



# IDC FutureScape 2021

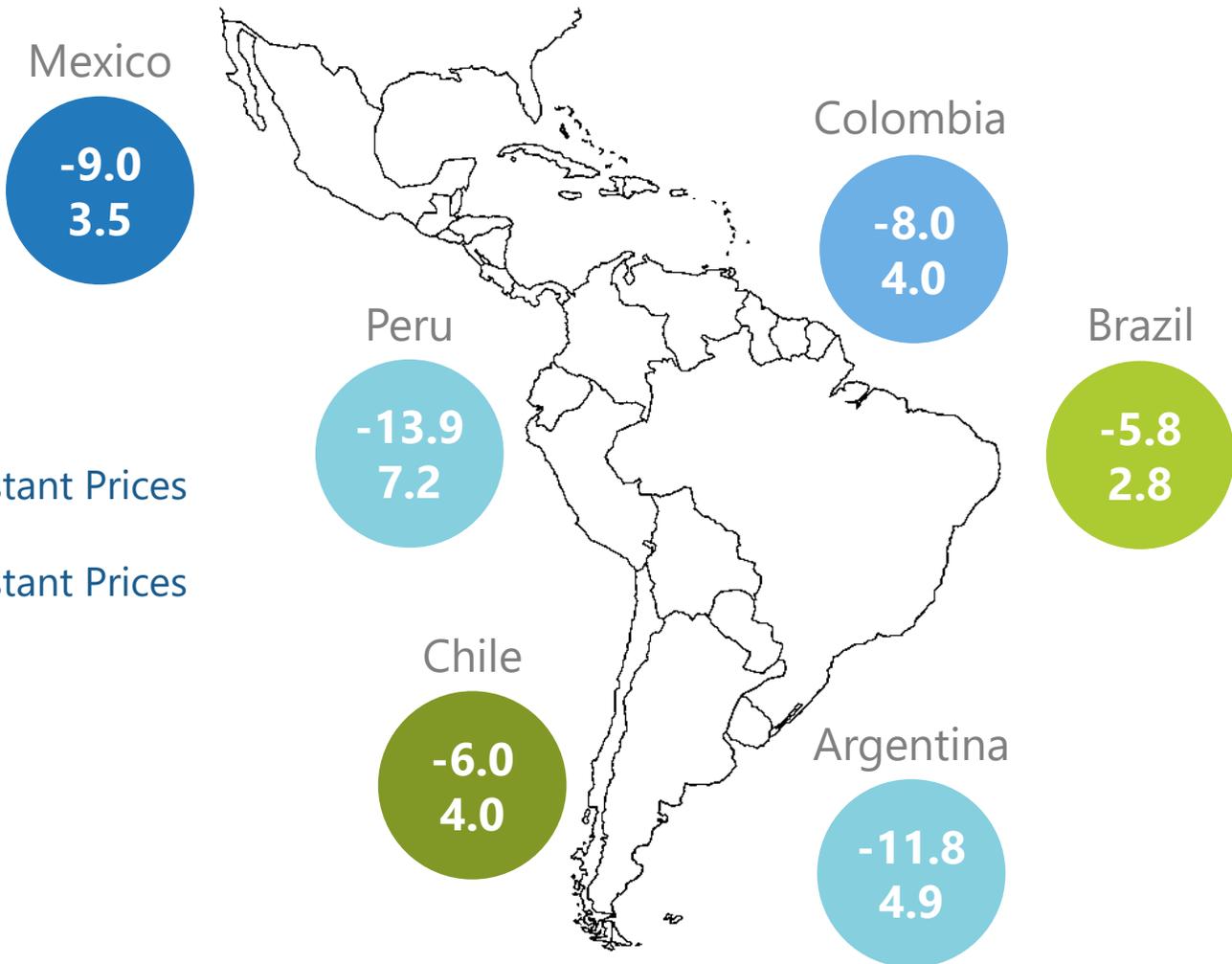
Worldwide IT Industry 2021 Predictions and  
Latin America Implications: Building Resiliency to  
Thrive in the Next Normal

