



2018 IT AGENDA

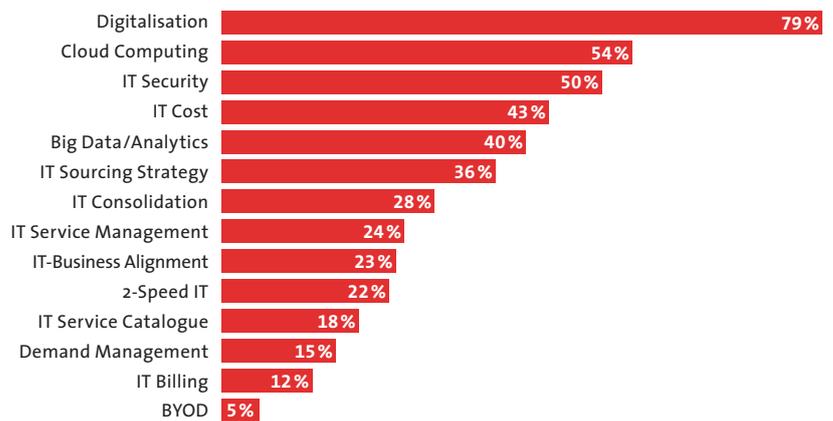
Digitalisation remains by far the most important topic for IT organisations and there is more continuity at the top of the 2018 IT agenda: Cloud computing and IT security are also increasing significantly in importance. When it comes to the pressure to act in IT, CIOs see the skill shortage as the biggest challenge in 2018, with new technologies and business innovation in second and third place.

DIGITAL AGENDA

Same procedure as last year: Digitalisation has continuously expanded its leading position on the agenda of IT organisations. This year, the increase over the previous year's figure was ten points to a respectable 79 percent. In the wake of digitalisation, cloud computing has also significantly strengthened its second place with an increase of nine percentage points. Both figures show that companies are now intensively dealing with the former hype topics. After the strategic importance of IT security declined somewhat last year, the topic is again mentioned by every second person in the current study.

The strategic issue of IT costs, however, came under renewed pressure. Since 2015, it has shrunk in importance from 56 percent to 43 percent.

Strategic IT topics 2018



This year, on the other hand, nothing changed for "two-speed IT", with the figure stagnating at 22 percent. In our annual benchmarking forum, the

majority of the participants confirmed "that two speed IT is not new and there have always been different priorities in IT projects and in IT production". For this reason, we do not expect any outstanding strategic importance here in the coming years.

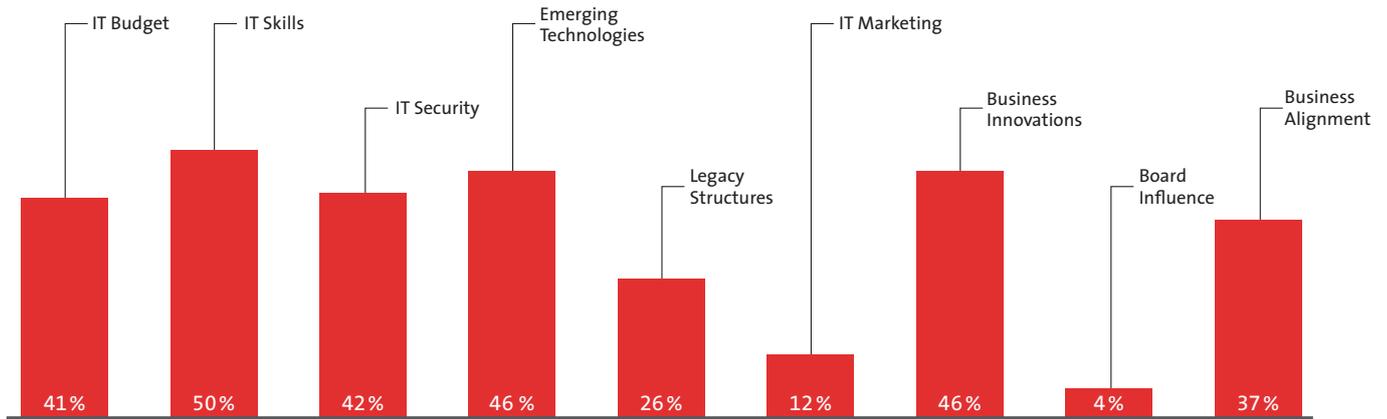
"The importance of sourcing and service catalogues has increased considerably."

In general, the decline was small compared to 2017. It appears that the importance of IT is increasing on a broad front. The number of tasks with strategic importance seems to have grown over the years. The greatest increase of eleven percentage points was achieved in the consolidation of hardware and software, although the figure had collapsed in the previous year. IT sourcing and demand management both grew by six percentage points. A comparison of progress over the last two years shows that the importance of sourcing and service catalogues has increased considerably.

