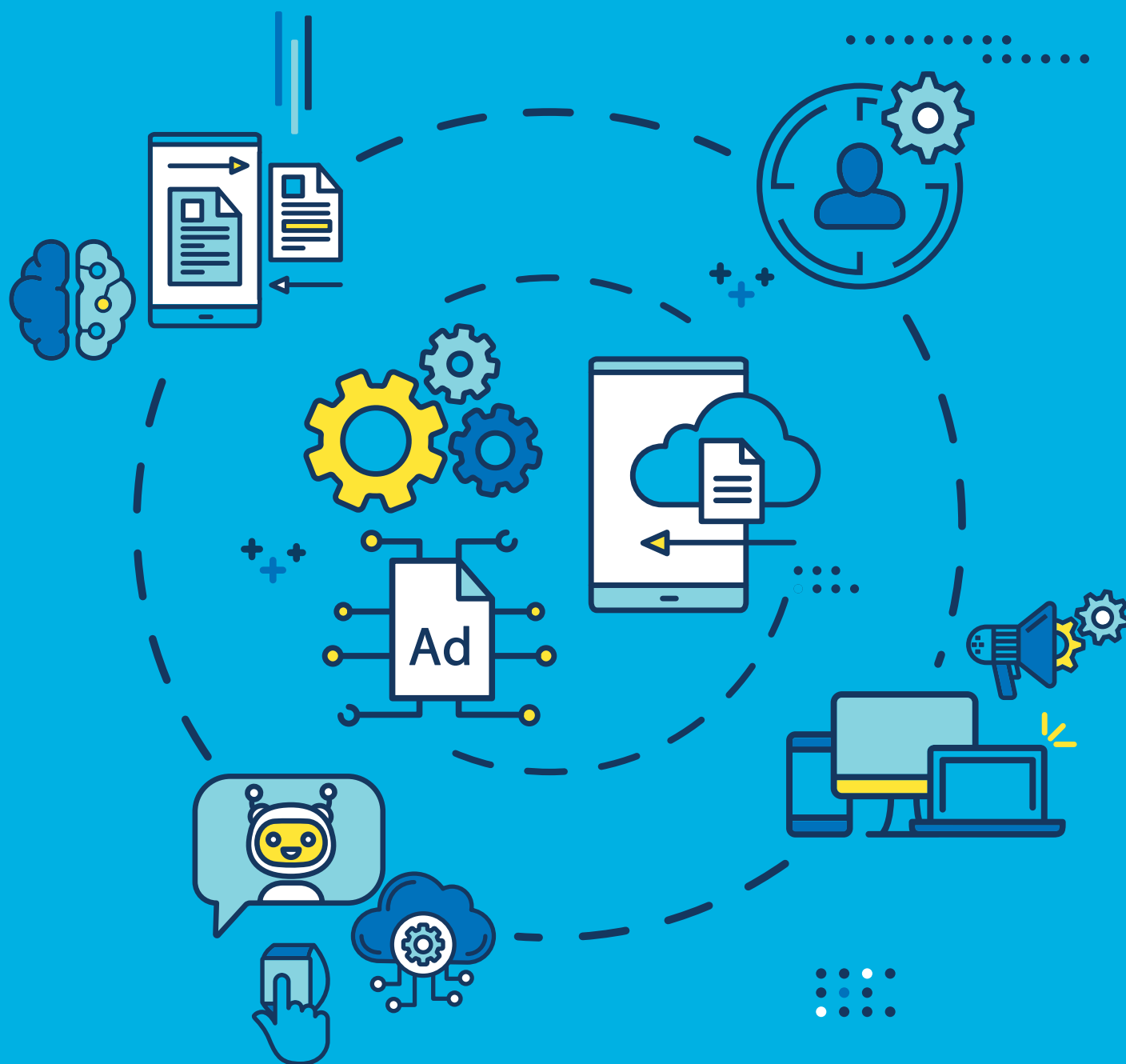


2022 Trends: Fine-Tuning for Enhanced Performance

CapTech®



It's impossible to begin a conversation about what's ahead in 2022 without a quick look in the rearview mirror. While every year builds upon the previous one, business leaders have faced unique perils since the start of this decade: 2020 brought with it an uncertainty that prompted a wait-and-see mentality, while the technological upheaval of 2021 forced companies to innovate or fall increasingly behind their competitors.

