

Report

The State of Business Operations

A Report on the Increasing Importance of Technology,
Automation, and No-Code

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Welcome Letter from Tonkean's CEO

Dear reader,

My co-founder and I started Tonkean with the express purpose of better enabling business operations, both as a discipline and as a function. We believed business operations—the practice of orchestrating organizations' unique combinations of people, processes, and technology—to be integral to manifesting a more adaptive, efficient, and effective future of work. Businesses are built on their operations. And businesses that prove transcendent do so in part because they appreciate the importance of empowering the business operations function.

We believe this even more ardently today.

Of course, we've seen the growing importance of business operations illustrated by the world around us, as well. Among other things, the coronavirus pandemic illuminated the importance of building companies atop operations that are dynamic and adaptive, in that it illustrated the danger of designing processes that are incapable of withstanding abrupt changes in circumstance. As 2020 wore on, it became increasingly clear that technologists and company leaders alike were beginning to recognize this. **The world of software has taken several new and large leaps toward full digital transformation. For example, there has been growing investment in automation, no-code/low-code, and AI/ML to drive more flexibility in the enterprise and to scale how technology can be leveraged to improve operations.**

Enterprise SaaS is also quickly developing to bring more connectivity between systems that run the business and the tools where people work. Enterprises are coming to more tangibly appreciate the importance of building or implementing software in a way that bridges the gap between the business and IT, creating a new standard for process design, and empowering users to execute quality work without leaving their preferred interface—technological traits business operations teams have long sought. This report shares fascinating findings about the growing importance and appreciation of business operations; the barriers to success that enterprises face in optimizing their business operations, both in operations teams and IT; and what technological strategies and needs enterprises are considering to improve their operations.

I hope you find these insights useful as you go about readying your operations for the future.

Sincerely,
Sagi Eliyahu

Methodology

500 Operations and IT professionals.

Tonkean surveyed—in partnership with Lucid—500 Operations and IT professionals across the U.S., working specifically in the fields of Business Operations; IT; Legal Operations; Sales Operations; Finance Operations; Revenue Operations; Customer Operations; IT Operations; and HR Operations.

A focus on the Enterprise.

Our survey focused specifically on folks working in the enterprise. 60% of respondents worked for companies boasting between 500 and 2,000 employees. 40% work for companies with more than 2,000 employees.

Grounded in the context of today.

Our survey was conducted during the fall and early winter of 2020, meaning that the unique challenges and recently won insights of that difficult year and of our modern context are well represented.

Executive Summary:

Empower business operations with no-code process orchestration

Business operations—a function that encompasses an increasingly diverse number of departments and focuses, from RevOps to Legal Ops to People Ops—plays a unique role inside the enterprise. It is the job of the business operations function to orchestrate the organization’s unique ecosystem of people, processes, and systems. This includes, among other things, serving as a bridge between the business and IT; strategically augmenting processes with the right technology solutions and support; and determining how to best enable every individual component of the organization’s multifaceted “machine.”

One of the chief findings from our State of Operations report is that a vast majority of respondents (95%), working on both the business and IT side of the discipline, agree or strongly agree that business operations is becoming more important to their organization. Only 1% of respondents disagreed.

At the same time, **we found that there is a certain degree of ideological separation among IT and operations teams.** Non-technical operations teams feel technologically unsupported. This is not altogether surprising, considering how operations professionals have neither a technological standard for how to do their work, which is complex, or a platform designed specifically for them. Revenue-generating teams have CRMs. Engineering teams have Jira. But operations professionals lack a tool designed specifically to help them create processes that connect and orchestrate their organization’s technology solutions, data sources, and users. IT teams, on the other hand, are frustrated about the lack of strategic support; 82% of IT respondents believe their organization uses too many software apps.

95%

Of survey respondents agree that business operations are becoming more important to the organization.

82%

Of IT believe their organization uses too many software apps.

24%

Only 24% of all respondents in our survey believe their current toolset satisfies all their operational workflow needs

The shared dissatisfaction, however—only 24% of all respondents in our survey believe their current toolset satisfies all their operational workflow needs—is telling, and can explain at least in part why many organizations today are inundated with operational debt. The average enterprise reports using around 1,295 separate SaaS apps or services, the vast majority of which don't provide the kind of strategic value needed. Operational debt, meanwhile, contributes to inefficiency, creating obstacles such as bottlenecks and technology gaps. This is why most organizations are so generally inefficient today. **Across industries, employees spend on average only 2.8 hours a day completing high-value work.**

With innovations in no-code and process orchestration technology, it's becoming possible to provide for operations and IT teams the kind of holistically capable solutions they need to carry out their responsibilities more effectively. Our report found growing excitement about these platforms; 95% of respondents reported that they will at least explore using no-code or low-code tools. 78% either already are, or are actively seeking such tools out.

As we move ahead towards real digital transformation, equipping operations and IT teams with technology that allows them to better orchestrate processes, more strategically manage their organizations' myriad moving parts, and cut down on their operational debt will prove the most effective and meaningful means of investing in the business operations function.

Key Trends Overview

1 **Business operations is increasingly seen as crucial to organizational success.**

95% of respondents say business operations is becoming more important to their organization. Only 1% disagreed.

2 **Business operations as a function encompasses and impacts nearly every key element of a given organization.**

Respondents to our survey represent business operations teams from such departments as Legal, Sales, Finance, IT, HR, and more.

3 **No-code/low-code platforms are being adopted to empower faster and more scalable software delivery to solve operational challenges.**

95% of respondents reported that they have already adopted or will soon adopt no-code/low-code tools. 78% of respondents meanwhile are either already using no-code technology in their work or are actively seeking such tools out, while another 16% expects to seek no-code tools out within the next year.

4 **Yet today, enterprises still generally lack the resources needed to successfully optimize their business operations.**

Only 24% of respondents stated their current toolset satisfies all their needs, with primary barriers cited as limited budget, change management, and lack of time.

5 **This leads to frustration and inefficiency.**

A whopping 82% of IT folks said there are too many apps used in their organization. At least 86% of respondents, meanwhile, said their projects at least occasionally get delayed because of a lack of technical resources.

State of Operations:

Growing recognition of the utility and importance of business operations

One of the first things our survey revealed is that the work of business operations teams is increasingly wide-ranging. Partly it entails designing and orchestrating the means by which every enterprise department functions. In the modern enterprise, the business operations function is charged with nothing less than designing and managing the “how” behind the enterprise’s “what.”

Business operations professionals today are directors of their proverbial orchestras, ensuring their organization’s many individual components—each of which uses different tools and possesses differing preferences and needs—operates cohesively and in concert.

