From May 16 to June 4, 2018, a Deloitte survey of mid-market companies was conducted by OnResearch, a market research firm. The survey examined technology trends taking place in this market segment to determine the role that technology plays and how it influences business decisions.

The 500 survey respondents represented mid-market companies with annual revenues ranging from $100 million to a little over $1 billion. Half of the respondents were C-suite executives, while the remaining executives held other management roles. Eighty percent of the respondents represented companies that are privately held, while the remainder were publicly-traded firms. Thirty-three percent of the respondents were from consumer and industrial products companies; 24 percent represented technology, media and telecommunications companies; the remainder were divided among energy and resources, financial services, life sciences and health care, and other industries.

The report based on these survey findings, *Technology in the mid-market—Embracing disruption*, can be found on our website at www.deloitte.com/us/mid-market-technology.
Business environment

Over the past 12 months, my company's revenue growth has been:

- 31% or higher: 2.0%
- 21% - 30%: 12.4%
- 16% - 20%: 17.0%
- 11% - 15%: 24.8%
- 5% - 10%: 30.6%
- 1% - 4%: 10.2%
- 0%: 0.6%

My company's business outlook over the next 12 months appears to be:

- Highly optimistic: 42.4%
- Cautiously optimistic: 50.0%
- Neutral: 6.2%
- Pessimistic: 1.2%
- Highly pessimistic: 0.2%

- 2018
- 2017
- 2016
## Role and value of technology

**Which areas of your business do you think could experience job-related changes in the next 3-5 years due to digital disruption? Select all that apply.**

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>53.8%</td>
</tr>
<tr>
<td>Customer service</td>
<td>45.6%</td>
</tr>
<tr>
<td>Product development</td>
<td>41.4%</td>
</tr>
<tr>
<td>Marketing</td>
<td>40.6%</td>
</tr>
<tr>
<td>Sales</td>
<td>39.0%</td>
</tr>
<tr>
<td>Supply chain</td>
<td>34.4%</td>
</tr>
<tr>
<td>Human resources</td>
<td>32.2%</td>
</tr>
<tr>
<td>Finance</td>
<td>31.8%</td>
</tr>
<tr>
<td>Other</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**How would you describe the role of executive leadership in your organization with regard to digital disruption?**

- **They are leading the charge**
  - 2018: 34.2%
  - 2017: 26.6%
  - 2016: 31.0%

- **They are actively engaged**
  - 2018: 52.6%
  - 2017: 57.4%
  - 2016: 59.0%

- **They are passive, but willing to be engaged**
  - 2018: 10.4%
  - 2017: 12.8%
  - 2016: 7.4%

- **They are actively obstructing change**
  - 2018: 1.2%
  - 2017: 0.8%
  - 2016: 1.0%

- **Not applicable/don’t know**
  - 2018: 1.6%
  - 2017: 0.4%
  - 2016: 0.0%

**What do you expect will be the most significant impact of digital disruption on your organization in the next 12 months?**

- Increase worker productivity with technology: 57.8%
- Reduce operational cost: 54.8%
- Enable new ways to interact with customers: 50.0%
- Speed the pace of transactions and business interactions: 46.0%
- Help create new lines of services/business: 44.6%
- Improve business process alignment: 44.6%
Role and value of technology (cont.)

Which of the following focus areas have the most impact on your organization’s efforts to augment your workforce with technology?

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reskilling employees to realize the greatest benefit from new technology tools</td>
<td>61.0%</td>
</tr>
<tr>
<td>Redesigning jobs and tasks to make it easier for people and machines to work together</td>
<td>57.2%</td>
</tr>
<tr>
<td>Recruiting new talent</td>
<td>50.0%</td>
</tr>
<tr>
<td>Including skills related to robotics, artificial intelligence (AI), and cognitive analytics in competency requirements and performance assessments</td>
<td>42.2%</td>
</tr>
<tr>
<td>Use of crowdsourcing to address select business problems</td>
<td>30.6%</td>
</tr>
<tr>
<td>Redeploying employees replaced by robotics, AI and cognitive technologies</td>
<td>25.4%</td>
</tr>
<tr>
<td>Leveraging the “gig” economy (e.g., freelance or contract talent)</td>
<td>23.8%</td>
</tr>
<tr>
<td>Don’t know/not sure</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

How is your organization using the “gig” or freelance economy to meet strategic technology goals? Select all that apply.

