

Driving Business Agility with Quality, Change & Portfolio Management Strategies

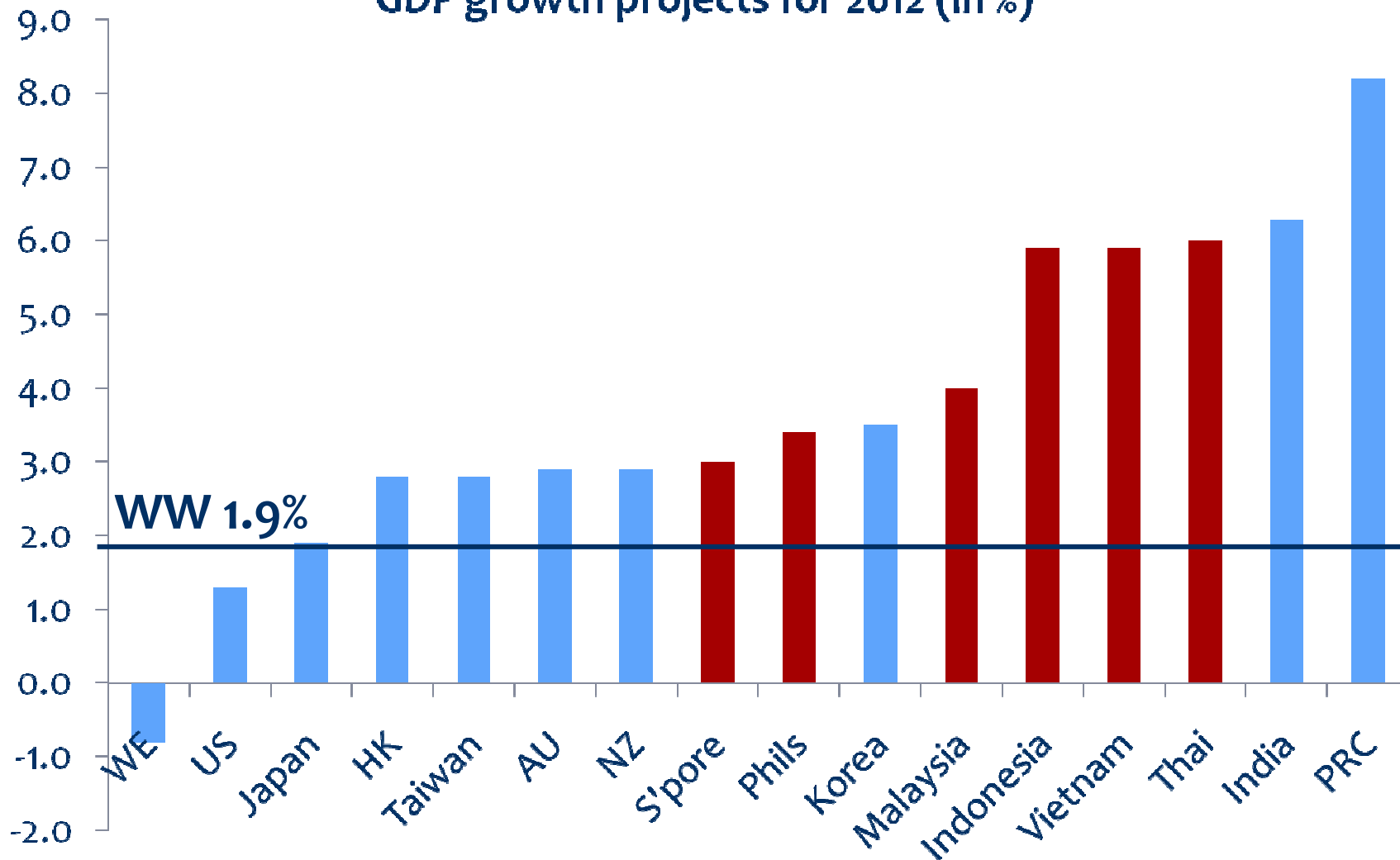
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Market Situation

THE CHANGING LANDSCAPE

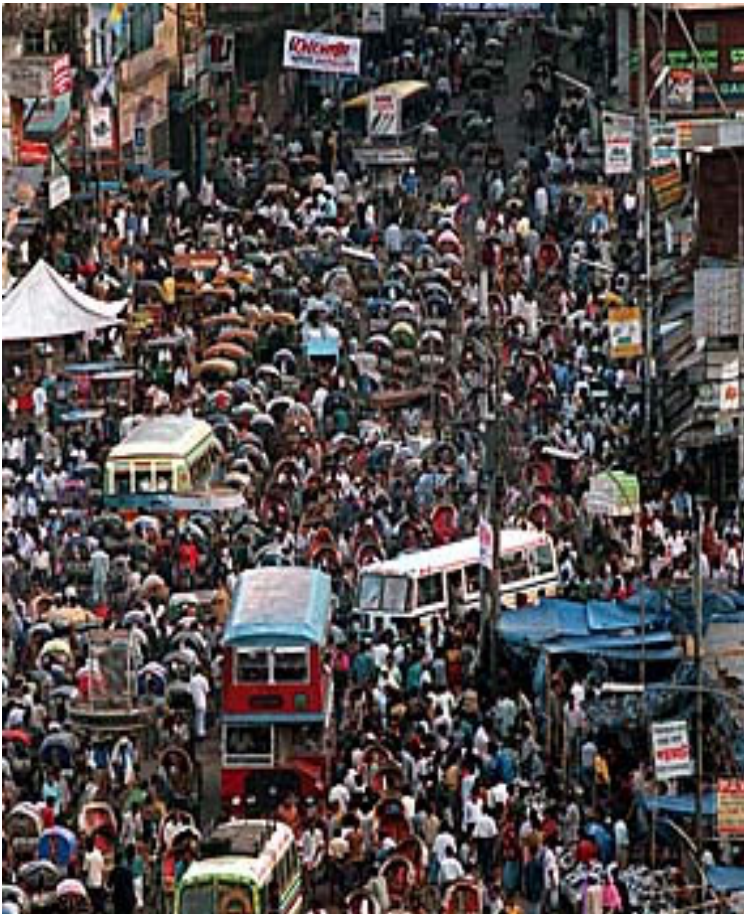
The Growth is all Here!