We dubbed 2021 as "The Year of Acceleration" since companies benefitted from having more advanced data, technology, and processes at their disposal, which empowered them to make significant investments in technology to achieve new levels of maturity. But after a year of going all in on these investments, in 2022 we expect companies to make refinements that can make a monumental difference to their bottom lines — and for their customers.

This year, it's less about adopting brand-new technologies, and more about optimizing the technologies already in play. Because while the cloud, Internet of Things (IoT), artificial intelligence (AI), and augmented reality (AR) may seem cutting edge, they've actually existed for quite some time, and leveraging them is the minimum price to maintain or increase market share today.

The lingering pandemic and other factors have forced many companies to digitize and adopt these technologies in shorter timeframes. And whether they've been adopted well or poorly, there is always

a potential for improvement. And this improvement — which can help organizations achieve new heights — is the common thread for our 2022 trends:



Productivity: Bridging IT business gaps to compete



Productization: Developing a product and data-driven mindset



Hyperautomation: Preparing for the next frontier of digital transformation



Microchannels: Meeting the customer where they are

TREND 1

PRODUCTIVITY: BRIDGING IT BUSINESS GAPS TO COMPETE



Success often isn't about the technology itself. Businesses committed to agility and automation were well positioned a year ago to accelerate into the "new normal" because their methodologies and systems were also primed and ready. For those that weren't as well prepared, they had to play catch-up on that front as well.

Of course, this is happening against a backdrop of immense challenges. Pandemic aside, many companies face a host of additional pain points,

including massive supply chain delays, siloed technologies and solutions, a significant workforce shortage that we haven't experienced in decades, and crippling tech debt. Some who have adopted smart methodologies have still struggled with toxic cultures and ill-fated workarounds.

Companies will need to emphasize operational excellence from top to bottom in 2022.



The resurgence of “shadow IT” serves as an example of companies taking potentially costly shortcuts: more and more leaders are empowering the business side with the ability to make decisions about and implement cloud, cloud migration, and SaaS-driven solutions — sometimes without the involvement of the IT team. While this may expedite a solution, it can lead to inefficiencies if the technologies aren't the best fit. And even if they do fit for a specific business line, they probably haven't been integrated properly with other enterprise solutions, which may create a new silo.



But no matter their position at the start of 2021—and no matter what new obstacles crop up, and how rapidly innovation timelines continue to shrink — companies will need to emphasize operational excellence from top to bottom in 2022. Though it won't be easy, companies should align their product and technology organizations to share priorities for the sake of interoperability and organizational alignment. And the remaining three trends will serve as catalysts to propel these efforts forward.

TO START FINE-TUNING ON PRODUCTIVITY, ASK YOURSELF:

- Is your organization focused on enhancing its current working environment and supporting employees, whether in a remote, hybrid, or in-person environment?
- What new talent strategies has your organization deployed to attract high-caliber talent amidst the “Great Resignation?”
- Is your organization leveraging sophisticated modeling like predictive analytics to optimize operations?
- How does your organization approach innovation?

TREND 2

PRODUCTIZATION: DEVELOPING A PRODUCT AND DATA-DRIVEN MINDSET



Competing on productivity dovetails seamlessly with developing a product-focused organization. Instead of business, IT, and marketing collaborating together to take a product to market, organizations need to create single teams unified by a vision and bound by sole ownership. The marriage of that product-owner mindset with the concept of data

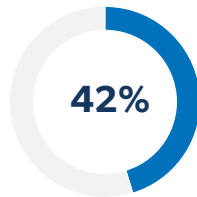
productization allows companies to leverage their data more efficiently.



Companies new to the game can start by hitting singles and doubles to build data products that ensure efficiencies in internal processes or simply enhance the customer experience of an existing product.

It's taken some time, but companies now understand that data is more than just information that can help uncover actionable insights. Indeed, a 2021 Forrester study further illustrates this shift: 85% of companies surveyed stated they are already committed to data-driven decision-making.¹ Yet [our research](#) indicates that 42% of executives feel like they aren't using their data and reporting tools to their full potential. The logical next step for companies is to treat data as a foundational component to success and not just an extra aid in decision-making.

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Data productization is harnessing the power of data to create value-driving assets. Value-driving assets are internal or external-facing products that can transform customer experiences, improve product effectiveness, and generate revenue streams. The most mature companies will be looking to build new products that reach new markets to diversify, while the least mature will continue to leverage data in the form of internal applications. One of the biggest themes our [own research](#) showed was that participants wanted to use their data to "reach new markets and prompt action on the part of potential consumers."

