



# 2016 STRATEGIC IT AGENDA

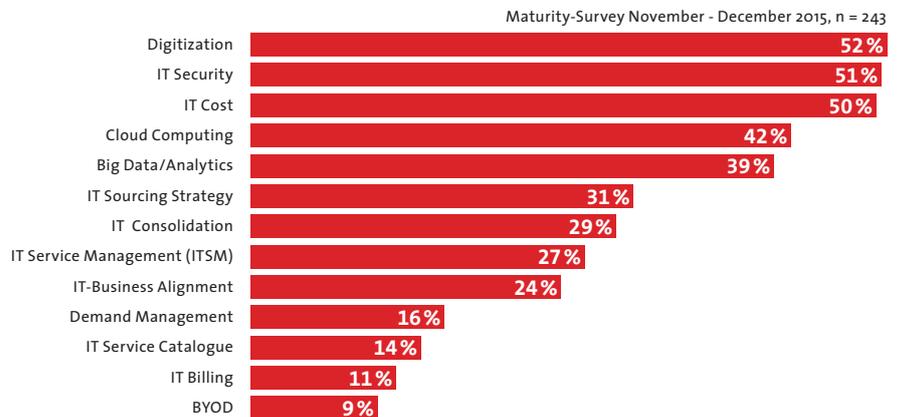
The 2016 IT agenda underlines the trend of the past two years: while optimization of IT operations is becoming less prominent, transformation topics are gaining importance. In particular digitization is opening up routes for IT to interact more closely with, and in some cases even drive, the business. Cost pressure, however, continues to be important – a dilemma which those responsible have to handle.

## EVERYTHING GETS DIGITAL

In the past months, one topic has over-shadowed reporting in the financial media, namely digital transformation. This is why we have included this point in the IT agenda survey for the first time. The topic has entered directly in first place and, at present, digitization is the most important strategic topic being discussed in European IT departments. IT organization and top management are acting as drivers. Only seven percent of enterprises stated that digitization currently plays no role for them.

As in previous years, IT security continues to be an important subject. On the one hand, it is becoming increasingly important to safeguard digital business models against attacks and, on the other hand, many incidents in the recent past have sensitized enterprises (and managers). The incidents that have become public range from alleged attacks on online banking systems via 'denial of service' attacks

## Strategic IT topics 2016



and the theft of customer data from Telecoms companies to the IT network of the German parliament.

Our forecast in the last study, to the effect that IT security will continue to be highly important as a strategic topic also in the years to come, is being confirmed. IT costs are also positioned in the top group of the strategic agen-

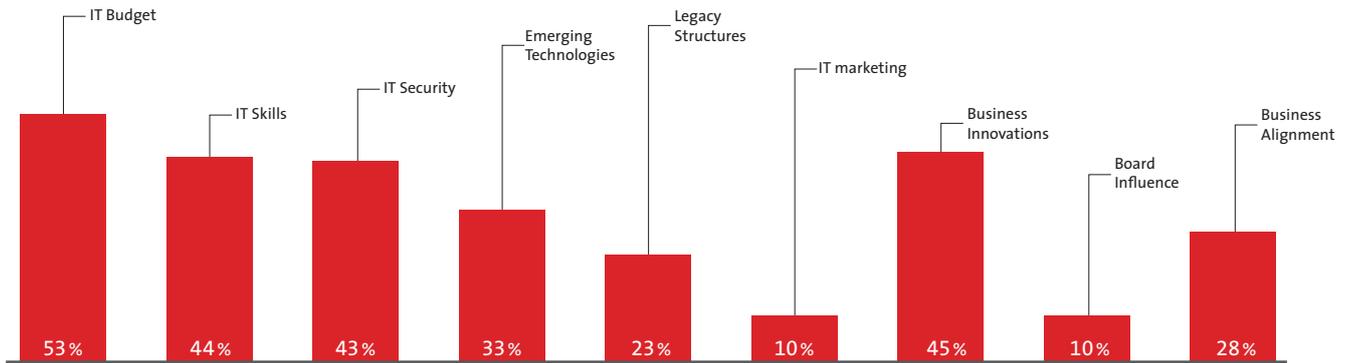
da. Even if it has dropped by eight percentage points since 2013, this does not mean that IT organizations can draw on unlimited resources. On the contrary, the motto of "do more with less" still applies. Cloud computing and big data/analytics are runners-up. While enterprises are hoping to achieve positive effects for costs and flexibility from the cloud, big data/analytics is to enable new business models and boost the efficiency of user departments.