GDP growth projects for 2012 (in %)

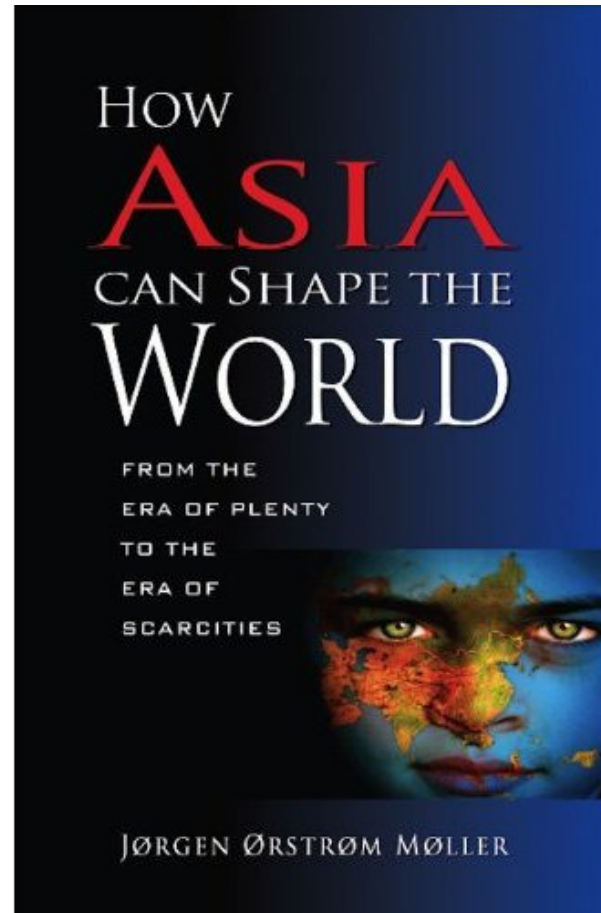


Asia is Preparing to Play a New Role

Growing Power



Growing Readiness



Competition

Innovation

Infrastructure

Regulations

Investments

Asia Based Global
Giants

Asia's Industries in Transformation



Asia's
Manufacturers
Serve
Domestic
Markets



Asia's Banks
Expand
Branches and
Products

Utilities
Rethink
Renewable
Energy
Strategies



Urban
Populations
Stretch
Healthcare
Resources



Transparency
and
Accountability
Drive
Government
Agendas

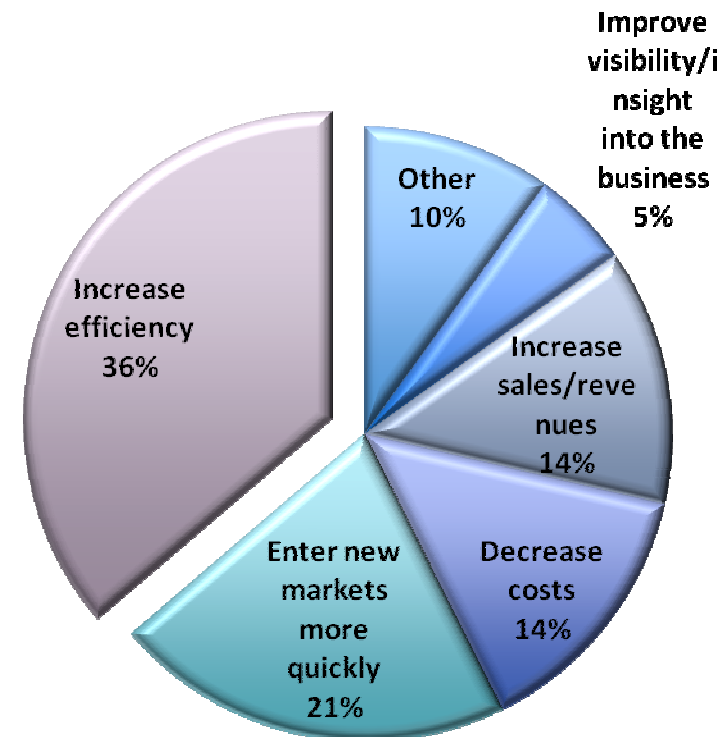


Asia's
Retailers
Compete with
Global Brands

The Asian CFO View of IT

In the next 6 months, which of the following do you expect to be the biggest focus of your IT department

- ✓ Stronger focus on **efficiency creation** than on cost cutting
- ✓ Sentiment that CIOs should be capable of supporting non-IT priorities
- ✓ CIOs will be challenged to be proactive on non-IT priorities



IDC Asia/Pacific CFO Poll, Nov 2011, n=250

Top business initiatives

ICT to deliver business outcomes



Q. Looking out to 2012-2013, what will be your organization's top business initiatives?

Market expansion & customer centricity



Executive Callout

- Market growth (& customer is king) remains top of mind
- (but) Cost is higher on the agenda
- IT needs to deliver business-outcome value

