

FOUNDRY

MarketPulse Survey for OpenText

Digital Friction

September 2024

Foundry Research sponsored by OpenText, MarketPulse Survey: Digital Friction, September 2024

Foundry Research



Method and Objectives

Survey goals

Digital friction is defined in this survey as *“the unnecessary effort an employee has to exert to use data or technology for work.”*

We surveyed IT and business decision-makers at U.S. enterprises to understand how digital friction is impacting their businesses, as well as their work experiences.

We also explore the capabilities these decision-makers wish their organization’s technology tools could enable to make their jobs easier.

Where applicable, comparisons are made to the results of the September 2023 Digital Friction survey conducted by Foundry on behalf of OpenText.

Total respondents **100**

Collection method

Online questionnaire

Geography **U.S.**

Field dates

June 20, 2024– July 5, 2024

Number of questions **15**

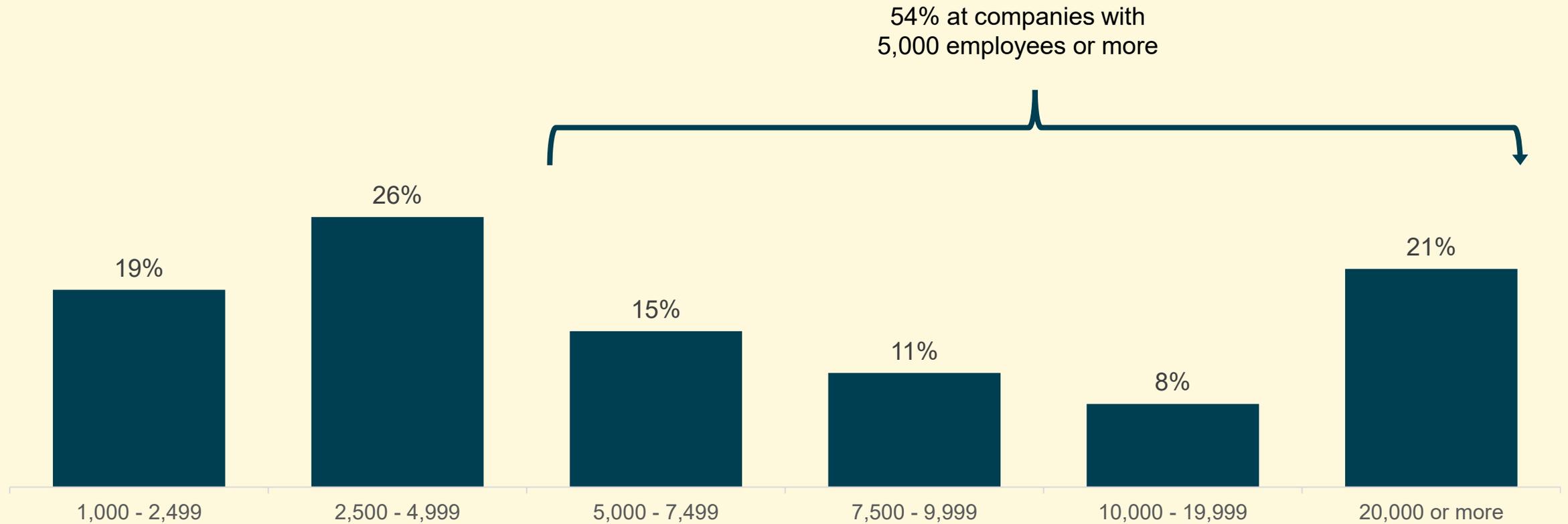
Average organization size **8,607 employees**

Senior Decision-makers

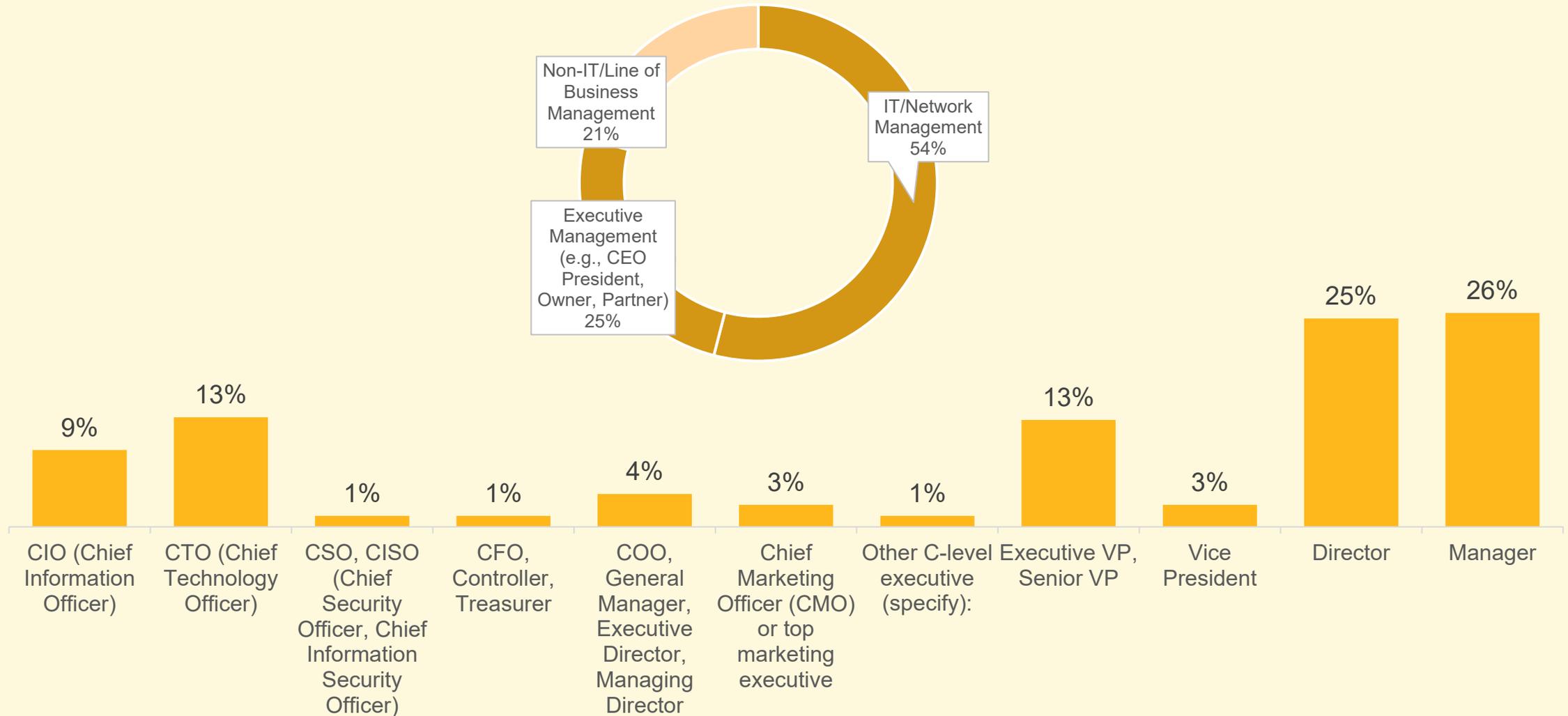
To qualify for this survey, respondents were required to be employed in a management role at a company with 1,000 or more employees.

