

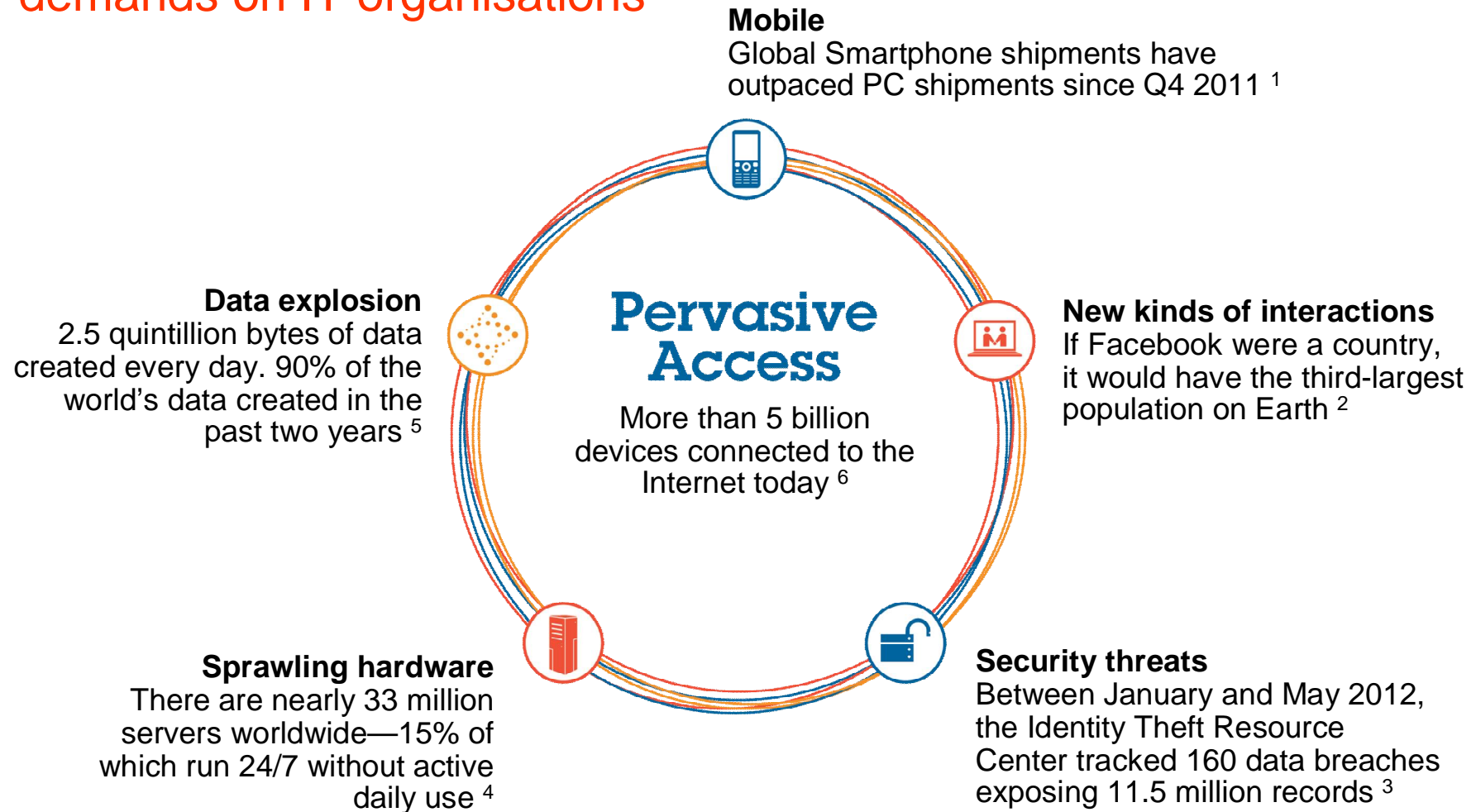
Examining the powerful transformational role Cloud plays in Business, IT & our daily lives

Mark Tomlinson

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Cloud Solutions for Financial Services*



Many of the most pressing technological factors are placing greater demands on IT organisations

