

Executive Predictions 2022

What leaders need to know about
volatile trends and emerging
technologies in the year ahead



Leading through surprising times

Surveying senior leaders and key tech experts across Splunk for our 2022 predictions, we found it challenging, after two years of heightened disruption and change, to predict the especially unpredictable. Consider not just the COVID-19 pandemic itself, but related effects, including overheated economies, massive supply chain shortages and political turmoil. We see signs that 2022 will be a better year, but it remains safest to expect the unexpected.



So how do leaders lead? More than ever, with data. Fortunately, as 2022 begins, we have two years of data on the health and economic impacts of the pandemic. As chaotic as life can be, we're hearing the word "unprecedented" less often than in 2020.

"For the first year or so of the pandemic, so much was up in the air," says Teresa Carlson, Splunk's president and chief growth officer. "Workplace disruption is a great example. With continued experimentation, firsthand observation — and data — we are refining our policies and approaches with increasing clarity."

Such data, she says, will empower leaders to apply the singular leadership skill 2022 will most demand. "I think we're at a point where decisiveness is going to be at a premium," she says, "and data has to guide directed action."

Decisiveness, she notes, does not demand an all-or-nothing mentality. It's not about rigidity, and even if one person has to make a call, leadership is not about acting in isolation. Any final decision will have many contributors.

"Success comes from leading *with* your teams," Carlson says. "Leaders have to have the self-confidence to make the decision in the face of unknowns, but they need humility as well, to draw from those around them. Leading isn't just deciding what to do. It's providing clear lines of ownership for those who contribute to the process and sharing credit for successes."





Shawn Bice, who joined Splunk as president of products and technology in 2021, agrees, saying that turbulent times are exactly what leaders were made for. “Three foundational aspects of leadership are needed to get through — or prevent — any crisis,” he says. “Thinking big, which centers on being unafraid of a bold direction; diving deep and staying connected to crucial details; and making decisions based on the best data, strong judgment and good instincts represent some of the most foundational aspects of leadership.”

We hope that the next year will have plenty of success to go around. To help, we’ve put together this report on trends in leadership and key technologies that demand C-suite attention. Check out our [Data Security edition](#) for a deeper look at security strategies and cyber crime, and read our [IT and Observability report](#) for predictions more tightly focused on the CIO’s domain.

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Prediction

Every organization will need a new approach to talent.

While generational shifts in the workforce and the advent of new technologies have been felt for years, COVID-19 accelerated workforce change just as it turbocharged digital transformation. The result: a new square one.

“We see a great opportunity to reimagine the changing nature of how and where work gets done, to create a more productive and inclusive workplace and maintain a healthy, connected, empathetic and sustainable workforce,” says Kristen Robinson, Splunk’s chief people officer.

Transforming an organization’s approach to its workforce, with an eye to attracting, developing and retaining game-changing talent, is a puzzle with many pieces, Robinson says, and every industry has a different puzzle to solve. She offers examples of how office-based organizations like Splunk can put together a new picture:

Remote work changes how you lead. Remote work is just different, Robinson says — especially going forward, when you can expect half a team to be gathered in one or more offices while the other half are all remote. And during the pandemic, add in extra disruptions such as kids being home-schooled. Splunk President and Chief Growth Officer Teresa Carlson says that human-centered leadership is suddenly more essential than ever before.

“You have to be able to extend a little grace to people, to offer flexibility and to find the time and the right ways to check in on your team’s well-being,” she says. “At the same time, we also have to empower people to succeed, holding them accountable and crediting them for contributions that might get lost in a remote and asynchronous world.”

There’s new urgency, and new need, to promote employee well-being. Not only does that involve management strategies around well-being and work-life balance, it also includes new approaches to mental health resources that help employees thrive.

“Organizations need a comprehensive well-being strategy,” Robinson says. “That includes both resources available to employees and policies and approaches around work-life balance, remote management and collaboration, etc.”





Office space needs a makeover. Robinson does not foresee a day when most people work most days in an office. She is preparing for a hybrid workforce of office regulars, full-time remote workers, and a substantial contingent that constantly toggles between those extremes.

