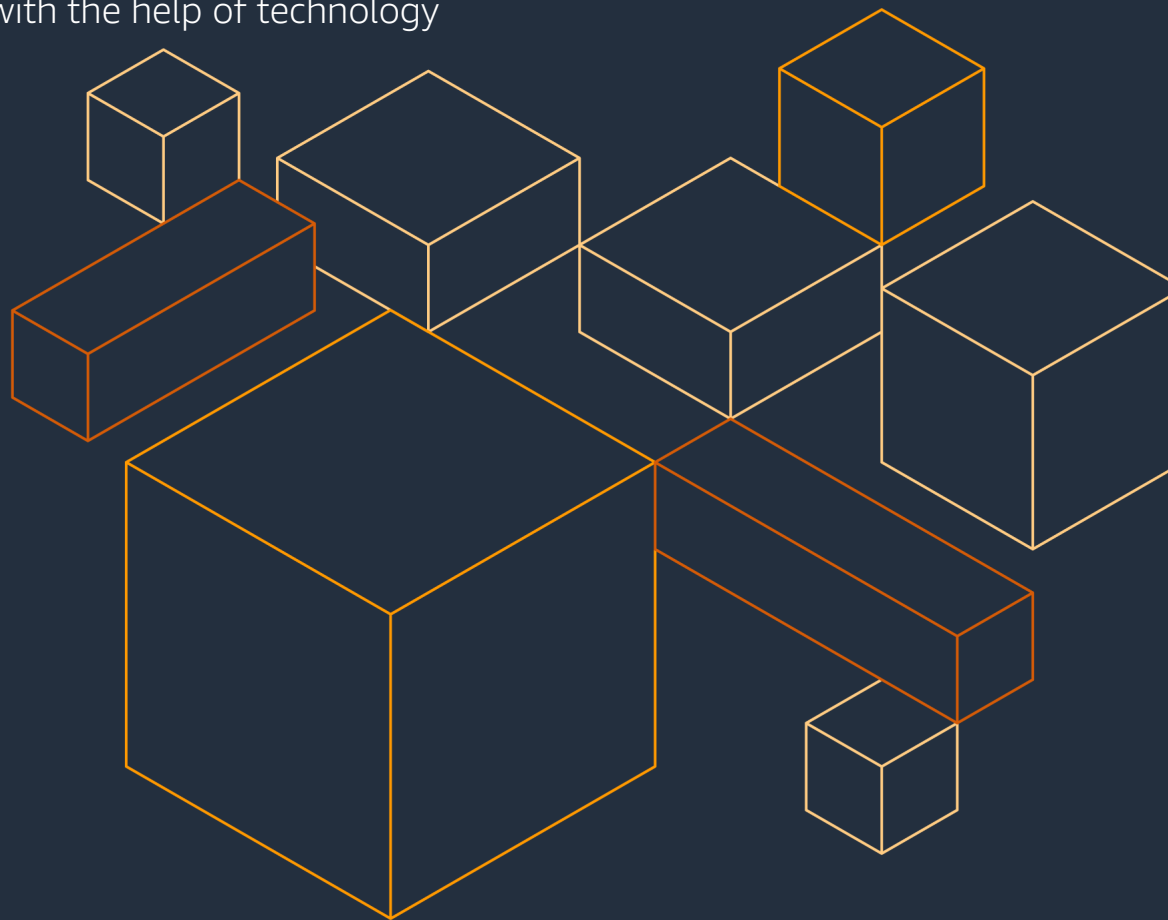




Germany in Focus: Reinventing Without a Roadmap

How German enterprises have managed to keep reinventing during the pandemic with the help of technology



We¹ heard from 10,000 senior business and IT decision makers in enterprises across five countries, including 2,000 from Germany. Our goal was to understand how they managed to keep reinventing their businesses during the COVID-19 pandemic without a roadmap for what was going to happen next and to get insights into how they expect their organisations to build on that experience and keep growing in the post-pandemic environment.