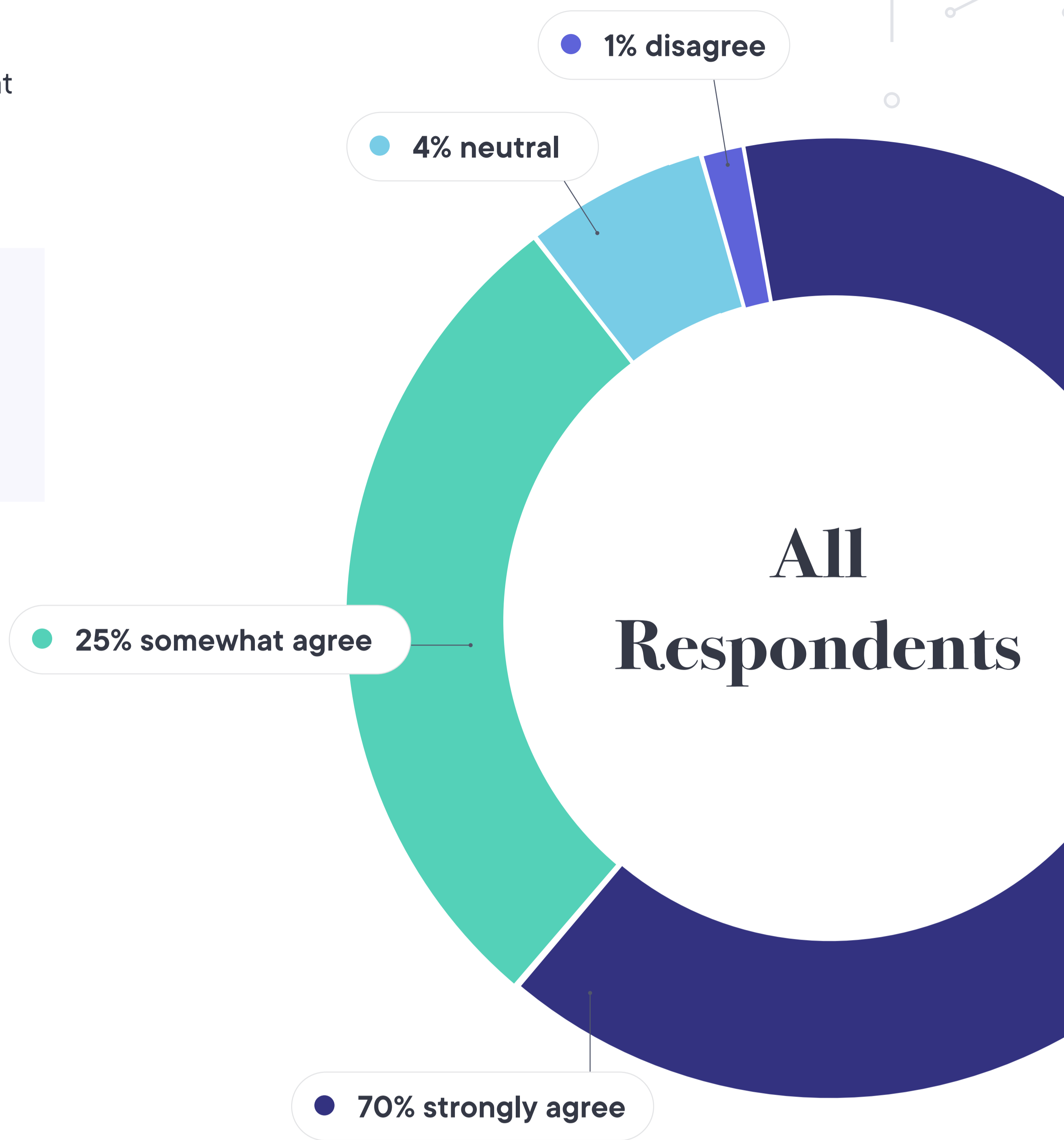
Job titles of survey respondents



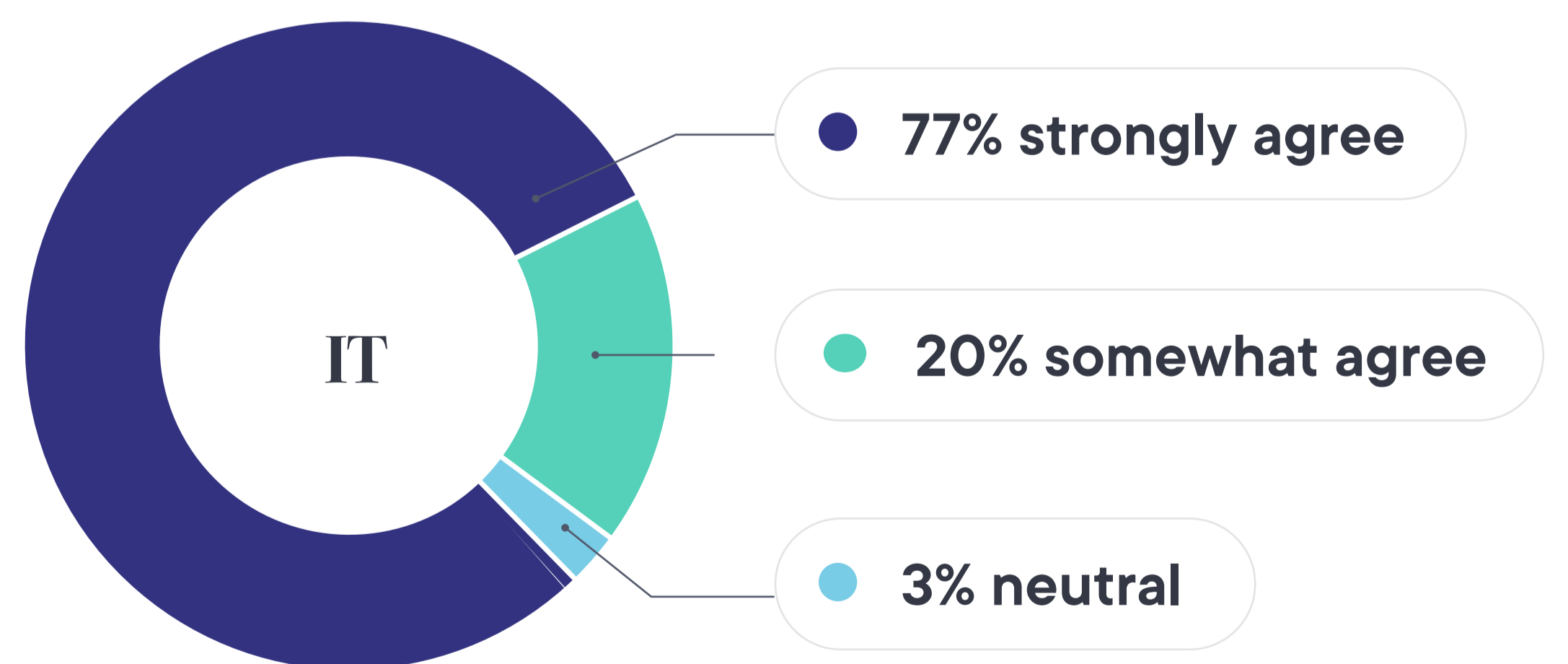
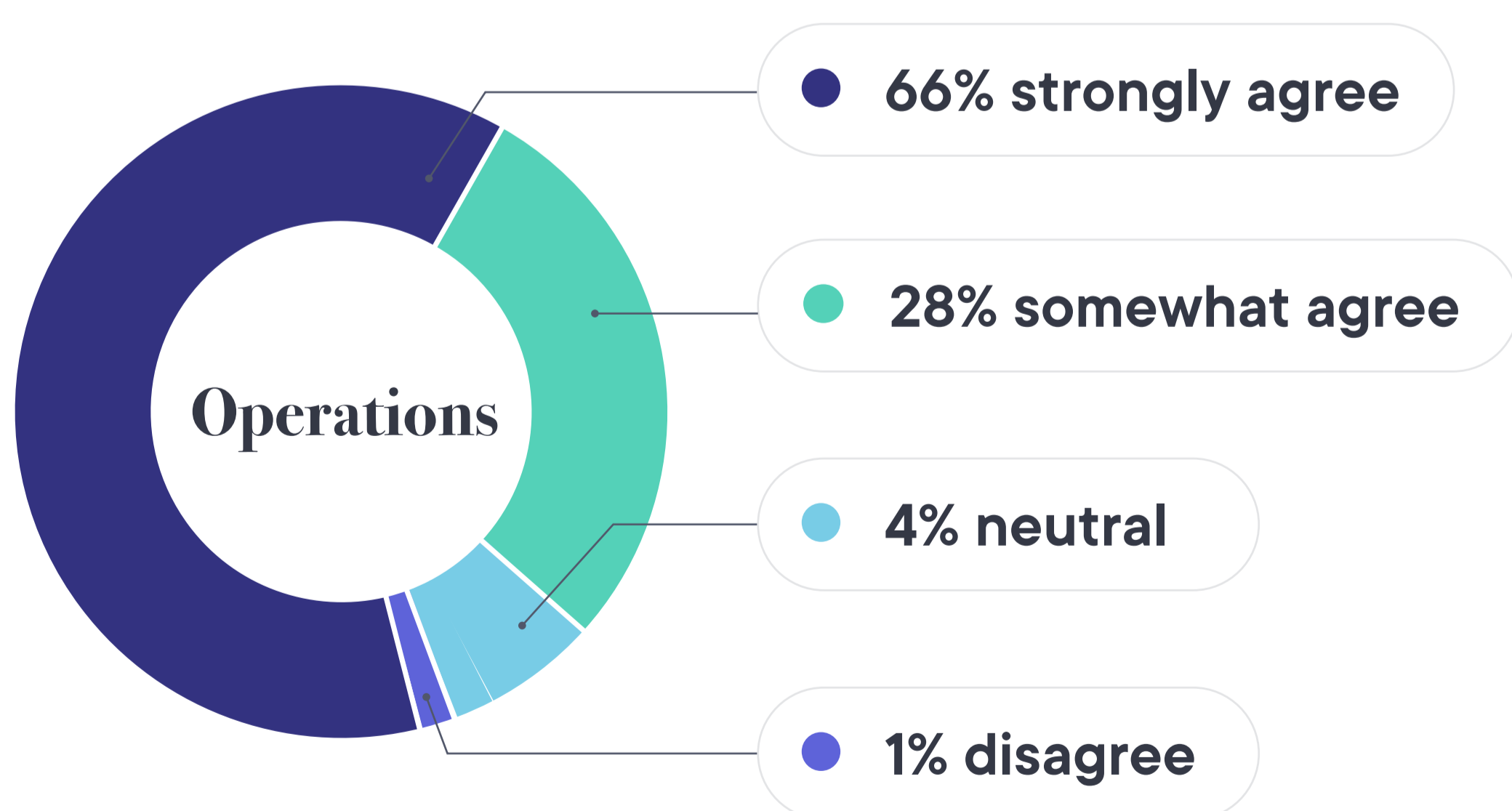
More and more, folks are recognizing the mission-critical importance of this work. Both IT and business operations teams believe that business operations is strategically crucial.