<table>
<thead>
<tr>
<th>Use</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has allowed us to become more agile in product/service development</td>
<td>62.2%</td>
</tr>
<tr>
<td>It has allowed us to engage with a more diverse pool of workers</td>
<td>51.3%</td>
</tr>
<tr>
<td>It has allowed us to develop entire new lines of business</td>
<td>50.4%</td>
</tr>
<tr>
<td>We have been able to enter new geographic markets</td>
<td>42.0%</td>
</tr>
<tr>
<td>We do not engage “gig” workers (freelance or contract talent)</td>
<td>7.6%</td>
</tr>
<tr>
<td>Other</td>
<td>0.8%</td>
</tr>
<tr>
<td>Don’t know/Not sure</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Which of the following strategies is your organization exploring in order to harness the best of future workers from the new generation and sustain performance over time? Select all that apply.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing new talent strategies to attract, recruit and retain an inclusive workforce</td>
<td>63.6%</td>
</tr>
<tr>
<td>Enhancing learning and development — experiential format using case studies, simulation and experiential learning, gamification technologies and cognitive skills</td>
<td>57.6%</td>
</tr>
<tr>
<td>Increasing focus on flexibility and well-being programs</td>
<td>55.2%</td>
</tr>
<tr>
<td>Driving a culture of open and transparent communication with leadership</td>
<td>52.2%</td>
</tr>
<tr>
<td>Internal crowdsourcing, focus on job rotations, global mobility and diverse experiences</td>
<td>30.8%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6%</td>
</tr>
<tr>
<td>Not applicable/Don’t know</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Who leads the adoption of new and emerging technologies within your company?

<table>
<thead>
<tr>
<th>Leader</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business leaders (CEO, CFO, COO, business unit leaders, supporting functions)</td>
<td>23.8%</td>
</tr>
<tr>
<td>IT leaders (CTO, CIO, IT department leaders)</td>
<td>39.8%</td>
</tr>
<tr>
<td>Both business and IT leaders</td>
<td>36.0%</td>
</tr>
<tr>
<td>Other</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

How has your company’s deployment of emerging technologies impacted your hiring efforts and talent needs?

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company plans to hire more people than we did before implementing new technologies</td>
<td>46.4%</td>
</tr>
<tr>
<td>Our company’s hiring needs have not changed</td>
<td>27.8%</td>
</tr>
<tr>
<td>Our company is looking for fewer people, with a focus on specific technical skillsets</td>
<td>25.8%</td>
</tr>
</tbody>
</table>

What is the biggest IT challenge faced by your organization? Select only one.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information security</td>
<td>23.8%</td>
</tr>
<tr>
<td>Keeping up with the pace of technology change</td>
<td>20.2%</td>
</tr>
<tr>
<td>Technical complexity (e.g., integrating with legacy systems)</td>
<td>16.4%</td>
</tr>
<tr>
<td>Overall cost to implement new technologies</td>
<td>14.4%</td>
</tr>
<tr>
<td>Too many competing priorities</td>
<td>9.8%</td>
</tr>
<tr>
<td>Not having the right talent or skill set</td>
<td>7.6%</td>
</tr>
<tr>
<td>Lack of an overall IT strategy</td>
<td>7.2%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
Role and value of technology (cont.)

What will be your organization’s top three technology priorities for the next 12 months? Select up to three.

Managing cyber-security and information security risk 38.0%
Business innovation — developing new products and services 30.8%
Reducing IT costs and simplifying IT architecture 28.6%
Modernizing and transforming legacy systems 26.8%
Using analytics and cognitive technologies to anticipate business trends and predict outcomes 25.8%
Aligning business processes to capitalize on technology-enabled opportunities 25.4%
Moving toward a cloud-first architecture 24.2%
Adjusting/redesigning current IT organization operating model 24.0%
Acquisition of talent required to support emerging technologies 20.8%
Implementing augmented, mixed or virtual reality 13.4%
Implementing robotic process automation 11.8%
Evaluating blockchain applicability 10.4%
Other 0.2%

Given the rapid pace of change in technology architecture, which IT investment has the potential to produce the greatest benefit for your company? Select one.

