

High Performers in IT: Defined by Digital

High performance. Delivered.

Insights from
Accenture's fourth
High Performance
IT research
initiative

CONTENTS

INTRODUCTION	1
INSIGHTS	
01	
It really <i>is</i> all about the customer	3
02	
Context is the "once and future king"	7
03	
IT strategy and business strategy are one and the same	9
04	
Mastering a hybrid IT environment	11
05	
Diving deeper into digital	15
06	
Empowered employees are the force for digital business	19
07	
Mastering data to drive outcomes creates competitive advantage	23
08	
Adopting agile to become agile	27
09	
Investing early in technology skills provides an edge	31
10	
The marriage of IT security and business risk	33
CONCLUSION	36
Profile of a High Performer	38
How Accenture measures High Performance	39
About this study	40

INTRODUCTION

High performers in IT are consolidating the noticeable lead that they have opened up in recent years.

Not only are they finding novel ways to optimize—holding down costs and streamlining processes across their organizations—but they are also actively driving innovation and top-line growth. Increasingly, they are central to their organizations' strategic directions—and increasingly, those directions are defined by digital. Here are the highlights of Accenture's fourth High Performance IT research initiative, with the digital dimension clearly visible.

Take charge of your digital journey.

That's probably what high-performing CIOs would tell their peers if they weren't so busy propelling their own businesses toward the digital future.

These high performers clearly see IT as a strategic asset that can help them renew vital aspects of their operations—optimizing at least and innovating at best. They are investing in the digital tools, capabilities, and skills to more easily pinpoint useful data, evaluate it, excerpt it, analyze it, derive insights from it, share it, manage it, comment on it, report on it, and, most important, act on it.

What a difference a decade can make. The digital direction seemed like such an impractical notion not long ago. In 2005 and 2006, Accenture's High Performance IT research was describing the typical CIO's austerity trap, in which cutting costs only prolonged dependence on legacy systems. By the start of the global economic crisis, high performers had begun to take a strategic approach to cutting costs, breaking with their legacy roots. By 2009, there was a definite performance gap between the high-performing CIOs and the rest.

That gap persists today, as the high performers, more in tune with the business than ever, look to all things digital to upgrade a host of processes and to catapult their organizations forward. Increasingly, they are using digital tools and systems to push for excellence across all three dimensions of high performance IT: IT innovation, IT agility, and IT execution. Here's how Verizon Wireless' CIO, Shankar Arumugavelu, describes that push: "Technology trends like mobile, cloud, social media, and big data have moved beyond the experimentation stage. Any business that uses these trends to drive market differentiation, growth, innovation, profitability is what I consider a digital business."

High performers are using digital tools and systems to push for excellence across all three dimensions of High Performance IT: IT innovation, IT agility, and IT execution.

This report—an overview of this year's detailed Accenture High Performance IT study—captures the highlights of the research and shows how a digital "thread" now runs throughout most of them. Let's consider the top ten findings and describe what we mean.

A photograph of a young woman with short brown hair, wearing a dark blue jacket over a grey hoodie, walking down a busy city street. The background is blurred, showing other people and city buildings.

01

INSIGHT 01

It really *is* all about the customer

High performers' business objectives are very different from those of others. While most organizations continue to be internally focused on cost, productivity, and processes, high performers' foremost objectives are related to improving the customer's experience.

Indeed, Accenture's most recent study found that the high performers' top three business priorities related to ensuring that their IT investment strategies were linked to their customers. (See Figure 1.) They are concerned about providing the right information to the right person—customer, partner, or employee—at the right time; they are seeking better ways to interact with their

customers; and they are keen to deliver new services or products to them. Further emphasizing the point: in organizations that weren't high performers, these customer issues had a much lower priority.

In 2008, our research revealed that, in terms of technical and business adequacy, customer-facing systems were among an organization's poorest-performing applications. Five years later, our research shows once again that the end customer is last in line outside the CIO's door at most organizations. (See Figure 2.) Moreover, the enterprises we surveyed told us that they actually spend slightly less on customer-related applications than they do on other applications. Yet high performers understand that customers—including consumers, business customers, and citizens, in the case of government—are expecting

the same, if not better, experience, speed, detail of information, and flexibility that they get from their personal technology. They ensure that customer-facing applications are meeting their business and technical needs.

The digital direction is all too clear in leading companies' relationships with customers. They understand that technology, which has created frustration and corroded relationships with customers, is now at the point at which buyers can again be treated as individuals. "Today's technologies allow businesses to be more predictive around consumer preference and consumer behaviors," says Bill VanCuren, CIO of NCR Corp., the global consumer transaction technology company. "They give the consumers more choice not just in what they're buying but in the channels through which they're transacting."

FIGURE 1
High performers' top three business objectives are related to customers



Companies now have rich channels through which they can communicate with customers in much more personal ways: not only do they now have unprecedented opportunities to track what people are saying about them, but they can also leverage digital technologies to create and sustain relationships that will result in customer acquisition and, for current customers, repeat sales.

Commonwealth Bank of Australia understands this. The bank has transformed its IT approach with a focus on moving from "product" to "relationship" value. Every decision the bank has made in the course of modernizing its core banking platform has been driven by a focus on customer experience and real-time relationship value.¹

Aside from digital's impact on how customers feel, it is also helping IT departments optimize business processes and cut costs. Our research

found a considerable gap between the high performers and others in this regard: nearly one-third of high performers' customer interactions are already completely self-service, with seamless interfaces across channels (for example, mobile, social media, and the Web); the comparable figure for other companies is only about one-fifth, or 21 percent. The goal of the exemplars is to push this up to 56 percent as soon as possible. Other companies don't have such ambition: they expect to raise the bar only to 43 percent of customer interactions in the future.

5

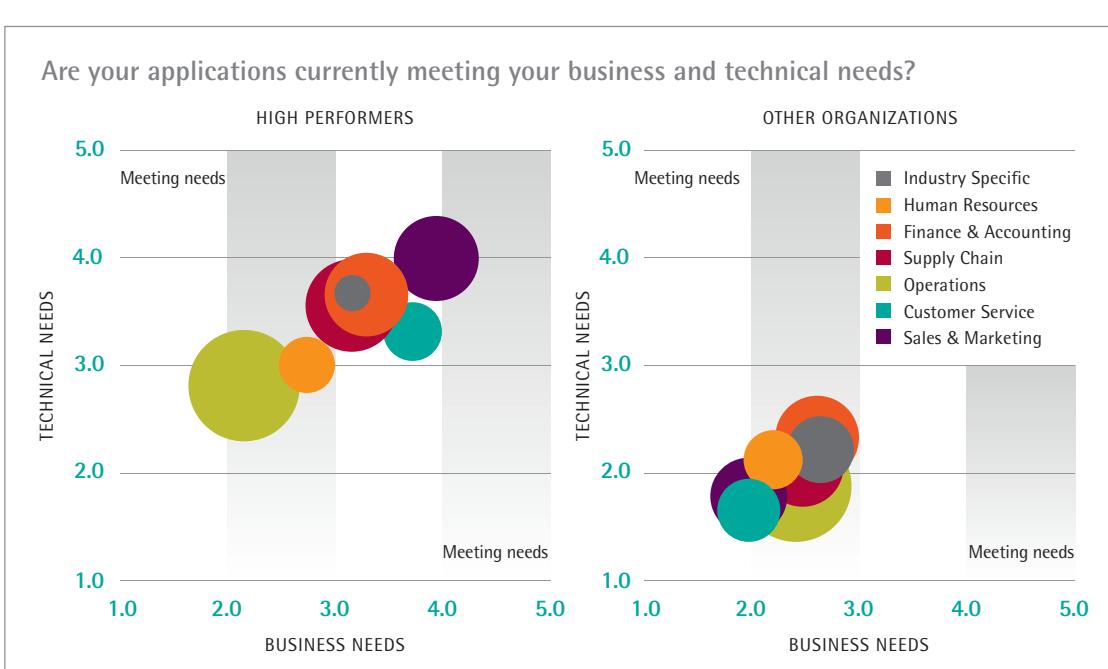


FIGURE 2
High performers' front-office applications are among their portfolio's best performing applications in terms of technical and business adequacy—and the poorest for all other organizations

50 % of high performers explore future economic, geopolitical, social, and business scenarios as part of IT creative processes.