“For us, the whole idea of the office has to change,” Robinson says. “We see the office as no longer the primary workplace, but more of a community anchor, a place where teams meet to bond, find inspiration and also maybe find a quiet corner to get some solo work done. And through all of that, we have to balance the needs of people who aren’t in the office on a given day, or who may never come into the office at all.”

Upskilling is more vital than ever and requires new approaches. Even in the most normal of times, organizations are forced to adapt to new technologies, new competition and new opportunities faster than ever. That puts a premium on training workers. Organizations need to give workers time and incentives to increase their skills — and not just take those skills to another company.

Carlson says she’s a big fan of self-paced online learning but notes that the pandemic has changed even this remote-work boon. “We’ve seen course providers segment learning into shorter 15-minute sessions so that workers can log in, learn something meaningful, and get back to work or deal with family needs. That kind of responsiveness and innovation is just essential.”

Constant adaptation is the new baseline. If the pandemic taught organizations anything, it’s to keep their business continuity plans updated. But it’s more than disaster planning. It’s planning for change as a constant.

“We need to continue to build a general adaptiveness to change,” Robinson says. “It’s all challenging, but the great thing is that there have never been so many possibilities for helping employees develop themselves and their careers while achieving the mission of the organization and making it all more resilient.”

Prediction

As businesses find their (post?) pandemic balance, expect an M&A bonanza.

Some companies flourished during Covid, some struggled. Expect to see leaders buy up followers as we move into a strong economy in the next year or two. The strong are going to get stronger and more competitive.

We asked Vice President of Corporate Strategy Chris Grisanti what general advice he'd give to companies for the next year or two. "Companies that invested aggressively during the pandemic have an advantage," he responded. "Expect a dramatic round of M&A ahead."

Companies that were able to go hard on their reinvestment strategies during the downturn have become more agile. As we come out of the pandemic, companies in industries hit hard (such as hospitality and travel) will bounce back. But among those, it's the companies that invested in their digital strategies that will get stronger, while those with less aggressive strategies will really struggle.

Grisanti sees a lot of consolidation on the horizon. Laggards will be consolidation candidates, or if they have enough capital, they'll have to be more aggressive in consolidation if they want to regain ground, he says.

Splunk Chief Strategy Officer Ammar Maraqa sees the same but cautions on the availability of attractive targets.

"While there will be some consolidation," Maraqa says, "one friction is that private valuations are very high, putting a damper on companies that want to acquire more. What's unique about this recent downturn is that it wasn't a dip in the stock market, but more an economic pause. It's not going to go exactly the way other downturns did, but I do think there will be more M&A on the whole."

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Chris Grisanti, Vice President
of Corporate Strategy,
Splunk

Prediction

Edge computing will have big buzz in 2022 — and will live up to the hype.

We peg 2022 as the year that edge computing hype hits its peak. There has been a conversation around edge for years, but the volume has been rising, and in the next year, you'll be tempted to tune it out. Don't.

The next multicloud is edge, our experts agree. There's more data than anyone knows what to do with, and the more it has to be moved back and forth from edge to center, the more it costs. The natural response is to move it less.

Edge paradigms allow more computation to be done where the data is collected and see only a necessary selection of data moving to the core. Right now, in the wake of spiking digitalization, tech leaders are ready to obsess over the value of the edge to cut costs, preserve bandwidth and drive smarter, faster actions. It won't happen overnight, but it will happen.

"The major cloud providers are making strategic bets on edge architectures right now," says Shawn Bice, Splunk's president of products and technology and a recent veteran of Amazon Web Services. "Very soon, the edge will become a natural extension of enterprise environments."

"Companies are being funded in this space," adds Chief Strategy Officer Ammar Maraqa. "Edge computing will be enabled by 5G and growing compute power, so it is early. But it's coming."

Edge computing gets most of its hype around big-vision examples like autonomous vehicles, but there are plenty of right-now examples, including how those self-driving cars will get all their sensors and chips in the first place. "We're helping customers around chipset manufacturing right now to monitor production lines, because the minutest change is critical to the manufacturing process," says Splunk Vice President of APAC Simon Davies. "They've got technologies from multiple providers involved at different stages in a process where sub-millisecond response time is needed, and that has to happen there, at the edge."



