Agile IT Survey Results

Contents

Summary of research method

- Accenture conducted the 'Agile IT' Survey to assess UK business readiness, challenges and attitudes towards agility in IT infrastructure. In particular, it focuses on what is required to scale up and down IT resources to meet changing user and customer needs.

- Researchers interviewed 250 technology (50 percent) and 250 business (50 percent) executives in organisations with more than 1,000 employees from five major industry sectors; Financial Services, Communications & Hi-Tech, Public Services, Products, and Resources.

- All interviews were conducted with executives with profit and loss (P&L) responsibility within their organisation, with technology executives in CIOs/Heads of IT Infrastructure functions (50 percent), and business executives from Heads of Business (22 percent), Sales and/or Marketing Units (20 percent) and other operational functions including HR and Finance (9 percent).

Summary of research method (continued)

For the purposes of this project "agile IT" has been defined as:

"The desire to move to a technological architecture that provides the ability to scale up and down IT resources rapidly to meet changing user and customer needs. By its nature it will mean a limited level of legacy based systems to drive new and emerging technologies, either on premise, off premise or a hybrid of both, that allow the organisation to implement, respond or adapt easily to new applications and services. Whilst an "agile IT" environment can be run internally or externally using third parties, the concept allows total flexibility and agility of the IT function."

SURVEY RESULTS: Agility

Almost a quarter of IT budget spend will support legacy systems over the next two years

What percentage of your current IT budget do you plan to invest in supporting legacy systems over the next 12 months and over the next 2 years?
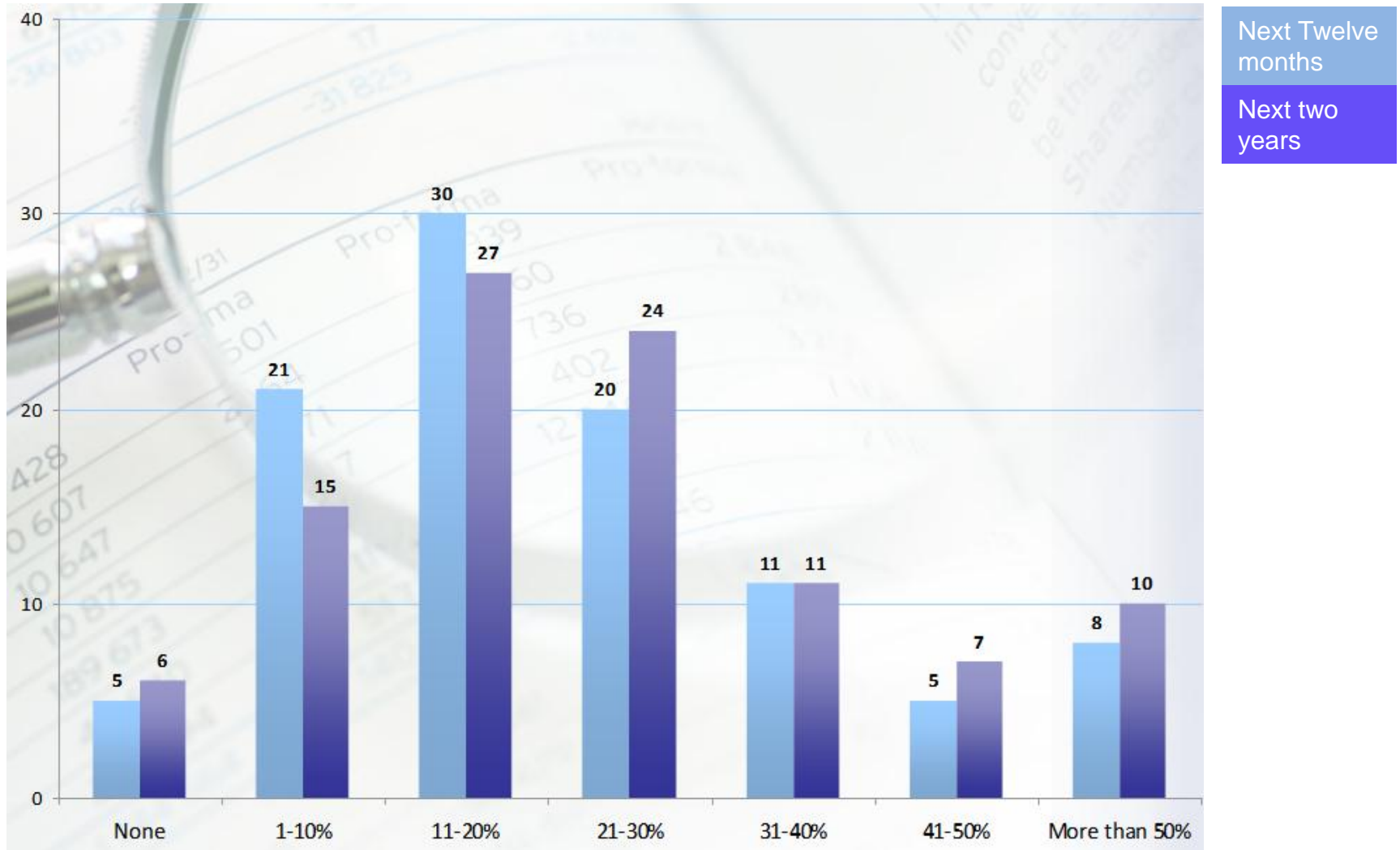
What cost saving in IT (as a % of annual turnover/income) do you think you could achieve by having a more flexible or "agile" IT environment (for the technology executive)/approach (for the business executive)?

