IDC PERSPECTIVE

The Critical Importance of Connectivity in Delivering Experience-Orchestrated Applications

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Connectivity and the Experience-Orchestrated Business

To compete in an "AI everywhere" world, digital businesses must orchestrate a meaningful value exchange between internal and external stakeholders. Today, only one-fifth of enterprises consider their business to be extensively connected, despite 75% indicating that they have digital customer engagement models in place. Creating a connected fabric of networks, applications, and services is now more important than ever to being able to deliver intelligent business value and outcomes.

Key Takeaways

- Improving employee experience/productivity has been a top business outcome of connectivity transformation; however, that has been supplanted by customer experience as a key factor that allows enterprise to differentiate, reduce churn, and grow revenue.
- Connectedness creates the ideological and technology basis for the enterprise's experience-oriented approach, regardless of vertical industry and employee or customer interaction.
- Resilient networks, cloud connectivity, and unified communications are the top connectivity-related priorities, all of which are key enablers of the experience-orchestrated (X-O) business.
- As organizations embrace AI to drive innovation, connectivity programs will embrace multicloud networking, cloud connectivity services, unified communications, 5G, and virtual network services to keep increased data volumes moving.

Recommended Actions

- Build an understanding of data value and the impact that automation and AI will have on data growth across the organization, and track what data is attributable to drive business outcomes at scale.
- Identify existing data and connectivity silos that will impede the seamless flow of data and create impediments to business flexibility, scale and, ultimately, the experience.
- Choose the right mix of connectivity and integration providers that bring both professional and managed services along with automated tools together to design the framework that can effectively orchestrate and deliver the end-user experience.
- AI impact will only increase; thus an ongoing review of network capacity and connectivity requirements should be prioritized to ensure reliable data flows inside and outside the organization.
- Use performance monitoring insights to optimize X-O applications.
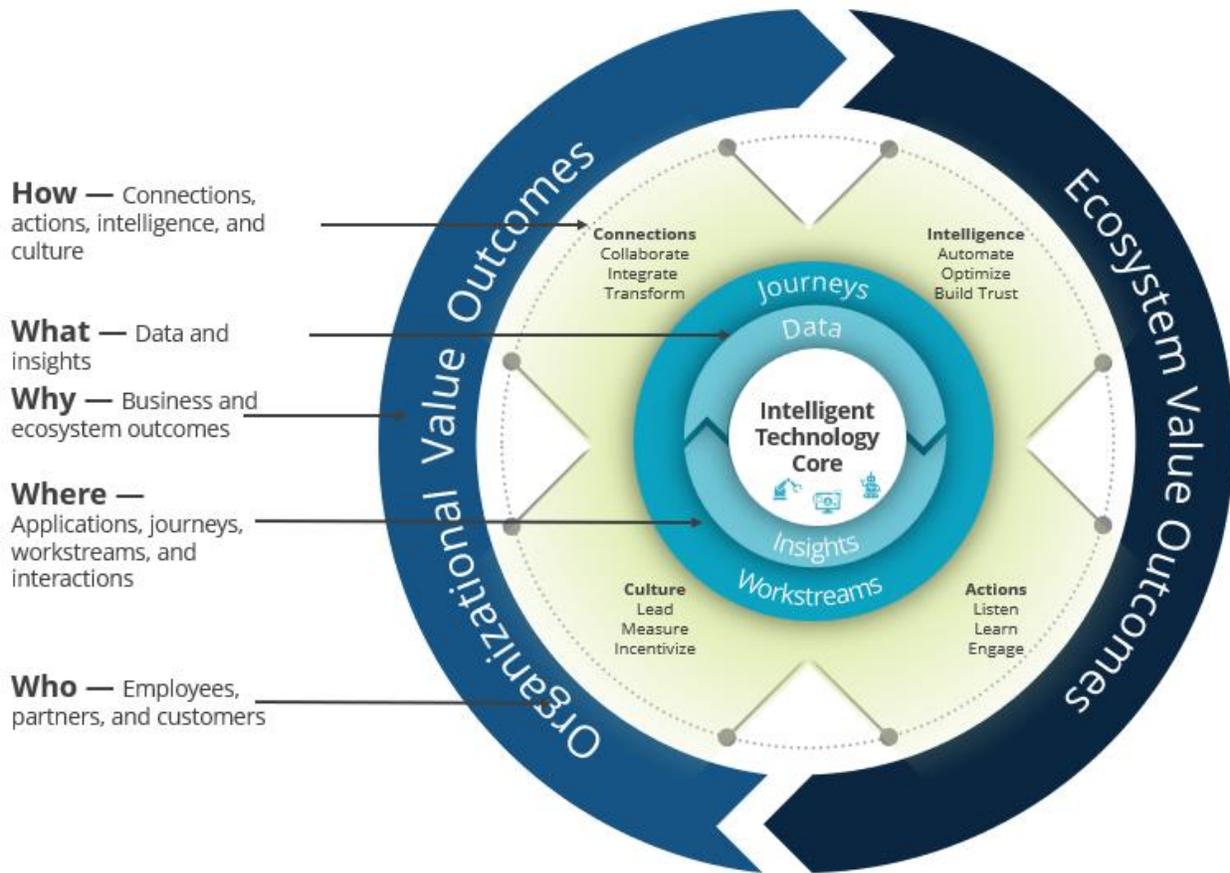
Source: IDC, 2024