advantage of the new market

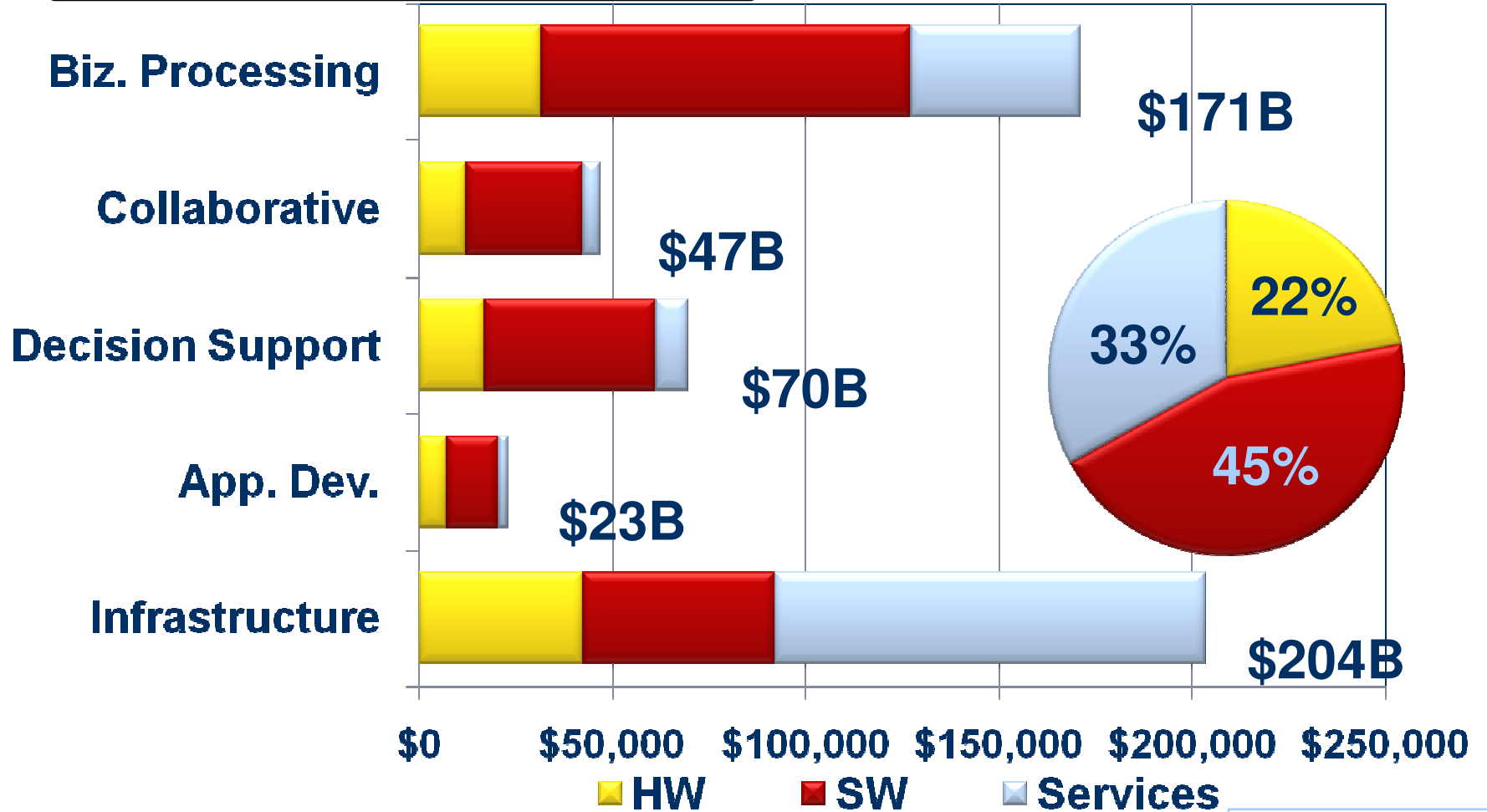
2012 CIO

2012 LoB

0% 5% 10% 15% 20% 25% 30% 35% 40%

Software will Play a Critical Role

Customer Spending, 2010 (\$B)



2015 Spend (\$B): HW **\$141B** SW **\$329B** Services **\$205B**

Industry Highlights: Disruptive Trends Driving ALM Adoption & Services



- **Organizations must invest in business-critical software** in a dynamic economy, proactive strategy enables hyper-growth **ASEAN opportunity**.
- **Mobile, Cloud, Social Opportunities and Challenges** Mobile is a MUST; cross platform deployment is core for business; ALM key to manage **Devops**
- **Complex sourcing/off-shoring** plus use of open source need strong teaming, effective code management, testing, change and IT project portfolio management. **Services driven environment** (SaaS/cloud, Devops)
- **Global economic competition and local compliance** across geographies demand quality, change and portfolio management, adaptability and rigor
- **Emerging security Issues** (as driver) and cloud (as enabling technology) for ALM adoption; ad hoc approaches unsustainable
- **Smarter product emergence demands software:** evolving lifecycle adoption for embedded software a necessity
- **End-user experience** and business impact challenges of rich Internet, mobile, analytics, with social media collaboration/community opportunities

