



# Reading the Tea-leaves: IDC 2013 C-suite Survey

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IDC

# Multidimensional Transformation



By 2014 **80%** of New Software will be available via Cloud



In 2013 Tablets & Smartphones Will Drive Almost **60%** of All IT Market Growth



App Developers in 6 months:  
**16%: create an app for smart TVs**  
**14%: for Google Glass**



Proving ROI on Big Data in Australia is rare  
**7%** of organisations do this



**57%** of ICT decisions will involve a line of business executive  
**Growing to 80%** in 2016



**67%** of enterprises over 100 seats are currently involved in a platform migration



**50%** of new marketing hires will have technical backgrounds



In 2013 Digital universe will expand by almost 50% to just shy of **4 trillion** gigabytes

# IDC 2013 C-Suite Survey

ANZ respondents

704



475

From Australia



40%

CFOs & CMOs



March to May 2013

Telephone based

CIOs represent

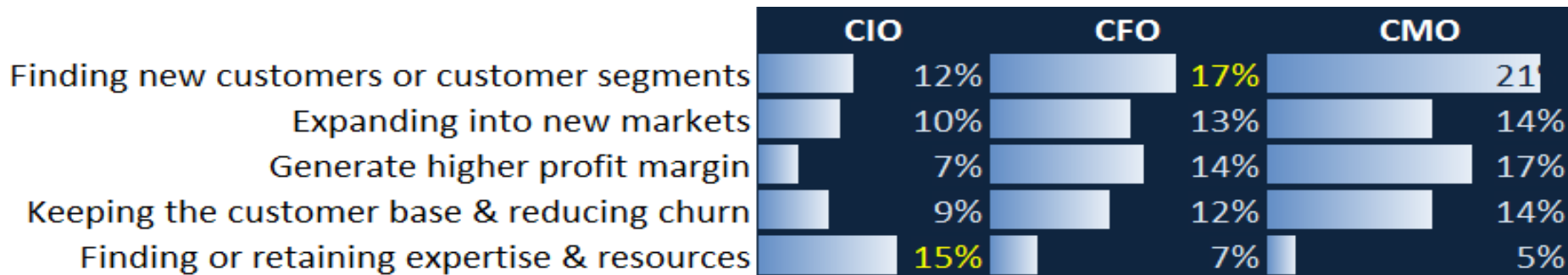
60%

Interlocked quota

Business Size, State, Vertical Industry

# C-Suite: Business Concerns

*Looking out to 2013-14, what are your organisations top business concerns?*



- Finding **new customers**, in **new markets** generating **more profit**
- Skills shortage in IT is the biggest concern for Australian CIOs

# C-Suite: Business Initiatives

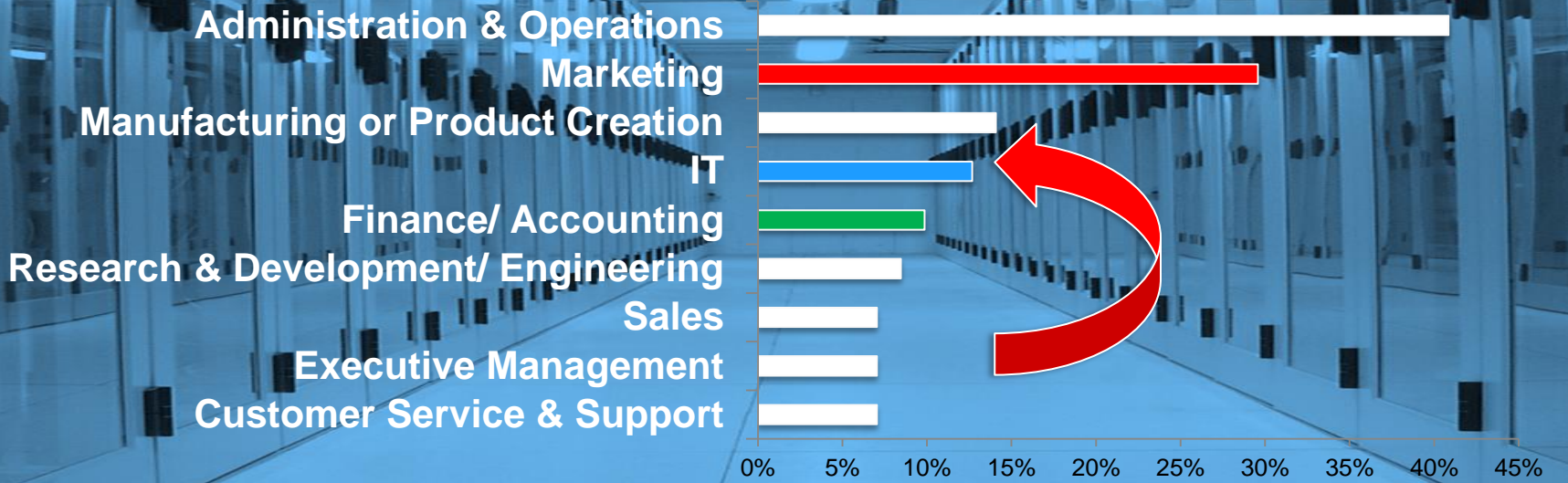
*Looking out to 2013-14, what will be your organisation's top business initiatives?*