Agile IT could save businesses nearly one-third of their IT costs, according to a majority (75 percent) of executives surveyed
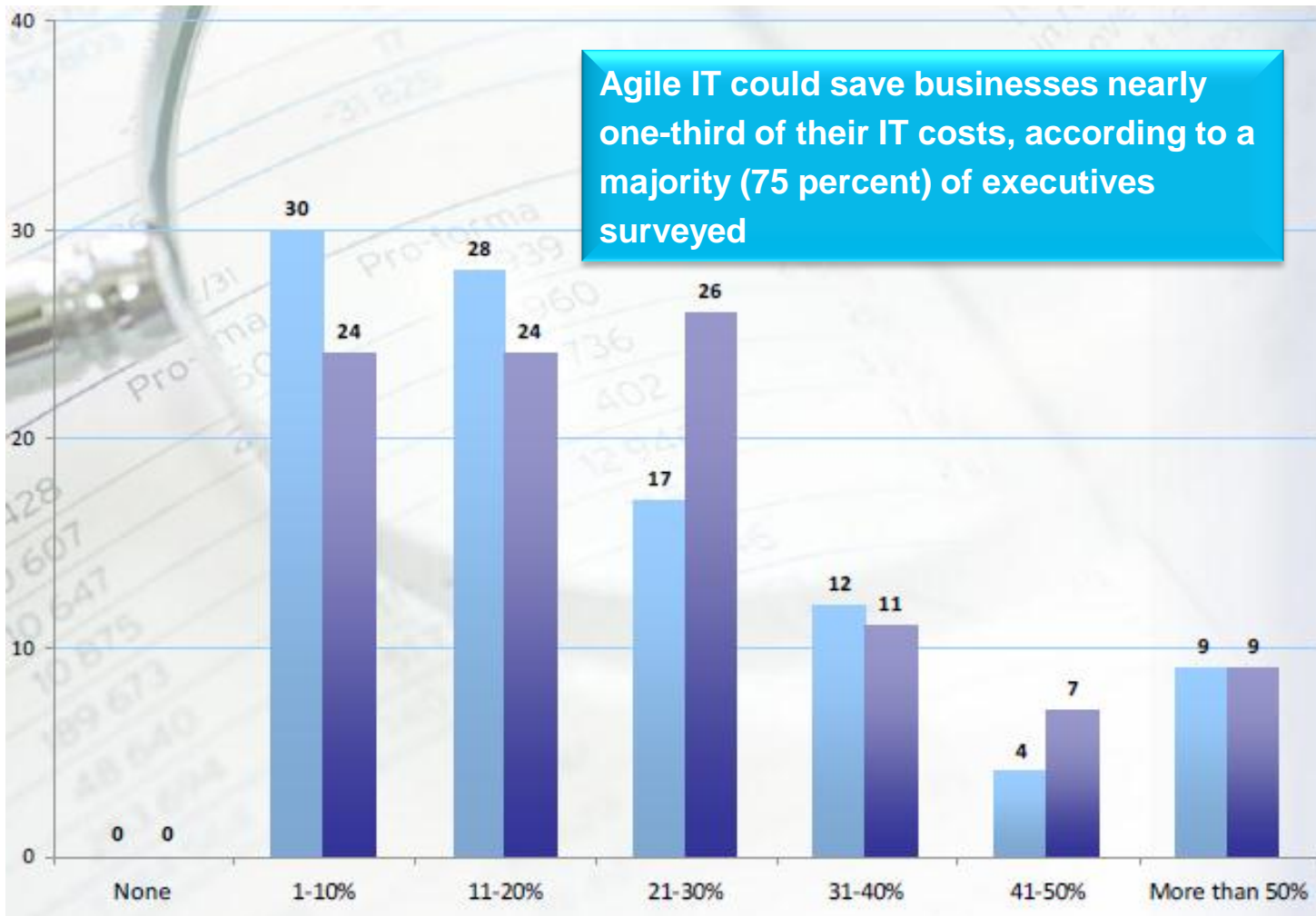
Technology Executives
Business Executives

(Base: Total Respondents)

Businesses face challenges managing the agility of new cloud solutions due to the rigidity of their core legacy infrastructure and applications

Accenture research finds that maintaining legacy IT is hampering the move to cloud and new agile environments for one in four businesses

Agreement with key statements. *% agreeing – i.e.: rating 5 or 4 on the 5 point scale where 5 equals strongly agree and 1 equals strongly disagree*

