



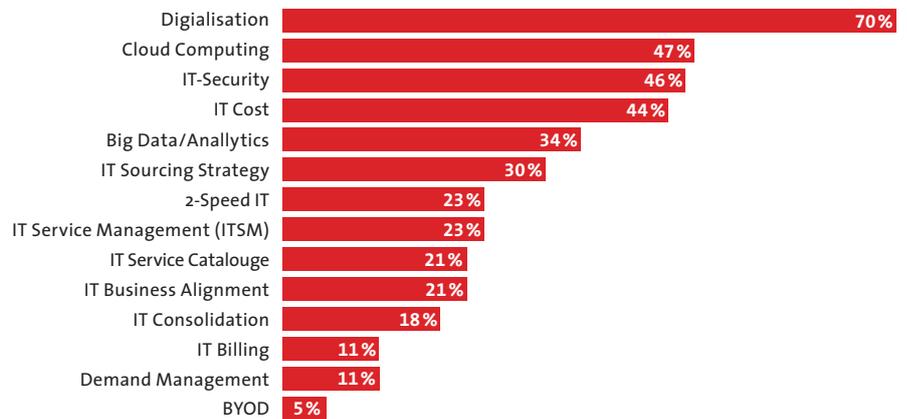
# 2017 IT AGENDA

Digital transformation of the economy has brought serious changes to surrounding conditions which are leaving a mark on IT organisations: For many years, the IT managers' agenda has been driven by cost pressure – this topic is gradually shifting into the background. In return, the demand of new IT solutions, especially in the context of digitalisation, is increasing. IT managers must take these changes into account.

## DIGITAL LEADERSHIP

The result of a survey which Maturity ran shows digitalisation is still the dominant topic on the IT agenda for most organisations. Digital transformation was even able to extend its top position when compared to the previous year; in our recent consortium benchmark among European companies, 63 per cent of the respondents were already implementing concrete digitalisation projects. On top of this, one in every four companies said they had completed such projects. However, it continues to be a young discipline. Market researchers and business consultants are trying to put emphasis on the interpretation of the topic, while IT departments and business units are equally using digitalisation to drive new projects. As the basis of the survey and for fur-

## Strategic IT topics 2017



ther discussions, we define digitalisation as “a change in business processes through a value-adding and seamless use of information and communication technology”.

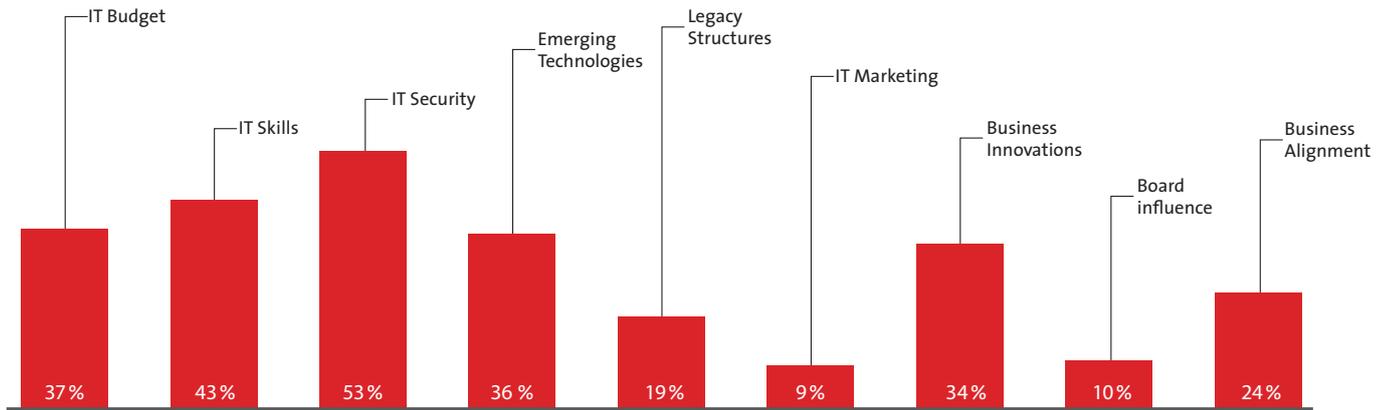
In the slipstream of digitalisation, cloud computing has advanced from fourth to second place among the strategic IT topics. A high proportion of cloud solutions was also mentioned in the survey by the participants as an important building block for a 2-speed IT. Our opinion: As soon as cloud solutions are integrated into IT, the topic will lose its strategic importance. In return, the need for action in cloud computing will increase. We have observed this trend for IT security and IT costs: While IT security has fallen by one place in the strategic ranking, it is currently the most pressing factor on IT.

