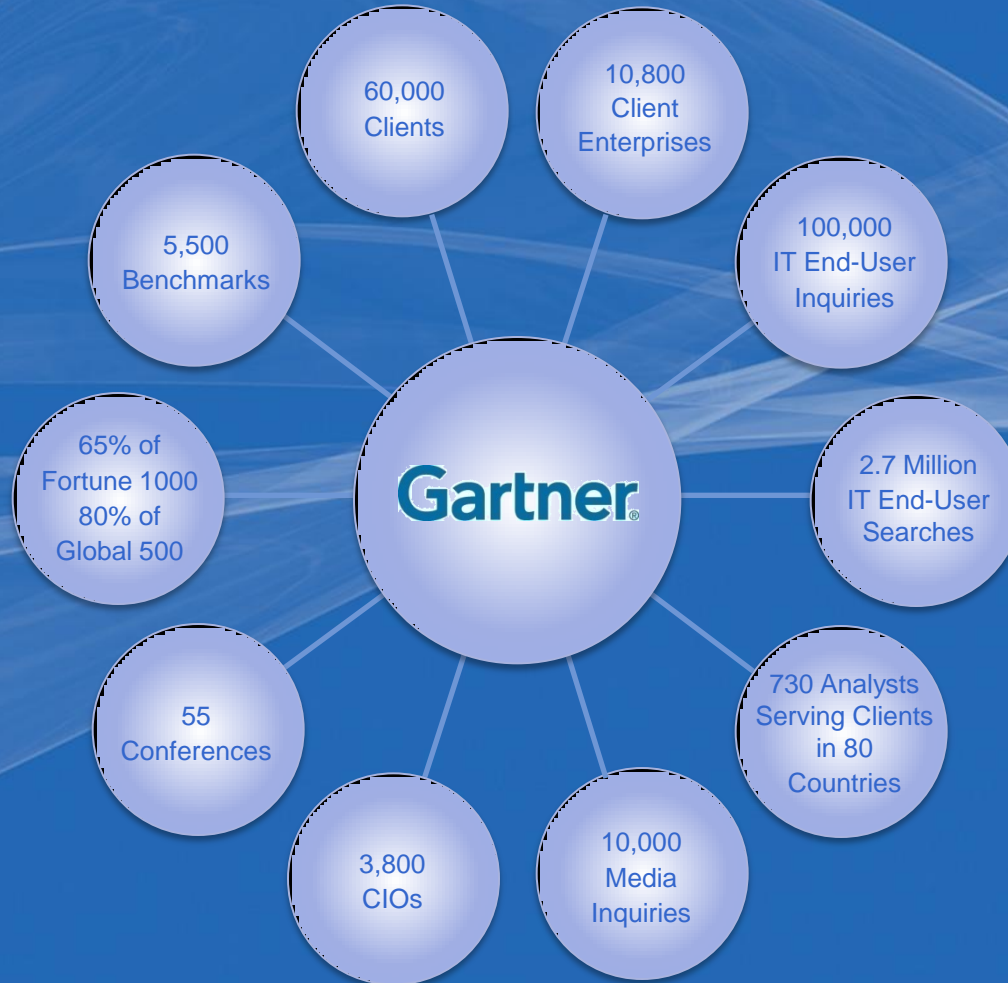


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Gartner Webinar

Top Technology Predictions for 2011 and Beyond

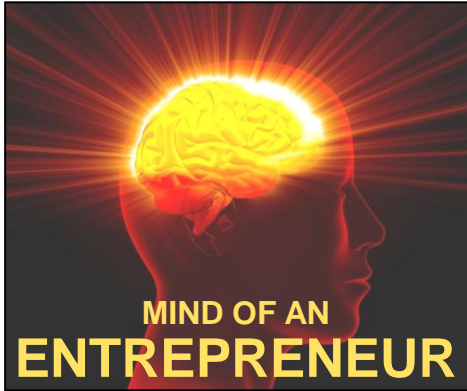
Daryl Plummer

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Predictions are Rooted in The Six Styles of the "Money-Making CIO"



#1
Entrepreneur CIO



#2
Cost Optimization CIO



#3
Revenue-Searching CIO



#4
Innovation CIO

Bus Dev



#5
Business Development CIO



#6
Public-Serving CIO
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Gartner's Top Predictions, 2011