Using analytics to anticipate business trends and/or predict business outcomes 13.2%
Managing cyber-security and information security risk 12.8%
Reducing IT costs and simplifying IT architecture 11.6%
Business innovation — developing new products and services 11.4%
Modernizing and transforming legacy systems 11.0%
Aligning business processes to capitalize on technology-enabled opportunities 8.8%
Moving toward a cloud-first (or cloud-only) architecture 8.4%
Acquisition of talent required to support emerging technologies 6.6%
Adjusting/redesigning current IT organization operating model 6.0%
Implementing robotic process automation 4.6%
Implementing augmented, mixed or virtual reality 3.4%
Evaluating blockchain applicability 2.2%

How has the passage of US tax reform legislation shifted your organization’s technology priorities? Select all that apply.

We are expanding investments in emerging technologies 42.0%
We have made new hires/intend to hire new talent to expand our digital capabilities 37.4%
We are considering strategic, technology-focused acquisitions 35.8%
We are considering the relocation of off-shored IT and R&D operations back to the United States to take advantage of lower tax rates 23.0%
We are anticipating/considering acquisition offers from foreign buyers 19.6%
We do not plan significant operational changes based on the passage of tax reform legislation 17.4%
Other 0.2%
Don’t know/Not sure 4.4%
## IT governance and oversight

**How would you describe the current state of IT governance within your organization?**

<table>
<thead>
<tr>
<th>State Description</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature with established processes</td>
<td>23.0%</td>
<td>21.4%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Building and developing IT governance and processes and structures</td>
<td>42.4%</td>
<td>46.2%</td>
<td>51.2%</td>
</tr>
<tr>
<td>Investigating IT process and improvement, but no formal governance in place</td>
<td>22.2%</td>
<td>24.0%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Little to no formal IT processes, structures, or awareness</td>
<td>10.8%</td>
<td>8.4%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Why do you think your company has little or no formal IT governance processes in place?**

- Lack of resources to build and develop IT governance processes and structures: 26.1%
- Cost: 21.2%
- Lack of understanding of the importance of IT governance within the C-suite: 18.8%
- Too many competing priorities: 17.6%
- Lack of senior leadership support: 16.4%

**What areas of IT management oversight and governance are most relevant to your organization?**

- Cybersecurity risk and governance being led by the board of directors: 52.0%
- IT governance processes and principles: 50.2%
- Understanding data management privacy protocols: 45.0%
- Increased awareness of ethical obligations toward customer data: 43.0%
- Organizational understanding: 40.8%
- Determining accountability: 36.0%
- Incident response protocols: 31.0%
Technology spend

### What is your company's current “spend” on technology?

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>We do not currently have a separate, identifiable spend</td>
<td>9.6%</td>
<td>5.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Our spend is negligible (&lt; 1% of revenue)</td>
<td>10.8%</td>
<td>9.2%</td>
<td>17.0%</td>
</tr>
<tr>
<td>We spend between 1-5% of revenue on technology</td>
<td>43.2%</td>
<td>48.0%</td>
<td>47.8%</td>
</tr>
<tr>
<td>Our spend is above 5% of revenue</td>
<td>32.0%</td>
<td>34.0%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Don't know</td>
<td>4.4%</td>
<td>4.6%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

### Compared to last year, my company's current level of technology spend is:

<table>
<thead>
<tr>
<th>Change in Spend</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significantly higher</td>
<td>16.7%</td>
<td>11.50%</td>
<td>19.40%</td>
</tr>
<tr>
<td>Higher</td>
<td>56.7%</td>
<td>58.40%</td>
<td>54.10%</td>
</tr>
<tr>
<td>About the same</td>
<td>25.3%</td>
<td>28.60%</td>
<td>24.70%</td>
</tr>
<tr>
<td>Lower</td>
<td>0.7%</td>
<td>1.50%</td>
<td>1.50%</td>
</tr>
<tr>
<td>Significantly lower</td>
<td>0.5%</td>
<td>0.00%</td>
<td>0.20%</td>
</tr>
</tbody>
</table>

### What areas were the focus of your company's information technology budget spend in the past 12 months? Select all that apply.

- Educating employees about risks and adhering to security protocols: 64.2% (2018), 51.0% (2017), 53.3% (2016)
- Threat prevention (monitoring/detection): 63.7% (2018), 54.1% (2017), 53.5% (2016)
- Investing in advanced security hardware to mitigate security risks: 63.5% (2018), 55.1% (2017), 46.2% (2016)
- Investing in software to mitigate security risks: 5.6% (2018), 52.0% (2017), 51.4% (2016)
- Hiring or contracting with cybersecurity specialists to address security risk: 19.9% (2018), 12.6% (2017)
- Implementation of new information security processes: 60.5% (2018), 61.2% (2017)

*Response not offered in 2018.
Technology trends

Which of the following technology-related trends will have the most significant impact on your business in the next 12 months? (Top ranked responses shown.)