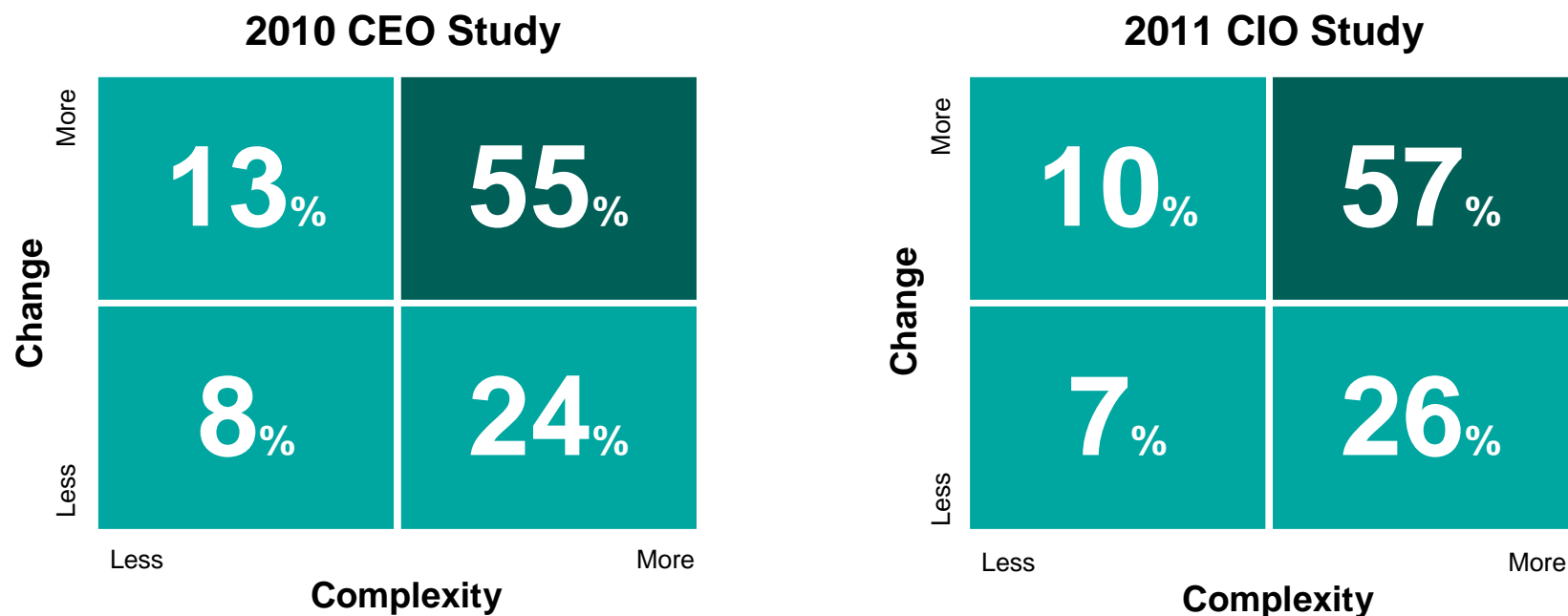


Sources: 1. Canals smartphone shipment estimates, February 2012. 2. Facebook IPO filing, April 2012. 3. Identity Theft Resource Center breaches report, May 2012.

2 4. The Green Grid Unused servers survey. 5. IBM analysis, April 2012. 6. IMS Research analysis, August 2010

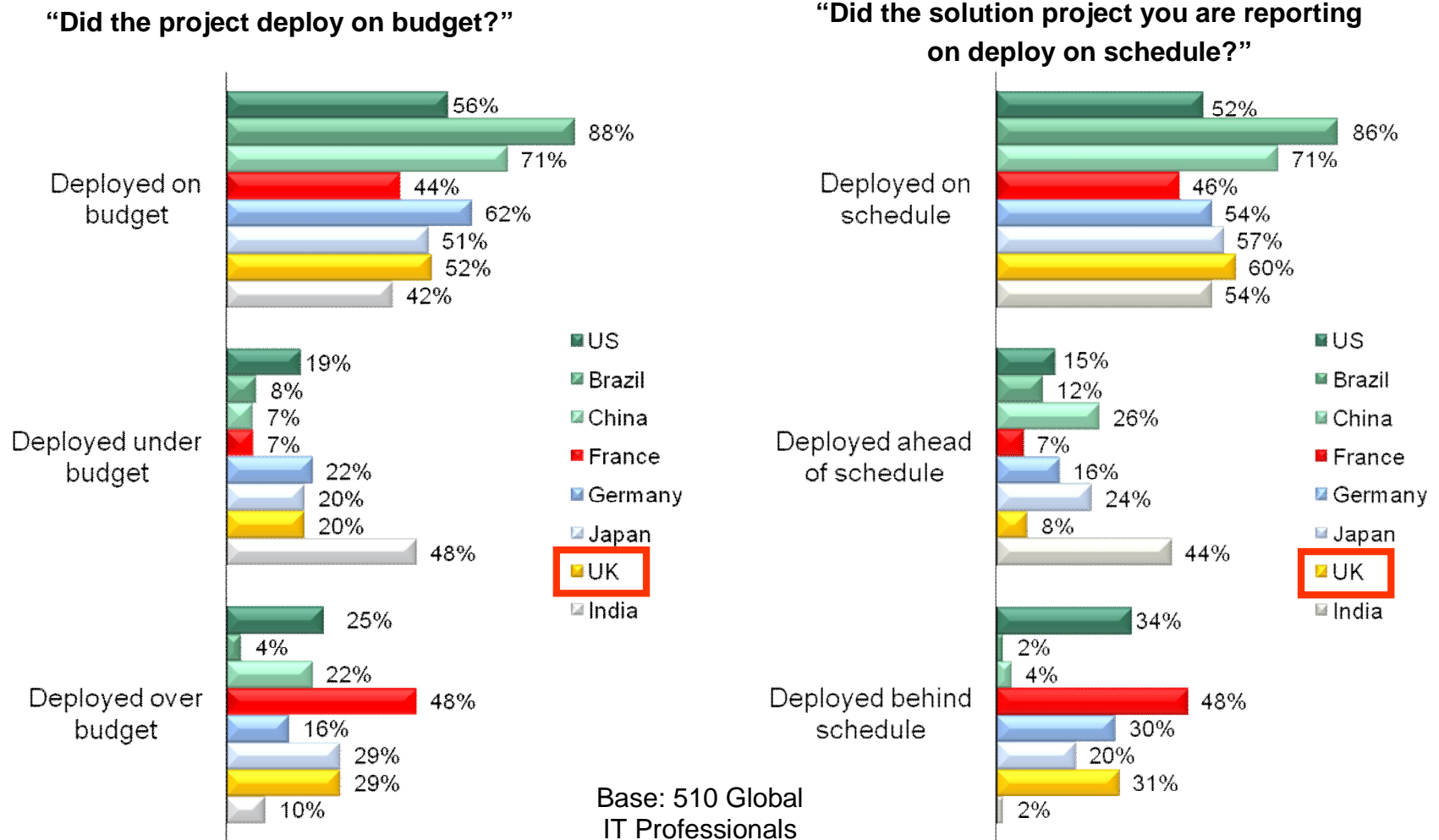
CEOs and CIOs are almost identically aligned in their perception of the challenges ahead