Respondent Profile

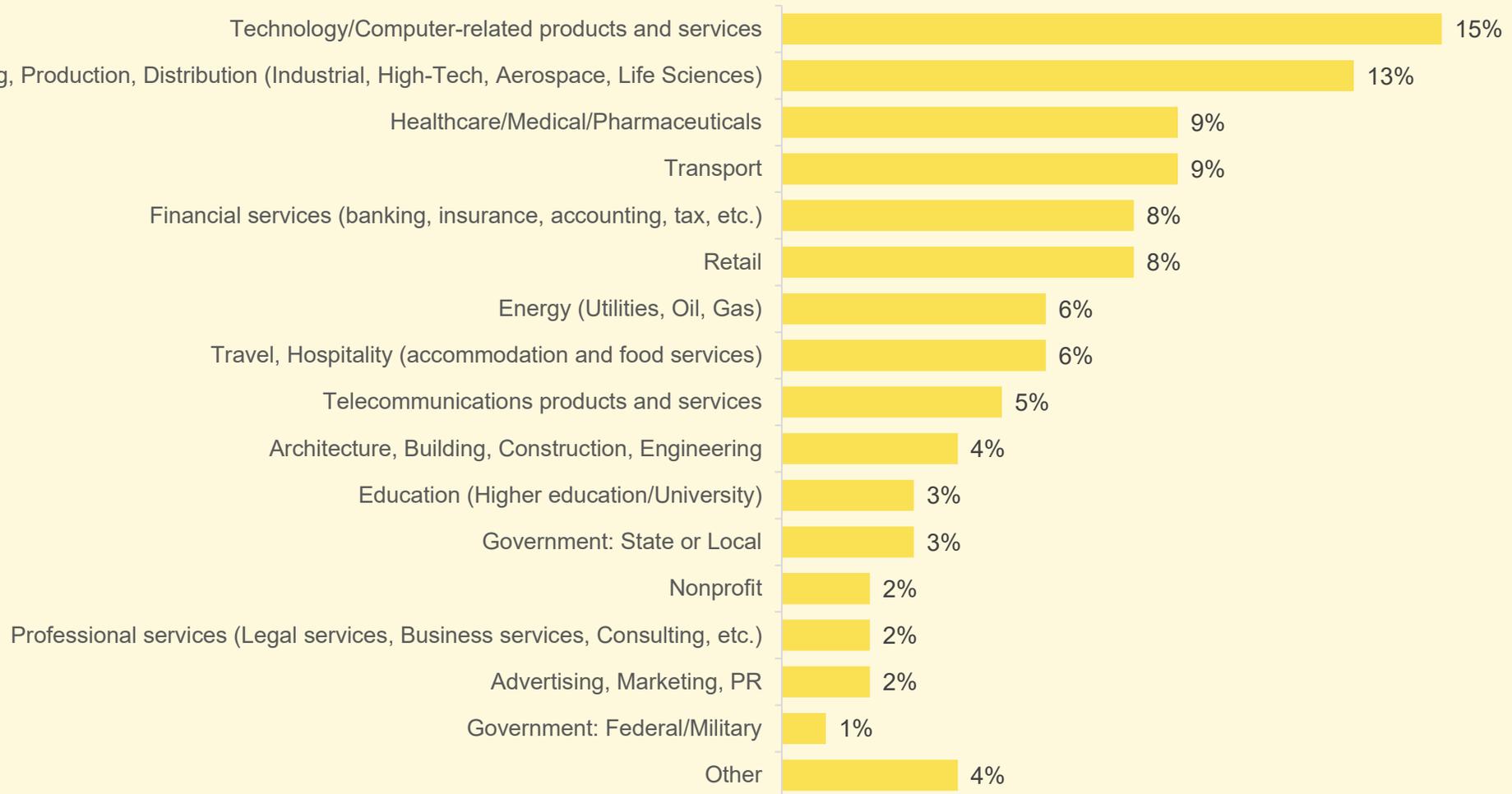
Company Size by Number of Employees



Job Functions and Titles



Primary Industry



Executive Summary

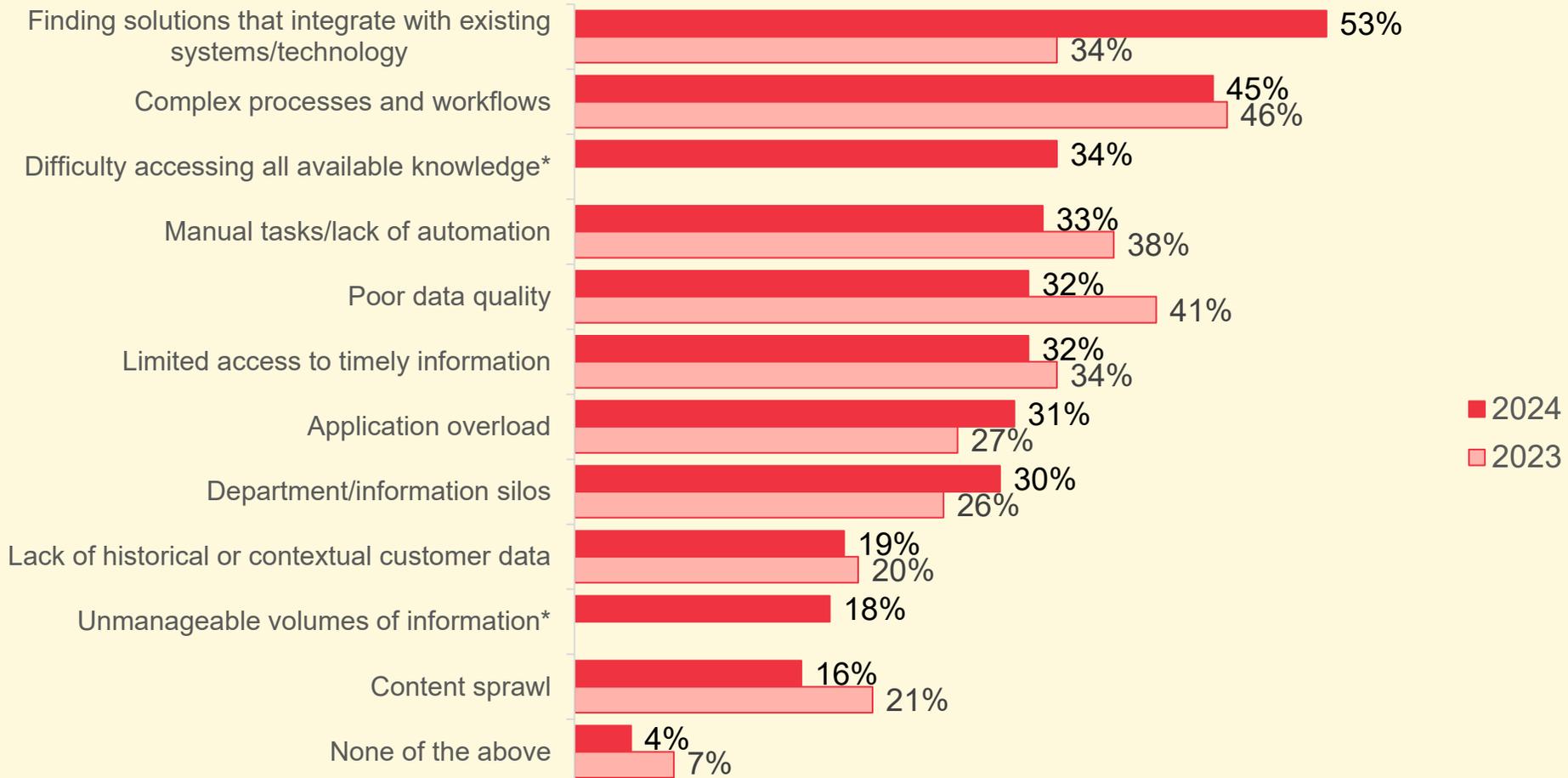
Summary of Findings

- **Finding solutions that integrate with existing technology has significantly increased an obstacle to employee engagement and productivity** (53% cite this as a top challenge this year compared to 34% in 2023). Respondents also report *complex processes and workflows* (45%), *difficulty accessing all available knowledge* (34%) and *manual tasks/lack of automation* (33%) as top barriers.
 - Non-IT titles are significantly more likely to note *difficulty accessing all available knowledge* (50% compared to 25% of IT titles), *information silos* (42% compared to 23%), and *lack of historical or contextual data* (31% compared to 13%) as productivity challenges.
- **Nearly all respondents (97%) report their organizations are impacted by “digital friction”**, defined as the unnecessary effort an employee must exert to use data or technology for work. *Increased costs* (41%), *increased frustration while conducting work* (34%), *increased security risk* (31%), *decreased efficiency* (30%), and *lack of data for quality decision-making* (30%) are top impacts.
 - **Most (98%) indicate technology-related challenges (such as lack of automation, complex workflows, data silos, etc.) have resulted in delays or missed deadlines in their departments.** Nearly half (47%) of LOB (non-IT) decision-makers report *frequent* delays.
 - **Eight in ten (84%) report information silos have a noticeable impact on employee productivity and operational efficiency.** LOB (non-IT) decision-makers are more likely than those in IT to note a significant impact on employee productivity and operational efficiency due to information silos (56% report these impacts “to a great extent” compared to 30% of ITDMs).
 - **Two-thirds (66%) report their organizations have lost business opportunities due to an inability to access data in a timely manner.** This is up from 58% reporting the same in the 2023 survey.
- **Access to information is a significant challenge for most.**
 - While 92% report that reliable access to information is “extremely” important to meeting business goals, **more than half (54%) report spending 2 hours or more per day searching for information they need to do their jobs.**
 - **Just 25% perceive employees as extremely confident they have access to all the knowledge needed** to perform daily tasks.
- **A majority (82%) of responding organizations consider AI solutions as a means of improving employee experiences and productivity.**
 - Nearly all (96%) indicate employees have asked for more AI-powered solutions to help them in their daily work (42% report frequent requests).
 - *Data security* (56%) and *integration with existing systems* (45%) are top concerns for organizations as they introduce AI/GenAI into daily workflows
 - Despite concerns, **more than three-quarters are either developing an AI strategy (42%) or actively integrating AI technologies into operations (31%).** Fifteen percent (15%) are aware of the potential benefits of AI but have not yet taken steps to prepare for AI integration, 6% are currently focusing on other priorities, and another 6% have limited awareness of AI and its potential impact.
- **Current technology tools are not fully meeting business needs.** Just one-third (32%) indicate that current technology enables them to *provide a foundation for trustworthy, safe GenAI* to a great extent, and only 34% have a great ability to *organically facilitate knowledge sharing and information*.
- **Decision-makers would prefer technology tools that enable them to find information quickly (42%), free them from manual work (40%), and ensure GenAI delivers relevant output (39%).**
- **Operational efficiency** (34% rank as “most important”) and **cost reduction** (27%) are the top motivators for technology decisions in 2024. Eighteen percent (18%) cite *improving customer experiences* as the top criteria, while 14% select *driving growth* and just 7% indicate *improving employee satisfaction* is a top factor.

Results

Finding solutions that integrate with existing technology has significantly increased an obstacle to employee engagement and productivity

