



# The Speed of Change

## App Dev Priorities in an Era of Crisis and Recovery

Benelux Region 2020



## Introduction

This year’s OutSystems State of Application Development survey took place amid the early part of the COVID-19 pandemic crisis, between February 12 and March 31, 2020. In this period, respondents’ organizations were grappling with lockdowns, work from home, supply chain and revenue disruption, and capping it all, a 25% global stock market crash.

It will take some time to understand the full impact of the crisis. Many speculate about a “new normal.” At this time, it’s hard to imagine what that new normal will look like. But for those of us who have experienced market crises before, two things seem sure:

- Organizational agility will be tested as never before over the coming months.
- Organizations that muster the most agility and ingenuity will grasp new opportunities when others falter.

So, the questions for companies and their IT organizations are—**How agile is your organization? And, for that matter, can your approach to application development keep up in this era of “Digital Urgency”?**

Our research took us around the world, connecting us with IT professionals and senior business people across multiple industries, in six continents.

Four percent of responses came from the Benelux region. We’ve added some extra analysis to see how these organizations are performing compared to their global peers. These findings are summarized in the pages that follow.

## Key Findings: A Landscape of Upheaval

The survey took place as the full impact of the pandemic crisis started to become apparent to the world. As the responses rolled in during late February and throughout March, we saw a risk landscape in upheaval. Changes in customer preferences and behaviors became a primary concern. The fear of being digitally disrupted by competitors with more agility fell considerably.

### Top Fears of Disruption

In the Benelux region, the top fears of disruption were as follows:

Top Fears of Disruption - Benelux Region Responses	Unlikely	Somewhat Likely	Likely
Significant Changes of Customer Preferences or Behaviors	18%	55%	27%
Disruptive Regulatory Change	27%	64%	9%
Market Downturn or Recession	36%	9%	55%
Government Budget Cuts	45%	28%	27%
Disruptive Cyber Attack	45%	37%	18%
Digital Disruption From Established Competitor	73%	18%	9%
Digital Disruption From New Competitor	73%	18%	9%

As for the global responses—changes in customer preferences or behaviors have become a primary concern, and fear of being disrupted by competitors (new or existing) have sunk to last place.

## Digital Priorities Shift to Survival

We saw similar changes in sentiment in the lists of the top three goals for digital transformation in the region. The top goal was to improve agility and accelerate innovation. But for those who responded after the crash, the need to address evolving customer behaviors and preferences rose higher, and the need to outperform competitors fell to last place.

Together these responses seem to indicate a mind shift toward survival. It's as if they're saying, ***"We need to look after existing customers at all costs, until the storm blows over. Meanwhile, similarly stressed competitors will be less of an immediate threat."***

Respondents in the Benelux region said that their top goal for digital transformation was to reduce costs and improve efficiency.

## Recalibrating Agility for the Post-COVID World

Respondents assessed the agility of their organizations using a variety of measures. Agility leaders—with top-quartile organizational agility and above average agile and digital transformation maturity—shared many traits. Such leaders invested more in the approaches and technologies needed to speed up application development. Agility also directly correlates to customer experience (CX). When respondents assessed their CX maturity, the average score was 59%. In the Benelux region, the average CX maturity score was 58%—not significantly different to the global score.

We looked to see if agility varied between the responses we received from the Benelux region and their global peers. We found no significant difference.

Agility Measure	Benelux Region	Global
Aggregate Organizational Agility Score	65%	64%
Agile Maturity	2.60	2.63

The agility scores in the Benelux region reflect its predominant industries. Our analysis of the results unearthed a divergence in agility scores based on sector.

Technology/computers/telecoms/internet were at the top of the agility leader pack, followed by software, banks/financial services, and consultants. The industry groupings at the bottom of the stack—retail/consumer durables/electronics, insurance, utilities/energy/extraction, and business support/logistics/transportation. Because the Benelux region is known for biotech, high-tech manufacturing, and software, but is also home to banking, insurance, and manufacturing, this could be the reasons the numbers echo the global score.

