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CIO Agenda 2007

IT Investment:

Performance and
Priorities in South East
Asia's Major Economies.

An Executive Summary

• Consulting • Technology • Outsourcing

Executive Summary Contents

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Note: The full aggregated research report is only available to Accenture client organisations. To arrange for a detailed briefing, please contact the authors of this research report.

About the Research

Many studies measure and report on information technology investment trends. But they don't examine the quality of the spending. How is IT performing today? How will it perform in the future? The answers to these questions can provide the true indicator of the value of information technology and its role in helping organisations perform at higher levels.

Since 2004, Accenture has been studying performance drivers in managing and executing information technology. This global research program examines how the world's largest businesses and public-sector organisations are managing their IT investment and processes across five fundamental IT function capabilities:

- Innovation
- Industrialisation (of IT management and IT delivery methods)
- Integration
- Infrastructure
- Information

To date, more than 500 Chief Information Officers and Chief Technology Officers in 22 countries

including the United States, Canada, United Kingdom, France, Germany, Spain, Italy, Argentina, Australia, Singapore, Malaysia, Indonesia, Thailand, China, Korea and Japan have participated in the research. In addition, Accenture's Global CIO Council, established in 2006, will continue to measure and assess capability improvements over the next several years.

The research focused exclusively on large companies and public-sector organisations in each market, across a wide range of industries with both Accenture clients and non-clients included. For publicly listed companies, the sample focused on those in the global 1000 or relevant country's top 100 enterprises.

A new wave of global CIO research is now under way, using an updated diagnostic tool. This research report, *IT Investment: Performance and Priorities in South East Asia's Major Economies*, delivers the first set of updated findings from 48 South East Asian CIOs and CTOs. This data is from mid 2006 and includes specific conclusions for

the economies of Singapore, Malaysia, Thailand and Indonesia.

Industries represented in the South East Asian research were telecommunications, capital markets, government, automotive, transportation and travel, banking, chemical, health providers, energy, mining, utilities, electronics, consumer goods, pharmaceutical and retail.

For the complete results of the global study, and to access a simplified version of the self-assessment tool, please visit: www.accenture.com/ciosurvey.

To conduct a full High Performance IT self assessment, please contact gwen.m.harrigan@accenture.com.

CIO Agenda 2007

IT Investment: Performance and Priorities in South East Asia's Major Economies.

Andrew Weekes, Shahrol Halmi, Bob Suh

No CIO wants to go through their career running—surprised and breathless—after an industry leader. Every CIO wants to be that leader. That's the ultimate CIO challenge.

Asia is again the most dynamic economic region in the world. But today's headlines are not about cheap manufacturing. They are about R&D investment in IT and software. They are about Asian multinationals creating industry dominance in steel and building global brands in consumer electronics and aviation. They are about software development and business process factories driving the next global productivity revolution in the services sector.

Large enterprises in South East Asia compete with new regional market entrants to grow exports to the new China market and traditional customers in the United States, Japan and Europe. At the same time, regional governments manage the dual demand of economies competing for global investment with the increasing consumer expectation for higher levels of service in the interconnected world.

Fuelling the forces of globalisation and innovation is an increased worldwide Information and Communications Technology (ICT) spend that reached over \$US3.1 trillion in 2006¹. In Asia Pacific, IT spending growth continues to outpace the rest of the world at an annual compound growth rate of approximately 11 percent. China is growing above 20 percent annually and has replaced France as the fifth largest ICT market in 2007. India is growing even faster at 40 percent and in 2007 is listed for the first time in the top 10 global ICT markets. In South East Asia the picture is mixed. ICT spending in Malaysia, Thailand and Indonesia continues to grow at double

digit rates, while in Singapore, growth is focused mainly on software with spending flat for hardware.

However, total ICT spend is not the only indicator of growth. The key question is how much of ICT spend is actually true investment? Can the current levels of IT investment in South East Asia improve the competitive position of regional enterprises? Will it enable new products and services or simply be absorbed into bloated IT operations? Are IT projects delivering reliable business outcomes? Is IT investment delivering management information that can guide leadership decision-making? To answer these questions, Accenture analysed the IT performance self-assessments and discussions with 48 CIOs from many of the largest public and private sector organisations in Singapore, Malaysia, Thailand and Indonesia.

This executive summary report groups the results into the following five key issues that organisations need to address to achieve the optimum outcomes of their IT investment.

Key Issues

1. South East Asian organisations are investing in innovation but it needs to be more targeted if these companies are to achieve competitiveness in the global market place.
2. Operational delivery is still lacking in South East Asian IT organisations diminishing the impact of time and resources spent on strategic priorities.
3. At the centre of competitive differentiation for private sector and service best practice in government are IT-enabled business processes. However, South East Asian enterprises are far from ready to take advantage.
4. Asian enterprises are still far removed from the ideal of on-demand or agile infrastructures. Instead, the current focus is still on fixing infrastructure complexity through consolidation and standardisation.
5. The volume of information is exploding, but business critical access to timely and detailed financial, operating, customer and supplier information is still lacking across most organisations.

The Country Perspective

Malaysia

The shift of IT from back office function into the boardroom has given CIOs more influence in both public and private sector organisations. CIOs have accepted the management challenge and are using this new visibility in the organisation to drive the IT agenda.

An e-government initiative by the Malaysian Government succeeded in improving public service delivery. Fuelled by higher consumer expectation, the government is now integrating more services across agencies and leading an innovation drive along with the communications and high tech sectors.

Key challenges faced by CIOs

1. Manpower shortage

A lack of resources with skills and experience in areas such as SOA, IT security and project management is holding back new technology implementations. Organisations pool current staff strength in order to tackle IT issues and are also exploring Shared Service Organisations (SSO) and outsourcing to ease human resource challenges.

2. No direct control

CIOs at conglomerates with multiple disparate IT departments lack direct control over decision making. So, even when the CIO has influence, this lack of control undermines the implementation of a common IT agenda.

3. ROI speak

CIOs are starting to speak the language of business in order to communicate the business value of IT investment. The rise of the CIO in the organisation signals the potential impact of IT on corporate profitability.

Overall, CIOs must play a bigger part in shaping the business roadmap if technology innovation is to contribute to growth and increased competitiveness.