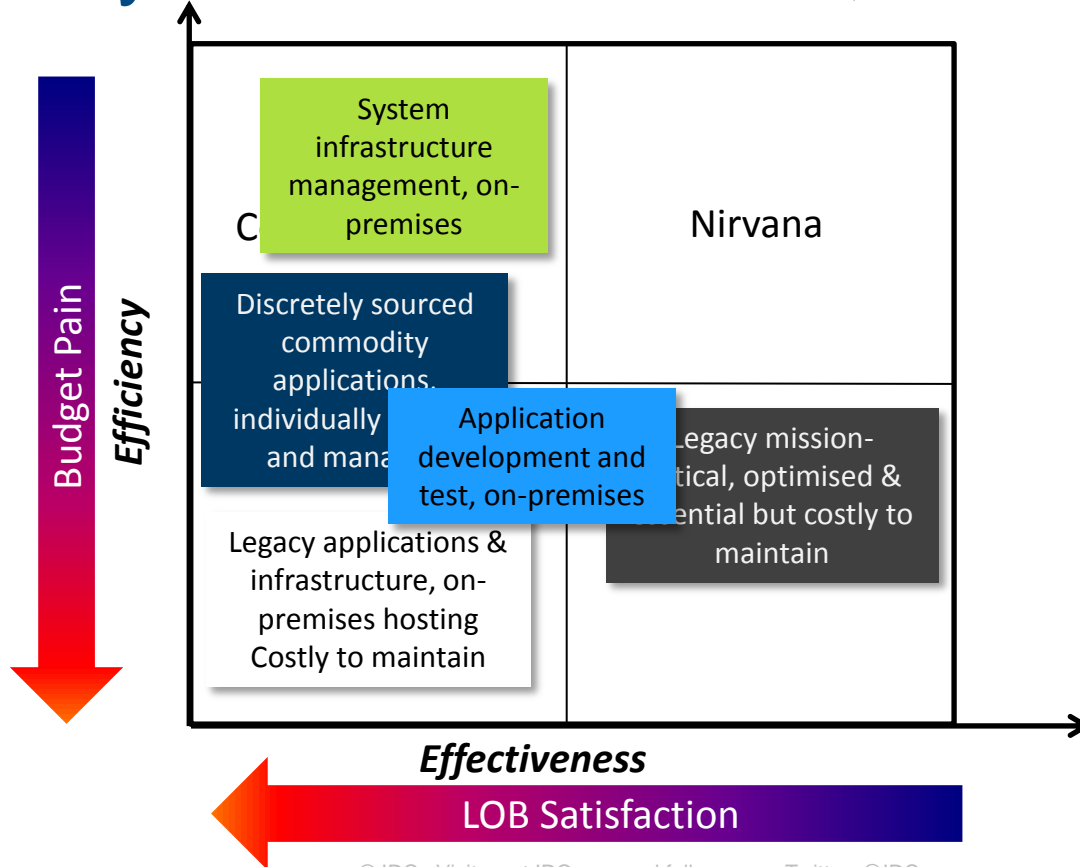
- The 2 watchwords across the business are efficiency & productivity
- The challenge is to achieve this in the most cost effective way
- CFOs go it alone in focusing on market expansion
- Business agility is enabled or hobbled by the agility of the IT function

# CFO: IT & Marketing under pressure

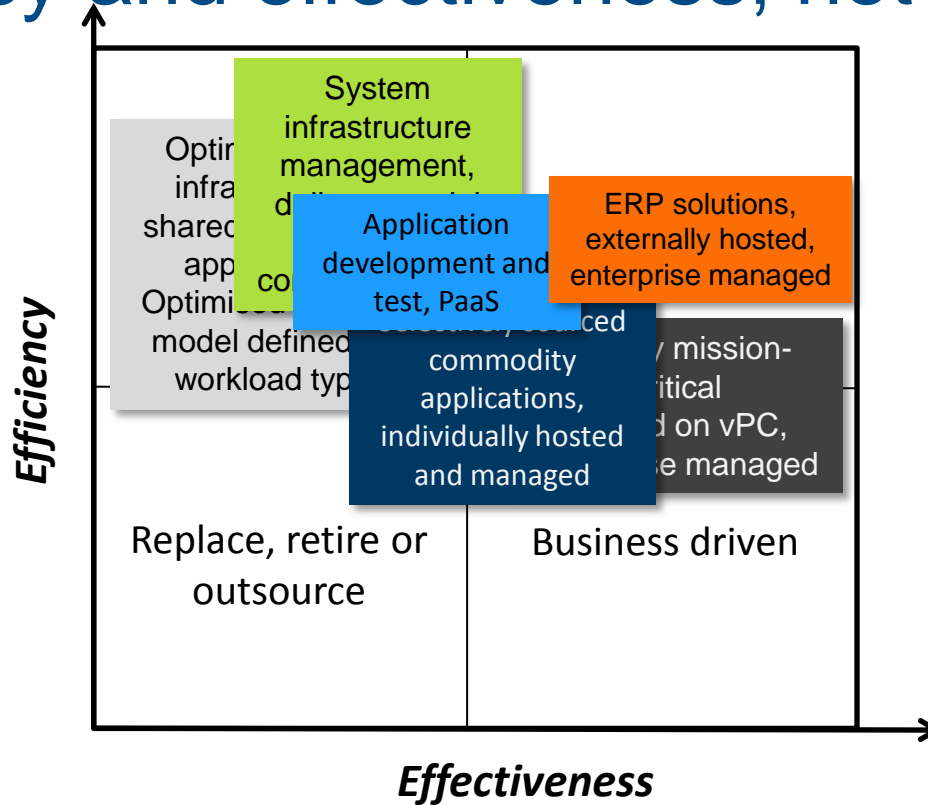
If your organisation cuts overall expenses, which areas do you expect will see the largest percentage budget decrease?