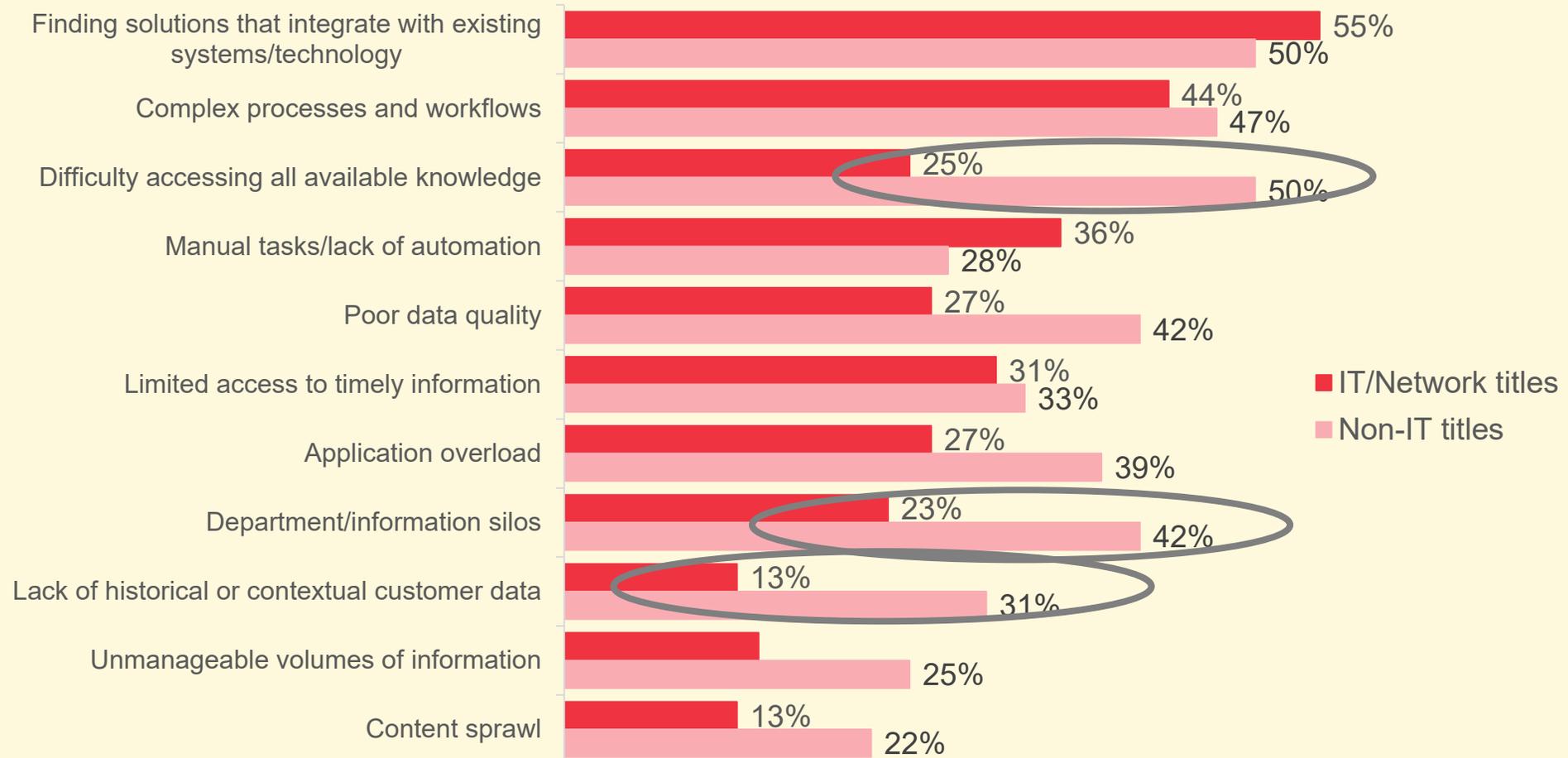
Challenges impacting employee engagement and productivity
(Select all that apply)



*Option not provided in the 2023 survey

Non-IT titles are significantly more likely to note *difficulty accessing available knowledge, information silos, and lack of historical or contextual data* as productivity challenges

Challenges impacting employee engagement and productivity - 2024
(Select all that apply)



More than four in ten (41%) cite *increased costs* from “digital friction”, and one-third (34%) note *increased frustration while conducting daily work*

Digital friction is defined as “the unnecessary effort an employee has to exert to use data or technology for work.” (Gartner)

Impact of “digital friction” on the organization
(Select all that apply)



97% report their organizations are impacted by “digital friction”

Non-IT titles are more likely than IT titles to note:

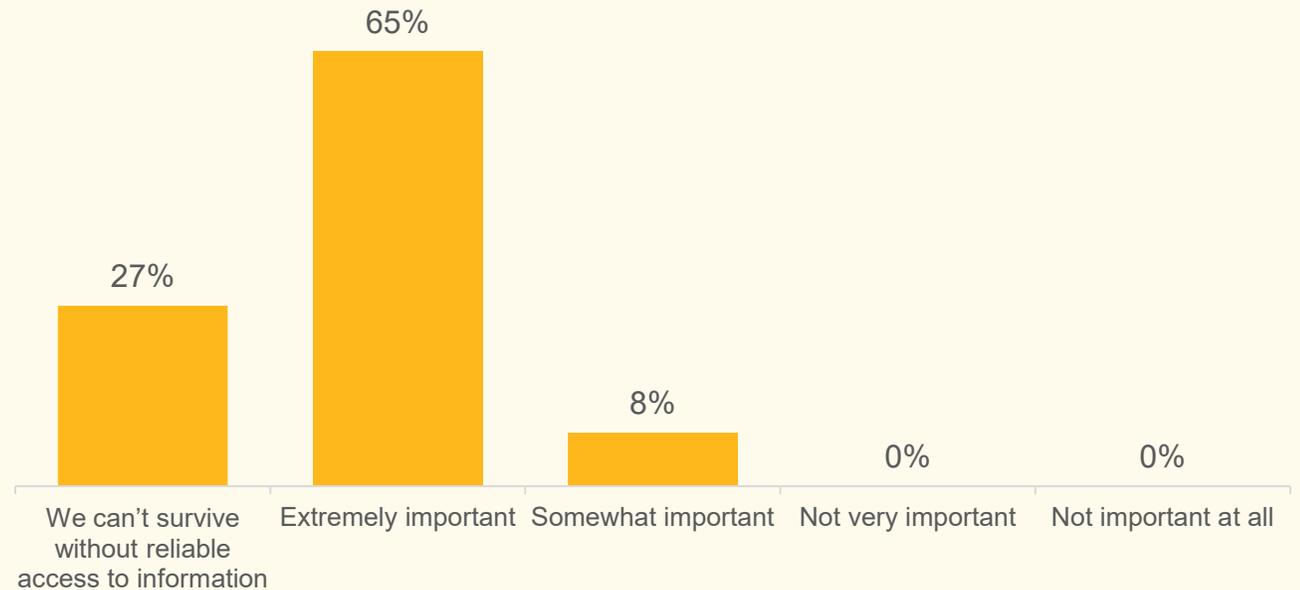
- *Delays with economic impact*: 33% compared to 8%
- *Damage to company reputation*: 22% compared to 6%
- *Penalties or fines for non-compliance*: 22% compared to 6%

92%

Report reliable access to information is “extremely” important to meeting business goals or that they “can’t survive” without it

Q3: How important is reliable access to information/knowledge for your organization to meet its business goals?
Base: 100

Importance of reliable access to information to meet business goals



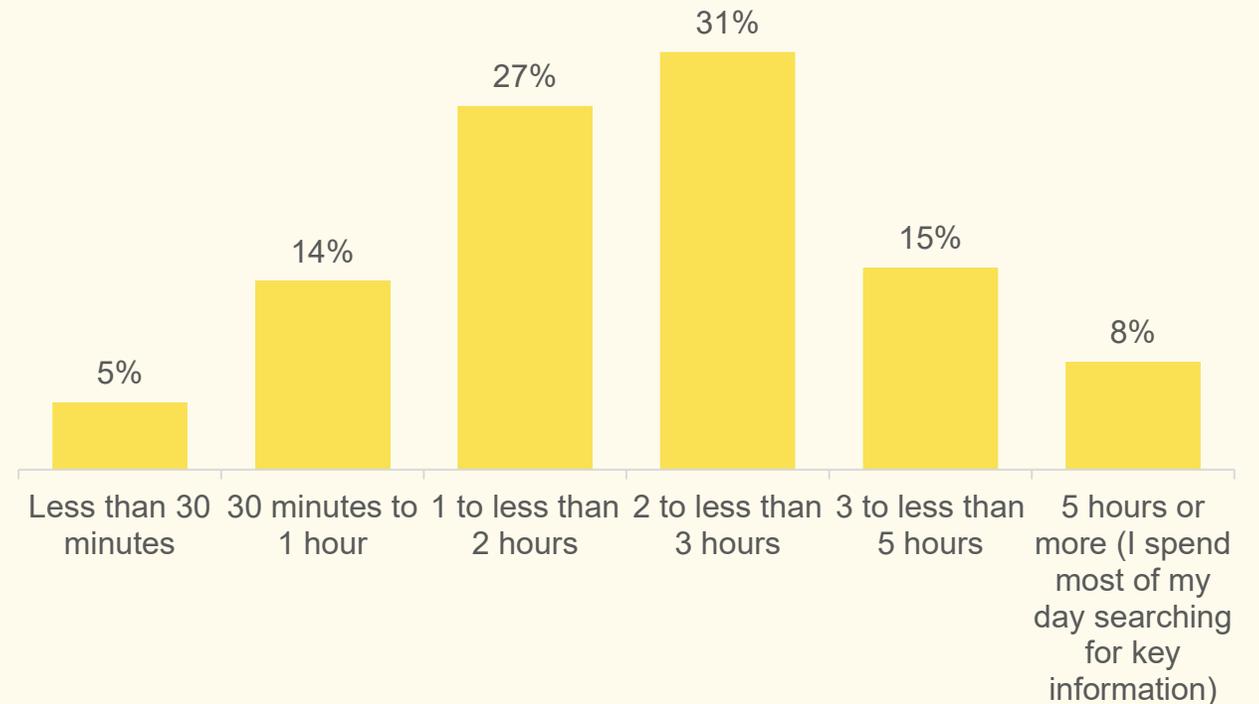
54%

estimate they spend 2 or more hours per day searching for information they need to do their jobs

(Average: 2.3 hours)

Q4: In a typical day, how much time do you estimate you spend searching or toggling between various applications, databases, websites, spreadsheets, etc. for information that you need to do your job?
Base: 100

