Enterprise Verticals

2020 Research Agenda

Kieran Hines
Research Director

> *Enterprises in both the public sector and the financial services industry face challenges unique to the market, product, regulatory and competitive situation of their vertical. However, while the journey that each needs to make will be influenced by these specific industry dynamics, the outcome – successfully navigating the route from analogue to digital business – and many of the core technologies that will underpin this remain the same.*

2020 research themes

FINANCIAL SERVICES

- Open APIs, digital banking, and disruption
- Delivering enterprise transformation
- IoT Insurance 2.0
- Monetizing the investment in real-time payments
- The opportunities in emerging markets

PUBLIC SECTOR

- Delivering a personalised and connected constituent experience
- *Best practice in leveraging cloud and AI technologies*
- Executive leadership in the digital government era
- Enhancing digital learning through leading-edge technology

TELECOMS OPERATIONS AND IT

- Successful strategies for telco digital transformation
- Intelligent operations as a source of innovation
- Telco IT strategies to support 5G, IoT and B2B

Financial Services

The Market Challenge

The financial services industry is in the midst of huge change. The need to deliver on the growing expectations of retail, SME and corporate customers is putting a renewed emphasis on new product development and wider service enhancements, with the urgency for change and innovation heightened by the growing success of many new entrants to the ecosystem.

While many of the challenges facing today's market incumbents are not new, today's market landscape has set the scene for considerable disruption. Across the retail banking, insurance and payment industries, the combination of regulatory changes, industry convergence and disruptive technologies represent both an opportunity for change and significant risks from inaction.

Kieran Hines
Research Director

How Ovum helps you

Maximise your market impact, by using Ovum's independent research to understand exactly what is driving IT investment agendas at a country and regional level in the financial services industry

Benchmark against your competition, with independent verification of the market leaders, challengers and followers in Ovum's Decision Matrix series

Stay ahead of the competition, by understanding where and how new entrants, non-bank digital service providers and established vendors are bringing new products and services to market

What's new for 2020?

Detailed insight into the opportunities, risks and industry change that is being driven by initiatives such as **open banking and real-time payments**

New Ovum Decision Matrices for key buying areas such as Digital Experience Platforms in retail banking and Card Management Systems

In-depth analysis of the potential operational benefits that **insurance carriers can enjoy from investing in artificial intelligence (AI) technologies and IoT**

Key Deliverables

ICT Enterprise Insights – Global survey of financial services industry pain points and IT buying intentions for 2020/21, covering retail banking, corporate banking, payments, insurance and the financial markets

ICT Spending Forecasts – Global 5 year projections for IT spending by vertical, segmented by country, source and line of business

Ovum Decision Matrix – Analysis of the leading vendors solutions in key areas

Banking ICT Spending Predictors - understand institution specific across digital banking, payments and other business function areas in both retail and corporate banking

Themes for 2020

Open APIs, digital banking, and disruption
New entrants to the value chain have already had a striking impact on the way incumbents are approaching their product innovation and wider IT strategies. The arrival of open banking has accelerated the pace of change, leading almost all institutions to invest in the quality of their digital offerings.Delivering a seamless, straight-through experience that supports the wider customer journey is critical, but requires platforms that can manage the user-experience, taking advantage of open banking initiatives, as well as new technologies in biometrics, augmented reality, natural language processing and AI-based services to enhance both human and direct customer engagement.

Delivering enterprise transformation
As banks and insurance carriers realize digital is about the organisation itself rather than a channel, there has been increasing assessment of how culture, governance, processes, and structures enable banks to operate in a digital world. While such transformation must occur at the business level, this is also driving significant change for technology, requiring platform modernization, new approaches to delivery, and the ability to source and adopt new technologies and systems more effectively. The role of cloud, security, automation and artificial intelligence technologies are becoming critical in driving both efficiency and enabling banks to interact more intelligently in the digital world.

IoT Insurance 2.0
The vehicle insurance sector has used telematics and IoT to offer usage-based insurance (UBI), but now insurers need to build on this to not only enhance today's vehicle offerings, but also to deliver IoT based proposition across other sectors such as home, commercial and life insurance. IoT insurance 2.0 will allow insurers to move from today's product-focused, retrospective compensation offerings, towards that of a proactive and personalized risk management proposition characterized by an ongoing dialogue that adds value for the policy holder.

ICT Enterprise Insights

IT prioritization

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Themes for 2020, continued

**Monetizing the investment in real-time payments**
As many major markets move beyond the implementation of new real-time payments infrastructure, attentions are turning to monetisation; particularly in the face of new entrants to the value chain and the disruption being caused by open banking. Layering new services on top of real-time payments infrastructure is the biggest opportunity in a generation to respond to the growing importance of third party players in the retail payments space, particularly in P2P and ecommerce. In some cases, this will require discrete investments, while others must be viewed as part of the Open Banking opportunity.