Expectation of complexity and change in the coming 3 to 5 years



Source: IBM CEO study 2010, based on face-to-face conversations with 1500 CEOs / CIO study 2011, based on face-to-face conversations with over 3,000 CIOs

However many traditional projects deploy either behind schedule, over budget, or both



Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, October-December, 2011

The most successful CIOs will be those who understand and deliver on four mandates, aligned with their organisation's strategy

Expand mandate
Refine business processes and enhance collaboration

- Outsource to focus on differentiators
- Communicate & collaborate internally
- Focus on business process management
- Review and update legacy environment

47% for UKI respondents, 50% of global respondents

Leverage mandate
Streamline operations and increase organisational effectiveness

- Standardise infrastructure & processes
- Control legacy costs
- Implement collaboration tools
- Conservative introduction of technology

18% for UKI respondents, 14% of global respondents

Transform mandate
Change the industry value chain through improved relationships

- Use "Big Data" and real-time info
- Simplify for clients/partners
- Enhance and expand the value chain
- Use risk management frameworks

20% of UKI respondents, 23% of global respondents

Pioneer mandate
Radically innovate products, markets, business models

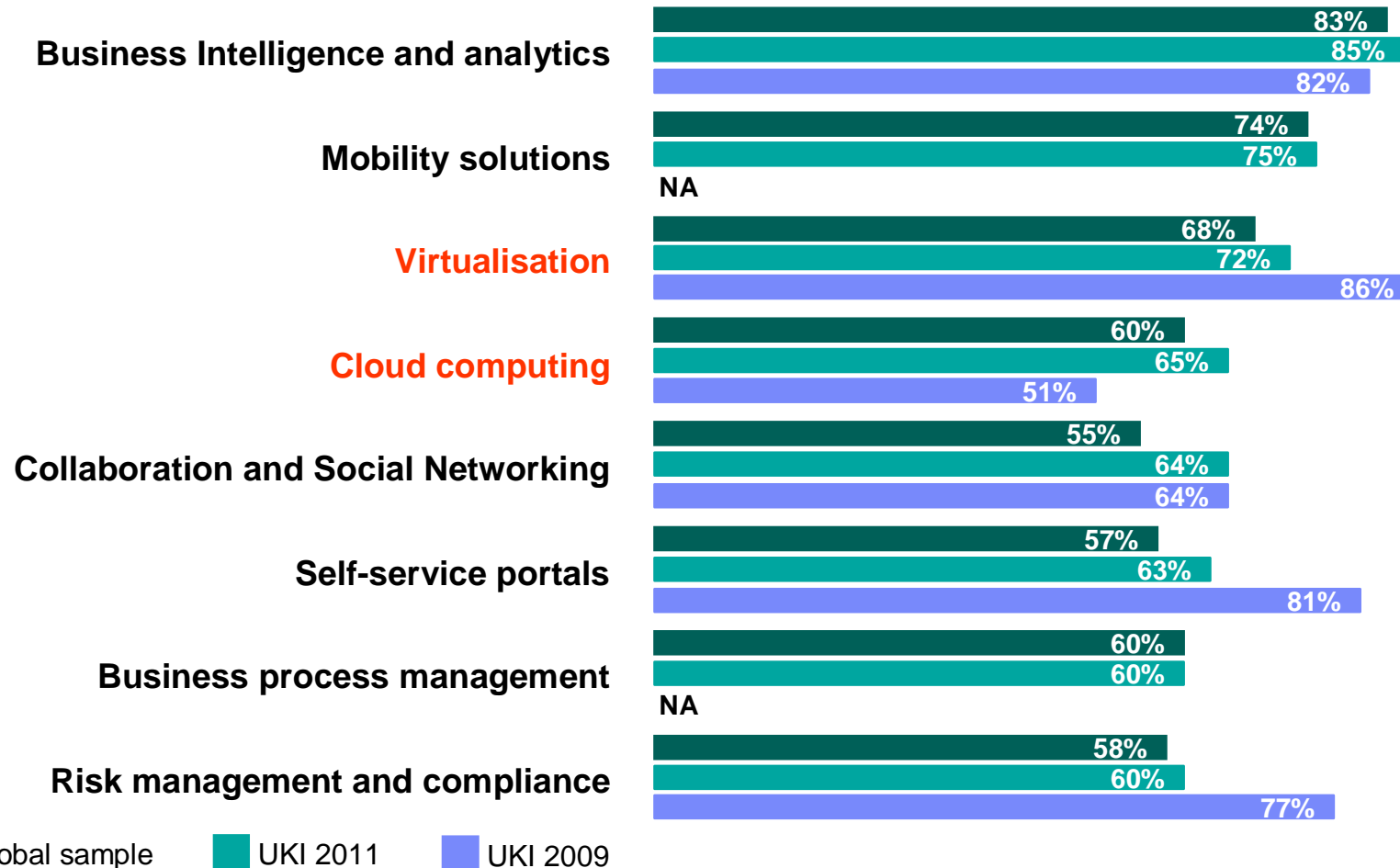
- Pilot technology for social value
- Explore new sources of revenue
- Enhance customer experience
- Pursue non-stop growth