As an operations professional, do you agree that business operations is becoming MORE IMPORTANT to your organization?

95% of respondents agree or strongly agree business operations is becoming more important to their organization. Only 1% disagreed.



97% of IT professionals either agreed or strongly agreed with this sentiment, compared with 94% of operations professionals.



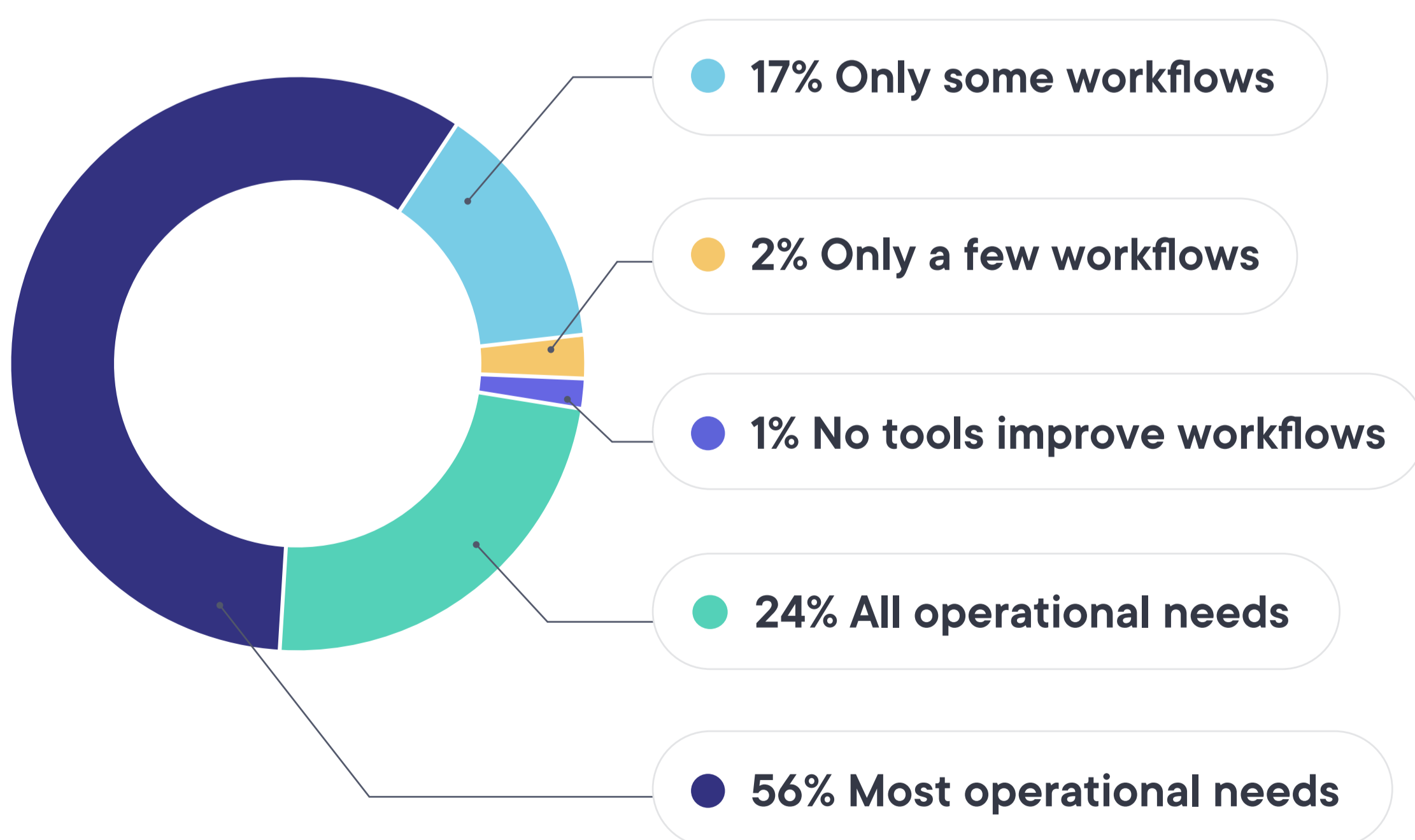
State of Operations: Organizational challenges, imperatives, needs

Our study found that in spite of growing recognition of the importance of the business operations function, there exist many unaddressed barriers to success.

These include organizational barriers that affect business operations' ability to effectively orchestrate processes or serve as a bridge between the business and IT.

To what extent does your technology stack satisfy your operational workflow needs?

Only 24% of all respondents believe their current toolset satisfies all their needs. 56% of respondents said their toolset satisfied some of their needs, but not all.



What are your biggest barriers to improving processes (according to IT or Ops)?

