



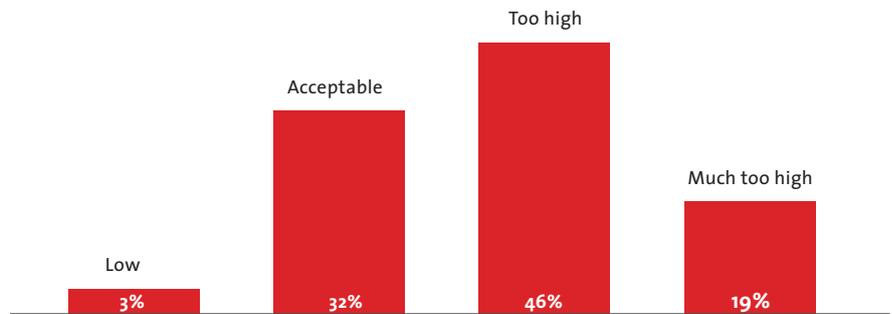
IT COMPLEXITY 2015

IT complexity impedes the flexible and cost-effective delivery of IT services. It is driven by legacy installations and new technological challenges and also by requirements of business units and statutory regulations. IT executives cannot assume that IT complexity will reduce by itself – on the contrary, 61 percent of IT managers expect complexity to increase further.

Complexity has always been a special spice in IT – a small amount improves the flavour, but too much of a good thing can ruin the taste. With each new business requirement another pinch of the complexity spice is added to the pot. This is confirmed by a recent survey of Maturity: The already high level of complexity in IT organisations will continue to rise, according to the forecast of executives surveyed.

The dilemma: Key objectives of most IT strategies are high efficiency combined with optimum support for business units and a maximum contribution to customer value. High economic efficiency is best served by an industrial approach and a high degree of standardisation. “IT is just a commodity”, is often cited here. The requirements of the departments, however, are no longer just commodities, but individual solutions which often produce complex application architectures.

How do you perceive the complexity of your enterprise applications?



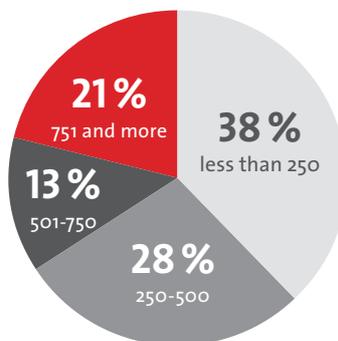
Maturity poll, April / May 2015, n = 248, rounded values

This fact is also reflected in our survey from May 2015: Only 32 percent of respondents describe the complexities surrounding their applications as “acceptable”, while almost every second respondent classifies the level as “too high”; 19 percent of IT managers indicate complexity is “much too high”.

In this context the number of applications is interesting: with 38 percent the largest proportion of respondents uses less than 250 applications, while 34 percent come in with 500 programs and more in their company.

The fewer applications operated, the more likely the participants are to have evaluated the complexity as moderate. The pendulum, however, is swinging around very quickly: while 60 percent of companies with fewer than 250 applications indicate they perceive their complexity as low or acceptable, this figure falls to below 30 percent in the group with 250 to 500 applications. With 751 and more applications 87 percent of the respondents state that their IT complexity is (much) too high.

How many different applications do you run?



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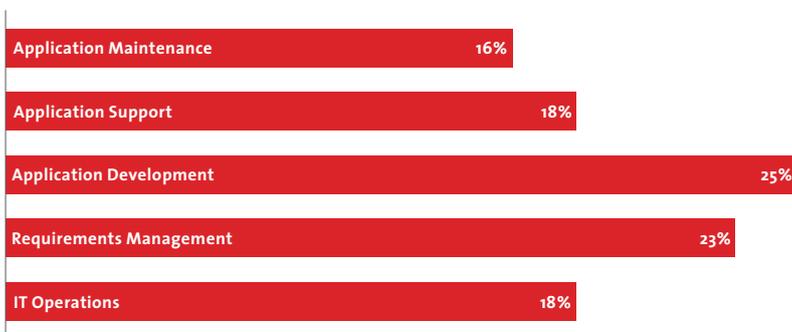
Compared to a previous survey from 2011, the proportion of the cluster with fewer than 250 applications has declined by 12 percent. Despite standardisation and consolidation in applications, we expect the number of applications will continue to rise in the future. The functionality of the applications and the interdependence will also increase. After all, individually designed business processes are increasingly seen as a competitive advantage for companies.