Strategic IT topics 2018

Strategic topics	2016	2017	2018	Trend
Digitalisation	52%	70%	79%	◀▶
Cloud Computing	42%	47%	54%	◀▶
IT Security	51%	46%	50%	◀▶
IT Cost	50%	44%	43%	◀▶
Big Data/Analytics	39%	34%	40%	◀▶
IT Sourcing Strategy	31%	30%	36%	◀▶
IT Consolidation	29%	18%	28%	▲
IT Service Management	27%	23%	24%	◀▶
IT Business Alignment	24%	21%	23%	▼
2-Speed IT	n.a	23%	22%	◀▶
IT Service Catalogue	14%	21%	18%	▼
Demand Management	16%	10%	15%	▲
IT Billing	11%	11%	12%	▼
BYOD	9%	5%	5%	◀▶

IT need for Action



A good IT service catalogue describes the capabilities of IT systems and IT services which support an end user in his or her departmental task. It should be reviewed regularly and adjusted as necessary. Here, mainly cloud solutions are driving adaptations. As a cloud broker, IT is faced with the challenge of procuring and deploying the various concepts of private cloud, public cloud or hybrid solutions as efficiently as possible.

In a recent study by Maturity on IT outsourcing, only 27 percent of respondents said missing applicants and skills on the market are a key driver of outsourcing. External service providers are therefore not a simple solution for the shortage of skilled workers. Incidentally, respondents cited the alleged reduction in costs as the most important driver of outsourcing.

IN-HOUSE EFFORT OF IT

In the IT outsourcing segment, there is a contrasting trend in applications and infrastructure segments. In the latter area there is a certain amount of stagnation with gradual changes from year to year. As a large part of the infrastructure has already been outsourced to external service providers, the company's own work is only slightly reduced. A growing professionalisation of internal IT organisations and the proliferation of efficient private cloud solutions speak in favour of the company's own operation of IT infrastructure. The main aim of reducing the internal efforts is to compensate for bottlenecks.

IT NEED FOR ACTION

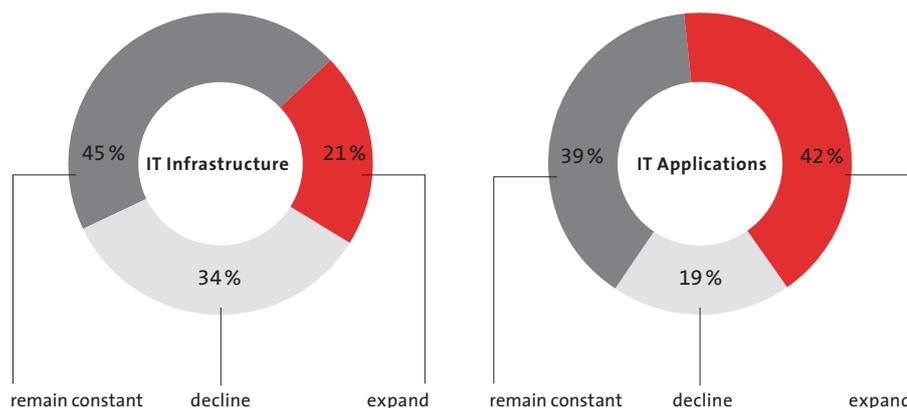
While in the last year IT security was the undisputed leader, companies are now experiencing the strongest need for IT action in other areas: IT skills and the shortage of skilled workers are the biggest pain point in 2018. This is underlined by second and third positions - new technologies and business innovations - which in turn require new skills. Both demands increased by more than ten percentage points compared with the previous year.

The pressure to act in the alignment of IT and business increased sharply in 2018. After all, digitalisation must be supported with new projects closely aligned to business requirements. On the other hand, only a small proportion of IT managers feel they need more leverage in the management board. No wonder - in the end, digitalisation is usually at the top of the company's agenda as a key strategic issue.

"Digitalisation requires a close alignment of business and IT."

"There are high expectations regarding cooperation with IT service providers."