SITUATION OVERVIEW

Enterprises have become dependent on the effective movement of data to compete effectively across physical and digital channels and to connect both internally and externally. In fact, keeping data in motion has long been an underlying priority for the enterprise – critical to making the right decisions at the right time to drive revenue, experiences, and outcomes. Today, keeping data in motion is at the core of delivering impactful customer experiences (CXs) and employee experiences (EXs). For many organizations, customer experience has become an increasingly complex process that requires working backward to create the appropriate technology footprint to ensure that it actually works. This also comes at a time when organizations need a comprehensive connectivity strategy to ensure people, processes, and applications are all interconnected themselves. Whether it's a customer showing initial interest in a product or service or a customer service interaction that is escalated to a top-tier response level by a CSR, the connected journey is only as effective as the current real-time value of the data that is used to make the right decisions.

To compete in an "AI everywhere" world, digital businesses must orchestrate a meaningful value exchange between internal and external stakeholders. Data is vital to intelligent applications embedded in daily operations and decision-making. Insights help align actions with desired outcomes and ensure that investments deliver the desired results for the experience-orchestrated (X-O) business. Using AI-enabled technology to optimize journeys and automate workstream tasks, organizations can break down organizational silos and foster connectedness across ecosystems. The framework in Figure 2 provides IDC's Experience-Orchestrated Business Framework, with digital business principles that apply data and insights across journeys and workstreams to derive shared value from connected, intelligent, and actional experiences.

FIGURE 2

IDC's Experience-Orchestrated Business Framework

Source: IDC, 2024

The most forward-thinking companies recognize that the customer experience is directly impacted by the agility, alignment, and anticipation that employees bring to interactions with customers. This requires seamless voice routing and intelligent use of automated bots and human intervention, access to real time data about current and past customer interactions, and visibility into network, technology product or services issues. However, only one-fifth of enterprises consider their digital customer engagement models to be extensively connected today, despite 75% of enterprises indicating that they have digital customer engagement models in place.

Over the past few years, IDC enterprise surveys have shown that employee experience and productivity have been top business priorities; however, that has been supplanted by customer experience as a key factor that allows enterprise to differentiate, reduce churn, and grow revenue. Companies are leveraging cloud communications platforms to simplify and automate complex omni-channel customer engagement to increase employee productivity and improve customer experience. Low-code tools and the adoption of generative AI (GenAI) capabilities are also contributing to growing adoption across multiple business units, from enterprise IT to LOB buyers. Knowledge management and marketing applications are promising areas of generative AI benefit for businesses in the future,

with IDC research showing that 42% of businesses anticipate generative AI will have the most promise for their organization in its marketing applications and 37% in its conversational applications. Voice integration alone, with Microsoft Teams or Webex Calling, can allow for transcription of customer discussion that flows back into the employee's workflow with sentiment capture and suggestion for targeted responses.