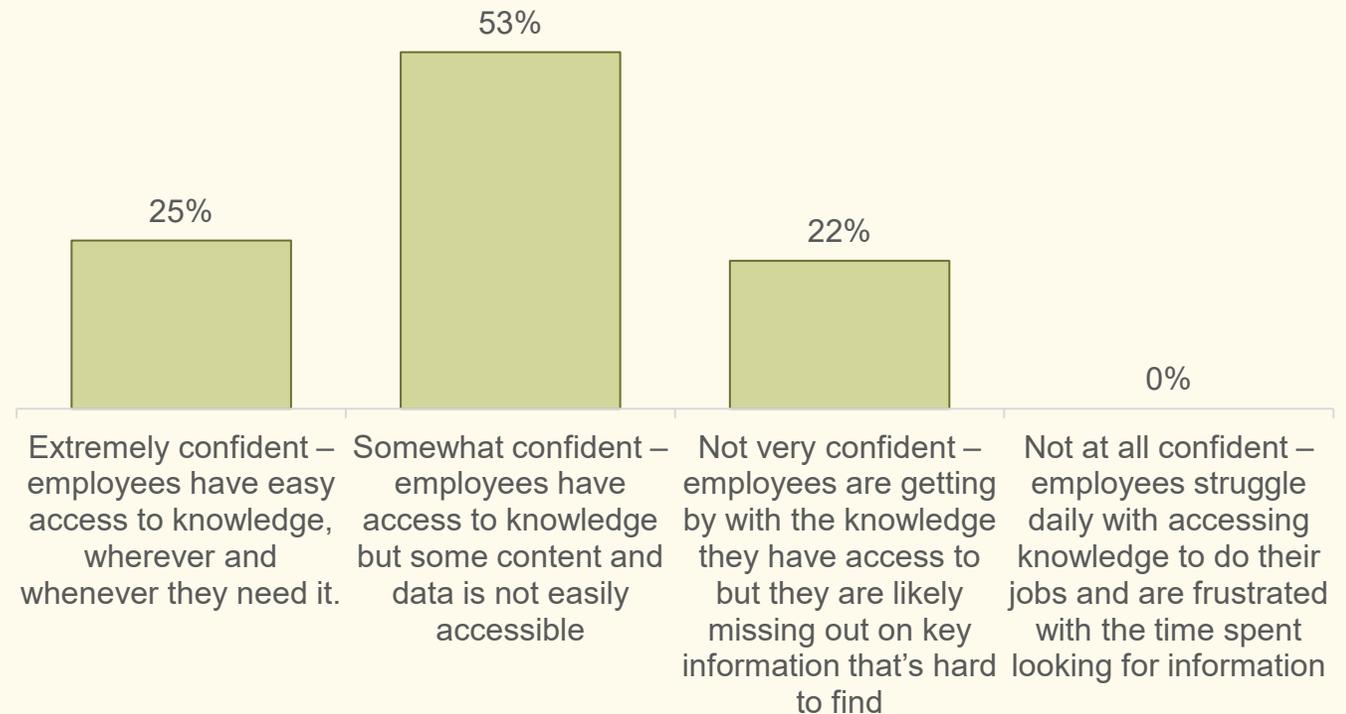
Time spent searching for job-related information in a typical day



Just 25% perceive employees as extremely confident they have access to all the knowledge needed to perform daily tasks

Q5: From your perspective, how confident are employees within your organization that they have access to all the knowledge they need to perform daily tasks?
Base: 100

Confidence of employees that they have access to the knowledge they need to perform daily tasks

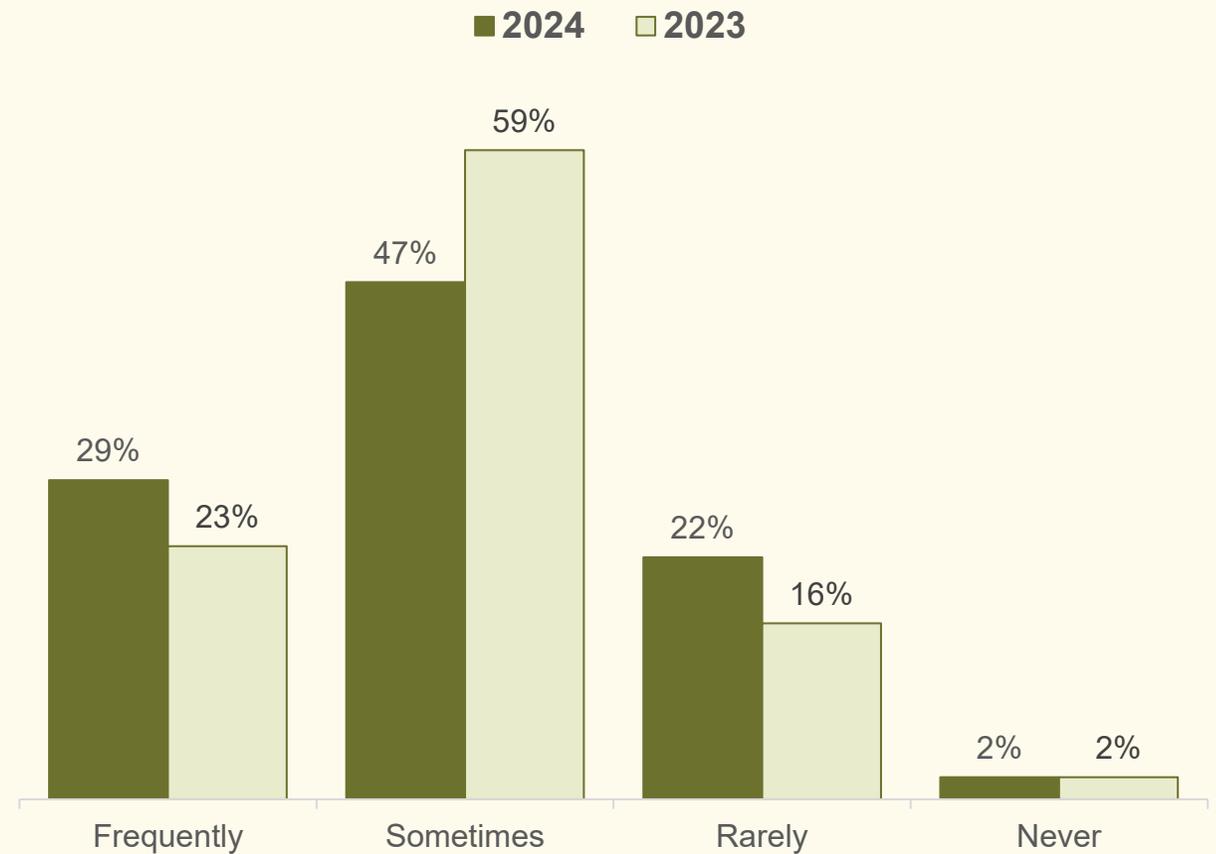


98%

indicate technology-related challenges (e.g., lack of automation, complex workflows, data silos, etc.) have resulted in delays or missed deadlines in their departments

Q6: In your estimation, how frequently do delays or missed deadlines occur in your department due to technology-related challenges (e.g., lack of automation, complex workflows, data silos, etc.)?
Base: 100

Frequency of delays or missed deadlines due to technology-related challenges

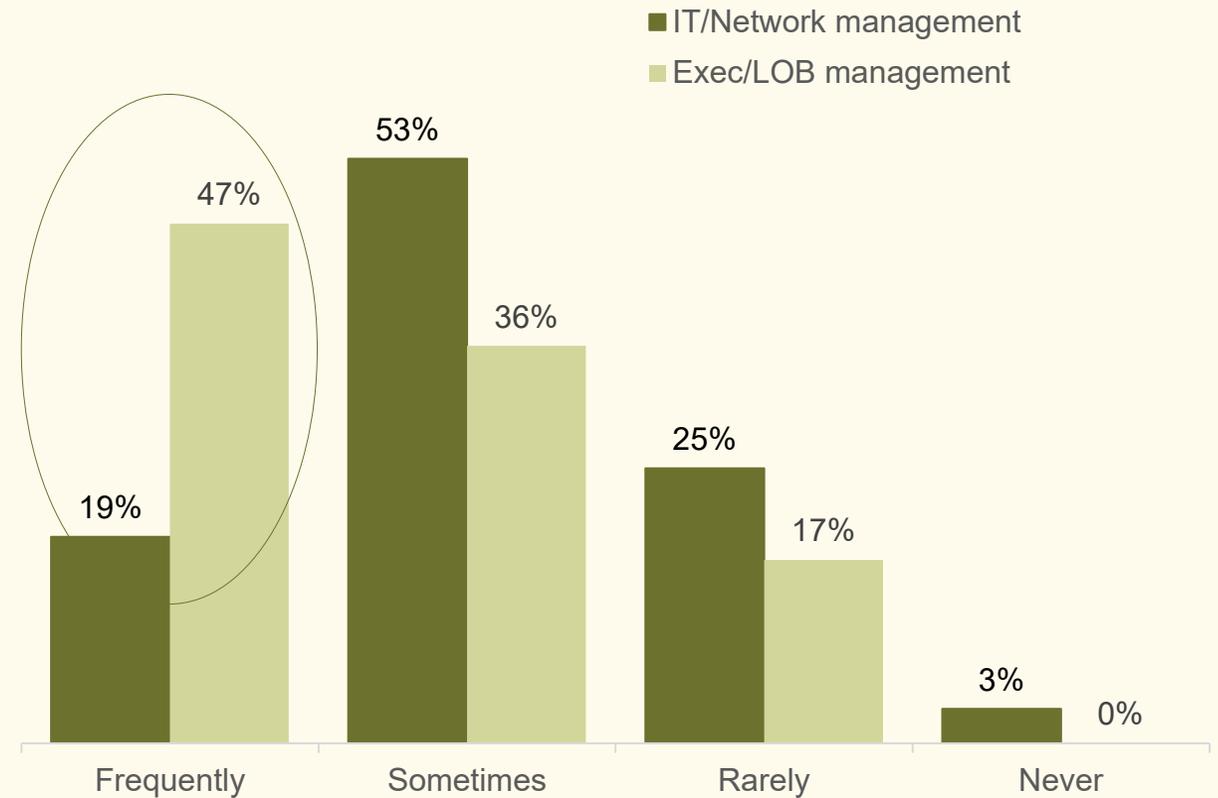


47%

of LOB (non-IT) decision-makers report frequent delays due to technology-related challenges

Q6: In your estimation, how frequently do delays or missed deadlines occur in your department due to technology-related challenges (e.g., lack of automation, complex workflows, data silos, etc.)?
Base: 100