Technology Executives

Business Executives

Cloud computing provides the ability to invest in IT without the capital burden — 53 / 43
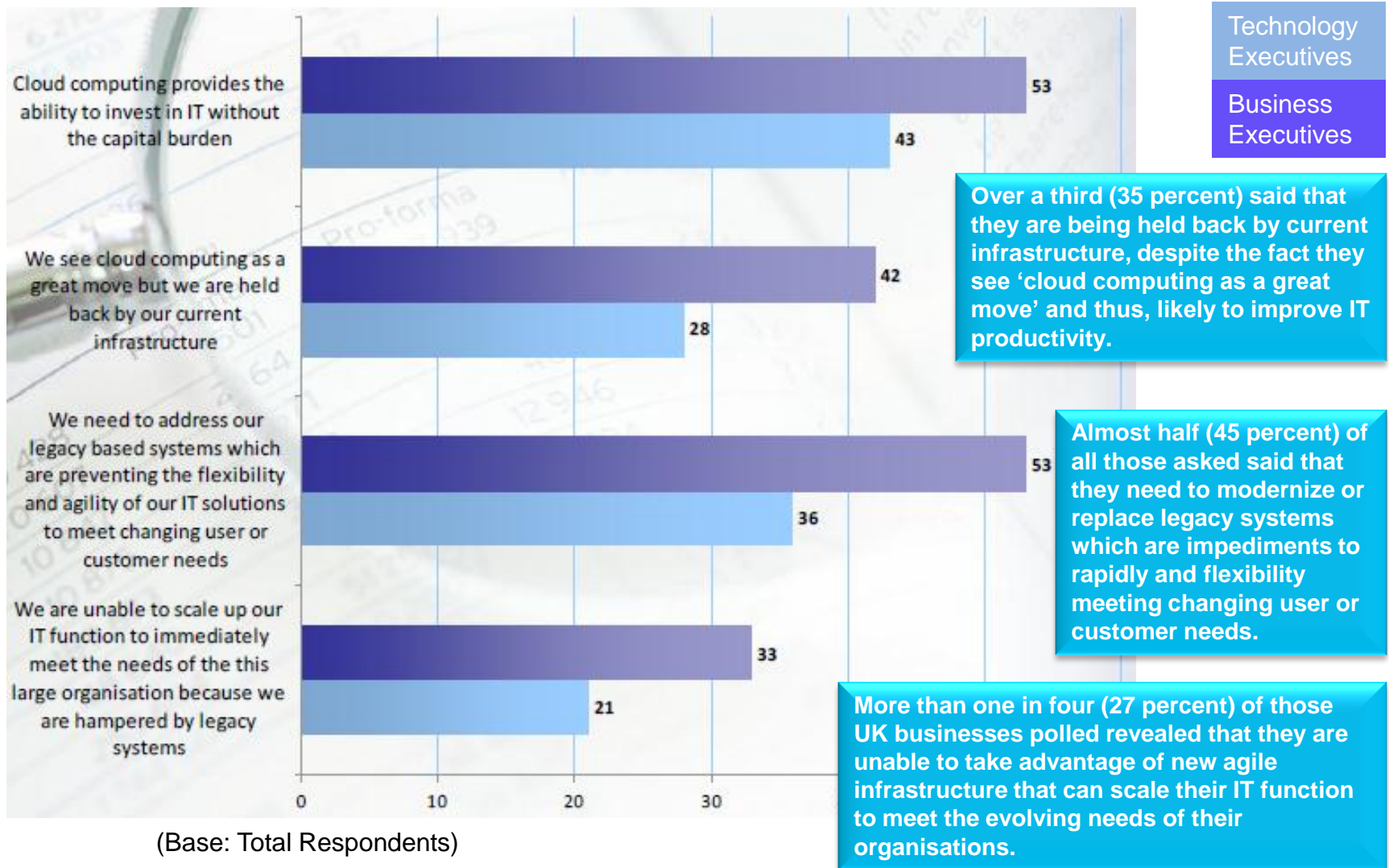
We see cloud computing as a great move but we are held back by our current infrastructure — 42 / 28

We need to address our legacy based systems which are preventing the flexibility and agility of our IT solutions to meet changing user or customer needs — 53 / 36

We are unable to scale up our IT function to immediately meet the needs of the this large organisation because we are hampered by legacy systems — 33 / 21

Over a third (35 percent) said that they are being held back by current infrastructure, despite the fact they see 'cloud computing as a great move' and thus, likely to improve IT productivity.

Almost half (45 percent) of all those asked said that they need to modernize or replace legacy systems which are impediments to rapidly and flexibility meeting changing user or customer needs.

More than one in four (27 percent) of those UK businesses polled revealed that they are unable to take advantage of new agile infrastructure that can scale their IT function to meet the evolving needs of their organisations.

(Base: Total Respondents)

The findings suggest that legacy systems are causing a number of cost and flexibility issues

Agreement with key statements. *% agreeing – i.e.: rating 5 or 4 on the 5 point scale where 5 equals strongly agree and 1 equals strongly disagree*

Technology Executives
Business Executives

Statement	Technology Executives	Business Executives
We understand the benefits of a hybrid environment but are seeking guidance from third parties on how to build, manage and consume IT services	40	39
We know our hardware and software require overhaul, but we think the reliability, performance and security of cloud computing is a risk.	33	36
Our applications and our business processes need a major overhaul to provide flexibility to the business units	40	43
A major IT investment is required if we want to be radical in how we change the IT landscape	49	50

(Base: Total Respondents)

Approximately what percentage of your current IT budget is for operating expenditure (OPEX) today, and how much is fixed for the next 2 years?


More than half (66 percent) of technology executives forecast that up to 30 percent of their IT budget is expected to support legacy systems over the next two years

