# "2014 IT AGENDA"

The 2014 IT agenda – based on the results of our quick poll – is mainly characterised by two interesting developments: IT security went up among the top issues, and the in-house effort of IT is set to increase. While the increased interest in IT Security seems to have a clear reason after, among other issues, the NSA wiretapping affair, the supposed trend in IT outsourcing demands a more detailed interpretation.

IN-HOUSE EFFORT OF IT

After years of more and more IT outsourcing, it looks as if the wind has changed. Both in the area of IT infrastructure and in the field of IT applications, many respondents are assuming that in-house IT effort will increase in 2014. This applies especially to IT applications, where 42 percent of the respondents intend to expand internal contribution. In the IT infrastructure arena, the situation is somewhat more balanced – more than a quarter of organisations still aim to increase the degree of outsourcing.

The comments in our survey show different reasons for this development: On one hand the debate about data security and integrity in the wake of the NSA wiretapping affair may reduce the willingness of European enterprises to transfer their IT and their business critical date into foreign hands. On the other hand, word seems to have spread that some outsourcing projects will not be successful and comprehensive preparation and monitoring is always required – automatic savings solely as a result of outsourcing are a myth. Another reason for this trend could be seen in the proliferation of "private clouds". Companies plan to provide IT services internally more efficiently with this technical advancement. In addition, the more demanding time-to-market requirements of applications help to ensure that software is being developed and implemented increasingly in-house and closer to the business.

IT In-house Effort
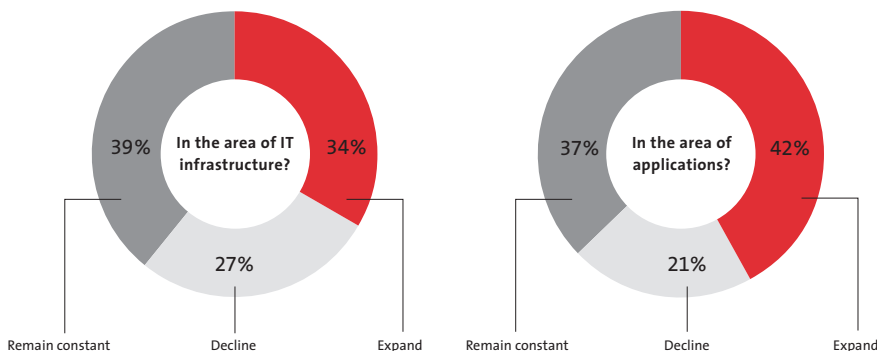
Maturity poll, November / December 2013; n = 320, rounded values

STRATEGIC TOPICS

IT costs dominate the agenda of strategic issues even in 2014. This applies not only to the absolute level of spending, but also embraces the intended budget shift from IT operations to IT innovations. Adjacent areas such as IT procurement and consolidation of suppliers are also affected. In addition, companies are still working to transform their IT services into a professional organisation. Successes in this area could be a reason for the rise of in-house effort (see question 1).

A traditional key to professionalisation is in the internal processes of IT service management (ITSM), which will be improved consistently. Roughly equal in importance are the approaches to bring order to internal service offerings and to manage business demand. Both topics are closely related - the demand can be regulated better with an IT service catalogue.

Cloud computing is still seen as an all-purpose weapon and ranks third in responses – IT organisations expect reduced costs plus increased flexibility and agility in service delivery from the cloud. When asked whether IT is to be positioned as a "partner of the business" or as a plain "service provider",

respondents clearly plump for the "eye to eye" position. We will see this year if they achieve this ambitious objective.

In the free answers to this question, IT security is seen as a key strategic issue (see also question 3) with most votes of the respondents. Big Data, Mobility & Collaboration as well as Business Intelligence were also high on the strategic agenda.

Strategic Topics

Bar chart showing:
- IT costs
- IT sourcing strategy
- Cloud Computing
- Consolidation (HW/SW/vendors)
- IT service management (ITSM)
- Establish IT as a business partner
- IT service catalogue
- Demand management
- Establish IT as a service provider
- IT billing