Many of Malaysia's high growth, newer organisations aren't being slowed down by out-of-date legacy systems. This means they have the potential to ramp up fast when investing in IT. However, there is still a lack of maturity in industrialisation and managing information systems. The next phase in Malaysian organisations is to improve standardisation and get greater value from IT investment.

Singapore

Singapore is unique across the four nations surveyed. Its small size gives it an advantage in pushing forward an aggressive IT agenda. The country has turned IT into a national competitive advantage, leading the way in South East Asia with a highly advanced infrastructure, IT literate population and high penetration of wireless computing devices.

The Singaporean government continues to drive innovation and recently announced a wireless broadband program that will extend Wi-Fi access to public places and be the catalyst for extensive broadband adoption.

Key challenges faced by CIOs

1. Resource limitations

Despite a mature IT sector and emphasis on IT education, companies rely heavily on IT capabilities and are competing for IT skills.

2. Standardisation

CIOs are grappling with how to define enterprise architecture. Compared to other South East Asian countries, architectures in Singapore are more complex and so, integrating processes and systems is an ongoing challenge. CIOs must ensure businesses fully understand what IT can deliver.

3. Cost effective

While the CIO mandate is to deliver productivity and efficiency, deriving cost efficiency is paramount. CIOs must bring more value to the business and maintain their place as C-level executives.

If the IT agenda is to continue moving forward at the same pace, CIOs must better leverage the external partners they are working with in outsourcing or co-sourcing IT delivery.

CEOs are challenging Singapore's CIOs to deliver business value from IT rather than simply new systems. CIOs must quickly gain traction and demonstrate how new technology and IT innovation can enable new business, deliver better customer engagement and improve business processes. Lowered costs within organisations and improved customer experience are two indicators of how Singapore is leading the way in South East Asia to achieving high performance IT.

Indonesia

Indonesia's wide geographical spread and dense population has presented constant challenges as private sector enterprises and government bureaucracies implement an IT agenda to improve competitiveness and service delivery.

Yet, billions in direct foreign investment entering the country and rapid IT capacity expansion mean there is vast potential for IT to help transform whole sectors. In particular, the rapid growth of mobile and wireless technology and internet accessibility, is opening up opportunities for new business models in reaching end customers and realising efficient supply chains in Indonesia's complex geography.

The Asian financial crisis had also prompted a wave of mergers and acquisitions in the telecommunications, finance and services industries that resulted in consolidation of systems. In contrast, product, consumer goods and automobile industries are struggling to justify high IT cost of automation versus low labour cost to do the same job.

Key challenges faced by CIOs

1. ROI from IT investment

CIOs are still grappling with justifying the business case for IT investment due to the high cost of globally sourced IT equipment and software licences, as well as access to specialist expertise. Justifying this investment requires calculating the wider business benefit of process integration facilitated by the new technology, as well as the profit impact of new services.

2. Skills

There is a general gap in demand for and availability of both, general IT programming skills and specialist expertise in architecture, packaged enterprise solutions and IT infrastructure. Access to these skills can be expensive and for many organisations, retention of skilled staff is difficult.

3. Organisation chain

There are still many CIO's that are not fully embedded in strategic business decision-making processes, with a majority playing a supporting role to provide and operate IT infrastructure and applications to the business users. In some organisations, the COO or CFO doubles up as the CIO. As Indonesian organisations continue to transform based on their investment in IT capabilities, top management will need the deep insight into technology that CIOs bring with them. At the same time, this will mean many CIOs will need to step up to a new, much more strategic role as central members of the business leadership team.

The great news for Indonesia is that as business and government invest in IT, capacity expansion is rarely hampered by complex legacy systems and IT integration. Assuming that Indonesian organisations are willing to transform their business processes based on the new technology, rather than simply automate outdated inefficient processes; they will be able to make rapid progress in both productivity and competitiveness.

One example where IT is already having significant impact is distribution. Traditionally it has been difficult and costly to reach customers throughout Indonesia's geography, having to rely on many layers of middlemen. With new infrastructure enablement, vastly more efficient and reliable central distribution methods can be implemented.

Thailand

The Thai CIOs we talked to are ready to embrace new technology. Both the private and public sectors have contributed positively to pushing IT adoption and introducing new technologies to Thailand, and the Thai Government pro-actively promotes e-services and is continuously integrating and improving its suite of services.

Key challenges faced by CIOs

1. Accessibility

Given a relatively small domestic IT sector, access to the right specialised people at the right cost is challenging the completion of projects.

2. Enthusiasm

Excitement over the potential of new technology sometimes clouds rationale, and CIOs fail to establish business objectives for the technology and the real value of its contribution to the organisation.

In the next few years, CIOs from the largest Thai companies will continue to explore and invest in areas such as IT strategy among conglomerates and SSO among organisations with a regional presence. Organisations large and small have also indicated an interest to initiate the adoption of Service Oriented Architecture (SOA) sooner rather than later. However, this interest in SOA will require long-term planning and integration into the overall business plan if the business is to achieve the forgotten outcomes.

1. Innovation

South East Asian organisations are investing in innovation but it needs to be more targeted if these companies are to achieve competitiveness in the global market place.

When attitudes in IT adoption are compared between the major global markets, today's public and private sector enterprises in South East Asia are more aggressive in pushing new IT adoption than those in the United States (see Exhibit 1). Globally though it is enterprises in China, unencumbered by legacy systems, who are the most aggressive in adopting new information technology. This investment in innovation has the potential to seed future growth far in excess of that achieved today primarily through labour cost advantage.

Organisations in South East Asia are also doing well in taking a long term view of investment in technology innovation. While CIOs in the United States and Europe reported a highly cyclical investment pattern, enterprises in the South East Asian markets indicate only modest downturns in new software and equipment spending during economic lag cycles (see Exhibit 2).

The business rationale for technology innovation is to transform business processes to help create differentiated products or services and maximise productivity. Online transactions, for example, average only ten percent of the cost of the traditional business process.

In South East Asia today, many public and private sector enterprises are making fast progress to transform internally and improve efficiency. Currently 62 percent of IT capital expenditure is directed at productivity improvements. For example, CIOs surveyed had an average of 62 percent of internal HR processes – that can be automated – are already online (see Exhibit 3).

However, applying IT innovation to market facing transactions still has a long way to go. Business growth is the primary objective of only 36 percent of IT capital expenditure for organisations in this South East Asian

research. Again, this focus is reflected in the state of business process transformation: only 53 percent of customer interactions and only 44 percent of supplier interactions that could be automated are online, allowing significant opportunity for existing or new players to shift the basis of competition.