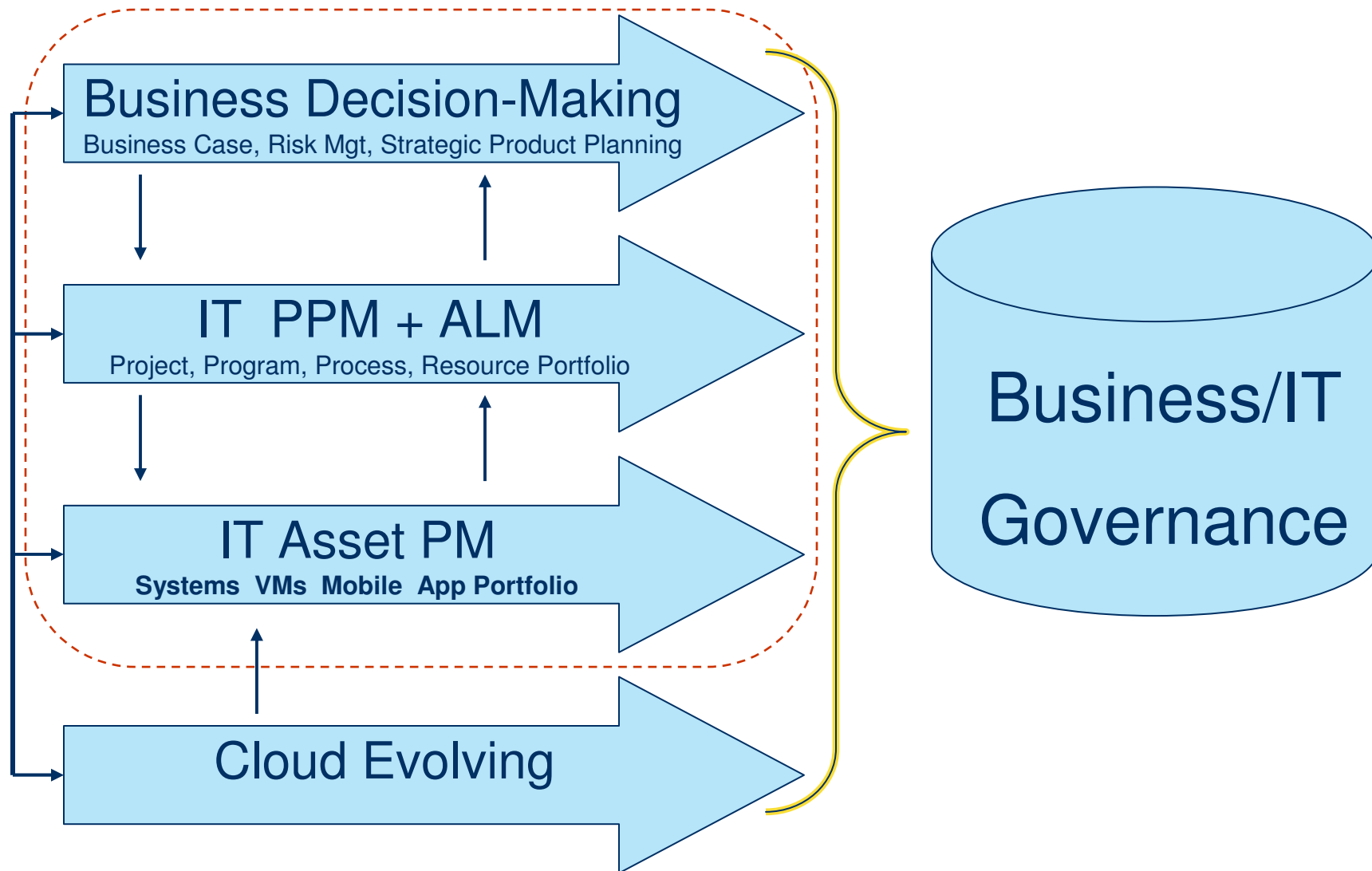
Three Key Challenges for Organizations



IT must deliver new applications that have greater business value and higher quality, while managing costs ... in the face of these 3 key challenges:

- Increasing **criticality** of applications to the business
- Increasing **complexity** of software systems and applications
- Increasingly **distributed teams**