63%
Say limited budget

49%
Say access to IT /Engineering

56%
Say change management

47%
Say lack of tools

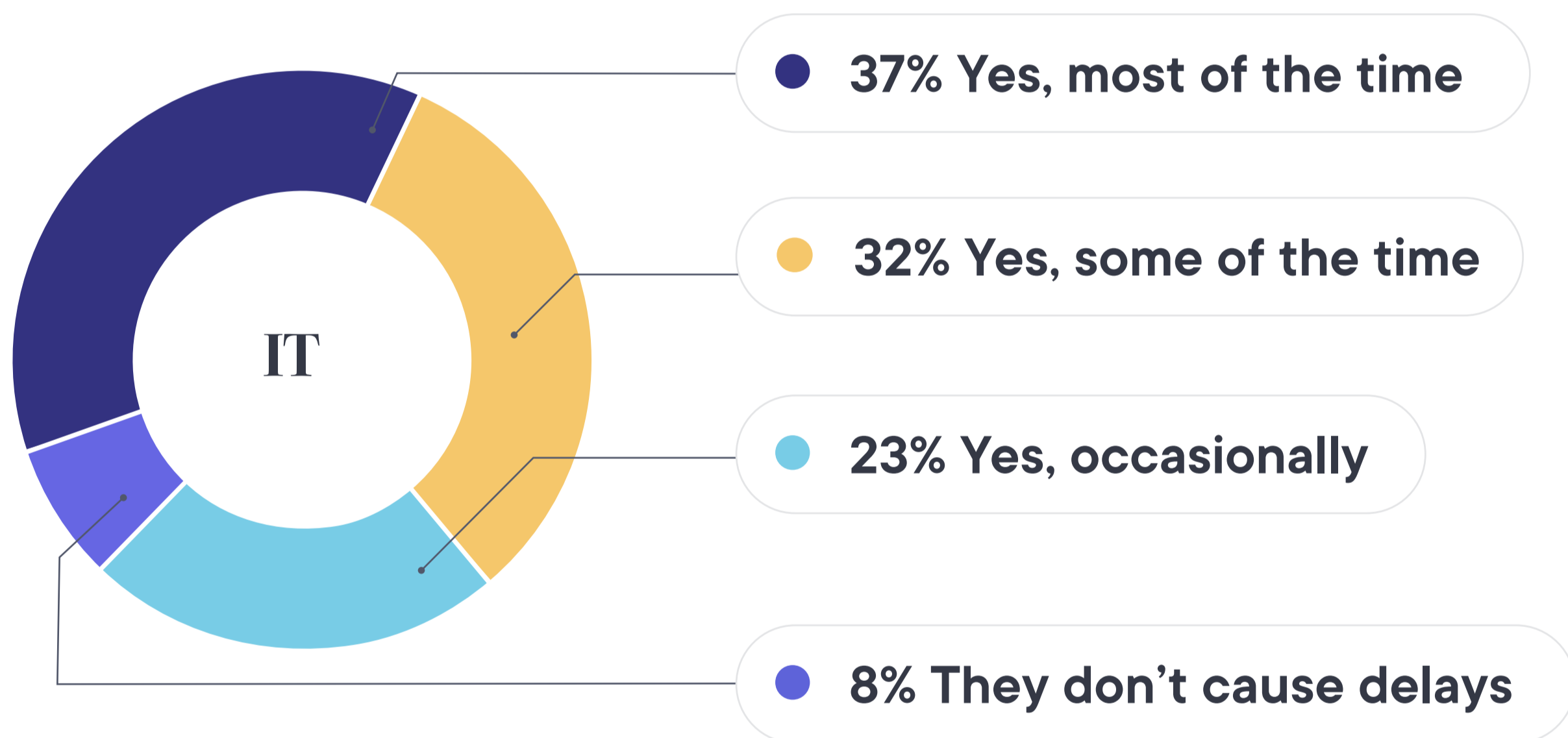
51%
Say lack of time

This lack of requisitely powerful resources has other negative effects, such as hampering efficiency.

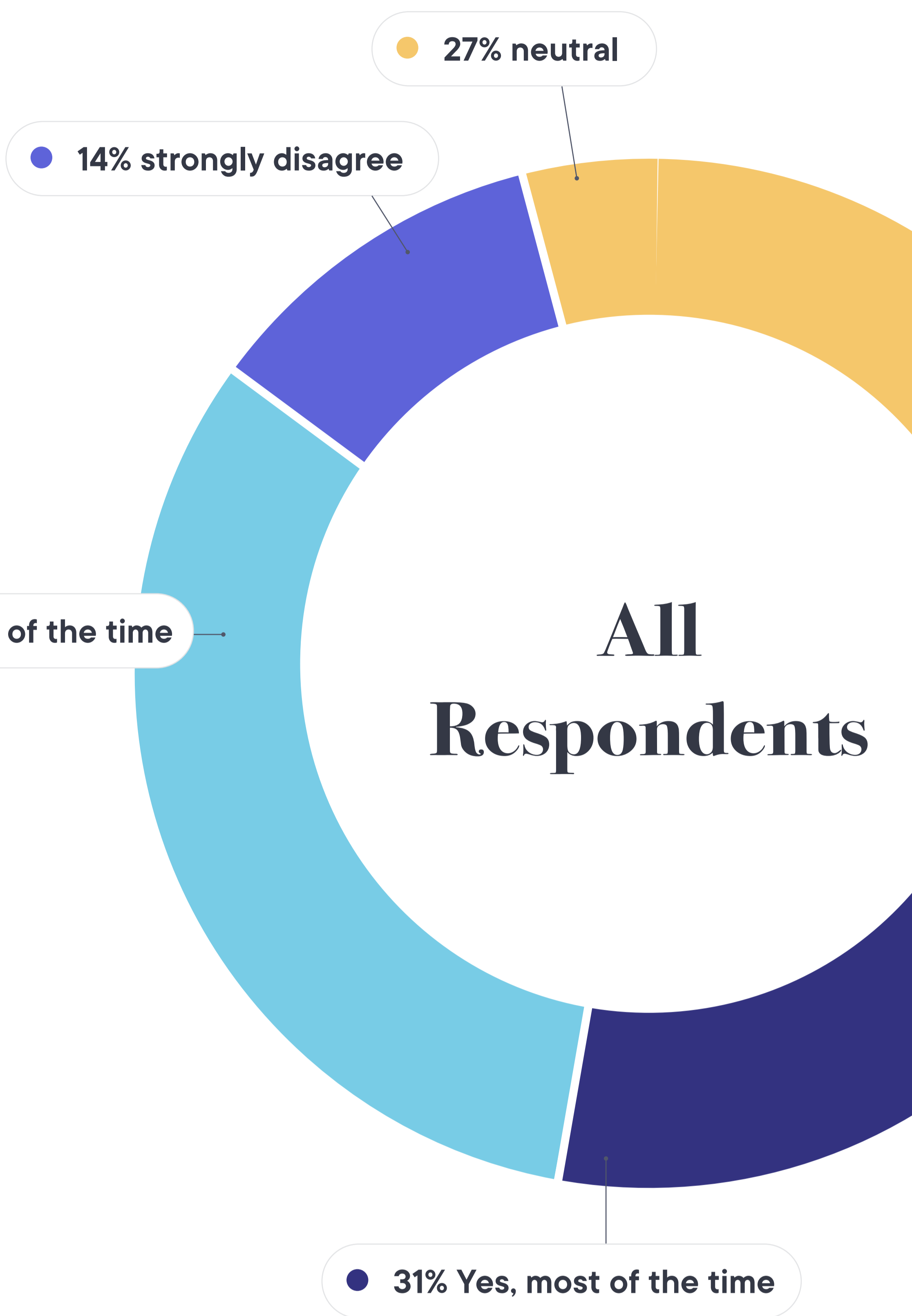
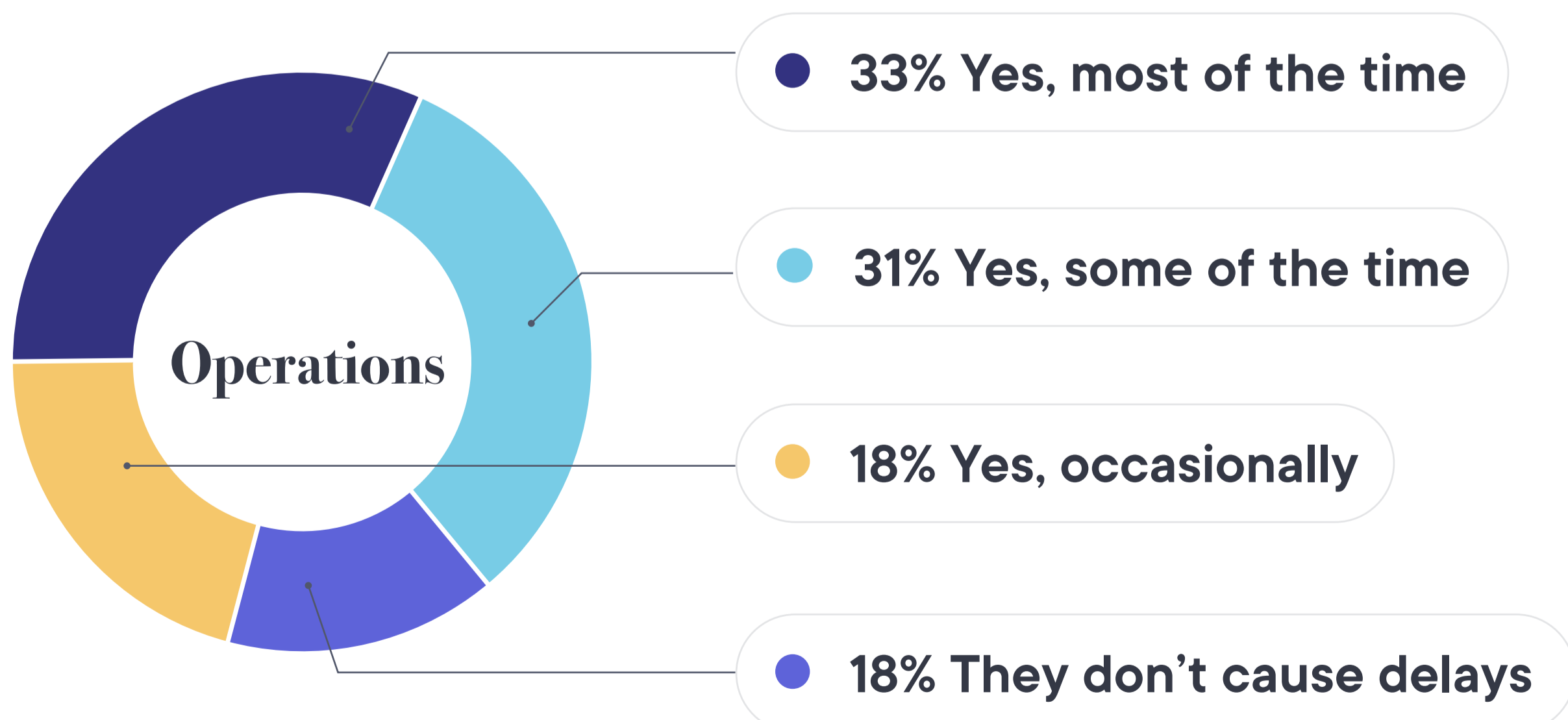
Do you find that your projects are often delayed or scrapped due to a lack of technical or development resources?

