

IT Industry Summary for 2023 & 2024's Recommendations

Would it be the end of the IT golden era? As the IT industry wrestles with ongoing challenges in 2023, the landscape has changed significantly.

WROCŁAW, LOWER SILESIA, POLSKA, January 15, 2024 /EINPresswire.com/ -- Would it be the end

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Piotr Sędzik, CEO and co-founder of Applover

of the IT golden era? As the IT industry wrestles with ongoing challenges in 2023, the landscape has changed significantly. The sector is undergoing profound changes regardless of macroeconomic factors due to artificial intelligence, changing client needs, and a host of other factors. What is the most notable change?

Niche Specialization

Despite the tumultuous landscape, there have been notable instances of success within the IT sphere. Small software agencies, for instance, have carved out specialized niches, leveraging tools like low-code/no-code platforms to develop MVPs swiftly. This adaptation signals

a potential avenue for innovation amid challenging times. For the Applover software agency, the niche is HealthTech, in which it acquired [several new clients in 2023](#) for whom it develops projects from mobile applications to advanced IT systems supporting healthcare.

- Specialization has emerged as a critical asset, with businesses favoring companies equipped with domain expertise. In contrast, enterprises with inconsistent operations face decreased favorability. Emphasizing proactivity, quality, and specialization is crucial aiming to secure positions within the dynamic IT industry. Furthermore, the significance of assuming a business-oriented approach and assuming responsibility for outcomes cannot be overstated. Applover specializes in broadly understood IT solutions in the field of health care. Why? HealthTech is the most important area of digitalization on a global scale. The growing demand for innovations in health care, fitness, and sports is the greatest challenge for IT companies - sums up Piotr Sędzik, CEO of Applover, Full-Stack Digital Agency.

Shift to AI

The latest annual McKinsey Global Survey on the current state of AI confirms the explosive

growth of generative AI (gen AI) tools. Less than a year after many of these tools debuted, one-third of survey respondents say their organizations regularly use gen AI in at least one business function. The era of AI dominance has triggered a seismic shift in the IT sector, prompting companies to pivot from delivery-oriented models to a newfound focus on [consulting and AI integration](#). Clients, too, are expressing discontent with services, leading to a relentless push for value-driven projects and cost-efficient full-stack development.

Rise in Cyber Attacks and Security Concerns

The industry has witnessed a surge in cyber attacks, highlighting the critical need for improved security measures in the IT sector. With recent high-profile breaches, businesses increasingly focus on fortifying their defense mechanisms to protect sensitive data and infrastructure. As users become more aware, they place an increasing emphasis on the safety of their personal information. For example in The State of Ransomware in Healthcare 2023, a survey conducted by 233 IT/cybersecurity professionals across 14 countries, revealed that in 2023, post-attack data encryption surged to 73%, up from 61% in 2022.

Navigating Cutbacks and Partnerships

During the post-pandemic years, software agencies faced significant cutbacks, especially impacting startups at the team and project levels. In 2023 alone, according to data from Layoffs.fyi which aggregates information about large layoffs in the technology industry - 1,069 companies (although mainly from the USA) laid off over 244,000 people. However, software agencies in collaboration with corporations, managed to maintain resilient partnerships and even capitalize on the situation. This dynamic landscape highlights the importance of



Applover is a Full-Stack Digital Agency from Wrocław, Poland, founded in 2016. Currently, it consists of nearly 130 experts who have so far developed over 200 projects. Deloitte recognized the company as Rising Star (Fast 50 Tech) in the CEE region in 201



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adaptability and strategic alliances within the industry.

Challenges in R&D

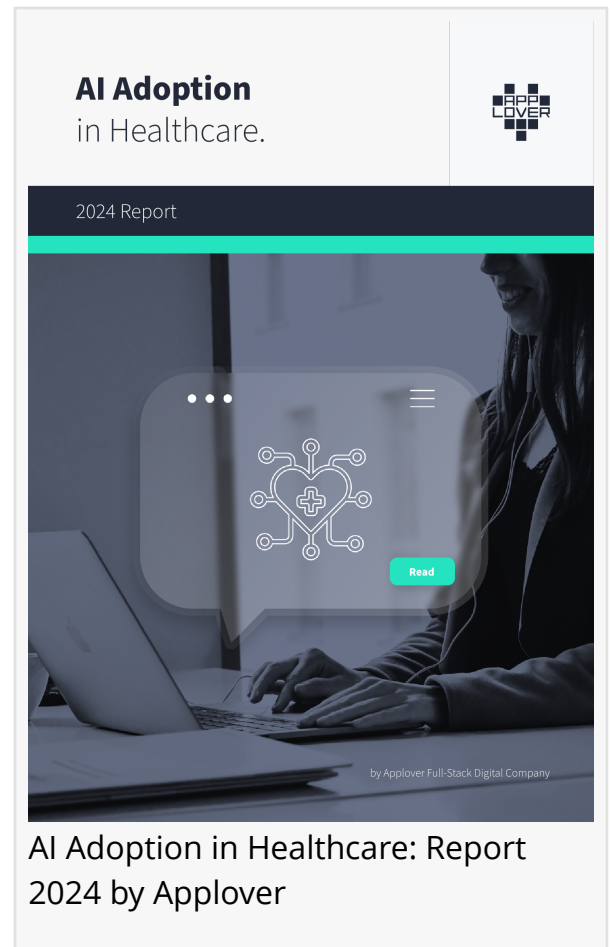
Research and development (R&D) has become a complex dance of learning, making mistakes, and agile problem-solving. The dynamic has also posed significant challenges for software agency owners, who are pressured to maintain profits amidst heightened client expectations. To remain competitive, software agencies must develop new strategies and approaches to stay ahead of the competition. They must think outside the box and come up with innovative solutions to problems. They must also invest in the latest technologies to stay ahead of the curve. Applover agency plans to expand the R&D department in 2024, which will develop innovations for companies in the HealthTech area.