IT in-house effort



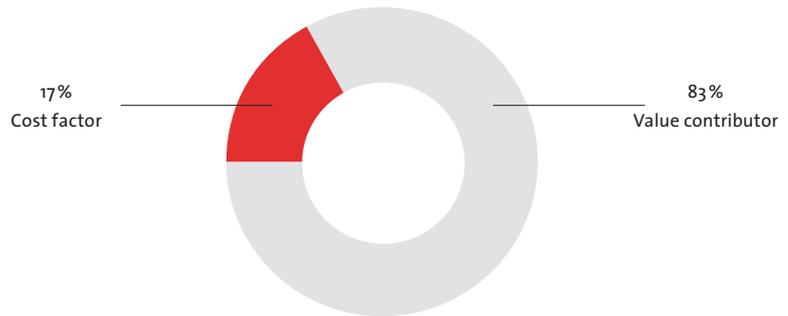
The application environment looks different: In the previous year, 32 percent of those surveyed said their own efforts would increase, compared with 42 percent this year. Only 19 percent expect to expand the outsourcing quota for applications. This trend was already visible a year ago. In the course of digitalisation, according to the interpretation, applications are becoming a competitive advantage, which is preferably developed and maintained by one's own organisation.

Our market price benchmarks show a generally high level of expectation regarding cooperation with external IT service providers around infrastructure and applications. This includes increasing IT agility, cost effective service quality, minimizing business impact in the event of disruptions and changes, and continuously improving processes.

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. At present, however, only 17 percent believe that their own IT is a cost factor. This is a record low value and testifies to a healthy self-confidence, but it also reflects the expectations placed on IT.

Cost Factor or Value Contributor?



SPECIAL SECTION: IT PROJECT MANAGEMENT

Last year's IT trends focused on "two-speed IT". In this survey, we concentrated on the topic of project management - and in particular on agile methods which are currently being discussed in every industry segment. Instead of collecting and processing all requirements at the beginning, agile projects proceed step-by-step and close to the customer, for example with prototypes already in early phases. An important agile principle is self-organisation: work distribution, goals,

budgets and implementation are determined by the teams themselves.

"Today, agile methods are used in many areas."

According to a study by the University of Applied Sciences Konstanz, agile methods are mainly used in software development. 40 percent of people surveyed are already using agile methods in other IT-related tasks, and 34

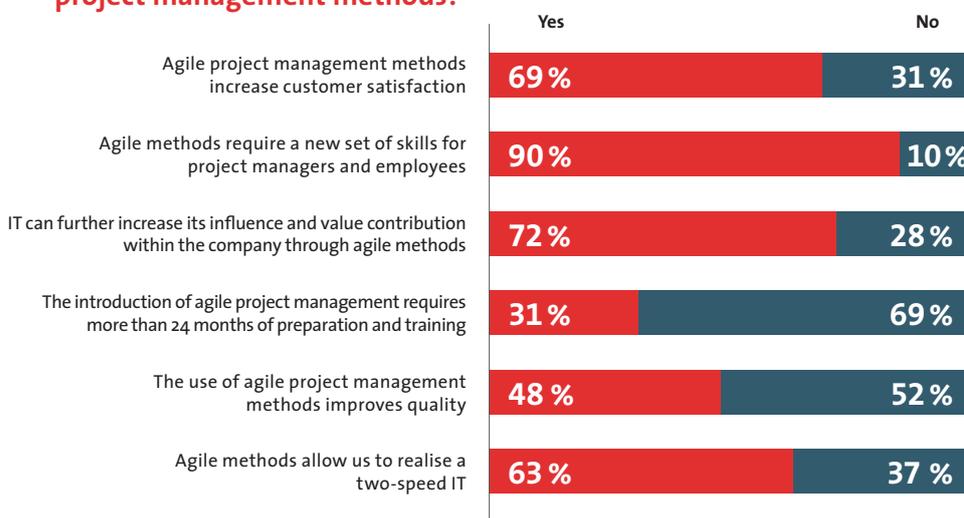
percent are applying design thinking, lean start-up, scrum and other agile methods for non-IT activities.

With 39 percent, agile development also outperformed the classic approach in our survey. In addition, there are projects based on lean principles and the situational approach, so that the "old school" approach has just one third of the votes. However, strict separation in reality is difficult. Overall, respondents are positive about the influence of agile methods. On the one hand, this refers to higher customer satisfaction. On the other hand, IT is expected to have a greater influence and value add. When it comes to quality, the answer is twofold and almost 90 percent of the respondents also know agile development requires a new skillset of project managers and employees.

Methods for managing IT projects



How do you rate the following statements regarding agile project management methods?