At least 86% of respondents said their plans at least occasionally get delayed because of a lack of technical resources.

That number jumps to 92% when focused on respondents from IT



82% of operations professionals report the same.

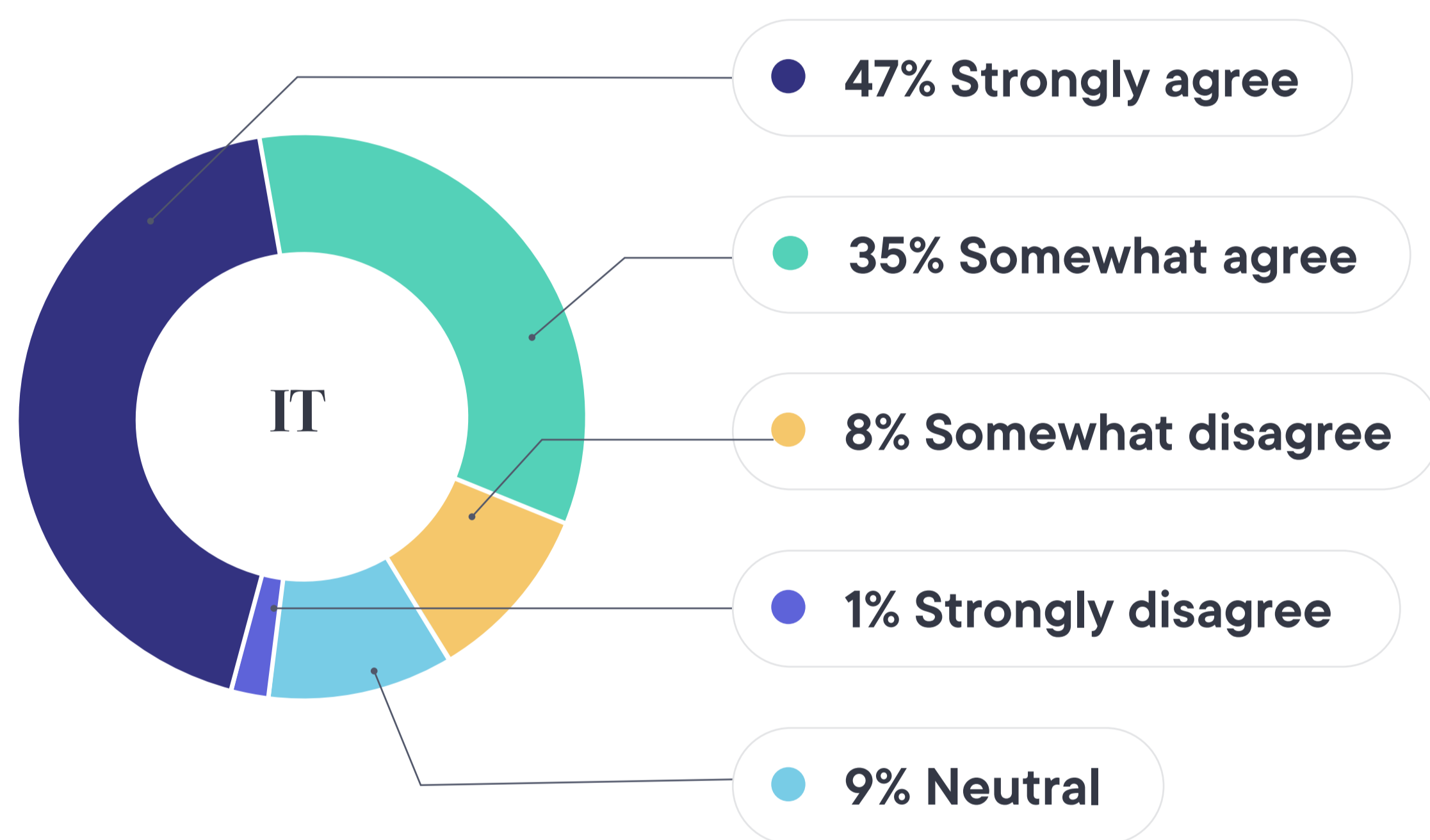


We likewise found disagreement around the role of apps internally.

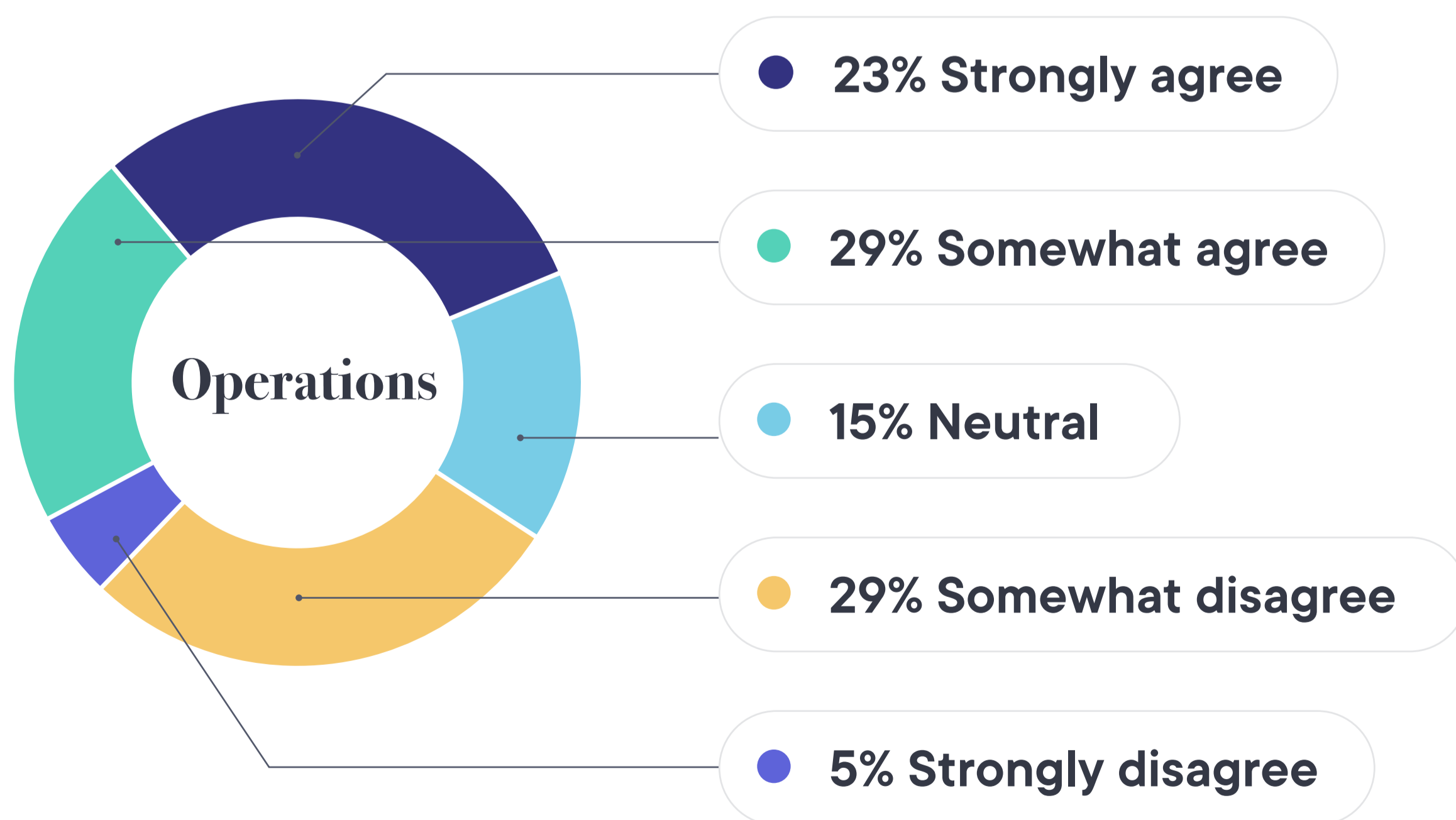
For example, operations teams remain more dependent on apps, partly because they don't have as great of access to technical resources, and partly because they don't feel as poignantly the pain of managing and governing lots of apps.