The opportunities in emerging markets
Historically there has been a clear divide between those markets considered 'developed' and 'emerging' in the financial services industry, but is rapidly changing. The growth in penetration of mobile technology and the development of financial products by both telecoms operators and other OTT players has opened the door to these non-banks to take a significant stake in the financial lives of millions of customers. Understanding where this opens up opportunities for banks to find new sources of growth – as well as pockets of new best practice and innovation – is becoming increasingly important for players across all regions.

Retail banks will spend $156.9 billion on software, hardware and services in 2020, with an increasing focus on how to deliver on the growing needs and expectations of their customers.
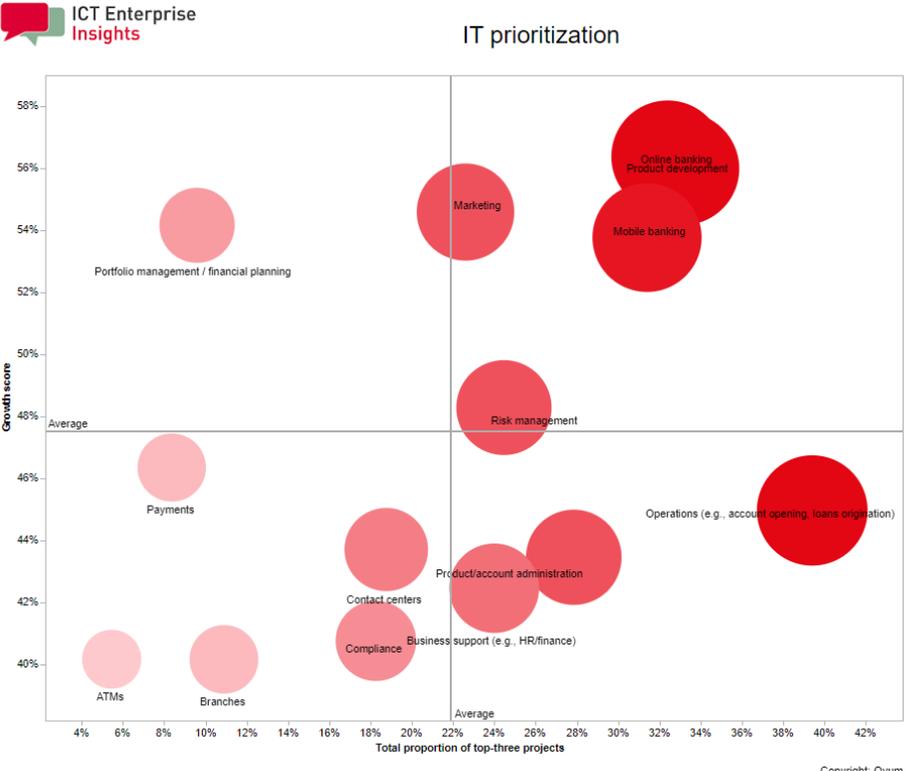
Public Sector

The Market Challenge

Changes to citizen and student expectations, the regulatory landscape and technology advances continue to drive transformation in higher education and government. Particularly strong, in both domains, is the constituent desire to interact with the government or institution as a whole, rather than individual departments. Continued blending by constituents of their physical and digital worlds requires providers to seamlessly integrate face to face, electronic, and social interaction channels.

The demand for modernizing underpinning systems continues to compete with the need to rapidly deliver improvements to the constituent experience and internal processes. Traditional thinking about IT as an internal operator of services is being challenged, and new partnership models will be needed to take full advantage in this new as-a-service world

Richard Palmer
Practice Leader

How Ovum helps you

Understand how analytics, cognitive computing and process automation are complementing cloud strategies in delivering effective services and strategic insights.

Learn why institutions are focusing on improving agility, flexibility, and capacity for innovation, and how these changes will guide internal transformation and ICT investment priorities for 2020 and beyond.

Gain insight into how leading institutions are building education ecosystems that create student-centric experiences and outcomes while improving efficiency.

Maximize impact by understanding how leading agencies are delivering digital government and leveraging mature information management and security practices to enable new forms of social engagement.

What's new for 2020?

Practical advice on evolving the role, style and operating model of IT organizations to support institutional success in a continually evolving landscape.

A focus on the educational ecosystem, as a whole, to inform strategic technology investments.

Exploration of practices that enable digital government, from data sharing across its layers and agencies, to transforming front and back-office processes to deliver better constituent outcomes.

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Key Deliverables

ICT Enterprise Insights – global survey of institutional drivers, pain points, maturity and IT buying intentions for 2020-2021.

Trends to Watch – overviewing key emerging technologies and practices that will help you stay ahead of the game.

ICT Spending Forecasts – global five year projections for IT spending, segmented by country, source, and line of business.