6



02

INSIGHT 02

Context is the “once and future king”

High performers do not view things in isolation. Exploring a wide range of business scenarios—for instance, economic, geopolitical, and social—is part and parcel of their IT planning processes. The latest High Performance IT research reveals that during IT planning, high performers' enthusiasm for exploring business scenarios within the overall economic, geopolitical, and social context is five times that of other organizations. (See Figure 3.)

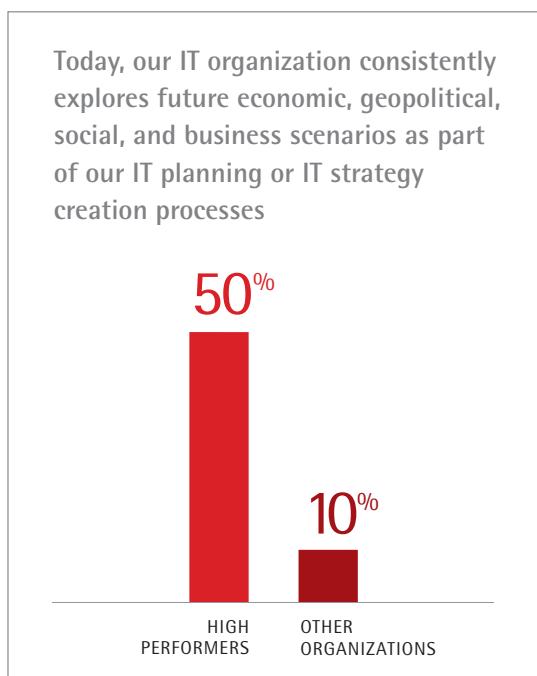
That means that they actively listen to and understand their fellow executives' issues from a business viewpoint; they don't see the world solely through IT glasses. They also make it their business to seek out wider perspectives, and they expect the same of their top lieutenants. This allows high performers to add a lot more value: they understand where the business is headed.

High performers also track the impact of their investments on business metrics more often than do other organizations. And all high performers expect moderate to significant improvement in those metrics in the next year—especially in customer and employee satisfaction.

It's clear that high-performing CIOs have mastered these business-savvy requirements—and it is interesting to note that they have been in their positions longer than the average CIO. They have had opportunities to see the results of their efforts, enhancing their own reputations within their organizations.

High performers don't see the world solely through IT glasses.

FIGURE 3
High performers explore business scenarios as part of their IT planning process



03

INSIGHT 03

IT strategy and business strategy are one and the same

This year's research confirms that high performers invest to deliver strategic business capabilities. It's far more likely that their organizations' IT and business functions are in sync, so their investments typically reflect the strategy and needs of the business, with the goal of creating differentiated business-driven opportunities.

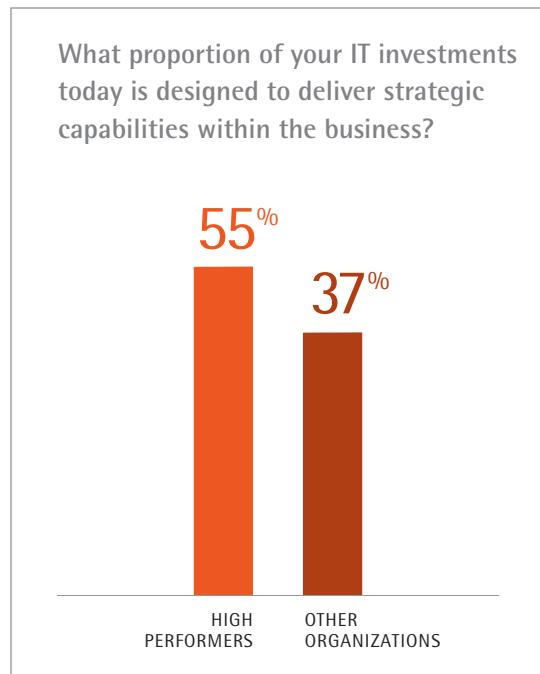
A few snapshots: high performers allocate 7 percent more of their IT budget to *new projects* than do other organizations. Although their day-to-day IT operating expenses are expected to stay flat this year, 54 percent of high performers will spend significantly more on new projects. And over half of those IT investments (55 percent, compared with just 37 percent at other organizations) are designed to deliver strategic capabilities within the business. (See Figure 4.)

Verizon Wireless amply demonstrates this collaborative provision of such strategic capabilities. "You can see a good example of mobility at work—where we partnered closely with our chief operating officer's team—in how we've been transforming our retail stores," explains CIO Shankar Arumugavelu. "Previously in our stores, we had the desktop or laptop

between the sales rep and our customers. Now, about 20,000 of our reps nationwide are equipped with tablets which feature the point-of-sale system. So now they can work side by side with customers. This really gets into consultative selling. That was a big win for us. It also helped us showcase the technologies that we sell; customers were really able to understand what can be done with a tablet. It led to additional sales for Internet devices as well."

High performers aren't waiting for new technologies to be developed or to mature before they act.

FIGURE 4
High performers
invest to deliver
strategic business
capabilities



High performers, more and more in lockstep with other executives in their organizations, certainly see digital as a strategic imperative—a tool of competitive intent. They aren't waiting for new technologies to be developed or to mature before they act. They demonstrate a higher order of thinking—a digital mindset—that will, we believe, separate tomorrow's most able organizations from the rest.

04

INSIGHT 04

Mastering a hybrid IT environment

The results of Accenture's High Performance IT research provide unequivocal proof that high performers are taking advantage of all that a new hybrid approach—private and public clouds coexisting with existing systems—has to offer. Over the past few years, we have observed how high performers have been disentangling the legacy "hairball" and streamlining their application portfolios, essentially crafting a lean organization that can respond adroitly to the volatility of today's global markets.

As illustrated in Figure 5, the high performers are now approaching new system architectures with a "cloud first" mentality—they are already migrating workloads to the cloud and looking at what can be achieved with the different forms of cloud, resulting in a hybrid cloud architecture.

Hybrid cloud is not just a steppingstone; it is integral to the future state of IT organizations. The research shows that high performers will expand their cloud footprint faster than other organizations by migrating a larger proportion of their workloads to private clouds by 2015 and

increasingly to the public cloud by 2020. They also expect that a substantial part of their IT footprint—whether infrastructure, middleware, or applications—will remain "traditional," both hosted and on-premise.

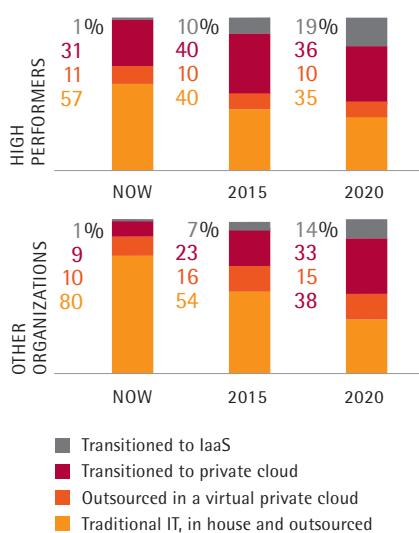
To high performers, hybrid cloud is not just a steppingstone; it is integral to the future state of IT organizations

FIGURE 5

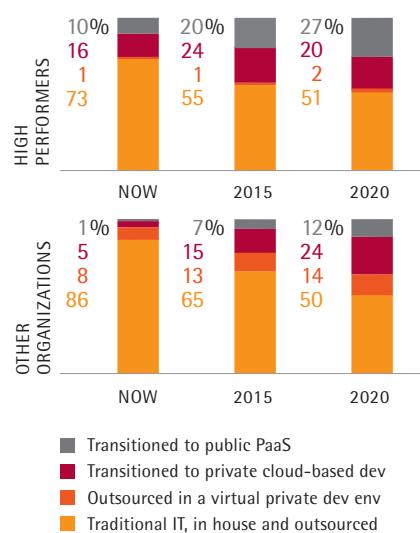
**High performers
are further along
in their transition
to private and
public clouds**

Regarding current and future initiatives for cloud computing, what proportion of your infrastructure, application development, and applications do you estimate will be distributed between traditional IT, pay-per-use but single-tenant IT, transitioned to private cloud, and transitioned to public cloud?