15% of UKI respondents, 13% of global respondents



CIO visionary plans are evolving: business intelligence and analytics remain at the top, with cloud computing moving into the top four

Most important 3 to 5 year visionary plan elements
(Interviewed CIOs could select as many as they wanted)



Source: 2011 CIO Study, Q12: "Which visionary plans do you have to increase competitiveness over the next 3 to 5 years?"; Global sample, n=3,018; UK/Ireland, n=113

The most forward-thinking companies also see cloud as a force that will impact their business models

Expect significant increase in change resulting from cloud



Expect to reinvent their customer value propositions with cloud



Expect to create / transform value chain through cloud



■ Today
■ 2015

Shift focus to driving substantial impact on customer relationships



*Source: 2012 IBM Institute for Business Value / The Economist study "The power of cloud – driving business model innovation"

IBM UK's 2012 "The Future of the IT Department" white paper



Addresses two common questions by exploring the impact of Cloud on IT roles and responsibilities in the next 3-5 years:

“Will cloud computing replace my IT department?”

“What roles should I be recruiting for as we move our IT to cloud computing?”

The paper investigates a scenario where an enterprise has chosen to move the delivery of all IT services to cloud providers.

Introducing IBM's Component Business Model for the Business of IT

	IT Customer Relationship	IT Business Strategy	IT Business Administration	Business Resilience	Information	Service and Solution Development	Service and Solution Deployment	Service Delivery and Support			
Direct	Customer Business Intelligence	Business Technology and Governance Strategy	IT Business Model	Business Risk and Compliance Strategy	Information Strategy	Development Strategy	Deployment Strategy	Service Delivery Strategy			
		Portfolio Management Strategy		Business Resilience Strategy					Service Support Strategy		
	Customer Transformation Needs Identification	Enterprise Architecture						Service Management Strategy			
Control	Market Planning and Communications	IT Management System Control	Financial Control and Accounting	Business Risk and Compliance Control	Information Architecture	Service and Solution Lifecycle Planning	Service and Solution Implementation Planning	Service Delivery Control			
	Customer Transformation Consulting and Guidance	Portfolio Value Management	Site and Facility Administration	Continuous Business Operations Planning				Information Lifecycle Planning and Control	Service and Solution Architecture	Change Deployment Control	Infrastructure Resource Planning
	Service Demand and Performance Planning	Technology Innovation	Human Resource Planning and Administration	Security, Privacy and Data Protection							Service Delivery Operations
			Sourcing Relationships and Selection								
			Procurement and Contracts	Business Compliance Analysis	Information Content	Service and Solution Creation and Testing	Technology Implementation				
			Vendor Service Coordination	Business Resilience Operations				Service and Solution Maintenance and Testing	Service and Solution Rollout		
		Customer Contracts and Pricing	User Identity and Access Processing								
Execute	Service and Solution Selling	Project Management									
	Service Performance Analysis	Knowledge Management									

