

Re-Imagine IT Using Insights From Symposium's Analyst Keynote

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Analyst(s): David A. Willis, Daryl C. Plummer, Hung LeHong, Tina Nunno, Peter Sondergaard, Mark Raskino, Dave Aron, David Furlonger, Jeffrey Mann, Brian Prentice, Chris Howard

The Gartner Analyst Keynote at Symposium/ITxpo 2011 examined contemporary issues in a new light: forecasting implications for business and IT, and offering CIOs and business and IT leaders practical advice. This report summarizes the content of the global keynote addresses that were delivered in Orlando, Barcelona, Sao Paulo, Gold Coast, Cape Town, Mumbai and Tokyo.

Key Findings

- New forces will make traditional strategies and architectures obsolete. The nexus of cloud, social networking, mobility and the strategic use of information will define a new era of computing and new opportunities for business.
- IT faces many marginalization risks, but IT leaders can thrive when they re-imagine their role and lead their businesses to achieve competitive advantage.
- IT is strategic to business. Mobile apps will dominate, and users will be more in charge of technology.
- Post-modern businesses are characterized by deeper relationships with customers and employees.
- Simplicity in IT solutions is critical for success. It requires "invisible" technology and simple user experiences achieved through contextual solutions and user-centered design.

Recommendations

For IT leaders:

- Employ creative destruction to eliminate traditional approaches. Stop, or reduce, the ongoing cash drains caused by the inertia of legacy systems and processes. Selectively destroy low-impact systems and take calculated risks to introduce new concepts and employ new solutions.

- Move beyond mere order taking to advising and collaborating with other business leaders.
- Tie business solutions together through enabling tools such as social computing, mobility, business intelligence and analytics, and identity and access management.
- Learn from, and collaborate more effectively with, customers through mobile and media tablets — to delight them and strengthen their loyalty to your business.
- Embrace a paced approach to IT change: to become more adaptable and responsive to natural, but sometimes extreme, business change.

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Strategic Planning Assumptions

By 2015, 35% of enterprise IT expenditure for most organizations will be managed outside the IT department's budget (see "Gartner's Top Predictions for IT Organizations and Users, 2012 and Beyond: Control Slips Away").

By 2017, an organization's chief marketing officer may have a bigger "IT" budget than the CIO. (See "Maverick* Research: Marketing Is the New IT-Buying Powerhouse.")

By 2014, 90% of organizations will support corporate applications on personal devices. (See "Gartner's Top Predictions for IT Organizations and Users, 2011 and Beyond: IT's Growing Transparency.")

By 2015, private app stores will be deployed by 60% of IT organizations.

By 2015, mobile application development projects will outnumber PC projects by a ratio of four-to-one. (See "Gartner's Top Predictions for IT Organizations and Users, 2012 and Beyond: Control Slips Away.")

By 2015, 20% of non-IT Global 500 companies will be cloud service providers. (See "Gartner's Top Predictions for IT Organizations and Users, 2011 and Beyond: IT's Growing Transparency.")

Analysis

We are living in a new world where computers are finally starting to work in the way that people behave. The impact of technology, such as the cloud, social networking and context-aware computing, on society is tangible and powerful. This new era is driving real revolutions in society and business. While this era poses a threat to organizations with IT leaders who stand by as passive observers, it is really an opportunity for those who can master the transformational forces of this age and change the role of IT. The insight and advice in the analyst keynote address (www.gartner.com/technology/symposium/orlando/speakers.jsp) empowers IT leaders to make a greater contribution to their industries during the next 10 years than in any prior decade, and to ensure that IT is the primary driver of business growth.