IT on the other hand feels more sincerely the brunt of trying to use too many apps, and they have more access to development—meaning, they're more ambivalent about them.

82% of surveyed IT professionals say their organizations use too many apps.



Only 52% of non-technical operations professionals say their organization uses too many apps.

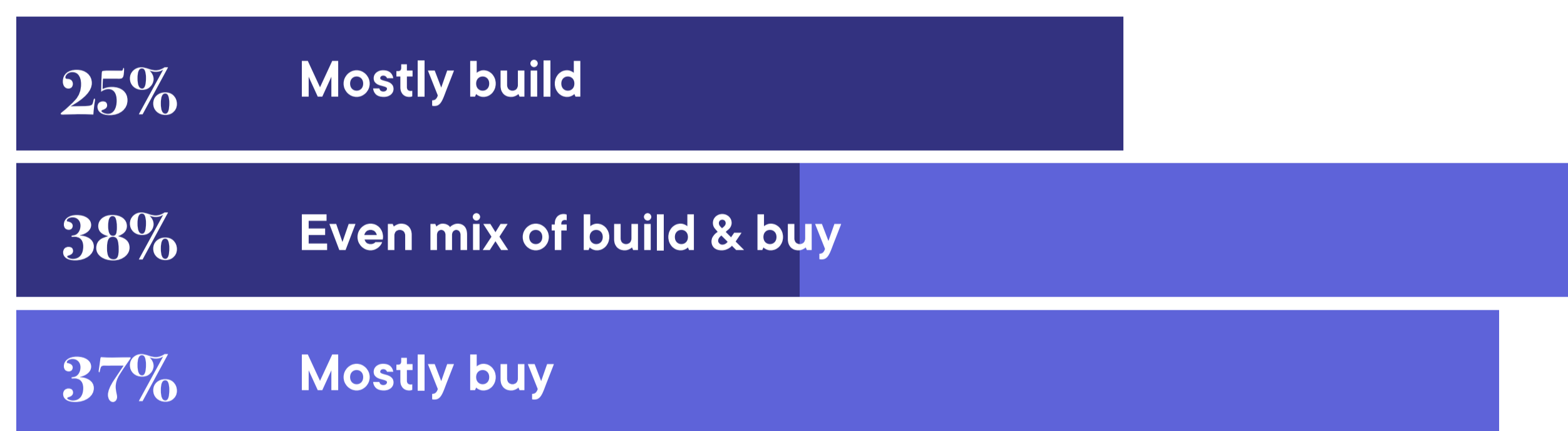


State of Operations: Technological challenges, imperatives, needs

Regarding the barriers to success in business operations—lack of time; access to IT/Engineering; lack of tools; change management; limited budget—our survey found a lack of consensus between IT and non-technical operations professionals so far as how to best address these barriers technologically, with the solutions themselves. Should solutions be bought off the shelf? Or should they be custom built?

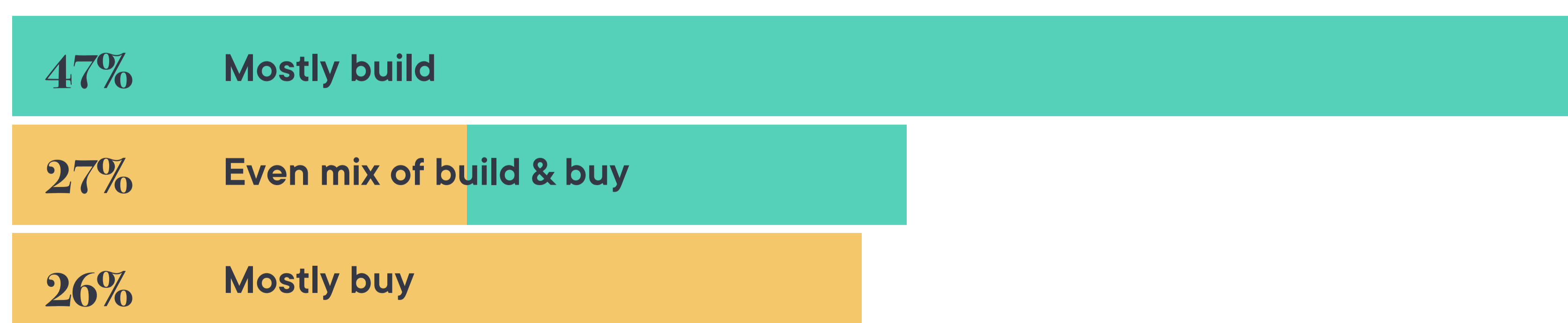
37% of operations respondents say their organization mostly buys internal solutions.

Operations



47% of IT respondents say they mostly build solutions.

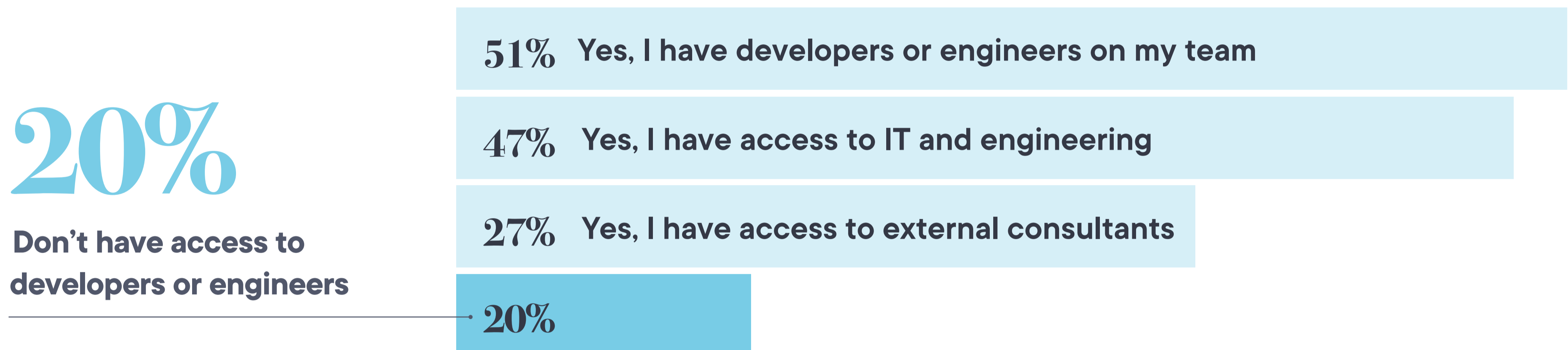
IT



Here's the trouble, though. Building custom solutions requires operations teams to have access to engineering teams. And that's not something all business operations departments enjoy.

Do you have engineers or developers supporting your operations team who build software or write code?

20% of operations respondents say they have no access to developer or engineering teams.



Teams who have no access to engineers or developers to support building software or writing code

What you have in many organizations, then, is a complex ecosystem of purchased and custom-built solutions, plus teams supported by engineers working alongside teams that are not.

Such complexity and incongruity makes it difficult for business operations teams to design and orchestrate cogent, efficient, cross-functional processes that drive efficiency and empower stakeholders. A lack of technology support, especially, weighs heavily on business operations teams, hampering the ability of revenue operations to do things like increase sales velocity and customer service operations to solve customer problems quickly.