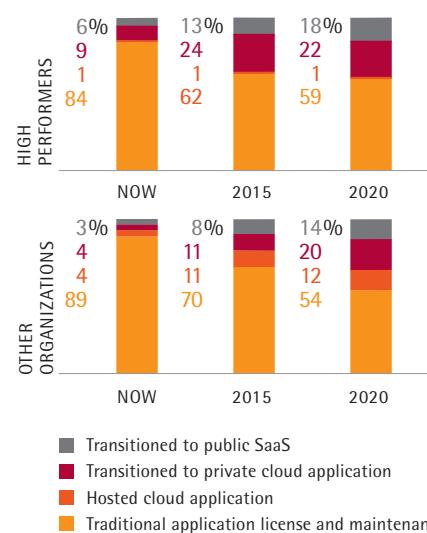
Infrastructure



Development



Applications



Another way to look at this: one-third of high performers have already replaced their legacy architectures with private and public cloud components. That's more than eight times the extent to which other IT organizations have been moving in this direction. (See Figure 6.)

Put simply, high performers are getting the outcomes they want from upgrading their enterprise architectures. In particular, almost half of high performers (40 percent versus 9 percent of other organizations) are seeing measurable improvements in IT agility, and 43 percent are experiencing better alignment of their project portfolios with their IT and business goals (compared with 20 percent of other organizations). Moreover, high performers are not taking their eyes off the cost implications: 33 percent say their architecture transformations successfully lead to cost reductions (versus 14 percent for others).

A case in point: Deutsche Telekom opted for Google's platform-as-a-service offering, Google App Engine platform, as the basis

We are evolving our architecture by effectively replacing our legacy architecture with private and public cloud components ("Today" compared with "Target")

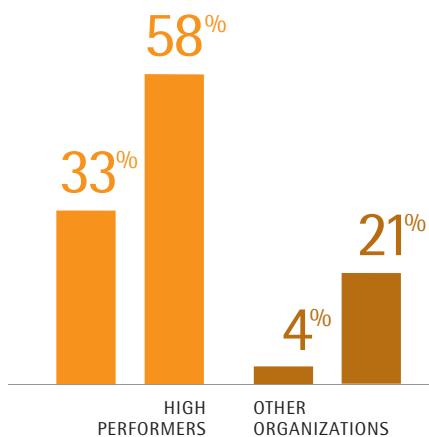


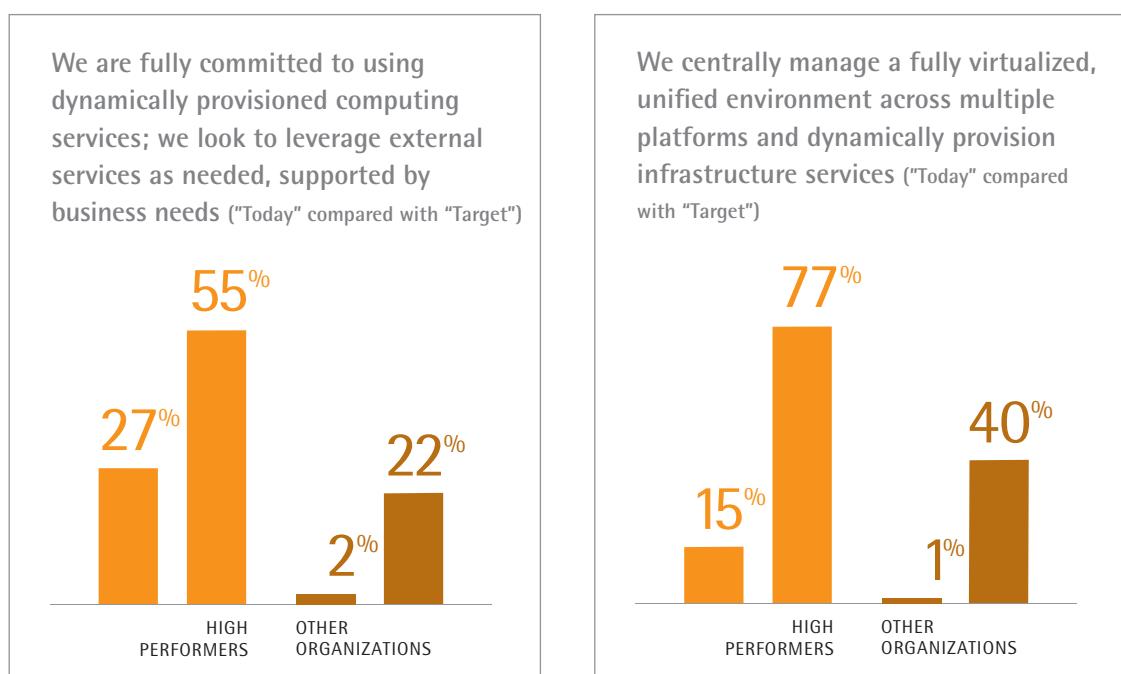
FIGURE 6
High performers are replacing their legacy architecture with a more flexible architecture

for its Tripdiscover.de travel portal, which connects consumers with partners, social recommendations, and other high-quality content. Just 18 weeks after the Tripdiscover project launched, Deutsche Telekom had a fully deployed, flexible, real-time scalable system intended to inspire and excite its users with a new type of online travel-booking experience.²

Yet the challenge now is to manage provisioning and integration between private and public clouds, coupled with a hosted and on-premise architecture in a secured and standardized way. It is further evident that the high performers have even been preparing their IT operations for this challenge and are ready to manage production workloads in the hybrid cloud: more than one-quarter (27 percent) are now fully committed to using external cloud-based services that align with their business needs, and almost one in six (15 percent) already centrally manages a fully virtualized, unified, and dynamically provisioned infrastructure. (See Figure 7.)

If other organizations are behind in this endeavor today (only 1 percent are there), 40 percent intend to centrally manage a dynamically provisioned infrastructure in the future—but will they catch up to the high performers' lead?

FIGURE 7
High performers
are ready to
provision and
manage production
workloads
in the cloud



05

INSIGHT 05

Diving deeper into digital

High performers are expediting their journey to digital, leading to a transformation in how goods are designed and produced, how commercial transactions are created and managed, how information is accessed, how relationships are formed, and how collaboration happens internally and with customers and partners.

High performers have readily experimented with and learned from early deployments of social media, mobile, analytics, and cloud, as well as foundational technologies such as virtualization, security, and data management.

Accenture's research bears this out.

(See Figure 8.) Now the high performers are ready to commit these technologies to a larger part of their organizations—and to harvest their transformational potential.

Fully 69 percent of high performers (versus 42 percent of others) are already committing to mobile transactions, allowing their customers to reorder their favorite pair of shoes, book travel, pay for their coffee, and even transfer cash between bank accounts on the go. Fifty-four percent of the exemplars have also deployed a mobile-enterprise app store (versus only 22 percent of other organizations), providing enterprise-grade functionality to their mobile users. (See Figure 9.)

High performers are also wading into social collaboration with the goals of capturing knowledge, fostering innovation, and boosting productivity. (See Figure 10.) They are taking greater advantage of their investments in collaboration technologies and are improving the way they access and leverage new insights from customers. "For us, social collaboration is a godsend. For the first time, we're able to talk *with* our consumers instead of *to* them," declared one global CIO.

