2023 State of Automation: IT

Prioritizing Integration to Drive Innovation

✦ Jitterbit

About this Report

Nearly all organizations are undergoing some form of a digital transformation. Increasing pressures brought on by the global pandemic, ongoing economic challenges, and the rapid pace of technological growth have made these digital initiatives imperative for businesses to keep pace, not to mention scale.

In the face of an unpredictable social and economic landscape, businesses are embarking on automation initiatives to improve efficiencies and reduce operating costs by streamlining workflows.

However, with a variety of approaches to implementing automation, and even more technology vendors to choose from, it can be an overwhelming undertaking. To move the needle on your journey to transform and modernize your tech stack, it takes strategic collaboration and alignment between IT and business leaders.

We conducted the *2023 State of Automation*: *Prioritizing Integration to Drive Innovation* survey to uncover recent trends, organizational drivers, and key challenges in automation from IT and business leaders themselves. We also wanted to discover how businesses choose their automation vendors, who is responsible for managing and driving automation projects, and how organizations are prioritizing integration and automation initiatives.

We hope the insights collected from this survey help you anticipate current automation trends, compare strategies with your peers, and better prepare your business for the next step in your digital journey.

Key Findings

01

Business process automation is a top priority for IT teams to remain competitive

An overwhelming majority of companies (89%) state that business process automation is part of their technology strategy this year, with the IT department taking first priority over other departments. Concerns around competitors accelerating automation efforts are a key driver for this prioritization. However, only a third of our respondents feel they are currently ahead of the competition when it comes to automation – a perception that is motivating IT leaders to take action.

02

Operational optimization is driving the need for automation, with security, data privacy, and cost listed as top concerns

Operational optimization (58%) and rising economic pressures (30%) are the top two factors driving the need for automation according to respondents. However, there are still ongoing concerns when it comes to implementing automation tools. Security and data privacy ranked first (59%) amongst IT leaders for their top automation challenge, followed closely by cost (51%) and complexity (46%).

03

IT teams are largely responsible for automation initiatives, but line of business (LOB) user participation is growing with the SaaS explosion

While IT leaders continue to be the main drivers of organizational automation initiatives (75%), our survey indicates that in the HR and Marketing departments, business leaders are more often responsible for executing automation and integration projects. When it comes to the types of integrations needed, hybrid integrations topped the list of requirements (83%). This is not surprising as companies continue to add SaaS apps into their existing ecosystem, often comprised of legacy, mission-critical, on-prem systems.
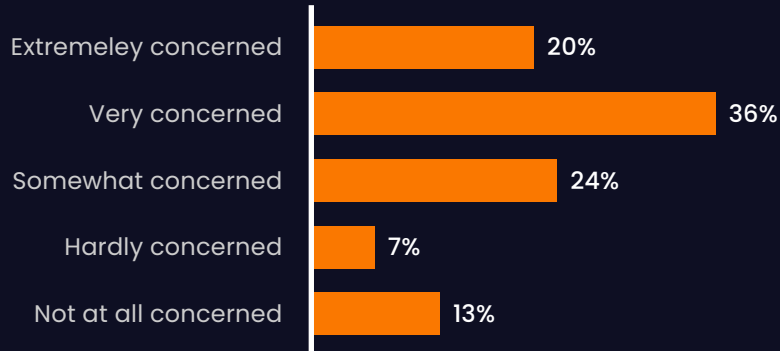
01 Business process automation is a top priority for IT teams to remain competitive

Is business process automation a part of your technology strategy for the next 12 months?
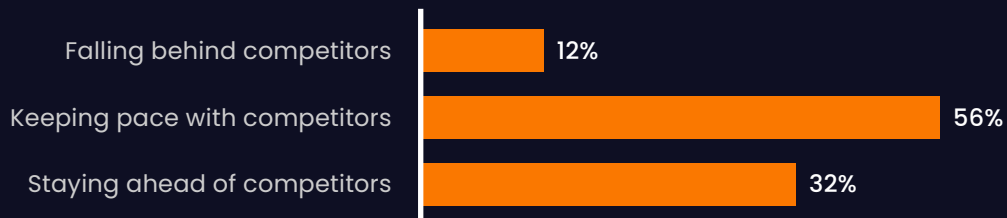
11%
No

