Only half of global enterprises have a formal strategy for digital transformation and face increasing disruption as a result, according to CenturyLink study conducted by 451 Research

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MONROE, La., May 23, 2017 /**PRNewswire**/ -- **CenturyLink, Inc.** (NYSE: CTL) today announced the results of a commissioned study on the digital transformation of global enterprises. Conducted by 451 Research, the **Enterprise Digital Transformation Study** provides insight into how, why and at what pace organizations are preparing for the digital future. Among the findings:

- 51 percent of enterprises have a formal digital transformation strategy
- 23 percent are working on siloed digital projects, but without an overarching strategy
- 19 percent are still in the planning stages
- 7 percent currently have no ongoing digital transformation strategy

The findings will be highlighted during a webinar titled, "Turn Disruption into Differentiation," scheduled for 1 p.m. Eastern on May 24. To attend, **click here**.

The survey – which polled executives in North America, Europe and Asia Pacific – found that disruption will continue to ramp up over the next three years, with 42 percent of study respondents expecting major disruption as the deployment of new digital technologies continues to play out in their respective fields. This will continue to change the competitive dynamics of their markets in the process.

"In a global economy that's dominated by disruption, innovation and cyber threats, speed to market is of the essence," said Bill Hurley, chief marketing officer for CenturyLink. "However, the complexities associated with digital transformation can result in numerous roadblocks. Moving to a superior network and employing agile cloud technologies are keys to simplifying the transformation process. This approach is a foundational element of success in digital transformation."

"Digital transformation programs are now being viewed as strategic, long-term initiatives and typically receive the support of top-level executives," said Sheryl Kingstone, director of customer experience & commerce at 451 Research, who authored the survey. "In fact, 60 percent of enterprises are increasing their IT spending levels to achieve the significant benefits of digital transformation."

The Four Pillars of Digital Transformation

As the adoption of digital systems, tools and processes disrupts every industry, it is critical that enterprises transform the way they do business quickly and securely. According to the study, executives at organizations worldwide commonly identify with four key pillars of competitive differentiation to target with internal digital transformation initiatives. These four pillars are:

- Improve the level of business agility – 53 percent
- Better manage business risk – 49 percent
- Improve operational efficiency – 41 percent
- Improve the internal or external customer experience – 41 percent

Additionally, the majority of enterprises realize full digital transformation will take time to implement, as more than 40 percent of respondents estimate this will take three to five years.

The ability of an organization to be innovative with new digital technologies such as these seems to have a direct correlation with digital transformation maturity. When asked to rate their organization's ability to innovate, 59 percent of those with a formal digital transformation strategy already in place rated their organization as more capable and faster to innovate, with 18 percent feeling their organization was slow to innovate.

Barriers to a Successful Transformation

Digital transformations are never easy. Based on a combination of business and technical complexities, the study found three primary barriers to achieving success:

- Inflexible IT systems and the need for agility – 35 percent
- Organizational silos and the need to uncouple legacy practices – 33 percent
- Risk and security, including the need for assured data custody – 31 percent

Other significant barriers recognized by respondents were potential failure to secure sensitive data (30 percent); lack of available funding, capital or budget (30 percent); and challenges of getting multiple service providers/partners working together (27 percent).

The Growing Importance of Cloud

The study also confirmed the growing importance of **cloud services**. On a scale of 1 to 10, 80 percent of respondents ranked cloud's importance at 7 or above, and 20 percent gave it a 10. Additionally, enterprises with a mature digital transformation strategy ranked the importance of cloud services 15 percent higher than companies in the early stages of a transformation.

Choosing the Right Partner

Among the critical factors for digital transformation success is choosing the right partner, according to the study results. Forty-nine percent of respondents said their organizations are

using or expect to use an IT services (including telco services) partner in support of their digital transformation programs, and just under half (45 percent) use or plan to use a cloud-service provider. Additionally, 92 percent of companies surveyed stated a willingness to use a third-party transformation partner.

IT services and telecommunications service providers, in particular, are strongly preferred as partners, enabling and accelerating digital transformation programs for 52 percent of companies with a formal strategy.

To Download the Study
Commissioned by CenturyLink, **the study** was conducted by 451 Research during the first quarter of 2017, including interviews with more than 1,400 decision-makers at global enterprises of various sizes in North America, Europe and Asia Pacific.

About CenturyLink
CenturyLink (NYSE: CTL) is a global communications and IT services company focused on connecting its customers to the power of the digital world. CenturyLink offers network and data systems management, big data analytics, managed security services, hosting, cloud, and IT consulting services. The company provides broadband, voice, video, advanced data and managed network services over a robust 265,000-route-mile U.S. fiber network and a 360,000-route-mile international transport network. Visit **CenturyLink** for more information.

About 451 Research
451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, the company provides essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to over 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

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