Forward-looking organizations are extending their social networks beyond people to intelligent objects—such as their products. For example, the engines on Boeing's new 787 Dreamliner aircraft are designed to transmit performance data in the form of news feeds to which maintenance

FIGURE 8
High performers
are committing to
digital technologies

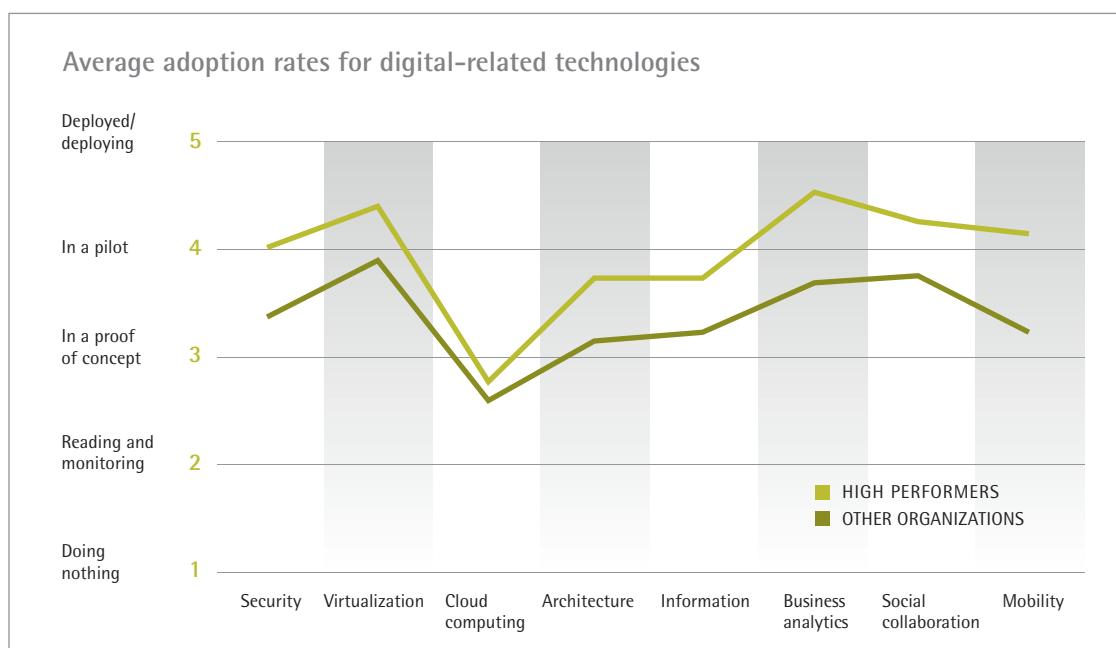
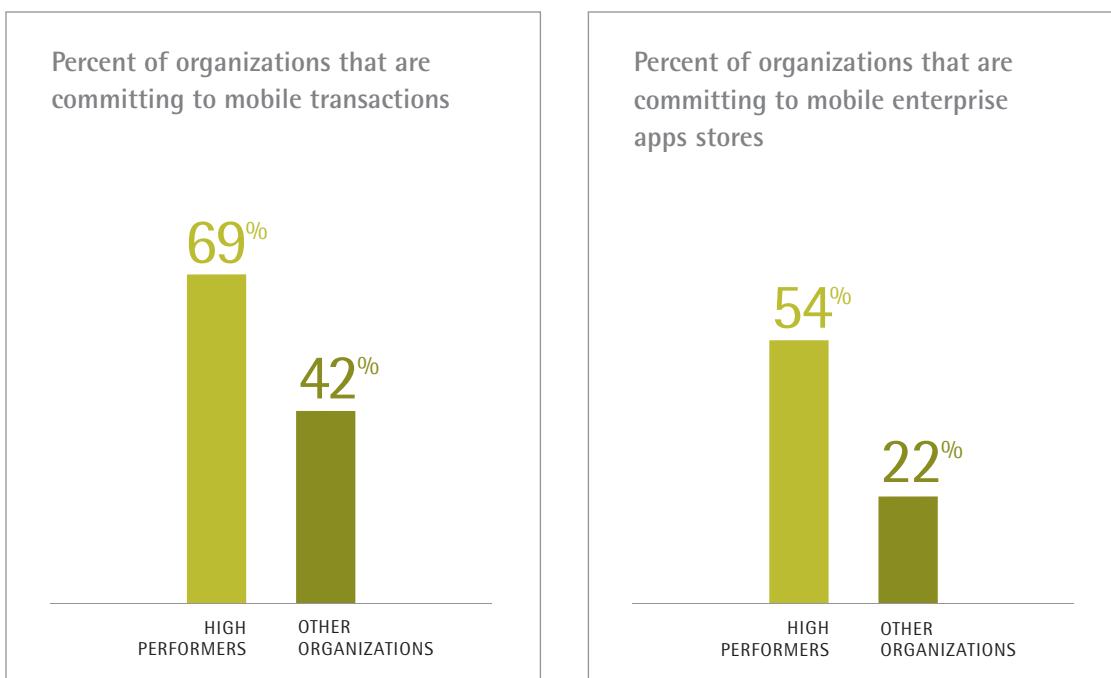


FIGURE 9
High performers
are "mobilizing"
their business

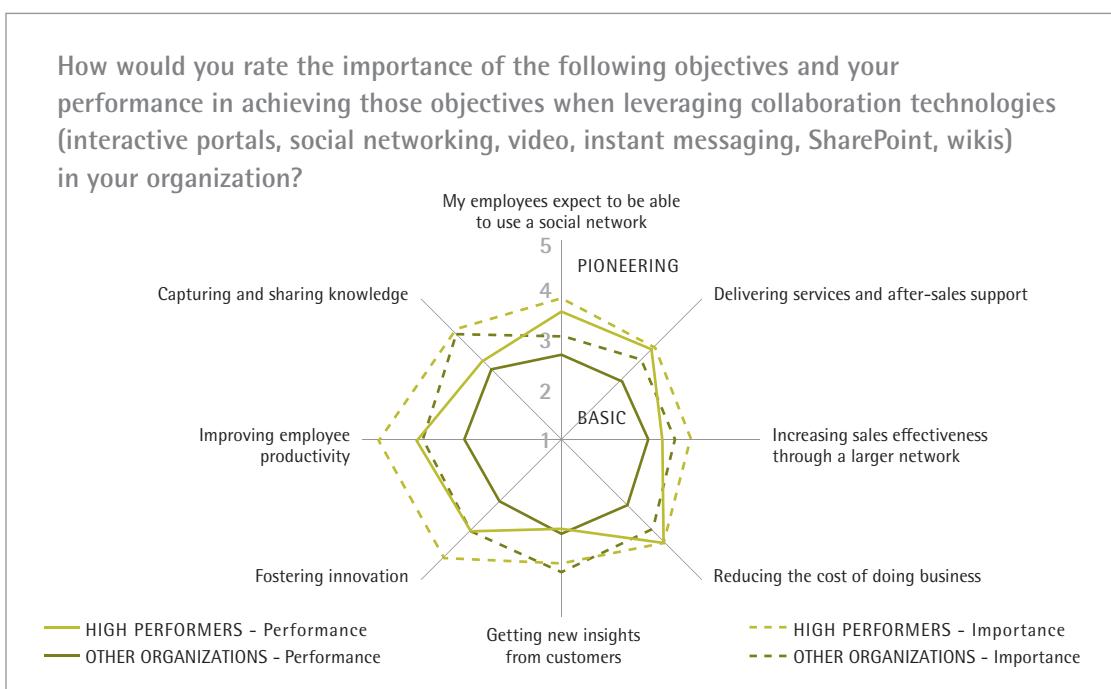


teams can subscribe. Allowing the engine itself to automatically share its status enables service teams to more easily maintain it, reducing costs and increasing its lifespan. Coupled with

predictive-analytics technology, the performance data helps optimize aircraft maintenance and flight operations, anticipating the need for parts replacement, for instance.