## Demand for Applications is as High as Ever

Fueled by digital innovation and differentiation initiatives, demand for application development remains at the record high level we saw in 2019. Focusing on organizations with 500 or more employees, we found that:

- Just over 65% have ten or more apps planned for delivery in 2020.
- Thirty-nine percent have 25 or more apps scheduled for delivery in 2020.

The figures for the Benelux region are much lower. Just 43% have ten or more apps planned for delivery in 2020. Twenty percent of respondents have 25 or more apps scheduled for delivery in 2020.

## Backlogs Remain Stubbornly Long

Globally, only 27% of respondents said that their backlog had improved in the past 12 months, and 8% said their backlog had gotten worse. In the Benelux region, organizations are a little less successful at shortening their backlogs. Just 21% of respondents said that their backlog had improved, 2% said it had gotten worse, but most respondents said it was about the same. Industries most likely to complain of lengthening backlogs include insurance, banks and financial services, healthcare and pharmaceuticals, all top sectors in the region.

## Development Skills Are in Short Supply

Globally, only 15% of respondents described hiring developer roles as easy or very easy. Only 45% of organizations have larger app dev teams than a year ago. For many organizations, retention of developer talent appears to be a challenge.

In the Benelux region, resourcing and talent challenges are even more prevalent. Only 9% of respondents described hiring developer roles as easy or very easy. Just 17% of organizations have larger app dev teams than a year ago.

## How Can IT Organizations in the Benelux Region Get Faster?

Modern approaches and technology are the way to go. These practices are how big tech and digital newbies became a formidable threat to less nimble, long-established companies. Now the disrupted can catch up and surpass them by making some simple changes.

## Increase Application Development Speed

Our research shows that leaders in speed and agility are heavy investors in tech that speeds up delivery.

Investment in Technologies to Increase Delivery Speed	Laggards	Leaders	Difference
Low-code + MXD Platform	29%	44%	15%
Containers + Microservices	15%	29%	14%
New programming languages or frameworks	15%	29%	14%
Digital Process Automation/ RPA	24%	29%	5%
BPM Platform	7%	11%	4%
Cloud	58%	61%	3%

IT organizations in Benelux region companies can evaluate these technologies based on their application development needs—AI in chatbots, mobile apps, voice assistance—and determine which is likely to accelerate development. Low-code development, containers, and microservices have enabled other IT organizations to succeed.

## Eliminate the Top Application Development Challenges

According to our analysis, the top app dev challenges for those who are not agility leaders are:

- Legacy system integration/lacking APIs
- Fuzzy/changing requirements
- Lack of technical development skills
- Mastering new technology and standards

So, what can IT organizations in Benelux region companies do to address these challenges? Here are some ideas.



### Start with UX

Use customer journey mapping and design sprints to put the user at the center of your development process.



### Build for change

Adopt iterative, agile development practices to accommodate uncertainty, unclear direction or changing requests.



### Add new skills

Look for whatever skills your team needs next - web, mobile back-end, and modern stack.



### Focus on CD

Add technology to help teams achieve continuous delivery (CD) without assembling an array of DevOps tools and skills.



### Reach legacy

Find tools with built-in and DIY connectors for easy integration with any enterprise system, database, or web service.

## What It All Means

Speed is the name of the game all around the world. Organizations that focus on customer needs and offer developers an easy and fast path to innovation will be able to address changing customer preferences, improve agility and adaptability, and avoid disruptions from big tech. A small percentage are already there, and they continue striving to get faster and better. Others have work to do, but there are ways forward for them. Whether you are executing on your priorities or just getting started, you have options not just to get in the game, but to win it.

## Next Steps

The findings of the OutSystems application development research are summarized in "[The Speed of Change: How Fast Are You?](#)," our report on how the findings relate to becoming a speed and adaptability leader. It compares leaders and laggards in IT speed and suggests what organizations can do to get there.

## About OutSystems

Thousands of customers worldwide trust OutSystems—the only solution that enables the visual development of entire application portfolios that easily integrate with existing systems.

Learn more at [www.outsystems.com](http://www.outsystems.com).