Exhibit 1 – IT Adoption Attitudes in Asia, Europe and the United States

What is your attitude to new technology adoption?

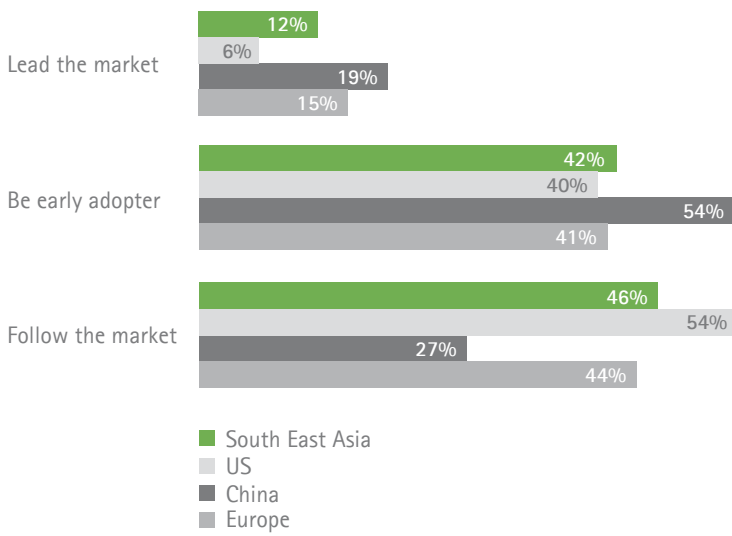


Exhibit 2 – IT Investment Over Time in South East Asia

How does your IT Capital Expenditure differ based on company earnings results or government budgets?

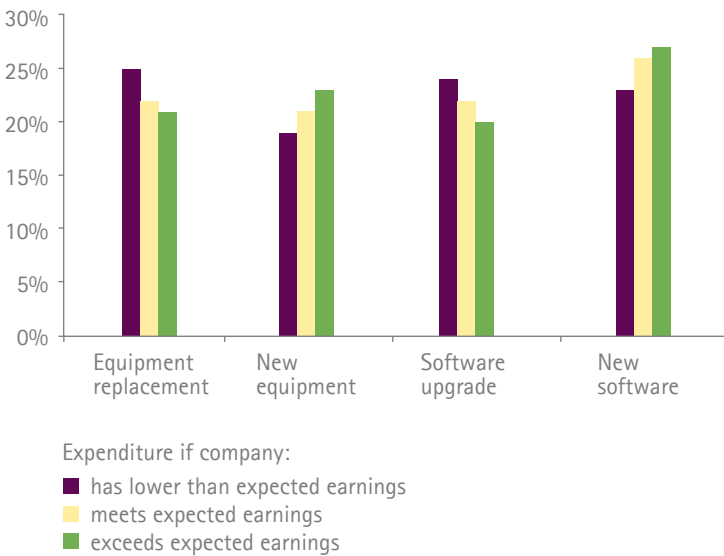
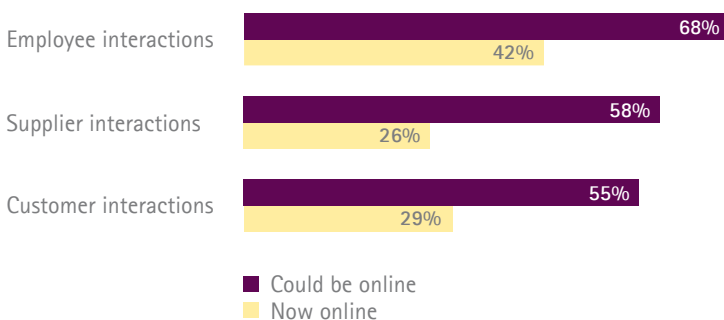


Exhibit 3 – Online Utilisation in Transaction Processing in South East Asia

Rate your potential vs current online utilisation



2. Industrialised IT Delivery

Operational delivery is still lacking in South East Asian IT organisations diminishing the impact of time and resources spent on strategic priorities.

IT organisations in South East Asia are allocating resources to activities that impact business results. For example, only 36 percent of IT application management time is now spent on running or fixing existing applications, leaving two thirds of time for enhancements or building, integrating, testing and deploying new applications. (see Exhibit 4).

However, at the same time IT functions are not delivering on some fundamental strategic requirements (see Exhibit 5): Less than one third of IT functions were reported as excelling in reducing the risk of business disruption, with a similar lack of confidence in believing that systems being built would be actually utilised by the business.

The state of operational delivery shows a similarly problematic picture. IT function errors represent the primary driver of unplanned troubleshooting costs in 68 percent of organisations. In addition, there is a skills shortage in application development exacerbated further by poor management that buries potential resources in lower value projects and roles. Overall, there

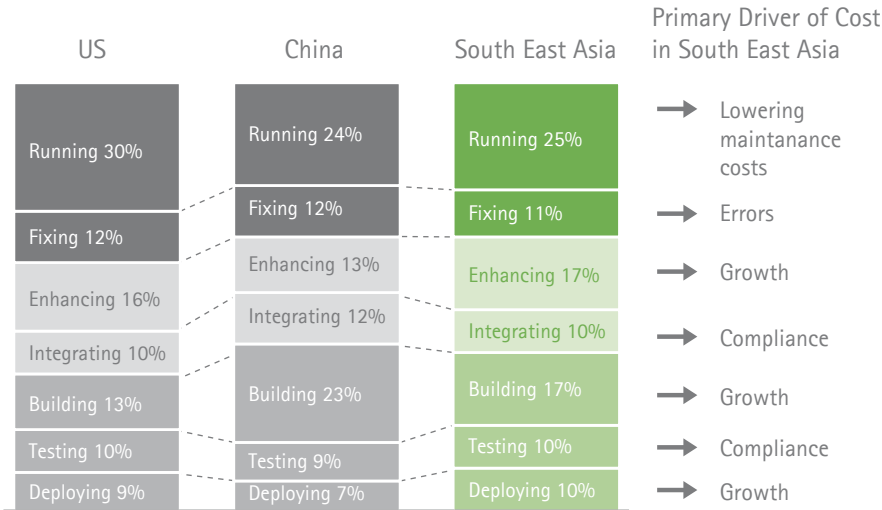
is an average 30 percent gap between how current IT functions perform in managing applications and where CIOs say they want it to be.