IT is faced with the challenge of not losing reaction speed. In addition, agility, innovation and flexibility are nowadays considered at least as important as cost efficiency in many companies.

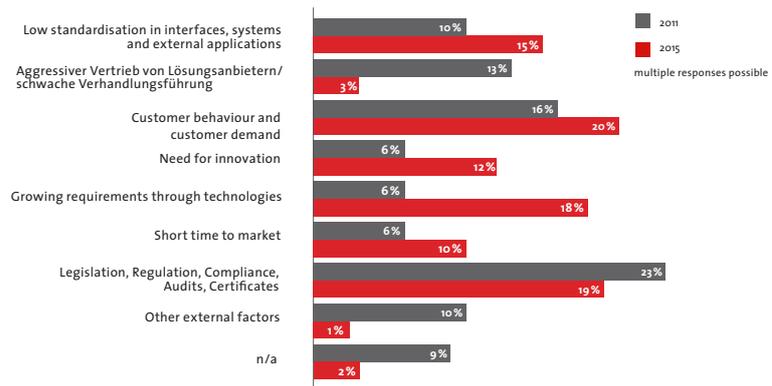
When asking for the highest complexity in IT processes, the problem in application landscapes will become even more visible. Only 18 percent of respondents said the highest complexity occurs in the area of IT operations – the rest opted for a sub-domain of applications. At the forefront of complexity are development and requirements management.

In the free answers to this question respondents referenced on the one hand the complex interface between IT and business. On the other hand they complained about IT architecture with a wide variety of applications and interfaces, release management, integration and interaction with hardware platforms and infrastructure. They all result in complex dependencies, and in addition, make it difficult to find suitable standard solutions.

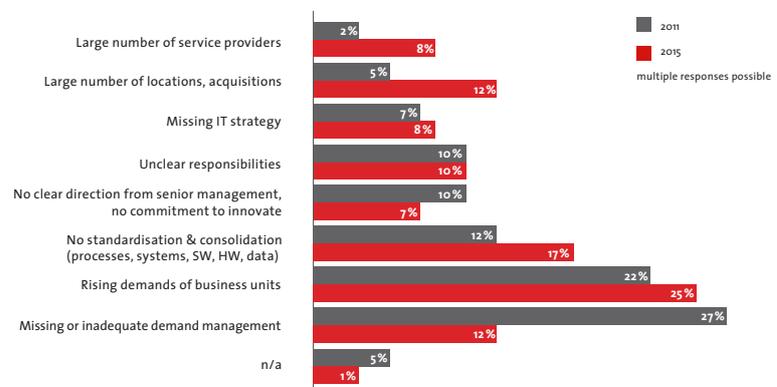
Where do you perceive the highest complexity in your IT processes?



External drivers of complexity?



Internal drivers of complexity?



The behavior and needs of customers, the legal framework as well as growing technical demands are leading external factors of IT complexity. Following are low standardisation of interfaces, systems and programs from external

providers and the general compulsion to provide innovation. The comparison with a Maturity poll from 2011 shows that technological issues are increasingly perceived as external complexity drivers. For example, the value for “growing requirements through technologies” has tripled, and the need to innovate has doubled. In return, pressure through legislation, regulations, compliance, audit requirements and certifications has declined somewhat.

The increasing demands from business units were also mentioned in the internal drivers of IT complexity. With a value of 25 percent, they were able to take an undisputed lead. In second position of the internal complexity drivers ranked the lack of standardisation / consolidation of processes, systems, hardware, software, and data sources. Both values increased significantly compared to 2011. This also applies to the number of service providers and the locations (respectively acquisitions).

