Executive Summary Report

2014 Conference Theme: Driving Digital Business

Overview
The world’s most important gathering of CIOs and senior IT executives, Gartner Symposium/ITxpo 2014 in Barcelona, Spain, had unprecedented demand this year and was one of most talked about and exciting conferences in its history. This conference is committed to guiding attendees on a journey toward achieving success in the digital world.

During five conference days, 5,100 attendees examined and explored the following:
- 400 sessions across the CIO Program and 9 role-based tracks
- Industry Sunday, which focused on 13 verticals
- Gartner analyst one-on-ones: 4,038 appointments took place
- Mastermind Interview and Thought Leader Keynotes on the main stage
- 140 ITxpo exhibitors
- New session formats, including Espresso sessions
- Signature Series sessions: top attendee favorites, which cover trends and technologies
- The highly anticipated reveal of the 2015 CIO Agenda survey results

This Executive Summary Report focuses on event highlights and the three major crosscutting themes that helped shape the Gartner Symposium/ITxpo 2014 CIO Program agenda. Together, they offered attendees a clear path to digital empowerment and new ideas to help them lead and grow within their organizations.

Defining digital business

Digital business creates new business designs by blurring the boundaries between the digital and physical worlds. Digital business promises to usher in an unprecedented convergence of people, business, and things that disrupts existing business models. With more than seven billion people and businesses, and at least 35 billion devices, communicating, transacting, and even negotiating with one another, a new world comes into being — the world of digital business. What are the characteristics of the digital business?

1. Things become major players. Digital business is specifically focused on mediated interactions among business (including process and information), people and physical things as equal entities.

2. You must digitalize. To be a digital business, an organization must be digitalizing its physical assets as well as its virtual assets, such as data and business processes.

3. Industries blend. A digital business must include the connection or integration of assets (business, people and things) beyond IT and beyond the control of any one company.
Driving Digital Business: Three crosscutting themes

1. Renovate the core

Retrofitting core IT functions to more fully align with the purposes and potential of digital business

Enterprise IT — infrastructure, applications such as ERP, information and sourcing — was built for the IT past and must be renovated to address the challenges and opportunities of the digital future. Changes should include moving to a more loosely coupled “postmodern ERP” paradigm, deploying public and private clouds, creating the information architecture and capabilities to exploit big data, and augmenting conventional sourcing with more innovation — including sourcing from, and partnering with, smaller and less mature enterprises.

The emergence of digital business will also require different metrics, approaches and outcome requirements to balance complexity with simplicity, which is the challenge for all transforming enterprises. Managing a portfolio of businesses, business capabilities or investments will be essential to delivering the digital business, bimodal IT and expected outcomes. More or less complexity is not the issue; knowing when to simplify and where to take risks is paramount.

Recommended resources

Research reports:*
Leading in a Digital World: Gartner Symposium/ITxpo Highlights
Future of EA 2025: Evolving From Enterprise to Ecosystem
Seize the Moment: Driving Digital Business Into 2015
Six Ways to Drive Cost and Value Optimization for IT Operations

gartnernews.com:
Are CIOs Ready for Digital Business?
How Emerging Trends Are Impacting Infrastructures and Operations
Examining Cloud Maturity and Adoption in the Age of Digital Business
Six Steps to Build a Successful Digital Business

2. Exploit the new

Connecting innovation, transformation and market leadership to ensure digital business success

The pace of technology change will affect each enterprise differently, demanding that CIOs continually scan the marketplace to evaluate what will work for the enterprise now and in the future. To capture digital opportunities, CIOs need to deal with speed, innovation and uncertainty. Creation and governance of a two-speed capability within IT is essential to preserving the benefits of the past and creating future benefits. Solid IT and business governance will be crucial to success.

Also affecting the enterprise will be the macroeconomic, demographic and societal changes that react to and drive technology changes. Innovation, transformation and progress in technology are all ingredients to a larger outcome. Translating these IT “things” into business outcomes will require focused CIO effort in response to digital business opportunities, and this translation will become IT’s contribution to business value.