Frequency of delays or missed deadlines due to technology-related challenges

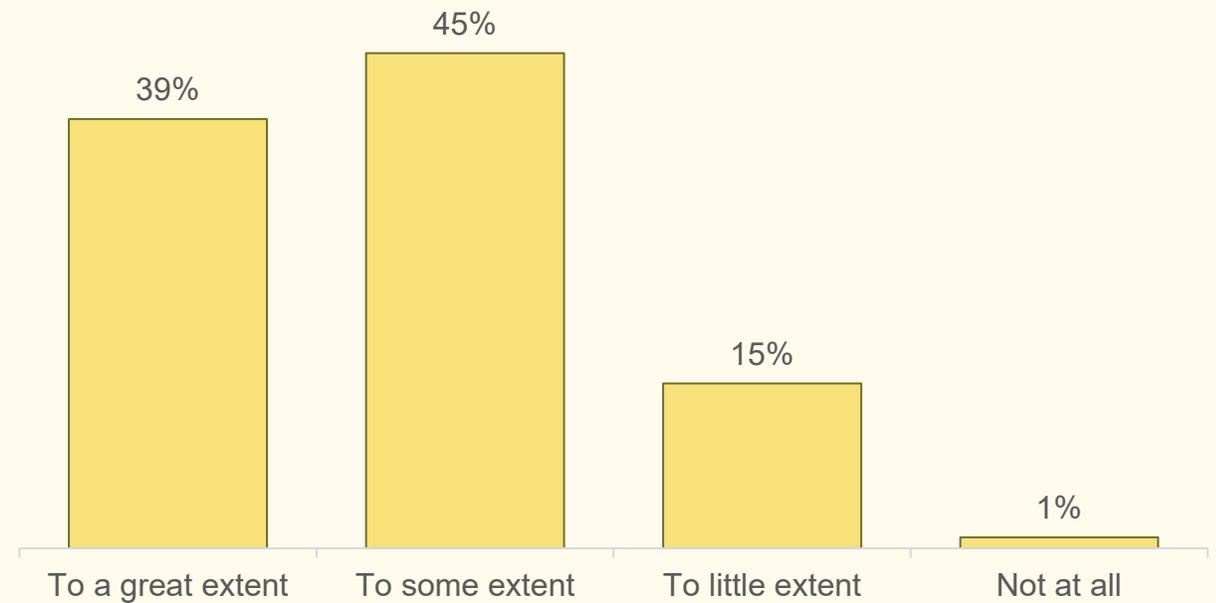


84%

indicate information silos have a noticeable impact on employee productivity and operational efficiency

Q7: To what extent do information silos impact your organization's employee productivity and operational efficiency?
Base: 100

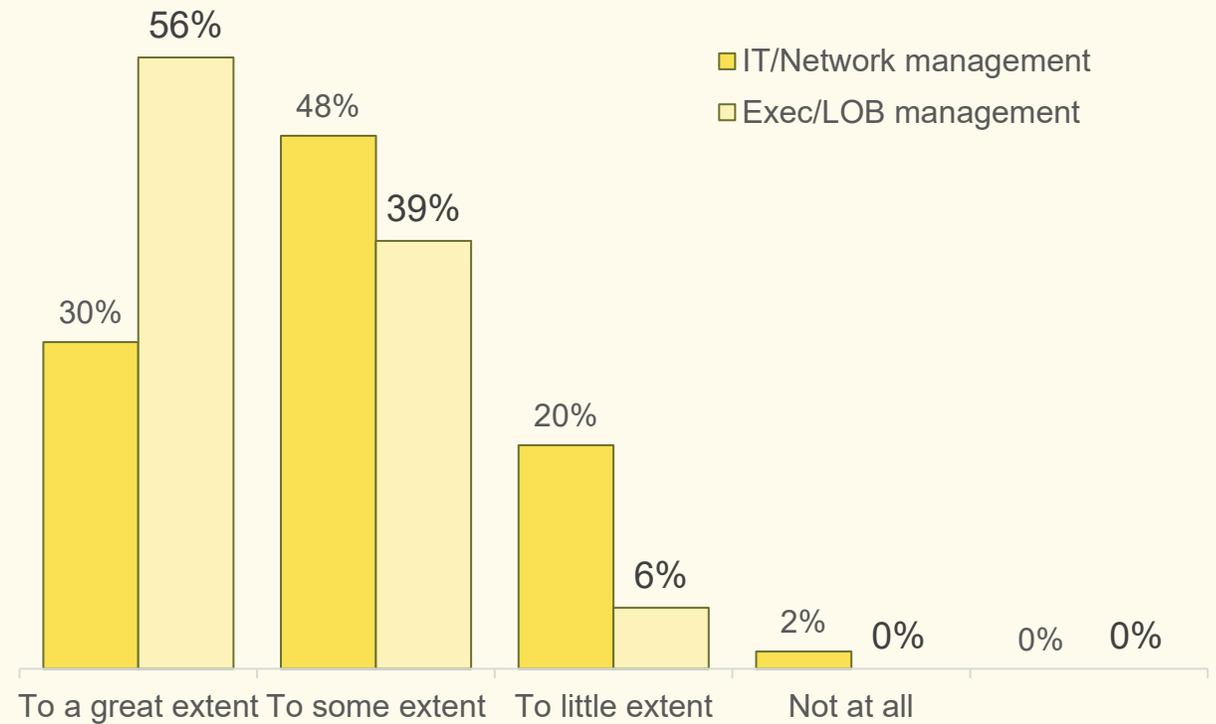
Impact of information silos on employee productivity and operational efficiency



LOB (non-IT) decision-makers are more likely to note a significant impact on employee productivity and operational efficiency due to information silos

Q7: To what extent do information silos impact your organization's employee productivity and operational efficiency?
Base: 100

Impact of information silos on employee productivity and operational efficiency



66%

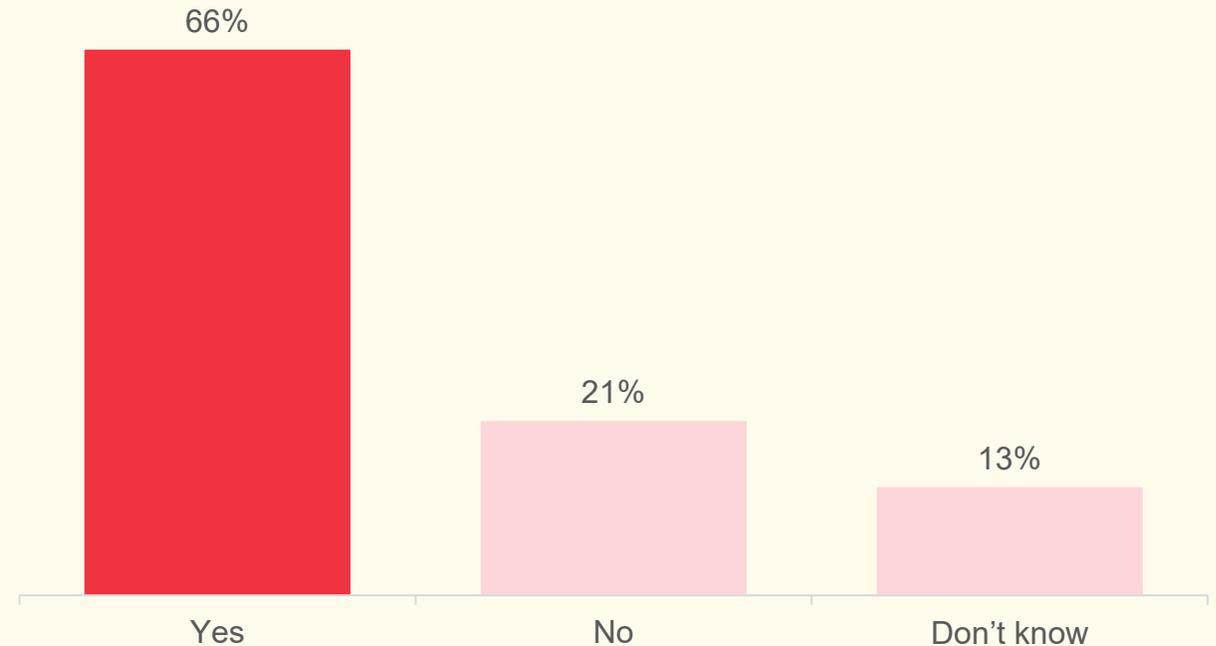
report their organizations have lost business opportunities due to an inability to access data in a timely manner

(up from 58% in 2023)

Q8: To the best of your knowledge, has your organization ever lost a potential business opportunity due an inability to access data in a timely manner?

Base: 100

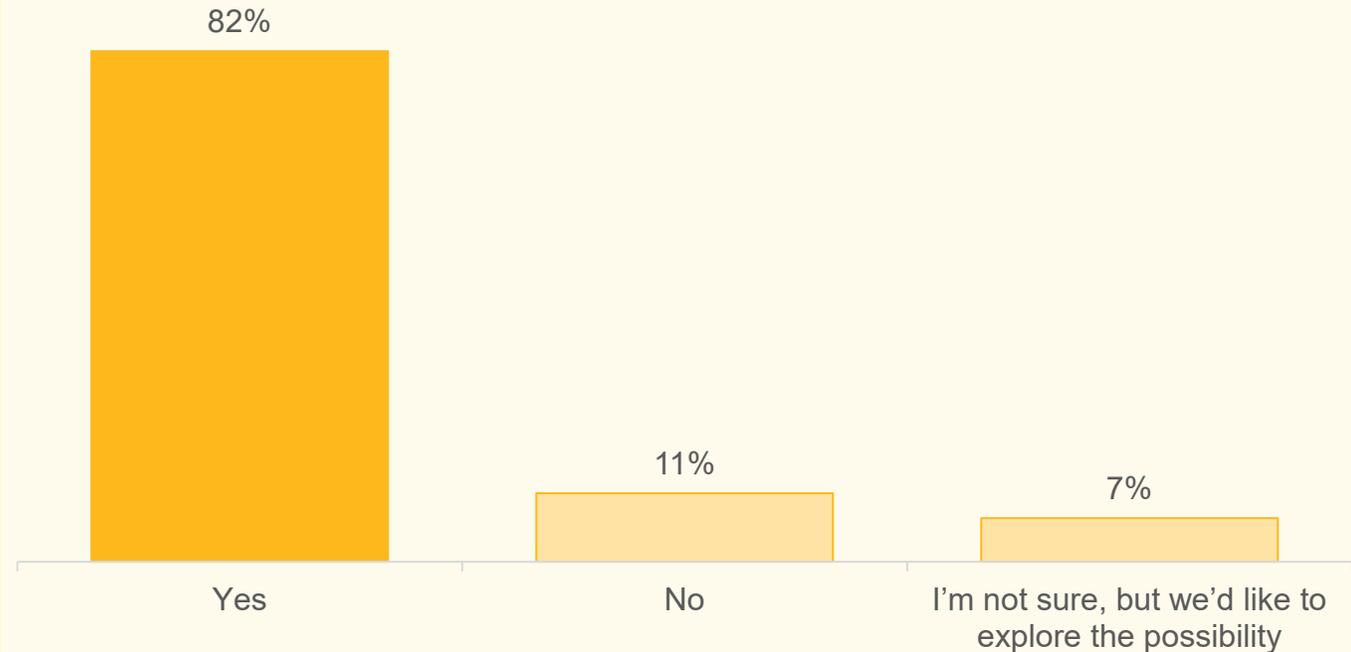
To the best of your knowledge, has your organization ever lost a potential business opportunity due an inability to access data in a timely manner?