Building that, and keeping it running, won't be easy. Remember, "the edge" is a singular noun, but almost any instance of edge computing would involve hundreds or thousands of endpoints. So security and observability won't be one-click challenges. We predict a five-year curve before edge computing is fully mainstream.

"We're definitely not there yet," says Mark Woods, Splunk's chief technical advisor in the EMEA region. Want more answers? He says you should ask your Alexa. "The technology will be driven by consumer devices such as digital assistants. Consumers don't need the level of reliability, of low latency, that industrial applications would require. So tech companies will prove it at scale in the consumer space, then package it for the corporate customers who demand 'five nines' of performance."

Don't wait for the future to shake out, though. Garth Fort, Splunk's chief product officer, notes that most organizations have edge challenges to solve already. "As a buzzword, edge computing tends to refer to cutting-edge industrial uses, but the mainstream edge has been here for a long time: Mobile devices. That's the aspect of edge that every organization needs to be thinking about."

"The edge is already here," Jesse Chor, Splunk's VP of engineering for platform experiences, agrees. "Your phone, your wearable, your PlayStation and laptop or desktop, those are all edge devices. More computing power is moving to cheaper and cheaper devices, and they're more connected."



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Jesse Chor, Vice President
of Engineering for Platform
Experiences, Splunk

Prediction

Year of CX: Customer experience is the defining factor in 2022.

2020 was about rapid cloud adoption as (many) organizations massively accelerated their digital transformation roadmap at the start of the pandemic. 2021 continued that acceleration. 2022 will be about the “last mile” of digital experience: connecting with the customer.

Gaps in customer experience are always a problem for businesses. But because not everyone was able to really double down on transformation, there's a real difference in organizations' digital presence, says Splunk's chief strategy officer, Ammar Maraqa. Looking to the year ahead, he sees forces that will only exacerbate the CX gaps, from skills shortages and supply chain disruptions to uneven vaccination rates and more transmissible Covid variants.

“The uncertainty will not slow down the advances in digital transformation, but it will increase the unevenness,” Maraqa says. “Across industries, we're seeing digital haves and have-nots, because not every organization was willing or able to lean into their evolution. The differences between competitors who surged forward and those who didn't are increasingly prominent.”

So while cloud services have been widely adopted, cloud is only the platform on which innovation and great CX play out. Cloud lets you deploy changes rapidly to improve your experience, which is essential, but to really understand customer needs and execute the right changes, you need DevOps and observability.

“It's about creating a viral feedback loop,” says Jesse Chor, Splunk's VP of engineering for platform experiences. “First you adopt the cloud, get data up there. Next, it's how you get it out and make sense of it. To create a great experience, you need a feedback loop that feeds iterative cycles of improvement.”



“Understanding the customer journey and leveraging analytics to rapidly develop and test improvements relies not just on cloud infrastructure and fluid DevOps processes, but real visibility into how customers are interacting with your systems,” says Nate Smalley, Splunk’s global director of IT operations and observability. Moving to the cloud, he adds, is the 20% of the work that delivers 80% of the result. To go that last mile — where the differentiating advantage lies — requires the bulk of the effort.

Two broad traits drive innovation success: a mature approach to leveraging data and meaningful cultural support for innovative practices. (See our research in [The State of Data Innovation 2021](#).) And data innovation raises the bottom line by an average of 12.5%. (See that research in [What’s Your Data Really Worth?](#))

That’s the result, says Chief Product Officer Garth Fort, of using all your data to understand both your customers and how your organization interacts with them.

“Every organization has a lot of data that’s relevant to customer experience,” Fort says. “There’s the obvious data about how customers interact with your systems: How do they behave in the app or on the web page, what’s the latency, availability, etc. Where do they abandon a journey? But what’s the average sales cycle time? That data would be in Salesforce. What’s your average salesperson’s tenure? That’s in Workday. All of this can be relevant.”

Specifically, our innovation research found that the organizations that do the best job of bringing new features and services to customers dig deeper into their data, as Fort suggests. And in an era of heightened uncertainty and increased digitization of the consumer relationship, every incremental improvement to that relationship will be vital.

