Leveraging Disruption to Drive Growth - Developing a Joint Innovation Plan with Clients

Philip Carter
Vice President, IDC
16th October 2014

#OraclePartnerIndustryDay

The Race to Digitize

Developing a Joint Innovation Plan with Clients

Philip Carter

Vice President, IDC European Research

Presentation at the Oracle Partner Industry Summit - 16th October 2014, London

57% of UK organizations have gone through a major IT re-organization in the last 12 months

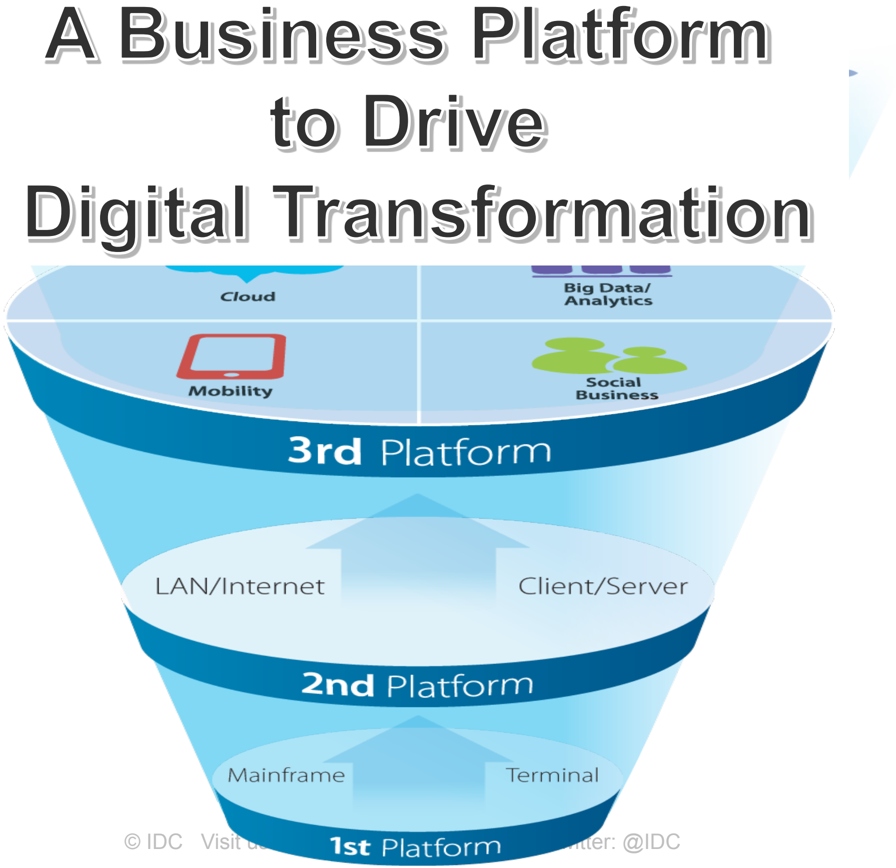
IDC UK IT Executive Survey. April 2014, n=251

In 2013, Domino's Pizza sold £104 million worth of pizza via its mobile platform in the UK and Ireland alone

3rd Platform of IT Innovation & Growth

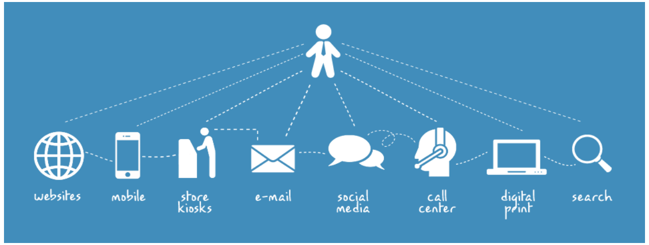
ICT Innovation
2005-2020+

ICT Innovation
1985-2005



The Race to Digitize

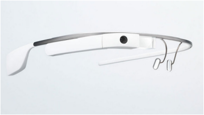
Top corporate priorities: omni-channel, mobile first



Driving end to end process transformation from mobile marketing to fulfilment

Everywhere Commerce → **Everywhere Customers** → **Everywhere Employees**

New devices will drive new applications



Application Modernisation

Legacy Outsourcing Contracts

Data Center Strategies

Shadow IT: What You Don't Know Will Hurt You

6%

According to IT

Percent of Technology Spending that is Shadow

16%

According to Business

Percent of Technology Spending that is Shadow

Source: IDC Business Technology Study, May 2014 and IDC CIO Sentiment Study, January, 2014

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51% of UK organizations have created a new group focused on innovation

IDC UK IT Executive Survey. April 2014, n=251

3rd Platform Implications

New Roles

Vivek Badrinath
CMO/CIO
Accor Group

Stan Sugarman
CDO
Gruner & Jahr

Angela Arendts
CEO
Burberry (now Apple Retail)

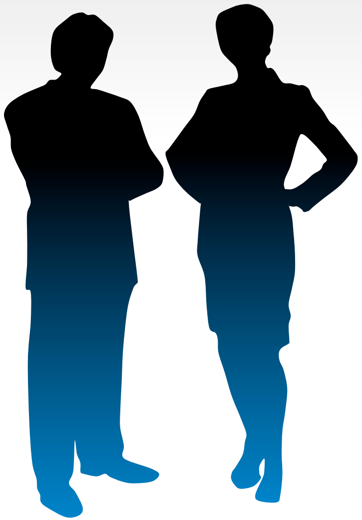
With John Douglas (CTO)