Creating Portfolio Governance for Business Agility



Market Situation

IT/BUSINESS IMPACT

Survey Demographics for Innovation Context in Hyper-Growth ASEAN

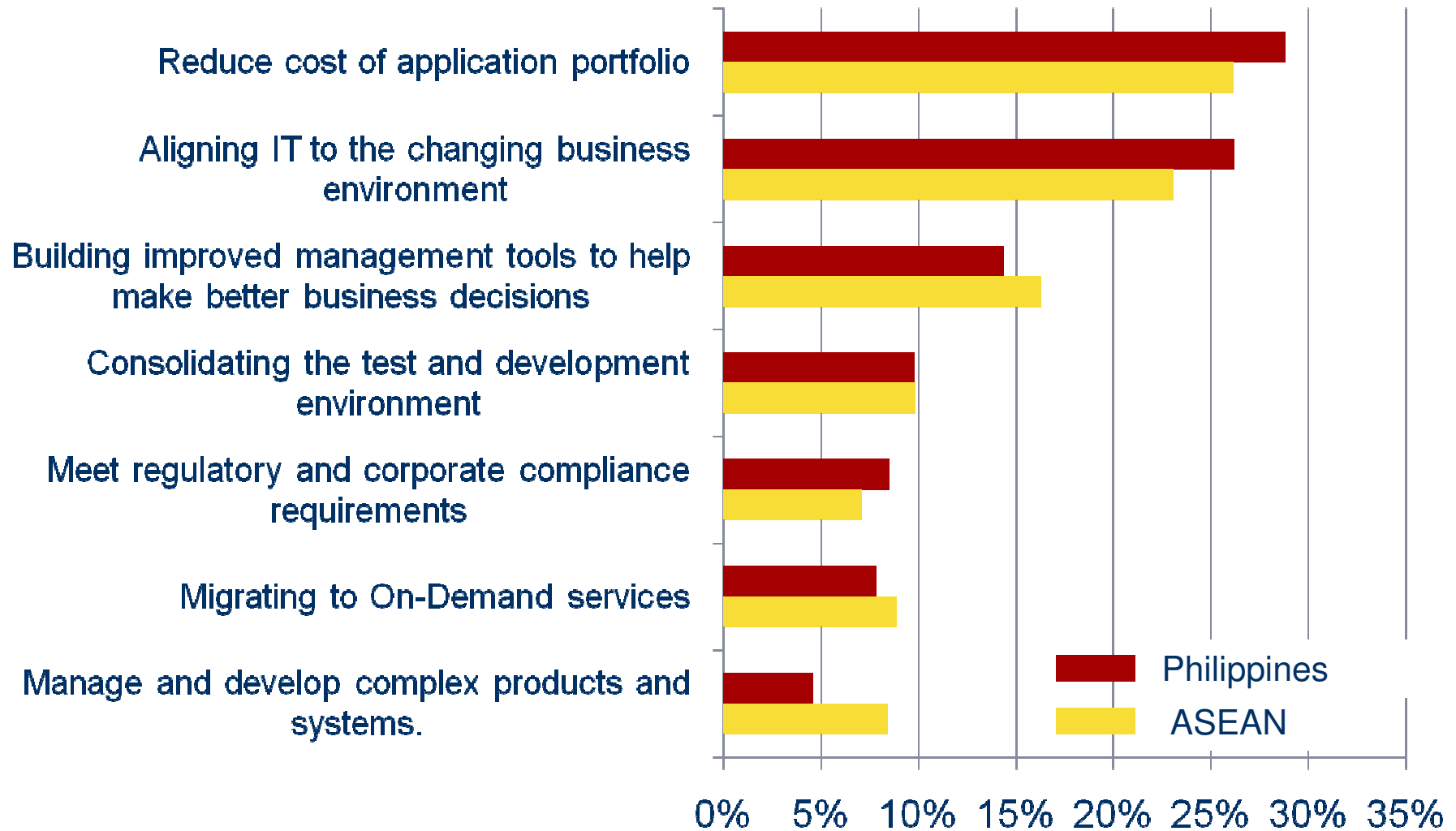


Targeted 300 ASEAN enterprises across

- Indonesia
- Malaysia
- Philippines
- Singapore
- Thailand
- Vietnam

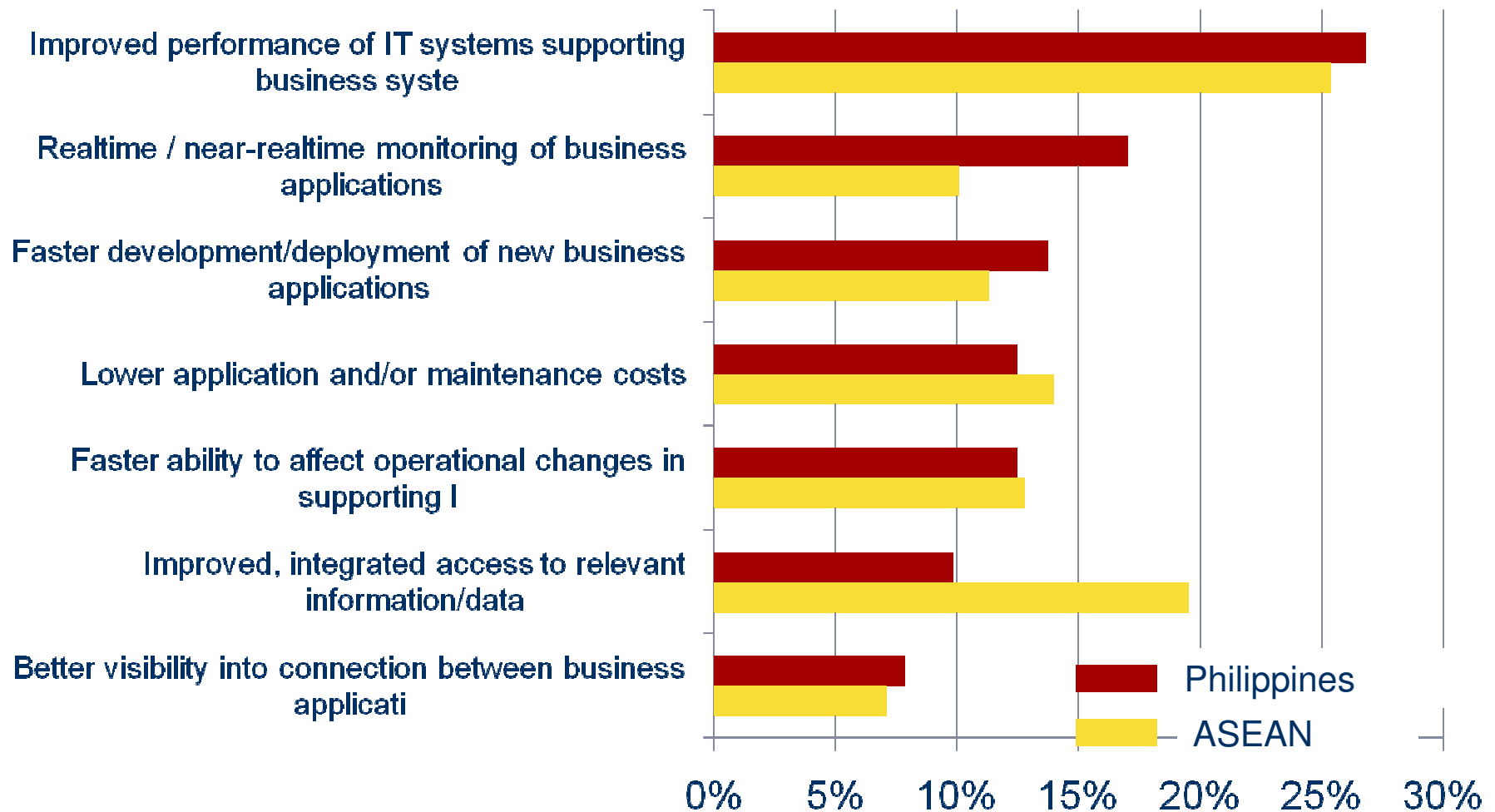
Business/IT Collaboration & Agility Enable Competitive Survival: Quality Focus

What are your organization's TOP 2 IT-related priorities over the next 12 months?



IT Performance to Support Business is Critical Goal for Improvement

In your opinion, what are the top 2 improvements that need to be made in your IT department to better support your business?