89%
Yes
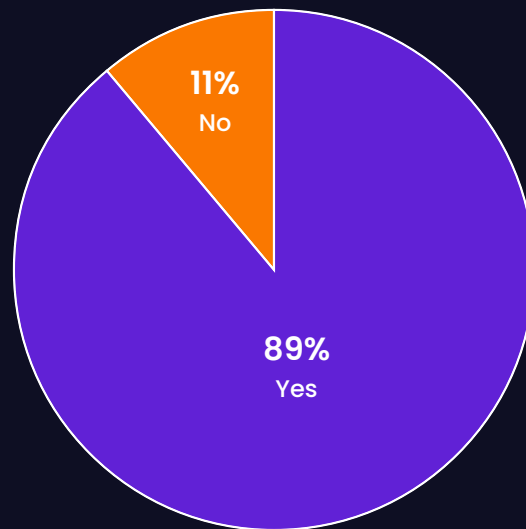
Eighty-nine percent of organizations said that business process automation is part of their technology strategy this year, proving that automation plays a pivotal role in driving digital transformation. This prioritization also demonstrates that automation is becoming a key investment for businesses looking to accelerate and futureproof operations.

How concerned is your organization about competitors' initiatives to automate digital processes and workflows across their organization?

Category	Percentage
Extremeley concerned	20%
Very concerned	36%
Somewhat concerned	24%
Hardly concerned	7%
Not at all concerned	13%

More than half (56%) of IT leaders are very or extremely concerned about their competitors' initiatives to automate digital processes and workflows. As markets across verticals grow oversaturated, organizations with more streamlined operations and innovative processes will drive better internal and external experiences, giving them a competitive edge.

How does your organization compare to competitors when it comes to implementing digital automation?

Category	Percentage
Falling behind competitors	12%
Keeping pace with competitors	56%
Staying ahead of competitors	32%

Only one-third (32%) of respondents feel they are ahead of their competitors when it comes to implementing automation. While organizations are convinced about automation and its benefits, a majority of IT leaders feel they are only keeping pace or falling behind their competitors.

For 2023, which departments are being prioritized for additional automation of business processes?

Department	Percentage
Information Technology	58%
Human Resources	50%
Finance/Accounting	44%
Marketing	40%
Customer Experience	39%
Customer Service/Client Service	35%
Executive Leadership	28%
Procurement	27%
Sales/Business Development	25%
Operations	23%

Note: respondents could select multiple answers

The IT department ranks first to be prioritized for additional automation of business processes, followed closely by human resources and finance. As the growth of SaaS applications continues to accelerate, it is not surprising that the IT department is the first automation priority for most organizations. In fact, IT will also be involved in a significant capacity when it comes to automation across other LOB departments.

The IT department is the first automation priority for most organizations.

02

Operational optimization is driving the need for automation, with security, data privacy, and cost listed as top concerns

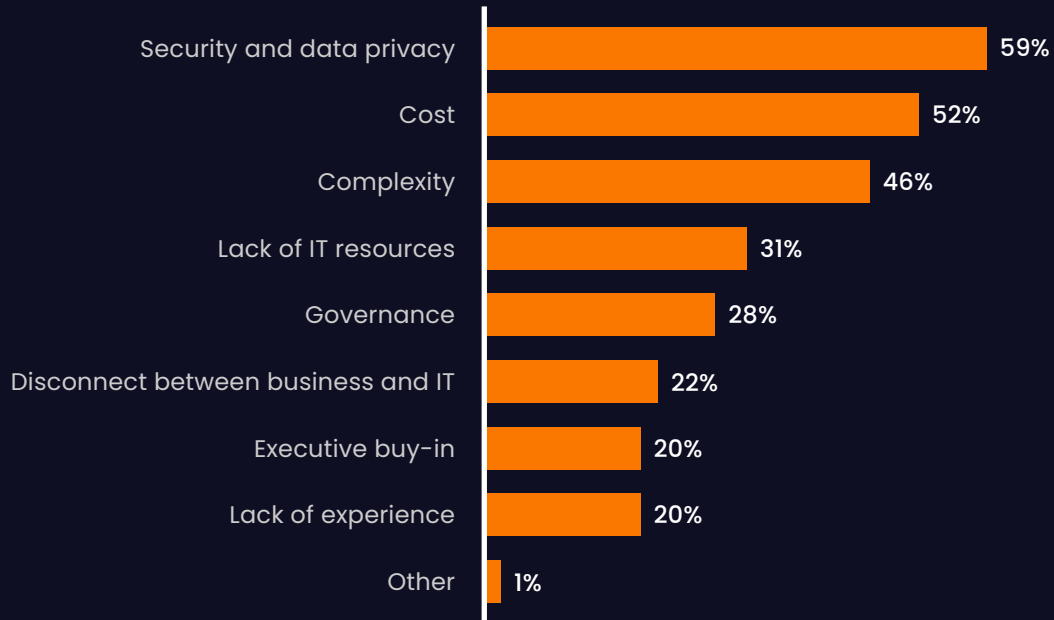**What is the most pressing factor driving you towards automation?**