## Strategic IT Topics

Strategic Topics	2015	2016	2017	Trend
Digitalisation	na	52%	70%	↔
Cloud Computing	40%	42%	47%	▲
IT Security	47%	51%	46%	▼
IT Cost	56%	50%	44%	▼
Big Data/Analytics	39%	39%	34%	↔
IT Sourcing Strategy	38%	31%	30%	↔
2-Speed IT	na	n.a	23%	
IT Service Management (ITSM)	35%	27%	23%	↔
IT Service Catalogue	25%	14%	21%	▲
IT Business Alignment	25%	24%	21%	▼
IT Business Alignment	37%	29%	18%	▼
IT Billing	16%	11%	11%	↔
Demand Management	20%	16%	10%	▼
BYOD	12%	9%	5%	▼

All in all, it is striking that most of the strategic IT fields in recent years have lost in importance. This starts with IT costs, whose importance has fallen by twelve percentage points since 2015. IT service management as well as demand management have also faced a comparable downturn accounting for ten percentage points. Even Big Data & Analytics, the hype of the past years, recorded a decline,

IT need for Action



and the strategic importance of IT consolidation halved in two years from 37 to 18 per cent. The results of our benchmarks, however, also show that many IT departments have completed their homework in recent years. Consolidation projects, for example, are largely complete, which means they no longer have huge strategic significance.

The IT service catalogue was the only topic which could gain ground besides digitalisation and cloud computing. A good IT service catalog describes the performance of IT systems and IT services which support an end user in their field and should be reviewed regularly and adapted as required. Currently, cloud solutions are driving changes in the IT service catalogues, therefore, IT is faced with the challenge of integrating various concepts, for example private cloud, public cloud or hybrid solutions, as harmoniously as possible into the traditional IT infrastructure. A task, which is often described with the image of a conduc-

tor of different cloud providers. The associated role for IT is the “Cloud Orchestrator”, and this development will be incorporated into service catalogues.

IT NEED FOR ACTION

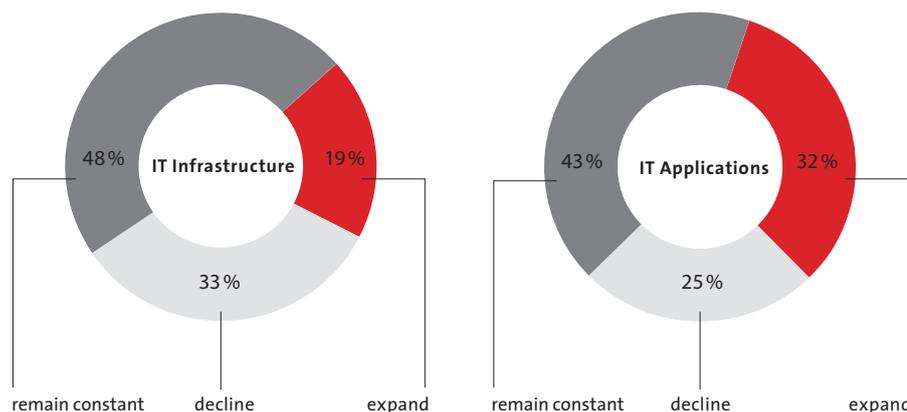
The pressure to act has grown by ten percentage points in IT security compared to the previous year. Presumably, the initiatives started in 2016 must now be implemented. The lack of IT skills also remains an important topic and is ranked 2nd in the current survey. There is pressure on both internal and external staff: “IT employees need different competences”, is the best-known approach for implementing a 2-speed IT.