As businesses embrace a digital-first approach across all areas of operations, creating seamless connections that ensure the consistent flow of data is essential for maximizing the value of intelligent applications and delivering an impactful connected experience. As AI and automation become an increasingly significant part of digital business operations, connectivity between people, systems, and applications becomes further disrupted as automated real-time decisioning becomes essential parts of any human interaction with a CSR as much as it does with the digital interaction (see Figure 3). It also ensures that the interaction with the customer is productive.

FIGURE 3

Impact of Interaction Complexity and Customer Touch Points on the Connected Experience
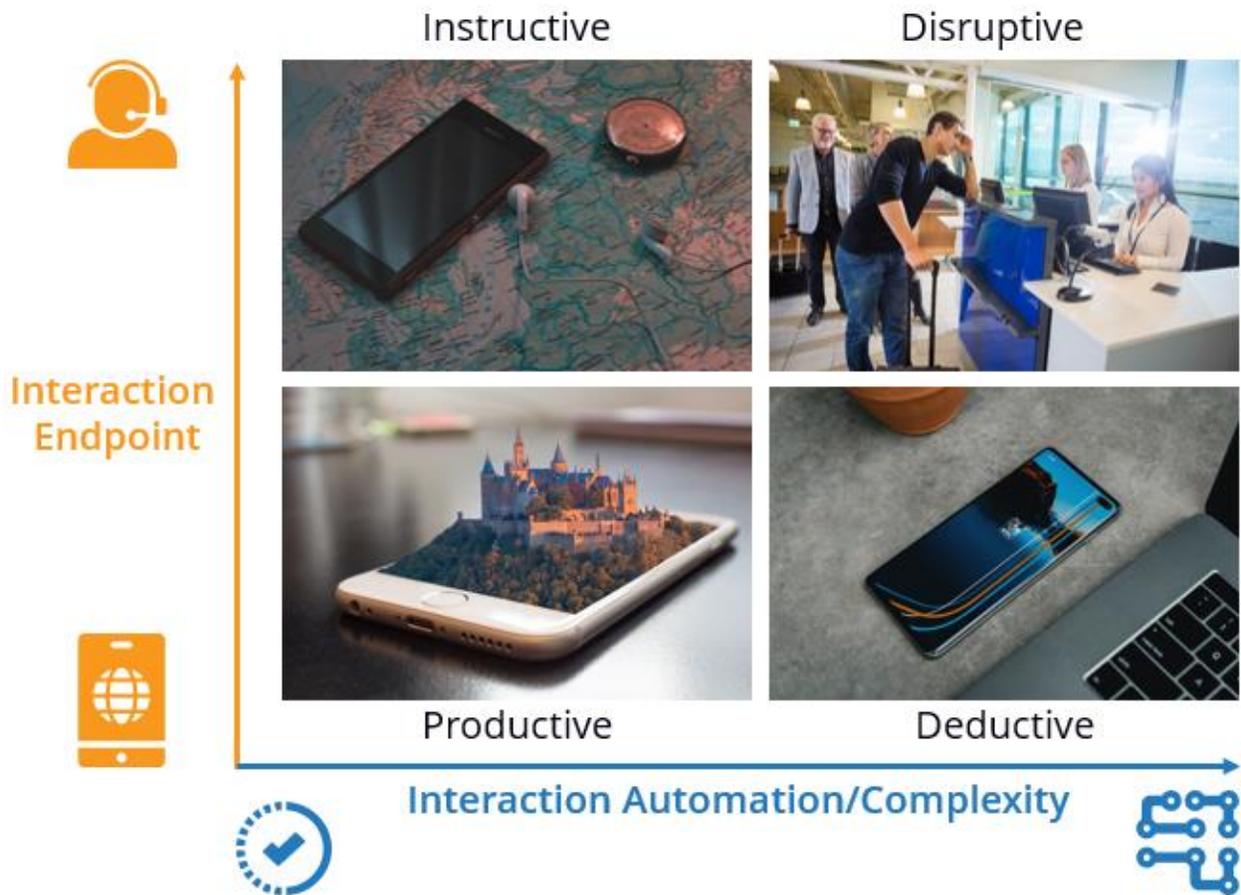
Source: IDC, 2024

The experience of both the employee and the customer is impacted by three factors:

- The level of human involvement in the interaction
- The amount of complexity in the task
- The level of connectedness across networks, systems, and processes that ensures real-time insights can be extracted from data at the time of the interaction