One reality of IT delivery is the need to partner with external vendors for specialist skills. For example, 89 percent of enterprises surveyed say application development work is primarily carried out using external resources or a mix of external and internal resources. Managing these IT outsourcing partners, however, is still relatively unsophisticated with a majority of CIOs relying solely on the 'stick approach' of Service Level Agreements (SLAs) rather than agreeing any business outcome based incentives. CIOs also said there was the potential to better utilise

capabilities available from current IT outsourcing partners.

Overall, CIOs face significant barriers to improving delivery performance, including scoping definitions and requirements, business and/or IT project management, IT development and development methodology. Hence, CIOs identify quality assurance, method and processes, training, planning and estimation as routes to improving delivery performance (see Exhibit 6) with less focus on individual or organisational certifications and proficiency measurement.

Exhibit 4 – Time Spent on IT Application Delivery



Source: 2005 and 2006 Accenture High Performance IT Research

Exhibit 5 – Importance vs Performance in Delivery of Application Development and Maintenance

Rate the performance and importance of the following objectives in improving the delivery of applications development and maintenance in your organisation.

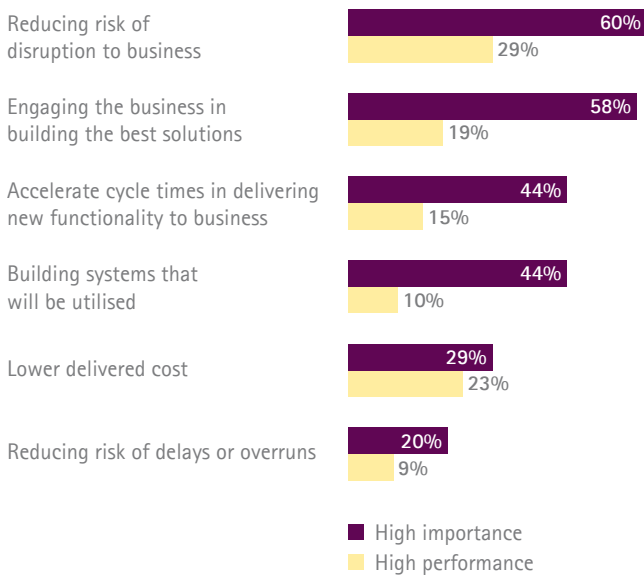
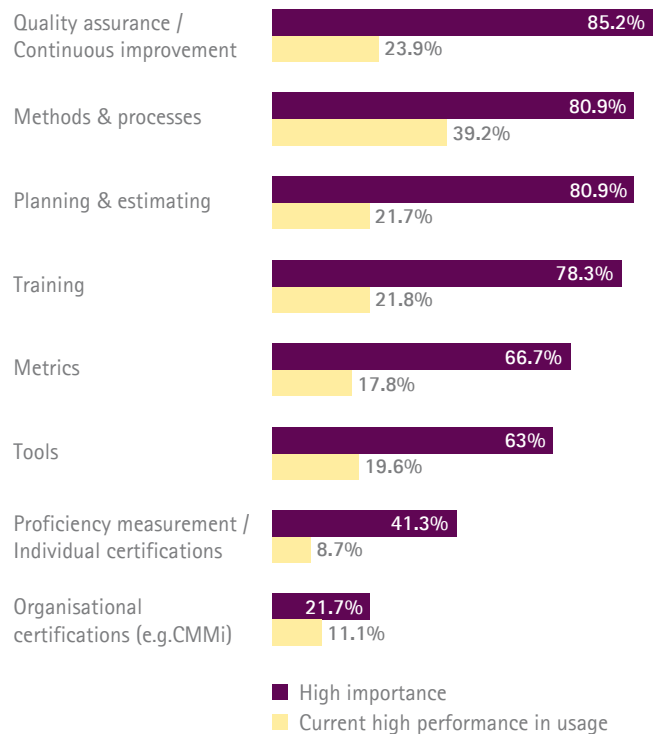


Exhibit 6 – Key Areas to Improving Operational Delivery Performance

Rate the importance of the following methods for improving your organisation's delivery performance vs current performance in using these methods.



3. IT Applications and Integration

At the centre of competitive differentiation for private sector and service best practice in government are IT-enabled business processes. However, South East Asian enterprises are far from ready to take advantage.

Consumer empowerment took a leap forward with the rapid worldwide adoption of the Internet. In South East Asia this has accelerated even further with increasing access to wireless communications. Today, more and more consumers have an expectation of instant access to goods and services, yet still desire a tailored buyer experience.

The following three examples show how today's IT application management and integration are not yet ready to help business and government adapt to rapidly changing consumer needs.

1. Speedy enablement of new product or service requirements

Most organisations lack the dexterity to make fast changes to IT applications that can enable new product or service requirements to meet customer demands. Only a small number of organisations have achieved the ability for weekly or monthly updates in their core production and operations system, with many more still working in quarterly or annual cycles (see Exhibit 7).

2. Moving the focus to the extended enterprise

IT integration today is 75 percent internal and only 18 percent focused on integrating with customers or suppliers

systems (see Exhibit 8). Going forward, the focus must move from the internal organisation to the extended enterprise including customers and suppliers. In addition to the focus on IT integration, organisations must overcome the challenge of integrating and simplifying underlying processes to transform the workflow. The real agenda is often not the technology, but implementing and adopting such processes.

3. Focusing on front-end applications

Today 59 percent of operating budget is spent on back office applications and only 41 percent on production or front office applications (see Exhibit 9). At the same time, according to CIOs participating in this research, many front-end applications are inadequate in meeting business needs and technical requirements. This is especially true in customer service and

sales and marketing areas.

On the positive side, CIOs expressed the objective to become more strategic in their approach to application portfolio management. This included moving from ad hoc replacement to using drivers such as application performance metrics and business returns. Another objective is to make their IT organisation more agile at adding new functionality to applications.

Many CIOs also reported they would start implementing a SOA over the next 12–18 months. Yet, even with the application management challenges listed above, justifying the business case for SOA investment still remains difficult for many. Business leadership is unlikely to approve wholesale adoption until more real life case studies of SOA based transformations are available.

Exhibit 7 – Flexibility of Application Changes

How frequently can you currently introduce functional changes / upgrades to these applications?