# Latin America 2021 Predictions Team

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# Latin America 2020 and 2021 GDP Growth

**Region**  
**-8.1** 2020 GDP Growth, Constant Prices  
**3.6** 2021 GDP Growth, Constant Prices



Source: IMF WEO Database, October 2020

# Latin America 2020 and 2021 IT Growth

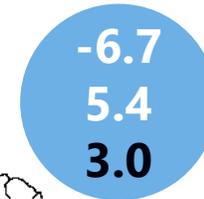
**Region**

- 11.2** 2020 IT Growth, Current Dollars
- 5.5** 2020 IT Growth, Constant Dollars
- 7.7** 2021 IT Growth, Constant Dollars

Mexico



Colombia



Brazil



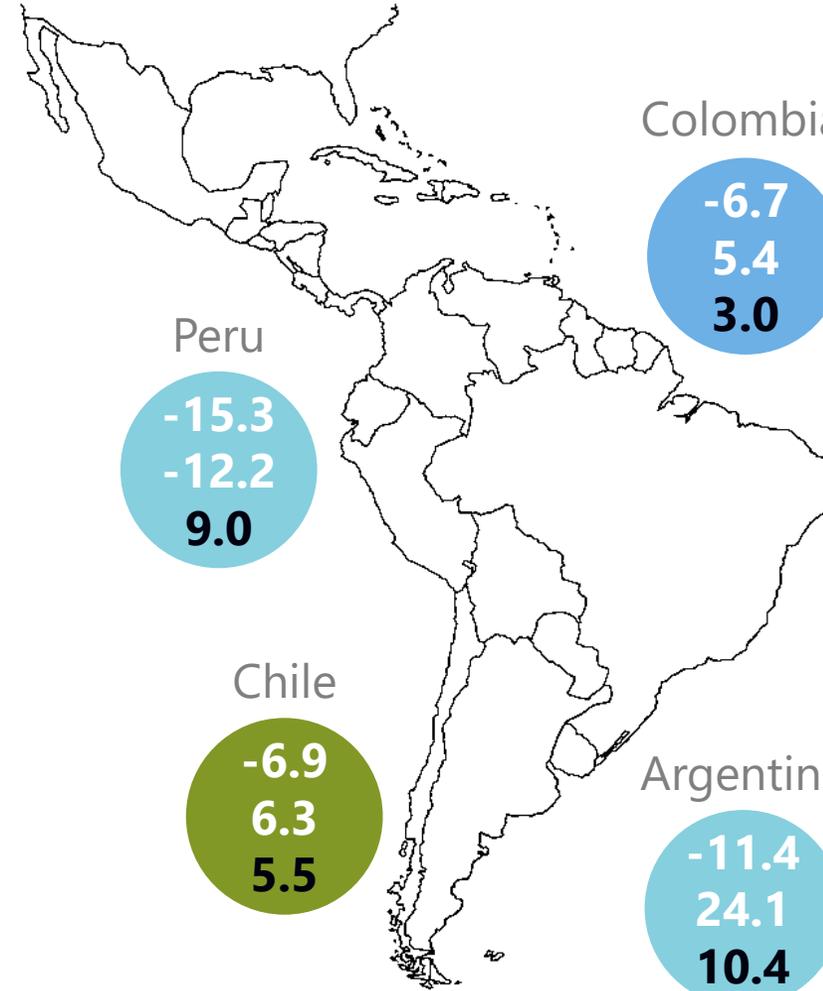
Peru



Chile

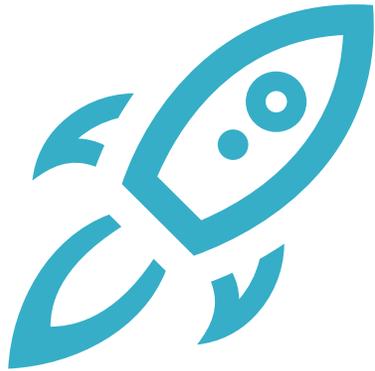


Argentina



Source: IDC Worldwide Black Book: Live Edition, October 2020

# Key Themes for 2021 IT Industry FutureScape



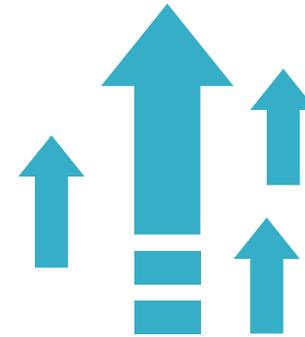
## Accelerated Transformation

Where the crisis and enterprises' responses are accelerating existing IT trends.



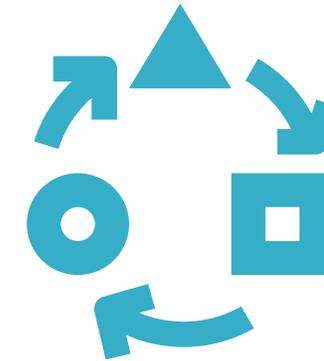
## Remediation & Adaptation

Where enterprises need to focus in the next two years to remediate shortcomings in existing IT environments as well as to address shortcomings introduced during initial emergency responses.



## Opportunistic Extension

Where enterprises need to leverage technologies to take advantage of competitive and industry disruptions and extend their capabilities in the next normal.



## Core IT Ecosystem Transition

How enterprises responses to these 3 developments will alter the IT industry ecosystem that they rely upon.



## Ground Zero

The Latin American economy remains on its digital destiny with 40% of GDP digitalized by 2022, driving \$460 billion of IT spending from 2020 to 2023.

**35% of that IT spend is Cloud related**

 IDC FutureScape 2021



## Prediction 1: Cloud-centric IT

By the end of 2021, based on lessons learned, close to 75% of large enterprises in Latin America will put a mechanism in place to shift to cloud-centric infrastructure and applications twice as fast as before the pandemic.

# Prediction 1: Cloud-centric IT

## IT Impact

- Optimizing clouds will determine the pace and direction of technology introductions for infrastructure, applications, and data services.
- Making the enterprise more digitally resilient will set the terms for how and where IT teams need to consume/deploy cloud resources.