82%

of responding organizations consider AI solutions as a means of improving employee experiences and productivity

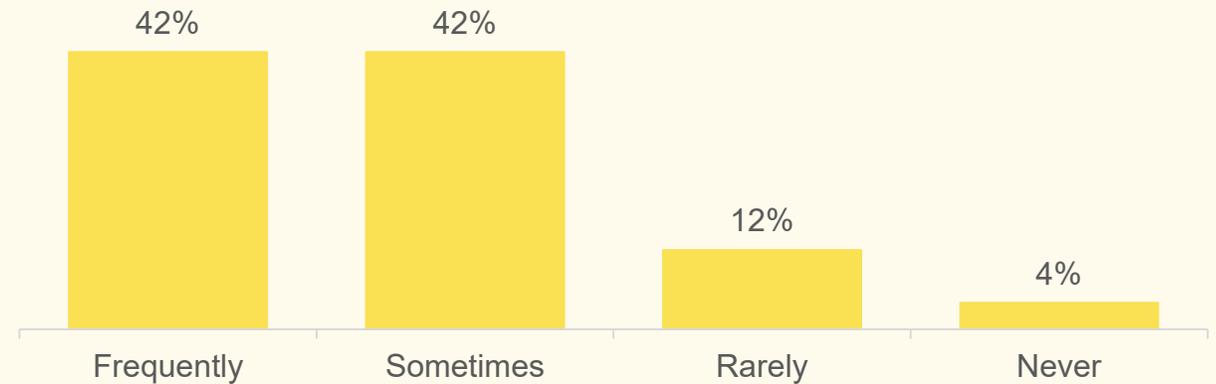
Does your organization consider AI solutions as a means of improving employee experiences and productivity?



96%

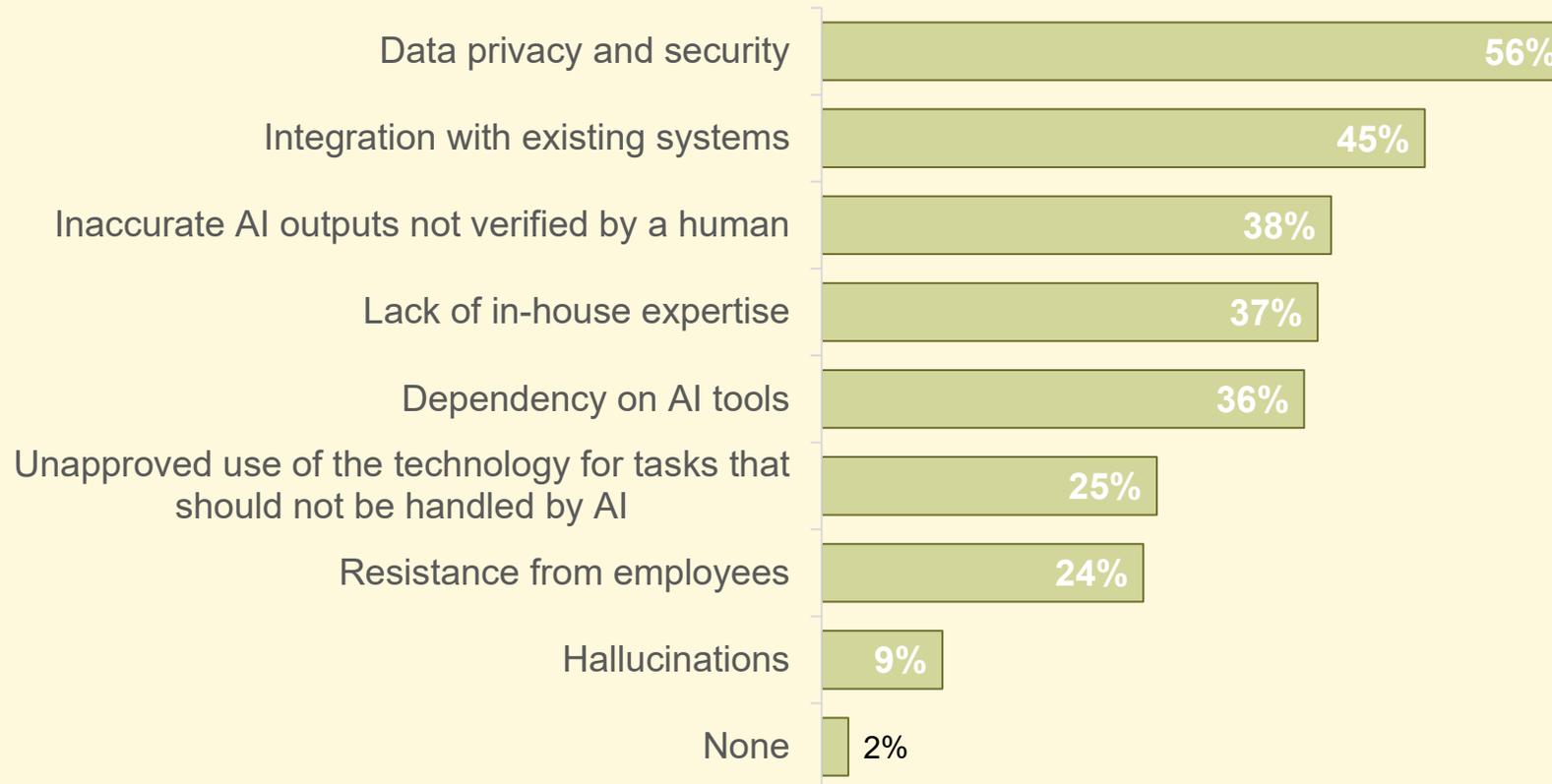
indicate employees have asked for more AI-powered solutions to help them in their daily work

Have your employees asked for more AI-powered solutions to help them in their daily work?



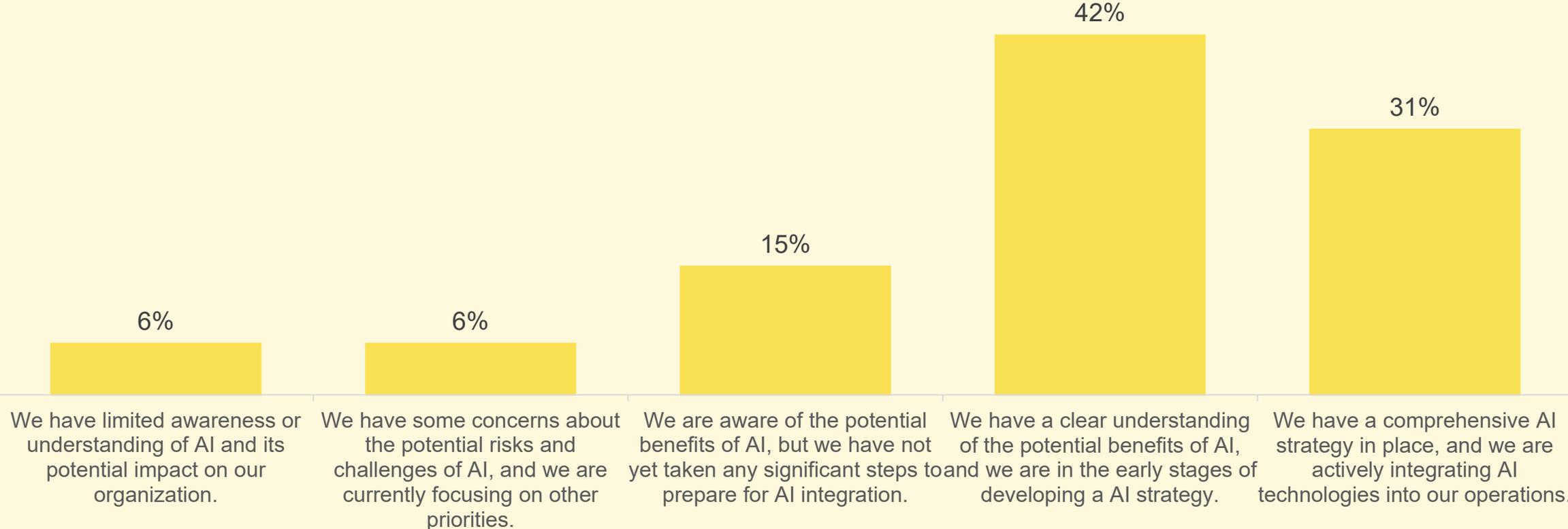
Data security and integration with existing systems are top concerns for organizations as they introduce AI/GenAI into daily workflows

Concerns about introducing AI/GenAI into daily workflows



Nearly three quarters (73%) are developing an AI strategy or actively integrating AI technologies into operations