The Common Denominator: 'Executive Sponsor' for Digital Transformation

In 74% of UK organizations, the business has become more involved in IT strategy

IDC UK IT Executive Survey. April 2014, n=251

IDC Digital Transformation Playbook for the UK in 2015



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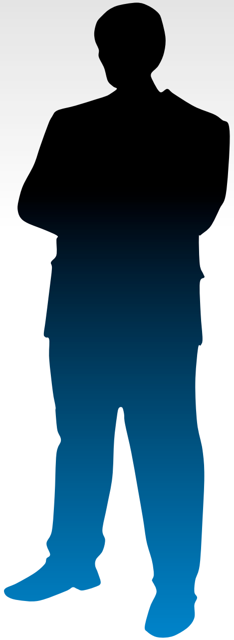
Areas to ‘Re-Think’ As a Solution Provider



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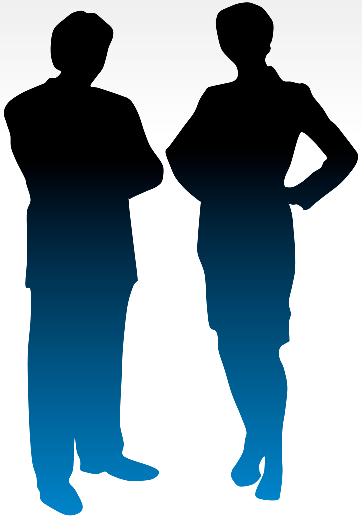
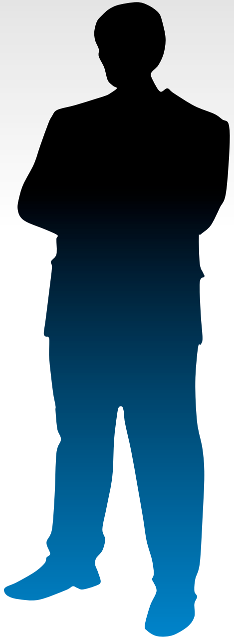


1

‘Re-thinking Your Account Engagement Approach’



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3rd Platform Requires a Different Sourcing Model

2nd Platform Vendor Sourcing Models	3rd Platform Vendor Sourcing Models
Transactional Model	Relationship Model
Short Term	Long Term
Buy	Acquire Capability
Build	Integrate
Run	Data Driven Management
Risk Management Contracts	Trusted Relationship Contracts

The 3rd Platform will Create a Skills Gap

The Most Difficult IT Positions to Staff

How difficult is it to hire suitable candidates?

Enterprise
Architecture #1
Hardest to Hire

Source: IDC CIO Summit, April, 2014.

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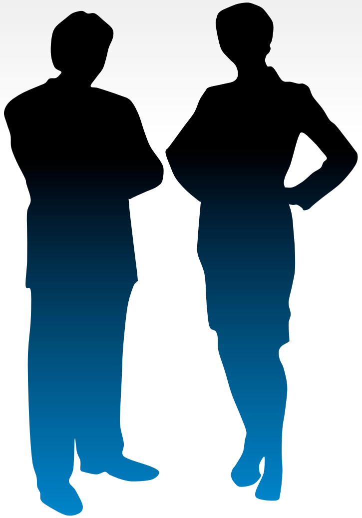

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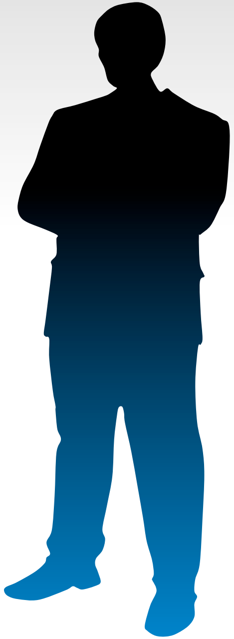
'Re-thinking Your Understanding of the Market Opportunity'