Ovum Decision Matrix – analysis of leading vendor's solutions in key areas of education management and learning delivery.

Themes for 2020

Delivering a personalised and connected constituent experience
Constituent and market demands are compelling institutions to realign their service functions. The foundation of constituent-centricity is a holistic and personalized view of each person's life or educational journey. This requires not just a more strategic use of data and analytics, but new modes and tools (e.g. omni-channel, CRM and social) for engagement with constituents. We will chart leading practices in transforming services and leveraging the new generation of enterprise systems offering enhanced analytics, AI and process automation tools.

Best practice in leveraging cloud and AI technologies
Cloud computing and process automation provide real opportunities to release resources and deliver meaningful process improvements without breaking the bank. Cognitive computing offers significant potential to create a step change within the public sector. While the hype has sometimes exceeded reality, Ovum will focus on practical lessons learned as leading players implement new technologies and overcome the challenges of applying more agile delivery approaches within traditional organizational structures and governance.

Executive leadership in the digital government era
The public sector is building momentum in delivering practical digital outcomes to meet high public expectations. For success, strategies are needed to navigate through a complex web of whole of government directions and often overlapping regulatory constraints, and for effectively engaging all internal and external stakeholders during multiple concurrent changes.

Enhancing digital learning through leading-edge technology
The future digital learning experience reaches well beyond the boundaries of a traditional LMS. New tools like video platforms and augmented and virtual reality solutions are impacting education by facilitating next-gen digital learning environments (NGDLEs). Such tools can increase the training, learning, and engagement impact of courses, and provide greater opportunities for professional training and development.

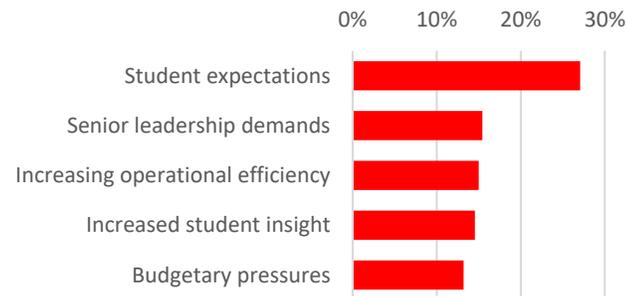# Themes for 2020, continued

Taking Agile into the wider enterprise

Agile initiatives are growing in popularity as a robust means of delivering government modernization. IT and line of business departments encounter difficulties, however, when contemporary approaches are applied within traditional organizational structures and processes. Ovum will focus on technologies, operating models, and business processes that are delivering successful outcomes.
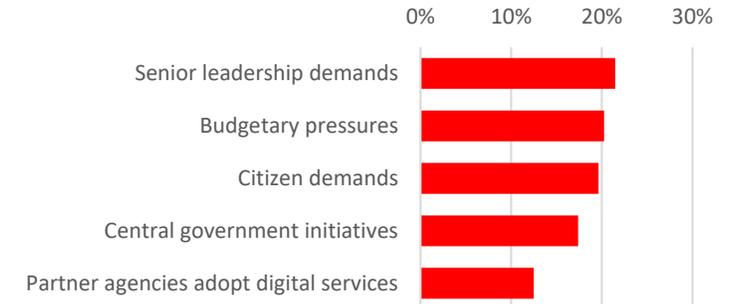
> *While there are some differences in government and education drivers, the similarities are more profound.*

Top 5 Education Digital Transformation Drivers

	0%	10%	20%	30%
Student expectations				
Senior leadership demands				
Increasing operational efficiency				
Increased student insight				
Budgetary pressures				

Top 5 Government Digital Transformation Drivers

	0%	10%	20%	30%
Senior leadership demands				
Budgetary pressures				
Citizen demands				
Central government initiatives				
Partner agencies adopt digital services				

Source: Ovum

Telecoms Operations and IT

The Market Challenge

Service providers are under intense pressure to transform their IT systems, operations and business processes to compete in the digital world. Digital service providers will need to deliver a personalized customer experience, bolstered by improved customer engagement and partner management systems. Digital transformation will also require the adoption of cloud-based delivery models and cloud-native architectures. To support these CSPs will need to streamline and automate telco IT systems and make effective use of AI and advanced analytics tools. These changes will have a fundamental impact on CSP operations, requiring them to adopt DevOps, microservices and cloud native practices

Kris Szaniawski
Practice Leader

How Ovum helps you

Help telcos understand their business and digital transformation needs and support their IT investment and buying decisions.

Identify telcos' decision criteria for selecting platform and service partners to enable digital transformation.

Help telcos to leverage the right vendors to assist with their network analytics and automation needs

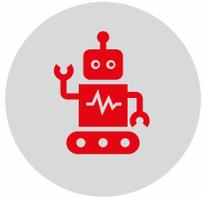**Understand** the main growth opportunities across the complex telco IT landscape

Evaluate vendor competitive positioning and identify new product, service and partnering opportunities in key solution areas

What's new for 2020?