Master Transformational Forces

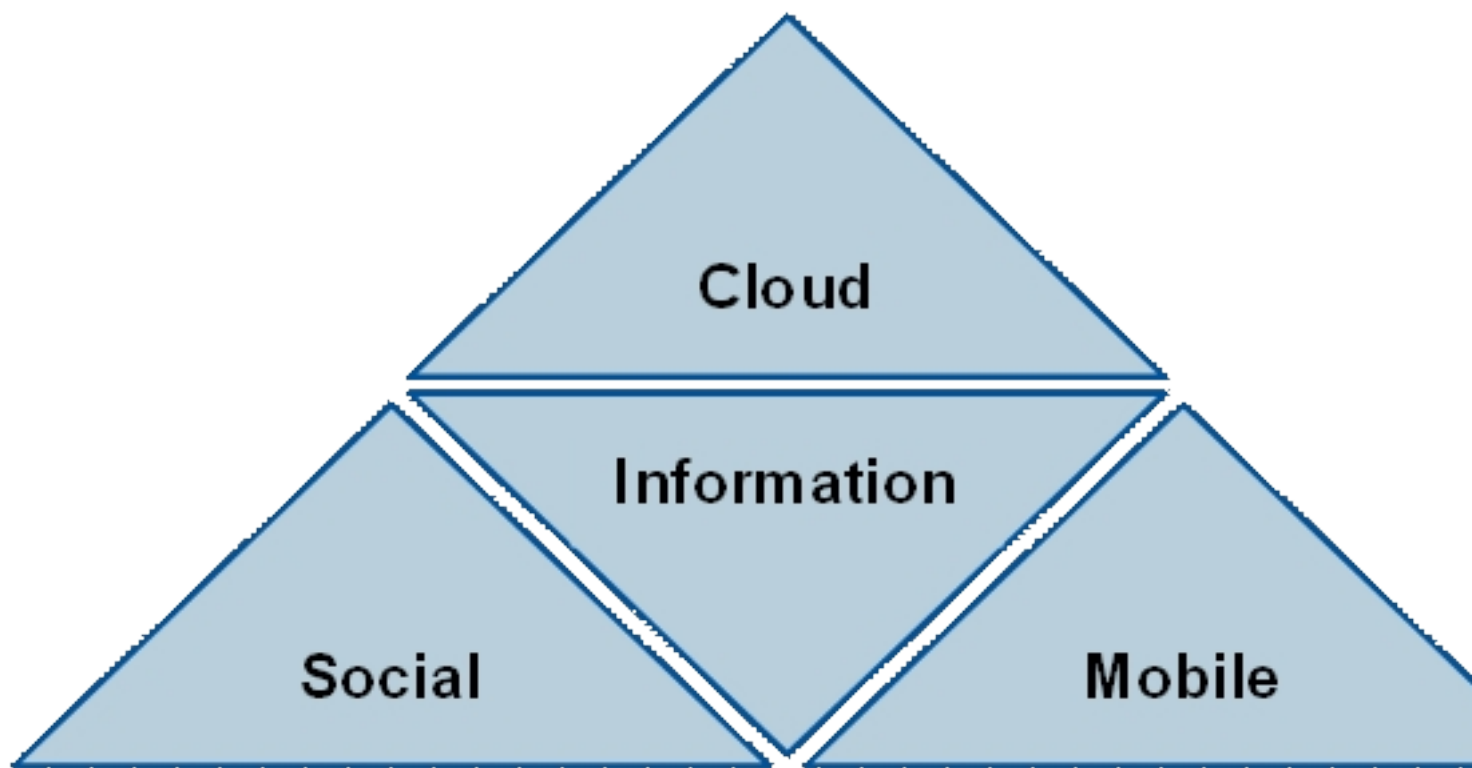
The world of IT is pervasive and deeply embedded in the daily activities of people all around the globe. Today, the world is home to 800 million smartphones, 1.5 billion PCs, 3.5 billion mobile phones and five billion Internet-connected devices. Almost two billion people on the Internet are making 88 billion Google searches a month. Each month, 28 exabytes of data traverse the Internet, resulting in 350 exabytes of data stored.

In 2011, we saw how powerful the effects of technology on society have become. Technologies and phenomena such as Twitter, Facebook, Ushahidi, smartphones and YouTube helped accelerate the Middle East's "Arab Spring" uprising, and cope with the Japanese tsunami emergency. In addition,

social networks and mobile devices helped people organize grass-roots movements such as the global "Occupy" protests, the 15M movement in Spain and the riots in the U.K.

The new era brings with it urgent and compelling forces: the cloud, social networking, mobility and an explosion in information. Taken on their own, these forces are innovative and disruptive; each one heightens the importance of the whole. This nexus of forces is revolutionizing business and society; it will define the next age of computing. When IT leaders appreciate each of these forces, they will understand this change.

