

**Press contacts:**

Christel Lerouge

Tel.: +33 (0)1 47 54 50 76

E-mail: [christel.lerouge@capgemini.com](mailto:christel.lerouge@capgemini.com)

Elena Frigeri

+44 (0)870 195 1055

E-mail: [elena.frigeri@capgemini.com](mailto:elena.frigeri@capgemini.com)

## Capgemini Consulting Releases Global CIO Report 2009, Outlining How To Harness the Value of Information

*Report's fourth edition unveils trends in perception of the value of IT and effective uses of information*

Paris, December 4, 2009 – Capgemini Consulting, the global strategy and transformation consulting brand of Capgemini Group, today revealed the findings of its fourth Global CIO Report - entitled “*Harnessing Information Value: could you be a digital winner?*”, which is the result of nearly 500 face-to-face interviews with global CIOs representing all industries. The report highlights that despite a 15% average cut in IT budgets, CIOs see the economic context as an opportunity to show the true value of IT and to further improve IT industrialization. Their industrial model will nevertheless be challenged by growing technologies and business models around Cloud Computing and Software/Infrastructure as a Service. Information Lifecycle Management is the next innovation challenge for CIOs, who will have to invent a new model of governance to lead the charge on getting value out of the information assets of their corporation. The report also identifies three types of IT organizations amongst which “Digital winners”<sup>1</sup> have been at the forefront of the new industrialization challenges; they also have a significant impact on their companies’ innovation and have addressed the information challenge across their organization.

### IT budgets shrink, expectations grow

The 2009 economic downturn had a significant impact on IT budgets, with almost three quarters of CIOs (70%) reporting a decrease - on average budgets fell by 15%. Perhaps more surprisingly, CIOs said they were using the crisis to show the value of IT for their company, with 55% saying they are giving priority to projects that contribute more to the business, and 34% prioritising projects that take advantage of new market conditions. Measures taken to mitigate budget drops included renegotiating supplier contracts (67%), outsourcing services (45%), accelerating projects with high business impact (55%), giving priority to projects with an early return on investment (55%) and reorganizing the IT function (41%).

---

<sup>1</sup> Digital Winners are companies that have embraced value creation through the effective usage of information. The IT functions of Digital Winners have adopted the Business technology profile – the most mature in terms of IT deployment, management and usage – and focus on making information a key asset for leadership. Their CIOs partner with business managers to co-develop new services and address user needs and behavior to manage the information lifecycle. Given their business performance, Digital Winners suffered less from the current economic context.

### **“Digital winners” suffered less from the economic downturn**

Three quarters of CIOs surveyed believe their company is positioning their IT function as more than a technology utility whose primary objective would be to roll-out technology components at a low cost. The Global CIO Report 2009 distinguishes three different profiles of IT functions, according to their level of maturity:

- Technology Utility (24%): IT is managed as a pure utility;
- Service Center (39%): IT assets are packaged to provide a service to the business;
- Business Technology (37%): IT is a key asset for information leadership.

Industries where the Business Technology profile is most important include banking, insurance, media/entertainment and telecommunications. According to the survey, to become “digital winners”, companies must adopt the Business Technology profile. CIOs who adopt the Business Technology profile have proven the value of bringing IT closer to the business. Unsurprisingly, they also suffered less from the economic downturn than the two other profiles: Service Center and Technology Utility.

### **Industrialization at the core of IT practices but innovation is still a priority**

According to the participants, industrialization is being managed effectively. A majority of CIOs (91%) said IT projects are prioritized according to business strategy and economic impact, while 93% said IT functions use indicators to understand the availability of IT infrastructure and business applications. In addition, 87% of respondents said they had an IT strategy plan for three years, and 68% of IT functions have defined Service Level Agreements (SLAs) for each IT service. This increased focus on IT industrialisation is expected to be challenged by the developments around cloud computing, infrastructure and Software-as-a-Service (SaaS) which provide new alternatives to traditional architectures and disrupt the ‘make or buy’ policies CIOs have developed for years.

*“After significant investments in industrialization, IT functions must adapt to new delivery models, which offer opportunities in terms of costs and flexibility, but also challenges with regards to security, privacy, authentication and SLAs,”* said Patrick Ferraris, technology transformation global leader at Capgemini Consulting and coordinator of the Global CIO Report 2009. *“The new delivery models will also set new standards in terms of architecture and costs.”*

New technologies – such as web 2.0 and social networks – are now beginning to drive business innovation. Most CIOs are recognizing the opportunity to seize this business opportunity and increase value: 57% see the potential of IT as integrated within business innovation, 48% of IT functions have set up technological innovation monitoring, and 41% of IT functions hold regular forums with business users to present the latest technologies.

## **Information as the main weapon of “digital winners”**

Capgemini Consulting’s report offers insights into the future of IT functions and an information-centric model to support competitiveness. CIOs see information lifecycle management as the next challenge for corporations. CIOs surveyed confirm what academic research<sup>2</sup> indicates: 80% of the value of IT is driven by usage, whereas technology deployment itself only accounts for 20%.

However, the value of information is still uncharted territory and investigating user behaviour has become a priority. Although most IT users within organizations are aware of the advantages of quick access to accurate and relevant information, a significant change in behaviour is still required. The study found that only 40% of IT performance is measured via business indicators. Most CIOs are looking beyond their function to monitor IT usage across the organization. Patrick Ferraris explains: *“Companies need to take a radically new perspective. CIOs should lead the charge regarding information value. They should partner with business managers that have an understanding of how IT can create value.”*

## **Time for a new model of governance**

Most successful companies now focus on the management of the information lifecycle to maximize the value of IT. This requires progress in three key areas:

- Improving existing information system usage to benefit from its full potential;
- Developing information based synergies across the organization through IT;
- Developing better information by ensuring people learn how to collect, organize and maintain data.

One banking respondent said: *“If I can make sure my clients and employees provide relevant information, this will change our risk profile. And we all know the importance of risk management nowadays.”*

Capgemini Consulting strongly believes CIOs must proactively take the lead on information lifecycle management and provide the impetus for the definition of a new framework of joint governance between business managers and IT functions. The new governance model should focus on creating value through cultural and behavioural changes regarding the use of information, based on employee training and incentives.

To access the full report, please go to <http://www.capgeminioreport2009.com/cap.html>

## **About the Global CIO Report 2009**

This report is based on face-to-face interviews with 490 CIOs from all sectors in 14 countries (in Europe, Asia and North America) and the results of information orientation assessment undertaken by a subset of the 490 respondents using the Information Orientation (IO) Diagnostic at enterpriseIQ<sup>®</sup>. The combined use of these two instruments provided a unique opportunity to compare and cross-reference information and IT usage value within the same cohort of CIOs.

## **About Capgemini**

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and

---

<sup>2</sup> Source: Adapted from London School of Economics –survey and analysis of 100 companies in France, Germany, UK and US

capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™. The Group relies on its global delivery model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2008 global revenues of EUR 8.7 billion and employs 90,000 people worldwide.

More information is available at [www.capgemini.com](http://www.capgemini.com).

**Capgemini Consulting** is the Global Strategy and Transformation Consulting brand of the Capgemini Group, specializing in advising and supporting organizations in transforming their business, from the development of innovative strategies through to execution, with a consistent focus on sustainable results. Capgemini Consulting proposes to leading companies and governments a fresh approach which uses innovative methods, technology and the talents of over 4,000 consultants world-wide.

For more information: <http://www.capgemini.com/services-and-solutions/consulting/>

Rightshore® is a trademark belonging to Capgemini