DIRECTOR ADVISORY

INNOVATION OVERSIGHT

The Next Normal in Technology: A Cause for Optimism

By Carey L. Oven and Scott Buchholz

The capability of technology to radically transform work is playing out before our eyes. Many organizations flocked to digital solutions to help solve problems exacerbated by the pandemic, but COVID-19 was not the root cause. Instead, it was more like the last straw.

Savvy boards recognize the challenges of the past two years as an opportunity to engineer a new future. Some boards are more proactive than others in recognizing the challenges and opportunities related to technology and embracing the future. Customers demand more sophisticated, integrated digital-with-physical experiences. In this environment, humans are more important to their employers than ever, while technology is enabling enterprises to do more with less.

Tech Trends 2022, Deloitte's 13th annual report, relates the stories of pioneering enterprises that are automating, abstracting, and outsourcing business processes to increasingly powerful tools. Boards can consider how their companies are affected by trends identified in the report, with a focus on how they may influence oversight of strategy, performance, talent, and risk. Key trends include the following:

Data sharing simplified. Privacy-preserving data sharing is a reality. New business models and products are springing up around a newfound ability to share secured data within an ecosystem or value chain. As an example, clinical data on shared platforms accelerated the development of COVID-19 vaccines and treatments. A growing number of organizations are expected to consider opportunities to create seamless, secure data-sharing capabilities to help monetize their own information assets and leverage external data sources.

Industry-specific cloud. Clouds are emerging to converge and deploy applications and configurations that are common within industry verticals. Automation and abstraction of business processes are enabling the creation of industry-optimized platforms. For example, an automaker partnered with cloud vendors to develop cloud-based, connected application development services for the transportation industry, enabling automakers and application developers to forgo the time and expense of building their own connectivity.

Blockchain at scale. Maturing technologies, standards, and delivery models have eased early challenges of first-generation blockchain and distributed ledger technologies (DLTs). Where companies are saddled with expensive, inefficient processes for interacting and transacting with other organizations, the appeal of DLTs is growing. Uses are evolving in data privacy, third-party data sharing, grant funding, intercompany accounting, and supply chain transparency.

Automating information technology (IT). Recognizing how automated processes are relieving people of repetitive work and increasing efficiencies, IT leaders are automating their own back-office functions. Chief information officers are identifying opportunities in infrastructure, software components, security, and applications.

Artificial intelligence (AI) in cybersecurity. Enterprise attack surfaces, attack volume, and sophistication are increasing. AI can augment understaffed security teams with data and machine intelligence to hasten responses and anticipate emerging risks. AI's ability to adaptively learn and detect patterns can accelerate detection, containment, and response, allowing more proactivity. What's more, AI can help companies prepare themselves for eventual AI-driven attacks.

Smart devices and IT's growing remit. The explosion of smart devices is expanding IT's scope. Business-critical assets include smart factory equipment, automated robots, drones, and monitors. Boards may need to consider a fresh approach to oversight to help IT manage unfamiliar standards, regulators, and liability and ethics concerns.

The future is optimistic. Rapid innovation and disruption that fuel opportunity are poised to help companies prosper and thrive, and boards can have a role in enabling such a future. ⅅ

Carey L. Oven (left) is national managing partner, Center for Board Effectiveness, and chief talent officer, Risk & Financial Advisory at Deloitte & Touche. Scott Buchholz is emerging technology research director for Deloitte Consulting and chief technology officer of the Government & Public Services practice.