

A changing landscape for CIOs

The shifts in the IT landscape triggered by the move to cloud computing came under the spotlight at the recent IDC CIO Summit, held in Sandton, Johannesburg. The summit explored some of the key challenges facing CIOs today.

Said IDC Middle East, African and Turkey director: insights and vertical industries, Mark Walker: "The movement to cloud-based IT delivery models will continue to disrupt and reorder the traditional technology sector irrevocably in future. By providing instantaneous, reliable, scalable and universal capabilities to store, manipulate, manage and secure data, this technology effectively makes established structures obsolete or forces them to adapt in ways not considered before."

This is particularly impacting on vendors, as IDC's Vernon Turner noted in his presentation, commenting that: "Service provider data centres held 34% of installed servers in data centres in 2013, that climbs up to 50% in 2017 and nearly 70% by 2020. What does that mean for vendors selling to those customers? And internal IT providing services?"

"All aspects are touched by cloud," said Walker, "from software development through to networking design, system deployment and integration - the impact on speed, skills and space is profound. The impact on the time-honoured commercial technology sales and distribution environment is similarly intense, by breaking down the requirements for physical presence, in-country stockholding and channel partnerships, local players are left to rely on individual relationships and effective promotion rather than conventional partner-based sales models to compete effectively."

You need to remove the friction

For CIOs, the impact is substantial. Noted VCE EMEA CIO Nigel Moulton, in his presentation: "What you're having to manage is increasingly all digital relationships with the customer - which may be an internal employee or an external customer. You don't own the hardware asset that that relationship happens on - the barrier to entry is too high. The software app is the right way to think about how you have that relationship with the customer. You need to invest time in how you deliver a software experience. Can you make the process of booking travel easier, for example? You need to remove the friction, and make it easier for a part of the organisation to do business with you."



Servaas Venter

Servaas Venter, country manager of EMC southern Africa, commented in his presentation that most IT shops spend 80% of their budget keeping the lights on. EMC, he said, underwent an IT transformation journey and managed to change that 80/20 stat so that EMC now spends 42% of its budget on innovation. The IT department has transformed to become an IT service provider for the company, he said.

Shadow IT is an ongoing problem - and for CIOs and IT departments to regain control of IT within an enterprise they need to become service focused.

According to an Economist Intelligence Unit research survey (sponsored by EMC), lines of business (LOBs) do not seek to bypass corporate IT, but they want to work with corporate IT in different ways. The survey results showed that both CIOs and the LOBs that they serve would prefer IT to broker third-party services rather than the business units doing it themselves. "Forty-one percent of LOBs want an IT services catalogue that incorporates both internal and third-party applications," the survey revealed.

"The solutions and services that LOBs currently develop internally or acquire from third parties tend to be easily, inexpensively or quickly acquired, or to satisfy unique business-unit needs," The Economist said. "The majority of CIOs recognise the need for a new mix of IT delivery and consumption models. While they prefer that IT be centrally provided, they are also realistic about the inevitability of some local IT procurement."

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