- Managing and connecting diverse cloud resources/data sets will pose the most critical IT operational challenges.

## Guidance

- Leverage new cloud optimized software, new data and resource representations and functional convergence by evaluating all trends toward optimizing cloud solutions and strategies.
- Weigh all advantages and disadvantages of location, asset usage, and consumption models to enable the innovative yet resilient infrastructure required for anywhere and anytime access.
- Progress toward intelligent operations through workload portability, consumption-based usage, and highly dynamic applications.



## Prediction 2: Edge Acceleration

Through 2023, reactions to changed workforce and operations practices during the pandemic are the dominant accelerators for 50% of edge-driven investments and business model changes in most industries in Latin America.

## Prediction 2: Edge Acceleration

### IT Impact

- The need to deploy and manage a growing range of edge-based infrastructure, code, and data sets across geographically dispersed locations linked to centralized cloud resources will increase.
- The monitoring and management of a rapidly expanding edge portfolio of assets and services will become a top priority.
- Dealing with the increasing likelihood that much of the actual underlying infrastructure is not under the corporation's ownership or control (is owned/operated by a network or cloud provider) will become an important new challenge.

### Guidance

- Adopt flexible IT resource delivery models that enable on-premises and network-based deployment/consumption of resources that are also closely linked to major public cloud environments.
- Develop tools for the migration, integration, and automated management of applications, code, and data sets across on-premises and off-premises cloud deployments.
- Establish security, governance, and asset management best practices to ensure optimal use of the growing pool of resources deployed at the edge for new workloads.



## Prediction 3: Hybrid by Design

By 2023, 60% of the LA5000 companies commit to providing technical parity to a workforce that is hybrid by design rather than by circumstance, enabling them to work together separately and in real-time.