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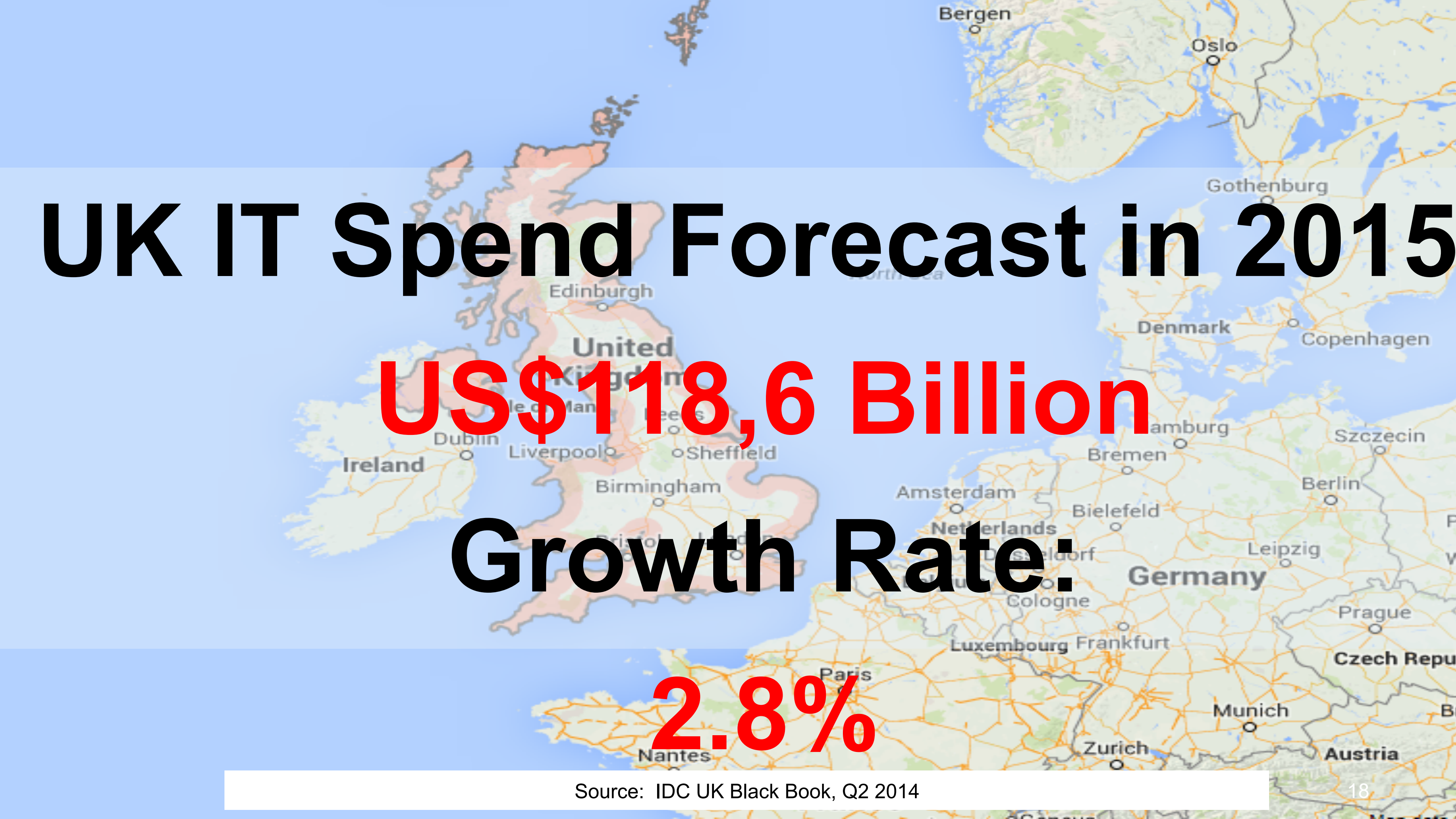


UK IT Spend Forecast in 2015

US$118,6 Billion

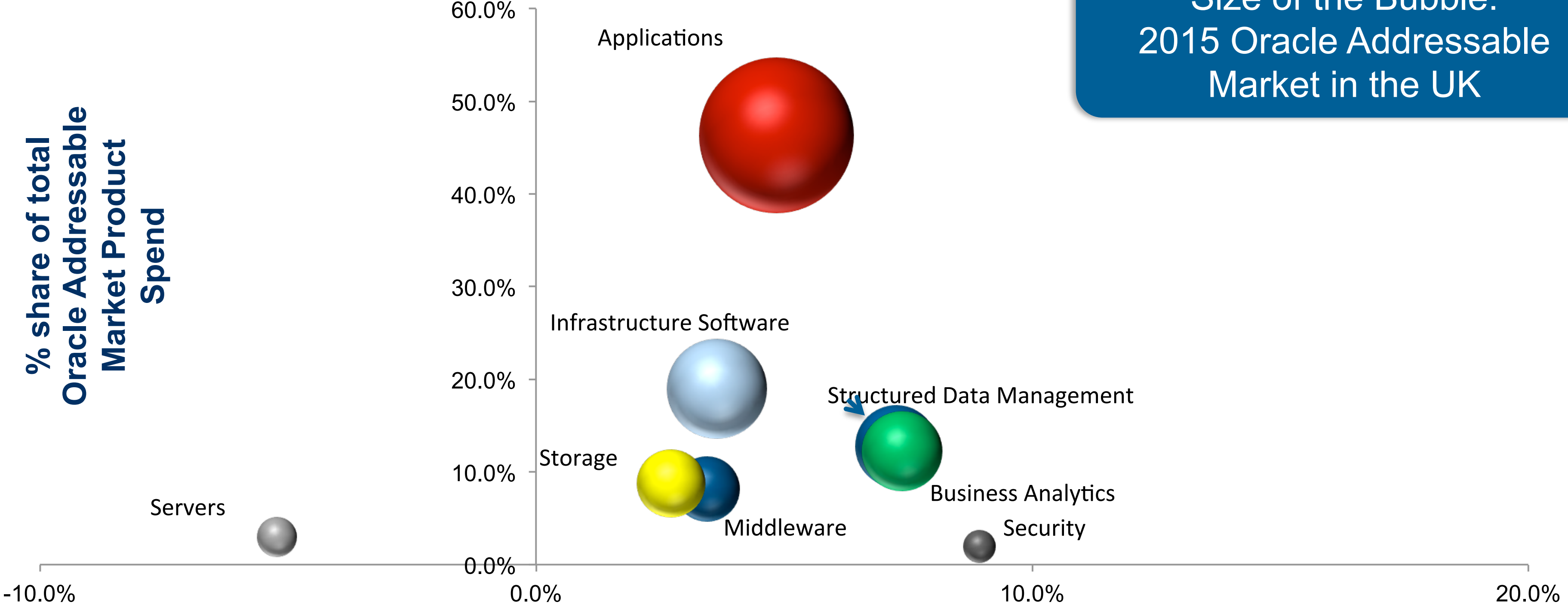
Growth Rate:

2.8%

Source: IDC UK Black Book, Q2 2014

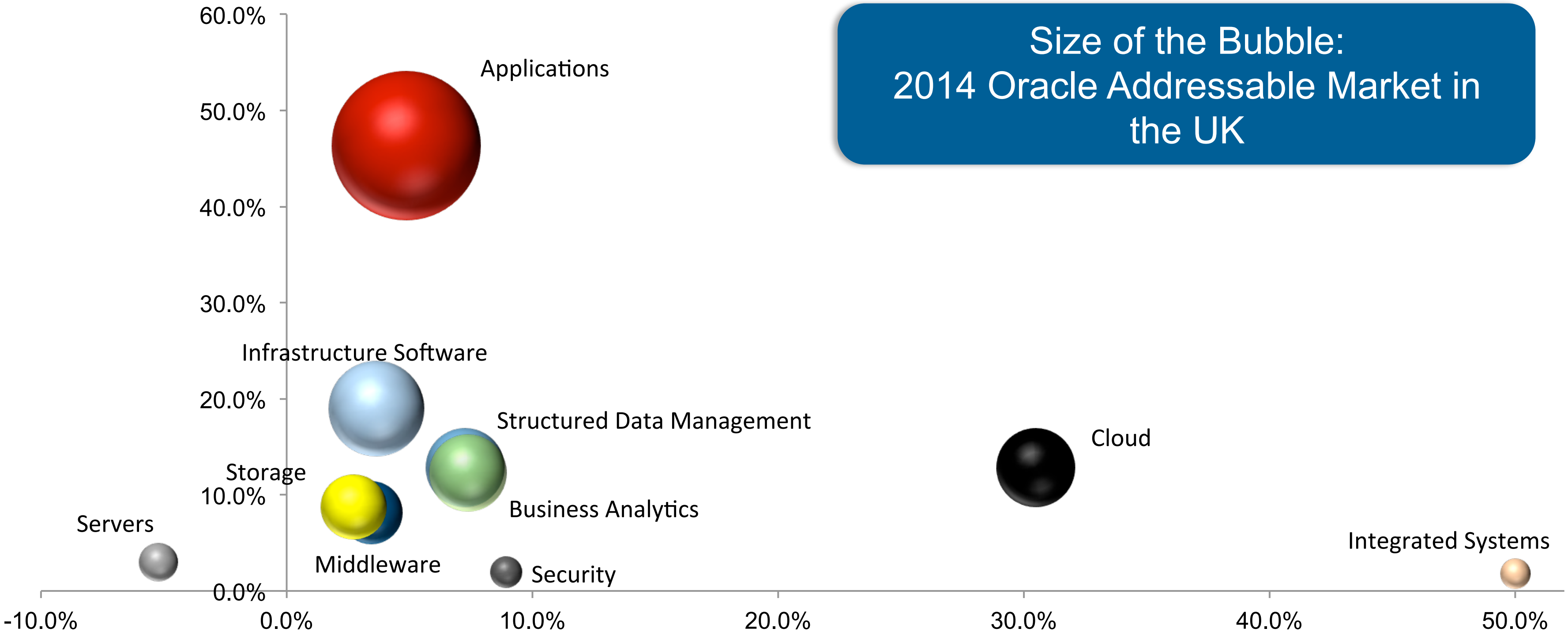
Where is the UK IT Opportunity?

Size of the Bubble:
2015 Oracle Addressable Market in the UK



Source: IDC Blackbook & Software Tracker 2014

Where do Cloud and Integrated Systems Fit in this?



Size of the Bubble:
2014 Oracle Addressable Market in the UK

2015.2014 forecast growth

Source: IDC Blackbook & Tracker Data, 2014

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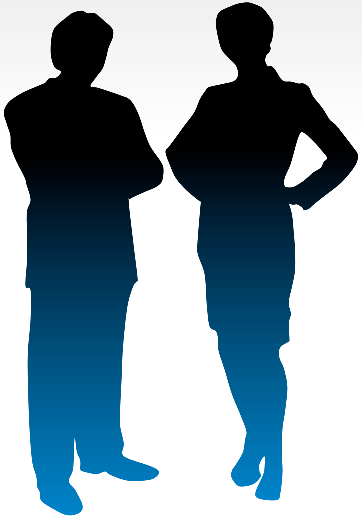

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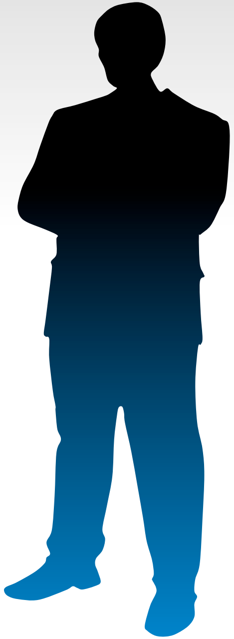
‘Re-thinking Your Account Segmentation Model’



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Transforming to a Business Innovation IT Org

IDC's Enterprise IT Transformation Maturity Model

Ad Hoc

Core IT

No effort between business and IT to coordinate or incorporate 3rd Platform technology

Opportunistic

2nd Platform IT

Uncoordinated efforts between business and IT around 3rd Platform implementations; limited progress toward 3rd Platform adoption

Repeatable

3rd Platform IT

Coordinated efforts between business and IT around 3rd Platform implementation allow organization to keep pace with peers in 3rd Platform adoption

Managed

Business Innovation

Effective partnership between business and IT around 3rd Platform implementations allows organization to outpace competitors through the use of 3rd Platform

