



DATA EVOLUTION IN THE CLOUD

Using Data to Power Technology

THE MOST IMPORTANT COMPETITIVE DIFFERENTIATOR

As the COVID-19 pandemic shut down entire countries and stalled businesses throughout the world, one industry that thrived through the crisis was technology. As connecting to the internet became the only way for people to buy goods and services, conduct schooling, attend medical appointments, and stay in touch with friends and family, technology became a crucial vehicle for survival. According to the World Bank, tech companies “played a prominent role in helping us weather the COVID-19 crisis...Indeed, big tech could be considered one of the few winners from the crisis, particularly those firms that offer e-commerce, social media, search, work solutions, and cloud services, which have benefited from shifts in consumption patterns toward online business.”¹

At the same time, tech companies have not been immune from the business challenges presented by the pandemic. These include slowed production as a result of global supply chain disruption, budget cuts eliminating customers’ discretionary spending, and difficulty managing a workforce and attracting new talent remotely, according to PwC.² There are also many questions about the effects of the crisis on tech companies: What products and services will people need more or less of as the world returns to normal? What changes from the pandemic will persist? And with internet data usage having increased 47% during the first few months of the pandemic quarantine alone, according to PCMag,³ how can companies leverage all of the additional data that’s been generated?

The future data landscape is the focus of a recent survey, conducted by The Economist Intelligence Unit and sponsored by Snowflake, of 914 global executives across eight industries, including 114 from the IT, technology, and telecommunications sector (referred to as *tech* or *technology* in this report). It reveals that the technology sector ranked highest in citing data as the most important competitive differentiator in the business landscape today (by 94%, versus a survey average of 87%). For tech companies, ensuring they have the ability to unlock business value from that data will be key to thriving in the post-pandemic world.

94%

of technology sector respondents cited data as the most important competitive differentiator in the business landscape today.

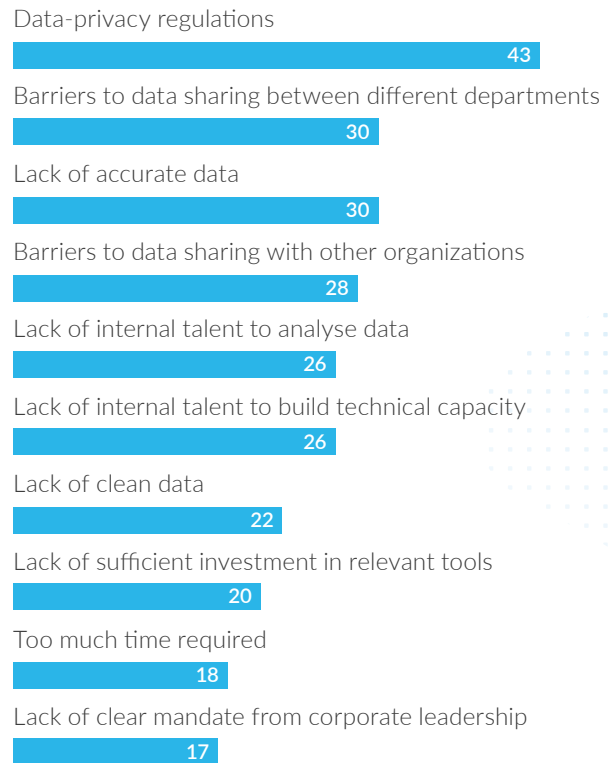
CONNECTING DATA ACROSS THE VALUE CHAIN

Eliminating data silos that hinder communication and enabling fast, secure data sharing across the value chain—including sales, marketing, finance, and supply chain—has long been imperative for tech companies. Today, more companies are collaborating on that data for business success. According to Accenture, “The pandemic is driving enterprises to consider and test many new partnerships and possibilities. The partnerships, products, and services that enterprises are building today have the potential to define business and technology for years to come.”⁴ The tech space is full of examples of how companies need data collaboration as they build new products and partnerships. For example, internally, business units often need to combine multiple data sources to get accurate information on product status, ensuring faster time to market. Externally, large and small technology vendors must collaborate to ensure future versions of their solutions can integrate easily, and to make sure that products are moving efficiently through the supply chain.