- Augmented reality (technology overlay of real environment) 13.6%
- Blockchain 14.4%
- Cloud applications 26.6%
- Cloud integration (cloud-to-cloud package integration) 22.8%
- Cognitive computing (including artificial and machine intelligence) 19.4%
- Information security 41.0%
- Internet of Things (IoT) 18.8%
- Legacy system modernization 20.6%
- Machine intelligence 17.0%
- Mobility 18.4%
- Predictive analytics 28.0%
- Robotic process automation 14.6%
- Social media 20.4%
- Virtual reality (pure simulation) 12.0%
- Wearables 8.4%

Which of the following technology-related trends currently have the most significant impact on your workforce? (Top ranked responses shown.)

- Augmented reality (technology overlay of real environment) 12.4%
- Blockchain 11.8%
- Cloud applications 25.4%
- Cloud integration (cloud-to-cloud package integration) 22.0%
- Cognitive computing (including artificial and machine intelligence) 16.8%
- Information security 43.2%
- Internet of Things (IoT) 16.4%
- Legacy system modernization 23.0%
- Machine intelligence 16.8%
- Mobility 24.4%
- Predictive analytics 24.4%
- Robotic process automation 15.0%
- Social media 23.8%
- Virtual reality (pure simulation) 10.8%
- Wearables 10.0%

Which of the following technology-related trends currently have the most significant impact on your customers? (Top ranked responses shown.)

- Augmented reality (technology overlay of real environment) 14.8%
- Blockchain 9.4%
- Cloud applications 28.4%
- Cloud integration (cloud-to-cloud package integration) 22.2%
- Cognitive computing (including artificial and machine intelligence) 15.2%
- Information security 40.8%
- Internet of Things (IoT) 19.8%
- Legacy system modernization 16.2%
- Machine intelligence 14.4%
- Mobility 26.8%
- Predictive analytics 21.2%
- Robotic process automation 12.0%
- Social media 29.2%
- Virtual reality (pure simulation) 10.6%
- Wearables 12.4%
Technology in the mid-market—Embracing disruption

Technology trends (cont.)

What type of device or sensor-aware products is your company deploying that can be linked to the “Internet of Things?”

<table>
<thead>
<tr>
<th>Device Type</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial devices (e.g., HVAC, environment sensors, chemical sensors, smart metering, logistics or supply chain tracking)</td>
<td>41.2%</td>
<td></td>
</tr>
<tr>
<td>Machine intelligence sensors (products that provide cognitive contextual monitoring and self-aware data capture)</td>
<td>34.4%</td>
<td></td>
</tr>
<tr>
<td>Wearable devices provided to employees for work or health tracking (e.g., health/activity sensors, trackers, or security devices like body cams, etc.)</td>
<td>34.4%</td>
<td></td>
</tr>
<tr>
<td>Business automation devices</td>
<td>33.8%</td>
<td></td>
</tr>
<tr>
<td>Connected medical devices (e.g., remote sharing of medical data for diagnostics, operational data for preventive automation)</td>
<td>30.8%</td>
<td></td>
</tr>
<tr>
<td>Smart traffic management through connected vehicles or self-driving (autonomous) cars</td>
<td>26.8%</td>
<td></td>
</tr>
<tr>
<td>No action planned — not relevant to our business strategy</td>
<td>11.4%</td>
<td></td>
</tr>
</tbody>
</table>

Which term most closely describes your organization’s current use of mixed reality (augmented or virtual reality combined with IoT)?

<table>
<thead>
<tr>
<th>Deployment Phase</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature — successful deployments in production</td>
<td>17.4%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Building — in the deployment phase of an AR/VR solution</td>
<td>24.4%</td>
<td>33.2%</td>
</tr>
<tr>
<td>Experimenting — pilot projects started or being planned in AR/VR</td>
<td>20.0%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Investigating — interested in the potential opportunities augmented or virtual reality offers</td>
<td>17.4%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Waiting — no action taken yet</td>
<td>10.4%</td>
<td>9.4%</td>
</tr>
<tr>
<td>No action planned — not relevant to our business strategy</td>
<td>10.4%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

How is your company using mixed reality to support its business goals?