The Accelerating Digitization of the Healthcare Industry

Increasing HealthTech solutions adoption is driven by the digitization of medical data, investments in IT infrastructure, and growing patient awareness of technologies, positively impacting healthcare IT industry growth. Due to government initiatives in most regions, the healthcare industry exhibits high potential for incorporating IT functions. Another factor that may boost the market is the growing trend of preventive healthcare and the rise in funding for mHealth startups. The healthcare IT market, however, can be hindered by concerns about data security, network coverage issues, and other issues. (source: 'Healthcare IT MARKET ANALYSIS, 2016 – 2030' Copyright © 2022 Grand View Research, Inc., USA). Key forces propelling this growth include AI, telehealth, wearables, and data analytics, which we'll delve into in the following slides. This expansion isn't just about market size; it fundamentally enhances healthcare quality, accessibility, and efficiency for all stakeholders involved.

Telehealth Is Here To Stay

Telehealth has become essential, especially evidenced during the COVID-19 pandemic, for maintaining access to healthcare while minimizing potential virus transmission. It bridges geographical barriers, improves healthcare accessibility, reduces costs, and ensures continuous care, especially vital for chronic conditions and public health crises. Telehealth adoption accelerated by the pandemic. 74% of US patients are willing to use telehealth services (American Hospital Association). 74% of patients are comfortable with technology-based doctor communication (Cisco). 67% of patients report increased satisfaction with telemedicine (Software Advice). [source: <https://storm3.com/resources/type/storm3s-voice/telehealth-statistics-trends-2023/>]



The Fastest Growing Niche in HealthTech

It is expected that the global healthcare IT market will grow at a CAGR of 29.3% over the forecast period, with a value of USD 135.6 billion in 2021. One of the key factors boosting the demand for healthcare IT in the effort to improve Chronic Disease Management (CDM) is an increase in chronic diseases worldwide. (source: 'Healthcare IT MARKET ANALYSIS, 2016 – 2030' Copyright © 2022 Grand View Research, Inc., USA)

The following are 9 recommendations for IT entrepreneurs by Piotr Sędzik, CEO of Aplover:
Based on the challenges and transformations outlined above, in 2024, here are 9 recommendations for IT entrepreneurs:

1. Adapt to [AI Integration and Consulting Services](#)

Pivot towards offering consulting and AI integration services. The shift in client demands necessitates a move away from delivery-oriented models to value-driven projects. Focus on redefining service offerings to align with this trend.

2. Invest Heavily in Robust Cybersecurity Measures

Given the surge in cyber attacks, prioritize and invest significantly in robust cybersecurity measures. Enhance defense mechanisms to safeguard sensitive data and infrastructure. While health organizations strive to innovate for enhanced consumer/patient care, streamline clinician processes, and leverage data to enhance population health, the significance of data security might inadvertently get sidelined. Emerging startups must prioritize meeting security standards as they innovate within the evolving digital landscape.

3. Focus on Strategic Partnerships and Alliances

Forge strategic partnerships with corporations and other software agencies. Collaborations can bolster resilience and capitalize on market dynamics, mitigating the impact of budget limitations and fostering growth.

4. Embrace Specialization and Domain Expertise

Nurturing specialization is pivotal. Emphasize domain expertise within the company to stand out in a competitive landscape, providing tailored solutions that cater to specific client needs.

5. Strategically Navigate Budget Limitations

Acknowledge and navigate budget constraints. Implement prudent financial management practices while seeking cost-efficient avenues for innovation, such as leveraging low-code/no-code platforms for rapid MVP development.

6. Develop Agile R&D Practices:

Foster agile R&D practices that encourage learning, experimentation, and quick problem-solving. These practices can lead to innovative solutions while keeping pace with market demands.

7. Address Entry Barriers and Market Challenges

Work towards addressing the escalating entry requirements by implementing judicious outsourcing strategies. Navigate the competitive job market by focusing on specific skill sets and tangible contributions.

8. Maintain Business Acumen and Responsibility

Encourage a business-oriented approach among employees. Instill a sense of responsibility for outcomes and encourage proactive problem-solving to ensure client satisfaction and business growth.

9. Prioritize Talent Acquisition and Retention Strategies

Revamp recruitment strategies to attract top talent. Implement rigorous selection procedures while emphasizing continuous learning and value-based performance evaluations. Retain top talent through competitive compensation tied to delivered value.

These recommendations aim to address the evolving challenges and capitalize on the opportunities emerging in the IT sector in 2024. Adjusting strategies to align with the changing landscape will be crucial for success and sustainability in the industry.

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