

This year's Gartner Fall Symposium/ITxpo – held from 3rd to 7th November in Cannes, France – was organized around the theme of IT and the economy. This report offers an overview of what was on attendees' minds and what they learned from Gartner analysts and each other.

KEY TAKEAWAYS

While the economic downturn was on everyone's minds at Symposium/ITxpo, application leaders also realized they could not wait for the good times to return to continue with their projects. Modernization, consumerization, virtualization and other trends are not going to stand still – and neither will competitors or vendors. In many instances, these very initiatives will ultimately achieve efficiencies and cost reductions, but the challenge is to sustain momentum long enough to realize the benefits. Gartner advised application leaders to:

- Demonstrate business value of applications, both to run the business and to help improve and transform it.
- Reach out to business executives and partners to confirm that projects are still needed and to make adoption happen more smoothly.
- Prepare to negotiate hard with vendors on software, maintenance agreements and other costs

CONFERENCE HIGHLIGHTS

Enterprise Applications Scenario: How ERP, CRM and CRM Will Evolve To 2012

We are approaching the next 10-year IT modernization cycle; the last one happened for Y2K. Megavendors are planning big innovations, and smaller vendors are fighting to get a foothold. Before you embark on a modernization project, remember that modernization is not about technology – it's about users.

A user-centric application modernization project must target five types of users: centralized process users, information users, decentralized process users, multienterprise users and social users. Central process users usually get all the attention in such projects, but you can't win the modernization battle with only central process users – you need to win over them all.

Recommendation:

Set up task forces to represent each individual type of users about how they use applications. This will help create impression that IT is user-centric and modernization projects will be user-centric.

Software Megavendor Competition Through 2012

The four application megavendors, IBM, Microsoft, Oracle and SAP, are taking a larger role in buyers' strategic decisions and a larger piece of application budgets. But their positions today face four threats:

- Profit margin growth is under attack from alternatives, such as open source and SaaS.
- The market is consolidating as megavendors add more functionality to the stack, largely through acquisition.
- Web 2.0 and consumerization are driving new user expectations.
- Packaged business applications are breaking down into components and SOA environments

Recommendation:

Reset expectations with megavendors. Define the limits of long-term investments in software suites and bundled offerings and examine the role of best-of-breed solutions.

IT Modernization: When the Software Outlives the Developers

Modernization is not just about changing old technology for new. It's about ensuring that IT solutions evolve to keep up with business strategy and expectations. Overdue IT modernization can constrain the business, thus it's an ongoing effort rather than a "once and done" episode.

Modernization involves exploring what it takes to run the business, the costs, ways to do it cheaper and ways to help support the business in the future.

Some common business strategies that drive modernization efforts are moves toward product leadership, customer intimacy and operational excellence. Application leaders need to find out what the main business strategy is, so they can build the IT to support it.

Recommendation:

Find out how interconnected all your applications and systems are. This will help you determine the size of your legacy problem, what you can get rid of, what you can migrate to new technology and where you will need to find workers to continue legacy systems.

Workshop: IT's All About the People: Solving the Applications Skills Crisis

In survey after survey, application leaders cite staffing, skills and organization to be amongst their most pressing and critical challenges. Many organizations, especially in government, are dealing with imminent retirements of older employees who have built up a great deal of institutional knowledge, especially on legacy systems. Recruiting new talent has been difficult due to a shortage of people with new application skills.

At the Gartner Symposium/ITxpo 2008 in Cannes, France, a workshop with about 30 IT leaders identified a series of tools and techniques that can be successful at attracting and retaining good application workers (other than paying generous premiums).

The most popular suggestions were as follows:

1. Accept and embrace staff turnover, and arrange assignments and management practices to optimize performance of a continually refreshed workforce. Treating this as a positive step for your staff will help to generate a positive image for your organization.
2. Demonstrate a clear career path for managerial and technical staff. Emphasize that technical people do not need to move into a managerial role to progress their careers.
3. Concentrate on the work-life balance of your workforce and create a more flexible working environment. Examine options for home working, flexible work hours, sabbaticals etc. Drive a culture where the output, not the time spent at a desk, is the important metric. Develop a more trusting corporate culture that is driven both from the top-down as well as bottom-up.
4. Hire non-IT specialists into suitable roles and then promote upwards. Look for both attitude and aptitude in the interview and induction stages. Accept graduates from other disciplines early in their careers so that they can learn new skills. The "digital natives" now beginning to enter the workplace are already very comfortable with IT and can acquire new IT skills quickly.
5. Where appropriate, reassign staff to new projects, give them an opportunity to explore their ability to take on new challenges. Help staff to understand the balance between what they can do, and what the company needs them to do.

6. Ensure that staff understand the key organizational goals, the business significance of what they have been asked to do, and their contribution to the achievement of these goals. Foster a team environment where everyone feels that their contributions are significant. Make sure that teams have an understanding of what other teams are working on.

The Master Data Management Scenario

Master data management (MDM) is at the core of an information management strategy. MDM helps define the single view of data for customers, products, suppliers, employees and locations across the enterprise. This single view is necessary, or the costs you incur for any other initiative will be higher to integrate and reconcile systems, reporting and otherwise coping with duplication of data.