Today

Next two years

Category	Today	Next two years
None	3	4
1-10%	16	9
11-20%	22	22
21-30%	26	23
31-40%	13	18
41-50%	6	11
More than 50%	14	13
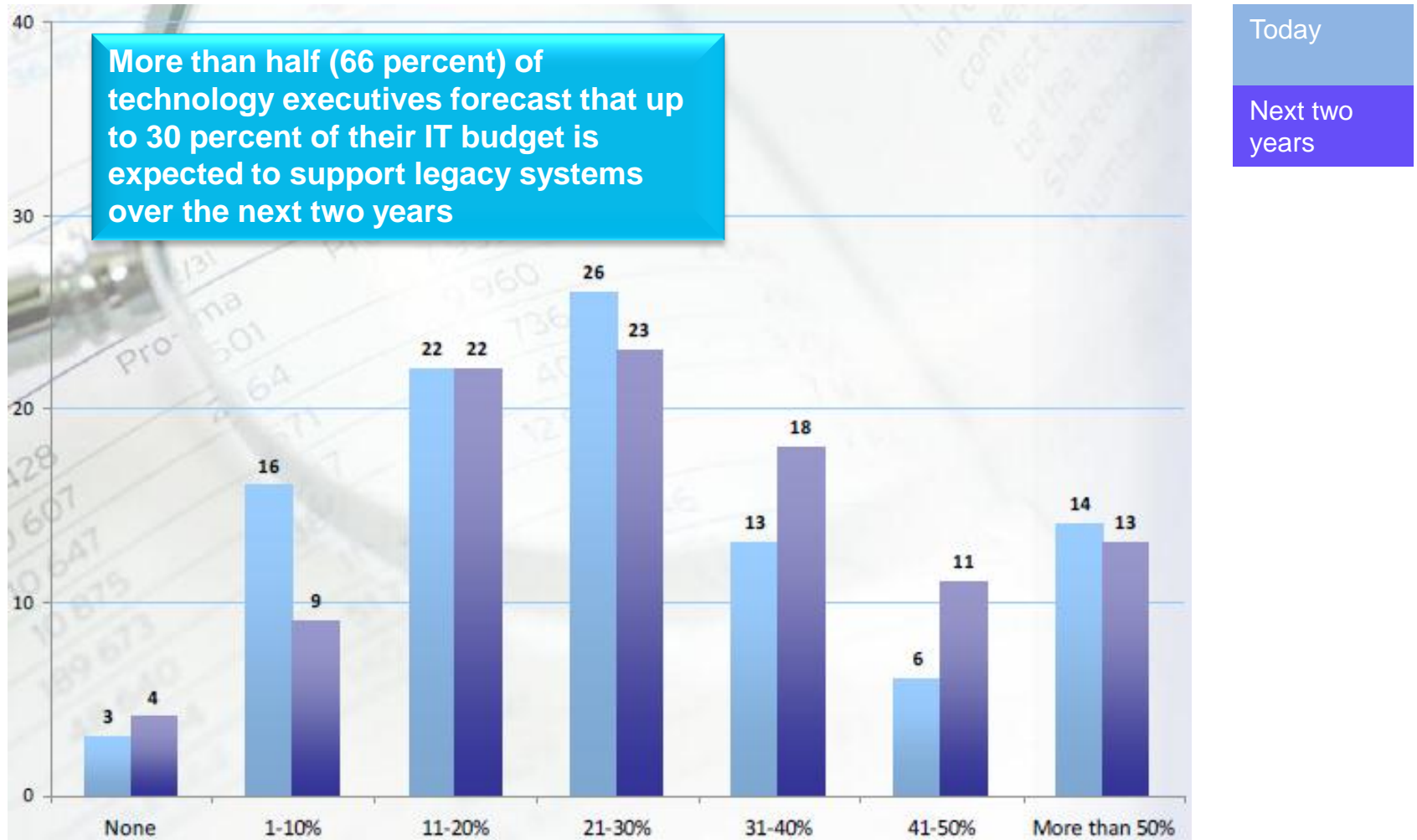
(Base: Technology Executives)

Do you have a structured and formalised retirement plan for applications?
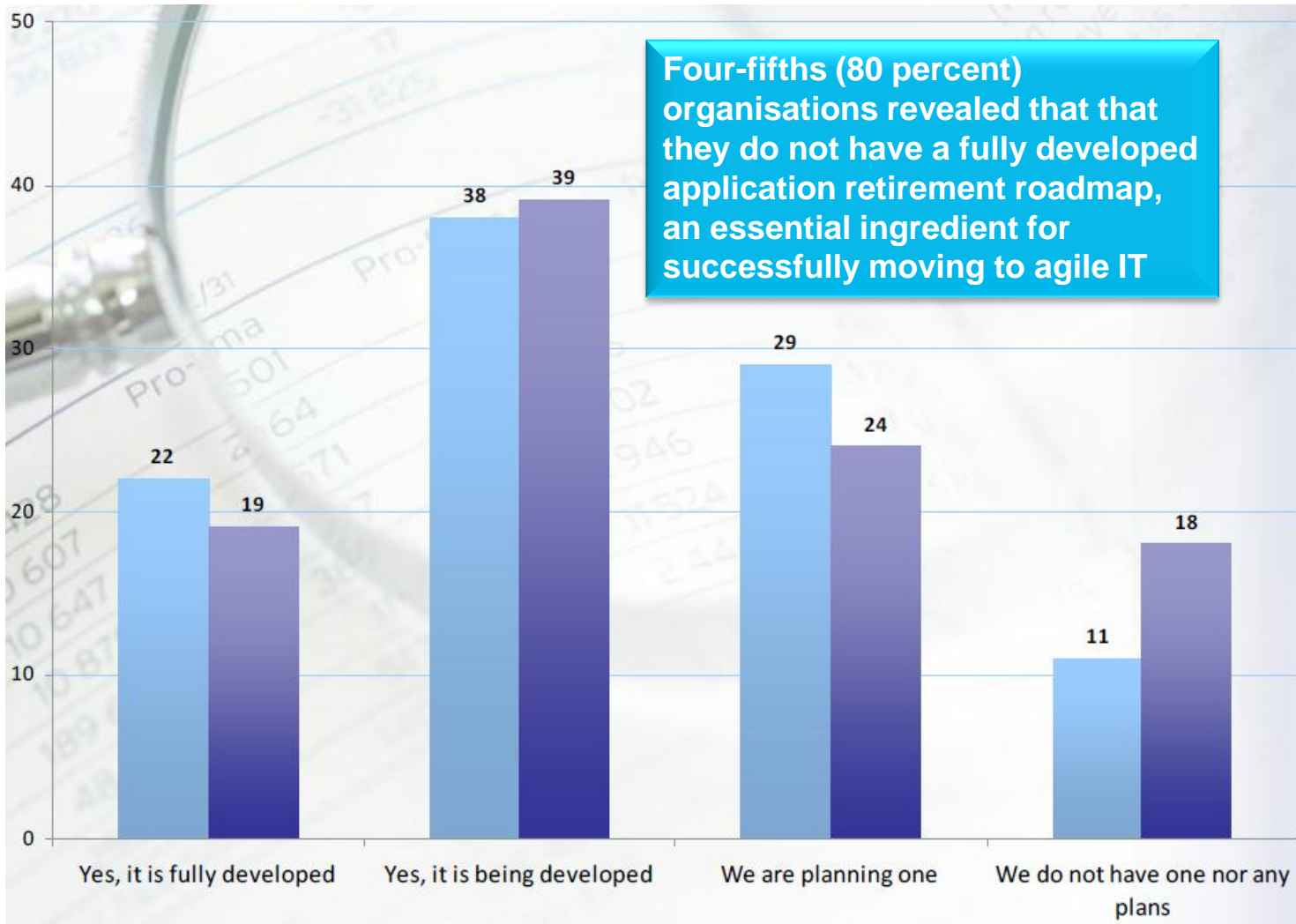
Four-fifths (80 percent) organisations revealed that that they do not have a fully developed application retirement roadmap, an essential ingredient for successfully moving to agile IT