Operational optimization	58%
Rising economic pressure	30%
Closing the talent gap	12%
Other	0%
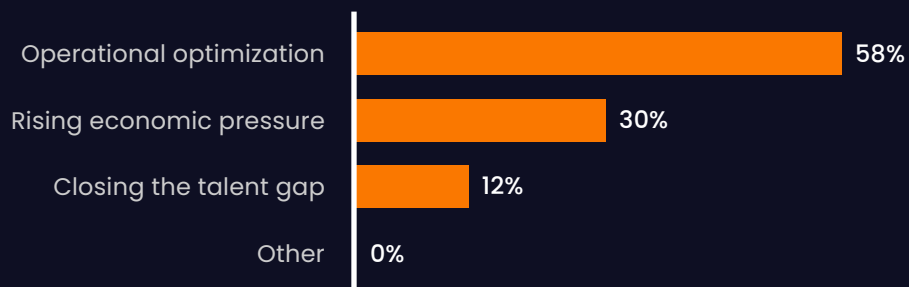
Fifty-eight percent of organizations reported operational optimization as the most pressing factor driving automation, followed by rising economic pressure (30%) and closing the talent gap (12%). As businesses scale and processes get more complicated, automation is a critical component of streamlining workflows and improving business processes for greater operational efficiencies.

Operational optimization is the top automation driver for 58% of organizations.

What are the biggest obstacles when it comes to automating business processes?

Obstacle	Percentage
Security and data privacy	59%
Cost	52%
Complexity	46%
Lack of IT resources	31%
Governance	28%
Disconnect between business and IT	22%
Executive buy-in	20%
Lack of experience	20%
Other	1%

Note: respondents could select multiple answers

When it comes to the biggest obstacles to automating business processes, organizations ranked security and data privacy (59%), cost (52%), complexity (46%), lack of IT resources (31%), and governance (28%) as their top five challenges.

What is most important to you when considering IT vendors to support your automation strategy?

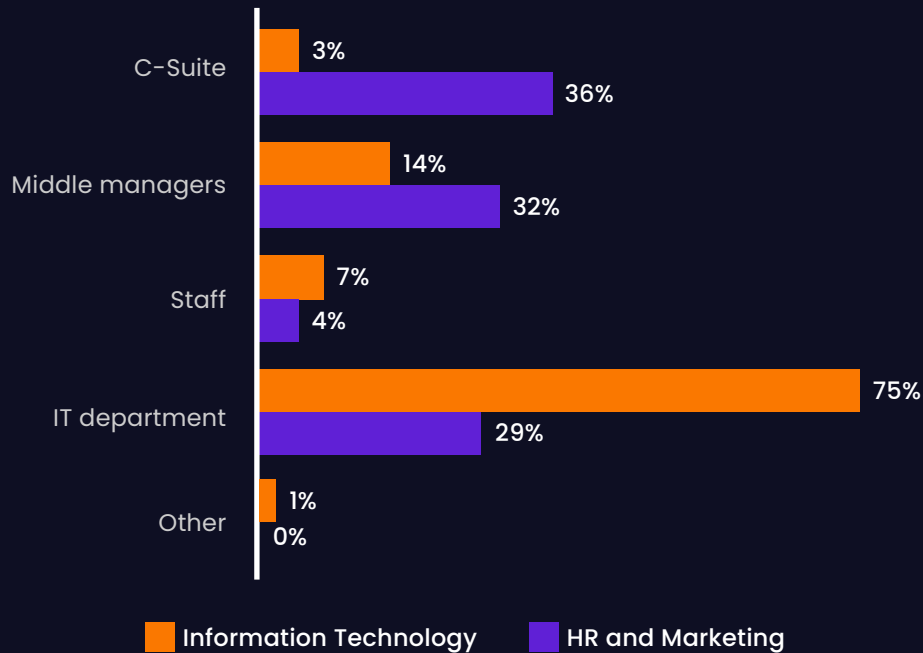| Factor	Percentage
Price	25%
Implementation speed	21%
Professional services	19%
Brand-name supplier/Reputation	13%
Consultant/partner recommendation	11%
Other	11%