MDM also can help grow the business through improved customer service and retention, faster product launches and more upselling opportunities. MDM even can help transform the business by enabling enterprises to enter new markets and find new customers by aiding analysis and decision-making. MDM won't by itself transform the business, but it will help you do what you want to do to transform the business.

Recommendation:

Start with Gartner's Master Data Life Cycle to understand the process, find out where you are and where you want to be.

KEYNOTES

Welcome Address and Analyst Keynote

There are no easy or safe decisions in the next year – get over it. Be smarter, conquer your fear and make the hard choices. We are in a new age in which IT is still essential... But so is change. Gartner recommends you take action now; examine your inventory, rank it to find your priorities, question everything you have, protect your key people who can deliver your priorities, reconsider each budget line, plan for multiple futures and then choose where to cut AND where to spend.

IT is very good at acquiring systems but it's time to learn how to "manage what you have." Use this opportunity to move from the accidental legacy architecture you have inherited toward a 21st Century sustainable architecture. Use the downturn to modernise and prepare for the return to growth; remember this is your chance to get executive support for the change process so you can do what's necessary.

While there may be pressure to reduce new investments and projects, now is not the time to curtail creativity. Innovation will be required to deal head-on with current challenges, but new approaches will be needed to get it done quickly and economically. Organizations must "learn to let go" instead of always seeking to control and stamp out user driven innovation and technology choices. By cultivating innovation and recalibrating your awareness of where differences can be made you will be able to drive down costs and harness new ideas. You need to upgrade or you risk lower speed, lower power and performance than more agile competitors. Do rationalise your portfolio but be careful! Exploit commoditization, use the cloud, and leverage partners where appropriate. Take stock and decide what you need... And what you can change. We live in interesting times; it's time to focus, it's time for courage, it's to time get started.

Mastermind Interview: Ian Livingston, CEO, BT

For the next year, things are going to be tough across the business world. The key message from Ian Livingston, CEO of BT, is you should plan for it – being prepared won't harm you. No one is recession proof. No one is going to escape the present climate unscathed. Companies should be

looking at both the top and bottom line simultaneously, to cost cutting as well as continuing to seek opportunities for revenue growth.

Remember that in this difficult time the need for green IT is not going to go away. And with innovations like telepresence and virtualization, it isn't a case of paying for green IT at the expense of the business. Green IT can and does save you money if approached sensibly, and is something customers want to be a part of.

Reducing headcount is definitely going to be one of the core approaches CEOs adopt; it's inevitable. When talking to its customers, BT is finding that they are examining costs and looking to refocus on higher growth regions of the world. The opportunity for IT is to streamline the bureaucracy and to move to a position where the CIO and the key IT management are change leaders and change enablers contributing to overall business efficiency and effectiveness.

Radical moves in the name of cost cutting are not the right approach. Use technology and process to reduce failure, work on increasing agility and ensure customer experience is at the forefront of each decision. This has to be the answer; making the organization more able to realize opportunity and deliver to customers more effectively. Don't force people to use new technologies; think about where social networking technologies, cloud computing, Software as a Service (SaaS) and remote working can make life better for the business and for employees and use the technology to serve those ends – make people want to use the new approaches.

Mastermind Interview: Contractions and Balance: Business is IT and IT is Business: Steve Chambers, CIO and Valerie Dias, Executive Vice President, Chief Risk and Compliance Office, Visa Europe

How to get Business and IT to work effectively together is a constant question. The first step is to stop asking the question – the divide between business and IT does not exist unless you create it. In Visa, they have formed joint project boards and everyone is encouraged to continually ask "why?" It's vital to identify, in clear business terms, the purpose and goal of a project. Success must be measured in business terms – how will the project positively impact the business?

It's important that everyone understands that they are all part of the one organisation. Creating trust at all levels across the business and within IT is critical. Visa ensures this by having an IT directorate embedded throughout the organisation. All project teams should ask the "why?" question when they are asked to undertake a project. This close relationship between business and IT can be the key to achieving competitive advantage. If IT is not closely aligned to the business, a gap is created that will add unnecessary risk, time, complexity and cost to a project. A key objective for any CIO should be to minimize this space.

Overcoming scepticism can be a difficult hurdle. Leaders need to be firm in their beliefs, demonstrating on a practical level that their ideas and solutions can work. This process may take some time, but over time, behaviours and attitudes will begin to change. Success breeds change, which in turn breeds more success. Leaders need to have a sustained vision and purpose to ensure this.

People, politics and personalities are often the root cause of conflict. Conflict can, however, be useful, so long as it is focused on solving the challenge and moving forward. But when conflict becomes about entrenched positions and blame, then it benefits no one.

If you can't articulate the value of technology spend... then all you are doing is spending money. Always, always, ask "why?"

Gartner Customer Relationship
Management Summit 2009
3-4 March, London | europe.gartner.com/crm



Refer a
colleague
Quote code: RC-SUM09