* Access to research reports is limited to Gartner clients only.
3. Provide and cultivate leadership

**Gaining the insight, support and strength to lead and deliver in the midst of disruptive change**

As the larger enterprise changes, the nature and focus of CIO leadership styles will change as well. As external market changes require dynamic enterprises, the original mandate for CIOs in their current role may become redundant. Digital business necessities will require some CIOs to increase their influence and power, while others will cede theirs to CMOs, CDOs and CTOs. The agility of the enterprise depends on the CIOs’ willingness to change and their ability to create the art out of influence, leadership and collaboration.

To exploit digital opportunities and ensure that the core of IT services is ready, there must be clear digital leadership, strategy and governance, requiring all business executives to become digitally savvy. To that end, clarifying the coverage and scope of digital leadership — and integrating it with enterprise IT leadership — should be high on every CIO’s agenda in 2015. But individual digital leaders are not enough; all business leaders must become digital leaders.

**Recommended resources**

**Research reports:**
- Flipping to Digital Leadership: The 2015 CIO Agenda
- Using Paradoxes to Build Digital Business Leadership

**gartnernews.com:**
- Why CIOs Must Flip Three Leadership Behaviors
- Who’s on Your Digital Business Dream Team?
- Who’s Got Talent on the Digital Frontier?

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Gartner analyst opening keynote

In this year’s opening keynote, Gartner builds on the platform of social, mobile, analytics and cloud with the rise of the digital business. Digital business is defined as the blending of virtual and physical worlds, changing how processes and industries work through the Internet of Things (IoT). Gartner estimates that enterprises will spend more than $40 billion designing, implementing and operating IoT in 2014. This digital shift creates new businesses and can threaten many existing businesses. As a result, the typical IT budget is changing.

Today, Gartner estimates that 38% of total IT spending is outside of IT, with a disproportionate amount in digital, and by 2017, it will be over 50%. With greater buying power outside of IT and with a digital focus, the breakdown of spending will look more like 45% services, 25% personnel, 20% software and 10% hardware.

Shifting to the discussion of machines versus humans, Gartner is making several key predictions:

• By 2025, three out of 10 jobs will be converted to software, robots or smart machines.
• By 2018, digital business will require 50% fewer business process workers.
• Also by 2018, the total cost of ownership for business operations will be reduced by 30% through smart machines and industrialized services.

To balance the machinist view, we also introduced the Digital Humanist Manifesto, which puts human-centered design at the heart of solution delivery.

Lastly, the keynote covered other trends to watch in this new technology cycle, including the growing demand for digital talent, a shift in leadership skills, governance and vendor management as the vendor ecosystem broadens and customer experience and design moves to the center. However, this does not mean IT departments are abandoning core technologies. In fact, Gartner continues to stress bimodal IT. Mode 1 is traditional, emphasizing safety and accuracy. Mode 2 is nonsequential, emphasizing speed and agility.
Mastermind interview keynote

This year’s interview brought fresh perspectives on innovation, transformation and leadership in the digital era from a leading thought leader from the financial services industry.

**Oliver Bussmann, Global Chief Information Officer, UBS**

**Interview highlights**

The interview was conducted by Gartner analysts Mark Raskino and David Furlonger.

The Mastermind interview with Oliver Bussmann covered many different topics and themes, such as cost cutting, the disruptive nature of digital currencies, the Internet of Things and how companies and digital leaders can foster and drive innovation in their business. Oliver shared some key insights as to his view as to ensuring innovation isn’t squeezed out of businesses when budgets are tightened. He said there are three main points to this:

- Define innovation as a category in your investment and product portfolio
- Think about what kind of dedicated resources you need to help the business to orchestrate the innovation from end to end — research, validation, testing.
- Building a digital skillset within the business

In addition, he stated the importance of passion when it comes to driving innovation, as well as ensuring that success stories are part of the overall process. Success doesn’t have to have positive financial impact, but it have to ensure that stakeholders are committed to the process and committed to the long term strategy.

He also went on to detail how the Nexus of Forces has changed traditional modes of operation, with the marriage of mobile technology and data resulting in a fundamentally different user experience in banking which hinges on in-memory computing power.

On the Internet of Things, Oliver said that he thought it was a game changer across all industries and that digital currencies like Bitcoin will provide the fundamental platform for its enablement.

