

Resolving tech stack tension:

Conversations with 10 business leaders
from Europe's largest enterprises



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Why enterprise leaders are shifting focus from transformation to optimisation

When you run fast and far without a warm-up, your muscles tend to feel the burn in the days that follow. But sometimes, sprinting straight out of the blocks is the only thing you can do – as business leaders across Europe discovered all too painfully in 2020.

When the pandemic struck, the luxury of planning, evaluating, and strategising before making big decisions about digital transformation went out the window. For many enterprises, moving fast to transform their tech stack was key to survival, and everyone from the C-suite to IT teams and employees across different functions rose admirably to the challenge.

But several years on from this panicked sprint, what muscle pains have enterprises been left with? Are tech stacks serving the people who use them, or simply exhausting them? How are IT teams managing everything that's changed? And crucially – with another crisis on the horizon, albeit of a very different nature – are businesses feeling confident they can handle the economic downturn to come?

To find out, Smartsheet sat down with business leaders and IT experts at enterprises across Europe. Our conversations uncovered some fascinating insights, from the prevalence of shadow IT to tech stack fatigue, along with some key strategies for tackling the future.

Meet our Smart Voices

Our 10 Smart Voices are business and IT leaders working at enterprises across Europe. Their experience spans a range of industries including consumer goods, pharma and IT services, but all were selected as leaders who have significant influence or control over the tech stack and digital transformation at their company.

Read on to uncover the two major causes of tech stack tension today, and what our Smart Voices think about easing that pain – including:

- The value of engaging the end user community
- Why change management matters as much as change itself
- How leaders are measuring ROI differently
- The value of flexibility in the tech stack
- How leaders are preparing their tech stack for the future



Leaders: are you ready?

As the challenges of the pandemic recede the impact of global recession is understandably front of mind for business leaders. But whereas the pandemic hit hard and fast, transforming everything about the way we live and work, the headwinds of the economic downturn have been on the cards for quite some time – the seemingly inescapable outcome of political turmoil, inflation, the spiralling cost of living, and high government debt.

As such, business and IT leaders have had plenty of time to consider their readiness for what comes next. The good news? Many of our Smart Voices feel the hard work of the last few years has resulted in greater strength and resilience across their business. The ultra-fast acceleration of tech adoption during the pandemic was stressful, but it has created stability and strength, and many feel confident they can withstand future issues.

One Smart Voice, a senior business leader in Germany, acknowledged “*the quadruple threat of supply chain issues, energy crisis, geo-political landscape, and the economy.*” However, they felt strongly that the work they had already done put their organisation in the best possible position to perform over the next few years.

“The speed of technology adoption throughout our organisation, clients, suppliers and partners has provided an element of assurance that we can weather challenges ahead. For example, investment in AI solutions was always on the cards for us, but has been accelerated and implemented now because it gave us the benefits of efficiency, speed and visibility to identify challenges. We can react and adapt faster and smarter.”



Senior business leader at an international engineering firm

Another Smart Voice is anticipating economic pressure but felt strongly that technology would be central to their resilience moving forward.

*“Everything I’ve done so far prepares us for what’s upcoming. We’re expecting an economic downturn, and for all our clients to try and renegotiate contracts. **But our strategy has been: do not lose market share. And let me be clear, the way we’re going to keep earning money is through technology.** By standardising and automating as much as possible, we will try to keep our revenue still, even though our expected price may go down from now on.”*



Digital transformation leader at an international IT services firm



However, that’s not to say that no problems have emerged. Rapid transformation has created resilience, but the unplanned and fast-paced nature of change has given rise to some lingering technology tension. Left unchecked, this muscle pain could deepen into real issues.

Tech fatigue takes hold

A common theme across many of our conversations was that the proliferation of tech tools introduced over the last few years has created more work, not less. End users are collaborating across multiple platforms, while different areas of the business are often using disparate tools. IT teams, meanwhile, have been working double-time to ratify, secure, assess or support new tech implementations.