17

FIGURE 10
High performers
take significantly
greater advantage
of their investment
in collaborative
technologies



71 % of high performers' total employee interactions are self-service or seamless across channels.

06

INSIGHT 06

Empowered employees are the force for digital business

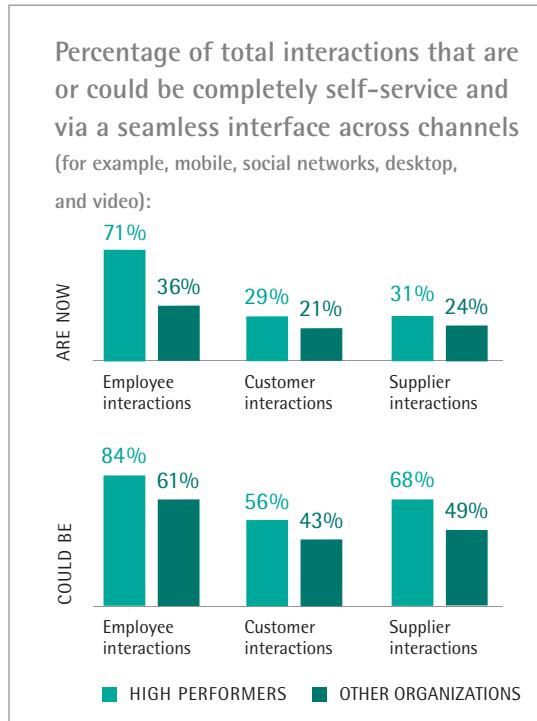
Employees are increasingly mobile and teams of employees and freelance resources more often form on the fly—making work hours and locations completely irrelevant. And because they so depend on their technology portfolios to make it work, they often want to be able to choose their own devices and their own productivity applications that they must be able to access 24/7.

The high performers in IT aren't waiting around for trouble tickets from these employees. This year's High Performance IT study shows that their employees are strongly empowered to handle most of their own day-to-day needs—from concerns that are as basic as a password reset or as sophisticated as using the Web-based tools needed to crowd-source new product concepts. This mindset means that most high performers let their employees bring their own mobile phones and tablets to the workplace. They are well past the point where bring-your-own-device (BYOD) behaviors are seen chiefly as threats to data security; rather, far-sighted CIOs view employees' mobile tools as productivity multipliers, regardless of who bought the devices. "What that means," explains Bill VanCuren, CIO of NCR Corp., "is that only the really complex problems now come to

IT. We're not just a bunch of Sequel programmers doing relational databases. The complex data analytics and big data problems come back to IT. The tool kit has become much more complex; it's more diverse. We have a lot of ways to solve problems today that we did not have before."

Far-sighted CIOs view employees' mobile tools as productivity multipliers, regardless of who bought the devices.

FIGURE 11
High performers empower their employees to self-manage over 70 percent of their interactions at work.



The same self-service concept extends to the high performers' customers and suppliers. One example is the Australian Taxation Office (ATO). It is looking to provide services and tools that business owners can access on a tablet or smartphone so that they can manage their taxes on the go. ATO CIO Bill Gibson recently commented, "When a tax agent is doing something, they are accessing the ATO to get data. You take that principle wider and the form factor doesn't matter."³

Customers, partners, and employees have diverse desires, ambitions, and objectives when they interact with each other and with an organization. It is imperative for CIOs to anticipate and support those needs when turning offline interactions into digital interactions. With online, social and mobile customer interactions costing a fraction of what it costs to serve these individuals in person or over the phone, the potential benefits of deploying these technologies are significant. Yet Accenture's research shows that, among both high performers and the rest, not even a third of customer and supplier

interactions are self-service or seamless across channels. (See Figure 11.) This represents only a slight increase from 2010, when respondents reported that 26 percent of customer interactions were self-serviced online. Granted, organizations have had to adapt from siloed interactions (for instance, most online and mobile systems used different interfaces until recently) to omni-channel interactions with seamless interfaces. But the pressure for more self-service is very real: a new generation of digital buyers is expecting not only real-time, round-the-clock experiences, but also increasingly personalized services. The message for CIOs is clear.

ACCESSING THE RIGHT DATA AT THE RIGHT TIME

A digital business is all about real-time business insights driving fast decisions and faster actions. These insights create the context for better digital customer experiences, enhanced workforce and supplier capabilities, and differentiated products and services. (Figure 12.)

Percentage of CIOs who say data that employees need to do their work is ...						
	... most accessible		... most granular		... real-time	
	HIGH PERFORMERS	OTHER ORGANIZATIONS	HIGH PERFORMERS	OTHER ORGANIZATIONS	HIGH PERFORMERS	OTHER ORGANIZATIONS
Customer	69%	23%	46%	16%	46%	26%
Products/services	62	22	58	16	42	22
Suppliers/partners	42	14	38	9	23	12
Employees	54	26	38	17	46	24

Percentage of respondents who answered 5 on a scale of 1 (not accessible) to 5 (most accessible)

FIGURE 12
High performers' employees have better access to the detailed, real-time data that they need to do their jobs

77 % of high performers' data management investments are achieving or exceeding business value.



07

INSIGHT 07

Mastering data to drive outcomes creates competitive advantage

The problem for businesses is no longer the absence of data. In a time when they are flooded with new data, the problem becomes the absence of the *right* data, which is what will produce the sharp insights that spur the most actionable outcomes. And those outcomes, in turn, create competitive advantage.

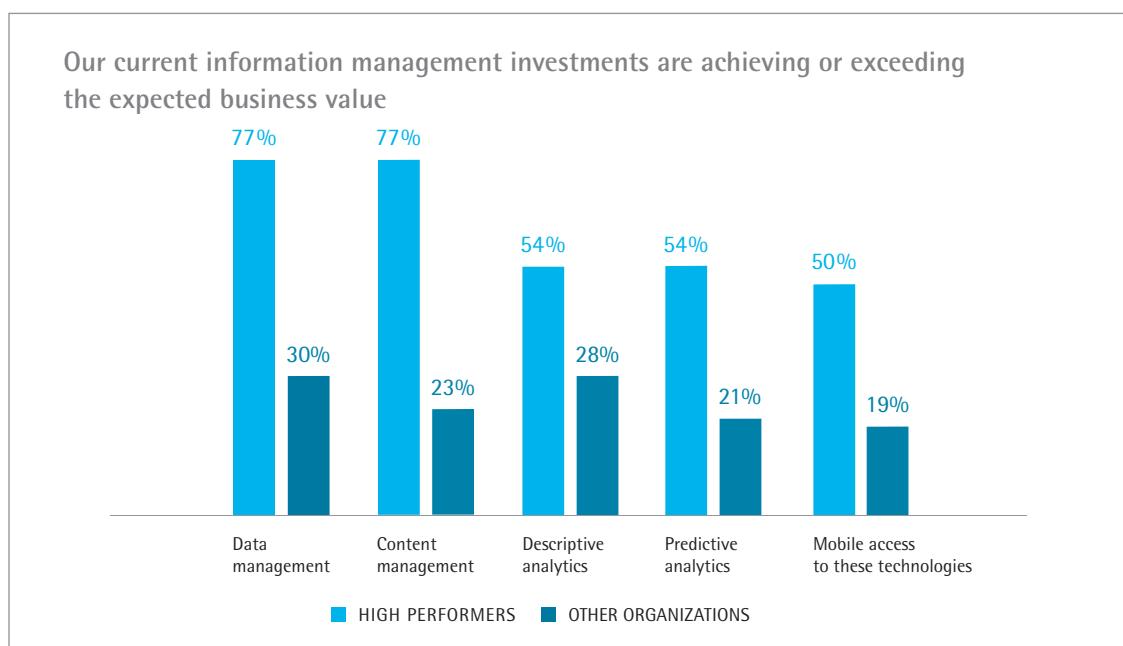
High performers are far closer to the ideal of having the right data. They have been investing in master data management and data quality assurance for years. Today, the majority of high performers are fully committed to these information-management technologies. Their investments in data management and predictive and descriptive analytics are paying off: twice as many high performers as other organizations are achieving or exceeding the business value they expected. (See Figure 13.) For example, leading consumer-goods company Procter & Gamble realized that in order to move its business to a forward-looking view, it needed to invest in data

management technologies. It needed to achieve one version of the truth, enabling decision makers to focus their discussions not on the "what" but on the "why" and "how".⁴

Building on this strong foundation and understanding the dynamics between information and business processes and systems, high

High performers' investments in data management and predictive and descriptive analytics are paying off.