Figure 1. A Nexus of Forces



Source: Gartner (December 2011)

These forces feed upon one another. Widespread mobile computing and social networking go hand-in-hand. They create a need for massively scalable systems in the cloud, independent of any specific mobile device. This creates an influx of new information that businesses can use strategically. In turn, this can create better mobile and social experiences for customers. Thus, a virtuous cycle continues.

Cloud

Cloud combines the industrialization of IT capabilities and the disruptive impact of new IT-led business models. What supply chain models did to manufacturing is what cloud computing is doing

to in-house IT infrastructure and applications. Supply chain models and cloud computing have both enabled people to optimize operations where they have differentiated capabilities.

The shift away from traditional IT acquisition models to public cloud services is in its very early stages. Although organizations spent an estimated \$74 billion on public cloud services in 2010, this only represented 3% of enterprise IT spending.¹ Gartner expects that public cloud services will grow five times faster than overall IT enterprise spending — 19% a year through 2015.¹

Action: Ensure that the cloud is your first approach to computing, whether you buy it in the public market or build it yourself.

Social

The next stage of social computing is about mass-customer, mass-citizen and mass-employee involvement with enterprise systems. With 1.2 billion people on social networks (roughly one sixth of the world's population) social computing is in its next phase. Successfully incorporating social media into enterprise systems and managing the data inputs about customers through social media is a fundamental leadership and management challenge.

Action: Immediately incorporate social software capabilities throughout your enterprise systems.

Information

Information is the oil of the 21st Century and analytics is the combustion engine. Pursuing this strategically will create an unprecedented amount of information of enormous variety and complexity. This is leading to a change in data management strategies known as "big data" — but big data is really just a secondary effect of the strategy. More importantly, it creates a pattern-based architecture which seeks signals, models them for their impact and then adapts them to the business processes of the organization.

With so much available, data management techniques will change. The concept of a single physical enterprise data warehouse (DW) containing all the information needed for decisions is dead; the logical DW combines information rules with distributed processing and virtualization to bring together all forms of information. Multiple systems, including content management, DWs, data marts, and specialized file systems tied together with data services and metadata, will become the "logical" enterprise DW.

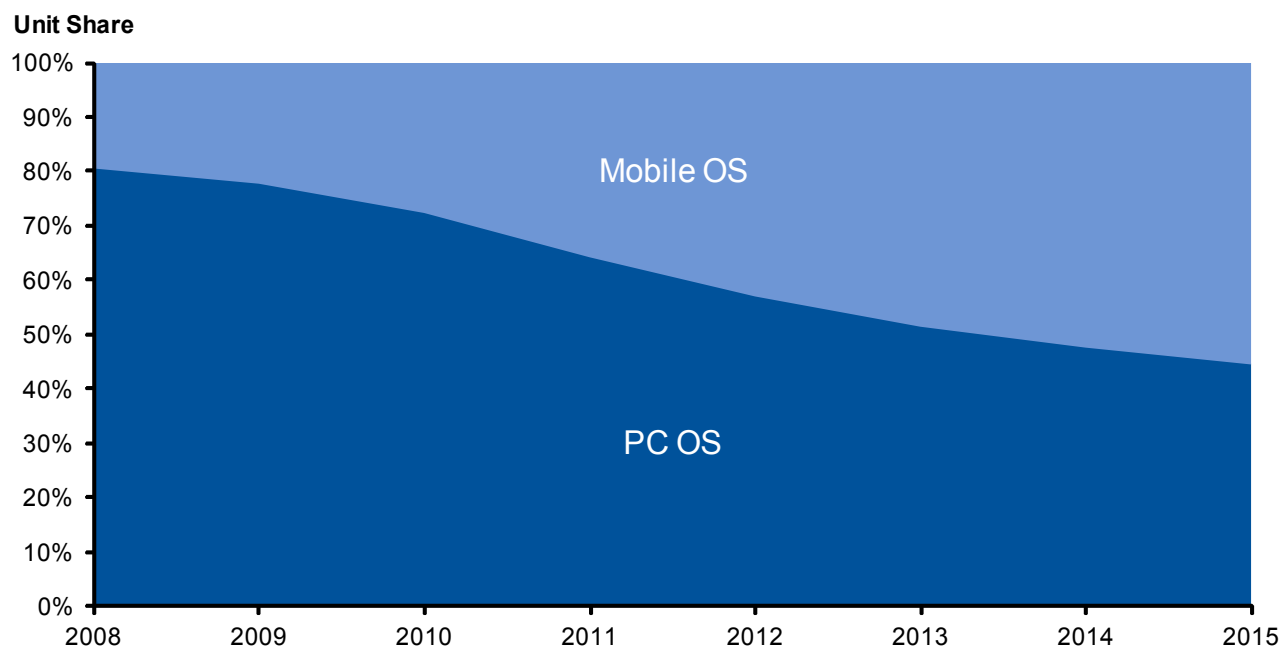
Action: Obtain top-level executive support to apply a Pattern-Based Strategy across your enterprise. Also, modernize your DW strategy.