# Efficiency and effectiveness, not the same



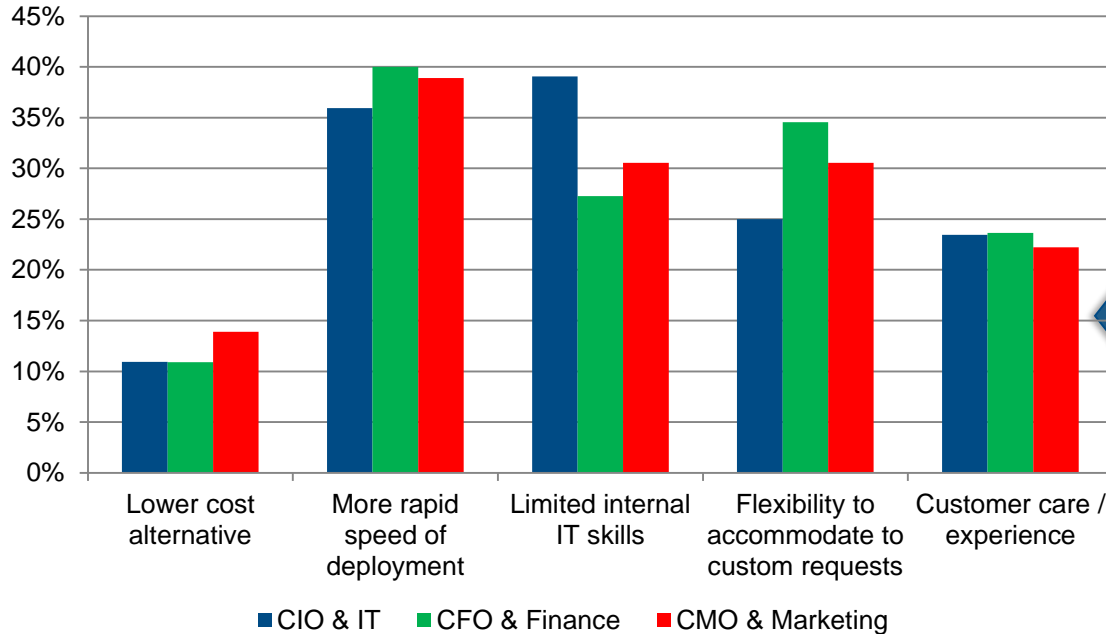
# Efficiency and effectiveness, not the same





# C-Suite: What's ITs Problem?

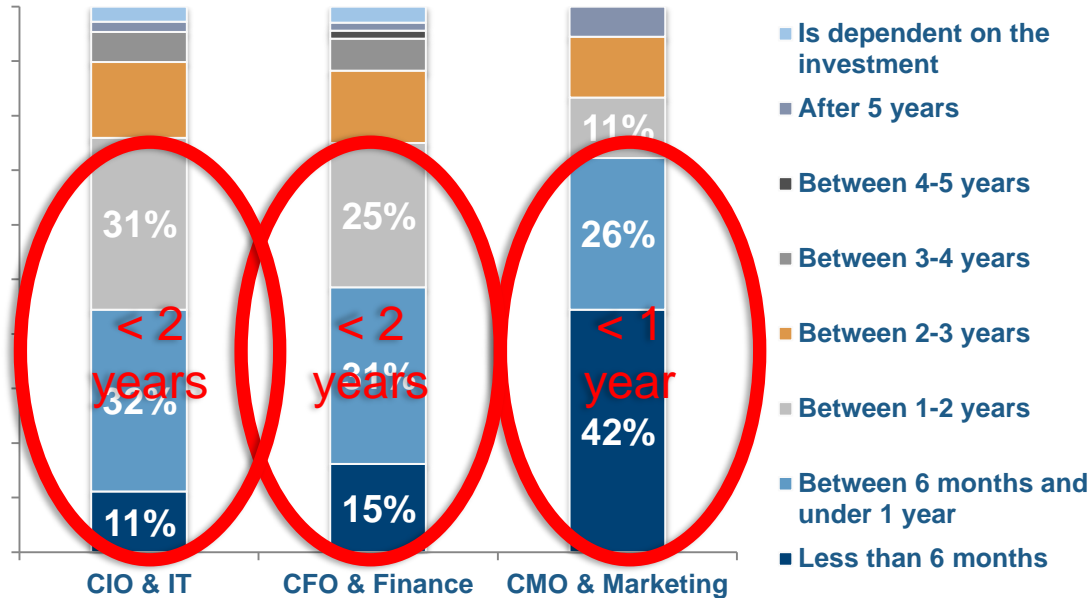
What would drive you to by-pass internal IT?