Organizations ranks price (25%), implementation speed (21%), and professional services (19%) as the top three factors when choosing an IT vendor to support their automation strategy. This is followed by brand name or reputation and consultant or partner recommendations.

03

IT teams are largely responsible for automation initiatives, but LOB participation is growing as the SaaS explosion continues

Who is driving the execution of automation projects in your organization?

Role	Information Technology	HR and Marketing
C-Suite	3%	36%
Middle managers	14%	32%
Staff	7%	4%
IT department	75%	29%
Other	1%	0%

■ Information Technology   ■ HR and Marketing

Seventy-five percent of IT respondents believe that they are driving the execution of automation projects in their organization. However, when the same question was asked to respondents from other departments, the number was, on average, only 28.5 percent. This could be the result of departmental silos leading to information asymmetry about the true owner of automation initiatives, or in some cases, this could reflect an increase in departmental ownership of department-specific automation projects.
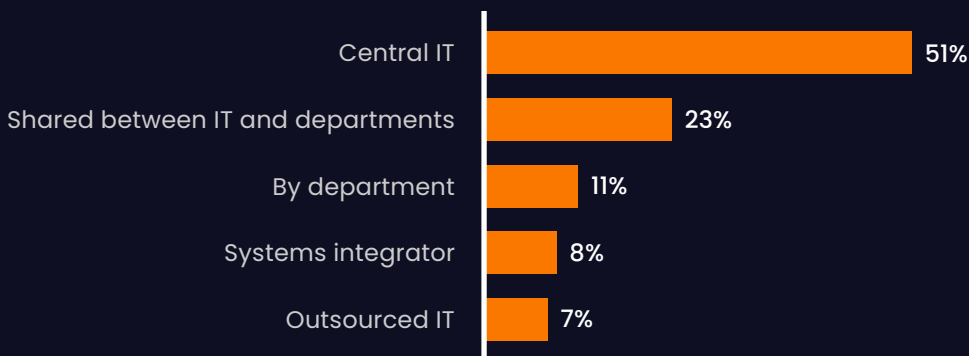
Who are the main stakeholders driving the decisions around your automation strategy?

| Stakeholder	Percentage
IT directors	63%
CIO	48%
CTO	46%
CEO	40%
Line-of-business leaders	22%
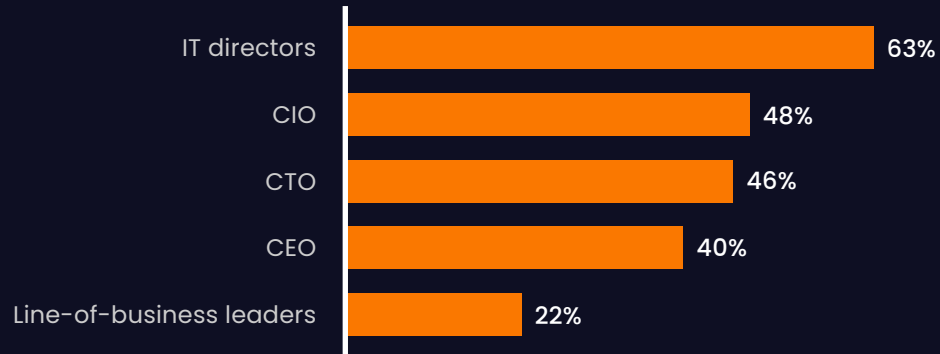
Note: respondents could select multiple answers

The majority of respondents (63%) agreed that IT directors are the key stakeholders driving decisions around organizational automation strategies. This likely demonstrates that these decisions are still made within IT departments.

How are integrations managed within your organization?

Method	Percentage
Central IT	51%
Shared between IT and departments	23%
By department	11%
Systems integrator	8%
Outsourced IT	7%

The majority of integrations (74%) are still being managed by IT, with 51% of integrations being managed solely by central IT teams and 23% being managed together by central IT and LOB departments. It is likely that central IT's continued involvement in the vast majority of integration projects is contributing to the overwhelming workload and pressure put on IT resources.