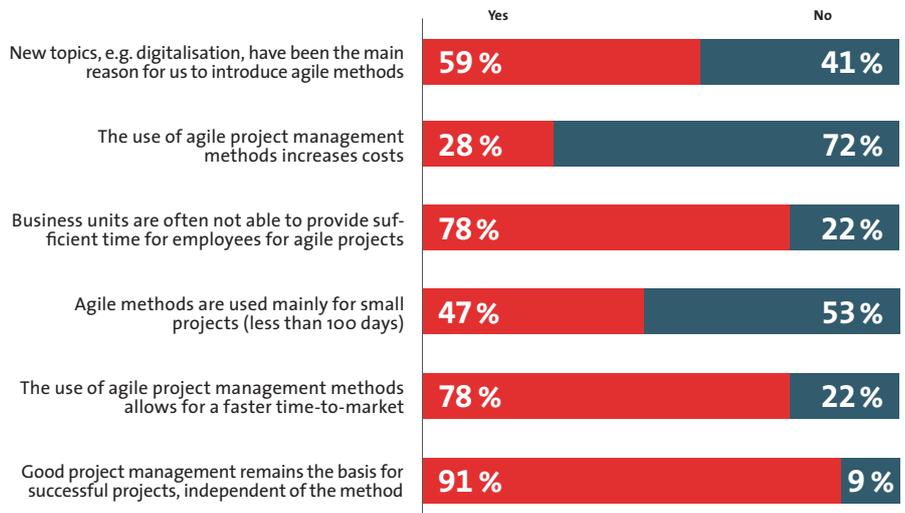
"Agile development requires a new skillset of project managers and employees."

In addition, three-quarters of respondents stated the business is often unable to provide sufficient staff time for agile projects. The rate of respondents, however, is equally high, for whom the use of agile project management methods enables faster time-to-market. Only 28 percent believe the use of agile project management methods drives up costs. This depends to a large extent on whether the expenditure for the business unit experts in the project is calculated realistically. 91 percent of respondents agree that good project management, regardless of the method, forms the basis for successful projects.

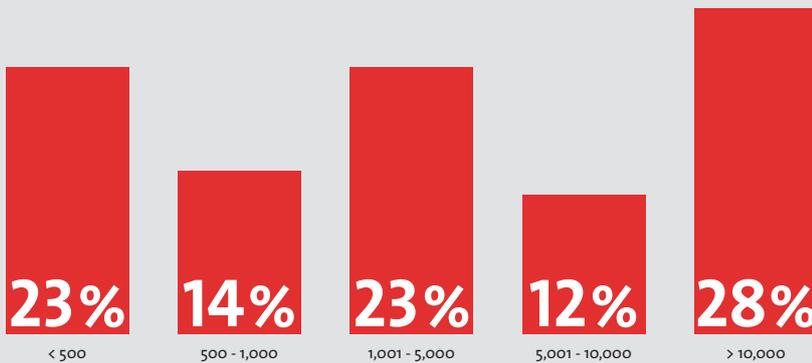
BOTTOM LINE

Digitalisation continues to be a triumphant success, and its strategic importance is increasing significantly. This entails challenges for the IT organisation, such as the shortage of skilled workers, in order to realise the desired innovations in technology and business processes. In this context, the fact that the in-house effort for applications is to be expanded plays an important role – the increase in this area was clear. No wonder the alignment of business and IT needs to be improved. This is also to be guaranteed by agile projects with close cooperation of employees of different departments, but what sounds like a reasonable intention, however, is a delicate task – if it should be solved efficiently. Costs are not currently a high priority for companies, but the more they are neglected, the faster the issue returns.

How do you rate the following statements regarding agile project management methods?



Number of Employees

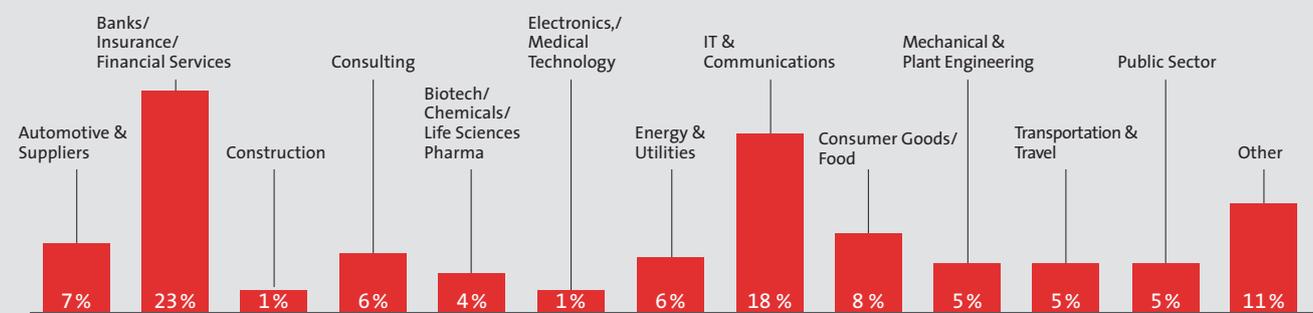


About the survey

The survey "2018 IT Agenda" is based on an online poll in October and November 2017. European managers from business units and IT were interviewed.

In total, 145 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 2018, n = 145

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