INNOVATION OVERSIGHT

The Top Emerging Technology Trends for 2021

By Janet Foutty and Bill Briggs

Most organizations have faced the need for large-scale transformation in the wake of uncertain economic and social conditions. While some companies have struggled to adapt, others have effectively altered their DNA to work in smarter ways and drive innovation. According to a recent Fortune/Deloitte CEO survey, the current environment has fast-tracked digital initiatives that were set to begin or already underway, with 85 percent of CEOs agreeing that the pandemic has significantly accelerated digital transformation—up from 77 percent in June 2020. If technology today is a source of competitive advantage for some organizations and a threat to ongoing survival for others, boards need to better understand the macro technological forces that form the backbone of innovation and transformation, and take a more active, strategic approach to influencing technology decisions for the long-term health of their organization. Here are a few of the issues boards should pay attention to in 2021 and beyond.

Strategy, engineered. Corporate executives need to determine whether technology choices align with the overall business strategy. At the same time, boards have a responsibility to challenge long-held views and influence management to think about a market environment that is different from the existing one. With the increasing complexity of known and unknown strategic drivers, not only are the strategies becoming more digitally focused, but the use of platforms based on analytics, automation, and artificial intelligence is digitizing the process of developing and executing strategies and monitoring outcomes. Boards need to consider this approach in maintaining a strategic view in support of management’s day-to-day challenges of running the organization. These tools can help support the continual scan of the horizon to anticipate emerging challenges and opportunities.

Future-ready foundations. There are a number of underpinnings to broader digital leadership that are critical, but not often understood or championed by the CEO and the board. An example of this is what we are calling “core revival.” In the current economic climate, helping your legacy core systems support the agility, innovation, and new modes of working that fuel digital potential—is more strategically important than ever, but the costs associated with traditional approaches such as cloud migrations and other core modernization strategies have given some organizations pause. This year, some chief information officers are exploring several innovative ways to redefine the core modernization business case. Boards need to listen for the creative approaches for funding modernization initiatives that go beyond mere improvements to the enterprise’s information technology plumbing. The focus needs to be on creating a lasting foundation for innovation and competitive advantage.

Tech for equity. Many organizations are embracing diversity, equity, and inclusion as business imperatives, and boards have been creating more holistic, organization-wide strategies to address inequities. Here, technology plays an important role in the designing, developing, and executing solutions to support the shifts that need to take place. We expect to see a reengineering of the way data is collected, managed, and analyzed to help identify areas that lack diversity and equity. With this will be a rise in the adoption of new tools that support the entire talent life cycle, from recruitment and advancement of a more diverse talent pool, to helping leaders build inclusive cultures. Deriving actionable insights from data to help create goals and measuring outcomes to hold leadership accountable will be where boards especially will play a meaningful role.

2021 is about resilience and applying the knowledge gleaned from a year shaped by the intersection of multiple crises that many of us have never faced before in our careers. If we learned anything, it’s that change can happen in an instant, and those with sound technology strategies are positioned well to build the resilience they need to thrive well into the future. However, it’s important not to make individual technologies the hero of the story. The real opportunity for boards is to harness the collective to shape new ambitions for their organizations.

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