## Prediction 3: Hybrid by Design

### IT Impact

- IT must embrace remote locations as part of the overall corporate environment, ensuring secure access to corporate resources and appropriate infrastructure including computing resources and adequate bandwidth.
- IT must evolve IT support and maintenance procedures to include remote and field workers and workers that may be in different time zones.

### Guidance

- Digital transformation filters down to individuals and teams. Rethink traditional principles about how and where people work.
- Think beyond the office worker. Intelligent digital workspaces can transform a team and individual workers across a multitude of vertical industries and use cases – including at-home and field workers.
- Seek out vendors that are offering innovative solutions that support a hybrid workforce in all new end-user computing investments.



## Prediction 4: Remediate Technical Debt

Through 2022, Coping with Technical Debt Accumulated During the Pandemic Will Shadow 50% of CIOs in Latin America, Causing Financial Stress, Inertial Drag on IT Agility, and "Forced March" Migrations to the Cloud.

## Prediction 4: Remediate Technical Debt

### IT Impact

- CIOs have had to take whatever actions were necessary to enable rapid pivoting of business and operating models.
- The "need for speed" resulted in the creation of solutions that are less robust and well architected.
- Adding new technical debt was unavoidable, resulting in future obligations to mitigate deficiencies.

### Guidance

- Triage pandemic-driven emergency solutions into "good enough to keep", "need to be remediated", and "must be retired or replaced".
- Collaborate with line-of-business (LOB) executives to "divide and conquer" the elimination of technical debt using LOB developers and funding to extend IT capabilities.
- Merge technical debt elimination efforts with platform modernization initiatives.



## Prediction 5: Digital Resiliency

In 2022, enterprises focused on digital resiliency adapt to disruption and extend services in response to new conditions 50% faster than ones fixated on restoring existing business/IT resiliency levels.

## Prediction 5: Digital Resiliency

### IT Impact

- IT is tasked with assessing and assuring of the resilience of all IT/network services, and not just conduct BC/DR exercises in the traditional sense.
- IT will be asked to participate in new teams spanning business, technology, process, governance, and risk management to establish new resiliency expectations.
- IT will need to allocate more resources to evaluating the risks and potential benefits of taking greater advantage of as-as-Service based solutions for infrastructure, data and process resources.

### Guidance

- Segment IT/network assets (those you own operate and those you consume as-a-service) into priority lists based on business criticality, tangible/intangible brand value, and vulnerability to external shock.
- Establish trust with your business colleagues and critical partners through clear, honest two-way communication about the pace of adaptation required to respond to changing business conditions.
- Evolve the parameters of the vendor evaluation to assess the extent of service delivery diversification and risk mitigation built into providers' service delivery value chains.



## Prediction 6: Automation Platforms

By 2023, an Emerging Cloud Ecosystem for Extending Resource Control and Real-Time Analytics Will Be the Underlying Platform for All IT and Business Automation Initiatives Anywhere and Everywhere in Latin America.

## Prediction 6: Automation Platforms

### IT Impact

- Enterprise IT and business processes (CX and OT) will depend more on a consistent set of operations technologies including asset control systems, asset management systems, and distribution management.
- IT will need to coordinate cloud services commitments more effectively with line-of-business teams that are seeking to automate digital service processes and operational business processes.
- IT will have to adopt new technologies and processes that support the use of analytic models that support business KPIs across the enterprise, not just IT.

### Guidance

- Create an IT culture, with accountability mechanisms that use data, analytics, and business KPIs to drive faster adoption of automation across IT and business processes.
- Bring together the skills and vision of technology and business users to identify how a more complete service picture can be developed and utilized internally for all stakeholders.
- Adjust people, processes, and technology, and have an elevated business focus to tie cloud metrics that correlate to business KPIs to drive strategy and outcomes.



## Prediction 7: Opportunistic AI Extension

Although 25% of G2000 Will Acquire at Least One AI Software Start-Up to Ensure Ownership of Differentiated Skills and IP by 2023, the Latin American landscape will struggle to meet this demand.