- ***By 2015, a G20 nation's critical infrastructure will be disrupted and damaged by online sabotage.***
- ***By 2015, new revenue generated each year by IT will determine the annual compensation of most new Global 2000 CIOs.***
- ***By 2015, information-smart businesses will increase recognized IT spending per head by 60 percent.***
- ***By 2015, tools and automation will eliminate 25 percent of labor hours associated with IT services.***
- ***By 2015, most external assessments of enterprise value and viability will include explicit analysis of IT assets and capabilities.***
- ***By 2015, 80% of enterprises using external cloud services will demand independent certification that providers can restore operations and data***
- ***By 2015, companies will generate 50% of Web sales via their social presence and mobile applications***
- ***By 2015, 20 percent of non-IT Global 500 companies will be cloud service providers.***
- ***By 2014, 90 percent of organizations will support corporate applications on personal devices.***
- ***By 2013, 80 percent of businesses will support a workforce using tablets.***
- ***By 2015, 10 percent of your online "friends" will be nonhuman.***

Economic Growth Forecast for 2011 (Real GDP by %)

2.3%

North America

1.7%

Europe

6.6%

Asia/Pacific
(excluding Japan)

4.5%

Latin America
(excluding Mexico)

5.1%

Africa

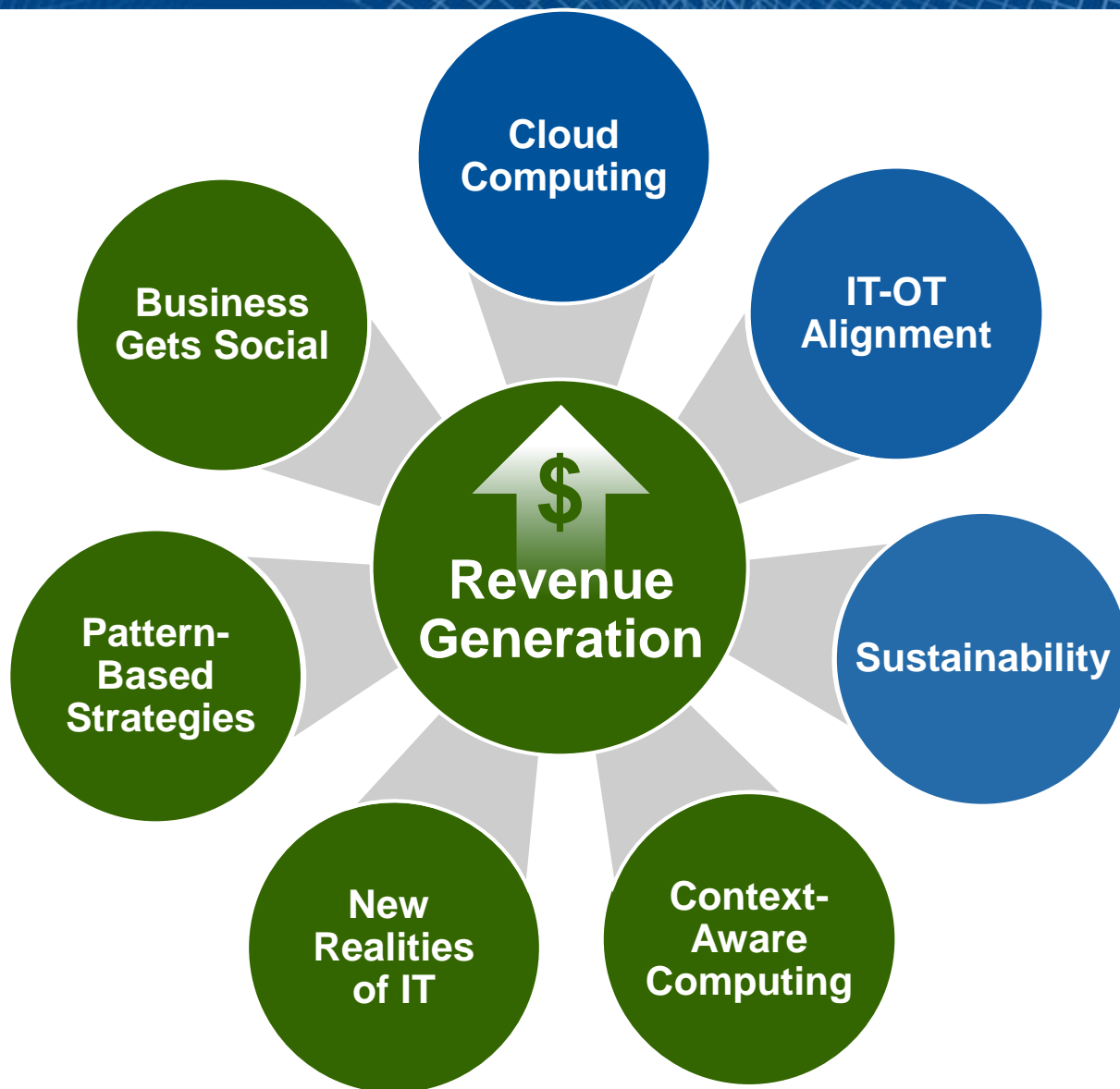
2011 Worldwide Real GDP Growth 3.3%

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Successful CIOs must Directly Contribute to Enterprise Product and Service Development



Message to IT in 2011: Don't Miss the New Revenue-Generating Opportunities This Time



Never have so many cross-industry IT initiatives existed at the same point in time that will directly improve the revenue performance of an enterprise.

IT's Global Role

By 2015, a G20 nation's critical infrastructure will be disrupted and damaged by online sabotage.

Why?

- Online actions to disrupt, damage or destabilize a nation may begin with a narrow scope but can have lasting repercussions over time.
- Leading up to this prediction are several precursor events, from 2007 to 2010, some of which appear to be intentional attacks and others with unknown origin.

What it means?

- The market implications will depend on the target.
- After the attack, expect Governments will pass legislation and launch security-related initiatives, as the U.S. did after Sept. 11.
- Consumers will seek protection, including privacy and security products and services.

What to do?

- ***Model this scale of attack and architect specialized systems for select clients.***
- ***Governments should prepare disaster response plans.***

Revenue Growth

By 2015, new revenue generated each year by IT will determine the annual compensation of most new Global 2000 CIOs.

Why?

- In post-recession periods, capital markets reward organic revenue growth over cost cutting.
- Without revenue growth from increased customer demand, returning to a sustained period of economic recovery will be impossible.

What it means?

- CIOs must determine whether their current missions should be unaltered, augmented or fundamentally overhauled.