Our model is grouped into a number of competencies

	IT Customer Relationship	IT Business Strategy	IT Business Administration	Business Resilience	Information	Service and Solution Development	Service and Solution Deployment	Service Delivery and Support
Direct	Plan and manage					Build and Transition		Run
Control								
Execute								

And a number of aspects

	IT Customer Relationship	IT Business Strategy	IT Business Administration	Business Resilience	Information	Service and Solution Development	Service and Solution Deployment	Service Delivery and Support
Direct	Strategic Direction							
Control	Control							
Execute	Execution							

The model "after Cloud"

	IT Customer Relationship	IT Business Strategy	IT Business Administration	Business Resilience	Information	Service and Solution Development	Service and Solution Deployment	Service Delivery and Support
Direct	Customer Business Intelligence	Business Technology and Governance Strategy Portfolio Management Strategy	IT Business Model	Business Risk and Compliance Strategy	Information Strategy	Development Strategy	Deployment Strategy	Service Delivery Strategy
	Customer Transformation Needs Identification	Enterprise Architecture Service Management Strategy		Business Resilience Strategy				Service Support Strategy
Control	Market Planning and Communications	IT Management System Control	Financial Control and Accounting	Business Risk and Compliance Control	Information Architecture	Service and Solution Lifecycle Planning	Service and Solution Implementation Planning	Service Delivery Control
	Customer Transformation Consulting and Guidance	Portfolio Value Management	Site and Facility Administration	Continuous Business Operations Planning				Infrastructure Resource Planning
	Service Demand and Performance Planning	Technology Innovation	Human Resource Planning and Administration Sourcing Relationships and Selection	Security, Privacy and Data Protection	Information Lifecycle Planning and Control	Service and Solution Architecture	Change Deployment Control	Service Support Planning
Execute	Service and Solution Selling	Project Management	Procurement and Contracts	Business Compliance Analysis	Information Content	Service and Solution Creation and Testing	Technology Implementation	Service Delivery Operations
	Service Performance Analysis	Knowledge Management	Vendor Service Coordination	Business Resilience Operations				Infrastructure Resource Administration
			Customer Contracts and Pricing	User Identity and Access Processing		Service and Solution Maintenance and Testing	Service and Solution Rollout	Service Support Operations

Summary of findings

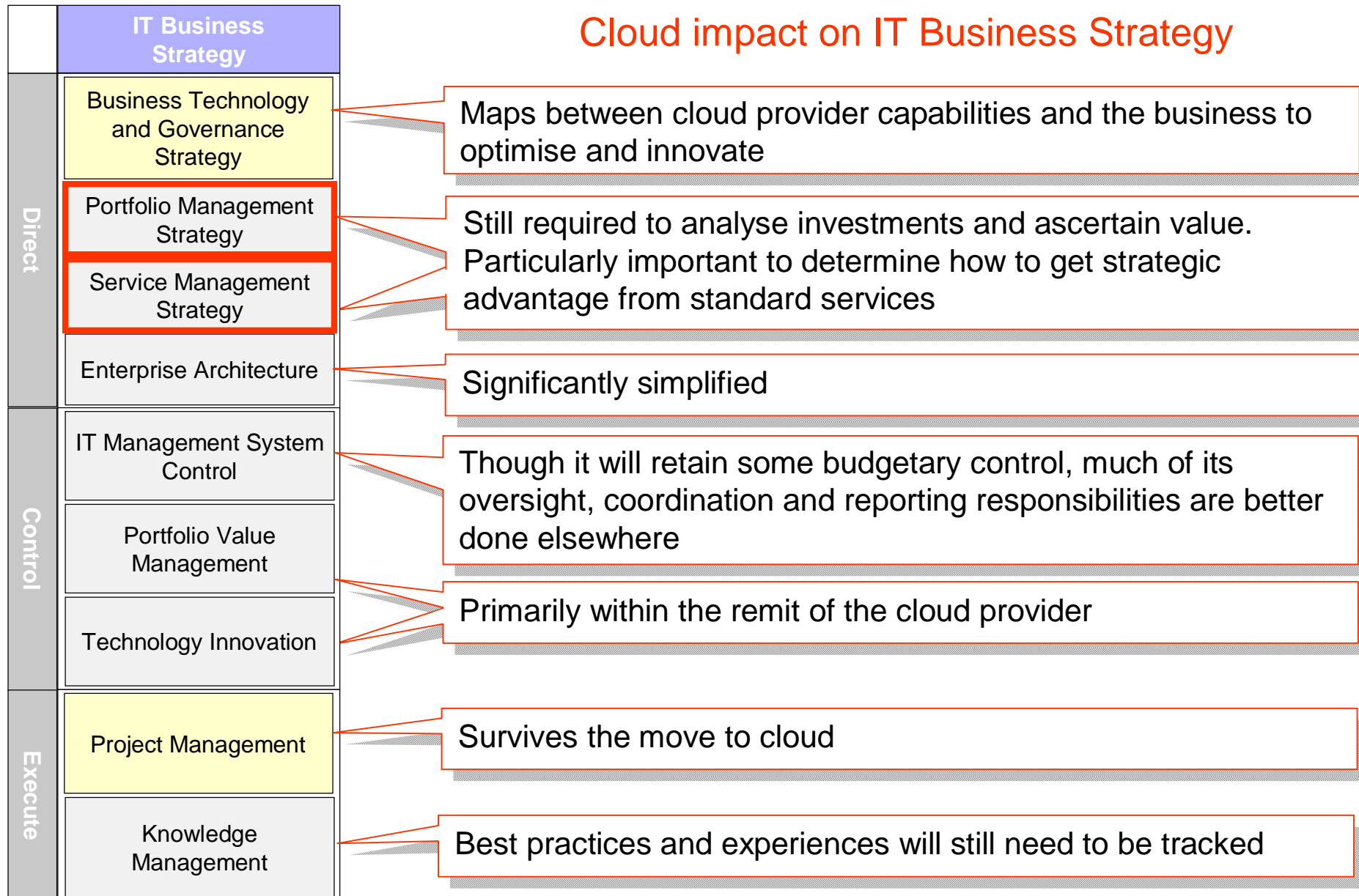
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			Customer Contracts and Pricing	User Identity and Access Processing	Service Support Operations			