## Prediction 7: Opportunistic AI Extension

### IT Impact

- IT will be called to incorporate newly acquired AI/ML technology with existing tools, applications, and IT solutions. This will require an associated change in data and application development and upgrade practices.
- IT will also need to incorporate new colleagues from the acquired firms into their broader team and, in many cases, adapt its culture to accept a start-up spirit.

### Guidance

- Identify short-term goals for incorporating the newly acquired AI/ML technology to ensure rapid time to value — even if the initial project is limited in scope.
- Retain the new staff members who come with the acquisition by ensuring they can highlight their expertise in the context of an existing center of excellence (COE). This may require the establishment of a new AI/ML/analytics COE, which often collaborates with but is not part of the IT organization.



## Prediction 8: ICT Ecosystem

By 2024, 70% of enterprises in Latin America will overhaul relationships with suppliers, providers, and partners to better execute digital strategies for ubiquitous deployment of resources and for autonomous IT operations.

## Prediction 8: ICT Ecosystem

### IT Impact

- IT teams will need to develop more fact-based, agile, and flexible processes to aid in refocusing and reprioritizing existing ICT industry relationships as existing partners change business models and/or alter product portfolios through acquisition/divestiture.
- Intersections between different ICT groups (e.g., Comms SPs and Cloud SPs, Industry-specific ISVs and Cloud SPs, IT and OT providers) force IT to continuously adapt and reevaluate supplier/provider relationships and priorities, often linked to new relationships between LOBs and ICT companies.

### Guidance

- Focus on portfolio optimization as a real-time capability with embedded intelligence that allows situation analysis, prediction, recommendations, automation, and performance monitoring across a wide range of products and services from multiple providers.
- Continually assess ICT partner priorities based upon the partner's importance in running the business, growing the business, and transforming the business.



## Prediction 9: IT Joins Circular Economy

By 2025, 50% of LA5000 Companies Will Mandate Reusable Materials in IT Hardware Supply Chains, Carbon Neutrality Targets for Providers' Facilities, and Lower Energy Use as Prerequisites for Doing Business.

# Prediction 9: IT Joins Circular Economy

## IT Impact

- Executive leadership will look to IT organizations to innovate and drive sustainability in addition to resilience and continuity plans.
- Increased attention on energy consumption, waste reduction, replacing rare earth materials, and ways to implement circular economy goals will put IT organizations in a critical role.
- IT organizations will be tasked with vetting all suppliers and choosing partners that can accelerate their progress along the sustainability journey.

## Guidance

- Look for IT vendors that have designed products with circularity in mind. The ability to reuse components, extend useful life, and recycle responsibly will contribute to your organization's broader sustainability goals.
- Consider using "as a service" procurement models from IT vendors that can implement circular economy principles in ways that your organization cannot, from owning equipment to procuring it in an as-a-service way from a vendor that can maximize asset usage and recycle responsibly.
- Seek service providers and datacenter partners that have committed to renewable energy sources and highly efficient technologies as part of their cloud infrastructure.



## Prediction 10: People Still Matter

Through 2023, more than half of enterprises' hybrid workforce and business automation efforts in Latin America are delayed or fail out right due to underinvestment in building IT/SEC/DEV Ops teams with the right tool/skills.

## Prediction 10: People Still Matter

### IT Impact

- Organizations must address the challenge of integrating the work of different skills and positions in a scenario in which technology changes rapidly and constantly.
- The lack of professionals with AI, Cyber Security, and Cloud skills will be an important issue for the three next years. Even more, these skills gap may keep growing due to advanced technology without certified professionals to handle it.
- Businesses will not be able to succeed at business automation if they do not have a well-trained staff in different emerging technologies.

### Guidance

- Train and incentivize staff to be up to date in different emerging technologies, such as Artificial Intelligence, Machine Learning, and Cyber security.
- Attract digital talent by diversifying the recruiting approach.
- Develop digital staff by creating an environment that prioritizes and rewards the passion for learning, and by leveraging change to eliminate resistance through access to recognized training.