Take the typical customer service interaction as an example. Human tasks that can be turned over to machine resulting in customer self-service should be able to be reversed (e.g., it is easy to book an airline ticket without an agent getting involved, but it should also be easy for a CSR to gain real-time access to a customer's self-service interaction). Simple tasks that are uniquely human requiring creative or critical judgment and a high degree of skill require resilient connectivity and real-time access to information to help solve a customer problem. Repetitive, simple tasks requiring execution at scale require integration across critical business systems to ensure the correct outcome. Last, highly complex tasks that require both high degrees of automation and human engagement require seamless connectivity and integration between back-office, front-office, self-service, and collaboration platforms.

As greater levels of automation and AI become embedded in customer and employee experience initiatives, the volume of data moving between systems will grow exponentially. Corporate networks and connectivity must be ready to handle it. Thus enterprises must start thinking today about the level of connectivity, bandwidth, and resiliency that they need to ensure that their evolution toward becoming an experience-orchestrated business can be met.

The Future Demands for Connectivity in CX and EX

IDC research has shown that there is a strong correlation between employee engagement and customer satisfaction. Engaged employees are more likely to provide excellent customer service, which leads to higher levels of customer satisfaction and loyalty. In turn, resiliency in business improves as engaged employees are more likely to stay with an organization for a longer period of time, which can lead to increased productivity and valued knowledge expertise.

Creating a connected fabric of networks, applications, and services becomes essential to being able to deliver these business improvements. Connectivity is now directly linked to business outcomes, and improving customer satisfaction remains the top goal of any connectivity transformation project for United States-based enterprises and among the top 3 for other regions. Figure 4 shows that more than half of all enterprises expect to be extensively connected by 2025, whereby corporate networks are intelligent, edge enabled, and self-aware, allowing for an increasingly cloud-enabled data footprint. Aligned with this, 36% of enterprises see improved customer satisfaction as a top business outcome from connectivity transformation.

Employee and Customer Experience Outcomes Linked to Connectivity Transformation Success

55%

Enterprises expect to be extensively connected by 2025, up from 27% in 2023

42%

See improved employee access to critical business applications on premises and in the cloud as a top metric for connectivity transformation success

Top benefits from implementing your organization's connectivity strategy

	% of respondents
Improving network performance and operations	41%
Improving worker productivity and collaboration	41%
Reducing costs and increasing efficiency	38%
Improving customer experience/customer satisfaction	36%
Improving business resiliency and continuity	35%

15% 20% 25% 30% 35% 40% 45%
(% of respondents)

n = 770

Source: IDC's *Future of Connectedness Survey*, June 2023

As organizations look ahead to their future, the most successful digital businesses will be able to orchestrate a meaningful value exchange between internal and external stakeholders using seamless connections and data intelligence while leveraging a culture of success that drives correct actions benefitting the employee, the customer, and the business. Here, the future of connectedness ideology and the experience-orchestrated business become aligned:

- Connectivity transformation is essential to ensure employees have ubiquitous access to data to do their job effectively.

- Data in motion becomes vital to intelligent applications embedded in daily operations and decision-making.

- Contextual experiences become the result of real-time insights that help align actions with desired outcomes and ensure that investments deliver the desired results for the experience-orchestrated business.

Businesses should expect to use AI-enabled technology to optimize journeys and automate workstream tasks, breaking down organizational silos and fostering connectedness across a broader set of ecosystems.

Connectivity — Embedding the "How" in the Experience-Orchestrated Business

Delivering a customer experience is impossible without a multifaceted strategy in which ubiquitous connectivity is a foundational pillar. Connectedness creates the ideological basis for the enterprise's experience-oriented approach, regardless of vertical industry, employee, or customer interaction. Most of these interactions are now omni-channel, supported by multiple networks, devices, tools, processes,

and data models. These experiences are also supported by interconnected partners working together by sharing the requisite and related customer data and insights, applications, operations, and expertise.

Fulfilling the promise of whole-journey experiences and delivering value depend on key stakeholders and departments operating as a connected organization. The connections pillar can be thought of as the backbone of an experience-orchestrated business, and it refers to connections across people, systems, internal and external applications and tools, data, and operational processes — all across the experience ecosystem.