Mobile

The shift to mobile computing is not a future phenomenon; it has already happened. In 2010, the installed base of mobile PCs and smartphones exceeded that of desktop PCs.² Leading organizations have already seen this shift and are mobilizing their businesses. However, the shift has surprised many IT departments that are struggling to catch up.

The huge adoption of smartphones and tablets is part of the second wave in mobile platforms. By 2014, the installed base of devices based on new lightweight mobile OSs, such as Apple's iOS, Google's Android, and Microsoft's Windows 8, will exceed the total installed base of all PC-based systems (see Figure 2). This incredible change means that companies need to reach people where they are, not be confined to a desk in an office. This requires enterprises and vendors to re-imagine how they provide applications.

Figure 2. Adoption of Mobile Versus PC Operating Systems



Data sources: "Forecast: Mobile Devices, Worldwide, 2008-2015, 3Q11 Update;" "Forecast: Mobile Devices by Open Operating System, Worldwide, 2008-2015, 3Q11 Update;" "Forecast: PC Installed Base, Worldwide, 2006-2015, March 2011 Update."

Source: Gartner (December 2011)

By 2015, private app stores will be deployed by 60% of IT organizations and the applications themselves will be redesigned.³ They will become context-enabled; they will understand an individual's intent automatically. Applications will adjust to the user's situation, based on environmental factors such as location, identity and past behaviors. Interface techniques, such as speech commands and gestures, will drive computing into new areas — spurring mass adoption. The future of mobile computing is context-aware computing.

The rapid advances in technology and the "low-friction" nature of the Internet have eroded the separation between producer and consumer. In the coming era, data centers will give way to data clouds. Mobile devices will become windows into personal clouds. Personal computing will become massive collaborative computing. Information ecologies will overshadow information technologies.

Gartner believes that the impact of this nexus of forces will make the architectures of the last twenty years obsolete.

Action: Evaluate the strategies of your organization and your suppliers based on the combined dimensions of cloud, mobile, social and information. Anticipate the opportunities that the big shift toward pervasive mobile computing and context will create. Expect that most of your customers will have smartphones and media tablets, exposing new scenarios for computing that were not possible in the desktop era.

Recognize the Need to Change Course Now

With a loss of control in a dynamic and challenging environment, IT organizations will feel tempted to retrench and draw inward. Organizations that retrench today, may be forgotten tomorrow. Great companies emerge during downturns, but they don't get into that position through mere cost cutting. They understand and mitigate risks, as well as market and economic forces, so that they can re-imagine their businesses and lead.

Major Change Involves Risk

Such a major change requires a new approach to viewing risk. Gartner has developed Risk-Adjusted Value Management (RVM), a methodology designed to address the broad disconnect between strategy setting and strategy execution. RVM significantly reduces the time, and improves the quality, of strategic planning and execution anywhere in the value chain (see "Introducing Risk-Adjusted Value Management").

Executive management teams obsess over "operational" data not directly associated with the achievement of desired business outcomes, losing site of the true goal along the way. This disconnect means wasted effort with little value. It also perpetuates the idea that risk management is a waste of time, even though it is a critical discipline.

Action: Use leading risk indicators to create a more rational view of strategic risks. Use measurable key risk indicators to help manage risk, and balance these against key performance indicators. This will help you to outperform your competitors, especially in a troubled economy.

The Economy Will Force New Budgetary Strategies

Our forecast for enterprise IT spending globally shows a steady annual growth rate of roughly 4% through 2015.⁴ Our forecasts are based on the assumption of continued global economic uncertainty and, at best, sluggish growth, especially the U.S., Japan and Western Europe. Measured in local currencies, the markets in Western Europe and Japan will, in fact, decline in 2012. The growth rate for business and consumer IT spending is forecast at only 3.9% for 2012.⁴

In the flagging economy, businesses will face difficult budgetary questions. The choices they make will depend on which geographies they operate in, their industry and the strength of their enterprises.