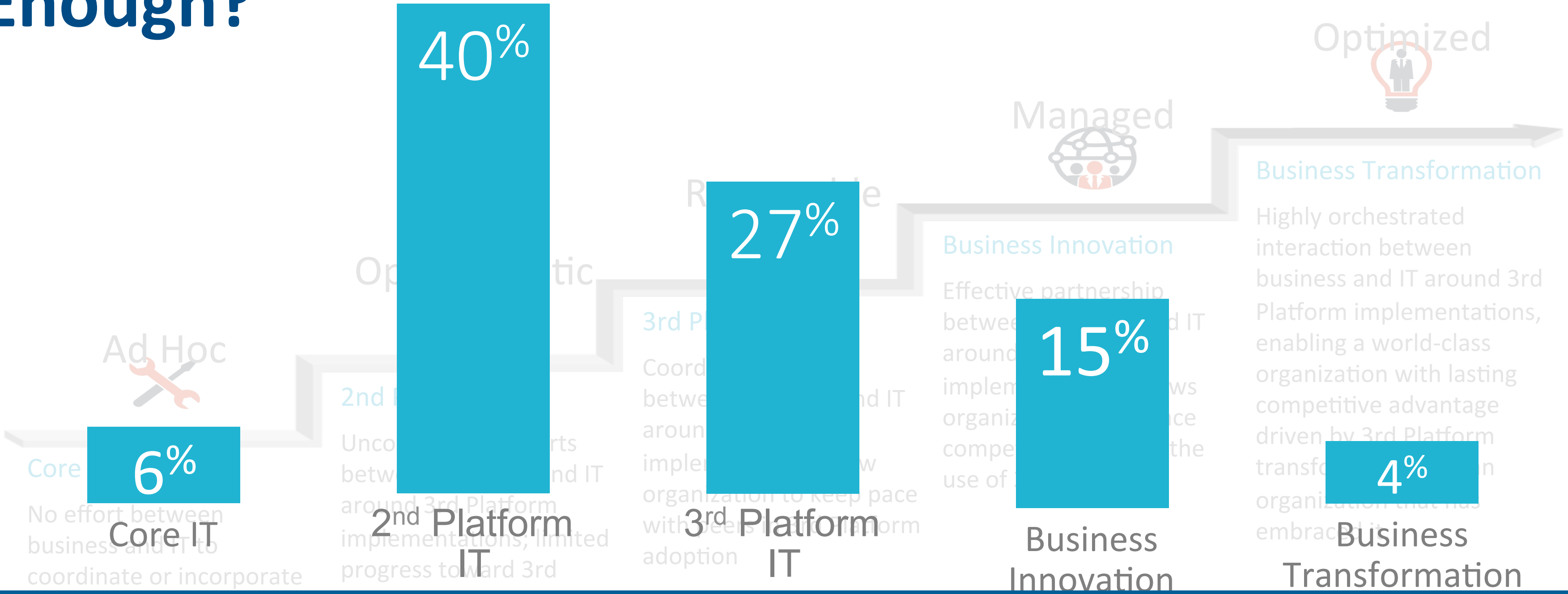
Optimized

Business Transformation

Highly orchestrated interaction between business and IT around 3rd Platform implementations, enabling a world-class organization with lasting competitive advantage driven by 3rd Platform transformation and an organization that has embraced it.

Source: IDC, Enterprise IT Transformation Maturity Model, 2014

Are Your Clients Transforming their IT Orgs Fast Enough?



67% of Organizations are Operating at a
2nd Platform IT or 3rd Platform IT Transformational Stage

Source: IDC's Enterprise IT Transformation MaturityScape Benchmark Study, August, 2014. n-156

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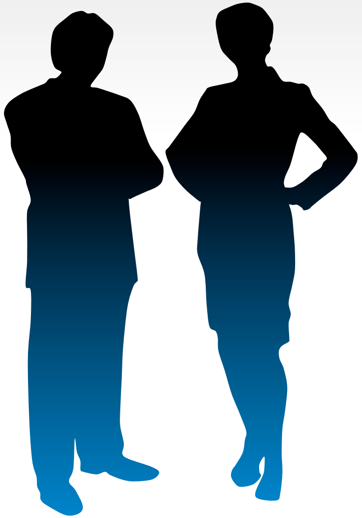
IDC Digital Transformation Playbook for the UK in 2015



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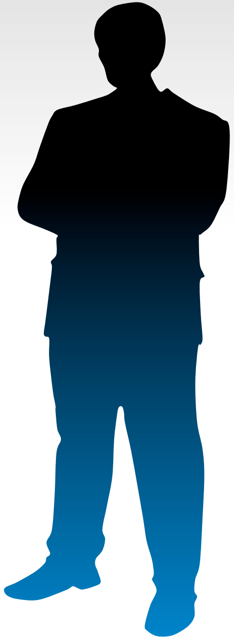
‘Re-thinking Your Role in the Ecosystem’