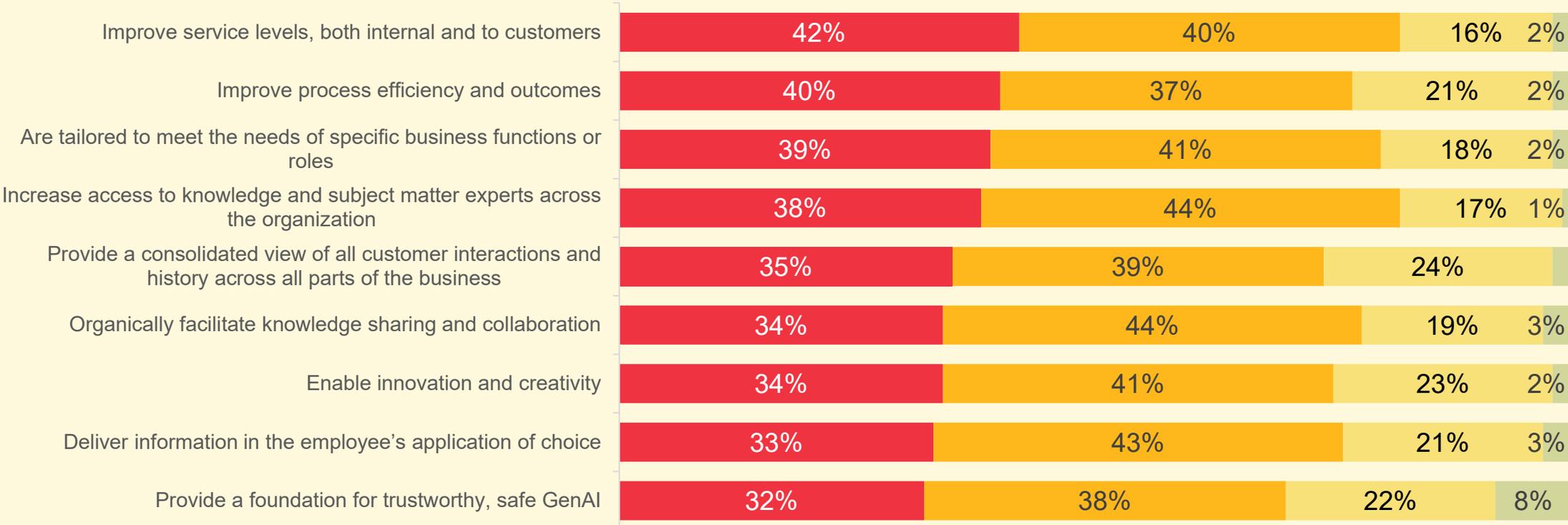
Current level of preparation for the integration of AI technologies



Current technology tools are not fully meeting business needs

From your perspective, to what extent does your company provide technology tools that:

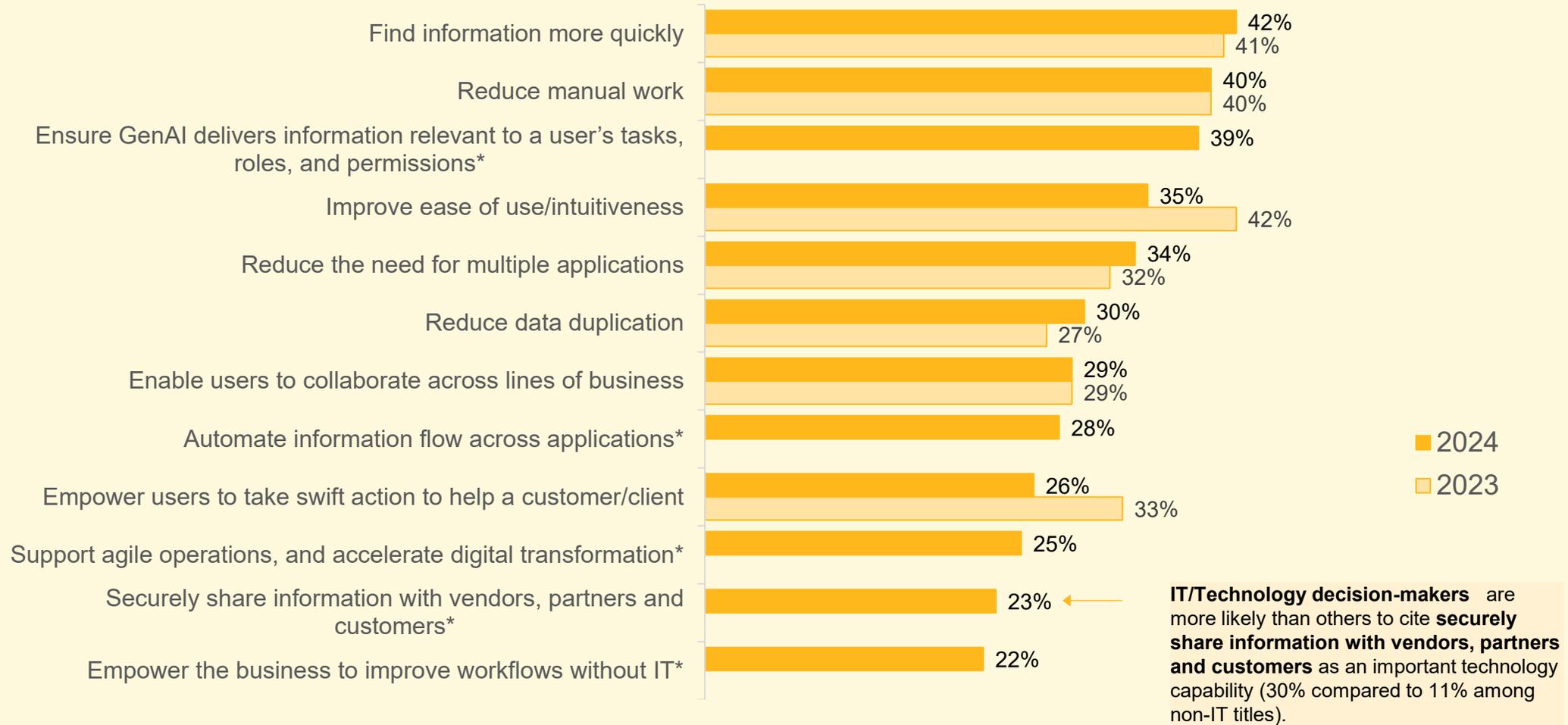
■ To a great extent
 ■ To some extent
 ■ To little extent
 ■ Not at all



NOTE: 2023 question wording is significantly different and cannot be compared

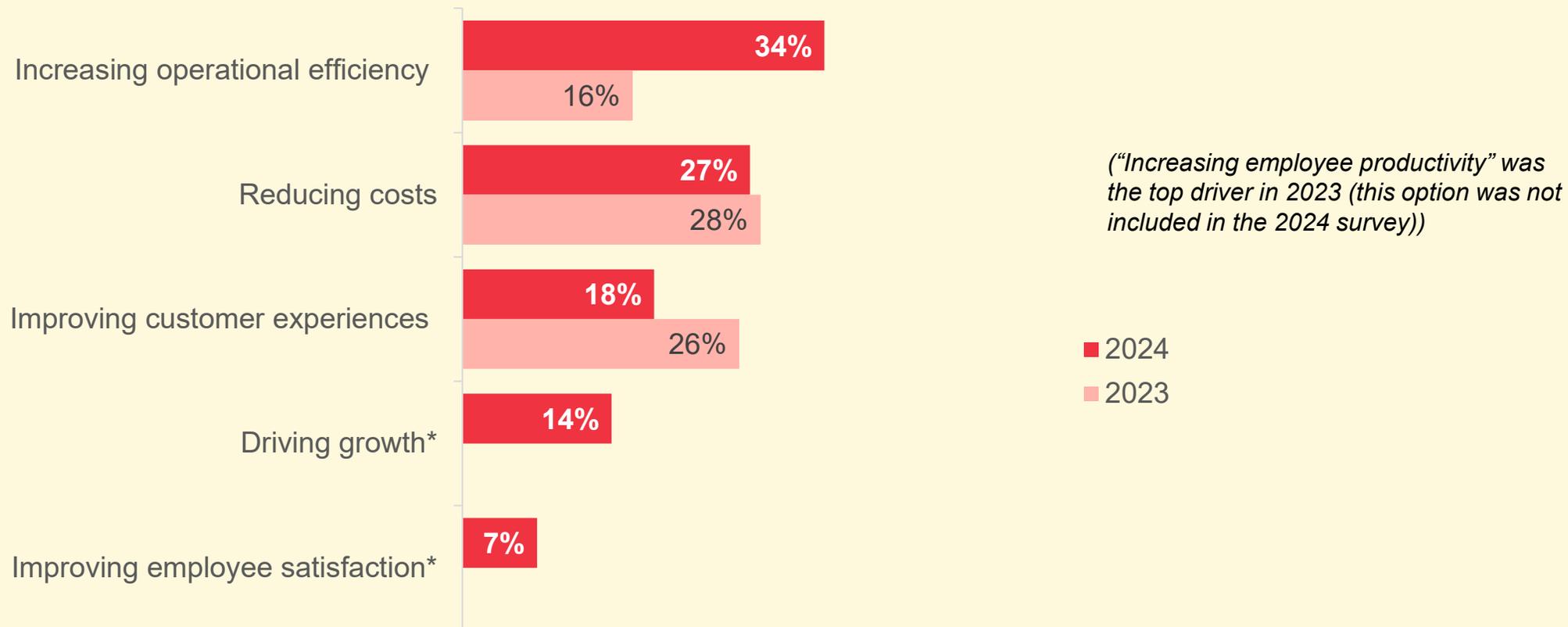
Decision-makers would prefer technology tools that enable them to *find information quickly, reduce manual work, and ensure GenAI delivers relevant output*

What are the top three capabilities you wish your organization's technology tools could enable to make your job easier? (Select three)



Operational efficiency and cost reduction are the top motivators for technology decisions in 2024