FIGURE 13
Information management investments are paying off: twice as many high performers as other organizations are achieving or exceeding expected business value



performers are gaining the ability to embed analytics capabilities and feed customer insights into their processes. (See Figure 14.)

However, even high performers have some way to go. Although most are leveraging a mix of internal and external data in their analytical capabilities, they admit that they still face significant data-integration challenges.

What's the new frontier in data and analytics? When enterprises don't have access to the right data, they need to start looking differently at how they go about getting data. They can't rely solely on the limited universe of data they already

have. The challenge will be to figure out not only how to collect data but, in many cases, how to create it. Accenture contends that whereas the current generation of software was designed for functionality, the next generation must be designed for analytics as well.

Our organization has realized the following benefits from integrating its business processes, information, and IT systems to a very large extent

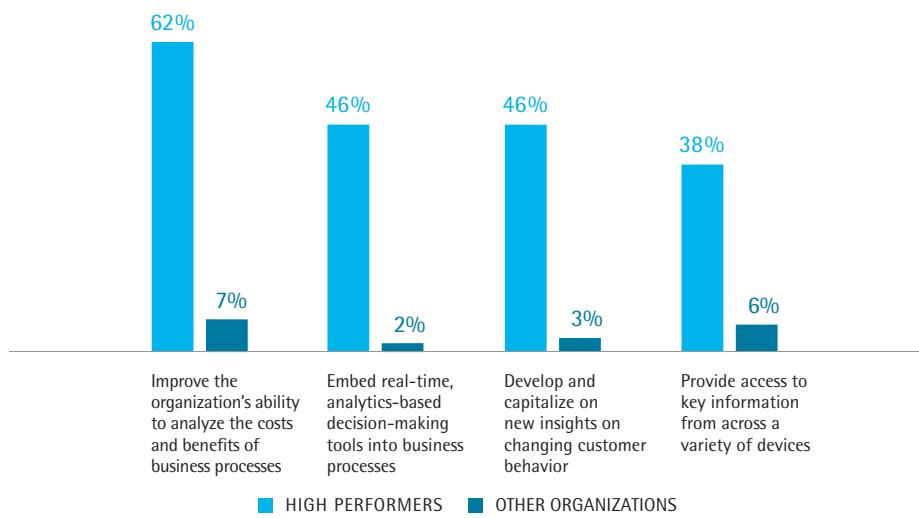


FIGURE 14
High performers
are building
strategic analytical
capabilities

46 % of high performers expect to adopt agile methods across their organization.

26



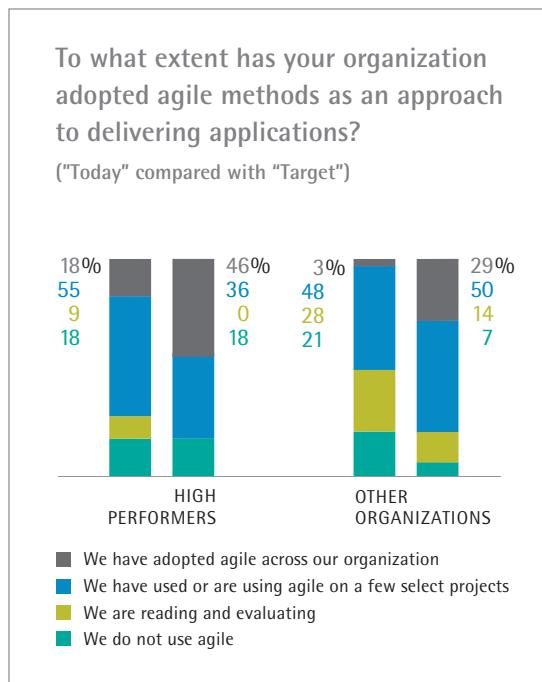
08

INSIGHT 08

Adopting agile to become agile

A key reason why high performers are eager to extricate themselves from their legacy systems is that they aim to open up many more degrees of freedom for their organizations. In other words, they are assiduously developing agile systems and operations that enable their organizations to adapt far more quickly.

FIGURE 15
One in five high performers has adopted agile methods across its organization



28

Accenture's research finds that one in five high performers has adopted agile methods across the organization—that's six times what others do.

(See Figure 15.) The benefits? Their companies can respond far faster to changes in their business, sensing and dodging problems and jumping more nimbly onto opportunities.

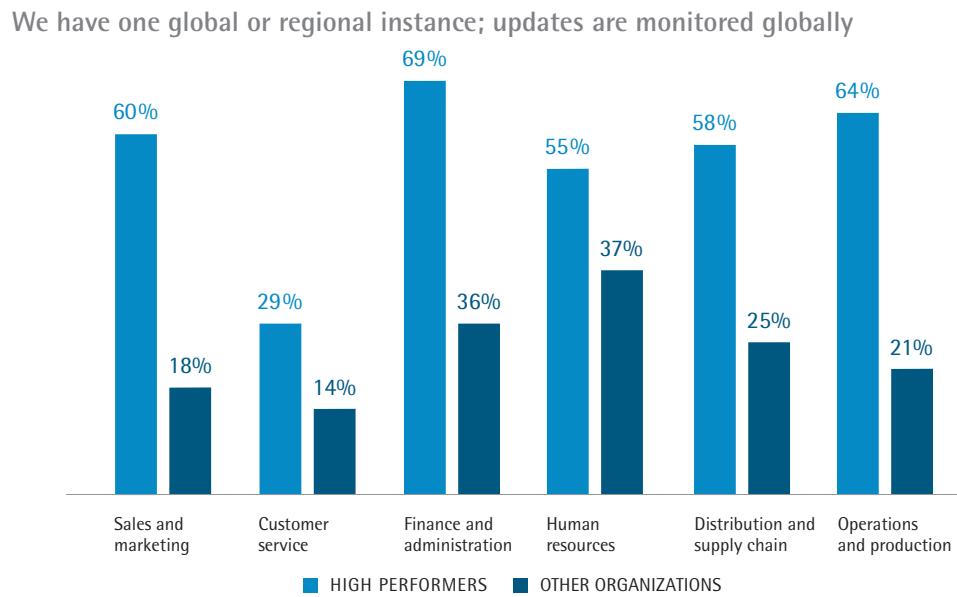
In essence, the high-performing teams are using agile methods to build simple, elegant, and flexible architectures that make it much easier to experiment with new technologies, respond to changes without the need to shut down systems, and add functionality as required. Agile methods also mean making incremental technological changes and quickly learning from them, rather than committing time and resources to massive monolithic rollouts.

High-performing teams are using agile methods to build simple, elegant, and flexible architectures.

In addition to building an agile architecture, high performers are remodeling their portfolios of applications to respond to volatility—not only to deal with increased market disruption and uncertainty, but also to handle more interactions with partner organizations and to handle faster changes to business models. Compared with other respondents, high performers have been

FIGURE 16

Compared with other organizations, high performers are more disciplined in reducing the applications count in their portfolios



better able to combat complexity because they have successfully reduced the numbers of applications in their portfolios—while modernizing those portfolios. (See Figure 16.) For example, 60 percent of high performers report that they already have one global or regional instance of their sales and marketing applications compared with 18 percent of other organizations. Moreover, 60 percent of high performers told

us they have recently upgraded their sales and marketing applications, compared with 26 percent of other organizations. This rationalized and modernized portfolio of applications gives high performers the flexibility to respond to business change more swiftly.

