



## Inability to Fully Utilize Digital Tools Cost Enterprises Nearly \$100 Million Last Year, WalkMe Research Finds

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*67% of enterprises are under 'incredible pressure' to accelerate digital transformation, but 60% say change management programs are 'no longer fit for purpose'*

SAN FRANCISCO, Aug. 10, 2022 /PRNewswire/ -- [WalkMe](#) Ltd. (NASDAQ: WKME), a leading provider of digital adoption solutions, today released "[The State of Digital Adoption 2022-2023](#)" report, showing enterprises' struggle to give employees the ability to use digital tools as they are intended and to their fullest extent.<sup>1</sup> It found a lack of uptake of digital technology means enterprises over-spend by **more than \$32 million** in order to reach their strategic goals. In addition, 67% of organizations are under "incredible pressure" to accelerate digital transformation. Yet, they cannot guarantee that employees will fully use the technology at their disposal and so maximize its value.



**Sixty percent** of enterprises say that change management programs are "no longer fit for purpose," while **70%** could not identify exactly who is responsible for managing the adoption of new technologies in their organization. Enterprises plan to spend **more than \$30 million** addressing these challenges in the next three years. The right approach could greatly reduce almost **\$100 million in costs** caused by organizations' inability to fully realize the value of their technology investments.

"Technology is the lifeblood of organizations, with most saying it's more important than a head office. Yet by failing to make full use of the resources at their disposal, enterprises are constantly subjecting themselves to needless losses," said **Ofir Bloch, Vice President of Strategic Positioning, WalkMe**. "Whether it's projects failing to meet expectations, an inability to maximize the value of application investments, falling behind on strategic goals, compensating for employees' lack of digital dexterity, or employee churn caused by frustrations with technology, the costs all add up. Every enterprise has the potential to take full control of their digital investments, but they need the right approach in order to do so."

Additional findings from the report include:

### Counting the cost of a lack of uptake

A lack of uptake costs the average enterprise with 10,000+ employees more than \$96 million, including:

- **\$32.48 million** from additional spending needed to meet strategic goals missed due to a lack of adoption of technology
- **\$26.19 million** from digital transformation projects that did not meet their goals because end users did not use the technology as expected
- **\$16 million** from failing to realize the full value of their application investments
- **\$21 million** from spending on training, support and other ways of compensating for employees' lack of digital dexterity
- **\$1.14 million** from replacing employees leaving due to frustrations with technology

### Technology is at the heart of the employee experience

Enterprises recognize that technology is key to satisfied employees:

- **64%** say that technology and end user experience are more important than office facilities when it comes to attracting and retaining talent
- **61%** say that poor employee experiences with IT are likely to add to the "Great Resignation"
- At the same time, training and support have to be tailored to the individual: **63%** say a one-size-fits-all approach to technology support and training "isn't applicable"

### Maximizing uptake is a priority, but businesses lack focus

Maximizing adoption of digital technologies is a clear priority for businesses:

- **40%** say application utilization is a top priority, with only security higher
- In **71%** of enterprises, the C-suite takes a strong interest in the adoption of new technologies
- In **68%**, there is an individual or team of individuals with responsibility for ensuring adoption of digital technologies

happens, while the same percentage say they use adoption as a measurement of transformation success

- Yet as seen, most enterprises do not know exactly who these individuals are. And maximizing uptake does not always appear in enterprises' strategic goals or KPIs:
- **60%** of organizations do not yet have a clear strategy to increase adoption of digital technologies
- **59%** lack specific KPIs designed to measure digital adoption

"With enterprises planning to invest more than \$30 million to increase the use of digital technologies over the next three years, the right approach will have a major impact," **continued Bloch**. "We can see that there's the potential to save tens of millions in costs and to free up employees' time so that they are happier and more productive. If enterprises can strategize effectively, coordinate with external partners, and most importantly, understand what and where they need to coordinate their efforts in order to increase adoption, they will be able to maximize the value of the \$4.4 billion invested in IT every year."

Download the full "The State of Digital Adoption 2022-2023" report [here](#).

### About WalkMe

WalkMe's cloud-based Digital Adoption Platform enables organizations to measure, drive and act to ultimately accelerate their digital transformations and better realize the value of their software investments. Our code-free platform leverages our proprietary technology to provide visibility to an organization's Chief Information Officer and business leaders, while improving user experience, productivity and efficiency for employees and customers. Alongside walkthroughs and third-party integration capabilities, our platform can be customized to fit an organization's needs.

### Special Note Regarding Forward-Looking Statements:

Certain statements in this press release may constitute "forward-looking" statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following: our ability to manage our growth effectively, sustain our historical growth rate in the future or achieve or maintain profitability; the impact of the COVID-19 pandemic or adverse macro-economic changes on our business, financial condition and results of operations; the growth and expansion of the markets for our offerings and our ability to adapt and respond effectively to evolving market conditions; our estimates of, and future expectations regarding, our market opportunity; our ability to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings; our ability to maintain the interoperability of our offerings across devices, operating systems and third-party applications and to maintain and expand our relationships with third-party technology partners; the effects of increased competition in our target markets and our ability to compete effectively; our ability to attract and retain new customers and to expand within our existing customer base; the success of our sales and marketing operations, including our ability to realize efficiencies and reduce customer acquisition costs; the percentage of our remaining performance obligations that we expect to recognize as revenue; our ability to meet the service-level commitments under our customer agreements and the effects on our business if we are unable to do so; our relationships with, and dependence on, various third-party service providers; our dependence on our management team and other key employees; our ability to maintain and enhance awareness of our brand; our ability to offer high quality customer support; our ability to effectively develop and expand our marketing and sales capabilities; our ability to maintain the sales prices of our offerings and the effects of pricing fluctuations; the sustainability of, and fluctuations in, our gross margin; risks related to our international operations and our ability to expand our international business operations; the effects of currency exchange rate fluctuations on our results of operations; challenges and risks related to our sales to government entities; our ability to consummate acquisitions at our historical rate and at acceptable prices, to enter into other strategic transactions and relationships, and to manage the risks related to these transactions and arrangements; our ability to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein; our ability to maintain the security and availability of our platform, products and solutions; our ability to comply with current and future legislation and governmental regulations to which we are subject or may become subject in the future; changes in applicable tax law, the stability of effective tax rates and adverse outcomes resulting from examination of our income or other tax returns; risks related to political, economic and security conditions in Israel; the effects of unfavorable conditions in our industry or the global economy or reductions in information technology spending; factors that may affect the future trading prices of our ordinary shares; and other risk factors set forth in the section titled "Risk Factors" in our Annual Report on form 20-F filed with the Securities and Exchange Commission on March 24, 2022, and other documents filed with or furnished to the SEC. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. You should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

<sup>1</sup> Survey of 1,475 senior business leaders at enterprises across North America, Europe, Australia and New Zealand

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