<table>
<thead>
<tr>
<th>Use Case</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee training, education, and learning (e.g., working remotely, virtual meetings, recruiting, learning)</td>
<td>46.0%</td>
<td>52.8%</td>
</tr>
<tr>
<td>Marketing and customer service (e.g., virtual demos, tours, product displays, virtual design walk-through)</td>
<td>43.6%</td>
<td>44.3%</td>
</tr>
<tr>
<td>Operations (e.g., field technicians, warehouse workers using IoT-enabled apps tailored to their unique tasks, advanced machine operation)</td>
<td>52.2%</td>
<td>42.4%</td>
</tr>
<tr>
<td>Communication and collaboration (e.g., virtual meetings, simulated training environments)</td>
<td>46.3%</td>
<td>41.1%</td>
</tr>
<tr>
<td>Engineering and design modelling (for products, machinery or construction site plans)</td>
<td>39.5%</td>
<td></td>
</tr>
<tr>
<td>Data visualization allowing multiple individuals to coordinate and plan effectively*</td>
<td>37.9%</td>
<td></td>
</tr>
</tbody>
</table>

Technology in the mid-market—Embracing disruption

Technology trends (cont.)

Which of the following results do you think is most important for finance to achieve via digital technologies?

- Improved efficiency: 28.6%
- Cost savings: 22.2%
- Information transparency/accessibility: 15.6%
- Massive data management capacity: 12.2%
- Automated real-time cognitive insights: 11.4%
- Enhanced digital trust: 8.6%
- Other: 0.2%
- Don't know/Not sure: 1.2%

How is your company using machine intelligence? Select all that apply.

- Automating the analysis of data to anticipate business outcomes: 56.7%
- Using computers to read and encode human communication for data processing: 40.7%
- Natural language engines to interpret spoken words to accelerate processing: 31.3%
- Robotic process automation to mimic human behaviors or tasks: 30.0%
- Other: 0.4%
- We are not currently using machine intelligence: 9.6%
- Don't know/not: 0.9%

Which one of the following machine intelligence approaches could be most beneficial in your organization in the next 12-24 months?

- Cognitive insights: 40.2% (2018), 43.2% (2017)
- Cognitive engagement: 31.4% (2018), 32.8% (2017)
- Cognitive automation: 19.8% (2018), 17.8% (2017)

We don't anticipate using cognitive machine intelligence in the next 24 months

- 8.6% (2018), 6.2% (2017)
Technology trends (cont.)

Which of the following are the focus areas for your organization as it relates to robotic process automation (RPA)? Select all that apply.

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High volume, labor intensive, redundant document processing tasks</td>
<td>67.2%</td>
</tr>
<tr>
<td>Streamlining/automation of contracts</td>
<td>46.7%</td>
</tr>
<tr>
<td>Diagnostics and error collection</td>
<td>44.0%</td>
</tr>
<tr>
<td>Aggregation/entry of disparate data</td>
<td>40.9%</td>
</tr>
<tr>
<td>Other</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

What do you consider to be your top three challenges in using cloud-based services? (Top ranked responses shown.)

- Information security: 25.0%
- Managing data privacy: 18.0%
- Ensuring data integrity: 12.4%
- Complexity of integration with core systems: 10.6%
- Lack of IT talent with appropriate skill sets: 9.8%
- Cloud-to-cloud application integration: 9.8%
- Business partner integration: 7.4%
- Lack of maturity of cloud vendor solution: 6.4%
Cyber and information security

What are the data privacy and security risk issues of concern to your company? Select all that apply.

- Employee-introduced risk compromising data or infrastructure
  - 2018: 55.2%
  - 2017: 48.0%
  - 2016: 46.8%

- Targeted attacks (by cyber criminals, phishing, "hacktivism," organized crime, foreign nation threats)
  - Internal access controls
    - 2018: 38.2%
    - 2017: 30.4%
    - 2016: 35.4%
  - Integration with external systems (business partners, customers)
    - 2018: 34.2%
    - 2017: 39.2%
    - 2016: 40.0%
  - Leveraging external cloud hosting providers (e.g., Amazon, MS, Google)
    - 2018: 34.0%
    - 2017: 26.4%
    - 2016: *Response not offered in 2016.*

- Migration to cloud
  - 2018: 30.6%
  - 2017: 40.8%
  - 2016: 41.6%

- Mobility
  - 2018: 30.2%
  - 2017: 30.2%
  - 2016: 36.8%

- Cloud-to-cloud vendor package integration
  - 2018: 24.6%
  - 2017: 28.0%
  - 2016: *Response not offered in 2016.*

How does your company mitigate information security risks? Select all that apply.