The economy will affect three groups of organizations in fundamental ways:

- **The strongest organizations.** The crisis will offer these players a once-in-a-lifetime opportunity to make a massive leap while competitors are paralyzed. CIOs in these organizations must budget now to increase funding for strategic money-making IT initiatives.
- **The majority.** The majority of organizations will need to ride out the economic storm. These organizations will need to continue cost-cutting efforts to meet enterprise financial targets, and to make tactical investments in IT to course-correct. In those areas where integration is simple, consolidate IT spending that resides outside the IT department.
- **The weakest organizations.** Organizations already weakened by the 2009 recession may go out of business. These businesses will need to restructure and apply a radically lower IT cost model to survive. They'll need to focus on major consolidation, shared services and low-cost, cloud applications. They should aggressively capture all IT spending from around the organization.

For further information, see "A Simple Enterprise IT Scenario Model for Complex Economic Times."

Action: Build a realistic budget now, so that IT can lead your business irrespective of market growth.

Strategic IT Vendors Face Disruptors

The six strategic megaproviders — specifically IBM, HP, Oracle, SAP, Microsoft and Cisco — will continue to broaden their vertically integrated technology and service stacks through acquisition. They will face substantial integration challenges, which will leave them exposed to disruptive innovators.

Apple and Google are highly disruptive vendors that will continue to change the way IT is delivered. These companies will use the power of the nexus to change the rules of the game. We anticipate the rise of more IT disruptors in the future — such as Amazon and even Facebook — that, like Apple and Google, won't act like traditional IT suppliers. The threat posed by these new entrants, along with the other trends cited here, will lead the six established IT suppliers to behave differently too; for example, they will start selling directly to business units and end users instead of to the IT organization.

With the unstoppable force of consumerization of information technology, employees and customers have choices. Customers of organizations that don't deliver will find a device that they like better, software they prefer to use, and a cloud provider that can make it all simple. IT organizations may attempt to fight these trends, but those that address the trend will emerge as leaders.

Action: Continue to view the strategy of megavendors as risky in the long term, but evaluate all vendors on how their strategies embrace the nexus of cloud, social, information and mobile.

Change the Role of IT

Business demand for information technologies — driven by the importance of information to strategy — is stronger than ever, and expectations have become much more sophisticated. Marketing, for example, is headed toward almost complete digitization. Spending on TV, print and radio will become spending on Web and social media. By 2017, an organization's chief marketing officer may have a bigger "IT" budget than the CIO.⁵

With the shift toward massive digitization, vendors selling around IT and new disruptors presenting alternative solutions, CIOs will have lost effective control of much of their organization's IT budget. By 2015, 35% of enterprise IT expenditure for most organizations will be managed outside the IT department's budget.⁶

As this change doesn't bode well for the IT organization, it is more important than ever for leaders to re-imagine their roles. Business itself is changing, customers have lost patience with complex technology and are in control of relationships. The weight of old IT strategies has also become a burden.

Winning organizations will succeed by engaging customers with simplicity — putting users at the center of their design. By providing simple tools to large numbers of people, enormously rich systems will emerge. For the already burdened IT organization, this change will require creative destruction by IT leadership.

Build A Post-Modern Business

A post-modern business is one that completely rethinks the status quo of business and embraces dramatically deeper relationships with its customers, suppliers and partners. In the post-modern era, businesses do not have any figurative walls. Business is virtual and fluid with customers interacting with the business from any device, anywhere and at anytime. In the post-modern business, customer and constituent demands on the business will change faster than its architectures. As a result, organizations will reject massively monolithic and inwardly focused concepts, such as business architecture, but will embrace customer delight, customer involvement and customer intimacy.

Customer Delight

Organizations will have to delight customers who are more informed about their products in changing markets than ever before. They want to know that the business cares about their immediate concerns. They also want to affect how the business works, but have a shorter attention span and more choices available to them. Meeting these customer needs to generate customer-facing value will be the key to post-modern business success. In fact, Gartner believes that in a world where the average company only lasts 10 years, every added point of customer satisfaction could add one year to the life of a business.