A close-up photograph of a young woman with dark hair, wearing white headphones and a light-colored hoodie. She is looking down and to her right, possibly at a smartphone or small tablet. The background is blurred, showing what appears to be a window with vertical blinds.

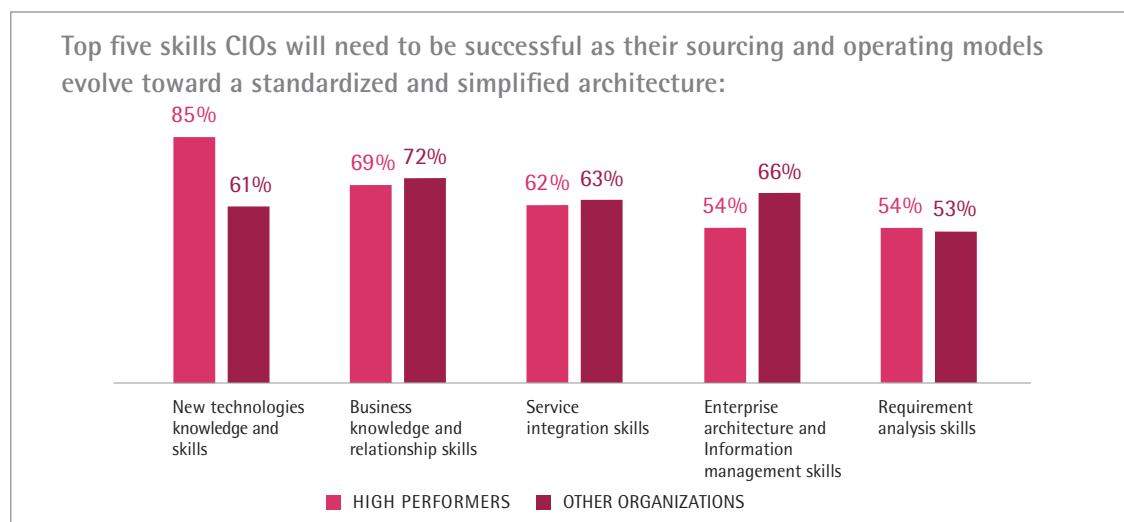
85 % of high performers identify skills in new technologies as one of the top skills to have for future success.

INSIGHT 09

Investing early in technology skills provides an edge

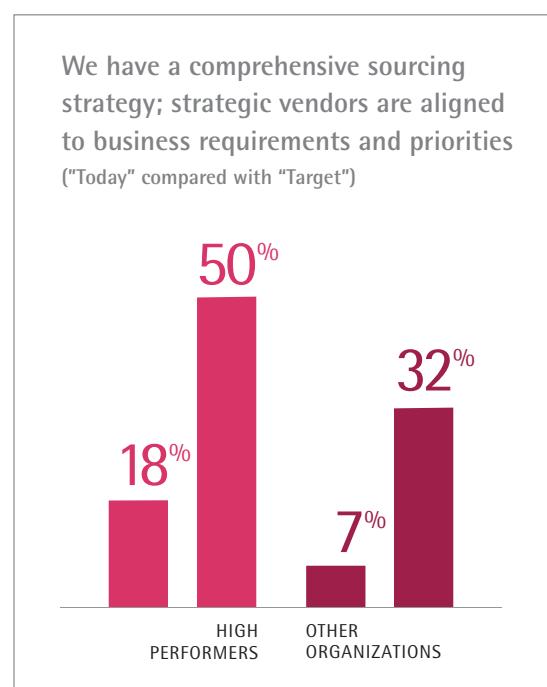
Accenture's research finds that the high performers identify, early on, the internal and external skills they need. Because they are avid experimenters, they can quickly spot where there are gaps in capabilities and skills. They have an especially keen eye for skills in new technologies, with 85 percent of high performers telling us skills in new technologies are some of the top skills to have for future success. (See Figure 17.) One-third of high performers have already addressed this gap (versus only 3 percent of other organizations) and another 44 percent are busy recruiting and training in those skills today (versus 30 percent of other organizations).

FIGURE 17
High performers identify, early on, the internal and external skills they need



"It's incumbent on IT to be early adopters of the technologies," says NCR CIO Bill VanCuren. "So the first challenge is to get your own IT organization on board with change. Yes, you have to balance your current set of IT offerings with the next wave of technologies that you're exploring, but meeting the challenge starts with the IT organization's ability to take risk and learn new things and then be the change agent for the company."

FIGURE 18
High performers are conscious of the talents available beyond their own organizations



Business knowledge and soft skills are also at the top of the list for most high performers. Their CIOs recognize how critical it is for IT leaders at many levels to be able to communicate effectively with their business colleagues.

The Accenture study reveals that leading CIOs are very conscious of the talents available beyond their own organizations. They think in terms of a talent network across partners, outsourcing firms, and consultants. One in five high performers has a comprehensive sourcing strategy, aligning key partners with business priorities—and doing so three times more than other organizations. (See Figure 18.) It's a different mindset, of course, to think about tapping into skills beyond full-time staffers, but it's crucial in a world in which requirements change quickly, and agility is key. And, it's a different type of talent—professionals who are comfortable with fluidity and change—that is needed in the digital world.

10

INSIGHT 10

The marriage of IT security and business risk

Despite an increasing focus on securing the growing digital business, IT departments struggle to keep pace with recent advances in security technologies. Although respondents from most organizations believe they currently have the right level of investment in compliance and overall security, 45 percent concede they have been underinvesting in cybersecurity. There is a general understanding that endpoint security is not enough, but the move to active defense—staying one step ahead of the attackers—isn't yet happening on a broad scale.

FIGURE 19
High performers view improving their ability to anticipate cyber threats and their approach to business continuity as their highest security priorities

Although security technologies are maturing rapidly and communities are forming to expose risks, the biggest problem is slow adoption of solutions that already exist. IT's core challenge: get current with best practices in security while getting smarter about the new active-defense possibilities.

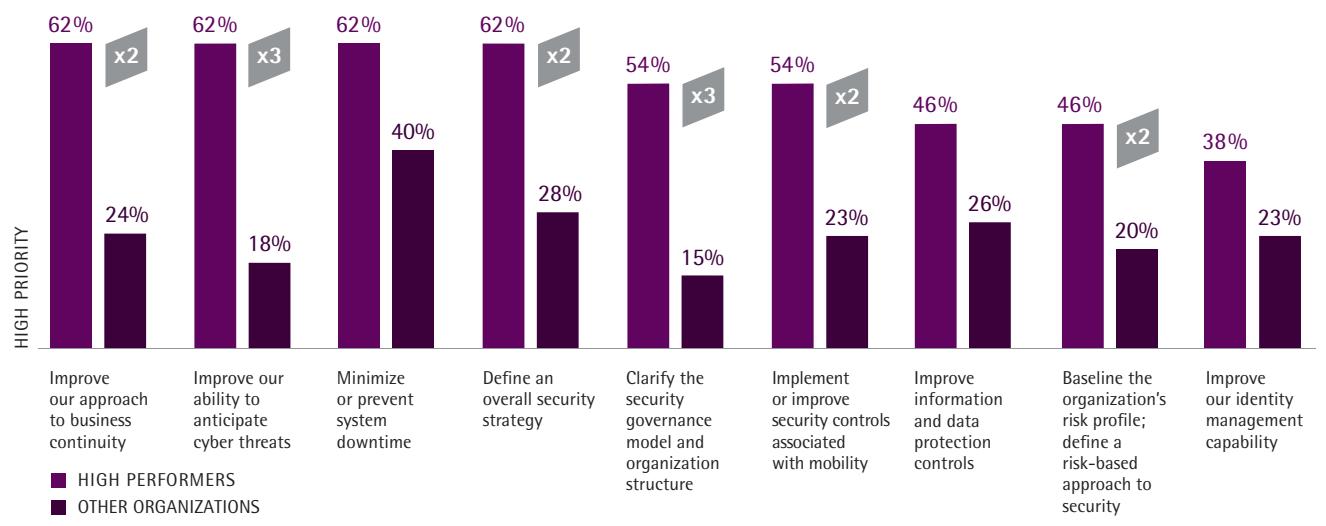
Security is assuredly an area in which the high performers far outpace other organizations in terms of priority. High performers put significantly more emphasis on the ability to anticipate cyber threats and on clarifying the security governance model and organization structure than do other IT organizations. They are also twice as likely to

give high priority to defining an overall security strategy, improving their approach to business continuity, defining a risk-based approach to security, and shoring up their security controls associated with mobility.

