



6 reasons why a recession is a great time to invest in digital transformation



Steve Simpson

Chief Revenue Officer with expertise in creating strategic value for enterprises ranging from SMB to Fortune 500.



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There's a big question that keeps coming up in my conversations with customers: Are we in (or about to be in) a recession? Many feel that some economic contraction is inevitable in 2023 and could last into and possibly through 2024.

Looking ahead:

[Your transformation road map matters](#)

[Why a recession is a good time to invest in automation](#)

[Find the right transformation journey advisor](#)

Plan your digital transformation road map

Just as a consumer's first reaction to a recession might be to review their household budget to find ways to save money, some business leaders' first instinct might be to immediately shift operations, put technology innovation and investments on the back burner and figure out ways to cut costs.

Some of my customers are doing just that—focusing on simply cutting costs. Others have the foresight to be proactive instead of reactive and are sticking with their plans to innovate and prepare for the future.

Now is the time to re-evaluate, reposition, reroute and continue to innovate.

Recessions don't last forever; in fact, the average length of a recession is less than 17.5 months overall, lasting an average of 11.1 months since the Great Depression. Keeping your attention equally focused on the near- and long-term is imperative.

Now is the time to re-evaluate, reposition, reroute and continue to innovate. Technology and automation will continue to evolve, regardless of the state of the economy. Your digital transformation road map matters now more than ever, to stay prepared, keep pace with demand, outpace your competitors and lead when the recession is over.

A recession demands automation

[Gartner research](#) shows that companies who outperformed during a recession did two primary things in that time: 1) committed to differentiating elements of their strategy before the economic downturn to position themselves to not just respond, but to power through uncertain times; and 2) effectively balanced top- and bottom-line growth across business conditions, realizing that focusing only on cost-cutting can come at the expense of top-line growth.

Here are six reasons why a recession is actually a good time to invest in your organization's digital transformation:

1. Gain long-term results.

Investments now—such as implementing a new solution to improve data quality or using advanced analytics to speed up decision-making—can drive cost savings and generate long-term payback into the future.

2. Mitigate risk.

An investment in artificial intelligence (AI) drives intelligent insights and modeling to predict and prescribe actions to mitigate risk.

3. Gain competitive advantage.

More than likely, your competitors will continue to invest, innovate and prepare for future growth. Tech innovation helps you keep up with—and even surpass—the competition.

4. Cut costs.

Investing in automation can help cut costs and right-size resources. For example, automating processes can free up key personnel's time to focus on higher-value initiatives, further driving down costs.

5. Bring CX to the forefront.

A recession is a good time to “double down” on customer experience. Think like your customers and their changing needs. Then adapt and make changes to optimize and add value to their end experience with your company.

6. Break down silos.

A potential economic downturn can create an “esprit de corp”—a sense of fellowship—within your organization. It can be a great time to rally forces internally, analyze processes and develop new workflows to break down silos and implement transformation more quickly and effectively.

Find the right digital transformation journey advisor

I'm not saying that it's not important to re-evaluate spending. A recession just emphasizes the question of when and where to cut back and when and where to continue moving forward. It's important not just to continue to innovate, but to focus on the technology changes and investments that make the most sense for your business (the most cost effective and the biggest ROI)—to place the right digital bets at the right cost.

The best way to do that? Find the solution provider with the skills and experience to work alongside you during your automation/digital transformation journey.

Here are a few examples of how we've brought our functional and digital expertise to leading global companies to implement solutions quickly and efficiently, in ways that could help “recession-proof” your business:

- One customer increased **agility** and **resilience** by investing in the right type of automation and data management. [Read more](#) about our Nerve Center methodology and how it can help you make data-driven decisions faster and more efficiently.
- A global manufacturer **minimized margin erosion** and **maximized profit** through a margin optimization tool that makes it easy for procurement teams to analyze and respond quickly to market dynamics. [Read more](#) about how you can **optimize margins** with an intelligent

system that captures data and accurately predicts price movements, enabling better decision-making.

- A multinational petrochemical company standardized its spend-analytics process to provide procurement teams with usable data to better **see value** and **stop spend leakage**. [Read more](#) about how you can **reduce overall operating costs** with our robust reporting solution that presents information on spend data from multiple systems.

You can't predict the future—especially in today's world—but with the right solutions in place, you can build intelligent, resilient operations to prepare for success and growth into tomorrow and beyond.

[Contact us today](#) to learn more about accelerating your journey toward Intelligent Operations.