- We provide education and training on information security risk and data protection matters
  - 2018: 58.0%
  - 2017: 48.8%
  - 2016: 46.8%

- We encrypt sensitive information
  - 2018: 56.6%
  - 2017: 53.4%
  - 2016: 57.8%

- We have a plan in place to manage internal information security threats
  - 2018: 49.4%
  - 2017: 51.0%

- We have governance structures and procedures in place concerning information security threats
  - 2018: 48.4%
  - 2017: 44.2%
  - 2016: 43.6%

- We have a plan in place to manage external information security threats
  - 2018: 46.6%
  - 2017: 50.8%

- We share threat information with law enforcement and industry peers to avoid risk isolation
  - 2018: 32.8%
  - 2017: 30.2%

- We do not currently have plans in place to mitigate information security risks
  - 2018: 1.4%
  - 2017: 0.0%
  - 2016: 1.0%
Blockchain

Which response best describes your organization’s plans to use blockchain? Select all that apply.

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storing and securing digital records (providing control of both data and assets)</td>
<td>47.0%</td>
</tr>
<tr>
<td>We are evaluating blockchain and expect to implement at some level</td>
<td>44.6%</td>
</tr>
<tr>
<td>Executing smart contracts (automates contracts and compliance streamlining business processes)</td>
<td>33.6%</td>
</tr>
<tr>
<td>Exchanging digital assets (transferring ownership without banks or payment processors)</td>
<td>28.6%</td>
</tr>
<tr>
<td>We are not planning to use blockchain technologies</td>
<td>12.0%</td>
</tr>
<tr>
<td>Other</td>
<td>0.2%</td>
</tr>
<tr>
<td>Don’t know/not sure</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

As blockchain adoption increases, which of the following best describes the biggest challenge that your company has been facing in the implementation of blockchain? Select only one.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Readiness of IT to work across enterprise to build proof of concepts that deliver business value</td>
<td>24.6%</td>
</tr>
<tr>
<td>Maturity of software platforms</td>
<td>20.9%</td>
</tr>
<tr>
<td>Lack of a clear implementation roadmap</td>
<td>15.7%</td>
</tr>
<tr>
<td>Lack of specialized skillset</td>
<td>11.9%</td>
</tr>
<tr>
<td>Immature vendor market for blockchain-based solutions</td>
<td>11.9%</td>
</tr>
<tr>
<td>Lack of overarching technical standards for blockchain</td>
<td>11.4%</td>
</tr>
<tr>
<td>No immediate applicable use for our business</td>
<td>3.5%</td>
</tr>
</tbody>
</table>
Analytics

Which business areas in your organization are benefitting from the power of cognitive or predictive analytics? Select all that apply.

- Sales/customer management
  - 2018: 58.4%
  - 2017: 58.0%
  - 2016: 57.9%

- Marketing
  - 2018: 48.4%
  - 2017: 46.0%
  - 2016: 43.9%

- Manufacturing
  - 2018: 35.4%
  - 2017: 41.8%
  - 2016: 40.9%

- Finance/tax
  - 2018: 32.0%
  - 2017: 31.4%
  - 2016: 38.8%

- Human resources
  - 2018: 27.2%
  - 2017: 31.4%
  - 2016: 35.7%

- Other
  - 2018: 2.2%
  - 2017: 2.4%
  - 2016: 1.6%

Within Human Resources, which are the areas where your company leverages data analytics? Select all that apply.

- Performance and productivity
  - 2018: 57.3%
  - 2017: 66.2%
  *Response not offered in 2016.

- Talent sourcing and acquisition
  - 2018: 55.9%
  - 2017: 43.9%
  - 2016: 59.2%

- Talent retention and attrition prediction
  - 2018: 50.7%
  - 2017: 54.0%
  - 2016: 50.7%

  *Response not offered in 2016.