Research into the **IT platforms required to enable and monetize 5G, IoT and B2B services**

Exploring the **network AI applications** supporting specific areas such as wireless or fixed access

Investigating CSP adoption of **microservices, containerisation, DevOps**

Telecoms operations transformation case studies

Regular analysis of telco IT adoption trends based on Ovum's OSS/BSS Contract Analytics Tool

Key Deliverables

Annual forecasts covering Global Telco IT spend, IT vendor revenues including OSS/BSS and vendor services

Reports on the role of AI & analytics in improving and automating CSP operational efficiency and service delivery

Reports on the strategies and platforms required to manage complex customer and partner ecosystems

Market reports evaluating leading telco IT vendors and solutions

ICT Enterprise Insights in the Telecoms Industry – investment plans and trends in key telco IT areas

Telco IT contract tracking, including analysis of OSS/BSS contract trends

Key conference and event summaries and briefs

Themes for 2020

Successful strategies for telco digital transformation
Digital transformation has become a priority for telcos, but many are still uncertain of which enabling technologies and operational changes to prioritise as part of this journey. Through case studies and thought-leadership pieces Ovum will provide guidance on how CSPs can transition to Digital Service Providers. This will include research identifying technology and operational priorities spanning customer enablement, intelligent operations, automation and cloud-based delivery models.

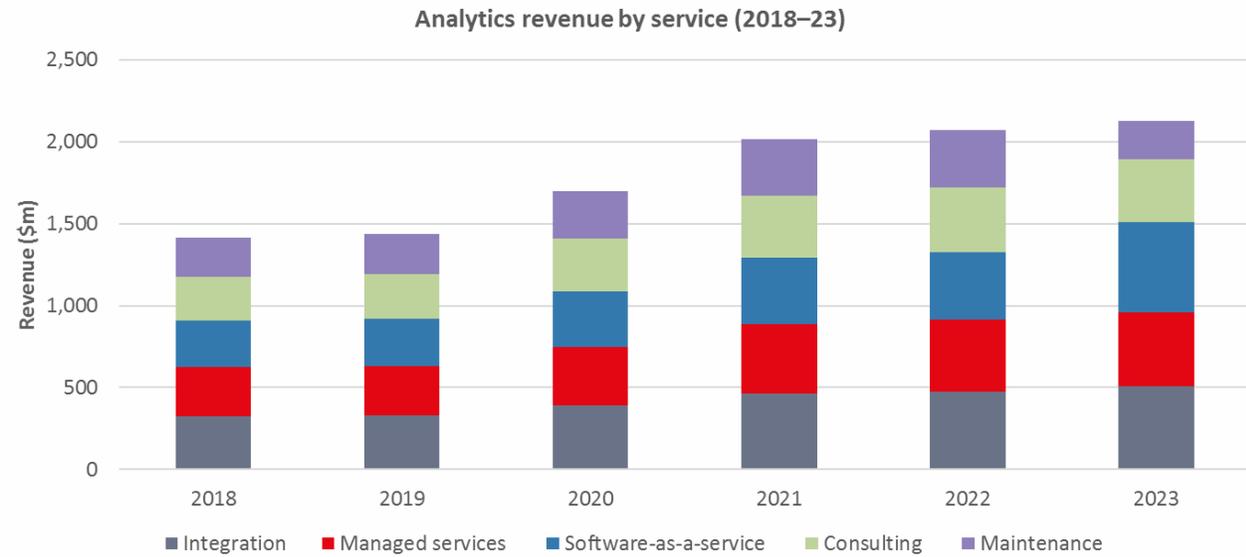**Intelligent operations as a source of innovation**
Intelligence and automation is playing an ever more critical role in transforming CSP operations. Ovum will explore the impact of AI and analytics on customer experience, operational efficiency and security in the telecom sector, as well as their role in supporting new business models and technologies linked to IoT, 5G and digital services. We will profiles vendor solutions, strategies and use cases focused on the telecom sector.

Telco IT strategies to support 5G, IoT and B2B
The imminent arrival of 5G add urgency to the need to transform telco IT and operations. These will have to be capable of supporting dynamic scaling, network slicing and help monetize new B2B and IoT business models. Topics will include cloud-based delivery, service management and orchestration, automation, open APIs, as well as how to coordinate charging, policy and analytics to better manage and monetize the network. Ovum will explore CSP strategies, the changing role of vendors and services companies, and how their capabilities and offerings are evolving to support this new world.

> *Telco analytics service revenue will grow to $2.1bn 2023 as CSPs invest in SaaS and integration capabilities for real-time decisioning*

Analytics revenue by service (2018–23)

Source: Ovum

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