20%

Of operations has no access to engineers/developers

25%

Of sales operations has no access to engineers/developers

37%

Of customer service operations has no access to engineers/developers

State of Operations: **Newly powerful no-code platforms provide potentially game-changing solutions.**

How are companies' newly bolstered budgets being spent? Mostly on exciting new technology with great promise to empower the business operations function. One of our survey's most resounding findings was that there is growing excitement among operations and IT professionals about the potential of no-code process orchestration platforms to provide what they've long lacked, which is a standardized means of creating processes that more effectively bridge user applications and data sources; provide a bridge between the business and IT; facilitate processes end-to-end; and, all-told, allow operations professionals to increase their organizations' general efficiency.

**Is your team actively investing
in no-code/low-code tools?**

78% of respondents report that they are already using no-code/low-code technology or are actively seeking these tools out.

78%

**Has or is actively looking for no-code/
low-code tools**

This number increases to 95% when you also include people who are planning to explore such technologies in the next year.

95%

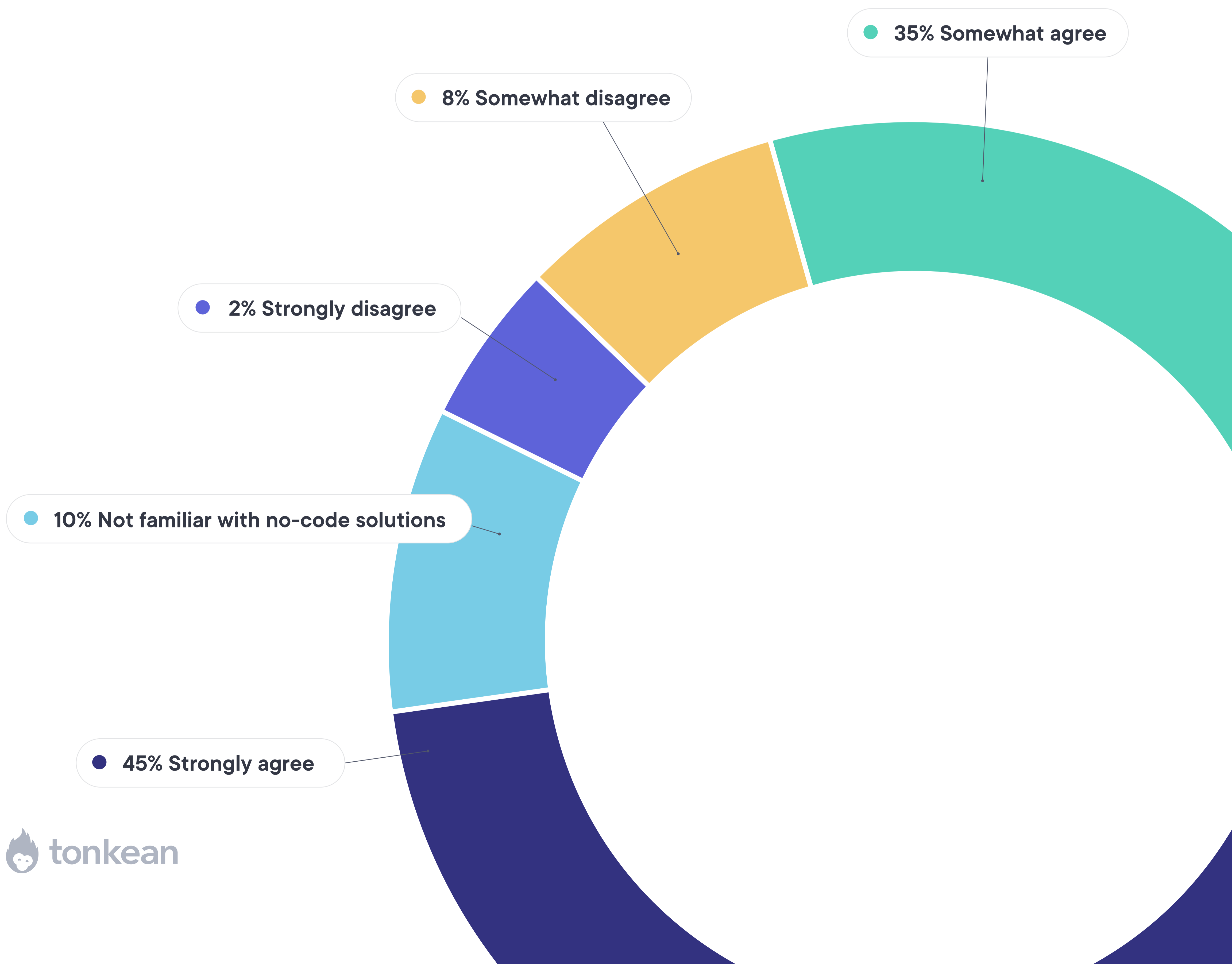
**Is contemplating no-code/
low-code tools**

Further, far from being an innovation operations teams are merely daydreaming about, this technology is something many are already investing in and using to improve their holistic capacity.

80% of all respondents agreed that “No-code/low-code would empower my operations team to get more work done.” 45% strongly agreed with this.

Do you agree/disagree with this statement?: No code solutions for business operations would empower my operations team to get more work done without engineering resources.

Only 12% disagreed and 8% said they weren’t familiar enough with these tools.



A note about no-code —and why it’s so exciting.

Salesforce’s announcement in December, 2020 that it was acquiring Slack for \$27.7 billion signaled a monumental shift. Along with other telling signs—such as Microsoft’s acquisition of robotic process automation platform Softomotive, or the prediction, issued by Yahoo Finance, that the no-code and low-code development platform market will “generate a revenue of \$187.0 billion” by 2030—the acquisition is an acknowledgment of the arrival of the next wave of SaaS. With this new generation of software, users will be able to execute quality work, and access data managed in their CRM, without leaving their preferred interface. Process designers, meanwhile, will enjoy more holistic ability to design cross-functional, systems-agnostic processes that run end-to-end.

The best example of this kind of “next-generation” platform? No-code and low-code process orchestration platforms. This explains the growing excitement in the world of business operations about no-code/low-code technology. The best of these platforms provide a point of control that effectively sits above your company’s operations, integrating with all your company’s varied systems and tools, and allowing operations teams to finally, truly orchestrate processes as cohesively and as seamlessly as they’ve long wanted to. No-code software, at the same time, is accessible by non-technical personnel, allowing operations users to create apps and build workflows with the aid of drag-and-drop functionality. That makes it the most effective tool available for business operations professionals charged with increasing their organization’s efficiency, alignment, and cohesiveness holistically.

The fervor around no-code for business operations is real. Far more than a fad or a trend, we think no-code process orchestration could be the key to finally unlocking business operations’ true company-changing potential as a function and as a discipline.

State of Operations:

The impact on business operations of 2020 and Covid-19

We found that 2020 fundamentally altered the mindsets of many business operations departments. Most notably, the challenges foisted upon organizations by the pandemic—along with revelations and adaptations it compelled—led both IT teams and operations teams to more meaningfully invest in automation technology.

79% of respondents reported that automation is becoming more important in the face of COVID.

That's especially true within IT teams. 87% of IT respondents said automation was becoming more important, including 54% who said automation is becoming much more important.