- **Velocity** is king especially for functions such as marketing.
- For CIOs, lack of IT **skills** is the biggest driver to outsource.
- A **rigid** IT is still a common reason for bypassing.

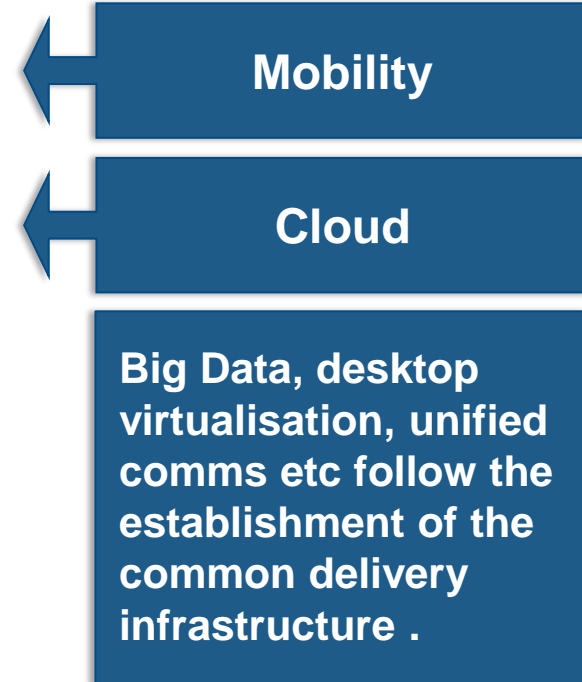
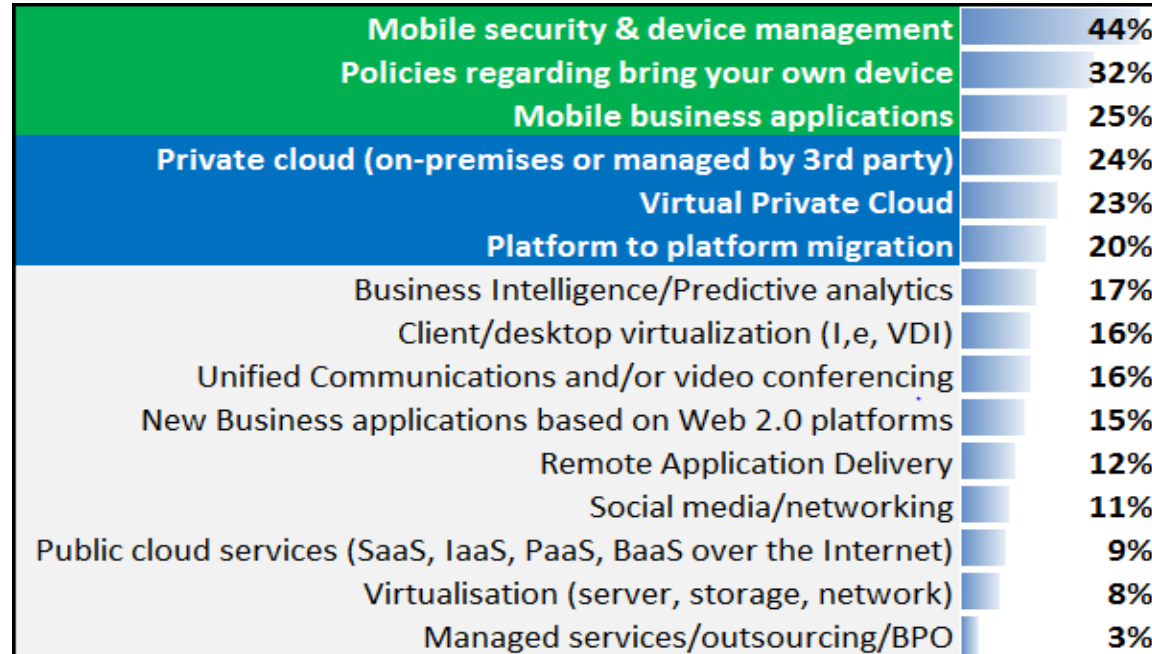
# C-Suite: ROI Expectations

When investing in any technology, what is the timeframe within which you expect the investment to start giving a positive ROI?