The result is widespread “*tech fatigue*” and resistance to further transformation. As one Smart Voice put it:

*“What I’m seeing is fatigue. Our people have gone through dealing with the pandemic, and lots of tech change in their workplace. **Our IT teams have been handling all these new rollouts, and they’re trying to slow that down because it’s just fatiguing them.** They’ve just gone through a whole wave. [...] So they’re starting to say, hold on. Let the situation stabilise a bit more now for the next six to twelve months, before we go into large investment cycles.”*



Global programs director at an international insurance firm





Many others noted that aspects of hybrid or remote working also contribute to this tiredness, as collaboration technology can add to the workload:

*“60% of meetings [using collaboration platforms] end up in follow-up meetings, and people have bilateral discussions during those meetings, which would not have happened in an in-person session. [...] **Levers of focus get somewhat taken away when people are not in a room together.**”*



CDIO and transformation leader at an international pharmaceuticals firm

A loss of tech control

The second major concern shared by our Smart Voices was a loss of control over tech purchasing and implementation decisions. During the pandemic, many end user employees sprinted off to solve challenges – but not always in a direction mandated by the business. As a result, a great deal of tech has entered businesses without being approved by the central IT team. As one Smart Voice reflected, problems can soon arise when tech purchasing becomes decentralised:

*“If we decentralise all the decision-making and the budgets, there’ll be somebody who will make a clever sales pitch to you, and you’ll buy something. Then, somebody will make a clever sales pitch to me, and I’ll buy something. **We end up all over the place – and it becomes very difficult to manage cross-border, cross-category and cross-functional teams.**”*



Business and digital transformation leader at an international consumer goods company

End users making decisions around the tech they use isn’t always problematic – in some cases, it can even benefit the business, as “citizen developers” nimbly find their own solutions to challenges and prove the value of a new tool from the ground-up.

But when full-blown “shadow IT” emerges, this can pose serious operational and security threats to the wider enterprise, as well as being financially inefficient. With recession looming, there’s a need for greater control – with one Smart Voice from Sweden noting:

*“**We used to have a lot of shadow IT. We can’t afford that anymore.** We need to make sure we are working as one organisation [...] and that actually everybody agrees to this.”*



Digital transformation leader at an international IT services firm

KEY TAKEAWAY:

The causes of tech stack tension

Tech stack tension has two major causes: tech fatigue from too many new tools, and a loss of IT control over what tech is being used in the business. The resulting tension has a range of business impacts, whether that's people failing to make the most of technology investments, or even security risks through shadow IT.

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Resolving tech stack tension

So, how can business leaders tackle these challenges and relieve the tensions within their tech stack? Every organisation's challenges and people are unique, so there's no single or perfect solution. However, our conversations with business leaders provided some interesting considerations – many of which are rooted in the optimisation of existing technology and processes, rather than further drastic transformation.



Engage your community

One way to ease tech stack tension is to engage more closely with the people actually using that tech stack. When asked about the challenge of citizen developers and shadow IT, our Smart Voices had a range of stances. Some were clear that laying down strong mandates is the best approach, with one Smart Voice stating:

*"I'm a big believer in having a rigorous process of identifying what is best. Having a **good, thorough evaluation assessment of why it's best, and how it stacks vis-à-vis others**, both from the functionality perspective and the commercial perspective – and then going all in."*



Digital business and digital transformation leader at an international consumer goods firm

But many Smart Voices acknowledged the importance of actively collaborating with end users. Rather than squashing the efforts of citizen developers, leaders can harness these employees as agents of change.

*"When you're in headquarters, you never know what's running in the field. [Therefore] **we need to give local teams room to adapt and collect feedback.**"*



CIO at a European railway company

*"We've experienced resistance on the frontline – and this is something we've been missing. **Often what I've been doing is focusing on aligning leadership and the different organisations, and by doing that, perhaps I haven't focused as much on the frontline.** And this is actually where stuff happens. They're not fully on board, and this is where a lot of the automation needs to happen as well."*



Digital transformation leader at an international IT services firm

Others reflected on the positive experience of enabling employees to become evangelists of technology solutions, acting as a conduit to the wider workforce.