X-O businesses will:

- **Champion collaborative networks, especially as work models shift to a much more hybrid structure.** Recognize that collaboration is a "people thing" and is tied to work assets (e.g., documents, content, and asynchronous video) with data fueling decisions and actions. AI-infused collaborative applications and platforms, which tie work, collaboration, processes, and metrics together, will power collaboration for an X-O business.
- **Integrate systems of record to systems of insights to systems of engagement and systems of value (across all stakeholders).** For an X-O business, this integration begins with the data layer and moves upward to include analytics and insights, workstreams and business processes and, finally, the various front-office, mid-office, and back-office systems and applications.
- **Recognize that moving to an X-O business is as much about adopting a transformation mindset and culture as it is about implementing technology.** Change transformation as an enterprise-wide discipline is key in attracting and retaining employees with the right skills and talent to succeed as an experience-orchestrated business. This includes adopting new ways of working and rethinking value streams, journeys, new roles and responsibilities, and performances evaluated against value outcomes — across leadership, employees, and partners.

To build an effective experience-orchestrated business (see Figure 5), enterprises need a cloud-oriented infrastructure of fixed and wireless connectivity that can:

- Connect internal teams and external ecosystems to foster collaboration and optimize business efforts,
- Ensure critical data moves seamlessly between those systems and processes, using networks that can scale as needed, and provide access for employees wherever and whenever needed,
- Enable a cloud-centric networking strategy that simplifies connectivity of clouds, within and across clouds,
- Facilitate collaboration across the enterprise, leveraging unified communications applications and data to ensure that the value of every customer and employee interaction is maximized.

FIGURE 5

The Role of Connectivity in Enabling the Experience-Orchestrated Business
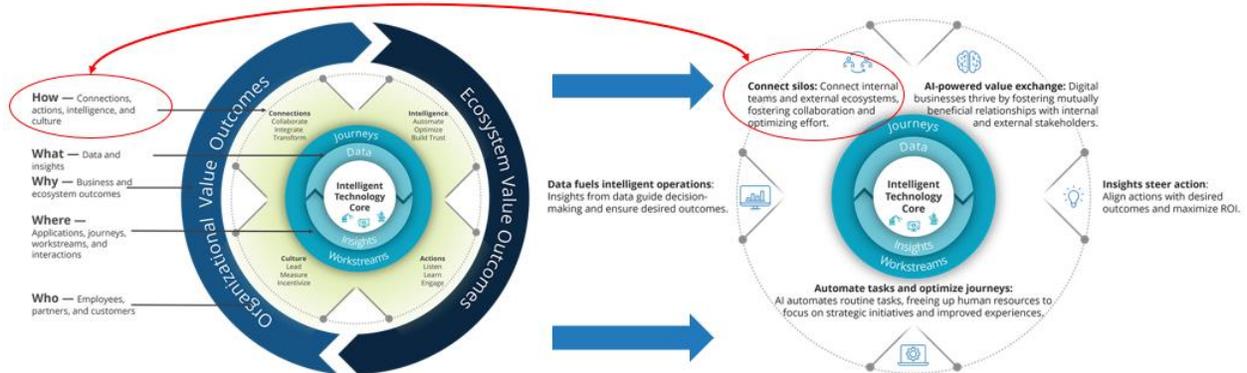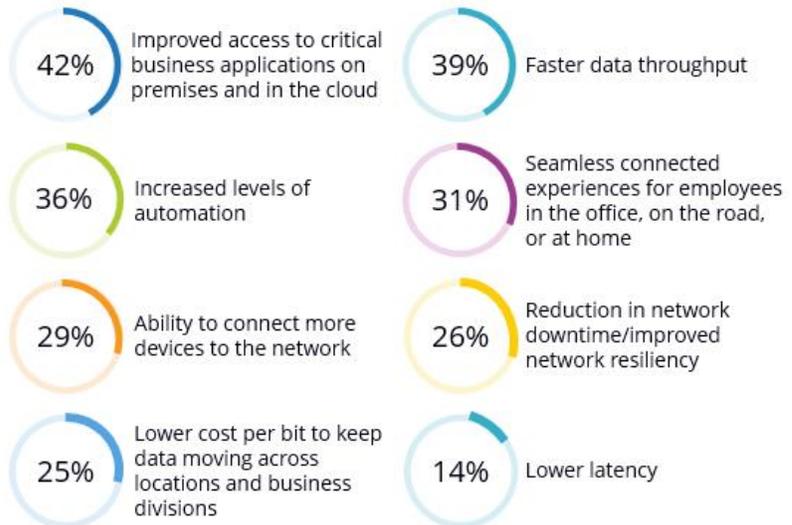