With improving the ability to anticipate cyber threats as a top priority, high performers are

In the high performers' mind, there is no point at which IT security ends and business risk begins; high performers see the two blending together seamlessly.

Please describe the security priorities for your organization:



further along in responding to that challenge—and indeed, in developing more effective, more holistic security policies in general. Their CIOs are acutely aware of the need to protect their organizations' intellectual property, product innovation, and processes. (See Figure 19.)

More than a quarter of the high performers are expanding the scope of their security and risk management functions to include intellectual property, product innovation, and processes—doing so three times more than other organizations, according to Accenture's research. (See Figure 20.)

In the high performers' mind, there is no point at which IT security ends and business risk begins; high performers see the two blending together seamlessly. Eight out of ten already track their organizations' operational risks stemming from IT investments—notably those in digital technologies. Their goal is to keep risks in check; 75 percent of high performers aim to continue to lower their risk profiles in the short term. To that end, almost half of their security organizations

The security and risk management function is moving outside the boundaries of traditional IT to protect intellectual property, product innovation and unique processes ("Today" compared with "Target")

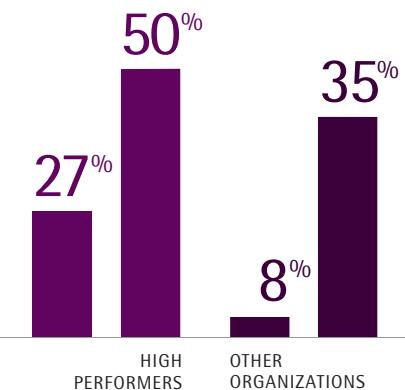


FIGURE 20
High performers protect their IP, product innovation, and processes

work hand in glove with the lines of business—four times more than other organizations. And more than one-third of high performers measure the value of security and track specific outcomes of incidents and breaches, attributing *business* value to security. Only 5 percent of other organizations are doing that today.

CONCLUSION

In previous rounds of Accenture's High Performance IT research, we discussed how little change there has been across the IT disciplines. Although the high performers have been operating consistently at levels far and above the rest, overall there have been very few step changes—that is, few pronounced differences from one round of research to the next. However, this fourth round of the research reveals some stark distinctions. Not only is the gap between the high performers and the rest as wide as ever, but high performers now have the tools and know-how—digital tools and digital know-how—to race far ahead of the rest.

This raises many provocative questions: Will the high performers already on the digital journey be the leaders of business and industry if they do it right? What will happen to the organizations that are distinctly far behind? And what will happen to the IT function itself as business and IT converge in the digital world? Will the "high" in high performance be redefined once again?

One thing we do know is that over the course of the four rounds of Accenture's High Performance IT research, there are three trends that continue unchanged: across the board, the gap between high performers and the rest remains wide;

the CIO's relationship with the rest of the C-suite is vitally important for their success; and, as technology becomes more central to businesses, the IT and business agenda becomes one and the same. This is something for CIOs to think about as they look at their organizations in the future. And it's a challenge for Accenture as we embark on the next round of research.

PROFILE OF A HIGH PERFORMER

Three building blocks provide a guide for CIOs

IT Execution

- Provides access to the right management tools and information for proactively tracking the performance of IT in the organization to sustain continuous improvement
- Measures the impact of enterprise architecture projects
- Has comprehensive data-management policies and procedures to enforce data standards and security
- Proactively measures and monitors performance of applications and replaces some to drive greater returns
- Prioritizes investments in applications on the basis of users' needs for business process improvement
- Understands the value of being able to track benefits of infrastructure investments at all times and efficiently manages the costs and benefits of their infrastructure services
- Enforces comprehensive security-governance policies and standards that are tied to risk management functions and has secured end-to-end information processes

IT Agility

- Considers a strong and mature enterprise architecture to be a critical IT requirement
- Proactively retires legacy systems and achieves higher levels of end-to-end systems interoperability and availability
- Integrates the portfolio of applications internally and externally to optimize the automation of processes
- Manages systems that are responsive to changing business-information needs and shares data as "services" across the infrastructure

IT Innovation

- Leads the market in adoption of innovative technologies
- Positions the IT organization to play a critical role in the innovation process of the organization and uses IT to craft business strategies and create new business opportunities
- Works closely with business users to optimize functionality and lower operational costs
- Creates policies that support internal- and external-asset reuse
- Provides real-time decision-making tools that allow employees to access and analyze information
- Follows a centralized risk-management approach and always designs business processes with security and data privacy in mind

ENDNOTES

"Interview with Michael Harte, CIO, Commonwealth Bank of Australia," CIO, August 2, 2013.

"Deutsche Telekom: Creating a Customer Portal Using PaaS," Accenture, 2013.

"ATO, Defence Talk BYOD," CIO, July 24, 2013.

"Data Analytics Allows P&G to Turn on a Dime," CIO Insight, May 3, 2013.

HOW ACCENTURE MEASURES HIGH PERFORMANCE

Accenture's High Performance IT research program is a global effort that measures organizations' IT capabilities as an indicator of high performance.

To identify high performers, we begin with a core set of more than 68 performance indicators in 37 questions that address prerequisites for IT leadership in each building block. To ensure that the appropriate indicators are used, we employ reliability scores (using results that are consistent). We then use the questions to calculate each participant's performance score for each of the three building blocks.

Using the score, we then calculate a mean of the resulting performance scores for each building block. Next, we identify the leaders in each building block by selecting the participants with scores that were higher than one standard deviation from the mean result (approximately the top 15th percentile).

High performers are those that are leaders in all three building blocks. For this fourth global High Performance IT research, we identified 13 high performers among the 202 respondents.

ABOUT THIS STUDY

The High Performance IT research program has been operating since 2005, and to date has involved in-depth participation by more than 1,700 CIOs across 45 countries. Field research for the 2013 study began in 2012; assessments were conducted by the most senior IT executives in 202 of the world's largest private- and public-sector organizations.

The respondents represent a wide range of industries and geographies: 45 percent were from Europe, 19 percent from North America, 20 percent from Asia Pacific, and 15 percent from Latin America. The companies have combined annual revenues of over \$2.4 trillion and include both Accenture clients and non-clients.

For the survey, Accenture used more than 150 proprietary indicators of high performance in managing IT, across eight IT capabilities. Many of these questions were created to shed light on the differences between CIO assessments of how their IT is performing today and where they aspire it to perform in the future. In the 150 areas of IT management, respondents were asked to rate their IT practice on a scale ranging from "Ad Hoc or Not Managed" (1) through "Defined and Managed" (3) to "High Performing" (5). The definitions of "Ad Hoc or Not Managed," "Defined and Managed," and "High Performing" were based on Accenture's appraisal of industry consensus on the given topic.

*For more information about the High Performance IT research, contact Paul Daugherty,
paul.r.daugherty@accenture.com
or visit www.accenture.com/highperformanceit.*



Copyright © 2013 Accenture All rights reserved.
Accenture, its logo, and High performance. Delivered.
are trademarks of Accenture. This document makes
descriptive reference to trademarks that may be owned
by others. The use of such trademarks herein is not an
assertion of ownership of such trademarks by Accenture
and is not intended to represent or imply the existence
of an association between Accenture and the lawful
owners of such trademarks.