Technology Executives

Business Executives

(Base: Total Respondents)

SURVEY RESULTS: Drivers for Agile IT

Organisations looking to deploy agile IT solutions were clear about what the main drivers for their businesses would be

In which of the following areas do you think the biggest impact on business will be seen directly as a result of *variabalising your IT infrastructure and operational investments?*

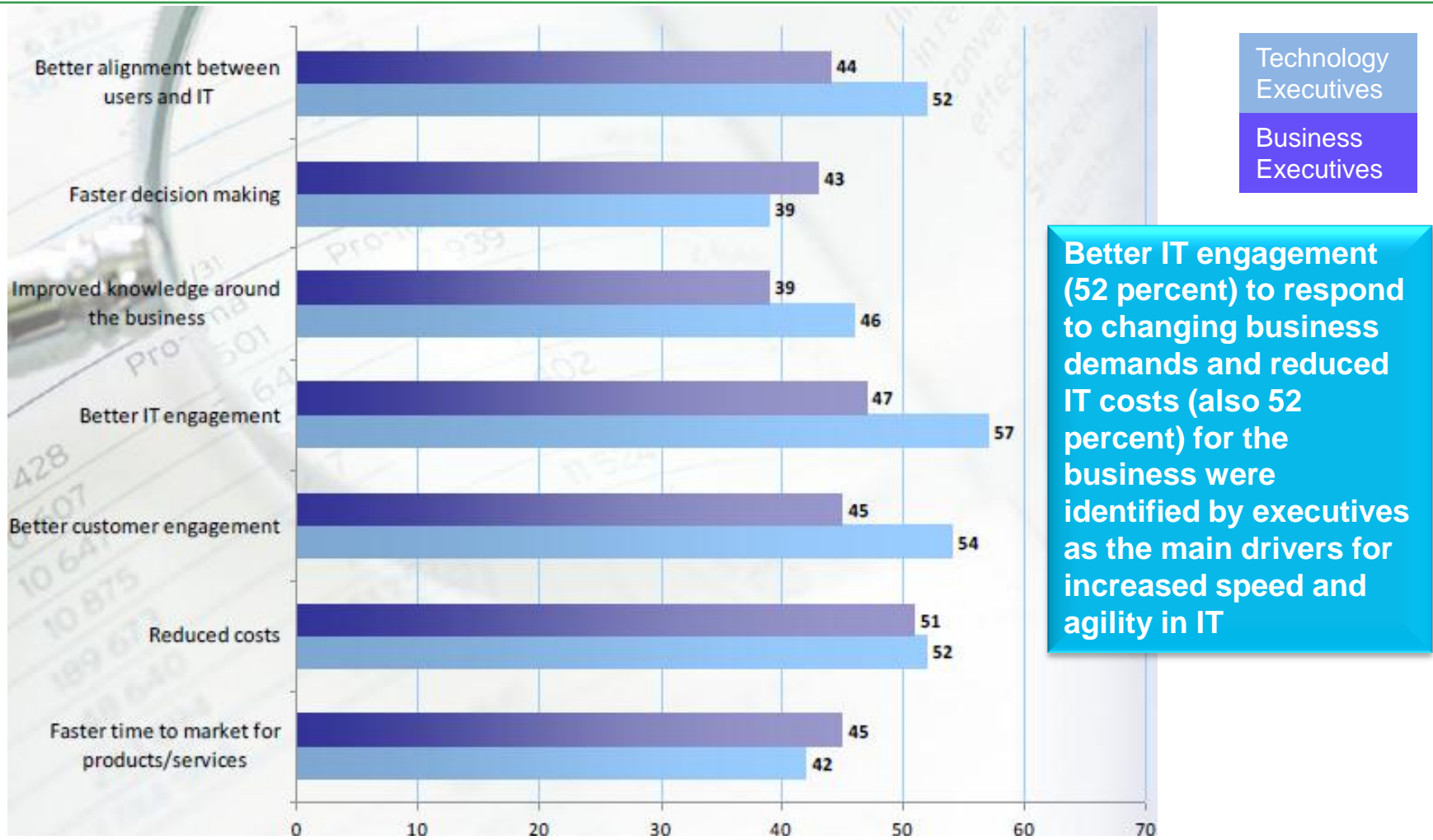| Area	Technology Executives	Business Executives
Repurposing assets quickly	33	32
Increased standardisation	43	45
Increased automation	36	41
Improved business collaboration	36	42
Higher IT utilization and knowledge worker productivity	49	50
Improved IT flexibility to meet the business needs	50	60
Better alignment with real business needs	52	52
Faster application deployment	44	51
Faster time to market for products/services	39	47