Which type of applications within your IT ecosystem need to be integrated with others?

|	
On-premises to Cloud	83%
Cloud to Cloud	71%
On-premises to on-premises	30%
None	1%
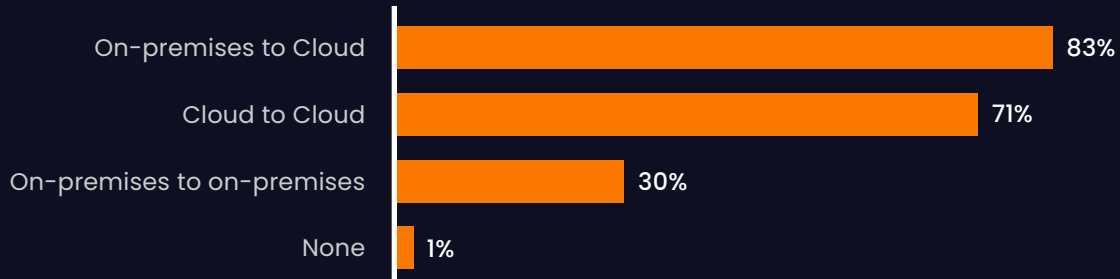
Eighty-three percent of organizations reported a need to integrate on-premise applications into cloud applications within their IT ecosystem. These findings indicate that a majority of businesses still use a mix between on-prem and cloud applications, intensifying the need for automation vendors to accommodate the hybrid, evolving needs of today's organizations.

More than 80% of organizations require on-prem to cloud integration — intensifying the need for automation vendors to meet the hybrid, evolving demands of today's organizations.

Recommendations
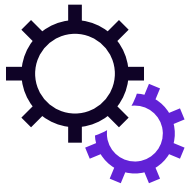
Take action now on your automation journey to keep pace with competitors

Every organization is on a unique digital transformation journey, and automation is a key component for driving true change. With the majority (89%) of IT leaders confirming business process automation is a part of their strategy this year, and with increasing pressures to optimize and cut costs, now is the time to implement an automation strategy to stay ahead of the curve. In addition to the clear efficiency and productivity gains, rising competitive and economic pressures are also ensuring organizations move quickly on their automation initiatives.

Give LOB teams the tools and guardrails they need to drive organizational automation initiatives

IT teams alone cannot drive this transformation in organizations. Due to tightening budgets and resource constraints, LOB team members are gaining more autonomy when it comes to driving automation initiatives. By empowering and educating LOB users to take on more automation responsibilities with the right tools and security guardrails in place, you can accelerate time to value, amplify digital transformation, and free up IT teams to focus on more strategic initiatives.

Choose an all-encompassing integration and automation solution to address key challenges

With security, complexity, and a lack of IT resources listed as three of the five biggest obstacles to driving business process automation, it's crucial for organizations to choose an IT vendor that offers robust (yet intuitive) solutions and superior professional services to address these key challenges directly. Cost, of course, is a key consideration for all organizations – but it is just as critical for IT leaders to set high parameters for integration and automation requirements, and partner with the vendors that provide the tools, support, governance, simplicity, and implementation speed they need to drive true change.

About Jitterbit

Jitterbit empowers business transformation with robust solutions for integration and enterprise low-code application development to automate critical business processes for faster, more informed decision-making. Thousands of organizations worldwide rely on Jitterbit's expertise to help them save time and money, mitigate risk, and future proof their operations, while creating happier, more productive people.

Learn more about Jitterbit **here**.

Methodology

This research into State of Automation: IT was conducted within the context of a larger study into the current state of business automation. The results in this report are from an online survey of IT directors and above, marketing directors and above, and HR managers and above that was fielded from February 2 to 10, 2023. There were 167 respondents to the survey, all in firms with 100+ employees. All results are from U.S. respondents. The responses were not weighted.

Thirty-five percent of the respondents had a workforce of 100-999 employees, 54% had a head count of 1,000-9,999 employees, while 11% of those surveyed employed 10,000 or more workers. Contributors hailed from senior management levels, at organizations providing a mix of products and services to the business to business (B2B), business to consumer (B2C) and business to government (B2G) sectors.

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