- *Executive and board-level expectations for realizing revenue from IT initiatives will become common.*

What to do?

- ***CIO staffs must complement established technical skills with new skills rooted in the social sciences.***
- ***Master your knowledge of the channels by which each of the top 20 products is sold.***

Costs and Investment

By 2015, information-smart businesses will increase recognized IT spending per head by 60%

Why?

- Between 2003 and 2010, IT spending per head increased 52%
- After 2010, IT spending per employee will increase due to fewer enterprise staff and a focus on projects with quantifiable productivity improvements via automation or industrialization.

What it means?

- IT investment contribution to business success must now be proven.
- As the jobless recovery continues, many large enterprises will find it less difficult to justify IT and business investments than increasing staffing levels.

What to do?

- ***Demand a more due diligence in the business case for IT investments.***
- ***Make both IT and business leaders accountable be co-sponsors.***

Costs and Investment

By 2015, tools and automation will eliminate 25% of labor hours associated with IT services

Why?

- The IT service industry will transform from a craftsmanship to a more industrialized model.
- External service providers see savings from an industrialized model.
- Cloud computing will hasten the use of tools and automation in IT services.

What it means?

- Tools and automation improve productivity and lower the cost of IT services
- Some basic work functions and related jobs will just disappear or be reduced in scope.
- IT services firms will invest in developing automation.
- Those that lack the intellectual or financial capital to do so will be relegated to commodity staff augmentation status.

What to do?

- ***IT service firms must leverage automation tools***
- ***IT service providers should offer fixed-price or outcome-based pricing.***

External Assessments

By 2015, most external assessments of enterprise value and viability will include explicit analysis of IT assets and capabilities.

Why?

- IT's contribution is broadening beyond process improvement to product innovation.
- The widely held expectation that the future will include more loosely coupled enterprises and alliances further increases the importance of IT's contribution.
- External assessments of IT focus on cost and risk only, not business value contribution.

What it means?

- IT has an increasing impact on business performance, competitive advantage, risk management and transparency, and enterprise ability to merge, acquire and partner.
- Methodologies for external assessment of IT assets, will broaden to reflect the stronger, broader and more diffused contribution of IT to business viability and success.

What to do?

- ***Work to improve all business executives' ability to articulate IT Value.***
- ***Build IT skills and knowledge in finance, strategy and communications.***

Accountability

By 2015, 80% of enterprises using external cloud services will demand independent certification that providers can restore operations and data

Why?