1. The majority of current job roles remain, albeit many with much reduced scope or importance
2. Fewer strategic roles are impacted than tactical or operational ones
3. Build and Run are the main ‘casualties’ as organisations source services from cloud providers
4. Planning & commercial skills are key and become more so; linking the IT department more closely to the business

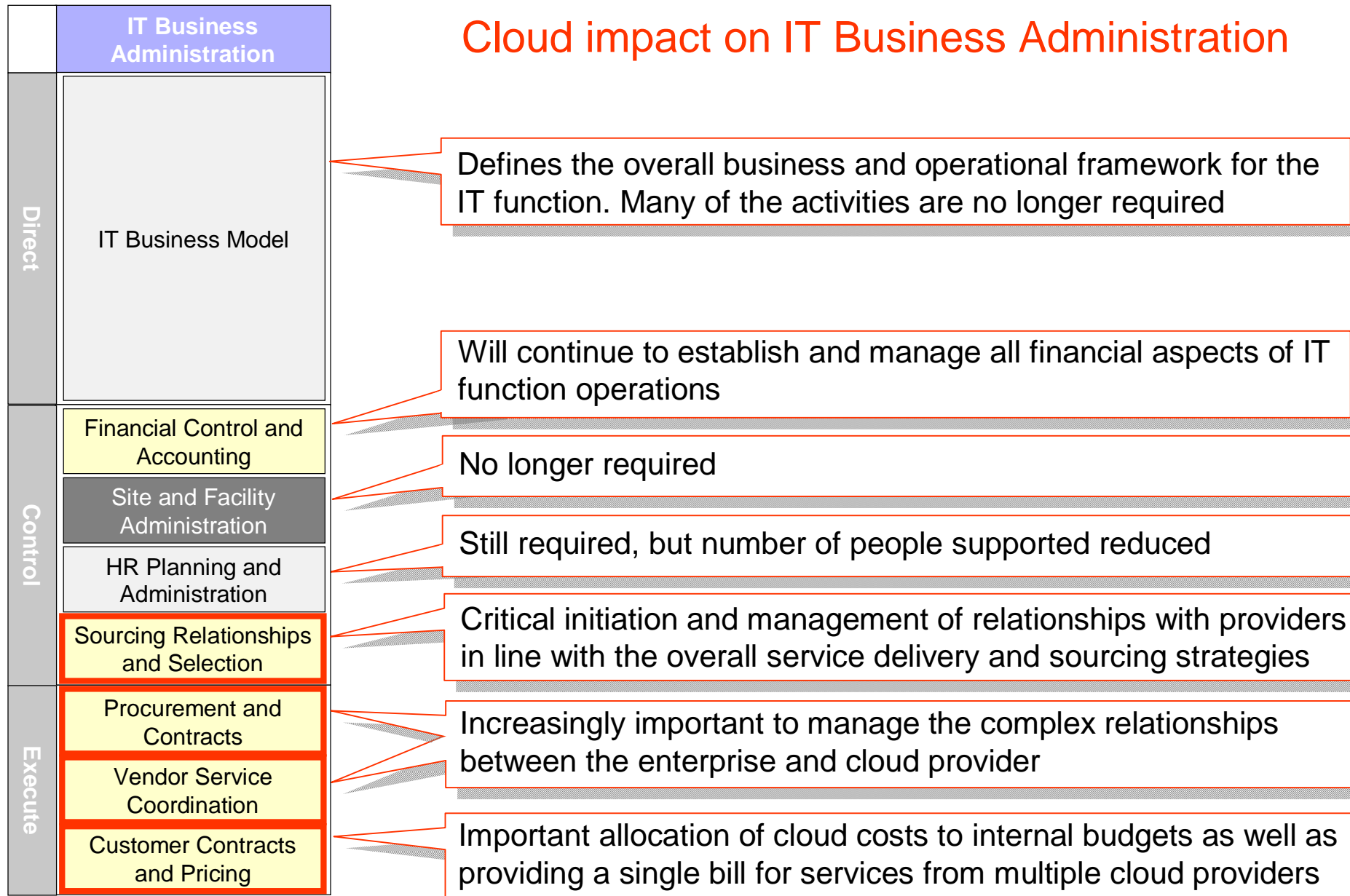
“Traditionally we’d have needed 40 people to run this infrastructure. Cloud takes this down to three.”