Executives also said that transforming fixed IT infrastructure into new agile environments could bring about higher IT utilisation and knowledge work productivity (50 percent)

Over half of executives said that they felt transforming fixed IT infrastructure and operational investments could bring improved IT flexibility (55 percent) and better align IT (52 percent) with real business needs within their organisation
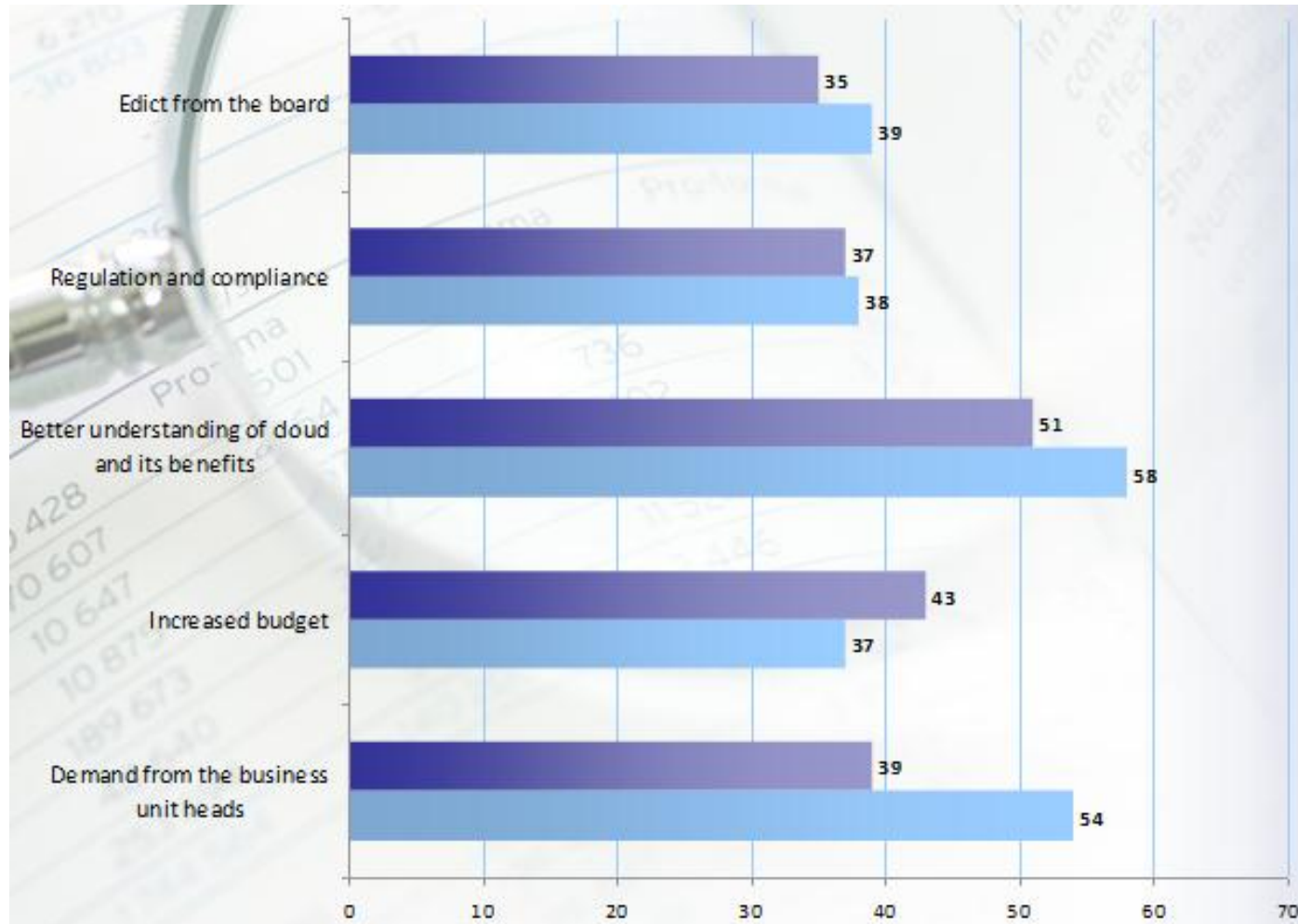
(Base: Total Respondents)

Which of the following would you say are the drivers for increased speed and agility in IT?

