

# F5 Research Reveals Tradeoffs of Accelerating Digital Transformation

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*Organizations addressing complexity with AI and SRE solutions, balancing modernization with security, and repatriating applications*

SEATTLE--(BUSINESS WIRE)-- F5 (NASDAQ: FFIV) today announced the availability of its [2022 State of Application Strategy Report](#). Now in its eighth iteration, this year's report shows the challenges organizations face as they transform IT infrastructures to deliver and secure digital services that have become inseparable from everyday activities, such as completing job tasks or consulting a doctor. With highly distributed architectures and a broader threat landscape resulting from an ongoing digitization of previously physical experiences, organizations are turning to a variety of solutions to help manage complexity and address widening IT skills gaps. However, survey results also indicate pitfalls ahead that, if ignored, will prevent organizations from becoming more responsive and agile.

“Digital transformation efforts have experienced a marked acceleration over the past two years, and we see no indications of a slowdown,” said Kara Sprague, EVP and GM, App Delivery, F5. “Our research shows that the average organization manages hundreds of applications across data centers, multiple clouds, and edge deployments—as well as more than 20 different app security and delivery technologies. With these growing and more distributed portfolios, organizations require consistent security, end-to-end visibility, and greater automation in their app deployments to tame debilitating complexity and continuously add value for customers, streamline operations, seize new opportunities, and respond to emerging threats in real time.”

Respondents rank visibility across different environments as the top challenge for those deploying applications in multiple clouds, followed closely by consistent security. To help, 90% of organizations across all industries are planning to implement AI to better serve customers and surface valuable insights. Yet, effective AI requires better data transparency, integration, and governance than is currently available. Similarly, the survey identifies site reliability engineering (SRE) as a key piece of the puzzle, with 77% pursuing SRE approaches for their applications and systems, but enterprise architecture must evolve in parallel to support distributed, application-centric models and further advance organizations' digital transformation efforts.

Top findings include:

- **Modernization is spreading to back-office processes** – More than two-thirds of organizations realize that creating superior digital interactions for customers also requires modernizing less visible business processes and [back-office functions](#). Failure to use data quickly enough to source raw materials, hire employees, plan production, or complete a plethora of other support tasks can degrade customer relationships, delay time-to-market for new offerings, and hurt the bottom line.
- **IT and OT are converging** – In a related finding, respondents rate the [convergence](#) of IT and operational technology (OT) systems as the most exciting development in the next few years. Integrating OT systems that manage industrial and enterprise operations with data-centric IT systems will help close the automation loop and make digital businesses more adaptive so they can better anticipate and respond to shifting customer interests and market conditions.

- **Nearly everyone lacks critical insights** – An overwhelming number of organizations (95%) have plans to mine operational data for insights they hope to use to improve the customer experience and drive business growth. However, 98% of respondents indicate that they are currently unable to extract needed insights from their existing systems. Even with an expanded use of AI, many organizations still lack the personnel and capabilities to successfully identify relevant data and capitalize on it.
- **Complexity is becoming untenable** – With 93% of respondents using cloud-based as-a-Service offerings and 84% planning to move workloads to the edge, associated challenges range from overlapping security policies and fragmented data to the deployment of point solutions that ultimately add complexity, increase fragility, or inhibit performance. Broader distribution throughout the infrastructure means app security and delivery services are no longer tethered to the deployment model or location of the applications they serve, which allows businesses more flexibility but impacts consistency and can degrade the user experience.
- **Security is evolving to risk management** – Even as complexity has increased the number of potential failure points, performance remains paramount, with more than three-quarters (76%) of respondents admitting that—given a choice—they’d turn off security measures to improve performance. Managing a spectrum of risks with real-world objectives demonstrates businesses are taking a modified approach to risk management, contributing to identity-based security surpassing traditional app security and delivery technologies in terms of prevalence.
- **Repatriation is on the rise** – Today’s organizations manage everything from a growing collection of container-native and mobile applications to legacy monoliths that are fundamental to business operations. Significantly, over two-thirds of organizations (67%) are currently repatriating applications—that is, moving them back to a data center environment from the cloud—or planning to in the next 12 months. This is up from only 27% the prior year.

Taken together, these results indicate that IT decision makers are still coming to grips with limitations tied to modernization, business imperatives, and deployment methods as they reap the benefits of digital transformation. Organizations face a continuous balancing act between controls, costs, customer and employee experiences, and an extended set of application and API protections, resulting in heightened interest in sophisticated behavioral analysis and AI-based solutions that can better assess context to deliver the security, performance, and insights required for [adaptive applications](#).

F5’s 2022 State of Application Strategy Report represents nearly 1,500 IT decision-makers worldwide from a breadth of industries, organization sizes, and professional roles. The survey focused on respondents’ priorities, challenges, and expectations to form a compelling perspective of how organizations are evolving application strategies to better serve customers’ current and anticipated needs.

The full [F5 2022 State of Application Strategy Report](#) includes more information on these and other findings. For additional perspective from F5 experts, check out the following blog posts:

- [State of Application Strategy 2022: The Future of Business is Adaptive](#)
- [State of Application Strategy 2022: Time to Modernize Ops](#)

## About F5

F5 (NASDAQ: FFIV) is a multi-cloud application security and delivery company that enables our customers—which include the world’s largest enterprises, financial institutions, service providers, and governments—to bring extraordinary digital experiences to life. For more information, go to

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