THE WORLD’S MOST IMPORTANT GATHERING
OF CIOs AND SENIOR IT EXECUTIVES

Executive Summary Report

2015 Conference Theme: Driving Digital Business

Overview

The world’s most important gathering of CIOs and senior IT executives, Gartner Symposium/ITxpo 2015 in Dubai, UAE, 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 our three conference days, 550+ attendees examined and explored the following:

- Over 80 sessions including CIO program and 5 role-based tracks
- Industry Program, which focused on 3 verticals
- Gartner analyst one-on-ones
- 2 External keynotes
- 41 ITxpo exhibitors
- 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 2015 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
- 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 2015. 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 some of today’s most important industry thought leaders.

Steve Wozniak, Co-Founder of Apple, Inc. and Chief Scientist, Fusion-io

Interview highlights

“One of the best things an engineer can do is design products he would like to own himself.” Steve Wozniak

The interview was conducted by Gartner analyst David Willis.

Steve Wozniak suggests that engineers need to design products that they will use and should not rely entirely on the marketing department for those types of decisions. He says engineers need to focus on things that are clever, unusual and, most important, fun. He likes designing products that everyone says will not succeed. He pointed out Tesla, personal computers and the iPhone as examples of products or companies that skeptics suggested would not work.

Wozniak thinks Moore’s Law is nearing an end. He actually views this as a positive thing because he felt society was looking to replace humans with machines, and that the technology may now not be able to achieve that.
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, 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.
CIO Program keynote

A roster of CIO-exclusive speakers was on hand throughout the week, offering a fresh perspective on leadership, collaboration and other CIO-focused topics.

Pete Goss, Outstanding Yachtsman / Inspirational Adventurer / Company Director and Author

DARE TO DREAM

In an exclusive sit-down with fellow CIOs, Pete Goss (Outstanding Yachtsman, Inspirational Adventurer, Company Director and Author), shed light on his courageous story of when he turned into the teeth of a hurricane to save the life of a fellow competitor in a single-handed round-the-world yacht race.

KEYNOTE HIGHLIGHTS

On December 25th, 1996, single-handed yacht racer Pete Goss heard the Mayday alarm go off on his boat, Aqua Quorum. It signalled that another sailor was in distress, 160 miles behind Goss, in the eye of a violent storm, in the middle of earth’s most dangerous waters, the Southern Ocean. Goss was the only human being close enough to help the distressed sailor, but going back was a dangerous, possibly life-threatening move. This is the story of one man’s dream to participate in the 1996 Vendée Globe single-handed yacht race and the unexpected, high stakes rescue that took place during it. Goss tells a spellbinding story and weaves in fundamental lessons for any CIO looking to base their leadership team on solid values.

“Life hangs on a very thin thread and the cancer of time is complacency. If you are going to do something, do it now. Tomorrow is too late.”

Pete Goss
Top 10 Strategic Predictions: Digital Business Is Driving Big Change

As a Signature Series session, the top 2015 strategic predictions were announced by Hung LeHong, VP 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.
Industry coverage at Symposium/ITxpo

Industry-specific networking, sessions, and speakers insights span over the course of 3-days, with interactive discussions on the impact digital business has on specific sectors.

Industry Coverage highlights:

Financial Services

The challenges of the digital arena facing financial services CIOs threatening to overwhelm existing technologies, business models and processes. This track identified how you can balance the demands of digitalization across technology, customer experience, business case and process innovation.

KEY CONCEPTS included:
• Digital business meets banking
• Payments innovation in a digital world
• Architecting to differentiate the business

Government

While governments have used IT for routine operations, they have lagged when it comes to innovative and strategic investments. Governments in the GCC are making big investments in Smart Cities and Smart Government. This track clarified how to get smart, focusing on the digital government vision for the most critical issues challenging CIOs and other leaders.

KEY CONCEPTS included:
• Smart Cities
• Smart Government
• Government IT trends for the next three to five years
• Gaining the agility and skills needed for a digital world

Oil & Gas

Oil markets have reminded oil and gas leaders of the need for flawless operational excellence. Oil and Gas CIOs now face a bi-modal challenge. On one hand, they must lead an internal transformation of IT that results in extraordinary levels of efficiency. Simultaneously, they must collaboratively lead business transformation that leverages digital technologies to increase productivity across the entire company. This track helped CIOs set a relevant IT agenda, appropriate for current market conditions.

KEY CONCEPTS included:
• Data-driven business optimization
• Integrated planning and operations
• Digital workforce enablement
• Digital oil fields and advanced analytics
• Oil prices and IT
Gartner analyst closing keynote summary

Mary Mesaglio, VP Research & Conference Chair and Ed Gabrys, Research Director

As Mary and Ed kicked off the closing keynote, they made sure everyone knew the meaning of digital business and that new business designs are merging the virtual and physical worlds. They 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, they 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, they 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.”
Brian Prentice, Vice President, Gartner Research, Asia/Pacific

**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.”
Jenny Sussin, Principal Analyst, Gartner Research, NA

**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.”
Roberta J. Witty, Vice President, Gartner Research, NA

**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.”
Henrique Cecci, Director, Gartner Research, LA

**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.”
Yefim V. Natis, Vice President and Gartner Fellow, Gartner Research, NA

**Future of sourcing**
“Digital providers do not behave like today’s machinist megavendors.”
Alexa Bona, Managing Vice President, Gartner Research, EMEA

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

Thank you to our sponsors, who were integral to the success of Gartner Symposium/ITxpo 2015. This year, the ITxpo boasted of 41 of the leading regional and global technology providers, from across all technology domains, presenting their cutting-edge solutions in the Digital World. Through various thought-leadership presentations by visionary IT Leaders, demonstration of case studies and showcasing solutions through experiences, our sponsors presented how digital technology is shaping business outcomes. Their presence and contribution complemented the event by helping CIOs and senior IT executives make the right technology decisions.

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Plan now to join us again next year!

Registration is scheduled to open for the 2016 event at end of July.

All attendees will be notified in advance of registration opening.

To bookmark the page, go to gartner.com/me/symposium.

2015 global CIO events

Gartner CIO & IT Executive Summit: September 8 – 10, Mexico City, Mexico

Gartner Symposium/ITxpo:
- September 28 – 30, Cape Town, South Africa
- October 4 – 8, Orlando, FL
- October 19 – 22, São Paulo, Brazil
- October 28 – 30, Tokyo, Japan
- 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