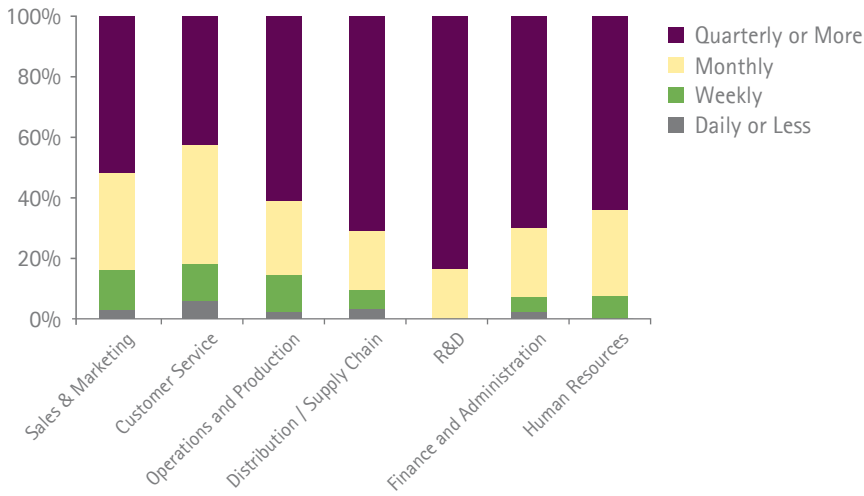


Exhibit 8 – Integration Focus

What percent of interfaces in your organisation are used for the following?

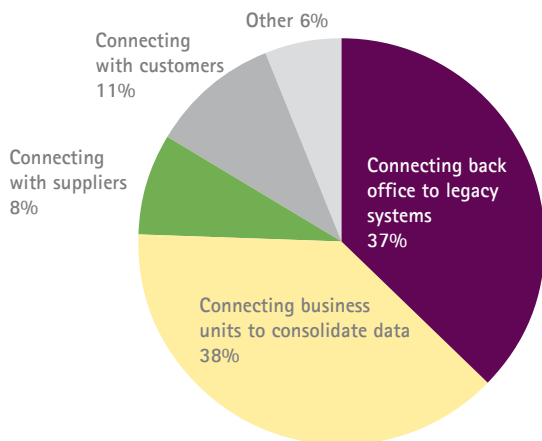
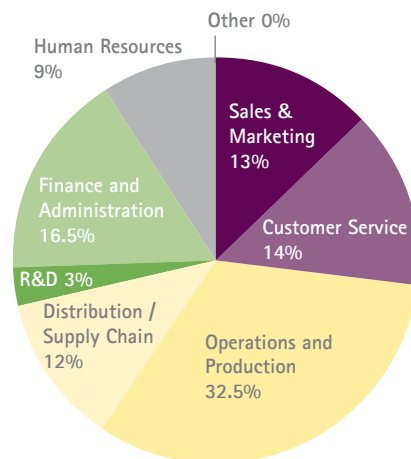


Exhibit 9 – Allocation of Application Operating Budget

What is the estimated percent of total applications operating budget?



4. Infrastructure

Asian enterprises are still far removed from the ideal of on-demand or agile infrastructures. Instead, the current focus is still on fixing infrastructure complexity through consolidation and standardisation.

Infrastructure, the hardware that delivers information and the immediate software layer that manages the hardware, is moving from an era characterised by scarcity and constraint to an era characterised by abundance. The sheer physical ability to gather, store and manipulate data is now more than adequate for all but the highest-end business needs. This means the future infrastructure agenda will shift towards quality of service, reliability, dependability, flexibility and maintainability.

Looking at adoption plans for new IT infrastructure technologies confirms that infrastructure itself is becoming commoditised. Security software, virtualised storage and wireless LANs have all become mainstream (see Exhibit 10). The next broad based implementation will be Voice over Internet Protocol (VoIP), Embedded Wireless Systems and Real Time Data Warehousing.

CIOs in South East Asia estimated they spend 38 percent of IT function time managing infrastructure. Of this, they estimated half is spent running infrastructure, serving the users and managing compliance in production and operations, network management, provisioning and

audit. Troubleshooting, patching and maintaining the current infrastructure takes up another 19 percent of total infrastructure management time leaving 31.5 percent of time for planning and building the future infrastructure such as capacity planning, updating or configuring software applications (see Exhibit 11).

Today's infrastructure agenda in South East Asia is dominated by operational improvements aimed at improving service management and reducing complexity of systems, standardising and consolidating servers, desktops, messaging and Wide Area Networks (WAN) (see Exhibit 12). This follows on from earlier work to standardise and consolidate storage, which in this

latest research was only mentioned as high priority by one third of CIOs.

Exhibit 10 – IT Infrastructure Technology Adoption

Where are you with the following infrastructure technologies?

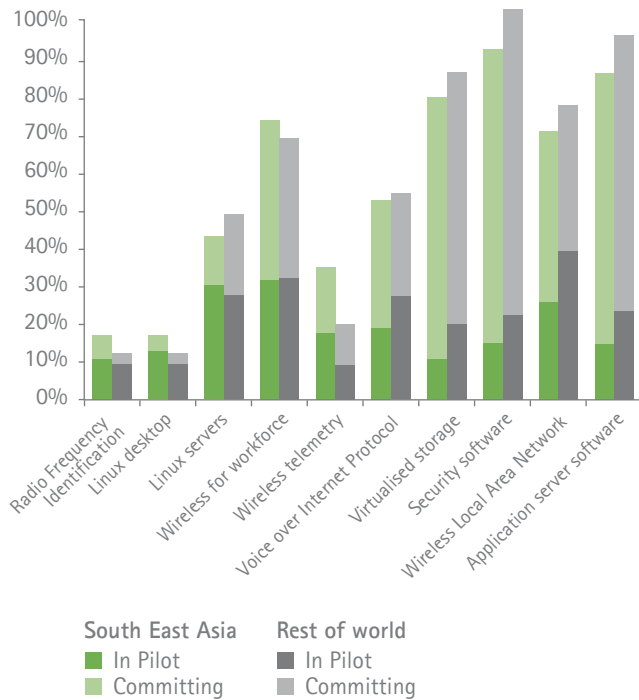


Exhibit 11 – Relative Distribution of IT Infrastructure Management Time

Of the total time spent managing infrastructure, how is this allocated?

