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Accenture CIO Survey: Cultivating High Performance through Information Management (Transcript)

From the Accenture Information Management Podcast Series

Speaker: CEO of Accenture Information Management Services, Royce Bell

Announcer:

Hello and welcome to the Accenture Information Management Podcast Series. Accenture recently completed a survey of 162 CIOs around the world. We caught up with Royce Bell, CEO of Accenture Information Management Services, by

phone to discuss the results. Here's what Royce had to say...

Royce Bell:

Hello, this is Royce Bell. Our topic today is to give an update on our CIO Survey, and the latest contains some deep dive around the information management area, and so I am hoping to just give a few insights on that.

People see information management now

as all information, not just structured data. We have 92 percent saying that they do structured data, which is pretty much what you would expect, although we have got lots of people saying that they're not sure whether they're even getting direct access to everything or getting partial access. But lots and lots of them, some 80 percent are now looking for an overall strategy across the management of all information across the full enterprise, and that's a pretty

significant move. I mean, you've got something like 24 percent in North America, which is slightly ahead globally, saying they are doing that today. So, for those people, well, it's interesting, people ask me where is the spend going, because maybe not as much software is being bought. Well, here's one of the answers. People are stepping back and thinking about what they are going to do, the sort of architecture they are going to have, indeed what the business drivers are for all of this. So, in some ways, instead of just selling projects, they are actually preparing the ground for these projects and saying, "we are going to have this in one place and this in another place," in terms of how they use different techniques.

The other thing that is coming out of all of this, of course, is that if you are going to go across information broadly, you have got to look at unstructured data, the thing that isn't in databases. And, I think if I talk to clients much of what is happening is because of their experience at home, or on the web or the way they experience their life through different electronic means. Whether it's YouTube or Blackberries, etc., I think people now have got to a point where they instinctively understand unstructured data and how without it making decisions or even managing your basic information is going to be incomplete.

Following on from that theme is this theme to try and have enterprise-wide integrated information management. One of the most interesting things, I think, was the honesty with which respondents from the CIO community looked at what they've got today and compared it against an ideal, an ideal that's been presented at conferences or presented by vendors, and 78 percent say they would regard their analytics as somewhat siloed or even at a basic reporting level, so hardly worthy of the name analytics. And, about the same number are actually targeting this enterprise-wide integration. And we've looked at this in terms of the analytics versus high performance, and you can see that elsewhere on our website, and clearly if you've only got siloed analytics people are

not going to be hitting the sorts of business results that they want from these investments.

Moving on from that, the reason why people are doing analytics, I think, is now quite interesting, because I think we've moved on. We thought we'd move on, everyone thought we'd move on at some point from having to just look at compliance or just simply saying, "Well, I know where everything is." And, I think people are now saying, "Well, ok, we did all of this ERP and we've got all the back office going and we talked about business cases and those things, but actually we're going to get much more business value from information, managing information, using it for analytics and improving decision-making. And in the survey, when we asked people to rank what's actually big in the survey, improving access to high-quality data for better analysis and decision-making came out way up, a ranking of 2.6 (out of 5) for North America and 3.1 for Europe. Behind that, you still had good business reasons, you had enabling revenue enhancements, you had adding value to customers and markets, helping organizations get ahead of the competition and lower on down the scale you had reducing costs, minimizing risks and enabling the consolidation of applications and data. So, I'm seeing a big move towards, "This stuff will help the business out in the real world, rather than just helping the business within the silo of the business itself."

So what is interesting is the fact that costs and the regulatory element is now being deprioritized. And, although that is partly catching up with things, when I go and talk to customers it is clear they are looking for competitive advantage or endlessly striving towards that, and indeed, when we look at our investing in high performance, much of IT spending is now trying to be focused more clearly on providing true business benefit. And this is clearly one of the areas that people talk about intuitively. You should be able to manage information to really outperform the rest of the market. And, therefore, we are now seeing the investment in these areas. Growth in

spend generally is going up, but growth in spend in this area in terms of prioritization is at its highest I think we've ever seen across the whole of the survey across the last few years.

Finally, in terms of a quick three points from the survey, and hopefully it's of enough interest to go look at more detail - there's quite a lot of fine detail in the survey between different industries and indeed different countries, as you'd expect. But, finally in terms of the baseline for this, apart from the whole competitive differentiation that the people are looking at, when we looked at the obstacles to how they could use business intelligence or information management generally, funding and data quality came out on top. Now, funding always does. There's never enough money. But, interestingly, lack of confidence in the data was very, very close to it. The value was at 1.9 in terms of the average.

Technology - not an obstacle. Very few respondents are finding that, and when we said, "Well, why is that?" What were people seeing is they were seeing that they can't solve the whole idea of data governance - and we talk a lot about data governance - there's presentations endless about data governance, but it's still out there in terms of a real issue - and data quality. And we're seeing a big rise, in terms of the people I talk to, of data quality programs, and indeed new technique and new software to be able to deal with that. And I think that people are also seeing that you can't do this piecemeal. People have tried. People have tried doing pockets here and there. So, indeed, we've got nearly a third of all the people responding to the survey saying we need enterprise-wide data governance, and if we don't have it in all the areas across the enterprise, then dirty data in one place will make clean data in another place look dirty anyway, or just remove people's confidence in it. So, we're seeing lots and lots of investment there, with something like 79 percent over the next three years looking to address data quality. A fairly low 16 percent are only really addressing it today in any meaningful way, or are

prepared to say that, and that's a pretty big gap between what they are doing today and what they are expecting to do in the future. And allied to that, I think, we've been seeing for awhile in the marketplace a lot of noise about master data management, which is having astonishing growth at the moment, both in the software and the services area, and indeed in new models, in terms of offshore or data factories and things like that. And that's also been seen as an area where people are expecting a big jump in performance both internally and externally in the market of what they are going to see in the future. As I have said, when I talk to customers master data management, which wouldn't have been something frankly that came up much in the ERP days, now seems to be something that most CIOs and a good number of business people understand as absolutely critical to having information management that works.

So, as a quick summary, it would be offensive probably to say that we sort of expected these results from the survey. It is pleasing in a way that much of the conversations that we have as we go around our daily work have come out in this survey. That means there is a lot of thought gone into it, not just on the conversation side. So, we are seeing all types of data, we are seeing the information lifecycle, but also in an interesting way, I think people have tried "a thousand flowers blooming" or the occasional pilot here and there, but this is now becoming real. Our survey shows that people are investing from a strategy downwards enterprise wide, and that is a pretty significant change in the way this market is moving.

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