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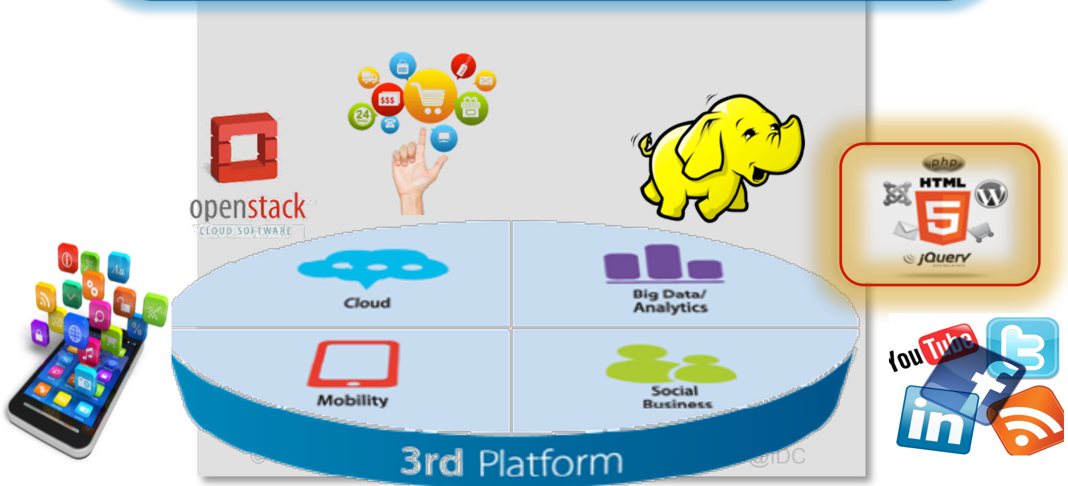
Billions of Users

Millions of Apps

Key Success Metrics to Drive Scale :

- 'Ecosystem First'
- Open 'Standards-based' Platforms
- Investment in APIs



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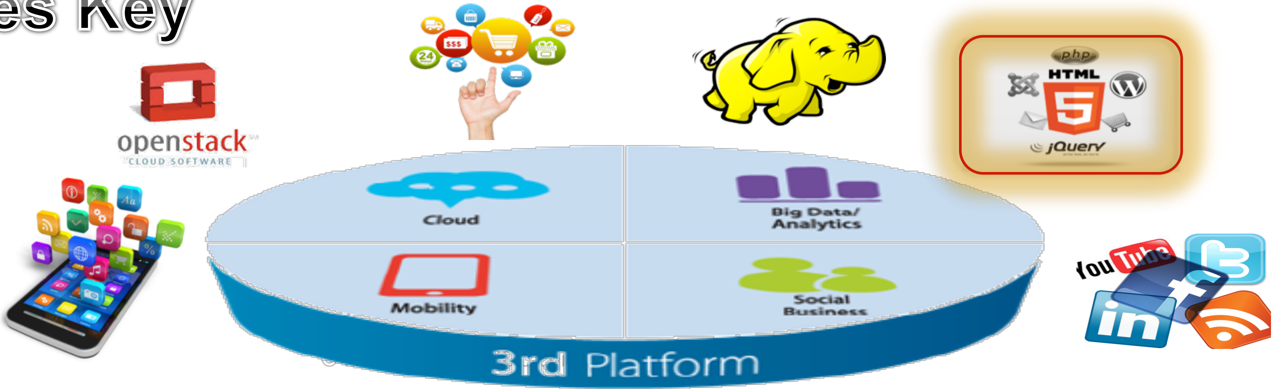
Distributors Shifting Business Models

ISVs to SaaS

‘Service Providers’ Increasingly Important

IP Creation and Distribution Becomes Key

The Emergence of the Digital Influencer



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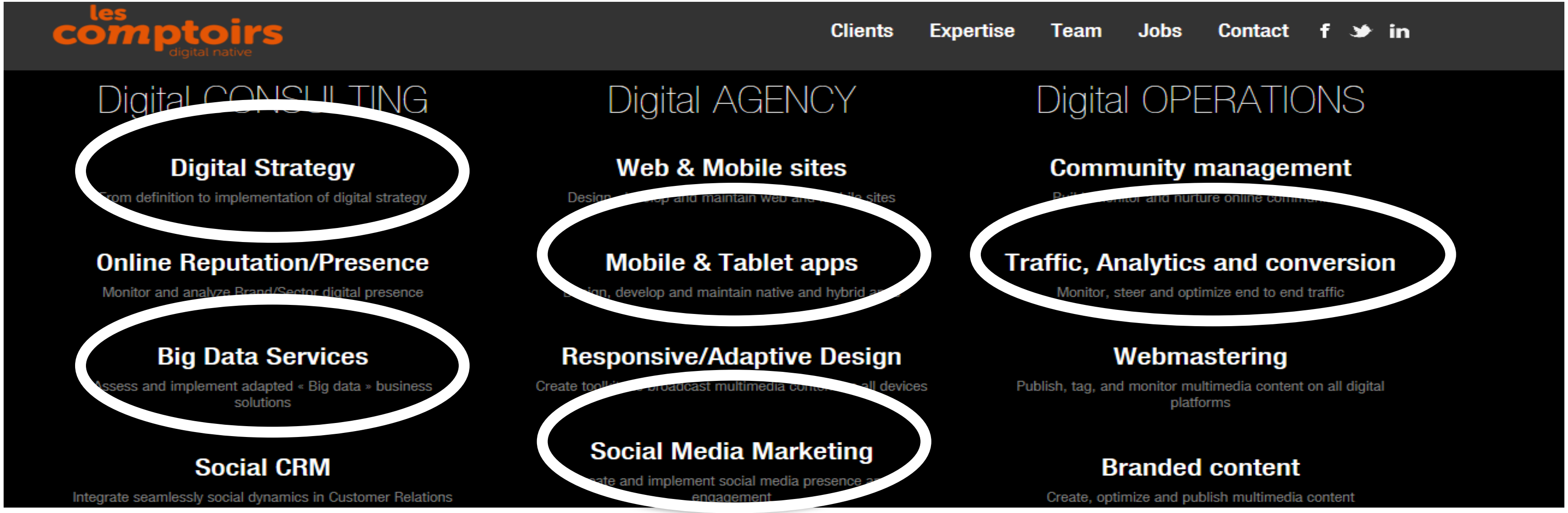
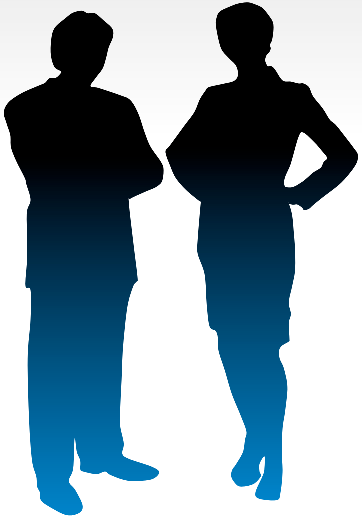
The New Type of Digital Influencer