Almost as often as “different competences”, the approach of multidisciplinary teams was called a requirement for a 2-speed IT. On one hand, this again underscores the need for action in

IT skills, but also explains the slowing down of the demand for business innovation. Here, IT clearly sees both senior management as well as the business units in charge. Digitalisation is, for example, much more than a new release of mission critical applications. This multidisciplinary cooperation was also evident in our consortium benchmark last year: The senior management, business units and external consultancies on the one hand and the IT department on the other hand were named approximately as often as the driving force for digitalisation.

Pressure on the IT budget has also backed down, from 53 per cent in 2015 to 37 per cent this year. Again, digitalisation seems to reduce the need for action on the IT budget. At first glance, this assessment is incomprehensible, especially since digitalisation will probably bind many resources, but in our survey on the status quo in the past fall, 55 per cent of respondents said they expected the budget for digitalisation will come from the senior management and business units.

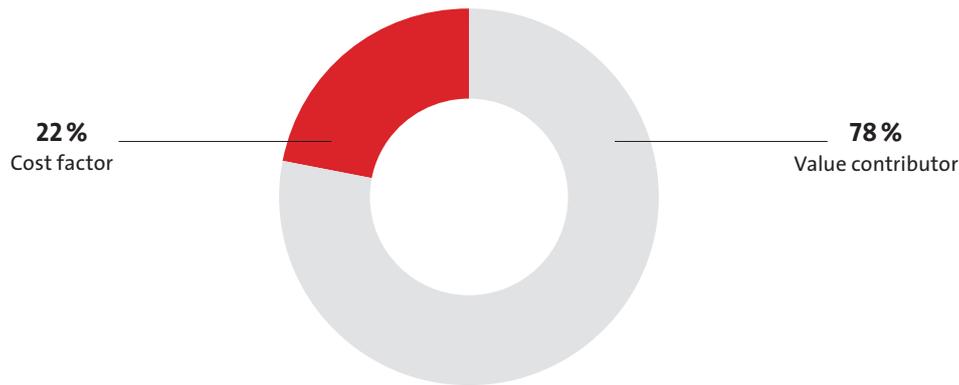
IT in-house effort



IN-HOUSE EFFORT OF IT

With IT outsourcing, it becomes clear that the gap between infrastructure and applications is widening. While in-house infrastructure is more likely to shrink, this trend is reversed in applications. Here, one-third of the companies want to increase their internal capacity in 2017. During digitalisation, according to our theory, applications are developing into a competitive advantage, while they are preferably developed and maintained by one’s own organisation. The increasing professionalisation of internal IT departments and the dissemination of efficient private cloud solutions are the hallmarks of the company’s own infrastructure. IT outsourcing

### Cost Factor or Value Contributor?



ing is mainly a tool to reduce bottlenecks. Expectations for the external service provider include, among other things, the increase in IT agility, cost-efficient service quality as well as continuous improvement and minimal business impact in case of incidents and changes.

to 22 percent. However, this development does not coincide with the information on the strategic topics and the need to act in 2017. A general downtrend in the value contribution of IT cannot be derived from the current survey.

is not a new approach in IT and more than half of the participants said that there are already approaches to a split between agility and efficiency in their companies.