A new breed of enterprise has emerged out of the pandemic – more confident about responding to change and with a more agile, secure, resilient, and customer-centric approach. These organisations have a sense of confidence and optimism about the future.

- The COVID-19 pandemic created a sudden wave of internal and external challenges for organisations in Germany. 92% of decision makers encountered challenges around business transformation. While 89% faced difficulties meeting new customer demands, 79% encountered challenges managing their employee experience.
- Having been forced into sudden upheaval by the pandemic, Germany's enterprises have woken up to their ability to pivot and handle change. 58% of business decision makers are confident their organisation is now agile and can easily change or adapt to suit market or societal shifts. 40% said that cloud computing has helped improve overall corporate IT security measures.
- German business leaders believe that their organisations have learned lessons from the pandemic that will stay with them, such as the importance of more agile working practices (57%), better collaboration (55%) and getting closer to customers (55%).
- They have a positive outlook for the year ahead. Almost nine in ten (87%) expect their business to grow in the next year, on average predicting a rise in revenue of 20.8%.
 - This optimism does vary by sector, with business decision makers in healthcare organisations predicting revenue growth of 30% and telecoms 23.6% growth. German manufacturing companies' expectations while lower, still predict a growth of 9.4%
- Enterprises are now actively focusing their digital transformation initiatives on improving productivity and collaboration (46%), enhancing the customer experience (44%) and helping upskill their employees (43%).

This new breed of enterprises has been powered by a dramatic shift to the cloud during the pandemic, which has accelerated planned digital transformation programmes and given businesses vital agility and the ability to innovate.

- 52% of German business decision makers said that they changed their business model significantly because of the pandemic and 92% made some adjustments to it.
- By deploying cloud technologies, 59% of decision makers found that they could pivot services and innovate quickly, 59% said they could scale operations to meet changes in demand and 55% reduced infrastructure costs - with financial services (66%) and healthcare (63%) particularly benefiting. 57% of business decision makers said that their business depends on cloud.

- Nearly two-thirds (61%) of decision makers said their organisations deployed new cloud services and tools during the pandemic, while 41% say they used cloud for the first time.
 - Over half of German business decision makers in financial services (54%) and pharmaceutical businesses (57%) say they used cloud for the first time during the pandemic, while a third (31%) of retailers did.
- Remarkably, digital transformation initiatives were brought forward by an average of two years and seven months.
 - In the German manufacturing sector, organisations accelerated their initiatives by two years and two months, whereas in financial services they accelerated by two years and nine months and in telecoms by two years and ten months.

There's no going back – with a more agile mindset at play among many enterprises, those who don't embrace sustained reinvention and focus on innovation risk being left behind.

- There's a reinvention dividend for enterprises who've experimented and learnt during the COVID-19 pandemic.
- They are now more resilient and better placed to keep flourishing in the new competitive landscape. 64% of business decision makers have a clear strategy to seize opportunities and 51% agree they will need to adjust their business model again once current pandemic-related restrictions have been lifted.
- Cloud is firmly at the heart of the way forward for many enterprises. 55% of business decision makers intend to adopt technologies like cloud computing post pandemic and 58% say their business depends on cloud.
- Many still need to urgently address internal challenges and shift mindsets to thrive in this new business era. 47% of business decision makers still lack an understanding of how to link business problems to technical solutions, 48% say employees are resistant to change, and 42% said a lack of skills will hold them back.

¹Amazon Web Services commissioned Coleman Parkes to conduct an online survey with 10,000 IT and business decision-makers from enterprises with more than 250 employees in France, Germany, Israel, Spain, and the UK. The survey, which took place in April and May 2021, gathered feedback from C-level, Heads of Departments, and Directors operating across financial services, retail, healthcare and life sciences, manufacturing and automotive, telecommunications, and media and entertainment.