A GLIMPSE AT OUR **CLIENTS**

BPCE · CA · CANAL+ · AXA · GDF SUEZ · Lagardère ACTIVE

IDC Digital Transformation Playbook for the UK in 2015



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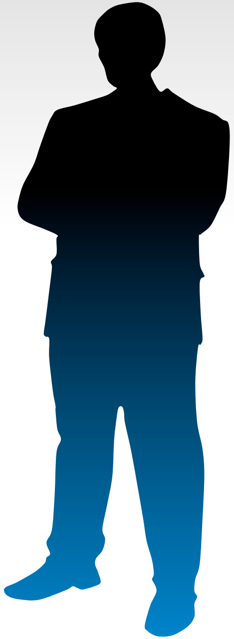

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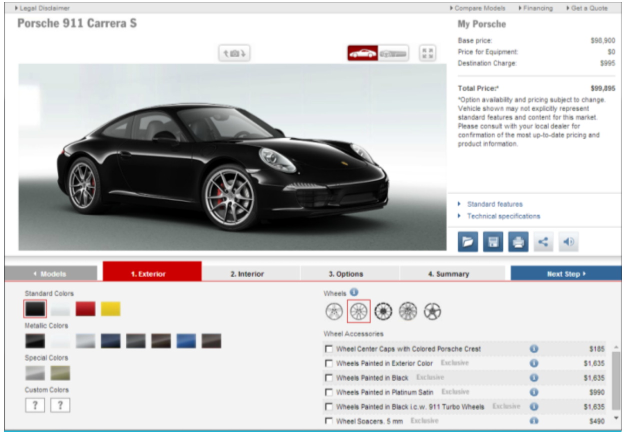
IT-enabled Products is the End Game



IT-enabled Business Processes

Automating Business Processes

IT-enabled Services

Transforming Business Processes

IT-enabled Products

Creating IT-enabled Products

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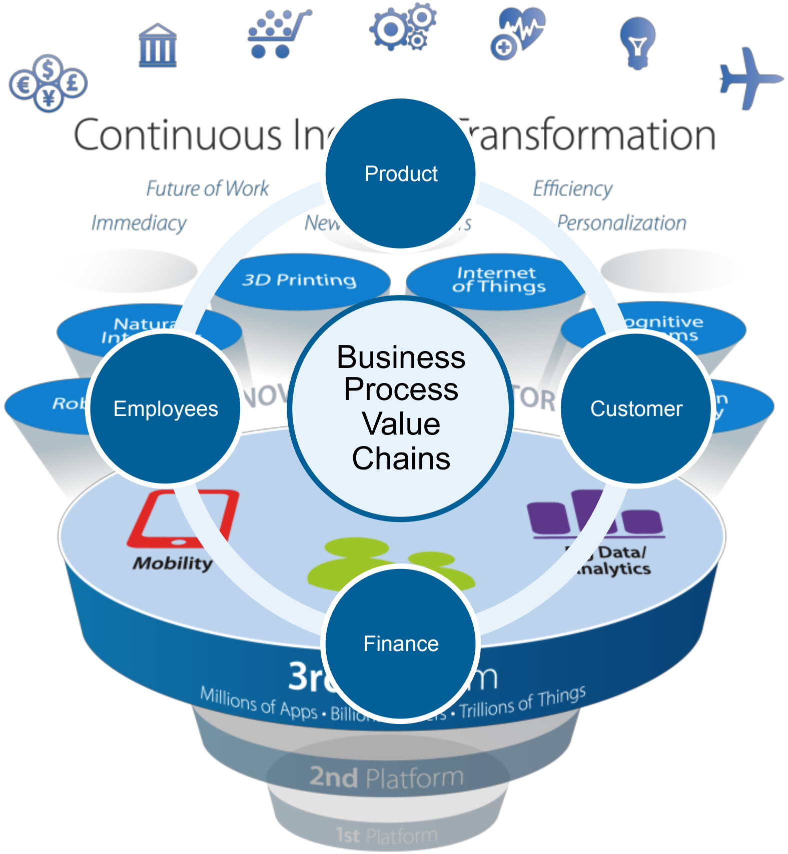
Building on the 3rd Platform Accelerating Innovation

- We're also seeing the emergence of a NEW wave of core technologies – **"Innovation Accelerators"** – that **depend on** (and are enabled by) the 3rd Platform and radically expand its capabilities and applications.
  - **The Internet of Things**: a massive expansion of the edge… internet connected cars, buildings, homes, industrial equipment, wearables and more.
  - **Cognitive Systems**: systems that observe, learn, analyze, offer suggestions, and even create new ideas – dramatically reshaping every services industry.
  - **Pervasive Robotics**: driving knowledge from the digital world into action in the physical world, through robots, self-driving cars, drones, nanorobots and more.
  - **3D Printing**: materializing all sorts of physical things from digital blueprints - from food to clothing to even living tissue and organs.
  - **Natural Interfaces**: more simply and powerfully connecting people and 3rd platform systems through speech, vision, motion, touch and beyond.
  - And a **new generation of Security technologies and solutions**: better designed to keep up with the massive scale and expanding scope of the 3rd Platform.