### VALUE CONTRIBUTOR OR COST FACTOR?

The question of how IT performance is estimated between value contribution and cost factor has fluctuated over the past three years around the values of 80 and 20 percent. Compared to the previous year, the assessment of IT as a cost factor has risen from 19

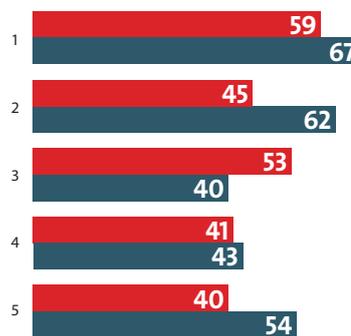
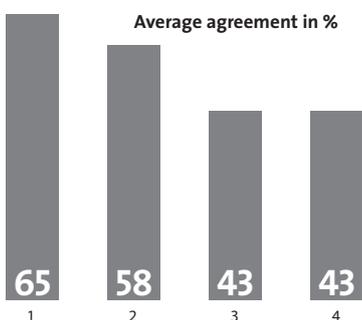
### 2-SPEED IT

The concept of “2-Speed IT” is intended to outline the different requirements for modern IT: agility and at the same time, stability in business and IT processes. As already described in the sections “Strategic IT topics” and “IT need for action”, this paradigm influences the answers of IT. For two-thirds of the respondents, however, 2-speed IT

The questions about 2-speed IT shows large differences between companies, which estimate their IT as a cost factor or a value contributor. From the latter, 62 percent of organisations are already used to different speeds, while this applies only to 45 percent of companies in which IT is seen as a cost factor. A similar large difference in the assessment is shown by the two groups on the question of the conversion of legacy systems within five years. Overall, companies that see a value contribution in their IT agree more often with the theses of 2-speed IT. The only exception is the question about the impact on complexity and the concern of cementing silos with different speeds. There is a greater agreement among the companies which tend to assess their IT as a cost factor.

### 2-Speed IT: Key opinions

- Companies whose IT is rated as a cost factor rather than a value contributor
- Companies whose IT is rated as a value contributor rather than a cost factor



- 1 2-speed IT is nothing new, there have always been different priorities regarding projects and IT production
- 2 We already have an approach for 2-speed IT in our organisation (agility vs efficiency)
- 3 2-speed IT increases complexity and manifests silos within a company

- 4 2-speed IT is a good opportunity to consolidate the required stability/efficiency and agility/flexibility
- 5 Our IT is able to adjust the legacy systems within five years to meet the requirements of digitalisation

In the final question, the distinction of the answers by value contribution and cost factor does not lead to any surprising findings. Much more interesting is the consideration of the company size. Companies with up to 5,000 employees mainly favour approaches with multidisciplinary teams and a higher proportion of cloud computing. On the other hand, companies with more than 5,000 employees see their need for action with more flexible sourcing models and the reorganisation of their IT processes. The size of the company does not play an important role in the assessment regarding the use of agile methods, the change in corporate culture and the change in competencies of IT employees.

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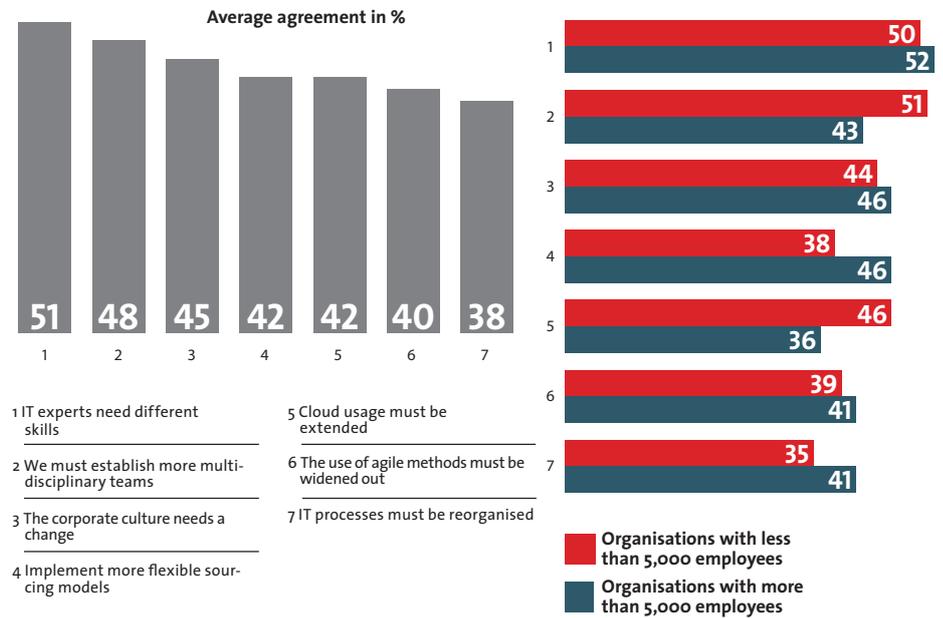
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**BOTTOM LINE**