Businesses will need to redefine the way some of their most stable processes operate, by involving customers in them. For example, imagine the process of ordering consumer goods such as flowers.

A florist's lost deliveries translate into dissatisfied customers, who will shop elsewhere and share their dissatisfaction. The florist's strategy is to delight its customers by first focusing on collaboration with them to understand how best to serve them. The supply chain of growers and suppliers is deeply involved not only in a simple supply model, but throughout the process from initial order to final delivery confirmation. In one scenario, sensor-enabled smart packages transmit their status as they move through the process. Receivers are informed in real time of when the flowers were almost at their delivery destination and ready for collection. Assuming the customer opted in, a delivery person uploads information and even pictures — to the cloud and shares it with customers and suppliers. The result is customer delight and customer loyalty.

Action: Embrace informed customers. Capture the interest of customers whose attention span is shorter and think carefully about how you engage customers to achieve this.

Customer Involvement

The post-modern business delivers a seamless experience by involving customers who care. Customers will do much of the work, because they have a vested interest in making the businesses they are loyal to become more valuable to them. This extreme collaboration is already happening today. For example, German insurance intermediary Friendsurance gets friends in an online community to donate toward covering each other's insurance claims. This has been quite effective in helping friends recover from a disaster, and in reducing fraud.

Action: Interest disengaged customers. Use social communities to involve customers in your processes and build on what cloud computing has to offer for specializing in delivering, consuming or brokering the right outcomes for your business.

Customer Intimacy

Achieving customer intimacy requires businesses to learn from their customers and go where the end customer is, which is often mobile. Post-modern businesses don't spend all their money just on customer loyalty programs; they invest in company loyalty to the customers.

Action: Leverage the cloud to deliver customer intimacy, but ensure that you adapt your business and not just your technology.

Create Simplicity

IT is complex, but when IT leaders re-imagine IT, they make it simple. IT leaders can create simplicity through the use of cloud services brokerages (CSBs); mobile devices, applications and platforms; context-aware computing and user-centric design. This will enable organizations to go where their customers are, simplify the user experience by totally changing applications, shift undifferentiated capabilities out to the cloud, and understand where to specialize.

Action: Put people and their needs at the center of design and provide simple tools to make technology invisible. Also, use CSB to manage complexity and get the most from the cloud.

Cloud Services Brokerages

Businesses are becoming post modern by leveraging the IT trends of the age, such as cloud computing. The cloud is not just about cost savings or IT spending; it's about specialization and trade, which enables organizations to focus on what they do best. In cloud computing, cloud service providers are specialists that focus on doing one thing: such as email, or HR, or managing servers. Those specialists support consumers who choose the services they want to use from the providers they want to work with. The more an organization specializes, the more value it can add and gain from trading. Trading solutions across a large chain of cloud services adds value, but it also creates complexity that must be tamed. This requires intermediaries that tie customers, businesses and service providers into an ecosystem of cooperative relationships. Gartner calls these intermediaries cloud services brokerages (CSBs, see Note 1 for a definition). These CSBs can aggregate, integrate, govern or customize cloud services to make those services more specific to the needs of consumers. (See "The Role of CSB in the Cloud Services Value Chain.")

Action: Engage cloud services brokers or perform this function in-house, to make it easier to trade in a world of specialists. In fact, three out of 10 IT organizations will become cloud brokers for their business and that is one way they will survive.⁶

Mobile Devices, Applications and Platforms

IT leaders need to address the user need and demand for simplicity in our complex, time-crunched world. The leading disruptors of our age focus on simplicity; for example, the clean Google search page, the short messages of Twitter, and the myriad of options for easily updating one's status on Facebook. People have also gravitated to the simplicity of the mobile and tablet experience. Organizations need to reach users where they are. By 2015, mobile application development projects targeting smartphones and tablets will outnumber PC projects by a ratio of four-to-one.⁷

IT leaders can be part of building this future. They can use IT to enable people to do what they need to on any device. For example, when disaster strikes, people urgently need to report what's going on. A non-profit technology company — that specializes in developing free and open source software for information collection, visualization and interactive mapping — developed Ushahidi for this purpose. Ushahidi is a tool that allows users to easily crowdsource information using multiple channels, including SMS, email, Twitter and the Web. It has been used in emergency situations around the world, including the Haiti earthquake and the global swine flu crisis.