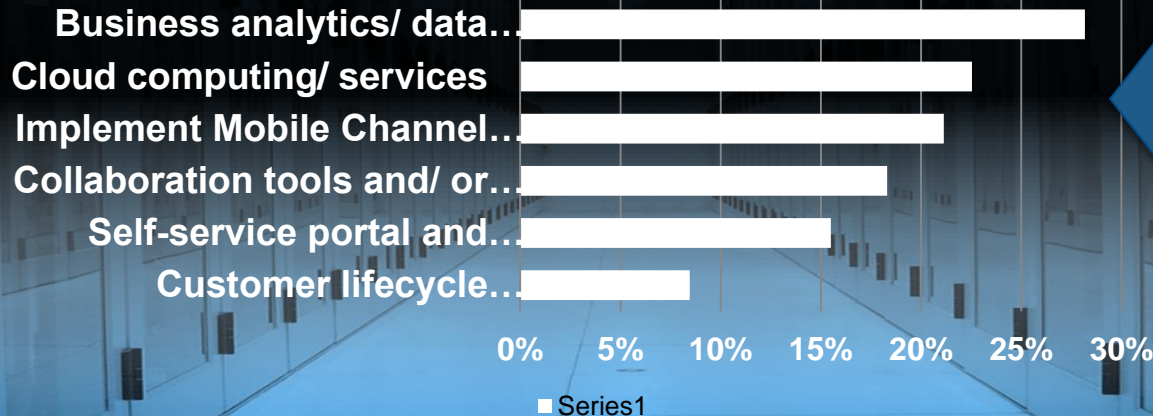
- CIO and CFOs are well aligned in expectations around ROI.
- CMOs are a different story with 42% expecting <6month ROI. This is often due to the nature of discrete projects

# CIO project prioritisation: The mega-trends



# CFO: Big Data, Cloud, Mobile in focus

How would you deliver growth through technology?

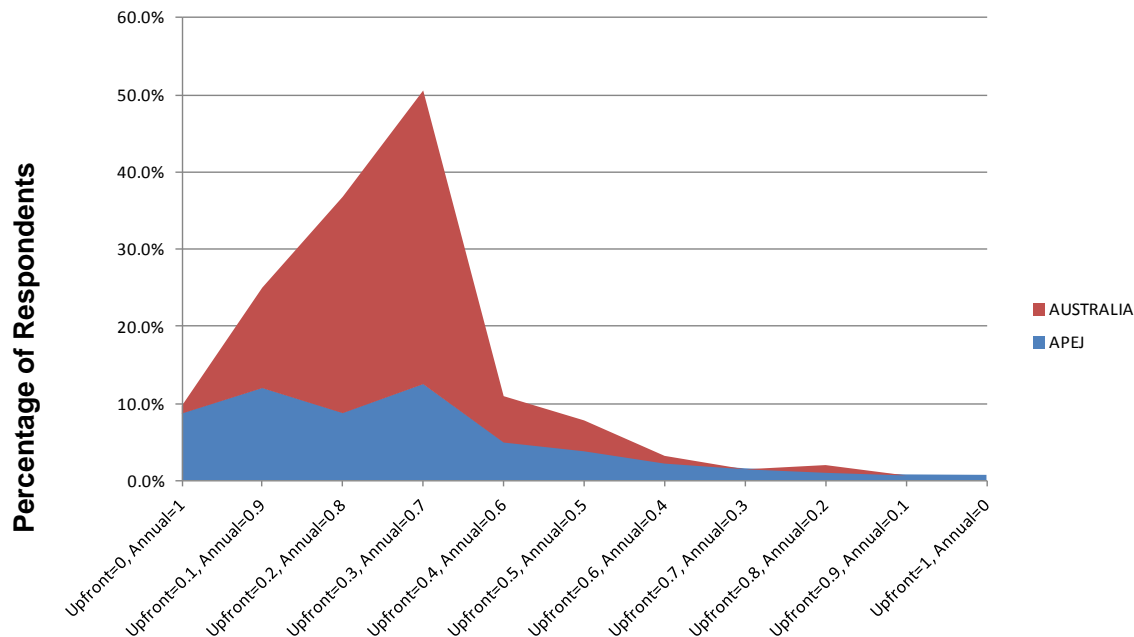


CFOs understand the value that **Big Data** can bring to the business - it's a tool to better understand customers

**Cloud** computing is seen as a new sourcing model that extends sourcing strategies, minimise capex and can reduce lead-time