A Change in the Role of IT

IT Optimization

+

Business Growth

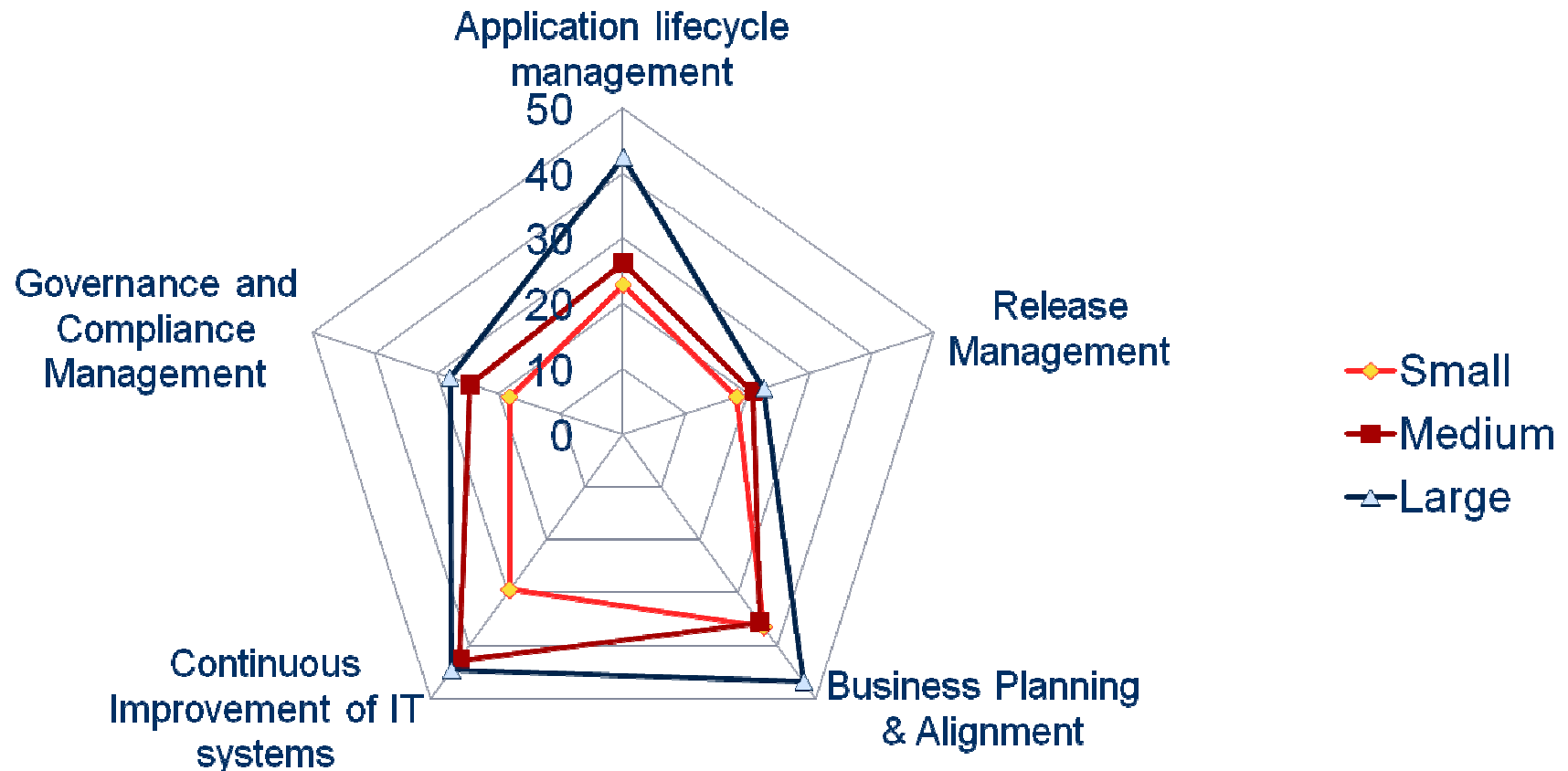


Development

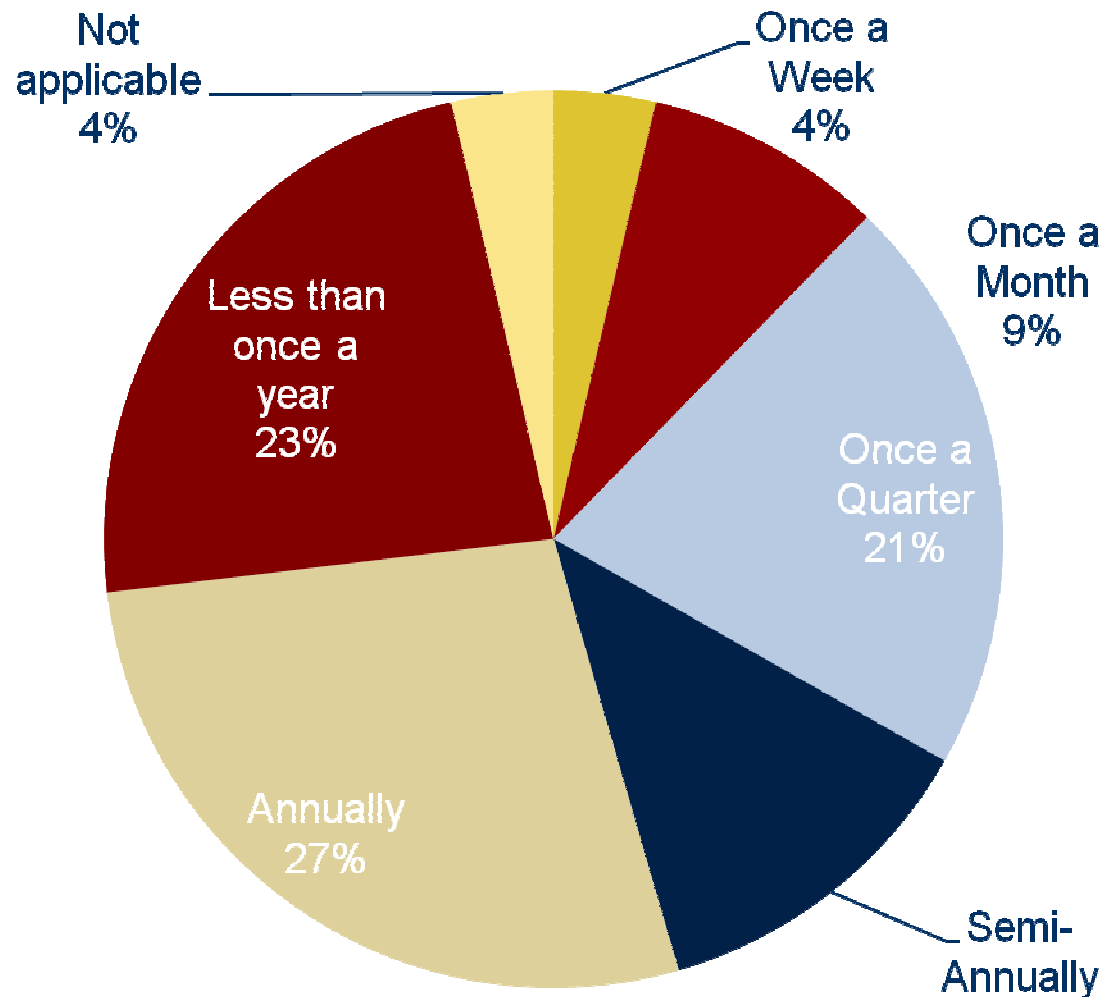
IT/BUSINESS RESPONSE

Release Management and Governance/Compliance Opportunities