## Strategic IT topics

Strategic Topics	2013	2014	2015	Trend
Digitization	n.a	n.a	52%	
IT Security	n.a	47%	51%	▲
IT Cost	58%	56%	50%	▼
Cloud Computing	35%	40%	42%	▲
Big Data/Analytics	n.a	39%	39%	◄►
IT Sourcing Strategy	41%	38%	31%	▼
IT Consolidation	35%	37%	29%	▼
IT Service Management	33%	35%	27%	▼
IT as a Business Partner	33%	25%	24%	▼
Demand Management	24%	20%	16%	▼
IT Service Catalogue	23%	25%	14%	▼
IT Billing	14%	16%	11%	▼
BYOD	n.a	12%	9%	▼

Organizational topics such as IT sourcing, consolidation, service management (ITSM), demand management and service catalogs follow in places 6 to 13. Compared over the past years, different developments become clear. While IT security and digitization are able to hold or expand top positions, the classical topics of IT optimization are suffering percentage losses. In the case of IT sourcing strategy, for example, this is ten percentage points in a period of two years, or eight points in the case of demand management.

**IT need for Action**



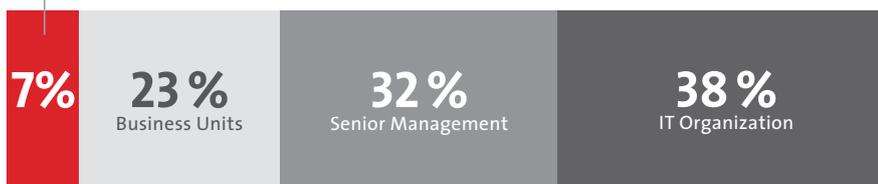
Focusing on transformation strengths poses a risk, however, that IT organizations will sacrifice their own efficiency acquired through years of diligence in favor of a larger implementation competence. This would be understandable in the short term, but risky in the long term. According to experience, the pendulum will swing back one day and any uncontrolled growth will have to be cleaned up again at great effort. Insofar as this is concerned, an eye should be kept equally on both sides, namely agility and stability. Otherwise, increasing pressure for action in relation to the IT legacy is inevitable.

**IT NEED FOR ACTION**

The balancing act between structure and flexibility becomes clearly apparent when we look at the pressure to act that is bearing upon IT organizations. Here, the IT budget is still at the top and has compensated for the slight drop of the previous year. "Business innovations", which directly ties in with digitization, and

**Digitization Drivers**

Digitization is currently not an issue



which respondents were asked about for the first time, have edged into second place. This was followed by the topics of "IT skills" and "IT security", which each achieve new maximum importance in the current survey. There are no apparent great surprises in the other places. Almost every third respondent mentions new technologies and business alignment. Both topics are closely linked with business innovation. The pressure to act on the legacy was reduced in the past year, but lies at present almost at the level of 2013 again. At ten percent of mentions, final rankings are IT marketing and influence on the management board. IT coordinators appear to consider that their task areas are set up well.

**DIGITIZATION DRIVERS**

While big data was still crucially determined by user departments in the previous year (36 percent), the situation with the drivers of digitization is different. Thus, 38 percent of respondents de-

scribe the IT organization as the driver, while just less than a third say that top management hold the reins of digital transformation in their hands. User departments only account for 23 percent. Only seven percent of enterprises consider that Digitization is not an important topic.