*"I hired a very experienced program manager [...] and he was our evangelist in the adoption of this technology and we created a team of followers from around the globe with a high level of diversity. So we had people, really from everywhere, and **they would be the 'super user' group who adopted this technology and created a buzz in the company** that everyone was eager to work with these guys and adopt the new technology."*



CIO at a global manufacturing company

On the whole, our Smart Voices reported a growing sense that it's better to try to engage with teams on the ground than rule exclusively from the top down. While unregulated shadow IT needs to be prevented to avoid security exposure, collaborating with enthusiastic citizen developers is a clear path towards easing tech stack tension.

KEY TAKEAWAY:

Engage with teams

While senior leadership needs to ensure tools are scalable, secure and offer good return on investment, there's huge value in engaging with end users on the tools they use, rather than mandating. Doing so can unlock benefits across the board, particularly if you identify 'super users' who can aid the process of building uptake for tools or solutions.

Invest in change management

As noted earlier, tech stack fatigue is a real challenge for end users and IT teams alike – particularly when twin systems emerge.

*“When you end up creating completely different systems, you end up spending a lot of IT energy trying to do patches to ensure the data can be absorbed and everything still talks to each other seamlessly. **And in doing that work of trying to get everything talking to each other seamlessly, you’re expanding IT energy, trying to get them to talk to two tools.**”*



Business and digital transformation leader at an international consumer goods company

To prevent this, business leaders should invest time and energy in the process of change management, to bring everyone on the journey and keep the organisation aligned. As one Smart Voice put it:

*“You have to make sure that this is **adopted in a way that everyone understands the plan and everyone buys into the story** and everyone sees the benefit.”*



CIO at a global manufacturing company

Another advised explicitly accounting for change management activities as a cost of the project, ensuring this process is baked into any transformation that occurs.

*“The change management process is a long journey. **We say that change management activities can burn about 25-30% of the cost of the project... You have to ensure the staff not only understand how to use the product, but how the process is changing.** People are in their comfort zone for years – you have to motivate them to leave it. Sometimes they’re not confident to manage the new situation or use a new product. You have to explain, [provide training] and give them a feeling of urgency to change, [such as] technical obsolescence of your assets, rising competition, customer requests.”*



CIO at a European railway company



KEY TAKEAWAY:

Change how you change

At a time when new tool fatigue is rife, managing change is as important as change itself. Be prepared to invest time and budget into the process of change management to maximise the value you get from any investment.



Rethink ROI measurement

Many business leaders are taking a more holistic approach to measuring success. Rather than striving to prove impact on the bottom line in a short time frame, some are assessing a tool's functionality, the engagement tech creates within the business, or the problem it solves for customers.

As one Smart Voice put it when discussing digital transformation initiatives:

"ROI is difficult to truly calculate – what's more important is the functionality of the solution in fulfilling its requirement. We have to place trust in established, larger tech vendors who are stable and speak our industry language."



Managing director at a global appliance manufacturer

Others discussed the need to look beyond their own tenure as a leader when measuring success. IT leaders in particular often feel pressure to prove the ROI of their own activities – but this strategy often won't serve the business most effectively. As one Voice noted, *"You really need to put the tech into place and think with a longer-term vision."*

They later expanded on this point, commenting:

*"In every industry, a lot of leadership and management moves on in a cycle of two to three years. **So there's just no consideration for the future – it's all about how do I make an impact right now?** And it's lazy. It's lazy to just think 'I did this in my short window, I was here, I drove this tech initiative.'"*



Head of technical advisory at an international real estate firm

KEY TAKEAWAY:

Look to the long term

Although there's often pressure to prove value as soon as possible, short-term thinking won't drive long-term business value. To truly optimise the tech stack and ensure resilience in down periods, consider measuring the value of tools in a more holistic way.