**Mobility** is increasingly being viewed by the CFO as a way to increase productivity.

# Lack of resources, unexpected spending patterns



## Resources for cloud projects are scarce

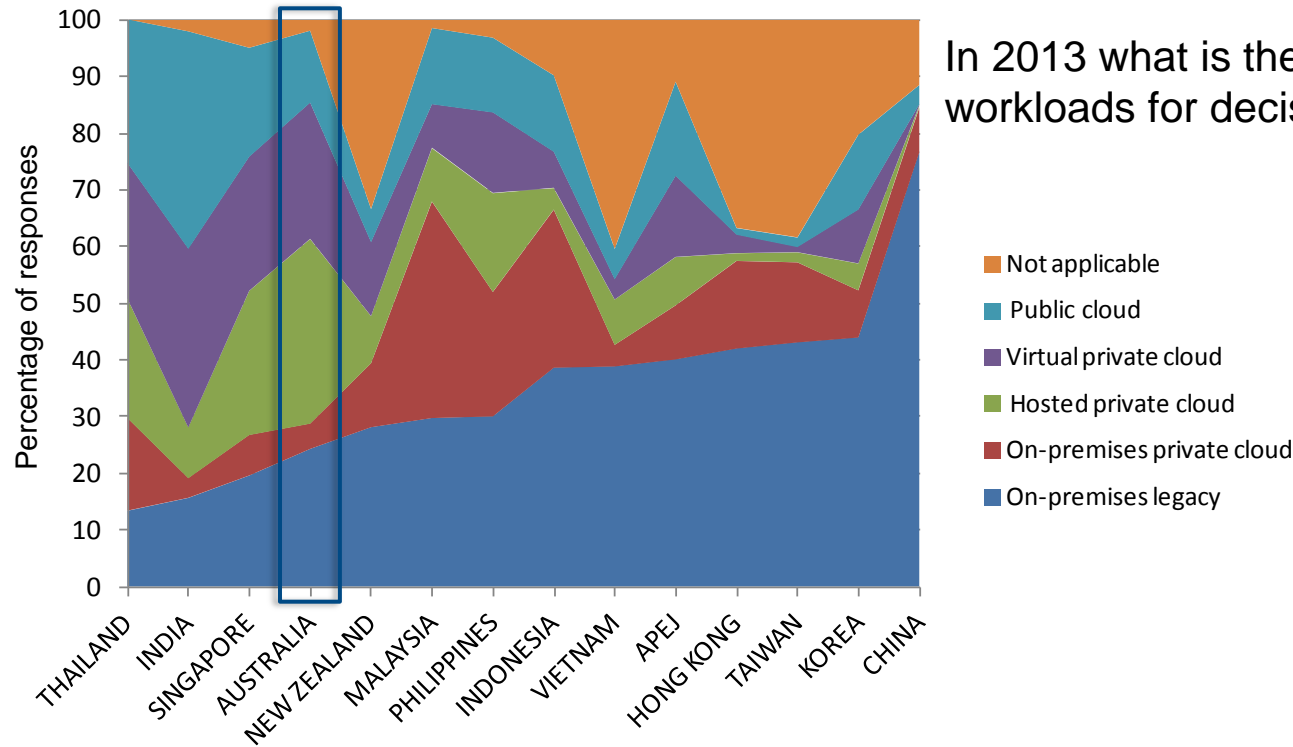
Early user experience is revealing that cloud projects have significant up-front costs

- Customer expectations of 'zero capex' are misplaced
- Inclusion of necessary early spending on professional services, tools, and training reduces risk of project failure