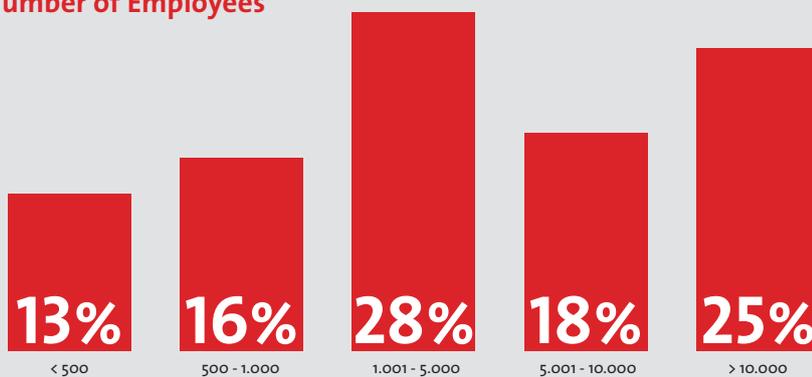
Today, in business and IT, nobody can evade digitalisation. The hype has even been increasing in recent months and in the first quarter, new trends are already emerging on the IT radar which are paving the way for the IT agenda. Among the most promising new topics are Robotics and Blockchain. With all the euphoria, the classic virtues of IT are stepping somewhat into the background.

This entails the risk that the efficiency of processes and procedures will suffer. Right now, the top management level doesn't consider this to be a problem – business innovation and projects are far more important. In addition, IT organisations gain the chance to step out from the shadow of the budget and demonstrate their own abilities. This opportunity is given approximately every 20 years.

**2-Speed IT: Decisive approaches**



**Number of Employees**

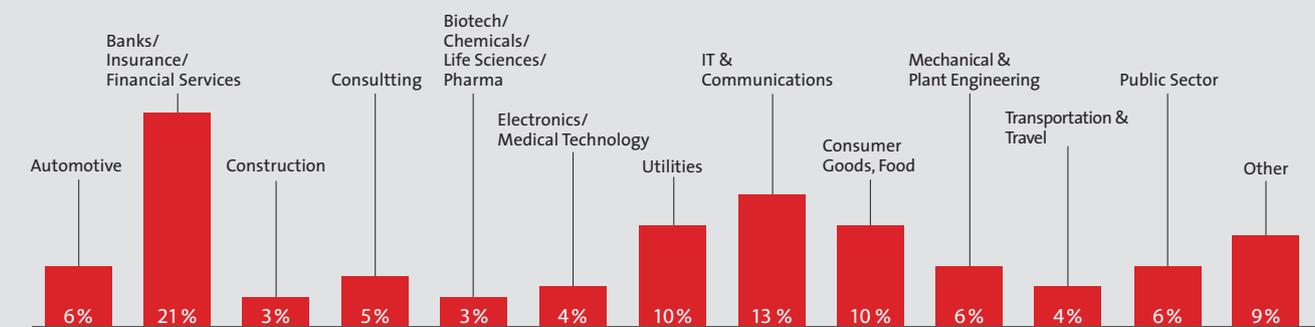


**About the Survey**

The survey "2017 IT Agenda" is based on an online poll in November and December 2016. European managers from business units and IT were interviewed.

In total, 267 participants answered the questions, amongst them CIOs and IT directors, IT managers, IT project managers, procurement managers and comparable functions. Maturity has been conducting the survey since 2013.

**Industry sectors**



Maturity 2016, n = 267

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