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"For me it’s important that you build a community that has an understanding, business and IT-wise, what’s out there, what’s possible and how this could be mapped to your business model.”

Oliver Bussmann

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"I believe companies should step back and not describe themselves based on what they do but the benefit they provide. The real action occurs on the next curve.”

Guy Kawasaki

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For conference details, visit [gartner.com/eu/symposium](http://gartner.com/eu/symposium)
The CIO Program

CIO Program highlights

This year’s CIO Program agenda focused on the rapid and fundamental change in IT leadership — helping attendees to redefine the CIO role in the face of digital forces, which must be understood, embraced and leveraged to move the enterprise forward. CIO Program attendees were urged to look for ways to amplify their role and help key decision makers in the enterprise “get” the possibilities of digital business. CIOs were challenged to take a leadership role in helping their organizations change their view of what’s possible — and inevitable — in the digital business future.

2015 CIO Agenda survey results

Why CIOs must flip three leadership behaviors

According to the 2,800 CIOs surveyed in the 2015 Gartner CIO Agenda Report released at Gartner Symposium/ITxpo 2014 in Orlando, the overwhelming majority of this year’s CIO respondents (89%) agree that the digital world engenders new, vastly different and higher levels of risk, and 69% acknowledge that agility is increasingly important relative to risk management.

To guide CIOs in this third era of “digital now, digital first” reality, Dave Aron and Lee Weldon, authors of the 2015 Gartner CIO Agenda Report, revealed three striking imperatives for CIOs to “flip” their digital leadership behaviors.

Flip 1: From “legacy first” to “digital first”

To succeed in a digital world, enterprises must escape the inertia and “bad complexity” of a structured, legacy perspective, and focus on the future by starting from a digital perspective and working backward. This includes moving from backward reporting to forward-looking predictive analytics, combined with data-led experimentation. Digital business success requires starting with a digital information and technology mindset, and working backward.

For example, at Volvo Cars, a cross-functional innovation board brainstorms how digital can solve everyday problems through connected cars. In a video interview shown on stage, Klas Bendrik, Vice President and Group CIO at Volvo, discussed the great failure rate of online delivery companies. Volvo’s solution? To create a temporary digital key for retail deliverers to place a customer’s order directly into the trunk of his or her Volvo car. The pilot for Roam Delivery uses digital to solve the customer’s inconvenience of how and where to receive everyday online deliveries.
Flip 2: From what’s visible to what’s valuable

Digital business success requires building platforms that may not immediately generate ROI but that can deal with rapid change and uncertainty and manage value dynamically. In addition, CIOs should categorize investments as fearful, to keep the business running; fact-based, to extend within the organization’s business model; and faith-based with management capable of dealing with them. Value is not created by reducing the cost of IT per dollar of revenue, but by increasing revenue per dollar of IT cost, which equals IT productivity.

Volvo’s Bendrik understands the long-term digital value opportunities. He has formed an innovation team to “drive IT in Volvo cars” and inspires his team. “Up until a few years ago,” he said, “the attitude was, if you don’t do anything, you can’t do anything wrong.” Now, he encourages the entire IT team to step up and contribute to innovation.

Flip 3: From control leadership to visionary leadership

Command-and-control leadership does not suit the digital world. Digital leadership is almost always about vision and inspiration. Education and inspiration are central tasks for CIOs determined to be digital leaders. CIOs recognize this: 75% plan to change their leadership style in the next three years, most commonly by amplifying their vision (47%) while reducing their command and control (65%). At Volvo, CIO Bendrik tries to model customer-centric behavior and reserves time in management meetings to discuss broader megatrends.

In addition to partnering with the most important business stakeholders, and developing a shared understanding of digitalization and what it means to the business, CIOs need to increase the digital savvy of their enterprises. In essence, CIOs and other leaders need to lead a digital cultural revolution across their businesses, possibly their ecosystems.
Signature Series

Top 10 Strategic Predictions: Digital Business Is Driving Big Change

As a Signature Series session, the top 2015 strategic predictions were announced by Daryl C. Plummer, Vice President and Gartner Fellow; they indicate that computer-based machines are now being used to create an ever-expanding variety of experiences that extend human endeavors.