Prioritise flexibility

As business and IT leaders seek to optimise how they work, the priority is building a tech stack that's adaptable and empowers people to work in the way that suits their needs best, rather than functioning as an inflexible behemoth.

*"I think employment will become more flexible, your employees could be based anywhere subject to insurance and working and all these things. **They'll constantly want tools to evolve how they collaborate.**"*



Global programs director at an international insurance firm

But as our leaders reflected, flexibility isn't just about the tools you use – it's about the people using them and the processes you have in place. One thread that recurred throughout our conversations was a reminder of the importance of adapting processes, to ensure that the value of new tools isn't lost by trying to stick with old ways of working.

*"We constantly have to **adapt our processes that align to technology solutions**, especially SaaS-based technologies. The software doesn't change, we have to. This can provide challenges in the short-term and more often than not they're positive."*



CTO at an international manufacturing firm

KEY TAKEAWAY:

Stay agile

Flexibility gives you the ability to bend, not break – which is key in times of economic downturn. Nurture it everywhere across the business, from processes to technology.



Keep looking forward

The final interesting theme from our conversations was that while the rapid transformation of the last few years has been exhausting, the journey isn't over yet. Although many of our Smart Voices felt that transformation would slow down and optimisation would be the focus, a few were actually preparing to ramp up their efforts to survive the crisis to come.

*"We're not running into a bright future, we're running away from the disaster, investments in tech are a necessity in terms of business maintainability. [...] If we do get hit harder than we were expecting, then of course transformation will probably slow down. But let's see what happens. From the management point of view, **I just came out of a meeting with the CEO - and he is actually telling us to hurry up... He's saying, 'you need to do digital transformation even faster.'**"*



Managing director at a global appliance manufacturer

*"People should **spend more money on tech, even though we're coming up to a recession.** You should still be spending, but you need to think about spend that is still paying in three years' time."*



Head of technical advisory at an international real estate firm

KEY TAKEAWAY:

The necessity of tech

In a recession, some spending will naturally have to come down. But when it comes to the tech stack, continued investment and optimisation will be critical to survival and long-term success for many enterprises.



Ready for what comes next

After several years of rapid transformation and hard work, it's frustrating for already-fatigued businesses to be faced with a further crisis in the form of a recession. On one hand, it's fantastic to hear that many enterprises now have baked-in resilience and a greater understanding of how to survive unexpected bumps in the road. On the other, more work will undoubtedly be needed – and that work will likely be complicated.

But as our conversations show, the key thing is to remember that a prolonged and potentially deep economic downturn is a marathon, not a sprint. To survive or thrive in the face of the next challenge, leaders must turn their attention to ensuring that existing tensions have been massaged out, and tech stacks are primed and optimised for peak performance. In other words, they should take the time to prepare properly.

It's also worth noting that this moment in time is an opportunity, rather than simply another challenge to battle through. The transformation demanded by the pandemic was so rapid, it scarcely allowed time for long-term thinking – but this situation is different. As some of our Smart Voices are already proving, now is the time to ensure the tech stack can perform not just for the next crisis, but for the next decade.



Smart Voice recap

Many enterprises feel confident about facing down the recession to come. But following several years of rapid digital transformation, tech stack tension has crept in – a result of new tool fatigue, and a loss of control over the tech coming into the businesses. Fortunately – as our Smart Voices have shared – enterprise leaders have a range of strategies available to them that can ease this tension, including:

- Engage with the end user community where possible
- Invest time and effort into change management, not just change itself
- Measure ROI more holistically by considering functionality, not short-term financial return
- Prioritise flexibility not just in the tech stack, but throughout the business
- Consider investment plans carefully, as continuing to transform could be the secret to outfacing the challenges of the recession



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