100% Annual

100% Up-Front

# Delivering Big Data

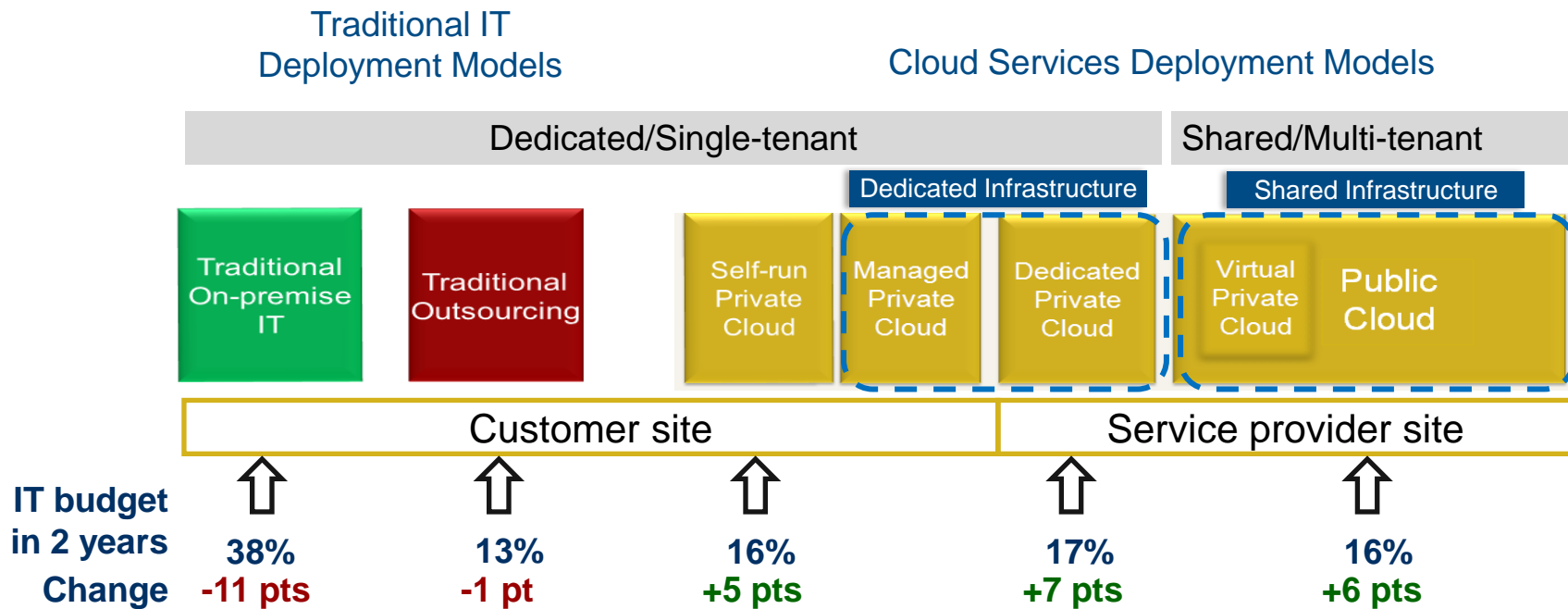


In 2013 what is the percentage distribution of workloads for decision support and analytics?

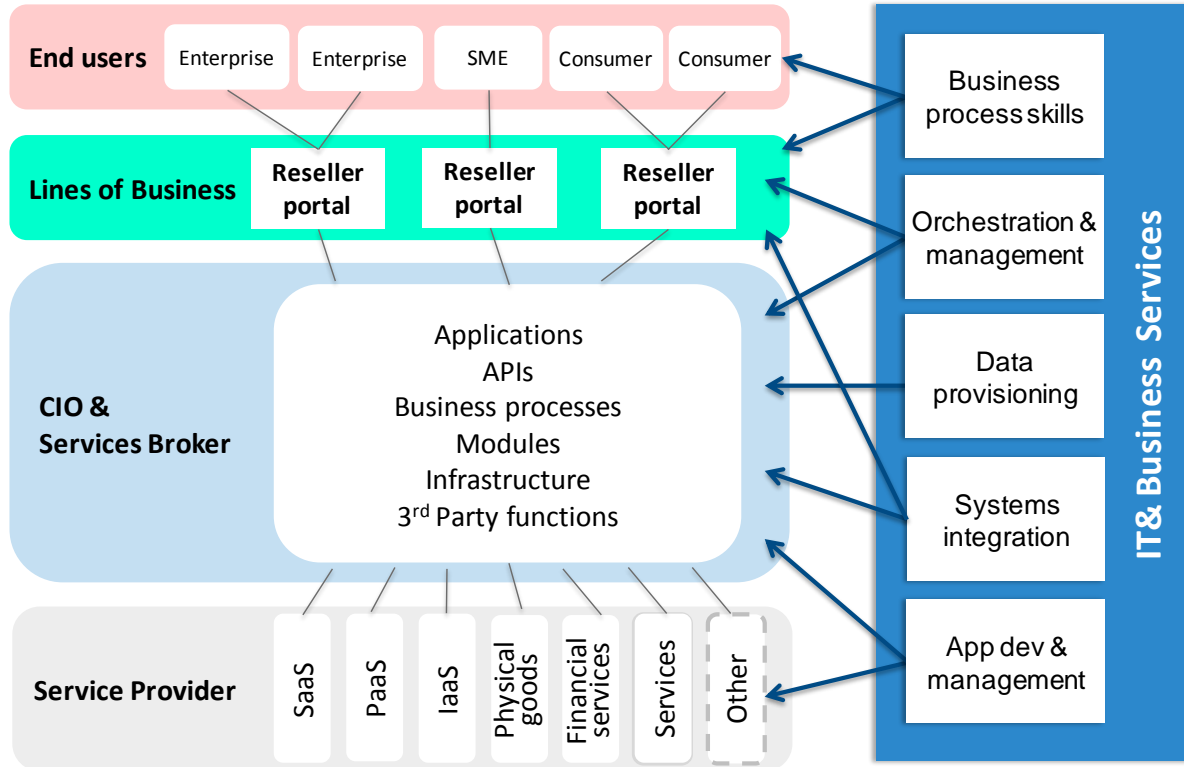
- LOB managers demand the analytics solutions
- ROI depends on speed to implement and alignment with business
- So analytics solutions will most likely be cloud-based

# Shift from Traditional to Cloud IT Models

How much of your IT budget is allocated to these types of IT services, today & in 24 months?