Legend:
- Technology Executives
- Business Executives

Driver	Business Executives	Technology Executives
Better alignment between users and IT	44	52
Faster decision making	43	39
Improved knowledge around the business	39	46
Better IT engagement	47	57
Better customer engagement	45	54
Reduced costs	51	52
Faster time to market for products/services	45	42

Better IT engagement (52 percent) to respond to changing business demands and reduced IT costs (also 52 percent) for the business were identified by executives as the main drivers for increased speed and agility in IT

(Base: Total Respondents)

What are the key triggers that will instigate a step change in IT functionality/agility?
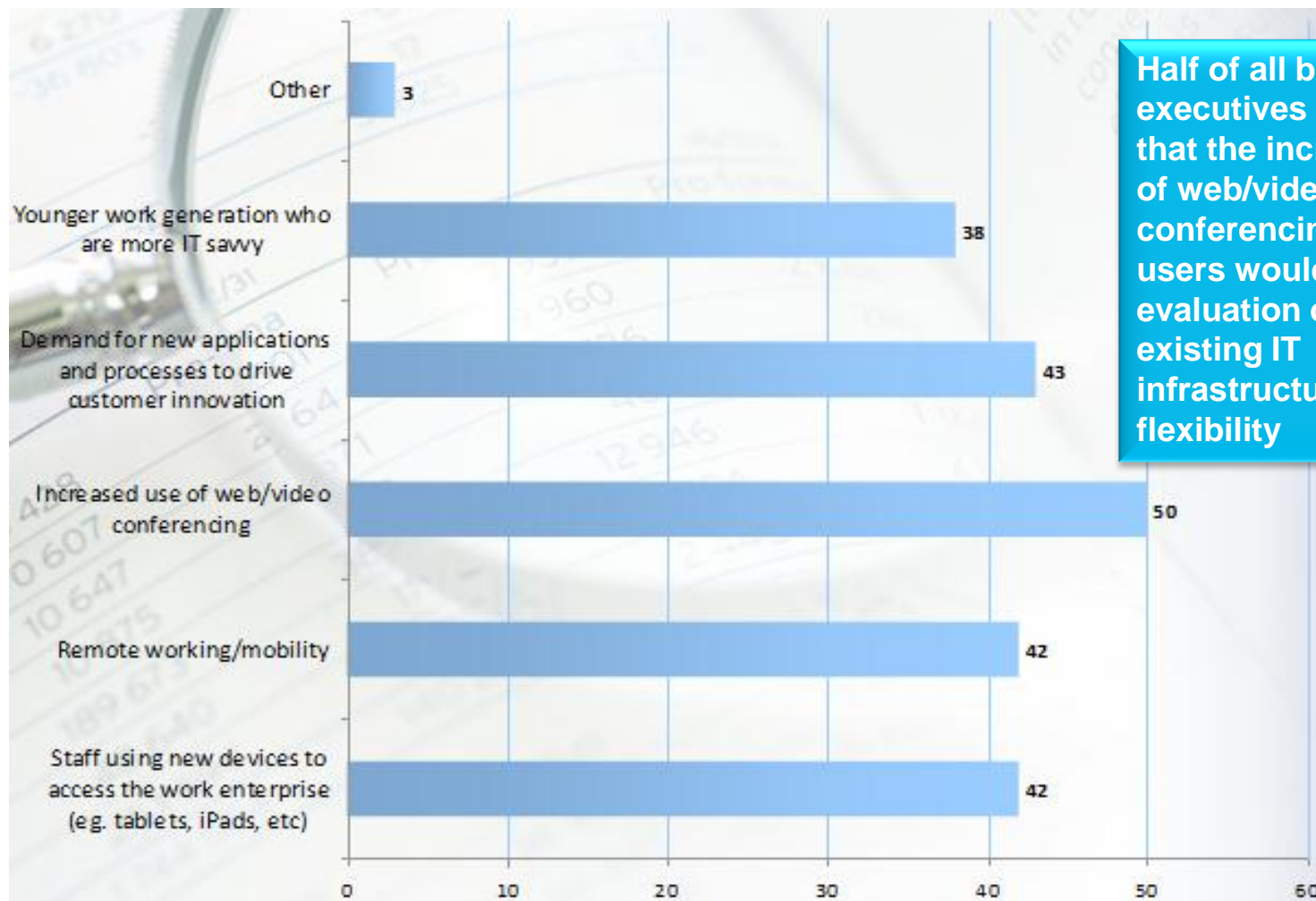

Technology Executives
Business Executives

- Edict from the board: 35 / 39
- Regulation and compliance: 37 / 38
- Better understanding of cloud and its benefits: 51 / 58
- Increased budget: 43 / 37
- Demand from the business unit heads: 39 / 54

(Base: Total Respondents)

What end-user requirements are triggers to your evaluating the flexibility of existing IT infrastructure?

Chart data:
- Other: 3
- Younger work generation who are more IT savvy: 38
- Demand for new applications and processes to drive customer innovation: 43
- Increased use of web/video conferencing: 50
- Remote working/mobility: 42
- Staff using new devices to access the work enterprise (e.g. tablets, iPads, etc): 42