By 2018, digital business will require 50% fewer business process workers and 500% more key digital business jobs, compared with traditional models.

By 2017, a significant disruptive digital business will be launched that was conceived by a computer algorithm.

By 2018, the total cost of ownership for business operations will be reduced by 30% through smart machines and industrialized services.

By 2020, developed-world life expectancy will increase by 0.5 years, due to widespread adoption of wireless health monitoring technology.

By year-end 2016, more than $2 billion in online shopping will be performed exclusively by mobile digital assistants.

By 2017, 70% of successful digital business models will rely on deliberately unstable processes designed to shift as customers’ needs shift.

By 2017, 50% of consumer product investments will be redirected to customer experience innovations.

By 2017, nearly 20% of durable goods “e-tailers” will use 3D printing to create personalized product offerings.

By 2020, retail businesses that use targeted messaging in combination with internal positioning systems will see a 5% increase in sales.

New! Espresso sessions

These 30-minute sessions were provocative, edgy and interactive and were a popular addition to the session lineup. Here are a sample of the types of topics that were discussed:

Welcome to the Jungle — CIO Lessons in Innovation From the Animal World
IT Power Shift
Digital Ethics, or How Not to Mess Up With Technology
Predicting the Unpredictable: An Introduction to Scenario Planning
Future City — Starting a Small (or Smart) World?
The Machine on Your Team
‘Trust’ in the Collaborative Economy
How 3D Printing Will Revolutionize Your Business
How Gamification Takes Motivation to the Next Level
Industry coverage at Symposium/ITxpo

In-depth industry sessions began on Sunday with a dedicated afternoon and an evening keynote to kick off the week. These sessions offered targeted research and best practices, spanning the following industry sectors:

- Banking & Investment
- Education
- Insurance
- New! Communication Service Providers
- Government
- New! Retail
- Manufacturing
- Energy and Utilities

Industry Sunday keynote

Robin Sieger, best-selling author, broadcaster and leading success strategist

Keynote highlights

Robin gave an inspiring talk that dealt with the psychology of success and asked a number of questions that helped frame the common traits of successful people. The 1st four questions he asked were:

- “Why are rich people rich?”
- “Why are happy people happy?”
- “Why are successful people successful?”
- “Why am I none of these people?”

Further to this, he asked “What is success?”. He elaborated that success is simply the realization of your aspirations. The ability to succeed comes down to the way that you think, it is a consequence of your thinking rather than your doing. It’s based on a couple of principals:

- Clearly define what it is you want to achieve. If you have a vague goal, you will have a vague outcome.
- Create a strategy. You can change the plan at any time, it’s not how you get there, it’s where you are going and by when.
- Confidence — “With great trust”. The most confident people in the world are 4 year old children. You learn to walk by falling over an average of 240 times.

You are born with two fears — fear of noise and fear of falling. Other fears are learnt. One of the greatest traits of success is the lack of fear of failure.

How do I motivate people — customers, managers, friends, partners, myself?

80% of workers say that improvement in their job performance is more to do the way that they feel than the actual job itself.

Robin went on to highlight the importance of trust in relationships, whether in personal life or business activities. People never forget how others make them feel.

Another question Robin asked was, “What skills and qualities do you need to be successful?”

Common answers from people include commitment, determination, focus, empathy and knowledge. But most of the answers given to this are related to attitudes, rather than skills. The way you think impacts the way you behave, the way you behave impacts the way you perform, the way perform impacts what you produce.
Gartner analyst closing keynote summary

Frank Buytendijk, Research Vice President

As Frank kicked off the closing keynote, he made sure everyone knew the meaning of digital business and that new business designs are merging the virtual and physical worlds. He pointed out that there are enormous opportunities by instrumenting the physical world and cited the following statistics:

- The Internet of Things will enable 30 billion sensors to be installed by 2020.
- It will add $1.9 trillion in economic value-add, worldwide.
- It will introduce new markets, totaling $300 billion by 2020.