Amongst the following aspects of Software used in your organization, how important is each of these aspects for you.



Lack of Software Release Frequency Limits Business Responsiveness



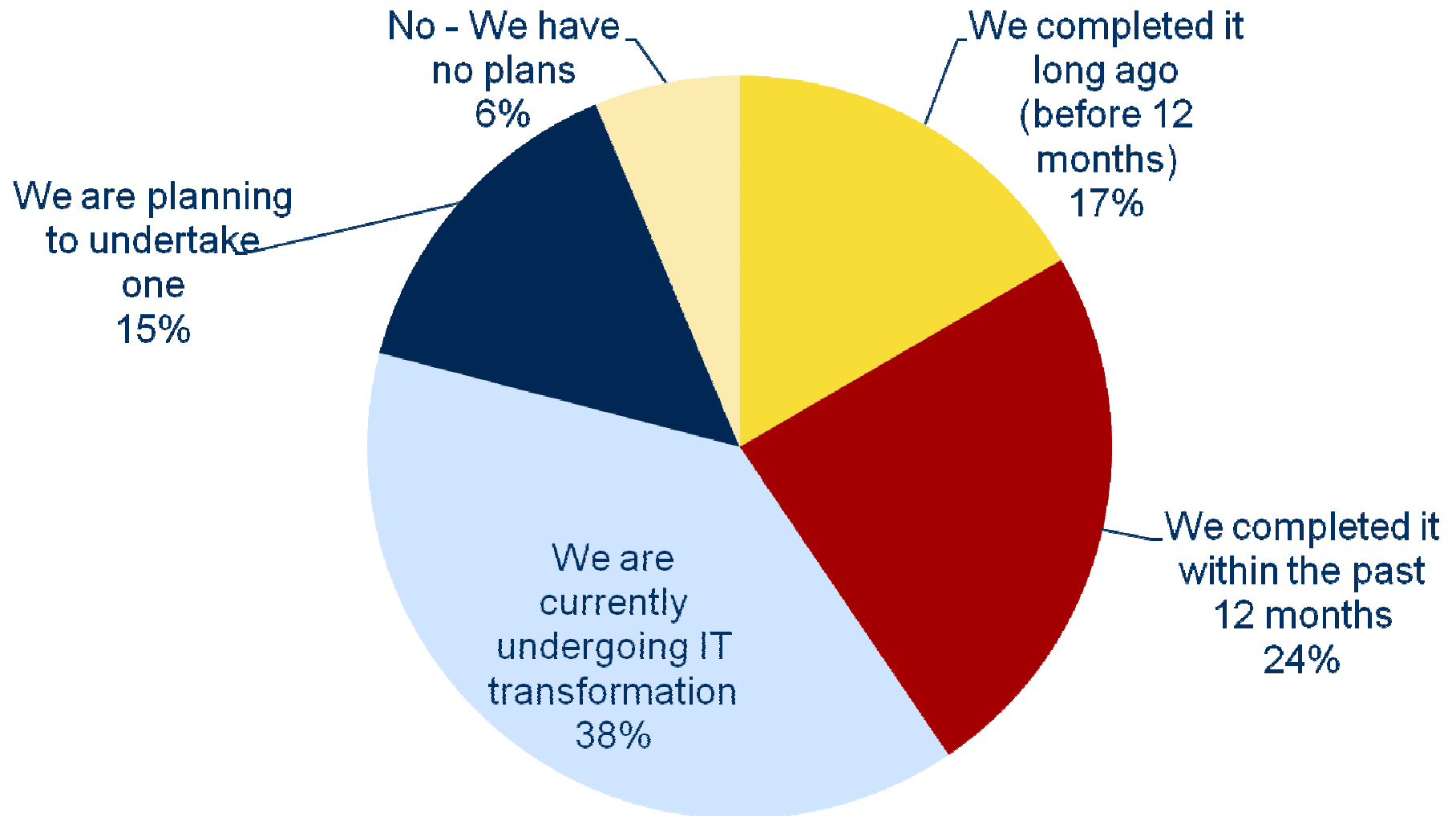
Do you want to increase it?

Yes!