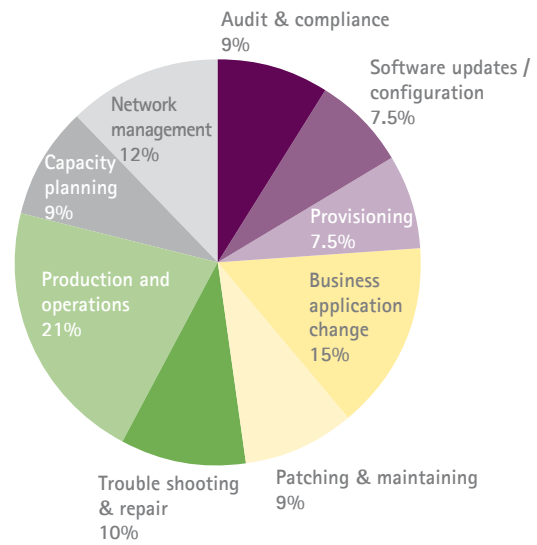
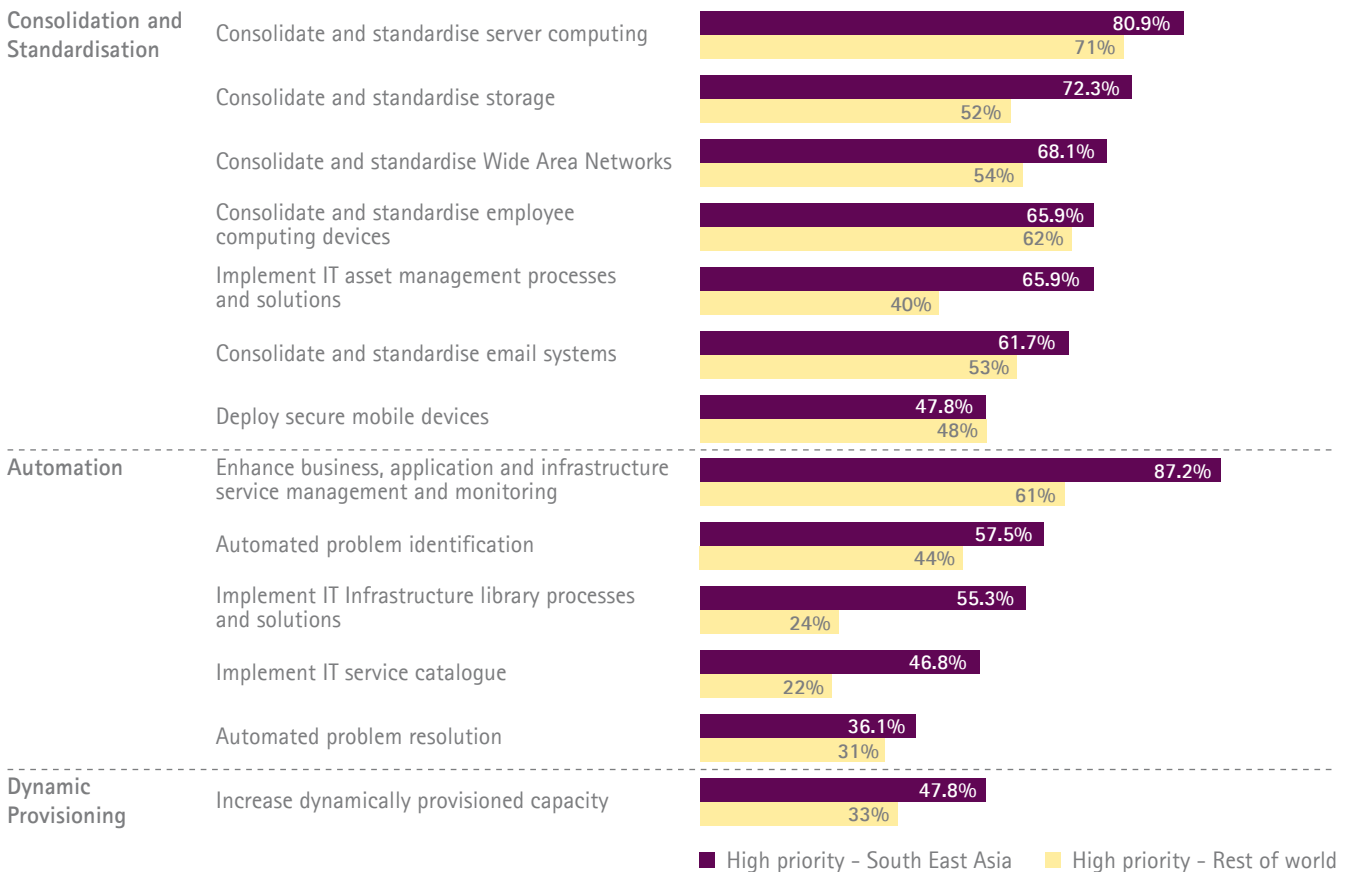


Exhibit 12 – Infrastructure Investment Priorities

Describe the infrastructure and security priorities for your organisation.



5. Information Management

The volume of information is exploding, but business critical access to timely and detailed financial, operating, customer and supplier information is still lacking across most organisations.

Information management in the future will be characterised by three challenges. First, there will be the sheer growth in the volume of structured and unstructured information. Second, is the emergence of real-time information from sensors and embedded devices which today's information management infrastructure is not equipped to handle. And, third is the increased dependence of companies on external information over which they have no control.

CIOs in South East Asian organisations must improve current information management practices, including data governance if they want to transition smoothly to this global future reality. Access to high quality management information today remains an aspiration rather than a reality for CIOs and line staff in many organisations. On average, less than half of the organisations participating in the research had access to highly granular customer, product, internal process, supplier or pricing data. Access to the different kinds of management information again was also rated as good by half or less of the respondents. While more CIOs indicate high levels of timeliness

of information and of information security for customer, product and pricing information, too few give the same rating to business process and supplier information (see Exhibit 13).

This latest research also shows that too few organisations make information easily available to employees in adequate detail. Implications of this include business decision making without availability of the right kind of information. Granularity in information on suppliers and internal business processes is still absent and information pertaining to pricing, customer, product or service was highlighted as difficult to obtain.

Of course, limiting information access may be a management choice of the intrinsically hierarchical corporate culture in South East Asia. Business leadership may intentionally not support having detailed operational information available down the line.