- IT Director, Global Service Provider

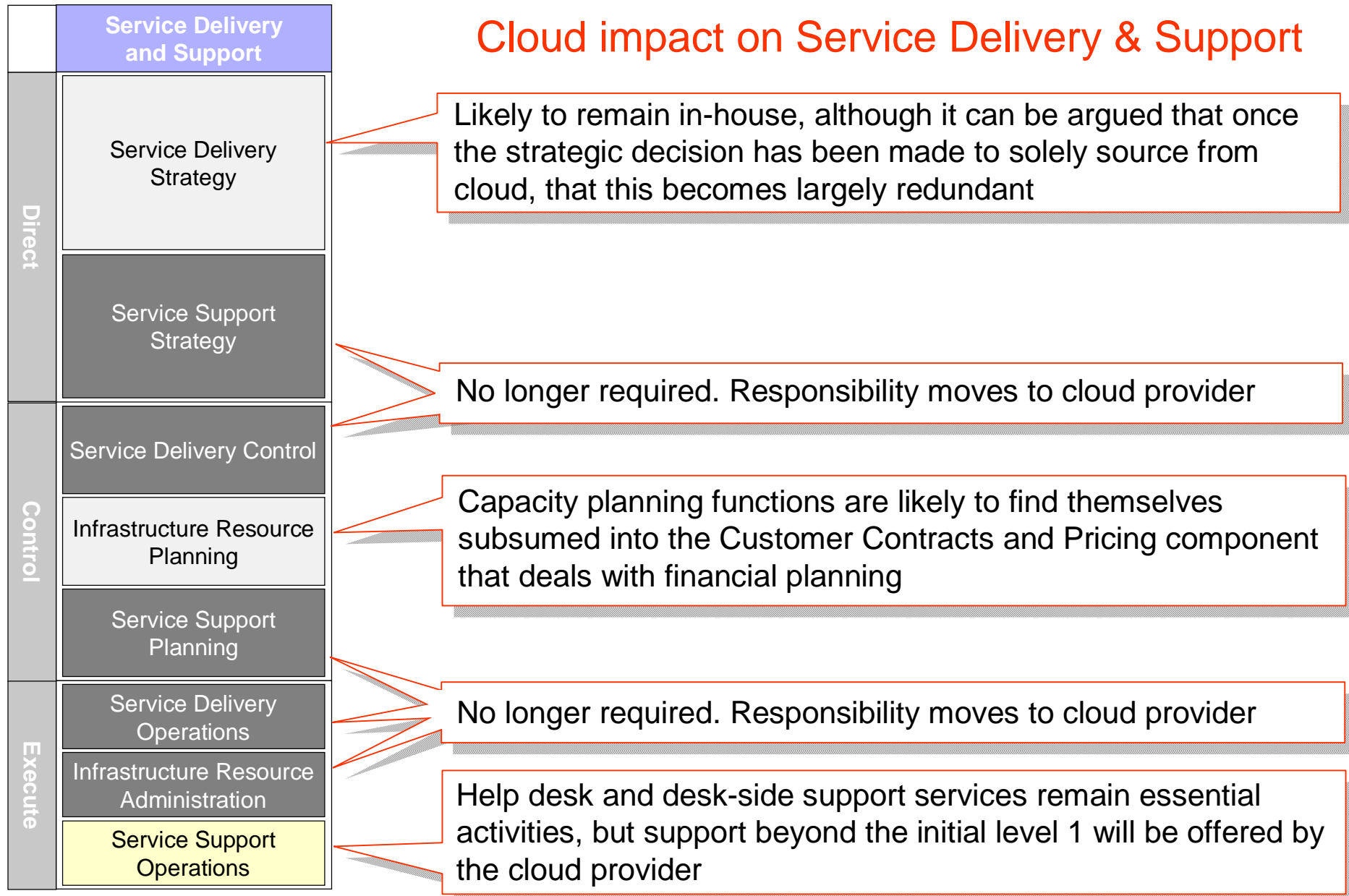
Cloud impact on IT Business Strategy



Cloud impact on IT Business Administration



Cloud impact on Service Delivery & Support



Further observations



The fundamental challenge for most organisations revolves around standardised vs. bespoke services