Source: IDC, 2024

From the enterprise perspective, IDC data shows that resilient networks, cloud connectivity, and unified communications are the top connectivity-related priorities, all of which are key enablers of the experience-orchestrated business (see Figure 6).

FIGURE 6

Top Connectivity Focuses to Improve Outcomes Enabling the Experience-Orchestrated Business

Which are the top metrics your organization uses to assess performance related to your connectivity initiatives?

- 42% Improved access to critical business applications on premises and in the cloud
- 39% Faster data throughput
- 36% Increased levels of automation
- 31% Seamless connected experiences for employees in the office, on the road, or at home
- 29% Ability to connect more devices to the network
- 26% Reduction in network downtime/improved network resiliency
- 25% Lower cost per bit to keep data moving across locations and business divisions
- 14% Lower latency

n = 770

Source: IDC's *Future of Connectedness Survey,* June 2023

As organizations embrace AI and continue down the path to becoming more agile and connected enterprises, connectivity programs will embrace multicloud networking, cloud connectivity services, unified communications, 5G, SD-WAN, NaaS, and cloud infrastructure and services to keep data moving (see Figure 7).
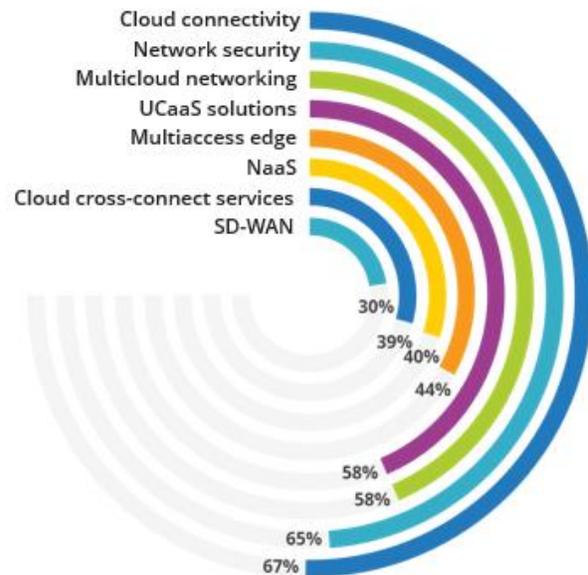
FIGURE 7

Top Enterprise Connectivity Growth Areas for 2024

Q.   How much will your organization's use and investments in these connectivity-related products and services change over the next 12 months?

% of enterprises increasing investment in 2024

Cloud connectivity
Network security
Multicloud networking
UCaaS solutions
Multiaccess edge
NaaS
Cloud cross-connect services
SD-WAN

30%
39%
40%
44%
58%
58%
65%
67%

n = 770

Source: IDC's *Future of Connectedness Survey,* June 2023

More importantly, these connectivity technologies will continue to improve efficiency and enable data to provide real-time insights to the business. As networks evolve and business needs scale or change course, enterprise network and IT departments must align systems and processes. This will ensure business continuity, enable employees to be productive and help the organization quickly adapt to business demands – not to mention meet new market requirements, and connect employees and customers anytime, anywhere, and from any physical location.