However, this means organisations wanting employees to leverage information as a valuable resource will require as much investment into cultural transformation as into the actual IT systems or process change.

Exhibit 13 – Sophistication of Information

For the following types of information, rate its granularity, accessibility, accuracy and security.

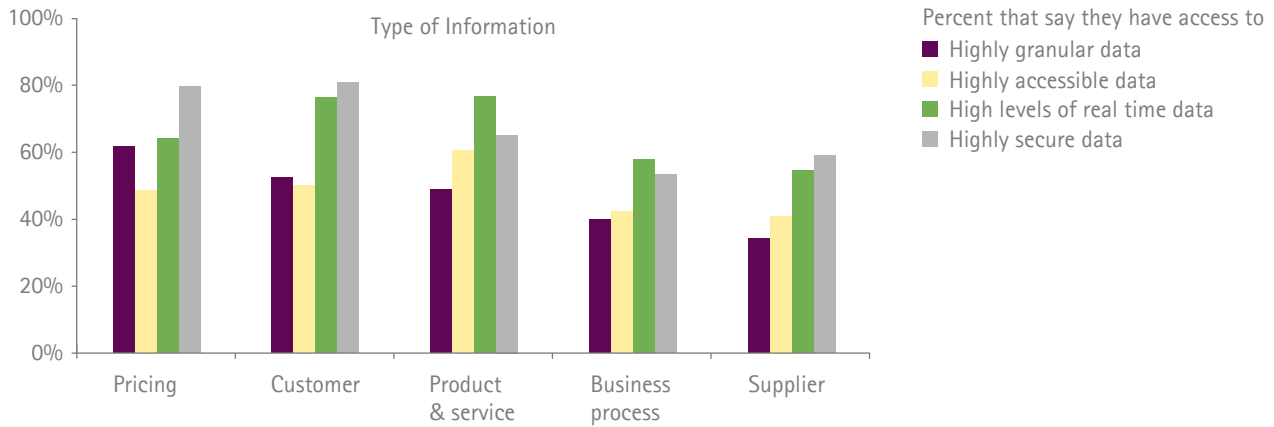


Exhibit 14 – Performance gap between how organisations are currently using data and managing its quality and where CIOs think this should be.

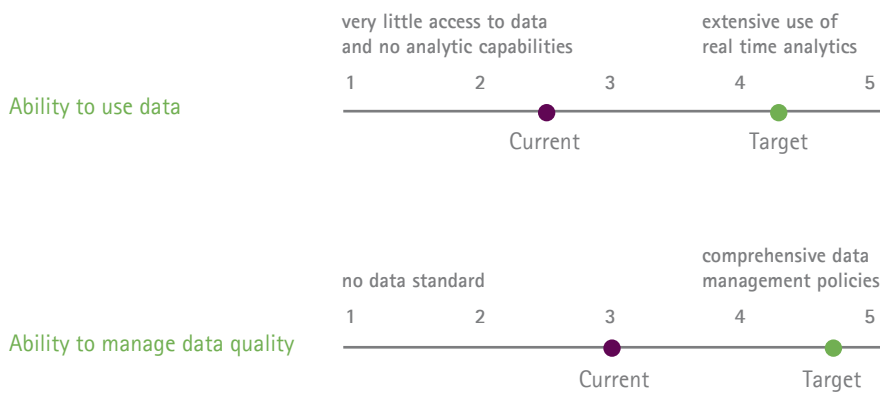
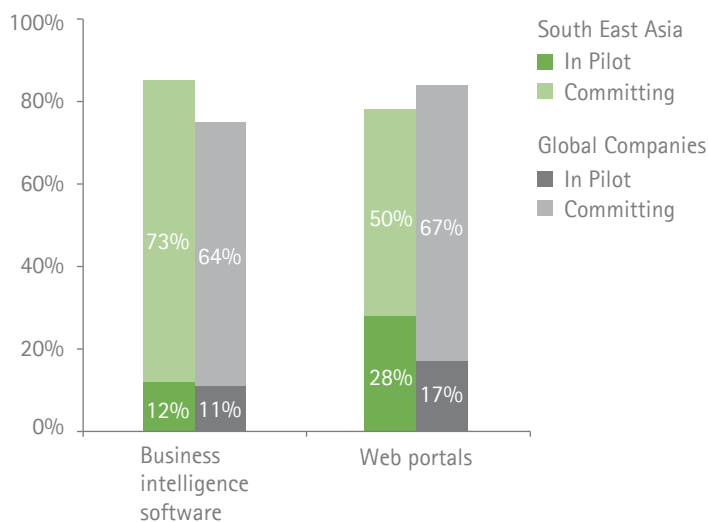


Exhibit 15 – Investment in information technologies in South East Asia compared to global high performing companies.

South East Asian companies are heavily investing in portals and business intelligence software to improve information analysis.



Moving Towards High Performance IT

Many of the CIOs that participated in the research have been empowered to achieve higher levels of IT investment performance in their organisations. More than half claimed to have been given more responsibility and involvement in overall business decision making in the past one to two years. And over half of the CIOs had achieved recognition as a true C-level executive, reporting to the CEO or its equivalent. These technology executives have the responsibility to ensure IT investment will make a business more profitable or a government organisation more efficient and responsive.

In line with their increased status, CIOs in South East Asian organisations have also been given greater ownership over IT budgets and IT investment decision making and with it greater accountability for ensuring business value from IT spend and investment by their superiors and peers (see Exhibit 16).

The findings of our research show that CIOs must make change happen to achieve higher levels of outcomes from their IT investments. So, what are the steps in moving towards High Performance IT? Fundamentally, achieving high performance in IT investment and management requires an integrated view of all IT planning, investment, management and delivery processes within the enterprise. Information technology undoubtedly permeates every large organisation and fundamentally underpins all product or service delivery. This means any improvement programs built within a silo are unlikely to pay off without being part of an integrated plan.

Based on this integrated point of view, CIOs must establish their own long term roadmap for improving IT capabilities across the five broad key areas of IT management: Innovation, Industrialisation, Integration, Infrastructure and Information (see Exhibit 17).

Exhibit 16 – CIOs Dominate IT Investment Decision Making

Who has active responsibility for the business oversight of IT in your organisation? i.e for ensuring the business value of IT spend and investment.