Governance remains a critical capability, particularly around maintaining control over SaaS adoption



Integration remains a challenge, but there is likely to be an opportunity to also source this as a service in the future

Relationships with partners and service providers in all guises will become increasingly important



Mind the (skills) gap



- With many of the traditional junior roles in development and operations moving outside the enterprise, it is hard to ascertain how candidates for these new strategy and coordination roles will gain the experience they need
- These junior roles will still reside within the service providers, but may be much fewer in number and more likely to be offshore
- Academia has an important part to play in ensuring that graduates are equipped with the right skills
- Carefully consider your future resourcing and retention plan

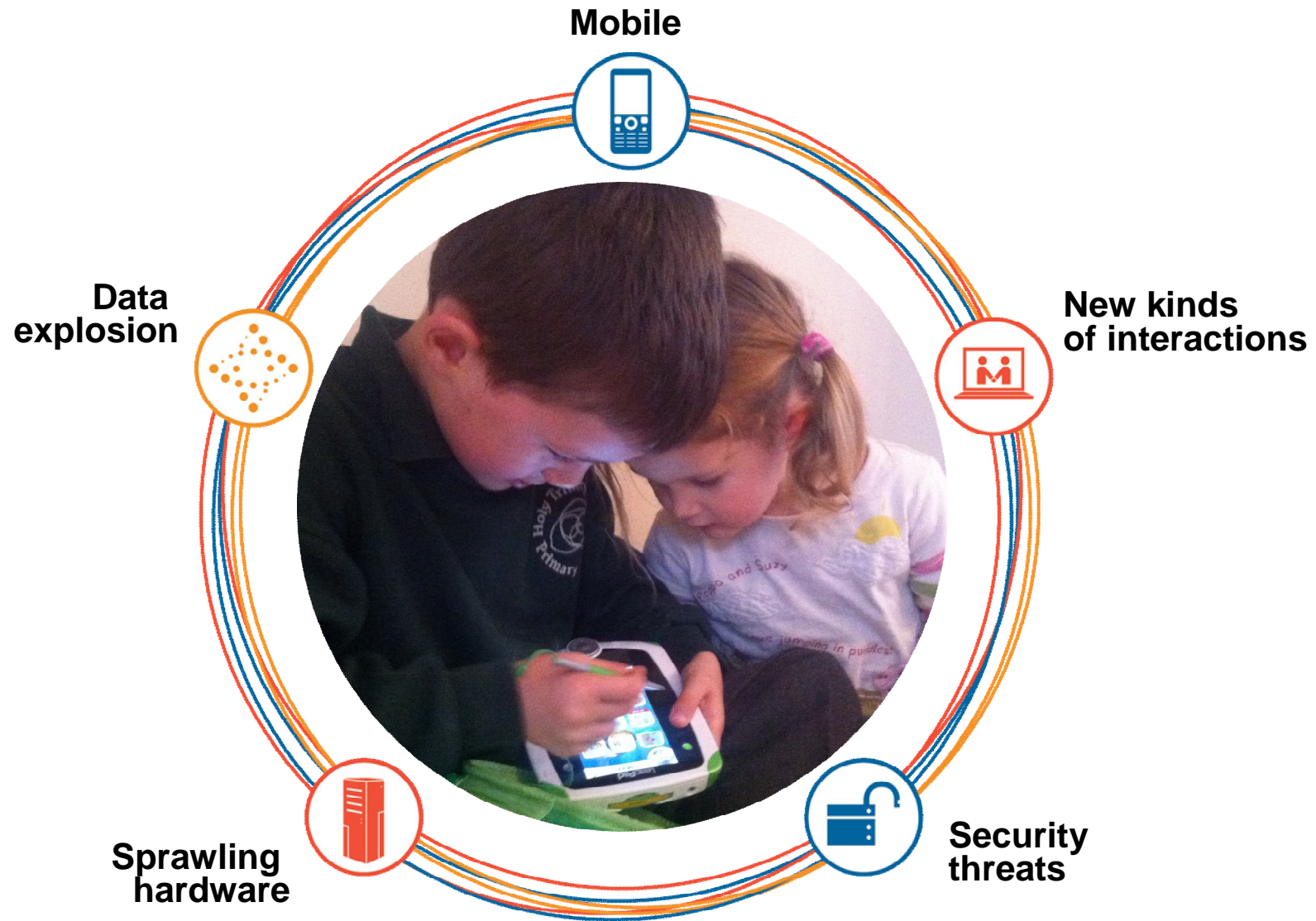
For those considering private cloud adoption

- The adoption of Expert Integrated / converged / engineered systems is on the increase
- These systems provide integrated management for compute, storage, networking and middleware
- We see many clients trying to force-fit these into their existing organisational design
- Changes to traditional IT silos, processes and handoffs is necessary to fully capitalise on the benefits these new systems bring



PureSystems

Cloud and the transformation of business, IT and our daily lives



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