The X-O Business Road Ahead and the Impact on Connectivity Transformation and Planning

IDC sees the embrace of the experience-orchestrated business as becoming an integral part of the roadmap to the agile connected enterprise (R.A.C.E.). While certain operational aspects may always have a nondigital component, experience-orchestrated businesses will prioritize a digital-first strategy that aligns all parts of the business, network, and IT landscape with digital workflows to drive value and
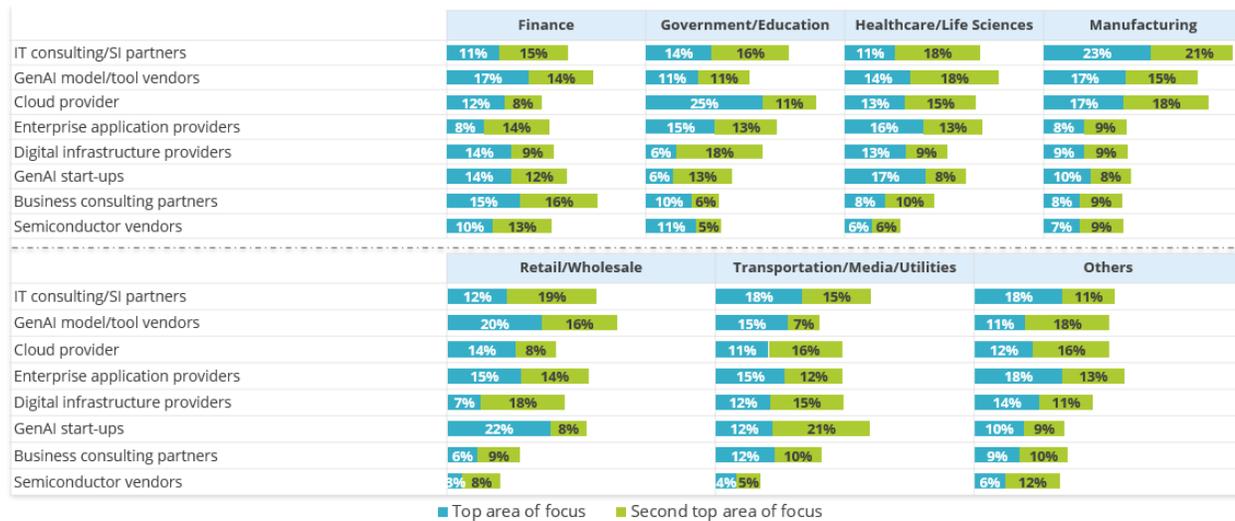
growth. This places a strong emphasis on ensuring that the digital framework can scale; stay connected; deliver digital experiences for customers and citizens, employees, and partners; and become future proof.

IDC believes that enterprises that wish to embed AI-driven experience-orchestrated processes across their business will need close support of connectivity, cloud, and integration partners. IDC's January 2024 *Future Enterprise Resiliency and Spending Survey, Wave 1,* shows that when AI is at the forefront, enterprises lean most heavily toward cloud and IT/business consulting partners as their top partner (see Figure 8).

FIGURE 8

Leading Vendor Partners for GenAI Technology by Vertical Industry

Q.   Which of the following type of vendor will be your most important strategic GenAI technology partner in the next 12 months?

	Finance		Government/Education		Healthcare/Life Sciences		Manufacturing	
IT consulting/SI partners	11%	15%	14%	16%	11%	18%	23%	21%
GenAI model/tool vendors	17%	14%	11%	11%	14%	18%	17%	15%
Cloud provider	12%	8%	25%	11%	13%	15%	17%	18%
Enterprise application providers	8%	14%	15%	13%	16%	13%	8%	9%
Digital infrastructure providers	14%	9%	6%	18%	13%	9%	9%	9%
GenAI start-ups	14%	12%	6%	13%	17%	8%	10%	8%
Business consulting partners	15%	16%	10%	6%	8%	10%	8%	9%
Semiconductor vendors	10%	13%	11%	5%	6%	6%	7%	9%

	Retail/Wholesale		Transportation/Media/Utilities		Others	
IT consulting/SI partners	12%	19%	18%	15%	18%	11%
GenAI model/tool vendors	20%	16%	15%	7%	11%	18%
Cloud provider	14%	8%	11%	16%	12%	16%
Enterprise application providers	15%	14%	15%	12%	18%	13%
Digital infrastructure providers	7%	18%	12%	15%	14%	11%
GenAI start-ups	22%	8%	12%	21%	10%	9%
Business consulting partners	6%	9%	12%	10%	9%	10%
Semiconductor vendors	3%	8%	4%	5%	6%	12%

■ Top area of focus   ■ Second top area of focus

n = 881

Source: IDC's *Future Enterprise Resiliency and Spending Survey, Wave 1,* January 2024

Note: All numbers in this document may not be exact due to rounding.