## IT Industry Predictions

1. **Cloud Centric IT:** By the end of 2021, based on lessons learned, close to 75% of enterprises in Latin America will put a mechanism in place to shift to cloud-centric infrastructure and applications twice as fast as before the pandemic
2. **Edge Acceleration:** Through 2023, reactions to changed workforce and operations practices during the pandemic are the dominant accelerators for 50% of edge-driven investments and business model changes in most industries in Latin America
3. **Hybrid by Design:** By 2023, 60% of the LA5000 companies commit to providing technical parity to a workforce that is hybrid by design rather than by circumstance, enabling them to work together separately and in real-time
4. **Remediate Technical Debt:** Through 2022, Coping with Technical Debt Accumulated During the Pandemic Will Shadow 50% of CIOs in Latin America, Causing Financial Stress, Inertial Drag on IT Agility, and "Forced March" Migrations to the Cloud
5. **Digital Resiliency:** In 2022, enterprises in Latin America and globally focused on digital resiliency adapt to disruption and extend services in response to new conditions 50% faster than ones fixated on restoring existing business/IT resiliency levels
6. **Automation Platforms:** By 2023, an Emerging Cloud Ecosystem for Extending Resource Control and Real-Time Analytics Will Be the Underlying Platform for All IT and Business Automation Initiatives Anywhere and Everywhere in Latin America
7. **Opportunistic AI Extension:** Although 25% of G2000 Will Acquire at Least One AI Software Start-Up to Ensure Ownership of Differentiated Skills and IP by 2023, the Latin American landscape will struggle to meet this demand
8. **ICT Ecosystem:** By 2024, 70% of enterprises in Latin America will overhaul relationships with suppliers, providers, and partners to better execute digital strategies for ubiquitous deployment of resources and for autonomous IT operations
9. **IT Joins Circular Economy:** By 2025, 50% of LA5000 Companies Will Mandate Reusable Materials in IT Hardware Supply Chains, Carbon Neutrality Targets for Providers' Facilities, and Lower Energy Use as Prerequisites for Doing Business
10. **People Still Matter:** Through 2023, more than half of enterprises' hybrid workforce and business automation efforts in Latin America are delayed or fail out right due to underinvestment in building IT/SEC/DEV Ops teams with the right tool/skills

Learn More!

IDC FutureScape:  
Worldwide IT Industry 2021 Predictions  
(IDC #US46942020)



IDC FutureScape

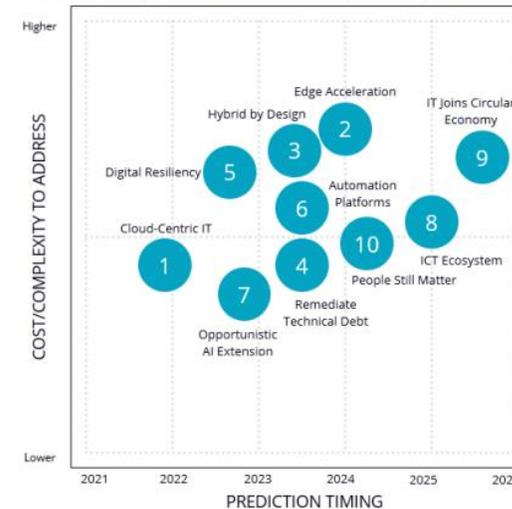
IDC FutureScape: Worldwide IT Industry 2021 Predictions

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IDC FUTURESCAPE FIGURE

FIGURE 1

IDC FutureScape: Worldwide IT Industry 2021 Top 10 Predictions



Note: Marker number refers only to the order the prediction appears in the document and does not indicate rank or importance, unless otherwise noted in the Executive Summary.

Source: IDC, 2020

October 2020, IDC #US46942020



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Thank You! ¡Gracias! Obrigado!



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