Driving data productization means:

- Starting at the top, ideally with a Chief Data Officer (CDO) or senior leader who can get the organization on the same page.

- Encouraging everyone across the organization to embrace data. Data is an asset that every department, team, or project can use to achieve their business objectives.
- Creating a healthy data foundation that includes a robust governance infrastructure. Governance will ensure data integrity, which allows product teams to feel confident that the decisions they make are based on a solid foundation — because companies can't deliver products based on data that isn't trustworthy.
- Being intentional about the data products your organization chooses to expose externally. In certain cases, they may not want to expose certain aspects of their business.

In one example of productization, CapTech developed a streaming solution that allowed for the rapid delivery of data to a sports organization's customer, a gaming syndicator whose goal was to enable real-time sports betting. Our collaboration enabled the sports organization to process, enrich, transform, and deliver data within one second from the time it is recorded.

While reaching full data maturity takes time, that doesn't mean that an organization can't enjoy small and impactful successes early and often. To use a common baseball analogy, it helps to simply get on base first. Companies new to the game can start by hitting singles and doubles to build data products that ensure efficiencies in internal processes or simply enhance the customer experience of an existing product; more mature organizations can swing for the fences and truly penetrate revenue streams, often leveraging data to support the creation of new products and to open new markets. Through our recommended iterative approach, we expect to see more and more companies harness the power of their data through internal and external productization.

At its core, data productization offers a new pathway to grow a business. While the execution varies from personalized customer experiences that use innovative approaches ranging from conversational tech and omnichannel marketing to improving supply chain and logistics control with a new internal application, the impact will be felt immediately with lasting effects.

TO START FINE TUNING ON PRODUCTIZATION, ASK YOURSELF:

- How do you use data today — and do you feel like you're getting the most value out of it?
- Does your organization have a data governance model that instills trust? Are you confident in the accuracy and integrity of your data?
- What is the primary value driver of your data today? What do you want it to be five years from now?

TREND 3

HYPERAUTOMATION: PREPARING FOR THE NEXT FRONTIER OF DIGITAL TRANSFORMATION



Automation is a logical starting point in any efficiency-related topic. But while automation

is typically associated with industries such as manufacturing and agriculture, hyperautomation has the potential to increase a company's productivity, no matter what product or service is offered. Today, with a workforce that's aging out, switching jobs at a rapid rate, or hoping to continue working remotely, hyperautomation is more than a luxury. It's a valuable tool companies can use as they face increasing employee attrition.



According to Gartner, "Hyperautomation continues to trend at an unrelenting pace. Organizations that resist the pressures will struggle to differentiate themselves from their hyperautomated industry peers."² For example, companies that effectively employ AI where it makes the most sense have a hedge against those workforce woes. But in addition, repetitive, manual, legacy workflow tasks can be automated and resources re-focused to tasks that add more value. Companies should also collect actionable insights from customer data and feedback to deliver a seamless customer experience. Sentiment analysis can imitate the emotional quotient of a user's queries to build better experiences at those key touchpoints along the customer journey.



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While hyperautomation has its internal benefits, if done well it can significantly impact the customer in positive ways as well. The ubiquity of chatbots and virtual assistants serves as an ideal example of how consumers aren't concerned or daunted at the prospect of interacting with AI. In fact,

CapTech's own research found that nearly a third of consumers are interested in continuing to communicate via online chat. Natural language generation, which transforms data into written language can add another layer of personalization, which can make customer conversations with chatbots more meaningful.³ In one potential application of this, chatbots can deliver notifications about travel delays with personalized recommendations. To be most effective, however, technology has to be perfectly calibrated to solve a customer's problem at a specific point in time.

TO START FINE TUNING WITH HYPER AUTOMATION, ASK YOURSELF:

- Are there areas within your organization where manual processes are still relied upon? Can any of these be automated?
- What functions are you automating that could be improved by leveraging AI and more sophisticated technologies?
- Do you know if your customers are satisfied with your use of conversational technologies like chatbots, textbots, and other interactive voice applications?

TREND 4

MICROCHANNELS: MEETING CUSTOMERS WHERE THEY ARE

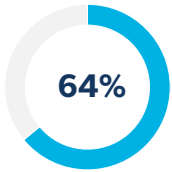


Businesses will need to focus on creating a microchannel experience "fabric," one that allows them to meet the consumer exactly where they are and present a cohesive, exceptional experience across all the touchpoints.