67%

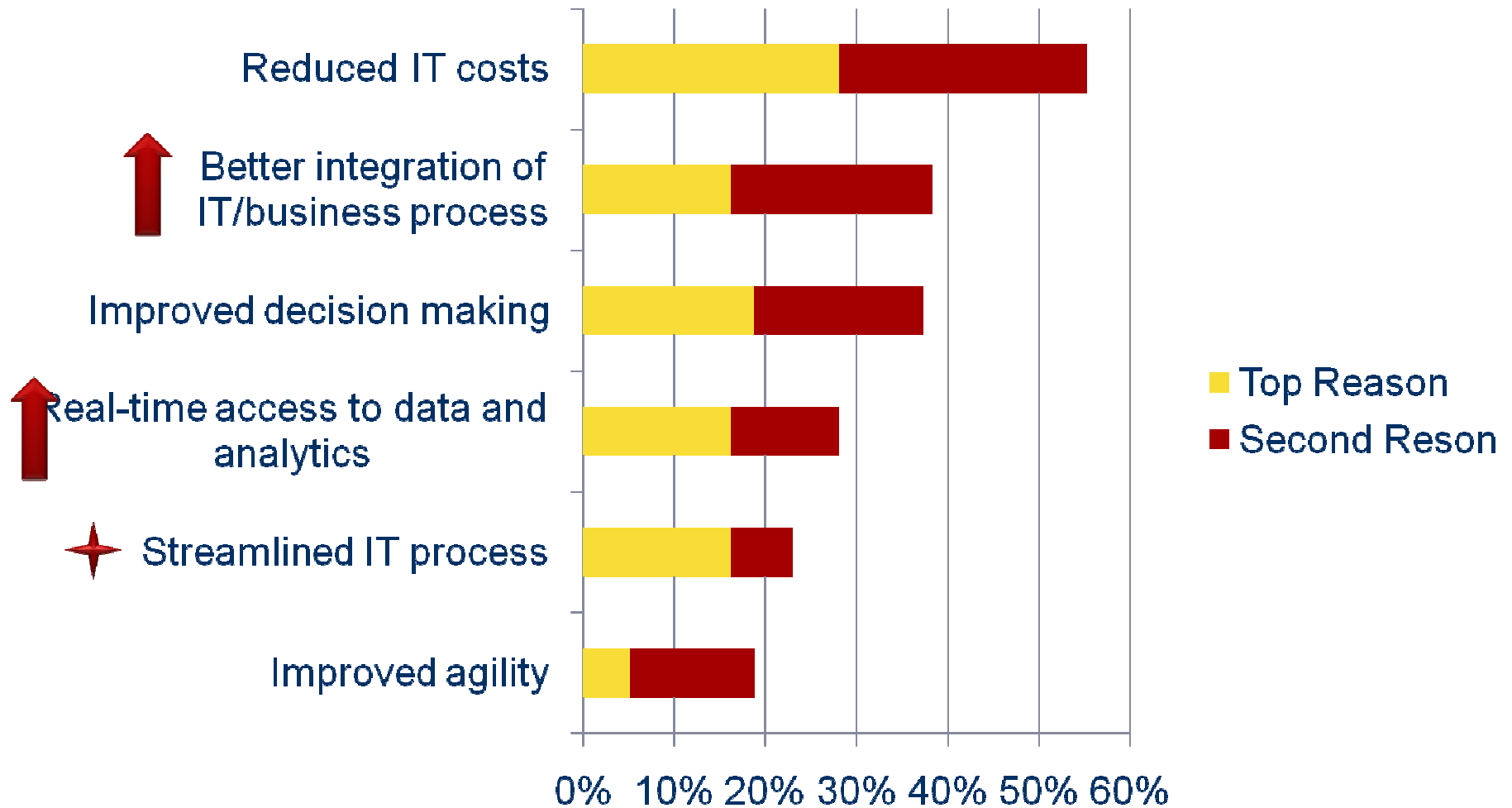
50% - once or less than once a year!

Majority have completed or Plan IT Transformation Projects Near Term



Current Transformation: Tactical Cost and Strategic Business/IT Focus

What were the TOP (2) objectives of this project?

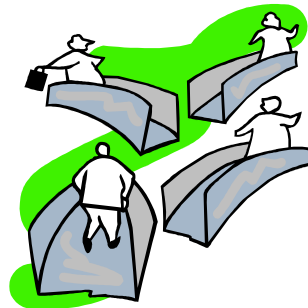


“Quality Gap”: High Cost of Failure

Poor Quality = Increased Business Risk



Lost Revenue



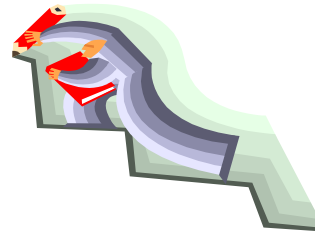
Lost Customers



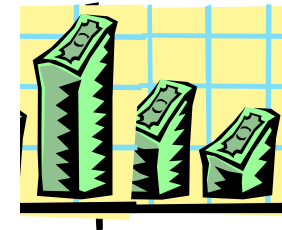
Increased Costs



Damaged Brand



Lost Productivity



Lower Profits

Cost Implications of missed deadlines

Hypothetical Situation

- Company with \$120 Million in revenue per year
- Undertaking a transformation project to drive an expected 10% increase in sales
- Project is estimated to take 6 months
- Costs here don't include impact of defects post-deployment, prohibitive customer costs of broken and/or irrelevant apps

Assume a 1 month delay in implementation

$$Cost = \frac{\$120\text{Million} * 10\%}{12} = \$1\text{Million}$$

Business and IT alignment is a critical mandate for CIO

- It is increasingly important to get CxO/LOB backing on IT investments. So they need to know the value each IT investment brings

It is important for CxO/LOB to understand the relevance of building the right application software that helps meet the business “goals”

- Adopting the right ALM and Software deployment strategies will be crucial
- Given diversity of platform options – from mobile to social to Web to embedded software to cloud – ALM approaches must rapidly evolve to keep pace with risks, deployment (Devops) and innovation demands

“Enterprise 360” will be a key mandate that requires organisations to create, deploy, leverage and collaborate effectively amongst the various stakeholders (employees, partners and customers) to achieve business growth. Software will be critical here!

Thanks!

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