“You need more data to do a better job of customer service, of managing supply chains and demand, and you need to be really flexible, meaning you can make decisions at the last moment,” Maraqa says. “For all of that, you need to be digitized.”




The beat goes on

A lot of organizations used to wait to explore the latest frontier. But a sedentary approach won't succeed in this Data Age. Covid forced many organizations to compress years of digital transformation into six months. And post-Covid, more of them seem to be embracing the digital pivot.

The dramatic lockdown policies of 2020 meant that most organizations could not serve their customers without being online. Even businesses with a pretty good digital presence had to go further, very quickly. And now, many companies are gaining new insights from the resulting data.

“The organizations we work with are certainly seeing that value,” says President and Chief Growth Officer Teresa Carlson. “They’re looking to innovate as fast as possible to maintain a competitive edge, to bring an incredible idea to market, to keep their people safe — the opportunities are limitless.”





Splunk President of Products and Technology Shawn Bice says that many organizations are embracing those opportunities, working to reinvent themselves with data.

“It’s hard for any business to sustain success for an extended time, and periodically, you have to reinvent yourself,” he says. “The internet set off a wave of reinvention, and then the cloud did it again. The next wave of reinvention will be driven by data.”

One of the most profound changes, he says, is that data is moving from being a record of what happened to providing the insights to make things happen.

“Proven examples include operationalizing a retail shopper’s buying history and analyzing it with other shopper’s buying habits to make intelligent product recommendations that increase sales,” he says. “Shipping companies have combined weather forecasts, fuel prices, and traffic and location data to optimize routing in near-real time. Or schools have used data analytics to identify students at risk of dropping out and offering additional interventions in a timely manner.”



Carlson agrees, noting that as much as data has transformed the world, so much more is yet to come. She says that many organizations realize that they have a long way to go as they digitize and draw maximum value from their data.

“Many organizations are still in early stages of digital transformation,” she says. “We all are, in a sense, because transformation isn’t a journey to a fixed endpoint. It’s a mindset of continuous improvement and growth. Which, I hope, is what the future holds for us all.”



Contributors



Shawn Bice

Shawn joined Splunk as president of products and technology in 2021 after five years of meteoric growth at AWS, where he was vice president for database services. Before that, he was with Microsoft for 17 years leading SQL Server and Azure Data.



Simon Davies

As vice president in APAC, Simon is responsible for the full portfolio of Splunk solutions in the Asia-Pacific and Japan markets. He is a veteran of Microsoft, Salesforce, Oracle and Citibank.



Teresa Carlson

As president and chief growth officer, Teresa leads Splunk's efforts to align and drive our ongoing business transformations. Most recently, she was vice president for worldwide public sector and industries for Amazon Web Services (AWS).



Garth Fort

Garth joined Splunk in 2021 as SVP and chief product officer. He came from AWS, where he was director of product management and then general manager, after a two-decade tenure at Microsoft.



Jesse Chor

VP of Engineering, Platform Experiences
Jesse Chor was Yahoo's director of software development engineering after they acquired Sparq, a mobile marketing startup he founded and led.



Chris Grisanti

Chris was a corporate strategy leader at Cisco before joining Splunk, where he's VP of Corporate Strategy. He is also a former restaurateur who fondly quotes Peter Drucker: "Culture eats strategy for breakfast."

**Ammar Maraqa**

Ammar is Splunk's senior vice president and chief strategy officer. Back in the day, he led corporate strategy at Cisco, was part of the M&A team there, held product roles at Dell, and started his career as a consultant with Bain & Co.

**Nate Smalley**

Nate is global director of IT operations and observability. He has been an engineer and system administrator, including for the U.S. Army, where he was also a computer forensics investigator.

**Kristen Robinson**

As chief people officer, Kristen Robinson leads with her belief that people are the foundation of innovative, fast-growing companies. Before Splunk, she was chief human resources officer at Pandora, and SVP of HR at Yahoo.

**Mark Woods**

Splunk's chief technical advisor in EMEA, Mark has been an engineer, consultant, entrepreneur and CTO. He helps executive teams and international policymakers understand the seismic potential of data-driven approaches.

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and IT/observability.

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