In recent years, brands have interacted with customers via multiple channels or media. Through online and offline channels — a brick-and-mortar storefront, website, email, print, and apps — companies have purposely worked to meet customers where they were most likely to engage. Next came the use of omnichannel to create more personalized and integrated messaging across all channels. Companies wisely used data to better understand the consumer, ultimately utilizing every potential channel to communicate that messaging, all for the sake of creating the most frictionless customer experience possible.

CapTech has helped several companies strengthen their digital front doors for customers. For a top 10 bank, we created a tool that helped to streamline a product selection and bundling process, shortening it from several months to just three days. Equally important, this new approach to financial product bundling was easily translatable to a self-service customer experience.

However, behaviors that consumers adopted during the pandemic continue to influence their lives and impact strategy. Consumers are increasingly interacting with brands digitally, and engaging more frequently with microchannels such as digital wallets, QR codes, AR, and IoT devices (like wearables).



CapTech found that 64% of consumers ranked a business being inclusive and accessible to everyone, including those with disabilities, as influential on purchasing decisions.

The microchannel approach takes the omnichannel approach a step further by slicing consumer touchpoints into smaller pieces — hence, the “micro.” In this coming year, businesses will need to focus on creating a microchannel experience “fabric,” one that allows them to meet the consumer exactly where they are and present a cohesive, exceptional experience across all the touchpoints. This “digital front door” is stronger than ever – brands must rise to make the digital experience seamless and easy to navigate, providing deep ways in which consumers can interact. The digital front door must also take accessibility into consideration. [CapTech found](#) that 64% of consumers ranked a business being inclusive and accessible to everyone, including those with disabilities, as influential on purchasing decisions. Ultimately, designing and optimizing across microchannels will lead to numerous benefits: an enhanced customer experience for all of your customers, greater brand visibility and loyalty, and revenue-generating results.

TO START FINE-TUNING WITH MICROCHANNELS, ASK YOURSELF:

- What channels does your organization use to engage with customers and do they experience a seamless experience across channels and microchannels?
- How do you personalize those interactions?
- Have you taken a holistic look at your entire customer journey?
- Are you prioritizing accessibility as a part of your customer offering?

2022: REACH NEW HEIGHTS WITH A DEDICATION TO REFINEMENT

The investments, in technology and associated methodologies, have been made. To gain the upper hand in 2022, companies must review every nook and cranny of their business to find ways to refine efficiency through some of the concepts discussed here, as well as others that may be business- or industry-specific.

Integrating new solutions may seem like a monumental step forward — but in many ways it’s only a first step. Without proper and ongoing optimization, companies can easily fall victim to the dreaded cliché of “one step forward, two steps back.” However, with a steady commitment to operational excellence, there are no limits to the leaps and bounds that might lie ahead.

1. “Chief Data Officers: Invest In Your Data Sharing Programs Now With B2B Data Sharing, Benefits Are Greater Than The Sum Of Its Parts,” March 11, 2021, Forrester. Retrieved from [forrester.com](https://www.forrester.com).

2. “Hyperautomation: Top Strategic Tech Trend for 2022,” 2021. Gartner. Retrieved from <https://www.gartner.com/en/information-technology/trends/top-strategic-technology-trends-hyperautomation-gb-pd>

3. “National Language Generation: What it is and How it Works,” July 5, 2021, AI Multiple. Retrieved from <https://research.aimultiple.com/nlg/>.



Vinnie Schoenfelder
Principal, CTO

Vinnie is CapTech's Chief Technology Officer and plays a large role in helping define services, forge partnerships, and lead innovation for our clients. As a thought leader, he regularly helps clients solve their most complex business challenges.

e: vschoenfelder@captechconsulting.com **p:** 804.647.3143



Bree Basham
Principal, Customer Experience

Bree leads our Customer Experience practice, creating digital strategies and solutions using modern technologies to deliver meaningful and measurable experiences for our customers. She has served as a Creative Director for many omnichannel experiences within the retail space, as well as for a number of other industries that CapTech serves.

e: bbasham@captechconsulting.com **p:** 704.631.3279



Brian Bischoff
Principal, Practice Areas & Services

Brian leads our business strategy for our practice areas and is a thought leader in digital technology strategy. He provides an objective perspective through the strategic analysis of current technology trends and designs and builds great experiences for our clients.

e: bbischoff@captechconsulting.com **p:** 804.301.0397



Ben Harden
Principal

Ben leads our Data & Analytics practice and specializes in delivering cloud enabled modern data solutions. He has been helping his clients drive business value using data for over 20 years.

e: bharden@captechconsulting.com **p:** 703.371.4660

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