87%

Say automation is becoming more important in the face of Covid-19

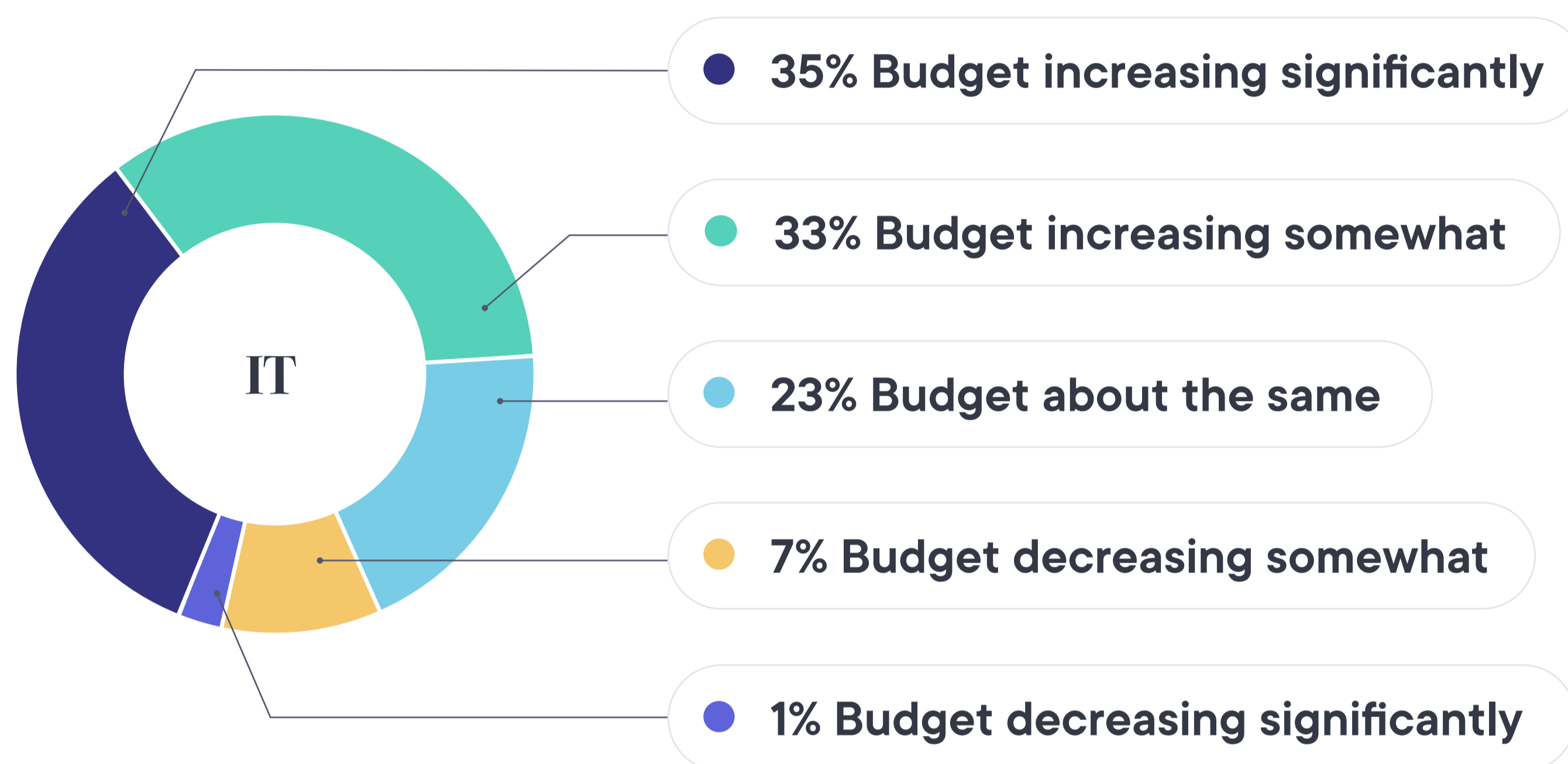
Is automation becoming more or less important to your organization (in the face of Covid-19)?

Much more important
Somewhat more important
About the same importance
Somewhat less important
Much less important

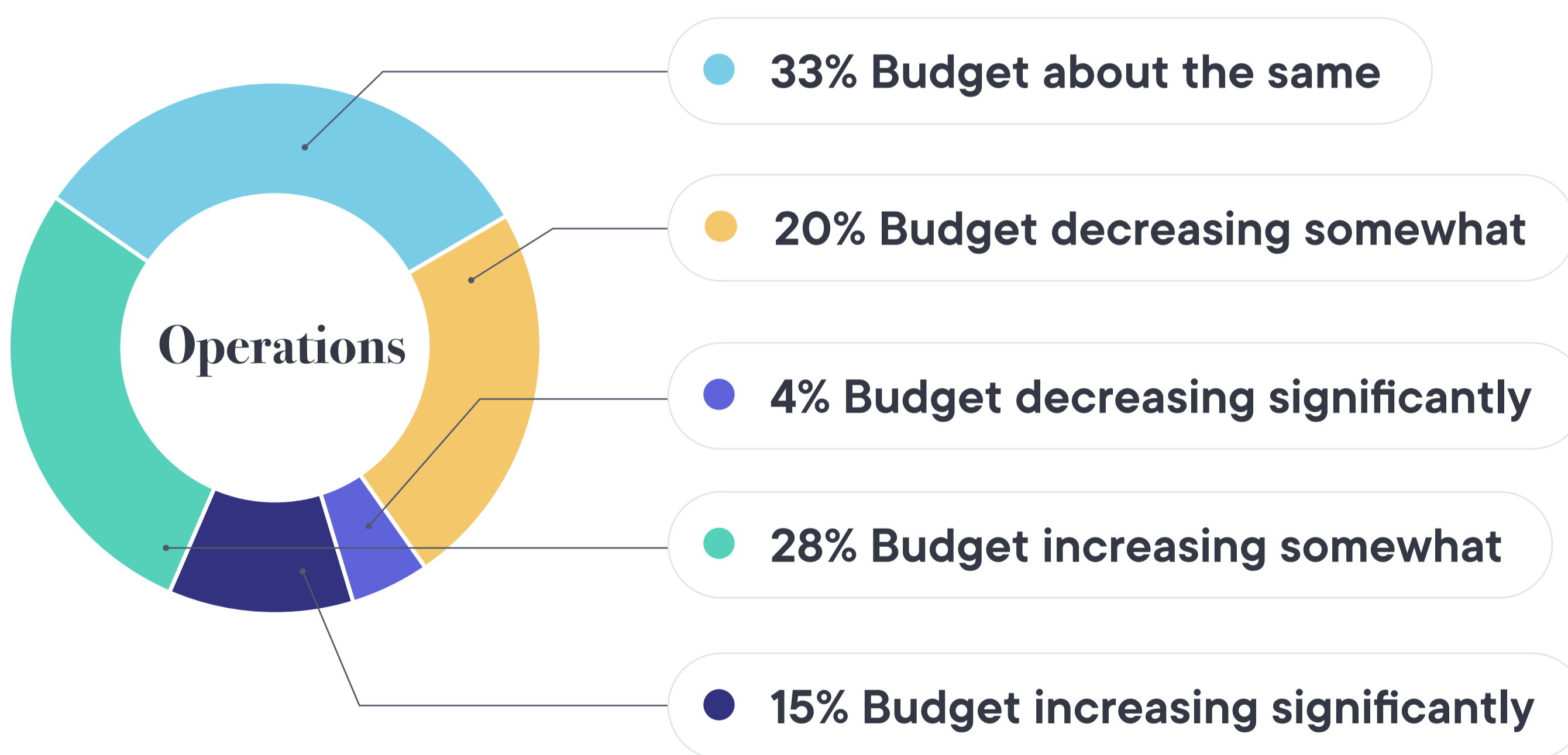
	IT	Operations
Much more important	54%	36%
Somewhat more important	34%	37%
About the same importance	11%	24%
Somewhat less important	2%	2%
Much less important	0%	1%

But the pandemic also inspired an increase in tech budgets generally. Many organizations, it seemed, realized that in a time of economic uncertainty, rooting out process inefficiencies remained a critical priority.

68% of IT respondents reported an increase in their budget over the course of 2020



43% of operations respondents reported the same.



Conclusion

In a fast-moving world, innovative and newly powerful technology offers exciting solutions for the increasingly important business operations function.

Here are our primary takeaways from our State of Operations 2021 report.

- 1** **Moving forward, the importance of business operations will only continue to grow. Which is just one reason why companies need to invest more in their operations.**
- 2** **The gaps in approach and in technology enablement between IT and business operations needs to be bridged.**
- 3** **There also needs to be more flexibility when it comes to software delivery, with movement away from apps, and more democratization through no-code/low-code.**

One final note. The world changed in many drastic ways over the course of 2020. But inside enterprises, at least, appreciation of the operations function has increased, and that's a positive.

It's hard to predict how the business world will continue to change as we proceed into this new decade. We're confident, though, that the future will continue to see increased appreciation of the importance of business operations in the enterprise—along with continued, increasing investment in business operations as a function and as a discipline.

The findings of this report suggest, in fact, that opting not to invest in a platform designed specifically for business operations might hold your organization back in the long run.