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The good news: Demand management improved greatly in the last years. Missing or inadequate demand management as a complexity driver has more than halved since 2011. It was also stressed that internal complexity drivers have severe implications. Other drivers were the pressure to innovate, the consequences of past business and IT strategies, high internal compliance requirements and again the handling of legacy structures.

The lack of standardisation in products, processes and global policies has been criticised especially by international IT managers. The latter has the effect that international coordination will be time consuming. Some respondents indicated that business units increasingly source applications on their own “as a Service” and from the cloud. This “Cloudification” will presumably be an even bigger driver for complexity in the next survey. As a final point, “perfectionism” was identified as a complexity driver.

Given the many external and internal drivers, it is no wonder IT complexity emerges in the majority of companies on both the operational as well as on the strategic agenda. A quarter of respondents, however, stated that complexity is not measured or controlled, while only 27 per cent of companies measure and manage their complexity.

How do you measure and control complexity?



It is an unrealistic hope that complexity will ever disappear completely from enterprise IT. Thus it is important to recognise, classify, and reduce complexity with innovative means where it is feasible. IT managers need to gain control before the processes are solidified and it is too late for effective corrective action in the desired direction.

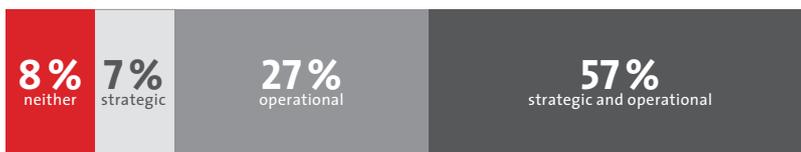
To achieve this, many respondents (19 percent) apply project portfolio management as well as the standardization of applications and processes. With 14 percent of mentions, know-how exchange with professionals for measurement and control of complexity is ranked in third place. Following are the inter-

nal charge back of existing costs, standardisation in data and reports, KPI-control and costs/benefits consideration during capability planning.

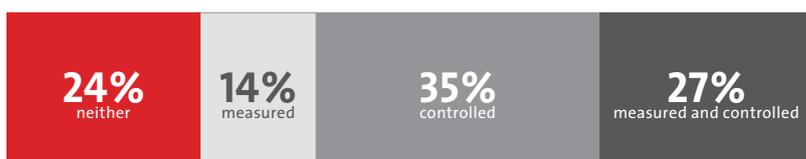
In the free answers the respondents repeatedly referred to Enterprise Architecture Management (EAM) as a discipline for controlling complexity. Since it can never be controlled holistically with a single action, IT managers seem to be better prepared now compared to the last poll from 2011. At that time, almost a third of the companies couldn't give an answer to the question how they measure and control complexity. This value dropped to 4 percent today. Project portfolio management will have to defend the top spot among the measures in the coming years. It can be used in combination with KPI management to fight imminent complexities at an early stage.

Since increasing demands of business units and challenging customer behavior / customer expectations were cited as major drivers of complexity, IT managers should supplement their package of provisions with a sound communication strategy for departments and clients.

Complexity: strategic or operational issue?

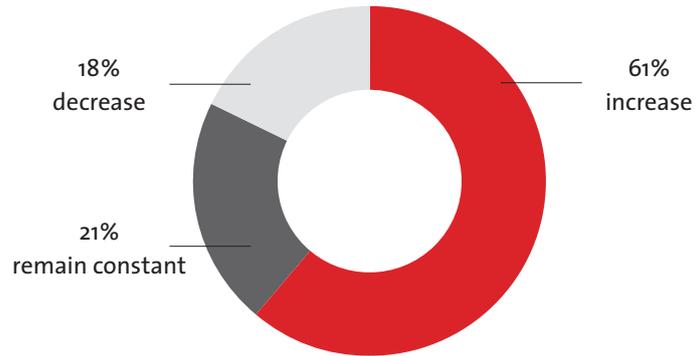


Complexity: measured or controlled?