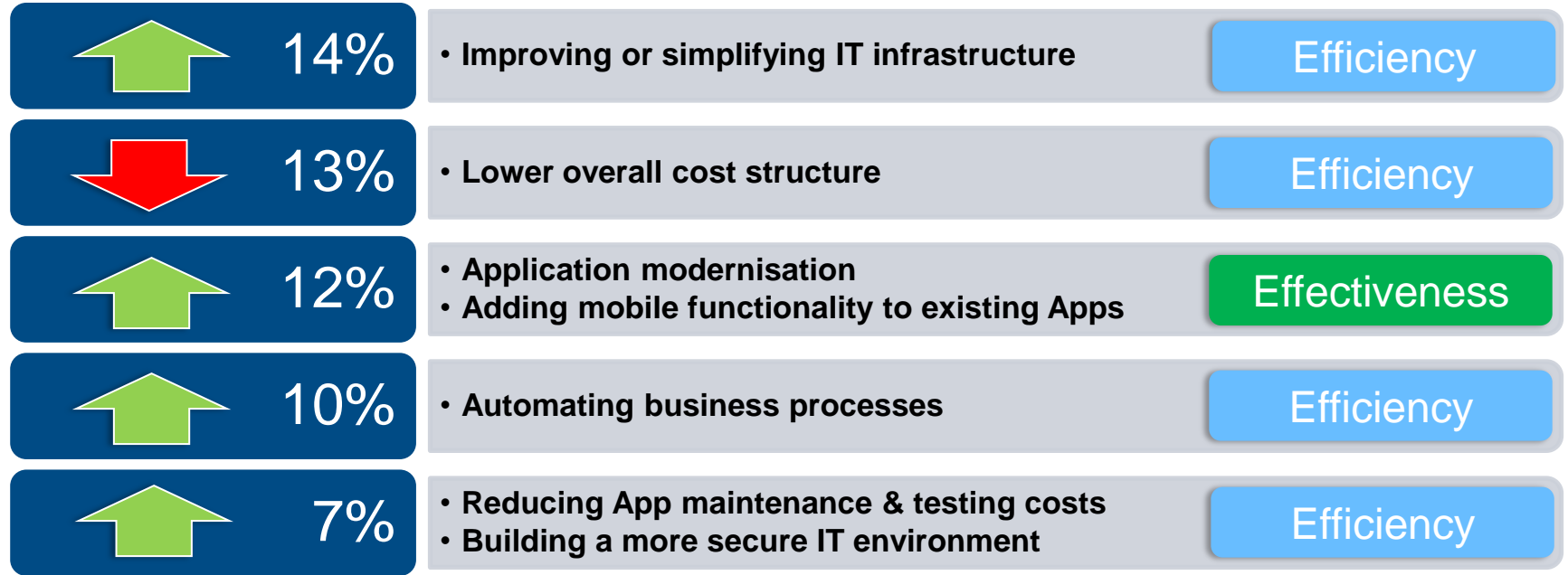
# IT Organisations Will Become Service Brokers



- IT departments become multi-sourced, hybrid organisations, taking on the role of “services brokers”
- IT departments will manage internal and external services as a unified portfolio: costing, service quality, utilisation, asset prioritisation
- Hybrid asset management, granular service metering, and chargeback, are critical to this new shape of IT as a service centre



# CIO: Technology Priorities



# The Likely Datacentre Scenario For a CIO in 2016

- Enterprise datacenter ownership and management is no longer a core function
- Multi-sourcing of services to meet combined business and IT goals a necessity
  - Hosted private cloud often the default choice
    - A logical first choice for enterprise workloads if requirements allow
  - On-premises private cloud to meet special workload demands
    - Efficient deployment and operation through use of converged devices
    - Remote management by expert provider to mitigate skills shortages and fast-track process development
  - Public cloud can deliver everything
    - Customers range from SMEs to BPOs
- White labelled services from major cloud SPs provide a trusted delivery platform for specialist SIs, CSP partners and other business service providers
- IT service management is now more important than technology management

# New Technologies Promote Innovation



## But Also Disrupt...

- Technology Roles are commoditized
- Development replaced by Standard Services
- Creativity shifts from Build to Buy
- **Where's the Next Gen IT Workforce?**
  - Business knowledge still in demand
  - New Roles and Skills needed

# Do Not Underestimate 3<sup>rd</sup> IT Platform Issues



Cloud

## Potential Issues

- IT Skills
- Legacy system software lock-in
- Continuity of service
- Stranded assets
- Security, privacy & domicile of customer data



Big Data/  
Analytics

## Potential Issues

- Project bloat/failure
- Unvetted data used for business decision-making
- Financial disclosure requirements and practices
- *Creep* factor of personal data usage



Mobility

## Potential Issues

- Value from application projection
- Vast new 'biz app' possibilities
- Security of enterprise & customer data
- Contingent usage risk (driving a vehicle when on cell)



Social  
Business

## Potential Issues

- Accelerate innovation!
- "Reviews" = Revenue; fraud
- Contingent usage risk
- Data privacy regulations
- Contingent customer commitments



# Questions?

## Thank You

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