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Fit for the future: the link between digitization and business performance

Is your company ready for the digital challenges of the future? Vodafone Business survey rewards companies that are flexible and open to the web

An interesting survey by Vodafone Business " **Fit for the Future 2021**" examined 2,500 companies of all sizes in 11 of the most industrialized countries in the world (Portugal, Spain, United Kingdom, South Africa, United States, China, India, Germany, Italy, the Netherlands and Ireland) to identify and analyze the characteristics necessary for a company to be prepared to face the challenges of the future.

Characteristics of companies ready for the future

According to the report, what are the **characteristics of a future-ready company**? Not just reacting to change, but embracing it. In this case it is essential to present:

- positive propensity for change,
- Openness to the use of new technologies,
- Adaptability to new trends through the ability to compete in new markets,
- a clear strategy on their transformation objectives.

Out of the sample analyzed, the percentage of companies that meet these characteristics is:

- to 21% among microenterprises (2 to 9 employees),
- 25% of small businesses (fewer than 50 employees),
- 24% of medium-sized businesses (up to 250 employees)
- 21% of large companies (more than 250 employees).

The discriminating factor is on **flexibility and openness to the web and digital**, concepts already put to the test by the pandemic in 2020. In this sense, Lorenzo Forina, director of Vodafone Business Italia, states that "it is fundamental to use new technologies to transform and evolve one's business models".

Eighty percent of Fit for the Future companies say their business continuity plan worked well in the health emergency situation. A related predictive analysis, conducted by the London School of Economics, also found that companies with high Fit for the Future scores were 36% more likely to outperform their competitors through **performance**.

The 2021 report also captures corporate **employee sentiment**, which shows a tendency to expect more from their employers, in terms of:

- greater **flexibility** in terms of where they work (50%),
- greater expectations to work with the **freedom and autonomy** that best suits their needs (50%),
- **hours worked** (49%).

The Italian scenario

In Italy, **only 21% of companies say they are ready for the future**. Among these, 82% have developed a plan for digital transformation and 59% are accelerating their digital transformation plans after the pandemic. In contrast,the percentages for businesses in general stand at 54% and 38%, respectively.

Here, digital transformation is the main differentiator.

In any case, 92% of Italian Fit for the Future companies are optimistic about the role of **technology** in society and 79% believe that in the next 5 years technology will bring benefits for **job security**. In addition, 77% of Fit for the Future companies say they are satisfied with the work flexibility brought by new technologies and 90% are satisfied with the speed with which they have adapted to new technologies (hybrid work and **online training solutions**).

Especially in Italy, in the words of Forina, "the success of any economy depends on the success of its small and medium-sized enterprises. They are the beating heart of Europe, they drive economic growth throughout the Continent and are a source of employment for millions of people. One of the biggest challenges they face is digital transformation, made even more necessary by the pandemic and its impact on the economy and consumer habits. Digital skills and solutions have been a lifeline for many small and medium-sized businesses, and those that are more digitally mature have been in a better position to deal with the volatility and difficulty of the period. NRP funds are a unique opportunity to accelerate the digitalization journey of Italian businesses."

The report highlights the growing interest in issues such as **sustainability** ("absolutely necessary for 39% of companies) and the increase in ESG (Environmental, Social and Governance) and CSR (Corporate Social Responsibility) spending next year (60%) for Italian high-performing companies, figures that are absolutely very close to those of the other countries surveyed.

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