- Cloud services are highly exposed to attack and require a relatively high level of security functionality
- Cloud service providers are making unverified claims about the superiority of their fault-tolerant mechanisms
- It is difficult or impossible for cloud service customers to adequately evaluate a service provider's ability to recover

What it means?

- The market is held back by buyers that lack a mature understanding of the relative importance, or classification, of their data and processes
- Governments are creating new certification programs as today's certification programs are inadequate

What to do?

- ***Use analytics to deliver highly targeted and relevant internet campaigns***
- ***Proactively obtain FedRAMP and other certifications for your BCM operations***

Expanding Markets

By 2015, 20% of non-IT Global 500 companies will be cloud service providers

Why?

- Businesses will better understand the principle that cloud computing is a means to deliver "IT-enabled capabilities," not just "IT capabilities."
- Cloud computing enables services to be delivered from organizations that are not traditionally seen as IT companies
- There is a move toward process externalization driven by activities such as open innovation.

What it means?

- IT decision making outside the IT organization will expand because of cloud computing.
- The IT industry as a whole will confront a fundamental re-assessment of what it means to be an IT Service provider.
- Some will forego traditional IT investments in favor of new cloud ones.

What to do?

- ***Begin partner programs to embrace end user organizations***
- ***Consider intellectual-property-related contract clauses critical***

Expanding Markets

By 2015, companies will generate 50% of Web sales via their social presence and mobile applications

Why?

- Uptake of smartphones and cloud services drive demand for collaboration and choice
- Context data improves quality of user interaction
- Social media is easy to master and access

What it means?

- Organizations seeking to generate new sales and sales leads through new mobile and social channels (such as Facebook, Twitter and YouTube) are reinvesting in e-commerce capabilities.

What to do?

- ***Get going with mobile trials, determine what mobile customers want and need***
- ***Use analysis tools, such as social graphs, to monitor your market***

User Productivity

By 2014, 90% of organizations will support corporate applications on personal devices

Why?

- iPhone and Android are driving demand among consumers and business users for enhanced consumer smartphones
- IT organizations are seeing growing demand by employees
- 85% of the respondents have users who demand access for the iPhone, iPod Touch and iPad
- 74% of the respondents already support these devices as personal assets.
- "bring your own PC" programs are growing
- 33% of the respondents use their personal devices while at work

What it means?

- This trend is set to impact an increasing number of organizations and will become commonplace in four years.
- The main driver for adoption of mobile devices will be employees — i.e., individuals who prefer to use private consumer smartphones or notebooks for business, rather than using old-style limited enterprise devices.
- Enterprises will no longer be able to standardize on one or a few corporate mobile device platforms, but instead will have to support a variety of mobile platforms,

What to do?

- ***Evaluate the impact of personal devices on application architectures***
- ***Pursue a cross-platform application development strategy***

User Productivity

By 2013, 80% of businesses will support a workforce using tablets

Why?

- A huge wave of tablets coming
- Main use as notebook companions
- 75% see end users connecting to the enterprise network with or without permission
- 50% mandated to support iPads by C-level executives within the past six months
- The majority of the devices will be employee-owned.

What it means?

- Growth from 19 million tables in 2010 to 208 million in 2014
- Almost every major PC and smartphone manufacturer on board
- Support requirements for media tablets will vary depending on usage scenario.
- media tablets drive growing adoption of utilities that enable the use of applications running on another computer, server or in the cloud.

What to do?

- *Develop new policies and IT skill sets to support media tablets*
- *Prepare for the fact that many employees have already purchased*

Society

By 2015, 10% of your online "friends" will be nonhuman

Why?

- There is an "engagement gap" in how enterprises approach the social Web,
- Almost every website is becoming a social site
- Most social engagement handled manually in a manner that is hard to scale.
- A Facebook presence is a must-have for brands
- Some e-commerce sites have live chat that is either fully or semi-automated

What it means?

- Spammers create precursors to the software agents in our prediction.
- In 2010, the average user of Facebook has 120 to 150 friends. Some portion of these "friends" are not real people
- Many users find this situation to be quite natural.
- A next step in the evolution of online interaction is to have software bots as friends.

What to do?

- ***Address the "engagement gap" in large-scale use of social media***
- ***Use A hybrid approach that combines automated assist with human talent***

Related Gartner Research

- ***Gartner's Top Predictions for IT Organizations and Users, 2011 and Beyond: IT's Growing Transparency***
- ***Top Industry Predictions 2011: Industries Rebound and Surge Ahead***

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