ADVICE FOR THE TECHNOLOGY BUYER

As stated in *The Value of an Experience-Orchestrated Business* (IDC #US51914624, March 2024), "The question for enterprises now is not if experience orchestration is essential, but rather how enterprises can get ready for the coming era of intelligent experience orchestration powered by AI." As intelligent employee and customer experiences take center stage, delivering secure, resilient, and consistent experiences will require a thorough assessment of how connected the organization actually is. Organizations will need to forego the traditional mindset of isolating experience-centric strategies that are singularly focused on just customer, employee, or partner experiences as it creates yet another disconnected business silo that should be avoided.

To do so, with connectivity as a de facto underpinning, IDC proposes that organizations:

- Identify ecosystem stakeholders, translating business objectives into value outcomes and determining experience journeys for each stakeholder participant.

- Build an understanding of data value and the impact that automation and AI will have on data growth across the organization, and track what data is attributable to drive business outcomes at scale.

- Identify existing data and connectivity silos that will impede the seamless flow of data and create impediments to business flexibility, scale and, ultimately, the experience.

- Choose the right mix of connectivity and integration providers that bring both professional and managed services along with automated tools together to design the framework that can effectively orchestrate and deliver the end-user experience. As mentioned previously, for many organizations, customer experience has become an increasingly complex process that may require working backward to create the appropriate technology footprint to ensure that it actually works.

- Work closely with technology suppliers to design the AI-enabled framework with specific outcomes in mind (e.g., revenue generation, improved customer satisfaction, employee productivity) that can effectively orchestrate, scale, and deliver the end-user experience for specific business needs. These technology suppliers should also provide insight into whether to buy, build, or embed AI-infused applications.

- Continuously review network capacity and connectivity requirements and data flows inside and outside the organization and use performance monitoring insights to optimize X-O applications.

LEARN MORE

Related Research

- *IDC PlanScape: Experience-Orchestrated Business to Deliver Differentiated Value Outcomes* (IDC #US51910024, March 2024)

- *The Experience-Orchestrated Business: Journey to X-O Business – Assessing the Organization's Ability to Become an X-O Business* (IDC #US51914424, February 2024)

- *Future of Connectedness Checklist for 2024: Top Priorities to Consider for the Enterprise Connectivity Road Map* (IDC #US51821824, February 2024)

- *The Future of Connectedness in Retail: Aligning IoT and Connectivity Investment to Top Business Outcomes* (IDC #US51431323, December 2023)

- *IDC FutureScape: Worldwide Future of Connectedness 2024 Predictions* (IDC #US51287523, October 2023)

- *IDC Future of Connectedness Scorecard, 2023* (IDC #US51128023, August 2023)

- *Strategic Worldwide Enterprise Connectivity Priorities and Challenges: 2023 Future of Connectedness Survey Analysis* (IDC #US51059823, August 2023)

- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2023: Telecommunications* (IDC #US50988523, July 2023)

- *Accelerating Business Sustainability Initiatives with 5G as Part of a Future of Connectedness Strategy* (IDC #US50829223, June 2023)

Synopsis

This IDC Perspective provides an overview of the importance of connectivity in powering an effective experience-orchestrated (X-O) business. It emphasizes the need for organizations to evolve from siloed digital transformations to holistic and fully connected experience management, leveraging technologies like next-generation connectivity to keep critical data in motion. This comes as GenAI is expected to have significant impacts on data creation, volume, and movement across and outside the enterprise. It further elaborates on the importance of connectivity as one of the four key pillars of an X-O business and how it plays an essential role in contributing to value-based outcomes for all stakeholders in the experience ecosystem.

"In an 'AI everywhere' world, future experiences are dependent on the effective movement of data, highlighting the increased importance of networks and connectivity across the whole ecosystem as they embrace an experience-orchestrated business model," said Paul Hughes, research director, Future of Connectedness at IDC. "Enterprises that want to derive maximum value from AI and automation must address data and connectivity silos immediately, ensure corporate networks have cloud scale, and work with the right suppliers that can ensure a cloud-driven future vision, road map, and implementation strategy that enable and future proof intelligent experience orchestration."

About IDC

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