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Top Priorities for Tech & Service Providers: Leadership Vision for 2021

Tech CEO

Introduction

As every organization becomes more dependent on technology in all facets of business, the market for technology products and services will expand to cover more aspects of business and open new markets.

Advances in digital technologies continue while the digitalization of the world's economy is still a work in progress. The path toward a digital future is accelerating, however, due to the COVID-19 pandemic. The combination of these factors strengthens demand for technology products and services. Despite challenges, high buyer optimism in the near term will drive increased buying effort, which signals increased opportunity for providers.

Several forces are playing a larger role in the way enterprises differentiate their business models. Further, these forces also serve as a basis for startups to disrupt existing markets. They will continue to drive large changes in the technology and services markets.

Enterprises that successfully leverage technology prowess, including robust diagnostics and benchmarking, will be able to strategically transform into competitive threats to existing technology products and services. These companies will drive growth through innovation by creating both competitive and substitute products.



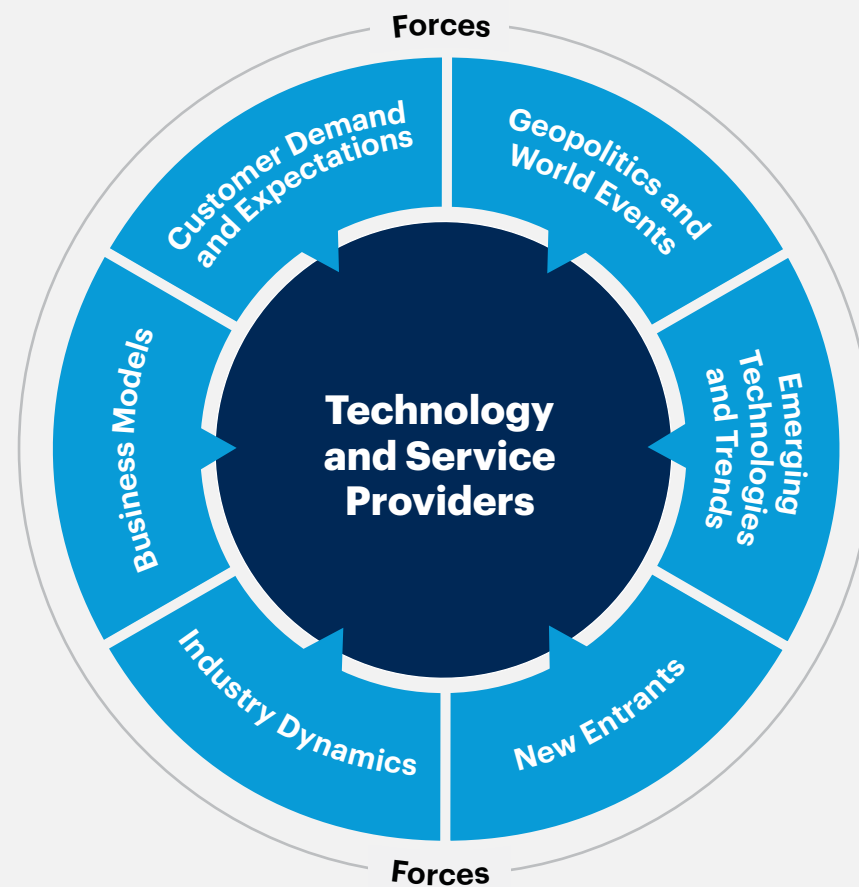
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Introduction

As tech CEOs look to the future with an eye on accelerating growth, a number of forces will impact the very definition of what it means to be a technology and service provider. These forces will reshape how tech CEOs approach key initiatives, including product strategy and launch, customer acquisition, business performance management and corporate development. Tech CEOs who understand and adapt to these key disruptions will be well-positioned to discover and respond to new opportunities for growth.

6 forces challenging tech CEOs



3 trends that will impact tech CEOs in 2021

Cloud infrastructure and platform service providers will have significant implications for growth

The spectrum of dependence on cloud infrastructure and platform service providers will vary by organization. However, Gartner predicts that by 2025, 95% of the software application providers that consume cloud platform services as part of their product offerings will also market, sell and provision their offerings through cloud platform marketplaces.

Free trials and freemiums will no longer be optional

Free trials or freemium models will become the new normal for enterprise IT offerings. Service providers will adopt business models, pricing and packaging that enable these options as essential tools for customer acquisition.

These models will transform “proof of concept” into “proof of value” for customers, and enable tech CEOs to increase their organizations’ ability to close deals.

Disruptive events and geopolitical change will impact demand generation and customer acquisition

The ability to predict how disruption and geopolitical change affect demand generation and customer acquisition will be key for tech CEOs.

Long-term changes such as those brought by COVID-19 or the evolution of two distinct digital ecosystems, one in the U.S. and the other in China, will inform decisions about markets, technology, investment and supply chain for tech CEOs looking to accelerate growth.

2 challenges facing tech CEOs in 2021

Although tech CEOs will face many challenges in 2021, here are two to begin strategizing for:



Positioning does not fit new market realities

Due to the sudden global downturn, reduction in productivity and pressure on technology budgets, tech CEOs must reassess their ideal targets and revisit their understanding of buyer needs and ability to differentiate in the market.



Growing the business by improving customer acquisition in post-pandemic times

Cost optimization will be a major initiative for most organizations in the post-pandemic world. Tech CEOs need to position solutions to capture “smarter spending” initiatives to acquire new clients and retain existing ones.

2 actions for tech CEOs to take in 2021

Given the challenges tech CEOs will encounter, consider these two actions to help move the organization in the right direction:



Embrace new technology, partnerships and application ecosystems to drive growth

Collaborate with partners to create or participate in ecosystems that can elevate the value and competitiveness of all involved. Tech CEOs must be prepared to address four key realities:

- Buyer demands for whole-product solutions
- Increasingly regional technology ecosystems
- Importance of defensive marketplace strategies solutions
- The need for delivery supply chain continuity



Support the shift to contingent and diverse workers collaborating with AI in virtual workspaces

Adapt organizational policies and procedures to foster the agility and innovation of contingent labor and increasing diversity across the organization. Identify and invest in augmented intelligence to discover scenarios where human and AI workers can collaborate in virtual workplaces.

Five essential areas of focus for tech CEOs

- 1 Cloud:** Tech CEOs must adapt to thrive in a world where cloud infrastructure and platform service dominates every market.
- 2 Service strategy:** Leading service providers will leverage assets and expertise, requiring a dynamic ecosystem to extend their business models.
- 3 Pricing models:** Free trial and freemium offerings are no longer optional, as they become a “must have” for buying team consideration.
- 4 Talent:** Tech CEOs must evaluate and adapt their talent management strategies to stand out from the competition heading toward 2025.
- 5 Geopolitics:** Tech CEOs must understand and adapt to the dynamics of geopolitical forces for growth and market differentiation.

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