The Potential Impact:



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- **Design** of a **‘connected shoe’** based on an **continuously monitored data stream** from the customer
- **Sourcing 3-D/4-D printed ‘parts’**on a B2B marketplace
- **Assembled** on a converged **OT/IT platform** using **robotics**

- Products designed and supported by employees using **augmented reality** and **wearables**
- Training conducted via **virtual reality**
- Advice on product strategy provided by **cognitive systems**

- **Highly personalized** product based on individualized behaviour and predictive analytics.
- **Delivered** by a drone
- The B2C customer relationship defined by information **‘barter’ where** consumers trade **trusted personal information**

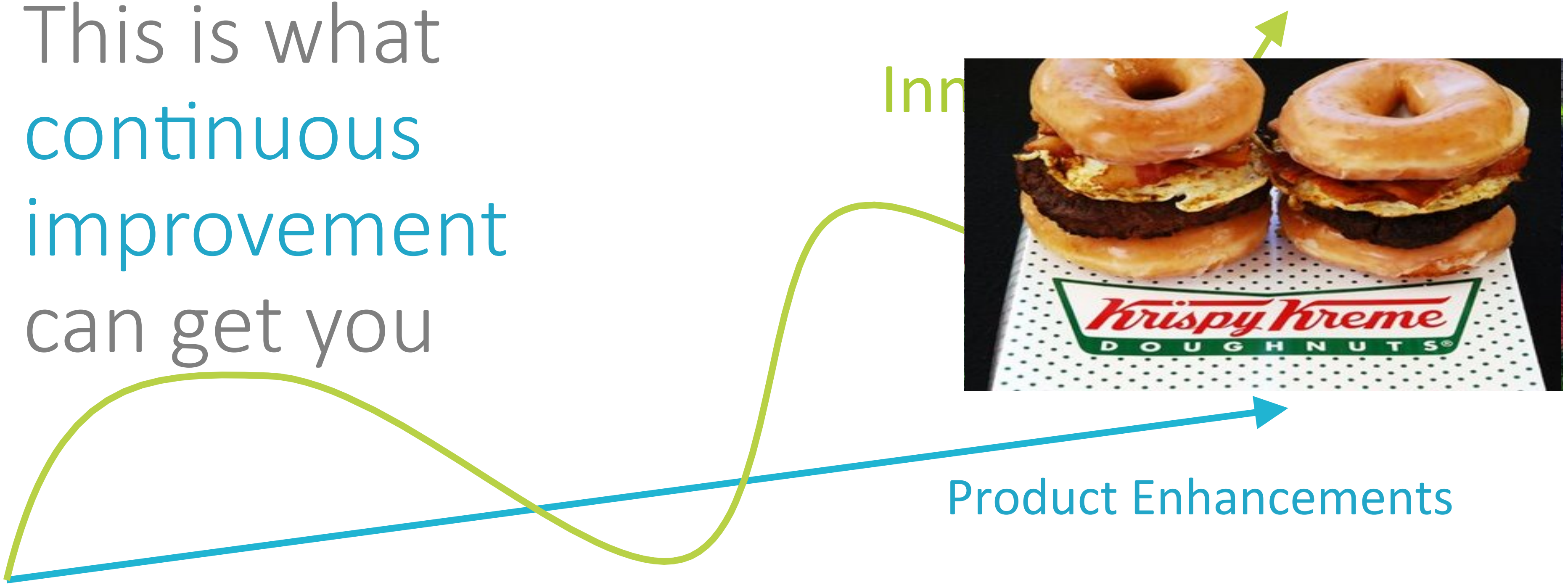
- **Paid for using** virtual/crypto currencies as they become a viable alternative B2B and B2C payment

‘In the next five years, robotics, wearable technology and cognitive computing will start to be commonplace in retail’

Mike McNamara, CIO Tesco

Continuous Improvement Versus Innovation

This is what continuous improvement can get you



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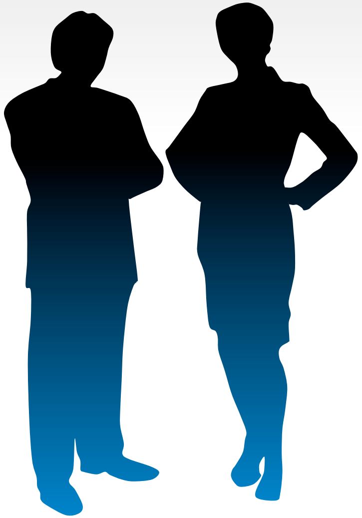

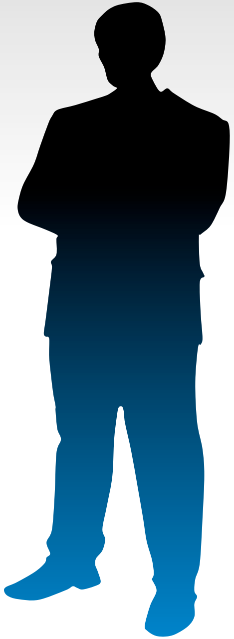

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Areas to 'Re-Think' As a Solution Provider

1. Your Account Engagement Approach
2. Your Future Market Opportunity
3. Your Account Segmentation Model
4. Your Role in the Ecosystem
5. Your Joint Innovation Plan with Clients'

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