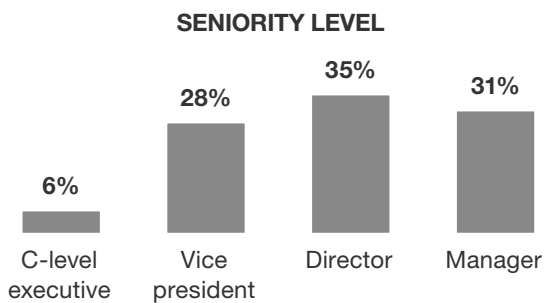
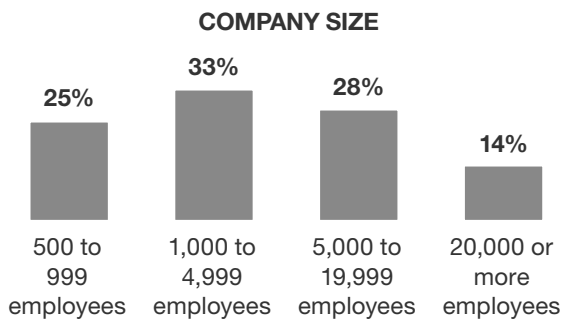
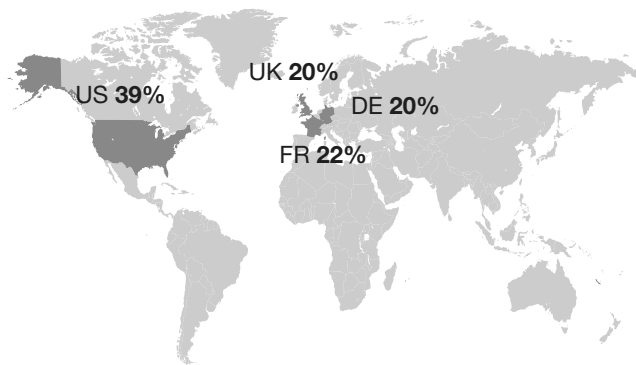


Experiment and learn continuously, building on small wins. Changing a culture will not happen overnight, nor will finding the right path to success for your particular organization to follow within its particular industry. Be willing to pilot initiatives, and pursue a minimum viable product approach that systematically tests risky assumptions as they incrementally invest.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 259 organizations in the US, UK, France, and Germany to evaluate how enterprises collect data and derive insights with their current analytics solutions set. Survey participants included decision makers in IT, application development, digital experience, and marketing roles. The study began in June 2017 and was completed in August 2017.

Appendix B: Demographics/Data



Base: 259 IT, application development, and digital experience decision makers in the US, UK, France, and Germany
 Source: A commissioned study conducted by Forrester Consulting on behalf of New Relic, August 2017

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“The Insights-Driven Business,” Forrester Research, Inc., August 1, 2016.

Appendix D: Endnotes

¹ Source: “The Insights-Driven Business,” Forrester Research, Inc., August 1, 2016.

² Source: “The Insights-Driven Business,” Forrester Research, Inc., August 1, 2016.

³ Source: “The Forrester Wave™: Application Performance Management, Q3 2016,” Forrester Research, Inc., September 22, 2016.