

Why large organizations miss out on the full value of low-code

By **Raju Vegesna**

SUMMARY:

Only around 25% of low-code development users are non-technical business people. Zoho's Raju Vegesna looks into why this is the case, and why there are benefits to increasing that supply.

Low-code application platforms (LCAPs) were conceived as development environments where both skilled coders and non-IT business users could build custom tools. In that way, it is an incredibly promising product with an equally ambitious mission. But despite rising adoption, I believe there's more that enterprises can do to realize that promise.

Over the last several years, LCAPs have matured, and the resulting applications and services have become more powerful, useful, and foundational to business success. Rightfully so, the market has exploded. Global LCAP market revenue in 2020, for example, was around \$13 billion, and it's projected to reach a staggering \$47 billion by 2025. Whether the market reaches \$47 billion in three years — or the \$65 billion projection for 2027 — will be determined upmarket, with mid-sized and enterprise businesses, where LCAP adoption is highest and where the market is growing the fastest.

Through this decade-long, upmarket evolution, one aspect of low-code development hasn't changed — only around 25% of users are non-technical business people. This means that three-quarters of all solution development is handled by large IT teams, which remain a costly resource in short supply. Why is this the case?

The reasons, risks and requirements

There are several reasons for this imbalance. For one, large organizations prioritize system-critical solutions — things like platform integration or API generation, which require skilled engineering, leaving IT teams without the bandwidth to support business users or their solutions. Other reasons include non-technical users being intimidated by the software, not having time away from daily responsibilities, not being properly incentivized by employers, or abandoning projects after feeling frustrated with the platform.

The risk is that, if the percentage of non-IT low-code users shrinks, custom software development could become a walled discipline, wherein IT builds solutions addressing technical or structural problems rather than creating tools that support the employee or business user's daily workflow. This scenario would not allow enterprise or middle market companies to access critical benefits from low code development.

I believe that for organizations to get a truly meaningful return on LCAP investment, more than a quarter of users need to work outside of IT. Having

more representation from non-programmers will facilitate better collaboration with IT, which in turn will lead to the development and deployment of more sophisticated solutions that span an entire organization and can scale.

This is where I see a gap in the market. Here's how to close it — collaboration is key. LCAPs must be easy for non-IT people to use as well as promote collaboration and dialog with IT, so that they can communicate ideas and begin developing solutions while heavier engineering work like compliance and system integration can be managed by IT. To make non-technical users more comfortable with low-code, IT teams can invite colleagues into the solution to test early versions of new applications, thereby familiarizing business users with the platform and inspiring feedback and collaboration with seasoned programmers. Many large organizations have announced plans or started in-house citizen developer programs, which drive new business users onto low code platforms as a means of lightening the burden on IT and lowering software expenditure.

The possibilities for non-technical users

However it's done, encouraging greater low-code adoption from users outside of IT will save mid-market and enterprise businesses hundreds of thousands of labor hours and millions of dollars year-over-year. We've seen this happen with our own low-code solution customers.

Some of our large and mid-sized Zoho Creator Platform customers arrived at low-code development specifically to allow business users to build their own software and systems, and to great effect. After finding its IT team backlogged with requests, for example, one financial services company adopted the platform to enable accountants, administrators, and even HR to develop custom web and mobile apps to manage clients, initiatives, and employees, all with minimal assistance from IT. For them, the LCAP is primarily a tool for business users, supported by developers, and they've already deployed nearly 50 applications across departments. In another case, a sales director used the Creator Platform to merge customer and product-servicing databases as well as automate intermediate steps in their sales process, which allowed better visibility into the sales pipeline. From those insights, this user with no substantial programming experience was able to formulate personalized coaching plans for different agents, which increased sales by 20% and lowered attrition at the company substantially.

In 2019, Forrester published a paper noting that, 31% of enterprises using low-code have not used it to build and deliver any of their highest-value applications. For all businesses, the highest-value applications are going to be those that drive customer growth and revenue and increase business efficiency and productivity. This is where those non-IT LCAP users can really make their impact felt. Sales teams, marketing leads, accountants, department heads, human resources, field agents... more than IT, these are the people within an organization with the domain expertise to spot inefficiencies and identify new revenue opportunities. In an ideal development environment, these ideas materialize into custom solutions built and maintained in concert

with IT. Given the ease-of-use and capabilities abstracted on today's low code platforms, it's entirely possible for non-technical users to build sophisticated and scalable tools, and businesses should see a financial and cultural incentive to support them.

There appears to be growing recognition from enterprise business leaders that more domain expertise from non-technical staffers is needed to develop high-value custom solutions. The evidence of this is the proliferation of citizen developer programs across many large organizations, which may signal the rebalancing of who uses low-code in the future and for what purpose. With more and more large organizations realizing the value of LCAPs outside of IT, enterprises should be following the steps outlined here to drive that 25%-business-user figure up.