Action: Pilot technologies such as multiplatform mobile device management, which can allow employees access to app stores on devices that are used for a mixture of personal and corporate applications, but can also maintain control over corporate data.

Context-Aware Computing

Most organizations need to wipe the slate clean and rethink systems from the ground up. Context-aware computing helps organizations understand intent so that they can create simpler, yet richer, experiences. Context-aware computing is the intersection between our "separate" lives in the digital, mobile, social, and physical worlds. Context-aware applications take context about a person

in the physical world, such as their location and the time of day, and their usage patterns in the digital world. Usage patterns would include what a person searches for and when. This enables a device to then deliver relevant (location-specific) content to the users' mobile device or tablet.

In the future, the type of context that technology will be able to gather to enrich our experiences — and differentiate offers — will be amazing. By 2015, digital devices will know more about their user — than the user will know about them. (See "Context-Aware Computing: Clear Strategies and Best Practices Emerge.")

Action: Hire people who know how to get context (such as the location from a smartphone), or understand intent based on past behavior, or how to infer it from social network activity, in a way that is natural, invisible and enriching to employees and customers.

User-Centric Design

Companies such as Apple understand the importance of the user-experience. Ease-of-use is one of the main reasons for Apple's success with the iPhone. Apple focuses on this and delivers people-centric designs. Even though the most important thing about a smartphone is the user experience, this is usually the last item that CIOs budget for in projects.

Any solution delivered over the Internet, or other continuously connected network, can benefit from a new approach to user-centric design known as the apps intelligence dynamic growth cycle. (See "Apps Intelligence: A Dynamic Capability for Application Development.")

Action: Track the advances in user experience platforms, because they will provide an important toolset to support the conceptual design process. Hire and train application leaders in user-centric design.

Apply Creative Destruction

With IT's budgetary constraints and the burden of legacy systems, it may seem that change is impossible. Most IT organizations have 70% or more of their time, money and mind share locked into reliability — keeping things going as they are; for some, the ratio is more like 80-20. The IT department requires a new approach, which we characterize as creative destruction.

We can compare the creative destruction process to burning fields to make them fertile again: when fields are burned, the plants in the environment are transformed into nutrients and reabsorbed into the earth — fueling new growth. The world is transformed.

IT leaders can use creative destruction to be innovative and dynamic, as opposed to predictable and reliable. However, demands for game changing IT capabilities are growing each year, which requires IT leaders to re-imagine what they have with the same, or reduced, allocated budget. They need to find the time, capacity and funding to exploit the right opportunities.

Tokio Marine and Nichido Fire Insurance Company, which is one of the largest nonmutual private insurance groups in Japan, transformed its organization to take care of customers after a natural disaster. The company recently completed "Bappon Kaikaku" (radical reform), a multiyear strategic creative destruction process which involved:

- Radically simplifying the organization's architecture and core systems of record.
- Getting rid of paper and cash in the business ecosystem.
- Reducing the number of insurance products by half.
- Merging employee and agent systems.
- Moving to a lightweight approach to computing.

Action: Use creative destruction to transform your business, products, services and the customer value proposition. Champion the cause of simplicity for users. Pace layering is an effective technique to manage the portfolio of applications and services that IT provides.

Lead the Business

Innovating together is something that all IT leaders can embrace as they strive to re-imagine the value they can provide through IT. IT leaders can follow these guidelines to start their journey toward achieving the rewards of creative destruction.

Clear the Way for Innovation

To achieve the transformational outcomes of creative destruction, IT leaders need to:

- **Focus on becoming leaders rather than service providers.** Internal IT service providers need to turn requests from clients — in the form of demands and requirements — into strategic discussions characterized by recommendations. IT leaders need to work with clients to deliver solutions and outcomes that exceed any they may have imagined.
- **Move away from traditional supply and demand models.** Traditional monolithic models cannot deliver the best business outcomes that business partners seek. Business partners want innovative IT solutions to solve specific business problems. They also want these solutions to be inexpensive, secure and reliable.
- **Adopt a pace-layered application strategy.** Pace layering is a technique that helps IT leaders make decisions about what assets in their portfolio are candidates for creative destruction. The model borrows from the way architects design buildings: separating what has to change frequently from what is foundational and longer term in nature. (See "How to Get Started With a Pace Layered Application Strategy.")