Similar to other industries, tech executives responding to the survey said the biggest challenge with external data sharing is the risk that confidential data will be leaked. However, tech industry executives ranked second among industries in citing the high cost of sourcing or sharing data as a major challenge (34% versus a survey average of 26%). They also ranked highest among industries citing barriers to data sharing between different departments as one of the biggest challenges to drawing insights from data (30% versus a survey average of 25%).

FIGURE 1: Which of the following presents the biggest challenge to your organization’s ability to draw insights from data?

(% of respondents selecting each option)



Source: The Economist Intelligence Unit



Snowflake Customer:

pitney bowes 

Global technology company Pitney Bowes uses Snowflake⁵ to ingest data from 20 different systems across 25 business units, enabling a near real-time view of the operational process and delivery routes.

“We are collaborating much closer with Engineering, Marketing, and other groups to understand what data is being brought into Snowflake. We’re sharing more than we ever have before, and the time-to-market for new solutions is so much faster. Before, we were working in silos, and now we’re working much more across all the organizations.”

—DIANE BORGIA,
Data Warehouse Technologist, Pitney Bowes

ENABLING INNOVATION

The vast majority of the companies on BCG’s 50 Most Innovative Companies of 2020 list are in the technology industry.⁶ This should come as no surprise, as technology has been the most innovative sector of the global economy for decades. But industry experts agree that the way forward from the pandemic is not just the status quo. Tech companies need to take innovation to the next level. According to McKinsey & Company, “Business as usual is a dangerous posture. Leading businesses are investing as much in upgrading the core of their business as they are in innovation, often by harnessing technology.”⁷ And Accenture said, “COVID-19 is pushing companies to work together in new ways, creating ecosystem-wide innovation.” The business leaders who are weaving together new innovation strategies and forming new partnerships will “pivot quickly and continuously during this crisis. We need bold innovation to get through this, and we will still need bold innovation when it passes.”⁸

Survey respondents agreed. Tech executives stated that innovation in products and services would be most critical to their organization’s success over the next three years (by 46%, versus a survey average of 37%). They also indicated that developing or improving new products or services presents the top opportunity from using data-driven insights (37% versus a survey average of 29%). Next comes improving customer/client satisfaction and experience (31%), and then revenue/profit growth (28%). New technologies such as artificial intelligence (AI) and machine learning, robotic process automation, and the Internet of Things all run on data. The ability to extract, mobilize, and analyze data will be key to developing new innovation strategies.

FIGURE 2: What is the biggest opportunity for your organization when it comes to utilizing data-driven insights for strategic purposes?

(% of respondents selecting each option)



Source: The Economist Intelligence Unit

46%
of tech sector respondents say product innovation will be the most critical priority to their organization's success over the next three years.



Snowflake Customer:

Marchex

Snowflake enabled conversational analytics solutions provider Marchex² to launch innovative new customer features on its platform, enhanced with AI and machine learning.

“With Snowflake, we’re realizing our vision to be the first conversational analytics and solutions platform to have this level of performance and sophistication in reporting.”

—WILLIAM LI, VP of Engineering, Marchex

THE KEY TO SUCCESS

The COVID-19 pandemic has firmly established the importance of technology in our modern world. Technology will continue to be a vital enabler of both work and play, and tech companies will have significant market opportunities. Understanding that data is the most important competitive market differentiator, businesses will need to invest in technologies enabling them to unlock value from data, including instant and secure data sharing, both within and outside of their organization. It will also mean gleaning data-driven insights to develop new products and services. Prioritizing data collaboration and innovation will be key to technology companies' success in the coming years.

¹ blogs.worldbank.org/psd/covid-19-tech-firms-and-case-data-sharing

² pwc.com/us/en/library/covid-19/coronavirus-technology-impact.html

³ pcmag.com/news/data-usage-has-increased-47-percent-during-covid-19-quarantine

⁴ accenture.com/us-en/insights/technology/tech-vision-coronavirus-trends

⁵ <https://resources.snowflake.com/case-study/pitney-bowes-uses-snowflake-to-ensure-customer-shipping-satisfaction>

⁶ bcg.com/publications/2020/most-innovative-companies/overview

⁷ bit.ly/3eck2VV

⁸ accenture.com/us-en/insights/technology/tech-vision-coronavirus-trends

⁹ <https://resources.snowflake.com/technology/marchex-launching-new-customer-features-with-snowflake>