Also, Frank recited a phrase that was a theme throughout the week, which was: “Every business unit is a technology startup.” Essentially, the new startups exist in your own organization, and in order to get bimodal, you need to look to partner with business units or incubate your own digital startup.

To underscore some of the overall themes around the humanist and mechanistic viewpoints, Frank incorporated expert advice from a team of analysts on a host of topics:

**Putting people front and center — human-centered design**
“Digital leaders must remove clutter and complexity of today’s functionally bloated business software by adopting the app construct — not by how many things it does but by how it does one thing — the humanist way.”

**Future of the digital workplace**
The digital workplace is here. Don’t ignore it, enable it! “Invest in digital etiquette on unsecure networks; take care of the security and get out of the way.”

**People-centric security**
This type of security is based on real-time context that incorporates location, device reputation, user behavior, historical patterns, and time and date. “It’s big data analytics brought to information security.”

**The future of infrastructure and operations**
“Digital business can only scale when there is a high scale of automation with high level of reliability to keep it running smoothly.”

**Hybrid cloud**
The cloud allows you to move from rock solid IT to a more fluid form of IT, enabling you to run your business and fuel your digital playground for business innovation. “In digital business the cloud is not just storage, the cloud is where you run your digital business — it’s a cloud of services.”

**Future of sourcing**
“Digital providers do not behave like today’s machinist megavendors.”

Digital Humanist Manifesto:
- Put people at the center
- Embrace unpredictability
- Respect personal space
A special “thank you” to our sponsors

Thank you to our 140 sponsors, each of whom helped make Gartner Symposium/ITxpo 2014 a success. Their leading-edge solutions were displayed on the exhibit floor in 11 Marketplaces that aligned with this year’s role-based tracks. Special features included solution provider sessions and CIO Thought Leadership presentations by senior IT executives from top technology providers, each describing their strategic vision and relevance to the digital business future.

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Gartner Symposium/ITxpo by the numbers

5,100+ total attendees
1,900 CIOs
620 Sym Club members
150 Gartner analysts
140 solution providers

2,123 organizations
350 sessions
4,038 Gartner analyst one-on-one meetings
4,200 people sent out more than 15,100 tweets
#GartnerSYM was one of the top 10 trending Twitter feeds

Snapshot of attendees

Top 5 job titles

- 54% CIO/C-level
- 11% VP
- 12% Director
- 12% Manager
- 4% Architect/Analyst

Top 5 industry sectors

- 22% Technology & Telecoms
- 21% Financial Services
- 18% Public Sector/Government/Education
- 11% Manufacturing
- 9% Services

Company size

- 41% XXL
- 10% XL
- 8% L
- 7% M
- 16% S
- 18% Government
Your post-event resources

Digital business news
From the rise of the “business moment” to the new wave of talent that makes a digital business thrive, our robust online library of digitally focused research, reports and news offers a fascinating look at digital business trends, forecasts and success stories.

gartnernews.com

Missed any sessions? View for up to one year, post-event, with Gartner Events On Demand.
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- Hundreds of analyst-led track sessions

Watch sessions you missed, and those you want to watch again, anytime from any connected device. Email eod@gartner.com with any questions or support needs.
Save the date for the next Gartner Symposium/ITxpo in Barcelona, Spain, 8 – 12 November 2015

Plan now to join us again next year! Registration is scheduled to open for the 2015 event in early December. All attendees will be notified in advance of registration opening. To bookmark the page, go to gartner.com/eu/symposium.

2015 global CIO events

Gartner CIO Leadership Forum: March 1 – 3, Phoenix, AZ

Gartner CIO & IT Executive Summit: May 20 – 21, Munich, Germany
Gartner CIO & IT Executive Summit: September 8 – 10, Mexico City, Mexico

Gartner Symposium/ITxpo:
May 19 – 21, Dubai, UAE
September 28 – 30, Cape Town, South Africa
October 4 – 8, Orlando, FL
October 14 – 16, Tokyo, Japan
October 19 – 22, São Paulo, Brazil
October 26 – 29, Gold Coast, Australia
November 2 – 5, Goa, India
November 8 – 12, Barcelona, Spain

To view the complete list of 2015 Gartner events, visit gartner.com/events