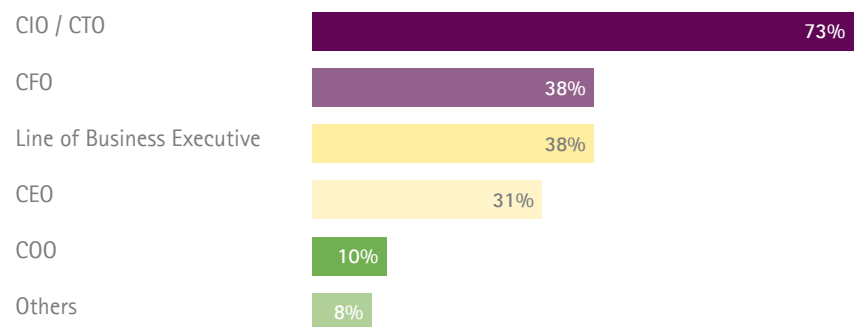


Exhibit 17 – High Performance IT Roadmap

	Basic	Progressive	Pioneering
Innovation	Replacing technology with better technology	Business productivity innovations	Strategy enabling innovations
Industrialisation	Labour cost arbitrage	Predictable and repeatable	Cycle time focused delivery
Integration	Point integration solutions	Enterprise integration	Cross enterprise service oriented architecture
Infrastructure	Consolidate and standardise	Internal on-request	Dynamically provisioned and externally secure
Information	Transaction data efficiency	Business intelligence	Real time insight

Implementing the CIO Agenda for High Performance IT

We suggest CIOs start planning their journey with the help of the following checklist.

Innovation

Managing a pipeline of new technologies that can be applied to high-impact customer relevant processes.

- High level of business alignment with IT investment.
- Portfolio of investments managed by a strong governance model.
- High predictability of investment outcome through industrialised IT delivery.
- Consistent level of reinvestment in new technology.
- Comprehensive and quantified business cases including cost and overall business impact.
- Business cases serving as management tools, not simply investment justification.
- Newer, cheaper technology used to replace old, expensive systems.
- Leveraging new integration tools across legacy IT systems.
- Using new technology throughout maximum user base to transform processes.
- Objective measures/metrics of outcomes delivered through innovation.

Industrialisation

Instilling manufacturing disciplines in planning, designing, delivering and managing IT.

Effective IT leadership

- Regular survey of business users of IT services and applications.
- Identified roles assigned to manage business and IT alignment, with a clear customer-oriented mandate.
- Regular benchmarking of outsourcer/service-provider services and costs coupled with access.
- Market intelligence on average industry costs, benchmarks and trends.

Overcoming delivery problems

- Culture and governance oriented toward root-cause identification and resolution.
- Post project reviews for all projects (successful or otherwise).
- Capable time and expense management, reporting and analysis across all activities.
- Effective problem management, SLA processes (or business outcome based incentives), reporting and analysis.
- Introduction and mandatory use of standard methodology.
- Compliance with an agreed enterprise architecture model.

Managing productivity

- IT Governance and reporting processes, including matching of supply and demand.
- Progressive skills management tools linked to learning management systems.
- Planning and encouraging reuse.

Overall

- Integrated infrastructure performance metrics with business metrics.
- Active management to broader performance metrics: utilisation, cycle time to change and flexibility.
- Automated data capture, analysis and reporting.
- Information sources and management tools available from a single location (e.g. portal).

Integration

Leveraging standards based SOA, linking processes, technology and people across the entire organisation and beyond the enterprises – not to integrate technology – but to enable fundamentally new business processes.

- Service catalogue as the basis of all planning and delivery.
- Metrics for effectiveness of current services and processes.
- Replacement and refresh of select services and sourced as required.
- Governance, investments and

methodology aligned to the new model.

- Benchmark and iterate.

Infrastructure

Delivering secure, reliable solutions and predictive performance monitoring.

- Assumption of Moore's Law style of growth in the demand for infrastructure capacity.
- An infrastructure architecture designed to facilitate the addition of new services and to support simple decommissioning.
- An integrated security strategy as part of the business and infrastructure strategy, balancing protection with access to vital information and ease of use for customers and suppliers.
- Adequate performance information and metrics available to guide the transformation.
- Technology innovation built into the program plan.

Information

Enabling fact-based decision making and actions.

- Three phases of information strategy development.
 - What does better information mean for our business?
 - Where are our opportunities?
 - How can information drive better decisions and higher performance?
- Strategy implemented in relation to:
 - Governance – organisation, roles and responsibilities, policies and standards and security rules;
 - Data – reference master, data enrichment, integration and metadata;
 - Storage – structured, unstructured and digital media; and
 - Delivery – portals, scorecards, analytics and search.

About the Authors

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Andrew Weekes is Accenture's Technology Consulting Lead for South East Asia and India and has 18 years experience leading project teams in the Government, Communications and High Tech, Financial Services and Resources industries. Based in Singapore, Andrew specialises in assisting CIOs in creating high-performance IT organisations including how to run IT as a business, IT Strategy, Enterprise Architecture and IT Governance. He also has a specific focus on Service Orientated Architecture (SOA) and helping clients align technology and business objectives using SOA. His geographic experience includes Australia, New Zealand, Malaysia, USA, Korea, Japan and Singapore. He speaks regularly at conferences on innovative technologies and currently participates in the IDA - Singapore RFID Alliance Steering Committee, including chairing a working group on RFID Return on Investment (ROI).

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Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilise the right people, skills, and technologies to help clients improve their performance. With approximately 146,000 people in 49 countries, the company generated net revenues of US\$16.65 billion for the fiscal year ended Aug. 31, 2006. Its home page is www.accenture.com.

High Performance Business

How is it that a select number of companies and government organisations consistently outperform their peers and deliver value to stockholders, regardless of circumstances?

Accenture's hypothesis is that these enterprises, seemingly so different in external detail, actually share common underlying behaviors and characteristics that can be identified, measured and replicated. Accenture's High Performance Business initiative is dedicated to investigating this premise and applying what we learn to help clients become high-performance organisations.

High Performance IT

The right IT investments can do more than help companies achieve immediate corporate goals – they can also fundamentally alter the future of a business. New technologies can open up new markets and new ways of working. Smart IT decisions can enable dramatic improvements in operational efficiency and competitive advantage. See www.accenture.com/ciosurvey.

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