- Leadership talent recognition
  - 2018: 50.7%
  - 2017: 50.7%
  - 2016: 39.5%

- Compensation and benefits
  - 2018: 49.3%
  - 2017: 49.0%
  - 2016: 59.8%

- Workforce planning
  - 2018: 48.5%
  - 2017: 52.9%
  - 2016: 62.6%
Social media

Which of the following is most important to your company with regard to the use of social platforms for your customer interactions?

Attracting new customers and connecting with existing customers via influencer marketing* 29.8% 2018
  48.2% 2017

Greater customer intimacy (e.g., sales responsiveness, connectivity) 19.0% 2018
  34.2% 2017

Monitoring and addressing consumer feedback around product experience 16.0% 2018
  24.6% 2017

Monitoring and addressing consumer feedback around brand 11.0% 2018
  22.4% 2017

Delivery and reinforcement of marketing messages 14.2% 2018
  18.6% 2017

Communicating company values* 10.0% 2018

How does your organization manage its social media reputation? Select all that apply.

We have teams that monitor messages about our brand (e.g., online mentions on social platforms, tracking social shares) 44.6% 2018
  48.2% 2017

We have defined codes of conduct and governance policies for social platforms* 39.0% 2018

We engage internally through surveys, polls, contests, etc. 32.6% 2018
  37.8% 2017

We engage externally through surveys, polls, contests, etc. 31.2% 2018
  33.0% 2017

We evaluate online mentions on a case-by-case basis, but don't have a defined strategy 27.0% 2018
  34.4% 2017

We use customizable chatbots (customer support, buying process, analytics)* 21.8% 2018

We use other automated tools (listening tools) to monitor messages about our brand 21.0% 2018
  33.6% 2017

We do not have a dedicated team that manages our social strategy 4.2% 2018
  15.8% 2017

2018
  2017
## Survey respondent demographics

### What was your company’s 2018 annual revenue in U.S. dollars?

- $100 million — $249.99 million
  - 22.4%
- $250 million — $499.99 million
  - 22.6%
- $500 million — $749.99 million
  - 22.6%
- $750 million — $1 billion
  - 22.4%
- More than $1 billion
  - 10.0%

### Which of the following best describes your title?

- Owner/partner
  - 10.8%
- CEO
  - 16.2%
- President
  - 1.8%
- CFO
  - 1.2%
- Chief Information Officer
  - 8.2%
- Chief Innovation Officer
  - 1.0%
- COO
  - 1.2%
- Chief Technology Officer
  - 7.4%
- Chief Marketing Officer
  - 0.8%
- Chief Human Resources Officer
  - 0.6%
- Other C-level
  - 0.8%
- Senior vice president/vice president
  - 4.2%
- Head of business unit
  - 2.4%
- Head of department
  - 10.8%
- Controller
  - 0.6%
- Senior director/director
  - 9.8%

### Approximately how many full-time staff are employed by your business?

- Fewer than 100
  - 3.2%
- 100-499
  - 12.4%
- 500-999
  - 22.2%
- 1,000-2,999
  - 29.8%
- 3,000 or more
  - 32.4%

### In which sector does your company operate?

- Consumer & Industrial Products
  - 32.8%
- Energy & Resources
  - 5.8%
- Financial Services
  - 19.6%
- Life Sciences & Health Care
  - 9.8%
- Technology, Media & Telecom
  - 23.6%
- Other
  - 8.4%
Survey respondent demographics (cont.)

Which of the following describes your level of knowledge regarding your organization’s information technology?
- I am very knowledgeable about our information technology: 75.0%
- I am somewhat knowledgeable: 25.0%

Is your company private or public?
- Private: 80.0%
- Public: 20.0%

If private, which category best describes your company?
- Family-owned: 27.8%
- Closely held (including partnership/employee owned, excluding family-owned): 28.3%
- Private equity owned: 43.0%
- Other: 1.0%

In which state is your company’s headquarters located?
(Number of respondents shown.)

(Map showing state locations with numbers of respondents.)
Deloitte Private Perspectives
This report is just one example of Deloitte research on topics of interest to mid-market companies, including private enterprises. Deloitte Private Perspectives is a multifaceted program that utilizes live events, signature reports, research publications, webcasts, newsletters, and other vehicles to deliver tailored and relevant insights in an integrated fashion.

Please visit our Deloitte Private website (http://www.deloitte.com/us/deloitte-private/solutions/deloitte-private-company-services.html) to view additional material on issues facing mid-market companies, including private enterprises.

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