Half of all business executives indicated that the increased use of web/video conferencing by end users would trigger the evaluation of their existing IT infrastructure's flexibility
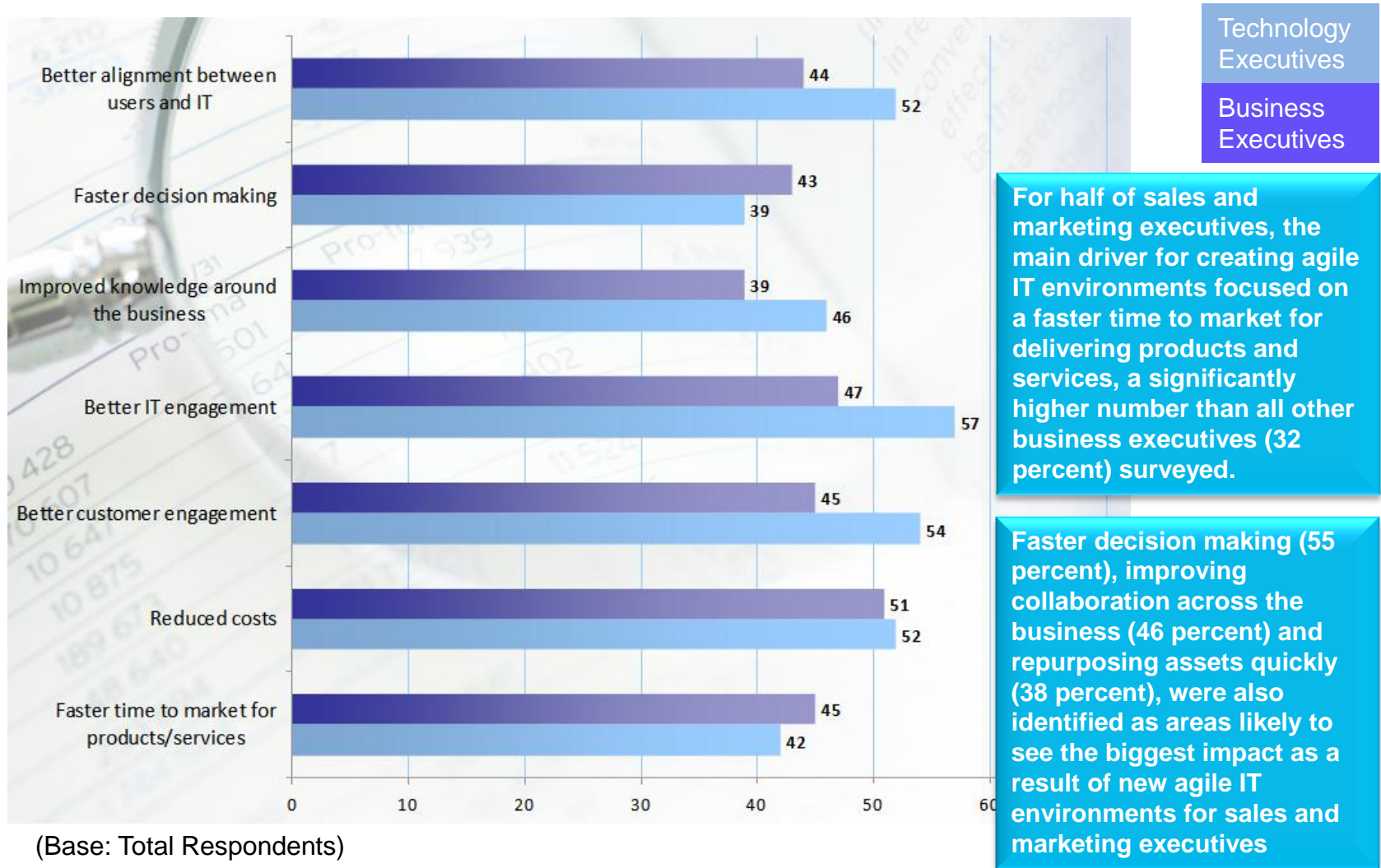
(Base: Total Business Executive Respondents)

Survey results: Sales and Marketing

Of the 250 business executives surveyed, 98 were from a sales and marketing function within their organisation

They indicated a faster time to market holds the key for agile IT

Which of the following would you say are the drivers for increased speed and agility in IT?

Technology Executives

Business Executives

Driver	Technology Executives	Business Executives
Better alignment between users and IT	52	44
Faster decision making	39	43
Improved knowledge around the business	46	39
Better IT engagement	57	47
Better customer engagement	54	45
Reduced costs	52	51
Faster time to market for products/services	42	45

(Base: Total Respondents)

For half of sales and marketing executives, the main driver for creating agile IT environments focused on a faster time to market for delivering products and services, a significantly higher number than all other business executives (32 percent) surveyed.

Faster decision making (55 percent), improving collaboration across the business (46 percent) and repurposing assets quickly (38 percent), were also identified as areas likely to see the biggest impact as a result of new agile IT environments for sales and marketing executives

Achieving High Performance with Agile IT

Considerations

When building an agile IT infrastructure, CIOs and IT decision makers should think about the following to achieve high performance:

1) Do we continue to build out our data centre environment?

2) Which parts of the business should we move to the cloud?

3) What type of cloud deployment do we use?

4) How must our governance models evolve to drive this agility?

5) How do I securely drive the next generation of business-enabled IT?

Recommendations

To take advantage of more agile IT environments and accelerate their business journey, IT professionals should:

- Take a phased, end-to-end approach to transforming the IT infrastructure of their organisation

- Develop an IT and application strategy that does not inhibit the way in which their organisation adopts new technologies

- Learn to work more closely with their business counterparts to understand its present and future needs

- Determine how best to utilise core business function applications by conducting an application rationalisation exercise. This is done by accessing each application against a specific business need or task to establish whether to sustain, consolidate, modernise or retire each exercise

- Implement a governance process and an application roadmap for modernising legacy IT. This helps enable the integration of new solutions more quickly and provides the ability to add additional "plug-and-play" functionality to core software tasks

About Accenture

About Accenture

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 249,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

End