Action: Simplify your systems of record, maximize your differentiators, and create new systems of innovation.

Recognize Binary Thinking

In IT, we have traditionally thought in terms of binary concepts. These concepts have been extremes with nothing in between. Examples include:

- IT and the business.

- Control versus chaos.
- Leader and follower.
- Supply and demand.
- Build versus buy.

Binary thinking may work with technology, but people are analog. As people we are, by nature, unpredictable.

Action: Work together successfully by being adaptable and breaking boundaries rather than creating them.

Embrace Calculated Risk

IT leaders need to destroy perfectionism and embrace calculated risk. In IT, we tend to be perfectionists who are highly detail-oriented. This is what makes so many IT leaders so good at their jobs. Unfortunately, it can sometimes lead to issues with risk and uncertainty. Organizations that never take risks are predictable and an easy target for their competition. Contrastively, IT organizations that take calculated risks can surprise their business and the competition.

We tend to strive for stability and reliability in our businesses and in our lives. This ignores the fundamental symmetry of the world and business. Everything that is created must be destroyed, and managing that destruction is just as important as managing creation. Organizations need to decide which fields they will burn, when and how; they need to:

- Destroy organizational walls and innovate together.
- Destroy monolithic thinking and embrace pace layering.
- Destroy binary thinking and create analog thinking.
- Destroy perfectionism and embrace calculated risk.
- Create strong leadership and embrace analog business partners.

We must change the way we think, plan and talk about our IT leadership roles.

Action: Be a great IT leader by knowing how to manage risk and knowing when to act. Re-imagine IT to make things happen cost-effectively, set the pace and drive your business.

Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"New Realities, Rules and Opportunities: The 2010 Gartner Symposium/ITxpo Analyst Keynote"

"Reimagining IT: The 2011 CIO Agenda"

"Leveraging the Cloud Services Value Chain for Competitive Advantage"

"Guide for Mobile Application Development, Sourcing and Support, 2011"

"Delivering Enterprise Value From Social Computing"

"The 2011 Unified Apparel Model: Consumer Demand Shapes the Modern Supply Chain for Fashion Companies"

Evidence

1 "Forecast: Public Cloud Services, Worldwide and Regions, Industry Sectors, 2010-2015, 2011 Update."

2 "Forecast: Mobile Devices, Worldwide, 2008-2015, 3Q11 Update;" "Forecast: Mobile Devices by Open Operating System, Worldwide, 2008-2015, 3Q11 Update;" "Forecast: PC Installed Base, Worldwide, 2006-2015, March 2011 Update."

3 "Key Issues for Mobile Applications, 2011" provides background about this anticipated trend. Gartner intends to write more about the increasing number of app stores during 2012.

4 "Forecast Alert: IT Spending, Worldwide, 3Q11 Update."

5 "Maverick* Research: Marketing Is the New IT-Buying Powerhouse." Although this note does not explicitly state this SPA, it provides background about this prediction.

6 "Gartner's Top Predictions for IT Organizations and Users, 2012 and Beyond: Control Slips Away."

7 "Predicts 2012: Cloud Services Brokerage Will Bring New Benefits and Planning Challenges."

Note 1 Cloud Services Brokerage

In previous research (see "Three Types of Cloud Brokerages Will Enhance Cloud Services" and "Defining Cloud Services Brokerage: Taking Intermediation to the Next Level"), we examined a limited set of brokerage types. We have refined these types to develop an accurate description of the entire category. In taking intermediation to the next level, we now formally define cloud services brokerage (CSB) as a form of cloud services intermediation: *"A cloud services brokerage is a business model in which a company or other entity adds value to one or more (generally public or hybrid, but possibly private) cloud services on behalf of one or more consumers of those services."* In an internal private cloud scenario, the internal IT organization takes on the role of broker.

CSB performs many of the same roles that a traditional IT services provider does in a service aggregator role, but also addresses additional complexities. Some of the capabilities that a CSB needs to address these complexities are:

- Tracking and controlling the proliferation of solution assets.

- Managing the proliferation of relationships and complex interdependencies of SLAs.
- Keeping up with the rapid pace of change.
- Mitigating intellectual property and compliance risk.
- Managing security risks.

Regional Headquarters

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

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