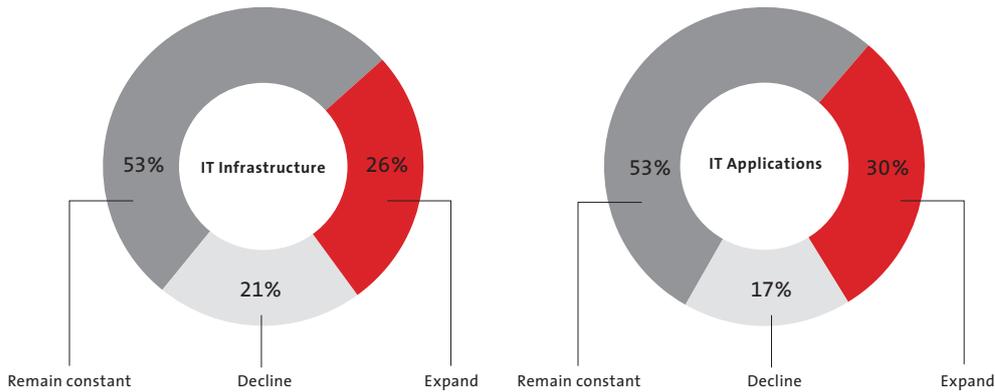
These results underpin the presumption that digitization is not a solution to a specific problem, but a transformation in structures, ways of thinking and business models of an overall organization. Consequently, the topic is becoming interesting for top management and an entity must be defined that is capable of resolving the task. This role mainly goes to IT. As a result, IT not only gets given more work, but also experiences a contextual upgrading if successful.

**IN-HOUSE EFFORT OF IT**

In the case of IT outsourcing, it is apparent that over half of enterprises do not want to launch any new undertakings in the coming year. Both in terms of infrastructure and also in the case of applications, 53 percent of respondents stated that the amount of work done in-house will stay the same in 2016. In the course of digitization, applications are evolving toward a competitive advantage that is being expanded and nurtured close to enterprises' own organizations.

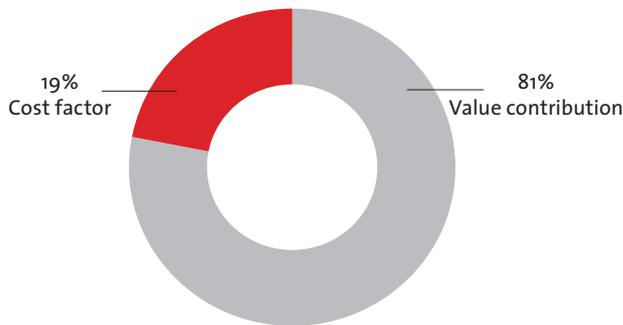
Increasing professionalization of internal IT organizations and the expansion of efficient private cloud solutions speak in favor of user

**IT in-house effort**



operation of infrastructure. When reducing in-house performance, bottlenecks should primarily be balanced out. Among other things, expectations for an external service provider encompass boosting IT agility, cost-efficient service quality and also continuous improvement and minimization of the business impact in the event of disruptions and changes.

**Cost Factor or Value Contributor?**



**VALUE CONTRIBUTION AND COST FACTORS**

Do the new tasks within the scope of digitization give a boost to IT? In any case, respondents increasingly see IT as a contribution to value and less as a cost factor. After all, four out of five managers subscribe to that and, compared with last year, opinions have moved once again by three percentage points in the direction of the value contribution.

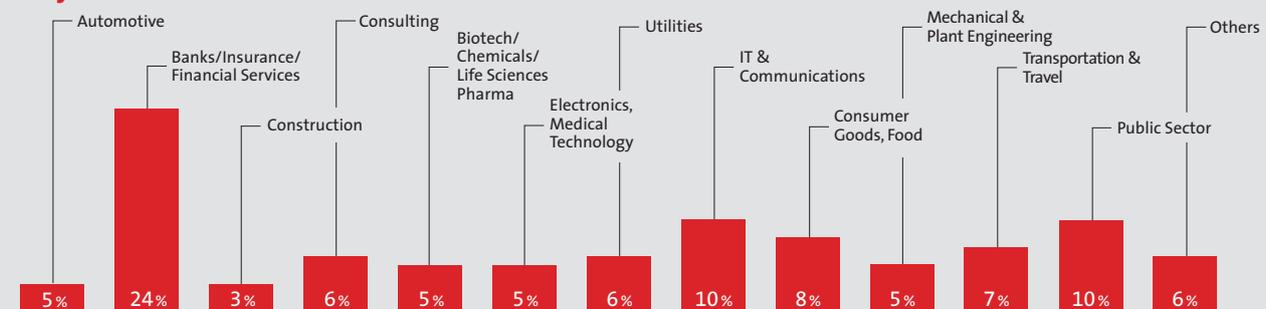
Conclusion: tasks for IT are increasing and it does not see itself as a problem, but as the solution.

**DEMOGRAPHIC DATA OF THE SURVEY**

**Number of Employees**



**Industry sectors**



Maturity-Survey, November - December 2015, n = 243, rounded values

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