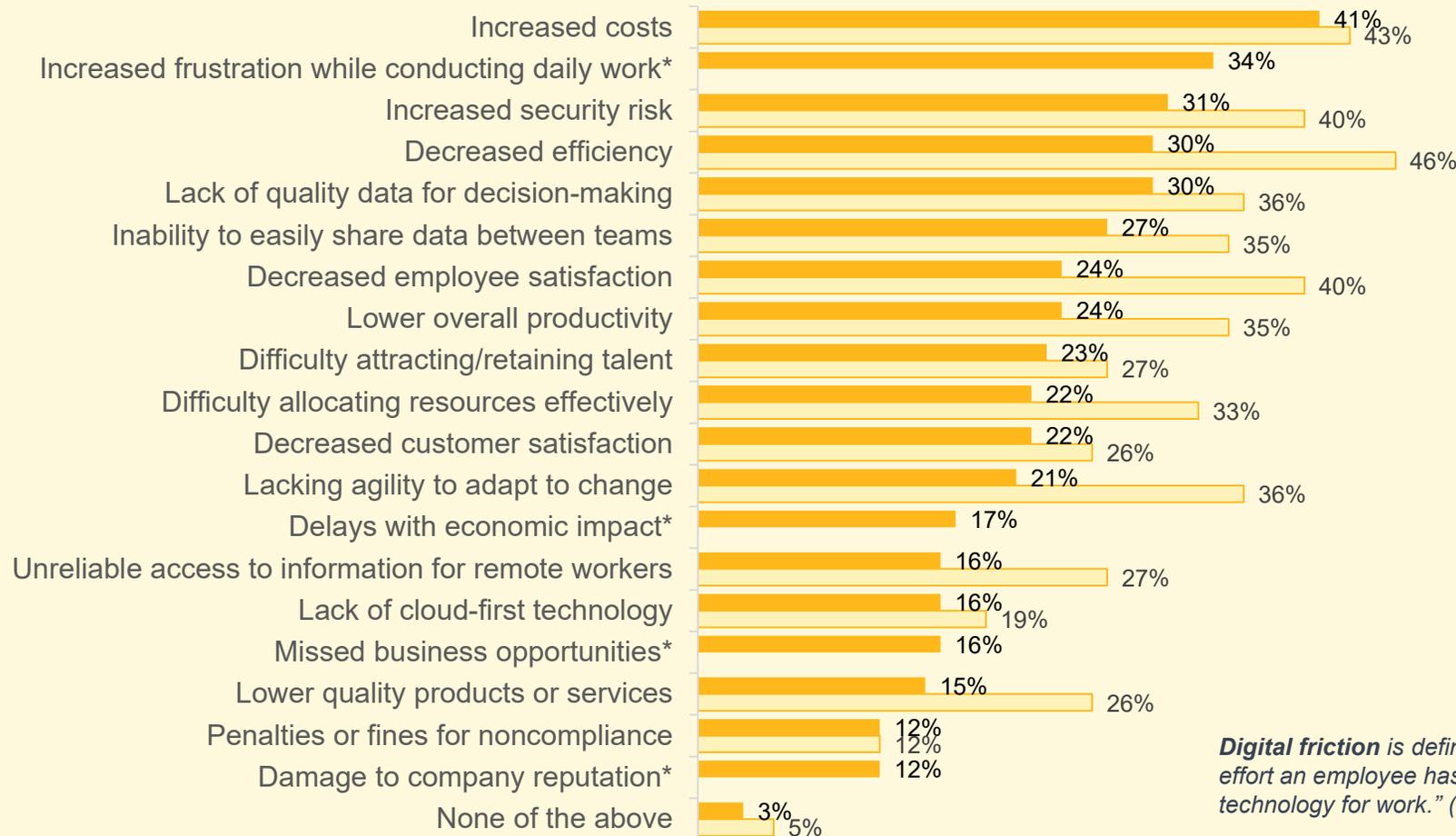
From your perspective when your organization makes technology decisions, are these decisions motivated by: [MOST IMPORTANT FACTOR]



APPENDIX

Lower efficiency, increased costs, decreased employee satisfaction, and increased security risk are top impacts of “digital friction”

Impact of “digital friction” on the organization
(Select all that apply)



97% report their organizations are impacted by “digital friction”

■ 2024
□ 2023

Digital friction is defined as “the unnecessary effort an employee has to exert to use data or technology for work.” (Gartner)

*Option not provided in the 2023 survey

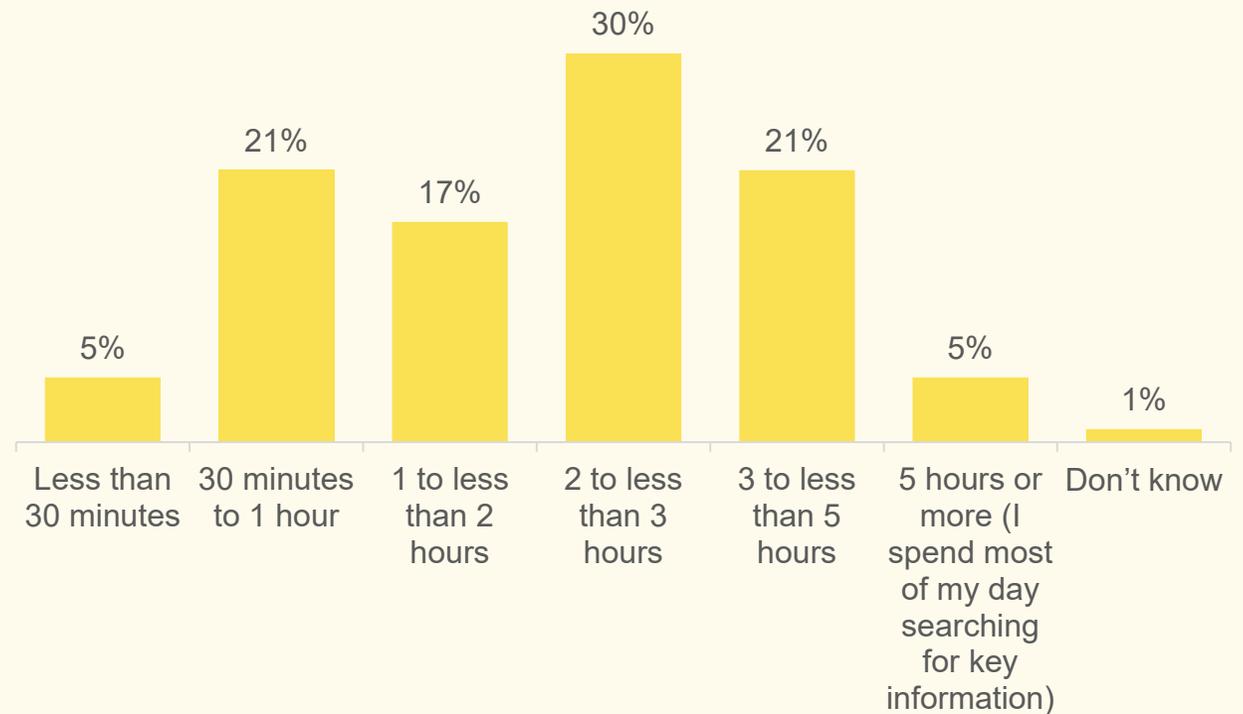
3 hours per day

is the average amount of time respondents estimate they spend searching for information they need to do their jobs

Q3: In a typical day, how much time do you estimate you spend searching or toggling between various applications, databases, websites, spreadsheets, etc. for information that you need to do your job?
Base: 100

Time spent searching for job-related information in a typical day

2023



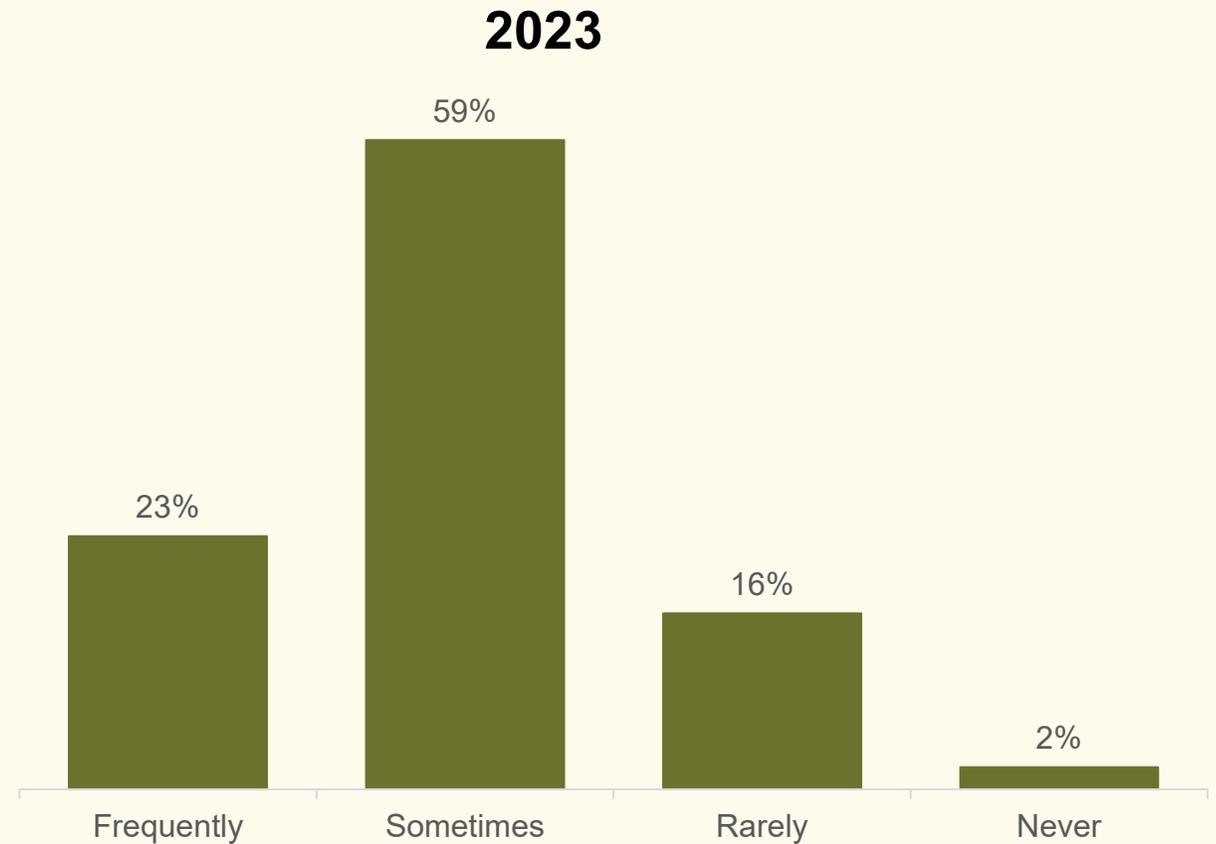
98%

indicate technology-related challenges (e.g., lack of automation, complex workflows, data silos, etc.) have resulted in delays or missed deadlines in their departments (2023)

Q6: In your estimation, how frequently do delays or missed deadlines occur in your department due to technology-related challenges (e.g., lack of automation, complex workflows, data silos, etc.)?

Base: 100

Frequency of delays or missed deadlines due to technology-related challenges



Contact

- **Jen Garofalo**
- Research Director
- Email: jen_garofalo@foundryco.com