

# Technology Development And Adoption: Too Fast Or Too Slow?

*“Every company also has to be a technology company because if you aren’t, I don’t know how you can survive into the future.”*

**SUSAN STORY**  
CEO, American Water

New technologies are being implemented rapidly. In our survey, 80% of businesses are currently exploring or using AI and associated automation, and 78% are using big data or other advanced technology to address core business issues such as customer/user experience, new business/delivery models or the enhancement of design and manufacturing techniques (Figure 1).

FIGURE 1

**Use Of Advanced Technologies**

Which of the following technologies are you currently exploring or using for business growth?

	EXPLORING	USING
AI and automation	35%	45%
Big data	34%	44%
Enhancement of design and manufacturing techniques	33%	45%
New business/delivery models	31%	45%
Customer/user experience	30%	45%
Distributed ledger technologies	29%	7%
New resourcing models	28%	43%
Connected devices	24%	48%

Despite widespread adoption of these technologies, the majority of executives, 66%, are worried that they are either being too cautious (40%) or too bold (26%) in their approach. Only a third, 34%, feel confident that they are striking the right balance (Figure 2).

FIGURE 2

Too Bold Or Too Cautious?

Which of the following statements best describes your opinion of your organization’s risk appetite relating to tech-driven growth?



I am concerned that we may be too cautious in our approach



I am confident that our current approach strikes the right balance



I am concerned that we may be too bold in our approach



Setting the right pace for tech-driven growth starts with asking the right question: How fast should we go? Variables to consider include the attitudes of employees, customers, investors and the wider stakeholder community, the regulatory environment, the competitive landscape and financial resources.

Steve Flavell, co-CEO and cofounder of LoopUp, a remote meetings solution that facilitates real-time collaboration, has to contend with customers who are slower to adopt new technology.

“We operate in an unusual market where the pace of behavioral change has fallen far behind the pace of technological capability,” says Flavell. “Conference calling has been around for 30 years or so, and yet despite tremendous capability advancements in the industry over that time, it’s telling that around half of the business world still just ‘dials in’ to calls with phone numbers and codes, rather than using more advanced software. The key driver of this inertia is that people are being asked to learn and adopt new technology in an unusually live and multiparty setting. Any lack of comfort and they revert to their comfort zone. Our challenge is actually to limit the technology we manifest so as to drive actual adoption of the most valuable capabilities. It’s worth getting right because the world badly needs to meet remotely a lot more.”

In the healthcare sector, technology failures can result in serious harm or death. Surya Mohapatra, independent director of Xylem Inc. and Leidos Inc. and former chairman and CEO of Quest Diagnostics,<sup>1</sup> told us, “You have to move with deliberate speed and be absolutely sure that the technology works. We need to continue modernizing and inventing products because the competition always comes from a different angle, but we also have to be extremely careful because what we do has critical impact. In some sectors speed is key, but to us, quality and reproducibility are much more important.”

In the automotive sector, self-driving cars also raise complex ethical questions. The U.S. National Transportation Safety Board says that the federal government has failed to provide the necessary oversight of autonomous-vehicle testing on public roads.<sup>2</sup> Autonomous test vehicles were involved in 37 crashes between September 2016 and March 2018, including a fatality.<sup>3</sup> The severity of the harm caused, and the difficulty of the ethical issues, has resulted in an environment where, ironically, the pace of adoption has slowed because of a lack of clear workable rules.

Megan Gordon, Tech Group Partner, USA at Clifford Chance, says futureproofing needs to go far higher up on the board agenda. “Everyone feels, for good reason, that they need to get on top of the newest technologies. But sometimes you don’t see the full implications until 10 years down the line.”

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1 Xylem Inc. develops water solutions through smart technology. Leidos Inc. is a civil defense, health and intelligence company. Quest Diagnostics develops products, tests and tools to enhance patient care.

2 “U.S. Oversight of Self-Driving Cars Falls Short, NTSB Says in Review of Uber Death,” Washington Post, Nov. 19, 2019.

3 “In Review of Fatal Arizona Crash, U.S. Agency Says Uber Software Had Flaws,” Reuters, Nov. 5, 2019.