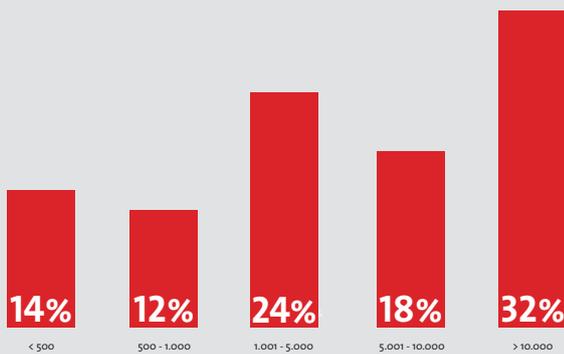
Given the development of complexity the tools to counteract are of great importance. At least 61 percent of respondents said that IT complexity will continue to increase. By contrast, one-fifth expect in each case that the situation will remain constant or get better. IT managers are therefore in the coming years in the area of conflict between technical development and business-driven requirements of customers. From time to time they should take a look into their recipe book in order not to get too much spice.

How will IT complexity evolve?

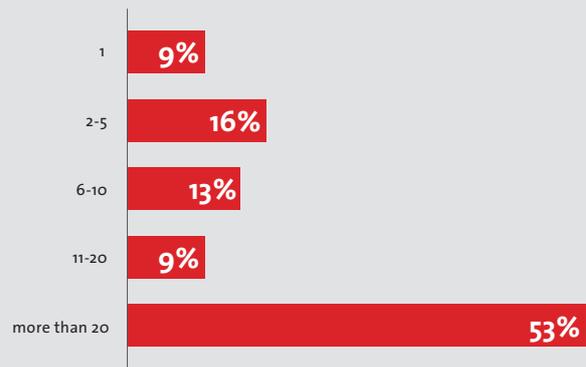


DEMOGRAPHIC DATA OF THE SURVEY

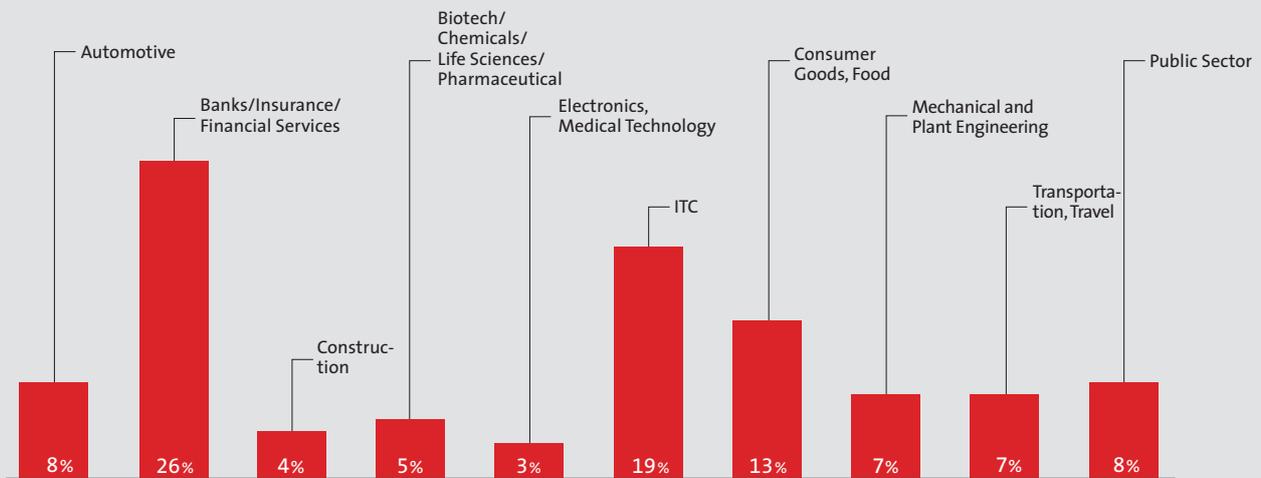
Number of Employees



Number of Locations



Industry Sectors



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