(X-axis: 5%, 10%, 15%, 20%)
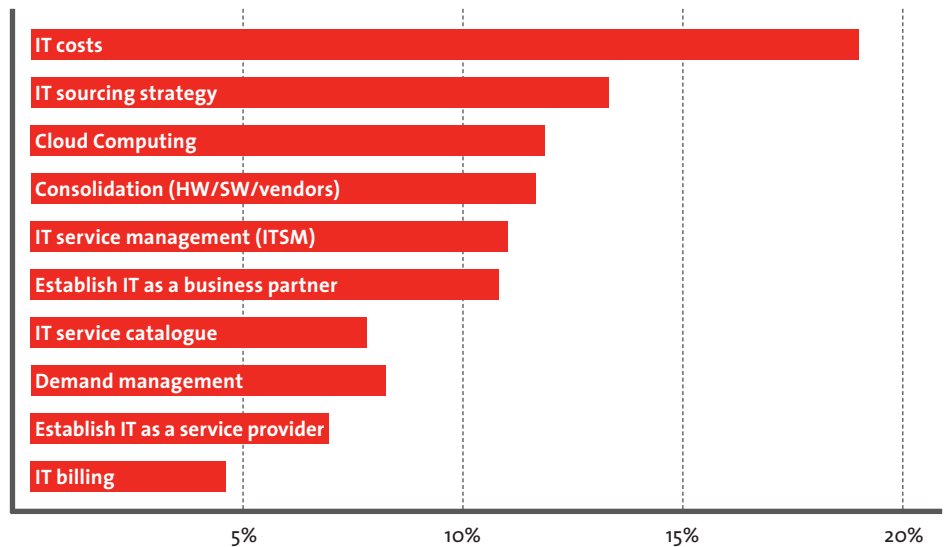
PRESSURE ON IT

Traditionally high budget pressure is leading the 2014 IT agenda, followed by the subject of IT security which is a major concern. This is especially true for German speaking countries and the Nordics. The NSA affair has likely had a broad impact on senior management relating to the integrity of personal and business-critical information. IT security has often been a tiresome task and an unloved duty – whether the actual change in perception is lasting in the long term remains to be seen. Demand for suitable IT skills has been a key emphasis for organisations and the trade press for quite some time. The focus is more on the right skill set than on
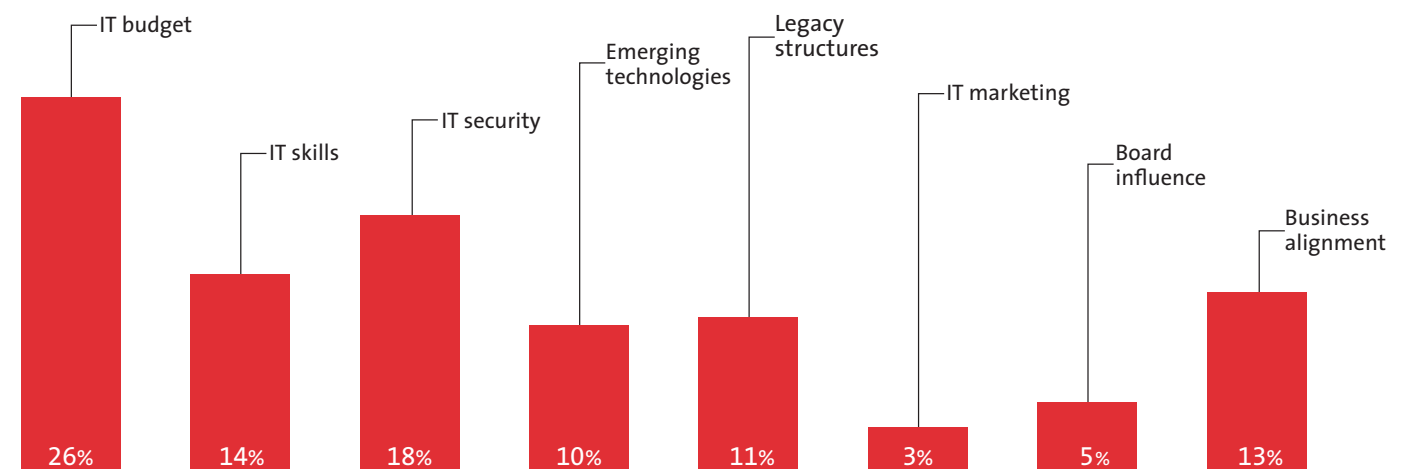
the overall quantity of available IT experts. After all, 14 percent of respondents expect pressure on their company in 2014 at this point. In addition, IT departments are still keeping a close eye on the needs of business managers. The burdens of the past (legacy structures as well as applications) and interest in new technologies from which companies expect to gain a competitive advantage are neck and neck – a traditional dilemma of IT.

In contrast to this respondents see little need in the marketing of IT services to their internal customers. To put it bluntly: either the internal IT department is very well-established, or

customers have not been selective in the past. The influence of IT on the board is also seen as an important subject by only a few managers. The perceived lack of pressure in these areas comes as little surprise, given that "IT service catalogues" and the "Positioning of IT" are seen as strategic issues in 2014.

In the free answers to this question, respondents specified primarily the quality of IT services, the waiting line and accordingly, time-to-market of IT projects, the capacity and range of IT services as well as the development of a global service model.

Pressure on IT

Bar chart showing:
- IT budget: 26%
- IT skills: 14%
- IT security: 18%
- Emerging technologies: 10%
- Legacy structures: 11%
- IT marketing: 3%
- Board influence: 5%
- Business alignment: 13%